



U.S. multifamily market report

Q2 2023

**AVISON
YOUNG**

U.S. multifamily market trends

-70.6%

Decline in investment volume between H1 2022 and H1 2023

Multifamily investment volumes reached all-time highs in 2021 and 2022, but have since declined by over 70% when comparing H1 2022 and H1 2023 levels. H1 2023 investment levels are now at their lowest point since 2014.

50.0%

of markets have seen class A rents grow by over 20% since 2019

Class A asking rents have grown by more than 20% since 2019 in 50.0% of top the markets, while 66% of those markets have seen class B rents increase by over 20%.

70.8%

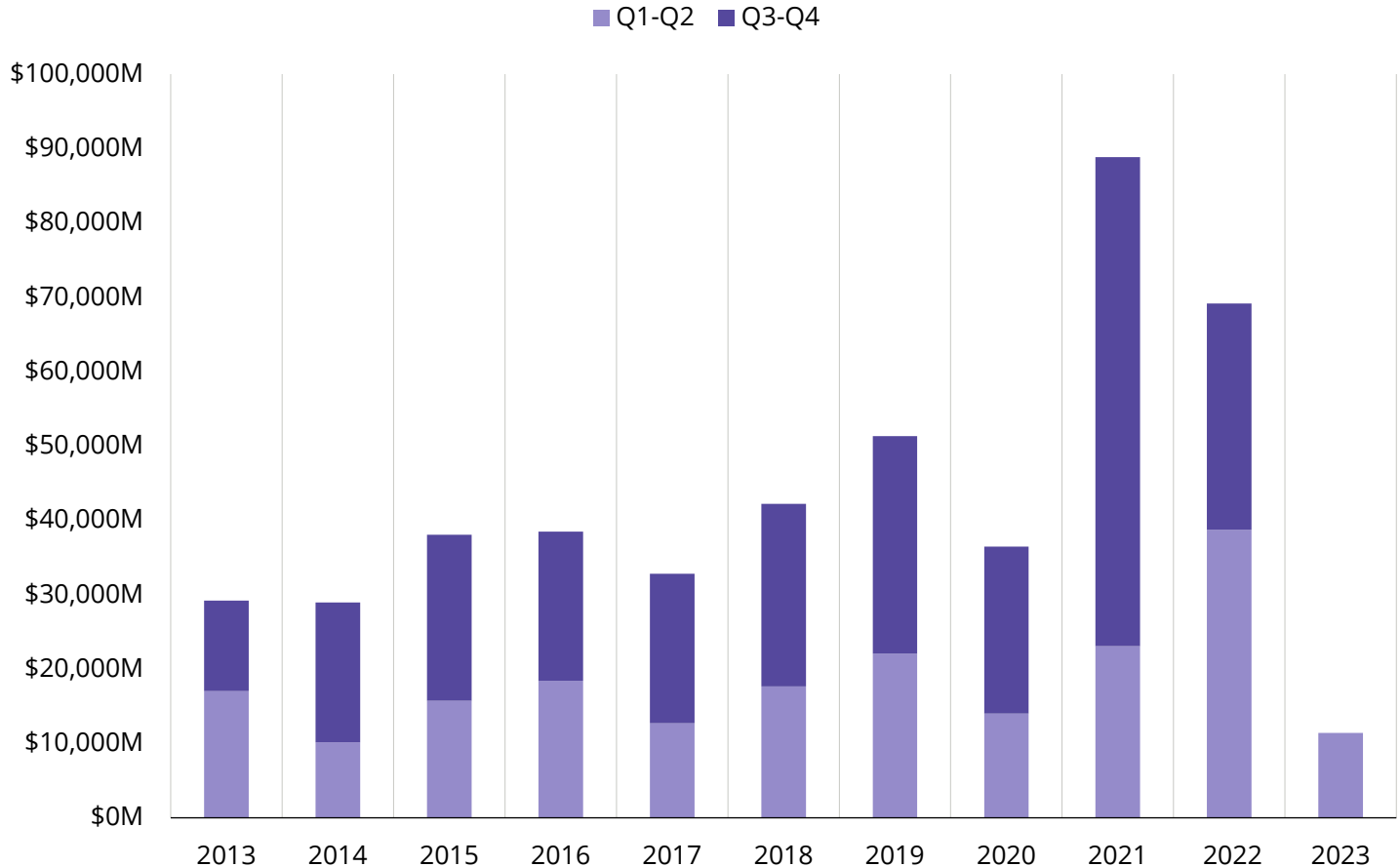
of markets have seen class A occupancy grow since 2019

Over 70% of the top multifamily markets have reported class A occupancy growth since 2019; however, just 25% of those markets seen class B occupancy growth.

U.S. multifamily conditions



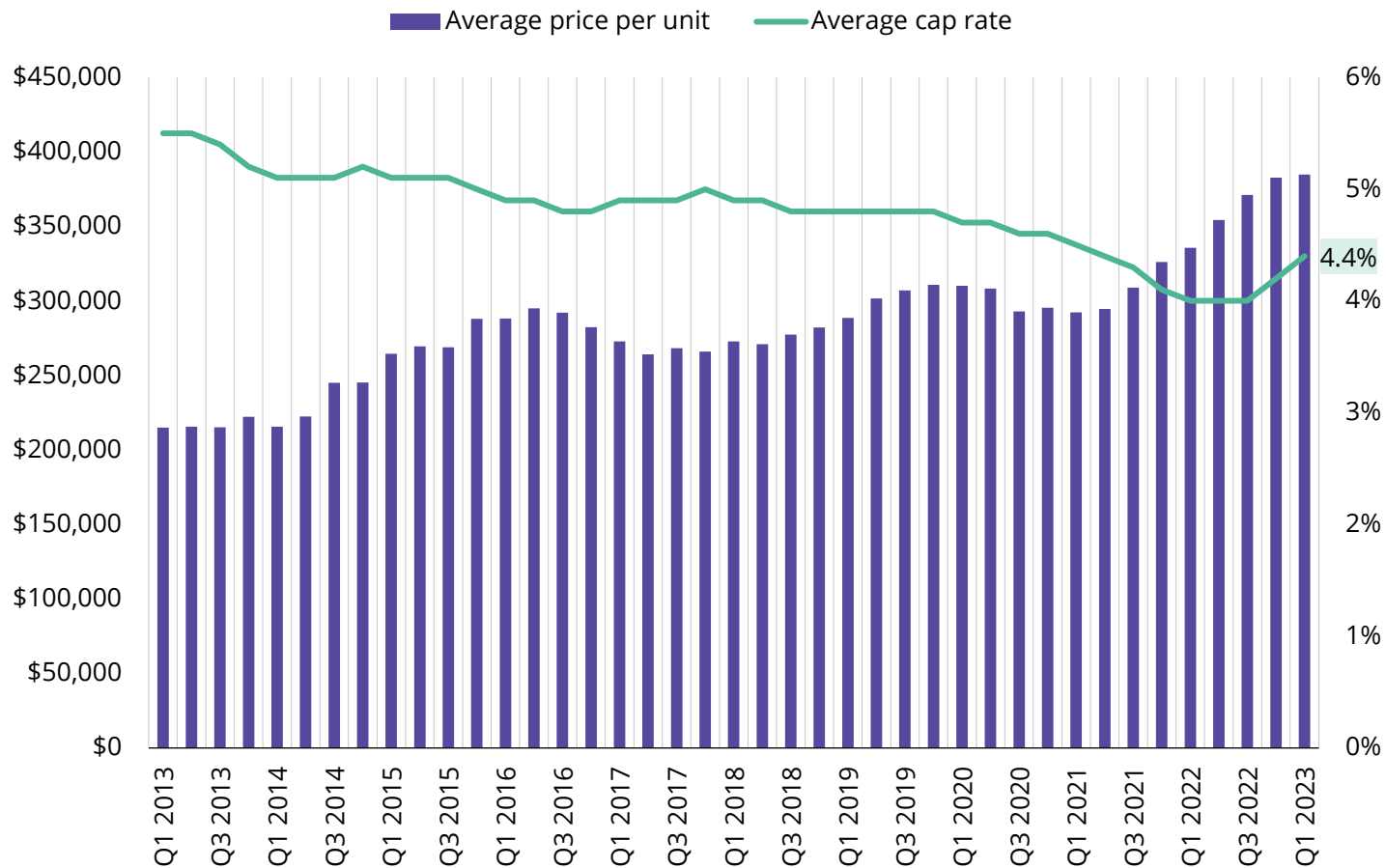
Investment activity, top MSAs



Multifamily investment volume for Q1-Q2 2023 has declined by 70.6% year-over-year and sits at its lowest level since 2014.

Note: Top MSAs for investment volume include: Atlanta, GA, Austin, TX, Boston, MA, Charlotte, NC, Chicago, IL, Dallas-Fort Worth, TX, Denver, CO, Houston, TX, Inland Empire, CA, Las Vegas, NV, Los Angeles, CA, Miami, FL, Nashville, TN, New York, NY, Orlando, FL, Philadelphia, PA, Phoenix, AZ, Raleigh-Durham, NC, Salt Lake City, UT, San Diego, CA, San Francisco, CA, Seattle, WA, Tampa, FL, Washington, DC
 Source: AVANT by Avison Young, RCA

Investment pricing and cap rates

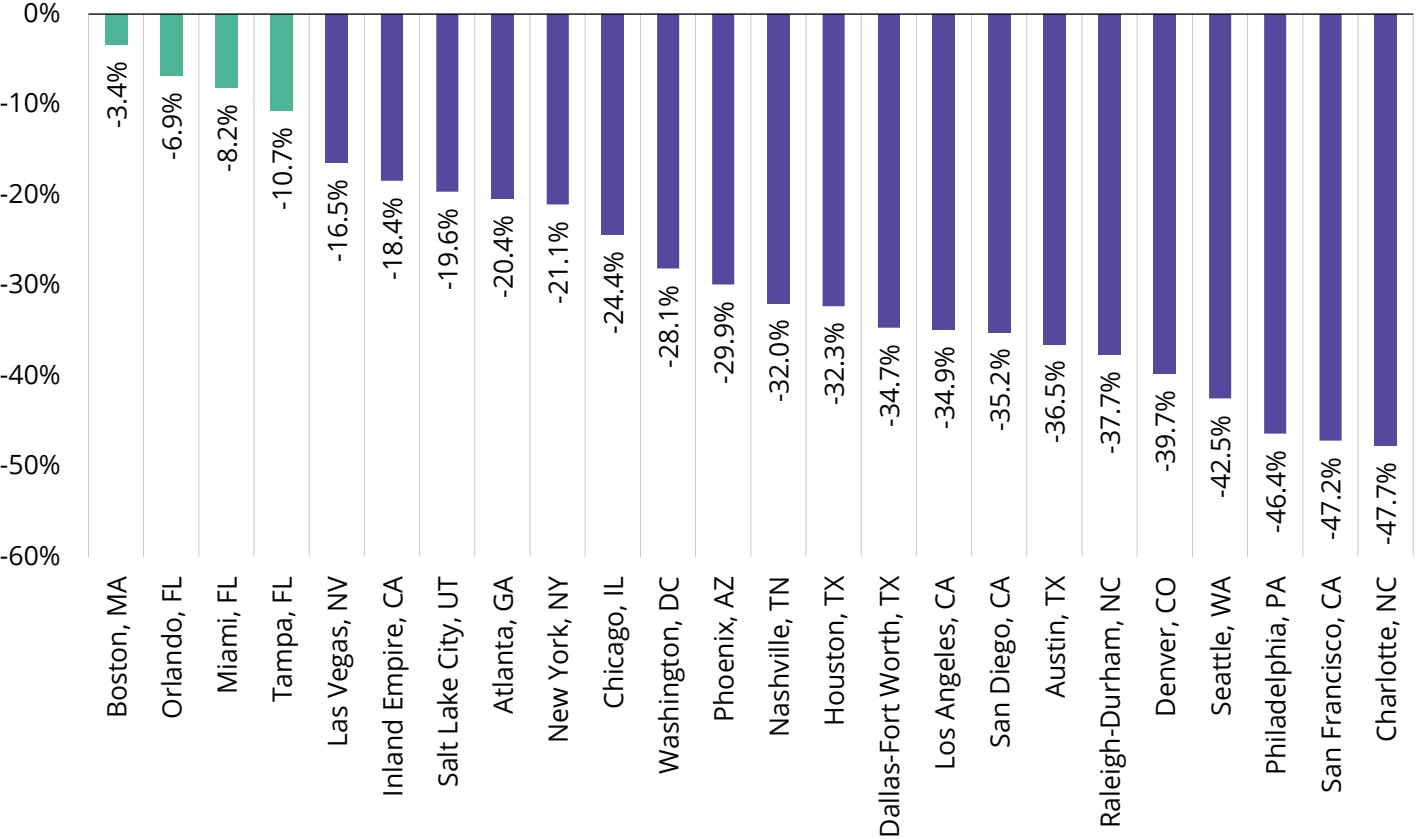


Average sales pricing per unit has grown by 24% since 2019 helping push cap rates below 4.5%, though average cap rates have begun to increase since Q3 2022.

Note: Top MSAs for investment volume include: Atlanta, GA, Austin, TX, Boston, MA, Charlotte, NC, Chicago, IL, Dallas-Fort Worth, TX, Denver, CO, Houston, TX, Inland Empire, CA, Las Vegas, NV, Los Angeles, CA, Miami, FL, Nashville, TN, New York, NY, Orlando, FL, Philadelphia, PA, Phoenix, AZ, Raleigh-Durham, NC, Salt Lake City, UT, San Diego, CA, San Francisco, CA, Seattle, WA, Tampa, FL, Washington, DC
 Source: AVANT by Avison Young, RCA

White-collar job postings

% change: January 2020 vs. May 2023



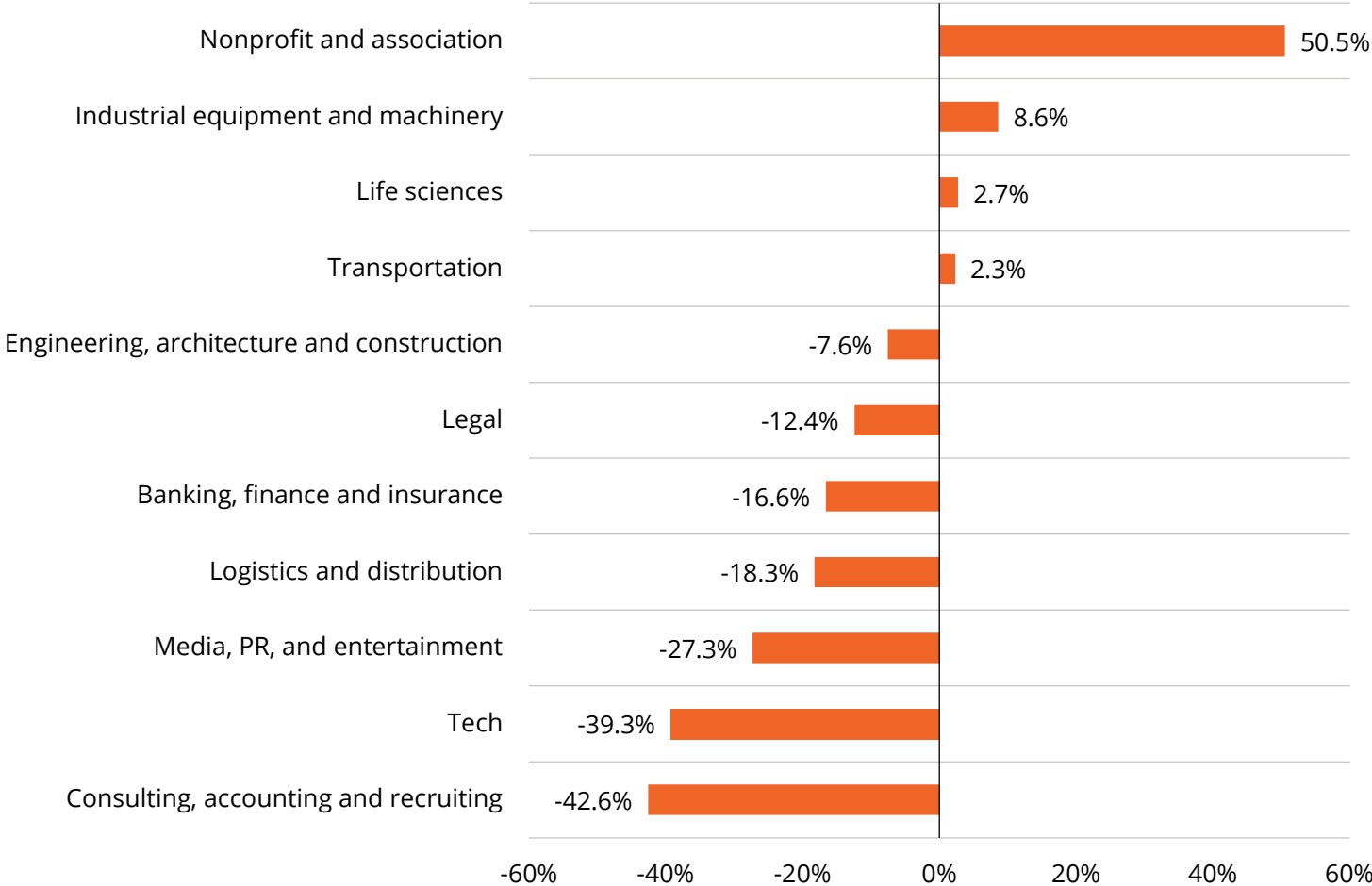
White-collar job posting volume hovers below pre-pandemic across most of the U.S. while posting volume declines in Florida and Boston have been less dramatic.

