NMHC

Apartment Wire Newsletter

What Tighter Conditions Mean for Housing Affordability

Read Time: 5 minutes

The U.S. apartment market tightened over the past three months, according to NMHC’s July **Quarterly Survey of Apartment Market Conditions**, meaning higher rent growth and lower vacancy.

This comes after three consecutive quarters of loosening conditions (increasing vacancy and decreasing rent growth). The drivers behind this shift in market conditions and what they suggest for the months ahead were the focus of NMHC's State of the Multifamily Market webinar.

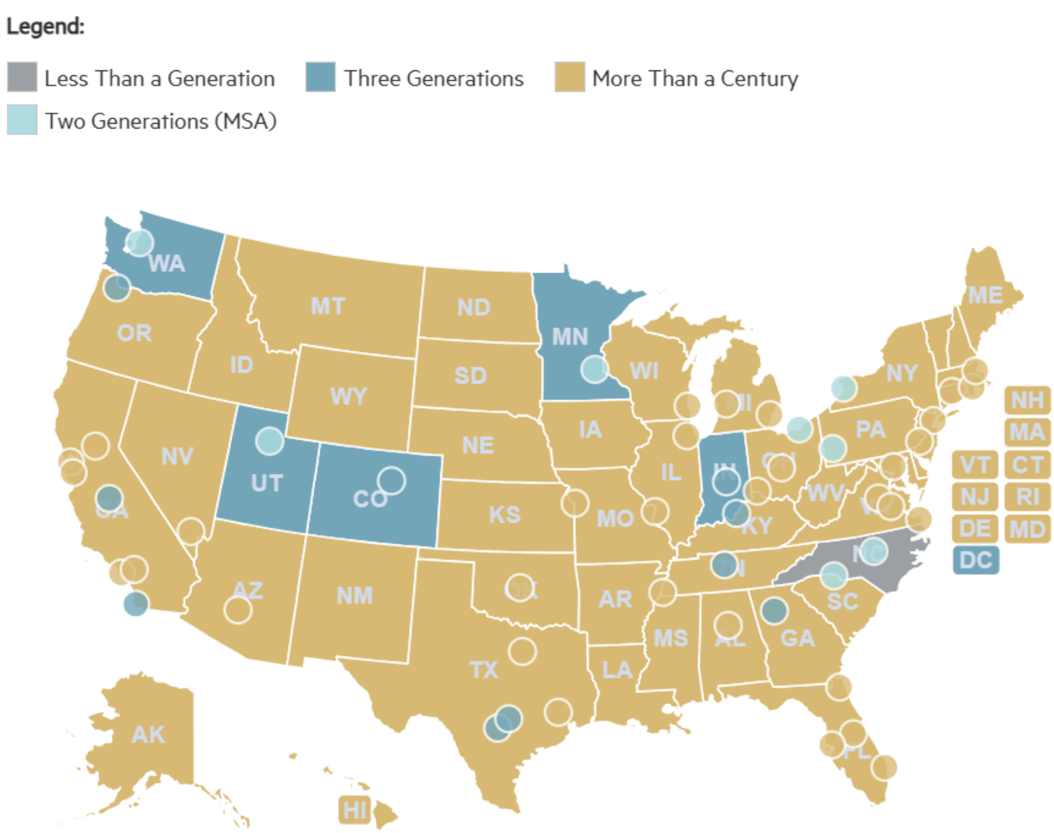
A slowdown in apartment completions, paired with a modest rebound in job growth, is behind that shift. John Chang, Senior Vice President and Chief Intelligence & Analytics Officer at Marcus & Millichap, told webinar attendees that units under construction nationally have dropped by roughly half since 2022, a pullback he expects to continue as tariff-driven material costs and tighter immigration policy weigh on labor availability. Paired with a modest rebound in job growth this spring, that slowdown pushed the Market Tightness Index to 57, above the breakeven level of 50 and the first above-breakeven reading in a year.

Twenty-nine percent of respondents described conditions as tighter than three months ago, compared with 15% who saw them as looser. Still, Chang cautioned against reading too much into any single quarter. Sun Belt markets that absorbed heavy supply in recent years, he noted, are still working through oversupply and negative rent growth in some cases, even as they post some of the strongest absorption numbers in the country.

