



## Strong Multifamily Investment Environment Continues as Freddie Mac's AIMI Holds Steady in Q1

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MCLEAN, Va., June 09, 2021 (GLOBE NEWSWIRE) -- The [Freddie Mac](#) (OTCQB: FMCC) [Multifamily Apartment Investment Market Index](#)<sup>®</sup> (AIMI<sup>®</sup>) held steady in Q1 2021 as growing net operating incomes (NOIs) and low interest rates bolstered the investment environment for multifamily properties. Overall, the index is down by 0.1% after two consecutive quarters of growth, with the majority of markets in positive territory.

"The low rate environment and reliable net operating incomes are propelling the market forward," said Steve Guggenmos, vice president of Freddie Mac Multifamily Research & Modeling. "With a healthy level of demand and enthusiasm around the reliable asset class, growing property values continue to be the limiting factor in the index."

Over the quarter, AIMI declined by 0.1% in the nation with mixed results at the market level. Thirteen markets experienced quarterly growth while 11 metros experienced quarterly contraction. One market (Chicago) did not experience growth or contraction.

- NOI growth was generally positive across markets. The nation and 18 markets experienced quarterly NOI growth while NOI contracted in seven markets. NOI grew the fastest in Tampa and Phoenix at 3.1% and 2.7%, respectively.
- Property prices grew in the nation and in 22 of the 25 markets. New York and San Francisco continued to see declines, at -2.2% and -1.1% over the quarter, respectively, while prices in Los Angeles contracted very slightly (-0.1%).
- Mortgage rates decreased by 6 bps.

Over the year, AIMI increased in the nation and in 15 markets, while 10 markets experienced an AIMI drop.

- NOI decreased in the nation and in 15 markets. Like last quarter, New York and San Francisco posted double-digit NOI declines (-16.5% and -21.7%, respectively), which is very rare for any market on an annual basis. Ten markets posted annual NOI gains.
- The nation and 16 markets experienced property price growth, while eight metros experienced contraction. Chicago was the only metro with no property price growth or contraction over the year.
- Mortgage rates decreased by 42 bps. This is a large drop, but not as severe as the annual rate drop in each of the last six 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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