



MULTIFAMILY REPORT

Nashville's Intermezzo

Winter 2021

Per-Unit Price for Lifestyle Assets Improves

Transactions, Development Ramp Up in Q3

Employment Market Outperforms Nation

NASHVILLE MULTIFAMILY



Economy Posts Promising Prospects

Nashville's economy has advanced consistently in the past cycle, helping it withstand current volatility and mitigating some of the multifamily market's current woes, at least when compared to larger, coastal metros. The average rent slid 0.2% on a trailing three-month basis through November, to \$1,276. Meanwhile, the \$1,465 U.S. average remained flat on a T3 basis for the fourth consecutive month.

Employment posted a 7.7% decline in the 12 months ending in September, outperforming the -9.3% national rate. Although leisure and hospitality shrunk by nearly one-quarter during that time frame, construction and financial activities added jobs, expanding by 0.4% and 1.1%, respectively. The metro's largest sectors—trade, transportation and utilities and professional and business services—withstanding the pandemic's blows and lost only a respective 0.1% and 3.1% of their workforce. Professional and business services is also poised for growth, as several companies moved ahead with relocations and expansions. Meanwhile, the unemployment rate dropped to 6.1% as of October, from the 15.2% April peak.

Both transactions and development rebounded in the third quarter of 2020. Nearly \$1.1 billion in multifamily assets traded last year through November for a per-unit price that rose 13.2%, while developers had 13,809 units underway through December.

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Recent Nashville Transactions

Octave



City: Nashville, Tenn.
Buyer: TIAA
Purchase Price: \$86 MM
Price per Unit: \$268,224

Cross Creek at Murfreesboro



City: Murfreesboro, Tenn.
Buyer: The Connor Group
Purchase Price: \$40 MM
Price per Unit: \$162,339

Waterford Place of Murfreesboro



City: Murfreesboro, Tenn.
Buyer: The Connor Group
Purchase Price: \$28 MM
Price per Unit: \$150,056

Charleston Hall



City: Smyrna, Tenn.
Buyer: Magma Equities
Purchase Price: \$27 MM
Price per Unit: \$139,175