



MULTIFAMILY REPORT

Nashville's Crescendo

Summer 2021

YoY Rent Growth Hits Double Digits

Pricing Records New High

Construction Slows

NASHVILLE MULTIFAMILY



Picking Up The Tempo

Nashville's multifamily market is well on its way to recovery. July rents averaged \$1,424, up 2.0% on a trailing three-month (T3) basis. Lifestyle figures performed the best, growing 2.3% during the same period, while working-class Renter-by-Necessity rates increased 1.4%. This, along with increasing occupancy rates, highlights a healthy demand fueled by rapid population growth. On a year-over-year basis, Nashville rents were up 10.4%, outperforming an already impressive 8.3% national rate.

The metro added 96,900 jobs in the 12 months ending in May. All employment sectors registered gains, and Nashville's unemployment rate—a preliminary 4.6% in June—was 80 basis points lower than the U.S. figure. Nashville stands to benefit from a resurgence in tourism, but its diversified economy is also propelling it forward, particularly as major companies eye Music City for relocations or expansions.

Close to 17,000 units were under construction at the end of July, though multifamily groundbreakings slowed this year. Yardi Matrix expects a little over 3,000 units to come online in 2021—the metro's lowest level since 2014—which should help elevate rents further. Transaction activity, on the other hand, has picked up, with \$1.1 billion in sales closing year-to-date through July, more than double the figure recorded during the same time frame last year.

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Recent Nashville Transactions

Camden Music Row



City: Nashville, Tenn.
Buyer: Camden Property Trust
Purchase Price: \$158 MM
Price per Unit: \$367,310

Viera Cool Springs



City: Franklin, Tenn.
Buyer: TruAmerica Multifamily
Purchase Price: \$100 MM
Price per Unit: \$213,675

Bellevue West



City: Nashville, Tenn.
Buyer: Geringer Capital
Purchase Price: \$95 MM
Price per Unit: \$168,750

Avana Overlook



City: Antioch, Tenn.
Buyer: Greystar
Purchase Price: \$73 MM
Price per Unit: \$162,389