Colliers

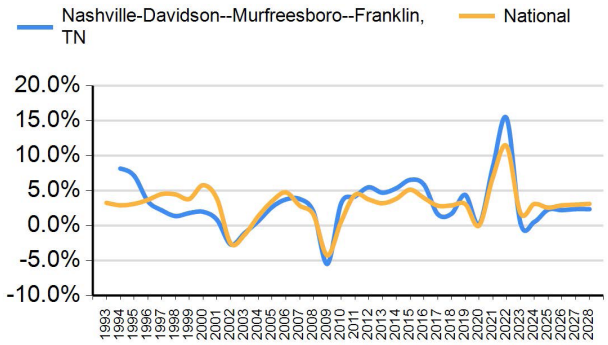
Nashville

# Multifamily 23Q4

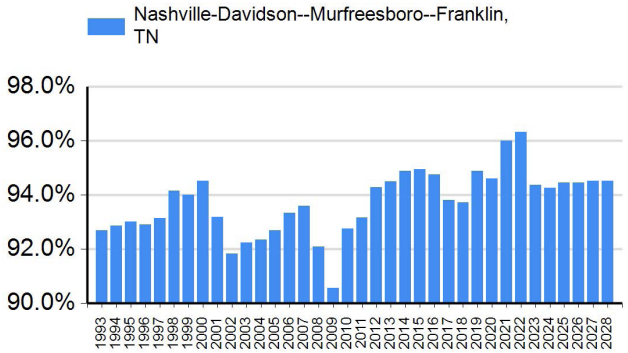
## Market Survey Results and Forecasts

| | Sequential | | | | Month | Annual | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q23 | 2Q23 | 3Q23 | 4Q23 | Dec-23 | 2021 | 2022 | 2023F | 2024F | 2025F | 2026F | 2027F |
| **Effective Rent Per Unit** | $1,639 | $1,653 | $1,642 | $1,602 | $1,591 | $1,412 | $1,628 | $1,634 | $1,642 | $1,679 | $1,716 | $1,756 |
| Per Sq. Ft. | $1.72 | $1.74 | $1.73 | $1.69 | $1.67 | $1.49 | $1.71 | $1.72 | $1.73 | $1.77 | $1.81 | $1.85 |
| Annual Effective Rent Growth | 4.6% | 1.1% | -2.0% | -2.4% | -2.5% | 19.0% | 7.6% | -2.4% | 2.0% | 2.1% | 2.2% | 2.3% |
| Quarterly Effective Rent Growth | -0.1% | 0.9% | -0.7% | -2.5% | | | | | | | | |
| **Occupancy Rate** | 94.6% | 94.4% | 94.5% | 93.9% | 93.6% | 96.0% | 96.3% | 94.4% | 94.3% | 94.5% | 94.5% | 94.5% |
| Annual Occupancy Change | -3.0% | -2.4% | -1.3% | -1.0% | -1.0% | 3.2% | -2.7% | -1.0% | 0.4% | 0.1% | 0.0% | 0.1% |
| Quarterly Occupancy Change | -0.4% | -0.2% | 0.0% | -0.6% | | | | | | | | |
| **Economic Concessions** | | | | | | | | | | | | |
| Concession Value | $72.00 | $66.00 | $64.00 | $80.00 | $141.00 | $70.00 | $74.00 | $70.50 | | | | |
| As a % of Asking Rent | 4.4% | 4.0% | 3.8% | 4.8% | 8.8% | 5.0% | 4.6% | 4.3% | | | | |

### Annual Effective Rent Growth




### Annual Occupancy Rate




## Recent Sales

| Date | Property Name | Address | City | Units | Year Built | Price | Price/Unit |
|---|---|---|---|---|---|---|---|
| Nov-23 | **Bexley Stockyards** | 901 2nd Avenue N | Nashville | 342 | 2020 | $114,570,000 | $335,000 |
| Oct-23 | **Novel Harpeth Heights** | 615 Old Hickory Boulevard | Nashville | 322 | 2022 | $99,337,000 | $308,500 |
| Dec-23 | **Peyton Stakes** | 1401 3rd Avenue N | Nashville | 249 | 2017 | $78,000,000 | $313,253 |
| Nov-23 | **Alta Depot** | 101 S Lowry Street | Smyrna | 308 | 2022 | $78,000,000 | $253,247 |
| Dec-23 | **Vintage at Century Farms** | 4065 Cane Ridge Parkway | Antioch | 212 | 2021 | $55,000,000 | $259,434 |
| Dec-23 | **The Standard at White House** | 126 Madeline Way | White House | 240 | 2017 | $50,600,000 | $210,833 |

