THOMPSON THRIFT
A REAL ESTATE COMPANY

TT Market Insights: A Meaningful Shift in the Third Quarter

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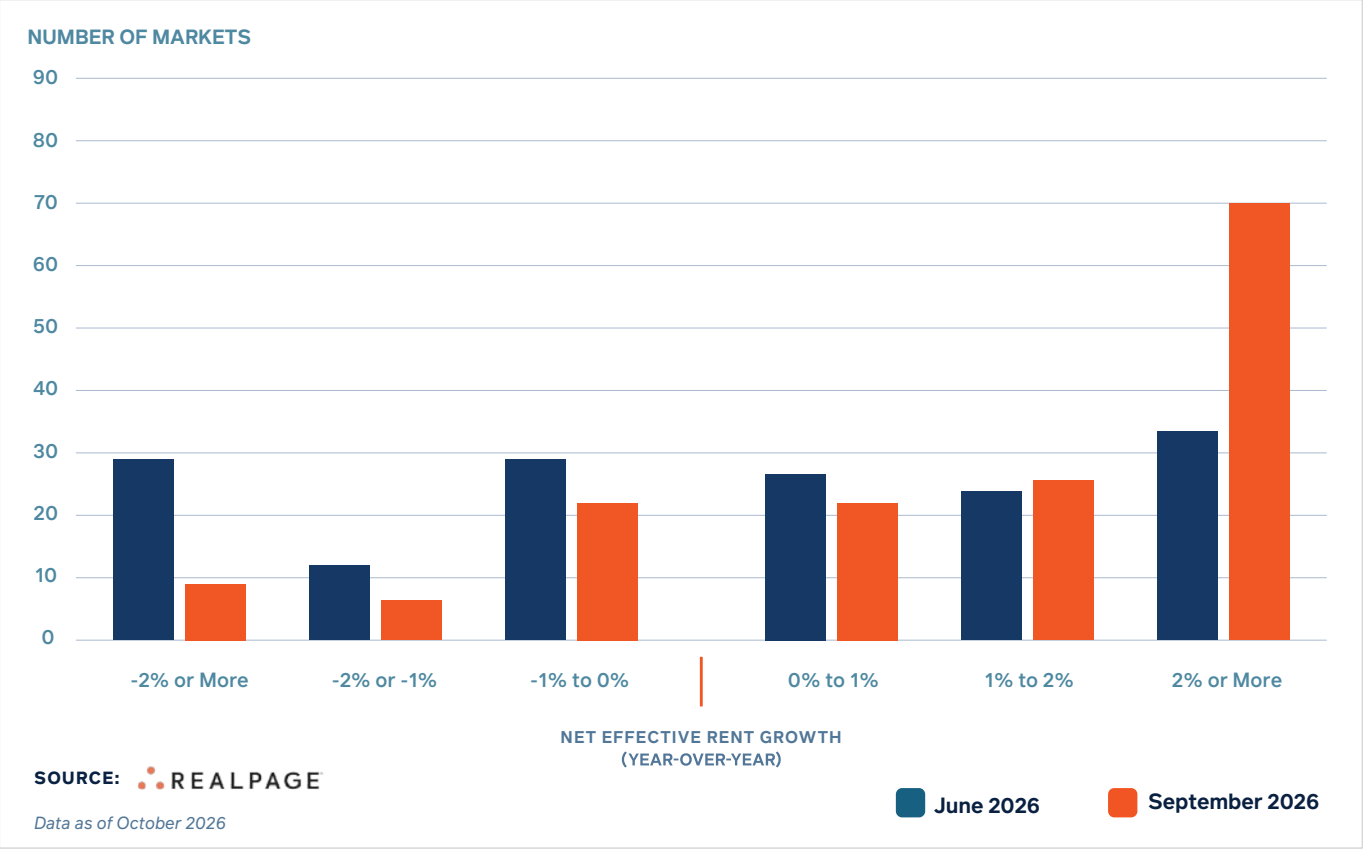
CEO Paul Thrift Shares Perspective on Multifamily Market Rent Momentum

The U.S. multifamily market experienced a meaningful and positive shift from Q2 to Q3. This shift has been most pronounced with the rapid improvement in effective year-over-year rent growth across the markets we track.

