



Yardi[®] Matrix

National Multifamily Report

April 2024



Rent Growth Returning as Absorption Holds Steady

- April heralded good news for the multifamily market, as rents rose solidly for the second straight month. The average U.S. asking rent increased by \$6 to \$1,725, while year-over-year growth was unchanged at 0.7%.
- Multifamily faces challenges that include increased expenses and insurance costs plus higher-for-longer interest rates, but post-pandemic demand for units has remained consistent, leading to healthy absorption numbers in most locales.
- The single-family rental market also had its second straight strong month, with rents increasing \$9 in April to an all-time high of \$2,154. The year-over-year growth rate rose 10 basis points to 1.3%, and occupancy rates were unchanged at 95.4%.

Multifamily performance remained strong in April, as rents climbed for the second straight month and approached peak levels. Nationally, rents increased by \$6 in April to \$1,725, up \$12 year-to-date and only \$2 off the all-time high of \$1,727 set last summer, according to Yardi Matrix.

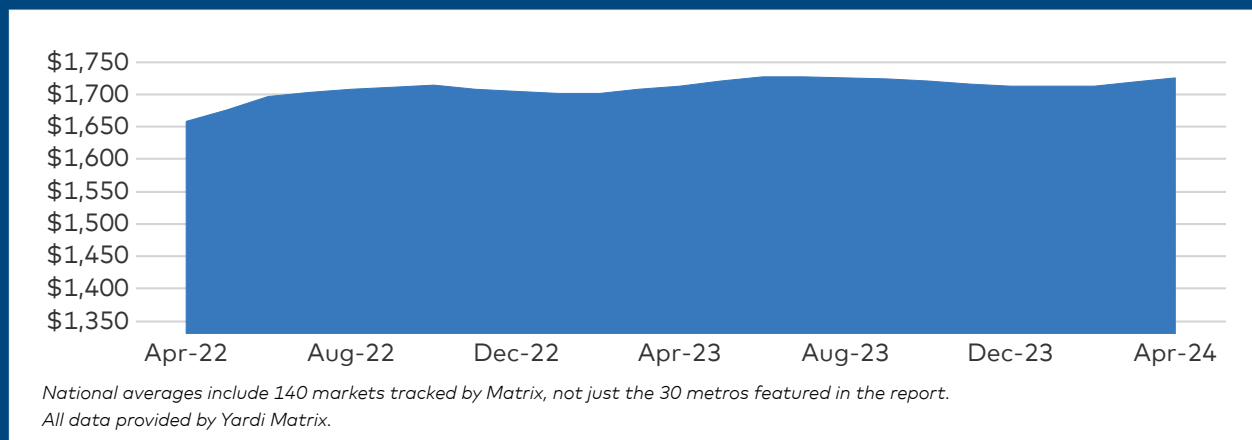
Although rent growth remains moderate, there are plenty of encouraging signs in the data. Most importantly, demand for apartments continues unabated due to high levels of household formation stemming from the strong job market, large numbers of immigrants and ongoing migration to the South and West. Absorption is not near 2021's peak levels, but 2024 started at a pace that would be on par with an average year and slightly ahead of 2022 and 2023 levels.

The patterns of rent growth can also be viewed with some optimism. For one thing, demand is not limited by region or market size—it is widespread

across the country. New York City and San Francisco, which have had issues with outmigration and population loss in recent years, have recorded positive apartment absorption over the last two years and are the only two metros in the Matrix top 30 to maintain their occupancy rate year-over-year through March. New York leads the top 30 metros with 4.6% rent growth year-over-year. Metros in the Midwest also have positive absorption and have ranked among the rent growth leaders for the past year.

Meanwhile, demand is not the problem in Sun Belt metros in which rents and occupancy rates have slipped over the past year due to an abundance of new units delivered. As a result, rent growth is again positive over the short term in markets such as Phoenix, Orlando and Charlotte. Only four top 30 markets—Austin (-0.3%), Atlanta (-0.2%), and Raleigh and Tampa (-0.1%)—have had negative rent growth over the past three months.

