Yardi® Matrix

National Multifamily Report

September 2025

Multifamily Rents Slip in September

- With demand and economic growth starting to show signs of cooling, multifamily rents hit a snag in September. The average U.S. advertised rent fell $6 to $1,750 while year-over-year growth fell 30 basis points to 0.6%.
- The $6 drop in advertised rents was the worst September showing in more than a decade. Properties in markets with an overhang of new supply are offering concessions and/or cutting advertised rents to attract tenants.
- Single-family build-to-rent advertised rates also took a hit in September. The average BTR advertised rent dropped by $15 in September to $2,194, while the year-over-year growth rate fell 60 basis points to 0.0%.

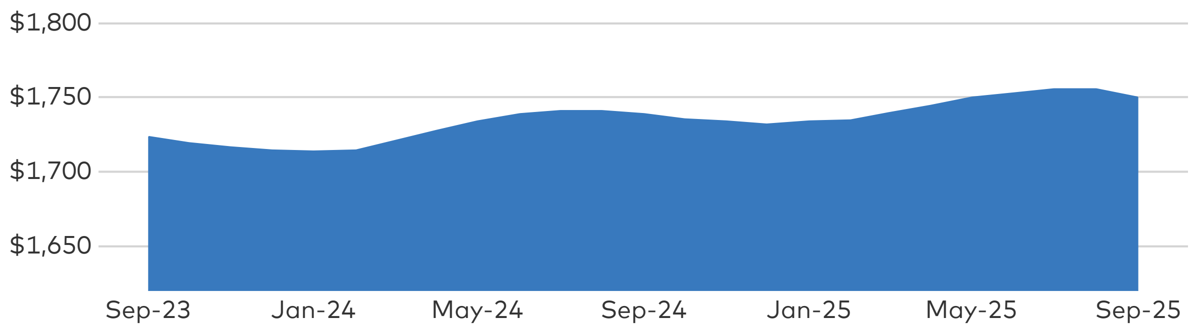
U.S. multifamily advertised rents fell $6 in September, the worst one-month drop since November 2022 and the worst September decline since 2009. The poor performance comes as demand shows signs of weakening while high-supply markets have a glut of properties in the lease-up phase. Rents remain close to all-time highs, so while it is too soon to say September is the start of a trend, the drop could signal emerging market softness.

A key factor is that more than 525,000 units are in the lease-up phase nationally, which intensifies competition among properties. Markets with the weakest rent growth often overlap with those carrying the largest pipelines. For example, Dallas (35,000 units in lease-up; 3.8% of stock), Phoenix (22,000; 5.9%), Austin (18,000; 5.5%) and Charlotte (18,000; 7.6%) all posted negative rent growth this month. Until the new supply is absorbed, rents are likely to remain under pressure.

The full lease-up pipeline comes as concerns are emerging about a slowing economy. Unemployment rose to 4.3% in August, with the economy adding only 22,000 jobs—well below expectations and the average growth in recent years. These labor challenges are weighing on consumer sentiment, which has slipped after gains in June and July. More households now expect declining incomes, even as many already struggle to keep pace with inflation. This is concerning for multifamily, given the link between consumer confidence and household formation.

The Federal Reserve is attempting to spur activity by cutting short-term interest rates by 25 basis points—its first move in nine months—and signaled more reductions may follow. While modest, lower borrowing costs could support business activity, hiring and consumer sentiment. Overall, near-term demand faces pressure from supply and labor headwinds, but the Fed's pivot may help stabilize conditions.

