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SPECIAL REPORT INSIDE

MONTHLY FOCUS: MID-YEAR MARKET REALITY CHECK

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INSIGHT FOR RENTAL HOUSING PROFESSIONALS

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Landlords Should Pay Attention as Cooling Program Nears End

RENTAL HOUSING JOURNAL

The end of Portland's five-year Cooling Portland initiative doesn't end the debate over cooling in rental housing.

In neighboring Washington, Spokane's cooling ordinance returns with teeth (see story below), and a July 15 vote could change how Washington landlords operate if the ordinance becomes a template for other cities in Washington and Oregon.

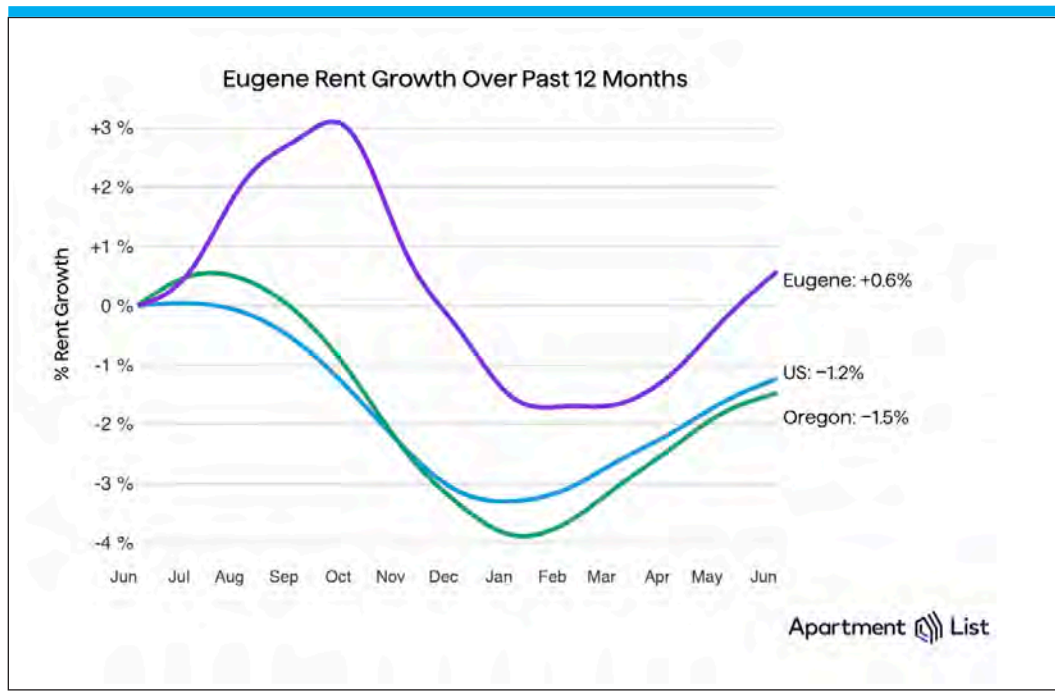
Here's why multifamily owners should begin preparing now for changing expectations and possible future policy changes.

Portland is wrapping up its five-year effort to provide free cooling units to thousands of low-income residents, yet extreme heat continues to reshape housing policy across Oregon. For apartment owners, the bigger story isn't the program ending—it's what may come next.

Created after the deadly 2021 Pacific Northwest heat dome, the Portland Clean Energy Community Benefits Fund (PCEF) helped thousands of vulnerable households receive portable heat pump cooling units. City officials have described the initiative as a temporary response to an immediate public health need, not a permanent program.

As the program winds down, landlords should recognize that the broader discussion about cooling, housing safety and climate resilience is likely to continue.

See Cooling on Page8



EUGENE RENT STATS

June 2026

Median Rent
1BR: $982
2BR: $1,286
Rent Growth
Past Month:
+0.8%
Past Year:
+0.6%

Eugene Rents Up 0.8% in June, Salem Rents are Flat for the Month

RENTAL HOUSING JOURNAL

Eugene rents are up 0.8% month-over-month and up 0.6% year-over-year, accoding to the July rent report from Apartment List. In Salem, rents are flat month-over-month and flat year-over-year. And for Portland, rents are up 0.5% month-over-month and down 0.8% year-over-year

EUGENE PRICES UP 0.6% YEAR-OVER-YEAR

The overall median rent in Eugene stands at $1,229, after rising 0.8% the previous month. Prices and are now up 0.6% year-over-year.

Eugene's rent growth over the past year has outpaced both state (-1.5%) and national (-1.2%) averages.

Six months into the year, rents in Eugene have risen 2.2%. This is a similar rate of growth compared to what the city was experiencing at this point last year: from January to June 2025 rents had increased 2.6%.

SALEM MEDIAN RENT UP 0.4% FOR YEAR

The overall median rent in Salem stands at $1,277, roughly the same as the previous month. Prices and are now up 0.4% year-over-year.

The median rent in Salem rose by 0.2% over the course of June, and has now increased by a total of 0.4% over the past 12 months. Salem's rent growth over the past year has has outpaced both state (-1.5%) and national (-1.2%) averages.

Six months into the year, rents in Salem have risen 0.5%. This is a slower rate of growth compared to what the city was experiencing at this point last year: From January to June 2025 rents had increased 3.0%.

