Apartment Concession Use Falls Again, but Discounts Stay Deep - CRE Daily

KEY TAKEAWAYS

- **Concession use fell for a fourth straight month to 14.5% of stabilized U.S. units in September, 2.5 points below its 17% level in May, with declines in every product class.**
- **The average discount edged up to 11.1%, about 5.8 weeks free on a 12-month lease, so owners are cutting how many units carry an incentive before cutting the incentive itself.**
- **Occupancy of 95.2% and 1.5% annual effective rent growth show stabilization, but a sustained drop in discount size is the missing proof that fundamentals are rebalancing.**

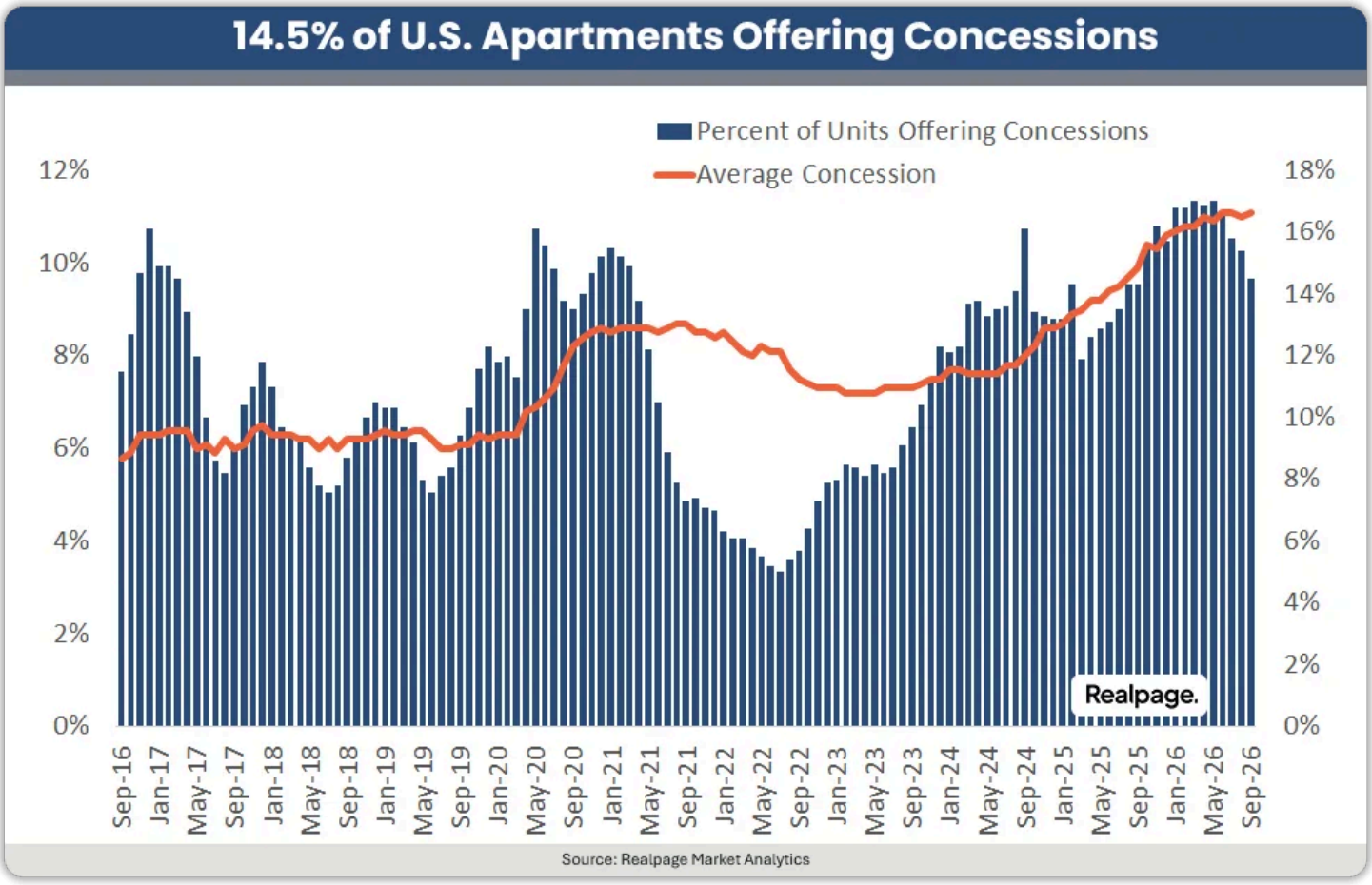
Landlords are handing out fewer perks, but the ones they offer remain large. U.S. **apartment concession use** dropped for a fourth straight month in September, per RealPage Market Analytics.

Incentives reached 14.5% of stabilized units, the lowest share since September 2025. The average discount still sits at 11.1%, tying the deepest level in over 15 years.

Reach Down, Depth Steady

Usage stood at 17% in May and has shed 2.5 points since. September posted the sharpest of the four monthly drops, 0.9 points.

A typical incentive works out to roughly 5.8 weeks of **free rent** over a one-year lease. Depth has crept up from 10.9% in May.



Class C Leads the Pullback

Class C, the most heavily discounted tier, fell 1.4 points to 18.1%. Class B dropped 0.8 points to 13%, and Class A slid 0.5 points to 12.5%.

That narrowed the Class C premium over Class A to 5.6 points from 6.5. By floorplan, efficiencies are still the biggest discount story: 17.1% of those units carry an average 12.2% reduction.

Echoes of 2010

RealPage notes a post-crisis parallel. In March 2010 the average concession was about 11%, nearly the same as today. The difference is scale: owners then discounted half of the stabilized stock, versus 14.5% now.

The pattern suggests operators first pare back which units get a deal, and only later shrink the deal.

Why It Matters

Underlying demand is steady. September occupancy averaged 95.2%, and effective rents at same-store properties grew 1.5% from a year earlier. Over 12

months, renters absorbed 323,106 units against 317,966 completions.

That fits the broader trend in **multifamily rents**, which are rising but cooling.

What's Next

RealPage says calling a national turning point is premature. Evidence would come if both the share of discounted units and the depth of each discount keep falling together.