Q4 2026

Contacts

Jeff Adler
Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ben Bruckner
Senior Research Analyst
Ben.Bruckner@Yardi.com
(800) 866-1124 x25199

Doug Ressler
Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Multifamily Supply Forecast Notes

For the Q4 2026 update, the Yardi Matrix Multifamily Supply Forecast has increased the full-year 2026 forecast by 4.8%, and increased the remaining years slightly.

Year	Q4 2026	Q3 2026	% Chg
2026	513,883	490,362	4.8%
2027	450,964	444,343	1.5%
2028	464,242	455,442	1.9%
2029	456,538	455,821	0.2%
2030	461,136	460,278	0.2%
2031	461,989	460,381	0.3%

Source: Yardi Matrix

Near-Term Forecast: 2026 Through 2028

The Q4 forecast update has increased forecast completions for 2026 by 4.8% and increased the forecast for 2027 and 2028 by less than 2%. The forecast continues to anticipate new supply bottoming in 2027 at around 450,000 units, with a modest increase to 464,000 units in 2028. For the later years, new supply is forecast to range between 456,000 and 462,000 units.

The Q4 forecast update has increased the 2026 forecast by 4.8%. This largely reflects updates to our under-construction and completion data, not a material change in forecast outlook. The number of units under construction and in pre-lease continues to decline, suggesting that 2027 new supply will be below 2026 levels.

2026 new-development activity year-to-date is running above year-ago levels. This has driven an increase in units under construction but not in pre-lease. Given current completion times, this suggests 2028 new supply will increase relative to 2027, to around 464,000 units.

The mid-year runup in longer-term interest rates and inflation may be impacting new-development momentum. This year's new-development activity is increasing, but as the year has progressed it has increased at a decreasing rate.

© Yardi Systems, LLC, 2026. All rights reserved. All other trademarks are the property of their respective owners.

The near-term forecast assumes the overall economic backdrop remains largely unchanged. Sizeable U.S. fiscal deficits support moderate income growth, employment and household formation. The continuing Iran war and the AI buildout keep inflation elevated. As a result, the forecast assumes longer-term interest rates remain elevated while the federal funds rate is modestly increased.

High-supply markets with weak or negative advertised rental rate growth will see continued reductions in market-rate supply, with affordable and mixed-income properties delivering more supply than some market observers might expect. Markets experiencing positive advertised rental rate growth will continue to maintain or incrementally increase new supply.

Forecast Coverage

The supply forecast covers market rate, mixed income, fully affordable, senior and single-family rental (SFR-BTR in communities of ≥50 units) multifamily property types. Since nearly all under-construction and most planned properties have an identified property type, the first three years of the forecast can be broken out by property type.

	<<< Actual Completions						Forecast Completions >>>		
	2020	2021	2022	2023	2024	2025	2026	2027	2028
Market	279,473	311,004	263,157	333,196	434,861	401,424	280,493	243,296	261,189
Mixed Income	55,551	67,739	69,720	79,171	102,102	95,517	86,053	75,776	95,814
Fully Affordable	47,082	49,131	58,059	68,201	99,770	95,566	89,674	88,318	80,929
Senior*	12,481	10,413	10,525	12,475	13,204	10,579	10,353	13,484	13,656
SFR	8,059	12,266	19,676	38,249	46,344	53,850	47,310	30,090	12,654
Total	**402,646**	**450,553**	**421,137**	**531,292**	**696,281**	**656,936**	**513,883**	**450,964**	**464,242**

**Includes both fully and partially age-restricted properties.*
Source: Yardi Matrix

As noted in previous forecast notes, the composition of multifamily new supply has been changing over time. New supply tracked by Yardi Matrix peaked in 2024 at 696,281 units and is forecast to decline by 54% to bottom at 450,964 units by 2027. Market-rate apartments drive the decline, falling by 79% peak to trough.

New supply from affordable and mixed income (properties containing between 5% and 89% subsidized units) are also forecast to decline, but at a much lower rate. New supply from affordable properties declines a mere 13% peak to trough, while mixed-income new supply declines 35% peak to trough.

