

**FOR IMMEDIATE RELEASE**

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### **Multifamily Developer Confidence Declines Significantly in the Third Quarter**

**WASHINGTON, Nov. 17** - The prospects for continued high levels of multifamily development declined significantly in the third quarter, as did the prospects for continued high occupancy rates, according to results from the Multifamily Market Survey (MMS) released today by the National Association of Home Builders (NAHB). The MMS produces two separate indices. The Multifamily Production Index (MPI) decreased 10 points to 32 compared to the previous quarter while the Multifamily Occupancy Index (MOI) fell 15 points to 45.

The MPI measures builder and developer sentiment about current production conditions in the apartment and condo market on a scale of 0 to 100. The index and all of its components are scaled so that a number below 50 indicates that more respondents report conditions are getting worse than report conditions are improving. Even though both indices are now below the break-even point of 50, both multifamily construction levels and occupancy rates remain quite high compared to historic norms.

The MPI is a weighted average of three key elements of the multifamily housing market: construction of low-rent units—apartments that are supported by low-income tax credits or other government subsidy programs; market-rate rental units—apartments that are built to be rented at the price the market will hold; and for-sale units—condominiums. All three components saw decreases compared to the second quarter: The component measuring low-rent units fell nine points to 36, the component measuring market rate apartments dropped 13 points to 39 and the component measuring for-sale units declined 10 points to 23.

The MOI measures the multifamily housing industry's perception of occupancies in existing apartments. It is a weighted average of current occupancy indexes for class A, B, and C multifamily units, and can vary from 0 to 100, with a break-even point at 50, where lower numbers indicate decreased occupancy. The MOI fell 15 points to 45, the lowest level since the first quarter of 2010, with the exception of the onset of the pandemic in the spring of 2020.

“Although demand for multifamily housing remains strong in many parts of the country, some multifamily developers are starting to see signs of a slowdown,” said Sean Kelly, executive vice president of LNWA in Wilmington, Del., and chairman of NAHB’s Multifamily Council. “The ongoing problems of scarcity and high cost of land and materials is making it difficult to go forward with certain projects, particularly affordable housing projects.”

“Multifamily developers are becoming cautious, as supply constraints have caused a large backlog of projects started but not yet completed to accumulate in the pipeline,” said NAHB Chief Economist Robert Diez. “An emerging additional constraint is financing for new multifamily development, which 79% of developers say is somewhat or significantly less available than it was a year ago. NAHB is now projecting a significant decline in multifamily starts in 2023.”

For data tables on the MPI and MOI, visit <http://www.nahb.org/mms>.

For more information on the NAHB Multifamily program, please visit NAHB Multifamily:  
<https://www.nahb.org/NAHB-Community/Community-Home/Multifamily>.

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ABOUT NAHB: The National Association of Home Builders is a Washington-based trade association representing more than 140,000 members involved in home building, remodeling, multifamily construction, property management, subcontracting, design, housing finance, building product manufacturing and other aspects of residential and light commercial construction. NAHB is affiliated with 700 state and local home builders associations around the country. NAHB's builder members will construct about 80% of the new housing units projected for this year.



# Multifamily Market Survey

Third Quarter 2022

Economics & Housing Policy Group

**Introduction:**

The National Association of Home Builders (NAHB) conducts a quarterly survey of its multifamily builder members that is used to generate the NAHB Multifamily Production Index (MPI) and the Multifamily Occupancy Index (MOI). The second quarter 2022 Multifamily Market Survey was sent to 1,374 multifamily developers. Responses were received from 63 of them.

To generate data for the MPI, the survey asks multifamily builders to rate the production of new apartments for three key market segments (low-rent, market rent, and for-sale) as “stronger”, “about the same”, or “weaker”, compared to the previous quarter. A component index is calculated from the percentage responses for each market segment using the formula  $(\text{Stronger} - \text{Weaker} + 100) / 2$ . Each component index and lies on a scale ranging from 0 to 100 with readings above 50 indicating that more respondents report conditions are improving than report conditions are getting worse. The overall MPI is a weighted average of the 3 components  $(.3533 \times \text{Low Rent} + .2806 \times \text{Market Rent} + .3661 \times \text{For Sale})$ .

To generate data for the MOI, the survey asks multifamily builders to rate the occupancy of multifamily units as “higher”, “about the same”, or “lower” for three classes of apartments (class A, class B, and class C apartments), compared to the previous quarter. A component index is calculated from the percentage responses for each apartment class using the formula  $(\text{Higher} - \text{Lower} + 100) / 2$ . Again, each component index lies on a scale ranging from 0 to 100 with a break-even point at 50, where higher numbers indicate increased occupancy. The overall MOI is a weighted average of the three components:  $.3632 \times \text{Class A} + .4630 \times \text{Class B} + .1738 \times \text{Class C}$ .

To create a relevant measure for comparison, NAHB converts the Census 5+ Vacancy Rate to a 5+ Occupancy Rate (100 percent minus the Vacancy Rate).

Historically, the MPI has served as an effective leading indicator of multifamily starts (as estimated by the Census Bureau with partial funding from HUD), while the MOI functions as a leading indicator of the Census 5+ Occupancy Rate.



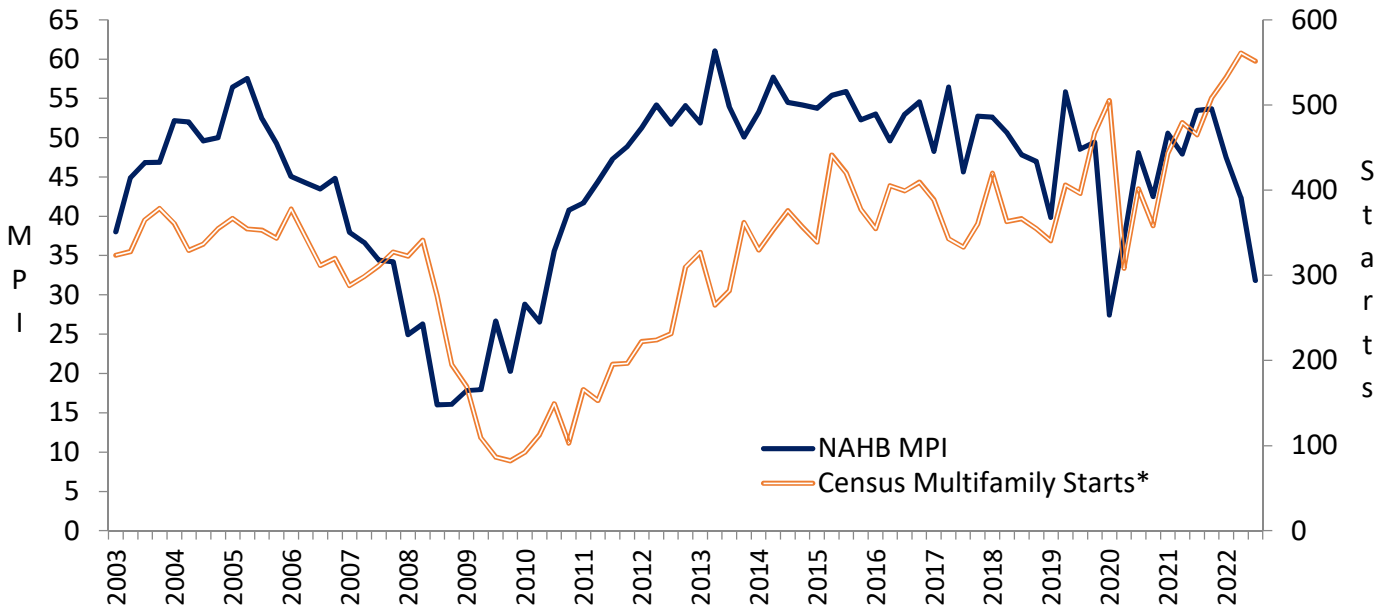
## Multifamily Production Index - Q3 2022 (Seasonally Adjusted)

