



Q1 2024 MULTIFAMILY MARKET REPORT

Multifamily Market - Key Trends Snapshot

Multifamily Market

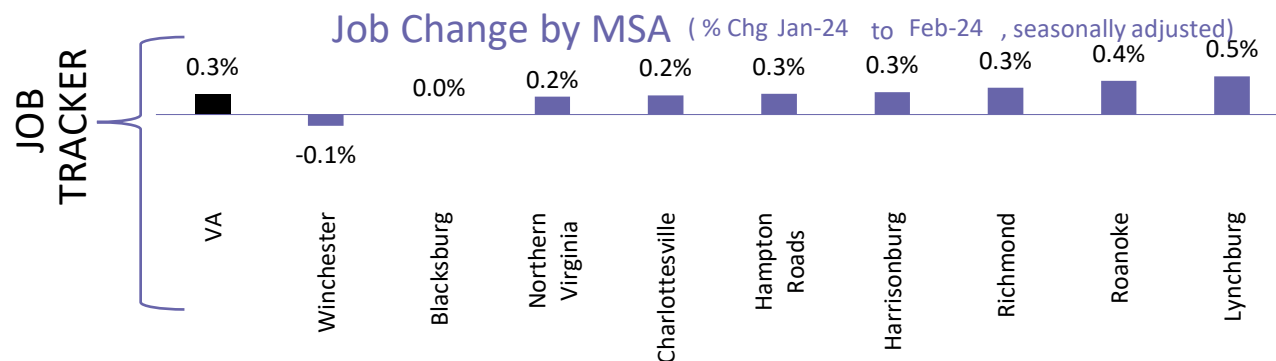
Overview: The multifamily rental market in Virginia was relatively stable to start 2024, with upward pressure on rents and only a small uptick in vacancy. The large influx of new units that became available last year are getting leased, there was net positive absorption statewide, which was the strongest in Northern Virginia and the Richmond region, two of the markets with most of the new multifamily inventory. The pipeline of new construction continues to be much slower than last year.

Absorption: Amid affordability issues in the housing market, demand for multifamily remained high with 4,153 units absorbed in Q1 2024 statewide. Garden style/low rise apartments saw 489 units absorbed while Mid/High apartments had 3,417 units absorbed. Two of Virginia's biggest metro areas, Northern Virginia (+1,535 units) and Richmond (+1,024 units) had the highest number of units absorbed quarter.

Vacancy Rate: The multifamily market in Virginia had a vacancy rate of 6.3% in the first quarter, down from 6.1% last year. Apartment vacancies are beginning to stabilize but remains higher compared to five years ago as new units continue to hit the market. Both garden/low rise (5.4%) and mid/high rise (7.8%) multifamily units saw small increases in vacancy rates this quarter. Richmond had the highest vacancy rate in the state at 8.4%, up 0.7 percentage points from a year ago. The metro area with the lowest multifamily vacancy rate was Harrisonburg at 4.0%.

Rent: Apartment rent prices continue to climb throughout the state with the average effective rent for a unit in Virginia climbing to \$1,706 in Q1. The cost for an apartment in Winchester increased 5.4% to \$1,396, while rent in Northern Virginia rose 5.0% to \$2,171. The markets with the smallest increase in effective rent were Lynchburg at 0.9% and Richmond at 1.0%.

Supply/Delivery: The number of units under construction dropped from 32,388 in Q1 2023 to 27,933 in Q1 2024, a 13.7% decrease. Northern Virginia and Richmond were the metro markets with the largest share of new construction in the state. Statewide deliveries dipped in Q1 2024 with 3,875 units delivered, down 22.3% from the same time last year.



VIRGINIA (Statewide)



Market Indicator Dashboard

	YoY Chg	Q1-2024	Indicator
% chg	2.6%	687,626	Total Inventory (units)
units	1,407	4,153	Net Absorption (units)
pct point	0.2%	6.3%	Vacancy Rate (%)
\$ per unit	\$60	\$1,706	Avg. Effective Rent Per Unit (\$ per unit)
\$ per sq. ft	\$0.07	\$1.88	Avg. Effective Rent Per Sq. Ft (\$ per sq. ft)
units	-1,114	3,875	New Supply Delivered (units)
units	-4,455	27,933	Under Construction (units)



Economic Indicator Dashboard

	MoM % Chg	Feb-24	Indicator
% chg	0.3%	4.2	Total Jobs, Virginia (in millions, seasonally adjusted)
pct point	0	3.0%	Unemployment Rate, Virginia (% seasonally adjusted)
pct point	-1.5%	3.4%	Gross Domestic Product, U.S. (seasonally adjusted annual rate)

Virginia Multifamily Market

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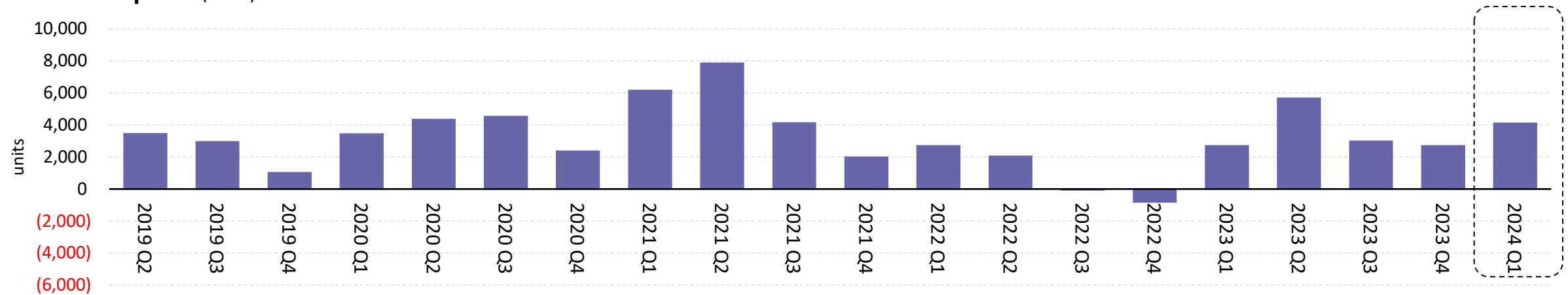
Harrisonburg MSA ----- 16



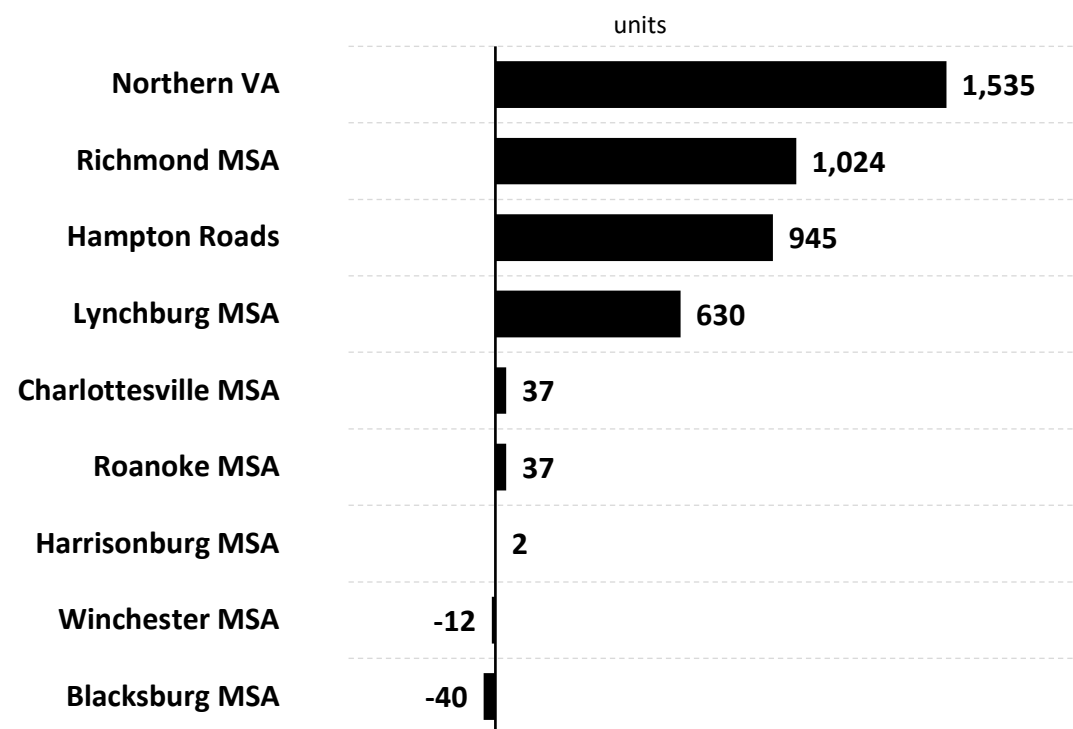
Multifamily Market - Absorption & Construction Trends

VIRGINIA (Statewide)

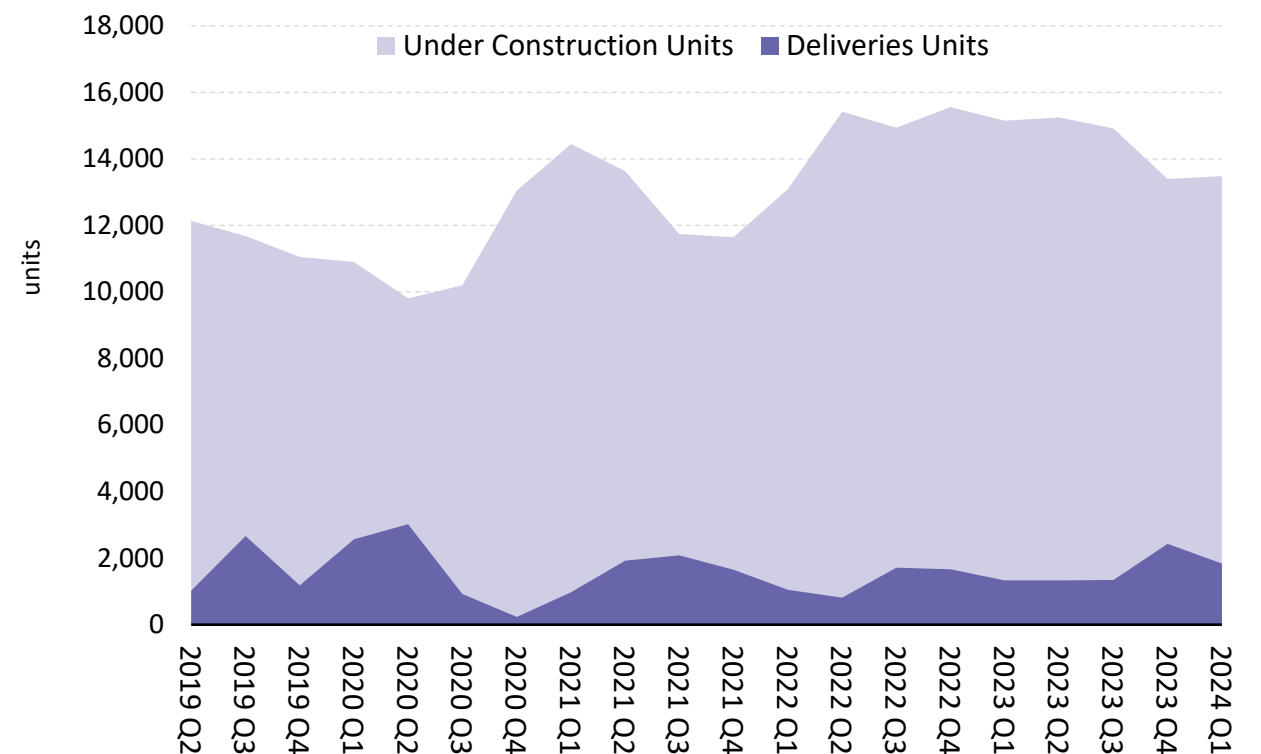
Net Absorption (units)



