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What's Ahead for Multifamily: 11 Trends to Watch in 2026

With 2026 around the corner, what can apartment owners and operators expect to see in the new year? This report highlights the top trends that will define 2026 in terms of economic conditions, operational strategies, and renter behavior. From the boardroom to the leasing office, explore what's ahead.

Stay on top of the competition with the latest multifamily analysis from Apartments.com, powered by industry-leading CoStar insights.

1

The supply pipeline will see a dramatic slowdown

After a record-high wave of new supply in recent years, the construction pipeline will drop significantly in 2026.

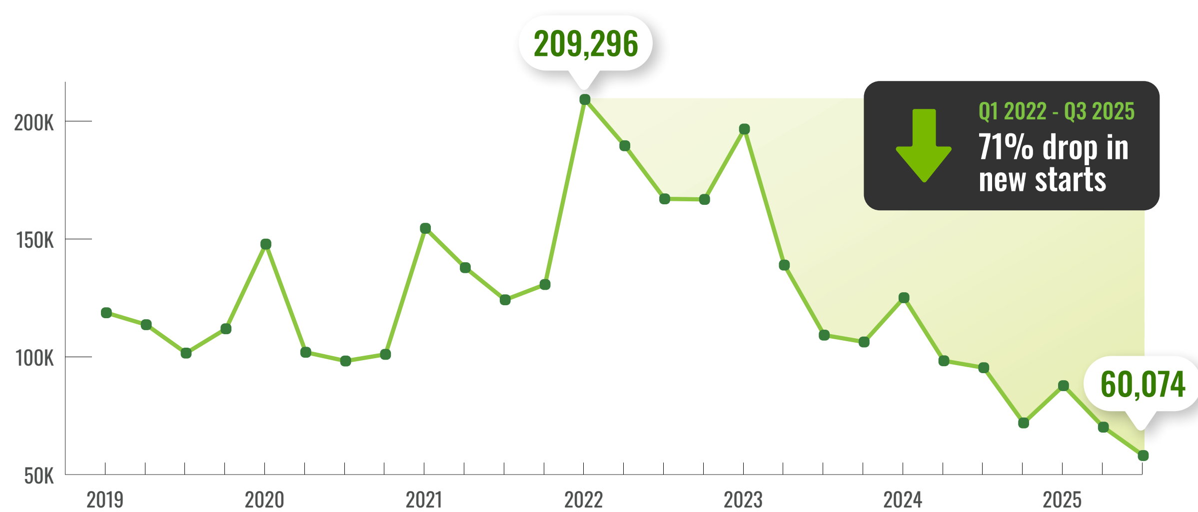
Skyrocketing renter demand during the COVID-19 pandemic spurred a wave of new multifamily development. Supply additions peaked in 2024, when 700,000 new units were delivered, breaking a 40-year record.[1]

Since then, supply has dropped 30 percent, with a total of 495,000 units projected to be added by the end of 2025.

At the same time, construction starts and new permits are also on the decline. Construction starts have fallen 71 percent from a peak of 210,000 units in Q1 2022 to just over 60,000 units in Q3 2025 and are on track to remain well below the pre-pandemic five-year average.

[1] CoStar, October 2025.

Construction starts have fallen below the pre-pandemic average



Source: CoStar, October 2025

SPOTLIGHT

Which markets will see the greatest decline in deliveries in 2026?

