Yardi Matrix

National Multifamily Report

November 2025

Multifamily, SFR-BTR See Rents Slip in November

- With job growth and consumer confidence weakening, multifamily rents and demand are struggling. The average U.S. advertised rent fell $8 to $1,740 in November, while year-over-year growth dropped 30 basis points to 0.2%.
- Rent growth has been weak for two years in high-supply markets, but the recent malaise is more widespread. Over the last three months, advertised rents have been negative in 90% of the Matrix top 30, with the Twin Cities the only major metro to produce positive growth.
- Single-family build-to-rent advertised rates likewise are exhibiting weakness, dropping for the fourth straight month. The average BTR advertised rent declined by $10 in November to $2,185, while the year-over-year growth rate fell to -0.5%.

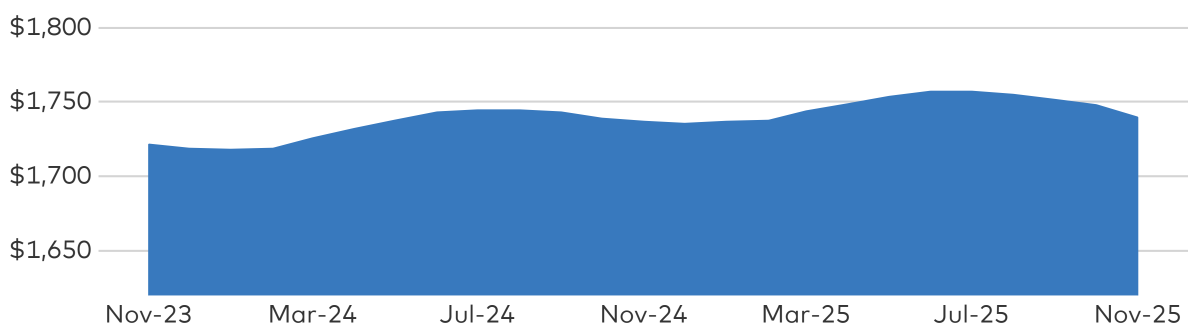
U.S. multifamily advertised rents have hit a soft patch, dropping $8 in November to $1,740, the fourth straight month with negative growth. Advertised rents have declined $17 since they peaked during the summer. Year-over-year rent growth is down to 0.2%, the lowest level since the first quarter of 2021, when the market was beginning to recover from the pandemic.

The recent drop is less than ideal, but more worrisome is how widespread the decline is. Advertised rents have been negative for a year or more in metros such as Austin, Denver, Phoenix and Dallas that are dealing with a glut of supply that has lowered occupancy rates despite strong absorption. But this month metros such as Columbus, Indianapolis, New Jersey, San Jose and San Francisco saw advertised rents turn from positive to negative. Not only are these metros among the top-performing markets in rent growth over the last couple of years but most sport occupancy rates at or above the national average, so the poor performance cannot be attributed to weak overall conditions.

There are several possibilities why rents are dropping. One is seasonality. The winter months are weak for rent growth historically, but over the last few years (since rents climbed sharply in the wake of the pandemic) the winter months have been more volatile. Rents have dropped in each of the last four Novembers, though modest recoveries started in the first quarter of the following year.

Another possibility is that rent growth will be weak for a while due to the supply-demand imbalance. The large delivery pipeline is being absorbed as demand flags. Immigration policy, weak consumer confidence and slowing job growth have caused absorption to decelerate. While year-to-date absorption is strong, the number of apartment units absorbed in October was the lowest in several years.