Q1-2024 Net Absorption by Metro Area (units)

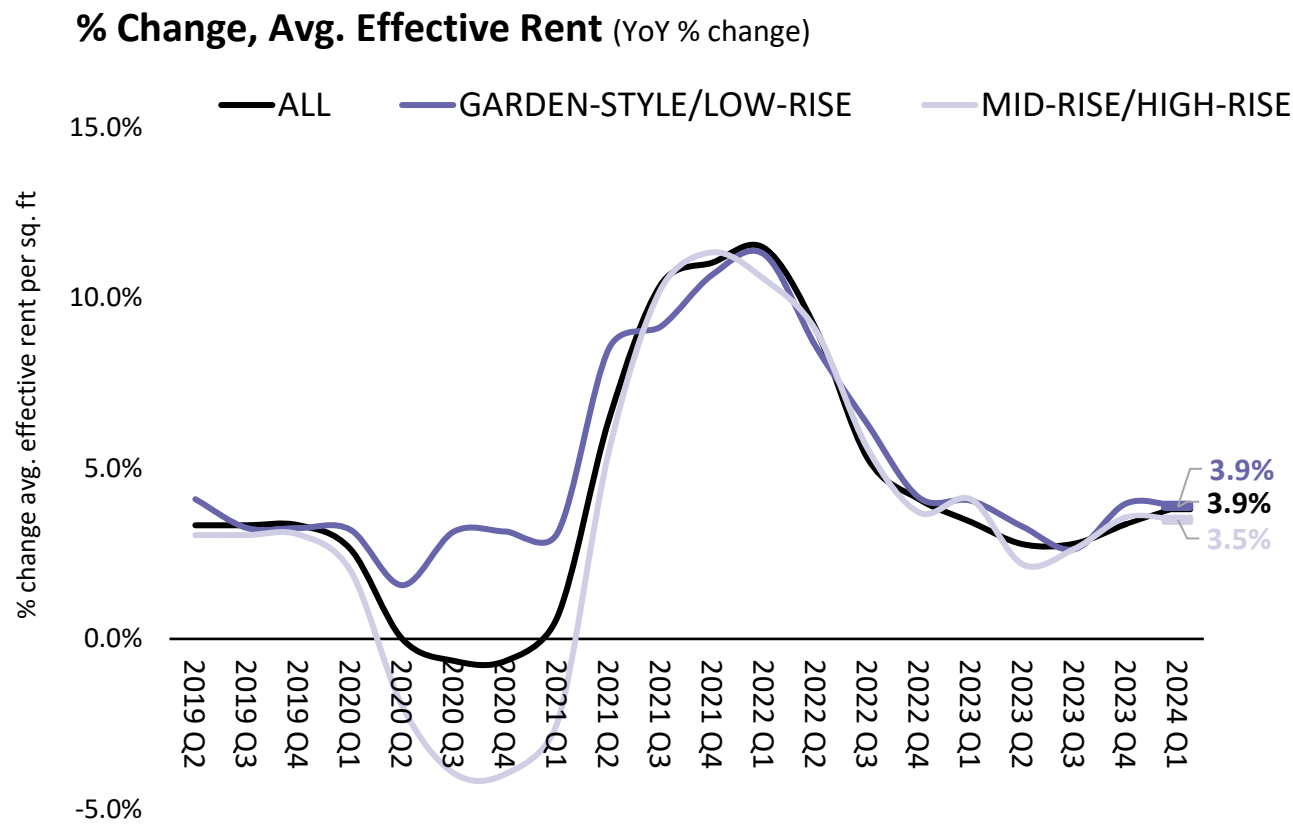
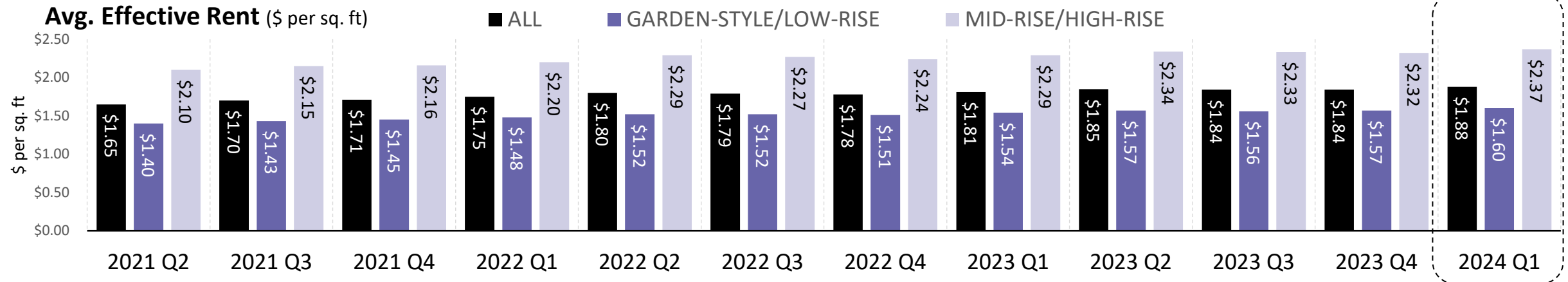


Under Construction & Net Deliveries (units)

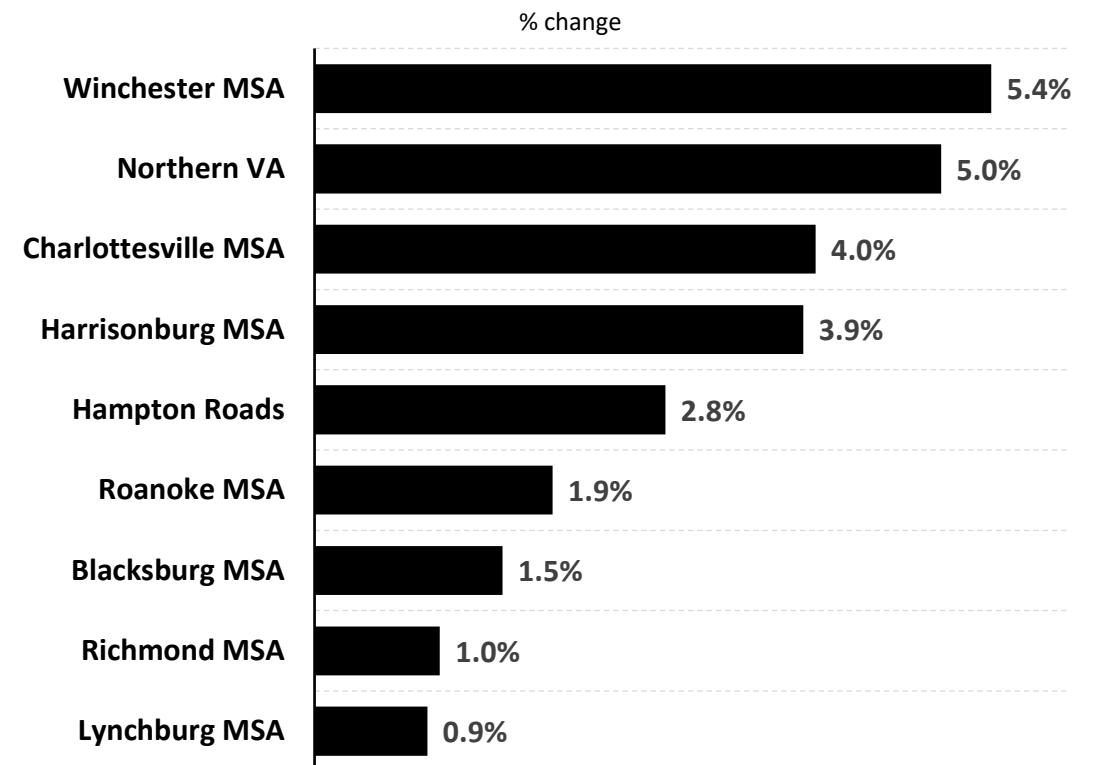


Multifamily Market - Rent Trends

VIRGINIA (Statewide)

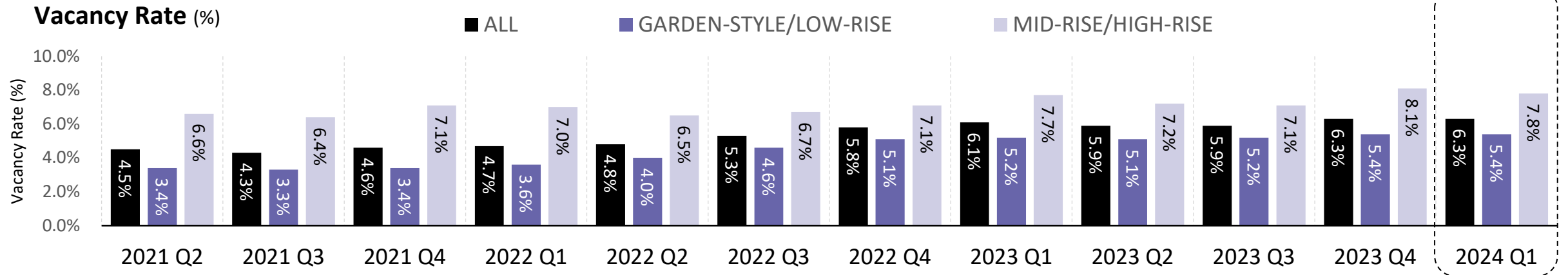


Q1-2024 by MSA: % Change, Avg. Effective Rent (YoY % change)

