



MEMPHIS Multifamily

Jobs, Trends, and New Construction Updates



Presented by:
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NEWS HEADLINES

- Man charged with **shooting** at couple in **road rage** incident
- 19-Year-Old Charged with **1st Degree Murder & Aggravated Robbery**
- 5 juveniles arrested for **murder**
- Teen charged with **robbing** man at **gunpoint**
- **32** charged in undercover **drug bust**
- **21 schools** among the **State's lowest performing**

NEWS HEADLINES

DRUGS, MURDERS, SHOOTINGS, SCHOOL ISSUES....

ALL IN

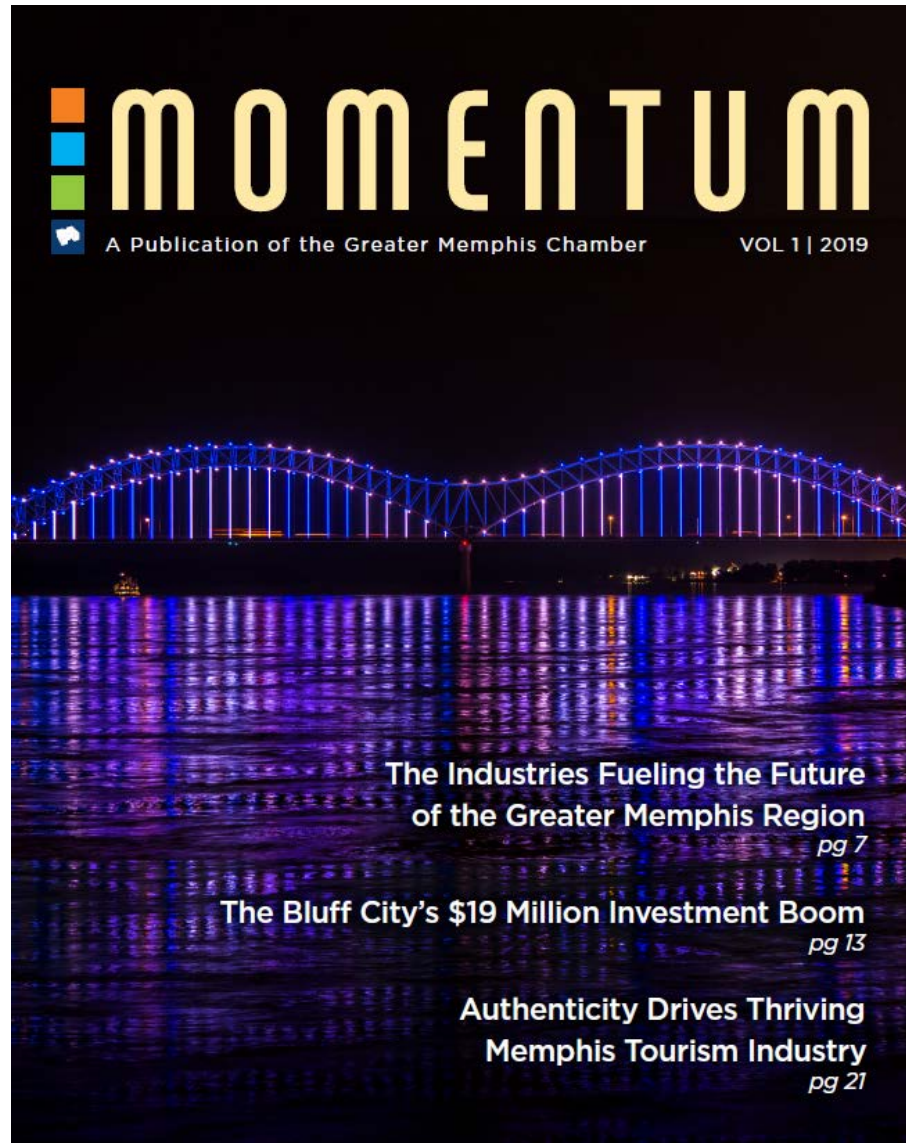
NASHVILLE

Memphians are the worst promoters of Memphis!

The average Memphian sees crime.

What does everyone else see?

\$19 Billion in New Investments Underway in Memphis Since 2014



MEMPHIS IS...

INNOVATIVE

THRIVING

DIVERSE

AUTHENTIC

MEMPHIS

MORE THAN
1.3 MILLION
PEOPLE



4th TOP CITY
WHERE
MILLENNIALS
ARE MOVING

4th LOWEST COST
OF LIVING – 15%
LESS THAN THE
NATIONAL
AVERAGE

FROMMER'S TRAVEL
GUIDE NAMES
MEMPHIS "**BEST
PLACES TO GO IN
2019**"

MEMPHIS GROWTH

New Employers = Jobs = Housing Formation

3.8%
Unemployment
Rate

2.1%
Job Growth
(2018)

2.9%
Population
Increase
(over 5 years)

- \$19 billion in new projects since 2014
- Headquarter Relocations
- Entrepreneurial Growth
- Innovative Startups
- Increase in Millennials

MEMPHIS INFRASTRUCTURE

America's Distribution Center

Greater Memphis' strategic location, world class infrastructure and the ability to operate 24 hours a day for 365 days a year, Memphis has earned the title of America's Distribution Center.



Busiest cargo airport in North America



150 markets can be reached over night



3rd largest rail center with 5 Class I railroads



5th largest inland port in the U.S.



\$1 billion upgrade planned for FedEx Express Hub with more jobs oriented towards technology, automation, and modernization. FedEx is the largest private employer in Memphis and is one of Memphis' largest recruiters.

FedEx Logistics will be investing approximately \$44 million to move its global headquarters to the former Gibson Guitar factory building downtown, bringing 680 plus jobs with it over the next several years.



F E D E X L O G I S T I C S



Graceland

The Second Most-Visited Home in the U.S.



Elvis Presley Enterprises recently finished its largest expansion ever! The 200,000 sq. ft. “*Elvis: Past, Present & Future*” entertainment complex and the new \$92 million Guest House Hotel represents a \$137 million expansion. The economic impact of Graceland’s expansion has been estimated at more than **\$1.1 billion** and created over 1,000 new jobs.

