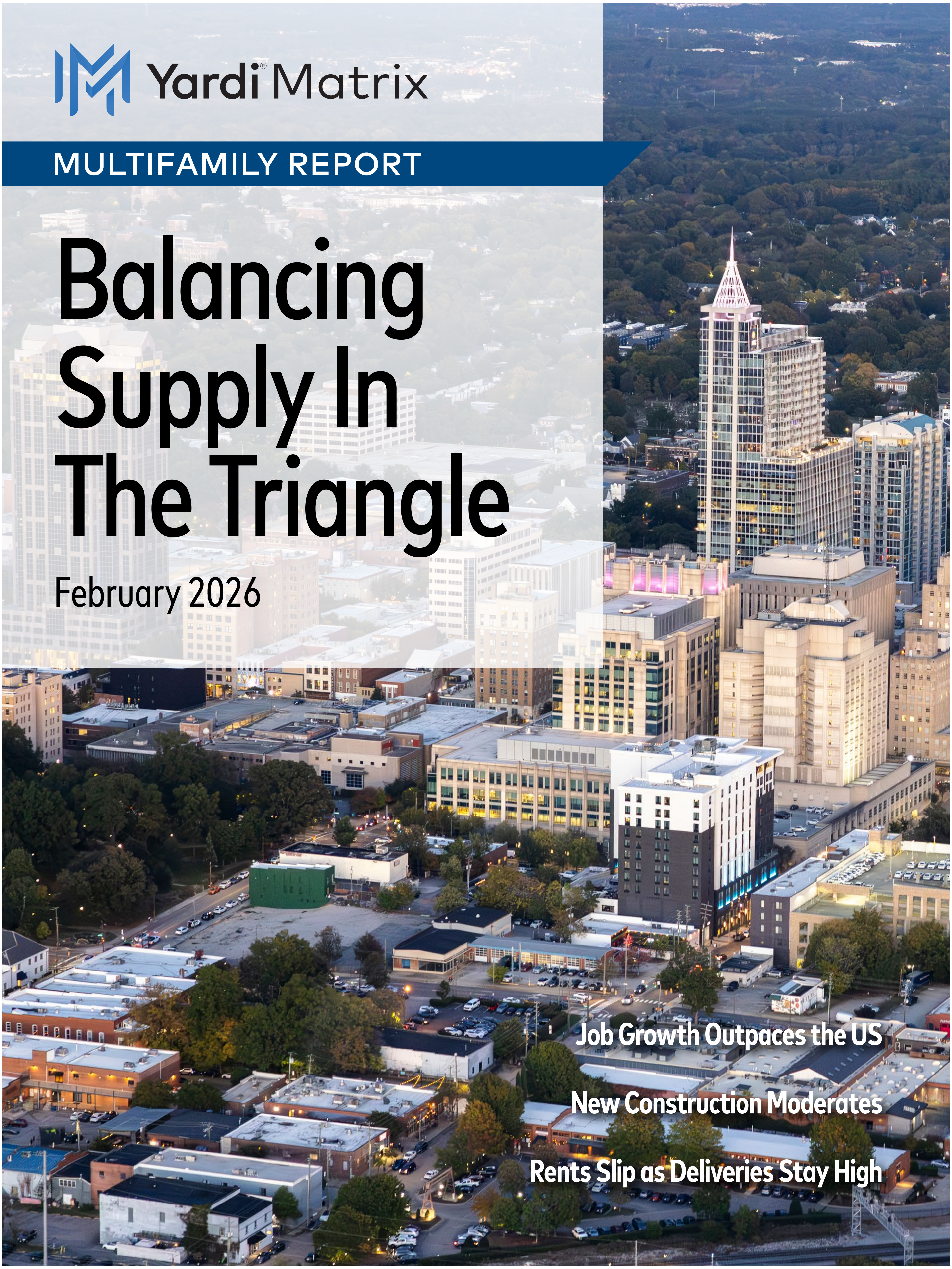
Yardi Matrix

MULTIFAMILY REPORT

Balancing Supply In The Triangle

February 2026



Job Growth Outpaces the US

New Construction Moderates

Rents Slip as Deliveries Stay High

RALEIGH MULTIFAMILY

Yardi Matrix

Rents Slide, Occupancy Holds Up

Raleigh–Durham's multifamily fundamentals were mixed at the end of 2025, as elevated supply kept pressure on rents even while occupancy edged higher. Average advertised asking rents fell 0.3%, on a trailing three-month basis through December to $1,539, on par with the U.S. rate, which slid to $1,737. Year-over-year, rents declined 0.7% while the national rate was unchanged. The occupancy rate in stabilized properties inched up 10 basis points year-over-year, to 93.8% in November.

