



ORIGIN
INVESTMENTS

MultyticsSM Rent Forecast Report

January 2024–January 2025

This report is produced by Origin Investments and is not associated with our affiliate company, Origin MCF Investco, LLC.

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Executive Summary

Origin Investments' new MultilyticsSM Rent Forecast provides a one-year outlook for Class A multifamily rents in a variety of markets. The data is provided by Multilytics, our proprietary suite of machine-learning models that can forecast rents down to the property level. This report includes year-over-year (YOY) forecasts from January 2024 to January 2025 at the national, regional and gateway market level. It also includes forecasts for Origin investment markets: Austin, Dallas, Houston, San Antonio, Orlando, Tampa, Jacksonville, Nashville, Charlotte, Raleigh, Atlanta, Colorado Springs, Denver, Phoenix and Las Vegas.

Multilytics forecasts that by July 2024, six Origin target markets—Denver, Houston, Tampa, Phoenix, Colorado Springs and Nashville—will show positive YOY rent growth; by January 2025, all will report positive YOY growth, ranging from 1.36% in Austin to 5.88% in Nashville. National (1.72%), regional and gateway markets will show positive YOY rent growth by January 2025 as well, with the Southeast U.S. the lowest at 0.09% and the West the highest, at 2.90%.

With this report comes a caveat: The multifamily sector faces myriad challenges in 2024, including continuing high interest rates and slowing but still high inflation, a near-record-breaking number of new units coming online, and a possible recession. And the number of distressed properties is expected to increase. To account for these uncertainties, we slightly increased the prediction range for 2024.

Multifamily Outlook: Optimism Amid Risks



Introduction

In 2021, Origin Investments' proprietary suite of machine-learning models, MultilyticsSM, began predicting that many multifamily markets would approach or enter negative year-over-year rent growth territory in the first half of 2023. Other forecasts pointed to a cooling of year-over-year (YOY) increases but an unbroken horizon of single-digit rent growth. Even though ours was not a mainstream view—coming amid the froth of double-digit percentage rent increases, rapid dealmaking and outsized pricing in 2021 and 2022—we began incorporating a higher cost of debt and other variables into our due diligence on markets and deals.

To our knowledge, we were the only provider to foresee negative rent growth, detailed in the [Multilytics Rent Forecast 2023-24](#). And we continued to rely on Multilytics to add a healthy dose of realism to our conservative risk-management practices and the real-time insights of our local dealmakers.

In Austin, where rents had increased by dramatic double-digit percentages, other providers believed it would remain above 6% throughout 2023—one of the highest among U.S. markets.

It reported -1.84% YOY rent growth in July, below even our prediction of 1.17%. In Atlanta, it was a similar story. And by July, other data providers such as ApartmentList.com were reporting negative rent growth.

Multilytics' accuracy has been proven in one of the most unpredictable and volatile environments in recent history. We confirmed the accuracy of our forecasts in our mid-year [Multilytics Rent Forecast Accuracy Report January–July 2023](#): Ten of our 15 target markets recorded an average deviation within 2% of our point estimates. In all cases where our forecast deviated, market rents came in lower than our estimates.

Accurate rent growth predictions are critical: Dependable information that cuts through market noise leads to better risk management and better decision-making—and, we believe, better returns. If we had relied on industry standard models in 2022, we could have been compelled to invest heavily in places like Austin at exactly the wrong time. Multilytics helped us better understand future probabilities, not just point predictions.

Looking Ahead to 2024

After a few years of atypical market behavior, this preliminary forecast gives us some reason for optimism. Assuming our 2024 predictions play out, Class A multifamily rents in many of our target investment markets will return slowly to normal by January 2025—that is, rent growth averages closer to the historic norm of 2% to 4%—with all markets climbing back into positive territory, from 1.78% (Jacksonville) to 5.90% (Phoenix).

According to Multilytics, the return to positive month-over-month rent growth will become especially pronounced in Q2, with standard seasonal slowdowns in the second half of the year. Indeed, we are already starting to see this positive turn in YOY rates. And assuming 2024 pans out as expected, we see rent growth strengthening in 2025, especially in Origin target markets such as Phoenix, Colorado Springs and Las Vegas.

Unquantifiable Risks

The multifamily sector faces challenges that could move in a number of directions in 2024: the impact of high interest rates, slowing but still high inflation, and a near-record-breaking number of new units coming online. All that has increased the cost of debt, lowered net operating incomes, pulled down valuations—as well as making properties more difficult to value—and pressured rent growth. The number of distressed properties is expected to increase, especially with occupancy trending down. Add to that the increasing likelihood of a recession, which we see beginning later in 2024; and the sharp decline in M2, the supply of money including cash, checking deposits and convertible deposits, whose unchecked contraction could lead to deflation.

To account for this uncertainty, we slightly increased the prediction range for our 2024 outlook, with the bottom end of the range

representing the impact of negative shocks. A black swan event could throw off everyone's predictions, but plotting an array of possible outcomes and their unique probabilities allows us to manage risk more effectively. Moreover, by tracking all rent movement over time, we can quickly identify what outcome we are trending toward. For us, this is more useful than standard point predictions.

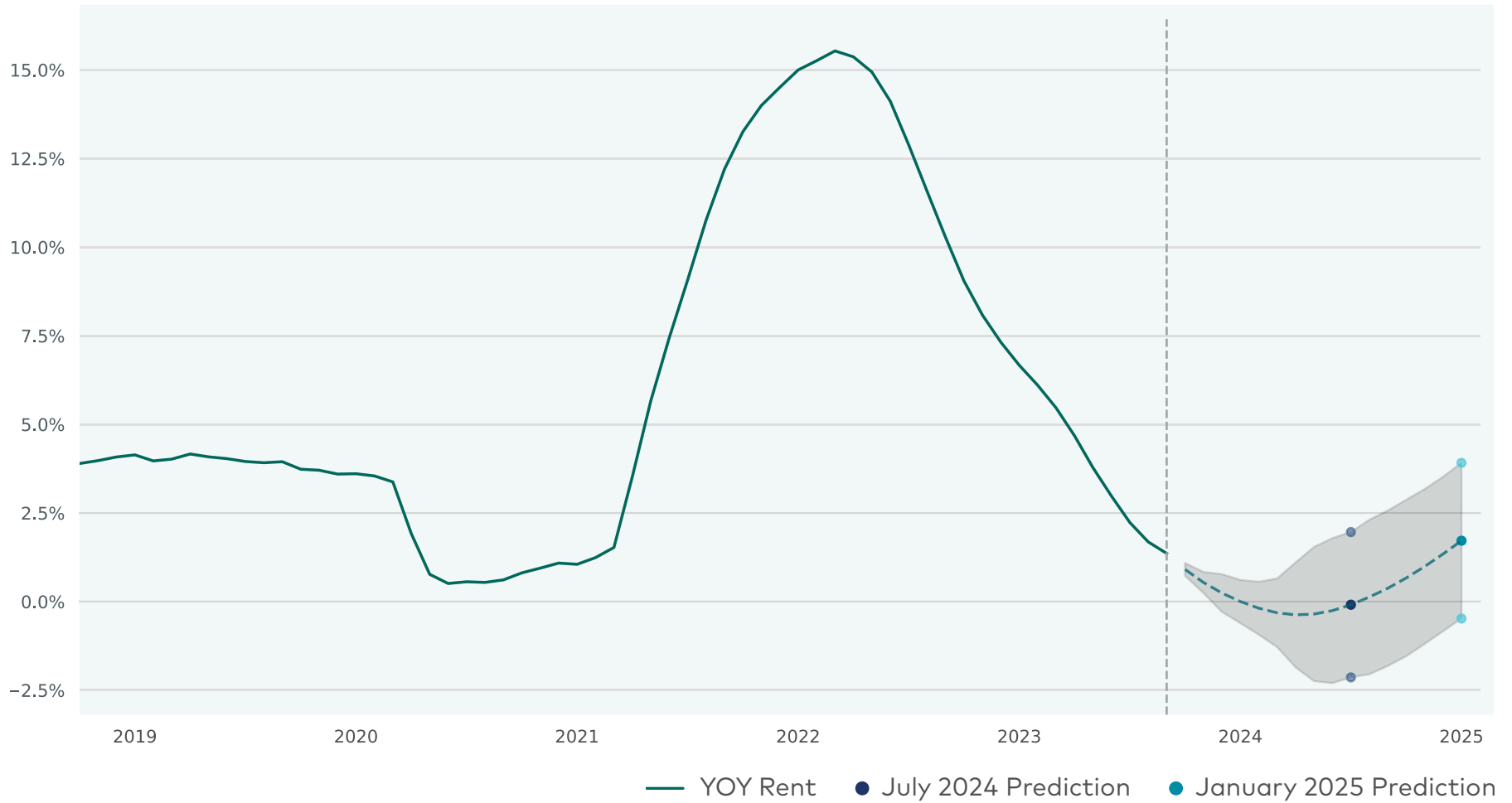
The Resiliency of Multifamily

We remain confident in multifamily as an investment for reasons that overtake these shorter-term challenges: Housing is an essential asset, and the U.S. has been [undersupplied](#) since the Great Recession, requiring millions of apartment units to correct. According to [CBRE](#), multifamily's annual total return averages 9.3% over the past decade. Shorter term, we believe that increasing distress in 2024 will usher in a generational opportunity to invest in multifamily credit vehicles—an opportunity for which we believe we are well prepared.

