

FIGURES | U.S. MULTIFAMILY | Q1 2026

Multifamily Vacancy Rate Falls Amid Rebounding Demand

▲ 4.8%

Vacancy Rate

▼ 58,100

Completions (units)

▼ 78,100

Net Absorption (units)

▼ +0.2%

Rent Growth

▼ \$29.5B

Investment Volume

Notes: Arrows indicate year-over-year change.

Source: CBRE Research, CBRE Econometric Advisors, Q1 2026.

Executive Summary

- Although slightly higher than a year ago, the overall multifamily vacancy rate fell by 20 basis points (bps) in Q1 from Q4 2025 to 4.8%, as net absorption outpaced construction completions for the first time in three quarters.
- Average monthly rent increased by 0.2% year-over-year and 0.4% quarter-over-quarter to \$2,217. The quarter-over-quarter change is on par with typical pre-pandemic Q1 seasonality.
- Net absorption totaled 78,100 units in Q1, down from 120,000 units in Q1 2025 but a substantial rebound from the 1,500 units of negative absorption in Q4.
- Sixty-three of the 69 markets tracked by CBRE recorded positive net absorption in Q1. Fifty-eight markets saw improvement from Q4.
- Construction completions totaling 58,100 units fell by 30% year-over-year and are expected to decline further in coming quarters.
- Q1 multifamily investment volume fell by 6% year-over-year to \$29.5 billion. While individual asset sales were down by just 2.7% to \$25.6 billion, portfolio sales fell by 23% to \$3.9 billion.

Figure 1 Absorption outpaces new completions

- Net absorption totaling 78,100 units in Q1 was a substantial rebound from the 1,500 units of negative net absorption in Q4.
- Absorption outpaced new deliveries for the first time in three quarters. On a rolling four-quarter basis, completions outpaced demand by 11% but are expected to moderate throughout 2026.
- As the economy continues to improve, we expect job creation to support more demand later this year.

