Colliers

Nashville

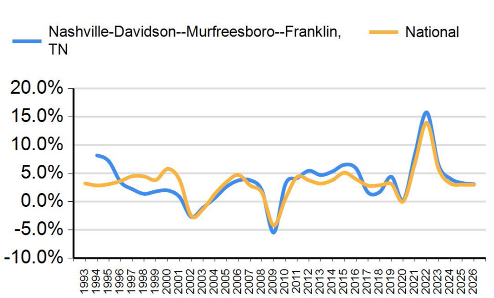
Multifamily 21Q4

Market Survey Results and Forecasts

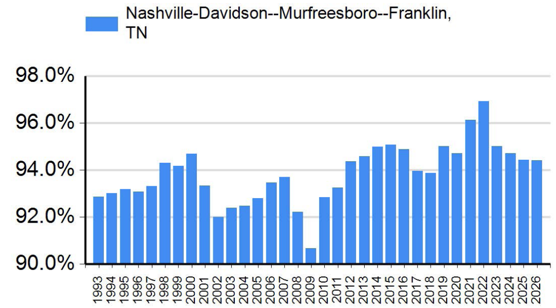
	Sequential				Month	Annual						
	1Q21	2Q21	3Q21	4Q21	Dec-21	2019	2020	2021F	2022F	2023F	2024F	2025F
Effective Rent Per Unit	$1,268	$1,330	$1,441	$1,493	$1,507	$1,273	$1,275	$1,383	$1,601	$1,704	$1,773	$1,831
Per Sq. Ft	$1.34	$1.40	$1.52	$1.57	$1.59	$1.35	$1.35	$1.46	$1.69	$1.80	$1.87	$1.93
Annual Effective Rent Growth	**-2.2%**	**4.3%**	**13.3%**	**19.0%**	**19.8%**	**5.1%**	**-2.9%**	**19.0%**	**13.7%**	**3.9%**	**3.5%**	**2.8%**
Quarterly Effective Rent Growth	1.0%	4.9%	8.4%	3.6%								
Occupancy Rate	**94.4%**	**95.4%**	**97.1%**	**97.6%**	**97.8%**	**95.0%**	**94.7%**	**96.1%**	**96.9%**	**95.0%**	**94.7%**	**94.4%**
Annual Occupancy Change	-0.6%	0.5%	2.2%	**3.2%**	3.7%	1.1%	-1.1%	3.2%	-1.3%	**-1.6%**	-0.2%	-0.2%
Quarterly Occupancy Change	0.1%	1.1%	1.8%	0.5%								
Economic Concessions												
Concession Value	**$62.00**	**$62.00**	**$65.00**	**$90.00**	**$146.00**	**$48.75**	**$54.50**	**$69.75**				
As a % of Asking Rent	4.9%	4.9%	4.9%	6.2%	9.6%	3.9%	4.3%	5.0%				

Source: AXIOMetrics, RCA

Annual Effective Rent Growth



Annual Occupancy Rate



Recent Sales

Date	Property Name	Address	City	Units	Year Built	Price	Price/Unit
Dec-21	The Sobro	205 Demonbreun St	Nashville	313	2016	$140,100,000	$447,604
Nov-21	The Burnham	509 5th Ave S	Nashville	328	2017	$129,000,000	$393,293
Oct-21	Knox at MetroCenter	101 Athens Way	Nashville	322	2020	$119,915,000	$372,407
Dec-21	Novel Bellevue Place	8075 Sawyer Brown Rd	Nashville	337	2018	$118,250,000	$350,890
Oct-21	Grand Oak at Town Park	110 Townpark Dr	Smyrna	300	2014	$96,617,432	$322,058
Nov-21	Cedar Pointe	1157 Bell Rd	Antioch	510	1988	$91,250,000	$178,922
Dec-21	Pointe at Five Oaks	200 Five Oaks Blvd	Lebanon	312	2018	$76,000,000	$243,590
Nov-21	Avana South Oaks	100 Antioch Pike	Nashville	323	1984	$73,600,000	$227,864
Oct-21	Station 40	610 Sylvan Heights Way	Nashville	246	2016	$71,750,000	$291,667

