



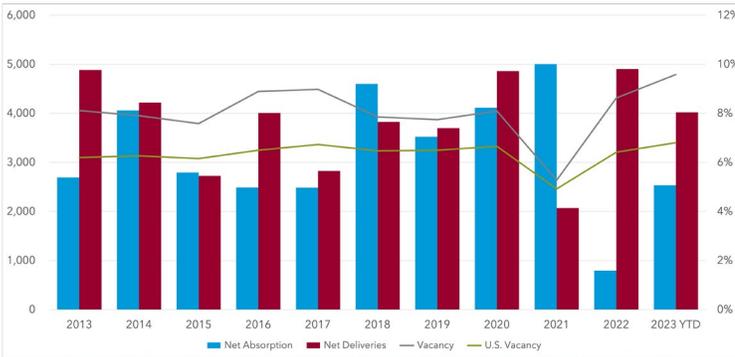
**MULTIFAMILY MARKET OVERVIEW**

JONATHON HARRISS, *Broker*

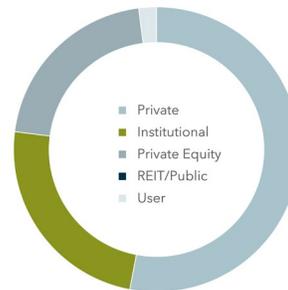
Raleigh’s multifamily inventory continues to grow in 2023 with 18,291 units under construction in Q2 and a year-to-date net delivery of 4,020 units. Average asking rent per unit saw a modest rise from \$1,562.98 to \$1,580.69 and vacancy rose from 9.2% in Q1 2023 to 9.6% in Q2 2023. High interest rates and a substantial bid-ask spread are slowing new multifamily development in the region. However, over the long-term Raleigh is well positioned for continued growth as migration continues to the sunbelt.

| MARKET INDICATORS          | Q2 2023    | Q1 2023    | Q4 2022    | Q3 2022    | Q2 2022    |
|----------------------------|------------|------------|------------|------------|------------|
| ▲ 12 Mo. Absorption Units  | 2,350      | 1,463      | 795        | 1,310      | 2,344      |
| ▲ Vacancy Rate             | 9.6%       | 9.2%       | 8.6%       | 7.7%       | 6.4%       |
| ▲ Asking Rent/Unit (\$)    | \$1,580.69 | \$1,562.98 | \$1,548.17 | \$1,575.29 | \$1,596.67 |
| ▲ Under Construction Units | 18,291     | 17,528     | 17,335     | 15,133     | 13,786     |
| ▲ Inventory Units          | 118,766    | 116,530    | 114,746    | 113,950    | 112,243    |

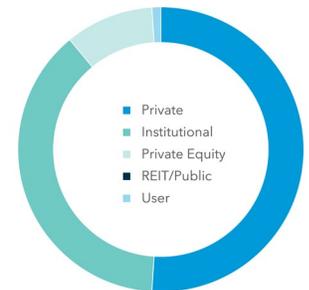
**NET ABSORPTION, NET DELIVERIES, & VACANCY**



**SALE BY BUYER TYPE**



**SALE BY SELLER TYPE**



\*\*Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.

| TOP SALE TRANSACTIONS                    | SALE PRICE                          | NUMBER OF UNITS | BUYER / SELLER                         |
|--|-------------------------------------|-----------------|--|
| 3926 Marcom Street<br>Raleigh, NC        | \$21,870,000<br>\$145,800 Per Unit  | 150             | Ritz Banc Group<br>Artesia Real Estate |
| 1402 - 1408 Stovall Drive<br>Raleigh, NC | \$2,300,000<br>\$82,142.86 Per Unit | 28              | Ritz Banc Group<br>Artesia Real Estate |
| 1501 Gorman Street<br>Raleigh, NC        | \$1,060,000<br>\$96,363.64 Per Unit | 11              | Phuoc & Khen Group LLC<br>Ryan Groff   |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME  |
|------------------------------|---------------|
| Lone Star Funds              | \$344,457,654 |
| Carroll                      | \$273,925,000 |
| Prudential Financial, Inc.   | \$273,925,000 |
| Bluerock Real Estate LLC     | \$260,389,117 |
| Banner Real Estate Group     | \$254,750,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME  |
|-----------------------------|---------------|
| Blackstone Inc.             | \$912,014,117 |
| Starwood Capital Group      | \$646,779,500 |
| Carroll                     | \$496,103,825 |
| Mitsubishi Estate Co. Ltd.  | \$373,200,000 |
| Morgan Stanley & Co. LLC    | \$320,189,000 |



