



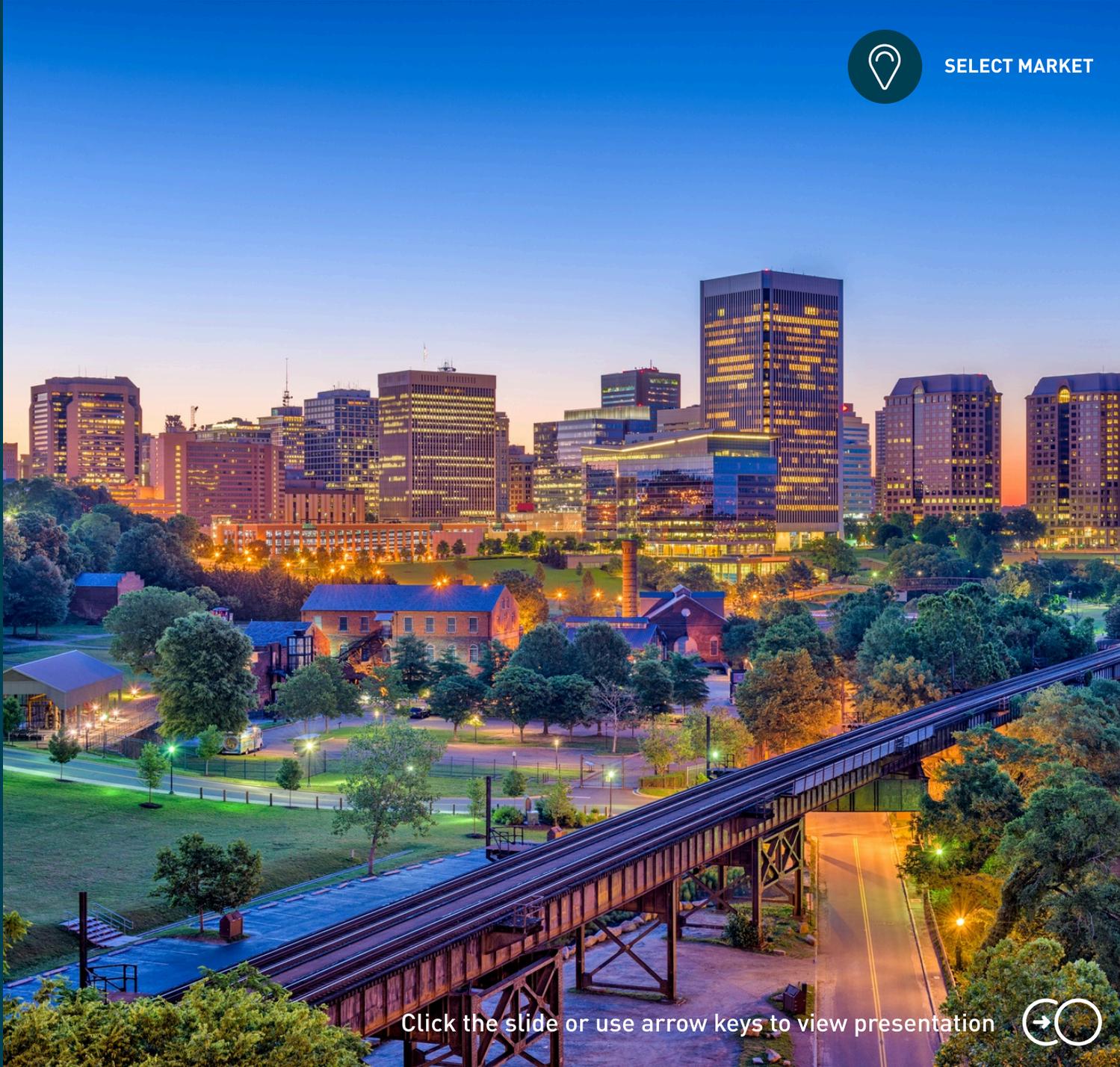
SELECT MARKET

BERKADIA[®]

