

MULTI HOUSING DIVISION
2022 QUARTERLY CONFERENCE CALL

PRESENTED BY

John S. Sebree

National Director - Multi Housing Division

312.327.5417

John.Sebree@marcusmillichap.com

Peter Standley

Director of Multi Housing Division

317.218.5360

Peter.Standley@marcusmillichap.com

AGENDA

- **John Sebree** – Senior Vice President, National Director of Multifamily
 - State of the Multifamily Market
- **Peter Standley** – Vice President, Director of Multifamily
 - Year End 2021 Sales
 - Marcus & Millichap Rankings
- **John Chang** - Senior Vice President, National Director Research & Advisory Services
 - Economic Changes and the impact to Multifamily
- **Panel Discussion with Top Performing Agents**
 - Identifying Opportunities to Increase Revenue.
 - How do we build on our best year ever?
 - Panelist:
 - Al Silva – Fort Worth
 - Jon Mimms - Fresno
 - Aaron Kuroiwa – Indianapolis
 - Felipe Echarte – Fort Lauderdale



John S. Sebree

Vice President/Director of NMHG

312.327.5417 direct

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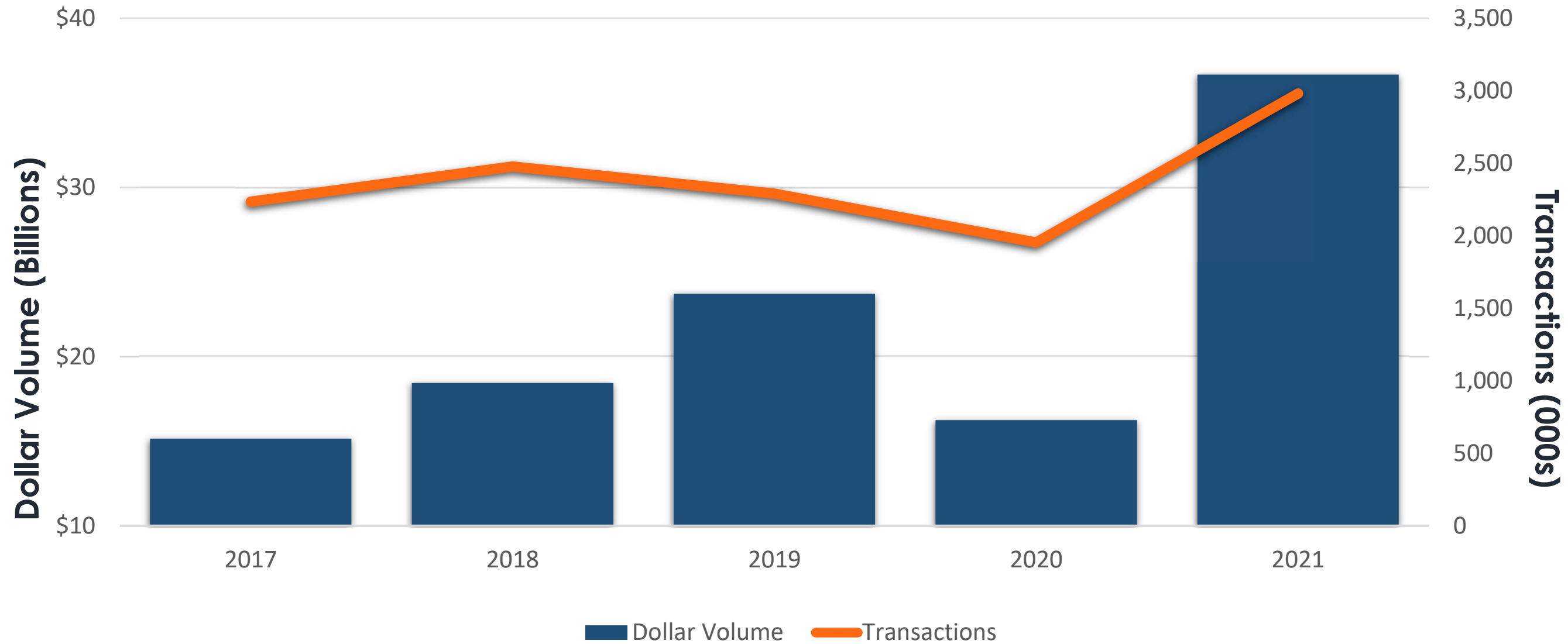
RANKINGS

