RALEIGH-DURHAM, NC

2025 MARKET AT A GLANCE

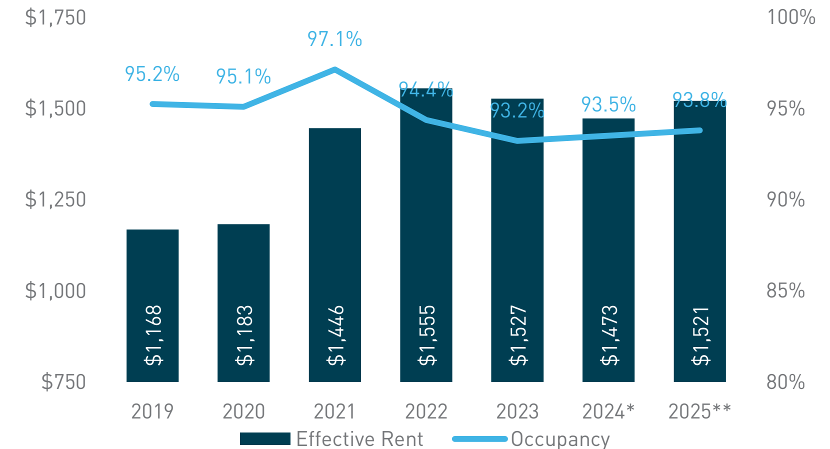
OCCUPANCY RATE (Q4 2025)	EFFECTIVE RENT (Q4 2025)	RENT SHARE OF WALLET (Q4 2025)
93.8%	$1,521	19.1%
UP 30 BPS YOY	UP 3.3% YOY	UNCHANGED YOY

Vigorous Apartment Development, Demand to Continue in Raleigh-Durham

Strong net in-migration will continue to support apartment demand amid heightened supply within the Raleigh-Durham metro during 2025. Household growth has kept leasing activity elevated amid heightened waves of new supply during 2023 and 2024. The population is anticipated to expand by more than 27,100 households in 2025 for an annual increase of 3.1%. The flow of new residents will benefit the average occupancy and effective rent. The market's average occupancy rate dwindled during 2023 and 2024 but is set to gain 30 basis points to reach 93.8% by the end of 2025. The bump in occupancy will promote a 3.3% effective rent increase by the fourth quarter. Up until this point, rents in the market had not expanded annually since 2022. The resurgence of rent growth signals a turning point for the market, aligning with a wave of new development activity. The Central Raleigh submarket, which comprises the bulk of Downtown Raleigh, will receive the most deliveries this year. Apartment inventory in Central Raleigh is expected to expand by 12.3%, or 3,647 new units, during 2025, representing approximately 30% of all new deliveries in the metro. Renters are expected to meet the supply influx with net move-ins threefold the annual average for the past four years. The submarkets' prime location supports major employment hubs for nearby residents, such as the WakeMed Health and Hospitals' flagship medical center, NC State University, and Duke Energy. Additionally, the submarket contains Raleigh's Warehouse District, a centerpiece of the area's entertainment, nightlife, and arts scene, making the area an obvious choice for prospective renters.

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 2024 are projected values. 2025 figures are forecast projections.

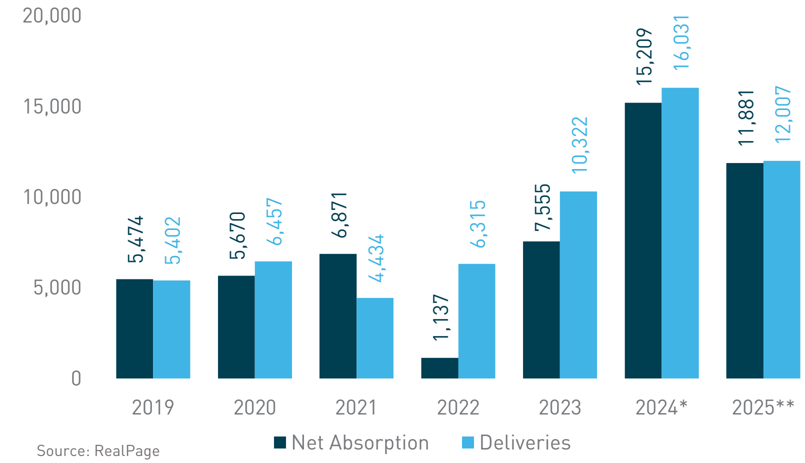
APARTMENT TRENDS



Source: RealPage

*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.



