

Yardi® Matrix

# Raleigh-Durham's Bull Run

Multifamily Report Winter 2018

**Job Gains Fuel Expansion**

**Supply Surge Matches Demand**

**Population Growth Outpaces US Rate**





# RALEIGH MULTIFAMILY

Yardi® Matrix

## Market Analysis

Winter 2018

### Contacts

#### Paul Fiorilla

Associate Director of Research  
Paul.Fiorilla@Yardi.com  
(800) 866-1124 x5764

#### Jack Kern

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

### Author

#### Robert Demeter

Senior Associate Editor

## Economic Growth Pushes Up Demand

Raleigh-Durham's multifamily market had a healthy run in 2017. The metro's life sciences hubs and educational hotspots fueled rental demand, boosting continued investor and developer interest. The average rent was \$1,118 as of December, up 2.4% year-over-year, roughly on par with the U.S. growth rate.

The metro added 28,900 jobs in the 12 months ending in October 2017. Local universities are producing highly educated workers, and the relatively low cost of living is drawing young professionals from across the nation. Favorable living and wage conditions lure many local graduates to remain within the region, expanding the Research Triangle's economy. Professional and business services led gains by far (12,100 jobs), followed by education and health services (4,600), financial activities (2,900), and leisure and hospitality (2,300). Employment is broad-based, boosted by ongoing efforts from local authorities to maintain and bolster investment and growth in the area.

Construction activity remains robust, the majority of new projects being rental communities. Roughly 8,800 units were under construction as of December, of which 90% are scheduled to come online in 2018. Last year, more than 4,500 units were delivered and \$1.7 billion in multifamily assets traded. With supply and demand roughly in balance, rent growth should remain steady, but moderate. Yardi Matrix expects Raleigh-Durham rents to grow by 3.5% in 2018.

## Recent Raleigh Transactions

Park & Market North Hills



City: Raleigh, N.C.  
Buyer: Magnolia Capital  
Purchase Price: \$88 MM  
Price per Unit: \$215,159

Lux at Central Park



City: Chapel Hill, N.C.  
Buyer: Scion Group  
Purchase Price: \$68 MM  
Price per Unit: \$347,938

The Edison Lofts



City: Raleigh, N.C.  
Buyer: Continental Realty  
Purchase Price: \$61 MM  
Price per Unit: \$273,543

Apartments at Stonehenge



City: Raleigh, N.C.  
Buyer: Magnolia Capital  
Purchase Price: \$57 MM  
Price per Unit: \$125,498

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#### Hollie Zepke

Audience Development Specialist  
Hollie.Zepke@Yardi.com  
(800) 866-1124 x5389