

Institutional Property Advisors Releases National Multifamily Construction Report

CALABASAS, Calif.--(BUSINESS WIRE)-- [Institutional Property Advisors \(IPA\)](#), a division of [Marcus & Millichap \(NYSE:MMI\)](#), published a new national report, Pullback in Multifamily Construction Starts.

“As access to development capital across the country diminishes and rent growth slows, multifamily starts are cooling,” stated Greg Willett, first vice president and national director, research services, IPA. “Among the 15 markets that account for over half of the nation’s ongoing apartment construction, building starts in the second quarter of 2023 totaled just under half the average volume recorded during the previous two years.”

Pullback in Multifamily Construction Starts research report provides investors with the latest apartment construction research and analysis, including key findings such as:

- The largest declines are in Texas, with second quarter 2023 project initiations in Houston, Austin and Dallas-Fort Worth at less than one-third the earlier volume. Slowdowns are also pronounced in Philadelphia, Denver, and Washington, D.C.
- Pullbacks in new construction that mirror the average for the 15 markets under study are in Los Angeles at 52%, Seattle at 51% and Atlanta at 50%.
- Markets where the pullback in construction is somewhat slower to materialize are in Florida and the Carolinas. Raleigh-Durham is the single location in the analysis where apartment construction starts in Q2 2023 remained in line with the volume recorded in early 2021 through early 2023.
- Given that the typical apartment property takes 18 to 24 months to complete, delivery volumes should begin to wane in early 2025 and then drop notably during the last half of the year.

“Rent growth is likely to regain momentum as early as spring 2024, when the normal seasonal upturn in leasing velocity should coincide with obvious signs that today’s new supply excess is temporary,” added John Sebree, senior vice president and national director of the firm’s Multi Housing Division. “Price increases should prove robust during 2025.”

Access IPA’s complete Pullback in Multifamily Construction Starts report [here](#).

About Institutional Property Advisors (IPA)

Institutional Property Advisors (IPA) is a division of Marcus & Millichap (NYSE: MMI), a leading commercial real estate services firm in North America. IPA’s combination of real estate investment and capital markets expertise, industry-leading technology, and acclaimed research offer customized solutions for the acquisition, disposition and financing of institutional properties and portfolios. For more information, please visit www.institutionalpropertyadvisors.com

About Marcus & Millichap, Inc. (NYSE: MMI)

Marcus & Millichap, Inc. is a leading brokerage firm specializing in commercial real estate investment sales, financing, research and advisory services with offices throughout the United States and Canada. As of December 31, 2022, the company had 1,904 investment sales and financing professionals in 81 offices who provide investment brokerage and financing services to sellers and buyers of commercial real estate. The company also offers market research, consulting and advisory services to clients. Marcus & Millichap closed 12,272 transactions in 2022, with a sales volume of approximately \$86.3 billion. For additional information, please visit www.MarcusMillichap.com.

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