

High-End Rental Properties Take the Lion's Share of New Developments

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Apartment construction across the United States is increasingly focused on high-end rentals. The percentage of new developments completed last year that classify as high-end properties (Asset Class B+ and above) was 79 percent of total large-scale properties and an estimated 87 percent in the first half of 2018, according to [an analysis performed by RENTCafe.com](#) of new multi-family construction by asset class using Yardi Matrix apartment data.

Of the approximately 1,600 new large-scale developments completed in 2017, 1,270 have quality ratings B+ and above, with the highest percentage of high-end construction taking place in the Southwest and the Mid-Atlantic region. Texas in particular is a fertile ground for apartments at the top-end of the market, with [luxury apartments for rent in](#)

[Dallas](#) as well as in Fort Worth making up 100 percent of new completions last year, while Houston represented 98 percent of completions. Boston, Las Vegas, Louisville, and Baltimore were also among the leading markets for high-end apartment deliveries in 2017, with a 100 percent share of the total new large-scale developments.

Among the nation's 30 largest cities, San Diego built the smallest share of high-end rentals, 46 percent of total construction last year. Showing a slowdown compared to previous years, only 65 percent of new apartments in Austin were rated B+ or above last year. Luxury apartments in Los Angeles made up three quarters of the total completions over the same period of time, same as in Chicago and Philadelphia.