Freddie Mac Multifamily Apartment Investment Market Index Inches Up Nationwide in Second Quarter of 2024

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Metro Areas See Mixed Results

MCLEAN, Va., Sept. 18, 2024 (GLOBE NEWSWIRE) -- The Freddie Mac (OTCQB: FMCC) Multifamily Apartment Investment Market Index® (AIMI®) rose nationwide by 0.3% quarter over quarter and 2.2% year over year, according to data released today. Compared with last quarter, when AIMI's quarterly rise was seen in the nation and in all 25 markets, the second quarter of 2024 saw mixed results, with 14 markets up, nine markets down, and two essentially unchanged.

"AIMI continues to show slight growth quarter over quarter, as well as year over year, as the market continues to work towards stabilization after significant volatility," said Sara Hoffmann, senior director of Multifamily Research at Freddie Mac. "While higher mortgage rates compared with last quarter increased the cost of financing, this was offset by lower property prices and modest rental income growth."

Key data points measured by AIMI include:

- **Net operating income** (NOI) saw mostly positive performance quarter over quarter, with the nation and 19 metros experiencing growth while two metros declined and four were essentially flat. Over the year, NOI was up nationally but fell in 14 of 25 markets. The District of Columbia was the best annual performer (4.4%) while Jacksonville ranked lowest (-5.5%).
- **Property prices** dropped in the nation and the majority of markets over the quarter. Prices grew in only four markets and gains were limited, with Boston posting the highest increase at 0.6%. Over the year, property prices declined in all markets, down -8.3% at the national level, with 11 markets contracting by more than -10%.
- **Mortgage rates** increased 21 basis points in the second quarter of 2024 — a sharp reversal from the previous quarter when rates dropped by 56 basis points. Over the year, mortgage rates increased by 64 basis points. While this marks a large annual increase, it is notably smaller than increases observed in 2022 and 2023.

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 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.

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