

Institutional Property Advisors Releases Midyear 2023 Class A Multifamily Outlook Special Report

CALABASAS, Calif.--(BUSINESS WIRE)-- [Institutional Property Advisors \(IPA\)](#), a division of [Marcus & Millichap \(NYSE:MMI\)](#), has published its Class A Multifamily Outlook Midyear 2023 special report.

“Today’s high barriers to homeownership are helping support demand for high-end apartments, particularly among the millennial demographic,” stated John Sebree, senior vice president and national director of IPA’s multi housing division.

IPA’s Class A Multifamily Outlook provides investors with vital insight and analysis on the current state of the Class A multifamily market sector including:

- Demand for high-end apartment rentals is outperforming other segments in recent quarters, despite the added competition presented by historic amounts of new supply being delivered.
- Class A apartment rent growth has cooled down after historic gains during 2021 and 2022, while home prices and mortgage rates have continued to increase. These divergent trends have made high-end apartments more affordable relative to homeownership.
- Millennial homeownership is trending well-below previous generations, and surveys indicate that an increasing share of young adult renters are giving up on the pursuit of homebuying altogether. Saving for a down payment is a key challenge, one that is set to become more difficult once student loan payments resume in fall.
- High-density coastal markets have been among the strongest performers for Class A apartments recently. Many of these locations have an outsized population share of 25-to-44-year-olds and extreme homeownership barriers, which is directing higher-income households to luxury rentals.
- Investment activity for higher-end apartments has remained soft in recent quarters as many institutional groups stayed on the sidelines amid rapidly rising interest rates. Financial markets stability should prompt greater trading velocity in the coming quarters, however.

“These factors are supporting Class A apartment performance even amid a sizable construction pipeline,” added Sebree.

IPA’s complete Class A Multifamily Outlook Midyear 2023 special report is available [here](#).

About Institutional Property Advisors (IPA)

Institutional Property Advisors (IPA) is a division of Marcus & Millichap (NYSE: MMI), a leading commercial real estate services firm in North America. IPA’s combination of real

estate investment and capital markets expertise, industry-leading technology, and acclaimed research offer customized solutions for the acquisition, disposition and financing of institutional properties and portfolios. For more information, please visit www.institutionalpropertyadvisors.com

About Marcus & Millichap, Inc. (NYSE: MMI)

Marcus & Millichap, Inc. is a leading brokerage firm specializing in commercial real estate investment sales, financing, research and advisory services with offices throughout the United States and Canada. As of December 31, 2022, the company had 1,904 investment sales and financing professionals in 81 offices who provide investment brokerage and financing services to sellers and buyers of commercial real estate. The company also offers market research, consulting and advisory services to clients. Marcus & Millichap closed 12,272 transactions in 2022, with a sales volume of approximately \$86.3 billion. For additional information, please visit www.MarcusMillichap.com.

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