

Yardi® Matrix

# Richmond Rides the Tide

Multifamily Report Fall 2018

Professional, Business Services Boost Demand

Rent Growth Follows Nationwide Trend

Occupancy Remains Stable



# RICHMOND MULTIFAMILY

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## Market Analysis

Fall 2018

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## Job Gains Keep Absorption Steady

Although the area's economy is sluggish, Richmond-Tidewater continues to be a stable multifamily market with steady rent gains and a healthy absorption of new stock. Occupancy in stabilized properties was 95.2% as of August, remaining flat over the previous 12 months. Rents were up 3.0% year-over-year through September, on par with the U.S. figure.

Professional and business services added 7,900 positions in the 12 months ending in July, leading job growth and boosting demand for both upscale apartments and office space. Meanwhile, several large-scale developments point to further economic expansion. The list includes two massive infrastructure projects in Hampton Roads, Facebook's 2.4 million-square-foot data center campus in Henrico County and the proposed \$1.4 billion redevelopment of a 10-block core Richmond parcel, which could bring a new arena, 2,800 multifamily units, a large hotel and other facilities. At the same time, the Hampton Roads area, which relies heavily on its army presence and defense contractors, is set to benefit from increased military spending.

Roughly 2,200 units came online and nearly \$450 million in multifamily assets traded in the metro this year through September. With an additional 4,900 units underway and overall job growth bound to remain tepid, we expect rents to advance moderately, in line with nationwide trends.

## Recent Richmond Transactions

First National



City: Richmond, Va.  
Buyer: Gates, Hudson & Associates  
Purchase Price: \$39 MM  
Price per Unit: \$254,870

Cottage Trails at Culpepper Landing



City: Chesapeake, Va.  
Buyer: Steadfast Cos.  
Purchase Price: \$30 MM  
Price per Unit: \$164,480

Falling Creek



City: Richmond, Va.  
Buyer: Brick Lane  
Purchase Price: \$25 MM  
Price per Unit: \$71,225

Hopper Lofts



City: Richmond, Va.  
Buyer: Mercer Street Partners  
Purchase Price: \$14 MM  
Price per Unit: \$102,662