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Multifamily Developer Confidence Reflected Mixed Results in the Fourth Quarter

WASHINGTON, Feb. 13 – Confidence in the market for new multifamily housing reflected mixed results year-over-year 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. While the Multifamily Production Index (MPI) increased seven points to 48 year-over-year, it is still below the break-even point of 50. The Multifamily Occupancy Index (MOI) had a reading of 81, up four 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.

one point to 52, the component measuring mid/high-rise units increased 13 points to 39, the component measuring subsidized units rose 11 points to 52 and the component measuring built-for-sale units posted a one-

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 fourth quarter 2024 Multifamily Market Survey was sent to 1,349 multifamily developers. Responses were received from 72 of them.

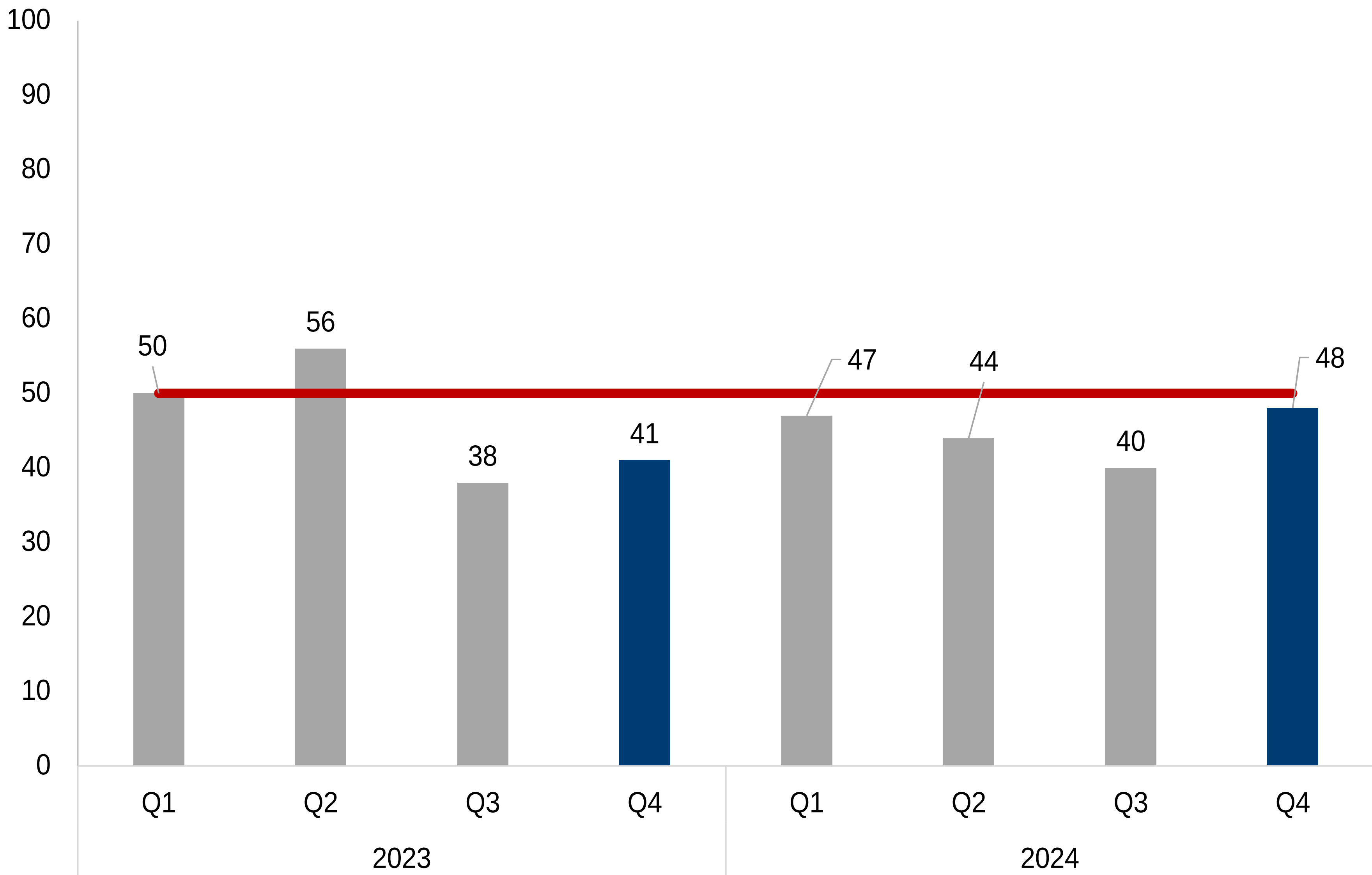
To generate data for the MPI, the survey asks

