Agenda

• Current Market Conditions
  • Rental and Vacancy Rates
  • Debt and Equity Financing Availability
• Implications for the Future
Market Rents Have Begun to Fall, but CPI Rent Lags and Still Shows an Increase

![Graph showing rent trends over years]

**Source:** RealPage; U.S. Bureau of Labor Statistics
Vacancy Rates Also Remain Out of Sync

[SOURCE RealPage; US. Census Bureau]
Class A Sector Was Largely Responsible for Rent Growth Previously
Absorptions Have Been Falling for Several Quarters

SOURCE: RealPage, Inc.
Market Tightness and Sales Volume Both Indicate Declining Conditions

SOURCE: NMHC Quarterly Survey of Apartment Market Conditions
Sales Volume Has Decreased Significantly After Historic Highs

SOURCE: Real Capital Analytics/MSCI.
Financing Conditions Have Declined in the Past Several Months

SOURCE: NMHC Quarterly Survey of Apartment Market Conditions
Future Implications

The country needs to build 4.3 million more apartments by 2035.

- 600,000 units are needed currently at a variety of price points
- Of the remaining 3.7 million, more than 1.5 million new units are needed in Texas, Florida, and California alone.

SOURCE: Hoyt Advisory Services, LLC; Eigen10 Research; NMHC; NAA.
New Construction of Multifamily (5+) Units Remains Elevated

**Source:** Census New Residential Construction
NIMBYism Carries a Financial Cost

Prevalence of NIMBY Opposition

- Yes: 74.5%
- No: 25.5%

Average impact when neighborhood opposition is present:

- 5.6% increase in development costs
- 7.4 months delay

SOURCE: NMHC Quarterly Survey of Apartment Market Conditions
Regulations Can Prevent Development from Occurring at All

Avoidance of Jurisdictions with the Following Regulations:

Inclusionary Zoning
- Yes: 47.9%
- No: 52.1%

Rent Control
- Yes: 87.5%
- No: 12.5%

Source: NMHC Quarterly Survey of Apartment Market Conditions