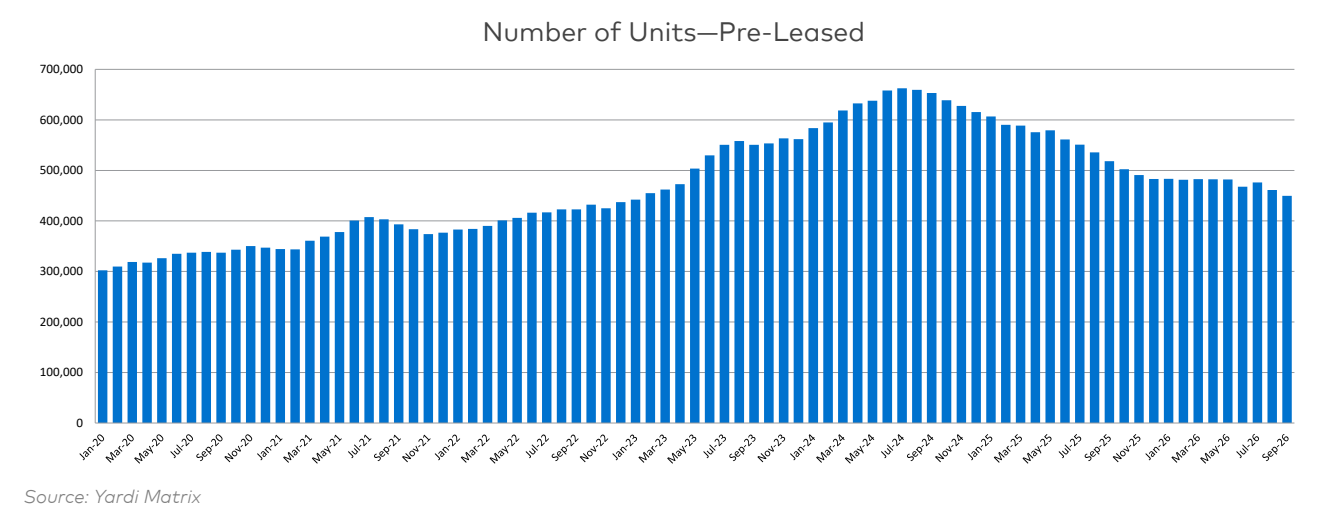
By 2028, affordable and mixed-income properties are forecast to deliver 176,743 units, or roughly 38% of all new supply. This represents a 49% increase in their share of the development mix compared to 2020.

Under-Construction Pipeline

For markets covered by Yardi Matrix for at least 24 months, the under-construction pipeline increased by 1.6% quarter-over-quarter and 0.1% year-over-year to end Q3 2026 at 961,350 units. These units represent 5.1% of completed 2025 year-end inventory tracked by Yardi Matrix.

The number of units under construction and in pre-lease numbered 449,706 at the end of Q3. On a quarterly basis, the segment declined 3.9% quarter-over-quarter and 13.2% year-over-year. The number of under-construction units in pre-lease peaked in July 2024 and has since declined by 32%.

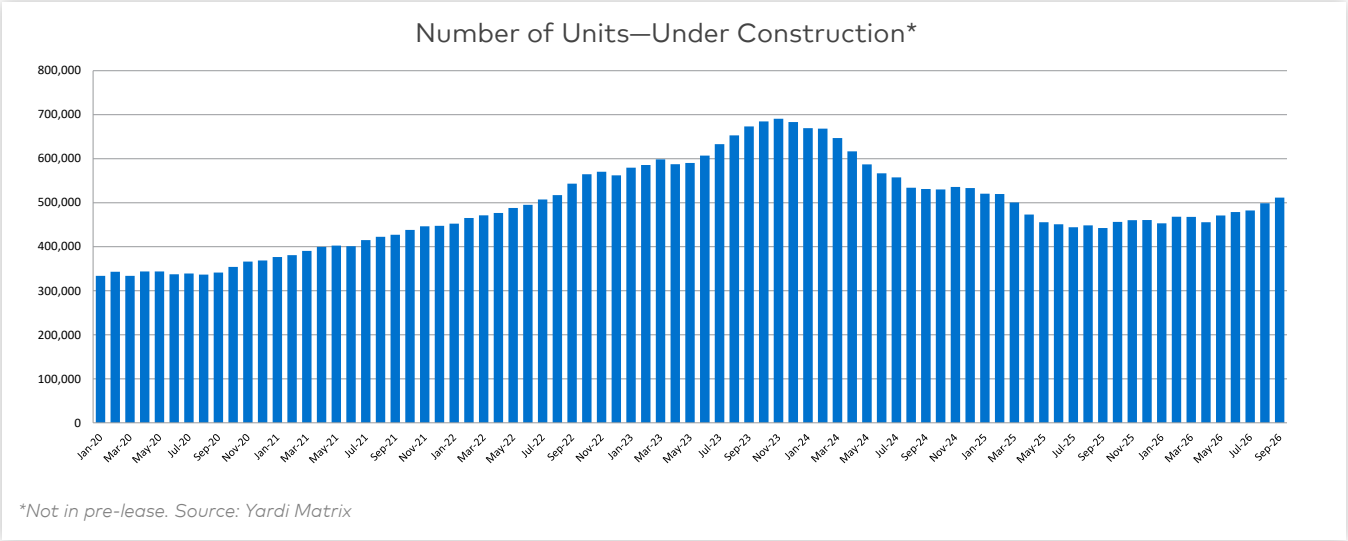
This inventory is further along in development and will most likely be completed this year or in the first three quarters of 2027.



