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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.

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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.