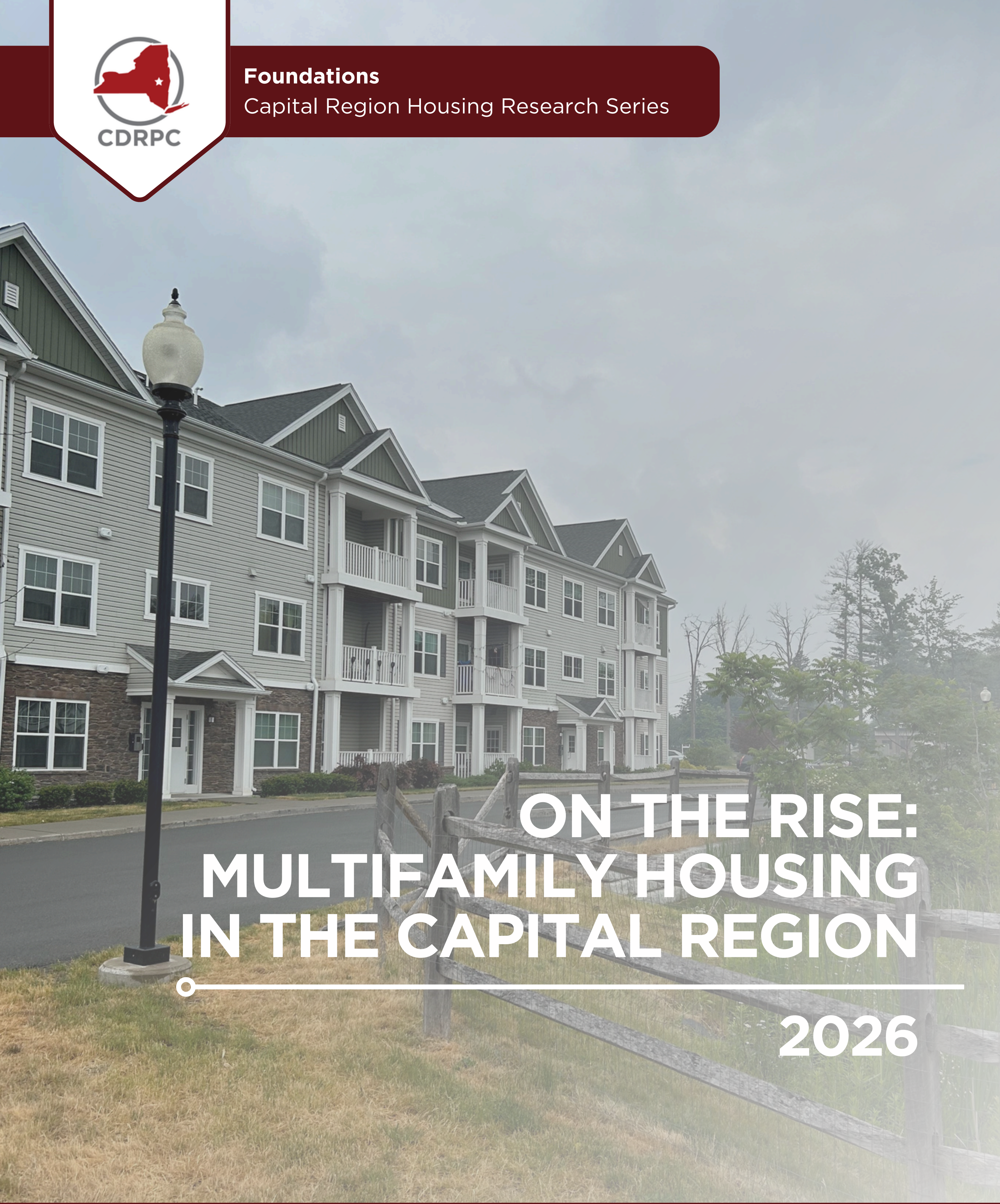

Foundations

Capital Region Housing Research Series

CDRPC

ON THE RISE: MULTIFAMILY HOUSING IN THE CAPITAL REGION

2026

(518) 453-0850 www.cdrpc.org 1 Park Place, Albany NY 12205

CDRPC

CAPITAL DISTRICT REGIONAL PLANNING COMMISSION

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CAPITAL REGION
Transportation
Council

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Executive Summary

- **Multifamily development has shifted toward larger projects over time.** Among developments containing five or more units, the average project size increased from approximately 15 units between 1900 and 1924 to nearly 85 units between 2000 and 2024, reflecting a long-term trend toward larger residential developments.

- **Large apartment complexes now account for most new multifamily housing.** Developments containing 50 or more units represented approximately 85% of all multifamily units constructed in the Capital Region between 2020 and 2024.

- **Much of the region's recent multifamily development has occurred outside traditional urban centers.** Between 1900 and 1924, approximately 87% of large apartment construction occurred in the Capital Region's core cities. Between 2000 and 2024, that share declined to approximately 33%, reflecting a broader pattern of suburbanization of all housing types.

- **Multifamily housing is experiencing a historic resurgence in the Capital Region.** More than 11,000 large multifamily apartment units are proposed, under construction, or in the development pipeline though 2029, potentially representing the largest wave of multifamily development in the region's history.

Definitions and Methodology

Capital Region: For the purposes of this report, the Capital Region includes Albany, Rensselaer, Saratoga, and Schenectady counties.

Core Cities: The region's four principal cities: Albany, Schenectady, Troy, and Saratoga Springs.

Multifamily Development Size Categories: Multifamily developments are classified into three size categories:

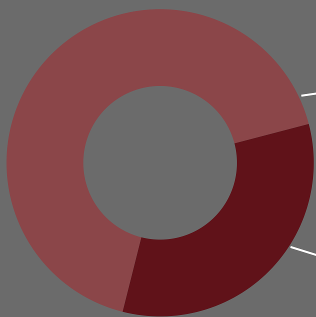
- **Small:** 5–19 units
- **Mid-sized:** 20–49 units
- **Large:** 50 or more units

Multifamily Housing: For the purposes of this report, multifamily housing refers to residential buildings containing five or more dwelling units. This cutoff was selected based on the reliability of available CoStar development data, which provides more consistent information for larger multifamily projects. Smaller residential structures were excluded due to data limitations and reduced consistency in available records.

Methodology & Data Limitations: This analysis uses CoStar multifamily property records and U.S. Census data to examine housing development trends in Albany, Rensselaer, Saratoga, and Schenectady counties. Multifamily housing is defined as developments containing five or more dwelling units. Smaller residential structures are excluded due to data limitations, and historical development totals may understate multifamily construction in earlier periods. Figures for 2025-2029 represent proposed, planned, approved, and under-construction projects as of June 2026 and should not be interpreted as completed units.

