

Q3 2024 MULTIFAMILY MARKET REPORT

Multifamily Market - Key Trends Snapshot

Multifamily Market

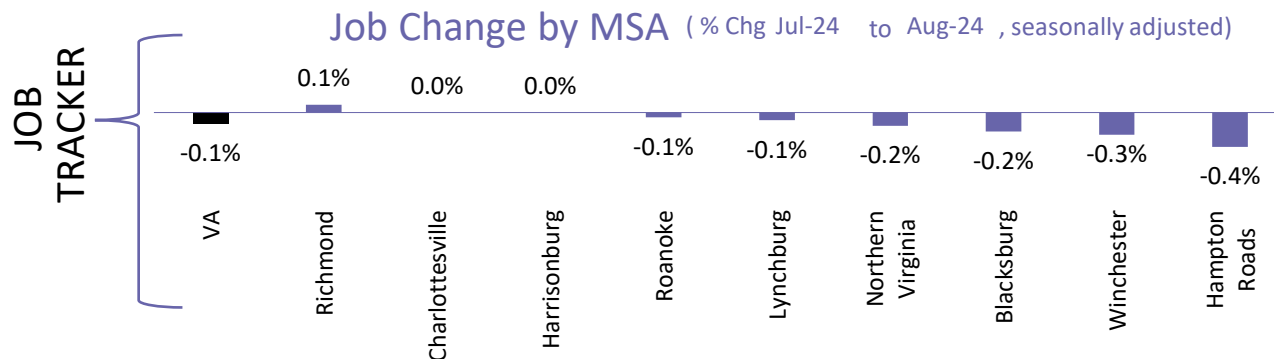
Overview: The multifamily rental market in Virginia had a relatively solid third quarter. Absorption was positive in all regional markets and rents continue to trend up in most places. Vacancies inched up as more new units were delivered. The construction pipeline continues to shrink rapidly as new projects are dwindling.

Absorption: In Virginia, 4,762 units were absorbed for multifamily housing in Q3 2024, indicating continued demand. Garden style/low rise apartments saw 980 units absorbed while 3,485 units were absorbed for Mid/High rise apartments. Two of Virginia's biggest metro areas, Northern Virginia (+1,736 units) and Hampton Roads (+1,211 units) had the highest amount of leased space this quarter, followed by Richmond (+1,128 units). None of the MSAs saw negative absorption by units being vacated this quarter.

Vacancy Rate: The vacancy rate in Virginia's multifamily market increased to 6.2% in the third quarter, up from 6.0% during the same time last year. Garden/low rise (5.2%) multifamily units saw a slight dip and mid/high rise (7.7%) multifamily units saw a small increase in vacancy rates this quarter compared to a year ago. Lynchburg had the highest vacancy rate in the state at 11.5% and Harrisonburg had the lowest multifamily vacancy rate at 2.4%.

Rent: Rental prices continued their upward trajectory with the rent for a unit in Virginia climbing to \$1,768 in Q3 2024. The metro markets with the highest increase in effective rent were Winchester (5.6%) and Northern Virginia (5.2%). Lynchburg, on the other hand, saw a slight decline (-0.3%) in effective rent over the past year.

Supply/Delivery: The number of units under construction dropped almost 32% to 22,630 this quarter compared to last year. Northern Virginia and Richmond markets had the largest share of new construction in the state. Supply increased considerably in Q3 2024 with 5,443 units delivered, an increase of almost 76% compared to the same time last year.



