

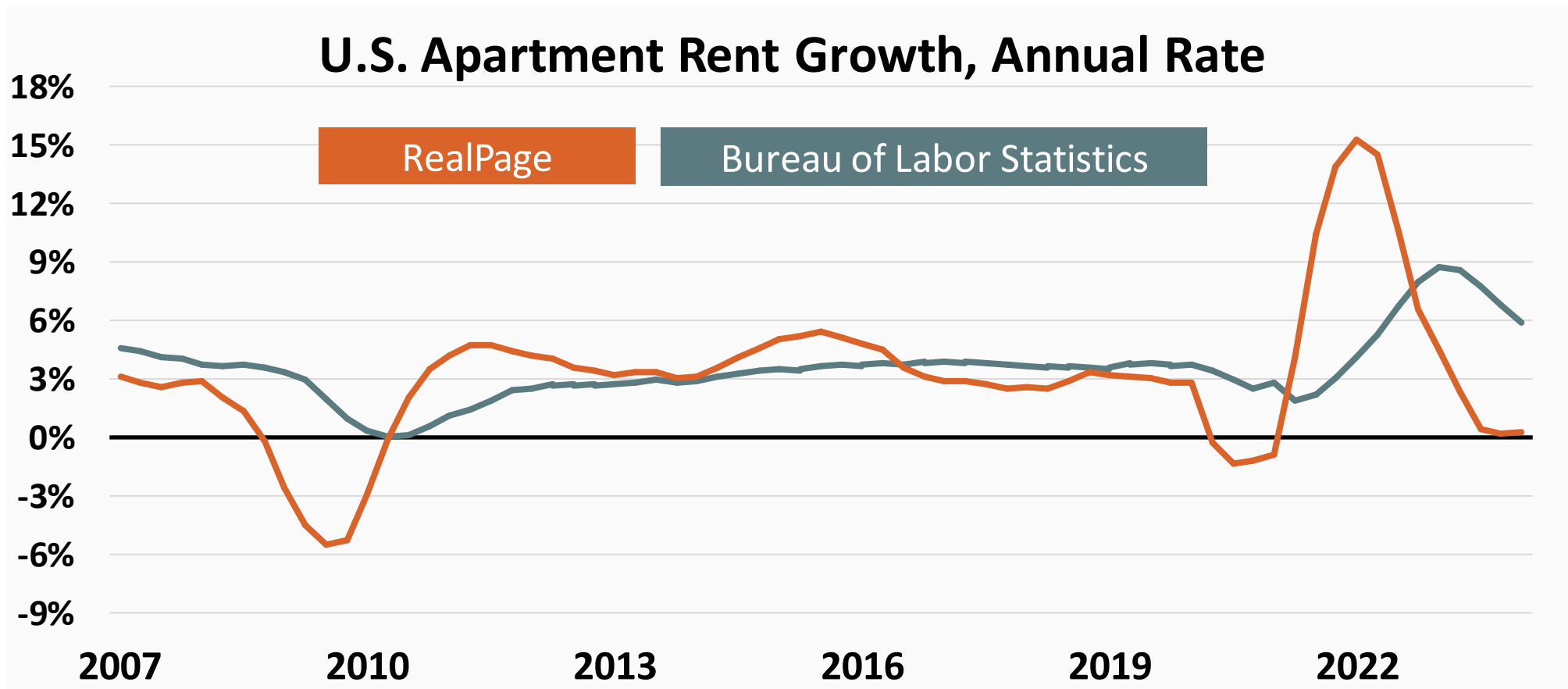


NATIONAL
MULTIFAMILY
HOUSING
COUNCIL

Apartment Market Overview

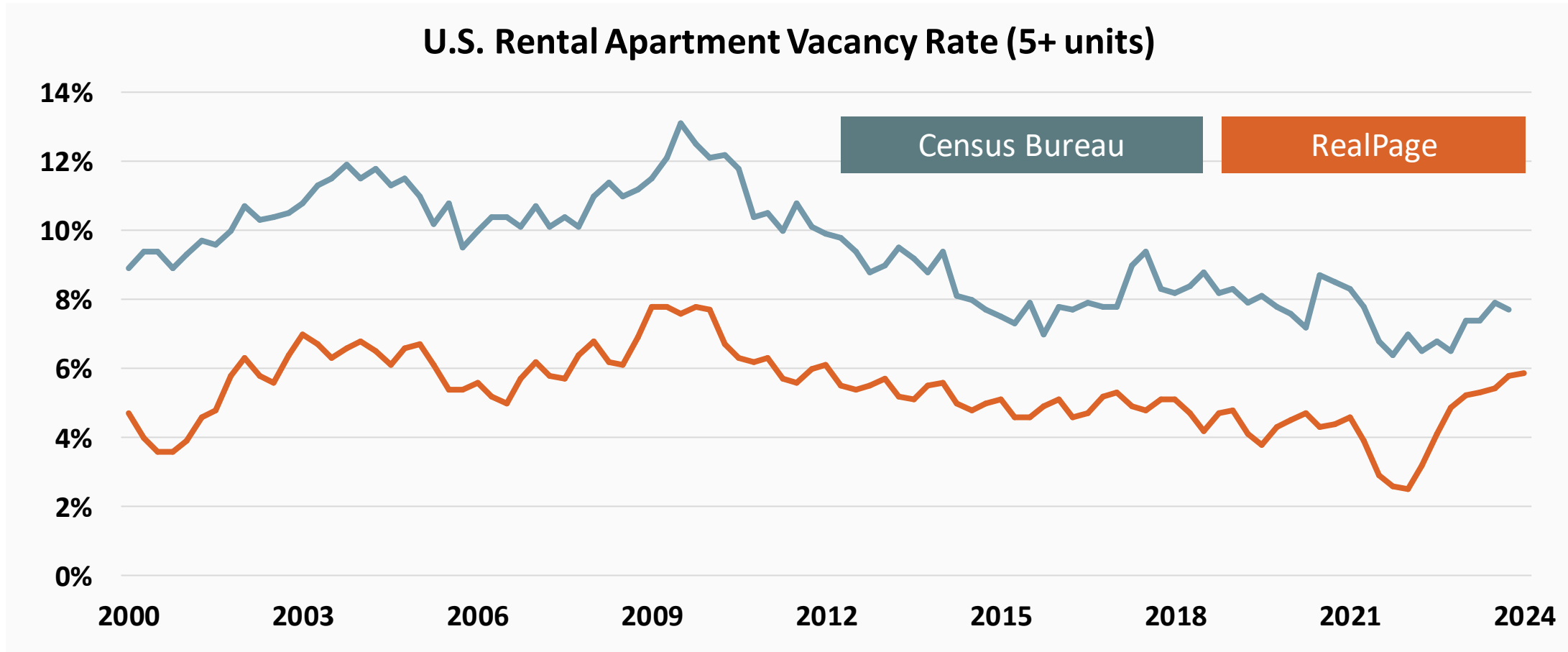
Chris Bruen
