

Survey of Market Absorption of New Multifamily Units

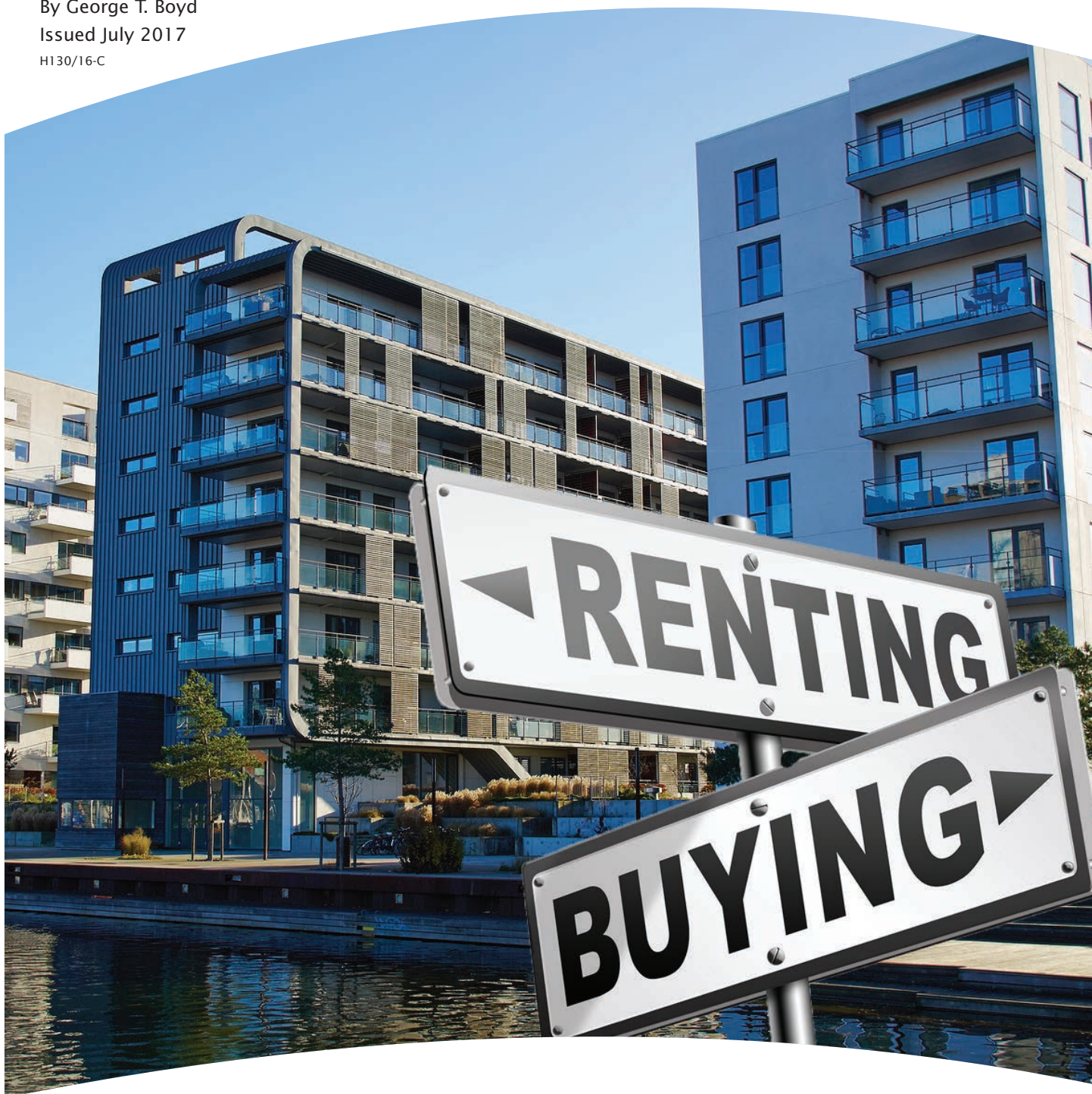
*Apartments Completed in 2016 and Absorbed During Their
First 3 Months After Completion*

Characteristics Report

By George T. Boyd

Issued July 2017

H130/16-C



Acknowledgments

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CONTENTS

INTRODUCTION	1
HIGHLIGHTS	
Unfurnished Apartments	
New Construction	1
Regions	4
Bedrooms	5
Rent	5
Core-Based Statistical Areas (CBSAs)	6
Number of Floors	8
Units Per Building	8
Utilities	9
Amenities	11
Condominium and Cooperative Units	
New Construction	12
Core-Based Statistical Areas (CBSAs)	14
Bedrooms	14
Asking Price	15
Regions	16
Utilities	16
Amenities	16
Furnished Apartments	16
All Apartments	
Summary	18
Characteristics of the Data	18
Sample Design	19
Estimation	19
Note to Data Users	20
Accuracy of the Estimates	20
Illustrative Use of the Standard Error Tables	21
TABLES	
1. Unfurnished Apartments by Rent and Number of Bedrooms for the United States and by Region: 2016 Completions	1
2. Total Apartments in Buildings With Five or More Units: 1970 to 2016 Completions	2
3. Unfurnished Apartments and 3-Month Absorption Rate by Rent and Number of Bedrooms for the United States and by Region: 2016 Completions	3
4. Unfurnished Apartments and 3-Month Absorption Rate by Rent and Number of Bedrooms for Geographic Areas: 2016 Completions	7
5. Unfurnished Apartments and 3-month Absorption Rate by Units in Building and Number of Floors in Building: 2016 Completions	9

TABLES—Con.

6a.	Utilities—Unfurnished Apartments and Condominium Units and 3-Month Absorption Rates: 2016 Completions	10
6b.	Amenities—Unfurnished Apartments and Condominium Units and 3-Month Absorption Rates: 2016 Completions	12
7.	Condominiums and Cooperative Apartments and 3-Month Absorption Rate by Number of Bedrooms and Geographic Area: 2016 Completions	13
8.	Condominium Apartments and 3-Month Absorption Rate by Asking Price, Number of Bedrooms, Region, and Geographic Area: 2016 Completions	14
9.	Furnished Apartments and 3-month Absorption Rate by Asking Rent, Number of Bedrooms, Region, and Geographic Area: 2016 Completions	17
10.	Sample Sizes and Weighted Response Rates by Quarter of Completion: 2016	20

FIGURES

1.	Unfurnished Rental Units: 1970 to 2016 Completions	4
2.	Unfurnished Apartment Units and 3-Month Absorptions by Region: 2016 Completions.	4
3.	Number of Bedrooms in Unfurnished Rental Apartments: 2016 Completions	5
4.	Median Asking Rent by Region for Unfurnished Rental Apartments: 2016 Completions.	6
5.	Distributions in Core-Based Statistical Area of Unfurnished Rentals: 2016 Completions.	6
6.	Distributions in Core-Based Statistical Area of Unfurnished Apartments: 2016 Completions.	6
7.	Percentage of Unfurnished Apartments by Number of Floors in Building: 2016 Completions.	8
8.	Percentage of Unfurnished Apartments by Units in Building: 2016 Completions	8
9.	Utilities Included With Rent/Purchase in Unfurnished Apartments and Condominium Units: 2016 Completions	11
10.	Amenities Included With Rent/Purchase in Unfurnished Apartments and Condominium Units: 2016 Completions	11
11.	Condominium and Cooperative Units: 1970 to 2016 Completions	13
12.	Distributions in Core-Based Statistical Area: 2016 Condominium/Cooperatives Completions	15
13.	Number of Bedrooms in Condominium Units: 2016 Completions	15
14.	Median Asking Price of Condominium Units by Region: 2016 Completions.	15
15.	Condominium Units and 3-Month Absorption by Region: 2016 Completions	16
16.	Furnished Apartment Units: 1980 to 2016 Completions	17
17.	Buildings With Five or More Units: 1970 to 2016 Completions	18

APPENDIX TABLES

A.	Standard Errors for Total Estimates of Apartments in Buildings With Five Units or More: 2016 Completions	21
B-1.	Standard Errors of Estimated Percentages for All Units, Unfurnished Apartments, and Furnished Apartments: 2016 Completions	22
B-2.	Standard Errors of Estimated Percentages for Condominiums and Cooperatives: 2016 Completions.	22
Example A-1.	Interpolative Testing: 2016 Completions	23
Example B-1.	Interpolative Testing: 2016 Completions	23
Example B-2.	Interpolative Testing: 2016 Completions	23

INTRODUCTION

This report provides characteristics about units constructed in 2016 and absorbed within 3 months, such as number of bedrooms, asking rent, and asking price. This publication is of value to builders, bankers, market analysts, land planners, and government officials trying to measure housing needs for over 40 years.

The estimates in this report are based on a survey conducted by the U.S. Census Bureau, for the U.S. Department of Housing and Urban Development (HUD). The sample consists of approximately 4,200 buildings with five or more housing units. Estimates published in this report are preliminary and are subject to revision in

the Survey of Market Absorption of New Multifamily Units Annual Absorption Report (H130) that will be released in April 2018. As with all surveys, estimates vary from actual values because of sampling variations or other factors. See *Accuracy of the Estimates* at the end of this report for more details.

HIGHLIGHTS¹

- **New construction:** In 2016, estimates from the Survey of Market Absorption of New Multifamily Units (SOMA) show that approximately 264,100 privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units were completed

¹ Details may not sum to totals because of rounding.

in permit-issuing areas in the United States. There were no significant differences detected between the 2016 estimate and the revised estimate of 259,500 unfurnished rental apartment units reported in 2015.² Both estimates represent the highest number of completions since 1989, when 246,400 units were constructed (Tables 1 and 2; Figure 1).

Within 3 months of completion, 55 percent of the 264,100 unfurnished rental units constructed in 2016 were absorbed/rented (Table 3).

² 2015 revised figure from the SOMA 2016 Annual Absorption (2015 Completions) Report.

Table 1.

Unfurnished Apartments by Rent and Number of Bedrooms for the United States and by Region: 2016 Completions

Characteristic	Number of unfurnished apartments					Percent distribution				
	United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
Total	264,100	30,000	40,500	128,400	65,200	100	13	15	47	25
ASKING RENT										
Less than \$850	20,300	700	6,700	11,000	2,000	8	2	17	9	3
\$850 to \$1,049	33,900	600	12,100	15,500	5,700	13	2	30	12	9
\$1,050 to \$1,249	36,100	500	7,700	21,200	6,600	14	2	19	17	10
\$1,250 to \$1,449	37,500	1,400	4,600	23,100	8,400	14	5	11	18	13
\$1,450 to \$1,649	28,700	1,100	1,500	18,700	7,400	11	4	4	15	11
\$1,650 to \$1,849	25,000	3,600	1,500	13,200	6,700	10	12	4	10	10
\$1,850 to \$2,049	19,500	3,300	1,100	8,600	6,500	7	11	3	7	10
\$2,050 to \$2,249	10,000	1,300	1,200	3,900	3,600	4	4	3	3	6
\$2,250 to \$2,449	12,900	3,000	300	4,000	5,600	5	10	1	3	9
\$2,450 or more	40,000	14,500	3,800	9,200	12,600	15	48	9	7	19
Median asking rent	\$1,478	\$2,413	\$1,088	\$1,393	\$1,721	X	X	X	X	X
BEDROOMS										
No bedroom	15,900	3,500	1,900	4,200	6,200	6	12	5	3	10
1 bedroom	123,200	14,800	14,400	64,500	29,400	47	49	36	50	45
2 bedrooms	105,300	9,500	20,300	50,000	25,400	40	32	50	39	39
3 bedrooms or more . . .	19,800	2,200	3,800	9,700	4,100	8	7	9	8	6

X Not applicable.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five units or more. Data regarding number of bedrooms and asking rent are collected at the initial interview, 3 months following completion. Details may not sum to totals because of rounding. Medians and percentages are computed using unrounded data.

