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The Multifamily Digest

 CUSHMAN & WAKEFIELD | GREYSTONE

August 2025

Good morning everyone,

As we enter into the second half of 2025, crosscurrents abound. On the one hand, multifamily demand remains robust – absorption through the first half was in line with last year’s near-record pace, resulting in back-to-back quarters of (slight) vacancy compression. On the other, rent growth, while still positive, took a step back as owners adopted a more defensive posture in the wake of softening consumer confidence and economic uncertainty, all of which was outlined in Cushman & Wakefield’s latest [Multifamily MarketBeat](#). There were some surprises; notably in Gateway markets, which have outperformed thus far in 2025, including D.C., [in spite of the DOGE-related layoffs](#).

From a capital markets perspective, the debt markets continue to lead. Agency debt is plentiful, and other lenders have stepped back into the market, as my colleague Abby [shared in the latest edition of the PREA Quarterly](#). But the multifamily equity markets are also perking up; sales volume YTD is up around 5%, though it would be up further had it not been for last year’s \$10B take-private of AIR Communities. Non-entity transactions (i.e. individual asset and portfolio sales) were up 25% in the first half of 2025 compared to a year prior.

Shifting to the outlook, our Think Tank team recently released our [Midpoint 2025 report](#), in which we share our forecasts for the economy and CRE. The report highlights

multifamily's relative resilience – a theme we've watched throughout the year.

CRE Entered 2025 on Solid Footing

Both leasing and capital markets had green shoots heading into the year

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	General Trend
Office Demand (4Q Rolling, MSF)	-67.9	-61.3	-60.4	-50.3	-35.0	Improving
Industrial Demand (4Q Rolling, MSF)	891.1	876.9	896.9	881.4	851.5	Slow (still positive)
Multifamily Demand (4Q Rolling, 000s)	290.0	341.7	393.0	423.3	434.1	Strong and accelerating
Retail Demand (4Q Rolling, MSF)	15.9	9.5	6.5	2.0	-3.7	Weakening (limited space options)
Sales Volumes (4Q Rolling, Bil.)	\$381.3	\$388.1	\$396.0	\$436.6	\$449.2	Weak (historically), but improving
All Property CPPI Price Index (YOY)	-2.8%	-1.5%	-1.4%	-1.0%	-0.5%	Becoming less negative, trending positive for some sectors

Source: Cushman & Wakefield Research, CoStar/Cushman & Wakefield Research, MSCI Real Capital Analytics

UNITED STATES | MIDPOINT 2025

Signs of Resilience

- **Industrial:** While demand has been decelerating since H2 2022, this has been due to some temporary factors (e-commerce pull-forward effect, rotating back to normal goods consumption patterns, etc.).
- **Multifamily:** Demand continues to post historically strong levels amid strong supply levels. 2025 Q1 absorption exceeded 100,000 units—something that has happened only seven times since 2000.
- **Office:** Despite still posting negative demand overall, the pace has slowed significantly, and sublease stock is now declining. High quality office is performing well and green shoots are extending to the next tier of office.
- **Retail:** Subdued demand recently has been mitigated by a structural lack of available quality space. Vacancy remains at a 45-year low.
- **Capital Markets:** Volumes have been gaining momentum and pricing has been inflecting for most property types on a YOY basis.

CONTENTS →

Multifamily is expected to recover faster than any other major CRE sector, supported by its combination of the challenged for-sale market, demographic tailwinds, and persistent housing undersupply. Read more of what is going on around the multifamily side of commercial real estate in the rest of this newsletter.

Thank you,



[Sam Tenenbaum](#), Head of Multifamily Insights, shares his thoughts and research on the multifamily market.
Cushman & Wakefield



Debt Update



[Serafino Tobia](#), Director of Agency CMBS Trading and Portfolio,
Greystone
Cushman &
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The 10-year Treasury yield was 4.20% at the time of publication, 19 basis points lower since the previous Monday morning with a trading range of 21 basis points (4.20% - 4.41%) over the past week.

2-year Treasuries are at 3.68% as of publication, 24 basis points lower since the prior Monday.

A big move in yields came after the jobs report Friday morning....[read more in the full article.](#)



Operational Insights

TOP TRENDS ACROSS CUSHMAN & WAKEFIELD'S MANAGED PORTFOLIO

June capped off the first half of the year with solid leasing momentum and steadily tightening portfolio-wide fundamentals. Occupancy held near cycle-highs, supported by sustained renter demand. Concessions continued to burn off, while delinquency and cost-related move-outs remained remarkably muted, underscoring the multifamily market's resilience despite economic uncertainty.

The Cushman & Wakefield Asset Services team manages over 167,000 units nationwide, making our team one of the largest third-party management providers in the country.

For the full picture of what trends we analyzed using the data from this leased

portfolio, [read our complete report for the second quarter of 2025](#).



[Zach Bowyer](#), Executive Managing Director
Head of Living Sectors for Valuation & Advisory
Cushman &
Wakefield

Recently, I had the pleasure of joining Jay Parsons as a guest on his podcast, *The Rent Roll*. We unpacked the state of multifamily (and single-family rental) valuations, addressed various market headlines including the recent commentary from James Ray on “cap rates being BS” which sparked a wave of debate, drivers behind the current disconnect between buyer and seller expectations, and ultimately where we see multifamily valuations playing out.

See Jay’s [takeaways on LinkedIn](#), or listen to the [full Podcast Episode](#).

And if you haven’t already, be sure to check out our [recent Senior Living Market Trends](#)

[and Investor Survey.](#)



Recent Thought Leadership

ONE BIG BEAUTIFUL BILL ACT - WHAT IT MEANS FOR CRE

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act (OBBBA) into law, culminating his longstanding campaign promise of extending the 2017 Tax Cuts and Jobs Act (TJCA). The OBBBA introduces several additional changes, particularly relevant to the CRE sector, which [Cushman & Wakefield broke down in this recent article.](#)

CUSHMAN & WAKEFIELD AND GREYSTONE'S INSIGHTS MAGAZINE: 2025 MID-YEAR UPDATE

IN THIS ISSUE:



Multifamily Midyear Pulse with Sam Tenenbaum

Exclusive Q & A with Serafino Tobia: Interest Rates & Multifamily Sector

Cushman & Wakefield Investor Survey: 2025 Seniors Housing & Care Market

Harvard's 2025 Housing Report Signals Opportunity in Rental Market

[Read the full magazine here.](#)



Event Recap



This summer, Cushman & Wakefield's Multifamily Asset Services leadership convened in Scottsdale, Arizona for the annual IGNITE Multifamily Conference. Guided by the theme *Empower the Extraordinary*, the event brought together Regional Property Managers and senior leaders for four days of collaboration and strategic focus. Through dynamic keynotes, interactive sessions and meaningful dialogue, the conference reinforced the firm's culture of care and ongoing commitment to service excellence. Above all, it underscored a core belief that continues to drive our success: our people are our greatest strength.



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