

Q2 2024 MULTIFAMILY MARKET REPORT

Multifamily Market - Key Trends Snapshot

Multifamily Market

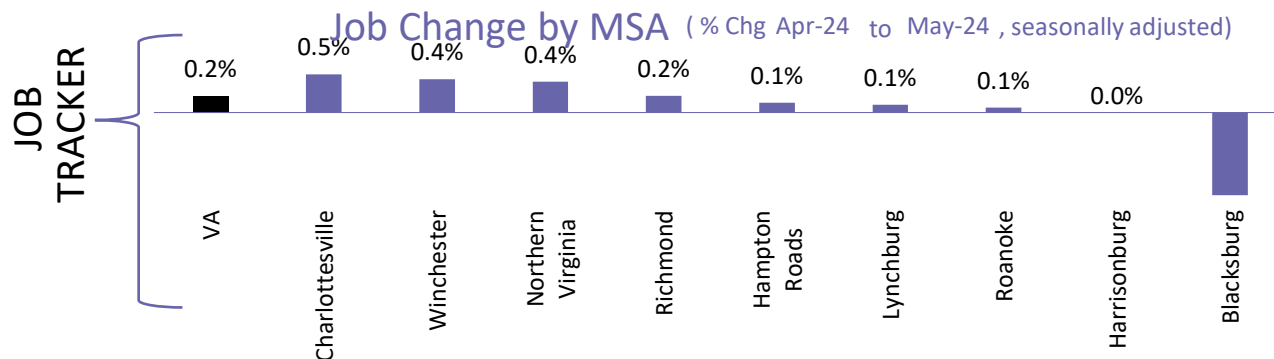
Overview: The multifamily rental market in Virginia is cooling overall, but absorption was positive in Q2. Vacancy rates are climbing in several market as more new units come online. Rents are trending up in most regions, and the pipeline of new construction continues to get much smaller than it was a year ago.

Absorption: Demand for multifamily housing continued to be positive with 4,777 units absorbed in Q2 2024. Garden style/low rise apartments saw 612 units absorbed while 3,904 units were absorbed for Mid/High rise apartments. Two of Virginia's biggest metro areas, Northern Virginia (+2,668 units) and Richmond (+1,200 units) had the highest amount of leased space this quarter, followed by Hampton Roads (+997 units). The Blacksburg multifamily market experienced negative absorption in Q2 2024 with 481 units vacated.

Vacancy Rate: The multifamily market in Virginia had a vacancy rate of 6.1% in the second quarter, up from 5.9% last year. Both garden/low rise (5.4%) and mid/high rise (7.4%) multifamily units saw small increases in vacancy rates this quarter compared to a year ago. Richmond had the highest vacancy rate in the state at 8.1%, up 0.1% from a year ago. The metro area with the lowest multifamily vacancy rate was Harrisonburg at 3.1%.

Rent: Rent prices remain elevated throughout the state with the rent for a unit in Virginia climbing to \$1,753 in Q2. The cost for an apartment in Winchester increased 6.1% to \$1,417, while rent in Charlottesville rose 5.4% to \$1,761. The markets with the smallest increase in effective rent were Blacksburg at 0.7% and Lynchburg at 1.1%.

Supply/Delivery: The number of units under construction dropped from 31,679 in Q2 2023 to 26,643 in Q2 2024, a 15.9% decrease. Northern Virginia and Richmond were the metro markets with the largest share of new construction in the state. Supply increased in Q2 2024 with 3,796 units delivered, up 9.2% from the same time last year.



VIRGINIA (Statewide)



Market Indicator Dashboard

	YoY Chg	Q2-2024	Indicator
% chg	2.6%	690,651	Total Inventory (units)
units	206	4,777	Net Absorption (units)
pct point	0.2%	6.1%	Vacancy Rate (%)
\$ per unit	\$70	\$1,753	Avg. Effective Rent Per Unit (\$ per unit)
\$ per sq. ft	\$0.07	\$1.93	Avg. Effective Rent Per Sq. Ft (\$ per sq. ft)
units	319	3,796	New Supply Delivered (units)
units	-5,036	26,643	Under Construction (units)



Economic Indicator Dashboard

	MoM % Chg	May-24	Indicator
% chg	0.2%	4.2	Total Jobs, Virginia (in millions, seasonally adjusted)
pct point	-0.1%	2.7%	Unemployment Rate, Virginia (% seasonally adjusted)
pct point	-2.0%	1.4%	Gross Domestic Product, U.S. (seasonally adjusted annual rate)

Virginia Multifamily Market

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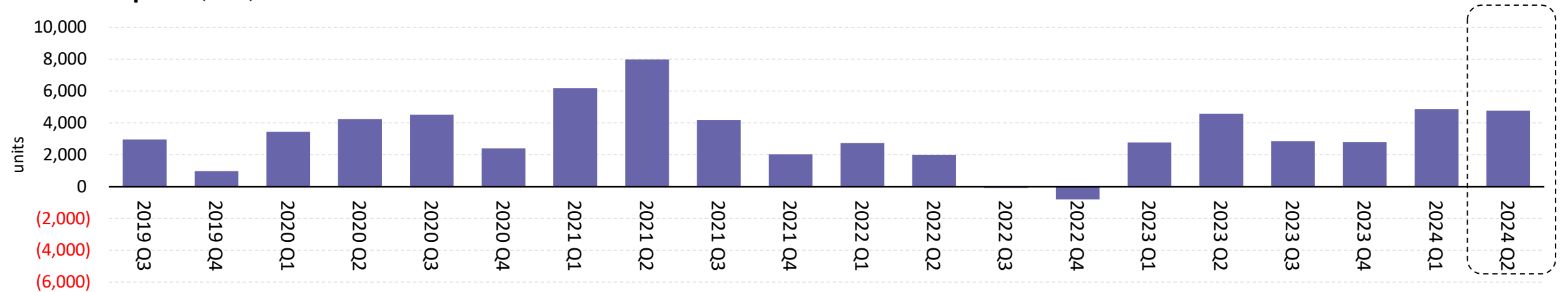
Harrisonburg MSA ----- 16



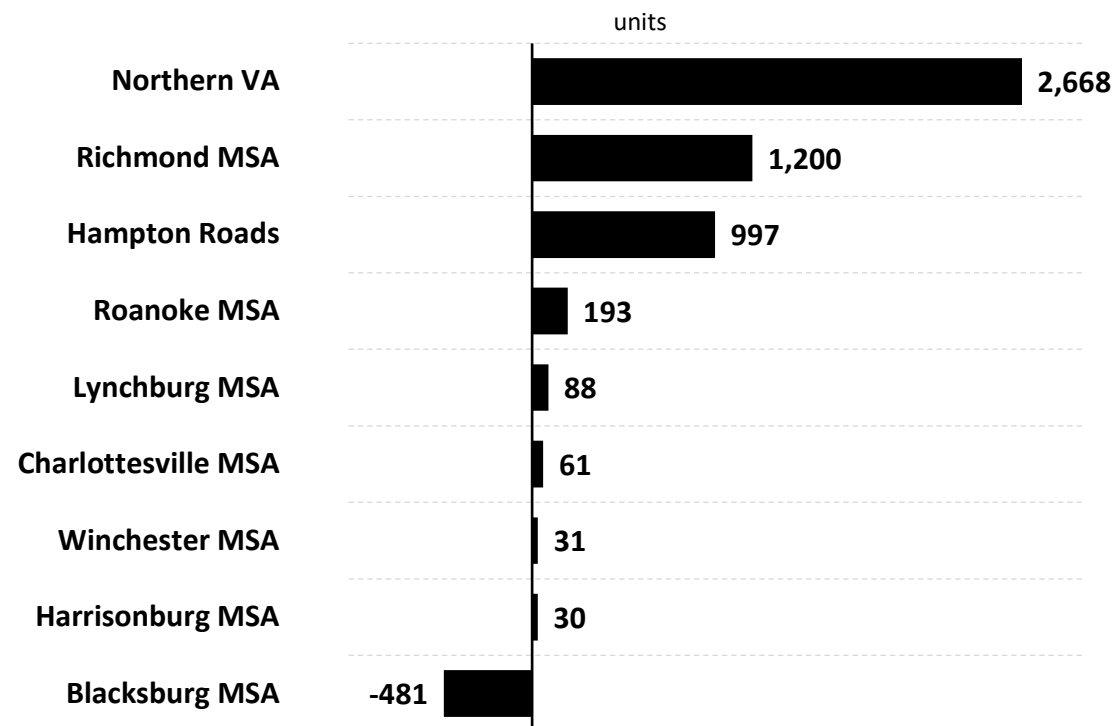
Multifamily Market - Absorption & Construction Trends

VIRGINIA (Statewide)

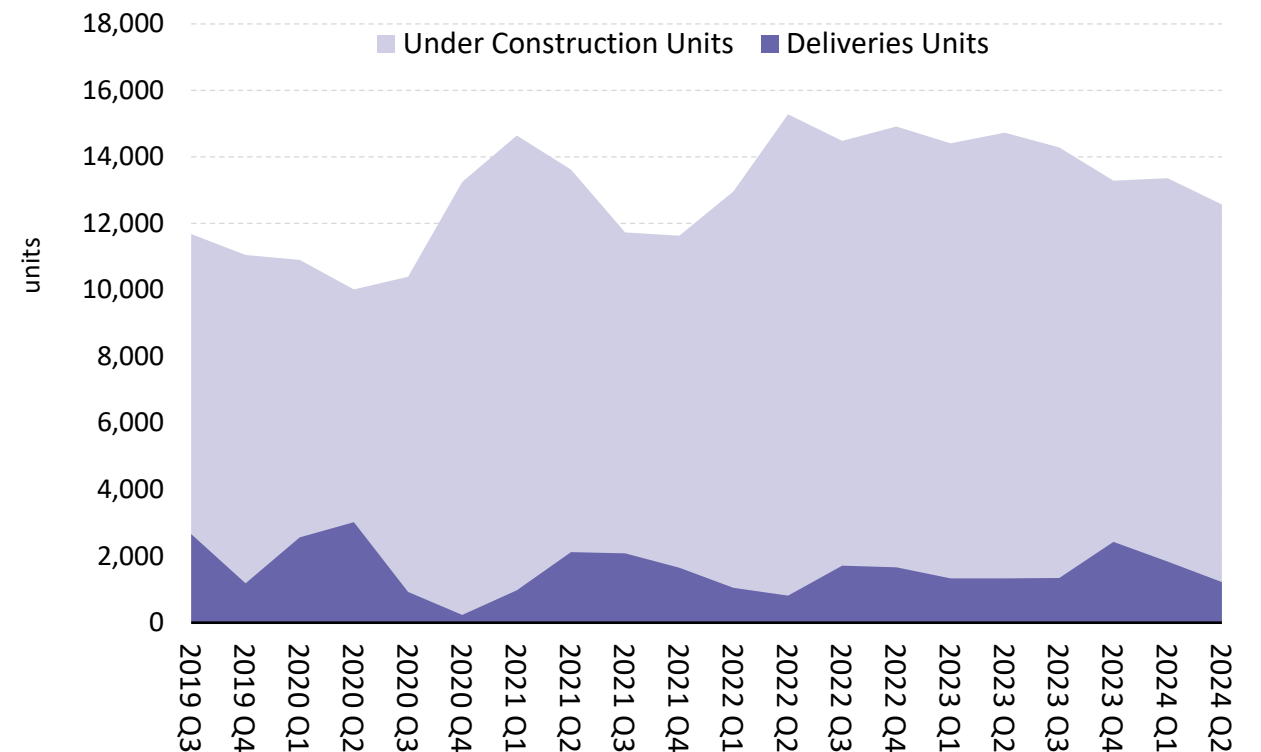
Net Absorption (units)