Senior Director, Research
NMHC
May 7, 2024

Rent growth flat after historic surge



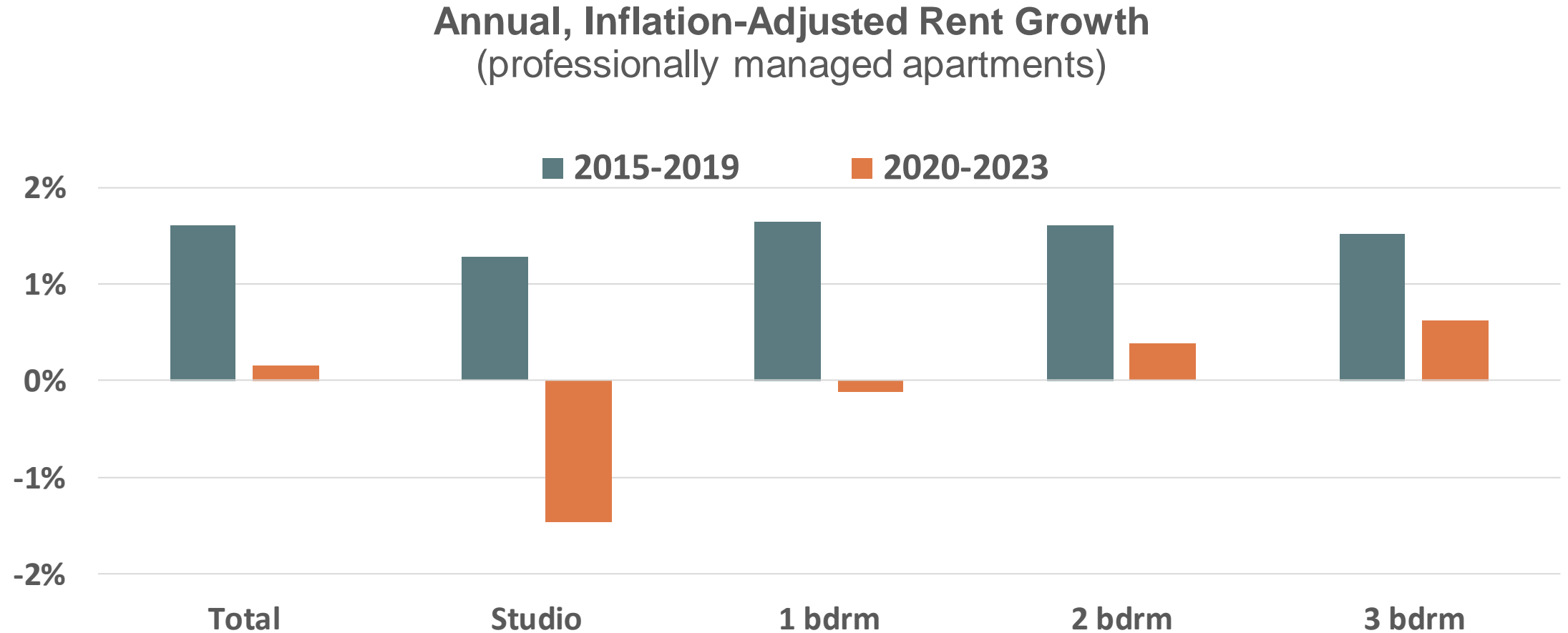
Source: Source: RealPage, U.S. Bureau of Labor Statistics