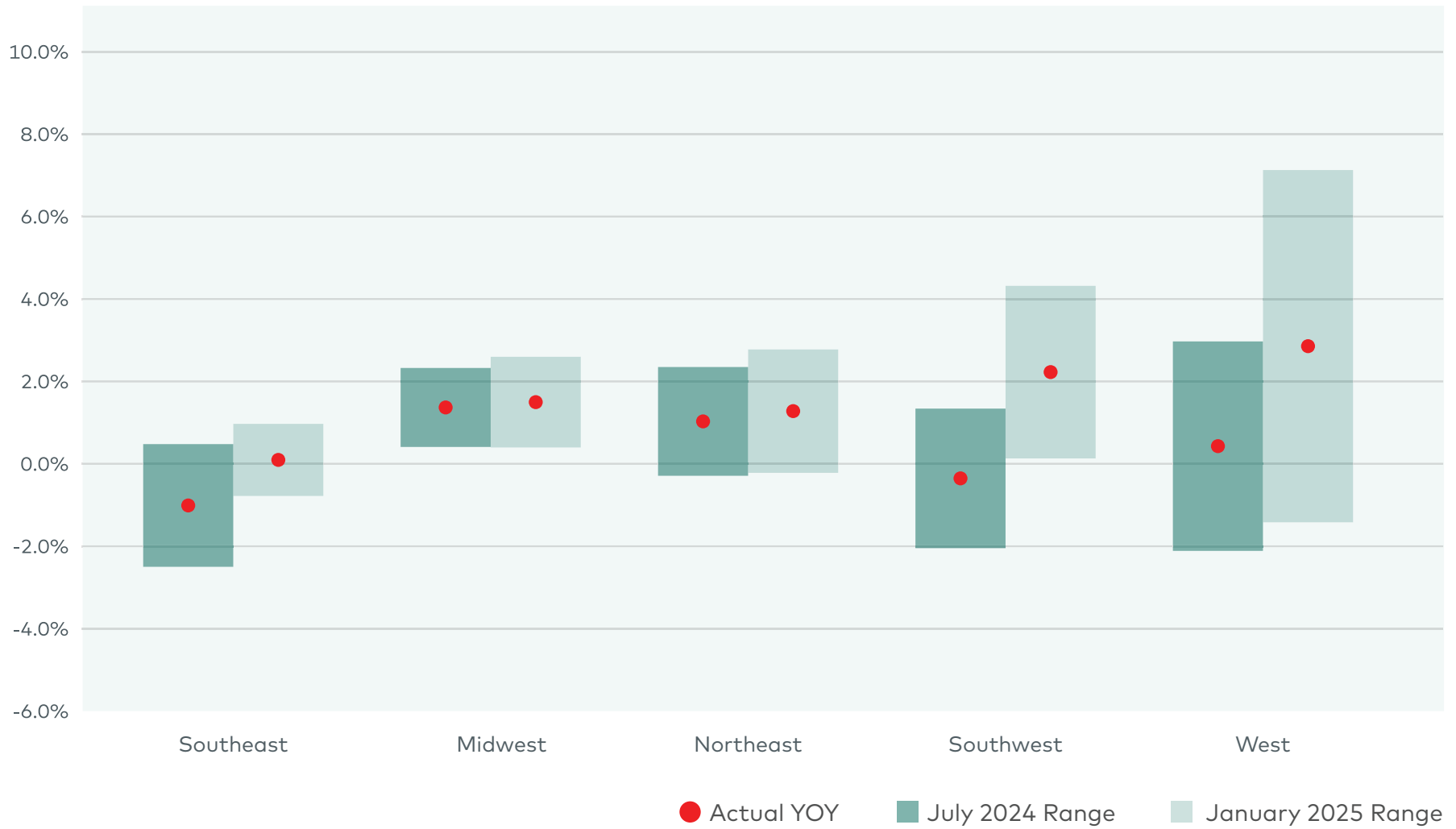
Rent Outlook:

National, Regional and Gateway Markets

National Rent Forecast (%)

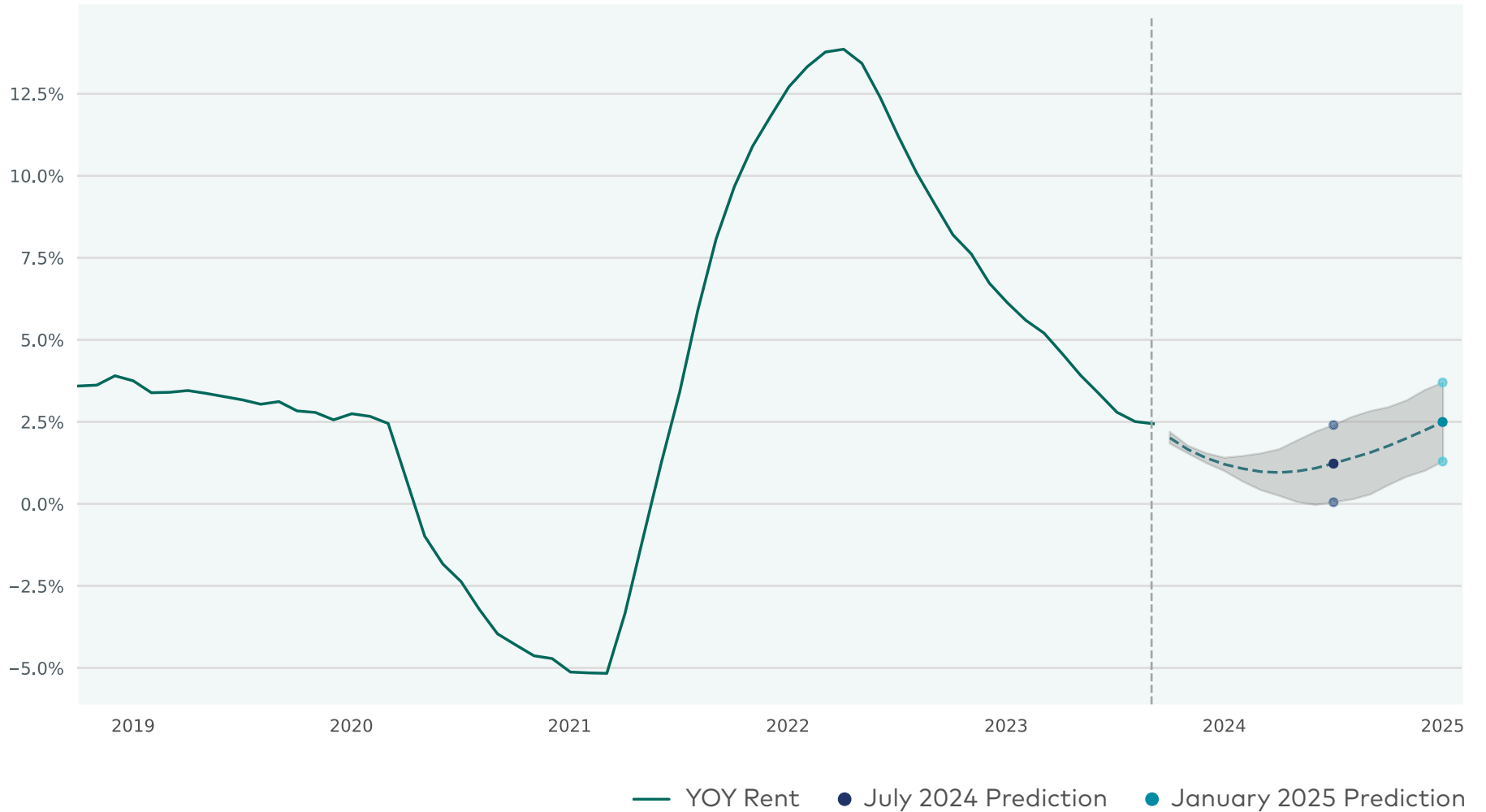


Regional Rent Forecast (%)



Gateway Rent Forecast (%)

Gateway markets include Los Angeles, San Francisco, Boston, New York City and Miami.



