

**MULTIFAMILY REPORT** 

# Charlotte's Solid Year

January 2023

YoY Rent Growth Outpaces Nation

Employment Market Still Expanding

Investment Activity Keeps Momentum

### **CHARLOTTE MULTIFAMILY**



## The Queen City Braces For Middling Year

After record gains in 2021, the Charlotte multifamily market cooled off last year but still posted solid performance. Year-over-year through November, rent growth stood at 8.1%, while the national rate was only 7.0%. Clocking in at \$1,610, the average rent in Charlotte remained more affordable than the \$1,719 U.S. figure. On a T3 basis, rent expansion entered negative territory in the metro, with rates contracting by 10 basis points after a long period of exceptional growth.

Charlotte employment expanded by 4.9% in the 12 months ending in September, adding 73,900 jobs. Professional and business services, along with leisure and hospitality, accounted for half of the gains. The financial services sector, which is a dominant one in Charlotte, also added 5,800 jobs. Bank of London announced it will be locating its second U.S. hub at One Independence Center in the metro's CBD. With so many financial companies calling Charlotte home, office developers have been busy. Based on CommercialEdge data, the metro ranked second in the Southeast region for office deliveries between January and October 2022.

Multifamily development activity was also consistent last year. As of November, almost 27,000 units were under construction, and 6,337 units were completed in 2022. Investment also held strong, with 2022 being the second-best year of the past decade for transaction volume.

#### Market Analysis | January 2023

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#### Recent Charlotte Transactions

MAA LoSo



City: Charlotte, N.C. Buyer: The Mid-America

Management

Purchase Price: \$140 MM Price per Unit: \$406,977

#### Century University City



City: Charlotte, N.C. Buyer: Centennial Holding Co. Purchase Price: \$100 MM Price per Unit: \$284,091

#### Live at NoDa



City: Charlotte, N.C. Buyer: HHHunt Purchase Price: \$91 MM Price per Unit: \$348,659

#### Berkshire Ballantyne



City: Charlotte, N.C. Buyer: Berkshire Residential Investments

Purchase Price: \$78 MM Price per Unit: \$316,837