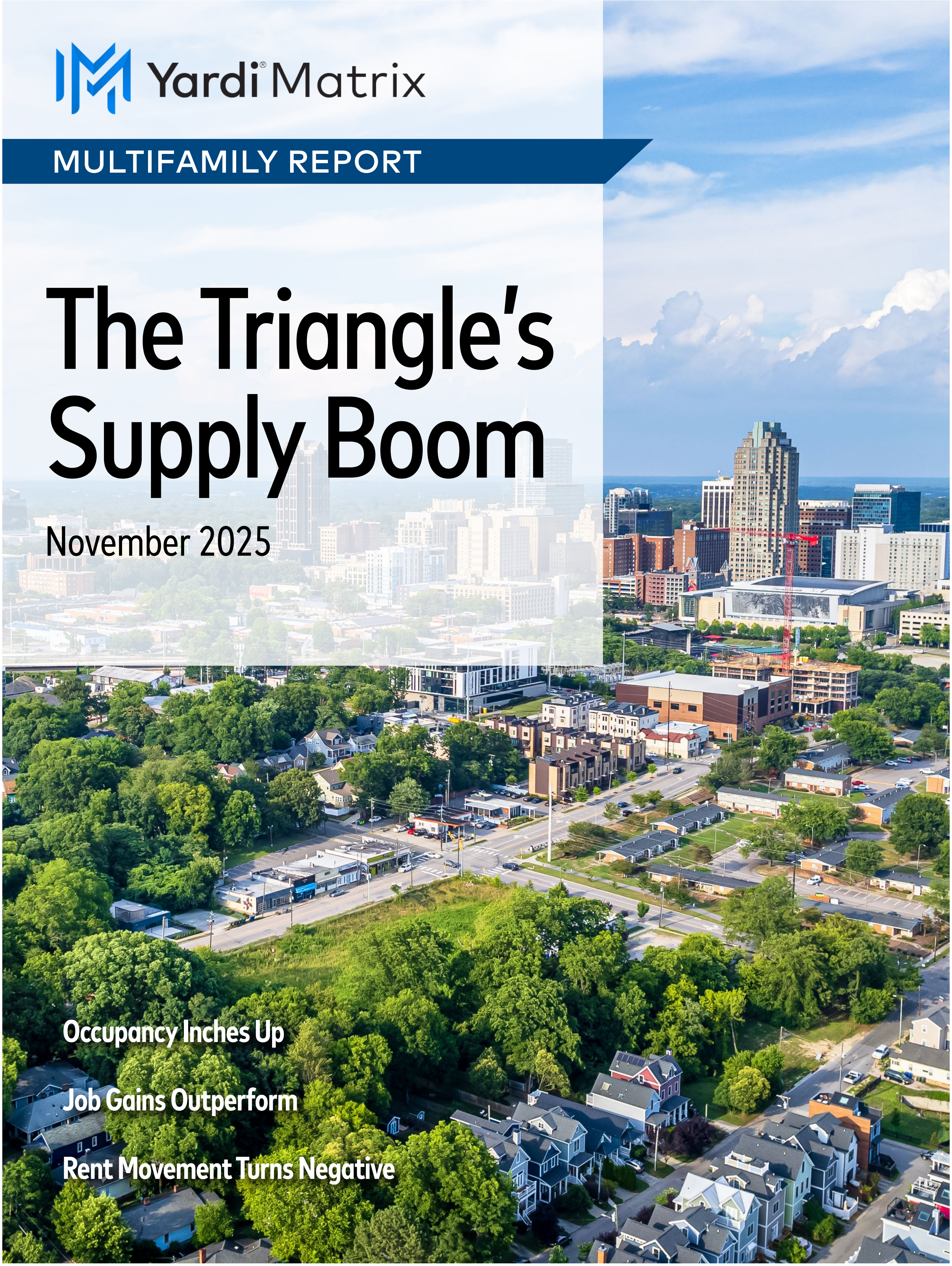
Yardi Matrix

MULTIFAMILY REPORT

The Triangle's Supply Boom

November 2025



Occupancy Inches Up

Job Gains Outperform

Rent Movement Turns Negative

RALEIGH MULTIFAMILY

Yardi Matrix

Fundamentals Hold, Despite Rent Slides

Going into the last quarter of 2025, the Raleigh–Durham multifamily market showed uneven performance, still pressed by the current wave of deliveries. The average advertised asking rent was down 0.3%, on a trailing three-month basis as of September, to $1,553. Meanwhile, the occupancy rate in stabilized properties held steady, actually up 10 basis points year-over-year, to 94.0% as of August.

Raleigh–Durham employment rose 1.8% through July, more than double the national rate. Education and health services led growth, accounting for 6,600 of the 18,000 net positions added to the workforce. The unemployment rate in Durham–Chapel Hill was 3.8% as of August, according to preliminary data from the Bureau of Labor Statistics. Raleigh–Cary performed slightly better, at 3.5%. UNC Health and Duke Health are building North Carolina's first standalone children's hospital in a bedroom