VIRGINIA BEACH, VA

2025 MARKET AT A GLANCE

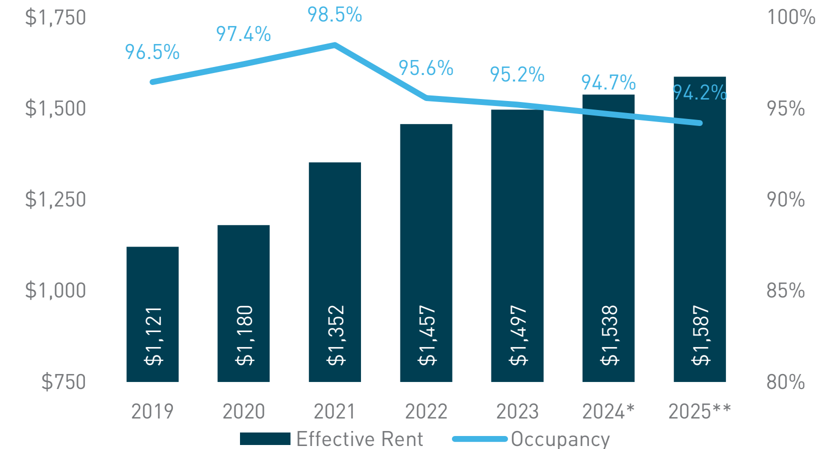
OCCUPANCY RATE (Q4 2025)	EFFECTIVE RENT (Q4 2025)	RENT SHARE OF WALLET (Q4 2025)
94.2%	$1,587	22.6%
DOWN 50 BPS YOY	UP 3.2% YOY	UNCHANGED YOY

New Employers in Southern Norfolk Submarket to Support Long-Term Apartment Demand

Employment in the manufacturing and the leisure and hospitality sectors in the Virginia Beach metro area will receive a boost when major developments come online in 2025. Approximately $140 million are being invested in a 111-acre site called Fairwinds Landing, an offshore wind industry industrial complex in the Southern Norfolk apartment submarket. When the project is completed in 2025, 700 direct manufacturing and distribution jobs will be supported. In the leisure and hospitality industry, the initial hiring of 2,480 workers will take place when the first phase of the 963,000-square-foot Headwaters Resort & Casino opens in November 2025, a major milestone toward its build-out in September 2027. The Headwaters Resort & Casino will also be in the Southern Norfolk apartment submarket. Overall employment in the metro area is forecast to grow 0.7% in 2025 with 5,900 net new jobs. Additionally, approximately 4,400 net new residents are expected, resulting from the population inflow in 2025. The expanding employment and population growth are anticipated to support positive net apartment absorption, though the demand is projected to trail the 1,100-plus new apartments delivered during the year. The largest contributors to the new inventory will be a 229-unit garden apartment property in Newport News and a 309-unit mid-rise apartment community in Virginia Beach, just one block from the ocean. Although the metro's apartment occupancy rate is expected to slip 50 basis points in 2025, the year-end occupancy rate is forecast to remain over 94%. Meanwhile, average monthly effective rent in the metro area is projected to reach $1,587, a 3.2% annual increase.

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 2024 are projected values. 2025 figures are forecast projections.

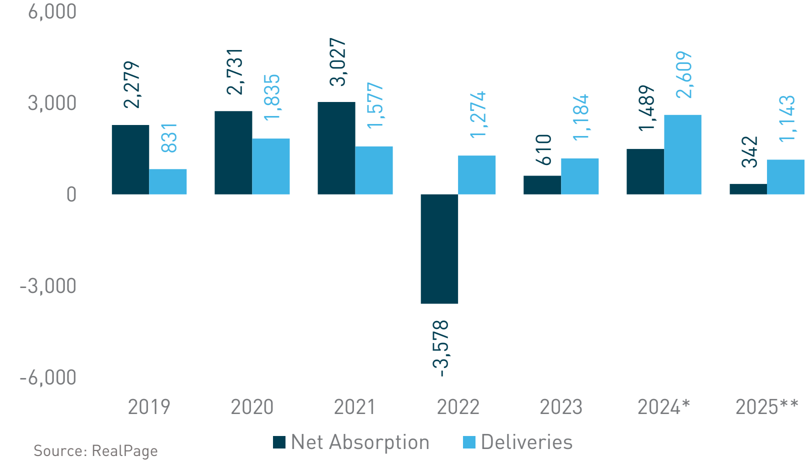
APARTMENT TRENDS



Source: RealPage

*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.