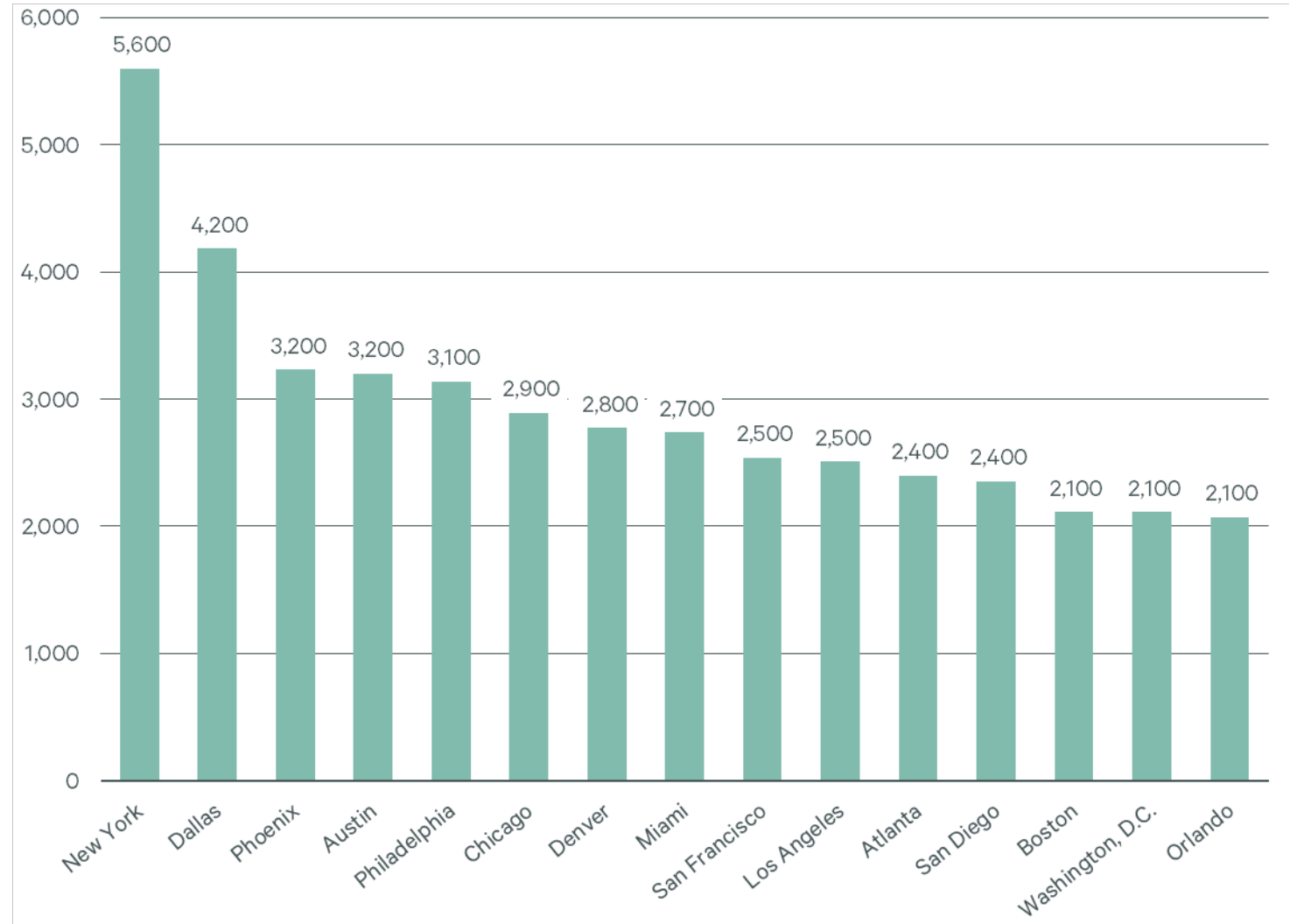


Source: CBRE Research, CBRE Econometric Advisors, Q1 2026.

Figure 2
Top 15 markets for net absorption

- Sixty-three of the 69 markets tracked by CBRE had positive net absorption in Q1 (up from 26 in Q4), led by New York (5,600 units), Dallas (4,200) and Phoenix (3,200). Fifty-eight markets saw improvement from Q4.
- All markets except Albuquerque recorded positive net absorption on a trailing-four-quarter basis, led by New York (34,900 units), Dallas (16,000) and Austin (14,800). Four markets had year-over-year increases.
- Sun Belt markets continued to outperform with the highest absorption rates as a percentage of total inventory, led by Charlotte (5.5%), Austin (4.5%) and Columbus (4.2%).
- The largest turnarounds from negative absorption in Q4 were seen in Denver (+6,300 units), Chicago (+5,900) and Washington, D.C. (+5,200).

Net Absorption (units)



Source: CBRE Research, CBRE Econometric Advisors, Q1 2026.

