2026

CHARLOTTE

MULTIFAMILY FORECAST REPORT

MARKET SNAPSHOT

AVERAGE RENT **$1,584** Q4 2025	→ **0.4%** → ANNUAL CHANGE	AVERAGE RENT **$1,590** Q4 2026
OCCUPANCY RATE **91.5%** Q4 2025	→ **+10 BPS** → ANNUAL CHANGE	OCCUPANCY RATE **91.6%** Q4 2026
COMPLETIONS **14,484** 2025	**10,341** 10 YR. AVG. ANNUAL COMPLETIONS	COMPLETIONS **9,971** 2026
NET ABSORPTION **14,334** 2025	**8,530** 10 YR. AVG. ANNUAL NET ABSORPTION	NET ABSORPTION **7,735** 2026

Source: CoStar

KEY MARKET THEMES FOR 2026

1.

While the peak in unit deliveries appears to be in the rearview mirror, the pipeline remains substantial: an additional 21,780 units were under construction as of Q4 2025. That equates to roughly an 8.5% inventory expansion, positioning Charlotte as the most supply-exposed major market in the country at year-end 2025.

2.

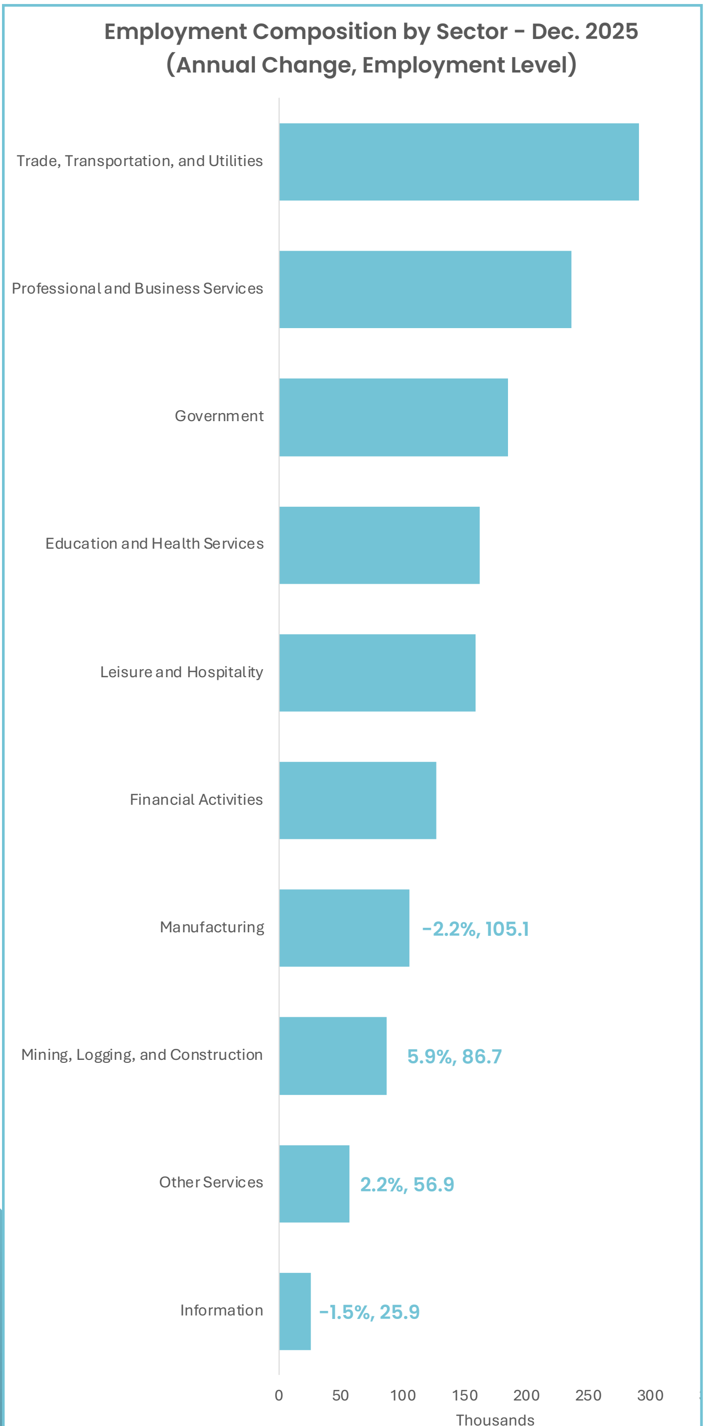
Rent growth in Charlotte remains under pressure as a robust supply wave collides with softer seasonal demand, pushing annual rent growth to -1.4% in Q4 2025, the sharpest decline since rents turned negative in 2023.

