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Private Capital Investment in Multifamily Affordable Housing

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*The views here are of the presenter and do not
necessarily represent those of the Federal Reserve Bank
of New York or Federal Reserve System.*

ALTERNATIVE INVESTMENTS IN COMMUNITY DEVELOPMENT SERIES

- A Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles
 - Questions over a roughly five-year period between 2017 and August 2022

- A Case Study of Pension Fund Investments in Multifamily Affordable Housing
 - Questions covered five-and-a-half-year period between January 2018 to June 2023

- **2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles**

2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

ABOUT THE SURVEY

Affordable housing is defined as units in multifamily properties that are income-restricted and naturally occurring affordable for households earning up to 120% of area median income.

Survey questions **focused on the five-year period from October 2019 to September 2024**, as well as **expected plans for the two-year period from October 2024 to September 2026**.

The survey was fielded between November 2024 and March 2025.

2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

ABOUT THE SURVEY RESPONDENTS

Participation in the survey is voluntary.

Data gathered is from a **nonrepresentative sample of 22 managers of private affordable housing investment vehicles** from firms with:

- Up to \$2 billion in assets under management (AUM) – 8
- Between \$2 billion and \$10 billion AUM – 5
- More than \$10 billion AUM - 9

2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

- What do the private investment vehicles that respondents manage look like?
- Who is their investor base?
- Who are they trying to serve and how do they invest?

2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

Between October 2019 to September 2024, respondents collectively **raised over \$18.4 billion** of total equity capital for multifamily affordable housing, with a median of \$501 million. Majority of respondents raised more than \$350 million in total equity for their respective investment vehicles.

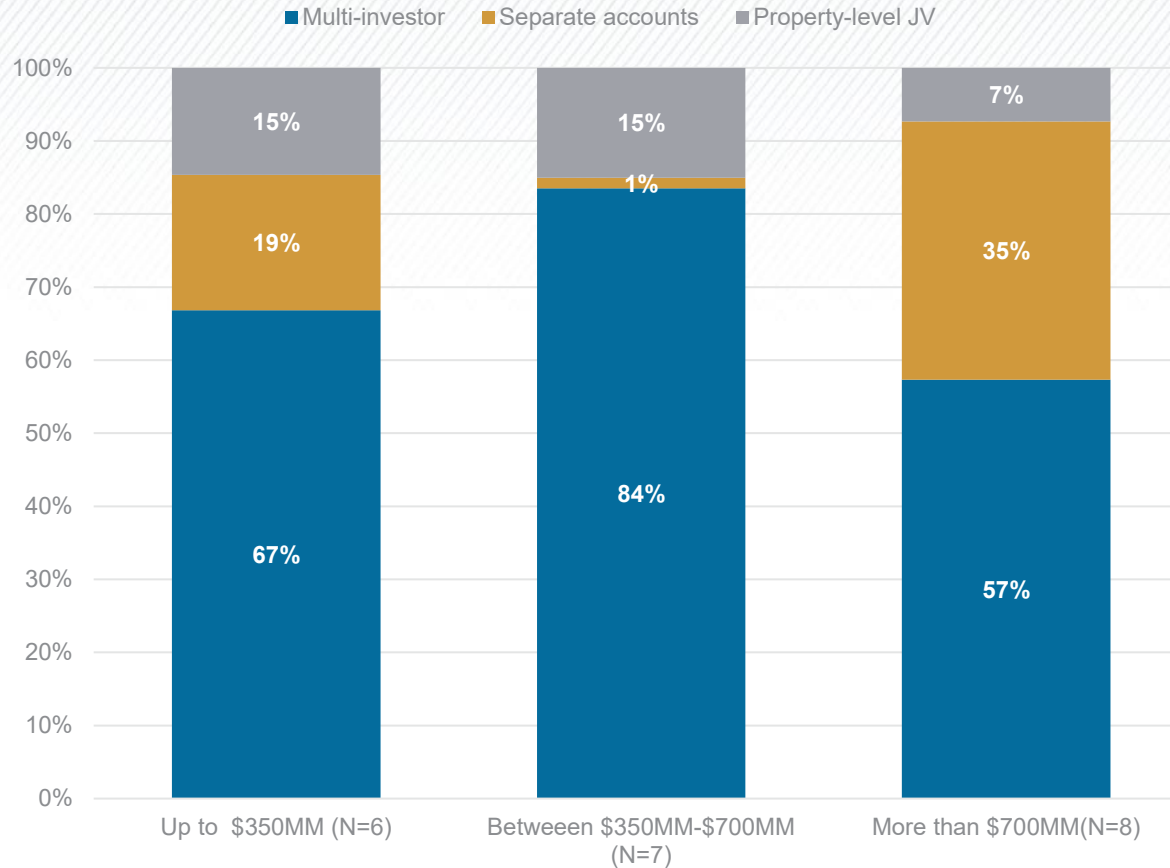
Size by commitments	Count
Up to \$350MM	7
Between \$350MM-\$700MM	7
More than \$700MM	8

