Yardi Matrix

National Multifamily Report

June 2025

Supply-Demand Balance Leads to Weak Rent Growth

- Multifamily rents rose in June, but growth remains tepid as the market balances between robust demand and supply while economic uncertainty is high. The average U.S. advertised rent increased by $3 to $1,749 during the month, while year-over-year growth was 0.9%.
- Advertised rents rose 0.7% during the second quarter and 1.2% during the first half of 2025, both well shy of pre-pandemic growth rates. In the seven years between 2013 and 2019, advertised rents grew on average by 1.8% during the second quarter and 2.4% during the first half of the year.
- National single-family build-to-rent advertised rates rose by $4 to $2,201 in June, representing a 0.7% annual increase and 0.8% growth in the first half of the year. As with multifamily, rent growth is positive but subdued compared to recent years.

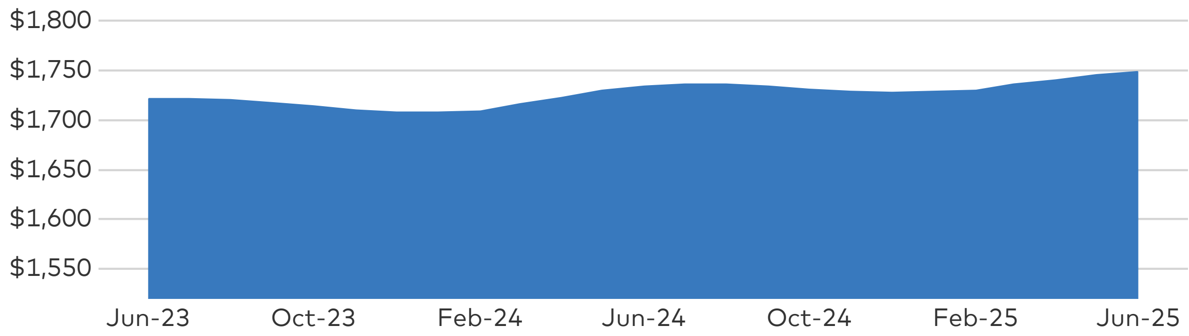
Multifamily performance remained solid through mid-year 2025, with rents rising by $20, or 1.2%, over the first two quarters. While demand remains healthy, rent growth is muted by economic uncertainty and rapid supply growth in many markets. Rents in the first half of 2025 grew by about half of the rate in the pre-pandemic economic cycle. Since rent growth is seasonal, typically concentrated in the first two quarters, that means full-year 2025 growth is likely to be tepid.

Still, after two years of record deliveries, even modest growth signals resilient demand. More than 250,000 apartment units were absorbed through May, per Matrix, putting the market on track for another year of robust demand. Austin led with 22,000 units absorbed, followed by Sun Belt markets including Charlotte, Nashville, Raleigh-Durham and Orlando. Demand remains high in the Midwest, particularly Indianapolis.

There was positive legislative news this month, as California passed a law to streamline its development process by limiting costly, time-consuming environmental reviews. The bill should accelerate project entitlements and signal that state lawmakers recognize the urgent need for more housing. The new federal tax bill is good news for affordable housing, including a 12.5% increase in federal funds for Low-Income Housing Tax Credits (LIHTC) that will increase the size of the program to $14 billion.

However, there are some areas of concern. The economy and job market remain strong, but growth has slowed, and the impact of tariff and immigration policies in the second half remains uncertain. Unemployment is low, but job switching has declined, reducing labor market dynamism. Policy uncertainty continues to challenge business planning, with the new tariff implementation date pushed again to August.

