

**FOR IMMEDIATE RELEASE**

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## **Multifamily Builder and Developer Confidence Weakens Slightly in Fourth Quarter**

**WASHINGTON, Feb. 21** – Confidence in the market for new multifamily housing weakened slightly in the fourth quarter, 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) dropped one point to 47 compared to the previous quarter, indicating weakening confidence. Meanwhile, the Multifamily Vacancy Index (MVI) moved down two points to 45, representing a slight improvement in confidence about the market for existing apartments.

The MPI measures builder and developer sentiment about current 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. The MPI has been slightly below 50 for two consecutive quarters.

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 were below 50 in the fourth quarter. The component measuring low-rent units fell 11 points to 48, while the component measuring market rate rental units increased three points to 49 and the component measuring for-sale units rose five points to 44.

The MVI measures the multifamily housing industry's perception of vacancies 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, where a number under 50 indicates more property managers believe vacancies are decreasing than increasing. With a reading of 45, the MVI improved two points from the previous quarter, returning to where it had been in the second quarter.

"We saw a big drop in the component for low rent starts, even though that is the segment of the market where demand tends to be the strongest," said Steve Lawson, president of The Lawson Companies in Virginia Beach, Va., and chairman of NAHB's Multifamily Council. "Rising construction costs and difficulty with getting projects approved have made building particularly challenging in some parts of the country."

"The MPI is down a point and under 50 for the second straight quarter, indicating a slight weakening for multifamily developer sentiment," said NAHB Chief Economist Robert Dietz. "This is in line with our 2019 forecast that multifamily starts will level off and edge down slightly from last year's very solid rate of production."

Historically, the MPI and MVI have performed well as leading indicators of U.S. Census figures for multifamily starts and vacancy rates, providing information on likely movement in the Census figures one to three quarters in advance.

For data tables on the MPI and MVI, visit [www.nahb.org/mms](http://www.nahb.org/mms).

For more information on the NAHB Multifamily program, please visit NAHB Multifamily: <https://www.nahb.org/en/members/committees-and-councils/councils/multifamily-council/nahb-multifamily.aspx>.

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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 percent of the new housing units projected for this year.



# Multifamily Market Survey

Fourth Quarter 2018

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 Vacancy Index (MVI). The fourth quarter 2018 Multifamily Market Survey was sent to 1,066 multifamily builders. Responses were received from 62 multifamily builders.

To generate the MPI, the survey asks multifamily builders to rate if the production of new apartments for three key market elements (low-rent, market rent, and for-sale) is “stronger”, “about the same”, or “weaker”, compared to the previous quarter. The overall MPI is a weighted average of the 3 elements ( $.3533 \times \text{Low Rent} + .2806 \times \text{Market Rent} + .3661 \times \text{For Sale}$ ) and sits 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.

To calculate the MVI, the survey asks multifamily builders to rate if the occupancy of multifamily units is “higher”, “about the same”, or “lower” for three classes of apartments (class A, class B, and class C apartments), compared to the previous quarter. The overall MVI is a weighted average of the three components:  $.3632 \times \text{Class A} + .4630 \times \text{Class B} + .1738 \times \text{Class C}$  and is also calculated on a scale ranging from 0 to 100 with lower numbers indicating fewer vacancies

Historically, the MPI has served as a leading indicator of Census multifamily starts, while the MVI has served as a leading indicator of Census multifamily 5+ vacancy rates.



## Multifamily Production Indices - Q4 2018 (Seasonally Adjusted)

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

	2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Multifamily Production Index</b>	53	58	54	54	54	55	56	52	53	50	53	55	48	56	46	53	53	51	48	47
<b>MPI Components:</b>																				
Low Rent Starts	48	52	51	52	54	54	55	50	54	52	54	54	48	53	54	56	54	57	59	48
Market Rent Starts	59	68	64	62	59	60	64	59	58	53	57	58	55	60	43	54	56	50	46	49
For Sale Starts	54	56	50	50	50	53	50	49	48	45	49	52	43	57	40	49	49	46	39	44

### EXPECTED PRODUCTION: NEXT 6 MONTHS VS. CURRENT QUARTER

	2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Low Rent Starts	47	51	57	55	54	54	57	53	53	48	54	49	52	56	50	55	58	59	60	54
Market Rent Starts	57	60	57	58	56	63	59	58	52	44	60	52	56	55	45	48	57	47	45	48
For Sale Starts	58	55	53	51	56	56	56	51	50	44	57	54	46	57	47	50	50	49	37	44

MPI components are based on questions asking if production is stronger, about the same, or weaker in the current vs. prior quarter.

Expected production indices are based on similar questions about production during the next 6 months vs. the current quarter.

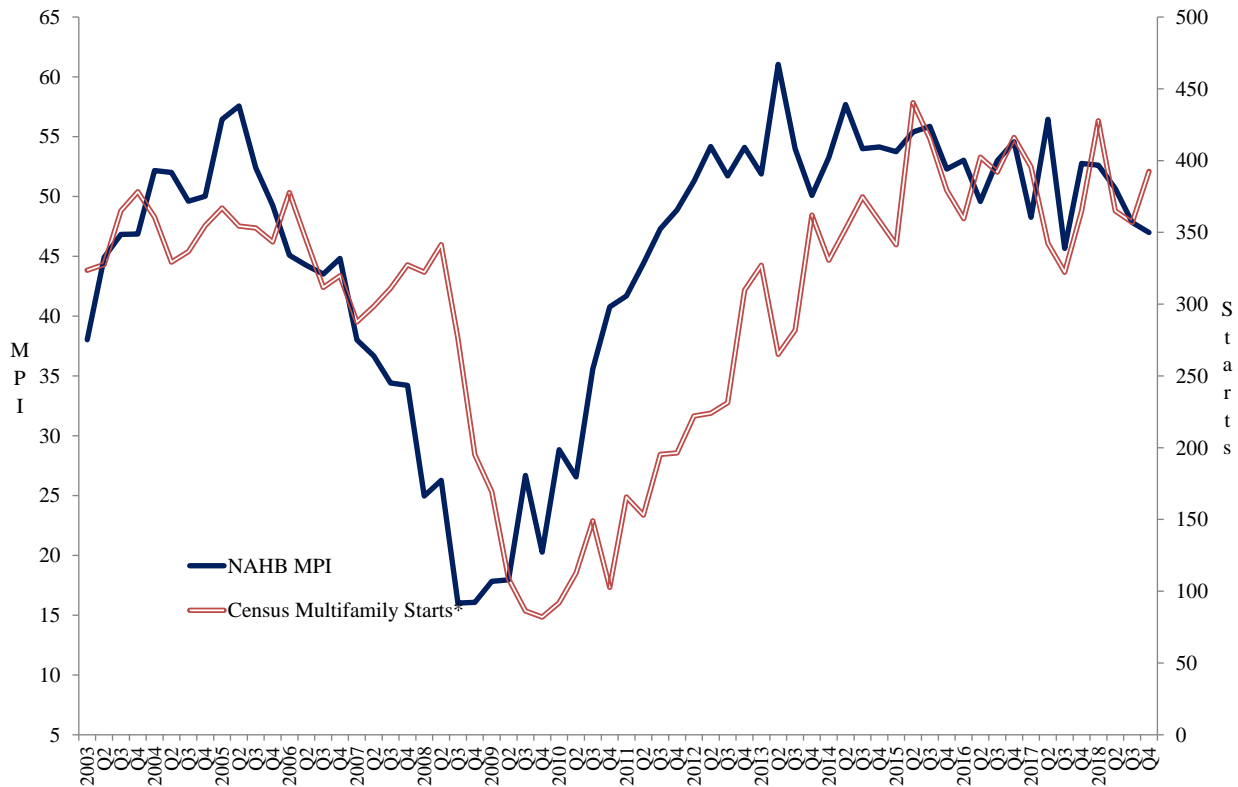
Numbers in the table are diffusion-type indices - calculated from the percentage responses using the formula  $(\text{Stronger} - \text{Weaker} + 100) / 2$ .

