



## Multifamily Construction Update (April 2020)

---

Construction-related issues begin to take hold as COVID-19 tears through the nation. Construction delays from the stay at home orders (affecting permits) and global supply-chain constraints led to the lowest 1Q20 deliveries in nearly a decade in New York City and a steep decline in nationwide multifamily starts.

Below are key takeaways from the following reports:

Multifamily Industry Reports Construction Delays Due to COVID-19 – *Multifamily Executive* – [Link](#)

Multifamily and Single-Family Starts Take a Dive in March – *RealPage* – [Link](#)

New York Deliveries Hit a Ten-Year Low – *RealPage* – [Link](#)

### **Multifamily Industry Reports Construction Delays Due to COVID-19**

#### *Multifamily Executive*

- More than half (55%) of the NMHC Construction Survey respondents reported experiencing construction delays
  - 76% related to permitting
  - 59% in delayed starts
  - 62% due to local/state moratoriums
  - 41% reporting labor constraints
  - 24% reporting a lack of materials
- 73% of respondents implementing new strategies, including sourcing from different locations, staggering work shifts and using technology to reduce in-person interactions

## **Multifamily and Single-Family Starts Take a Dive in March**

### *RealPage*

- Multifamily and single-family housing starts took a steep dive in March, as the COVID-19 pandemic deflated the U.S. economy
  - Multifamily starts fell to 347,000 units in March, a decline of 32% from February and down 3.9% Y/Y
- Multifamily permits continued to tick upwards, likely due to permits filed earlier in the month (pre-COVID)
  - Some areas didn't issue Stay-at-Home orders until late March. Based on March data, all of last month's top 10 multifamily permitting metros remained the same (in order):
    - New York
    - Houston
    - Dallas
    - Austin
    - Seattle
    - Los Angeles
    - Washington
    - Phoenix
    - Minneapolis
    - Chicago

## **New York Deliveries Hit Ten-Year Low**

### *RealPage*

- 1Q20 deliveries lowest in nearly a decade, with just 1,216 units completed
  - Follows decreasing Q/Q completion volumes since 3Q18
- Deliveries anticipated at even more restrained levels, as Governor Andrew Cuomo ordered the shutdown of all non-essential construction activity in March
  - Only allowed construction necessary for health and safety of New Yorkers