

Raleigh-Durham multifamily market trends

Second Quarter 2021

The Raleigh-Durham multifamily market experienced an impressive spike in demand during the second quarter, pushing occupancy and rents to near record levels. As one of the fastest growing metros in the nation, the region's rapidly expanding population continues to fuel solid leasing fundamentals that show no signs of softening in the near term.

Annual effective rent growth jumped to 7.7% in the second quarter, the highest rate reported since 2Q15. With nearly every submarket posting an increase in demand and lack of inventory, rent growth subsequently spiked from this time last year. Occupancy rates rose to an impressive 95.8% in the second quarter, an additional indicator of true demand in the market. Trailing 12-month absorption resulted in a record-breaking total of more than 7,700 units, the highest net absorption the market has seen.

Despite Raleigh-Durham's robust development pipeline, deliveries have yet to outpace demand as 6,364 units were added to inventory in the last 12 months. Absorption for newly completed developments that are currently in lease-up is also on the rise. Single-family housing prices in the local market have increased 25% in the last year, also contributing to heavy demand for apartments.

The region's economic recovery and heavy in-migration have positioned the Raleigh-Durham market for elevated rent growth and sustained occupancy levels. As a magnet for new businesses and residents even prior to the COVID-19 pandemic, companies have announced plans for more than 11,000 new jobs for the Raleigh-Durham region since January 2020, forming a very positive outlook for the multifamily market in the long term.

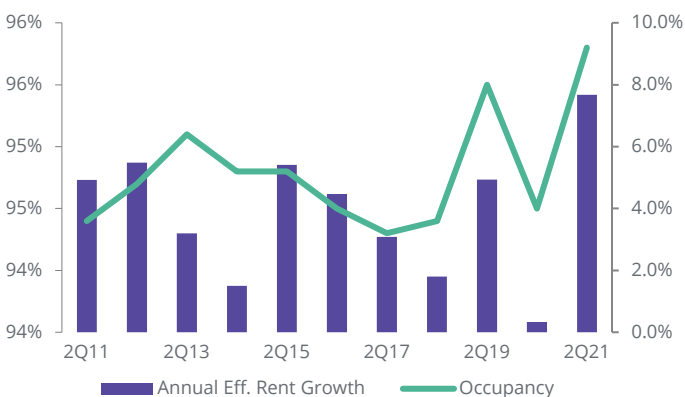
Quick stats

	2Q 2021	2Q 2020
Inventory	171,610	165,753
Occupancy	95.8%	94.5%
Absorption (units, TTM)	7,786	2,434
Deliveries (units, TTM)	6,364	4,891
Under construction (units)	11,183	9,836
Avg. effective rate (psf)	\$1.31	\$1.21
Concession rate (%)	4.9%	3.7%

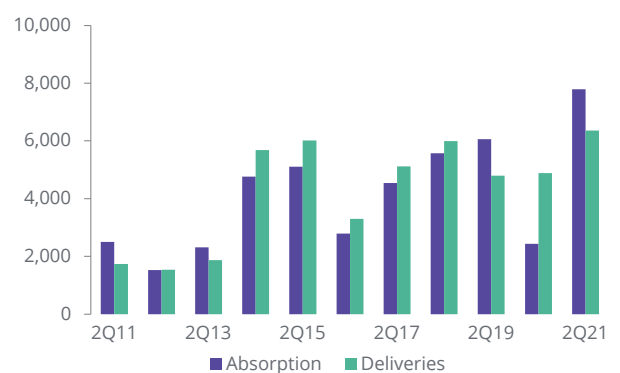
Ranked #1

The Urban Land Institute ranked Raleigh-Durham the top U.S. market for real estate prospects in 2021.

Annual effective rent growth



Supply and demand (trailing 12 months)



Get more market information

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Market by the numbers

BY SUBMARKET	Existing Units	Occupancy	Net Demand (TTM)	New Supply (TTM)	Under Const (Units)	EFFECTIVE RENTS	
						Rent/Unit	Rent/SF
Central Raleigh	24,684	96.2%	1,352	954	2,311	\$1,289	\$1.40
Chapel Hill/Carrboro	16,854	94.3%	1,162	1,193	524	\$1,294	\$1.36
East Durham	7,864	96.1%	328	220	986	\$1,187	\$1.24
Far North Raleigh	10,469	96.2%	178	-	240	\$1,255	\$1.25
Near North Raleigh	17,095	95.7%	423	326	1,561	\$1,260	\$1.36
North Cary/Morrisville	19,099	96.1%	1,978	1,725	1,232	\$1,324	\$1.30
Northeast Raleigh	9,397	95.8%	505	437	678	\$1,187	\$1.24
Northwest Durham/Downtown	14,724	93.4%	-325	164	986	\$1,336	\$1.52
Northwest Raleigh	10,020	96.0%	206	108	-	\$1,248	\$1.24
South Cary/Apex	12,997	96.0%	854	657	1,420	\$1,280	\$1.26
Southeast Raleigh	12,513	97.6%	882	512	686	\$1,214	\$1.22
Southwest Durham	15,894	96.1%	243	68	559	\$1,191	\$1.23
Total Market	171,610	95.8%	7,786	6,364	11,183	\$1,262	\$1.31

[View submarket map](#)

Select 2Q 2021 sale transactions

Property	Seller	Total Units	Avg. Unit Size (sf)	Sale Price (\$M)	Avg. Price/Unit	Avg. Effective Rent/SF
Allister at North Hills	Heitman	434	864	\$120.0	\$276,498	\$1.89
Willow Creek North Ridge	Willow Creek Partners	600	827	\$82.7	\$137,750	\$1.32
605 West End Apartments	Bell Partners	340	642	\$77.0	\$226,471	\$2.31
Residences at Shiloh Crossing	Dominion Realty	318	920	\$75.7	\$238,050	\$1.45
Avana on Broad	McCann Realty, LEM Capital	320	976	\$64.5	\$201,563	\$1.37
View at Legacy Oaks	Preiss Company, Township Capital	304	1,039	\$63.8	\$209,868	\$1.43
Century Park Place*	Centennial Holding Company	312	1,117	\$60.7	\$194,411	\$1.23
Reserve at White Oak	Duck Pond Realty	248	992	\$53.3	\$214,718	\$1.45
Crossings @ 501	Audubon Communities, Legacy Capital	500	818	\$52.2	\$104,300	\$1.51
Windsor Falls	Gamma Real Estate Capital	276	980	\$48.8	\$176,721	\$1.25
The Domain Apartments	ROC Bridge Partners	355	1,013	\$48.7	\$136,798	\$1.27
Bridges at Chapel Hill	Kettler, Stillman Group	144	822	\$23.6	\$163,889	\$1.46
Heritage Village	Horizon Acquisition	143	1,000	\$22.7	\$158,741	\$1.17

*Portfolio