Projected change in new supply as share of total inventory, from 2025 to 2026

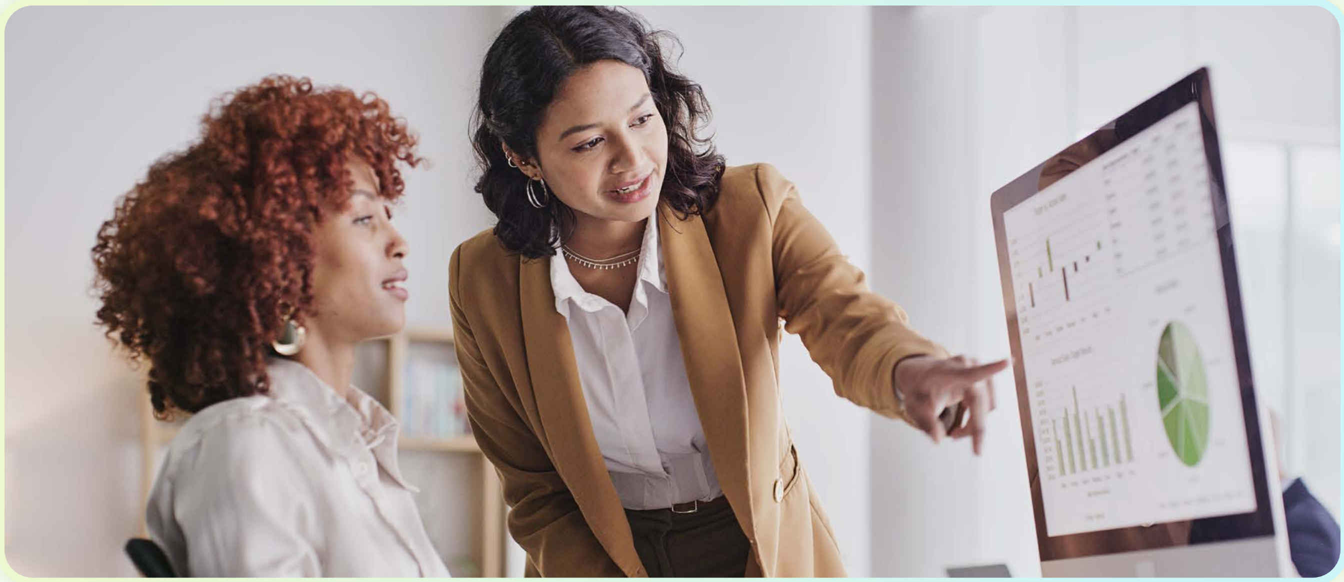
Orlando, FL	-3.3%
Salt Lake City, UT	-3.1%
Austin, TX	-3.0%
Raleigh, NC	-2.8%
Columbus, OH	-2.7%
Charlotte, NC	-2.7%
Nashville, TN	-2.5%
San Antonio, TX	-2.4%
Phoenix, AZ	-2.3%
Denver, CO	-2.2%

Source: CoStar, October 2025

2 Rent growth will slowly begin to accelerate again

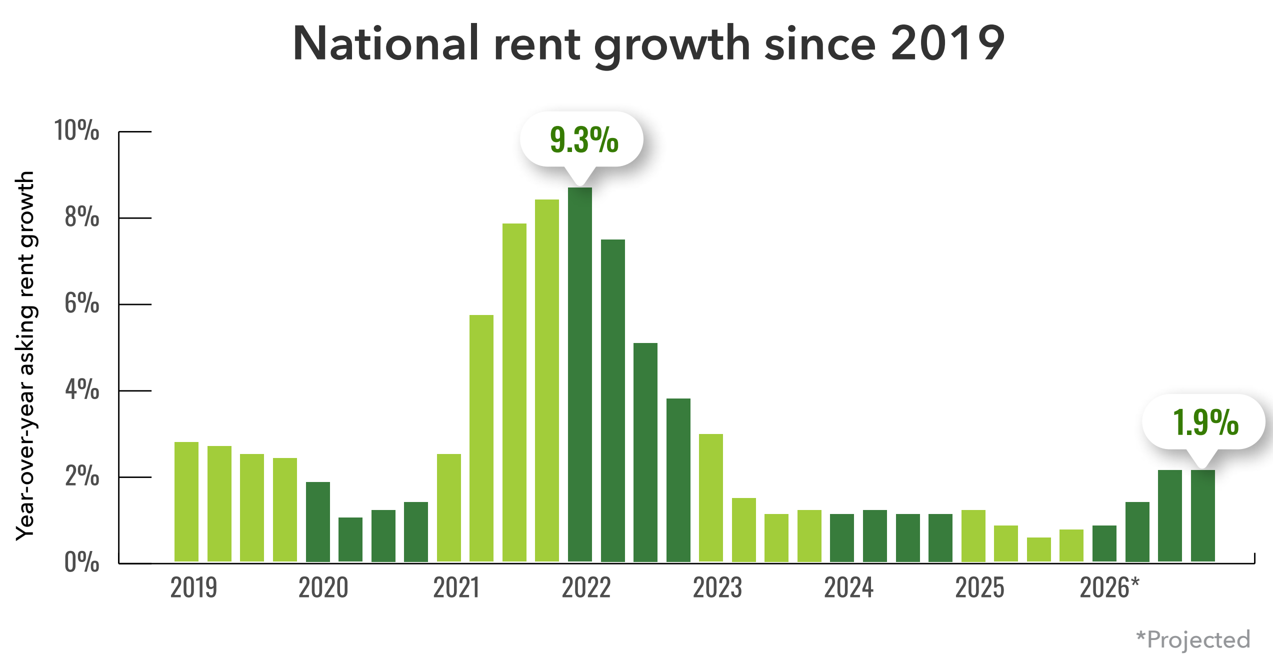
Rent has hovered around the 1-percent mark for nearly a year, even as the gap between supply and demand has narrowed. Year-end projections for growth have been repeatedly adjusted down as quarterly performance has continued to fall below expectations.

