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# **Nashville** Multifamily Summer Report 2015

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

# NASH/KNOX MULTIFAMILY

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

## **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

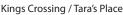


City: Nashville, TN Buyer: Champion Real Estate Company Purchase Price: \$14 MM Price per Unit \$190,541

#### Bransford House



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





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

#### Greens of Rivergate



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