

YARDI® Matrix

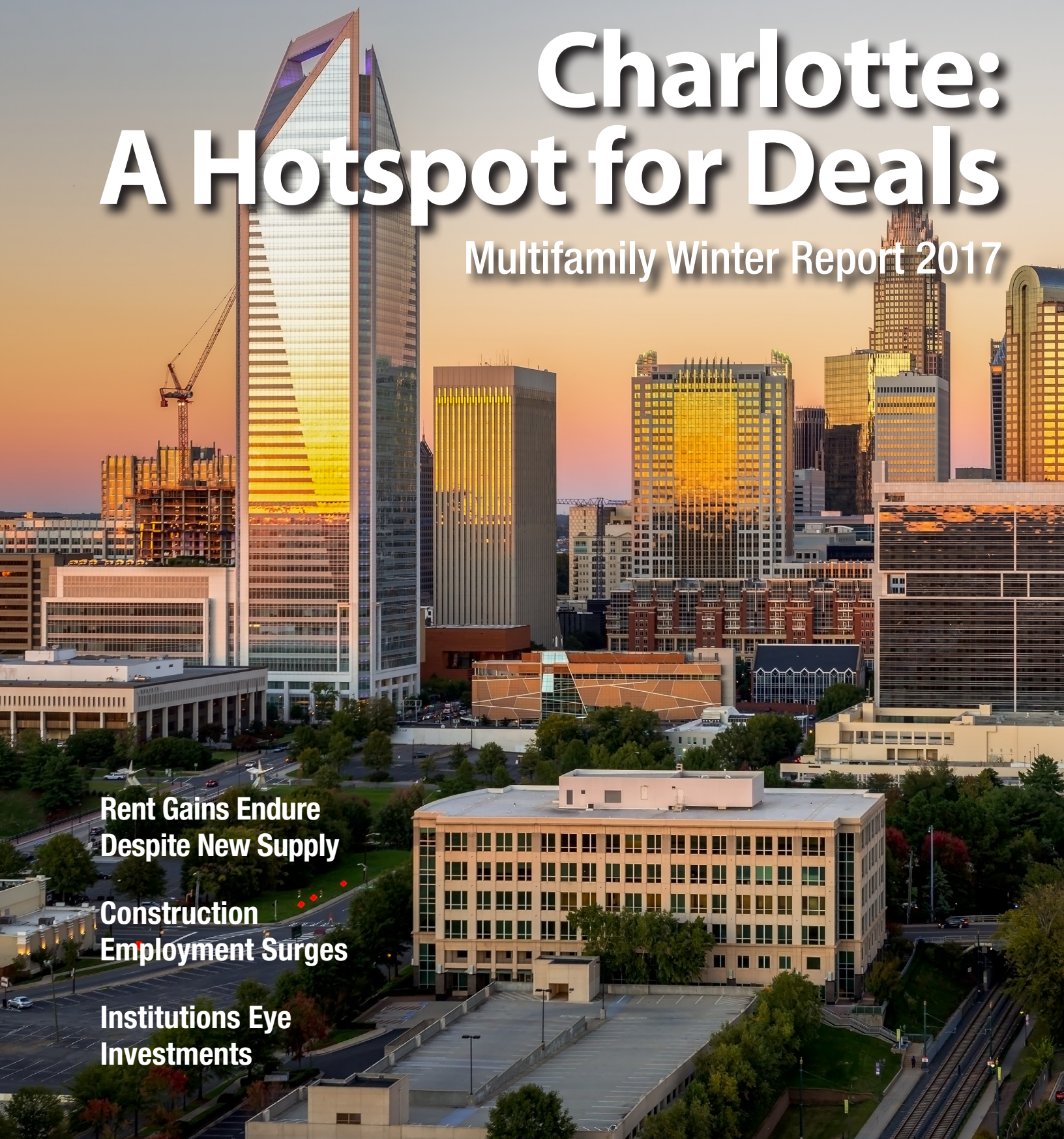
Charlotte: A Hotspot for Deals

Multifamily Winter Report 2017

**Rent Gains Endure
Despite New Supply**

**Construction
Employment Surges**

**Institutions Eye
Investments**



CHARLOTTE MULTIFAMILY

YARDI® Matrix

Market Analysis

Winter 2017

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Tech, Trade & Development Boom

Charlotte's multifamily market is thriving as a result of healthy demand, which has produced above-trend increases in rents and accelerated transaction volume and values. Though the outlook points to continued gains in employment and population, the outpouring of new supply and issues with affordability could prompt a slowdown in rent growth.

Charlotte's strategic location within the Piedmont-Atlantic Megaregion helps fuel the metro's economy, with employment led by transportation and distribution. The city is also known for its banking industry, though tech start-ups have begun making inroads. Young workers are attracted to the live-work-play environment, as evidenced by the amount of new supply concentrated in the Uptown submarket. The cranes stretch beyond Uptown, as Charlotte Douglas International Airport undergoes a \$2.5 billion expansion.

A low cost of living has bolstered population growth, but most of the upcoming supply is aimed at high-end renters and buyers. Affordability is starting to become a problem, though rents rest below the national average at \$918. Signs of decelerating rent growth align with national trends. Due to robust investor demand, transaction activity reached \$1.7 billion in 2016, a new high in the current cycle, while prices also hit highs for the current cycle.

Recent Charlotte Transactions

Cascades of Northlake



City: Charlotte, N.C.
Buyer: Cortland Partners
Purchase Price: \$83 MM
Price per Unit: \$145,000

LaVie SouthPark



City: Charlotte, N.C.
Buyer: UBS Realty Investors
Purchase Price: \$75 MM
Price per Unit: \$234,891

Berkshire Dilworth



City: Charlotte, N.C.
Buyer: Berkshire Group
Purchase Price: \$75 MM
Price per Unit: \$252,905

The Retreat at McAlpine Creek



City: Charlotte, N.C.
Buyer: Bainbridge Cos.
Purchase Price: \$56 MM
Price per Unit: \$138,875