Colliers

Nashville

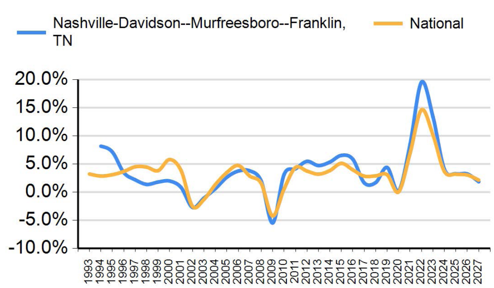
Multifamily 22Q2

Market Survey Results and Forecasts

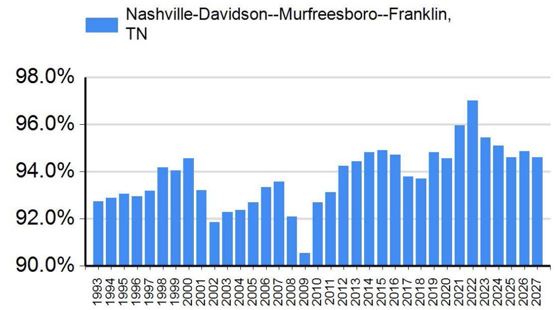
	Sequential				Month	Annual						
	3Q21	4Q21	1Q22	2Q22	Jun-22	2020	2021	2022F	2023F	2024F	2025F	2026F
Effective Rent Per Unit	$1,458	$1,511	$1,551	$1,619	$1,652	$1,290	$1,399	$1,672	$1,896	$1,972	$2,036	$2,101
Per Sq. Ft	$1.54	$1.59	$1.63	$1.70	$1.74	$1.37	$1.48	$1.76	$1.99	$2.07	$2.14	$2.21
Annual Effective Rent Growth	**13.3%**	**19.0%**	**21.1%**	**20.7%**	**19.6%**	**-2.9%**	**19.0%**	**19.3%**	**9.2%**	**3.7%**	**2.9%**	**3.2%**
Quarterly Effective Rent Growth	8.4%	3.6%	2.6%	4.4%								
Occupancy Rate	**96.9%**	**97.4%**	**97.5%**	**96.8%**	**96.2%**	**94.5%**	**95.9%**	**97.0%**	**95.4%**	**95.1%**	**94.6%**	**94.9%**
Annual Occupancy Change	2.2%	3.2%	3.2%	**1.4%**	0.1%	-1.0%	3.2%	-1.1%	-1.8%	**0.2%**	-0.3%	0.3%
Quarterly Occupancy Change	1.8%	0.5%	0.1%	-0.7%								
Economic Concessions												
Concession Value	**$65.00**	**$89.00**	**$105.00**	**$84.00**	**$117.00**	**$54.75**	**$69.50**					
As a % of Asking Rent	4.9%	6.1%	7.0%	5.4%	7.1%	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
Jan-22	**Elliston 23**	2300 Elliston Pl	Nashville	331	2013	$162,000,000	$489,426
Mar-22	**Meta Real Estate TN Apartment Portfolio 2022**	Multiple	Nashville	441	-	$146,200,000	$331,519
Feb-22	**The Harper Apartments**	5040 Carothers Pkwy	Franklin	328	Underway	$145,000,000	$442,073
Feb-22	**Vintage Gateway**	2107 Lothric Way	Murfreesboro	255	2019	$125,025,012	$490,294
Mar-22	**Waterleaf at Antioch**	2901 Old Franklin Rd	Antioch	364	2022	$117,000,000	$321,429
Feb-22	**Vintage at the Avenue**	1349 Gresham Park Dr	Murfreesboro	203	2017	$99,529,715	$490,294
Feb-22	**Apex Glassworks**	521 Great Circle Rd	Nashville	282	2020	$93,600,000	$331,915
Jan-22	**Vintage Station North TN Apartment Portfolio 2022**	Multiple	Mount Juliet	220	-	$91,000,000	$413,636
Mar-22	**Hickory Point at Brentwood**	15180 Old Hickory Blvd	Nashville	298	2007	$89,204,241	$299,343

Source: Real Capital Analytics

Nashville

Multifamily

22Q2

Supply & Demand

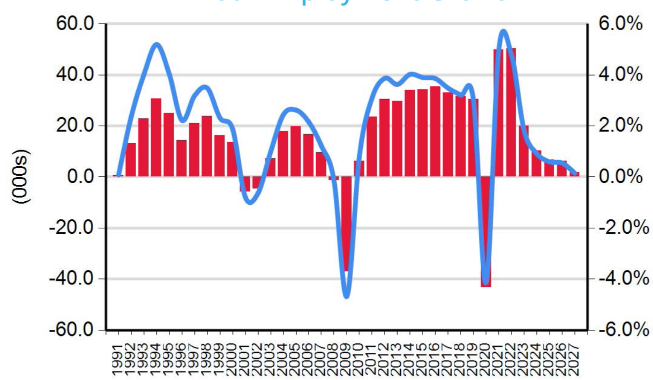
According to the Bureau of Labor Statistics, job growth in the Nashville region was 6.7% in May 2022, reflecting 70,200 jobs added during a 12-month period. The metro job growth figure was above the national number of 4.5%. RealPage forecasts Nashville's job growth to be 1.8% in 2023, with 20,038 jobs added. Job growth is expected to average 0.7% from 2024 to 2026, with an average of 7,771 jobs added each year.

