

**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>9.2%</b> Vacancy Rate	▼	▼
<b>469</b> YTD Net Absorption, units	▼	▲
<b>\$1,603</b> Effective Rent, per unit <i>(Overall, All Property Classes)</i>	▲	▲

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>723.7K</b> Richmond MSA Employment	▲	▲
<b>3.0%</b> Richmond MSA Unemployment Rate	▼	—
<b>1.3%</b> Richmond MSA Population Growth <i>Source: BLS</i>	▲	▲

**ECONOMY: SUSTAINED JOB GROWTH**

The Richmond region saw sustained growth through the first quarter, both in terms of capital investment and job commitments. Greater Richmond has outperformed peer markets in job growth with an increase of 18.1% in postings since February of 2020, compared to the U.S. average of 13.4% over the same period. Multiple major company expansions were announced during the first quarter, topped by Solstice Advanced Materials' \$220 million investment in Chesterfield, and Eaton's \$50 million investment in Henrico County, adding more than 300 new jobs collectively. Richmond National will also expand its Richmond headquarters in western Henrico, increasing its local headcount to over 275 employees. The region also continues to be named among top markets for investment, most recently ranked #5 in the nation for Corporate Headquarters Locations by Site Selection Magazine.

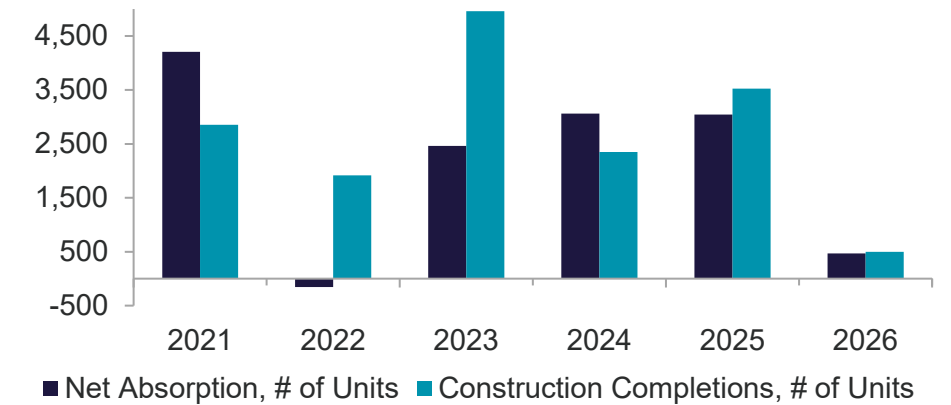
**SUPPLY AND DEMAND: ABSORPTION NUMBERS RISE**

Overall vacancy closed the quarter down 30 basis points (bps) year-over-year (YOY), and up 20 bps quarter-over-quarter (QOQ) as net absorption numbers are keeping pace with deliveries. The construction pipeline remains active with 4,425 units currently in development, and more projects on the way. The Dabney area adjacent to Scott's Addition and the Diamond District is slated for multiple new developments including Spy Rock's 7-story project on Westmoreland (224 units) and the Scottwood complex on Broad Street from Middleburg Communities (300 units). Blue Wave Developers has also announced plans for a new 7-story mixed use building in the Manchester area just south of downtown, which will include almost 300 units and cover a full city block. Hoffman & Associates and DeBartolo Development broke ground on a \$144 million project in Scott's Addition, another full-block development that will include 366 apartments. Developed by Capital Square, the Chasen was completed early in the quarter and added 352 new units to the Scott's Addition inventory. Robinson Development broke ground on The Verve, the final phase of its Innsbrook complex, that will include 298 units.