Source: Yardi Matrix

Unlike pre-lease inventory, the number of units under construction but not in pre-lease has been increasing since late 2025. This has been driven by a rebound in national construction starts that began in early 2025 and continued into the current year. This segment of the development pipeline contained 511,644 units at the end of Q3, increasing by 6.9% quarter-over-quarter and 15.6% year-over-year.

This inventory is in earlier stages of development and will not be completed until late 2027 or 2028.



Not in pre-lease. Source: Yardi Matrix

There are 18 markets with at least 20,000 completed units that also have more than 8% of stock currently under construction. These high-supply markets are still largely confined to the Sun Belt and Mountain West. However, as new development has picked up in the Midwest and Northeast, a few markets from these regions have been added to this list.

Under-Construction Units Above 8% of Stock

Market	Units Under Construction	% of Stock
Asheville	4,221	15.80%
Southwest Florida Coast	17,873	14.81%
NW Arkansas	6,265	12.95%
Montana	3,246	12.76%
Omaha	11,829	11.35%
Miami	19,930	10.38%
North Central Florida	7,130	10.24%
South Dakota	3,782	9.72%
Brooklyn	17,622	9.56%
Wilmington	2,788	9.29%
Charlotte	24,443	9.18%
Savannah–Hilton Head	5,368	9.14%
Spokane	4,001	9.10%
Salt Lake City	13,293	8.69%
Knoxville	4,812	8.59%
New Jersey–Northern	25,045	8.47%
West Palm Beach–Boca Raton	6,997	8.33%
Port St. Lucie	1,923	8.19%