Q2-2024 Net Absorption by Metro Area (units)

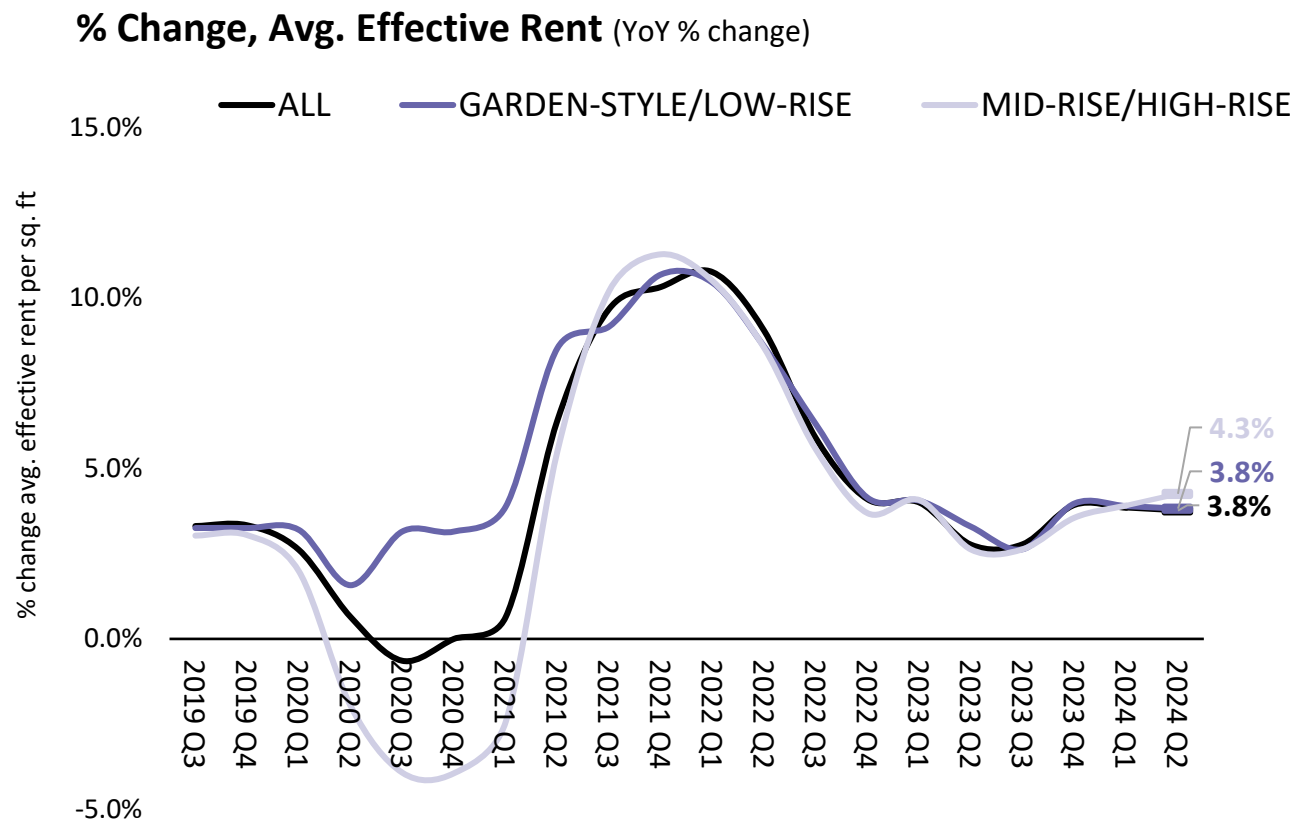
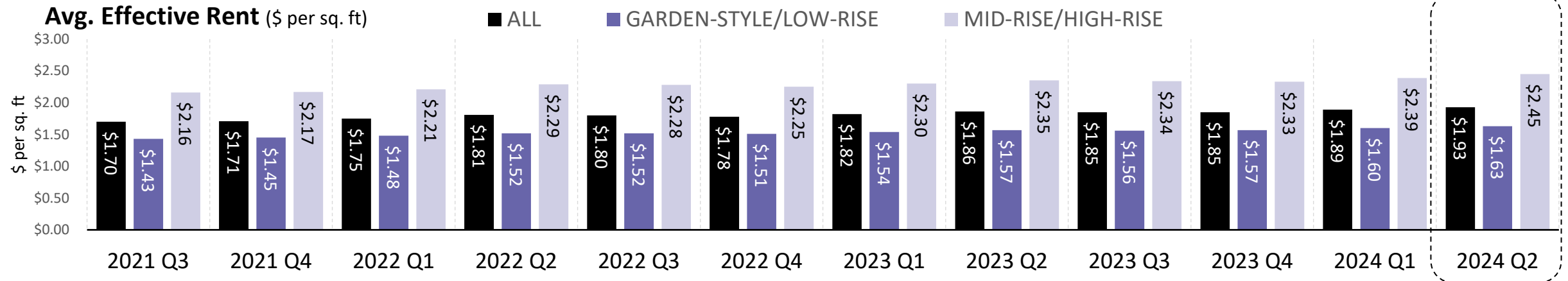


Under Construction & Net Deliveries (units)

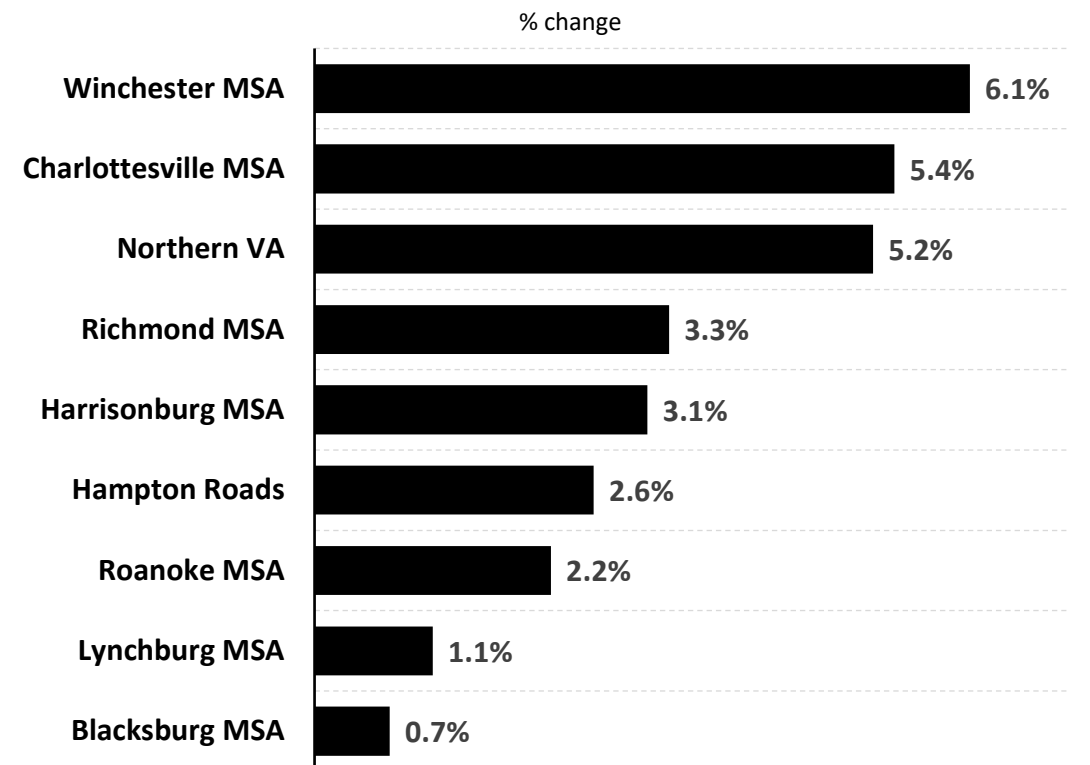


Multifamily Market - Rent Trends

VIRGINIA (Statewide)

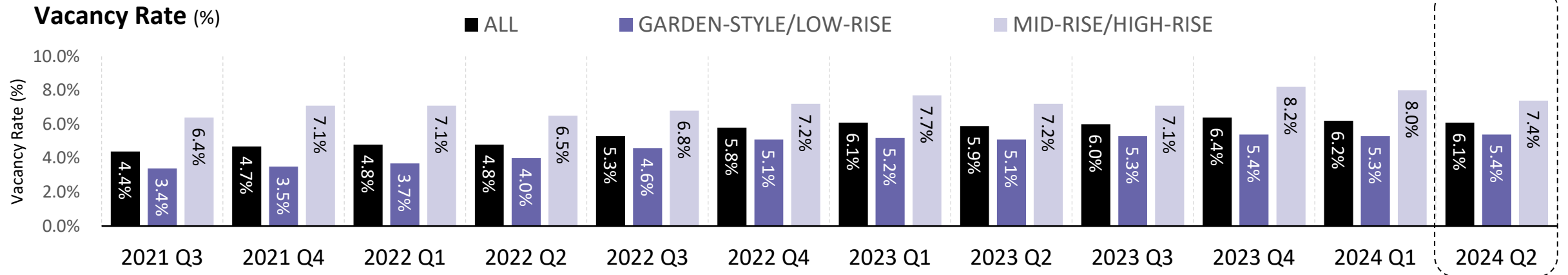


Q2-2024 by MSA: % Change, Avg. Effective Rent (YoY % change)