Top Brokers Of Multi-Family Properties In 2021

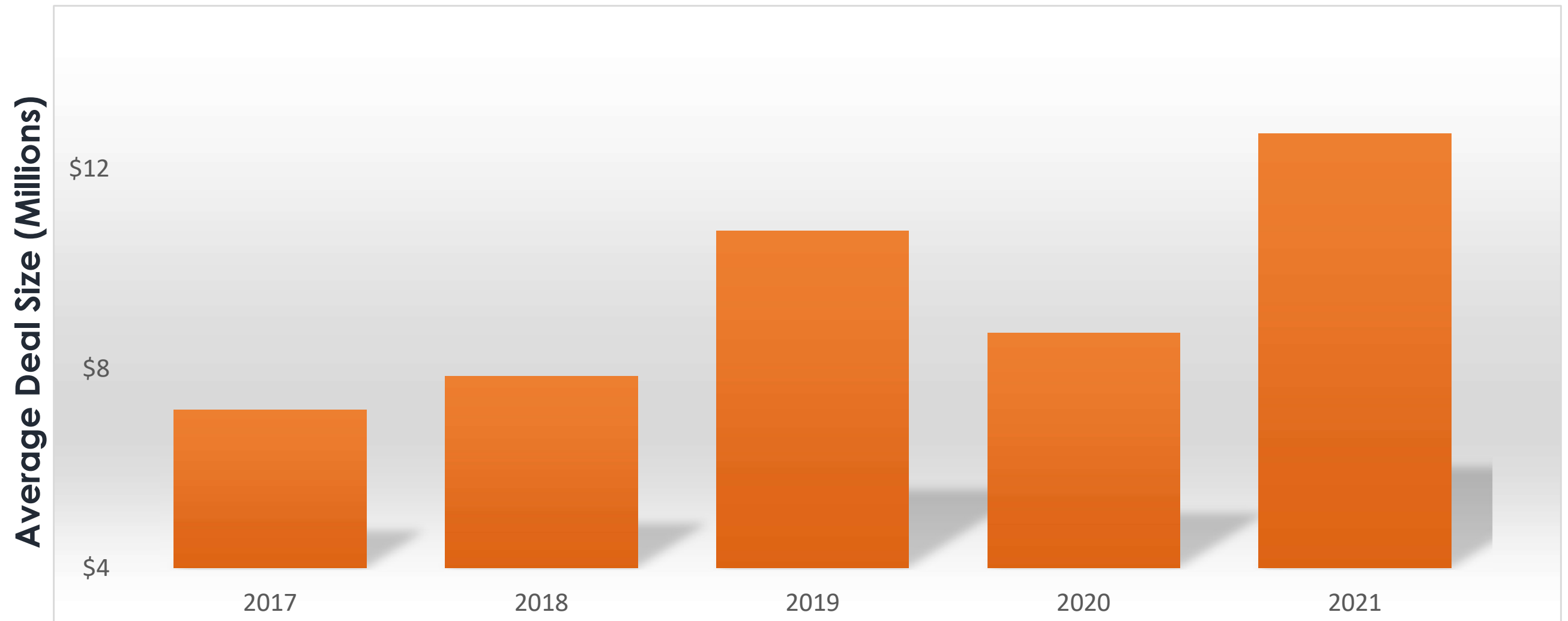
Sales of \$5 million to \$25 million

		2021 Amount (\$Mil.)	No. of Properties	Market Share (%)	2020 Amount (\$Mil.)	No. of Properties	Market Share (%)	'20-'21 % Chg.
1	Marcus & Millichap	\$3,430.7	345	15.8	\$1,850.2	196	15.4	85.4
2	CBRE	2,761.9	242	12.7	1,952.4	163	16.3	41.5
3	Cushman & Wakefield	2,641.6	230	12.2	1,877.1	139	15.6	40.7
4	Newmark	1,918.1	142	8.8	1,287.2	105	10.7	49.0
5	Berkadia	1,709.7	135	7.9	1,053.5	93	8.8	62.3
6	JLL	1,439.4	121	6.6	651.0	50	5.4	121.1
7	Colliers	1,415.5	141	6.5	997.3	91	8.3	41.9
8	Northmarq	1,347.9	102	6.2	212.2	15	1.8	535.2
9	Capstone	677.1	65	3.1	192.9	20	1.6	251.0
10	Walker & Dunlop	597.4	49	2.7	245.9	14	2.0	142.9
11	Kidder Mathews	462.9	50	2.1	226.1	19	1.9	104.7
12	Rosewood Realty	384.9	51	1.8	92.7	9	0.8	315.3
13	Kislak Co.	303.6	31	1.4	132.5	18	1.1	129.2
14	Mogharebi Group	277.1	28	1.3	175.2	15	1.5	58.2
15	Avison Young	276.3	21	1.3	127.5	10	1.1	116.7

MARCUS & MILLICHAP MULTIFAMILY SALES TRENDS



MARCUS & MILLICHAP AVERAGE MULTIFAMILY DEAL SIZE





| NATIONAL MULTI HOUSING GROUP

February 23, 2022

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JOHN T. CHANG

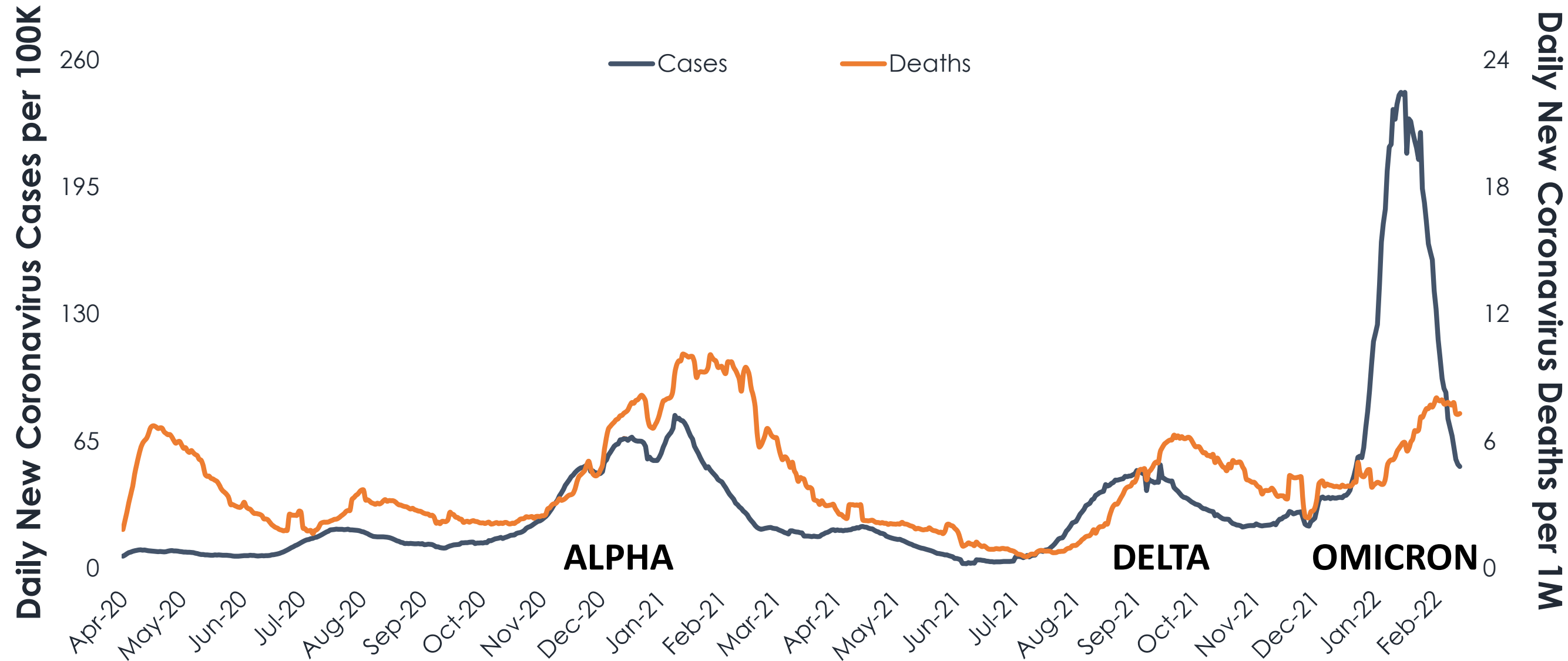
Senior Vice President, National Director

Marcus & Millichap Research Services

 [/in/johnchang/](#)