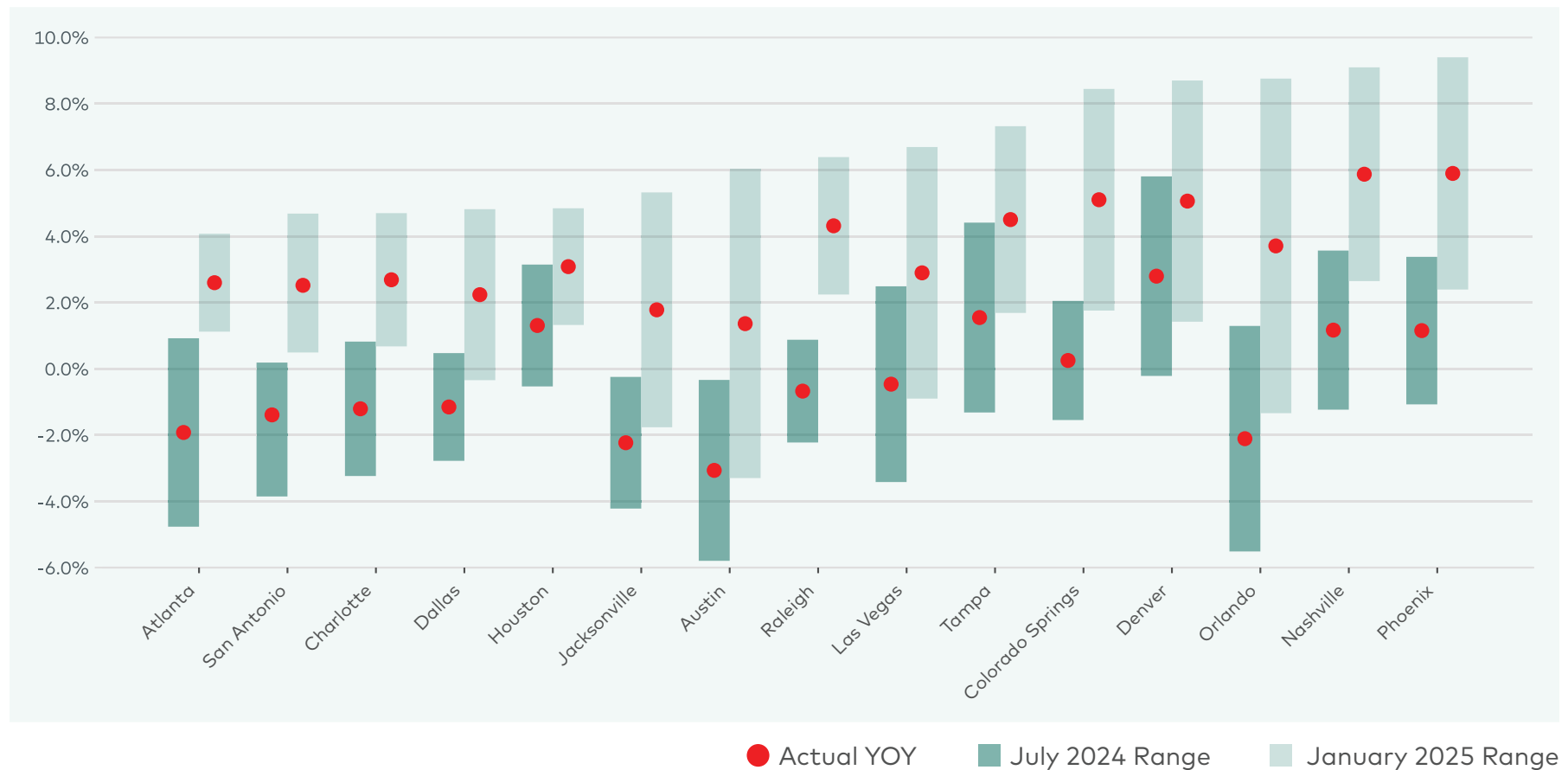
Rent Outlook:

Origin Investments Target Markets

Summary

Through its Funds, Origin invests in Class A multifamily development projects across fast-growing cities throughout the Southeast and Southwest regions of the U.S. The chart below shows six- and 12-month rent outlooks for all our investment markets; following are detailed outlooks for each investment market.

Origin Investments Target Markets Rent Forecast (%)



Austin

1.36%

YOY Rent Growth

-4.51%

YOY Occupancy

Income Growth

8.83%

Job Growth

9.20%

Current Occupancy

88.03%

Population Growth

2.78%

Rent Affordability Ratio

19.74%

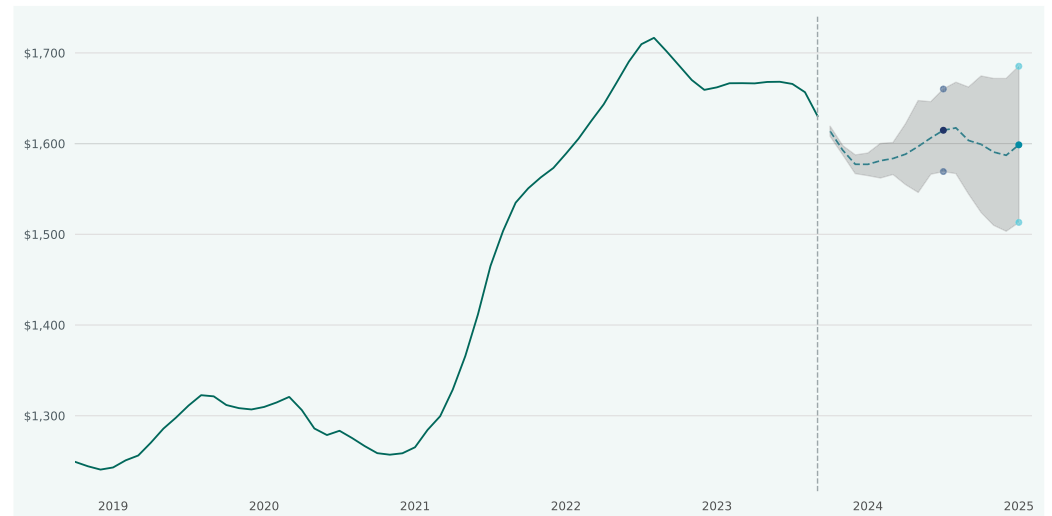
Renter Proportion

41.16%

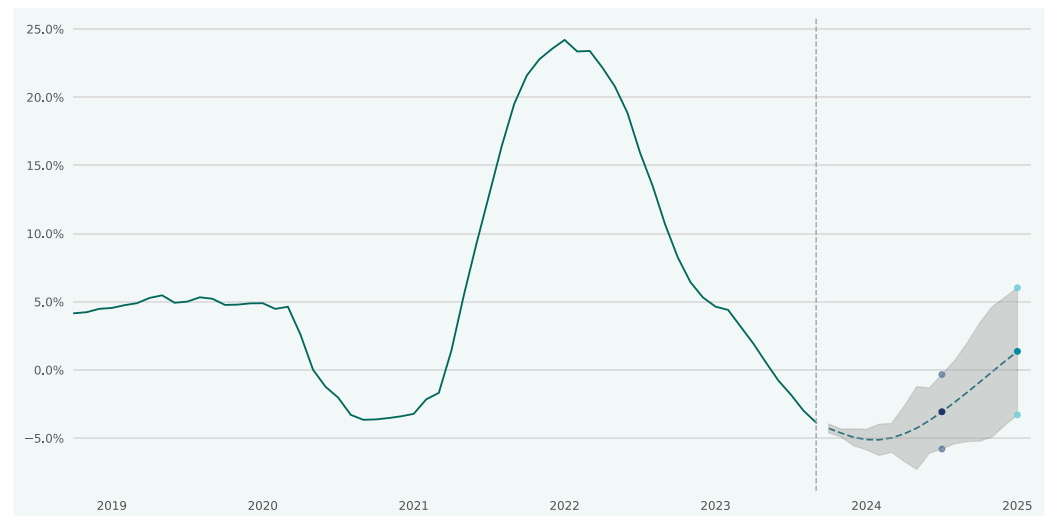
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Dallas