RICHMOND

MULTIFAMILY MARKET REPORT | MID-YEAR

2025



Click the slide or use arrow keys to view presentation



Jobs Added / Lost

LAST 12 MONTHS
11,300



1.6% YOY

Unemployment

JUNE 2025
3.4%

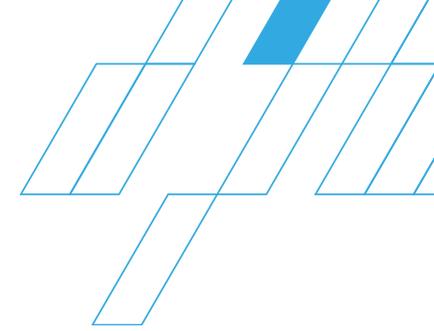


50 BPS YOY

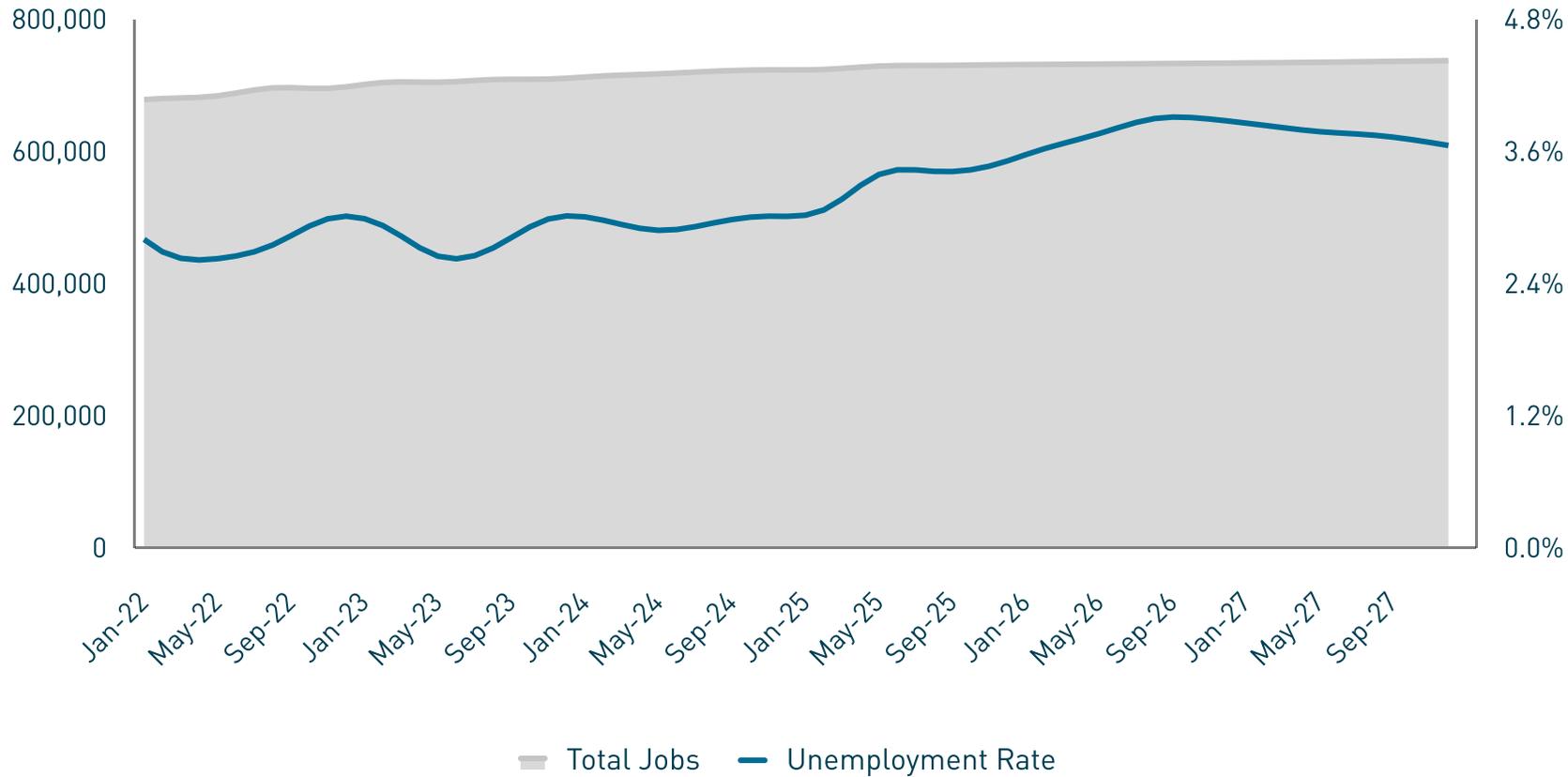
Employment

Richmond’s employment growth was driven by strength in education, healthcare, and construction over the last year. The labor market closed the second quarter of 2025 with 11,300 net new jobs, a substantial 1.6% year over year increase. The unemployment rate rose 50 basis points to 3.4%, but remained well below the national average, reflecting resilient demand for labor. The private education and healthcare sector led in hiring, with 4,100 net new positions since the middle of 2024. The trend aligns with several local healthcare expansions. The St. Francis Medical Center completed its \$108 million, 55-bed expansion last summer, adding capacity and operational staff. St. Mary’s Hospital is preparing to break ground on a \$370 million, 200,000-square-foot critical care tower, projected to create 375

