



## Multifamily Construction Update (August 2020)

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COVID-19 continues to cause delays across the multifamily construction industry. Still, as the economy opens up, signs of life are appearing across new proposals, permits, and starts. Completions continue to trend downwards, in-line with the expected lower 2020 completions.

Below are key takeaways from the following reports:

COVID-19 Takes Toll on Apartment Construction – *Multifamily Executive* – [Link](#)

Multifamily Housing Construction Rebounds in July – *YieldPro* – [Link](#)

Apartment Construction in 2020 at 5-Year Low Nationally, Down 12% From Previous Year – *RentCafe* – [Link](#)

### COVID-19 Takes Toll on Apartment Construction

#### *Multifamily Executive*

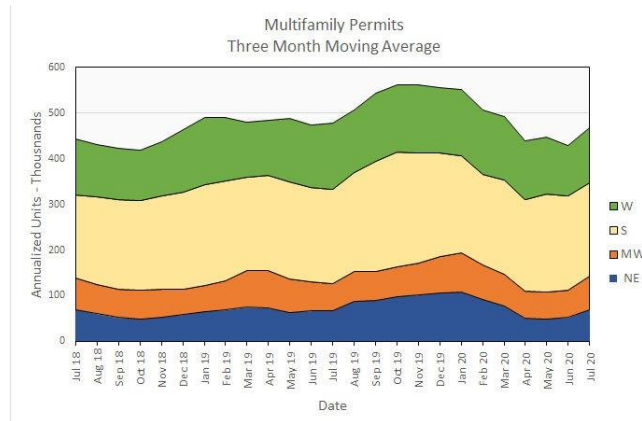
- RentCafe report predicts 12% decrease in apartment construction for 2020
  - Yardi Matrix is predicting 283,114 new apartments to be completed in 2020, which is the lowest level in five years and down from the peak of 345,000 units in 2018
    - The downtrend is mainly due to the slower pace of construction, as a result of a shortage of available construction crews, funding and permits, along with some temporary bans on construction projects in certain states
    - With projects dragging and some new projects hitting pause, many U.S. metros are likely to see fewer new apartments in the coming years
  - New housing still moving forward in some parts of the country
    - Dallas-Fort Worth metro expected to complete 19,300 units by the end of the year—the most in the nation
    - New York’s metro area, which covers Manhattan, Brooklyn, Queens and the surrounding suburbs, is second with a projected 15,952 new apartments, followed by Houston with 10,404 apartments and Atlanta with 10,202 apartments
    - At the bottom is Miami, expected to see a 53% drop with only 5,840 new apartments. Denver is close behind with an anticipated 51% drop, with 5,695 new apartments.

## Multifamily Housing Construction Rebounds in July

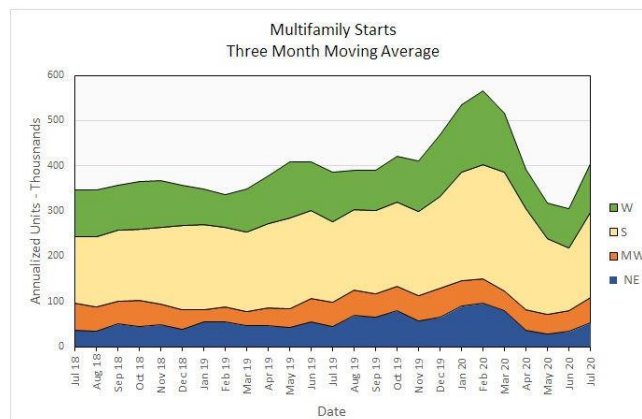
### YieldPro

- The Census Bureau released its monthly new residential construction report for July 2020. It shows a strong rebound in multifamily housing construction.

