



MULTIFAMILY REPORT

# Charlotte's Turning Point

Summer 2020

**Investment Activity Dwindles**

**Demographic Expansion Continues**

**Financial Activities, Construction Fare Well**

# CHARLOTTE MULTIFAMILY



## Queen City Hits the Brakes

Despite the ongoing pandemic, steady fundamentals kept Charlotte's multifamily market relatively healthy in the first half of 2020, with rent gains mirroring the national trend. The average rent in the metro contracted just 0.3% in the second quarter, hitting \$1,193. Meanwhile, the U.S. average slid to \$1,457.

More than 1.1 million North Carolinians applied for unemployment benefits between March 15 and June 30, according to the N.C. Division of Employment Security. All employment sectors excluding financial activities and construction contracted year-over-year through May, bringing the jobless rate to 13.2%, according to preliminary data from the U.S. Bureau of Labor Statistics. To partly offset the effects of the health crisis, \$30 million of the federal coronavirus aid bill was set aside for small businesses. Large investments are also planned for the metro. Centene, a health care administration company, intends to spend \$1 billion on a 1 million-square-foot East Coast headquarters, a move expected to generate 6,000 jobs.

Transaction activity dampened notably after the pandemic hit, with deals totaling only \$464 million in the first half of 2020. Meanwhile, developers delivered 2,313 units and had another 14,249 apartments under construction as of June. Considering the current economic climate, we expect Charlotte rents to contract 3.4% this year.

## Market Analysis | Summer 2020

### Contacts

#### Jeff Adler

Vice President & General Manager of Yardi Matrix  
[Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)  
(800) 303-615-3676

#### Jack Kern

Director of Research and Publications  
[Jack.Kern@Yardi.com](mailto:Jack.Kern@Yardi.com)  
(800) 866-1124 x2444

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x2404

#### Author

#### Laura Calugar

Senior Associate Editor

### Recent Charlotte Transactions

#### Stone Ridge



City: Charlotte, N.C.  
Buyer: Investors Management Group  
Purchase Price: \$53 MM  
Price per Unit: \$166,274

#### Braxton at Lake Norman



City: Mooresville, N.C.  
Buyer: Handford Capital  
Purchase Price: \$50 MM  
Price per Unit: \$215,323

#### Solis Keltonwood at Berewick



City: Charlotte, N.C.  
Buyer: Myers Apartment Group  
Purchase Price: \$44 MM  
Price per Unit: \$191,000

#### 511 Queens



City: Charlotte, N.C.  
Buyer: Sherman Residential  
Purchase Price: \$20 MM  
Price per Unit: \$313,281