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## Update on Economic and Housing Market Trends

Apartment Strategies Update

Mark Obrinsky, SVP and Chief Economist, NMHC

September 20, 2016

# Webinar Information

- To ensure good sound quality, all attendees will be muted during the webinar.
- To ask a question: type your question in to the Question or Chat Box on your control panel. The moderator will review and present your question to the presenter at the end of the presentation as time allows.
- Today's webinar is being recorded and will also be made available on the NMHC website.

# Webinar Agenda

- Economic and Housing Market Overview
- Panel Discussion

# Webinar Speakers



Mark Obrinsky,  
SVP, Research  
and Chief  
Economist  
NMHC



Julie A. Smith  
Chief  
Administrative  
Officer  
The Bozzuto  
Group



Doug Bibby  
President  
NMHC

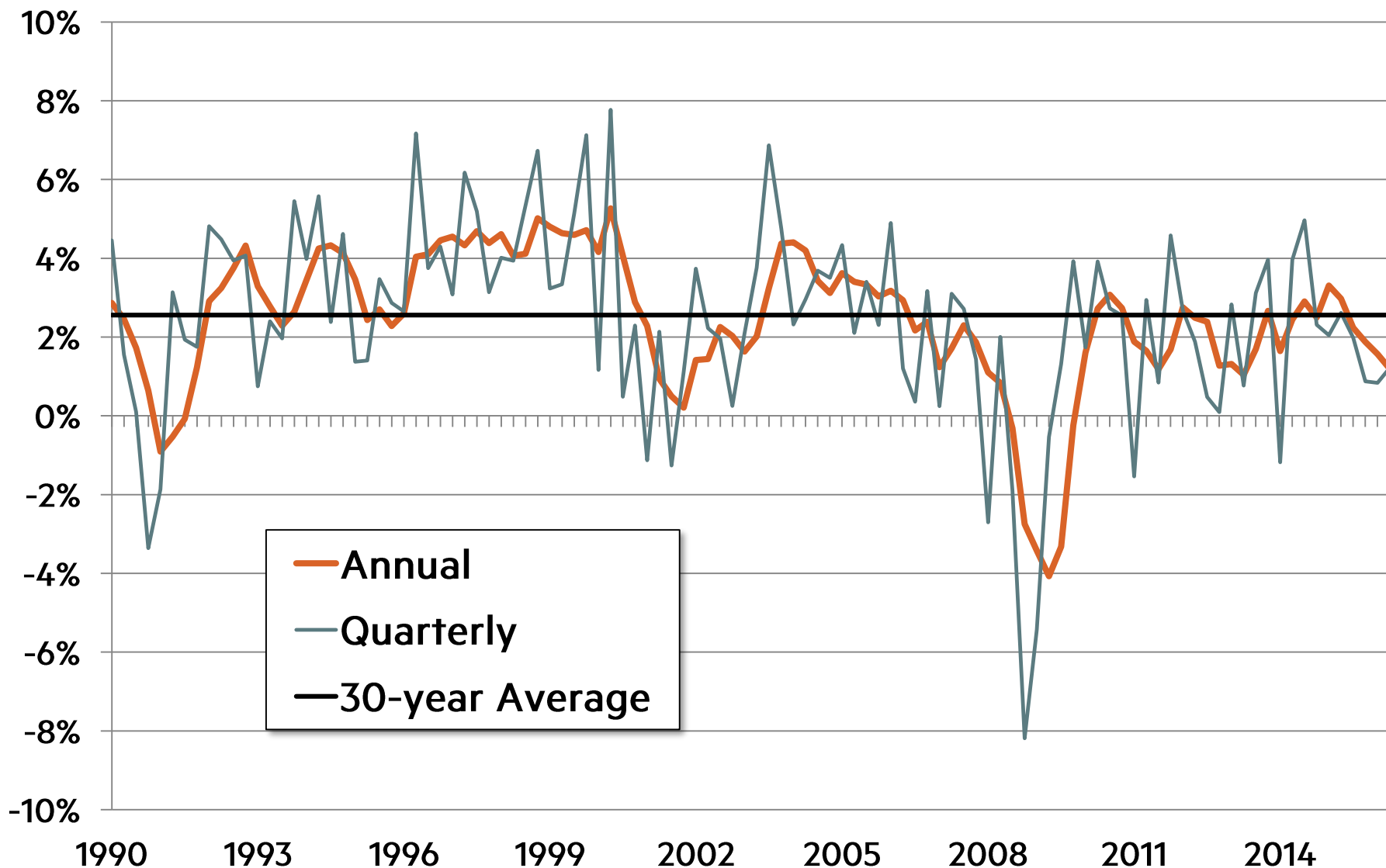


Ricardo Rivas  
Chief Investment  
Officer  
Allied-Orion  
Group

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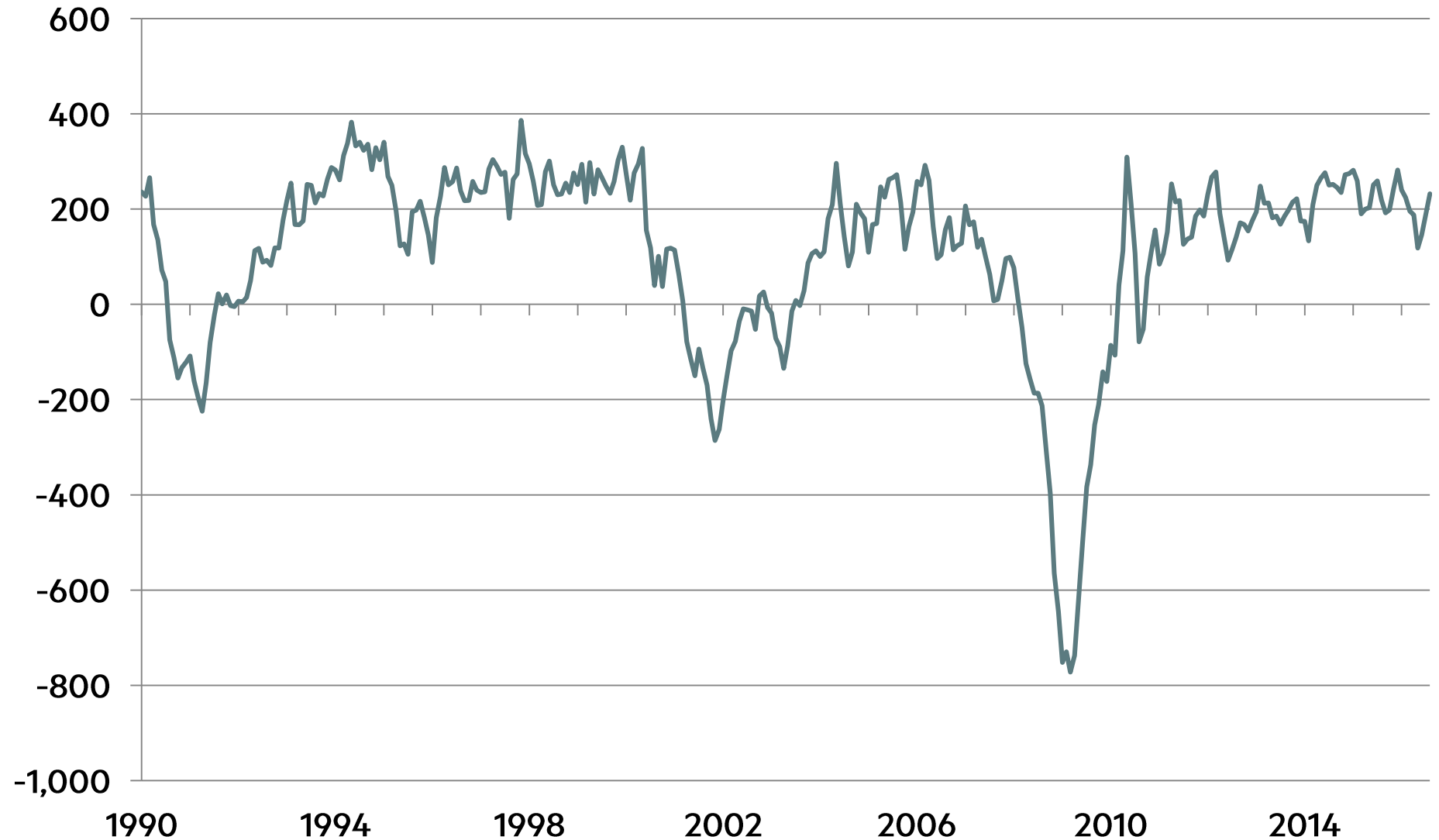
# GDP Growth: Is the End of the Cycle Near?



Source: Bureau of Economic Analysis

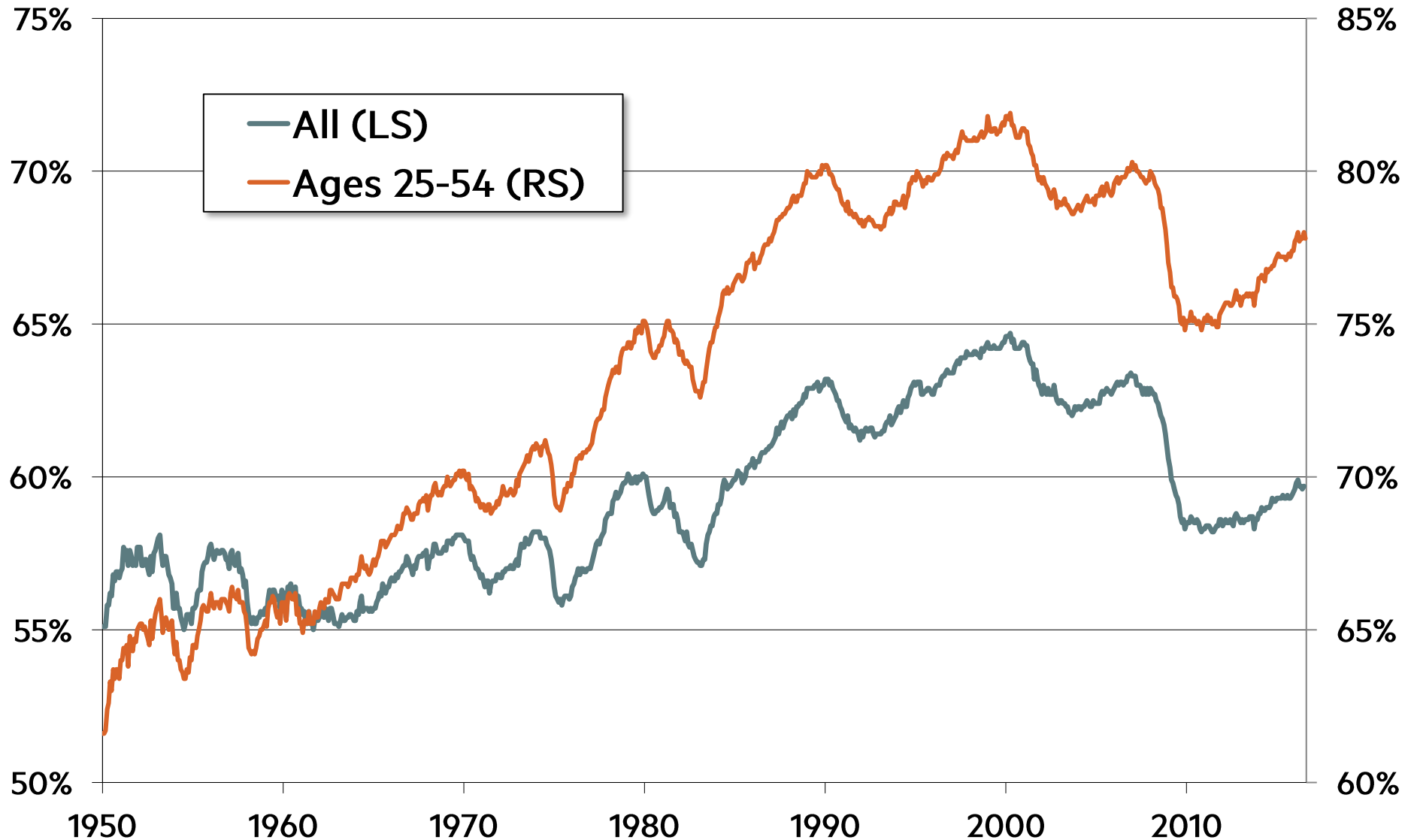
# Nonfarm Payrolls Still Solid

(3-month average, 000s)



