

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



18th Annual Southeast Mortgagee Advisory Council
(SMAC) Conference
Atlanta - April 17, 2019

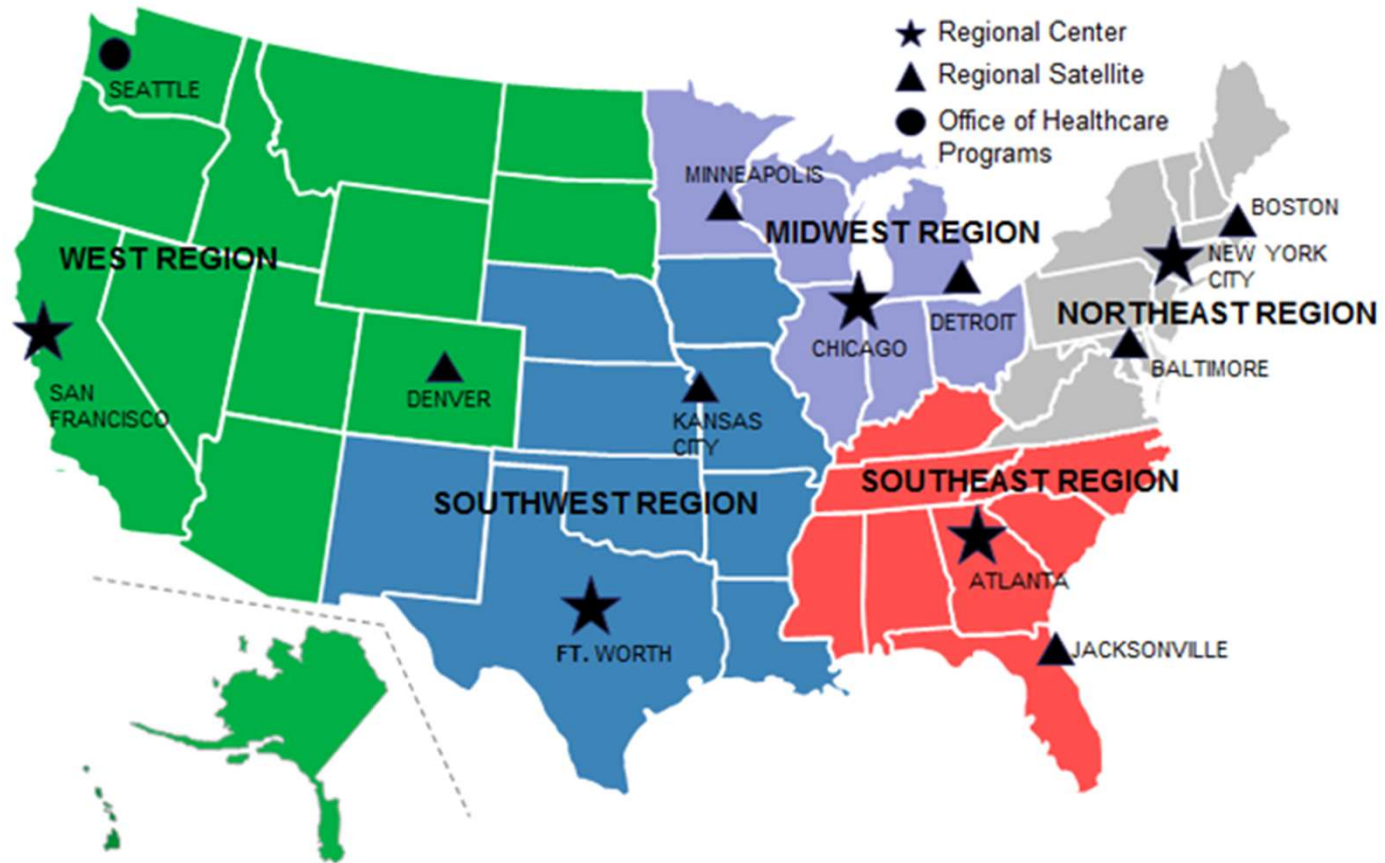
Production Results and Key Market Updates