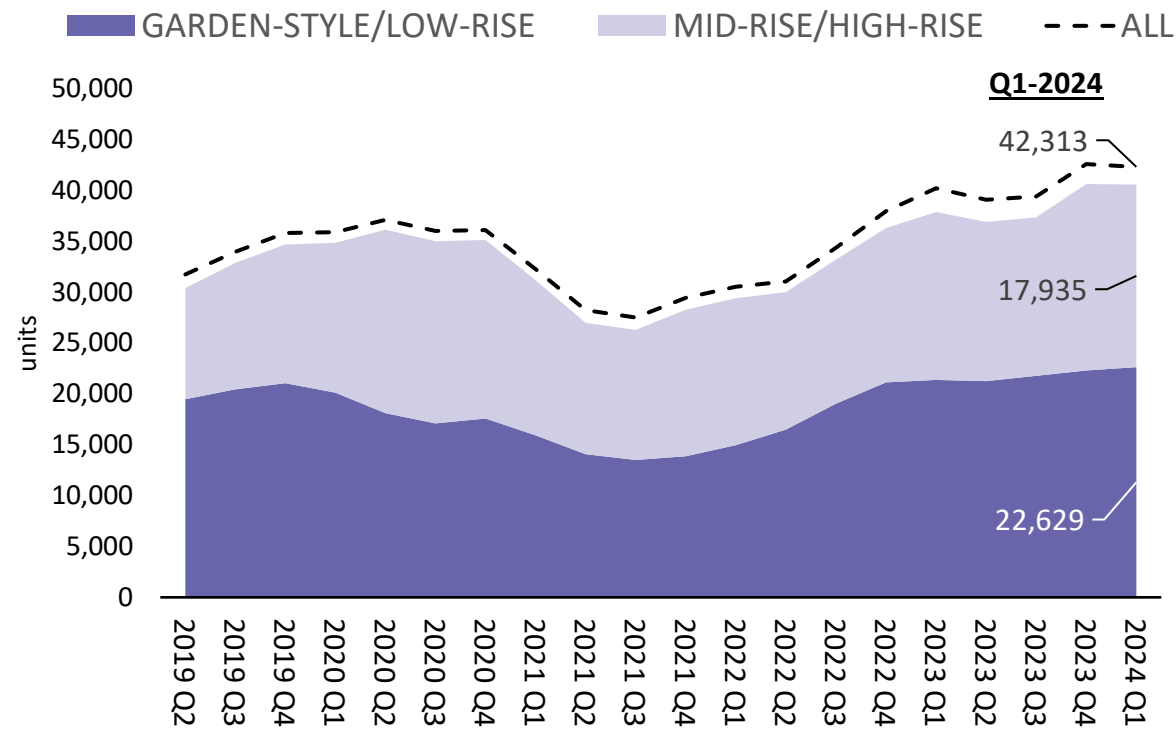


Multifamily Market - Vacancy Trends

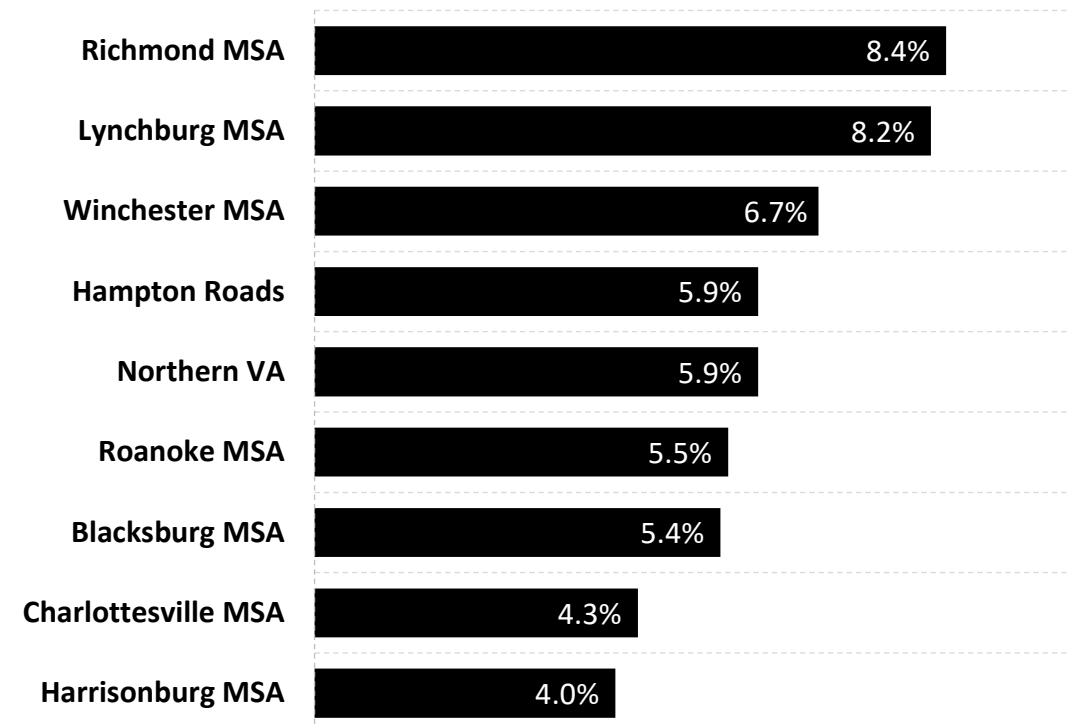
VIRGINIA (Statewide)



Vacant Inventory (units)



Q1-2024 Multifamily Vacancy Rate by MSA



MSA TRENDS

METROPOLITAN STATISTICAL AREA

Q1



2024

MULTIFAMILY
Market Report



Snapshot of Multifamily Market Conditions Around Virginia

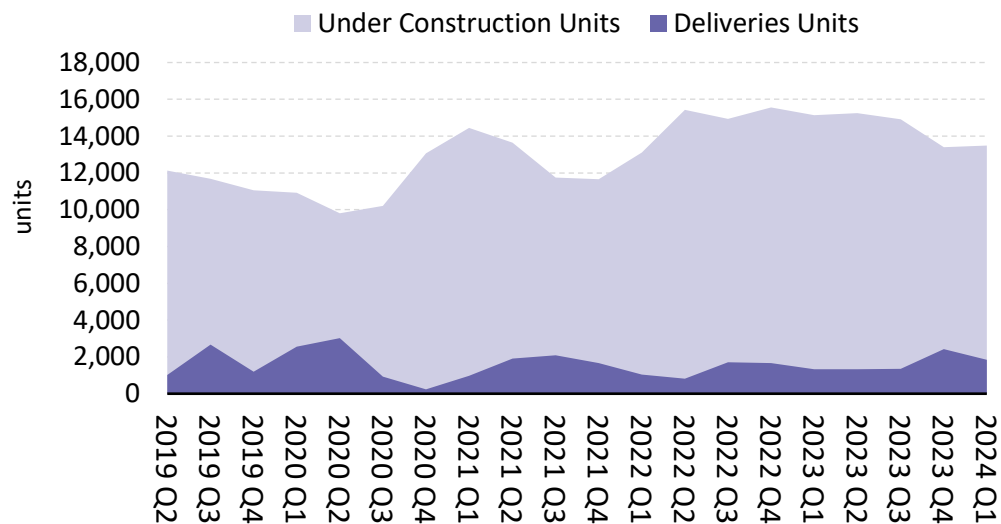
Multifamily Market - MSA Trends

NORTHERN VIRGINIA

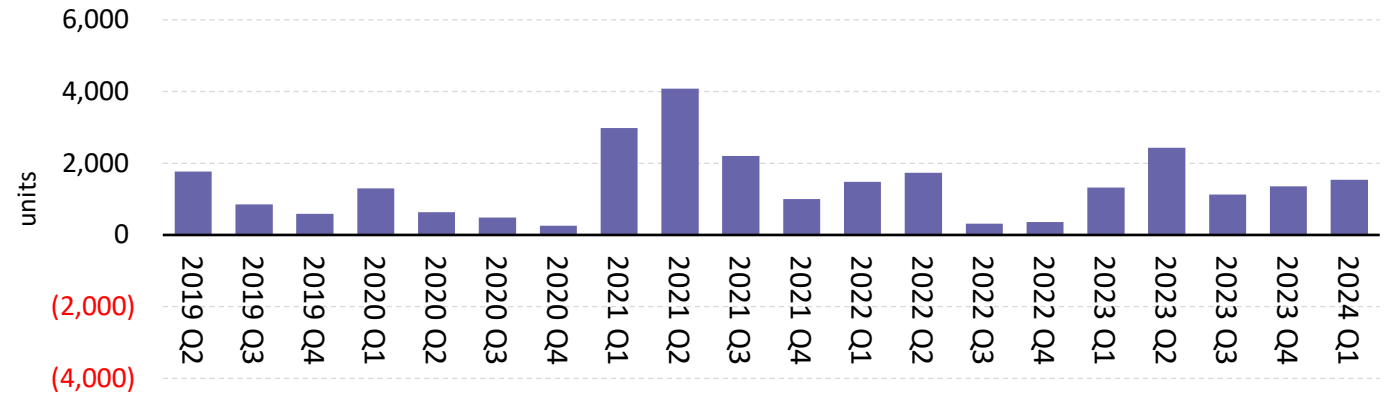
Local Market Indicator Dashboard

	Q1-2024	YoY Chg
Total Inventory (units)	273,111	2.6% % chg
Vacancy Rate (%)	5.9%	0.1% pct points
Net Absorption (units)	1,535	208 units
Avg. Effective Rent (\$/per unit)	\$2,171	\$104 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$2.40	\$0.12 \$ per sq. ft
Under Construction (units)	13,479	-1,667 units

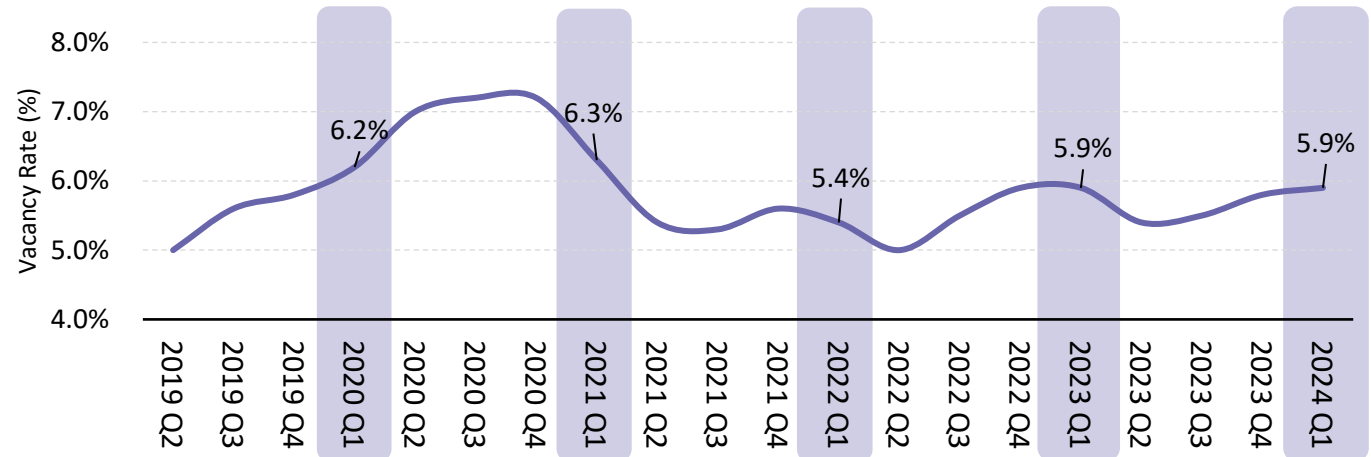
Under Construction & Net Deliveries (units)



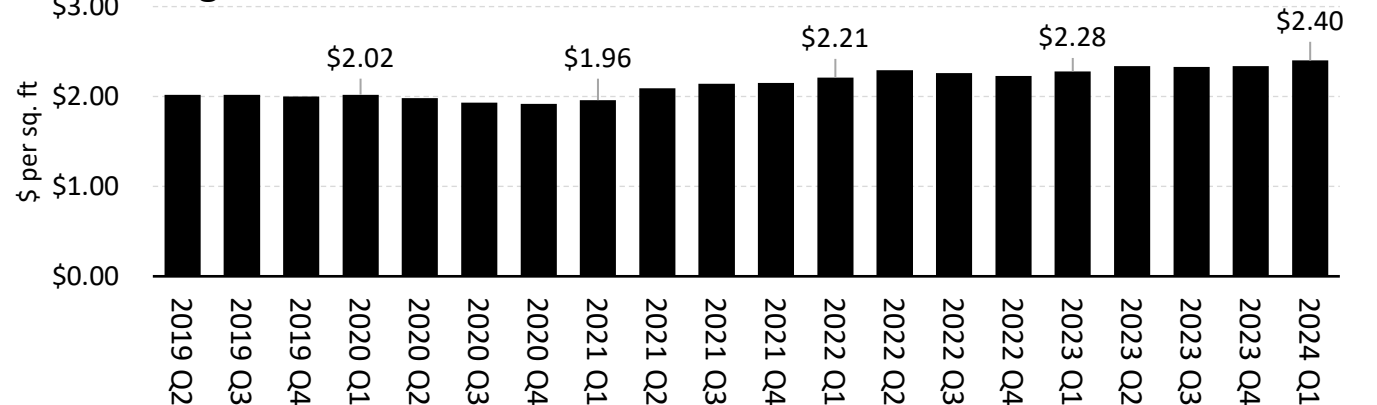
Net Absorption (units)



Vacancy Rate (%)



Avg. Effective Rent (\$ per sq. ft)



