

**NEWMARK**

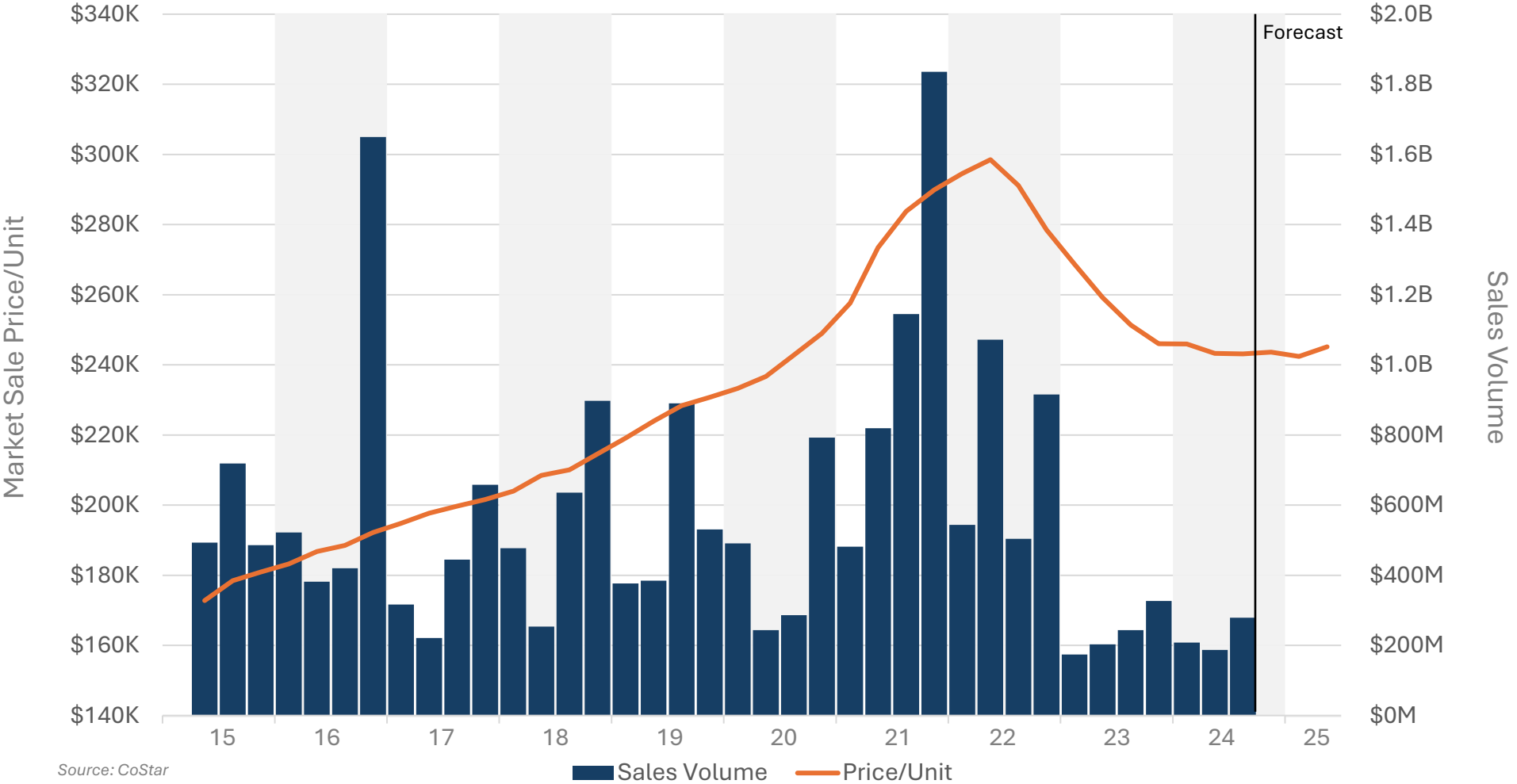
# Multifamily Capital Markets