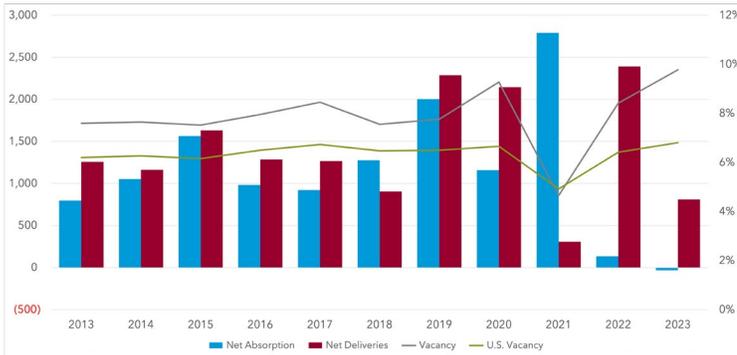
### MULTIFAMILY MARKET OVERVIEW

JONATHON HARRISS, *Broker*

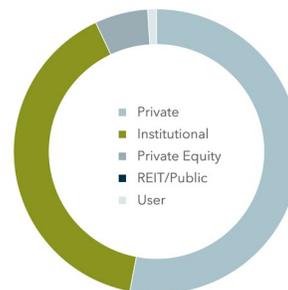
Durham saw a substantial increase in 12-month absorption as well as an increased vacancy rate in Q2 2023. This surge in absorption indicates growing demand for multifamily housing, however, increased vacancy suggests the market is not efficiently absorbing new deliveries. The asking rent per unit followed a similar pattern as in Raleigh, rising from \$1,514.31 to \$1,538.48, indicating that landlords were able to command slightly higher rents. The number of under construction units in Durham also increased from 5,234 to 5,492, showcasing ongoing development activity.

| MARKET INDICATORS          | Q2 2023    | Q1 2023    | Q4 2022    | Q3 2022    | Q2 2022    |
|----------------------------|------------|------------|------------|------------|------------|
| ▲ 12 Mo. Absorption Units  | 221        | 58         | 219        | 345        | 1,532      |
| ▲ Vacancy Rate             | 9.8%       | 8.8%       | 8.4%       | 7.7%       | 7.3%       |
| ▲ Asking Rent/Unit (\$)    | \$1,538.48 | \$1,514.31 | \$1,508.73 | \$1,529.69 | \$1,563.80 |
| ▲ Under Construction Units | 5,492      | 5,234      | 4,500      | 3,753      | 4,198      |
| ▲ Inventory Units          | 57,513     | 56,903     | 56,703     | 56,410     | 55,651     |

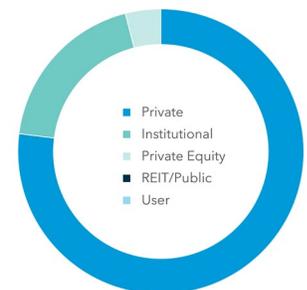
#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### SALE BY BUYER TYPE



#### SALE BY SELLER TYPE



\*\*'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.

| TOP SALE TRANSACTIONS                  | SALE PRICE                            | NUMBER OF UNITS | BUYER / SELLER  |
|--|---------------------------------------|-----------------|---|
| 400 Advancement Avenue<br>Durham, NC   | \$85,290,000<br>\$253,839.29 Per Unit | 336             | CWS Capital Partners LLC<br>Duck Pond Realty Management     |
| 604 N Hardee Street<br>Durham, NC      | \$14,100,000<br>\$73,437.50 Per Unit  | 192             | Friedlam Partners LLC<br>Homewood Real Estate Partners      |
| 3115 Fayetteville Street<br>Durham, NC | \$1,300,000<br>\$21,666.67 Per Unit   | 60              | Adorable Family Care Home, Inc.<br>Advocate Restoration LLC |

| TOP SELLERS (PAST 12 MONTHS)          | SALES VOLUME  |
|---------------------------------------|---------------|
| Duck Pond Realty Management           | \$174,292,000 |
| Northwestern Mutual Life Insurance Co | \$100,000,000 |
| Kettler                               | \$99,742,500  |
| Stonebridge Investments               | \$88,000,000  |
| Cortland                              | \$84,500,000  |

| TOP BUYERS (PAST 12 MONTHS)   | SALES VOLUME  |
|-------------------------------|---------------|
| The Connor Group              | \$100,000,000 |
| TerraCap Management, LLC      | \$99,742,500  |
| Munich RE                     | \$89,000,000  |
| Birge & Held Asset Management | \$88,000,000  |
| CWS Capital Partners LLC      | \$85,292,000  |

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