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Table 2.

Total Apartments in Buildings With Five or More Units: 1970 to 2016 Completions

Year	Total	Unfurnished		Furnished		Condominiums and cooperatives		Subsidized and tax credit ¹		Other units ²	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
2016	311,000	264,100	85	4,300	1	18,700	6	20,600	7	3,300	1
2015 ³	310,300	261,800	84	6,800	2	11,400	4	29,200	9	1,200	Z
2014	255,700	210,800	82	7,900	3	7,000	3	26,400	10	3,500	1
2013	186,200	134,200	72	3,300	2	7,400	4	38,600	21	2,700	1
2012	157,600	104,500	66	3,700	2	6,500	4	34,400	22	8,500	5
2011	129,900	74,700	57	1,300	1	11,300	9	36,300	28	6,300	5
2010	146,500	89,100	61	1,100	1	19,100	13	31,400	21	5,800	4
2009	259,700	163,000	63	1,900	1	38,200	15	44,300	17	12,400	5
2008	276,600	146,400	53	2,800	1	69,800	26	49,100	18	8,500	3
2007	253,000	104,800	41	1,200	Z	91,000	36	46,700	18	9,200	4
2006	283,500	116,400	41	3,300	1	104,600	37	51,900	19	7,300	3
2005	258,000	111,900	43	5,400	2	81,800	32	45,200	18	13,600	5
2004	285,500	155,000	54	4,400	2	59,600	21	55,700	20	10,800	4
2003	261,400	167,800	64	2,200	1	41,900	16	37,800	15	11,300	4
2002	288,100	204,100	71	3,100	1	37,400	13	32,100	11	11,500	4
2001	281,000	193,100	69	4,500	2	45,700	16	26,700	10	11,100	4
2000	300,000	226,200	75	2,900	1	36,100	12	24,400	8	10,500	3
1999	291,800	225,900	77	7,700	3	34,200	12	13,600	5	10,400	4
1998	273,900	209,900	77	3,000	1	34,500	13	20,000	7	6,600	2
1997	247,100	189,200	77	3,000	1	35,800	15	14,100	6	5,000	2
1996	251,300	191,300	76	2,400	1	36,900	15	14,200	6	6,400	3
1995	212,400	155,000	73	1,600	1	36,400	17	13,700	6	5,700	3
1994	154,900	104,000	67	1,100	1	34,400	22	11,800	8	3,600	2
1993	124,800	77,200	62	2,700	2	32,000	26	7,700	6	5,200	4
1992	155,200	110,200	71	700	Z	31,100	20	7,000	5	6,000	4
1991	216,500	165,300	76	2,800	1	35,300	16	9,600	4	3,500	2
1990	294,400	214,300	73	2,900	1	52,600	18	13,800	5	10,800	4
1989	337,900	246,400	73	4,900	1	59,700	18	19,800	6	7,200	2
1988	388,600	284,500	73	4,300	1	76,200	20	15,200	4	8,400	2
1987	474,200	345,600	73	7,900	2	92,300	19	17,000	4	11,300	2
1986	550,200	407,600	74	11,600	2	101,700	18	23,300	4	6,000	1
1985	533,300	364,500	68	7,400	1	135,800	25	12,000	2	13,700	3
1984	506,000	313,200	62	9,800	2	143,600	28	28,500	6	10,700	2
1983	370,700	191,500	52	4,700	1	111,800	30	47,700	13	15,100	4
1982	288,200	117,000	41	5,400	2	107,900	37	48,000	17	10,000	3
1981	332,500	135,400	41	6,000	2	112,600	34	66,100	20	12,500	4
1980	418,900	196,100	47	9,700	2	122,800	29	79,900	19	10,500	3
1979	439,300	241,200	55	12,100	3	91,800	21	87,500	20	6,700	2
1978	362,700	228,700	63	11,200	3	54,500	15	54,100	15	14,300	4
1977	289,400	195,600	68	16,200	6	43,000	15	26,000	9	8,700	3
1976	258,200	157,000	61	12,800	5	46,300	18	32,000	12	10,000	4
1975	371,400	223,100	60	11,100	3	84,600	23	38,900	10	13,800	4
1974	685,400	405,500	59	20,700	3	159,000	23	75,400	11	25,000	4
1973	774,800	531,700	69	36,200	5	98,100	13	82,000	11	26,800	3
1972	718,200	497,900	69	37,700	5	57,300	8	93,800	13	31,400	4
1971	583,400	334,400	57	32,200	6	49,100	8	104,800	18	63,000	11
1970	526,000	328,400	62	48,200	9	72,500	14	55,900	11	21,000	4

Z Represents zero or rounds to zero.

¹ Subsidized housing programs include: Project-based Section 8, Public Housing, grants to the elderly, direct loans and grants to the disabled, rental assistance programs, HOME program, Community Development Block Grants, and the U.S. Department of Agriculture multifamily rural housing program.² "Other units" includes time-sharing units, continuing care retirement units, and turnkey housing (privately built for and sold to local public housing authorities subject to completion).³ Data revised from Table 9 of the SOMA 2016 Annual Absorption Report.

Note: Details may not sum to totals because of rounding. Percentages are computed using unrounded data.

Source: U.S. Census Bureau, 1970 to 2016 Survey of Market Absorption of New Multifamily Units.

Table 3.

Unfurnished Apartments and 3-Month Absorption Rate by Rent and Number of Bedrooms for the United States and by Region: 2016 Completions

Characteristic	Number of unfurnished apartments					Percent absorbed within 3 months				
	United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
Total	264,100	30,000	40,500	128,400	65,200	55	52	56	51	64
ASKING RENT										
Less than \$850	20,300	700	6,700	11,000	2,000	54	56	55	48	82
\$850 to \$1,049	33,900	600	12,100	15,500	5,700	58	52	65	50	63
\$1,050 to \$1,249	36,100	500	7,700	21,200	6,600	60	78	57	57	69
\$1,250 to \$1,449	37,500	1,400	4,600	23,100	8,400	60	53	49	57	76
\$1,450 to \$1,649	28,700	1,100	1,500	18,700	7,400	57	72	56	53	65
\$1,650 to \$1,849	25,000	3,600	1,500	13,200	6,700	51	57	33	48	59
\$1,850 to \$2,049	19,500	3,300	1,100	8,600	6,500	57	61	54	49	68
\$2,050 to \$2,249	10,000	1,300	1,200	3,900	3,600	54	68	45	44	62
\$2,250 to \$2,449	12,900	3,000	300	4,000	5,600	53	58	21	47	57
\$2,450 or more	40,000	14,500	3,800	9,200	12,600	46	42	56	39	52
Median asking rent	\$1,478	\$2,413	\$1,088	\$1,393	\$1,721	\$1,434	\$2,266	\$1,047	\$1,369	\$1,634
No bedroom	15,900	3,500	1,900	4,200	6,200	58	48	59	58	62
Less than \$1,850	10,500	800	1,300	3,900	4,300	64	71	65	58	69
\$1,850 or more	5,300	2,700	600	300	2,000	45	42	46	59	48
Median asking rent ¹	\$1,537	+ \$2,450	\$994	\$1,254	\$1,631	\$1,397	\$2,293	\$961	\$1,196	\$1,471
1 bedroom	123,200	14,800	14,400	64,500	29,400	56	53	57	52	64
Less than \$850	12,100	500	4,400	5,400	1,800	55	53	56	44	86
\$850 to \$1,049	18,000	500	3,300	11,100	3,200	60	47	59	58	69
\$1,050 to \$1,249	20,200	200	1,900	14,900	3,300	59	59	56	57	70
\$1,250 to \$1,449	18,200	600	1,200	12,900	3,500	59	57	48	57	70
\$1,450 to \$1,649	11,500	700	300	7,600	2,900	55	70	70	51	59
\$1,650 to \$1,849	11,400	2,500	200	5,400	3,400	52	61	87	46	53
\$1,850 to \$2,049	8,900	1,100	400	2,900	4,400	63	81	63	43	72
\$2,050 to \$2,249	3,600	400	300	1,000	1,800	53	75	50	32	59
\$2,250 to \$2,449	4,200	2,000	100	900	1,100	44	52	2	41	40
\$2,450 or more	15,000	6,300	2,300	2,400	4,000	48	42	59	37	58
Median asking rent	\$1,372	\$2,337	\$1,020	\$1,262	\$1,657	\$1,343	\$2,080	\$1,015	\$1,240	\$1,574
2 bedrooms	105,300	9,500	20,300	50,000	25,400	54	49	56	49	61
Less than \$850	5,800	100	1,400	4,200	200	50	5	53	51	33
\$850 to \$1,049	13,000	100	8,100	3,100	1,700	54	83	67	27	41
\$1,050 to \$1,249	12,700	300	4,900	5,100	2,400	59	86	56	55	70
\$1,250 to \$1,449	15,100	400	2,100	8,600	4,000	62	34	48	57	81
\$1,450 to \$1,649	12,700	300	600	9,200	2,700	57	81	49	56	62
\$1,650 to \$1,849	9,200	800	800	5,700	1,800	47	35	11	48	66
\$1,850 to \$2,049	6,800	1,600	300	3,800	1,100	53	53	53	51	60
\$2,050 to \$2,249	4,500	400	800	2,300	900	49	51	46	44	65
\$2,250 to \$2,449	7,500	500	100	2,700	4,100	57	64	40	48	62
\$2,450 or more	1,800	5,000	1,200	5,400	6,500	45	45	53	38	49
Median asking rent	\$1,544	+ \$2,450	\$1,076	\$1,538	\$1,844	\$1,490	\$2,405	\$1,034	\$1,517	\$1,721
3 bedrooms or more	19,800	2,200	3,800	9,700	4,100	58	61	54	51	74
Less than \$850	1,100	Z	200	800	Z	48	Z	13	56	100
\$850 to \$1,049	1,000	Z	200	600	100	29	Z	70	9	62
\$1,050 to \$1,249	1,300	Z	900	400	Z	66	100	68	59	100
\$1,250 to \$1,449	2,100	100	1,200	600	200	61	94	54	58	95
\$1,450 to \$1,649	3,200	Z	600	1,300	1,200	67	100	54	54	87
\$1,650 to \$1,849	2,500	Z	200	1,900	400	56	100	46	53	72
\$1,850 to \$2,049	2,400	300	Z	1,800	300	54	33	100	51	85
\$2,050 to \$2,249	1,500	400	100	600	500	69	88	Z	67	68
\$2,250 to \$2,449	700	200	Z	400	100	63	59	49	63	74
\$2,450 or more	4,200	1,200	300	1,400	1,300	53	54	41	48	60
Median asking rent	\$1,758	+ \$2,450	\$1,347	\$1,766	\$1,951	\$1,747	\$2,423	\$1,321	\$1,787	\$1,798

+ The median is in the open-ended interval, thus cannot be calculated.

