“Usually I'd be nervous, but the rest of his apartment is so nice.”
Real Estate Fundamentals: Demographics Favorable

Demographics are in Multifamily’s favor over the next few years, especially in the younger aged cohort…

U.S. Population: Age 20-34 Cohort

Source: U.S. Census, Fannie Mae
Real Estate Fundamentals: Demographics Favorable

...and even though there are more 1-4 unit rentals than 5+ unit rentals...

U.S. Renter Occupied Stock by Structure

Source: U.S. Department of Commerce, Bureau of the Census, per Moody’s Analytics
Real Estate Fundamentals: Demographics Favorable

... the majority of multifamily renters are younger renters (but they also like renting single-family homes).

Single-Family and Multifamily Occupied Dwellings

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates.

Note: Single-family includes housing units in structures with 1-4 units. Multifamily includes units located in 5+ unit structures. Excludes manufactured/mobile homes and other less common types of housing units (e.g., boat or RV).
Real Estate Fundamentals: Continued Demand

National estimated multifamily vacancy rates are slowly inching up…

Estimated National Rent Level and Vacancy Rate

Source: Fannie Mae Multifamily Economics and Market Research Estimates
Real Estate Fundamentals: Rental Demand Stable

…but all classes are still seeing positive rent growth.

National Effective Rent Growth by Class

Source: Axiometrics
Real Estate Fundamentals: Supply and Demand

Multifamily starts remain ahead of recent historic average levels...

Multifamily (5+ units) Starts
(3 month moving average)

Source: U.S. Department of Commerce, Bureau of the Census, per Moody’s Analytics
Real Estate Fundamentals: Supply and Demand

…but many of the completions delivering soon are concentrated in only 10 metros…

Multifamily Apartment Units Underway – Select Metros

Source: Dodge Data & Analytics Construction SupplyTrack, June 2018 – Metros with 4,000 or more units underway or completed

NOTE: Pipeline data is not an actual forecast of activity, it is a monitor of activity reported on to-date. As more projects are planned and tracked, figures in future periods might go up.
Real Estate Fundamentals: Supply and Demand

...some of which may see a slowdown in job growth.

Select Markets with Higher Expected 2018-19 Employment Growth

- Las Vegas
- Orlando
- Houston
- Phoenix
- Tampa
- Austin
- Portland
- Miami
- Dallas
- Atlanta
- National

Select Markets with Lower Expected 2018-19 Employment Growth

- National
- San Francisco
- Washington DC
- San Diego
- Boston
- Riverside
- Chicago
- Los Angeles
- Pittsburgh
- St. Louis, MO
- New York

Source: Moody’s Analytics, October 2018
And remember:

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