Colliers

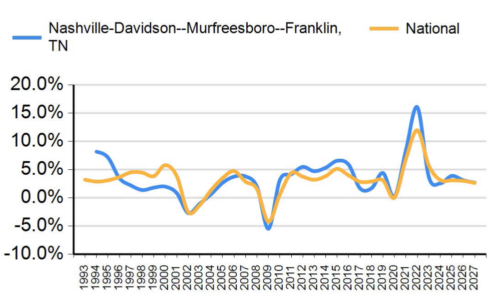
Nashville Multifamily 22Q3

Market Survey Results and Forecasts

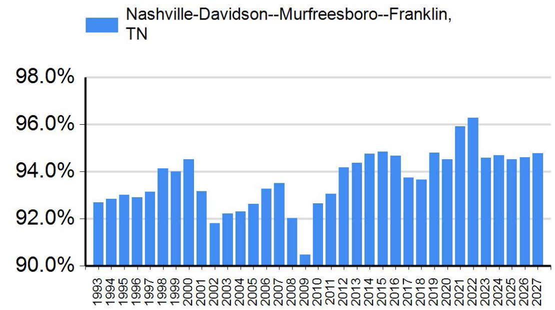
	Sequential				Month	Annual						
	4Q21	1Q22	2Q22	3Q22	Sep-22	2020	2021	2022F	2023F	2024F	2025F	2026F
Effective Rent Per Unit	$1,517	$1,557	$1,626	$1,667	$1,659	$1,295	$1,405	$1,630	$1,689	$1,732	$1,799	$1,854
Per Sq. Ft	$1.60	$1.64	$1.71	$1.75	$1.74	$1.37	$1.48	$1.71	$1.77	$1.82	$1.89	$1.95
Annual Effective Rent Growth	**19.1%**	**21.1%**	**20.7%**	**14.0%**	**11.4%**	**-2.9%**	**19.1%**	**11.1%**	**2.5%**	**3.2%**	**3.4%**	**2.9%**
Quarterly Effective Rent Growth	3.6%	2.6%	4.4%	2.5%								
Occupancy Rate	**97.4%**	**97.5%**	**96.8%**	**95.8%**	**95.5%**	**94.5%**	**95.9%**	**96.3%**	**94.6%**	**94.7%**	**94.5%**	**94.6%**
Annual Occupancy Change	3.2%	3.2%	**1.4%**	**-1.3%**	-1.9%	-1.0%	3.2%	-2.5%	-0.6%	**0.1%**	-0.1%	0.2%
Quarterly Occupancy Change	0.5%	0.1%	-0.7%	-1.1%								
Economic Concessions												
Concession Value	**$89.00**	**$105.00**	**$83.00**	**$53.00**	**$98.00**	**$54.75**	**$69.50**					
As a % of Asking Rent	6.1%	7.0%	5.3%	**3.3%**	5.9%	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
Sep-22	Alta Union	5800 Centennial Boulevard	Nashville	283	2021	$96,500,000	$340,989
Aug-22	The Artessa	1034 Windcross Court	Franklin	250	2015	$87,850,000	$351,400
Sep-22	Infinity Music Row (Leasehold)	1205 Division Street	Nashville	275	2017	$75,000,000	$272,727
Jul-22	Lyric On Bell	455 Arbor Place	Antioch	336	1986	$74,000,000	$220,238
Jul-22	Allegro on Bell	1500 Brentridge Drive	Antioch	327	1986	$68,000,000	$207,951
Sep-22	Stone Ridge Apartment Homes	500 Piccadilly Row	Antioch	340	1984	$66,763,609	$196,364
Aug-22	Landmark At Lyncrest Reserve	100 Belle Valley Drive	Nashville	260	1985	$64,000,000	$246,154
Aug-22	Duet 31	31st Ave N And Burch Avenue	Nashville	219	2016	$61,466,667	$280,670
Sep-22	Priest Lake Apartment Homes	3555 Bell Road	Nashville	300	1985	$58,909,066	$196,364