Vacancy rates tick up



Source: RealPage; U.S. Census Bureau

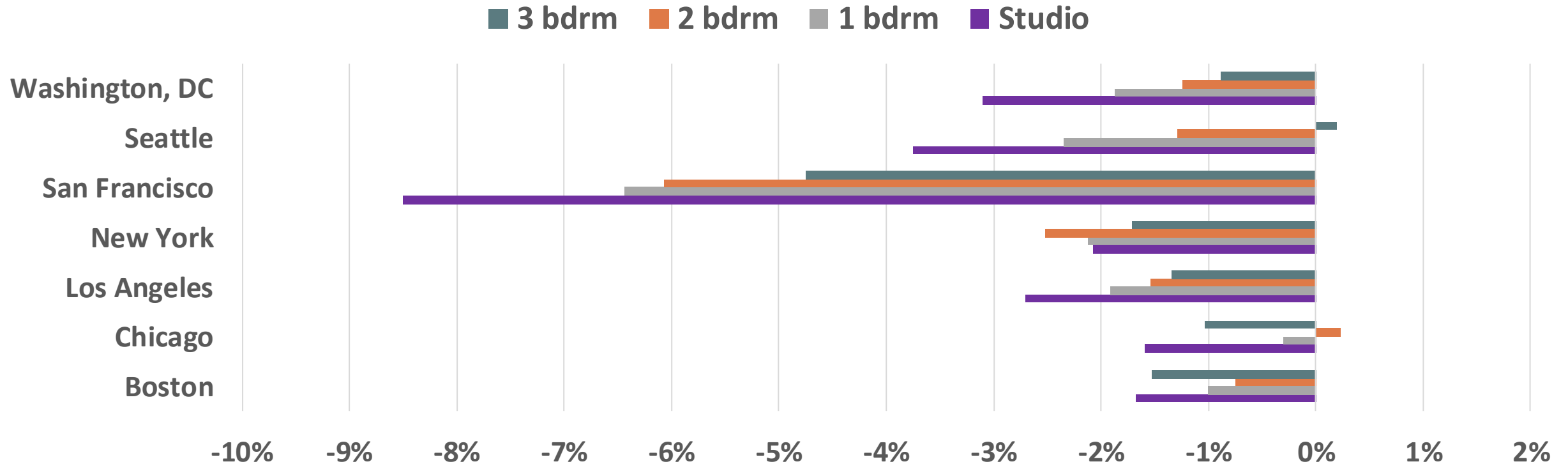
Was post-COVID rent growth really that historic?