### PRODUCTION OF NEW APARTMENTS IN CURRENT VS. PRIOR QUARTER

			2020				2021				Q3		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Multifamily Production Index</b>	<b>49</b>	<b>49</b>	<b>27</b>	<b>37</b>	<b>48</b>	<b>43</b>	<b>51</b>	<b>48</b>	<b>53</b>	<b>54</b>	<b>48</b>	<b>42</b>	<b>32</b>
<b>MPI Components:</b>													
Low Rent Starts	51	53	32	42	46	42	46	49	55	48	49	45	36
Market Rent Starts	44	50	29	34	53	48	54	51	60	61	49	52	39
For Sale Starts	50	46	22	35	46	39	52	45	47	53	44	33	23

MPI components are based on questions asking if production is stronger, about the same, or weaker in the current vs. prior quarter. Numbers in the table are diffusion-type indices - calculated from the percentage responses using the formula  $(\text{Stronger} - \text{Weaker} + 100) / 2$ . The overall Multifamily Production Index is a weighted average of the 3 components:  $.3533 \times \text{Low Rent} + .2806 \times \text{Market Rent} + .3661 \times \text{For Sale}$ . The weights are derived from a statistical analysis of the relationship between the components and the Census series on multifamily starts. Source: Multifamily Market Survey, NAHB Economics and Housing Policy Group.

**NAHB Multifamily Production Index (MPI) and Multifamily Starts (in thousands)**



\*Multifamily Starts: U.S. Census Bureau, New Residential Construction (<http://www.census.gov/construction/nrc/index.html>). The quarterly Multifamily Starts is the average of the three months of seasonally adjusted multifamily housing starts from that quarter.



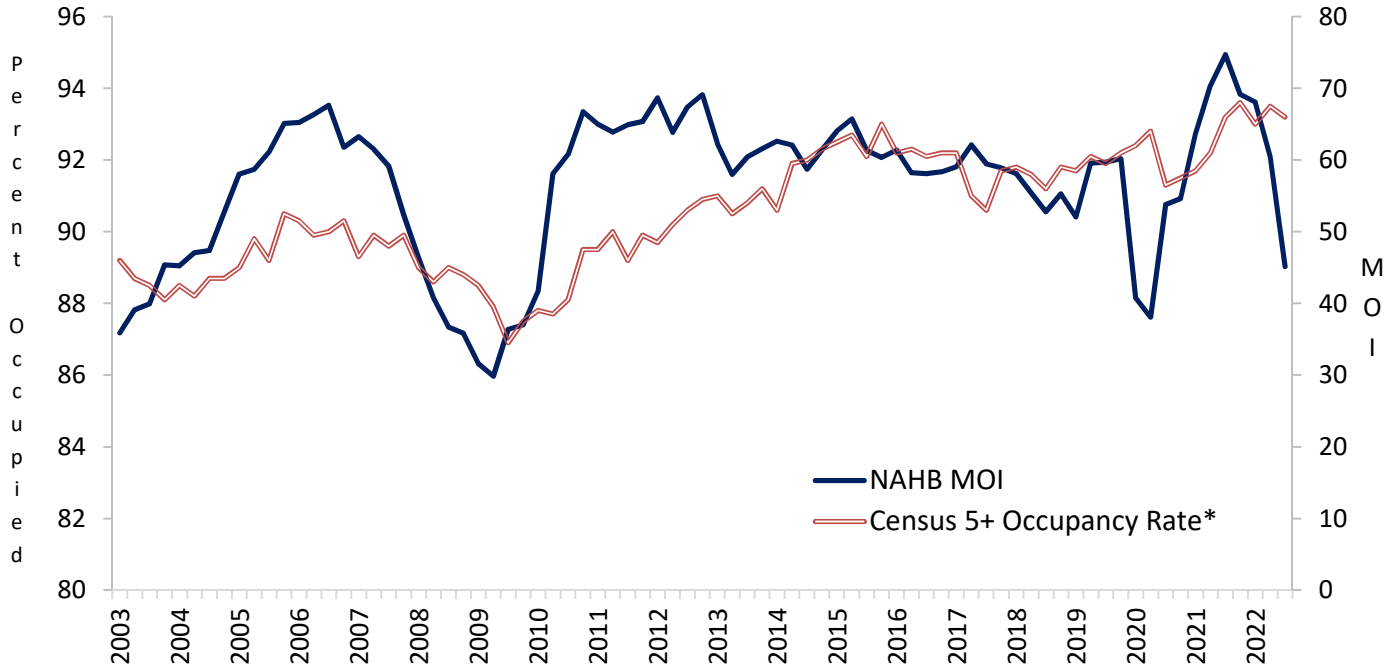
## Multifamily Occupancy Index - Q3 2022 (Seasonally Adjusted)

### RENTAL OCCUPANCY IN CURRENT VS. PRIOR QUARTER

			2020				2021				2022		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Multifamily Occupancy Index</b>	<b>60</b>	<b>60</b>	<b>41</b>	<b>38</b>	<b>54</b>	<b>55</b>	<b>64</b>	<b>70</b>	<b>75</b>	<b>69</b>	<b>68</b>	<b>60</b>	<b>45</b>
<b>MOI Components:</b>													
Class A apartments	55	50	40	31	48	54	59	69	77	72	68	59	43
Class B apartments	63	68	41	42	58	55	68	71	75	67	69	61	45
Class C apartments	62	62	41	42	54	54	61	73	70	69	65	60	49

MOI components are based on questions asking if occupancy is higher, about the same, or lower in the current vs. prior quarter. Individual occupancy indices are calculated from percentage responses using the formula  $(\text{Higher Occupancy} - \text{Lower Occupancy} + 100) / 2$ . The overall Multifamily Occupancy Index is a weighted average of the three components:  $.3632 \times \text{Class A} + .4630 \times \text{Class B} + .1738 \times \text{Class C}$ . The weights are derived from a statistical analysis of the historical relationship between the components and Census rental vacancy rates. Source: Multifamily Market Survey, NAHB Economics and Housing Policy Group.

