



Multifamily Production Indices - Q1 2019 (Seasonally Adjusted)

PRODUCTION OF NEW APARTMENTS IN CURRENT VS. PRIOR QUARTER

	2014				2015				2016				2017				2018				2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Multifamily Production Index	53	58	54	54	54	55	56	52	53	50	53	55	48	56	46	53	53	51	48	47	40
MPI Components:																					
Low Rent Starts	48	52	51	52	54	54	55	50	54	52	54	54	48	53	54	56	54	57	59	48	47
Market Rent Starts	59	68	64	62	59	60	64	59	58	53	57	58	55	60	43	54	56	50	46	49	42
For Sale Starts	54	56	50	50	50	53	50	49	48	45	49	52	43	57	40	49	49	46	39	44	31

EXPECTED PRODUCTION: NEXT 6 MONTHS VS. CURRENT QUARTER

	2014				2015				2016				2017				2018				2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Low Rent Starts	47	51	57	55	54	54	57	53	53	48	54	49	52	56	50	55	58	59	60	54	60
Market Rent Starts	57	60	57	58	56	63	59	58	52	44	60	52	56	55	45	48	57	47	45	48	44
For Sale Starts	58	55	53	51	56	56	56	51	50	44	57	54	46	57	47	50	50	49	37	44	35

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.

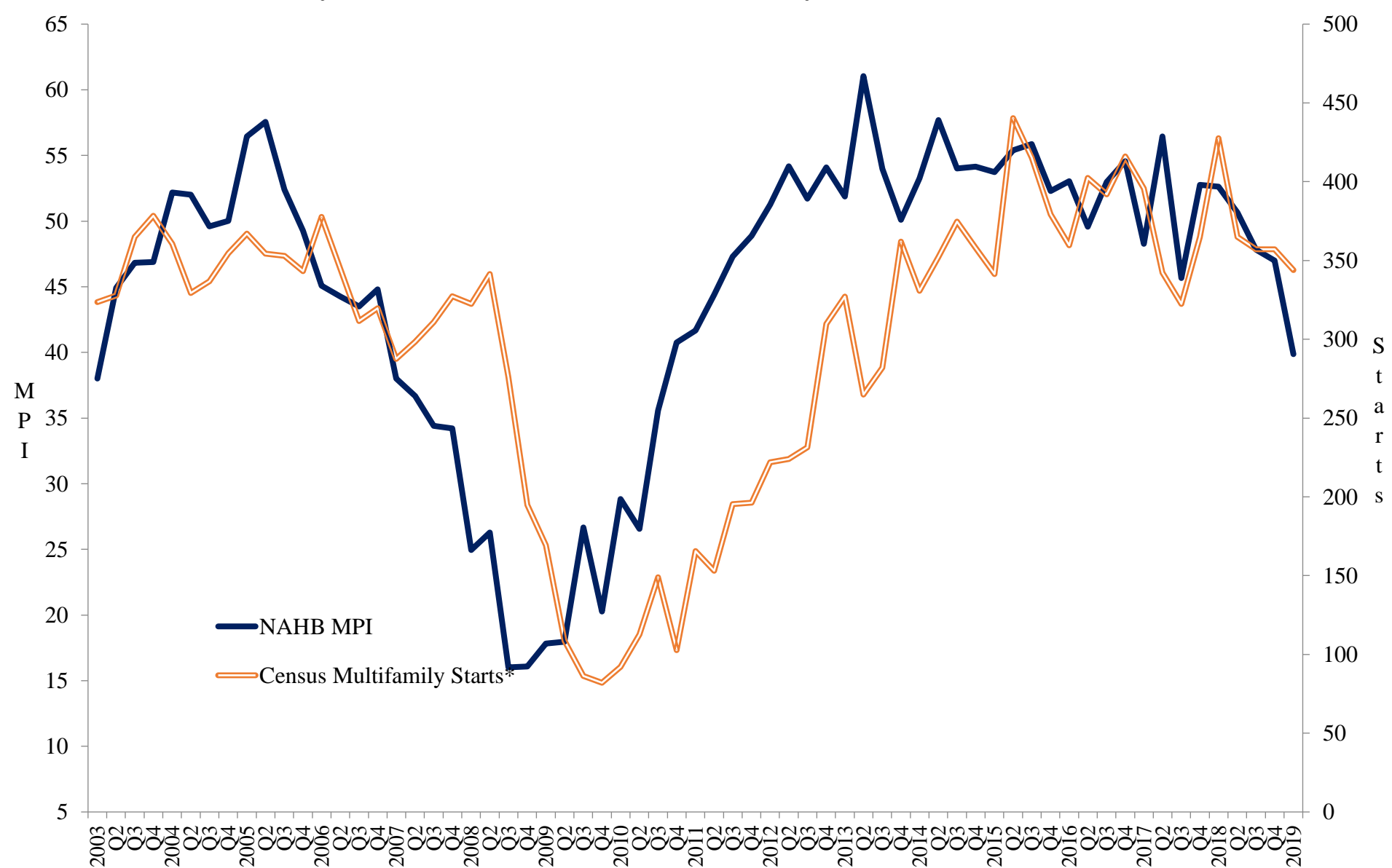
Numbers in the table are diffusion-type indices - calculated from the percentage responses using the formula $(\text{Stronger} - \text{Weaker} + 100) / 2$.

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.