Source: Source: RealPage, U.S. Bureau of Labor Statistics

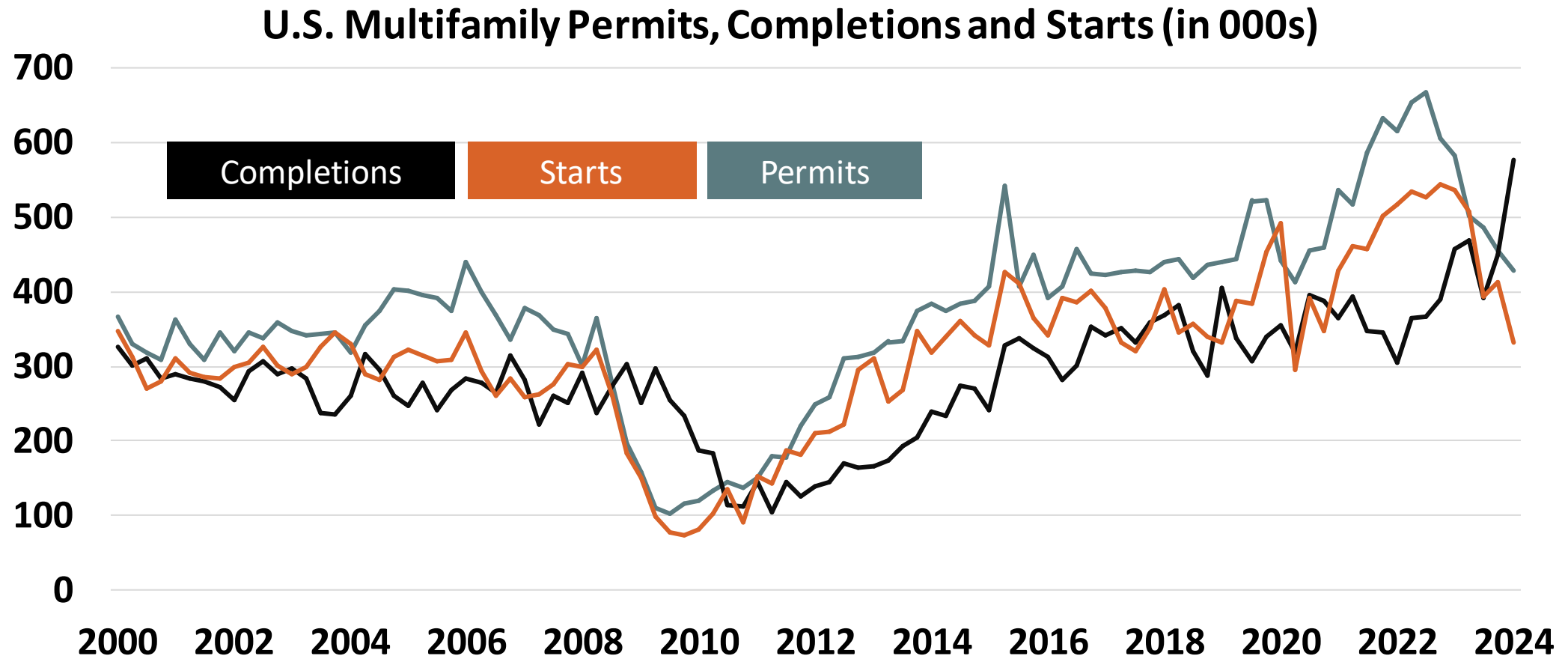
Coastal markets experienced negative, real rent growth

Real, Average Annual Rent Growth (2020-2023) for Professionally Managed Apartments



Source: Source: RealPage, U.S. Bureau of Labor Statistics

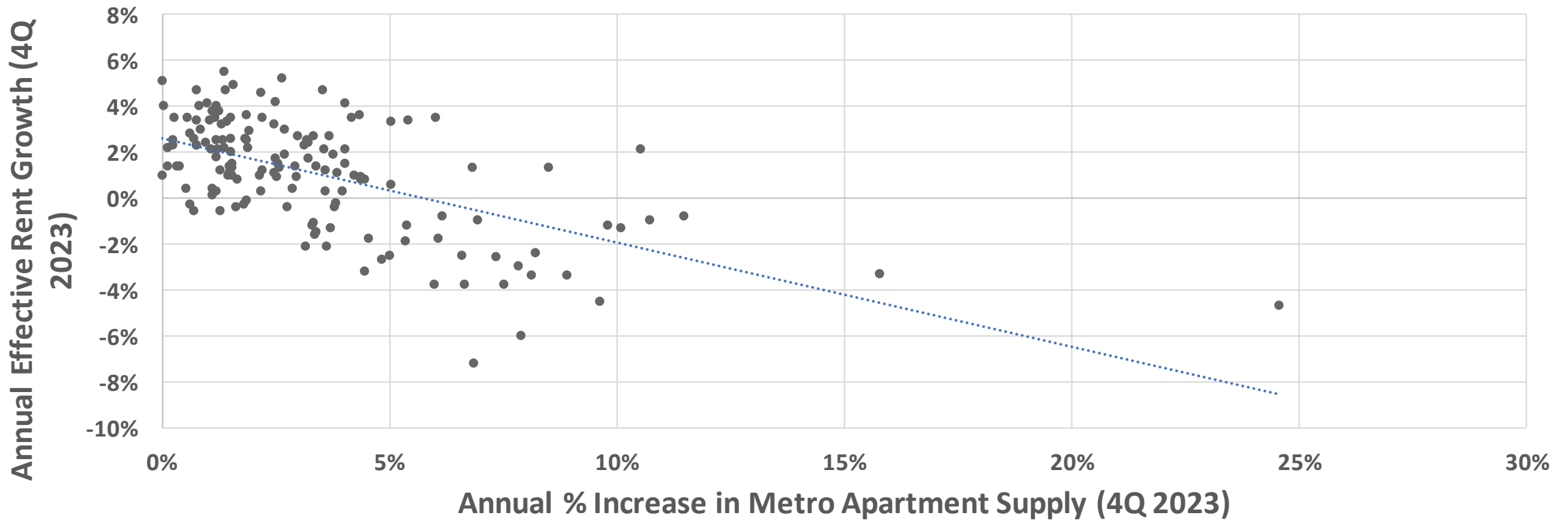
Rent growth mitigated by supply response



