MARKETBEAT

RICHMOND, VA

MULTIFAMILY Q3 2025

CUSHMAN & WAKEFIELD THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
8.7% Vacancy Rate	▲	▼
2,758 YTD Net Absorption, units	▲	▲
$1,572 Effective Rent, per unit	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
734.9K Richmond MSA Employment	▲	▼
3.4% Richmond MSA Unemployment Rate	▲	▲
1.0% Richmond MSA Population Growth	▼	▲

Source: BLS

ECONOMY: REGIONAL INVESTMENT ON THE RISE

The third quarter closed with another round of major regional news, led by Google's announcement of its plan to invest $9 billion in its Virginia operations. The tech giant purchased 1,200 acres in Chesterfield County for $60 million with plans for two major data center projects in addition to another facility planned on a 300-acre site near White Oak Technology Park. HCA announced plans for a $260 million 60-bed hospital in part of Chesterfield County's Nunnally Village, a 200-acre mixed-use development. Greater Richmond was also named among the top 15 fastest-growing metro areas for jobs and talent by LinkedIn and among the top 10 metro areas for millennials by Commercial Café, a testament to the region's expanding employment base.

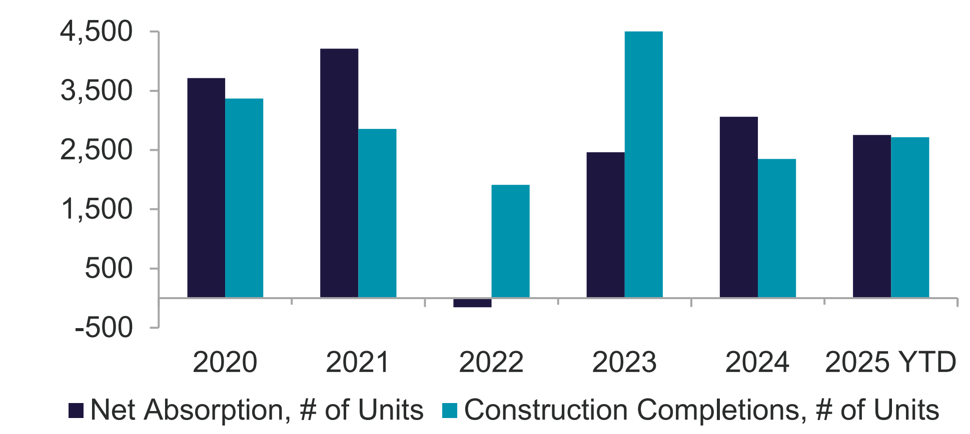
SUPPLY AND DEMAND: ABSORPTION NUMBERS RISE

Overall vacancy closed the third quarter down 20 basis points (bps) year-over-year (YOY), and down 40 bps quarter-over-quarter (QOQ) as year-to-date (YTD) absorption has surpassed deliveries. Absorption has hit 6,045 units since the start of 2024 with 5,399 units delivered in the same timeframe. The active construction pipeline has picked up since the end of 2024 with more than 5,400 units currently in development. Midtown Richmond, including The Diamond and Scott's Addition, continues to be a hot spot for development, home to 38.3% of the units currently under construction. More than 33.6% of units in development are located in the Western Henrico submarket, including the second phase of The Rise at Regency, the 314-unit complex adjoining the massive mixed-use development in the West End. The Manchester area just south of downtown continues to expand with two new projects underway, including the 211-unit 7-story building at 301 Hull Street, the site of the former Sampson Coatings paint company building.

