

CHARLOTTE, NORTH CAROLINA

STRONG DEMAND & WAVE OF NEW UNITS SUPPORT RENT GROWTH REBOUND

Durable employers in the information, the financial activities, and the professional and business services sectors closed in on pre-pandemic payroll levels by year-end 2020. This was a major milestone for the Charlotte economy that will recover further with the return of 30,000 students to the University of North Carolina at Charlotte campus. This buoyant economy has also supported the metro's multifamily industry through the end of 2020 and inspired confidence for 2021. By the end of 2020, demand in Charlotte outpaced the previous year with over 8,700 net units absorbed, and occupancy increased 50 basis points to 95.3%. Residents are expected to absorb as many units in 2021 as they did in 2020. Contributing to demand will be the completion of a major expansion at the Charlotte Convention Center, an extension of the LYNX Blue light-rail line, as well as the first phase of the 1,400-acre River District development. Likewise, apartment developers will keep the construction pipeline elevated through 2021. Over 10,200 units are scheduled to come online as the metro's builders continue the blistering pace of new construction that has characterized Charlotte since 2016. Occupancy is projected to fall 50 basis points to 94.8% despite elevated demand due to the historic expansion of the metro's apartment stock. Effective rent is expected to increase 2.2% this year and 2.7% in 2022 after contracting 0.8% last year due to apartment operators raising concessions in response to pandemic-related economic uncertainty.



2021 MARKET AT A GLANCE



OCCUPANCY RATE

94.8%

Down 50 bps YOY



EFFECTIVE RENT

\$1,196

Up 2.2% YOY

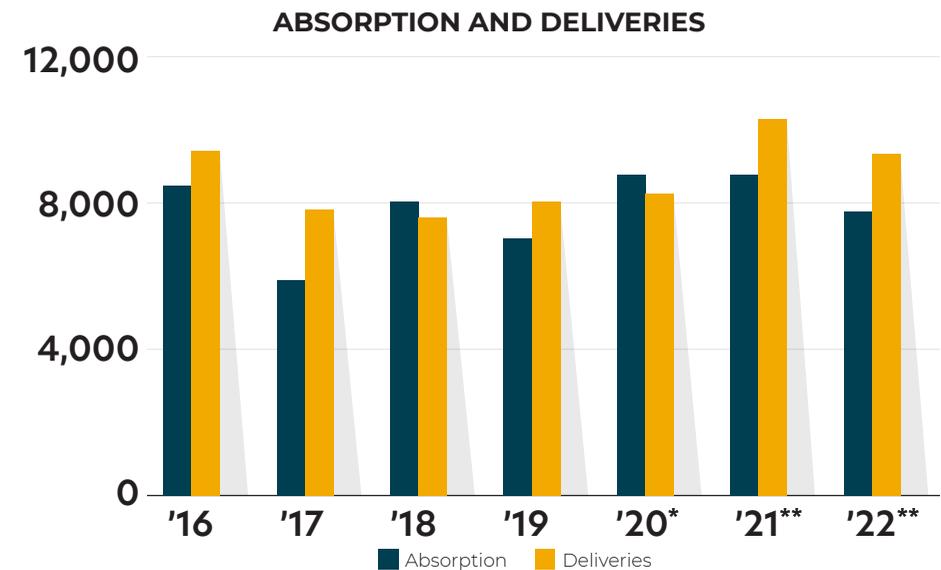
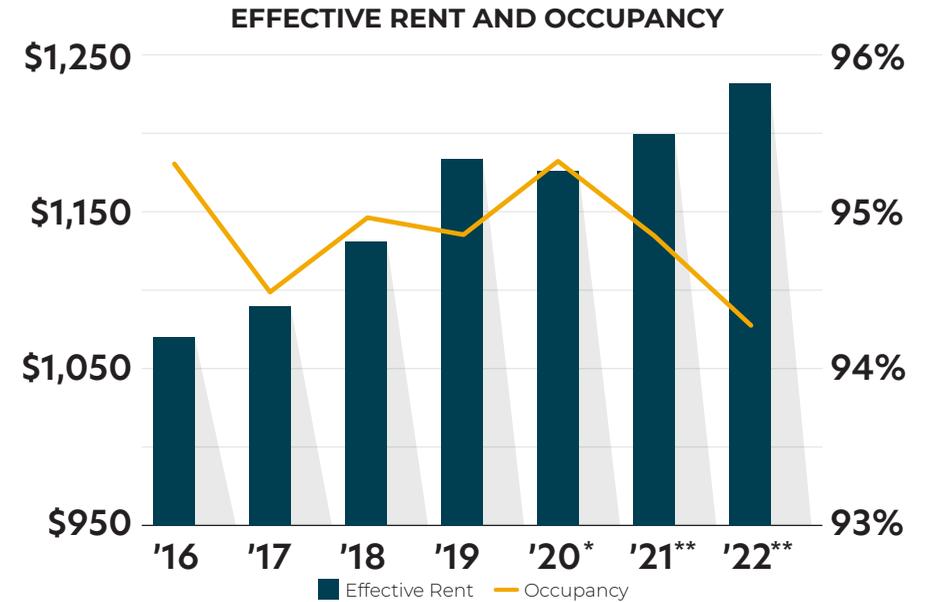