community in the Apex town, set to bring 8,000 jobs to the Research Triangle. Construction costs are estimated between $2 million and $3 billion, with groundbreaking slated for 2027.

Developers brought 8,593 units online this year through September, accounting for 4.2% of existing stock and nearly double the national pace of deliveries. This came on the heels of last year's record of 14,487 new units. Meanwhile, Raleigh-Durham transactions reached $721 million for the first three quarters of 2025.

Market Analysis | November 2025

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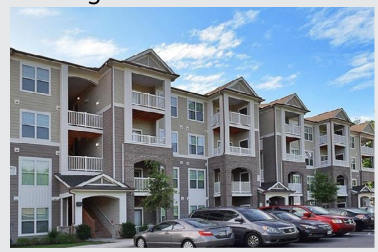
Recent Raleigh Transactions

Sterling Town Center



City: Raleigh, N.C.
Buyer: Abacus Capital Group
Purchase Price: $73 MM
Price per Unit: $215,634

ARIUM at Perimeter Park

City: Morrisville, N.C.
Buyer: The RMR Group
Purchase Price: $62 MM
Price per Unit: $234,534

Chateau

City: Carrboro, N.C.
Buyer: Matheson Capital
Purchase Price: $21 MM
Price per Unit: $125,000

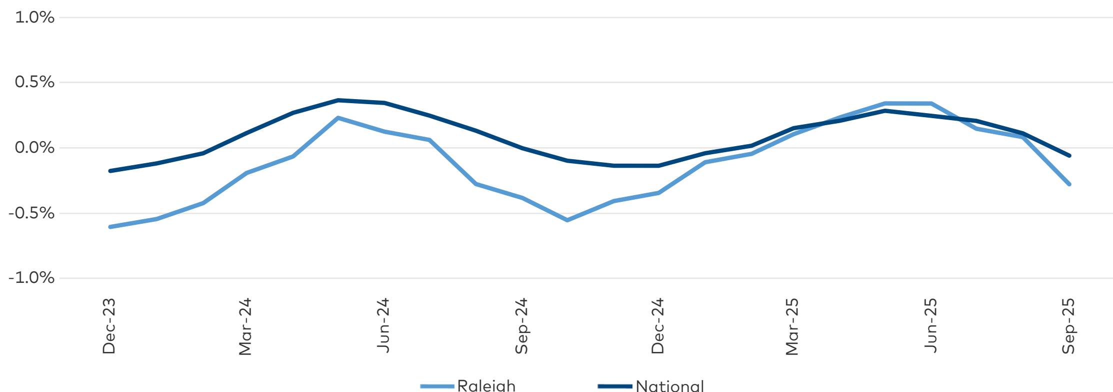
Pinnacle

City: Raleigh, N.C.
Buyer: Trammell Crow Residential
Purchase Price: $11 MM
Price per Unit: $142,615

