

Yardi® Matrix

# Charlotte: At Peak Velocity

Multifamily Report Summer 2019

Developers Target Urban Core

Occupancy Remains Above U.S. Average

Population Gains Maintain Demand High

# CHARLOTTE MULTIFAMILY

Yardi® Matrix

## Market Analysis

Summer 2019

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## Tar Heel State Braces for More Growth

Charlotte's strong business climate, substantial demographic expansion and attractive employment opportunities have continued to boost housing demand across the metro. With rents increasing by 3.4% year-over-year through April, growth is still above the national average, despite inflating deliveries over the past five years.

The metro gained 29,200 jobs in the 12 months ending in March, a 2.3% increase, well above the 1.6% U.S. rate. Professional and business services and trade, transportation and utilities accounted for nearly half of the new jobs. Several key infrastructure projects are underway: The first phase of a new multimodal transit hub is advancing in Uptown, with the facility likely to stimulate additional mixed-use development nearby. Additionally, Charlotte International Airport's \$2.5 billion renovation entered a new phase at the beginning of 2019. In contrast, the government sector lost 2,000 jobs. The North Carolina Department of Public Instruction was one of the most severely affected by the state's budget cuts last year.

Multifamily investment stayed strong in Charlotte at the start of 2019, following 2018's cycle-high transaction volume of \$2.5 billion. With 13,000 units underway, stock should expand further, alleviating rental demand. Yardi Matrix expects rents to rise 2.4% in 2019.

### Recent Charlotte Transactions

Mercury NoDa



City: Charlotte, N.C.  
Buyer: Carter-Haston Real Estate Services  
Purchase Price: \$56 MM  
Price per Unit: \$232,459

The Addison at South Tryon



City: Charlotte, N.C.  
Buyer: LivCor  
Purchase Price: \$54 MM  
Price per Unit: \$168,690

The Gibson



City: Charlotte, N.C.  
Buyer: Blaze Partners  
Purchase Price: \$53 MM  
Price per Unit: \$213,200

Canopy at Baybrook



City: Charlotte, N.C.  
Buyer: Investors Management Group  
Purchase Price: \$46 MM  
Price per Unit: \$140,432