



Wilmington multifamily market report

Q4 2024

**AVISON
YOUNG**

Multifamily insights

01

Supply and Demand

Annual demand in Wilmington reached the **highest level** since 2021, as **1,984 units** were absorbed at the close of the year, surpassing market supply levels. This demand is fueled by demographic trends, including the region's population growth (**8%** in the last five years), which continues to exceed the national average. Wilmington is also recognized as the **fastest-growing renter base market in the U.S.**, with a reported **25% increase** in renter household growth since 2020.

02

Rent Growth

In response to substantial supply waves, Wilmington has experienced rent cuts in the last two years. By Q4 2024, the **occupancy rate** rebounded to **93.4%**, marking a **70-basis-point increase**, after four consecutive quarters of decline. With a **62%** drop in new starts and the anticipation of a supply peak, rents are expected to stabilize giving landlords **increased pricing power**. New supply in Wilmington is projected to peak in 3Q 2025, with **2,441 units** added, expanding existing stock by **8.2%**.

03

Capital Markets

Year-over-year transaction volume totaled **\$290M, up 80%**, with a reported average cap rate of **5.2%**. Private investors accounted for **100%** of year-over-year investment volume in Wilmington. Transaction volume may be subdued in the near-term due to lending conditions and high interest rates. As Wilmington's **rapid growth** continues and market conditions stabilize, deal flow is likely to return to previous levels.