Source: Real Capital Analytics

Nashville

Multifamily 22Q3

Supply & Demand

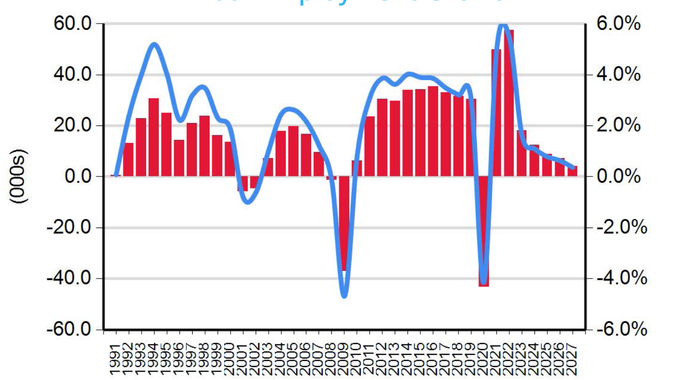
According to the Bureau of Labor Statistics, job growth in Nashville was 4.9% in August 2022, reflecting 52,300 jobs added during a 12-month period. The metro job growth figure was above the national number of 3.8%. RealPage forecasts Nashville's job growth to be 1.6% in 2023, with 18,007 jobs added. Job growth is expected to average 0.8% from 2024 to 2026, with an average of 9,536 jobs added each year.

On the supply side, permits for 7,125 multifamily units were issued in the 12 months ending in August 2022, down -6,867 units from the prior year's sum. In terms of total residential housing, 23,910 units were permitted in the 12 months ending August 2022, a decrease of -6,690 units from the prior year's total.

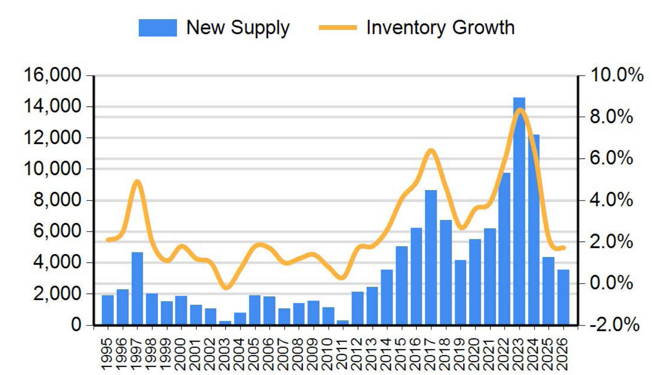
Market Employment and Permitting

	Annual			Aug-22		Annual Forecast				
	2019	2020	2021	Market	National	2022F	2023F	2024F	2025F	2026F
Employment (000s)	1,046.1	1,002.9	1,052.8	1,116.7	152,572.0	1,110.4	1,128.4	1,140.7	1,149.7	1,157.0
Job Gain (000s)	30.5	(43.2)	50.0	52.3	5,625.0	57.6	18.0	12.3	9.0	7.3
Job Growth (%)	3.0%	-4.1%	5.0%	4.9%	3.8%	5.5%	1.6%	1.1%	0.8%	0.6%
Total Residential Permitting	21,936	25,638	30,600	22,694	1,239,718	18,861	25,366	25,890	25,815	26,222
Relative Change	22.2%	16.9%	19.4%	-16.3%	6.6%	-38.4%	34.5%	2.1%	-0.3%	1.6%
Single Family Units Permitted	13,521	14,232	16,351	15,379	732,632					
Relative Change	10.0%	5.3%	14.9%	2.2%	-4.2%					
Multifamily Units Permitted	8,324	11,060	13,992	7,059	472,882					
Relative Change	49.6%	32.9%	26.5%	-40.0%	28.9%					
Multifamily as a % of Total	37.9%	43.1%	45.7%	31.1%	38.1%					
Demand/Supply Ratio										
Job Gain / Total Residential Units Permitted	1.7	(2.0)	1.9	1.9	4.8	1.9	1.0	0.5	0.3	0.3
Job Gain / Single Family Units Permitted	2.5	(3.2)	3.5	3.5	7.4					
Job Gain / Multifamily Units Permitted	5.5	(5.2)	4.5	4.4	15.3					

