



# U.S. multifamily market report

Q1 2025

**AVISON  
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# U.S. multifamily market trends

25.2%

**Q1 2025 absorption as share of 2024 totals**

Multifamily demand continued to remain strong through Q1 2025, as major U.S. markets absorbed more than 72,000 units, putting multifamily demand on pace to match 2024's record-high rates.

66.4%

**of the under-construction inventory is projected to deliver in 2025**

Development activity is projected to slow significantly by 2026 while rent growth increased by just 1.7% since 2023 nationally.

However, increased demand coupled with slowing construction activity is expected to place upward pressure on occupancy and rental rates.

+9.7%

**increase in Q1 2025 sales compared to Q1 2024**

Multifamily sales activity increased by almost 10% in Q1 2025 compared to Q1 2024, but remained 26% below Q1 2023 totals.

Multifamily remains the favored product for investment activity, accounting for 36.1% of total investment activity in Q1 2025.

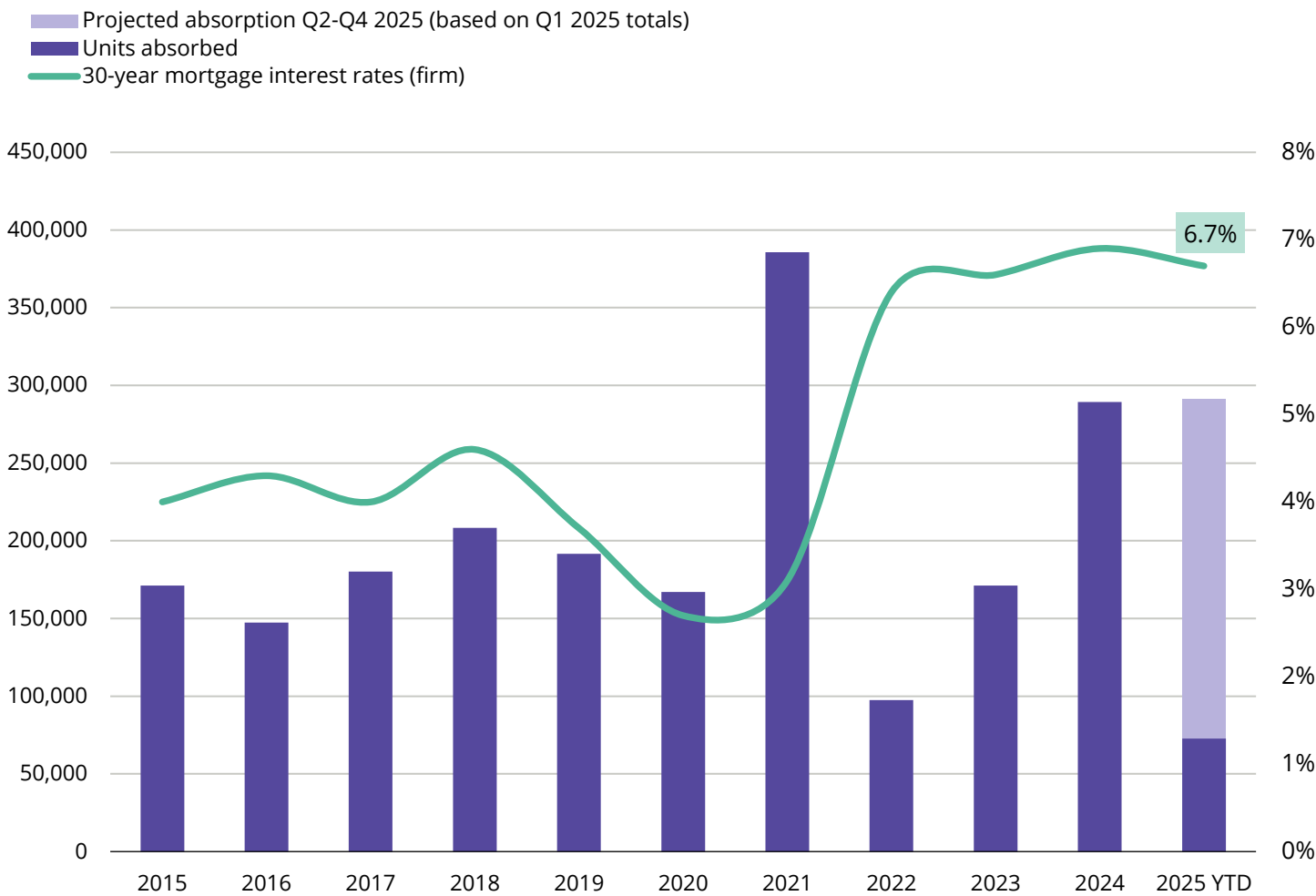


# U.S. multifamily conditions

Let's examine prevailing multifamily trends.