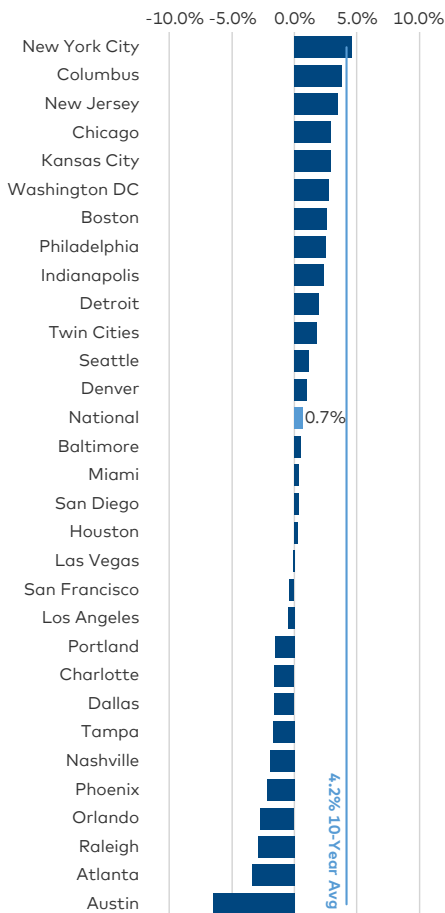
National Average Rents



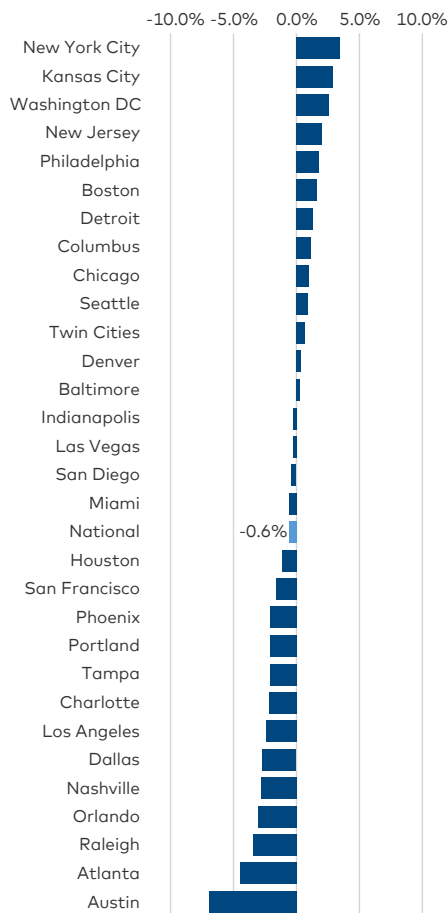
Year-Over-Year Rent Growth: Austin and Atlanta Lag as Rents Rise Nationally

- The national average asking rent rose to \$1,725 in April, with the year-over-year growth rate at 0.7%. Rent growth continues to be highest in the Northeast and Midwest, led by New York City (4.6% year-over-year), Columbus (3.8%), New Jersey (3.5%), and Chicago and Kansas City (both 2.9%). Negative rent growth is abating for a number of high-supply metros in the Sun Belt, as Austin (-6.5%) and Atlanta (-3.4%) are the only metros among Matrix’s top 30 markets that are down by more than 3.0% year-over-year.
- The national occupancy rate was unchanged at 94.5% in March, a rate held since the beginning of the year. No metro has recorded a year-over-year increase, and the national rate has not topped 95.0% since April of last year. The occupancy rate has dropped over the past year in 28 of Matrix’s top 30 metros. Occupancy rates have slipped below 93% in four metros: Atlanta (92.4%), Houston (92.6%), Las Vegas (92.7%) and Austin (92.8%).

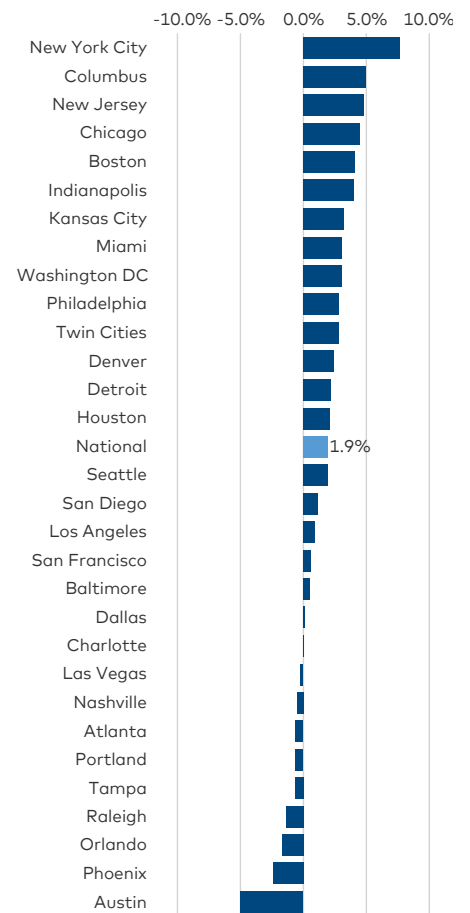
Year-Over-Year Rent Growth—
All Asset Classes



Year-Over-Year Rent Growth—
Lifestyle Asset Class



Year-Over-Year Rent Growth—
Renter-by-Necessity Asset Class



Source: Yardi Matrix

Short-Term Rent Changes: Recent Upturn Puts Lifestyle on Par With RBN

- U.S. rents rose 0.3% month-over-month in April, with 25 metros posting modest gains.
- Rents rose 0.3% month-over-month in both the Renter-by-Necessity and the luxury Lifestyle segments.

