# Multifamily Real Estate Markets Update (July 2020)

Rent Collection is beginning to slow in July. May collections were stronger compared to July but rent growth has continued to decline in certain areas. Gateway markets and lifestyle renters are seeing the largest slowdown in rental growth, while class C products have been hurt the most in terms of rent collection. With the benefits from the CARES act running in July, collections may see a significant dip in the coming months.

Below are key takeaways from the following reports:

Apartment Rent Payments Off Mildly Through July 13 – *RealPage* – Link

Matrix National Multifamily Report – May 2020 – *Yardi Matrix* – Link

## Apartment Rent Payments Off Mildly Through July 13

*RealPage*

- As of July 13, rents have been received in 87.6% of market rate apartments
  - This is slightly down from the same time last year of 90.1%
- July's collections are right in line with the average of the previous three months:
  - April – 85.0%
  - May – 87.7%
  - June – 89.0%
- Rent payment is likely being supported by the CARES Act
  - These benefits are scheduled to end after July and will likely present a decrease in collections if this financial assistance is not provided
- Collection rates are higher in class A (90.1%) and class B (89.8%) products than in class C, which only collected 82.7%
  - Payments through mid-July are down 5.6% in New York and Las Vegas compared to this time last year. Los Angeles, Seattle and West Palm Beach are also showing significant declines between 4.4% and 4.8%.

## Matrix National Multifamily Report – May 2020

*Yardi Matrix*

- Apartment rent collections in May continued to be strong with 93.3% of households paying rent by May 27th
- May rent growth continued its downward trend as many states began to open non-essential businesses
    - Year-over-year rents increased 0.8%, but have declined $5 from April and $13 from March
    - This is the lowest level on a YOY basis since February 2011
- Gateway markets have seen the sharpest decline in rents:
    - Boston and San Francisco both lead with -1.0%
    - Chicago and Los Angeles are close behind with -0.9% and -0.7% respectively
- Lifestyle renters are seeing the largest declines in YOY rent compared to renters-by-necessity
    - This is largely due to those renters fleeing to escape densely populated areas primarily in gateway cities