**ROBERT BLACK**, *Senior Managing Director*



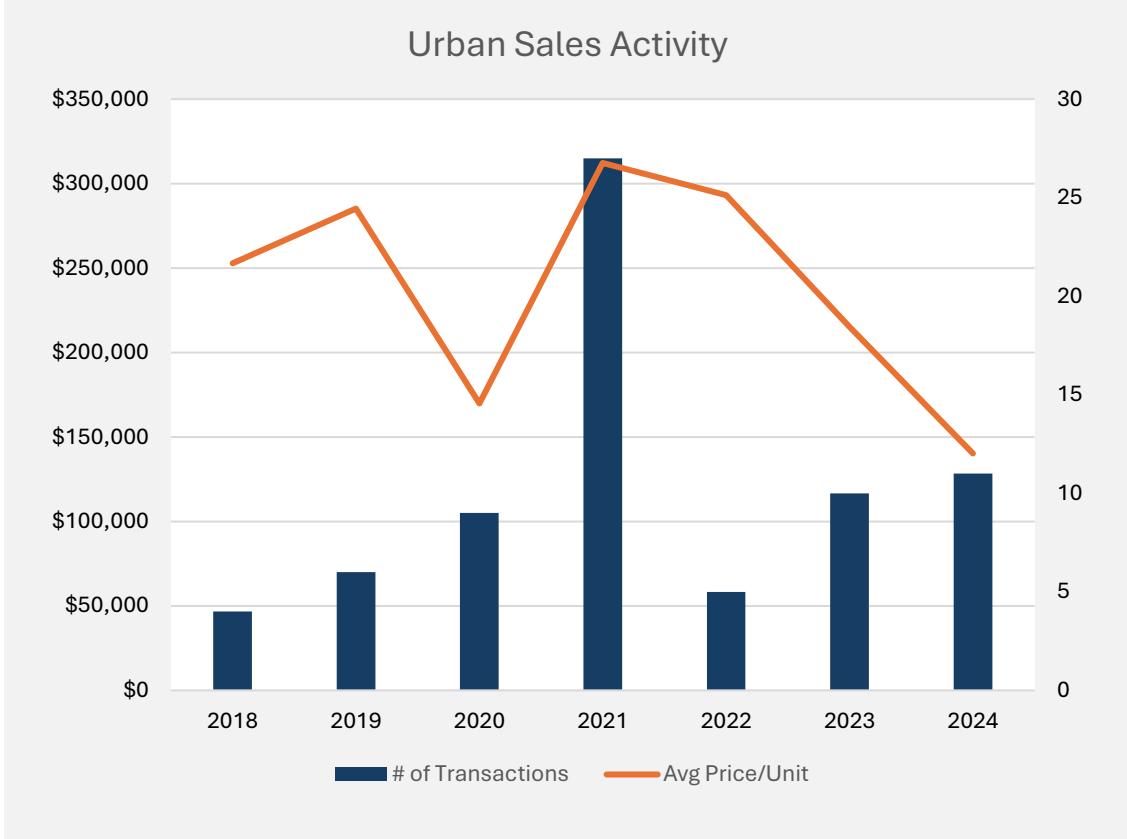