### NAHB Multifamily Occupancy Index (MOI) and Census 5+ Occupancy Rate



\*Source: NAHB calculations and the U.S. Census Bureau's Housing Vacancy Survey (<http://www.census.gov/hhes/www/housing/hvs/hvs.html>)  
The 5+ Census Occupancy Rate is the percentage of occupied 5+ rental units (100 - Census Bureau's 5+ Rental Vacancy Rate, which consists of rental units occupied plus the number of rental units rented but not yet occupied).

**TABLE 1**  
**Multifamily Production Index and its Components: History and Detail (Production in Current vs. Prior Quarter)**

Period	For Rent - Low Rent					For Rent - Market Rent					For Sale					Multifamily Production Index	Census Multifamily Starts
	Stronger	Same	Weaker	NSA Index	SA Index	Stronger	Same	Weaker	NSA Index	SA Index	Stronger	Same	Weaker	NSA Index	SA Index		
1st Qtr. 2003	10	60	29	41	<b>38</b>	10	43	48	31	<b>29</b>	18	58	24	47	<b>44</b>	<b>38</b>	<b>324</b>
2nd Qtr. 2003	14	58	28	43	<b>42</b>	13	51	37	38	<b>38</b>	26	55	19	53	<b>53</b>	<b>45</b>	<b>328</b>
3rd Qtr. 2003	7	64	29	39	<b>42</b>	13	54	33	40	<b>40</b>	29	49	22	53	<b>57</b>	<b>47</b>	<b>365</b>
4th Qtr. 2003	14	59	28	43	<b>43</b>	12	46	43	35	<b>35</b>	28	62	9	60	<b>60</b>	<b>47</b>	<b>378</b>
1st Qtr. 2004	15	69	16	49	<b>47</b>	22	51	26	48	<b>48</b>	40	48	12	64	<b>60</b>	<b>52</b>	<b>361</b>
2nd Qtr. 2004	21	58	21	50	<b>49</b>	22	51	27	47	<b>47</b>	29	60	11	59	<b>58</b>	<b>52</b>	<b>329</b>
3rd Qtr. 2004	15	51	34	40	<b>43</b>	15	53	31	42	<b>42</b>	34	46	20	57	<b>62</b>	<b>50</b>	<b>337</b>
4th Qtr. 2004	18	51	31	44	<b>44</b>	22	54	24	49	<b>49</b>	29	57	14	57	<b>57</b>	<b>50</b>	<b>355</b>
1st Qtr. 2005	19	66	15	52	<b>49</b>	27	61	12	57	<b>57</b>	45	44	11	67	<b>63</b>	<b>56</b>	<b>367</b>
2nd Qtr. 2005	19	64	17	51	<b>51</b>	36	51	13	61	<b>61</b>	33	58	10	61	<b>61</b>	<b>58</b>	<b>354</b>
3rd Qtr. 2005	10	76	14	48	<b>51</b>	21	54	25	48	<b>48</b>	26	53	21	52	<b>57</b>	<b>52</b>	<b>353</b>
4th Qtr. 2005	21	64	16	53	<b>53</b>	23	50	27	48	<b>48</b>	20	55	25	47	<b>46</b>	<b>49</b>	<b>343</b>
1st Qtr. 2006	26	53	21	52	<b>49</b>	26	57	17	55	<b>55</b>	15	43	41	37	<b>34</b>	<b>45</b>	<b>378</b>
2nd Qtr. 2006	24	50	26	49	<b>49</b>	29	51	20	54	<b>54</b>	14	36	50	32	<b>32</b>	<b>44</b>	<b>344</b>
3rd Qtr. 2006	24	59	17	54	<b>57</b>	33	44	23	55	<b>55</b>	8	23	69	20	<b>22</b>	<b>44</b>	<b>312</b>
4th Qtr. 2006	24	49	27	49	<b>49</b>	37	46	17	60	<b>60</b>	13	33	54	30	<b>29</b>	<b>45</b>	<b>320</b>
1st Qtr. 2007	17	59	24	47	<b>43</b>	28	52	21	53	<b>53</b>	10	26	64	23	<b>21</b>	<b>38</b>	<b>288</b>
2nd Qtr. 2007	9	69	23	43	<b>43</b>	26	54	20	53	<b>53</b>	8	21	72	18	<b>18</b>	<b>37</b>	<b>298</b>
3rd Qtr. 2007	16	56	28	44	<b>47</b>	11	66	23	44	<b>44</b>	0	27	73	14	<b>15</b>	<b>34</b>	<b>311</b>
4th Qtr. 2007	23	44	33	45	<b>46</b>	20	40	40	40	<b>40</b>	8	21	71	19	<b>19</b>	<b>34</b>	<b>327</b>
1st Qtr. 2008	10	43	47	32	<b>29</b>	13	44	44	34	<b>34</b>	4	22	74	15	<b>13</b>	<b>25</b>	<b>322</b>
2nd Qtr. 2008	13	39	47	33	<b>33</b>	14	48	38	38	<b>38</b>	0	20	80	10	<b>10</b>	<b>26</b>	<b>341</b>
3rd Qtr. 2008	5	35	60	22	<b>23</b>	3	25	72	16	<b>16</b>	1	13	85	8	<b>9</b>	<b>16</b>	<b>276</b>
4th Qtr. 2008	4	37	59	22	<b>23</b>	6	25	69	19	<b>19</b>	4	8	88	8	<b>8</b>	<b>16</b>	<b>195</b>
1st Qtr. 2009	7	39	54	26	<b>24</b>	3	26	70	16	<b>16</b>	3	23	74	15	<b>13</b>	<b>18</b>	<b>169</b>
2nd Qtr. 2009	9	24	67	21	<b>22</b>	7	20	73	17	<b>17</b>	2	26	72	15	<b>15</b>	<b>18</b>	<b>109</b>
3rd Qtr. 2009	12	37	51	30	<b>32</b>	4	31	65	19	<b>19</b>	14	20	66	24	<b>27</b>	<b>27</b>	<b>86</b>
4th Qtr. 2009	7	39	54	27	<b>27</b>	5	34	60	22	<b>22</b>	0	24	76	12	<b>12</b>	<b>20</b>	<b>82</b>
1st Qtr. 2010	14	49	37	38	<b>35</b>	8	46	47	31	<b>30</b>	6	38	56	25	<b>22</b>	<b>29</b>	<b>92</b>
2nd Qtr. 2010	10	51	39	36	<b>33</b>	11	47	42	35	<b>34</b>	2	30	68	17	<b>14</b>	<b>27</b>	<b>113</b>