Looking at the largest 153 markets, the number of them reporting positive rent growth is up from 84 at the end of June to 117 as of October. This is the highest proportion of markets experiencing positive rent growth since mid-2023, when the supply wave began to weigh negatively on rent growth. Additionally, markets that have been posting modest positive rent growth are now demonstrating healthier growth more consistent with historical, pre-pandemic performance. There are now 70 markets with rent growth greater than 2%, compared to only 33 as of June.

MULTIFAMILY RENT GROWTH REBOUNDED SHARPLY FROM Q2



SOURCE: REALPAGE

Data as of October 2026

Also encouraging, the number of markets that were experiencing steep rent declines has improved considerably. In Q2, 29 markets reported negative rent growth in excess of -2%. As of October, that figure is down to just 9, the lowest level since early 2023.

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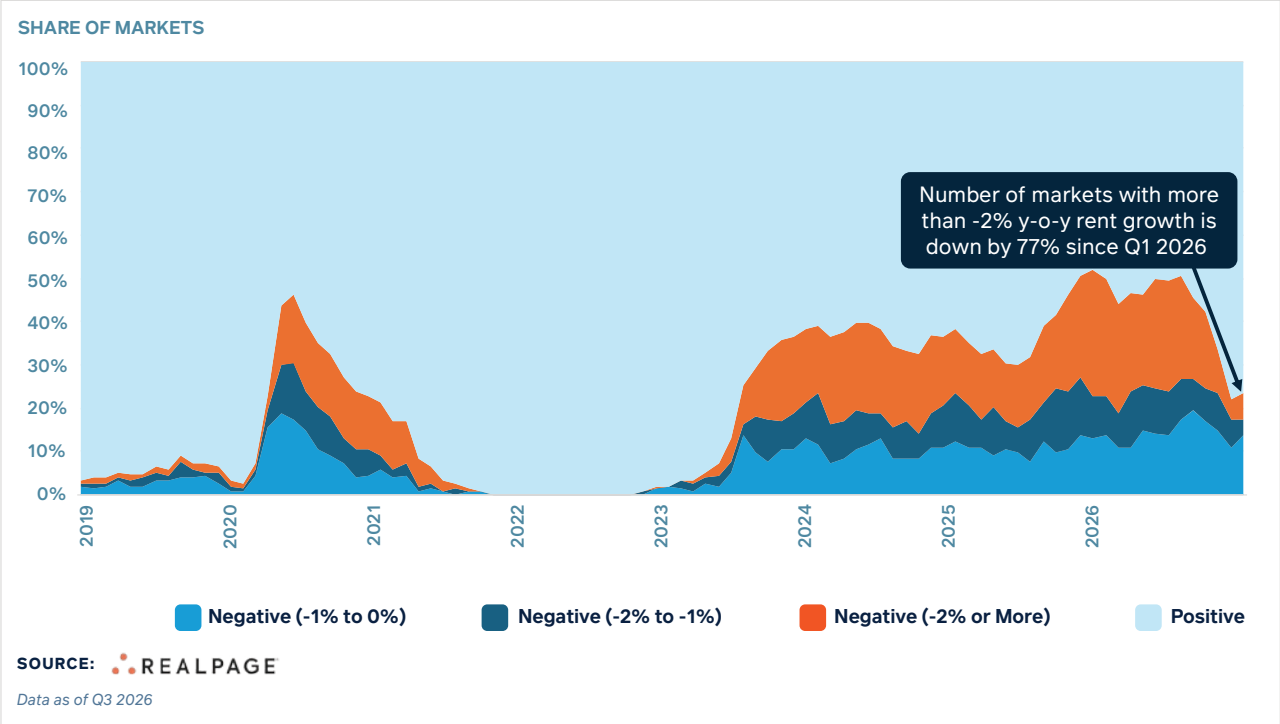
Although concessions remain elevated, they are stabilizing across many markets and the growth in net effective rents is being driven mostly by rising top line asking rents. As the remaining supply pipelines are absorbed, we expect both increasing asking rents and decreasing concessions to precipitate an acceleration in effective rent growth.

