

# CHARLOTTE, NC

## 2022 MARKET AT A GLANCE

### Occupancy Rate

96.4%



UNCHANGED YOY

### Effective Rent

\$1,509



UP 9.1% YOY

### Rent Share of Wallet

26.6%



UP 150 BPS YOY

## Population Growth and Hiring Supports Inventory Surge

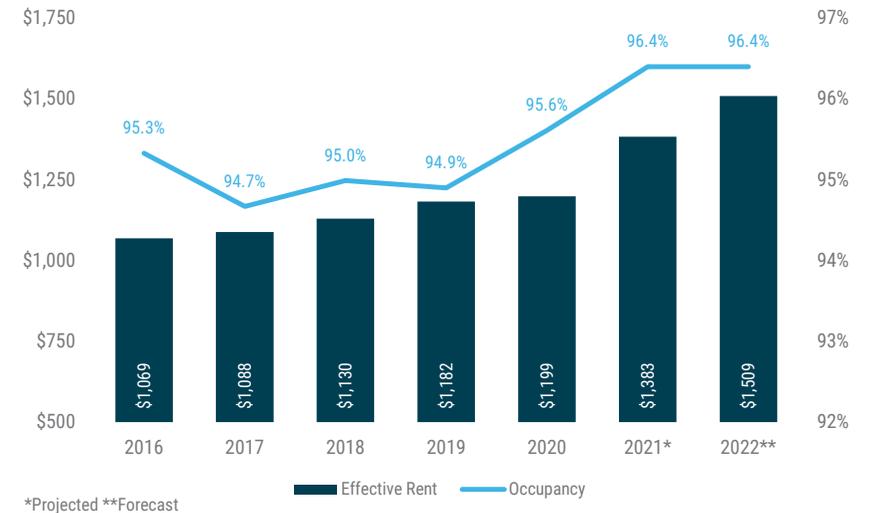
Employment is forecast to rise by 34,700 workers over the next four quarters, a gain of 2.8%, benefiting the apartment market. The region's affordable cost of living and vibrant economy have lured thousands of people to the region, and the metro area is expected to experience inward net migration of 125,600 residents over the next five years. Population growth driven in part by metrowide hiring will encourage developers to continue a multiyear trend of elevated apartment construction that began in 2016. Multifamily builders are active on 71 projects slated to deliver about 9,900 market-rate rentals in 2022. Developers will keep the pipeline full—another 5,100 units are likely to complete in 2023, and 38,400 units are in the planning stage. Apartment development will persist at a healthy clip around the University of North Carolina at Charlotte, where approximately 30% of the units will come online. Heightened deliveries across the metro will be met with strong demand, helping the 96.4% year-end occupancy rate to be on par with the prior year. The median household income in Charlotte is anticipated to advance 3.1% year over year, providing some relief to the projected 9.1% rise in monthly effective rent to \$1,509 by the fourth quarter. Even with the increase, renters in Charlotte will spend 26.6% of their household budget on rent, compared to 28.1% nationwide. In the investment arena, the strong job creation and apartment fundamentals will support a projected 6.8% annual increase in the average price per unit in 2022 with the cap rate up 10 basis points to 4.6%.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

