

## Multifamily Slump vs. Single-Family Surge: Navigating the Shifting Housing Market



The housing market is entering a dynamic new phase, with stark contrasts unfolding between the multifamily and single-family sectors. Investors, take note! This shifting landscape presents both challenges and opportunities.

### Multifamily: Bracing for the Downturn:

- Starts plummeting: Apartment construction nosedived 33.7% year-over-year in November, signaling a significant slowdown in the multifamily market.
- Funding freeze: Tightened lending conditions are making it hard for developers to secure financing, further dampening construction activity.
- Soft outlook: Many industry leaders expect a sluggish 2024 for multifamily, with limited starts and potential rent declines in oversupplied markets.

### Single-Family: A Temporary Resurgence?

- Building boom: Single-family construction soared 42.2% year-over-year in November, a surprising surge in a market facing headwinds.
- Favorable factors: Lower interest rates and a lack of existing inventory are contributing to the temporary spike in single-family homebuilding.
- Sustainability uncertain: Experts caution against interpreting this as a definitive trend, suggesting potential adjustments and moderation in the coming months.



### **Investing in Uncertain Times:**

- **Seek resilient markets:** Prioritize multifamily markets with strong long-term demand and controlled supply while navigating the current downturn.
- **Value-add strategies:** Explore value-add opportunities in existing multifamily properties to boost their appeal and profitability.
- **Embrace flexibility:** Adapt investment strategies to the evolving market dynamics, considering both single-family and multifamily opportunities based on changing conditions..

### **Evergreen Capital Insights:**

- **Data-driven analysis:** Leverage our deep market expertise and data-driven insights to identify undervalued assets and assess investment risks across various housing sectors.
- **Active management:** Partner with us to implement value-add strategies, optimize operations, and mitigate potential risks in your multifamily portfolio.
- **Diversification guidance:** Explore strategic diversification opportunities beyond multifamily, considering single-family investments where market conditions present compelling alternatives.

In conclusion, the housing market is undergoing a period of significant change. While the multifamily sector faces a temporary slowdown, the single-family market experiences a head-scratching surge. Investors who stay informed, adopt a flexible approach, and leverage expert guidance can navigate this dynamic landscape and seize emerging opportunities. Partner with Evergreen Capital to navigate the shifting tides and unlock long-term success in the ever-evolving housing market.

Remember, market volatility presents both challenges and opportunities. Remain informed, adapt your strategies, and partner with experienced professionals to navigate the uncertain waters and reach your investment goals. Evergreen Capital stands ready to guide you through this dynamic market and help you secure a strong portfolio for the future.



## Miami Heat: Rental Market Sizzles While Others Simmer - Investor Insights



The 2023 RentCafe report reveals a scorching rental landscape, with Miami blazing hot and the Midwest simmering with opportunity. Investors, pay close attention! Understanding these regional nuances can guide your portfolio towards thriving markets and maximize returns.

### Miami Makes it Sizzle:

- Fierce competition: With an RCI score of 122, Miami boasts the country's hottest rental market. Apartments vanish within a month, attracting 22 applicants each, twice the national average.
- Renewal reign: A hefty 71.2% of residents choose to stay put, highlighting Miami's enduring appeal.
- Supply struggles to keep up: Although new units rose 3.7%, demand far outstrips supply, creating a tenant's paradise and an investor's dream.

### Midwest: A Broader Bonfire:

- Cost-effective charm: The Midwest emerges as the most competitive region, offering affordability and space, attracting young professionals and families.
- Top contenders: Milwaukee (4th), Grand Rapids (6th), and Omaha (8th) showcase high occupancy rates, strong renewal rates, and healthy competition (14-16 applicants per unit).
- Diverse opportunities: Beyond major cities, smaller markets like Fayetteville, Arkansas, shine with lightning-fast lease-ups and tenant loyalty.

