



## Multifamily Construction Update (July 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 Continues to Create Delays for Multifamily Developers – *Multifamily Executive* – [Link](#)  
Multifamily Construction Proposal Activity Sees Modest Rebound in Q2 2020 – *Building Design + Construction* – [Link](#)

Multifamily Housing Construction Recovering – *YieldPro* – [Link](#)

### **COVID-19 Continues to Create Delays for Multifamily Construction**

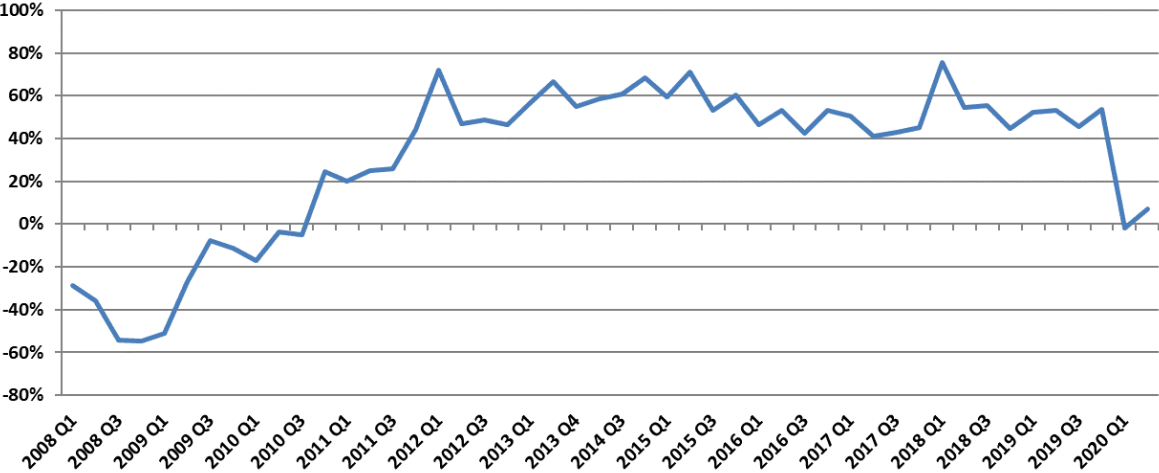
#### *Multifamily Executive*

- Multifamily developers continue to face delays in permitting and starts
- More than half, or **57%, of developer respondents reported construction delays**. Of those reporting delays, **83% cited permitting due to COVID-19**, which remained close to the third-round survey's 85%, but up from 77% and 76% in the first two surveys.
  - Key findings:
    - The majority of respondents have paused at least one construction project since mid-March
    - 36% of respondents are being impacted by a lack of materials; the highest recorded since NMHC began its construction survey in late March
    - The share of respondents that said they are facing labor constraints rose 14 percentage points from 25% to 39%
    - 52% indicated they have implemented new strategies to deal with the pandemic's continued presence. This is down from 59% of respondents in the third round.

# Multifamily Construction Proposal Activity Sees Modest Rebound in Q2 2020

## Building Design + Construction

- After a first quarter that saw the multifamily market suffer its lowest level of proposal activity in nearly a decade, PSMJ’s quarterly survey reported a +7% net plus/minus index (NPMI), up from the -2% recorded in the first three months of the year
- As unimpressive as the second quarter NPMI is, the upturn is significant. PSMJ’s NPMI expresses the difference between the percentage of firms reporting an increase in proposal activity and those reporting a decrease. The QMF has proven to be a solid predictor of market health for the AEC industry since its inception in 2003.
  - A consistent group of over 300 firm leaders participate regularly, with 171 contributing to the most recent survey

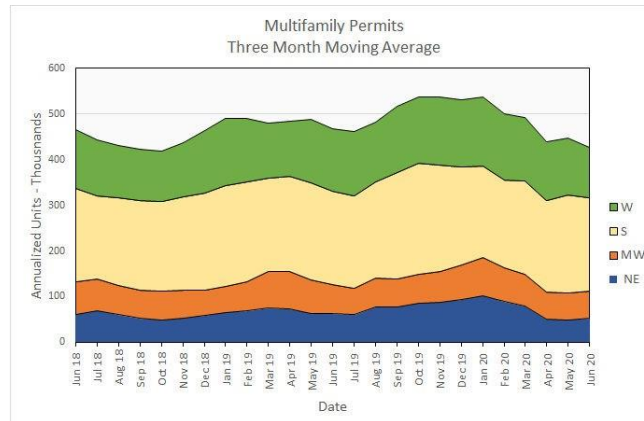


# Multifamily Housing Construction Recovering

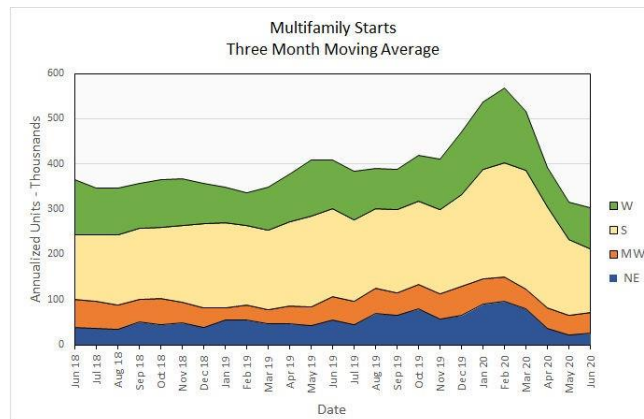
YieldPro

- The Census Bureau released its monthly new residential construction report for June 2020. It shows signs of life in multifamily housing construction.

- **Permits Decline:**



- **Multifamily Housing Construction Starts Recovering:**



- **Completions Fall, Sort Of:**

