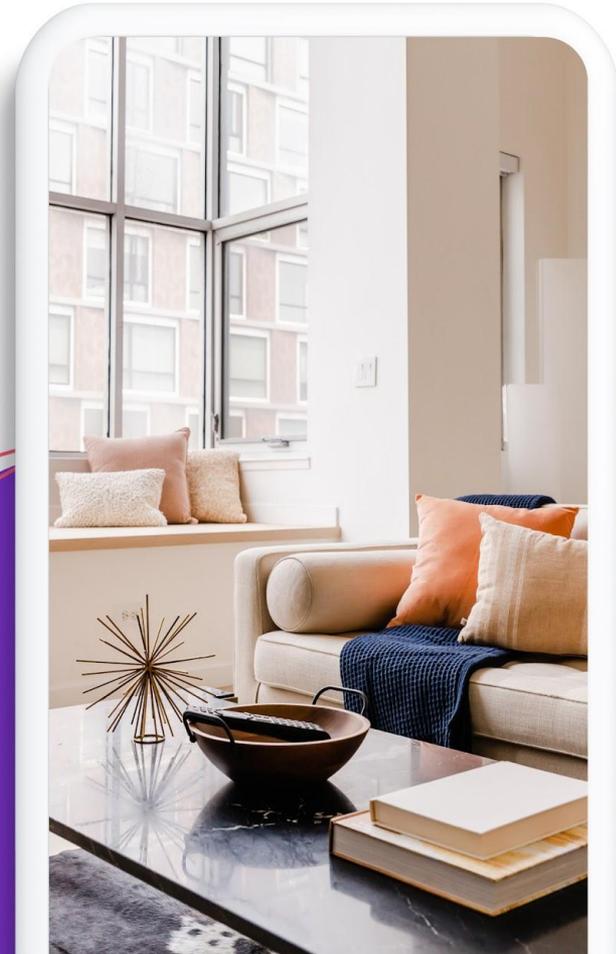




NAR Real Estate Forecast Summit: The 2024 Rental Market

Igor Popov, Ph.D.
Chief Economist, Apartment List
March 7, 2024



The Plan Today

1

**Rent & Vacancy
Trends**

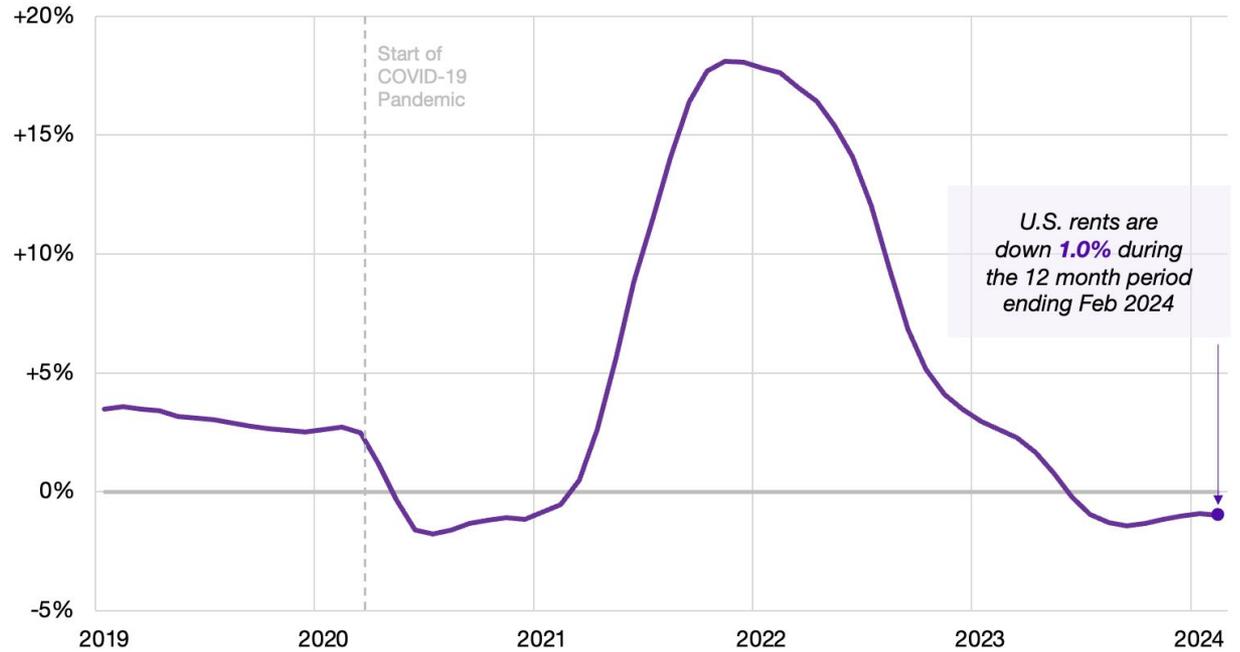