Source: Federal Reserve Bank of New York

Respondents **invested over \$18.6 billion**, with a median of \$397 million.

2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

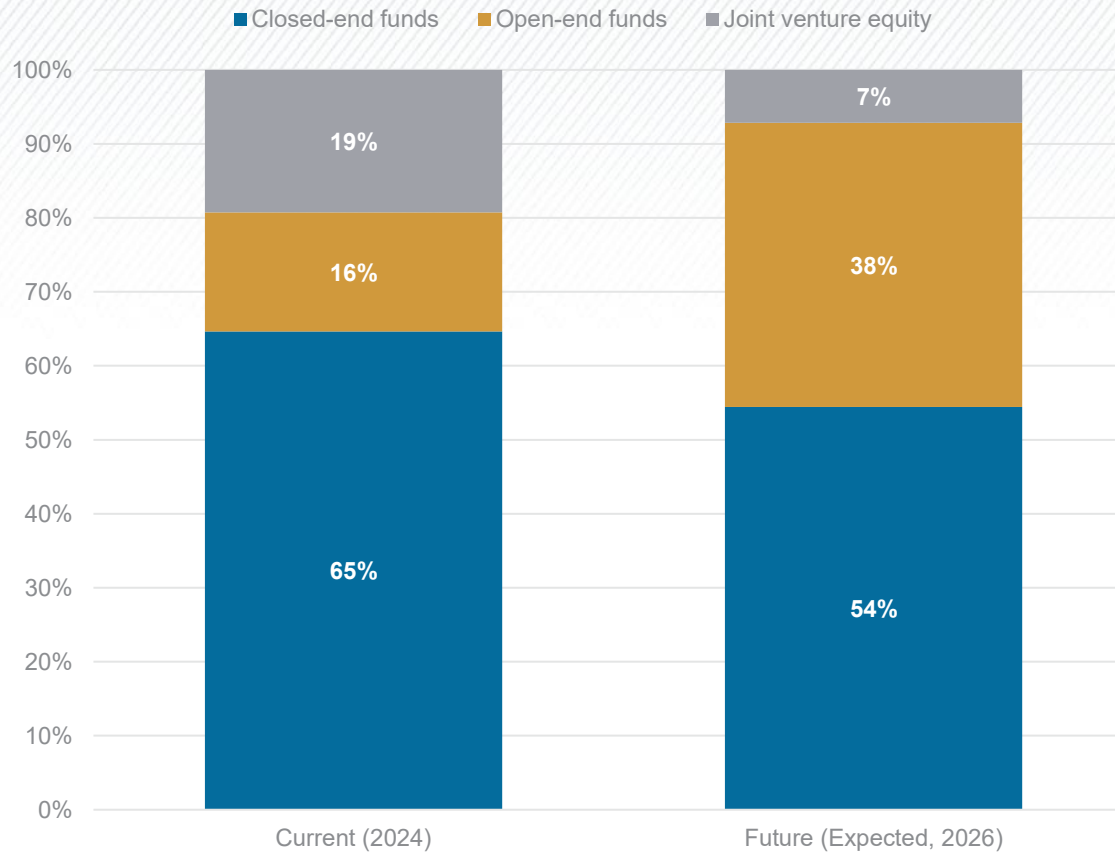
Weighted share of total commitments allocated to each structure categorized by size of capital raised



Source: Federal Reserve Bank of New York; total commitments (up to \$350MM) = \$1,143,100,000; total commitments (between \$350-700MM) = \$3,393,002,810; total commitments (more than \$700MM) = \$13,836,552,417
 NOTE: Figures may not add up to 100% due to rounding.