Marcus & Millichap

OMICRON DELIVERED DRAMATIC CASE SURGE, BUT DECLINING THE GOOD NEWS: IT APPEARS LESS DEADLY

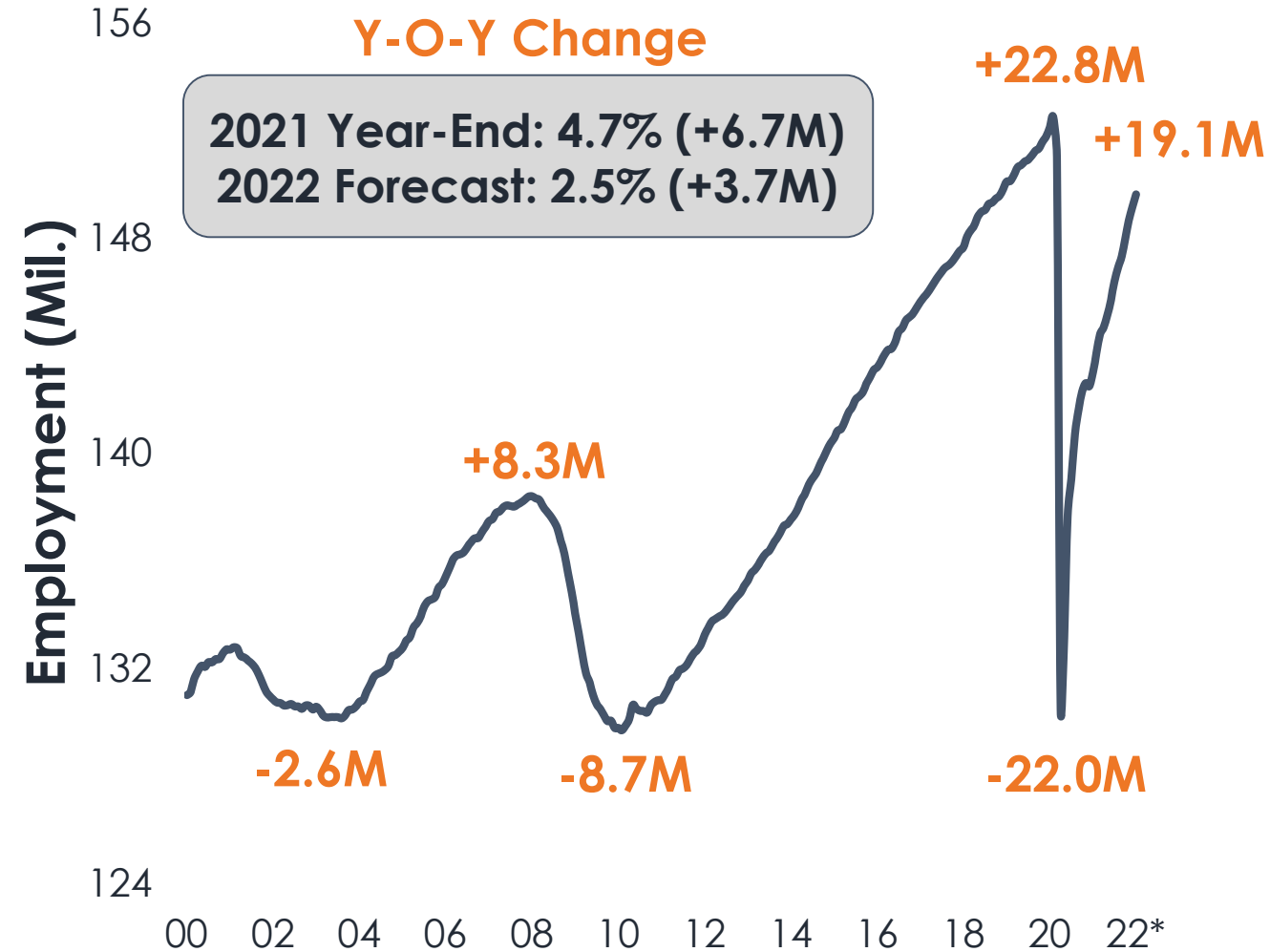


As of February 13, 2022
Trailing 7-day average
Sources: Marcus & Millichap Research Services, The New York Times, CDC

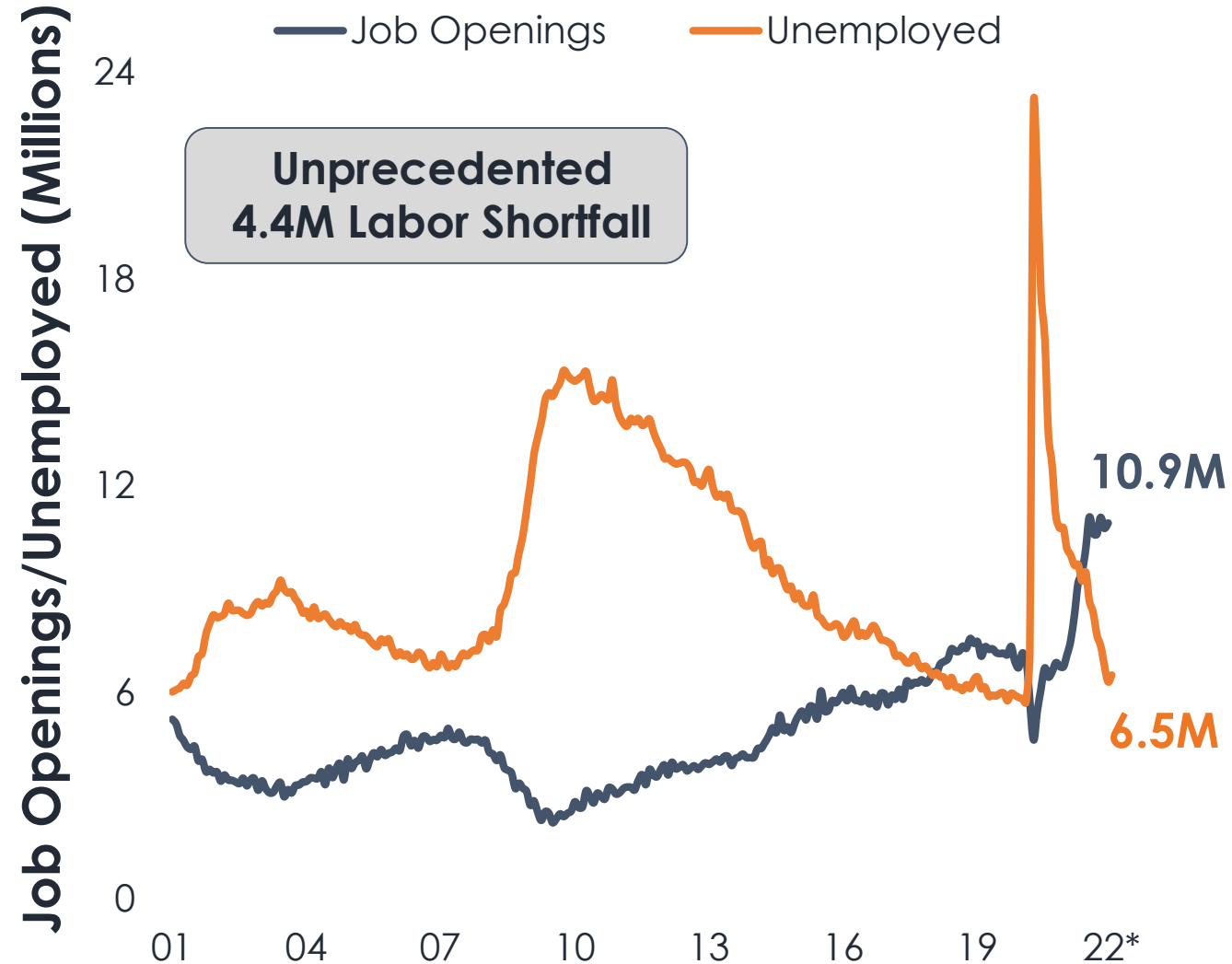
Marcus & Millichap

HIRING HAS RECOVERED MORE THAN 85% OF JOB LOSSES, BUT BROAD-BASED LABOR SHORTAGE ELEVATES WAGE INFLATION

Total Employment



Job Openings vs. Unemployed



Marcus & Millichap

* Through January; Job openings through December 2021
Sources: Marcus & Millichap Research Services, BLS

WIDE RANGE OF FORCES DRIVE INFLATION, NOT JUST SUPPLY CHAINS

Wage Growth



Construction Material Costs



Producer Price Index (PPI)

