



MULTIFAMILY REPORT

Charlotte's Measured Growth

May 2025

T3 Rent Movement Turns Positive

Employment Gains Above US

Construction Starts Dwindle

CHARLOTTE MULTIFAMILY



First-Quarter Rents Improve

Charlotte's multifamily market remained generally strong in the first three months of the year, despite some softening fundamentals. Average advertised asking rents were up 0.3%, on a trailing three-month basis, to \$1,600, outperforming the nation by 20 basis points. The metro's average overall occupancy rate in stabilized properties remained unchanged year-over-year, at 93.6% as of March, which signaled healthy demand following the 2024 supply surge.

Employment growth in Charlotte stood at 1.2% year-over-year through January, 20 basis points ahead of the U.S. figure. The jobless rate stood at 3.9% as of January, 10 basis points below the U.S. figure, according to preliminary data from the Bureau of Labor Statistics. Over the 12-month period ending in January, Charlotte added 23,000 net jobs, with education and health services leading growth (7,300 positions). The upcoming Novant Health Performance Center, a \$150 million development, recently broke ground near Spectrum Center and is slated for delivery ahead of the 2026-2027 basketball season.

Deliveries in the first quarter totaled 2,469 units, accounting for 0.8% of existing stock and 30 basis points above the national figure. This was on the heels of 14,543 units completed in 2024, making it the best year for deliveries over the past eight years. Meanwhile, investment volume in the first quarter totaled \$154 million.

Market Analysis | May 2025

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On the cover: Photo by benedek/iStockphoto.com

Recent Charlotte Transactions

The Linden



City: Davidson, N.C.
Buyer: Continental Realty Corp.
Purchase Price: \$50 MM
Price per Unit: \$305,556

Sharon Pointe



City: Charlotte, N.C.
Buyer: Ascent Housing
Purchase Price: \$35 MM
Price per Unit: \$181,579

Rise Stone Gate



City: Charlotte, N.C.
Buyer: Rise48 Equity
Purchase Price: \$25 MM
Price per Unit: \$170,139

Signal Hill

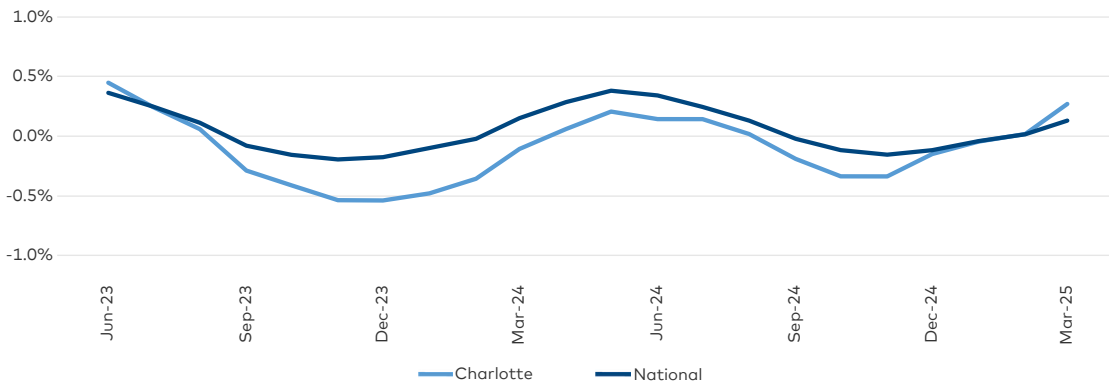


City: Statesville, N.C.
Buyer: FriedLam Partners
Purchase Price: \$13 MM
Price per Unit: \$105,328

