



Yardi® Matrix

# National Multifamily Report

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July 2024



# Hopeful Signs for Multifamily in July Data

- Multifamily advertised rents rose for the sixth straight month in July as demand coming from economic growth and demographics remained consistent. The average U.S. advertised rent increased by \$4 to \$1,743, while year-over-year growth rose by 20 basis points to 0.8%.
- Although year-over-year rent numbers are weak by historical standards, July produced encouraging signs, including a rebound in growth in some Sun Belt metros that have struggled over the past year due to the heavy delivery pipeline.
- Single-family rental properties continued their strong performance in July, with advertised rents rising \$5 nationally to a record-high \$2,171. The year-over-year growth rate moderated again, declining 10 basis points to 1.0%. Occupancy rates fell 10 basis points to 95.3% in June.

Multifamily rent growth is weak nationally compared to long-term levels, but the market is exhibiting strength in many ways. Advertised rents were up only 0.8% year-over-year through July, but growth remained consistent through the beginning of the summer.

First and foremost, demand has not faltered, boosted by the strong economy. U.S. GDP grew by 2.8% in the second quarter, while the economy added 1.3 million jobs in the first half of 2024. There are signs the economy will cool, but the worst-case scenario is likely to be a soft landing rather than a hard recession.

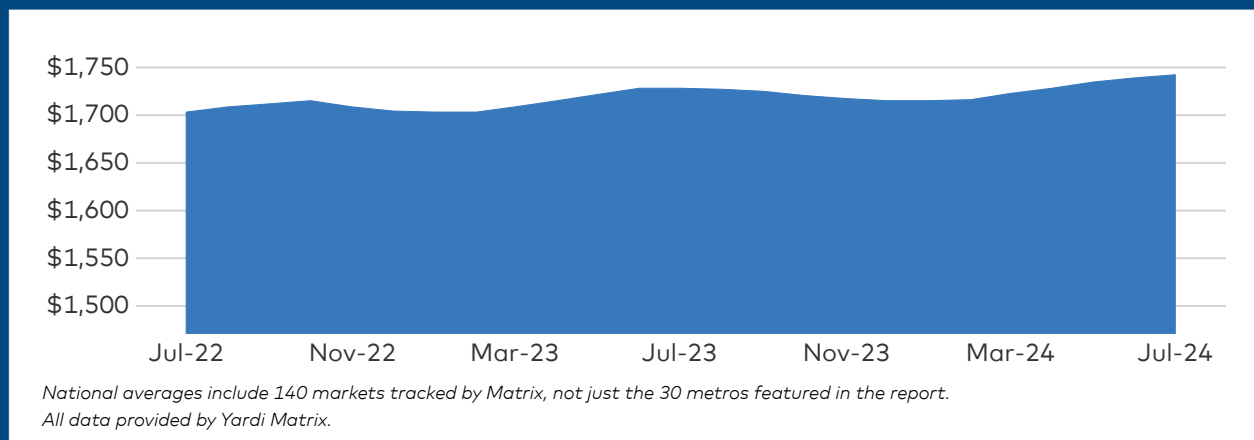
Inflation is receding as well, giving rise to hope for interest rate relief for the industry. The consumer price index's rate of growth (CPI) slowed to 3.0% in June, while the personal consumption expenditures price index's rate of growth, a metric closely tracked by the Federal Reserve,

decelerated to 2.5%. That increases the chances that short-term rates will be cut sooner and more deeply than expected. High rates are stymieing property sales and the refinancing of mortgages originated before rates rose.

Meanwhile, data appears to show a rebound in Sun Belt markets where rent growth turned negative due to rapid supply growth. Advertised rents increased in July in Austin, Dallas, Charlotte, Denver, Raleigh and Phoenix, metros that have recorded negative rent growth as deliveries boomed and occupancy rates dropped, giving renters choices. Over the past three months, 24 of the Matrix top 30 metros have posted rent gains and only four have been negative.

