RICHMOND, VA

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
94.3%	$1,557	20.7%
UP 30 BPS YOY	UP 3.9% YOY	UP 20 BPS YOY

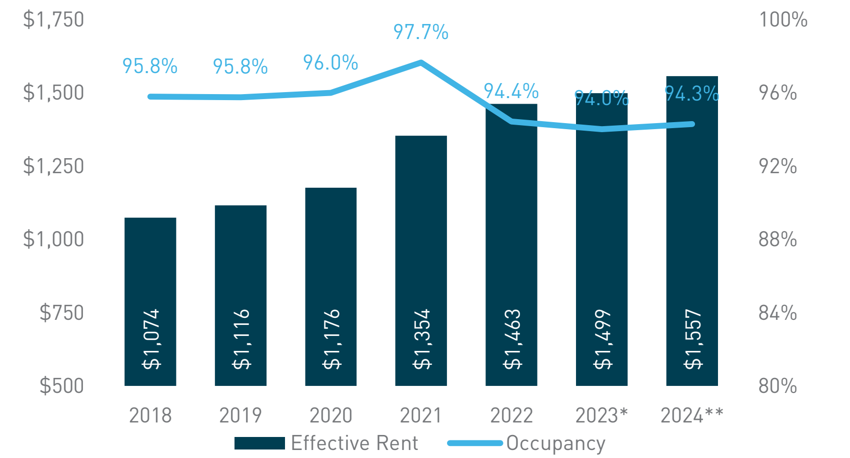
Absorption Surpasses New Apartment Supply, Leads to Rises in Rent, Occupancy

The Richmond metropolitan area, which experienced apartment absorption trailing deliveries in recent years, will see a rise in new leases in the new year as apartment fundamentals regain traction. An estimated 3,793 net move-ins are expected during 2024, met with supply of 3,677 new units. Most of the new apartment inventory will be concentrated on areas outside of the city center, with the northwestern submarket of Tuckahoe/Westhampton adding 1,251 units. The submarket is home to a highly educated and affluent workforce which can afford to pay a rent premium of 8% compared to the market average, making it a hotspot for local developers. Despite having the highest levels of new inventory among all Greater Richmond submarkets, which is 34% of all new supply, apartment demand in the submarket is expected to outpace the heightened rate of newly delivered units. Positive trends in leasing activity metrowide will result in a 30-basis-point rise in occupancy to 94.3% in the fourth quarter of 2024. Household income growth of 2.9% will facilitate a healthy 3.9% increase in effective rent as well by the end of the year. The private education and healthcare industry, which is supported by companies such as the HCA Virginia Health System and Bon Secours Health, is projected to have the largest increase in jobs during 2024. The sector is expected to gain 900 net jobs for an expansion of 0.9%. Richmond's job growth is not limited to white-collar positions, as LEGO Group announced a $1 billion manufacturing facility in Chesterfield County that will grow to 1,700 jobs.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