2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

Weighted share of total current commitments and total future commitments for each structure



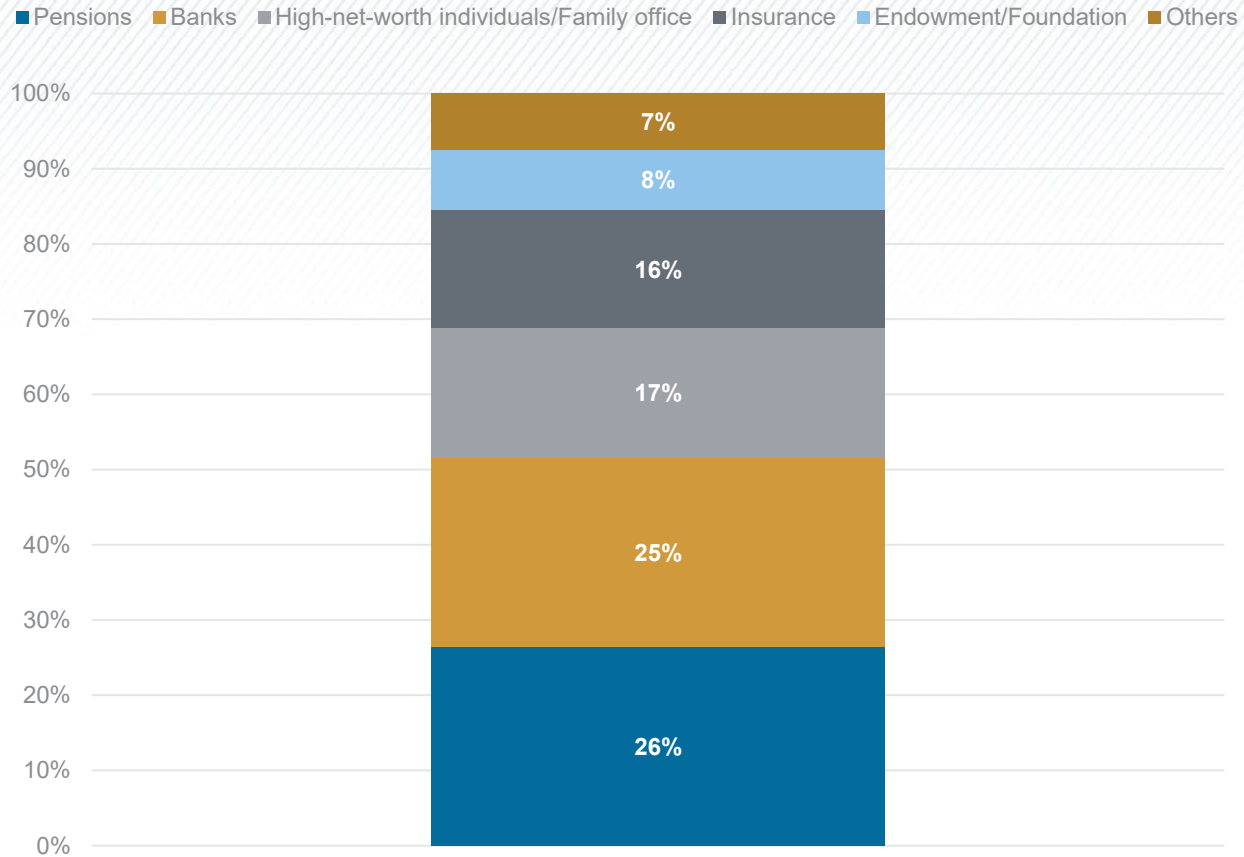
Source: Federal Reserve Bank of New York; total commitments (up to \$350MM) = \$1,143,100,000; total commitments (between \$350-700MM) = \$3,393,002,810; total commitments (more than \$700MM) = \$13,836,552,417
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2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