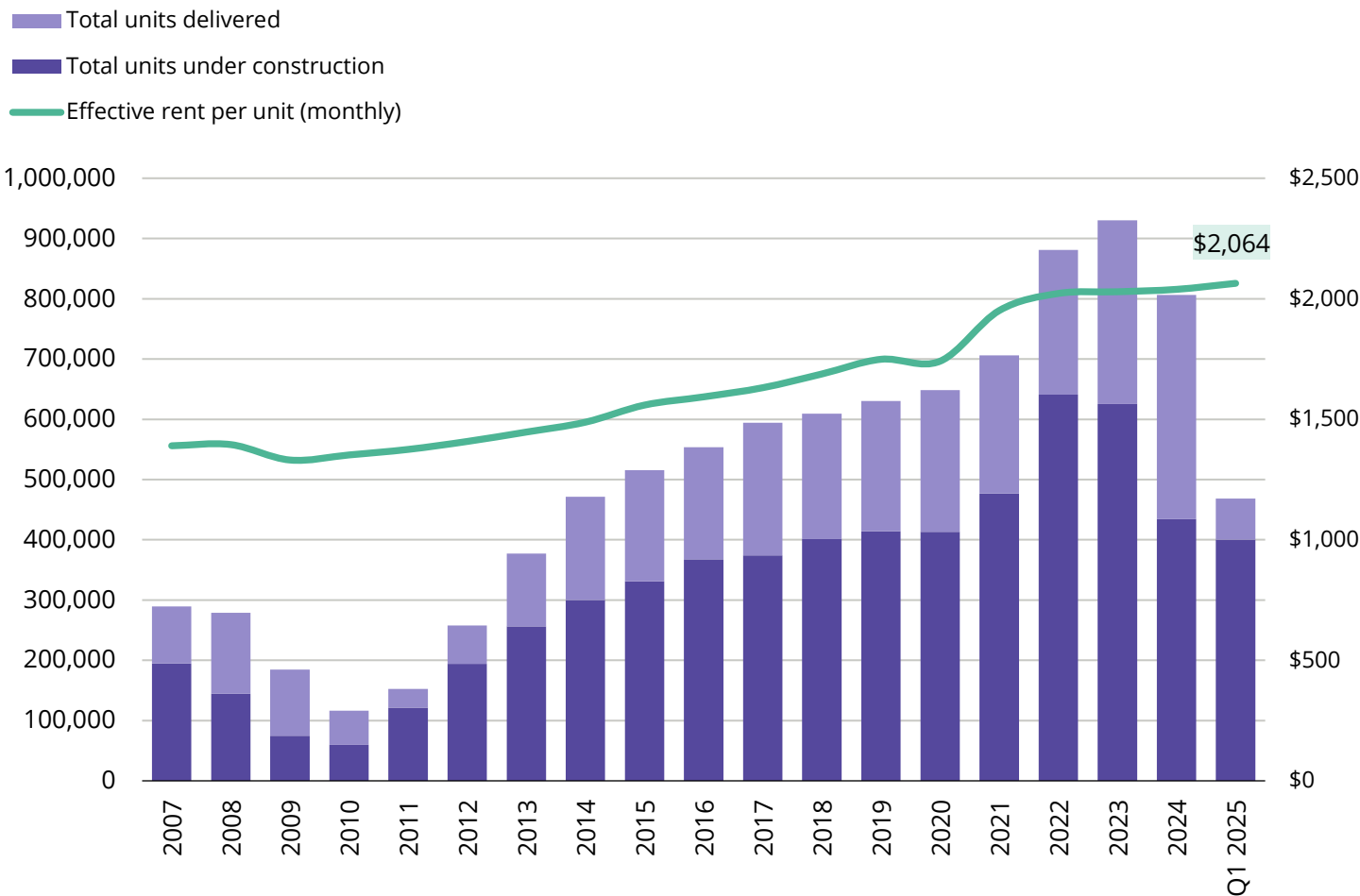


# Absorption and mortgage rates



Multifamily absorption levels are on pace to match 2024 levels. Q1 2025 absorption reached 25.2% of 2024 year-end totals, as mortgage rates continue to remain elevated, compared to prior norms.