RENT TRENDS

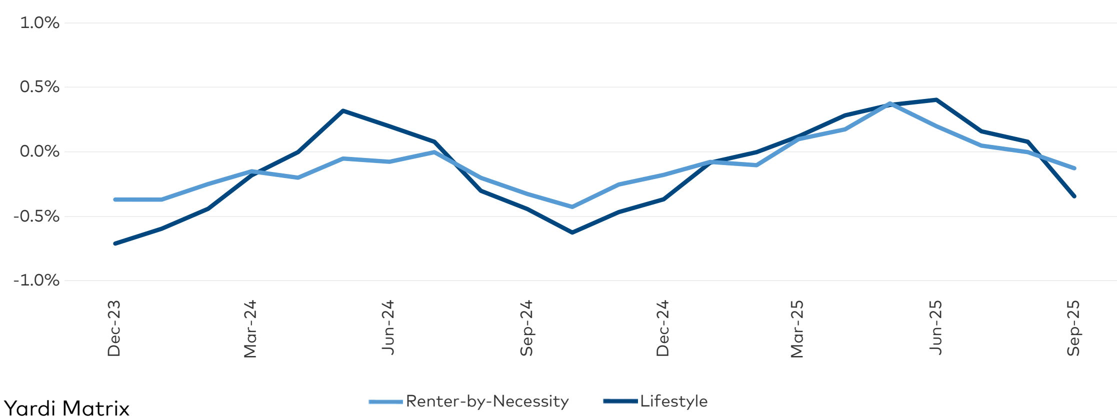
- The average advertised asking rent in Raleigh–Durham was down 0.3%, on a trailing three-month (T3) basis as of September, to $1,553. Meanwhile, the U.S. rate was down 0.1% through the same interval. The metro reached its highest T3 rate of growth in May and June, up 0.3%.
- Year-over-year, advertised asking rents were down 0.5%, placing Raleigh-Durham in the bottom half of the top 30 U.S. metros. Yardi Matrix expects another slight decline in the last quarter, with a projected -0.7% for the full year.
- Rates slid in both quality segments. Lifestyle advertised asking rents were down 0.3%, on a T3 basis, to $1,639. Meanwhile, working-class Renter-by-Necessity assets registered a 0.1% decrease, to $1,327.
- The metro's average occupancy rate in stabilized properties stood at 94.0% as of August, marking a 10-basis-point increase year-over-year. Despite last year's wall of deliveries, Lifestyle occupancy increased by 30 basis points, to 94.4%. Meanwhile, the occupancy rate in RBN communities declined, down 30 basis points, to 92.8%.
- Of the 40 submarkets tracked by Yardi Matrix, almost half recorded year-over-year rent contractions as of September. Durham–Central remained the most expensive submarket, up 2.0% to $1,909, followed by Raleigh–Downtown, where rents clocked in at $1,881 after a 0.4% slide. A few submarkets, however, recorded solid gains, including Raleigh–South (6.6% to $1,349), Raleigh–University (5.7% to $1,436) and Holly Springs (5.6% to $1,673).

Raleigh vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Raleigh Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- Raleigh–Durham employment rose 1.8% through July, more than double the 0.8% U.S. rate. Education and health services led growth, accounting for 6,600 of the 18,000 net positions added and marking a 3.7% yearly expansion. Professional and business services (5,300) and government (2,400) also contributed significantly to employment growth. The Research Triangle lost 1,000 positions across two sectors, with the steepest slide in manufacturing (-900).

- The unemployment rate in Durham–Chapel Hill was 3.8% as of August, according to preliminary data from the Bureau of Labor Statistics. Raleigh–Cary performed slightly better, at 3.5%. Both were below North Carolina's 4.3%, while the national average clocked in at 3.7%.