VIRGINIA (Statewide)



Market Indicator Dashboard

	YoY Chg	Q3-2024	Indicator
% chg	2.9%	692,515	Total Inventory (units)
units	2,430	4,762	Net Absorption (units)
pct point	0.2%	6.2%	Vacancy Rate (%)
\$ per unit	\$69	\$1,768	Avg. Effective Rent Per Unit (\$ per unit)
\$ per sq. ft	\$0.08	\$1.95	Avg. Effective Rent Per Sq. Ft (\$ per sq. ft)
units	2,350	5,443	New Supply Delivered (units)
units	-10,603	22,630	Under Construction (units)



Economic Indicator Dashboard

	MoM % Chg	Aug-24	Indicator
% chg	-0.1%	4.2	Total Jobs, Virginia (in millions, seasonally adjusted)
pct point	0.1%	2.8%	Unemployment Rate, Virginia (% seasonally adjusted)
pct point	1.6%	3.0%	Gross Domestic Product, U.S. (seasonally adjusted annual rate)

Virginia Multifamily Market

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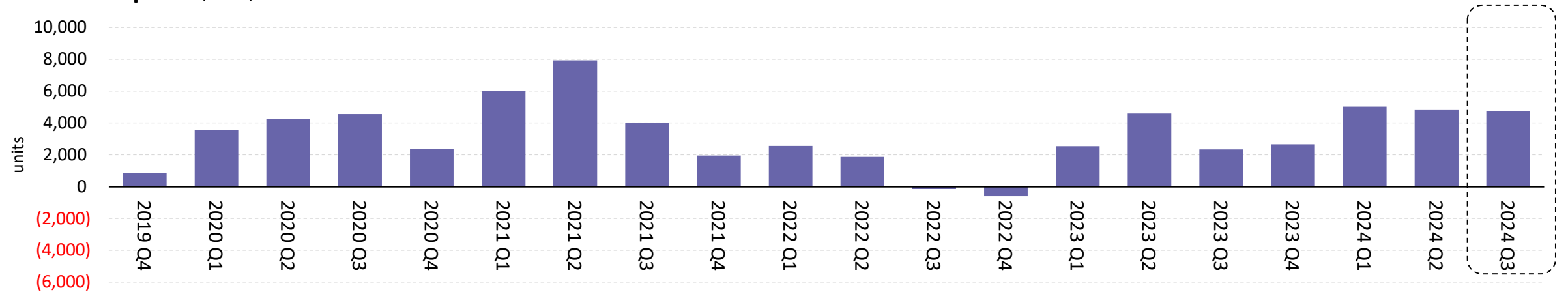
Harrisonburg MSA ----- 16



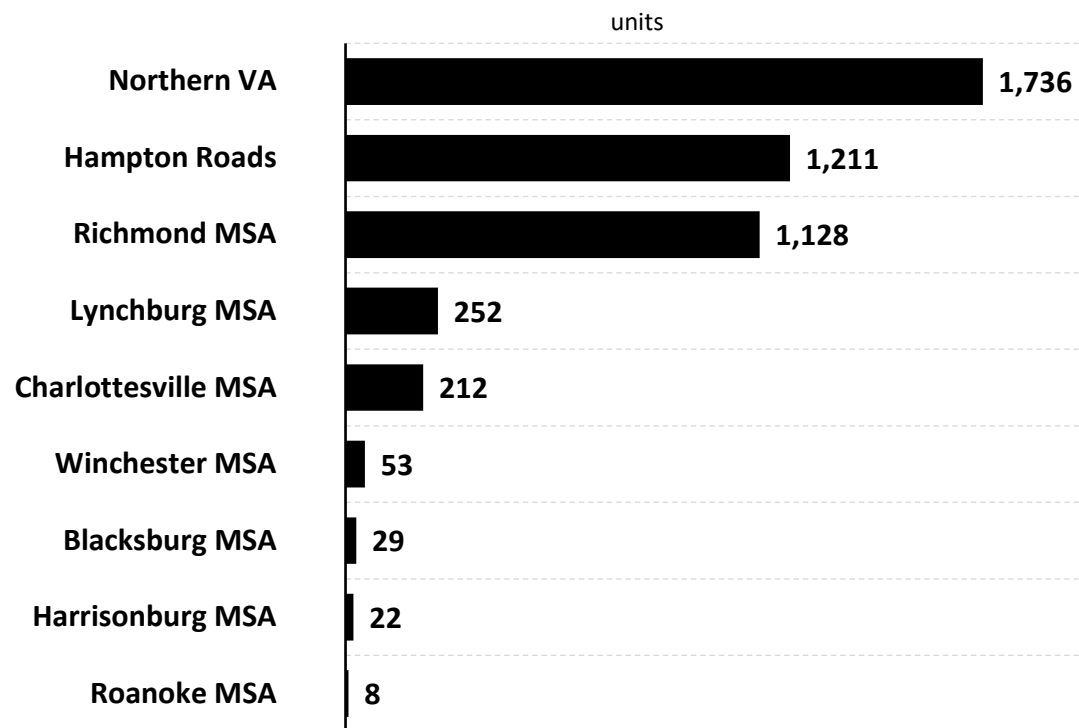
Multifamily Market - Absorption & Construction Trends