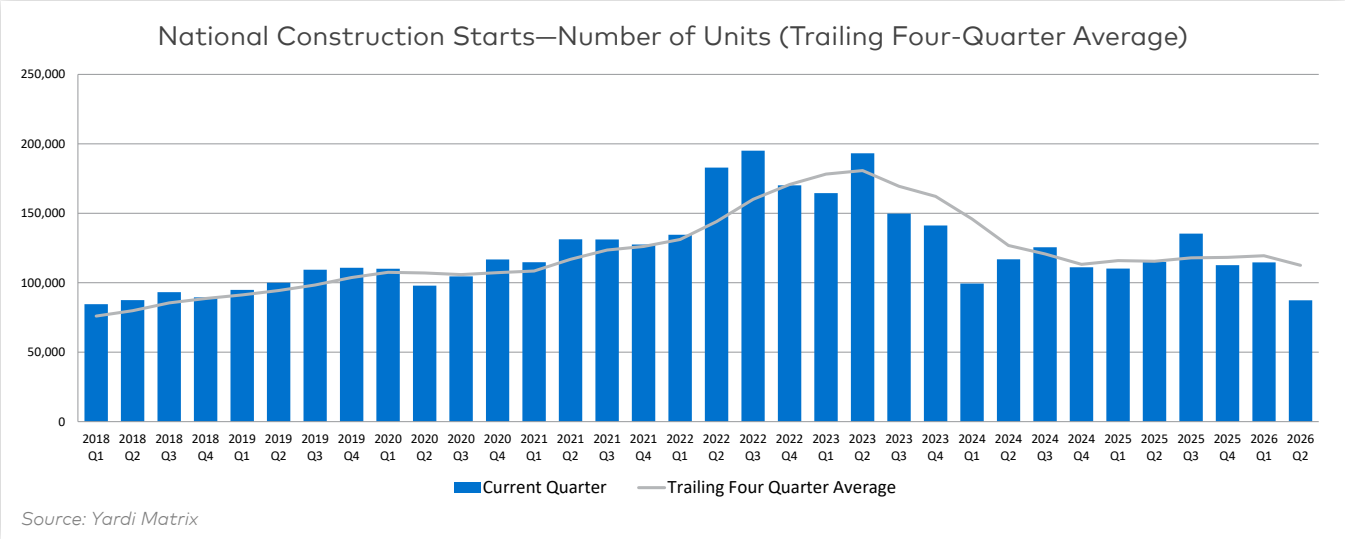
Source: Yardi Matrix

Construction Starts

National multifamily construction starts are above year-ago levels. However, there are signs that new-development momentum is weakening. After peaking in 2022 at 685,000 units, multifamily construction starts declined to 454,526 units in 2024 and 475,000 units in 2025.

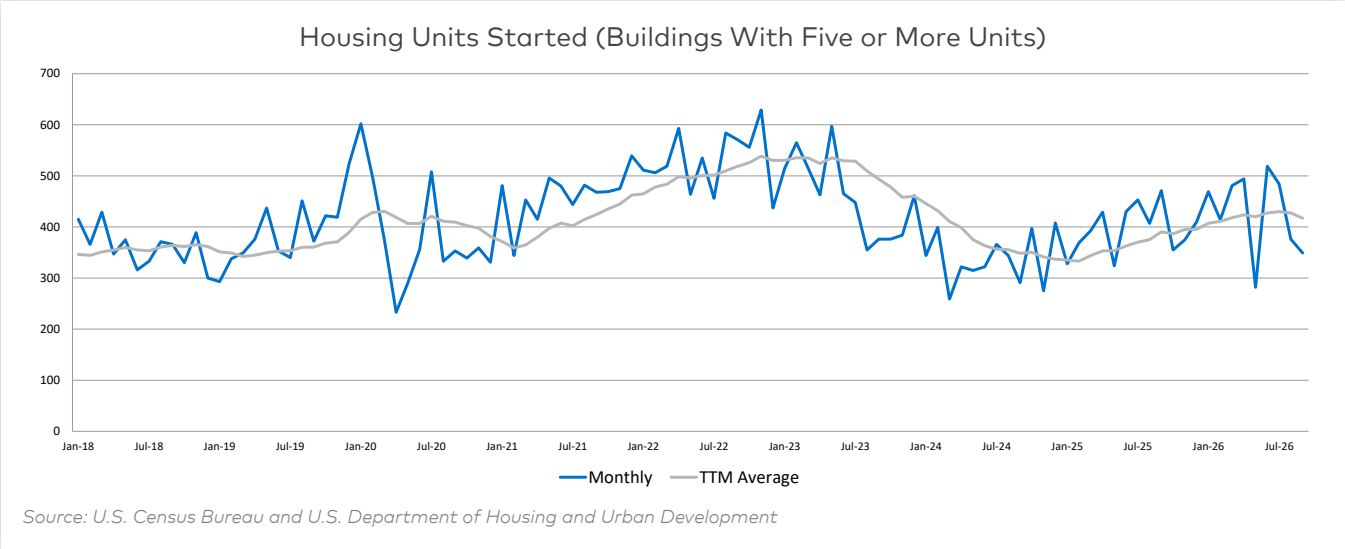
At the end of Q3 2026, the Yardi Matrix research team had identified 242,267 units starting construction. This is 16.6% above the number of units identified during the same period a year ago. While new-development activity has been increasing over 2025's level, it is increasing at a decreasing rate. Q1 2026 starts are 21.5% above year-ago levels, but the 88,032 units identified in Q2 2026 are only 12.2% above the Q2 level observed a year ago. Similarly, Q3 data is currently running 12.8% above year-ago levels.

Our starts data is collected with a lag, so the 2026 numbers discussed here will increase. How the data evolves over the next quarter will provide better insight into whether or not development momentum has been meaningfully affected by the mid-year run-up in inflation and interest rates.



Source: Yardi Matrix

The U.S. Census Bureau reported the number of housing starts in buildings with five or more units declined to a seasonally adjusted annualized rate of 349,000 units in September. This is the third month out of the last five where the monthly estimate has been below the trailing 12-month average. As a result, the trailing 12-month average has been trending lower in the past two months.



