



Multifamily Construction Update (February 2021)

The construction sector continues to show signs of recovery, with supply and demand imbalances driving new theses. While actual construction starts continue to show a significant year-over-year decrease, starts themselves are up month-over-month, and permits are at an all-time high – signifying the industry’s desire to fill the supply gap created by the pandemic as the year continues and 2022 comes into sight.

Below are key takeaways from the following reports:

Multifamily Construction Plunges – *YieldPro* – [Link](#)

Multifamily Housing Permits Surge in January – *YieldPro* – [Link](#)

Multifamily Construction Plunges

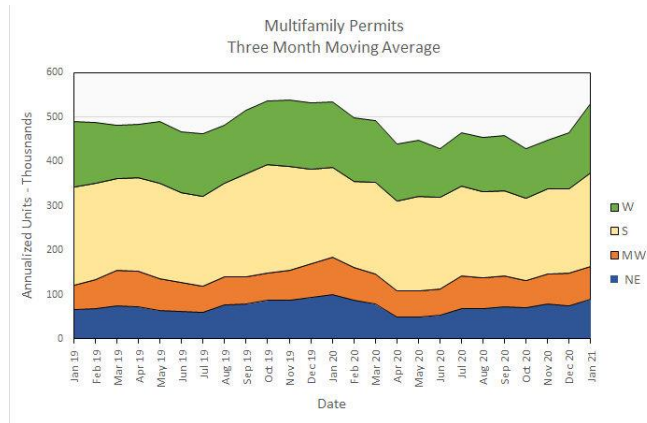
YieldPro

- Dodge Data & Analytics (DD&A) says only three of the top 20 metropolitan areas posted gains for the year as the COVID pandemic weighed down construction starts
 - DD&A indicates the value of commercial and multifamily construction starts in the top 20 metropolitan areas of the U.S. declined 23 percent in 2020, falling to \$111.1 billion
 - The New York metropolitan area continued to be the largest market for starts at \$23.5 billion despite suffering a stark 25 percent decline from 2019. Houston suffered the biggest dip, sliding a staggering 47 percent to \$4.5 billion. Phoenix, Ariz., posted a 32 percent gain, climbing to \$5.3 billion.
 - Only Denver, Colo. (+17 percent to \$3.3 billion) and Kansas City, Mo. (+20 percent to \$2.5 billion) posted increases for the year

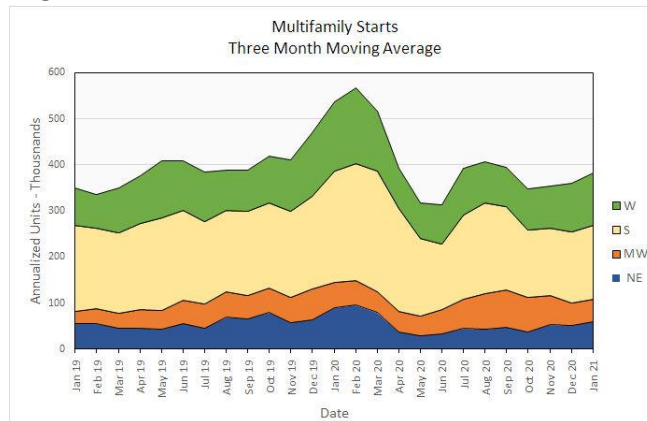
Multifamily Housing Permits Surge in January

YieldPro

- The Census Bureau released its monthly new residential construction report for January 2021. It shows a rise in permits and starts of multifamily housing units but a drop in unit completions.
 - **Multifamily Housing Construction Permits Rise Sharply:**



- **Multifamily Housing Construction Starts Rise:**



- **Multifamily Housing Completions Down:**