VIRGINIA (Statewide)

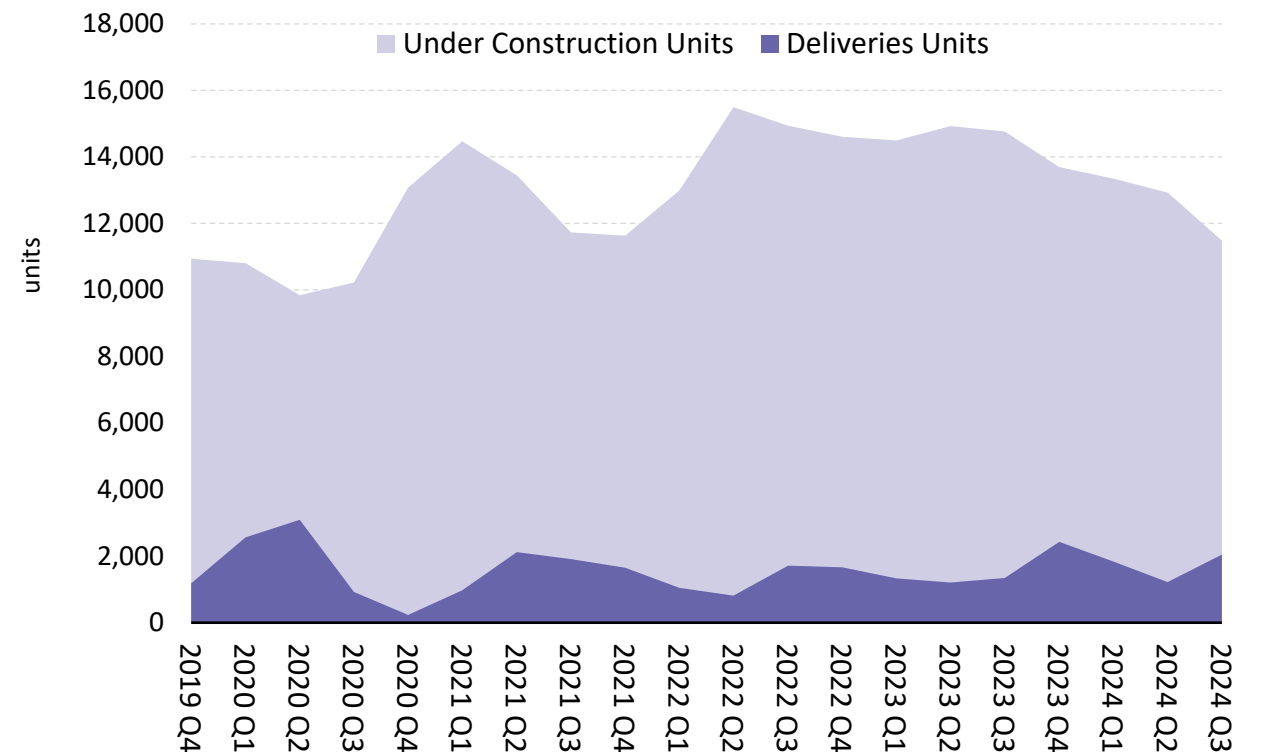
Net Absorption (units)