*Source: Real Capital Analytics*

Nashville | Multifamily

# 23Q4

## Supply & Demand

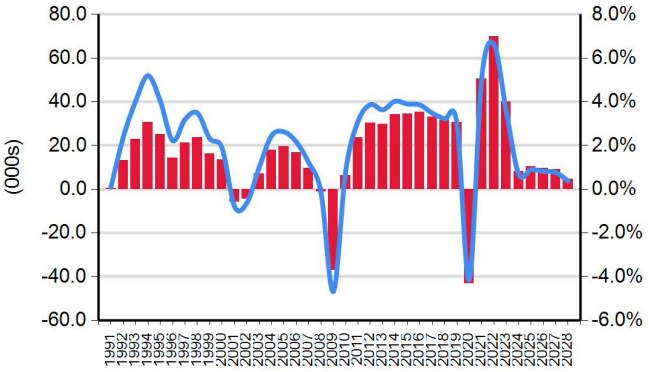
According to the Bureau of Labor Statistics, job growth in Nashville was 2.1% in November 2023, reflecting 24,400 jobs added during a 12-month period. The metro job growth figure was above the national number of 1.8%. RealPage forecasts Nashville's job growth to be 0.7% in 2024, with 8,068 jobs added. Job growth is expected to average 0.8% from 2025 to 2027, with an average of 9,728 jobs added each year.

On the supply side, permits for 9,844 multifamily units were issued in the 12 months ending in November 2023, up 6,661 units from the prior year's sum. In terms of total residential housing, 23,819 units were permitted in the 12 months ending November 2023, an increase of 4,986 units from the prior year's total.

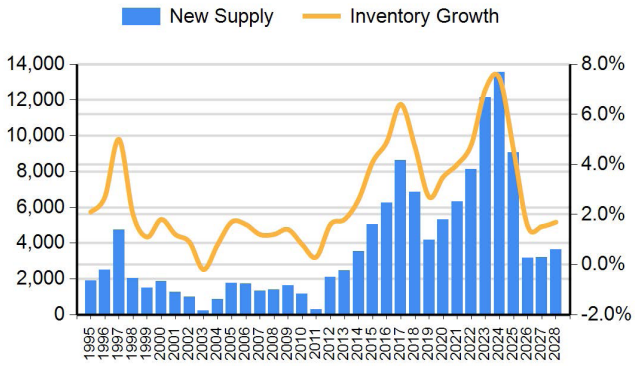
### Market Employment and Permitting

| | Annual | | | November-23 | | Annual Forecast | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | Market | National | 2023 | 2024F | 2025F | 2026F | 2027F |
| **Employment (000s)** | 1,002.8 | 1,053.2 | 1,123.1 | 1,180.2 | 158,461.0 | 1,163.1 | 1,171.1 | 1,181.6 | 1,191.2 | 1,200.3 |
| Job Gain (000s) | (43.3) | 50.5 | 69.8 | 24.4 | 2,819.0 | 40.0 | 8.1 | 10.4 | 9.7 | 9.1 |
| Job Growth (%) | -4.1% | 5.0% | 6.6% | 2.1% | 1.8% | 3.6% | 0.7% | 0.9% | 0.8% | 0.8% |
| **Total Residential Permitting** | 25,638 | 30,600 | 18,833 | 22,223 | 1,069,597 | 24,559 | 23,035 | 24,082 | 25,117 | 25,556 |
| Relative Change | 16.9% | 19.4% | -38.5% | 11.5% | -13.8% | 30.4% | -6.2% | 4.5% | 4.3% | 1.7% |
| Single Family Units Permitted | 14,232 | 16,351 | 15,311 | 12,856 | 618,645 | | | | | |
| Relative Change | 5.3% | 14.9% | -6.4% | -14.0% | -12.6% | | | | | |
| Multifamily Units Permitted | 11,060 | 13,992 | 3,183 | 9,222 | 417,079 | | | | | |
| Relative Change | 32.9% | 26.5% | -77.3% | 97.7% | -16.4% | | | | | |
| Multifamily as a % of Total | 43.1% | 45.7% | 16.9% | 41.5% | 39.0% | | | | | |
| **Demand/Supply Ratio** | | | | | | | | | | |
| Job Gain / Total Residential Units Permitted | (2.0) | 2.0 | 2.3 | 1.2 | 2.3 | 2.1 | 0.3 | 0.5 | 0.4 | 0.4 |
| Job Gain / Single Family Units Permitted | (3.2) | 3.5 | 4.3 | 1.6 | 4.0 | | | | | |
| Job Gain / Multifamily Units Permitted | (5.2) | 4.6 | 5.0 | 5.2 | 5.6 | | | | | |

