



# Triad multifamily market report

Q3 2024

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**AVISON  
YOUNG**

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# Triad multifamily insights

## 01

### Demand Resurges

Annual apartment demand made a significant comeback in Q3, posting the **highest absorption (2,133 units)** since the second half of 2021. The Triad was among the select few markets in the U.S. where demand surpassed new supply levels. Demand for **1,104 units** in the last three months was the strongest quarterly reading in nearly four years. As a result, occupancy **increased to 94%**, marking the highest rate in the Triad in almost two years.

## 02

### Wave of New Deliveries

A total of **1,545 units** were completed at the close of Q3, keeping annual completions modest. Yet, the Triad is expecting to see a substantial increase in deliveries in the upcoming year. With nearly **4,500 units** under construction, **3,522** of those are scheduled to complete within the next four quarters which would set a **new record** in the market.

## 03

### Capital Markets

In the last 12 months, multifamily sales volume remained the **largest share** of total investments across all property types, representing **34%** of investor allocations. The average cap rate at the close of Q3 was **5.8%**, **up 72 bps** year-over-year and multifamily volumes totaled **\$408M**.



# Supply and demand

# 2,133 units

Annual demand

Annual demand totals moved back into **positive territory** totaling **2,133 units**, the **highest annual absorption since 2021**.

Supply decreased **20%** year-over-year as **1,545 units** delivered in the last twelve months.

\*Assets delivered in the last twelve months reported effective rents of **\$1,424**, or **\$1.64** per square foot, resulting in an average concession value of **\$150.00**, compared to an average concession of **\$40.00** for existing assets.

*\*Conventional units that are planned, under construction or in lease-up that are included in the RealPage pipeline lease-up trend (based on a trailing 12-month period)*