Multifamily Housing BY THE NUMBERS
Capital Region

2000-2024 Distribution
Measured in Number of Units



67%
Outside Core Cities

33%
Inside Core Cities

76,322
Total Multifamily Units Constructed between *1900-2024*

Between 1900-1924

87%
of multifamily housing is constructed inside of the core cities

4,172
units constructed

227
total projects

Between 2000-2024

33%
of multifamily housing is constructed inside of the core cities

7,613
units constructed

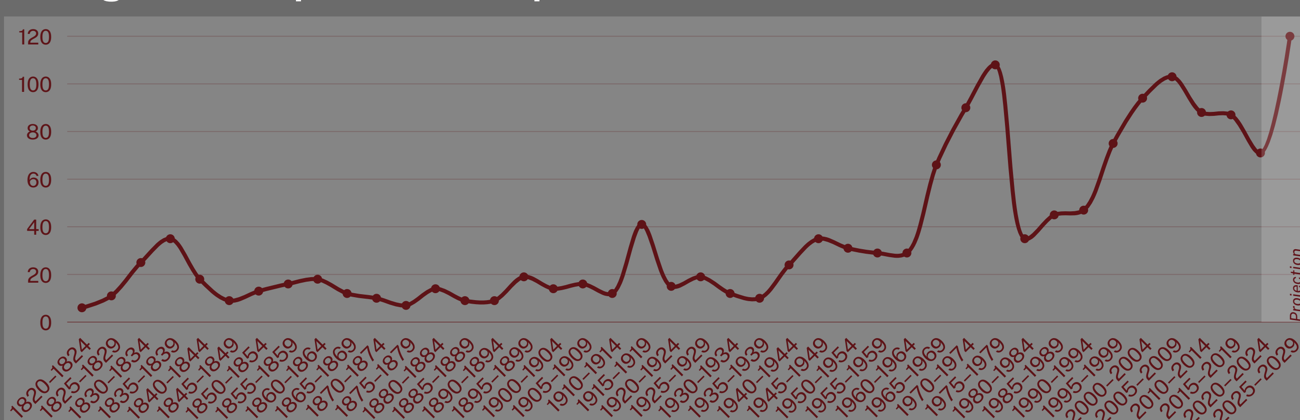
339
total projects

Projected

11,280
Multifamily units between 2025-2029

84%
more large family multifamily units were built between 2000-2024 than between 1900-1924

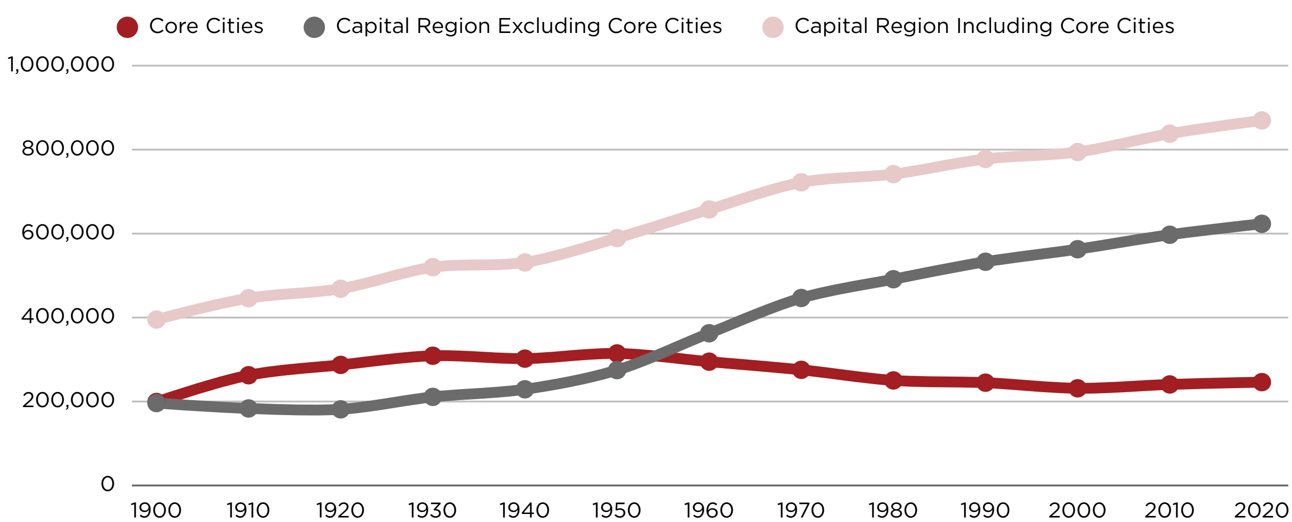
Average Size of Apartment Complexes



Regional Growth and Development Patterns

The Capital Region of New York has undergone significant shifts in population distribution and development patterns over the past century. Historically, growth was concentrated in the core cities of Albany, Schenectady, Troy, and Saratoga Springs, each serving as a center of population and economic activity. As a result, the region developed as a polycentric metropolitan area, with multiple interconnected urban centers linked by transportation networks rather than a single dominant core.

Population Over Time



Source: U.S. Decennial Census

In 1920, approximately 61% of the region's population lived within the core cities. Over time, however, growth shifted outward as suburban development expanded. By 1960, the population living outside the core cities exceeded that within them. By 2020, only 28% of Capital Region residents lived in the core cities, despite the region's total population increasing by more than 423,000 people, an 86% increase since 1920.

Capital Region Snapshot

Population in 2020
869,548

Percent Increase in Population since 1920
86%

Percent of the population Living in the Core Cities in 1920
61%

Percent of the Population Living in the Core Cities in 2020
28%

Source: U.S. Decennial Census

Regional Growth and Development Patterns

This transition was driven in part by post-World War II housing policies such as the GI Bill, which expanded access to mortgage credit, along with strong postwar housing demand. The widespread adoption of the 30-year fixed-rate mortgage further improved affordability and accelerated homeownership. At the same time, rising automobile ownership increased mobility and allowed households to locate farther from traditional urban centers. The majority of the modern United States highway system was constructed between 1956 and the early 1970s, further reinforcing dependence on private vehicles and making suburban living increasingly accessible for many middle-class households, while discriminatory lending practices and exclusionary zoning limted access for many minority communities.[1,2]

Although these policies primarily encouraged low-density, single-family suburban growth, they also influenced the development and location of multifamily housing. During the 1960s and early 1970s, Federal Housing Administration (FHA)-insured financing played a significant role in supporting multifamily construction, including programs that offered subsidized interest rates to improve affordability for lower-income renters.[3]

This period, roughly from 1950 to 1975, also marks the first time that large multifamily developments were more likely to be built outside core cities than within them, reflecting the broader suburbanization of both single-family and multifamily housing.