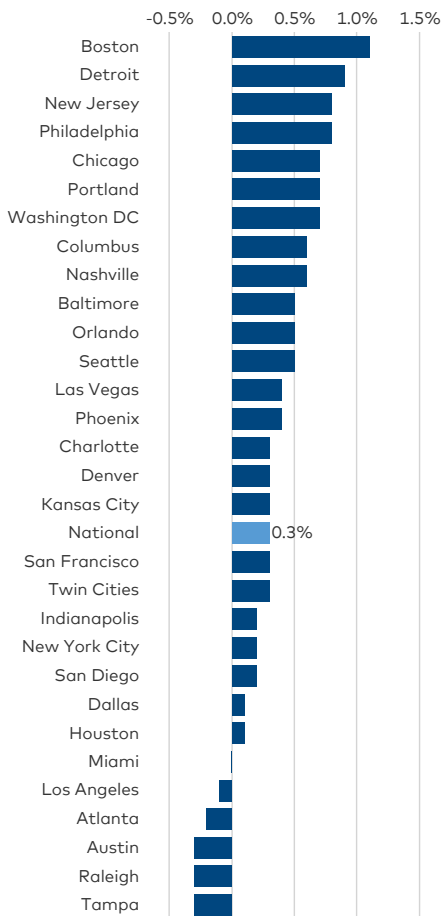
Overall, monthly rent gains were led by Boston (1.1%), Detroit (0.9%) and Philadelphia (0.8%). Meanwhile, a handful of Sun Belt markets posted modest declines, with Austin, Tampa and Raleigh recording the largest (each down 0.3%).

Rent growth was in the black in the majority of top 30 metros in both Lifestyle and RBN. Boston

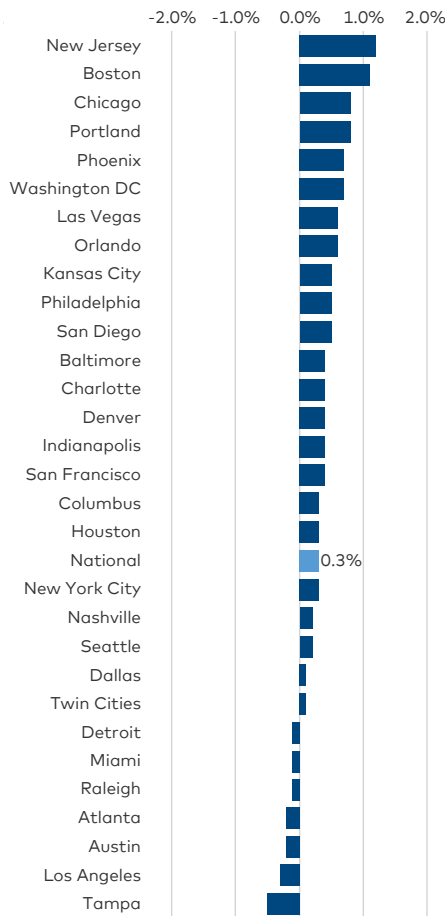
(1.1%) recorded the largest overall increase, while New Jersey (1.2%) led in Lifestyle and Nashville (1.2%) led in RBN. While the Northeast is performing well, the Sun Belt continues to struggle, with the largest declines in both segments recorded in Austin (-0.2% in Lifestyle and -0.4% in RBN) and Raleigh (-0.1% in Lifestyle and -0.8% in RBN).

Year-over-year, Lifestyle rent is negative (-0.6%) while RBN is positive (1.9%). However, Lifestyle's upswing month-over-month is an underlying sign of strength in the rental market, as it indicates that renters have the wages necessary to afford Lifestyle units.