Annual Employment Growth



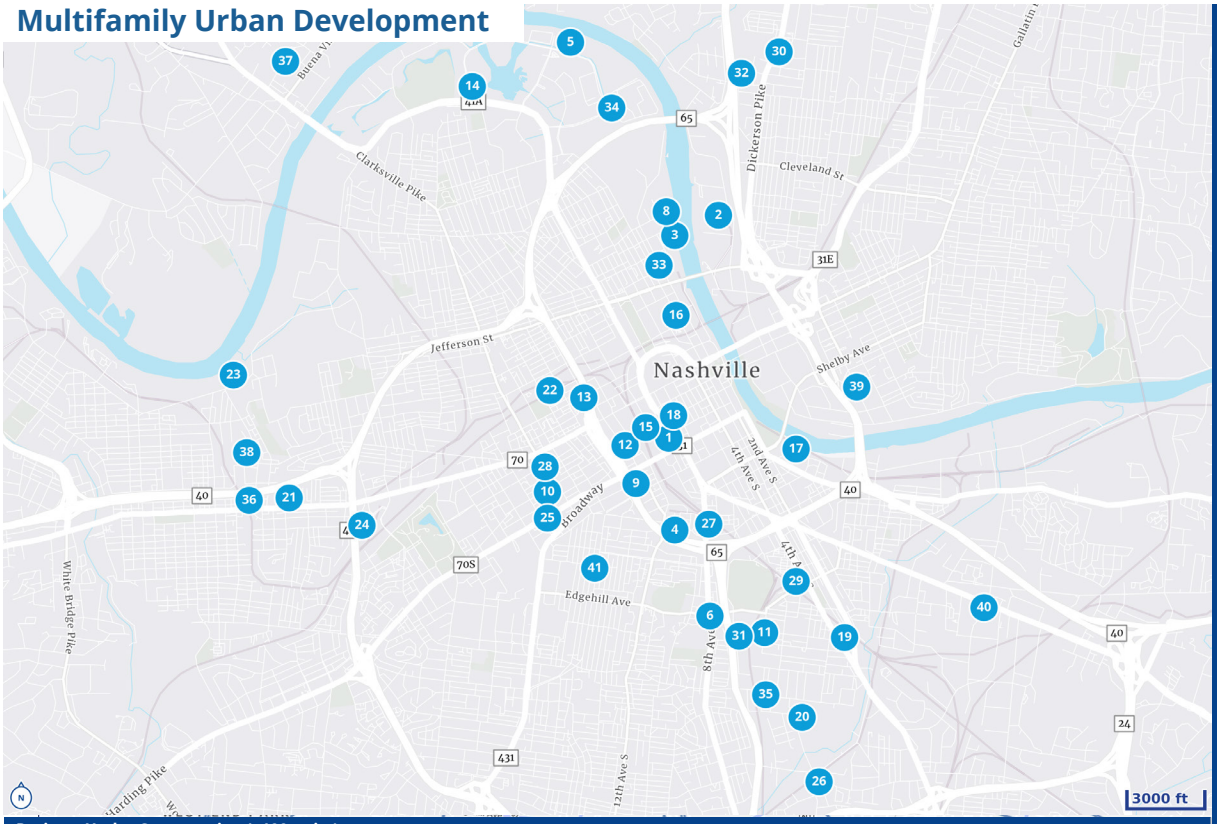

MF Supply & Inventory Growth




### Multifamily Absorption + Supply

| | Annual | | | 4Q23 | | Annual Forecast | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | Market | National | 2023 | 2024F | 2025F | 2026F | 2027F |
| **Total Units Absorbed** | 3,332 | 11,147 | 3,281 | 9,444 | 233,741 | 9,444 | 13,504 | 8,755 | 2,998 | 3,226 |
| **New Supply** | 5,321 | 6,334 | 8,114 | 12,134 | 439,394 | 12,134 | 13,549 | 9,073 | 3,179 | 3,194 |
| **Inventory Growth** | 3.5% | 4.0% | 4.8% | 7.0% | 2.3% | 7.0% | 7.4% | 4.6% | 1.5% | 1.5% |