new jobs over the course of the project. Not only have local hospital expansions created current and future jobs for Richmond residents, but they have also increased local construction employment, with employers in the segment adding 1,100 net new positions over the past 12 months. The trade, transportation, and utilities sector also experienced notable job growth, expanding by 3,200 net new jobs since June 2024, and will be further supported by logistics investments like the LEGO Group’s \$366 million, 2 million-square-foot regional warehouse and distribution center in nearby Prince George County. The neighboring county is about 30 miles south of the city center. The investment is expected to create 305 jobs and further expand Richmond’s supply-chain employment.



Employment Trends



Source: Moody's Analytics

In the News

Construction starts on \$1.4B Petersburg casino and resort
[Read More](#)

St. Mary's to complete \$370M Richmond expansion
[Read More](#)

St. Francis hospital finishing \$108M expansion
[Read More](#)



2025 Year to Date

DELIVERIES
1,941 UNITS

ABSORPTION
2,965 UNITS



2025 Total*

DELIVERIES
3,405 UNITS

ABSORPTION
3,410 UNITS

Deliveries & Absorption

Over the past three years, Richmond's apartment market experienced a back-and-forth between supply and demand rather than a sustained advantage for either side. Absorption turned negative in 2022 as new deliveries far outpaced demand and renters were reluctant to sign new leases due to inflation worries, but conditions flipped in 2024 when demand exceeded the number of new units coming online. Through the first half of 2025, the market has stayed relatively balanced, with leasing activity ahead of new completions. By year-end, supply is expected to catch up, resulting in supply and demand equilibrium. Looking ahead, the development pipeline will remain active, but with demand projected to keep pace, rent and occupancy will remain stable rather than tipping heavily in favor of renters.

