



Freddie Mac's AIMI Shows Favorable Multifamily Investment Environment Across All Markets in Third Quarter

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MCLEAN, Va., Jan. 12, 2022 (GLOBE NEWSWIRE) -- The [Freddie Mac](#) (OTCQB: FMCC) [Multifamily Apartment Investment Market Index](#)[®] (AIMI[®]) remained positive in Q3 2021 driven by net operating income (NOI) growth, bolstering the investment environment for multifamily properties. Overall, the index is up by 2.6% quarterly and 3.5% annually, with every market examined posting a positive number in the third quarter for the first time since 2019. Mortgage rates, a component of the index, decreased over the quarter by 5 basis points, offsetting the 5-bps increase last quarter, but remain down 37 bps year over year.

"Propelled by strong net operating income growth and low rates, this quarter's AIMI shows a positive environment for multifamily investors in most markets," said Steve Guggenmos, vice president of Multifamily Research & Modeling. "Markets across the country are rebounding strongly from the impact of COVID-19, including those that were hit hardest by the pandemic."

Over the quarter, AIMI increased in the nation and all 25 markets.

- NOI growth was universally positive for markets and the nation. NOI grew the fastest in New York and Tampa at 13.2% and 11.5%, respectively. Even the slowest growing metro Minneapolis posted a strong growth of 3.8%.
- Property prices grew in the nation and in 24 of the 25 markets; New York was the only metro to experience a decline at -1.8%.
- Mortgage rates held relatively steady, decreasing by 5 bps, offsetting the 5-bps increase seen last quarter.

Over the year, AIMI increased in the nation and in 23 markets, while the Jacksonville, Florida and Minneapolis markets experienced a modest AIMI drop.

- NOI increased in the nation and all 25 markets. Two markets saw NOI increase by 25% or more over the past year: Tampa and Phoenix saw NOI growth of 25.0% and 27.4% respectively. The lowest NOI growth over the past year was seen in San Francisco at 1.7%.
- The nation and all but one market experienced property price growth. New York was the only market that saw property prices decline.
- Mortgage rates decreased by 26 bps over the past year.

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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