



MULTIFAMILY REPORT

Nashville's Mixed Market

September 2024

Rent Movement Lags After Spring Rebound

Construction Starts Slow Down

Employment Gains Temper



NASHVILLE MULTIFAMILY



Completions Keep Pace, Rents Slide Again

Nashville multifamily fundamentals have been slowing across the board. Average advertised asking rents marked their first dip after a short rebound, down 0.1% on a trailing three-month basis through July. Meanwhile, the U.S. average rose 0.3% for the third consecutive month. Nashville's occupancy rate in stabilized properties declined 50 basis points year-over-year through June, to 94.1%.

The metro's employment growth is slowing. In the 12 months ending in May, gains hit the slowest pace since 2021, up just 0.8%. The figure was below the 1.3% U.S. average. Unemployment remained tight, at 3.0% as of June, behind the 4.1% U.S. rate but up 70 basis points from May. Education and health services (7,300 jobs) and government (4,900 jobs) added the most positions. Meanwhile, four sectors shed 11,300 jobs combined. Losses included financial activities (-5,000 jobs) and professional and business services (-4,800 jobs). Still, Nashville's office development pipeline remains robust, at 2.1 million square feet under construction as of July.

Completions remained elevated, with 4,114 units delivered in 2024 through July and another 27,062 under construction. Yet new development dropped to one-third of the volume recorded during the same period of 2023. During this time, investors traded \$365 million in multifamily assets, with RBN properties accounting for three-quarters of these transactions. Meanwhile, the price per unit saw a significant 35% decline, down to \$151,294 year-to-date, as of July.

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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 Cove at Center Point



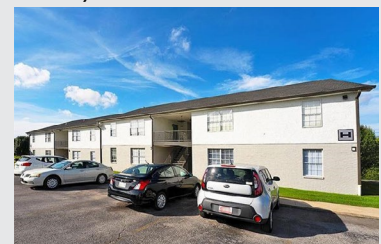
City: Murfreesboro, Tenn.
Buyer: Yarusi Holdings
Purchase Price: \$32 MM
Price per Unit: \$90,652

Highlands



City: Nashville, Tenn.
Buyer: Northway Equities
Purchase Price: \$27 MM
Price per Unit: \$145,000

The Dylan



City: Murfreesboro, Tenn.
Buyer: Cohen Investment Group
Purchase Price: \$25 MM
Price per Unit: \$166,500