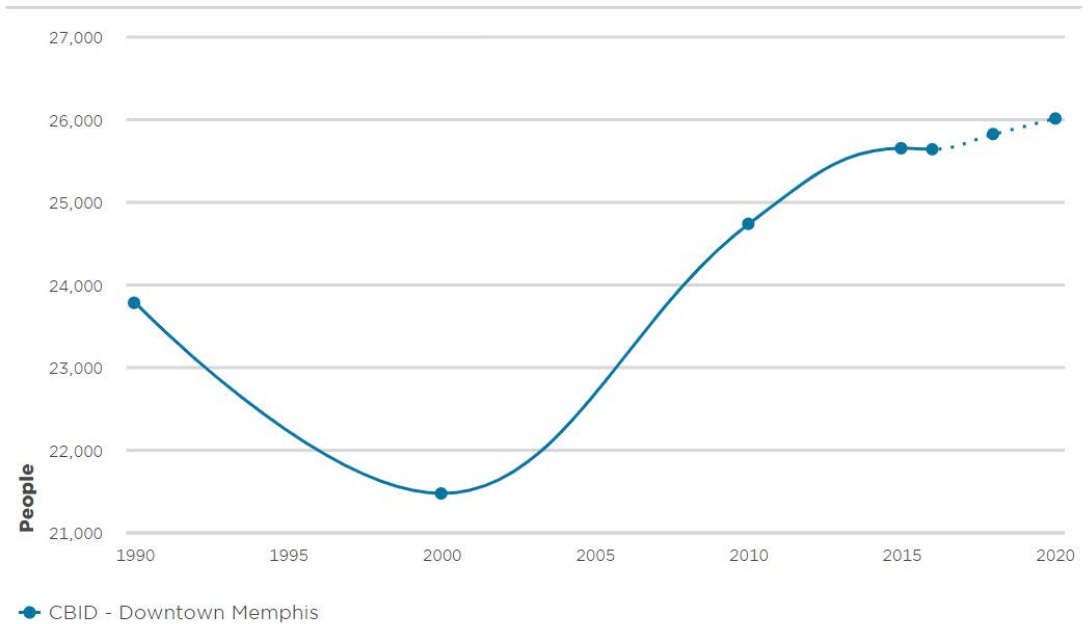
\$4 billion+ in new development projects are underway in Downtown.

57 projects completed, under construction or planned in 2017-2018 adding:

- **2,087** residential units
- **1,058,250** square feet of office
- **2,078** hotel rooms

Downtown

▼ Downtown Population Trend



Sources: DC 1990, 2000, 2010, ACS 2017; US Census 2000; US Census 2010; US Census 2013-2017 ACS



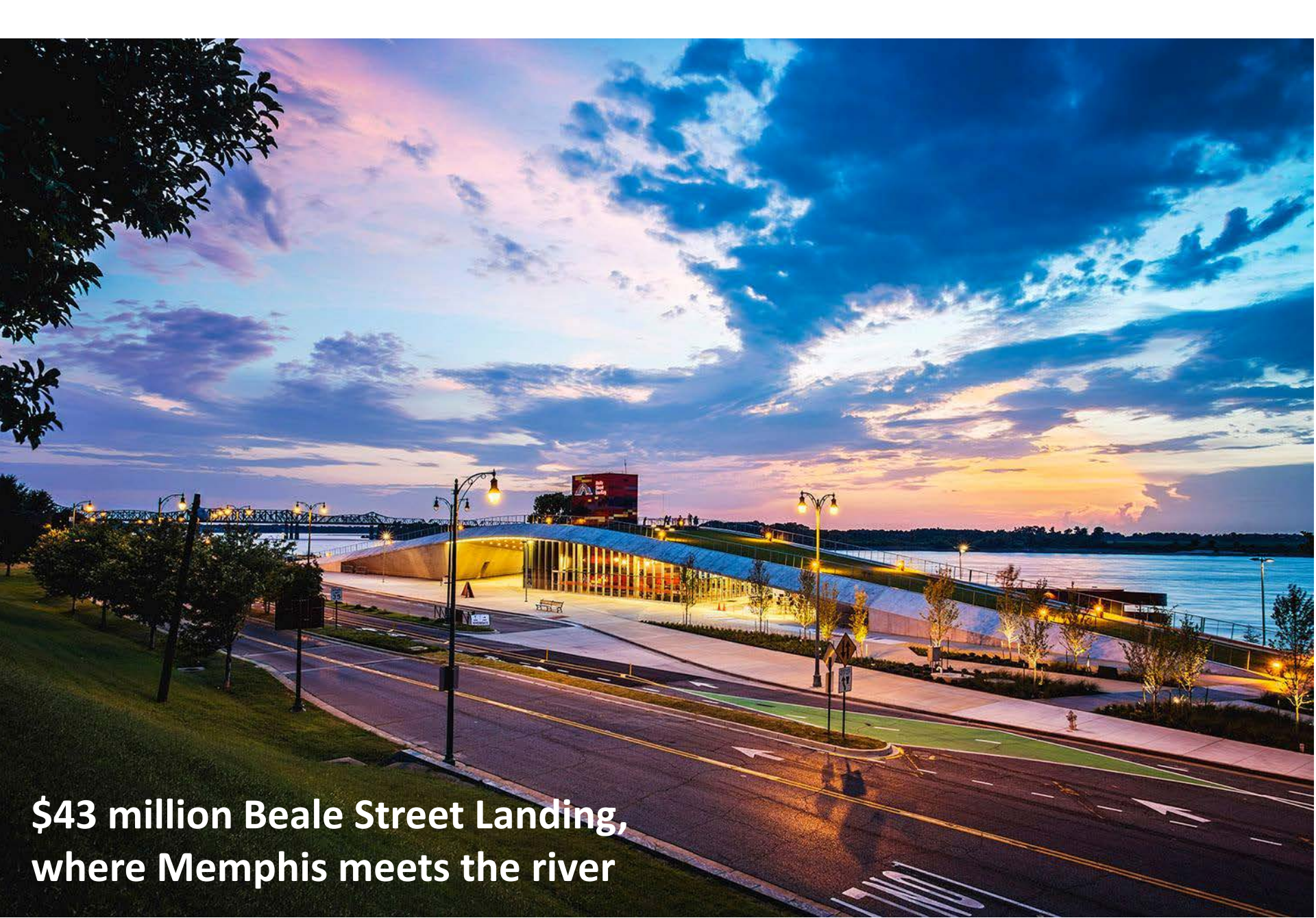
88k+ daytime population
26k+ nighttime population



10k+ apartments units



Indigo Ag has announced it will be moving its North American commercial operations headquarters to Downtown Memphis in the Toyota Center and is bringing 700 new jobs with it with an average salary of \$90,000. The company plans to invest \$6.6 million.



