NYMT Multifamily

Multifamily Capital Markets Update (October 2020)

The 10-year Treasury Yield has remained stable keeping in a range of around .70% -.85%. Debt capital is available from the agencies but with reserves. Agency business is busy with yearend around the corner.

Below are key takeaways from the following reports:

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

National Multifamily Report – September 2020

Yardi Matrix

- Continued decline of higher-priced gateway cities like New York, SF Bay area, Boston. Austin market has declined also since COVID.
- Lifestyle assets have declined overall vs. renter by necessity class
- Majority of markets have maintained occupancy or have tailed off slightly. The exception being the larger gateway cities that have experienced rent declines.
- Inland California has picked up the slack from LA and SF with increasing rents vs. declining rents in the coastal cities
- Some bright spots like Indianapolis and Phoenix showing good rental growth while maintaining occupancy even with new deliveries coming online
- Many same state cities faring different fates. Orlando is experiencing both rental and occupancy decline while Tampa is just the opposite. Orlando experiencing stress due to the abundance of the travel/hospitality industry.
- 92.7% have paid rent to date for September. This is a decline of 1% over the previous month.
- Overall trends are due to 1) State government environment 2) Employment drivers 3) New deliveries vs. population growth
- States with more restrictive COVID policies are seeing larger rental declines and lower occupancies then states with more open policies, SF, LA, NYC, Chicago
- Employment drivers are a big factor. Orlando for the decline of tourism and hospitality and San Francisco mainly due to the white-collar jobs that can work easily from home.