



MULTIFAMILY REPORT

Nashville's Rate Slide Continues

January 2025

Job Growth Moderates

Supply Volume Marks New High

Rent Movement Remains in the Red

NASHVILLE MULTIFAMILY



Rent Growth Faces Pressure

Nashville's average advertised asking rent was down 0.5% on a trailing three-month basis, to \$1,632, as of November 2024. A slowdown in employment, paired with strong deliveries and seasonal trends, are a big part of this unfolding story. Meanwhile, the U.S. rate posted a 0.2% decline, on a T3 basis, to \$1,744. Notably, even with new deliveries accounting for a robust 5.3% of existing inventory, Nashville's occupancy in stabilized assets slid only 10 basis points year-over-year through October, to 94.4%.

Nashville employment growth softened to 0.6% as of September, trailing the national average since February 2024. The market gained 5,000 net jobs over 12 months. Growth was sustained by five sectors, led by education and health services (7,300 jobs) and government (4,300). Another five sectors lost 12,300 jobs combined, with larger declines in leisure and hospitality (-4,500 jobs) and financial activities (-3,000 jobs). Meanwhile, the unemployment rate still reflected a tight labor market, at 2.9% in October, outperforming the state (3.3%) and the U.S. (4.1%). Notable projects underway include Vanderbilt University Medical Center's 15-story expansion, which is slated to open its first phase in 2025.

Deliveries totaled 10,111 units through November, a decade high for the metro, which had another 23,107 units under construction. Investment volume surpassed \$1 billion in 2024 through November, but the average price per unit fell almost 25%, to \$180,274.

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Recent Nashville Transactions

Corban Farms at Cane Ridge



City: Antioch, Tenn.
Buyer: Bonaventure Senior Living
Purchase Price: \$86 MM
Price per Unit: \$260,606

Cambridge at Hickory Hollow



City: Antioch, Tenn.
Buyer: Cortland
Purchase Price: \$65 MM
Price per Unit: \$181,250

18Thirty



City: Madison, Tenn.
Buyer: Addison Partners
Purchase Price: \$16 MM
Price per Unit: \$179,545

Midtown Estates



City: Murfreesboro, Tenn.
Buyer: Related Cos.
Purchase Price: \$15 MM
Price per Unit: \$170,455