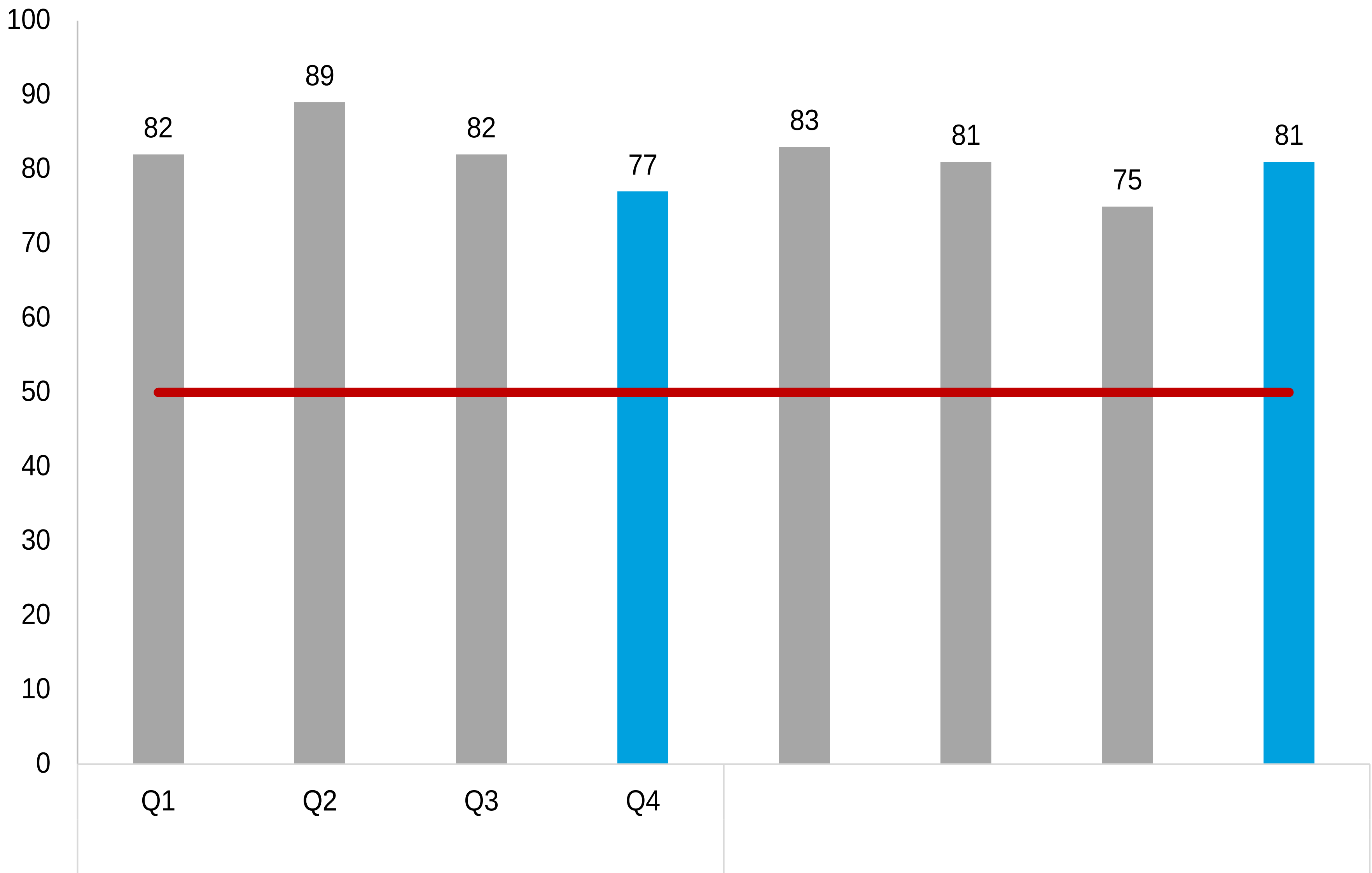
	Garden/ Low-Rise	Mid/ High-Rise	Subsidized	Built for Sale	
Q1 2023	57	41	51	42	**50**
Q2 2023	64	47	55	45	**56**
Q3 2023	45	28	39	32	**38**
Q4 2023	51	26	41	43	**41**
Q1 2024	55	36	50	39	**47**
Q2 2024	53	29	51	38	**44**
Q3 2024	48	28	46	29	**40**
Q4 2024	52	39	52	42	**48**

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.

Figure 1: NAHB Multifamily Market Survey (MMS)

Mul1 28121 99144 in0 g0 G00744 6c13 Survey (MMS)




100
90
80
70
60
50
40
30
20
10
0
82
89
82
77
83
81
75
81
Q1
Q2
Q3
Q4

National Association of Home Builders

Multifamily Market Survey — *Fourth Quarter 2024*

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 donât 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**			