



National Multifamily Report

January 2026



Multifamily Rents Start 2026 Up, Outlook Still Uncertain

- Multifamily got off on the right foot in 2026 with a modest increase in rents, breaking a downward trend at the end of 2025. The average U.S. advertised rent rose \$3 to \$1,741 in January, with year-over-year growth rising 10 basis points to 0.2%.
- The mood at the National Multifamily Housing Council's annual conference was cautious but positive, with attendees largely putting aside concerns about economic and political uncertainty to concentrate on operating their businesses. Capital availability remains extremely healthy.
- Single-family build-to-rent units fell slightly overall, but demand and occupancy remain healthy. The average BTR advertised rent dropped by \$2 in January to \$2,184, while the year-over-year growth rate was unchanged at -0.9%.

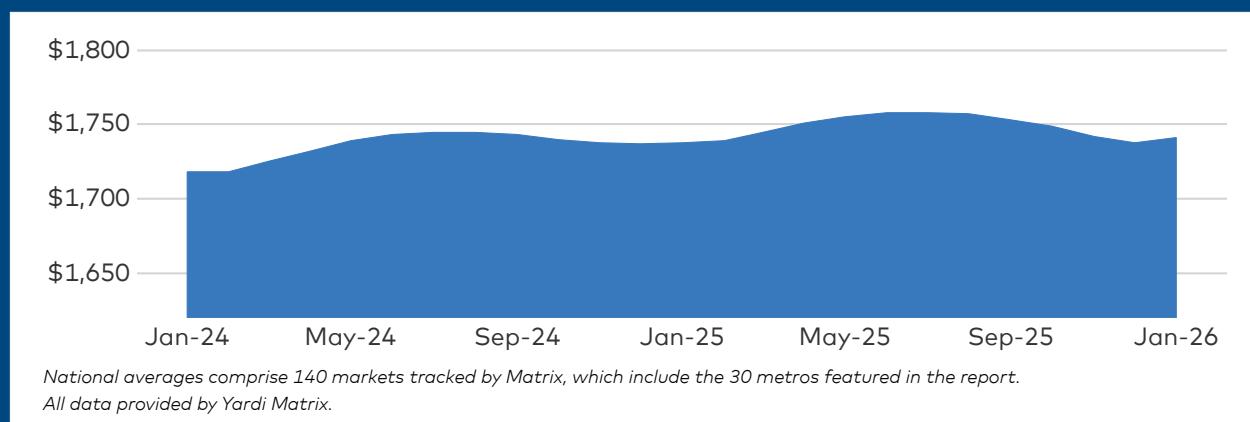
U.S. multifamily advertised rents rose \$3 in January to \$1,741 after five consecutive months of declines. While the reversal could be an early indication that the worst of the seasonal softness is behind us, the market remains in a tight spot, with mixed signals on the pace of rent growth heading into the critical spring leasing season. Ongoing supply pressures are likely to limit rent growth, while the high cost of homeownership continues to keep many potential buyers in the rental market.

Although new deliveries are moderating from the record highs of 2024 and 2025, a large volume of units remains in lease-up. New deliveries are projected to total approximately 469,000 units in 2026, down 21% from last year's 590,000 units but still well above the pre-pandemic average of 317,000 dating back to 2013. As a result, supply-side pressure on rents is likely to persist—particularly in Sun Belt markets—unless demand strengthens meaningfully.

However, the demand outlook remains uncertain. According to the Conference Board's latest report, consumer confidence has fallen to its lowest level in more than a decade—below even pandemic-era performance. If households increasingly view the economy as moving in the wrong direction, renter household formation is likely to slow.

At the same time, the expensive for-sale housing market should continue to support multifamily demand. Home prices and mortgage rates are unlikely to decline materially in the near term, keeping many would-be buyers renting for longer. Recent policy proposals from the White House aimed at improving affordability—ranging from 50-year mortgage terms to restrictions on institutional ownership—are unlikely to materially alter this dynamic. Ultimately, affordability remains a supply-driven issue, and decades of underbuilding will take years to unwind.

