



Multifamily Market Survey

First Quarter 2026

Economics & Housing Policy Group

FOR IMMEDIATE RELEASE
CONTACT: Stephanie Pagan
202-266-8254
spagan@nahb.org
www.nahb.org

Multifamily Developer Confidence Holds Steady in First Quarter

WASHINGTON, May 7 – The Multifamily Market Survey (MMS) released today by the National Association of Home Builders (NAHB) produced mixed results for the first quarter of 2026. The MMS produces two separate indices. The Multifamily Production Index (MPI) had a reading of 44, unchanged year-over-year, while the Multifamily Occupancy Index (MOI) had a reading of 69, down 13 points year-over-year.

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 its components are scaled so that a number below 50 indicates that more respondents report conditions are poor than report conditions are good.

The MPI is a weighted average of four key market segments: three in the built-for-rent market (garden/low-rise, mid/high-rise and subsidized) and one in the built-for-sale (or condominium) market. The component measuring garden/low-rise units fell six points to 48, the component measuring mid/high-rise units increased seven points to 35, the component measuring built-for-sale units inched down one point to 37. Meanwhile, the component measuring subsidized units rose six points to 56—the only component above the break-even point of 50.

The MOI measures the multifamily housing industry's perception of occupancies in existing apartments on a scale of 0 to 100. The index and all its components are scaled so that a number above 50 indicates more respondents report that occupancy is good than report it is poor. The reading of 69 indicates existing apartment owners are positive about occupancy overall.

The MOI is a weighted average of three built-for-rent market segments (garden/low-rise, mid/high-rise and subsidized). Although all three components declined year-over-year, they all remained above the break-even point of 50. The component measuring garden/low-rise units fell 11 points to 71, the component measuring mid/high-rise units dropped 17 points to 59 and the component measuring subsidized units decreased nine points to 80.

“Multifamily developer sentiment is roughly where it was at this time last year, although the combination of regulatory hurdles, interest rates, insurance costs and volatility in material prices is threatening the viability of some projects,” said Kip Lewis, director of construction management at Ohio Capital Corporation for Housing in Columbus, Ohio, and chairman of NAHB’s Multifamily Council. “Also, in some markets, developers are reporting that it has become more difficult to obtain permits for unsubsidized projects.”

“The MPI and MOI continue to show that the market for garden and low-rise apartments typical of outlying areas is stronger than the market for mid- and high-rise apartments,” said NAHB Chief Economist Robert Dietz. “The gap is narrowing year-over-year for new multifamily construction,

however, while widening for the occupancy of existing apartments. NAHB is projecting that multifamily starts will increase slightly in 2026, but current production rates are unlikely to be sustained through 2027.”

The MMS was re-designed in 2023 to produce results that are easier to interpret and consistent with the proven format of other NAHB industry sentiment surveys. Until there is enough data to seasonally adjust the indices, changes in the MPI and MOI should only be evaluated on a year-over-year basis.

For more recent information about the market, the survey contains a separate question asking multifamily developers to compare current market conditions to conditions three months earlier. In the first quarter of 2026, 21% of respondents said the current market is better, and 19% said it is worse. However, the majority of developers—60%—said that the market is currently about the same as it was three months ago.

For additional information on the MMS, visit nahb.org/mms.

For more information on the NAHB Multifamily program, please visit NAHB Multifamily: 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.

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 first quarter 2026 Multifamily Market Survey was sent to 1,403 multifamily developers. Responses were received from 69 of them.

To generate data for the MPI, the survey asks multifamily builders to rate the current conditions for multifamily starts in markets where they are active for four key market segments; three in the built-for-rent space (garden/low-rise, mid/high-rise, subsidized) and the built for sale; as “good”, “fair”, or “poor”. A component index is calculated from the percentage responses for each market segment using the formula $(\text{Good} - \text{Poor} + 100) / 2$. 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 4 components $(0.50 \times \text{Garden/Low-Rise} + 0.33 \times \text{Mid/High-Rise} + 0.12 \times \text{Subsidized} + 0.05 \times \text{Built-for-Sale})$.