Source: U.S. Census Bureau and U.S. Department of Housing and Urban Development

Through the end of Q3 2026, 94 markets tracked by Yardi Matrix had seen the number of construction starts increase compared to the same period a year ago. On the other hand, 81 markets had seen the number of starts decline. The following lists the top 10 markets where 2026 year-to-date starts have increased the most compared to 2025:

2026 Construction Starts Increases vs. Decreases

Market	2026	2025	Increase
Manhattan	9,049	3,913	5,136
Houston–West	7,613	2,980	4,633
Northern Virginia	5,016	2,046	2,970
Orange County	3,077	535	2,542
New Jersey–Northern	5,292	3,023	2,269
Los Angeles–Metro	2,927	839	2,088
Colorado Springs	2,413	431	1,982
Washington DC–Suburban Maryland	3,332	1,481	1,851
Boston	3,271	1,437	1,834
Philadelphia–Urban	2,339	525	1,814

Source: Yardi Matrix

And below are the top 20 markets where year-to-date 2026 starts have declined the most compared to the same period in 2025:

Market	2026	2025	Decrease
Columbus	2,831	5,921	-3,090
Austin	4,761	7,229	-2,468
Inland Empire	773	3,098	-2,325
Orlando	4,438	6,560	-2,122
Atlanta–Urban	1,530	3,304	-1,774
Lansing–Ann Arbor	343	1,913	-1,570
Atlanta–Suburban	2,728	4,147	-1,419
Omaha	2,361	3,620	-1,259
Des Moines	436	1,602	-1,166
San Fernando Valley–Ventura County	1,393	2,417	-1,024
Madison	1,475	2,445	-970
Syracuse	0	896	-896
Fort Worth	3,121	3,998	-877
Tacoma	1,019	1,888	-869
Augusta	130	994	-864
Harrisburg	284	1,119	-835
Fort Lauderdale	1,538	2,319	-781
Central Valley	108	822	-714
Philadelphia–Suburban	1,275	1,848	-573
Dayton	420	970	-550

Source: Yardi Matrix

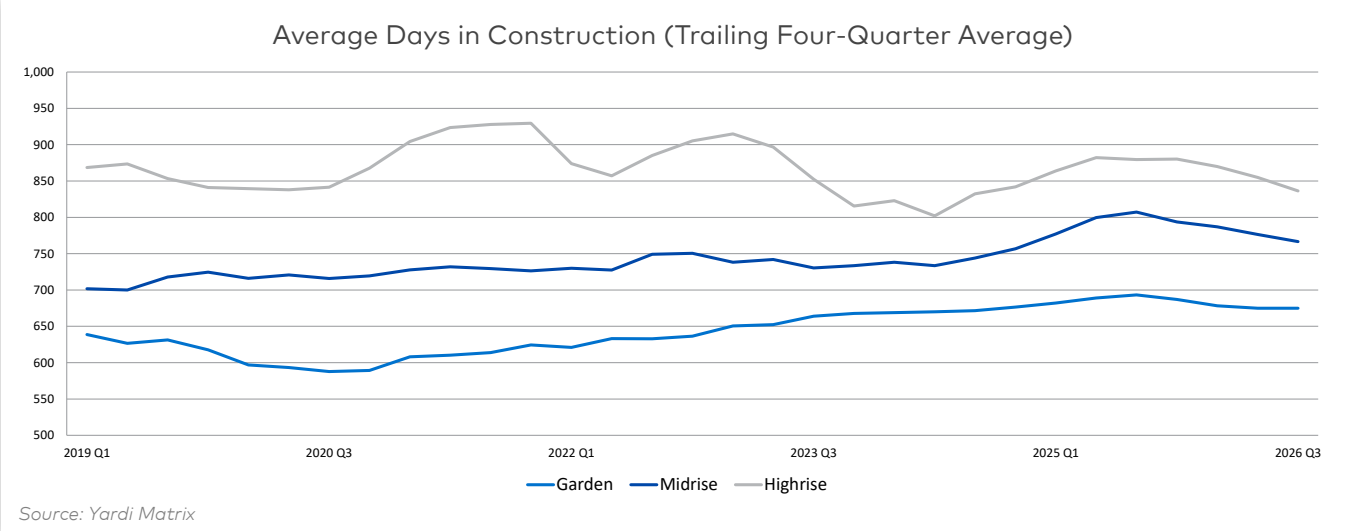
Days in Construction

Days in construction continues to moderate at a modest pace. However, current national average completion times for garden and mid-rise build types remain above pre-pandemic averages.