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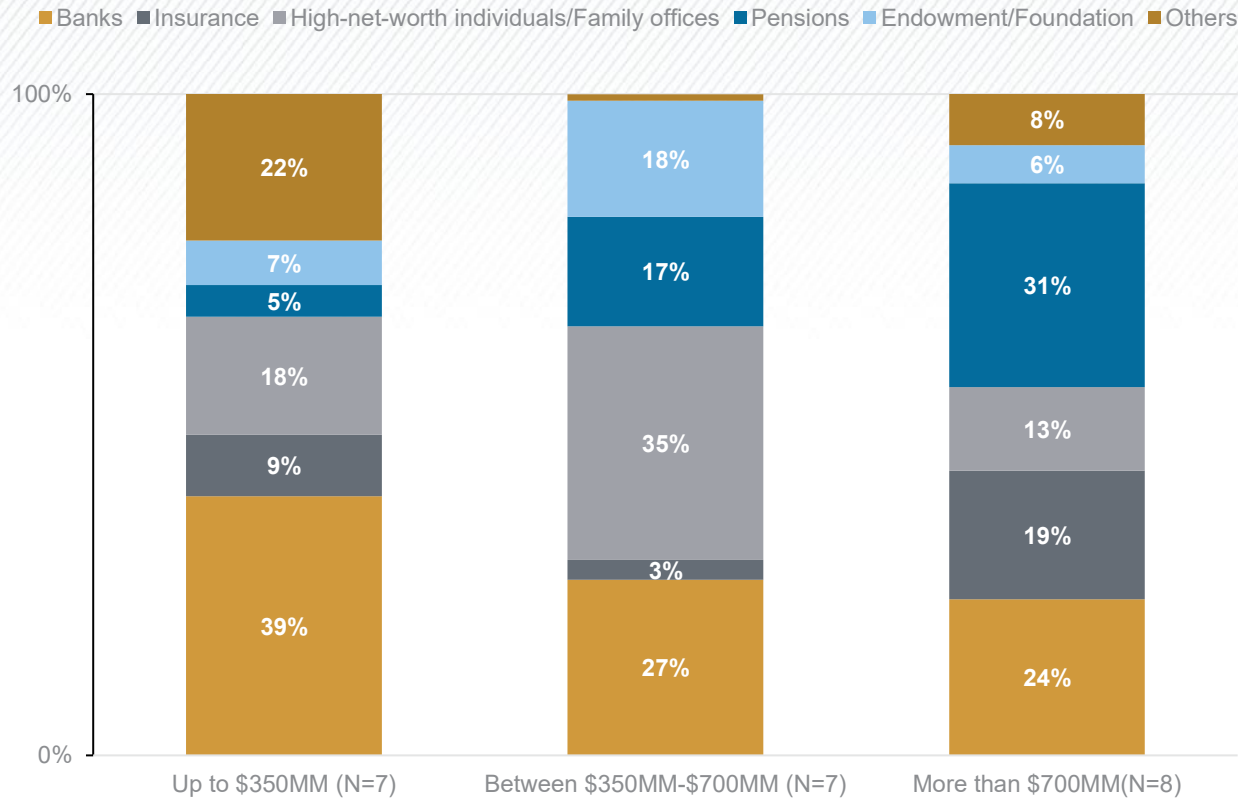
Weighted share of total commitments from each investor type



Source: Federal Reserve Bank of New York; N=22; total commitments included in this chart= \$18,436,155,227
 NOTE: Figures may not add up to 100% due to rounding.

2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

Weighted share of total commitments from each investor type categorized by size of capital raised



Source: Federal Reserve Bank of New York; total commitments (up to \$350MM) = \$1,206,600,000; total commitments (between \$350-700MM) = \$3,393,002,810; total commitments (more than \$700MM) = \$13,836,552,417

NOTE: Share of "Others" as an investor type for respondents with commitments between \$350 million and \$700 million is 1%. Figures may not add up to 100% due to rounding.