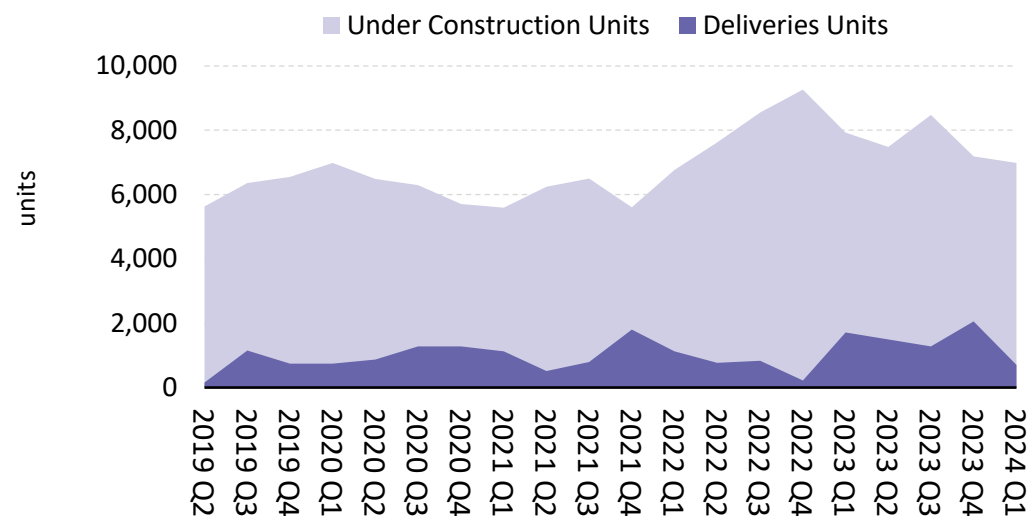
Multifamily Market - MSA Trends

RICHMOND MSA

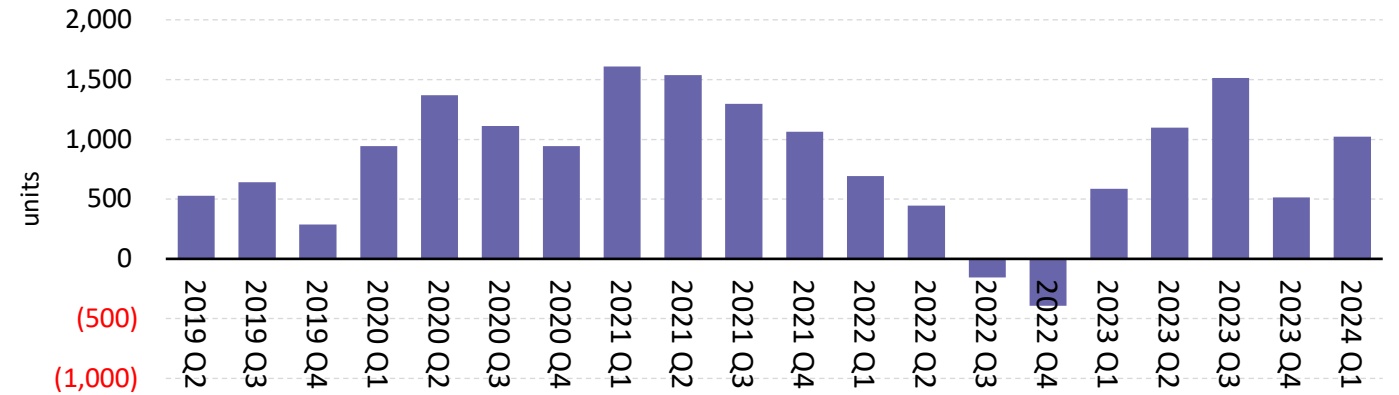
Local Market Indicator Dashboard

	Q1-2024	YoY Chg
Total Inventory (units)	137,219	4.2% % chg
Vacancy Rate (%)	8.4%	0.7% pct points
Net Absorption (units)	1,024	439 units
Avg. Effective Rent (\$/per unit)	\$1,405	\$14 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.60	\$0.02 \$ per sq. ft
Under Construction (units)	6,990	-941 units

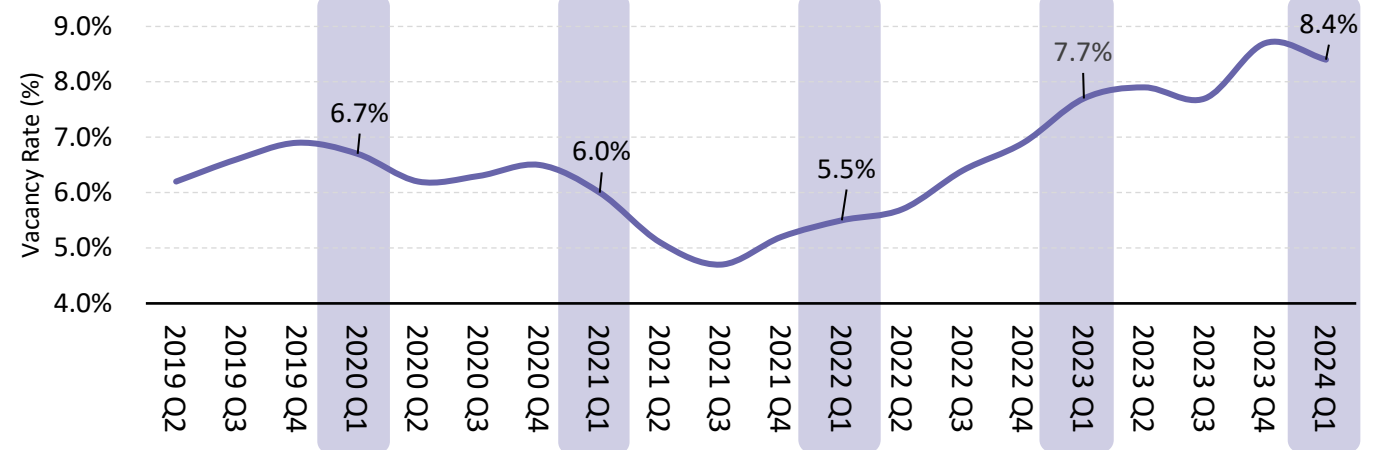
Under Construction & Net Deliveries (units)



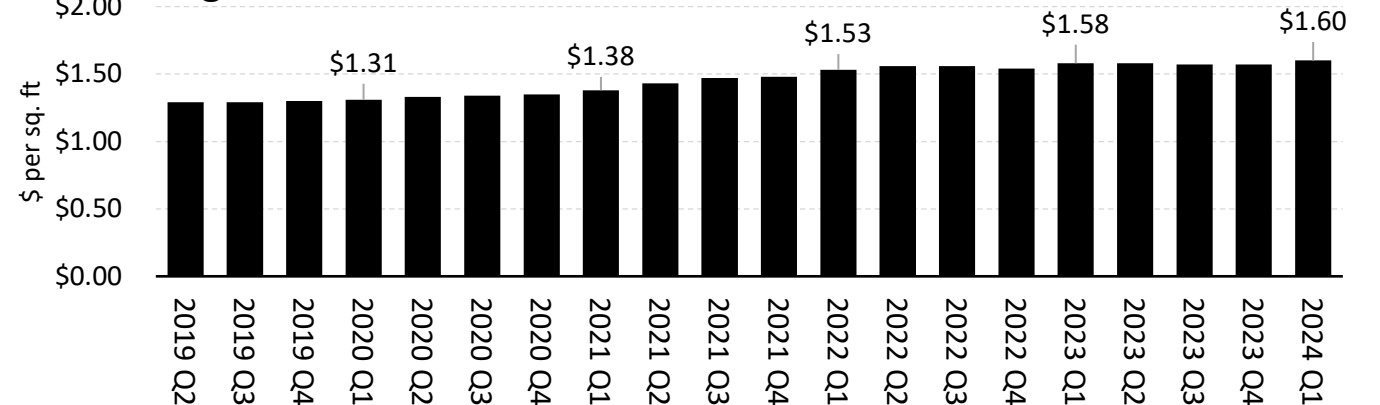
Net Absorption (units)



Vacancy Rate (%)



Avg. Effective Rent (\$ per sq. ft)