Source: Bureau of Labor Statistics

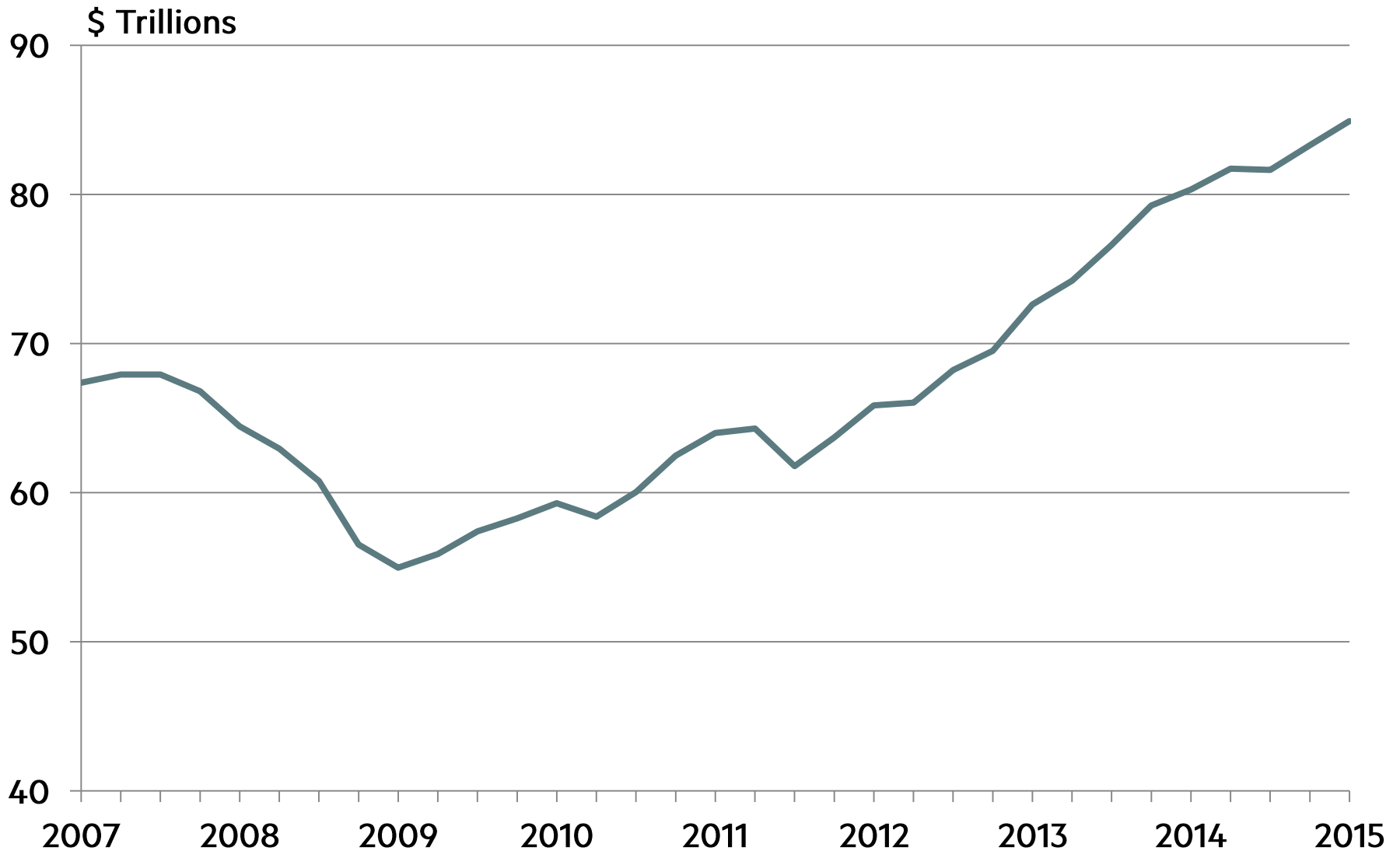
# Employment-Pop Ratio: Continued Rebound



Source: Bureau of Labor Statistics

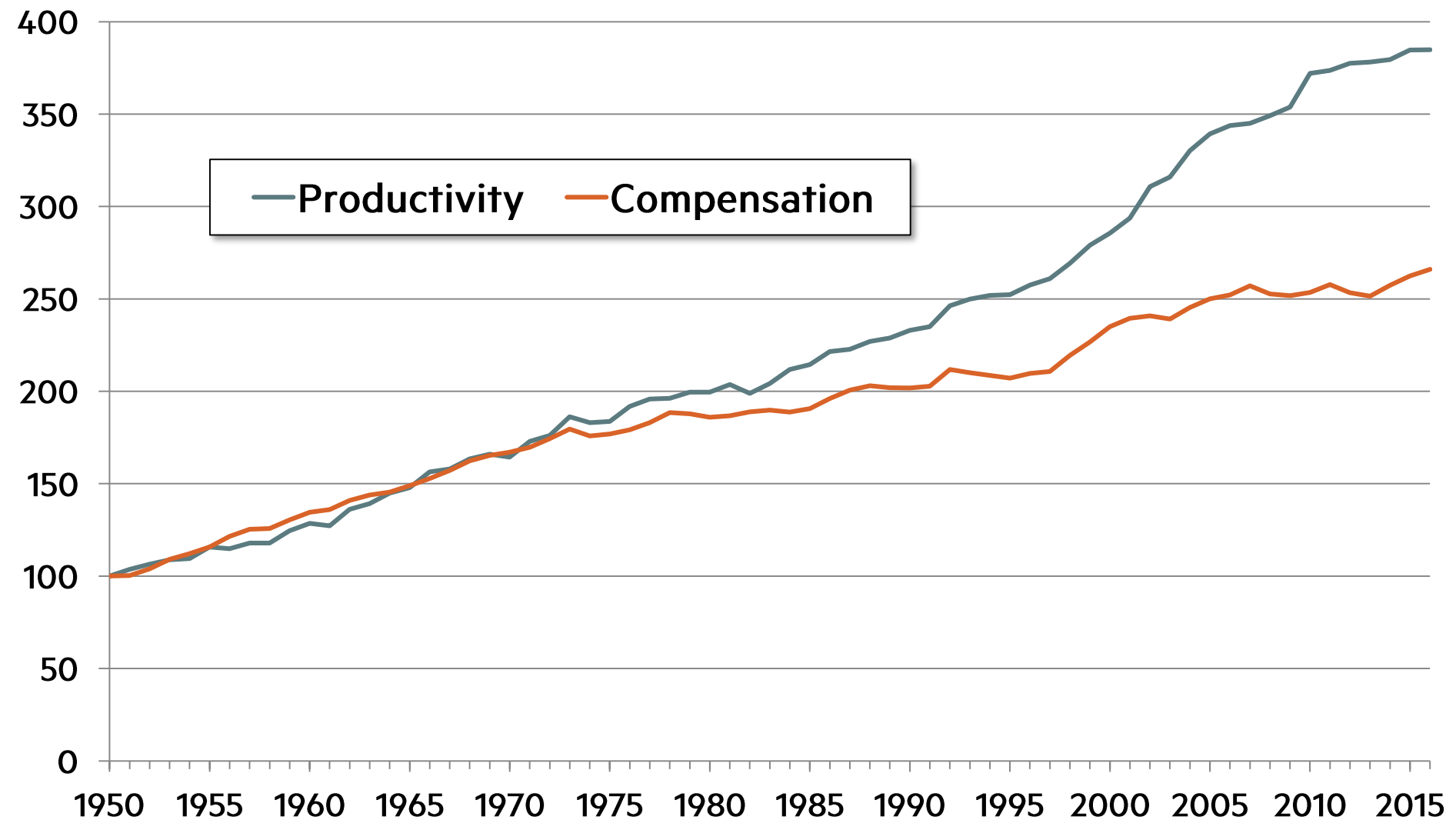


# Total Household Net Worth Rising Steadily



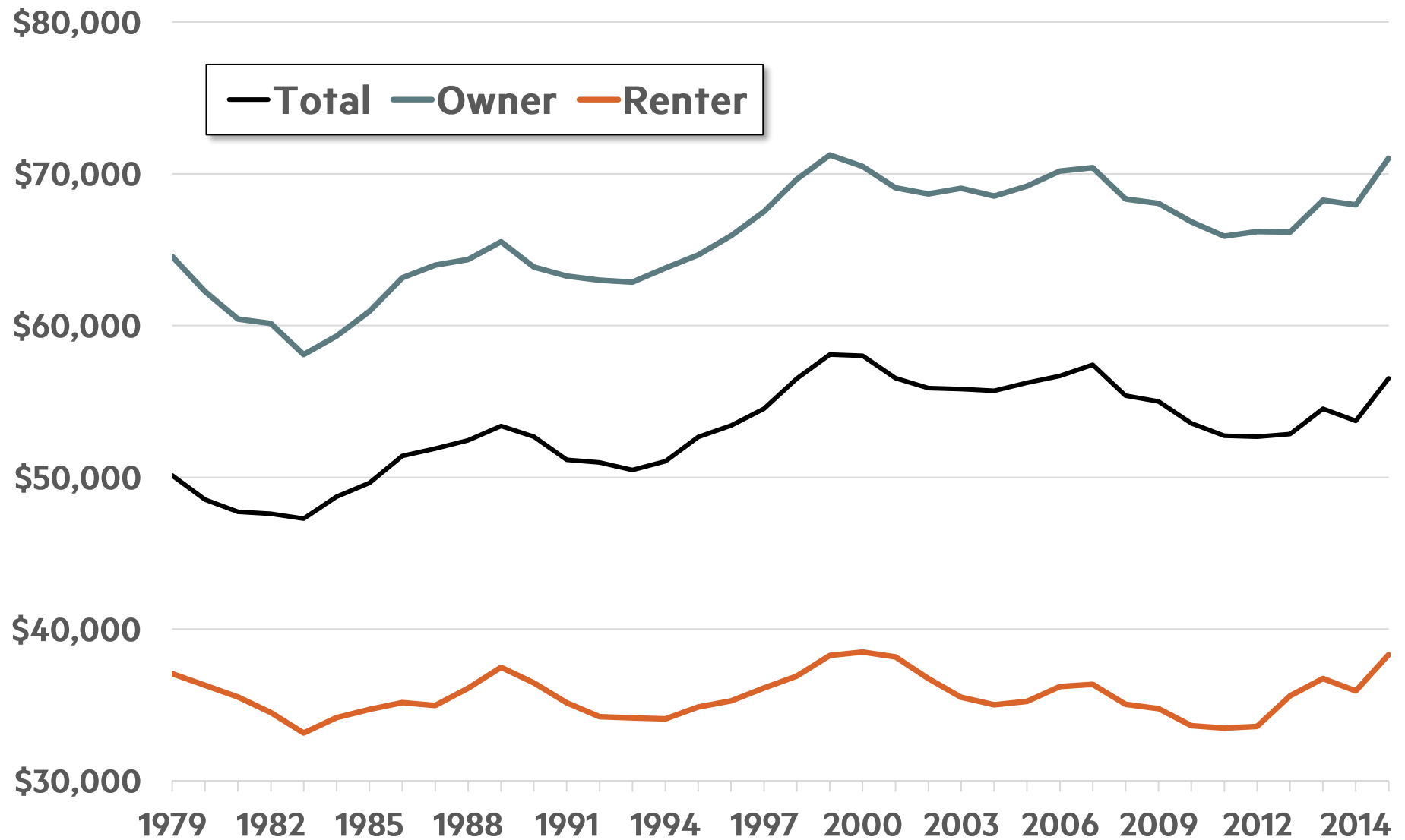
Source: Federal Reserve Board.

# Productivity Decoupled From Compensation (1950 = 100)



Source: Bureau of Labor Statistics.

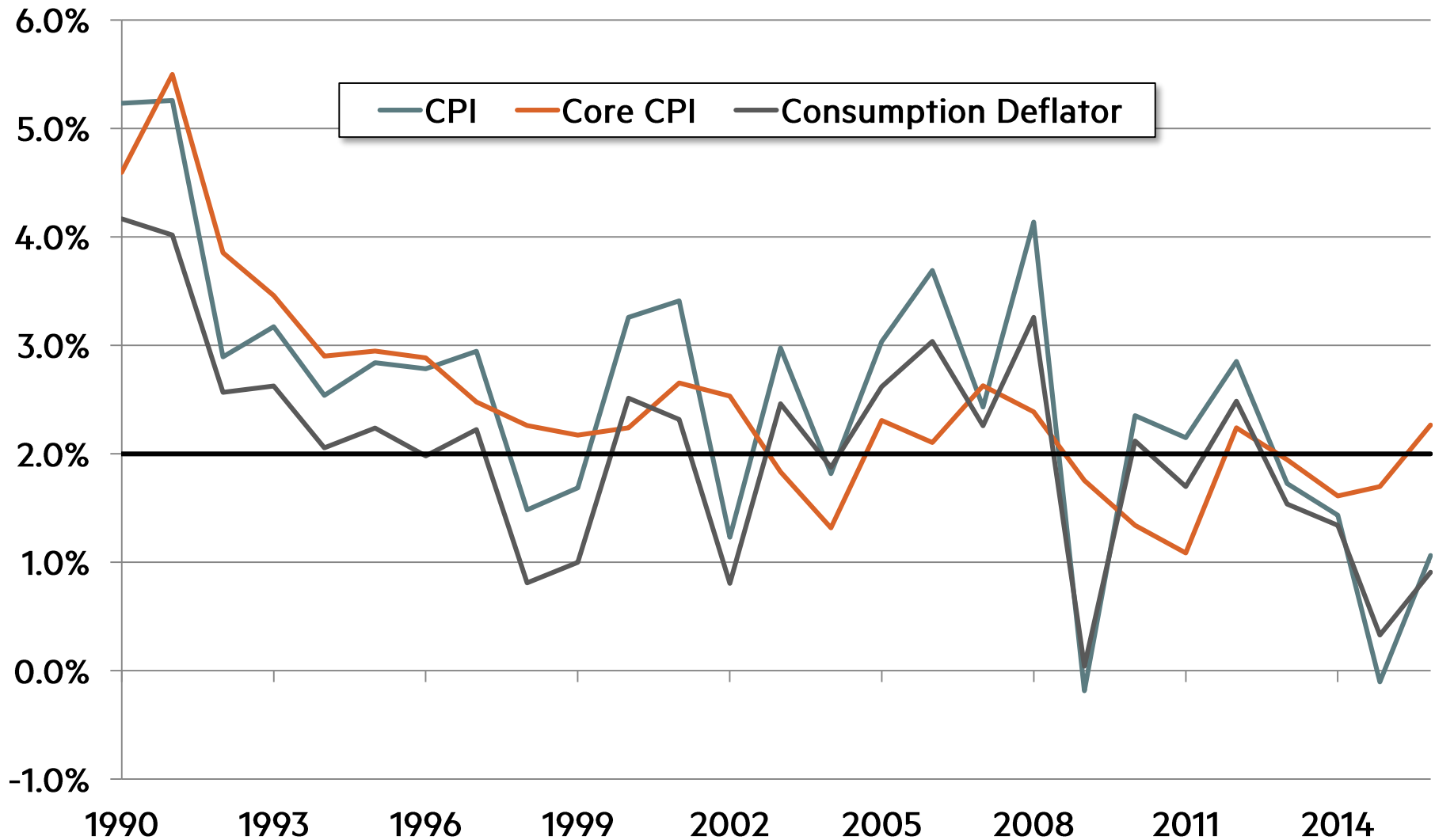
# Median Income Improving, Still Below Peak (Constant 2016 Dollars)



Source: Census Bureau; Bureau of Labor Statistics; NMHC.