**\$43 million Beale Street Landing,
where Memphis meets the river**



\$70 million Memphis Riverfront redevelopment includes the redesign of Tom Lee Park as well as River Garden, River Line, and the restoration of the Cobblestone Landing.

Beale Street



**America's Most Iconic Street,
USA Today National Poll**



The Tennessee Brewery phase II, the Tap Room, will include 121 apartments and 1,600 square feet of commercial space.



423 new full time jobs



\$2.25 million per year in additional city/county tax revenue



\$11.3 million in local wages

The Landings at One Beale is a skyline changing **\$111 million project** set to be complete by 2020. One Beale includes a multi-story hotel with meeting space and ground floor retail and a separate multi-story, 227 apartment building with retail and restaurant space and office space all spread over 5.5 acres close to the corner of Beale and Riverside.



Set to be complete in Fall of 2020, **Cook Convention Center** is undergoing **\$163 million** in enhancements to the building's interior and exterior to best meet the needs of Memphis and meeting planners. Updates include additional meeting rooms with outdoor terraces and glass enclosed concourses as well as meeting spaces that embrace the river and skyline views.



Townhouse Management Co. will be redeveloping 100 N. Main, the tallest building in the city, into a **convention center hotel** with 500 or more rooms.



Or it could become a **Loews Hotel** with 550 rooms as well as 55,000 sf of meeting space.



Mulberry Street- Revised Elevation

all parapet dimensions are
from first floor finish floor

proposed elevation for
138 Museum Lofts



138 Museum Lofts, 68-unit, \$9.3 million apartment project near
the National Civil Rights Museum set to finish 4th quarter 2019



Union Row is the largest mixed-use development in Memphis history. Union Row is a **\$950 million development** on 29 acres between Union Avenue on the north, Beale on the south, Danny Thomas on the east and Fourth on the west. Phase I is set to include a six story 400-unit apartment complex with ground floor retail and a 200 room boutique hotel.

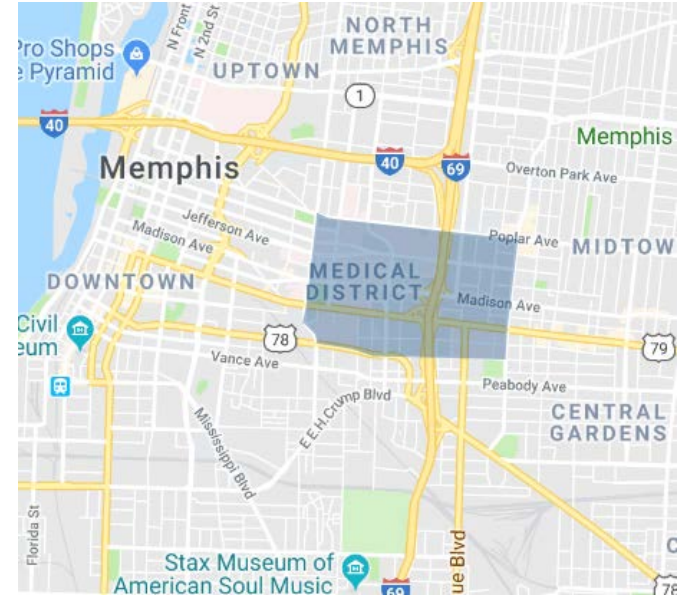


The old **Wonder Bread Factory** is underway on a **\$73 million** rehabilitation and being redeveloped into mixed use, office and retail space and with 286 class A apartments in the Edge District. An abandoned rail spur, The Ravine, will be redeveloped into public greenspace and mixed-use.

Medical District

700 acres in the heart of downtown is the 8th largest medical center in the U.S.

- **\$450 million** UT/Baptist Research Park, 10 year project with **1.3 million sq. ft.**
- **#1** busiest Level 1 Trauma Center in the nation at Region One Health
- Methodist Hospital - **\$280 million** new campus with 44,000 sq. ft. foot tower and new cancer care center



30k+ work in a one mile radius



7,800+ students in the area



St. Jude announced a **\$9 billion strategic plan** to grow the Memphis campus which will increase patients by 20 percent creating 1,800 new jobs with an economic impact estimated at **\$3.5 billion to \$4 billion per year.**

The UT-Baptist Research Park is a growing major bioscience research facility, located in the heart of a world-class R&D cluster in Memphis.



\$450 million UT/Baptist Research Park, 10 year project with **1.3 million sq. ft.**, completed construction represents more than \$140 million in investment and thousands of new jobs as they continue to expand.

Sears Crosstown Concourse



- **\$330 million** overall direct and indirect economic impact
- **800** new permanent jobs and growing
- **1.3 million sq. ft.** vertical urban village
- **\$200 million** renovation & restoration project
- **165** new apartments



Midtown

Midtown is home to cultural attractions, institutions of higher education, and an anchor in Memphis' arts scene.

- **62,700+** population
- **Ballet Memphis, \$21 million**
- **Playhouse on the Square, \$15 million**
- **\$24 million** revitalization of Overton Square



Madison @ McLean



\$24 million proposed 100 room hotel for Overton Square will be part of Marriott International Inc.'s Tribute Portfolio. A possible name of the hotel is "The Memphian."



The Citizen is a **\$23.5 million** 175-unit apartment complex with 26,500 square feet of retail space and 36 parking spaces.



Madison @ McLean is a **\$14 million** 108-unit apartment complex with 1,100 square feet of retail space, a parking garage, a fitness center, bike storage and a pet wash room.

1544 Madison Ave



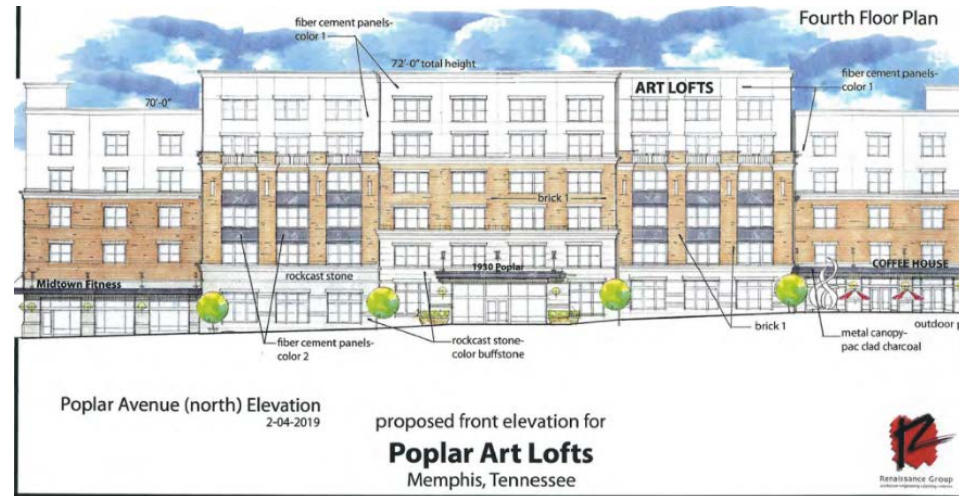
\$21 million new construction apartments planned for the vacant lot on Madison Avenue. The project is set to include 4 buildings with 217 apartments, a pool, and a large fitness center.