HISTORICAL COMPOSITION OF MARKETS BY RENT GROWTH: JANUARY 2015 TO OCTOBER 2026

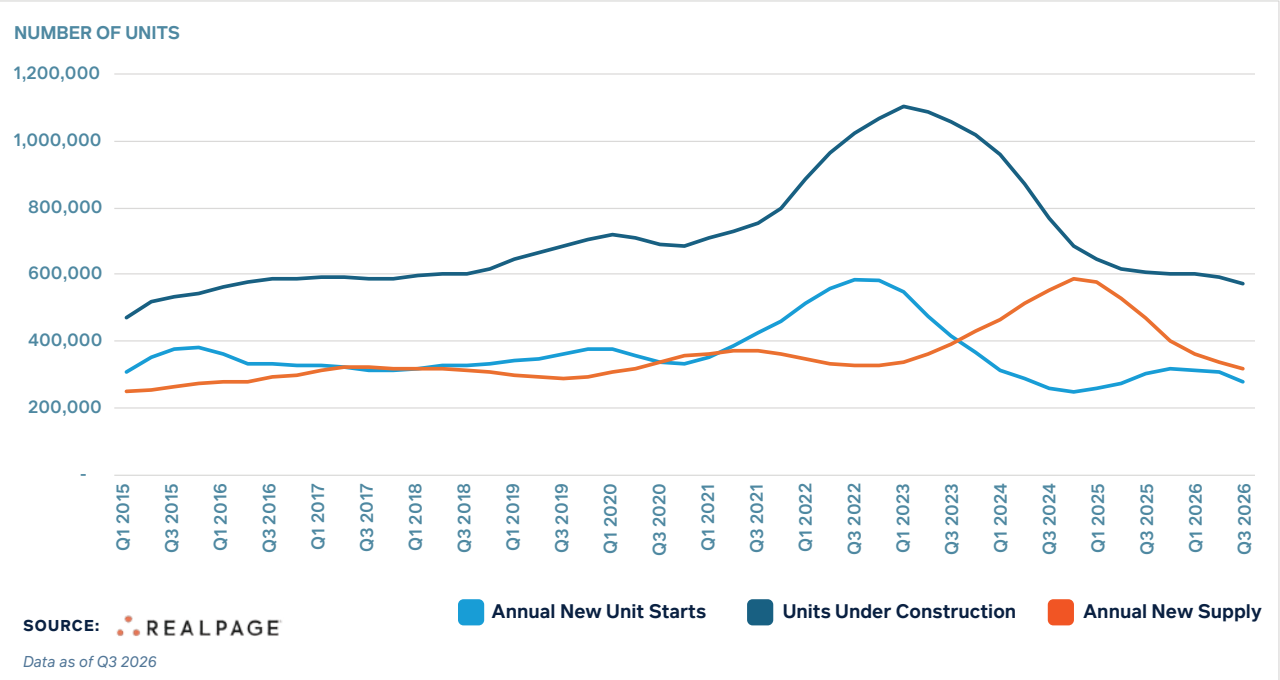


SOURCE: REALPAGE

Data as of Q3 2026

This shift reflects an improving balance between supply and demand across the country, not just in a few markets. Healthy renter demand in the third quarter, combined with declining construction pipelines, are easing the competitive pressures that have weighed heavily on rents.