2.24%

YOY Rent Growth

-2.73%

YOY Occupancy

Income Growth

8.43%

Job Growth

6.50%

Current Occupancy

90.37%

Population Growth

1.72%

Rent Affordability Ratio

20.27%

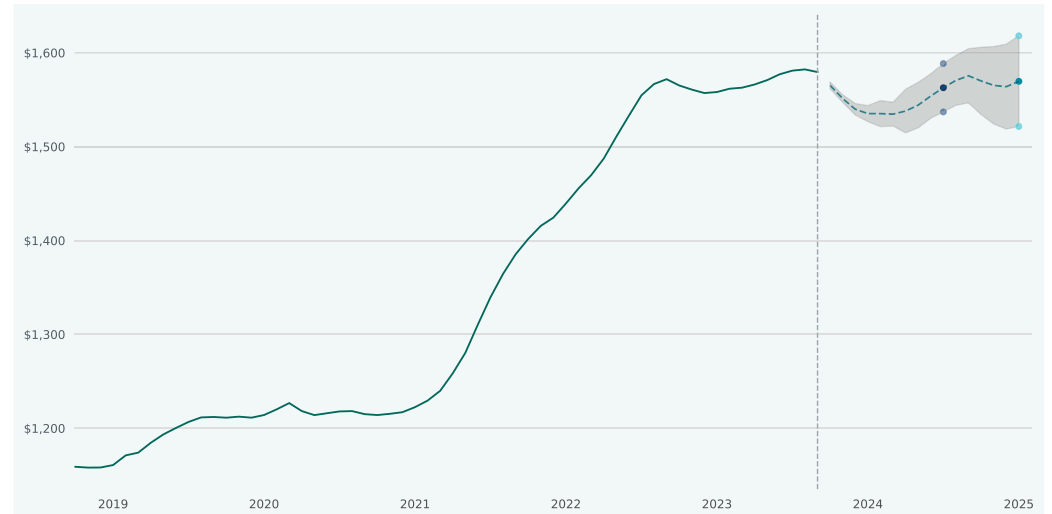
Renter Proportion

40.06%

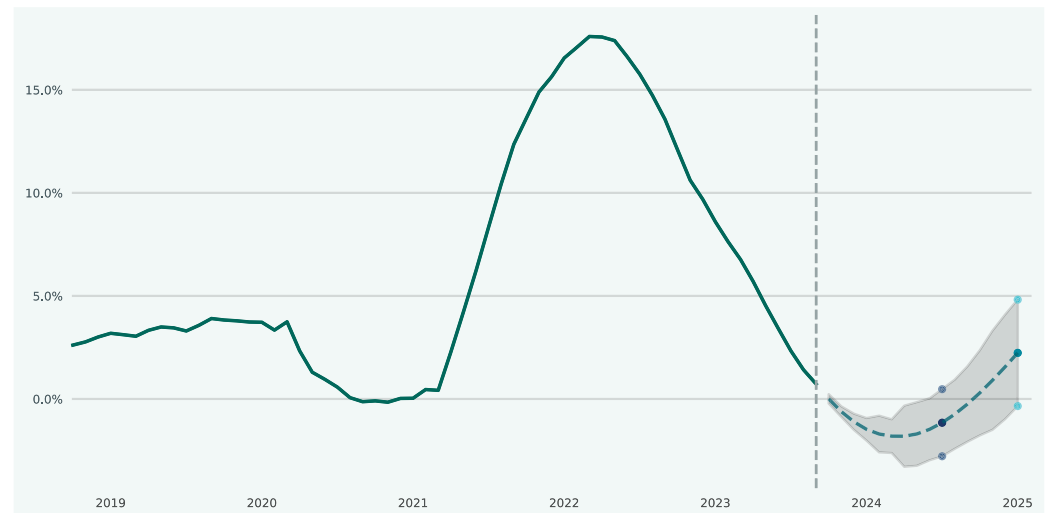
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Houston

3.08%

YOY Rent Growth

-1.88%

YOY Occupancy

Income Growth

7.59%

Job Growth

5.20%

Current Occupancy

89.89%

Population Growth

1.33%

Rent Affordability Ratio

20.00%

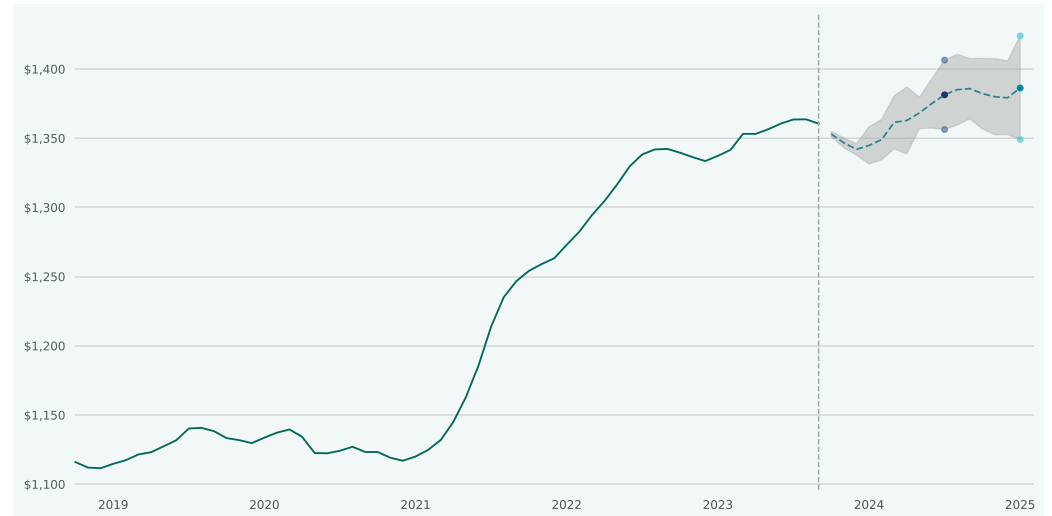
Renter Proportion

38.19%

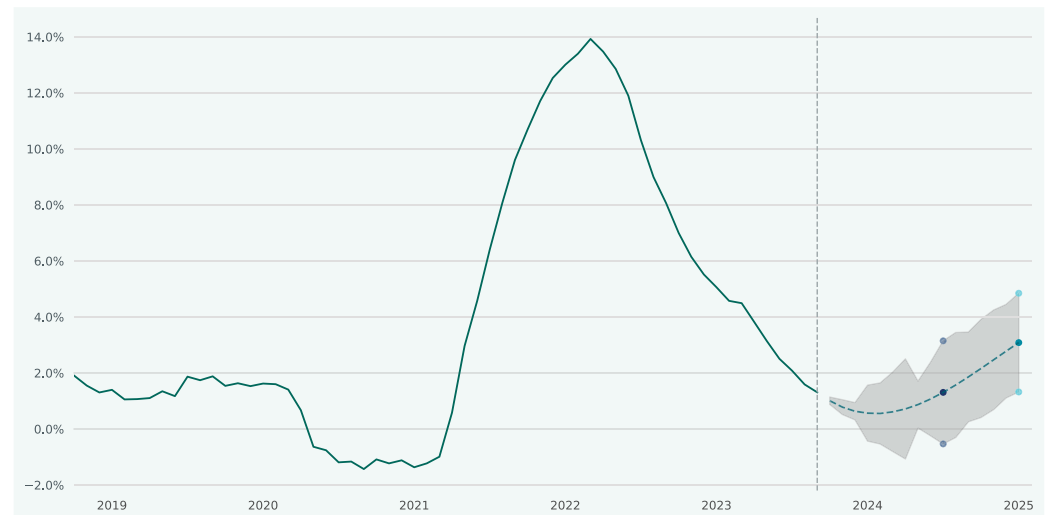
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

