



# Zip Code Deep Dive for Multifamily: Southwest Raleigh — 27606

---

Insights on Multifamily Properties in the NCSU/Lake Johnson Corridor

Prepared by [Raleigh Map Room](#)

## Executive Summary

---

Southwest Raleigh's 27606 ZIP code sits at the intersection of two of the Triangle's most durable demand drivers: NC State University and the continued expansion of the Research Triangle Park employment base along the Western Boulevard and Jones Franklin Road corridors. Population growth in Wake County has averaged more than 1% annually over the past decade, and university-adjacent submarkets have historically shown lower vacancy sensitivity than the broader market — NCSU's enrollment provides a structural floor that most competing submarkets lack.

The tension is real, however. A significant wave of new institutional construction delivered between 2019 and 2023 added over 1,200 units to the submarket's modern product tier, and concession activity from these larger lease-up properties has created downward pressure on effective rents across all asset classes. Meanwhile, the rate environment has compressed return profiles on acquisitions underwritten at 2021–2022 basis levels, leaving a meaningful share of recent buyers holding assets at values they cannot exit without recognizing a loss.

That dislocation is the opportunity. Per-unit values in 27606 peaked at \$250,000–\$316,000 in the 2021–2022 cycle, and recent transactions on older vintage product have corrected to \$130,000–\$165,000 per unit — a 35–45% discount to peak in nominal terms, and a more significant discount in real terms when replacement cost is considered. Owners who acquired or refinanced at peak leverage are beginning to exhaust extension options, and motivated disposition activity in the 1970s–1980s vintage segment is likely to accelerate through 2026 and into 2027.

The advantage for a disciplined small multifamily buyer is the price tier. Institutional capital dominates the 200-plus-unit end of this submarket, but the 70 properties between 5 and 50 units remain mostly locally held and infrequently traded — a pool where relationships and local market knowledge carry more weight than balance sheet size.

## The 27606 Multifamily Landscape

---

Southwest Raleigh's multifamily inventory built up across two distinct eras. The first wave — running from the early 1960s through the early 1980s — produced a dense concentration of mid-size garden-style complexes along Gorman Street, Avent Ferry Road, and Western Boulevard, largely serving the NCSU student and workforce renter base. The second wave came in the 2000s and accelerated again in the late 2010s, delivering purpose-built student housing near the NCSU core and conventional workforce product along the Jones Franklin Road and Centerview Drive corridors. The gap between these two waves, the 1990s, produced relatively little: only 6 properties and 359 units out of the submarket's current 10,709-unit total.

The last cycle exposed a pronounced divergence in performance. Properties in the 200-plus-unit range that were acquired between 2019 and 2022 at sub-5% cap rates have faced the most acute pain — the SREIT/Starwood acquisitions at Walnut Creek Parkway (576 units across two parcels, \$130 million in late 2021) and KV Legends at Crescent Moon Court (354 units, \$112 million in May 2022) represent the ceiling of the cycle. Both are now held at basis levels that do not reconcile with current cap rate expectations, and both are institutional mandates that require an exit thesis. At the smaller end, the picture is different: a 53-unit property on Crest Road traded at \$150,000 per unit in 2022, and a comparable-vintage asset on Kent Road sold at \$137,500 per unit in August 2024 — a more modest correction and a more defensible re-entry basis.

The physical condition of the 1960s–1980s stock is the central underwriting challenge in this submarket. Roofs, HVAC systems, plumbing, and electrical panels in properties built 40–60 years ago carry CapEx exposure that is consistently underestimated in marketing materials. Properties that did not complete significant capital programs during the low-rate cycle are now entering a period when deferred capital is unavoidable — lenders are forcing it, and renters with more options are beginning to demand it. This creates a pricing inefficiency that rewards buyers who can accurately budget CapEx and maintain conservative operating assumptions.

The next 6–18 months in this submarket will be defined by the disposition pipeline from leveraged owners on 1970s–1980s vintage assets who financed acquisitions between 2019 and 2022. Motivated seller activity should provide off-market and lightly-marketed deal flow at correction-era pricing.