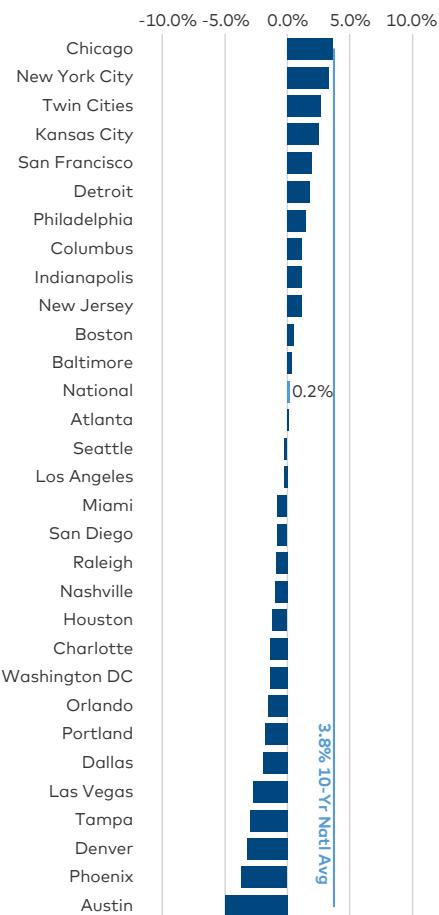
National Average Rents



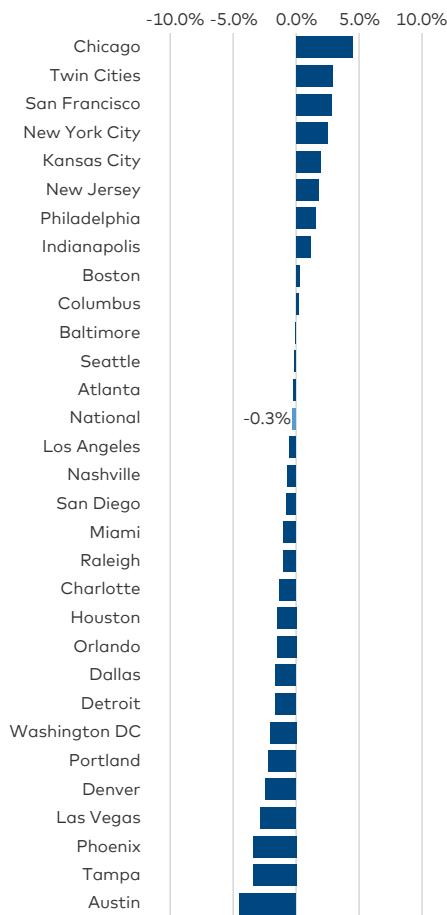
Year-Over-Year Rent Growth: Rent Growth Returns, Texas Pressured

- The national average advertised asking rent increased \$3 to \$1,741 in January, while the year-over-year growth rate rose to 0.2%. Midwest and coastal metros recorded the highest rent growth, led by Chicago (3.6% year-over-year), New York City (3.3%), the Twin Cities (2.7%), Kansas City (2.5%) and San Francisco (2.0%). Meanwhile, rent growth remains negative in many high-supply metros, led by Austin (-5.0%), Phoenix (-3.7%), Denver (-3.2%), Tampa (-3.0%) and Las Vegas (-2.8%).
- The national occupancy rate held steady at 94.5% in December but was down 0.1% from a year ago. Gains were led by Atlanta (0.6%), the Twin Cities (0.3%) and San Francisco (0.2%), while the largest drops were in Indianapolis (-0.7%), Washington, D.C., Tampa and Houston (all -0.5%). On an absolute basis, the lowest occupancy levels were concentrated in the Sun Belt—particularly Texas—where Houston (92.2%), Austin (92.3%) and Dallas (92.9%) were all below 93.0%.