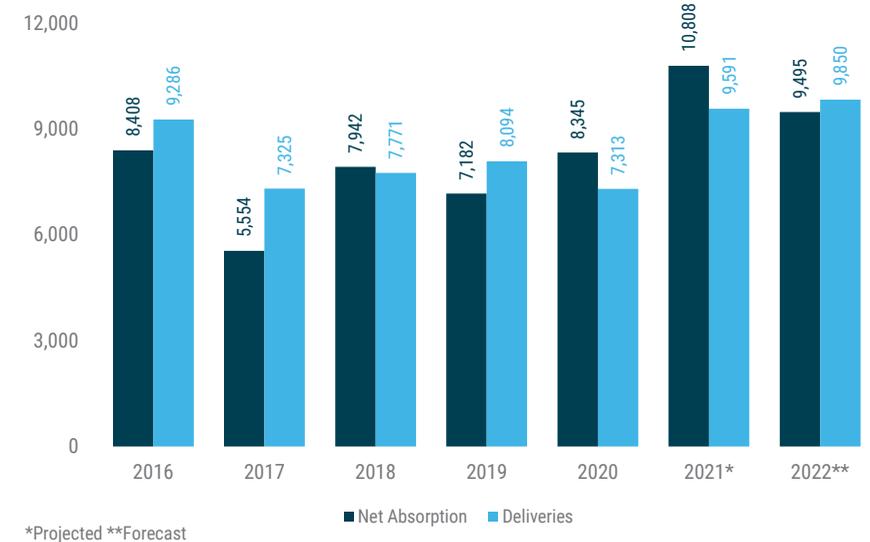
2022 FORECAST

## APARTMENT TRENDS

### Effective Rent & Occupancy

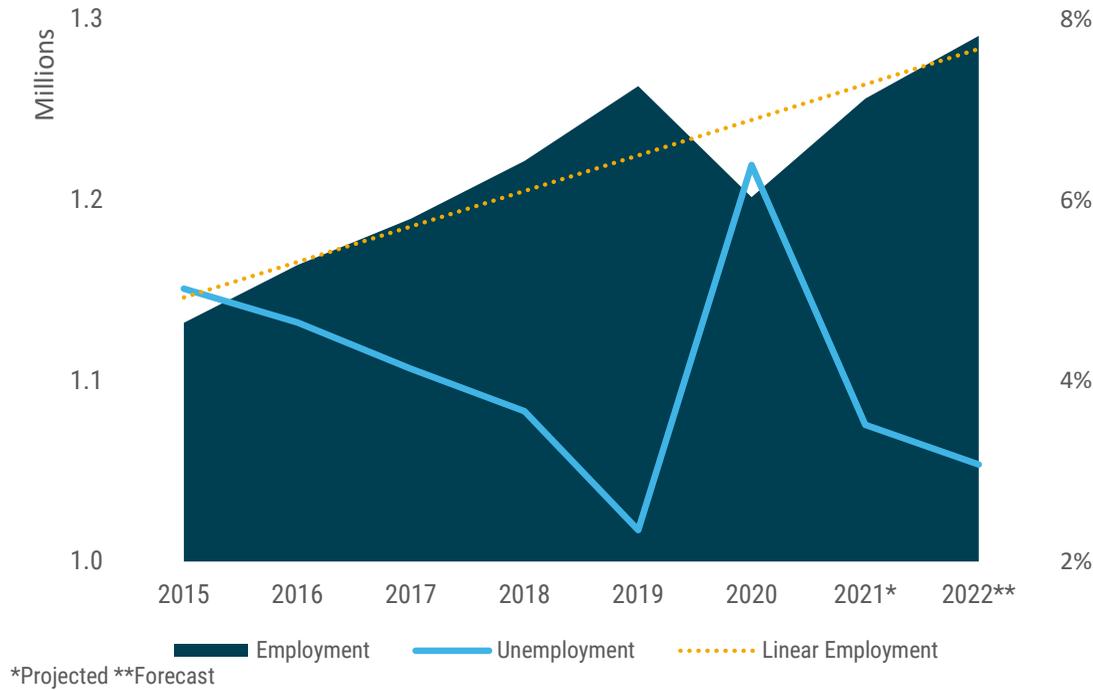


### Absorption & Deliveries



## EMPLOYMENT TRENDS

### Market Employment Trends



## SALES TRENDS

### Price Per Unit & Cap Rate



### Employment

1,290,900



UP 2.8% YOY

### Unemployment

3.1%



DOWN 40 BPS YOY

### Median Household Income

\$68,128



UP 3.1% YOY

### Price Per Unit

\$203,209



UP 6.8% YOY

### Cap Rate

4.6%



UP 10 BPS YOY