



Yardi® Matrix

National Multifamily Report

August 2025



Multifamily Rents Move Little in August

- Multifamily rents changed little in August due to seasonality and rising uncertainty about consumers' financial health. The average U.S. advertised rent fell \$1 to \$1,755 in August while year-over-year growth fell 10 basis points to 0.7%.
- After two years of extraordinary gains following the pandemic, rents nationally have settled into a slow-growth pattern over the last three years in which increases are moderate and mostly limited to the spring. If the pattern holds, rents will change little in coming months.
- Single-family build-to-rent advertised rates were unchanged in August, but stood at a record high of \$2,208. Rent growth is at least 5% year-over-year in Chicago, Kansas City, Twin Cities and Columbus and negative in high-supply markets including Austin, Tampa, Raleigh and Denver.

U.S. multifamily rent growth cooled in August, consistent with seasonal trends. The average U.S. multifamily advertised rent fell slightly by \$1 to \$1,755 but is up 0.7% year-over-year.

Rent growth is expected to remain lackluster through year-end. Momentum is slowing across most metros, as only a few markets recorded more than 3% year-over-year growth. This deceleration is driven by supply rather than demand, as elevated deliveries have created a highly competitive leasing environment amid record absorption. However, supply pressures are beginning to ease, with most metros past their peak supply and new starts declining sharply due to the cost of construction and tighter financing.

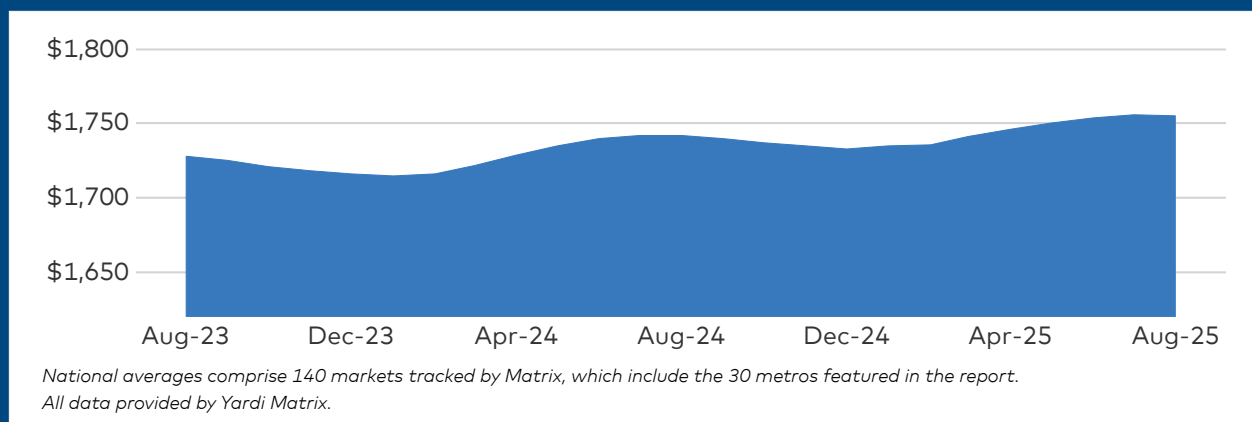
Multifamily demand has remained strong through mid-year, but operators are concerned that it will soften through the second half of the year. Consumer budgets are tightening due to rising costs and the softening job market. Tariff impacts have

proven less inflationary than anticipated, but price increases may happen in coming months as they are filtered through supply chains and distribution networks. While layoffs remain muted, the labor market remains delicate.

Meanwhile, the multifamily market awaits the impact of likely interest rate cuts. The Federal Reserve is expected to cut rates by at least 25 basis points in September, with gradual cuts likely to follow before year-end. Lower rates could unlock multifamily transaction activity stalled by wide bid-ask gaps, boost the restructuring of underwater mortgages and reduce construction financing costs.

But rate cuts are not likely to be large enough to help at more than the margins. Rate cuts are also not likely to be enough to turn around the home sale market. As a result, many prospective buyers will remain renters, supporting multifamily demand.