Economic activity followed an outward movement as well. Suburban areas became increasingly attractive to employers due to lower land costs, greater development flexibility, and improved highway access, leading to the emergence of decentralized job centers such as the Wolf Road corridor in Colonie.

These shifts produced a more dispersed regional structure in which both population, housing growth, and employment were no longer confined to historic urban cores.

[1]https://highways.dot.gov/highway-history/interstate-system/50th-anniversary/history-interstate-highway-system
[2]https://www.ebsco.com/research-starters/history/white-flight
[3]https://www.huduser.gov/portal/pdredge/pdr-edge-housingat250-article-041626.html#sidebar

The Rise of Multifamily Housing

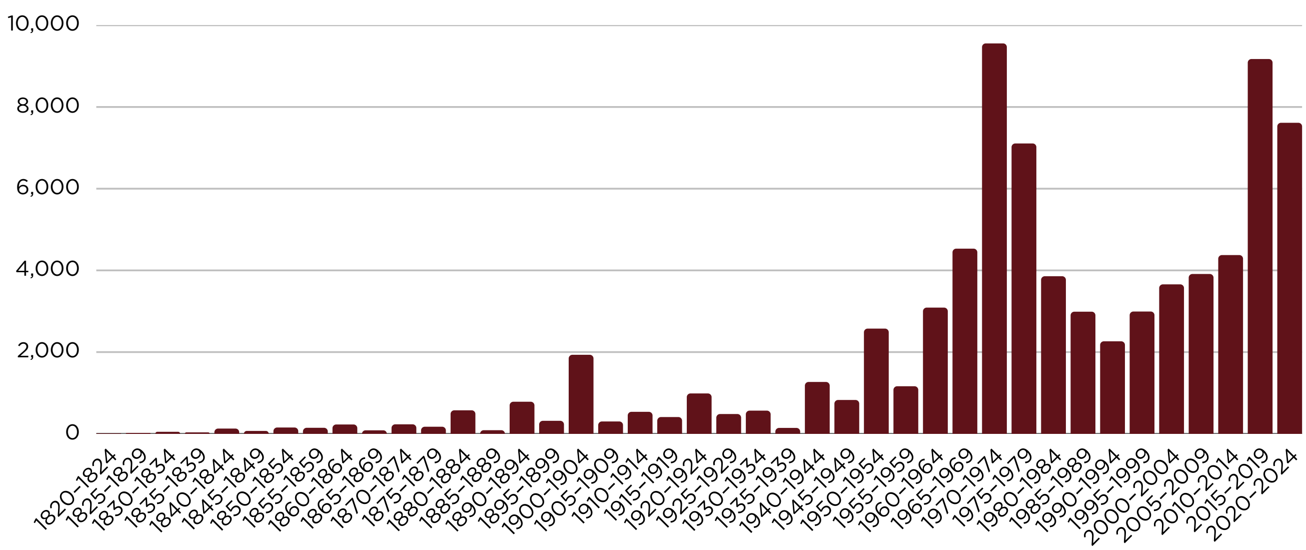
Prior to the 20th century, multifamily housing played a relatively limited role in the Capital Region's housing market. Most multifamily development was concentrated within the region's urban centers, where tenement buildings provided housing for working-class and immigrant households. Financing for these developments was largely informal, relying on private wealth, pooled household resources, and loans from local banks.[4]

During the early 20th century, banks and insurance companies began playing a larger role in financing apartment construction. Despite this shift, multifamily development remained relatively limited because lenders viewed apartment buildings as riskier investments than single-family housing. The onset of the Great Depression following the 1929 stock market crash further disrupted housing finance, bringing much of the nation's residential construction activity to a halt.[5]

Federal housing policy fundamentally changed the financing of multifamily housing with the creation of the Federal Housing Administration (FHA) in 1934. By providing mortgage insurance, the FHA reduced lending risk and expanded access to financing for apartment construction. FHA mortgage insurance expanded access to residential financing and contributed to increased construction activity prior to World War II.[6]

Following World War II, strong population growth, expanding suburban development, and continued federal housing programs fueled a dramatic increase in multifamily construction. Between 1970 and 1974, approximately 9,556 multifamily units were constructed, representing the most significant wave of multifamily housing development in the Capital Region's modern history. No other five-year period in the twentieth century produced a comparable volume of apartment construction. The early 1970s marked the culmination of decades of expanding federal support for multifamily housing, strong demographic growth, and rising housing demand generated by the baby boom generation's entry into the housing market. For more than forty years, this period served as the region's benchmark for apartment production.[7]

Multifamily Construction Over Time in the Capital Region by Units



Source: CoStar

[4&5]https://www.huduser.gov/portal/pdredge/pdr-edge-housingat250-article-041626.html#sidebar
[6]https://www.census.gov/data/tables/time-series/dec/coh-units.html
[7]https://www.ebsco.com/research-starters/history/real-estate-boom-1970s

The Rise of Multifamily Housing

Following this peak, multifamily construction in the Capital Region entered a prolonged period of decline. Production in developments containing five or more units fell from 7,107 units between 1975 and 1979 to 2,264 units between 1990 and 1994, reflecting a sustained slowdown in development activity. While multifamily construction fluctuated nationally during this period, the Capital Region experienced a more continuous decline.

68%

Decline in multifamily construction between 1975-1979 and 1990-1994

Several factors likely contributed to this slowdown, including changes in federal housing policy, high interest rates, inflation, evolving housing finance mechanisms, and broader economic conditions. The Housing and Community Development Act of 1974 created the Community Development Block Grant (CDBG) program, consolidating a number of federal urban development programs into more flexible block grants administered by state and local governments. While CDBG continued to support housing and community development activities, it reflected a broader shift away from federally directed housing production programs and toward locally determined investment priorities.[8]

The decline was also influenced by the winding down of large-scale urban renewal and public housing construction programs that had supported substantial multifamily development during the postwar period. As federal policymakers moved away from direct production and redevelopment initiatives, fewer federally sponsored apartment projects were brought to market, contributing to a long-term reduction in multifamily housing construction.

