NASHVILLE, TN

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
94.3%	$1,672	23.4%
UP 20 BPS YOY	UP 2.7% YOY	UP 10 BPS YOY

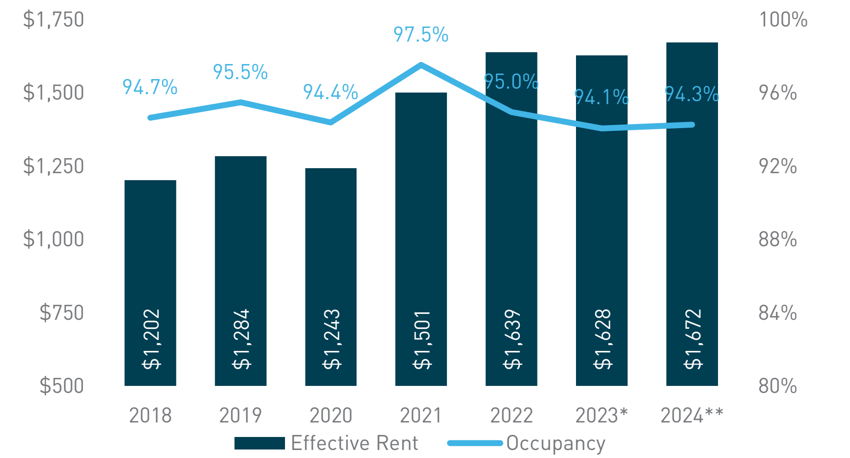
Robust Apartment Demand to Push Up Occupancy and Rent in 2024

Apartment fundamentals in the Nashville metro area are expected to continue upward in 2024 amid a blistering pace of completions. Builders are scheduled to bring 14,166 apartments online this year, equating to a 7.7% year-over-year inventory increase. Over one-quarter of the 64 apartment communities finishing in 2024 were started in 2021—many of which were delayed because of supply chain interruptions or labor shortages. The arrival of the new apartment inventory will be timely, as the net in-migration of 13,700 new residents is expected in 2024, a major contributor to the 12,180 newly formed households projected in the year. This growth will prompt healthy apartment demand, spurring a 20-basis-point annual increase in occupancy to 94.3% by the fourth quarter of 2024. Most new apartment leasing this year will be in Class A communities. In the Nashville metro area, Class A apartments offer great value, with monthly effective rent about 40% less than a typical mortgage payment originating in 2024. Overall, average monthly effective rent is projected to reach $1,672 by year-end 2024, a 2.7% annual increase. Expanding employment will be one factor in the rising rent. Local employers are projected to fill a net 5,400 positions in 2024, equating to 0.5% annual growth. In the long term, metrowide employment will be boosted by Oracle Corporation, which plans a $1.35 billion expansion on the East Bank of the Cumberland River. Upon the expansion's completion in 2031, Oracle expects to employ 8,500 local workers earning an average of $110,000 annually.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

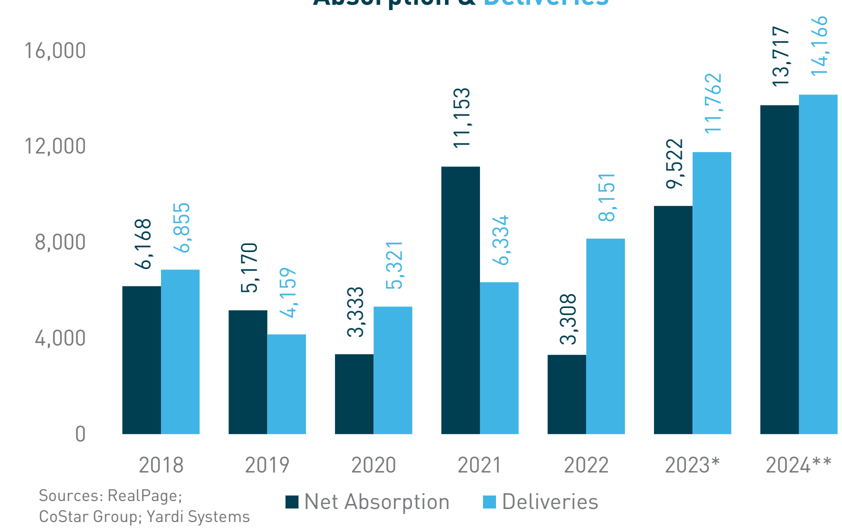


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

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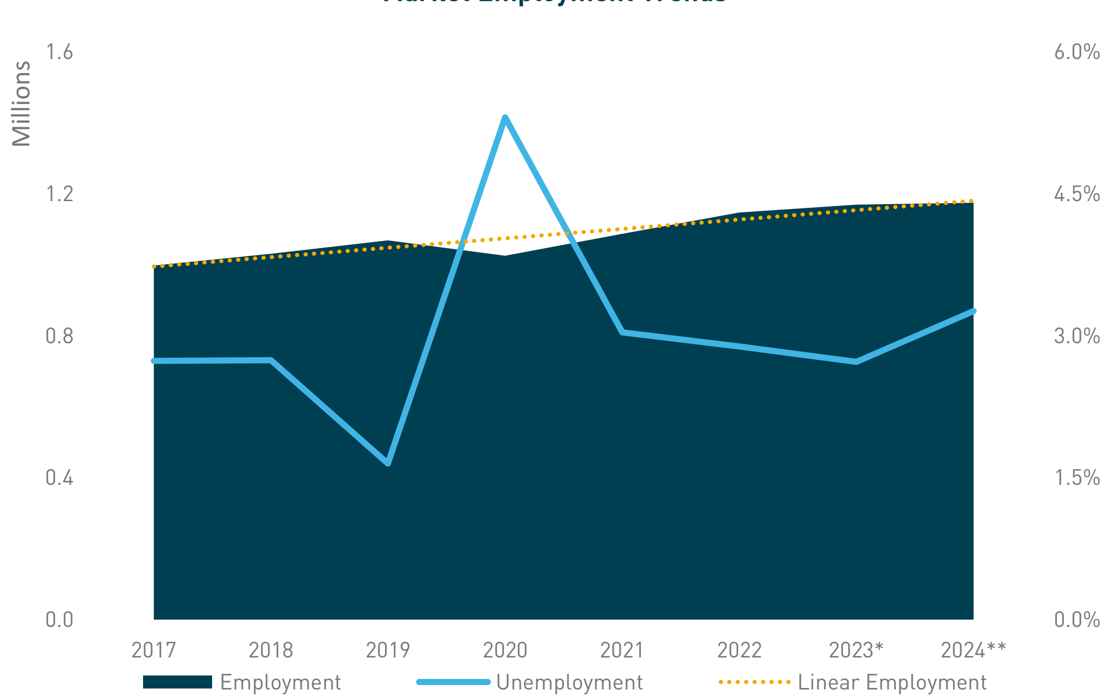
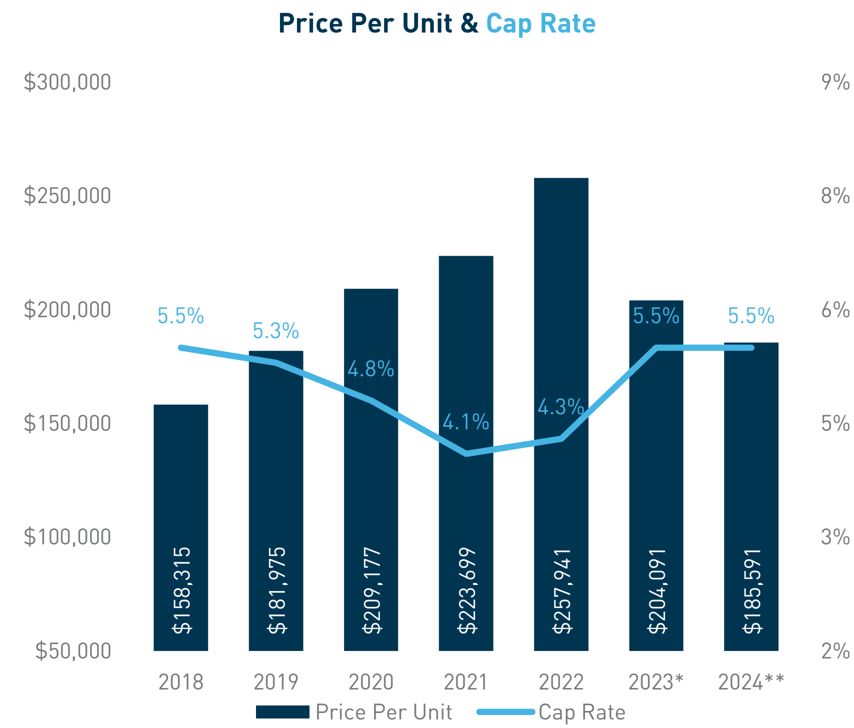
EMPLOYMENT TRENDS



Source: Moody's Analytics *Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI *Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT
(DEC. 2024)
1,175,100
UP 0.5% YOY

UNEMPLOYMENT
(DEC. 2024)
3.3%
UP 60 BPS YOY

MEDIAN HOUSEHOLD INCOME
(DEC. 2024 SAAR)
$85,720
UP 2.4% YOY

PRICE PER UNIT
(2024 AVG.)
$185,591
DOWN 9.1% YOY

CAP RATE
(2024 AVG.)
5.5%
UNCHANGED YOY