Freddie Mac Multifamily 2022 Outlook Projects Another Strong Year for Multifamily Investment

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MCLEAN, Va., Jan. 10, 2022 (GLOBE NEWSWIRE) -- Freddie Mac's (OTCQB: FMCC) annual multifamily outlook estimates that overall multifamily origination volume will continue to grow in 2022 to between $475 billion and $500 billion. The report projects rent growth in all markets in 2022, with the Sun Belt markets expected to outperform the nation as smaller markets in the Northeast and Midwest grow at a slower rate. The economic rebound in 2021 resulted in a robust year for the multifamily market, but this growth is expected to moderate in 2022 as concerns about inflation and variants of the COVID-19 virus mount.

“We believe the market will continue to grow in 2022, reflecting the strong multifamily fundamentals that drove the market to a record-breaking year in 2021,” said Steve Guggenmos, vice president of Multifamily Research & Modeling at Freddie Mac. “We anticipate rent growth in all markets in 2022 due to strong demand driven by improving economic conditions.”

The Multifamily 2022 Outlook outlines several key findings:

- **Growth Continues but Moderates:** Coming off a record-breaking year in 2021, Freddie Mac expects multifamily markets to continue their growth, albeit at a more subdued pace. Demand for existing multifamily properties is expected to remain strong and, given recent elevated levels of permits and starts, completions should also remain elevated.
- **Rising Rents Across the Board:** Each market Freddie Mac tracks is projected to experience rent gains. The Sun Belt markets are generally expected to outperform the nation, while the smaller markets in the Northeast and Midwest are generally expected to see comparatively slower rent growth. Overall, rent growth in 2022 is forecasted to be around 4% and vacancy rates are expected to remain flat at 4.8%.
- **Increased Multifamily Lending:** Considering the robust performance and strength of the apartment market, Freddie Mac expects originations in 2021 to grow to $450 billion, and to see further growth to $475 billion-$500 billion in 2022.

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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