At the same time, the federal government scaled back many direct housing production programs. During the 1970s, HUD's Section 8 New Construction and Substantial Rehabilitation programs provided significant subsidies for the development of privately owned affordable rental housing. Beginning in the early 1980s, the Reagan administration significantly reduced federal housing spending and curtailed many development-oriented subsidy programs, emphasizing tenant-based assistance and greater reliance on the private market. Combined with high interest rates, inflation, tighter lending standards, and changes to investment incentives, these policy shifts made new apartment development increasingly difficult to finance. The Low-Income Housing Tax Credit (LIHTC), introduced in 1986, became the primary federal tool for financing affordable rental housing, but it did not fully offset the reduction in direct federal support for multifamily housing production or restore development volumes to the levels seen during the postwar decades.[9]

[8]https://www.hud.gov/hud-partners/community-cdbg

[9]https://www.huduser.gov/portal/pdredge/pdr-edge-housingat250-article-041626.html#sidebar

The Rise of Multifamily Housing

Multifamily construction began to recover during the early 2000s as market conditions improved. Production in developments containing five or more units increased from 2,993 units between 1995 and 1999 to 4,375 units between 2010 and 2014. Development accelerated substantially between 2015 and 2019, when 9,174 multifamily units were constructed, marking the highest level of production since the early 1970s. This resurgence was likely influenced by a combination of factors, including rising home prices, delayed homeownership among younger households, growing demand for rental housing, and favorable investment conditions. Increased participation by private equity firms and real estate investment trusts also expanded the capital available for multifamily development.

Source: CDRPC

Multifamily Timeline

1800s-1890s

Tenement Housing in Urban Cores

- Industrial growth and population increases drove demand for compact housing near jobs and transportation networks.
- Development patterns were high-density and centrally located, often with limited regulation and poor living conditions

1900s–1920s

Tenement Housing Reform

- Continued immigration and industrial growth increased demand for multifamily housing, with tenements and walk-up apartments remaining common near urban employment centers.
- Early housing reforms emerged, including tenement laws, building codes, and sanitation regulations to improve living conditions.

1930s–1940s

Federal role begins (New Deal era)

- 1934: National Housing Act (FHA created)
  - Introduced mortgage insurance, making financing easier for both single-family and multifamily projects.
- 1937: U.S. Housing Act
  - Established public housing, funding government-owned multifamily developments.
- 1938: Fannie Mae created
  - Created a secondary mortgage market, increasing capital for housing development.

1949–1950s

Urban renewal & expansion

- 1949: Housing Act of 1949
  - Funded urban renewal (slum clearance) and expanded public housing.
- 1954: Housing Act of 1954
  - Expanded urban renewal and planning grants.

1960s

Peak federal involvement & private participation

- Federal policy increasingly supported public-private multifamily development
- 1965: HUD created
- 1968: Housing and Urban Development Act
  - Expanded multifamily housing programs and created new tools to increase subsidized and privately developed multifamily housing.

Early 1970s

Peak & turning point

- 1973: Nixon housing moratorium
  - Halted many federal housing programs and funding approvals.
- 1974: Housing and Community Development Act
  - Created:
    - Section 8 (rental assistance)
    - Community Development Block Grants (CDBG)

Late 1970s–1980s

Retrenchment & market shift

- Late 1970s–early 1980s: High inflation & interest rates
- 1981–1983: Federal spending cuts (Reagan era)
  - Reduced funding for direct housing programs.
- 1986: Low-Income Housing Tax Credit (LIHTC)
  - Introduced tax incentives for private developers to build affordable multifamily housing.

1990s

Stabilization & new tools

- 1990: National Affordable Housing Act (HOME program)
  - Flexible funding for affordable housing production.
- 1998: Public Housing Reform Act
  - Shift toward vouchers and mixed-income redevelopment.

2000s

Recovery begins

- Early 2000s: Improved financing conditions
  - Greater capital availability, more stable investment environment
- 2008: Financial Crisis
  - Major disruption to credit markets and construction financing
- 2009: American Recovery and Reinvestment Act
  - Boosted LIHTC and housing investment programs

2010s–Present

Strong resurgence

- 2010s: Low interest rates + strong rental demand
  - Increased multifamily development nationally
- Post-2015: Multifamily boom
  - Driven by:
    - Rising home prices
    - Delayed homeownership
    - Population and job growth

1970s: A Benchmark for Multifamily Development

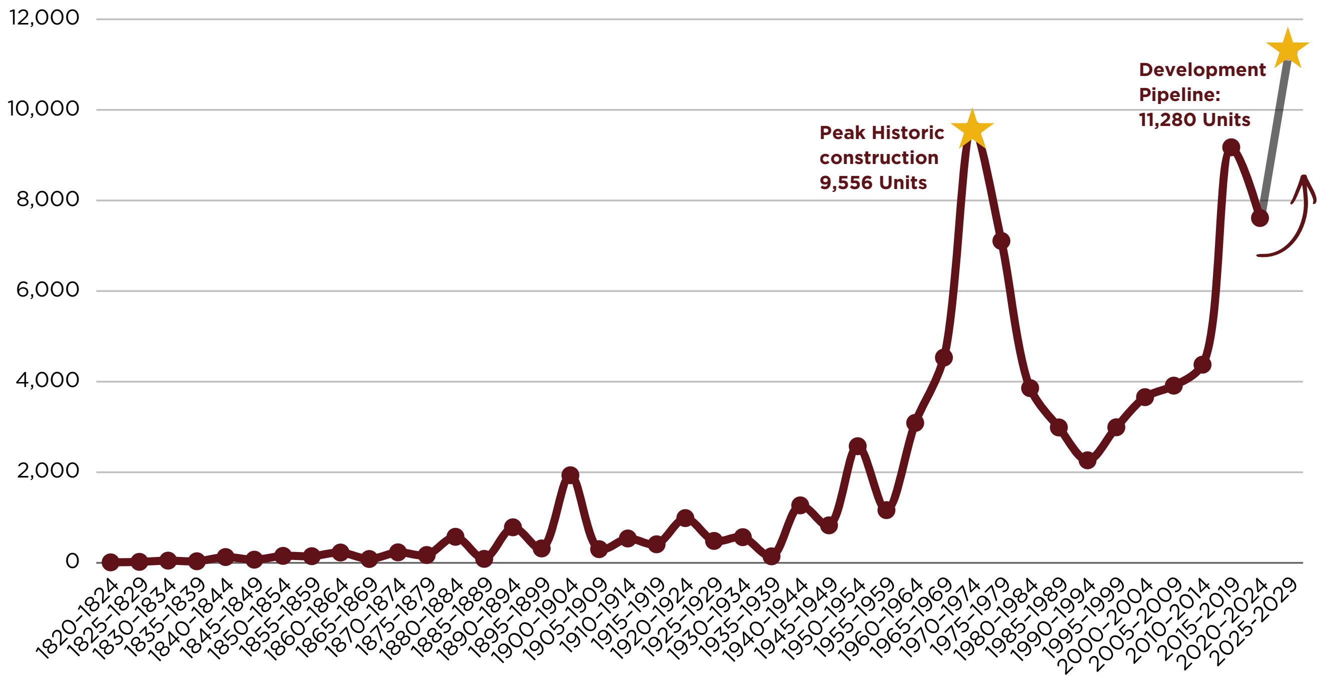
As of June 2026, the development pipeline indicates that large multifamily development is likely to continue. Approximately 11,280 multifamily units in developments containing five or more units are proposed, under construction, or in the planning stages for the 2025–2029 period. If completed, the Capital Region would experience the largest wave of multifamily development in its history, surpassing the peak construction levels of the early 1970s.

