

Apartment Markets Forecast

	Completions	Effective Rent	Vacancies	Average Price/Unit
	2015**	2015**	2015**	2014*
Atlanta	7,250	\$1,005	6.3%	\$74,846
Austin	9,800	\$1,136	5.3%	\$90,557
Baltimore	2,150	\$1,253	4.3%	\$109,964
Boston	7,250	\$1,789	4.3%	\$262,860
Charlotte	4,600	\$946	6.4%	\$69,455
Chicago	6,500	\$1,293	4.2%	\$148,411
Cincinnati	1,550	\$852	4.5%	\$45,181
Cleveland	880	\$830	3.4%	\$47,897
Columbus	2,300	\$806	4.0%	\$47,732
Dallas/Ft. Worth	20,000	\$966	5.9%	\$81,097
Denver	7,400	\$1,326	4.5%	\$107,236
Detroit	1,000	\$846	3.7%	\$47,915
Ft. Lauderdale	3,500	\$1,384	5.0%	\$133,719
Houston	20,000	\$1,006	7.8%	\$84,099
Indianapolis	3,000	\$783	6.7%	\$46,055
Jacksonville	2,200	\$870	6.5%	\$61,430
Kansas City	4,100	\$809	6.1%	\$64,837
Las Vegas	1,200	\$793	6.4%	\$68,668
Los Angeles	8,500	\$1,878	2.9%	\$179,872
Louisville	1,500	\$790	4.4%	\$72,557
Miami	4,800	\$1,322	4.6%	\$135,974
Milwaukee	2,000	\$963	3.1%	\$67,577
Minneapolis/ St. Paul	5,000	\$1,091	3.4%	\$85,500
Nashville	4,350	\$999	4.8%	\$73,465

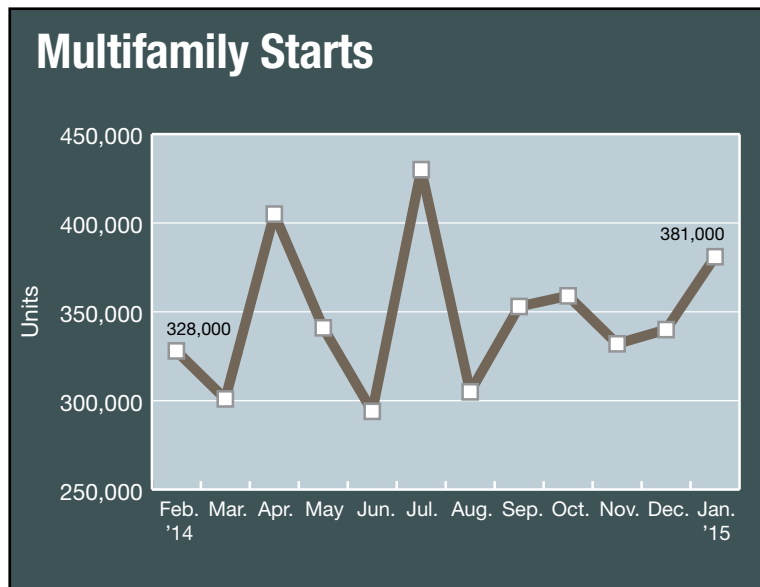
	Completions	Effective Rent	Vacancies	Average Price/Unit
	2015**	2015**	2015**	2014*
New Haven/ Fairfield County	800	\$1,654	4.1%	\$174,450
New York	12,500	\$3,925	2.5%	\$269,474
Northern New Jersey	5,700	\$1,955	2.7%	\$133,839
Oakland	1,000	\$1,987	3.1%	\$169,837
Orange County	3,900	\$1,814	2.9%	\$180,073
Orlando	5,500	\$1,030	4.1%	\$70,433
Philadelphia	3,200	\$1,187	4.5%	\$121,120
Phoenix	7,950	\$840	6.5%	\$73,719
Pittsburgh	1,900	\$1,037	5.3%	\$65,425
Portland	5,000	\$1,114	3.0%	\$103,433
Riverside/ San Bernardino	570	\$1,231	4.2%	\$107,359
Sacramento	500	\$1,087	3.2%	\$84,373
Salt Lake City	2,500	\$888	4.3%	\$92,012
San Antonio	6,500	\$891	7.3%	\$62,223
San Diego	2,700	\$1,630	3.4%	\$166,531
San Francisco	4,000	\$2,983	4.0%	\$279,147
San Jose	3,200	\$2,447	3.7%	\$222,684
Seattle	12,000	\$1,336	4.8%	\$201,430
St. Louis	1,100	\$834	6.4%	\$70,996
Tampa Bay	4,400	\$987	5.0%	\$72,454
Washington, D.C.	10,900	\$1,611	5.8%	\$180,268
West Palm Beach	2,400	\$1,374	5.9%	\$149,770
U.S. Metro Total	210,000	\$1,219	4.8%	\$121,231