Q3-2024 Net Absorption by Metro Area (units)

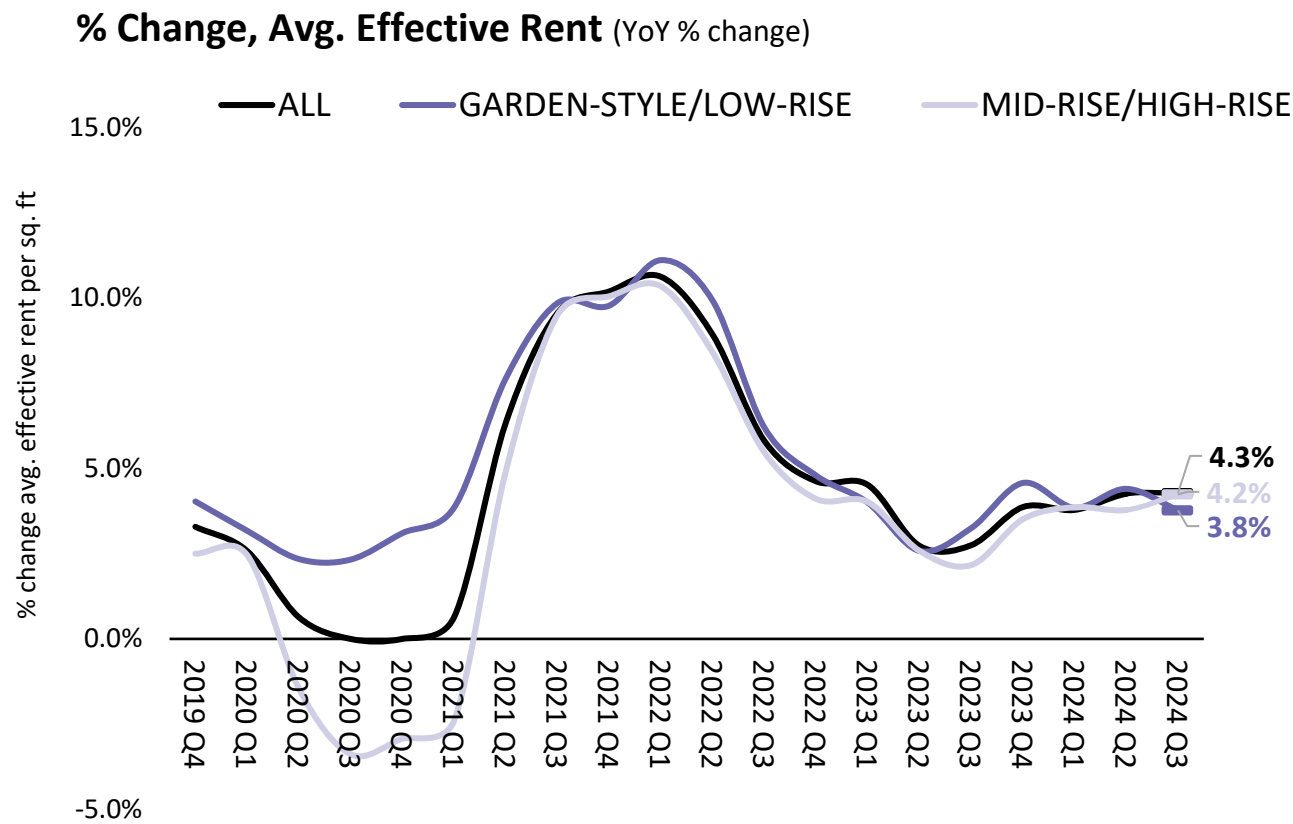
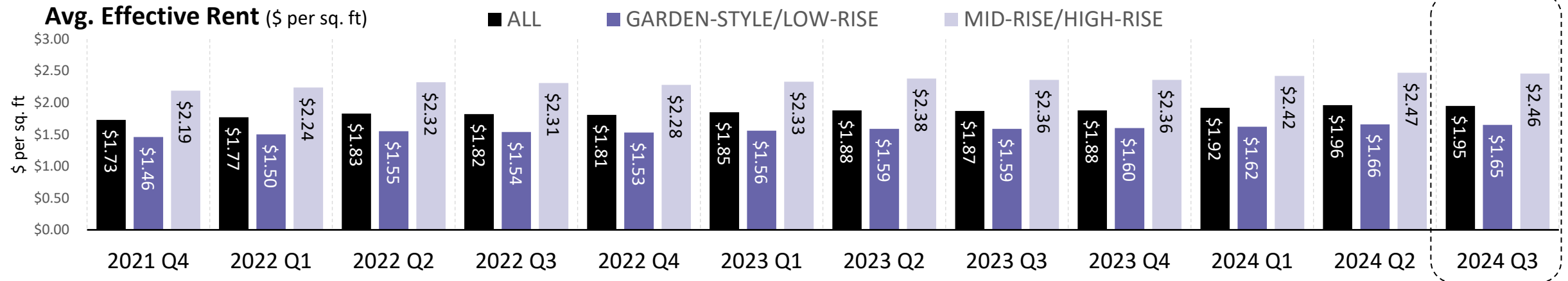


