



MULTIFAMILY REPORT

Nashville Keeps The Tempo

June 2022

Robust Investment Continues

Demand Outpaces Supply, Pressures Rents

Unemployment Improves to Pre-Pandemic Values

NASHVILLE MULTIFAMILY



Demand Drives Rent Growth, Occupancy

Nashville's multifamily market maintained its solid performance well into 2022, propped up by a diverse economy and robust population growth. Asking rents rose 0.8% on a trailing three-month basis through April, to \$1,591, catching up to the national figure. Occupancy marked a solid 170-basis-point increase in the 12 months ending in March, to 96.4%.

The unemployment rate improved to 2.4% in March, leading the state (3.2%) and the nation (3.6%), according to data from the Bureau of Labor Statistics. Nashville's job market expanded by 5.7%, or 66,100 jobs, in the 12 months ending in February, 100 basis points ahead of the U.S. rate. While leisure and hospitality led gains (21,900 jobs), promising signs for a sustained economic expansion come from Nashville's largest drivers: professional and business services (13,900 jobs) and trade, transportation and utilities (11,500 jobs). Both sectors are poised for continued growth, thanks to companies expanding in the metro—Amazon, Asurion and Oracle—and the increased traffic at Nashville International Airport.

Developers expanded the existing stock by 0.8% (1,154 units) through April and had more than 18,000 units underway. Meanwhile, transactions remain elevated, with volume nearing \$1 billion, while the price per unit posted a hefty 36% increase to start the year, at \$220,468.

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Recent Nashville Transactions

The Sound at Pennington Bend



City: Nashville, Tenn.
Buyer: Praedium Group
Purchase Price: \$96 MM
Price per Unit: \$323,311

Mandolin at Stream Valley



City: Franklin, Tenn.
Buyer: Regional Management
Purchase Price: \$94 MM
Price per Unit: \$390,000

Arrive Bellevue



City: Nashville, Tenn.
Buyer: FPA Multifamily
Purchase Price: \$86 MM
Price per Unit: \$226,385

The Edge



City: Murfreesboro, Tenn.
Buyer: American Landmark
Apartments
Purchase Price: \$79 MM
Price per Unit: \$272,569