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

**Multifamily Developer Confidence Weakens in Third Quarter**

**WASHINGTON, Nov. 5 –** Confidence in the market for new multifamily housing weakened year-over-year in the third quarter, according to 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) had a reading of 41, down five points year-over-year, while the Multifamily Occupancy Index (MOI) had a reading of 69, also down five 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. Each of the MPI's four components was down year-over-year and in negative territory: The component measuring garden/low-rise units dropped five points to 46, the component measuring mid/high-rise units fell four points to 33, the component measuring subsidized units dropped six points to 49 and the component measuring built-for-sale units fell four points to 31.

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. While the reading of 69 indicates existing apartment owners are positive about occupancy overall, it is weaker than it was a year ago.

The MOI is a weighted average of three built-for-rent market segments (garden/low-rise, mid/high-rise and subsidized). Although all three remained above the break-even point of 50: The component measuring garden/low-rise units fell six points to 70, the component measuring mid/high-rise units dropped seven points to 59 and the component measuring subsidized units increased two points to 83.

"Developer sentiment about new multifamily production has definitely softened, due to challenges such as rising interest rates, construction costs that are high relative to rents, and problems getting projects approved and connected to roads and utilities," said Kip Lewis, director of construction management at OCCH in Columbus, Ohio, and chairman of NAHB's Multifamily Council. "As a result, many projects are taking longer to complete."

"It is not surprising that the MPI is down year-over-year given supply-side headwinds such as high interest rates and a rising rental vacancy rate," said NAHB Chief Economist Robert Dietz. "Due to the headwinds still facing the industry, NAHB's 2027 forecast shows a decline for multifamily starts. And although the administration's regulatory reform efforts are helping to ease some cost pressures, the

multifamily sector would still benefit from an expedited permit process and lower rates on development and construction loans."

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 third quarter of 2026, 6% of respondents said the current market is better, and 28% said it is worse. However, the majority of developers—66%—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.

#####

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 2026

**Economics & Housing Policy Group**

NAHB
National Association of Home Builders

**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 third quarter 2026 Multifamily Market Survey was sent to 1,290 multifamily developers. Responses were received from 55 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 (Good - 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×Garden/Low-Rise + 0.33×Mid/High-Rise+ 0.12×Subsidized+ 0.05×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 (Good - 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×Garden/Low-Rise + 0.25×Mid/High-Rise+ 0.15×Subsidized).

TABLE 1

# Multifamily Market Survey - Q3 2026

## Multifamily Production Index (MPI)

*(Not Seasonally Adjusted)*

| | 2023 | | 2024 | | | | 2025 | | | | 2026 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| **Multifamily Production Index (MPI)** | **38** | **41** | **47** | **44** | **40** | **48** | **44** | **46** | **46** | **45** | **44** | **43** | **41** |
| **Garden/Low-Rise** | 45 | 51 | 55 | 53 | 48 | 52 | 54 | 50 | 51 | 54 | 48 | 48 | 46 |
| **Mid/High-Rise** | 28 | 26 | 36 | 29 | 28 | 39 | 28 | 36 | 37 | 31 | 35 | 32 | 33 |
| **Subsidized** | 39 | 41 | 50 | 51 | 46 | 52 | 50 | 61 | 55 | 47 | 56 | 54 | 49 |
| **Built for Sale** | 32 | 43 | 39 | 38 | 29 | 42 | 38 | 35 | 35 | 36 | 37 | 38 | 31 |

*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 (Good - Poor + 100) / 2.*
*The overall Multifamily Production Index is a weighted average of the 4 components:*
*0.50×Garden/Low-Rise + 0.33×Mid/High-Rise + 0.12*Subsidized + 0.05*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 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| **Multifamily Occupancy Index (MOI)** | **82** | **77** | **83** | **81** | **75** | **81** | **82** | **82** | **74** | **74** | **69** | **74** | **69** |
| **Garden/Low-Rise** | 84 | 80 | 84 | 82 | 77 | 81 | 82 | 84 | 76 | 76 | 71 | 77 | 70 |
| **Mid/High-Rise** | 74 | 64 | 74 | 76 | 66 | 74 | 76 | 73 | 66 | 62 | 59 | 62 | 59 |
| **Subsidized** | 89 | 88 | 94 | 85 | 86 | 91 | 89 | 90 | 81 | 88 | 80 | 82 | 83 |