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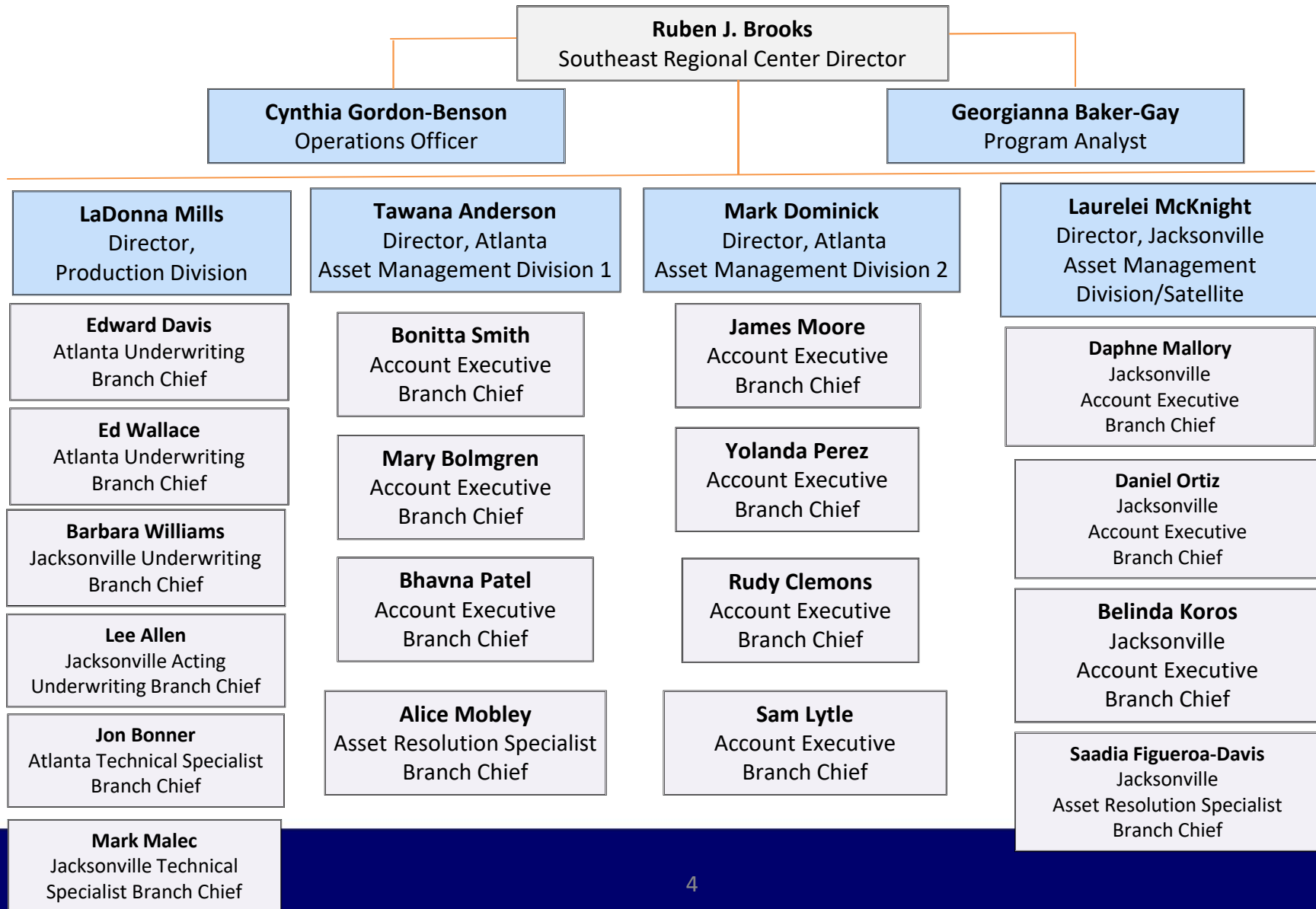
Objectives