Supply and demand

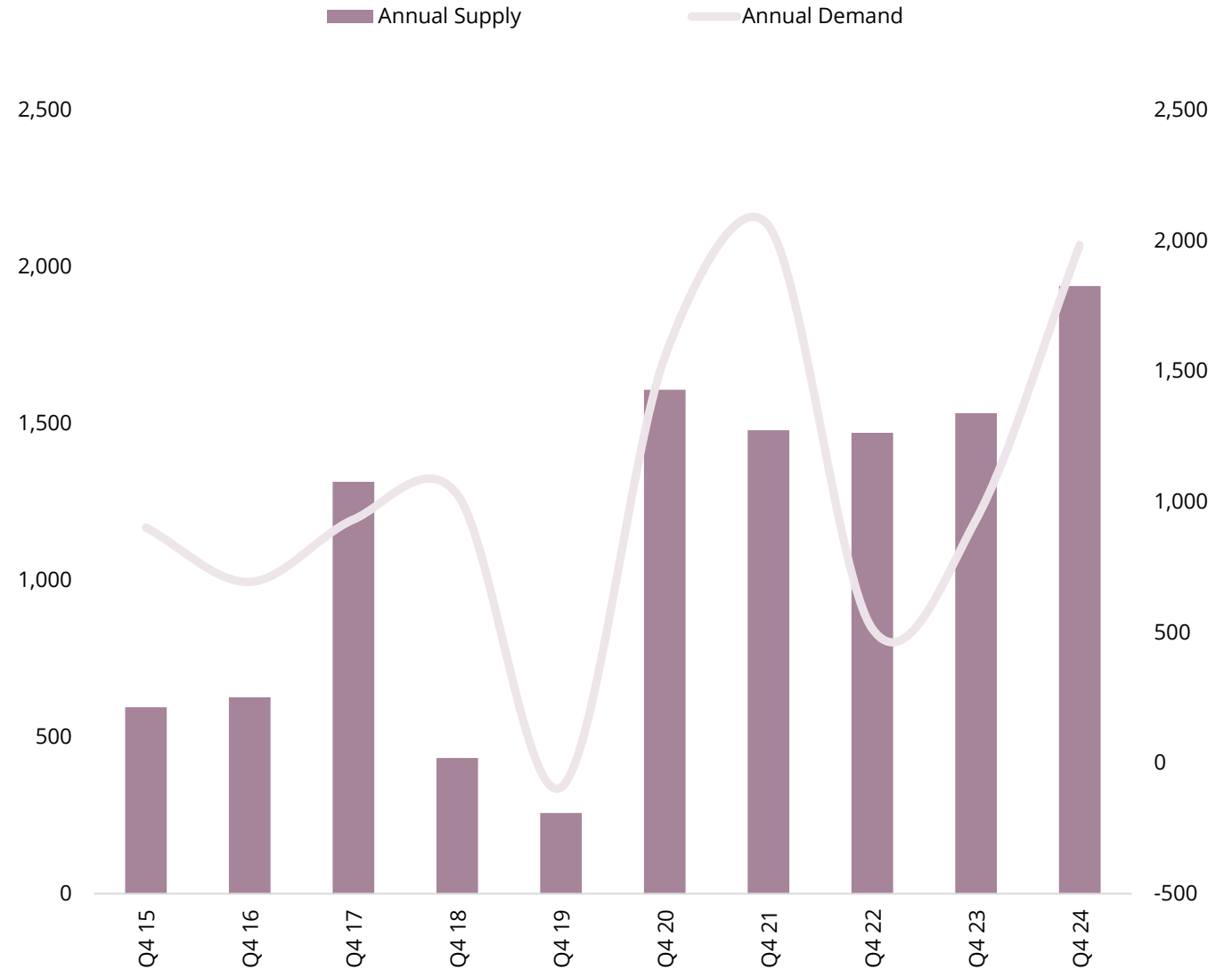
1,984 units

Annual Demand

Apartment demand in Wilmington has steadily recovered following a notable decline in 2023. By Q4 2024, annual absorption reached **1,984 units**, exceeding supply for the first time since 2021.

New supply levels totaled **1,939 units** in the last twelve months, increasing the annual net inventory ratio by **6.8%**.

Demand in Wilmington is primarily driven by increasing job growth as well as population growth, which has outpaced the national average since 2019.