- UNC Health and Duke Health are building North Carolina's first standalone children's hospital in a bedroom community in the town of Apex, set to bring 8,000 jobs to the Research Triangle. The 230-acre campus will consist of a 500-bed hospital, a children's outpatient care center, more than 100 behavioral health beds and a research and education center. Construction costs are estimated between $2 million and $3 billion, with groundbreaking slated for 2027. Full buildout is expected to take six years.

Raleigh Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
65	Education and Health Services	182.7	16.3%
60	Professional and Business Services	213	19.1%
90	Government	172.8	15.5%
70	Leisure and Hospitality	111.9	10.0%
15	Mining, Logging and Construction	66.5	5.9%
80	Other Services	47.1	4.2%
40	Trade, Transportation and Utilities	170.5	15.3%
55	Financial Activities	59.6	5.3%
50	Information	31	2.8%
30	Manufacturing	62.6	5.6%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Raleigh–Durham's population grew by 2.1% in 2022, more than five times the U.S. rate of expansion.

- Over the decade ending in 2022, the metro added nearly 300,000 residents. The trend continues, with 39,165 people added between mid-2023 and mid-2024.

Raleigh vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Raleigh Metro	1,332,311	1,362,997	1,391,801	1,420,825

Source: U.S. Census

SUPPLY

- Developers brought 8,593 units online this year through September, accounting for 4.2% of existing stock. That was 200 basis points higher than the 2.2% U.S. average. All but 10 properties that came online were Lifestyle assets, while the rest were fully affordable properties. The metro saw a significant spike in 2024, with 14,487 units delivered, marking a decade high.

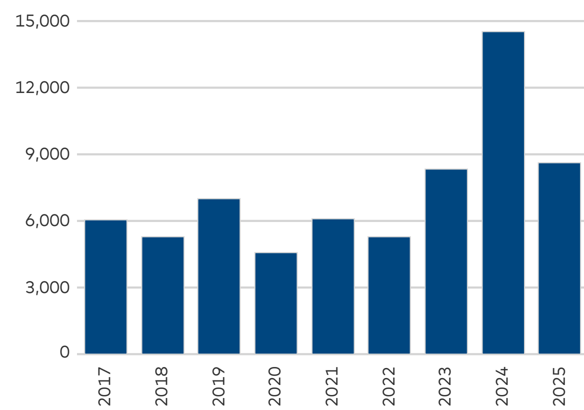
- Raleigh–Durham had 12,212 units underway in September. Another 106,000 were in the planning and permitting stages. Construction was concentrated in upscale projects, which accounted for 78.8% of units, while RBN and fully affordable projects made up the remaining 21.2%.

- Construction starts continued to dwindle, in line with national trends. Work started on 3,382 units across 12 projects through September. This marked a 27% decrease compared to the 4,638 units across 18 projects that started construction during the same period last year.

- Of the 40 submarkets tracked by Yardi Matrix, 23 had at least one project of more than 50 units under construction, with only one submarket crossing the 1,000-unit mark. Clay–Morrisville led with 1,755 units, followed by Apex (950) and Raleigh–East (926).

