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Nashville's Supply Side Shines

Multifamily Report Spring 2017

Construction Activity Fuels Sector Growth

Transaction Volume Tops \$1 Billion

Significant Deliveries Keep Pace with Demand

NASHVILLE MULTIFAMILY

YARDI® Matrix

Market Analysis

Spring 2017

Contacts

Paul Fiorilla

Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern

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

Author

Evelina Croitoru

Associate Editor

Music City Remains Sound

Nashville's multifamily fundamentals continue to be solid on most levels. With strong demand fueled by robust population gains and consistent job growth, the market remains a hot ticket for investors, which acquired more than \$1 billion in apartments in 2016. Nashville's booming economy is broadening the labor force at a rate well above the national average, helping to drive demand for housing.

Nashville's knowledge-based economy thrives due to growth-oriented industries, such as health care, which continues to attract a highly educated workforce. Overall, employment is healthy, with 24,300 jobs added in 2016. The construction sector grew the most, due to the glut of supply that has come online in recent years. Nashville Metropolitan Transit Authority approved nMotion, a \$6 billion transit plan that will develop a large number of high-capacity and rapid transit services over the next 25 years. Public-private collaborations, such as the Partnership 2020 initiative that aims to create economic growth in the region, are also drawing investors to the area.

In response to strong population growth, developers are ramping up construction, with more than 30,000 units in progress. Due to Nashville's vibrant employment market, which is driving strong rental demand, we forecast a 4.5% rent increase for the full year.

Recent Nashville Transactions

The Landings of Brentwood



City: Brentwood, Tenn.
Buyer: Steadfast Cos.
Purchase Price: \$110 MM
Price per Unit: \$151,933

Charlotte at Midtown



City: Nashville
Buyer: MAA
Purchase Price: \$62.5 MM
Price per Unit: \$224,014

The Artessa



City: Franklin, Tenn.
Buyer: Security Properties
Purchase Price: \$57.5 MM
Price per Unit: \$230,000

The Venue at Glenbrook



City: Hendersonville, Tenn.
Buyer: Sentinel Real Estate
Purchase Price: \$52.7 MM
Price per Unit: \$168,910

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Hollie Zepke

Audience Development Specialist
Hollie.Zepke@Yardi.com
(800) 866-1124 x5389