



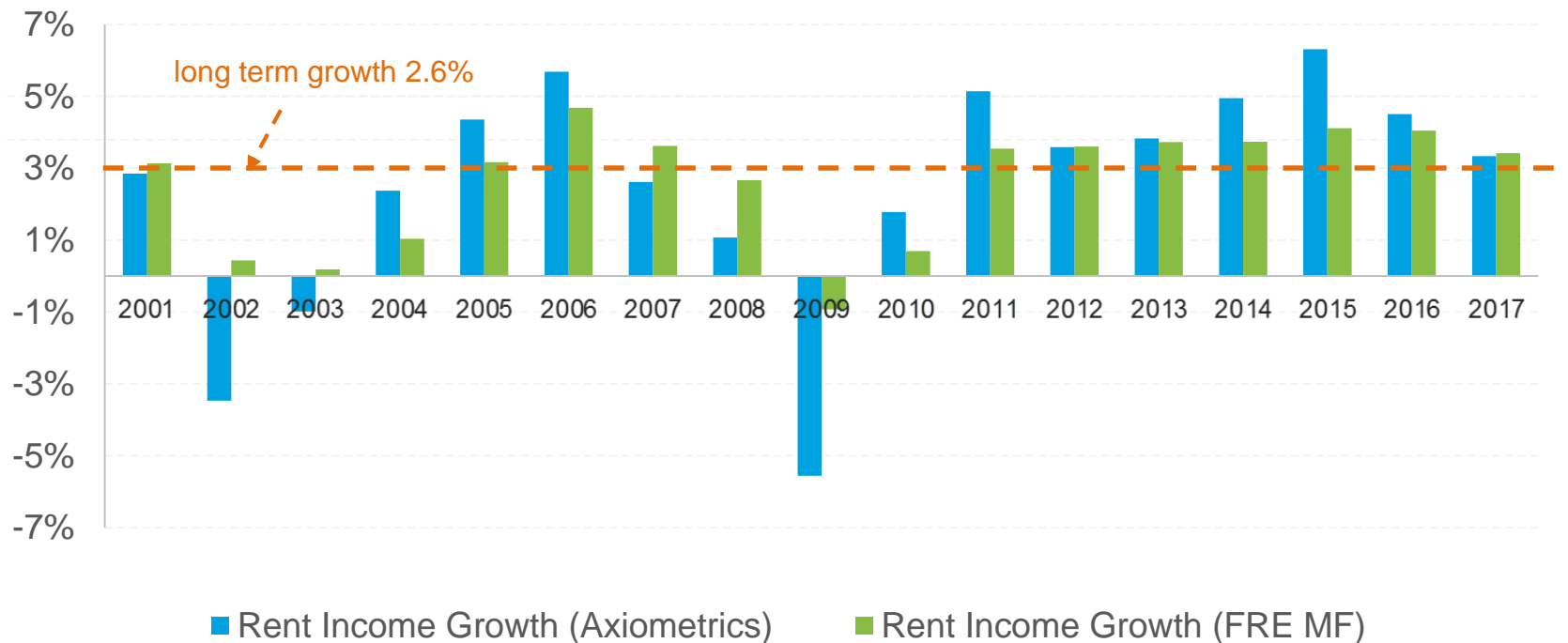
# Freddie Mac Multifamily Market Data Revealed



October 2018

- Freddie Mac overall rental income is similar to the market trend but with much less volatility
- Freddie Mac MF portfolio performed well during the recession

