Update on Economic and Apartment Trends

Apartment Strategies Update Teleconference
Mark Obrinsky, September 23, 2014
GDP Growth Still Subpar

Source: Bureau of Economic Analysis; NMHC.
Nonfarm Payrolls Solid, Not Spectacular

Source: Bureau of Labor Statistics; NMHC.
Inflation Remains Well-Contained
Interest Rates Eased After “Tapering” Fear

Source: Federal Reserve Board; NMHC.
Household Net Worth Past Previous Peak

$ Trillions

Source: Federal Reserve Board; NMHC.
But Median Net Worth Is Still Down

Source: Federal Reserve Board; NMHC.
Median Income of Renters Going Nowhere

Source: Census Bureau; BLS; NMHC
GDP and Income Have Decoupled
(Real Gains Since 1993)

Source: Census Bureau; BEA; NMHC.
Is Household Formation Slipping Again?

Source: Census Bureau; NMHC.
Many Young Adults Still Living at Home

Significant Pent-Up Demand?

Source: Census Bureau; NMHC.
Homeownership Rate Continues to Edge Down

Source: Census Bureau; NMHC.
SF Home Sales On Divergent Paths (000s)

- Existing (left)
- New (right)

Source: Census Bureau; NAR; NMHC.
Existing Home Sales At Normal Level

Share of All Households

Source: Census Bureau; NAR; NMHC.
NMHC Market Tightness Index

Source: NMHC.
Multifamily Supply Rebounding
(6mo moving average, OOOs)

Source: Census Bureau; NMHC.
Net Absorptions Steady

Source: MPF Research.
Rent Growth Remains Solid

Source: MPF Research.
Apartment Transactions Still Strong

$ Billions

Source: Real Capital Analytics; NMHC.
Apartment Prices Now Above Previous Peak

Source: NCREIF; NMHC.
Cap Rates Edging Down Further?

Source: Real Capital Analytics.
Banks Now Top MF Mortgage Provider

$ Billions (trailing four quarters)

Source: Federal Reserve Board; NMHC.