

# Sponsor Speed Reads



Welcome to Sponsor Speed Reads, a monthly summary of news, research and product highlights from Freddie Mac Multifamily. Is there content you'd like to see in future issues? [Give us feedback](#). Know a sponsor who'd like to be on this email list? They can [sign up here](#).

## 2024 Market Outlook: Looking at a Soft Landing

In our [2024 Market Outlook](#), Sara Hoffmann, director of Multifamily Research, sees a theme for this year as “higher for longer” from interest rates to new supply. Although expectations are for the multifamily market to see positive growth next year, she expects it will be weaker than long-term averages. Here are her thoughts on how 2024 may pan out:

- After demand for apartment units slowed in 2022, demand was positive in 2023 but lower than the historical average. Combined with elevated levels of new supply expected to come online in 2024, this will cause market performance next year to feel slow in comparison with pre-pandemic years.
- Rent growth is expected to see modest growth in 2024 at 2.5%, while the vacancy rate is expected to end 2024 at 5.7%.
- The Sun Belt and Mountain West regions are expected to see the highest levels of new supply, leading to the most pressure on rent

Send Date: January 4, 2024

growth. Alternatively, slower moving secondary and tertiary markets located in the Midwest and Northeast regions are generally expected to perform better.

- Renter demographics are favorable as Generation Z — the generation born between 1997 and 2012 — begin to enter prime renting age, which will continue to provide demand for multifamily rentals.
- Freddie Mac projects 2024 origination volume to increase up to \$370-\$380 billion, which is in line with pre-pandemic levels.

Despite various headwinds, the multifamily market is still well positioned over the long term due to demographics and being a favored asset class by investors.

To learn more, [read the report](#), [listen to the podcast](#) or [watch the video](#).

## Q3 2023 AIMI® Update

In the third quarter of 2023, the Freddie Mac Multifamily [Apartment Investment Market Index®](#) (AIMI) fell to 107.1 across the United States, with all 25 regional markets tracked by the index also down for the quarter. Read the release.

[Read the Release](#)

## Cap Increase for Low Income Housing Tax Credit (LIHTC) Investments

The Federal Housing Finance Agency (FHFA) announced that our annual investment cap for LIHTC will be raised to \$1 billion. This increase will help us in our efforts to create and preserve affordable housing. Please read more in [FHFA's press release](#).

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## 2023 Securitization Volume

We issued \$53.1 billion of securities in 2023, transferring interest rate risk, liquidity risk and the majority of expected credit risk away from U.S. taxpayers to private investors.

[Read More](#)

## Our Final Podcast of 2023:

Our Multifamily Podcast team is snowed in at Pine Tree, Vermont on New Year's Eve! While they wait for facilities to come dig them out, [the co-hosts discuss their resolutions](#), highlights from the year (including reaching 100K listens) and more.

Listen to [other episodes in the podcast series](#).