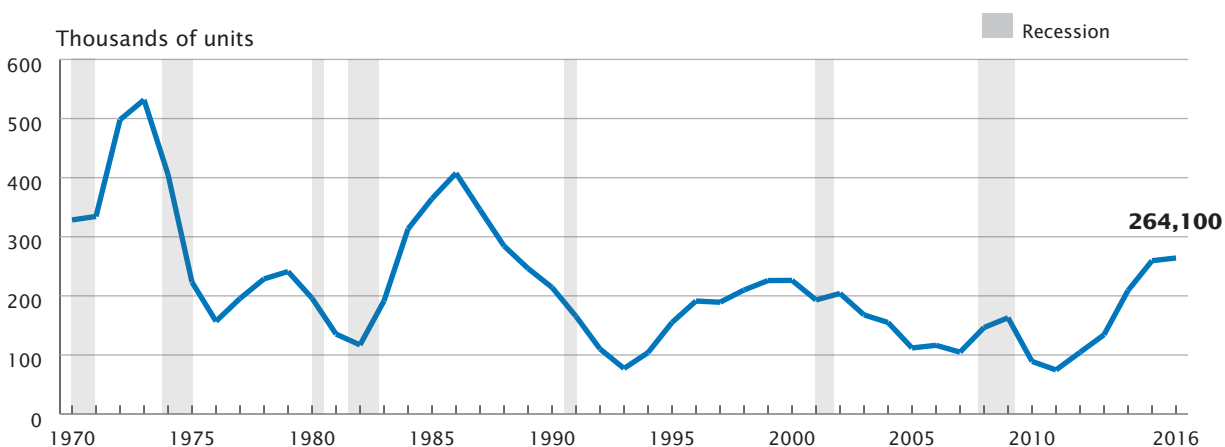
Z Represents zero or rounds to zero.

¹ Median asking rent is based on the complete 10 asking rent ranges.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units. Data regarding number of bedrooms and asking rent are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Medians and percentages are computed using unrounded data.

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

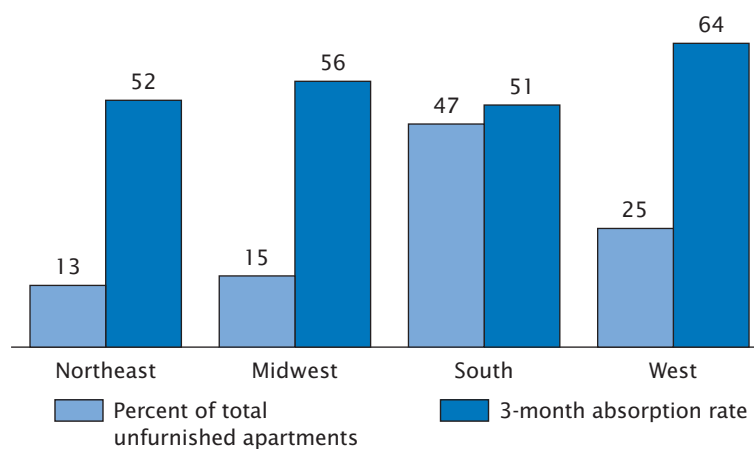
Figure 1.
Unfurnished Rental Units: 1970 to 2016 Completions



Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units.
Recession data: National Bureau of Economic Research, <www.nber.org>.

- **Regions:** In 2016, the South had the largest percentage of the new, unfurnished rental completions at 47 percent. The West followed at 25 percent. There were no significant differences detected between the Northeast at 13 percent and the Midwest at 15 percent, both reporting the fewest number of new unfurnished rental completions in 2016 (Table 1; Figure 2).

Figure 2.
Unfurnished Apartment Units and 3-Month Absorptions by Region: 2016 Completions
(In percent)



Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

- **Bedrooms (unfurnished apartments):** One-bedroom units accounted for 47 percent, or 123,200 units, of the new rental construction in 2016. This percentage was higher than the 40 percent, or 105,300 units, of new two-bedroom construction. These two percentages were higher than both the 8 percent constructed with three or more bedrooms and the 6 percent designated as efficiencies/no-bedroom units in 2016 (Table 1; Figure 3).³

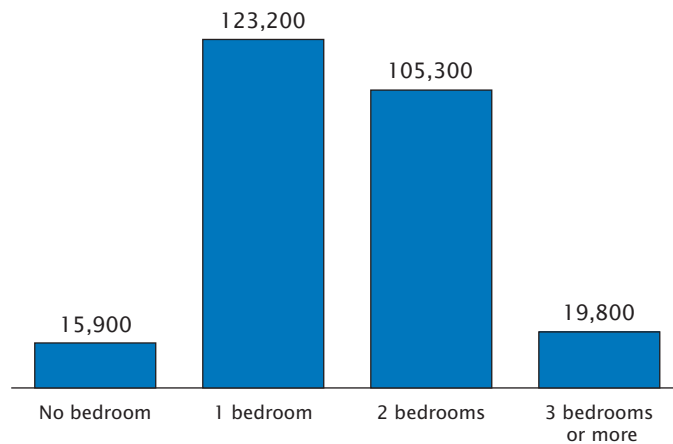
There were no significant differences detected among the 3-month absorption rates for efficiencies/no-bedroom (58 percent), one-bedroom (56 percent), two-bedroom (54 percent), and three-or-more-bedroom (58 percent) units built in 2016 (Table 3).

- **Rent (unfurnished apartments):** The median monthly asking rent of \$1,478 for all unfurnished rental apartments completed in 2016 was higher than the \$1,396 median asking rent in 2015.⁴ Three months after completion, the 46 percent absorption rate for units with an asking rent of \$2,450 or more was lower than units renting for \$850 to \$1,049 at 58 percent, and those units renting for \$1,050 to \$1,249 and \$1,250

³ The percentage of three-plus units and efficiency units did not differ significantly from each other.

⁴ Median asking rent figure from Table 3 of the 2016 Annual Absorption (2015 Completions) Report.

Figure 3.
Unfurnished Rental Apartments by Number of Bedrooms: 2016 Completions



Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

to \$1,449 at 60 percent each.⁵ There were no significant differences detected among the remaining 3-month absorption percentages (Table 3).

- **Rent (number of bedrooms):** The median asking rent of \$1,758 for a unit with three or more bedrooms was higher than the \$1,544 median asking rent for units with two bedrooms. This was followed by one-bedroom units at \$1,372 per month. The monthly median asking rent of \$1,537 for efficiency/no-bedroom units did not differ significantly from median asking rents for the one-, two-, and

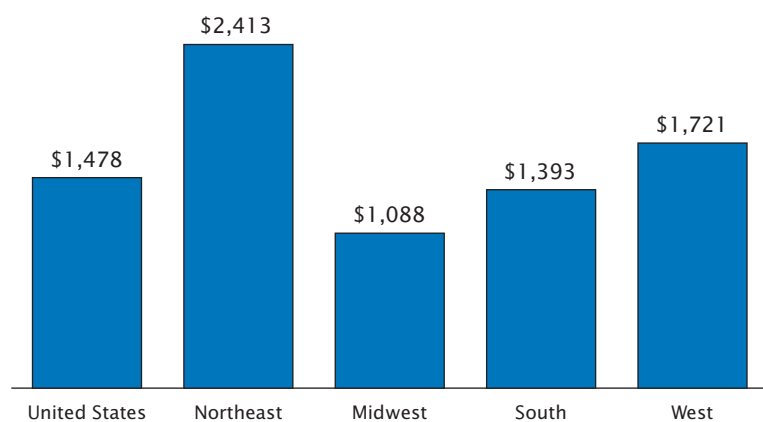
⁵ There were no significant differences detected among these three ranges.

three-or-more-bedroom units (Table 3).

- **Rent (region):** The highest median asking monthly rent for new unfurnished apartments of \$2,413 was reported in the Northeast. The next highest asking rent was in the West at \$1,721, followed by the South at \$1,393. The Midwest, at \$1,088, had the lowest median asking monthly rent (Table 3; Figure 4).

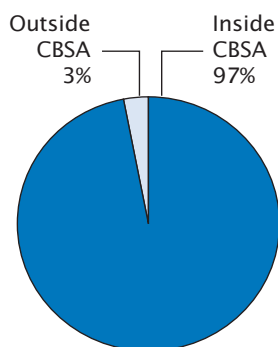
The West reported 64 percent of their unfurnished rental units absorbed within 3 months after completion. This figure was greater than the 51 percent reported in the South and the 52 percent reported in the

Figure 4.
Median Asking Rent by Region for Unfurnished Rental Apartments: 2016 Completions



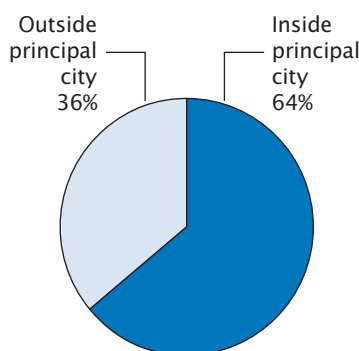
Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Figure 5.
Distributions in Core-Based Statistical Area of Unfurnished Rentals: 2016 Completions



Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Figure 6.
Distributions in Core-Based Statistical Area of Unfurnished Apartments: 2016 Completions



Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Northeast. However, the 64 percent in the West was not significantly different from the 56 percent reported in the Midwest. There were no significant differences detected among the 3-month absorption rates for units in the Northeast, Midwest, and South (Table 3; Figure 2).

- **Core-Based Statistical Areas (CBSAs) (unfurnished apartments):** In 2016, approximately 257,100 or 97 percent of the 264,100 unfurnished rental units constructed were completed inside CBSAs (Table 4; Figure 5). Of those units constructed inside CBSAs, approximately 165,400 or 64 percent of the units were built inside principal cities. This figure was higher than the 91,700 or 36 percent built outside principal cities. Approximately 6,900 or 3 percent of new rental units were constructed outside of CBSAs (Table 4; Figure 6).

Of units constructed outside principal cities of CBSAs, 62 percent were absorbed within 3 months of completion. This was 10 percentage points higher than the 52 percent absorption rate for units constructed inside principal cities. After 3 months, 34 percent of the units constructed outside of CBSAs were absorbed (Table 4).

Table 4.

