

CHARLOTTE, NC

2023 MARKET AT A GLANCE

Occupancy Rate

94.2%



DOWN 70 BPS YOY

Effective Rent

\$1,655



UP 3.7% YOY

Rent Share of Wallet

26.3%



UP 10 BPS YOY

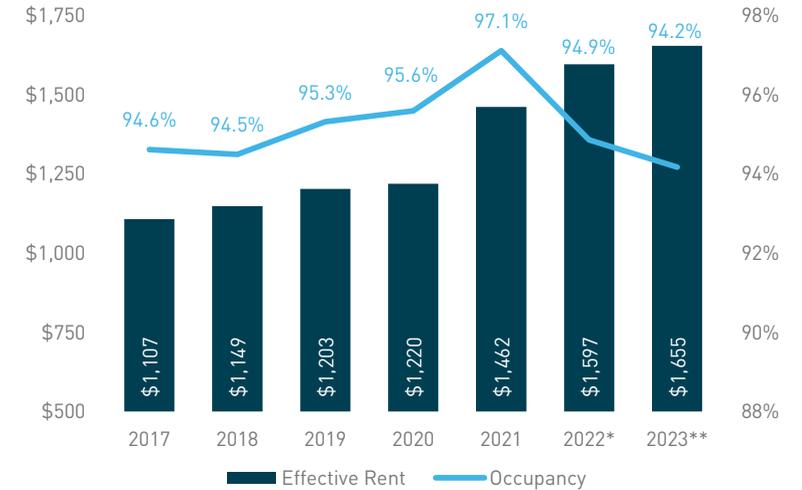
Apartment Development and Leasing Expected to Surge in 2023

Builder sentiment remains strong in the Charlotte metro as a wave of new apartment inventory is scheduled to come online during 2023. More than 19,100 market-rate units are scheduled to be completed over the next four quarters, which would be a record high for the metro. Home prices within Charlotte have appreciated 65.8% over the last five years, which can be attributed in part to net in-migration of more than 132,000 new residents since 2018 and have led to many homebuyers being priced out of the market and in need of alternative apartment options. Rising apartment occupancy rates paired with a record level of new deliveries within the Uptown/South End submarket indicate that the submarket has been undersupplied for quite some time and has created a significant opportunity for new inventory, with 2,655 units expected in the submarket during 2023. The Uptown/South End apartment submarket is regarded as one of the most expensive in the metro area and is known as a popular location for young, professional adults to live. The effective rent within the Uptown/South End submarket demands a 29.8% premium compared to the effective rent within the metro. Even with the added cost of renting, the appeal of the submarket will be reflected in among the highest annual net absorption over the next four quarters. Contributing to apartment demand in the submarket and across Greater Charlotte is the rise in net in-migration that the metro has seen since the pandemic. Another factor will be the 1.3% forecast employment growth in 2023.

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 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

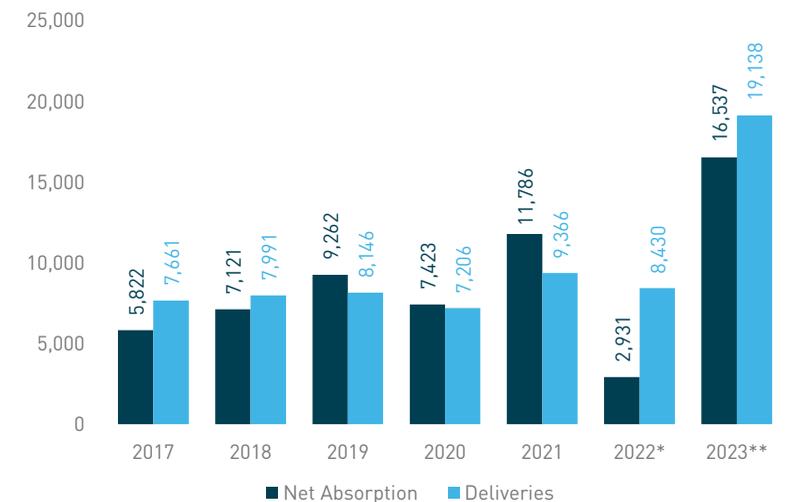
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