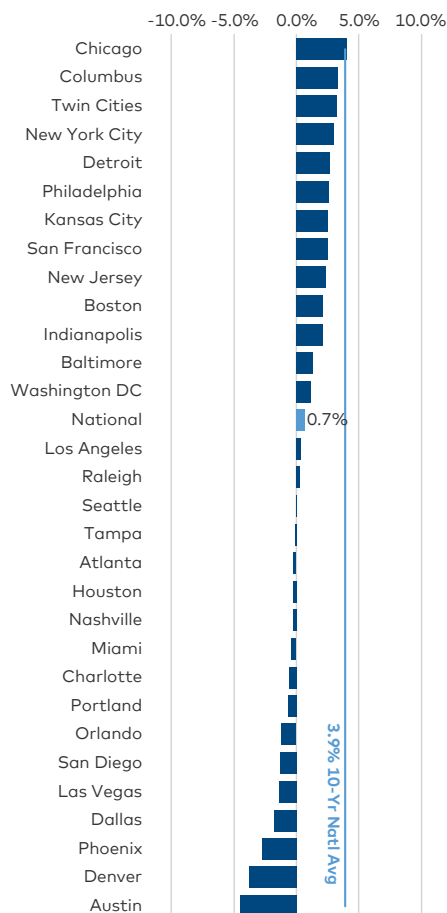
National Average Rents



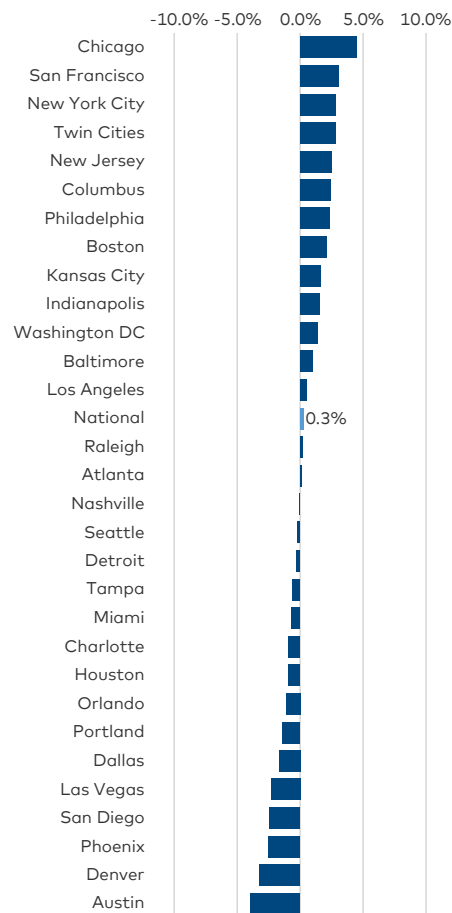
Year-Over-Year Rent Growth: Rent Growth Cools Nationwide

- The national average advertised asking rent fell \$1 to \$1,755 in August, while the year-over-year growth rate decelerated to 0.7%. Rent growth was strongest in the Midwest and Northeast, led by Chicago (4.0%), Columbus (3.3%), Twin Cities (3.2%), New York (3.0%) and Detroit (2.7%). Meanwhile, advertised rent growth was negative in many Sun Belt and Mountain West metros, such as Austin (-4.5%), Denver (-3.8%), Phoenix (-2.8%), Dallas (-1.8%) and Las Vegas (-1.4%).
- The national occupancy rate held steady at 94.7% in July, unchanged year-over-year. Several Sun Belt markets, led by Atlanta (0.6% year-over-year) and Charlotte (0.5%), have made occupancy gains due to ongoing strong absorption. Raleigh, Orlando, Miami and Phoenix also posted modest gains of 0.1%. Nashville (-0.2%), Austin and Las Vegas (both -0.1%) were the only Sun Belt markets to record declines, though losses were minimal. This resilience is impressive given that many of these markets expanded inventory by more than 5% over the last year, with Austin adding 8.9%.

