

# 3Q22 BEST PERFORMING MARKETS

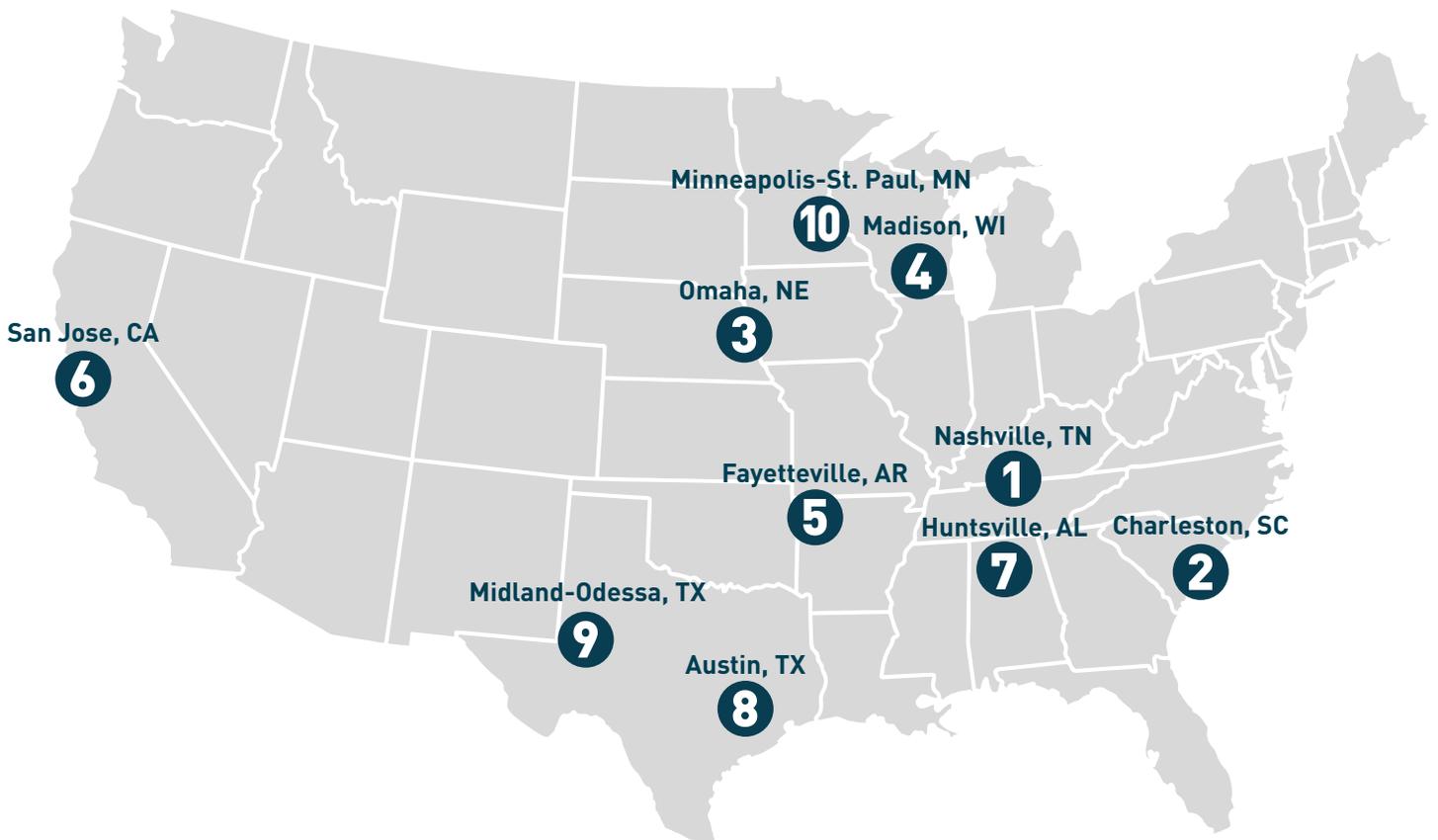


**Last year, demand hit a record-breaking high with more than 268,900 units occupied and leasing activity, reaching nearly three times the third quarter average of the past decade.**

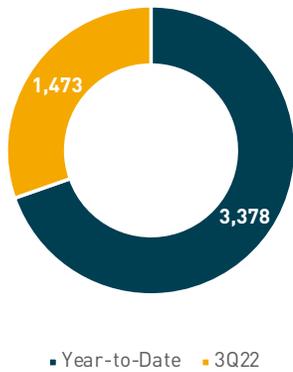
Historically, the third quarter of every year is the busiest time for apartment rentals. This year’s third quarter was drastically different. Asking rents, which had already been growing at a slower pace at the start of 2022 in comparison to last year, dropped in September for the first time since December 2020. Additionally, there were 82,500 more move-outs of apartments than move-ins during the third quarter of 2022. It was the first time in more than 20 years that net leasing activity was negative during the third quarter.

