



Multifamily Industry Sees Continued Market Growth, Increased Affordability Challenges

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Freddie Mac Releases New Survey of Industry Participants

MCLEAN, VA--(Marketwired - Sep 6, 2017) - According to a [new survey pdf](#) commissioned by [Freddie Mac](#) (OTCQB: FMCC), a significant majority of the multifamily industry believes the rental housing market will continue to grow, fueled by increasing demand and a growing population. At the same time, however, a plurality of participants is less optimistic about the outlook for affordable housing as compared to just one year ago.

Commissioned by Freddie Mac in partnership with the real estate media and intelligence firm Hanley Wood, the survey gauged the attitudes of industry participants in sectors such as property development; building and construction; property management; lending, financing and investing; and government and trade associations.

Specifically, the survey found that 60 percent of industry participants anticipate the multifamily housing market will grow over the next 3-5 years, while only about 15 percent see it slowing down. Of those who believe the industry will grow, nearly one-third cite supply and demand as the justification for this continued growth, while another 17 percent cite population growth.

"The findings of this survey indicate a general consensus around the strength of the multifamily market. Confidence in market fundamentals remains high among industry participants, largely due to strong demand fueled by lifestyle preferences and demographic changes," said David Brickman, executive vice president of Freddie Mac Multifamily. "However, many participants are also seeing that same demand is exacerbating the affordability crisis for many families. It underscores the need for increased investment in the acquisition and preservation of affordable rental housing."

When it comes to affordability a plurality, 42 percent, of respondents express declining optimism about the outlook for affordable rental housing today as compared to last year. When asked about top challenges in offering affordable housing, 40 percent cite costs, such as those associated with land and construction, as the greatest challenge -- the largest reason by far. When asked how they are responding to affordable housing challenges, most could not cite specific action they are taking to address these issues.

The survey also asked industry participants about the areas that should be a focus for the multifamily housing market. When rating various areas, the majority, 51 percent, believe enhancing the energy efficiency of multifamily properties is extremely/very important. This was closely followed by respondents also rating increasing the supply of affordable housing (48 percent), addressing the housing needs of America's seniors (47 percent) and increasing the creation of workforce housing properties (47 percent) as extremely/very important areas of focus.

Brickman added, "Industry participants understand the importance of improving the energy efficiency of properties, growing the affordable and workforce housing stock, and meeting the needs of seniors -- all of which will help us address our nation's affordability crisis. Freddie Mac has doubled down in all these areas, and we are working hard to ensure we're doing all we can to bring affordability to the rental housing market."

The findings are based on responses from in-depth phone interviews with 200 participants across the multifamily industry. The survey was conducted by Hanley Wood with The Farnsworth Group.

View the results [here pdf](#).

[Freddie Mac Multifamily](#) is the nation's multifamily housing finance leader. Nearly 90 percent of the rental homes we fund are affordable to families with low to moderate incomes.

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