Source: RealPage

*Projected **Forecast

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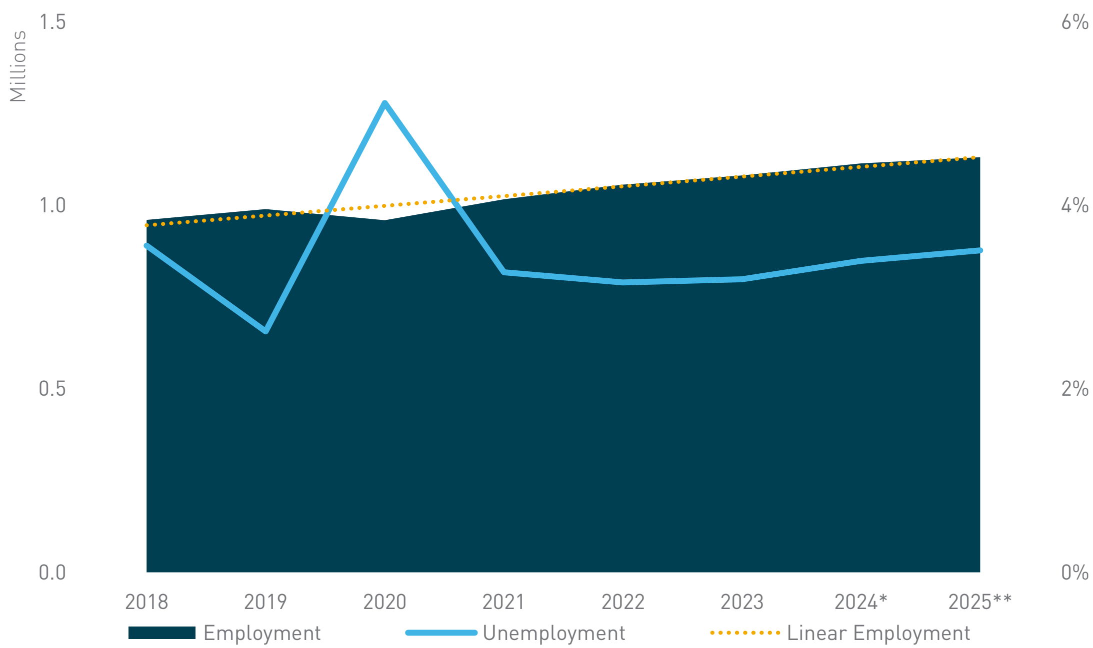
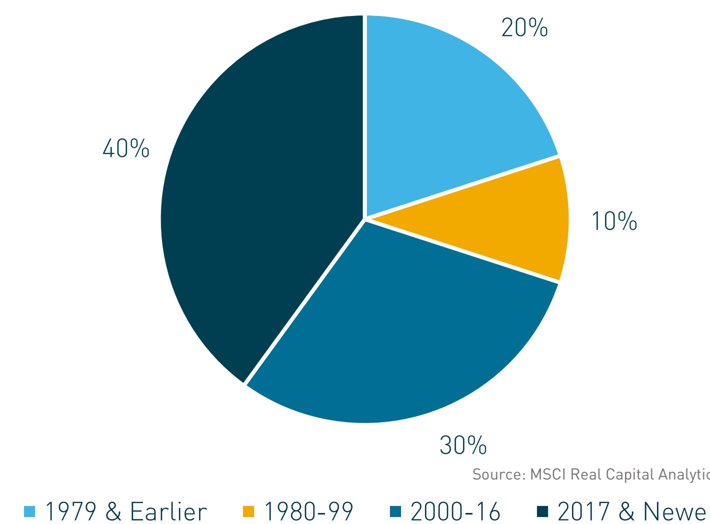
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

2024 SALES TRENDS*



Source: MSCI Real Capital Analytics

*YTD through Oct.

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

EMPLOYMENT (DEC. 2025)	UNEMPLOYMENT (DEC. 2025)	MEDIAN HOUSEHOLD INCOME (DEC. 2025 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
1,131,600	3.5%	$95,457	$238,945	5.1%
UP 1.5% YOY	UP 10 BPS YOY	UP 3.1% YOY	DOWN 3.3% YOY	UP 40 BPS YOY