Source: RealPage

*Projected **Forecast

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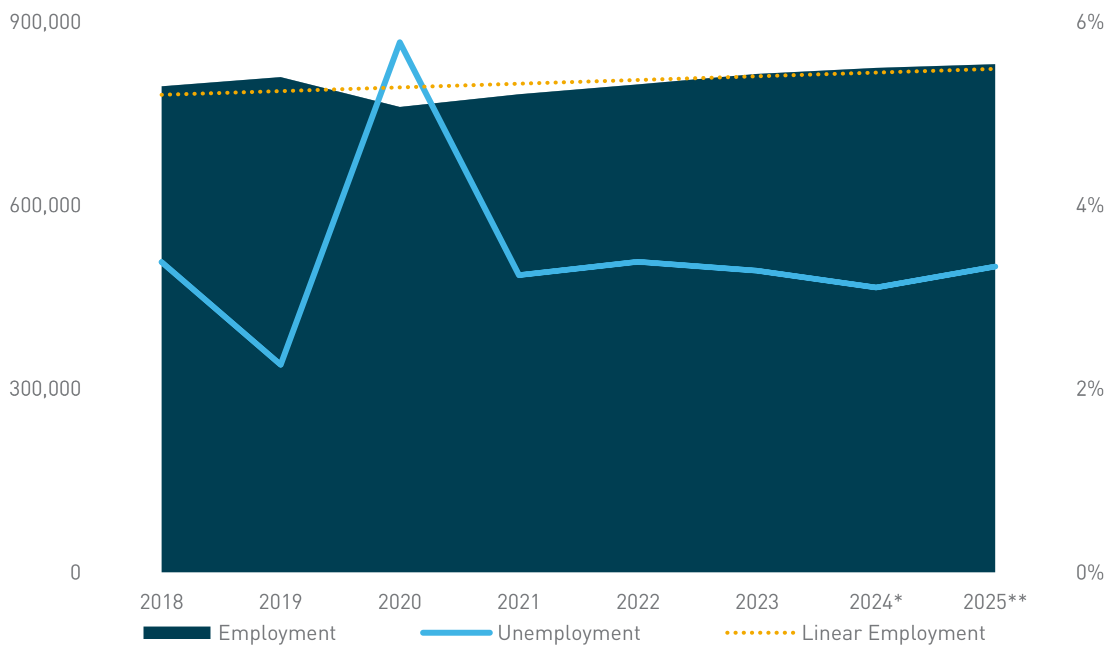
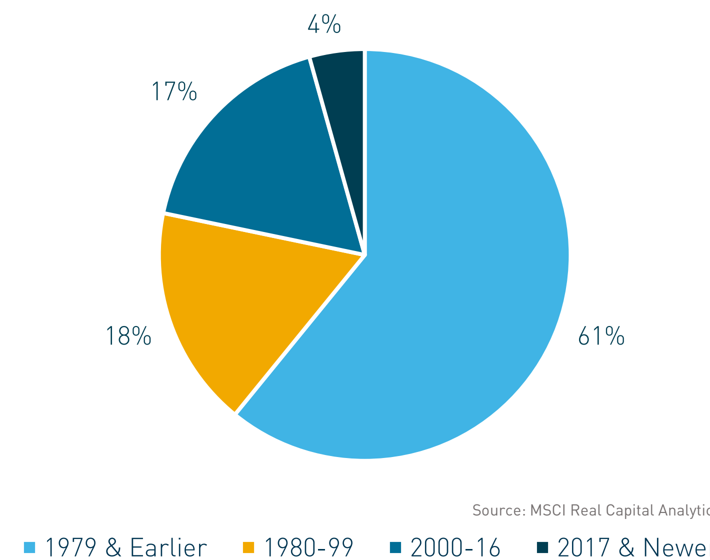
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

2024 SALES TRENDS*



*YTD through Oct.

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

EMPLOYMENT (DEC. 2025)	UNEMPLOYMENT (DEC. 2025)	MEDIAN HOUSEHOLD INCOME (DEC. 2025 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
831,200	3.3%	$84,098	$149,651	5.2%
UP 0.7% YOY	UP 20 BPS YOY	UP 3.2% YOY	DOWN 4.7% YOY	DOWN 10 BPS YOY