RENT TRENDS

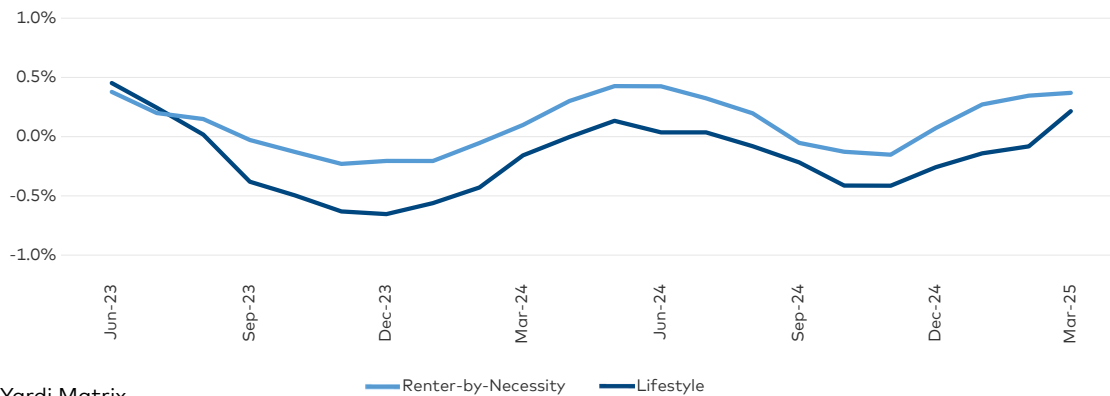
- ▶ Charlotte average advertised asking rents were up 0.3% on a trailing three-month (T3) basis through March, to \$1,600, outperforming the nation by 20 basis points. Rents in the metro were also up 0.3% year-over-year through March, placing Charlotte in the bottom half for rent gains among the top 30 metros tracked by Yardi Matrix. The latest forecast projects a 0.7% contraction for the metro's rents in 2025.
- ▶ Average asking rents for the working-class Renter-by-Necessity segment were up 0.4%, on a T3 basis through March, to \$1,349, up 30 basis points since December. Meanwhile, rents in the Lifestyle segment were up 0.2%, to \$1,696, recovering after seven consecutive months of contractions.
- ▶ The metro's overall occupancy rate for stabilized properties remained unchanged from last year, at 93.6% as of March. The figure for Lifestyle assets ticked up 20 basis points, to 93.5%, while the RBN figure posted a 40-basis-point decline, to 93.9%.
- ▶ Of the 52 Charlotte submarkets tracked by Yardi Matrix, year-over-year growth for average advertised asking rents was strongest in Westex Square (up 10% to \$1,775), Gastonia-North (7.4% to \$1,353) and Gastonia-South (5.7% to \$1,424). The metro's most expensive submarket, Uptown, registered a 4.1% decline, to \$2,210.
- ▶ Advertised asking rents in Charlotte's SFR sector were down 0.3% year-over-year through March, to \$2,301. SFR occupancy in the metro was down 20 basis points, to 94.9%.

Charlotte vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Charlotte Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- ▶ Employment growth stood at 1.2% year-over-year through January, 20 basis points above the national rate. Although the rate dropped 110 basis points since January 2024, it has remained consistently above the U.S. figure since then.
- ▶ Charlotte added 23,000 net jobs over the 12-month period ending in January. Education and health services led gains with 7,300 positions added, followed by government (5,100 jobs) and professional and business services (4,400 jobs), which rounded out the top three. Manufacturing and information were the only sectors to lose jobs, down a combined 1,100 positions.
- ▶ Charlotte's unemployment rate clocked in at 3.9% as of January, 10 basis points below the national rate, according to preliminary data from the BLS. Unemployment in the metro was also 20 basis points higher than North Carolina's figure, which stood at 3.7%.
- ▶ Developers began construction on the Novant Health Performance Center. The project is a partnership between Charlotte Hornets, Novant Health and the city of Charlotte and will comprise a 160,000-square-foot practice facility and team headquarters. The \$150 million development, taking shape near Spectrum Center, is slated for delivery ahead of the 2026-2027 NBA season.

Charlotte Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	154.3	11.2%
90	Government	179.8	13.0%
60	Professional and Business Services	225	16.3%
55	Financial Activities	123	8.9%
15	Mining, Logging and Construction	80.5	5.8%
40	Trade, Transportation and Utilities	281.4	20.4%
70	Leisure and Hospitality	146.6	10.6%
80	Other Services	55.6	4.0%
50	Information	26	1.9%
30	Manufacturing	107.3	7.8%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Charlotte gained 43,406 residents between 2021 and 2022, marking a 1.7% expansion, and more than four times the 0.4% U.S. rate of growth during the same period.
- ▶ Since 2019, the metro has recorded a 4.6% increase in population.