PORTLAND GROWTH SIMILAR TO SAME POINT IN 2025

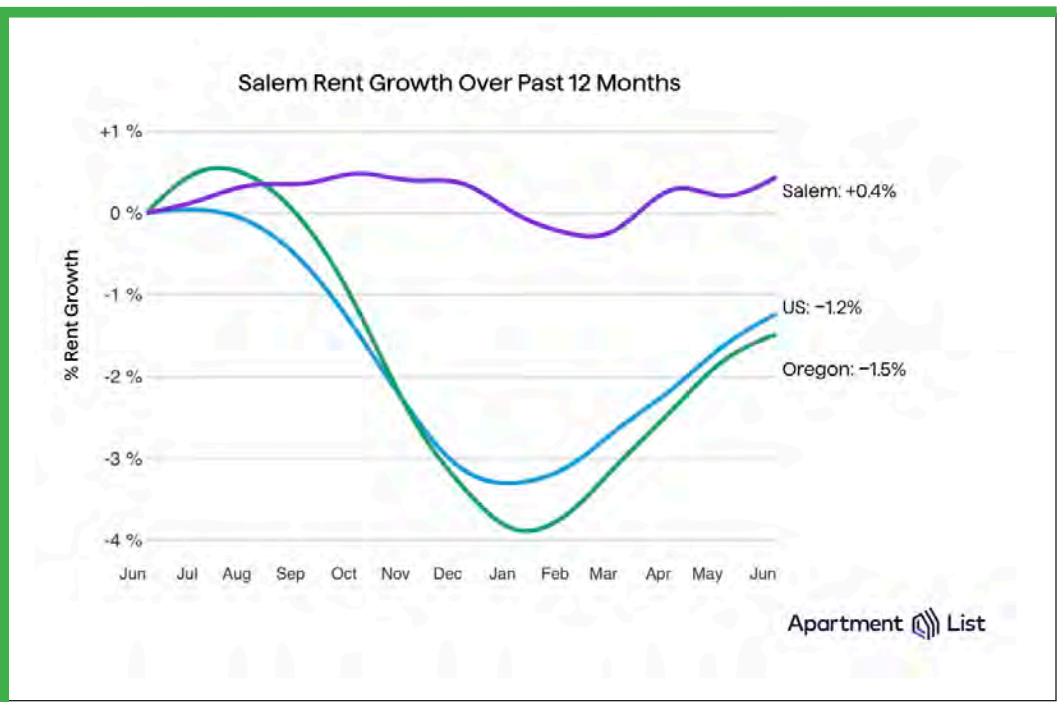
The median rent in Portland rose by 0.5% over the course of June, and has now decreased by a total of 0.8% over the past 12 months. Portland's rent growth over the past year has is similar to both the state (-1.5%) and national averages (-1.2%).

Six months into the year, rents in Portland have risen 3.1%. This is a similar rate of growth compared to what the city was experiencing at this point last year: From January to June 2025 rents had increased 3.0%.

SALEM RENT STATS

June 2026

Median Rent
1BR: $989
2BR: $1,296
Rent Growth
Past Month:
+0.2%
Past Year:
+0.4%



MONTHLY FOCUS

Mid-Year Market Reality Check



Midway through 2026, multifamily is "muddling along," a condition likely to persist through the rest of the year, Yardi Matrix says in its report, U.S. Multifamily Outlook Summer 2026.

"While demand is positive it is not strong enough to make more than a dent in the nearly 1.3 million units in the lease-up phase nationally. Rent growth is inconsistent, depending on the market.

"Also, capital is plentiful, but deal flow remains mired, as expectations of lower rates have been put on hold. Investors should focus on finding niche segments and improving operating efficiency in existing portfolios," Yardi Matrix writes in the report.

Uncertainty is the leading indicator at mid-year as productivity gains and corporate spending on AI look good. However, consumer spending is muted. With the issues over the Strait of Hormuz it is unclear if there will be any help for gas prices and inflation. Plus a rate cut from the Federal Reserve is looking unlikely.

What is Happening With Rents?

Multifamily advertised rents increased modestly in the first half of the year, "but if the post-pandemic pattern is a guide, full-year growth is likely to be limited. Demand is positive, but with a ceiling from slowing population growth and cautious consumer sentiment.

"The direction of rents continues to be market-specific, with gains concentrated in undersupplied gateway markets and low-cost Midwest markets, while high-supply markets are still struggling to fill recent deliveries despite relatively strong demand."

Multifamily Starts are Dropping

Yardi Matrix says declining starts "provide hope that the glut caused by rapid deliveries in recent years will soon turn around and give property owners some pricing power." Including categories such as affordable housing, student housing and single-family build-to-rent (SF-BTR) projects, Matrix is forecasting roughly 450,000 rental units will be delivered in each of the next two years.

The Economy is Pulling in Opposite Directions

The U.S. economy is "being pulled in different directions by global events and rapid changes in technology. Inflation is eroding consumer purchasing power and keeping interest rates from falling. AI spending is boosting productivity but could weaken job growth. The net effect on multifamily is that demand should be positive but limited in the near term," the report says.

Workforce Growth is Limited

The withering birth rate and immigration policy that discourages new workers have reduced the potential growth in the workforce. A paper published in April by Federal Reserve economists Seth Murray and Ivan Vidangos noted the average U.S. population growth going back to 1960 was 1.3% per year, but that could drop to 0.2% in 2026.

So, with the uncertainty in the economy as well, it is likely that the push and pull of opposite forces will continue to produce moderate growth.

Overall: Regional Differences and the Look at Mid-Year

Multifamily rent growth was soft through the first half of the year, reflecting elevated supply and weakening economic conditions.

"We expect demand to remain relatively flat through the remainder of 2026, as elevated supply continues to constrain rent growth despite these underlying supports. Rent growth remains highly regional," Yardi Matrix says in the report.

Highlights From the Report

- "Uncertain" sums up the economy. GDP is positive, in large part due to productivity gains and corporate spending on AI, but consumer spending has a K shape and job growth is muted. Much is riding on how quickly the Strait of Hormuz is reopened, which would be a relief for gas prices and inflation. A rate cut to provide relief is looking unlikely.
- Nationally, multifamily advertised rents increased modestly in the first half of the year, but if the post-pandemic pattern is a guide, full-year growth is likely to be limited. Demand is positive, but with a ceiling from slowing population growth and cautious consumer sentiment. The direction of rents continues to be market-specific, with gains concentrated in undersupplied gateway markets and low-cost Midwest markets, while high-supply markets are still struggling to fill recent deliveries despite relatively strong demand.
- Multifamily starts dropped by more than one-third in 2025, compared to the 703,000-unit cycle peak in 2022. Declining starts provide hope that the glut caused by rapid deliveries in recent years will soon turn around and give property owners some pricing power. Including categories such as affordable housing, student housing and single-family build-to-rent (SF-BTR) projects, Matrix is forecasting roughly 450,000 rental units will be delivered in each of the next two years.
- Property sales are limited by the refusal of many sellers to accept cur-rent market pricing. Investors have money to spend but want higher yields, while buyers are waiting for prices to return to 2021 levels. Transaction volume is flat year-over-year and is unlikely to catch fire in the second half without an unforeseen drop in mortgage rates.
- Lending activity is robust. Fannie Mae and Freddie Mac had solid first-half origination totals and are expanding their securitization programs, while commercial banks, debt funds, insurance companies and CMBS are all active in their niches.