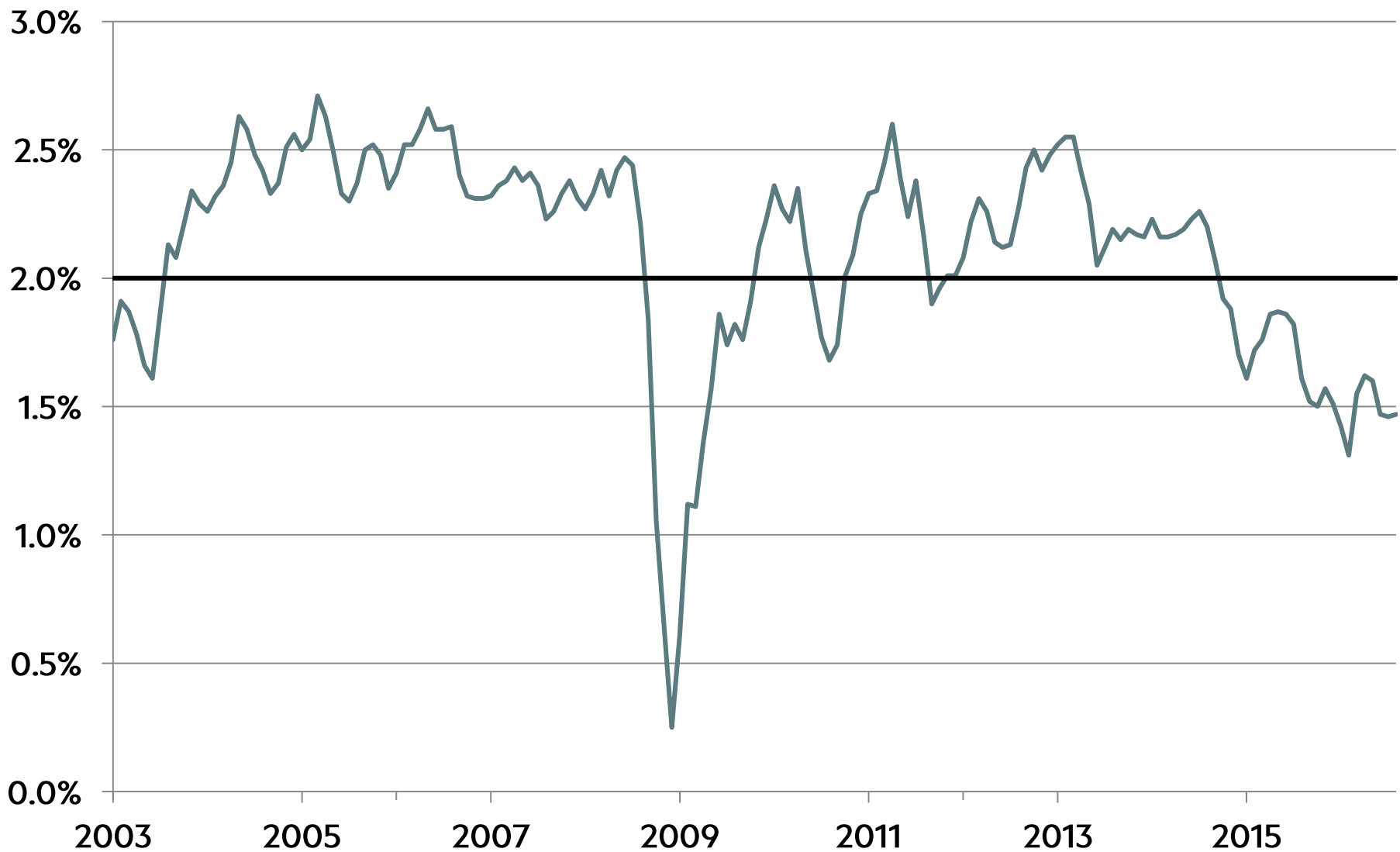
# Inflation Well Below Fed's Target

(year-over-year change in price indexes)



Source: Bureau of Labor Statistics

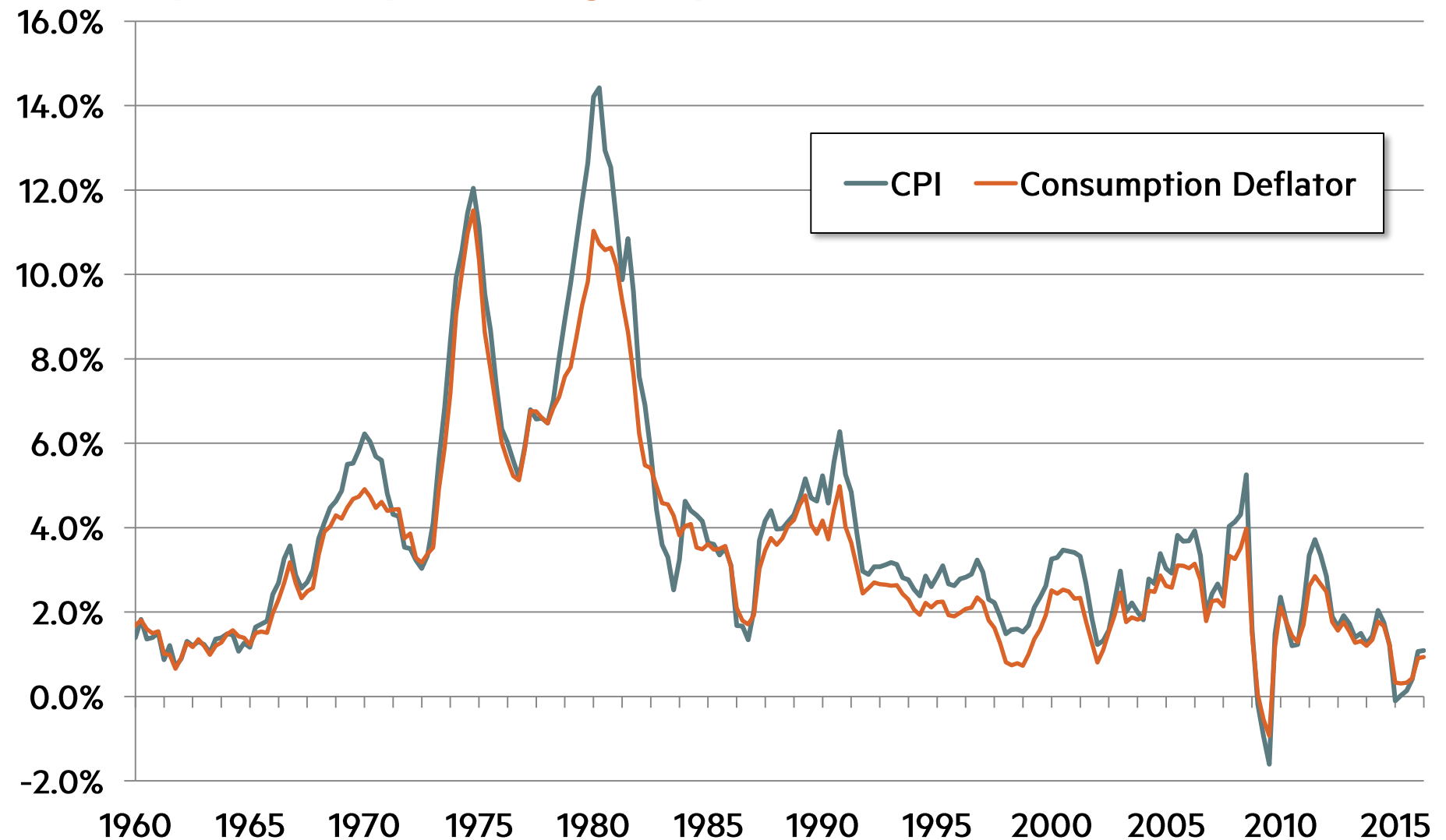
## ...So Are Inflation Expectations



Source: Federal Reserve Bank of St. Louis.

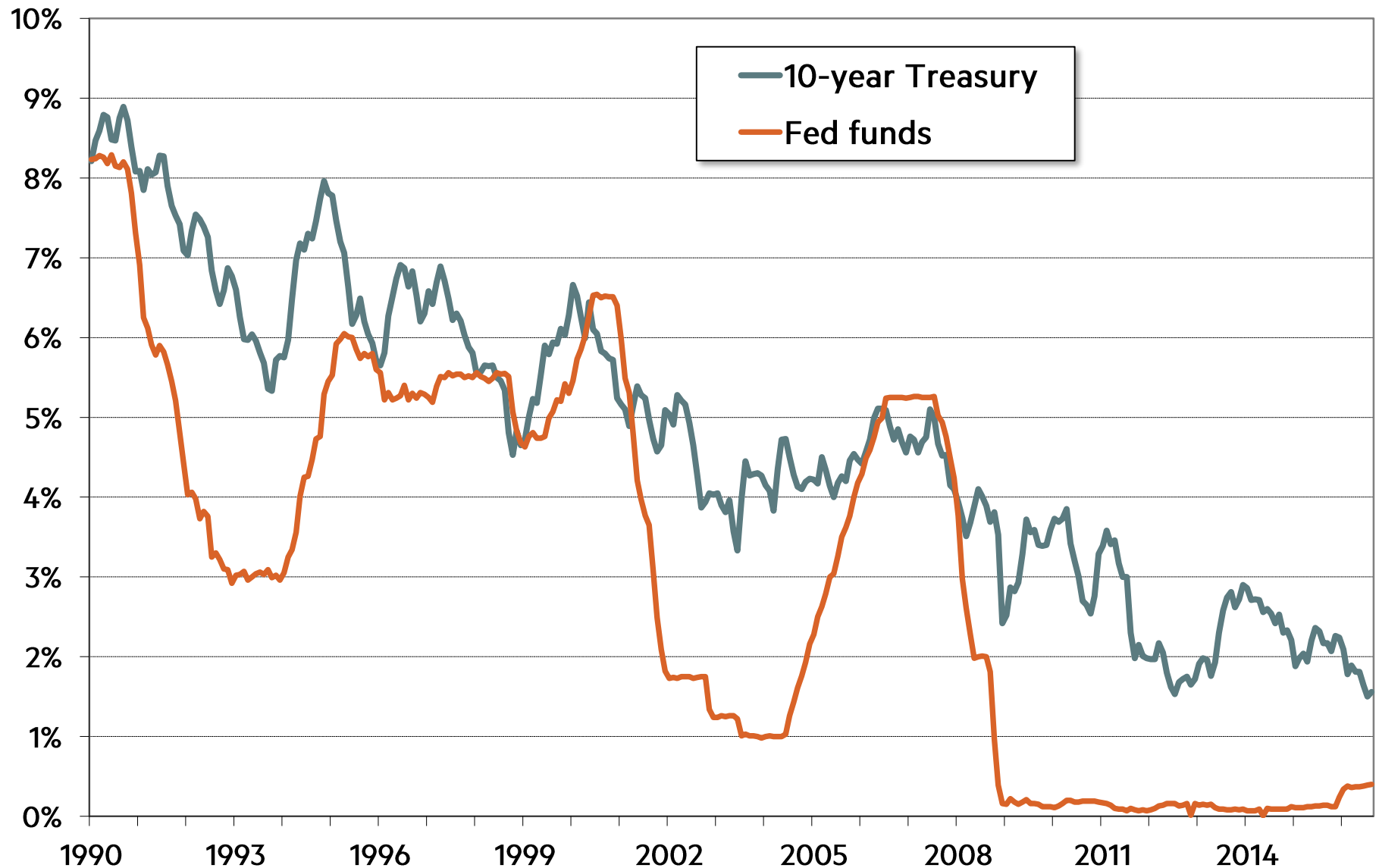
# Long-term Inflation Picture Also Positive

