



# Charleston multifamily market report

Q4 2024

**AVISON  
YOUNG**

# Multifamily insights

## 01

### Demand

Net apartment demand of **4,787 units** in Q4 proved that absorption has steadily increased after a significant drop mid-2022. The fall leasing season in Charleston topped expectations and fueled recent optimism among multifamily operators. Annual effective rent growth was relatively **unchanged at 0.1%** as supply levels continue to outpace demand in the near-term.

## 02

### Supply

Construction starts have fallen **below pre-pandemic levels** in part due to high interest rates that have squeezed project feasibility. This decrease in construction activity is anticipated to reduce supply pressures in the near term, leading to fewer completions in mid-2025. In the last twelve months, new completions totaled **4,693 units**, pushing inventory growth to **6.2%**.

## 03

### Capital Markets

In the last 12 months, multifamily sales volume remained the **largest share** of total investments across all property types while private funds represented **78%** of capital allocations. Trailing 12-month apartment sales volume reached **\$1.2B** across **32** properties and **5,505** units in the Charleston market. The trailing 12-month average cap rate was **5.4%** at the close of the second quarter.

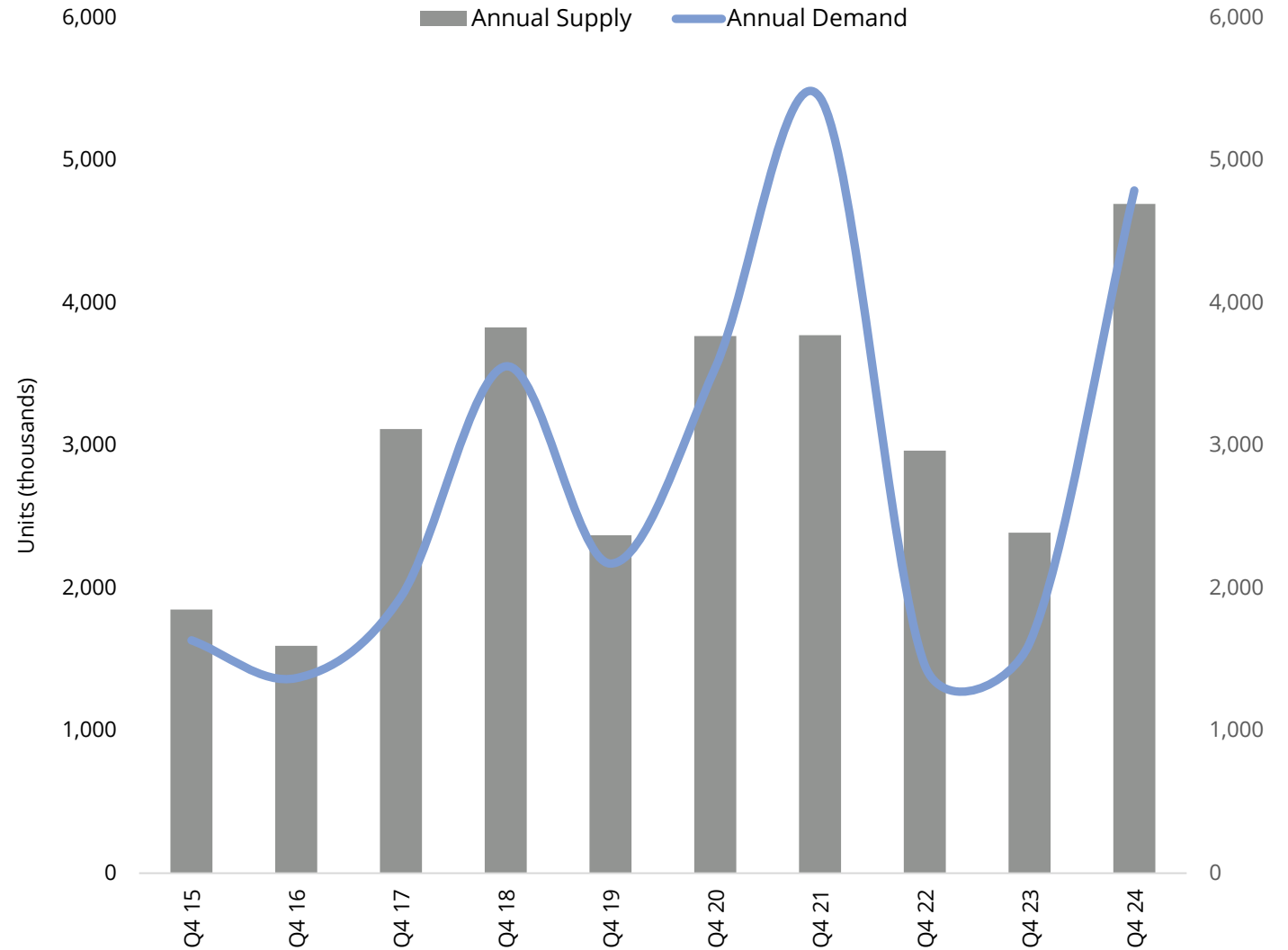
# Supply and demand

# 4,787 units

## Annual net demand

Apartment demand rallied significantly following a **decline in 2022**, with annual totals in Q4 reaching **4,787 units**, outpacing supply.

**4,693 units** were delivered over the past year, expanding local inventory by **6.2%**. With nearly **3,867 units** under construction, **3,213** of those are set to complete within the next four quarters with heavy concentrations in the **Downtown/Mount Pleasant/Islands** submarket.



