



Expanded Freddie Mac AIMI(SM) Shows Seasonal Slowdown; Continued Strength of Multifamily Market

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MCLEAN, VA--(Marketwired - May 16, 2017) - Today, [Freddie Mac](#) (OTCQB: FMCC) announced it has released its quarterly update to the Multifamily [Apartment Investment Market Index\(SM\)](#) (AIMI(SM)), and has added Boston to the list as the 14th major metropolitan market covered. AIMI is a free online analytical tool that combines multifamily rental income growth, property price growth and mortgage rates to provide a single index that objectively measures multifamily market investment conditions.

For the fourth quarter of 2016, AIMI captured the market's typical seasonal slowdown, with quarterly declines nationally and in all 14 major metropolitan markets it tracks. The seasonality of rent growth typically leads to a decline in fourth quarter income as compared to the third quarter.

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.

"AIMI's declines this quarter are consistent with the normal seasonality of rent growth at the end of the year, as well as property income growth slowing with new supply. However, the overall fundamentals of the market remain strong, and the moderation we are seeing continues to be within our expectations for the market moving forward," said Steve Guggenmos, vice president of Freddie Mac Multifamily Research and Modeling. "Multifamily properties in most markets continue to experience steadily rising rents triggered by unprecedented demand and gaps in housing production."

On an annual basis, the index increased in eight markets and was essentially flat in Los Angeles, Seattle and at the national level. Local markets experiencing the biggest annual index gains were Washington, D.C. (14.0%), Atlanta (4.7%), and Houston (4.2%). The index declined in just four markets, New York, San Francisco, Philadelphia and Phoenix. The annual declines were largely due to property price growth outpacing net income growth and mortgage rates dropping below where they were a year ago, despite higher interest rates. The index does not fully take into account the impact of fourth quarter interest rate increases on the multifamily market, largely due to their timing and the lag in their impact on mortgage rates.

In addition to national and local values, AIMI also provides a [sensitivity table](#) that shows how the Index value adjusts based on changes in the underlying variables. Additional information about [AIMI](#) is on the Freddie Mac Multifamily website and includes [FAQs](#) and a [video](#).

[Freddie Mac Multifamily](#) helps ensure an ample supply of affordable rental housing by purchasing and securitizing mortgages on apartment buildings nationwide. The loans range from \$1 million to several billions and roughly 90 percent support rental units for lower income households. Freddie Mac securitizes about 90 percent of the multifamily loans it purchases, thus transferring the vast majority of the expected credit risk from taxpayers to private investors.

Freddie Mac was established by Congress in 1970 to provide liquidity, stability and affordability to the nation's residential mortgage markets. Freddie Mac supports communities across the nation by providing mortgage capital to lenders. Today Freddie Mac is making home possible for one in four home borrowers and is the largest source of financing for multifamily housing. Additional information is available at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

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