

Yardi® Matrix

Demand Takes Over the Triangle

Multifamily Report Summer 2019

Per-Unit Prices Peak

Investment Activity Cools Off

Population Gains Outstrip U.S. Average

RALEIGH MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2019

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Rent Growth Accelerates Steadily

Multifamily demand in Raleigh-Durham shows no signs of abating, backed by a positive demographic tide. The deep talent pool coming from the metro's top-level universities continues to fuel the economy, attracting developers and supporting intense construction activity.

Employment growth was led by professional and business services, a sector that gained almost a third of the total 5,800 positions added in the metro in the 12 months ending in May. Increases in higher-paying jobs, especially in the tech sector, have attracted young professionals to the area. Demand for both residential and commercial real estate to accommodate this growing workforce is on the rise. Two office buildings totaling 320,000 square feet have opened in Durham's 15-acre Innovation District, with a 300-unit residential building including ground-floor retail space to follow. The major impact of several large investments on the metro's infrastructure has urged the state's Regional Transportation Alliance to launch a pre-feasibility study for a Hyperloop One system connecting the area's cities and airport.

The metro had 9,257 units under construction as of June, with 5,800 of them slated for delivery this year. Despite the addition of more than 26,000 units during the past five years, rent growth has not been inhibited. Yardi Matrix expects rents to rise a robust 4.0% in 2019.

Recent Raleigh Transactions

501 Estates



City: Durham, N.C.
Buyer: Spyglass Capital Partners
Purchase Price: \$49 MM
Price per Unit: \$182,500

Tryon Place



City: Cary, N.C.
Buyer: Eaton Vance Investment Managers
Purchase Price: \$38 MM
Price per Unit: \$185,000

The Trails of North Hills



City: Raleigh, N.C.
Buyer: Federal Capital Partners
Purchase Price: \$33 MM
Price per Unit: \$119,355

Magnolia Pointe



City: Durham, N.C.
Buyer: Fairfield Residential
Purchase Price: \$27 MM
Price per Unit: \$99,624