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 historical 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 Vacancy Indices - Q4 2018**  
(Seasonally Adjusted)

**RENTAL VACANCY IN CURRENT VS. PRIOR QUARTER**

	2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Multifamily Vacancy Index</b>	37	38	41	39	36	34	39	40	39	42	42	42	41	38	41	41	42	45	47	45
<b>MVI Components:</b>																				
Class A apartments	38	39	40	39	35	34	41	40	39	44	44	44	47	41	42	44	46	48	53	54
Class B apartments	35	36	41	37	36	33	36	38	38	40	40	39	37	37	40	39	39	43	46	40
Class C apartments	41	40	46	41	38	37	42	42	39	41	41	45	38	34	40	40	40	41	38	38

**EXPECTED VACANCY: NEXT 6 MONTHS VS. CURRENT QUARTER**

	2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Class A apartments	36	42	44	36	38	33	37	39	47	48	44	45	43	48	45	52	52	48	59	53
Class B apartments	41	38	41	38	38	36	35	40	36	46	41	39	38	40	41	41	41	42	48	46
Class C apartments	42	45	45	42	42	40	42	43	45	46	44	45	35	42	37	40	35	39	42	42

MVI components are based on questions asking if occupancy is higher, about the same, or lower in the current vs. prior quarter.

Expected vacancy indices are based on similar questions about occupancy during the next 6 months vs. the current quarter.

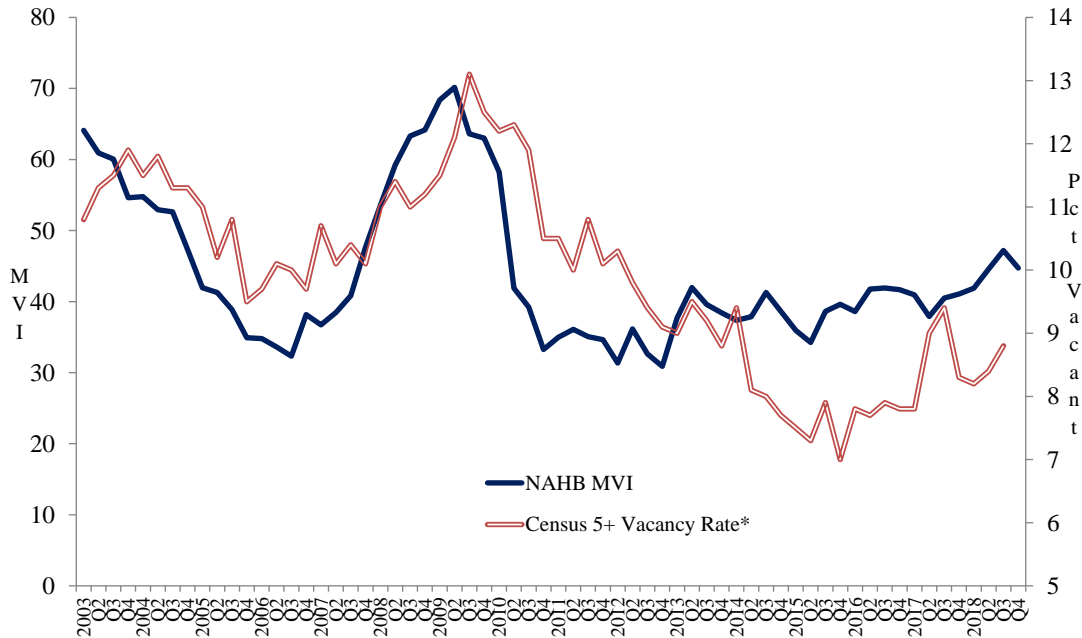
Individual vacancy indices are calculated from the percentage responses using the formula  $(\text{Lower Occupancy} - \text{Higher Occupancy} + 100) / 2$ .

The overall Multifamily Vacancy 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 Vacancy Index (MVI) and 5+ Rental Vacancy Rate**



\*Source: U.S. Census Bureau, Housing Vacancies and Homeownership (<http://www.census.gov/hhes/www/housing/hvs/hvs.html>)

The rental vacancy rate is the number of vacant rental units divided by the number of vacant rental units plus the number of rental units occupied plus the number of rental units rented but not yet occupied.

**TABLE 1**  
**Derivation of Multifamily Production Index and Components (Production in Current Compared to Prior Quarter)**

Period	For Rent - Low Rent					For Rent - Market Rent					For Sale					Multifamily Production Index
	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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>
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>

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: .3533xLow Rent + .2806xMarket Rent + .3661xFor Sale.