Currently, the research team has identified 266 garden properties that were completed in Q3 2026. These projects averaged 697 days (23.2 months) in construction, above the trailing four-quarter average of 675 days (22.5 months). The trailing four-quarter average for garden properties peaked in Q3 2025 and has since moderately declined.

Seventy-nine mid-rise property completions have been confirmed so far for Q3 2026. On average, these properties spent 751 days (25.0 months) in construction, slightly below the trailing four-quarter average of 767 days (25.6 months). Since peaking in Q3 2025, the trailing four-quarter average for mid-rise properties has declined.

Only 17 high-rise completions have currently been confirmed for Q3 2026. On average, these properties spent 769 days (25.6 months) under construction. This is well below the trailing four-quarter average of 836 days (27.9 months).



Source: Yardi Matrix

Long-Term Forecast: 2029 Through 2031

For the Q4 update, the longer-term portion of the forecast is relatively unchanged. There is currently little to suggest new supply in the later forecast years will meaningfully expand or contract from current levels. As such, the forecast has national new supply at 456,000 units in 2029 and around 461,000 units in 2030 and 2031.

The longer-term forecast continues to assume persistent fiscal deficits will sustain incomes, employment and therefore household formation through 2028 at a minimum. As a result, a recession is also viewed as unlikely over the longer term.

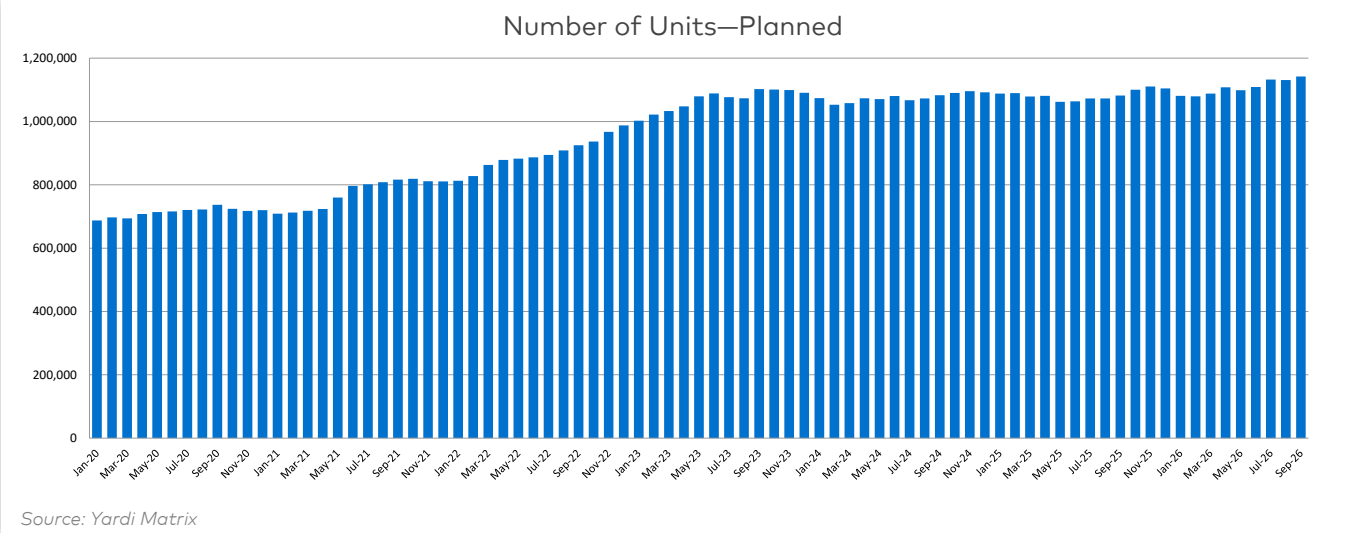
While persistent fiscal deficits help maintain a floor under aggregate demand, they do put upward pressure on short- and long-term interest rates and suppress new-development valuations. The long-term forecast does not assume this dynamic changes anytime soon. While higher interest rates suppress new-development valuations, they also keep the single-family housing market locked up, indirectly supporting rental demand.

Both the planned and prospective pipelines have seen little movement in 2026, suggesting new-development enthusiasm is neither increasing nor decreasing. Long-term new-development dynamics are therefore judged to be largely in balance. The long-term forecast models 2027 new-construction activity at a similar level to 2026.