On the supply side, permits for 10,511 multifamily units were issued in the 12 months ending in May 2022, down -3,481 units from the prior year's sum. In terms of total residential housing, 27,906 units were permitted in the 12 months ending May 2022, a decrease of -2,694 units from the prior year's total.

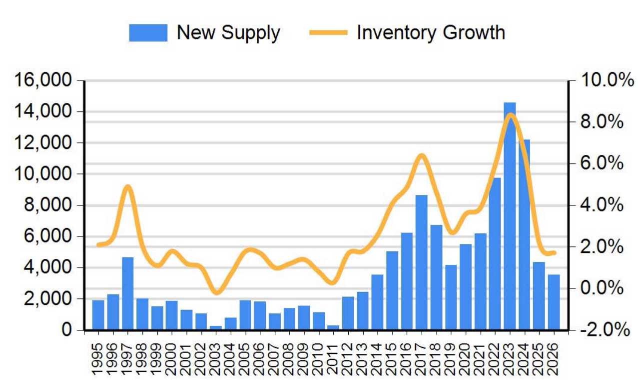
Market Employment and Permitting

	Annual			May-22		Annual Forecast				
	2019	2020	2021	Market	National	2022F	2023F	2024F	2025F	2026F
Employment (000S)	1,046.1	1,002.9	1,052.8	1,110.8	151,773.0	1,103.2	1,123.2	1,133.5	1,140.3	1,146.6
Job Gain (000s)	30.5	(43.2)	50.0	70.2	6,469.0	50.4	20.0	10.3	6.8	6.3
Job Growth (%)	3.0%	-4.1%	5.0%	6.7%	4.5%	4.8%	1.8%	0.9%	0.6%	0.5%
Total Residential Permitting	21,936	25,638	30,600	26,319	1,231,369	27,847	30,980	31,373	30,591	30,841
Relative Change	22.2%	16.9%	19.4%	-0.5%	10.0%	-9.0%	11.3%	1.3%	-2.5%	0.8%
Single Family Units Permitted	13,521	14,232	16,351	15,650	744,655					
Relative Change	10.0%	5.3%	14.9%	9.3%	0.5%					
Multifamily Units Permitted	8,324	11,060	13,992	10,450	453,050					
Relative Change	49.6%	32.9%	26.5%	-11.5%	30.0%					
Multifamily as a % of Total	37.9%	43.1%	45.7%	39.7%	36.8%					
Demand/Supply Ratio										
Job Gain / Total Residential Units Permitted	1.7	(2.0)	1.9	2.7	5.8	1.6	0.7	0.3	0.2	0.2
Job Gain / Single Family Units Permitted	2.5	(3.2)	3.5	4.9	8.7					
Job Gain / Multifamily Units Permitted	5.5	(5.2)	4.5	5.9	18.6					