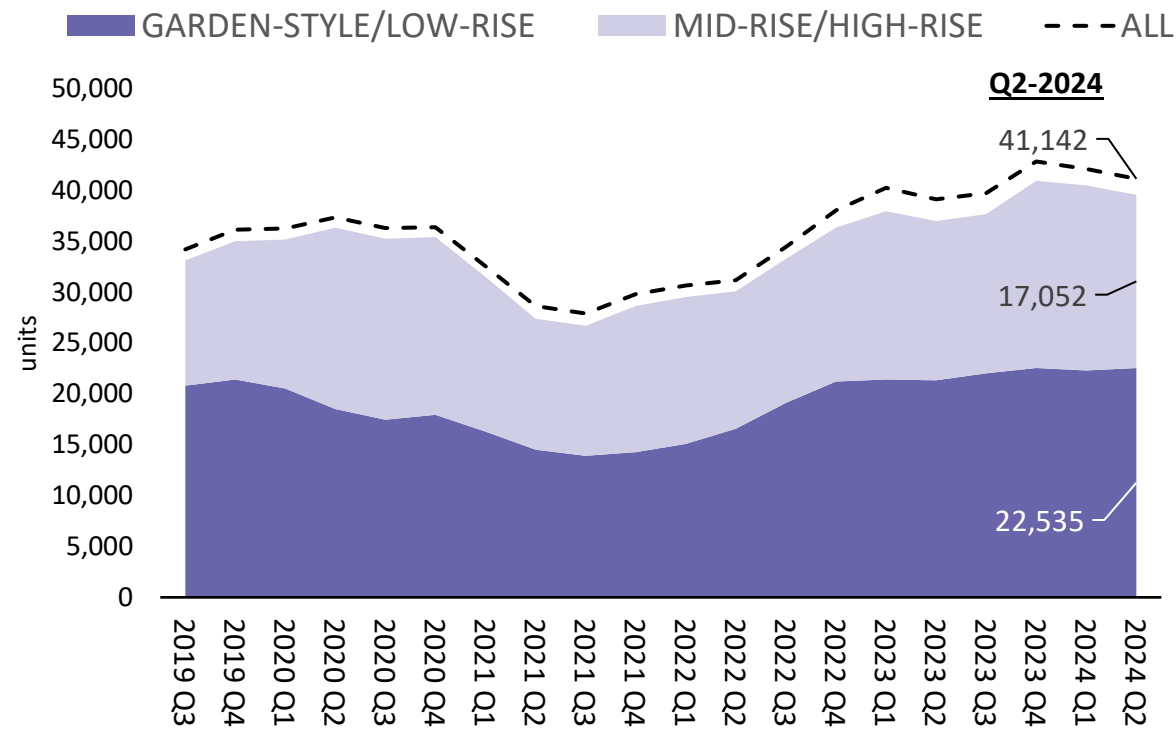


Multifamily Market - Vacancy Trends

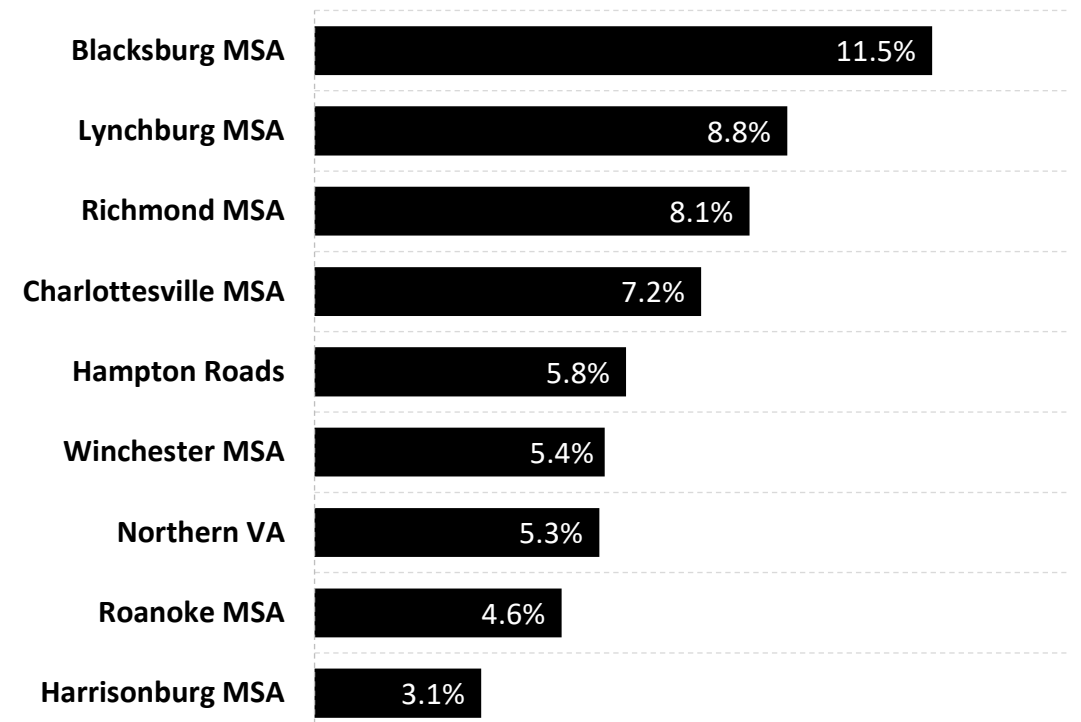
VIRGINIA (Statewide)



Vacant Inventory (units)



Q2-2024 Multifamily Vacancy Rate by MSA



MSA TRENDS

METROPOLITAN STATISTICAL AREA

Q2



2024

MULTIFAMILY
Market Report



Snapshot of Multifamily Market Conditions Around Virginia

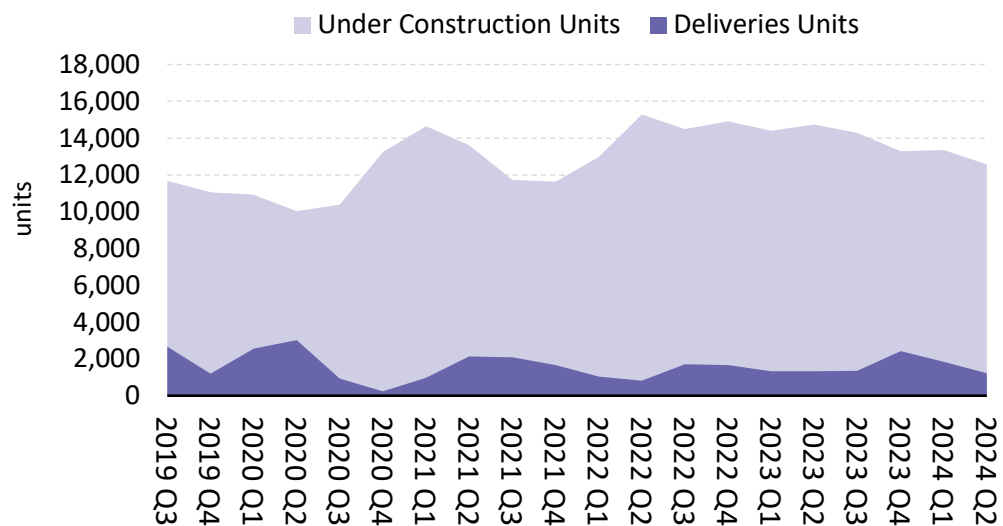
Multifamily Market - MSA Trends

NORTHERN VIRGINIA

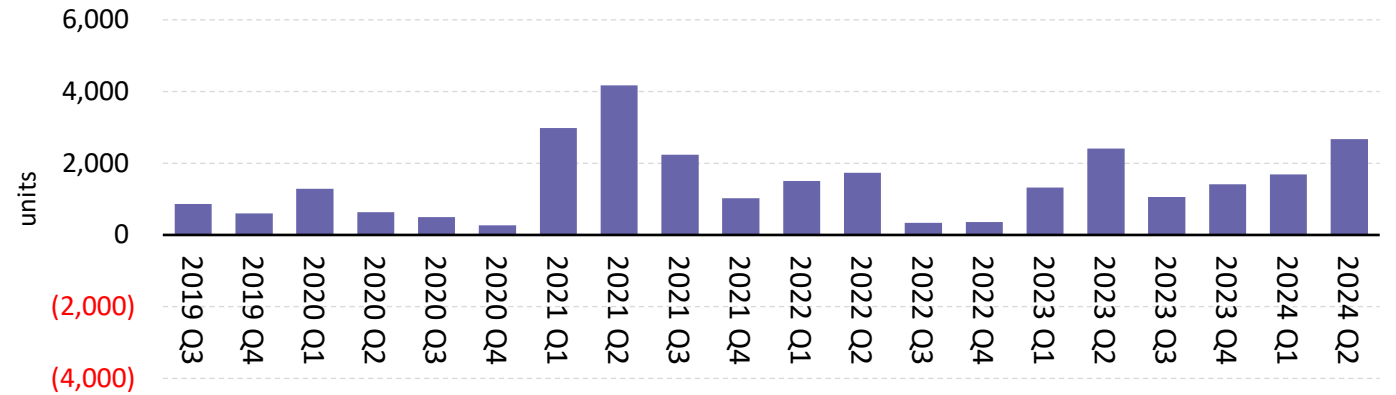
Local Market Indicator Dashboard

	Q2-2024	YoY Chg
Total Inventory (units)	274,582	2.5% % chg
Vacancy Rate (%)	5.3%	-0.5% pct points
Net Absorption (units)	2,668	262 units
Avg. Effective Rent (\$/per unit)	\$2,240	\$111 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$2.47	\$0.12 \$ per sq. ft
Under Construction (units)	12,567	-2,159 units

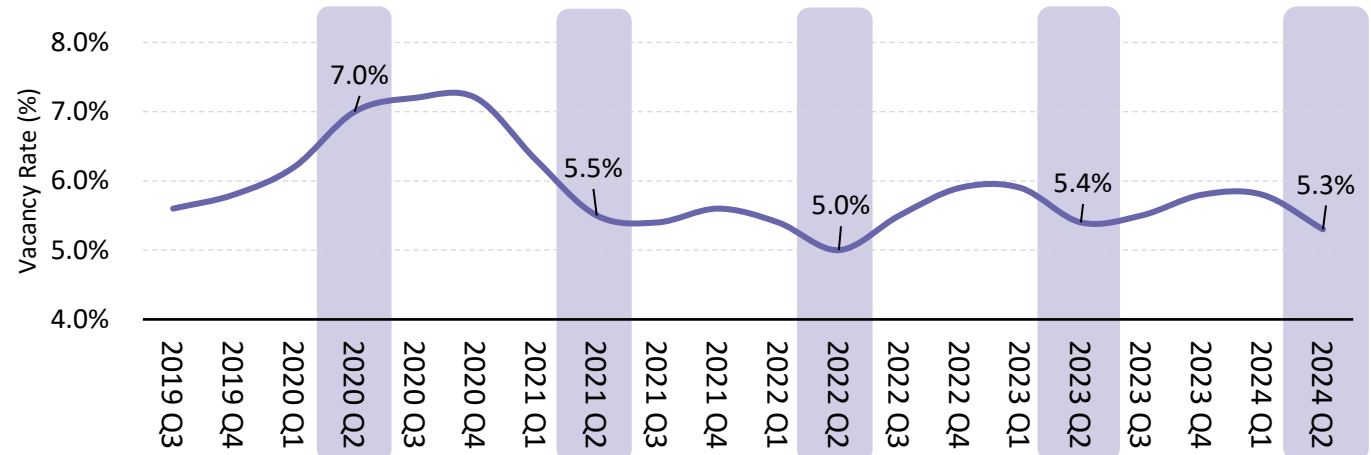
Under Construction & Net Deliveries (units)



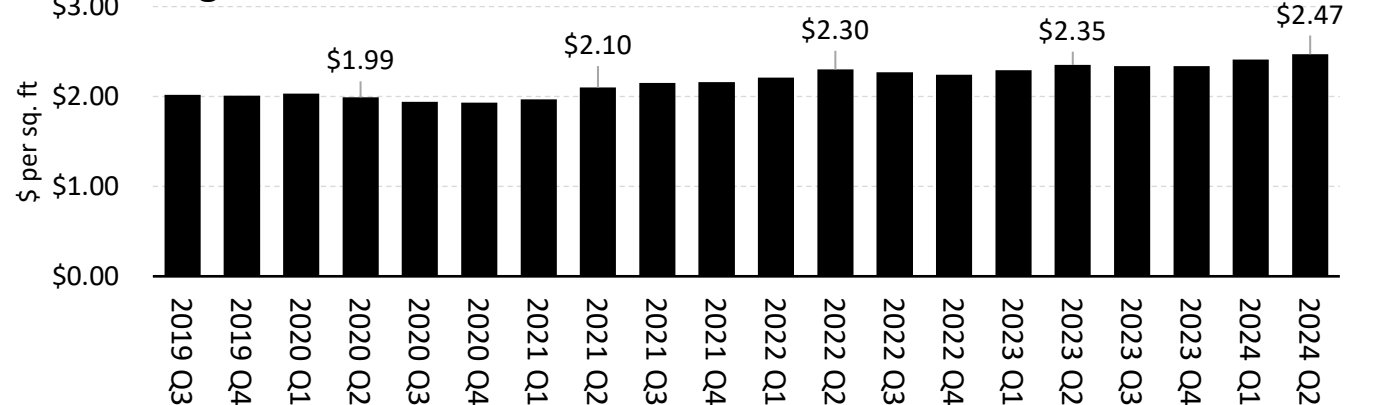
Net Absorption (units)