Figure 3 Demand exceeds new supply in Q1

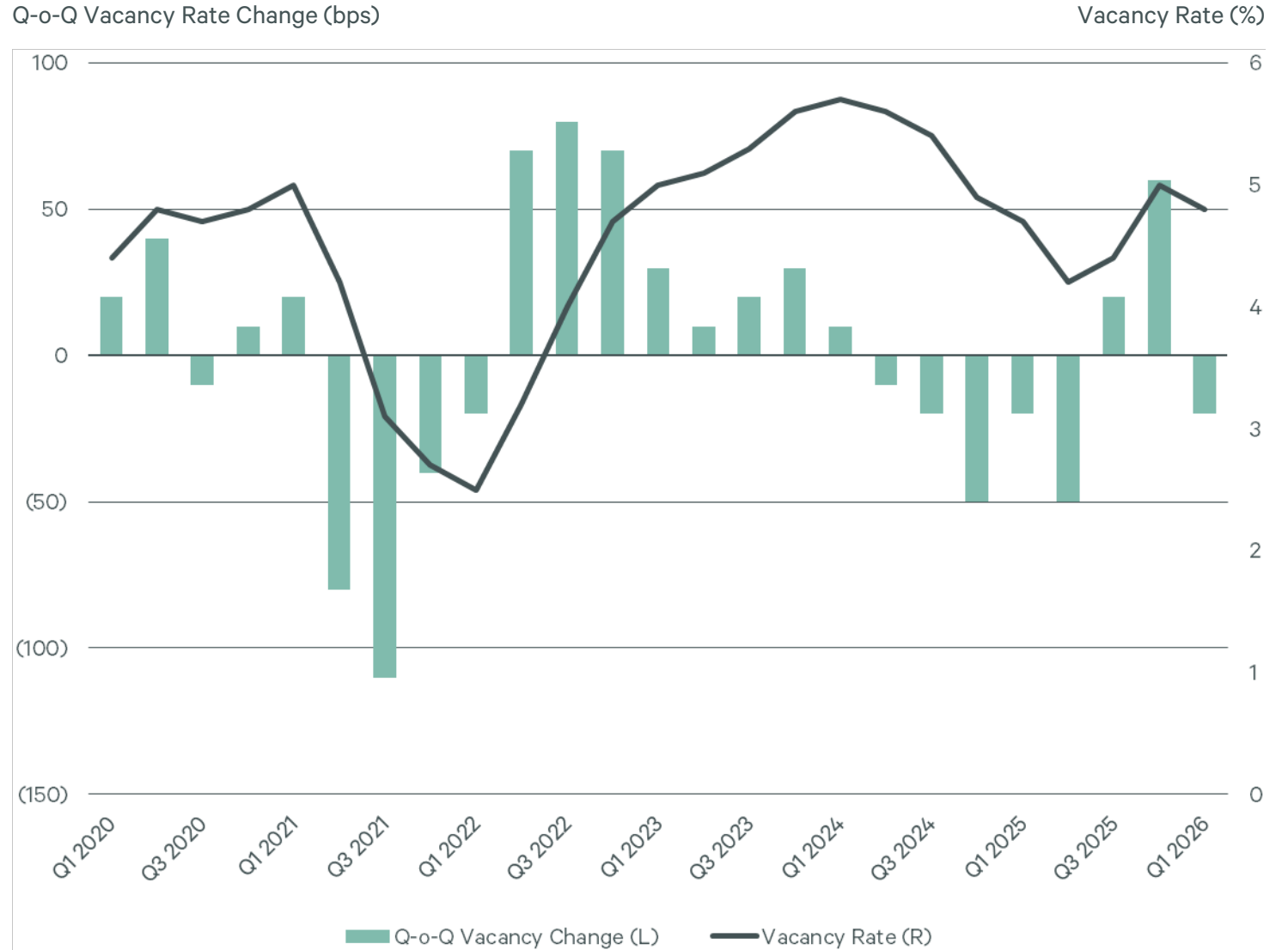
- Forty-five markets saw net absorption exceed construction completions in Q1, up substantially from three in Q4 and seven in Q3.
- Sixteen of the top 20 markets for new supply saw more absorption than completions in Q1. The top 20 accounted for 67% of national completions and 62% of total net absorption.
- All of the top 20 markets for new completions had positive net absorption in Q1, up from only seven in Q4.
- The top five markets for construction completions over the past four quarters (New York, Dallas, Austin, Charlotte and Washinton, D.C.) accounted for 29% of the national total. New York had 37,100 units completed, 11% of the national total.
- There were 569,200 units under construction in Q1, representing 3% of existing inventory. This was down from a peak of 760,400 units in Q1 2024 but up from the previous quarter for the first time since that peak. New York had the most units under construction (54,000), followed by Dallas (28,200) and Houston (24,100).

