

Yardi® Matrix

Raleigh-Durham Holding Strong

Multifamily Report Fall 2019

Rent Growth Tops US Average

Occupancy Rate Stays Healthy

Transaction Activity Moderates Slightly

RALEIGH MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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Rapid Absorption Pushes Rents Up

Fueled by a strong economy and sustained demographic expansion, the Triangle's multifamily market remains one of the fastest-growing major metros in the U.S. Only two West Coast markets outperformed Raleigh (5.1%) in year-over-year rent growth this year through October. However, the metro is still affordable, with its \$1,228 average rent heavily trailing the \$1,476 U.S. rate.

Job growth was broad, with education and health services accounting for almost a quarter of the 24,800 jobs gained year-over-year through September. Several projects could further boost the sector: Skanska started work on the \$257 million UNC Hospital Surgical Tower in Chapel Hill. In addition, millennials continue to be attracted by the Triangle's large concentration of universities and tech companies such as Red Hat and IBM. Demand for office and R&D space is on an upswing and several mixed-use projects such as Longfellow's 1.7 million-square-foot Innovation District are catering to the growing needs of the Triangle.

Development activity continued at a high rate in Raleigh-Durham in 2019. With more than 4,700 units completed in the first 10 months of the year and an additional 9,224 under construction as of October, Raleigh-Durham's multifamily sector is slated for a strong 2020.

Recent Raleigh Transactions

Alexan North Hills



City: Raleigh, N.C.
Buyer: Starlight Investments
Purchase Price: \$71 MM
Price per Unit: \$239,057

The Residences at Wakefield



City: Raleigh, N.C.
Buyer: Nuveen Real Estate
Purchase Price: \$71 MM
Price per Unit: \$196,111

Manor Six Forks



City: Raleigh, N.C.
Buyer: Waterton
Purchase Price: \$58 MM
Price per Unit: \$194,631

Thornhill



City: Raleigh, N.C.
Buyer: Independence Realty Trust
Purchase Price: \$53 MM
Price per Unit: \$166,431