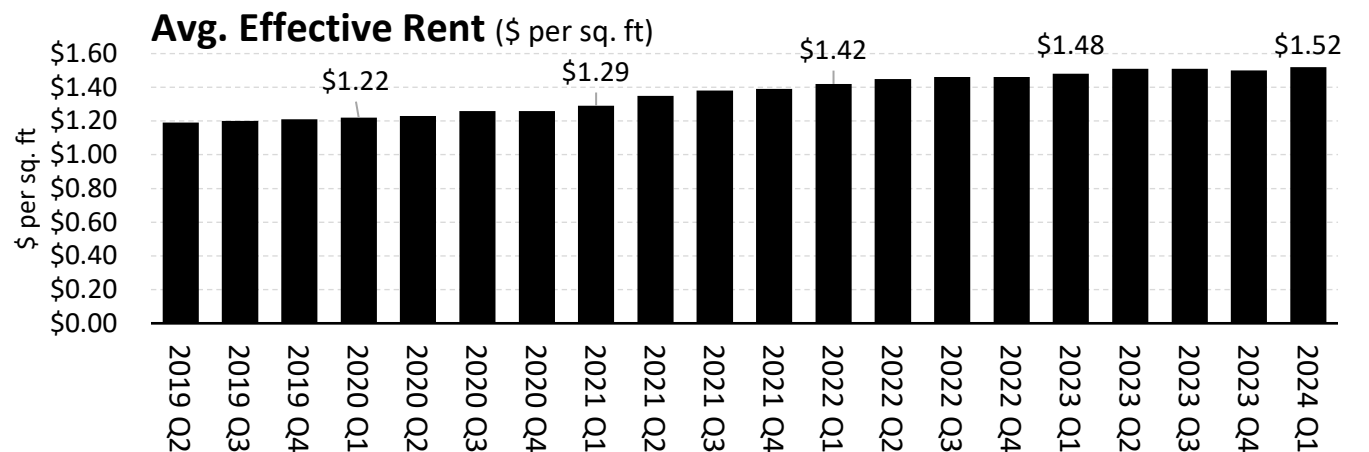
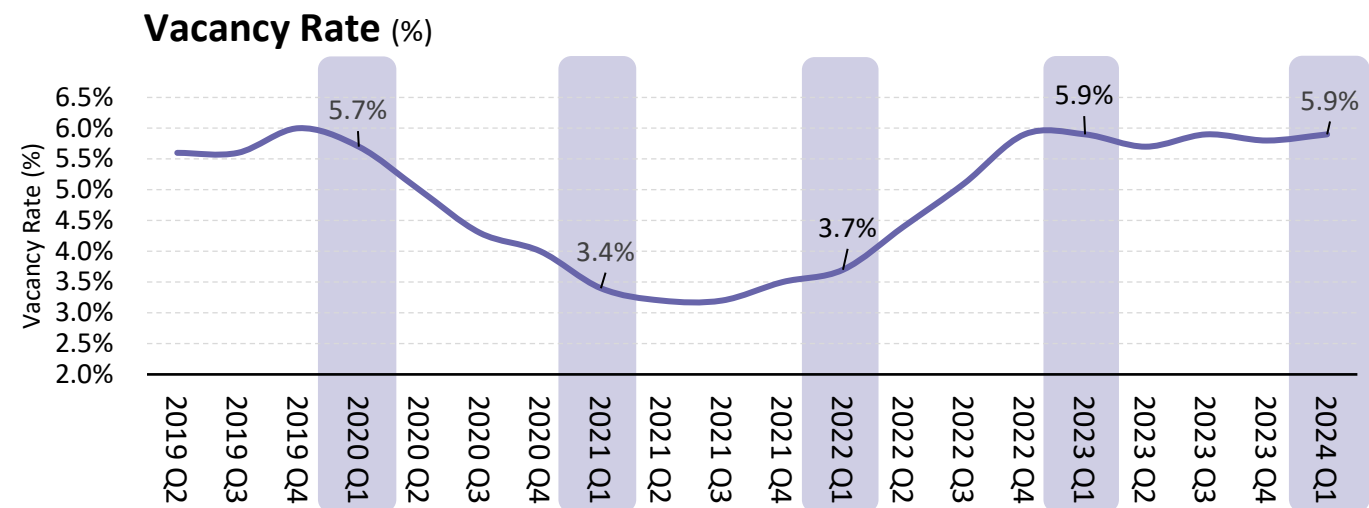
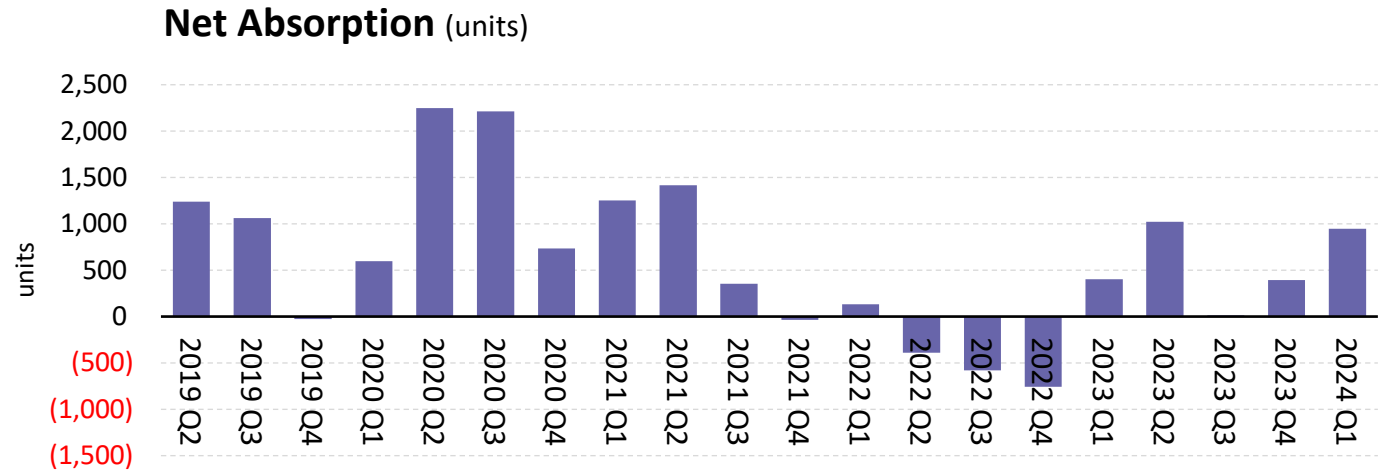
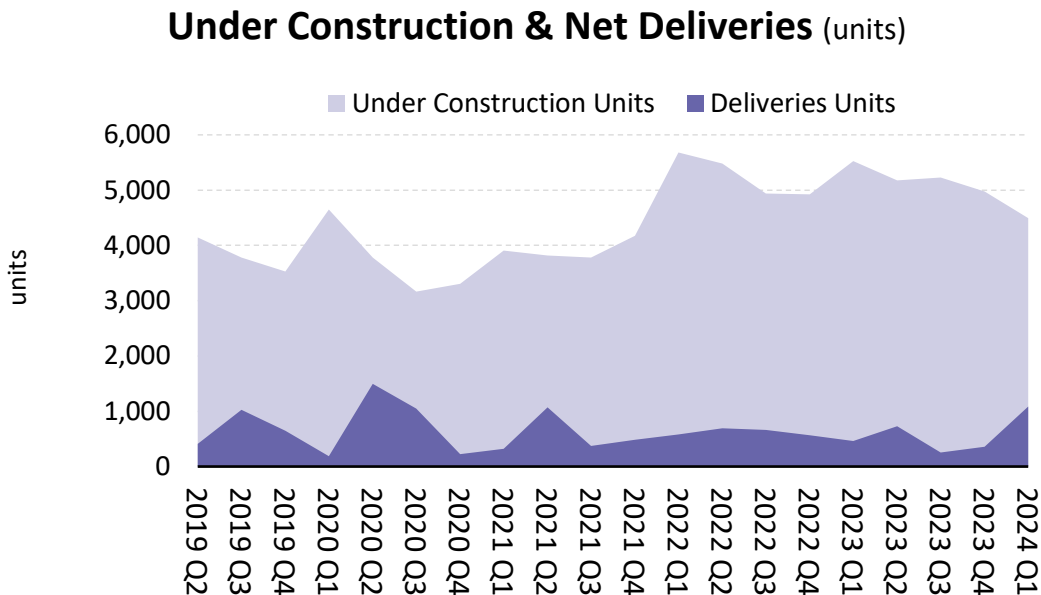


Multifamily Market - MSA Trends

HAMPTON ROADS

Local Market Indicator Dashboard

	Q1-2024	YoY Chg	
Total Inventory (units)	176,423	1.4%	% chg
Vacancy Rate (%)	5.9%	0	pct points
Net Absorption (units)	945	541	units
Avg. Effective Rent (\$/per unit)	\$1,409	\$38	\$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.52	\$0.04	\$ per sq. ft
Under Construction (units)	4,491	-1,033	units



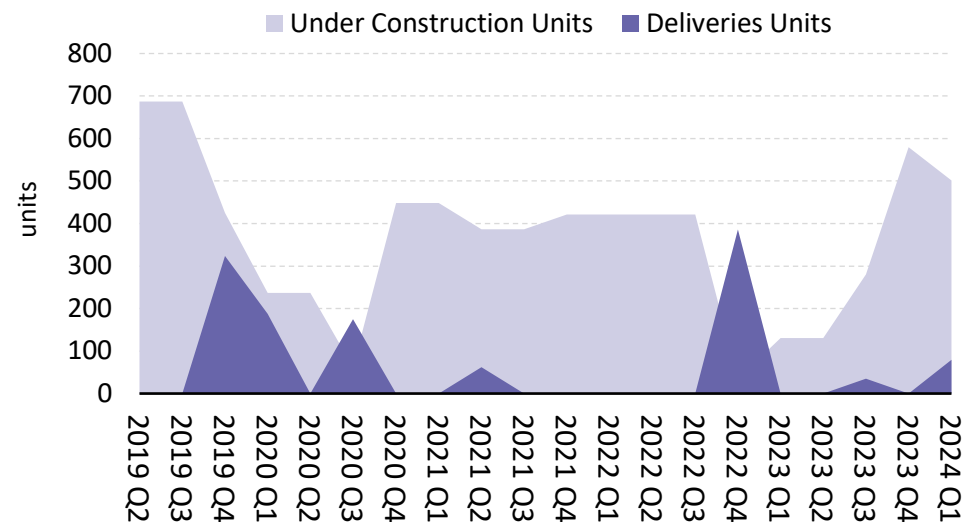
Multifamily Market - MSA Trends

ROANOKE MSA

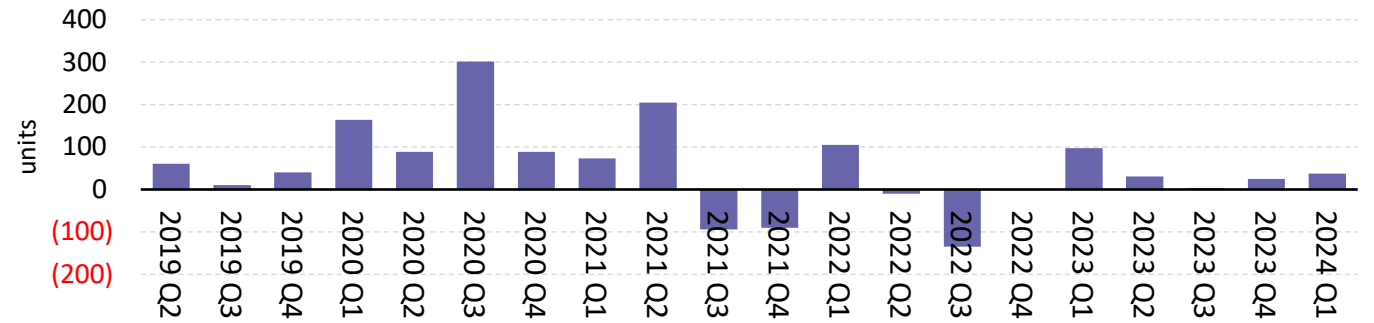
Local Market Indicator Dashboard

	Q1-2024	YoY Chg
Total Inventory (units)	20,089	0.6% % chg
Vacancy Rate (%)	5.5%	0 pct points
Net Absorption (units)	37	-60 units
Avg. Effective Rent (\$/per unit)	\$1,075	\$20 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.22	\$0.02 \$ per sq. ft
Under Construction (units)	501	370 units

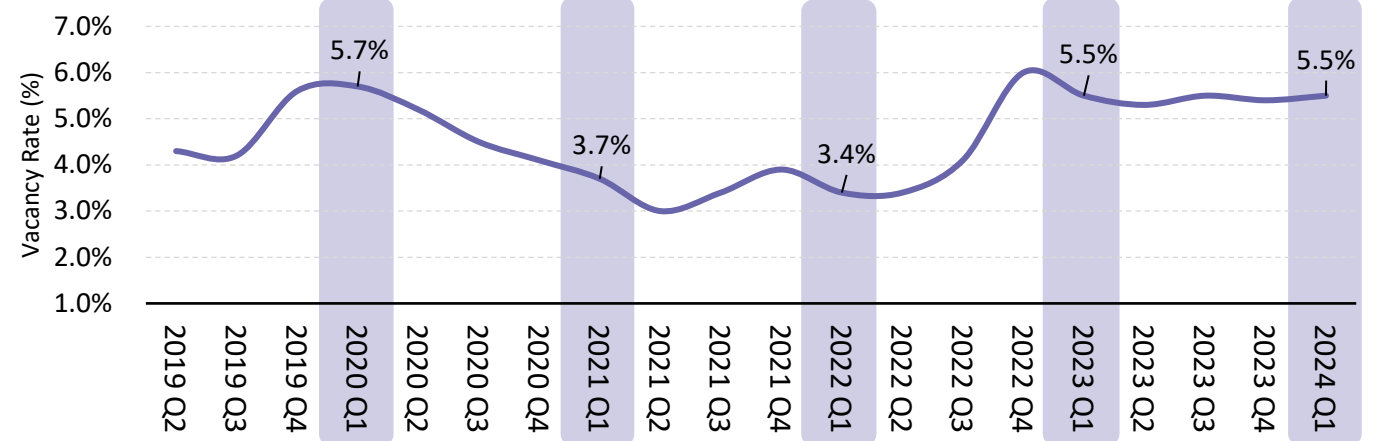
Under Construction & Net Deliveries (units)