Source: Real Capital Analytics

Supply & Demand

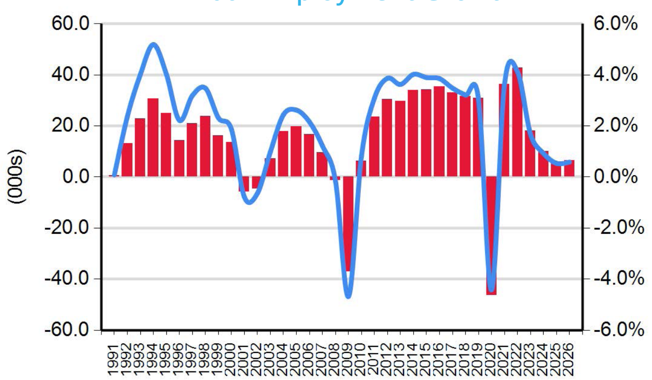
According to the Bureau of Labor Statistics, job growth in Nashville was 4.1% in November 2021, reflecting 41,800 jobs added during a 12-month period. The metro job growth figure was at the national number. RealPage forecasts Nashville's job growth to be 4.1% in 2022, with 42,800 jobs added. Job growth is expected to average 1.0% from 2023 to 2025, with an average of 11,417 jobs added each year.

On the supply side, permits for 13,044 multifamily units were issued in the 12 months ending in November 2021, up 1,984 units from the prior year's sum. In terms of total residential housing, 29,844 units were permitted in the 12 months ending November 2021, an increase of 4,206 units from the prior year's total.

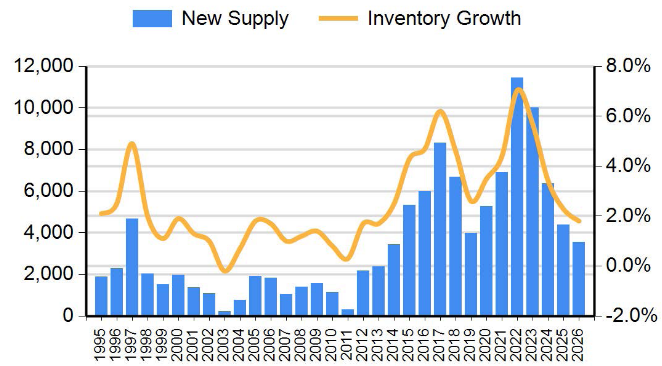
Market Employment and Permitting

	Annual			November-21		Annual Forecast				
	2018	2019	2020	Market	National	2021F	2022F	2023F	2024F	2025F
Employment (000S)	1,015.6	1,046.4	1,000.2	1,062.7	150,004.0	1,036.5	1,079.3	1,097.5	1,107.6	1,113.6
Job Gain (000s)	31.6	30.9	(46.2)	41.8	5,883.0	36.3	42.8	18.2	10.2	5.9
Job Growth (%)	3.2%	3.0%	-4.4%	4.1%	4.1%	3.6%	4.1%	1.7%	0.9%	0.5%
Total Residential Permitting	17,957	21,936	25,638	27,113	1,186,580	29,653	29,589	29,778	30,167	31,549
Relative Change	-6.9%	22.2%	16.9%	16.2%	21.9%	15.7%	-0.2%	0.6%	1.3%	4.6%
Single Family Units Permitted	12,296	13,521	14,232	15,248	754,557					
Relative Change	-2.6%	10.0%	5.3%	20.1%	19.1%					
Multifamily Units Permitted	5,566	8,324	11,060	11,608	401,258					
Relative Change	-14.4%	49.6%	32.9%	12.8%	28.1%					
Multifamily as a % of Total	31.0%	37.9%	43.1%	42.8%	33.8%					
Demand/Supply Ratio										
Job Gain / Total Residential Units Permitted	1.6	1.7	(2.1)	1.8	6.0	1.4	1.4	0.6	0.3	0.2
Job Gain / Single Family Units Permitted	2.5	2.5	(3.4)	3.3	9.3					
Job Gain / Multifamily Units Permitted	4.9	5.5	(5.6)	4.1	18.8					