Under Construction & Net Deliveries (units)

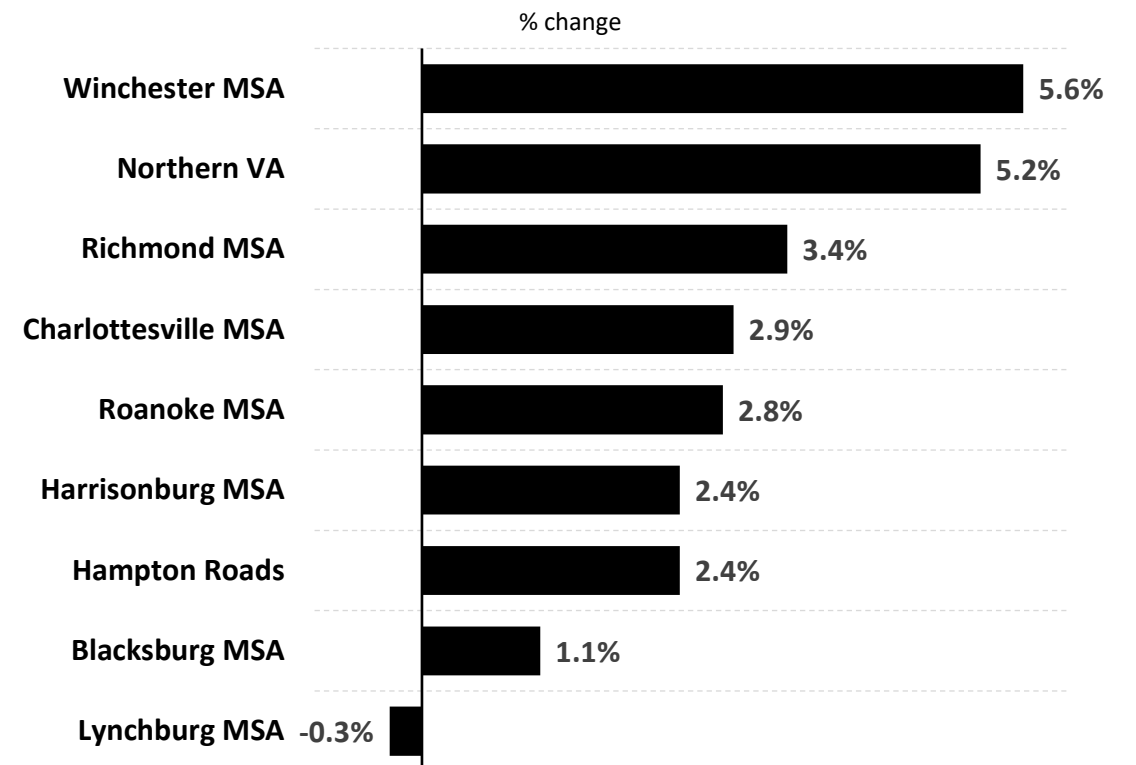


Multifamily Market - Rent Trends

VIRGINIA (Statewide)