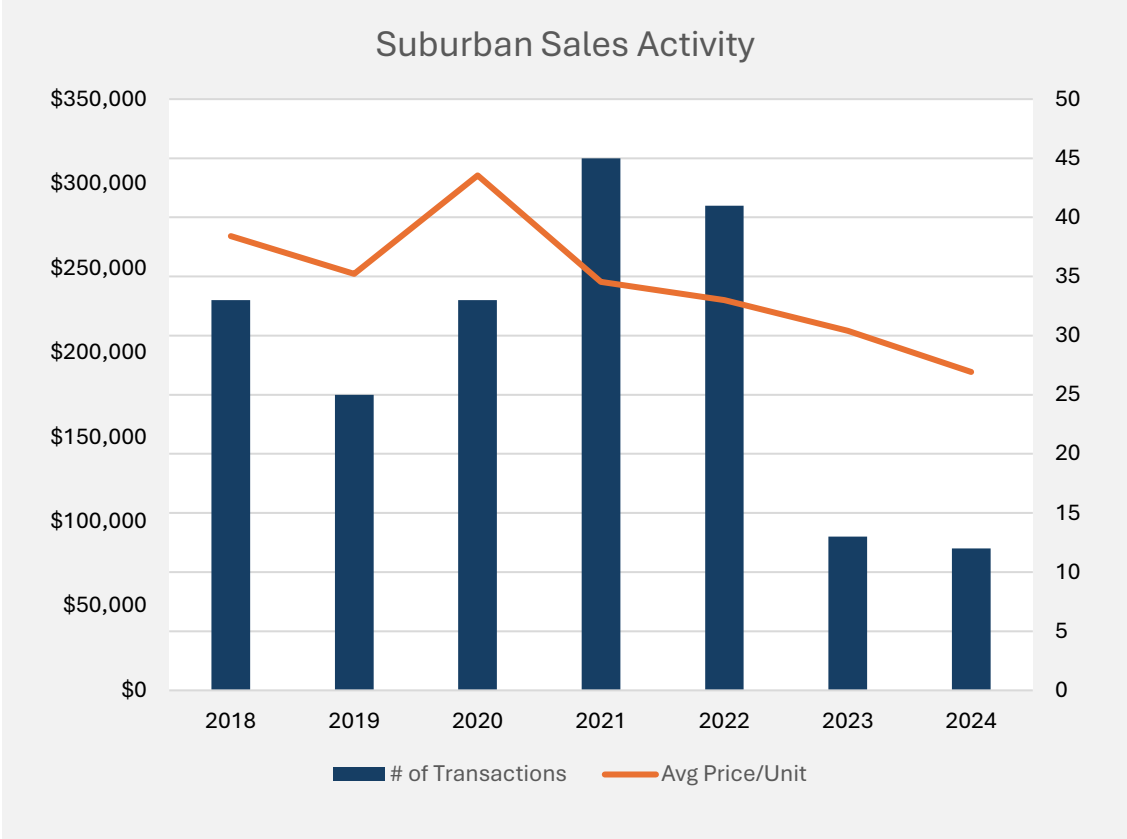
# State of the Multifamily Sales Market (sales volume)