3rd Qtr. 2010	21	49	30	46	<b>46</b>	14	47	39	37	<b>39</b>	0	42	58	21	<b>23</b>	<b>36</b>	<b>149</b>
4th Qtr. 2010	16	65	19	49	<b>49</b>	21	60	19	51	<b>52</b>	5	40	55	25	<b>25</b>	<b>41</b>	<b>103</b>
1st Qtr. 2011	20	58	22	49	<b>46</b>	40	43	17	61	<b>60</b>	5	44	51	27	<b>23</b>	<b>42</b>	<b>166</b>
2nd Qtr. 2011	15	64	20	48	<b>52</b>	36	46	18	59	<b>57</b>	5	43	52	26	<b>28</b>	<b>44</b>	<b>153</b>
3rd Qtr. 2011	22	56	21	51	<b>50</b>	37	48	15	61	<b>64</b>	5	49	46	30	<b>32</b>	<b>47</b>	<b>195</b>
4th Qtr. 2011	25	61	14	55	<b>56</b>	36	53	11	63	<b>64</b>	4	53	43	31	<b>31</b>	<b>49</b>	<b>196</b>
1st Qtr. 2012	21	62	17	52	<b>53</b>	45	44	11	67	<b>69</b>	8	57	35	37	<b>37</b>	<b>51</b>	<b>222</b>
2nd Qtr. 2012	21	68	11	55	<b>61</b>	46	36	18	64	<b>63</b>	9	55	36	36	<b>41</b>	<b>54</b>	<b>224</b>
3rd Qtr. 2012	14	65	21	47	<b>46</b>	44	44	13	66	<b>69</b>	15	57	28	44	<b>44</b>	<b>52</b>	<b>231</b>
4th Qtr. 2012	20	67	13	54	<b>53</b>	38	52	10	64	<b>65</b>	15	63	22	46	<b>46</b>	<b>54</b>	<b>310</b>
1st Qtr. 2013	28	59	13	58	<b>55</b>	44	43	14	65	<b>61</b>	22	49	29	47	<b>42</b>	<b>52</b>	<b>327</b>
2nd Qtr. 2013	21	68	11	55	<b>60</b>	39	54	7	66	<b>67</b>	23	60	17	53	<b>58</b>	<b>61</b>	<b>265</b>
3rd Qtr. 2013	14	70	16	49	<b>50</b>	36	50	13	62	<b>64</b>	24	54	23	51	<b>50</b>	<b>54</b>	<b>282</b>
4th Qtr. 2013	15	66	19	48	<b>47</b>	31	56	13	59	<b>60</b>	14	66	20	47	<b>46</b>	<b>50</b>	<b>362</b>
1st Qtr. 2014	14	71	15	49	<b>48</b>	35	53	12	62	<b>59</b>	28	55	17	55	<b>54</b>	<b>53</b>	<b>330</b>
2nd Qtr. 2014	16	69	15	51	<b>52</b>	42	50	8	67	<b>68</b>	22	62	16	53	<b>56</b>	<b>58</b>	<b>353</b>
3rd Qtr. 2014	8	80	12	48	<b>51</b>	35	55	10	62	<b>64</b>	21	61	18	51	<b>50</b>	<b>54</b>	<b>376</b>
4th Qtr. 2014	21	64	15	53	<b>52</b>	31	60	9	61	<b>62</b>	19	61	20	49	<b>50</b>	<b>54</b>	<b>357</b>
1st Qtr. 2015	25	58	17	54	<b>54</b>	36	47	16	60	<b>59</b>	24	55	21	51	<b>50</b>	<b>54</b>	<b>339</b>
2nd Qtr. 2015	23	65	12	55	<b>54</b>	30	61	9	61	<b>60</b>	20	65	15	52	<b>53</b>	<b>55</b>	<b>441</b>
3rd Qtr. 2015	24	57	20	52	<b>55</b>	43	40	17	63	<b>64</b>	21	60	19	51	<b>50</b>	<b>56</b>	<b>420</b>
4th Qtr. 2015	19	62	18	51	<b>50</b>	30	56	15	57	<b>59</b>	19	56	25	47	<b>49</b>	<b>52</b>	<b>377</b>
1st Qtr. 2016	27	56	17	55	<b>54</b>	38	42	20	59	<b>58</b>	17	65	18	49	<b>48</b>	<b>53</b>	<b>355</b>
2nd Qtr. 2016	26	55	19	53	<b>52</b>	31	47	21	55	<b>53</b>	20	52	29	46	<b>45</b>	<b>50</b>	<b>405</b>
3rd Qtr. 2016	25	53	22	52	<b>54</b>	31	52	17	57	<b>57</b>	24	50	26	49	<b>49</b>	<b>53</b>	<b>399</b>
4th Qtr. 2016	24	60	16	54	<b>54</b>	29	53	17	56	<b>58</b>	17	65	17	50	<b>52</b>	<b>55</b>	<b>409</b>
1st Qtr. 2017	21	58	21	50	<b>48</b>	32	46	22	55	<b>55</b>	18	53	29	45	<b>43</b>	<b>48</b>	<b>389</b>
2nd Qtr. 2017	26	56	18	54	<b>53</b>	38	48	15	61	<b>60</b>	35	45	20	58	<b>57</b>	<b>56</b>	<b>343</b>
3rd Qtr. 2017	27	49	24	52	<b>54</b>	15	56	29	43	<b>43</b>	12	57	31	40	<b>40</b>	<b>46</b>	<b>333</b>
4th Qtr. 2017	23	66	11	56	<b>56</b>	31	46	24	53	<b>54</b>	20	54	26	47	<b>49</b>	<b>53</b>	<b>360</b>
1st Qtr. 2018	28	53	19	55	<b>54</b>	30	51	19	55	<b>56</b>	18	64	18	50	<b>49</b>	<b>53</b>	<b>420</b>
2nd Qtr. 2018	22	71	6	58	<b>57</b>	18	64	18	50	<b>50</b>	12	68	20	46	<b>46</b>	<b>51</b>	<b>363</b>
3rd Qtr. 2018	22	69	9	57	<b>59</b>	16	61	22	47	<b>46</b>	14	49	37	38	<b>39</b>	<b>48</b>	<b>366</b>
4th Qtr. 2018	16	66	18	49	<b>48</b>	15	67	18	48	<b>49</b>	15	57	28	44	<b>44</b>	<b>47</b>	<b>355</b>
1st Qtr. 2019	13	68	19	47	<b>47</b>	17	51	31	43	<b>42</b>	6	52	42	32	<b>31</b>	<b>40</b>	<b>340</b>
2nd Qtr. 2019	29	56	15	57	<b>56</b>	36	52	11	63	<b>64</b>	12	73	15	49	<b>50</b>	<b>56</b>	<b>406</b>
3rd Qtr. 2019	17	66	17	50	<b>51</b>	10	68	23	44	<b>44</b>	21	50	29	46	<b>50</b>	<b>49</b>	<b>396</b>
4th Qtr. 2019	22	63	16	53	<b>53</b>	19	63	19	50	<b>50</b>	15	64	21	47	<b>46</b>	<b>49</b>	<b>467</b>

