

Softer Markets, Slower Starts: Rates, Supply and the Road Ahead

Read Time: 3 minutes

Higher interest rates are reshaping the multifamily housing landscape this fall, with the clearest shift in the capital markets. NMHC's latest research and last week's conversation with CBRE experts point to a market feeling real pressure on the capital side, with conditions loosening modestly at the property level.

NMHC's [October Quarterly Survey of Apartment Market Conditions](#) found that conditions for debt and equity financing worsened and sales activity slowed over the past three months as longer-term interest rates climbed. "Higher rates of inflation have caused longer-term interest rates to spike in recent months, leading to an increase in the cost of both debt and equity capital," said NMHC Senior Director of Research and Chief Economist Chris Bruen. For housing providers who locked in low rates earlier in the decade, that shift is now showing up as their loans mature and refinancing becomes more difficult.

Market conditions, meanwhile, loosened only slightly, with more than half of respondents reporting little change in their markets. On the webinar, CBRE's Martha Hastings and Chris Nebenzahl described the slowdown in sales as a response to rate volatility rather than weakening fundamentals. Both also pointed to early signs of recovery in markets that absorbed the most new supply. If you missed it, you can watch the full webinar recording [here](#).

Higher costs are also shaping what gets built. On the State of the Market Webinar, guests noted that construction and financing costs are increasing, and rents remain relatively flat, making it difficult for new apartment developments to be financially viable. The latest [Quarterly Survey of Apartment Construction & Development Activity](#) showed a similar picture: More developers are holding off on new starts amid rising costs and economic uncertainty, though many expect conditions to improve in the year ahead.

That slowdown matters for affordability, and federal policy has a role to play in keeping new supply coming. The 21st Century ROAD to Housing Act was an important first step. Last week, Treasury proposed rules for the law's restrictions on single-family home purchases by investors that control 350 or more homes, including standards for build-to-rent communities. Read our full breakdown [here](#).



A Note from the President on Student Housing

On October 19, NMHC President Sharon Wilson Géno addressed attendees at the 2026 NMHC Student Housing Conference about the next steps for our student housing community within NMHC. [Click through](#) for an excerpt of her remarks, including an important announcement.

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.](#)

REGULATORY UPDATES

- **[NMHC Joins Coalition Response to Latest WOTUS Proposal](#)**: On October 9, NMHC joined a diverse industry coalition to [respond](#) to policymakers' latest attempt to clarify federal water permitting requirements. Building on this Administration's deregulatory agenda, the Environmental Protection Agency and U.S. Army Corps of Engineers released a proposed rule to define "Waters of the United States" (WOTUS) under the Clean Water Act earlier this fall.

Sign Up for the 2027 NMHC 50

Sign-ups are now open for the 2027 NMHC 50, NMHC's annual ranking of the top multifamily owners, managers, developers, builders and syndicators in the U.S. Survey invitations go out in early December, so make sure the right contact at your firm is on our list. [Sign up to participate.](#)

Upcoming Events and Webinars

Open Events

[Apartment Strategies Conference](#) | Jan. 26, 2027

Members-Only Events

[2027 Annual Meeting](#) | Jan. 26-28, 2027

RETTTC Member Events

[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

Bisnow: The New Challenge For Apartment Managers: Proving Listing Photos Are Real

Washington Post Opinion: What really delays home construction in America

"This will come at a cost, and it could be staggering in some cases, for some portfolios," said Kevin Donnelly, executive director of the Real Estate Technology & Transformation Center.

"What's really needed here is to make sure that we retain disclosure and false advertising protections, but also address the infeasible record production mandate that the law carries."

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"Between one-third and nearly half of the total delay in America's slowest-permitting cities is spent waiting for a green light from city officials, the researchers found. And the delays compound. Cities that drag their feet on permits tend to see slower construction by builders once approval is granted...Slow permitting is also associated with high rents and less construction across cities."

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