San Antonio

2.52%

YOY Rent Growth

-2.65%

YOY Occupancy

Income Growth

8.50%

Job Growth

5.90%

Current Occupancy

90.73%

Population Growth

0.19%

Rent Affordability Ratio

18.39%

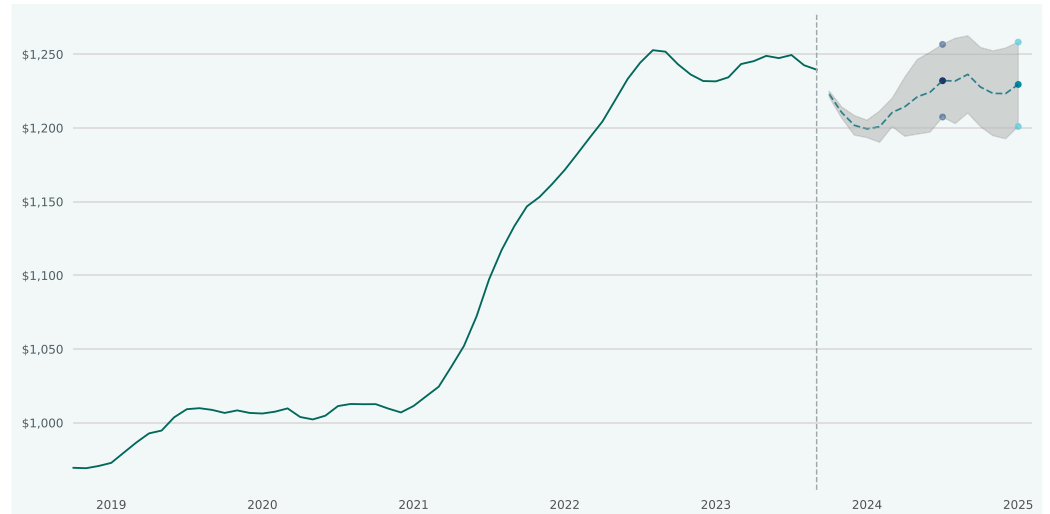
Renter Proportion

32.07%

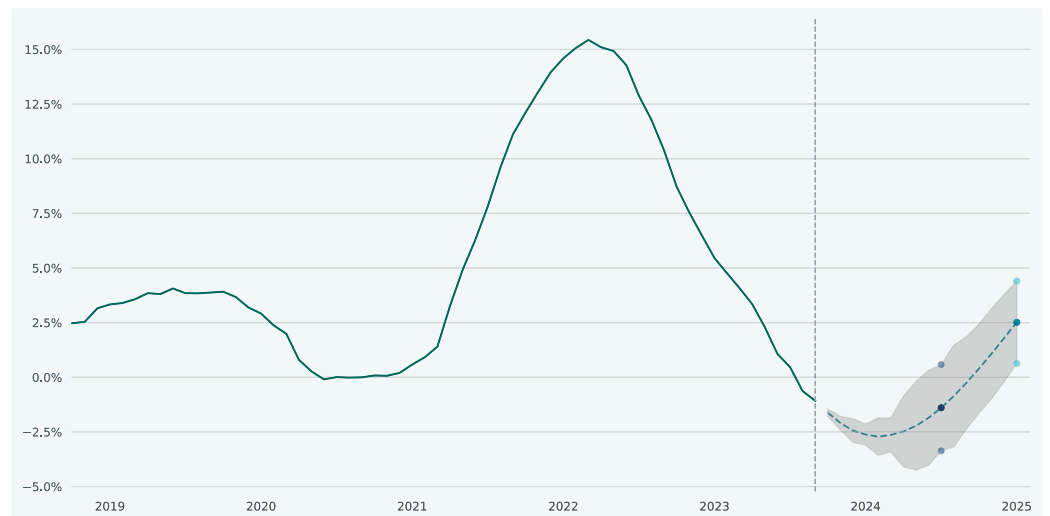
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Jacksonville

1.78%

YOY Rent Growth

-6.75%

YOY Occupancy

Income Growth 9.80%

Job Growth 5.90%

Current Occupancy 83.99%

Population Growth 2.02%

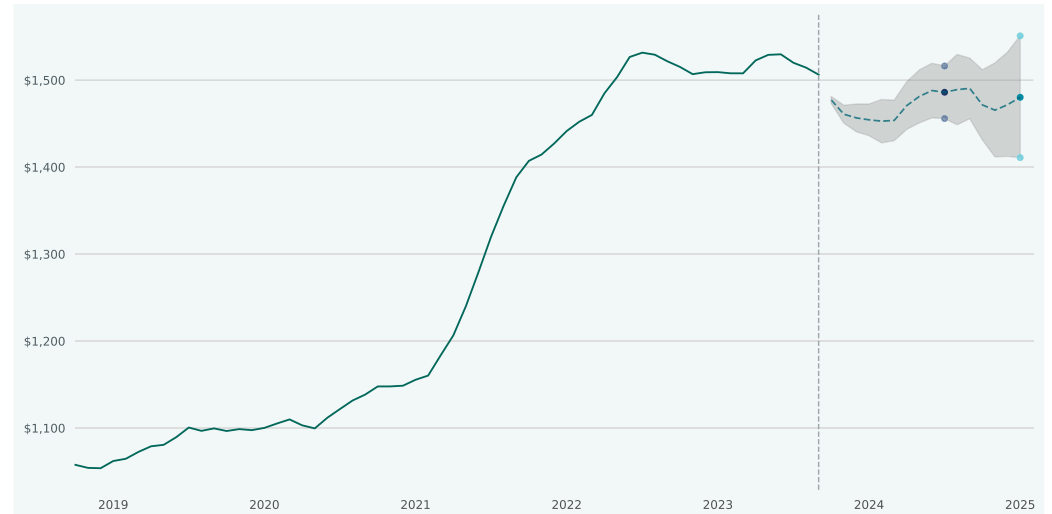
Rent Affordability Ratio 21.56%

Renter Proportion 34.15%

Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Orlando

3.71%

YOY Rent Growth

-4.33%

YOY Occupancy

Income Growth 9.93%

Job Growth 11.50%

Current Occupancy 88.85%

Population Growth 1.77%

Rent Affordability Ratio 25.66%

Renter Proportion 37.09%

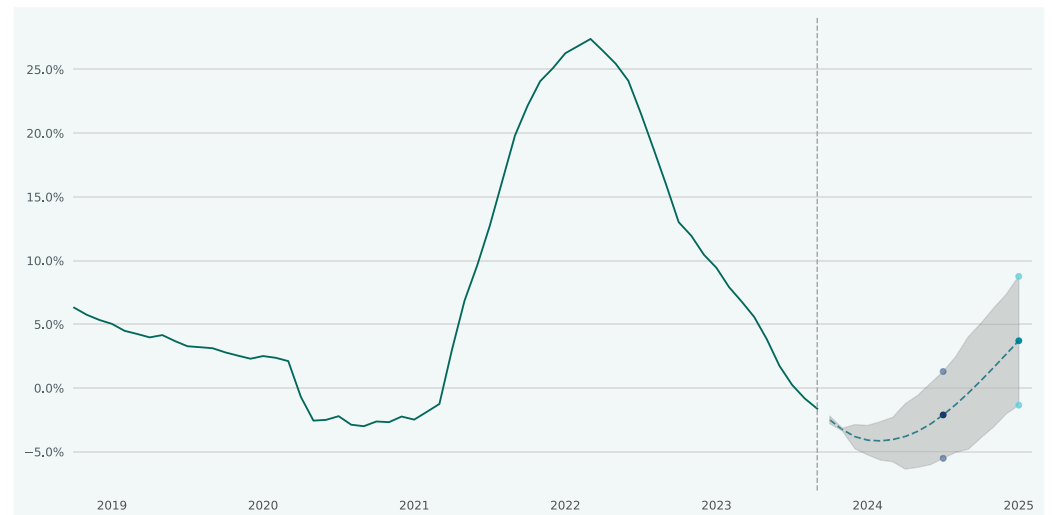
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Tampa