MONTHLY FOCUS: MID-YEAR MARKET REALITY CHECK

Where Apartment Conditions are Improving Quickest



Rental Housing Journal

The Co-Star U.S. Multifamily Momentum Index highlights those markets where apartment conditions are improving most quickly as supply pressures ease and demand stabilizes.

Recovery has been uneven since the second quarter of 2025, with four of the top 10 markets in this year's ranking reporting annual rent declines.

The multifamily market momentum index ranks markets based on year-over-year improvement in several measures, including rent growth, vacancy, the balance between demand and new supply, and changes in the under-construction pipeline relative to inventory. Rather than identifying the strongest markets, it highlights where conditions are gaining ground most quickly.

Among the highest-ranked markets, Austin's multifamily rents remain down, but the pace of the declines has slowed. Vacancy rates, on the other hand, are trending lower, and a sharp pullback in construction has allowed demand to begin closing the gap with supply.

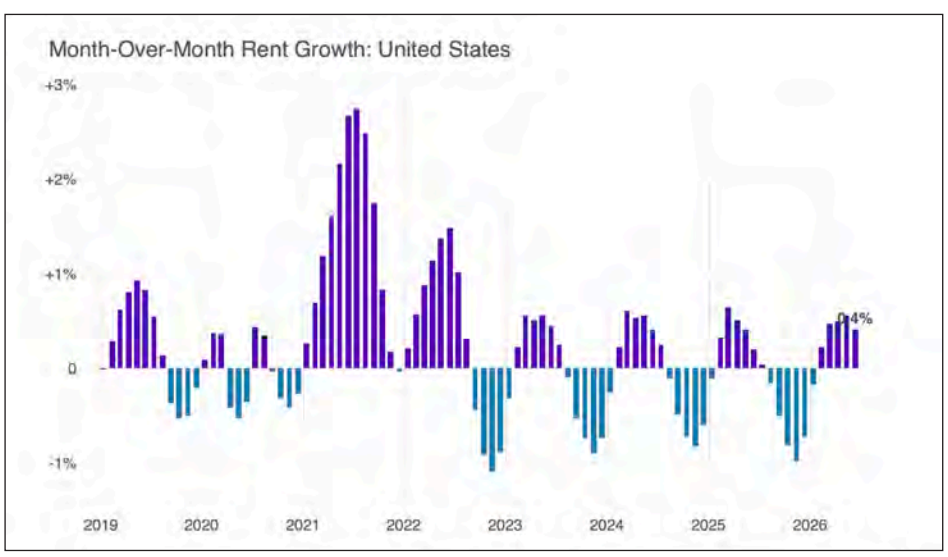
Northern California markets, San Jose, San Francisco, and the East Bay are also among the top 10, with San Jose ranking second.

These market rankings reflect a localized rebound in demand following sharper declines earlier in the cycle. Rent growth and vacancy have improved notably, pointing to renewed pricing power, while increases in the construction pipeline remain modest in absolute terms.

Southern markets, both large and mid-sized, are also prominent in the rankings, with Jacksonville ranking third. Jacksonville has shown strong improvement in occupancy, with vacancy declining roughly 170 basis points over the past year, even as rent remains slightly negative.

"Momentum varies by region, reflecting each market's position in the current supply-demand cycle," said Grant Montgomery, national director of U.S. multifamily analytics at CoStar Group.

"In some areas, a rebound in demand is restoring pricing power, while in others, a slowdown in construction is allowing fundamentals to stabilize while rents remain down year over year. In still others, long-standing supply constraints are limiting the degree of change."





National Median Rents Up Again in June

Rental Housing Journal

June saw another month of rent increases as the nationa median rent ticked up by 0.4 percent in June, increasing for the fifth consecutive month, according to the July report from Apartment List.

"We are now in the middle of the peak summer moving season, and as such, we'll likely see prices continue to increase for another month or two, before the fall cooldown begins.

"This trend is in line with typical seasonal patterns – prices generally increase in the spring and summer when most moves take place, and then soften in the fall and winter as moving activity slows," the Apartment List research team writes in the report.

Highlights of the report:

- The national median rent increased in June, and now stands at $1,385.
- Rent prices nationally are down 1.2% compared to one year ago. Year-over-year rent growth has now ticked up for two straight months, after bottoming out in April at the lowest level that we've seen in our estimates going back to 2017. The national median rent has now fallen from its 2022 peak by a total of 4%.
- The national multifamily vacancy rate currently stands at 7.2%; after hitting a new record in February, the vacancy rate is now decreasing for the first time in over four years.
- Units are taking an average of 30 days to get leased after being listed, which is down from 31 days last month, but still three days longer than at this time last year.

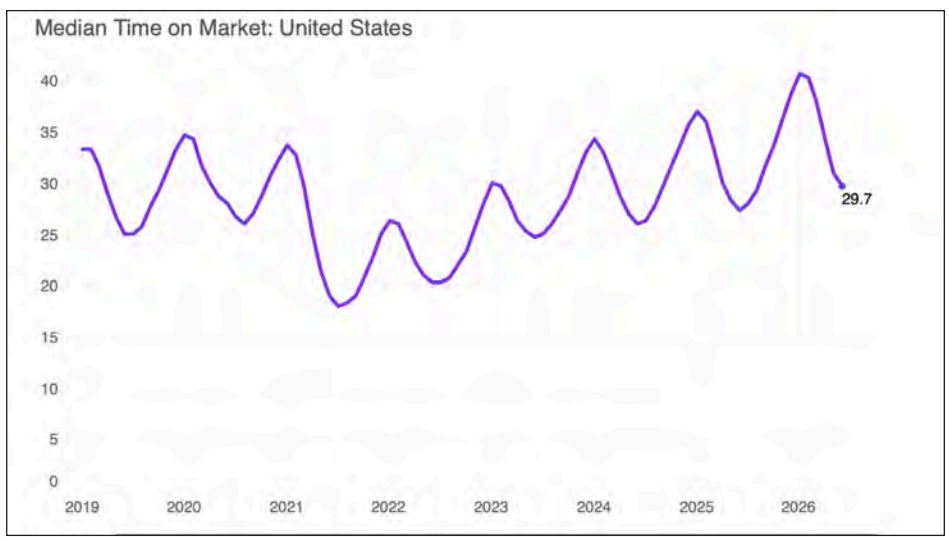
Multifamily vacancy ticks down to 7.2%, first decline since 2021

