



Multifamily Real Estate Markets Update (September 2020)

Once again, rental growth trends are favoring slower, non-gateway markets. Primary markets and west coast markets are seeing the largest impact from COVID-19. Unemployment benefits are falling short and retention rates have reached all-time highs.

Below are key takeaways from the following reports:

This Week in Multifamily: Rent Performance, Unemployment Impact Vary by Market – *RealPage* – [Link](#)

Matrix National Multifamily Report – July 2020 – *Yardi Matrix* – [Link](#)

This Week in Multifamily: Rent Performance, Unemployment Impact Vary by Market

RealPage

- Effective asking rents are off 1.4% compared to August 2019 on a national basis
 - Markets in which rent growth are traditionally slow and steady are now leading the nation in rent growth
- Unemployment benefits will fall short in some markets
 - Renter's surviving on unemployment benefits will have trouble making ends meet
 - In major markets, renters will be living on less than \$500 per month after paying rent
- As of August 27, a little more than 92% of renters had paid rent according to NMHC
 - This is below the rate of 94% seen during the same time last year
 - Retention rates are at record highs, with a renewal rate of more than 53% of those renters with leases expiring in July

Matrix National Multifamily Report – July 2020

Yardi Matrix

- U.S. multifamily rents increased by \$2 in July, falling to \$1,460, ending the four-month trend of declines
 - Year-over-year growth remained negative at -0.3%, unchanged from June
 - Of the top 30 markets, year-over-year rent growth is negative in 17 markets
- West Coast and gateway markets continue to show the steepest declines in rents
 - San Jose and San Francisco are leading in this category with -5.0% and -4.1% respectively
 - Las Vegas and Phoenix have held up well, both positive in rent growth with 1.2% and 3.2% respectively
 - Las Vegas is the biggest surprise, as it was initially one market expected to drop significantly due to its dependence on tourism
- On a month-over-month basis, 25 of the top 30 markets performed better in July than in June
 - Rents increased 10 basis points in July on a month over month basis