# Development activity and effective rents

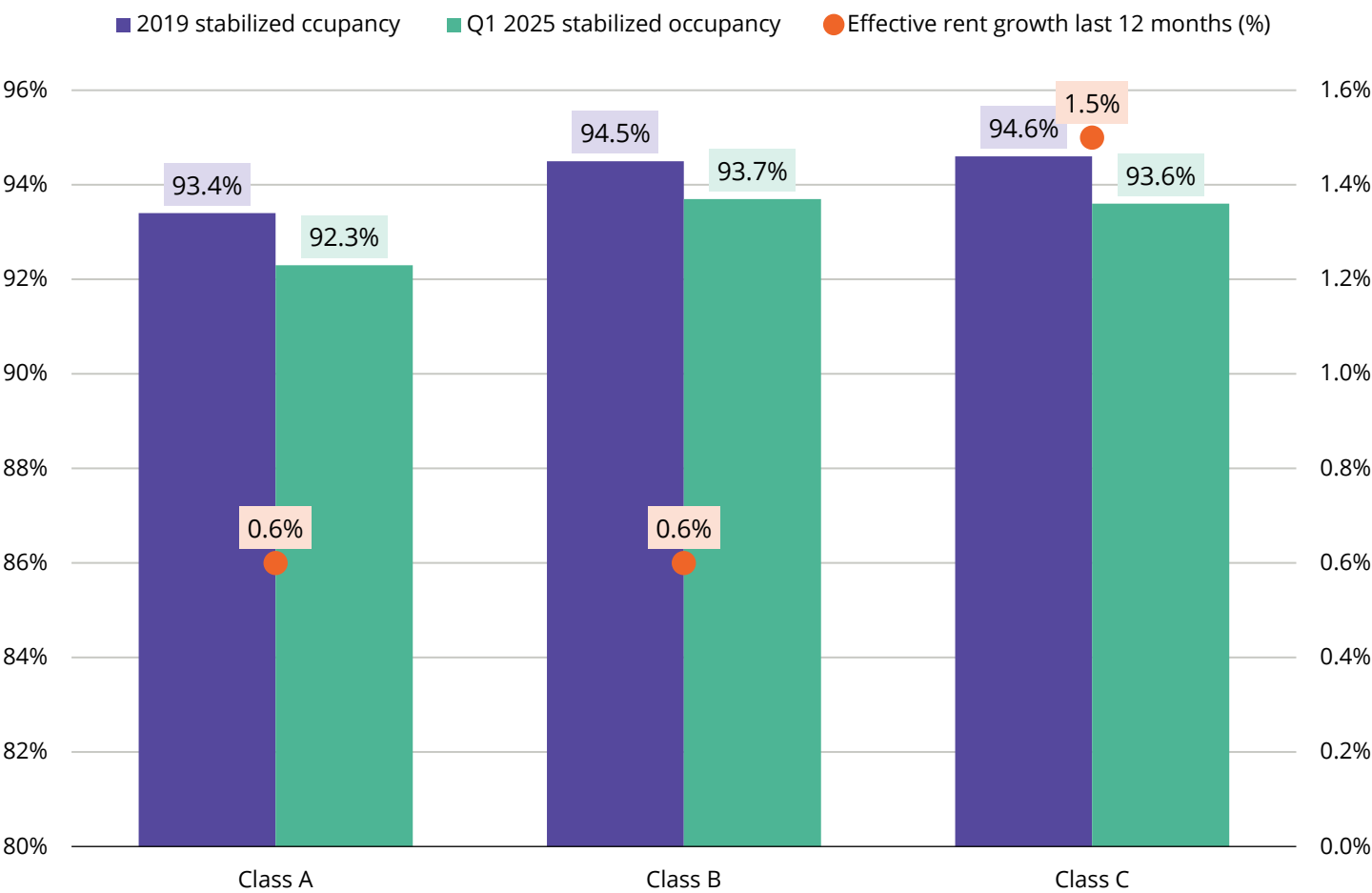


Effective rents have increased by 1.7% since 2023.

Construction activity has returned to pre-pandemic levels; **however, 66.4% of inventory under construction is projected to deliver in 2025.**