Poplar Lofts

1935 Poplar Avenue

@ Overton Park



\$18 million six story, 111 unit apartment project is planned for 1935 Poplar Ave. The building is currently used by the Memphis College of Arts.

Thrive at the Park



\$22 million, 176-unit apartment project is planned at the intersection of Sam Cooper Boulevard and East Parkway.



\$50 million mixed use development, planned for Broad Avenue Arts District with 414 apartments.

Why do we have all this growth?

New Job Creation



\$9 Billion Expansion
1800 New Jobs



\$250 Million Expansion
@ Southland
1500 New Jobs



1st Mississippi fulfillment
center in Marshall County
850 New Jobs



\$8.6 Million Expansion
610 New Jobs



\$16 Million Headquarter
Relocation
455 New Jobs



\$3.25 Million Expansion
400 New Jobs

Memphis Multifamily Trends - Apartment Records Set

\$167 billion invested in apartments in 2018; Avg \$3mil sales in Memphis



Single family rents increasingly pushing **more renters to multifamily.**

Low inventory, higher prices = **scarcity of single family**

Beginning of Recession, 12,600 homes on market
Today around 3,600

Higher Yield through Value Add Projects

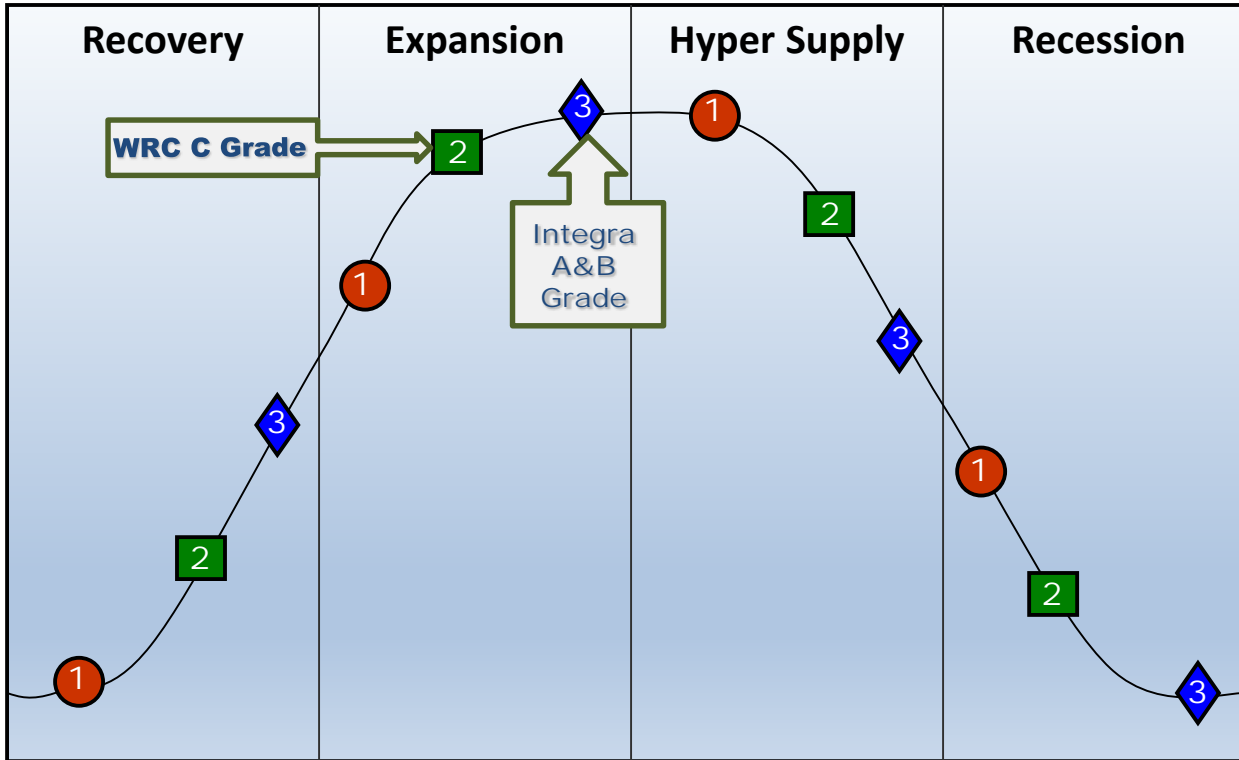


67% of millennials rent



= Over 1800 Apartment Renovations Underway on B & C Grade

Local Market Cycle



- 1 1st Stage of the Phase
- 2 2nd Stage of the Phase
- 3 3rd Stage of the Phase

Integra - Memphis Metro

- High Absorption
- Decreasing Vacancy Rates
- Moderate/High New Construction
- High Absorption
- Moderate/High Employment Growth
- Medium/High Rental Rate Growth

Woodyard Realty - Memphis Metro (C Grade)

- Decreasing Vacancy
- Low to Moderate New Construction
- Moderate/High Absorption
- Low/Moderate Employment Growth
- Low/Medium Rental Rate Growth

Recovery Phase

- Decreasing Vacancy Rates
- Low New Construction
- Moderate Absorption
- Low/Moderate Employment Growth
- Neg/Low Rental Rate Growth

Expansion Phase

- Decreasing Vacancy Rates
- Moderate/High New Construction
- High Absorption
- Moderate/High Employment Growth
- Med/High Rental Rate Growth