(year-over-year change in price indexes)



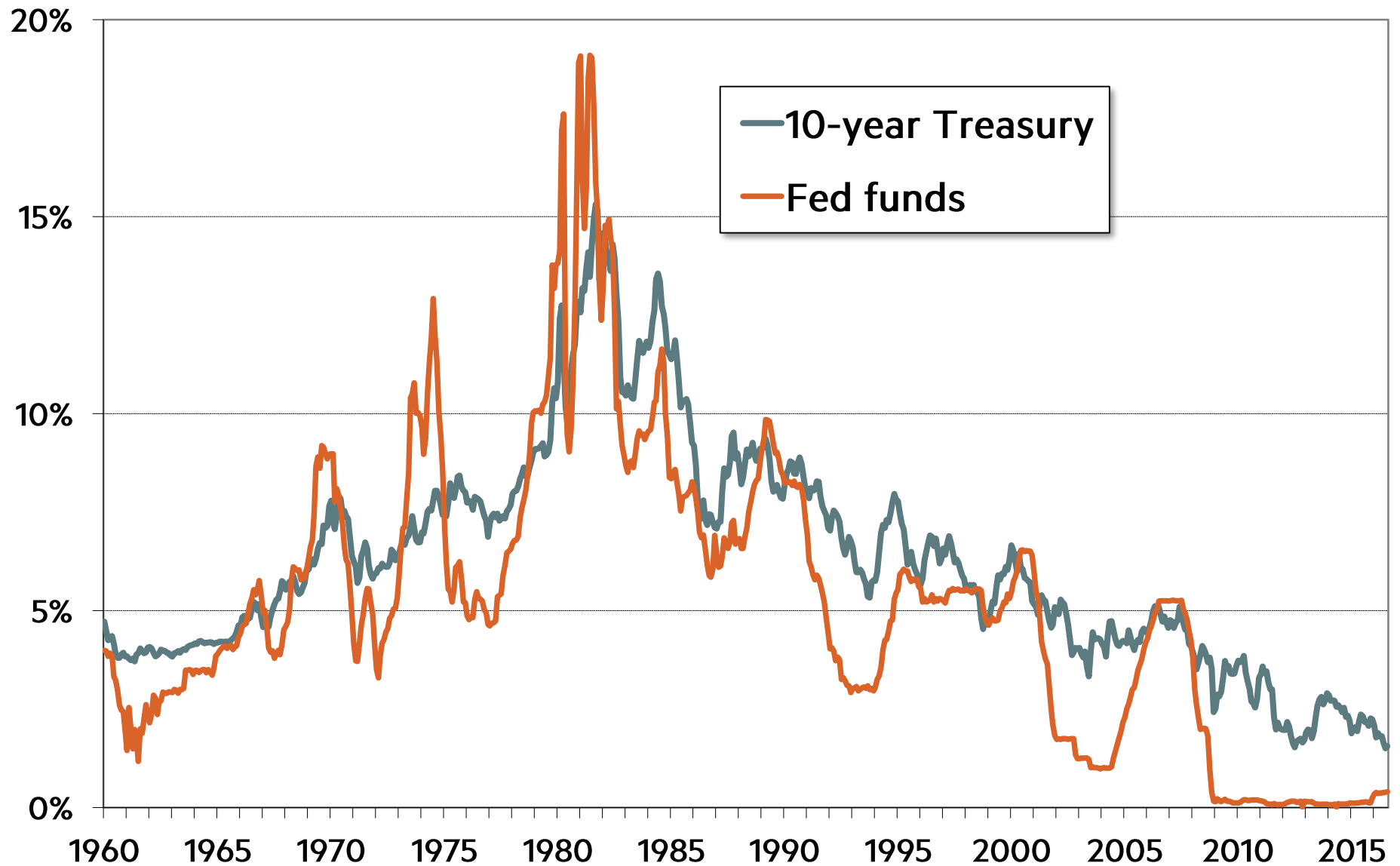
Source: Bureau of Labor Statistics

# Treasury Yields Still Low



Source: Federal Reserve Board; NMHC.

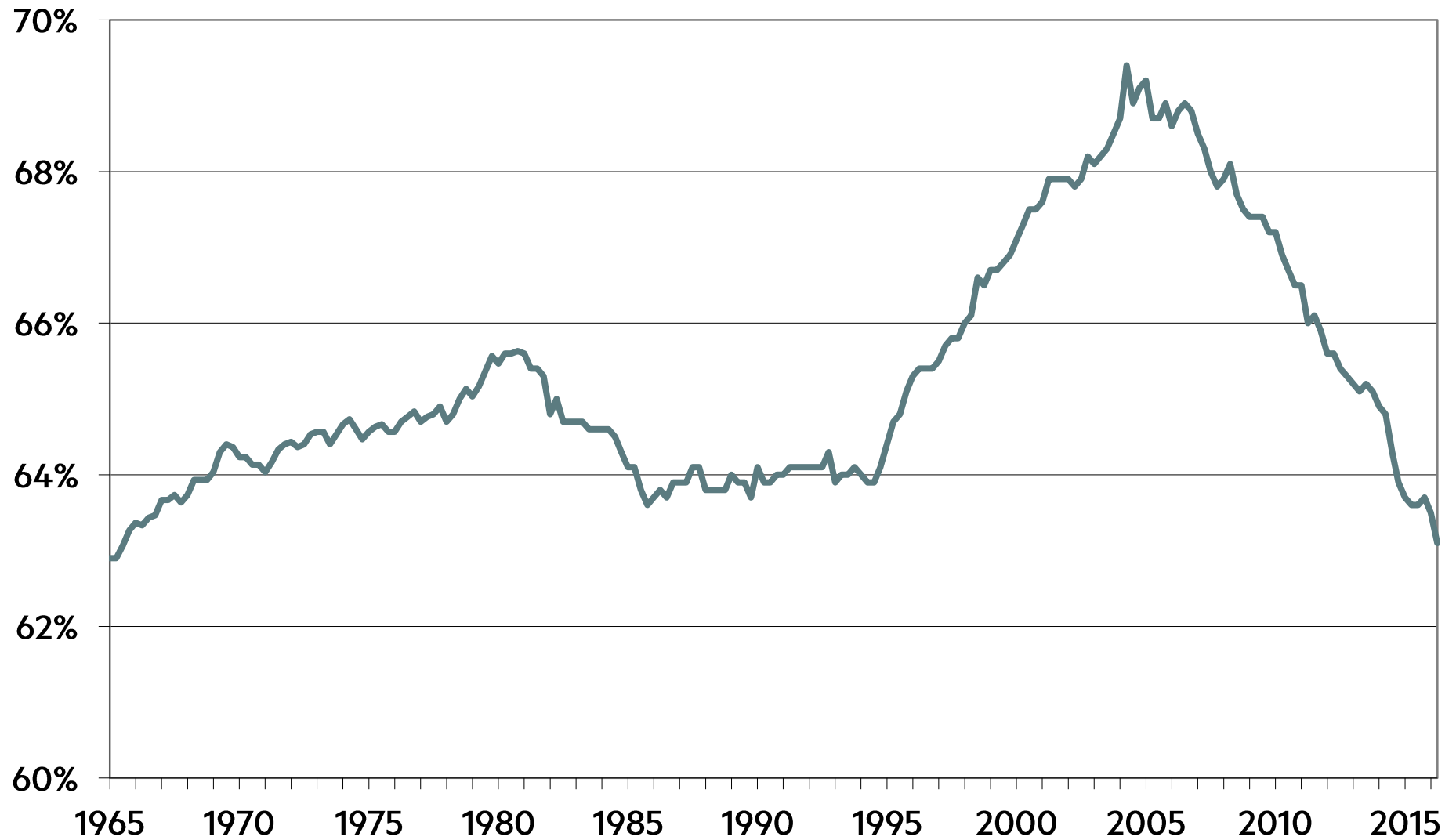
## ...Especially In Hindsight



Source: Federal Reserve Board; NMHC.



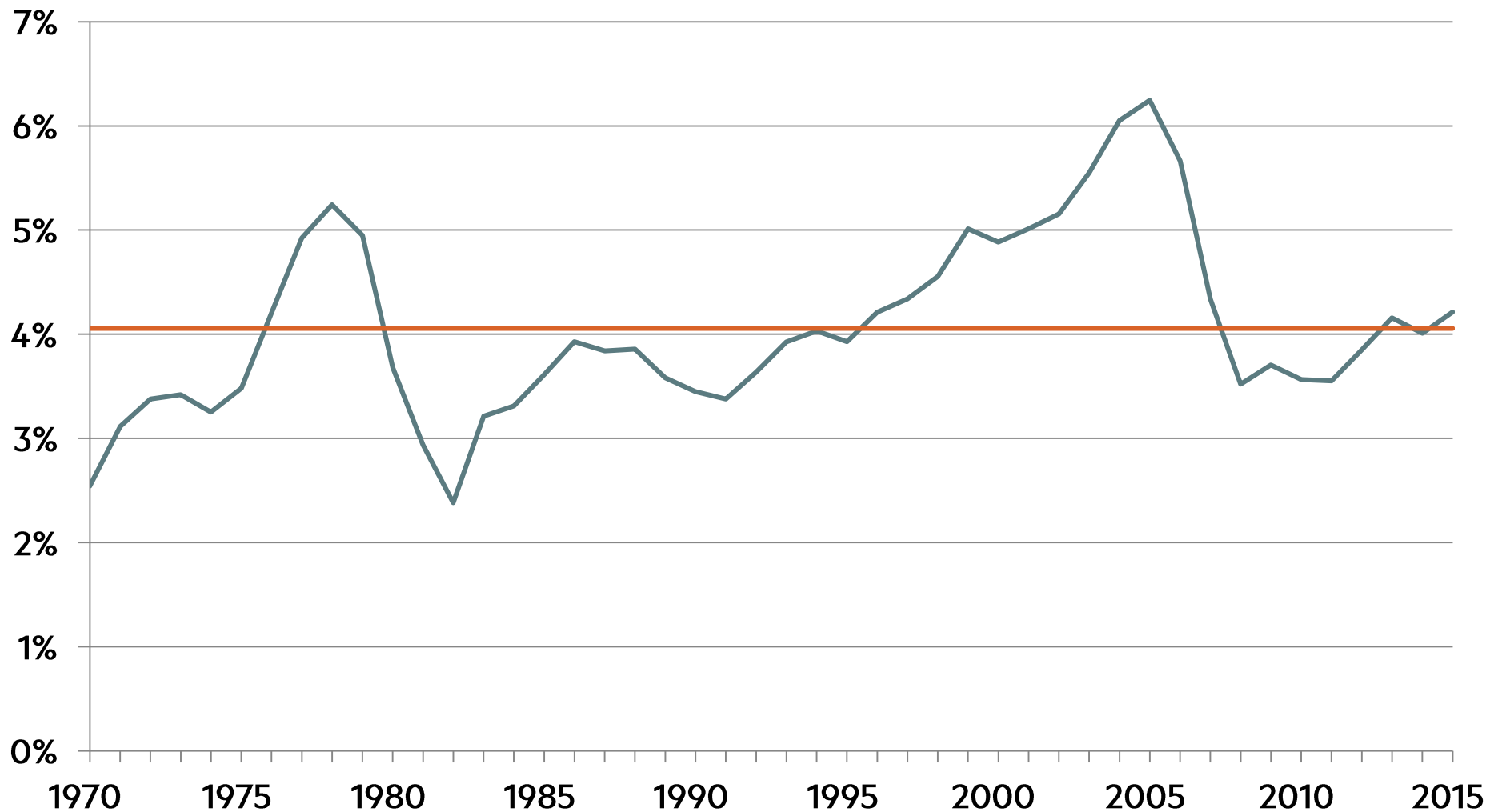
# Homeownership Rate Continues to Edge Down



Source: Census Bureau, Housing Vacancy Survey.

