



MULTIFAMILY REPORT

Charlotte Endures

May 2024



Transactions Still Down

T3 Rent Growth Improves

Employment Rate Above US

CHARLOTTE MULTIFAMILY



Charlotte Rents Improve, Investment Still Muted

Charlotte's multifamily fundamentals are staying positive, as seasonal trends have aided rent growth. Rates were up 0.1% on a T3 basis, to \$1,584, recovering after a decline that largely mirrored national trends. The average overall occupancy rate in stabilized properties decreased by 80 basis points year-over-year, to 93.6%, indicating that Charlotte remains a desirable market.

Employment in the Queen City expanded by 3.1% as of December 2023, adding a total of 29,900 net jobs. The metro's rate of growth was 110 points above the national average. Leisure and hospitality led gains with 11,400 jobs, an 8.0% growth rate year-over-year. The area's unemployment rate stood at 3.6% as of February, 30 basis points below the U.S. figure, according to preliminary data from the Bureau of Labor Statistics. The education and health services sector could see a further boost from the ongoing development of a medical school campus, which will include a 300,000-square-foot research facility and is slated for completion next year.

First-quarter deliveries in the metro totaled 2,294 units. This was 70 basis points above the national figure and accounted for 1.1% of existing stock. Meanwhile, developers had 37,099 units under construction as of March in Charlotte. Transaction volume in the metro remains limited, as high interest rates continue to deter investors.

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Recent Charlotte Transactions

Thornberry



City: Charlotte, N.C.
Buyer: Northland Investment Corp.
Purchase Price: \$49 MM
Price per Unit: \$171,006

Belmont Heights



City: Belmont, N.C.
Buyer: URS Capital Partners
Purchase Price: \$23 MM
Price per Unit: \$131,500

The Landings at Steele Creek



City: Charlotte, N.C.
Buyer: Tablerock Capital
Purchase Price: \$19 MM
Price per Unit: \$161,966

Village Square



City: Gastonia, N.C.
Buyer: Hudson Valley Property Group
Purchase Price: \$18 MM
Price per Unit: \$121,666