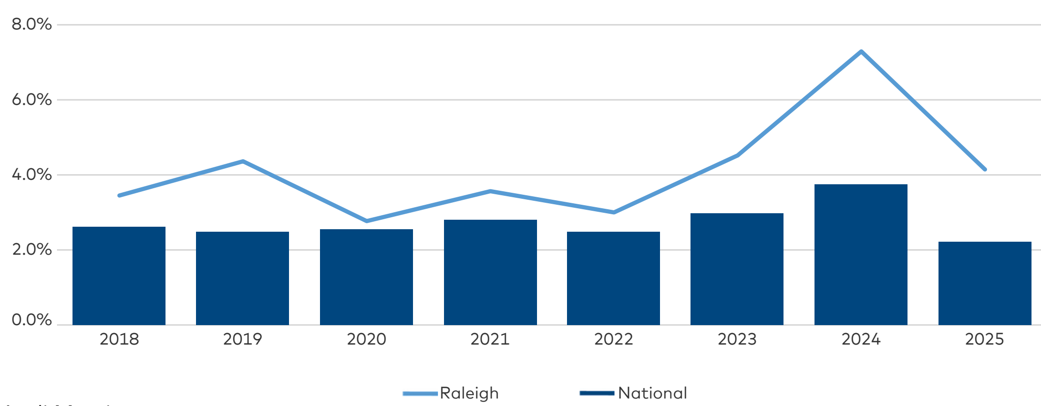
- Raleigh–East also housed the metro's largest multifamily development as of September 2025. Greystar broke ground on the 412-unit suburban project, dubbed Marlowe at Buffaloe Bend, in October 2024. Set to encompass 21 buildings spread across some 25 acres, the Lifestyle development is slated for completion by February 2027.

Raleigh Completions (as of September 2025)



Source: Yardi Matrix

Raleigh vs. National Completions as a Percentage of Total Stock (as of September 2025)

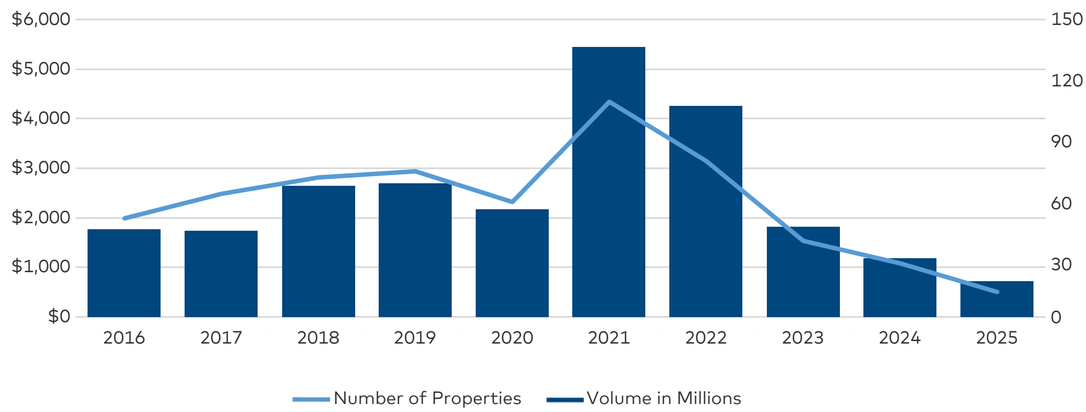


Source: Yardi Matrix

TRANSACTIONS

- Raleigh–Durham multifamily deals totaled $721 million this year through September. In 2024, sales surpassed the $1 billion mark, but were still well below the record-breaking volumes recorded in 2021 and 2022, when a combined $9.7 billion in assets changed hands.
- Sales composition through September was heavily tilted toward the Lifestyle segment, which accounted for 11 of the 17 properties trading. Consequently, the price per unit was up 10.8% over 2024, to $210,739, also surpassing the $209,188 U.S. average.
- Only four submarkets exceed the $100 million mark for multifamily transactions during the 12 months ending in September. Raleigh–Downtown led with $189 million in assets changing hands, followed by Durham–Southwest ($132 million), Raleigh–Northeast ($104 million) and Clay–Morrisville ($104 million).