2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

Commitments from Europe represent the largest share of non-U.S. investors for survey respondents.

	U.S.	North America ex U.S.	Europe	Asia	Other
Weighted Ave % By Total Commitments	84%	1%	11%	3%	1%

Source: Federal Reserve Bank of New York

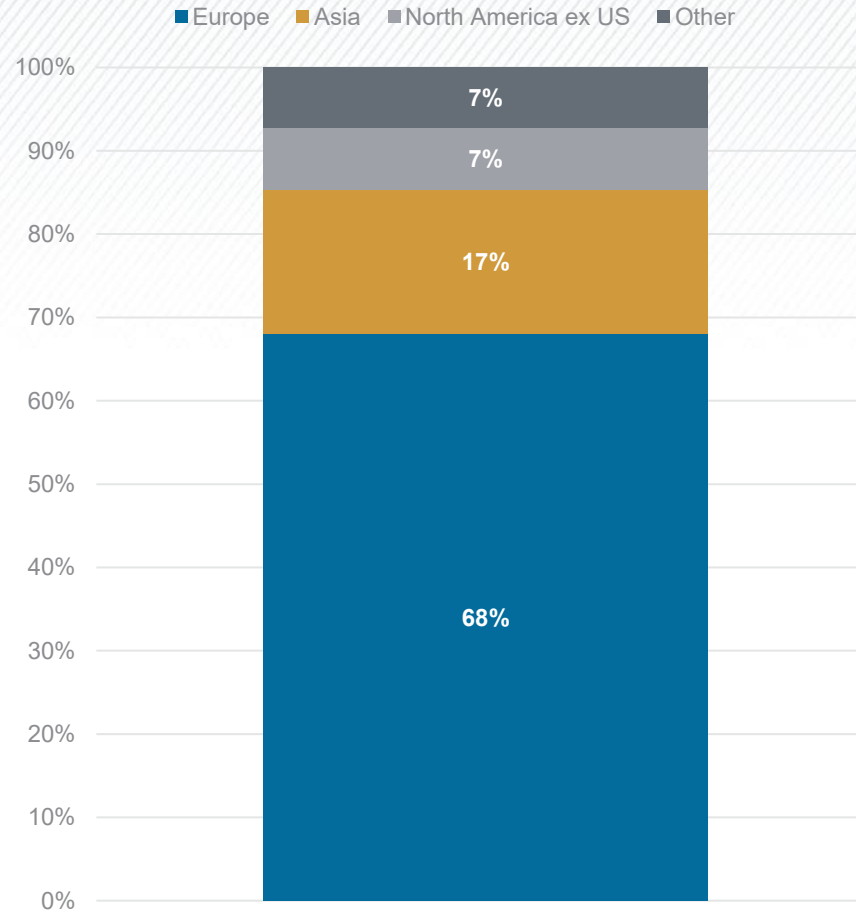
Survey respondents that raised more capital during the five-year period looked to foreign investors.

		N=
Median size of total commitments if they <i>only</i> raise from U.S. investors	\$ 381,411,000	12
Median size of total commitments with <i>any</i> non-U.S. investors	\$ 793,000,000	9

Source: Federal Reserve Bank of New York

2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

Weighted share of total non-U.S. commitments from each region



Source: Federal Reserve Bank of New York; N (respondents with non-U.S. investors) = 9; total non-U.S. commitments included in this chart = \$2,734,667,862

