



Multifamily Construction Update (January 2021)

Major metro data has come in for 2020, and construction activity was down (sometimes significantly) across the majority of the top 10 metros (Phoenix excluded). Forward-looking permits ticked up a bit, as construction appetite comes back and investors look ahead. However, the starts continue to be down, with completions making a strong turn downward. Those items reflect the long-term impacts of the March 2020 shutdown.

Below are key takeaways from the following reports:

Pandemic Has Negative Impact on Commercial and Multifamily Construction – *Multifamily Executive* – [Link](#)

Another Mixed Report on Multifamily Housing Construction in December – *YieldPro* – [Link](#)

Pandemic Has Negative Impact on Commercial and Multifamily Construction

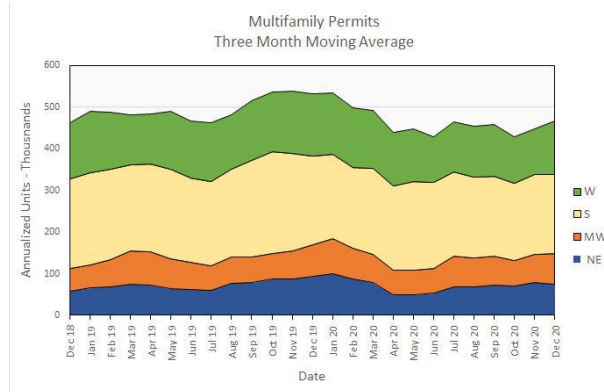
Multifamily Executive

- The COVID-19 pandemic hindered commercial and multifamily construction activity in 2020, according to Dodge Data & Analytics' recent year-end report. The value of commercial and multifamily construction starts for the top 20 metros lost 23% last year, falling to \$111.1 billion.
 - Nationally, commercial and multifamily starts dropped 20% year over year to \$193.4 billion. Breaking it down, multifamily building starts fell 11% to \$89.5 billion, and commercial building starts dropped 26% to \$104 billion.
 - “The pandemic is having a significant negative impact on commercial and multifamily construction across the country,” ... He added that while the construction sector will show signs of recovery this year, the full road back will be “long and difficult”
 - Some key multifamily stats from Dodge Data & Analytics for the top 10 metros include:
 - New York: a significant 27% decrease in 2020
 - Washington, D.C.: a 2% increase last year
 - Los Angeles: starts fell 2% last year
 - Dallas: starts fell 15% in 2020
 - Chicago: a significant decline, falling 54%
 - Boston: starts dropped 21% last year
 - Phoenix: This market has been a multifamily darling, seeing a 52% increase in multifamily building starts in 2020
 - Miami: starts fell 31% in 2020
 - Austin: starts increased 4% last year
 - Houston: starts decreased 48% in 2020

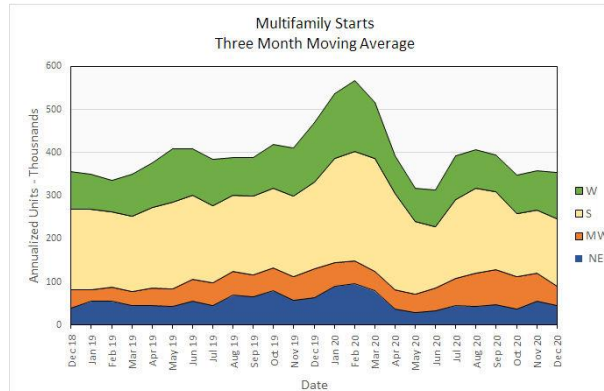
Another Mixed Report on Multifamily Housing Construction in December

YieldPro

- The Census Bureau released its new residential construction report for December 2020. It is the inverse of last month's report with a drop this month in multifamily housing construction permits and starts but a sharp rise in the number of completions of multifamily housing units.
 - **Multifamily Housing Construction Permits Off Slightly:**



- **Multifamily Housing Construction Starts Fall:**



- **Multifamily Housing Completions Rebound:**

