



## Fast Facts: The Apartment Supply-Demand Dilemma

Demand for apartments is high and apartment supply is not able to meet it. According to the National Multifamily Housing Council, even with a slight uptick in construction, new apartment supply is not able to meet today's high demand.<sup>1</sup>

**Fast Fact:**

New apartment supply is low and expensive

Building new apartment communities is an expensive proposition. In order to be profitable, **construction companies must build high-end, luxury apartments to offset today's high construction and labor costs.**



**New Class A 2-bedroom monthly rentals**

Philadelphia: **\$4,100**<sup>5</sup>

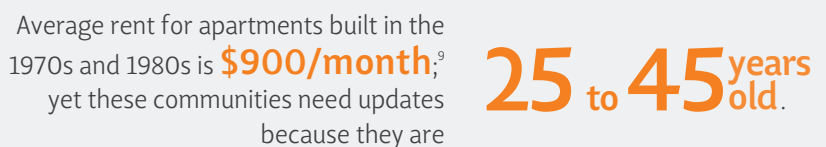
New York: **\$8,270**<sup>6</sup>

Los Angeles: **\$4,500**<sup>7</sup>

**Fast Fact:**

Existing inventory is old and in need of renovations

Most of the current apartment inventory was built in the 1970s and 1980s. While these apartments may be less expensive, **they are outdated and in need of renovations.**



**As demand for rentals continues to increase, Americans are having trouble finding apartments that fit their needs and budgets.**

1. National Multifamily Housing Council, Apartment Supply Shortage, 2014; 2. National Real Estate Investor, Can Apartment Supply and Demand Keep Pace?, 4/15; 3. Architect Magazine, Construction Costs in the U.S. Are Rising, 4/15; 4. IHS PEG Engineering and Construction Cost Index (ECCI), 10/14; 5. 2116Chestnut.com, 10/15; 6. Ava High Line, Streeteasy.com, 10/15; 7. The Vermont, TheVermont.net, 10/15; 8. U.S. Census Bureau, Survey of Market Absorption, 1/14; 9. REIS, Inc., rental data segregated by class (Class A,B,C) covering national sampling of major cities from 1965 to Q1 2014, 3/14.

