

7 Tips for Growing Your Real Estate Portfolio in 2026

What 2025's market shifts mean for property managers—and how to turn them into opportunities for growth in the year ahead.





“Right now, it’s not about being flashy—it’s about being tight, disciplined, and efficient. Well-managed buildings with strong digital infrastructure and cash visibility are holding their value better than their peers. That’s pushing the industry to get leaner and smarter.”

—Jon Land, Senior Director of Sales at AvidXchange

Introduction

2025 brought its share of economic uncertainty, and the real estate market felt the impact in new ways. Rising costs, high interest rates, and a changing mix of property types reshaped how investors and property managers approached growth.

But it’s one thing to keep up with the headlines—and another to know how those trends translate into your day-to-day business decisions. That’s where this guide comes in.

In the pages ahead, we’ll walk through the key forces that shaped real estate in 2025 and show you how to use that information to grow your portfolio in 2026. From meeting demand from renters who can’t yet afford to buy, to diversifying into new property categories, to building the digital systems that make scaling possible, this is your playbook for navigating what’s next.



91% of real estate and community association finance professionals expressed concern about the economic climate in 2025.

(AvidXchange Economic Sentiment Survey, April 2025)

Meet Rising Renter Demand as Young Buyers Stay on the Sidelines

More young people are going to stay renters in 2026, which means stronger demand for well-located, thoughtfully managed properties.

Only 24% of home purchases in 2025 were made by first-time homebuyers, according to the most recent [annual survey from the National Association of REALTORS®](#) (NAR). That's down from 32% the year before and is the lowest percentage since 1981, when the NAR began collecting the data.

By Q2 of 2025, the median starter home was \$365,000 at a 6.87% effective interest rate, according to [NAR's Housing Affordability Index](#) data. That means buyers putting 10% down—a big chunk of savings for that age group at \$36,500—would be looking at a \$2,212 monthly payment.

This priced out potential first-time homebuyers. The median age of first-time buyers rose to 38 in 2024, up from 35 in 2023, according to the NAR survey.



As the market prices out first-time homebuyers, the rental market is growing. In September 2025, [Redfin reported](#) the number of renter households rose 2.6% year over year to an estimated 46.4 million—one of the largest increases in recent years. That means property managers should **think about the kinds of places a 20- or 30-something would want to live if they can't yet afford a home:** close to work, fun neighborhoods, maybe a gym or pet-friendly perks.



38 yrs old

median age of first time homeowner in 2024 (up from 35 in 2023)

Q2 2025 Median Starter Home Stats

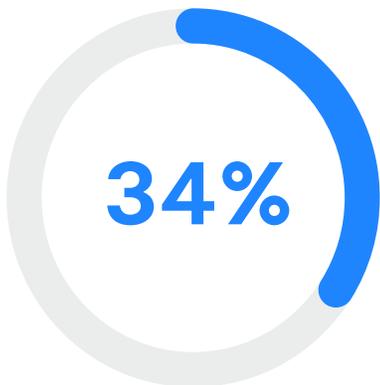
- \$365,000
- 6.87% effective interest rate
- 10% down = \$36,500
- \$2,212 monthly payment

Source: [The National Association of REALTORS®](#)



34%

decrease
in projected
completed units
in 2025 compared
to 2022 peak



Capitalize on Tight Supply as New Construction Slows

A slowdown in new construction changes the playing field for property managers. For much of the early 2020s, new multifamily construction surged, fueled by pandemic-era demand and investor appetite for stable, income-generating assets. **That wave is now receding.**

According to [U.S. Census Bureau Building Permits Survey](#) data, permits for buildings with five or more units totaled 441,600 in 2024, down from the 2022 peak of 651,300. In the first half of 2025, just 213,900 units were permitted. So if that pace continues, the year would close at about 428,000 units—the lowest since 2020.

Several forces are driving this cooldown. A record wave of completions in 2024 temporarily pushed vacancies higher and rents lower, while high labor and materials costs made new construction less attractive.



Fewer new apartments coming online can work in property managers' favor—less competition often supports rent increases. **But it also means fewer chances to buy or build something new. If you're looking to expand, you might need to get creative.** Look at off-market deals, consider value-add projects, or move quickly on opportunities before they're gone. You could also explore distressed or unfinished developments that may be available at a discount.

Tap Into Growing Demand for Build-to-Rent Communities

If younger renters can't afford to buy—and older households don't want the upkeep of ownership—they're looking for something in between. That's where [build-to-rent](#) comes in.

Build-to-rent means entire neighborhoods of single-family homes designed specifically for renters. Instead of each home being owned by different people, one property management company oversees all the houses in the community, giving residents the feel of a neighborhood with the convenience of renting. And it's a trend that's been on the rise since the pandemic.

According to [data analyzed by Point2 Homes](#), completions climbed from just 7,000 units in 2019 to 39,000 in 2024. Looking ahead, another 109,000 units are already in the development pipeline.