Source: RealPage, Avison Young

## Rents and Occupancy

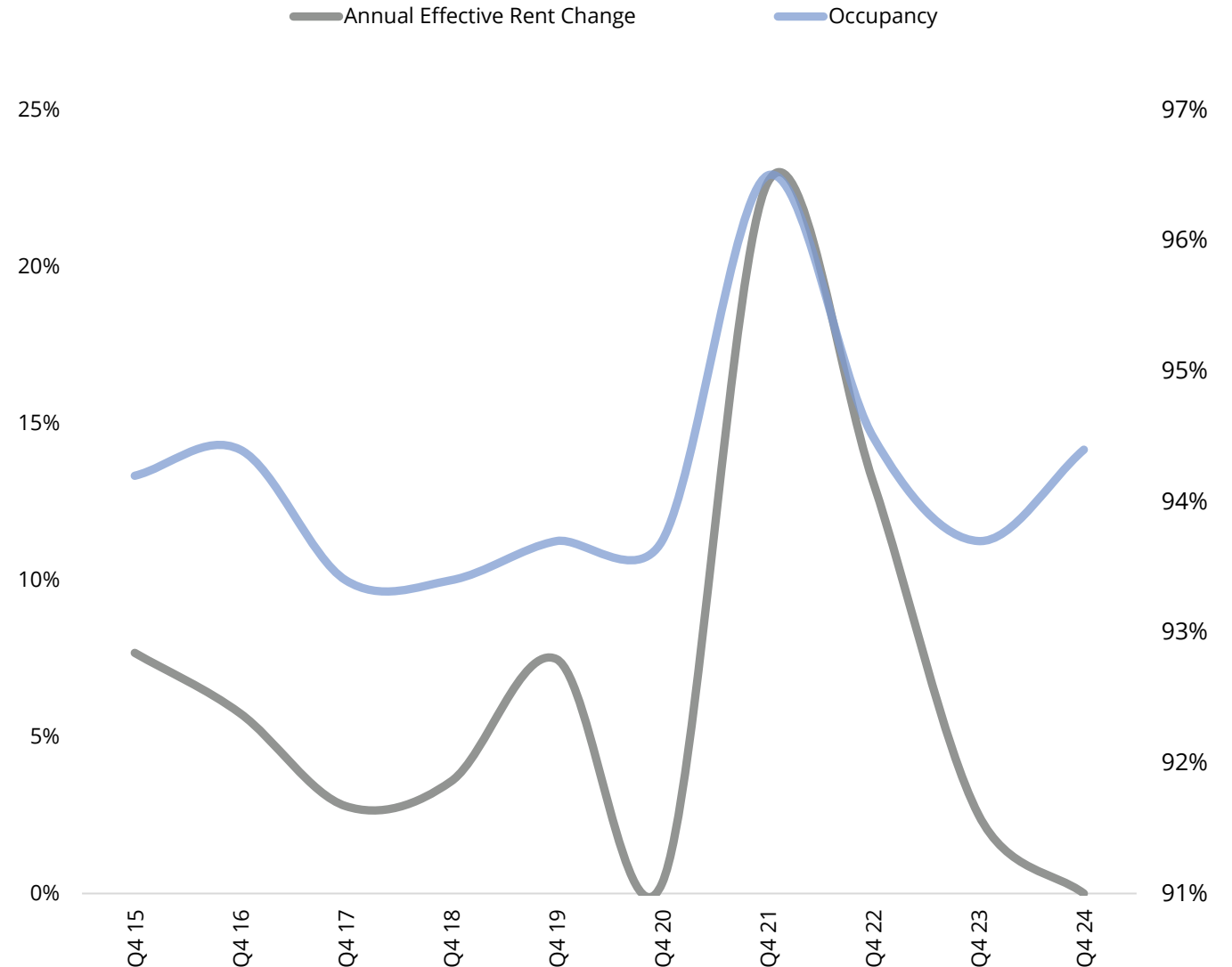
# 94.4%

Average effective rate psf

Charleston's occupancy rate remained healthy at **94%** in 2024 as demand levels continue to rebound.

Existing assets reported average effective rent of **\$1,749** per unit (**\$1.79 psf**) with an average of **24%** of units offering concessions.