National Average Rents



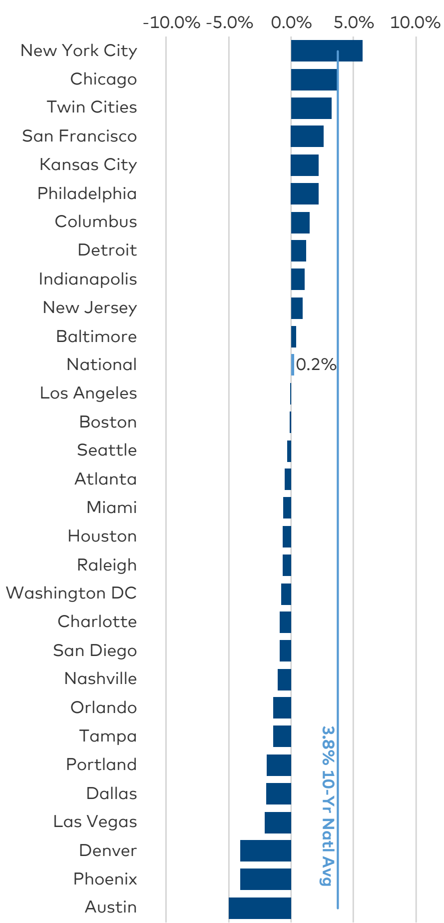
National averages comprise 140 markets tracked by Matrix, which include the 30 metros featured in the report.
All data provided by Yardi Matrix.

Year-Over-Year Rent Growth: Rents Dip, but Occupancy Steady

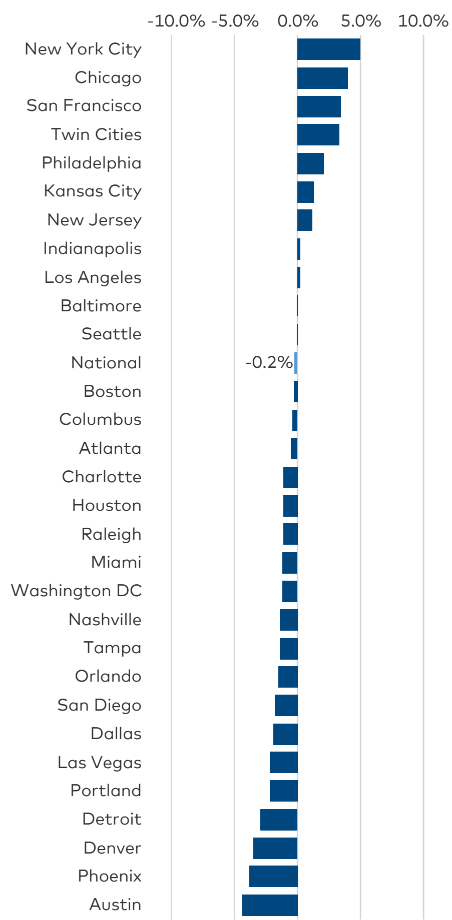
- The national average advertised asking rent fell $8 to $1,740 in November, while the year-over-year growth rate fell to 0.2%. Coastal and Midwest metros recorded the highest rent growth, led by New York (5.7% year-over-year), Chicago (3.8%), the Twin Cities (3.2%), San Francisco (2.6%) and Kansas City (2.2%). Meanwhile, rent growth remains negative in many high-supply metros, led by Austin (-5.0%), Phoenix and Denver (both -4.1%), Las Vegas (-2.1%) and Dallas (-2.0%).

- The national occupancy rate held steady at 94.7% in October, unchanged from a year ago. Despite substantial declines in rent growth, occupancy has remained resilient so far. Most markets recorded gains, led by Atlanta (0.9%), the Twin Cities (0.5%), San Francisco and Phoenix (both 0.4%) and Chicago (0.3%). Conversely, the markets that saw the largest occupancy declines lack any obvious shared drivers—such as elevated new supply—that would explain their drops. These markets include Indianapolis (-0.5%), Washington, D.C. (-0.3%), and Detroit, New Jersey and Miami (all -0.2%).

