



Yardi Matrix

Affordable Housing National Report

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Affordable Supply Pipeline Slowing, but Still Near Record Highs

After several years of record-high deliveries fueled by increased funding, starts in the affordable housing market in the U.S. are decelerating. While many states have prioritized building new subsidized apartment units to solve the growing affordability problem, the affordable multifamily new construction market is running into the same issues faced by market rate developers. Construction costs are rising, labor in some areas is scarce and each project is subject to the demands and timelines of local authorities.

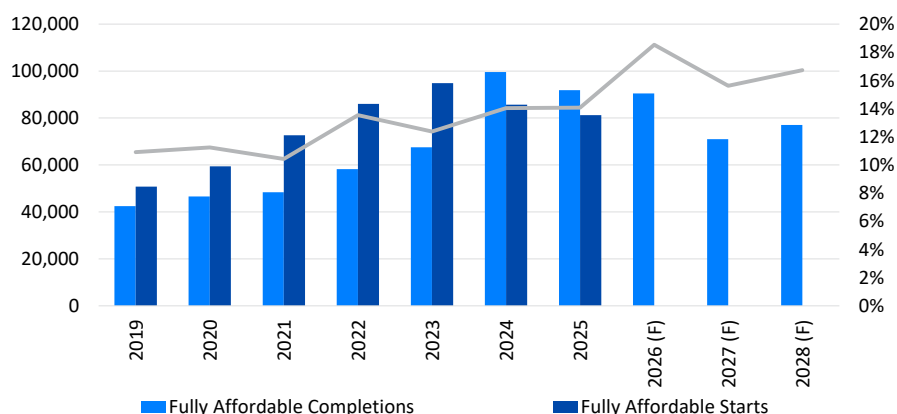
Fully affordable apartment deliveries increased for five straight years before hitting the segment's historical peak at 99,558 in 2024, according to Yardi Matrix's database. Deliveries slowed to 91,841 in 2025, but that still represents the second-highest total in the market's history and roughly double production in any year prior to 2020.

With starts ebbing, fully affordable deliveries are set to decline over the next two years, although at levels that remain elevated relative to the previous decade. Fully affordable housing starts increased every year for more than a decade before peaking at 94,873 in 2023. Starts then fell to 85,662 in 2024 and 81,230 in 2025. Matrix forecasts 90,476 fully affordable units to be completed in 2026 before falling to 70,977 in 2027.

Over the next three years, Matrix forecasts 238,484 fully affordable deliveries in the U.S., with concentrations in highly populated prima-

ry metros with significant demand for affordable housing as well as high-growth Sun Belt markets. Eleven markets are projected to deliver at least 5,000 fully affordable units through 2028, led by Los Angeles (14,471), New York City (12,418), Austin (8,959), Dallas (8,647), Miami Metro (8,432), San Francisco (7,750), Denver (6,597), Washington DC (6,159), and San Antonio (6,137).

Fully Affordable Starts & Completions, Share of Total Multifamily Stock



Source: Yardi Matrix

Partially affordable apartment development has followed a similar pattern. Deliveries peaked at 105,180 in 2024 and fell to 95,969 in 2025. Starts of partially affordable units have dropped since peaking at 119,001 in 2022, down to 77,000 in 2025. Consequently, Matrix forecasts about 80,000 units will be delivered per year in 2026 and 2027 in partially affordable properties.

The question going forward is how much increased funding and legislative efforts by states to reduce barriers to affordable housing construction will be offset by market conditions that have contributed