YARDI® Matrix

Rapid Growth in Raleigh-Durham

Multifamily Report Spring 2017

Rent Gains Top Nation

Tech Sector Boosts Employment

Sales Volume Hits Post-Bubble High

Market Analysis

Spring 2017

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The Research Triangle: Sharp on All Edges

Raleigh-Durham, a technology hub and educational hotspot, has a booming rental market. Local universities have produced highly educated workers, and the metro's low cost of living and temperate climate draw young professionals from all over the nation. The combination of job and population growth has generated a strong demand for apartments, with average rents reaching $1,075.

Raleigh-Durham added roughly 20,000 jobs in 2016. Businesses are drawn to various incentives the Research Triangle provides, including the Business Investment Grant (BIG) that ensures cash grants to new and existing businesses. A handful of companies expanded operations in downtown Raleigh, including California-based Distil Networks. Nevertheless, the controversial "Bathroom Bill" played a negative role last year, pushing firms such as PayPal elsewhere. The bill was recently repealed, though.

The metro continues to appeal to investors who are being priced out or struggling to find high acquisition yields in major markets. The overall performance of the apartment sector is strong. Supply has kept up with demand, though that might be difficult going forward, as the current pipeline consists of more than 26,000 units in various stages of development. Looking forward, we expect a moderate rent growth of 4.2% in 2017.

Recent Raleigh Transactions

Realm Patterson Place

City: Durham, N.C.
Buyer: H&R Real Estate Investment Trust
Purchase Price: $60 MM
Price per Unit: $186,335

Preston View

City: Morrisville, N.C.
Buyer: Bluerock Real Estate
Purchase Price: $60 MM
Price per Unit: $155,759

Apartments at Stonehenge

City: Raleigh, N.C.
Buyer: Magnolia Capital
Purchase Price: $57 MM
Price per Unit: $125,498

Bell Meadowmont

City: Chapel Hill, N.C.
Buyer: Bell Partners
Purchase Price: $51 MM
Price per Unit: $197,760

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