Annual Employment Growth



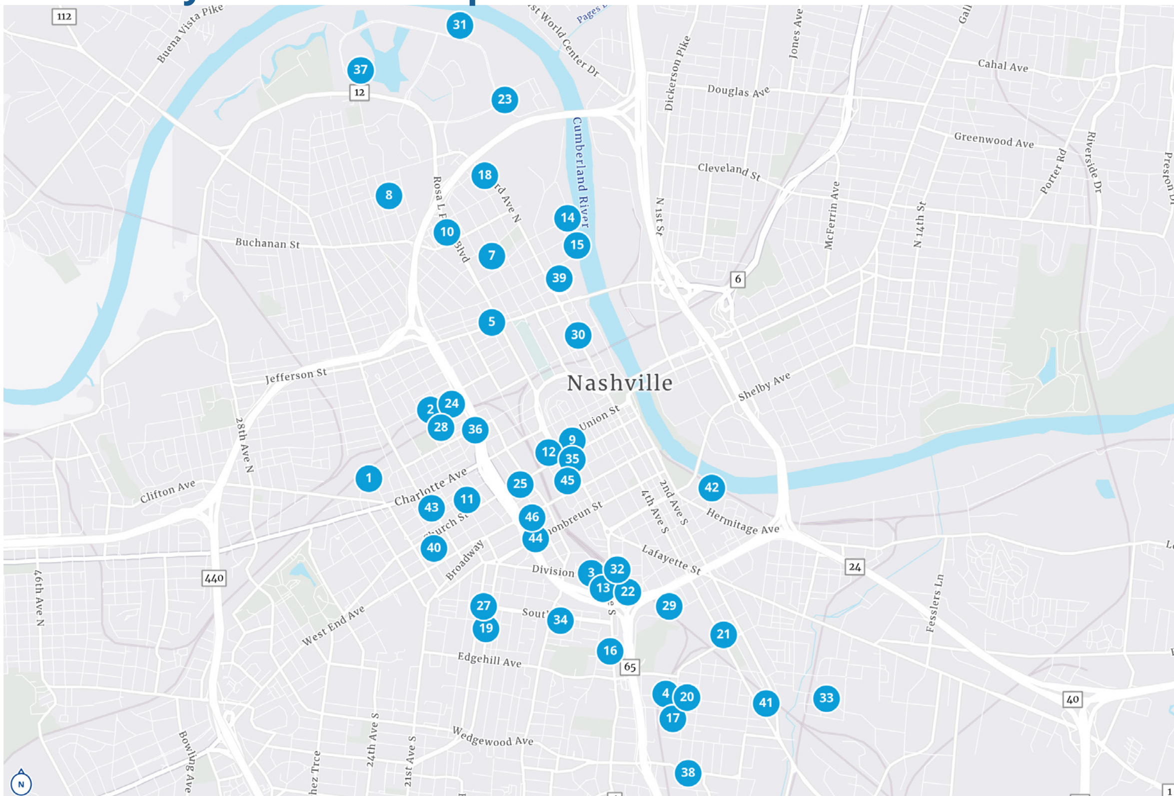
MF Supply & Inventory Growth



Multifamily Absorption + Supply

	Annual			3Q22		Annual Forecast				
	2019	2020	2021	Market	National	2022F	2023F	2024F	2025F	2026F
Total Units Absorbed	5,154	3,485	11,015	8,149	302,303	7,381	10,828	11,958	3,527	3,970
New Supply	4,158	5,480	6,201	8,232	347,592	9,732	14,566	12,202	4,367	3,533
Inventory Growth	2.7%	3.6%	3.9%	5.1%	1.9%	6.0%	8.3%	6.5%	2.2%	1.7%

Multifamily Urban Development



#	Name	Address	# Units	# Stories	Est. Completion
Projects Under Construction (+100 units)					
1	Alta Foundry	640 21st Avenue North	231	5	12/22
2	Apex Marathon Village	1501 Herman Street	314	4	12/22
3	Harlowe	908 Division Street	300	16	12/22
4	Standard Assembly	715 Merritt Avenue	310	6	12/22
5	810 Jefferson Street	810 Jefferson Street	35	4	01/23
6	Alta Riverwalk	115 Great Circle Road	304	3	02/23
7	Hume House	601 Press Place	249	4	02/23
8	Clay Street Commons	1919 9th Avenue North	61	3	03/23
9	213 7th Avenue North	213 7th Avenue North	56	6	04/23
10	Towne Nashville	808 Garfield Street	329	5	04/23
11	1604 State Street	1604 State Street	292	6	05/23
12	Alcove	900 Church Street	356	34	06/23
13	Modera Gulch	810 Division Street	378	15	07/23
14	Modera Germantown I	1420 Adams Street	400	5	08/23
15	Neuhoff	1312 Adams Street	542	9	08/23
16	Olympic II	1009 8th Avenue Street	108	5	08/23
17	Queens at Wedgewood Houston	625 Hamilton Avenue	221	4	08/23
18	3rd Avenue North	1825-1835 3rd Avenue North	21	3	09/23
19	Signature Music Row	1001 16th Avenue South	101	7	09/23
20	The Finery	622 Merritt Avenue	383	7	09/23
21	Nashville Warehouse Company	1124 4th Avenue South	275	10	09/23
22	Albion in the Gulch	645 Division Street	415	20	11/23
23	131 Great Circle Road	131 Great Circle Road	194	5	12/23
24	14th Avenue Lofts	804 14th Avenue North	72	4	12/23
25	Gibson Residences	1111 Church Street	380	21	12/23
26	Rome	1221 2nd Avenue North	210	7	12/23
27	Signature Music Square	50 Music Square West	101	6	12/23
28	The Lofts at Marathon	806 16th Avenue North	320	6	01/24
29	6th & Oak	937 6th Avenue South	145	4	02/24
30	Ballpark Village	3rd Ave N & Stockyard Street	356	7	02/24
31	Grand Oaks At Great Circle	341 & 365 Great Circle Road	467	5	02/24
32	Prima	620 8th Avenue South	278	16	02/24
33	101 Factory Street	101 Factory Street	204	4	02/24
34	Alta Rochelle	1020 Southside Court	370	5	03/24
35	Prime	801 Church Street	350	38	05/24
36	The Chartwell at Marathon	801 12th Ave N & 800 14th Ave North	379	6	05/24
37	The Chartwell at Watkins I	550 Great Circle Road	377	5	05/24
38	Former Tennessee State Fairgrounds	625 Wedgewood Avenue	337	6	08/24
39	Artists Lofts	1217-1231 2nd Avenue North	210	7	11/24
40	LOCAL Midtown	1904 Hayes Street	307	15	11/24
41	1414 4th Avenue South	1414 4th Avenue South	350	5	11/24
42	Peabody Union at Rolling Mill Hill	30 Peabody Street	300	27	11/24
43	Aspire Midtown	1801 Patterson Street	277	14	12/24
44	Gulch Union	1214 Demonbreun Street	306	28	12/24
45	Nashville Yards I & II	910 Commerce Street	696	35	12/24
46	Modera McGavock	1218 McGavock Street	396	29	01/25
			12,518 units		