Sales Volume & Market Sale Price Per Unit

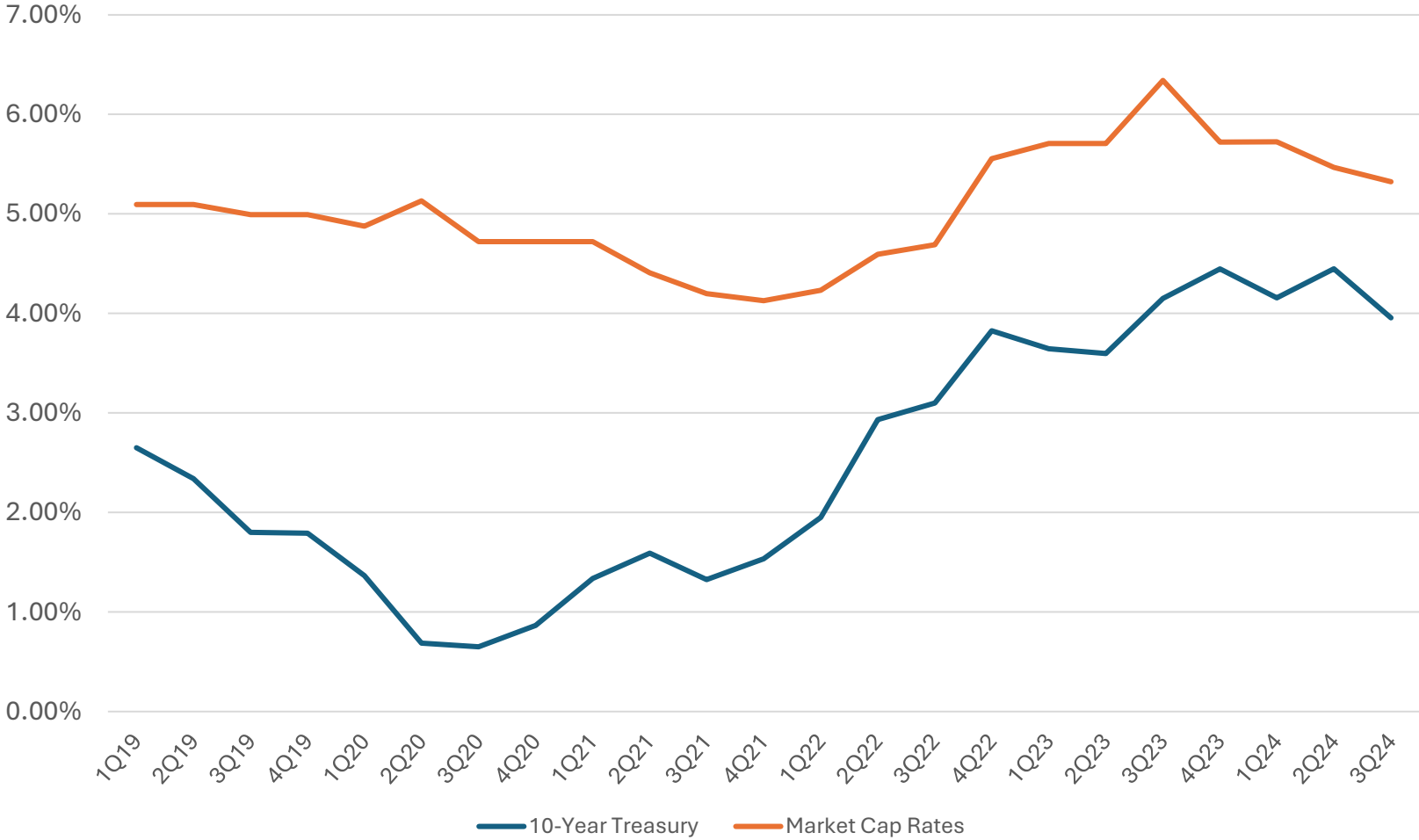


Source: CoStar