Although performance so far has been encouraging, we expect continued high levels of new deliveries for the next 15 to 18 months, so there's a lot more to contend with ahead.

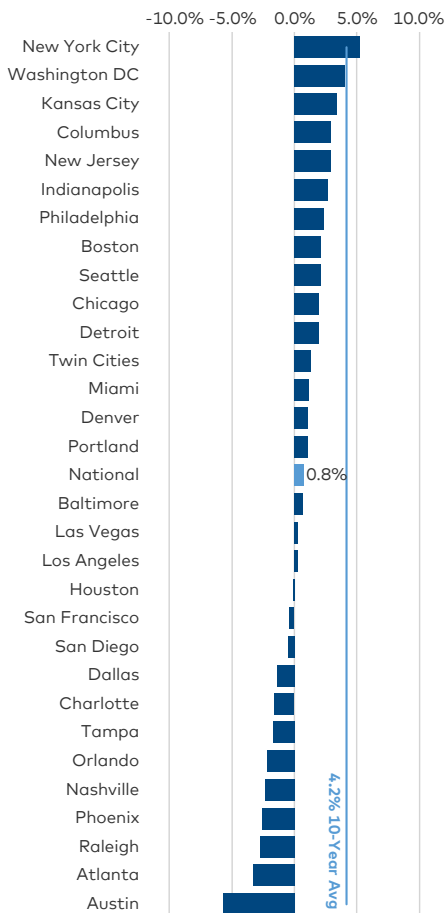
## National Average Rents



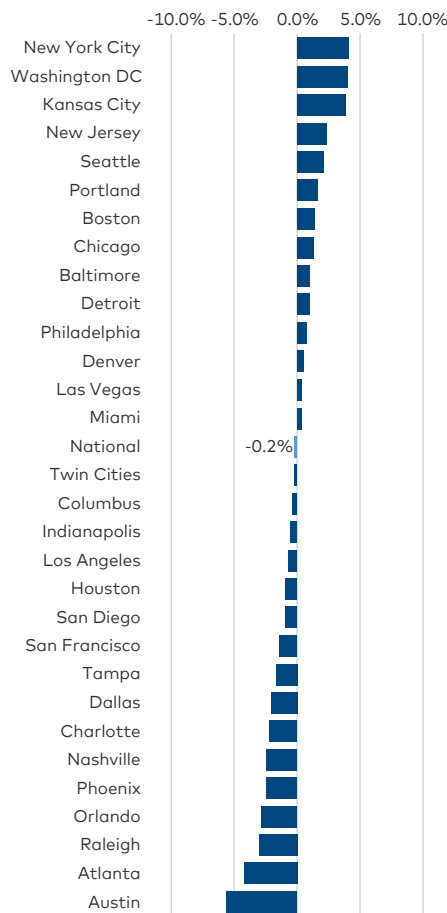
# Year-Over-Year Rent Growth: D.C. Joins Northeast and Midwest Top Performers

- The national average advertised asking rent rose \$4 to \$1,743 in July, with the year-over-year growth rate rising to 0.8%. Rent growth has been highest in gateway metros in the East and secondary markets in the Midwest, led by New York City (5.2% year-over-year), Washington, D.C. (4.0%), Kansas City (3.4%), Columbus and New Jersey (both 2.9%). Meanwhile, many Sun Belt metros continue to see negative rent growth, led by Austin (-5.7%), Atlanta (-3.3%) and Raleigh (-2.8%). These metros continue to contend with high supply, a condition that is especially acute in Austin, which added 6.0% to its stock over the past year.
- The national occupancy rate in June was 94.6% for the seventh straight month, down 0.4% year-over-year. Only two metros posted year-over-year increases: Las Vegas, which at 93.6% is up 0.7% year-over-year, and the Twin Cities, which at 95.0% is up 0.1% from a year ago. The biggest drops in occupancy rates have been in Indianapolis, Houston, Dallas and Kansas City (all down 0.8%).