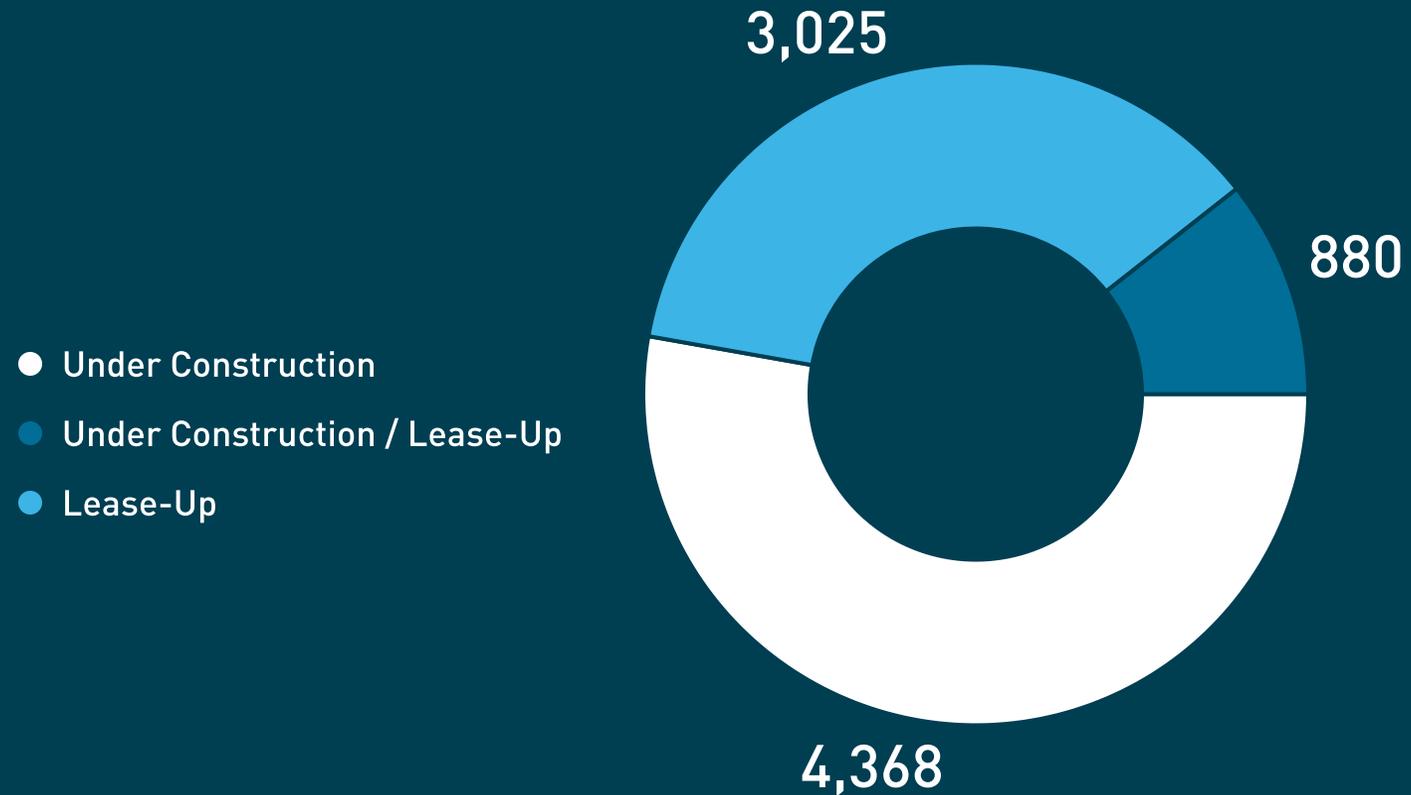
Notably, new deliveries have been heavily concentrated in the Tuckahoe/Westhampton submarket, the region's most active submarket by annual inventory expansion and current supply pipeline. Other areas like Downtown Richmond/The Fan and Southside also registered elevated supply volumes, though none matched Tuckahoe/Westhampton's pace. These localized concentrations reflect developer preference for areas with sustained renter demand and convenient access to jobs and entertainment. With ongoing leasing momentum, averaging over 950 units absorbed per quarter since 2023, and a moderating supply pipeline starting in 2026, the market appears poised for a continuation of favorable apartment fundamentals.

