



Yardi[®] Matrix

National Multifamily Report

February 2025



Multifamily Rents Flat in February as Test Approaches

- With economic uncertainty on the rise, U.S. multifamily rents continued in a holding pattern in February. The average U.S. advertised asking rent increased \$1 nationally in February to \$1,751, while year-over-year rent growth was unchanged at 1.2%.
- Multifamily rent growth performance continues to be exceptionally regional. The top 10 in the Matrix ranking of major metros comes entirely from the Midwest and Northeast.
- Single-family build-to-rent advertised rates were unchanged at \$2,165, while year-over-year growth remained at 0.2%. There is a wide variance among metros, with Detroit (6.0%), the Inland Empire (5.2%) and Nashville (5.1%) leading the way and Austin (-4.6%) at the bottom.

Multifamily performance tends to be subdued in the winter months in advance of the spring moving season, and this year is no exception. Advertised rents have treaded water of late, which is not a knock given that 2024 recorded its highest number of deliveries in decades.

The market, however, is about to be tested. Will rent growth pick up in March as befits the usual seasonal pattern? One issue is the rate of absorption in markets with high supply. In the list of Matrix top 30 metros, 10 recorded supply growth of 4.0% or more as a percentage of stock and six added at least 6.0% over the past year. Advertised rent growth was negative year-over-year in all six of the metros with the highest supply growth. Will continued strong demand allow for rents to turn positive in these markets or will they need months to absorb the deliveries? Matrix projects 2025 deliveries to be strong again before falling in 2026.

Another question revolves around the economy. After years of stability and consistent job growth, the country is getting a dose of new policy that has roiled the financial markets. Some estimates put the number of layoffs in February at more than 170,000, the largest number since the global financial crisis. Potentially, tariffs could add to inflation, which likely would prevent short-term interest rates from falling. Tariffs have been postponed, but the uncertainty about policy is leading some businesses to wait for clarity before investing.

The goal of tariffs is to reorder supply chains and increase domestic production of products that were offshored to cheaper locations. Even if that's successful, the benefits will not be immediate. It takes years to build manufacturing capacity. How it plays out in the short term is unclear. If nothing else, the coming months will be consequential for multifamily.

National Average Rents