Source: RealPage, Avison Young

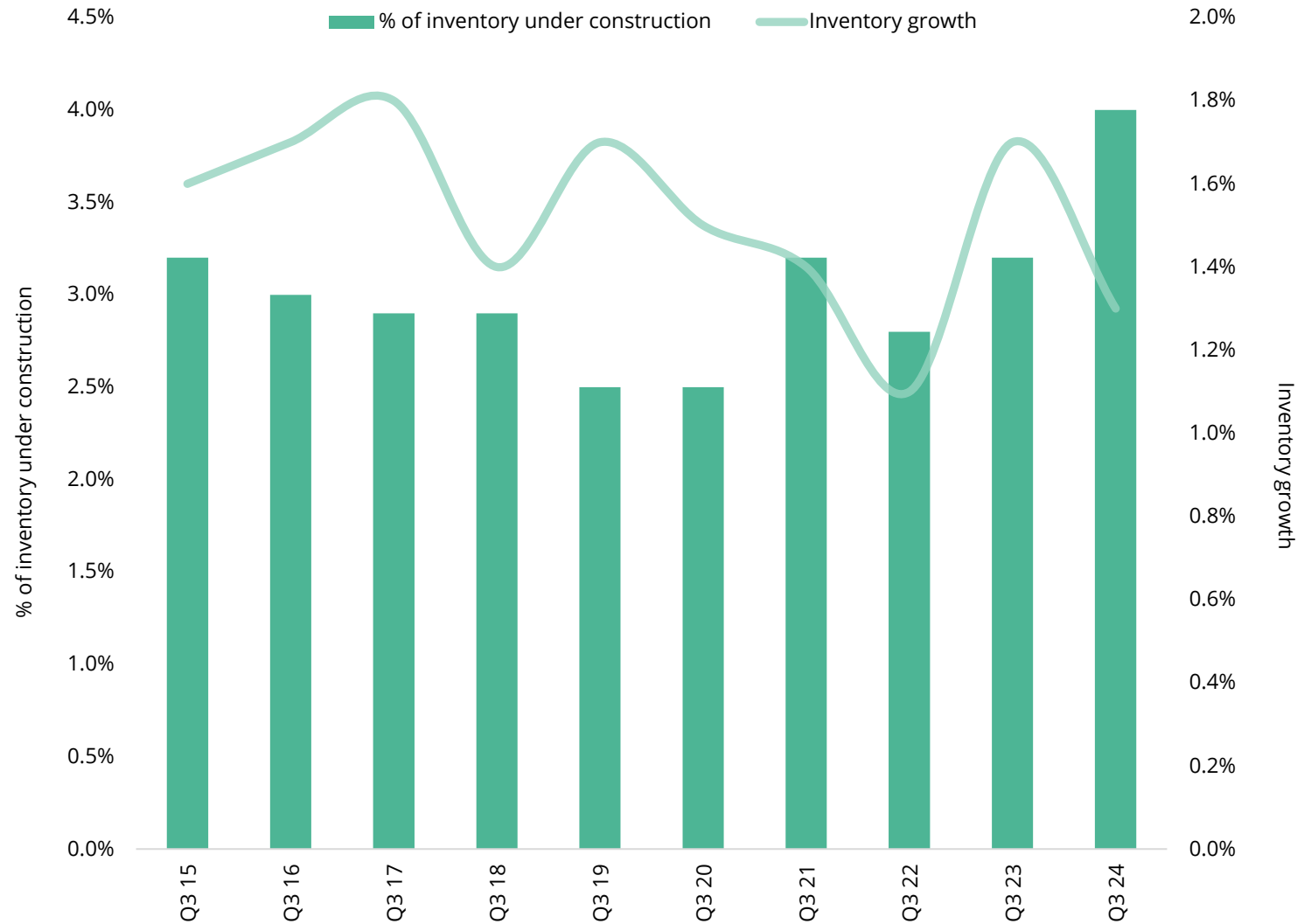
# Inventory snapshot

# 4.0%

## Inventory under construction

In the third quarter, **596 units** were delivered pushing annual deliveries in the Triad to **1,545 units** and there were **4,492 multifamily units under construction** at the close of Q3.

With inventory base expected to grow by **3.1%** in the coming four quarters, the highest the Triad market has seen, that growth is moderate when comparing to its neighbors of Raleigh and Charlotte.