Note: Job posting data includes remote postings and the following industries: Banking and Finance, Consulting, Engineering/Architecture, Legal, Life sciences, Media/PR, Nonprofits and associations, Tech

Source: AVANT by Avison Young, Lightcast

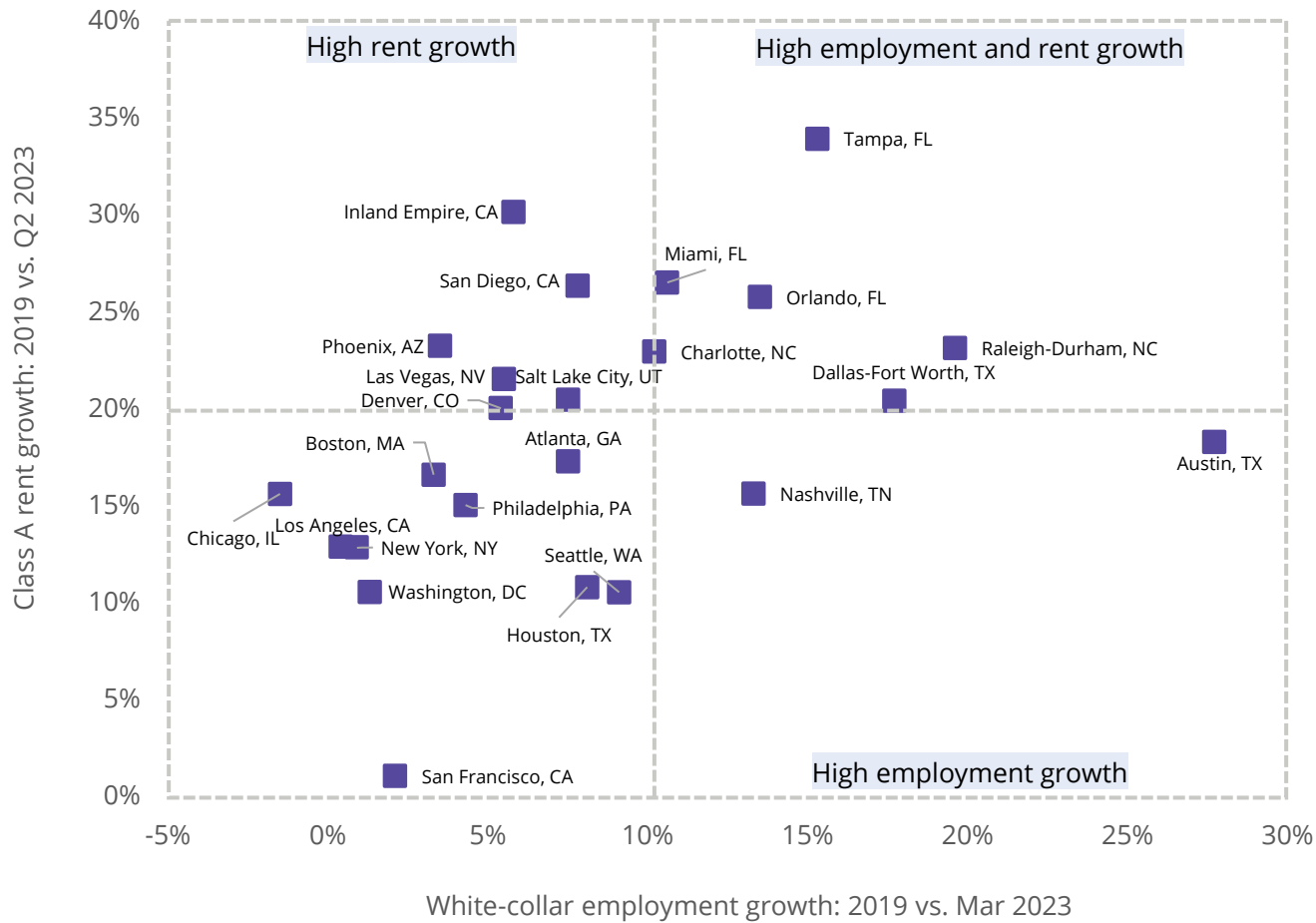
Change in job posting volume by industry

% change: January 2020 vs. May 2023



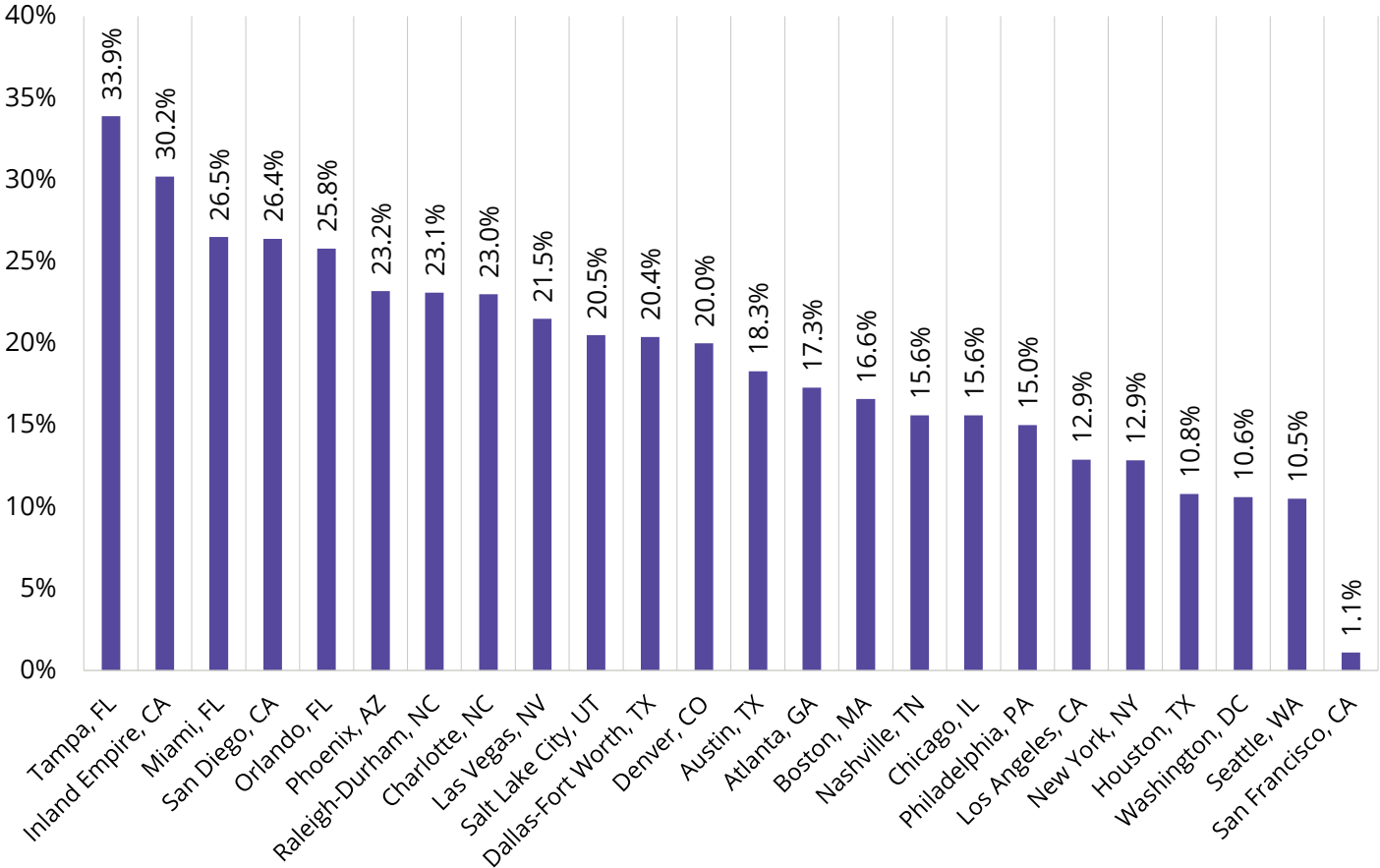
Southern California markets account for 64.1% nonprofit job posting volume growth; meanwhile tech-heavy markets continue to face headwinds.

Class A market momentum



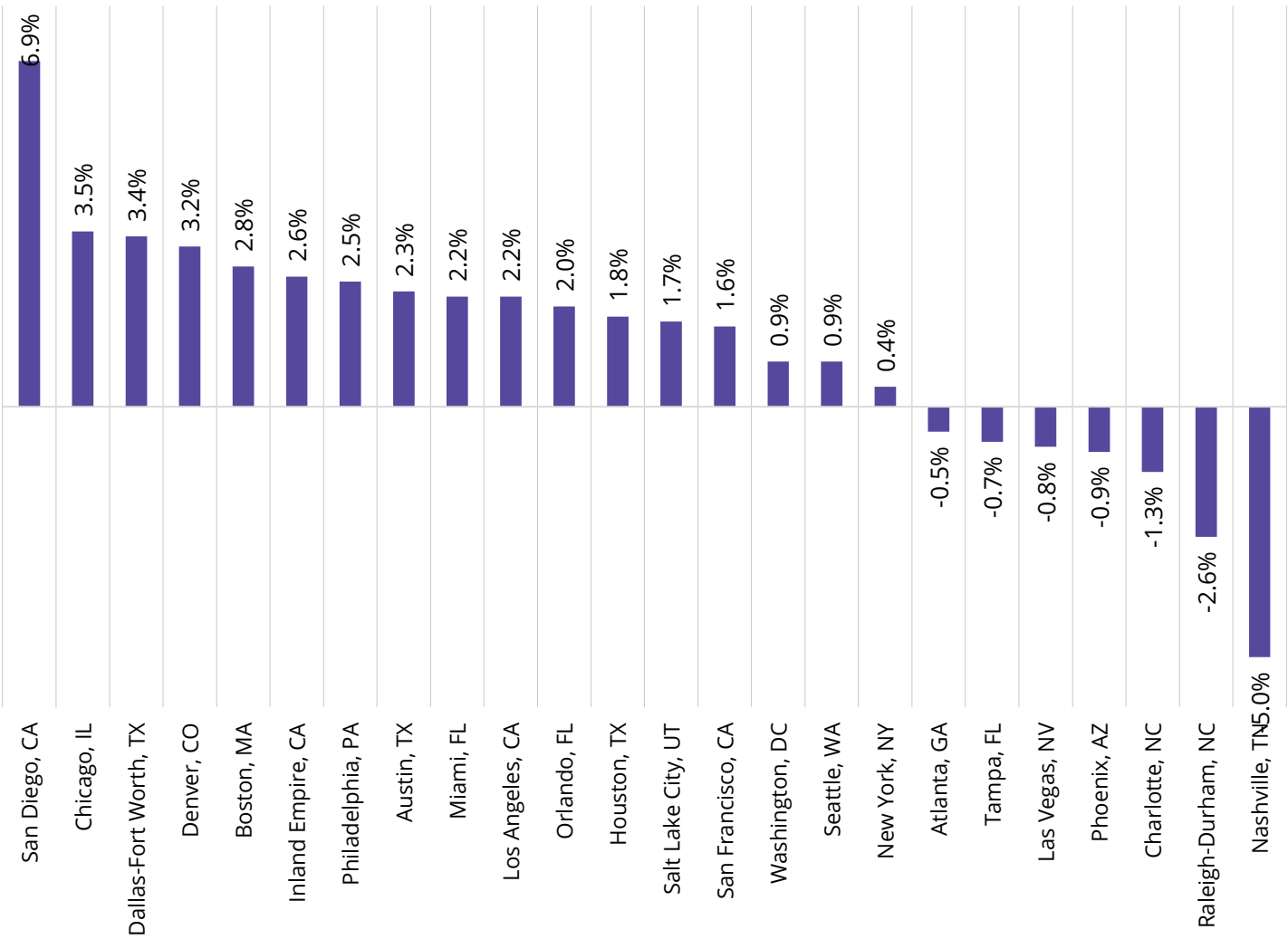
Florida markets lead the U.S. in employment and class A rent growth since 2019.

Class A asking rent growth since 2019



50% of markets have seen class A rents grow by more than 20% since 2019 with Florida and Southern California leading U.S. markets.

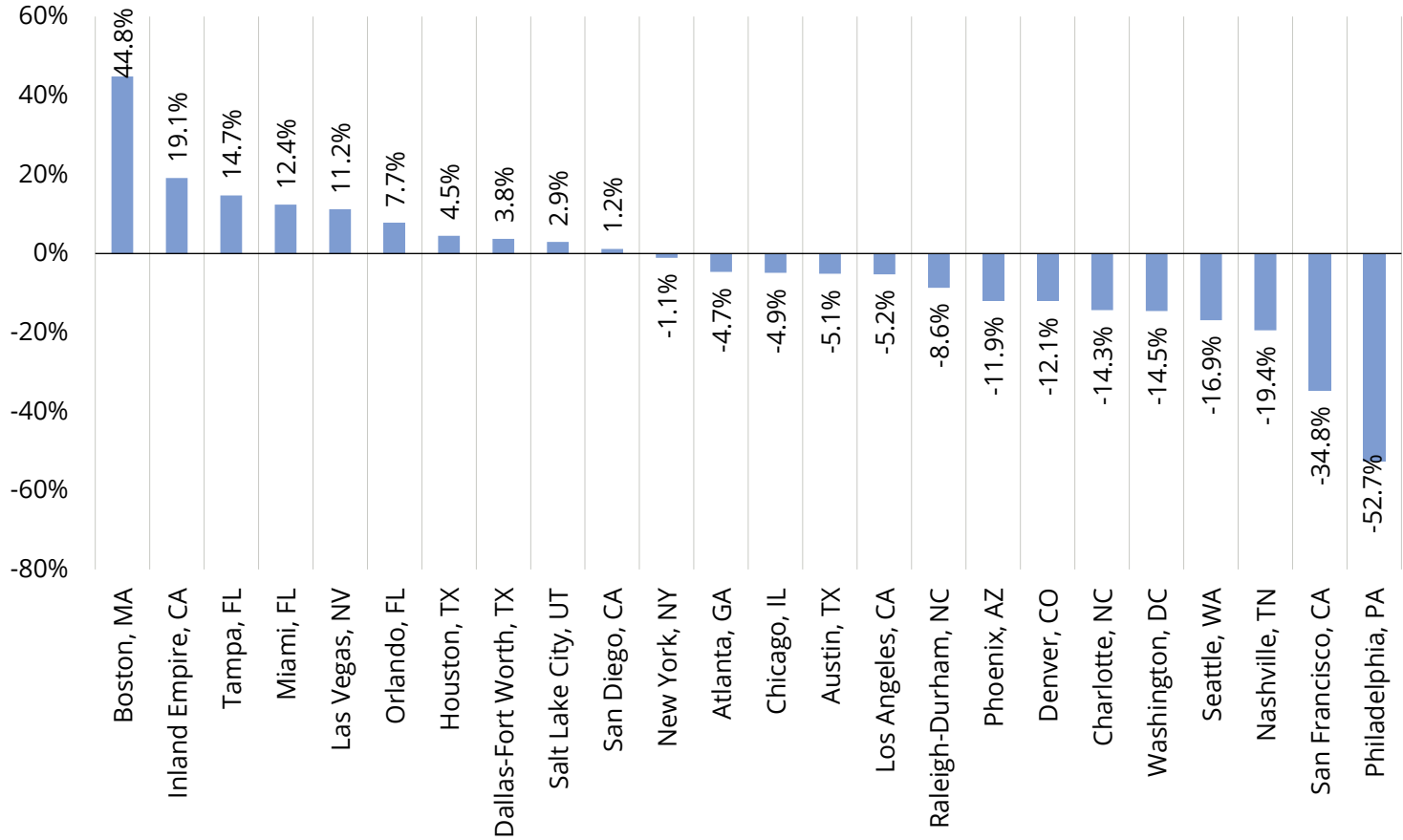
Change in class A occupancy since 2019



Over 70% of U.S. markets have experienced class A occupancy growth since 2019.

Blue-collar job posting volume by MSA

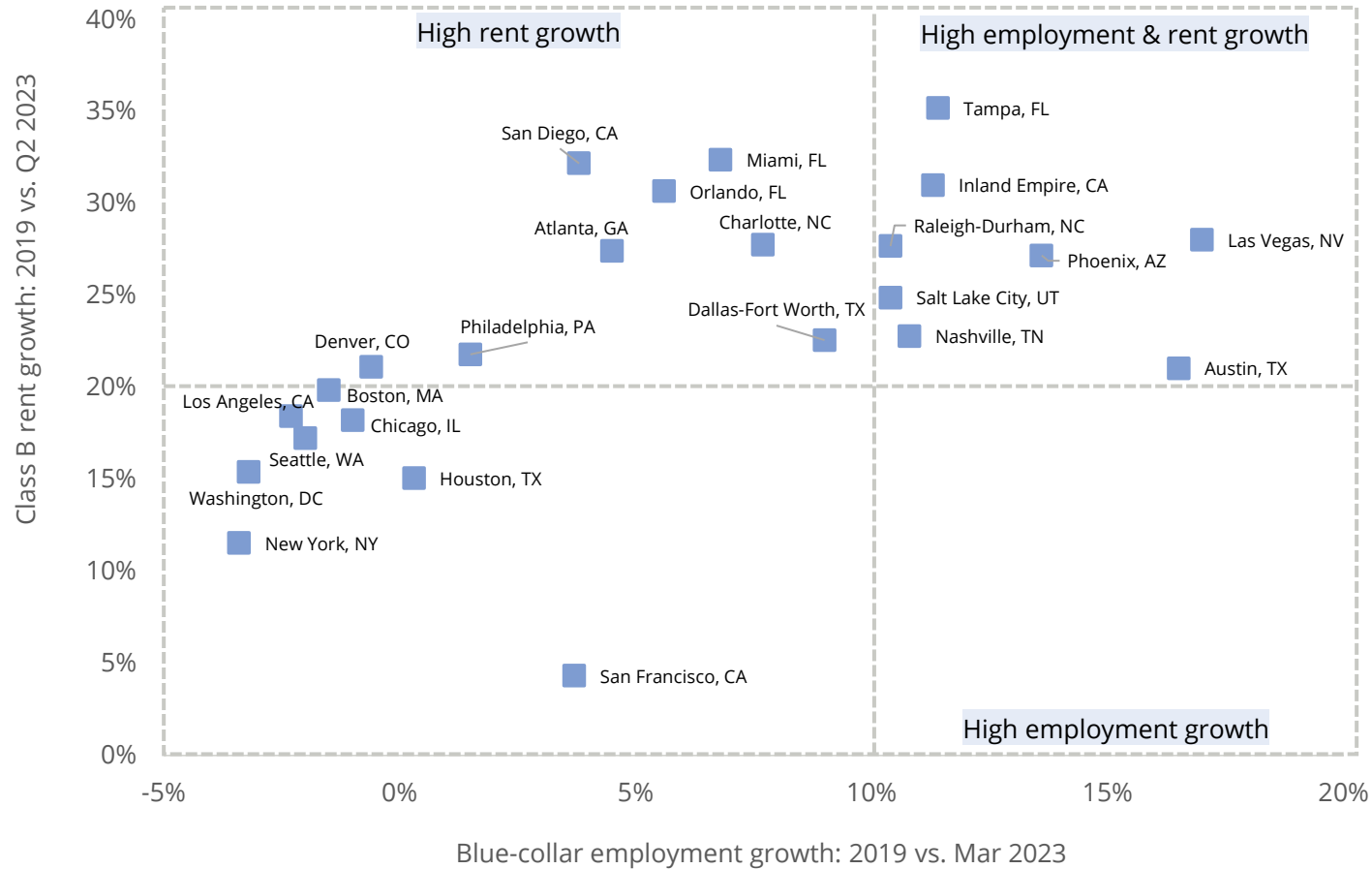
% change: January 2020 vs. May 2023



Blue-collar job posting volumes hover above pre-pandemic levels for over 40% of U.S. markets, with Boston, Inland Empire, Las Vegas, and Florida leading the way.