11,280

Multifamily Units in the Development Pipeline (2025-2029)

If completed, projects in the pipeline would represent the largest wave of multifamily development the Capital Region.

Multifamily Construction Over Time in the Capital Region by Units



Source: CoStar

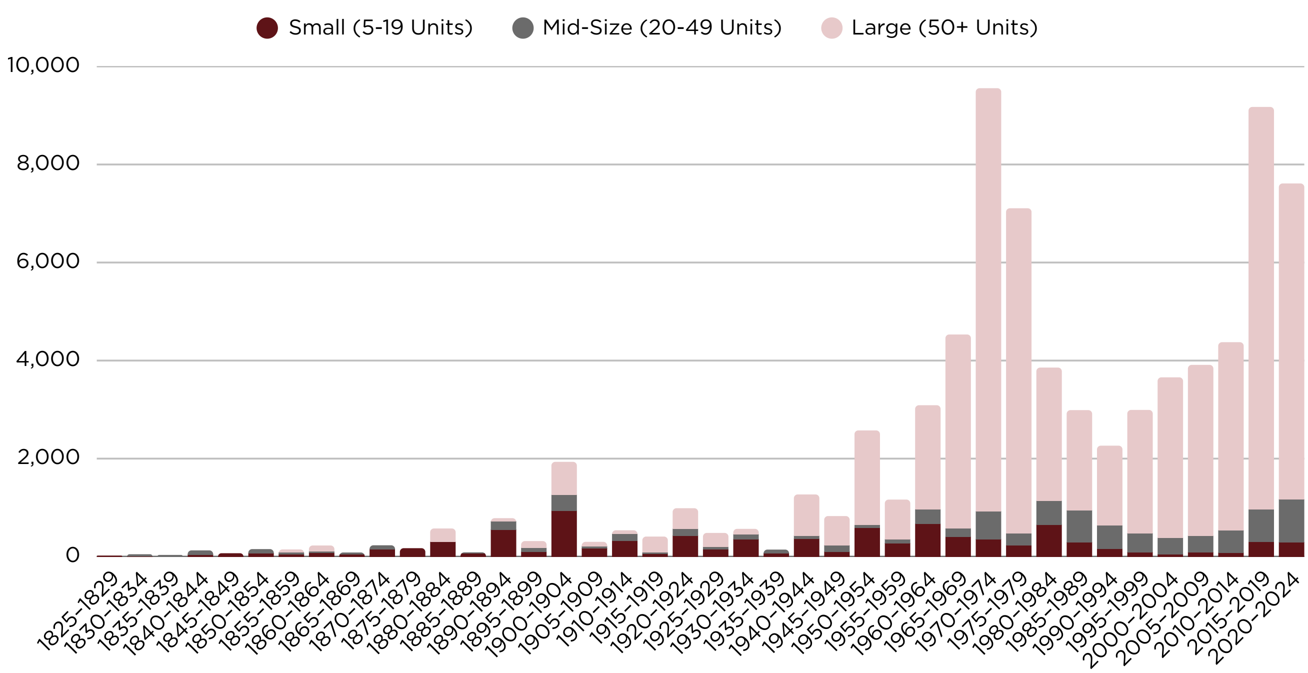
Large Apartment Complexes Dominate Housing Production

Large apartment developments account for the vast majority of multifamily housing production in the Capital Region. Among multifamily developments with five or more units, large apartment projects (50+ units) accounted for approximately 85% of new multifamily housing units constructed between 2020 and 2024.

This pattern is not unique to recent years. Since the mid-20th century, large apartment developments have consistently accounted for the majority of multifamily construction captured in this dataset, typically comprising more than two-thirds of all units built and, during several periods, exceeding 90% of total production.

The predominance of large apartment developments reflects, in part, the economics of multifamily construction. Larger projects allow developers to spread fixed costs, including land acquisition, entitlement and permitting, infrastructure, and shared amenities, across a greater number of units, improving project efficiency and financial feasibility. As a result, large developments have become the primary vehicle for adding new multifamily housing in the Capital Region.