Vacancy Rate (%)



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



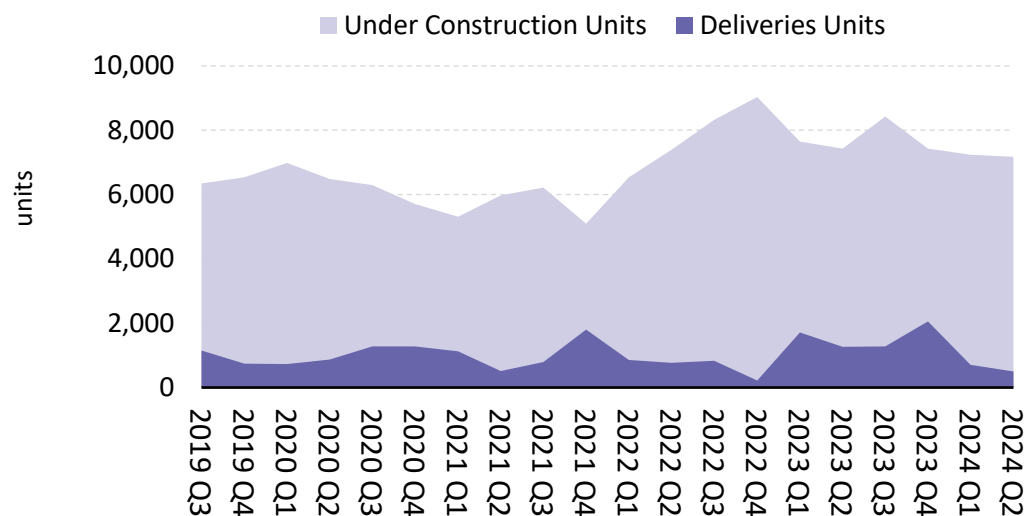
Multifamily Market - MSA Trends

RICHMOND MSA

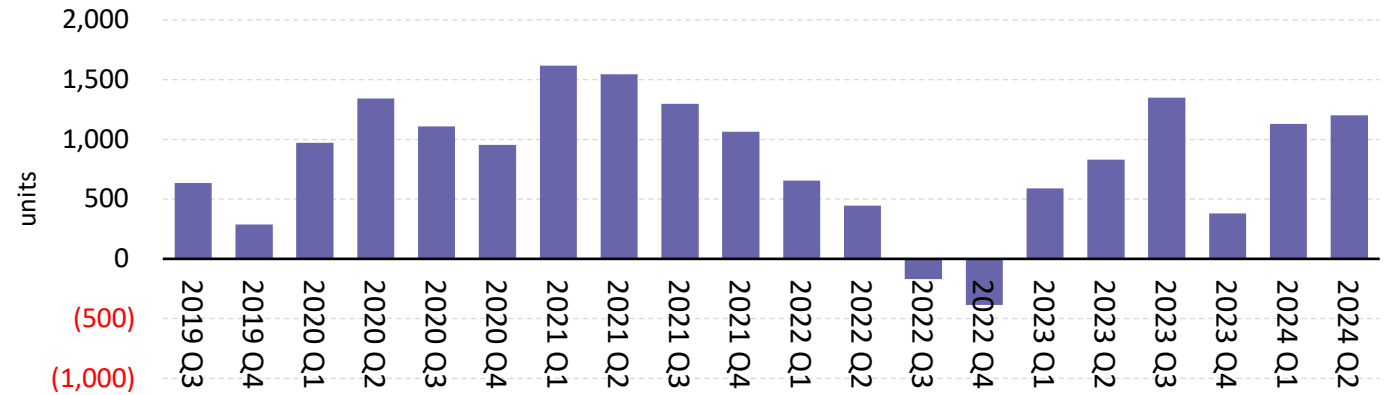
Local Market Indicator Dashboard

	Q2-2024	YoY Chg
Total Inventory (units)	137,548	3.4% % chg
Vacancy Rate (%)	8.1%	0.1% pct points
Net Absorption (units)	1,200	369 units
Avg. Effective Rent (\$/per unit)	\$1,444	\$46 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.64	\$0.05 \$ per sq. ft
Under Construction (units)	7,177	-255 units

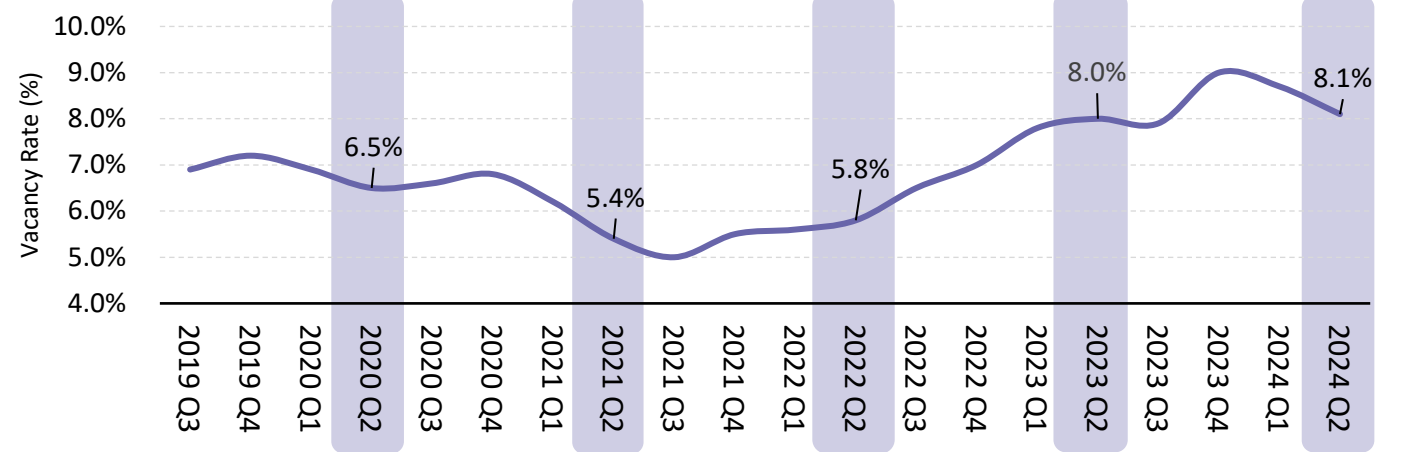
Under Construction & Net Deliveries (units)



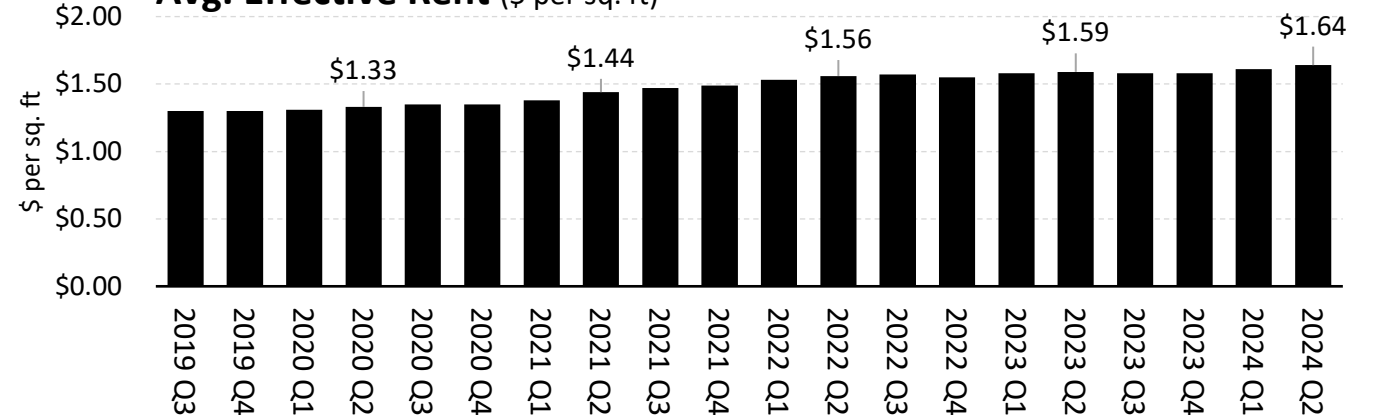
Net Absorption (units)



Vacancy Rate (%)



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



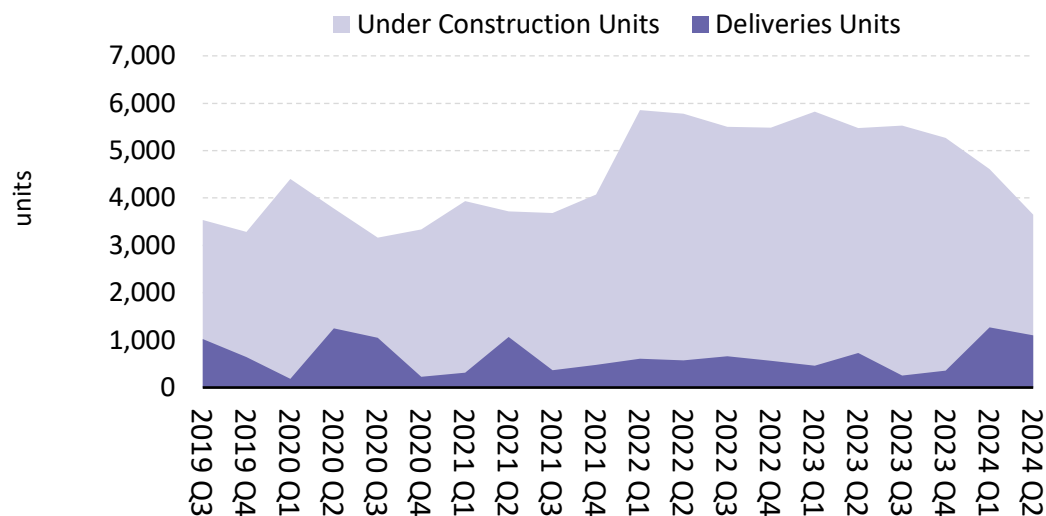
Multifamily Market - MSA Trends

HAMPTON ROADS

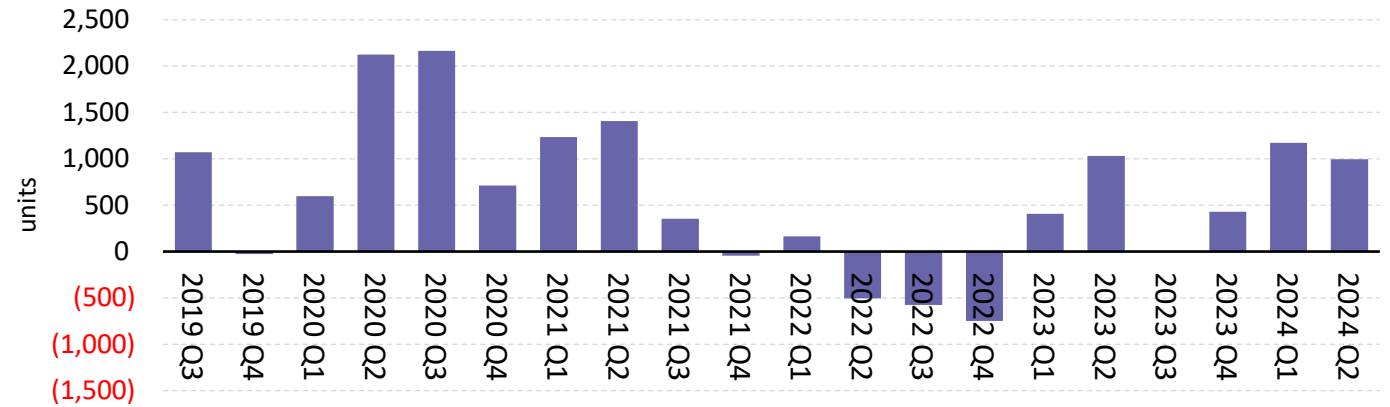
Local Market Indicator Dashboard

	Q2-2024	YoY Chg
Total Inventory (units)	177,654	1.7% % chg
Vacancy Rate (%)	5.8%	0.1% pct points
Net Absorption (units)	997	-36 units
Avg. Effective Rent (\$/per unit)	\$1,432	\$36 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.55	\$0.04 \$ per sq. ft
Under Construction (units)	3,652	-1,820 units

