



## Freddie Mac Multifamily Apartment Investment Market Index Rises in First Quarter of 2023

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MCLEAN, Va., June 21, 2023 (GLOBE NEWSWIRE) -- The [Freddie Mac](#) (OTCQB: FMCC) Multifamily Apartment Investment Market Index® (AIMI®) rose by 5.3% in the first quarter of 2023, but decreased year over year, with the annual index down 16.6%. AIMI's quarterly increase nationwide and in all 25 markets was a sharp reversal from last quarter's drop. Meanwhile, the annual decline nationwide and in all 25 markets was large but not as severe of a fall from the previous quarter.

"The annual decline in AIMI remained reflective of the year's higher mortgage rates," said Sara Hoffmann, Director of Multifamily Research at Freddie Mac. "But over the prior quarter, mortgage rate volatility slowed down, and the increase in AIMI was mostly a product of property prices reacting to the higher mortgage rate environment."

Over the quarter, AIMI increased in the nation and in all 25 markets. This is a sharp reversal from last quarter due mostly to property prices falling as a result of the still-elevated mortgage rates, despite slight declines in NOI.

- Net operating income (NOI) declined in the nation and most markets. However, no metros were deeply negative with the lowest performer being Raleigh, North Carolina at -1.7%.
- Property prices dropped in the nation and in every market. This is the second consecutive quarter of universal decline.
- Mortgage rates dropped slightly by 7 bps — the first quarterly decrease since the third quarter of 2021.

Over the year, AIMI decreased in the nation and in all 25 markets, driven by the large increase in mortgage rates. The annual decline is large but not as severe as last quarter.

- NOI growth was generally strong with a national growth rate of 3.4%. NOI declined in three markets (Atlanta, Las Vegas and Phoenix).
- Property price performance was mostly negative, and prices nationally contracted by -7.2%. This is the first annual decline in property prices since the second quarter of 2010.
- Mortgage rates increased by 246 bps — a slight pullback from last quarter's jump, but still the second highest annual increase in the entire history of AIMI going back to 2000.

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's mission is to make home possible for families across the nation. We promote liquidity, stability, affordability and equity in the housing market throughout all economic cycles. Since 1970, we have helped tens of millions of families buy, rent or keep their home. Learn More: [Website](#) | [Consumers](#) | [Twitter](#) | [LinkedIn](#) | [Facebook](#) | [Instagram](#) | [YouTube](#)

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