

Multifamily Market Outlook



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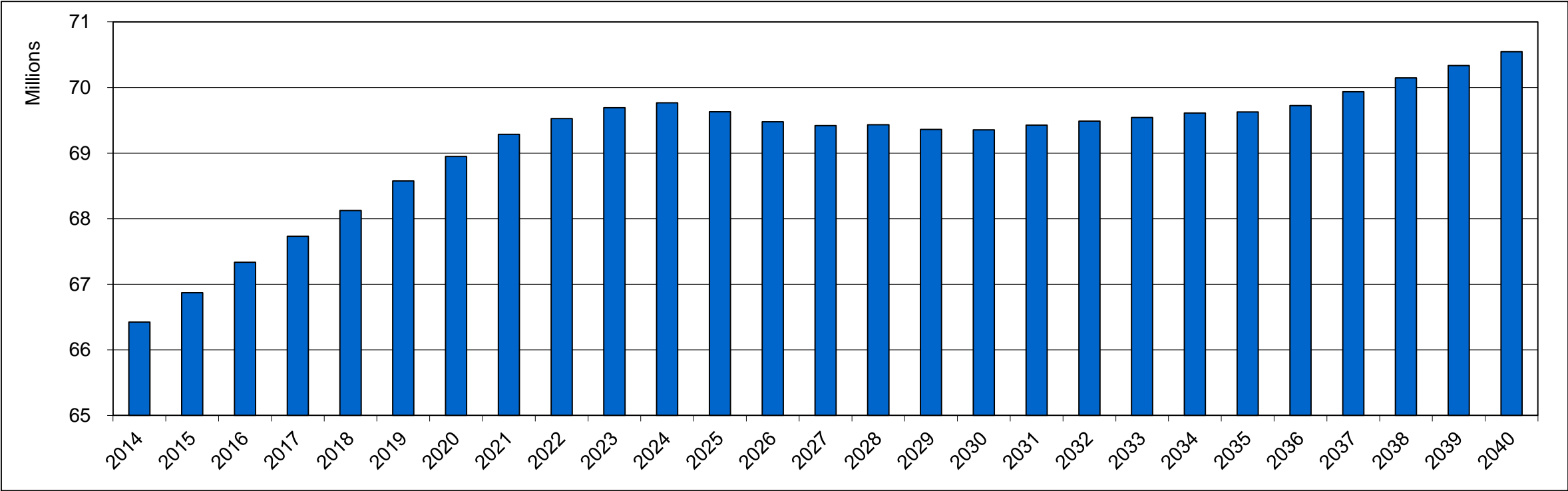


"Usually I'd be nervous, but the rest of his apartment is so nice."

Real Estate Fundamentals: Demographics Favorable

Demographics are in Multifamily's favor over the next few years, especially in the younger aged cohort...

