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Multifamily 2026: Jobs, Consumers, Rates in Focus

By **Christine Serlin** Dec 30, 2025 5:46pm

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The economy remains a question mark for the multifamily industry for the start of 2026, according to a new Yardi Matrix market analysis.

On the watch list for Yardi Matrix heading into the new year will be employment growth, the health of consumers in the bottom half of income distribution, and interest rates.

“Job creation and consumer confidence must improve for multifamily demand to return to robust levels,” notes the analysis. “A new Federal Reserve chair will push for lower interest rates to stimulate growth, with the effect of boosting multifamily demand.”

Demand cooled in the second half of 2025, with rent growth feeling the impact of markets with a substantial pipeline of newly delivered units.

However, Yardi Matrix predicts performance to pick up in the coming year as the excess supply gets absorbed and the economy gets back on track.

Yardi Matrix forecasts modest advertised rent growth nationwide for the third consecutive year—1.2%. It also expects regional trends to continue, with moderate growth in low-supply Midwest and Northeast markets and strong demand and supply growth in the Sun Belt and Mountain West markets. Rent forecasts range from 2.1% in Boston and Washington, D.C., to -0.1% in Phoenix and -0.7% in Austin, Texas.

Completions also are expected to ease in the coming year, with Yardi Matrix projecting 450,000 new units delivered, down 24% from the 595,000 anticipated by the end of 2025. In addition, completions are expected to drop to 416,000 units in 2027 before inching back up to 421,000 units in 2028.

The Sun Belt will again be the hot spot for completions in 2026, with Dallas and Phoenix leading the way with 28,872 and 19,911 units, respectively, slated for completion. New York City comes in at No. 3, with 18,551 units expected, and New Jersey at No. 6 with 15,043 units. The other Sun Belt markets in the top 10 for forecast deliveries in 2026 include: Charlotte, North Carolina; Atlanta; Austin; Orlando, Florida; Houston; and Los Angeles.

The second half of 2025 saw some momentum in transaction activity, which is expected to continue into the new year. Through November, multifamily transaction volume totaled $76.1 billion, a 7.2% increase over the 11-month period in 2024. However, Yardi Matrix notes that it might not be a return to the robust volumes seen before interest rates increased.

"All lender types will be primed to lend in 2026, when roughly $90 billion of multifamily debt is maturing," states the analysis. "Banks are returning to construction lending, while other types of lenders such as the government-sponsored enterprises, securitization programs, and life companies are going full bore."