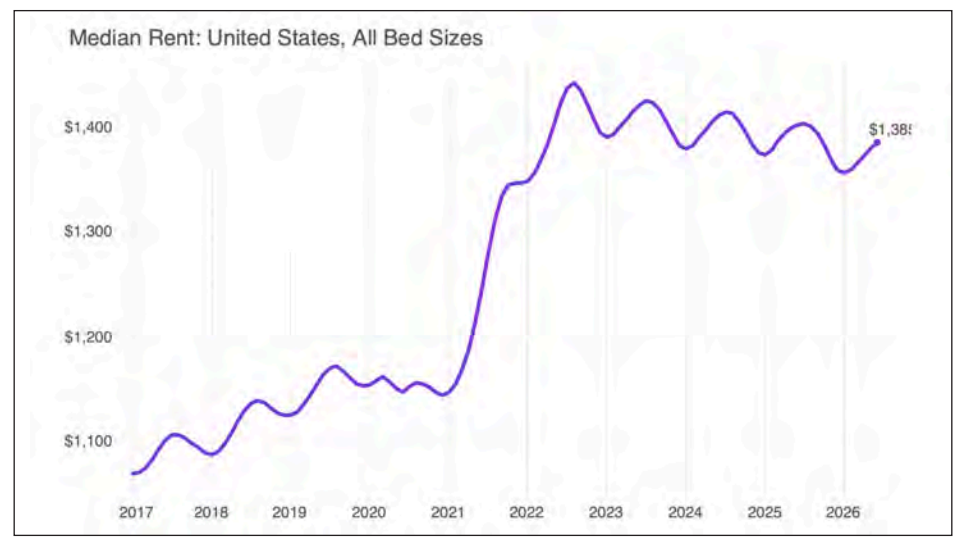
The vacancy rate has been slowly creeping down, and now sits at 7.2 percent. "This marks the first time that we have seen a decline in our national vacancy index since late 2021. After bottoming out amid the pandemic era housing frenzy, the vacancy rate gradually loosened from record lows to record highs, but it appears to have finally hit its peak.

hat said, the recent decline has been modest, and the vacancy rate remains elevated above its long-run average. And with mixed news on the labor market combined with renewed inflation concerns, question marks around housing demand remain in play. Assuming that the vacancy continues to tighten, the change is likely to be slow and gradual," the report says.

Despite the month-over-month decline, list-to-lease time remains somewhat elevated. his lengthened list-to-lease time is a reminder that despite the recent inflection points in pricing and occupancy, rental market conditions remain decidedly cool.

"We are seeing signs that the tide may be turning on the soft conditions that have defined the market over the past three-plus years. However, multifamily conditions remain notably cool overall, and an uncertain macroeconomic outlook presents risks to rental demand. The coming months will provide more clarity on whether the market is simply plateauing or truly turning the corner to meaningfully tighter





SOURCE: Apartment List National Rent Report

MONTHLY FOCUS: MID-YEAR MARKET REALITY CHECK

Mid-Year 2026 Market Report for the U.S. Single-Family Rental Sector

Rental Housing Journal

National single-family rents declined 1.6% year over year during the first half of 2026, marking the first sustained national slowdown since the post-pandemic rental boom, according to a mid-year report from rentometer.com

The report focuses on median rents for 3-bedroom single-family homes in 1,099 cities nationwide. Single-family home rentals house 41% of the U.S. renter population, and three-bedroom single-family homes are a preferred option for many families and investors.

The data set includes over 10 million new rental records annually, based on advertised asking rents, which serve as the foundation for the market reports.

The U.S. single-family rental market continued to cool during the first half of 2026, with the national median rent reaching $2,100, down 1.6% year-over-year. The decline represents a notable reversal from the 1.7% increase recorded during the first half of 2025.

"While annual figures suggest only modest movement, they conceal a more significant turning point that occurred over the past year. Rents increased by approximately 1.7% during the first half of 2025 but began declining during the second half of the year, effectively erasing those gains by year-end. That softer pricing environment has carried into 2026.

"Another notable feature of the first half of the year was the absence of the typical seasonal lift. The national median rent remained unchanged at $2,100 in both the first and second quarters, even as the market moved through its traditional peak leasing season. Historically, rents tend to increase during the spring and early summer months as demand picks up. The lack of any seasonal increase suggests pricing momentum remained weak even during some of the year's busiest leasing months," the report says.

