



## CAPITAL MARKETS BRIEFS

- Spring leasing is off to a great start based on April market statistics from RealPage. In fact, the April data showed the best monthly gains since RealPage started producing monthly data 10 years ago.
- Performance changes over the first four months of the year provide further evidence and color on market improvement.
- A small part of the improvement may be based on typical seasonal trends. However, seasonal trends have not been typical during COVID and would not usually be pronounced as early as April.
- The national average effective rent rose 3.0% from December 2020 to April 2021. Vacancy declined 30 points.
- Salt Lake City had the largest vacancy decline (-130 bps). Some of the hardest hit markets in 2020 enjoyed above-average improvement in vacancy including Chicago, Nashville, Miami and Seattle. Other notable markets with vacancy declines of 50+ bps included San Francisco, Boston, Austin and Phoenix.
- Only three markets out of 53 analyzed experienced higher vacancy from December to April: New York (+40 bps), Cincinnati (+20 bps), Pittsburgh (+10 bps) and St. Louis (+10 bps).
- Phoenix, Austin and Tampa led the country for rent growth. Between December 2020 and April 2021, effective rents in these markets rose 6.2%, 6.0% and 6.0%, respectively.
- Four markets—Ft. Lauderdale, the Inland Empire, Orlando and Salt Lake City—had gains of 5% or better.
- Ten markets experienced rent growth of 4.0% to 4.9%: Atlanta, Charlotte, Jacksonville, Las Vegas, Memphis, Miami, Raleigh, Richmond, Sacramento and West Palm Beach.
- The best year-to-date rent growth was still largely in higher-growth markets that were more resilient in 2020. The 2021 rent gains indicate that they should continue to outperform at least through 2021.
- Yet, rent gains were also experienced in all markets except New York where rents slipped 0.3%. Even markets like San Francisco, San Jose, Los Angeles, Boston, Seattle and other underperforming markets in 2020 enjoyed rising rents.
- Currently, CBRE Econometric Advisors projects the average U.S. rent to reach its pre-COVID level by Q1 2022. If the early 2021 experience holds up through the leasing season, then full recovery is likely to come earlier.
- We invite you to contact your local CBRE Debt & Structured Finance professional for more color and insights on market performance in your market.