



MULTIFAMILY REPORT

Richmond Corrects Course

April 2024

Rent Growth Outperforms US

Pipeline, Completions Record Uptick

Unemployment Slides

RICHMOND MULTIFAMILY



Economic Stability Supports Rental Market

After seven months of either staying flat or declining, national rents rebounded slightly as spring approached. In Richmond, rents were up 0.2% on a trailing three-month basis through February, to an average of \$1,500. Meanwhile, the U.S. figure remained negative, down 0.1%. Year-over-year, Richmond rates were up 2.5%, well ahead of the 0.6% national figure. Meanwhile, occupancy saw an unusual improvement over the same period, up 10 basis points, to 94.7%, as of February.

The area's economy showed signs of stability, as unemployment was 2.9% in December in both Richmond and Hampton Roads, according to data from the Bureau of Labor Statistics. This was 10 basis points lower than Virginia's overall rate. The metro's labor pool expanded by 1.3% in 2023, adding 22,400 jobs. Leisure and hospitality led growth with 8,000 jobs, followed by education and health services (4,800 jobs). In December, a significant milestone was achieved in the development of the upcoming 162-mile passenger route connecting Raleigh, N.C., and Richmond. The U.S. Department of Transportation approved a \$1 billion grant for the project.

Supply showed no sign of dwindling, as Richmond and Hampton Roads had a total 14,146 units under construction as of February. Both completions and construction starts improved year-over-year, as developers brought 5,986 units online in 2023 and started work on 6,593 units across the metro.

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Recent Richmond Transactions

Belmont Hills

City: Richmond, Va.
Buyer: Levco Management
Purchase Price: \$103 MM
Price per Unit: \$157,879

Cottage Trails at Culpepper Landing

City: Chesapeake, Va.
Buyer: Conserve Holdings
Purchase Price: \$41 MM
Price per Unit: \$222,678

Forest Pine

City: Franklin, Va.
Buyer: The Temple Group
Purchase Price: \$18 MM
Price per Unit: \$73,770

Kings Landing

City: Suffolk, Va.
Buyer: Gene B. Glick Co.
Purchase Price: \$12 MM
Price per Unit: \$98,333