# Multifamily Urban Development




**Projects Under Construction (+100 units)**

| # | Name | Address | Developer | # Units | # Stories | Finish |
|---|---|---|---|---|---|---|
| 1 | Nashville Yards I & II | 910 Commerce St | Lincoln Property Co./SWVP | 673 | 35 | 07/25 |
| 2 | The Landings at River North I | 520-600 Cowan St | Creek Lane Capital | 651 | 7 | 04/25 |
| 3 | Neuhoff | 1312 Adams St | New City Properties | 542 | 9 | 11/24 |
| 4 | Society Nashville | 915 Division St | Property Markets Group | 502 | 16 | 03/25 |
| 5 | Soundwater | 341 & 365 Great Circle | Southeastern | 467 | 5 | 08/24 |
| 6 | The Reservoir in Edgehill | Edgehill Ave & 8th Ave S | SLI Capital LLC/Regent Partners | 420 | 7 | 12/25 |
| 7 | Modera Germantown I | 1420 Adams St | Mill Creek Residential | 400 | 5 | 01/24 |
| 8 | Modera Germantown II | 1420 Adams St | Mill Creek Residential | 400 | 6 | 06/25 |
| 9 | Modera McGavock | 1212 McGavock St | Mill Creek Residential | 396 | 29 | 10/25 |
| 10 | 19th & Church | 1815 Church St | Ascend Real Estate Group | 383 | 16 | 06/25 |
| 11 | The Residences at the Finery | 622 Merritt Ave | Core Development/Hines | 383 | 7 | 02/24 |
| 12 | 1111 Church | 1111 Church St | Flank | 380 | 21 | 12/24 |
| 13 | The Chartwell at Marathon | 801 12th Ave N | Chartwell Residential | 379 | 6 | 12/24 |
| 14 | The Chartwell at Watkins I | 560 Great Circle Rd | Chartwell Residential/EJF Capital LLC | 377 | 5 | 04/25 |
| 15 | 1010 Church Street | 1010 Church St | Giarrantana LLC | 360 | 60 | 06/26 |
| 16 | Ballpark Village | 3rd Ave N & Stockyard St | Portman Holdings | 356 | 8 | 10/24 |
| 17 | Peabody Union | 30 Peabody St | Stiles | 354 | 27 | 12/25 |
| 18 | Prime | 801 Church St | Giarratana LLC | 350 | 38 | 05/25 |
| 19 | Emblem Park | 1414 4th Ave S | SomeraRoad | 346 | 5 | 04/25 |
| 20 | 445 Park Commons | 445 Benton Ave | MarketStreet Enterprises | 337 | 6 | 01/25 |
| 21 | Rye on Charlotte | 3800 Charlotte Ave | Price Development/Origin Investments | 322 | 6 | 04/24 |
| 22 | The Lofts at Marathon | 806 16th Ave N | RangeWater Real Estate LLC | 320 | 6 | 07/24 |
| 23 | The Livano Nations | 4000 Dr Walter S Davis Blvd | LIV Development | 319 | 5 | 08/24 |
| 24 | Haven at Charlotte | 3025 Charlotte Ave | Guefen Dev/Ascendant Development | 318 | 10 | 01/25 |
| 25 | LOCAL Midtown | 1904 Hayes St | Subtext | 307 | 15 | 05/25 |
| 26 | Broadstone Berry Hill | 2500 Bransford Ave | Alliance Residential Company | 302 | 4 | 06/24 |
| 27 | Prima at Paseo South Gulch | 620 8th Ave S | SomeraRoad | 278 | 16 | 11/24 |
| 28 | Aspire Midtown | 1801 Patterson St | Al Neyer LLC/Dinerstein Companies | 277 | 14 | 12/25 |
| 29 | Memoir Wedgewood Houston | 1125 4th Ave S | AJ Capital Partners | 275 | 10 | 09/24 |
| 30 | 1411 Dickerson Pike | 1411 Dickerson Pike | Wedgewood Avenue | 260 | 4 | 04/25 |
| 31 | Westerly House | 700 Hamilton Ave | Wedgewood Avenue/Atlas RE Partners | 246 | 6 | 06/25 |
| 32 | The Lucile | 55 Lucile St | Bristol Development Group | 221 | 5 | 07/24 |
| 33 | Artist Lofts | 1231 2nd Ave N | Greenpointe Construction Inc | 210 | 7 | 12/24 |
| 34 | Duke at Metrocenter | 131 Great Circle Rd | The Giddings Group | 194 | 5 | 10/24 |
| 35 | Coda | 661 Wedgewood Ave | Ridgehouse Companies/Arden Group | 150 | 6 | 06/24 |
| 36 | The Reeve | 405 40th Ave N | CA South Development | 144 | 6 | 02/25 |
| 37 | Summit View | 2111 W Summit Ave | Pulte Group | 112 | 3 | 12/24 |
| 38 | 4105 Clifton Avenue | 4105 Clifton Ave | Toll Brothers | 107 | 4 | 03/25 |
| 39 | 5th & Summer | 725 S 5th St | Private Developer | 107 | 6 | 05/25 |
| 40 | Alto 615 | 447 Murfreesboro Pike | Athens South Development | 102 | 5 | 10/24 |
| 41 | Signature Music Row | 1001 16th Ave S | Speedwagon Capital/Preiss Company | 101 | 7 | 05/24 |
| | | | | **13,128 units** | | |