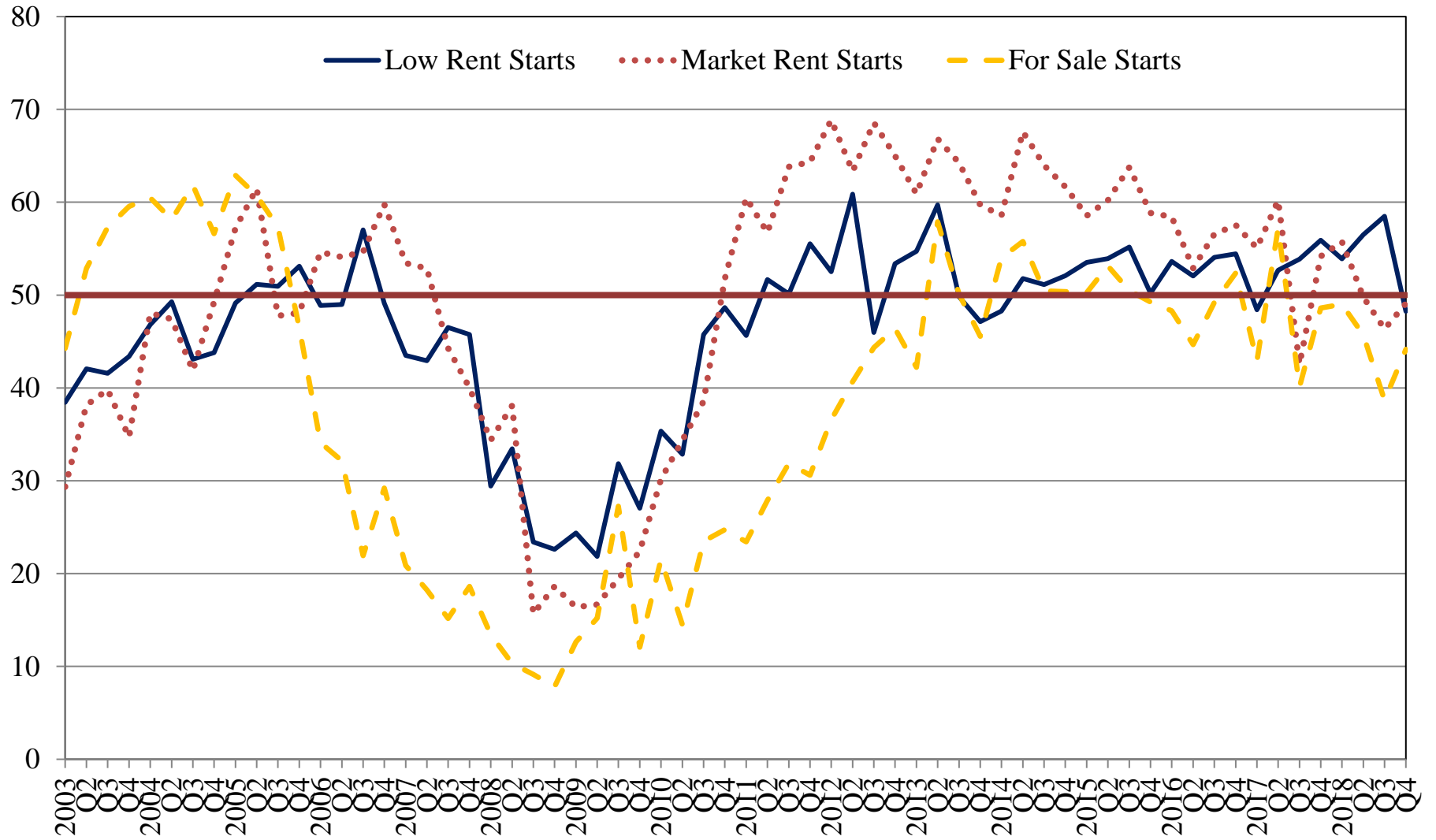
The weights are derived from a statistical analysis of the historical relationship between the components and the Census series on multifamily starts.

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

Q4 2018 results based on 62 responses.



