Freddie Mac Multifamily Apartment Investment Market Index Continues Rise in Third Quarter of 2024, Increasing Nationwide and in all Markets

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MCLEAN, Va., Dec. 19, 2024 (GLOBE NEWSWIRE) -- The Freddie Mac (OTCQB: FMCC) Multifamily Apartment Investment Market Index® (AIMI®) rose nationwide by 5.3% quarter-over-quarter and 9.2% year-over-year, according to new data released today, continuing an upward trend. Compared to the second quarter of 2024, when AIMI rose nationally but performance across metro areas was mixed, in the third quarter, AIMI rose in all markets nationwide, both on a quarter-over-quarter and year-over-year basis.

“AIMI increased as mortgage rates fell, decreasing the cost of financing,” said Sara Hoffmann, senior director of Multifamily Research at Freddie Mac. “The third quarter of 2024 saw interest rates decline, and an annual increase in net operating income for the nation. When combined with the decline in property prices, this improved conditions for investment in the apartment market.”

Annual increases in AIMI were particularly pronounced on the West Coast, with the Oakland metro area up 17.3% and San Francisco up 15.7% year-over-year, and in the Mountain West, with the Denver metro area up 16.1% year-over-year.

Key data points measured by the third quarter 2024 AIMI include:

- **Net operating income** (NOI) performance was mixed. Over the quarter, the nation and 18 metros experienced NOI growth, while NOI fell in six markets and was essentially flat in one (Las Vegas). Over the year, NOI performance was mixed. The nation and 11 markets experienced NOI growth while NOI declined in 14 markets.
- **Property prices** were mixed. Over the quarter, property prices dropped in the nation and in 17 markets. Prices grew in seven markets while prices in one market (Boston) were flat. Over the year, property prices declined in the nation and in all markets. The price drop was not as severe as last quarter, but five markets still contracted by more than -10%.
- **Mortgage rates** saw some relief. Over the quarter, rates decreased 35 basis points (bps). This was the second largest quarterly decline of the last five years. Over the year, mortgage rates decreased by 12 bps. This is the first annual decline since the third quarter of 2021.

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.

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

MEDIA CONTACT:
Melissa Silverman
(703) 388-7037
Melissa_Silverman@FreddieMac.com