

Yardi® Matrix

MULTIFAMILY REPORT

Nashville: Writing A New Score

Spring 2020

Per-Unit Prices Up Through Q1

Rent Growth on Par With U.S. Rate

Deliveries Subject to Delays

NASHVILLE MULTIFAMILY

Yardi® Matrix

Nashville Still Open For Business

Nashville's solid recent economic performance has resulted in growth for its multifamily market, which was underpinned by healthy demand and consistent deliveries. However, since the start of 2020, the rate of completions has tempered, with the market expected to underperform this year. Rents were up by 0.2% on a trailing three-month basis as of March, to an average of \$1,293, in line with national rates.

Music City gained 17,900 jobs in 2019 for a 1.8% expansion, on par with the U.S. rate. The COVID-19 crisis is further impacting the metro due to the global economic slowdown, and, specifically, the decline of the auto industry. The unemployment rate was low in January, but will likely rise; by April 23, some 15% of Tennessee's workforce had filed unemployment claims, with the service industry hit the hardest. Following the damage caused by severe tornadoes in March, construction was deemed an essential service, but the sector is struggling amid social distancing guidelines and supply chain disruptions.

Multifamily sales surpassed \$423 million in the first quarter of 2020, following 2019's \$1.5 billion cycle high. The average per-unit price rose by 7.0% to \$186,626, maintaining its spot above the national average. Meanwhile, developers brought some 1,012 units online. Both metrics are expected to moderate in the short term.

Market Analysis | Spring 2020

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Recent Nashville Transactions

Mosby Cool Springs



City: Franklin, Tenn.
Buyer: Starlight Investments
Purchase Price: \$83 MM
Price per Unit: \$252,591

Springfield



City: Murfreesboro, Tenn.
Buyer: Hamilton Zanze & Co.
Purchase Price: \$58 MM
Price per Unit: 215,613

Commonwealth at 31



City: Spring Hill, Tenn.
Buyer: Hamilton Zanze & Co.
Purchase Price: \$53 MM
Price per Unit: \$215,000

The Arbours of Hermitage



City: Hermitage, Tenn.
Buyer: Lion Real Estate Group
Purchase Price: \$49 MM
Price per Unit: \$138,571