

The signals that matter: Reading the rental market in real time

Mischa Fisher
Chief Economist
Zillow

“

Survive ‘til ’25.

“

By 2005 or so, it will become clear that the internet's impact on the economy has been no greater than the fax machine's.

Paul Krugman
1998

***Fed Chair Sets Stage for Longer
Periods of Lower Rates***

Published Aug. 27, 2020

***Powell Downplays Inflation Risks as
Yellen Foreshadows Future Spending***

March 23, 2021

**Yellen says inflation should be lower
than current levels by year end**

June 23, 2021 3:27 PM MDT · 1

The New York Times

The New York Times



Consumer Price Index (CPI)



“

**There are still a lot of things we
don't know about the coronavirus...
Consumer interest in spending
could be impacted.**

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Mischa Fisher
2020

What we'll cover today



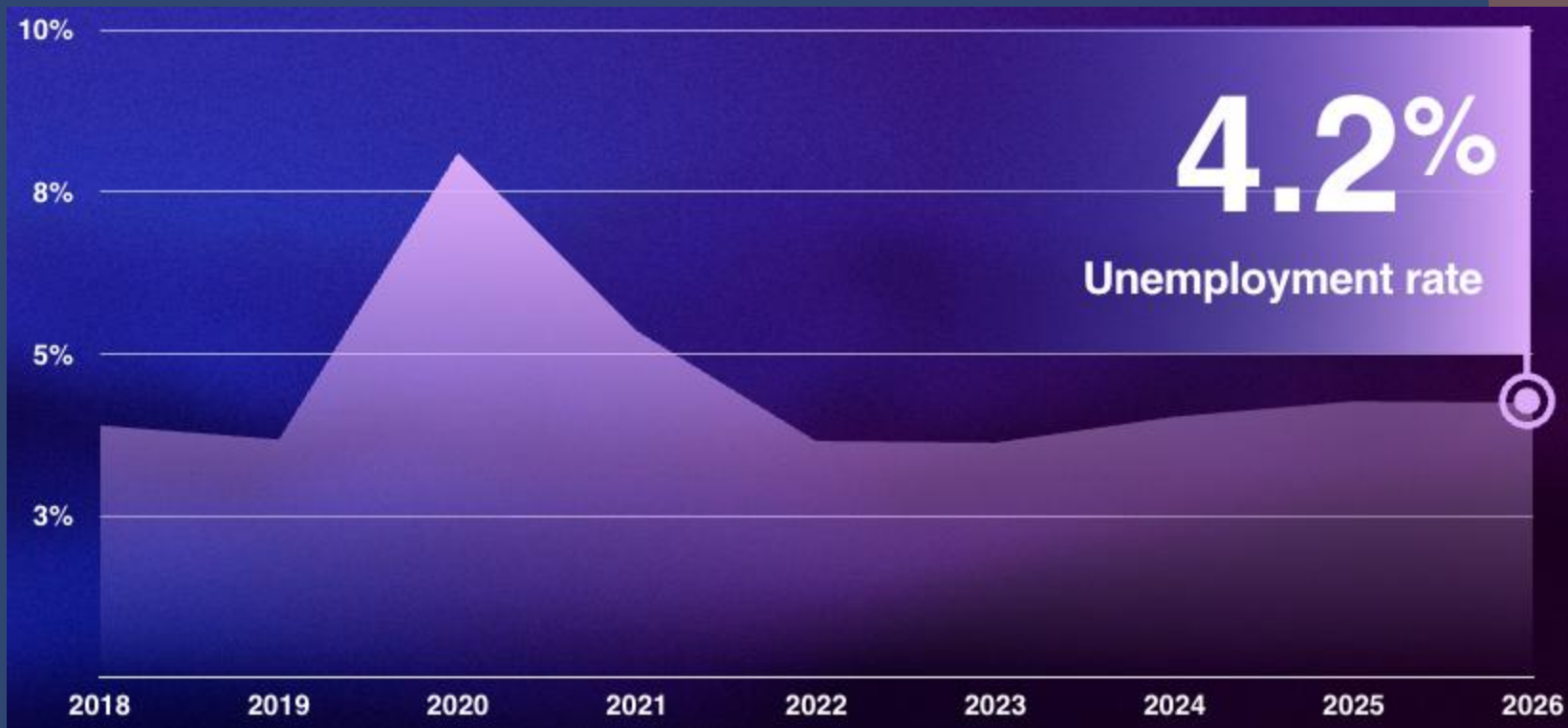
6 numbers that explain today's economy



Rental market update

