



2025 | MID-YEAR MULTIFAMILY INVESTOR PULSE SURVEY

How emerging trends are impacting investor sentiment



SURVEY PUBLISHED MAY 2025

BERKADIA[®]

2025 Mid-Year Multifamily Investor Pulse Survey

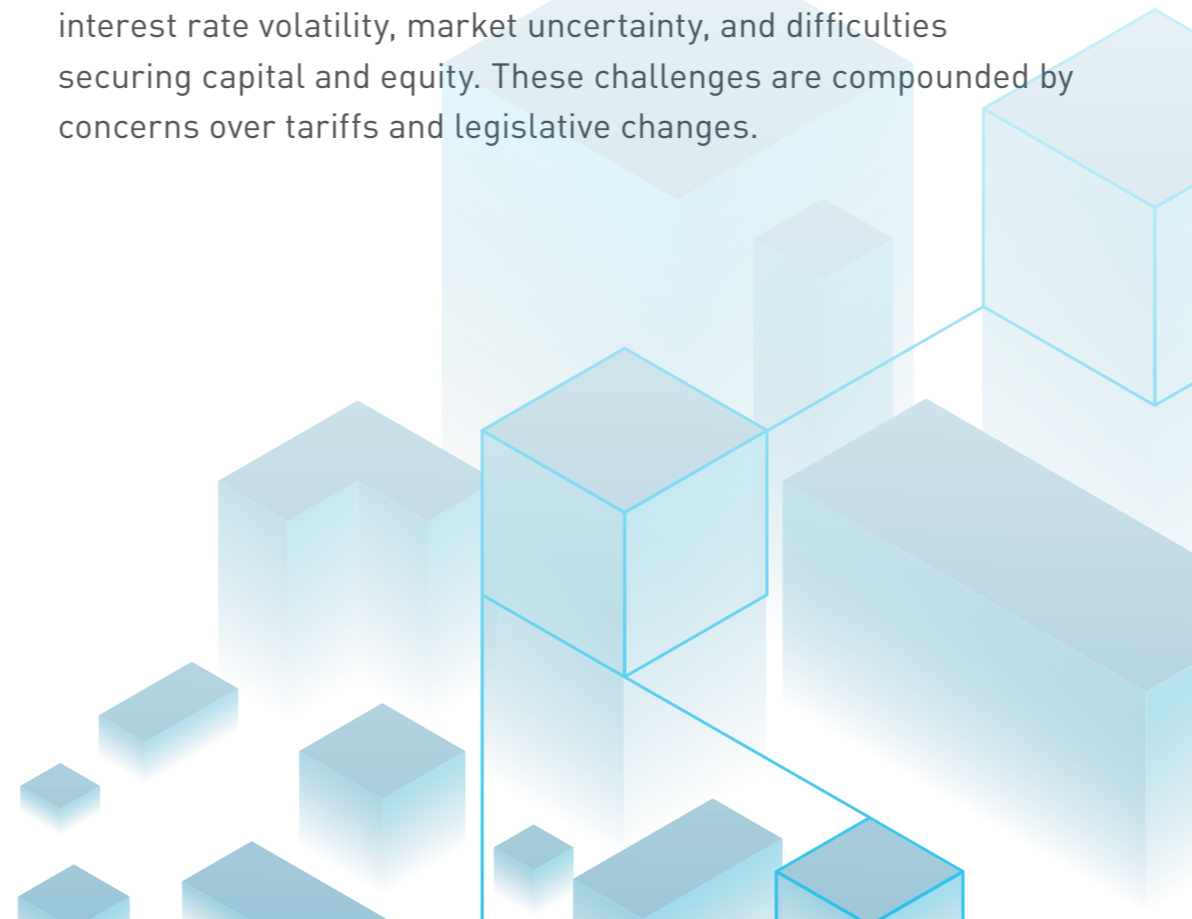
A broad overview of the anticipated challenges and expectations for the multifamily sector in the latter half of 2025 and beyond.

The survey examines shifts in investor sentiment and outlook in response to economic pressures and market volatility, among other challenges. The multifamily sector continues to present significant opportunity for investors, despite current market conditions. Most respondents (74%) are continuing with planned dispositions in 2025 and anticipate full-year transaction volumes to exceed 2024.

