



MULTIFAMILY REPORT

Richmond Drives On

Fall 2021

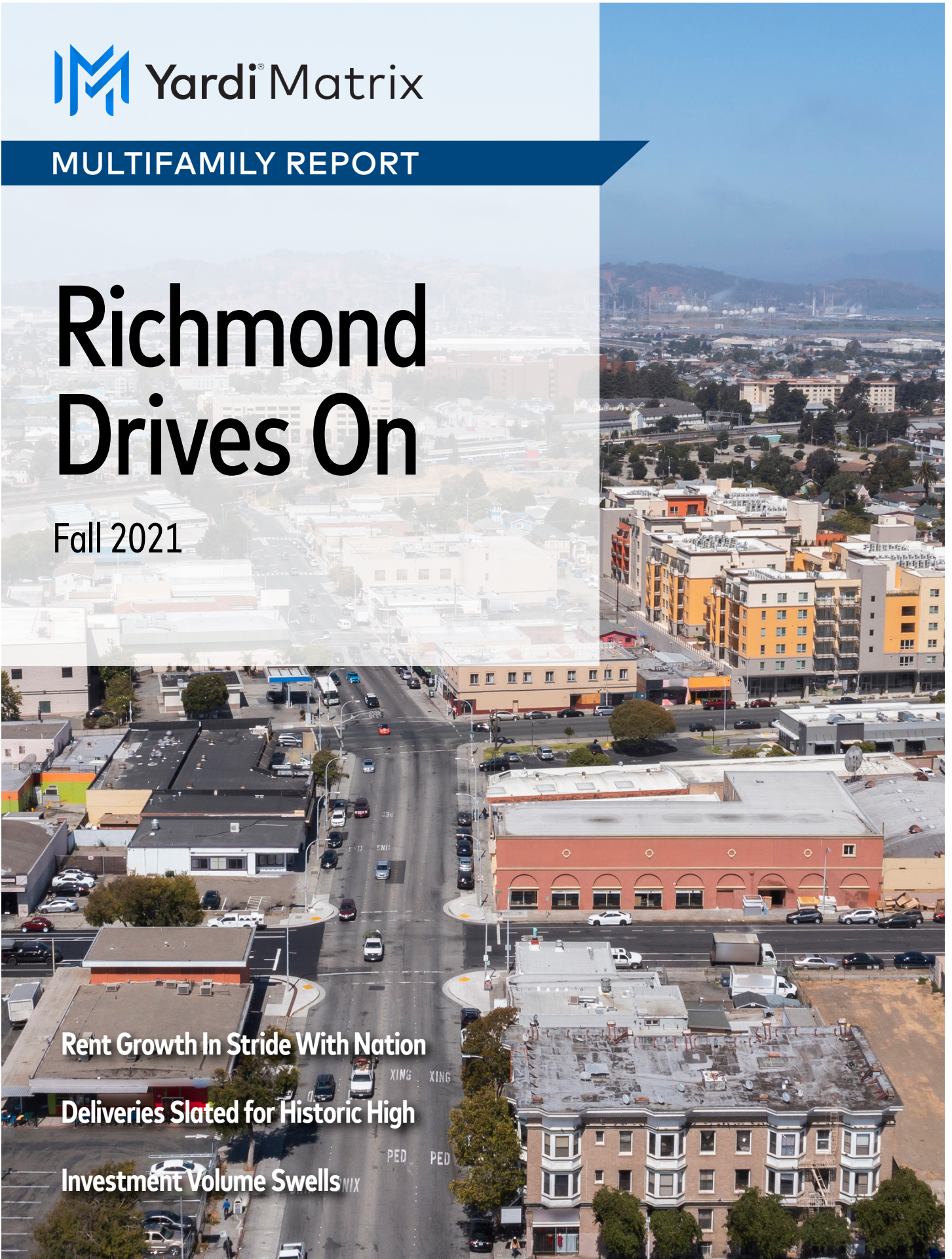
Rent Growth In Stride With Nation

Deliveries Slated for Historic High

Investment Volume Swells

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RICHMOND MULTIFAMILY



Picking Up the Pace

Richmond's multifamily market has held strong after weathering last year's economic disruptions. Rents were up by 1.7% on a trailing three-month (T3) basis to \$1,325 as of August, on par with the national rate of growth. At the same time, affordability has drawn additional demand as the metro's population expands. While Lifestyle rents grew fastest, up 2.3% on a T3 basis to \$1,584, the working-class Renter-by-Necessity segment also held positive, up 1.4%, to \$1,184, during the same period.

The metro added 61,500 jobs in the 12 months ending in June, with increases in nearly all sectors. Unemployment levels continued to trend downward, falling to 4.4% in July—100 basis points less than the national figure. Future growth is on the horizon, with several employers announcing major expansion plans earlier this year. What's more, Virginia ended the fiscal year with a \$2.6 billion budget surplus, which could spur additional growth.

Multifamily development has taken off, with close to 11,500 units under construction at the end of August. Deliveries this year are anticipated to hit levels not seen in more than three decades. Investment has also picked up, with \$789 million in transactions closed year-to-date through August, more than double the volume of the same period last year. Sales prices averaged \$133,973 per unit, nearly one-quarter less than the national figure.

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Recent Richmond Transactions

Starling Village



City: Chesapeake, Va.
Buyer: Standard Communities
Purchase Price: \$68 MM
Price per Unit: \$113,903

Streets of Greenbrier



City: Chesapeake, Va.
Buyer: Capital Square
Purchase Price: \$66 MM
Price per Unit: \$237,356

Spotswood Commons



City: Williamsburg, Va.
Buyer: Kushner Cos.
Purchase Price: \$46 MM
Price per Unit: \$216,981

Maple Springs



City: Richmond, Va.
Buyer: BH Equities
Purchase Price: \$35 MM
Price per Unit: \$129,851