Rank by Trailing-4-Quarter Completions	Market	Trailing-4-Quarters		Q1 2026		Completions As % of Inventory	Net Absorption As % of Inventory
		Completions	Net Absorption	Completions	Net Absorption		
	Sum of Markets	343,500	306,900	58,100	78,100	1.9	1.7
1	New York	37,100	34,900	5,100	5,600	1.5	1.4
2	Dallas	20,200	15,900	3,400	4,200	3.1	2.4
3	Austin	17,000	14,800	2,000	3,200	5.5	4.8
4	Charlotte	13,000	12,200	1,900	1,800	6.2	5.8
5	Washington, D.C.	12,900	4,200	1,800	2,100	1.9	0.6
6	Phoenix	12,900	13,900	1,200	3,200	3.1	3.3
7	Atlanta	12,500	13,000	2,800	2,400	2.4	2.5
8	Boston	11,900	9,200	1,800	2,100	2.2	1.7
9	Houston	11,500	5,200	1,800	700	1.6	0.7
10	Los Angeles	10,200	6,700	1,200	2,500	0.9	0.6
11	Miami	9,300	7,800	1,200	2,700	2.7	2.3
12	Philadelphia	9,200	9,700	3,000	3,100	2.6	2.8
13	Columbus	8,800	8,300	1,500	1,300	4.6	4.4
14	Raleigh	7,800	6,700	1,400	1,600	4.4	3.8
15	Tampa	7,700	5,100	1,600	1,700	2.6	1.7
16	Orlando	7,600	6,800	1,600	2,100	2.8	2.5
17	Seattle	7,600	5,000	1,600	2,000	1.7	1.1
18	Denver	7,100	2,500	1,300	2,800	1.8	0.7
19	San Diego	6,100	5,800	1,900	2,400	1.9	1.8
20	Minneapolis	6,000	6,700	800	1,200	1.7	1.9

Note: All ratios based on unrounded figures of four-quarter totals.
Source: CBRE Research, CBRE Econometric Advisors, Q1 2026.

Figure 4 Vacancy rate falls slightly to 4.8%

- Net absorption outpaced construction completions for the first time in three quarters, lowering the overall vacancy rate by 20 bps to 4.8%.
- Thirty-five markets had a vacancy rate below their pre-pandemic average, the same amount as in Q4 and down from 44 in Q3.
- Vacancy rates decreased quarter-over-quarter in 40 markets, up from two in Q4.
- Honolulu and New York had the lowest vacancy rates at 2.7% and 2.9% respectively. They were followed by Providence at 3.1% and Hartford at 3.2%.
- Fourteen markets finished Q1 with a sub-4% vacancy rate, up from 12 in Q4. Twenty-five markets had a vacancy rate of between 4% and 5% (down from 26 in Q4), while 30 markets had a vacancy rate above 5% (down from 31 in Q4).



Source: CBRE Research, CBRE Econometric Advisors, Q1 2026.

Figure 5
Vacancy rates by asset class

- The average vacancy rate for all three asset classes either decreased or remained unchanged in Q1. Class A decreased by 20 bps to 5.1%, Class B by 10 bps to 4.9% and Class C remained at 4.7%.
- Q1 vacancy rates for Class A and B assets are now holding steady and are on par with their 2011-2019 averages. Class C vacancy is just below its pre-pandemic average of 5.1%