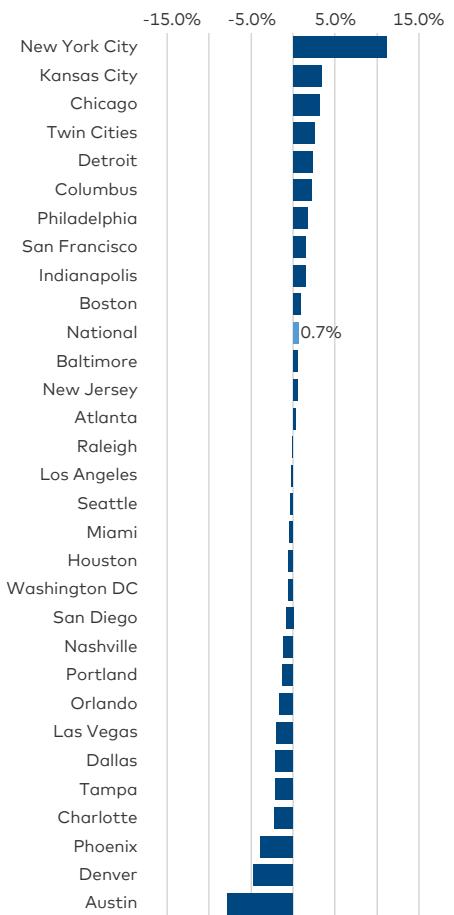
Year-Over-Year Rent Growth—
All Asset Classes



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: Rents Rebound After Months of Declines

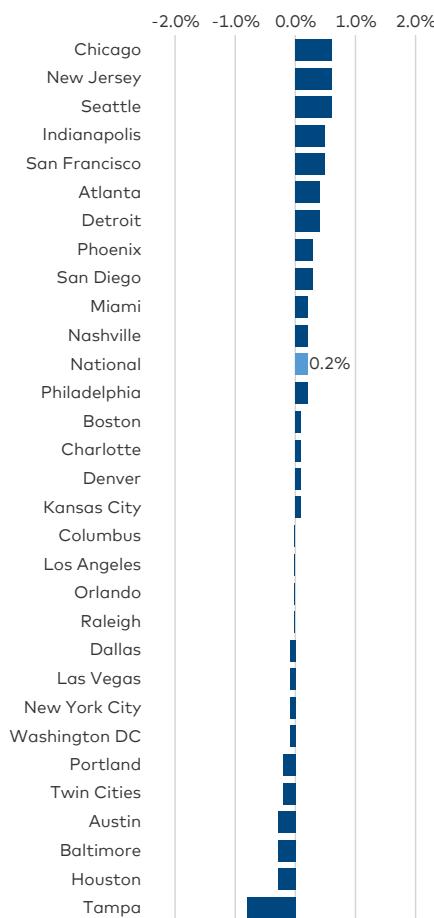
- U.S. advertised rents rose 0.2% month-over-month in January, with over half of Matrix top 30 markets posting gains.
- Both Lifestyle and Renter-by-Necessity rents increased 0.1% for the month.

After several months of broad-based declines, January marked a turning point, with most markets posting positive rent growth. The strongest overall monthly gains were concentrated in coastal and Midwest metros, led by Seattle, Chicago and New Jersey (all 0.6%). Seattle stood out in particular, ranking near the top in both segments, with a 0.7% increase in Lifestyle and a 0.5% gain

