

MARKET FUNDAMENTALS

	YOY Chg	Outlook
9.0% Vacancy Rate	▲	▼
3,041 YTD Net Absorption, units	▼	▲
\$1,573 Effective Rent, per unit <small>(Overall, All Property Classes)</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
734.9K Richmond MSA Employment	▲	▼
3.4% Richmond MSA Unemployment Rate	▲	▲
1.0% Richmond MSA Population Growth <small>Source: BLS</small>	▼	▲

ECONOMY: REGIONAL RESILIENCE

The Richmond region maintained its economic strength through 2025 despite economic uncertainty on a national scale and is continuing to grow. The region’s gross domestic product increased 37% between 2019 and 2024 along with the area population and average wages, which have increased 19% since 2020, well above the national average. Construction is now underway at the former Genworth campus which will be redeveloped into Midtown64 – a \$500 million mixed-use campus that will include 1,000 apartments, 194 townhomes, 130,000 square feet (sf) of upscale retail, restaurant, and entertainment space, anchored by a premier grocery store and a new-to-market fitness concept. Development at the Diamond District and Caldwell Park are also underway with retail space scheduled to deliver beginning in early 2027.

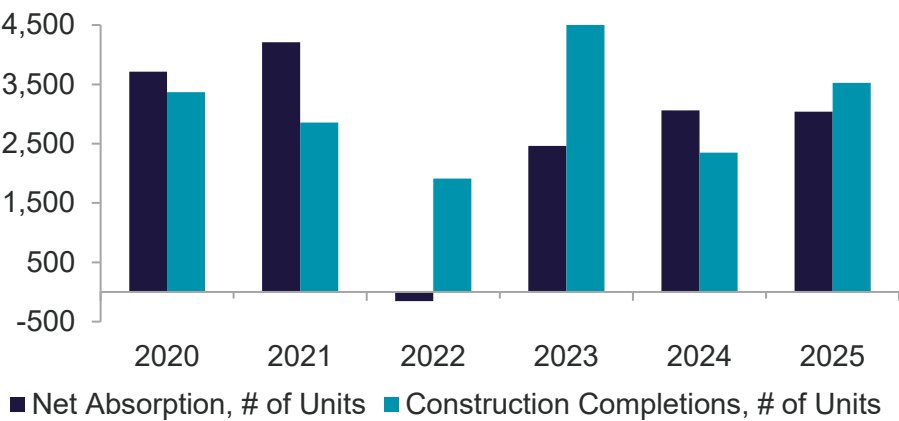
SUPPLY AND DEMAND: ABSORPTION NUMBERS RISE

Overall vacancy closed the year up 20 basis points (bps) year-over-year (YOY), and up 30 bps quarter-over-quarter (QOQ) as annual absorption numbers have caught up with deliveries. Absorption has topped 6,280 units since the start of 2024 with 6,205 units delivered in the same timeframe. The construction pipeline remains active with more than 4,400 units currently in development, an increase of 14.1% YOY and in line with historic averages. More than 43.0% of units currently in development are located in the Western Henrico submarket, including the second phase of development at Regency – named the Regent at Regency – a 314-unit complex adjoining the massive mixed-use redevelopment 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.

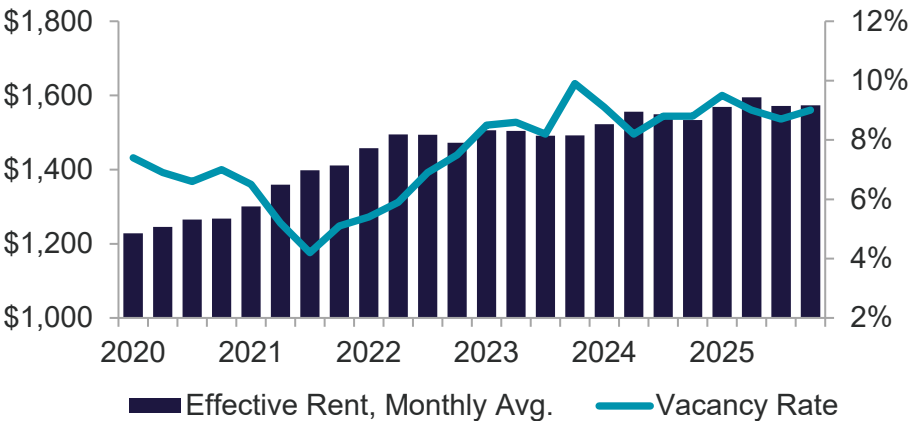
PRICING: RENT GROWTH STABLE

Effective rates closed 2025 up 1.2% YOY as growth rates continue to stabilize. Year-end sales volume topped \$544 million, with more than \$246.9 million closed in the fourth quarter. A pair of sales to Charlottesville-based Seminole Trail topped the deals for the fourth quarter and for the year, led by the transfer of the 420-unit Marshall Springs at Gayton West for just under \$120 million and followed closely by the acquisition of the 250-unit Triton Glen complex in Innsbrook for \$65 million.

