



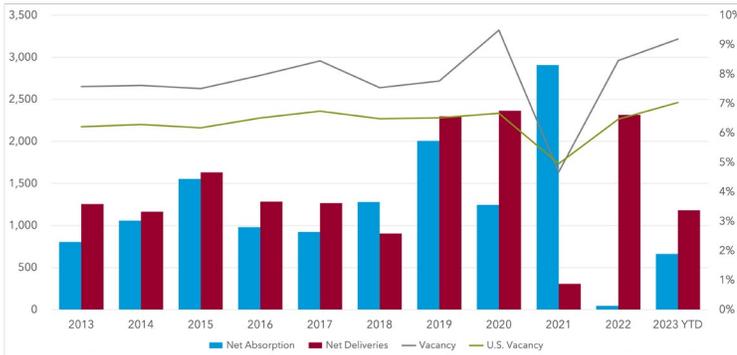
MULTIFAMILY MARKET OVERVIEW

KYLE GROSS, *Senior Director*

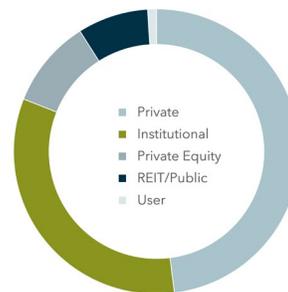
In Durham, multifamily vacancy rates declined slightly to 9.19% in Q3 from 10.46% in Q2 2023. Average market rent was \$1.59 PSF at the end of Q3, a slight decrease from the previous quarter. Modest rent growth is anticipated in the coming quarters. Net unit deliveries in Q3 were around 354 units, down from 690 in Q2. The development pipeline remains active, with approximately 1,350 units expected to be completed next quarter, potentially causing a rise in vacancy as these assets stabilize. Q3 sales volume stood at \$172.65 million, relatively steady compared to earlier quarters. The 10-year treasury rate rose from 3.85% in July 2023 to 4.6% by Q3-end, the highest since 2007, likely impacting multifamily investment pace; however, apartments with stable, long-term assumable debt remain appealing.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Absorption Units	519	(86)	79	46	183
▼ Vacancy Rate	9.19%	10.46%	8.77%	8.46%	7.73%
▼ Asking Rent/Unit (\$)	\$1,503.07	\$1,535.88	\$1,519.74	\$1,509.07	\$1,530.96
▼ Under Construction Units	5,190	5,234	4,696	3,807	3,127
▲ Inventory Units	58,013	57,659	57,049	56,830	56,537

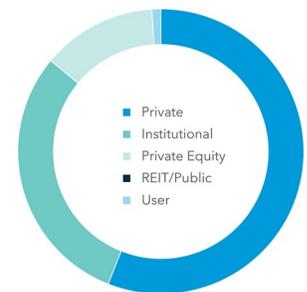
NET ABSORPTION, NET DELIVERIES, & VACANCY



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
1108 Merrion Avenue Durham, NC	\$70,000,000 \$269,230.77 Per Unit	260	AIR Communities LivCor LLC
1122 Medlin Road Durham, NC	\$84,750,000 \$305,956.68 Per Unit	277	King Properties PGIM, Inc.
531 E. Carver Street Durham, NC	\$6,050,000 \$126,041.67 Per Unit	48	Housing for New Hope Kenwood Enterprises, Inc.

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME
Duck Pond Realty Management	\$174,292,000
Northwestern Mutual Life Insurance Co.	\$100,000,000
Blackstone, Inc.	\$70,000,000
PRG Real Estate Management, Inc.	\$43,600,000
Prudential Financial, Inc.	\$42,375,000

TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
The Connor Group	\$100,000,000
Munich RE	\$89,000,000
CWS Capital Partners LLC	\$85,292,000
King Properties	\$84,750,000
Apartment Investment and Mgmt Co.	\$70,000,000



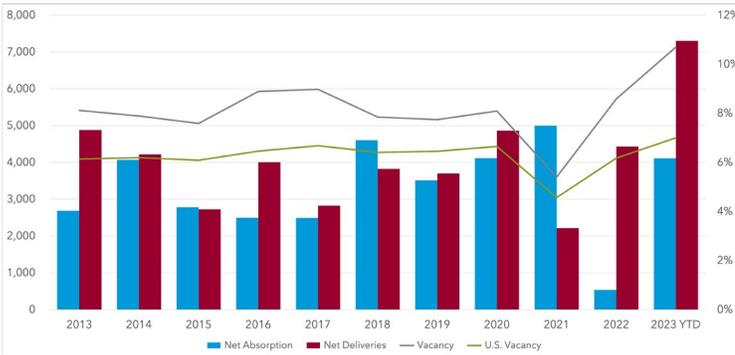
MULTIFAMILY MARKET OVERVIEW

KYLE GROSS, *Senior Director*

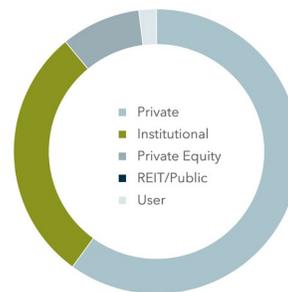
In Raleigh, multifamily vacancy rates rose from 10.16% in Q2 to 10.78% in Q3, while average rents dipped from \$1.67 PSF to about \$1.64 PSF. Net unit deliveries hit 1,744 in Q2 and 1,862 in Q3, the highest in consecutive quarters over the last five years. The 10-year treasury rate surged from around 3.85% in July 2023 to about 4.6% by the quarter's end, the highest since 2007. This spike is expected to slow down multifamily investment, but apartments with long-term, assumable debt remain appealing. Raleigh's Q3 sales volume was approximately \$205.4 million, a significant drop from the previous quarter's roughly \$930 million.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Absorption Units	3,495	1,754	1,083	540	1,006
▲ Vacancy Rate	10.78%	10.16%	9.40%	8.59%	7.70%
▼ Asking Rent/Unit (\$)	\$1,544.76	\$1,582.21	\$1,567.72	\$1,550.83	\$1,578.00
▼ Under Construction Units	14,940	15,979	16,304	16,586	14,232
▲ Inventory Units	121,509	118,938	116,454	114,468	113,672

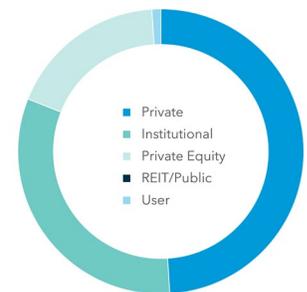
NET ABSORPTION, NET DELIVERIES, & VACANCY



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
2605 Lowell Road Apex, NC	\$74,000,000 \$250,000.00 Per Unit	296	Olen Properties LivCor LLC
1331 Chester Avenue Raleigh, NC	\$114,500,000 \$363,492.06 Per Unit	315	TA Realty Terwilliger Pappas
900 E. Six Forks Road Raleigh, NC	\$74,250,000 \$249,161.07 Per Unit	298	Dinerstein Companies Waterton

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME
Terwilliger Pappas	\$114,500,000
The Halle Companies	\$84,500,000
Carter-Haston Real Estate Services, Inc.	\$79,925,000
TDK Development LLC	\$79,500,000
Northwood Investors LLC	\$74,500,000

TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
The Connor Group	\$149,000,000
Mitsubishi Estate Company Ltd.	\$114,500,000
Westbrook Partners	\$93,250,000
Apartment Investment and Mgmt Co.	\$84,500,000
CBRE Investment Management	\$79,925,000