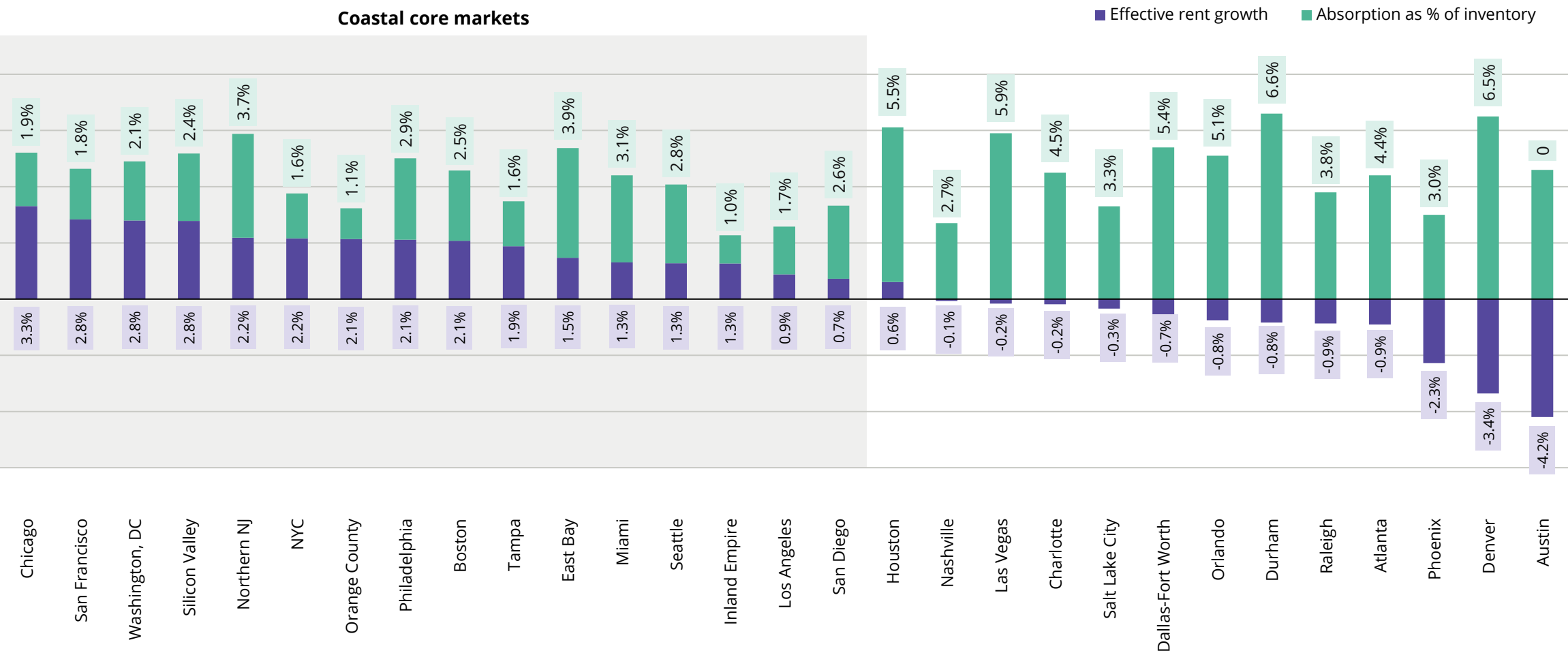


# Multifamily occupancy and rent growth

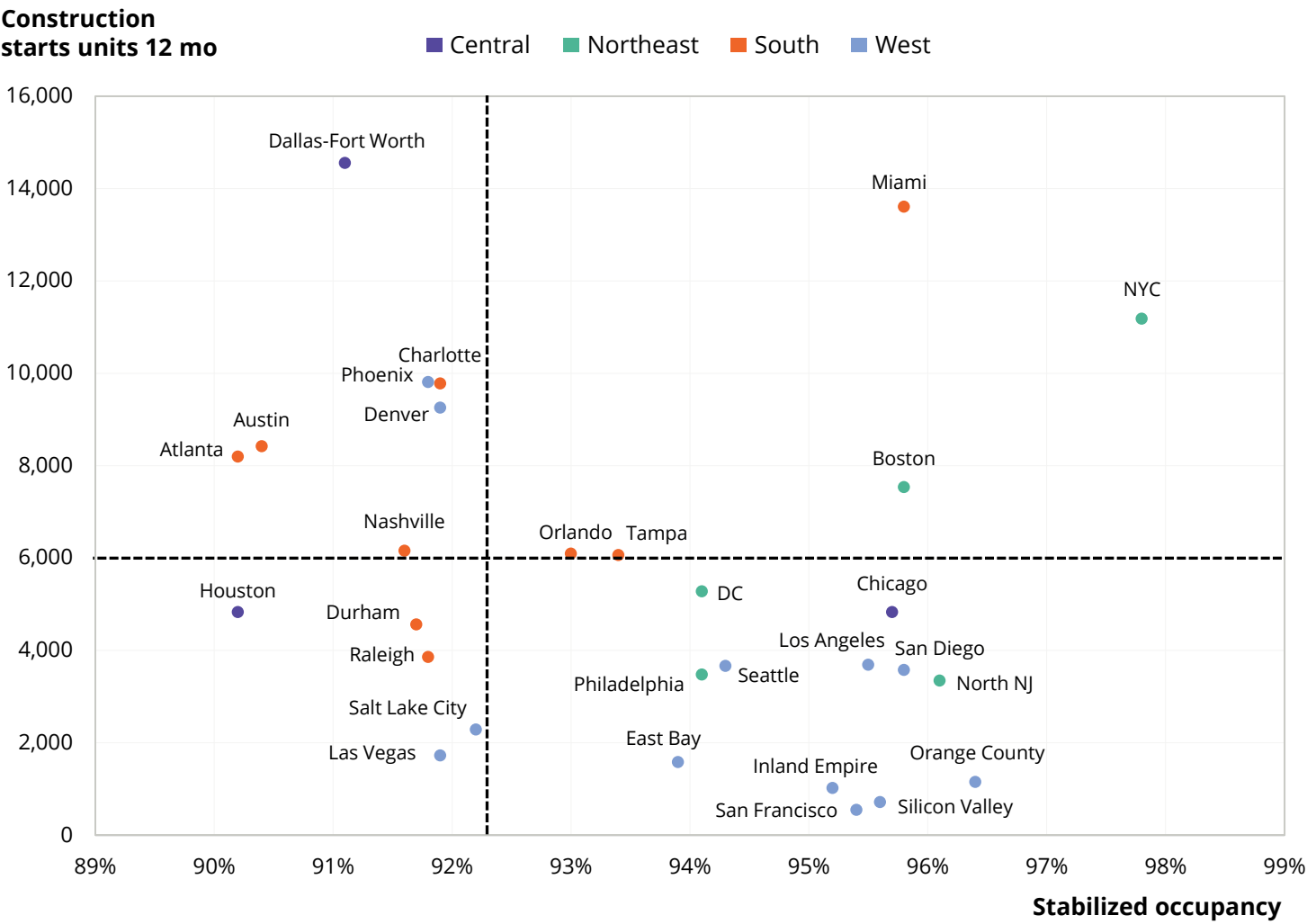


Class C assets continue to see an uptick in rent growth while new supply has slowed overall occupancy and rent growth among class A and B assets.