U.S. Population: Age 20-34 Cohort



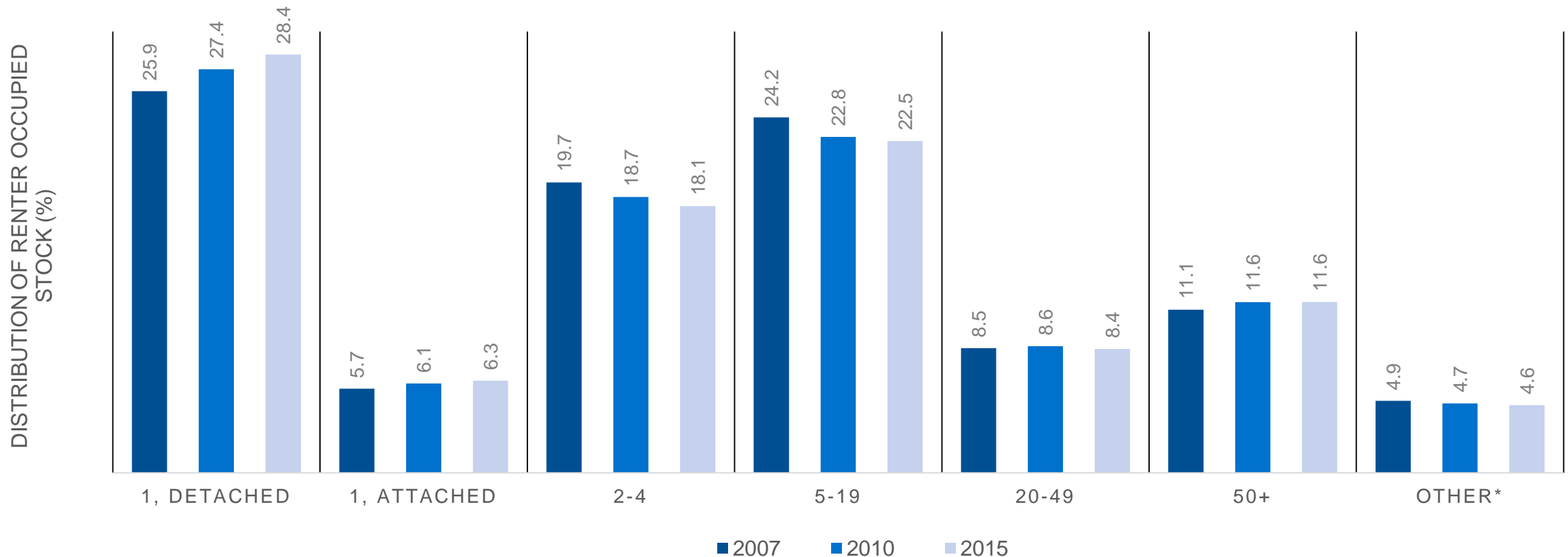
Source: U.S. Census, Fannie Mae

Real Estate Fundamentals: Demographics Favorable



...and even though there are more 1-4 unit rentals than 5+ unit rentals...

U.S. Renter Occupied Stock by Structure

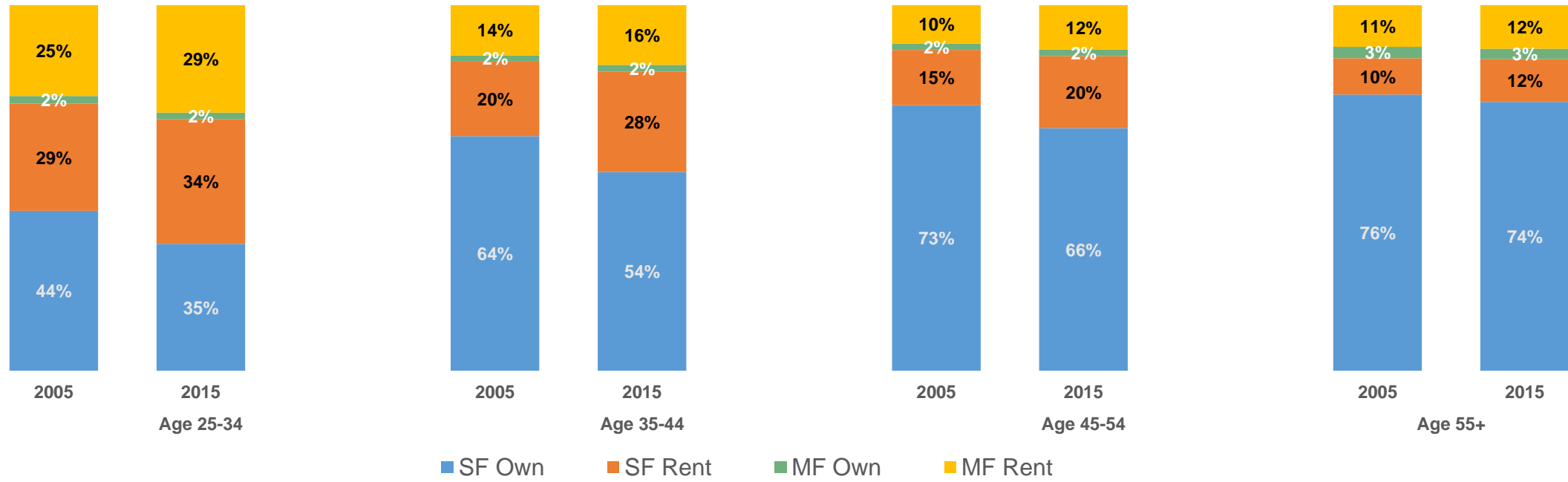


Real Estate Fundamentals: Demographics Favorable



... the majority of multifamily renters are younger renters (but they also like renting single-family homes).

Single-Family and Multifamily Occupied Dwellings



Source: U.S. Census Bureau, American Community Survey 1-Year Estimates.

