



MULTIFAMILY REPORT

Richmond Shows Resilience

Spring 2021

Construction Remains Elevated Following Record Year

Healthy Supply Moderates Rent Growth

Investment Activity Picks Up Steam

RICHMOND MULTIFAMILY



Strong Demand Outpaces Robust Supply

Richmond's economic anchors, diverse economy and relatively affordable cost of living compared to other East Coast markets has helped it withstand the pandemic's blows. The metro displayed healthy fundamentals, with strong demand boosting rent expansion despite robust supply. Rents rose 0.3% on a trailing three-month basis through February, outperforming the U.S. rate by 20 basis points. The occupancy rate in stabilized properties increased by 100 basis points in the 12 months ending in January, to 96.3%.

The unemployment rate displayed a steady recovery path, dropping to 4.9% as of November in Richmond and to 5.1% in the Hampton Roads area. Job gains marked the third consecutive month of recovery, clocking in at -4.6% for the 12 months ending in December, outperforming the -6.8% national figure. Trade, transportation and utilities and financial activities gained 1,900 jobs combined. Professional and business services—Richmond's third-largest sector—shrank by 4.9%, but company expansions and relocations have been announced in the metro.

Developers brought online 1,426 units in 2021 through February, following a bountiful 2020 when 4,610 units were delivered, marking the best year of the decade. Meanwhile, transaction activity resumed in the third quarter—a trend that continued in 2021 with \$252 million in multifamily assets trading through February.

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Recent Richmond Transactions

The Belvedere



City: North Chesterfield, Va.
Buyer: Rockworth Cos.
Purchase Price: \$67 MM
Price per Unit: \$227,534

River Forest



City: Chester, Va.
Buyer: Rockworth Cos.
Purchase Price: \$58 MM
Price per Unit: \$192,167

The Alexander at Ghent



City: Norfolk, Va.
Buyer: The Whitmore Co.
Purchase Price: \$56 MM
Price per Unit: \$207,836

Courthouse Green



City: Chesterfield, Va.
Buyer: McCann Realty Partners
Purchase Price: \$34 MM
Price per Unit: \$126,880