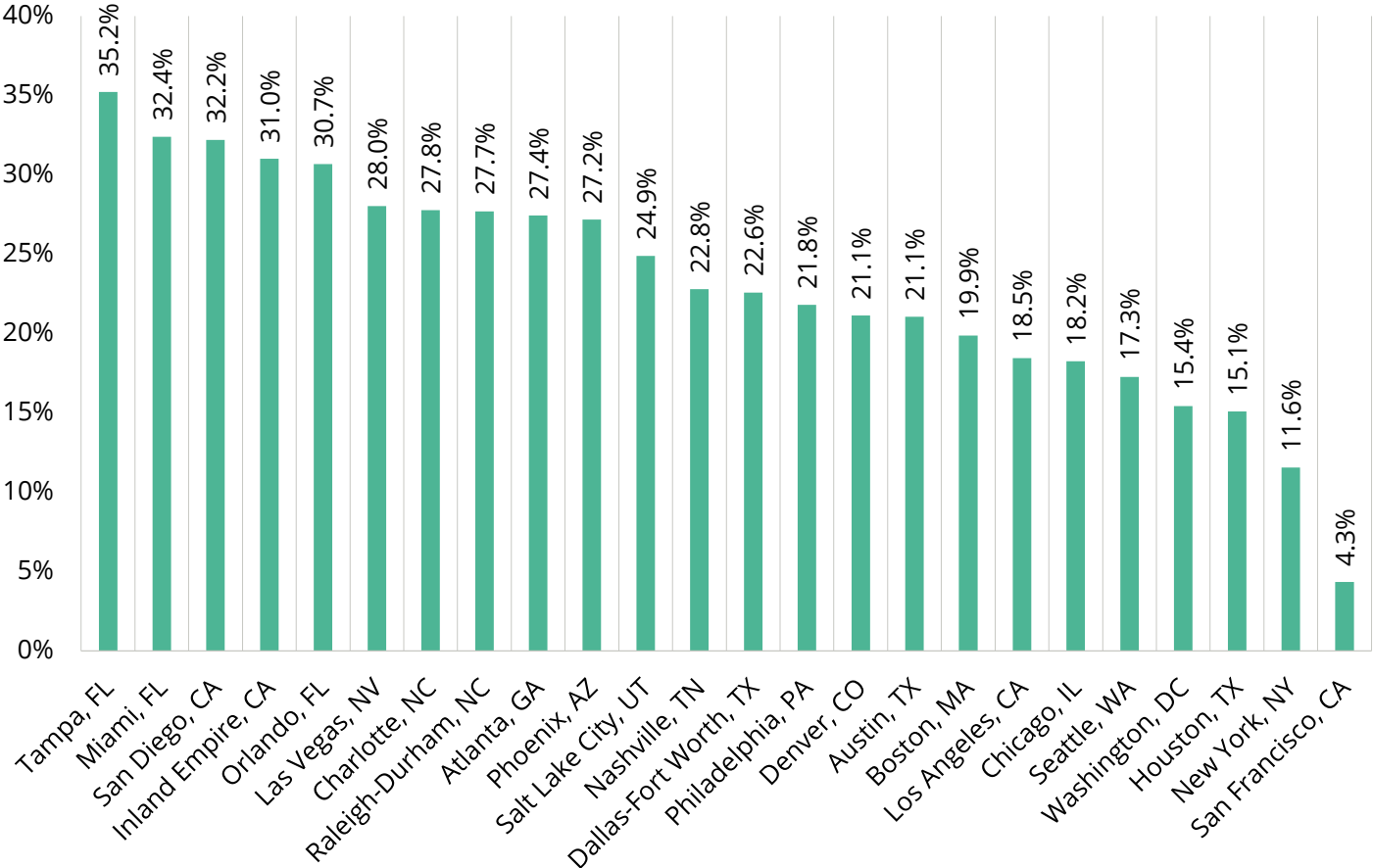
Notes: Industries included: Industrial equipment and machinery, logistics and distribution, transportation
Source: AVANT by Avison Young, Lightcast

Class B market momentum



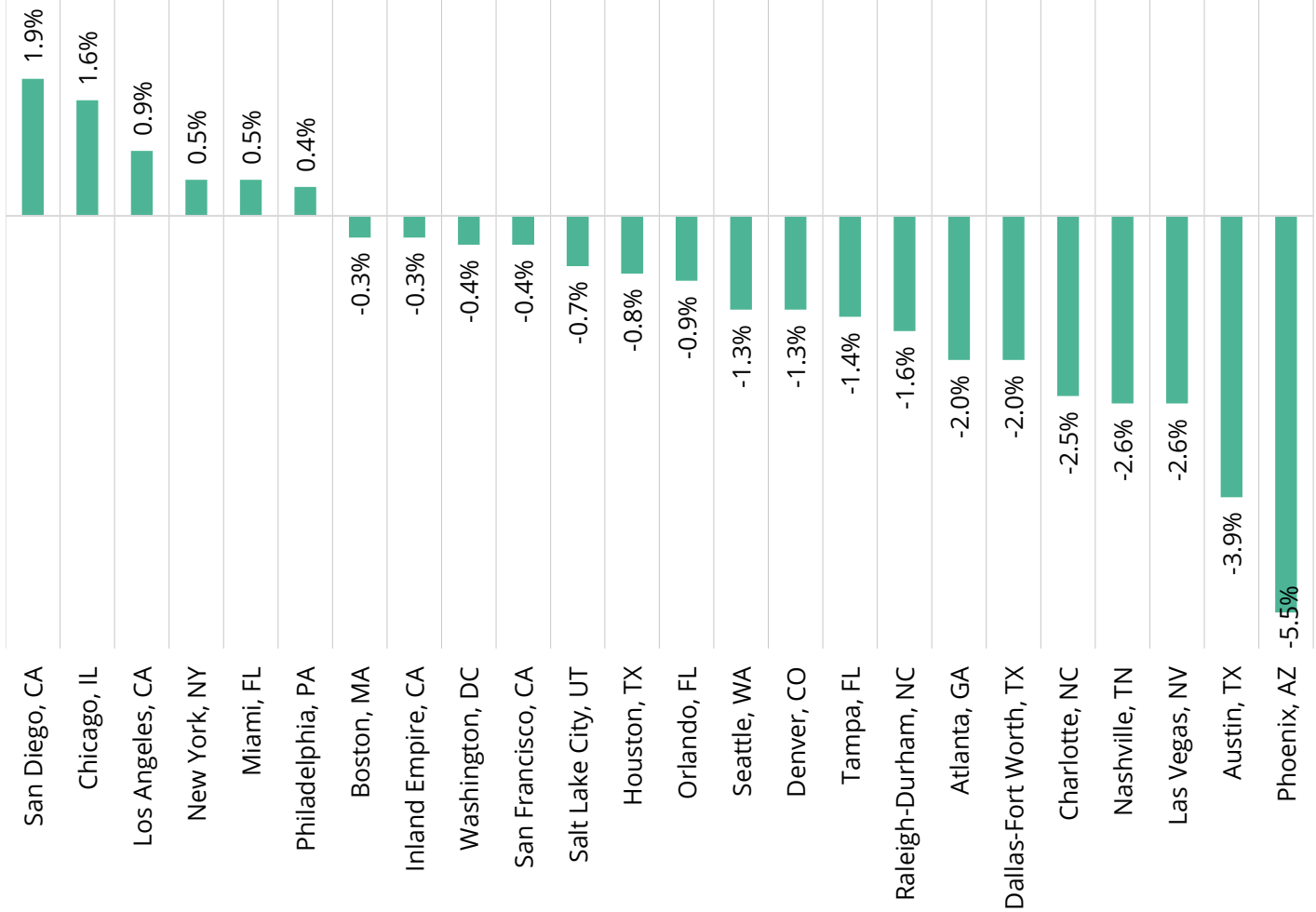
Sunbelt markets have seen strong class B rent and employment growth, particularly within Florida and Southern California.

Class B asking rent growth since 2019



Two-thirds of U.S. markets have seen class B rents grow by over 20% since 2019 with Florida and Southern California experiencing 30%+ rent growth.

Change in class B occupancy since 2019



Just 25% of U.S. markets have experienced class B occupancy growth since 2019.

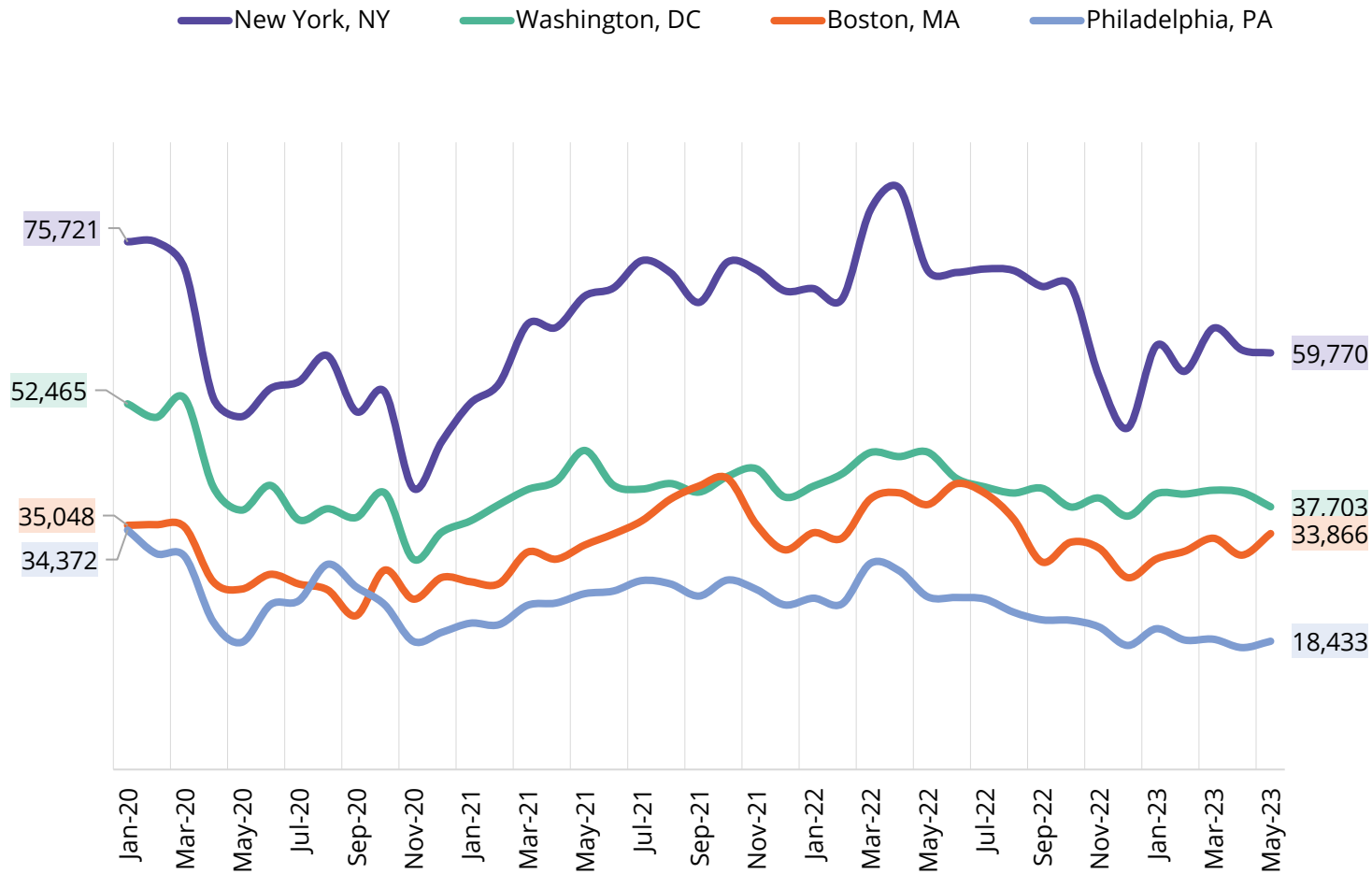
Regional performance



Northeast Region



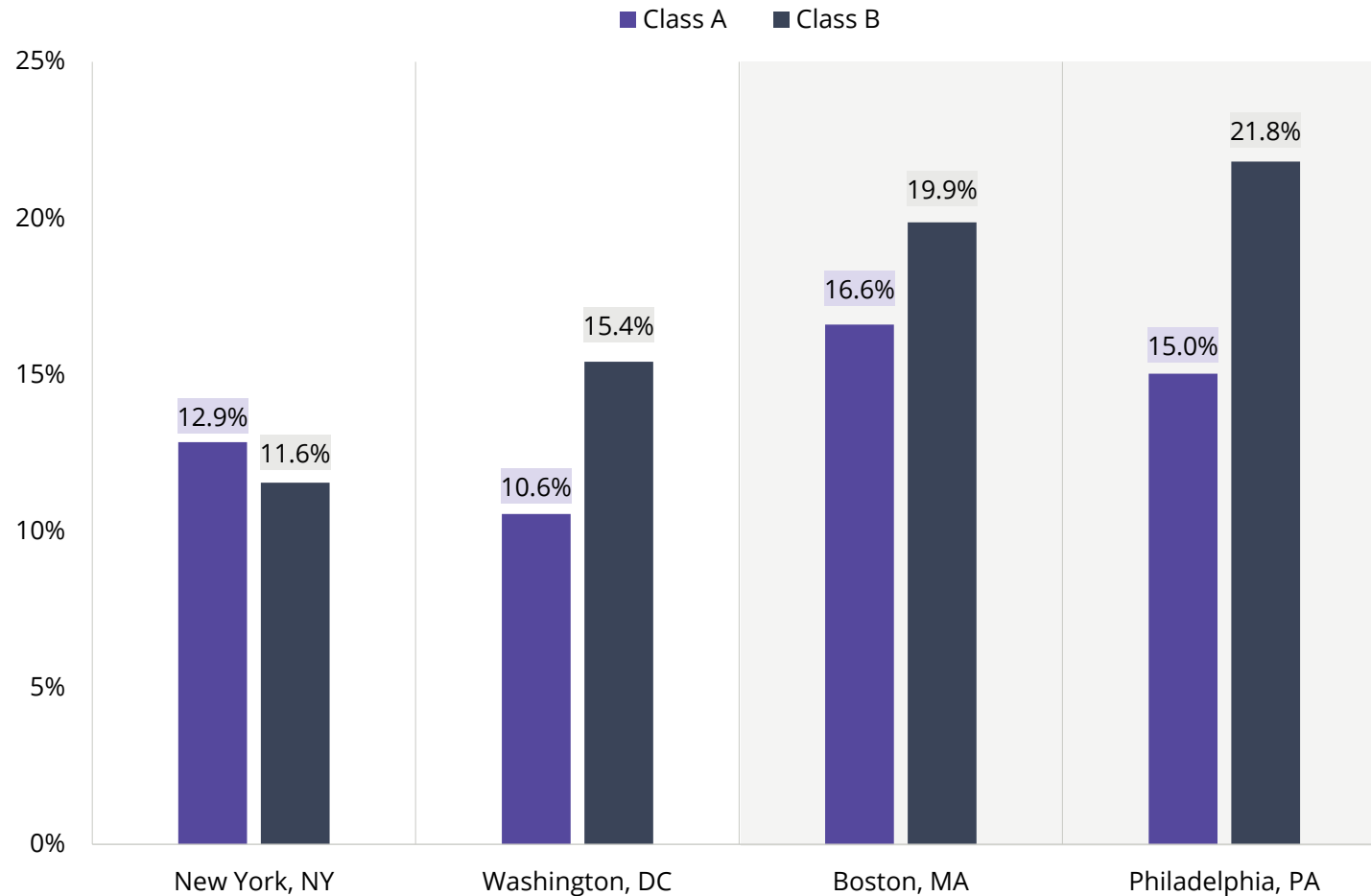
Job postings volume by MSA



Job posting volume has declined by 24.2% since January 2020 across the region; though Boston is just 3.4% below pre-pandemic levels.

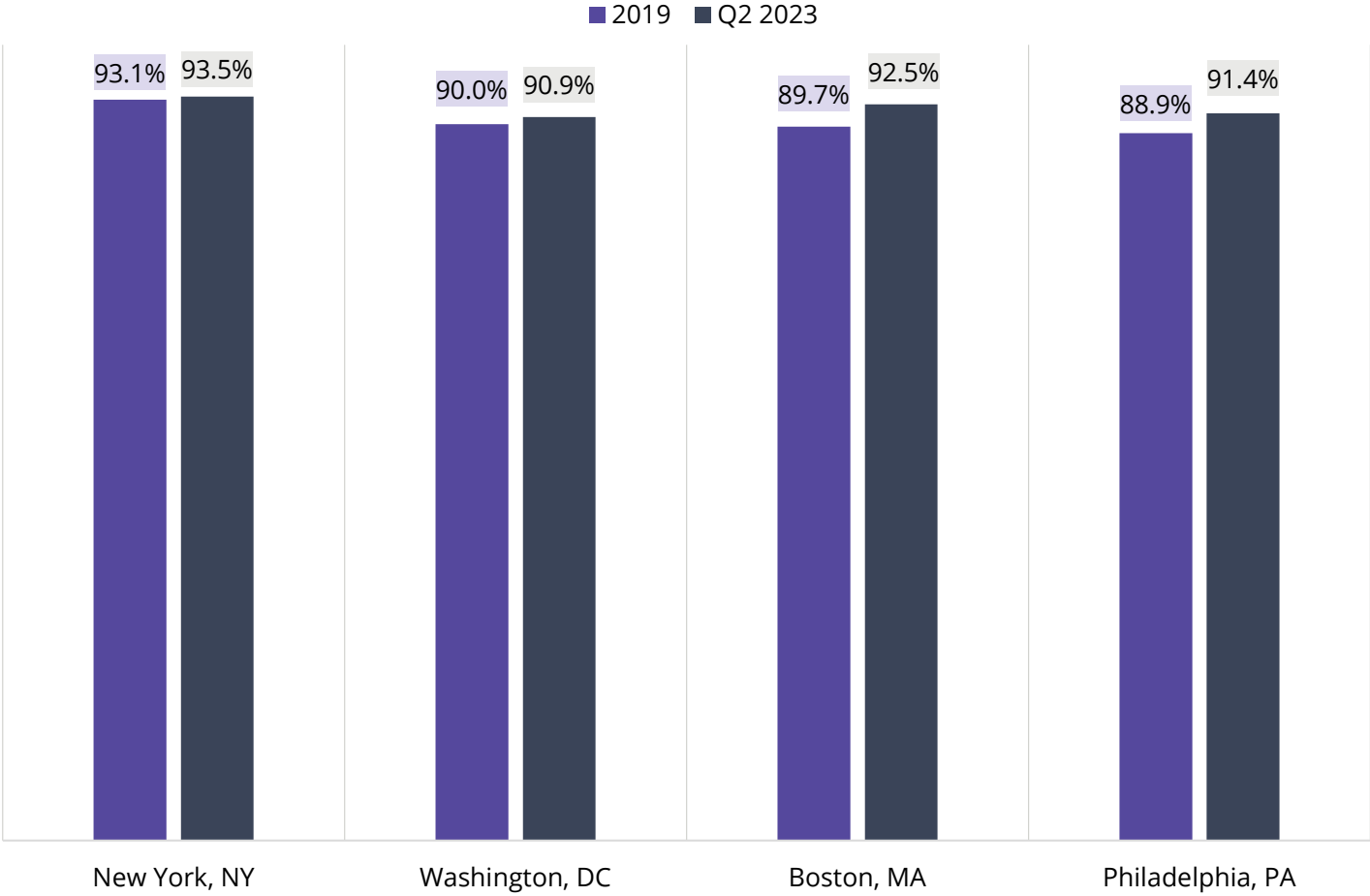
Note: Job posting data includes the following industries: Banking and Finance, Consulting, Engineering/Architecture, Legal, Life sciences, Media/PR, Nonprofits and associations, Tech
 Source: AVANT by Avison Young, Lightcast