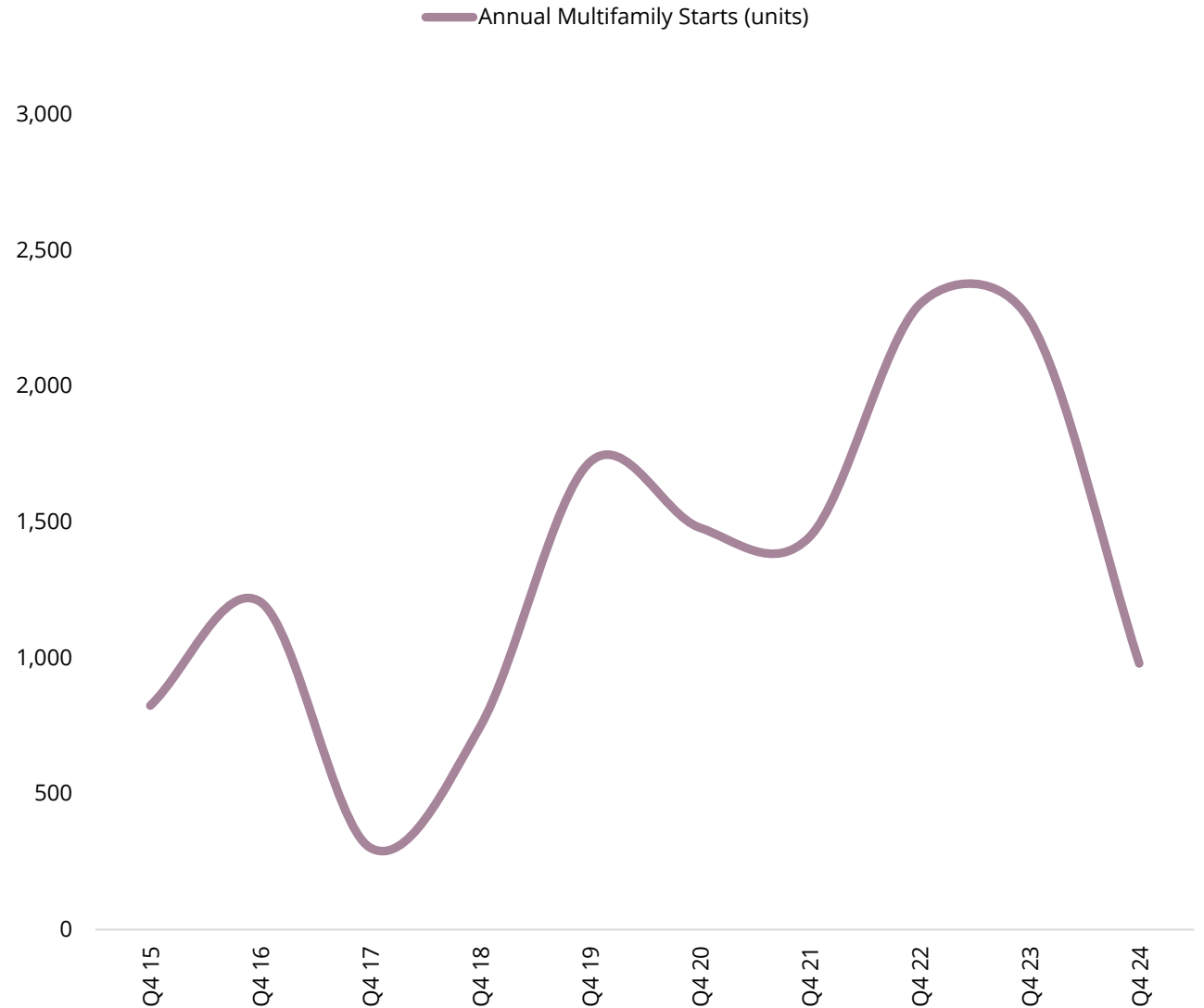
Source: RealPage, Avison Young

Multifamily Starts

980 units

By the end of 2024, annual multifamily starts totaled **980 units**, reflecting a **62%** year-over-year decline and highlighting a significant contraction in the market's future supply pipeline.

Permits for **1,185** multifamily units were issued in the 12 months ending in October 2024, down **25%** from the previous year's total.



