

Yardi® Matrix

MULTIFAMILY REPORT

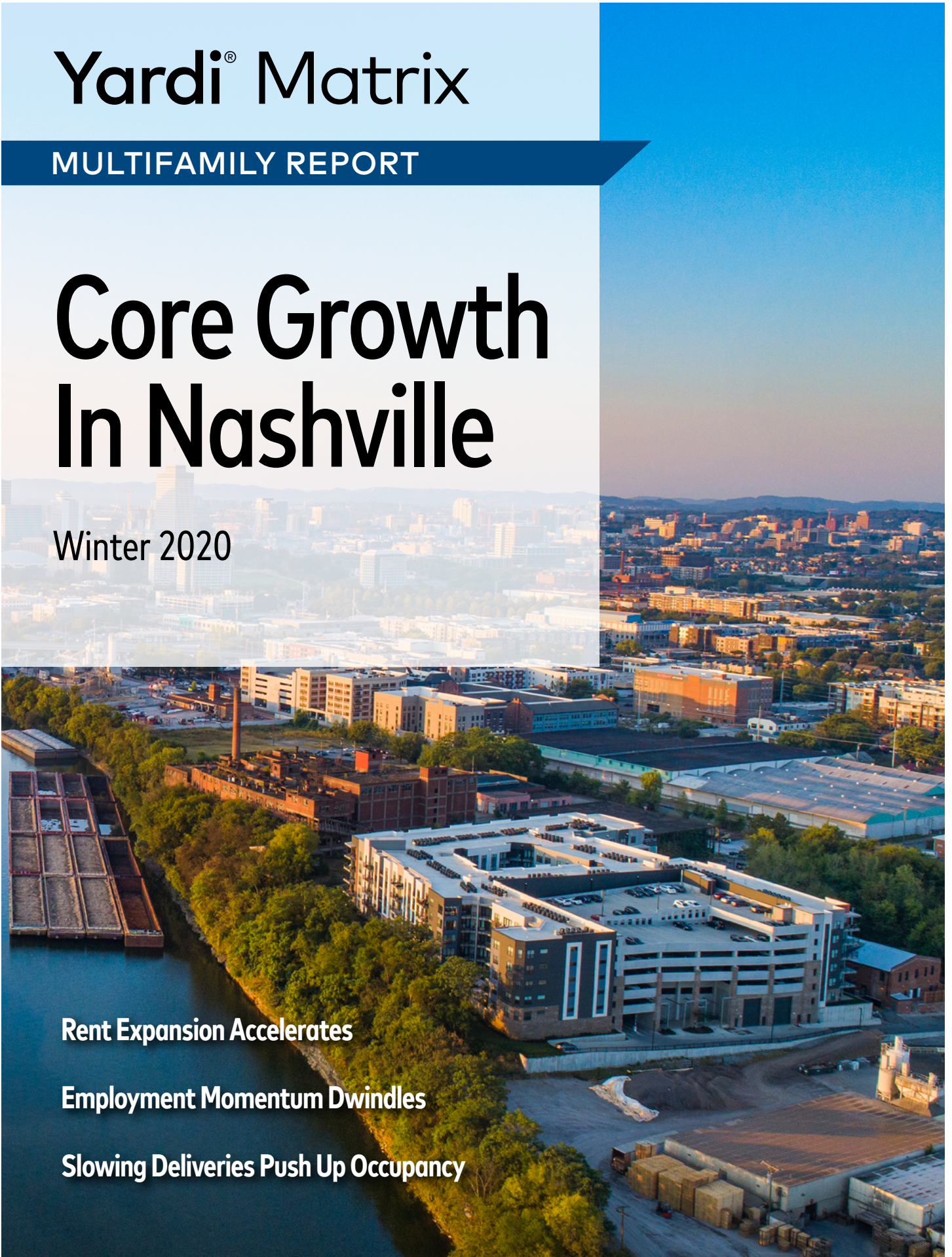
Core Growth In Nashville

Winter 2020

Rent Expansion Accelerates

Employment Momentum Dwindles

Slowing Deliveries Push Up Occupancy



NASHVILLE MULTIFAMILY

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Decelerating Deliveries Favor Rent Growth

Nashville's multifamily market closed 2019 on a high note, boosted by economic and population advancement that is transforming the metro, especially within its urban core. After several years of heavy building, multifamily developers tempered their activity last year. This tipped the supply-demand scale, maintained rent expansion rates that were among the highest in the country and put pressure on occupancy. Rents were up by 4.5% year-over-year through January to an average of \$1,283, while occupancy in stabilized properties rose 40 basis points over 12 months, to 95.1% as of December.

Music City gained 16,800 jobs in 2019 for a 1.9% expansion, slightly above the national rate. Leisure and hospitality led gains with 6,700 positions, with the metro receiving roughly 16 million visitors in 2019—a 7.0% increase over 2018. Construction in the hospitality sector has also risen, with 37 assets underway totaling more than 6,600 rooms combined. Education and health services followed, with the addition of 3,600 jobs, boosted by the metro's colleges and universities and strong health-care industry.

Multifamily sales topped \$1.4 billion in 2019, marginally above 2018's cycle high, with investors slightly favoring value-add plays. The average per-unit price rose by 8.5% to \$171,070, remaining above the national average for the second consecutive year.

Market Analysis | Winter 2020

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Recent Nashville Transactions

Crossroads at the Gulch



City: Nashville, Tenn.
Buyer: Security Properties
Purchase Price: \$81 MM
Price per Unit: \$339,286

The Shay



City: Nashville, Tenn.
Buyer: Carter-Haston Real Estate Services
Purchase Price: \$81 MM
Price per Unit: \$292,000

Eastside Heights



City: Nashville, Tenn.
Buyer: Steadfast Cos.
Purchase Price: \$64 MM
Price per Unit: \$258,871

Rivertop



City: Nashville, Tenn.
Buyer: Cantor Fitzgerald
Purchase Price: \$57 MM
Price per Unit: \$255,000