Deliveries, Absorption, & Effective Rent Change



Source: RealPage

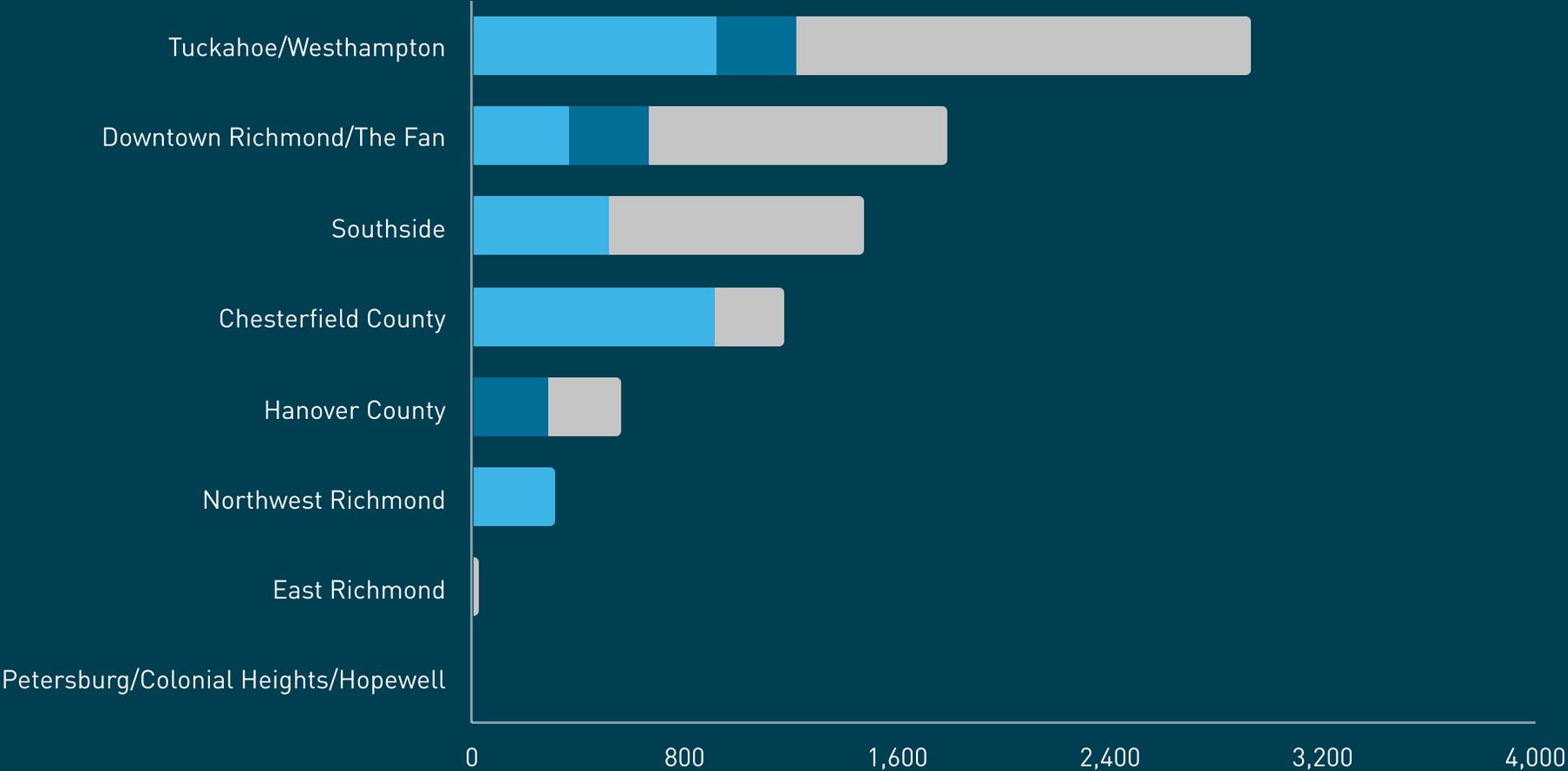
Richmond Pipeline



Source: RealPage

Submarket Pipelines

- Under Construction
- Under Construction/Lease-Up
- Lease-Up



Source: RealPage

Effective Rent

Q2 2025
\$1,588



3.9% YOY

Occupancy

Q2 2025
95.9%



160 BPS YOY

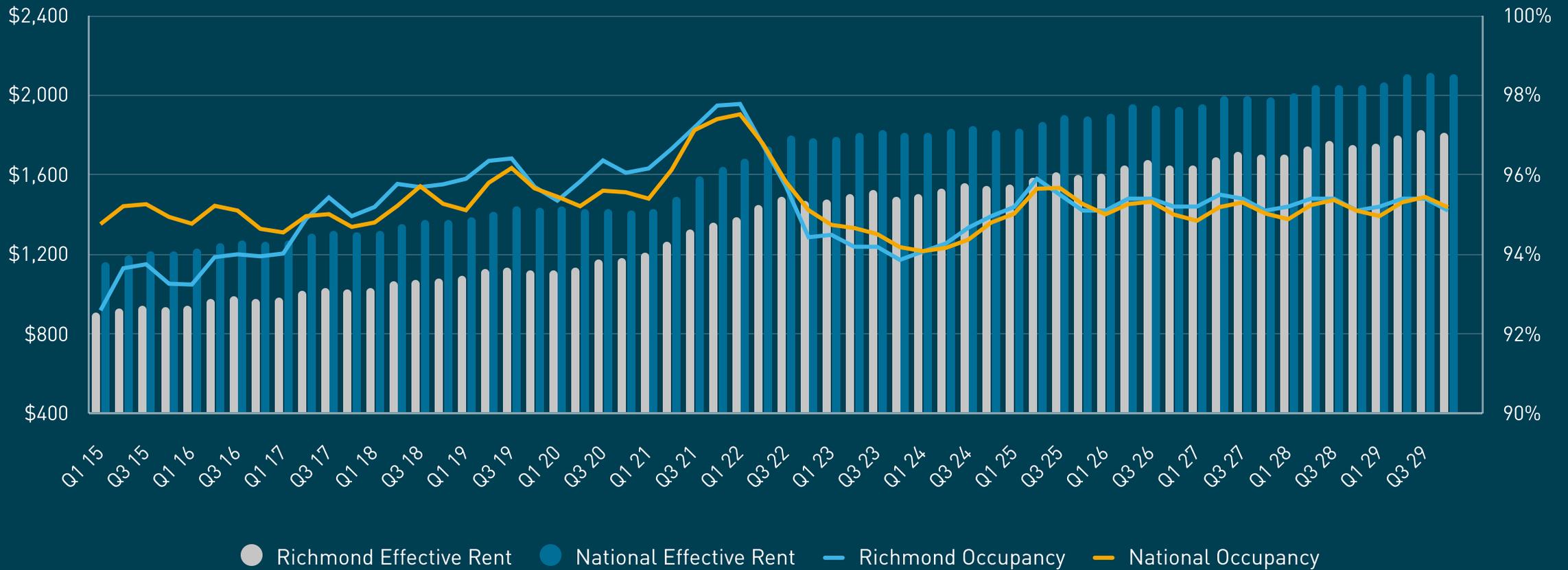
Rent & Occupancy

Richmond's multifamily market has demonstrated steady performance in recent quarters, with occupancy holding firmly at 95.9%, an annual increase of 160 basis points. Occupancy is comfortably above the national average despite an elevated pace of deliveries in recent years. Effective rent growth has moderated from the breakout gains of the post-pandemic boom but continues to trend positive, with average effective rent reaching \$1,588 per month in the second quarter of 2025, up 3.9% annually. Rent growth varied meaningfully by submarket. Chesterfield County leads in terms of rent growth, with average effective rent up 6.7% year over year to \$1,744 per month. The strong performance is rooted in its suburban appeal, including great school

systems, quick highway access to employment nodes, and strong net in-migration. Downtown Richmond/The Fan also experienced notable rent gains, up 4.8% annually, which was fueled by urban lifestyle demand and a moderate level of new supply. While the submarket did undergo inventory expansion during the past four quarters and has an active supply pipeline, new apartment construction has been more measured relative to suburban areas, aligning with the area's more urban, built-out character. Tuckahoe/Westhampton, despite being Richmond's heaviest area for supply growth, achieved 3.7% rent growth with occupancy holding at a healthy 95.6% in the second quarter, which is evidence that the pipeline is being absorbed effectively.

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.