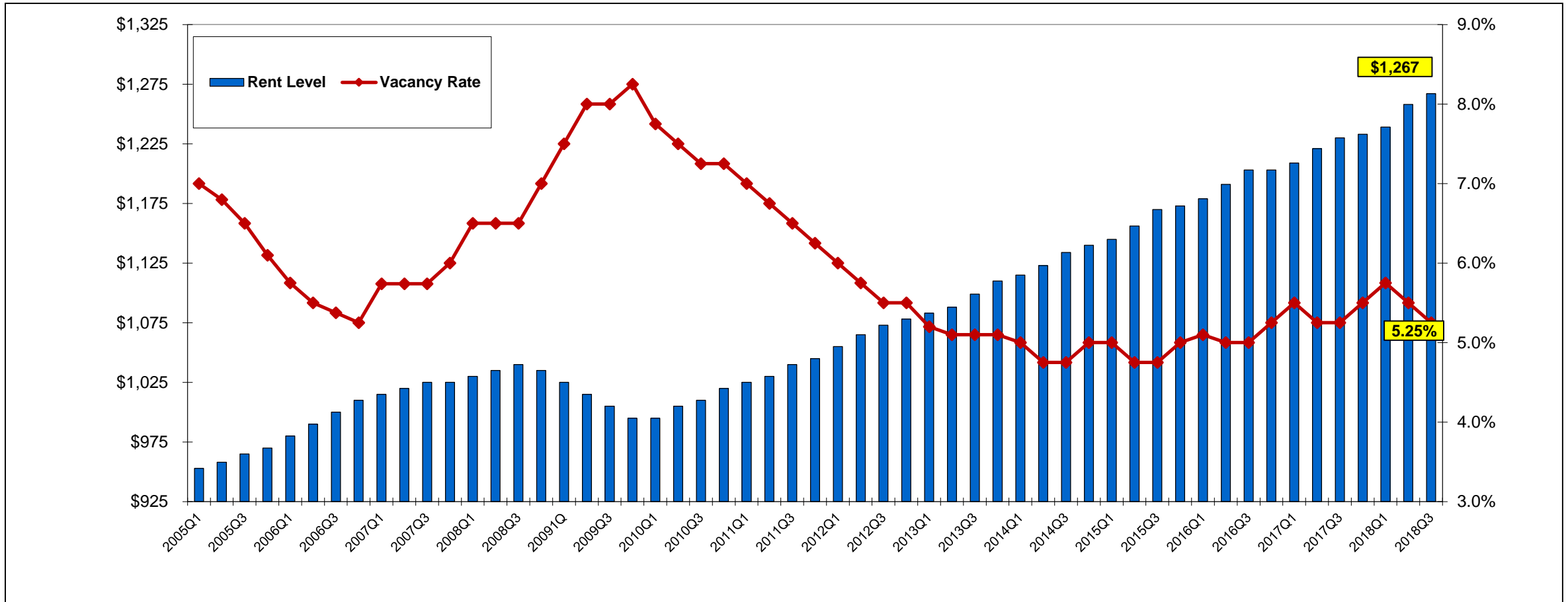
Note: Single-family includes housing units in structures with 1-4 units. Multifamily includes units located in 5+ unit structures. Excludes manufactured/mobile homes and other less common types of housing units (e.g., boat or RV).

Real Estate Fundamentals: Continued Demand



National estimated multifamily vacancy rates are slowly inching up...