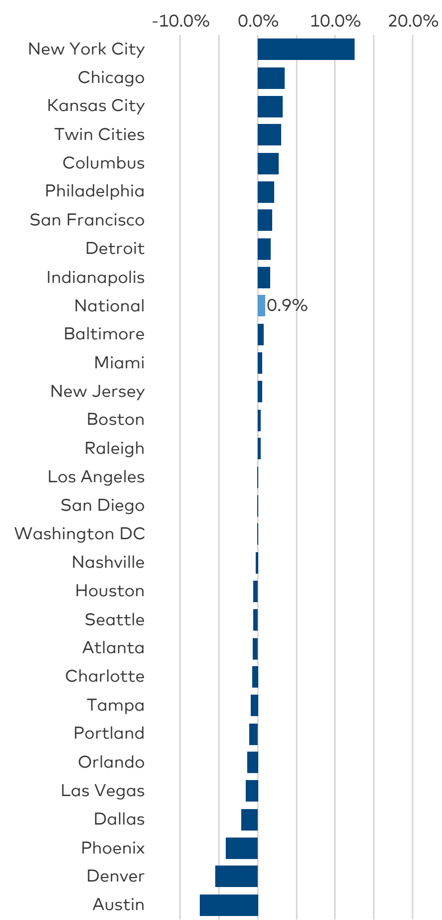
Year-Over-Year Rent Growth—All Asset Classes



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:
Rent Declines Widespread in November

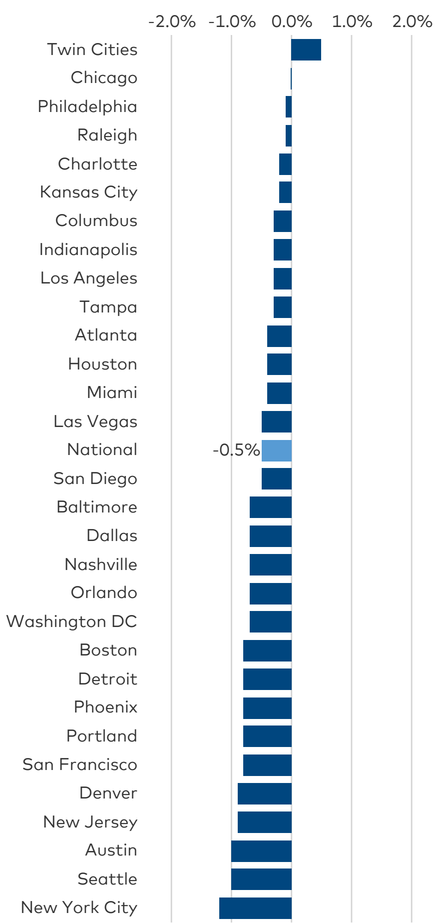
- U.S. advertised rents fell 0.5% month-over-month in November, with only one of the Matrix top 30 markets posting a gain.
- Lifestyle rents declined 0.5% for the month, while Renter-by-Necessity fell 0.4%.

November was another difficult month, as the Twin Cities was the only one of Matrix's top 30 metros to record positive advertised rent growth. Chicago was flat, and every other market experienced declines. The sharpest monthly drops occurred in New York (-1.2%), Austin and Seattle (both -1.0%), and Denver and New Jersey (both -0.9%).

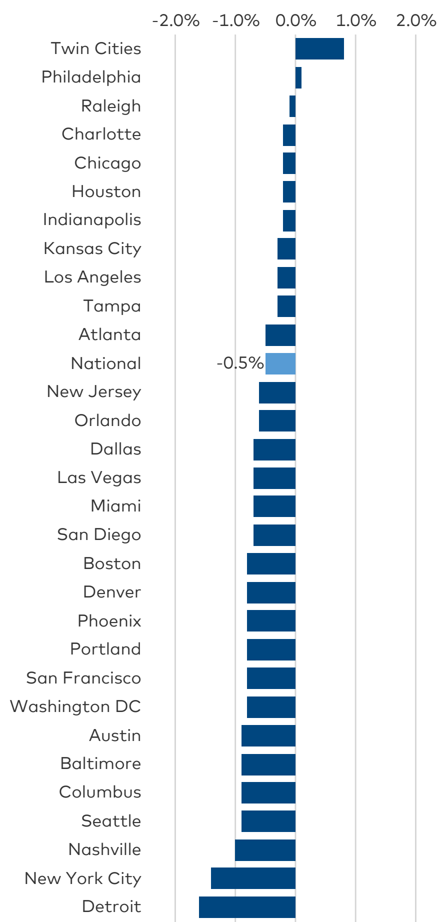
While negative rent growth has recently been led by high-supply markets, this month's declines were broad-based and somewhat unexpected. Northeast markets such as New York and New Jersey—which have been among the strongest performers on an annual basis—were both in the top five for November declines. Similarly, San Francisco, which had been recovering throughout the year, saw a sizable 0.8% drop.