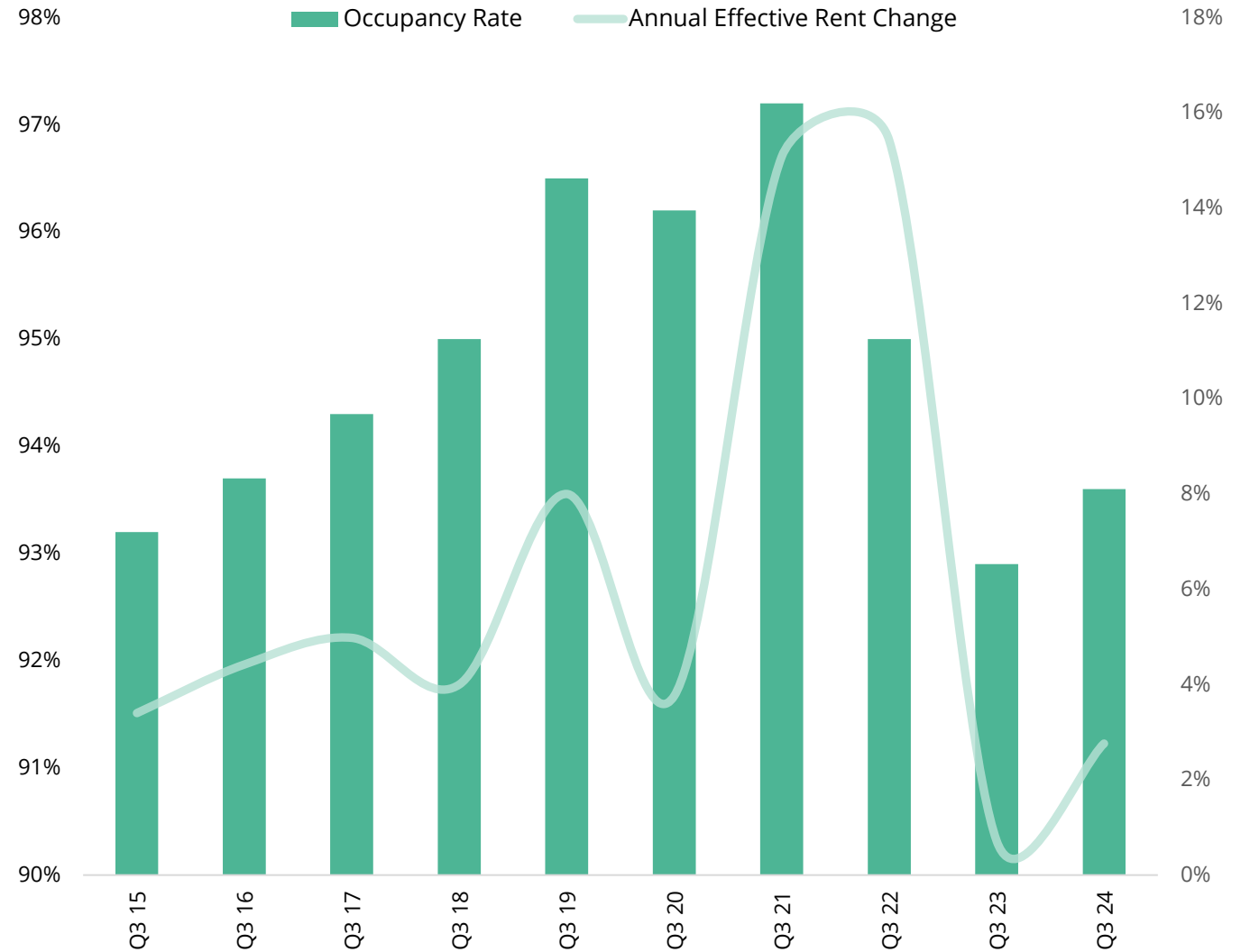
# Occupancy vs. Rent Change

# 94%

## Occupancy Rate

The Triad's occupancy rate remains healthy at **94%** and has averaged **above 93%** over the last decade. Healthy occupancy rates continue to support steady effective rent growth.

The average annual effective growth rate was **1.3%** at the close of Q3. While the pace of average rent growth slowed year-over-year, the Triad has posted **consistent positive rent growth** unlike many metros across the U.S. that have witnessed negative rent growth, particularly in the last two years.



