JARE
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Raleigh Q1 2026 Multifamily Market Report

Nationwide Markers (per 7/22/2026)		
5-year Treasury Yield	10-Year Treasury Yield	Secured Overnight Financing Rate (SOFR)
4.41	4.65	3.61

Raleigh Market Snapshot	Nominal	% Change
Average Rent	$1,539	-1.2% YoY
Average Occupancy	93.0%	+0.1% YoY
Absorption	1,400	
Units In-Construction	~7,500	-19.7% YoY
New Jobs Announced	730+	
Layoffs Announced	300+	

National Apartment Narrative:

The national multifamily market entered 2026 with its most constructive supply backdrop in three years. The delivery wave of 2023–2025 has crested: completions are projected to fall roughly 15% annually through 2026 and 2027, returning to historical averages after a period of above-trend building. In markets that absorbed the heaviest supply — Sun Belt metros and mid-size growth cities — occupancy is recovering measurably as absorption continues to outpace new arrivals. The operators who endured the most difficult lease-up environment are beginning to see the fundamentals they underwrote against start to emerge.

Capital market conditions improved meaningfully entering 2026. Banks, debt funds, and life companies re-entered the market alongside agency lenders, creating the most competitive spread environment in several years and expanding financing options for buyers who were sidelined during the rate-driven freeze of 2023 and 2024. Expense moderation — particularly in insurance and taxes, where reassessments had created outsized pressure over the prior two years — has helped stabilize NOI profiles. Operators who spent the prior cycle sharpening collections performance and on-site management discipline have a demonstrable advantage as deal flow returns to more normalized levels.

The key risks entering the second half of 2026 are macro rather than structural. Tariff-driven pressure on construction materials is contributing to the pullback in new starts — a paradoxical positive for existing supply. Federal workforce reductions have created localized vacancy pressure in markets with heavy government employment exposure. Consumer sentiment remains cautious, and rent growth is still modestly negative year-over-year in many markets. But the directional case for a gradual recovery in the second half of 2026 — driven by a thinning pipeline, burnoff of lease-up concessions, and stabilizing operating costs — is the most credible it has been since rates began rising in 2022.

Local Apartment Narrative:

The Raleigh-Durham multifamily market reached an inflection point in Q1 2026: after two years and more than 26,000 delivered units, the supply machine effectively paused. Approximately 1,300 units were delivered in the quarter — down 63% year-over-year and the lowest quarterly total since early 2021 — while net absorption held at roughly 1,400 units, the first quarter where demand outpaced supply at the MSA level in recent memory. Stabilized occupancy improved to approximately 93%, and while asking rents remained modestly negative year-over-year at -1.2% ($1,539 average), the trajectory is inflecting. Industry projections call for 1.5% rent growth over the full year, with acceleration expected in the second half as concession burn-off advances and the pipeline stays thin.

The market's most important distinction entering the back half of 2026 is the widening gap between Raleigh and Durham. Raleigh-Cary added approximately 13,000 net jobs over the trailing twelve months; Durham-Chapel Hill lost approximately 3,800, driven heavily by federal workforce reductions affecting RTI International, FHI 360, and university-funded research programs. For investors, this means Raleigh-side assets — particularly in North Cary/Morrisville, South Raleigh, and the NCSU corridor — carry meaningfully tighter vacancy and stronger rent recovery potential than the overall MSA data suggests. AbbVie's $1.4 billion manufacturing campus (730 jobs, Durham County) and Novartis's $231 million Morrisville expansion provide the long-dated demand signal that supports patient capital. Transaction volume remains below long-term averages, but median sale prices moved higher in Q1 2026, and the setup for disciplined buyers — whether targeting newer stabilizing assets or below-replacement-cost vintage product — is the most favorable it has been in three years.