*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 (Good - Poor + 100) / 2.*
*The overall Multifamily Occupancy Index is a weighted average of the 3 components:*
*0.60×Garden/Low-Rise + 0.25×Mid/High-Rise + 0.15×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 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| **Better** | 5 | 14 | 9 | 12 | 7 | 10 | 14 | 12 | 10 | 14 | 21 | 14 | 6 |
| **About the same** | 61 | 63 | 64 | 63 | 71 | 69 | 70 | 65 | 68 | 68 | 60 | 71 | 66 |
| **Worse** | 33 | 23 | 27 | 26 | 22 | 21 | 16 | 23 | 22 | 18 | 19 | 15 | 28 |

*Source: Multifamily Market Survey, NAHB Economics and Housing Policy Group.*
*Q3 2026 results based on 55 responses.*

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

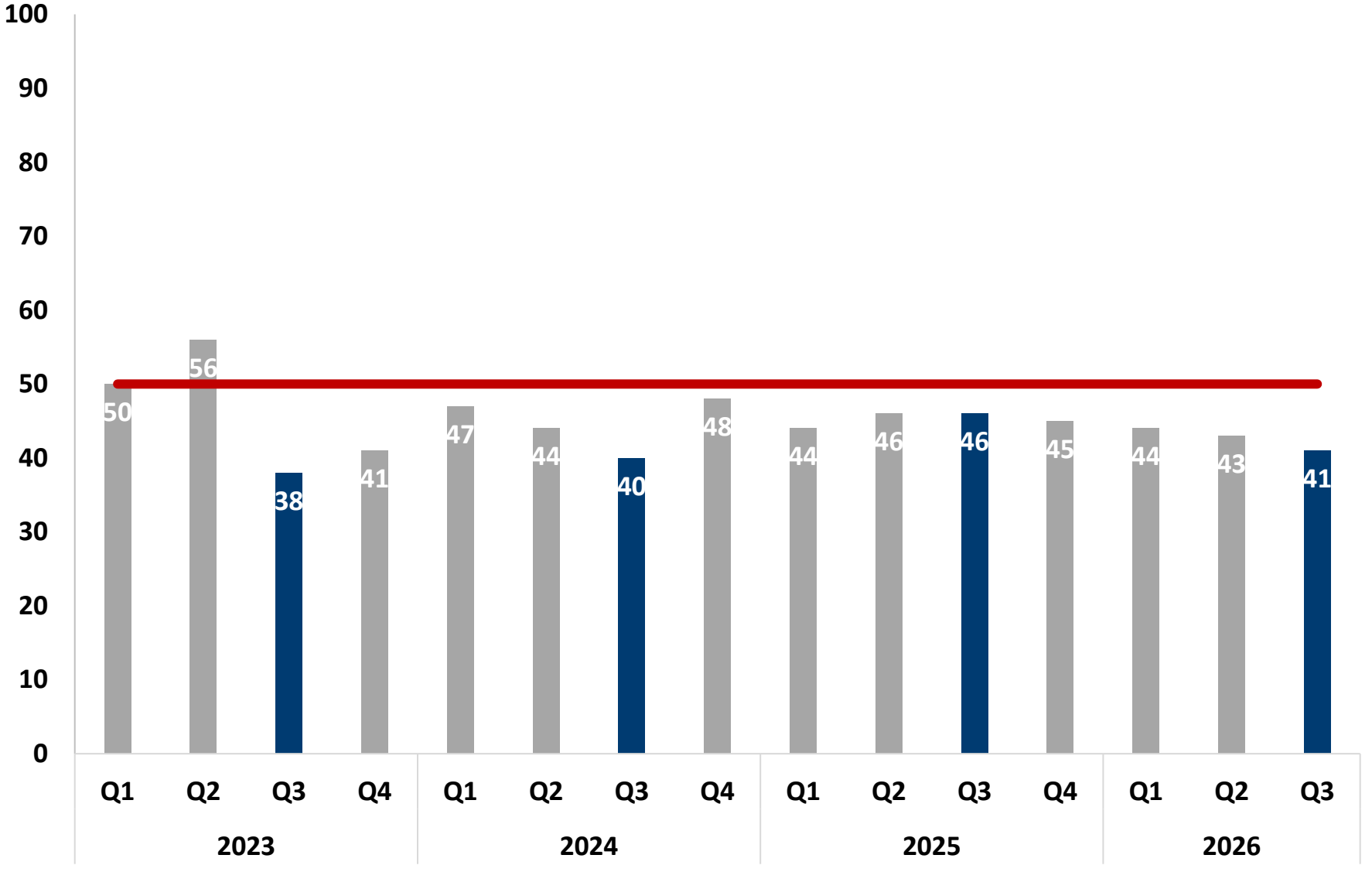
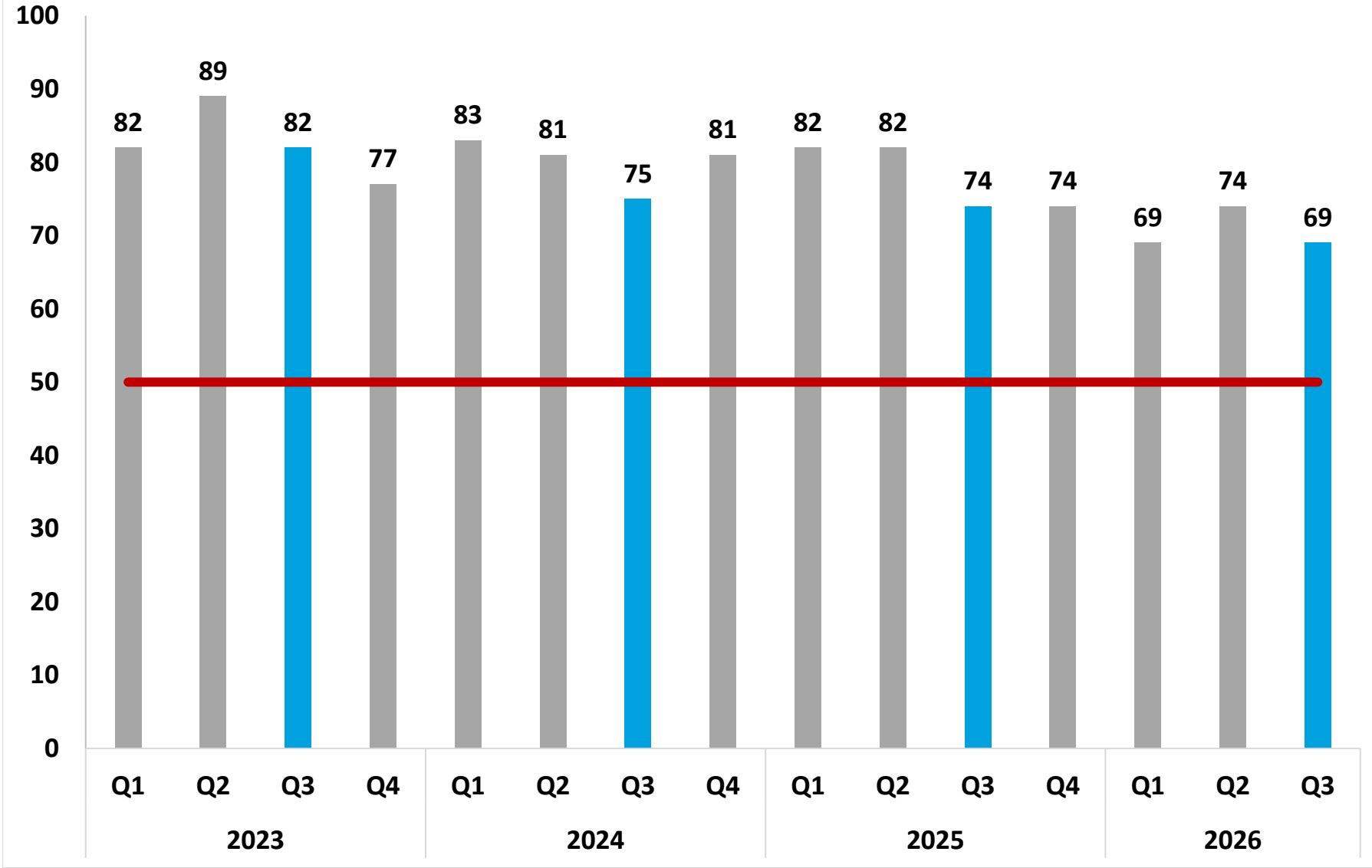


**Figure 2: NAHB Multifamily Market Survey (MMS)**
**Multifamily Occupancy Index (MOI)**
*(Not Seasonally Adjusted)*



# National Association of Home Builders

## Multifamily Market Survey *Third Quarter 2026*

1. **Please rate current conditions for <u>multifamily starts</u> 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* | ☐ | ☐ | ☐ |
| Mid/High-Rise* | ☐ | ☐ | ☐ |
| Subsidized** | ☐ | ☐ | ☐ |
| **Built for Sale** | ☐ | ☐ | ☐ |

* 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 <u>occupancy of existing rental apartments</u> 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* | ☐ | ☐ | ☐ |
| Mid/High-Rise Rental Apartments* | ☐ | ☐ | ☐ |
| Subsidized Rental Apartments** | ☐ | ☐ | ☐ |

*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 |
|---|---|---|
| ☐ | ☐ | ☐ |

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

_____

_____

_____