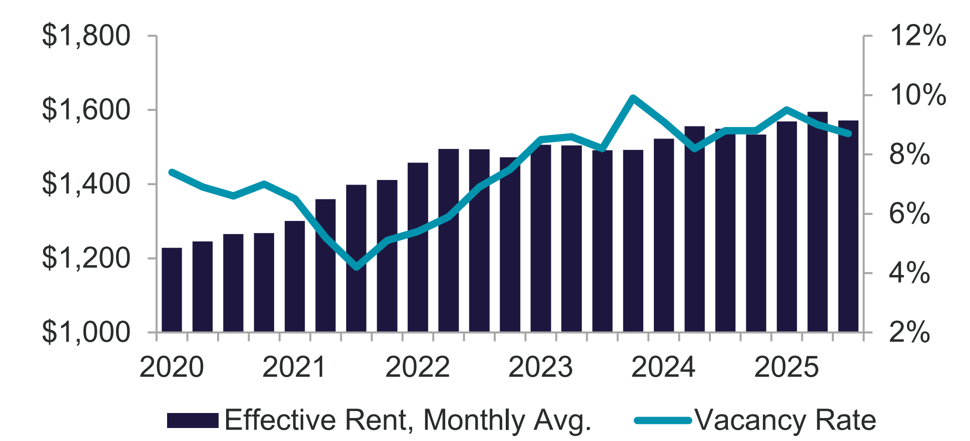
PRICING: RENT GROWTH STABLE

Effective rates closed the quarter effectively flat YOY as growth rates continue to stabilize. Year-to-date sales volume topped $415.4 million, with more than $209.3 million closed in the third quarter. The Metropolis at Innsbrook was the largest transfer of the quarter, trading for $98 million to a joint venture between Foxfield and Park Row Equity Partners. The 402-unit luxury complex delivered in 2023 and was 96% occupied at the time of sale.

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	14,569	931	6.5%	2,352	698	9.3%	290	$1,662	$2.16	0.7%
Chesterfield	13,701	580	4.3%	201	252	8.4%	-50	$1,638	$1.66	1.8%
East Richmond/Henrico	4,419	0	0.0%	68	0	8.8%	-150	$1,347	$1.50	2.6%
Hanover	1,972	0	0.0%	0	58	3.9%	80	$1,704	$1.80	-1.8%
Midlothian	8,468	298	3.5%	402	653	9.4%	260	$1,786	$1.79	2.2%
Near West End	1,554	316	20.9%	0	118	19.2%	1,970	$1,871	$2.18	-1.5%
North Richmond	2,489	0	0.0%	0	136	6.6%	210	$1,305	$1.63	0.2%
South Richmond	15,272	0	0.0%	579	8	9.3%	120	$1,403	$1.65	0.6%
Tri-Cities	5,558	0	0.0%	0	7	10.5%	-50	$1,192	$1.35	0.5%
Western Henrico	27,464	593	2.2%	1,824	828	7.6%	-10	$1,653	$1.76	-1.3%
RICHMOND, VA TOTALS	**95,466**	**2,718**	**2.9%**	**5,426**	**2,758**	**8.7%**	**100**	**$1,572**	**$1.76**	**0.3%**