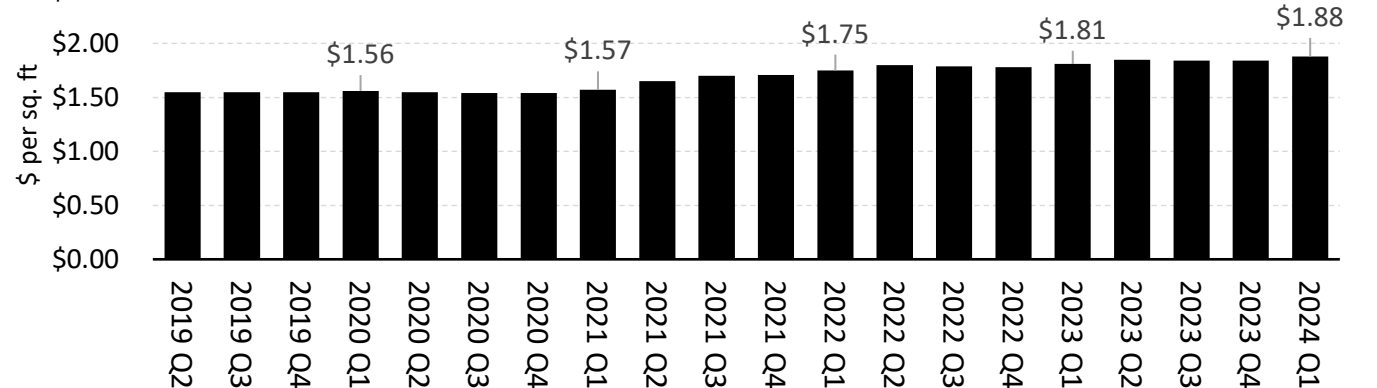
Net Absorption (units)



Vacancy Rate (%)



Avg. Effective Rent (\$ per sq. ft)



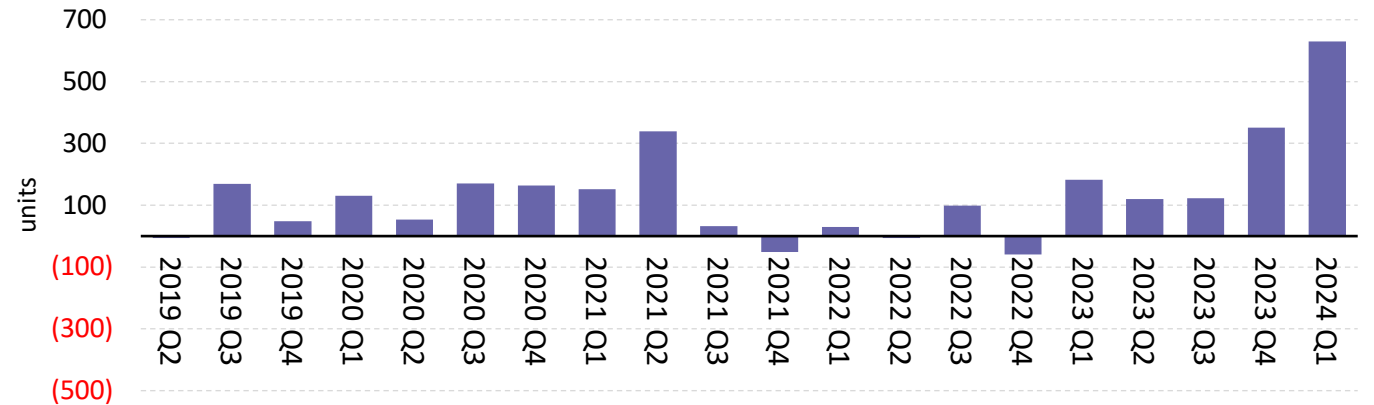
Multifamily Market - MSA Trends

LYNCHBURG MSA

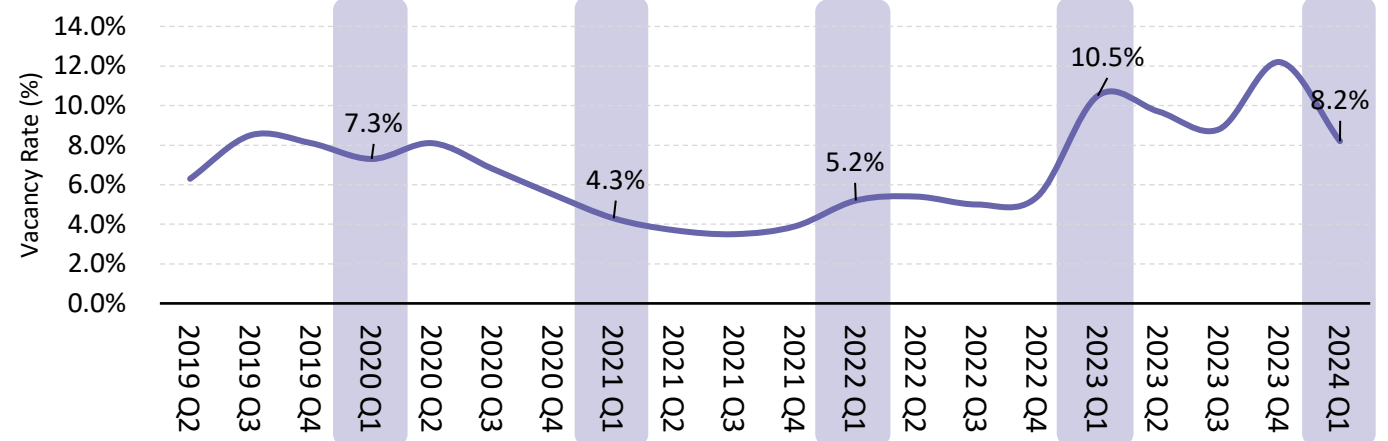
Local Market Indicator Dashboard

	Q1-2024	YoY Chg
Total Inventory (units)	15,384	6.6% % chg
Vacancy Rate (%)	8.2%	-2.3% pct points
Net Absorption (units)	630	448 units
Avg. Effective Rent (\$/per unit)	\$1,111	\$10 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.15	\$0.01 \$ per sq. ft
Under Construction (units)	280	-698 units

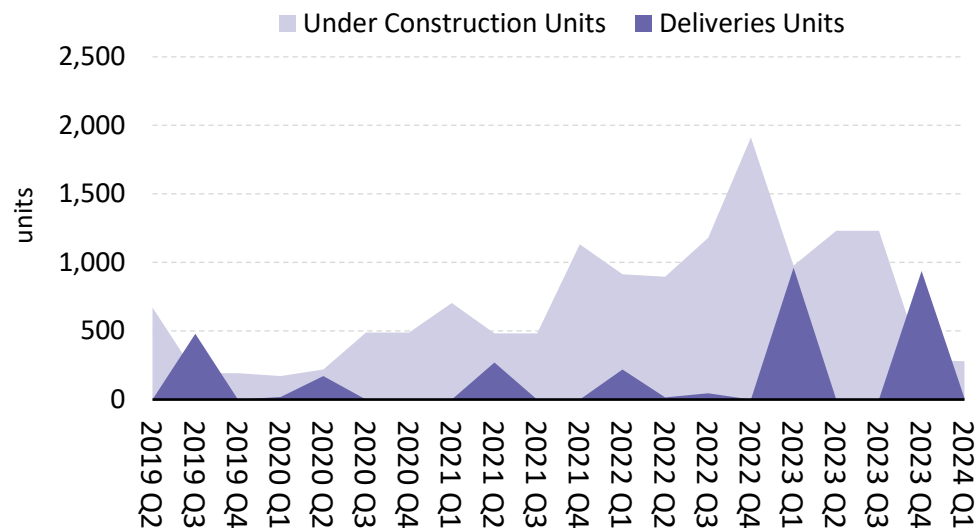
Net Absorption (units)



Vacancy Rate (%)



Under Construction & Net Deliveries (units)



Avg. Effective Rent (\$ per sq. ft)



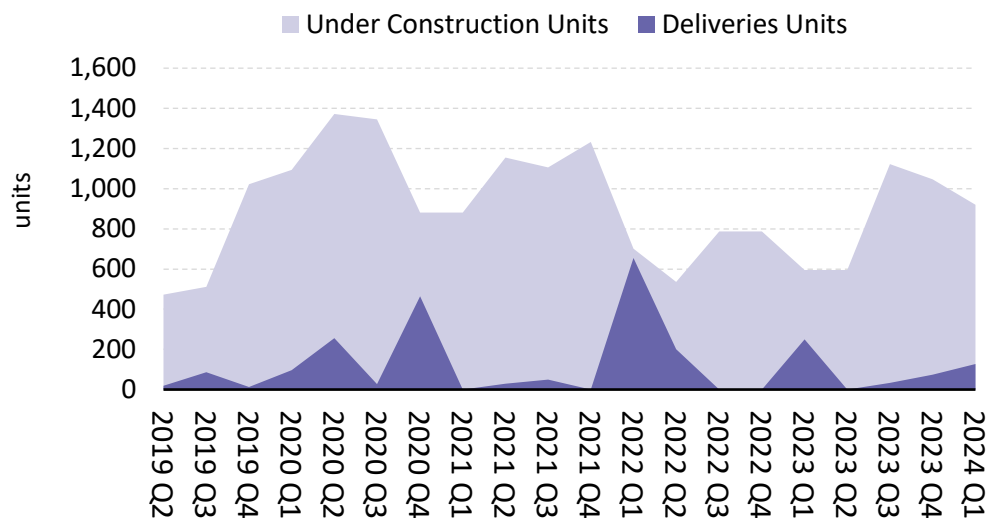
Multifamily Market - MSA Trends

CHARLOTTESVILLE MSA

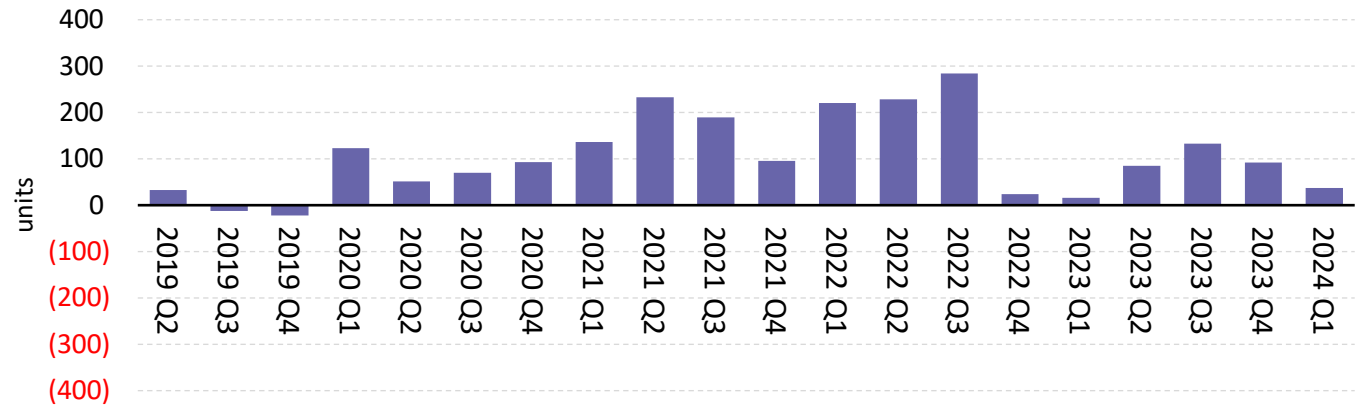
Local Market Indicator Dashboard

	Q1-2024	YoY Chg
Total Inventory (units)	14,287	1.7% % chg
Vacancy Rate (%)	4.3%	-0.9% pct points
Net Absorption (units)	37	21 units
Avg. Effective Rent (\$/per unit)	\$1,684	\$65 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.73	\$0.07 \$ per sq. ft
Under Construction (units)	919	324 units