National Average Rents



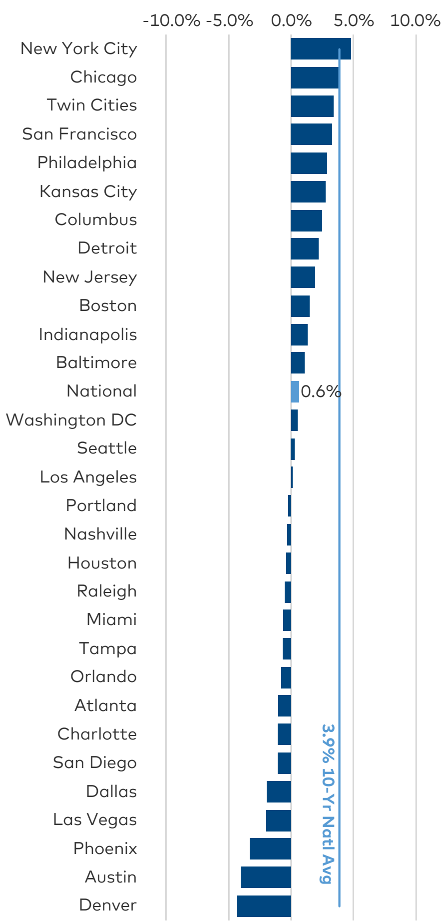
National averages comprise 140 markets tracked by Matrix, which include the 30 metros featured in the report.
All data provided by Yardi Matrix.

Year-Over-Year Rent Growth: Coastal and Midwest Markets Lead Gains

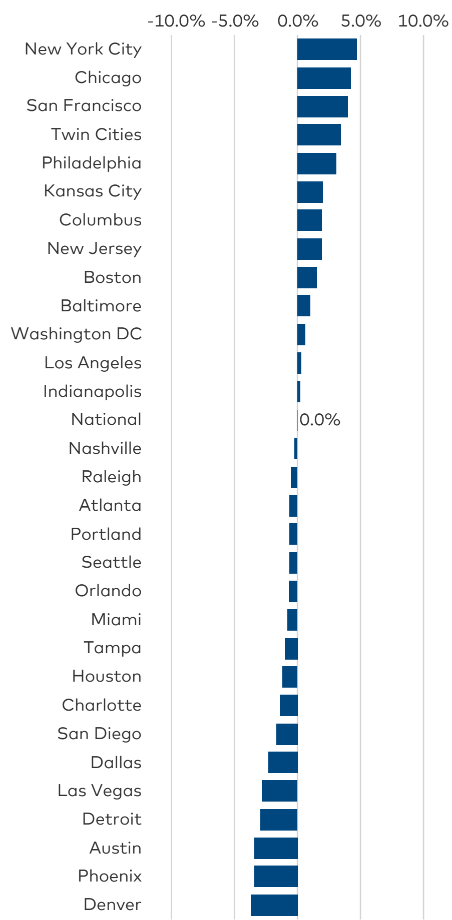
- The national average advertised asking rent fell $6 to $1,750 in September, while the year-over-year growth rate fell to 0.6%. Coastal and Midwest metros recorded the highest rent growth, led by New York (4.8% year-over-year), Chicago (3.9%), the Twin Cities (3.4%), San Francisco (3.3%) and Philadelphia (2.9%). Meanwhile, rent growth remains negative in many high-supply metros, led by Denver (-4.3%), Austin (-4.0%), Phoenix (-3.3%), Las Vegas (-2.0%) and Dallas (-1.9%).

- The national occupancy rate fell slightly to 94.7% in August but was unchanged year-over-year. Most markets posted modest changes, while few recorded significant swings. Atlanta (0.8% year-over-year), Charlotte and the Twin Cities (both 0.6%) posted the largest increases, while Denver (-0.4%) saw the largest decline. Occupancy has improved in several high-supply metros in the last few months, as Austin (92.8%) and Houston (92.6%) were the only markets with rates below 93.0%. During the late spring and early summer, as many as five markets were under that threshold.