Annual Employment Growth



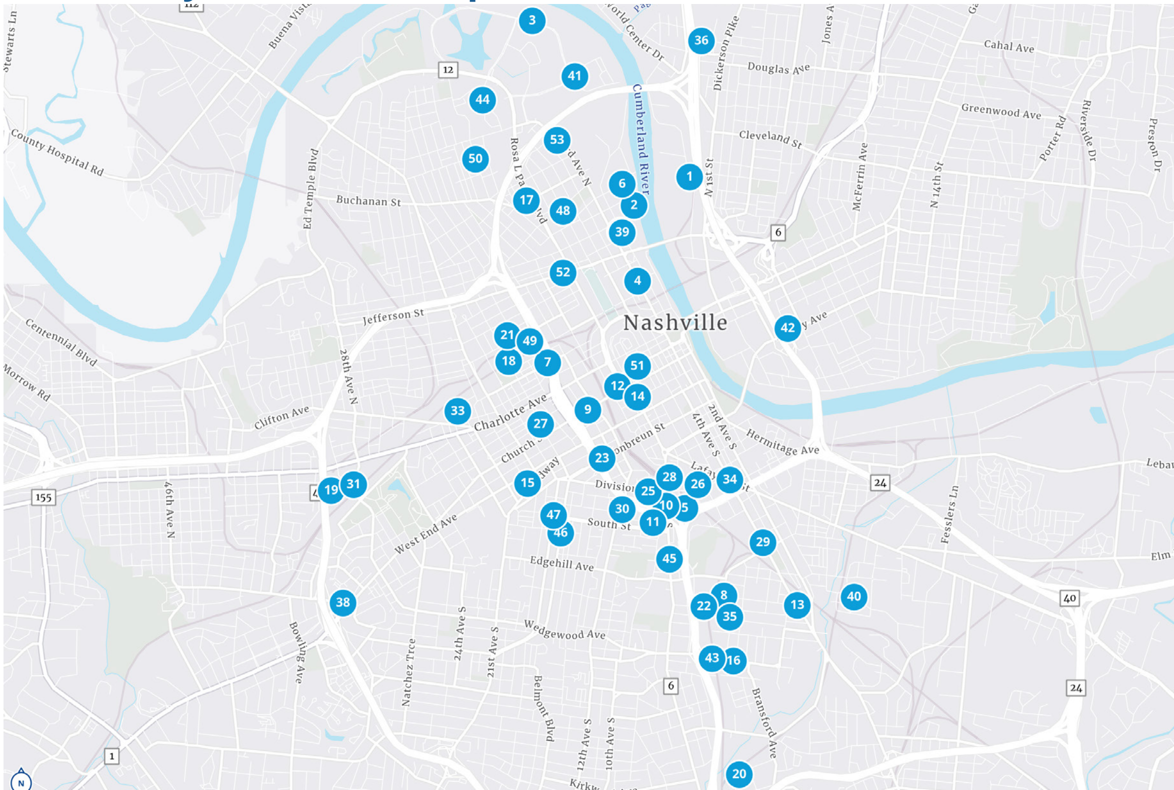
MF Supply & Inventory Growth



Multifamily Absorption + Supply

	Annual			2Q22		Annual Forecast				
	2019	2020	2021	Market	National	2022F	2023F	2024F	2025F	2026F
Total Units Absorbed	5,154	3,485	11,015	8,345	432,928	7,381	10,828	11,958	3,527	3,970
New Supply	4,158	5,480	6,201	6,639	337,902	9,732	14,566	12,202	4,367	3,533
Inventory Growth	2.7%	3.6%	3.9%	4.0%	1.8%	6.0%	8.3%	6.5%	2.2%	1.7%

Multifamily Urban Development



Projects Under Construction (+100 units)

#	Name	Address	# Units	Est. Completion
1	The Landings at River North I	520-600 Cowan St	651	2024
2	Neuhoff	1312 Adams St	542	2023
3	Grand Oaks At Great Circle	341 & 365 Great Circle Rd	467	2024
4	Ballpark Village	3rd Ave N & Stockyard St	425	2024
5	Albion in the Gulch	645 Division St	415	2023
6	Modera Germantown I	1420 Adams St	400	2023
7	The Chartwell at Marathon	801 12th Ave N & 800 14th Ave N	388	2024
8	The Finery	622 Merritt Ave	383	2023
9	Gibson Residences	1111 Church St	380	2023
10	Modera Gulch	810 Division St	378	2023
11	Aspire Gulch	805 Division St	360	2022
12	Alcove	900 Church St	356	2023
13	1414 4th Avenue South	1414 4th Ave S	350	2024
14	Prime	801 Church St	350	2024
15	Fallyn	110 19th Ave S	347	2022
16	Former Tennessee State Fairgrounds	625 Wedgewood Ave	337	2024
17	Towne Nashville	808 Garfield St	329	2023
18	The Lofts at Marathon	806 16th Ave N	320	2024
19	Haven at Charlotte	3025 Charlotte Ave	318	2024
20	8th & Berry	2606 Fessey Park Rd	314	2022
21	Apex Marathon Village	1501 Herman St	314	2022
22	Standard Assembly	715 Merritt Ave	310	2022
23	Gulch Union	1214 Demonbreun St	306	2024
24	Alta Riverwalk	115 Great Circle Rd	304	2023
25	Harlowe	908 Division St	300	2022
26	Haven at The Gulch	641 Division St	299	2022
27	1604 State Street	1604 State St	292	2023
28	Prima	620 8th Ave S	278	2024
29	Nashville Warehouse Company	1124 4th Ave S	275	2023
30	Novel Edgehill	801 12th Ave S	270	2022
31	Broadstone One City	7 City Pl	261	2023
32	Hume House	601 Press Pl	249	2023
33	Alta Foundry	640 21st Ave N	231	2022
34	Broadstone SoBro	800 4th Ave S	226	2022
35	Queens at Wedgewood Houston	625 Hamilton Ave	221	2023
36	The Link	51 Lucile St	221	2023
37	Artists Lofts	1217-1231 2nd Ave N	210	2024
38	Parke West	3415 Murphy Rd	210	2022
39	Rome	1221 2nd Ave N	210	2023
40	101 Factory Street	101 Factory St	204	2023
41	131 Great Circle Road	131 Great Circle Rd	194	2023
42	Shelby House I	407 S 4th St	193	2023
43	WeHo Nashville	661 Wedgewood Ave	150	2023
44	The Warrick	339 Athens Way	118	2022
45	Olympic II	1009, 1021 & 1023 8th Ave S	108	2023
46	Signature Music Row	1001 16th Ave S	101	2023
47	Signature Music Square	50 Music Square W	101	2023
48	The Hamilton	601 Press Pl	85	2022
49	14th Avenue Lofts	804 14th Ave N	72	2023
50	Clay Street Commons	1919, 1924 & 1928 9th Ave N	61	2023
51	213 7th Avenue North	213 7th Ave N	56	2023
52	810 Jefferson Street	810 Jefferson St	35	2022
53	3rd Avenue North	1825-1835 3rd Ave N	21	2023
			14,296 units	