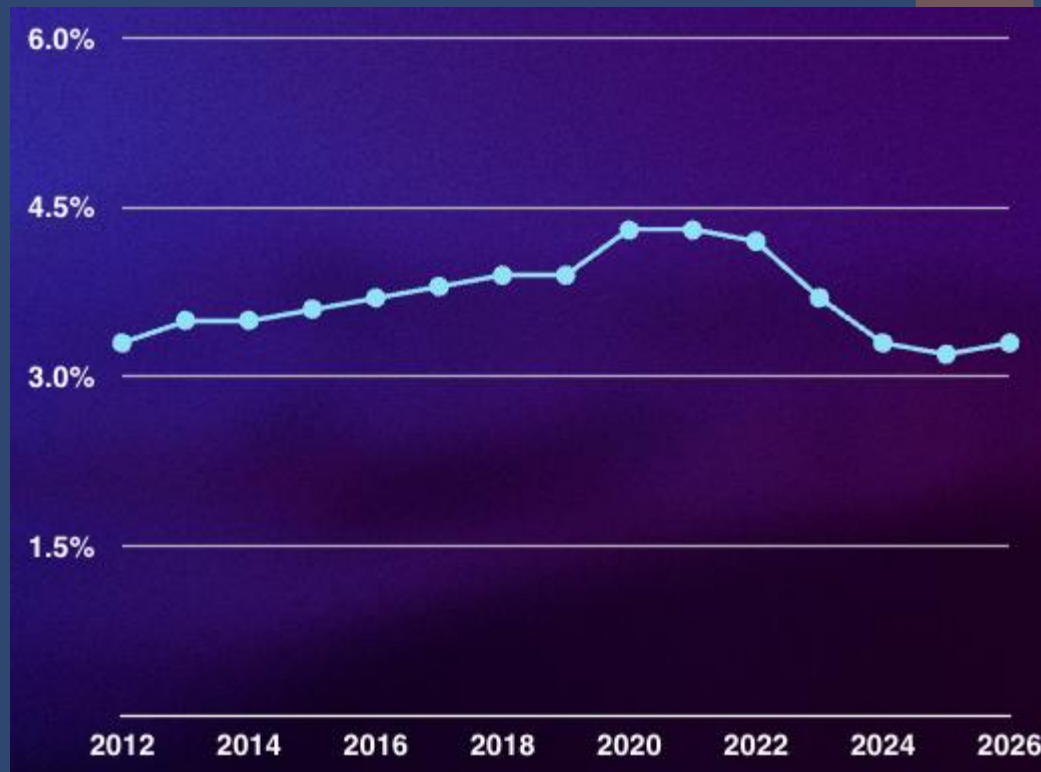


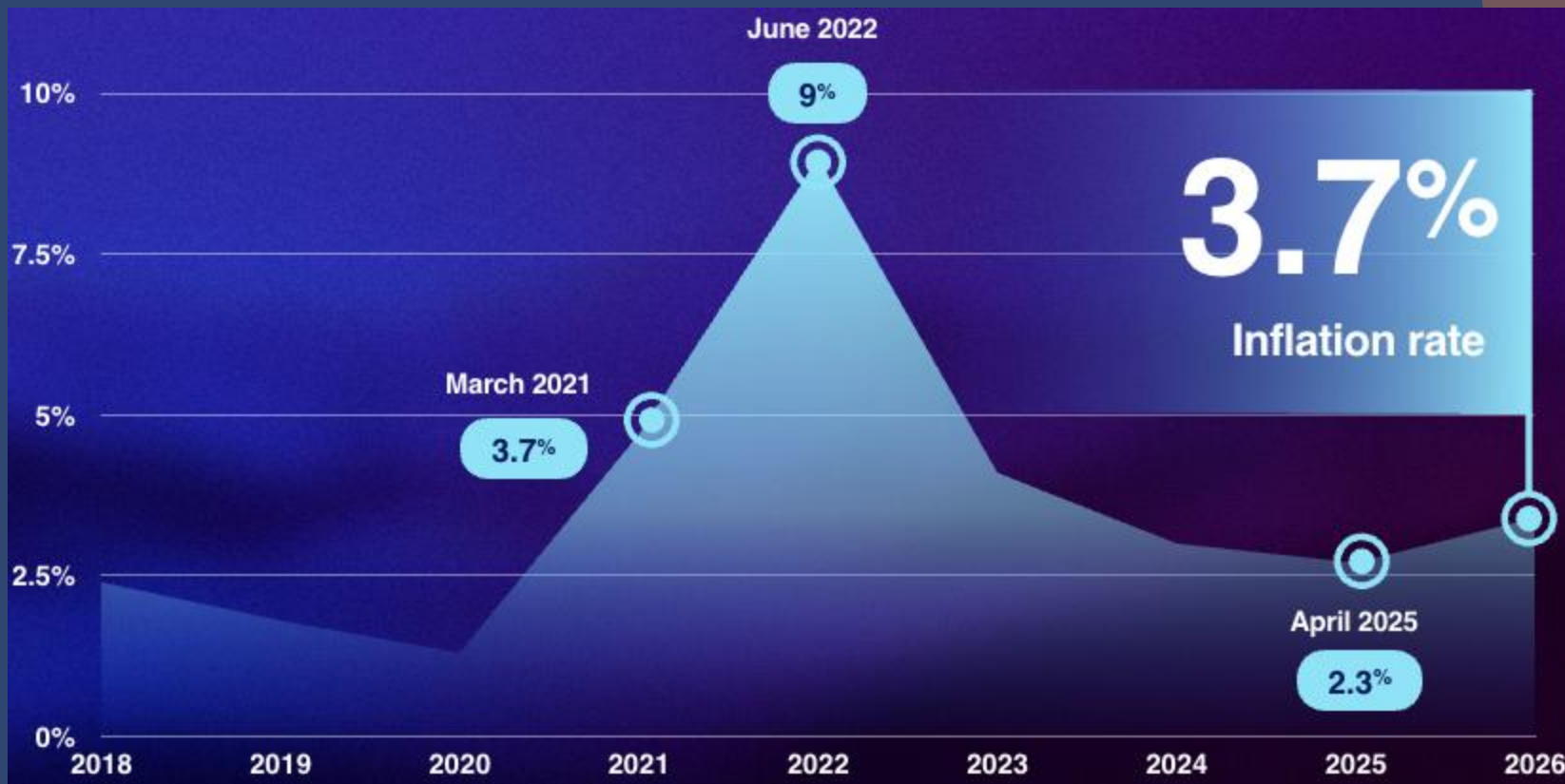
Look ahead to 2027



0 times

since the Great
Recession the
hiring rate has
stayed this low for
this long





0
months

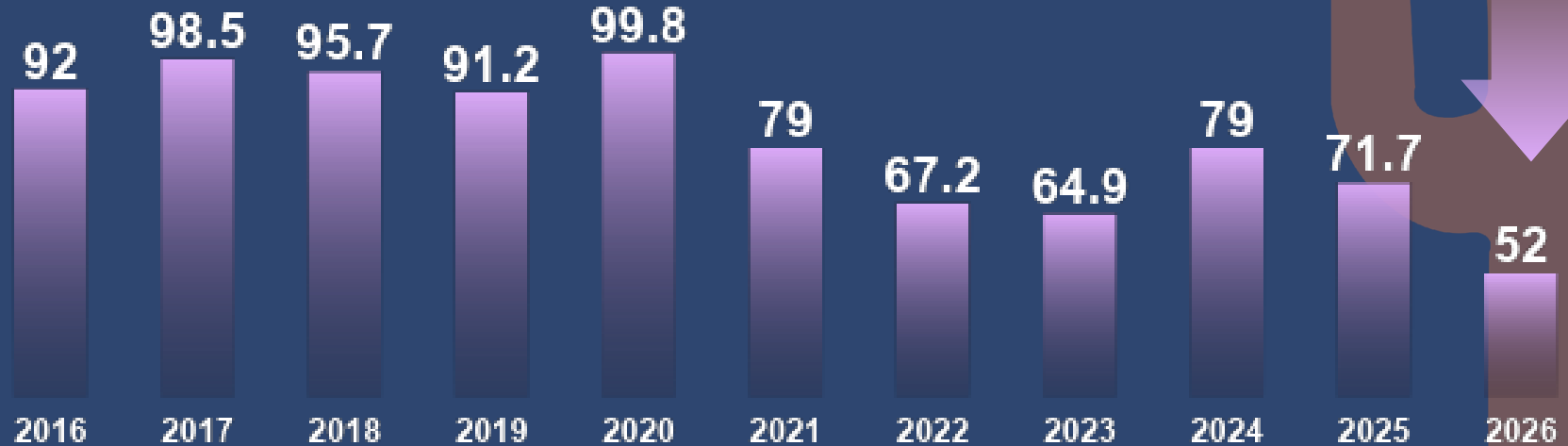
**inflation has been
at the Fed's 2%
target in the past
5 years**

6 straight months

inflation has risen faster than wages



Consumer sentiment is near an all-time low



What does this mean for multifamily generally?

