

Richmond Stays On Track

October 2025



YoY Asking Rents on the Rise

Unemployment Trails Nation

Construction Starts Pick Up

RICHMOND MULTIFAMILY



Rents Move Forward, Deliveries Soften

Richmond's multifamily market remained on a relative steady track amid wider economic uncertainty. Average advertised asking rent growth softened to 0.2%, on a trailing three-month basis through August, to an average of \$1,592, while the U.S. figure was up 0.1%, to \$1,755. Year-over-year, rents in the metro were up 2.2%, placing the metro relatively high nationally, with the U.S. average at 0.7%. Overall occupancy in stabilized assets remained above the national figure, at 95.2% as of July, showing a slight increase despite last year's strong supply expansion.

The employment market softened, with gains at 0.8% as of June. This was on par with the national average. Meanwhile, unemployment clocked in at 3.7% in July, 50 basis points below the U.S. rate, according to data from the Bureau of Labor Statistics. In the 12 months ending in July, the metro added 11,700 net positions, with education and health services leading growth (up 9,800 jobs). Several large projects promise to bring more employment to the area. Among them is The LEGO Group's \$1 billion precision production facility, expected to begin operations in 2027 and add roughly 1,700 jobs over the next decade.

Supply dynamics also cooled off a bit. Still, Richmond developers had 6,627 apartments underway as of August and construction starts picked up steam in 2025, with new developments nearly doubling.

Market Analysis | October 2025

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Recent Richmond Transactions

Banyan Grove



City: Virginia Beach, Va.
Buyer: Abacus Capital Group
Purchase Price: \$70 MM
Price per Unit: \$241,319

Waverton Chesapeake



City: Chesapeake, Va.
Buyer: Nuveen Real Estate
Purchase Price: \$46 MM
Price per Unit: \$149,671

Parkway



City: Williamsburg, Va.
Buyer: Bonaventure Realty Group
Purchase Price: \$25 MM
Price per Unit: \$166,723

District at Williamsburg

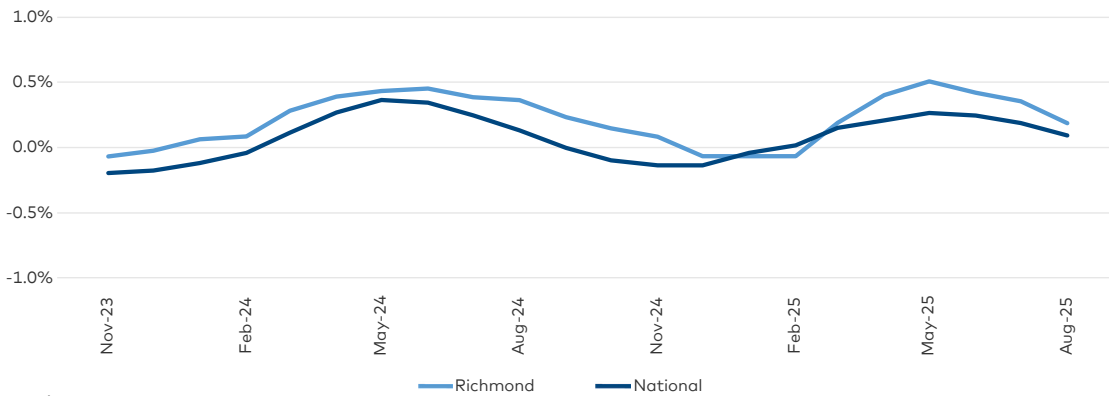


City: Williamsburg, Va.
Buyer: Linden Property Group
Purchase Price: \$20 MM
Price per Unit: \$158,984