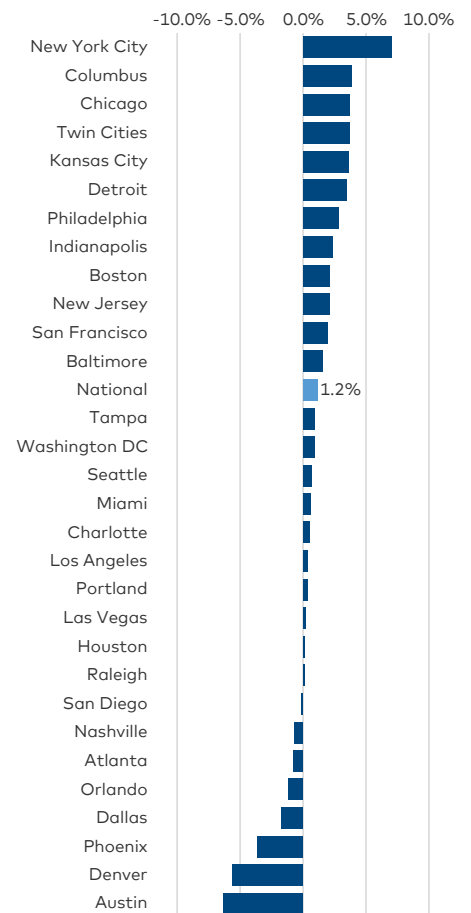
Year-Over-Year Rent Growth—
All Asset Classes



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: Philadelphia Tops Rent Growth

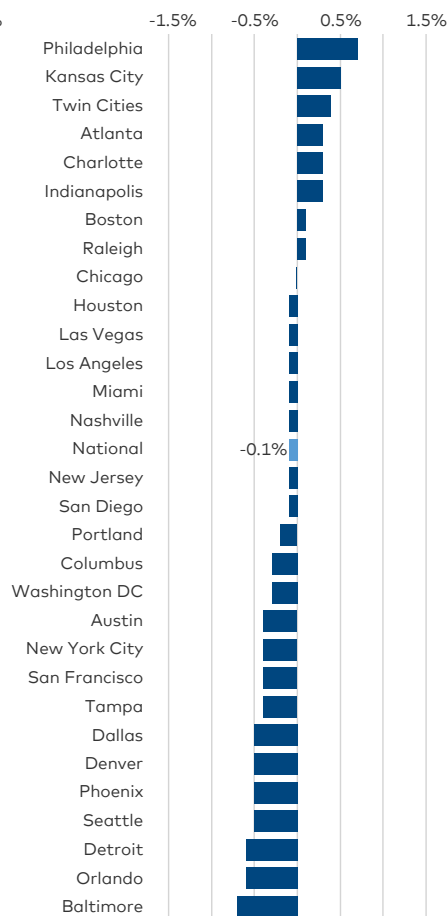
- U.S. advertised rents fell 0.1% month-over-month in August, with only eight of the Matrix top 30 markets posting gains.
- Both Lifestyle and Renter-by-Necessity rents declined 0.1% for the month.

Monthly rent gains in August were led by Northeast and Midwest markets. Philadelphia led the Matrix top 30 metros with a 0.7% increase, including 0.6% in Lifestyle and 0.7% in RBN. Philadelphia has limited supply, as the metro added only 1.5% to its stock in the past year. Other top performers include Kansas

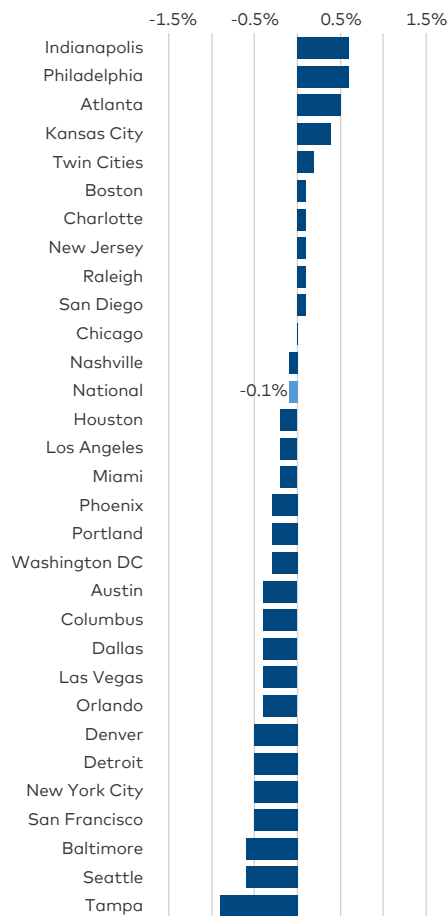
City (0.5%), Twin Cities (0.4%) and Indianapolis (0.3%).