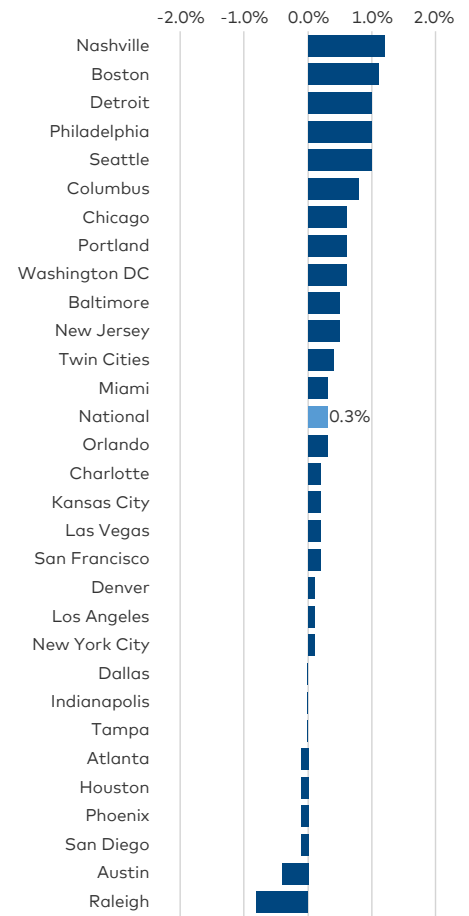
**Month-Over-Month Rent Growth—
All Asset Classes**



**Month-Over-Month Rent Growth—
Lifestyle Asset Class**



**Month-Over-Month Rent Growth—
Renter-by-Necessity Asset Class**



Source: Yardi Matrix

Transacted Rents: Spring Brings Increase in Renewal Rents

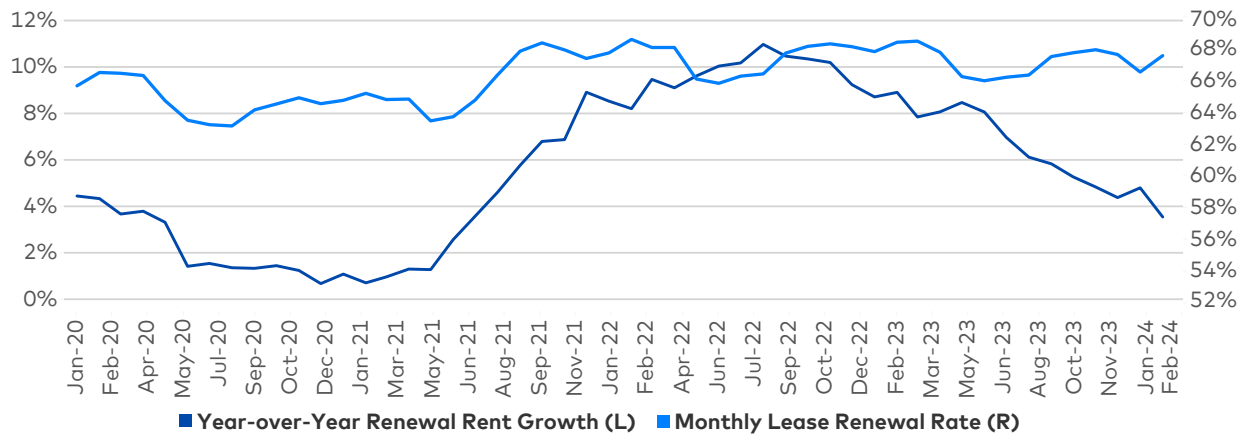
- Renewal rent growth recorded an uptick of 4.4% in March, up 80 basis points from February. Renewal rents, the change for residents that are rolling over existing leases, has been below 5.0% since October and is down 660 basis points from the peak in August 2022. Columbus had the highest renewal rent growth (10.0%), followed by Kansas City (9.4%) and Miami (7.7%). The three metros with negative renewal rent growth are San Francisco (-0.6%), Austin (-1.4%) and Los Angeles (-15.4%). Los Angeles has struggled with a weak job market, tepid demand—especially in the downtown—and a shortage of affordable product.
- The national lease renewal rate averaged 65.8% in March, a low that has not been recorded in nearly two years. Lease renewal rates were highest in New Jersey (83.8%) and lowest in Los Angeles (56.1%).

Market	YoY Renewal Rent Growth	Monthly Lease Renewal Rate
Columbus	10.0%	67.3%
Kansas City	9.4%	71.8%
Miami Metro	7.7%	70.3%
Indianapolis	6.0%	70.5%
New Jersey	5.9%	83.8%
Orlando	5.6%	69.2%
Philadelphia	5.4%	79.4%
Boston	5.3%	70.3%
Detroit	5.2%	70.7%
San Diego	5.1%	58.5%
New York City	5.0%	65.5%
Washington DC	4.7%	62.5%
Denver	3.8%	63.9%
Atlanta	3.8%	66.4%
Dallas-Ft. Worth	3.6%	64.9%

