



Freddie Mac Forecasts Strong Year for Multifamily Markets

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MCLEAN, VA--(Marketwired - Mar 2, 2015) - Another strong year is expected for the multifamily markets based on the Freddie Mac (OTCQB: FMCC) Multifamily economic outlook for 2015, which was released today. The key market drivers are expected to keep the multifamily market moving forward, although it will be slightly slower paced than in 2014 and with more dispersion across geographic markets. A video preview along with the complete Outlook is available [here](#).

Outlook Highlights:

- The amount of multifamily supply that will be delivered in 2015 will surpass pre-recession averages, but a sturdier economy and favorable demographics will produce another strong year for multifamily.
- Multifamily starts and completions are expected to continue their upward trend, with starts continuing to rise through 2015 and perhaps 2016, and completions to remain above the average for several years to come.
- Supply could begin to outpace demand this year. However, depending on how much pent-up demand is released, demand could continue to outpace supply.
- The multifamily capitalization rate will stay under 6 percent this year.
- Vacancy rates will rise in most Metropolitan Statistical Areas (MSAs) in 2015 as new supply becomes available and rent growth will vary among markets.
- Vacancy rates will revert to historical averages in Baltimore; Ft. Lauderdale, Florida; Los Angeles; Philadelphia; Salt Lake City; Jacksonville, Florida; Norfolk, Virginia; and Washington, D.C.
- The top 10 list of MSAs with the lowest vacancy rates and highest percentage of gross income growth includes many of the usual suspects, such as Boston, New York, and San Francisco.

Quotes from Steve Guggenmos, senior director of Freddie Mac Multifamily investments and research:

- "The multifamily market will see another strong year in 2015, albeit at lower levels than in 2014. Even as many more properties are completed and new supply is delivered to the market, demand and absorption rates will remain high through 2015 due to favorable demographics and an overall sturdier economy. However, we will see more dispersion across metros as some smaller metros that have been slower to recover pick up steam."

About Freddie Mac

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