

Yardi® Matrix

# Richmond Builds On Steady Ground

Multifamily Report Fall 2019

Occupancy Inches Up

Employment Gains Accelerate

Rent Growth Matches US Average

# RICHMOND MULTIFAMILY

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## Market Analysis

Fall 2019

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## Job Gains Accelerate; Occupancy Increases

Despite overbuilding fears across key submarkets over the past few years, Richmond kept its cool going into 2019's last quarter, with long-term fundamentals still solid. Rents in the metro improved 2.8% year-over-year through September and occupancy moved up 30 basis points over 12 months, to 95.5%, as of August, reflecting moderate yet steady growth.

Richmond gained 20,600 jobs in the 12 months ending in July. While employment growth acceleration is partly due to seasonal factors, a high number of gains were in high-paying sectors, as professional and business services, and financial activities added more than 10,000 jobs. Meanwhile, the area's touristic appeal continued to boost the leisure and hospitality sector, which gained 7,300 jobs year-over-year, for a 4.3% expansion.

Bolstered by institutional investors' increasing appetite for secondary and tertiary markets at this point in the cycle, more than \$734 million in multi-family assets traded year-to-date through September. Meanwhile, developers added more than 1,200 apartments to Richmond-Tidewater's inventory in 2019's first three quarters, with an additional 6,907 units under construction as of September. As supply is slated to remain just one step behind demand in the foreseeable future, we expect Richmond rent growth to stay steady going into 2020.

### Recent Richmond Transactions

Saltmeadow Bay



City: Virginia Beach, Va.  
Buyer: Capital Square 1031  
Purchase Price: \$49 MM  
Price per Unit: \$212,227

Bridgewater on the Lake



City: Hampton, Va.  
Buyer: Chandler Residential  
Purchase Price: \$45 MM  
Price per Unit: \$90,681

South Bank



City: Richmond, Va.  
Buyer: Mercer Street Partners  
Purchase Price: \$23 MM  
Price per Unit: \$261,364

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City: Newport News, Va.  
Buyer: Laramar Group  
Purchase Price: \$10 MM  
Price per Unit: \$75,568