Market	YoY Renewal Rent Growth	Monthly Lease Renewal Rate
Charlotte	3.5%	65.7%
Chicago	3.5%	69.6%
Houston	3.5%	67.3%
Nashville	3.4%	64.4%
Tampa	2.9%	68.7%
Seattle	2.9%	64.1%
Raleigh	2.4%	67.7%
Portland	2.3%	60.1%
Baltimore	2.3%	71.5%
Phoenix	2.0%	63.7%
Twin Cities	1.8%	68.4%
Las Vegas	0.4%	65.7%
San Francisco	-0.6%	59.1%
Austin	-1.4%	56.5%
Los Angeles	-15.4%	56.1%

Source: Yardi Matrix Expert, data as of February 2024

National Lease Renewals and Renewal Rent Growth



Source: Yardi Matrix Expert

Supply, Demand and Demographics: Apartment Demand Remained Robust in Q1 2024

- The multifamily market faces some challenges, but demand continues to hold up.
- More than 72,000 multifamily units were absorbed in Q1 2024, with strong numbers posted across the country.
- Sun Belt markets where rent growth has weakened due to heavy supply pipelines are recording the most absorption.



Demand for multifamily properties remained strong in the first quarter of 2024, with the market absorbing units at a 300,000-per-year rate, according to Yardi Matrix data. Absorption was strong across the country, but particularly in high-supply metros where there is concern about supply's impact on occupancy rates and rent growth.

Nationally, 72,800 units, or 0.5% of apartment stock, were absorbed in the first quarter. The total is slightly below the average for the last six first quarters, but also the highest Q1 number since 2021, when absorption hit a record level in the wake of the pandemic. Projected over four quarters, Q1 absorption would equal last year's 290,000 full-year total.

Q1 demand was highest in the Southwest and secondary metros, but every region held its own. The Southwest absorbed 18,000 units, or 0.6% of stock. The Northeast (11,500 units) and Midwest (11,750 units) matched the national 0.5% average, while the West (14,400 units) and Southeast (17,000) were slightly below the average at 0.4%. Nearly two-thirds of absorption was in secondary metros (47,100), with the rest split between tertiary (12,900) and gateway (12,800) metros.

Top markets for units absorbed in Q1 included the Texas trio of Dallas (5,800), Houston (4,200) and Austin (2,100). Other Sun Belt markets

with strong demand included Phoenix (3,700), Charlotte (2,900), Raleigh–Durham (2,100) and Jacksonville (2,050). Markets in other regions with strong Q1 demand included Northern New Jersey (3,300), Philadelphia (2,300) and Seattle (2,100). Chicago absorbed 2,200 units, almost all of which were in urban submarkets. There are some small pockets of weakness, including California metros San Diego, San Jose and the Inland Empire.

Large metros with the highest absorption as a percentage of stock over the 12 months through Q1 2024 are Nashville (4.2%), Charlotte (3.9%), Phoenix (3.5%), Miami and Austin (both 3.3%), and Raleigh–Durham (3.2%).

Though apartment demand has cooled after 2021's record 620,000 units, it remains consistent. That's good news with supply growth at multi-decade highs. Over the next year or two, it may take longer to lease up new properties in high-supply Sun Belt markets, and owners may have to offer concessions to attract and retain tenants, but if demand remains healthy, fundamentals will return to normal after new stock is digested. Some Sun Belt metros are likely to underperform in rent growth over the short term, but because they will continue to attract jobs, population and renters, multifamily investments are likely to perform well over time.

Single-Family Build-to-Rent Segment: SFR Financing Volume on Rise, Set to Surpass 2023

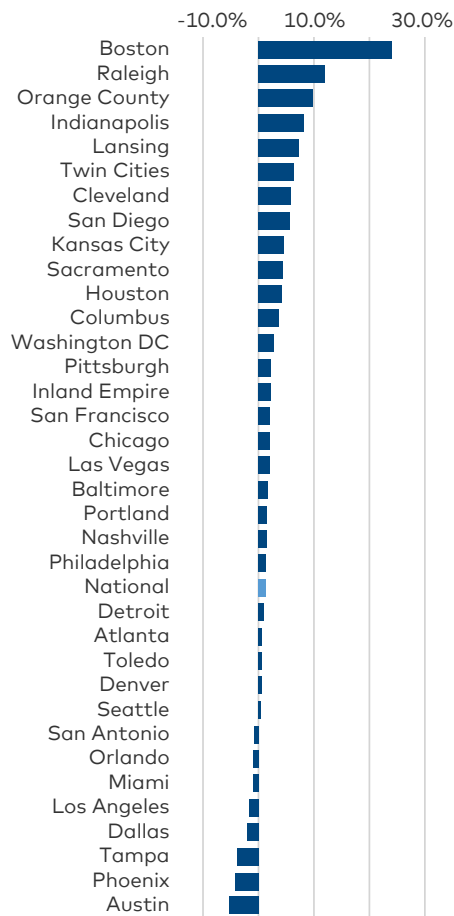
- Nationally, asking rates for single-family rentals rose \$9 in April to \$2,154, while year-over-year growth increased 10 basis points to 1.3%.
- U.S. SFR occupancy was at 95.4% in March, with RBN at 96.6% and Lifestyle at 95.0%.