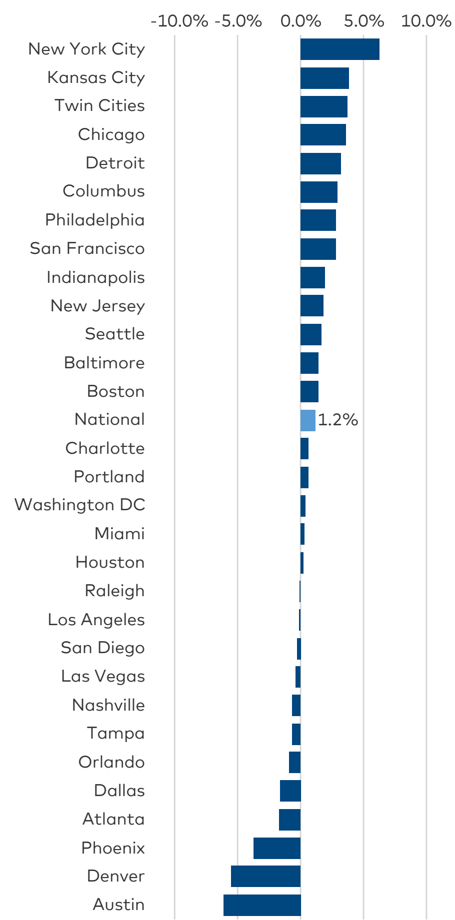
Year-Over-Year Rent Growth—All Asset Classes



Year-Over-Year Rent Growth—Lifestyle Asset Class



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



Source: Yardi Matrix

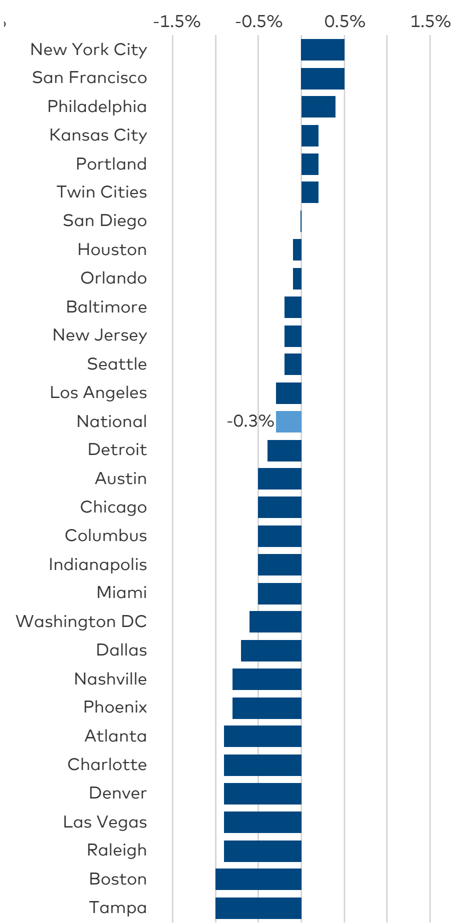
Short-Term Rent Changes: Negative Rent Growth Hits Boston and the Midwest

- U.S. advertised rents fell 0.3% month-over-month in September, with only six of the Matrix top 30 markets posting gains.
- Lifestyle rents declined 0.5% while Renter-by-Necessity declined 0.1% for the month.

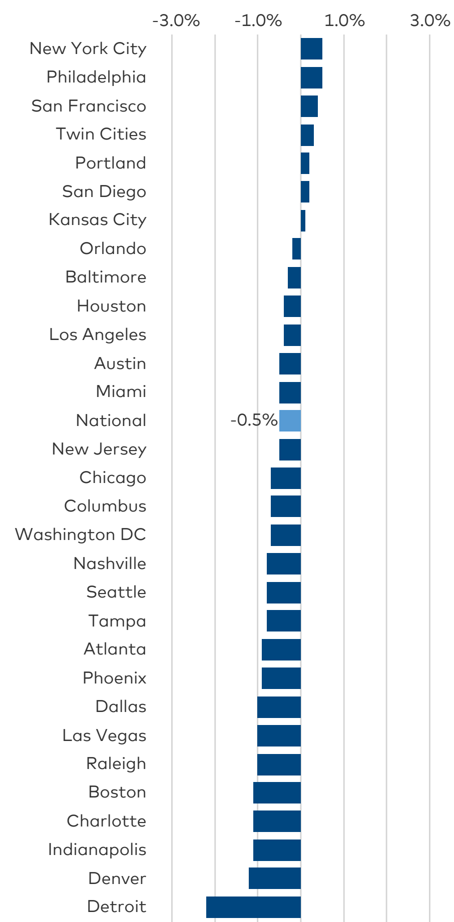
Monthly rent gains in September were highest in coastal markets. New York and San Francisco (both 0.5%) led Matrix's top 30 markets. New York gained 0.5% in Lifestyle and 0.2% in RBN while San Francisco increased 0.4% in Lifestyle and 0.7% in RBN. After years of weak performance, San Francisco has been steadily rebounding, fueled by low supply and the AI boom drawing high-paid tech employees back to the office. Other top performers included Philadelphia (0.4%) and Portland (0.2%).