Unfurnished Apartments and 3-Month Absorption Rate by Rent and Number of Bedrooms for Geographic Areas: 2016 Completions

Characteristic	Number of unfurnished apartments				Percent absorbed within 3 months			
	United States	Inside CBSA ¹		Outside CBSA ¹	United States	Inside CBSA ¹		Outside CBSA ¹
		Inside principal city	Outside principal city			Inside principal city	Outside principal city	
Total	264,100	165,400	91,700	6,900	55	52	62	34
ASKING RENT								
Less than \$850	20,300	8,100	10,100	2,200	54	49	62	37
\$850 to \$1,049	33,900	20,400	10,100	3,400	58	57	73	14
\$1,050 to \$1,249	36,100	20,000	15,000	1,000	60	53	67	77
\$1,250 to \$1,449	37,500	21,600	15,700	200	60	56	65	88
\$1,450 to \$1,649	28,700	17,000	11,700	Z	57	52	64	X
\$1,650 to \$1,849	25,000	13,900	11,100	Z	51	49	53	X
\$1,850 to \$2,049	19,500	13,800	5,700	Z	57	59	54	X
\$2,050 to \$2,249	10,000	7,000	3,000	Z	54	54	54	X
\$2,250 to \$2,449	12,900	9,900	3,000	Z	53	54	52	X
\$2,450 or more	40,000	33,800	6,200	Z	46	44	57	X
Median asking rent	\$1,478	\$1,598	\$1,385	\$924	\$1,434	\$1,556	\$1,344	\$997
No bedroom	15,900	14,300	1,500	Z	58	57	65	X
Less than \$1,850	10,500	9,300	1,200	Z	64	66	71	X
\$1,850 or more	5,300	5,100	300	Z	45	45	4	X
Median asking rent ²	\$1,537	\$1,585	\$1,044	X	\$1,397	\$1,441	\$1,002	X
1 bedroom	123,200	80,900	40,800	1,500	56	52	65	39
Less than \$850	12,100	4,600	6,100	1,400	55	47	65	37
\$850 to \$1,049	18,000	11,500	6,500	100	60	55	67	100
\$1,050 to \$1,249	20,200	10,400	9,800	Z	59	49	71	X
\$1,250 to \$1,449	18,200	11,600	6,600	Z	59	55	66	X
\$1,450 to \$1,649	11,500	9,000	2,500	Z	55	54	58	X
\$1,650 to \$1,849	11,400	7,300	4,100	Z	52	46	61	X
\$1,850 to \$2,049	8,900	7,700	1,200	Z	63	64	55	X
\$2,050 to \$2,249	3,600	3,100	500	Z	53	53	53	X
\$2,250 to \$2,449	4,200	3,600	500	Z	44	46	35	X
\$2,450 or more	15,000	12,000	2,900	Z	48	45	61	X
Median asking rent	\$1,372	\$1,502	\$1,208	< \$850	\$1,343	\$1,491	\$1,191	< \$850
2 bedrooms	105,300	59,600	41,000	4,700	54	51	59	35
Less than \$850	5,800	1,800	3,300	600	50	43	56	41
\$850 to \$1,049	13,000	7,300	2,900	2,800	54	57	83	15
\$1,050 to \$1,249	12,700	6,900	4,800	1,000	59	56	60	76
\$1,250 to \$1,449	15,100	6,700	8,200	200	62	57	65	88
\$1,450 to \$1,649	12,700	5,300	7,400	Z	57	51	62	X
\$1,650 to \$1,849	9,200	4,000	5,200	Z	47	50	45	X
\$1,850 to \$2,049	6,800	3,700	3,200	Z	53	55	50	X
\$2,050 to \$2,249	4,500	3,200	1,300	Z	49	51	44	X
\$2,250 to \$2,449	7,500	5,400	2,000	Z	57	57	56	X
\$2,450 or more	18,000	15,300	2,700	Z	45	43	53	X
Median asking rent	\$1,544	\$1,740	\$1,484	\$970	\$1,490	\$1,655	\$1,433	\$1,084
3 bedrooms or more	19,800	10,600	8,500	700	58	54	66	12
Less than \$850	1,100	500	400	100	48	50	54	Z
\$850 to \$1,049	1,000	200	200	500	29	39	100	2
\$1,050 to \$1,249	1,300	900	300	Z	66	62	72	X
\$1,250 to \$1,449	2,100	1,300	700	Z	61	66	50	X
\$1,450 to \$1,649	3,200	1,400	1,700	Z	67	47	83	X
\$1,650 to \$1,849	2,500	900	1,700	Z	56	48	60	X
\$1,850 to \$2,049	2,400	1,100	1,300	Z	54	47	60	X
\$2,050 to \$2,249	1,500	300	1,200	Z	69	83	66	X
\$2,250 to \$2,449	700	300	400	Z	63	72	55	X
\$2,450 or more	4,200	3,600	600	Z	53	52	62	X
Median asking rent	\$1,758	\$1,853	\$1,748	\$949	\$1,747	\$1,846	\$1,713	\$1,220

< The median is in the open-ended interval, thus cannot be calculated.

X Not applicable.

Z Represents zero or rounds to zero.

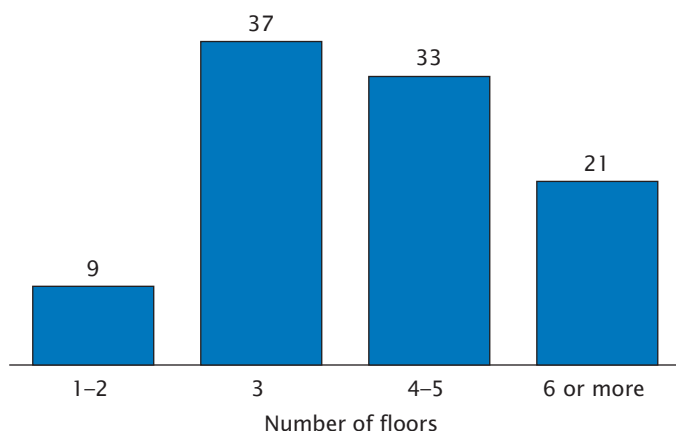
¹ Core-Based Statistical Area.

² Median asking rent is based on the complete 10 asking rent ranges.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units. Data regarding number of bedrooms and asking rent are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Medians and percentages are computed using unrounded data.

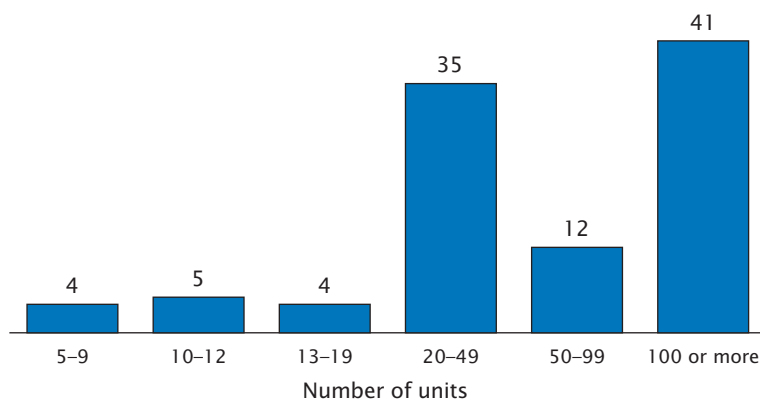
Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Figure 7.
**Percentage of Unfurnished Apartments by
Number of Floors in Building: 2016 Completions**



Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Figure 8.
**Percentage of Unfurnished Apartments by Units in
Building: 2016 Completions**



Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

- **Number of floors (unfurnished apartments):** Buildings constructed with three floors accounted for 37 percent of the 264,100 total rental apartment units constructed in 2016. This was 4 percentage points higher than the 33 percent built with four or five floors. The next highest were those constructed with six or more floors at 21 percent. Buildings with one or two floors accounted for the remaining 9 percent of construction in 2016 (Table 5; Figure 7).

There were no significant differences detected among the 3-month absorption rates for buildings with one or two floors at 63 percent, three floors at 59 percent, and four or five floors at 54 percent. However, the 3-month absorption rates for buildings with one or two floors, and those with three floors were higher than those buildings with six or more floors at 46 percent (Table 5).

- **Units per building (unfurnished apartments):** Buildings that contained 100 or more units accounted for approximately 41 percent or 108,100 of the 264,100 new unfurnished apartments constructed in 2016. Approximately 91,700 or 35 percent contained 20 to 49 units. Apartment buildings with 50 to 99 units accounted for 12 percent of the construction. The lowest percentages were those with 5 to 9 units and 13 to 19 units at 4 percent each, and the 5 percent of the buildings with 10 to 12 units (Table 5; Figure 8).⁶

⁶ There were no significant differences detected among these three ranges.

Table 5.

Unfurnished Apartments and 3-Month Absorption Rate by Units in Building and Number of Floors in Building: 2016 Completions

Item	Total	Percent completed	Percent absorbed in 3 months
Total¹	264,100	100	55
5 to 9 units	9,800	4	60
10 to 12 units	12,700	5	68
13 to 19 units	10,200	4	73
20 to 49 units	91,700	35	60
50 to 99 units	31,600	12	54
100 or more units	108,100	41	48
Buildings with 1 or 2 floors	22,600	9	63
5 to 9 units	7,300	3	61
10 to 12 units	4,400	2	73
13 to 19 units	4,900	2	69
20 to 49 units	4,600	2	55
50 to 99 units	600	Z	27
100 or more units	800	Z	56
Buildings with 3 floors	98,700	37	59
5 to 9 units	1,500	1	38
10 to 12 units	7,900	3	66
13 to 19 units	4,300	2	77
20 to 49 units	65,700	25	61
50 to 99 units	13,700	5	51
100 or more units	5,600	2	46
Buildings with 4 or 5 floors	86,600	33	54
5 to 9 units	1,000	Z	80
10 to 12 units	300	Z	67
13 to 19 units	900	Z	67
20 to 49 units	19,800	8	56
50 to 99 units	14,000	5	57
100 or more units	50,500	19	52
Buildings with 6 or more floors	56,000	21	46
5 to 9 units	Z	Z	62
10 to 12 units	100	Z	76
13 to 19 units	100	Z	76
20 to 49 units	1,600	1	62
50 to 99 units	3,100	1	64
100 or more units	51,000	8	45

Z Represents zero or rounds to zero.

¹ Does not include buildings not reporting number of floors.

Note: Privately financed, nonsubsidized, unfurnished, rental apartments in buildings with five or more units. Details may not sum to totals because of rounding.

Medians and percentages are computed using unrounded data.

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

After 3 months, absorption rates ranged from 48 percent in buildings with 100 or more units to 73 percent in buildings with 13 to 19 units (Table 5).

- **Utilities (unfurnished apartments):** Of the total apartment units constructed in 2016, 5 percent included electricity

in the monthly rent, 13 percent included gas, 25 percent included water, and 27 percent included sewer service. Where fuel gas was included in the monthly rent, 52 percent of those units were absorbed within 3 months (Table 6a).

Of the total unfurnished rental apartments, 94 percent provided individual laundry connections in each unit. Three percent each reported shared laundry facilities, or both individual and shared (laundry room) connections. Washing machines and dryers were provided by management in 93 percent of all of

Table 6a.