Source: U.S. Census Bureau

Rent growth mitigated by supply response

Annual Effective Apartment Rent Growth and Deliveries by Metro
(150 largest CoStar markets by multifamily units)

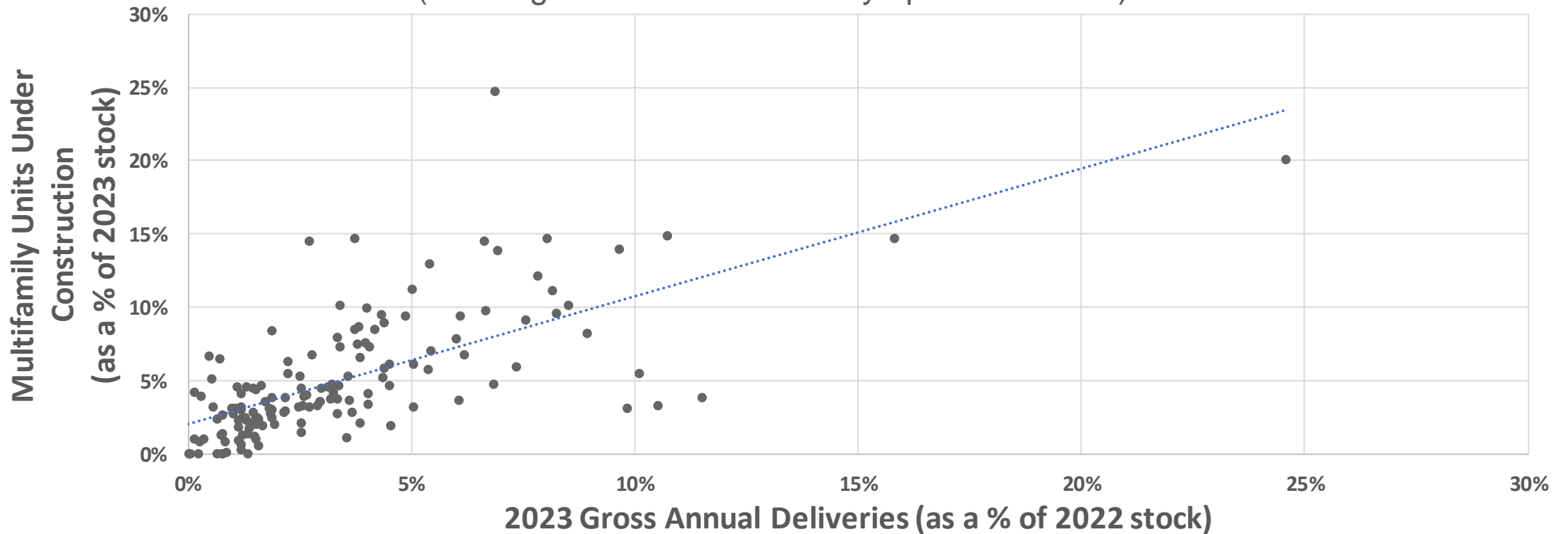


Source: CoStar



Rent growth mitigated by supply response

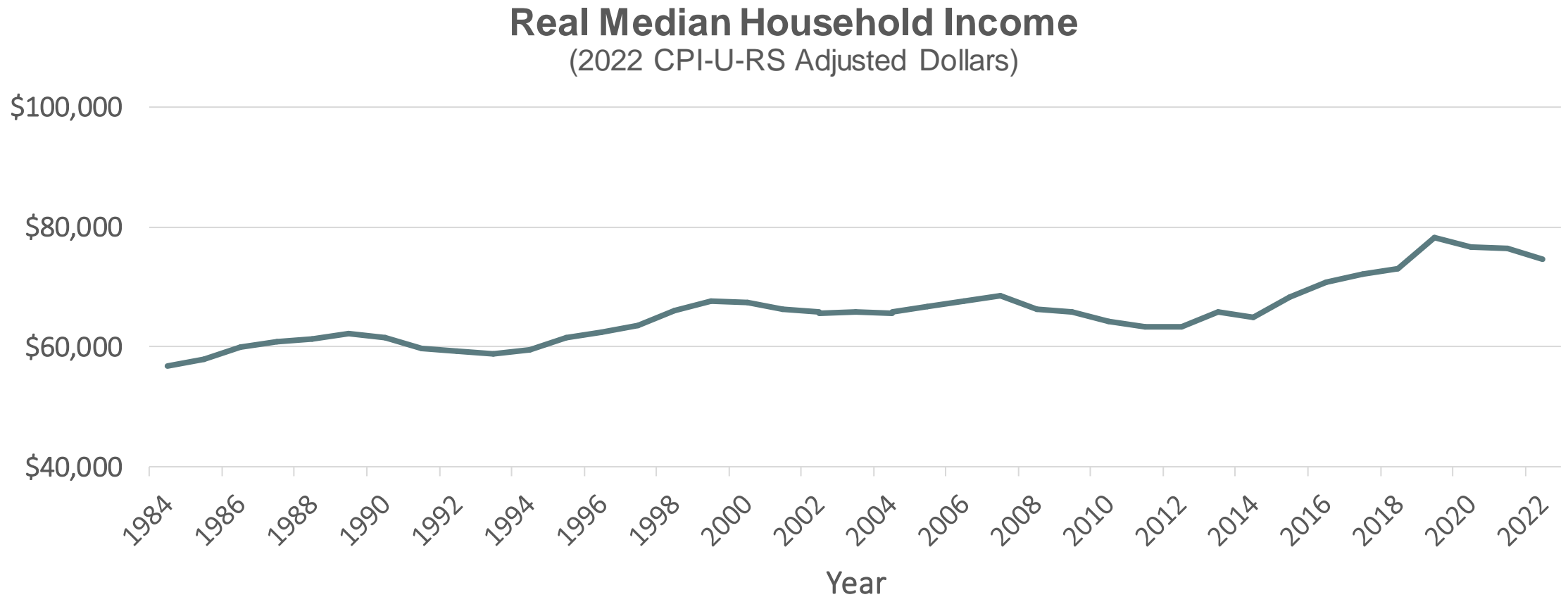
Multifamily units delivered and under construction by market
(150 largest CoStar markets by apartment units)