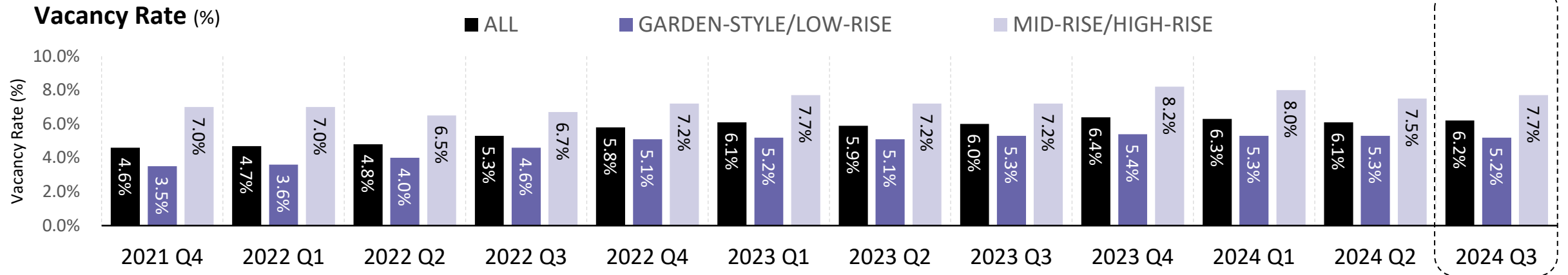


Q3-2024 by MSA: % Change, Avg. Effective Rent (YoY % change)