Identified Supply

As of July 18, 2022, RealPage has identified 9,302 apartment units scheduled for delivery in 2022, of which, 3,209 have been delivered. As a comparison, there were 6,186 apartment units delivered in 2021. Properties delivered to the market in the last 12 months have achieved an average asking rent of $1,980 per unit, or $2.08 per square foot. Effective rent has averaged $1,884, or $1.97 per square foot, resulting in an average concession value of $184.69. As a comparison, existing properties in the market had an average asking rent of $1,623 per unit ($1.71 per square foot) and an average effective rent of $1,619 per unit, or $1.70 per square foot, in 2Q22. Concessions for existing properties averaged $84.00.

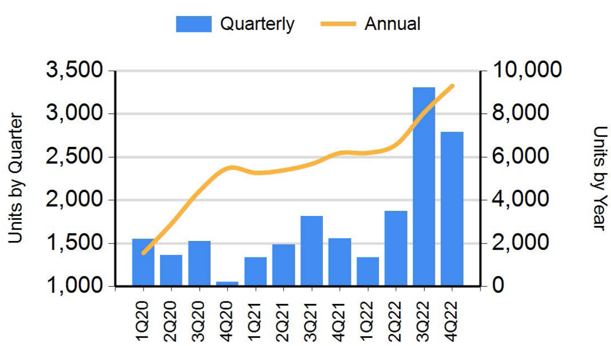
Submarket Delivery Schedule

	Pipeline Delivery Schedule				Pipeline Lease Up Trend					
					Units Absorbed		Asking Rent		Effective Rent	
Top Submarkets	**2020**	**2021**	**2022**	**Total**	**Totals**	**PPM**	**Per Unit**	**PSF**	**Per Unit**	**PSF**
Central Nashville	1,500	1,284	4,009	6,793	1,056	14	$2,345	$3.16	$2,129	$2.88
Franklin/Brentwood	671	484	755	1,910	455	17	$2,040	$1.88	$1,967	$1.81
South Nashville	92	342	646	1,080	242	15	$1,611	$2.01	$1,510	$1.88
Southeast Nashville	251	741	1,045	2,037	644	15	$1,763	$1.48	$1,699	$1.41
West Nashville	174	842	987	2,003	733	15	$2,271	$1.99	$2,226	$1.94
Other	2,792	2,493	1,860	7,145	1,249	10	$1,628	$1.47	$1,602	$1.44
Nashville, Davidson, Murfreesboro, Franklin, TN	**5,480**	**6,186**	**9,302**	**20,968**	**4,379**	**13**	**$1,980**	**$2.08**	**$1,884**	**$1.97**

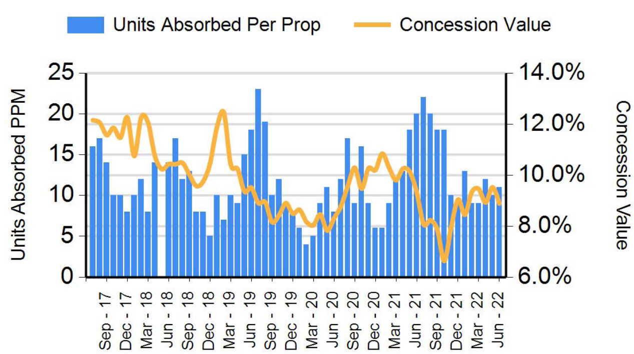
*Based on 2021 deliveries

*Trend based on a trailing 12 month period

Identified Unit Deliveries



Lease Up Performance



FOR MORE INFORMATION

Multifamily Advisory Group | South

John M. Ashley
Multifamily Advisor
+1 615 850 2716
john.ashley@colliers.com

Taylor C. Irwin
Multifamily Advisor
+1 615 850 3306
taylor.irwin@colliers.com

Regional Author

Katie Lester CPRC
Director of Research
+1 615 850 2758
katie.lester@colliers.com