How long will the plateau last? In 2026, rent growth will finally begin to accelerate nationwide – but the increase will be gradual.



CoStar projects that rent growth will rise to 1.9 percent by the end of next year. Compared to the peak of 9.4 percent in 2022, the acceleration will be modest.

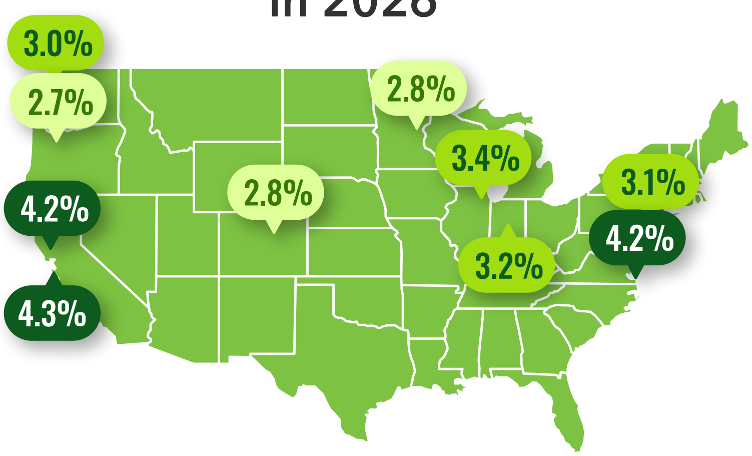
The market will continue to recover from a recent wave of construction. As demand recovers, it will take time to absorb the flood of new construction units on the market, and vacancy will remain high – above 10 percent – in the luxury price point.



The regional close-up

Fewer markets will remain in negative territory in 2026, but the Sun Belt will continue to lag behind top performers in the Midwest and Northeast.