3.

Stabilized occupancy has softened as Charlotte works through an outsized delivery cycle—holding near 92% through 2024 and early 2025, then stepping down to 91.5% in Q4 2025.

ECONOMIC & WORKFORCE TRENDS

// EMPLOYMENT COMPOSITION BY SECTOR - DEC. 2025



Source: Bureau of Labor Statistics

Charlotte enters 2026 with a labor market that still looks fundamentally healthy, but the tone has shifted from "grow" to "hold steady." Employer expectations point to cautious staffing plans, even as unemployment remains low in the metro. Survey signals reinforce that message: most firms expect no change in headcount over the next six months, with a smaller share planning expansions and a limited portion anticipating reductions, per the U.S. Census Bureau's Business Trends and Outlook Survey. With interest rates still elevated, businesses appear to be prioritizing operating stability and margin discipline over new hiring, especially in capital-sensitive categories like real estate and development.

Sector-level employment trends suggest the metro is still adding jobs in the areas that typically underpin Charlotte's white-collar and population-growth flywheel, but with a more mixed composition than in prior years. December 2025 BLS sector data shows solid growth in Professional and Business Services (+4.6% YoY), Education and Health Services (+4.5%), Leisure and Hospitality (+4.6%), and Financial Activities (+3.1%), which should continue to support renter demand and household formation. At the same time, pockets of softness remain in Manufacturing (-2.2%) and Information (-1.5%), while Mining, Logging, and Construction is still expanding (+5.9%) even as financing conditions keep the broader development outlook constrained. Overall, the base case for 2026 is steady-to-slower growth: enough job creation in services to keep the metro moving forward, but not enough to fully offset the drag from higher rates and a more conservative corporate hiring posture.