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





**TABLE 2**  
**Derivation of Indices for Production Expected During the Next 6 Months (Compared to Current Quarter)**

Period	For Rent - Low Rent					For Rent - Market Rent					For Sale				
	Stronger	Same	Weaker	NSA Index	SA Index	Stronger	Same	Weaker	NSA Index	SA Index	Stronger	Same	Weaker	NSA Index	SA Index
1st Qtr. 2003	17	67	17	50	<b>49</b>	14	55	31	41	<b>40</b>	19	58	22	49	<b>49</b>
2nd Qtr. 2003	17	64	19	49	<b>49</b>	15	61	23	46	<b>45</b>	23	60	17	53	<b>55</b>
3rd Qtr. 2003	11	71	18	46	<b>50</b>	15	60	25	45	<b>49</b>	23	61	16	54	<b>55</b>
4th Qtr. 2003	19	67	13	53	<b>51</b>	23	57	19	52	<b>50</b>	35	54	11	62	<b>58</b>
1st Qtr. 2004	20	64	16	52	<b>50</b>	29	56	15	57	<b>55</b>	27	57	16	55	<b>56</b>
2nd Qtr. 2004	31	57	12	59	<b>59</b>	30	51	19	55	<b>55</b>	13	60	27	43	<b>44</b>
3rd Qtr. 2004	16	56	28	44	<b>48</b>	22	55	23	49	<b>54</b>	29	50	21	54	<b>56</b>
4th Qtr. 2004	23	56	21	51	<b>49</b>	32	51	17	58	<b>55</b>	33	56	12	60	<b>57</b>
1st Qtr. 2005	21	65	14	53	<b>51</b>	24	62	14	55	<b>54</b>	21	62	17	52	<b>51</b>
2nd Qtr. 2005	25	55	20	53	<b>53</b>	31	56	14	58	<b>58</b>	26	58	16	55	<b>56</b>
3rd Qtr. 2005	15	75	10	52	<b>57</b>	23	61	17	53	<b>58</b>	22	53	24	49	<b>53</b>
4th Qtr. 2005	30	54	16	57	<b>55</b>	33	52	15	59	<b>57</b>	13	53	34	39	<b>38</b>
1st Qtr. 2006	24	51	24	50	<b>47</b>	32	51	17	58	<b>55</b>	9	56	36	37	<b>35</b>
2nd Qtr. 2006	28	52	20	54	<b>55</b>	39	45	16	61	<b>60</b>	13	42	45	34	<b>34</b>
3rd Qtr. 2006	29	51	20	55	<b>61</b>	37	47	16	60	<b>67</b>	11	33	56	28	<b>31</b>
4th Qtr. 2006	35	49	16	59	<b>57</b>	51	37	12	70	<b>68</b>	31	35	33	49	<b>48</b>
1st Qtr. 2007	32	57	11	61	<b>56</b>	38	52	10	64	<b>60</b>	11	45	45	33	<b>30</b>
2nd Qtr. 2007	11	69	20	46	<b>47</b>	31	50	19	56	<b>55</b>	13	26	61	26	<b>26</b>
3rd Qtr. 2007	9	59	31	39	<b>44</b>	24	47	29	47	<b>52</b>	8	25	67	21	<b>24</b>
4th Qtr. 2007	27	43	30	49	<b>47</b>	30	39	30	50	<b>50</b>	17	25	58	29	<b>29</b>
1st Qtr. 2008	18	54	28	45	<b>41</b>	34	34	31	52	<b>47</b>	16	28	57	30	<b>26</b>
2nd Qtr. 2008	8	51	41	33	<b>35</b>	24	33	43	40	<b>40</b>	6	30	64	21	<b>21</b>
3rd Qtr. 2008	8	25	67	20	<b>23</b>	7	24	69	19	<b>21</b>	0	20	80	10	<b>12</b>
4th Qtr. 2008	8	41	51	29	<b>28</b>	6	33	61	23	<b>23</b>	4	18	78	13	<b>13</b>
1st Qtr. 2009	19	39	42	38	<b>34</b>	11	39	49	31	<b>27</b>	8	35	57	25	<b>21</b>
2nd Qtr. 2009	13	51	36	38	<b>40</b>	7	52	42	33	<b>32</b>	7	41	53	27	<b>27</b>
3rd Qtr. 2009	13	56	31	41	<b>47</b>	9	47	44	33	<b>37</b>	14	33	53	30	<b>37</b>
4th Qtr. 2009	11	54	35	38	<b>37</b>	9	51	40	34	<b>36</b>	2	49	49	26	<b>27</b>
1st Qtr. 2010	20	49	30	45	<b>40</b>	22	44	35	43	<b>38</b>	11	44	45	33	<b>27</b>
2nd Qtr. 2010	17	50	33	42	<b>37</b>	22	43	35	43	<b>38</b>	9	37	54	27	<b>22</b>
3rd Qtr. 2010	27	46	27	50	<b>57</b>	24	53	23	51	<b>58</b>	2	49	49	27	<b>33</b>
4th Qtr. 2010	23	65	12	55	<b>54</b>	40	48	12	64	<b>67</b>	10	56	34	38	<b>39</b>
1st Qtr. 2011	27	56	17	55	<b>49</b>	46	37	17	64	<b>57</b>	11	46	44	33	<b>28</b>
2nd Qtr. 2011	20	65	16	52	<b>53</b>	43	43	14	64	<b>62</b>	9	48	44	32	<b>31</b>
3rd Qtr. 2011	17	59	23	47	<b>50</b>	41	42	18	62	<b>67</b>	3	56	41	31	<b>37</b>
4th Qtr. 2011	30	56	14	58	<b>57</b>	47	40	13	67	<b>68</b>	11	55	34	38	<b>39</b>
1st Qtr. 2012	23	59	18	52	<b>52</b>	44	42	15	65	<b>65</b>	9	63	28	41	<b>41</b>
2nd Qtr. 2012	25	64	11	57	<b>59</b>	42	44	14	64	<b>63</b>	13	59	28	43	<b>41</b>
3rd Qtr. 2012	20	65	14	53	<b>56</b>	43	48	9	67	<b>72</b>	20	60	21	49	<b>57</b>
4th Qtr. 2012	21	68	11	55	<b>53</b>	43	45	12	66	<b>65</b>	23	61	16	53	<b>50</b>
1st Qtr. 2013	33	54	14	60	<b>57</b>	42	47	11	66	<b>62</b>	29	55	16	56	<b>51</b>
2nd Qtr. 2013	28	61	12	58	<b>60</b>	41	50	9	66	<b>67</b>	30	56	14	58	<b>60</b>
3rd Qtr. 2013	25	58	18	54	<b>56</b>	37	51	11	63	<b>65</b>	24	58	17	54	<b>58</b>
4th Qtr. 2013	23	64	14	55	<b>53</b>	33	55	13	60	<b>58</b>	24	59	16	54	<b>50</b>
1st Qtr. 2014	15	67	18	48	<b>47</b>	35	47	19	58	<b>57</b>	34	52	14	60	<b>58</b>
2nd Qtr. 2014	15	71	14	50	<b>51</b>	33	51	16	59	<b>60</b>	22	62	16	53	<b>55</b>
3rd Qtr. 2014	19	70	11	54	<b>57</b>	29	55	16	56	<b>57</b>	22	57	22	50	<b>53</b>
4th Qtr. 2014	25	64	12	56	<b>55</b>	33	52	15	59	<b>58</b>	26	54	20	53	<b>51</b>
1st Qtr. 2015	23	62	15	54	<b>54</b>	32	47	21	55	<b>56</b>	28	58	13	57	<b>56</b>
2nd Qtr. 2015	26	60	14	56	<b>54</b>	39	49	12	63	<b>63</b>	25	60	15	55	<b>56</b>
3rd Qtr. 2015	24	61	15	55	<b>57</b>	35	46	18	59	<b>59</b>	25	59	16	54	<b>56</b>
4th Qtr. 2015	20	69	11	55	<b>53</b>	31	56	13	59	<b>58</b>	18	66	16	51	<b>51</b>
1st Qtr. 2016	25	56	19	53	<b>53</b>	28	47	25	52	<b>52</b>	22	62	17	53	<b>50</b>
2nd Qtr. 2016	18	61	21	48	<b>48</b>	20	51	30	45	<b>44</b>	19	49	32	44	<b>44</b>
3rd Qtr. 2016	22	63	15	53	<b>54</b>	35	48	17	59	<b>60</b>	27	56	17	55	<b>57</b>
4th Qtr. 2016	23	55	22	51	<b>49</b>	26	53	21	53	<b>52</b>	18	68	14	52	<b>54</b>
1st Qtr. 2017	21	61	18	52	<b>52</b>	29	53	19	55	<b>56</b>	18	63	19	49	<b>46</b>
2nd Qtr. 2017	33	46	21	56	<b>56</b>	34	43	23	56	<b>55</b>	31	51	18	57	<b>57</b>
3rd Qtr. 2017	24	55	22	51	<b>50</b>	19	51	31	44	<b>45</b>	16	61	24	46	<b>47</b>
4th Qtr. 2017	30	53	17	57	<b>55</b>	24	51	25	49	<b>48</b>	17	65	19	49	<b>50</b>
1st Qtr. 2018	33	49	19	57	<b>58</b>	34	43	23	55	<b>57</b>	20	64	16	52	<b>50</b>
2nd Qtr. 2018	24	68	8	58	<b>59</b>	20	57	23	48	<b>47</b>	12	71	16	48	<b>49</b>
3rd Qtr. 2018	26	65	9	59	<b>60</b>	16	53	31	43	<b>45</b>	12	49	40	36	<b>37</b>
4th Qtr. 2018	23	63	14	54	<b>54</b>	20	57	23	48	<b>48</b>	13	60	26	43	<b>44</b>

Each expected production index is based on a survey question asking if production is expected to be stronger, about the same, or weaker during the next 6 months compared to the current quarter.