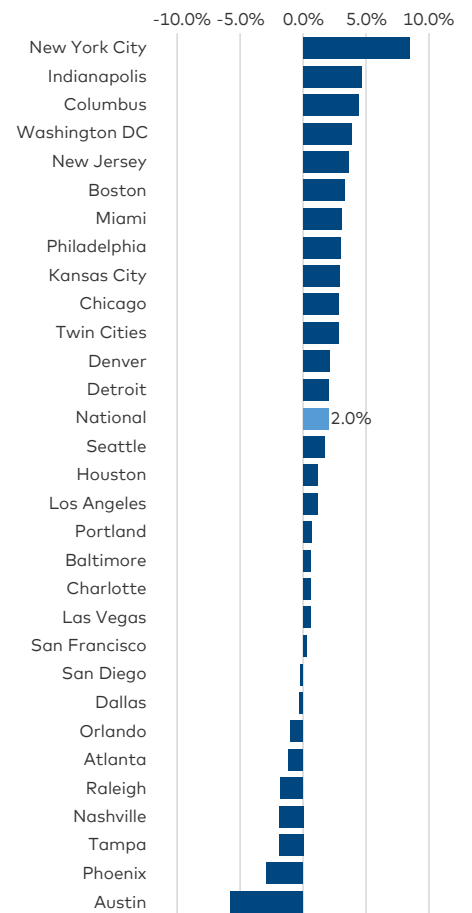
Year-Over-Year Rent Growth—  
All Asset Classes



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: Struggling Markets See Gains in July

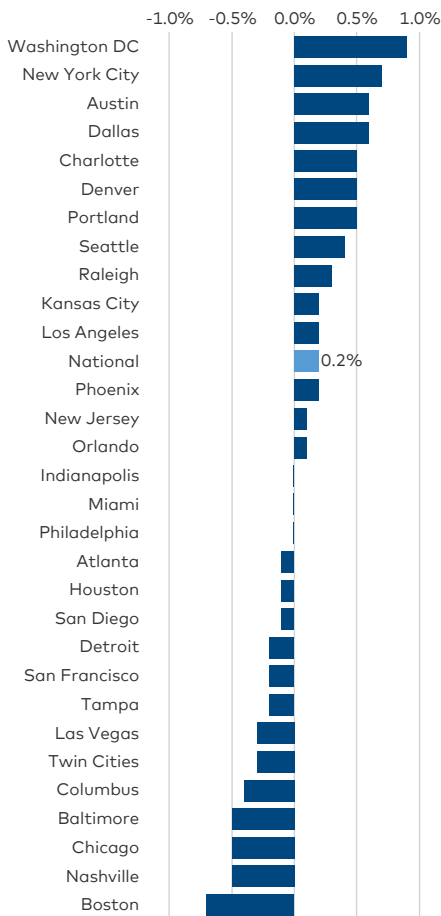
- U.S. advertised rents rose 0.2% month-over-month in July, with 15 metros posting gains.
- Rents rose 0.2% month-over-month in the Renter-by-Necessity segment and 0.1% in the luxury Lifestyle segment.

Monthly rent gains in July were led by Washington, D.C. (0.9%), New York City (0.7%), Dallas and Austin (both 0.6%). Washington, D.C., led gains in both segments, with the metro up 0.9% in both Lifestyle and RBN. Thirteen of the top 30 metros posted declines, with the largest drop recorded in Boston (down 0.7%).