Employment growth held at 1.7% year-over-year through September, well above the 0.8% U.S. rate. Unemployment stood at 3.6% in Raleigh–Cary in November and 3.8% in Durham, both slightly below North Carolina (3.9%) and the U.S. (4.5%). The metro added 19,600 net jobs in the 12 months ending in September, led by education and health services (8,900) and professional and business services (4,600). Economic momentum in 2025 was reinforced by deliveries including Tower 5 at North Hills, the Horseshoe at Hub RTP, the Johnson Brothers facility in Garner, and public-facing milestones such as the RUS Bus component and the Gipson Play Plaza at Dix Park.

Developers delivered 10,899 units in 2025, with 11,854 units underway as of December, 4,283 of which broke ground in 2025. Investment totaled $1.1 billion in 2025, and the average price per unit rose 18.5% year-over-year, to $225,404 in December.

Market Analysis | February 2026

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Recent Raleigh Transactions

Park Central

City: Raleigh, N.C.
Buyer: Fairfield Residential
Purchase Price: $133 MM
Price per Unit: $463,287

Springfield

City: Durham, N.C.
Buyer: RailField Realty Partners
Purchase Price: $45 MM
Price per Unit: $157,639

Magnolia Pointe

City: Durham, N.C.
Buyer: Dominium
Purchase Price: $37 MM
Price per Unit: $139,410

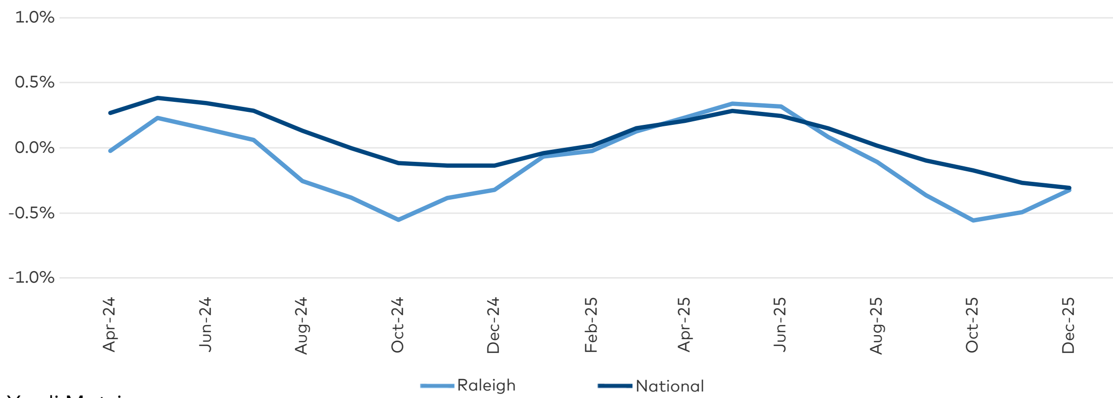
Camellia

City: Raleigh, N.C.
Buyer: Knightvest Capital
Purchase Price: $33 MM
Price per Unit: $212,179