SFR financing is picking up, a good sign of investor confidence. SFR operators securitized \$1.9 billion of loans in Q1 2024, putting the market on pace to surpass 2023's \$3.6 billion full-year volume, per "Asset-Backed Alert." SFR issuance

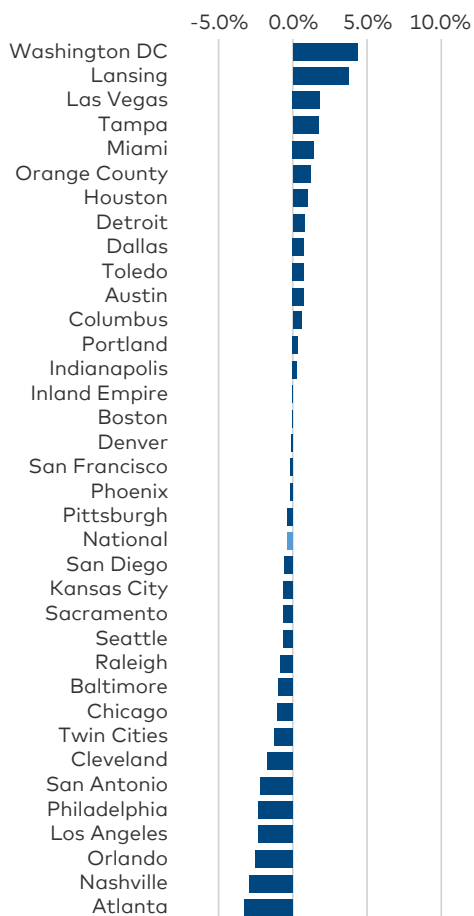
peaked at \$16.9 billion in 2021, dropping to \$12.1 billion in 2022. This year's issuance is dominated by Progress Residential, with two deals totaling \$1.3 billion. The rest is split between Vine Trust (\$352.6 million) and Tricon Residential (\$297.2 million), per ABA. Some new deals involve refinancing debt issued years ago, when property values were lower, allowing SFR operators to take out more debt on the same assets. On the other hand, interest rates are higher, so issuers can buy the old loans at a discount.

Note: Yardi Matrix covers single-family build-to-rent communities of 50 homes and larger.

**Year-Over-Year Rent Growth—
Single-Family Rentals**



**Year-Over-Year Occupancy Change—
Single-Family Rentals**



Source: Yardi Matrix

Multifamily Rent-to-Income Ratios As of March 2024

Market	All Units	Lifestyle Units	Renter-by-Necessity Units
Washington DC	34.7%	32.0%	36.3%
San Diego	33.4%	31.7%	36.8%
Baltimore	33.1%	30.4%	34.4%
Central New Jersey	33.0%	34.1%	32.6%
San Francisco	32.3%	26.5%	38.7%
Orlando	32.0%	31.0%	33.5%
Los Angeles	32.0%	30.3%	33.9%
Denver	31.9%	30.5%	34.0%
Portland	31.3%	29.1%	34.7%
Nashville	31.2%	29.4%	33.1%
Philadelphia	30.6%	26.5%	32.9%
Boston	30.4%	28.3%	36.3%
Miami	30.4%	30.2%	30.9%
Tampa	30.2%	28.3%	32.7%
Chicago	29.9%	26.4%	31.8%
Atlanta	29.3%	29.1%	29.7%
Las Vegas	29.2%	28.7%	30.7%
New York	29.1%	25.8%	34.3%
Charlotte	29.0%	27.5%	32.4%
Twin Cities	29.0%	27.6%	30.1%
Phoenix	28.9%	27.4%	31.0%
Seattle	28.5%	26.7%	32.0%
Houston	28.0%	26.5%	30.6%
Raleigh	27.6%	27.0%	29.1%
Columbus	27.5%	24.9%	28.4%
Indianapolis	27.0%	26.0%	27.7%
Northern New Jersey	26.7%	25.5%	30.2%
Dallas	26.7%	25.5%	28.9%
Detroit	26.4%	24.3%	26.7%
Austin	26.3%	25.5%	29.9%
Kansas City	25.6%	24.2%	26.8%

*Rent-to-Income ratios sorted by all units, highest to lowest. Source: Yardi Systems Screening Data
The Yardi Matrix data service covers rent-to-income ratios monthly back to January 2019 for 112
markets broken out by property type*