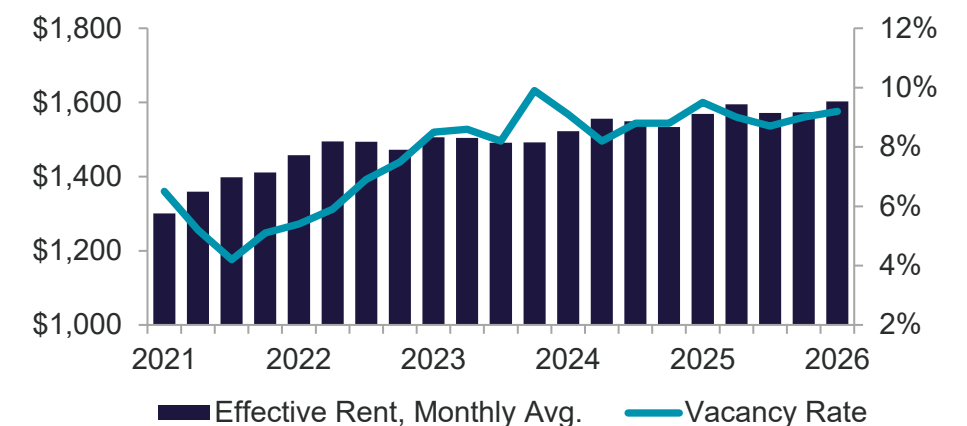
**PRICING: RENT GROWTH STABLE**

Effective rents closed the quarter up 2.0% YOY as growth rates continue to stabilize. Sales volume topped \$203 million in the first quarter, with the largest transfers centered around the Innsbrook area of Western Henrico. Total sales volume has topped \$730 million since the start of 2025 with 56.9% of deals located in the Western Henrico submarket.

**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	15,186	0	0.0%	1,837	203	12.2%	340	\$1,635	\$2.12	-1.0%
Chesterfield	13,846	0	0.0%	104	58	8.1%	130	\$1,690	\$1.68	3.1%
East Richmond/Henrico	4,560	0	0.0%	0	6	7.9%	-160	\$1,374	\$1.53	5.3%
Hanover	1,972	0	0.0%	232	5	4.1%	-240	\$1,757	\$1.85	4.8%
Midlothian	8,085	0	0.0%	387	28	8.8%	-360	\$1,811	\$1.82	2.7%
Near West End	1,554	0	0.0%	0	43	15.7%	-820	\$1,912	\$2.23	3.3%
North Richmond	2,489	0	0.0%	0	-16	9.0%	-20	\$1,320	\$1.64	1.3%
South Richmond	15,176	162	1.1%	377	39	9.6%	60	\$1,428	\$1.69	2.2%
Tri-Cities	5,611	0	0.0%	0	22	9.8%	-50	\$1,203	\$1.36	2.3%
Western Henrico	27,800	336	1.2%	1,488	81	8.2%	-130	\$1,672	\$1.84	2.2%
<b>RICHMOND, VA TOTALS</b>	<b>96,279</b>	<b>498</b>	<b>0.5%</b>	<b>4,425</b>	<b>469</b>	<b>9.2%</b>	<b>-20</b>	<b>\$1,603</b>	<b>\$1.80</b>	<b>2.0%</b>