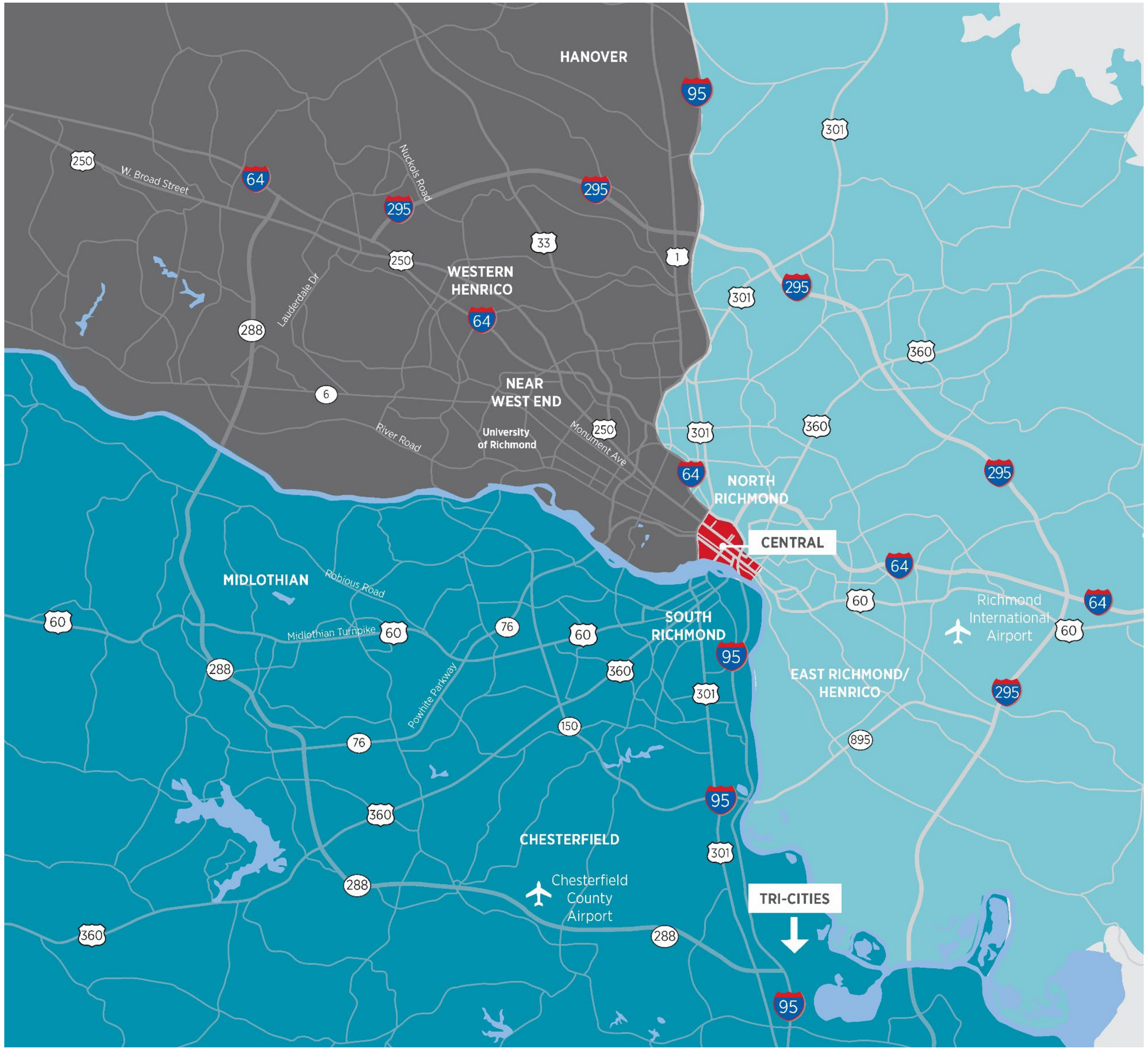
NOTABLE CONSTRUCTION PIPELINE

PROPERTY	SUBMARKET	OWNER / DEVELOPER	UNITS	COMPLETION DATE
Harp's Landing Apartments	Western Henrico	Gumenick Properties / Gumenick Properties	398	Q4 2027
2700 West Leigh Street	Midtown Richmond	Greystar Real Estate Partners / Greystar Real Estate Partners	388	Q4 2026
2922 W Marshall Street	Scott's Addition	Capital Square / Capital Square	352	Q4 2025
Wrighthaven Square Apartments	Western Henrico	Gumenick Properties / Gumenick Properties	336	Q1 2026
Three Notch'd Flats	Western Henrico	Edward Rose & Sons / Edward Rose & Sons	325	Q3 2026
The Rise at Regency II	Western Henrico	Rebkee Company / Thalhimer Realty Partners	314	Q3 2026
The Porter	The Diamond	Mid-America Apartment Communities Inc. / Mid-America Apartment Communities Inc.	306	Q2 2026
Altitude on Main	City Center Richmond	RPC Realty Capital LLC / RPC Realty Capital LLC	302	Q2 2026
11621 Old Buckingham Rd	Midlothian	SJC Ventures / SJC Ventures	290	Q4 2026
Bristol Telegraph Road	Western Henrico	Bristol Development Group / Bristol Development Group	279	Q3 2026
Fulton Yard Apartments	Shockoe Bottom	Zimmer Development Company / Evolve Companies	276	Q1 2026
200 E Marshall Street	City Center Richmond	SNP Properties / SNP Properties	254	Q1 2027
Ellison Museum District	The Museum District	Kajima Corporation / Flournoy Companies	253	Q4 2025
301 Hull Street	Old Town Manchester	Thalhimer Realty Partners / Thalhimer Realty Partners	211	Q2 2026

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / $ UNIT
Metropolis at Innsbrook	Western Henrico	Independence Realty Trust Inc. / Foxfield & Park Row Equity Partners	402	$98.0M / $244k
Reserve South	Hioaks	BH Equities LLC / McCann Realty Partners LLC	200	$33.4M / $167k
Wellington Place	Eastern Henrico	Square One Management / Capital Square	200	$31.0M / $155k

MULTIFAMILY SUBMARKETS



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