



MULTIFAMILY REPORT

Versatile Charlotte

January 2024

Investment Volume Slows Down

Employment Growth Outpaces US

YoY, T3 Rent Gains Remain Negative

CHARLOTTE MULTIFAMILY



Rents Contract as More Supply Hits the Market

Multifamily fundamentals remained promising in Charlotte, despite negative rent performance amid robust deliveries and seasonal trends. On a three-month basis through November, rates contracted 0.6%, to \$1,581, while national figures declined only 0.2%, to \$1,713. However, the occupancy rate in stabilized properties stood at 94.1% as of October, pointing to solid demand. Nationally, occupancy clocked in at 94.9%.

In the 12 months ending in September, the Charlotte employment market expanded by 3.6%, well above the 2.4% U.S. growth rate. Mirroring the national trend, most positions were added in leisure and hospitality, a sector that accounted for 18,700 jobs and marked a 13.5% expansion. Unemployment stood at 3.2% in October, 70 basis points below the national figure and 20 basis points above Raleigh's jobless rate. Only one sector—manufacturing—lost positions (1,900), with some layoffs potentially stemming from technological automation.

A total of 8,238 units were delivered last year through November, already surpassing 2022's total (6,450 apartments). Meanwhile, the investment market softened substantially, mainly due to high borrowing costs. Charlotte saw only \$1.8 billion in multifamily transactions, a significant drop from the same period of the previous year. However, the \$234,476 per-unit price remained in line with the \$235,207 average of 2021 and 2022.

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Recent Charlotte Transactions

Greys Harbor at Lake Norman



City: Huntersville, N.C.
Buyer: 37th Parallel Properties
Purchase Price: \$73 MM
Price per Unit: \$232,372

Presley Uptown



City: Charlotte, N.C.
Buyer: Eaton Vance Investment Managers
Purchase Price: \$66 MM
Price per Unit: \$286,087

Avalon Mooresville



City: Mooresville, N.C.
Buyer: AvalonBay Communities
Purchase Price: \$52 MM
Price per Unit: \$256,650

1010 Dilworth



City: Charlotte, N.C.
Buyer: Continental Realty Corp.
Purchase Price: \$52 MM
Price per Unit: \$281,845