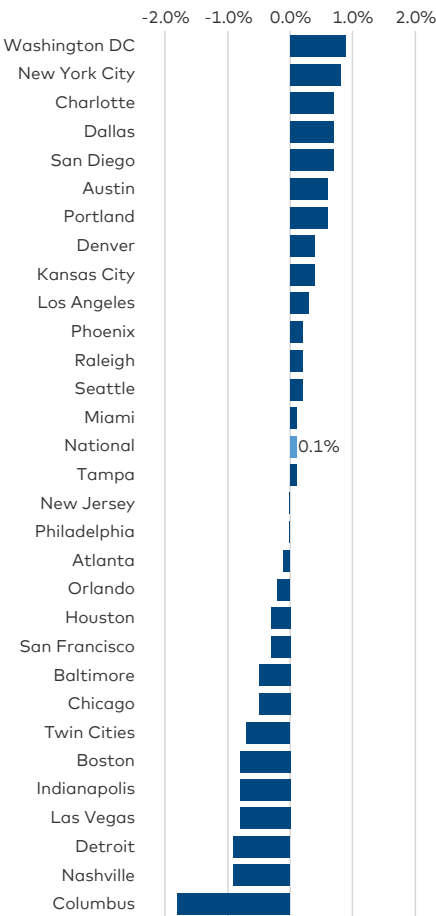
Notably, several metros that have been performing well on a year-over-year basis saw rents decline in July, and vice versa. For example, while Columbus has been a top-performing metro for the past several months and is up 2.9% year-over-year, advertised rents in the metro fell 0.4% month-over-month. Other metros with a similar trend include Boston and Chicago.

In contrast, while rents in Austin have declined year-over-year throughout much of 2023 and 2024, the metro posted a 0.6% month-over-month increase in July. Other metros with similar trendlines include Raleigh and Phoenix.

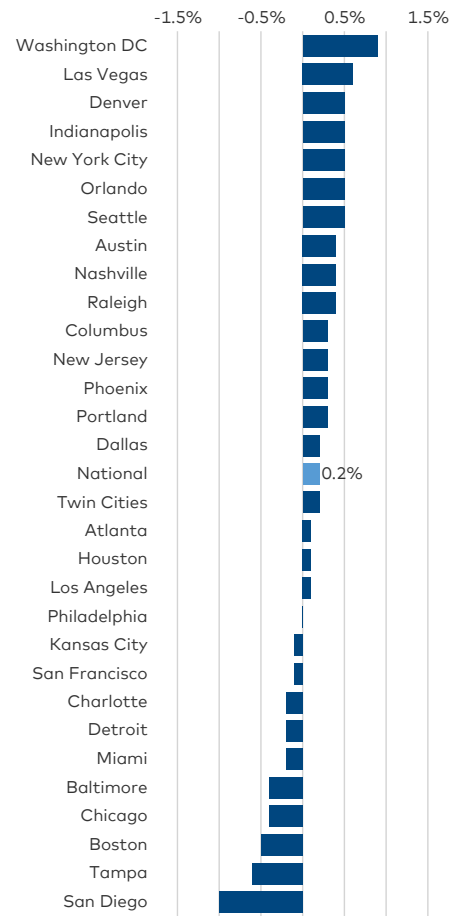
**Month-Over-Month Rent Growth—  
All Asset Classes**



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



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



Source: Yardi Matrix



# Supply, Demand and Demographics: Housing Plans Subject to Debate as Election Looms

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- Policymakers are releasing plans to address the cost of housing, which has increased in recent years.
- President Joe Biden recently proposed a plan that would add to housing supply but also included a counterproductive national rent control.
- History has shown building more supply is the most effective way to address housing costs.



The increased cost of housing and diminishing affordability have prompted policymakers to propose solutions, some worth exploring and others that would likely do more harm than good. Examples of counterproductive policies being thrown around this election season include rent control and limiting institutional ownership of rentals.

President Joe Biden last month announced a housing plan that would include a 5% cap on rent growth at some properties owned by large investors. The plan would eliminate accelerated depreciation on federal taxes for property owners with 50 or more units that raise rents by more than 5%. The policy would be in effect through 2026.

Rent control has been tried repeatedly and failed in its goal of improving housing affordability. A letter sent July 22 to the administration by a coalition of 22 real estate trade groups explained why: "Rent regulations ... result in lower-quality housing options for renters and severely limit their housing choices. Moreover, adding to overly complicated sets of federal, state and local (regulations) will disincentivize housing investors, further exacerbating the supply shortage and making housing even less affordable for renters."

