Yardi® Matrix

Raleigh-Durham Stays Strong

Multifamily Report Spring 2019

Per-Unit Prices Hit Decade Peak

Developers Target Lifestyle Segment

Rent Growth Outperforms National Average

Market Analysis

Spring 2019

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The Triangle's Economy Pushes Growth

The Triangle is hot off another strong year for its multifamily sector, which is showing no signs of slowing down in 2019. Demand in Raleigh-Durham is on an upswing, boosted by favorable demographic trends and a diversifying economy.

The metro added 26,000 jobs in 2018, a 2.9% increase, well above the 2.1% national rate. Growth was led by trade, transportation and utilities (6,100 jobs), followed by education and health services (4,900 jobs) and professional and business services (3,700 jobs). Construction jobs saw a significant increase—up 7.8% for 3,600 positions—due to multiple development projects. The first mixed-use building completed by Longfellow Real Estate Partners in the 1.7 million-square-foot Durham Innovation District includes office and lab space, with residential and retail components to follow. The industrial sector is also thriving. Amazon is working on a 2.6 million-square-foot high-tech distribution center in Garner, and Scannell Properties announced an 893,000-square-foot industrial project in Durham.

Developers had 9,000 rental units underway in the metro as of February. Healthy employment and wage increases, coupled with robust investor interest and a thriving technology sector, are bound to keep rent growth steady. Yardi Matrix expects rents to rise 3.4% by the end of 2019.

Recent Raleigh Transactions

The Pointe at Crabtree

City: Raleigh, N.C.
Buyer: Dermot Co.
Purchase Price: $46 MM
Price per Unit: $137,202

Lenox at Patterson Place

City: Durham, N.C.
Buyer: Chartwell Holdings
Purchase Price: $42 MM
Price per Unit: $143,836

54 Station

City: Durham, N.C.
Buyer: Chaucer Creek Capital
Purchase Price: $40 MM
Price per Unit: $151,515

Summerwind

City: Garner, N.C.
Buyer: Summit Management
Purchase Price: $31 MM
Price per Unit: $169,444

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