2

**Variation Across
Geographies**

3

**Supply & Demand
Factors to Watch**

YoY Change in National Rent Index (2019 - Present)



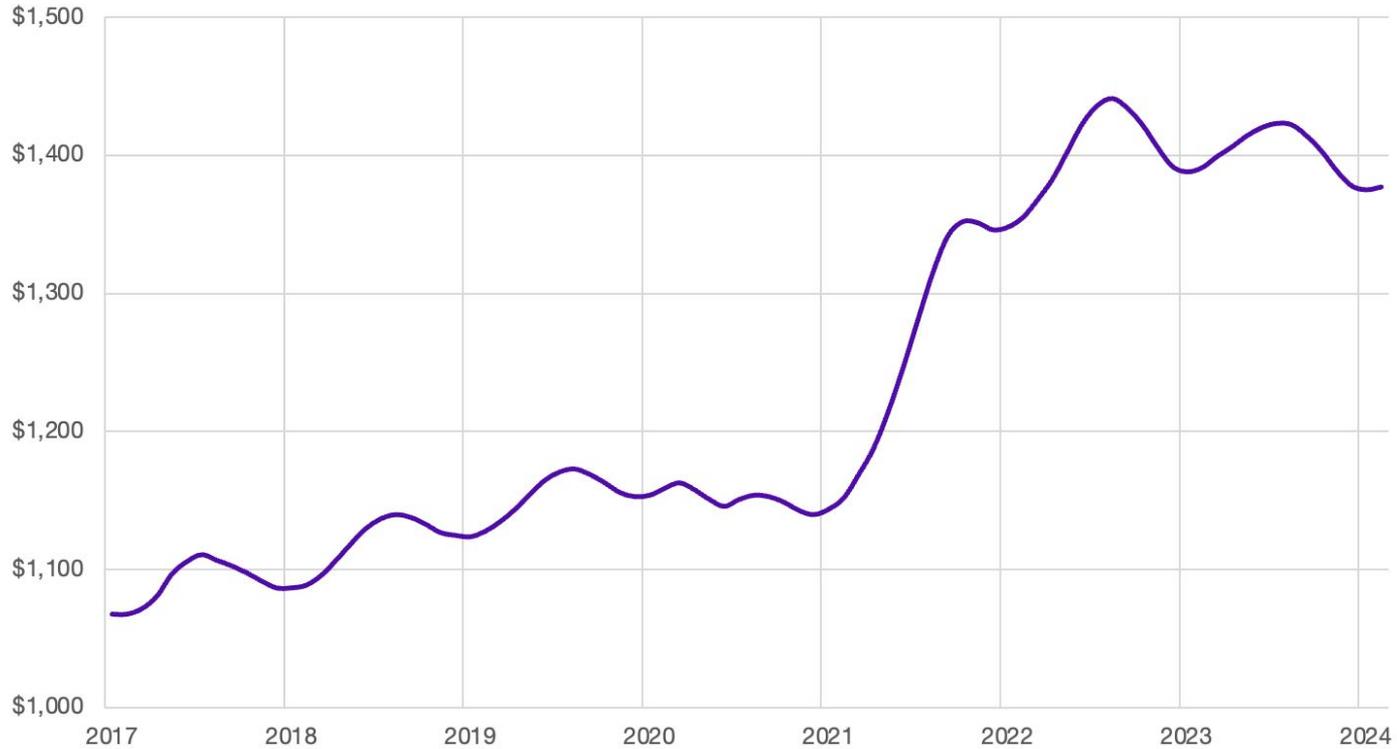
Year-over-year rent growth is negative, stable at -1.0%