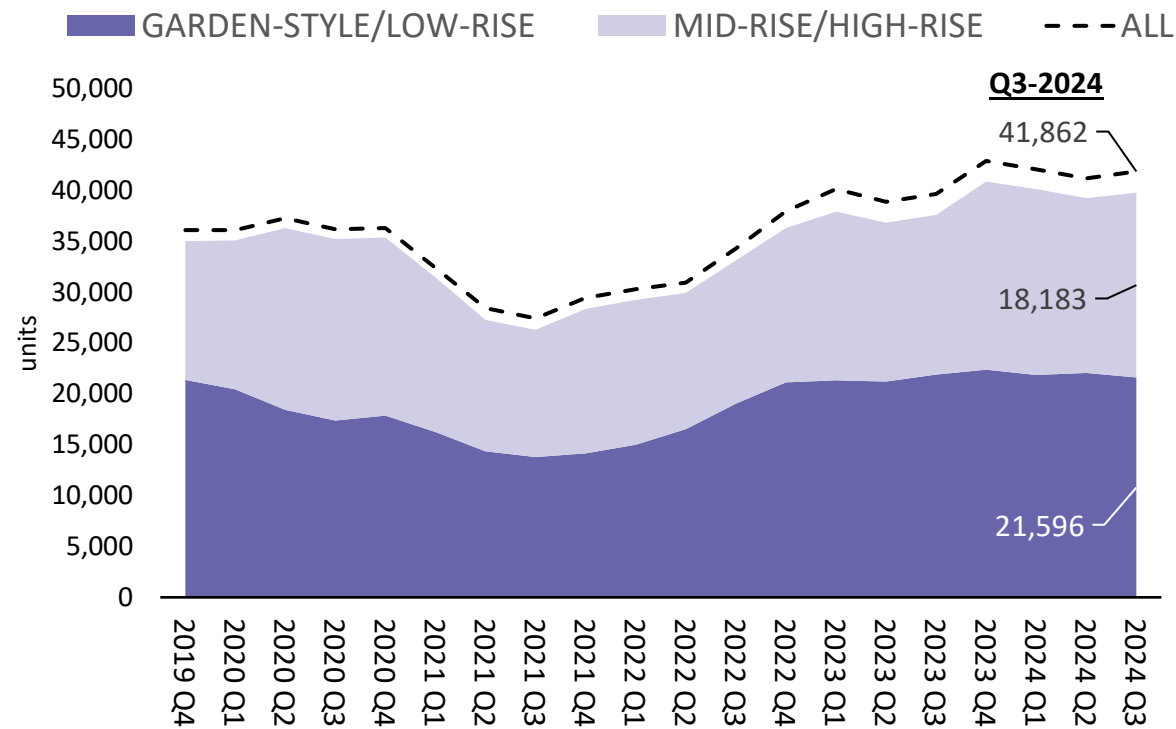


Multifamily Market - Vacancy Trends

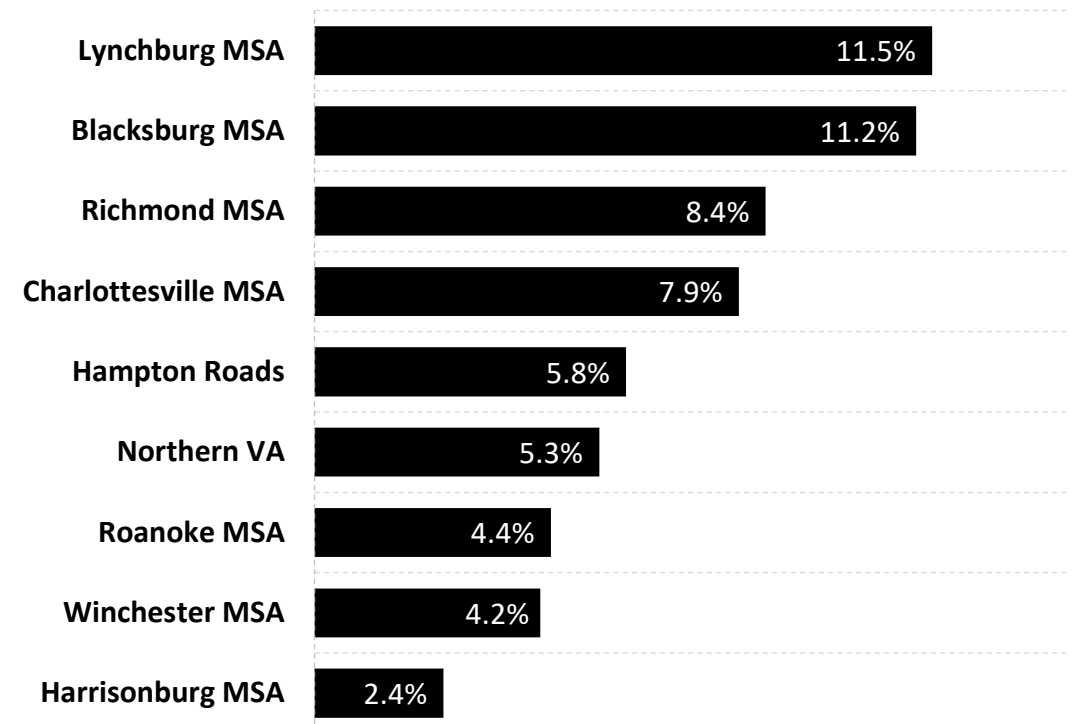
VIRGINIA (Statewide)



Vacant Inventory (units)



