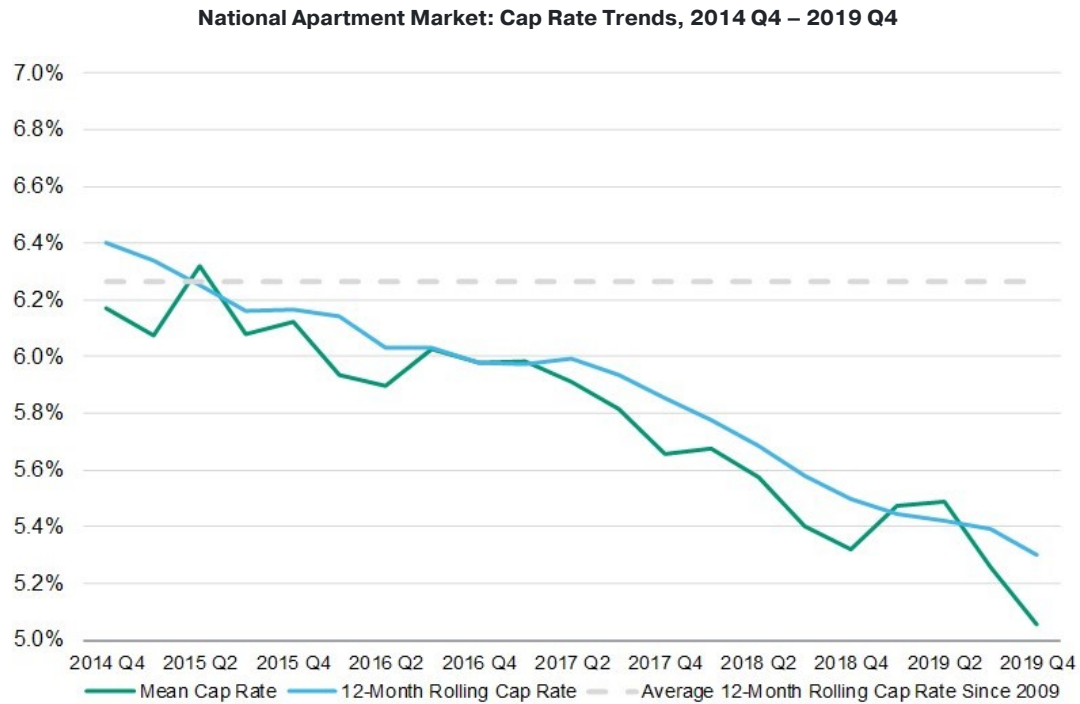


February 18, 2020

Apartment Capital Market Update, Q4 2019

National Cap Rate Trends

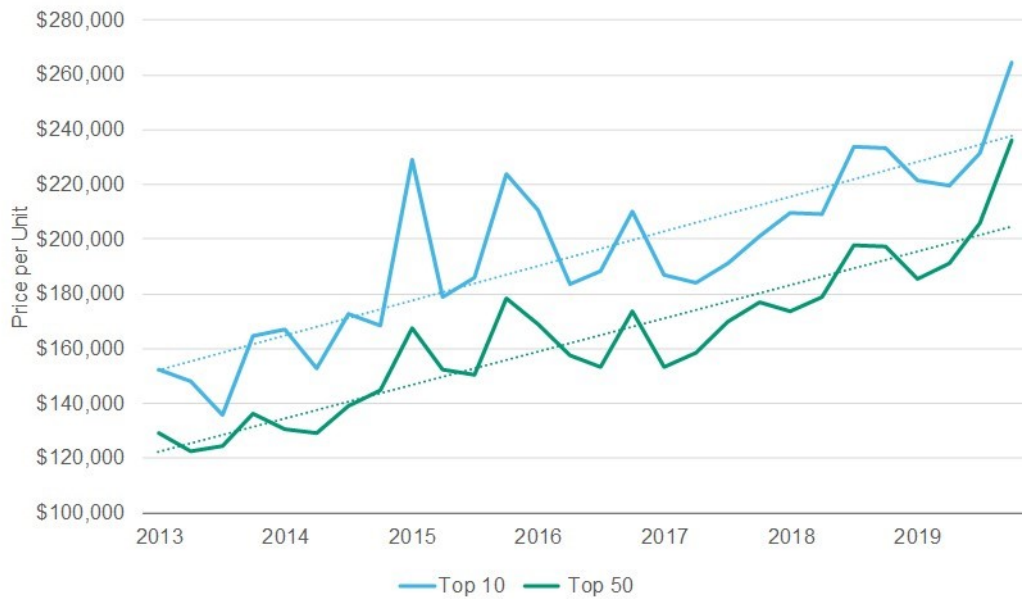


Source: REIS, Real Estate Solutions by Moody's Analytics

The chart above illustrates cap rate trends for the apartment sector. The 12-month rolling cap rate, which smooths out outliers, and average cap rate are both on a general decline, ending the quarter at 5 to 5.3 percent for the national multifamily market as a whole.

Average Price per Unit

National Apartment Market: Average Price per Unit, 2013 – 2019 Q4

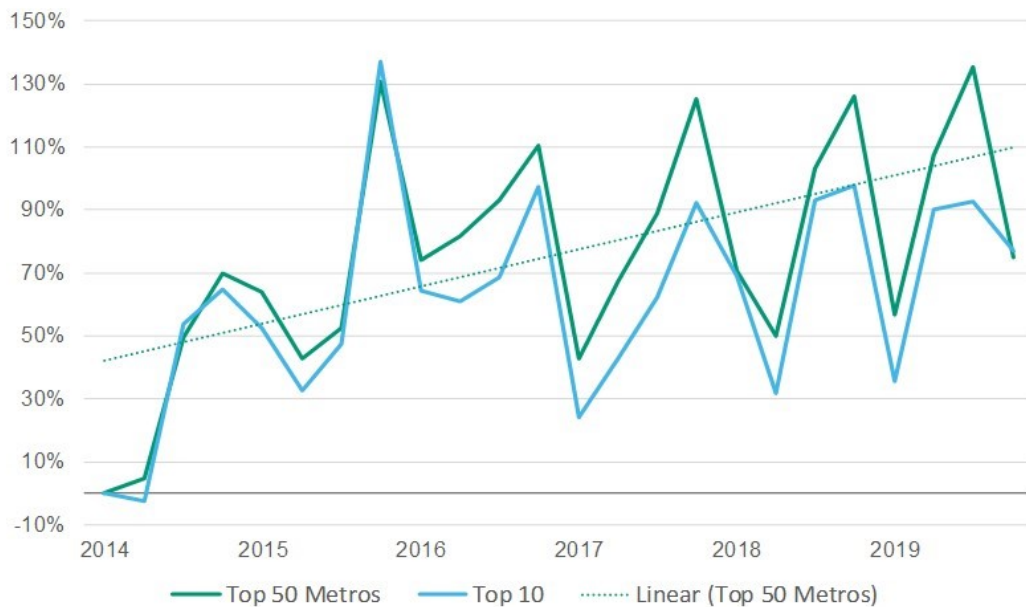


Source: REIS, Real Estate Solutions by Moody's Analytics

This chart shows price per unit trends, representing not a measure of yield like cap rates, but essentially telling the same story. The top 10 markets are leading the top 50 (as defined by transaction volume), with average price per unit in the low- to mid-two hundred thousands by late 2019. That's an appreciation rate of over 50 percent from the beginning of this series in 2013.

Sales Volume

National Apartment Market: Indexed Transaction Volume, 2013 – 2019 Q4



Source: REIS, Real Estate Solutions by Moody's Analytics

Transaction volume has generally been on the rise as well, as presented on an indexed basis in the chart above. There is some seasonality involved given the ebb and flow of investor sentiment, but the general trend is positive

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