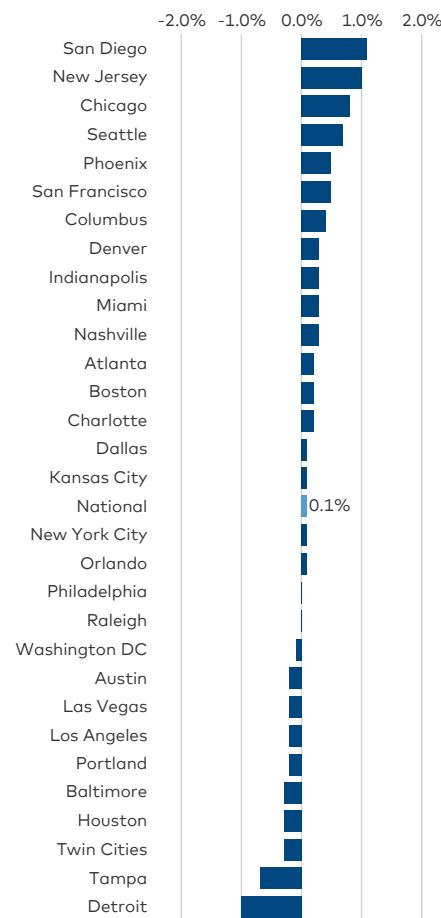
in RBN. Among the markets that posted declines, weakness was most pronounced in the Sun Belt, including Tampa (-0.8%), Austin and Houston (both -0.3%). Tampa ranked near the bottom in both segments, reflecting a 0.8% decline in RBN and a 0.7% drop in Lifestyle.

Bifurcation is evident in a handful of markets. Detroit, for example, ranked last in Lifestyle (-1.0%) but led RBN growth (0.6%), suggesting renters may be trading down amid affordability pressures. San Diego exhibited the opposite pattern: While RBN rents declined (-0.6%), Lifestyle rents surged (1.1%), likely reflecting strong income demographics and limited new supply.

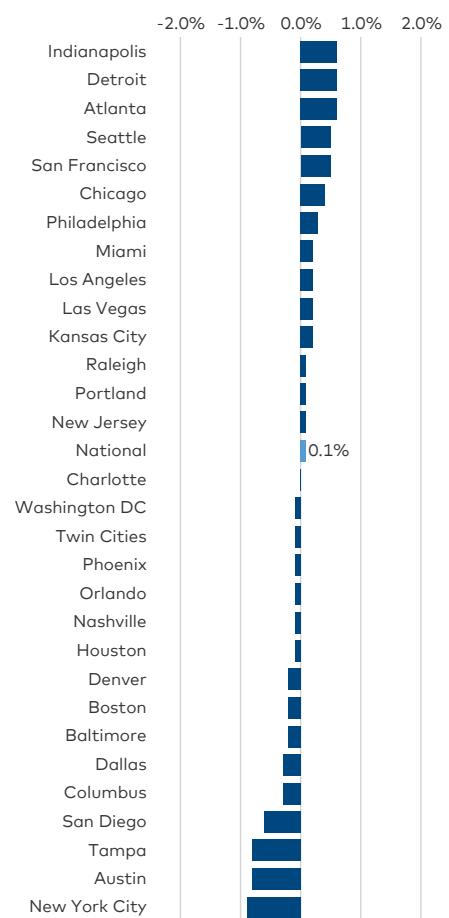
**Month-Over-Month Rent Growth—
All Asset Classes**



**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: Absorption Peters After Strong Start to 2025

- 2025 was one of the strongest years in recent times for absorption, but ended the year on a weak note.
- Absorption dropped more rapidly than normal in the fourth quarter across the U.S. The biggest drops were recorded in the Southeast and tertiary markets.
- The question for multifamily is whether the weak second-half demand is a sign of things to come or if the market will rebound in the spring leasing season.



Multifamily absorption ended 2025 with extremely strong numbers, but a stark decline in the second half of the year creates concern about the direction of demand in 2026. For the full year, 519,000 units were absorbed in 2025, the third-highest total over the past decade, according to Yardi Matrix. However, absorption dropped by more than 50% in the second half of the year and almost 80% between the second quarter and the fourth quarter. Concern stems from the fact that decelerating absorption coincided with a slump in rent growth. U.S. multifamily advertised rents dropped 1 percentage point since peaking in August, per Matrix.

The drop in absorption between the first and second half occurred in all regions. The Southeast recorded the biggest drop (-59.6%), followed by the Midwest (-56.0%), Northeast (-46.1%), Southwest (-45.6%) and West (-44.6%). By market size, tertiary markets fell most (-58.1%), followed by secondary (-51.6%) and gateway (-41.5%).