**2-bedroom units** reported the **highest occupancy** rates among all unit types in reaching **94.7%** in Q4.



# Rates by Asset Class

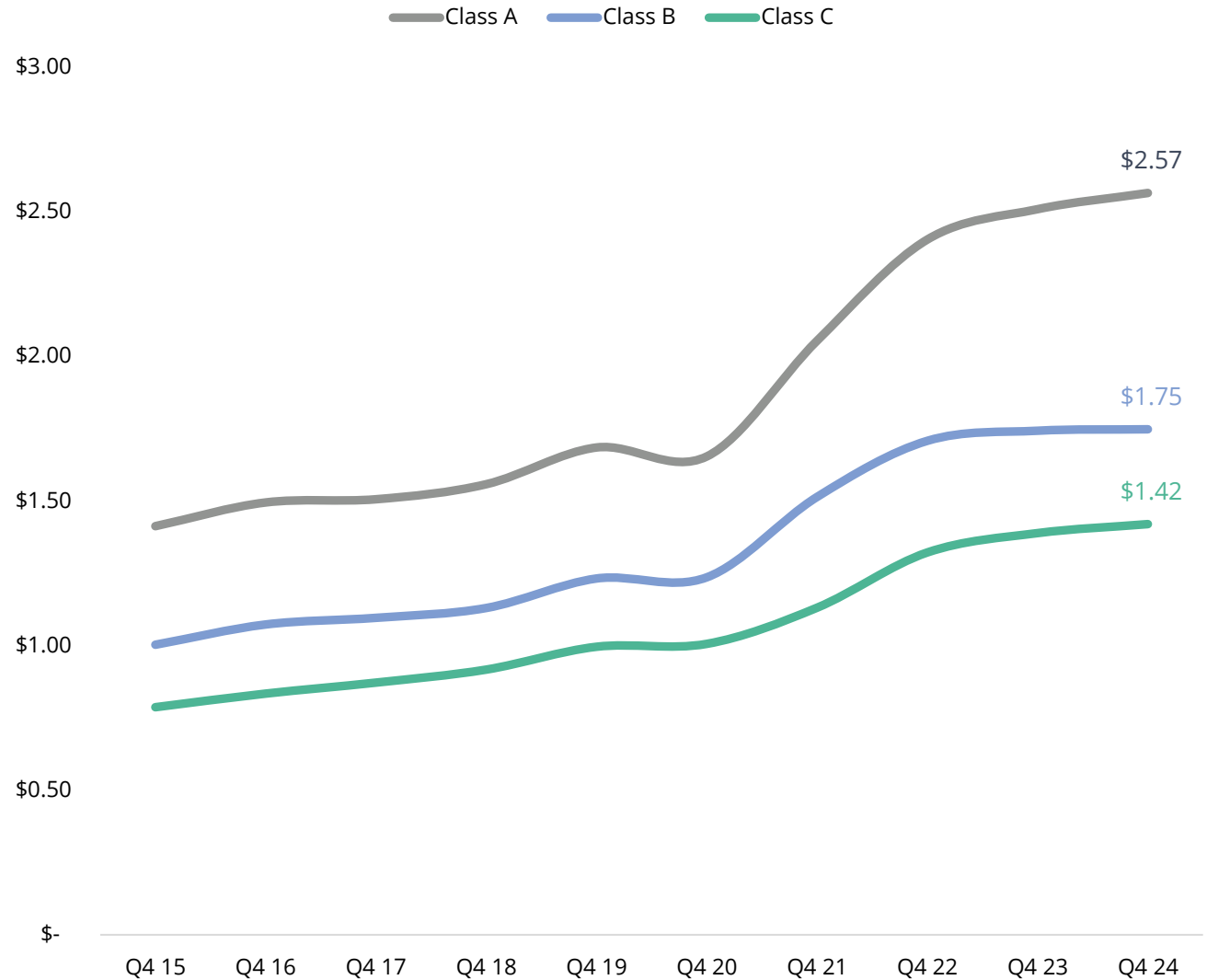
# \$2.57

## Average Class A effective rate

**Class A** assets experienced the largest effective rent growth (psf) increase at the close of Q4, up **4.8%**. **Class C** product was not far behind with an annual increase of **3.9%**.

The **Downtown/Mount Pleasant/Islands** submarket reported the highest annual rent changes in 2024.

At the close of the year, Class B product represented the largest share of units offering concessions at **28%**, with a concession value of **\$66.00**.