# Effective rents and absorption last 12 months by MSA



# Construction starts and occupancy by MSA



Core markets continue to see occupancy tightness while Dallas-Fort Worth, Miami, and New York City account for almost 25% of new construction starts over the last 12 months.

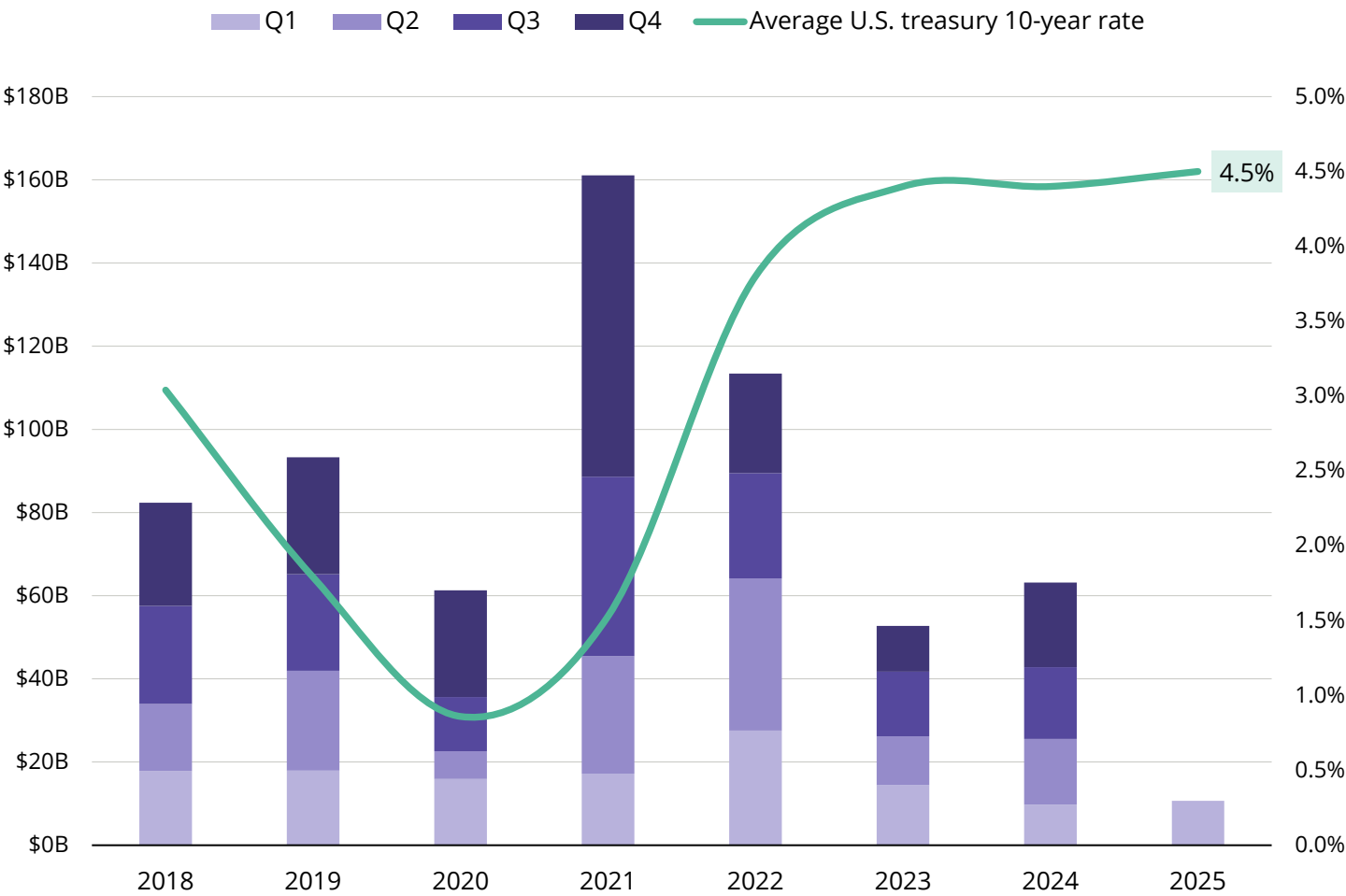


# U.S. multifamily capital markets conditions

Let's examine capital market conditions.