Source: CoStar



Real household income has decreased since 2019



Source: U.S. Census Bureau; U.S. Bureau of Labor Statistics



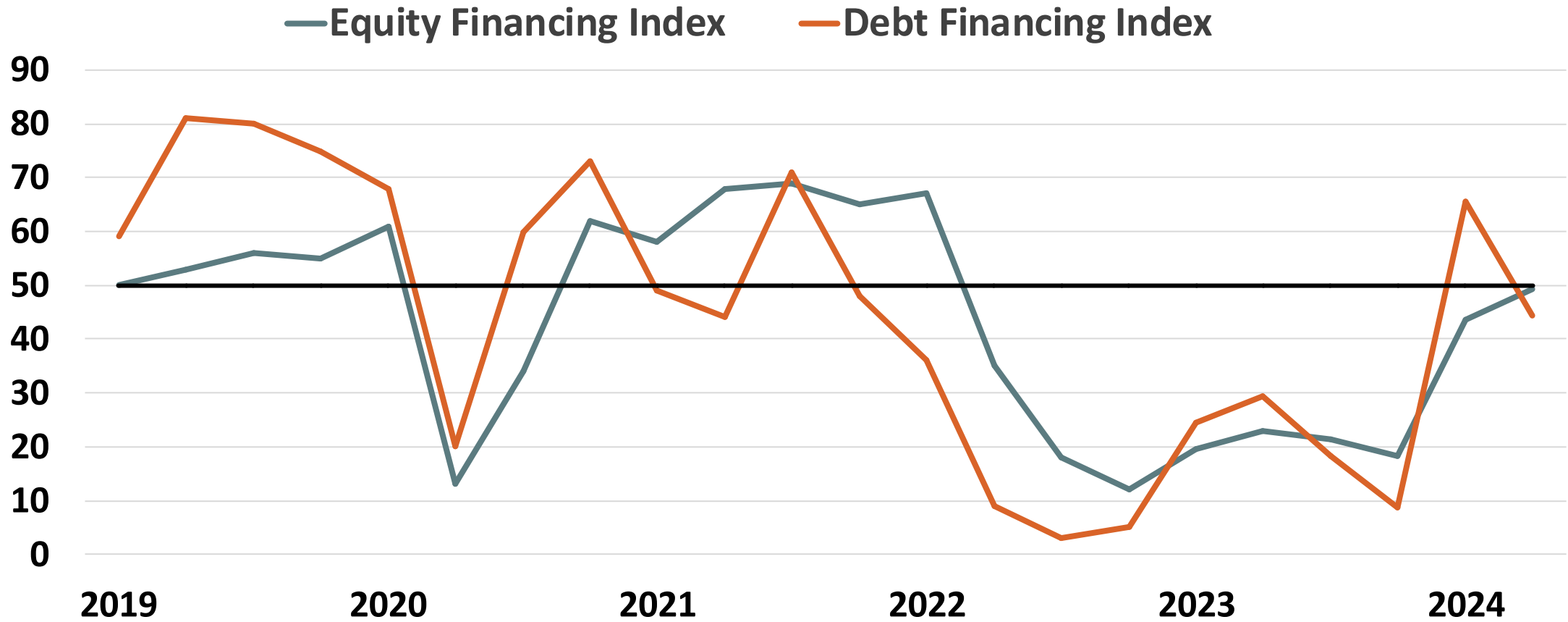
The cost of homeownership has skyrocketed compared to the cost of renting

Monthly Premium to Buy vs Rent
(4Q 2023 dollars)