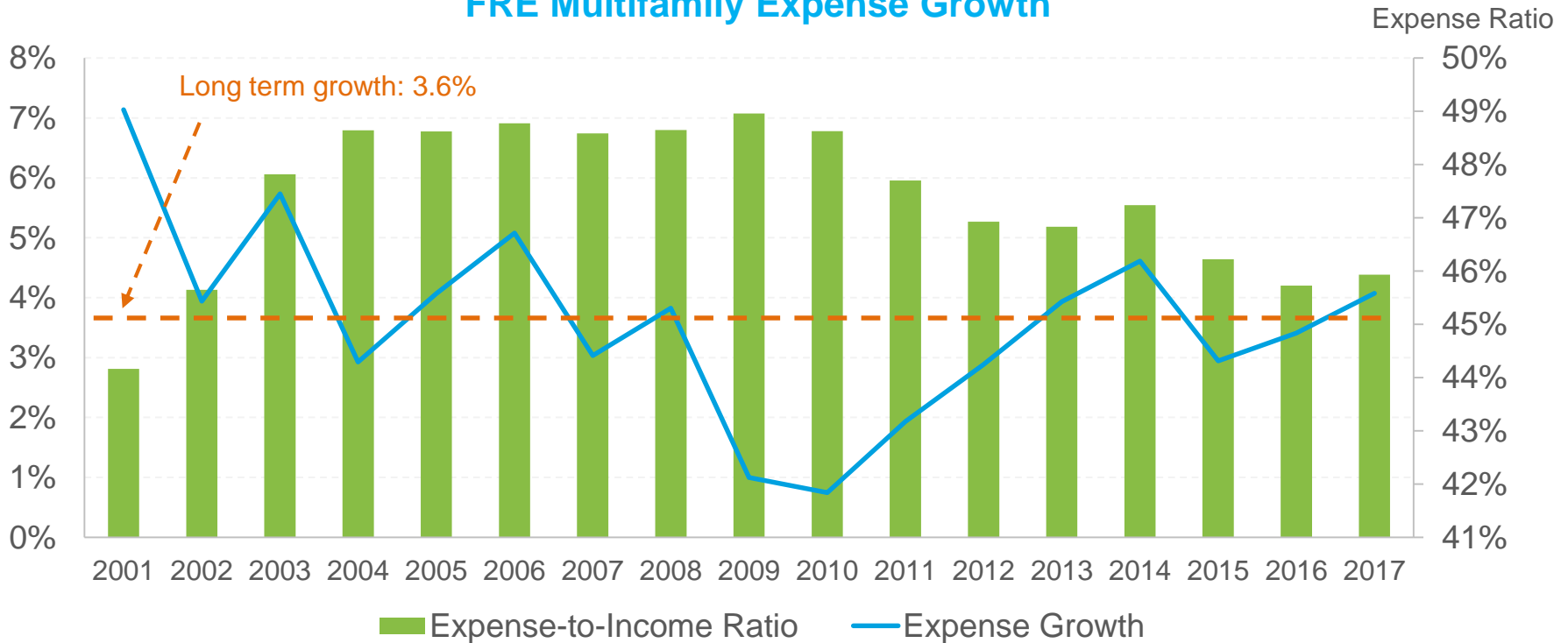
## FRE Multifamily Rent Income Growth



# MF Expense Growth

- From 2001 to 2017, MF expenses grew at a rate of 3.6%
- The expense-to-rent income ratio declined on average