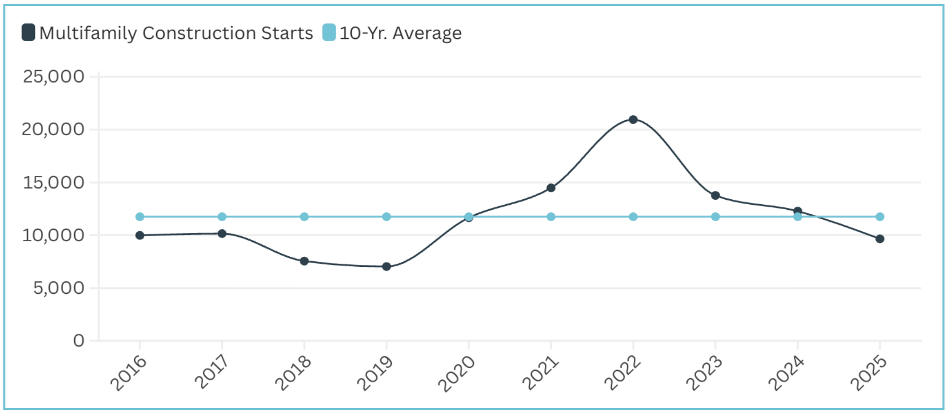
2026 SUPPLY TRENDS

MULTIFAMILY STARTS DECREASED IN 2025

2024: 12,281 units > 2025: 9,656 units

Annual Decrease of 2,656 units or -21%

10-Yr. Historical Annual Average: 11,753 units

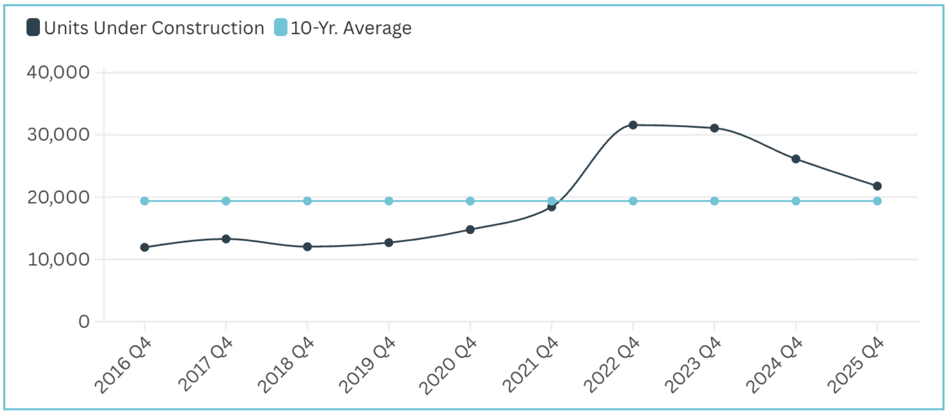


UNITS UNDER CONSTRUCTION TRENDING ABOVE THE 10 YEAR AVERAGE

21,780 units under construction as of December, 31st 2025

10-Yr. Historical Annual Average Units UC: 19,375

12% Higher than historical average

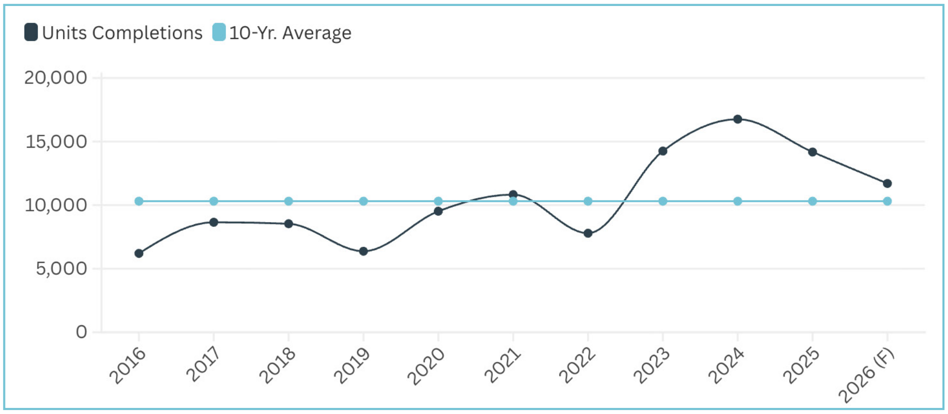


UNIT COMPLETIONS PROJECTED TO DECREASE IN 2026

2025: 14,179 units > 2026: 11,705 units

Annual Decrease of 2,747 units or -17%

10-Yr. Avg. Annual Completions: 10,310



A historic wave of apartment supply crested in Charlotte as the market entered 2025. Approximately 14,500 units delivered in 2025, a 15% pullback from the 2024 peak of roughly 16,800 completions. Even with that deceleration, 2025 deliveries remained more than double pre-pandemic norms: from 2015 to 2019, developers averaged about 7,100 units annually. And while deliveries appear to have peaked, the pipeline is still substantial, an additional 21,780 units were under construction as of Q4 2025. That equates to roughly an 8.5% inventory expansion, positioning Charlotte as the most supply-exposed major market in the country at year-end 2025, narrowly ahead of Miami and Nashville.

New development has increasingly bifurcated. In urban areas, mid- and high-rise product has concentrated around transit nodes and major employment corridors, while suburban submarkets have absorbed more garden-style communities and a growing mix of for-rent townhome and single-family rental formats near expanding job centers. In the urban core, young professional household growth and higher land costs have supported a unit-mix tilt toward studios and one-bedroom units. At the same time, elevated mortgage rates have kept more family households on the sidelines of homeownership, reinforcing demand for larger-format rentals in suburban locations.