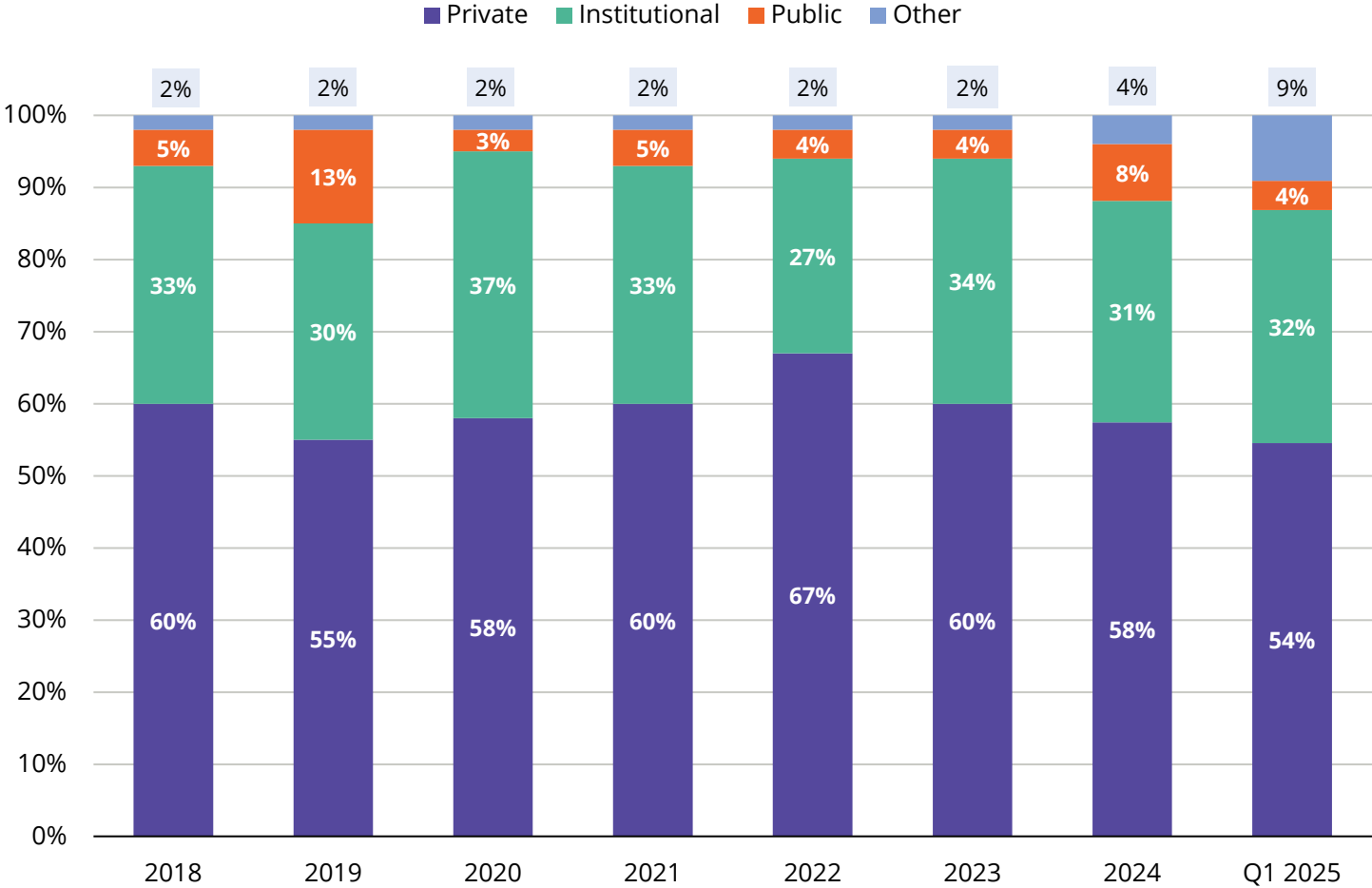


# Multifamily sales volume and treasury rates



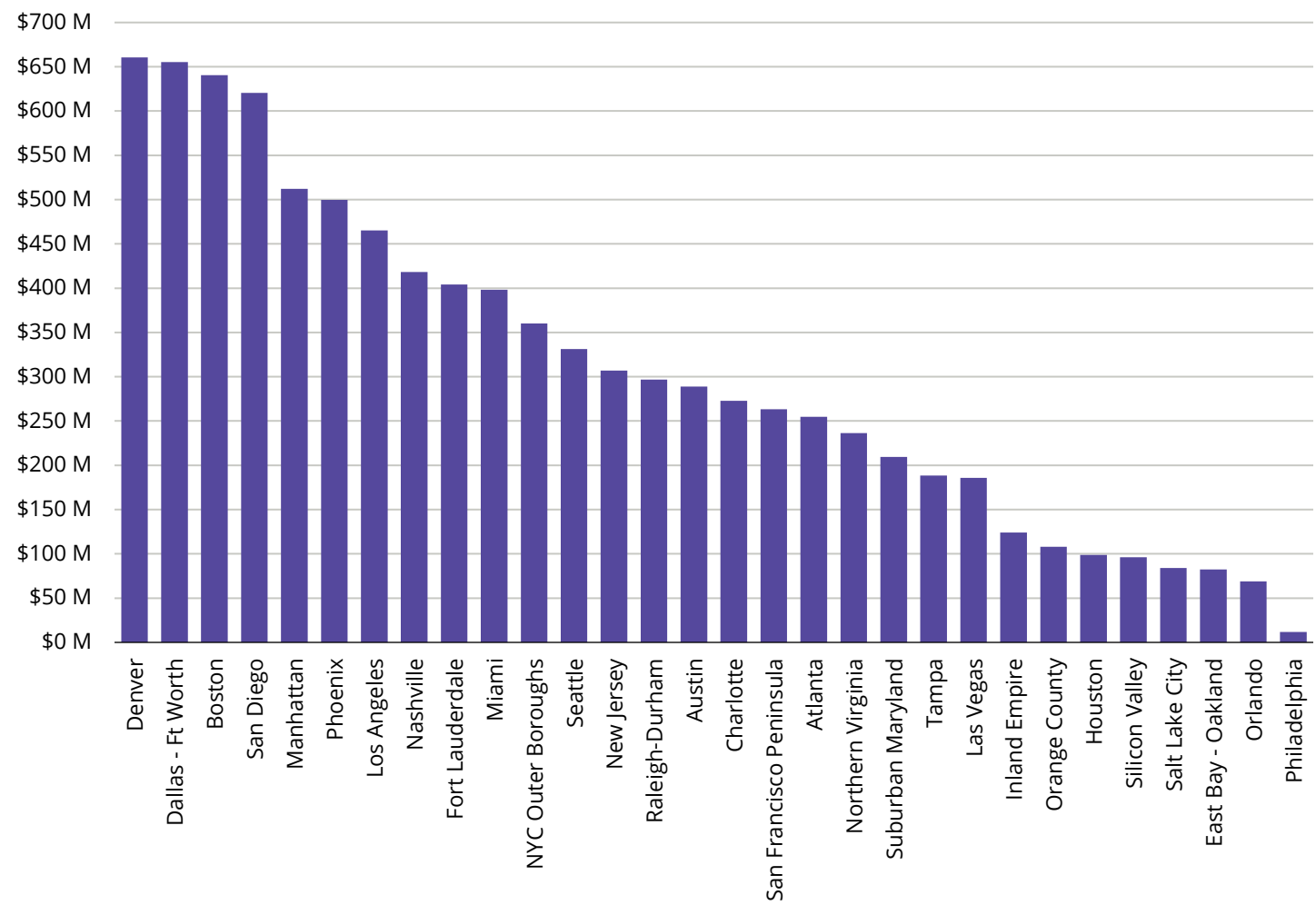
Q1 2025 multifamily sales increased by 9.7% compared to Q1 2024 totals.