U.S. rents are down **1.0%** during the 12 month period ending Feb 2024

Source: Apartment List Rent Estimates

Data Available: www.apartmentlist.com/research/category/data-rent-estimates

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

Nationwide Changes in Rents v. Home Prices since COVID



Data Sources:

Apartment List National Rent Index, available through February 2023

Case-Shiller National Home Price Index, available through December 2023

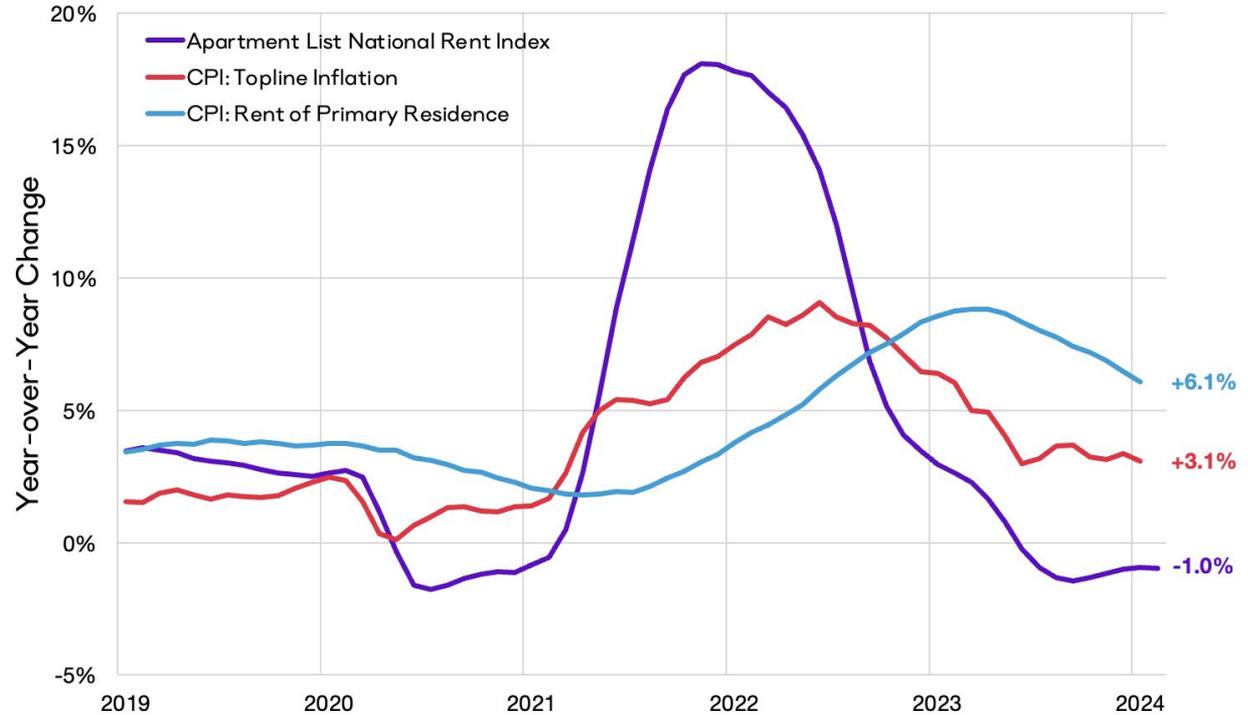
Housing costs (rents) are driving most of the headline inflation rate right now...