Importantly, the construction cycle is becoming more uneven across submarkets. Urban pipelines are downshifting quickly, while select suburban areas that were less active in the last wave are now capturing a higher share of new groundbreakings. North Charlotte remains the largest concentration of active construction, with roughly 4,400 units underway. By contrast, Lower South End—after delivering more than 2,600 units over the past two years—is showing clear signs of cooling, with just over 300 units currently under construction. With fewer new starts and completions expected to step down further, deliveries should continue to cool through at least 2027, setting the stage for gradually tightening fundamentals as the market works through near-term lease-up pressure.

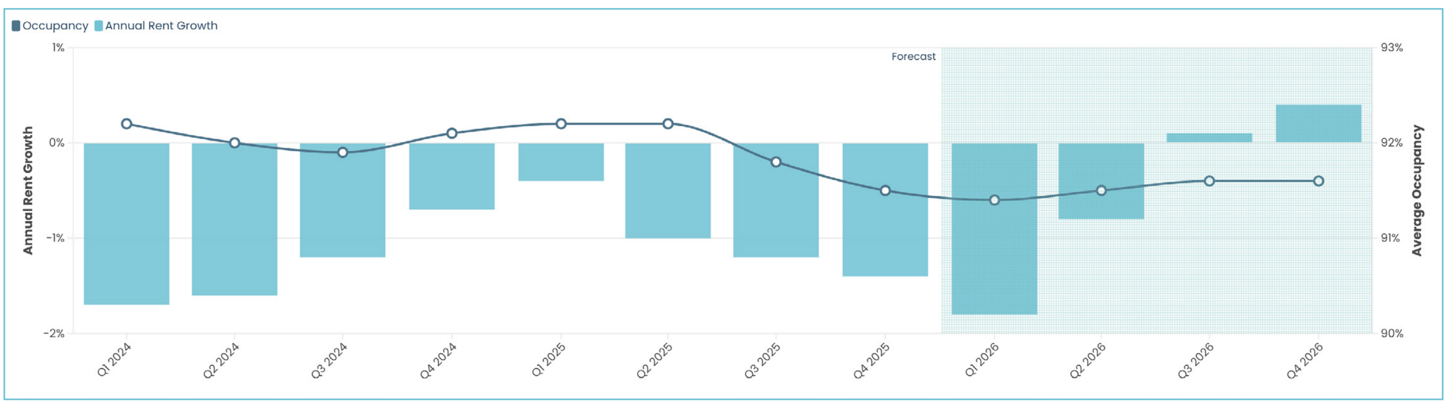
RENT & OCCUPANCY

RENT TRENDS

The overhang of a record supply wave, combined with a noticeable downshift in absorption in the second half of 2025, continues to weigh on Charlotte rent growth. Annual rent growth was -1.4% in Q4 2025, the sharpest decline since rents first turned negative in 2023. Concessions are amplifying the headline softness: in the most supply-impacted submarkets, offers have reached up to two months free, pulling effective rents down more than asking rents suggest. The primary offset for landlords is that the development cycle is slowing, though demand has also softened modestly as the market moved into the seasonally slower winter leasing period.

Rent pressure is most concentrated at the top of the market. Over the past several years, approximately 80% of new deliveries have skewed upper-tier, creating intense competition among newer, amenity-rich properties. As a result, upper-tier rents were down -2.1% year over year in the most recent quarter, and concession prevalence is among the highest in these communities. By late 2025, roughly half of all properties were offering some form of concession, up from about 35% in 2024. Concessions are most aggressive in the urban corridors, particularly Optimist Park, Lower South End, and parts of South End, where two months free has become common amid heavy lease-up competition. Suburban properties have generally been less aggressive, often leaning toward one month free. The timing of rent recovery will hinge on demand resilience and job growth, which is likely to remain muted over the next year. That said, the medium-term setup is improving as supply pressure begins to ease. Annual groundbreakings in 2025 were down roughly 20% from 2024. If demand remains stable, the combination of fewer deliveries and waning lease-up competition should support a return to modest rent growth by late 2026.