Volatility seems to be the new normal and continues to impact transaction activity. Many are observing a recent slowdown in the capital markets as investors pause and wait for the volatility to settle down and search for stability. However, multifamily investors share optimism for the future, with anticipation of improved investment conditions by the first half of 2026. Over half of respondents (63.3%) believe that market conditions will be better than they are today. Key challenges identified include interest rate volatility, market uncertainty, and difficulties securing capital and equity. These challenges are compounded by concerns over tariffs and legislative changes.

About the Multifamily Investor Pulse Survey

THE MID-YEAR MULTIFAMILY INVESTOR PULSE SURVEY WAS CONDUCTED ONLINE BY BERKADIA IN APRIL OF 2025 TO ASSESS THE IMPACT THAT MARKET VOLATILITY, ESPECIALLY POST-LIBERATION DAY, HAD ON INVESTOR SENTIMENT AROUND MULTIFAMILY ACTIVITY FOR THE SECOND HALF OF THE YEAR AND BEYOND. THE OVERWHELMING MAJORITY OF RESPONSES REPRESENTED PRINCIPAL OR EXECUTIVE LEVEL INVESTORS AT BOTH PRIVATE AND INSTITUTIONAL COMPANIES.

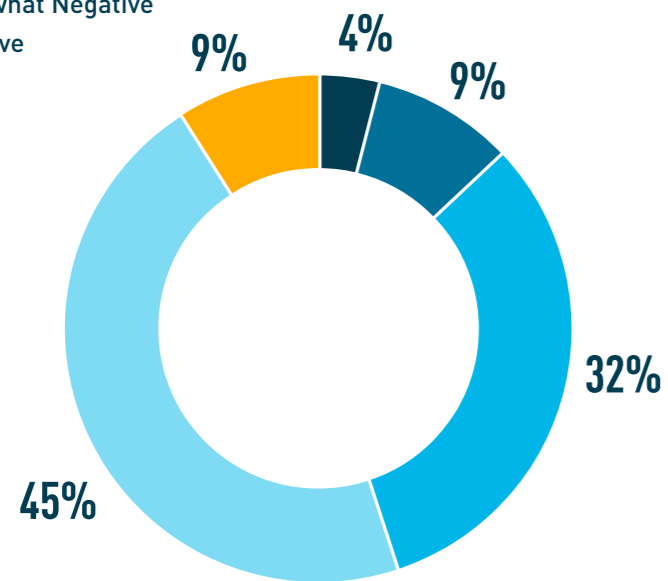


Investment Outlook

Nearly half of all respondents (45%) shared a negative outlook for the second half of 2025, while nearly a third (32%) have no change in outlook. Berkadia conducted this survey shortly after Liberation Day, amid unprecedented levels of market volatility. This volatility is no doubt contributing to economic uncertainty and influencing investor confidence and transaction activity. When we observe relative levels of stability in the capital markets for 30-60 days, we anticipate improving confidence and an uptick in both sales and financing activity.

How has the volatility changed your investment outlook for the second half of 2025?

- Positive
- Somewhat Positive
- Unchanged
- Somewhat Negative
- Negative

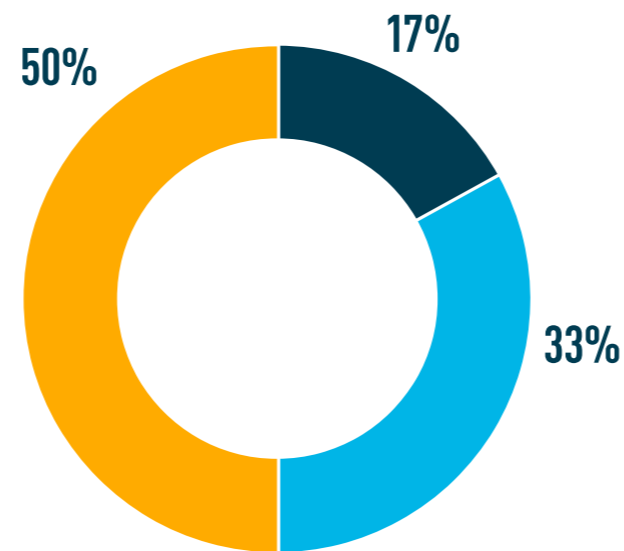


Deal Activity

In the first quarter of 2025, multifamily transaction activity rose 36% to \$21.6 billion compared to \$15.8 billion in the first quarter of 2024 but off peak levels observed in 2021 and 2022. It's important to note that some sellers are holding off on bringing deals to market until the current volatility settles. Therefore, it isn't surprising that half of all respondents are reporting seeing less deal activity at the time of the survey.

Are you seeing more or less deal activity as a result of the current volatility?