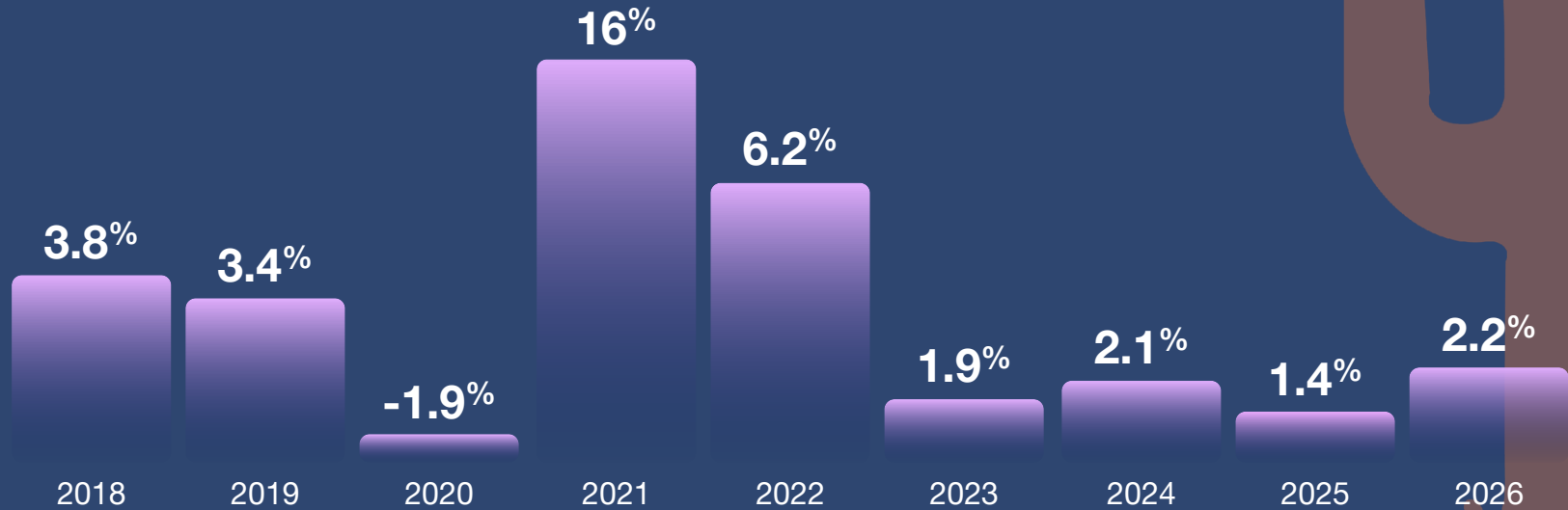
Renters are stretched thin

**Pools are nice, affordability
is non-negotiable**

**Renters need a reason to
feel good about saying “yes”**

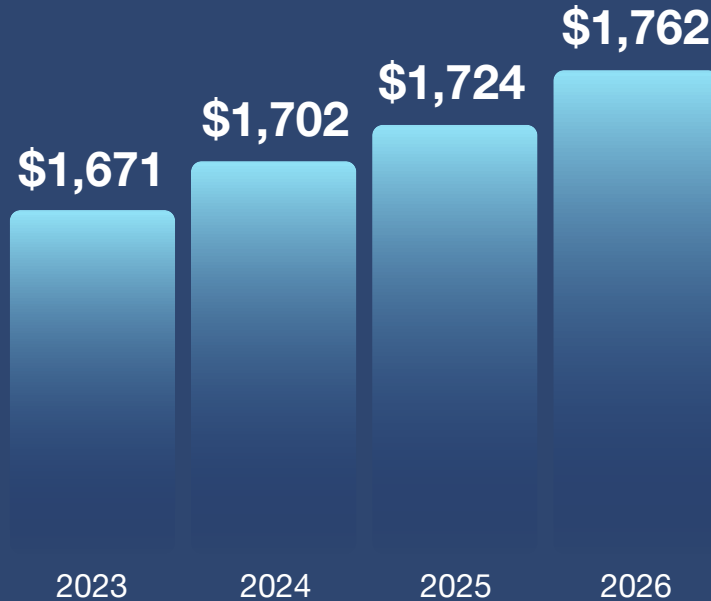
What operators see

Multifamily rents YoY



What renters see

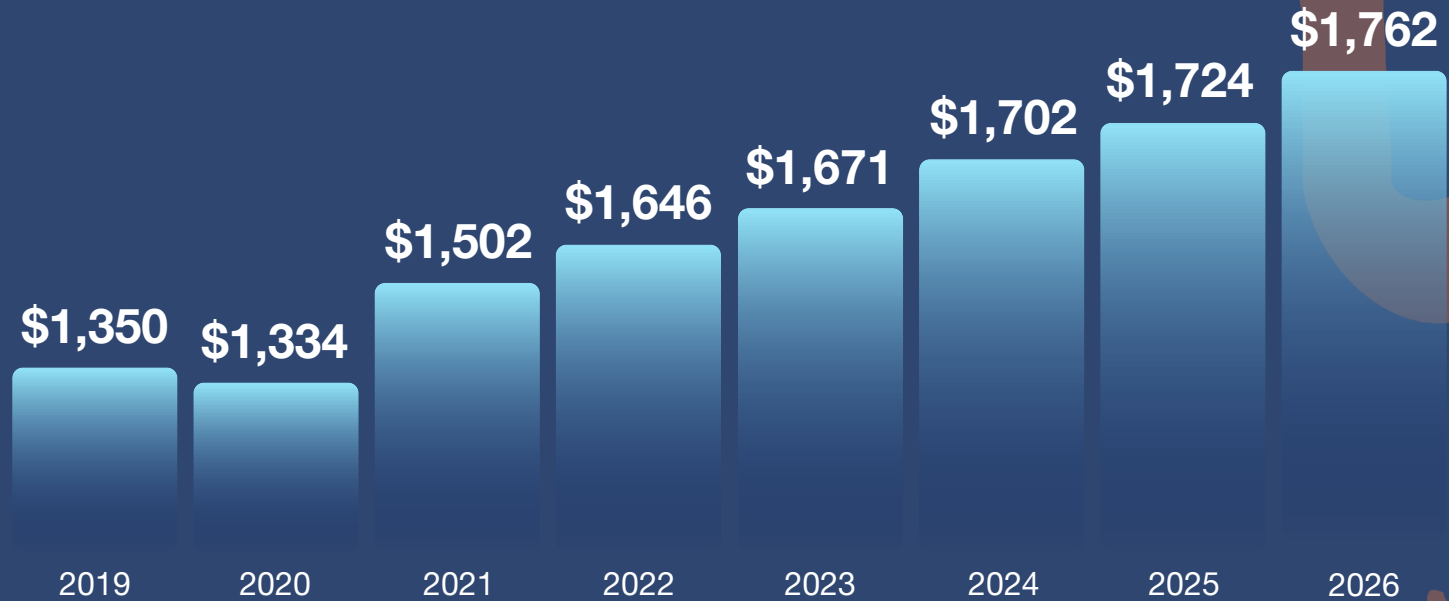
Multifamily rent prices



Source: Zillow Observed Rent Index, Multifamily, as of Sept. 2026

What renters see

