

Yardi® Matrix

# Charlotte Goes Full Speed Ahead

Multifamily Report Winter 2019

Developers Target Luxury Segment

Transaction Volume Reaches Cycle Peak

Rent Growth Continues Despite Construction Boom

# CHARLOTTE MULTIFAMILY

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## Market Analysis

Winter 2019

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## Economic Growth Props Up Demand

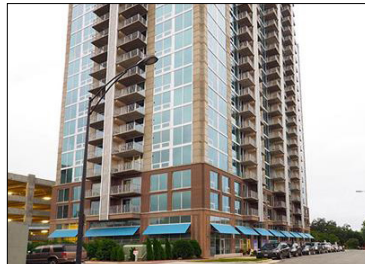
Multifamily continued to be a top-performing sector in Charlotte in 2018. The metro's long-established financial, energy and logistics businesses continued to thrive, prompting extended demand for multifamily product across asset classes. Above-average employment growth and positive demographic trends have also boosted investment activity in the market. At \$2.5 billion in 2018, transaction volume reached a new cycle peak.

The metro added 27,300 jobs in the 12 months ending in November, with professional and business services accounting for more than one-third of new positions. A host of corporate extensions are taking place in the metro. LendingTree, Dimensional Fund Advisors and Honeywell have all announced significant relocations or expansions. North Carolina's low-tax policy—coupled with its warm weather, strategic location and diversified education options—keeps fueling investments. Furthermore, Millennials see Charlotte as an affordable alternative to larger coastal cities where rents are prohibitive.

Although on an upward trajectory, the average rent of \$1,138 as of January was still \$282 lower than the U.S. average. Developers continue to build, especially for the upscale segment. More than 14,000 units were under construction as of the first month of 2019, but due to sustained demand, Yardi Matrix expects rents in Charlotte to rise another 2.5% this year.

## Recent Charlotte Transactions

SkyHouse Uptown



City: Charlotte, N.C.  
Buyer: CBRE Global Investors  
Purchase Price: \$190 MM  
Price per Unit: \$282,738

Solis Waverly



City: Charlotte, N.C.  
Buyer: Lantower Residential  
Purchase Price: \$84 MM  
Price per Unit: \$225,000

The Retreat at McAlpine Creek



City: Charlotte, N.C.  
Buyer: Waterton  
Purchase Price: \$60 MM  
Price per Unit: \$151,149

Solis Ballantyne



City: Charlotte, N.C.  
Buyer: Continental Realty  
Purchase Price: \$44 MM  
Price per Unit: \$228,000