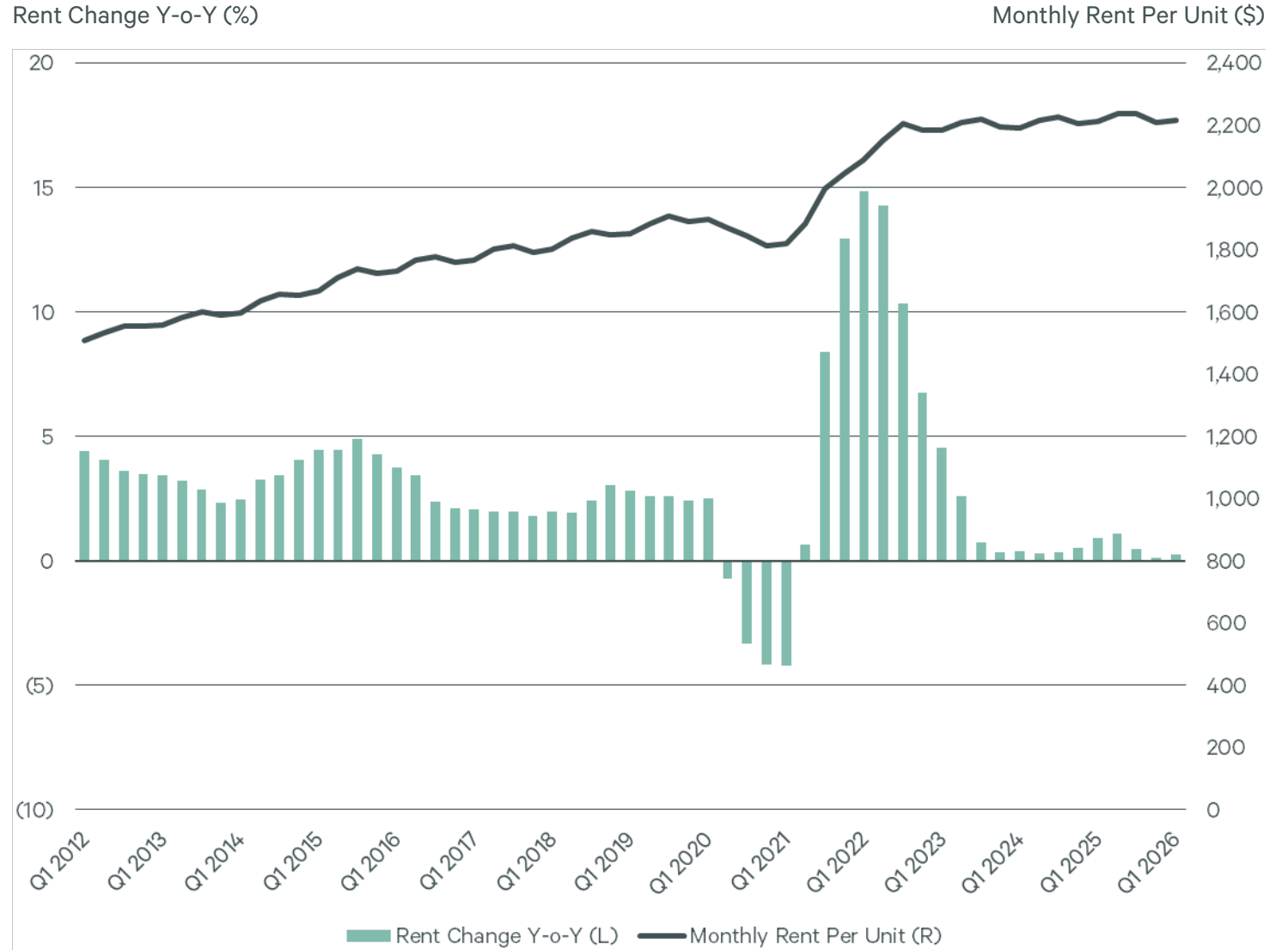


Source: CBRE Research, CBRE Econometric Advisors, Q1 2026.

