Multifamily Real Estate Markets Update (November 2019)

Apartment vacancy rates are hitting their lowest points in nearly two decades and rent growth has continued to increase from this time last year. Prime leasing season during "warmer months" reaches all-time highs, further solidifying the importance of the summer months for multifamily property managers.

Below are key takeaways from the following reports:

Several Markets See Best-Ever Prime Leasing Season in 2019 – RealPage – Link

U.S. Multifamily Figures Q3 2019 – CBRE – Link

Several Markets See Best-Ever Prime Leasing Season in 2019

RealPage

- Several US markets posted all time highs in this year's prime leasing season (between April and September)
- 281,000 units were absorbed across the US
    - Only 1997 has stronger demand in those same months, during the tech boom
    - 2010 was very close as well after the Great Recession, but 2019 was slightly higher
- Dallas recorded the highest absorption by far with more than 16,500 units absorbed
    - Houston was not far behind with approximately 14,700 units absorbed
    - Seattle and Charlotte ranked 3rd and 4th with around 6,500 units absorbed each

U.S. Multifamily Figures Q3 2019

CBRE

- In Q3 2019, vacancy dropped to 3.6%, which is down 40 basis points from the Q3 2018
    - This is the lowest since vacancy since 2000
- Major markets with the lowest vacancy rates were New York City (2.5%), Detroit (2.6%) and Boston (2.7%)
    - Markets with the largest drop in vacancy over the past year were St. Louis and Cincinnati, declining 120 basis points. Norfolk and Cleveland followed close behind with a decline of 100 basis points.
- Vacancy has fallen for the last eight consecutive quarters and has remained under 5% for more than five years

- Average rent grew 2.9% year-over-year
    - Phoenix and Las Vegas lead the nation, both with more than 7% growth year-over-year
- Since 2009, national rents have risen by nearly 40%, or an annual average of 3.5%