**TABLE 1- Continued**  
**Multifamily Production Index and its Components: History and Detail (Production in Current vs. Prior Quarter)**

Period	For Rent - Low Rent					For Rent - Market Rent					For Sale					Multifamily Production Index	Census Multifamily Starts
	Stronger	Same	Weaker	NSA Index	SA Index	Stronger	Same	Weaker	NSA Index	SA Index	Stronger	Same	Weaker	NSA Index	SA Index		
1st Qtr. 2020	2	56	41	30	<b>32</b>	5	49	46	29	<b>29</b>	3	37	60	21	<b>22</b>	<b>27</b>	<b>505</b>
2nd Qtr. 2020	16	56	28	44	<b>42</b>	7	55	38	35	<b>34</b>	9	56	35	37	<b>35</b>	<b>37</b>	<b>308</b>
3rd Qtr. 2020	18	58	25	46	<b>46</b>	25	45	30	48	<b>53</b>	18	50	32	43	<b>46</b>	<b>48</b>	<b>401</b>
4th Qtr. 2020	16	50	34	41	<b>42</b>	24	50	26	49	<b>48</b>	18	48	33	43	<b>39</b>	<b>43</b>	<b>358</b>
1st Qtr. 2021	23	41	36	43	<b>46</b>	32	37	31	51	<b>54</b>	26	41	32	47	<b>52</b>	<b>51</b>	<b>443</b>
2nd Qtr. 2021	27	51	23	52	<b>49</b>	38	40	22	58	<b>51</b>	23	51	26	49	<b>45</b>	<b>48</b>	<b>479</b>
3rd Qtr. 2021	28	56	17	56	<b>55</b>	32	56	12	60	<b>60</b>	23	44	33	45	<b>47</b>	<b>53</b>	<b>465</b>
4th Qtr. 2021	19	58	24	47	<b>48</b>	38	51	11	63	<b>61</b>	25	57	18	54	<b>53</b>	<b>54</b>	<b>509</b>
1st Qtr. 2022	22	48	30	46	<b>49</b>	19	58	23	48	<b>49</b>	19	49	33	43	<b>44</b>	<b>48</b>	<b>533</b>
2nd Qtr. 2022	18	62	20	49	<b>45</b>	26	54	21	53	<b>52</b>	14	42	45	34	<b>33</b>	<b>42</b>	<b>561</b>
3rd Qtr. 2022	15	44	41	37	<b>36</b>	17	43	40	38	<b>39</b>	4	39	57	23	<b>23</b>	<b>32</b>	<b>551</b>

Each MPI component is based on a survey question asking if production conditions are stronger, about the same, or weaker in the current compared to the prior quarter.

An MPI component is then calculated from the percentage responses using the diffusion-index formula (Stronger - Weaker + 100) / 2.

The Multifamily Production Index is a weighted average of the three component indices: .3533×Low Rent + .2806×Market Rent + .3661×For Sale.

The weights are derived from a statistical analysis of the historical relationship between the components and the Census series on multifamily starts.

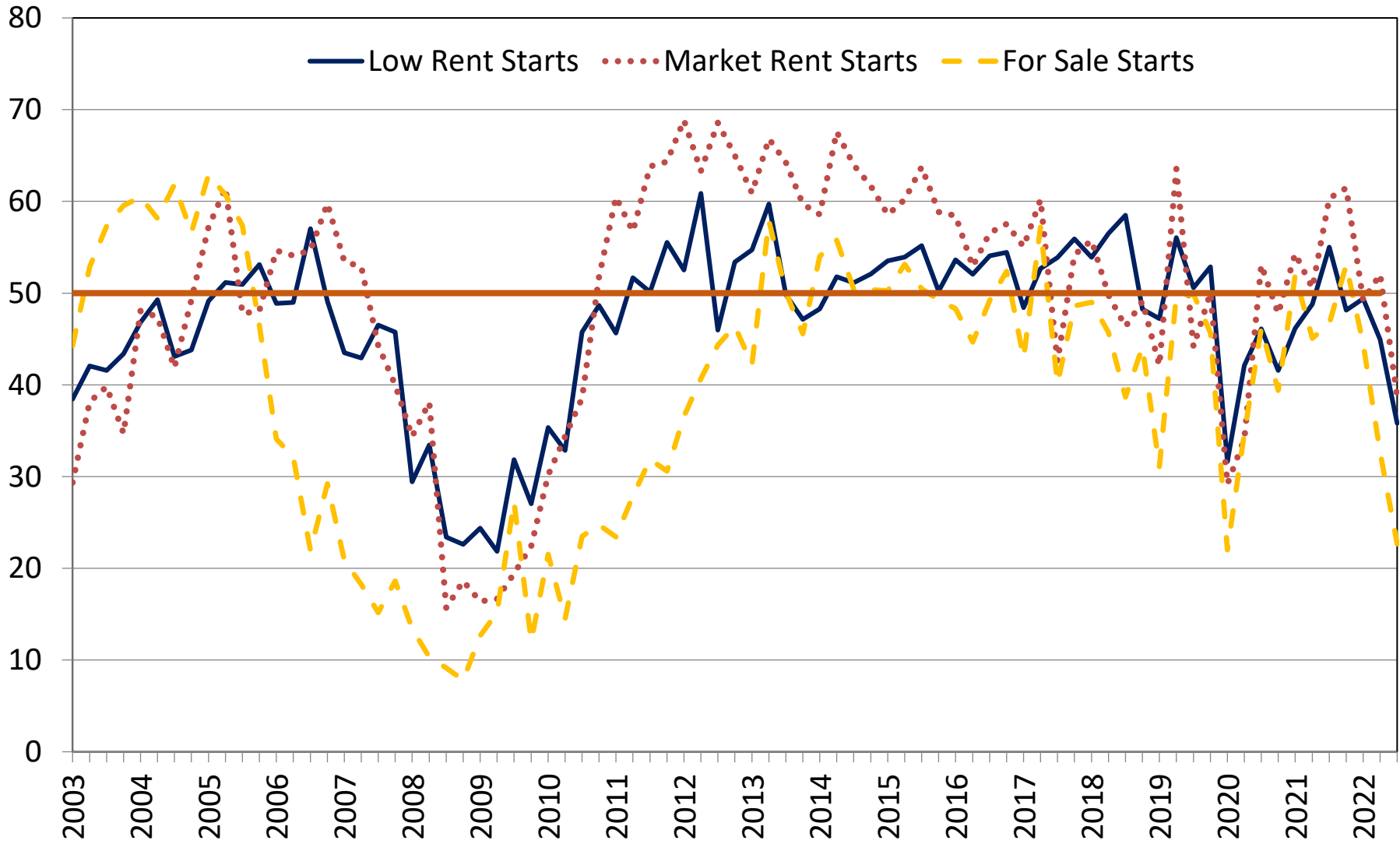
Source: Multifamily Market Survey, NAHB Economics and Housing Policy Group.

Q3 2022 results based on 63 responses.