Top rent growth performers in 2026

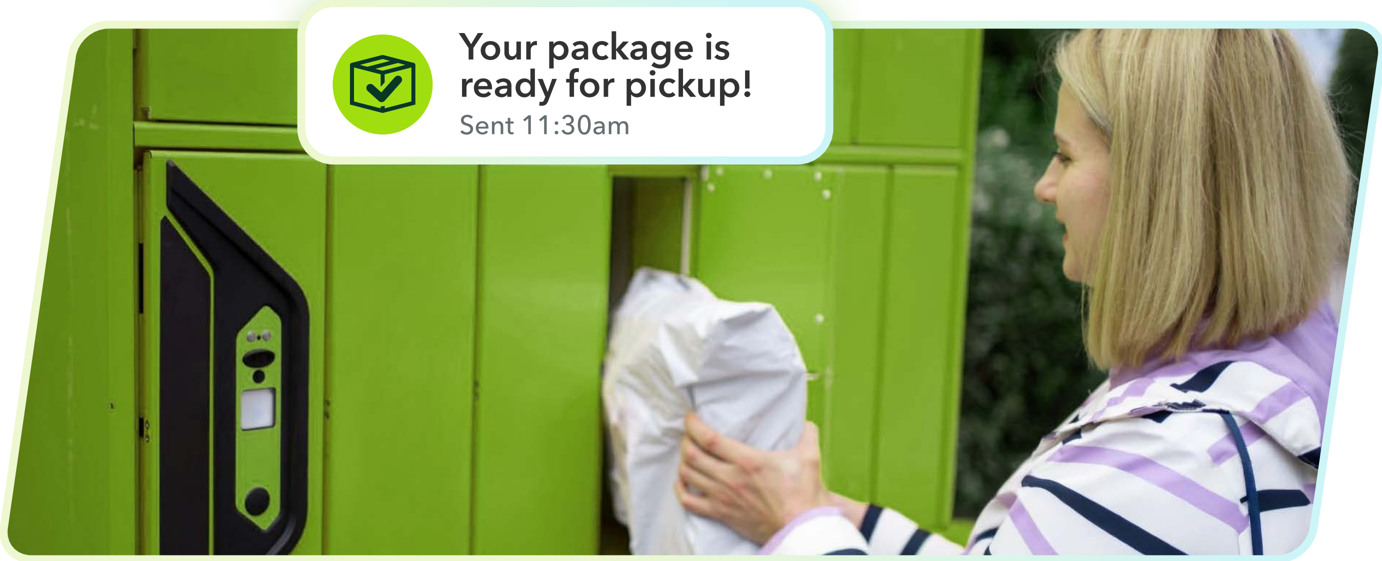


Market	Projected rent growth
San Jose, CA	4.3%
San Francisco, CA	4.2%
Norfolk, VA	4.2%
Chicago, IL	3.4%
Indianapolis, IN	3.2%
Philadelphia, PA	3.1%
Seattle, WA	3.0%
Denver, CO	2.8%
Minneapolis, MN	2.8%
Portland, OR	2.7%

Source: CoStar, October 2025

The West Coast bounce-back

Bucking regional trends, San Francisco and San Jose will continue to see strong demand as more employers mandate office attendance and the red-hot AI sector continues to grow in these high-priced markets with limited new supply.



3 Leasing and operations teams embrace automation

The growing adoption of automation in daily multifamily operations will pick up speed in 2026, as properties of all sizes embrace digital tools for paying rent, submitting maintenance requests, and other daily tasks.

In recent years, the largest property management companies have expanded their automation efforts across leasing and operations, including:

- **Unmanned communities**
- **AI chatbots**
- **Self-guided tours**
- **Digital package lockers**
- **Self-service resident move-in**
- **Smart tech to reduce usage and detect leaks**

17%

year-over-year **increase in automation of listing updates** among Apartments.com clients

Source: Apartments.com internal data, 2024-2025

As properties increase their commitment to both resident experience and cost savings in 2026, expect to see a greater embrace of digital tools to create smooth, frictionless transactions.

4 AI-powered leasing will take off

Ever since generative AI exploded into public consciousness in 2023, multifamily marketers and operators have been exploring how to harness the power of artificial intelligence.

26%

increase in the use of **AI-generated marketing** from 2024 to 2025[2]

In 2026, property management companies will begin to adopt AI tools at scale.

Everyday tools will be powered by AI:

- **Lead nurturing**
- **Leasing assistants**
- **Fraud screening**
- **Virtual tours**

AI will also be used to improve resident retention – such as using AI to identify corrective actions needed to improve resident satisfaction, as well as AI-powered tools that track a property's online reputation and identify top themes among negative reviews and comments.

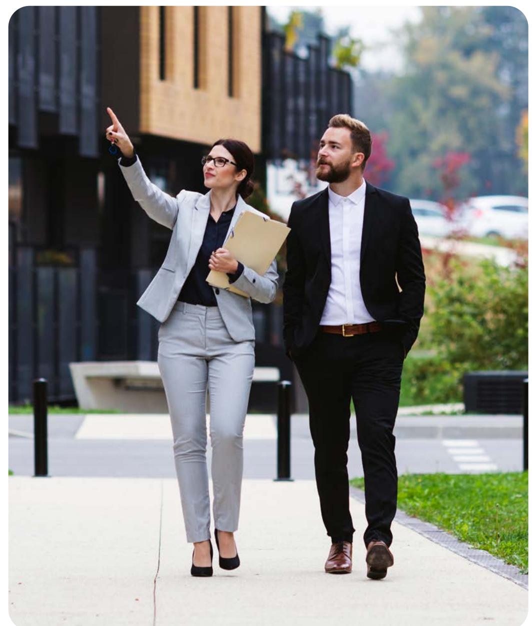
[2] 2025 Apartments.com Multifamily Advertising Survey, Market Connections.

5 The leasing centralization trend will accelerate

The long-time trend towards leasing centralization will accelerate in 2026. Expect to see more property management companies of all sizes implement these practices:

[3] MAA Capital Markets Updates, September 2025.

- Establishing a **centralized leasing office** for multiple properties
- **Handling the leasing process** – think application, screening, lease, key handoff, etc. – at the centralized leasing office or the corporate level
- **Property management "podding,"** in which property teams with increasingly specialized skill sets manage multiple properties



This shift will allow onsite teams to focus on prospective and current residents, turning their attention to property tours, resident events, and maintenance, and providing a higher level of service.

For example, MAA tested centralizing its lease administration duties in 2025 and reported saving over 30,000 hours annually.[3]

Centralization will be more ubiquitous throughout the industry – adopted not just by the largest property management companies but also by small and mid-sized companies.