RENT TRENDS

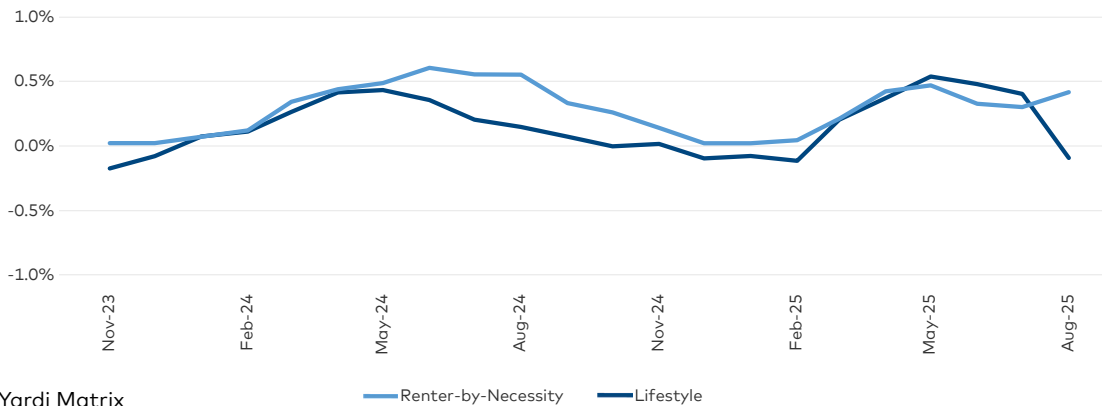
- ▶ Richmond's average advertised asking rents inched up 0.2%, on a trailing three-month basis through August, to an average of \$1,592. At 10 basis points ahead of the national figure, this marked the fifth consecutive month that Richmond outperformed the U.S. Rental gains softened across the country at the end of the summer, both due to market conditions and seasonal trends. Year-over-year, Richmond rents were up 2.2%, more than triple the 0.7% national figure.
- ▶ Average advertised asking rents for the metro's working-class Renter-by-Necessity segment were up 0.4%, on a T3 basis through August, to \$1,442. The upscale Lifestyle segment registered a 0.1% downtick, to \$1,800. The latter saw an abrupt change from the previous month, while the RBN figure remained relatively stable.
- ▶ Richmond's average occupancy in stabilized properties ticked up 20 basis points year-over-year through July, to 95.2%, while the national figure was flat over 12 months, at 94.7%. Occupancy in the area's Lifestyle segment recorded a 10-basis-point uptick, to 95.4%. The RBN figure, at 95.0%, moved up 20 basis points during the same 12-month period.
- ▶ A few hotspots for year-over-year advertised asking rent growth stood out across the metro. These included Suffolk–Central, where rates were up 8.5% to \$1,645, Mechanicsville (7.3% to \$1,753), Norfolk–Southeast (6.7% to \$1,411), Virginia Beach–Northwest (5.5% to \$1,658) and North Chesterfield (5.2% to \$1,564).

Richmond vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Richmond Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- ▶ Richmond employment growth stood at 0.8% as of June, on par with the national average. The figure slowly slid from 2.0% at the end of 2023, staying just above the U.S. figure, before matching it. Stronger deceleration began in January this year, in line with U.S. trends.
- ▶ Richmond unemployment stood at 3.7% in July, 50 basis points lower than the national rate, according to data from the Bureau of Labor Statistics. Since the start of the year, Richmond unemployment has grown by 50 basis points, while the U.S. figure inched up only 20 basis points. Meanwhile, Virginia's unemployment rate stood at 3.6% as of July.
- ▶ In the 12 months ending in July, Richmond added 11,700 net jobs. Education and health services led gains by far, adding 9,800 positions, followed by leisure and hospitality (1,800) and trade, transportation and utilities (1,300). Four sectors lost a combined 4,000 jobs, with manufacturing recording the largest decline (-2,100).
- ▶ The manufacturing sector's recovery is expected to get a boost, however, as several large projects promise to bring more jobs to the area. One of these is The LEGO Group's 1.7 million-square-foot precision production facility in Chesterfield, Va. The \$1 billion campus is expected to begin operations by 2027 and create more than 1,700 jobs over the next decade.

Richmond Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	238	15.2%
70	Leisure and Hospitality	174.3	11.2%
40	Trade, Transportation and Utilities	264	16.9%
90	Government	277.6	17.8%
15	Mining, Logging and Construction	86.5	5.5%
80	Other Services	70.2	4.5%
60	Professional and Business Services	248.7	15.9%
50	Information	14.5	0.9%
55	Financial Activities	99.5	6.4%
30	Manufacturing	88.7	5.7%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Richmond's population grew 1.0% in 2022 alone, gaining 12,933 residents and bucking nationwide trends observed across most major metros.
- ▶ Meanwhile, the U.S. population grew 0.4% that year.