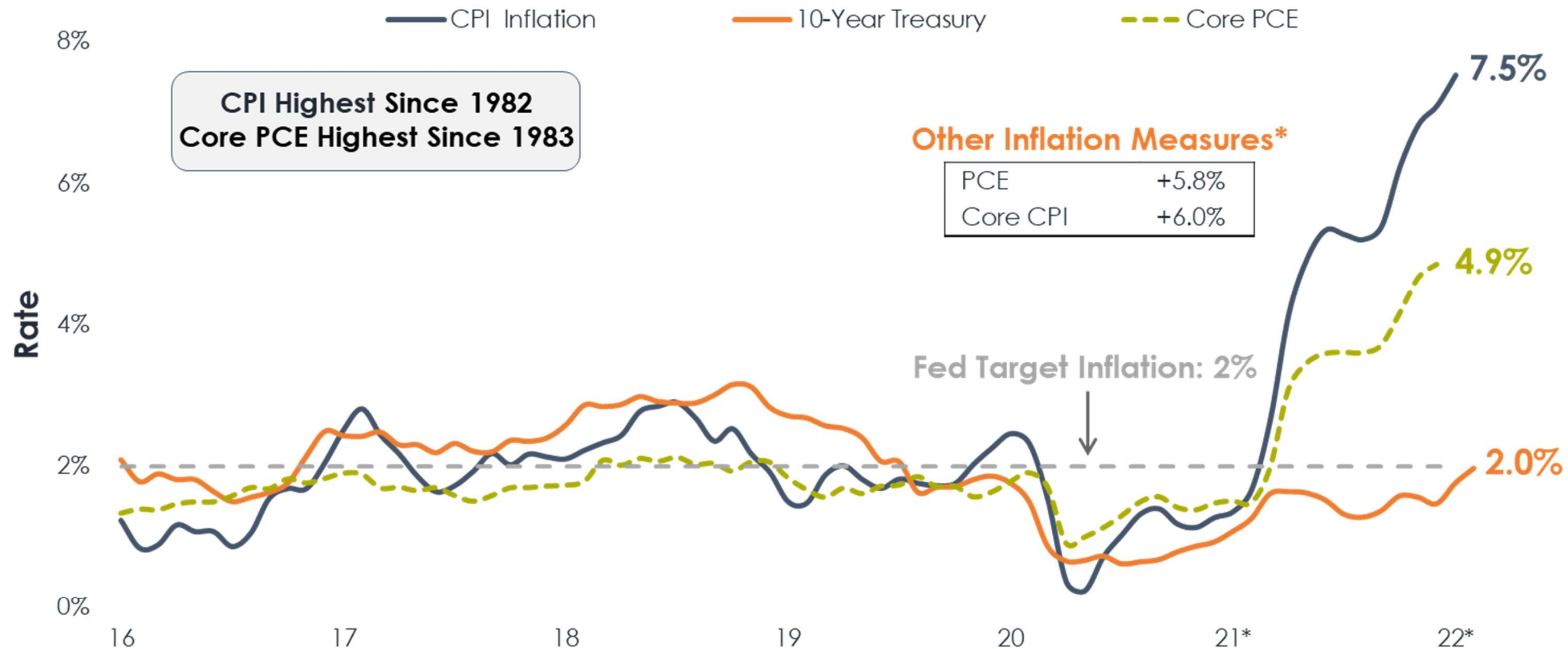


Median Single-Family Home Price



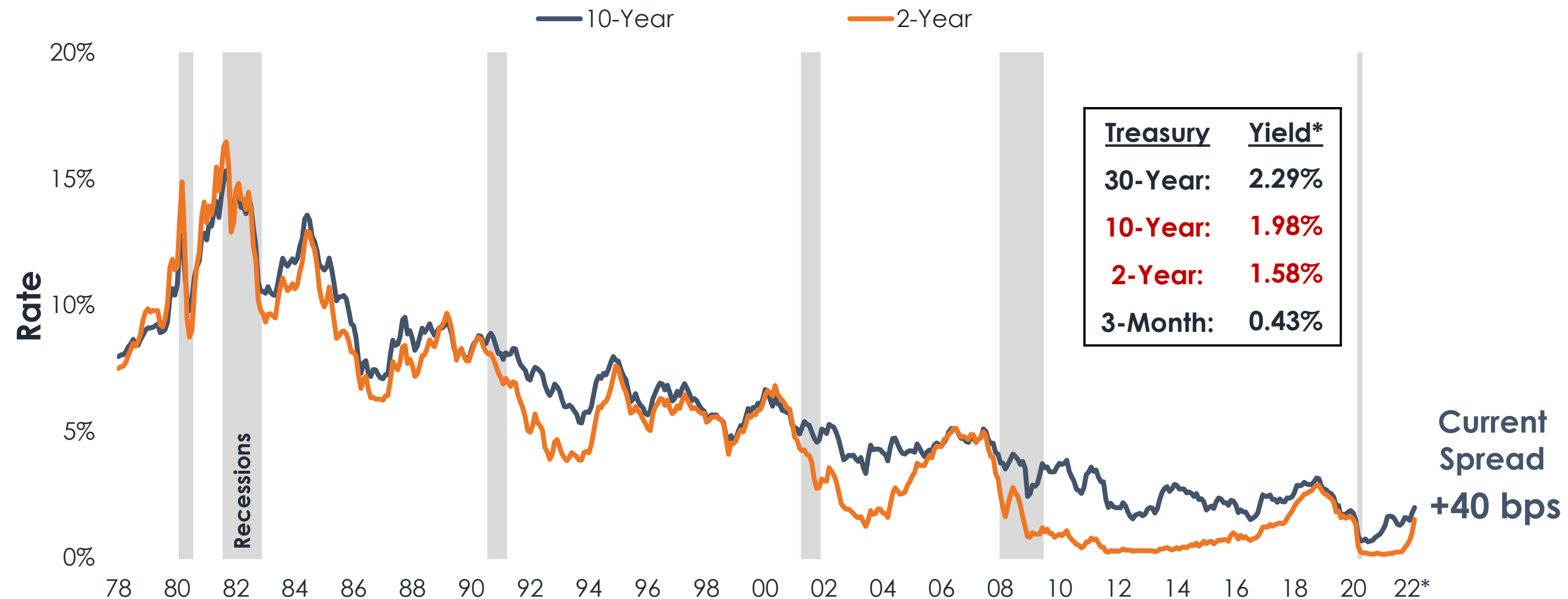
* Through January
Average hourly earnings growth
Sources: Marcus & Millichap Research Services, BLS, National Association of Realtors

INFLATION ON THE RISE; IT COULD BE VERY PERSISTENT IN 2022 WILL PLACE THE FEDERAL RESERVE IN A VERY DIFFICULT POSITION...



