



MARKET AT A GLANCE



**OCCUPANCY RATE** **94.9%**  
Down **130 bps** since 3Q19



**EFFECTIVE RENT** **\$1,278**  
Down **1.7%** since 3Q19

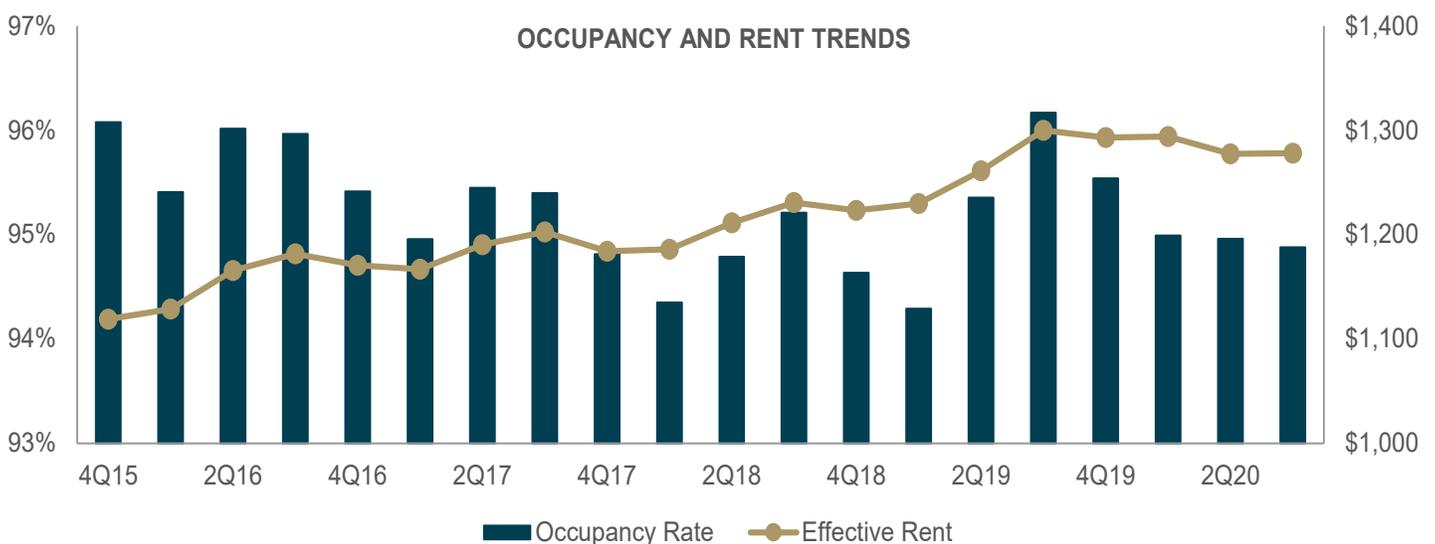


**RENT PAYMENT TRACKER (Oct. 1-13)** **89.6%**  
Down **190 bps** since Sept. 1-13

OCCUPANCY AND RENT TRENDS

APARTMENT CONSTRUCTION SIZZLING, TREND LIKELY TO CONTINUE

While the third quarter began with a high number of new coronavirus cases in Tennessee, the caseload throttled down by September. As a result, local authorities in Nashville moved to ease some restrictions from its modified second phase of reopening. Although the pandemic struck Music City's tourism industry hard, commercial and residential construction surged. Permits for \$3.6 billion of total commercial real estate development was approved during the fiscal year ending June 2020. Spurred by a regional population growing, on average, by a net gain of almost 100 new residents a day, builders placed 1,976 units in service during the third quarter of 2020, part of 5,531 apartments in the past year. With 55 projects underway, an additional 11,820 apartments are anticipated by year-end 2022. While shelter-in-place orders stymied leasing activity, demand was net positive in all submarkets during third quarter. The construction boom caused occupancy to dip 10 basis points quarter over quarter, ending September at 94.9%. Meanwhile, an effective rent of \$1,278 remained unchanged since mid-2020. To help struggling residents meet housing costs, Nashville's COVID-19 Financial Oversight Committee approved \$10 million for rent relief in August.