Performance rankings shifted as some typically strong markets turned negative while others rebounded. In the Sun Belt, Atlanta and Charlotte (both 0.3%) and Raleigh (0.1%) posted gains, aided by slowing supply growth and steady demand. Conversely, rents fell last month in several Midwest and coastal markets where supply has been limited: Detroit (-0.6%), San Francisco and New York (both -0.4%), Washington, D.C., and Columbus (both -0.3%). Federal layoffs may be weighing on Washington's performance.

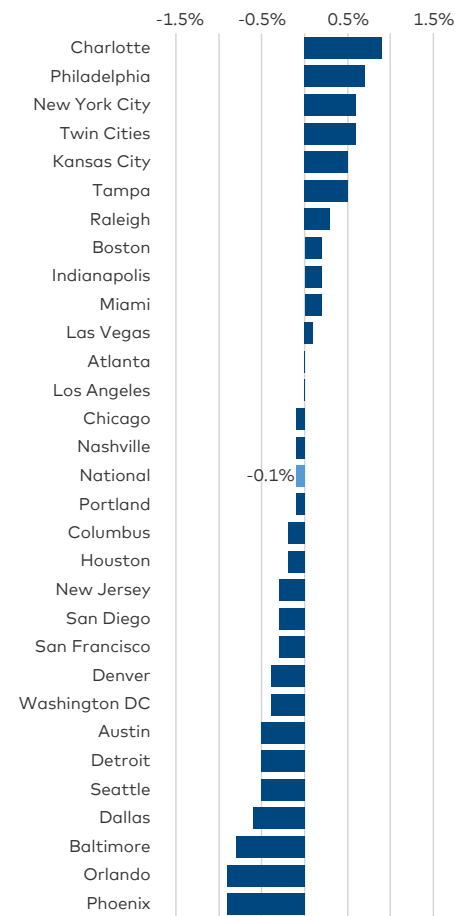
**Month-Over-Month Rent Growth—
All Asset Classes**



**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: Policymakers Act to Increase Housing Stock

- The growth in housing costs in recent years has spurred legislators at all levels of government to act to create more housing supply.
- Hundreds of pro-housing bills have been introduced in states this year, dozens of which are now law in states such as California, Texas and Michigan.
- While the legislative efforts are a positive start, they come at a time when apartment starts are dropping and the impact could be years away.



Rising housing costs and waning affordability levels have prompted a spate of action this year at all levels of government to spur an increase in apartment development. The legislative efforts represent a mix of strategies including subsidies, tax credits and streamlining the entitlement process that could produce hundreds of thousands of new multifamily units in coming years. Yardi Matrix tracks hundreds of federal, state and local subsidy programs used to produce the 28,000 fully affordable multifamily properties in its database.

The National Council of State Housing Agencies (NCSHA) reported last month that more than 20 states have adopted policies this year to increase housing development, while state legislators have introduced more than 400 pro-housing bills. Of those proposals, 70 have been signed into law and 30 are awaiting a governor's signature.

For example, California, a poster child for NIM-BYism, passed legislation to streamline environmental reviews, speed up permitting and approval, and increase financing tools, such as loan programs and an equity fund to invest in transit-oriented development. Texas is considering easing lot sizes and construction restrictions and allowing residential development in commercial zones.

Michigan has expanded developer subsidies and created incentives to build workforce housing. Oregon passed five bills aimed at "providing financial assistance for housing developments and creating more factory-built housing," as NCSHA notes. Florida, Kansas, Connecticut, Maine, Massachu-

setts, Minnesota and New York are also among the states taking action to build more housing.