Utilities—Unfurnished Apartments and Condominium Units and 3-Month Absorption Rates: 2016 Completions

Characteristic	Unfurnished rental units			Condominium units		
	Number	Percent	Percent absorbed within 3 months	Number	Percent of total	Percent absorbed within 3 months
Total	264,100	100	55	18,500	100	60
ELECTRICITY						
Available						
Included ¹	12,300	5	57	1,100	6	53
Extra cost	251,700	95	55	17,200	94	60
Not reported	100	X	X	300	X	X
GAS						
Available						
Included ¹	33,500	13	52	3,400	19	64
Extra cost	84,200	32	57	8,100	44	72
Not available	145,600	55	55	6,700	37	43
Not reported	700	X	X	300	X	X
WATER						
Available						
Included ¹	66,600	25	54	7,200	39	71
Extra cost	196,500	75	56	11,200	61	53
Not reported	1,000	X	X	100	X	X
SEWER						
Available						
Included ¹	70,700	27	54	9,500	51	68
Extra cost	192,700	73	56	9,000	49	51
Not reported	700	X	X	Z	X	X
LAUNDRY CONNECTIONS^{2,3}						
Available						
All units	245,900	94	55	17,800	96	60
Shared	7,300	3	64	300	2	64
Both	8,500	3	47	300	2	67
Not available	800	X	55	Z	Z	15
Not reported	1,400	X	X	Z	X	X
WASHER AND DRYER²						
Available						
All units	238,000	93	55	14,700	81	55
Some units	6,400	3	41	600	3	60
Not available	10,300	4	65	2,800	16	85
Not reported	9,400	X	X	400	X	X

X Not applicable.

Z Represents zero or rounds to zero.

¹ Rent or condominium fee.² Provided by management.³ The difference in the percentage of units with a washer and dryer, and those units with a laundry connection is attributed to not-reported cases.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units. Data regarding features and utilities are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Percentages are computed using unrounded data.

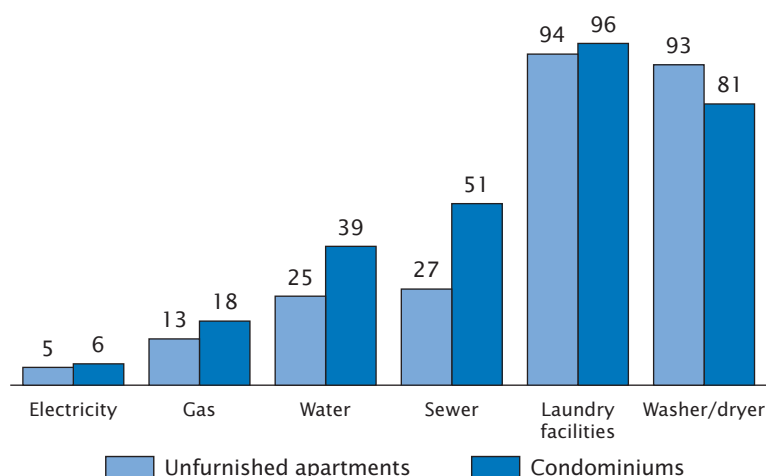
Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

the unfurnished rental apartments (Table 6a; Figure 9). The 3-month absorption rates for apartments did not differ significantly based on the availability (54 percent) or no availability (65 percent) of a washer and dryer (Table 6a).

There were no significant differences detected among the 3-month absorption rates for units with shared laundry connections at 64 percent, for units that included a laundry connection at 55 percent, and those with both shared and individual connections at 47 percent. In addition, no significant differences were detected among these units and the 3-month absorption rate for those units where a laundry connection was not available at 55 percent (Table 6a).

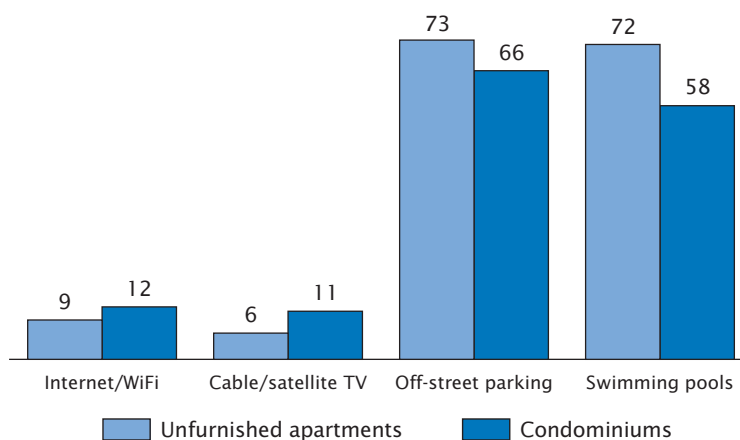
- **Amenities (unfurnished apartments):** Of the 264,100 unfurnished rental apartments constructed in 2016, Wi-Fi or Internet service was available in 99 percent of the units and it was included in the monthly rent in 9 percent of those units. Cable or satellite service was available in 99 percent of the units with 6 percent having it included in their rent. Off-street parking was available to 87 percent of the units with approximately 73 percent of those units having it included with their monthly rent. Approximately 80 percent had a swimming pool available, and 72 percent had the cost of a swimming pool included in their monthly rent (Table 6b; Figure 10).

Figure 9.
Utilities Included With Rent/Purchase in Unfurnished Apartments and Condominium Units: 2016 Completions
(In percent)



Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Figure 10.
Amenities Included With Rent/Purchase in Unfurnished Apartments and Condominium Units: 2016 Completions
(In percent)



Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Table 6b.

Amenities—Unfurnished Apartments and Condominium Units and 3-Month Absorption Rates: 2016 Completions

Characteristic	Unfurnished rental units			Condominium units		
	Number	Percent of total	Percent absorbed within 3 months	Number	Percent of total	Percent absorbed within 3 months
Total	264,100	100	52	18,500	100	60
INTERNET/WI-FI						
Available						
Included ¹	23,900	9	53	2,300	12	52
At extra cost	236,900	90	55	15,800	85	60
Not available	2,800	1	53	500	2	85
Not reported	500	Z	X	Z	Z	X
CABLE/SATELLITE						
Available						
Included ¹	17,100	6	56	2,100	11	64
At extra cost	244,300	93	55	16,000	86	59
Not available	2,200	1	58	500	2	85
Not reported	500	Z	X	Z	Z	X
PARKING						
Available						
Included ¹	193,800	73	56	12,200	66	57
At extra cost	34,900	13	52	3,000	16	64
Not available	35,200	13	53	3,300	18	65
Not reported	200	Z	X	Z	Z	X
SWIMMING POOLS						
Available						
Included ¹	189,000	72	55	10,800	58	49
At extra cost	22,700	9	53	2,600	14	75
Not available	52,300	20	57	5,200	28	75
Not reported	Z	Z	X	Z	Z	X

X Not applicable.

Z Represents zero or rounds to zero.

¹ Rent or condominium fee.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units. Data regarding features and utilities are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Percentages are computed using unrounded data.

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

There were no significant differences in the 3-month absorption rates for units that included amenities such as Wi-Fi/Internet, cable/satellite, or use of a swimming pool in the monthly rent, versus those that charged a fee for those amenities (Table 6b).

- **New Construction (condominiums and cooperatives):** Approximately 18,700 condominium

and cooperative apartments were constructed in 2016 (Table 7). This was approximately 7,300 more units compared to the revised figure for condominium and cooperative completions in 2015.⁷ The 18,700 units was the highest number of condominiums and cooperatives

⁷ The 11,400 condominium and cooperative apartments is the revised figure as reported in the SOMA 2016 Annual Absorptions (2015 Completions) Report.

constructed since 2010, when 19,100 were completed (Table 2; Figure 11). Of the 18,700 condominium and cooperative apartments constructed in 2016, 60 percent were absorbed within their first 3 months on the market. Of the 18,700 units constructed, 99 percent or 18,500 were built as condominiums (Table 8).

Table 7.

Condominium and Cooperative Apartments and 3-Month Absorption Rate by Number of Bedrooms and Geographic Area: 2016 Completions

Characteristic	Number	Percent	Percent absorbed within 3 months	Median asking price
Total	18,700	100	60	\$617,300
BEDROOMS				
Fewer than 2 bedrooms	4,000	21	74	\$498,300
2 bedrooms	7,400	39	67	\$437,400
3 bedrooms or more	7,400	39	46	+ \$700,000
REGION				
Northeast	6,000	32	68	+ \$700,000
Midwest	1,500	8	60	\$331,500
South	7,100	38	42	+ \$700,000
West	4,200	22	79	\$499,900
GEOGRAPHIC AREA				
Inside CBSA ¹	18,700	100	60	\$617,300
Inside principal city	10,300	55	68	+ \$700,000
Outside principal city	8,400	45	51	\$386,700
Outside CBSA ¹	Z	Z	X	X

+ The median is in the open-ended interval, thus cannot be calculated.

X Not applicable.

Z Represents zero or rounds to zero.

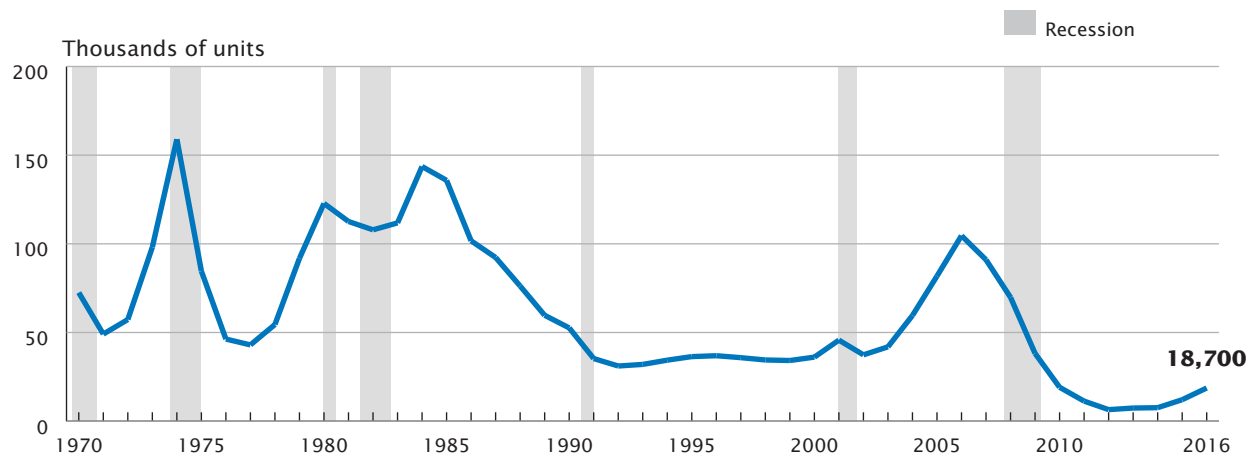
¹ Core-Based Statistical Area.

Note: Privately financed, nonsubsidized condominium and cooperative apartments in buildings with five or more units. Data regarding number of bedrooms are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Percentages are computed using unrounded data.

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Figure 11.

Condominium and Cooperative Units: 1970 to 2016 Completions



Source: U.S. Census Bureau, 1970 to 2016 Survey of Market Absorption of New Multifamily Units.
Recession data: National Bureau of Economic Research, <www.nber.org>.

