

**YARDI**<sup>®</sup> Matrix

# Charlotte's Boom

Multifamily Report Spring 2017

**RBN-Lifestyle Gap Widens**

**Development Targets Uptown**

**Sales Volume Hits Post-Bubble Best**

Sixth St  
McDowell St  
NEXT RIGHT

# CHARLOTTE MULTIFAMILY

# YARDI® Matrix

## Market Analysis

Spring 2017

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## Demand Reigns in Queen City

The Charlotte multifamily market is one of the best-performing in the country, with healthy demand, job increases and strong growth potential. Charlotte's apartment boom has shown no signs of slowing down, though rent growth is decelerating due to an increasing supply and affordability issues.

The metro has established itself as a thriving financial, tech and logistics center for the entire Southeast, with nearly 19,000 new hires last year. Large-scale developments underway include the \$600 million Hard Rock Hotel and Casino in King Mountain, the \$520 million rail revamp between Charlotte and Raleigh, and the \$2.5 billion airport expansion.

Growth in the multifamily market is enormous. Developers are focusing on live-work-play communities, especially in Uptown Charlotte. Though cranes are in full flight in the city's urban core, development also stretches into the suburbs. High demand in the Renter-by-Necessity segment is pushing up rents. Due to the metro's favorable demographics and potential for higher yields, investor appetite has not diluted and transaction activity reached \$1.9 billion last year, a new cycle high. The significant amount of new units coming online and the 95.2% occupancy rate have not scared developers, as most of the upcoming deliveries are aimed at Lifestyle renters. We expect demand and supply to remain high, with rents growing by 3.8% in 2017.

## Recent Charlotte Transactions

Cascades of Northlake



City: Charlotte  
Buyer: Cortland Partners  
Purchase Price: \$83 MM  
Price per Unit: \$145,011

Loft 135



City: Charlotte  
Buyer: Wafra Investment Advisory Group  
Purchase Price: \$79 MM  
Price per Unit: \$263,423

Berkshire Dilworth



City: Charlotte  
Buyer: Berkshire Group  
Purchase Price: \$75 MM  
Price per Unit: \$252,905

Midtown 205



City: Charlotte  
Buyer: CWS Capital Partners  
Purchase Price: \$63 MM  
Price per Unit: \$242,720

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