

MARKET FUNDAMENTALS

	YOY Chg	Outlook
8.8% Vacancy Rate	▼	▼
453 Net Absorption, units	▲	▲
\$1,534 Effective Rent, per unit <small>(Overall, All Property Classes)</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
736.3K Richmond MSA Employment	▲	▲
3.0% Richmond MSA Unemployment Rate	▼	▲
1.1% Richmond MSA Population Growth <small>Source: BLS</small>	▼	▲

ECONOMY: REGIONAL DEVELOPMENT ACTIVE

The Richmond region closed 2024 with an influx of new development projects added to the pipeline. Construction is underway on the new CarMax Park baseball stadium that will sit at the heart of the expansive mixed-use Diamond District. Immediately adjacent, Virginia Commonwealth University (VCU) broke ground on the first phase of its 42-acre Athletic Village, which will include a \$37 million track and field stadium. Henrico County broke records for construction-related activity with a total of more than \$2.1 billion in FY 2023-2024, an increase of 44.8% from the previous year. The Henrico Sports & Events Center celebrated its inaugural year, welcoming more than 375,000 visitors during that time, and with the county’s tourist spending reaching a record high of \$1.9 billion in 2023, that number is likely to continue to rise.

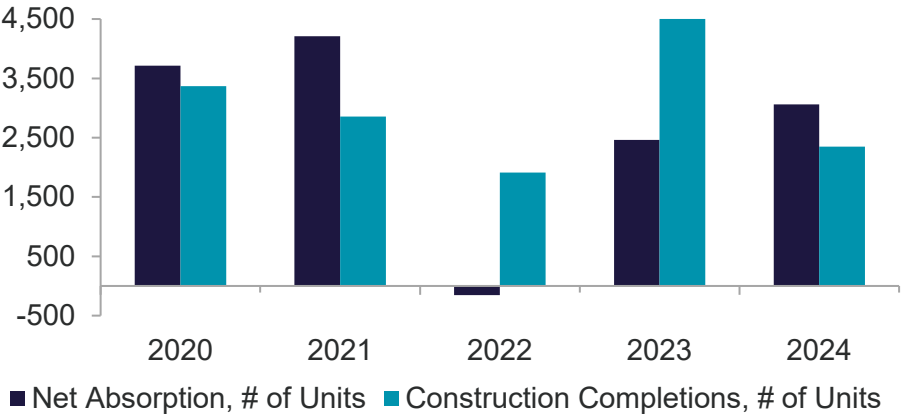
SUPPLY AND DEMAND: ABSORPTION NUMBERS RISE

Overall vacancy closed the quarter down 110 basis points (bps) year-over-year, and flat quarter-over-quarter (QOQ). Sustained demand and limited year-end deliveries held the fourth quarter absorption to 453 units with total absorption for the year at just over 3,050 units, an increase of 24.2% over prior year numbers. Deliveries slowed in 2024 with almost 2,350 units added to the inventory, less than half the completions logged in 2023. While construction starts have slowed as well, the pipeline remains active with just over 4,600 units currently in development. Five projects broke ground in 2024 with a combined 879 units, and only one of those projects was started in the second half of the year.