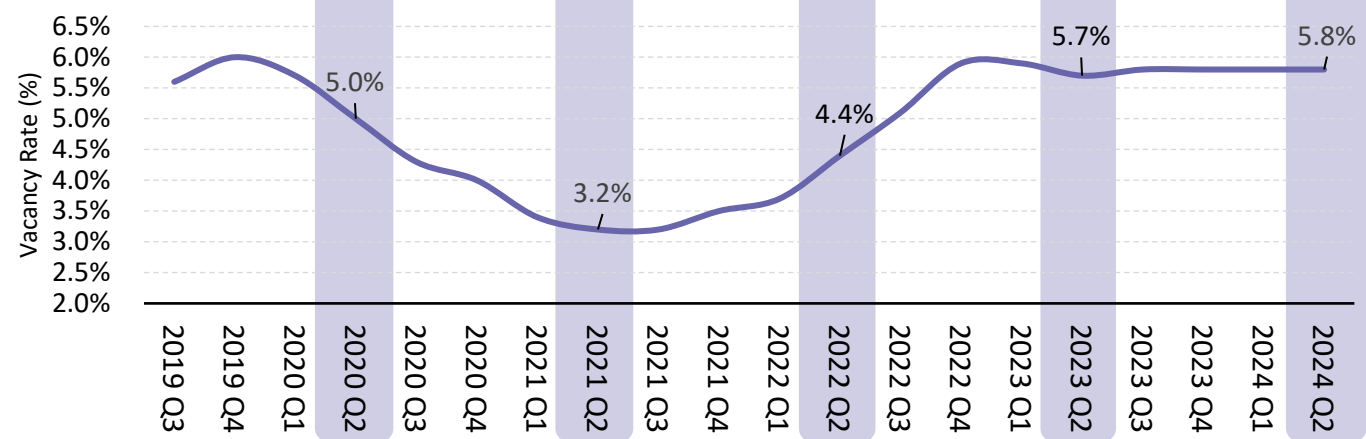
Under Construction & Net Deliveries (units)



Net Absorption (units)



Vacancy Rate (%)



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



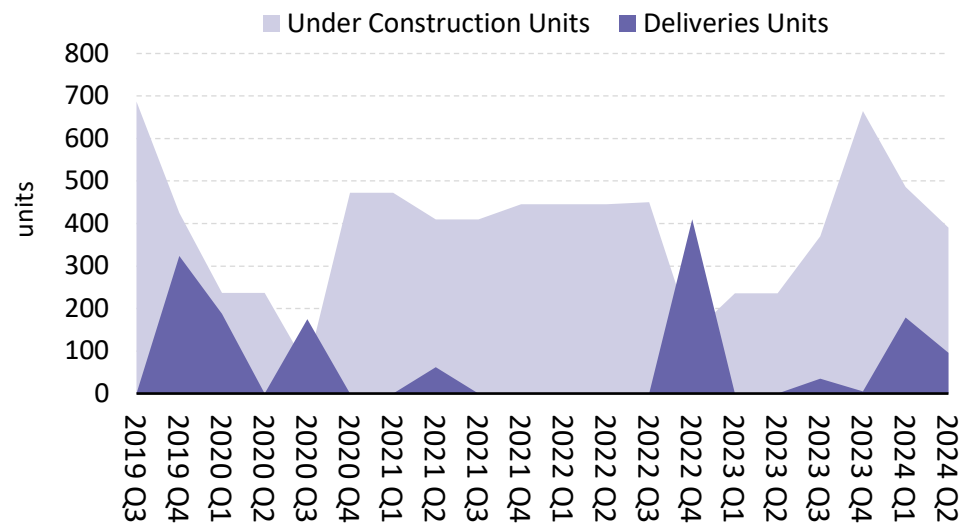
Multifamily Market - MSA Trends

ROANOKE MSA

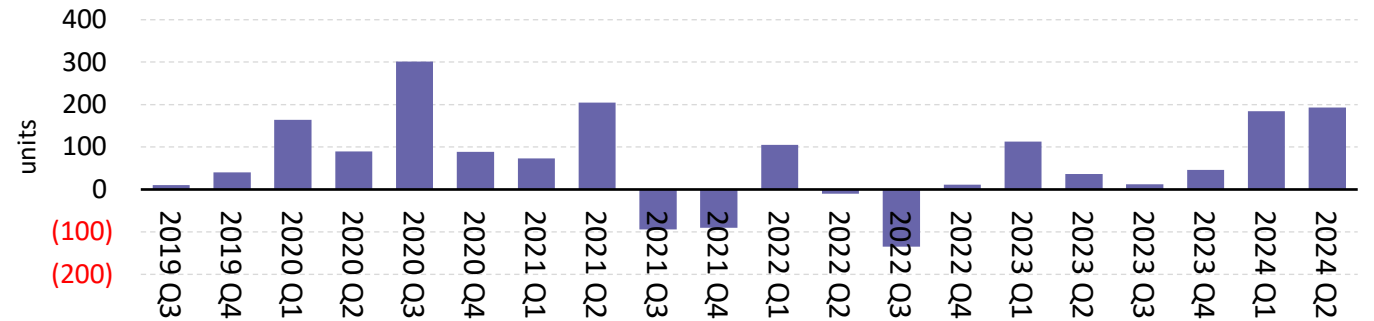
Local Market Indicator Dashboard

	Q2-2024	YoY Chg
Total Inventory (units)	20,351	1.6% % chg
Vacancy Rate (%)	4.6%	-0.7% pct points
Net Absorption (units)	193	157 units
Avg. Effective Rent (\$/per unit)	\$1,120	\$25 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.27	\$0.02 \$ per sq. ft
Under Construction (units)	390	154 units

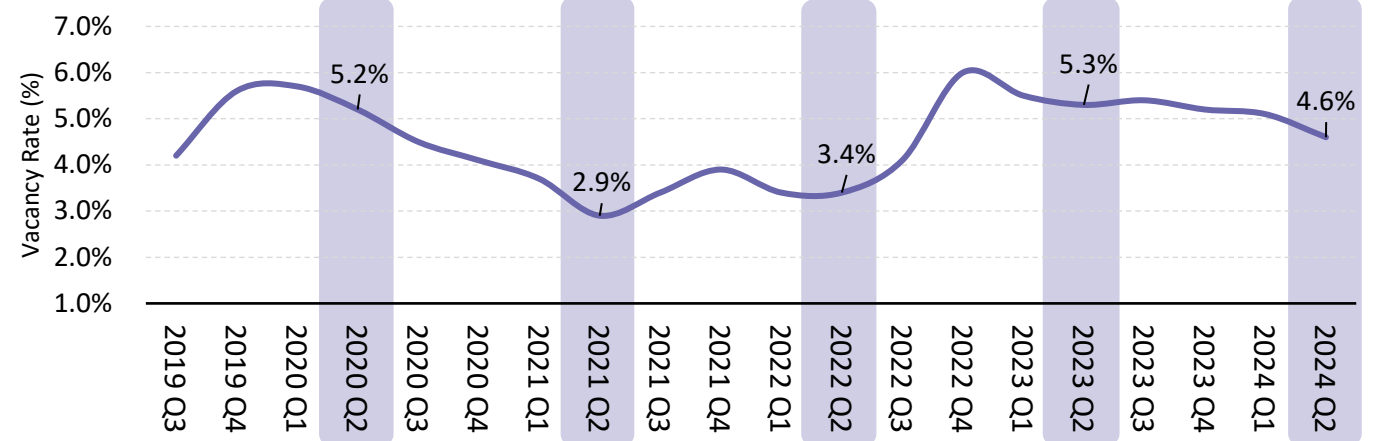
Under Construction & Net Deliveries (units)



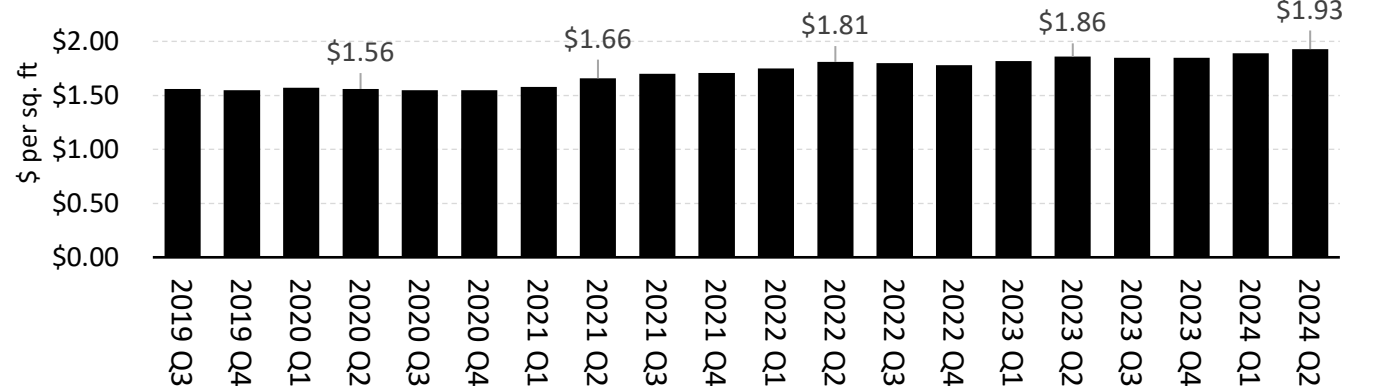
Net Absorption (units)



Vacancy Rate (%)



