



## Multifamily Capital Markets Update (January 2019)

For 2020, Multifamily markets look to continue to perform with low interest rates, high demand in most markets, and stable cap rates. Deliveries remain stable to slightly increasing, comparable to the last few years. One new data point suggests homeownership is increasing slightly vs. the past 10 years of declines.

Below are key takeaways from the following reports:

Multifamily 2020 Outlook – *Freddie Mac* – [Link](#)

Multifamily National Report – December 2019 – *Yardi Matrix* – [Link](#)

Multifamily Market Commentary – December 2019 – *Fannie Mae* – [Link](#)

### Multifamily 2020 Outlook

*Freddie Mac*

- Supply will continue to grow at a healthy pace in 2020 with new product being absorbed
- Cap rates have remained stable for the last few quarters
- Rent growth continues to be healthy however may be constrained in markets with newer product coming online in 2020.
- Homeownership increased by 40 bps in 2019.

### Multifamily National Report – December 2019

*Yardi Matrix*

- Southwest and Southeast markets lead in rent growth
- Phoenix, Las Vegas, Sacramento and Nashville lead the country
- Occupancy continues to be in the 95%+/- range in most markets
- Rent growth in most markets nationwide is slowing

### Multifamily Market Commentary – December 2019

*Fannie Mae*

- Focus on affordable housing initiatives in various markets
- Most major markets have some affordable proposals pending given lack of product in such markets
- Programs range from tax incentives to density initiatives in California
- Austin, TX is focusing tax incentives on transit corridors