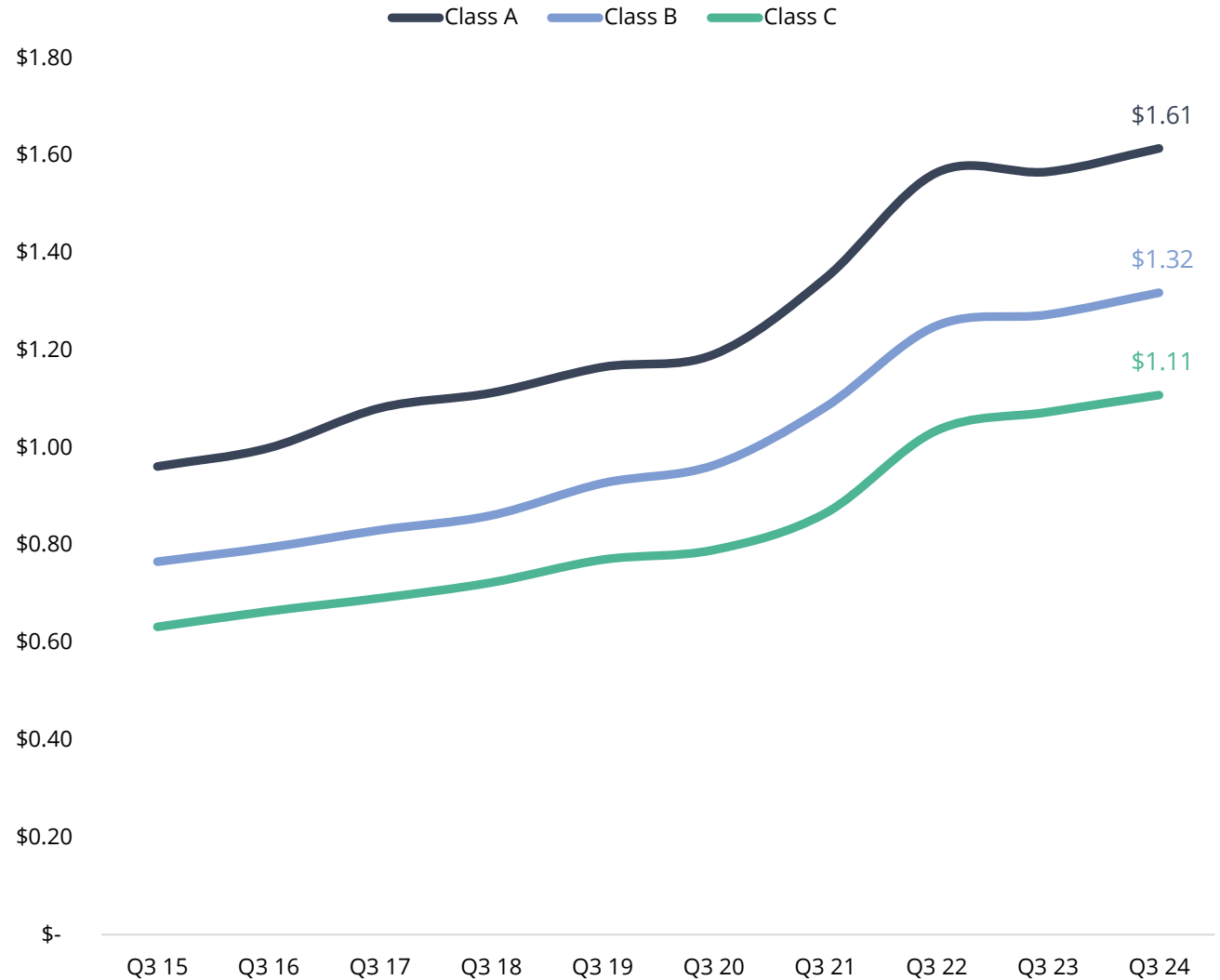
# Effective Rental Rates

# \$1.32

Average effective rate/psf

Effective asking rents for **new leases increased by 2.1%** year-over-year. Overall effective asking rates averaged **\$1,252 per month**. While Class A product has led in rent performance over the last five years, **Class B** assets reported the largest effective rent change in Q3 at **2.2%**. The **South Winston-Salem** submarket reported the highest annual effective rent change of **3.4%**.

At the close of Q3, the percent of units offering concessions increased to **18%**, with a concession value of **\$40.00**.



# Investment sales

# \$408M

## Trailing 12-month sales volume

Trailing 12-month investment sales volume totaled **\$408M** across 42 properties and 3,828 units.

The disposition of **The Province**, a 696-bed student-housing asset in Greensboro, sold for **\$50M**, the largest transaction in the last twelve months.

Private funds remain the largest capital composition year-to-date accounting for **100%** of multifamily transactions in the Triad.



