VIRGINIA BEACH, VA

2024 MARKET AT A GLANCE

OCCUPANCY RATE
(Q4 2024)
94.9%
DOWN 10 BPS YOY

EFFECTIVE RENT
(Q4 2024)
$1,558
UP 4.2% YOY

RENT SHARE OF WALLET
(Q4 2024)
22.5%
UP 30 BPS YOY

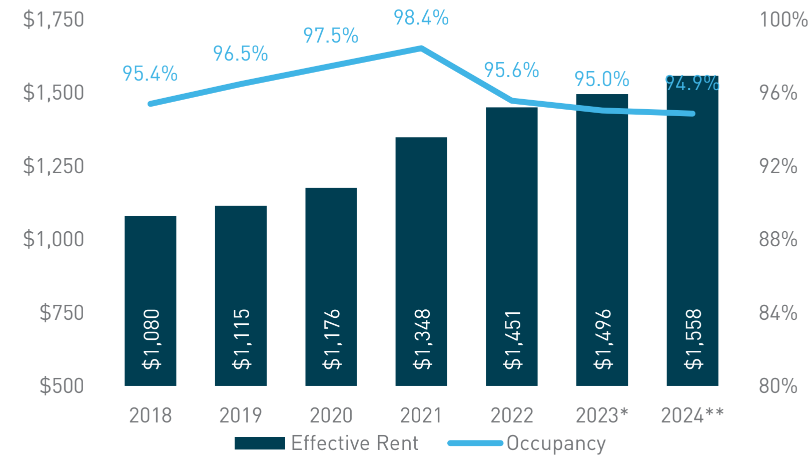
Apartment Demand, Limited Deliveries to Enable Healthy Rent Growth in 2024

Unlike many apartment markets in the U.S., multifamily developers in the Virginia Beach–Norfolk–Newport News metro area added new inventory in the last few years with moderation in mind. Measured development will continue in 2024 with 1,932 projected apartment deliveries—only about 13% greater than the pre-pandemic average from 2015 to 2019. In comparison, nationwide apartment deliveries in 2024 are anticipated to be 122% greater than the annual average from 2015 to 2019. Just over half of the new apartment units expected in the metro area will emerge with the completion of four multifamily communities in the Southern Norfolk submarket. Renters in this submarket enjoy short commutes to major employers that include Sentara Norfolk General Hospital, Old Dominion University, and BAE Systems Norfolk Ship Repair. Apartment communities opening this year in the Southern Norfolk submarket include Marathon Development's two mid-rise buildings. These and other upscale communities reflect the local renters' preference for amenity-rich apartments, as the forecast for this year indicates brisk leasing activity of the new inventory—most of which will be Class A units. This activity in turn is expected to lift overall net absorption to nearly 1,600 units this year. Given the increased demand, multifamily operators are anticipated to raise average monthly effective rent 4.2% to $1,558 by year-end. Fourth-quarter 2024 apartment occupancy in the metro area is forecast to be 94.9%, 20 basis points higher than the annual average from 2015 to 2019.

