



Freddie Mac AIMI Shows Moderation Consistent with Expectations

July 29, 2017

MCLEAN, VA--(Marketwired - Jun 29, 2017) - Today, [Freddie Mac](#) (OTCQB: FMCC) released its quarterly update to the [Multifamily Apartment Investment Market Index\(SM\)](#) (AIMI). AIMI decreased over the first quarter of 2017 and over the past 12 months. 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 first quarter of 2017, AIMI decreased in all markets and at the national level. The decrease was primarily driven by a 40 basis point jump in mortgage rates. In addition, market fundamentals continued to moderate over the first quarter, with mixed growth among property prices and rental income.

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 to the prior period.

"A substantial rise in mortgage rates over the first quarter of 2017 was the main driver of declining AIMI values in all the markets tracked, including nationally," said Steve Guggenmos, vice president of Freddie Mac Multifamily Research and Modeling. "Annually, AIMI has also seen declines, but largely due to increases in multifamily property prices that have outpaced the growth in rents. This moderation is consistent with our outlook for the remainder of 2017, and we believe the multifamily market will continue to be bolstered by strong demand fueled by demographic changes as well as shortages in supply in most markets."

On an annual basis, the index decreased nationally and in 13 local markets. Washington, D.C. is the only market that saw an increase in AIMI (5.5%), largely fueled by declining property prices and increasing rents. Meanwhile, areas with high supply, such as New York City (-4.7%), San Francisco (-10.5%), Austin (-2.7%) and Houston (-0.2%), are seeing rent growth slow more than other markets.

In addition to national and local values, AIMI also provides a [sensitivity table](#) that shows how the Index value adjusts based on changes in certain 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. Roughly 90 percent of the mortgages purchased 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 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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