To generate data for the MOI, the survey asks multifamily builders to rate the current conditions for occupancy of existing rental apartments in markets where they are active for three built-for-rent space market segments (garden/low-rise, mid/high-rise, subsidized) as “good”, “fair”, or “poor”. A component index is calculated from the percentage responses for each apartment class using the formula $(\text{Good} - \text{Poor} + 100) / 2$. 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 $(0.60 \times \text{Garden/Low-Rise} + 0.25 \times \text{Mid/High-Rise} + 0.15 \times \text{Subsidized})$.



TABLE 1

Multifamily Market Survey - Q1 2026

Multifamily Production Index (MPI)

(Not Seasonally Adjusted)

PRODUCTION OF NEW APARTMENTS

	2023				2024				2025				2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Multifamily Production Index (MPI)	50	56	38	41	47	44	40	48	44	46	46	45	44
Garden/Low-Rise	57	64	45	51	55	53	48	52	54	50	51	54	48
Mid/High-Rise	41	47	28	26	36	29	28	39	28	36	37	31	35
Subsidized	51	55	39	41	50	51	46	52	50	61	55	47	56
Built for Sale	42	45	32	43	39	38	29	42	38	35	35	36	37

MPI components are based on questions asking if current conditions for multifamily starts are good, fair, or poor.

Numbers in the table are diffusion-type indices - calculated from the percentage responses using the formula $(\text{Good} - \text{Poor} + 100) / 2$.

The overall Multifamily Production Index is a weighted average of the 4 components:

$$0.50 \times \text{Garden/Low-Rise} + 0.33 \times \text{Mid/High-Rise} + 0.12 \times \text{Subsidized} + 0.05 \times \text{Built for Sale}$$

The weights are derived from a statistical analysis of the relationship between the components and the American Housing Survey (AHS).

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

Multifamily Occupancy Index (MOI)

(Not Seasonally Adjusted)

OCCUPANCY OF EXISTING RENTAL APARTMENTS

	2023				2024				2025				2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Multifamily Occupancy Index (MOI)	82	89	82	77	83	81	75	81	82	82	74	74	69
Garden/Low-Rise	84	91	84	80	84	82	77	81	82	84	76	76	71
Mid/High-Rise	74	83	74	64	74	76	66	74	76	73	66	62	59
Subsidized	87	91	89	88	94	85	86	91	89	90	81	88	80

MOI components are based on questions asking if current conditions for occupancy of existing rental apartments are good, fair, or poor.

Individual occupancy indices are calculated from percentage responses using the formula $(\text{Good} - \text{Poor} + 100) / 2$.

The overall Multifamily Occupancy Index is a weighted average of the 3 components:

$$0.60 \times \text{Garden/Low-Rise} + 0.25 \times \text{Mid/High-Rise} + 0.15 \times \text{Subsidized}$$

The weights are derived from a statistical analysis of the relationship between the components and the American Housing Survey (AHS).

