



Multifamily Real Estate Markets Update (March 2020)

Year-over-year rent growth has slowed, while the end of 2019 was relatively stagnant. Overall, 2019 had a strong performance and will likely continue into 2020 as we approach the prime leasing months of Spring and Summer. The Southeast and Southwest have continued to rank as the top regions for rent growth.

Below are key takeaways from the following reports:

Apartment List National Rent Report – *Apartment List* – [Link](#)

U.S. Multifamily Outlook – Winter 2020 – *Yardi Matrix* – [Link](#)

Apartment List National Rent Report

Apartment List

- Year over year rent growth currently stands at 1.7% as of February 2020
 - This is due to a relatively flat period during the fall and winter months after July of 2019
 - Usually, rent growth does not slow until the fall, however, rents held at those levels rather than declining as they often do during the offseason
- Looking forward, rents should accelerate more as we approach prime leasing months
 - Last year, the three-month stretch between March and June boasted a rental increase of 1.3%, which is the fastest growth over any three-month period since the summer of 2017
- Over the past 5 years, the cities with the fastest rent growth are led by Stockton, California closely followed by Colorado Springs, Colorado and Mesa, Arizona. All three have seen more than 25% growth over that span.
 - Mesa, AZ now tops the list of the nation's fastest rent growth over the past year

U.S. Multifamily Outlook – Winter 2020

Yardi Matrix

- Very little is expected to change after seeing strong performance from the multifamily market over the last several years
 - Demand is driven by a healthy job market and demographics
 - Economic growth will remain moderate
- Nationally, rent growth has dipped below the long-term average of 2.5%
 - Occupancy remains strong and wages are continuing to grow at a reasonable level
- 2020 should see rent gains remain healthy in most markets
 - Rapidly growing markets such as the Southwest and Southeast will lead this charge
- Phoenix and Las Vegas have led the nation in rent growth the last 18 months, and they are expected to maintain this growth into 2020