

Yardi® Matrix

# Red-Hot Charlotte

Multifamily Report Fall 2018

Transactions Remain Elevated

Population Gains Fuel Demand

Developers Eye Upscale Segment

# CHARLOTTE MULTIFAMILY

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## Market Analysis

Fall 2018

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## Steady Job Gains Sustain Rent Growth

The Charlotte multifamily market is showing no sign of cooling off, despite a significant amount of new supply delivered during the past three years. Investor appetite is more robust than ever, while substantial demographic expansion and steady employment growth continue to prop up demand.

The metro added 30,800 jobs in the year ending in July, with the trade, transportation and utilities and government sectors accounting for nearly half of them. Several large-scale developments are underway, with Amazon expected to open its 1 million-square-foot distribution center in Kannapolis by the end of the year. Moreover, the online retail giant received final approvals for its largest facility in the region—a 2.5 million-square-foot warehouse set to be built south of Interstate 85. Core areas are also in the midst of a growth spurt. Local authorities finally began work on a multimodal transportation hub in uptown Charlotte, estimated to cost roughly \$80 million. Investors could see more opportunities following the implementation of the North Tryon Vision Plan, a car-free project spanning 60 acres in the metro's city center.

With the average rent \$263 lower than the national figure, Queen City is still considered an affordable metro. However, rent growth is on an upswing and should continue on that path this year.

### Recent Charlotte Transactions

Centric Gateway



City: Charlotte, N.C.  
Buyer: TH Real Estate  
Purchase Price: \$69 MM  
Price per Unit: \$231,481

Junction at Antiquity



City: Cornelius, N.C.  
Buyer: Spyglass Capital Partners  
Purchase Price: \$62 MM  
Price per Unit: \$189,252

Paces Pointe



City: Matthews, N.C.  
Buyer: Starwood Capital Group  
Purchase Price: \$52 MM  
Price per Unit: \$155,952

The Vive at Kellswater



City: Kannapolis, N.C.  
Buyer: Electra America  
Purchase Price: \$48 MM  
Price per Unit: \$154,054