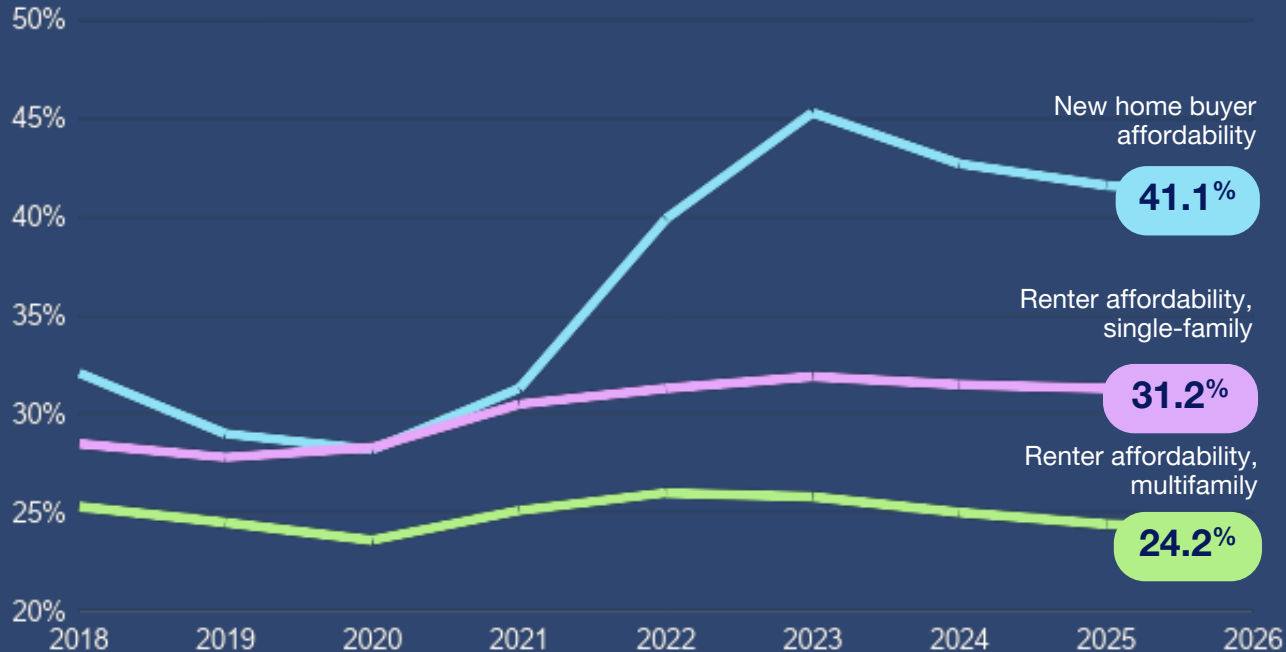
Multifamily rent prices



Source: Zillow Observed Rent Index, Multifamily, as of Sept. 2026

Renting is a good deal

Share of income spent on housing



\$3,014

Typical monthly mortgage

\$2,289

Typical single-family rent

\$1,774

Typical multifamily rent

Renting is not
“throwing money away”

\$14,880

**Annual savings
compared to buying**

When invested, those annual savings are worth:

\$15,255

One year

\$83,754

Five years

Source: Zillow

National headlines don't tell the story of where you operate

[NEWSNATION]

Rent growth hits slowest pace since 2020, Zillow says

San Francisco apartment rents

5.7%
↑
YoY

©CBS NEWS

American's paychecks are getting swallowed by rent. See how much people pay in major U.S. cities.

Denver apartment rents

1.9%
↓
YoY

npr

40% of rentals this spring are offering extra incentives for new renters, Zillow says