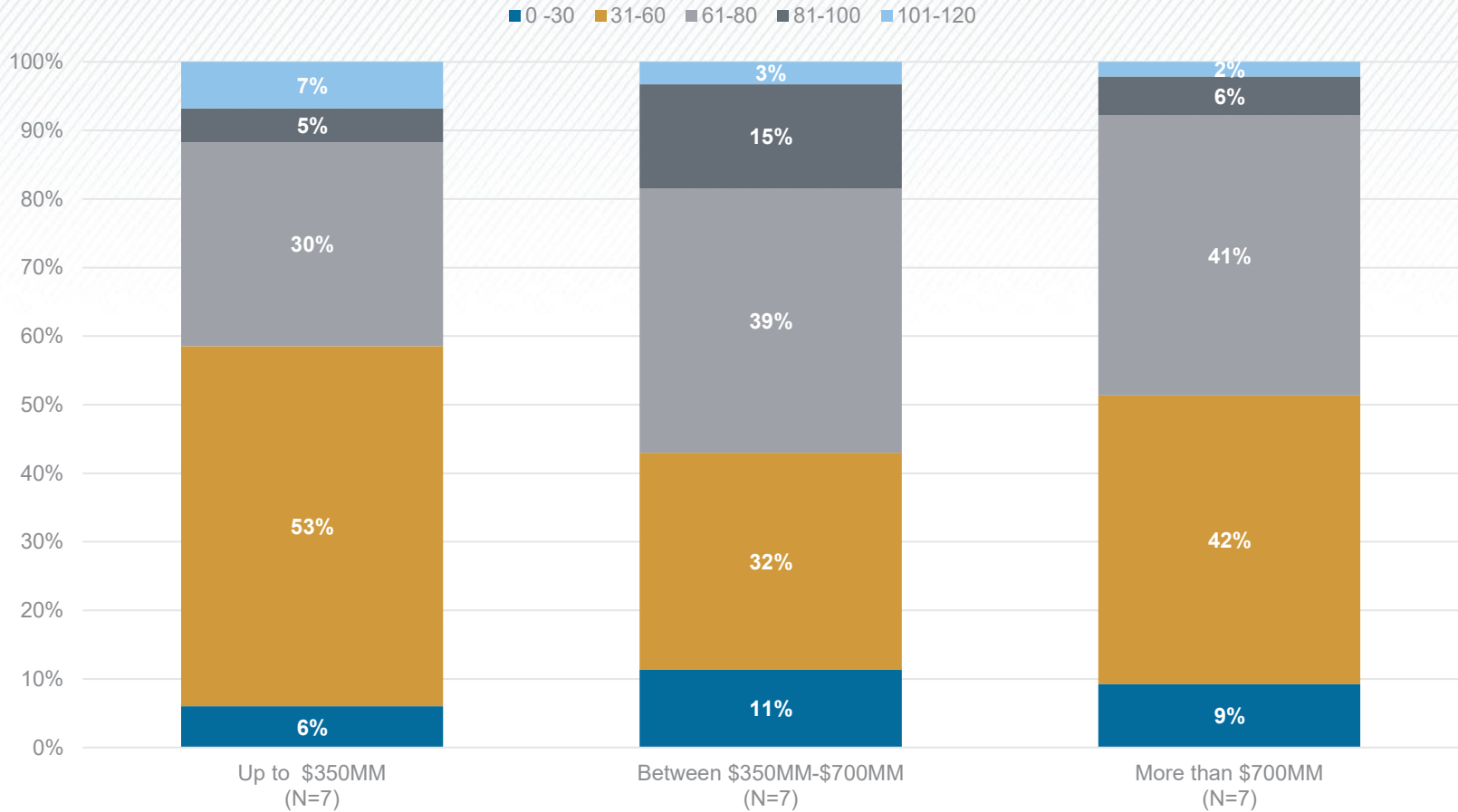
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2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

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2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

Weighted share of respondents' invested capital financing units serving each target percent level of AMI at origination of those investments per commitment size category