Multifamily Development Over Time by Size of Apartment Complex



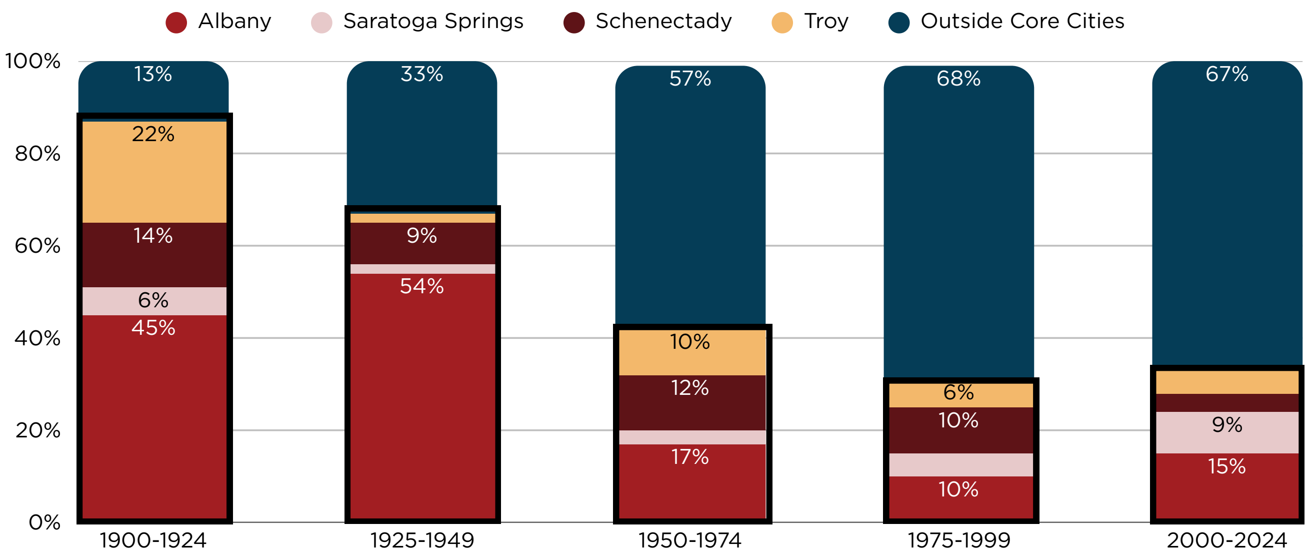
Source: CoStar

Note: Small multifamily developments are defined as properties with 5–19 units. Properties with fewer than five units are excluded due to data limitations.

Distribution of Large Multifamily Development

Examining the location of large-scale multifamily development over time provides important insight into how housing growth patterns have evolved across the Capital Region. Because large apartment developments account for the majority of new multifamily units, their geographic distribution largely determines where new housing and overall growth is occurring.

Share of Large (50+ Unit) Multifamily Apartment Complexes



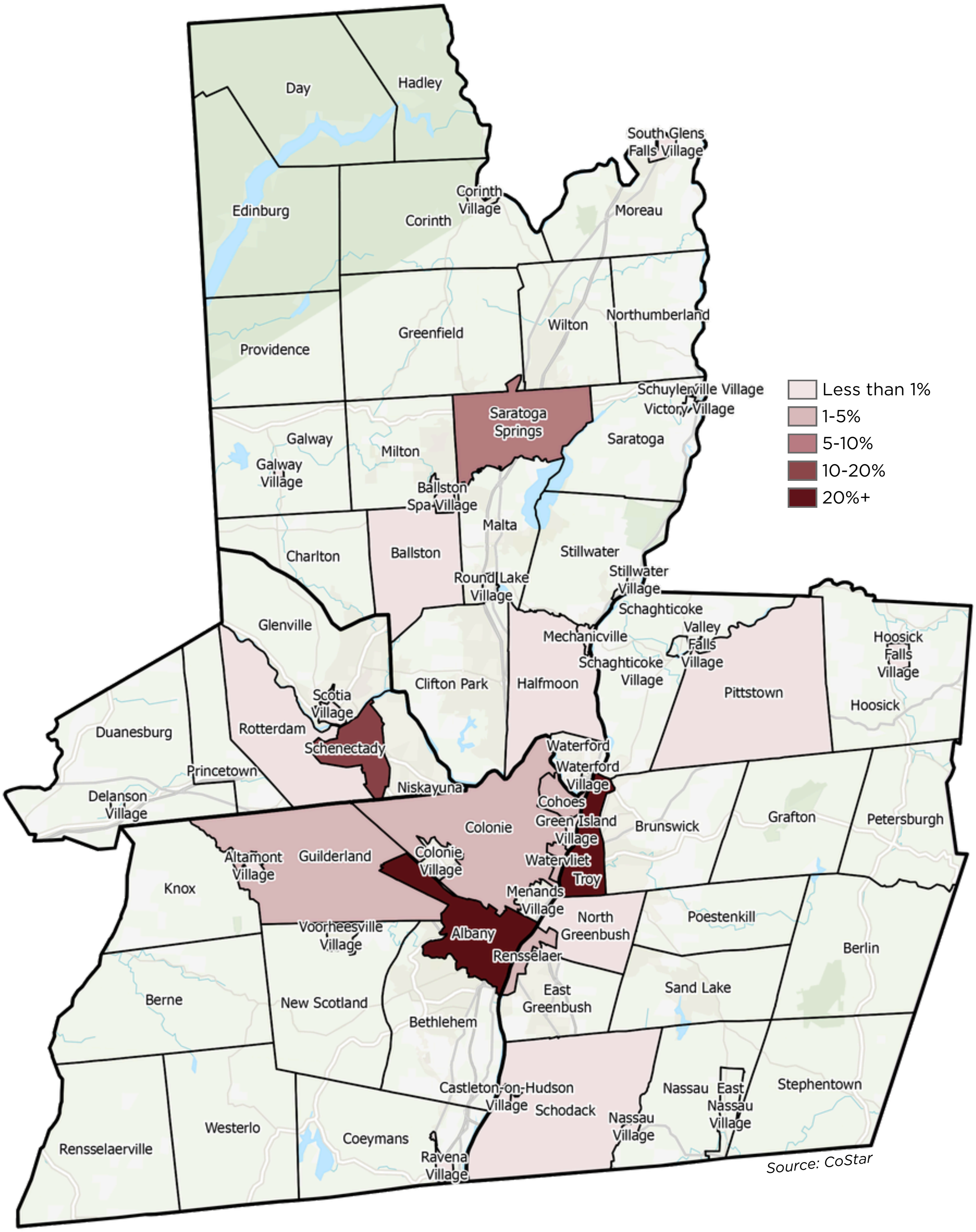
Source: CoStar

Historically, large-scale multifamily development captured in the CoStar dataset was concentrated within the region's core cities, of Albany, Schenectady, Saratoga Springs, and Troy. These municipalities served as major population and employment centers and accounted for a substantial share of large-scale apartment construction. Between 1900 and 1924, core cities captured approximately 87% of large multifamily development, with the City of Albany and the City of Troy accounting for the largest shares, at 45% and 22%, respectively.