Listings offering concessions

Dallas	Chicago
64%	22%

2027 outlook

-6.2%

**Multifamily
completions**

7%

**Projected
vacancy rate**

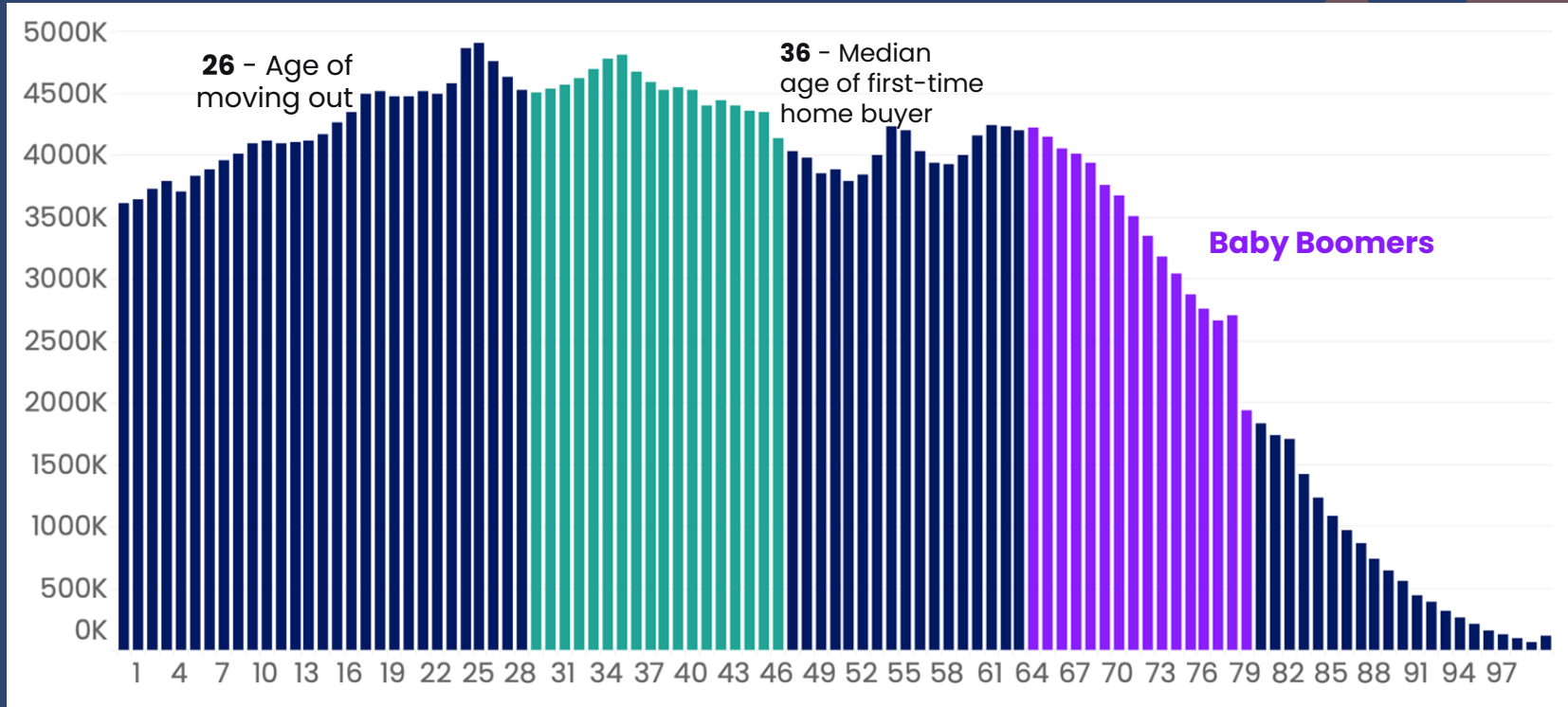
2%

**Multifamily
rent forecast**

2.7%

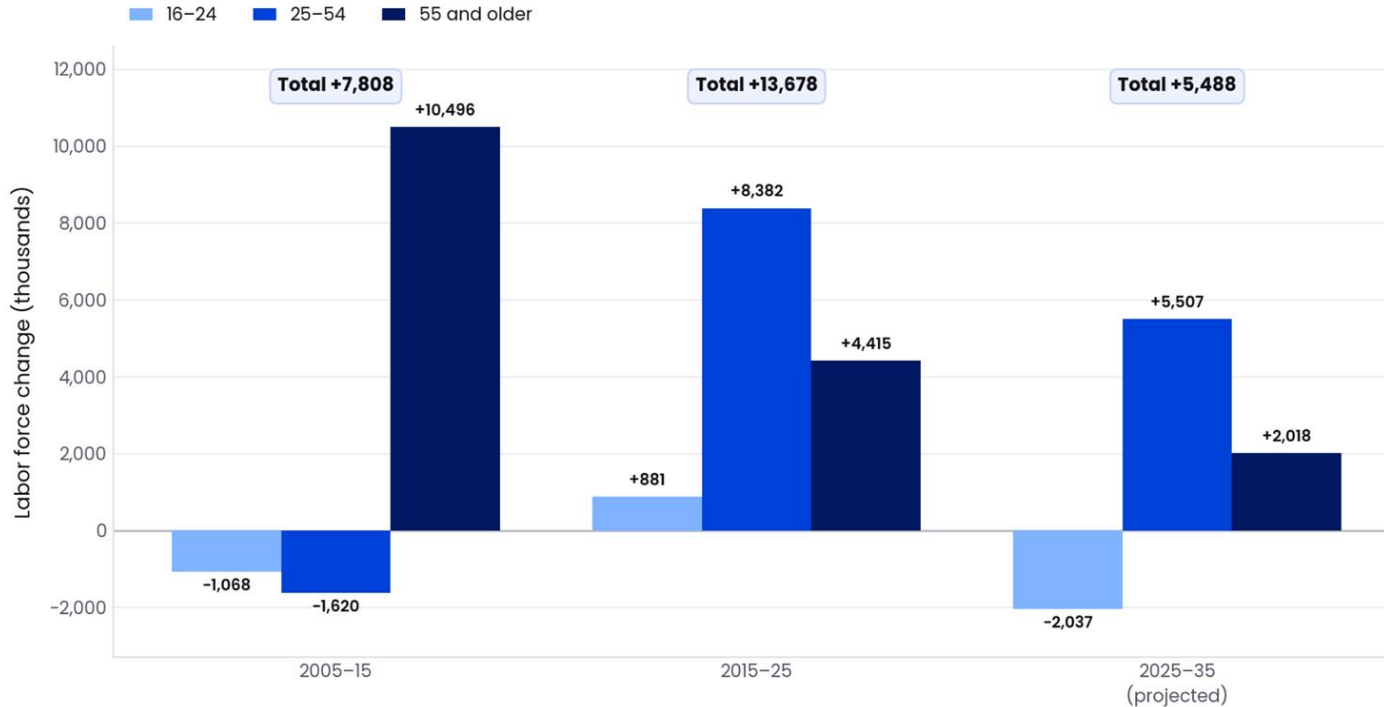
**Single-family
rent forecast**

2027 outlook



2027 outlook

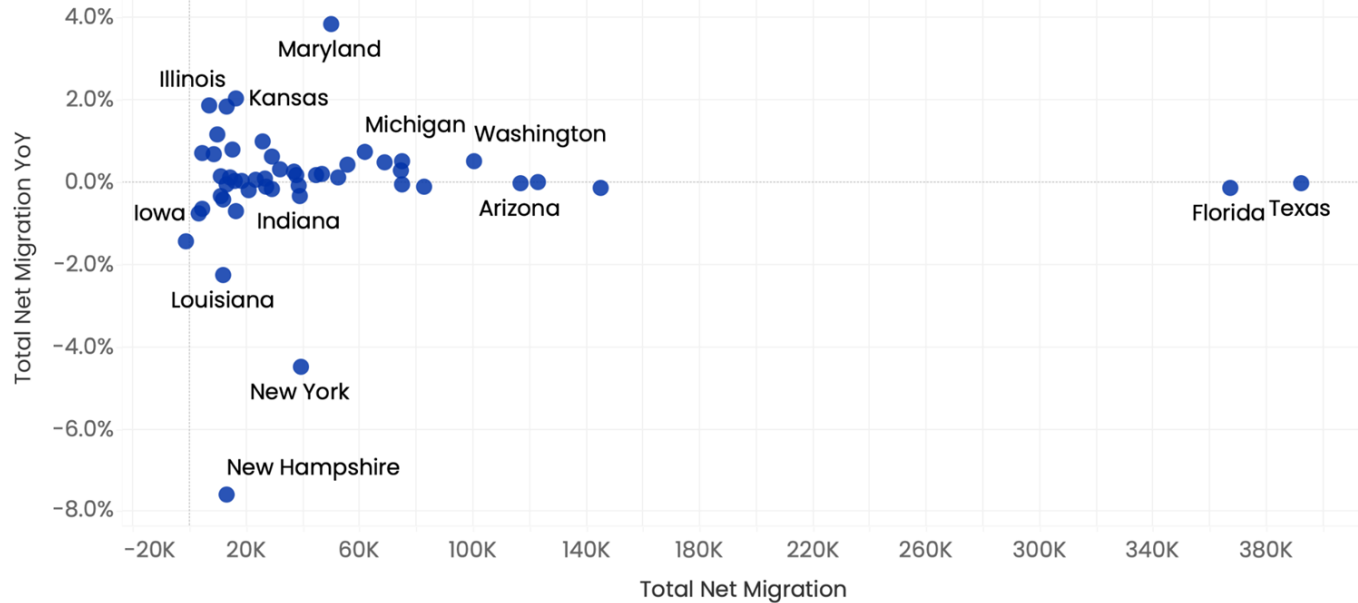
Change in the U.S. civilian labor force (16+), by age group · thousands · 2035 projected



Source: U.S. Bureau of Labor Statistics, Employment Projections — Table 3.1

2027 outlook

Total Net Migration



Metrics to watch

For-sale affordability

Lower rates = lower rental demand

Concessions

Leading indicator

New construction

Factor this into long-term planning