Richmond vs. National Effective Rent & Occupancy



Source: RealPage

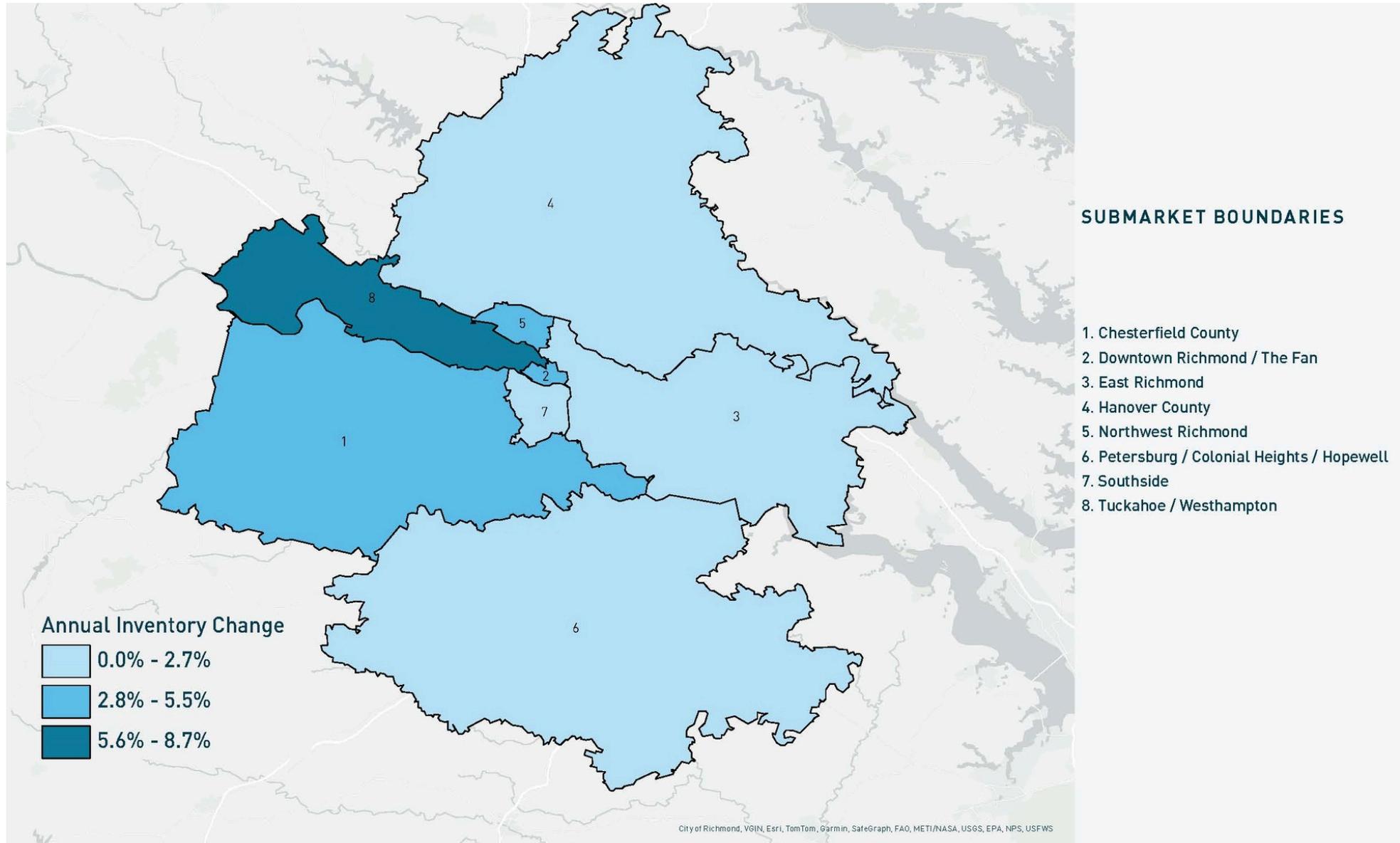
Rent & Occupancy

Submarket Performance

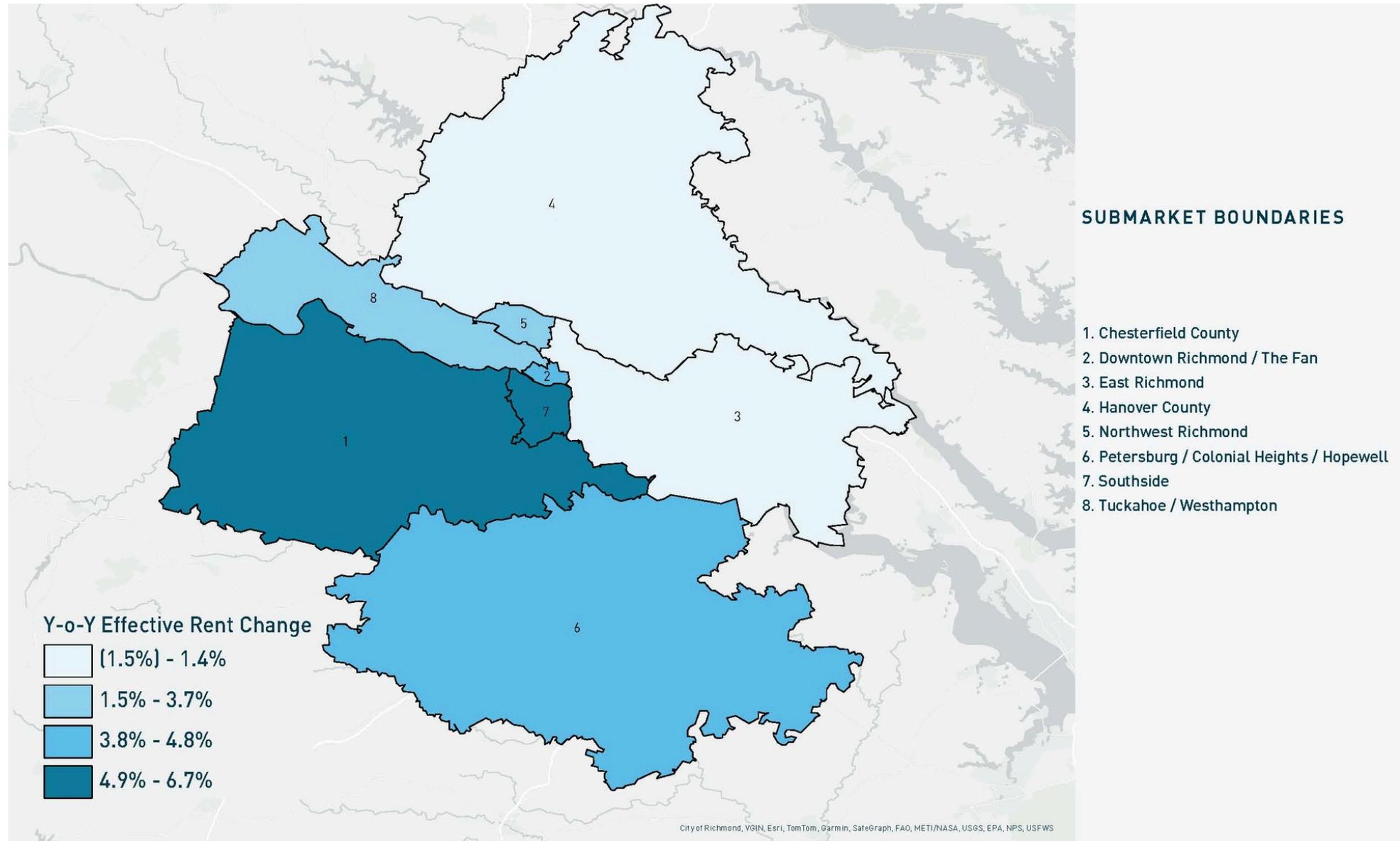
Submarket Name	Q2 25 Occupancy	YOY (BPS)	Q2 25 Effective Rent	YOY
Chesterfield County	96.1%	200	\$1,744	6.7%
Downtown Richmond/The Fan	95.5%	110	\$1,600	4.8%
East Richmond	94.6%	240	\$1,374	-1.5%
Hanover County	97.1%	50	\$1,754	1.4%
Northwest Richmond	96.1%	100	\$1,573	3.7%
Petersburg/Colonial Heights/Hopewell	97.3%	300	\$1,360	3.9%
Southside	96.1%	220	\$1,440	5.3%
Tuckahoe/Westhampton	95.6%	70	\$1,782	3.7%