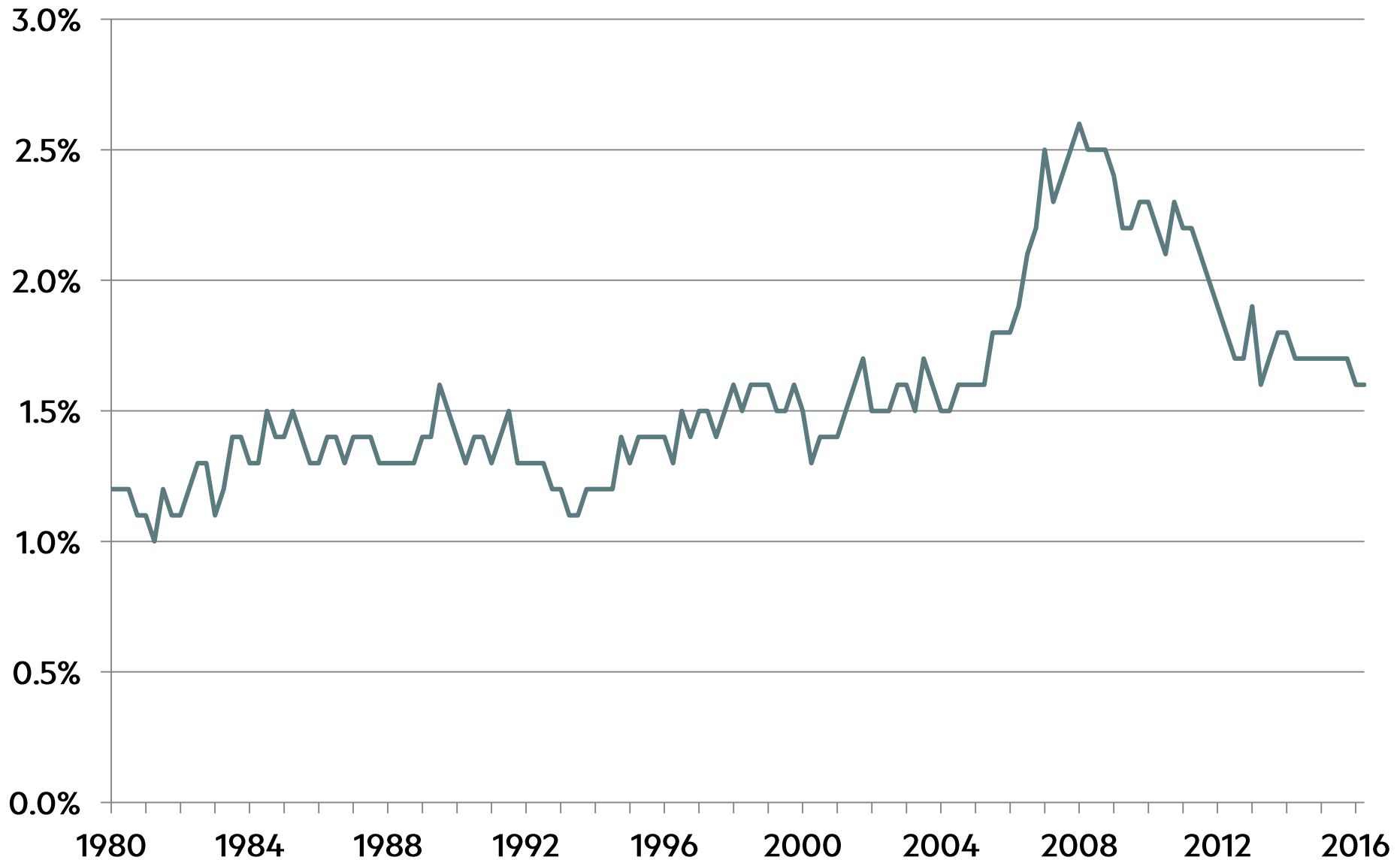
# Existing Home Sales At Normal Level

Share of All Households



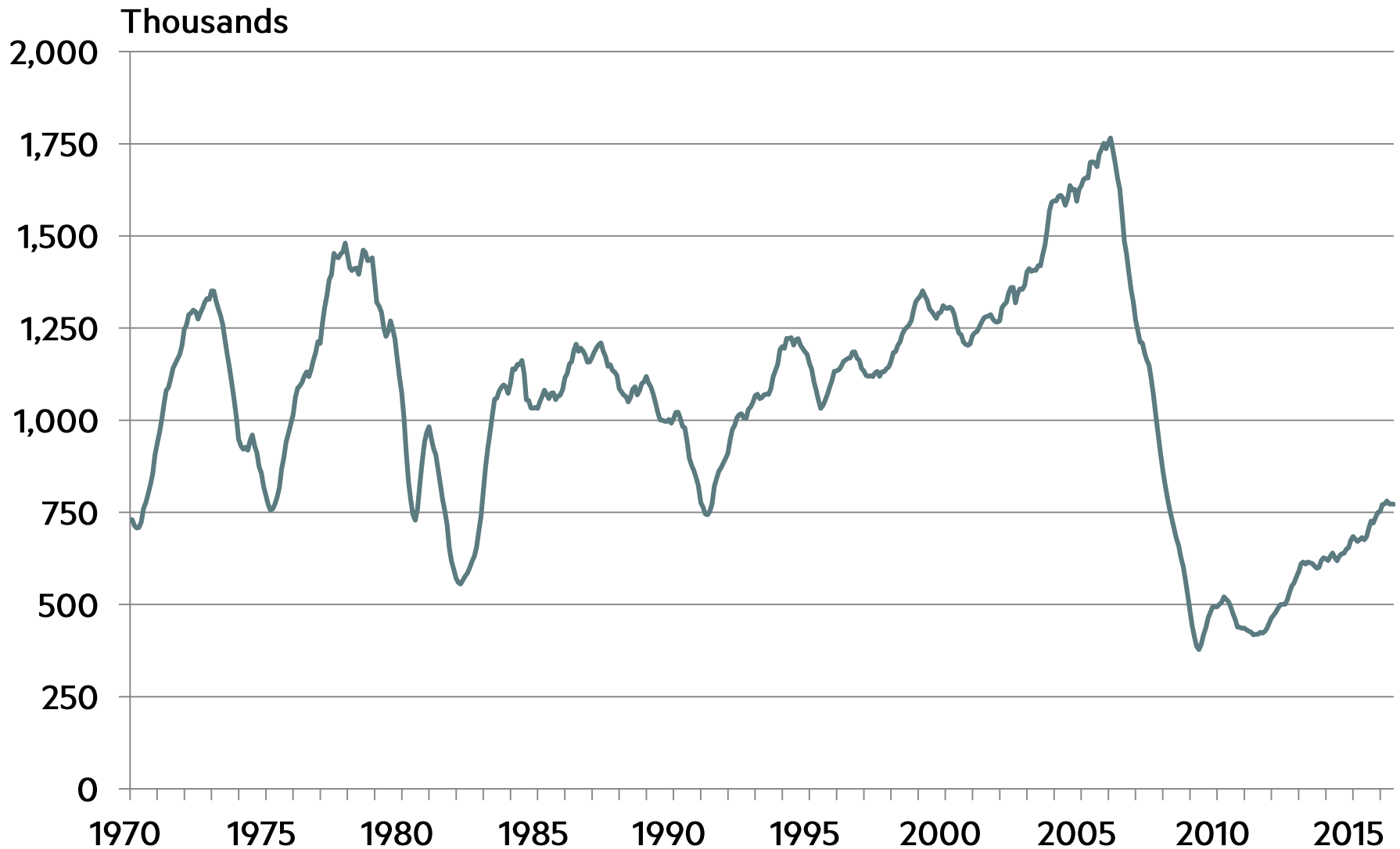
Source: National Association of Realtors; Census Bureau; NMHC.

# SF Homeowner Vacancy Rate Still Above Average



Source: Census Bureau, Housing Vacancy Survey.

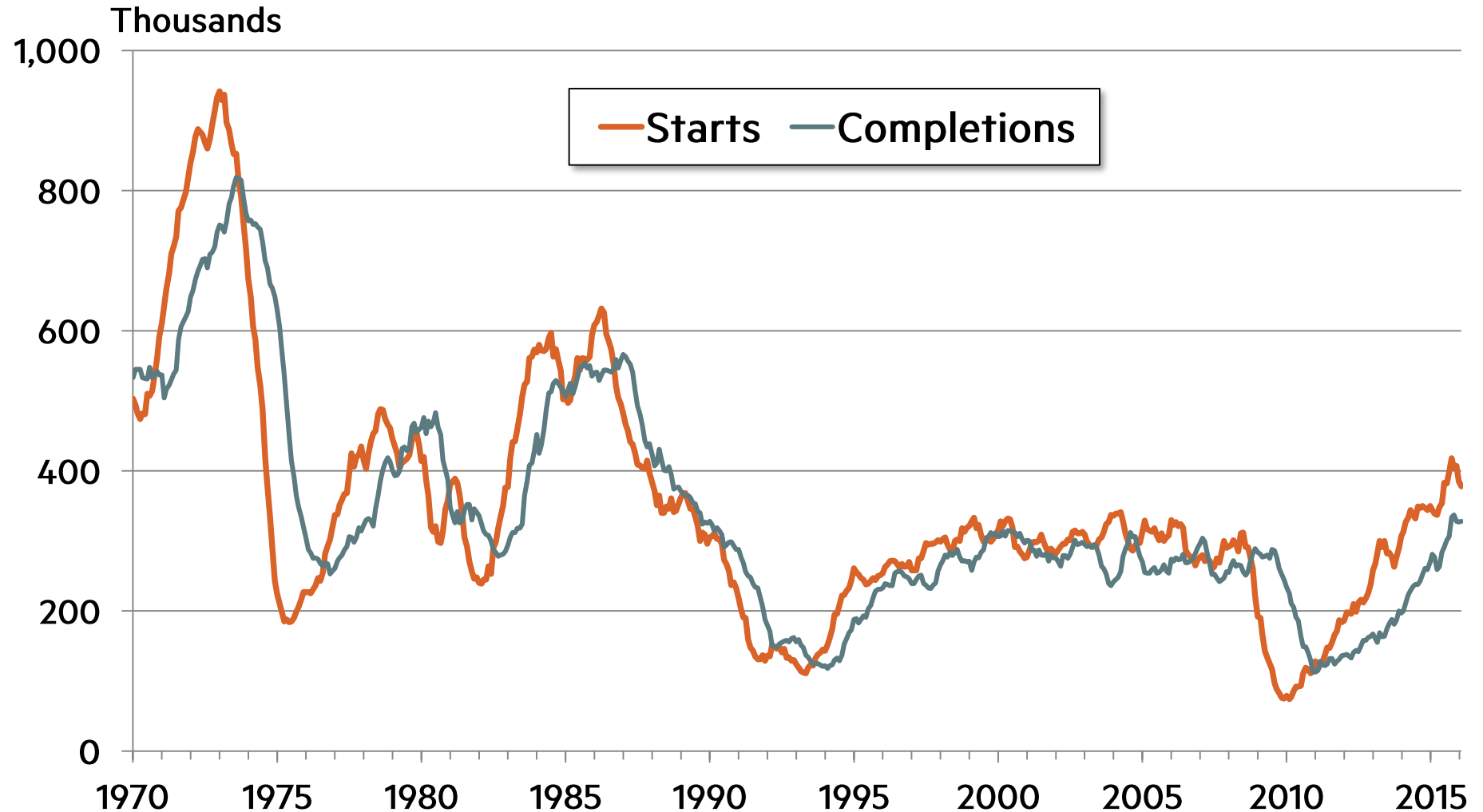
# SF Starts Slowly Improving (6-month moving average)



Source: Census Bureau.

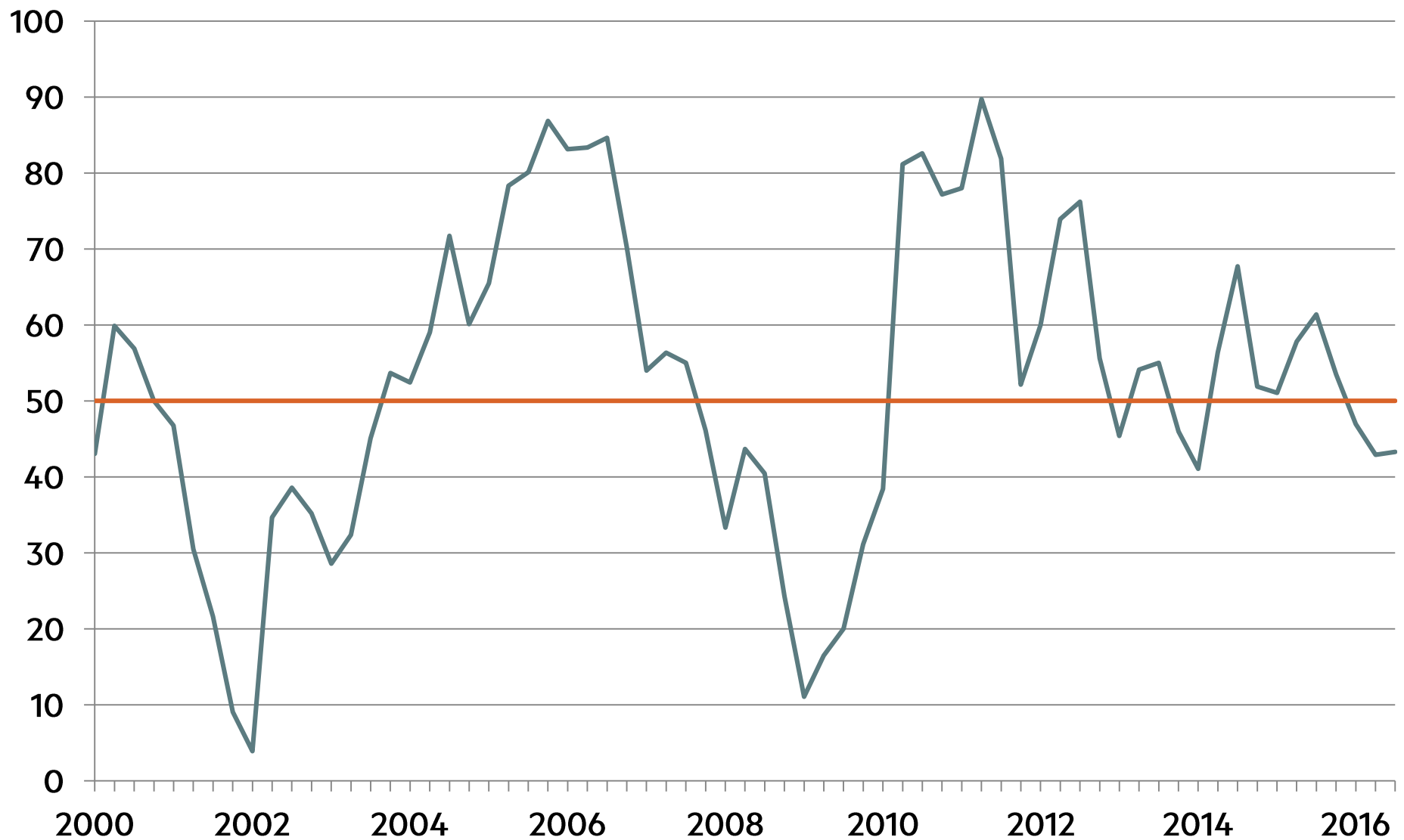
# Multifamily Production Strong: Too Much?