... but CPI rents lag decelerating market rents

This is very good news for U.S. inflation forecasts

Rent Inflation is Receding

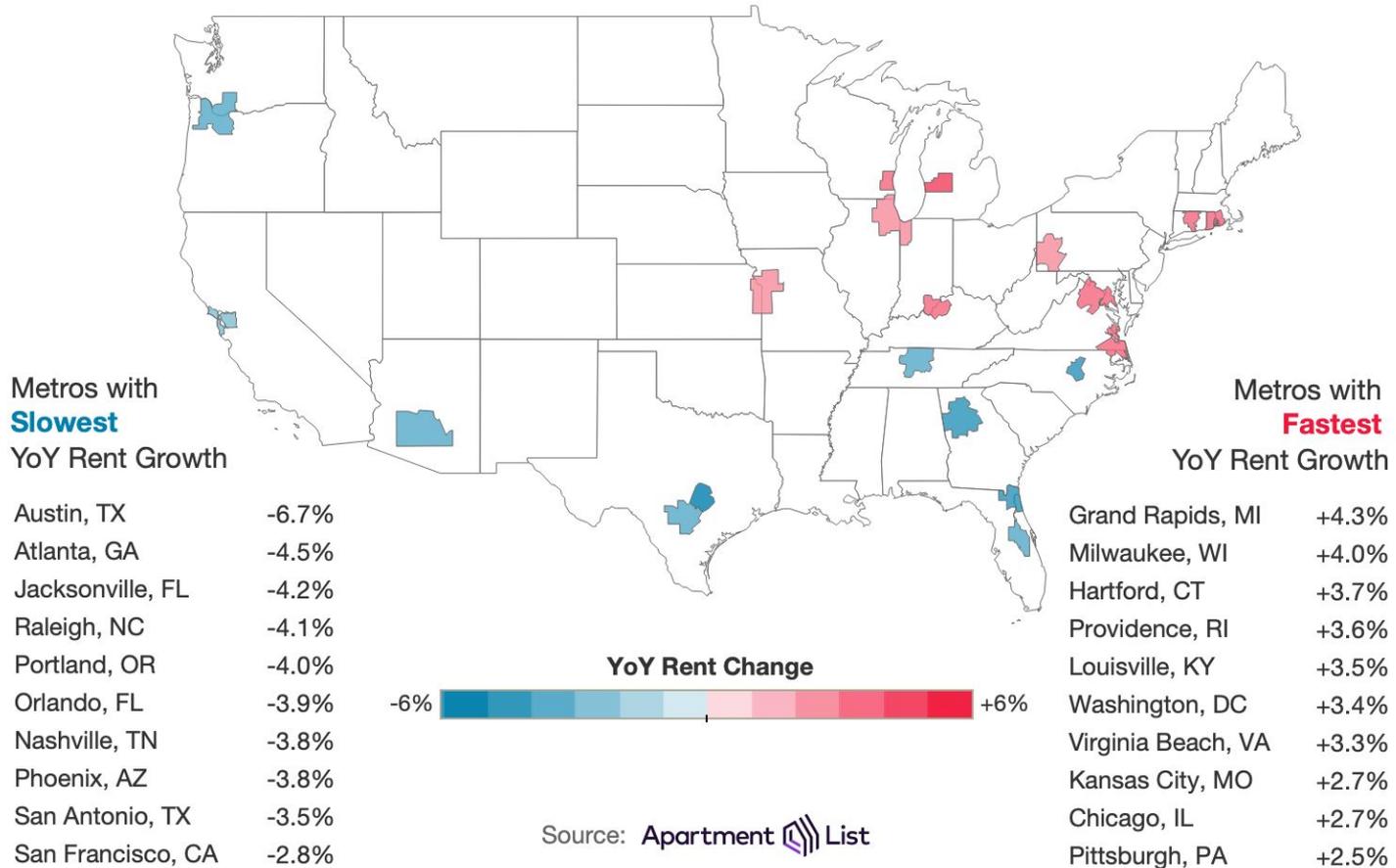
Year-Over-Year Growth in Apartment List Rent Index v. CPI (Rent) v. CPI (Overall)