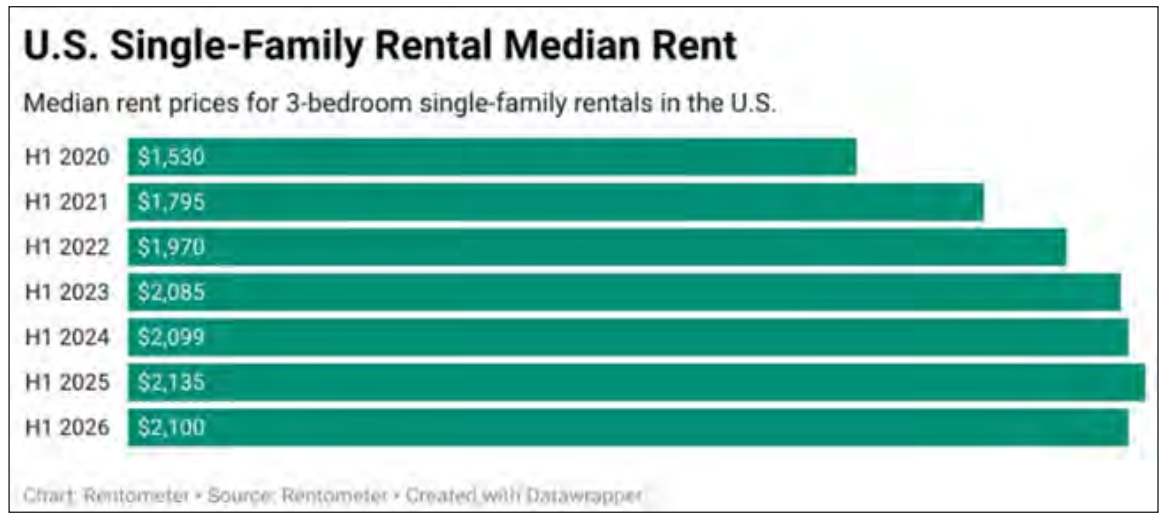
Highlights of the report

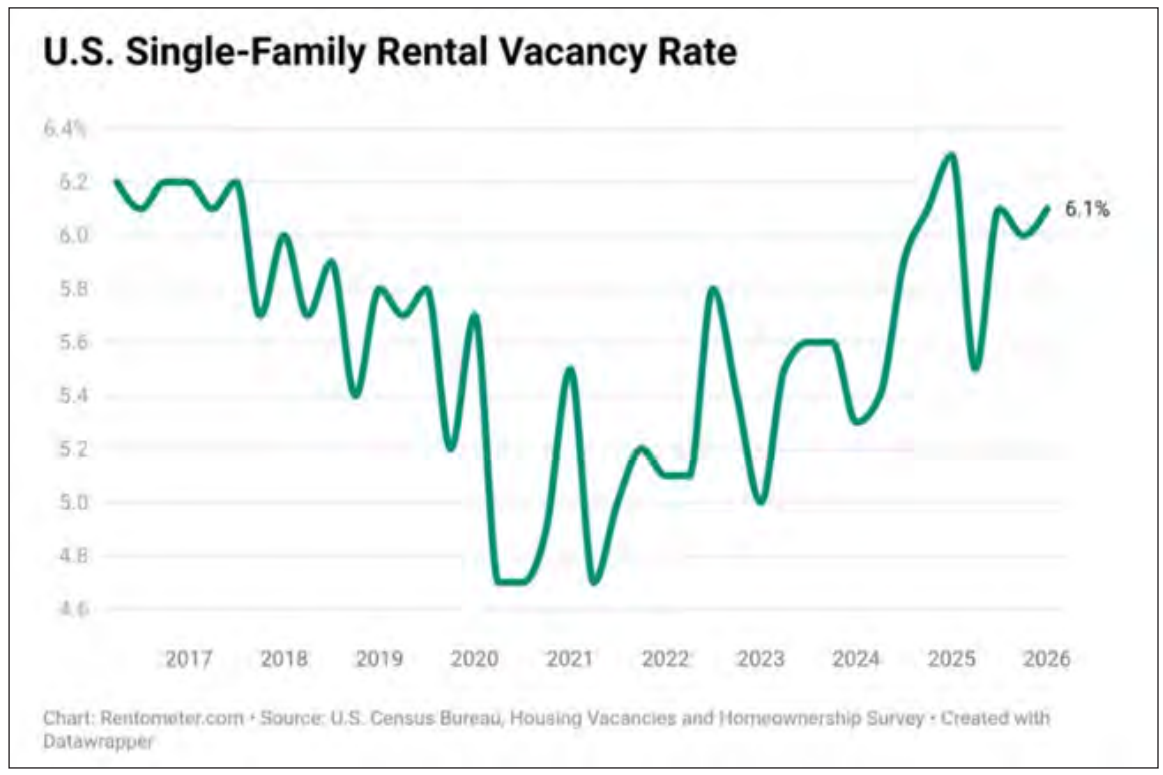
- Growing rental supply continued to pressure pricing, as elevated apartment deliveries, build-to-rent communities, concessions, and "accidental landlords" increased competition across many markets.
- Nearly half (49%) of the 1,099 markets analyzed recorded annual rent declines, with larger cities proving the weakest-performing segment.
- Regional performance diverged sharply. Many Sun Belt markets continued to cool, while technology-driven Bay Area markets such as San Francisco and San Jose recorded some of the strongest rent growth among large U.S. cities.
- The most expensive and affordable rental markets remained concentrated at opposite ends of the country, with California dominating the highest-priced markets and the Midwest and parts of the South remaining the nation's most affordable.

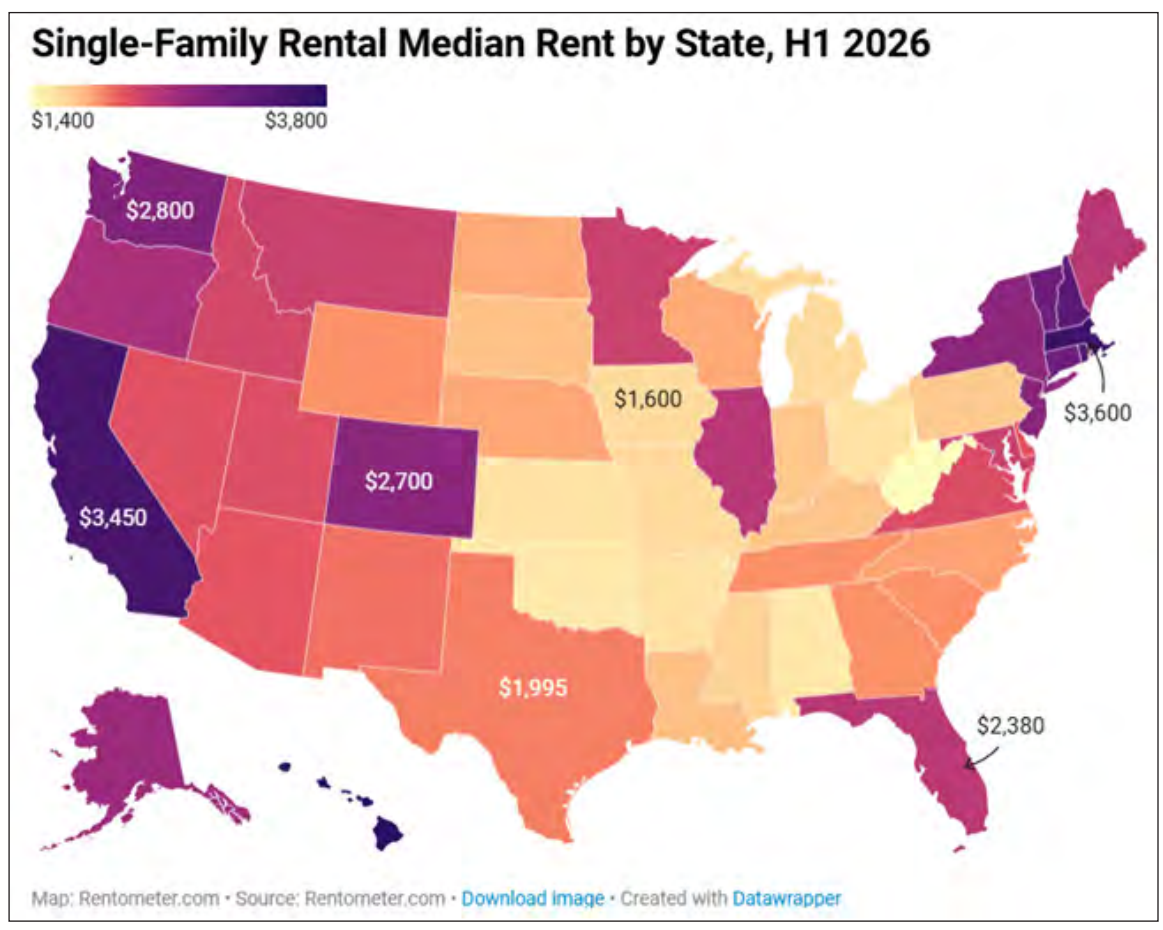
Rental Supply, Concessions, and Market Competition