30k+

hours saved annually with **centralization**[3]

6 Transparent pricing will be the new standard

Price transparency will go mainstream in 2026.

By next year, at least five states will have laws in effect that mandate multifamily properties to advertise total prices: Colorado, Connecticut, Massachusetts, Minnesota, and Nevada.

But the effect of price transparency legislation will expand beyond these states to the national level.

As many national PMCs adjust their practices to embrace advertising the total price, expect to see transparent pricing become the new model in multifamily advertising.

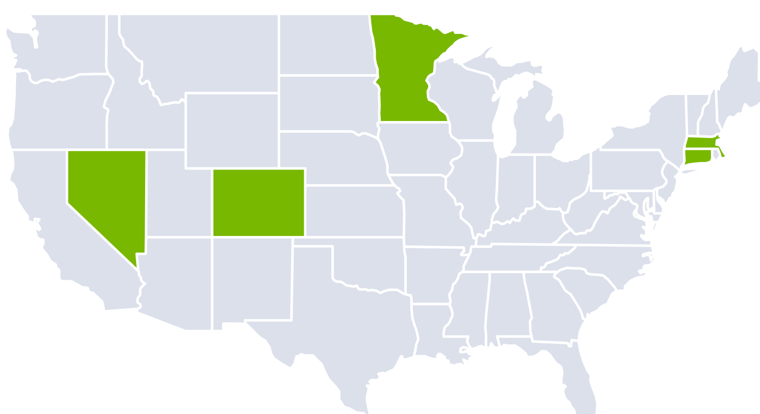
This approach will be seen both on Apartments.com and on property websites.

83%

of renters **prefer to see the total price** listed, including all applicable fees[4]

States with price transparency laws in effect in 2026

Colorado	Minnesota
Connecticut	Nevada
Massachusetts	



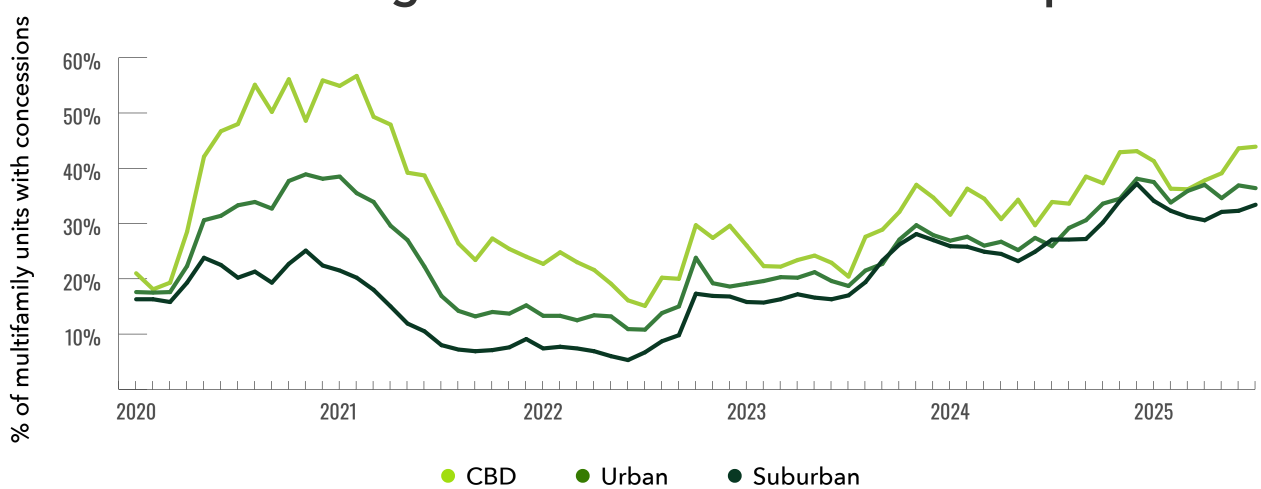
[4] Apartments.com Q2 2025 renter survey of over 20,000 U.S. adults planning to rent.

7

Concession use will remain elevated

Concessions will play an important role in 2026, as many properties – especially new construction buildings and those at the top price point – continue to struggle with reaching stabilized vacancy.

Use of leasing concessions becomes widespread



Concession use has been on the rise in recent years. Over 30 percent of all multifamily units across urban and suburban markets are using concessions to fill vacancies.