Figure 6

Average annual rent grows by 0.2%

- Average monthly rent increased by 0.2% year-over-year and 0.4% quarter-over-quarter to \$2,217. The quarter-over-quarter change is on par with typical pre-pandemic Q1 seasonality.
- National rent growth saw a reversal from its previously decelerating trend. This was driven by improving rent trends in the Mountain, Pacific and Midwest regions. Negative rent growth in high-supply markets across the Sun Belt is slowing. Rent growth and occupancy are expected to continue to improve as new supply declines in coming quarters.
- Year-over-year rent growth for both Class A (1.7%) and Class C assets (0.9%) was unchanged from Q4. Rent growth for Class B assets improved slightly to negative 0.6% in Q1 from negative 0.7% in Q4.



Source: CBRE Research, CBRE Econometric Advisors, Q1 2026.

Figure 7 Rent growth by region

- The Midwest led the country for year-over-year rent growth with 2.2%, followed by the Northeast with 1.6% and the Pacific region with 0.8%.
- The Mountain region recorded 4.7% of negative year-over-year rent growth, followed by the South Central region with negative 3.1% and the Southeast with negative 1.4%. However, both the Mountain and South Central regions saw less negative year-over-year rent growth than in Q4 2025.
- Thirty-seven markets had negative year-over-year rent growth in Q1, one less than in Q4. Sixteen markets had increases in negative rent growth quarter-over-quarter, down from 21 in Q4. Twenty-two markets saw less negative rent growth, up from 11 in Q4.
- Honolulu led for year-over-year change in annual rent growth (+377 bps), followed by Colorado Springs (+310 bps) and San Francisco (+182 bps). Providence had the biggest decrease (-205 bps).
- Austin, Denver and San Antonio saw the sharpest year-over-year declines in average rent.

Rank	Market	Q1 Percentage Rent Change Y-o-Y
ALL MARKET		
Sum of Markets		0.2
PACIFIC		
Region		0.8
1	San Francisco	9.6
2	Honolulu	7.0
3	San Jose	4.7
4	Oakland	1.3
5	Orange County	1.0
6	Seattle	-0.2
7	Ventura	-0.6
8	Riverside	-0.7
9	Sacramento	-0.9
10	Los Angeles	-1.2
11	San Diego	-1.4
12	Portland	-1.7
MOUNTAIN		
Region		-4.7
1	Salt Lake City	-1.8
2	Albuquerque	-2.2
3	Las Vegas	-2.8
4	Tucson	-4.3
5	Colorado Springs	-4.4
6	Phoenix	-4.9
7	Denver	-6.5

Rank	Market	Q1 Percentage Rent Change Y-o-Y
SOUTH CENTRAL		
Region		-3.1
1	El Paso	2.2
2	Tulsa	0.8
3	Oklahoma City	0.7
4	Fort Worth	-2.1
5	Dallas	-2.7
6	Houston	-2.7
7	Corpus Christi	-2.7
8	San Antonio	-5.4
9	Austin	-6.8
SOUTHEAST		
Region		-1.4
1	Norfolk	4.2
2	Lexington	2.7
3	Richmond	1.3
4	West Palm Beach	1.1
5	Louisville	-0.2
6	Greensboro	-0.3
7	Miami	-0.4
8	Birmingham	-0.4
9	Atlanta	-1.1
10	Jacksonville	-1.1
11	Fort Lauderdale	-1.2
12	Memphis	-1.7
13	Greenville	-1.9
14	Raleigh	-2.6
15	Orlando	-2.6
16	Nashville	-3.1
17	Charlotte	-3.4
18	Tampa	-4.9

Rank	Market	Q1 Percentage Rent Change Y-o-Y
MIDWEST		
Region		2.2
1	Chicago	3.6
2	Dayton	2.9
3	Cleveland	2.5
4	Milwaukee	2.4
5	Omaha	2.2
6	St. Louis	2.2
7	Minneapolis	2.1
8	Cincinnati	1.9
9	Kansas City	1.8
10	Madison, WI	1.4
11	Columbus	0.6
12	Detroit	0.4
13	Indianapolis	0.0
NORTHEAST		
Region		1.6
1	New York	2.8
2	Long Island	1.9
3	Providence	1.8
4	Pittsburgh	1.3
5	Philadelphia	1.2
6	Newark	0.9
7	Hartford	0.8
8	Boston	-0.2
9	Baltimore	-0.3
10	Washington, D.C.	-1.6

Note: Based on effective same-store rents.
Source: CBRE Research, CBRE Econometric Advisors, Q1 2026.