**Chart 1**  
**Components of the Multifamily Production Index (MPI)**  
(production in current vs. prior quarter)



**TABLE 2**  
**Multifamily Occupancy Index and its Components: History and Detail (Rental Occupancy in Current vs. Prior Quarter)**

Period	Class A Apartment					Class B Apartment					Class C Apartment					Multifamily Occupancy Index	Census Rental Occupancy Rate (100 - 5+ Unit Census Rental Vacancy Rate)
	Occupancy			Indices		Occupancy			Indices		Occupancy			Indices			
	Higher	Same	Lower	NSA Index	SA Index	Higher	Same	Lower	NSA Index	SA Index	Higher	Same	Lower	NSA Index	SA Index		
1st Qtr. 2003	7	45	48	30	<b>29</b>	10	60	30	40	<b>38</b>	15	61	24	45	<b>44</b>	<b>36</b>	<b>89.2</b>
2nd Qtr. 2003	13	53	34	40	<b>36</b>	17	52	31	43	<b>40</b>	17	57	26	45	<b>43</b>	<b>39</b>	<b>88.7</b>
3rd Qtr. 2003	7	58	35	36	<b>38</b>	9	58	33	38	<b>39</b>	14	59	27	43	<b>44</b>	<b>40</b>	<b>88.5</b>
4th Qtr. 2003	13	54	33	40	<b>42</b>	14	57	29	43	<b>47</b>	13	63	23	45	<b>48</b>	<b>45</b>	<b>88.1</b>
1st Qtr. 2004	20	53	27	47	<b>46</b>	16	59	25	45	<b>43</b>	22	58	21	51	<b>49</b>	<b>45</b>	<b>88.5</b>
2nd Qtr. 2004	24	51	25	49	<b>45</b>	19	63	18	51	<b>47</b>	21	68	11	55	<b>52</b>	<b>47</b>	<b>88.2</b>
3rd Qtr. 2004	11	56	33	39	<b>42</b>	18	59	23	47	<b>49</b>	33	43	25	54	<b>55</b>	<b>47</b>	<b>88.7</b>
4th Qtr. 2004	14	62	24	45	<b>48</b>	24	54	22	51	<b>56</b>	31	41	28	52	<b>55</b>	<b>53</b>	<b>88.7</b>
1st Qtr. 2005	34	51	14	60	<b>60</b>	28	65	7	61	<b>58</b>	27	60	13	57	<b>55</b>	<b>58</b>	<b>89.0</b>
2nd Qtr. 2005	38	50	13	63	<b>57</b>	34	61	5	65	<b>60</b>	31	62	8	62	<b>58</b>	<b>59</b>	<b>89.8</b>
3rd Qtr. 2005	33	55	13	60	<b>63</b>	34	49	17	58	<b>60</b>	31	56	14	58	<b>60</b>	<b>61</b>	<b>89.2</b>
4th Qtr. 2005	44	37	19	62	<b>66</b>	35	49	16	59	<b>65</b>	34	48	18	58	<b>62</b>	<b>65</b>	<b>90.5</b>
1st Qtr. 2006	37	49	14	62	<b>62</b>	50	43	7	71	<b>69</b>	43	49	9	67	<b>64</b>	<b>65</b>	<b>90.3</b>
2nd Qtr. 2006	54	39	7	73	<b>67</b>	46	50	4	71	<b>66</b>	44	48	8	68	<b>65</b>	<b>66</b>	<b>89.9</b>
3rd Qtr. 2006	42	50	8	67	<b>69</b>	36	60	4	66	<b>68</b>	27	69	4	62	<b>64</b>	<b>68</b>	<b>90.0</b>
4th Qtr. 2006	29	61	11	59	<b>63</b>	21	69	10	55	<b>61</b>	23	71	6	59	<b>62</b>	<b>62</b>	<b>90.3</b>
1st Qtr. 2007	36	50	14	61	<b>61</b>	46	42	12	67	<b>65</b>	40	56	4	68	<b>64</b>	<b>63</b>	<b>89.3</b>
2nd Qtr. 2007	34	59	7	64	<b>59</b>	41	53	6	68	<b>63</b>	36	60	4	66	<b>64</b>	<b>62</b>	<b>89.9</b>
3rd Qtr. 2007	24	56	20	52	<b>53</b>	34	52	14	60	<b>62</b>	36	54	11	63	<b>65</b>	<b>59</b>	<b>89.6</b>
4th Qtr. 2007	18	50	32	43	<b>46</b>	21	55	24	49	<b>54</b>	33	50	17	58	<b>61</b>	<b>52</b>	<b>89.9</b>
1st Qtr. 2008	17	48	35	41	<b>41</b>	22	54	24	49	<b>47</b>	33	52	15	59	<b>56</b>	<b>46</b>	<b>89.0</b>
2nd Qtr. 2008	12	44	44	34	<b>31</b>	26	46	28	49	<b>45</b>	21	59	21	50	<b>49</b>	<b>41</b>	<b>88.6</b>
3rd Qtr. 2008	9	44	47	31	<b>31</b>	16	44	40	38	<b>39</b>	15	50	35	40	<b>42</b>	<b>37</b>	<b>89.0</b>
4th Qtr. 2008	3	41	56	24	<b>25</b>	9	57	34	37	<b>41</b>	15	55	30	42	<b>44</b>	<b>36</b>	<b>88.8</b>
1st Qtr. 2009	2	41	57	22	<b>23</b>	8	56	36	36	<b>35</b>	13	65	23	45	<b>42</b>	<b>32</b>	<b>88.5</b>
2nd Qtr. 2009	6	42	52	27	<b>25</b>	8	49	43	32	<b>30</b>	14	52	34	40	<b>40</b>	<b>30</b>	<b>87.9</b>
3rd Qtr. 2009	10	39	51	29	<b>29</b>	6	64	30	38	<b>39</b>	16	52	32	42	<b>44</b>	<b>36</b>	<b>86.9</b>
4th Qtr. 2009	9	47	44	33	<b>35</b>	4	56	40	32	<b>36</b>	16	53	30	43	<b>44</b>	<b>37</b>	<b>87.5</b>
1st Qtr. 2010	11	61	28	42	<b>42</b>	11	65	24	43	<b>42</b>	14	59	28	43	<b>41</b>	<b>42</b>	<b>87.8</b>
2nd Qtr. 2010	30	58	12	59	<b>60</b>	32	55	12	60	<b>58</b>	31	57	12	60	<b>57</b>	<b>58</b>	<b>87.7</b>
3rd Qtr. 2010	35	46	18	59	<b>58</b>	39	47	15	62	<b>63</b>	34	45	21	56	<b>59</b>	<b>61</b>	<b>88.1</b>