4.50%

YOY Rent Growth

-2.32%

YOY Occupancy

Income Growth

9.94%

Job Growth

6.80%

Current Occupancy

90.60%

Population Growth

1.53%

Rent Affordability Ratio

24.59%

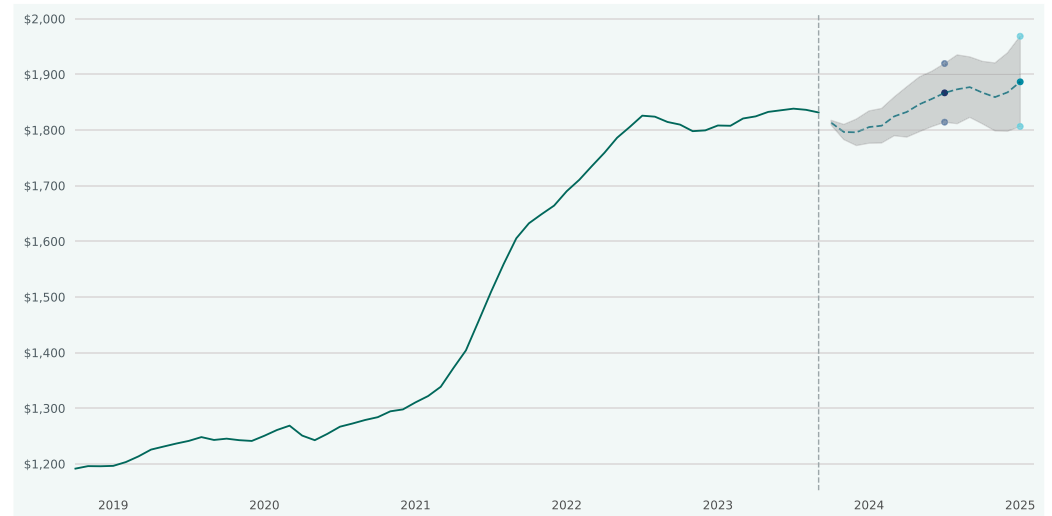
Renter Proportion

33.06%

Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Nashville

5.87%

YOY Rent Growth

-4.59%

YOY Occupancy

Income Growth

8.94%

Job Growth

5.20%

Current Occupancy

88.02%

Population Growth

1.52%

Rent Affordability Ratio

20.44%

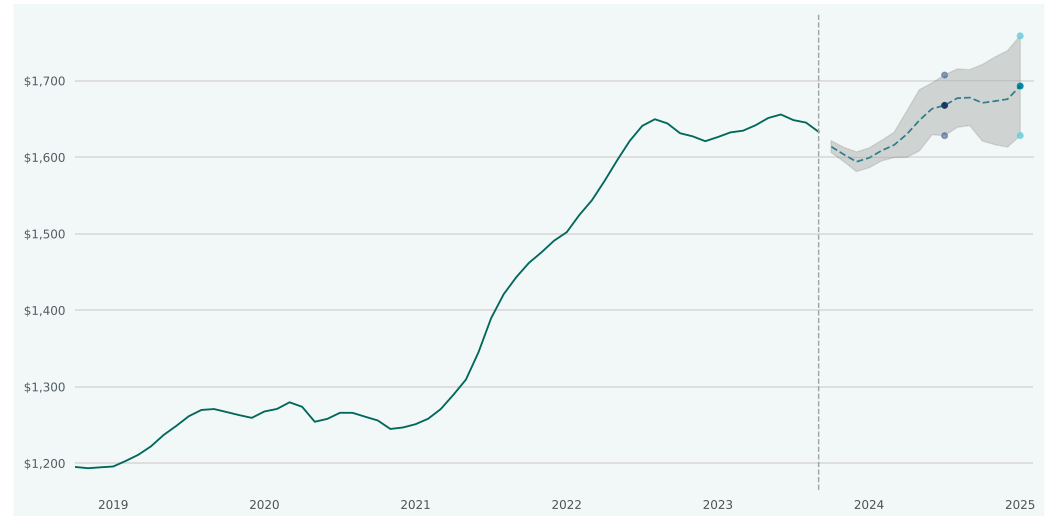
Renter Proportion

34.08%

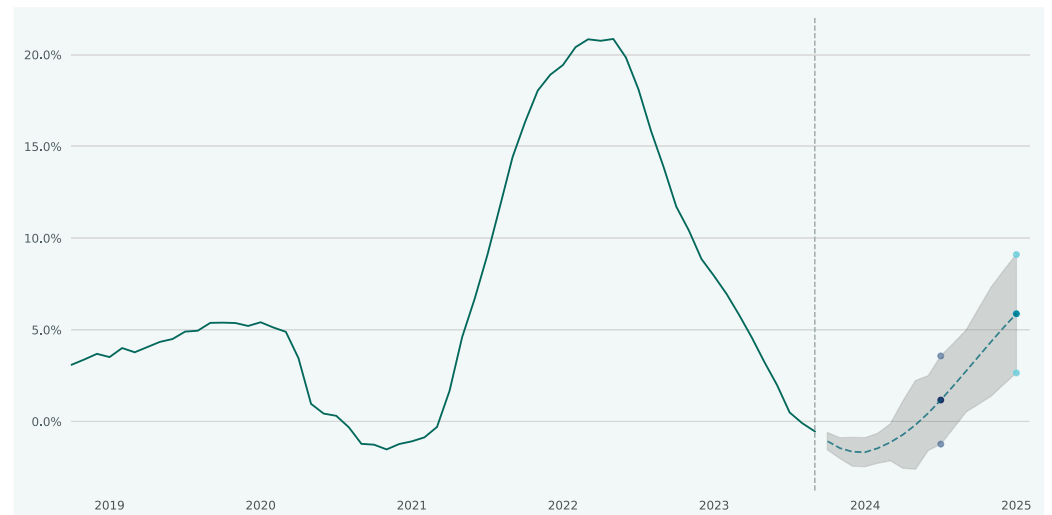
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Charlotte

2.69%

YOY Rent Growth

-4.97%

YOY Occupancy

Income Growth

9.51%

Job Growth

7.50%

Current Occupancy

87.13%

Population Growth

1.65%

Rent Affordability Ratio

20.15%

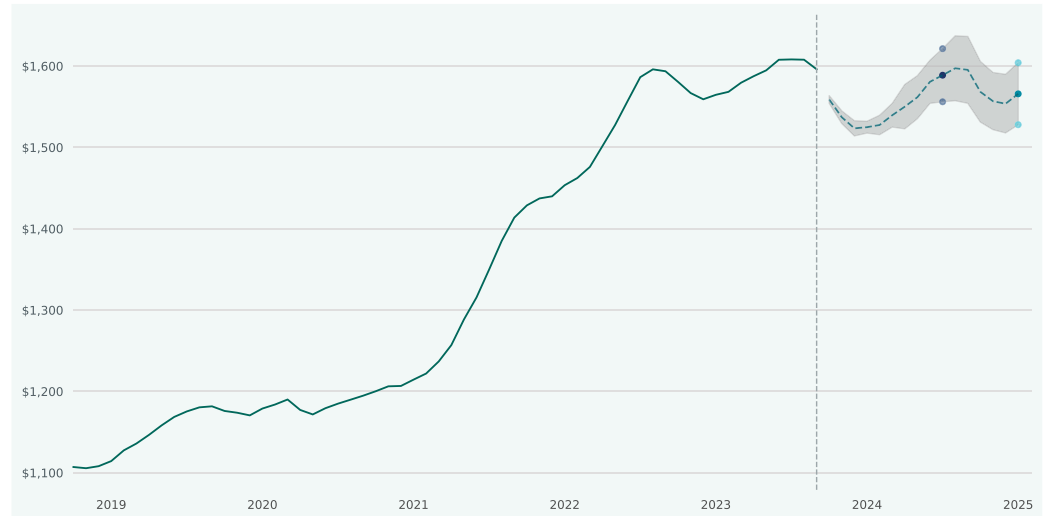
Renter Proportion

33.97%

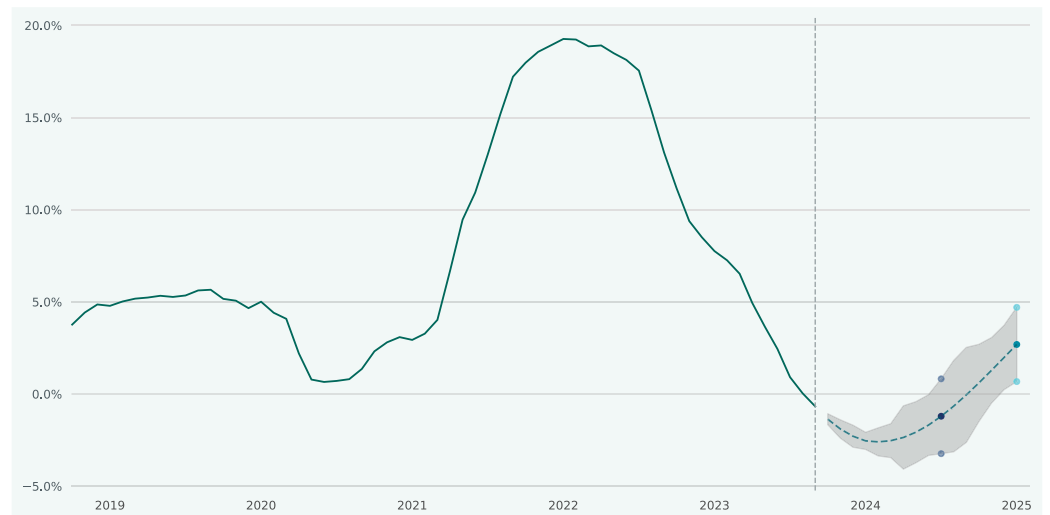
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Raleigh