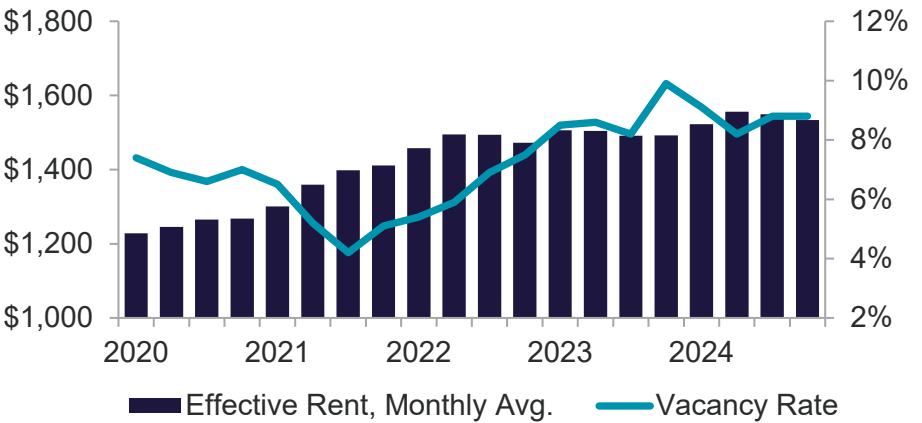
PRICING: RENT GROWTH STABLE

Effective rents closed 2024 up 2.8% YOY and have increased 4.2% over the last two years. Rent growth rates were positive across all submarkets with the exception of only North Richmond, due primarily to the higher vacancy in the segment’s class B product. Sales surged in the fourth quarter to push the total deal volume to more than \$487.3 million for the year, up 10.7% over prior year numbers. The transfer of The River Lofts at Tobacco Row from Brookfield Properties to West Shore for \$123.5 million topped the year’s sales. Covering five city blocks, the property includes 742 units in Downtown Richmond and represents West Shore’s first acquisition in both the state and the market.

DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Central	13,600	489	3.7%	1,697	232	9.4%	160	\$1,566	\$2.04	2.1%
Chesterfield	13,124	252	2.0%	1,071	245	6.4%	-10	\$1,596	\$1.63	3.2%
East Richmond/Henrico	4,854	0	0.0%	0	105	8.3%	-210	\$1,289	\$1.44	1.6%
Hanover	2,108	90	1.3%	0	51	5.5%	190	\$1,700	\$1.79	7.1%
Midlothian	7,649	604	8.6%	581	768	11.7%	-340	\$1,730	\$1.74	2.7%
Near West End	1,238	0	0.0%	263	-46	8.1%	370	\$1,890	\$2.22	2.5%
North Richmond	2,487	0	0.0%	0	-51	13.3%	210	\$1,290	\$1.61	-0.5%
South Richmond	15,183	395	2.7%	137	494	8.7%	-80	\$1,370	\$1.59	1.6%
Tri-Cities	5,507	0	0.0%	52	8	10.1%	-30	\$1,175	\$1.32	2.4%
Western Henrico	27,115	517	1.9%	838	1,251	8.8%	-290	\$1,607	\$1.76	3.7%
RICHMOND, VA TOTALS	92,865	2,347	0.3%	4,639	3,057	8.8%	-110	\$1,534	\$1.72	2.8%

