



## Freddie Mac Multifamily 2020 Outlook Projects Originations Will Grow to \$390 Billion

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### Rent Growth Set to Continue as New Supply is Quickly Absorbed

MCLEAN, Va., Jan. 13, 2020 (GLOBE NEWSWIRE) -- After a year of continued strong growth in the multifamily market, [Freddie Mac](#) (OTCQB: FMCC) projects that origination volume will continue growing into 2020, reaching \$390 billion by year end. Rent growth will continue at levels just above the historic average, and new supply will continue to be absorbed as demographics and lifestyle preferences continue to fuel consumer demand for rentals, according to the outlook.

"We believe the most likely scenario for 2020 is one of continued growth in the multifamily market," said Steve Guggenmos, Freddie Mac's Vice President for Multifamily Research and Modeling. "While there are several economic uncertainties that could impact the broader economy, the fundamentals backing multifamily remain solid."

The Multifamily 2020 Outlook from Freddie Mac's Multifamily Research Center is available online [here](#). The paper outlines several key findings:

- **Market Finishes Strong in 2019:** The multifamily market is expected to finish 2019 with solid rent growth and only modest increases in vacancy rates despite an elevated level of new supply.
- **New Supply is Having Only a Marginal Effect on Vacancies:** Multifamily construction will remain elevated through 2020 and into 2021 based on permits and starts that are already underway. Demand is expected to remain robust due to demographic and lifestyle preferences, but with the continued level of elevated supply, vacancy rates may increase just above the historical average. As a result, gross income growth may decline to just below the historical average but remain well above target inflation in 2020.
- **Investor Demand Remains Strong with Originations Nearing \$400 Billion:** Lower interest rates, along with solid multifamily fundamentals and strong investor demand for multifamily properties, kept cap rates relatively flat throughout 2019 and cap rate spreads were historically at the start of 2020. As a result, multifamily origination volume is expected to come in at \$369 billion in 2019, up 8.8% from 2018 and is projected to grow to \$390 billion in 2020, an increase of 5.7%.

Freddie Mac Multifamily is the nation's multifamily housing finance leader. Historically, more than 90% of the eligible rental units we fund are affordable to families with low-to-moderate incomes earning up to 120% of area median income.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders and taxpayers. Learn more at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

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