National Average Rents



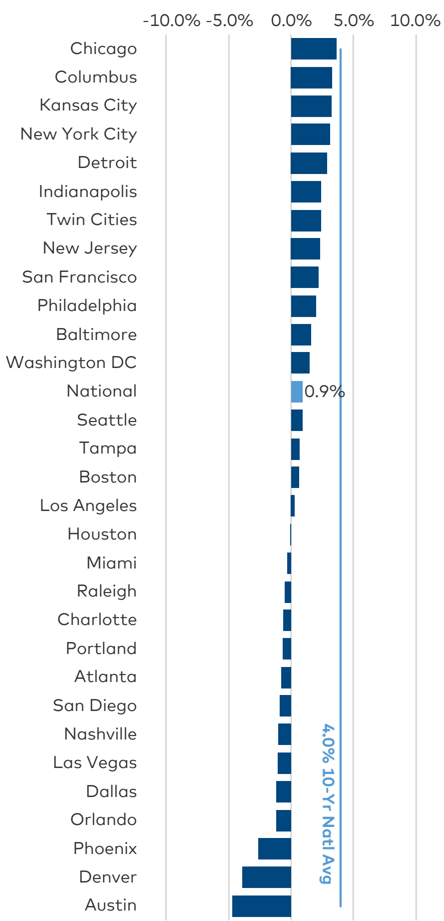
National averages include 140 markets tracked by Matrix, which include the 30 metros featured in the report.
All data provided by Yardi Matrix.

Year-Over-Year Rent Growth: Midwest Tops Rent Gains

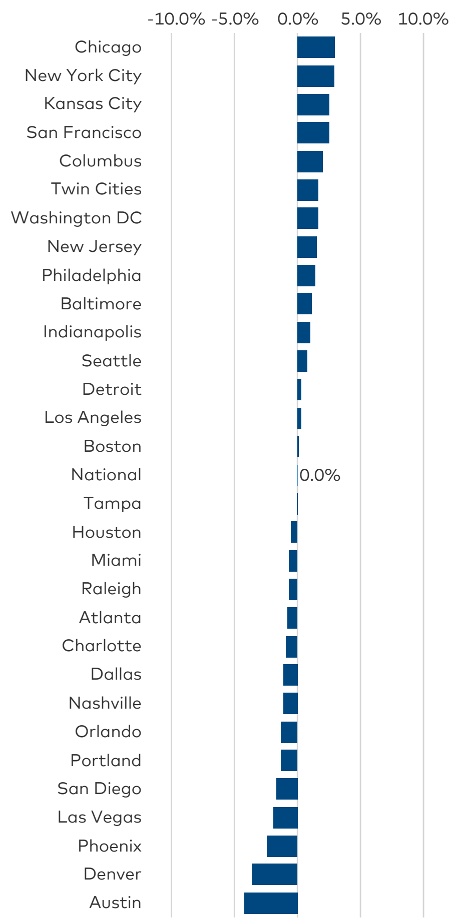
- The national average advertised asking rent rose $3 to $1,749 in June, with the year-over-year growth rate unchanged at 0.9%. Rent growth was strongest in the Midwest, led by Chicago (3.6%), Columbus (3.3%), Kansas City (3.2%) and Detroit (2.9%). Meanwhile, advertised rent growth remained negative in many Sun Belt and Mountain West metros, such as Austin (-4.7%), Denver (-3.9%), Phoenix (-2.6%), and Orlando and Dallas (both -1.2%).

- The national occupancy rate held steady at 94.6% in May, unchanged over the past seven months but down 0.2% year-over-year. Strong demand has helped stabilize occupancy despite elevated supply. Most markets are seeing gradual change, with few experiencing significant swings. Chicago posted the largest increase (0.4% year-over-year), while Denver (-1.0%) and Phoenix (-0.6%) saw the largest declines. No other metro shifted by more than 0.3%, which is impressive given that completions exceeded 4.0% of total stock in a third of the top 30 metros.