## Inventory Overview

---

There are 125 properties and 10,709 total units in ZIP 27606, making it one of the most supply-dense multifamily ZIP codes in Wake County. The charts below break down the inventory by construction decade and by property size, revealing a submarket that is simultaneously older-vintage-heavy and structurally bifurcated between small locally-held properties and large institutionally-targeted complexes.

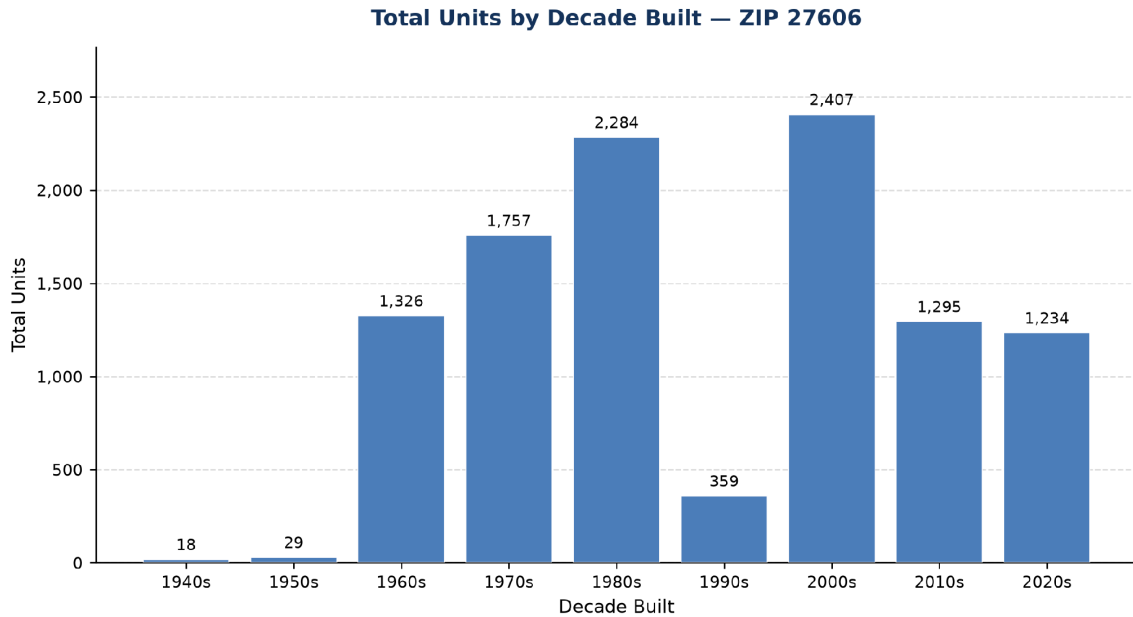


*Figure 1 — Total multifamily units by decade built, ZIP 27606. Source: Wake County public records via Raleigh Map Room.*

The vintage distribution is weighted toward the 1960s through 1980s: 71 properties and approximately 5,370 units — roughly half the submarket’s total supply — were built in those three decades. The 2000s produced the next-largest cohort by unit count (2,407 units), concentrated in conventional workforce product along the Hillsborough Street and Jones Franklin Road corridors. The 2020s have added 1,234 units since 2020, with the pipeline still active: a 390-unit property at 1412 Varsity Drive and a 56-unit affordable complex at 216 Buck Jones Road both show 2025 year-built records, indicating that deliveries are ongoing even as lease-up pressure persists across the broader submarket.

