



MULTIFAMILY REPORT

Positive Outlook For The Triangle

February 2022

Rent Development Hits Double Digits

Transaction Volume Marks New Record

Unemployment Below Pre-Pandemic Levels

RALEIGH MULTIFAMILY



Another Solid Year Ahead

Benefiting from an influx of remote workers looking for more affordable living options, the Raleigh-Durham multifamily market continued its strong recovery last year. In the last quarter of 2021, the average rent increased to \$1,493—up 0.7%—but remained below the \$1,594 national rate, which rose 0.6%.

The unemployment rate continued to regain ground in the Triangle in 2021, reaching 3.0% as of October 2021, on par with pre-pandemic levels. The picture is likely to further improve as more investors pour capital into the metro's economy. Relatively unscathed by the health crisis, tech companies continue to expand in the Triangle, while a string of life sciences firms are establishing a presence in the area, pulling from the highly educated talent pool that the three major universities in the area provide. Biopharmaceutical company Amgen is building a \$550 million manufacturing facility in Holly Springs, while two developers announced plans to build a 109-acre, \$1 billion bioscience project in one of the metro's fastest-growing submarkets—Morrisville.

Investment activity intensified last year, with transactions totaling \$3.4 billion and setting a new peak. Meanwhile, developers added 5,339 units to the Triangle's stock. On the heels of exceptional growth over the past 18 months, Yardi Matrix expects rents to continue to improve, albeit at a more moderate pace.

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Recent Raleigh Transactions

Regatta at Lake Lynn



City: Raleigh, N.C.
Buyer: Knightvest Capital
Purchase Price: \$80 MM
Price per Unit: \$204,082

Braxton at Brier Creek



City: Raleigh, N.C.
Buyer: Braddock & Logan
Purchase Price: \$80 MM
Price per Unit: \$295,926

Woods Edge



City: Durham, N.C.
Buyer: S2 Residential
Purchase Price: \$60 MM
Price per Unit: \$226,136

Capital Creek at Heritage



City: Wake Forest, N.C.
Buyer: Kushner Cos.
Purchase Price: \$53 MM
Price per Unit: \$246,336