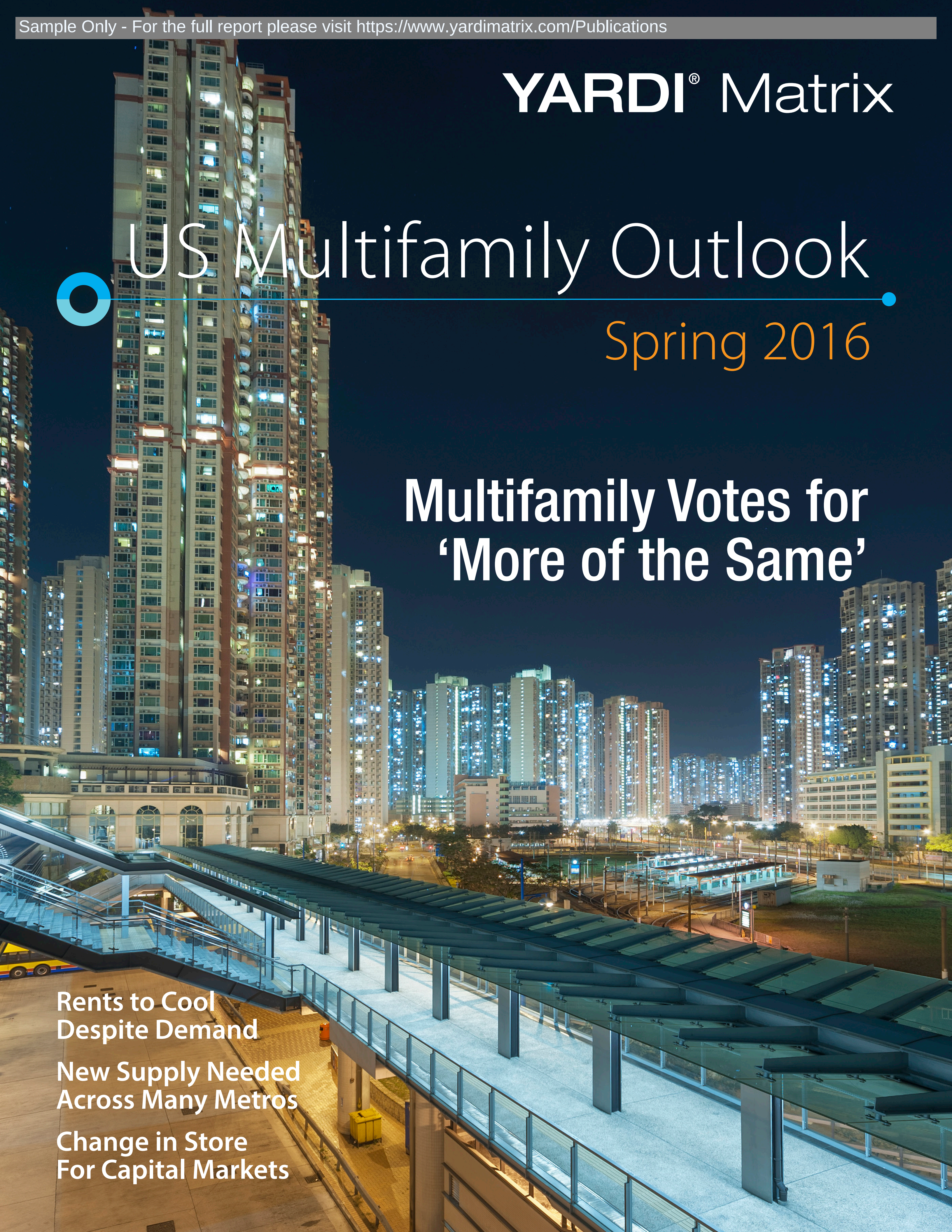

YARDI® Matrix

US Multifamily Outlook

Spring 2016

Multifamily Votes for 'More of the Same'

Rents to Cool Despite Demand

New Supply Needed Across Many Metros

Change in Store For Capital Markets

Market Analysis

Spring 2016

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Overview

There's an old adage that says there are only two political campaign messages: "more of the same" or "change," and it's easy to see how that is playing out in the race for president. Although nobody is voting on the prospects for the multifamily sector, there is a sense that we are on the precipice of ... well, something ... and the market is divided as to whether that is more of the same or change.

The first few months of 2016 have seen more of the same healthy economic and fundamental drivers that have delineated the multifamily sector in recent years. The U.S. economy, despite some warts, remains the envy of the world, producing jobs with moderate GDP growth and low inflation. Since February 2010, the economy has added 14.4 million private-sector jobs, a primary driver of demand for commercial properties.

Robust economy: Jobs and population growth are translating into robust demand for apartments, enabling Millennials to leave their parents' homes to form households. That has allowed rents to rise steadily: They were up 6.0% year over year through April despite a burgeoning amount of development. Property sales topped $500 billion in

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