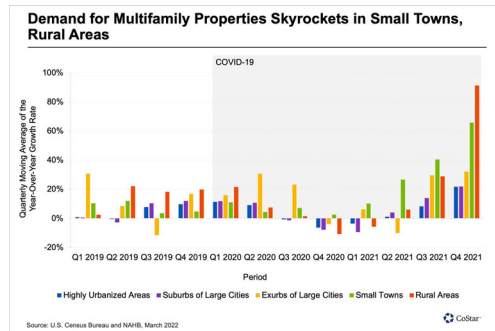


CHART OF THE DAY

Demand Surges for Rental Housing Far From Cities

Renters Stick to Rural Markets Despite Workers Slowly Returning to Urban Offices



By [Katie Burke](#) and [Rohit Diwadkar](#)

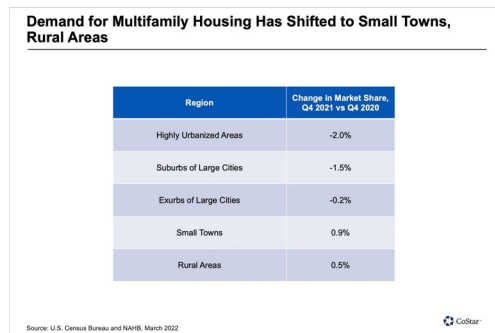
CoStar News

March 23, 2022 | 9:18 AM

The loosening of pandemic restrictions is triggering a nationwide surge of multifamily housing growth, according to construction data.

The biggest gains have been in and around rural markets and small towns, as extended work-from-home policies make it possible for more renters to live farther from densely populated areas where they used to work, National Association of Home Builders permit data shows. Those trends appear not to be slowing as companies gradually begin to bring people back to offices with the pandemic entering its third year.

The Home Building Geography Index, which tracks residential permit activity across the United States, reported the multifamily demand in rural areas nearly doubled year over year in the final quarter of 2021 after posting gains all year. The analysis also found that demand in suburban areas of small cities rose slightly in the fourth quarter. That increasing portion of the market came at the expense of large urban areas, a slice of the multifamily housing sector that saw a 2% drop in market share over the same time.



Even the suburbs and exurbs of large cities experienced weakened demand. The geography index reported suburbs of large markets lost 1.5% in market share in the last quarter of 2021 compared to the prior year. Meanwhile, exurbs of those large areas lost 0.2% in market share over the same time.



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