(6-month moving average)



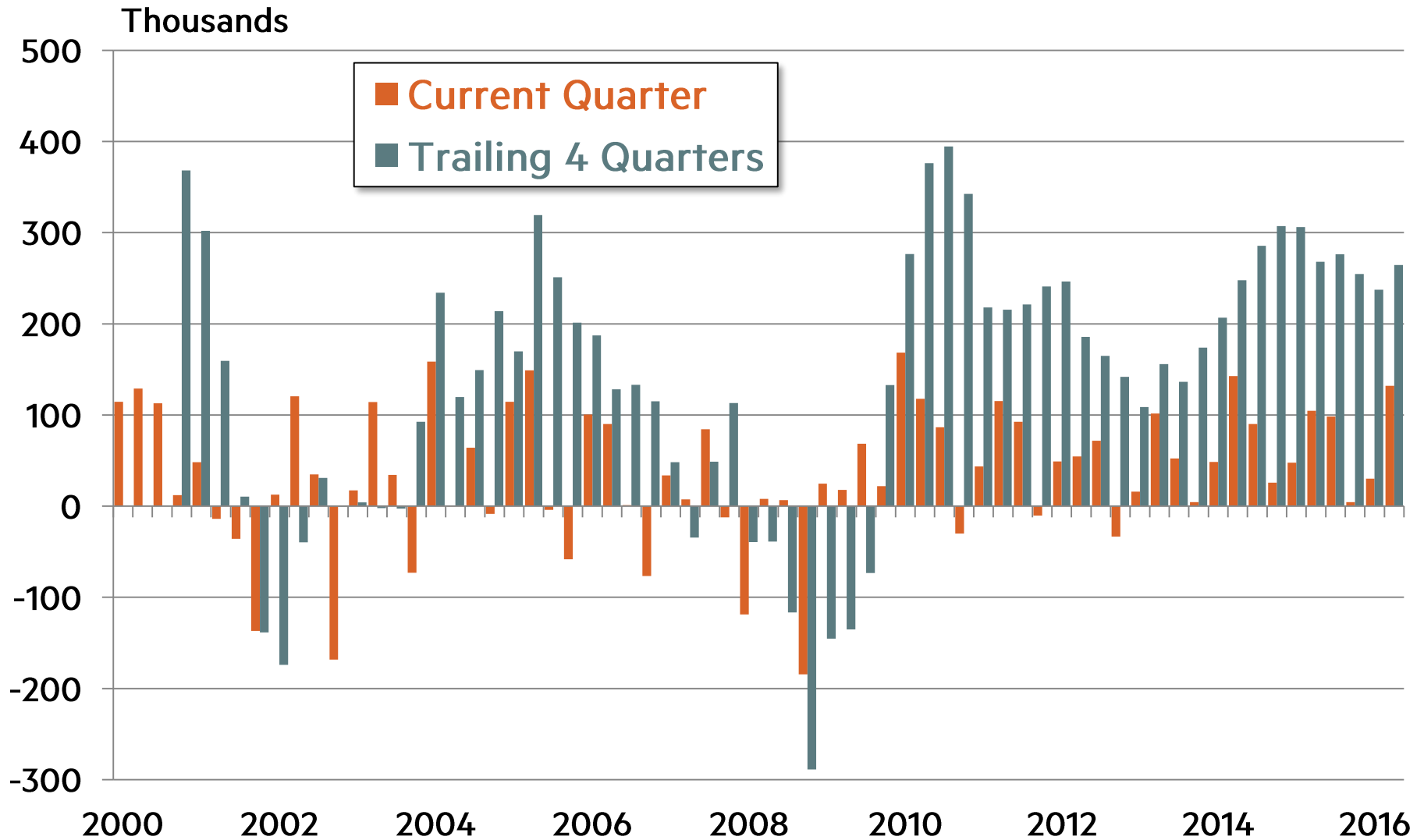
Source: Census Bureau; NMHC.

# Apartment Markets Still Rather Tight



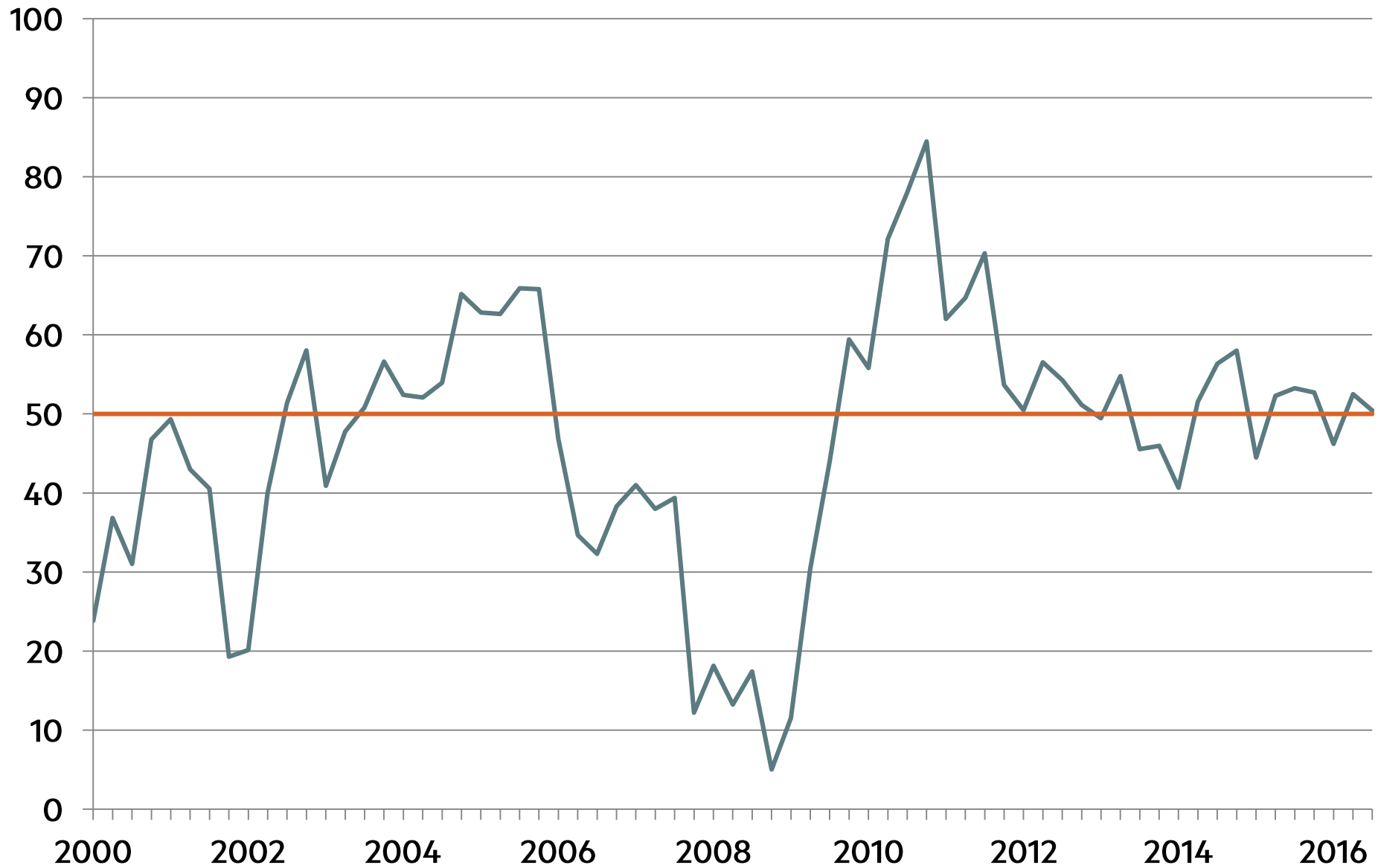
Source: NMHC.

# Net Absorptions As Strong As Supply Allows



Source: MPF Research.

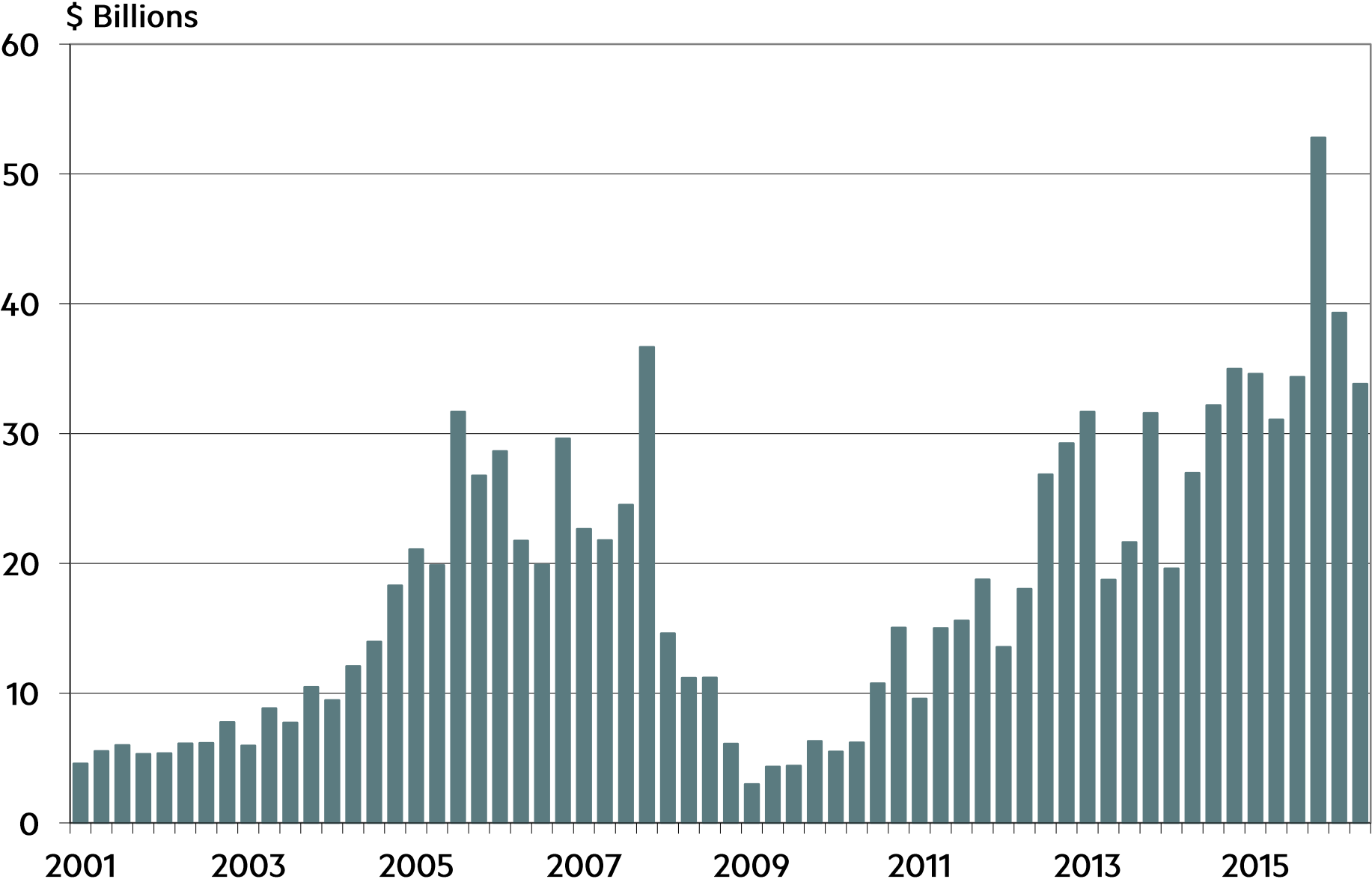
# NMHC Survey: Sales Volume Strong and Steady



Source: NMHC.