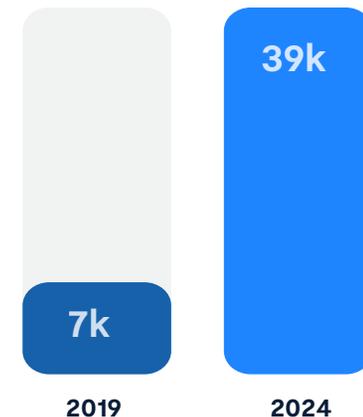
If you're focused only on multifamily units, you may be overlooking a growing segment of renters. Expanding into or partnering with build-to-rent communities can help diversify your portfolio and attract tenants who are ready to move beyond apartments but still need the convenience of renting.

Even if you don't own BTR assets, understanding how these communities are reshaping renter expectations—**more space, extra bedrooms for growing families, pet-friendly layouts, low-maintenance living**—can guide how you upgrade and market your current properties in 2026.



457%

increase in build-to-rent completions since before the pandemic (2019)



Source: [Point2 Homes](#)



Median asking rents in July 2025 were **\$1,790**, just **\$70** shy of record high from 2022.

Source: [Redfin July 2025 analysis](#)



Retain Tenants and Sustain Growth While Rents Stay High

Despite small dips after the pandemic peak, median U.S. asking rents have remained close to their record high. This can give property managers room to invest in tenant retention without losing their competitive edge.

In July 2022, typical asking rent in buildings with 25+ units hit their peak of \$1,860. Three years later, rents are still at \$1,790—just 3.8% below that peak—and well above pre-pandemic levels, which hovered near \$1,550 in mid-2019.

According to [Redfin's July 2025 rental market analysis](#), the median U.S. asking rent rose 1.7% year over year—a \$30 increase—marking the largest annual gain since January 2023. July also marked the second straight year-over-year increase, following a 0.4% gain in June, after more than two years of declining or flat rents.



So what does this mean for property managers? Rents haven't really budged from their peak, and they're starting to climb again. That's a sign the market's on your side.

If you can give renters a reason to stay—maybe by adding an amenity they've been asking for or just keeping communication easy and responsive—you can justify a fair increase without pushing people away.

Use AI Insights to Stay Ahead of Shifting Market Conditions

Market conditions are shifting faster than ever, from rising financing costs and regulatory changes to evolving renter expectations. Relying only on spreadsheets for your data analytics means you could miss trends that are right in front of you.

AI is becoming the tool that helps you prepare for what's coming next:

- **Pricing strategies:** analyzing leasing history, market demand, and seasonal patterns to recommend rates that maximize revenue without hurting occupancy.
- **Portfolio performance:** flagging underperforming buildings where turnover, maintenance costs, or occupancy are dragging down ROI.
- **Operations:** using predictive maintenance to spot repair risks before they spiral into costly emergencies.
- **Sentiment analysis:** Use AI to review tenant feedback and take proactive actions to enhance satisfaction and increase lease renewals.

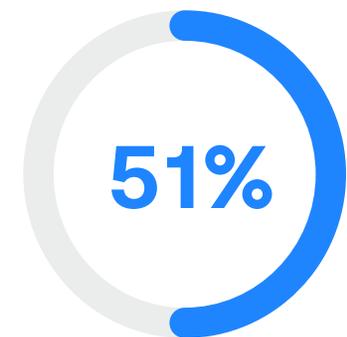
“People get a little bit of anxiety around it (AI) because they think they’re going to work themselves out of a job, and that’s just not at all our intent,” said Blake Sanford, VP of Association and Strategic Partners at Property Management Inc., in a recent podcast episode with AvidXchange. “We’re still in a service-based business, but if you can combine that with artificial intelligence and some of these just mundane tasks, it’s going to make your employee happier and the business more profitable.”



AI can give property managers the ability to make decisions with confidence and speed in a market that changes by the week. Instead of waiting for quarterly reports or relying on gut instinct, you can see risks and opportunities in real time. **The property managers who embrace these tools early will be the ones ready to move fastest as 2026 unfolds.**



51%
of real estate
and community
association
management
professionals say
they’ll be investing
in AI and machine
learning over the
next 12 months.

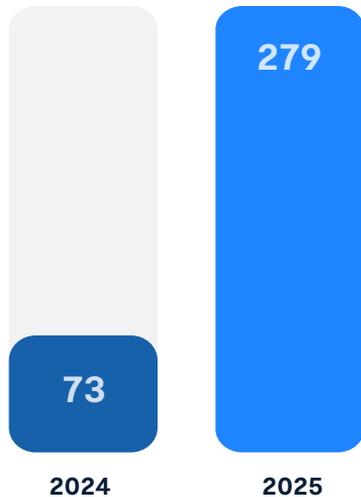


AvidXchange Economic
Sentiment Survey, April 2025



282%

increase in office-to-residential conversions slated to complete in 2025 compared to 2024.