// ANNUAL RENT GROWTH & OCCUPANCY



DEMAND & OCCUPANCY TRENDS

Stabilized occupancy in Charlotte has gradually eased as the market absorbed an outsized delivery cycle, with softness becoming more pronounced in the back half of 2025. Occupancy held near the low-92% range through most of 2024 and remained at 92.2% in Q1–Q2 2025 before slipping to 91.5% by Q4 2025. That late-2025 step-down aligns with the period when rent growth also weakened (down to -1.4% YoY in Q4 2025), signaling that lease-up competition and a slower absorption backdrop began to translate into broader availability. The 2026 forecast calls for occupancy to trough early (91.4% in Q1 2026) and then stabilize, edging back to 91.6% by Q4 2026 as the market moves through the year and rent growth begins to re-enter positive territory by the second half of 2026.

Under the hood, 2026 occupancy outcomes look highly submarket-specific and closely tied to where new supply is landing. More supply-exposed nodes are expected to see the most pressure, including Lower South End and Iredell County, while large corridors like North Charlotte and University City should remain in a low-90% range as leasing catches up to completions. Several areas are projected to firm modestly despite additional deliveries, including East Charlotte (+40 bps to 90.1%) and West Charlotte (+40 bps to 91.8%). On the tighter end of the spectrum, suburban and outlying submarkets with higher starting occupancy and/or limited new product should remain resilient, such as Lincoln County (94.5%) and Gaston County (93.6%), keeping the market-wide outlook framed as "stabilization with pockets of stress," rather than a broad-based deterioration.

2025 INCOME & EXPENSE ANALYSIS

12-month period ending November 2025

INCOME

Income Assumptions	Value / Unit	Year Change (%)
Rental Income / Occupied Unit	$18,052.57	0.0%
Recoverable Expenses / Occupied Unit	$893.53	7.3%
Other Income / Occupied Unit	$975.05	1.1%
Total Income / Occupied Unit	**$19,921.15**	**0.3%**
Operating Income		
Rental Income	$16,630.27	0.6%
Recoverable Expenses	$823.10	7.9%
Other Income	$898.14	1.7%
Total Income	**$18,351.52**	**0.9%**

EXPENSES

Operating Expenses	Value / Unit	Year Change (%)
Payroll	$1,771.24	2.4%
Repairs & Maintenance	$614.48	2.7%
Leasing	$747.58	1.1%
General	$409.18	4.5%
Marketing & Advertising	$328.04	3.7%
Repairs & Maintenance	$1,189.12	3.4%
Cleaning	$205.15	3.3%
Roads & Grounds	$243.38	1.5%
General	$740.58	4.1%
Administrative	$585.46	-2.0%
Security	$70.78	3.7%
General	$514.68	-2.7%
Management Fees	$547.08	-1.9%
Utilities	$1,037.54	2.6%
Electric	$234.92	-3.4%
Gas	$11.62	20.7%
Water/Sewer	$791.00	4.3%
Real Estate & Other Taxes	$1,807.99	0.1%
Insurance	$492.62	-4.0%
Other Operating Expenses	$41.24	
Total Operating Expense	**$7,800.34**	**1.1%**
Net Operating Income	**$10,551.18**	**0.8%**

Note: Income and Expense data is sourced from a variety of third-party providers, including CoStar, Yardi Matrix, and our internal databases, and reflect professionally managed multifamily properties with 50 or more units for the 12-month period ending November 2025.

MARKET OUTLOOK

Charlotte's multifamily market in 2026 is set up as a "digest and stabilize" year, with fundamentals improving gradually as the market works through the tail end of an outsized supply cycle. Deliveries are expected to cool off from recent peaks,...

but the construction pipeline remains large enough to keep lease-up competition elevated, particularly in the urban and high-amenity corridors that captured the bulk of new deliveries over the past few years. That backdrop should keep landlords more pricing-defensive in the first half of the year, with concessions remaining a key lever in the most supply-impacted submarkets. Still, the direction of travel is improving: as completions slow and fewer new starts feed the pipeline, supply pressure should become less acute into late 2026.

