

While multifamily cycle progresses, rents plateau as deliveries peak in 2017



Sunbelt shines

Sunbelt markets comprised a majority of the twelve market leaders with respect to absorption. Led by Charlotte's 4.5 percent, Austin, Dallas-Ft. Worth, Nashville, Orlando, Raleigh-Durham and San Antonio each absorbed at least 2.0 percent in 2016.



Developers target Texas

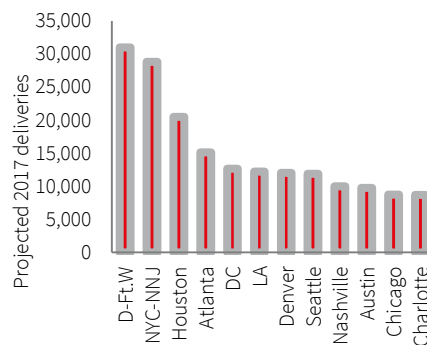
Texas multifamily markets were construction delivery leaders in 2016, as Dallas-Ft. Worth and Houston each saw over 20,000 units come online. Additionally, Austin and San Antonio delivered the third and fourth highest percent of units in relation to their respective inventories among the top 40 tracked markets.



Rent growth moderates

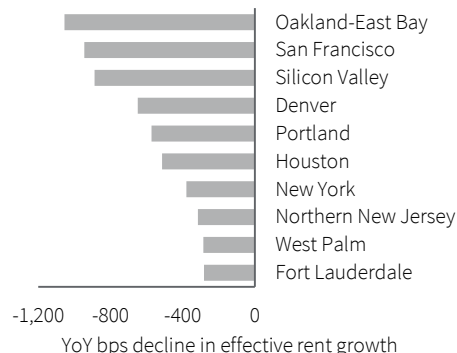
Led by primary markets such as Houston's -1.7 percent and New York's -0.1 percent, select markets exhibited declines in effective rent growth on the year. Bay Area rents also tapered off in 2016: San Francisco rent growth declined to 0.5 percent; Silicon Valley to 0.8 percent.

Dallas-Ft. Worth, Houston and Austin are three of the top 10 for projected deliveries in 2017



Source: JLL Research, Axiometrics

Coastal markets see rent growth cool as new supply delivers



Source: JLL Research, Axiometrics

5.0%

Vacancy:

Softening 10 basis points year-over-year, U.S. vacancy is reacting to the continued influx of new development. However, markets broadly remain in check with the tightest markets in the Midwest (Minneapolis, Milwaukee).

3.3%

Effective rent growth:

The pace of rent growth nationally has declined 160 basis points year-over-year from current cycle highs. Secondary markets in the West region continue to drive gains, led by Sacramento (11.2 percent) and Inland Empire (7.5 percent).

1.1%

Net absorption:

National absorption declined 40 basis points year-over-year to 1.1 percent, matching 2012 and 2013's respective figures. Nashville (4.5 percent) and Charlotte (4.0 percent) led U.S. markets.

1.5%

Construction deliveries:

Annual deliveries edged to 365,000 units over the last 12 months, nearing the projected peak. Sunbelt markets lead deliveries, notably in Nashville (5.2 percent growth) and Charlotte (4.9 percent growth).