Figure 8 Investment volume falls

- Q1 multifamily investment volume fell by 6% year-over-year to \$29.5 billion. While individual asset sales were down by just 2.7% to \$25.6 billion, portfolio sales fell by 23% to \$3.9 billion.
- Trailing four-quarter multifamily investment volume rose by 4.8% year-over-year to \$165.8 billion. Excluding Blackstone’s entity-level acquisition of AIR Communities in Q2 2024, trailing four-quarter volume rose by 12% year-over-year.
- The multifamily sector had the second biggest share of total commercial real estate investment volume in Q1 (25%) behind industrial. This was the first time since Q1 2017 that multifamily did not have the biggest quarterly share.
- The average multifamily cap rate increased by 10 bps to 5.8%.



Source: CBRE Research, CBRE Econometric Advisors, MSCI Real Assets, Q1 2026.

Figure 9
Top markets for investment volume

- New York was the top market for trailing-four-quarter multifamily investment volume with \$14.7 billion, followed by Los Angeles with \$9.4 billion and Dallas-Ft. Worth with \$8.9 billion. New York had the largest absolute year-over-year increase in investment (\$4.9 billion), followed by Washington, D.C. (\$2.4 billion) and Atlanta (\$1.9 billion).
- Annual investment volume for the six gateway markets of New York, Boston, Chicago, Los Angeles, San Francisco and Washington, D.C. totaled \$50.6 billion, up by 28% from the prior year. These markets accounted for 31% of total U.S. multifamily investment volume over the past four quarters.

Market	Trailing-4-Quarter Investment (\$B)	YoY Change (%)	% of Total	Cumulative % Total	Q1 2026 Investment (\$B)	YoY Change (%)
U.S. Total	165.80	4.8			29.45	-6.0
1 New York Metro	14.68	49.8	8.9	8.9	3.15	14.6
2 Greater Los Angeles	9.35	5.2	5.6	14.5	1.42	3.3
3 Dallas-Ft. Worth	8.88	-8.4	5.4	19.9	1.43	-31.0
4 San Francisco Bay Area	8.74	19.9	5.3	25.1	1.53	46.6
5 Atlanta	7.52	34.7	4.5	29.7	1.44	72.9
6 Greater Washington, D.C.	6.74	54.9	4.1	33.7	1.43	116.7
7 Seattle	6.19	0.8	3.7	37.5	0.60	-7.3
8 Chicago	6.11	25.5	3.7	41.1	1.97	131.1
9 Miami-South Florida	5.98	-18.3	3.6	44.8	0.98	-20.6
10 Houston	5.40	50.8	3.3	48.0	0.80	41.4
11 Boston	4.98	15.7	3.0	51.0	0.71	-42.3
12 Phoenix	4.87	19.2	2.9	54.0	0.67	-4.0
13 Denver	2.83	-46.2	1.7	55.7	0.30	-64.0
14 Orlando	2.67	17.4	1.6	57.3	0.24	-55.1
15 Philadelphia	2.64	5.4	1.6	58.9	0.29	-11.2
16 Austin	2.57	43.0	1.5	60.4	0.34	-67.5
17 Minneapolis	2.53	-20.4	1.5	61.9	0.51	-10.4
18 San Diego	2.36	-13.3	1.4	63.4	0.93	12.4
19 Charlotte	2.30	52.7	1.4	64.7	0.24	-42.2
20 Raleigh	2.25	-29.5	1.4	66.1	0.41	-21.1

Source: CBRE Research, MSCI Real Assets, Q1 2026.

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