The decline in single-family rents has occurred against a backdrop of rising vacancy rates and increasing rental supply across the broader U.S. rental market.

According to the U.S. Census Bureau, the overall rental vacancy rate reached 7.3% in the first quarter of 2026, the highest level since the third quarter of 2017. While this measure includes all rental housing types, it reflects a market where renters have significantly more options than they did during the post-pandemic supply crunch.







rentometer

Read the Full Report at:

https://bit.ly/4gxMkKF



Oregon Multifamily Owners Going Smoke-Free Should Plan Now



Rental Housing Journal

Oregon multifamily owners who have considered converting their apartment communities to smoke-free housing under the new law may want to start planning now.

Beginning Jan. 1, 2027, House Bill 4120 gives apartment owners a clear legal process for adopting smoke-free policies that apply to existing residents after providing 180 days' written notice.

While the law does not require landlords to prohibit smoking, it gives owners a statewide framework for making the transition.

For many apartment owners, the effective date may seem months away. However, converting an occupied property to a smoke-free community involves much more than sending a notice.

Owners who begin preparing now can review leases, update policies, communicate with residents and train staff well before the law takes effect.

The smoke-free housing bill was among a number of new laws passed this year by the Oregon legislature.

Why the Law Matters

Smoke-free housing has become increasingly popular with renters and many owners view it as a way to reduce turnover costs, improve resident satisfaction and minimize smoke migration between apartments.

Owners also cite lower cleaning and repainting costs after move-outs, reduced odor complaints and a lower fire risk.

What Oregon Multifamily Owners Should Do Now

- **Review current leases:** Determine whether existing leases address smoking, vaping, marijuana use, balconies, patios, common areas and lease enforcement.
- **Meet with legal counsel:** Work with an Oregon landlord-tenant attorney to prepare lease language, notices and house rules that comply with state law.
- **Develop a resident communication plan:** Plan how and when residents will be notified. Consider FAQs, emails, community meetings, posted notices and reminder communications.
- **Define the smoke-free policy:** Decide whether the policy covers cigarettes, cigars, vaping products, marijuana, outdoor common areas and private patios or balconies.
- **Train onsite staff:** Managers and leasing staff should understand how to document complaints, respond to violations and consistently enforce the new policy.

Bottom Line

Although House Bill 4120 does not take effect until Jan. 1, 2027, multifamily owners who expect to convert their communities to smoke-free housing should begin planning now.

Updating leases, developing communication strategies and preparing staff will likely make the transition smoother once the law becomes effective.

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Renter Interest Drops If Leasing Agents Do Not Respond Quickly to Inquiries

Rental Housing Journal

A new study shows that a 30-minute delay in responding to a tour request reduces renter engagement likelihood from 40% to just 10%.

Renter interest does not just fade gradually over days. It drops sharply in the first hour. In a market where renters are comparing multiple properties at once and can book a competitor tour instantly, response time is becoming one of the most consequential things a leasing team controls, according to the new Rently 2026 Renter Touring Expectations Report.

The study says 47% of renters have chosen, or seriously considered choosing, a less ideal rental simply because it was easier to tour.

"Rental search has become a digital-first experience. Renters compare listings, prices, neighborhoods, photos, reviews, amenities, and availability from their phones. But when they are ready to see a home in person, the process can still become manual and slow. A renter may have to call, email, wait for a response, repeat the same information, work around office hours, and coordinate with a leasing agent before they can make a decision," the research says.

In May 2026, Rently partnered with the third-party survey platform Pollfish to conduct an online survey of 800 U.S. renters aged 18+ who had tried to schedule or attend a tour for a rental home or apartment in the previous 18 months.