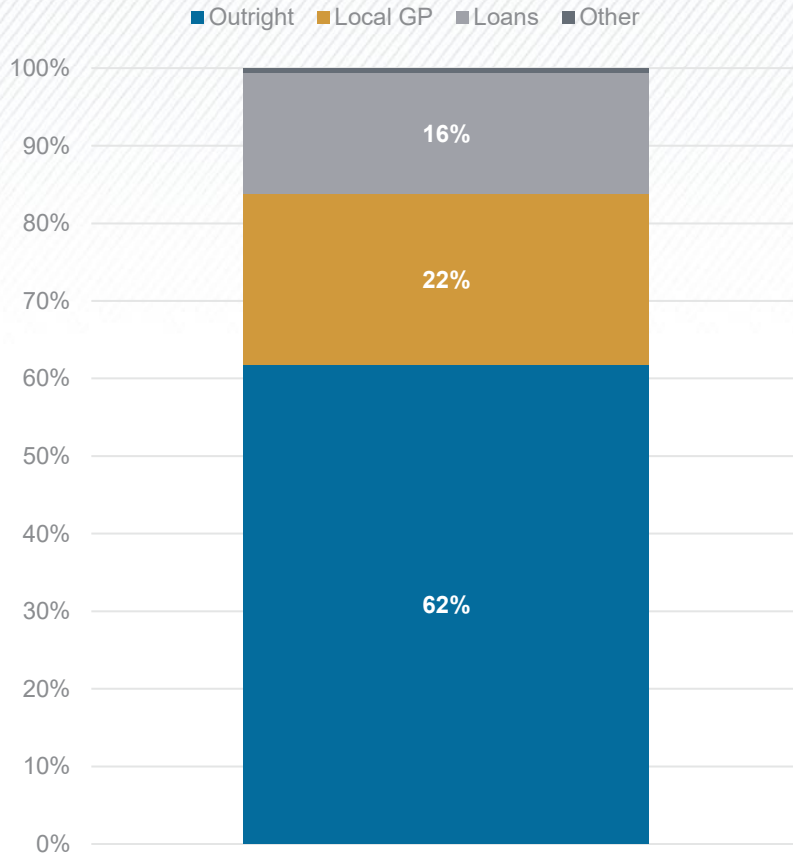


Source: Federal Reserve Bank of New York; total invested capital = \$16,018,404,809

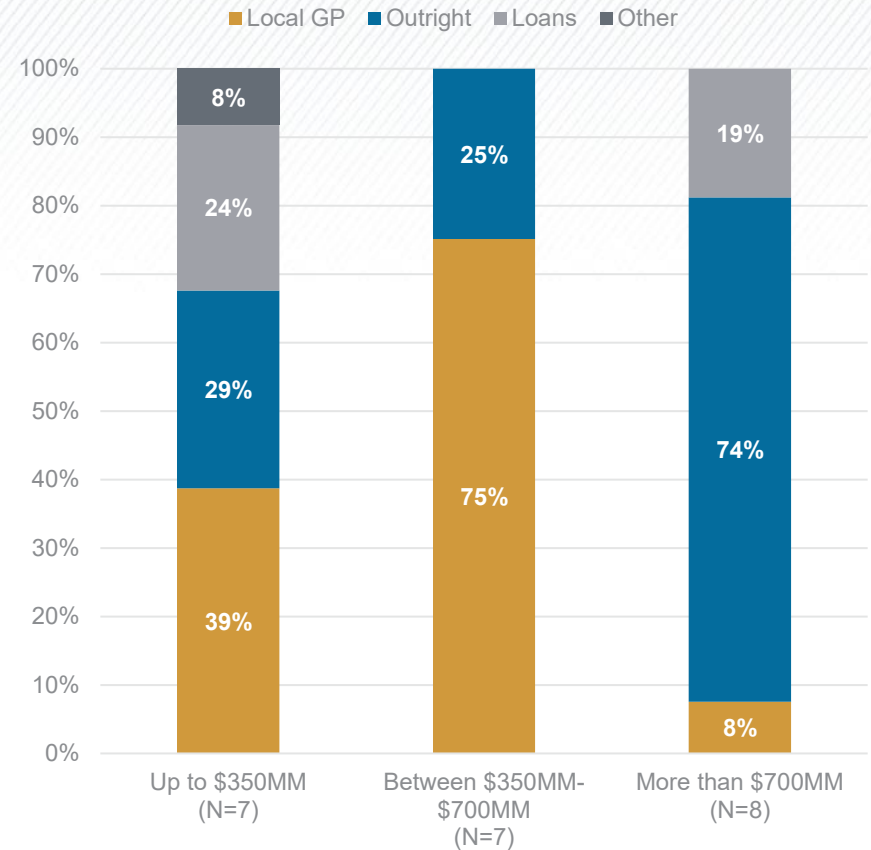
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2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

Weighted share of total commitments for each asset level



Weighted share of total commitments for each asset level categorized by size of capital raised

