



Yardi[®] Matrix

National Multifamily Report

October 2024



Multifamily, SFR Rents Decline in October

- As the market prepares for a change of administration and policies, multifamily advertised rents fell \$3 in October to \$1,748. Year-over-year growth, 0.9% in October, has been range-bound between 0.7% and 0.9% since January.
- The regional dividing line caused by supply growth continues. In the Matrix top 30 metros, the top 11 metros for rent growth are all in the Northeast, Mid-Atlantic and Midwest, while the bottom nine are all in the Southeast or Southwest, where deliveries are high.
- Single-family rental rates had their worst performance in years in October, as advertised rents fell \$8 nationally to \$2,164, dropping the year-over-year growth rate 30 basis points to 0.3%. Like multifamily in general, high-supply markets are feeling a (likely temporary) pinch.

U.S. multifamily rents dropped in October, as the average U.S. advertised rent fell \$3 to \$1,748. Demand, however, remains strong enough to balance the increase in deliveries in most markets. Through September 2024, 329,000 apartment units have been absorbed, putting the market in line for one of its better recent years. Supply has grown slightly more than absorption, prompting the U.S. occupancy rate for stabilized properties to drop 10 basis points to 94.7%.

While the overall trend remains favorable, the outlook became cloudier on Election Day. Vice President Kamala Harris would have kept in place policies similar to President Biden's, but President-elect Donald Trump campaigned to implement changes that include a promise to deport millions of undocumented immigrants and their families, who have been a source of demand in recent years.

While it's too soon to forecast specific policy changes, financial markets braced for higher inflation owing to Trump's promise to increase tariffs on many imported goods. The 10-year Treasury rate rose 20 basis points to 4.45% during the day after the election. Higher Treasury rates are an impediment to transaction activity and make it more difficult to refinance underwater mortgages. Meanwhile, in the wake of the election, the 30-year mortgage rate rose to 7.1%, a full percentage point above the recent low in July. Higher home mortgage rates make homeownership more expensive relative to renting, which keeps residents in place, a plus for multifamily demand.

Also on Election Day, California voters rejected a ballot measure that would have enabled municipalities to expand rent control. Passage would have undermined efforts to address the state's affordability problem.

National Average Rents