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

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

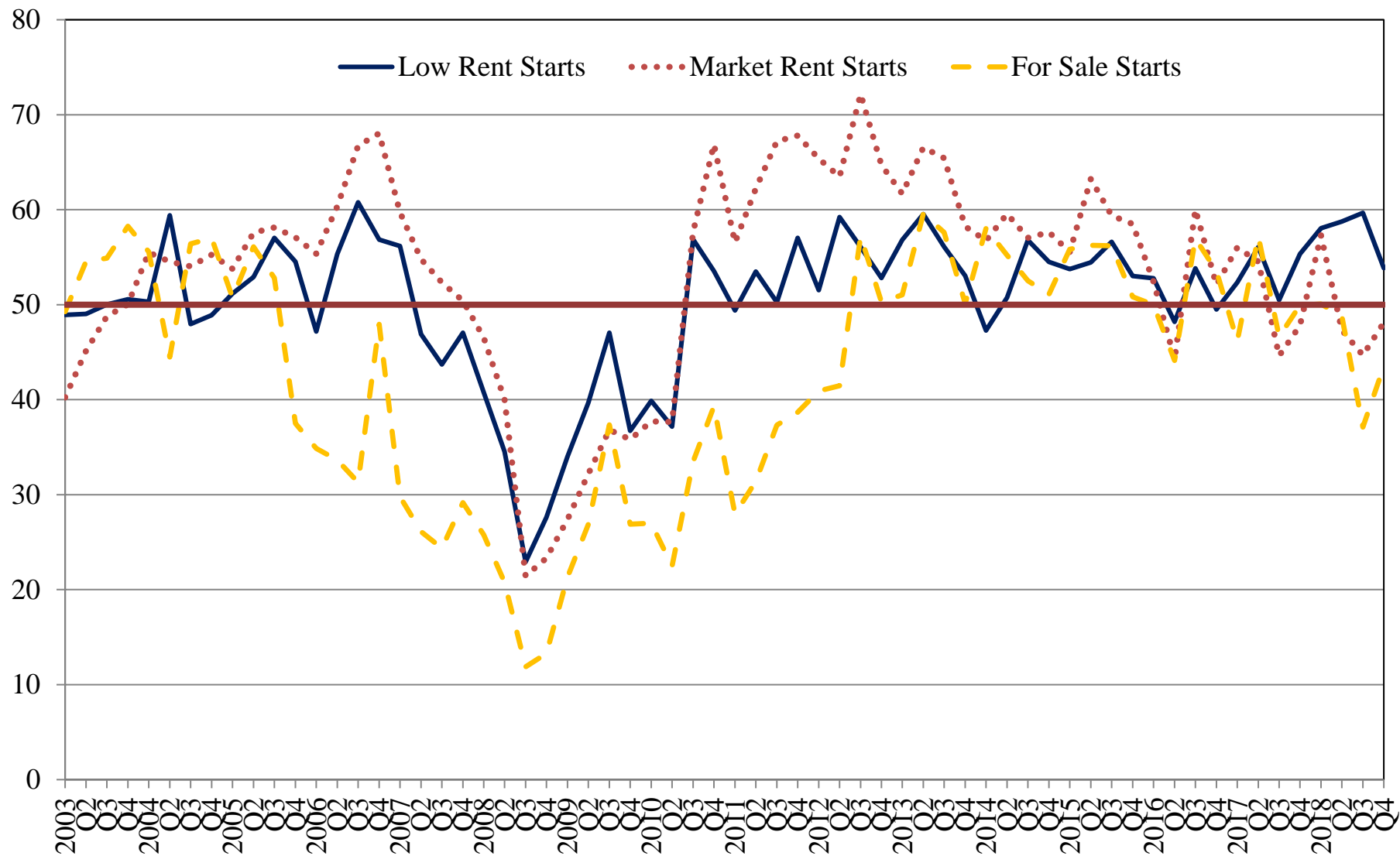
Q4 2018 results based on 62 responses.



### Chart 2

#### Expected Production Indices

(production next 6 months vs. current quarter)



**TABLE 3**  
**Derivation of Multifamily Vacancy Index and Components (Rental Vacancy in Current vs. Prior Quarter)**

Period	Class A Apartment					Class B Apartment					Class C Apartment					Multifamily Vacancy Index
	Occupancy			Vacancy		Occupancy			Vacancy		Occupancy			Vacancy		
	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	70	71	10	60	30	60	62	15	61	24	55	56	64
2nd Qtr. 2003	13	53	34	60	64	17	52	31	57	60	17	57	26	55	57	61
3rd Qtr. 2003	7	58	35	64	62	9	58	33	62	61	14	59	27	57	56	60
4th Qtr. 2003	13	54	33	60	58	14	57	29	57	53	13	63	23	55	52	55
1st Qtr. 2004	20	53	27	53	54	16	59	25	55	57	22	58	21	49	51	55
2nd Qtr. 2004	24	51	25	51	55	19	63	18	49	53	21	68	11	45	48	53
3rd Qtr. 2004	11	56	33	61	58	18	59	23	53	51	33	43	25	46	45	53
4th Qtr. 2004	14	62	24	55	52	24	54	22	49	44	31	41	28	48	45	47
1st Qtr. 2005	34	51	14	40	40	28	65	7	39	42	27	60	13	43	45	42
2nd Qtr. 2005	38	50	13	38	43	34	61	5	35	40	31	62	8	38	42	41
3rd Qtr. 2005	33	55	13	40	37	34	49	17	42	40	31	56	14	42	40	39
4th Qtr. 2005	44	37	19	38	34	35	49	16	41	35	34	48	18	42	38	35
1st Qtr. 2006	37	49	14	38	38	50	43	7	29	31	43	49	9	33	36	35
2nd Qtr. 2006	54	39	7	27	33	46	50	4	29	34	44	48	8	32	35	34
3rd Qtr. 2006	42	50	8	33	31	36	60	4	34	32	27	69	4	38	36	32
4th Qtr. 2006	29	61	11	41	37	21	69	10	45	39	23	71	6	41	38	38
1st Qtr. 2007	36	50	14	39	39	46	42	12	33	35	40	56	4	32	36	37
2nd Qtr. 2007	34	59	7	36	41	41	53	6	32	37	36	60	4	34	36	38
3rd Qtr. 2007	24	56	20	48	47	34	52	14	40	38	36	54	11	38	35	41
4th Qtr. 2007	18	50	32	57	54	21	55	24	51	46	33	50	17	42	39	48
1st Qtr. 2008	17	48	35	59	59	22	54	24	51	53	33	52	15	41	44	54
2nd Qtr. 2008	12	44	44	66	69	26	46	28	51	55	21	59	21	50	51	59
3rd Qtr. 2008	9	44	47	69	69	16	44	40	62	61	15	50	35	60	58	63
4th Qtr. 2008	3	41	56	76	75	9	57	34	63	59	15	55	30	58	56	64
1st Qtr. 2009	2	41	57	78	77	8	56	36	64	65	13	65	23	55	58	68
2nd Qtr. 2009	6	42	52	73	75	8	49	43	68	70	14	52	34	60	60	70
3rd Qtr. 2009	10	39	51	71	71	6	64	30	62	61	16	52	32	58	56	64
4th Qtr. 2009	9	47	44	67	65	4	56	40	68	64	16	53	30	57	56	63
1st Qtr. 2010	11	61	28	58	58	11	65	24	57	58	14	59	28	57	59	58
2nd Qtr. 2010	30	58	12	41	40	32	55	12	40	42	31	57	12	40	43	42
3rd Qtr. 2010	35	46	18	41	42	39	47	15	38	37	34	45	21	44	41	39
4th Qtr. 2010	28	60	12	42	37	35	60	5	35	28	29	62	9	40	38	33
1st Qtr. 2011	38	52	10	36	34	50	36	14	32	34	42	44	15	36	40	35
2nd Qtr. 2011	46	47	7	30	36	50	44	5	27	34	28	60	13	42	43	36
3rd Qtr. 2011	40	50	10	35	35	38	52	10	36	34	28	62	10	41	38	35
4th Qtr. 2011	34	55	10	38	33	34	54	11	39	34	34	52	14	40	39	35
1st Qtr. 2012	44	44	11	34	29	42	48	10	34	30	29	55	15	43	42	31
2nd Qtr. 2012	49	44	7	29	35	43	49	7	32	38	42	50	8	33	33	36
3rd Qtr. 2012	41	52	7	33	33	41	53	6	33	31	36	55	9	37	35	33
4th Qtr. 2012	37	56	6	35	30	38	56	6	34	30	35	58	8	36	37	31
1st Qtr. 2013	35	51	13	39	38	32	61	7	37	37	32	59	8	38	40	38
2nd Qtr. 2013	34	56	9	38	42	34	60	6	36	41	26	60	14	44	43	42
3rd Qtr. 2013	35	57	8	36	36	25	66	10	42	42	26	64	10	42	41	40
4th Qtr. 2013	32	57	11	39	36	27	63	10	42	39	24	65	11	43	43	38
1st Qtr. 2014	34	54	12	39	38	36	57	7	36	35	32	54	14	41	41	37
2nd Qtr. 2014	39	53	8	34	39	39	56	4	32	36	29	63	8	40	40	38
3rd Qtr. 2014	30	60	9	40	40	23	71	6	42	41	18	71	10	46	46	41
4th Qtr. 2014	28	60	12	42	39	28	65	7	39	37	28	62	10	41	41	39
1st Qtr. 2015	40	49	11	36	35	37	54	9	36	36	33	57	10	38	38	36
2nd Qtr. 2015	46	47	8	31	34	46	49	6	30	33	35	56	9	37	37	34
3rd Qtr. 2015	35	49	15	40	41	34	58	9	38	36	27	59	14	43	42	39
4th Qtr. 2015	31	53	16	43	40	29	60	11	41	38	24	68	8	42	42	40
1st Qtr. 2016	31	58	11	40	39	32	62	7	38	38	31	61	8	39	39	39
2nd Qtr. 2016	31	55	14	42	44	34	59	7	37	40	31	57	12	40	41	42
3rd Qtr. 2016	30	50	20	45	44	27	63	11	42	40	26	61	13	44	41	42
4th Qtr. 2016	25	58	18	47	44	23	70	7	42	39	20	68	12	46	45	42
1st Qtr. 2017	23	58	18	48	47	34	59	7	36	37	39	49	12	37	38	41
2nd Qtr. 2017	37	51	12	37	41	42	51	7	32	37	45	44	11	33	34	38
3rd Qtr. 2017	25	64	11	43	42	27	63	11	42	40	31	55	15	42	40	41
4th Qtr. 2017	25	58	18	46	44	29	57	14	42	39	25	65	9	42	40	41
1st Qtr. 2018	24	58	18	47	46	33	59	9	38	39	37	49	14	38	40	42
2nd Qtr. 2018	28	56	17	44	48	33	56	12	39	43	29	65	6	38	41	45
3rd Qtr. 2018	14	63	22	54	53	12	80	8	48	46	21	74	4	41	38	47
4th Qtr. 2018	17	55	28	56	54	25	63	12	43	40	34	50	16	41	38	45