## Identified Supply

As of January 8, 2024, RealPage has identified 11,492 apartment units scheduled for delivery in 2023, which all units have been delivered. As a comparison, there were 7,593 apartment units delivered in 2022. Properties delivered to the market in the last 12 months have achieved an average asking rent of $2,116 per unit, or $2.30 per square foot. Effective rent has averaged $1,931, or $2.09 per square foot, resulting in an average concession value of $263.97. As a comparison, existing properties in the market had an average asking rent of $1,618 per unit ($1.70 per square foot) and an average effective rent of $1,602 per unit, or $1.69 per square foot, in 4Q23. Concessions for existing properties averaged $80.00.

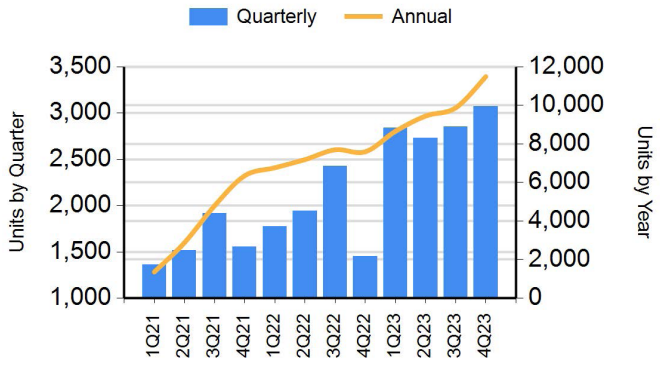
### Submarket Delivery Schedule

| | Pipeline Delivery Schedule | | | | Pipeline Lease Up Trend | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Units Absorbed | | Asking Rent | | Effective Rent | |
| **Top Submarkets** | **2021** | **2022** | **2023** | **Total** | **Totals** | **PPM** | **Per Unit** | **PSF** | **Per Unit** | **PSF** |
| Central Nashville | 1,097 | 3,087 | 3,810 | 7,994 | 1,951 | 7 | $2,408 | $3.06 | $2,087 | $2.66 |
| Franklin/Brentwood | 550 | 1,045 | 1,324 | 2,919 | 435 | 3 | $2,310 | $1.69 | $2,163 | $1.58 |
| Hermitage/Mount Juliet/Lebanon | 828 | 338 | 1,387 | 2,553 | 86 | 1 | $1,580 | $2.06 | $1,506 | $1.97 |
| North Nashville | 429 | 203 | 931 | 1,563 | 326 | 4 | $2,055 | $1.99 | $1,932 | $1.85 |
| Southeast Nashville | 741 | 808 | 1,378 | 2,927 | 780 | 10 | $1,824 | $1.67 | $1,749 | $1.59 |
| Other | 2,707 | 2,112 | 2,662 | 7,481 | 1,437 | 7 | $1,895 | $1.99 | $1,785 | $1.87 |
| **Nashville, Davidson, Murfreesboro, Franklin, TN** | **6,352** | **7,593** | **11,492** | **25,437** | **5,015** | **6** | **$2,116** | **$2.30** | **$1,931** | **$2.09** |

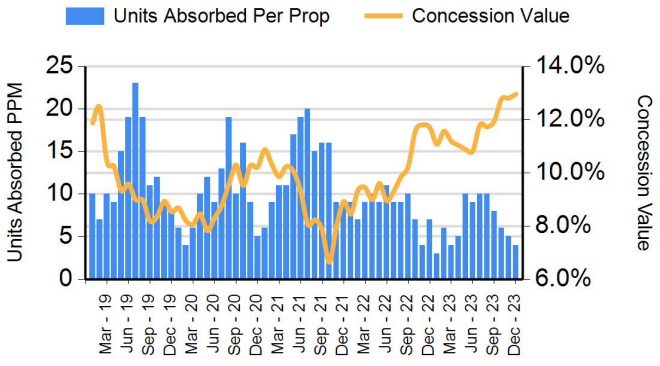
*Based on 2023 deliveries

*Trend based on a trailing 12 month period

### Identified Unit Deliveries




### Lease Up Performance




FOR MORE INFORMATION

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