* Through December; CPI and Core CPI through January; 10-Year Treasury through February 17
Sources: Marcus & Millichap Research Services, Federal Reserve, BEA, BLS

10-YEAR TREASURY VS. 2-YEAR TREASURY YIELD CURVE FLATTENING, FED COULD GET BOXED-IN



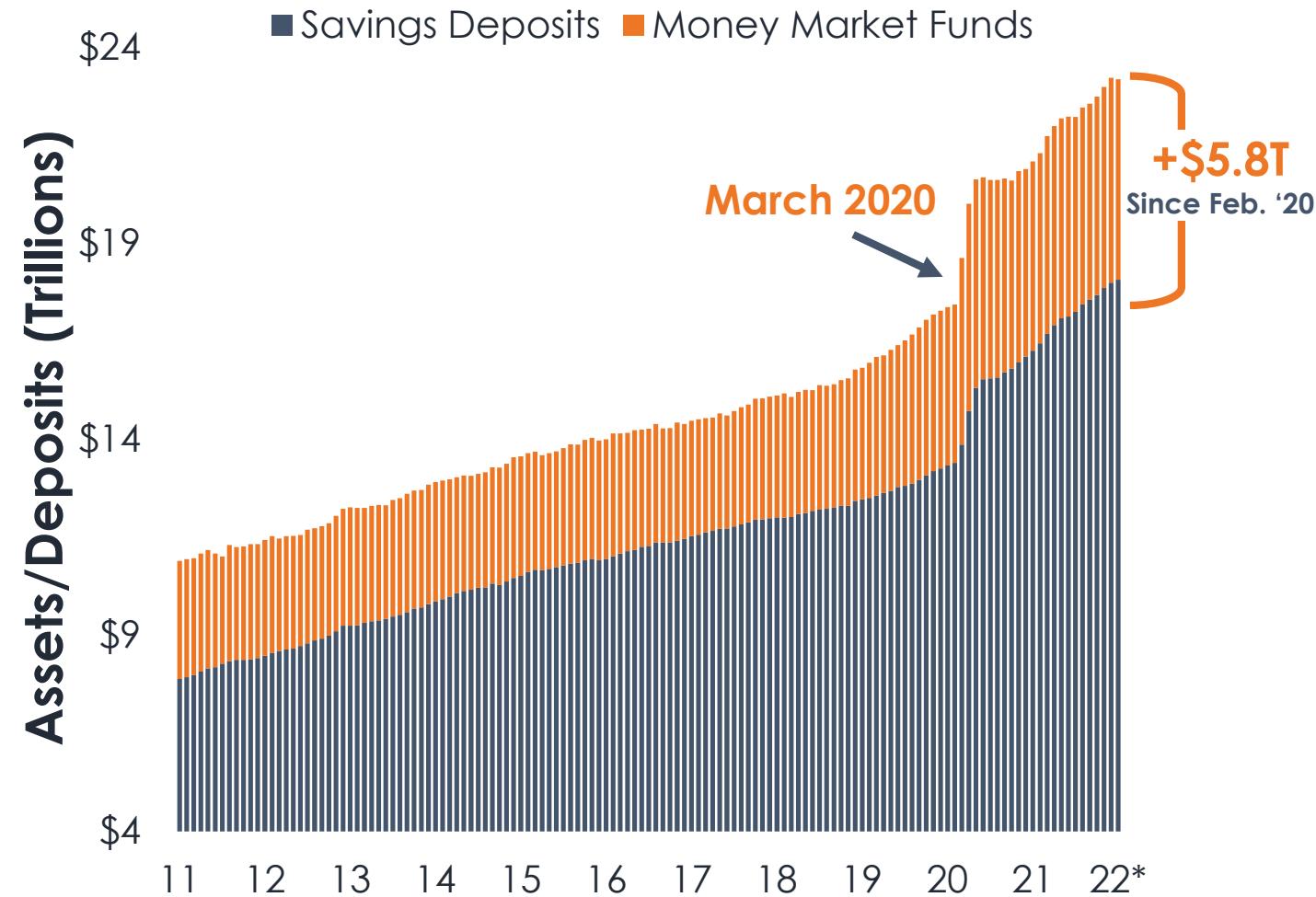
Marcus & Millichap

* Through February 14

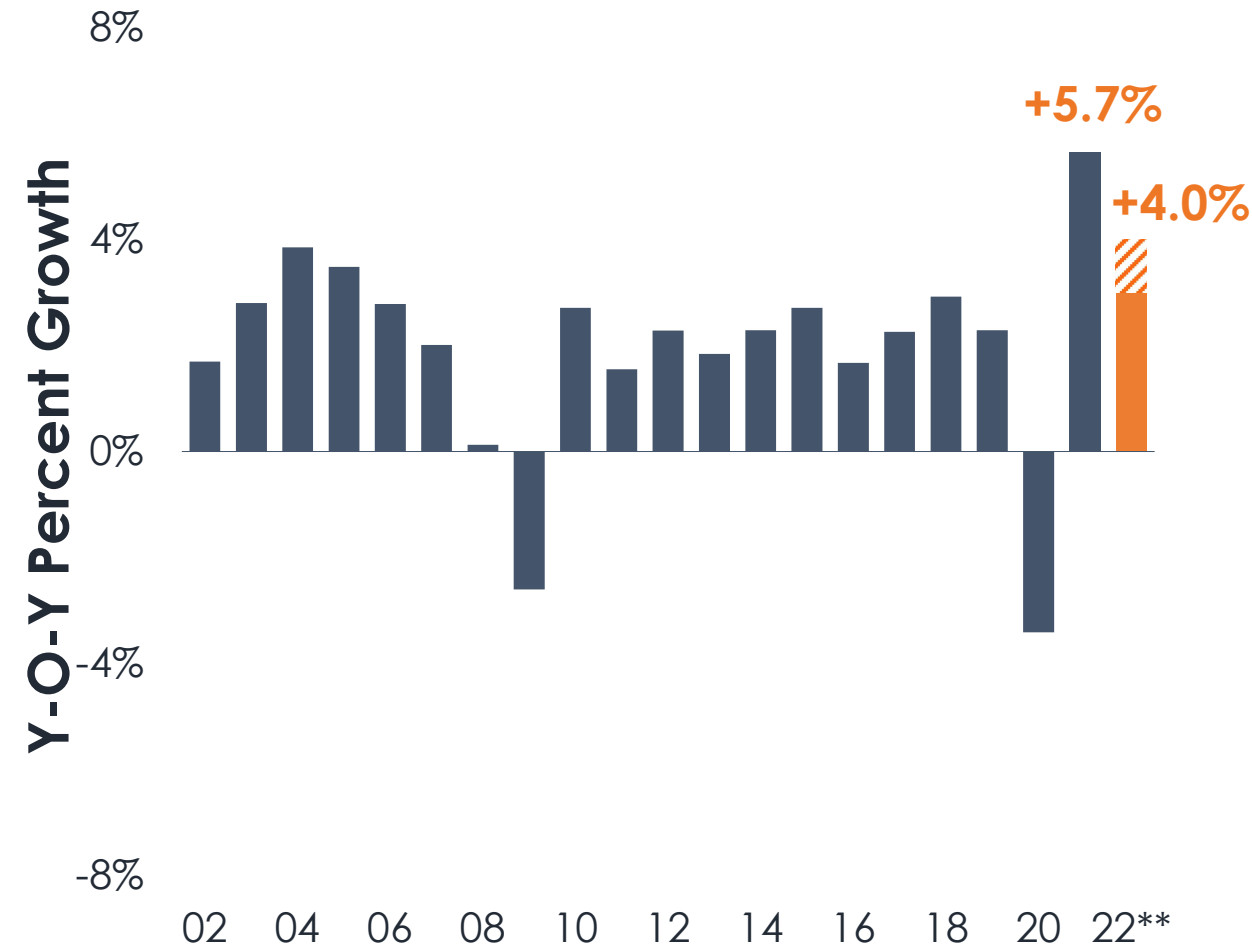
Sources: Marcus & Millichap Research Services, Federal Reserve