Richmond vs. National Population

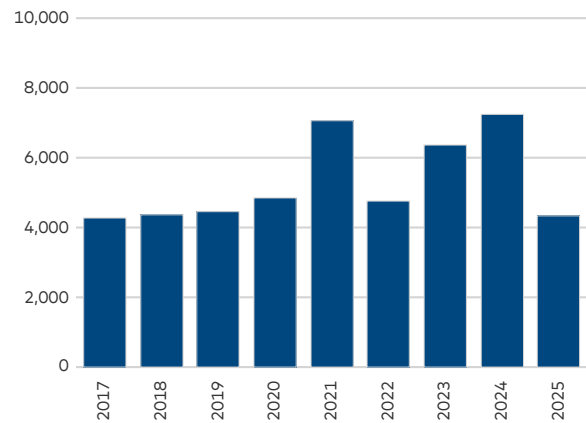
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Richmond	1,269,530	1,282,067	1,303,212	1,316,145

Source: U.S. Census

SUPPLY

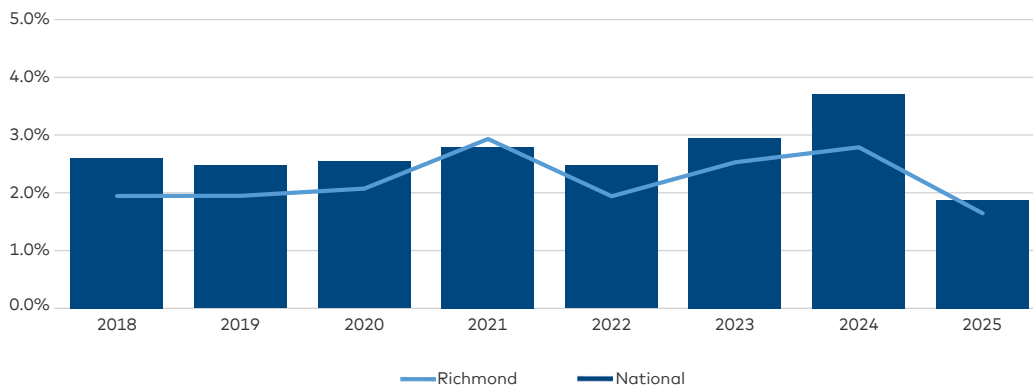
- ▶ Developers had 6,627 units under construction as of August across the Richmond and Hampton Roads areas, along with an additional 55,000 units in the planning and permitting stages. More than two-thirds of all apartments underway were in Lifestyle developments, while 28.8% were in fully affordable projects. Richmond continues to record above-average development volume for affordable apartments compared to most of the country.
- ▶ During the first eight months of the year, developers completed 4,346 units, which was 1.6% of existing stock—30 basis points behind the national average. Completions were roughly 1,000 units fewer than during the same period of 2024, which is in line with a nationwide slowdown following a two-year delivery boom. Richmond-Tidewater averaged about 5,400 units added annually between 2017 and 2024, placing this year on track to remain in the bottom half of that range, but still well in line with historical performance.
- ▶ A rebound, however, is on the horizon: Developers broke ground on 2,775 units across 17 properties year-to-date through August. That was nearly double the 1,399 units—across eight properties—recorded in the same period last year.
- ▶ Of the 75 submarkets tracked by Yardi Matrix in the area, 21 had developments underway as of August. Of these, Glen Allen continued to lead, with 1,147 units underway. Richmond-North Side (909 units), Midlothian (510), Virginia Beach-Northeast (441) and Richmond-South (408) rounded out the top five.
- ▶ Midlothian also housed the largest project underway as of August, the 344-unit Luxe 360 on Centerpointe developed by Edward Rose & Sons.

Richmond Completions (as of August 2025)



Source: Yardi Matrix

Richmond vs. National Completions as a Percentage of Total Stock (as of August 2025)