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



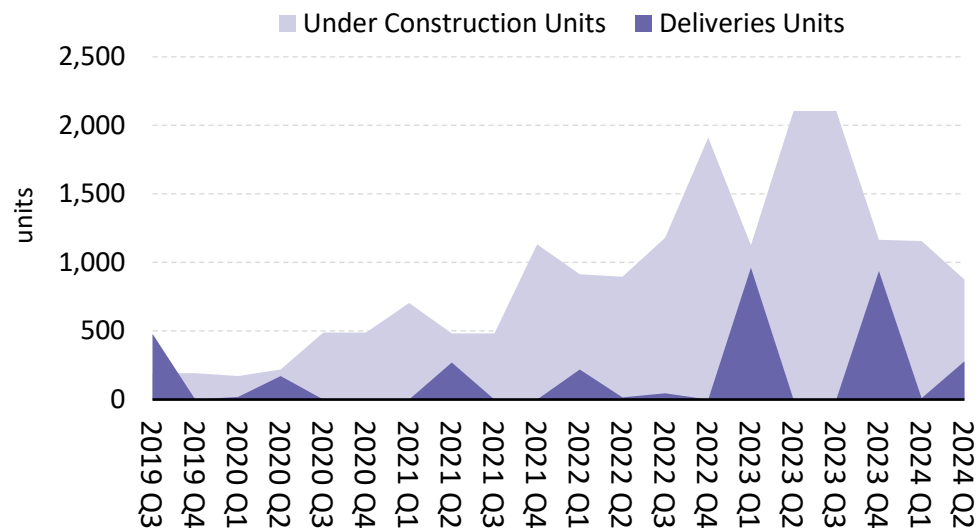
Multifamily Market - MSA Trends

LYNCHBURG MSA

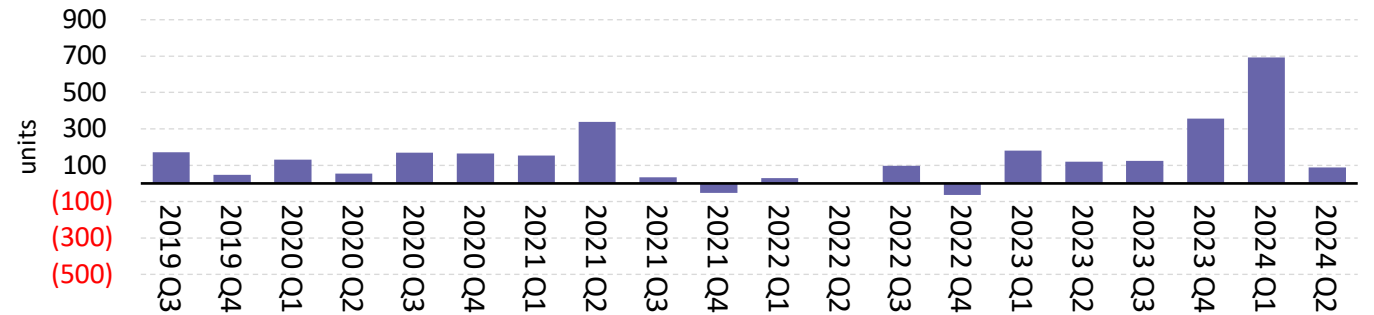
Local Market Indicator Dashboard

	Q2-2024	YoY Chg	
Total Inventory (units)	15,670	8.5%	% chg
Vacancy Rate (%)	8.8%	-0.9%	pct points
Net Absorption (units)	88	-31	units
Avg. Effective Rent (\$/per unit)	\$1,120	\$12	\$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.17	\$0.01	\$ per sq. ft
Under Construction (units)	875	-1,230	units

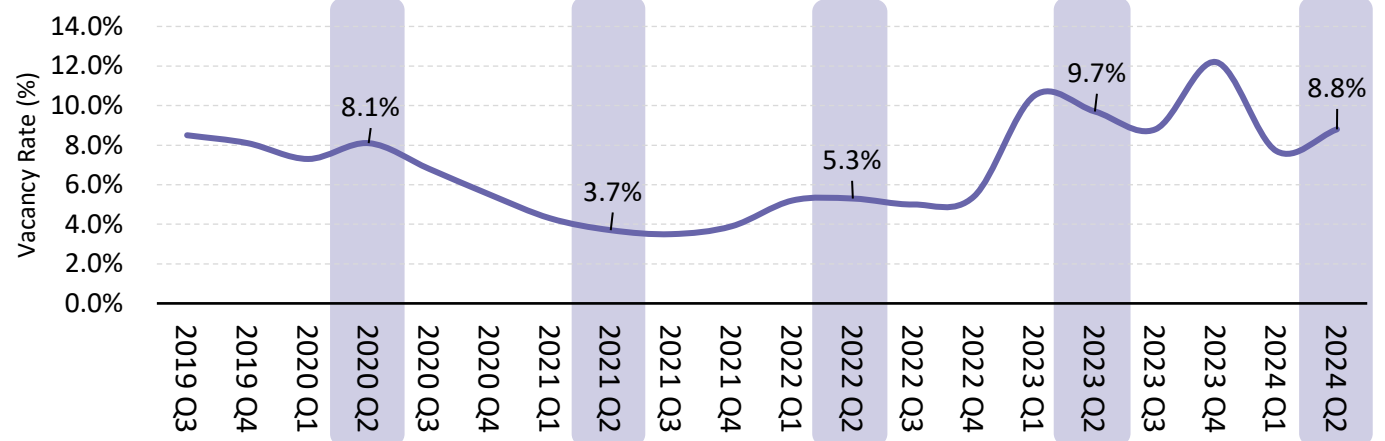
Under Construction & Net Deliveries (units)



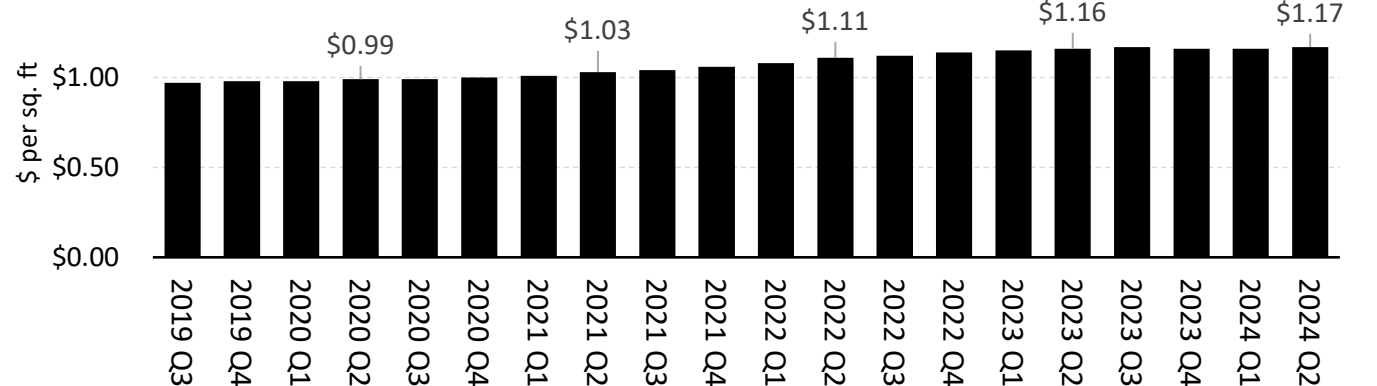
Net Absorption (units)



Vacancy Rate (%)



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



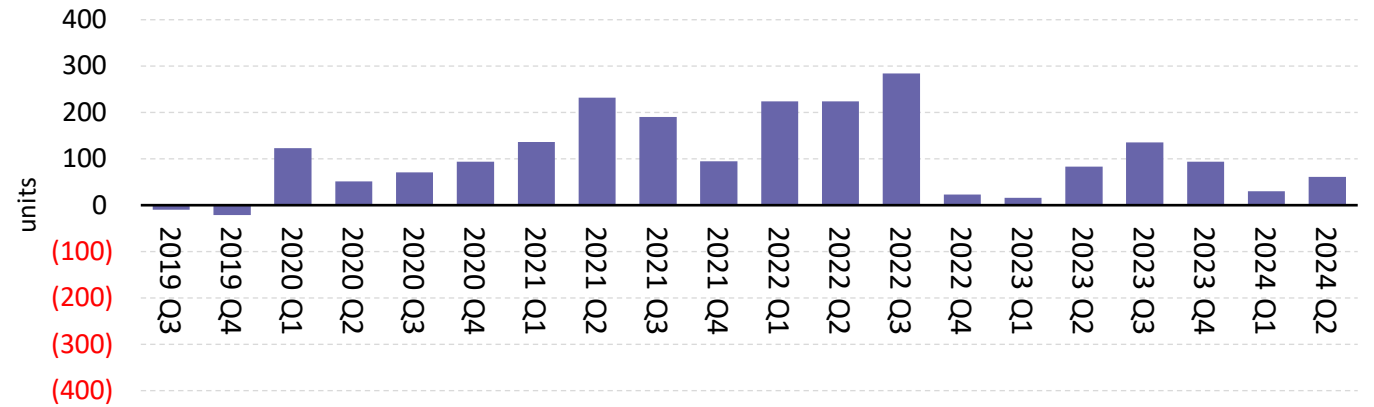
Multifamily Market - MSA Trends

CHARLOTTESVILLE MSA

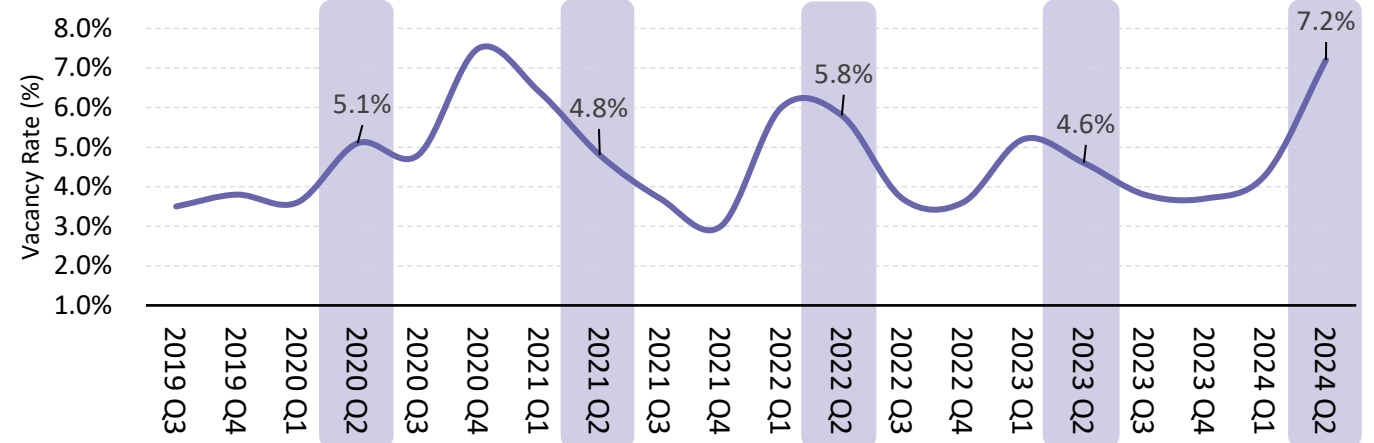
Local Market Indicator Dashboard

	Q2-2024	YoY Chg
Total Inventory (units)	14,839	5.3% % chg
Vacancy Rate (%)	7.2%	2.6% pct points
Net Absorption (units)	61	-22 units
Avg. Effective Rent (\$/per unit)	\$1,761	\$90 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.79	\$0.10 \$ per sq. ft
Under Construction (units)	656	68 units