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

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

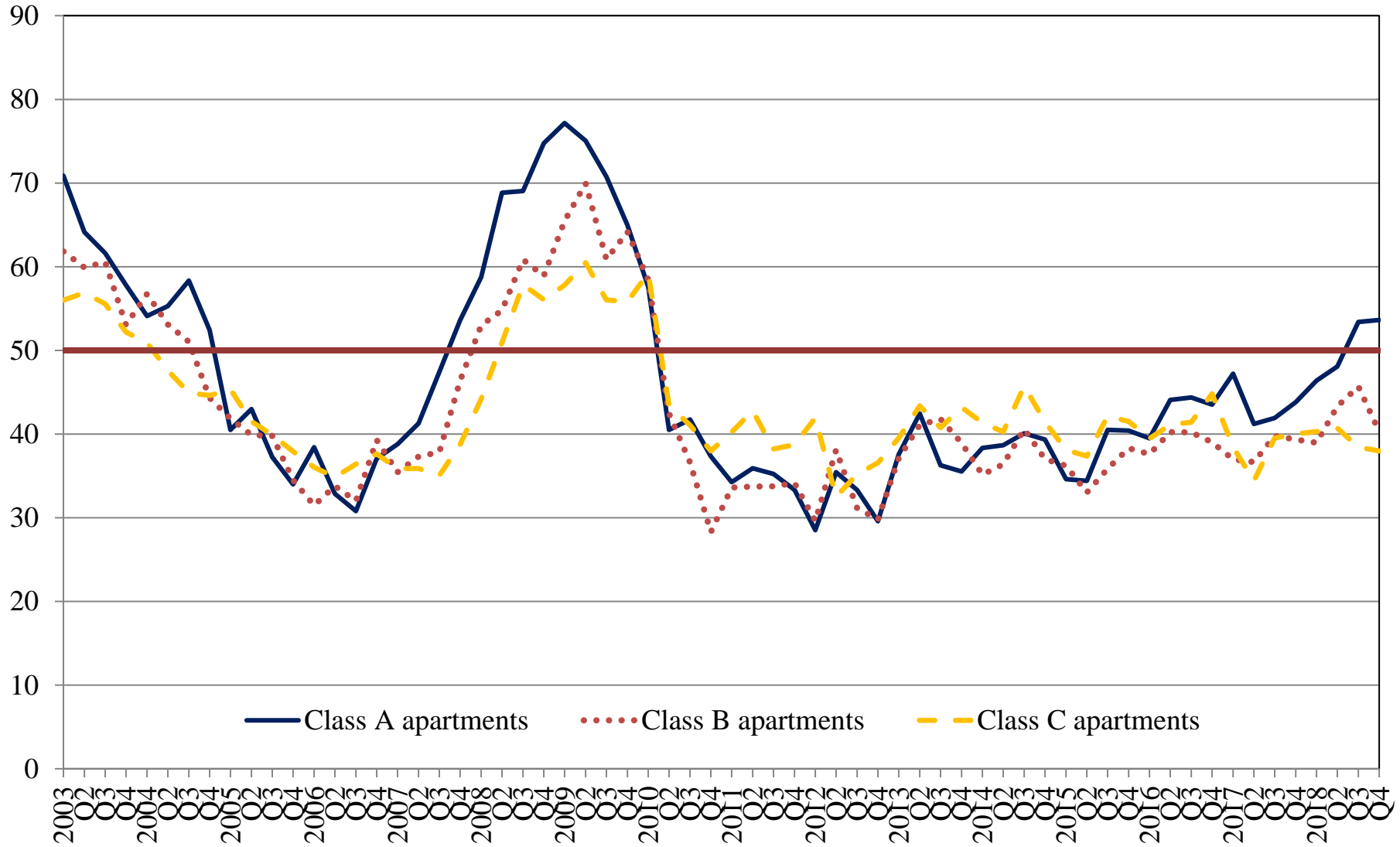
The weights are derived from a statistical analysis of the historical relationship between the components and the Census series on rental vacancy rates in structures with at least 5 apartments.

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

Q4 2018 results based on 62 responses.



