



Multifamily Construction Update (December 2019)

Lower 2020 expected deliveries may finally catch up with construction labor shortages, easing the cost burden on developers. There are also high-impact construction projects under development that total nearly \$18 billion across just 6 projects. The outlier in the last decade for large project deliveries was small markets: driven by sustainable economic drivers, we note eight 500-750-unit projects that stabilized in markets so small, most third-party vendors do not even provide multifamily data.

Below are key takeaways from the following reports:

Construction Labor Shortages in the Multifamily Sector May Start to Ease Next Year – *National Real Estate Investor* – [Report Link](#)

Small Markets Nabbed Some Large Apartment Properties This Cycle – *RealPage* – [Report Link](#)

Construction Labor Shortages in the Multifamily Sector May Start to Ease Next Year

National Real Estate Investor

- For years, apartment developers have fought to find enough workers. But there might be hope, as 2020 deliveries flatten, the number of construction workers may begin to catch up to the number of jobs, as the number of construction workers continue to creep upwards.
- There were 3 million people employed in residential construction in September 2019, up 2.2% from the same period the year before. Construction employment is still 15 percent lower than the peak level of roughly 3.5 million of residential construction employees in April 2006, according to AGCA's reading of data from the Bureau of Labor Statistics.
- This year, "may mark the year for which the job openings rate for construction levels off, albeit at elevated levels," says Robert Dietz, chief economist for the National Association of Home Builders.

Small Markets Nabbed Some Large Apartment Properties This Cycle

RealPage

- With a 10-year average of just over 200 units, a few smaller markets received large developments in the recent cycle. The key driver: stable economic drivers that help to reduce market volatility.
- Notable developments include:
 - Oklahoma City, Ok – Lincoln at Central Park and Fountain Lake – 706/530 units, respectively
 - Auburn, AL - Greens at Auburn – 600 units
 - Little Rock, AR - The Lakes at Hurricane Creek - 444 units
 - Fayetteville, AR - Walton Crossing - 600-units

- El Paso, TX – Van Horne Estates - 612 units
- New Orleans, LA – Columbia Parc at the Bayou District – 563 units
- Omaha, NE – Creighton Redevelopment – 732 units