A big question going forward is whether the slump is seasonal or if it portends weak demand for an extended period. Multifamily absorption tends to peak in the second quarter, when more people move. In only one of the last 10 years has absorption increased in the fourth quarter. Even so, the 80% drop in Q4 2025 is more than double the average 31% drop of the past decade.

Another worry is that the drop in absorption reflects trends in the economy that will keep demand weak. Immigration policy, for example, has

reduced estimates of household growth over the next decade to roughly half of the levels of the last decade. Some commercial real estate economists have even raised the possibility of flat or negative population growth in 2026.

Weak job growth is another factor in demand. Only 500,000 jobs were created in 2025, and only 100,000 over the last eight months of the year, according to the Bureau of Labor Statistics. That impacts young adults in particular, as they might delay moving away from family or roommates if they lack confidence about employment.

On a market level, absorption in 2025 continued to be strongest in high-growth Sun Belt markets. Among the Matrix top 30 metros, absorption as a percentage of stock was led by Austin (7.5%), Charlotte (7.4%), Raleigh-Durham (6.0%), Nashville (5.6%) and Phoenix (5.3%). Each of these markets recorded negative year-over-year advertised rent growth in 2025 due to rapid supply growth. The absorption data provides hope that rent growth will rebound in these markets if demand remains strong, delivery numbers continue to drop and excess supply is absorbed.

Absorption was also robust in tertiary metros in 2025. Outside the top 30, Colorado Springs, Charleston, Pensacola, Madison, Boise and Knoxville were among the leaders. Only a handful of small metros saw negative absorption in 2025. Top 30 metros with the weakest absorption were Detroit (0.7%), Philadelphia (1.5%), and San Diego, Baltimore and Washington, D.C. (all 1.6%).

Single-Family Build-to-Rent Segment: SFR Rents Slide as Occupancy Holds

- Nationally, advertised rates for single-family build-to-rent units fell \$2 to \$2,184 in January, down 0.9% year-over-year.
- U.S. single-family rental occupancy rates were solid at 94.9% in December, unchanged year-over-year. Occupancy was 96.3% at RBN and 94.6% at Lifestyle properties.

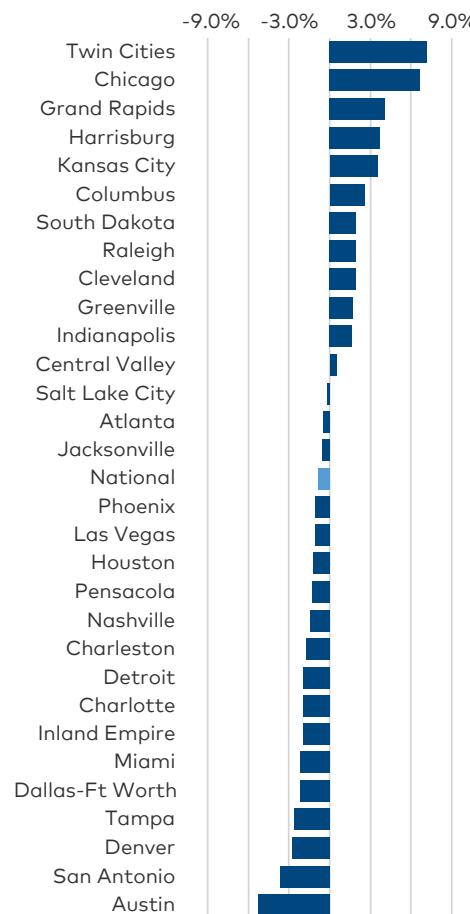
The White House recently issued an executive order restricting institutional purchases of single-family homes, though such a measure is unlikely to improve affordability in a supply-constrained market. Institutional investors tend to expand rental inventory, placing downward pressure on

both SFR rents and for-sale home prices.

