



MULTIFAMILY REPORT

Richmond's Return

April 2022



Non-Core Submarkets Lead Rent Gains

Transactions Hit New High

Supply Keeps Steady Course

RICHMOND MULTIFAMILY



Deliveries, Deals Heat Up

The Richmond multifamily market started 2022 on the right foot as fundamentals continued to solidify, seasonal rent deceleration notwithstanding. Despite a strong pipeline, rates continued to grow, up 0.4% on a trailing three-month basis through February. Meanwhile, the occupancy rate in stabilized properties climbed 60 basis points in the 12 months ending in January, to a tight 96.9%, pointing to healthy demand even as deliveries heated up.

While most multifamily fundamentals rebounded strongly, the lackluster economic recovery continued. Richmond added 12,700 net positions last year, with leisure and hospitality (11,600 jobs) and trade, transportation and utilities (7,100) leading the pack. Meanwhile, five sectors contracted, including manufacturing, financial activities and education and health services. Unemployment was at a tight 3.2% as of December, even as the total number of employees remained below pre-pandemic levels. The Hampton Roads area painted a similar picture, with several sectors still in negative territory through 2022.

Both deliveries and transactions hit new records last year, with 5,591 units coming online and \$2.4 billion in multifamily assets trading across Richmond in 2021. And while we expect rents to continue growing, deceleration toward a more sustainable pace is the likely outcome for the rest of the year.

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Contacts

Jeff Adler

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

Jack Kern

Director of Research
and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

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

Author

Bogdan Odagescu
Senior Editor

Recent Richmond Transactions

Crystal Lakes



City: Richmond, Va.
Buyer: Levco Management
Purchase Price: \$106 MM
Price per Unit: \$ 148,045

Reserves at Tidewater



City: Norfolk, Va.
Buyer: AION Partners
Purchase Price: \$91 MM
Price per Unit: \$142,188

Boulders Lakeside



City: North Chesterfield, Va.
Buyer: American Landmark
Apartments
Purchase Price: \$72 MM
Price per Unit: \$288,710

Park West End



City: Richmond, Va.
Buyer: McCann Realty Partners
Purchase Price: \$59 MM
Price per Unit: \$189,904