



MULTIFAMILY REPORT

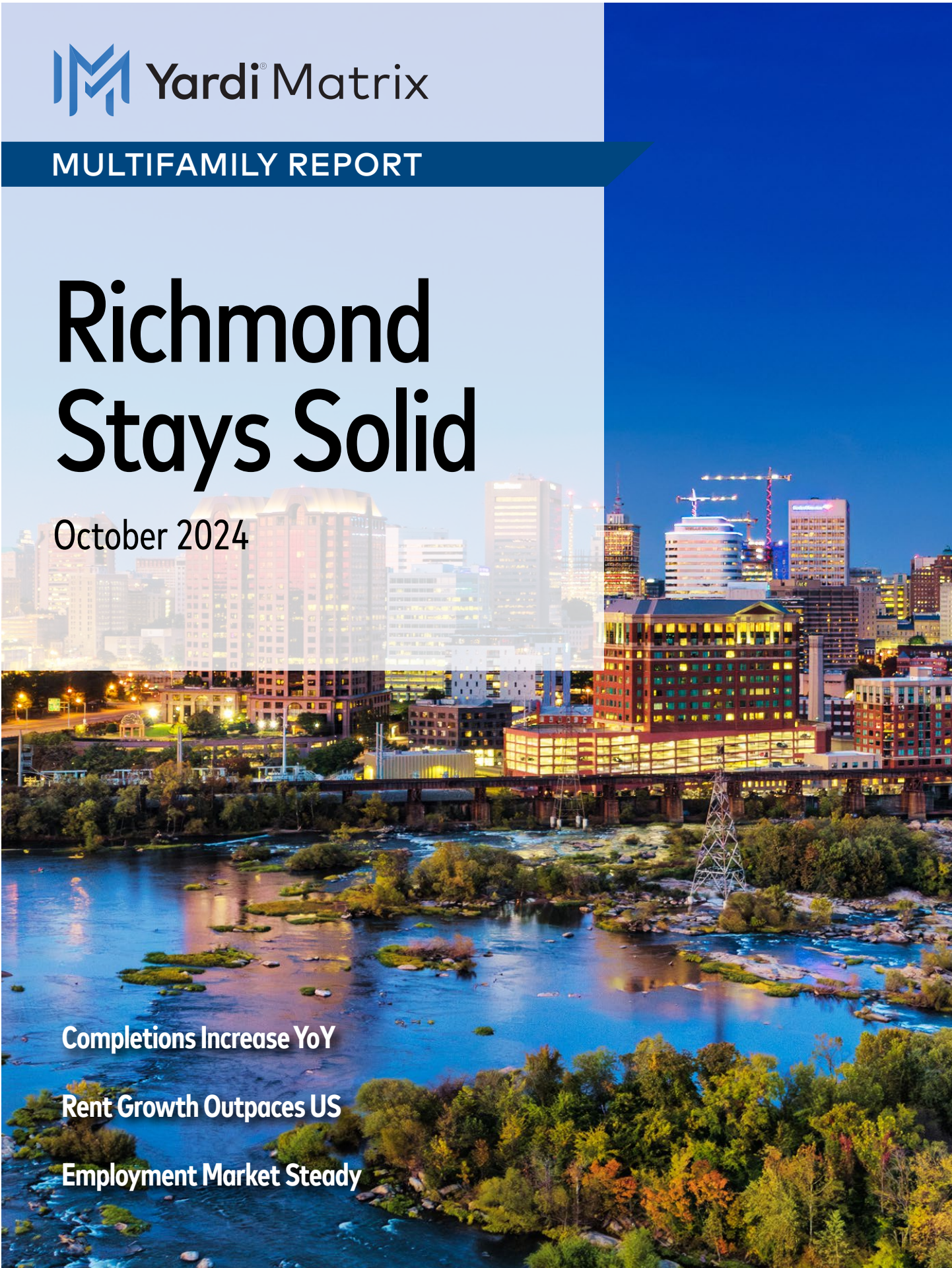
Richmond Stays Solid

October 2024

Completions Increase YoY

Rent Growth Outpaces US

Employment Market Steady



RICHMOND MULTIFAMILY



Rent Growth Recovers, Supply Steady

Richmond's multifamily market regained momentum as it entered the second half of the year, with continued economic growth and more consistent gains. Advertised asking rents in the metro were up 2.8% year-over-year, to \$1,542, as of August, significantly above the 0.8% national rate. Demand held strong, with overall occupancy up 30 basis points year-over-year, to 95.0%, as of July. Meanwhile, the national rate dropped 30 basis points, to 94.7%.

Employment growth stayed at 1.8% year-over-year in June, for the fifth consecutive month, 50 basis points ahead of the U.S. figure. This was despite unemployment climbing to 3.4% in July, according to preliminary data from the Bureau of Labor Statistics. Over the 12-month period ending in June, Richmond added 32,500 jobs, with education and health services comprising the bulk of that (10,900 jobs). Major projects underway, such as the \$2.4 billion Diamond District redevelopment, are expected to boost economic growth at a steady pace through the remainder of the year.

Richmond's development pipeline included 11,365 units under construction, along with an additional 45,000 units in the planning and permitting stages as of August. Activity was strong in the metro, with completions at 3,934 units through August, up 500 units since last year, compared to most major metros. Meanwhile, investors traded only \$272 million in the first eight months of the year, as they wait for more favorable conditions.

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Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x14006

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Tudor Scolca-Seuşan

Senior Associate Editor

Recent Richmond Transactions

Woodscape



City: Newport News, Va.
Buyer: Foxfield
Purchase Price: \$34 MM
Price per Unit: \$113,682

Shady Creek



City: Richmond, Va.
Buyer: Walde Enterprises
Purchase Price: \$17 MM
Price per Unit: \$103,125

The Park at Ridgedale



City: Richmond
Buyer: Lincoln Avenue Capital
Purchase Price: \$14 MM
Price per Unit: \$112,917

Dorchester Square



City: Franklin, Va.
Buyer: SRK Management
Purchase Price: \$10 MM
Price per Unit: \$76,000