RENT TRENDS

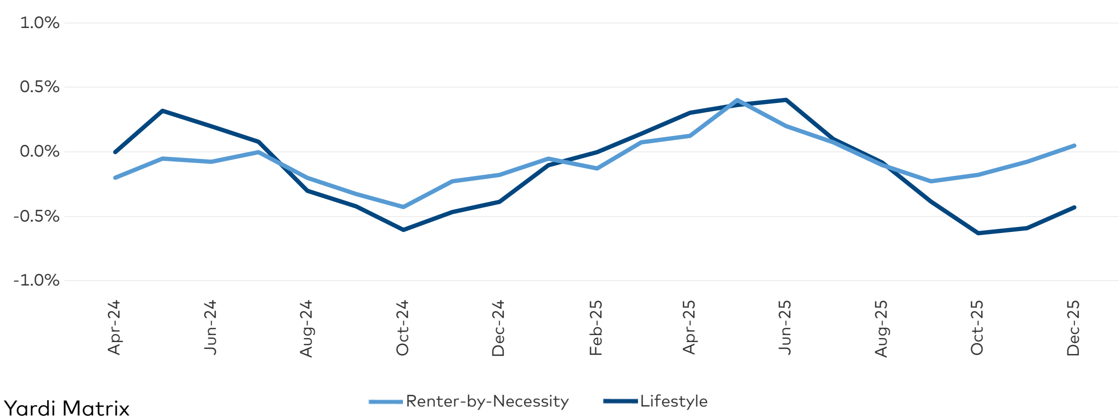
- Average advertised asking rents in Raleigh–Durham fell 0.3%, on a trailing three-month (T3) basis through December, to $1,539, matching the U.S. figure, which slid to $1,737. Rent performance in the metro improved from the 0.6% decline on a T3 basis in October, but year-over-year rents fell 0.7%, while the national rate remained unchanged.
- Following fairly even rent performance across asset classes for most of the 2025 leasing cycle, a widening gap appeared in September. While Renter-by-Necessity (RBN) advertised asking rents rebounded to a 0.1% uptick, on a T3 basis through December, to $1,322, Lifestyle rates fell 0.4% to $1,618, contracting for the fifth consecutive month.
- The occupancy rate in stabilized properties inched up 10 basis points year-over-year to 93.8% in November. High volumes of new Lifestyle stock recorded a 30-basis-point increase to 94.3% in the segment, while RBN occupancy decreased 50 basis points to 92.5%.
- Of the 40 submarkets tracked by Yardi Matrix, 21 recorded rent increases year-over-year through December, including the metro's priciest, Durham—Central (1.9% to $1,885). Rounding out the top three most expensive submarkets were Raleigh—Downtown (-0.3% to $1,853) and Raleigh—Central West (-0.1% to $1,757). Two submarkets marked rent increases above 6.0%: Holly Springs (6.7% to $1,699) and Raleigh—University (6.6% to $1,433).

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's employment growth maintained a 1.7% increase year-over-year through September for the third straight month, well above the U.S. rate, which stood at 0.8% for the sixth consecutive month. Unemployment in Raleigh–Cary stood at 3.6% in November, up 40 basis points since January. In Durham, it was 3.8%, up 50 basis points during the period. Meanwhile, the jobless rate in the state was slightly higher, at 3.9%, and lower than the 4.5% U.S. rate.

- Raleigh–Durham added 19,600 net jobs over the 12 months ending in September, with gains spread across eight sectors, led by education and health services (8,900 jobs), professional and business services (4,600) and government (2,700). Manufacturing and information lost a combined 1,000 jobs during the interval.

- The metro's economic growth was fueled by the delivery of major hubs like the 322,000-square-foot Tower 5 at the North Hills Innovation District and the retail-centric Horseshoe at Hub RTP. Industrial activity remained a powerhouse, with the completion of the 625,000-square-foot Johnson Brothers facility in Garner and significant space additions at Triangle55. Milestones included the completion of the RUS Bus transit component and the Gipson Play Plaza at Dix Park, marking a pivotal shift toward large-scale infrastructure and regional connectivity.

Raleigh Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
65	Education and Health Services	186.3	16.7%
60	Professional and Business Services	211.8	18.9%
90	Government	178	15.9%
15	Mining, Logging and Construction	66.3	5.9%
40	Trade, Transportation and Utilities	169.2	15.1%
80	Other Services	46.6	4.2%
55	Financial Activities	59.2	5.3%
70	Leisure and Hospitality	107.5	9.6%
50	Information	30.6	2.7%
30	Manufacturing	62.4	5.6%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Raleigh–Durham's population grew 6.6% between 2019 and 2022, well above the 2.0% U.S. average.

- Recent U.S. Census estimates point to a 4.6% population increase in the metro between 2022 and 2024, still above the 1.8% U.S. rate.