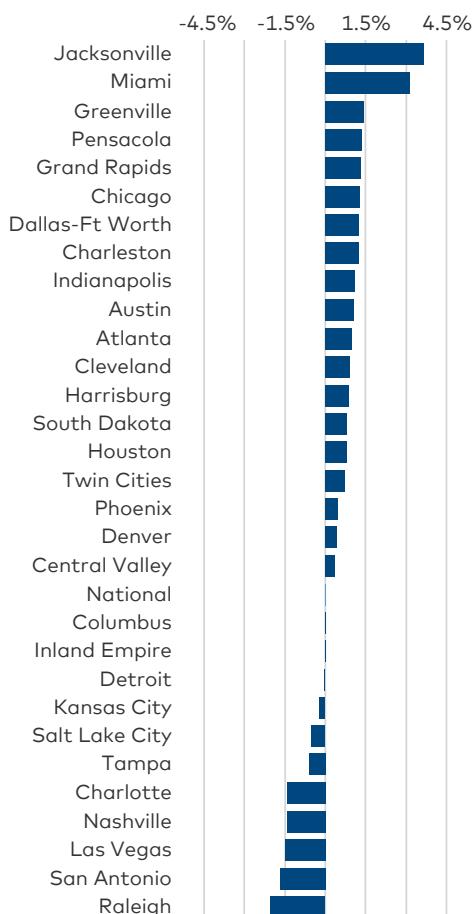
Markets with a high institutional investor presence illustrate this dynamic. Tampa (-2.7% SFR rents per Matrix; -2.1% median sales price per Redfin), Houston (-1.2%; -5.4%) and Atlanta (-0.5%; -5.7%) have all recorded year-over-year declines across both sectors. By contrast, markets with limited institutional investment like the Twin Cities (7.2%; 9.2%), Chicago (6.7%; 4.3%) and South Dakota (2.0%; 4.7%) have all posted annual increases.

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

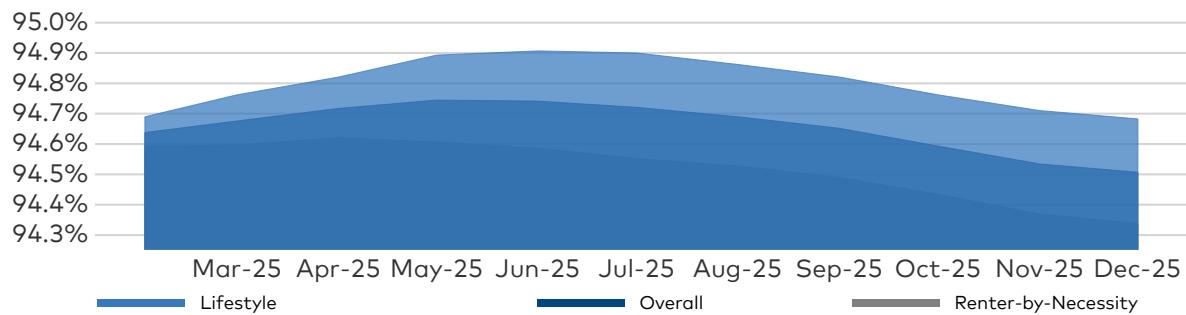
Employment and Supply Trends; Forecast Rent Growth