**Forecast *Estimate

Sources: Marcus & Millichap Research Services, MPF Research, Costar Group Inc., Real Capital Analytics


Market Pulse

Market Pulse section compiled by Keat Foong, executive editor. To comment, email kfoong@multi-housingnews.com.

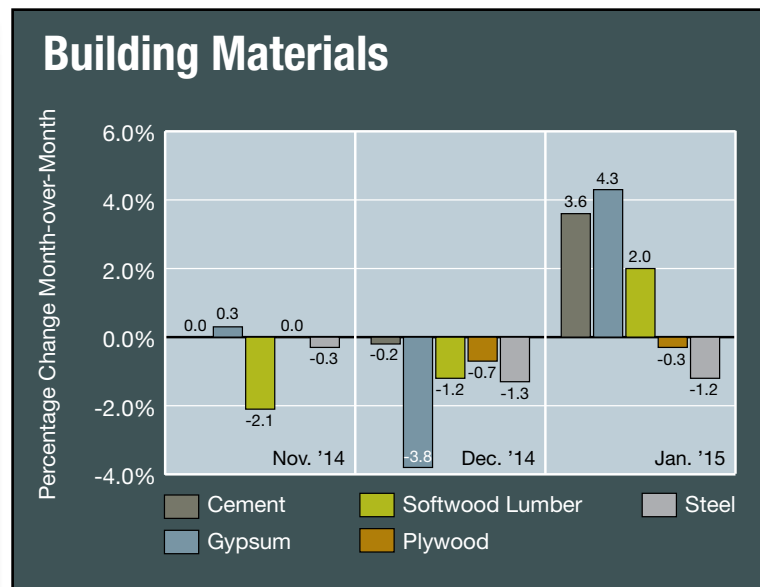


Multifamily Starts: Growth in housing starts of buildings with five or more units started 2015 on a strong note. Measured at a seasonally adjusted annual rate, housing starts of buildings with five or more units rose by 12.1 percent over the month of January 2015 to 381,000. The monthly increase in January 2015 was preceded by a 2.4 percent monthly increase in December 2014. However, prior to that in November 2014, housing starts of buildings with five or more units fell by 7.5 percent. In response to the monthly volatility, the three-month moving average is used to smooth the data's gyrations. In January 2015, the three-month moving average of housing starts with five or more units rose by 2.1 percent to 351,000. Between November 2009 and May 2014, the three-month moving average rose from a recession-induced low of 67,000 to 349,000, a 420.9 percent increase. However, between May 2014 and January 2015, growth in the three-month average has been moderate, rising by 0.6 percent over this nine-month period.

Source: Commentary and Data supplied by Michael Neal, senior economist, National Association of Home Builders.



Michael Neal is a senior economist with the National Association of Home Builders (NAHB). In this capacity, he monitors macroeconomic and financial issues that affect the U.S. and local housing markets. Prior to joining NAHB, he worked at the Joint Economic Committee of the U.S. Congress, the Federal Reserve, the Congressional Budget Office and Goldman, Sachs & Co.