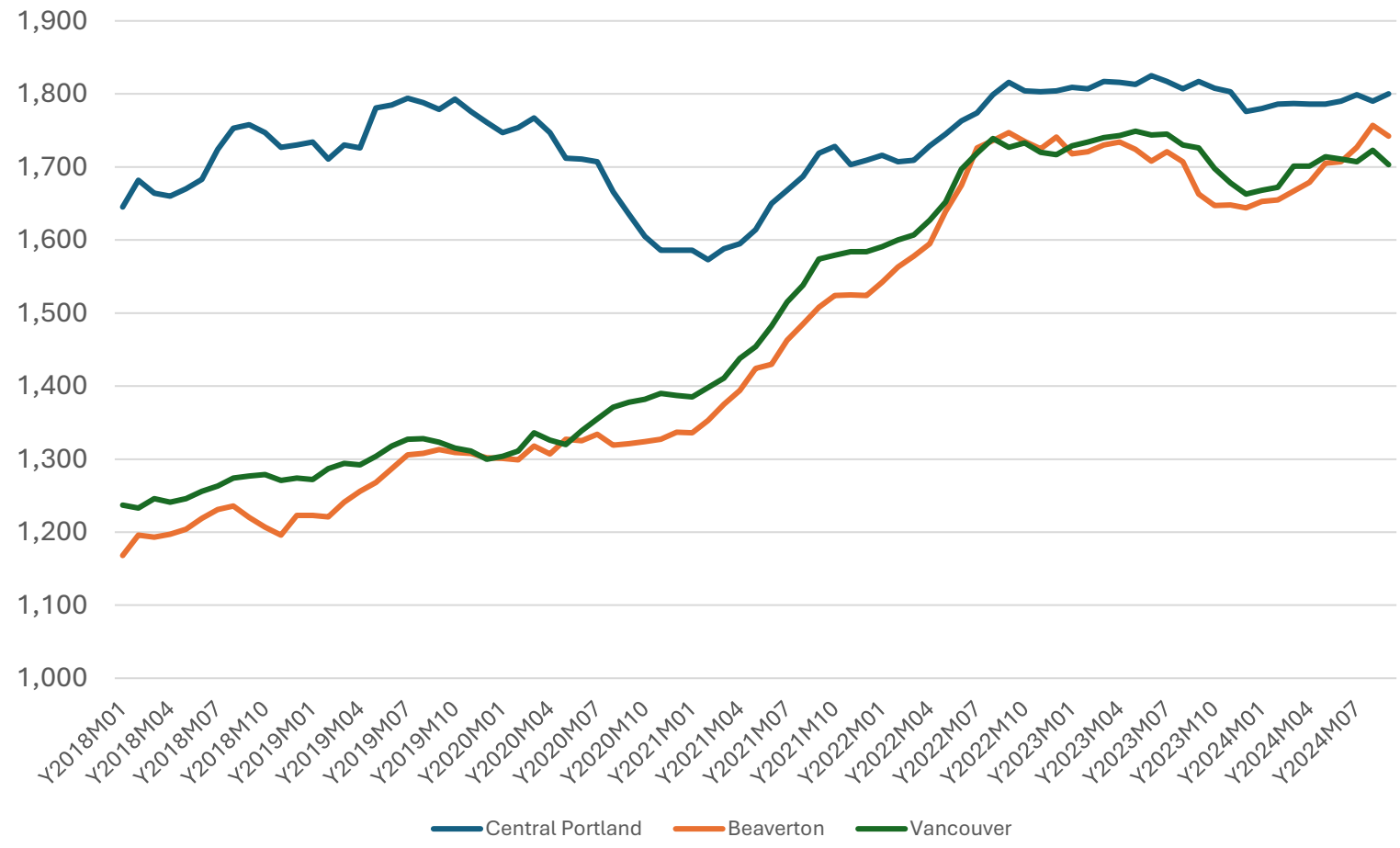
# Suburban vs. Urban Sales Trend – *Urban Price Decline*