- More
- Unchanged
- Less

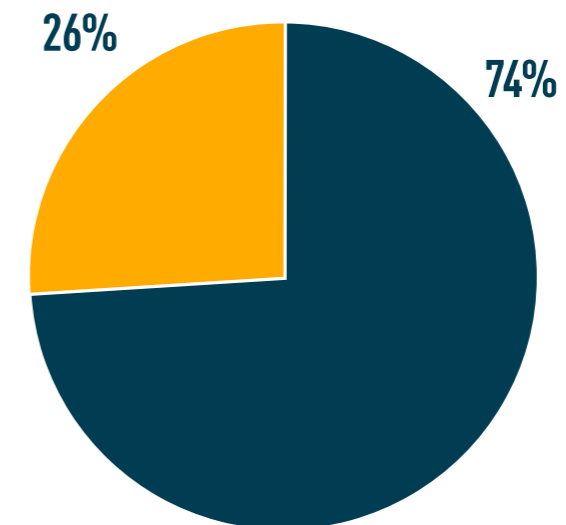


Disposition Plans

Despite high levels of volatility and the lack of flow business, most respondents (74%) are continuing with planned dispositions despite the current volatility. The expected increase in activity is attributable to several elements, including a buildup of multifamily transactions postponed by the interest rate climate, loans that must now be refinanced or properties sold, and the relative stabilization of values.

Are there any dispositions you had planned that you're putting on hold due to the current volatility?

- No
- Yes

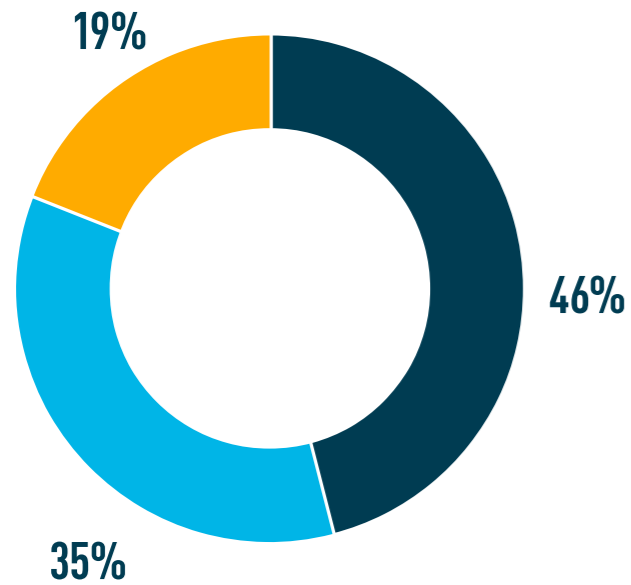


Transaction Expectations

46% expect investment transaction activity to be higher in 2025 than in 2024, while 35% expect activity to remain about the same. There is a significant amount of dry powder sitting on the sidelines eager to be deployed so, it's not surprising that nearly half of all respondents believe transaction activity will increase year over year. This optimism is underpinned by the resiliency of the multifamily asset class.

Do you expect investment transaction activity to be higher or lower than 2024?

