



MULTIFAMILY REPORT

The Triangle Builds

November 2023

Job Market Outpaces Nation

Construction Activity Still Elevated

T3, YoY Rent Movement Negative

RALEIGH MULTIFAMILY



Deliveries grow, rent growth slows down

Despite starting 2023 on a strong note, Raleigh-Durham's multifamily market felt the impact of the cooling economy in the third quarter. Rates contracted 0.2%, to an overall average of \$1,597, 10 basis points below the national rate. On a year-over-year basis, rent development in the metro was -1.5%, while the national rate remained positive, at 0.8%.

Unemployment in the Triangle stagnated at 3.2% between June and August, according to preliminary data from the Bureau of Labor Statistics. However, job growth was 60 basis points above the national average, at 2.6% as of July. The most new positions were added in professional and business services and education and health services, accounting for a combined 15,300 jobs. In the third quarter, Apple filed development plans for the first phase of its Research Triangle campus, which is slated to add 3,000 positions at full buildout.

Deliveries burgeoned, with a total of 5,167 units coming online in the first three quarters of the year, already surpassing 2022's total (3,526 units) during the same time period. However, transaction activity softened, with only \$1 billion in multifamily assets traded during the first nine months of 2023. Although significantly higher than the \$189,597 national average, the per-unit price took a slide, to \$212,624.

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Recent Raleigh Transactions

The Villages at Olde Towne



City: Raleigh, N.C.
Buyer: AIR Communities
Purchase Price: \$85 MM
Price per Unit: \$234,722

Legacy at Wakefield



City: Raleigh, N.C.
Buyer: CBRE Investment
Management
Purchase Price: \$80 MM
Price per Unit: \$216,598

Stonehenge



City: Raleigh, N.C.
Buyer: Two Sigma
Purchase Price: \$80 MM
Price per Unit: \$176,991

Manor Six Forks



City: Raleigh, N.C.
Buyer: The Dinerstein Cos.
Purchase Price: \$74 MM
Price per Unit: \$249,161