



MULTIFAMILY REPORT

Richmond Rebounds

Fall 2020

Investment Concentrated in Hampton Roads

Rent Growth Bucks Nationwide Trend

Deliveries Increase Significantly

RICHMOND MULTIFAMILY



Rent Growth Endures Despite Economic Woes

This year was forecast to be a strong one for Richmond's economy and multifamily market, following steady demand in 2019 and the prospect of above-average rent gains. Indeed, while fundamentals took a hit as a result of the health crisis, rents were still up 0.6% on a trailing three-month basis through September, bucking nationwide trends. What's more, the metro's occupancy rate in stabilized assets rose 0.2% over 12 months, to 95.6% as of August.

Richmond's employment pool contracted by more than 90,000 positions in the 12 months ending in July—down 5.3%—with all sectors recording drops. While many of the national job losses reported at the beginning of the pandemic consisted of temporary layoffs and furloughs, in September, the national number of workers who permanently lost their jobs spiked to 3.8 million. That's almost twice as many as the number in April.

Almost 4,000 of the 9,578 units under development as of September are slated to reach completion as early as year-end. However, due to supply chain disruptions and economic and health factors, some projects will inevitably register delays. Meanwhile, transaction volume over the first nine months of 2020 dropped almost 75% compared to the same period last year, to \$256.1 million.

Market Analysis | Fall 2020

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Recent Richmond Transactions

Brittany Place



City: Norfolk, Va.
Buyer: Levco Management
Purchase Price: \$17 MM
Price per Unit: \$114,189

Harborstone



City: Newport News, Va.
Buyer: AION Partners
Purchase Price: \$16 MM
Price per Unit: \$55,405

Falcon Point



City: Virginia Beach, Va.
Buyer: Seminole Trail Properties
Purchase Price: \$7 MM
Price per Unit: \$102,734

McGuire Park



City: Richmond, Va.
Buyer: Richmond Area Housing
Purchase Price: \$5 MM
Price per Unit: \$60,000