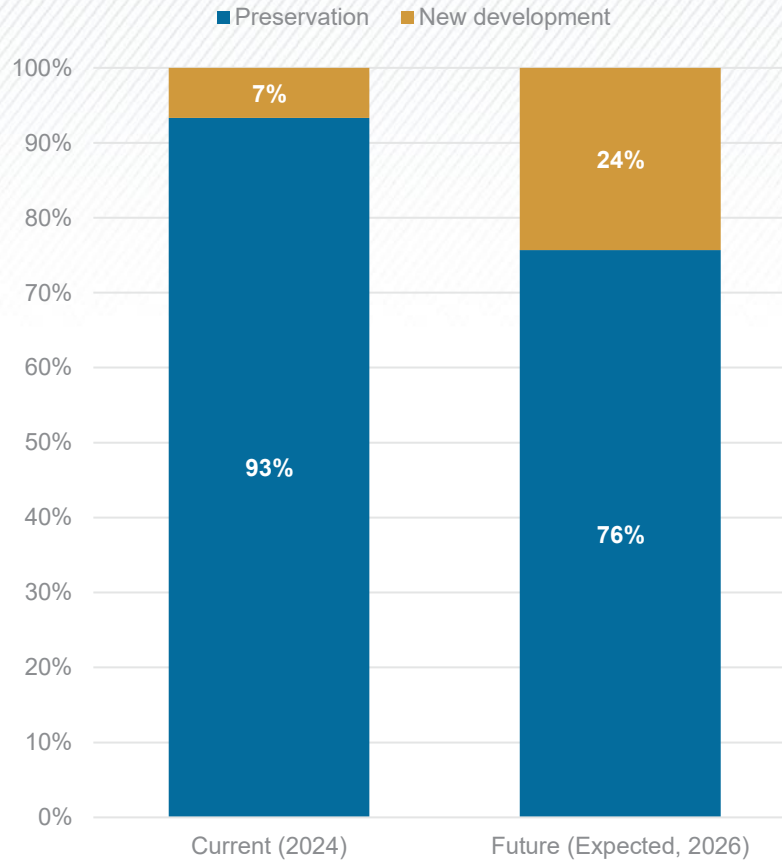


Source: Federal Reserve Bank of New York; N=22; total commitments included in this chart = \$18,436,155,227
 NOTE: Share of "Other" as an asset-level deployment strategy at the top of the chart is 1%. Figures may not add up to 100% due to rounding.

Source: Federal Reserve Bank of New York; total commitments (up to \$350MM) = \$1,206,600,000; total commitments (between \$350-700MM) = \$3,393,002,810; total commitments (more than \$700MM) = \$13,836,552,417

2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

Weighted share of current invested capital and total future commitments allocated to each investment strategy



Source: Federal Reserve Bank of New York; N (current) = 22; total invested capital included in this chart (current) = \$18,618,404,809; N (future) = 21; total commitments included in this chart (future) = \$10,450,000,000

ALTERNATIVE INVESTMENTS IN COMMUNITY DEVELOPMENT SERIES

FEDERAL RESERVE BANK *of* NEW YORK

COMMUNITY DEVELOPMENT

ALTERNATIVE INVESTMENTS IN COMMUNITY DEVELOPMENT: 2025 Case Study of Managers of Multifamily Affordable Housing Private Investment Vehicles

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June 2025



Key Takeaways

- Between November 2024 and March 2025, we surveyed twenty-two managers of multifamily affordable housing private investment vehicles. The respondents reported having raised \$18.4 billion in the five-year period between October 2019 and September 2024.
- Of the \$18.6 billion invested by respondents over the five-year period, they reported that \$16.8 billion had financed multifamily affordable housing units serving households earning below 80% of area median income.
- Banks were the source of 25% of the \$18.4 billion in total equity capital committed to survey respondents.
- Respondents expect to raise \$5.3 billion per year between October 2024 and September 2026, a 43% increase from the prior five years on an annualized basis.
- Respondents plan to allocate 24% of commitments expected between October 2024 and September 2026 to new development, a significant increase from the five-year period ending September 2024.