



MULTIFAMILY REPORT

Charlotte Stability Holds

May 2023

Investment Activity Tempers

Unemployment Remains Tight

Inventory Expansion Continues Slide

CHARLOTTE MULTIFAMILY



Rents Stabilize, Demand Remains Firm

With its rapidly expanding population, affordable lifestyle and above-average job growth, the Charlotte multifamily market is capable of withstanding economic challenges in upcoming quarters. The first three months of the year produced no gains for multifamily rents in the metro, with rates stabilizing at \$1,591. Meanwhile, the average U.S. figure clocked in at \$1,706.

The metro's job market remained strong, with all employment sectors recording gains. Some 58,500 positions were added in 2022, accounting for a 5.3% labor-pool expansion, 160 basis points above the U.S. rate of growth. Leisure and hospitality led gains with 17,000 jobs, followed by professional and business services with 9,700 positions. Meanwhile, a high-profile project that broke ground after several years of planning is expected to reshape West Charlotte. Crescent Communities finally began work on The River District, a 1,400-acre, \$6 billion master-planned project.

As in most parts of the country, transaction activity began to moderate in the first quarter, with sales amounting to only \$255 million. Investment totaled more than \$5 billion in each of the previous two years. Deliveries also slowed down, with developers bringing just 737 units online, for a 0.4% expansion of stock, which will likely put pressure on rents. Yardi Matrix expects Charlotte rates to grow 3.6% this year. The figure would mark the largest rent increase among major metros tracked by the data provider.

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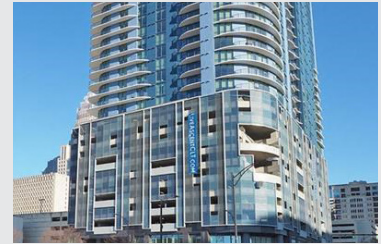
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Recent Charlotte Transactions

Ascent Uptown



City: Charlotte, N.C.
Buyer: Sterling American Property
Purchase Price: \$138 MM
Price per Unit: \$459,667

Sycamore at Tyvola



City: Charlotte, N.C.
Buyer: Continental Realty Corp.
Purchase Price: \$96 MM
Price per Unit: \$334,375

Silverstone



City: Charlotte, N.C.
Buyer: Safdeye Investment Group
Purchase Price: \$12 MM
Price per Unit: \$130,851

Country Club



City: Lincolnton, N.C.
Buyer: Wickenden Partners
Purchase Price: \$8 MM
Price per Unit: \$112,162