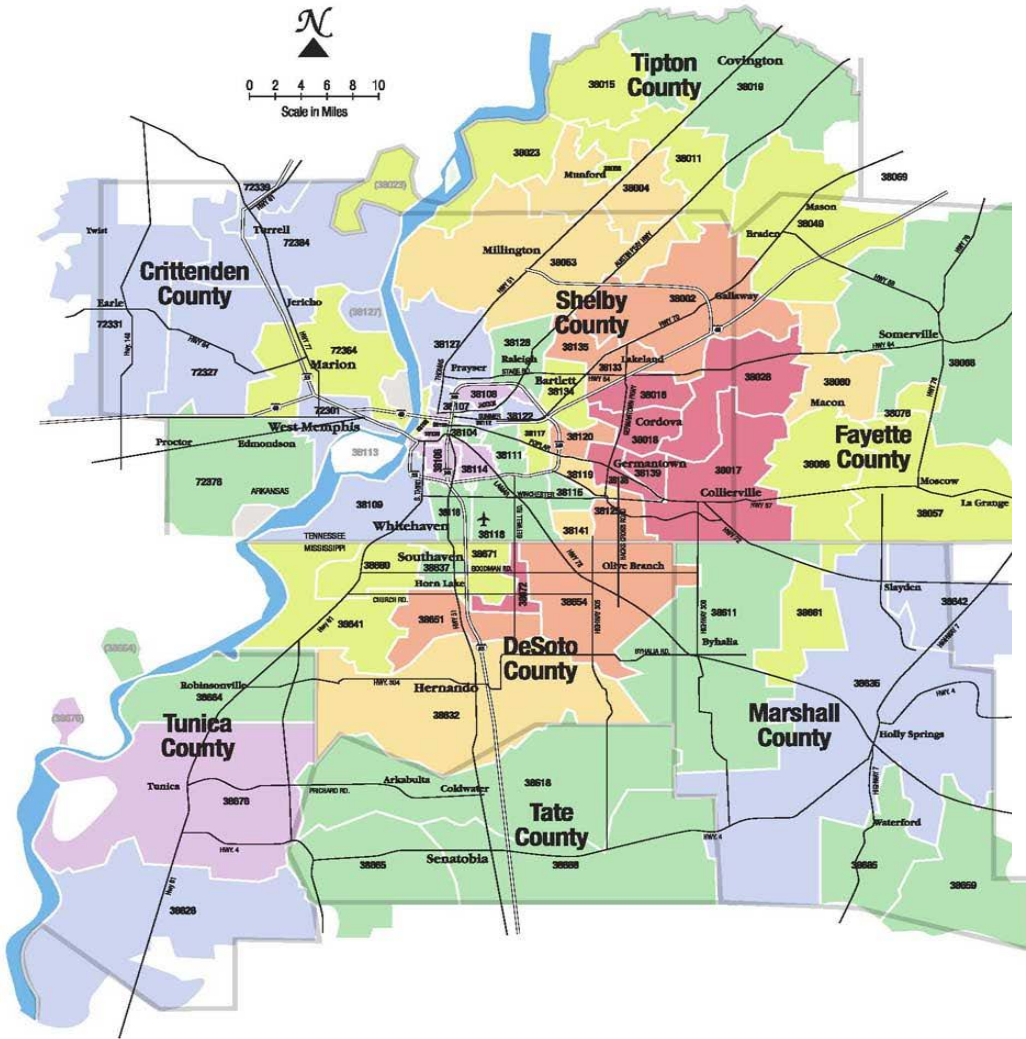
Hyper Supply Phase

- Increasing Vacancy Rates
- Moderate/High New Construction
- Low/Negative Absorption
- Moderate/Low Employment Growth
- Med/Low Rental Rate Growth

Recession Phase

- Increasing Vacancy Rates
- Moderate/Low New Construction
- Low Absorption
- Low/Neg Employment Growth
- Low/Neg Rental Rate Growth

Solid Rent Growth From Downtown to Eastern Suburbs



Submarket	Rent/Month
Collierville	\$1,279
Downtown Memphis	\$1,270
Germantown	\$1,060
Southaven/Olive Branch	\$936
Northeast Memphis	\$901
Midtown	\$754
North Memphis	\$713
East Memphis	\$684
Southeast Memphis	\$653
Frayser-Raleigh	\$582
South Memphis	\$543

Source: 2006 Claritas

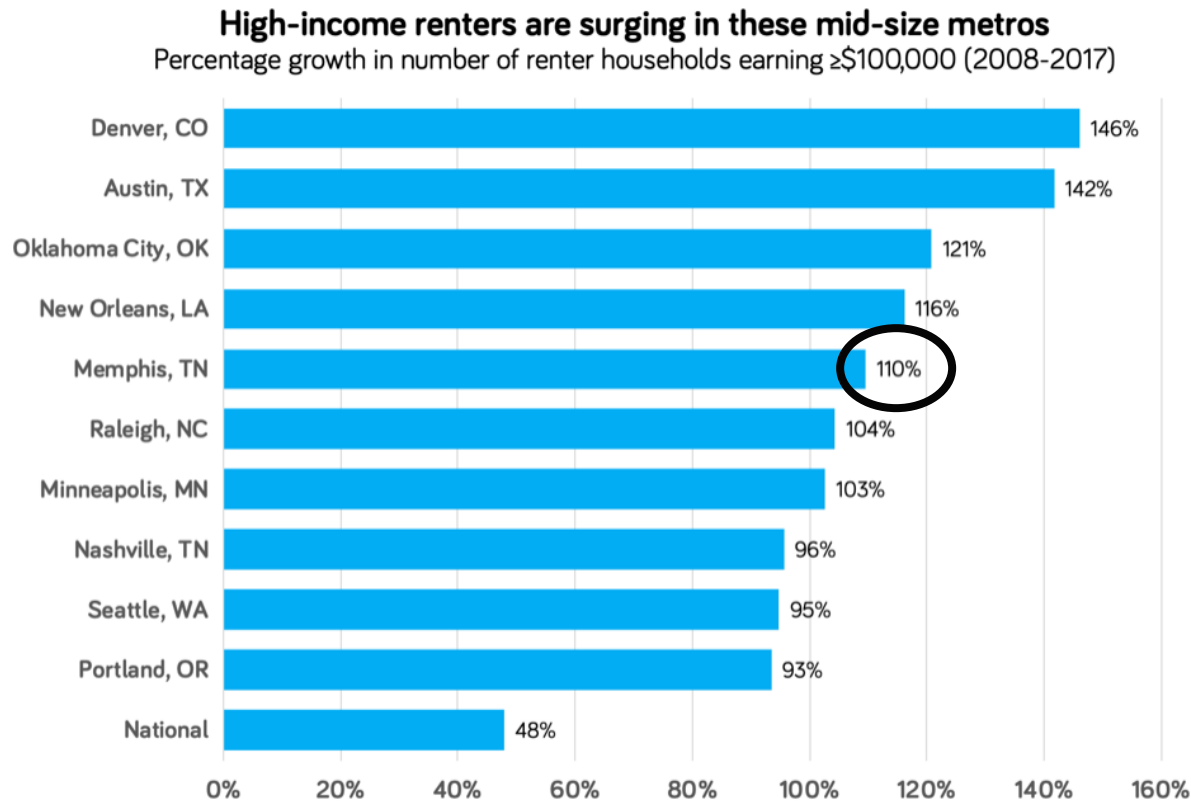
Other Factors Influencing Demand

National Demographic Trends Increasing Renter Population

By 2030, all baby boomers will be older than age 65. This will expand the size of the older population so that 1 in every 5 residents will be retirement age. Baby Boomers are experiencing a decline in home ownership and looking to rent.