Raleigh vs. National Population

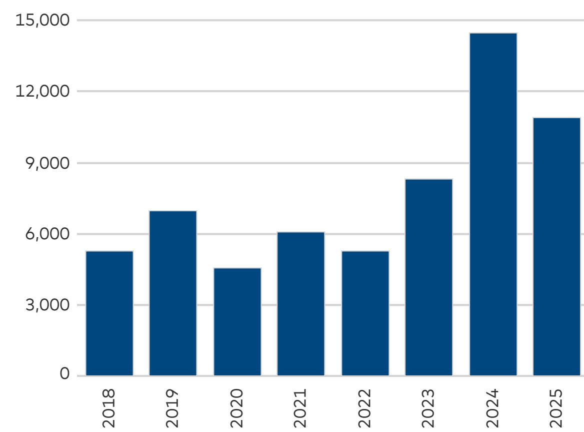
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Raleigh Metro	1,332,311	1,362,997	1,391,801	1,420,825

Source: U.S. Census

SUPPLY

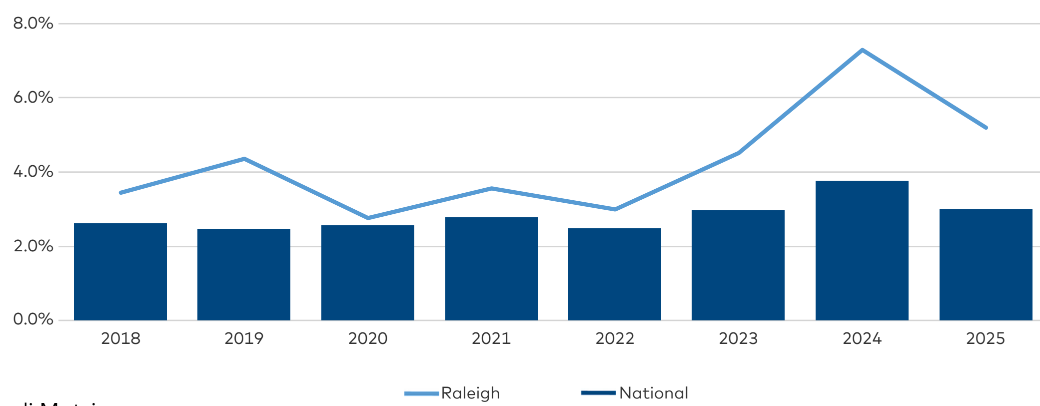
- Developers delivered 10,899 units in Raleigh-Durham in 2025, 5.2% of existing stock and well above the 3.0% U.S. rate. Deliveries continued to surpass the 7,700-unit average volume recorded over the last eight years, down from 2024's volume of 14,487 units, which marked a new peak in completions. Three-quarters of projects delivered in 2025 comprised Lifestyle units, followed by RBN (13.4%) and fully affordable (11.1%).
- Meanwhile, the construction pipeline closed 2025 with 11,854 units underway and another 106,000 in the planning and permitting stages. The under-construction pipeline consisted of a substantial 77.9% of Lifestyle projects, followed by 13.1% of fully affordable and 9.0% of RBN units.
- New construction moderated in 2025, down 18.7% year-over-year, to 4,283 units across 16 properties, from 5,271 units across 22 properties in 2024. Yardi Matrix's winter outlook forecast anticipates that deliveries will stabilize at 7,325 units in 2026.
- As of December, developers were active in 26 of the 40 submarkets tracked by Yardi Matrix, led by Clay–Morrisville (1,384 units), Apex (949 units), Durham–Southwest (930) and Raleigh–East (926).
- Notable projects delivered in the final quarter of 2025 include St. Albans Lofts, a mixed-use property in Raleigh–North, featuring 396 units and 6,000 square feet of retail space. Owned by Kane Residential, the Lifestyle asset was built with aid from a $90 million, five-year construction loan issued by Pacific Life Insurance Co. in 2023.

Raleigh Completions (as of December 2025)