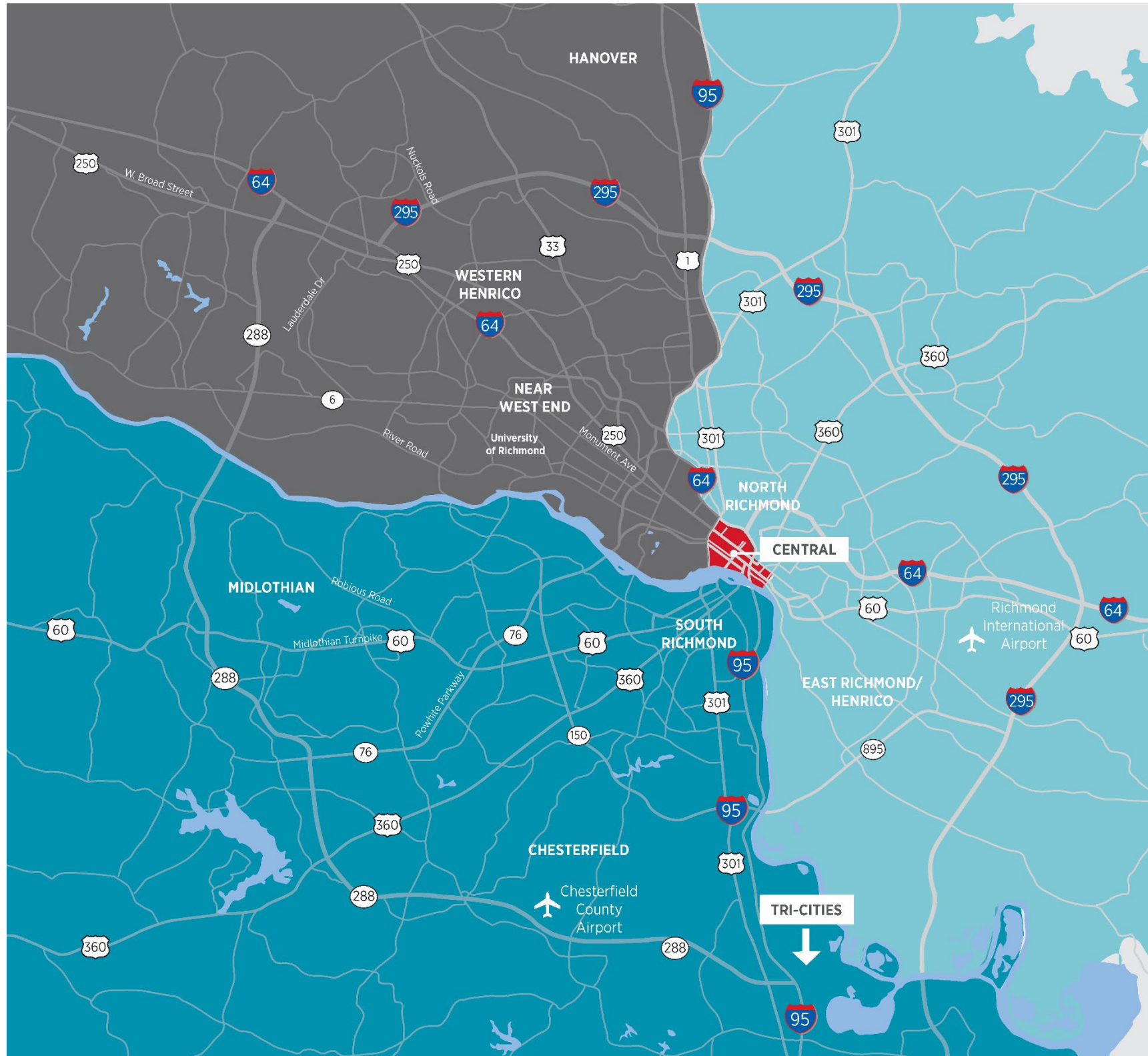
**NOTABLE CONSTRUCTION PIPELINE**

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
3200 West Moore Street	Scott's Addition	Hoffman & Associates / Hoffman & Associates & DeBartolo Development	366	Q3 2027
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	Q4 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	Q2 2026
200 E Marshall Street	City Center Richmond	SNP Properties / SNP Properties	254	Q1 2027
Poppy	Uptown Richmond	Audeo Partners / Audeo Partners	221	Q1 2027
The Hues at City View	Old Town Manchester	Thalhimer Realty Partners / Thalhimer Realty Partners	211	Q3 2026

**KEY SALES TRANSACTIONS Q1 2026**

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
Innsbrook Square	Western Henrico	Dominion Realty Partners / New York Life Investments	305	\$81.7M / \$268k
Innslake Place	Western Henrico	NorthRock Companies / Fulton Peak Capital LLC	221	\$51.3M / \$232k
The Boulders at Lake View	Midlothian	Dominion Realty Partners / American Landmark	212	\$51.5M / \$243k

MULTIFAMILY SUBMARKETS



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