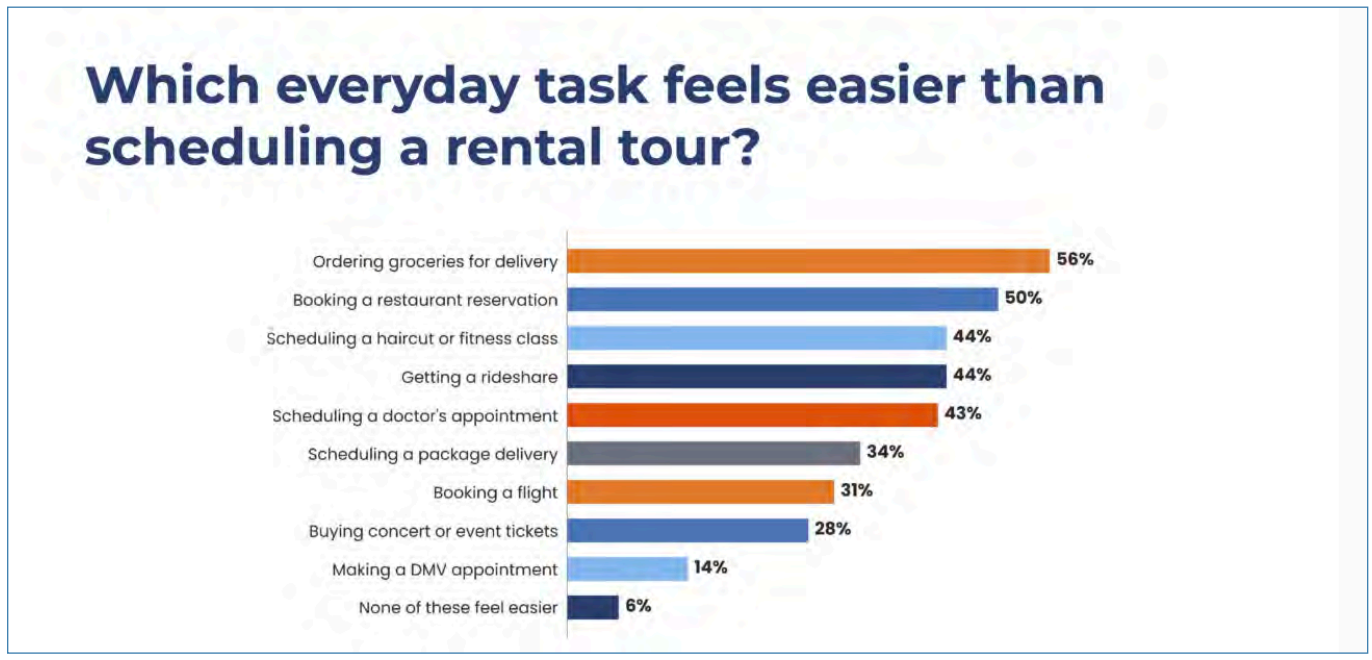
Highlights of the report:

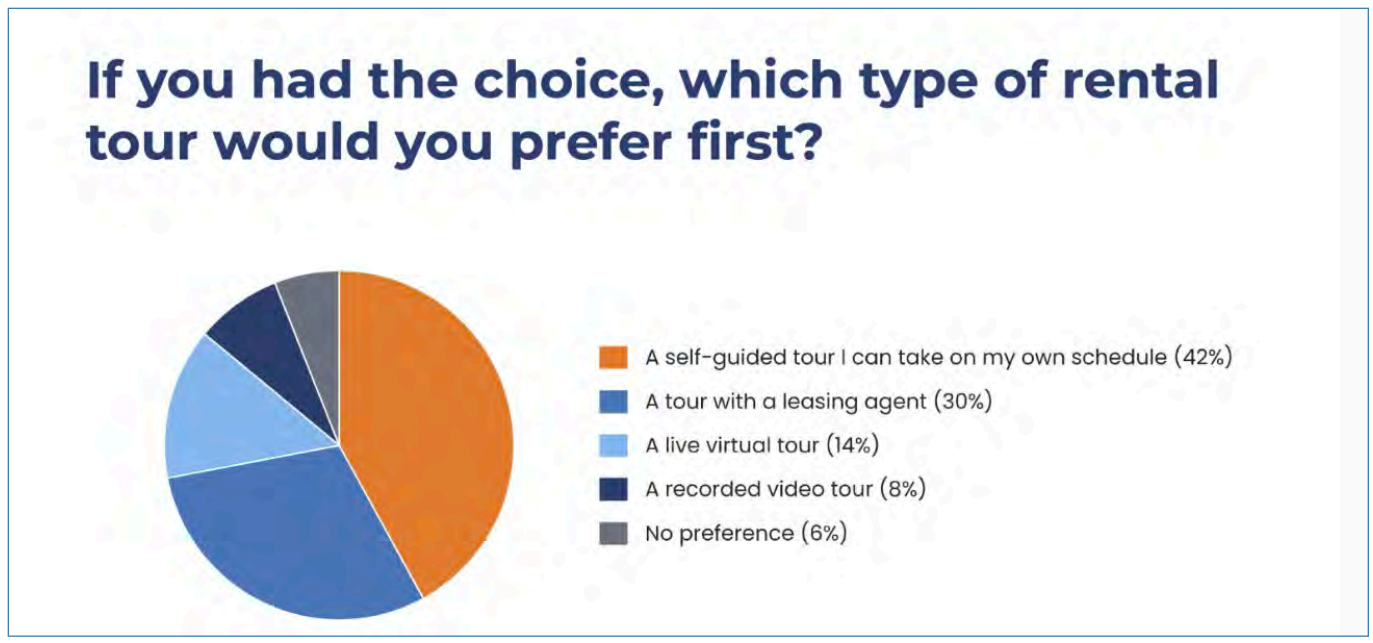
- Only 12% of renters say tour convenience would not affect their rental decision.
- 68% of renters have lost interest in a rental because scheduling a tour was too difficult.
- 88% of renters say a disorganized tour process changes their view of the property itself.
- 42% of renters prefer a self-guided tour as their first step, more than any other tour format.
- 57% of renters still want a person available to answer questions about fees, rent, or lease terms