4th Qtr. 2010	28	60	12	58	<b>63</b>	35	60	5	65	<b>72</b>	29	62	9	60	<b>62</b>	<b>67</b>	<b>89.5</b>
1st Qtr. 2011	38	52	10	64	<b>66</b>	50	36	14	68	<b>66</b>	42	44	15	64	<b>60</b>	<b>65</b>	<b>89.5</b>
2nd Qtr. 2011	46	47	7	70	<b>64</b>	50	44	5	73	<b>66</b>	28	60	13	58	<b>57</b>	<b>64</b>	<b>90.0</b>
3rd Qtr. 2011	40	50	10	65	<b>65</b>	38	52	10	64	<b>66</b>	28	62	10	59	<b>62</b>	<b>65</b>	<b>89.2</b>
4th Qtr. 2011	34	55	10	62	<b>67</b>	34	54	11	61	<b>66</b>	34	52	14	60	<b>61</b>	<b>65</b>	<b>89.9</b>
1st Qtr. 2012	44	44	11	66	<b>71</b>	42	48	10	66	<b>70</b>	29	55	15	57	<b>58</b>	<b>69</b>	<b>89.7</b>
2nd Qtr. 2012	49	44	7	71	<b>65</b>	43	49	7	68	<b>62</b>	42	50	8	67	<b>67</b>	<b>64</b>	<b>90.2</b>
3rd Qtr. 2012	41	52	7	67	<b>67</b>	41	53	6	68	<b>69</b>	36	55	9	63	<b>65</b>	<b>67</b>	<b>90.6</b>
4th Qtr. 2012	37	56	6	65	<b>70</b>	38	56	6	66	<b>70</b>	35	58	8	64	<b>63</b>	<b>69</b>	<b>90.9</b>
1st Qtr. 2013	35	51	13	61	<b>62</b>	32	61	7	63	<b>63</b>	32	59	8	62	<b>60</b>	<b>62</b>	<b>91.0</b>
2nd Qtr. 2013	34	56	9	63	<b>58</b>	34	60	6	64	<b>59</b>	26	60	14	56	<b>57</b>	<b>58</b>	<b>90.5</b>
3rd Qtr. 2013	35	57	8	64	<b>64</b>	25	66	10	58	<b>58</b>	26	64	10	58	<b>59</b>	<b>60</b>	<b>90.8</b>
4th Qtr. 2013	32	57	11	61	<b>64</b>	27	63	10	58	<b>61</b>	24	65	11	57	<b>57</b>	<b>62</b>	<b>91.2</b>
1st Qtr. 2014	34	54	12	61	<b>62</b>	36	57	7	64	<b>65</b>	32	54	14	59	<b>59</b>	<b>63</b>	<b>90.6</b>
2nd Qtr. 2014	39	53	8	66	<b>61</b>	39	56	4	68	<b>64</b>	29	63	8	60	<b>60</b>	<b>62</b>	<b>91.9</b>
3rd Qtr. 2014	30	60	9	60	<b>60</b>	23	71	6	59	<b>59</b>	18	71	10	54	<b>54</b>	<b>59</b>	<b>92.0</b>
4th Qtr. 2014	28	60	12	58	<b>61</b>	28	65	7	61	<b>63</b>	28	62	10	59	<b>59</b>	<b>61</b>	<b>92.3</b>
1st Qtr. 2015	40	49	11	64	<b>65</b>	37	54	9	64	<b>64</b>	33	57	10	62	<b>62</b>	<b>64</b>	<b>92.5</b>
2nd Qtr. 2015	46	47	8	69	<b>66</b>	46	49	6	70	<b>67</b>	35	56	9	63	<b>63</b>	<b>66</b>	<b>92.7</b>
3rd Qtr. 2015	35	49	15	60	<b>59</b>	34	58	9	63	<b>64</b>	27	59	14	57	<b>58</b>	<b>61</b>	<b>92.1</b>
4th Qtr. 2015	31	53	16	57	<b>60</b>	29	60	11	59	<b>62</b>	24	68	8	58	<b>58</b>	<b>60</b>	<b>93.0</b>
1st Qtr. 2016	31	58	11	60	<b>61</b>	32	62	7	63	<b>62</b>	31	61	8	61	<b>61</b>	<b>61</b>	<b>92.2</b>
2nd Qtr. 2016	31	55	14	58	<b>56</b>	34	59	7	63	<b>60</b>	31	57	12	60	<b>59</b>	<b>58</b>	<b>92.3</b>
3rd Qtr. 2016	30	50	20	55	<b>56</b>	27	63	11	58	<b>60</b>	26	61	13	56	<b>59</b>	<b>58</b>	<b>92.1</b>
4th Qtr. 2016	25	58	18	53	<b>56</b>	23	70	7	58	<b>61</b>	20	68	12	54	<b>55</b>	<b>58</b>	<b>92.2</b>
1st Qtr. 2017	23	58	18	53	<b>53</b>	34	59	7	64	<b>63</b>	39	49	12	63	<b>62</b>	<b>59</b>	<b>92.2</b>
2nd Qtr. 2017	37	51	12	63	<b>59</b>	42	51	7	68	<b>63</b>	45	44	11	67	<b>66</b>	<b>62</b>	<b>91.0</b>
3rd Qtr. 2017	25	64	11	57	<b>58</b>	27	63	11	58	<b>60</b>	31	55	15	58	<b>60</b>	<b>59</b>	<b>90.6</b>
4th Qtr. 2017	25	58	18	54	<b>56</b>	29	57	14	58	<b>61</b>	25	65	9	58	<b>60</b>	<b>59</b>	<b>91.7</b>
1st Qtr. 2018	24	58	18	53	<b>54</b>	33	59	9	62	<b>61</b>	37	49	14	62	<b>60</b>	<b>58</b>	<b>91.8</b>
2nd Qtr. 2018	28	56	17	56	<b>52</b>	33	56	12	61	<b>57</b>	29	65	6	62	<b>59</b>	<b>55</b>	<b>91.6</b>
3rd Qtr. 2018	14	63	22	46	<b>47</b>	12	80	8	52	<b>54</b>	21	74	4	59	<b>62</b>	<b>53</b>	<b>91.2</b>
4th Qtr. 2018	17	55	28	44	<b>46</b>	25	63	12	57	<b>60</b>	34	50	16	59	<b>62</b>	<b>55</b>	<b>91.8</b>
1st Qtr. 2019	20	60	20	50	<b>51</b>	18	70	12	53	<b>52</b>	23	71	6	58	<b>56</b>	<b>52</b>	<b>91.7</b>
2nd Qtr. 2019	32	59	10	61	<b>57</b>	45	45	10	68	<b>63</b>	30	58	13	59	<b>56</b>	<b>60</b>	<b>92.1</b>
3rd Qtr. 2019	27	53	20	53	<b>55</b>	26	68	6	60	<b>63</b>	25	68	7	59	<b>62</b>	<b>60</b>	<b>91.9</b>
4th Qtr. 2019	9	75	16	47	<b>50</b>	38	53	9	64	<b>68</b>	33	55	12	61	<b>62</b>	<b>60</b>	<b>92.2</b>

