

INVESTMENT FORECAST

Multifamily
Charlotte

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

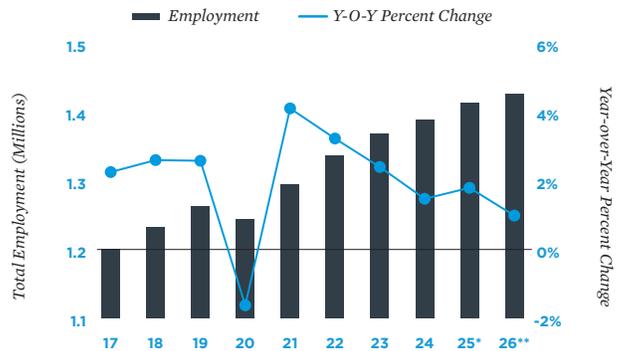
2026

Southern Areas Find Respite as Northern Corridor Faces Sustained Pressure

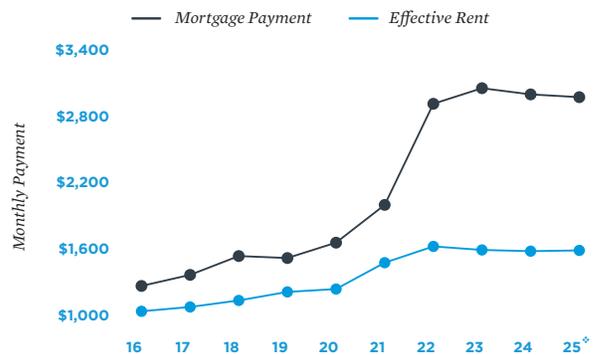
Demographic tailwinds coincide with moderating supply. Job opportunities, especially in professional services settings, continue to draw young adults to the market, helping support Charlotte's apartment sector this year. Meanwhile, concession usage across the metro has become increasingly common, particularly in areas such as North Charlotte to Cornelius and Southwest Charlotte, where elevated construction activity has been evident over recent years. Vacancy in the former submarket may rise in 2026 as anticipated deliveries outpace the 2025 total. In contrast, the southern infill submarkets, including Uptown-South End and Southwest Charlotte, are entering a period of reduced development following a prior surge, with both areas expected to add about half of 2025's total. The slowdown in development is expected to support further vacancy compression and strengthen rent growth prospects in these neighborhoods. Longer term, the marketwide outlook is more favorable as construction starts in late 2025 fell to the lowest level since 2019.

Hurdles to investment retreat. While transaction activity held relatively steady in 2025, easing near-term headwinds could spur growth in the coming years. Tempering construction can support effective rent growth, thereby helping stabilize cap rates, potentially helping more trades pencil. In supply-saturated areas, owners facing maturing construction loans amid tight lending standards may create opportunities for buyers seeking discounted valuations. Meanwhile, trades involving Class A and B assets priced above \$20 million are expected to pick up, building on recent momentum. At the submarket level, East Charlotte stands out, with vacancy roughly 200 basis points below its long-term average, supported by strong infrastructure and connectivity to major employment corridors. Class A trading in this area accelerated markedly in 2025 compared to the prior year, as the segment's vacancy declined at one of the fastest rates among submarkets in the metro, driving rent growth above other tiers. These strengthening fundamentals and structural features are likely to continue drawing investor interest to the area.