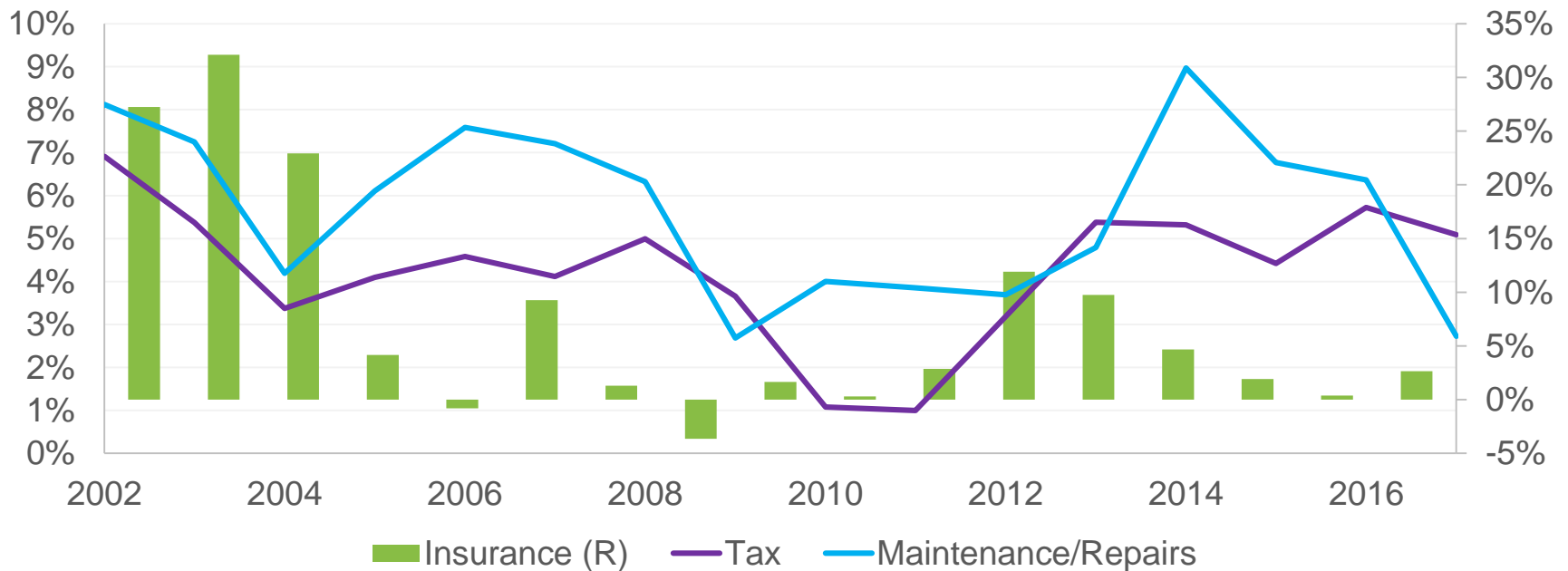
## FRE Multifamily Expense Growth



# MF Expense Growth

- Expense subcomponents trend based on a number of factors
- Real Estate taxes move with property price trends
- Maintenance and repairs move with property income, as some of these expenses are discretionary
- Insurance costs can be driven by major events driving claims

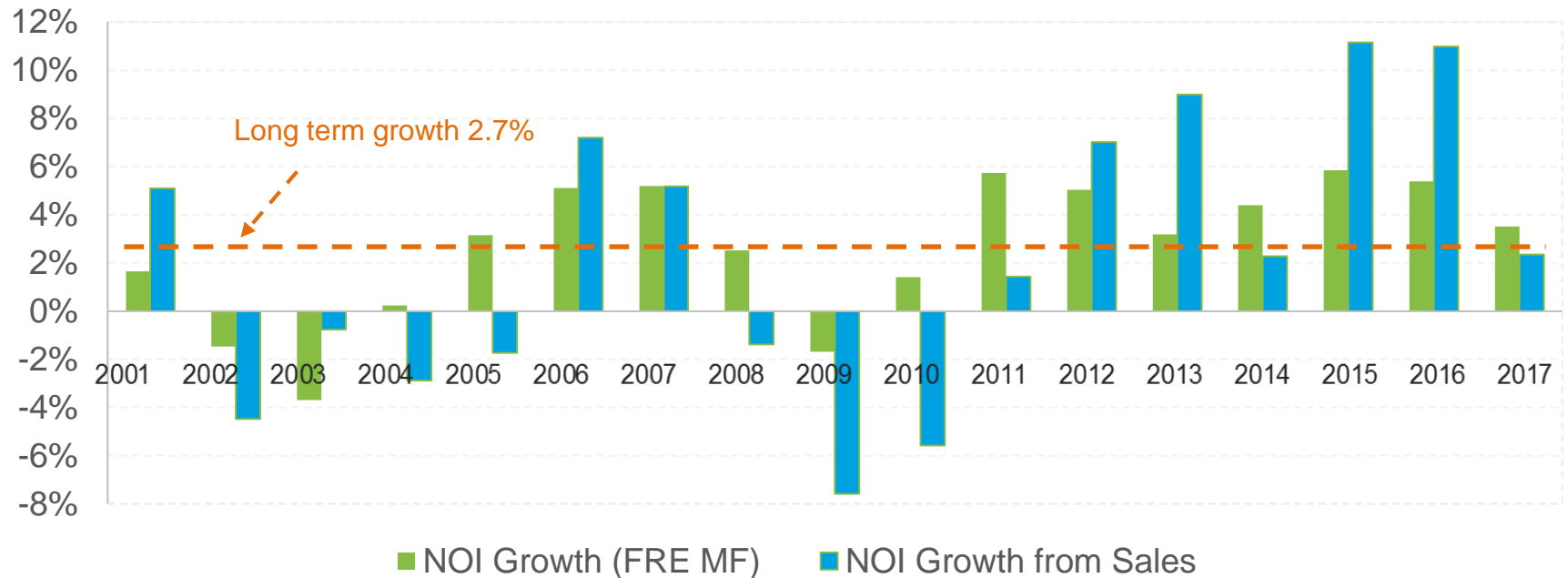
## MF Property Expense Growth Rates



# MF Net Operating Income Growth

- MF's net operating income (NOI) grew at a healthy rate of 2.7% from 2001 to 2017
- Sale-based (pro-forma) net operating income had a strong pro cyclical pattern but often over-reacted to market conditions (Source: RCA)