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

Change in Overall Market Conditions

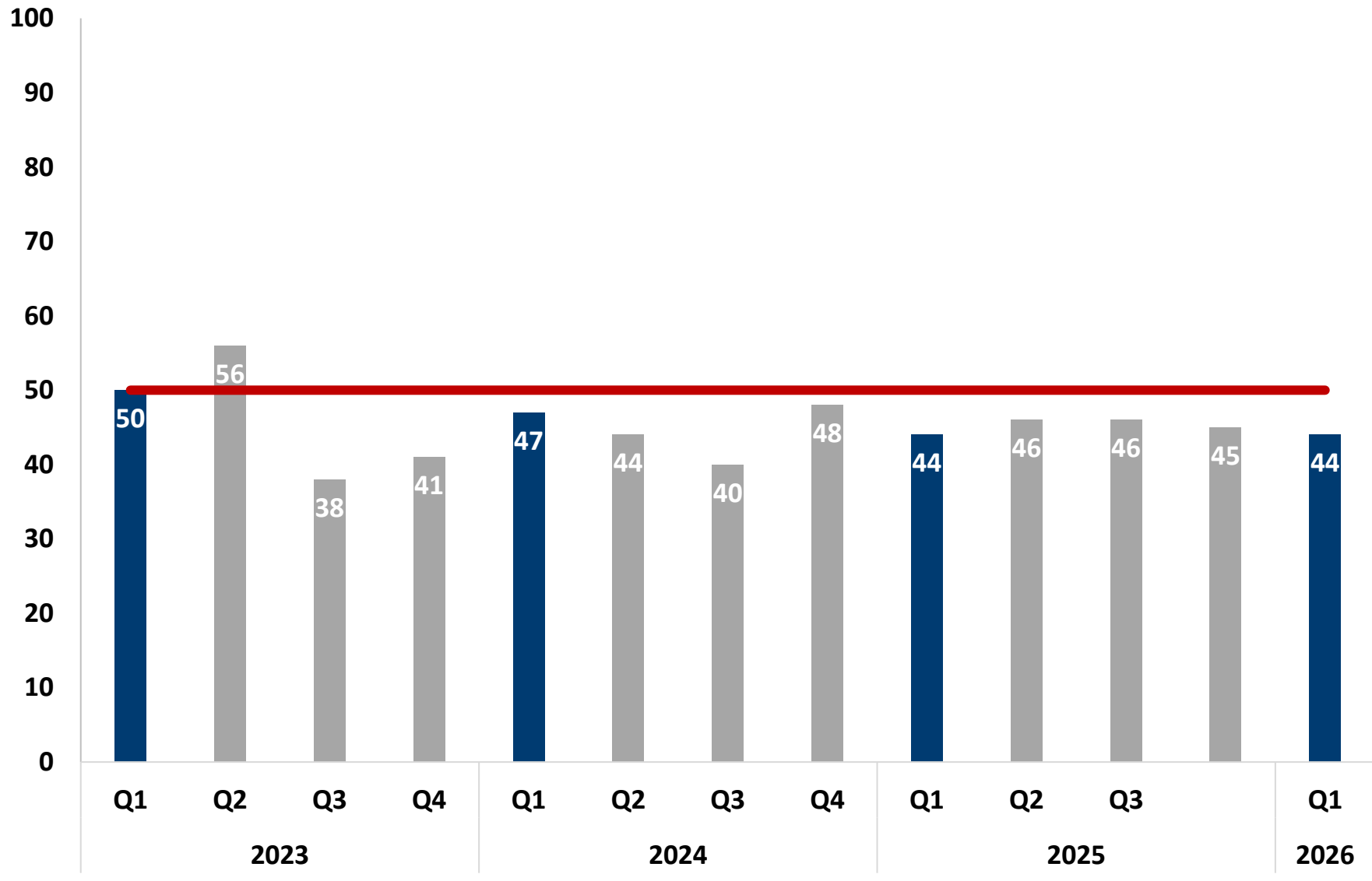
Percent of Respondents

	2023				2024				2025				2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Better	5	15	5	14	9	12	7	10	14	12	10	14	21
About the same	67	70	61	63	64	63	71	69	70	65	68	68	60
Worse	28	15	33	23	27	26	22	21	16	23	22	18	19