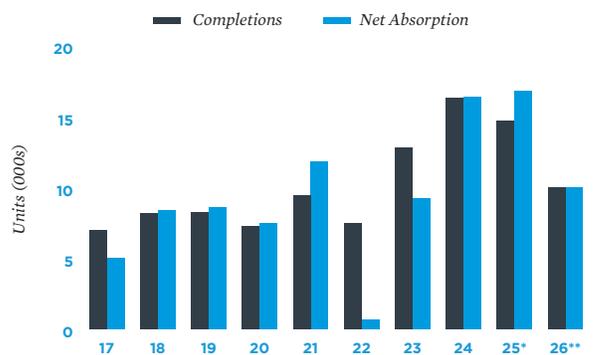
Employment Trends



Housing Affordability Gap



Supply and Demand



20.4%

2025 share of local population between 20 and 34 years old



37.1%

of local population hold bachelor's degree or higher*



\$413,800

2025 median home price*

* Estimate ** Forecast * Through 3Q
*2025: 25+ years old

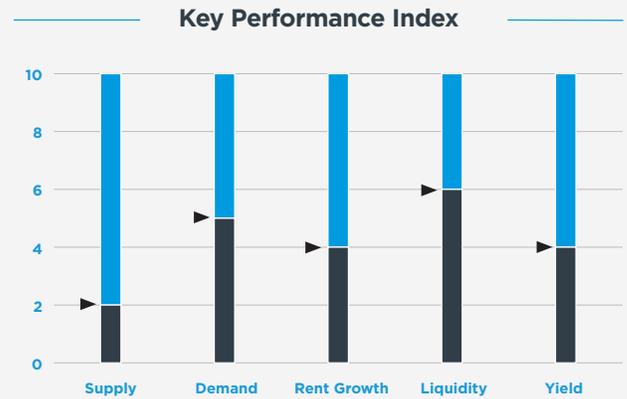
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Investment Outlook

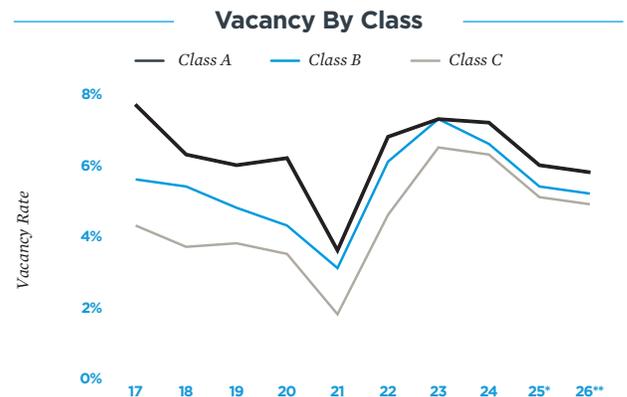
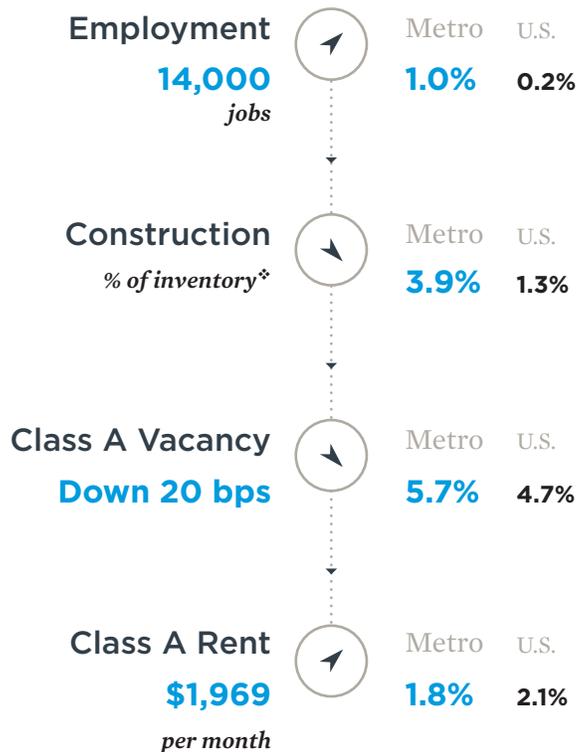
While Charlotte contends with a lower relative KPI rating of 2 in 2026, favorable demographics support a declining vacancy rate this year and a demand indicator score of 5, the most common rating for that field in this year's tabulations. Meanwhile, the market records a rent KPI value of 4.

Charlotte joins a cadre of markets at the top end of the liquidity field this year with a KPI of 6, which is more indicative of relative improvements in sales activity over absolute volume levels.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1-10 for five key metrics.



2026 INVESTMENT OUTLOOK



IPA Multifamily

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* Estimate ** Forecast

* Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics