



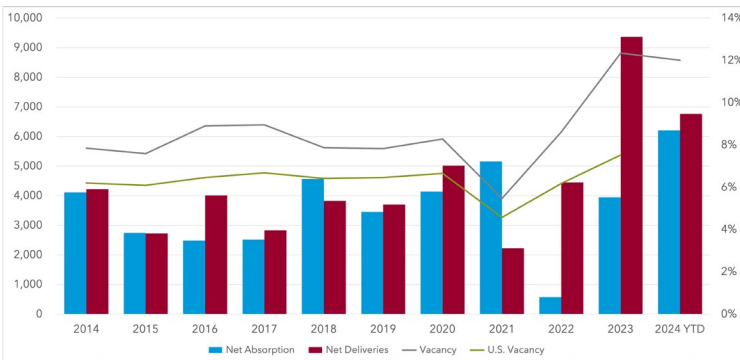
MULTIFAMILY MARKET OVERVIEW

JAKE PLOTKIN, CCIM, *Vice President, Principal*

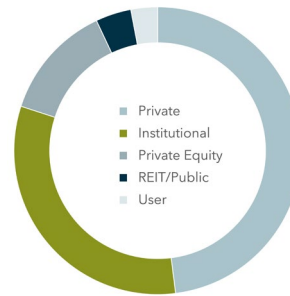
As of Q4 2024, Raleigh’s multifamily market is experiencing high demand, with net absorption totaling 7,500 units over the past year, significantly exceeding the historical average. Despite this demand, new supply has surged, leading to a rise in the vacancy rate, which recently fell from a record high of 12.6% to 11.6%. The local economy, driven by technology and life sciences, continues to attract residents, contributing to a projected absorption of over 7,000 units this year. Although the construction pipeline has decreased, around 11,000 units are still underway, placing Raleigh among the top U.S. markets for construction relative to inventory. Meanwhile, multifamily asking rents have declined by 2.6% over the past year, contrasting with national trends where rents have stabilized.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▲ 12 Mo. Absorption Units	7,153	6,253	4,850	3,944	3,043
◀ ▶ Vacancy Rate	12.0%	12.0%	12.7%	12.3%	11.1%
▲ Asking Rent/Unit	\$1,555	\$1,545	\$1,526	\$1,520	\$1,553
▼ Sale Price/Unit	\$246,278	\$265,240	\$184,634	\$276,875	\$260,833
▲ Cap Rate	5.30%	5.28%	5.25%	5.17%	5.02%
▲ Under Construction Units	11,194	9,780	11,191	13,327	14,894
▲ Inventory Units	131,670	129,127	127,016	124,558	122,107

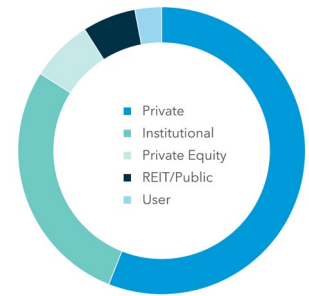
NET ABSORPTION, NET DELIVERIES, & VACANCY



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
3055 Carrington Mill Boulevard Morrisville, NC	\$66,500,000 \$253,817 Per Unit	262	AvalonBay Communities Cortland
1500 Cherry Laurel Drive Raleigh, NC	\$4,580,000 \$67,353 Per Unit	68	FG Communities Jays Properties
1309-1325 Kent Road Raleigh, NC	\$8,800,000 \$137,500 Per Unit	64	Daniel Levine Enclave Holdings LLC

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME
The Halle Companies	\$395,800,000
Banner Real Estate Group	\$254,750,000
Prudential	\$250,500,000
The RMR Group	\$250,500,000
Bell Partners	\$238,090,000

TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Highwood Properties	\$421,800,000
Mapletree Investments	\$347,690,000
City Office REIT, Inc.	\$330,000,000
MetLife Inc	\$153,086,277
Crescent Real Estate LLC	\$132,900,000



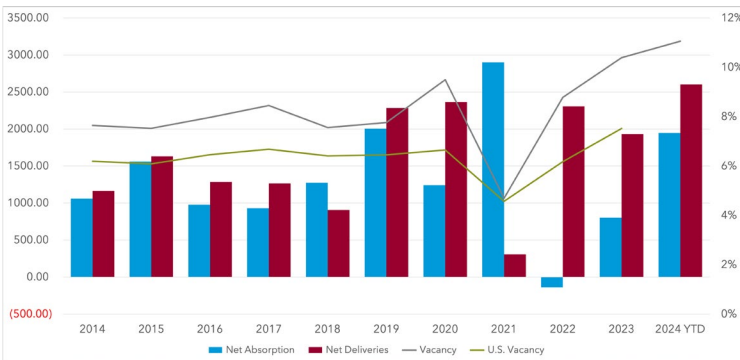
MULTIFAMILY MARKET OVERVIEW

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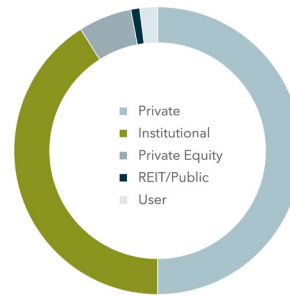
As of Q3 2024, Durham's multifamily vacancy rate is 11.7%, nearing record levels due to new deliveries outpacing demand. While net absorption has been positive for three of the last four quarters, totaling 2,400 units annually, the market has seen a decline in rents of 1.7% over the past year. Most of the recent absorption has occurred in 4 & 5 Star properties, with lower-tier properties facing negative absorption. Despite solid demand, developers have delivered 4,000 new units, more than double the historical average, contributing to the rising vacancy rate, which has increased by about 160 basis points over the last year. With 6,000 units currently under construction, Durham's vacancies are expected to continue rising in the near term before stabilizing as the market adjusts to the new supply.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▲ 12 Mo. Absorption Units	2,355	1,600	915	804	423
▼ Vacancy Rate	11.1%	12.9%	11.1%	10.4%	9.6%
▼ Asking Rent/Unit	\$1,545	\$1,548	\$1,519	\$1,511	\$1,523
▼ Sale Price/Unit	\$141,327	\$147,414	\$235,795	\$194,603	\$278,524
▲ Cap Rate	5.63%	5.60%	5.54%	5.45%	5.34%
▲ Under Construction Units	6,733	5,486	6,892	7,066	6,427
▲ Inventory Units	61,879	61,117	59,366	58,880	58,112

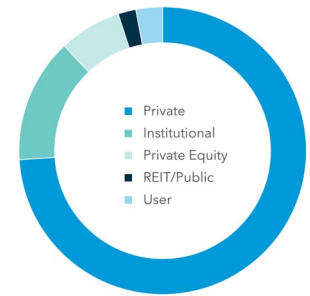
NET ABSORPTION, NET DELIVERIES, & VACANCY



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
1600 Anderson Street Durham, NC	\$7,243,000 \$150,896 Per Unit	48	Durham Community Land Trustees Concord Street
1111 Alma Street Durham, NC	\$698,000 \$174,500 Per Unit	4	Aravinda Parthasarathy Andrea Robin Shaw

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME
Duck Pond Realty Management	\$367,792,000
Blue Heron Asset Management LLC	\$200,200,000
Dasmen Residential LLC	\$198,387,000
Blackstone, Inc.	\$181,416,541
Ram Realty	\$176,265,951

TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Harbor Group International	\$230,937,000
Blackstone, Inc.	\$215,549,541
Friedlam Partners LLC	\$210,000,000
Starwood Capital Group	\$209,921,451
Starlight Investments Ltd	\$194,496,345

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