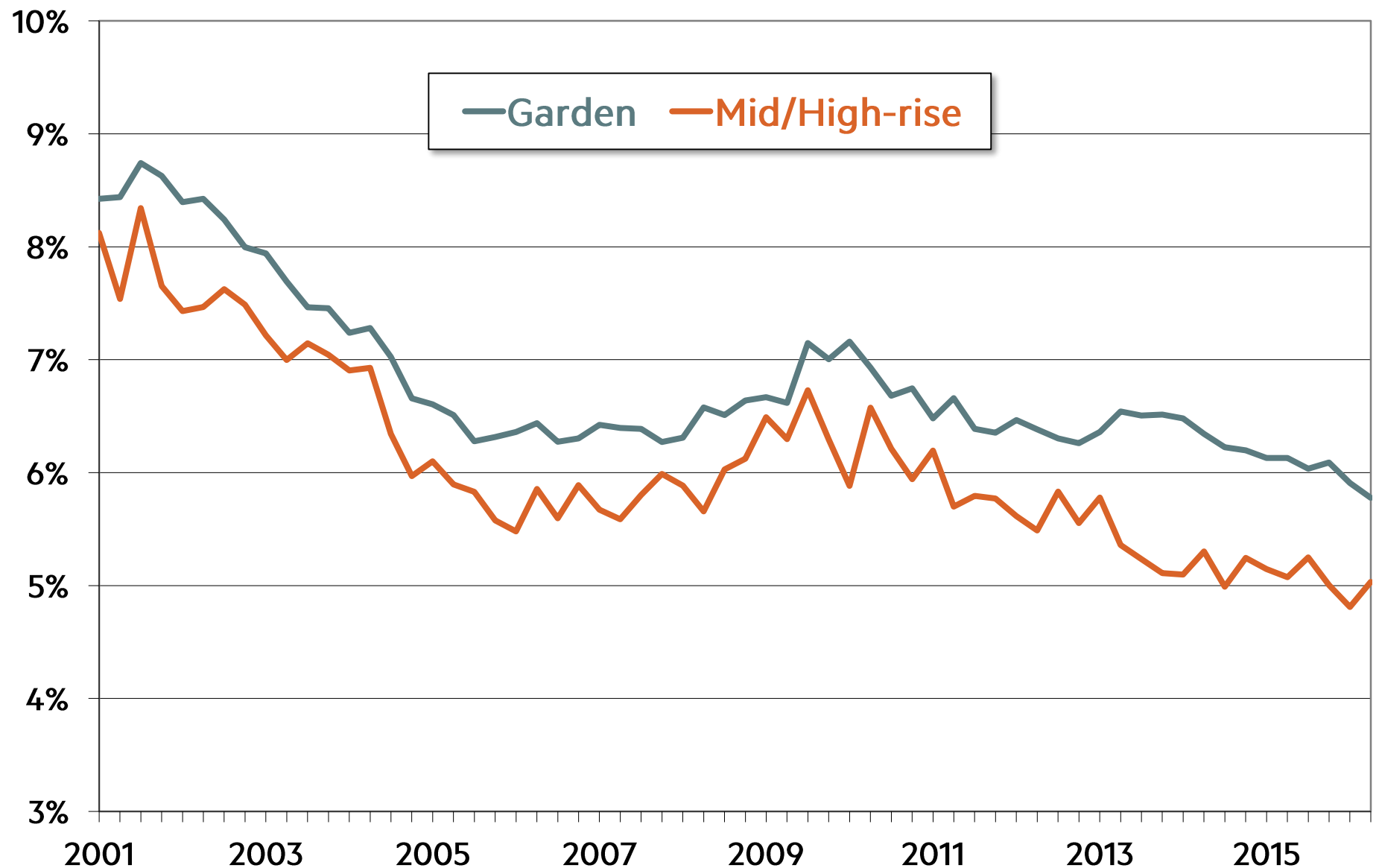


# Apartment Transactions Ahead of Last Year



Source: Real Capital Analytics.

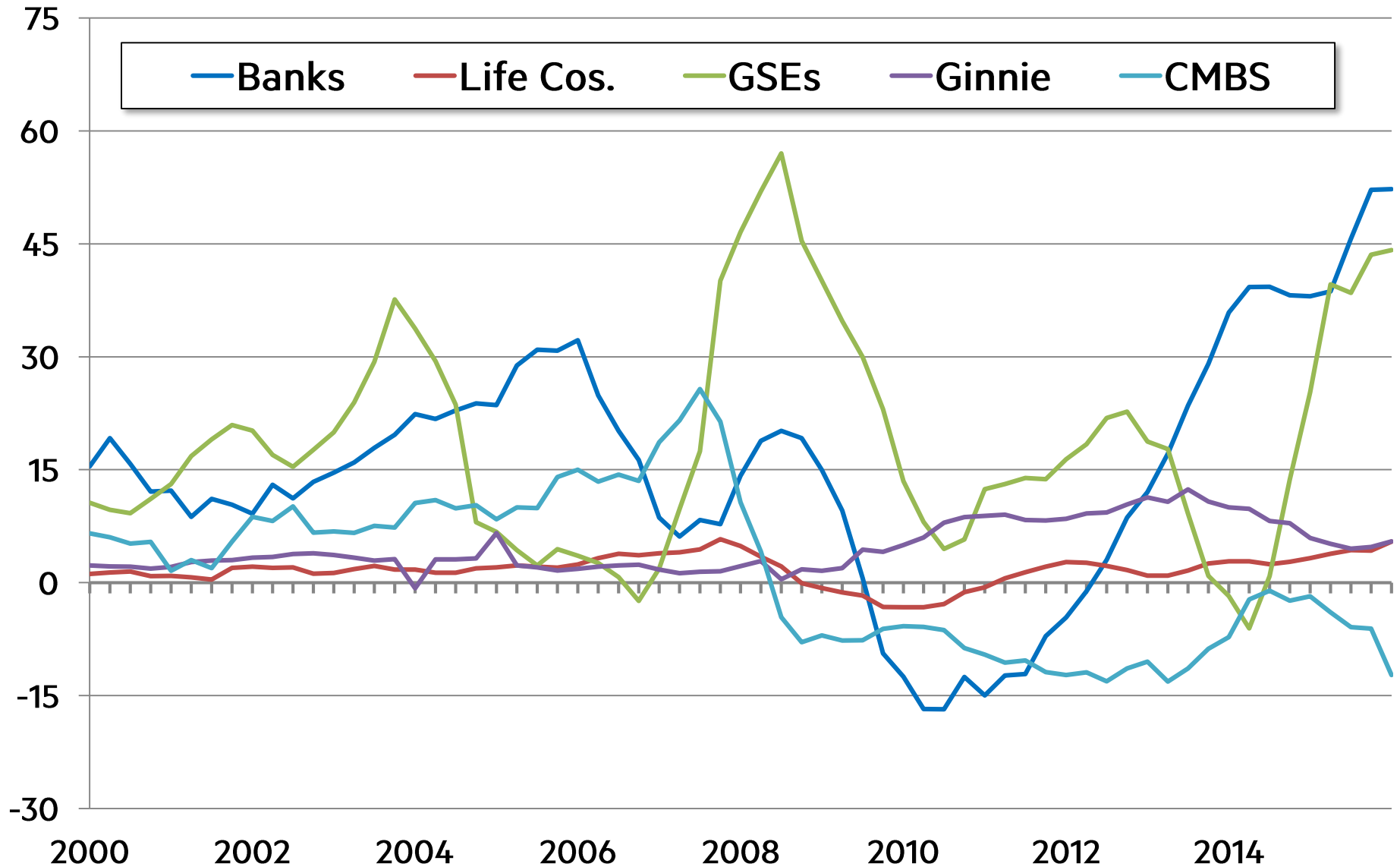
# Cap Rates Still Edging Down



Source: Real Capital Analytics.

# Banks and GSEs Top MF Mortgage Providers

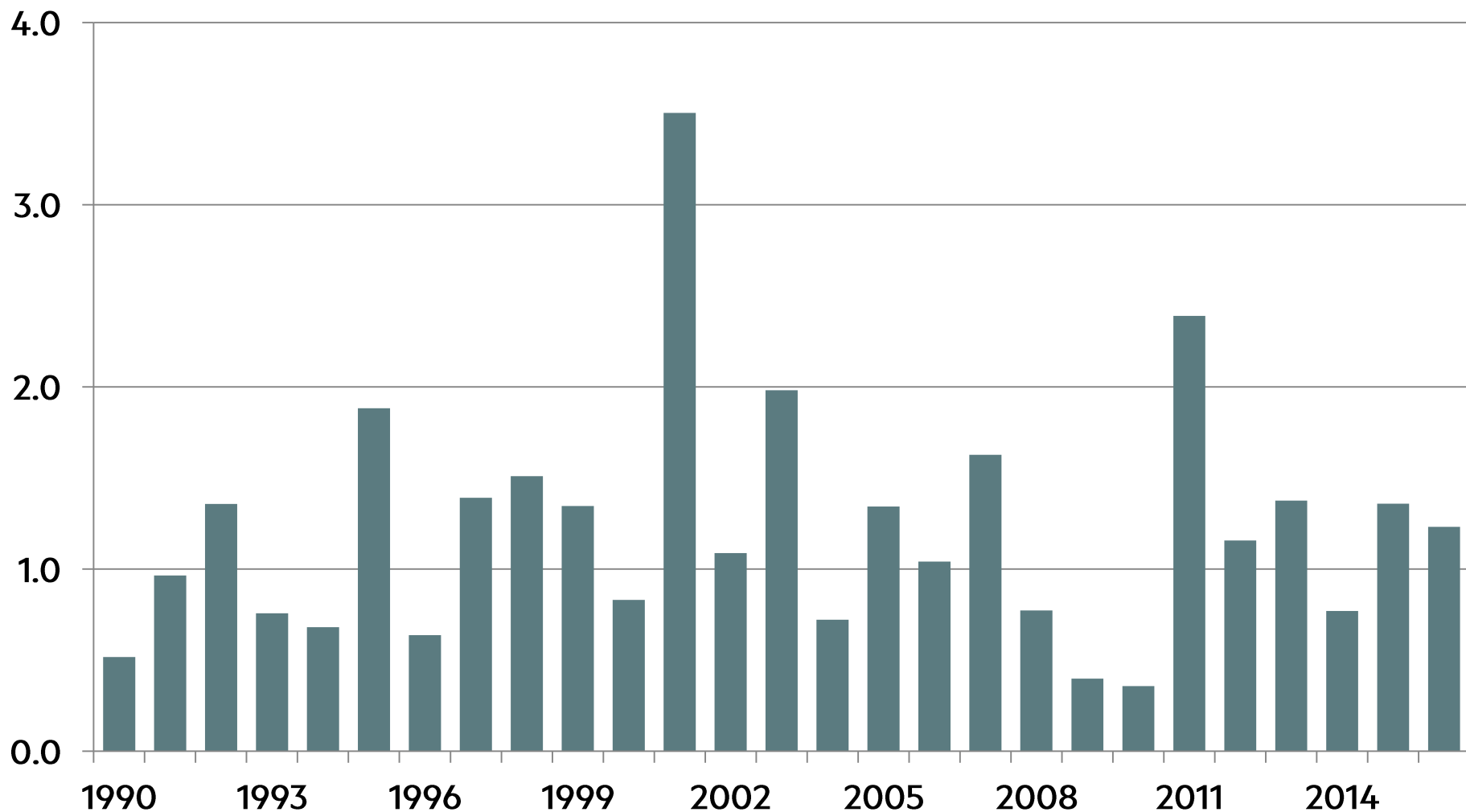
(\$ billions)



Source: Federal Reserve Board; NMHC.

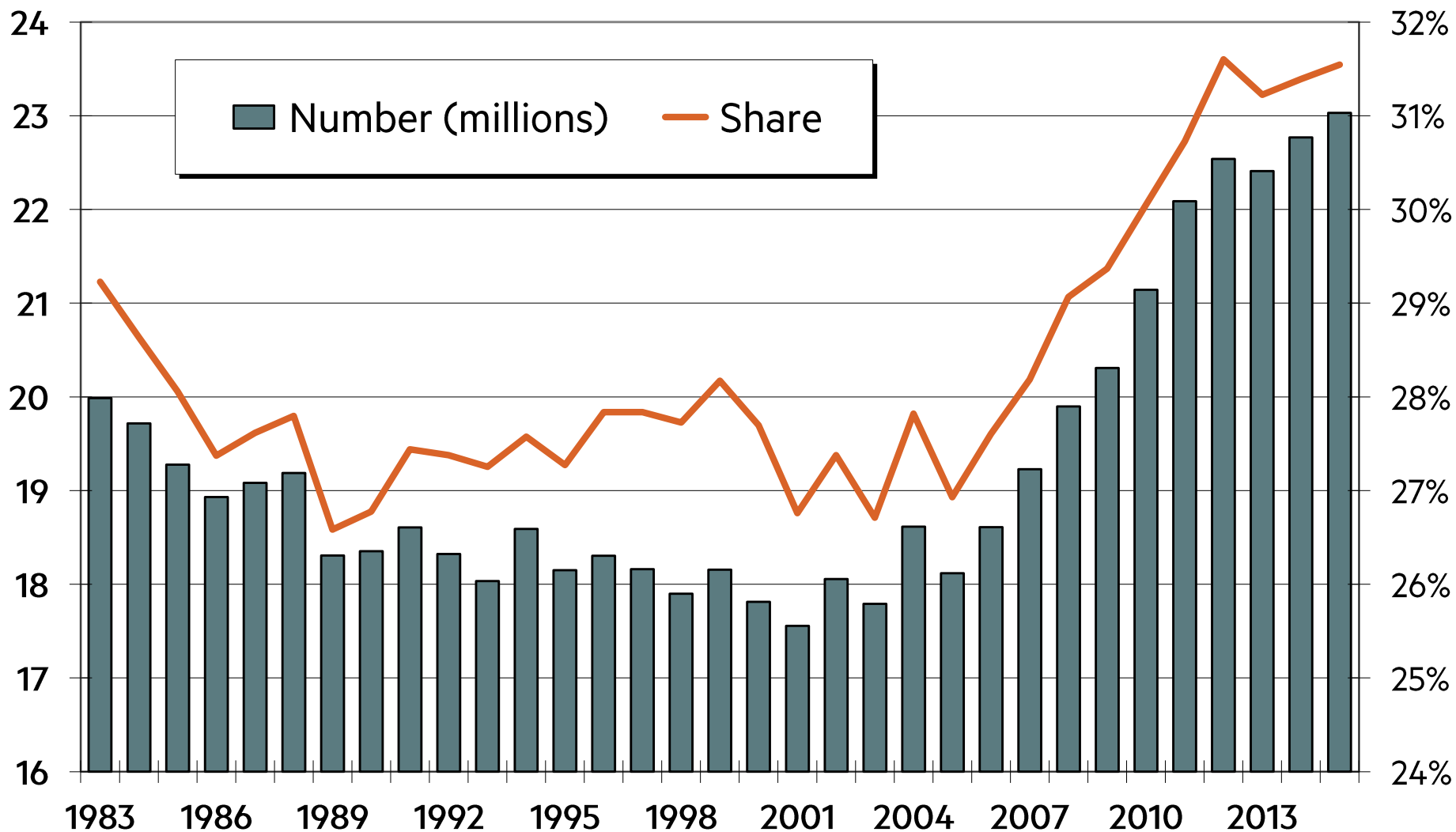
# Household Formation On Track

Millions



Source: Census Bureau, Current Populations Survey.