Meanwhile, sharp declines of 0.5% or more occurred in 16 metros. Drops were concentrated in Sun Belt markets, but some non-typical metros emerged. Boston fell 1.0% despite low supply, while several Midwest markets—typically rent growth leaders—also posted significant declines. Detroit saw a 0.4% decrease, including a striking -2.2% in Lifestyle and -0.2% in RBN. Chicago and Columbus (both -0.5%) were other Midwestern weak performers.

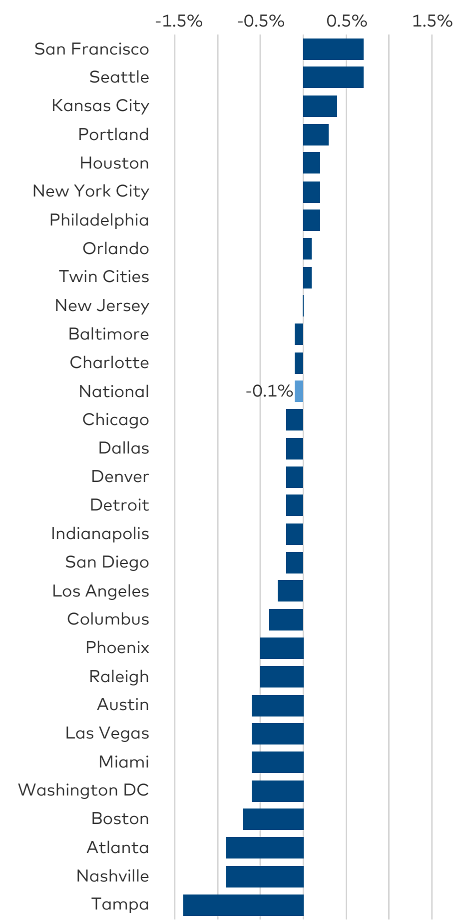
Month-Over-Month Rent Growth—All Asset Classes



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: Harvard: Household Growth to Slow

- Household growth, a key driver of multifamily demand, is expected to moderate in the coming decade. New households are likely to total about 840,000 per year, down from about 1.5 million annually in the last 10 years.
- The ongoing drops in birth rates and foreign immigration are the main reasons household growth is slowing.
- Weak household growth may impact multifamily demand less than feared because a greater share of new households are projected to rent rather than buy homes.

Multifamily demand is derived from a combination of economic and social trends that impact the number of households formed and where those households locate. Estimates of future demand posit slowing population and household growth, but renting should grab a growing share of new households from homeownership.

One study by the Joint Center for Real Estate Studies at Harvard University estimates household growth of 859,000 per year through 2025. If correct, that would represent a significant decline from the average 1.5 million households created during the last decade. The number of households increased to 132 million in 2025 from 117 million in 2015, according to the U.S. Census Bureau.

With the domestic birth rate falling to its lowest level in more than 40 years, population growth in recent years has been fueled by immigration. Since the turn of the century, more than 1 million residents have been added to the U.S. population annually, according to the Migration Policy Institute, but that number is unlikely to top 500,000 in 2025. The government said six million immigrants came to the U.S. in 2023-24, but policies have changed. John Burns Real Estate lowered its estimate of immigration in 2025 by 76% due to new restrictions and deportations imposed by the current administration.

Which markets are impacted the most by the drop in immigration? International centers such as New York, Los Angeles, Boston, Miami and San Francisco are the logical contenders. But high-growth secondary markets such as Orlando, Houston, Dallas, Austin and Atlanta have increasingly relied on international immigration in recent years, according to Chris Urwin of advisory firm Real Global Advantage.

