Multifamily Capital Markets Update (December 2020)

The 10-year Treasury Yield has increased slightly in a range of around .80% -.95%. Debt capital is available from the agencies but with reserves. Agency business is busy with year-end around the corner.

Below are key takeaways from the following reports:

National Multifamily Report – November 2020 – *Yardi Matrix* – Link

National Multifamily Report – November 2020

Yardi Matrix

- Rents declined nationwide by .5% year over year
- The national rent decline is attributed to larger gateway cities like New York, Boston, San Francisco that have some of the highest rents in the country
- Many smaller lower-cost markets have seen year over year increases such as Phoenix, Indianapolis and Sacramento
- SFR has enjoyed explosive growth as many renters look for larger spaces
- Markets with an abundance of new supply are having trouble leasing up at this particular time. The issue will persist until the pandemic is over.
- Employment trends vary market to market depending on the reliance on hospitality and leisure as a % of employment (restaurants, hotels, entertainment)
- Markets like Austin have seen rents decline as the lower end and workforce units struggle and have more than offset the higher-end sector
- Las Vegas with the highest unemployment rate in the country sees some of the larger rent growths in the US
- Las Vegas, Inland Empire, Phoenix, Sacramento rent increases are as a result of net migration from higher-cost coastal cities like San Francisco and Los Angeles