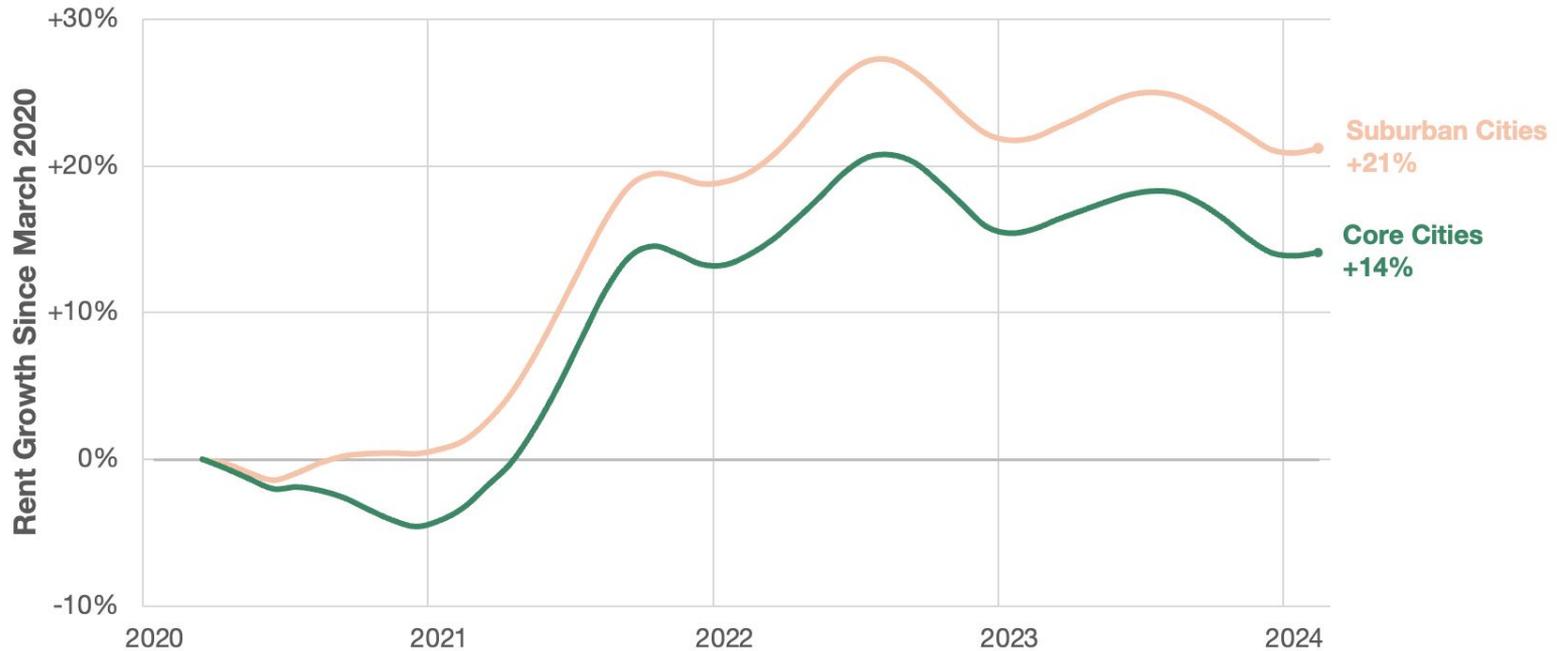
Data Sources: Bureau of Labor Statistics; Apartment List.
Note: Indexes presented here are not seasonally adjusted.