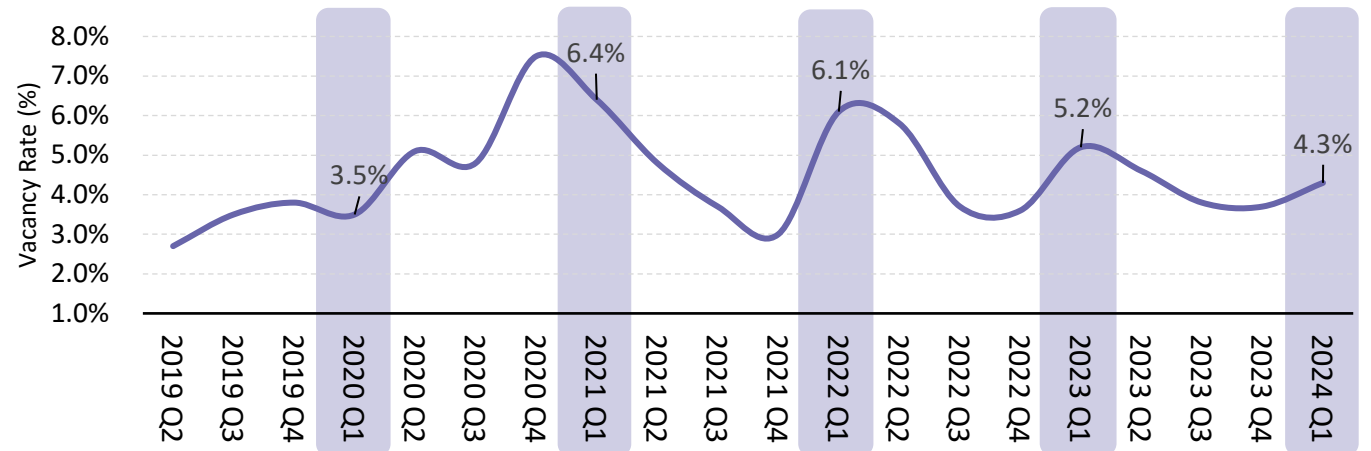
Under Construction & Net Deliveries (units)



Net Absorption (units)



Vacancy Rate (%)



Avg. Effective Rent (\$ per sq. ft)



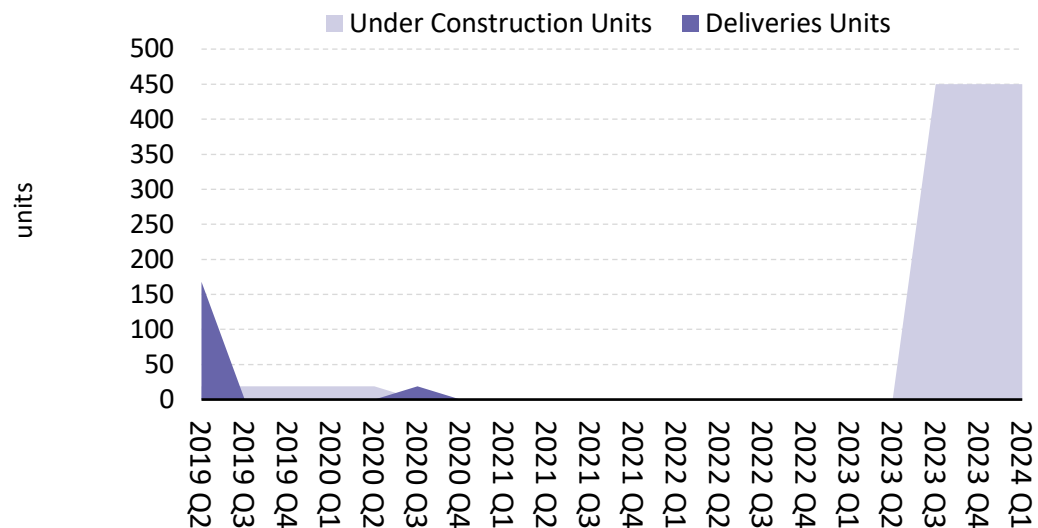
Multifamily Market - MSA Trends

BLACKSBURG MSA

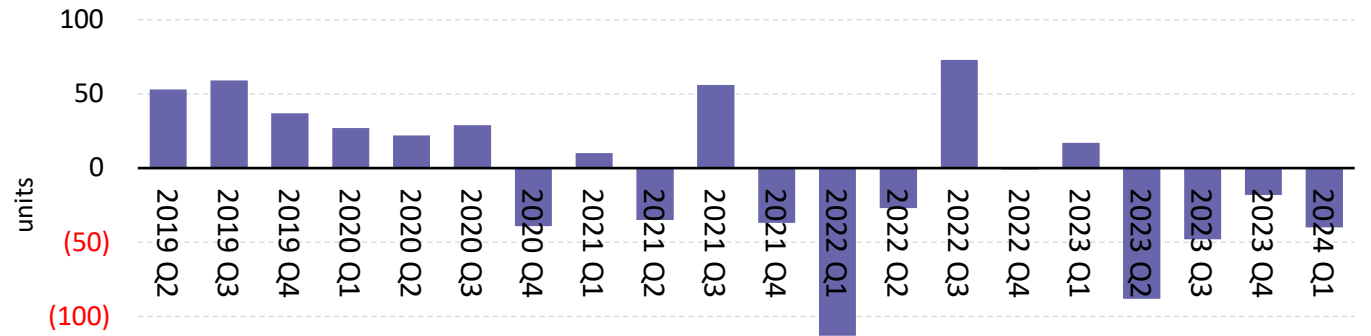
Local Market Indicator Dashboard

	Q1-2024	YoY Chg
Total Inventory (units)	9,556	0 % chg
Vacancy Rate (%)	5.4%	2.0% pct points
Net Absorption (units)	(40)	-57 units
Avg. Effective Rent (\$/per unit)	\$1,232	\$18 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.32	\$0.04 \$ per sq. ft
Under Construction (units)	450	450 units

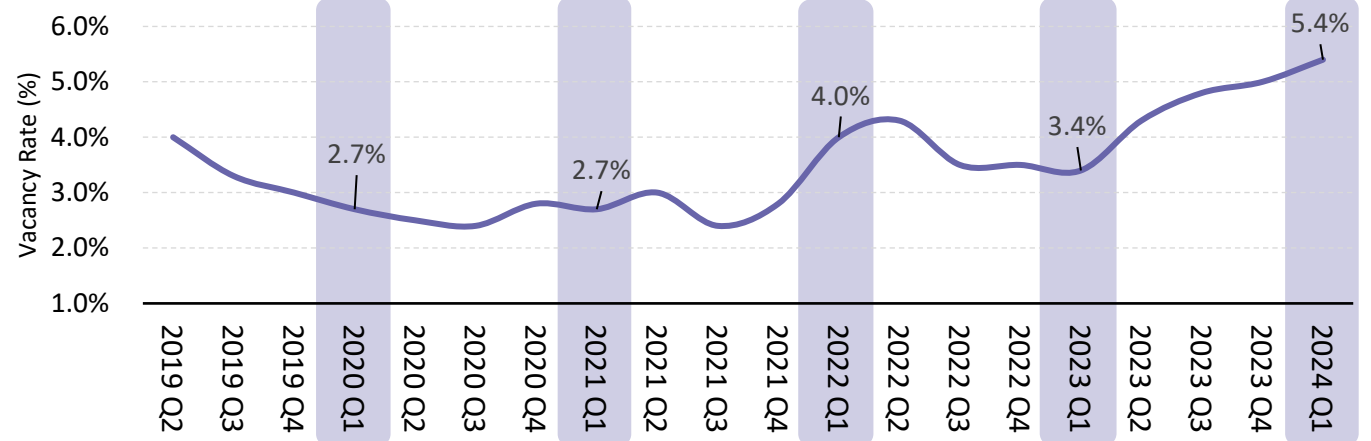
Under Construction & Net Deliveries (units)



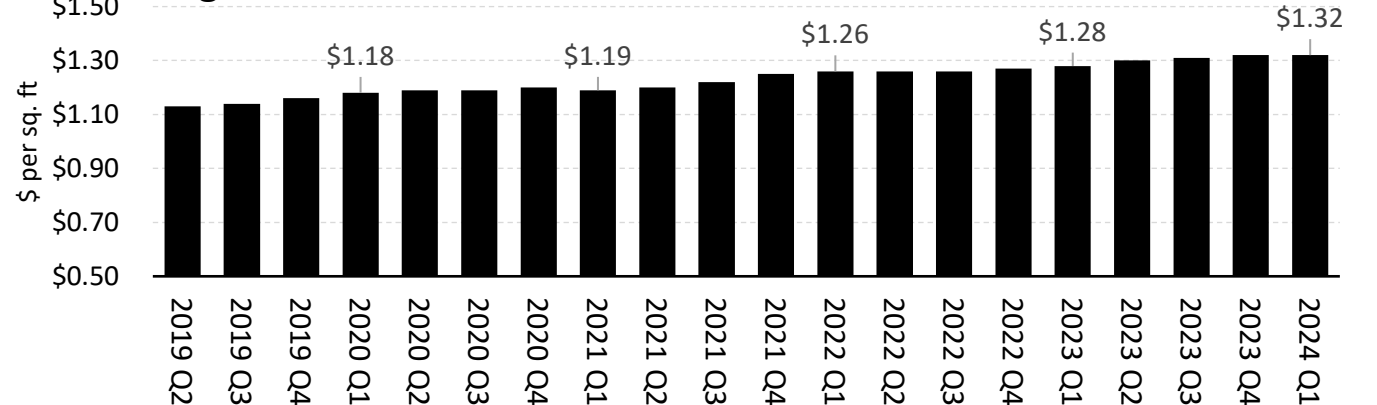
Net Absorption (units)



Vacancy Rate (%)



Avg. Effective Rent (\$ per sq. ft)