Source: RealPage, Avison Young

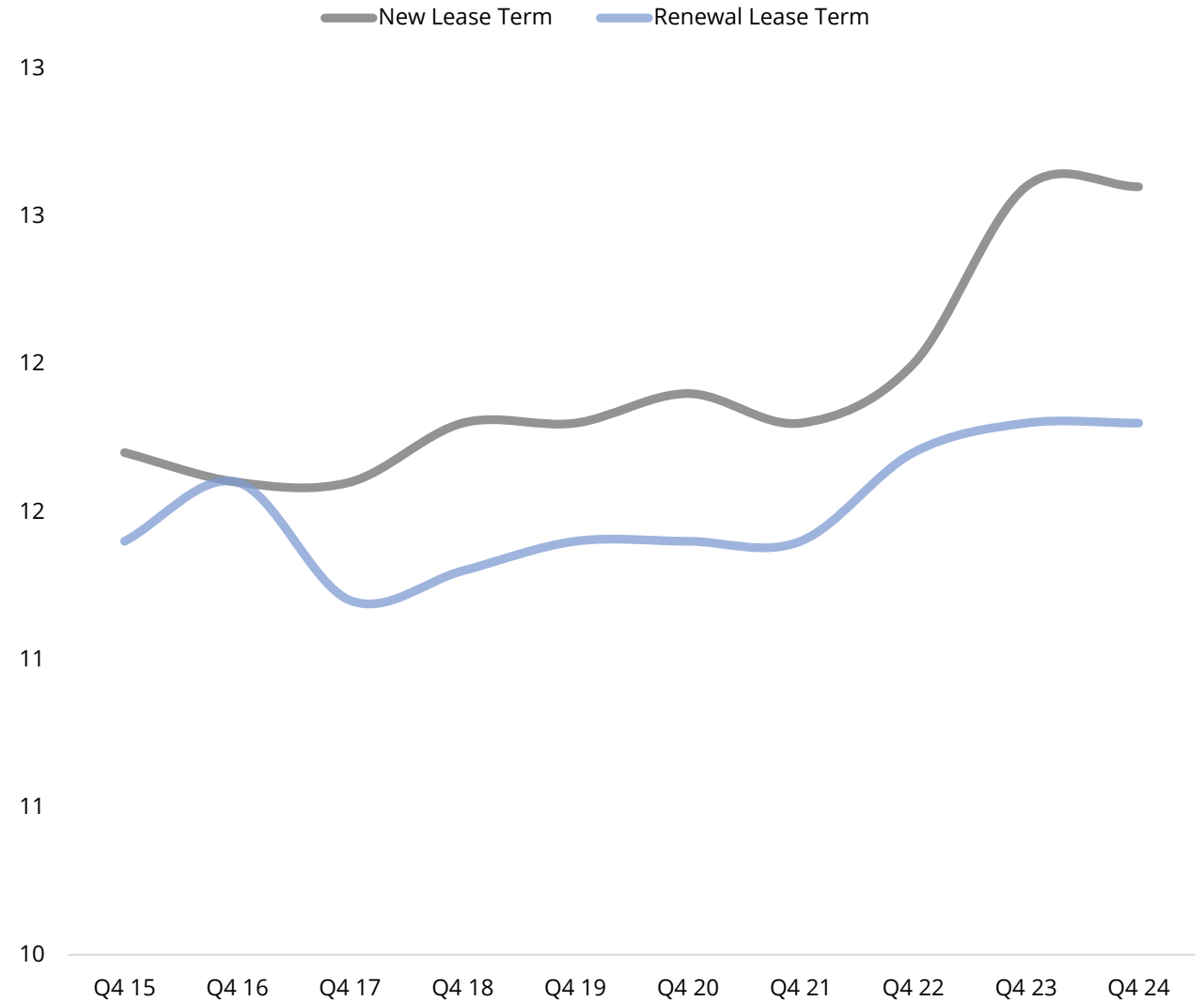
# Lease Terms

# 12.6 (months)

## Average new lease term

The average new lease term rose to **12.6 months**, driven by increasing demand and higher concession rates.

Renewal lease terms in the Charleston market remained unchanged year-over-year at **11.8 months**. This shift reflects a preference for stability, affordability, and the convenience of avoiding relocation costs.



