



MULTIFAMILY REPORT

Nashville's Strong Footing

September 2023

Rates Maintain Positive Growth

Unemployment Outperforms US

Investment Activity Slows

NASHVILLE MULTIFAMILY



Growth Endures, As Challenges Linger

Despite market volatility, Nashville's multifamily market is in a solid position. Rents were up 0.3% on a trailing three-month basis through July. The same rate of improvement was recorded for the U.S., which reached \$1,672. Despite a prolonged decline in rents for upscale properties, all asset classes returned to positive movement. The average occupancy rate in stabilized properties decreased 90 basis points year-over-year, to 94.7%, as of June.

The metro added 44,400 jobs in the 12 months ending in May, for a 4.7% increase, 90 basis points higher than the national average. As of June, the unemployment rate clocked in at 3.0%, a 30-basis-point difference compared to the rate registered in the same month last year, according to preliminary data from the Bureau of Labor Statistics. The professional and business sector added 10,900 jobs, the largest addition to the workforce across all sectors. The metro's employment rates will increase, as EV battery maker Ultium Cells is bringing a \$2.5 billion plant to Spring Hill, Tenn., with plans to begin operations later this year.

Developers had 27,696 units under construction as of July. Of the projects underway, 5,109 units broke ground this year, a 26.0% decrease compared to the same period in 2022. Since the beginning of the year, some \$498 million in multifamily transactions have traded, indicating a significant slowdown in investment activity. Last year, \$2.2 billion traded during the same time frame.

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Recent Nashville Transactions

Avery



City: Nashville
Buyer: Northway Equities
Purchase Price: \$23 MM
Price per Unit: \$143,750

Green Wood



City: Gallatin, Tenn.
Buyer: Stratford Partners
Purchase Price: \$26.8 MM
Price per Unit: \$163,415

Meadow Wood



City: Smyrna, Tenn.
Buyer: Stratford Partners
Purchase Price: \$14.3 MM
Price per Unit: \$162,500

The Guthrie North Gulch



City: Nashville
Buyer: GF Properties Group
Purchase Price: \$96.5 MM
Price per Unit: \$356,089