Asking rent growth since 2019 by class



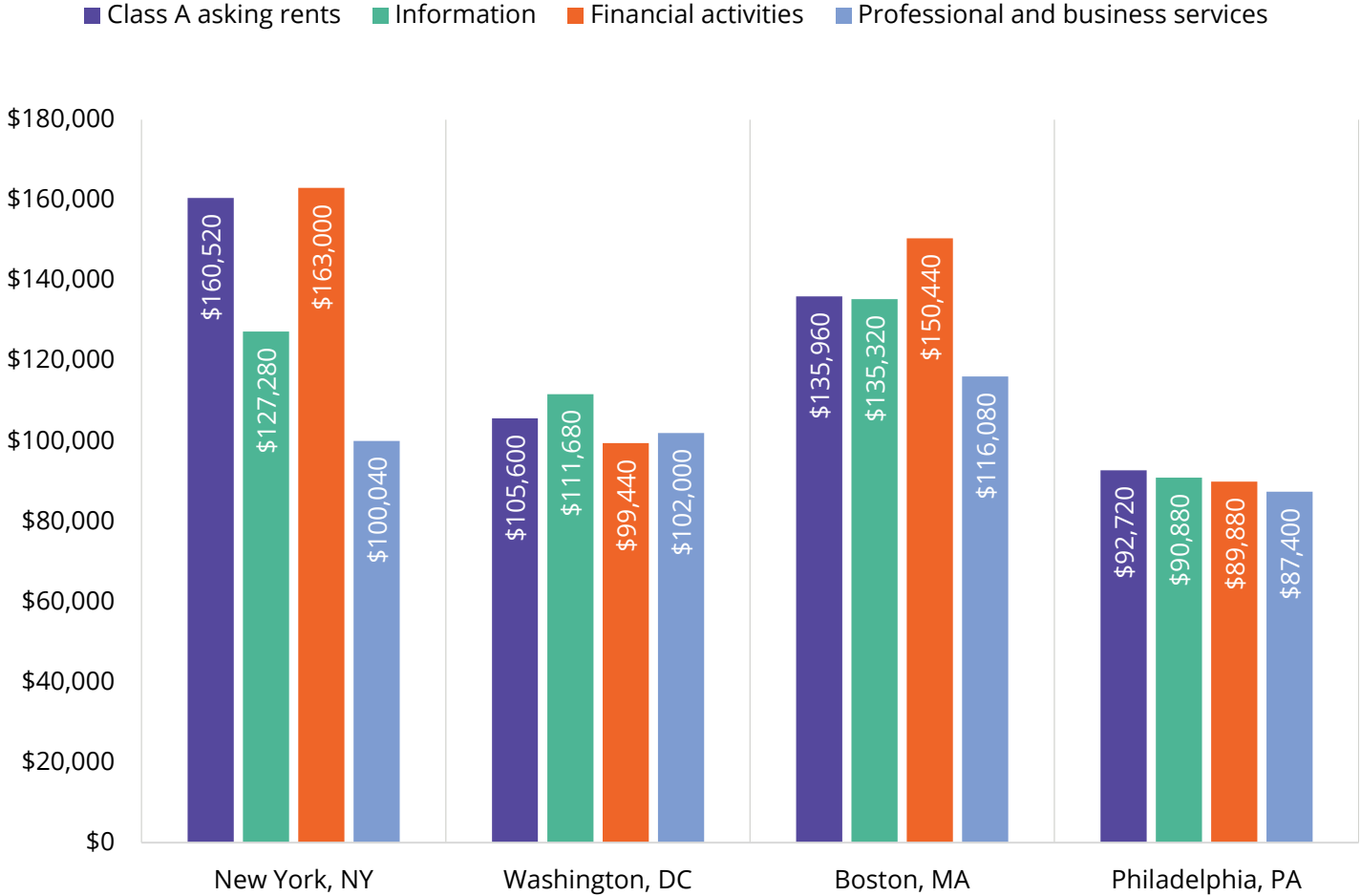
Asking rent growth across the Northeast region has been moderate when compared to the rest of the U.S., though class B rent growth in Boston and Philadelphia and has remained strong.

Class A occupancy by market



Class A occupancy rates have increased from pre-pandemic levels, demonstrating strong demand for class A assets.

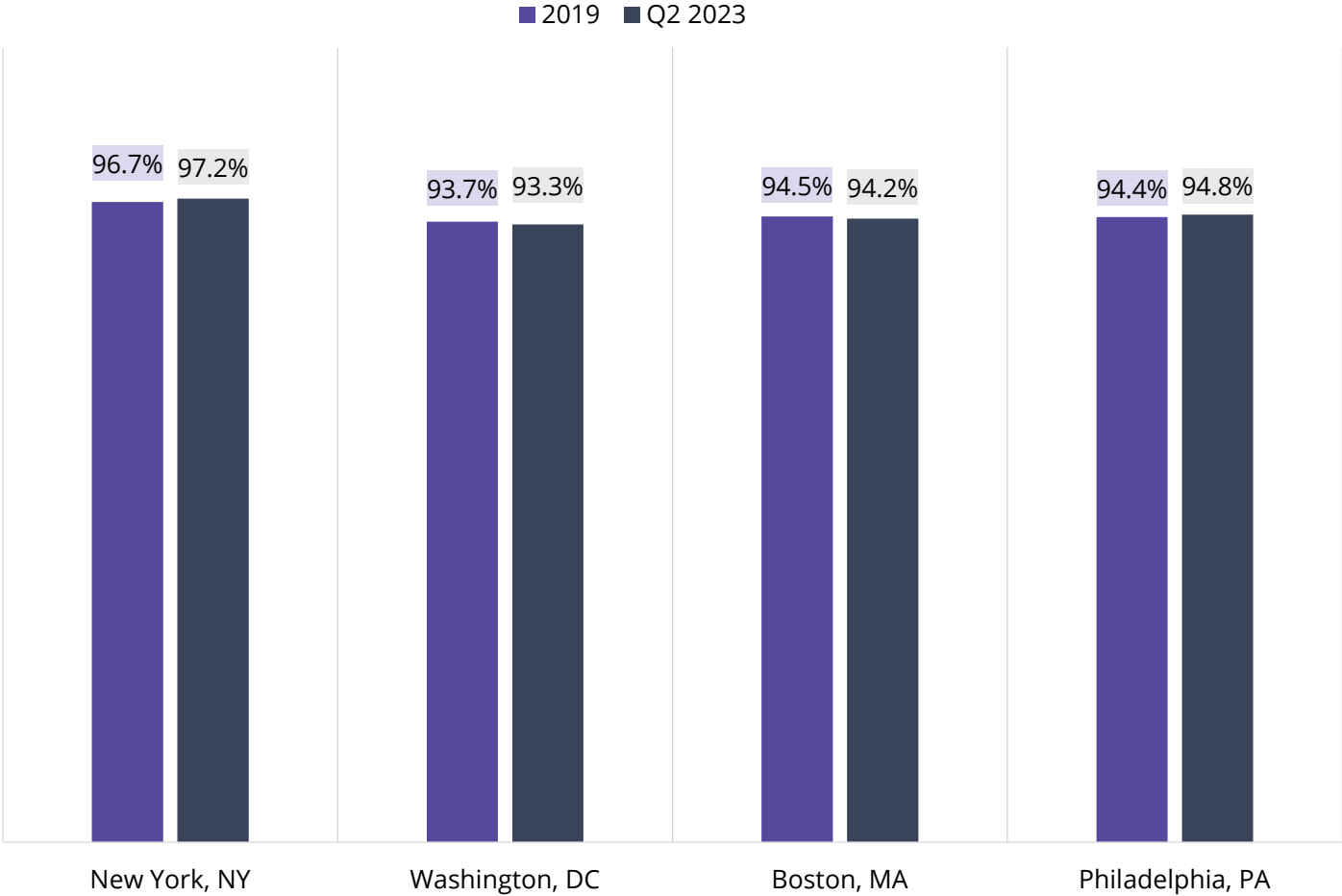
Class A rents and wage equality



Wages within the Financial Activities sector increased significantly in Q4 2022, improving affordability within the class A market.

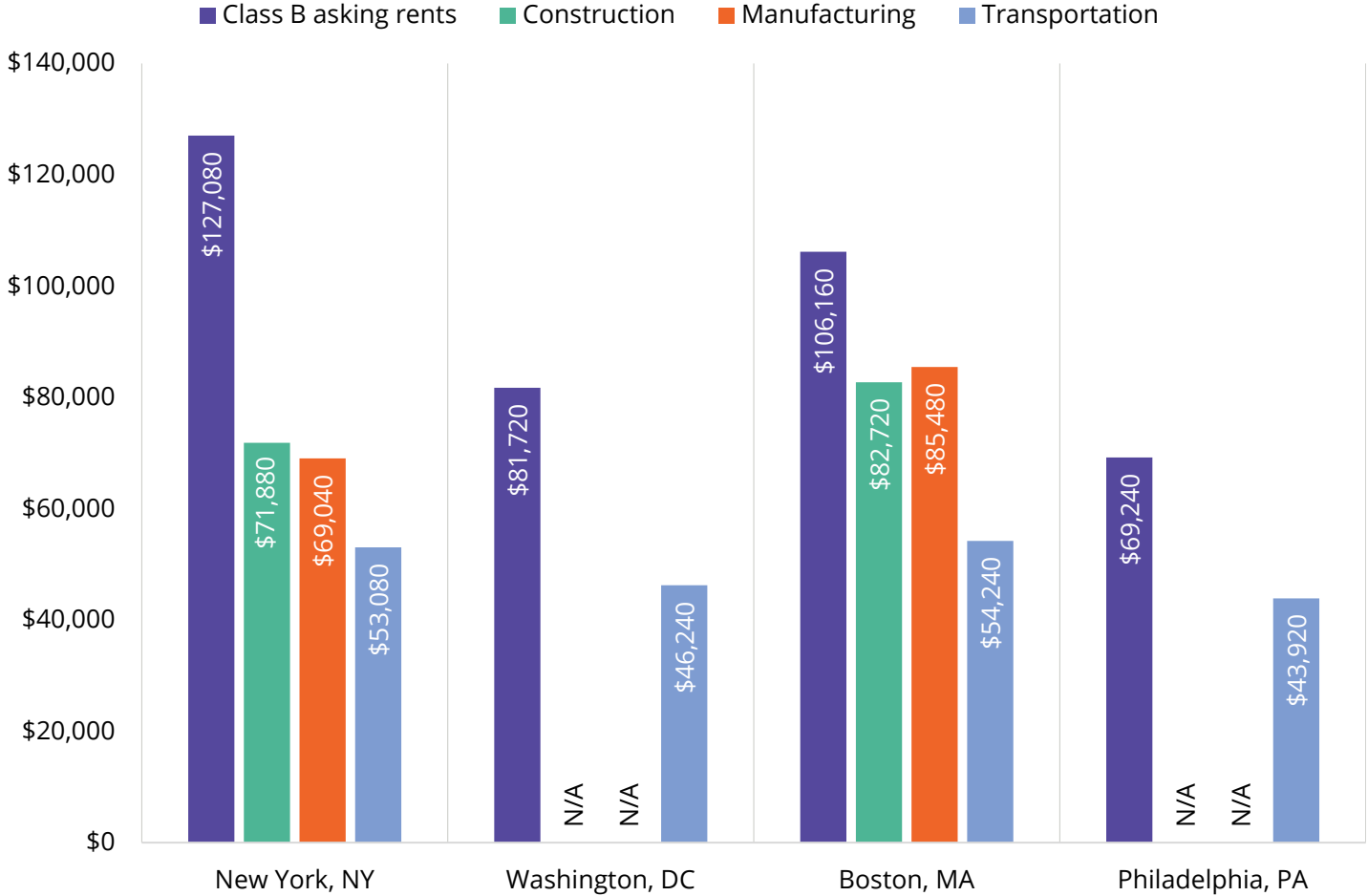
Note: Landlords in select markets use a 40x multiple to calculate annual required income to afford monthly apartment rents. wages reflect Q4 2022 BLS totals for industries available
 Source: AVANT by Avison Young, BLS, CoStar

Class B occupancy by market



Class B occupancy has returned to pre-pandemic levels across the Northeast region.

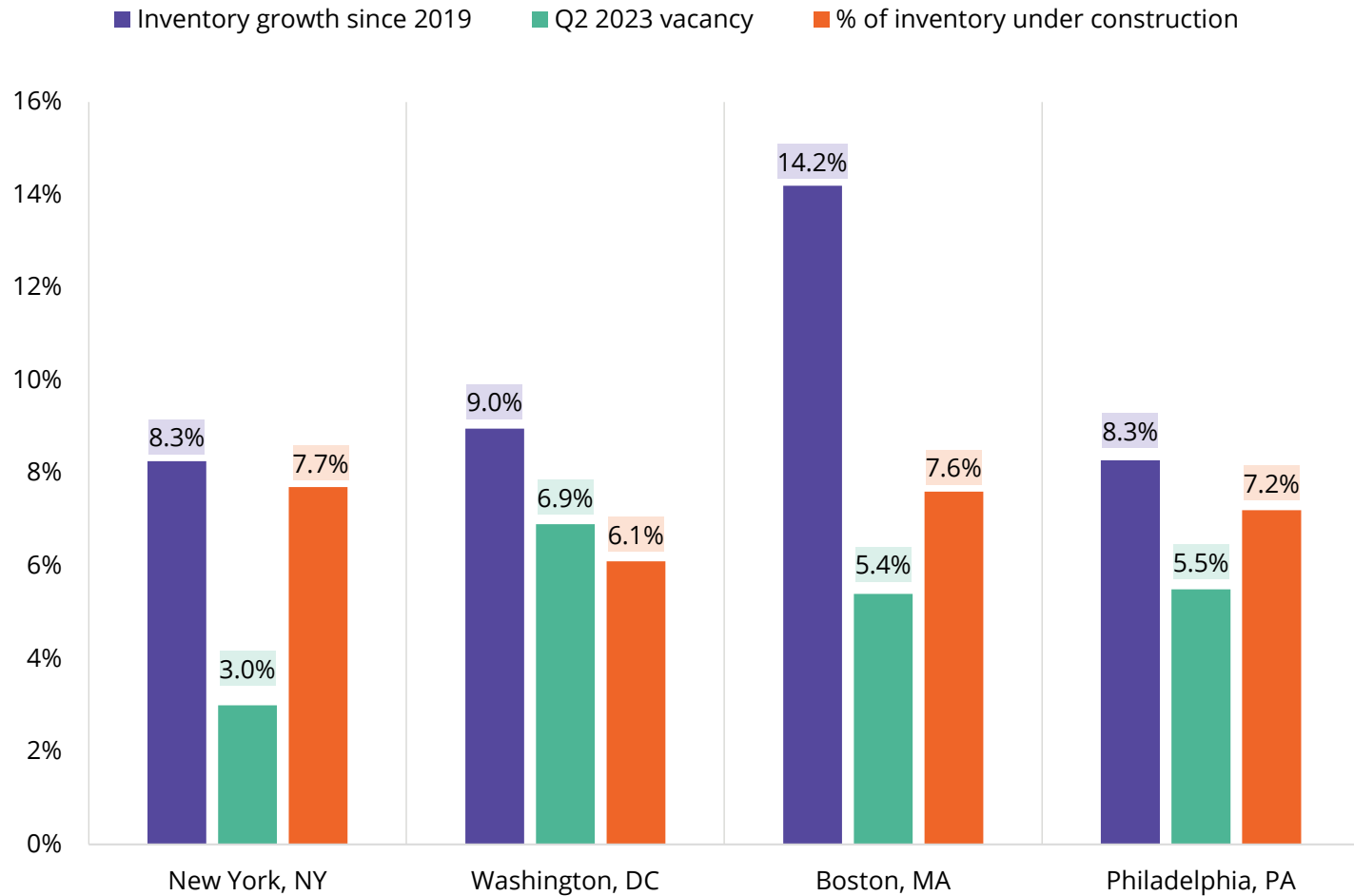
Class B rents and wage equality



Class B asking rents are surpassing blue-collar wages across the Northeast.

