

Yardi® Matrix

Nashville Plays It Forte

Multifamily Report Summer 2019

Rent Rate Rises 4.1%

Job Growth Tops US Average

Population Gains Sustain Demand

NASHVILLE MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2019

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Employment Growth Pushes Up Demand

Boosted by a diversifying economy, Nashville is recording unprecedented population growth and major job announcements. These are reshaping the urban core and impacting the multifamily industry: Music City was one of the top 10 major U.S. metros for rent growth in the 12 months ending in June, with the average rate rising 4.1% year-over-year. And despite last year's development cycle peak, occupancy in stabilized properties dropped just 10 basis points over 12 months, to 95.0% as of May.

Job growth is robust, with employment recording a 2.9% year-over-year up-tick as of May, well above the 1.6% U.S. rate. The metro gained 23,200 jobs, with leisure and hospitality leading the way (6,900 jobs). The professional and business services sector is poised for continued increase, boosted by company relocations and expansions. Amazon's \$230 million investment is set to bring 5,000 high-paying jobs to the city; AllianceBernstein, relocating from Manhattan, has already filled 250 of the 1,050 positions announced; SmileDirectClub's \$217 million investment will more than double the company's footprint in the metro.

Roughly \$470 million in apartments traded in the first half of 2019, with investors bullish on value-add assets. With 7,427 units underway and matching demand, we expect Nashville rents to maintain their 4.1% rise in 2019.

Recent Nashville Transactions

The Gossett on Church



City: Nashville, Tenn.
Buyer: CBRE Global Investors
Purchase Price: \$102 MM
Price per Unit: \$276,574

865 Bellevue



City: Nashville, Tenn.
Buyer: Hamilton Zanze & Co.
Purchase Price: \$57 MM
Price per Unit: \$173,773

The Highland on Briley



City: Nashville, Tenn.
Buyer: Harbor Group International
Purchase Price: \$51 MM
Price per Unit: \$124,079

ARIUM South Oaks



City: Nashville, Tenn.
Buyer: Carroll Org.
Purchase Price: \$50 MM
Price per Unit: \$154,954