



MULTIFAMILY REPORT

Nashville: Minor Tempo Change

September 2022

Rent Growth Outpaces Nation

Investment Marches On, PPU Continues Climb

Development Remains Elevated, Deliveries Soften



NASHVILLE MULTIFAMILY



Fundamentals Maintain Steady Progress

The rebound of the leisure and hospitality sector is shifting the dynamic between multifamily's main property segments, reversing the lead in rent development and occupancy from the Lifestyle segment to working-class Renter-by-Necessity apartments. Overall, Nashville rents rose 1.3% on a trailing three-month basis through July, to \$1,676. Meanwhile, the occupancy rate in stabilized properties stood at 96.2% in June.

Nashville unemployment clocked in at 3.5% in June, according to data from the Bureau of Labor Statistics, slightly trailing the state (3.4%), but outperforming the U.S. (3.6%). The metro gained 70,200 jobs in the 12 months ending in May, up 6.3%, ahead of the 4.7% U.S. rate. Leisure and hospitality led gains (20,200 jobs), followed closely by Nashville's largest sectors—professional and business services (14,400 jobs) and trade, transportation and utilities (11,600 jobs). Amazon and Oracle are among the companies that announced expansions in the metro.

Developers delivered 2,670 units in 2022 through July, which represented a decrease from the volume recorded during the same period last year. The construction pipeline remained robust, however, with 20,070 units underway. Investment volume surpassed \$2.2 billion through July, outperforming the figure recorded in the same time frame of 2021. The price per unit was up by 21.4% year-over-year, to \$240,218, leading the \$216,893 U.S. average.

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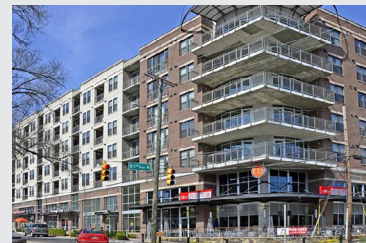
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Recent Nashville Transactions

Elliston 23



City: Nashville, Tenn.
Buyer: Sunroad Enterprises
Purchase Price: \$162 MM
Price per Unit: \$489,426

Vintage Station North



City: Mount Juliet, Tenn.
Buyer: Starwood Capital Group
Purchase Price: \$91 MM
Price per Unit: \$413,821

Discovery at Mountain View



City: Antioch, Tenn.
Buyer: OpenPath Investments
Purchase Price: \$89 MM
Price per Unit: \$264,881

Scout Landing



City: Murfreesboro, Tenn.
Buyer: American Landmark
Apartments
Purchase Price: \$65 MM
Price per Unit: \$234,532