Source: Real Capital Analytics, Avison Young, FRED Economics

# Multifamily market activity

## Notable investment sales – last 12 mos.

Property	Seller	Submarket	Total units	Total sales price (\$M)	Avg. unit size	Avg. price/unit	Cap rate	Avg. effective rent/sf
The Province*	BREIT; JV: Blackstone	North Greensboro	696 beds	\$50	1,238	\$228,311	6.9%	\$1.50
Hawthorne at St. Marks	Leonard Kern	Burlington	183	\$36	922	\$196,721	5.9%	\$1.58
Spring Forest at Deerfield	Summit Equity	Burlington	192	\$35	1,024	\$181,510	-	\$1.27
Crowne Club	Crowne Partners	North Winston-Salem	248	\$32	1,094	\$126,933	5.6%	\$1.30
The Brittany	Michael Netzer	Burlington	214	\$29	1,197	\$135,047	5.8%	\$1.11
Northcliffe Forest	Eller Capital Partners	North Winston-Salem	288	\$29	708	\$99,826	6.1%	\$1.53
The Retreat at Copper Creek	Somerset Management	South Greensboro	224	\$19	741	\$86,384	5.9%	\$1.33
The Pointe	Nathan Friedman	Burlington	140	\$21	1,032	\$150,000	-	\$1.30
Sedgefield Square	BridgeGaps Real Estate	South Greensboro	124	\$16	844	\$124,597	5.7%	\$1.37
Ridgewood Apartments	RJ Gullo Investment	South Greensboro	160	\$15	1,043	\$90,625	7.2%	\$1.00
Fairview Village	Fairview Village Apartments	South Winston-Salem	120	\$14	907	\$117,500	5.4%	\$1.19

\* Student Housing

## Notable development

Property	Submarket	Property status	Total units	Property type	Developer
Revel Greensboro	West Greensboro	Under construction	360	Garden	Collett Capital
Brooks North	North Greensboro	Under construction	340	Garden	Parc Companies
Brookhyrst	North Winston-Salem	Under construction	337	Wrap	DPJ Residential; Chaucer Creek Capital
Ardmore Meadows	South Greensboro	Under construction	324	Garden	DPJ Residential/Chaucer
Keystone at Horse Pan Creek	West Greensboro	Under construction   Lease-Up	380	Garden	Keystone Homes
The Sutton	North Winston-Salem	Under construction   Lease-Up	285	Garden	Woodfield Development
Hawthorne Northwest	West Greensboro	Under construction   Lease-Up	276	Wrap	Evolve Companies
The Lofts at Whitaker Park	North Winston-Salem	Under construction   Lease-Up	163	Wrap	Frye Properties



## Multifamily submarket activity | Q3 2024

By Submarket	Existing units	Occupancy %	Annual Supply	Annual Demand	Under construction	Average effective rents	
					(units)	Rent/unit	Rent/psf
Burlington	11,795	94.5%	0	154	816	\$1,364	\$1.35
High Point	8,970	92.8%	0	-44	264	\$1,197	\$1.27
North Greensboro	18,250	94.1%	183	324	582	\$1,221	\$1.33
North Winston-Salem	22,775	92.8%	454	530	809	\$1,254	\$1.36
South Greensboro	19,379	93.9%	168	465	455	\$1,201	\$1.26
South Winston-Salem	18,417	93.5%	406	334	120	\$1,226	\$1.29
West Greensboro	13,676	93.4%	334	370	1,446	\$1,305	\$1.39
<b>Market Total</b>	<b>113,262</b>	<b>93.6%</b>	<b>1,545</b>	<b>2,133</b>	<b>4,492</b>	<b>\$1,252</b>	<b>\$1.32</b>

## Asset class performance | Q3 2024

By asset class	Occupancy %	YoY change in	Average unit size	Eff. rent/unit	Eff. rent/psf	Concession	Concession as a %
		Occupancy	(sf)			Value	of asking rent
Class A	94.4%	2.6%	973	\$1,571	\$1.61	\$55	3.5%
Class B	93.3%	0.4%	946	\$1,247	\$1.32	\$29	2.3%
Class C	93.5%	-0.2%	927	\$1,027	\$1.11	\$47	4.5%

# Triad submarket map



For more market insights and information  
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