Biden's housing plan also includes some proposals that would boost housing stock, such as repurposing public land for affordable housing, fund-

ing to rehabilitate distressed housing, and incentives for local municipalities to increase housing density. Biden is retiring, but even if he were not, the chance of his plan getting through Congress would be slim. It remains unclear how much of his housing program will be adopted by apparent Democratic candidate Vice President Kamala Harris, but she is not likely to differ substantially.

The Republican platform adopted last month proposed few specifics, though Donald Trump has in the past favored extending real estate tax breaks and cutting regulations on development. Meanwhile, the idea of limiting institutional ownership of single-family homes has emanated from both parties, including Trump's running mate, Ohio Senator J.D. Vance. Institutional SFRs own less than 0.5% of all single-family homes and less than 10% of single-family rentals, not enough to move prices of for-sale homes.

The broad agreement on the need for more affordable housing is good, but unless one party controls all three branches come 2025, policy changes will be incremental. In the meantime, pro-housing advocates will have their hands full. As Jim Schloemer, CEO of Continental Properties and National Multifamily Housing Council chair, said during testimony in a recent Congressional hearing: "The only way out of this supply shortage crisis is to build more housing."

# Single-Family Build-to-Rent Segment: SFR Rents Squeezed in High-Supply Markets

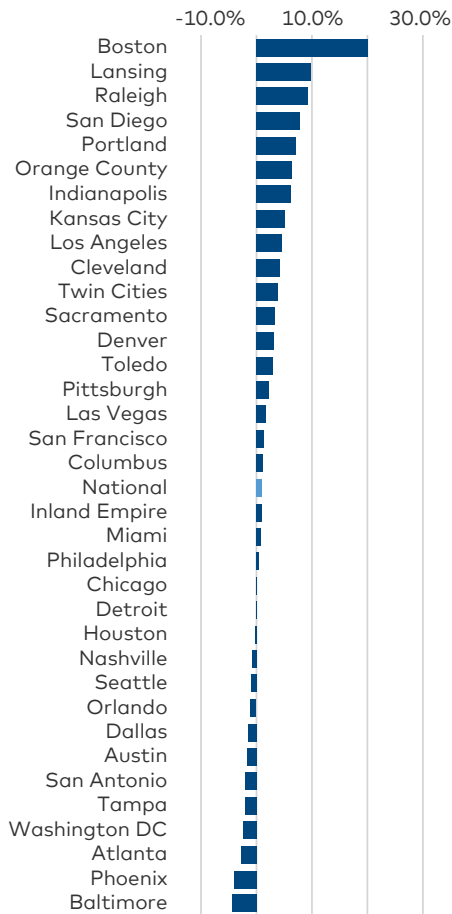
- Nationally, advertised rates for single-family rentals rose \$5 in July to \$2,171, while year-over-year growth dropped 10 basis points to 1.0%.
- U.S. SFR occupancy rates fell slightly to 95.3% in May, with RBN at 96.7% and Lifestyle at 95.0%.

SFR overall performance continues to be strong, as rents rose again in July and occupancy rates remain high. Demand, driven in part by the high cost of homeownership and the lack of available homes for sale, shows no signs of abating.