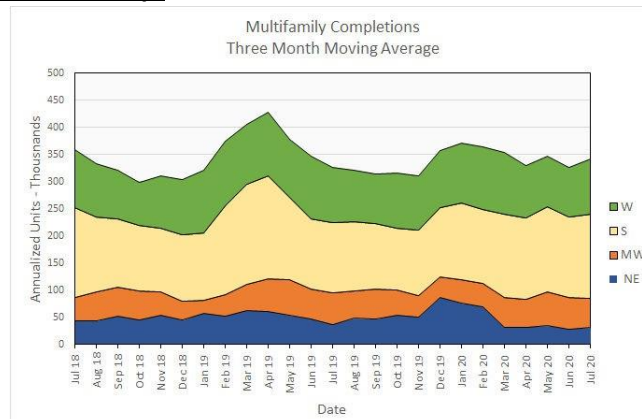
- Permits Up:**



- Multifamily Housing Construction Starts Surge:**



- Completions Also Up:**



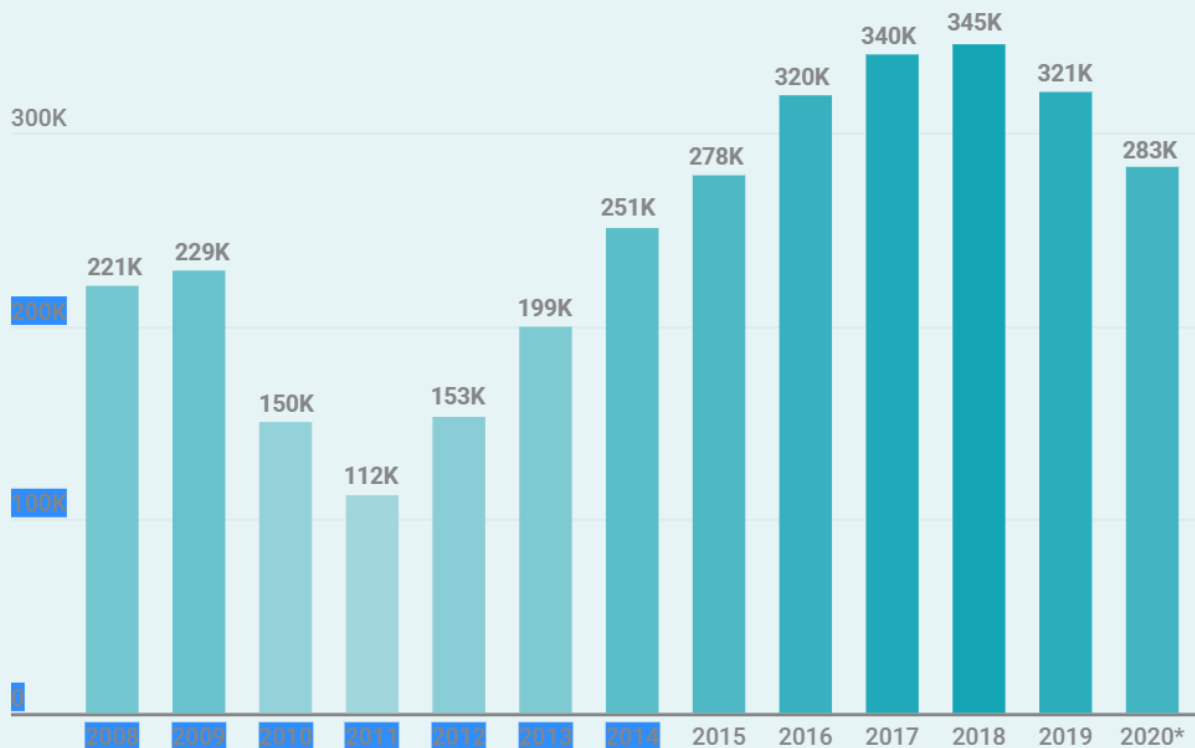
## Apartment Construction in 2020 at 5-Year Low Nationally, Down 12% From Previous Year

### *RentCafe*

- Apartment construction is down by 12% compared to 2019, with around 283,000 new units expected to hit the market this year, considerably fewer than the 2018 peak
- The Dallas-Fort Worth metroplex tops the charts for the third consecutive year, with more than 19,000 new apartments anticipated in 2020
- San Jose metro is expected to double the number of projected units added last year, while Miami sees the biggest drop in new apartments year-over-year



### U.S. New Apartment Deliveries by Year



\*2020 data is an estimate and is subject to change  
Source: Yardi Matrix

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