Apartments.com and CoStar Release a Multifamily Construction Activity Update for Q1 2026

May 12, 2026

Apartment construction continues to pull back nationally as development pipelines contract further

ARLINGTON, Va.--(BUSINESS WIRE)--May 12, 2026-- Today, Apartments.com and CoStar, a leading provider of commercial real estate data, analytics and news, published its latest update on U.S. multifamily construction activity, showing a continued pullback in new development as market conditions remain challenging for ground-up projects.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20260512667993/en/

Apartment construction starts have declined sharply

U.S. apartment construction starts declined to approximately 55,000 units nationwide in the first quarter of 2026, a 73% decrease from the peak reached in early 2022 and the lowest quarterly level since 2011. Slower rent growth, elevated financing costs and high development expenses have continued to limit new project feasibility across most markets.

As new starts remain subdued, the national apartment construction pipeline is shrinking rapidly. The number of units under construction nationwide declined to roughly 579,000 in the first quarter of 2026, down more than 50% from its peak in early 2023 and broadly in line with mid-2010 levels.

“Developers have pulled back sharply as weaker rent growth and higher financing costs weigh on project feasibility,” said Grant Montgomery, National Director of U.S. Multifamily Analytics at CoStar Group. “While completions remain elevated for now, the contraction in the construction pipeline points to more balanced supply conditions ahead.”

The market is still absorbing completions from projects financed earlier in the cycle, though delivery volumes have begun to ease. Annual apartment deliveries peaked in 2024 and have declined by about 26% over the past four quarters.

Construction activity remains uneven – the Mountain and South regions continue to have the highest construction exposure relative to inventory, at about 3.3% and 3.2% of stock under construction, respectively.

At the market level, New York City has the largest absolute construction pipeline, followed by Dallas–Fort Worth. Miami and Charlotte currently have the highest construction levels relative to existing inventory, with more than 6% of apartment stock under construction.

The full analysis can be found here.

About CoStar Group

CoStar Group (NASDAQ: CSGP) is a global leader in commercial real estate information, analytics, online marketplaces, and three-dimensional digital twin technology. Founded in 1986, CoStar Group is dedicated to digitizing the world’s real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives.

CoStar Group’s major brands include CoStar, a leading global provider of commercial real estate data, analytics, and news; LoopNet, the most trafficked commercial real estate marketplace; Apartments.com, the leading platform for apartment rentals; Homes.com, the fastest-growing residential real estate marketplace; and Domain, one of Australia’s leading property marketplaces. CoStar Group’s industry-leading brands also include Matterport, a leading spatial data company whose platform turns buildings into data to make every space more valuable and accessible; STR, a global leader in hospitality data and benchmarking; Ten-X, an online platform for commercial real estate auctions and negotiated bids; and OnTheMarket, a leading residential property portal in the United Kingdom.

CoStar Group’s websites attracted over 131 million average monthly unique visitors in the first quarter of 2026, serving clients around the world. Headquartered in Arlington, Virginia, CoStar Group is committed to transforming the real estate industry through innovative technology and comprehensive market intelligence. From time to time, we plan to utilize our corporate website as a channel of distribution for material company information. For more information, visit CoStarGroup.com.

View source version on businesswire.com: https://www.businesswire.com/news/home/20260512667993/en/

Media Contact:
Haley Luther
Senior Communications Manager
hluther@costar.com

Source: CoStar Group