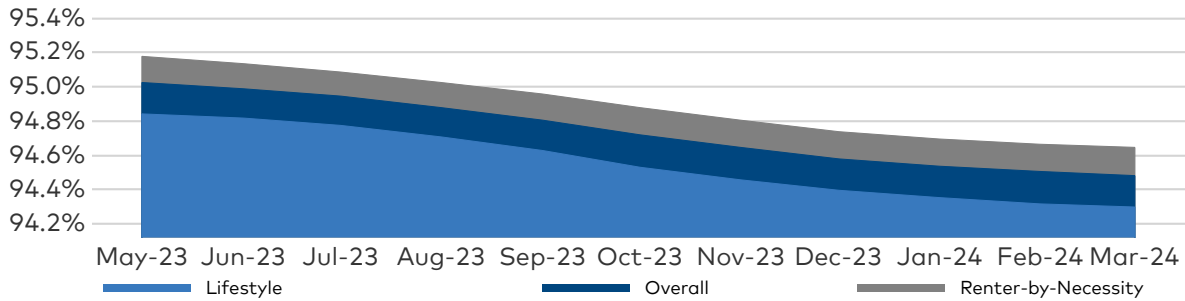
Employment and Supply Trends; Forecast Rent Growth

Market	Forecast Rent Growth			
	YoY Rent Growth as of Apr - 24	as of 04/01/24 for YE 2024	YoY Job Growth (6-mo. moving avg.) as of Feb - 24	Completions as % of Total Stock as of Apr - 24
New York City	4.6%	3.1%	1.2%	1.1%
Columbus	3.8%	3.2%	1.3%	2.8%
New Jersey	3.5%	2.9%	1.3%	2.9%
Kansas City	2.9%	2.7%	1.2%	2.0%
Chicago	2.9%	1.3%	0.6%	1.8%
Washington DC	2.8%	1.6%	1.2%	2.2%
Boston	2.6%	1.4%	0.6%	2.2%
Philadelphia	2.5%	1.5%	1.6%	1.4%
Indianapolis	2.3%	2.4%	2.2%	2.0%
Detroit	2.0%	1.4%	0.3%	0.8%
Twin Cities	1.8%	1.4%	1.3%	3.9%
Seattle	1.2%	0.2%	0.8%	3.2%
Denver	1.0%	0.5%	1.5%	3.5%
Baltimore	0.5%	0.6%	0.3%	1.5%
San Diego	0.4%	0.8%	0.9%	1.7%
Miami Metro	0.4%	1.1%	2.6%	4.2%
Houston	0.3%	1.5%	2.8%	2.6%
Las Vegas	-0.1%	-0.4%	3.3%	1.2%
San Francisco	-0.4%	-0.9%	0.1%	2.9%
Los Angeles	-0.5%	0.4%	-0.1%	2.4%
Portland	-1.5%	-1.6%	-0.3%	3.3%
Charlotte	-1.6%	0.1%	1.9%	5.4%
Dallas	-1.6%	-1.0%	2.1%	2.7%
Tampa	-1.7%	-0.4%	2.4%	2.5%
Nashville	-1.9%	-0.6%	1.3%	4.6%
Phoenix	-2.2%	-1.4%	2.5%	3.3%
Orlando	-2.7%	-1.5%	2.5%	4.0%
Raleigh	-2.9%	-0.6%	2.6%	5.1%
Atlanta	-3.4%	-0.9%	1.2%	3.3%
Austin	-6.5%	-3.5%	3.0%	5.0%

Source: Yardi Matrix

Occupancy & Asset Classes

Occupancy--All Asset Classes by Month



Source: Yardi Matrix

Year-Over-Year Rent Growth, Other Markets

Market	April 2024		
	Overall	Lifestyle	Renter-by-Necessity
Louisville	4.9%	0.8%	7.2%
Cincinnati	4.2%	1.7%	5.1%
Milwaukee	4.1%	3.2%	4.8%
Bridgeport–New Haven	3.5%	1.7%	5.1%
Richmond–Tidewater	3.2%	3.1%	3.4%
Central Valley	2.9%	2.3%	3.0%
St Louis	2.8%	0.9%	3.9%
Winston-Salem–Greensboro	2.7%	3.3%	1.8%
Orange County	2.1%	2.0%	2.2%
Charleston	2.1%	0.8%	4.2%
Cleveland–Akron	2.0%	-1.1%	3.0%
Albuquerque	1.9%	0.6%	2.9%
San Jose	1.1%	0.8%	1.5%
Sacramento	0.8%	2.8%	-0.4%
Greenville	0.1%	-1.4%	1.5%
Inland Empire	0.0%	-0.3%	0.4%
Salt Lake City	-1.7%	-2.4%	-1.1%
North Central Florida	-2.2%	-3.6%	-0.8%
Colorado Springs	-2.3%	-0.7%	-3.9%
San Antonio	-2.3%	-3.1%	-1.3%
Jacksonville	-3.7%	-3.9%	-3.1%
Southwest Florida Coast	-4.9%	-6.2%	-1.5%

Source: Yardi Matrix

Definitions

Reported Market Sets:

National multifamily rent and occupancy values derived from all 136 markets with years of tracked data that makes a consistent basket of data.