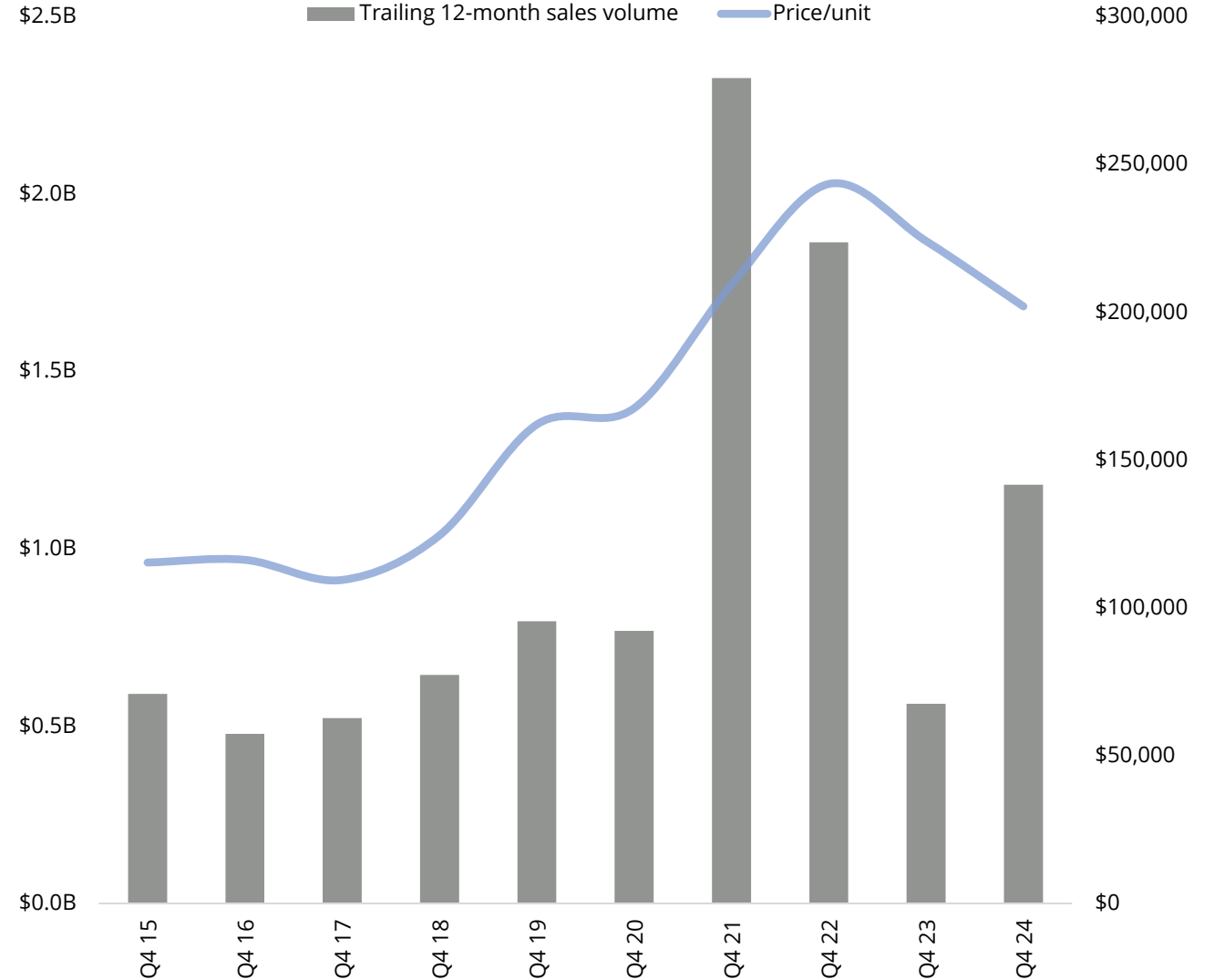
# Investment sales

# \$1.2B

## Trailing 12-month sales volume

Trailing 12-month volume totaled **\$1.2B** with an average price per unit of **\$201,936, down 11%**. In November, the disposition of **Daniel Island Village**, a 238-unit asset in the Downtown/Mount Pleasant/Islands submarket, sold for **\$85M**, the largest transaction in the last twelve months.

**Private funds** remain the largest capital composition of multifamily transactions at **78%**, **institutional capital** represented **22%** of the total buyer composition in Charleston.



Source: Real Capital Analytics, Avison Young

# Multifamily market activity

## Notable sales activity – last 12 months

Property	Seller	Submarket	Total units	Total sales price (\$M)	Avg. unit size	Avg. price/unit	Cap Rate	Avg. effective rent/sf
Daniel Island Village	Transwestern	Downtown/Mt Pleasant/Islands	283	\$85	1,055	\$300,353	5.0%	\$2.19
Paxton Point Hope	VTT Management	Downtown/Mt Pleasant/Islands	274	\$71	1,008	\$260,036	-	\$1.96
The Harrison at Windsor Hill	American Landmark	North Charleston/Goose Creek	312	\$65	900	\$209,295	-	\$1.71
The Isley at Windsor Hill	LIV Development	North Charleston/Goose Creek	332	\$65	977	\$196,687	5.2%	\$1.79
