

MEMPHIS, TN

2023 MARKET AT A GLANCE

Occupancy Rate

94.2%



DOWN 30 BPS YOY

Effective Rent

\$1,207



UP 2.7% YOY

Rent Share of Wallet

24.7%



DOWN 20 BPS YOY

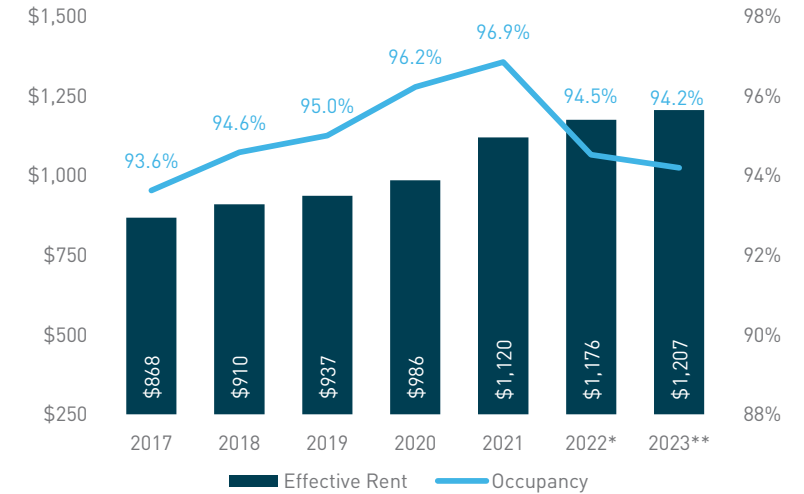
Apartment Demand Rebounds with Continued Hiring

The resiliency of the Memphis economy has benefited the apartment market, a trend expected to continue this year. After payrolls dropped by 22,900 positions due to the pandemic in 2020, total nonfarm employment surpassed the pre-pandemic peak last year. Employers are expected to add an additional 6,700 jobs in 2023, driven by the strength of the logistics sector. Because of its central location, 75% of the U.S. population can be reached within a two-day drive of Memphis. The trade, transportation, and utilities sector is a major contributor to the local economy, accounting for nearly three out of every 10 jobs metrowide. Employers in the sector are expected to lead hiring this year, adding 2,530 jobs for an increase of 1.3%. Another boost to the local economy will be Ford Motor Company and SK Innovation's 3,600-acre mega campus dedicated to the production of all-electric vehicles, dubbed BlueOval City. The investment is expected to add 27,000 direct and indirect jobs with an investment of \$5.6 billion. The metro has also benefited from residents leaving large, high-cost metros and relocating to smaller, more affordable areas. Builders are working to meet that demand with 1,550 units scheduled to come online this year. Development will be focused in the Downtown and the Midtown/East submarkets, which are projected to see 413 and 634 additional units, respectively. After hitting 13.6% annual rent growth during 2021, metrowide effective rent is expected to rise 2.7% in 2023, which is in line with the average of 2.9% from 2010 to 2020.

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 2022 are projected values. 2023 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.

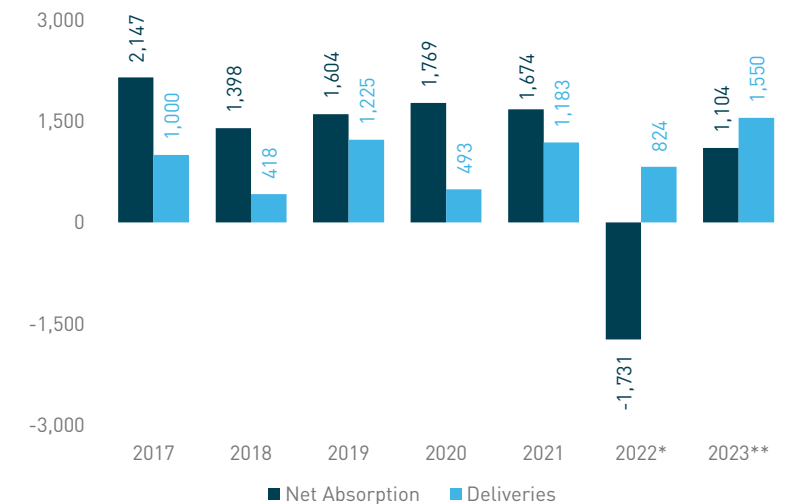
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

