



Freddie Mac Quarterly Apartment Investment Index Shows Strong Fundamentals in National and Local Markets

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MCLEAN, VA--(Marketwired - Jul 27, 2016) - Despite signs of moderation, the fundamentals for multifamily investing are strong both nationally and in most of the 13 major metro markets tracked in the first-quarter [Freddie Mac](#) (OTCQB: FMCC) [Apartment Investment Market Index](#) (AIMI(SM)). AIMI is a free online analysis tool that combines multifamily rental income growth, property price growth and mortgage rates into one Index to give investors and market observers an objective view of market investment conditions.

Nationally, AIMI values increased slightly over the quarter to 107.4 from 107 in the fourth quarter of last year. However, on a year-over-year basis, AIMI continues to trend down -- both nationally and in 12 out of the 13 metro areas it tracks -- as property value growth exceeds net operating income (NOI) growth in a flat interest rate environment.

A rise in AIMI values 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.

"The stability in national AIMI values underscores the essential strength of the multifamily market for potential investors. Property price and net operating income growth continue to outperform their historical averages in the majority of metros," said Steve Guggenmos, vice president of Freddie Mac Multifamily Research and Modeling. "What's more, despite relatively high multifamily construction, the overall strength in the labor market and underlying demographic trends are creating robust demand for new multifamily units."

Locally, Orlando and San Francisco experienced the largest year-over-year declines, although for different reasons. In Orlando, strong demand for multifamily units drove up NOI and property prices, while in San Francisco, NOI growth has started to moderate. Meanwhile, in Houston, NOI growth fell and property prices flattened in response to low oil prices.

In addition to national and local values, AIMI also provides a [sensitivity table](#) that shows how the Index value changes 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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