Charlotte vs. National Population

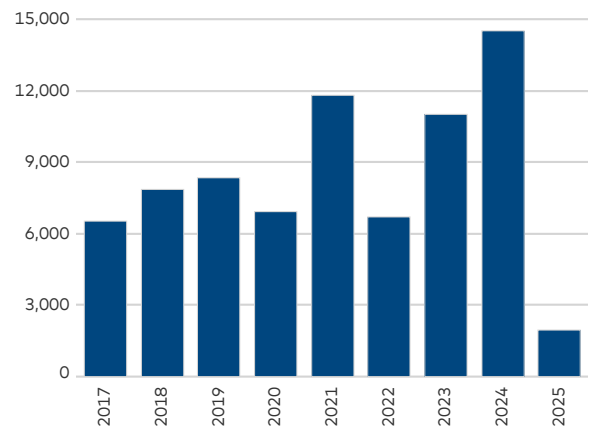
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Charlotte Metro	2,545,560	2,595,027	2,625,282	2,668,688

Source: U.S. Census

SUPPLY

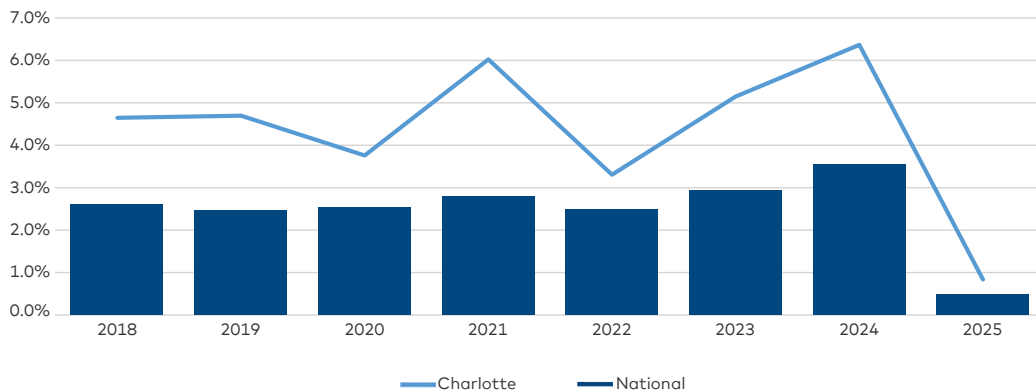
- ▶ Charlotte developers brought 2,469 units online in the first quarter, accounting for 0.8% of existing stock—30 basis points above the national figure. All but three properties were in the Lifestyle segment. The metro’s deliveries expanded significantly last year, with 14,543 units delivered, accounting for 6.4% of existing stock and marking the largest number of completions in Charlotte in the last five years. On average, developers in the metro added some 9,200 units annually between 2017 and 2024.
- ▶ Charlotte had 33,565 units under construction as of March, while another 88,000 were in the planning and permitting stages. In line with nationwide trends, developers focused on upscale projects, as more than three-quarters of all units underway were in Lifestyle projects. Units in RBN and fully affordable developments accounted for less than a quarter of the pipeline.
- ▶ Developers started work on 1,253 units across four projects in the first three months of 2025, as construction starts dwindled due to limited capital availability. Starts were down 55.6% compared to the 2,820 units across 14 projects that broke ground during the same period in 2024.
- ▶ Of the 52 submarkets tracked by Yardi Matrix, 11 had more than 1,000 units under construction. Tryon Hills led activity with 5,715 units underway, followed by Colonial Village–Montclair (3,154 units) and North Charlotte (2,745 units).
- ▶ The 685-unit Seventh & Tryon is the largest project underway in the metro, and is located in Charlotte’s Uptown submarket. Metropolitan Partnership is developing the project, which is scheduled for delivery in September 2026.

Charlotte Completions (as of March 2025)



Source: Yardi Matrix

Charlotte vs. National Completions as a Percentage of Total Stock (as of March 2025)