Metropolitan Area Year-over-Year Rent Changes

Among Metros with >1M residents



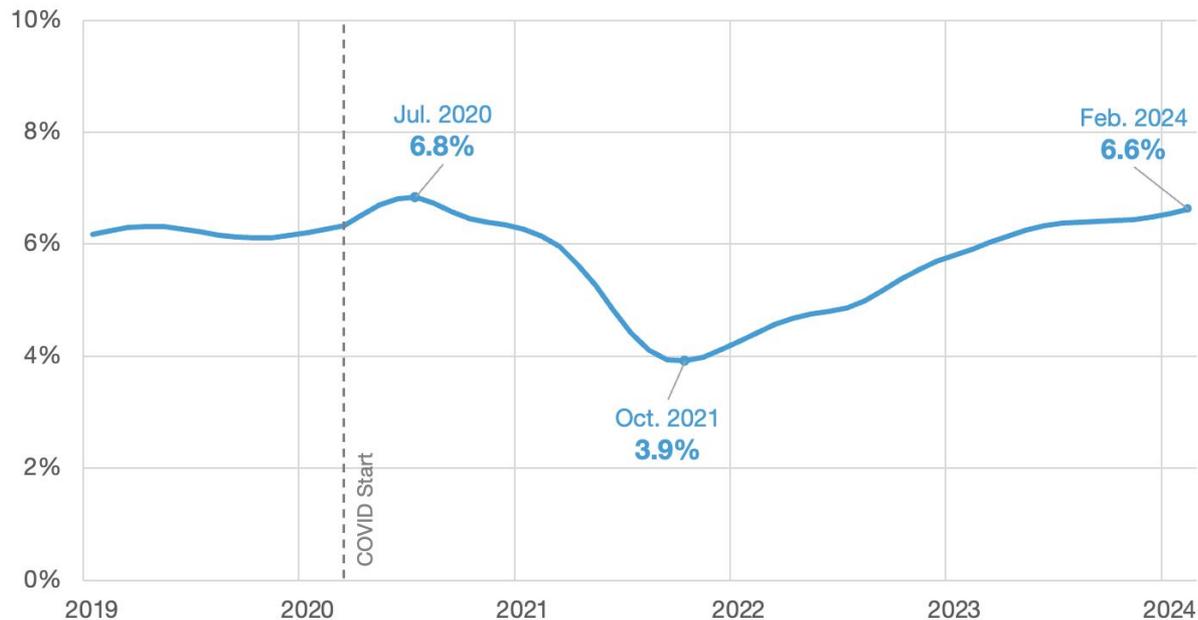
Urban v. Suburban Rent Growth During the Pandemic



Source: Apartment List Rent Estimates

Data Available: apartmentlist.com/research/category/data-rent-estimates

Apartment List National Vacancy Index (2019-Present)



The Apartment List National Vacancy Index has risen for the past 28 months straight

