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Contacts**Jeff Adler**

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Jack Kern

Director of Research and
Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Paul Fiorilla

Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Casey Cobb

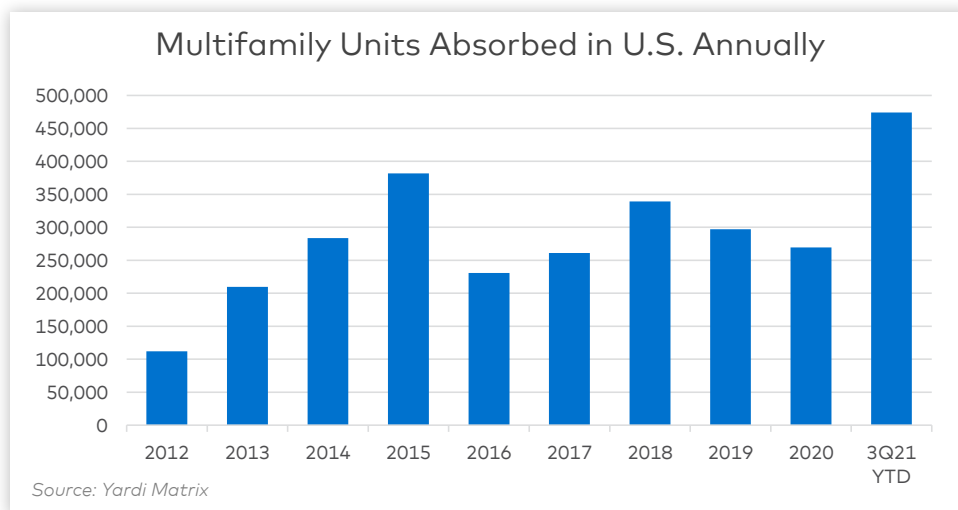
Senior Analyst
Casey.Cobb@Yardi.com
(800) 866-1124 x3914

Gateway Market Rebound Heads Record-Setting Multifamily Absorption

After experiencing negative apartment absorption during the pandemic, gateway metros have roared back this year. Amid record-setting demand nationally, gateways led the nation in absorbing multifamily units through the first three quarters of 2021, according to Yardi Matrix.

The exodus of renters from gateway markets during the first few quarters of the pandemic prompted questions about the long-term future of urban markets. Though doubts about the prospects of large urban submarkets remain far from resolved, data indicates that demand for apartments returned as cities reopened services and amenities in 2021.

Demand for rentals in the U.S. this year has been extraordinary. Through three quarters in 2021, 475,000 apartment units have been absorbed in the U.S., already topping 2018's single-year high of 370,000 recorded by Matrix. Demand has also been relentless. At least 100,000 units have been absorbed in each of the last four quarters, which is also a first.



The absorption numbers explain the industry's stellar fundamentals performance. Asking rents nationally were up 11.4% year-over-year through September, while the occupancy rate of stabilized properties rose 110 basis points year-over-year to 95.9% as of August, per Matrix data on 140 markets.