Source: Yardi Matrix

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

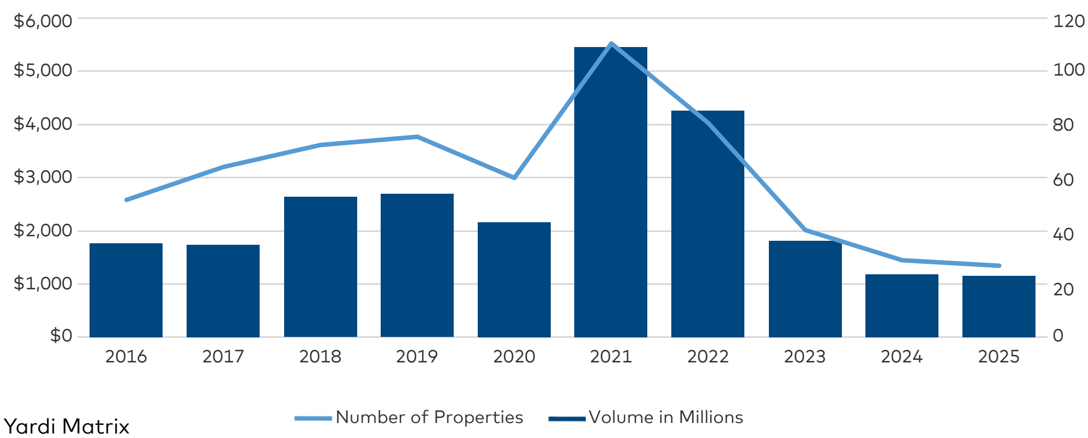


Source: Yardi Matrix

TRANSCTIONS

- Investment activity reached $1.1 billion in 2025, remaining tepid for yet another year. The sales volume in Raleigh–Durham was subdued for the third year in a row, coming in well below the $1.8 billion annual average of the last decade, even when excluding outlier years 2021 ($5.4 billion) and 2022 ($4.2 billion).
- Investor interest was stronger for Lifestyle assets, which accounted for more than two-thirds of the total volume. Sales distribution contributed to an 18.5% year-over-year increase in the average price per unit to $225,404 in December. Meanwhile, the U.S. figure increased to $205,495 following a 6.7% rise.
- Notable recent transactions include Fairfield Residential's acquisition of the Park Central mixed-use asset in Raleigh—North for $133 million or ($463,287 per unit) from Kane Residential, aided by a $73 million loan held by Pacific Life Insurance Co. The property has 286 Lifestyle units and 36,000 square feet of retail space.

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



Source: Yardi Matrix

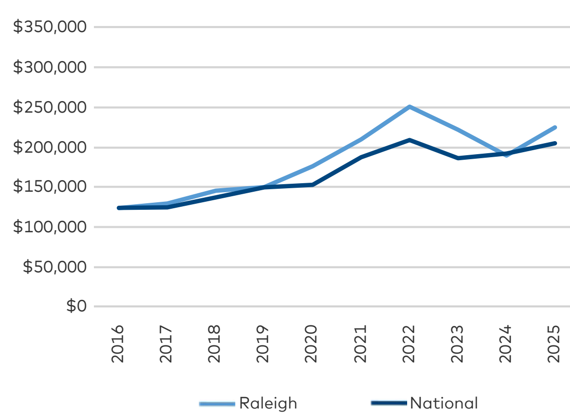
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Clay–Morrisville	177
Raleigh–Downtown	152
Raleigh–North	133
Raleigh–Northeast	104
Durham–Southwest	102
Raleigh–Northwest	98
Clayton	92