Despite the leasing slowdown across the nation, there were a few markets that continued to see positive absorption in the third quarter. Nashville, Charleston, and Omaha make up the top three performing metros during 3Q22.

## Top Metros with the Highest Absorption in 3Q22



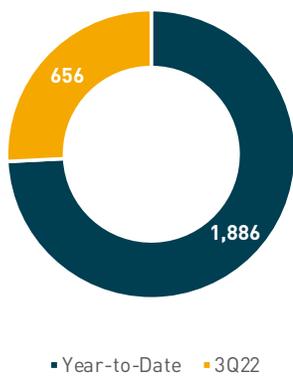
## Nashville Absorption



## 1 Nashville, TN –1,473 net units

The Nashville market led the nation with the highest third quarter demand, with 1,473 net move-ins. Nashville outpaces other markets by far, having more than double the amount of leasing activity than Charleston, the market with the second-highest positive net absorption. Ranked in the Top 20 Metros with the Greatest Net-In Migration, Greater Nashville has been drawing in new residents for an array of reasons. Specifically, the urban submarket, Central Nashville, has been the source for the market's high demand. During 3Q22, over 950 net units were absorbed. The city of Nashville offers residents an atmosphere of urban entertainment and a diversified economy. Largely known for its country music roots, Music City is now home to Amazon's HQ2. With one tower already completed and 2,500 corporate and tech employees hired, the e-commerce mogul is still planning on constructing another tower and hiring an additional 2,500 jobs. The influx of new jobs and relative urban affordability compared to other large urban cities in the nation, Nashville is set to continue to have strong demand looking forward.

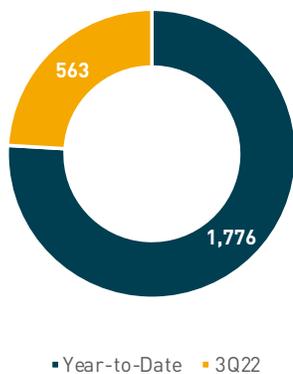
## Charleston Absorption



## 2 Charleston, SC –656 net units

For the past nine years, Charleston has been ranked on Travel + Leisure magazine's Top City in the U.S. list. With 656 net move-ins in the third quarter of 2022, Charleston was the market that experienced the second-highest demand nationally. Throughout the duration of the pandemic, leasing activity has been stable in the Charleston market. The Downtown/Mount Pleasant and the Summerville/Northwest Charleston submarkets have been driving demand in the metro. Having both urban and suburban submarkets draw in residents demonstrates Charleston's broad appeal to renters. Charleston's economy has been resilient during 2022. Employment surpassed pre-pandemic levels in May and increased 4.8% year to date, outpacing Berkadia's 2022 Forecast prediction by 150 basis points. Specifically, the Greater Charleston area has seen major growth in high-tech. With Google's \$500 million data center expansion, the tech industry in Charleston will continue to grow.

## Omaha Absorption



## 3 Omaha, NE –563 net units

The Omaha market has been head turning in 2022. It was one of the few markets that exceeded forecast projections in every category during 1Q22 and continued to do so in 3Q22. At the end of the third quarter of 2022, the market had the third highest leasing activity with 563 net units absorbed. Compared to Berkadia's 2022 Forecast, Omaha was projected to have just under 1,500 net units absorbed in 2022, and already has seen over 1,770 net move-ins year to date. It begs the question: what is going on in Omaha? The metro is one of the most affordable cities to live in, boasting an effective rent of \$1,108 per month, more than \$600 less per month than the national average. Beyond its affordability, Greater Omaha's economy has been growing. Google has taken an interest in building data centers in the metro. Since 2019, Google has invested \$1.35 billion for two data centers in the Omaha market.

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