Nashville

Multifamily

22Q3

Identified Supply

As of October 7, 2022, RealPage has identified 8,680 apartment units scheduled for delivery in 2022, of which, 6,236 have been delivered. As a comparison, there were 5,990 apartment units delivered in 2021. Properties delivered to the market in the last 12 months have achieved an average asking rent of $2,082 per unit, or $2.23 per square foot. Effective rent has averaged $1,974, or $2.09 per square foot, resulting in an average concession value of $204.00. As a comparison, existing properties in the market had an average asking rent of $1,671 per unit ($1.76 per square foot) and an average effective rent of $1,667 per unit, or $1.75 per square foot, in 3Q22. Concessions for existing properties averaged $53.00.

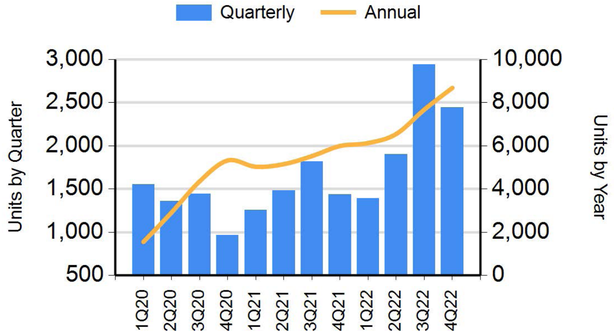
Submarket Delivery Schedule

	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	1,341	1,097	3,817	6,255	1,138	10	$2,429	$3.22	$2,200	$2.93
Franklin/Brentwood	671	475	734	1,880	506	14	$2,122	$1.87	$2,046	$1.81
South Nashville	92	342	593	1,027	263	11	$1,682	$2.15	$1,579	$2.02
Southeast Nashville	251	741	941	1,933	469	11	$1,834	$1.53	$1,788	$1.48
West Nashville	174	842	969	1,985	815	16	$2,169	$2.16	$2,110	$2.09
Other	2,792	2,493	1,626	6,911	635	5	$1,736	$1.50	$1,712	$1.47
Nashville, Davidson, Murfreesboro, Franklin, TN	**5,321**	**5,990**	**8,680**	**19,991**	**3,826**	**10**	**$2,082**	**$2.23**	**$1,974**	**$2.09**

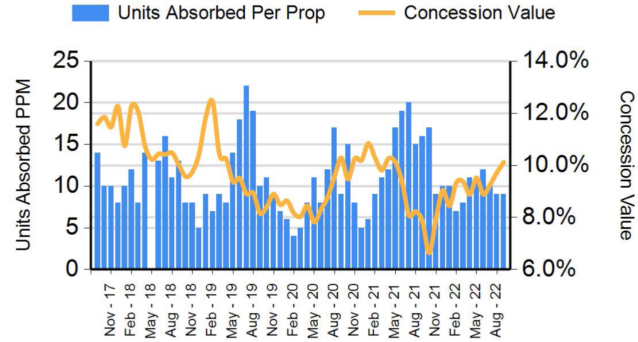
*Based on 2022 deliveries

*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