WILL \$5+ TRILLION PENT-UP SAVINGS POUR BACK INTO THE ECONOMY? POTENTIAL BOOST IN SPENDING, INVESTMENT AND EXPANSION

U.S. Total Savings Deposits and Money Market Mutual Funds



GDP Growth



* Through January

** Forecast

Includes investment in prime, government and tax-exempt funds for retail and institutional accounts

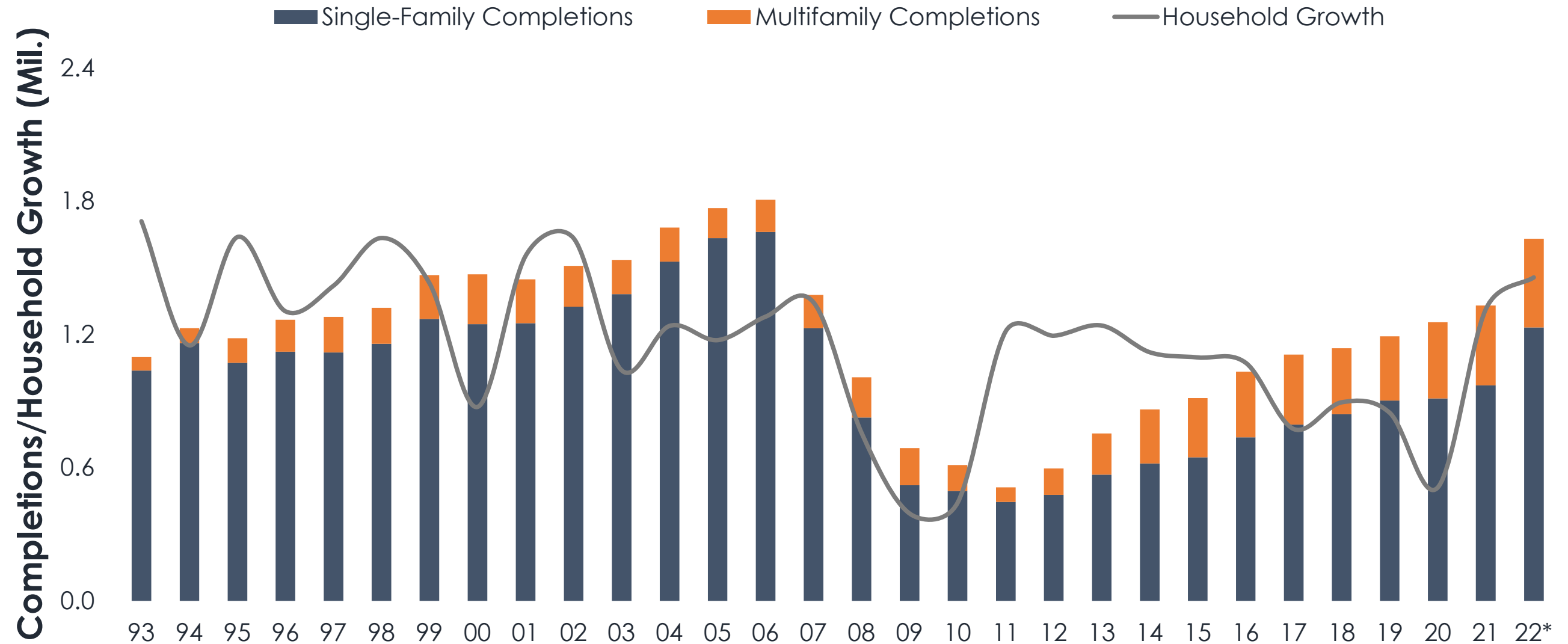
Sources: Marcus & Millichap Research Services, Office of Financial Research, Board of Governors of the Federal Reserve System, BEA, Blue Chip

Marcus & Millichap

MULTIFAMILY FUNDAMENTALS TRENDS

WILL HOUSING DEMAND REMAIN STRONG?

STRUCTURAL HOUSING SHORTAGE WILL LIKELY PERSIST



* Forecast

Forecast using Moody's February 2022 baseline forecast

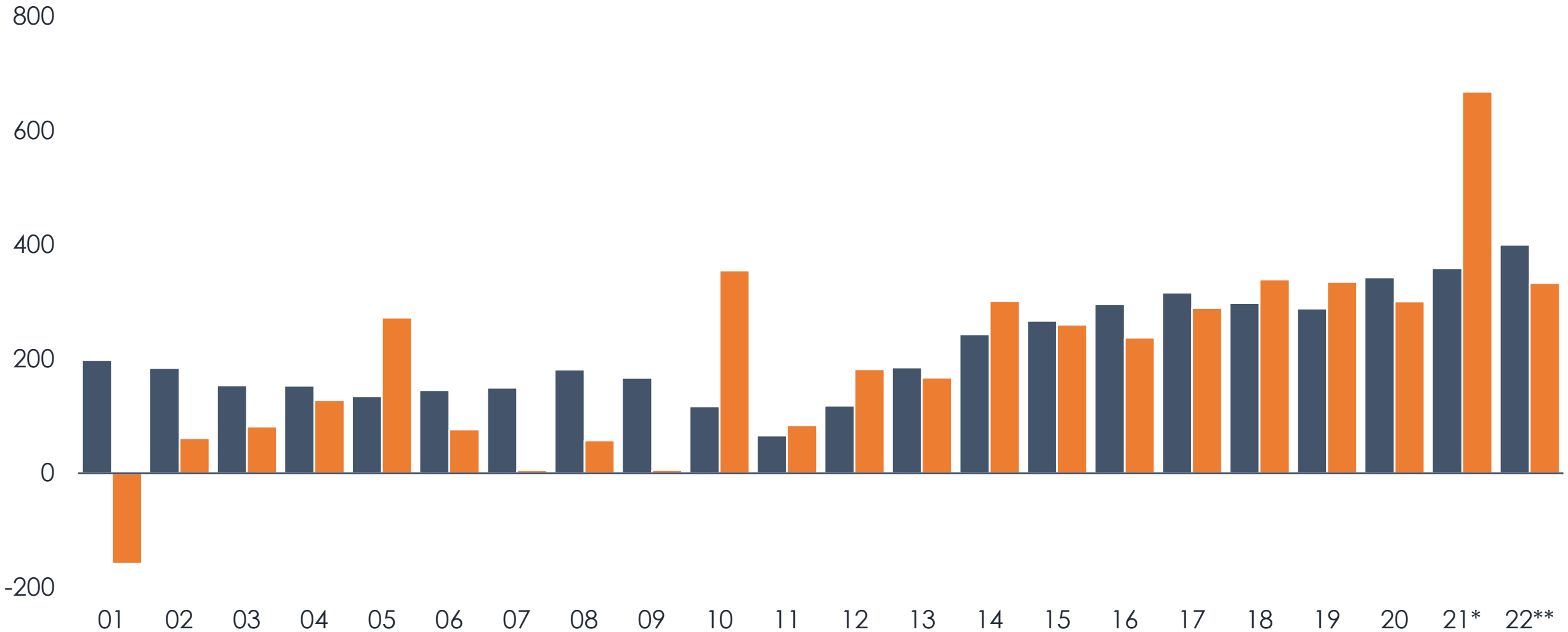
Sources: Marcus & Millichap Research Services, U.S. Census Bureau, RealPage, Inc., Moody's Analytics

U.S. APARTMENT DEMAND REMAINS EXCEPTIONALLY STRONG; ABSORPTION NEARLY KEEPING PACE WITH RECORD CONSTRUCTION

Completions/Net Absorption (000s of Units)

