

Yardi® Matrix

Unstoppable Charlotte

Multifamily Report Fall 2019

Rent Growth Remains Lofty

Professional, Business Services Lead Job Growth

Occupancy Stays Above U.S. Level Despite Construction Surge

CHARLOTTE MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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Prolonged Demand Propels Market

Charlotte's diversifying economy and increasing Millennial population continue to drive housing demand, leading to a spike in rent growth of 4.7% year-over-year through August. Despite aggressive development that brought online almost 29,000 units since 2015, demand is still soaring.

Of the 29,800 jobs that the metro gained in the 12 months ending in June, professional and business services accounted for almost one-third. The welcoming business climate and the deep talent pool fostered by Charlotte's higher education institutions attract companies, which boost demand for office space in the region. Dentsply, Lending Tree and other service-based companies extended their footprint in the metro, and several infrastructure projects are bound to support Charlotte's expansion. The \$90 million first phase of the proposed Gateway Station mixed-use project is underway, with completion expected by 2022. A \$346 million toll lane project along Interstate 485 is also under construction.

Almost 4,500 units came online in Charlotte during the first eight months of 2019, with an additional 13,700 apartments underway. The investment volume for this year is likely to surpass the \$2 billion mark, spurred by population gains and the state's low-tax policy. Yardi Matrix expects rents to rise 3.3% this year.

Recent Charlotte Transactions

Novel NoDa



City: Charlotte, N.C.
Buyer: AEW Capital Management
Purchase Price: \$90 MM
Price per Unit: \$261,628

Circa Uptown



City: Charlotte, N.C.
Buyer: Eaton Vance
Investment Managers
Purchase Price: \$66 MM
Price per Unit: \$272,500

Lantower Garrison Park



City: Charlotte, N.C.
Buyer: Lantower Residential
Purchase Price: \$63 MM
Price per Unit: \$195,006

Arbor Steele Creek



City: Charlotte, N.C.
Buyer: Acre Valley Real Estate
Purchase Price: \$57 MM
Price per Unit: \$148,000