Yardi Matrix

National Multifamily Report

April 2025

Fundamentals Healthy as U.S. Economic Growth Slows

- Multifamily advertised rents continued to grow moderately in April as demand coming from a solid labor market and weak home sale market remained consistent. The average U.S. advertised rent increased $5 to $1,736, while year-over-year growth fell 10 basis points to 0.9%.
- The national occupancy rate declined slightly, reaching its lowest point in more than a decade at 94.4%. However, a slowdown in supply is anticipated in the coming years, as starts have dropped sharply, which will support absorption.
- Single-family build-to-rent advertised rates also increased in April, up $5 to $2,178. Gains were entirely concentrated in the Renter-by-Necessity (RBN) segment, which was up 1.9% year-over-year, while the Lifestyle segment was down 0.4%.

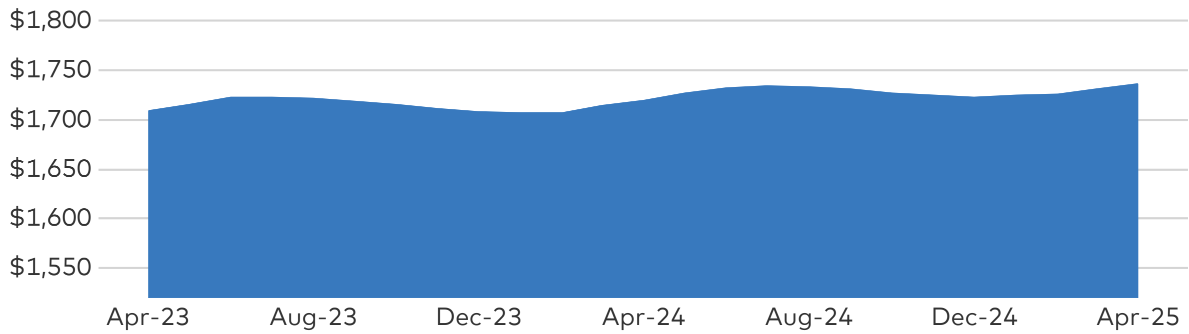
Solid demand has kept multifamily rent growth steady, but economic uncertainty threatens the market. Nationally, rents rose $5 in April to $1,736, reflecting a modest 0.9% year-over-year increase. Although record levels of deliveries have applied downward pressure on rents, strong job growth and fewer renters moving into homes have helped maintain healthy absorption. Early data aligns with our forecast of moderate 1.5% rent growth in 2025, but the contraction of the first quarter GDP raises the risk of a potential downturn, which could disrupt otherwise resilient fundamentals.

Steep for-sale house prices and mortgage rates have been a benefit for rental demand. Home prices continue to climb, with the S&P CoreLogic Case-Shiller Index showing a 3.9% annual increase in February. This impacts sales significantly, as existing home sales dropped 5.9% in March to a seasonally adjusted rate of 4 million, the slowest pace since the 2009 crisis, according to the National Association of Realtors. With mortgage rates still hovering above 6.5%, many prospective buyers will continue renting.

While multifamily market fundamentals are healthy, the economic uncertainty caused by tariffs could challenge the market. Weaker economic growth could offset the supply slowdown by reducing multifamily demand, which could delay rent growth recovery. Household formations could decline as more people begin doubling up.

According to Yardi Matrix, the U.S. is forecast for a slowdown in completions in the coming years, with 2026 down 31% and 2027 down 43% from 2024's record-high 615,000 completions. This slowdown will allow rent growth to return to a more robust range of 3% to 4% from 2027 through 2030.

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.