



## Freddie Mac's Apartment Investment Market Index Remains Positive in Q4 Despite Contractions in Major Metro Areas

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MCLEAN, Va., March 17, 2021 (GLOBE NEWSWIRE) -- The [Freddie Mac](#) (OTCQB: FMCC) [Multifamily Apartment Investment Market Index](#)<sup>®</sup> (AIMI<sup>®</sup>) rose by 0.5% in Q4 2020 after a rebounding (1.9%) in Q3 2020. The marginal growth reflects a quarter where falling mortgage rates offset negative change net operating income (NOI) and property price growth, both driven in part by the COVID-19 pandemic. On an annual basis, AIMI rose by 3.4% as mortgage rates decreased by 57 basis points (bps).

"Over the year, AIMI remained positive nationally and in most markets, but some local markets felt the impact of the pandemic more acutely and experienced substantial contractions," said Steve Guggenmos, vice president of Freddie Mac Multifamily Research and Modeling. "AIMI continued to grow in the fourth quarter, continuing the trend of generally resilient multifamily fundamentals throughout the pandemic."

**Over the quarter, AIMI increased in the nation and in most markets. Sixteen markets experienced quarterly growth while nine metros experienced quarterly contraction.**

- Most metros experienced a decline in NOI. The nation and 16 markets experienced quarterly NOI contraction, while nine metros experienced positive NOI growth. Like last quarter, New York and San Francisco were especially pronounced, dropping -6.2% and -9.4%, respectively.
- Property price growth was also mixed. Prices grew in the nation and in 14 markets while prices dropped in nine markets. Two markets (Atlanta and Philadelphia) experienced effectively no property price change.
- Mortgage rates decreased by 20 bps.

**Over the year, AIMI increased in the nation and in 18 markets, while 7 markets experienced an AIMI drop.**

- NOI dropped in the nation and in 15 markets. New York and San Francisco posted double digits NOI losses for the second consecutive quarter. Ten markets posted annual NOI gains, including Jacksonville and Phoenix which each exceeded 5% growth.
- The nation and 16 markets experienced property price growth, while nine metros experienced contraction. Property prices grew by 11.2% in Phoenix – far higher than any other metro.
- Mortgage rates decreased by 57 bps – a more severe drop than last quarter, but not as extreme as each of the prior four quarters.

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](#).

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