Note: Landlords in select markets use a 40x multiple to calculate annual required income to afford monthly apartment rents. wages reflect Q4 2022 BLS totals for industries available
 Source: AVANT by Avison Young, BLS, CoStar

Inventory snapshot

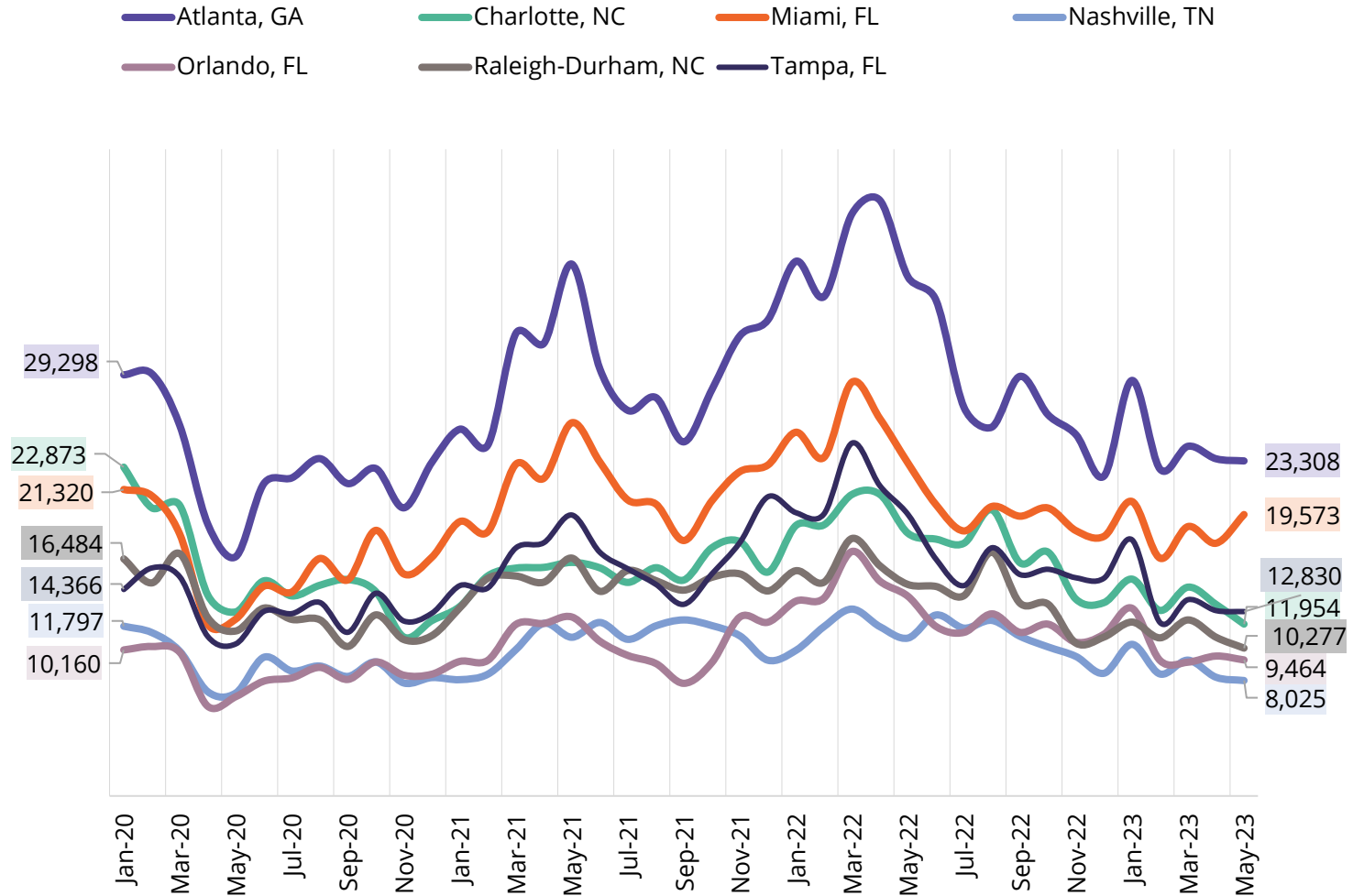


Development activity has been robust as class A demand has remained strong.

South Region



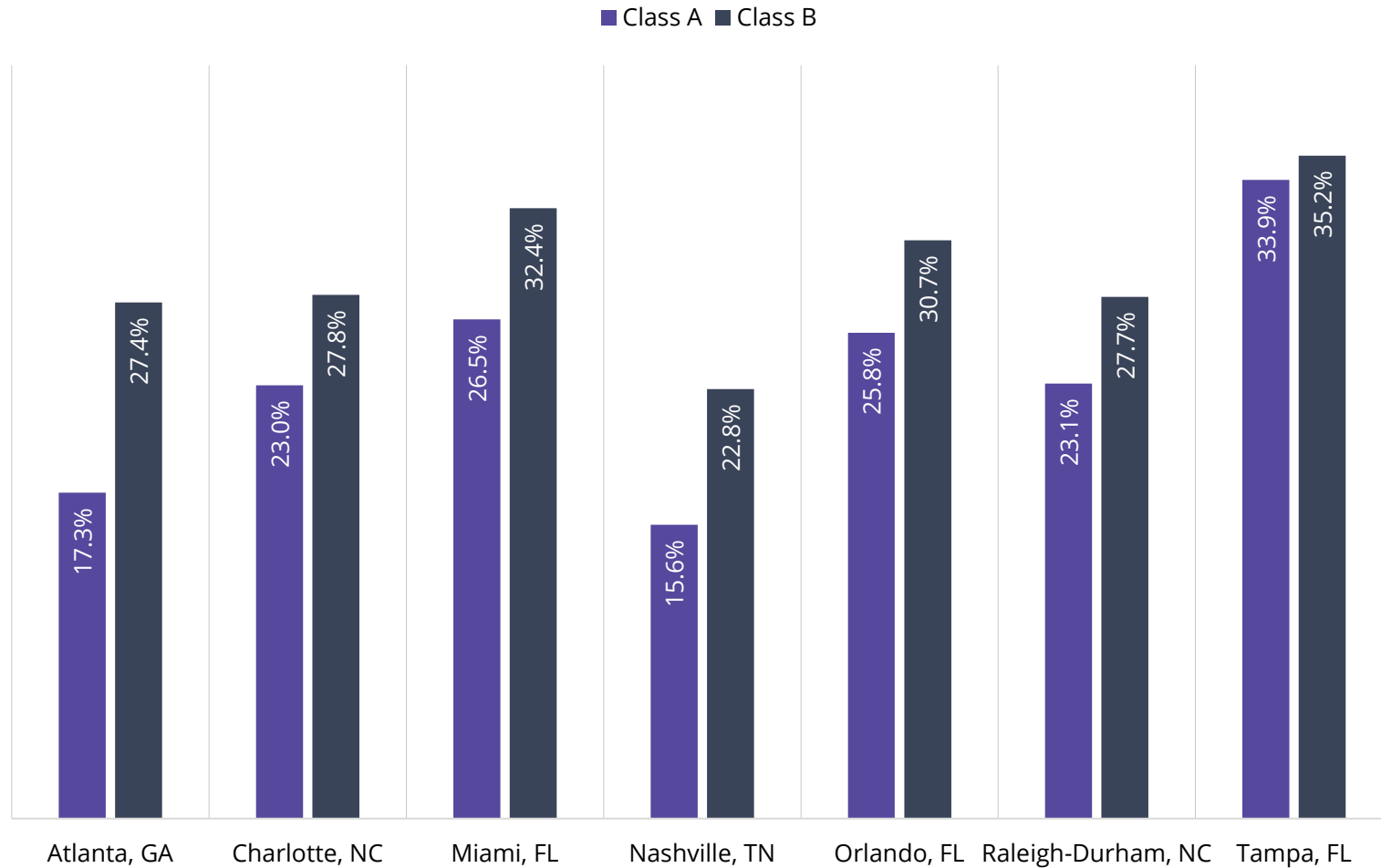
Job postings volume by MSA



Job posting volumes across the South region have declined by 41.3% since peaking March 2022.

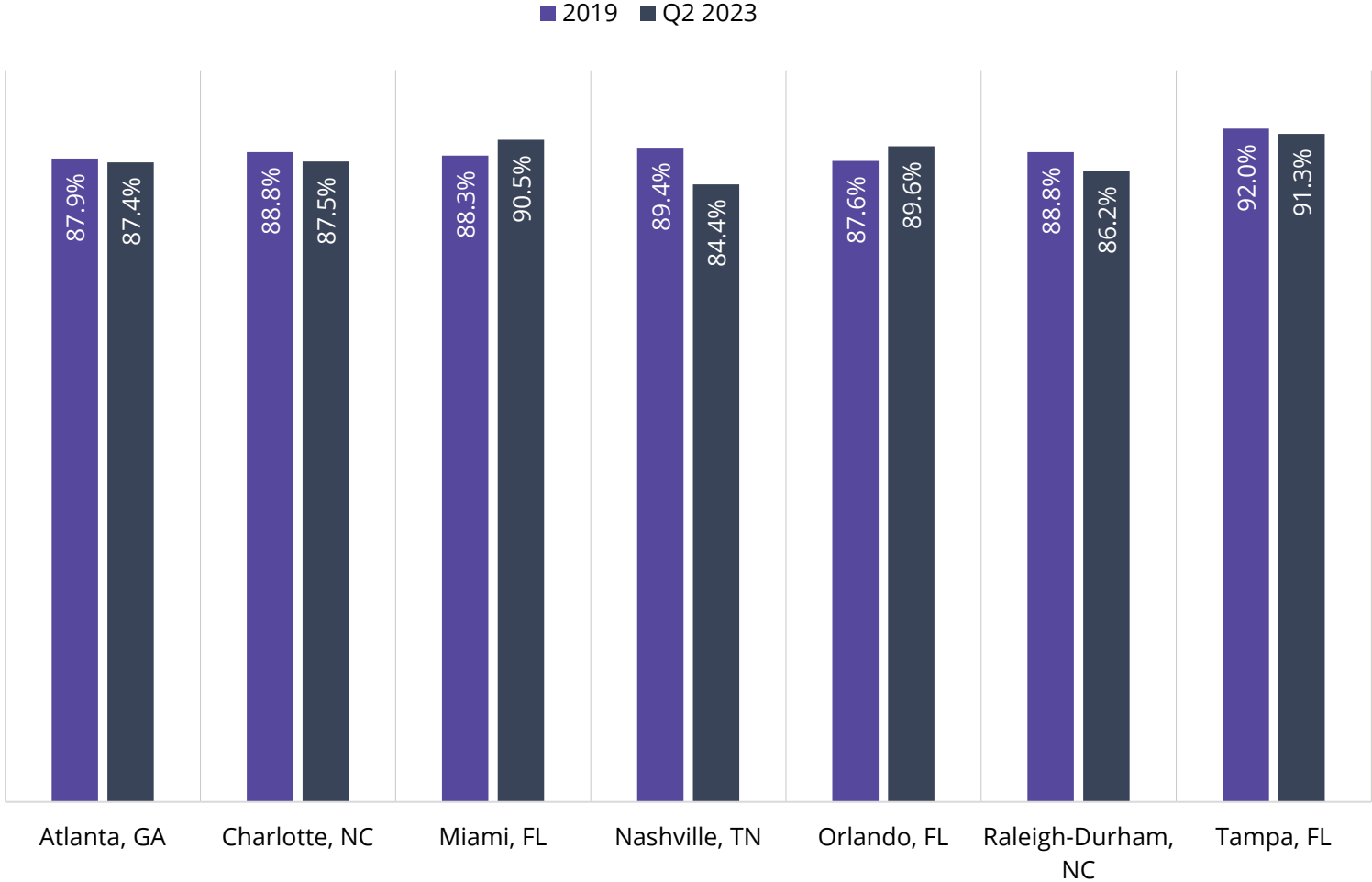
Note: Job posting data includes the following industries: Banking and Finance, Consulting, Engineering/Architecture, Legal, Life sciences, Media/PR, Nonprofits and associations, Tech
 Source: AVANT by Avison Young, Lightcast

Asking rent growth since 2019 by class



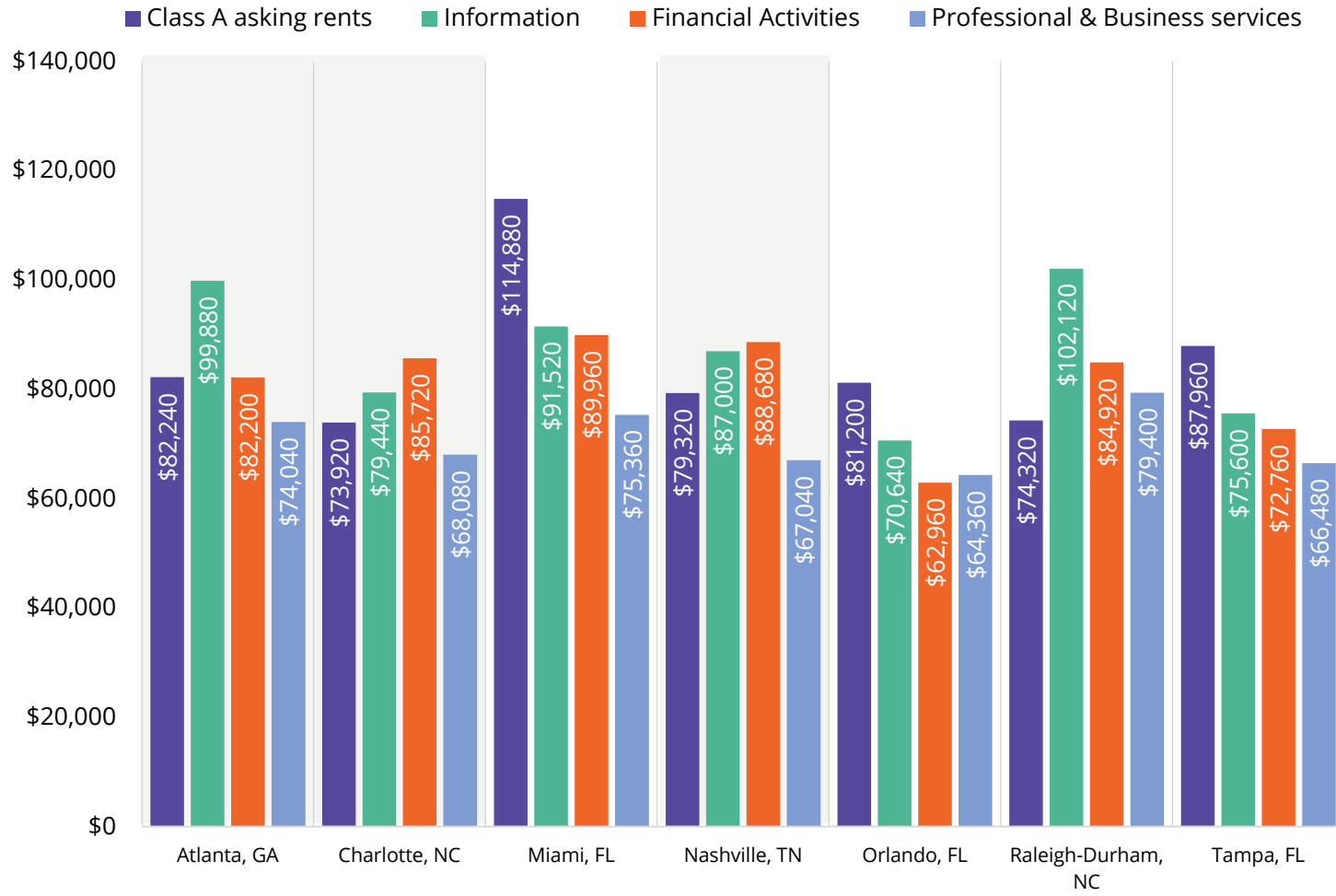
Rent growth has remained strong across the balance of the region; Florida markets lead the South, as rents have increased by at least 25%+ since 2019.

Class A occupancy by market



Miami and Orlando continue to see class A occupancy growth while new deliveries have slowed occupancy gains for the rest of the region.

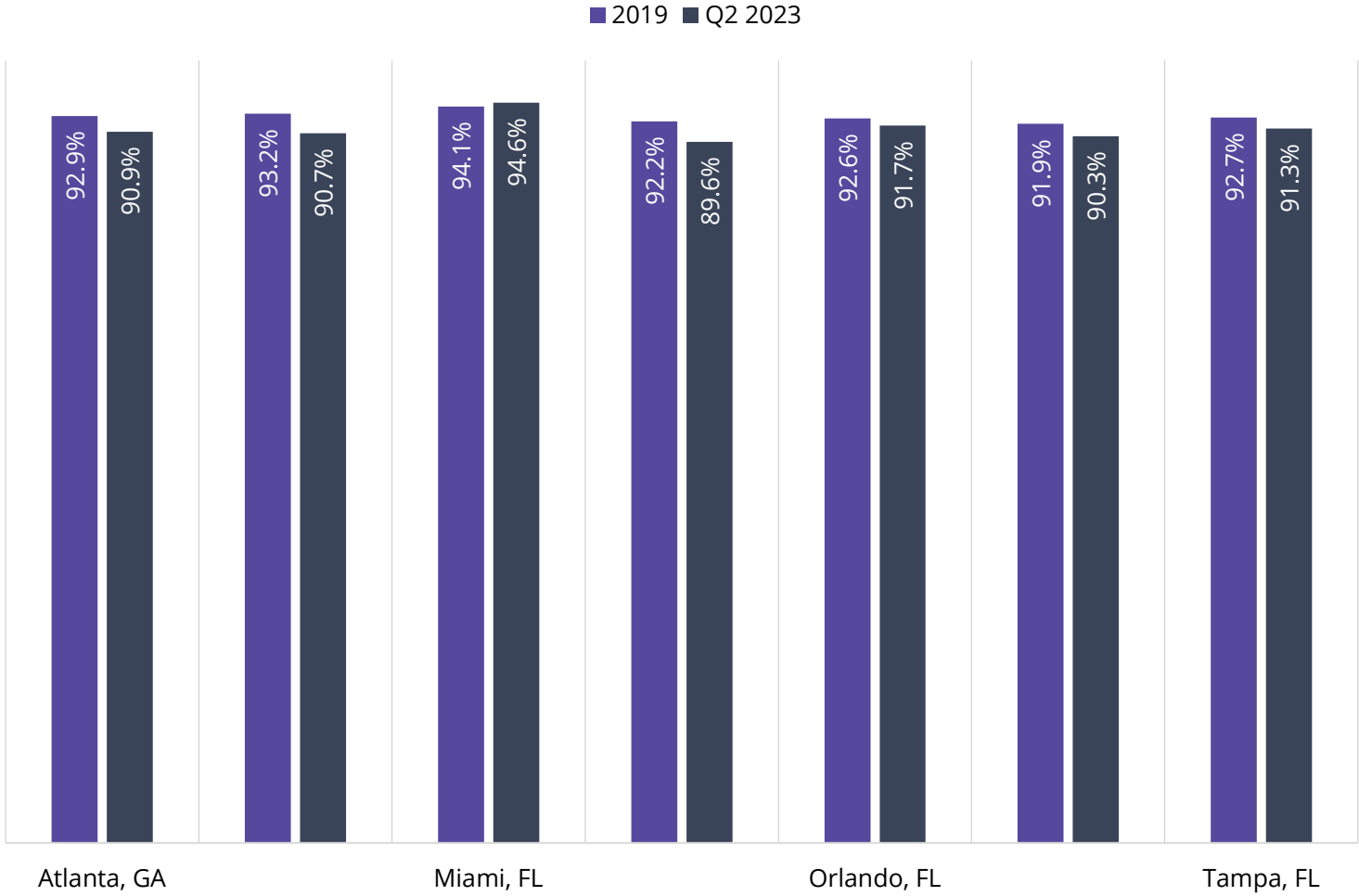
Class A rents and wage equality



Increased supply improved class A rental affordability in Atlanta, Charlotte and Nashville.