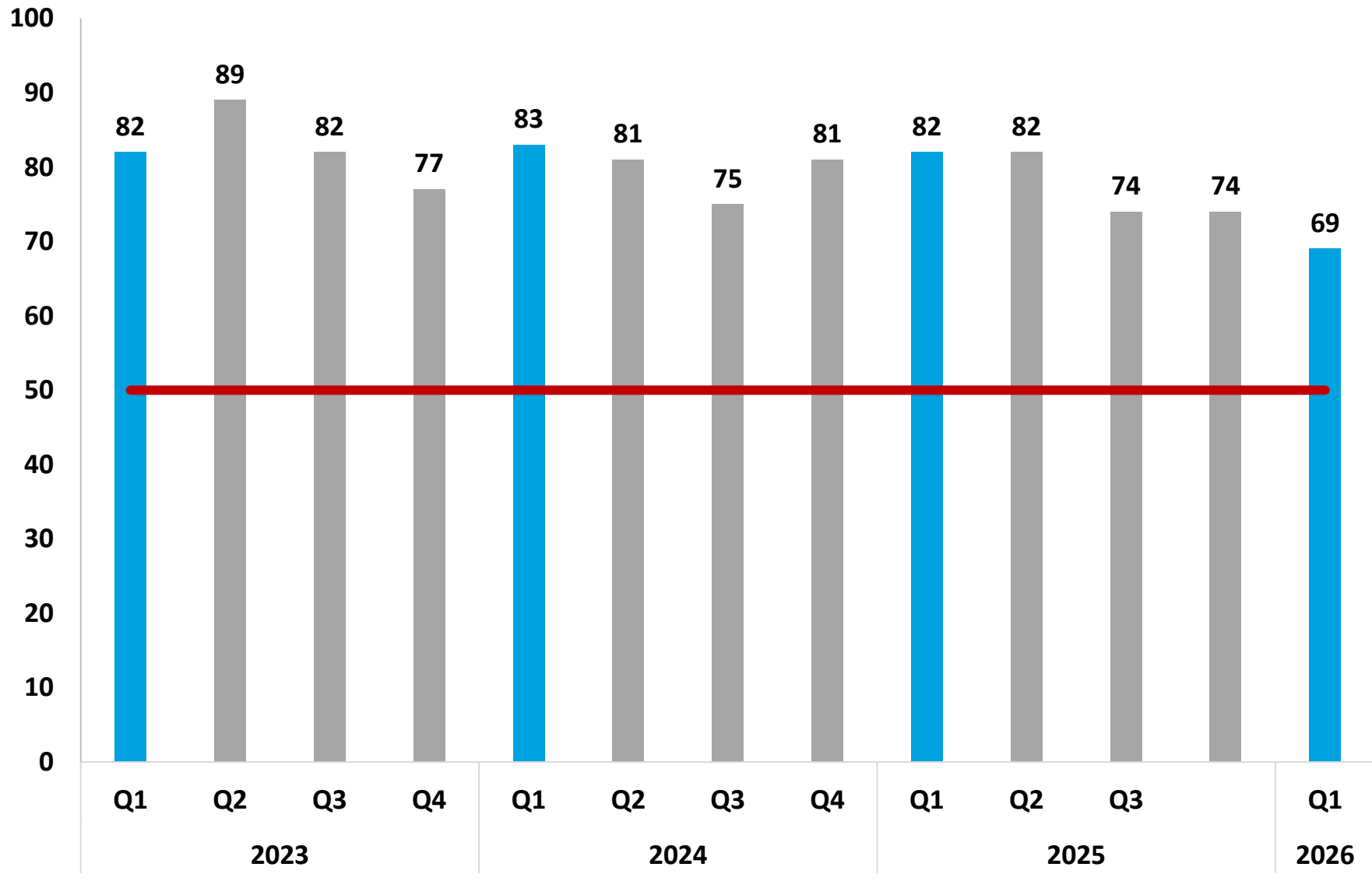
Source: Multifamily Market Survey, NAHB Economics and Housing Policy Group.

Q1 2026 results based on 69 responses.

Figure 1: NAHB Multifamily Market Survey (MMS)
Multifamily Production Index (MPI)
(Not Seasonally Adjusted)



**Figure 2: NAHB Multifamily Market Survey (MMS)
Multifamily Occupancy Index (MOI)**
(Not Seasonally Adjusted)



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

NORTHEAST

- In the subsidized market approx. 60% of the apartments are not paying rent since the pandemic. When the free rent period ended, most continued to not pay the rent.
- The Worcester City council is concerned that several local colleges/universities are buying existing hotels/motor lodges for additions to their campus...The concern is that the City is losing much needed tax revenue as a result of such sales.
- We're projects "on hold" and "paused" due to investor uncertainty without a clear path forward

MIDWEST

- Lots of large complex units under construction.
- Multifamily new construction is booming. The new Intel chip manufacturing plant, the new Honda EV plant, Google's new data centers in Columbus and nearby Lancaster all contribute to this booming expansion of multifamily development.
- Not much. Mostly treading water with a couple of exceptions
- Southeastern Wisconsin
- There is a lack of funding but definitely interest.