- Higher
- About the Same
- Lower

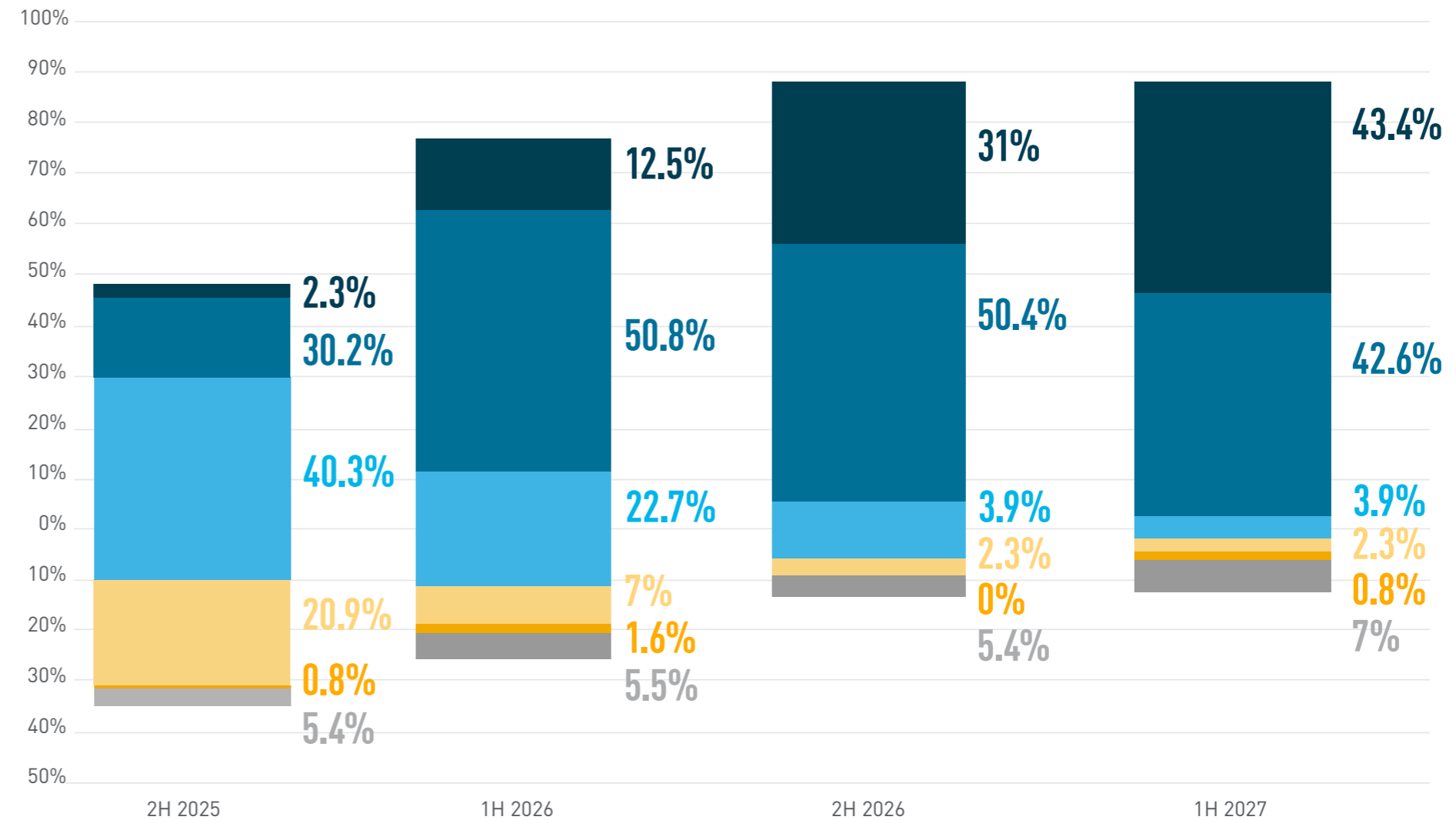


Investment Climate Outlook

Interestingly, we saw an improvement in the investment climate outlook. 63% of all respondents now believe the climate will improve by the first half of 2026 compared to less than 35% in our original survey at the start of the year.

What is your outlook for the overall investment climate in the multifamily sector over the next 24 months?

- Significantly better than today
- Somewhat better than today
- About the same as today
- Somewhat worse than today
- Significantly worse than today
- Not Sure



2025 Challenges

Here are some insights from respondents when asked, “What is your greatest challenge in 2025 given the current environment?”

“Understanding that the current year is neither 2008 nor 2020, we recognize that the circumstances are different, and not necessarily in a positive way. Patience is required during this time. It is not the moment to pursue opportunities hastily. Instead, we should be aggressive only when everything aligns with conservative assumptions. Otherwise, it is likely that much better opportunities will arise closer to the end of the year.”

DIRECTOR, PRIVATE INVESTMENT COMPANY

“Managing clients' expectations during rate volatility and generating business in a slower environment.”

ASSOCIATE DIRECTOR, COMMERCIAL REAL ESTATE SERVICES AND MORTGAGE SOLUTIONS

“Material supply and cost concerns related to tariff impacts and renovation budgeting.”

PRINCIPAL, PRIVATE INVESTMENT COMPANY



MOST COMMON CHALLENGES IN 2025 AMID THE CURRENT ENVIRONMENT

Interest Rate Volatility

Many respondents share concerns about fluctuating interest rates and their impact on transaction activity.

Uncertainty

General uncertainty in the market, in response to economic conditions, government policies, and legislative changes, is a recurring theme.

Capital and Equity Challenges

Difficulties raising capital and sourcing equity for new developments are frequently mentioned.

Tariffs and Legislative Pressure

Concerns about tariffs, rent control legislation, and other government actions impacting commercial real estate are prevalent.

Market Conditions and Pricing

Challenges assessing cost of capital and pricing assumptions are common.

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