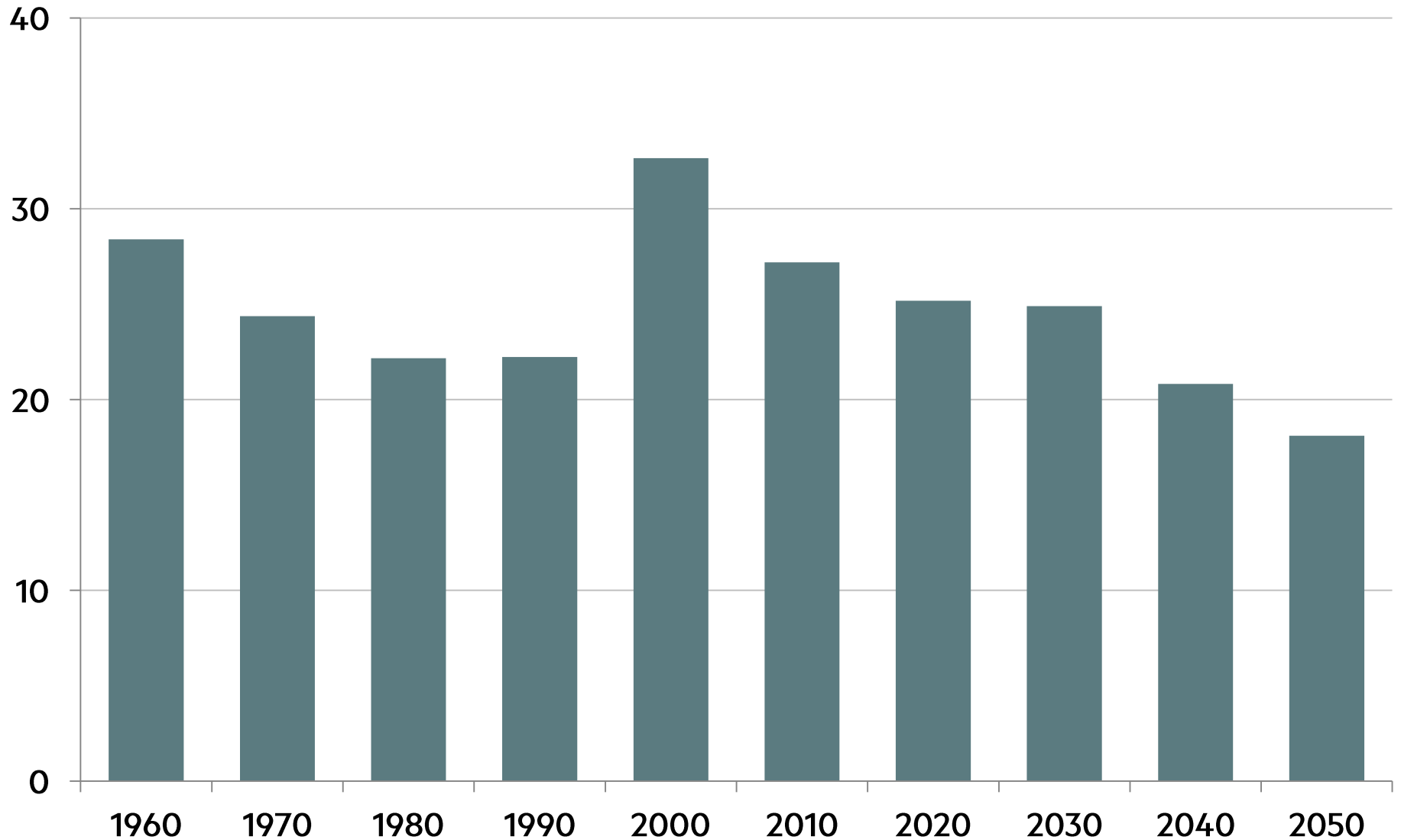
## ...Though Many Young Adults Still Living at Home



Source: Census Bureau., Current Population Survey

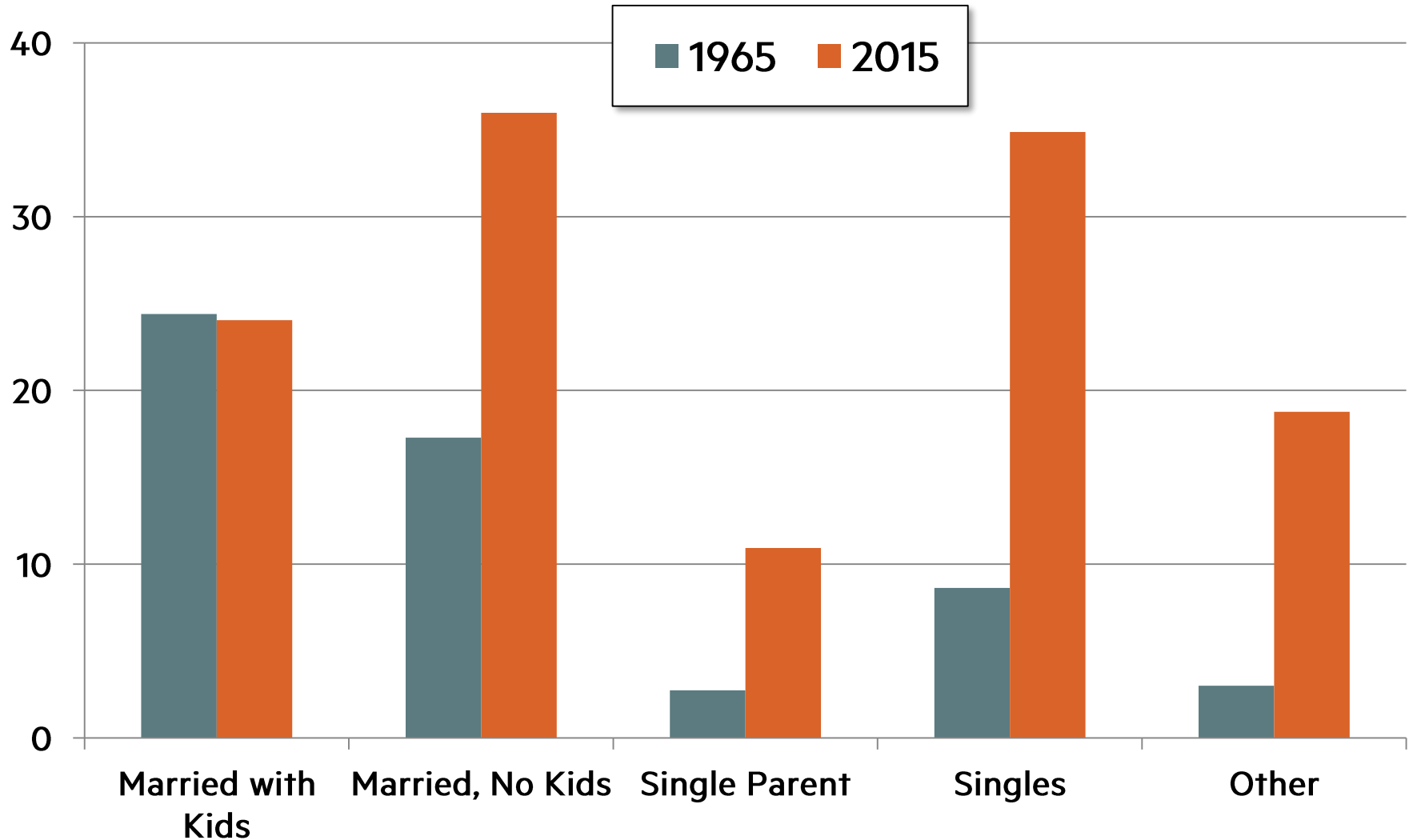
# U.S. Population Still Growing

Increase in Decade, millions



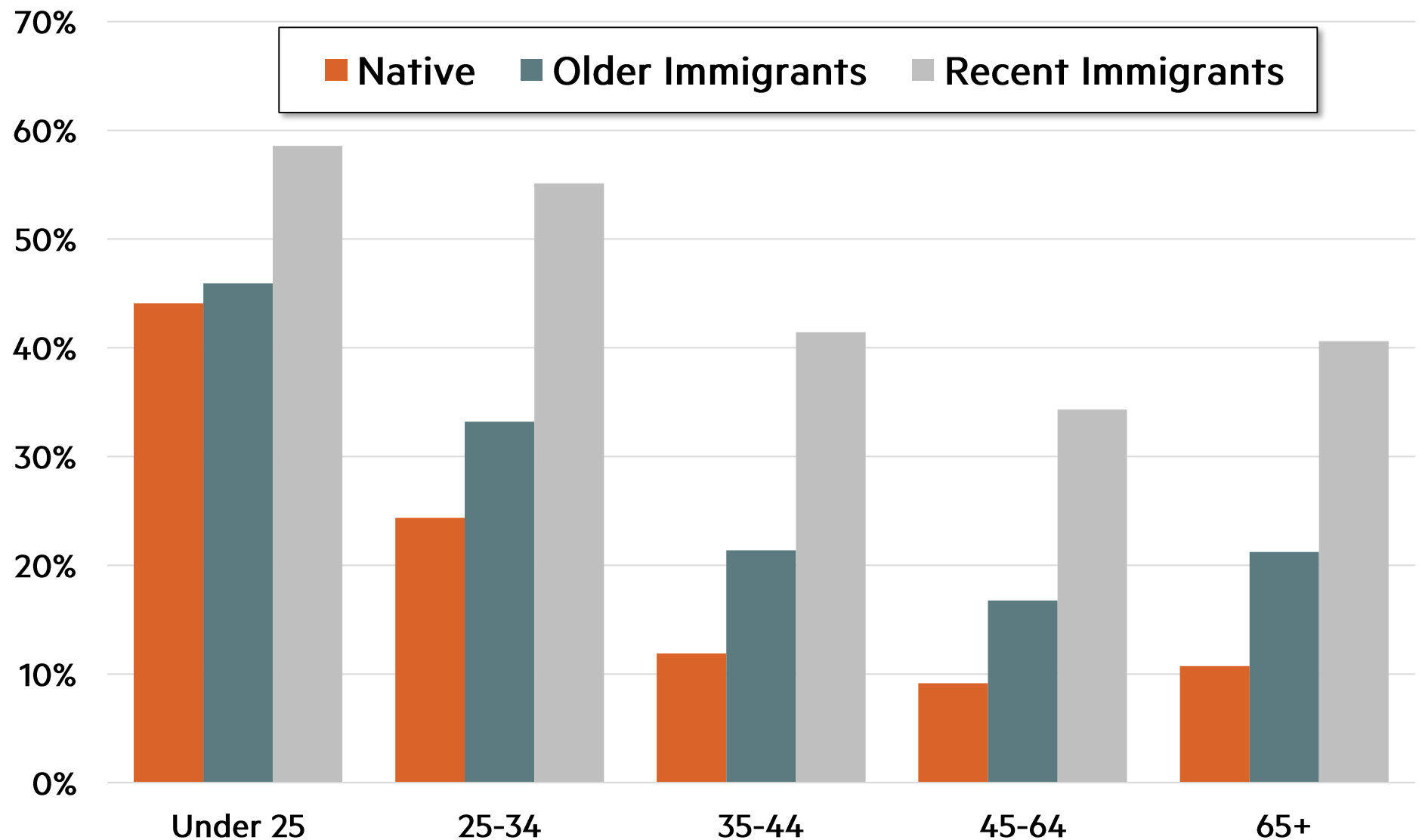
Source: Census Bureau.

# Seismic Shift In Household Composition



Source: Census Bureau.

# Recent Immigrants Most Likely to Rent Apartments



Source: Census Bureau; NMHC.



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# Panel



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Thank you!

- [www.nmhc.org/Research](http://www.nmhc.org/Research)