Source: Yardi Matrix

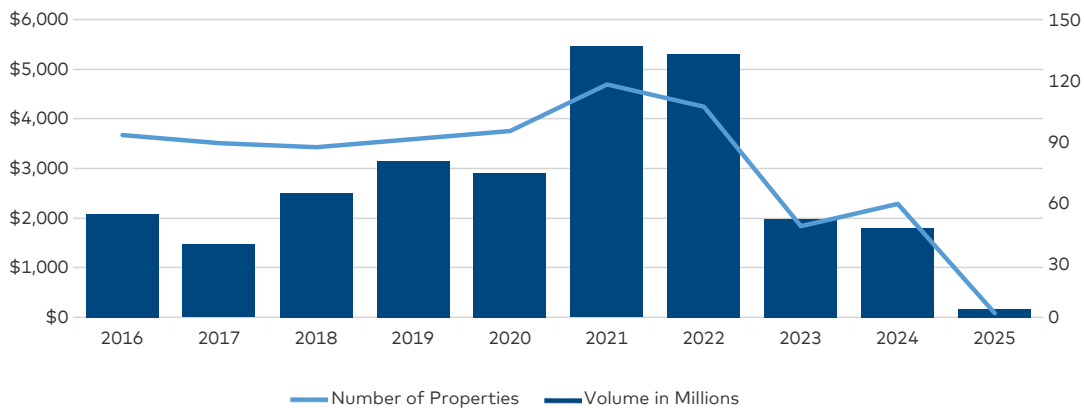
TRANSACTIONS

- ▶ Charlotte investment activity returned closer to pre-pandemic levels, as 2023 and 2024 averaged \$1.9 billion annually, down from the record-breaking performance of 2021 and 2022 and consistent with national trends. In 2025's first quarter, investors traded \$154 million, which was \$20 million more than 2024's first-quarter volume.
- ▶ The average price per unit settled at \$177,861 for last year's sales, nearly \$20,000 below the

U.S. figure and down 20.4% year-over-year. The average climbed to \$206,394 for the first quarter of 2025, largely due to the small sample size.

- ▶ Four markets exceeded the \$100 million mark for multifamily transactions during the 12 months ending in March. North Charlotte led with \$262 million, followed by Colonial Village–Montclair (\$183 million), Southwest Charlotte (\$167 million) and Hidden Valley–Oak Forest (\$151 million).

Charlotte Sales Volume and Number of Properties Sold (as of March 2025)



Source: Yardi Matrix

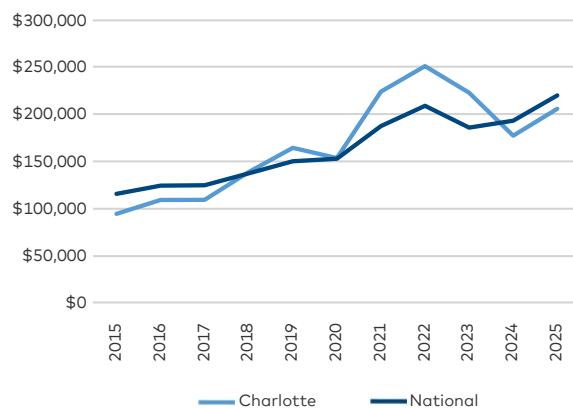
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
North Charlotte	262
Colonial Village–Montclair	183
Southwest Charlotte	167
Hidden Valley–Oak Forest	151
Foxcroft	92
Mooreville	91
Uptown	89

