

YARDI MATRIX
Data provided by **Pierce-Eislen**

Nashville

Multifamily Summer Report 2015



Tennessee Metros: Sweet Country Music
Nashville Attracting Young Workers
Investor Interest Boosts Sales, Asset Values

NASH/KNOX MULTIFAMILY

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Market Analysis

Summer, 2015

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Millennials Fuel Tennessee Metro Growth

Buoyed by its diverse economy and iconic status in the entertainment industry, the Nashville/Knoxville metro is booming with job and population growth above the national averages. Attracted by major and diverse employers such as Vanderbilt University & Medical Center, Nissan North America, and HCA Holdings, the population is continuing to grow at an accelerating pace. The university contributed \$8.9 billion to Tennessee's economy throughout the last two years, \$288 million of which on construction, building and leasehold improvements. Japanese automaker Nissan has also made an impact by unveiling plans for a new \$160 million supplier park at its vehicle assembly plant in Smyrna, which will add more than 1,000 jobs to the region.

The metro's performance was reflected in above-trend rent growth for several years, although it has cooled off this year as affordability is becoming an issue with working-class residents. Rents for upscale assets have continued to rise as the year-over-year rate reached 7.2% at the start of 3Q15. Moreover, because developers find themselves unable to keep up with demand, despite this year breaking the record for completions, the market is expected to continue to grow, albeit at a more moderate pace than in previous years. Overall, we expect a robust rent growth of 5% in 2015. Nashville has also become in demand among investors that are looking for assets in growing secondary markets, which has helped push transaction volume to record highs.

Recent Nash/Knox Transactions

Amplify on Main



City: Nashville, TN
Buyer: Champion Real Estate Company
Purchase Price: \$14 MM
Price per Unit \$190,541

Kings Crossing / Tara's Place



City: Murfreesboro, TN
Buyer: Dominion
Purchase Price: \$11MM
Price per Unit: \$61,413

Bransford House



City: Nashville, TN
Buyer: BH Properties
Purchase Price: \$4 MM
Price per Unit: \$54,688

Greens of Rivergate



City: Goodlettsville, TN
Buyer: Alan F. Bachrach
Purchase Price: \$7 MM
Price per Unit: \$50,536