Estimated National Rent Level and Vacancy Rate

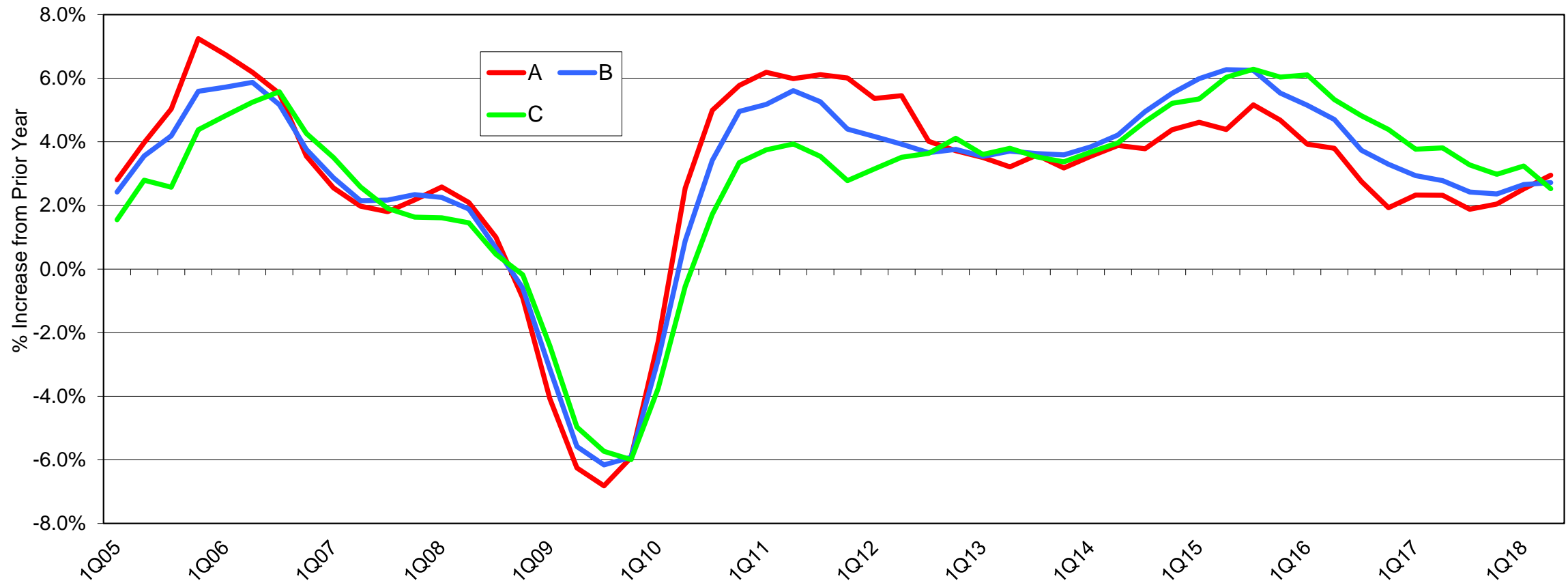


Real Estate Fundamentals: Rental Demand Stable



... but all classes are still seeing positive rent growth.

National Effective Rent Growth by Class



Real Estate Fundamentals: Supply and Demand



Multifamily starts remain ahead of *recent* historic average levels...

Multifamily (5+ units) Starts

(3 month moving average)

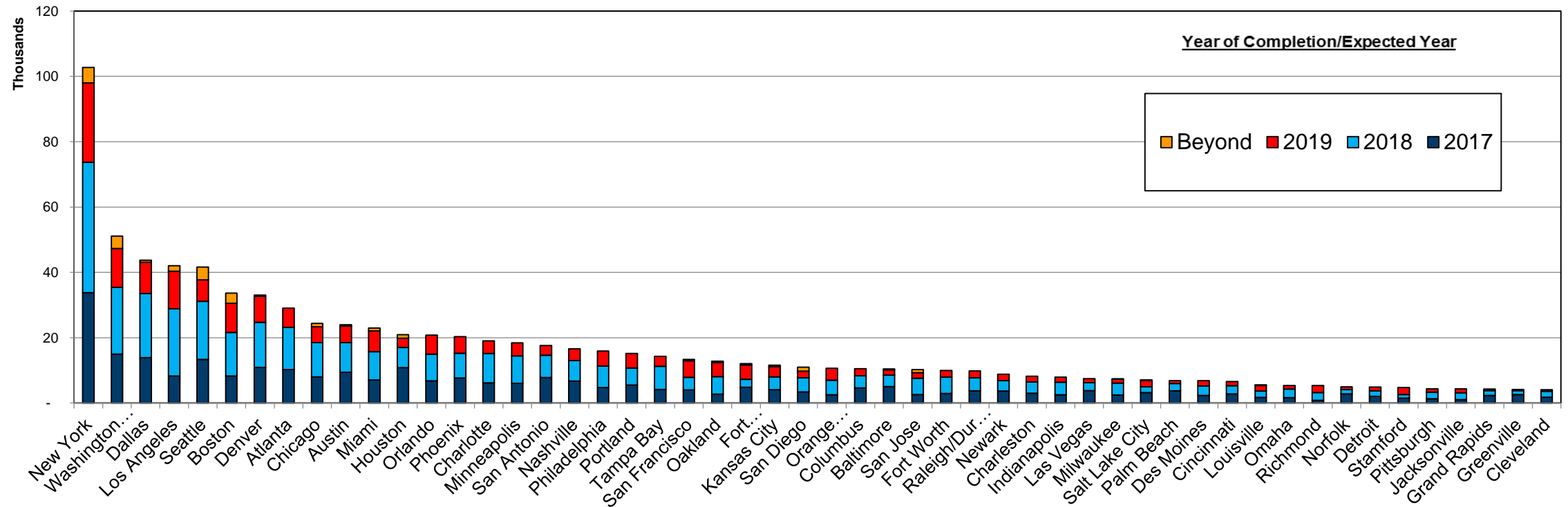


Real Estate Fundamentals: Supply and Demand



...but many of the completions delivering soon are concentrated in only 10 metros...

