

MEMPHIS, TN

2022 MARKET AT A GLANCE

Occupancy Rate

96.0%



DOWN 50 BPS YOY

Effective Rent

\$1,172



UP 6.6% YOY

Rent Share of Wallet

25.4%



UP 80 BPS YOY

Employment Growth Contributes to Rising Apartment Rent

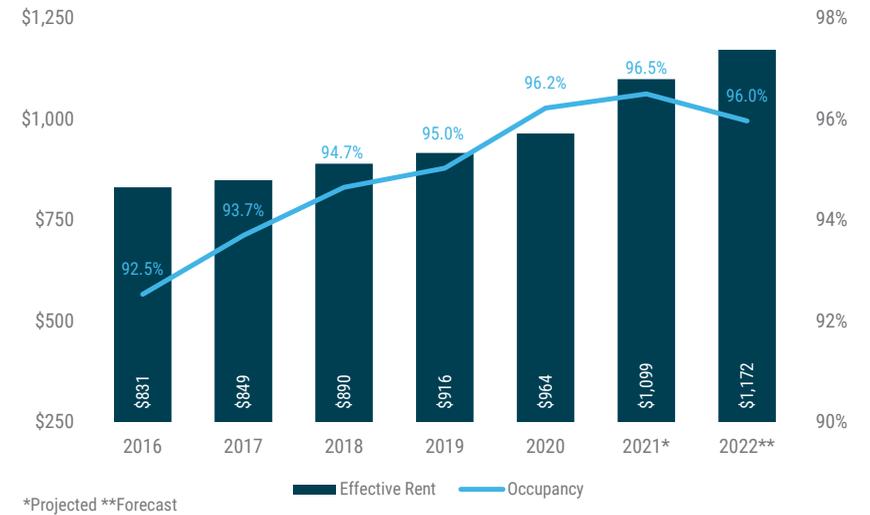
The Memphis metropolitan area's employment is predicted to continue to grow heading in 2022, contributing to sustained apartment demand. Greater Memphis employment is projected to increase 2.5%, recovering completely from the pandemic-related job loss by year-end. As the largest employment sector in the metro, hiring in the trade, transportation, and utilities job sector will significantly contribute to the recovery. The sector employment is forecast to reach 186,800 positions by year-end with the addition of 5,700 net jobs. The trade, transportation, and utilities sector is heavily impacted by the FedEx World Hub, the company's No. 1 hub in the U.S. and globally and largest employer in Memphis. FedEx is currently working on a \$1.3 billion upgrade project that will continue to expand the company's impact. As employment continues to grow, unemployment is forecast to drop 120 basis point year over year to 4.5% in December 2022. With more job opportunities coming into the Memphis area, annual net apartment absorption is forecast to remain positive. Leasing activity is forecast to be highest in the urban submarkets. Compared to other large metros in Tennessee, the Memphis metro offers more affordable effective rent while also providing similar urban amenities. Nashville, the biggest metro in the state and closest metro to Memphis, has an average effective rent about 21% higher than the average rent in the Memphis metro. Even so, average occupancy in Greater Memphis is expected to dip to 96.0% by year-end as net absorption trails deliveries. In response, apartment operators should taper effective rent growth from 14.0% in 2021 to 6.6% this year.

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.

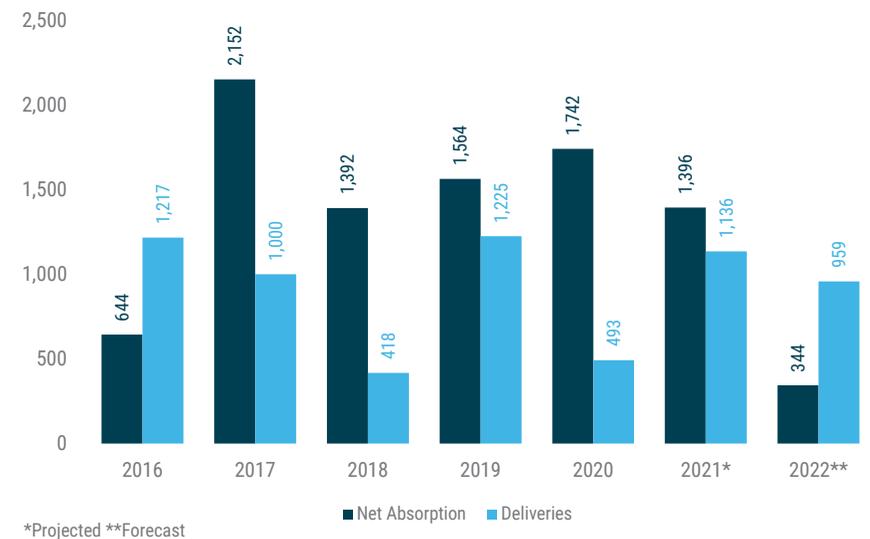
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy

