



MULTIFAMILY REPORT

The Triangle Builds

February 2024



Deliveries on the Rise

Rent Growth Negative in 2023

Occupancy Trails National Average

RALEIGH MULTIFAMILY



Rent Gains Negative, Construction Steady

Raleigh–Durham closed the year with rent movement in negative territory, while construction was still solid. Rents were down 0.7% on a T3 basis through December, to \$1,553. Growth also declined on a year-over-year basis, at -2.9%, while the U.S. average marked a 0.3% increase.

As of October, Raleigh–Cary had an unemployment rate of 3.0%, well below the national and state averages, according to Bureau of Labor Statistics data. The metro's workforce grew by 41,600 positions with the leisure and hospitality sector leading expansion, up 9.4% year-over-year. However, the education and health services sector had the largest increase in absolute numbers, adding 10,900 jobs. As part of an \$8.2 billion funding package for 10 major passenger rail projects nationwide, the North Carolina Department of Transportation secured \$1.1 billion in federal grants. This funding will facilitate construction on a project that will eventually connect Raleigh to Richmond, Va.

In December, the metro's new-development pipeline included 28,487 units under construction as well as 107,000 units in the planning and permitting stages. Meanwhile, on the transaction side, multifamily sales in Raleigh–Durham amounted to \$1.7 billion in 2023, marking a 59% drop compared to the prior year's sales volume.

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Recent Raleigh Transactions

The Reserve at Meadowmont



City: Chapel Hill, N.C.
Buyer: Mesirow Financial
Purchase Price: \$84 MM
Price per Unit: \$324,031

501 Estates



City: Durham, N.C.
Buyers: Jefferson Apartment Group, STARS REI
Purchase Price: \$73 MM
Price per Unit: \$270,370

NorthCity 6



City: Raleigh, N.C.
Buyer: Beacon Real Estate Group
Purchase Price: \$64 MM
Price per Unit: \$220,790