NOTABLE CONSTRUCTION PIPELINE

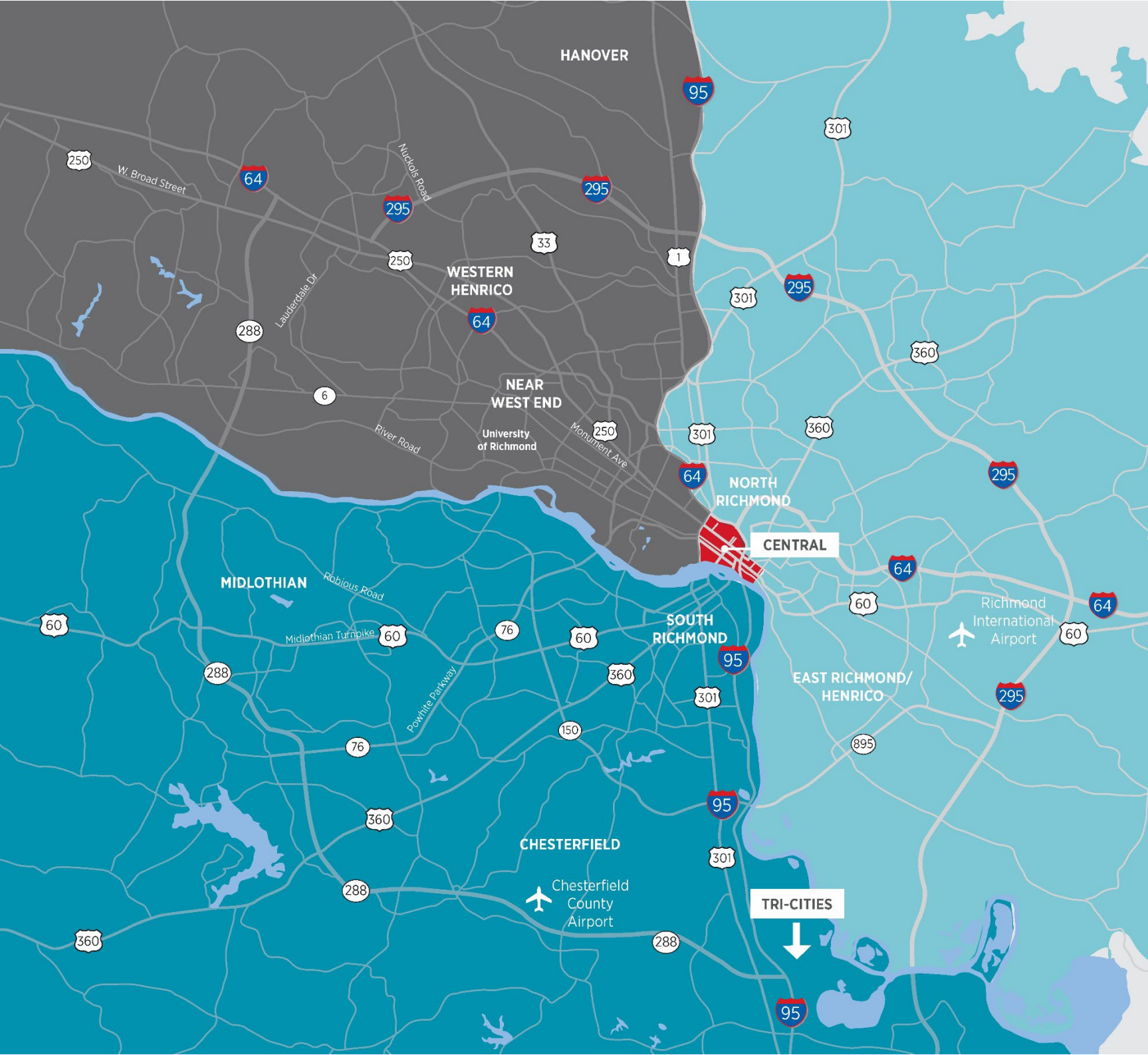
PROPERTY	SUBMARKET	OWNER / DEVELOPER	UNITS	COMPLETION DATE
The Lake	Chesterfield	National Land Realty / The Breeden Company	750	Q1 2025
2925 West Marshall St	Scott's Addition	Capital Square / Capital Square	352	Q2 2025
The Brook	Virginia Union	The Resmark Companies / Middleburg Communities	310	Q1 2025
900 N Allen	Midtown Richmond	Spy Rock Real Estate Group / Spy Rock Real Estate Group	300	Q3 2025
The James at Springline	Midlothian	Chesterfield County EDA / Collins Capital Partners	298	Q2 2025
The Ace	Midtown Richmond	Cresset Partners / Level 2 Development LLC	295	Q2 2025
Hamlet Watkins Centre	Midlothian	Middleburg Communities / Middleburg Communities	283	Q1 2025
Belmont at River Mill	Western Henrico	Kotarides / Kotarides	275	Q1 2025
Triton Scott's Addition	Sauer's Gardens	Silver Hills Development / Silver Hills Development	263	Q1 2025
3600 Grove Ave	The Museum District	Kajima Corporation / Flournoy Development Co	253	Q2 2025
Bakery Loft Apartments	Shockoe Bottom	Historic Housing / Historic Housing	212	Q3 2025

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
The River Lofts at Tobacco Row	Shockoe Bottom	Brookfield Properties / West Shore	742	\$123.5M / \$166k
The Park at Salisbury	Midlothian	Kushner Companies / Coastal Ridge Real Estate	320	\$79.3M / \$248k
Ashley Park	Jahnke	Mid-America Apartment Communities Inc. / DSP Real Estate Capital	272	\$47.1M / \$173k
Commonwealth Apartments	Chesterfield County	CMB Development LLC / Mesa Capital Partners LLC	234	\$59.2M / \$253k



MULTIFAMILY SUBMARKETS



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