Market: Generally corresponds to a Standard Metropolitan Statistical Area (SMSA), as defined by the United States Bureau of Statistics, though large SMSA are split into 2 or more markets.

Metro: One or more Matrix markets representing an economic area. Shown with combined Matrix markets when necessary, and do not necessarily fully overlap an SMSA.

Average Market Rent: Average rent rolled up from the unit mix level to metro area level and weighted by number of units. Rent data is stabilized, meaning rent values for properties are only included 12 months after the properties' completion date.

Rent Growth, Year-Over-Year: Year-over-year change in average market rents, as calculated by same month.

Forecasted Rent Growth: Year-over-year change in average forecasted market rents, as calculated by same month.

Renewal Lease Rent Per Unit: Monthly rent per unit for renewal leases.

Renewal Lease Rent Change Percent: Percentage of monthly rent change between renewals and their corresponding previous leases for the same resident. Only includes renewal leases where the lease term length is no more than 3 months longer or shorter than the previous lease.

Expiring Lease Renewal Percent: Percentage of expiring leases for which residents have renewed. Excludes leases from which the tenant moved out prior to the month of the expiration.

Rent-to-Income Ratio: Rent is the monthly rent as stated, no fees or utilities. Income is as stated on applications.

Occupancy Rates: Ratio of occupied unit count and total unit count, as provided by phone surveys and postal records. Excludes exception properties: closed by disaster/renovation, affordable and other relevant characteristics.

Completions as % of Total Stock: Ratio of number of units completed in past 12 months and total number of completed units.

Employment Totals: Total employment figures and categories provided by the Bureau of Labor Statistics, seasonally adjusted.

Single-Family Rental: A property where 50% or more of the units are either stand-alone buildings OR have direct access garages with no neighbors above or below the unit.

Ratings:

Lifestyle/Renters by Choice

- Discretionary—has sufficient wealth to own but choose rent

Renters by Necessity

- High Mid-Range—has substantial income but insufficient wealth to acquire home/condo
- Low Mid-Range—Office workers, police officers, technical workers, teachers, etc
- Workforce—blue-collar households, which may barely meet rent demands and likely pay distortional share of income toward rent

Market Position	Improvement Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

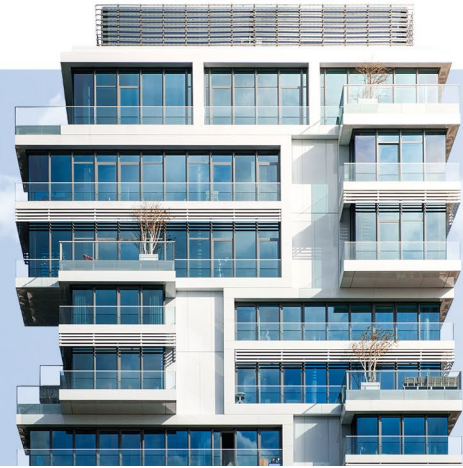
The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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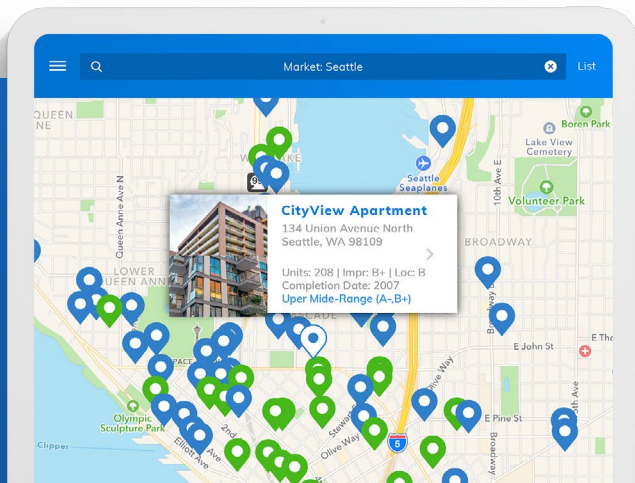
Yardi® Matrix

Power your business
with the industry's
leading data provider



MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily
provides accurate data on
19.7+ million units, covering over
92% of the U.S. population.



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