

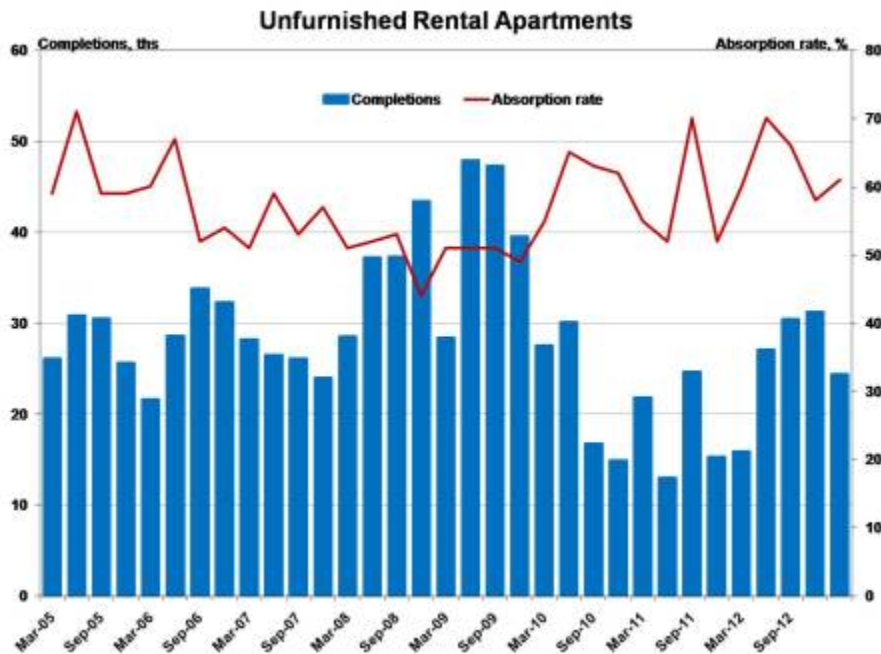


Absorption Rates Rising for New Multifamily Homes - September 16, 2013

Absorption rates for new rental and for-sale multifamily units continued to improve at the start of 2013, consistent with the positive trends that been in place since the end of the Great Recession.

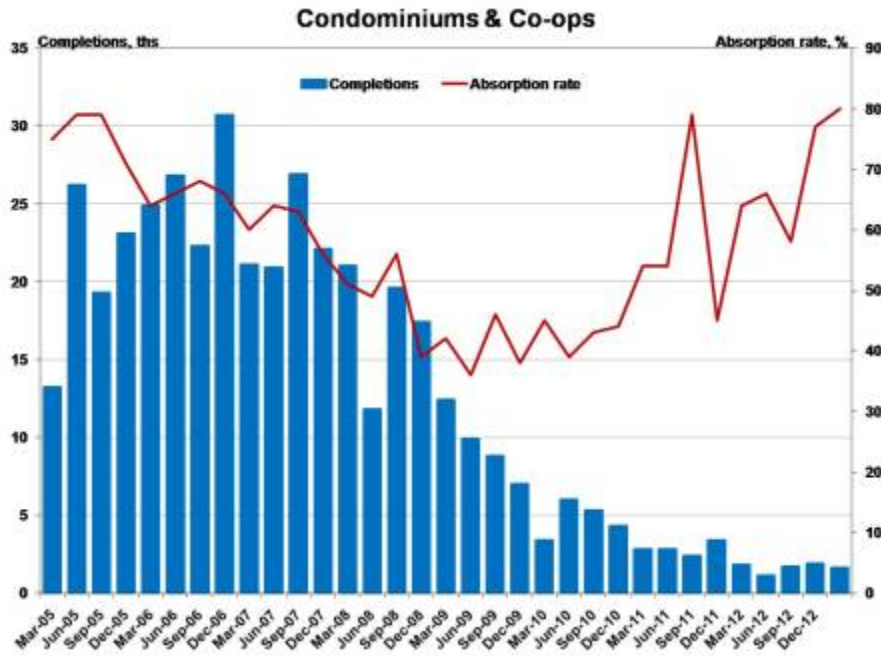
According to data from the Survey of Market Absorption of Apartments (SOMA), completions of privately financed, unsubsidized, unfurnished rental apartments were up strongly in the first quarter of 2013 compared to the same quarter a year prior. The reported 24,400 completions in buildings with 5+ units was 53% higher than the 15,900 completions recorded in the first quarter of 2012.

Non-seasonally adjusted three-month absorption rates (units rented after construction of the property is complete) for first quarter completions ticked up to 61%, from 58% for fourth quarter 2012 completions. Absorption rates for rental apartments have been rising since late 2008 as rental demand increased as a result of the housing downturn.



In contrast, condo and co-op completions remained at historically low levels – only 1,600 units were completed in the first quarter of 2013. While construction remains at low levels, the 3-month

absorption rate for for-sale multifamily has improved significantly, reaching 80% for first quarter completions.



The SOMA data also reported that approximately 8,200 Low-Income Housing Tax Credit or other federally subsidized units were completed in the first quarter of 2013. This is down slightly from the 8,800 affordable units estimated completed at the start of 2012.