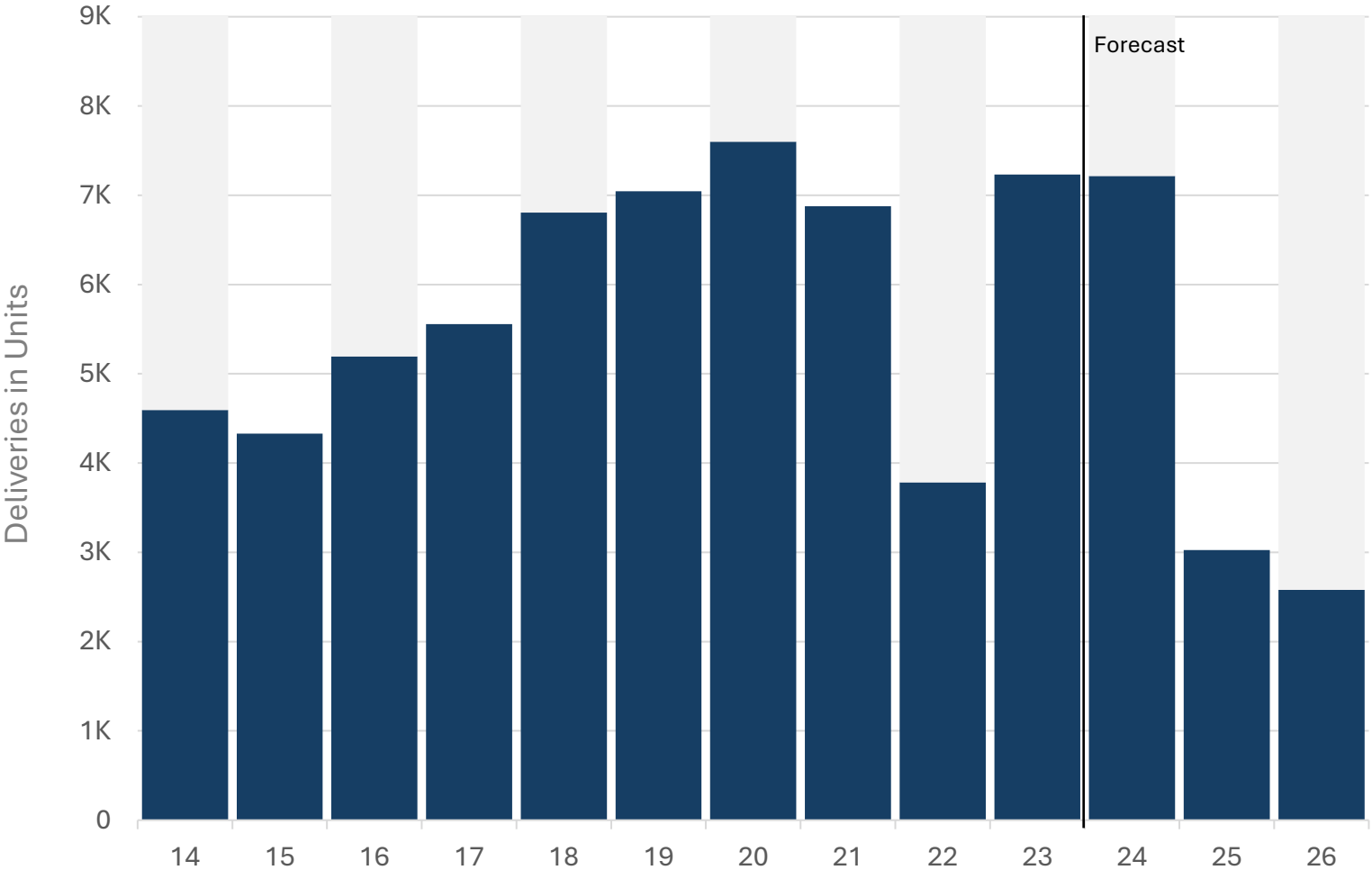
# Cap Rate vs. Treasury



# Rent Growth | Urban vs. Suburban



# Development to Pipeline



Source: CoStar

# Renting is Cheaper than Purchasing

Market	Mortgage Payment	Rent	Difference
<b>San Francisco</b>	\$7,264	\$2,776	\$4,488
San Diego	\$5,874	\$2,707	\$3,167
<b>Los Angeles</b>	\$5,399	\$2,598	\$2,801
Seattle	\$4,975	\$2,186	\$2,789
Denver	\$4,062	\$1,940	\$2,122
Portland	\$3,609	\$1,730	\$1,879
<b>Boston</b>	\$4,374	\$2,773	\$1,601
<b>Washington DC</b>	\$3,726	\$2,149	\$1,577
N. New Jersey	\$3,996	\$2,485	\$1,511
<b>Miami</b>	\$3,841	\$2,453	\$1,388
Las Vegas	\$2,818	\$1,477	\$1,341
Austin	\$3,000	\$1,694	\$1,306
Raleigh	\$2,861	\$1,601	\$1,260
Phoenix	\$2,862	\$1,647	\$1,215
Charlotte	\$2,448	\$1,607	\$841

