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.

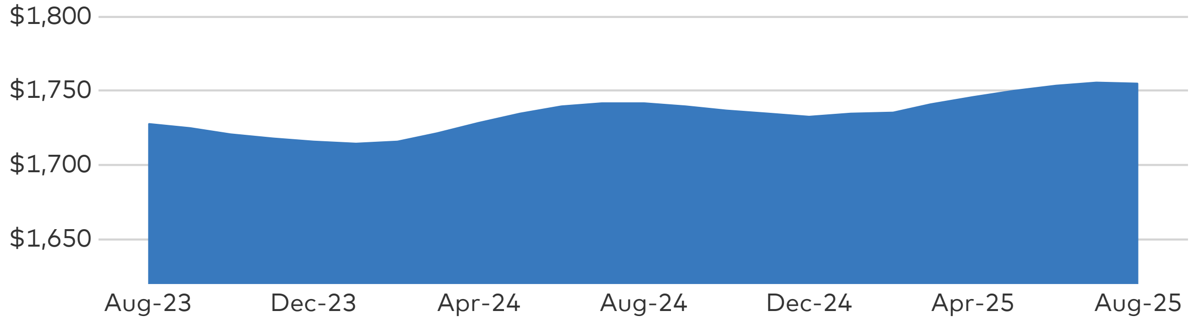
Rent growth is expected to remain lackluster through year-end. Momentum is slowing across most metros, as only a few markets recorded more than 3% year-over-year growth. This deceleration is driven by supply rather than demand, as elevated deliveries have created a highly competitive leasing environment 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



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