On performance, the base case is for occupancy to bottom early and then stabilize modestly, while rent growth transitions from negative readings toward flat-to-slightly positive by the back half of 2026. The recovery is likely to be uneven—newer, upper-tier product will remain the most competitive segment given heavy recent deliveries, while more established communities and select suburban nodes should hold firmer. The main swing factor is demand: job growth should remain steady but muted, meaning rent gains will depend less on a sharp demand rebound and more on the mechanical easing of new supply. If employment remains stable and household formation holds, Charlotte is positioned to exit 2026 with firmer occupancy and early-stage rent growth returning, setting a more constructive setup for 2027.

To gain further insights in the Charlotte market, contact our team:

Alex Blagojevich
Executive Managing Director / Founding Partner
alex.blagojevich@mmgrea.com
773.899.0391

Simon Turner
Senior Director
simon.turner@mmgrea.com
941.724.9521

Michael Sullivan
Executive Managing Director / Founding Partner
michael.sullivan@mmgrea.com
913.484.7923
MO License No.: 2006007641

Bill Brading
Senior Director
bill.brading@mmgrea.com
404.964.5398

Brett Meinzer
Managing Director
brett.meinzer@mmgrea.com
816.516.8515

Thomas Skevington
Senior Advisor
thomas.skevington@mmgrea.com
913.231.1086

Kyle Shoemaker
Managing Director
kyle.shoemaker@mmgrea.com
773.573.7978

Jake Sullivan
Senior Advisor
jake.sullivan@mmgrea.com
913.553.1733

VIEW MORE ONLINE REPORTS HERE

// SUBMARKET RENT & OCCUPANCY

#	Submarket	Inventory Units As Of Jan-2026	2026 Forecasted Annual Completions (Units)	Q4 2025 Stabilized Occupancy Rate	Forecasted Occupancy Change (BPS)	Q4 2026 Stabilized Occupancy Rate	Q4 2025 Rent/Unit	Projected Annual Rent Growth	Q4 2026 Rent/Unit
1	South End	16,473	956	92.8%	-10	92.7%	$2,106	1.9%	$2,147
2	Union County	5,472	0	92.9%	0	92.9%	$1,518	1.9%	$1,547
3	York County	15,188	40	92.7%	10	92.8%	$1,470	1.7%	$1,495
4	Lancaster County	3,667	0	91.3%	0	91.2%	$1,647	1.6%	$1,672
5	West Charlotte	21,237	925	91.3%	40	91.8%	$1,486	1.4%	$1,507
6	Uptown Charlotte	8,753	236	90.9%	-10	90.8%	$1,830	1.0%	$1,849
7	North Charlotte	20,026	1,172	91.9%	-30	91.7%	$1,561	0.9%	$1,575
8	Lincoln County	1,790	0	94.6%	-10	94.5%	$1,382	0.9%	$1,394
9	Cabarrus County	12,108	667	92.2%	-10	92.1%	$1,455	0.9%	$1,468
10	East Charlotte	27,723	699	89.7%	40	90.1%	$1,429	0.4%	$1,435
11	South Charlotte	35,887	901	92.1%	0	92.0%	$1,563	0.3%	$1,568
12	Rowan County	2,667	0	92.1%	50	92.6%	$1,208	0.2%	$1,210
13	Lower South End	5,956	316	91.3%	-110	90.2%	$1,699	0.1%	$1,701
14	South Park	12,313	768	91.9%	10	92.0%	$1,801	-0.1%	$1,799
15	Gaston County	11,516	233	93.3%	30	93.6%	$1,380	-0.6%	$1,373
16	University	24,475	1,146	90.1%	10	90.2%	$1,497	-1.0%	$1,481
17	Iredell County	11,320	856	89.5%	-60	88.9%	$1,489	-1.2%	$1,472
18	Chester County	264	0	90.5%	20	90.7%	$828	-2.2%	$810
19	Huntersville/Cornelius	8,429	984	93.0%	0	93.0%	$1,697	-2.2%	$1,659