NAR Real Estate Forecast Summit:
The 2024 Rental Market

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The Plan Today

1. Rent & Vacancy Trends
2. Variation Across Geographies
3. Supply & Demand Factors to Watch
February rents rose 0.2% month-over-month, in line with last year’s seasonal recovery.
Year-over-year rent growth is negative, stable at -1.0%
United States Median Rent (2017 - Present)

Source: Apartment List Rent Estimates
Data Available: www.apartmentlist.com/research/category/data-rent-estimates
Yet, home prices have grown far faster over the same period.
Housing costs (rents) are driving most of the headline inflation rate right now...

... but CPI rents lag decelerating market rents

This is very good news for U.S. inflation forecasts
Metropolitan Area Year-over-Year Rent Changes
Among Metros with >1M residents

Metros with Slowest YoY Rent Growth
- Austin, TX: -6.7%
- Atlanta, GA: -4.5%
- Jacksonville, FL: -4.2%
- Raleigh, NC: -4.1%
- Portland, OR: -4.0%
- Orlando, FL: -3.9%
- Nashville, TN: -3.8%
- Phoenix, AZ: -3.8%
- San Antonio, TX: -3.5%
- San Francisco, CA: -2.8%

Metros with Fastest YoY Rent Growth
- Grand Rapids, MI: +4.3%
- Milwaukee, WI: +4.0%
- Hartford, CT: +3.7%
- Providence, RI: +3.6%
- Louisville, KY: +3.5%
- Washington, DC: +3.4%
- Virginia Beach, VA: +3.3%
- Kansas City, MO: +2.7%
- Chicago, IL: +2.7%
- Pittsburgh, PA: +2.5%

Source: ApartmentList
Urban v. Suburban Rent Growth During the Pandemic

![Graph showing rent growth from 2020 to 2024 for suburban and core cities, with suburban cities experiencing a higher growth rate (+21%) compared to core cities (+14%).](attachment:image.png)

Source: Apartment List Rent Estimates
Data Available: apartmentlist.com/research/category/data-rent-estimates
The Apartment List National Vacancy Index has risen for the past 28 months straight.
A record number of multifamily units are under construction.

2024 is the year new inventory will peak.

**Graph:**
- **Title:** Nearly One Million Apartments Are Under Construction Today
- **X-axis:** Year (1990 to 2024)
- **Y-axis:** Multi-Family Units Under Construction (Thousands)
- **Data Point:** January 2024: 979K Units

**Source:** US Census Bureau, New Residential Construction Data

**Note:** Multi-family units defined as those in a 5+ unit building.
Meanwhile, built-for-rent single family homes starts are surging.
Remote/hybrid work is stabilizing and continuing to determine housing market heat.

Nearly One-Third of Work Days Are Still From Home

Source: WFH Research, Survey of Working Arrangements and Attitudes
Market Milestones

Annual rent growth is negative, due to a new wave of multifamily inventory. We expect a slow and steady recovery of limited rent growth in 2024.

Rent data is being watched carefully by investors and policy makers as sticky, lagged CPI rents keep propping up inflation.

Rental demand is still skewed towards the suburbs and the Sun Belt, with remote work still creating new opportunities.
Resources and Ways to Get in Touch

● For new data, insights, and research: 
apartmentlist.com/research

● To ask further questions: 
research@apartmentlist.com
Thank you!