SOUTH

- A lot of new units flooding the market
- Construction costs are too high making some projects die.
- Core area is Over Supplied. A apartment complex near the Soccer Stadium just sold with 20+ million dollar loss .
South Nashville close to Williamson County demand is strong .
Two months free Rent is standard thru out Nashville Ares
- High prices, high vacancy
- Housing shortage due to data centers
- Improving on all levels
- In certain counties in Maryland the multi-family market was already on the cusp of not being viable. With all of the current market conditions in play - price volatility, inflation, current interest rates - then add developer fees and impact fees on top of that deals in certain spaces are mostly dead.
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- MF starts are flat, projects are not penciling for Developers, Lenders and Equity sources.
- More vacancy than there should be due to residents not being able to meet credit standards.
- overbuilt, rental stressed, incentives active, generally declining but appears to be bottoming. Capital constrained, little new production with most activity being subsidized or niched
- Sales are uneven. Location and pricing produce absorption.
- There have been a number of recent new projects that are taking a little longer than usual to lease up.
- Way too many concessions across the board, in both new and old product. Lack of immigrants hurting occupancy in C units. Secondary market new product is not reaching projections with all the concessions.
- We are seeing more deals move forward through underwriting. We are uncertain as to how many will close due to the recent run up in rates following the start of the war.
- With the closing of Blue Oval that created the down turn ,
In 20 months Ford will take over the plant and will add 2100 jobs. We lost the proposed 5,000 jobs.

WEST

- biggest issue is changes in property taxes have increased new construction 418%, decreased new construction to 10% of what it was the year before.
- Continuing new builds for 1-3 story buildings
- Exceptional rent growth in the San Francisco Bay Area (mid-high teens % YOY growth)
- High costs to build, higher interests and lower occupancy.
- insurance costs are up 40% over last year, hurting cash flow.
- Mostly subsidized getting permits. Lots of bidding, not a lot of starts on market rate. Some rehabs and sales happening. Lending is very challenging.
- Multifamily starts are on the rise in our area as rents are staying strong enough to offset rising costs due to building material price increases and labor shortage impacts.
- Occupancy is 100%
- Rents are flat. Some New construction set to come online this year at higher rents. Occupancy is mostly stable but a bit more turn over this year so far.
- slow for sale product absorption
- Starts are picking up - most likely due to favorable lending terms. Occupancy is stable.
- Still very under buildr
- The area has been improving due to occupancy rates rising, however there is still an aggressive landlord pool offering concessions.

this has created it difficult to get new projects off the ground.

- The Tacoma sub market had an excess of midrise market and subsidized product come online in 2024-25 that is still being absorbed slowly, leading to move in specials and vacancies.
- Vacancies are rising rents are falling
- Very few being built due to cash flow required for financing
- Wasatch Front Townhome rentals have been strong coming into spring. The biggest hurdle right now on our projects is City approvals.
- We have been able to replace all tenants leaving at a price at least as good as the existing leases. Taking a little more time, and the rents are soft, but still holding.

National Association of Home Builders

Multifamily Market Survey

First Quarter 2026

1. Please rate current conditions for multifamily starts in markets where you are active.
(OK. To leave a particular line blank if you don't have sufficient knowledge about that part of the multifamily market.)

Multifamily Starts	Good	Fair	Poor
Built for Rent			
Garden/Low-Rise*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mid/High-Rise*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subsidized**	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Built for Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Garden/Low Rise buildings are typically 1 to 4 stories; Mid/High-Rise buildings are typically 5 stories or higher.

** Subsidized apartments are those supported by tax credits, tax-exempt bonds, or other government subsidy programs.

2. Please rate current conditions for occupancy of existing rental apartments in markets where you are active.

(OK. To leave a particular line blank if you don't have sufficient knowledge about that part of the multifamily market.)

Multifamily Rental Occupancy	Good	Fair	Poor
Garden/Low-Rise Rental Apartments*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mid/High-Rise Rental Apartments*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subsidized Rental Apartments**	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Garden/Low Rise buildings are typically 1 to 4 stories; Mid/High-Rise buildings are typically 5 stories or higher.

** Subsidized apartments are those supported by tax credits, tax-exempt bonds, or other government subsidy programs.

3. How would you rate the overall market for multifamily housing in areas where you are active compared to three months ago?

Better	About the Same	Worse
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Please let us know what is happening with multifamily housing in areas where you are active.
