



MULTIFAMILY REPORT

Charlotte Makes Headway

Winter 2021

A long-exposure photograph of a city street at night. The foreground shows a multi-lane road with light trails from cars. To the right is a large, multi-story brick building. In the background, a dense urban skyline is visible under a dark blue night sky, with a prominent skyscraper featuring a pointed top and illuminated windows.

Investor Interest Endures
Financial Services Fare Well
Migration Volume Remains High

CHARLOTTE MULTIFAMILY



Rental Market's Rebound Continues

Although it faced its share of challenges—particularly in the second quarter—Charlotte's multifamily market is on a better path. In November, overall rents averaged \$1,229, improving by 0.5% on a trailing three-month basis. Meanwhile, the national rate remained flat.

Charlotte's unemployment rate hit 13.2% in May, but that figure had dropped to 6.0% by October, according to preliminary data from the U.S. Bureau of Labor Statistics. All but one employment sectors contracted in the 12 months ending in September. Banking and finance remained the linchpin of the Queen City's economy, with the financial services sector adding 4,200 jobs. Much of the growth came from fintech, particularly from firms handling online payments during and following last year's national lockdown. Local automation software firm AvidXchange has seen demand increase as companies accelerate digitalization plans. To accommodate growth, AvidXchange is working on a \$41 million headquarters expansion north of Uptown, which is expected to create more than 1,200 jobs over the next few years.

A total of \$2.2 billion in multifamily assets changed hands across Charlotte in 2020 through November. Going forward, investor appetite for more affordable, less-dense cities with strong talent pools is likely to put Charlotte at an advantage.

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Recent Charlotte Transactions

RUSH



City: Charlotte, N.C.
Buyer: TPG Real Estate
Purchase Price: \$95 MM
Price per Unit: \$286,898

The Apartments at Blakeney



City: Charlotte, N.C.
Buyer: Nuveen Real Estate
Purchase Price: \$75 MM
Price per Unit: \$252,542

Gateway at Rock Hill



City: Rock Hill, N.C.
Buyer: Southwood Realty
Purchase Price: \$51 MM
Price per Unit: \$164,423

Delta Crossing



City: Charlotte, N.C.
Buyer: Peak Capital Partners
Purchase Price: \$25 MM
Price per Unit: \$137,640