Market	Mortgage Payment	Rent	Difference
Nashville	\$2,466	\$1,647	\$819
Orlando	\$2,606	\$1,832	\$774
Twin Cities	\$2,303	\$1,531	\$772
Dallas	\$2,326	\$1,556	\$770
Baltimore	\$2,429	\$1,700	\$729
Houston	\$2,074	\$1,370	\$704
Kansas City	\$1,965	\$1,291	\$674
Columbus	\$1,936	\$1,312	\$624
Tampa	\$2,432	\$1,840	\$592
Atlanta	\$2,271	\$1,682	\$589
Indianapolis	\$1,788	\$1,300	\$488
Philadelphia	\$2,185	\$1,750	\$435
<b>Chicago</b>	\$2,205	\$1,900	\$305
Detroit	\$1,512	\$1,273	\$239

\*Gateway markets are bold. New York excluded from list due to significant differences between metro division and Matrix boundaries. Data as of Q1 2024

Source: Yardi Matrix; Moody's Analytics

# Today vs. 2018

- Gross Rent Down 14.8%
- Net Effective Rent Down 22.5%
- Total residential Income Down 44.9%
- Total Variable Expenses Up 50.6%
- Property Taxes Up 30.9%

	2018	2023	% Chg
<b>Income</b>	<b>Totals</b>	<b>Totals</b>	
<b>Gross Scheduled Rent</b>	<b>\$3,863,892</b>	<b>\$3,395,386</b>	
Less: (Gain)/Loss-to-Lease	46,801	141,989	
<b>Gross Potential Income</b>	<b>\$3,817,091</b>	<b>\$3,253,397</b>	<b>-14.8%</b>
Less: Vacancy	193,195	649,832	
Less: Non-Revenue Units	24,973	3,610	
Less: Collection Loss	3,864	322,937	
Less: Concessions	0	295,352	
<b>Total Rental Income</b>	<b>\$3,595,060</b>	<b>\$1,981,666</b>	<b>-44.9%</b>
Plus: RUBS Income	100,096	153,878	
Plus: Other Income	8,460	4,452	
Plus: Parking	157,320	155,277	
Plus: Pet Income	22,848	10,031	
Plus: Application Fees	4,284	0	
Plus: Late Fees	5,400	12,058	
Plus: Termination Fees	14,464	17,558	
Plus: Damage Fees	24,480	0	
Plus: Retail Rent	163,545	131,112	
Plus: Retail CAM's	37,463	77,978	
<i>Total Other Income</i>	<i>538,360</i>	<i>562,344</i>	<i>4.5%</i>
<b>Effective Gross Income</b>	<b>\$4,133,420</b>	<b>\$2,544,010</b>	<b>-38.5%</b>
<b>Expenses</b>			
Repairs and Maintenance	\$27,200	\$102,383	276.4%
Payroll	202,235	253,718	25.5%
Administrative	33,320	61,750	85.3%
Marketing	30,600	94,666	209.4%
Turnover	21,760	25,440	16.9%
Contract Services	34,000	62,430	83.6%
Landscaping	3,000	0	-100.0%
Utilities	156,808	165,989	5.9%
<b>Total Variable Expenses</b>	<b>\$508,923</b>	<b>\$766,376</b>	<b>50.6%</b>
Taxes	391,773	512,809	30.9%
Insurance	34,000	39,547	16.3%
Management Fee	103,335	74,496	-27.9%
<b>Total Operating Expenses</b>	<b>\$1,038,031</b>	<b>\$1,393,228</b>	<b>34.2%</b>
Plus: Capital Reserves	27,200	34,000	25.0%
<b>Total Expenses</b>	<b>\$1,065,231</b>	<b>\$1,427,228</b>	<b>34.0%</b>
<b>Net Operating Income</b>	<b>\$3,068,189</b>	<b>\$1,116,782</b>	<b>-63.6%</b>



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# So, What's the Good News?

1. Pipeline finally coming to an end
2. Operating costs have peaked
3. Population growth positive 2024
4. Elections in November