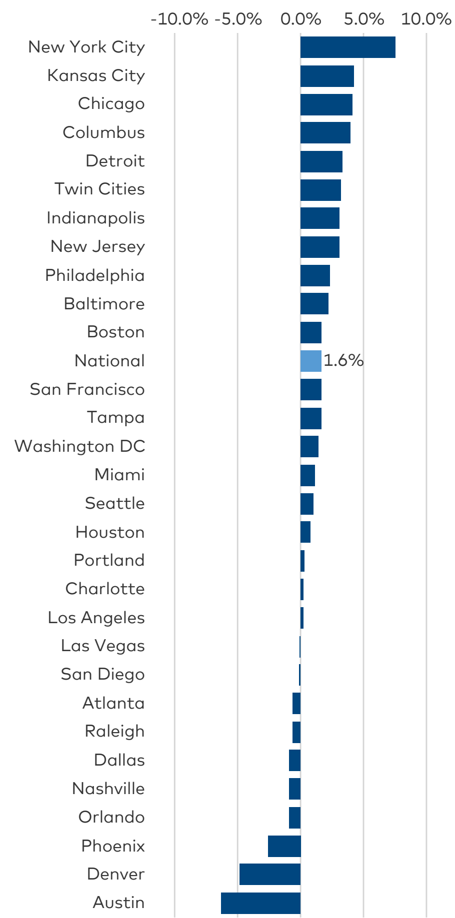
Year-Over-Year Rent Growth—All Asset Classes



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: Gateway Markets Led Growth in June

- U.S. advertised rents rose 0.2% month-over-month in June, with declines in only four of the top 30 metros.
- Both Lifestyle and Renter-by-Necessity increased 0.2% for the month.

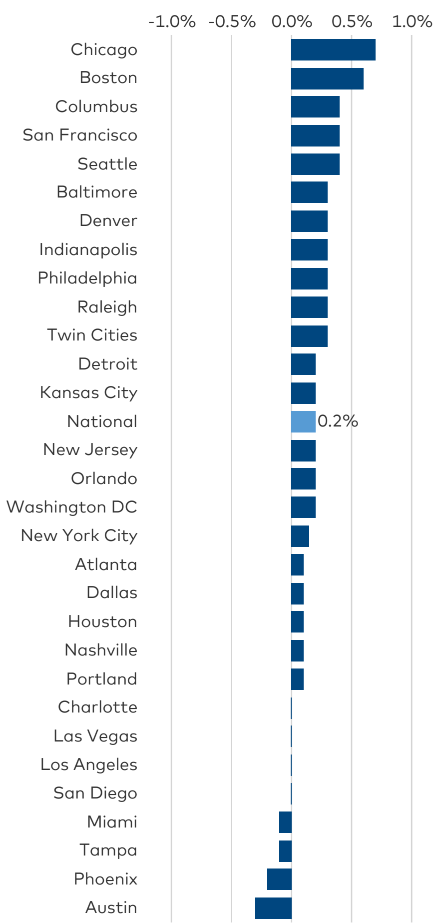
Monthly rent gains in June were led by gateway and tech hub markets. Chicago led the Matrix top 30 metros with a 0.7% increase, including 0.8% in Lifestyle and 0.7% in RBN. Chicago has limited supply, as the metro added only 1.6% to its stock in the past year.

The top five also included Boston (0.6%), Columbus (0.4%), and San Francisco and Seattle (both 0.4%).

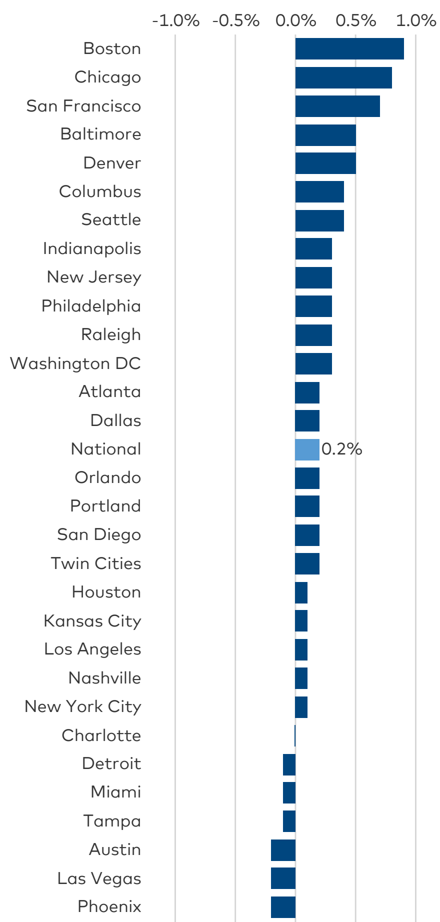
Denver posted a 0.3% monthly gain, its fourth consecutive positive month, following a prolonged period of softness driven by elevated supply. While not a rent growth leader, Washington, D.C., posted a 0.2% gain. The metro has maintained positive rent growth this year, despite the thousands of federal job cuts.