Source: RealPage, Avison Young

Rents and Occupancy

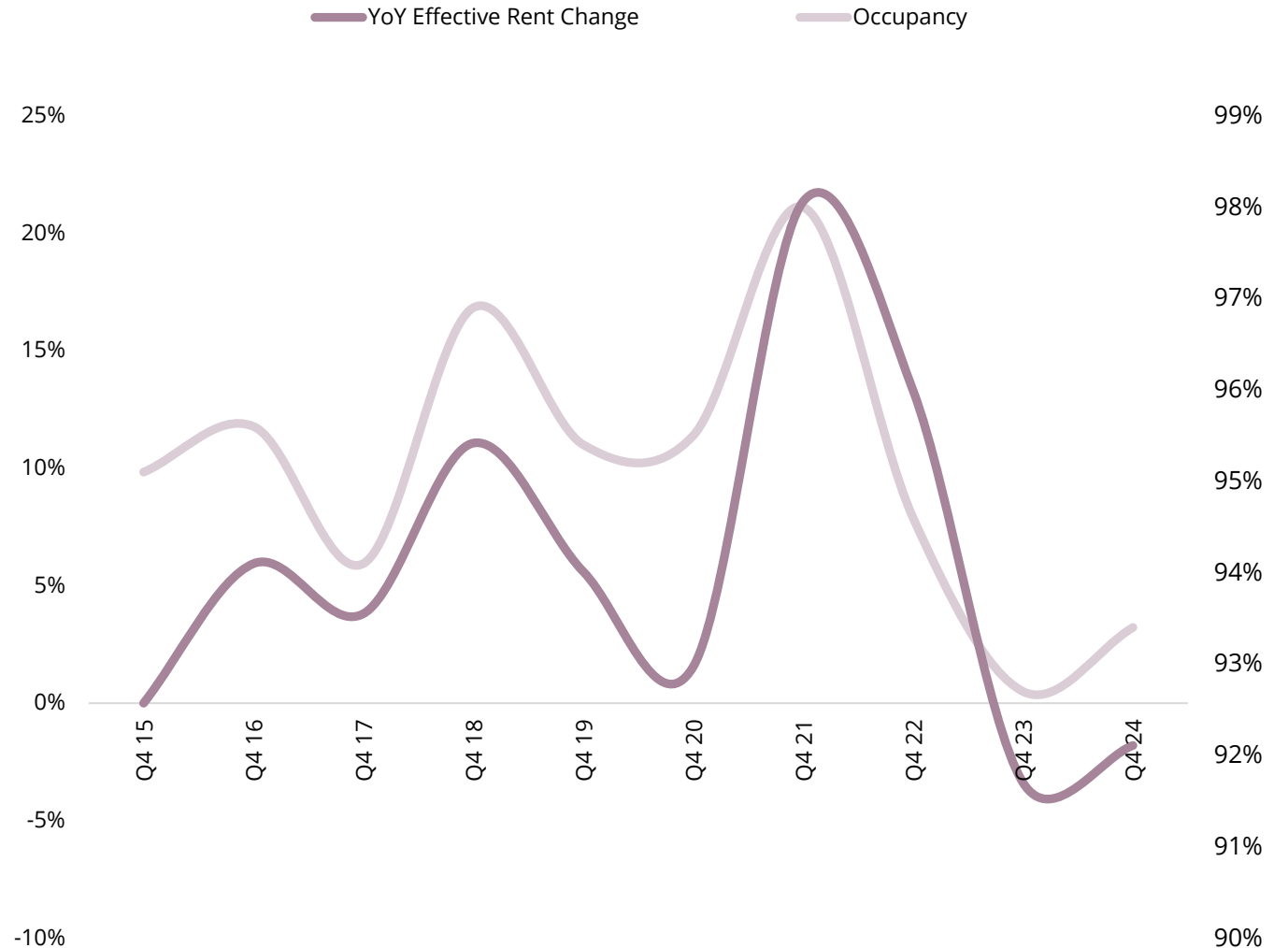
\$1.55

Average effective rate psf

Existing assets reported average effective rent of **\$1,463** per unit (**\$1.55 psf**) with an average of **26%** of units offering concessions.

Annual effective rent growth declined by **1.8%**, while average occupancy rates in Wilmington were reported at **93%** in Q4.

Efficiency units commanded the highest rents among all unit types in Wilmington, reaching **\$2.58 psf** in Q4.