Millennials are projected to outnumber Baby Boomers in 2019, and they are already the largest generation in the U.S. labor force, making up 35% of the total. Millennials account for significant segment of the renter population due to increasing barriers to home ownership.

National Trends Improving the Rental Demand



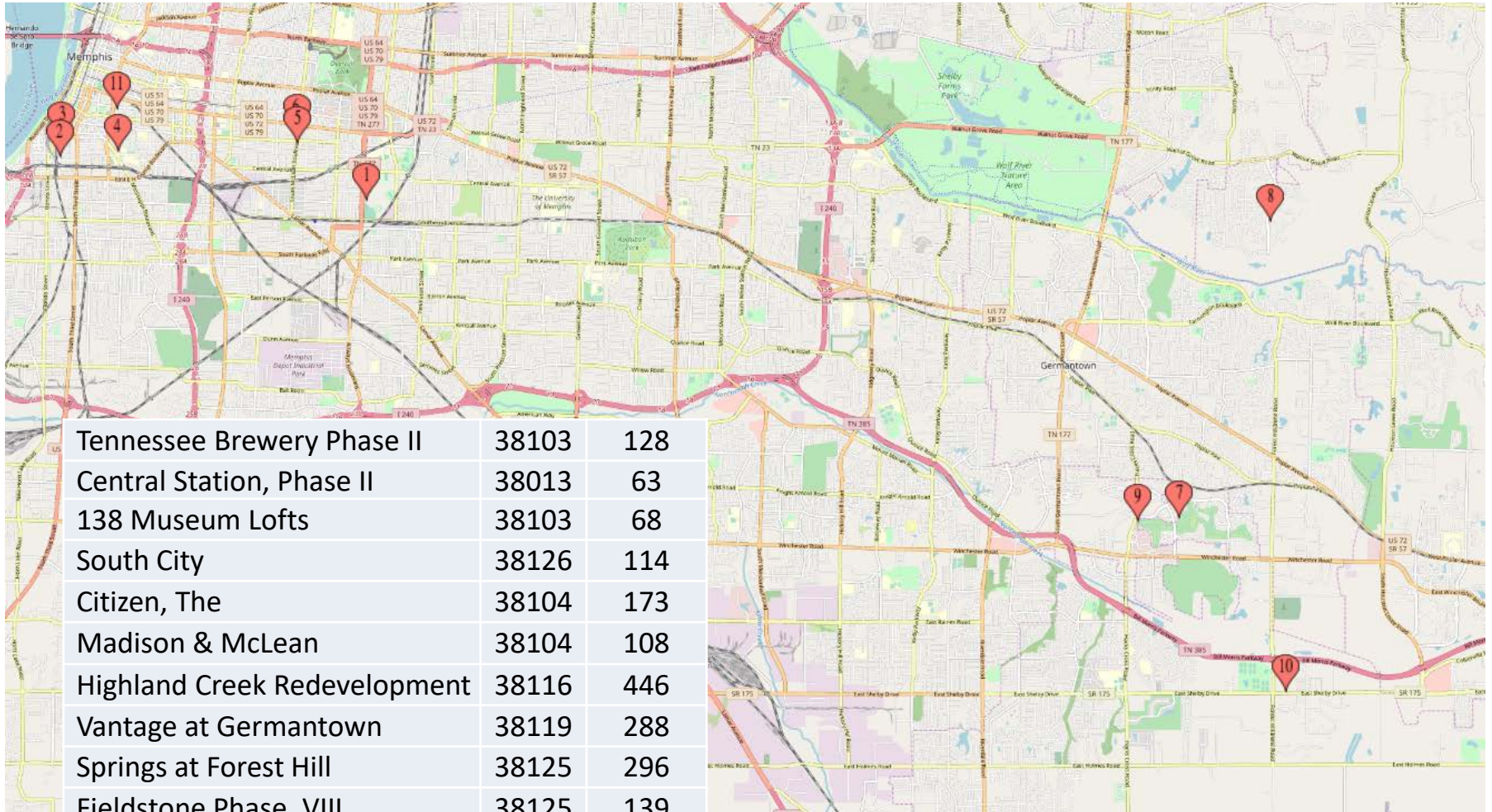
Source: ACS microdata, accessed through the IPUMS-USA database



Over the past decade, **the nation's renter population has grown by 15 percent**, with increases at all levels of income. High-earners have grown 48 percent, renters earning \$50-100k have grown 18 percent, and renters earning <\$50k have grown 8 percent.