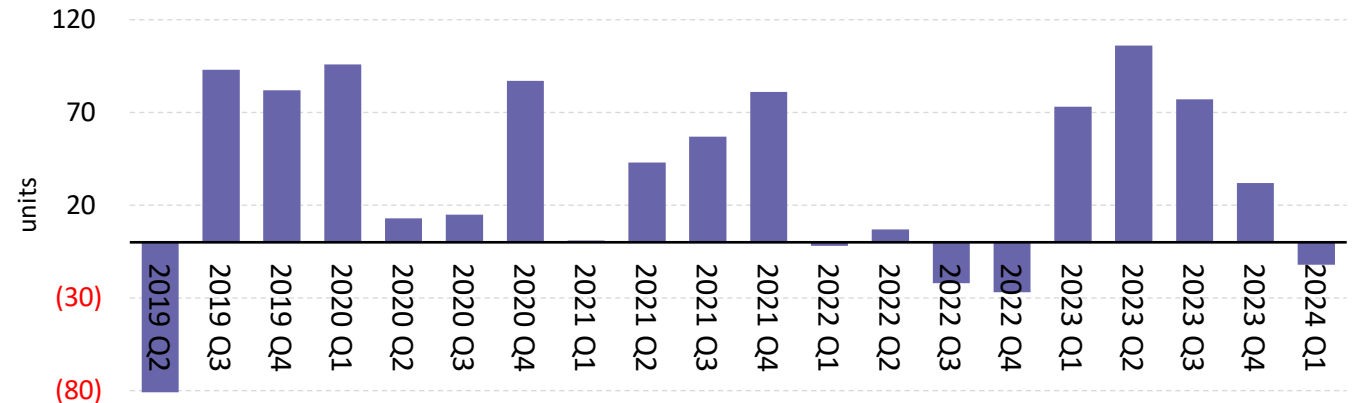
Multifamily Market - MSA Trends

WINCHESTER MSA

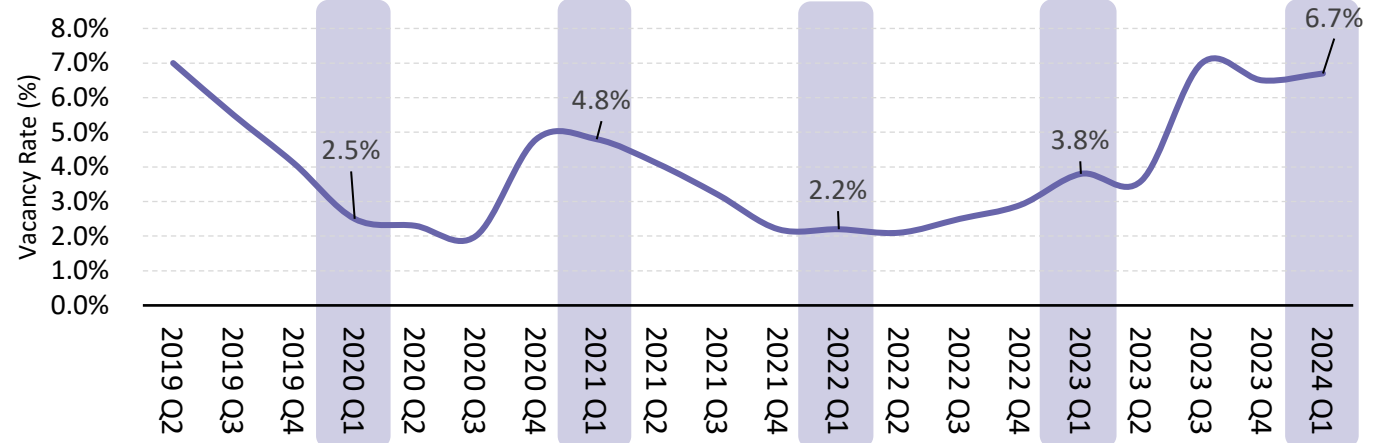
Local Market Indicator Dashboard

	Q1-2024	YoY Chg
Total Inventory (units)	6,917	6.4% % chg
Vacancy Rate (%)	6.7%	2.9% pct points
Net Absorption (units)	(12)	-85 units
Avg. Effective Rent (\$/per unit)	\$1,396	\$71 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.47	\$0.08 \$ per sq. ft
Under Construction (units)	440	-168 units

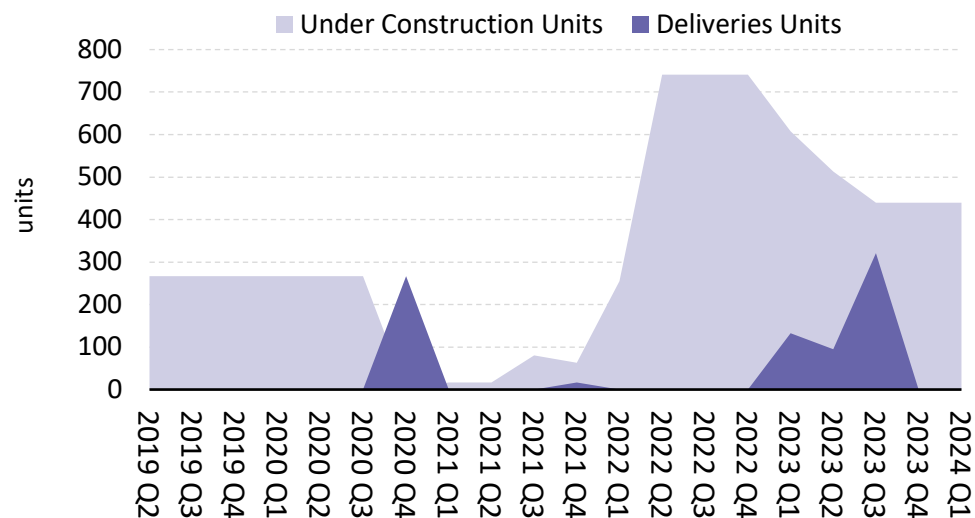
Net Absorption (units)



Vacancy Rate (%)



Under Construction & Net Deliveries (units)



Avg. Effective Rent (\$ per sq. ft)



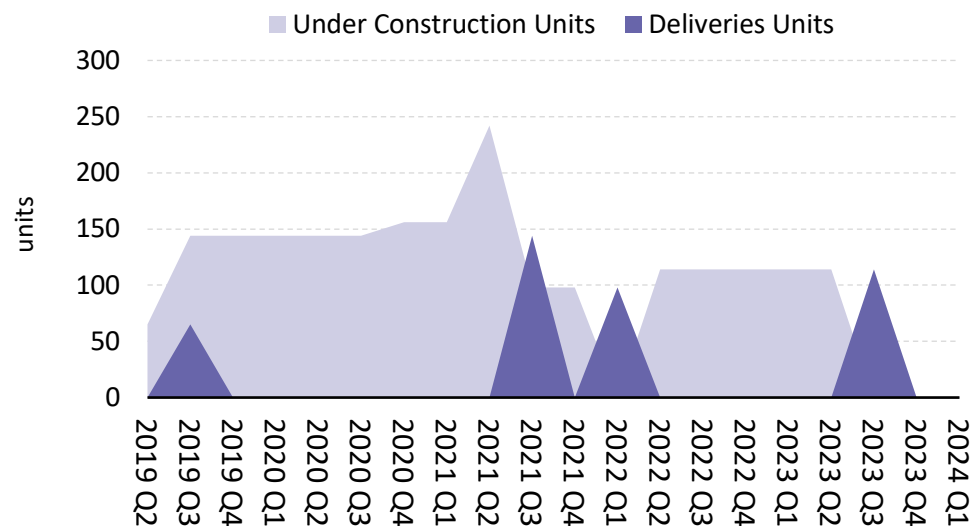
Multifamily Market - MSA Trends

HARRISONBURG MSA

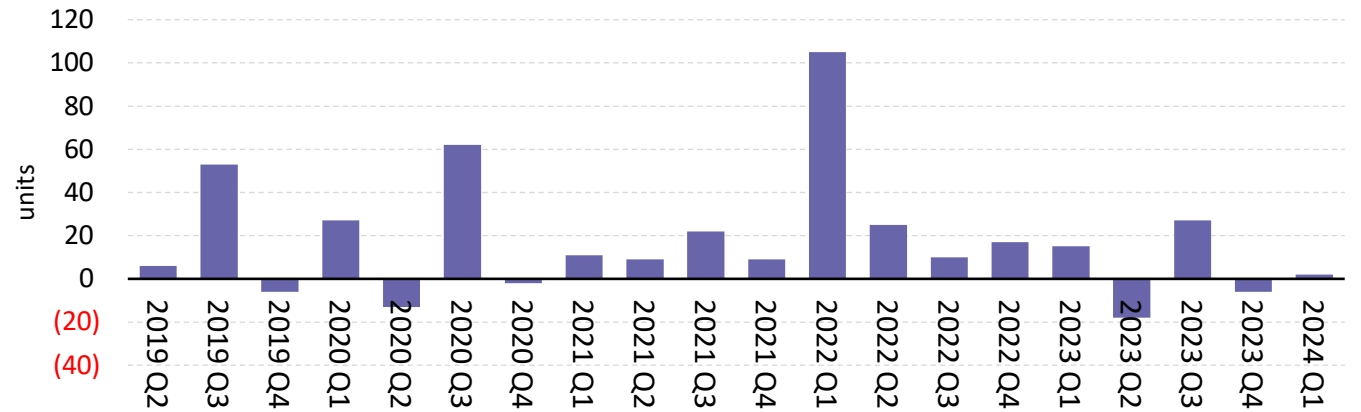
Local Market Indicator Dashboard

	Q1-2024	YoY Chg
Total Inventory (units)	5,124	2.3% <i>% chg</i>
Vacancy Rate (%)	4.0%	2.1% <i>pct points</i>
Net Absorption (units)	2	-13 <i>units</i>
Avg. Effective Rent (\$/per unit)	\$1,207	\$45 <i>\$ per unit</i>
Avg. Effective Rent (\$/per sq. ft)	\$1.35	\$0.06 <i>\$ per sq. ft</i>
Under Construction (units)	0	-114 <i>units</i>

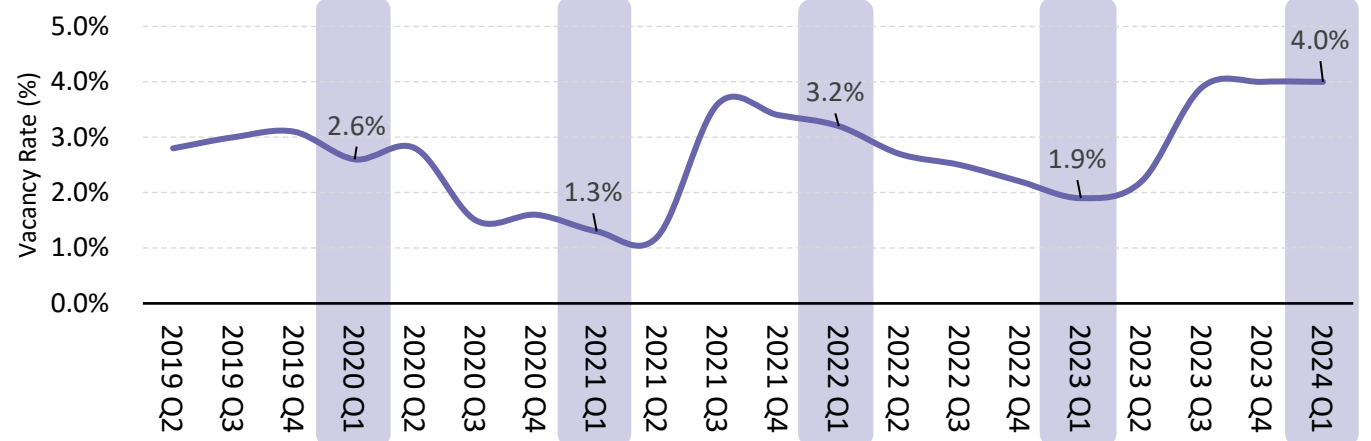
Under Construction & Net Deliveries (units)



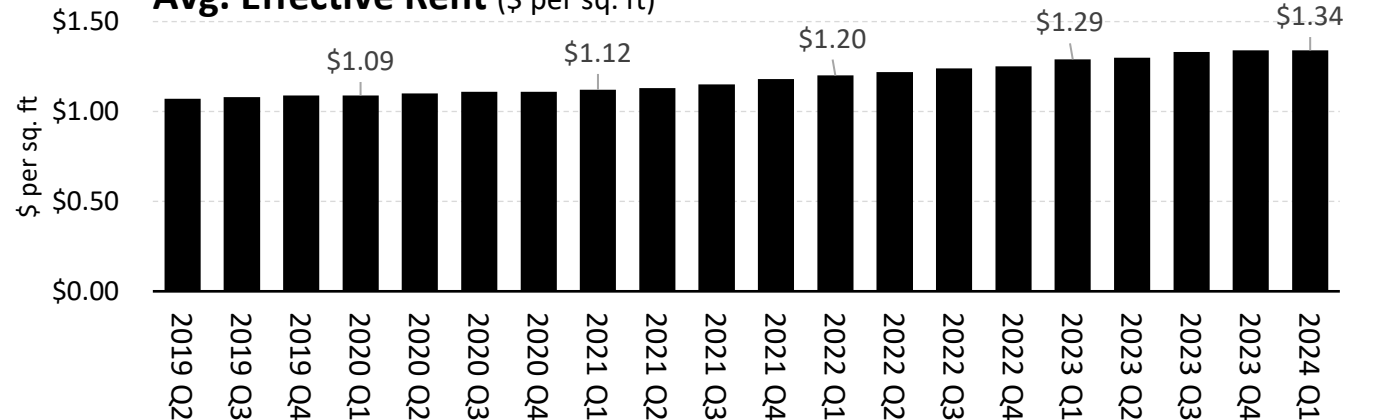
Net Absorption (units)



Vacancy Rate (%)



Avg. Effective Rent (\$ per sq. ft)



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