The federal tax bill signed into law this year contains a permanent 12% increase in 9% Low-Income Housing Tax Credits that will set program funding at \$14 billion per year. The bill also reduced the threshold for the 4% tax credit that is commonly used to preserve affordable housing. Moreover, Fannie Mae and Freddie Mac got permission to double the amount each GSE can invest annually in tax credit properties to \$2 billion.

Also re-upped and revamped is the Opportunity Zone program, which provides tax credits for developments in areas with low area median incomes. Since 2018, about 600,000 apartment units have been built in Opportunity Zone tracts, according to Matrix. The subsidy likely spurred development of about half that total.

While these recent legislative efforts are positive, caution is warranted. Housing takes years to plan and develop, so the impact will not be immediate. New development encouraged by legislative efforts may be balanced by the rapid decline in apartment starts over the last two years due to increased costs.

And some housing advocates worry about cuts to Medicaid and food aid programs that could impact low-income tenants' ability to pay rent. As one put it, the law could "create a volatile financial environment that could quickly escalate into rent delinquencies, eviction risk and displacement."

Single-Family Build-to-Rent Segment: "Accidental Landlords" Provide New Competition

- Nationally, advertised rates for single-family build-to-rent units were unchanged in August at \$2,208, up 0.6% year-over-year.
- U.S. SFR occupancy rates were strong at 95.0% in July, but down 0.2% year-over-year. Occupancy was 95.9% at RBN and 94.9% at Lifestyle properties.

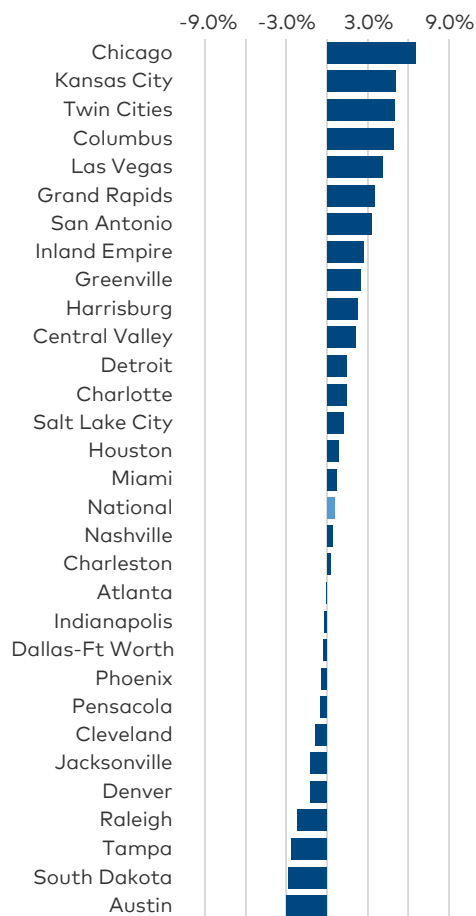
Institutional landlords face rising competition from "accidental landlords," or homeowners who choose to rent rather than sell amid high mortgage rates and weak demand. The trend is especially strong in Sun Belt markets such as Atlanta, Phoenix, Dallas, Houston and Tampa,

where total rental inventory has jumped more than 20% in the past year, according to CNBC.