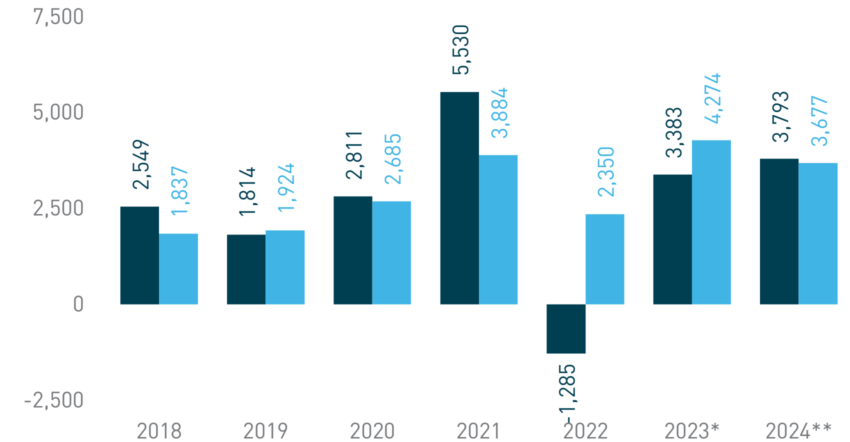


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



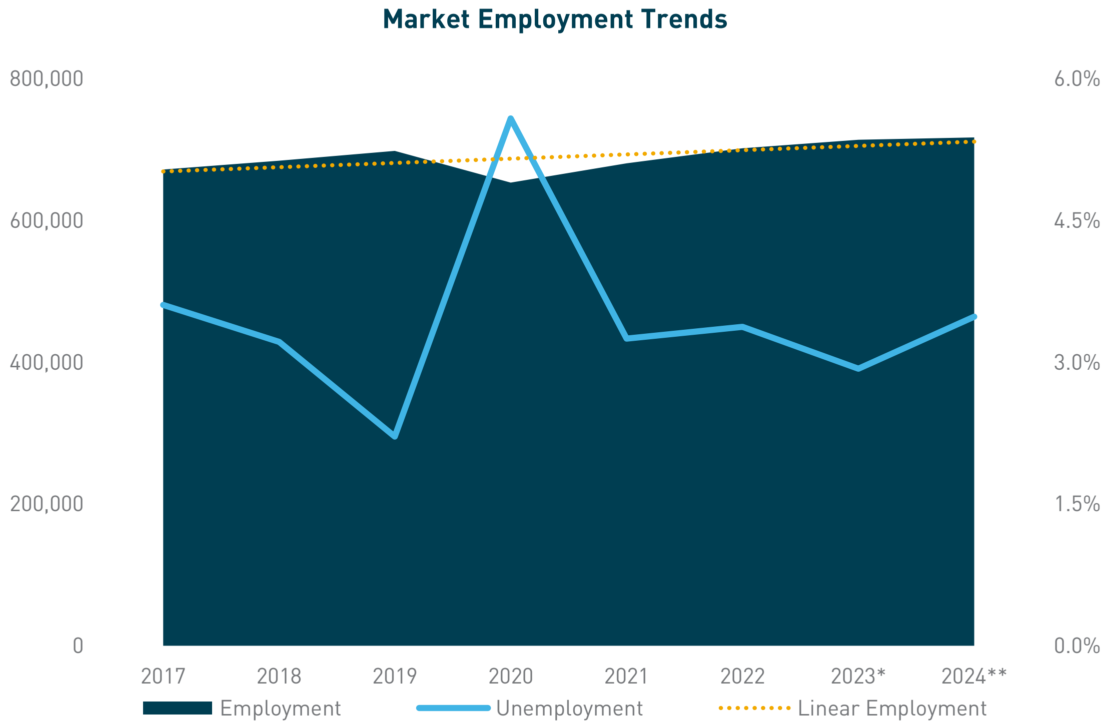
Sources: RealPage; CoStar Group; Yardi Systems

Net Absorption   Deliveries

*Projected **Forecast

RICHMOND, VA

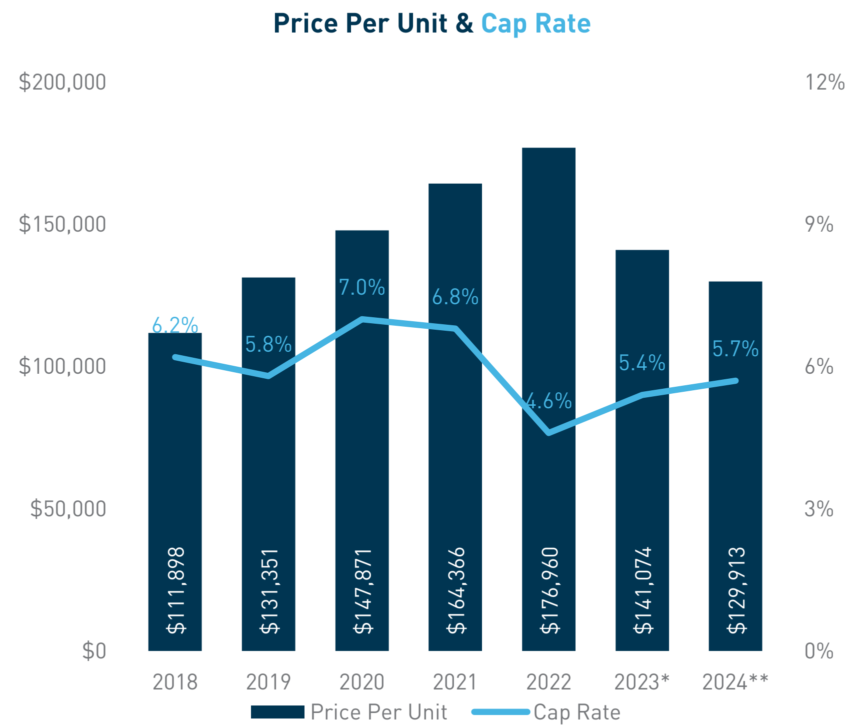
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
717,400	3.5%	$90,472	$129,913	5.7%
UP 0.4% YOY	UP 60 BPS YOY	UP 2.9% YOY	DOWN 7.9% YOY	UP 30 BPS YOY