# NASHVILLE

MULTIFAMILY REPORT

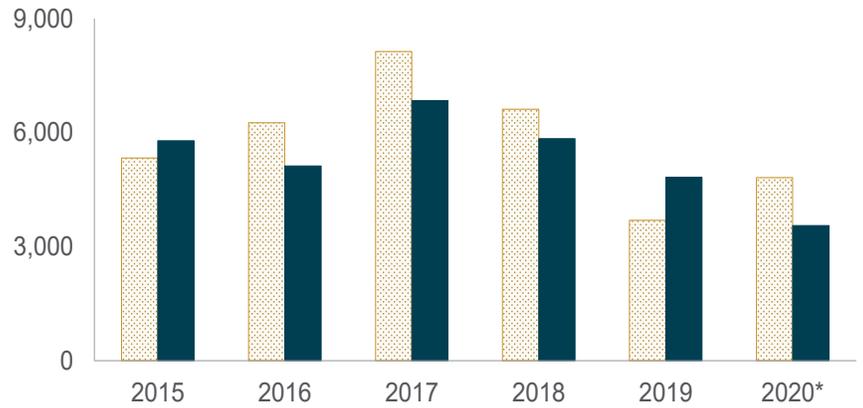
## DELIVERIES AND DEMAND



**DELIVERIES** 4,816  
Units YTD



**NET ABSORPTION** 3,556  
Units YTD



\*Year to date

■ Deliveries ■ Demand

## ECONOMIC TRENDS

2019 2.6% ..... UNEMPLOYMENT\* ..... 2020 8.2%  
**560 BPS CHANGE**

2019 1.1m ..... EMPLOYMENT\* ..... 2020 1.0m  
**-6.1% CHANGE**

2019 36.2k ..... EXISTING SFH SALES\*\* ..... 2020 44.6k  
**23.2% CHANGE**

2019 2.0m ..... POPULATION\*\* ..... 2020 2.0m  
**1.6% CHANGE**

2019 1.70% ..... 10-YEAR TREASURY\*\* ..... 2020 0.68%  
**-100 BPS CHANGE**

\*August; \*\*September



# NASHVILLE

MULTIFAMILY REPORT

## SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	3Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	3Q20	Q-o-Q Change	Y-o-Y Change	3Q20	Annual	3Q20	Annual
Central Nashville	92.9%	-80	-250	\$1,779	-2.5%	-5.6%	535	842	778	1,560
East Nashville	94.2%	-70	-130	\$1,124	-0.6%	-1.7%	160	280	263	470
Franklin/Brentwood	94.9%	20	-60	\$1,389	0.7%	-3.5%	265	479	243	603
Hermitage/Mount Juliet/Lebanon	95.7%	30	-60	\$1,190	0.0%	0.3%	41	206	0	290
Murfreesboro/Smyrna	96.5%	70	-40	\$1,144	3.0%	1.4%	489	1,264	344	1,393
North Nashville	95.7%	-20	-70	\$1,125	0.1%	0.8%	59	195	88	327
South Nashville	94.6%	10	-200	\$1,180	-0.5%	-1.7%	26	-294	10	10
Southeast Nashville	95.0%	10	-130	\$1,043	0.2%	1.4%	80	125	75	275
Sumner County	95.6%	20	-100	\$1,147	3.2%	1.3%	57	290	31	414
West Nashville	94.5%	-60	-220	\$1,310	-1.5%	-3.7%	38	-164	144	189
<b>TOTALS</b>	<b>94.9%</b>	<b>-10</b>	<b>-130</b>	<b>\$1,278</b>	<b>0.0%</b>	<b>-1.7%</b>	<b>1,748</b>	<b>3,223</b>	<b>1,976</b>	<b>5,531</b>

# BERKADIA<sup>®</sup>

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