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	15,177	1,536	11.3%	1,471	696	13.0%	360	\$1,632	\$2.11	-0.5%
Chesterfield	13,645	781	6.0%	305	352	7.4%	100	\$1,649	\$1.67	2.2%
East Richmond/Henrico	4,419	0	0.0%	68	-70	11.4%	310	\$1,324	\$1.48	2.1%
Hanover	1,972	0	0.0%	0	31	5.3%	-20	\$1,698	\$1.79	-0.4%
Midlothian	8,085	298	3.5%	234	720	8.5%	-320	\$1,805	\$1.81	2.2%
Near West End	1,554	316	20.9%	0	179	15.3%	720	\$1,827	\$2.13	-4.6%
North Richmond	2,489	0	0.0%	0	114	7.5%	-580	\$1,304	\$1.62	0.7%
South Richmond	15,014	0	0.0%	539	80	9.0%	30	\$1,399	\$1.64	2.1%
Tri-Cities	5,611	0	0.0%	0	7	10.4%	30	\$1,200	\$1.36	2.9%
Western Henrico	27,464	593	2.2%	1,824	934	7.2%	-160	\$1,625	\$1.78	1.0%
RICHMOND, VA TOTALS	95,430	3,524	3.8%	4,441	3,043	9.0%	20	\$1,573	\$1.76	1.2%

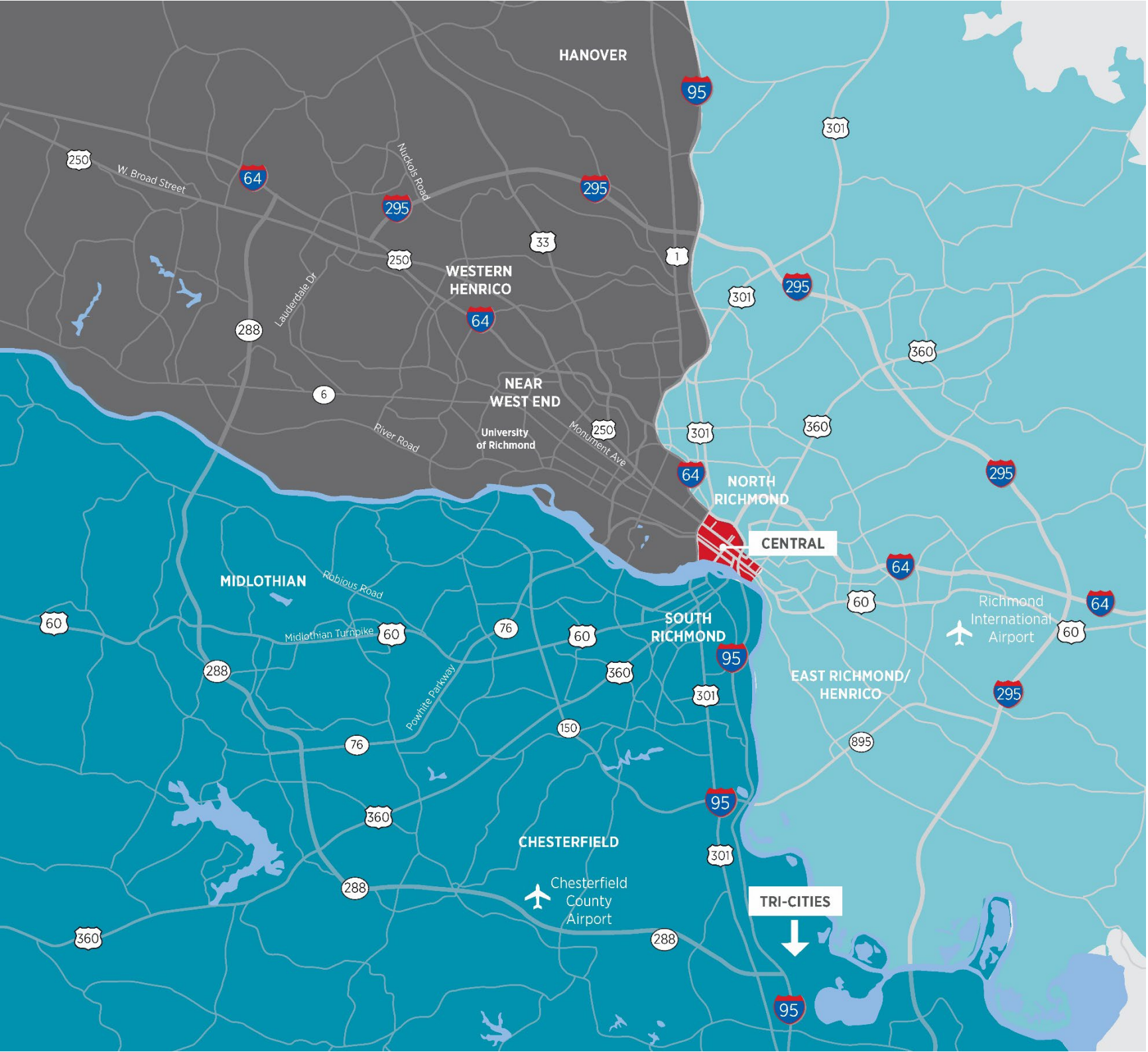
NOTABLE CONSTRUCTION PIPELINE

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
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 Regent at Regency	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
The Signal at Medallion Park	Western Henrico	Bristol Development Group / Bristol Development Group	279	Q3 2026
200 E Marshall Street	City Center Richmond	SNP Properties / SNP Properties	254	Q1 2027
Poppy	Uptown Richmond	Audeo Partners / Audeo Partners	221	Q3 2026
301 Hull Street	Old Town Manchester	Thalhimer Realty Partners / Thalhimer Realty Partners	211	Q2 2026

KEY SALES TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
Marshall Springs at Gayton West	Western Henrico	The Breeden Company / Seminole Trail Management LLC	420	\$119.8M / \$285k
Triton Glen	Western Henrico	Silver Hills Development Inc. / Seminole Trail Management LLC	250	\$65.0M / \$260k
Sphere Apartments	Virginia Union	MVP Equities / Conserve Holdings LLC	224	\$45.0M / \$201k

MULTIFAMILY SUBMARKETS



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