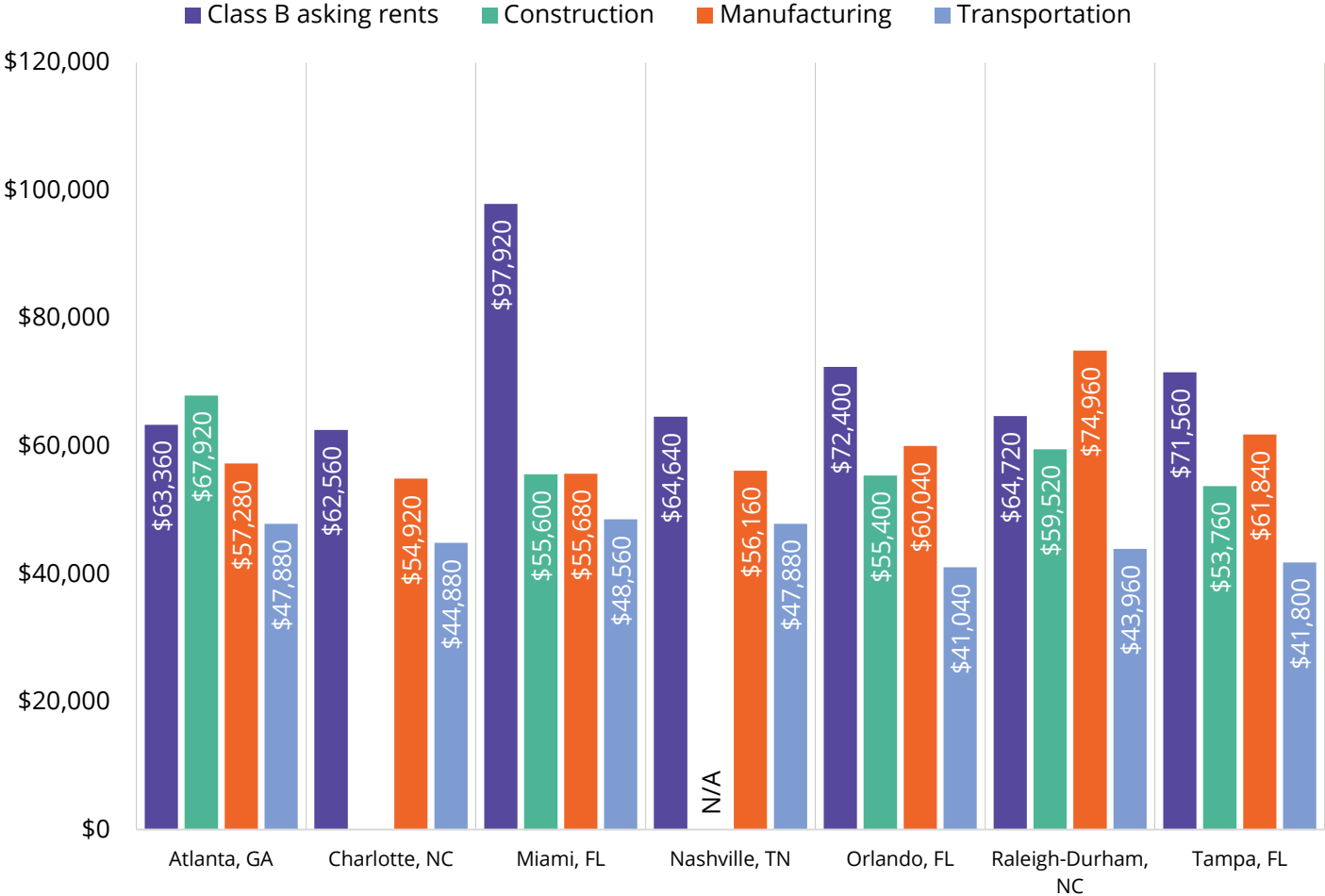
Note: Landlords in select markets use a 40x multiple to calculate annual required income to afford monthly apartment rents. wages reflect Q4 2022 BLS totals for industries available
Source: AVANT by Avison Young, BLS, CoStar

Class B occupancy by market



Class B occupancy has slipped across the South, as pricing has grown significantly, and increased supply has dispersed demand.

Class B rents and wage equality



Class B rents are largely outpacing blue-collar salaries across the region.

Note: Landlords in select markets use a 40x multiple to calculate annual required income to afford monthly apartment rents. wages reflect Q4 2022 BLS totals for industries available
 Source: AVANT by Avison Young, BLS, CoStar

Inventory snapshot

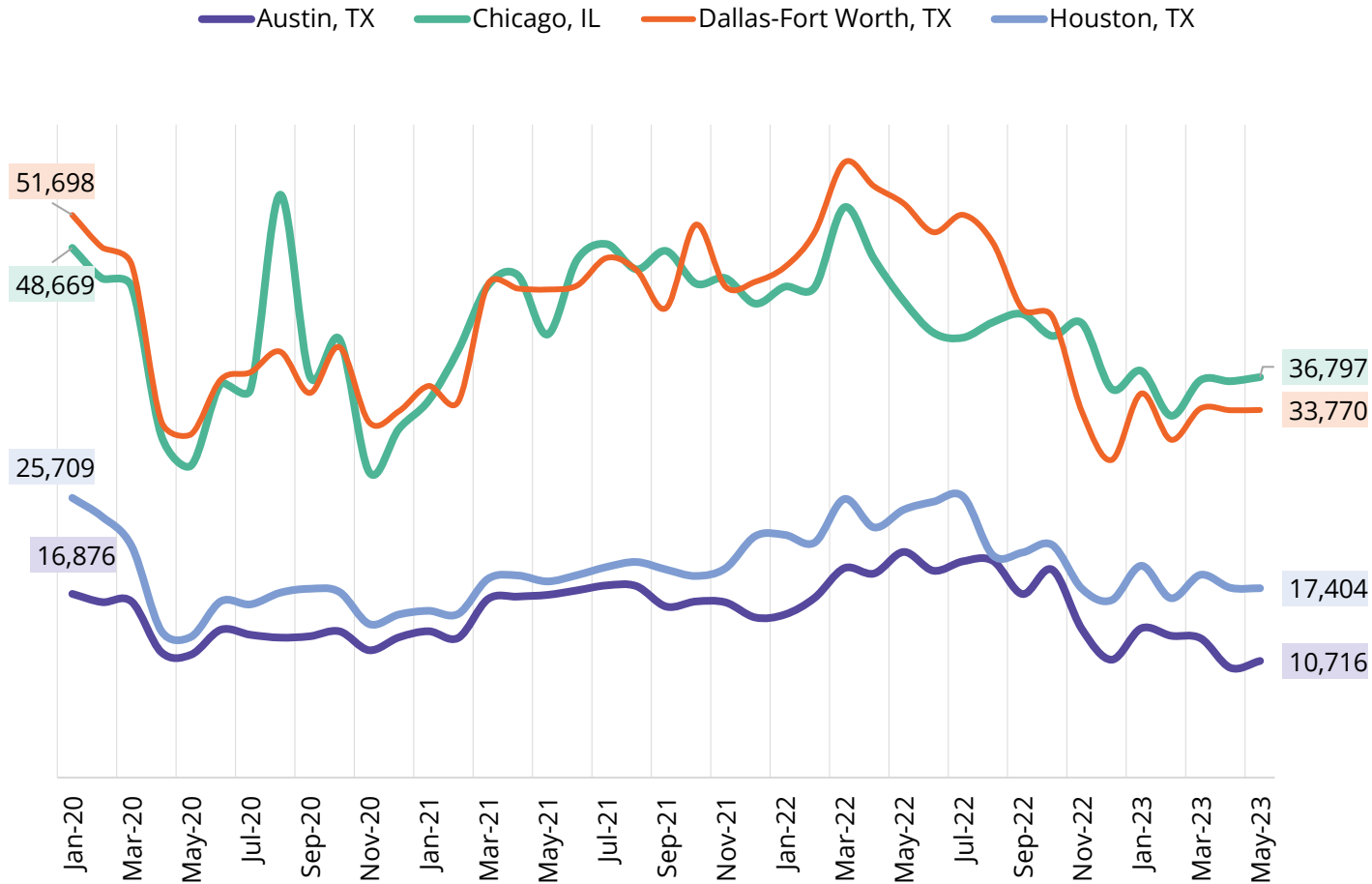


Development activity has surged across the region to keep pace with economic growth; despite significant development in Miami, vacancy remains below pre-pandemic levels.

Midwest Region



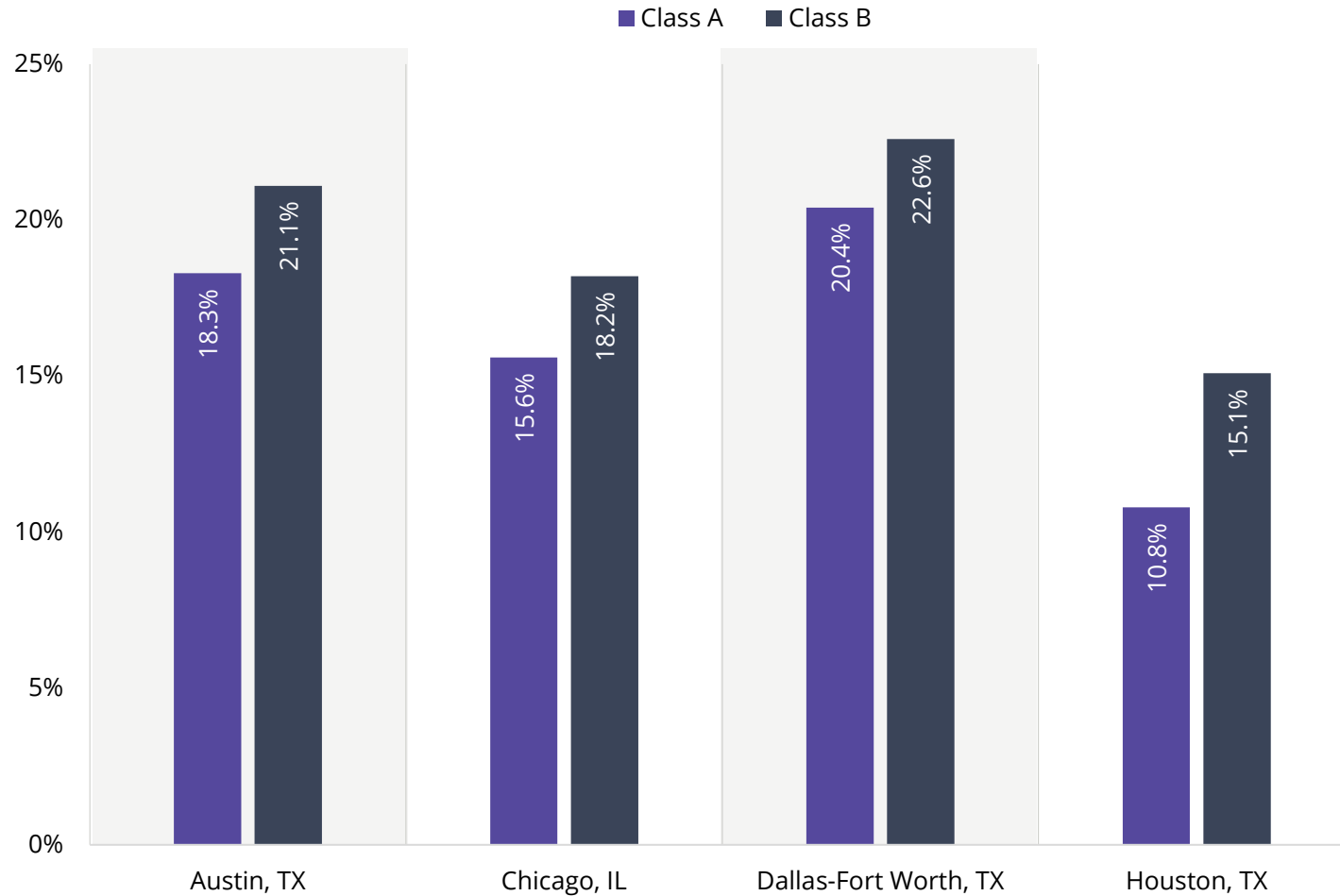
Job postings volume by MSA



Job posting volume across the region has declined by 35.8% since March 2022 and remains well-below pre-pandemic levels.

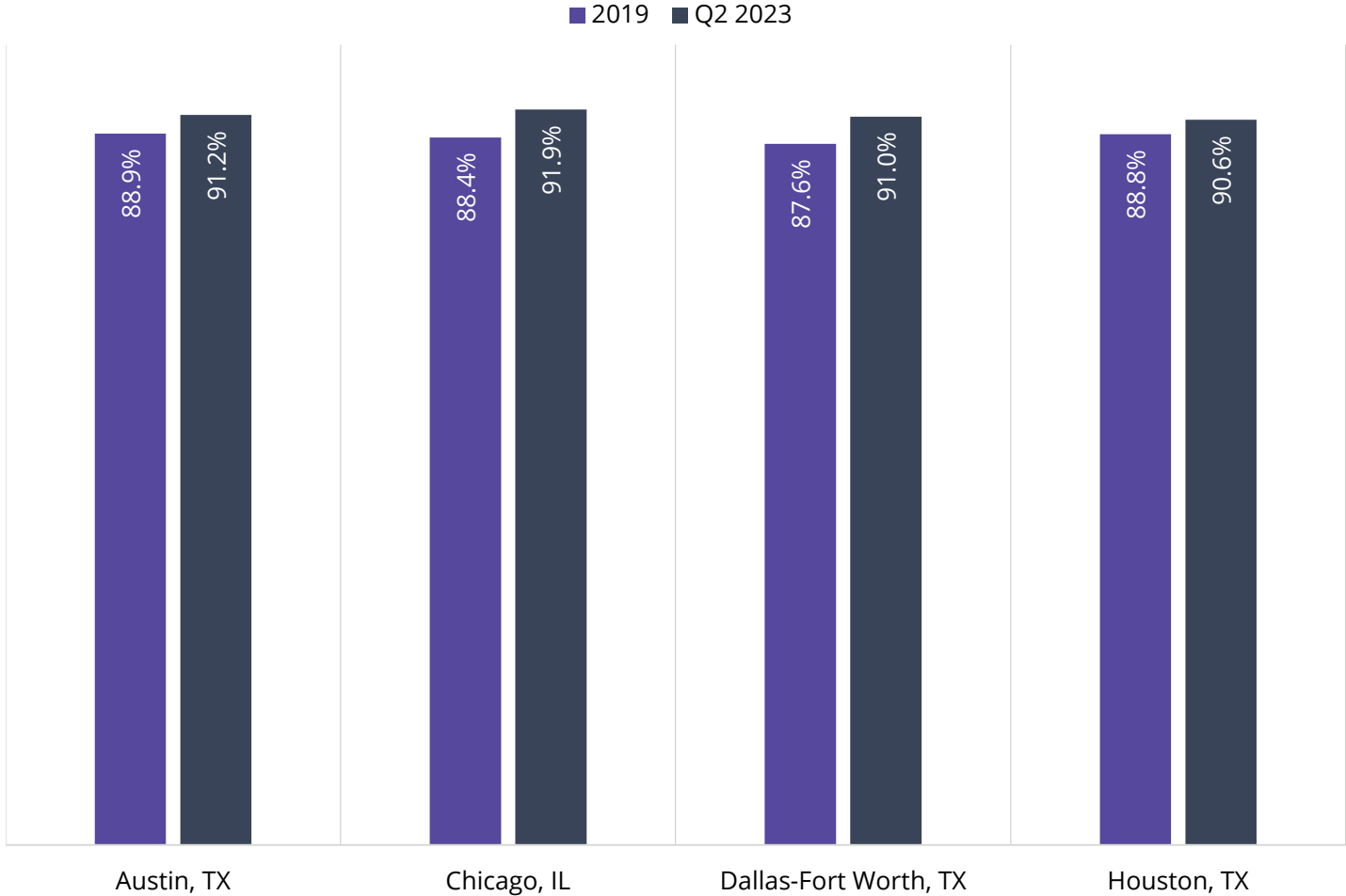
Note: Job posting data includes the following industries: Banking and Finance, Consulting, Engineering/Architecture, Legal, Life sciences, Media/PR, Nonprofits and associations, Tech
Source: AVANT by Avison Young, Lightcast

Asking rent growth since 2019 by class



Dallas-Fort Worth leads the region for rent growth, followed closely by Austin.

Class A occupancy by market



Class A occupancies continue to reach new highs as demand remains strong.

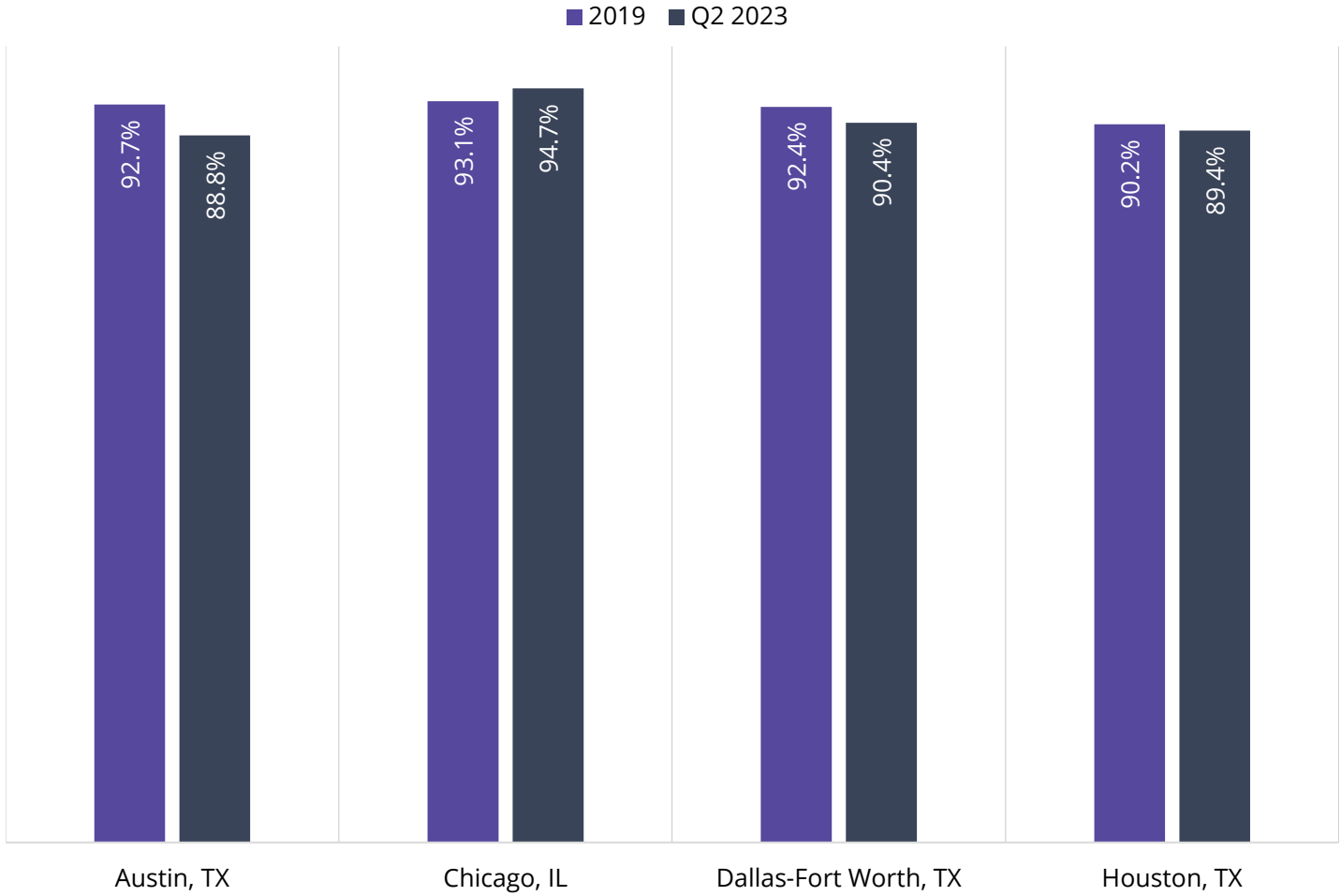
Class A rents and wage equality



Class A properties in Texas remain affordable, offering opportunities for continued market-rate rent growth.

