Apartments.com Releases Multifamily Rent Report for the Fourth Quarter of 2024

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Quarterly data shows rent growth easing through 2024

WASHINGTON--(BUSINESS WIRE)--Jan. 6, 2025-- Today, Apartments.com – an online marketplace of CoStar Group, Inc. – published an in-depth report on multifamily rent trends for the fourth quarter of 2024.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20250106244222/en/



U.S. Apartment Rent Growth (Graphic: Business Wire)

National year-over-year asking rent growth eased to 1.0% in December 2024 compared to 1.1% at the end of September 2024. Since mid-2023, year-over-year rent growth has hovered around 1% after its rapid deceleration in 2021 and 2022.

The national rent per unit closed the year at $1,729, compared to $1,712 recorded at the end of 2023. Quarter-over-quarter rents fell by 0.4%, the second consecutive quarter of falling rents. The vacancy rate held steady at 8.0%.

The fourth quarter recorded 113,200 units of absorption, the second consecutive quarter of easing. Supply additions in the quarter numbered 133,300, once again exceeding absorption, a trend seen since the fourth quarter of 2021. However, the gap between supply and demand is now at its smallest over that same period, suggesting more balanced market conditions. For the full year 2024, absorption reached 556,800 units, a 70% increase over the prior year.

At 3.2%, Detroit ended the fourth quarter with the strongest annual asking rent growth of the top 50 markets nationwide, with Kansas City and Cleveland close behind at 3.0% and 2.8%, respectively. Five of the top 10 markets for annual asking rent growth are in the Midwest, highlighting the strength of markets that avoided large run-ups of supply over the past three years.

At the opposite end of the spectrum, annual asking rent fell by 4.8% from the previous year in Austin. Denver, San Antonio, Jacksonville, and Phoenix performed somewhat better, with annual asking rent declines of the prior year ranging from 2.9% to 2.1%. Eight of the ten weakest-performing markets are in the Sun Belt, where oversupply conditions remain challenging.

Absorption during the year was led by 4&5-Star units, with just over 429,000 units absorbed in the fourth quarter. However, with most new supply aimed at the luxury market, annual asking rent growth remained the weakest in that segment at 0.2%, coupled with a vacancy rate of 11.4% at the end of 2024. In contrast, year-over-year rent growth of mid-priced assets reached 1.3% at the end of 2024 with a vacancy rate of 7.3%. Improving consumer confidence, lower inflation, and sustained economic expansion likely helped boost demand in this segment.

ABOUT COSTAR GROUP, INC.

CoStar Group (NASDAQ: CSGP) is a leading provider of online real estate marketplaces, information, and analytics in the property markets. Founded in 1987, CoStar Group conducts expansive, ongoing research to produce and maintain the largest and most comprehensive database of real estate information. CoStar is the global leader in commercial real estate information, analytics, and news, enabling clients to analyze, interpret and gain unmatched insight into property values, market conditions and availabilities. Apartments.com is the leading online marketplace for renters seeking great apartment homes, providing property managers and owners with a proven platform for marketing their properties. LoopNet is the most heavily trafficked online commercial real estate marketplace with over twelve million monthly global unique visitors. STR provides premium data benchmarking, analytics, and marketplace insights for the worldwide hospitality industry. Ten-X offers a leading platform for conducting commercial real estate online auctions and negotiated bids. Homes.com is the fastest-growing online residential marketplace that connects agents, buyers, and sellers. OnTheMarket is a leading residential property portal in the United Kingdom. BureauxLocaux is one of France's largest specialized property portals for buying and leasing commercial real estate. Business Immo is France’s leading commercial real estate news service. Thomas Daily is Germany’s largest online data pool in the real estate industry. Belbex is the premier source of commercial space available to let and for sale in Spain. CoStar Group’s websites attracted over 183 million monthly unique visitors in the second quarter of 2024. Headquartered in Washington, DC, CoStar Group maintains offices throughout the U.S., Europe, Canada, and Asia. From time to time, we plan to utilize our corporate website, CoStarGroup.com, as a channel of distribution for material company information. For more information, visit CoStarGroup.com.

This news release includes "forward-looking statements," including, without limitation, statements regarding CoStar's expectations or beliefs regarding the future. These statements are based upon current beliefs and are subject to many risks and uncertainties that could cause results to differ materially from these statements. The following factors, among others, could cause or contribute to such differences: the risk that new unit deliveries do not occur when expected or at all and the risk that multifamily vacancy rates are not as expected. More information about potential factors that could cause results to differ materially from those anticipated in the forward-looking statements include but are not limited to, those stated in CoStar’s filings from time to time with the Securities and Exchange Commission, including in CoStar’s Annual Report on Form 10-K for the year ended December 31, 2023, which is filed with the SEC, including in the “Risk Factors” section of those filings, as well as CoStar’s other filings with the SEC available at the SEC’s website (www.sec.gov). All forward-looking statements are based on information available to CoStar on the date hereof. CoStar assumes no obligation to update or revise any forward-looking statements, whether due to new information, future events or otherwise.

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