

# Multifamily Deliveries Declining as Supply Shortage Looms

The multifamily housing pipeline is contracting after a period of elevated supply. New construction starts, which slowed in 2023, continued to decline into 2024, driving what housing economists are labeling a “supply cliff.”

New multifamily deliveries are expected to drop by



from peak to trough,  
intensifying the structural U.S.  
housing shortage.

Average annual new supply is  
forecasted to fall from

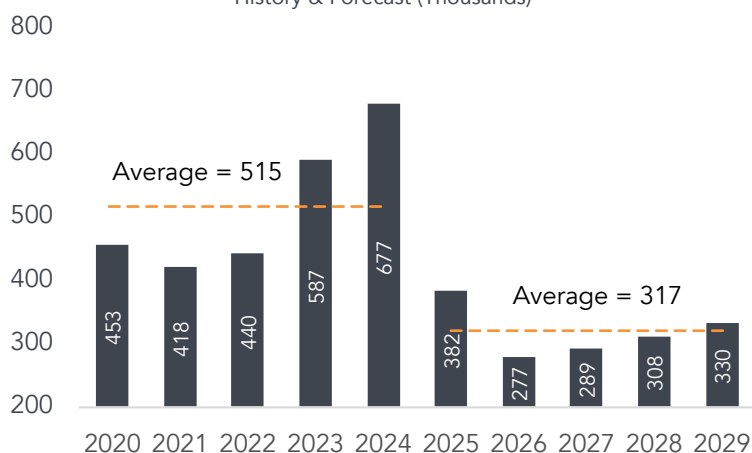
**515,000 units**  
(2020–2024)

**317,000 units**  
(2025–2029)

This supply-demand imbalance is anticipated to fuel rent increases over the coming years.

Higher construction costs are likely to further constrain development, exacerbating rent pressures and creating potential conditions for rental housing to deliver outsized returns.

**Multifamily - Gross Delivered Units**  
History & Forecast (Thousands)



Source: CoStar.



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