NYMT Multifamily

Multifamily Capital Markets Update (May 2020)

The 10-year Treasury Yield has remained stable bouncing from .5% to .75%. Debt capital is available from the agencies but with reserves. Equity capital has become selective.

Below are key takeaways from the following reports:

COVID-19's Impact on Multifamily Real Estate – Webinar – *Yardi Matrix* – Link

COVID-19's Impact on Multifamily Real Estate – Webinar

Yardi Matrix

- May collections look similar to April. Federal stimulus funds kicking in helping tenants who lost jobs to pay rent.
- A and B properties have held up well. C properties showing some distress.
- Once the stimulus ends in August, expect to see a decrease in rent collections and loan defaults
- Unemployment and GDP decline is unprecedented
- Short term rentals and corporate leases are struggling
- Markets reliant on tourism (Orlando, Las Vegas) will suffer rental declines in the next year
- Some gateway markets will suffer the same, including NYC
- Indianapolis, Twin Cities, Kansas City will have rental increases for 2020
- Market risk is in the next 12-18 months, long term prospects for Multifamily continue to look good
- New deliveries will decline significantly 12-36 months from now
- Markets with newer properties with significant lease-up will have pressure for concessions
- Markets will recover at different paces depending on the extent of infection, testing and deaths of each market
- Potential for long term movement to suburban locations from dense city locations