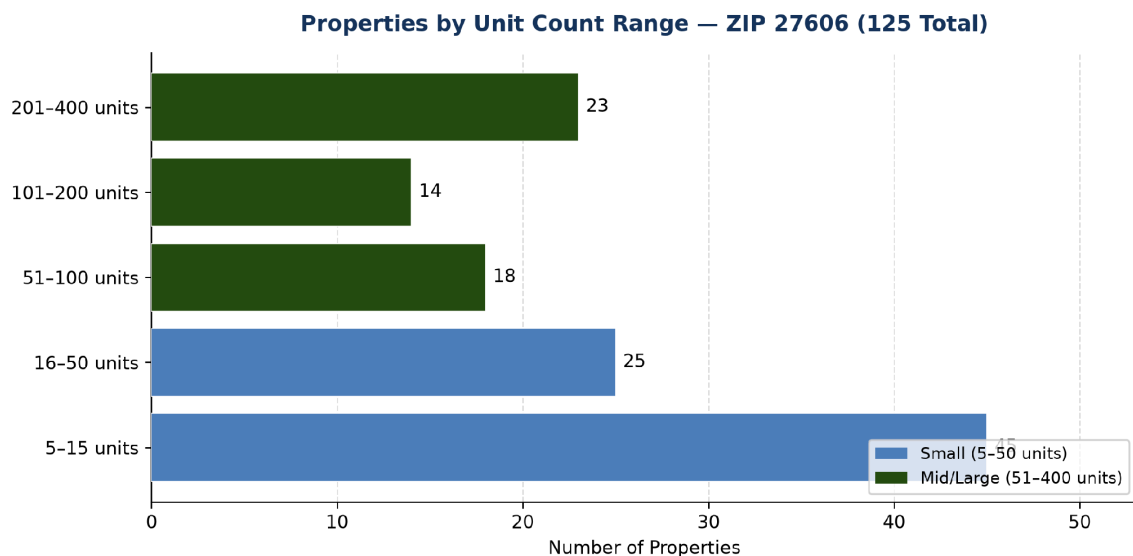


*Figure 2 — Property count by unit size range, ZIP 27606 (125 properties total). Blue bars = 5–50 units; green bars = 51–400 units. Source: Wake County public records via Raleigh Map Room.*

The property size distribution splits cleanly at the 50-unit threshold. Of the 125 properties in 27606, 70 — or 56% — contain between 5 and 50 units. These are the assets that are effectively invisible to institutional buyers: too small for most private equity mandates, too locally-managed to appear in major broker databases, and frequently held by the same owners for 10–25 years. The 23 properties in the 201–400-unit range represent the institutional tier; they account for a disproportionate share of total units and virtually all of the high-profile transaction activity of the past five years.

For buy-box decisions, this split has a direct implication. The 5–50-unit segment offers the best combination of acquisition basis control, reduced competition, and relationship-driven deal flow — but it demands CapEx-readiness given the vintage concentration and operational discipline that larger properties can achieve through scale. The 51–200-unit middle tier is the most contested by regional and private-equity-sized buyers, where pricing is tighter but still rational relative to income. Buyers entering 27606 for the first time should understand that the submarket does not behave as a single market: the student-adjacent Gorman Street corridor operates differently from the institutional Walnut Creek/Centerview cluster, which operates differently from the Lake Johnson-adjacent workforce corridor near Portree Place and Viewcrest Way.

## 2026 Opportunity Themes

---

After three years of rate-driven compression in transaction volume and a concession-heavy lease-up environment from new deliveries, the 27606 submarket is entering a phase where fundamental demand remains intact but capital stress is beginning to force sellers' hands.

### Supply/Demand Trajectory

The new deliveries of 2019–2023 are largely stabilized or approaching stabilization, and the pipeline for the next 18–24 months in this submarket is thinner than the last cycle. Permitted projects face significantly higher construction costs — materials and labor remain elevated relative to 2019 levels — and the financing environment has effectively halted speculative ground-up starts in most of Wake County below institutional scale. When the current wave is fully absorbed, rent growth in the 1–3% annually range is more realistic than the 8–12% spike years, but occupancy in a university-proximate submarket is structurally resilient in ways that purely workforce markets are not.

### Filtering Effect

Concessions at the institutional product tier — free months, waived fees, gift cards — have temporarily pulled residents upward who might otherwise have stayed in older vintage units. This compression will normalize. As concession burn-off reduces the effective rent gap between old and new product, B-class and C-class properties that have maintained their physical condition and management quality will recover rent momentum faster than currently projected. Properties that let conditions deteriorate while waiting for concession pressure to ease will face a longer recovery curve.