Table 8.

Condominium Apartments and 3-Month Absorption Rate by Asking Price, Number of Bedrooms, Region, and Geographic Area: 2016 Completions

Characteristic	Number	Percent	Percent absorbed within 3 months	Median asking price
Total	18,500	100	60	\$629,400
ASKING PRICE				
Less than \$200,000	900	5	77	X
\$200,000 to \$249,999	1,500	8	81	X
\$250,000 to \$299,999	1,000	5	83	X
\$300,000 to \$349,999	1,300	7	80	X
\$350,000 to \$399,999	1,500	8	77	X
\$400,000 to \$449,999	900	5	64	X
\$450,000 to \$499,999	900	5	73	X
\$500,000 to \$549,999	300	2	75	X
\$550,000 to \$599,999	700	4	65	X
\$600,000 to \$649,999	500	3	81	X
\$650,000 to \$699,999	400	2	80	X
\$700,000 or more	8,600	47	41	X
BEDROOMS				
Fewer than 2 bedrooms	4,000	21	74	\$502,400
2 bedrooms or more	14,500	79	56	+ \$700,000
2 bedrooms	7,200	39	66	\$449,300
3 bedrooms or more	7,400	40	46	+ \$700,000
REGION				
Northeast	6,000	32	68	+ \$700,000
Midwest	1,300	7	55	\$374,300
South	7,100	38	42	+ \$700,000
West	4,100	22	79	\$504,800
GEOGRAPHIC AREA				
Inside CBSA ¹	18,500	100	60	\$629,400
Inside Principal City	10,100	55	67	+ \$700,000
Outside Principal City	8,400	45	51	\$387,800
Outside CBSA ¹	Z	Z	X	X

+ The median is in the open-ended interval, thus cannot be calculated.

X Not applicable.

Z Represents zero or rounds to zero.

¹ Core-Based Statistical Area.

Note: Privately financed, nonsubsidized condominium apartments in buildings with five or more units. Data regarding number of bedrooms and asking price are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Medians and percentages are computed using unrounded data.

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

- **CBSAs (condominiums and cooperatives):** In 2016, all of the 18,700 condominium and cooperative units were constructed inside CBSAs (Table 7). Of those units, approximately 10,300 or 55 percent of the units were built inside principal cities. This figure did not differ significantly

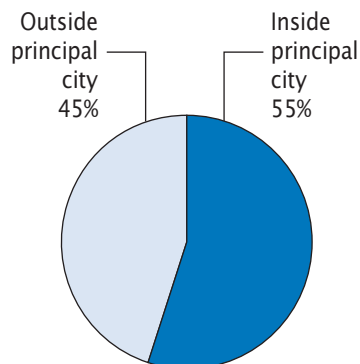
from the 8,400 or 45 percent built outside principal cities (Table 7; Figure 12).

The 3-month absorption rate for all condominium and cooperative units constructed inside CBSAs was 60 percent. There was no significant differences in the 3-month absorption rates

for units constructed inside principal cities at 68 percent, and those constructed outside principal cities at 51 percent of CBSAs (Table 7).

- **Bedrooms (condominiums):** In 2016, units with two or more bedrooms accounted for 79 percent of condominium apartment

Figure 12.
**Distributions in
Core-Based Statistical
Area: 2016 Condominium/
Cooperatives Completions**



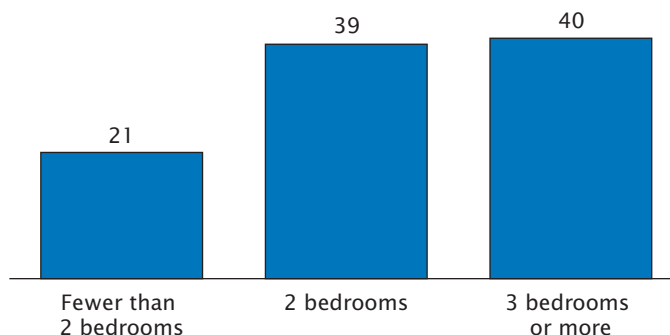
Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

construction (Table 8 and Figure 13). Of condominium units with less than two bedrooms, 74 percent were absorbed within 3 months. This figure was higher than the 3-month absorption rate of 46 percent for condominiums constructed with three or more bedrooms. There were no significant differences detected in 3-month absorption rates for condominiums with two bedrooms at 66 percent, and those with greater than two or less than two bedrooms (Table 8).

- **Asking Price (condominiums):** The median asking price for all new condominium apartments built in 2016 was \$629,400. This figure did not differ significantly from the \$461,100 reported in 2015.⁸ In 2016, the median asking price for new condominiums built in the Northeast and the South exceeded the \$700,000 upper

⁸ The 2015 median asking/selling price figure of \$461,100 is the revised figure as reported in the SOMA 2016 Annual Absorptions (2015 Completions) Report.

Figure 13.
**Number of Bedrooms in Condominium Units:
2016 Completions**
(In percent)



Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

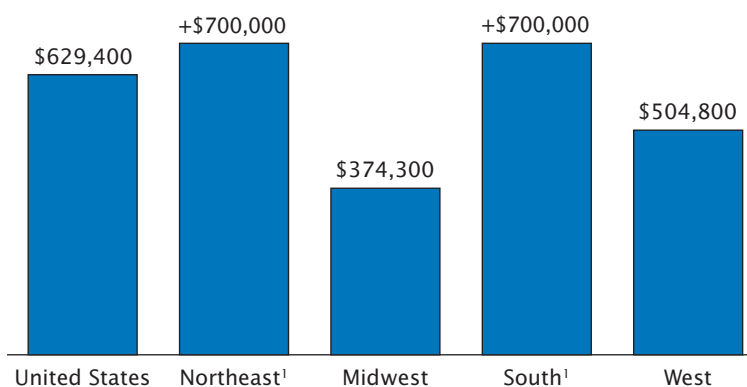
limit of the SOMA cost range and thus, could not be compared to the other regions.⁹ The Midwest had a median asking price of \$374,300, which was not

⁹ The questionnaire asks 12 range categories of selling price from less than \$200,000 to \$700,000 or more.

significantly different from the median asking price of \$504,800 in the West (Table 8; Figure 14).

Overall, 60 percent of all condominium apartments were absorbed within 3 months after completion. The 3-month

Figure 14.
**Median Asking Price of Condominium Units by
Region: 2016 Completions**



+ The median is in the open-ended interval, thus cannot be calculated.

¹ Median asking price greater than the SOMA upper limit range category of \$700,000 or more.

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

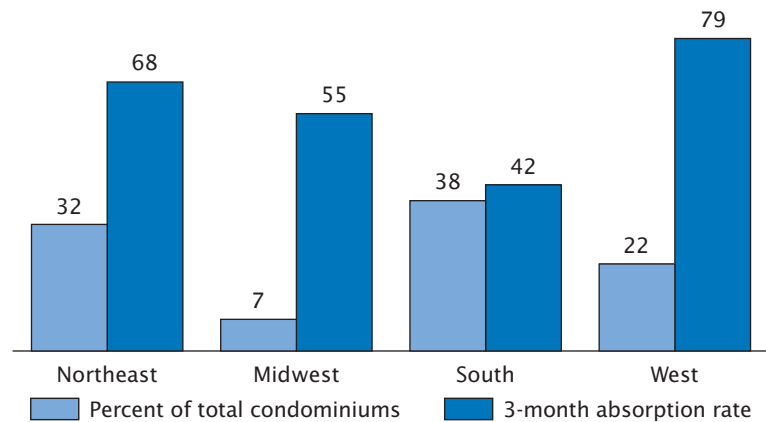
absorption rates for condominiums ranged from 41 percent for condominium units with an asking price of more than \$700,000, to 83 percent for condominium units with an asking price of \$250,000 to \$299,999 (Table 8).

- **Regions (condominiums):** Among the 18,500 condominium apartments constructed in 2016, there were no significant differences detected among the percentage built in the South at 38 percent, Northeast at 32 percent, and the West at 22 percent. However, all three were higher than the 7 percent built in the Midwest. After 3 months, 79 percent of the units in the West, 68 percent in the Northeast, 55 percent in the Midwest, and 42 percent in the South were absorbed. The only significant difference among the 3-month absorption rates by regions were those detected between the South when compared to the both the Northeast and West (Table 8; Figure 15).

- **Utilities (condominium apartments):** Of the 18,500 condominium units constructed in 2016, approximately 6 percent included electricity in the condominium fees, 18 percent included gas, 39 percent included water, and 51 percent included sewer service. Of the condominiums completed in 2016, approximately 96 percent provided individual laundry connections in all units, 2 percent reported shared laundry facilities, and 2 percent reported both shared and individual connections (Table 6a).

Washing machines and dryers were available to 81 percent of the condominium apartments completed in 2016. There were no significant differences detected in the 3-month

Figure 15.
Condominium Units and 3-Month Absorption Rates by Region: 2016 Completions
(In percent)



Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

absorption rates between units that included utilities in the condominium fees and those that did not (Table 6a; Figure 9).

- **Amenities (condominium apartments):** Wi-Fi or Internet service was available to 97 percent of the condominium apartments completed in 2016. However, only 12 percent included Wi-Fi in their condominium fees. Cable or satellite service was available in 97 percent of the condominium apartments, with 11 percent having it included in their condominium fees. Off-street parking was included in the condominium fees for 66 percent of the condominium apartments. Approximately 72 percent of the condominium apartments had a swimming pool and 58 percent including it in their condominium fees (Table 6b; Figure 10).

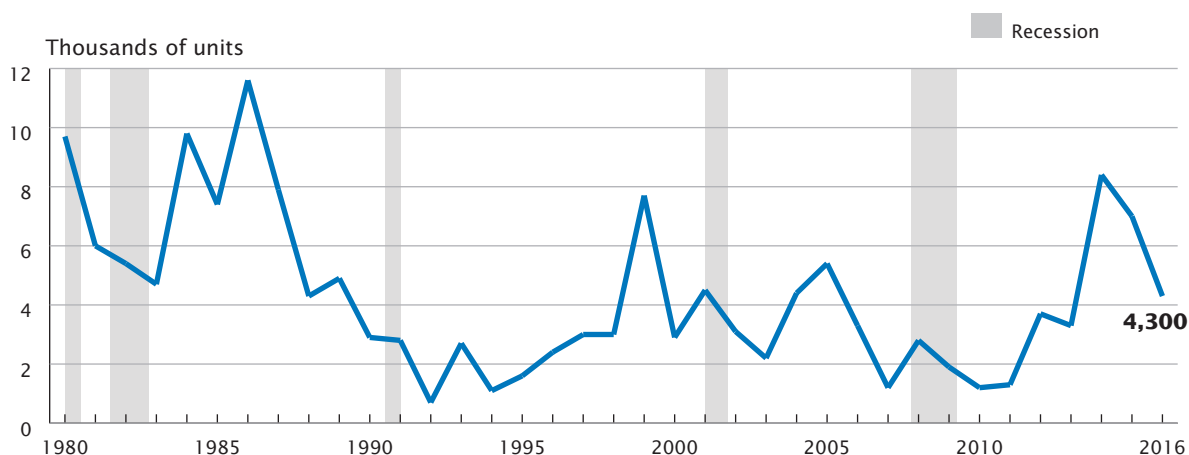
Of the condominium units that did not include the cost of a swimming pool in their fees, 75 percent were absorbed within 3 months. This figure did not differ significantly to the 3-month absorption rate of 49 percent for

those where the swimming pool fees were included in the condominium fees. However, after 3 months on the market, 75 percent of the condominium units where a swimming pool was not available were absorbed. There were no significant differences in the 3-month absorption rates based on whether a unit did or did not provide amenities such as Wi-Fi/Internet, cable/satellite, or off-street parking (Table 6b).

