



Yardi[®] Matrix

National Multifamily Report

January 2021



Bright Spots Begin to Emerge

- Multifamily rents declined by 0.2% in January on a year-over-year basis, a 20-basis-point increase from December.
- Overall rents increased by \$3 to \$1,392. In January, Yardi Matrix expanded its methodology to include all 130 Matrix markets in our national average calculation. As our market penetration continues to grow and we collect more data, we feel it appropriate to add new markets to our national calculations.
- Some gateway markets that have struggled for months have begun to show signs of bottoming out. San Jose (-13.0%) and Washington, D.C. (-4.5%) both saw MoM gains.

As we enter 2021, there seems to be a light at the end of the tunnel, as it relates to the economy and housing market. The U.S. is continuing the effort to roll out COVID-19 vaccinations nationwide, the number of workers that filed for unemployment declined for the week ending Jan. 23, and consumer spending held up well in December.

Although the number of workers that filed for unemployment declined to 847,000, that is still well above the pre-pandemic peak. But it is a step in the right direction, as some states have loosened restrictions on dining and gathering, allowing some service workers to return to work. If the U.S. economy continues to improve, we could see rents begin to rise in many markets in the coming months.

With the Biden administration inaugurated and Democrats in control in the Senate, it appears

that a new stimulus package could be on the horizon, but the size remains a point of contention.

The big question for many gateway markets remains how permanent out-migration trends will be. Some industry sources are speculating that only about half of the moves out of the gateway markets that occurred during the pandemic are permanent.

The Inland Empire (7.4%), Sacramento (6.3%) and Indianapolis (4.5%) started the year off strong. These markets continue to benefit from lower costs compared to their dense neighbors.

Of the top 30 markets, more than half (16 out of 30) are still experiencing declines in year-over-year rents. While there are some promising signs in San Jose and Washington, D.C., among other markets, many metros still have a long road ahead.

National Average Rents