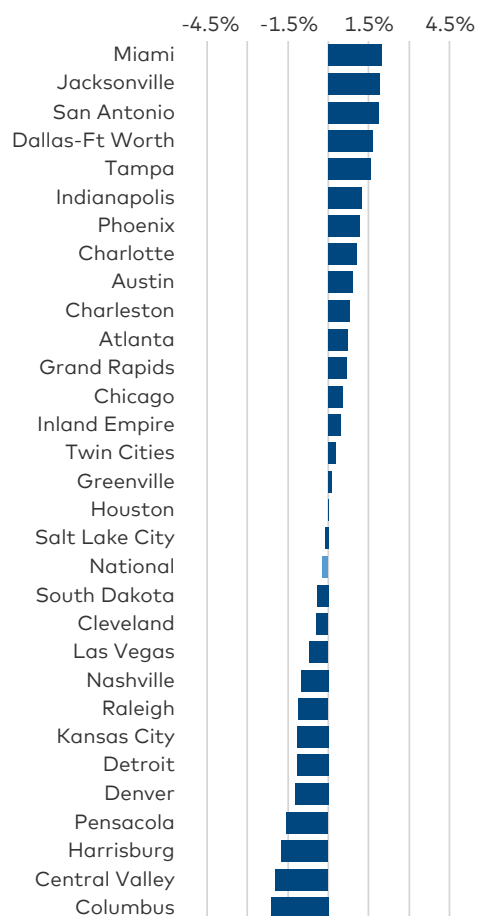
Yet rent growth has held relatively steady in these markets, despite growing competition. Charlotte (1.4%) and Houston (0.9%) posted year-over-year gains, while Atlanta was flat and Phoenix (-0.3%) and Dallas (-0.2%) saw modest declines. With mortgage rates likely to stay elevated, many homeowners may be disinclined to sell homes, putting pressure on institutional single-family BTR owners.

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

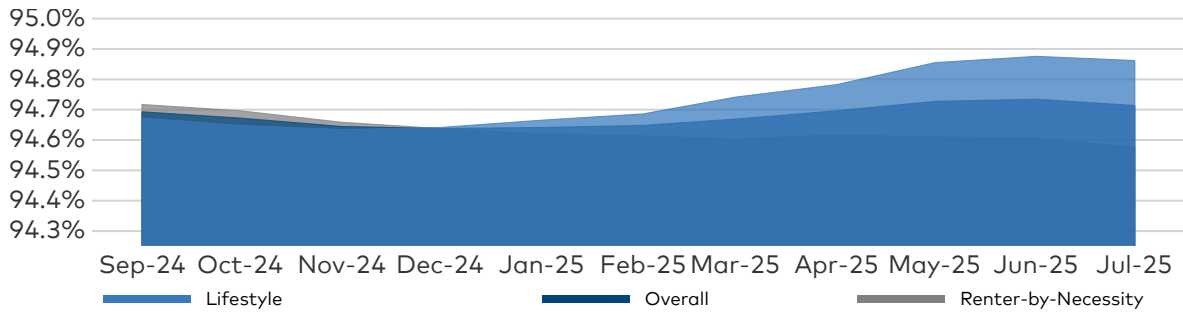
Employment and Supply Trends; Forecast Rent Growth

Market	YoY Rent Growth as of Aug-25	Forecast Rent Growth as of 8/01/25 for YE 2025	YoY Job Growth (6-mo. moving avg.) as of Jun-25	T12 Completions as % of Total Stock as of Aug-25
Chicago	4.0%	2.8%	0.5%	1.6%
Columbus	3.3%	2.8%	1.1%	2.4%
Twin Cities	3.2%	2.0%	0.8%	3.0%
New York City	3.0%	3.9%	1.4%	2.6%
Detroit	2.7%	2.8%	0.5%	0.9%
Philadelphia	2.6%	2.7%	1.2%	1.5%
San Francisco	2.5%	1.3%	-0.5%	2.1%
Kansas City	2.5%	3.4%	0.1%	1.9%
New Jersey	2.3%	2.7%	1.1%	3.0%
Boston	2.1%	1.5%	-0.1%	2.8%
Indianapolis	2.1%	2.4%	0.4%	3.1%
Baltimore	1.3%	1.9%	0.4%	1.7%
Washington DC	1.2%	2.3%	0.7%	2.6%
Los Angeles	0.4%	1.0%	0.1%	2.2%
Raleigh	0.3%	-0.7%	1.9%	6.4%
Seattle	0.0%	1.3%	1.0%	3.5%
Tampa	-0.1%	0.7%	1.0%	5.2%
Atlanta	-0.2%	-1.0%	0.5%	3.4%
Houston	-0.3%	0.6%	1.1%	2.0%
Nashville	-0.3%	-0.7%	0.8%	5.9%
Miami Metro	-0.4%	0.9%	1.2%	4.3%
Charlotte	-0.6%	-0.3%	2.0%	6.6%
Portland	-0.7%	0.4%	0.0%	2.9%
Orlando	-1.2%	-0.9%	2.0%	5.8%
San Diego	-1.3%	0.6%	0.7%	2.2%
Las Vegas	-1.4%	-0.4%	0.2%	2.8%
Dallas	-1.8%	-1.0%	1.2%	3.8%
Phoenix	-2.8%	-2.2%	0.1%	5.1%
Denver	-3.8%	-2.2%	0.0%	5.8%
Austin	-4.5%	-3.7%	1.3%	8.9%

