



Yardi[®] Matrix

National Affordable Housing Report

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Expenses, Income Rise In Affordable Housing Properties

Expenses have increased at above-trend levels for several years at all multifamily assets, but it could be most keenly felt for affordable properties, where expenses generally take up a greater share of revenue than in market-rate properties, according to an analysis of Yardi Matrix data. Through three quarters of 2024, expenses rose an average of 6.4% year-over-year per affordable multifamily unit nationally, according to Matrix. That’s a deceleration compared to the previous two years, but still more than typical annual expense growth of 3-4%.

The growth in expenses was led by property insurance, which has increased rapidly in recent years due to the growing number of weather-related damage claims and marketing costs. Insurance per unit rose 20.3% year-over-year through September 2024, while marketing rose 18.4%. On a regional basis, the Southwest (8.5%) and West (6.8%) led in expense growth in affordable properties over the past year. Expense growth is highest in rapidly growing areas in which inflation is high and where insurance costs are soaring.

The data comes from an analysis of 6,443 affordable multifamily properties in 114 metros across the U.S. in the Yardi Matrix database. The sample includes fully affordable properties, which we define as assets in which at least 90% of units are designated as affordable. That encompasses prop-