The Merchant	GMF Capital; JV: Blackfin	Downtown/Mt Pleasant/Islands	231	\$65	838	\$279,654	5.1%	\$2.59
The Watch on Shem Creek	Stillman Group; JV: Kettler	Downtown/Mt Pleasant/Islands	232	\$63	837	\$271,552	4.7%	\$2.07
The Apartments at Shade Tree	Wicker Park Capital	Downtown/Mount Pleasant/Islands	247	\$61	911	\$246,976	-	\$1.97
Sage at Ingleside	Global State Investments	Summerville/Northwest Charleston	304	\$60	1,002	\$197,368	5.6%	\$1.68
The Preserve at Essex Farms	B&M Management	West Ashley	284	\$60	921	\$210,739	5.8%	\$1.82

## Notable development

Property	Submarket	Property status	Total units	Property type	Developer
Sawmill	Summerville/Northwest Charleston	Under Construction	474	Garden	Lee & Associates
Aventon Pearl	Downtown/Mount Pleasant/Islands	Under Construction	394	Garden	Aventon
Aventon Noelle	Downtown/Mount Pleasant/Islands	Under Construction	336	Garden	Aventon
Camellia at One Nexton	Summerville/Northwest Charleston	Under Construction/Lease-Up	351	Garden	Crosland Southeast
The Willow	North Charleston/Goose Creek	Under Construction/Lease-Up	338	Garden	Monday Properties
The Radler	Summerville/Northwest Charleston	Under Construction/Lease-Up	324	Garden	Sharbell Development
Courier Square	Downtown/Mount Pleasant/Islands	Planned	333	Tower	Greystar
The Darby	North Charleston/Goose Creek	Planned	331	Wrap	FIDES Development



