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National Multifamily Report

December 2025



Multifamily Rents End 2025 Where They Started

- 2025 ended on a down note for multifamily, as weak late-year performance wiped out all the gains from earlier in the year. The average U.S. advertised rent fell \$5 to \$1,737 in December, with year-over-year growth dropping 20 basis points to 0.0%.
- Years without growth are rare. The last one with no average national advertised rent recorded was the 2020 pandemic year. Before that, the last one without a national rent increase was the recovery from the global financial crisis in 2010. We expect modest increases in 2026.
- Single-family build-to-rent units are maintaining strong occupancy, but advertised rates are weakening as well. The average BTR advertised rent declined by \$4 in December to \$2,180, while the year-over-year growth rate fell to -1.0%.

December extended the downward trend in national rents, with advertised rents falling \$5, or 0.3%, month-over-month. The quarterly picture was even weaker, as rents declined \$16, or 0.9%, to end 2025. Fourth-quarter performance marked the weakest showing since the global financial crisis, raising concerns about near-term multifamily demand.

Regional disparities that defined recent years persisted through 2025. Rent growth remained concentrated in coastal markets and the Midwest, while the weakest performance was largely confined to the Sun Belt, where elevated new supply continues to weigh on pricing. Although record absorption helped offset new deliveries in the first half of the year, absorption has since moderated, even as it remains healthy by historical standards.

Current market conditions reflect both cyclical and structural factors. Rents surged 22%

between 2021 and 2022, making some degree of normalization inevitable. At the same time, demand has slowed amid flattening job growth and the impact of immigration policy. However, one notable bright spot is occupancy, which has remained firm as more renters stay in place and fewer transition into homeownership. This resilience also reflects owners' strategy to prioritize retention through lower renewal increases and concessions. Renter behavior remains bifurcated, with lifestyle occupancy up 0.2% year-over-year while RBN occupancy declined 0.2%. That reflects heightened price sensitivity among lower-income renters owing to inflation and slowing wage growth.

Looking ahead, despite ongoing economic uncertainty, stronger GDP growth in the fourth quarter points to improving momentum. Greater stability in 2026 could help lift consumer confidence and support a gradual rebound in rental demand.

National Average Rents