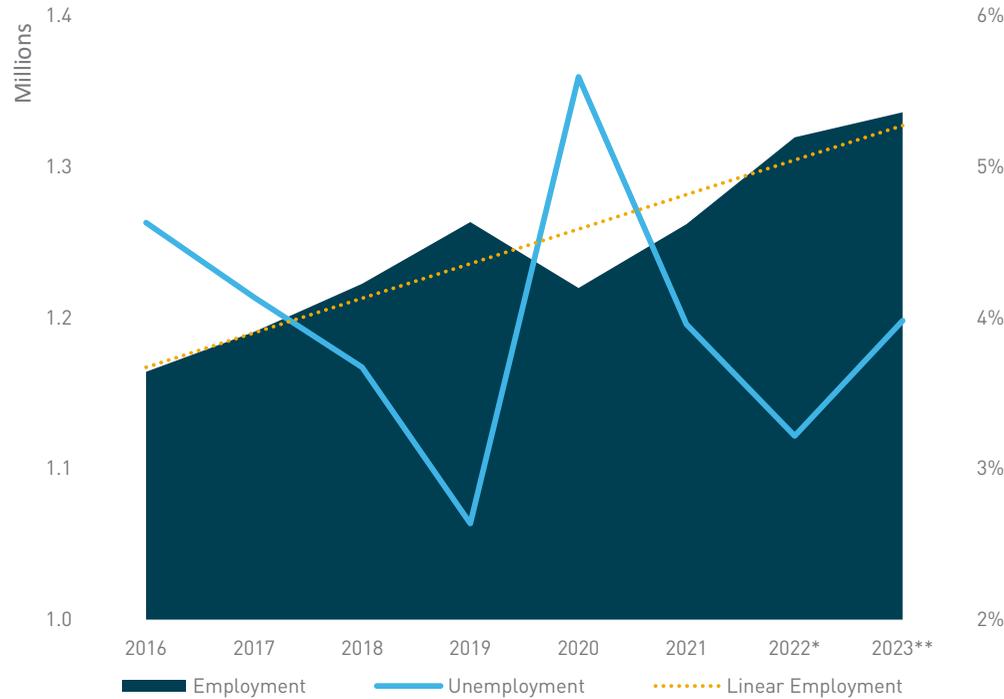


*Projected **Forecast

CHARLOTTE, NC

Employment Trends

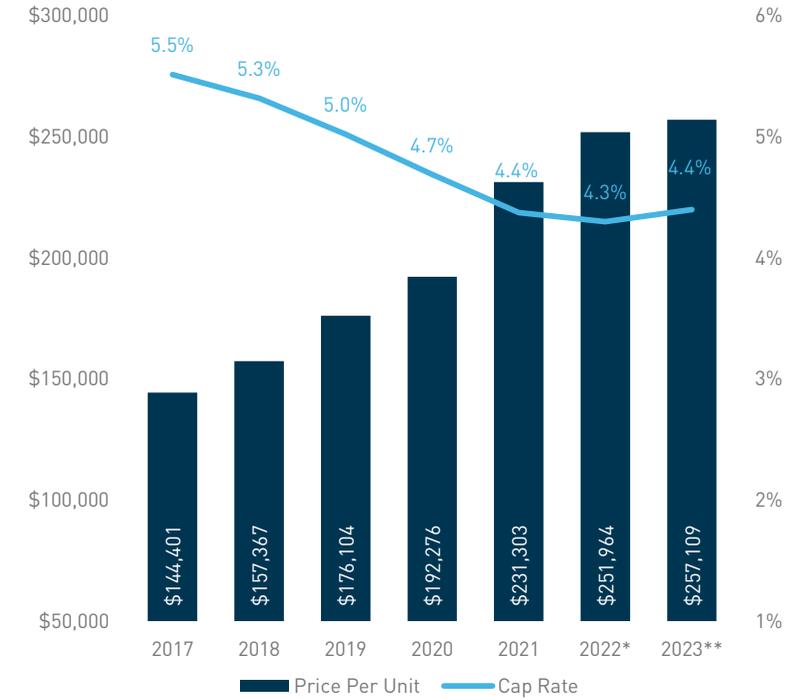
Market Employment Trends



*Projected **Forecast

Sales Trends

Price Per Unit & Cap Rate



*Projected **Forecast

<p>Employment</p> <p>1,335,900</p> <p>↑</p> <p>UP 1.3% YOY</p>	<p>Unemployment</p> <p>4.0%</p> <p>↑</p> <p>UP 80 BPS YOY</p>	<p>Median Household Income</p> <p>\$75,517</p> <p>↑</p> <p>UP 3.4% YOY</p>
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<p>Price Per Unit</p> <p>\$257,109</p> <p>↑</p> <p>UP 2.0% YOY</p>	<p>Cap Rate</p> <p>4.4%</p> <p>↑</p> <p>UP 10 BPS YOY</p>
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