In 2026, expect to see concession use remain above the 30 percent mark as multifamily properties continue to fight high vacancy.

Over 30%

of all multifamily units are **advertising concessions to attract residents.**

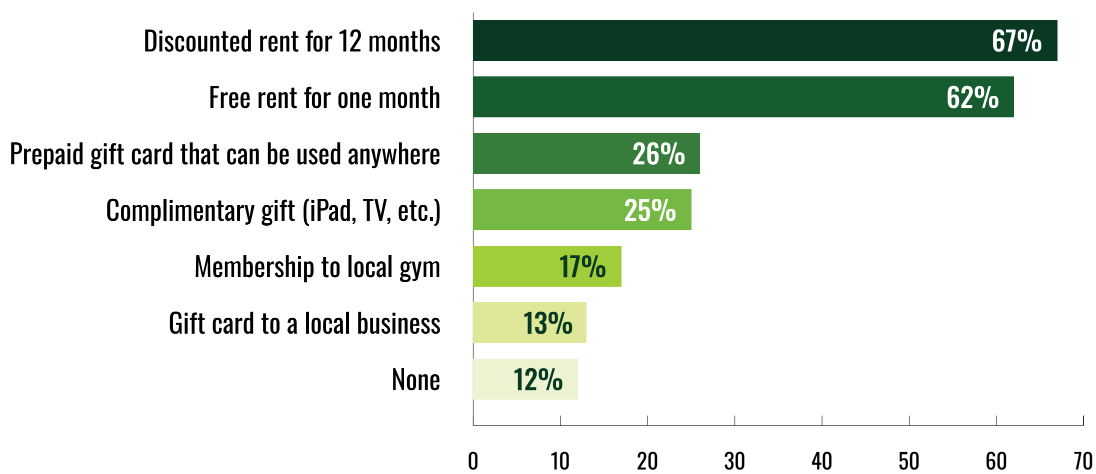
Source: CoStar, 2025

Which concessions appeal most to renters?

Even accounting for equal monetary value, renters said they were more likely to choose a place that discounts the rent over 12 months vs. one month of free rent. Other concessions, like a gift card or physical gift, are significantly less popular (25% or less).[5]

[5] Apartments.com 2025 Q3 survey of 7,000 renters in Canada.

Two-thirds of renters say they would be enticed by discounted rent



Q: Assuming all items are of monetary value, which perk(s) would make you more likely to choose a rental property or unit? Select all that apply.

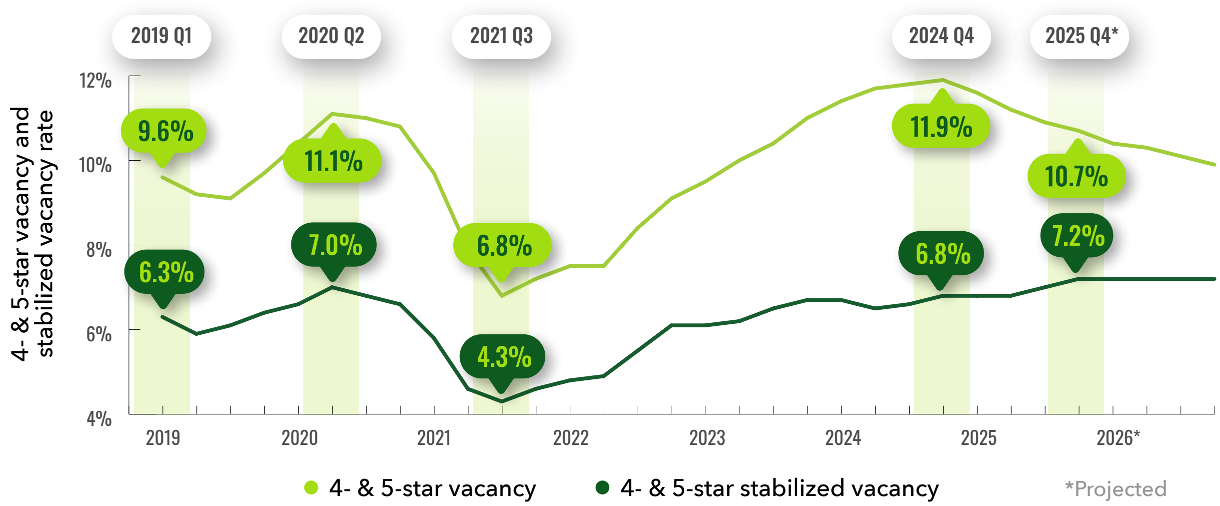
8 Resident retention will take on increased importance for properties at the top price point

Properties in the four- and five-star category will increase their focus on resident retention as an effective strategy for maintaining occupancy.