Source: NMHC tabulations of data from RealPage, The National Association of Realtors, The Federal Reserve, The U.S. Bureau of Labor Statistics and The American Housing Survey

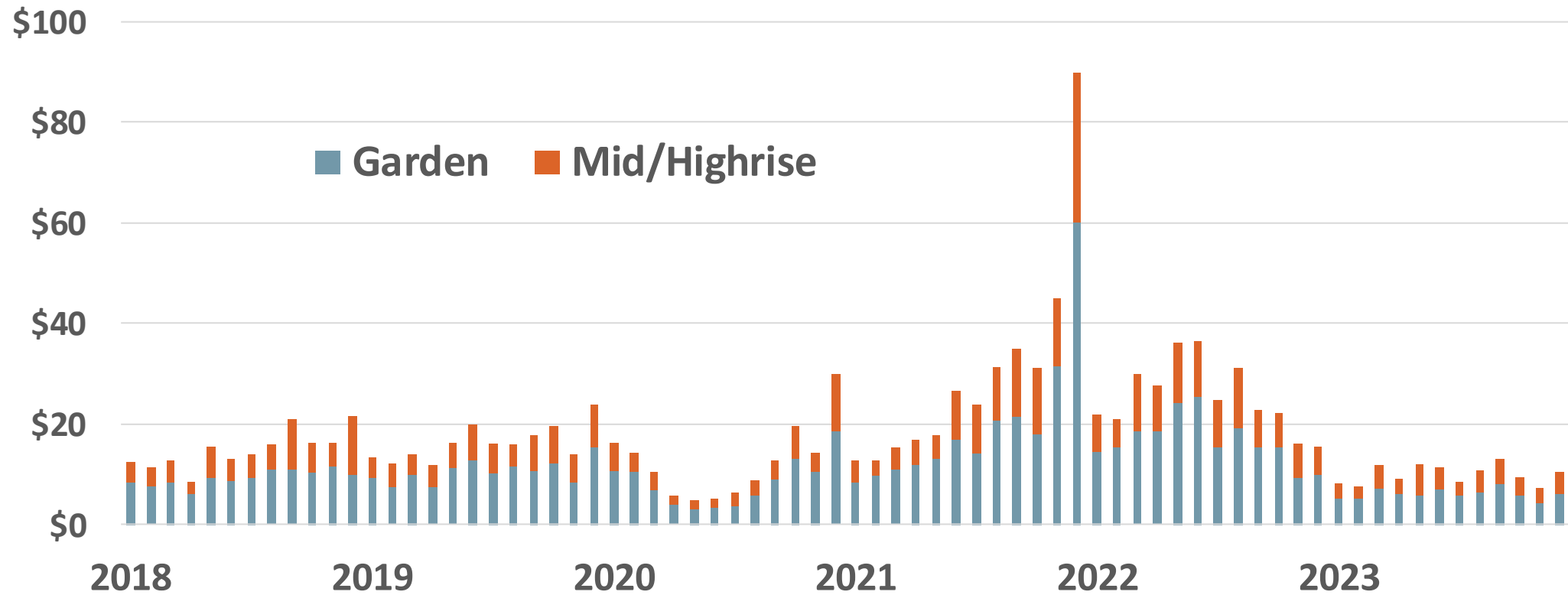
Increasing cost of debt and equity



Source: NMHC Quarterly Survey of Apartment Market Conditions.

