



## Freddie Mac's Apartment Investment Market Index Slightly Down in Q2 Reflecting Pandemic Impact on Multifamily Market

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MCLEAN, Va., Sept. 21, 2020 (GLOBE NEWSWIRE) -- The [Freddie Mac](#) (OTCQB: FMCC) [Multifamily Apartment Investment Market Index](#)<sup>®</sup> (AIMI<sup>®</sup>) fell by 0.3% in Q2 2020 after a quarterly increase (1.8%) in Q1 2020. The decline reflects the impact of the COVID-19 pandemic and was largely driven by the first negative second quarter net operating income (NOI) growth (-1.2%) since 2009 and mixed property price growth. On an annual basis, AIMI rose by 6.1% as mortgage rates decreased by more than 60 bps (67 bps) for the fourth consecutive quarter.

"The second quarter index is the first to reflect the negative conditions created by COVID-19 on the market. This was the first time in index history where AIMI and NOI were negative together in the second quarter," said Steve Guggenmos, vice president of Freddie Mac Multifamily Research and Modeling. "Despite the drop in the quarterly numbers, AIMI has increased over the year driven by another substantial drop in mortgage rates."

**Over the quarter, AIMI results were mixed, but were generally negative. The nation, along with 20 metros, experienced AIMI decline while only five metros experienced an increase.**

- NOI growth was negative in the nation and in all markets except for one (Philadelphia). The second quarter is normally a strong quarter in terms of NOI growth; the last time that a second quarter experienced negative growth was 2009. The quarterly contraction reflects the impact of the COVID-19 pandemic.
- Property prices growth was mixed. The nation, along with 14 metros, experienced property price contraction, while nine metros experienced growth and two metros had flat property prices over the quarter.
- Mortgage rates remained unchanged from last quarter.

**Over the year, AIMI increased in the nation and in all but two metros (Orlando and Phoenix).**

- NOI growth was mixed. The nation, along with nine metros, experienced positive NOI growth. Fifteen metros experienced NOI contraction while one metro did not see growth or contraction.
- Property prices growth was generally positive. In the past year, prices grew in the nation and in 21 markets, while four metros experienced property price contraction.
- Mortgage rates decreased by 67 bps. This is the fourth consecutive quarter in which rates have decreased by more than 60 bps on an annual basis.

In addition to national and local values, a [sensitivity table](#) is available that captures how the index value adjusts based on changes in certain underlying variables. Additional information about [AIMI](#) is on the Freddie Mac Multifamily website, including [FAQs](#) and a [video](#).

AIMI is an analytical tool that combines multifamily rental income growth, property price growth and mortgage rates to provide a single index that measures multifamily market investment conditions. A rise in AIMI from one quarter to the next implies an increasingly favorable environment for multifamily investment opportunities, while a decline suggests that attractive investment opportunities are becoming more difficult to find compared with the prior period.

[Freddie Mac Multifamily](#) helps ensure an ample supply of affordable rental housing by purchasing and securitizing mortgages on apartment buildings nationwide. Roughly 90% of the mortgages purchased support rental units for households earning 120% of area median income or below. Freddie Mac securitizes about 90% of the multifamily loans it purchases, thus transferring the majority of the expected credit risk from taxpayers to private investors.

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](#).

**MEDIA CONTACTS: Mike Morosi**  
**(703) 918-5851**  
[Michael.Morosi@FreddieMac.com](mailto:Michael.Morosi@FreddieMac.com)  
Erin Mancini  
**(703) 903-1530**  
[Erin.Mancini@FreddieMac.com](mailto:Erin.Mancini@FreddieMac.com)