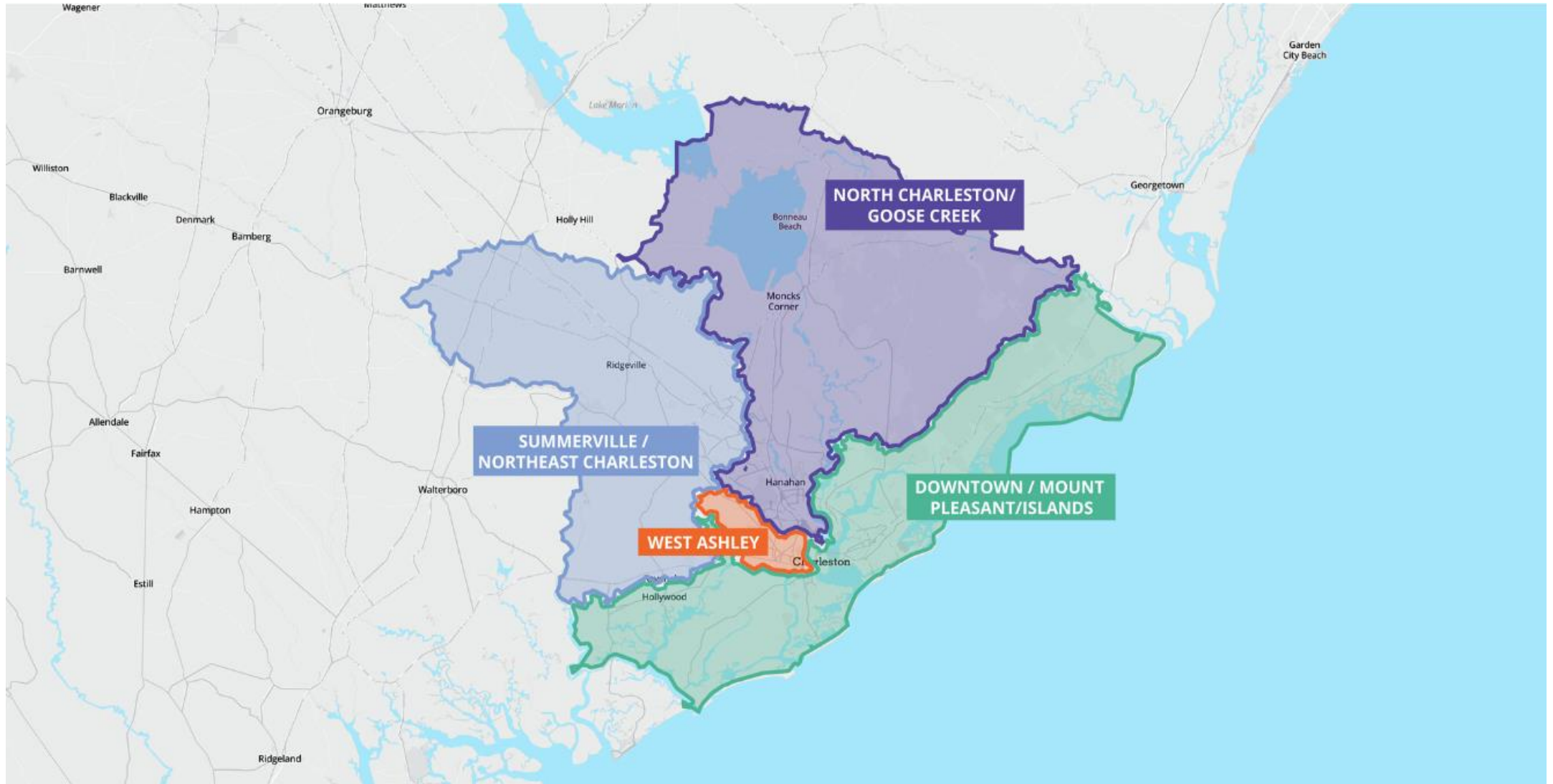
## Multifamily submarket activity | Q4 2024

By Submarket	Existing units	Occupancy %	Annual Demand	Annual Supply	Under construction	Average effective rents	
					(units)	Rent/unit	Rent/psf
Downtown/Mount Pleasant/Islands	26,043	94.0%	1,039	1,093	1,666	\$2,172	\$2.27
North Charleston/Goose Creek	21,343	95.2%	1,791	1,569	180	\$1,515	\$1.52
Summerville/Northwest Charleston	17,442	93.9%	1,452	1,588	1,968	\$1,601	\$1.59
West Ashley	12,343	94.8%	505	443	53	\$1,618	\$1.65
<b>Market Total</b>	<b>77,171</b>	<b>94.4%</b>	<b>4,787</b>	<b>4,693</b>	<b>3,867</b>	<b>\$1,749</b>	<b>\$1.79</b>

## Asset class performance | Q4 2024

By asset class	Occupancy %	YoY change in	Average Unit Size	Eff. Rent/unit	Eff. Rent/psf	Concession Value	Concession as a % of asking rent
		Occupancy	(sf)				
Class A	93.6%	0.0%	904	\$2,319	\$2.57	\$110.00	4.4%
Class B	94.6%	0.9%	972	\$1,699	\$1.75	\$66.00	3.8%
Class C	94.8%	1.1%	1,027	\$1,459	\$1.42	\$63.00	4.2%

# Charleston submarket map



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