RENT SHARE OF WALLET

20.9%

Up 50 bps YOY

MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

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EMPLOYMENT TRENDS



EMPLOYMENT		2020*		2021**	
2019	YOY CHANGE	2020*	YOY CHANGE	2021**	
1,261,000	-8.2%	1,158,000	2.4%	1,185,500	

UNEMPLOYMENT RATE		2020		2021	
2019	YOY CHANGE	2020	YOY CHANGE	2021	
2.5%	570 BPS	8.2%	-110 BPS	7.1%	

POPULATION		2020		2021	
2019	YOY CHANGE	2020	YOY CHANGE	2021	
2,634,200	1.2%	2,664,900	1.2%	2,696,900	

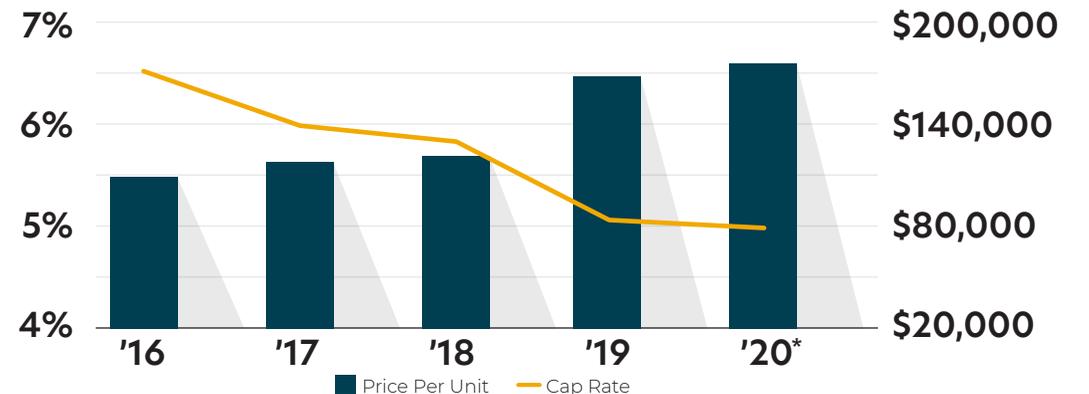
HOUSEHOLDS		2020		2021	
2019	YOY CHANGE	2020	YOY CHANGE	2021	
1,018,000	1.7%	1,035,300	2.0%	1,056,200	

MEDIAN HOUSEHOLD INCOME		2020		2021	
2019	YOY CHANGE	2020	YOY CHANGE	2021	
\$66,010	4.4%	\$68,918	-0.5%	\$68,585	

SALES TRENDS

PRICE PER UNIT		2020*	
2019	YOY CHANGE	2020*	
\$167,024	5.5%	\$176,180	

CAP RATE		2020	
2019	YOY CHANGE	2020	
5.1%	-10 BPS	5.0%	



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