Steep Lifestyle declines continue to drive overall market weakness, most clearly in New York: Despite a 1.0% gain in RBN, the market's 1.4% Lifestyle decline pulled its total performance into negative territory.

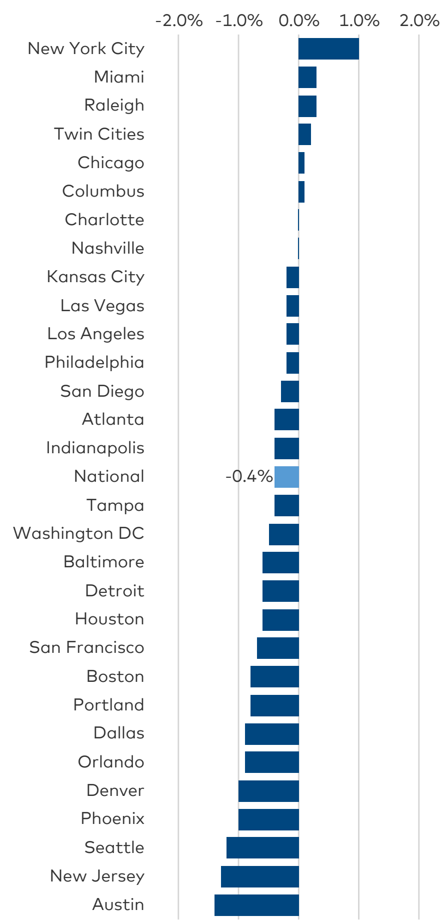
Month-Over-Month Rent Growth—All Asset Classes



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: Institutions Eye Opportunity Zone Investments

- The Opportunity Zone tax credit incentive to invest in low-income areas, created in 2017, was renewed in this year's tax law.
- The first iteration of OZs incentivized roughly 300,000 new apartment units. Proponents say that could increase to more than 1 million over the next decade.
- Institutions have largely sat out OZ investments, but there is more interest now that the incentive has been made permanent.

Opportunity Zones, which provide tax incentives to invest in low-income areas, were largely overlooked by institutional investors during their first go-round. Now that the program has been renewed, that may be about to change.

OZs came into being in the 2017 tax bill and were made permanent in the tax legislation signed into law in July. The OZ law allows investors to defer or eliminate capital gains taxes on long-term investments made in low-income tracts that are designated by states. Some 8,700 zones were created in the first iteration of the program.

It took a while for investors to understand and raise capital for OZ investments when the initial law—referred to by some as a "trial balloon"—was passed. Estimates put OZ investment to date at about $350 billion, mostly by middle-market investors. Now that the program has been made permanent and benefits have been tested by the market, institutions are taking a long look at both equity and debt OZ platforms. "We are starting to see more institutional investors interested in investing in Opportunity Zones," said Greenberg Traurig shareholder James Lang, speaking at the recent National Council of Real Estate Investment Fiduciaries fall conference.

The new law sports changes. For example, the zones will be redrawn by each state's governor and go into effect in July 2026, while updated tax rules go into effect in January 2027. The new law has extra benefits for investing in rural areas. The threshold for qualifying for the OZ benefit has been reduced from 100% to 50% of a property's basis, which should help to preserve existing structures such as apartments.

While OZ benefits can be used for a wide variety of investments, real estate is a main driver of OZ funds, with multifamily the most common property investment type made via the program. Development was higher in zones with a concentration of student housing, possibly because students tend to live in areas with low average incomes.

