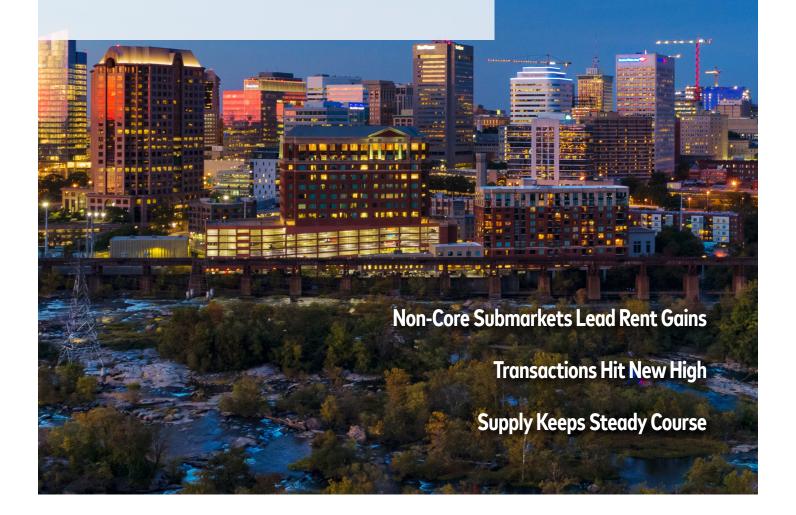


**MULTIFAMILY REPORT** 

# Richmond's Return

April 2022



## **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.

### Market Analysis | April 2022

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#### 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