Annual Employment Growth



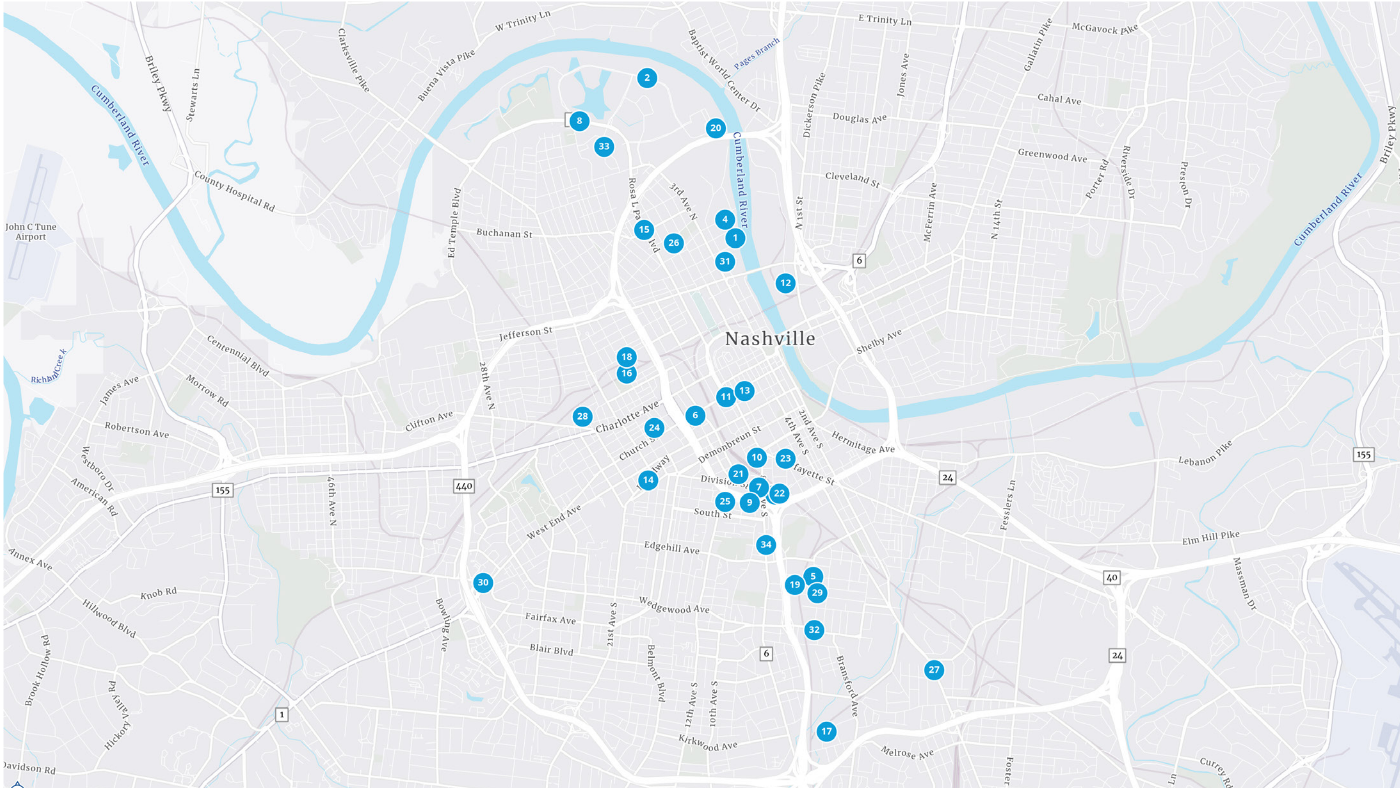
MF Supply & Inventory Growth



Multifamily Absorption + Supply

	Annual			4Q21		Annual Forecast				
	2018	2019	2020	Market	National	2021F	2022F	2023F	2024F	2025F
Total Units Absorbed	5,946	4,975	3,285	11,694	**673,478**	**11,694**	8,857	6,849	5,635	3,749
New Supply	6,667	3,985	5,285	6,911	**358,734**	**6,911**	11,435	10,024	6,357	4,385
Inventory Growth	4.6%	2.6%	3.5%	4.4%	**1.9%**	**4.4%**	7.0%	5.7%	3.4%	2.3%

Multifamily Urban Development



Projects Under Construction (+100 units)

#	Name	Address	Developer	Units
1	Neuhoff	1312 Adams St	New City Properties	542
2	341 & 365 Great Circle Road	341 & 365 Great Circle Rd	Southeastern	463
3	Albion in the Gulch	645 Division St	Albion Residential	415
4	Modera Germantown I	1420 Adams St	Mill Creek Residential	400
5	The Finery	622 Merritt Ave	Core Development	383
6	Gibson Residences	1111 Church St	Flank	380
7	Modera Gulch	810 Division St	Mill Creek Residential	378
8	2298 Rosa L Parks Boulevard I	2298 Rosa L Parks Blvd	Chartwell Residential	375
9	Aspire Gulch	805-809 Division St	Dinerstein Companies	360
10	805 Lea	805 Lea Ave	Key Real Estate Company	356
11	Alcove	900 Church St	Giarrantana LLC	356
12	RangeWater Real Estate Development	201 Cowan St	RangeWater Real Estate LLC	353
13	Prime	801 Church St	Giarratana LLC	350
14	1812 Broadway	1812 Broadway	Greystar	347
15	Towne Nashville	1703 Rosa L Parks Blvd	Lennar Corporation	329
16	806 16th Avenue North	806 16th Ave N	RangeWater Real Estate LLC	320
17	8th & Berry	2606 Fessey Park Rd	Brand Properties	314
18	Apex Marathon Village	1501 Herman St	Alpha Capital Partners	314
19	Standard Assembly	715 Merritt Ave	HY Ventures	310
20	Alta Riverwalk	200 Cumberland Bend	Wood Partners	304
21	Harlowe	908 Division St	Greystar	300
22	Haven at The Gulch	641 Division St	Guefen Development Partners	299
23	Sixth South	530 6th Ave S	The Beach Company	299
24	1604 State Street	1604 State St	Woodfield Development	292
25	Novel Edgehill	801 12th Ave S	Crescent Communities	270
26	Hume House	603 Press Pl	META Real Estate Partners	249
27	Accent Edgewood	2165 Nolensville Pike	Westplan Investors	236
28	Alta Foundry	640 21st Ave N	Wood Partners	231
29	Queens at Wedgewood Houston	625 Hamilton Ave	Proffitt Dixon Partners	221
30	Parke West	3415 Murphy Rd	GBT Realty Corporation	210
31	Rome	1221 2nd Ave N	Private Developer	210
32	WeHo Nashville	661 Wedgewood Ave	Ridgehouse Capital	150
33	MetroCenter Flats	339 Athens Way	Arbor Realty Trust Inc	118
34	Olympic II	1009, 1021 & 1023 8th Ave S	CA South Development	108
				9,793