Four- and five-star vacancy rates will remain in double digits in many markets, especially in the Sun Belt.

And the challenges won't be limited to new construction properties facing lease-up. Stabilized vacancy, which reflects vacancy rates among already leased-up properties, is projected to remain elevated into 2026, well above its pre-pandemic five-year average.

Vacancy will remain high even as new supply drops



Even as the wave of new deliveries subsides and overall vacancy falls below 10 percent, properties at the top price point will continue to struggle to hit occupancy goals.

Retention rates have been climbing, and properties are often seeing better rent growth on renewal than they would with resident turnover.

In 2026, expect to see properties take additional steps to ensure retention, including:

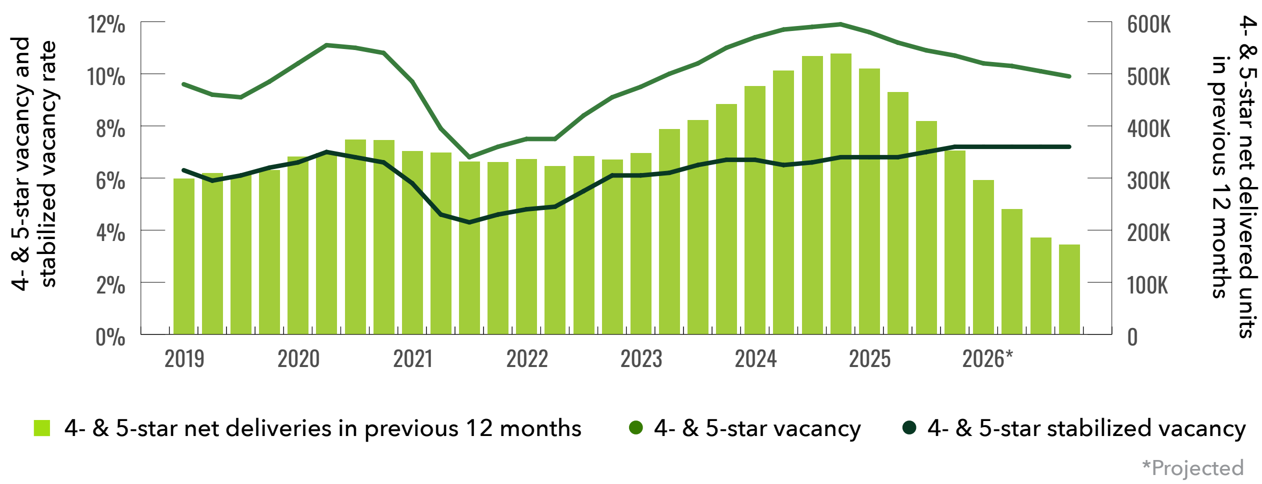
- **Multiple touchpoints well in advance of renewal dates**
- **Addressing resident concerns**
- **Greater willingness to negotiate conditions of renewal**

9 High-end properties will explore unique amenities to stand out

Properties at the top price point will rethink their community amenities to help them stand out in a tough market.

Market conditions are expected to remain challenging, especially for new construction properties.

4- & 5-star vacancy remains high even as deliveries slow down



As a result, communities at higher price points will expand their amenity offerings to include unique options to differentiate themselves from the competition and attract the latest wave of amenity-focused Gen Z renters.

- **Onsite café**
- **Rooftop garden**
- **Sauna**
- **Plunge pool**
- **Meditation room or pod**
- **Virtual fitness spaces**
- **VR room**
- **Recording studio**

10

Low and mid-priced properties will maintain high resident retention

As luxury properties struggle to retain residents, the lower end of the market will enjoy relatively high retention.

Housing demand among lower-income households is typically relatively inelastic – it remains somewhat stable even as prices rise.

Low (1- & 2-star) and mid-priced (3-star) properties will continue to outperform luxury properties in rent growth. Despite price increases, financial uncertainty and rent pressures will keep these residents less likely to move.

How much more it would cost per month to move into a luxury apartment?[6]

[6] National average market asking rent for a one-bedroom apartment, CoStar October 2025.

★★ **$685** from a 1- or 2-star building

★★★ **$501** from a 3-star building

The significant price gap between these properties and new construction properties, even those offering concessions, will limit the number of renters able to move from a low or mid-priced property into a new construction unit.