HISTORICAL NEW UNIT STARTS, UNDER CONSTRUCTION AND NEW SUPPLY FOR THE UNITED STATES



SOURCE: REALPAGE

Data as of Q3 2026

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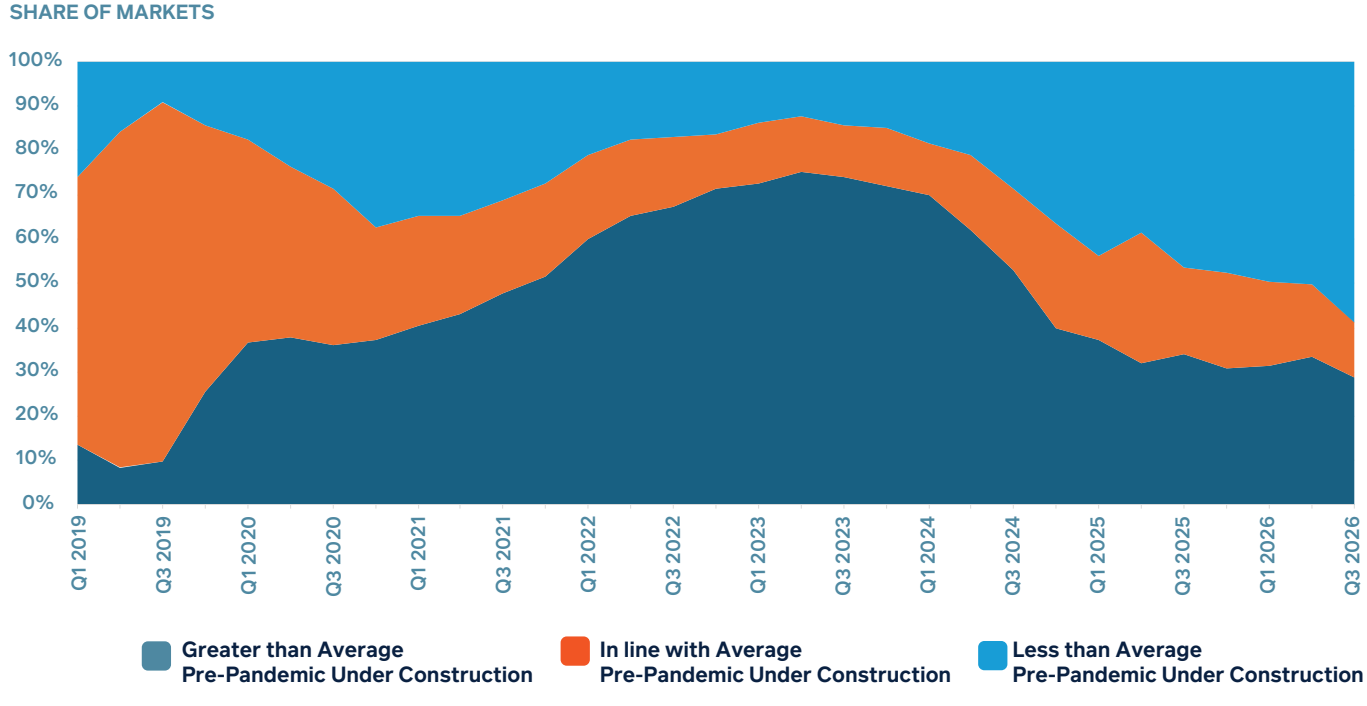
HISTORICAL COMPOSITION OF MARKETS BY LEVEL OF UNITS UNDER CONSTRUCTION RELATIVE TO PRE-PANDEMIC: Q1 2019 TO Q3 2026



SOURCE: REALPAGE

Data as of Q3 2026

New construction starts and the number of units under construction have now fallen well-below pre-pandemic levels in most of the markets we monitor. As the remaining deliveries are absorbed, we expect to enter a period in which new supply falls short of organic demand. These dynamics are expected to fuel the recovery in rent growth and improving net operating incomes.



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