Source: Yardi Matrix

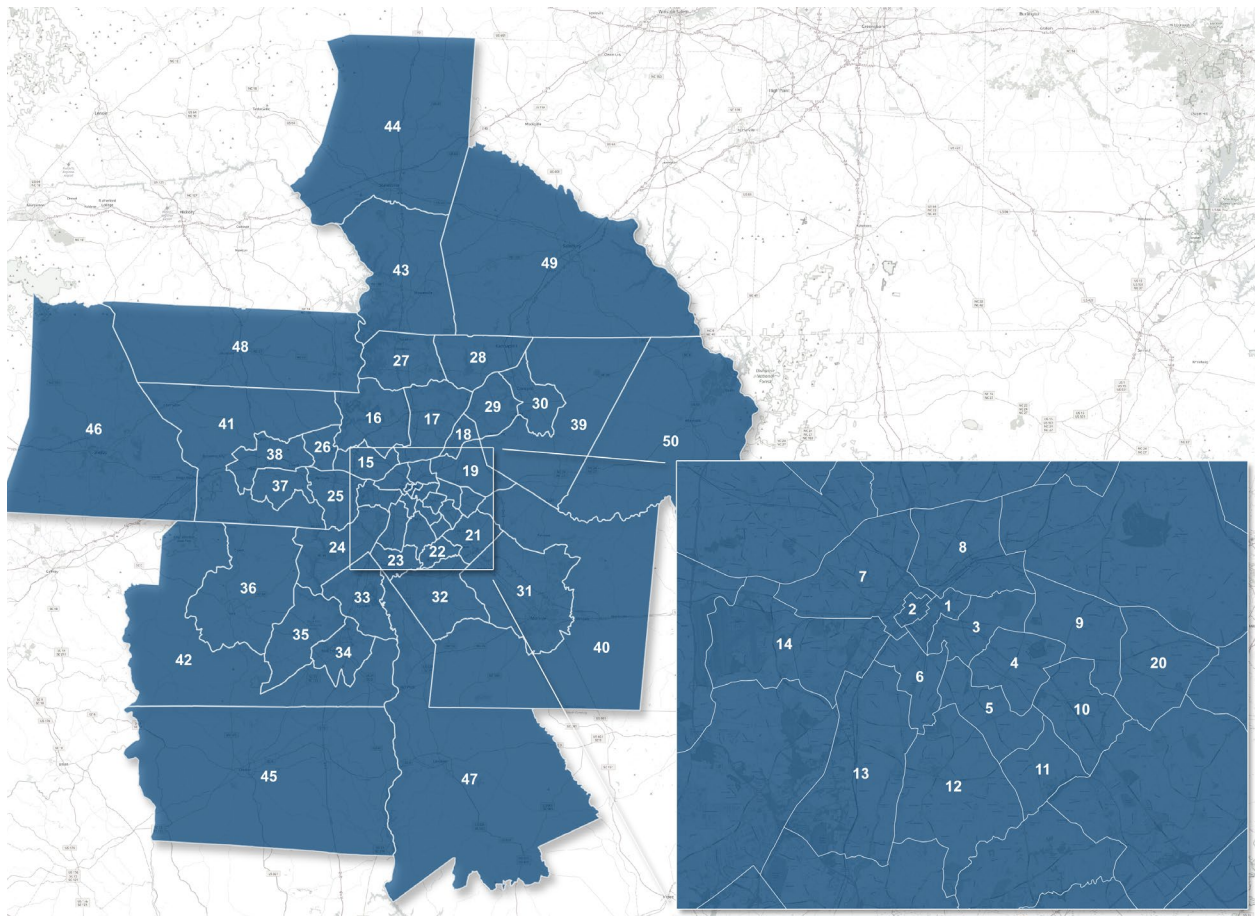
¹ From April 2024 to March 2025

Charlotte vs. National Sales Price per Unit



Source: Yardi Matrix

CHARLOTTE SUBMARKETS



Area No.	Submarket
1	Second Ward
2	Uptown
3	Morningside
4	Briarcreek-Oakhurst
5	Cotswold
6	Myers Park
7	Third Ward-Lakewood
8	Tryon Hills
9	Eastland-Windsor Park
10	Coventry Woods-East Forest
11	Stonehaven-Lansdowne
12	Foxcroft
13	Colonial Village-Montclair
14	Southside Park-West Blvd.
15	Northwest Charlotte
16	Wedgewood
17	North Charlotte

Area No.	Submarket
18	UNC at Charlotte
19	Hidden Valley-Oak Forest
20	Becton Park-Marlwood
21	Matthews
22	Wessex Square
23	Pineville
24	Southwest Charlotte
25	Belmont
26	Mount Holly
27	Huntersville
28	Kannapolis
29	Concord-West
30	Concord-East
31	Monroe
32	Ballantyne-Providence
33	Fort Mill
34	Rock Hill-East

Area No.	Submarket
35	Rock Hill-West
36	York
37	Gastonia-South
38	Gastonia-North
39	Outlying Cabarrus County
40	Outlying Union County
41	Outlying Gaston County
42	Outlying York County
43	Mooresville
44	Statesville-North Iredell County
45	Chester County
46	Cleveland County
47	Lancaster County
48	Lincoln County
49	Rowan County
50	Stanly County

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

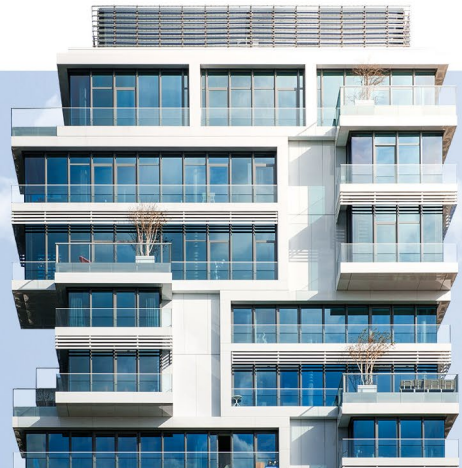
The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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