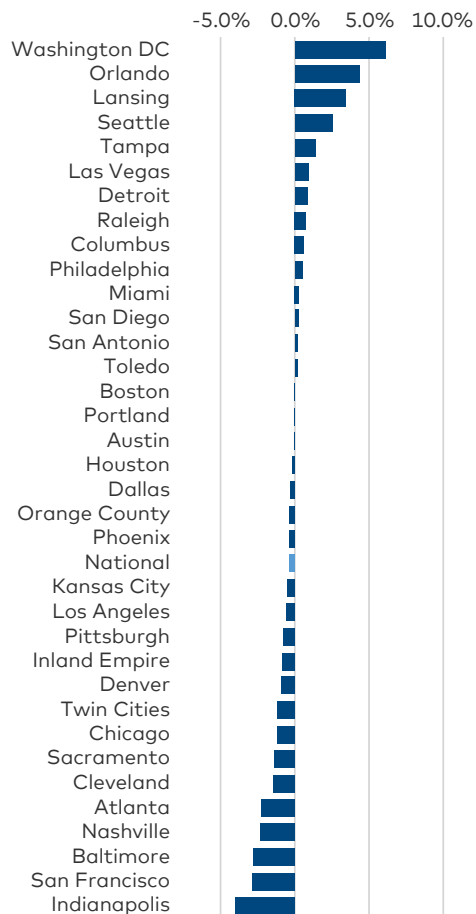
However, markets with high levels of new supply are beginning to feel pressure on rents. Examples include Orlando, where the average rent fell \$19 month-over-month in July to \$2,362 and advertised rents are -1.1% year-over-year; Savannah, Ga., where the average rent fell \$24 month-over-month to \$2,283 and advertised rents are -1.5% year-over-year; and Huntsville, Ala., where the average rent fell \$16 month-over-month to \$1,602 and advertised rents are -1.7% year-over-year.

*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

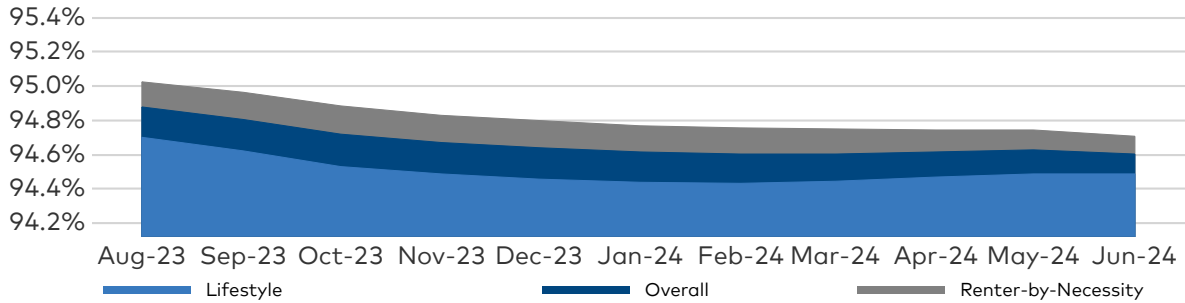
## Employment and Supply Trends; Forecast Rent Growth

Market	YoY Rent Growth as of Jul - 24	Forecast Rent Growth as of 07/01/24 for YE 2024	YoY Job Growth (6-mo. moving avg.) as of May - 24	T12 Completions as % of Total Stock as of Jul - 24
New York City	5.2%	3.2%	1.2%	1.3%
Washington DC	4.0%	2.4%	0.9%	2.0%
Kansas City	3.4%	2.8%	1.3%	2.4%
Columbus	2.9%	3.2%	0.8%	3.4%
New Jersey	2.9%	2.8%	1.3%	2.4%
Indianapolis	2.7%	2.3%	2.0%	2.6%
Philadelphia	2.3%	2.2%	1.4%	2.1%
Seattle	2.1%	1.4%	1.1%	3.4%
Boston	2.1%	2.3%	0.5%	2.6%
Chicago	2.0%	2.4%	0.2%	1.8%
Detroit	1.9%	2.1%	0.1%	0.9%
Twin Cities	1.3%	1.7%	0.9%	3.8%
Miami Metro	1.2%	1.7%	2.5%	3.8%
Portland	1.1%	-0.6%	-1.2%	3.9%
Denver	1.1%	1.0%	0.9%	3.4%
Baltimore	0.7%	0.7%	-0.1%	1.1%
Las Vegas	0.3%	0.6%	3.6%	2.0%
Los Angeles	0.3%	-0.6%	0.4%	2.0%
Houston	-0.1%	0.4%	2.5%	2.5%
San Francisco	-0.4%	0.1%	0.4%	2.8%
San Diego	-0.5%	0.2%	0.9%	1.7%
Dallas	-1.4%	-1.0%	1.8%	2.8%
Charlotte	-1.6%	-0.8%	1.4%	5.2%
Tampa	-1.7%	-0.9%	2.0%	2.6%
Orlando	-2.2%	-1.1%	2.0%	5.3%
Nashville	-2.3%	-1.2%	0.8%	5.2%
Phoenix	-2.6%	-1.2%	2.4%	3.6%
Raleigh	-2.8%	-1.6%	2.4%	5.6%
Atlanta	-3.3%	-2.2%	1.1%	3.7%
Austin	-5.7%	-4.0%	2.4%	6.0%