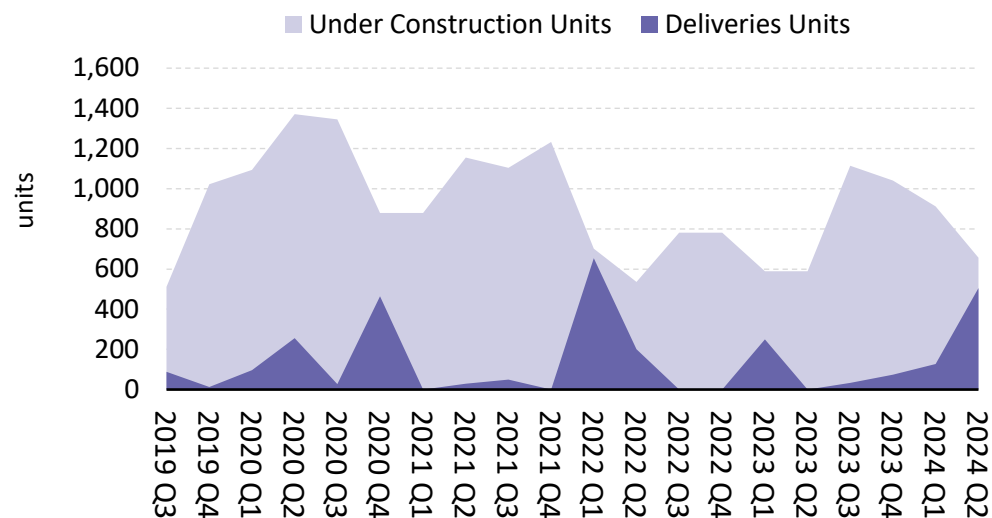
Net Absorption (units)



Vacancy Rate (%)



Under Construction & Net Deliveries (units)



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



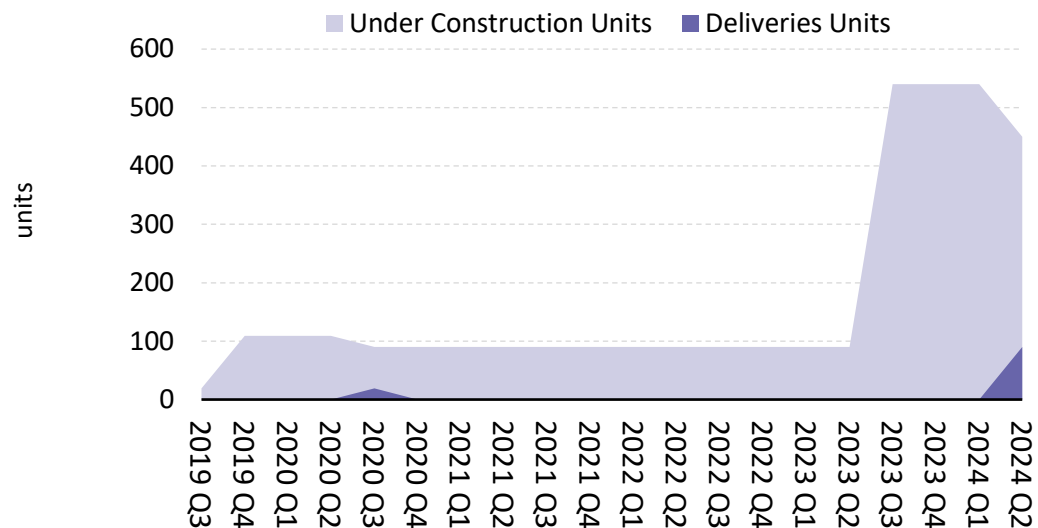
Multifamily Market - MSA Trends

BLACKSBURG MSA

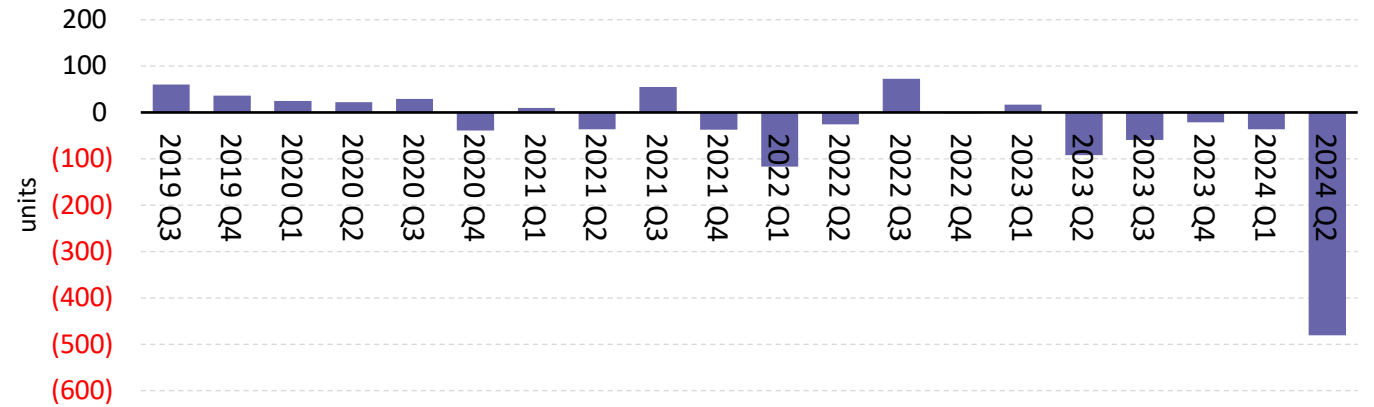
Local Market Indicator Dashboard

	Q2-2024	YoY Chg
Total Inventory (units)	9,645	0.9% % chg
Vacancy Rate (%)	11.5%	7.1% pct points
Net Absorption (units)	(481)	-389 units
Avg. Effective Rent (\$/per unit)	\$1,236	\$8 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.33	\$0.02 \$ per sq. ft
Under Construction (units)	450	360 units

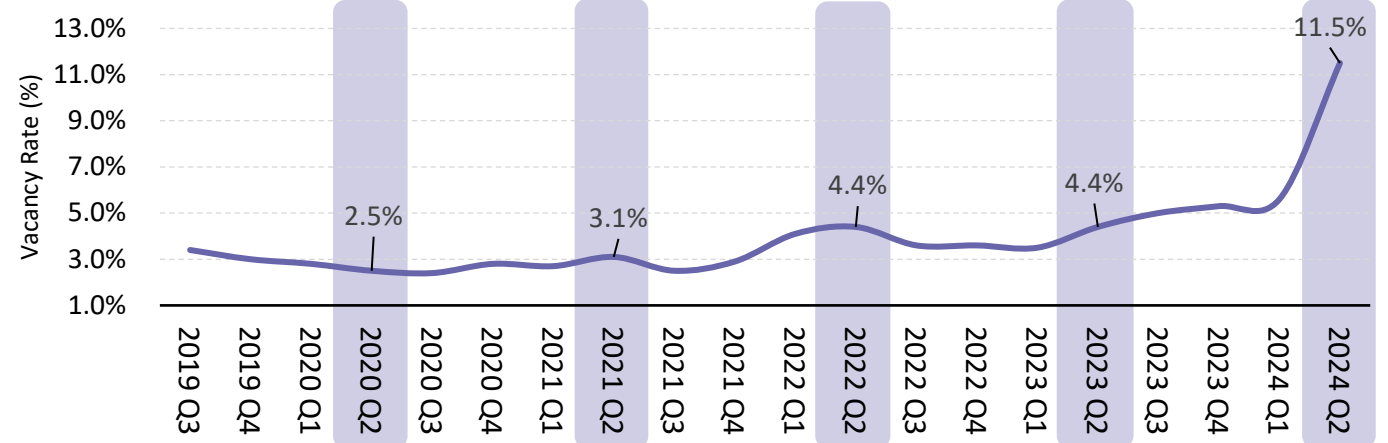
Under Construction & Net Deliveries (units)



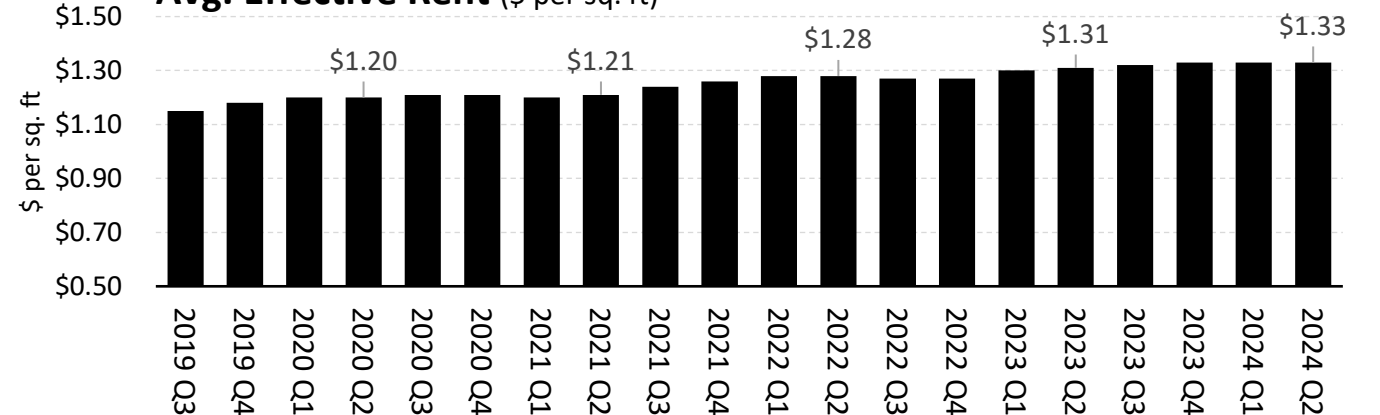
Net Absorption (units)



Vacancy Rate (%)