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

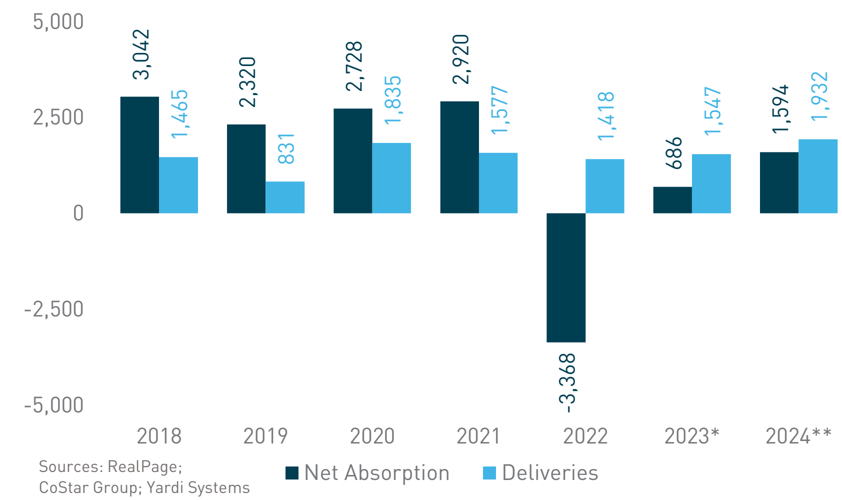


Sources: RealPage; CoStar Group; Yardi Systems

*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



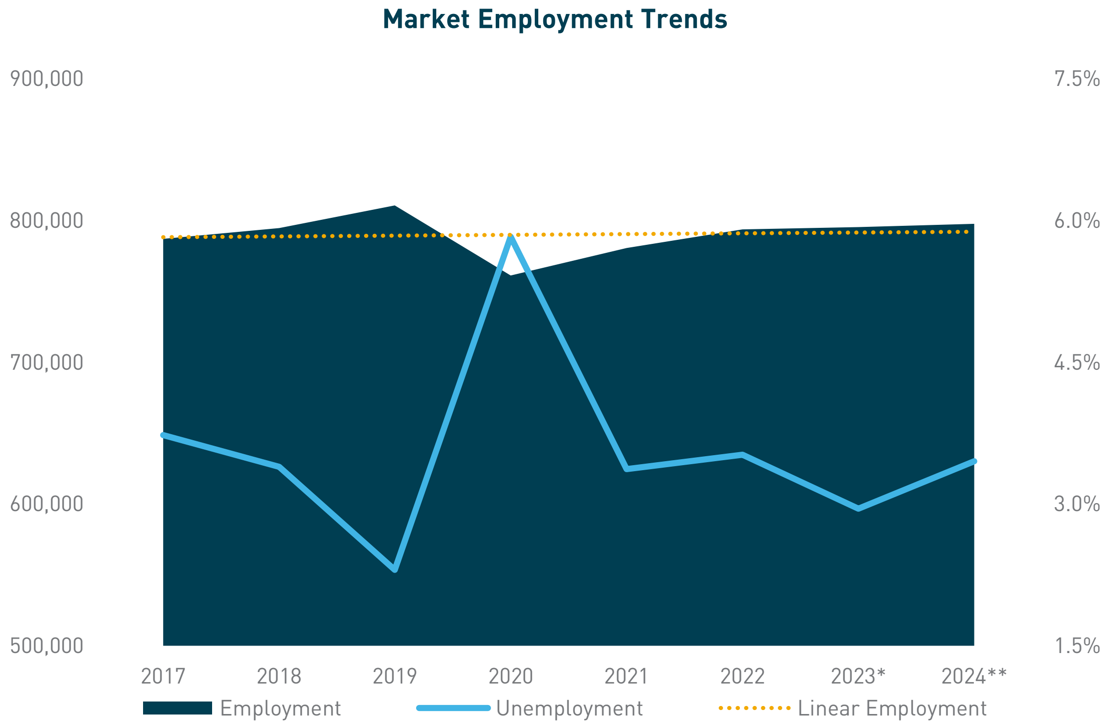
Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

VIRGINIA BEACH, VA

BERKADIA

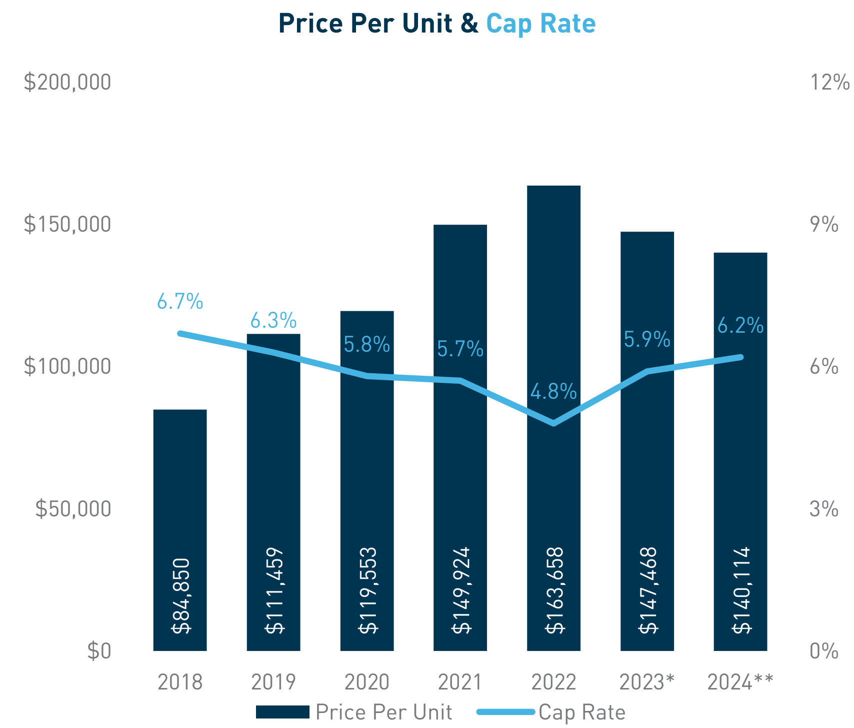
EMPLOYMENT TRENDS



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)
797,800	3.5%	$83,158
UP 0.3% YOY	UP 50 BPS YOY	UP 2.9% YOY

PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
$140,114	6.2%
DOWN 5.0% YOY	UP 30 BPS YOY