Markets that continue to record steady incremental advertised rental rate growth will also see incremental increases in new development. Markets working to absorb a new-supply overhang will continue to experience weak to negative advertised rental rate growth and relatively weaker supply growth.

Planned and Prospective Pipelines

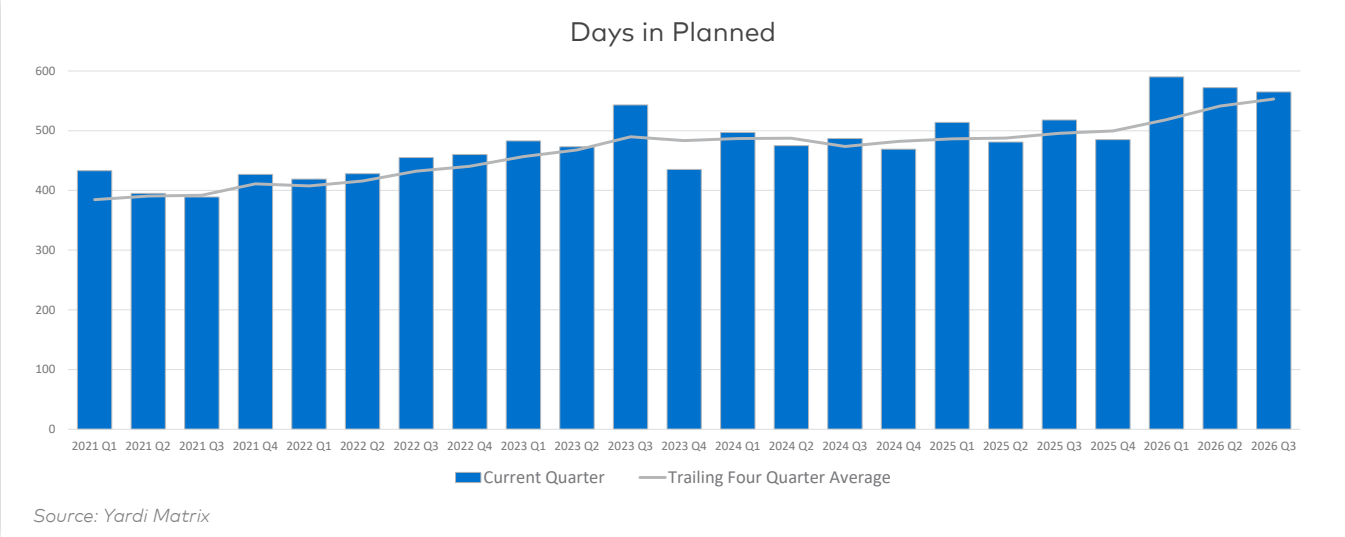
Combined, the planned and prospective pipelines contained 4.685 million units at the close of Q3 2026, a 0.8% increase quarter-over-quarter and a 3.5% increase year-over-year.



Source: Yardi Matrix

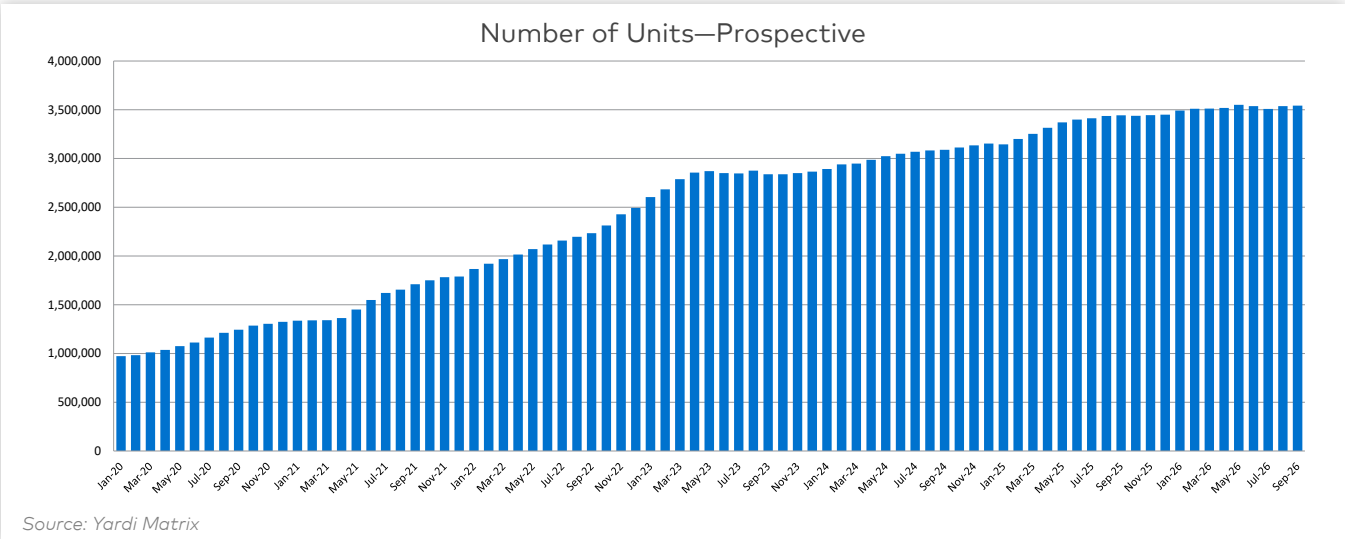
The number of planned units tracked by Yardi Matrix reached 1.0 million units in January 2023 and in the intervening 44 months has been remarkably stable, remaining centered around 1.1 million units for most of that time. At the close of Q3, the planned pipeline contained 1.141 million units, a 3.0% increase quarter-over-quarter and a 5.5% increase year-over-year.