4.32%

YOY Rent Growth

-3.12%

YOY Occupancy

Income Growth

9.86%

Job Growth

9.50%

Current Occupancy

89.54%

Population Growth

2.09%

Rent Affordability Ratio

17.85%

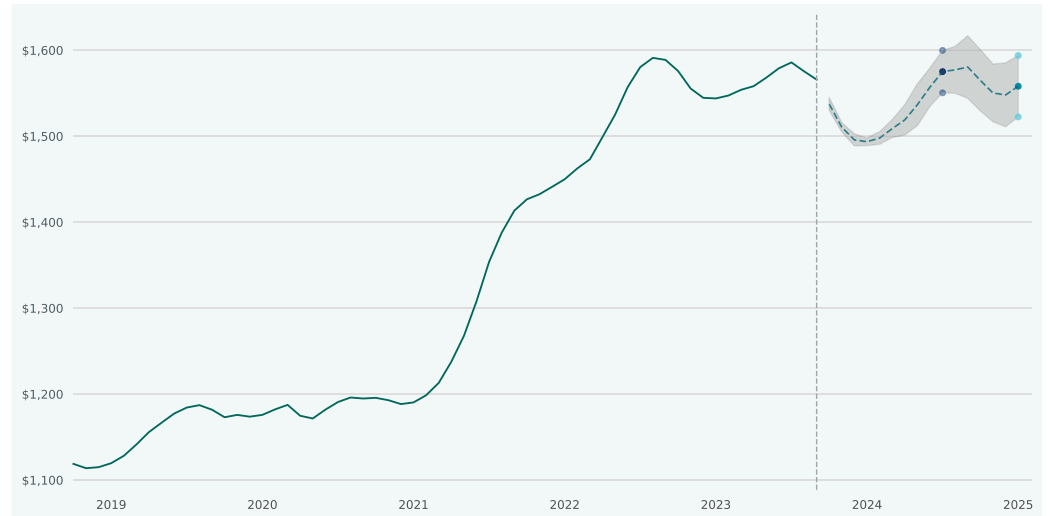
Renter Proportion

33.21%

Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Atlanta

2.60%

YOY Rent Growth

-4.68%

YOY Occupancy

Income Growth

9.78%

Job Growth

3.80%

Current Occupancy

88.27%

Population Growth

1.13%

Rent Affordability Ratio

21.00%

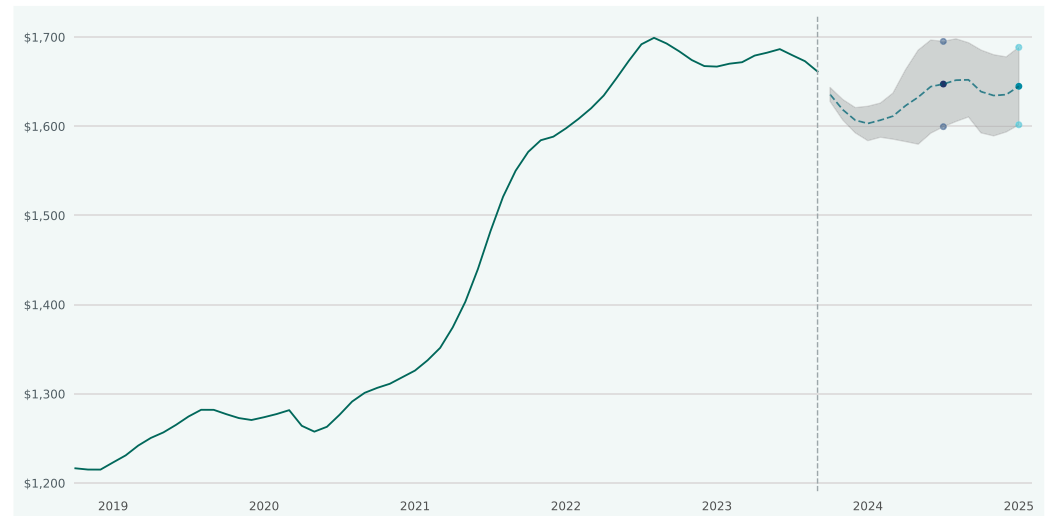
Renter Proportion

34.66%

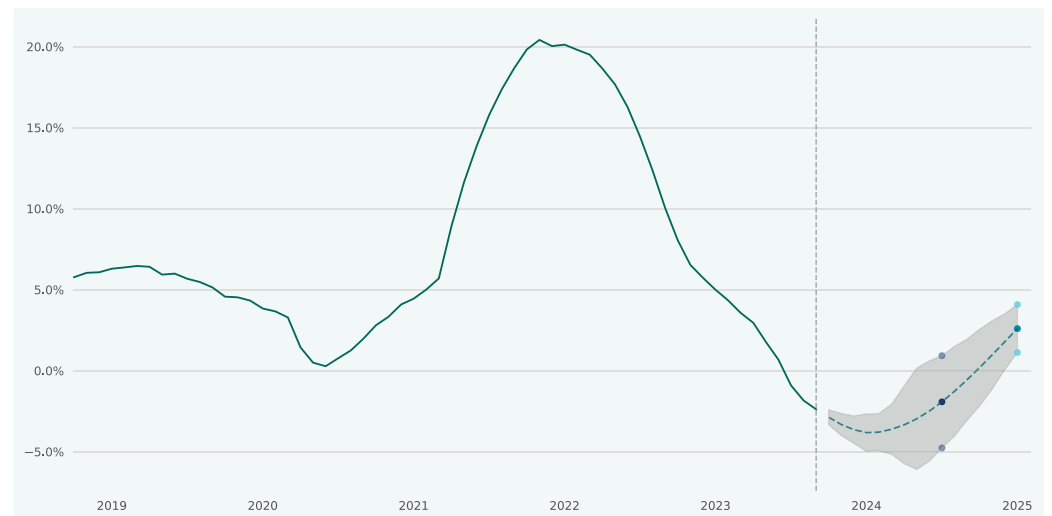
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Colorado Springs

