



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.

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Contacts

Jeff Adler

Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Author

Laura Calugar

Senior Associate Editor

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