



MULTIFAMILY REPORT

# Raleigh's Road To A Comeback

Summer 2021

**Investment Activity Rebounds**

**Apartment Demand Gains Ground**

**Employment Market Outperforms Nation**



# RALEIGH MULTIFAMILY



## In-Migration Supports Rent Growth, Economy

The Triangle area continued to showcase strength in the past 18 months, backed by its relative affordability and diversified economy. Multifamily fundamentals were strong at the beginning of 2021, despite significant levels of new supply added in the past few years. Rents rose 0.3% on a trailing three-month basis through April, to an average of \$1,253, but remained \$164 below the national figure.

Raleigh-Durham's employment pool contracted by 35,100 positions in the 12 months ending in February—down 3.6%—but transportation, information and professional and business services resisted economic pressure and gained 13,400 jobs combined. Preliminary Bureau of Labor Statistics data showed the unemployment rate hovered around 3.8% in both cities as of March, with the impact of COVID-19 lockdowns slowly declining as businesses reopen, expand or initiate their footprint in the Triangle. Lured by a highly educated workforce, tech giant Apple announced plans to build a \$1 billion campus in Wake County, while Google wants to establish an engineering hub in Durham.

By April, developers had completed 2,628 units for this year, accounting for more than half of last year's total deliveries. With the region's strong fundamentals increasingly attracting developers and investors favoring less-dense metros with strong talent pools, Yardi Matrix expects rents to rise 3.8% by year-end.

## Market Analysis | Summer 2021

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### Recent Raleigh Transactions

#### Allister North Hills



City: Raleigh, N.C.  
Buyer: TA Realty  
Purchase Price: \$120 MM  
Price per Unit: \$276,498

#### 605 West End



City: Durham, N.C.  
Buyer: Exeter Property Group  
Purchase Price: \$77 MM  
Price per Unit: \$226,471

#### Avana on Broad



City: Durham, N.C.  
Buyer: Greystar  
Purchase Price: \$65 MM  
Price per Unit: \$201,563

#### View at Legacy Oaks



City: Knightdale, N.C.  
Buyer: The Preiss Co.  
Purchase Price: \$64 MM  
Price per Unit: \$209,868