A review of Yardi Matrix's database found that nearly 600,000 multifamily units have been delivered in OZs since 2018. Metros with the most apartment deliveries in OZs included New York (26,800), Los Angeles (25,299), Phoenix (21,000), Washington, D.C. (20,000) and Miami (18,500), per Matrix. A study by the Economic Innovation Group found that about half of investments in OZs were directly the result of the incentive, which would mean the first iteration of the law helped fuel about 300,000 new multifamily units. Analysts say the OZ credit could spur development of upwards of 1 million units over the next decade.

But there are limitations. Apartment starts in all segments and locales have dropped sharply since 2023 due to rising construction costs, labor shortages and limited financing. And OZ rules have inherent difficulties. For example, the tight timeframe around fundraising and investing conflicts with the slow entitlement process in many jurisdictions. Even so, it seems likely that institutional OZ investments will increase in the next decade.

Single-Family Build-to-Rent Segment: SFR Rents See Sharp November Drop

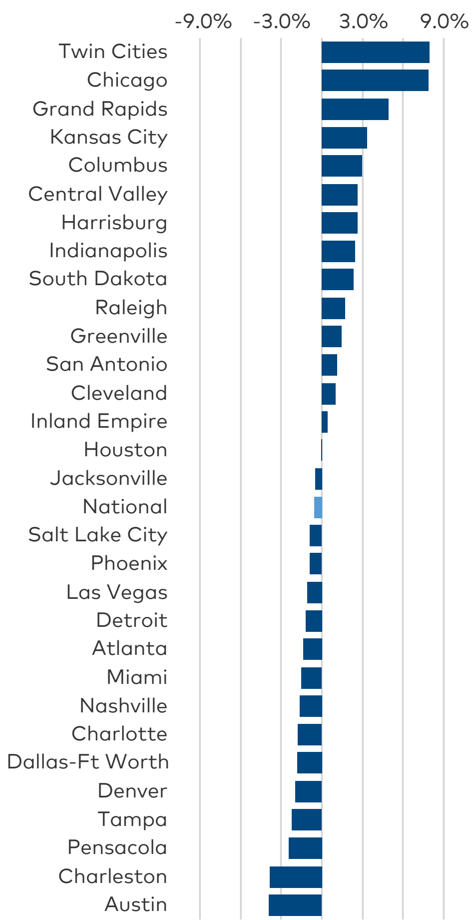
- Advertised rates for U.S. single-family build-to-rent units fell $10 to $2,185 in November, with year-over-year growth at -0.5%.
- U.S. SFR occupancy rates were strong at 95.0% in October, an increase of 0.1% year-over-year. Occupancy was 96.3% at RBN and 94.8% at Lifestyle properties.

The 0.5% year-over-year decline in SFR rents this month marks the largest November drop in more than a decade. After reaching a record $2,213 in July, SFR rents have fallen $28 from that peak. Though some winter softening is normal, this year's drop—after 1.4% November gains in both 2023 and 2024—signals slowing demand.

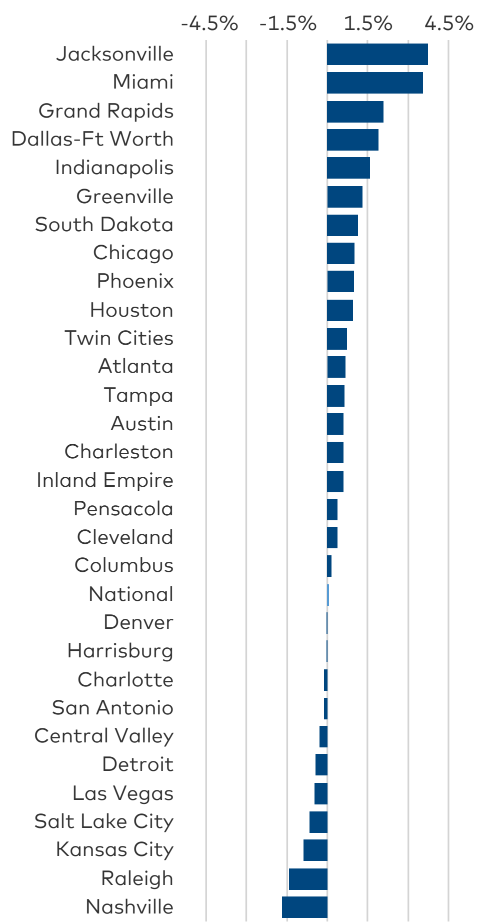
Unlike the multifamily sector, where most metros posted negative growth, the SFR market is more evenly split, with 15 metros showing flat or positive growth and 15 recording declines. The strongest gains were concentrated in the Midwest, led by the Twin Cities and Chicago (both 7.9%) and Grand Rapids (4.9%). In contrast, the Sun Belt continues to face the steepest losses, with declines led by Austin (-3.9%), Charleston (-3.8%) and Pensacola, Fla. (-2.5%).