5.10%

YOY Rent Growth

-3.59%

YOY Occupancy

Income Growth 8.85%

Job Growth 5.90%

Current Occupancy 89.09%

Population Growth 1.04%

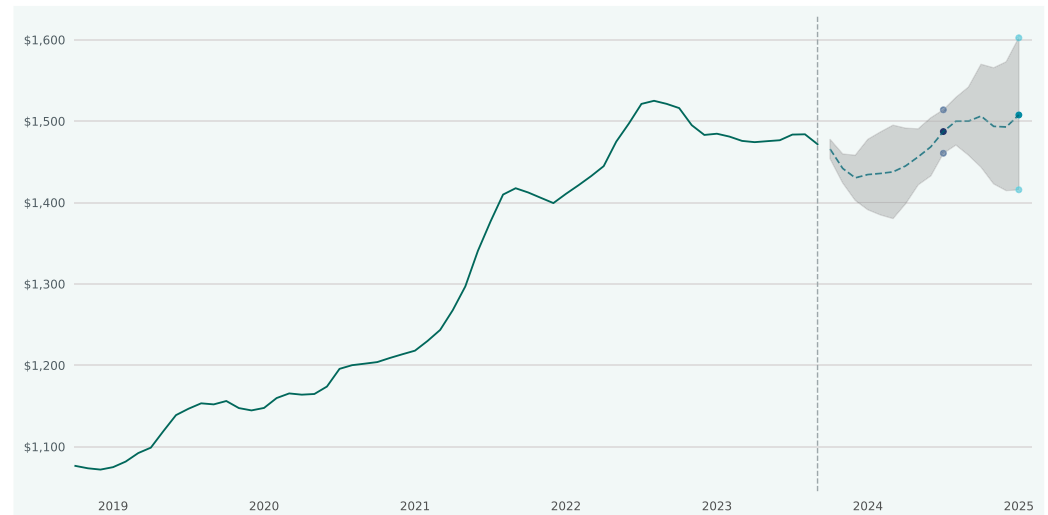
Rent Affordability Ratio 21.98%

Renter Proportion 33.22%

Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Denver

5.06%

YOY Rent Growth

-1.24%

YOY Occupancy

Income Growth

9.50%

Job Growth

6.10%

Current Occupancy

91.79%

Population Growth

0.77%

Rent Affordability Ratio

21.12%

Renter Proportion

35.75%

Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Phoenix

5.90%

YOY Rent Growth

-2.76%

YOY Occupancy

Income Growth

10.70%

Job Growth

4.80%

Current Occupancy

88.49%

Population Growth

1.60%

Rent Affordability Ratio

21.50%

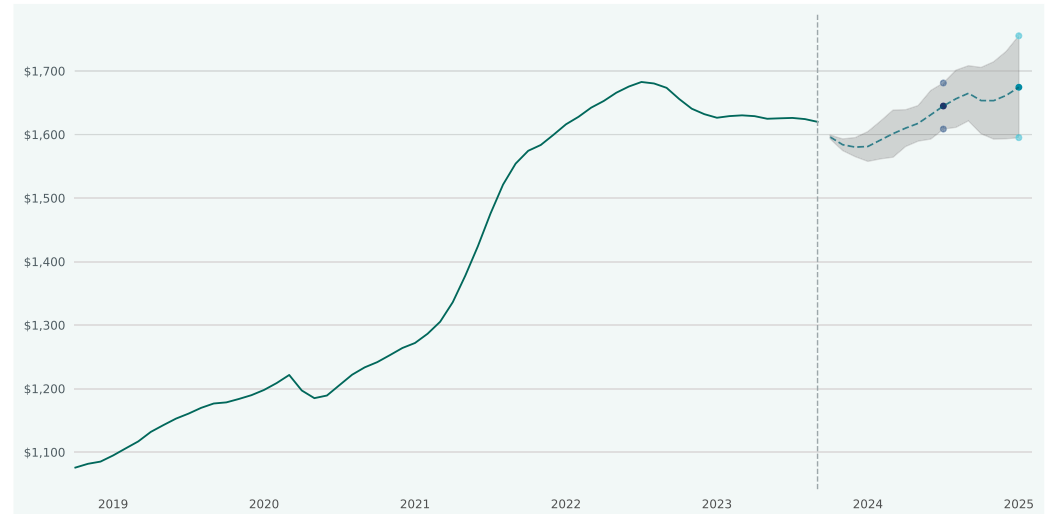
Renter Proportion

34.42%

Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction

Las Vegas

2.90%

YOY Rent Growth

-2.75%

YOY Occupancy

Income Growth

8.88%

Job Growth

6.80%

Current Occupancy

89.82%

Population Growth

1.56%

Rent Affordability Ratio

24.13%

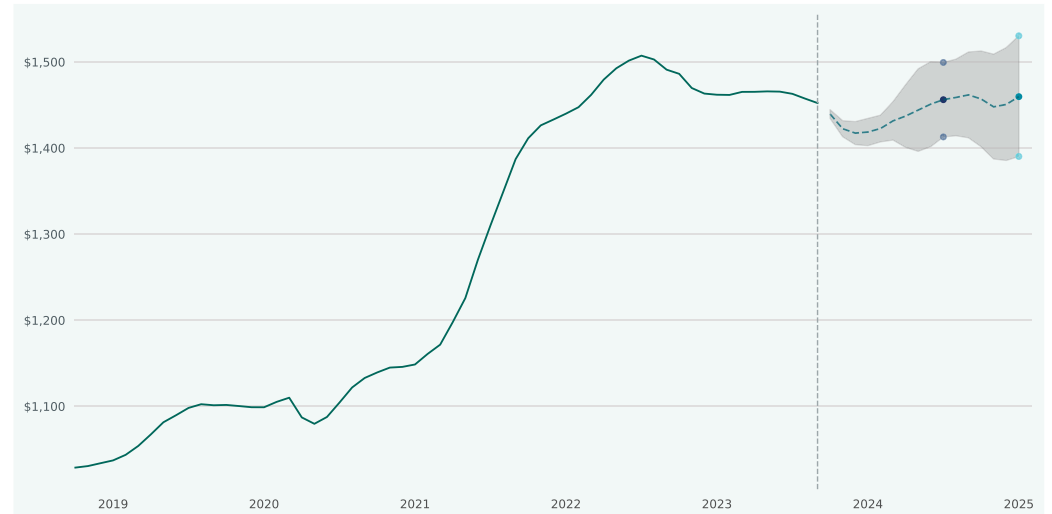
Renter Proportion

43.81%

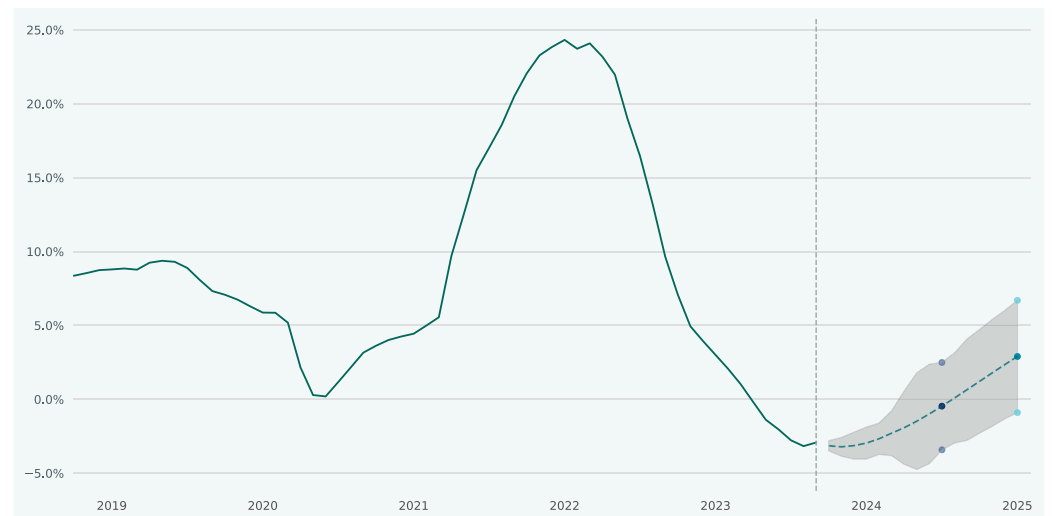
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● July 2024 Prediction ● January 2025 Prediction



About Multilytics

The rent forecast data in this report was compiled using MultilyticsSM, Origin Investments' proprietary suite of machine-learning models. Multilytics aggregates and analyzes more than 3 billion data points per month from hundreds of public and private sources that monitor economic and demographic trends, real-time data from property managers and spatial data such as local points of interest. It slices submarkets smaller than a ZIP code to pinpoint high-growth clusters and identifies average annual rent growth down to the property level. Its predictive analytics allow us to create and study a variety of multifamily-specific scenarios.

The Multilytics model was developed by in-house data scientists and has been backtested from 2015 onward. Its rent growth predictions have proven to be accurate to within \$10 to \$15 annually, according to outcomes backtested over a five-year period in the 150 largest metro areas. To see Multilytics in action, view the [Multilytics Rent Forecast 2023-24](#) and the mid-year [Multilytics Rent Forecast Accuracy Report January–July 2023](#). It's a powerful tool to give our local expertise and specialist teams the deeper knowledge and insights they need to help us discover, evaluate and develop high-potential multifamily real estate investment sites.



About Origin Investments

Origin Investments helps high-net-worth investors, family offices and clients of registered investment advisors protect and grow their wealth by providing tax-efficient real estate solutions. We are a private real estate manager that builds, buys and finances multifamily real estate projects in fast-growing markets throughout the U.S.

Since our founding in 2007, we have executed more than \$2.8 billion in real estate transactions, and we are currently accepting new investors for our open IncomePlus Fund and Qualified Opportunity Zone III Fund. We are also accepting investors for our open Strategic Credit Fund through our affiliate firm, Origin Credit Advisers. To learn more, visit www.origininvestments.com.

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