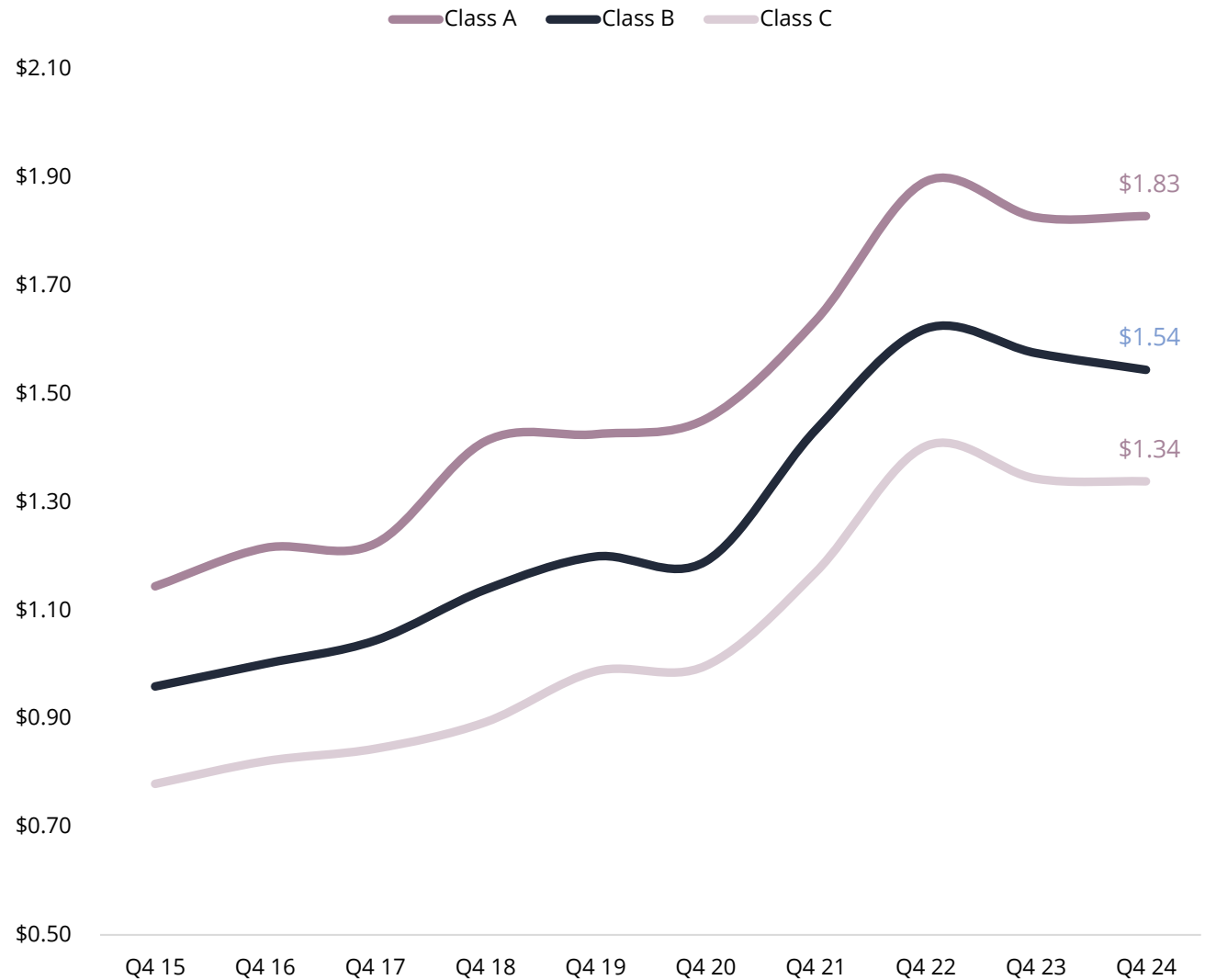
Rents by Asset Class

\$1.83

Average Class A effective rate

Class A assets experienced the largest effective rent growth decline at the close of Q4, down **4.9%**.

Class C product had the highest percentage of units offering concessions at **37%**, with average concession values of **\$64.00**.