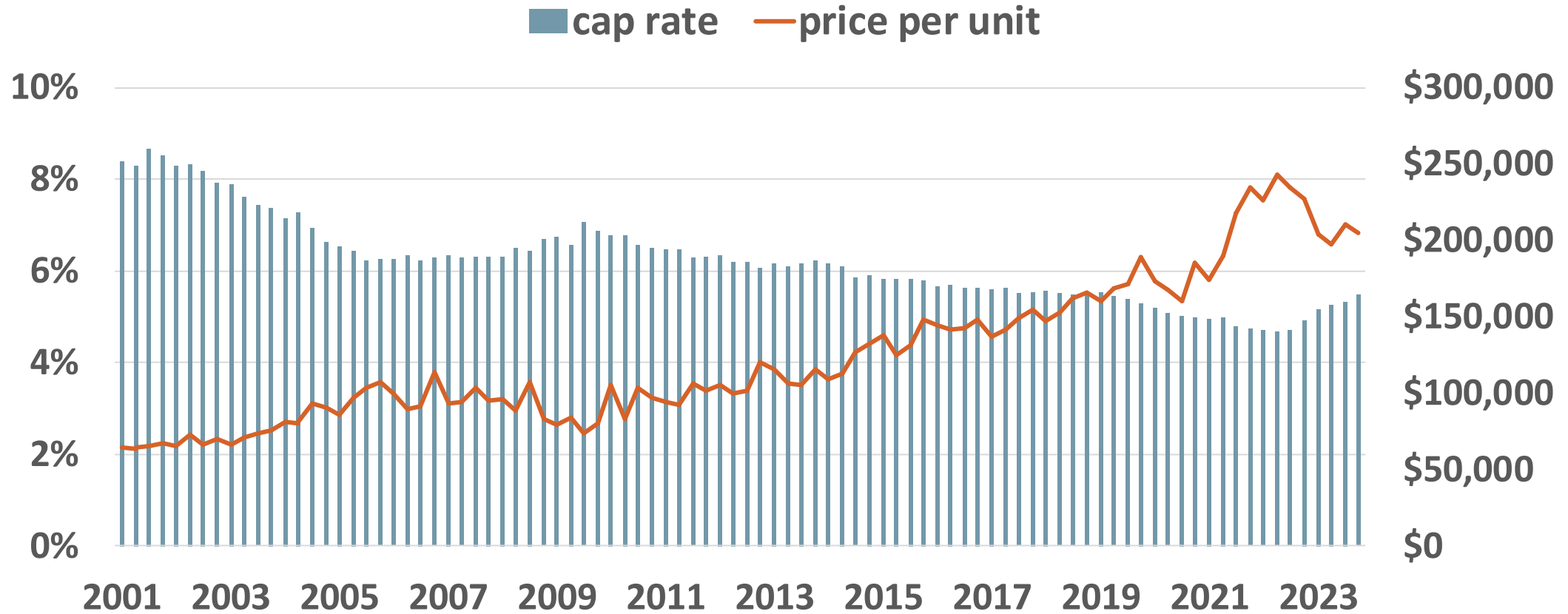
Transaction volume pulls back sharply

Apartment Transaction Volume (\$ billions)



Source: Real Capital Analytics

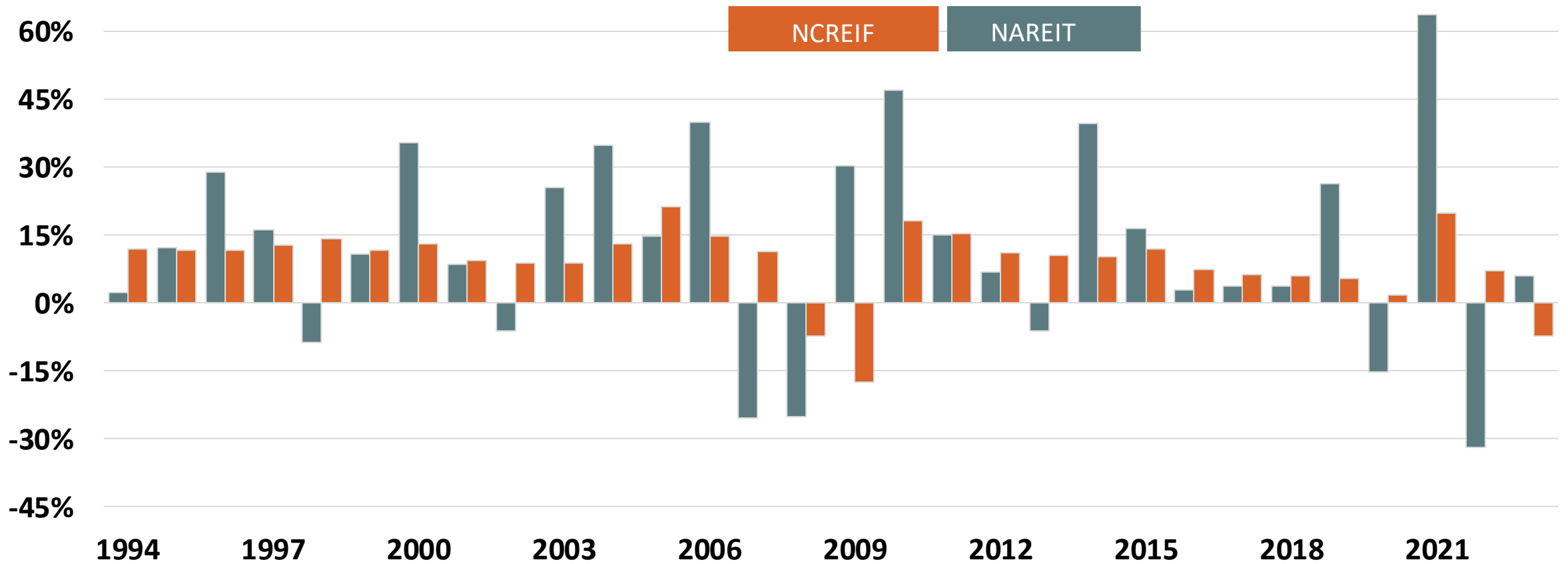
Prices decline, cap rates rise



Source: Real Capital Analytics



Apartment returns turn negative



Source: NCREIF; NAREIT

Questions?

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