Source: Yardi Matrix

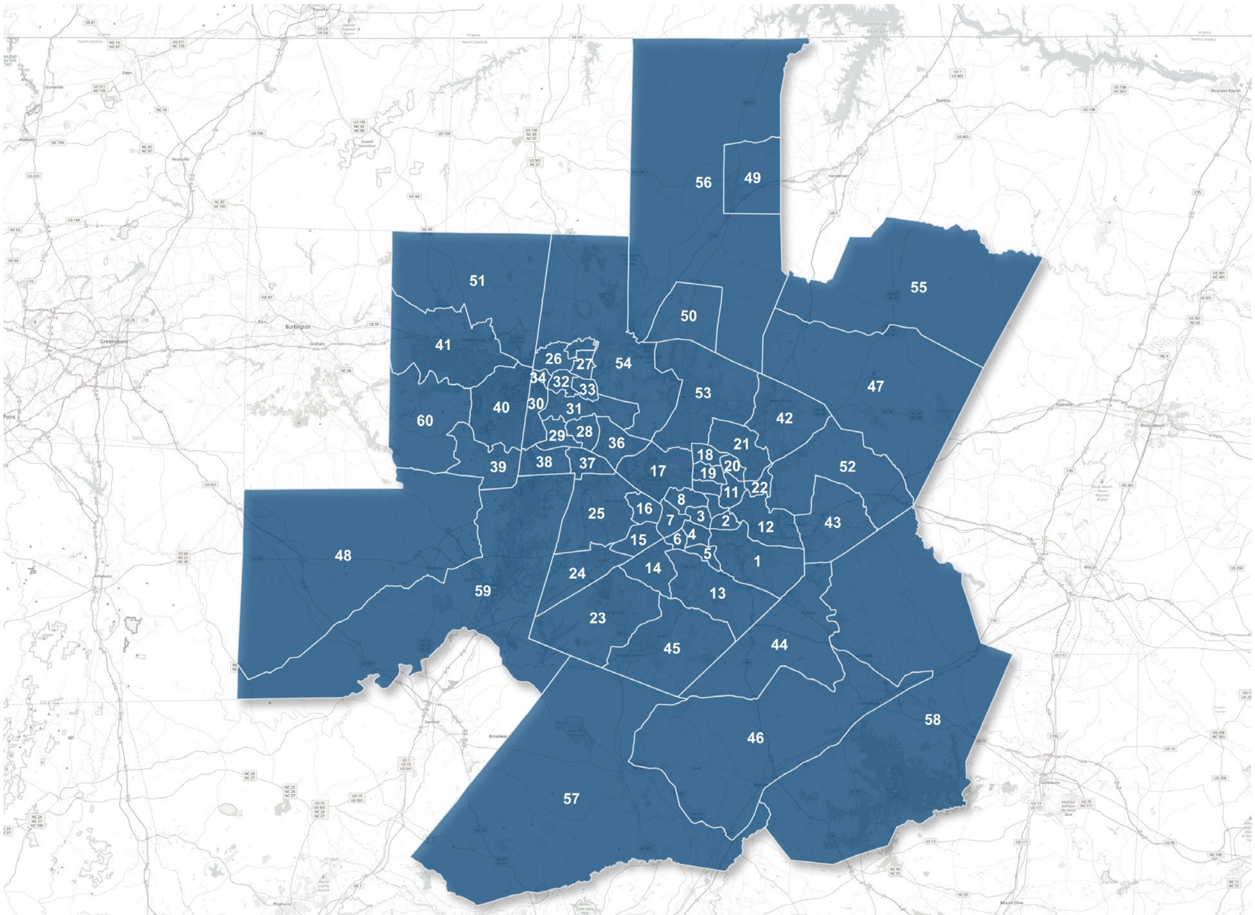
[1] From January 2025 to December 2025

Raleigh vs. National Sales Price per Unit



Source: Yardi Matrix

RALEIGH SUBMARKETS



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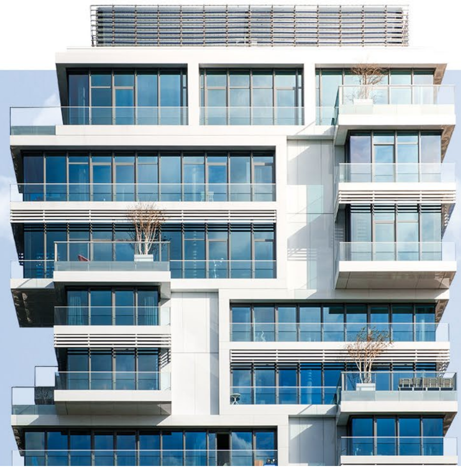
Yardi Matrix



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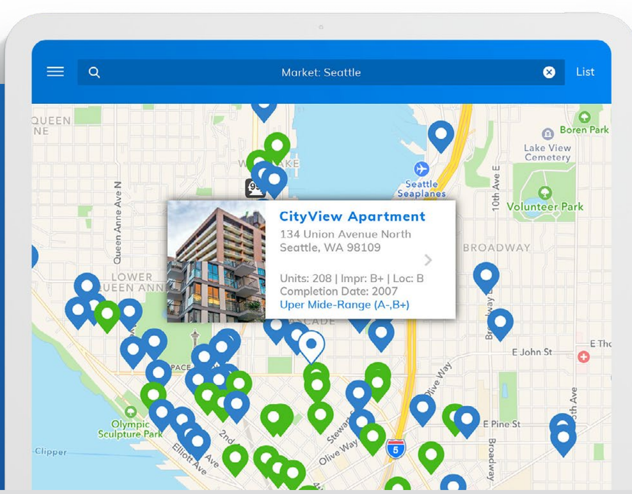
MULTIFAMILY KEY FEATURES

- 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 **23.5 million units,** covering over **92% of the U.S. population.**

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