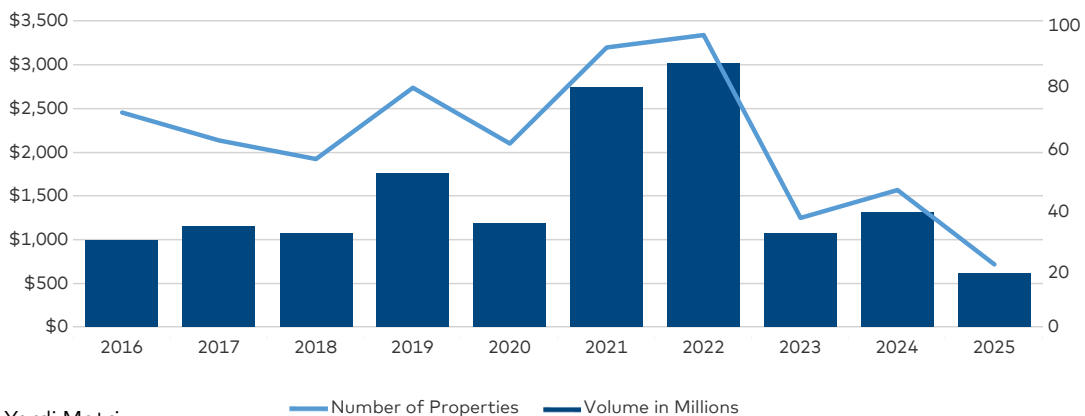


Source: Yardi Matrix

TRANSACTIONS

- ▶ Investors traded \$620 million in Richmond-Tidewater multifamily assets year-to-date through August, nearly double the \$334 million recorded in the same period last year. This uptick brings activity in the area closer to prepandemic levels, with the annual average between 2015 and 2019 at \$1.1 billion. Of the 23 deals that closed in the first eight months of this year, only eight were for Lifestyle properties, while 15 involved Renter-By-Necessity assets.
- ▶ The overall per-unit average in Richmond clocked in at \$173,570 for the first eight months of the year, up 23.1% from 2024's figure. The average price for Lifestyle units reached \$278,442, while the RBN figure stood at \$124,601.
- ▶ Weinstein Properties paid \$102.2 million for the 335-unit Bexley West Creek, which marked the metro's largest confirmed sale of 2025 through August. Bristol Development Group sold the asset, located in the Goochland-Powhatan-Amelia submarket, at \$305,000 per unit.

Richmond Sales Volume and Number of Properties Sold (as of August 2025)



Source: Yardi Matrix

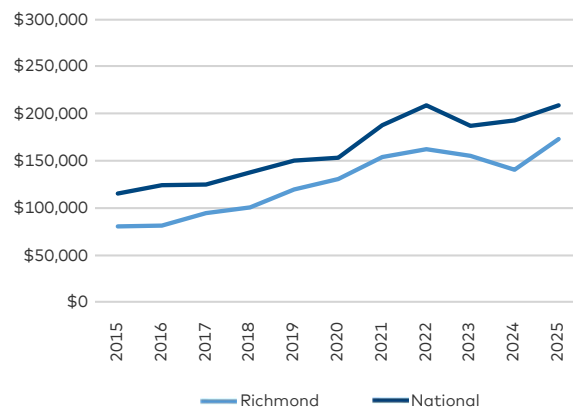
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Hampton-North	149
Midlothian	138
Richmond-Church Hill	123
Newport News-Central	117
Norfolk-Central West	109
Goochland-Powhatan-Amelia	102
Virginia Beach-Northeast	91