Only four markets posted monthly rent declines: Austin (-0.3%), Phoenix (-0.2%), and Tampa and Miami (both -0.1%).

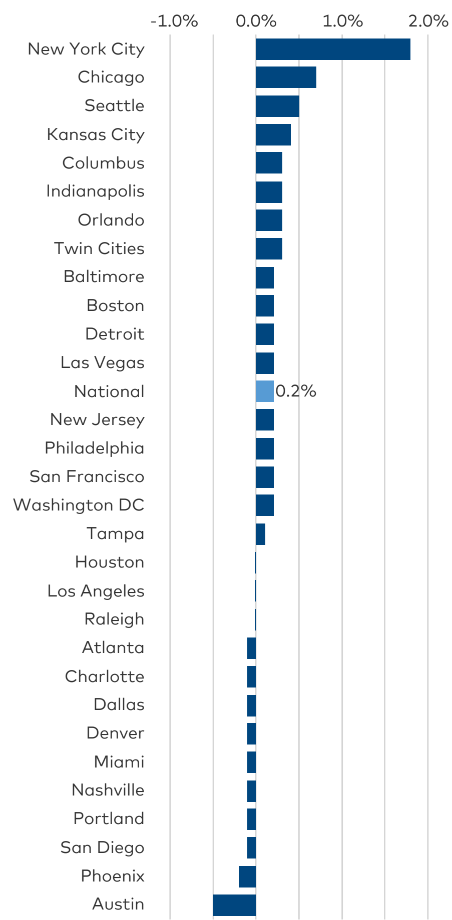
Month-Over-Month Rent Growth—All Asset Classes



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: Rising Rents Eat Into Affordability

- The Harvard Joint Center's most recent report found that an increasing number of households are spending more than 30% of their income on rent.
- That finding comports with Yardi Matrix data, which shows that the average national advertised rent has grown by 27% over the past five years.
- More recently, advertised rents have declined in markets with high supply growth, a sign that increasing deliveries is part of the solution to the affordability problem.

The Harvard Center for Joint Housing Studies reports that renters' budgets are increasingly strained. Half of the renters in the U.S.—a record-high 22.6 million—spent more than 30% of income on housing and utilities in 2023, according to the center's most recent release. The report found that 27% of renters, or 12.1 million households, spent more than 50% of their income on housing.

The burden is being felt by renters with the lowest incomes, as 70% of renters with incomes between $30,000 and $44,999 were "cost burdened." Most of the 600,000-plus units delivered during the year were geared toward luxury units affordable only to renters with high incomes. "The number of higher-rent units has increased dramatically, while the number of lower-rent units has fallen substantially," the report said.

The Harvard findings are in line with Yardi Matrix data showing that rents have increased sharply since the recovery from the pandemic. In the five years ending in May 2025, the average national advertised rent increased 27.0%, to $1,749, per Matrix. Increases were greatest in high-cost coastal metros where tepid supply growth is insufficient to meet demand and in secondary markets in the Sun Belt that saw a large wave of migration.

In absolute terms, the highest growth was in Manhattan, where the average advertised rent increased by more than $1,100, up 25.0%. Other markets with among the highest increases in absolute rent included Miami, which rose $870 to $2,612 (up 49.1%); San Diego, where rents rose $769 to $2,761 (up 37.2%); Fort Lauderdale, where rents rose $751 to $2,429 (up 43.4%); Orange County, where rents rose $716 to $2,841 (up 31.8%); Northern New Jersey, where rents rose $691 to $2,682 (up 34.5%); and Boston, where rents rose $650 to $2,942 (up 27.7%).