■ Completions

■ Net Absorption



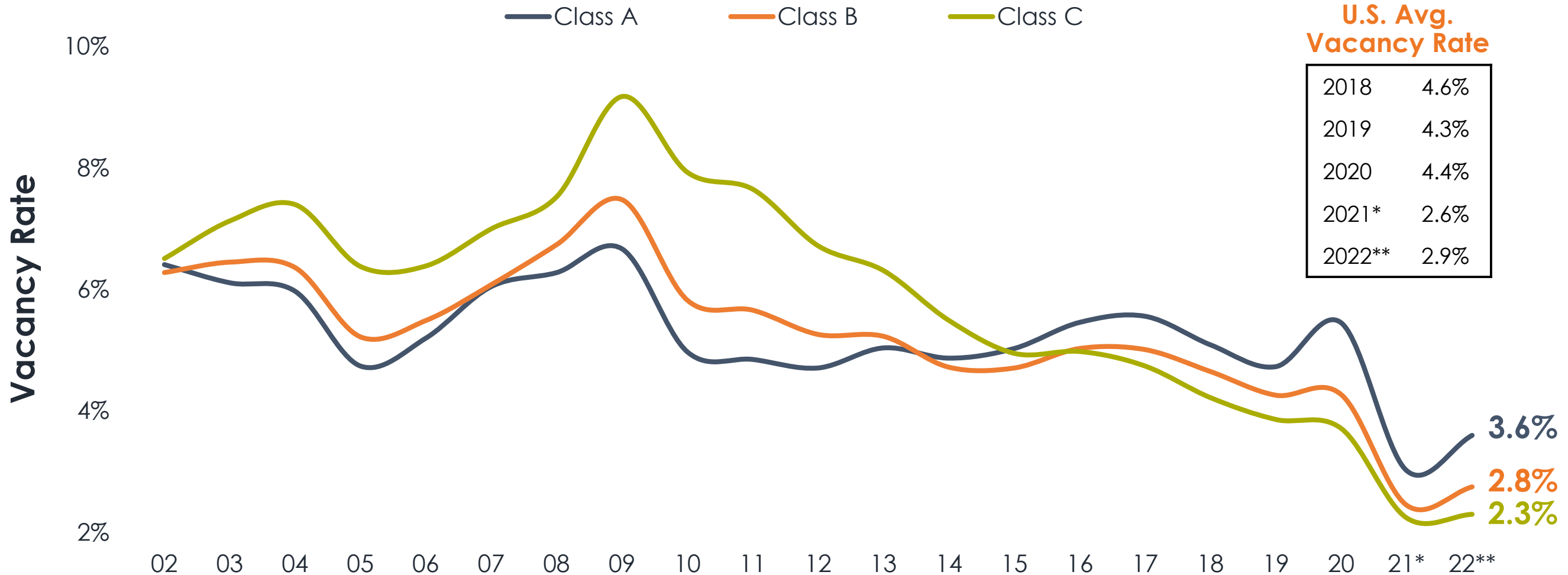
Marcus & Millichap

* Preliminary estimate

** Forecast

Sources: Marcus & Millichap Research Services, RealPage, Inc.

WHAT APARTMENT SEGMENT IS MOST IN DEMAND?



* Preliminary estimate

** Forecast

Sources: Marcus & Millichap Research Services, RealPage, Inc.

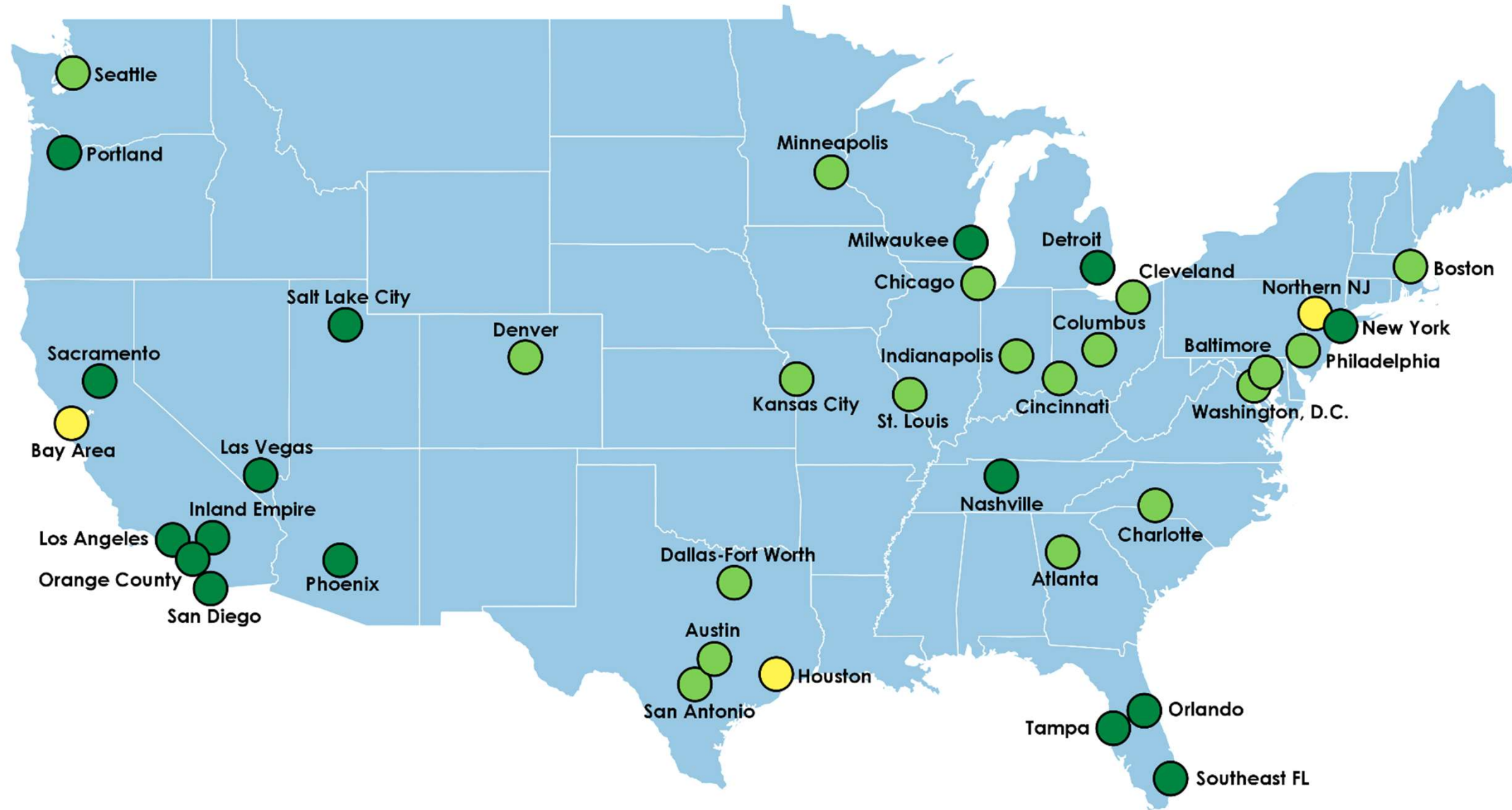
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VACANCY PERFORMANCE HIGHLY LOCALIZED – SOME MARKETS MAY MOVE SIGNIFICANTLY AS LIFE REVERTS TO “NORMAL”