### Cost Environment

Insurance premiums for older multifamily in the Southeast have increased meaningfully over the past two years, and Wake County property tax reassessments that capture 2021–2022 transaction values are being layered into operating statements — some owners who haven't yet been reassessed are carrying legacy tax burdens that will correct upward at the next cycle. Buyers entering at current pricing need to underwrite these costs at current market rates, not at the in-place expenses visible in trailing financials. Properties with deferred CapEx on roofs, HVAC, and plumbing carry additional risk that does not always surface in broker-provided due diligence.

### Operational Efficiency

At the 5–50 unit scale, the operational advantage available to well-capitalized buyers is meaningful. Bulk HVAC service agreements, in-house maintenance, and utility sub-metering upgrades — none of which require significant capital — can compress expense ratios by 100–200 basis points on stabilized NOI relative to what a passive private owner achieves. Property management technology at the small multifamily scale has improved materially, and self-management is increasingly viable for owners with a local presence and 50–150 units aggregated across multiple properties.

## Distress Pipeline

The most immediate opportunity in 27606 is the overhang of bridge-financed acquisitions from 2019–2022 that have not successfully refinanced into agency debt. Several of the submarket’s larger complexes — particularly in the 150–336-unit range acquired at sub-5% cap rates — are being carried at basis levels that require either a significant buyer subsidy, a recapitalization with new equity, or a disposition below acquisition price. For smaller assets, the dynamic is different but parallel: sellers who paid \$150,000–\$200,000 per unit for 1980s vintage in 2021 and now face agency loan underwriting that values the same units at \$120,000–\$140,000 per unit are increasingly motivated, even if they do not show up in active listing data.

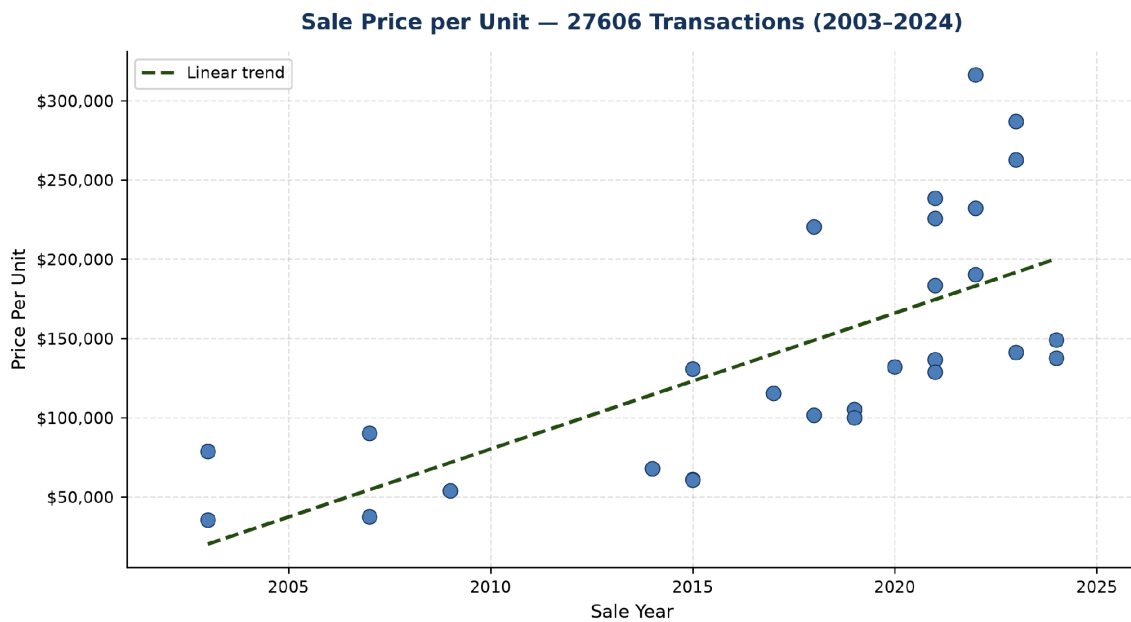


Figure 3 — Sale price per unit across 27606 transactions, 2003–2024. Each point is a recorded transaction above \$1M. Dashed line shows linear trend. Source: Wake County deed records via Raleigh Map Room.

