Multifamily Capital Markets Update (March 2020)

As of late, the 10-year Treasury Yield has declined to ~1.20% causing a bit of uncertainty in the marketplace. Spreads have increased to compensate for the steep decline in Treasury Yields.

Below are key takeaways from the following reports:

Multifamily National Report – January 2020 – *Yardi Matrix* – Link
Multifamily Market Commentary – February 2020 – *Fannie Mae* – Link

Multifamily National Report – January 2020

Yardi Matrix

- Southwest US continues to be the market leader in rent growth. Boston is the exception here.
- Average rents have stagnated in December but are somewhat common as it's a slow month
- Most of the top markets continue to have occupancy rates in the mid 90's, some approaching 97%
- Phoenix, Las Vegas, Seattle, Sacramento lead the country in rent growth forecast and have occupancy rates about 95%
- Top markets have job growth rates about 2.5%

Multifamily Market Commentary – February 2020

Fannie Mae

- Workforce Housing vacancy rates remain below 2%
- Class C units, considered affordable, have declined by 200K since 2012
- Most new housing remains at the high end of the rent spectrum
- New affordable housing is reliant on government incentives to get built
- Many cities are approving new rent control restrictions to maintain an amount of affordable housing
- Single-family home renters have declined over the past 5 years as Multifamily renters have increased