Raleigh Sales Volume and Number of Properties Sold (as of September 2025)



Source: Yardi Matrix

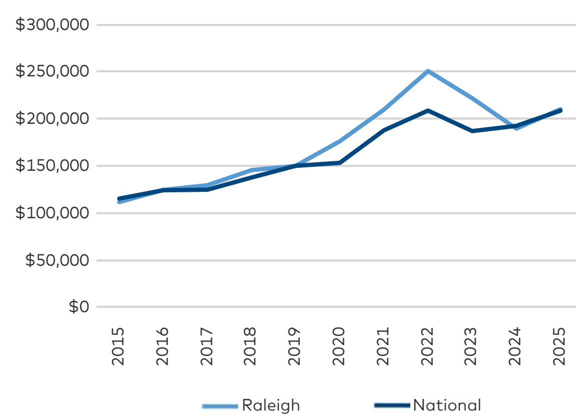
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Raleigh–Downtown	189
Durham–Southwest	132
Raleigh–Northeast	104
Clay–Morrisville	104
Clayton	92
Apex	66
Fuquay–Varina	66

Source: Yardi Matrix

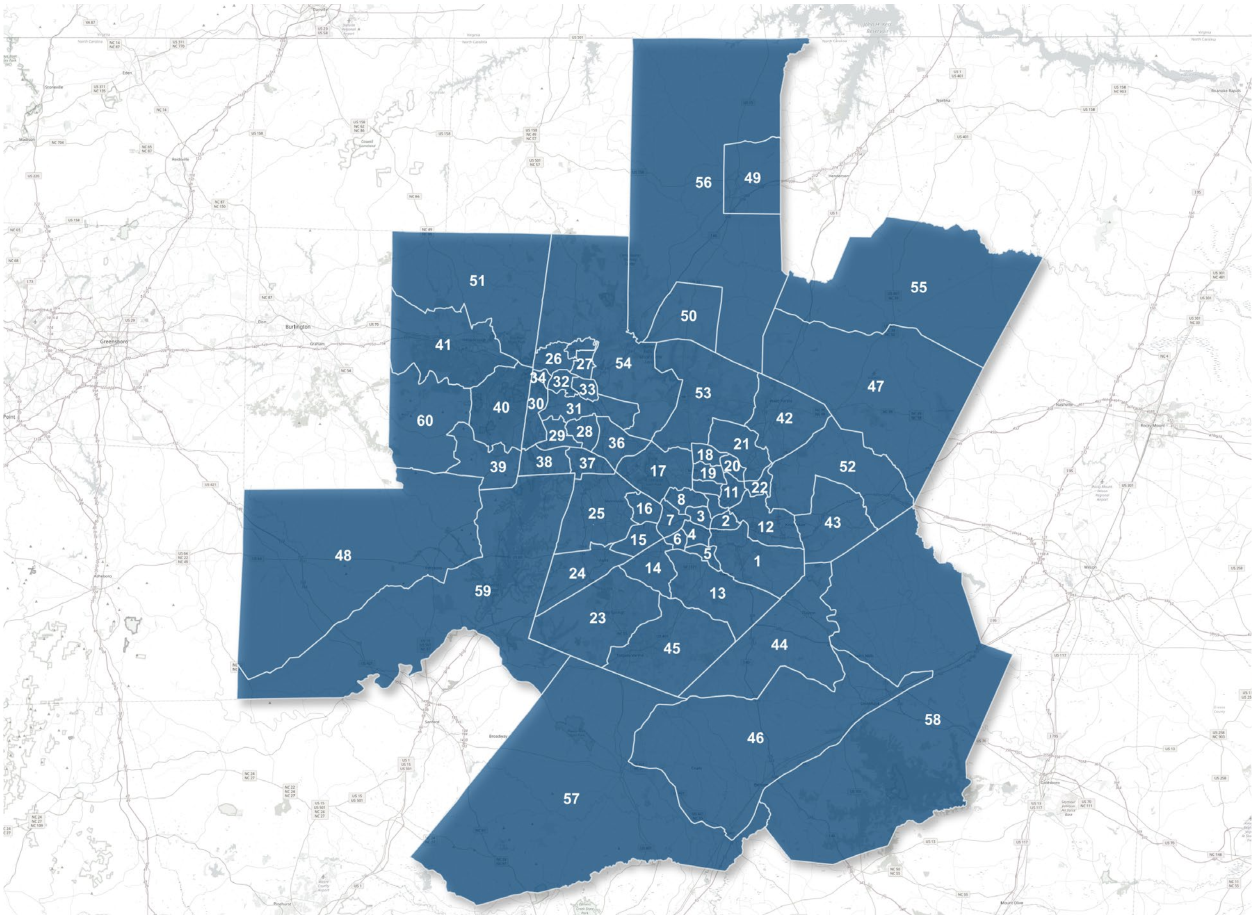
[1] From October 2024 to September 2025

Raleigh vs. National Sales Price per Unit



Source: Yardi Matrix

RALEIGH SUBMARKETS



Area No.	Submarket	Area No.	Submarket	Area No.	Submarket
1	Downtown Raleigh	21	Neuse Crossroads	41	Hillsborough
2	Oakwood	22	New Hope	42	Wake Forest
3	Ridgewood	23	Feltonville	43	Wendell
4	Hinton	24	Apex	44	Clayton
5	Rhamkatte	25	Morrisville	45	Fuquay–Varina
6	Wynnewood	26	Huckleberry Springs	46	Smithfield
7	Westover	27	Mill Grove	47	Louisburg
8	Laurel Hills	28	Keene	48	Silver City
9	Crabtree Valley	29	Woodcroft	49	Oxford
10	Anderson Heights	30	Colony Park	50	Creedmoor