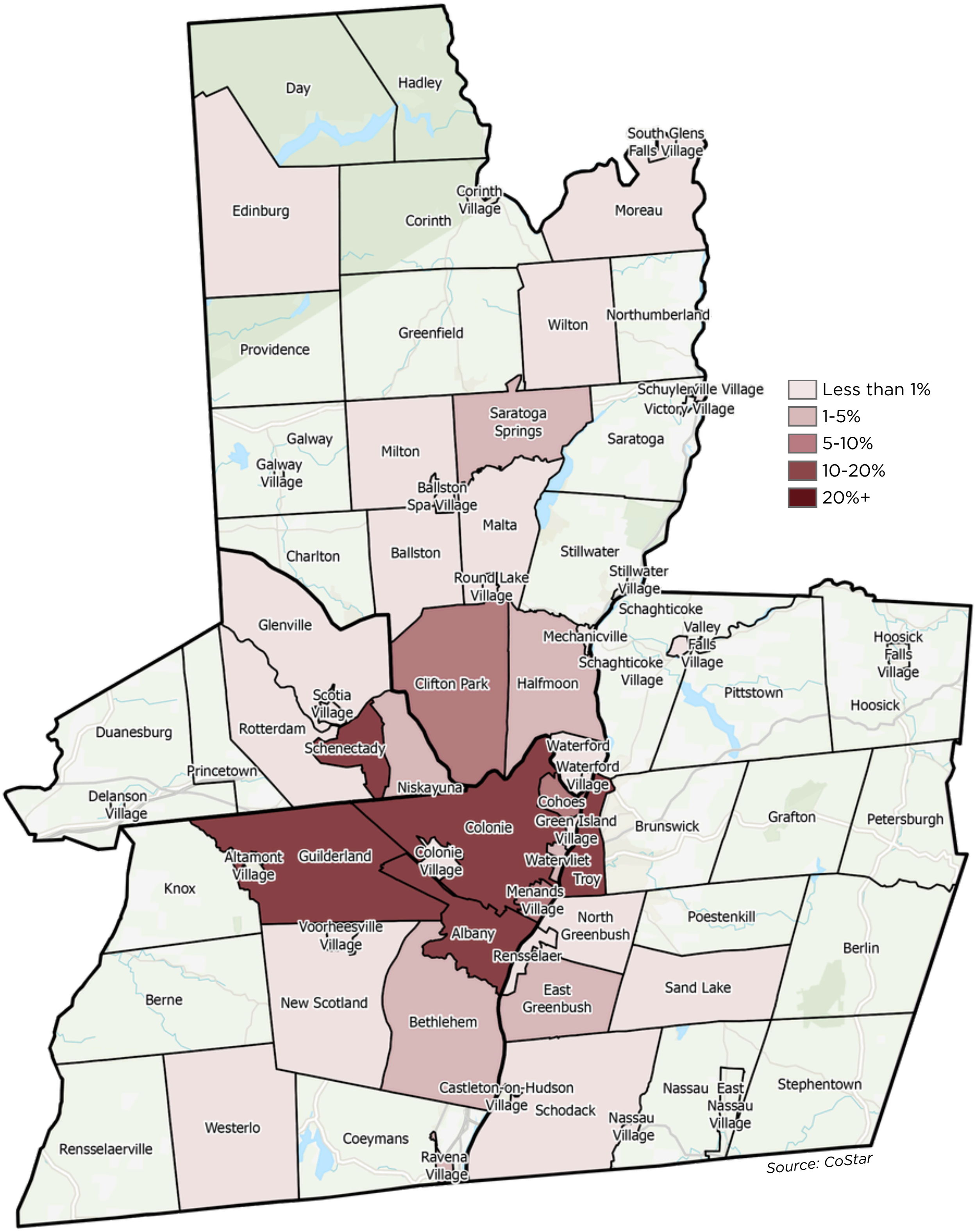
Large apartment development has moved beyond traditional urban centers

Core cities accounted for 87% of large multifamily construction in the early 1900s compared to approximately 33% today.

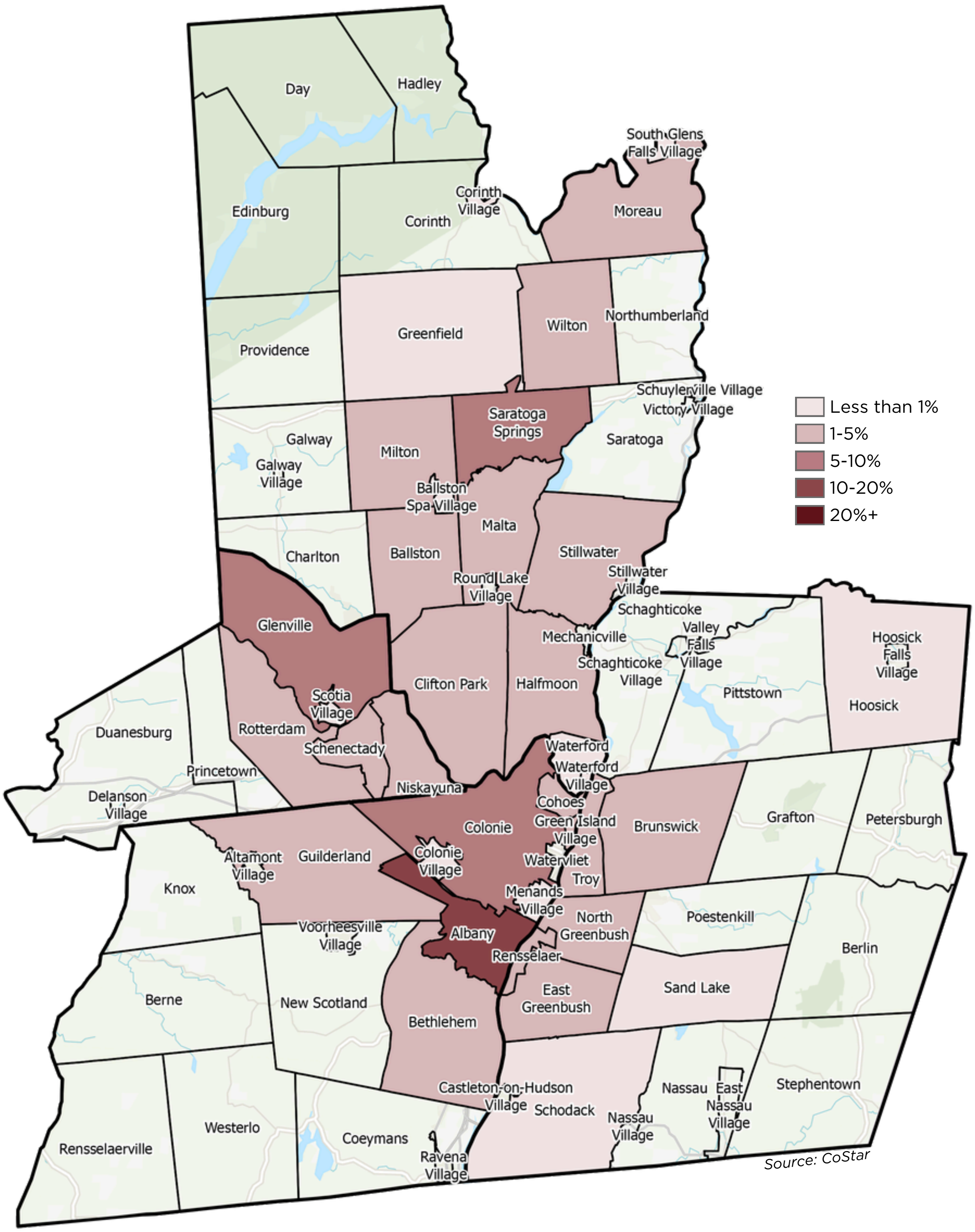
Multifamily Units Constructed Between 1900-1924