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



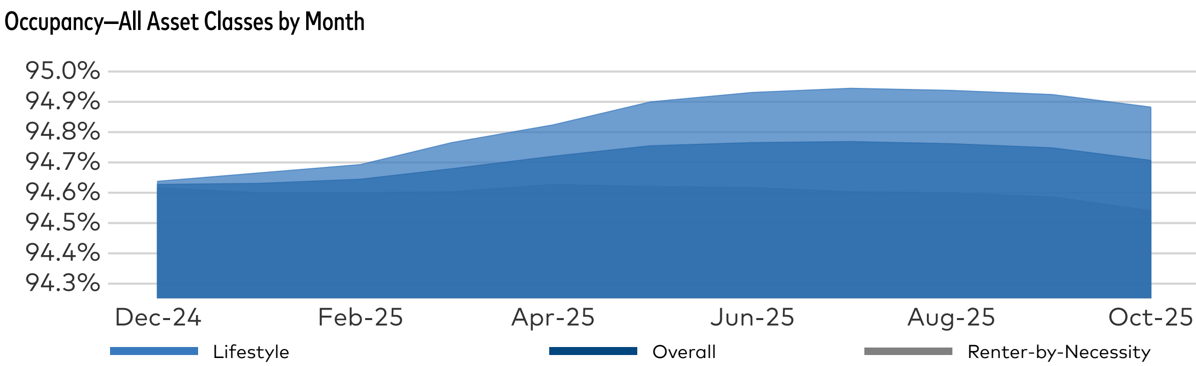
Source: Yardi Matrix

Employment and Supply Trends; Forecast Rent Growth

Market	YoY Rent Growth as of Nov-25	Forecast Rent Growth as of 10/09/25 for YE 2025	YoY Job Growth (6-mo. moving avg.) as of Aug-25	T12 Completions as % of Total Stock as of Nov-25
New York City	5.7%	4.5%	1.5%	2.8%
Chicago	3.8%	3.5%	0.5%	1.5%
Twin Cities	3.2%	2.2%	0.7%	2.2%
San Francisco	2.6%	1.8%	-0.5%	2.2%
Kansas City	2.2%	3.3%	0.1%	2.1%
Philadelphia	2.2%	2.4%	1.4%	2.0%
Columbus	1.5%	2.8%	1.5%	2.5%
Detroit	1.2%	2.8%	0.6%	0.9%
Indianapolis	1.1%	2.0%	0.6%	2.9%
New Jersey	0.9%	2.5%	1.2%	3.0%
Baltimore	0.4%	1.8%	0.2%	1.5%
Los Angeles	0.0%	0.6%	0.4%	2.1%
Boston	-0.1%	2.0%	0.2%	2.7%
Seattle	-0.3%	0.9%	0.7%	3.1%
Atlanta	-0.5%	-0.9%	0.4%	3.2%
Miami Metro	-0.6%	0.6%	1.3%	4.2%
Houston	-0.7%	0.1%	1.1%	1.9%
Raleigh	-0.7%	-0.7%	1.7%	5.3%
Washington DC	-0.8%	2.1%	0.4%	2.7%
Charlotte	-0.9%	-0.5%	2.3%	7.4%
San Diego	-0.9%	0.0%	0.7%	2.4%
Nashville	-1.1%	-0.6%	1.0%	5.5%
Orlando	-1.4%	-0.9%	1.7%	5.6%
Tampa	-1.4%	0.2%	1.0%	4.5%
Portland	-1.9%	0.4%	-0.1%	3.0%
Dallas	-2.0%	-1.1%	1.0%	3.6%
Las Vegas	-2.1%	-0.7%	0.3%	2.1%
Denver	-4.1%	-2.6%	0.0%	5.3%
Phoenix	-4.1%	-2.3%	0.6%	5.2%
Austin	-5.0%	-3.9%	1.0%	8.6%