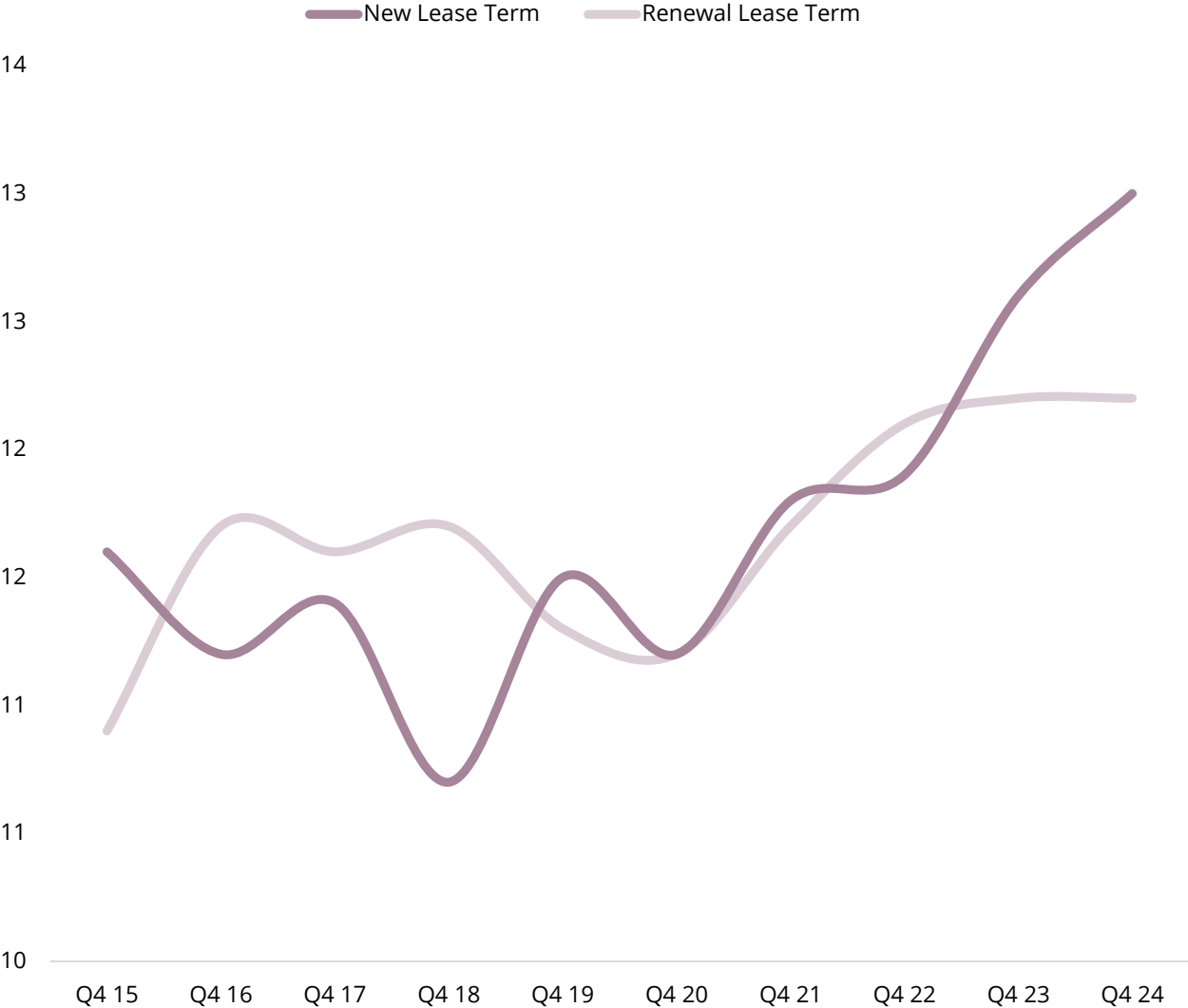
Lease Terms

13 (months)

Average New Lease Term

The average new lease term rose to **13 months**, driven by strong demand and higher concession rates.

Renewal lease terms in Wilmington remained unchanged year-over-year at **12 months**. The growing share of tenants opting to renew reflects their preference for cost savings and convenience.