Multifamily Units Constructed Between 1950-1974



Multifamily Units Constructed Between 2000-2024



Distribution of Large Multifamily Development

Over time, however, the geography of multifamily development began to shift. Rather than reinforcing historic urban centers, housing growth has occurred across suburban and auto-oriented locations. This trend accelerated during the late 1960s and early 1970s as multifamily development increasingly followed the region's broader pattern of suburban population growth. As documented in a 2017 issue of Capital District Data, similar concerns were identified as early as 1967, describing the region's development as "a haphazard growth spreading out from the centers of the cities of Albany, Troy, Saratoga, and Schenectady, along the roads linking them together."

Importantly, this growth has not been concentrated in a single suburban municipality but has been distributed across a broad range of communities throughout the region. Rather than being absorbed by a handful of major suburban centers, multifamily development has occurred across numerous municipalities, with individual suburban communities accounting for an average of approximately 2 percent of new large-scale multifamily development during the 2000-2024 period. This dispersed development pattern reflects a continuation of the suburbanization trends that gained momentum during the late 1960s and early 1970s and have since become a defining characteristic of regional growth.

Source: CDRPC

Source: CDRPC

Conclusion

The history of multifamily housing development in the Capital Region reflects broader changes in federal housing policy, transportation infrastructure, economic conditions, and regional growth patterns. Over the past century, multifamily construction shifted from being concentrated primarily in the region's historic urban centers to becoming increasingly shaped by suburban growth and large-scale apartment development. Federal mortgage programs, postwar suburbanization, highway expansion, and shifting patterns of employment all contributed to this transformation, while changes in housing finance and federal investment priorities influenced both the timing and scale of apartment construction.

The late 1960s and early 1970s represented a pivotal period in this evolution. The region experienced its highest levels of multifamily housing production, and those developments were increasingly located outside traditional urban centers. These trends coincided with a broader demographic transition in which suburban communities became home to the majority of the region's population. Together, these shifts established the modern pattern of multifamily development that continues to shape the Capital Region today.

Recent development activity suggests that the region may be entering its most significant period of apartment construction since that era. With approximately 11,280 multifamily units proposed, under construction, or in the development pipeline through 2029, the Capital Region has the potential to surpass the development volumes achieved during the early 1970s. Unlike earlier periods when multifamily construction was concentrated in a handful of cities, however, today's growth is distributed across a broad network of suburban municipalities, reflecting decades of decentralized development and population growth. Understanding these long-term trends provides important context for future housing, transportation, infrastructure, and land use decisions.

Capital District Regional Planning Commission

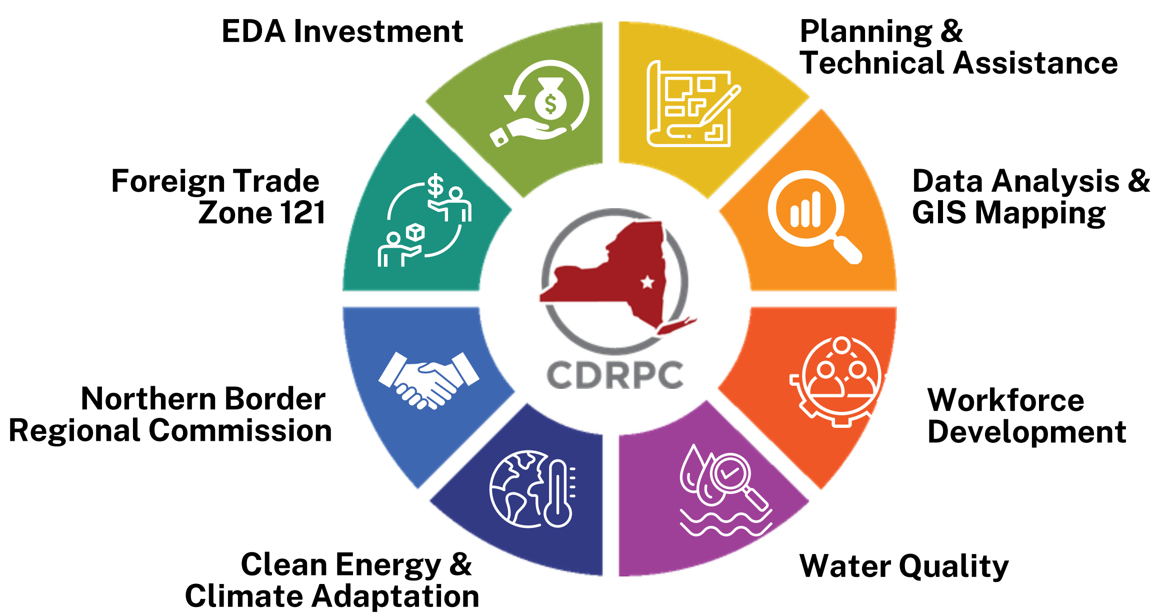
The Capital District Regional Planning Commission (CDRPC) is a regional planning and resource center serving the upstate New York counties of Albany, Rensselaer, Saratoga, and Schenectady. CDRPC objectively analyzes data, trends, opportunities, and challenges relevant to the Region's economic development and planning communities.

CDRPC serves the best interests of both the public and private sectors by promoting intergovernmental cooperation; communicating, collaborating, and facilitating regional initiatives; and sharing information and fostering dialog on solutions to regional problems. Our organization provides added capacity to local municipalities through its regional coordination programs. By partnering with CDRPC, local municipalities can leverage the expertise of a full-time professional planning staff with significant network resources to provide added benefit to the work regularly performed in the Region.

Purpose

CDRPC was established in 1967 as a regional planning board by a cooperative agreement among the counties of Albany, Rensselaer, Saratoga, and Schenectady. Its original purpose was to perform and support comprehensive planning work, including surveys, planning services, technical services, and formulating plans and policies to promote sound and coordinated development of the entire Region.

CDRPC Programs



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