Source: Apartment List Vacancy Index

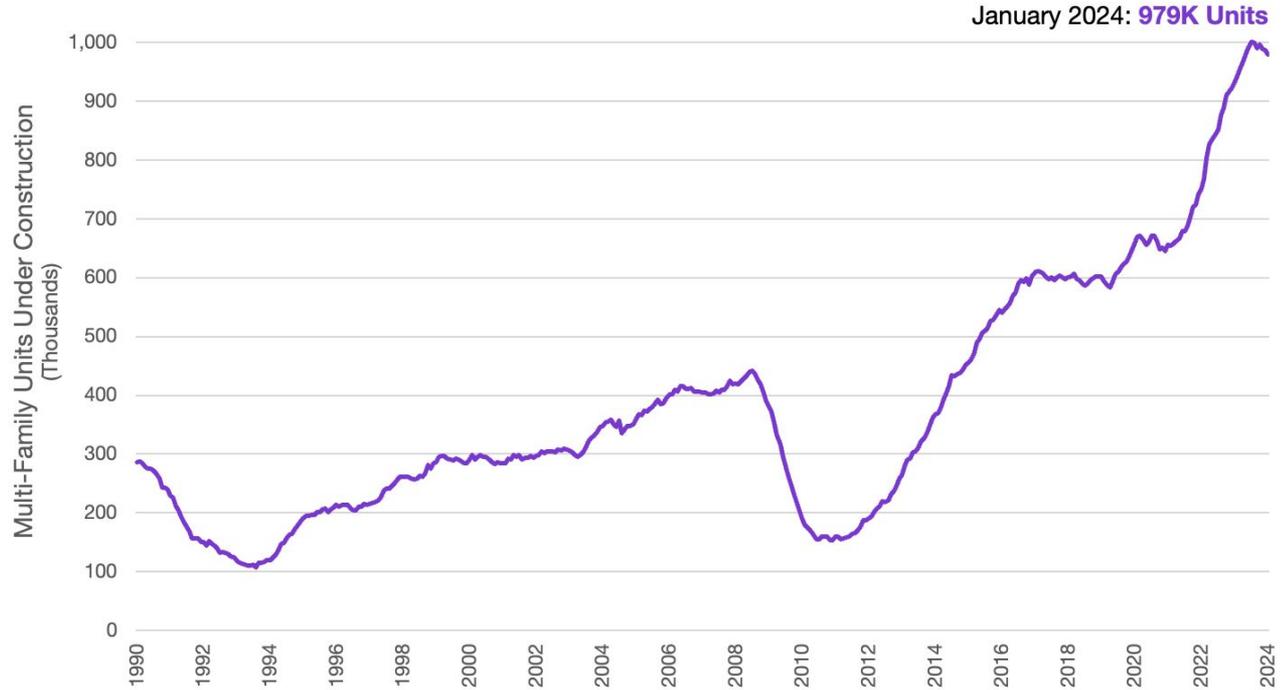
Data Available: www.apartmentlist.com/research/category/data-rent-estimates