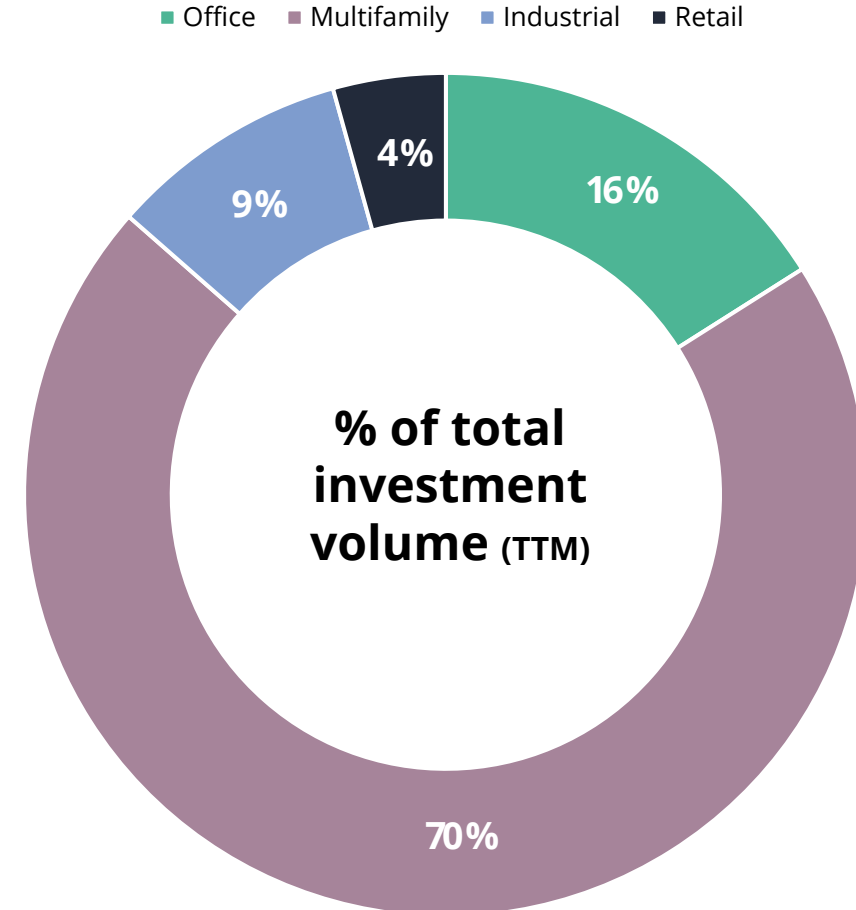
Investment Sales

\$290M

Trailing 12-month multifamily volume

Multifamily assets represented **70% of total investment** capital in Raleigh-Durham, as trailing 12-month sales volume totaled **\$290M**. **Private funds** represented **100%** of total capital composition year-to-date. In the last twelve months, multifamily units have sold for an average price of **\$208,959/unit**.

The disposition of **Pier 33**, a 286-unit property, was the largest sale transaction recorded in the last twelve months at **\$85M** or **\$298,427/unit** at a **5.2%** cap rate.



Multifamily market activity

Notable sales activity – last 24 mos.

Property	Seller	Submarket	Total units	Total sales price (\$M)	Avg. unit size	Avg. price/unit	Avg. effective rent/sf
Pier 33	Dewitt Carolinas	North Wilmington	286	\$85	872	\$298,427	\$2.02
Amberleigh South	Flournoy Companies	North Wilmington	287	\$68	916	\$236,063	\$1.73
Riverwood Apartments	GHK Cape Fear Dev	South Wilmington	206	\$59	1,154	\$283,786	\$1.52
Beaumont Oaks at Porters Neck	Murray Farm	North Wilmington	236	\$48	1,133	\$234,902	\$1.55
Wilmington Commons*	Pearlmark RE Partners	South Wilmington	288	\$36	540	\$121,993	\$995
The Coastal	Lucern Capital Partners	South Wilmington	104	\$19	1,286	\$184,558	\$1.19
Harper Landing	Lucern Capital Partners	South Wilmington	96	\$17	1,100	\$171,943	\$1.31

* Portfolio Sale: 2-property portfolio, \$36M of \$54M

Notable development

Property	Submarket	Property status	Total units	Property type	Developer
The Avenue	North Wilmington	Under construction	525	Podium	The Carroll Companies
The Residences at Galleria I	South Wilmington	Under construction	366	Wrap	Johnson Development Associates
Center Point	South Wilmington	Under construction	351	Tower	Swain & Associates
Mosby Barclay West	South Wilmington	Under construction	290	Garden	Middleburg Communities
The Range on Oleander	South Wilmington	Under construction/lease-up	346	Garden	East West Partners
Proximity Carolina Beach	South Wilmington	Under construction/lease-up	250	Garden	Cape Fear Development
Haven at the Galleria I	South Wilmington	Planned	664	Garden	Private Developer
Paseo	South Wilmington	Planned	298	Wrap	Bella Vista Craig Davis Properties
117 Bypass South	North Wilmington	Planned	192	Garden	Hawthorne Residential Partners

