



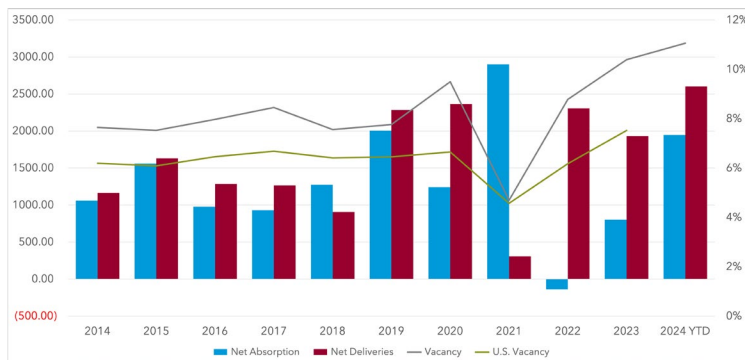
MULTIFAMILY MARKET OVERVIEW

JAKE PLOTKIN, CCIM, *Vice President, Principal*

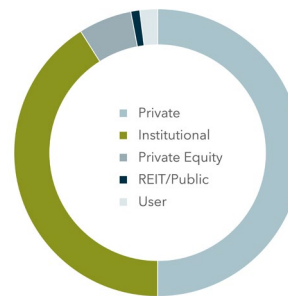
As of Q3 2024, Durham's multifamily vacancy rate is 11.7%, nearing record levels due to new deliveries outpacing demand. While net absorption has been positive for three of the last four quarters, totaling 2,400 units annually, the market has seen a decline in rents of 1.7% over the past year. Most of 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

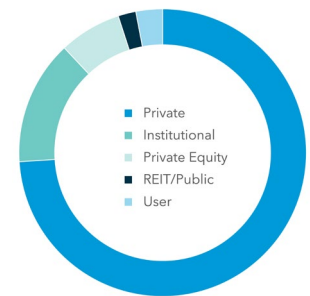
NET ABSORPTION, NET DELIVERIES, & VACANCY



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	TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Duck Pond Realty Management	\$367,792,000	Harbor Group International	\$230,937,000
Blue Heron Asset Management LLC	\$200,200,000	Blackstone, Inc.	\$215,549,541
Dasmen Residential LLC	\$198,387,000	Friedlam Partners LLC	\$210,000,000
Blackstone, Inc.	\$181,416,541	Starwood Capital Group	\$209,921,451
Ram Realty	\$176,265,951	Starlight Investments Ltd	\$194,496,345

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2024 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com