**Chart 3**  
**Components of the Multifamily Vacancy Index (MVI)**  
(rental vacancy in current vs. prior quarter)



**TABLE 4**  
**Derivation of Indices for Expected Vacancy During the Next 6 Months (Compared to Current Quarter)**

Period	Class A Apartment					Class B Apartment					Class C Apartment				
	Occupancy			Vacancy		Occupancy			Vacancy		Occupancy			Vacancy	
	Higher	Same	Lower	NSA Index	SA Index	Higher	Same	Lower	NSA Index	SA Index	Higher	Same	Lower	NSA Index	SA Index
1st Qtr. 2003	16	55	30	57	<b>57</b>	19	61	21	51	<b>52</b>	21	61	18	49	<b>50</b>
2nd Qtr. 2003	13	65	22	54	<b>55</b>	16	64	20	52	<b>53</b>	14	68	17	52	<b>53</b>
3rd Qtr. 2003	17	67	17	50	<b>48</b>	19	61	20	50	<b>49</b>	18	59	23	53	<b>50</b>
4th Qtr. 2003	30	57	13	42	<b>43</b>	26	64	10	42	<b>41</b>	27	63	11	42	<b>43</b>
1st Qtr. 2004	24	58	18	47	<b>47</b>	28	58	14	43	<b>45</b>	24	60	16	46	<b>47</b>
2nd Qtr. 2004	33	51	16	42	<b>43</b>	35	52	13	39	<b>39</b>	35	55	11	38	<b>39</b>
3rd Qtr. 2004	21	55	25	52	<b>50</b>	20	63	18	49	<b>47</b>	30	49	21	45	<b>42</b>
4th Qtr. 2004	31	56	13	41	<b>41</b>	30	60	10	40	<b>39</b>	38	51	11	37	<b>37</b>
1st Qtr. 2005	38	52	10	36	<b>36</b>	36	61	4	34	<b>36</b>	41	52	7	33	<b>35</b>
2nd Qtr. 2005	33	54	13	40	<b>42</b>	30	59	11	41	<b>42</b>	33	55	12	39	<b>40</b>
3rd Qtr. 2005	26	60	13	43	<b>42</b>	34	52	14	40	<b>39</b>	29	57	14	43	<b>40</b>
4th Qtr. 2005	45	41	14	35	<b>35</b>	39	54	7	34	<b>32</b>	35	55	11	38	<b>38</b>
1st Qtr. 2006	32	59	10	39	<b>39</b>	45	49	5	30	<b>32</b>	33	61	7	37	<b>37</b>
2nd Qtr. 2006	59	34	7	24	<b>26</b>	57	43	0	21	<b>23</b>	52	44	4	26	<b>27</b>
3rd Qtr. 2006	48	44	8	30	<b>29</b>	63	25	13	25	<b>25</b>	46	46	8	31	<b>27</b>
4th Qtr. 2006	45	47	8	32	<b>31</b>	33	62	5	36	<b>33</b>	33	64	3	35	<b>35</b>
1st Qtr. 2007	54	39	7	27	<b>26</b>	50	42	8	29	<b>31</b>	36	64	0	32	<b>34</b>
2nd Qtr. 2007	34	52	14	40	<b>41</b>	41	50	9	34	<b>35</b>	33	52	15	41	<b>41</b>
3rd Qtr. 2007	39	48	13	37	<b>36</b>	30	70	0	35	<b>36</b>	30	67	4	37	<b>34</b>
4th Qtr. 2007	34	32	34	50	<b>50</b>	32	45	24	46	<b>42</b>	36	50	14	39	<b>39</b>
1st Qtr. 2008	16	53	31	57	<b>57</b>	25	57	18	46	<b>48</b>	36	52	12	38	<b>40</b>
2nd Qtr. 2008	15	58	27	56	<b>57</b>	26	58	16	45	<b>46</b>	30	52	18	44	<b>44</b>
3rd Qtr. 2008	9	38	53	72	<b>72</b>	18	42	40	61	<b>62</b>	21	52	27	53	<b>51</b>
4th Qtr. 2008	12	45	42	65	<b>64</b>	20	46	34	57	<b>54</b>	21	58	21	50	<b>50</b>
1st Qtr. 2009	6	56	38	66	<b>66</b>	14	59	27	56	<b>57</b>	21	63	17	48	<b>50</b>
2nd Qtr. 2009	6	67	27	60	<b>62</b>	16	58	26	55	<b>56</b>	16	65	18	51	<b>51</b>
3rd Qtr. 2009	10	68	22	56	<b>57</b>	9	77	15	53	<b>55</b>	18	66	16	49	<b>47</b>
4th Qtr. 2009	9	60	30	60	<b>59</b>	8	65	27	59	<b>56</b>	21	60	19	49	<b>48</b>
1st Qtr. 2010	21	57	22	50	<b>50</b>	26	54	20	47	<b>49</b>	25	55	20	47	<b>49</b>
2nd Qtr. 2010	28	61	11	42	<b>41</b>	27	63	10	42	<b>44</b>	27	62	11	42	<b>44</b>
3rd Qtr. 2010	29	61	10	40	<b>43</b>	34	59	7	36	<b>38</b>	29	59	13	42	<b>40</b>
4th Qtr. 2010	35	59	6	36	<b>32</b>	42	54	4	31	<b>25</b>	30	62	7	38	<b>38</b>
1st Qtr. 2011	38	53	8	35	<b>34</b>	47	44	10	31	<b>33</b>	37	50	13	38	<b>40</b>
2nd Qtr. 2011	40	55	5	32	<b>34</b>	50	47	4	27	<b>28</b>	36	57	7	35	<b>36</b>
3rd Qtr. 2011	37	50	13	38	<b>40</b>	37	51	12	37	<b>38</b>	29	62	9	40	<b>38</b>
4th Qtr. 2011	41	54	5	32	<b>30</b>	40	55	5	32	<b>29</b>	35	59	5	35	<b>35</b>
1st Qtr. 2012	43	46	11	34	<b>32</b>	39	51	10	36	<b>32</b>	30	57	13	42	<b>41</b>
2nd Qtr. 2012	39	55	6	34	<b>36</b>	37	59	5	34	<b>36</b>	36	56	8	36	<b>36</b>
3rd Qtr. 2012	37	53	10	37	<b>37</b>	38	54	8	35	<b>34</b>	34	59	7	37	<b>35</b>
4th Qtr. 2012	33	58	9	38	<b>37</b>	37	61	2	33	<b>31</b>	34	64	2	34	<b>35</b>
1st Qtr. 2013	33	52	15	41	<b>40</b>	32	62	6	37	<b>37</b>	28	64	8	40	<b>40</b>
2nd Qtr. 2013	31	57	12	41	<b>43</b>	29	65	6	39	<b>41</b>	24	69	7	42	<b>43</b>
3rd Qtr. 2013	39	54	7	34	<b>33</b>	34	61	5	35	<b>34</b>	28	62	10	41	<b>40</b>
4th Qtr. 2013	33	53	14	40	<b>40</b>	21	71	8	43	<b>43</b>	20	71	9	45	<b>46</b>
1st Qtr. 2014	37	53	10	36	<b>36</b>	26	66	8	41	<b>41</b>	21	72	7	43	<b>42</b>
2nd Qtr. 2014	37	45	18	40	<b>42</b>	32	63	5	37	<b>38</b>	23	66	11	44	<b>45</b>
3rd Qtr. 2014	26	60	14	44	<b>44</b>	24	68	8	42	<b>41</b>	19	69	12	46	<b>45</b>
4th Qtr. 2014	35	57	8	37	<b>36</b>	30	63	7	38	<b>38</b>	27	65	8	41	<b>42</b>
1st Qtr. 2015	39	45	16	39	<b>38</b>	33	56	11	39	<b>38</b>	29	56	15	43	<b>42</b>
2nd Qtr. 2015	43	48	9	33	<b>33</b>	34	63	3	35	<b>36</b>	30	61	9	40	<b>40</b>
3rd Qtr. 2015	36	52	12	38	<b>37</b>	33	61	6	37	<b>35</b>	25	63	12	43	<b>42</b>
4th Qtr. 2015	35	55	11	38	<b>39</b>	30	63	7	39	<b>40</b>	28	64	9	41	<b>43</b>
1st Qtr. 2016	27	52	21	47	<b>47</b>	31	64	5	37	<b>36</b>	23	62	15	46	<b>45</b>
2nd Qtr. 2016	28	51	22	47	<b>48</b>	26	60	14	44	<b>46</b>	25	57	17	46	<b>46</b>
3rd Qtr. 2016	21	65	14	46	<b>44</b>	23	69	8	42	<b>41</b>	21	66	13	46	<b>44</b>
4th Qtr. 2016	31	51	18	43	<b>45</b>	30	62	8	39	<b>39</b>	24	66	10	43	<b>45</b>
1st Qtr. 2017	33	45	22	44	<b>43</b>	34	56	10	38	<b>38</b>	40	48	12	36	<b>35</b>
2nd Qtr. 2017	29	47	24	47	<b>48</b>	31	60	9	39	<b>40</b>	33	50	17	42	<b>42</b>
3rd Qtr. 2017	25	57	18	46	<b>45</b>	27	63	11	42	<b>41</b>	33	56	11	39	<b>37</b>
4th Qtr. 2017	23	54	23	50	<b>52</b>	28	61	11	41	<b>41</b>	28	67	6	39	<b>40</b>
1st Qtr. 2018	25	45	30	52	<b>52</b>	24	69	7	41	<b>41</b>	36	57	7	36	<b>35</b>
2nd Qtr. 2018	28	48	24	48	<b>48</b>	33	52	15	41	<b>42</b>	31	60	10	39	<b>39</b>
3rd Qtr. 2018	11	60	30	60	<b>59</b>	15	73	13	49	<b>48</b>	22	69	9	43	<b>42</b>
4th Qtr. 2018	17	63	20	52	<b>53</b>	23	62	15	46	<b>46</b>	32	54	14	41	<b>42</b>

