

YARDI® Matrix

Dynamic Triangle

Multifamily Summer Report 2016

Southport, Oakwood Lead Rent Growth

Development Pipeline Booms

Transaction Volume Tops \$3.2B

NC TRIANGLE MULTIFAMILY

YARDI® Matrix

Market Analysis

Summer 2016

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Three Strong Edges

North Carolina's Triangle metro—which encompasses Charlotte and Raleigh-Durham—has been one of the more dynamic areas of the country in recent years. Local universities have produced a wealth of highly educated workers, while the area draws residents due to its low housing costs and temperate climate. The combination of job and population growth has produced extremely strong demand for apartments. The question now is whether demand will continue to be enough to absorb the heavy supply pipeline.

But the metro's robust job growth continues, with 58,200 positions added in the 12 months ending in April, led by business services, trade and transportation, and hospitality. The Research Triangle technology center is a focal point of the growth, given its role as a hub for the shipping of mail-order products, a growth industry in the Internet age.

Overall, the NC Triangle is among the top markets for supply, with 12,000 new units in 2015 and more than 10,000 slated to be completed in 2016. With occupancies at 96.3% as of April, rent growth has been strong, and investors have noticed: Multifamily transactions topped \$3.2 billion last year. While the 6.3% year-over-year increase in rent growth through May was 30 basis points above the national average, however, the large supply pipeline should cool growth, and we forecast 3.0% rent increases in 2016.

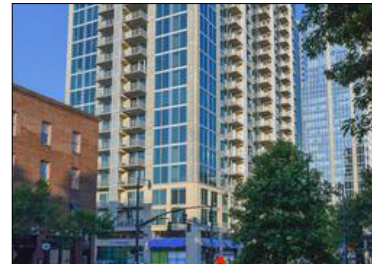
Recent NC Triangle Transactions

West Village I, II & III



City: Durham, N.C.
Buyer: The Connor Group
Purchase Price: \$187 MM
Price per Unit: \$307,061

SkyHouse Raleigh



City: Raleigh, N.C.
Buyer: World Wide Group
Purchase Price: \$103 MM
Price per Unit: \$321,875

Allister North Hills



City: Raleigh, N.C.
Buyer: LACERA
Purchase Price: \$94 MM
Price per Unit: \$215,438

Ashton Reserve at Northlake



City: Charlotte, N.C.
Buyer: Bluerock Real Estate
Purchase Price: \$67 MM
Price per Unit: \$140,739