# Multifamily sales by buyer type



Private groups as a share of total buyers has steadily declined since 2022 as multifamily assets continue to attract a more diverse buyer pool.

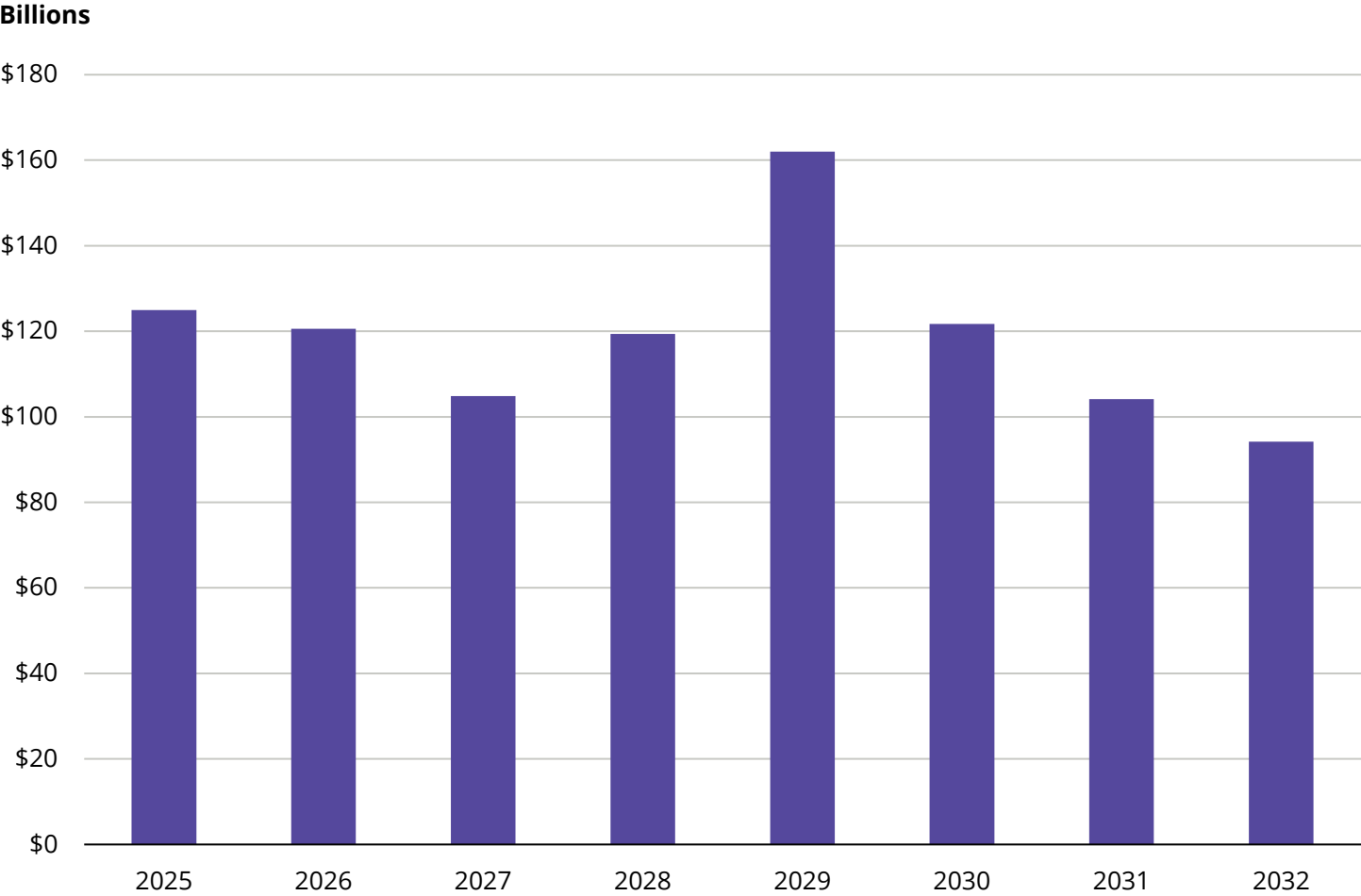
# Q1 2025 sales volume by market



Denver led the major U.S. markets for total sales activity, followed closely by Dallas-Fort Worth, Boston, and San Diego.



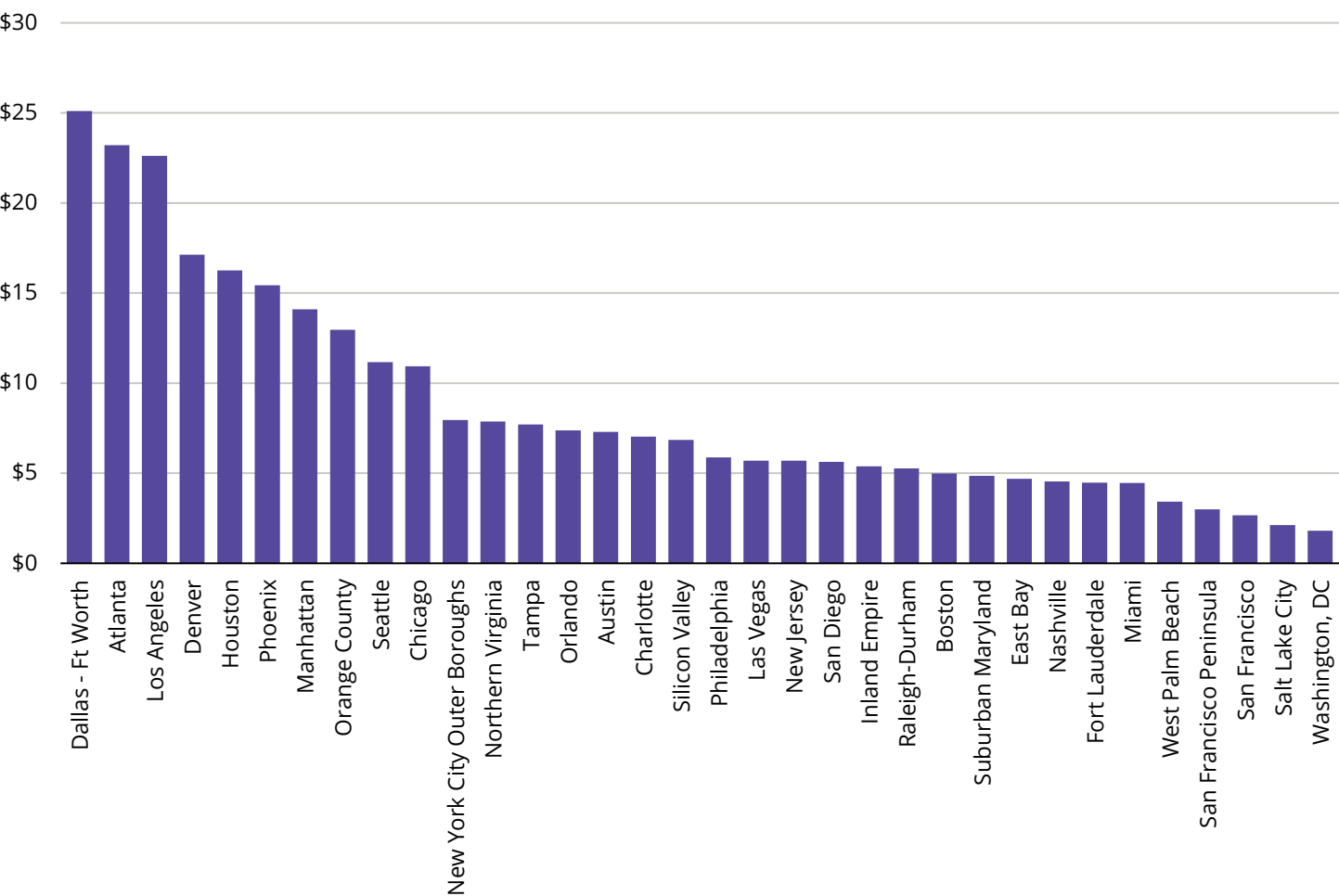
# Multifamily loan maturities



17% of multifamily loan maturities occurring over the next eight years are in 2029.

# Multifamily loan maturities by market

Billions (total maturities 2025-2027)



Dallas-Fort Worth, Atlanta, and Los Angeles lead the U.S. major markets for 2025-2027 loan maturities and represent almost 25% total loan maturities during that time.

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

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