Identified Supply

As of January 13, 2022, RealPage has identified 6,911 apartment units scheduled for delivery in 2021, which all units have been delivered. As a comparison, there were 5,285 apartment units delivered in 2020. Properties delivered to the market in the last 12 months have achieved an average asking rent of $1,820 per unit, or $1.93 per square foot.

Effective rent has averaged $1,711, or $1.81 per square foot, resulting in an average concession value of $178.87. As a comparison, existing properties in the market had an average asking rent of $1,498 per unit ($1.58 per square foot) and an average effective rent of $1,493 per unit, or $1.57 per square foot, in 4Q21. Concessions for existing properties averaged $90.00.

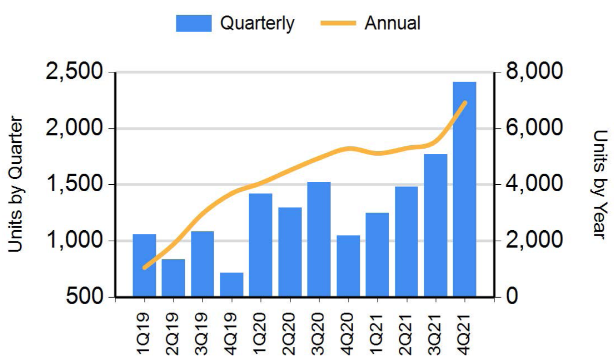
Submarket Delivery Schedule

	Pipeline Delivery Schedule				Pipeline Lease Up Trend					
					Units Absorbed		Asking Rent		Effective Rent	
Top Submarkets	2019	2020	2021	Total	Totals	PPM	Per Unit	PSF	Per Unit	PSF
Central Nashville	428	1,500	1,719	3,647	1,241	18	$2,246	$2.91	$2,041	$2.64
Hermitage/Mount Juliet/Lebanon	270	302	828	1,400	613	12	$1,482	$1.43	$1,445	$1.39
Murfreesboro/Smyrna	865	1,225	746	2,836	585	16	$1,474	$1.38	$1,397	$1.30
Southeast Nashville	50	273	1,062	1,385	696	14	$1,603	$1.51	$1,508	$1.41
West Nashville	827	174	989	1,990	599	12	$2,286	$2.12	$2,120	$1.95
Other	1,255	1,811	1,567	4,633	1,177	12	$1,636	$1.72	$1,579	$1.65
Nashville, Davidson, Murfreesboro, Franklin, TN	**3,695**	**5,285**	**6,911**	**15,891**	**4,911**	**14**	**$1,820**	**$1.93**	**$1,711**	**$1.81**

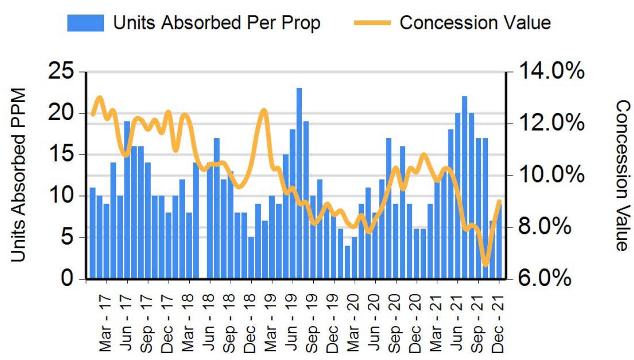
*Based on 2021 deliveries

*Trend based on a trailing 12 month period

Identified Unit Deliveries



Lease Up Performance



FOR MORE INFORMATION

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