

NASHVILLE, TN

2022 MARKET AT A GLANCE

Occupancy Rate

95.8%



DOWN 40 BPS YOY

Effective Rent

\$1,495



UP 6.8% YOY

Rent Share of Wallet

25.3%



UP 80 BPS YOY

Net Absorption in Music City is Set to Crush Last Year's Peak Demand

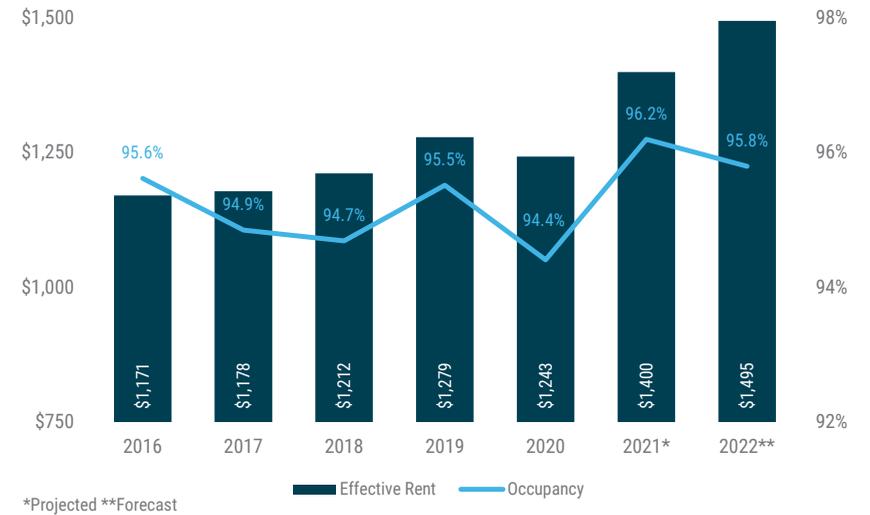
Multifamily performance continues to strengthen heading into 2022 with demand and rent forecast to crest market trends by year-end. Net leasing activity is forecast to reach a post-Great Recession high of 10,573 units, smashing last year's record of 9,291 newly leased rentals. Employers will expand payrolls by 2.8% this year, lifting overall headcounts to within 99% of the pre-health-crisis level. The economy has become much more diverse, particularly with significant growth in office-using jobs. Amazon's plan to add 5,000 corporate and tech-related positions to its Nashville Yards operations center is well underway, and several other major employers—including Pinnacle Financial, Smile Direct Club, and NTT Data—have announced plans to either expand within or relocate to the metro. To meet economic-driven demand, developers are busy on one of the largest construction pipelines in the country: 82 apartment communities are underway with commitments for 11,724 units to be delivered in 2022. Inventory will expand by 7.1%, making it one of the top 10 markets for annual apartment inventory growth. The Central Nashville submarket will have the highest level of development activity, with 4,930 units under construction, equal to 42% of completed stock. The submarket has been a hotbed of economic growth because of business expansion and relocation and amenities available to urban core residents. A combination of apartment demand and the prevalence of new, high-end rentals available will advance the metrowide monthly average effective rent to \$1,495 in the fourth quarter, up 6.8% year over year. The occupancy rate will settle at 95.8% amid peak demand.

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.

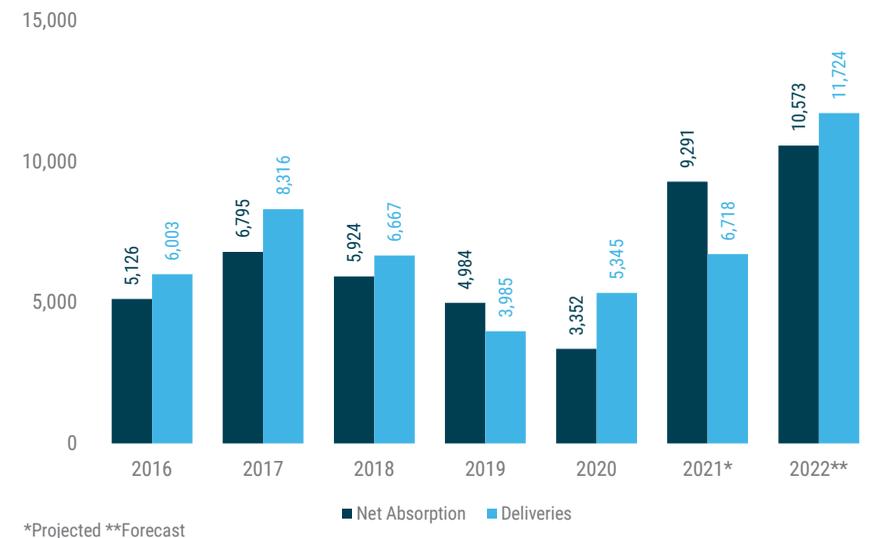
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy