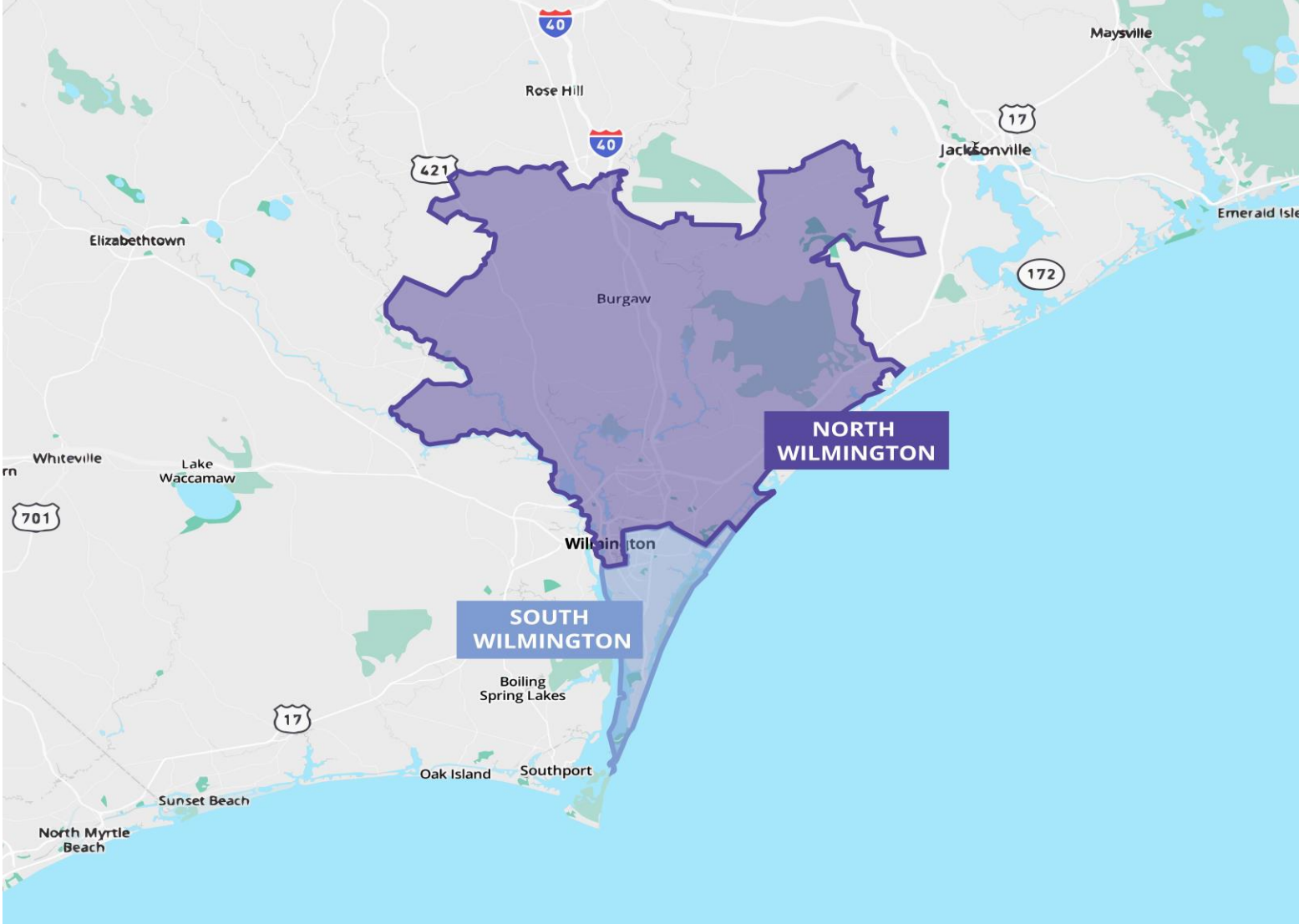
Multifamily submarket activity | Q4 2024

By Submarket	Existing units	Occupancy %	Annual Demand	Annual Supply	Under construction	Average effective rents	
					(units)	Rent/unit	Rent/psf
North Wilmington	13,356	93.9%	984	964	1,180	\$1,516	\$1.59
South Wilmington	17,238	92.8%	997	975	2,032	\$1,416	\$1.51
Market Total	30,594	93.4%	1,981	1,939	3,212	\$1,463	\$1.55

Asset class performance | Q4 2024

By asset class	Occupancy %	YoY change in	Average Unit Size	Eff. Rent/unit	Eff. Rent/psf	Concession	Concession as a %
		Occupancy	(sf)			Value	of asking rent
Class A	93.2%	-0.7%	913	\$1,670	\$1.83	\$153	8.2%
Class B	93.0%	0.0%	940	\$1,451	\$1.54	\$77.00	4.8%
Class C	94.1%	2.7%	977	\$1,307	\$1.34	\$64.00	4.8%

Wilmington submarket map



For more market insights and information
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