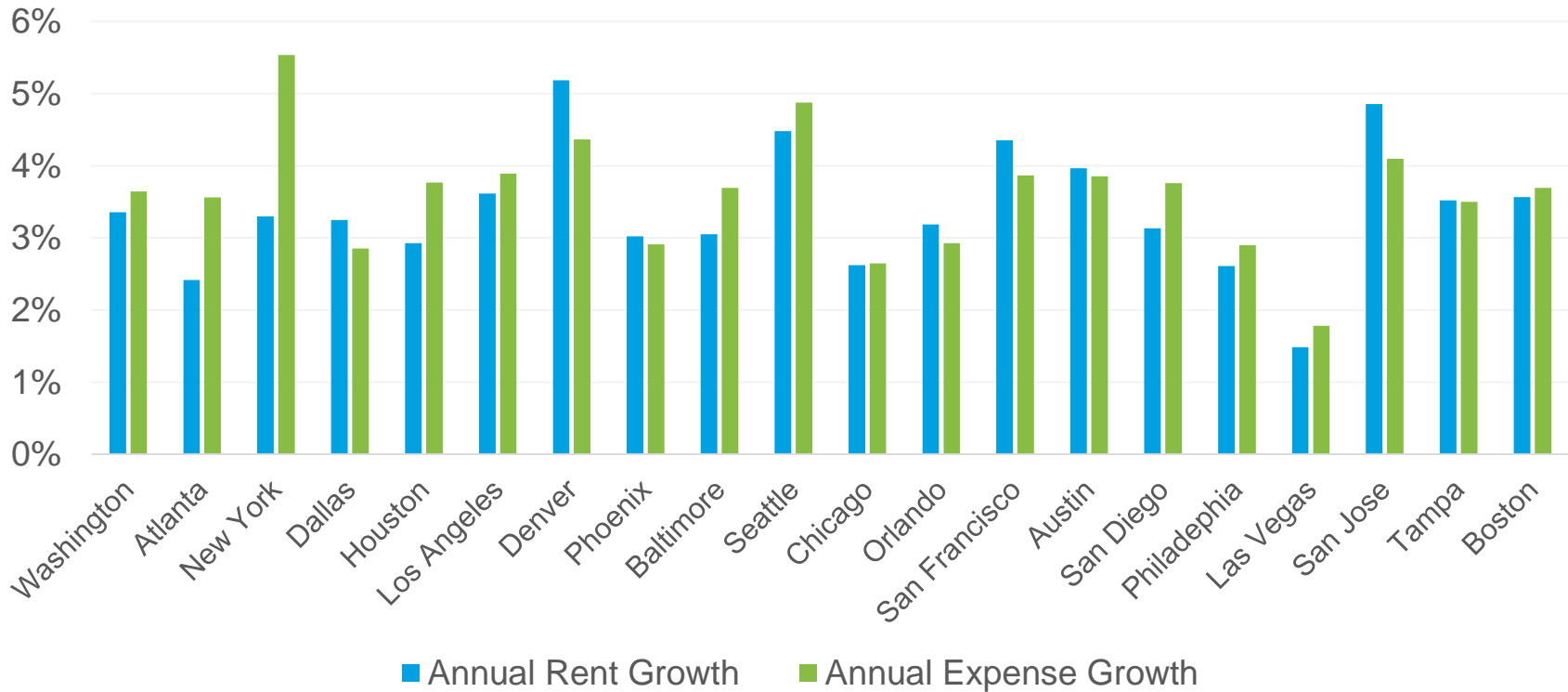
## Multifamily Net Operating Income (NOI Growth)



# Long-Term Trends in Top Markets

- Over the long term, market-level rents and expenses generally grow between 2 to 4% annually

## Top Market Rent and Expense Growth (2001-2017)



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