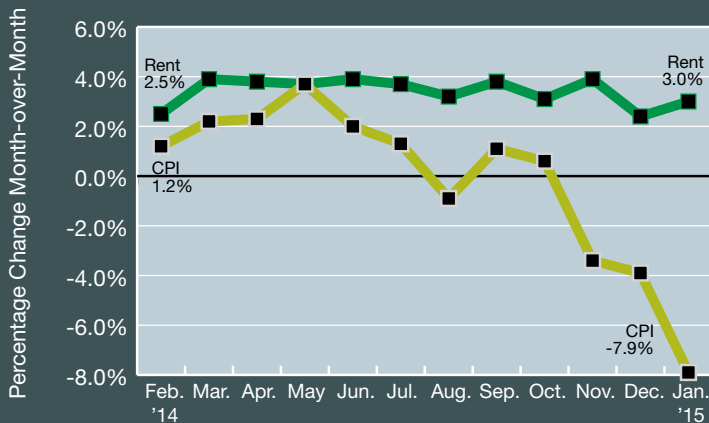
Building Materials: Inputs to construction fell by 3.6 percent on a non-seasonally adjusted basis over the 12 months ending in January 2015. This component of the Producer Price Index is composed of the prices of inputs to new construction and the prices of maintenance and repairs. Over the past year, the prices of inputs to new construction eased by 3.6 percent. The prices of inputs to new non-residential construction fell by 4.6 percent while the prices of inputs to new residential construction dropped 2.5 percent. Meanwhile, maintenance and repair prices fell by 4.0 percent over the past year. Prices of inputs to non-residential maintenance and repairs decreased 4.1 percent while inputs to residential maintenance and repairs declined by 3.8 percent. The change in individual building materials prices varied. Prices of gypsum products rose by 0.2 percent, cement prices rose by 8.4 percent and softwood plywood prices rose by 13.4 percent. However, the prices of oriented strand board (OSB) declined by 8.3 percent.

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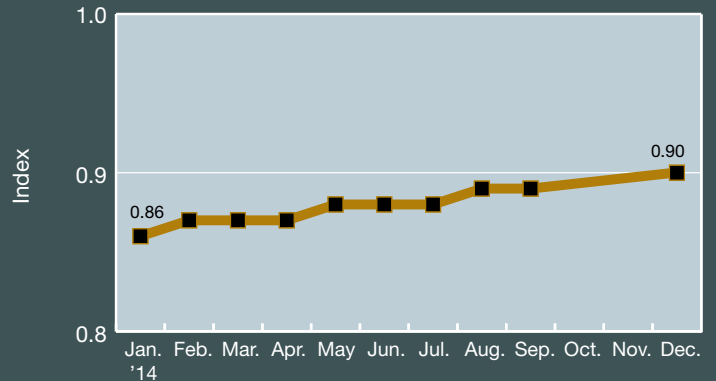


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CPI vs. Rent



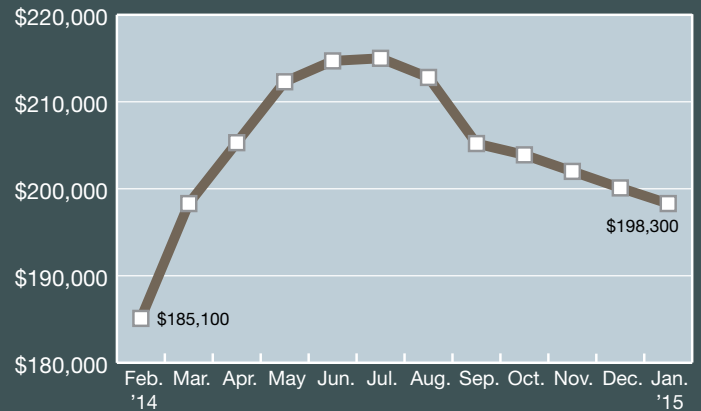
NAHB/First American Leading Markets Index*



*An index value above 1.0 indicates the market has advanced beyond the previous sustainable level of economic activity.

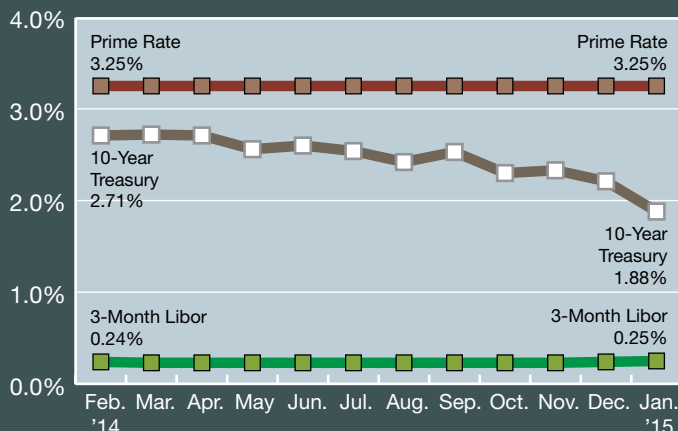
CPI vs. Rent: The seasonally adjusted Consumer Price Index—Urban Consumer (CPI), fell by 0.7 percent in January 2015. Over the last 12 months, the CPI decreased by 0.1 percent, its first 12-month decline since October 2009. The decline in the CPI largely reflected falling energy prices—gasoline prices in particular. Over the month of January 2015, energy prices fell by 9.7 percent on a monthly basis as gasoline prices declined by 18.7 percent. Excluding the more volatile energy and food prices, “core-CPI” rose by 0.2 percent over January 2015. Shelter prices, which account for the largest portion of consumer expenditures, rose by 0.3 percent as rental prices increased by 0.2 percent. Since rental prices rose slightly faster than overall inflation, as measured by core-CPI, then real rental prices also grew. NAHB’s Real Rent Index rose by 0.07 percent, rounded to 0.1 percent, over the month of January 2015. Over the year, the Real Rent Index grew 1.7 percent.