Despite the current variation from market to market, Chang's outlook for the years ahead underscored that the country's underlying housing shortage hasn't gone away, and as supply continues to taper, he expects the current imbalance between supply and demand to persist.

That shortage is exactly what **NMHC's Housing Affordability Toolkit**, now with an interactive map, was built to illustrate, providing a state and metro-level view of where housing availability is most out of balance with local needs and suggesting policy solutions to alleviate those challenges.

View the full July Quarterly Survey results. **View webinar**.



Renter Insights Survey: Still Accepting Participants

RETTC and NMHC are still accepting firms for the Renter Insights Survey. Several companies have already fielded their surveys, but we're continuing to recruit participants across the rental housing sector.

Participation is open to NMHC and RETTC member firms only.

Firms that participate will receive a free benchmark report.

Visit our FAQ page.

Fill out the form to participate.

NMHC Members: We Want to Hear Your Story!

We know that behind every apartment community are stories of residents who feel safe, supported and proud to call it home. If your organization has positive experiences to share from your residents, employees or others that embody how your firm creates homes and communities that provide the foundation for individuals and families to build strong, successful lives upon, **we want to hear them**.

By collecting and amplifying these stories, we can help shift the conversation—showing the real, human side of rental housing and pushing back against the growing wave of negative, anti-housing-provider rhetoric.

Please send us your stories so we can tell the public, media and lawmakers the truth about the positive impact rental housing has on ourselves, families and our nation.

Fill out this form so NMHC can amplify your story.

- **Coalition Statement on the Enactment of the 21st Century ROAD to Housing Act:** "The most important housing legislation in a generation, this Act will modernize federal housing programs, reduce barriers to development and encourage the production and preservation of more housing nationwide. The revised bill will help communities expand housing supply, improve affordability and create more pathways to both rental housing and homeownership.
  As a Coalition, we congratulate all partners, stakeholders and lawmakers involved on their steadfast commitment to improving the nation's housing."

- **Key Housing Provisions in the Revised 21st Century ROAD to Housing Act:** The provisions outlined in this piece highlight the provisions in the bill most relevant to rental housing providers, including measures related to institutional investment in housing, housing supply and zoning reform, access to capital and financing and the administration of federal housing programs.

RESEARCH UPDATES

- **NMHC Survey Shows Tighter Apartment Market Conditions Amid Pullback in Capital Availability**: Apartment market conditions tightened over the past three months and conditions for debt and equity financing worsened while deal flow decreased according to results from NMHC's July Quarterly Survey of Apartment Market Conditions.
- **Builders and Developers Optimistic About Long-Term Multifamily**:Results from the **June 2026 NMHC Quarterly Survey of Apartment Construction & Development Activity** reflect a positive outlook on longer-term multifamily construction conditions despite the expectation that costs will continue to increase.

Upcoming Events and Webinars

Open Events

2026 NMHC Student Housing Conference | Oct. 19-21

2026 Q4 State of the Multifamily Market Webinar | Oct. 22

Members-Only Events

2026 NMHC Fall Board of Directors Meeting | Sept. 16-18

RETTC Members Only

OPTECH 2026 | Nov. 16-18

NMHC Members: The list doesn’t stop here—log in to your member account and access other exclusive, member-only meeting and registration details.

More to Explore

Wall Street Journal: A Surprising Portion of Rent-Stabilized Apartments Go to NYC’s Wealthiest Renters

Fortune: How Washington’s war on ‘Wall Street landlords’ could backfire on Gen Z renters

Multifamily Executive: A Roadmap to Solve Housing Affordability

“Renting a glitzy Manhattan apartment for half the market rate while raking in a six-figure salary is urban legend for most New Yorkers. But it is reality for a small class of renters, thanks to the city’s rent-stabilization law."

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"As Congress finalizes the largest housing bill in decades, new industry data and independent housing research are complicating the political narrative that fueled it—suggesting the crackdown on institutional single-family investors may do little to fix affordability while cutting off a rental supply source that had quietly been helping cash-strapped young renters."

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"NMHC continues to tackle the nation’s affordability challenges. In partnership with the NYU Urban Lab at the Schack Institute of Real Estate, the NMHC has released **The Housing Affordability Toolkit**, a policy resource outlining a roadmap for addressing the crisis."

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