Source: Yardi Matrix

Occupancy & Asset Classes



Source: Yardi Matrix

Year-Over-Year Rent Growth, Other Markets

Market	November 2025		
	Overall	Lifestyle	Renter-by-Necessity
Cleveland–Akron	3.3%	1.0%	4.0%
Cincinnati	3.3%	1.7%	3.7%
San Jose	2.8%	3.2%	2.1%
Bridgeport–New Haven	2.2%	1.5%	2.7%
St Louis	1.9%	1.4%	2.6%
Milwaukee	1.9%	1.4%	2.6%
Richmond–Tidewater	1.9%	1.8%	2.1%
Orange County	1.1%	1.7%	0.4%
Central Valley	1.1%	0.2%	1.4%
Inland Empire	0.7%	0.0%	1.5%
Greenville	0.3%	0.8%	-0.3%
Louisville	0.2%	0.8%	0.2%
North Central Florida	-0.3%	-1.6%	1.0%
Albuquerque	-0.4%	-1.9%	0.5%
Winston–Salem–Greensboro	-0.5%	-0.8%	-0.3%
Sacramento	-0.9%	-1.3%	-0.6%
Charleston	-1.0%	-1.5%	-0.1%
Jacksonville	-1.1%	-0.5%	-2.5%
Salt Lake City	-1.2%	-1.1%	-1.1%
San Antonio	-2.7%	-2.8%	-2.1%
Colorado Springs	-4.8%	-4.4%	-5.1%
Southwest Florida Coast	-5.5%	-5.3%	-5.9%

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

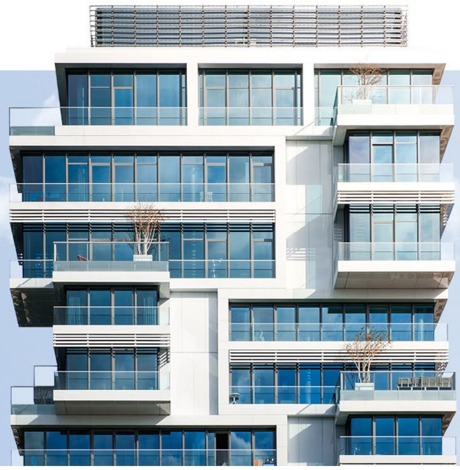
Market Position	Improvement Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

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.

Yardi Matrix



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MULTIFAMILY KEY FEATURES

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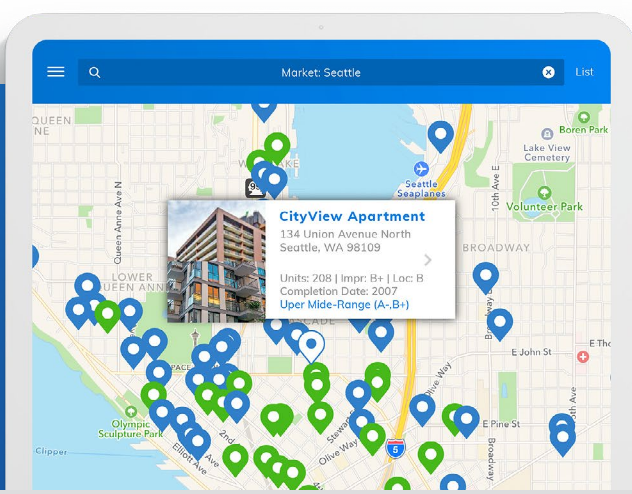
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue 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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