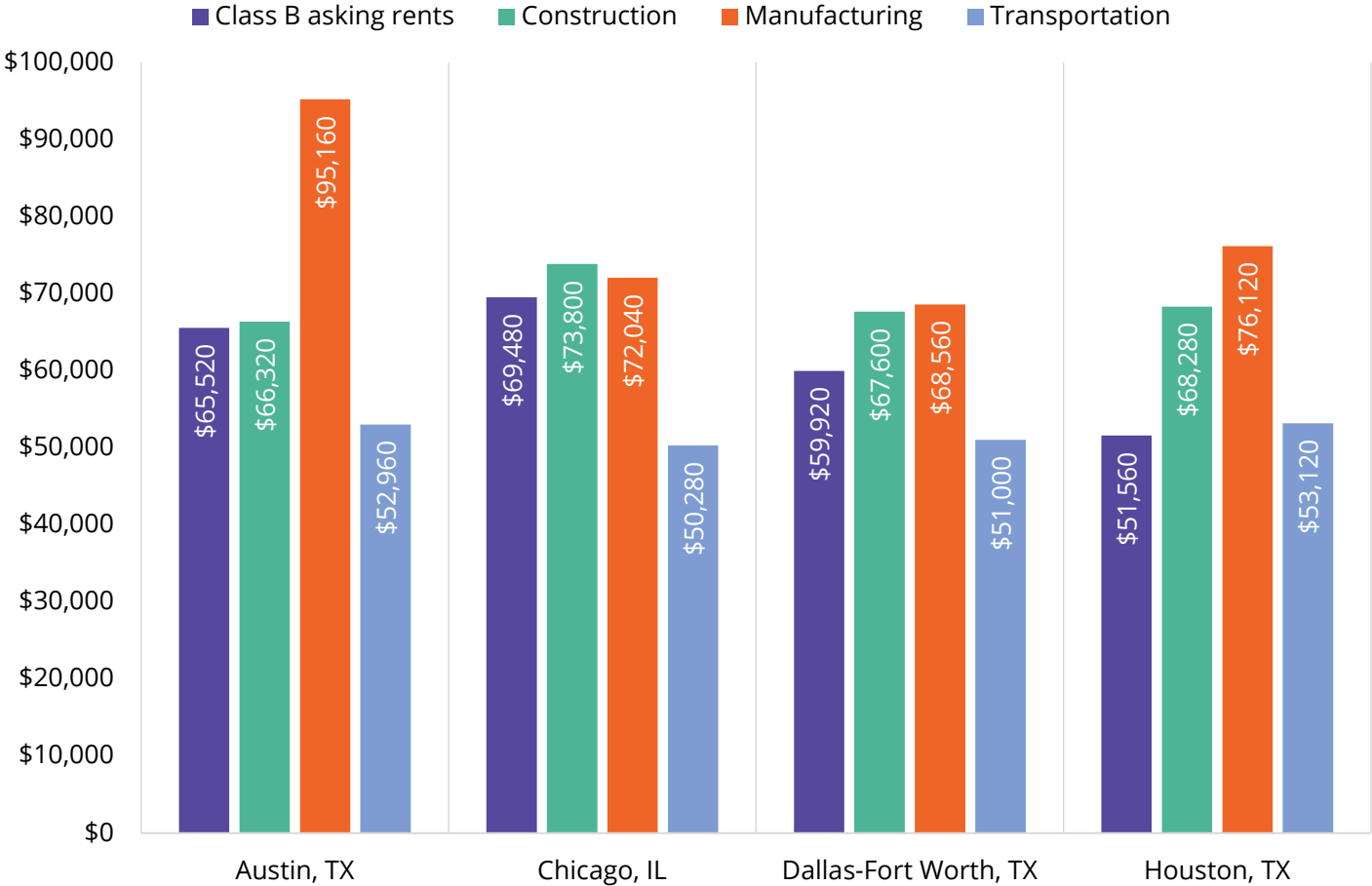
Note: Landlords in select markets use a 40x multiple to calculate annual required income to afford monthly apartment rents. wages reflect Q4 2022 BLS totals for industries available
 Source: AVANT by Avison Young, BLS, CoStar

Class B occupancy by market



Class B rental occupancies have declined in Texas since the pandemic, as renters continue to demonstrate a preference for higher-quality product.

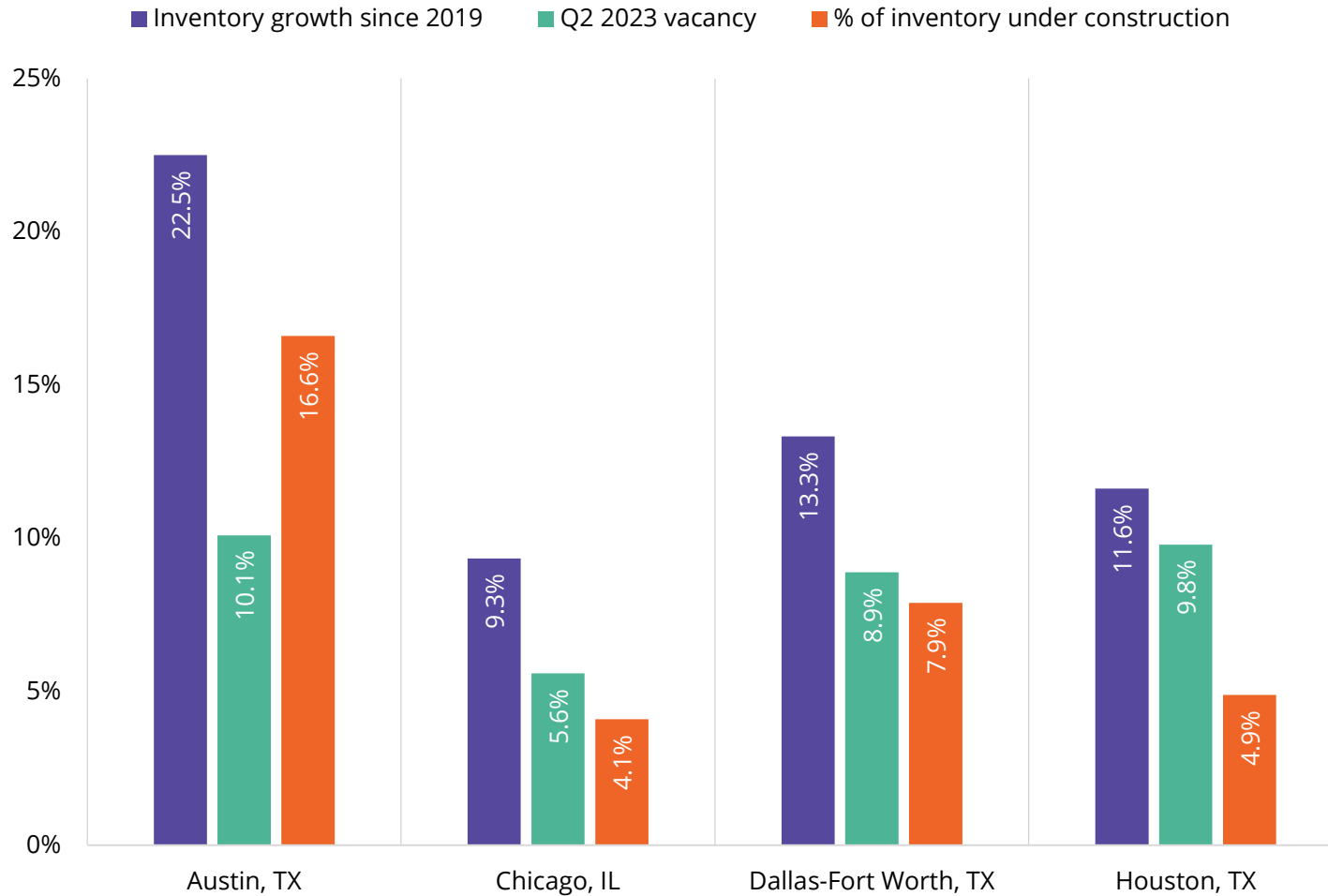
Class B rents and wage equality



Class B rates continue to remain affordable for blue-collar workers across the region as wage growth has largely kept pace with rent increases.

Note: Landlords in select markets use a 40x multiple to calculate annual required income to afford monthly apartment rents. wages reflect Q4 2022 BLS totals for industries available
 Source: AVANT by Avison Young, BLS, CoStar

Inventory snapshot



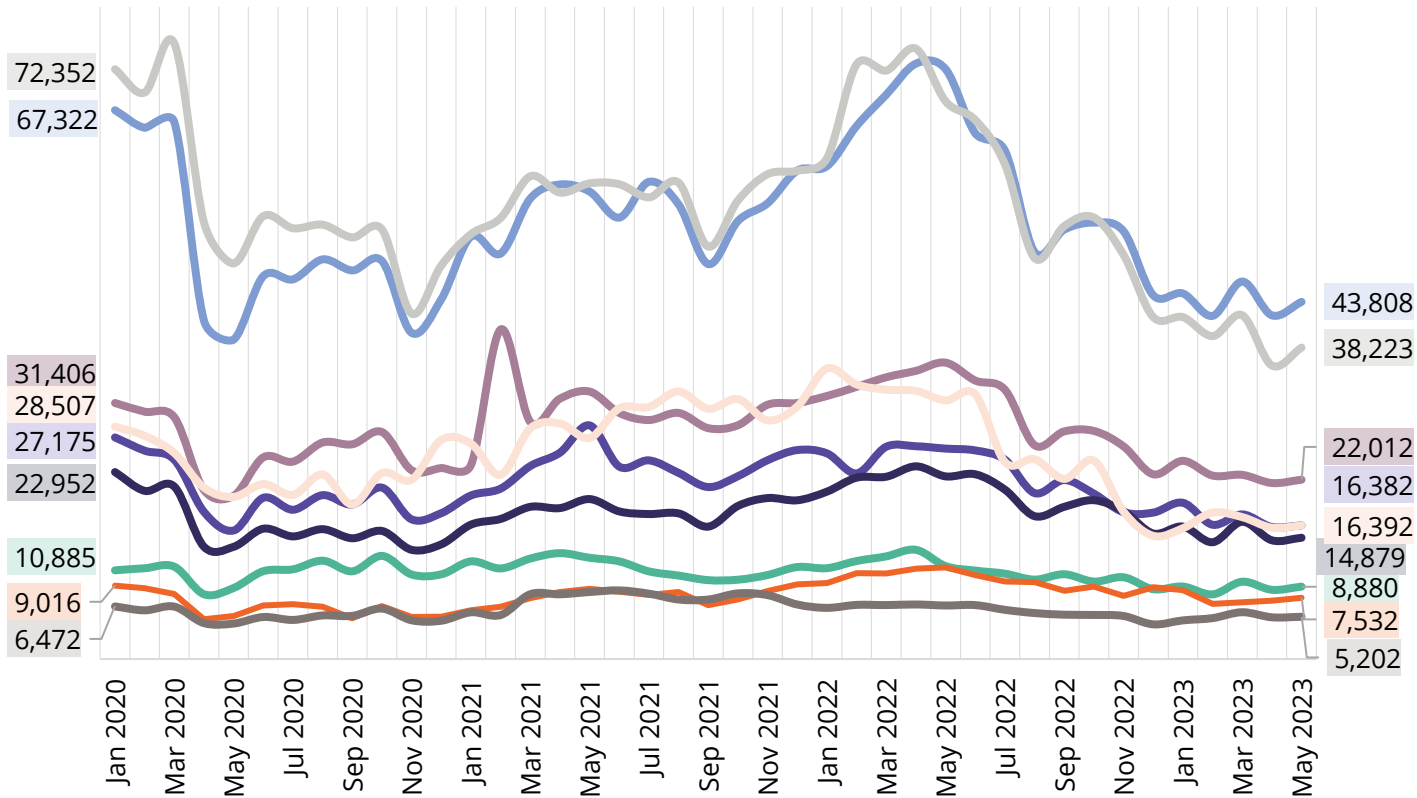
Development activity has been abundant in Texas; when combined, the inventory in Austin, Dallas-Fort Worth and Houston has increased by almost 14% since 2019.

West Region



Job postings volume by MSA

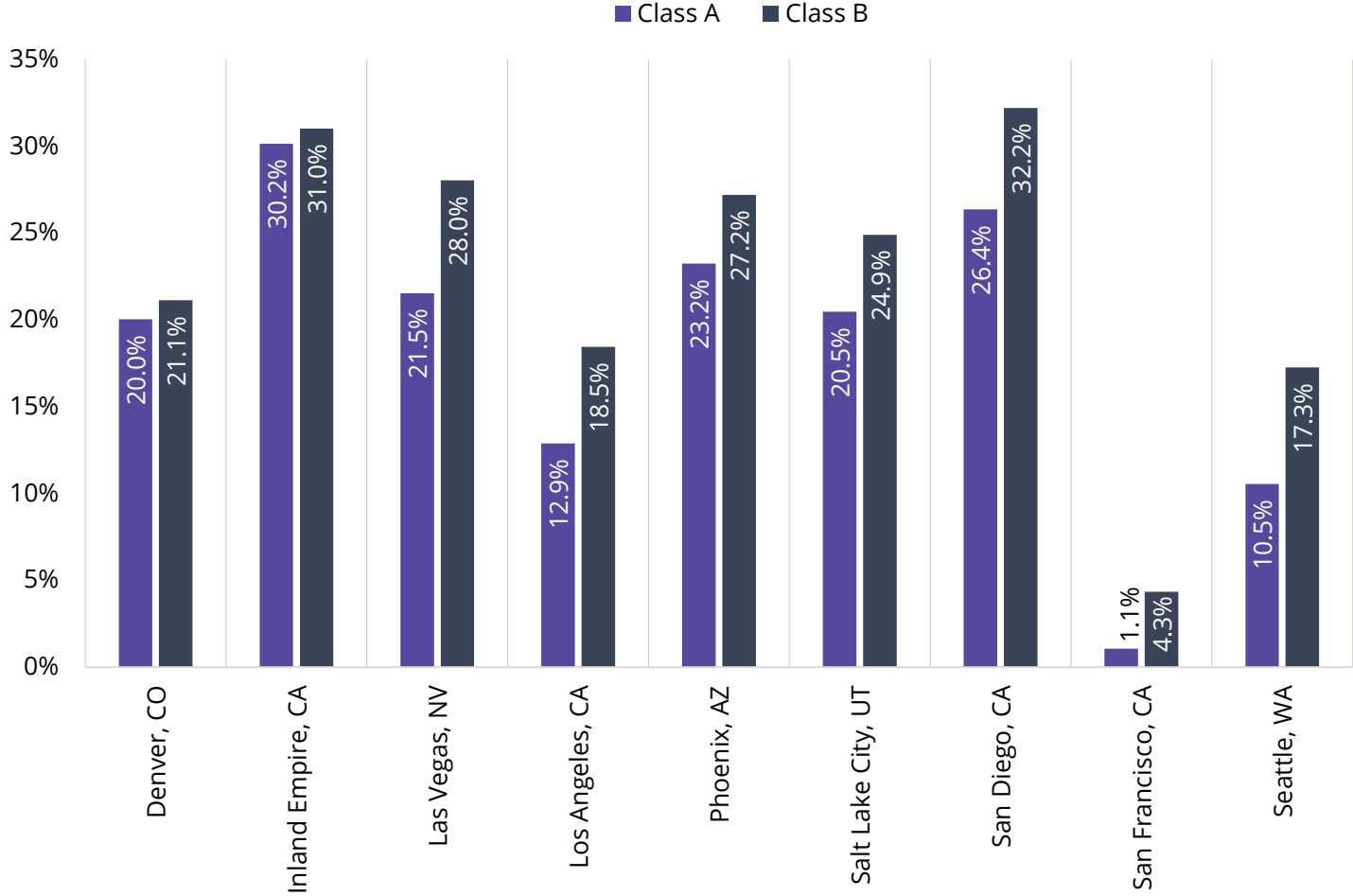
- Denver, CO
- Los Angeles, CA
- San Diego, CA
- Inland Empire, CA
- Phoenix, AZ
- San Francisco, CA
- Las Vegas, NV
- Salt Lake City, UT
- Seattle, WA



Job posting volumes are down by almost 40% for the West region when compared to March 2022 levels.

