



## Freddie Mac: Multifamily Market Will Continue to Grow, Hitting Records in 2017

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### Multifamily Research Group Releases Mid-Year Outlook

MCLEAN, VA--(Marketwired - Jul 26, 2017) - The [Freddie Mac](#) (OTCQB: FMCC) Multifamily Research Group today released its Multifamily [2017 Mid-Year Outlook pdf](#), and a [companion video](#) discussing its findings.

Outlook authors Steve Guggenmos and Sara Hoffmann find that the multifamily market will continue to grow for the rest of 2017 and into 2018. Although the market will continue to moderate from cyclical highs, demand for rental housing units will remain steady. As a result, Freddie Mac is predicting that origination volume is likely to hit another record in 2017, reaching between \$270 and \$280 billion.

Due to steady economic growth and strong demand for multifamily units, rent growth is expected to be similar to 2016 levels and vacancy rates will increase more slowly than initially forecast. However, the number of construction projects are expected to peak in 2017 or early 2018, which will push vacancy rates higher. Absorption of new units in some areas will take longer than in prior years, putting some downward pressure on rent growth.

"In the first half of 2017 multifamily performance, by most measures, remained near the historical average in the majority of markets across the country," said Steve Guggenmos, Freddie Mac Multifamily vice president of research and modeling.

Some larger metropolitan areas -- such as San Francisco, New York City, Washington, D.C. and Miami -- saw significant construction in the past year, which has pushed vacancy rates up and slowed rent growth. However, according to the Outlook, nearly two-thirds of metros will end the year with vacancy rates below their historical averages. In these areas, demand continues to outpace supply, which allows rents to keep rising.

Guggenmos added, "All things considered, 2017 will be yet another good year for the multifamily market. And importantly, it will not be the market's last strong year. Strong demand, fueled by demographic changes and lifestyle preferences, will ensure the multifamily market's continued strength in the years ahead."

[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.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders and taxpayers. Learn more at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

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