The biggest advertised rent increases on a percentage basis were mostly concentrated in secondary and tertiary metros with a wave of demand starting in 2021, partly because they were relatively inexpensive. Markets with big increases included Knoxville, Tenn. (up 56.7% to $1,660); Savannah/Hilton Head (up 51.6% to $1,759); Albuquerque (up 50.8% to $1,428); Fort Wayne, Ind. (up 47.4% to $1,177); Lexington, Ky. (up 47.3% to $1,315); Chattanooga (up 46.5% to $1,434); Grand Rapids, Mich. (up 44.0% to $1,430); and Central New Jersey (up 42.7% to $2,284).

Advertised rent growth nationally has flattened since 2023, mostly because rates on new leases have dropped in high-supply markets, even though demand remains strong. Since the beginning of 2023, advertised rents have been lower in metros including Austin (down $196, or 11.2%), Phoenix (down $107, 6.5%), Orlando (down $76, 4.1%), Raleigh-Durham (down $51, 3.2%), Dallas (down $51, 2.9%), Salt Lake City (down $41, 2.6%) and Nashville (down $37, 2.2%). The reaction of rents to supply provides fodder for the argument that ramping up supply growth is the best solution for the affordability problem.

Single-Family Build-to-Rent Segment: SFR Rents Continue Moderate Growth

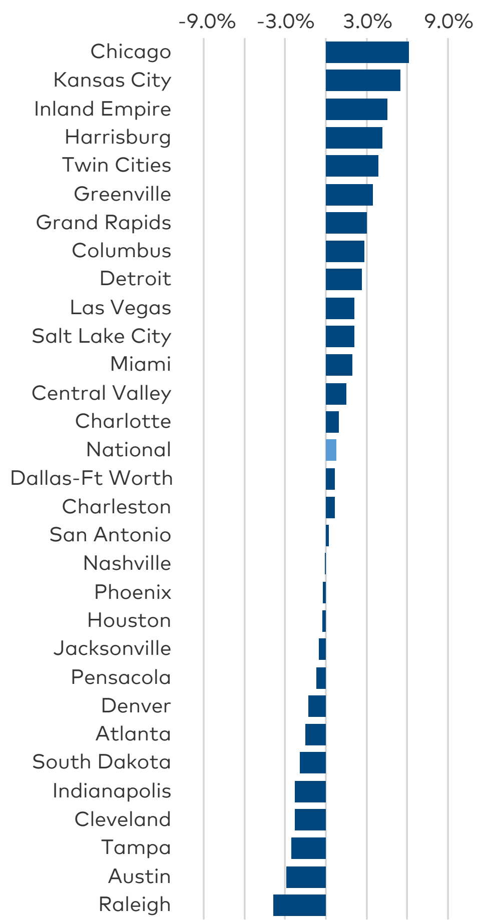
- Nationally, advertised rates for single-family build-to-rent units rose $4 in June to $2,201, up 0.7% year-over-year.
- U.S. SFR occupancy rates were stable month-over-month in May at 94.9% and were down 0.5% year-over-year.

Average U.S. SFR advertised rents surpassed $2,200 for the first time in June, with year-over-year rent growth led by Chicago (6.1%), Kansas City (5.5%), the Inland Empire (4.5%) and Harrisburg (4.1%).

