

NASHVILLE, TN

2023 MARKET AT A GLANCE

Occupancy Rate

94.2%



DOWN 120 BPS YOY

Effective Rent

\$1,697



UP 2.4% YOY

Rent Share of Wallet

26.0%



DOWN 20 BPS YOY

In-Migration and Business Expansions to Support Apartment Demand Amid Supply Wave

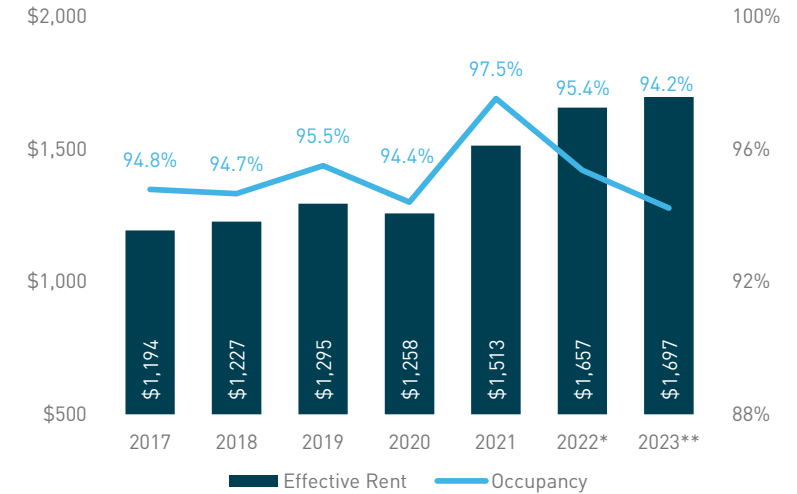
Favorable population trends and a healthy economic recovery should help keep Nashville among the strongest apartment markets in the nation in 2023. Employment is forecast to rise by 13,000 workers over the next year. The 1.2% annual gain can be attributed to the market's low tax, business-friendly environment resulting in numerous corporate expansions. A swelling economy is expected to help the median household income grow 3.3% annually, which will help residents afford rising rents as the market's projected percentage of income spent on rent is forecast to be 26.0%, a decline of 20 basis points year over year. Growing employment opportunities and a vibrant downtown culture will continue to lure people to the metro area, with net migration forecast to measure 14,000 people in 2023. Apartment demand is also supported by a projected 1.4% growth in households. As a result, absorption levels are expected to reach 12,316 units in 2023, well above the pre-pandemic annual average absorption of 4,053 units between 2010 and 2019. However, even with a surge in demand, apartment absorption is expected to trail inventory growth as Nashville ranks among the most active major markets in the country for development. Nearly 15,200 units are scheduled for delivery in 2023. Roughly 40% of new supply will be delivered in the Central Nashville submarket, as developers seek to meet the outsized rental demand for units in the market's lively downtown area. This will moderate metrowide occupancy towards 94.2% in 2023.

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.

| 2023 FORECAST

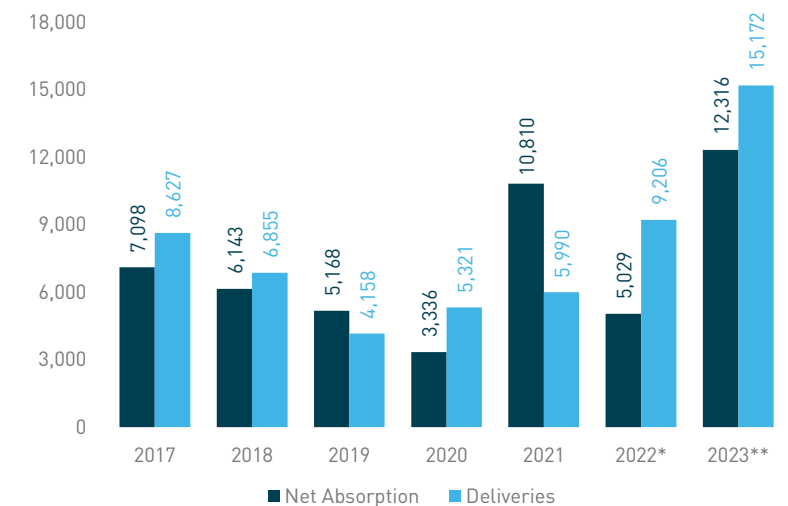
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