Each expected vacancy index is based on a survey question asking if occupancy is expected to be higher, about the same, or lower during the next 6 months compared to the current quarter.

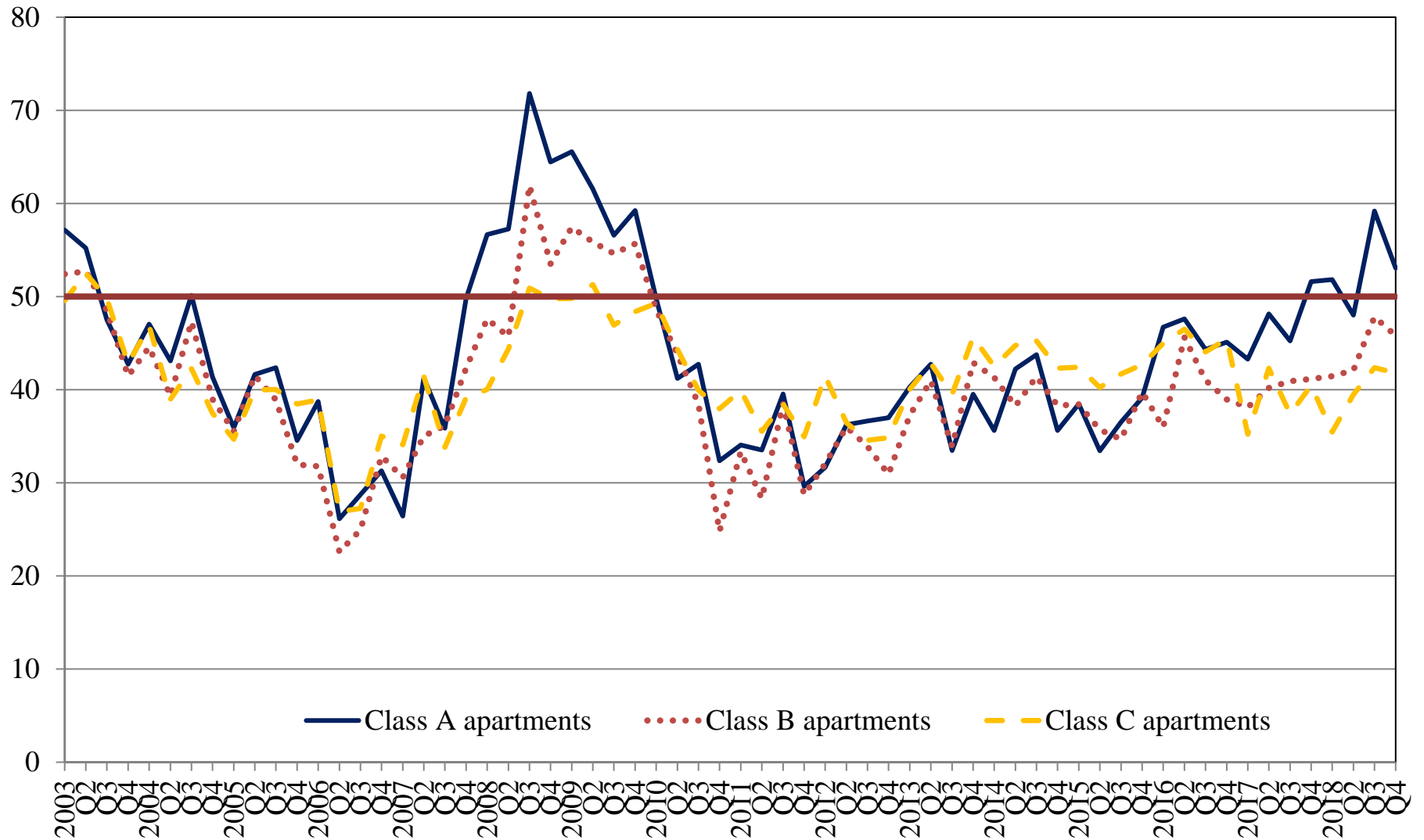
An index number is calculated from the percentage responses using the diffusion index formula (Lower Occupancy - Higher Occupancy + 100) / 2.

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

Q4 2018 results based on 62 responses.



**Chart 4**  
**Expected Vacancy Indices**  
(vacancy next 6 months vs. current quarter)



# National Association of Home Builders

## Multifamily Market Survey

*Fourth Quarter 2018*

1. Please rate the current conditions in your market area for production of new apartments during the current quarter, compared to the previous quarter. Also tell us your expectations for market conditions during the next six months compared to the current quarter.

Multifamily starts	Current Quarter vs. Prior Quarter			Expectations for next 6 months		
	Stronger	About the same	Weaker	Stronger	About the same	Weaker
<b>a. For rent</b>						
a1. Low Rent*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a2. Market Rent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>b. For sale</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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. Also tell us your expectations for market conditions during the next six months compared to the current quarter.

	Current Quarter vs. Prior Quarter			Expectations for next 6 months		
	Higher	About the same	Lower	Higher	About the same	Lower
<b>Multifamily rental occupancy</b>						
a. Class A apartment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Class B apartment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Class C apartment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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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~~ THANK YOU ~~