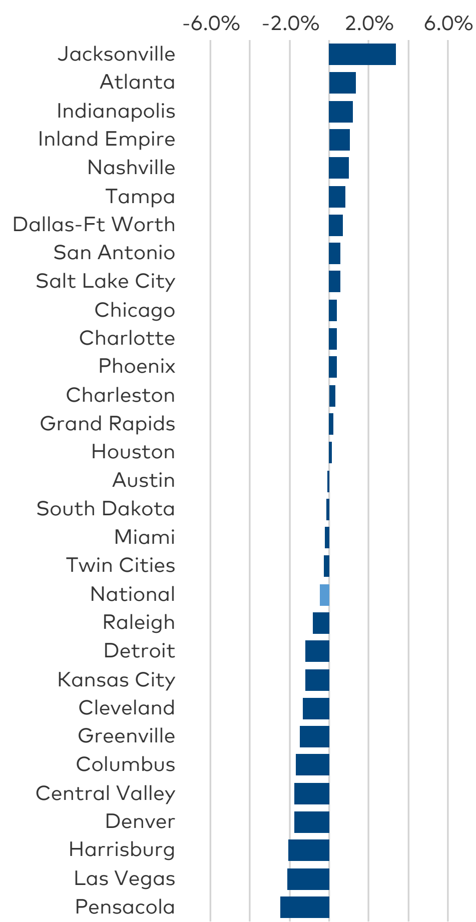
SFR performance can be attributed in part to the formation of new partnerships with homebuilders. While scattered-site acquisitions once fueled the expansion of institutional SFR portfolios, rising interest rates and the build-to-rent model significantly curbed this approach. Institutional growth in the sector is increasingly driven by BTR development. As an example of this approach, Invitation Homes recently announced agreements to acquire more than 300 newly built single-family homes in high-growth markets such as Dallas, Denver and Nashville.

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

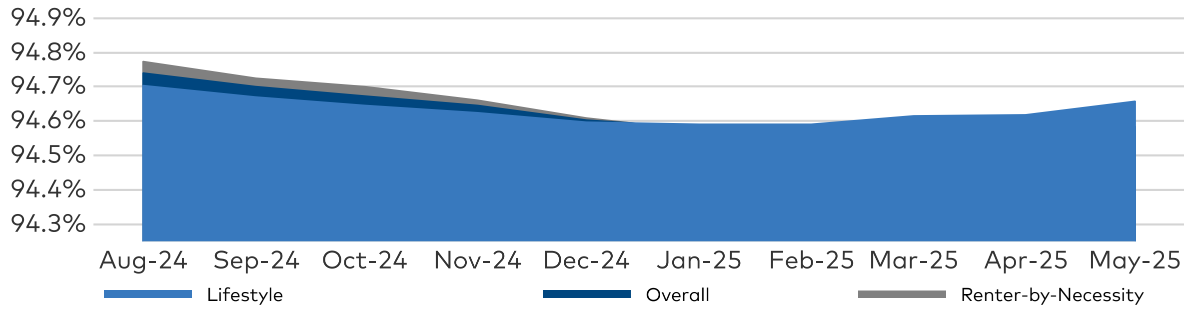
Employment and Supply Trends; Forecast Rent Growth

Market	YoY Rent Growth as of Jun-25	Forecast Rent Growth as of 6/18/25 for YE 2025	YoY Job Growth (6-mo. moving avg.) as of Apr-25	T12 Completions as % of Total Stock as of Jun-25
Chicago	3.6%	2.8%	0.4%	1.6%
Columbus	3.3%	2.8%	0.8%	2.8%
Kansas City	3.2%	3.4%	0.4%	2.3%
New York City	3.1%	3.8%	1.6%	2.3%
Detroit	2.9%	2.8%	0.5%	0.8%
Indianapolis	2.4%	2.4%	0.7%	3.1%
Twin Cities	2.4%	2.0%	0.8%	3.8%
New Jersey	2.3%	2.6%	1.3%	3.4%
San Francisco	2.2%	1.3%	-0.5%	2.4%
Philadelphia	2.0%	2.7%	1.1%	1.5%
Baltimore	1.6%	1.9%	0.7%	1.4%
Washington DC	1.5%	2.3%	1.1%	2.5%
Seattle	0.9%	1.3%	1.2%	3.6%
Tampa	0.7%	0.7%	0.9%	6.1%
Boston	0.6%	1.5%	-0.1%	2.9%
Los Angeles	0.3%	1.0%	0.1%	2.2%
Houston	0.0%	0.6%	1.3%	2.2%
Miami Metro	-0.3%	0.9%	1.2%	4.3%
Raleigh	-0.5%	-0.7%	1.8%	6.4%
Charlotte	-0.6%	-0.3%	1.6%	6.9%
Portland	-0.7%	0.4%	0.1%	3.6%
Atlanta	-0.8%	-1.0%	0.8%	3.6%
San Diego	-0.9%	0.6%	0.5%	2.1%
Nashville	-1.0%	-0.7%	0.8%	6.5%
Las Vegas	-1.1%	-0.4%	0.4%	3.2%
Dallas	-1.2%	-1.0%	1.2%	4.1%
Orlando	-1.2%	-0.9%	2.0%	5.6%
Phoenix	-2.6%	-2.2%	0.3%	5.2%
Denver	-3.9%	-2.2%	0.2%	6.3%
Austin	-4.7%	-3.7%	1.6%	9.6%