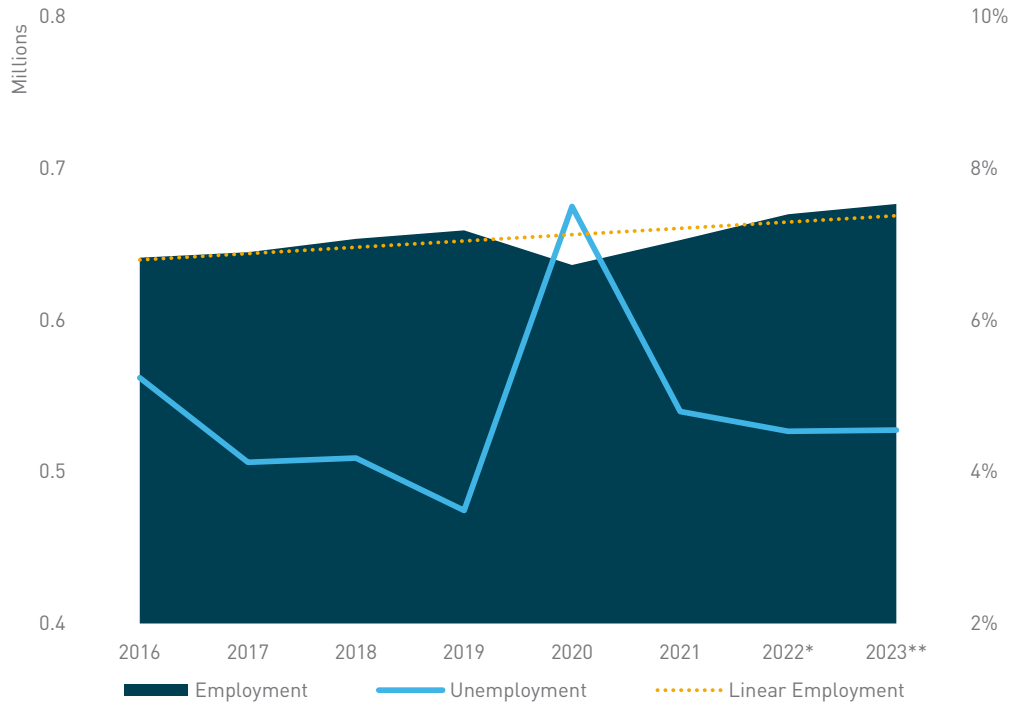


*Projected **Forecast

MEMPHIS, TN

Employment Trends

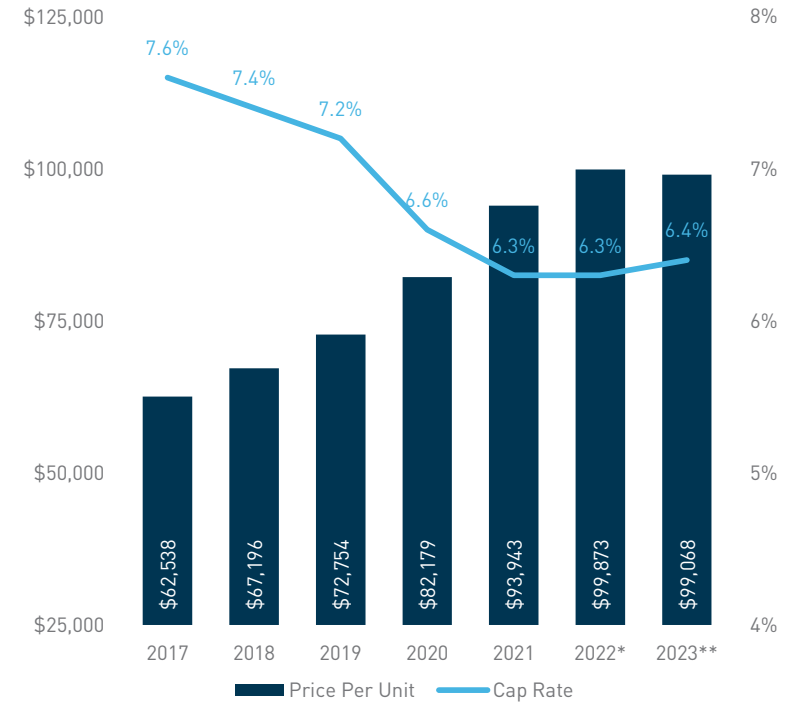
Market Employment Trends



*Projected **Forecast

Sales Trends

Price Per Unit & Cap Rate



*Projected **Forecast

Employment

676,400



UP 1.0% YOY

Unemployment

4.5%



UNCHANGED YOY

Median Household Income

\$58,639



UP 3.3% YOY

Price Per Unit

\$99,068



DOWN 0.8% YOY

Cap Rate

6.4%



UP 10 BPS YOY