Existing Condo Median Sales Price

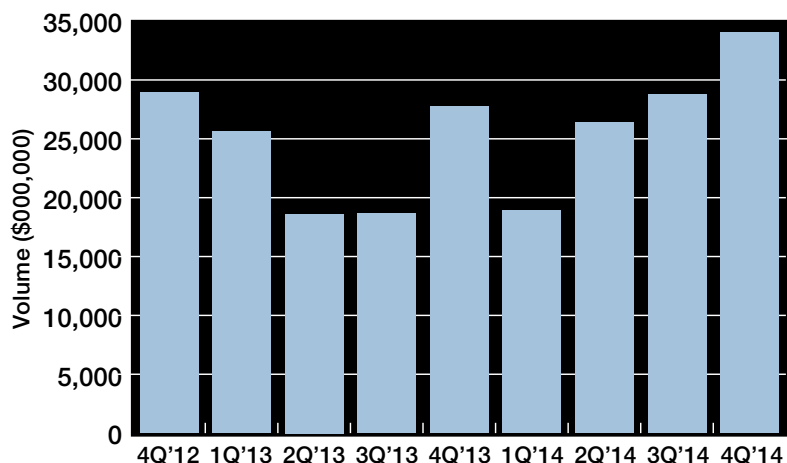


Existing Condo Sales and Prices: Existing condo and co-op sales, measured at a seasonally adjusted annual rate, fell by 3.5 percent over the month of January 2015. Regionally, the decline in existing condo and co-op sales was isolated to an 11.5 percent decrease in the South. In the West, existing condo and co-op sales rose by 7.7 percent. Meanwhile, in the Northeast and in the Midwest, sales of existing condos and co-ops were unchanged over the month. The January 2015 existing condo and co-op inventory was 6.5 percent lower than its level in December 2014. Since the decline in condo and co-op inventory was greater than the decrease in the sales rate, the months’ supply, which represents the number of months it would take to exhaust the existing condo and co-op inventory at the current sales pace, fell, declining 2.2 percent over the month to 4.4 months. Median existing condo and co-op sales prices rose by 5.3 percent on a not seasonally adjusted basis over the past year to \$198,300.

Interest Rates



Apartment Transactions: Volume and Prices (\$500,000+)