### Investor Playbook:

- Seek hot spots: Prioritize markets like Miami, Milwaukee, and Grand Rapids where tight supply and high demand drive rent growth and tenant retention.
- Value-add strategies: Consider value-add opportunities in emerging Midwest markets to boost property appeal and attract renters seeking affordability and quality.
- Diversify geographically: Spread your portfolio across both high-pressure markets like Miami and stable, growth-oriented Midwestern regions.



### **Evergreen Capital Insights:**

- **Local market expertise:** Leverage our in-depth knowledge of various rental markets to identify undervalued investment opportunities with high growth potential.
- **Data-driven analysis:** Utilize our advanced data analytics tools to assess competition, predict rental trends, and optimize your investment decisions.
- **Proactive portfolio management:** Partner with us to implement strategic renovations, tenant engagement initiatives, and dynamic pricing strategies to maximize yields in your multifamily portfolio.

In conclusion, while Miami reigns supreme, the rental market sizzles across the nation, particularly in the Midwest. Investors who understand these regional dynamics and partner with experienced professionals can strategically position their portfolios to capture the heat and secure long-term success in this dynamic market. With Evergreen Capital as your guide, you can navigate the evolving landscape and turn up the temperature on your multifamily investments.

Remember, the rental market is a moving flame, presenting dynamic opportunities. Stay informed, act with agility, and partner with experts to keep your portfolio blazing hot during this fiery market phase. Evergreen Capital is your fuel to reach optimal investment outcomes.

## Rental Market Cools: A Silver Lining for Tenants, Cautious Optimism for Investors



While tenants celebrate a respite from skyrocketing rents, apartment investors navigate a changing landscape in 2024. Understanding these shifting dynamics is crucial for both parties to thrive in the evolving market.

### Rent Relief: A Long-Awaited Respite:

- Surge in supply: Increased construction, particularly in Sunbelt cities, pushes vacancy rates up, making rent hikes challenging for landlords.
- Affordability concerns: Tenant budgets stretched thin after years of rapid rent increases, limiting further rent growth possibilities.
- Moderated outlook: Most projections agree rent growth will be sluggish in 2024, hovering around 1-2%, offering much-needed relief for tenants.

### Investor Rebalancing:

- Waning enthusiasm: Higher interest rates and concerns about property valuation dampen investor appetite for apartment buildings.
- Sales on hold: Declining investor activity leads to a 68% drop in apartment building sales compared to 2022, with prices also falling.
- Cautious optimism: A potential decrease in borrowing costs and economic changes could revive investor interest later in the year.



### **Opportunity in Transition:**

- **Strategic partnerships:** Landlords looking to refinance construction loans or facing debt burden could find opportunities with cash-rich investors.
- **Value-add strategies:** Investors can capitalize on oversupplied markets by acquiring and enhancing properties for improved returns.
- **Diversification potential:** Consider single-family home rentals, which demonstrate greater resilience due to strong demand and constrained homeownership options.

### **Evergreen Capital Insights:**

- **Data-driven analysis:** Leverage our expertise and advanced data tools to identify undervalued assets with high long-term potential.
- **Market-specific strategies:** Partner with us to develop investment strategies tailored to individual markets, considering factors like supply, demand, and tenant demographics.
- **Risk mitigation guidance:** Navigate the changing market with our risk management strategies, ensuring informed investment decisions and portfolio stability.

In conclusion, the 2024 rental market presents a nuanced picture. While tenants finally get a breather from rent hikes, investors adjust to a more cautious environment. Understanding these trends and partnering with experienced professionals like Evergreen Capital can empower both parties to capitalize on emerging opportunities and secure their future in this dynamic market. Remember, knowledge, agility, and strategic partnerships are key to navigating the changing tides and unlocking long-term success in the evolving rental landscape.

Don't let market shifts catch you unprepared. Invest in your knowledge and partner with experts to optimize your rental market strategies and achieve your financial goals. Evergreen Capital is your trusted guide on this journey.