Source: [PwC Midyear Outlook](#)

Real Estate Is Expanding Beyond the Usual Categories

If you're planning portfolio growth in 2026, you may need to look past the traditional apartment or retail properties.

The clearest example is data centers. Global data center M&A exploded in 2024, topping \$73 billion in closed deals, according to [Synergy Research Group](#).

In its [US Deals 2025 Midyear Outlook Report](#), PwC notes that data centers are quickly moving from niche to mainstream, becoming one of the most sought-after types of real estate investment. Cold storage, life sciences, and [senior living are also gaining traction](#), giving property managers more categories to consider as they think about portfolio growth in 2026.

Office-to-residential conversions are another space to watch. PwC reports that while only 73 office-to-residential conversions were completed in the U.S. in 2024, more than 279 projects were slated for completion in 2025 and beyond. For property managers, that means new residential inventory entering markets where office buildings are struggling. This shift offers both competition and opportunity, especially as tenants gravitate toward premium new spaces that support the return to office.



In 2026, portfolio growth isn't limited to apartments and retail. **Categories like data centers, cold storage, and senior living offer unique benefits, such as stability—research firms rarely relocate, and seniors tend to stay longer.** These properties won't fit every real estate strategy, but keeping an eye on emerging sectors and creative conversions can help you stay ahead of the curve and capture growth where demand is rising fastest.

Build the Digital Foundation to Scale



As you scale your portfolio in 2026, you have to remember: more properties mean more invoices, more vendors, and more approvals to track. If your accounts payable (AP) process is still paper-based, then every property you add can mean you need to hire another person to keep up with the flow of bills.

Decentralized operations make this even harder. When paper files live in different offices and approvals are stuck in a remote employee's inbox, you'll slow down payments to your suppliers and hurt those relationships.

You can get ahead of this by automating your AP in 2026. By digitizing invoice intake, routing approvals online, and keeping both invoices and payments in one centralized system, automation clears away the bottlenecks that slow you down.



AP automation makes invoices easy to search, so you can find what you need in seconds. Approvals are trackable from anywhere. And when you pay electronically instead of by check, you cut fraud risk and give suppliers the confidence that funds will arrive on time.



Here at AvidXchange, AP automation is what we do—so of course we believe in it. But more importantly, we've seen how it helps property managers build the digital foundation they need to grow their portfolio. If you want to handle more properties, more suppliers, and more invoices in 2026 without adding the same amount of back-office staff, then AP automation is one of the clearest ways to make that growth manageable.

“I would recommend businesses move to AP automation as soon as the company is starting to grow, especially if you're going to be more than doubling in size like we did. AvidXchange is worth the investment because you'll be able to onboard additional properties with ease while keeping up with existing payables.”

- [Hannah Scherer](#),
[Accounting Supervisor](#),
[Security Properties Residential](#)



Wondering if it's time to automate your real estate AP?

At AvidXchange, we've helped thousands of companies streamline their invoice and payment processes, giving them the flexibility to grow without adding back-office burden.

[Check out our blog](#) to learn the key signs it's time to get started.

Or if you're ready to speak to an AP automation expert at AvidXchange, your next step is to [book a demo](#).

Key Takeaways: Your 2026 Portfolio Growth Checklist

Growing your portfolio in 2026 will mean balancing strong renter demand, tighter supply, and new opportunities beyond traditional categories.

Here's a quick one-pager recapping the key moves that can help you scale with confidence in the year ahead:

Position your rentals for long-term renters. First-time buyers are priced out, so think about what younger households and downsizing seniors want in a rental.

Act early while supply is tightening. With fewer new apartments coming online, competition for quality units will rise.

Explore build-to-rent opportunities. Renters who want more space for growing families, privacy, or pet-friendly living are fueling demand for single-family rental communities.

Retain tenants while rents are high. Keep occupancy strong with responsive service and small upgrades that matter.

Use AI to sharpen decision-making. From pricing adjustments to portfolio performance, AI tools help you move faster in a shifting market.

Diversify into new categories. Data centers, cold storage, life sciences, and senior living offer stability and fresh growth opportunities.

Automate AP before you scale. Build the digital foundation to handle more invoices, suppliers, and approvals without adding overhead.

About AvidXchange®

AvidXchange is a leading provider in accounts payable (AP) automation, offering intelligent AP software and payment solutions specifically designed for middle market businesses and their suppliers. With 25 years of industry experience, AvidXchange modernizes the way businesses manage their expenses and payments by offering AI-enhanced software coupled with support from experts. Empowering over 8,500 growth driven businesses, AvidXchange increases efficiency, control, and visibility in financial operations and has securely processed payments to more than 1.3 million suppliers through its proprietary payment network over the past five years. For more information, visit www.AvidXchange.com.

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