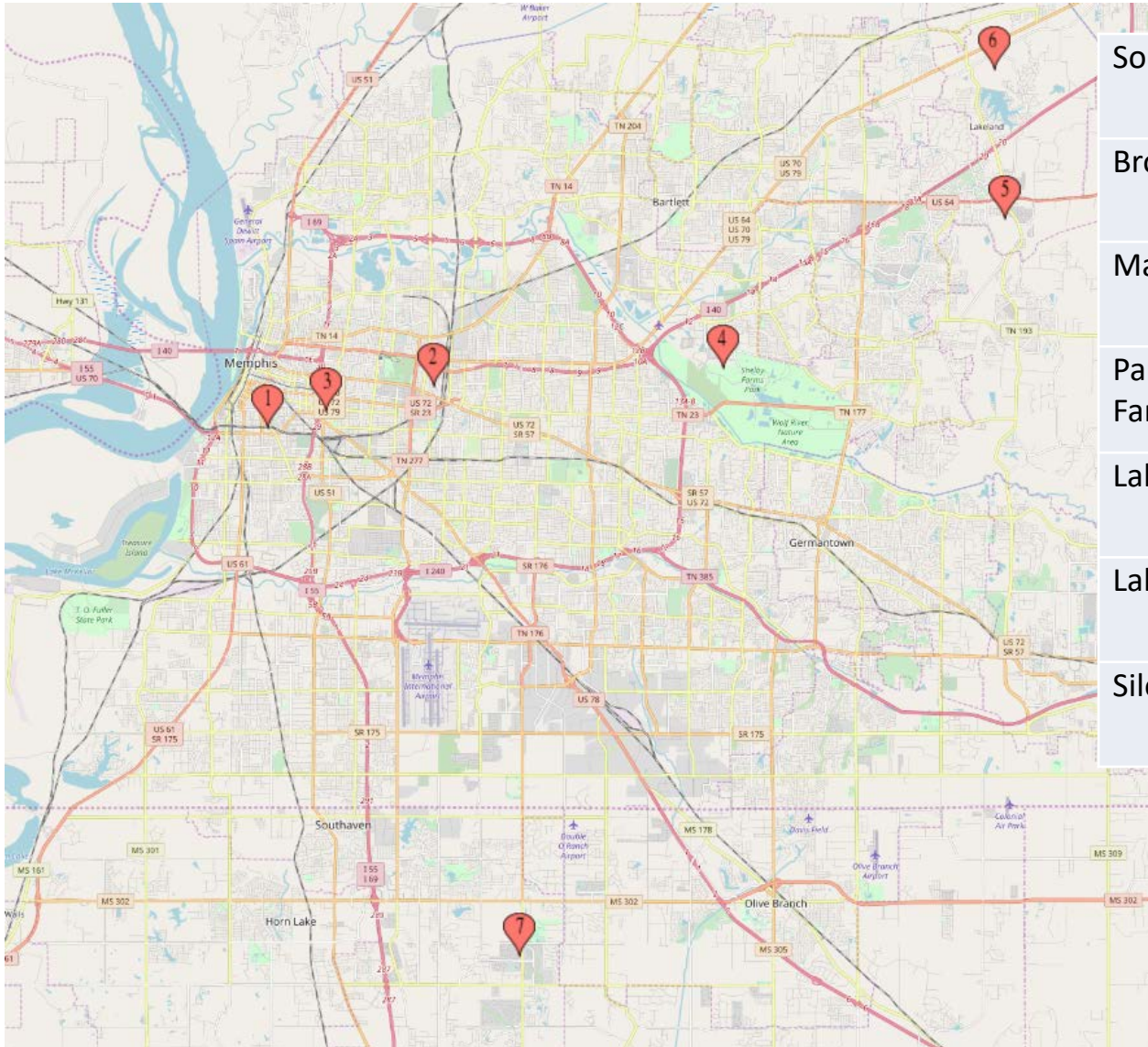
High-income Americans are increasingly relocating to *dense urban centers* where renting and multi-family housing are more common.

Under Construction



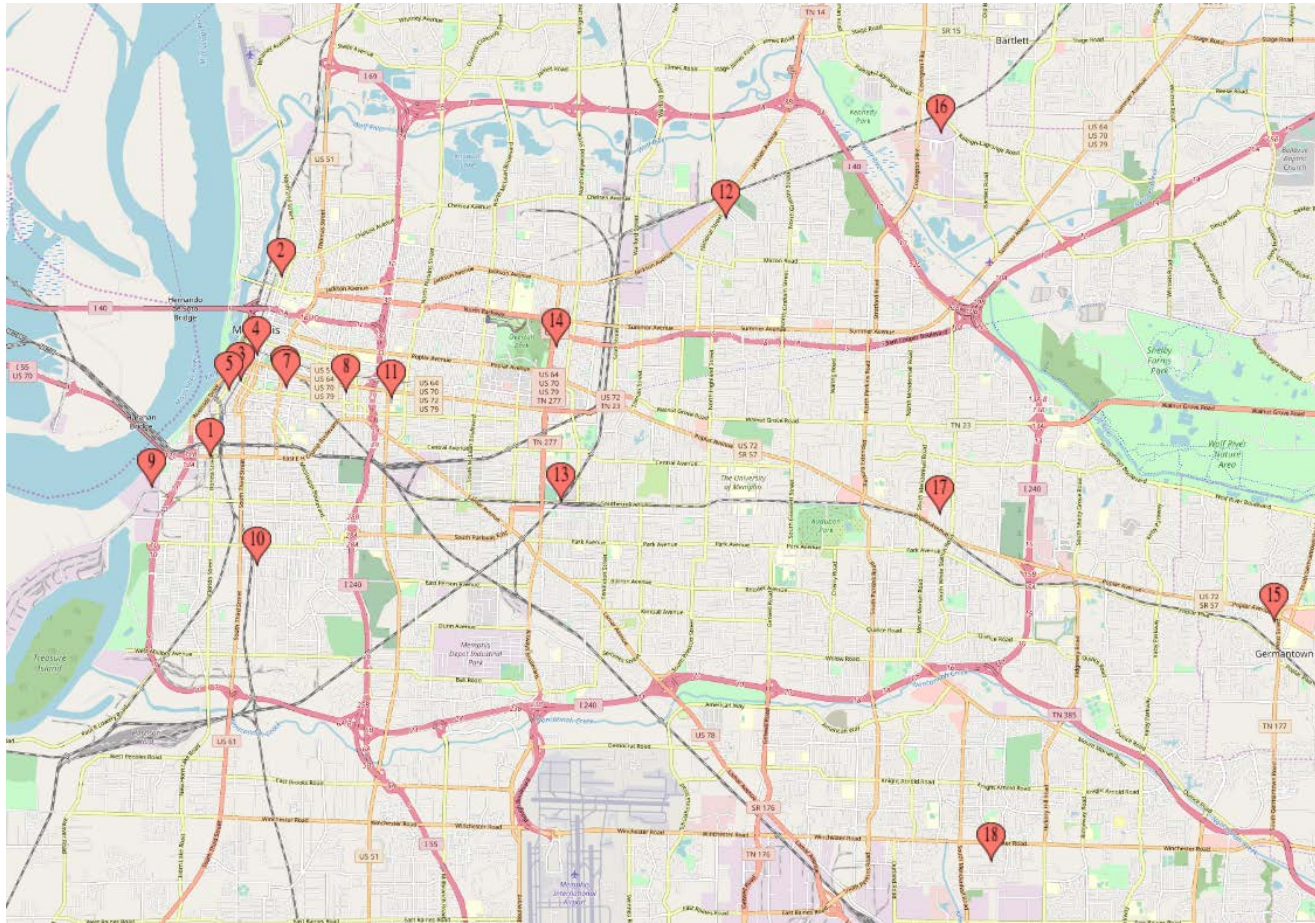
Tennessee Brewery Phase II	38103	128
Central Station, Phase II	38013	63
138 Museum Lofts	38103	68
South City	38126	114
Citizen, The	38104	173
Madison & McLean	38104	108
Highland Creek Redevelopment	38116	446
Vantage at Germantown	38119	288
Springs at Forest Hill	38125	296
Fieldstone Phase, VIII	38125	139
Irene Woods, Phase II	38017	180
Bakery Apartments	38103	286