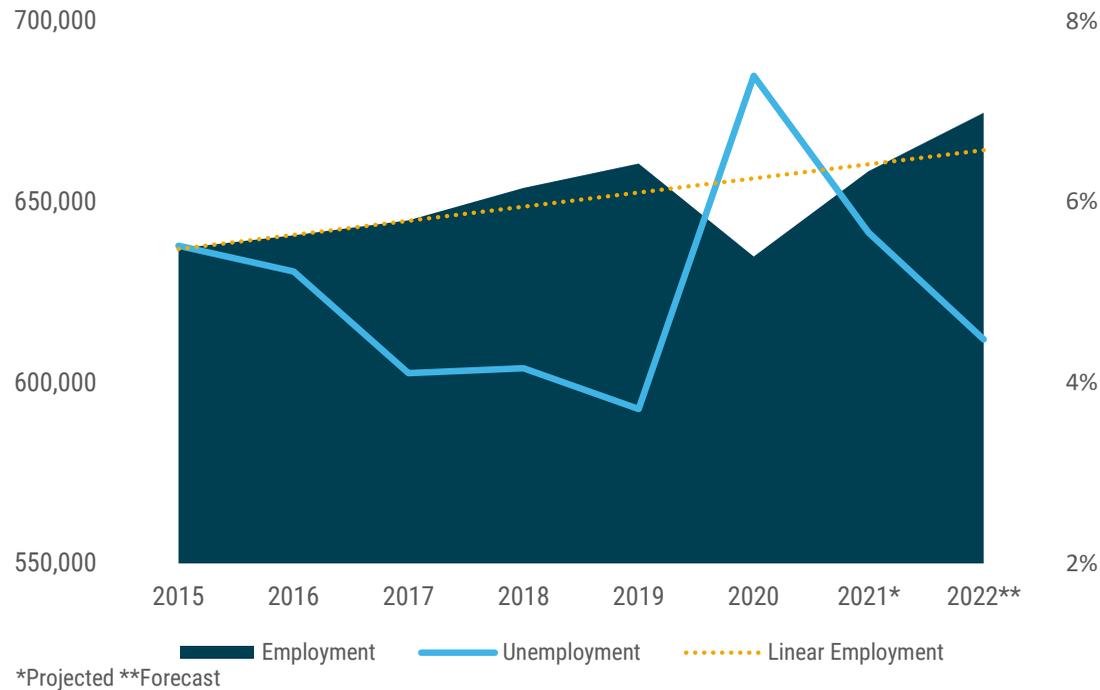


Absorption & Deliveries



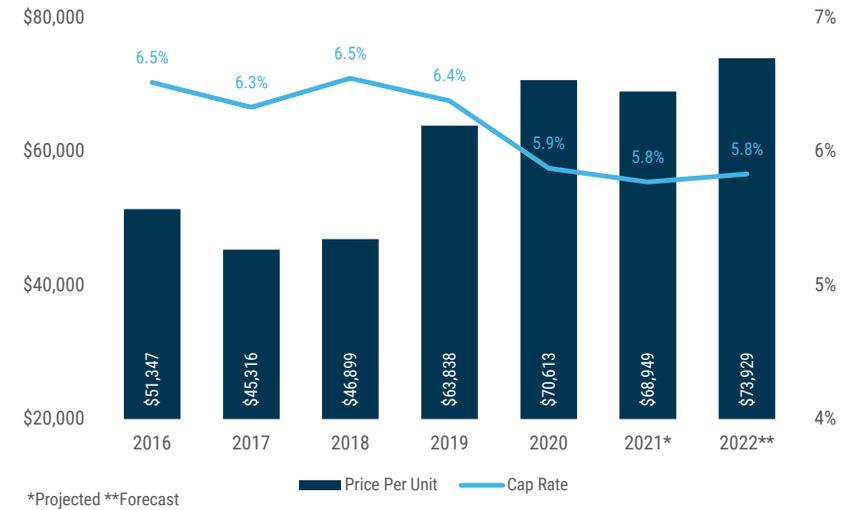
EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



Employment

674,700



UP 2.5% YOY

Unemployment

4.5%



DOWN 120 BPS YOY

Median Household Income

\$55,333



UP 3.4% YOY

Price Per Unit

\$73,929



UP 7.2% YOY

Cap Rate

5.8%



UNCHANGED YOY