Source: Yardi Matrix

Occupancy & Asset Classes

Occupancy—All Asset Classes by Month



Source: Yardi Matrix

Year-Over-Year Rent Growth, Other Markets

Market	June 2025		
	Overall	Lifestyle	Renter-by-Necessity
Cincinnati	3.5%	1.7%	4.5%
Bridgeport–New Haven	3.5%	2.1%	4.6%
San Jose	3.2%	3.7%	2.4%
Cleveland–Akron	3.0%	0.8%	4.0%
St Louis	2.5%	0.8%	3.5%
Richmond–Tidewater	2.4%	2.0%	2.9%
Orange County	2.0%	1.8%	2.2%
Albuquerque	1.9%	1.1%	2.6%
Milwaukee	1.5%	0.1%	2.8%
Greenville	1.3%	1.9%	0.8%
Central Valley	1.3%	1.2%	1.3%
Louisville	1.2%	0.6%	1.5%
North Central Florida	1.1%	1.0%	1.3%
Sacramento	1.1%	0.9%	1.3%
Winston–Salem–Greensboro	0.4%	0.2%	1.2%
Inland Empire	0.1%	-0.5%	0.7%
Jacksonville	-0.9%	-1.0%	-0.8%
San Antonio	-1.0%	-1.0%	-1.1%
Charleston	-1.1%	-1.2%	-0.7%
Salt Lake City	-1.4%	-0.8%	-1.9%
Colorado Springs	-3.4%	-3.7%	-3.1%
Southwest Florida Coast	-4.2%	-4.3%	-3.9%

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.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.

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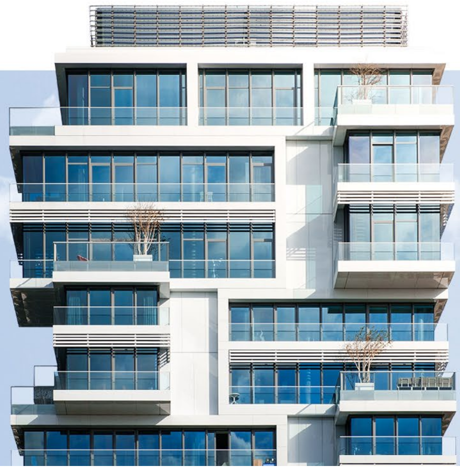

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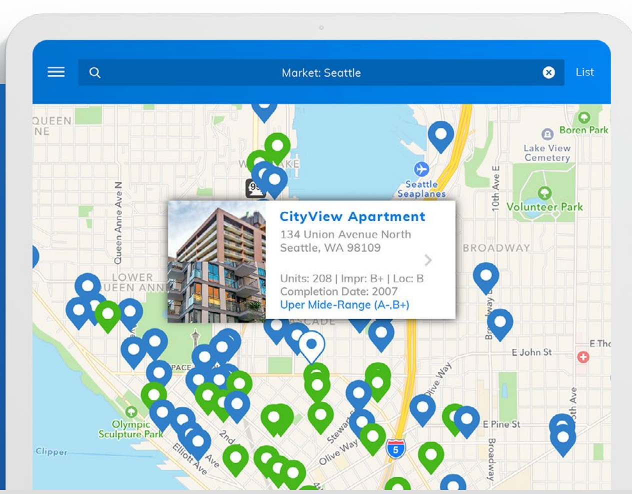
MULTIFAMILY KEY FEATURES

- 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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