Source: Yardi Matrix

# Occupancy & Asset Classes

Occupancy--All Asset Classes by Month



Source: Yardi Matrix

## Year-Over-Year Rent Growth, Other Markets

Market	July 2024		
	Overall	Lifestyle	Renter-by-Necessity
Louisville	5.6%	3.0%	7.0%
Bridgeport–New Haven	4.6%	3.6%	5.8%
Milwaukee	4.4%	3.2%	5.2%
St Louis	3.8%	3.1%	4.1%
Cleveland–Akron	3.5%	3.7%	3.4%
Winston–Salem–Greensboro	3.4%	3.4%	3.4%
Cincinnati	3.2%	-0.3%	4.6%
Richmond–Tidewater	2.6%	1.8%	3.4%
Central Valley	2.5%	0.4%	3.1%
San Jose	2.1%	1.8%	2.6%
Orange County	1.1%	0.5%	1.8%
Albuquerque	1.1%	0.7%	1.6%
Sacramento	0.9%	1.8%	0.3%
Charleston	0.9%	-0.4%	2.7%
Inland Empire	0.7%	0.5%	0.9%
Greenville	-0.5%	-1.6%	0.5%
Colorado Springs	-1.7%	-0.5%	-3.1%
Salt Lake City	-1.8%	-2.2%	-1.6%
North Central Florida	-2.2%	-3.9%	-0.8%
San Antonio	-2.8%	-3.7%	-1.3%
Jacksonville	-3.2%	-3.5%	-2.6%
Southwest Florida Coast	-4.3%	-5.4%	-1.4%

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.

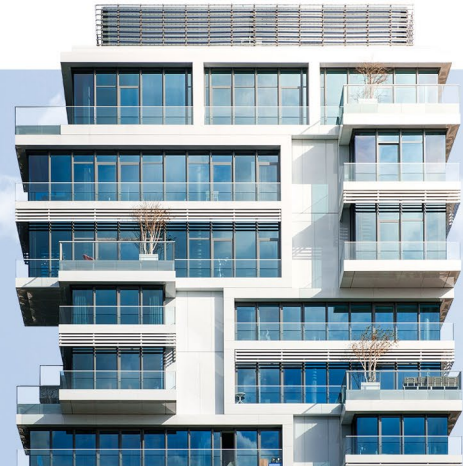
The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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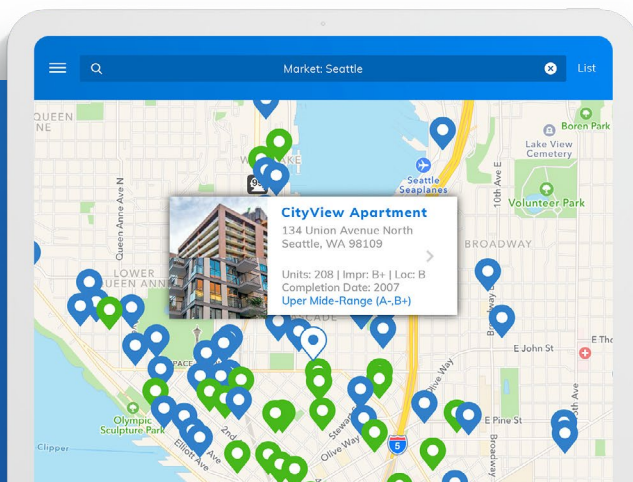
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with the industry's  
leading data provider



## 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  
**22.3+ million units**, covering over  
**92% of the U.S. population.**



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