Analysis

Multifamily Construction Trends Remain Unclear as Data Trickles In

By Erik Sherman

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A modest uptick in multifamily permitting is starting to show up in federal data, but it's far too early to call it a recovery.

New figures from the U.S. Census Bureau and Department of Housing and Urban Development suggest multifamily permitting has edged higher since early 2025, according to RealPage Senior Real Estate Economist Chuck Ehmann. The gains, however, are slight and based on a limited data window, making it difficult to distinguish a true turning point from the short-term fluctuations the sector has seen before.

As Ehmann wrote, "The latest data release from the U.S. Census Bureau and the Department of Housing and Urban Development included data for February and March, but two more months of data are still not enough to determine if a trend is emerging."

That uncertainty is reinforced by the underlying numbers. Multifamily starts appear to be accelerating faster than permits, but the smaller sample size behind starts data makes it inherently less reliable. In March, multifamily starts reached a seasonally adjusted annual rate of 446,000 d 9.6% year over year. Permitting, down 5.3% from February but still

Single-family construction showed more consistent momentum. Starts rose 8.9% month over month and 9.7% year over year to a 1.032 million annualized pace. But permitting and completions pointed to emerging softness. Annualized single-family permitting fell to 895,000 units, down from February and 3.8% lower year over year, while completions dropped 4.8% annually and 14.5% month over month to 896,000 units.

Construction pipelines continue to thin across both property types. Multifamily units under construction fell to 659,000 in March, down 1.5% year over year and 12% from February. Single-family units under construction totaled 587,000, up slightly from a year earlier but down 7.3% from the prior month.

Regional data underscores how uneven the current environment remains. Multifamily permitting declined sharply in the South, falling 28.9% year over year to 178,000 units. Other regions moved in the opposite direction, with permitting up 36.6% in the Northeast to 49,000 units, 24.9% in the West to 126,000 units, and 15.3% in the South to 76,000 units.

Starts data shows even more divergence. Annualized multifamily starts surged 39.1% to 226,000 units overall, with the Northeast posting a 27.4% increase to 100,000 units — roughly double its typical pace. The West and Midwest, however, saw declines of 7.3% and 30.4%, respectively.

Taken together, the data points to a market that may be stabilizing but has not yet established a clear direction. Permitting is inching higher, but

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