Planned Construction



South City Phase II	38126	134
Broad Avenue	38112	414
Madison Avenue	38104	230
Parkside at Shelby Farms	38134	1,200
Lake District, The	38002	550
Lakeland Commons	38002	289
Silo Square	38762	130

Proposed Construction

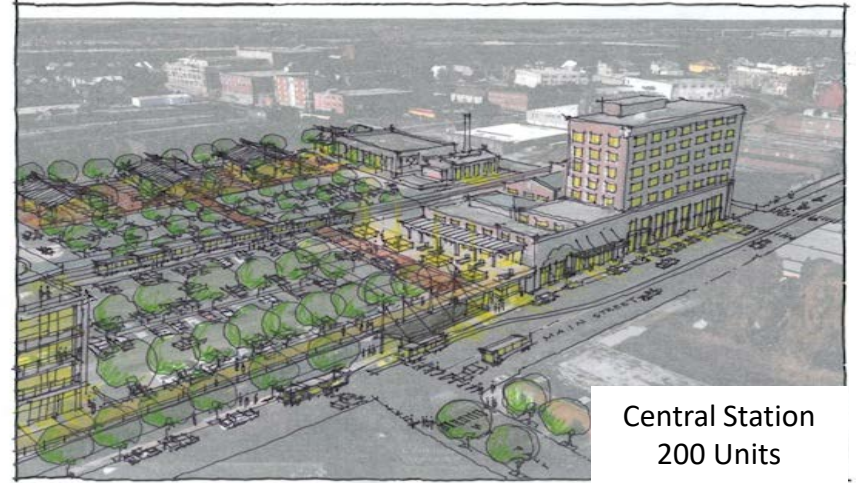


27 West Carolina Avenue	38103	79
701 North Main	38107	400
99-105 S Front Street	38103	50
100 N Main St	38103	TBD
The Landings @ One Beale	38103	280
Bakery Apartments	38103	286
Union Row	38103	2,103
UTHSC	38613	100
French Fort	38106	71
Mason Village Phase II	38126	76
1245 Madison Avenue	38104	100
Central Lofts	38104	128
Memphis Fairgrounds	38104	100
Thrive at the Park	38112	176
Germantown Town Center	38138	302
Viridian	38017	375
Dwell at Shelby Farms	38018	930
Goodlett Farms	38016	408
Racquet Club	38117	TBD
Garden at Eden Square	38115	70

Largest Projects Under Construction



Vantage
288 Units



Central Station
200 Units



Springs at Forest Hill
296 Units



Bakery Apartments
286 Units

Summary of New Construction & Renovation

- Over 1,000 Class A apartment units in lease up stage
- 860 units under construction
- 4000 units in planning stage over the next few years
- Over 1,800 Class B & C units in Renovation Stage

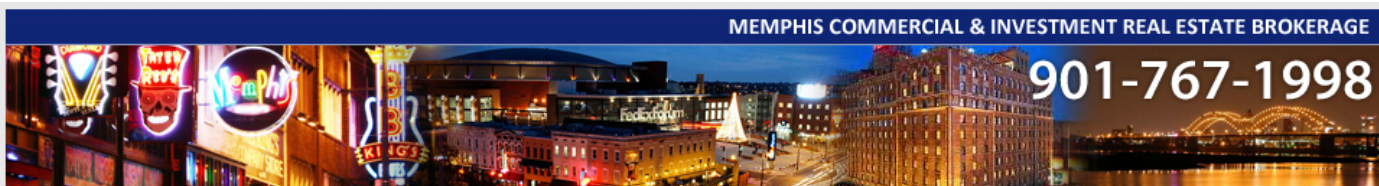
MEMPHIS IS...

INNOVATIVE

THRIVING

DIVERSE

AUTHENTIC



MEMPHIS COMMERCIAL & INVESTMENT REAL ESTATE BROKERAGE

901-767-1998

AVAILABLE LISTINGS

Price

 View Map



266 Lofts - Phase II
266 S Front Street
Memphis, TN 38013

List Price: \$14,450,000
Status: In Escrow
Units: 74
Property Type: Multi-Housing

Second Phase of a newly constructed multifamily community in booming Downtown Memphis, fueled by \$3.8 billion in investments and counting



Cambridge Court Apartments
3357 E Winchester Place
Memphis, TN 38116

List Price: \$8,995,000
Status: Available
Units: 636
Property Type: Multi-Housing

Cambridge Court Apts, 636 Units Value-Add Property ready to be re-positioned for the seasoned renovation specialist



University of Memphis Apartment Portfolio
3427 Southern Avenue
Memphis, TN 38111

List Price: \$8,190,000
Status: Available
Units: 182
Property Type: Multi-Housing

University of Memphis Portfolio consisting of Four Value-Add Properties in the Economic Opportunity Zone



Annie's Townhomes
2603 Pojest Drive
Memphis, TN 38127

List Price: \$8,000,000
Status: Available
Units: 200
Property Type: Multi-Housing

Annie's Townhomes, 200 Unit Garden Style Apartments in the Greater Memphis Market



Whitehaven View Apartments
1594 E. Holmes Road
Memphis, TN 38116

List Price: \$4,480,000
Status: Available
Units: 128
Property Type: Multi-Housing

Whitehaven View Apartments, a 128-Unit Garden Style Apartments in Greater Memphis market

SOLD PROPERTIES



Memphis Apartment Portfolio
Units: 748
Property Type: Multi-Housing



Emerald Ridge Apts
Units: 374
Property Type: Multi-Housing



Campaign Place Apartments
Units: 286
Property Type: Multi-Housing



Lakeville Townhomes
Units: 228
Property Type: Multi-Housing

THANK YOU



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