11 Unit-specific media will be a must-have

The demand for unit-specific photos, videos, and 3D tours is growing – and will feature as a top marketing strategy in 2026.

Nearly eight in 10 renters want to see photos of the exact unit they're considering, and one in three say they'd like to see 3D tours of the advertised units.[9]

As for listings that lack any photos of the actual unit, 53 percent of renters say they'd cross the property off their list and keep searching.

Unit-specific media is especially important for Gen Z renters. As these younger renters make up an increasing share of the market, properties will respond with more comprehensive media on their listings.

Compared to renters overall, Gen Z renters are:

9 percentage points

more likely to want unit-specific 3D tours

7 percentage points

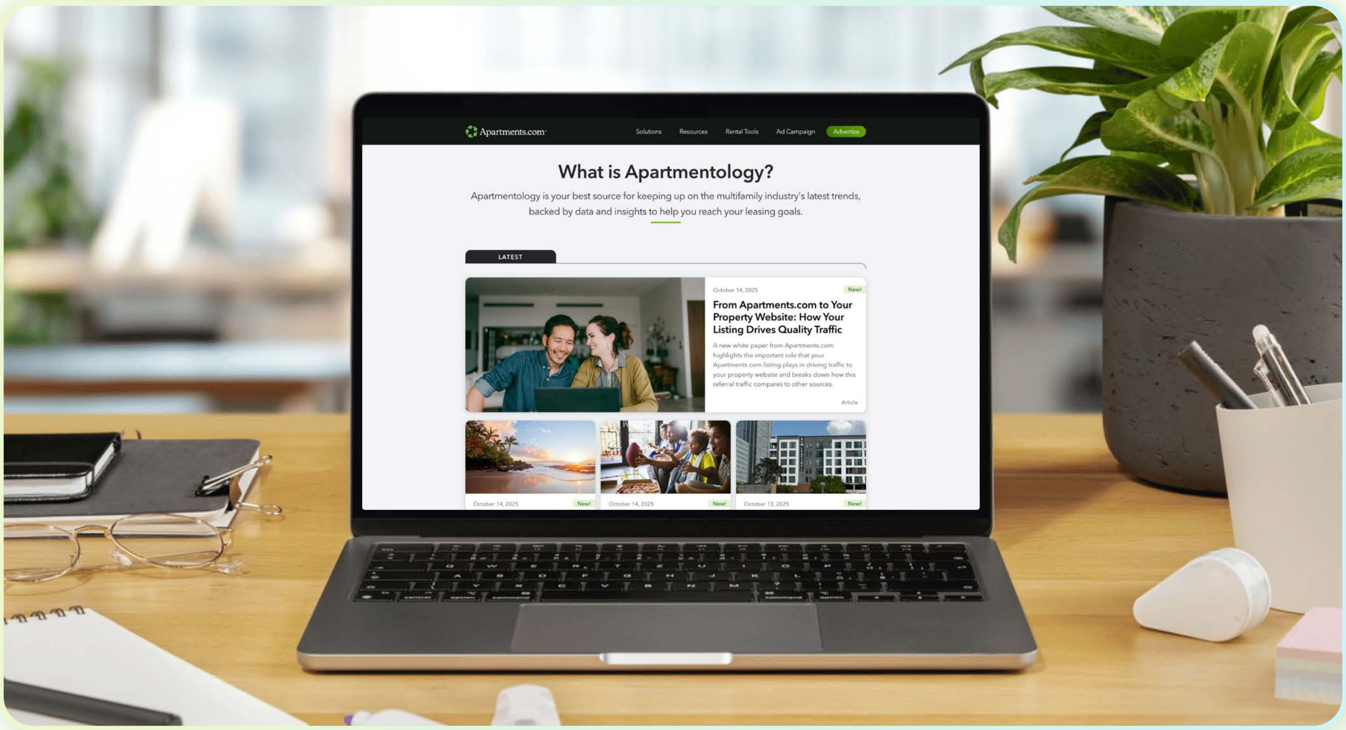
more likely to want unit-specific video

5 percentage points

more likely to skip property listings that don't include photos of the exact unit[9]

As multifamily communities compete to fill vacancies in 2026, unit-specific media will be an increasingly popular tool to meet renter expectations and improve leasing efficiency.

[9] Apartments.com Q2 2025 renter survey of over 20,000 U.S. adults planning to rent, including 5,365 Gen Z respondents.



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