

Yardi® Matrix

Raleigh-Durham's Bull Run

Multifamily Report Winter 2018

Job Gains Fuel Expansion

Supply Surge Matches Demand

Population Growth Outpaces US Rate

RALEIGH MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2018

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Economic Growth Pushes Up Demand

Raleigh-Durham's multifamily market had a healthy run in 2017. The metro's life sciences hubs and educational hotspots fueled rental demand, boosting continued investor and developer interest. The average rent was \$1,118 as of December, up 2.4% year-over-year, roughly on par with the U.S. growth rate.

The metro added 28,900 jobs in the 12 months ending in October 2017. Local universities are producing highly educated workers, and the relatively low cost of living is drawing young professionals from across the nation. Favorable living and wage conditions lure many local graduates to remain within the region, expanding the Research Triangle's economy. Professional and business services led gains by far (12,100 jobs), followed by education and health services (4,600), financial activities (2,900), and leisure and hospitality (2,300). Employment is broad-based, boosted by ongoing efforts from local authorities to maintain and bolster investment and growth in the area.

Construction activity remains robust, the majority of new projects being rental communities. Roughly 8,800 units were under construction as of December, of which 90% are scheduled to come online in 2018. Last year, more than 4,500 units were delivered and \$1.7 billion in multifamily assets traded. With supply and demand roughly in balance, rent growth should remain steady, but moderate. Yardi Matrix expects Raleigh-Durham rents to grow by 3.5% in 2018.

Recent Raleigh Transactions

Park & Market North Hills



City: Raleigh, N.C.
Buyer: Magnolia Capital
Purchase Price: \$88 MM
Price per Unit: \$215,159

Lux at Central Park



City: Chapel Hill, N.C.
Buyer: Scion Group
Purchase Price: \$68 MM
Price per Unit: \$347,938

The Edison Lofts



City: Raleigh, N.C.
Buyer: Continental Realty
Purchase Price: \$61 MM
Price per Unit: \$273,543

Apartments at Stonehenge



City: Raleigh, N.C.
Buyer: Magnolia Capital
Purchase Price: \$57 MM
Price per Unit: \$125,498

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