1. Territory
2. Leadership Team
3. Loan Volume 2018
4. Key Apartment Market Updates

HUD Southeast Region



Southeast Region Leadership



2018 Southeast Region Loans Processed

Firm Invitations			
SOA Category	No. of Loans	No. of Units	Dollar Amount
221(d)(4)	22	4,383	\$601,378,400

Firm Commitments			
SOA Category	No. of Loans	No. of Units	Dollar Amount
221(d)(4)	24	3,599	\$356,330,300
223(f)	32	4,741	\$331,474,500
223(a)(7)	2	354	\$28,170,500
Total	58	8,694	\$715,975,300

Initial Endorsements			
SOA Category	No. of Loans	No. of Units	Dollar Amount
221(d)(4)	70	13,020	\$1,598,714,900
241(a)	2	136	\$15,861,400
Total	72	13,156	\$1,614,576,300

Final Endorsements			
SOA Category	No. of Loans	No. of Units	Dollar Amount
220	1	143	\$27,380,500
221(d)(4)	38	6,634	\$585,526,690
223(f)	102	18,947	\$1,433,930,600
223(a)(7)	14	2,177	\$126,156,800
542(a)	1	48	\$690,000
Total	156	27,949	\$2,173,684,590

Southeast Region Apartment Markets

4th Quarter FY 2018

Vacancy Rates

- Apartment markets in the Southeast region were generally balanced to slightly tight despite large pipelines in most areas, with the highest vacancy rates in Charleston and Columbia, at 6.4 and 6.0 percent, respectively.
- The tightest major markets in the region were Knoxville and Orlando, with vacancy rates of 3.2 and 3.9 percent, respectively (RealPage, Inc.).
- Vacancy rate trends were mixed across the region, but changes from a year earlier were typically small, at less than 1 percentage point.
- The largest decline occurred in Birmingham, where the rate decreased 1.4 percentage points to reach 5.4 percent. Miami had the largest increase in the rate, at 0.4 percentage points, but the market remained slightly tight at 4.2 percent.

Southeast Region Apartment Markets

4th Quarter FY 2018

Units Under Construction

- The number of units under construction remained elevated in most markets in the region. Atlanta continued to lead the region, as it had during the past 4 years, with more than 13,800 units under construction and was the only metropolitan area in the region with more than 10,000 units under construction.
- Miami, Charlotte, and Orlando followed Atlanta in the number of units under construction, with approximately 9,000, 8,800, and 7,650 units, respectively.
- Trends in construction varied widely across the region with the number of units under construction falling as much as 75 percent in West Palm Beach but increasing 80 percent in Miami, to 570 and 9,000 units, respectively.
- The largest absolute decline in the number of units under construction occurred in Tampa where the number of units fell by approximately 1,900, or 31 percent, to approximately 4,350.

Southeast Region Apartment Markets

4th Quarter FY 2018

Annual Absorption

- Annual absorption slowed in several metropolitan areas of the region compared with the same period a year earlier— including Greenville, Memphis, Miami, Nashville, Orlando, and West Palm Beach—with the largest decline of nearly 3,250 units in Orlando to 5,000 units.
- Annual absorption fell by 1,100 and 1,200 units in Miami and Memphis to approximately 3,300 and 700 units, respectively.
- Charlotte and Raleigh had the largest increases in annual absorption at approximately 1,200 units each, to reach approximately 7,450 and 5,500 units, respectively.

Southeast Region Apartment Markets

4th Quarter FY 2018

Rent Growth

- Rent growth throughout the region was generally higher than typical for the respective areas. Unusually high annual rent growth of nearly 9 percent occurred in Birmingham followed by 7-percent increases in Greenville, Nashville, and Tampa.

Southeast Region Apartment Markets

4th Quarter FY 2018

Highest Rents

- The highest rents in the region were in Florida markets; Miami, West Palm Beach, and Fort Lauderdale averaged approximately \$1,610, \$1,580, and \$1,580, respectively, up from \$1,520, \$1,490, and \$1,480 a year earlier.

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Thank you!