Source: RealPage

Submarket Mid-Year 2025 Annual Inventory Change



Submarket Mid-Year 2025 Annual Effective Rent Change





[DOWNLOAD REPORT](#)

© 2025 Berkadia Real Estate Advisors LLC

Berkadia® is a trademark of Berkadia Proprietary Holding LLC Commercial mortgage loan origination and servicing businesses are conducted exclusively by Berkadia Commercial Mortgage LLC and Berkadia Commercial Mortgage Inc. This website is not intended to solicit commercial mortgage loan brokerage business in Nevada. Investment sales and real estate brokerage businesses are conducted exclusively by Berkadia Real Estate Advisors LLC and Berkadia Real Estate Advisors Inc. For state licensing details for the above entities, visit: www.berkadia.com/legal/licensing.aspx

The information contained in this flyer has been obtained from sources we believe to be reliable; however, we have not conducted any investigation regarding these matters and make no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. While we do not doubt its accuracy, we have not verified it and neither we, nor the Owner, make any guarantee, warranty or representation of any kind or nature about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example and do not necessarily represent past, current or future performance of the property. You and your advisors should conduct a careful and independent investigation of the property to determine to your satisfaction the suitability of the property and the quality of its tenancy for your records.

BERKADIA®



All Regions

Albuquerque
Ann Arbor
Atlanta
Austin
Baltimore
Baton Rouge
Birmingham
Boise
Boston
Charleston, SC
Charlotte
Chattanooga
Chicago
Cincinnati
Cleveland
Colorado Springs
Columbus
Dallas-Fort Worth
Denver
Des Moines

Detroit
El Paso
Greenville, SC
Houston
Huntsville
Indianapolis
Inland Empire
Jacksonville
Kansas City
Knoxville
Las Vegas
Lexington
Little Rock
Los Angeles
Louisville
Madison
Memphis
Milwaukee
Minneapolis-St. Paul
Mobile

Nashville
New Orleans
New York
Northern New Jersey
Northwest Arkansas
Oklahoma City
Omaha
Orange County, CA
Orlando
Pensacola
Philadelphia
Phoenix
Pittsburgh
Portland
Raleigh-Durham
Reno
Richmond
Sacramento
Salt Lake City
San Antonio

San Diego
San Francisco-Oakland
San Jose
Sarasota
Savannah
Seattle-Tacoma
South Florida
St. Louis
Tallahassee
Tampa-St. Petersburg
Tucson
Tulsa
Ventura County
Virginia Beach
Washington, D.C.
West Michigan
Wichita

National