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



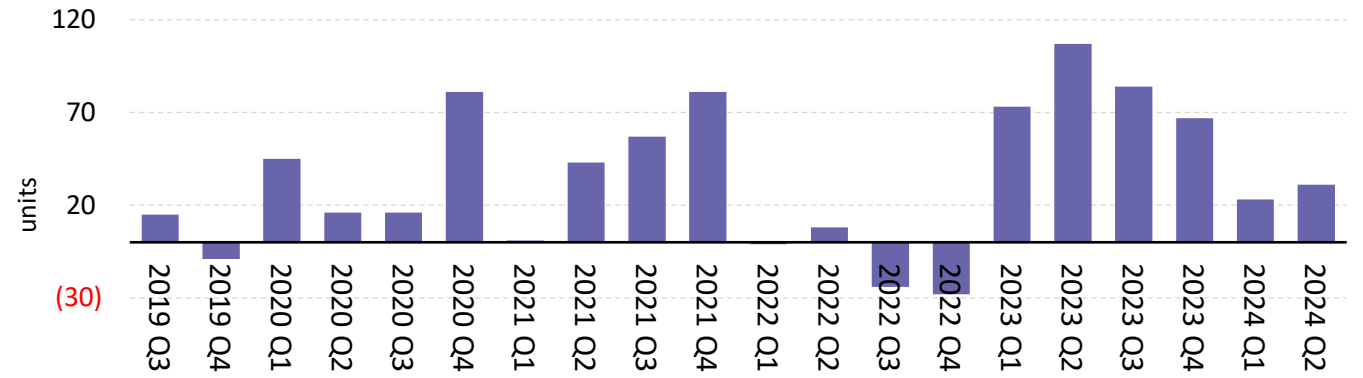
Multifamily Market - MSA Trends

WINCHESTER MSA

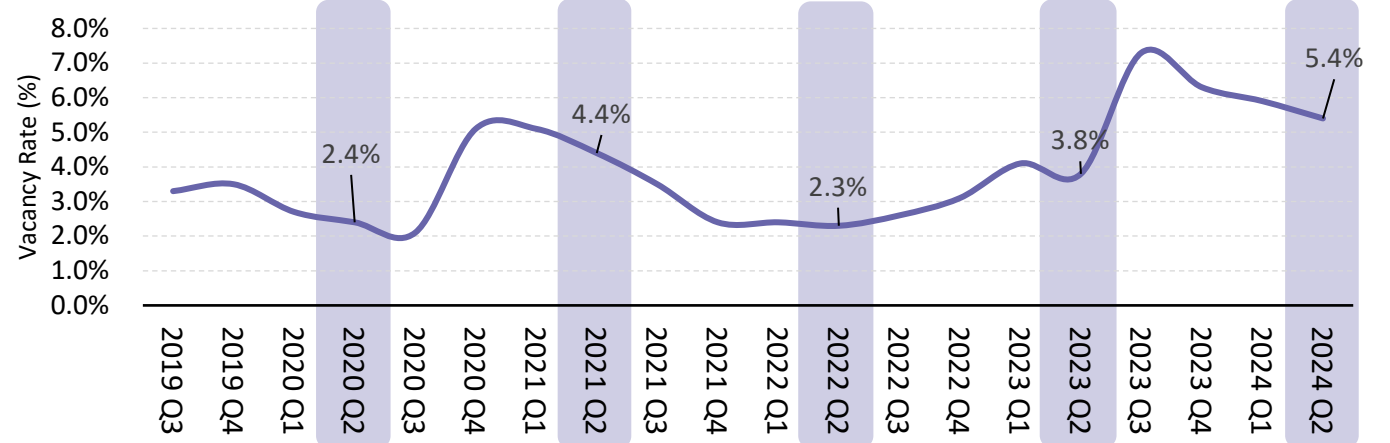
Local Market Indicator Dashboard

	Q2-2024	YoY Chg
Total Inventory (units)	6,623	5.1% <i>% chg</i>
Vacancy Rate (%)	5.4%	1.6% <i>pct points</i>
Net Absorption (units)	31	-76 <i>units</i>
Avg. Effective Rent (\$/per unit)	\$1,417	\$82 <i>\$ per unit</i>
Avg. Effective Rent (\$/per sq. ft)	\$1.54	\$0.09 <i>\$ per sq. ft</i>
Under Construction (units)	192	-321 <i>units</i>

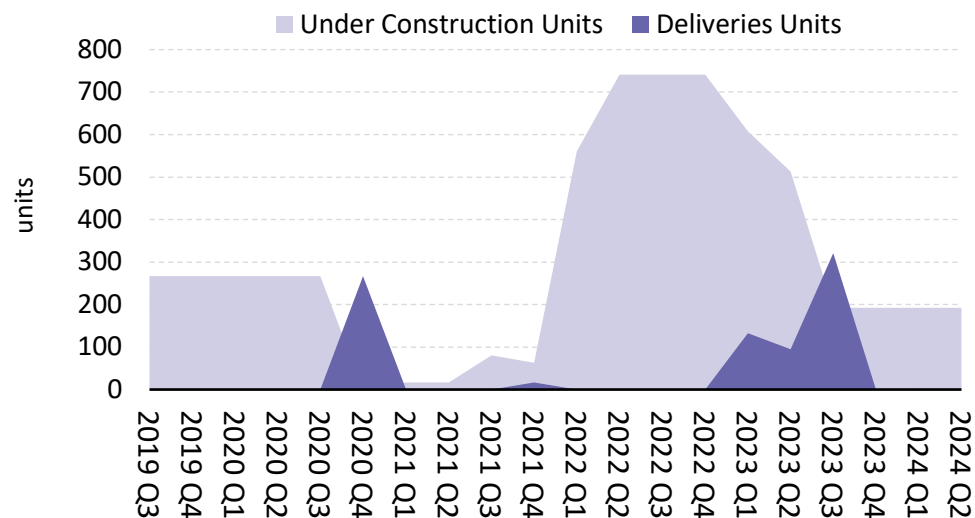
Net Absorption (units)



Vacancy Rate (%)



Under Construction & Net Deliveries (units)



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



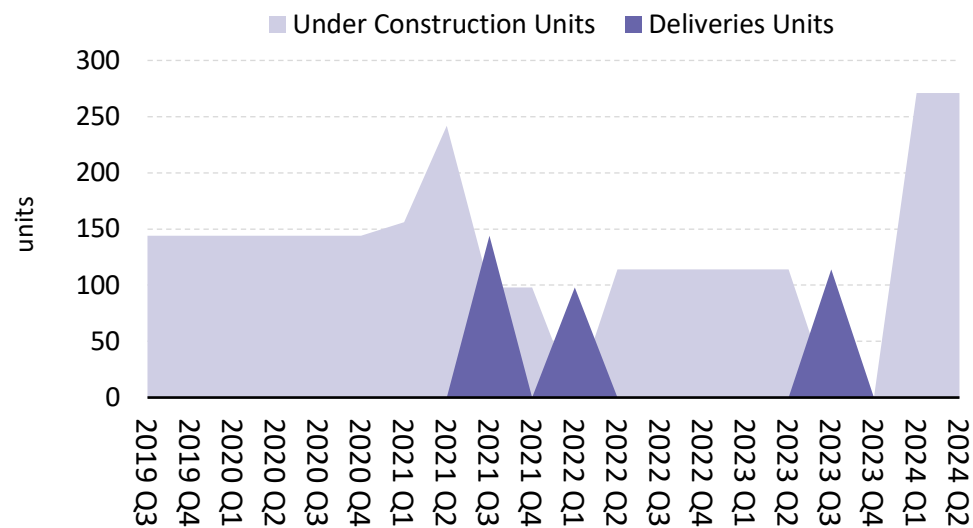
Multifamily Market - MSA Trends

HARRISONBURG MSA

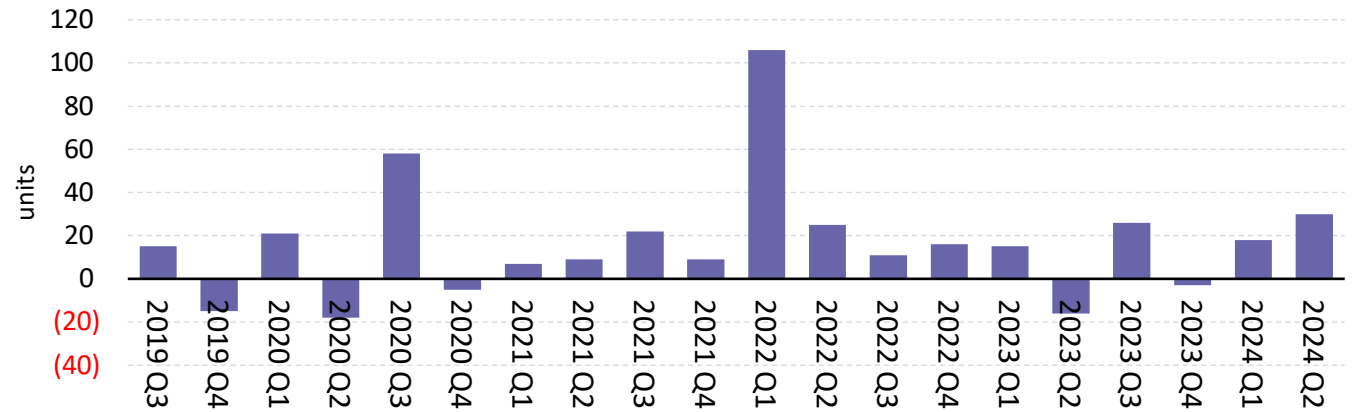
Local Market Indicator Dashboard

	Q2-2024	YoY Chg
Total Inventory (units)	4,810	2.4% % chg
Vacancy Rate (%)	3.1%	0.8% pct points
Net Absorption (units)	30	46 units
Avg. Effective Rent (\$/per unit)	\$1,216	\$37 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.35	\$0.04 \$ per sq. ft
Under Construction (units)	271	157 units

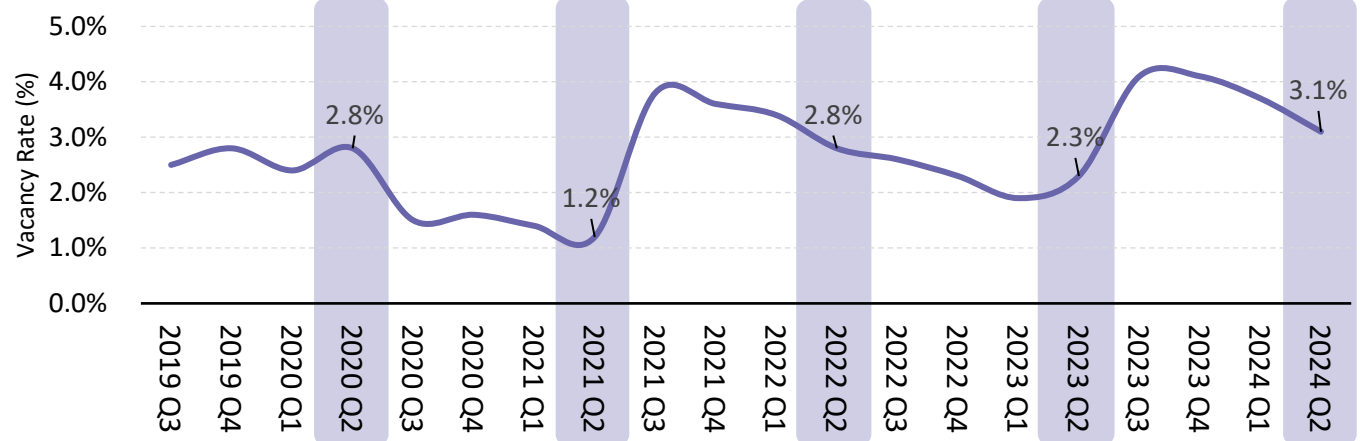
Under Construction & Net Deliveries (units)



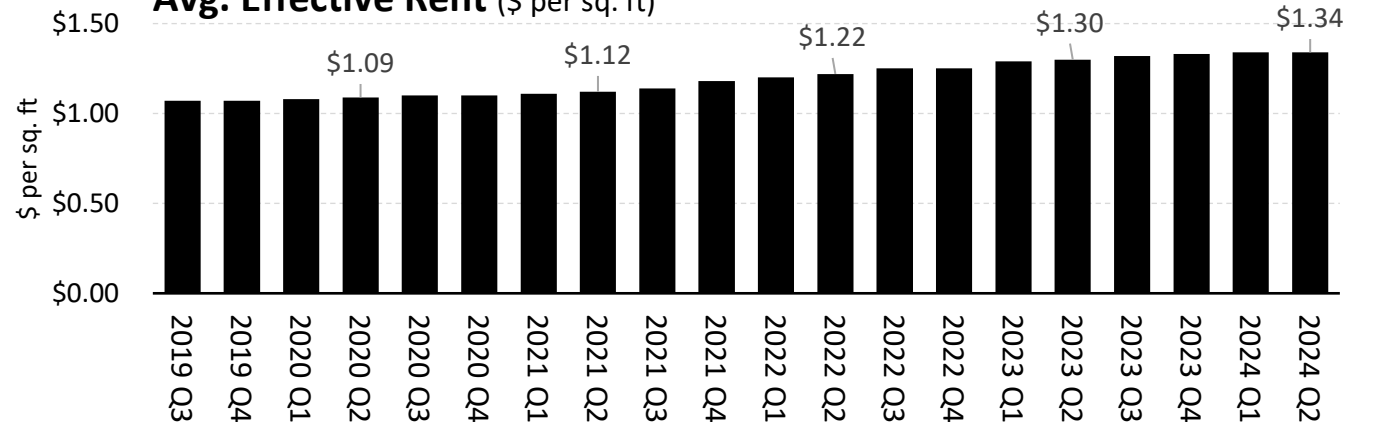
Net Absorption (units)



Vacancy Rate (%)



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



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