Average days in planned increased noticeably in 2026. Properties starting construction in Q3 2026 averaged 565 days (18.8 months) in planned, the third consecutive quarter where days in planned has been substantially above 500. The trailing four-quarter average has also increased, to 553 days (18.4 months).



Source: Yardi Matrix

Like the planned pipeline, the prospective pipeline has exhibited very little variation over the past year. At the close of Q3, the prospective pipeline was nearly unchanged, ending the quarter with 3.543 million units. This represents a 0.2% quarterly increase and a 2.9% increase over year-ago levels.



Source: Yardi Matrix

Bottom Line

The Q4 2026 Multifamily Supply Forecast update has 2026 new supply falling by 22% to 513,883 units, compared to the 656,936 units completed in 2025. Pre-lease units in properties still under construction continue to fall on a quarterly and annual basis. As a result, the supply forecast has 2027 new supply declining a further 12% to 450,964 units. 2026 year-to-date construction starts have been running slightly above 2025. Given current construction completion times, this suggests 2028 new supply should rebound to 464,242 units.

Energy flows through the Strait of Hormuz remain disrupted by the Iran war. In addition, the AI build-out and persistent fiscal deficits have combined to keep inflation and interest rates elevated. To date, 2026 new-development activity has overcome the combination of higher construction costs and a more difficult financing environment. However, while construction starts continue to increase, they are doing so at a decreasing rate.

Persistent fiscal deficits keep interest rates elevated and suppress multifamily valuations. However, they also support income growth and employment. The longer-term forecast therefore assumes continued steady but unspectacular economic activity that supports further household formation and absorption of new multifamily supply.

Markets that are currently not working through a supply overhang will continue to enjoy incremental increases in advertised rental rates, supporting new-development activity over the longer term. As a result, the longer-term portion of the new-supply forecast has new supply reaching 461,000 units by 2030.

—Ben Bruckner, Senior Research Analyst

Disclaimer

Although every effort is made to ensure the accuracy, timeliness and completeness of the information provided in this publication, the information is provided "AS IS" and Yardi Matrix does not guarantee, warrant, represent or undertake that the information provided is correct, accurate, current or complete. Yardi Matrix is not liable for any loss, claim, or demand arising directly or indirectly from any use or reliance upon the information contained herein.

Copyright Notice

This document, publication and/or presentation (collectively, "document") is protected by copyright, trademark and other intellectual property laws. Use of this document is subject to the terms and conditions of Yardi Systems, LLC dba Yardi Matrix's Terms of Use (http://www.yardimatrix.com/Terms) or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this document may be disclosed or reproduced in any form by any means without the prior written authorization of Yardi Systems, LLC. This document may contain proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This document is intended for utilization solely in connection with Yardi Matrix publications and for no other purpose.

Yardi®, Yardi Systems, LLC, the Yardi Logo, Yardi Matrix, and the names of Yardi products and services are trademarks or registered trademarks of Yardi Systems, Inc. in the United States and may be protected as trademarks in other countries. All other product, service, or company names mentioned in this document are claimed as trademarks and trade names by their respective companies.

© 2026 Yardi Systems, LLC. All Rights Reserved.