



Strong Multifamily Market Trajectory to Continue in 2018

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Multifamily Research Group Releases New Market Outlook

MCLEAN, VA--(Marketwired - Jan 23, 2018) - According to a new analysis by [Freddie Mac](#) (OTCQB: FMCC), the multifamily market will see continued strength in 2018, largely mirroring last year's performance. The findings were released as part of Freddie Mac Multifamily's [2018 Mid-Year Outlook pdf](#) and companion [video](#).

In the Outlook, Freddie Mac Multifamily Research and Modeling Vice President Steve Guggenmos and Manager Sara Hoffmann find that the moderated growth the market saw in 2017 will continue through 2018. Originations will set another record this year, while rents will keep growing at current levels due to a healthy labor market and continued lifestyle preferences toward renting. Additionally, they forecast that over the next year, completions will peak and supply will increase only slightly faster than demand. While vacancy rates are expected to continue their upward trajectory at the national level and in most metropolitan areas, vacancies in most locations will remain below their historical averages through 2018.

"In 2017 the multifamily market moderated, but remained strong despite high levels of new supply," said Steve Guggenmos of Freddie Mac Multifamily. "As we look to 2018, we expect last year's positive market performance to continue, with robust economic growth and solid fundamentals creating sustained demand among real estate investors."

The Outlook cites several factors contributing to a positive multifamily market in the year ahead. First, employment growth will remain above population growth, propelling demand for housing units. In addition, as the economy approaches full employment, wages are likely to increase, encouraging the formation of even more households. These economic drivers, combined with demographic factors -- including the preference for renting among millennials, baby boomers and an increasingly diverse population -- will continue to fuel rental housing. This strong demand is expected to keep rent growth above expected inflation. Though the Outlook predicts it will take longer to absorb new units in some areas than in prior years, it also forecasts strong fundamentals and investor demand will boost property prices and market activity, leading to higher origination volume.

Guggenmos added, "2018 will be another excellent year for the multifamily market. While results across markets will vary, we expect this year to set another record in multifamily origination volume. Moreover, demographics and lifestyle preferences will continue to favor multifamily, by ensuring demand remains strong for the foreseeable future."

[Freddie Mac Multifamily](#) is the nation's multifamily housing finance leader. Historically, nearly 90 percent of the eligible rental homes we fund are affordable to families with low to moderate incomes.

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