



## Freddie Mac Multifamily Midyear Outlook Projects Return to Pre-Pandemic Trends

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### Record-Setting Origination Volume Expected as Multifamily Investment Activity Gains Momentum

MCLEAN, Va., July 26, 2021 (GLOBE NEWSWIRE) -- With demand for multifamily housing now exceeding pre-pandemic levels, [Freddie Mac](#) (OTCQB: FMCC) Multifamily's [midyear outlook](#) projects rising rents, falling vacancies and a record-setting origination market in 2021. The projection is supported by continued strength across the Sun Belt and Midwestern markets, like Phoenix and Memphis, with larger coastal markets starting to see a slow recovery from the pandemic-driven downturn. With investment activity picking up steam, Freddie Mac now projects that overall multifamily origination volume will continue to rise in the second half of 2021, growing to within the record-setting range of between \$385 billion to \$410 billion over the full year.

"We believe that the multifamily market will continue to grow in the second half of 2021 as the country and the economy rebuild after the challenges brought on by the COVID-19 pandemic," said Steve Guggenmos, Freddie Mac's vice president for multifamily research and modeling. "Larger gateway markets continue to feel the impact of the pandemic, such as New York City and San Francisco, but the majority of markets will continue to see rent growth through the rest of 2021. Underlying demand drivers will support strong multifamily market fundamentals and have set a foundation for continued growth as economic conditions improve."

[The Multifamily 2021 Midyear Outlook is now available online.](#)

The paper outlines several key findings:

- **Demand for Multifamily Housing Exceeds Pre-Pandemic Levels:** Rapidly improving economic conditions and enhanced unemployment benefits that have helped stabilize renters' incomes have increased demand for multifamily housing. Multifamily construction projections for 2021 are mixed, but they should remain elevated even if they don't exceed 2020 totals. Separately, with the CDC's eviction moratorium scheduled to expire at the end of July, Freddie Mac's recent research paper entitled [Transitioning to Post Pandemic Normal](#) found that federal assistance is likely sufficient to meet the needs of renters affected by the pandemic so long as those funds are accessed in a timely manner.
- **Apartment Market Forecast Turns Positive Thanks to Improving Economy:** Nearly 90% of metros will see positive rent growth in 2021, however larger gateway markets like New York, San Francisco, the District of Columbia and Miami are expected to continue to see negative income growth. Boosted by a strengthening economy, the vacancy rate is projected to decrease to 5.0%, while rents are predicted to rise 2.5%, leading to an estimated overall 2.9% increase in gross income in 2021.
- **Investor Demand Remains Strong:** The strength in the multifamily market throughout the pandemic and into 2021 continues to drive strong investor demand. Total multifamily originations for 2021 are expected to hit record-setting numbers in the range of \$385 billion to \$410 billion.

[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 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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