Multifamily Apartment Units Underway – Select Metros



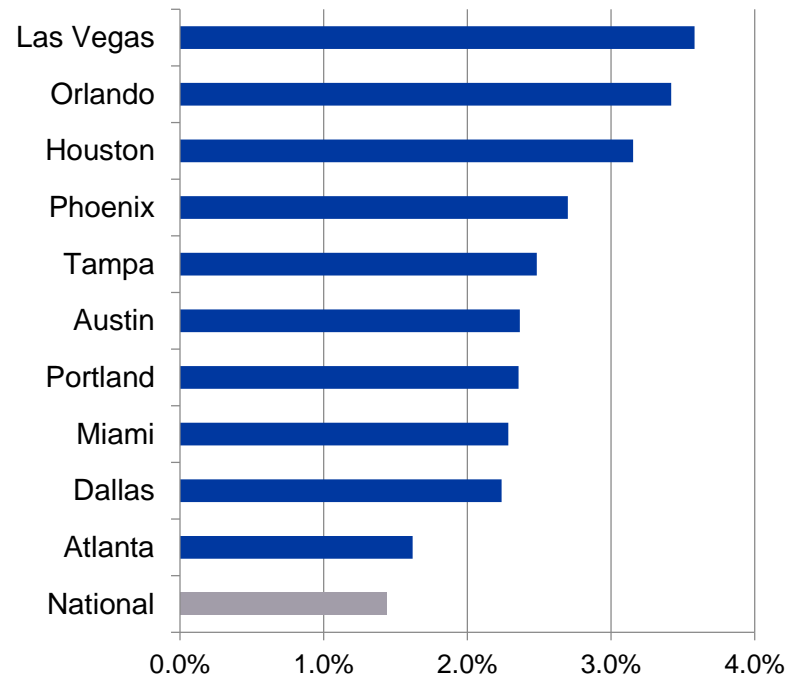
NOTE: Pipeline data is not an actual forecast of activity, it is a monitor of activity reported on to-date. As more projects are planned and tracked, figures in future periods might go up.

Real Estate Fundamentals: Supply and Demand

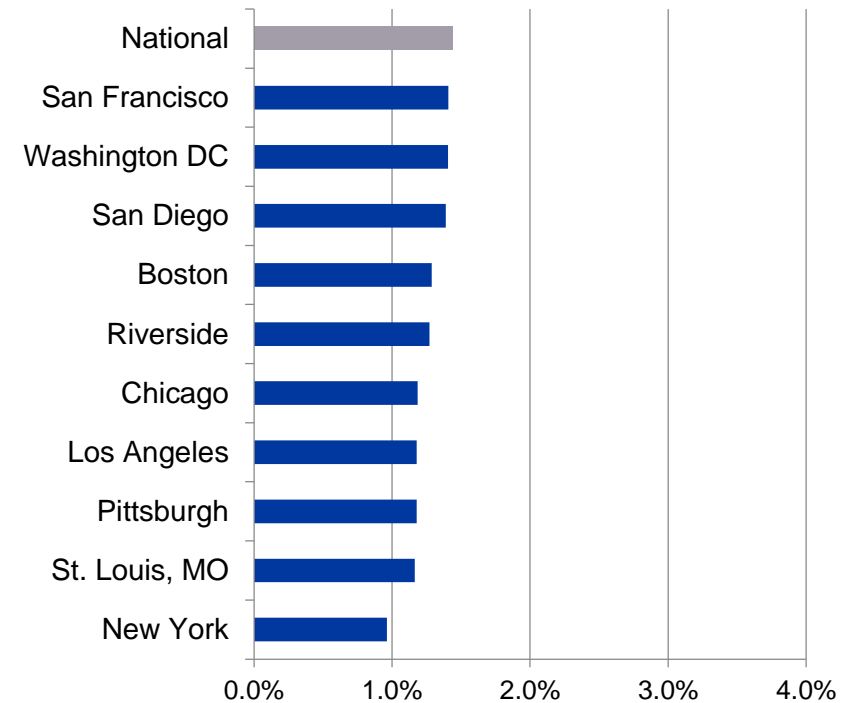


...some of which may see a slowdown in job growth.

Select Markets with Higher Expected 2018-19 Employment Growth



Select Markets with Lower Expected 2018-19 Employment Growth



Source: Moody's Analytics, October 2018

And remember:



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