U.S. Avg.: 2.9%

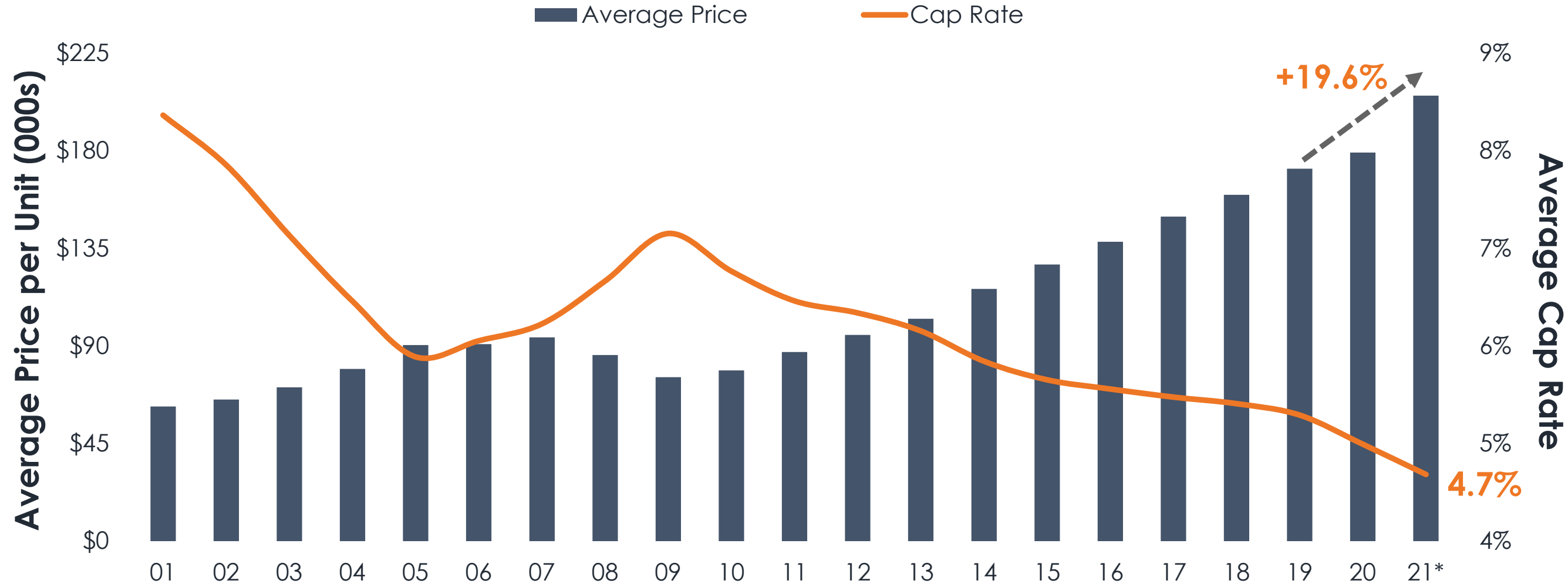
2022 Vacancy Rate

- Less than 3%
- 3% to 4%
- More than 4%



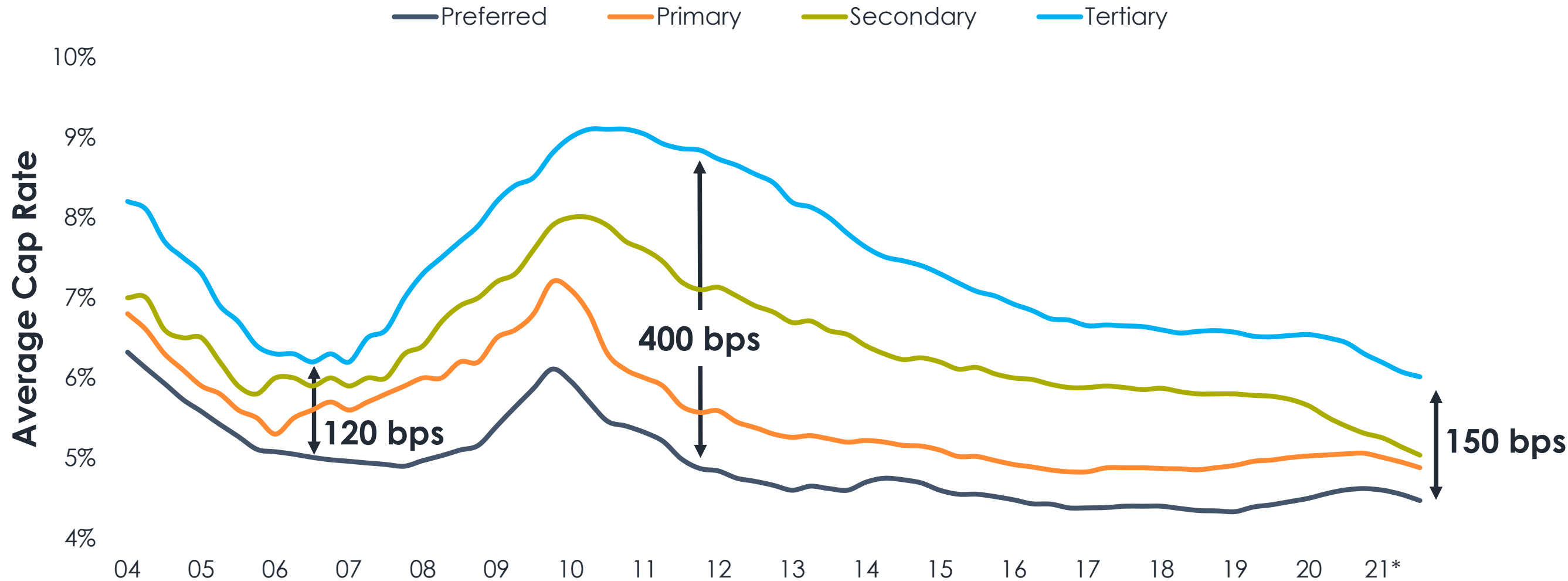
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U.S. APARTMENT PRICING MOMENTUM REMAINS STRONG; ELEVATED INVESTOR ACTIVITY SUPPORTED BY NUMEROUS POSITIVE DRIVERS



* Through 3Q
 Includes sales \$2.5 million and greater using RCA's hedonic series
 Sources: Marcus & Millichap Research Services, Real Capital Analytics

SMALLER MARKETS EXPERIENCING INCREASE CAP RATE PRESSURE; YIELD SPREAD TIGHTENING



* Through 3Q
 Includes sales \$1 million and greater
 Preferred Markets Include: NY, DC, BOS, SD, LA, OC, SJ, SF, SEA
 Sources: Marcus & Millichap Research Services, Real Capital Analytics, CoStar Group, Inc.

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Senior Vice President, National Director

Marcus & Millichap Research Services

 [/in/johnchang/](https://www.linkedin.com/in/johnchang/)

Marcus & Millichap

Top Performing Agents Panel Discussion



Aaron Kuroiwa
Indianapolis



Jon Mimms
Fresno



Al Silva
Fort Worth



Felipe Echarte
Fort Lauderdale

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