Source: Yardi Matrix

Occupancy & Asset Classes

Occupancy--All Asset Classes by Month



Source: Yardi Matrix

Year-Over-Year Rent Growth, Other Markets

Market	August 2025		
	Overall	Lifestyle	Renter-by-Necessity
Cincinnati	4.0%	2.4%	4.8%
San Jose	3.8%	4.7%	2.4%
Cleveland-Akron	3.7%	0.6%	4.6%
Bridgeport-New Haven	3.0%	1.9%	3.8%
Richmond-Tidewater	2.2%	1.1%	3.3%
St Louis	2.1%	1.9%	2.6%
Greenville	1.6%	2.2%	1.1%
Louisville	1.5%	1.2%	1.7%
Orange County	1.5%	1.3%	1.7%
Milwaukee	1.5%	-0.8%	3.7%
Albuquerque	1.4%	0.5%	2.0%
North Central Florida	1.3%	0.2%	2.6%
Central Valley	1.1%	0.7%	1.3%
Sacramento	0.6%	0.7%	0.5%
Winston-Salem-Greensboro	0.5%	1.0%	0.2%
Jacksonville	-0.4%	-0.1%	-1.0%
Charleston	-0.5%	-0.5%	-0.5%
Inland Empire	-0.5%	-1.1%	0.1%
San Antonio	-0.6%	-1.2%	-0.5%
Salt Lake City	-1.2%	-1.5%	-0.6%
Colorado Springs	-3.7%	-3.6%	-3.8%
Southwest Florida Coast	-4.5%	-4.7%	-4.1%

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.

Forecast Rent Growth: Year-over-year change in average forecast 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.

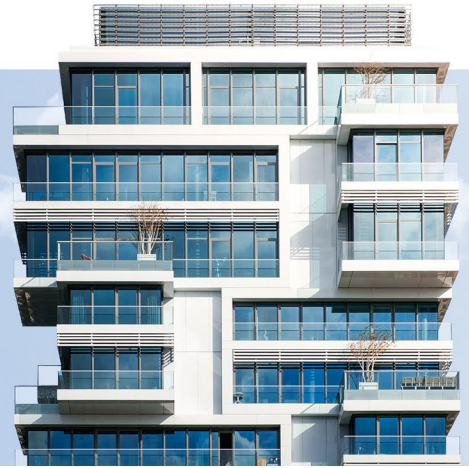
The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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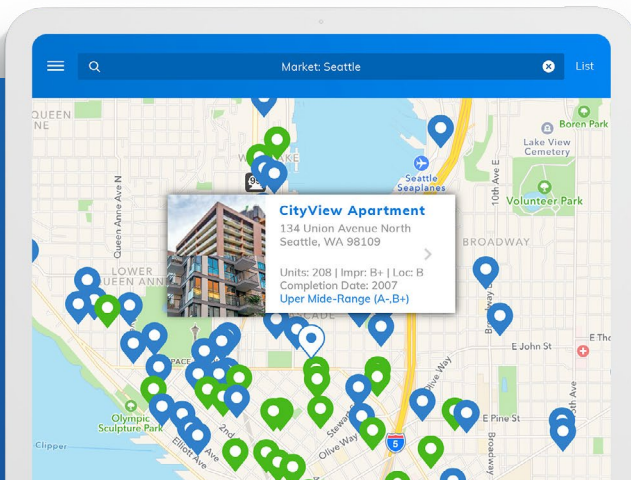
Yardi® Matrix

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
nearly **23 million units**, covering
over **92% of the U.S. population.**



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