



Multifamily Real Estate Markets Update (March 2021)

Signs of recovery are beginning to show as some gateway markets saw month-over-month gains. However, tertiary markets are still seeing the strongest gains. Absorption and sales volume bounced back towards the end of 2020, after a slow summer.

Below are key takeaways from the following reports:

COVID-19: Where the Apartment Market Stands One Year Later – *RealPage* – [Link](#)

Matrix National Multifamily Report – January 2021 – *Yardi Matrix* – [Link](#)

COVID-19: Where the Apartment Market Stands One Year Later

RealPage

- Apartment demand saw significant increases in the 3rd quarter of 2020. By the end of the year, absorption of market rate units was up to 296,000 units.
 - This absorption level is only slightly behind the annual absorption from 2017 through 2019
- Households meeting their rent obligations ranges between 93% and 95% for each month since the start of the Pandemic
 - This is at most 2 percentage points lower than the previous year's collections
- Even with sales volume slowing during the summer of 2020, the last quarter of the year saw sales spike, and the typical sales price of \$176,000 per door was largely unchanged from pre-pandemic levels

Matrix National Multifamily Report – January 2021

Yardi Matrix

- Rents increase by \$3 to \$1,392 in January
 - This average is inclusive of 130 markets across the nation
- Signs of recovery are beginning to show as gateway markets whose rent growth has been struggling
 - San Jose and Washington DC (YoY: -13.0% and -4.5% respectively) both saw month-over-month gains
 - Although both markets saw 40 bps increases in rent, other markets such as New York and San Francisco continued to see declines
- On a year-over-year basis, rents declined by 0.2% in January, which is an increase of 20 basis points from year-over-year rents in December
 - This average is somewhat misleading as tertiary markets have seen larger gains, while primary urban markets are continuing to struggle
 - 18 out of 30 major markets saw the renter-by-necessity asset class post positive rent growth