



Apartments.com Releases Multifamily Rent Growth Report for Third Quarter of 2024

October 9, 2024

Quarterly data shows smallest gap between multifamily supply and demand since 2021

WASHINGTON--(BUSINESS WIRE)--Oct. 9, 2024-- Today, Apartments.com – an online marketplace of CoStar Group, Inc. (“CoStar”) – published an in-depth report of multifamily rent trends for the third quarter of 2024.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20241009007629/en/>



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

The U.S. multifamily market continued a strong rebound in demand during the third quarter of 2024, with 176,000 units absorbed, the highest number since the third quarter of 2021. This demand was just short of the 178,000 new units delivered in

the last quarter, resulting in the smallest supply-demand gap in three years. Given the more balanced market, the vacancy rate fell 10 basis points to 7.8%, the first quarterly drop in vacancy since the end of 2021.

The national average annual asking rent growth eased to 1.1% in September 2024 compared to 1.2% at the end of July 2024. Since mid-2023, annual rent growth has hovered around 1% after a rapid deceleration in 2021 and 2022. Quarter-over-quarter rent growth decreased by 0.5% after seeing growth of 1.0% in each of the prior two quarters.

At 3.5%, Washington, DC ended the third quarter with the strongest annual asking rent growth of the top 50 markets nationwide, with Richmond and Detroit close behind at 3.4%. Nine of the top 10 best performing markets for annual asking rent growth saw rents rise by at least 3.0% from the previous year.

At the opposite end of the spectrum, annual asking rent fell by 4.7% from the previous year in Austin. Raleigh, Jacksonville, Phoenix, and Atlanta did somewhat better, with annual asking rent decreases from previous year ranging from 2.9% to 1.9%. Nine of the bottom ten performing markets are in the Sun Belt, where supply-demand imbalances remain challenging.

Absorption was led by 4&5-Star units, with just over 147,000 units in the quarter. But with most new supply aimed at the luxury market, annual asking rent growth remained the weakest in that segment, finishing September 2024 at 0.3% with a vacancy rate of 11.1%. This contrasts with mid-priced assets that benefited from rising demand for 3-Star properties, where vacancy sits at 7.1% and rent growth of 1.5%. Improving consumer confidence, lower inflation, and sustained economic expansion likely helped boost 3-Star demand.

The multifamily market is projected to add 636,000 new units in 2024, a 40-year record. Property operations for the remainder of 2024 and the first half of 2025 could vary widely depending on the market and the price point. Markets in the Sun Belt and luxury properties remain most at risk for weakness due to oversupply conditions, while Midwest and Northeast locations and mid-priced 3-star properties could continue to outperform.

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 on property values, market conditions and availabilities. Apartments.com is the leading online marketplace for renters seeking great apartment homes, providing property managers and owners a proven platform for marketing their properties. LoopNet is the most heavily trafficked online commercial real estate marketplace with over twelve million monthly unique visitors. STR provides premium data benchmarking, analytics, and marketplace insights for the global 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 the largest specialized property portals for buying and leasing commercial real estate in France. 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 average 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](https://www.CoStarGroup.com), as a channel of distribution for material company information. For more information, visit [CoStarGroup.com](https://www.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 actual 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, and CoStar assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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