**TABLE 2- Continued**  
**Multifamily Occupancy Index and its Components: History and Detail (Rental Occupancy in Current vs. Prior Quarter)**

Period	Class A Apartment					Class B Apartment					Class C Apartment					Multifamily Occupancy Index	Census Rental Occupancy Rate (100 - 5+ Unit Census Rental Vacancy Rate)
	Occupancy			Indices		Occupancy			Indices		Occupancy			Indices			
	Higher	Same	Lower	NSA Index	SA Index	Higher	Same	Lower	NSA Index	SA Index	Higher	Same	Lower	NSA Index	SA Index		
1st Qtr. 2020	12	55	33	39	<b>40</b>	13	60	28	43	<b>41</b>	13	58	29	42	<b>41</b>	<b>41</b>	<b>92.4</b>
2nd Qtr. 2020	7	54	39	34	<b>31</b>	17	56	27	45	<b>42</b>	14	59	27	44	<b>42</b>	<b>38</b>	<b>92.8</b>
3rd Qtr. 2020	15	66	20	48	<b>48</b>	27	59	15	56	<b>58</b>	28	49	23	53	<b>54</b>	<b>54</b>	<b>91.3</b>
4th Qtr. 2020	30	44	26	52	<b>54</b>	21	73	6	57	<b>55</b>	23	65	13	45	<b>54</b>	<b>55</b>	<b>91.5</b>
1st Qtr. 2021	28	57	15	57	<b>59</b>	39	51	10	65	<b>68</b>	32	58	10	61	<b>61</b>	<b>64</b>	<b>91.7</b>
2nd Qtr. 2021	57	36	7	75	<b>69</b>	54	40	6	74	<b>71</b>	51	43	6	73	<b>73</b>	<b>70</b>	<b>92.2</b>
3rd Qtr. 2021	58	35	7	75	<b>77</b>	52	41	7	72	<b>75</b>	51	36	13	69	<b>70</b>	<b>75</b>	<b>93.2</b>
4th Qtr. 2021	42	57	2	70	<b>72</b>	44	51	5	69	<b>67</b>	47	44	8	69	<b>69</b>	<b>69</b>	<b>93.6</b>
1st Qtr. 2022	35	60	5	65	<b>68</b>	36	60	5	65	<b>69</b>	38	55	7	65	<b>65</b>	<b>68</b>	<b>93.0</b>
2nd Qtr. 2022	42	44	14	64	<b>59</b>	35	58	6	65	<b>61</b>	28	64	8	60	<b>60</b>	<b>60</b>	<b>93.5</b>
3rd Qtr. 2022	18	51	31	44	<b>43</b>	18	53	29	45	<b>45</b>	27	42	31	48	<b>49</b>	<b>45</b>	<b>93.2</b>

Each MOI component is based on a survey question asking if occupancy is higher, about the same, or lower in the current compared to the prior quarter.

An MOI component is then calculated from the percentage responses using the diffusion-index formula (Higher Occupancy - Lower Occupancy + 100) / 2.

The Multifamily Occupancy Index is a weighted average of three component indices: .3632×Class A + .4630×Class B + .1738×Class C.

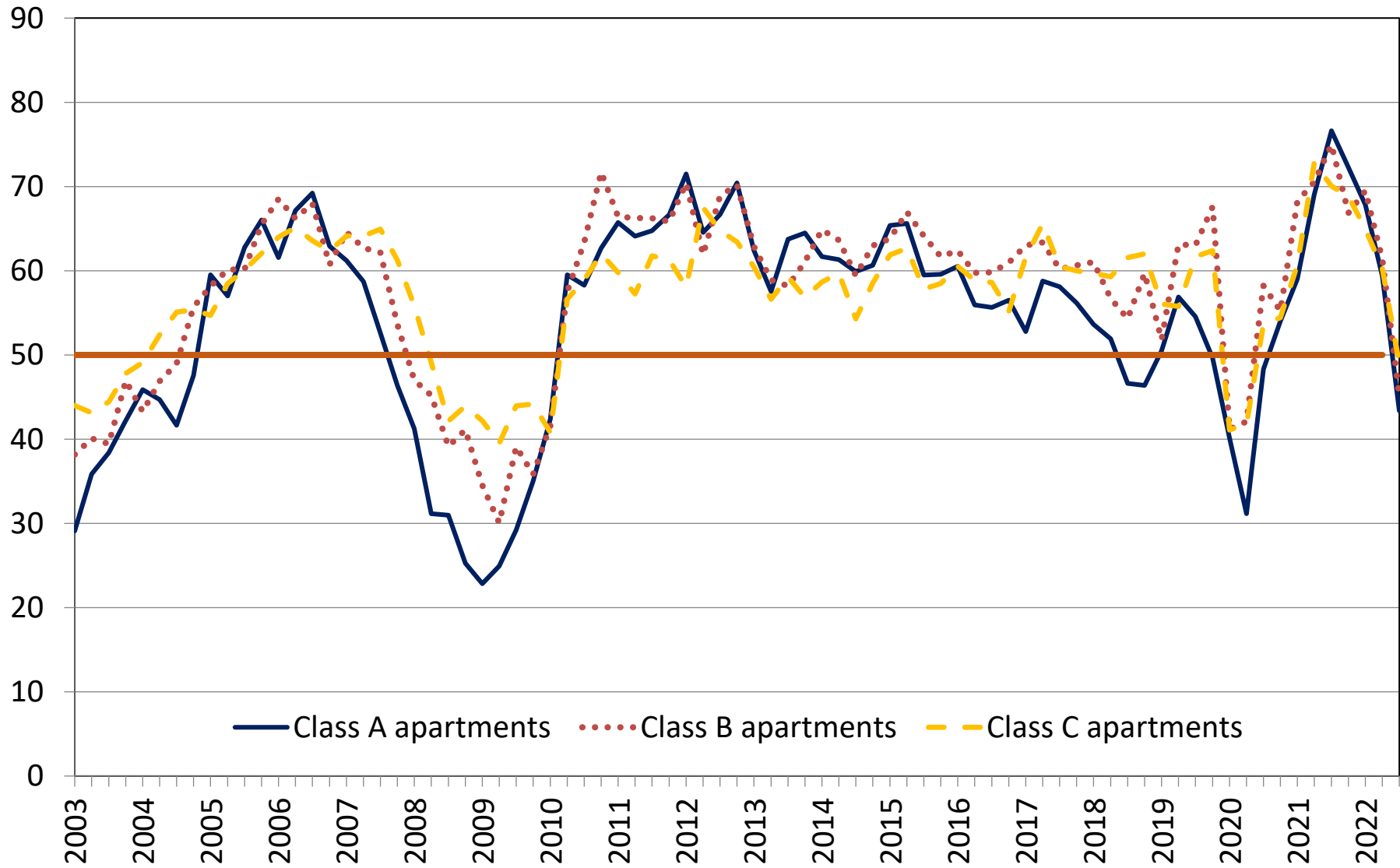
The weights are derived from a statistical analysis of the relationship between the components and the Census series on rental vacancy rates in structures with 5+ apartments.

Source: Multifamily Market Survey, NAHB Economics and Housing Policy Group.

Q3 2022 results based on 63 responses.



**Chart 2**  
**Components of the Multifamily Occupancy Index (MOI)**  
(rental occupancy in current vs. prior quarter)



# **National Association of Home Builders**

## **Multifamily Market Survey**

*Third Quarter 2022*

1. Please rate the current conditions in your market area for production of new apartments during the current quarter, compared to the previous quarter.

Multifamily starts	Current Quarter vs. Prior Quarter		
	Stronger	About the same	Weaker
<b>a. For rent</b>			
a1. Low Rent*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a2. Market Rent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>b. For sale</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* Low-rent units are those supported by low-income tax credits or other government subsidy programs.

2. Please rate the current conditions in your market area for occupancy of multifamily units during the current quarter, compared to the previous quarter.

	Current Quarter vs. Prior Quarter		
	Higher	About the same	Lower
<b>Multifamily rental occupancy</b>			
a. Class A apartment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Class B apartment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Class C apartment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Please let us know what is happening with multifamily housing in your area.

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