While population and household growth may be slowing, good news for multifamily is that a larger share of households are renting as opposed to buying homes. According to Harvard, some 2 million renter households will be added in 2024 and 2025, almost double the long-term average.

There are numerous reasons for the recent surge in renting, including weak home sales due to high prices and mortgage rates. Purchasing a home is now roughly 40% more expensive than renting. Fewer tenants are moving out of rentals to buy homes. Other factors include social trends such as delayed marriage and childbearing, which often precede buying homes; the desire of younger households for flexibility; and the higher quality of rentals that attract higher-income tenants.

The Harvard study concludes that the most likely scenario is one in which household growth will gravitate toward renting. This scenario "results in a 1.6 percentage point decline in the overall homeownership rate and homeowner growth of just 337,000 per year, which is 51 percent below the recent average annual level of homeowner growth since 2000," the study said. "Meanwhile, projected renter household growth under this scenario, at 523,000 per year, is roughly equal to historical average annual renter growth since 2000."

Single-Family Build-to-Rent Segment: SFR Rent Growth Falls to Decade Low

- Nationally, advertised rates for single-family build-to-rent units fell $15 to $2,194 in September, unchanged year-over-year.

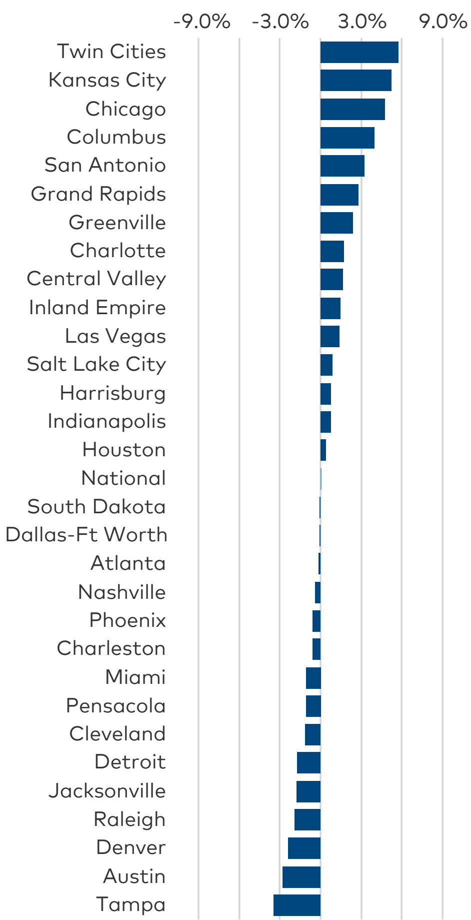
- U.S. SFR occupancy rates were strong at 95.1% in August and unchanged year-over-year. Occupancy was 96.3% at RBN and 94.9% at Lifestyle properties.

SFR rents hit a rough patch in September, as the $15 decline marked the worst month since February 2015. Annual rent growth has not exceeded 1.0% since last year—making it one of the weakest stretches in a decade as the sector cools from pandemic-driven increases. For comparison, the five-year pre-pandemic average was 2.8%, while the 2025 average is 0.7%.

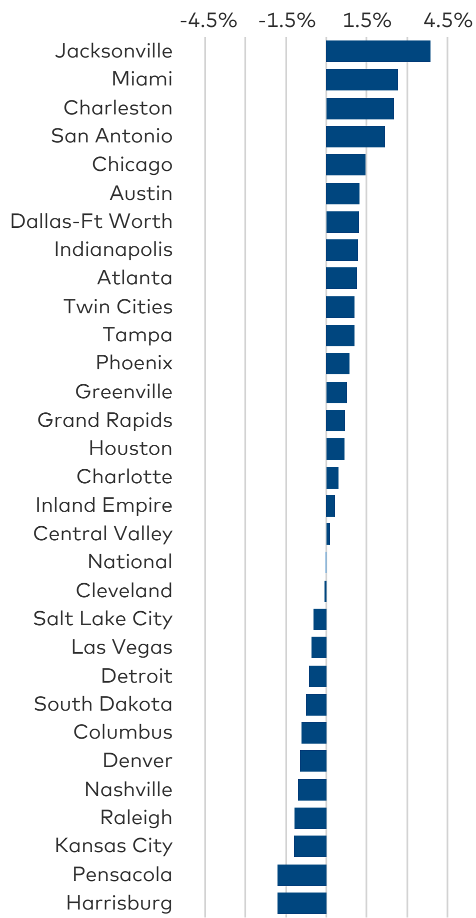
However, demand could continue to be supported by a weak for-sale market. High home prices and mortgage rates have priced out many buyers, even as mortgage rates have eased to 6.3% from nearly 7.0% in January. With mortgage rates unlikely to drop below 6.0% anytime soon and with new SFR starts having declined sharply, the stage is set for a potential rebound in rents as supply tightens.