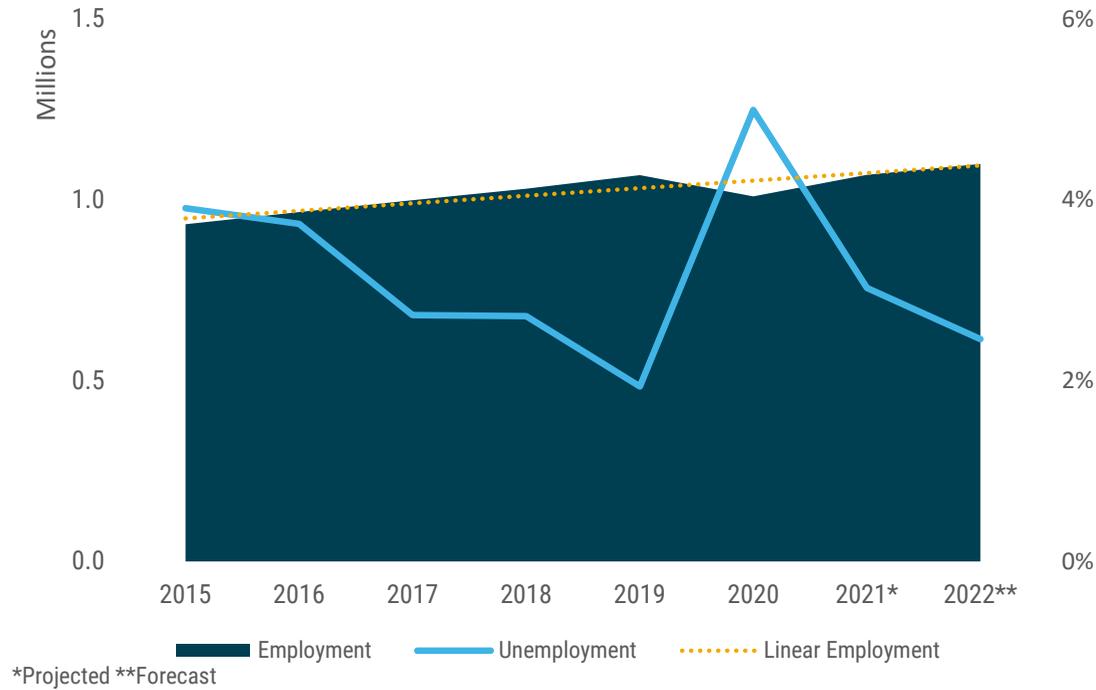


Absorption & Deliveries



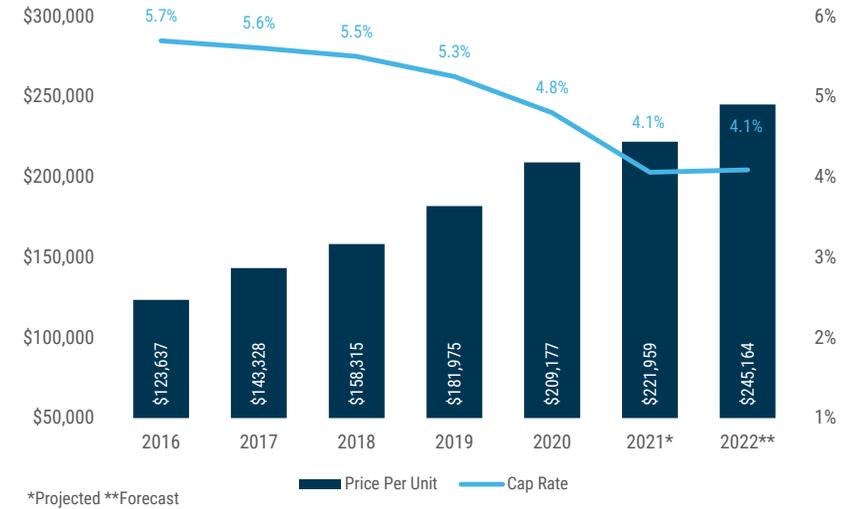
EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



Employment

1,099,800



UP 2.8% YOY

Unemployment

2.5%



DOWN 50 BPS YOY

Median Household Income

\$70,913



UP 3.4% YOY

Price Per Unit

\$245,164



UP 10.5% YOY

Cap Rate

4.1%



UNCHANGED YOY