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**APARTMENT WIRE**  
NEWSLETTER

March 23, 2018

## Modular Looks to Go Mainstream

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Modular construction enthusiasts have long touted the quality of the end product, predictability of the process and the savings accrued in both time and money during development. Yet, just a fraction of the new apartments built today are modular, as traditional developers remain wary of both the learning curve and the long-term stability of the modular companies with whom they'd be partnering.

However, all that could be changing. [Rising construction costs and labor shortages](#), along with growing affordability concerns, are pushing more developers to experiment with modular construction. Moreover, more modular companies like [tech-backed start-up Kattera are plotting ambitious expansions](#) to address the criticism that a [lack of production facilities limits modular's promise](#).

"Something of a perfect storm may be forming that changes the equation for modular construction," NMHC Vice President of Industry Technology Initiatives Rick Haughey recently told *NREI*.

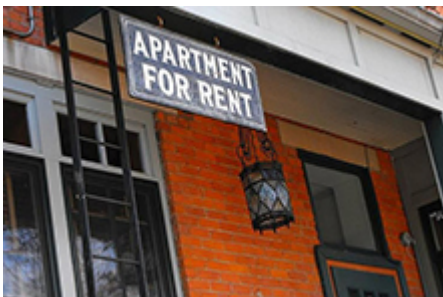
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## Top News

**RESEARCH****Apartment Returns Outperform Other Asset Classes**

Apartments outperform other commercial real estate property types, on both a risk-adjusted and unadjusted basis, regardless of holding period, geographic region, metro size and growth rate, [according to new research](#) from the NMHC Research Foundation.

**FINANCE****New Financing Option Emerges for Buildings with Short-Term Rentals**

With traditional capital players unable or unwilling to provide financing for apartment properties with a short-term rental component, RealtyShares looks to fill the void. The crowdfunding investment platform recently became the first financing resource available to Airbnb's multifamily partners.

**MARKET****Why Rents Are Actually Lowering in Some Big Cities**

In many of the nation's hottest real estate markets, construction booms have helped lower average monthly rents. Not by a ton—and not enough to make any of these cities into bargains—but enough to relieve some pressure.

**DEALS****How America's First Blockchain Property Transfer Took Place**

It may have been a relatively small and simple deal in relatively small and simple town, but the recent transfer of a condo title in South Burlington, Vt., is likely to go down in history as America's [first blockchain property transfer](#) thanks to a pilot program by start-up Propy. Blockchain, the technology behind cryptocurrencies, is seen as a potential game changer for the banking and real estate industries.

**POLICY****California Housing Problems Are Spilling Across Its Borders**

A growing homelessness crisis. More traffic congestion. A gentrifying economy. These sound like California's problems, but they are now also among the state's leading exports. Austin, Texas; Boise, Idaho; Denver; Phoenix; Portland, Ore.; Reno, Nev.; and Seattle area all now facing growing housing crises that, while not as severe as California's, are setting off many of the same debates.



#### TECHNOLOGY

## Are Security Deposits About to Get a Makeover?

In this CNBC clip, Ankur Jain, Kairos founder and CEO, discusses how his start-up, Rhino, plans to revolutionize the rental market by replacing one-time security deposits with affordable monthly fees. The model aims to free up cash for renters while reducing risk for apartment owners. [Rhino was a 2017 NMHC Launch Pad semi-finalist.](#)

#### In Case You Missed It

### A hand-selected collection of noteworthy articles on a wide variety of issues of interest to apartment executives.

[Freddie Mac: Multifamily's Strength and Affordability Issues to Persist in 2018](#)

[Apartments Outperform Other Assets, Says NMHC](#)

[As Storms Get Stronger, Building Codes Are Getting Weaker](#)

[Report: These Trends Are Radically Disrupting Multifamily Housing](#)

[Multifamily Mortgage Market Growth Continues](#)

[Rent Control? Chicago Voters Like the Idea](#)

[Could Rent Control Come to the Second City?](#)

[Why Outer Suburbs in the East and Midwest Have Stopped Booming](#)

[Three Multifamily Markets Positioned to Win in 2018](#)

[Blog: Examining the Next Decade's Renter](#)

[San Jose Lags on Affordable Housing as Home Prices Soar](#)

[How Insurance Companies Are Creating Customizable Renters Insurance to Cater to Millennials \(paywall\)](#)

[It All Adds Up: The Cost of Development Fees in Seven California Cities](#)

[Podcast: Rigging the Economy](#)

#### Multifamily Market Dashboard

### **Blurring Lines Between Cities and Suburbs**

Locations within metropolitan areas have traditionally been divided into "cities" and "suburbs." For many, the suburbs recall an image of a detached single-family house with at least one person commuting into the central city for work by car. In contrast, cities were largely downtown business areas, dominated by office buildings and government agencies and with limited residential housing.

However, the picture of today's metropolitan areas has grown much more complicated since then. Yet, the definitions of cities versus suburbs have failed to evolve, reinforcing an old dichotomy and ultimately leading to incomplete if not inaccurate conclusions about our metro areas' structure and needs.

NMHC's [most recent Research Notes](#) looks at density as an alternative framework for delineating between city and suburb. As the figure below shows, there is a stronger relationship between density and housing composition than a location's traditional classification as a city or suburb. This suggests that as development continues to change the landscape of our metro areas and more areas qualify as "cities," density may prove a more reliable indicator of housing trends.

**FIGURE 3**  
Average Share of Housing Units by Density and City/Suburb, 2015



Source: American Community Survey; U.S. Census Bureau

### Upcoming Meetings

[2018 NMHC Emerging Leaders Speaker Series Miami, April 4 in Miami, FL](#)

[2018 NMHC Research Forum, April 17-18 in Chicago](#)

[2018 NMHC Leadership Forum on Diversity & Inclusion, May 9 in Dallas, TX](#)

[2018 NMHC Spring Board of Directors Meeting, May 9-11 in Dallas, TX](#)

### About Apartment Wire

A must-read for top apartment industry professionals, Apartment Wire is a timely review of emerging trends in apartment finance, development, management and technology and more, featuring both exclusive content from NMHC's staff of experts and provocative articles from across the web.

### Tools



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