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



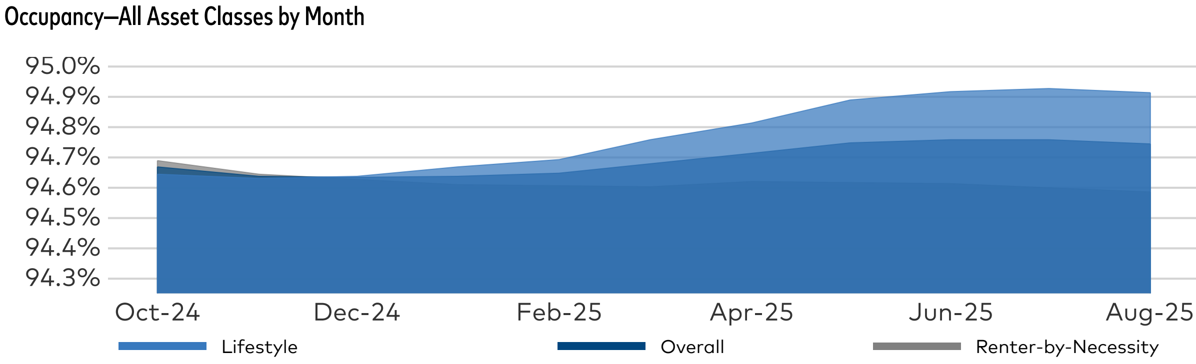
Source: Yardi Matrix

Employment and Supply Trends; Forecast Rent Growth

Market	YoY Rent Growth as of Sep-25	Forecast Rent Growth as of 9/01/25 for YE 2025	YoY Job Growth (6-mo. moving avg.) as of Jun-25	T12 Completions as % of Total Stock as of Sep-25
New York City	4.8%	3.9%	1.4%	3.0%
Chicago	3.9%	2.8%	0.5%	1.6%
Twin Cities	3.4%	2.0%	0.7%	2.7%
San Francisco	3.3%	1.3%	-0.5%	2.2%
Philadelphia	2.9%	2.7%	1.3%	1.8%
Kansas City	2.8%	3.4%	0.2%	2.2%
Columbus	2.5%	2.8%	1.3%	2.6%
Detroit	2.2%	2.8%	0.7%	0.9%
New Jersey	1.9%	2.7%	1.1%	2.7%
Boston	1.5%	1.5%	0.0%	2.7%
Indianapolis	1.3%	2.4%	0.5%	2.9%
Baltimore	1.1%	1.9%	0.3%	1.5%
Washington DC	0.5%	2.3%	0.5%	2.8%
Seattle	0.3%	1.3%	0.8%	3.5%
Los Angeles	0.1%	1.0%	0.3%	2.4%
Portland	-0.2%	0.4%	-0.1%	3.1%
Nashville	-0.3%	-0.7%	0.9%	5.7%
Houston	-0.4%	0.6%	1.2%	2.1%
Raleigh	-0.5%	-0.7%	1.8%	5.9%
Miami Metro	-0.6%	0.9%	1.3%	4.4%
Tampa	-0.7%	0.7%	1.0%	4.6%
Orlando	-0.8%	-0.9%	1.9%	5.7%
Atlanta	-1.0%	-1.0%	0.5%	3.6%
San Diego	-1.1%	0.6%	0.7%	2.4%
Charlotte	-1.1%	-0.3%	2.2%	7.4%
Dallas	-1.9%	-1.0%	1.1%	3.6%
Las Vegas	-2.0%	-0.4%	0.3%	2.6%
Phoenix	-3.3%	-2.2%	0.3%	5.4%
Austin	-4.0%	-3.7%	1.2%	8.6%
Denver	-4.3%	-2.2%	0.0%	6.4%

