

Yardi® Matrix

Charlotte's Dynamic Reign

Multifamily Report Summer 2018

Rent Growth Stays Moderate

Supply Targets Lifestyle Segment

Investor Interest Lingers

CHARLOTTE MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

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New Supply Softens Rent Growth

Charlotte's multifamily market is heading for a healthy 2018, with robust investor interest and solid employment, all backed by strong population gains. The significant amount of supply that came online in the past few years has not scared developers. With 2017's transaction volume among the highest in this cycle, the Charlotte market is expected to continue to be an attractive option for investors, despite decelerating rents.

The metro added 31,000 jobs in the year ending in February, as government (8,300 jobs), leisure and hospitality (5,100 jobs) and trade, transportation and utilities (4,500 jobs) spearheaded growth. In March, Charlotte's 9.3-mile light-rail extension launched. The \$1.1 billion investment worked as a catalyst for the development of transit-oriented projects. Two office towers—known as 10 Tryon—are being built by Centro Cityworks and Flagship Capital Partners just a block from the new Ninth Street Station, while Duke Energy will occupy the office space under construction at Tompkins Hall, a former mill. In 2018, local developer Flywheel Group plans to break ground on Greenway District, a 75-acre mixed-use development.

This year promises some 5,800 units by December, accommodating the metro's growth. With the average rent at \$1,114, Charlotte remains an affordable metro. Yardi Matrix forecasts 2.0% rent growth in 2018.

Recent Charlotte Transactions

Wren Northlake



City: Charlotte, N.C.
Buyer: Cortland Partners
Purchase Price: \$57 MM
Price per Unit: \$184,677

Berkeley Place



City: Charlotte, N.C.
Buyer: Boston Capital
Purchase Price: \$52 MM
Price per Unit: \$142,527

Aurea Station



City: Charlotte, N.C.
Buyer: West Shore
Purchase Price: \$50 MM
Price per Unit: \$129,297

Brookson Resident Flats



City: Huntersville, N.C.
Buyer: Carter-Haston Real Estate Services
Purchase Price: \$49 MM
Price per Unit: \$165,000