



MULTIFAMILY REPORT

Nashville's Upbeat Tempo

Summer 2021

Rent Growth Matches National Pace

Investment Remains Strong

Construction Ramps Up

NASHVILLE MULTIFAMILY



Music City's Multifamily Strengths

Despite the challenges of the past year, Nashville's multifamily market is on solid footing. Rent expansion has largely kept pace with national growth, up 0.5% on a trailing three-month basis through April. Nashville rates averaged \$1,311, 7.5% less than the national average. Although working-class Renter-by-Necessity gains slightly trailed Lifestyle growth—0.4% compared to 0.5%—RBN figures have risen faster during the last year.

Even though the metro was down 46,200 jobs in the 12 months ending in February, Nashville's economy is well on its way to recovery. More than 60% of job losses occurred in the leisure and hospitality sector. While tourism has played an important role in Nashville, recent growth in the metro's office-using and logistics sectors have built a more diversified economy. Nashville's two largest sectors—trade, transportation and utilities, and professional and business services—have largely recovered from job losses incurred during the initial shock of the pandemic. This trend will likely accelerate this year, driven by corporate relocations and expansions.

Though multifamily development has slowed in recent years, 16,452 units were under construction in April. With more than half slated to deliver by year-end, this could dampen rent growth in the Lifestyle segment, particularly in the downtown area. Investment volume held steady, totaling \$417 million through April.

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Recent Nashville Transactions

Bellevue West



City: Nashville, Tenn.
Buyer: Geringer Capital
Purchase Price: \$95 MM
Price per Unit: \$168,750

The Overlook



City: Antioch, Tenn.
Buyer: Greystar
Purchase Price: \$73 MM
Price per Unit: \$162,389

Atlas Germantown



City: Nashville, Tenn.
Buyer: G. W. Williams Co.
Purchase Price: \$34 MM
Price per Unit: \$332,673

Timberlake Village



City: Antioch, Tenn.
Buyer: GVA Real Estate
Investments
Purchase Price: \$31 MM
Price per Unit: \$123,214