- **Furnished apartment units:** There were approximately 4,300 furnished apartment units constructed in 2016. This was approximately 2,500 fewer than the 6,800 reported in 2015 (Tables 2 and 9; Figure 16).¹⁰ The median asking rent for a furnished unit in 2016 was \$2,207. After 3 months, 78 percent of the 4,300 furnished apartment units were rented (Table 9). This was higher than the 3-month absorption rate of 55 percent for unfurnished rental units. The median asking rent

¹⁰ The 2015 furnished apartment figure of 6,800 is the revised figure as reported in the SOMA 2016 Annual Absorptions (2015 Completions) Report.

Figure 16.
Furnished Apartment Units: 1980 to 2016 Completions



Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units.
Recession data: National Bureau of Economic Research, <www.nber.org>.

Table 9.
Furnished Apartments and 3-Month Absorption Rate by Asking Rent, Number of Bedrooms, Region, and Geographic Area: 2016 Completions

Characteristic	Number	Percent	Percent absorbed within 3 months	Median asking rent
Total	4,300	100	78	\$2,207
ASKING RENT				
Less than \$1,850	1,600	39	61	X
\$1,850 or more	2,600	61	89	X
BEDROOMS				
Fewer than 2 bedrooms	1,100	26	60	\$1,248
2 bedrooms or more	3,200	74	85	+ \$2,450
REGION				
Northeast	300	8	89	+ \$2,450
Midwest	700	17	82	\$2,114
South	1,700	40	76	+ \$2,450
West	1,500	35	77	\$1,752
GEOGRAPHIC AREA				
Inside CBSA ¹	4,300	100	78	\$2,207
Inside Principal City	2,700	62	74	\$3,001
Outside Principal City	1,600	38	86	\$2,242
Outside CBSA ¹	Z	Z	Z	X

+ The median is in the open-ended interval, thus cannot be calculated.

X Not applicable.

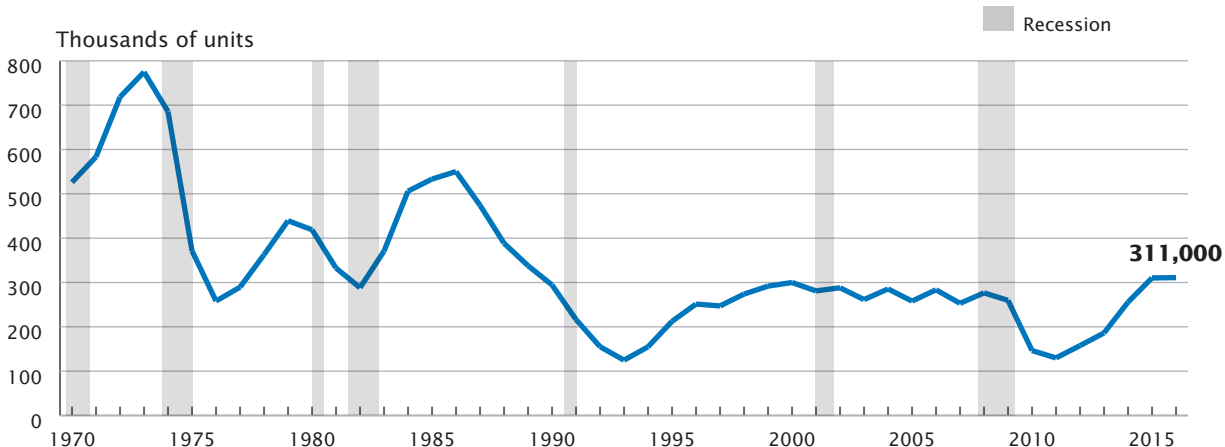
Z Represents zero or rounds to zero.

¹ Core-Based Statistical Area.

Note: Privately financed, nonsubsidized, furnished rental apartments in buildings with five or more units. Data regarding number of bedrooms and asking rent are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Medians and percentages are computed using unrounded data.

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Figure 17.
Buildings With Five or More Units: 1970 to 2016 Completions



Source: U.S. Census Bureau, 1970 to 2016 Survey of Market Absorption of New Multifamily Units.
Recession data: National Bureau of Economic Research, <www.nber.org>.

for a furnished apartment was approximately \$729 more than the median asking rent for an unfurnished unit in 2016 (Tables 3 and 9).

- **All apartments (summary):** In 2016, there were approximately 311,000 apartments constructed in residential buildings with five or more units. This did not differ significantly from the 310,300 units reported in 2015. Both numbers represent the largest number since 2000 when 300,000 units were constructed. Of the 311,000 units, 85 percent were nonsubsidized, unfurnished rental apartments; 7 percent were subsidized and tax-credit units; 6 percent were condominiums and cooperatives; 1 percent were furnished rental units; and 1 percent were not in the scope of the survey (Table 2; Figure 17).¹¹

CHARACTERISTICS OF THE DATA

All statistics from the SOMA refer to apartments in newly constructed buildings with five or more units. Absorption rates reflect the first time an apartment is rented after completion or the first time a condominium or cooperative apartment is sold after completion. If apartments initially intended to be sold as condominium or cooperative units are offered by the builder or building owner for rent instead, they are counted as rental apartments. Units categorized as subsidized and tax credited are those built under two HUD programs (Section 8, Low Income Housing Assistance and Section 202, Senior Citizens Housing Direct Loans) and all units in buildings containing apartments in the Federal Housing Administration rent supplement program. The data on privately financed units include privately owned housing subsidized by state and local governments. Other units include time-share units,

continuing-care retirement units, and turnkey units (privately built for and sold to local public housing authorities after completion) and are considered to be outside the scope of the survey.

Tables 1, 3, 4, and 5 are restricted to privately financed, nonsubsidized, unfurnished rental apartments. Table 7 is restricted to privately financed, nonsubsidized, condominium and cooperative apartments, while Table 8 is limited to privately financed, nonsubsidized condominium apartments only. Table 9 covers privately financed, nonsubsidized, furnished rental apartments and Table 2 is a historical summary of the totals for all types of newly constructed apartments in buildings with five or more units. Estimates published in this report are preliminary and are subject to revision in the H130, Survey of Market Absorption of New Multifamily Units—Annual 2017 Absorptions (Apartments Completed in 2016) annual report.

¹¹ Examples of out-of-scope units include group quarters, dormitories, retirement homes, and nursing homes.

Additionally, SOMA tabulates and reports absorption rates for units based on their CBSA. CBSAs include an urban center of at least 10,000 people and adjacent areas that are socioeconomically tied to the urban center by commuting. The term “CBSA” refers collectively to both metropolitan statistical areas and micropolitan areas. Micropolitan areas are based around Census Bureau-defined urban clusters of at least 10,000 and fewer than 50,000 people. Absorption rates within the CBSAs are further divided into “Inside Principal City” and “Outside Principal City.”

Principal cities of a CBSA are the largest incorporated places with a population of at least 10,000 in the CBSA. If there is no such place present in the CBSA, the largest incorporated place or census-designated place (CDP) in the CBSA is termed the “Principal City.” Principal cities also include any additional incorporated place or CDP with a population of at least 250,000 or in which 100,000 or more persons work.

SAMPLE DESIGN

The Census Bureau designed the survey to provide data concerning the rate at which privately financed, nonsubsidized, unfurnished units in buildings with five or more units are rented or sold (absorbed). In addition, the survey collects data on characteristics such as number of bedrooms, asking rent, and asking price.

Buildings for the survey came from those included in the Census Bureau’s Survey of Construction (SOC).¹² For the SOC, the United States is first divided into primary sampling units (PSUs), which are stratified based on population

and building permits. The PSUs to be used for the survey are then randomly selected from each stratum. Next, a sample of geographic locations that issue permits is chosen within each of the selected PSUs. All newly constructed buildings with five or more units within sampled places and a subsample of buildings with one to four units are included in the SOC.

For the SOMA, the Census Bureau selects a sample of buildings with five or more units that have been reported in the SOC sample as having been completed during that quarter. The SOMA does not include buildings in areas that do not issue permits. In each of the subsequent four quarters, the proportion of units in the quarterly sample that are sold or rented (absorbed) are recorded, providing data for absorption rates 3, 6, 9, and 12 months after completion.

ESTIMATION

Beginning with data on completions in the fourth quarter of 1990 (which formed the base for absorptions in the first quarter of 1991), the Census Bureau modified the estimation procedure and applied the new estimation procedure to new estimates for the other three quarters of 1990 to derive estimates using the same methodology for four quarters. The Census Bureau did not perform any additional re-estimation of past data.

Using the original estimation procedure, the Census Bureau created design-unbiased quarterly estimates by multiplying the counts for each building by its base weight (the inverse of its probability of selection) and then summing over all buildings. Multiplying the design-unbiased estimate by the following ratio-estimate factor for

the country as a whole provides the following estimate:

*“Total units in buildings with five or more units in permit-issuing areas as estimated by the SOC for that quarter **divided by** total units in buildings with five or more units as estimated by the SOMA for that quarter.”*

Beginning with January 2001 completions, the SOC revised its methodology for estimating the number of units completed for five or more multiunit structures. See <www.census.gov/ftp/pub/const/www/new_methodology_const.html> for these changes. Thus, caution is required when comparing data from 2001 and forward to any estimates prior to 2001.

In the modified estimation procedure, instead of applying a single ratio-estimate factor for the entire country, the Census Bureau computes separate ratio-estimate factors for each of the four geographic regions. Multiplying the unbiased regional estimates by the corresponding ratio-estimate factors provides the final estimates for regions. The Census Bureau obtains the final estimates for the country by summing the final regional estimates.

This procedure produces estimates of the units completed in a given quarter that are consistent with published figures from the SOC and reduces, to some extent, the sampling variability of the estimates of totals. Annual absorption rates are obtained by computing a weighted average of the four quarterly estimates.

Absorption rates and other characteristics of units not included in the interviewed group or not accounted for, are assumed to be

¹² See <www.census.gov/const/www/newresconstdoc.html#sample> for further details on the SOC sample design.

identical to rates for units about which data were obtained. The non-interviewed and not-accounted-for cases constitute less than 2 percent of the sample housing units in this survey.

A survey interview is complete once the field representative collects information for the bedrooms. SOMA does not include data for subsidized units, therefore, if any unit is subsidized by Section 8 or receives any government assistance, the interview is then complete.

