

Yardi® Matrix

No End In Sight For Nashville Measure

Multifamily Report Fall 2019

Rent Growth Moderates

Another Development Surge

Robust Economy Boosts Demand

NASHVILLE MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

Contacts

Paul Fiorilla

Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Author

Anca Gagiuc

Associate Editor

Healthy Job Growth Keeps Demand High

Nashville's strong economic and demographic boom is mirrored by its thriving core, which also boosts the rental sector. Rents rose 3.6% year-over-year through September, 40 basis points above the national average. Despite a strong delivery pace, the occupancy rate in stabilized properties rose 20 basis points over 12 months, to 95.3% as of August.

Music City gained 23,000 jobs in the 12 months ending in September, for a 2.5% expansion, 80 basis points above the national growth rate. Leisure and hospitality led gains with 6,200 positions, while professional and business services maintained momentum with the addition of 4,600 jobs. Several companies announced Nashville relocations and expansions, including Mitsubishi Motors North America, Amazon, AllianceBernstein, Ernst & Young, and JPMorgan & Chase.

Multifamily sales totaled \$872 million in the first three quarters of 2019, with investors mainly focused on value-add plays. The average per-unit price rose 5.3% to \$161,479. Some 3,000 units were delivered in the first nine months of the year, with an additional 8,879 apartments underway as of September. The bulk of this pipeline falls under Lifestyle projects. Nashville's healthy fundamentals will likely keep rent growth above the national average going into the first quarter of 2020.

Recent Nashville Transactions

IMT at the Galleria



City: Franklin, Tenn.
Buyer: IMT Capital
Purchase Price: \$88 MM
Price per Unit: \$243,767

Novel Lockwood Glen



City: Franklin, Tenn.
Buyer: AEW Capital Management
Purchase Price: \$69 MM
Price per Unit: \$286,611

Providence Trail



City: Mount Juliet, Tenn.
Buyer: Bluerock Real Estate
Purchase Price: \$69 MM
Price per Unit: \$205,090

Arbors of Brentwood



City: Nashville, Tenn.
Buyer: Highland Capital Management
Purchase Price: \$62 MM
Price per Unit: \$179,913