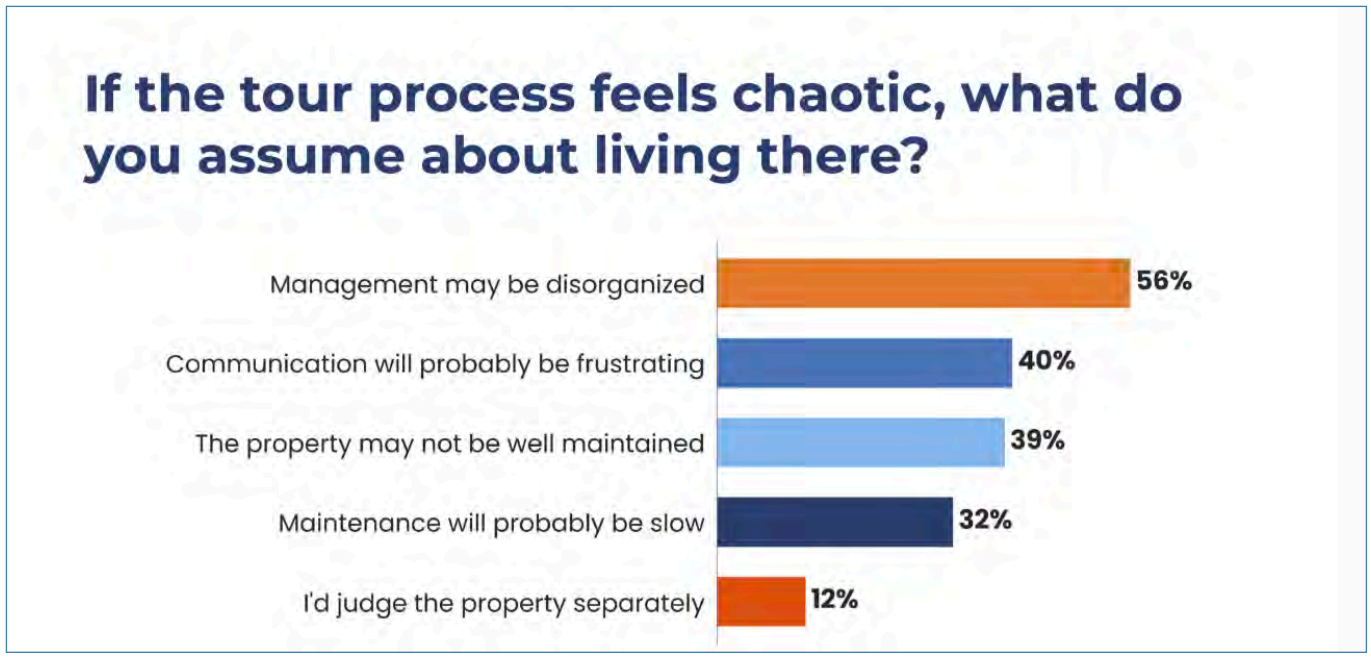
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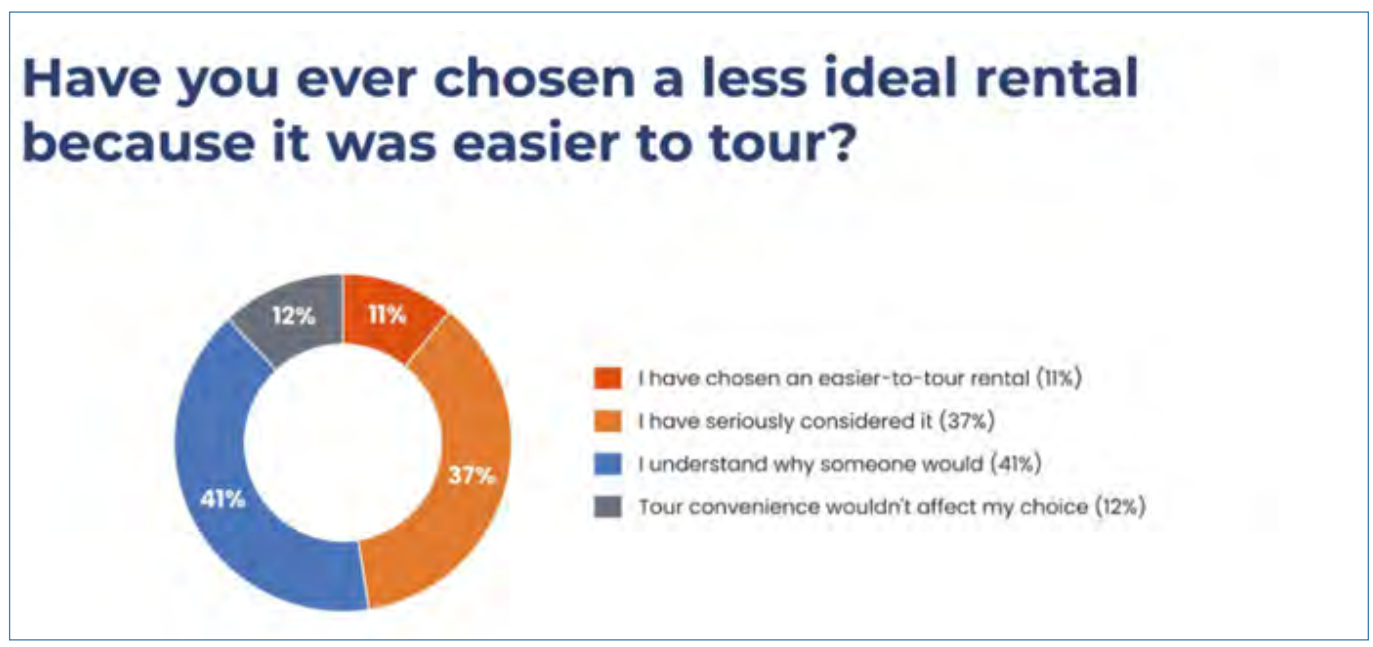
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FROM PAGE 1

COOLING

While Oregon has not adopted broad cooling requirements for existing apartment communities, lawmakers and housing advocates continue to examine ways to improve heat resilience in rental housing. As summers become warmer, multifamily owners may see additional proposals involving cooling equipment, tenant protections or incentives for building upgrades.

Rather than waiting for future legislation, owners can use this period to prepare their properties and operations. Reviewing policies today may make it easier to respond if expectations or regulations evolve in the coming years.

Five Steps to Take Now

1. Review lease language covering portable air conditioners, heat pumps, window units and resident responsibilities.
2. Evaluate whether older electrical systems can safely support additional cooling equipment.
3. Consider energy-efficient heat pumps during future HVAC replacements or capital improvement projects.
4. Develop a heat-response communication plan for residents before the next extreme heat event.
5. Monitor Oregon legislative and local government activity involving cooling, building standards and rental housing.

The end of Portland's program should not be viewed as the end of the conversation. Instead, it marks a transition from emergency assistance toward broader discussions about how rental housing should adapt to increasingly hot summers. Apartment owners who prepare now—by reviewing leases, evaluating building systems and planning future improvements—will be in a stronger position regardless of what policy changes emerge.

