



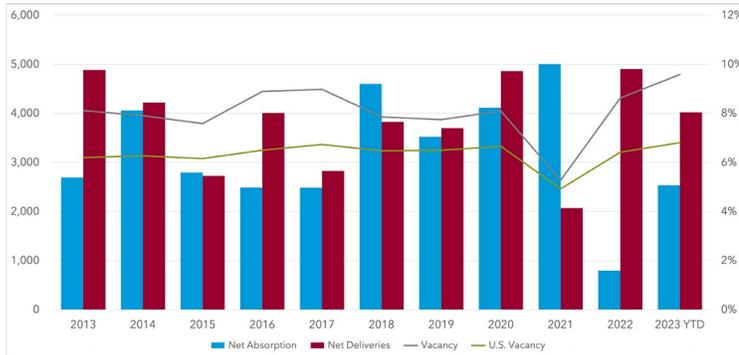
MULTIFAMILY MARKET OVERVIEW

JONATHON HARRISS, *Broker*

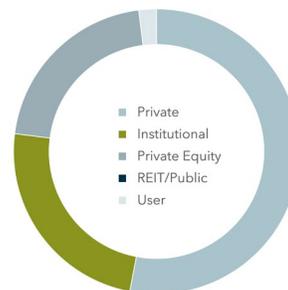
Raleigh's multifamily inventory continues to grow in 2023 with 18,291 units under construction in Q2 and a year-to-date net delivery of 4,020 units. Average asking rent per unit saw a modest rise from \$1,562.98 to \$1,580.69 and vacancy rose from 9.2% in Q1 2023 to 9.6% in Q2 2023. High interest rates 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

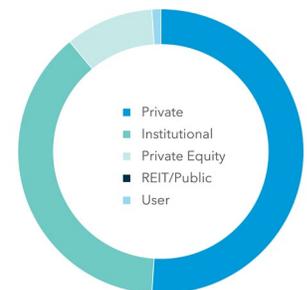
NET ABSORPTION, NET DELIVERIES, & VACANCY



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 Raleigh, NC	\$21,870,000 \$145,800 Per Unit	150	Ritz Banc Group Artesia Real Estate
1402 - 1408 Stovall Drive Raleigh, NC	\$2,300,000 \$82,142.86 Per Unit	28	Ritz Banc Group Artesia Real Estate
1501 Gorman Street Raleigh, NC	\$1,060,000 \$96,363.64 Per Unit	11	Phuoc & Khen Group LLC 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



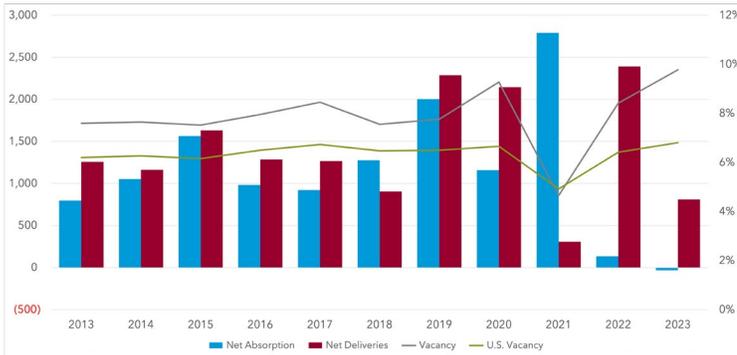
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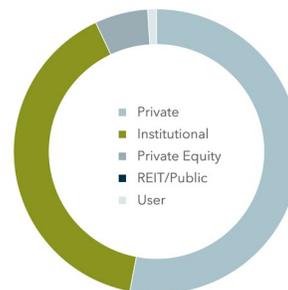
Durham saw a substantial increase in 12-month absorption as well as an increased vacancy rate in Q2 2023. This surge in absorption indicates growing demand for multifamily housing, however, increased vacancy suggests the market is not efficiently absorbing new deliveries. The asking rent per unit followed 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

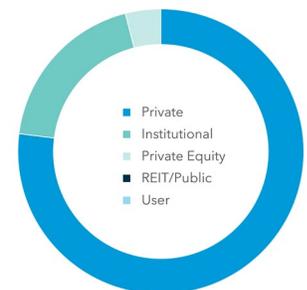
NET ABSORPTION, NET DELIVERIES, & VACANCY



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 Durham, NC	\$85,290,000 \$253,839.29 Per Unit	336	CWS Capital Partners LLC Duck Pond Realty Management
604 N Hardee Street Durham, NC	\$14,100,000 \$73,437.50 Per Unit	192	Friedlam Partners LLC Homewood Real Estate Partners
3115 Fayetteville Street Durham, NC	\$1,300,000 \$21,666.67 Per Unit	60	Adorable Family Care Home, Inc. 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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