



MARCH 2025

Conditions in the Market: 2025 Multifamily Housing Outlook

Newsletter of Iowa Realty Commercial

Dear Esteemed Clients,

The 2025 apartment rental market is expected to shift from the recent renter-friendly conditions to a more balanced market, with potential for rent increases:

1. Rent Growth:

- National rent growth is forecast to be around 3-3.5% in 2025.
- Some markets may see rent growth exceed historical averages as supply tightens.

2. Supply and Demand:

- New apartment completions are expected to decrease by about 20% in 2025 compared to 2024.
- Demand is predicted to remain strong, with RealPage forecasting approximately 5% higher demand than in 2024.

3. Occupancy:

- Occupancy rates are expected to improve, approaching more historically normal levels in the low-to-mid 95% range.

4. Market Conditions:

- The first half of 2025 may still see some oversupply, but the market is expected to balance out in the second half of the year.
- Some experts are calling 2025 a “renter’s market,” with tenants potentially having more negotiating power.

5. Regional Variations:

- Rent changes will vary significantly by location, with some markets experiencing more substantial shifts than others.

6. Long-term Outlook:

- As construction slows down and new supply is absorbed, rents are expected to stabilize and potentially rise more significantly in 2026 and beyond.

While 2025 is expected to remain relatively favorable for renters compared to previous years, the market is showing signs of transitioning away from the recent period of oversupply and slower rent growth.

Sources:

Rental Housing Journal

Real Page Analytics

MULTIFAMILY NEWSLETTER

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www.WSJ.com

The Wall Street Journal, a trusted source for information regarding real estate, finance, business, and more..



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WHAT IS YOUR MULTIFAMILY PROPERTY WORTH?

I am always happy to do a **FREE, NO OBLIGATION**, Real Estate Review for your multifamily property. You ought to know today's market value of your real estate investments.

If this is something you would like, simply give me a call at 319-378-6786, email me at joannestevens@iowarealty.com, or visit www.apartmentbrokersofiowa.com

Joanne Stevens is a specialist in listing and selling multifamily housing communities throughout the U.S. With her 20 plus years of experience in developing, zoning, owning, retailing, managing, turning around and brokering multifamily communities, she can maximize your sale price.

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