Source: Yardi Matrix

Occupancy & Asset Classes



Source: Yardi Matrix

Year-Over-Year Rent Growth, Other Markets

Market	September 2025		
	Overall	Lifestyle	Renter-by-Necessity
San Jose	4.1%	5.2%	2.5%
Cleveland–Akron	3.2%	-0.7%	4.3%
Cincinnati	3.1%	2.4%	3.3%
Bridgeport–New Haven	2.4%	1.9%	2.8%
St Louis	2.1%	2.5%	1.9%
Milwaukee	2.0%	-0.1%	4.0%
Richmond–Tidewater	2.0%	1.8%	2.4%
Greenville	1.8%	2.1%	1.3%
North Central Florida	1.1%	-0.3%	2.5%
Louisville	1.0%	1.6%	0.7%
Orange County	0.9%	0.7%	1.2%
Albuquerque	0.9%	0.7%	1.1%
Sacramento	0.8%	1.0%	0.6%
Winston-Salem–Greensboro	0.6%	0.8%	0.5%
Central Valley	-0.2%	0.0%	-0.2%
Jacksonville	-0.6%	-0.8%	0.0%
Inland Empire	-0.8%	-1.6%	-0.1%
Charleston	-0.8%	-0.6%	-1.1%
Salt Lake City	-0.9%	-0.9%	-0.7%
San Antonio	-1.3%	-2.1%	-0.3%
Colorado Springs	-4.0%	-3.9%	-4.1%
Southwest Florida Coast	-4.3%	-4.6%	-4.0%

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

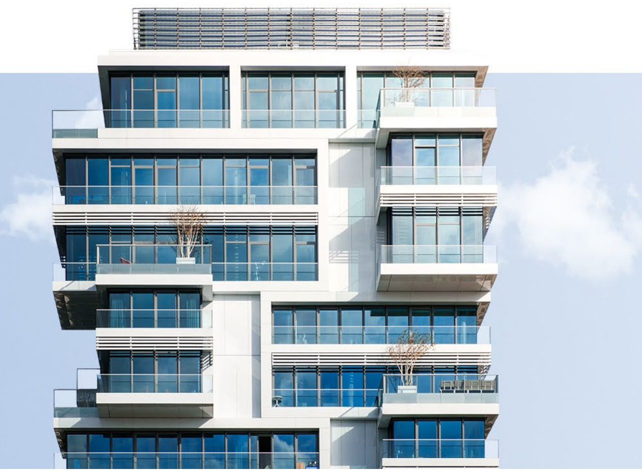
Market Position	Improvement Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

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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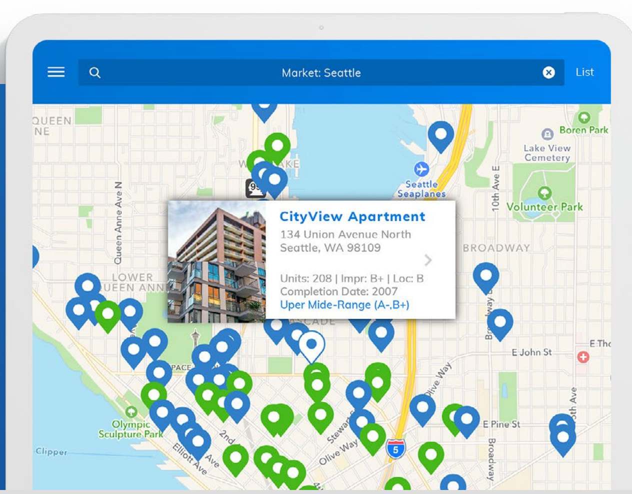
MULTIFAMILY KEY FEATURES

- 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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