Source: Yardi Matrix

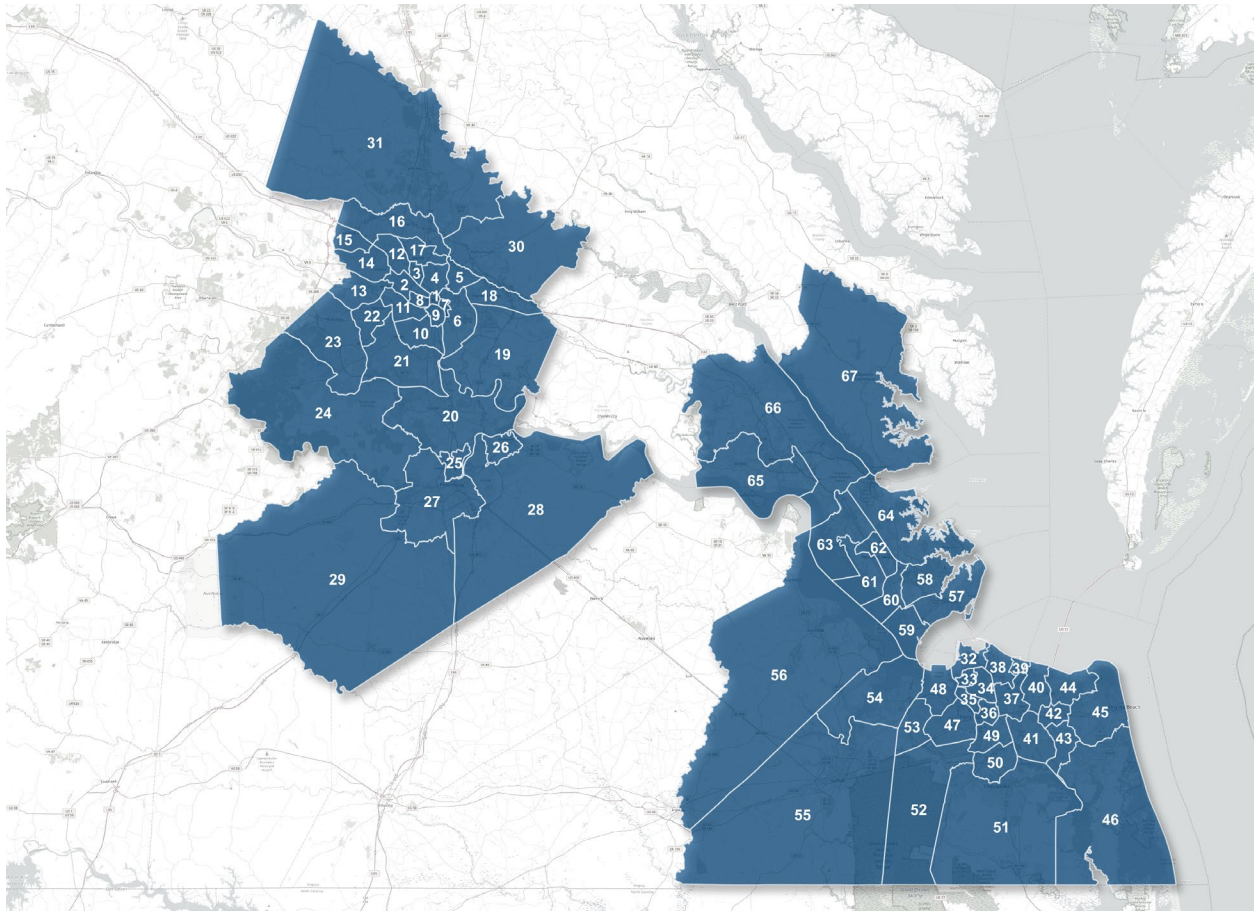
¹ From September 2024 to August 2025

Richmond vs. National Sales Price per Unit



Source: Yardi Matrix

RICHMOND SUBMARKETS



Area No.	Submarket
1	Richmond–City Center
2	Richmond–Fan District
3	Richmond–Scott’s Addition
4	Richmond–North Side
5	Richmond–East Highland Park
6	Richmond–East End
7	Richmond–Church Hill
8	Richmond–Randolph
9	Richmond–Manchester
10	Richmond–South
11	Richmond–West
12	Richmond–West End
13	Richmond–Stony Point
14	Tuckahoe
15	Three Chopt
16	Glen Allen
17	Lakeside
18	Highland Springs
19	Sandston–Airport
20	Chester
21	North Chesterfield
22	Bon Air
23	Midlothian

Area No.	Submarket
24	Chesterfield County
25	Colonial Heights
26	Hopewell
27	Petersburg
28	Prince George County
29	Dinwiddie County
30	Mechanicsville
31	Hanover County
32	Norfolk–Navy Base
33	Norfolk–Lochhaven
34	Norfolk–Lafayette River
35	Norfolk–Central West
36	Norfolk–Central East
37	Norfolk–Southeast
38	Norfolk–Northeast
39	Norfolk–East Beach
40	Virginia Beach–Northwest
41	Virginia Beach–West
42	Virginia Beach–Town Center
43	Virginia Beach–Central
44	Virginia Beach–Bayside
45	Virginia Beach–Northeast
46	Virginia Beach–South

Area No.	Submarket
47	Portsmouth–Central
48	Portsmouth–North
49	Chesapeake–Northeast
50	Chesapeake–Central
51	Chesapeake–South
52	Chesapeake–Deep Creek
53	Chesapeake–Northwest
54	Suffolk–North
55	Suffolk–Central
56	Isle of Wight County
57	Hampton–South
58	Hampton–North
59	Newport News–Far South
60	Newport News–South
61	Newport News–West
62	Newport News–Central
63	Newport News–North
64	Yorktown
65	Williamsburg–South
66	Williamsburg–North
67	Gloucester

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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