11	Millbrook	31	Hope Valley	51	North Orange County
12	Wilders Grove	32	Duke University	52	Northeast Wake County
13	Garner	33	Downtown Durham	53	Northwest Wake County
14	Piney Plains	34	American Village	54	Outlying Durham County
15	South Cary	35	River Forest	55	Outlying Franklin County
16	North Cary	36	Research Triangle	56	Outlying Granville County
17	Glen Forest	37	Lowes Grove	57	Outlying Harnett County
18	Six Forks	38	Southport	58	Outlying Johnston County
19	Lynn	39	Carrboro	59	Southern Chatham County
20	Wakeview	40	Chapel Hill	60	Southwest Orange 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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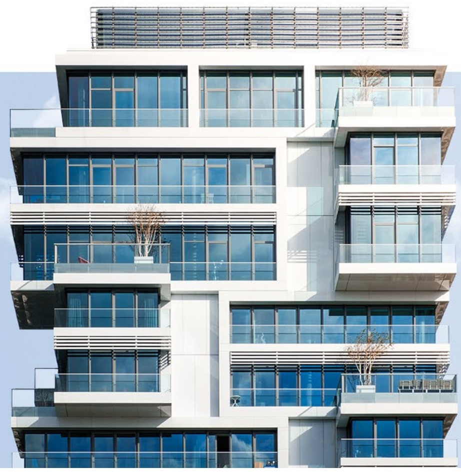
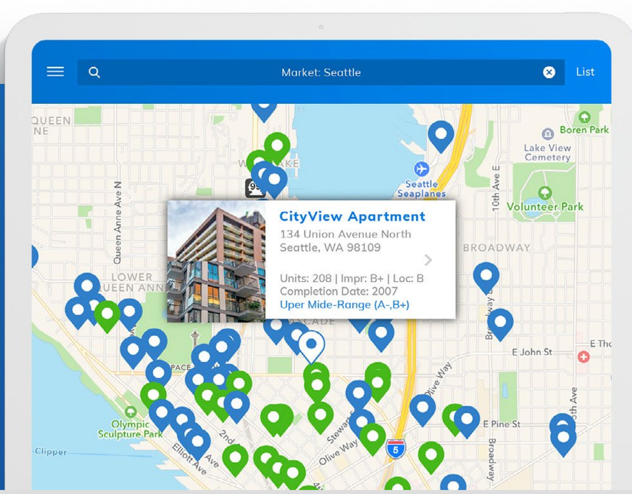


MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily provides accurate data on nearly **23 million units**, covering over **92% of the U.S. population.**

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