



MULTIFAMILY REPORT

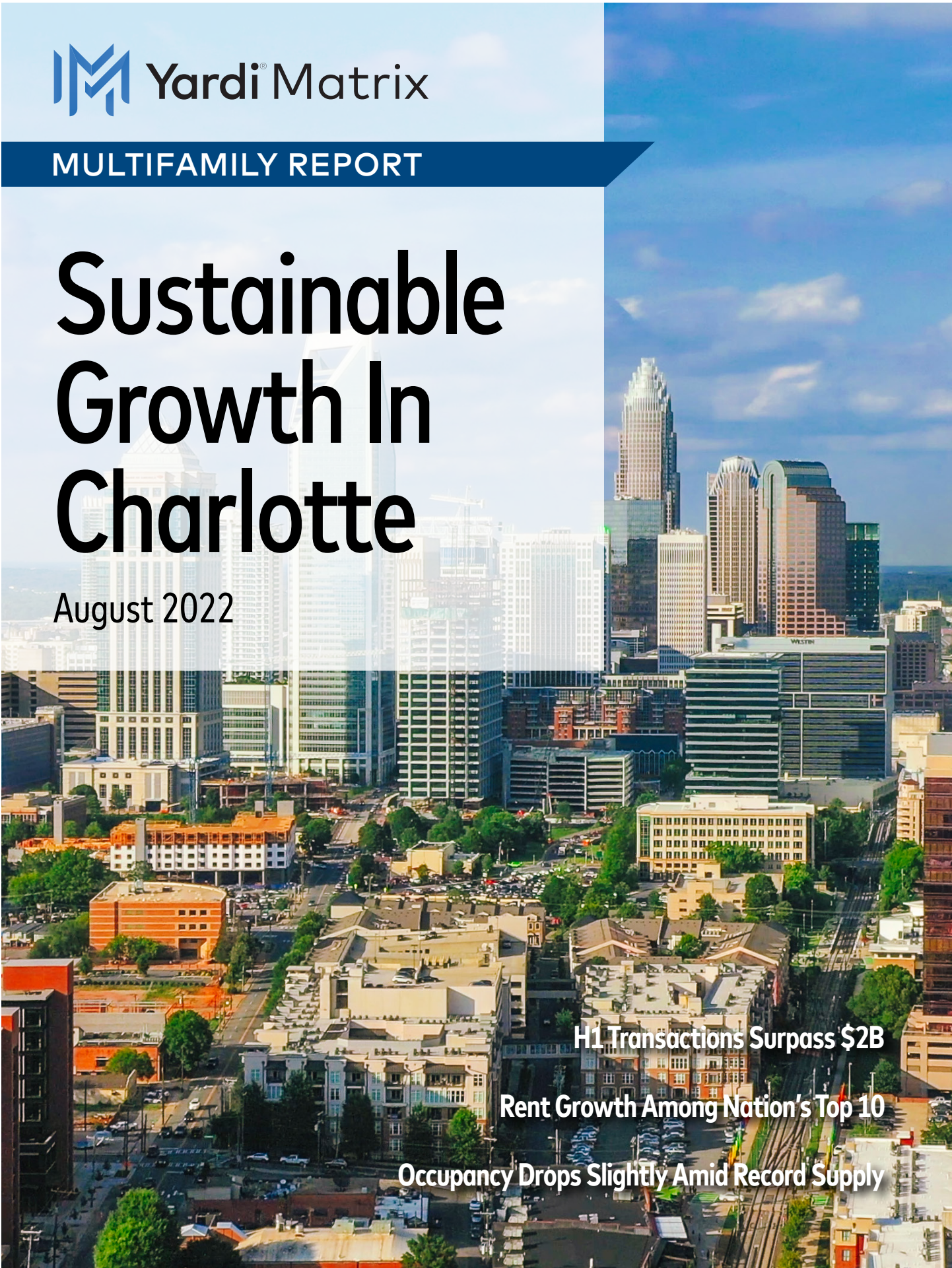
# Sustainable Growth In Charlotte

August 2022

H1 Transactions Surpass \$2B

Rent Growth Among Nation's Top 10

Occupancy Drops Slightly Amid Record Supply



# CHARLOTTE MULTIFAMILY



## Demand Remains Healthy, Deals Push Through

Backed by its solidifying economy, expanding population and affordable lifestyle, Charlotte is well positioned to withstand potential fluctuations in the multifamily market. Despite record deliveries in 2021, rent growth stood at 1.3% in the second quarter, 20 basis points above the national rate. However, the addition of more than 40,400 units in the five years ending in 2021 has put a dent in occupancy, albeit a small one. The rate dropped 30 basis points, to 95.5%, in the 12 months ending in May.

Though stabilizing, employment growth in Charlotte in the 12 months ending in May was 90 basis points below the 4.7% national rate. Mirroring nationwide trends, leisure and hospitality led gains (14,700 jobs), followed by professional and business services (11,400 jobs) and financial activities (6,900 jobs). Finance positions are prevalent in the metro, and the sector expanded during the health crisis due to its ability to easily pivot to remote work.

Following the 11,533-unit record supply added to the metro's inventory in 2021, developers hit the brakes in the first half of this year, as only 2,497 apartments came online. Meanwhile, transactions did not slow down, with \$2.1 billion in multifamily assets changing hands, significantly above the \$1.4 billion recorded in the first half of 2021. Going forward, rising interest rates and wider economic woes could hinder investment to some extent, with both buyers and sellers adjusting to market volatility.

## Market Analysis | August 2022

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### Recent Charlotte Transactions

#### Hazel SouthPark



City: Charlotte, N.C.  
Buyer: Lincoln Property Co.  
Purchase Price: \$131 MM  
Price per Unit: \$644,089

#### Amaze @ NoDa



City: Charlotte, N.C.  
Buyer: Varia US Properties  
Purchase Price: \$91 MM  
Price per Unit: \$303,980

#### Arcadia



City: Charlotte, N.C.  
Buyer: TPG Real Estate  
Purchase Price: \$76 MM  
Price per Unit: \$368,293

#### The Cove at Matthews



City: Matthews, N.C.  
Buyer: Abacus Capital Group  
Purchase Price: \$60 MM  
Price per Unit: \$209,201