An interview is considered a sufficient partial interview when at least the building type (Unfurnished Rental, Furnished Rental, Cooperative, Condominium, or Owned or Leased by a Public Housing Agency) is recorded.

The response rates for SOMA are calculated by dividing the number of building interviews by the number of eligible buildings (Table 10):

$$\frac{\text{Interviews}}{\text{Interviews plus Type A noninterviews}} \times 100$$

Out-of-scope cases (i.e., dormitories, townhouses, group quarters, time-share, continuing-care, and retirement unit) are excluded in this calculation.

NOTE TO DATA USERS

To derive more accurate estimates of completions, the SOMA adopted new ratio estimation procedures in 1990.¹³ This new procedure was used for the first time in processing annual data for 1990. Please use caution when comparing completions in 1990 and following years with those in earlier years.

¹³ See Estimation section.

Table 10.

Sample Sizes and Weighted Response Rates by Quarter of Completion: 2016

2016 Completions	Weighted response rate
Total	95.2
First quarter	97.8
Second quarter	95.7
Third quarter	96.4
Fourth quarter	90.8

ACCURACY OF THE ESTIMATES

The SOMA is a sample survey and consequently all statistics in this report are subject to sampling variability. Estimates derived from different samples would differ from these.

Two types of possible errors are associated with data from sample surveys: nonsampling and sampling.

Nonsampling Errors

In general, nonsampling errors can be attributed to many sources: inability to obtain information about all cases in the sample, difficulties with definitions, differences in interpretation of questions, inability or unwillingness of the respondents to provide correct information, and data processing errors. Although no direct measurements of any bias that might result from nonsampling errors has been obtained, the Census Bureau thinks that most of the important response and operational errors were detected during review of the data for reasonableness and consistency.

Sampling Errors

The particular sample used for this survey is one of many possible samples of the same size that could have been selected using

the same design. Even if the same questionnaires, instructions, and interviewers were used, estimates from different samples would likely differ from each other. The deviation of a sample estimate from the average of all possible samples is defined as the sampling error. The standard error of a survey estimate provides a measure of this variation and thus, is a measure of the precision with which an estimate from a sample approximates the average result from all possible samples.

If all possible samples were selected, if each was surveyed under the same general conditions, and if an estimate and its estimated standard error were calculated from each sample, then:

- Approximately 68 percent of the intervals from one standard error below the estimate to one standard error above the estimate (i.e., the 68 percent confidence interval) would include the average result from all possible samples.
- Approximately 90 percent of the intervals from 1.645 standard errors below the estimate to 1.645 standard errors above the estimate (i.e., the 90 percent confidence interval or margin of error) would include the average result from all possible samples.
- Approximately 95 percent of the intervals from two standard errors below the estimate to two standard errors above the estimate (i.e., the 95 percent confidence) would include the average result from all possible samples.

This report uses a 90 percent confidence level as its standard for statistical significance.

For very small estimates, the lower limit of the confidence interval may be negative. In this case, a better approximation to the true interval estimate can be achieved by restricting the interval estimate to positive values, that is, by changing the lower limit of the interval estimate to zero.

The reliability of an estimated absorption rate (i.e., a percentage) computed by using sample data for both the numerator and denominator depends on both the size of the rate and the size of the total on which the rate is based. Estimated rates of this kind are relatively more reliable than the corresponding estimates of the numerators of the rates, particularly if the rates are 50 percent or more.

In this report, Tables A, B1, and B2 present approximations to the standard errors of various estimates shown. Table A presents standard errors for estimated totals and Tables B1 and B2 present standard errors for estimated percentages for rental apartments and condominiums, respectively. To derive standard errors that would be applicable to a wide variety of items and could be prepared at moderate cost, a number of approximations were required. As a result, the tables of standard errors provide an indication of the order of magnitude of the standard errors, rather than the precise standard error for any specific item. Standard errors for values not shown in Tables A, B1, or B2 can be obtained by linear interpolation.

ILLUSTRATIVE USE OF THE STANDARD ERROR TABLES

Table 4 of this report shows that in 2016, there were approximately

Table A.

Standard Errors for Total Estimates of Apartments in Buildings With Five Units or More: 2016 Completions

All units, unfurnished apartments, furnished apartments		Condominiums and coops	
Estimated number	Standard error	Estimated number	Standard error
300	310	300	280
500	400	500	370
800	500	800	460
1,300	640	1,300	590
2,100	810	2,100	760
3,400	1,030	3,400	970
5,500	1,310	5,500	1,240
8,900	1,660	8,900	1,590
14,400	2,090	14,400	2,050
23,300	2,620	18,800	2,370
37,700	3,250	X	X
61,000	3,960	X	X
98,700	4,650	X	X
159,700	5,020	X	X
258,400	3,910	X	X
311,000	1,440	X	X

X Not applicable.

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

165,400 new privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units constructed in permitting areas inside principal cities of CBSAs. Table A shows the standard error of this size to be approximately 4,956 using linear interpolation (see Example A-1). To obtain the margin of error, multiply 4,956 by 1.645. The margin of error around this estimate is 8,152. Thus, the 90 percent confidence interval shown by these data is from 157,248 to 173,552. The true value of these principal city units completed in 2016 may or may not be included in this computed interval, but one can say that it is included in the constructed interval with a specified confidence of 90 percent.

Table 4 also shows that the rate of absorption after 3 months for these units built inside principal areas is 52 percent. Table B-1 shows the standard error on a 52 percent rate on a base of 165,400 to be approximately 2.25 percentage points using linear interpolation (see Example B-1). The margin of error for the absorption rate of 52

percent is 3.7 (2.25×1.645). Thus, the 90 percent confidence interval shown by these data is from 48.3 to 55.7.

Table 4 also illustrates that the median asking rent for all new privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units built inside principal cities of CBSAs to be \$1,598. The margin of error of this median is about \$69.

Several statistics are needed to calculate the standard error of a median.

- The base of the median—the estimated number of units for which the median has been calculated. In this example, 165,400.
- The estimated standard error from Table B-1 of a 50-percent characteristic on the base of the median (σ_{50} percent)—In this example (see Example B-2), the estimated standard error of a 50-percent characteristic with the base of 165,400 is about 2.18 percent.
- The length of the interval that contains the median. In

Table B-1.

Standard Errors of Estimated Percentages for All Units, Unfurnished Apartments, and Furnished Apartments: 2016 Completions

Estimated percentages	300	500	800	1,300	2,100	3,400	5,500	8,900	14,400	23,300	37,700	61,000	98,700	159,700	258,400	311,000
98 or 2	14.4	11.2	8.8	6.9	5.4	4.3	3.4	2.6	2.1	1.6	1.3	1.0	0.8	0.6	0.5	0.4
95 or 5	22.4	17.4	13.7	10.8	8.5	6.7	5.2	4.1	3.2	2.5	2.0	1.6	1.2	1.0	0.8	0.7
90 or 10	30.9	23.9	18.9	14.8	11.7	9.2	7.2	5.7	4.5	3.5	2.8	2.2	1.7	1.3	1.1	1.0
80 or 20	41.2	31.9	25.2	19.8	15.6	12.2	9.6	7.6	5.9	4.7	3.7	2.9	2.3	1.8	1.4	1.3
75 or 25	44.6	34.5	27.3	21.4	16.8	13.2	10.4	8.2	6.4	5.1	4.0	3.1	2.5	1.9	1.5	1.4
60 or 40	50.4	39.0	30.9	24.2	19.1	15.0	11.8	9.3	7.3	5.7	4.5	3.5	2.8	2.2	1.7	1.6
50	51.5	39.9	31.5	24.7	19.4	15.3	12.0	9.4	7.4	5.8	4.6	3.6	2.8	2.2	1.8	1.6

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Table B-2.

Standard Errors of Estimated Percentages for Condominiums and Cooperatives: 2016 Completions

Estimated percentages	300	500	800	1,300	2,100	3,400	5,500	8,900	12,100	18,800
98 or 2	13.3	10.3	8.1	6.4	5.0	3.9	3.1	2.4	1.9	1.7
95 or 5	20.6	16.0	12.6	9.9	7.8	6.1	4.8	3.8	3	2.6
90 or 10	28.4	22.0	17.4	13.6	10.7	8.4	6.6	5.2	4.1	3.6
80 or 20	37.9	29.3	23.2	18.2	14.3	11.2	8.8	7.0	5.5	4.8
75 or 25	41.0	31.7	25.1	19.7	15.5	12.2	9.6	7.5	5.9	5.2
60 or 40	46.4	35.9	28.4	22.3	17.5	13.8	10.8	8.5	6.7	5.9
50	47.3	36.7	29.0	22.7	17.9	14.1	11.1	8.7	6.8	6.0

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

this example, the median lies between \$1,450 and \$1,649. The length of the interval is \$200.

- The estimated proportion of the base falling in the interval that contains the median—In this example, 10.3 percent (17,000 units renting for \$1,450 to \$1,649 divided by 165,400 total units times 100 = 10.3 percent).

The standard error of the median is obtained by using the following approximation:

Standard error of median
 $= \sigma 50 \text{ percent} \times \text{length of interval containing the sample median divided by}$

the estimated proportion of the base falling within the interval containing the sample median.

For this example, the standard error of the median of \$1,598:

$$2.18 \times 200 / 10.3 = \$42$$

Therefore, 1.645 standard errors (42×1.645), equals \$69. Consequently, an approximate 90 percent confidence interval for the median asking rent of \$1,598 is between \$1,529 and \$1,667 (\$1,598 plus or minus \$69).

CONTACT INFORMATION

For further information on the Survey of Market Absorption of New Multifamily Units data or questions regarding these data, please contact:

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Example A-1.

Interpolative Testing—2016 Completions

From Table 3:

Total number of unfurnished apartments inside principal cities = 165,400

If 159,700 has a value of 5,020
And 258,400 has a value of 3,910

Then 165,400 has a value of 4,956
90 percent confidence level \times 1.645
Computed standard error = 8,152

Lower Limit: 157,248

Upper Limit: 173,552

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Example B-1.

Interpolative Testing: 2016 Completions

Double Interpolative Method From Table 3

165,400 unfurnished rental apartments inside principal city and 3-month absorption rate: 60 percent

50 percent

If 159,700 has a value of 2.2
And 258,400 has a value of 1.8
Then 165,400 has a value of 2.18

2 percent

If 14,400 has a value of 2.2
And 258,400 has a value of 0.5
Then 165,400 has a value of 0.54

52 percent

If 50 has a value of 2.18
And 2 has a value of 0.54
Then 52 has a value of 2.25

90 percent confidence level \times 1.645
Computed margin of error = 3.69

Lower Limit: 48.31

Upper Limit: 55.69

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.

Example B-2.

Interpolative Testing—2016 Completions

165,400 unfurnished rental apartments inside principal cities with a median asking rent of \$1,598

50 percent

If 159,700 has a value of 2.2
And 258,400 has a value of 1.8

Then 165,400 has a value of 2.18

Source: U.S. Census Bureau, 2016 Survey of Market Absorption of New Multifamily Units.