Apartment  List

A record number of multifamily units are under construction

2024 is the year new inventory will peak

Nearly One Million Apartments Are Under Construction Today

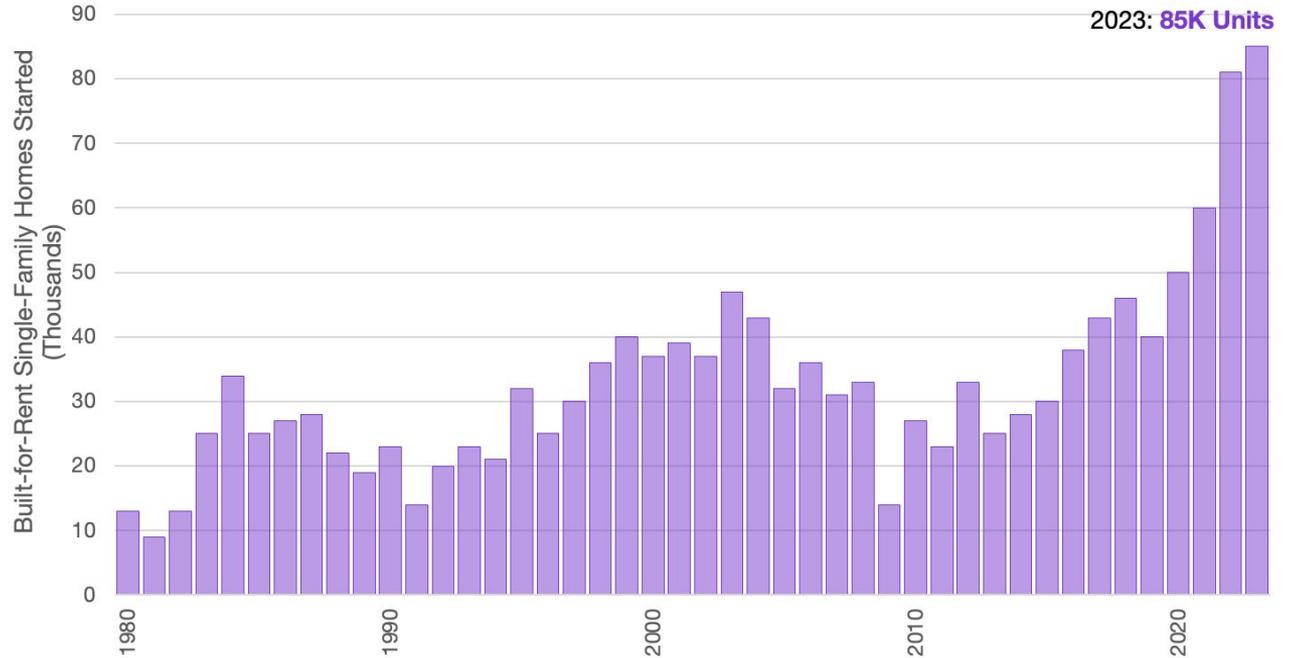


Source: US Census Bureau, New Residential Construction Data

Note: Multi-family units defined as those in a 5+ unit building

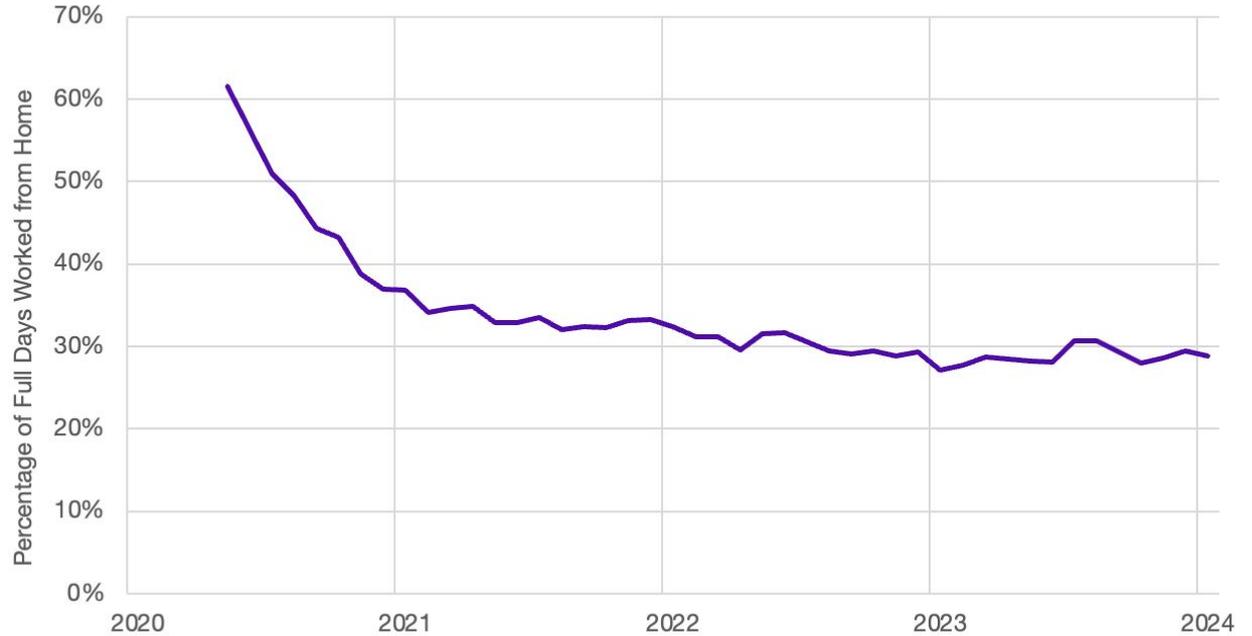
Meanwhile, built-for-rent single family homes starts are surging

Built-for-Rent Single-Family Homes Have Never Been More Popular



Source: US Census Bureau, Survey of Construction

Nearly One-Third of Work Days Are Still From Home



Source: WFH Research, Survey of Working Arrangements and Attitudes

Remote/hybrid work is stabilizing and continuing to determine housing market heat

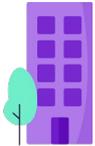
Market Milestones



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!