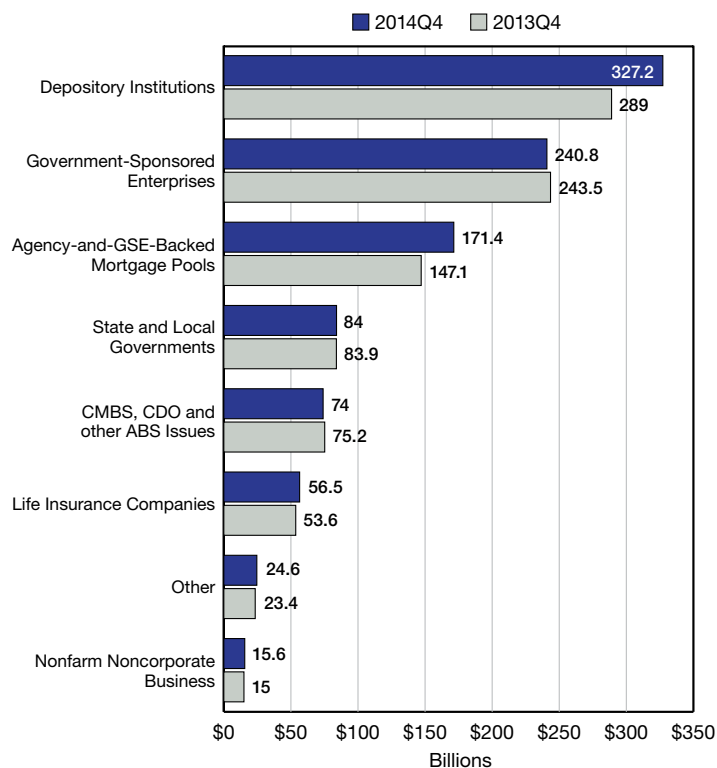


Source: PPR, a CoStar company

Quarter	No. Prop.	Price (Thousands)	Units	Wtd. Avg. Price/Unit
3Q 2011	2,094	\$14,244,647	160,889	\$88,537
4Q '11	2,277	\$17,673,677	200,949	\$87,951
1Q 2012	2,073	\$12,070,239	137,970	\$87,485
2Q '12	2,479	\$16,473,392	186,021	\$88,557
3Q '12	2,654	\$17,976,384	200,410	\$89,698
4Q '12	3,657	\$28,960,432	270,909	\$106,901
1Q 2013	2,348	\$25,598,123	199,325	\$128,424
2Q '13	3,137	\$18,618,177	194,037	\$95,952
3Q '13	3,202	\$18,666,612	199,311	\$93,656
4Q '13	3,520	\$27,735,274	260,843	\$106,329
1Q 2014	2,865	\$18,924,657	173,923	\$108,811
2Q '14	3,371	\$26,388,232	216,764	\$121,737
3Q '14	3,557	\$28,788,772	252,915	\$113,828
4Q '14	3,485	\$34,025,574	262,630	\$129,557

*Quarter to date

Total Multifamily Mortgage Debt Outstanding



Source: Federal Reserve Flow of Funds, Reis Inc.

Apartment Equity REITs Performance

Period to Date Performance (%)

Dividend Yield (3-9-15)	3.01	Price Return (3-9-15)	1.08
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Total Returns (as of 3-9-15)

3-9-15	Q-T-D	Y-T-D
1.08	2.86	2.86

Compound Annual Total Returns

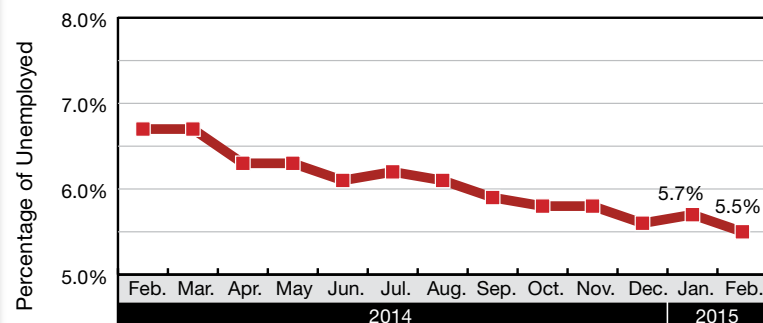
Through Prior Month's Close

1-Year	5-Year	10-Year
29.16%	19.15%	12.03%

Source: National Association of Real Estate Investment Trusts

Unemployment Rate

Seasonally adjusted, 16 years and over



Source: U.S. Bureau of Labor Statistics

Top 10 Multifamily Sales: New York City

Recorded in February 2015

ADDRESS		BOROUGH	SALE PRICE	SALE DATE	RECORDED DATE
257-271 South St.		Manhattan	\$115,000,000	9-Feb-15	26-Feb-15
23-45 Caton Pl.		Brooklyn	\$75,925,000	29-Jan-15	19-Feb-15
308 East 38th St.		Manhattan	\$75,000,000	30-Jan-15	10-Feb-15
330 East 63rd St.		Manhattan	\$58,000,000	10-Feb-15	19-Feb-15
494-496 Sterling Pl.		Brooklyn	\$48,075,000	13-Jan-15	11-Feb-15
953 First Ave.	957 First Ave.	Manhattan	\$47,799,641	9-Jan-15	6-Feb-15
959 First Ave.	961 First Ave.				
225 Central Park North		Manhattan	\$33,000,000	22-Jan-15	11-Feb-15
5407-5413 Kings Highway		Brooklyn	\$32,515,000	12-Feb-15	27-Feb-15
57-59 Second Ave.		Manhattan	\$24,800,000	29-Jan-15	13-Feb-15
350 East 89th St.	352 East 89th St.	Manhattan	\$23,346,251	22-Jan-15	10-Feb-15
354 East 89th St.					

Source: PropertyShark

Market Pulse section compiled by Keat Foong, executive editor. To comment, email kfoong@multi-housingnews.com.

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