



MULTIFAMILY REPORT

Nashville's Marching Year

January 2022

Rent Gains, Deliveries Soften

Employment Hits Strong Streak

Transaction Activity Marks New Peak

NASHVILLE MULTIFAMILY



Limited Supply Boosts Occupancy

Nashville's multifamily market posted solid performance in 2021, with rent growth clocking in at 16.6% year-over-year through November. Mirroring the national trend, November marked a softening in rent expansion, with the average Nashville rate rising 1.1% on a trailing three-month basis, to \$1,508. Meanwhile, the occupancy rate in stabilized properties was up a strong 200 basis points in the 12 months ending in October, to 96.3%.

Nashville's economy rebounded steadily throughout 2021, with the unemployment rate dropping to 2.8% in October, outperforming the 4.6% U.S. rate. Job gains also topped the national figure (6.4%), recording a robust 7.5% expansion in the 12 months ending in September, marking the fifth-consecutive month of yearly growth. Although leisure and hospitality accounted for roughly one-third of job gains, professional and business services showed good prospects, with Oracle, Amazon and NTT Data announcing consistent expansions in the metro.

Developers delivered 4,370 units in 2021 through November and had another 17,049 underway. Meanwhile, transaction activity marked a new decade high, with multifamily sales surpassing \$2.7 billion, for a price per unit that rose 12.7% year-over-year to \$209,071, surpassing the \$185,466 U.S. average.

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Recent Nashville Transactions

Avana Collins Creek



City: Antioch, Tenn.
Buyer: Greystar
Purchase Price: \$91 MM
Price per Unit: \$178,922

Parc at Murfreesboro



City: Murfreesboro, Tenn.
Buyer: American Landmark
Apartments
Purchase Price: \$79 MM
Price per Unit: \$220,000

The Millennium Music Row



City: Nashville, Tenn.
Buyer: Brass Enterprises
Purchase Price: \$76 MM
Price per Unit: \$329,217

The Duke Nashville



City: Nashville, Tenn.
Buyer: G. W. Williams Co.
Purchase Price: \$74 MM
Price per Unit: \$295,857