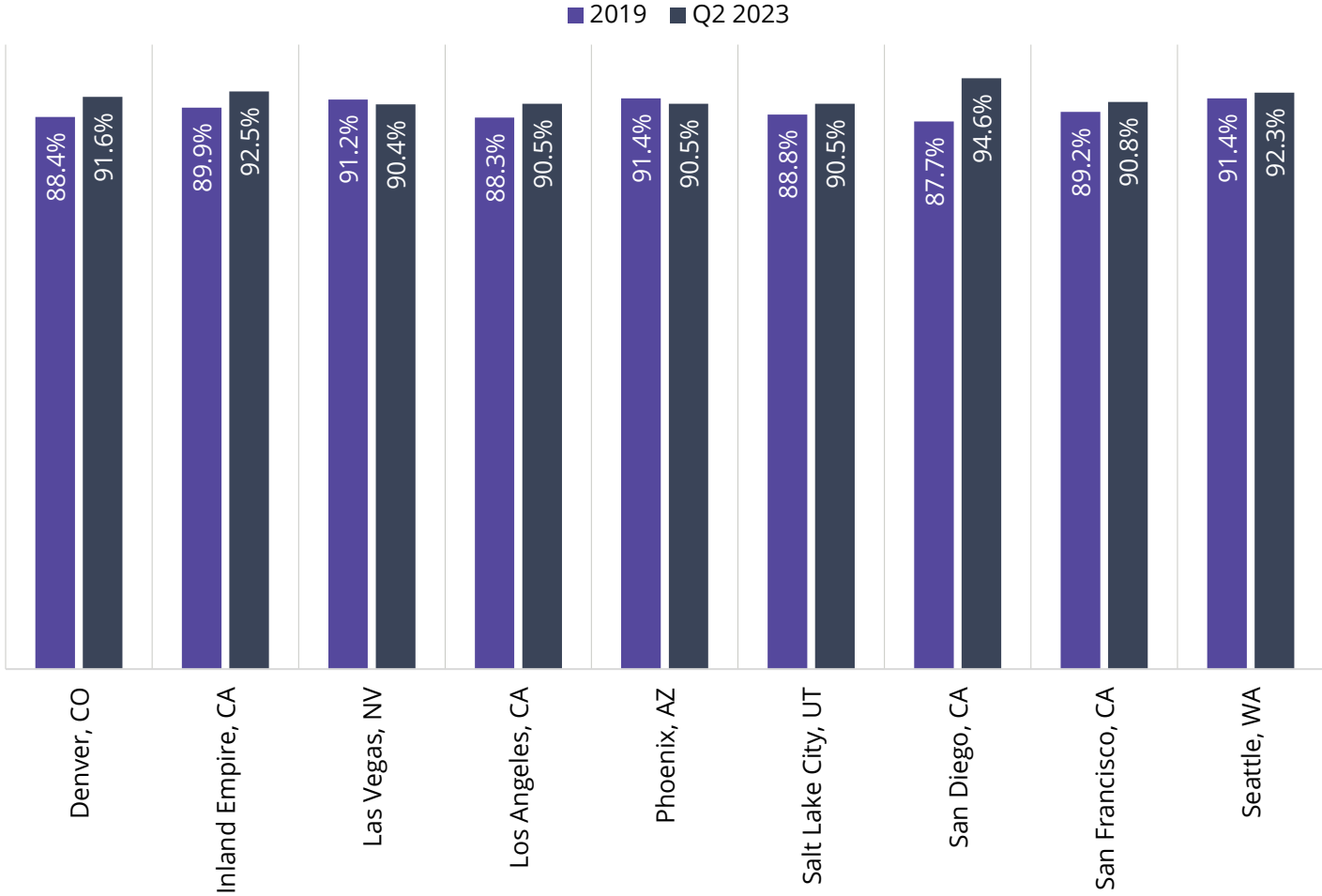
Note: Job posting data includes the following industries: Banking and Finance, Consulting, Engineering/Architecture, Legal, Life sciences, Media/PR, Nonprofits and associations, Tech
Source: AVANT by Avison Young, Lightcast

Asking rent growth since 2019 by class



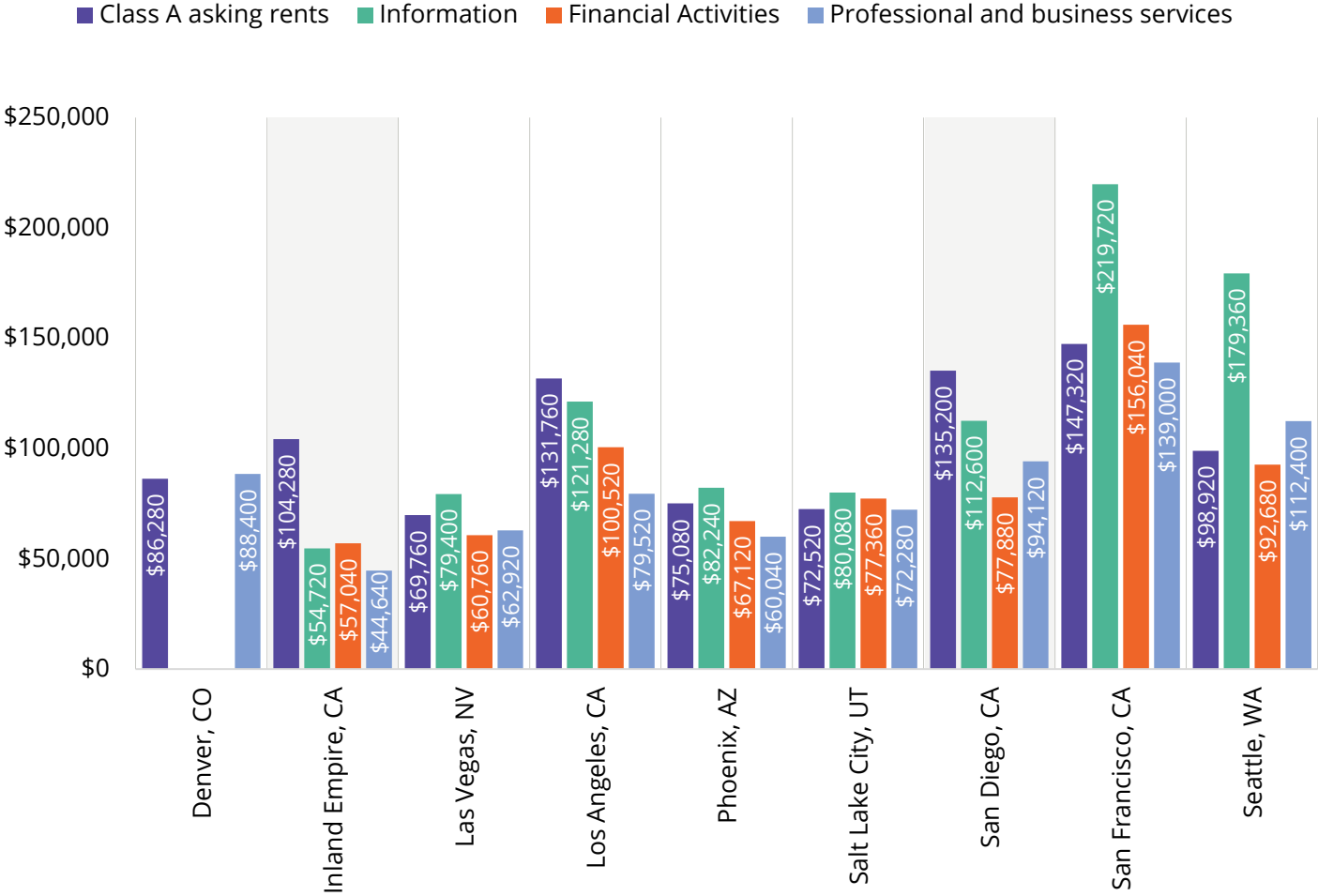
Except for Los Angeles, San Francisco and Seattle, asking rents have grown by more than 20% across the region for class A and B assets.

Class A occupancy by MSA



Demand for class A product remains strong across the region, though limited rent growth in San Francisco points to weaker demand.

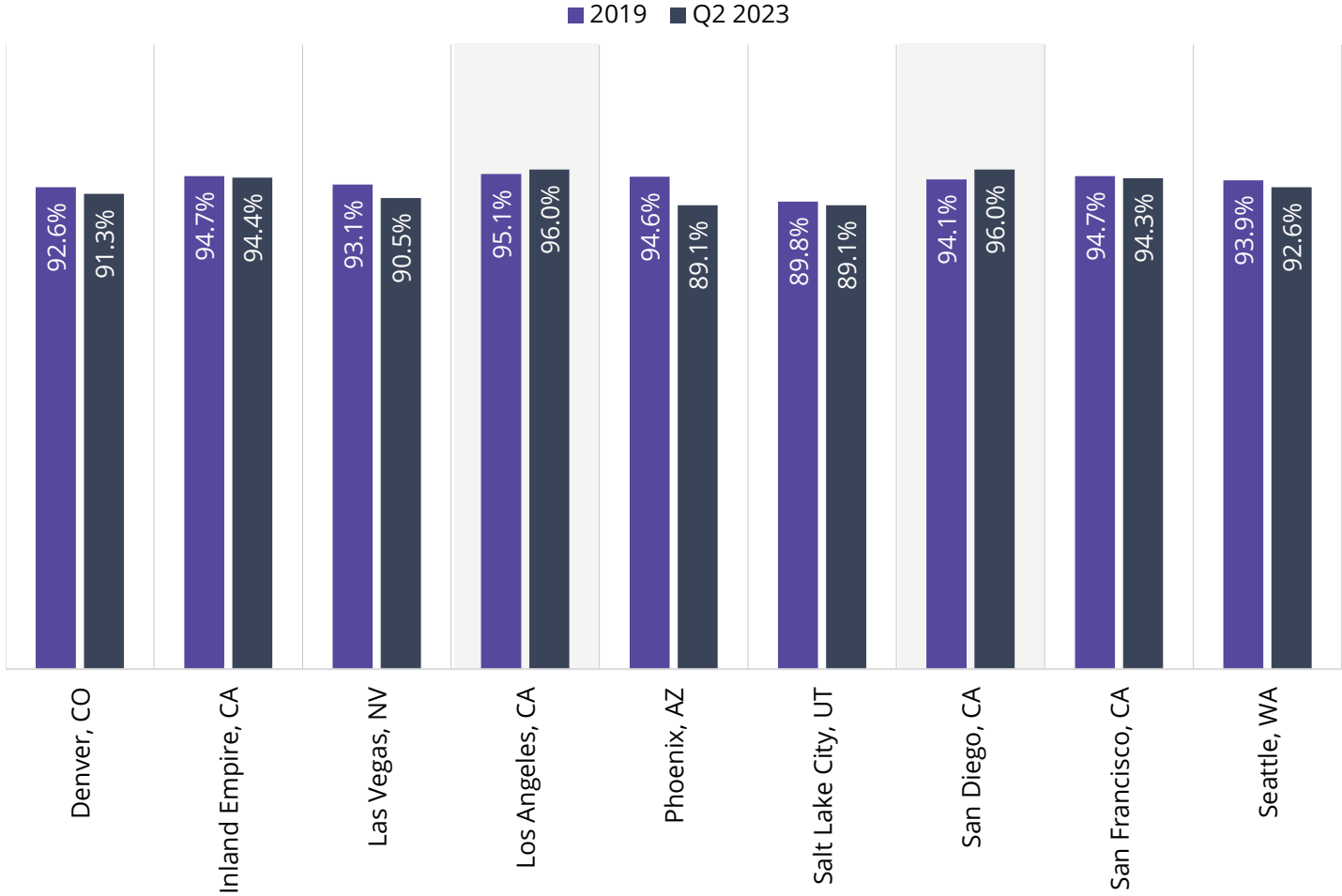
Class A rents and wage equality



Significant rent growth has created affordability challenges in Inland Empire and San Diego, while wage growth has kept pace with rents across the rest of the region.

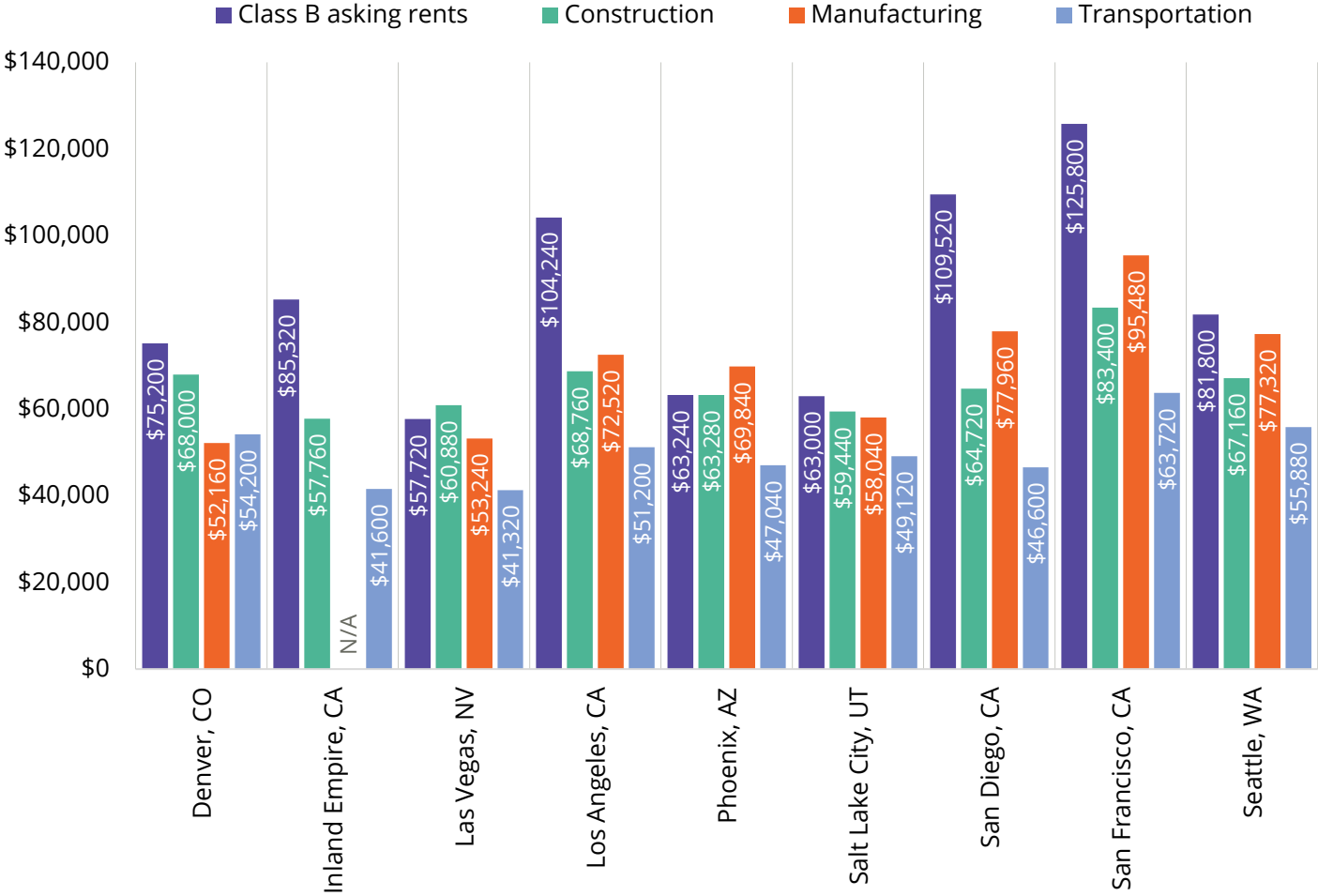
Note: Landlords in select markets use a 40x multiple to calculate annual required income to afford monthly apartment rents. wages reflect Q4 2022 BLS totals for industries available
 Source: AVANT by Avison Young, BLS, CoStar

Class B occupancy by MSA



Class B occupancy has declined across the Western region, except for Los Angeles and San Diego where supply remains tight.

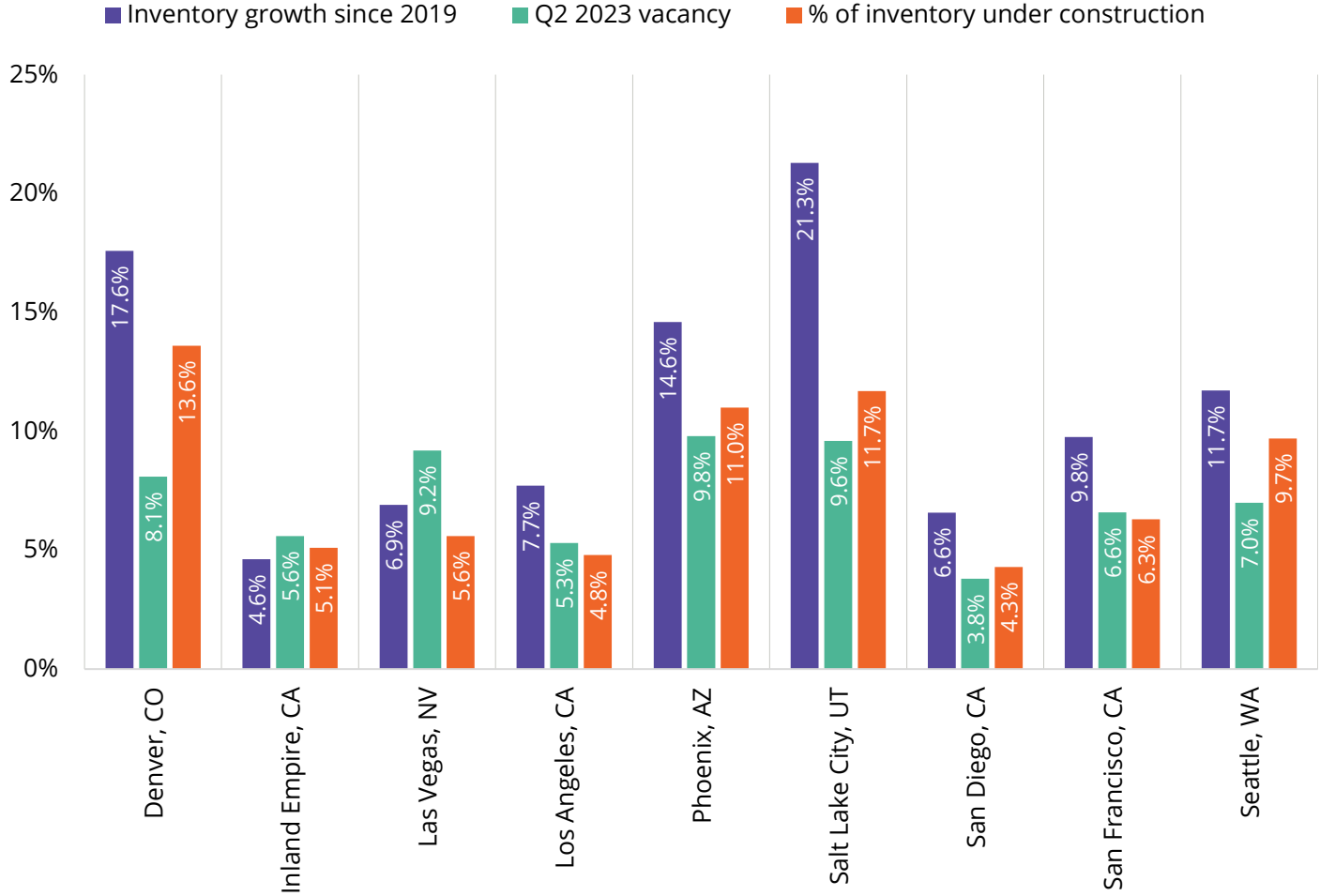
Class B rents and wage equality



Class B asking rents are outpacing wages for most blue-collar workers across the region, particularly in California.

Note: Landlords in select markets use a 40x multiple to calculate annual required income to afford monthly apartment rents. Wages reflect Q4 2022 BLS totals for industries available. Source: AVANT by Avison Young, BLS, CoStar

Inventory snapshot



Construction activity remains abundant in Denver and Phoenix, while supply remains tight in Los Angeles, Inland Empire and San Diego.

For more market insights and
information visit **avisonyoung.com**

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