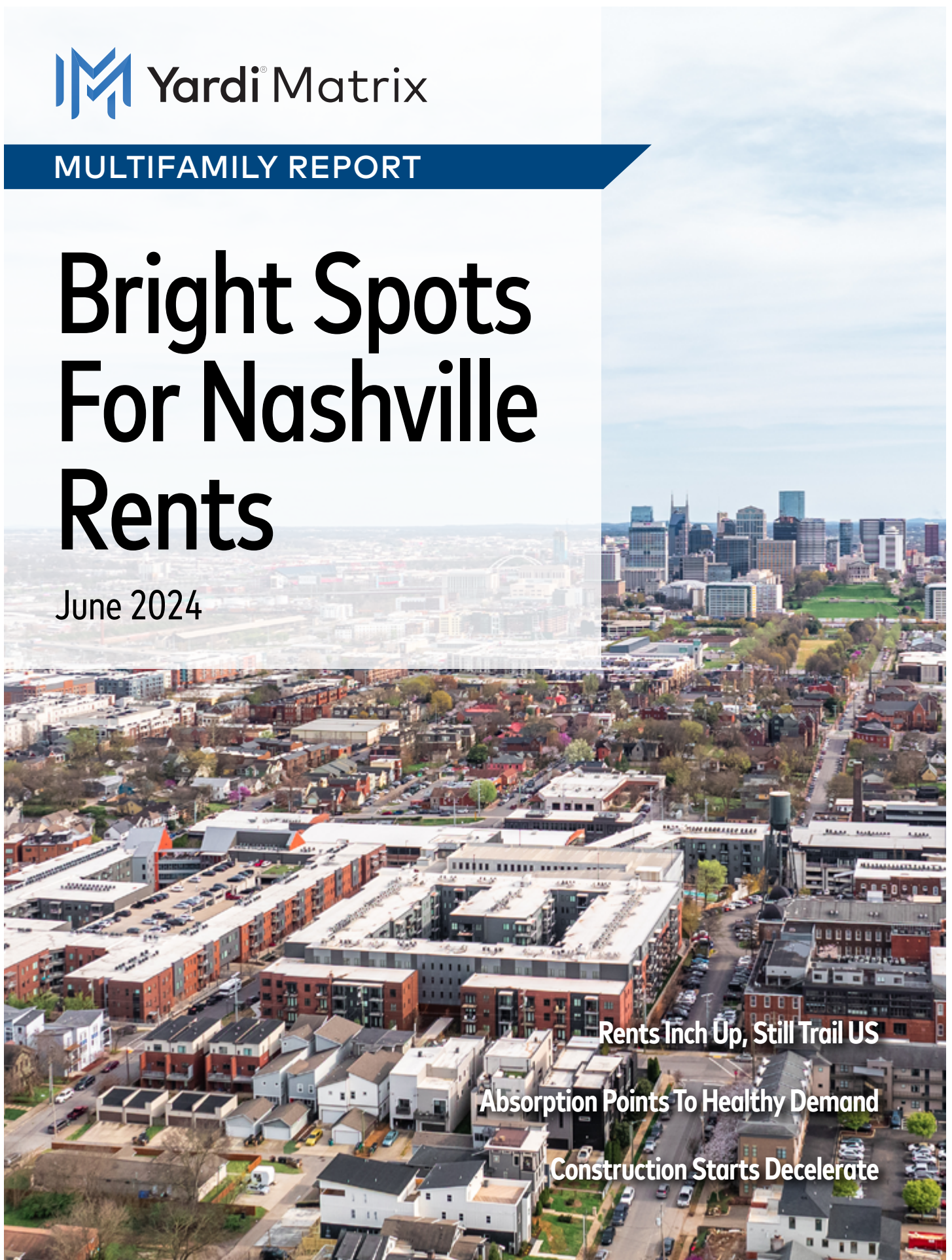




MULTIFAMILY REPORT

Bright Spots For Nashville Rents

June 2024



Rents Inch Up, Still Trail US

Absorption Points To Healthy Demand

Construction Starts Decelerate

NASHVILLE MULTIFAMILY



Healthy Absorption Meets Peak Supply

The start of leasing season reinvigorated Nashville's multifamily market. Following eight months of declines, the average rent inched up 0.1% on a trailing three-month basis through April, to \$1,631. Year-over-year, rents in the metro decreased 1.9%, while the U.S. rate rose 0.7%, to \$1,725. Last year's deliveries set a new decade-high and put pressure on occupancy and rents. The occupancy rate in stabilized properties was down 80 basis points, to 94.0%, year-over-year in March. Still, at 4.2%, Nashville marked the highest absorption rate as a percentage of stock over the 12 months through the first quarter.

In the 12 months ending in February, Nashville employment expanded by 1.3%, or 5,400 net jobs, slightly lagging the 1.5% U.S. average. Yet the jobless rate was 2.4% in March, reflecting a very tight labor market and outperforming both the state (3.2%) and the country (3.8%). Three sectors contracted in the year ending in March: professional and business services (-5,400), financial activities (-4,400) and information (-2,000). Despite tepid job growth, Nashville is still expanding, with various billion-dollar projects underway.

In 2024 through April, deliveries totaled 1,429 units, all of which were upscale assets. An additional 28,557 units were underway, but new starts are decelerating. Meanwhile, investors traded \$187 million in multifamily assets, for a price per unit that fell 36.8% year-to-date, to \$146,719.

Market Analysis | June 2024

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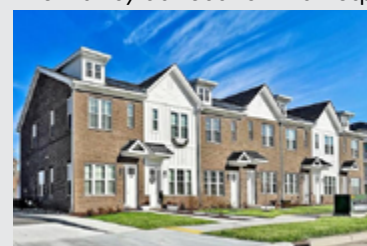
Recent Nashville Transactions

Landmark at Wynton Pointe



City: Nashville, Tenn.
Buyer: Fairfield Residential
Purchase Price: \$52 MM
Price per Unit: \$136,297

The Fitzroy at Lebanon Marketplace



City: Lebanon, Tenn.
Buyer: Graycliff Capital
Purchase Price: \$50 MM
Price per Unit: \$181,319

Priest Lake



City: Nashville, Tenn.
Buyer: Fairfield Residential
Purchase Price: \$45 MM
Price per Unit: \$150,644

Timberlake Village



City: Antioch, Tenn.
Buyer: TriWest Development
Purchase Price: \$34 MM
Price per Unit: \$135,913