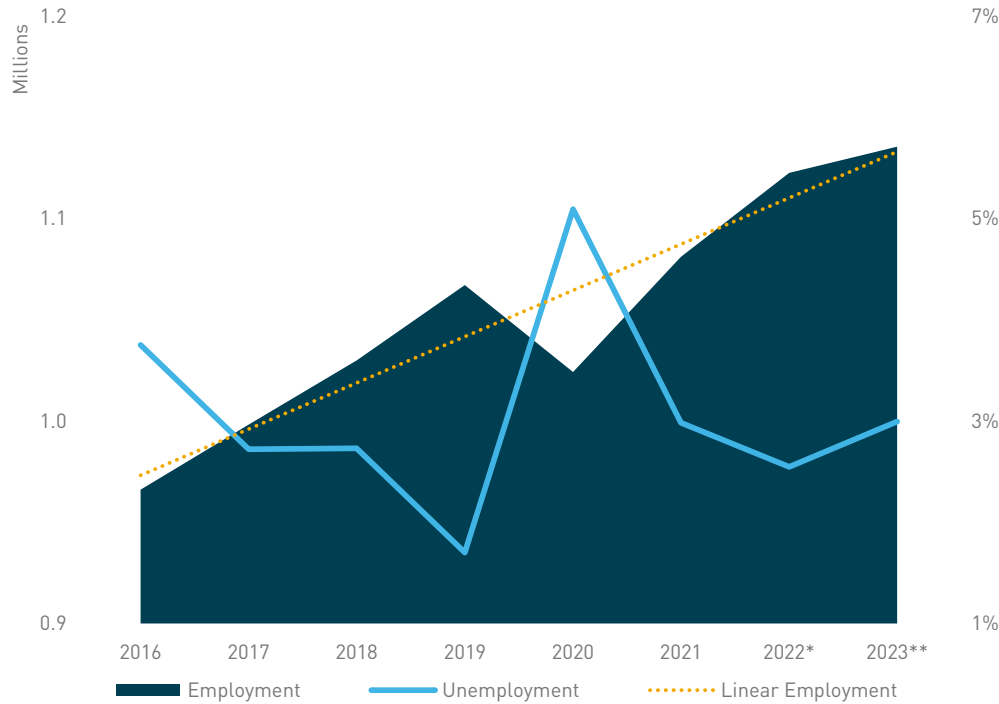


*Projected **Forecast

NASHVILLE, TN

Employment Trends

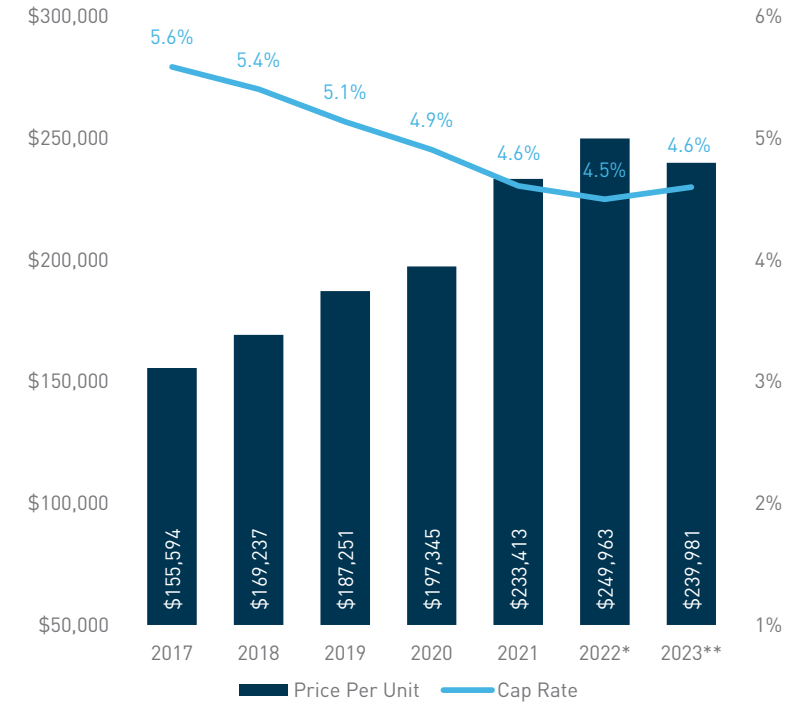
Market Employment Trends



*Projected **Forecast

Sales Trends

Price Per Unit & Cap Rate



*Projected **Forecast

<p>Employment</p> <p>1,135,600</p> <p>↑</p> <p>UP 1.2% YOY</p>	<p>Unemployment</p> <p>3.0%</p> <p>↑</p> <p>UP 50 BPS YOY</p>	<p>Median Household Income</p> <p>\$78,413</p> <p>↑</p> <p>UP 3.3% YOY</p>
---	--	---

<p>Price Per Unit</p> <p>\$239,981</p> <p>↓</p> <p>DOWN 4.0% YOY</p>	<p>Cap Rate</p> <p>4.6%</p> <p>↑</p> <p>UP 10 BPS YOY</p>
---	--