Market	YoY Rent Growth as of Jan-26	Forecast Rent Growth		YoY Job Growth (6-mo. moving avg.) as of Sep-25	T12 Completions as % of Total Stock as of Jan-26
		as of 10/09/25 for YE 2026			
Chicago	3.6%	1.5%	0.6%	0.9%	
New York City	3.3%	1.6%	1.5%	2.1%	
Twin Cities	2.7%	1.7%	0.8%	1.7%	
Kansas City	2.5%	1.9%	0.1%	2.1%	
San Francisco	2.0%	0.9%	-0.5%	1.9%	
Detroit	1.8%	1.8%	0.6%	0.8%	
Philadelphia	1.5%	1.7%	1.5%	2.0%	
Indianapolis	1.2%	1.9%	0.7%	2.8%	
Columbus	1.2%	1.8%	1.6%	2.9%	
New Jersey	1.2%	2.0%	1.2%	2.3%	
Boston	0.5%	2.1%	0.2%	2.4%	
Baltimore	0.4%	1.3%	0.2%	1.3%	
Atlanta	0.1%	0.1%	0.3%	3.1%	
Seattle	-0.2%	1.2%	0.6%	2.7%	
Los Angeles	-0.3%	1.6%	0.5%	2.1%	
San Diego	-0.8%	1.6%	0.7%	2.5%	
Miami Metro	-0.8%	1.0%	1.2%	3.8%	
Raleigh	-0.9%	0.0%	1.7%	5.0%	
Nashville	-1.0%	0.3%	1.2%	4.9%	
Houston	-1.2%	1.0%	1.1%	1.7%	
Washington DC	-1.4%	2.1%	0.3%	2.2%	
Charlotte	-1.4%	0.2%	2.5%	6.9%	
Orlando	-1.5%	0.3%	1.6%	4.6%	
Portland	-1.8%	1.4%	-0.2%	2.9%	
Dallas	-1.9%	0.5%	1.0%	3.8%	
Las Vegas	-2.8%	0.4%	0.4%	2.2%	
Tampa	-3.0%	0.2%	1.0%	4.0%	
Denver	-3.2%	1.4%	0.1%	4.2%	
Phoenix	-3.7%	-0.1%	0.8%	5.0%	
Austin	-5.0%	-0.7%	1.0%	7.8%	

Source: Yardi Matrix

Occupancy & Asset Classes

Occupancy—All Asset Classes by Month



Source: Yardi Matrix

Year-Over-Year Rent Growth, Other Markets

Market	January 2026		
	Overall	Lifestyle	Renter-by-Necessity
Cleveland–Akron	4.0%	2.8%	4.1%
San Jose	3.2%	2.9%	3.7%
Richmond–Tidewater	2.8%	2.4%	3.1%
Bridgeport–New Haven	2.4%	1.8%	2.8%
Cincinnati	2.0%	-0.6%	3.4%
Milwaukee	1.7%	0.2%	3.2%
St Louis	1.5%	1.4%	1.8%
Orange County	1.3%	1.7%	1.0%
Louisville	0.6%	1.2%	0.3%
Greenville	0.6%	1.0%	0.2%
North Central Florida	0.5%	-0.3%	1.4%
Central Valley	0.4%	-1.9%	1.3%
Inland Empire	0.0%	-0.9%	0.8%
Winston–Salem–Greensboro	-0.3%	-0.3%	0.3%
Sacramento	-0.8%	-1.9%	0.0%
Albuquerque	-0.8%	-2.7%	0.5%
Charleston	-1.0%	-0.7%	-1.5%
Salt Lake City	-1.4%	-1.3%	-1.2%
Jacksonville	-1.5%	-0.8%	-2.9%
San Antonio	-3.4%	-3.4%	-3.1%
Colorado Springs	-4.0%	-3.3%	-4.7%
Southwest Florida Coast	-5.4%	-5.6%	-5.1%

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.

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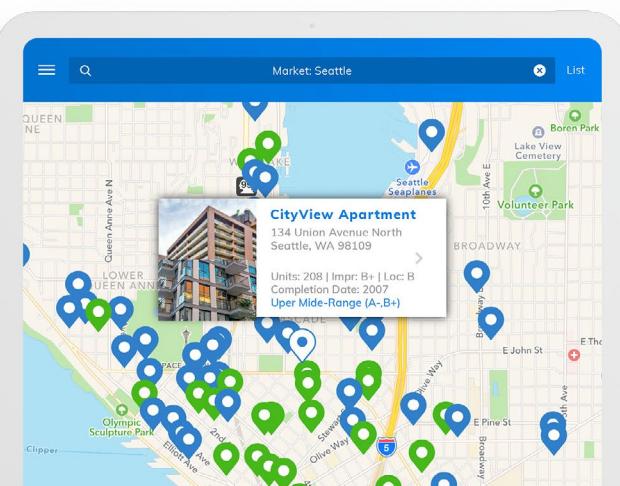
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