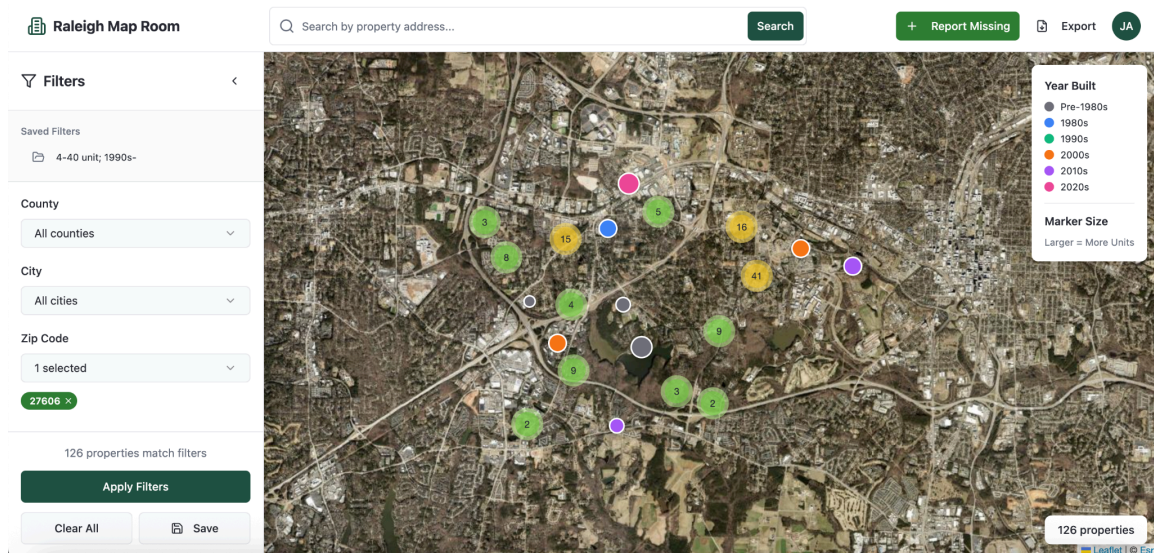
Withstanding any major economic dislocation or a return of the rate environment to cycle highs, the 27606 submarket is positioned for a more rational transaction environment in 2026 and 2027 than the previous four years have allowed — one where disciplined buyers with local knowledge and CapEx capacity can acquire at a basis that supports durable cash flow and meaningful equity build over a 5–7 year hold period.

## About Raleigh Map Room

Raleigh Map Room is an interactive, map-based platform built to help investors understand the Triangle apartment market as it actually exists in public records. The platform aggregates parcel-level data — ownership, transaction history, unit counts, vintage, and geographic clustering — into a navigable view of the multifamily inventory across Wake, Durham, and surrounding counties.

Raleigh Map Room is not a replacement for underwriting, broker relationships, or local expertise. The data reflects public records, which are incomplete in places and occasionally lag real-world changes. It is intended as a starting point for exploration — particularly for identifying ownership concentrations, locating off-market candidates by geography and vintage, and validating market assumptions before underwriting begins. Users who identify missing or incorrect parcel-level details are encouraged to flag them so the dataset continues to improve.

The platform exists to support clearer market understanding, not to substitute for the judgment that drives actual transactions.



This report is provided for informational purposes only and does not constitute investment advice, a solicitation, or an offer to buy or sell any security or real estate asset. All data is sourced from public records and third-party sources and may be incomplete or subject to change. Raleigh Map Room makes no representations or warranties regarding the accuracy or completeness of the information contained herein. Readers should conduct their own due diligence and consult qualified advisors before making any investment decisions.