Q3-2024 Multifamily Vacancy Rate by MSA



MSA TRENDS

METROPOLITAN STATISTICAL AREA

Q3



2024

MULTIFAMILY
Market Report



Snapshot of Multifamily Market Conditions Around Virginia

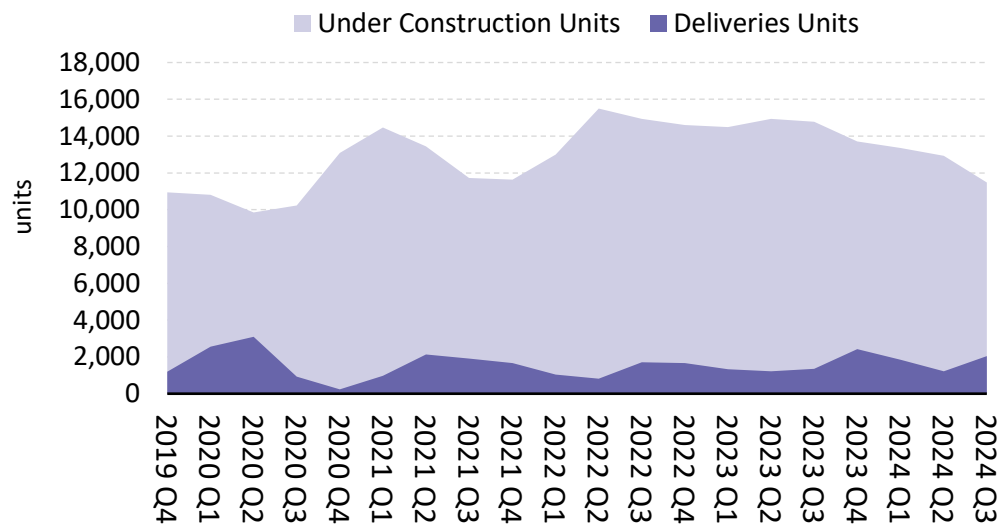
Multifamily Market - MSA Trends

NORTHERN VIRGINIA

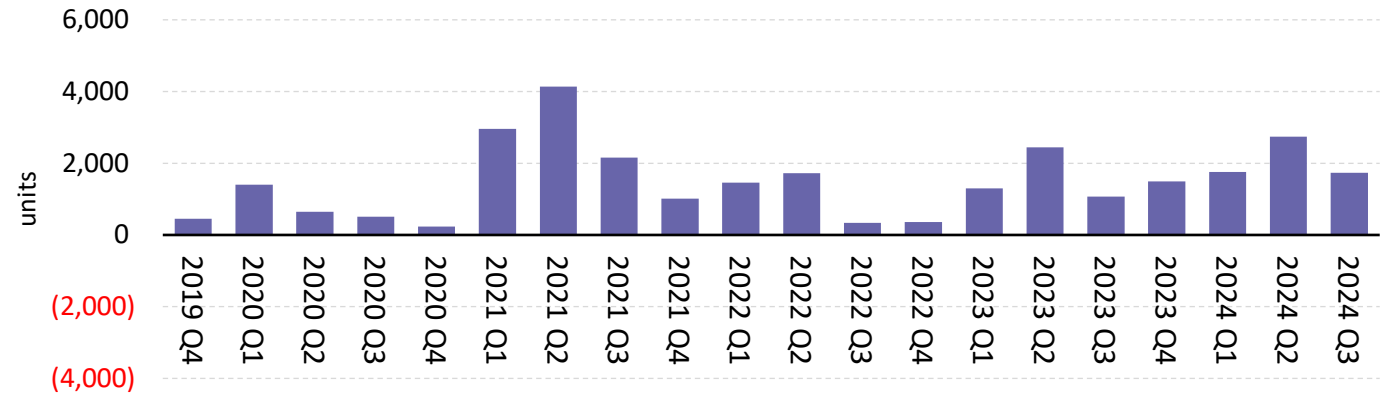
Local Market Indicator Dashboard

	Q3-2024	YoY Chg
Total Inventory (units)	274,916	2.8% % chg
Vacancy Rate (%)	5.3%	0.1% pct points
Net Absorption (units)	1,736	671 units
Avg. Effective Rent (\$/per unit)	\$2,249	\$110 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$2.49	\$0.12 \$ per sq. ft
Under Construction (units)	11,488	-3,286 units

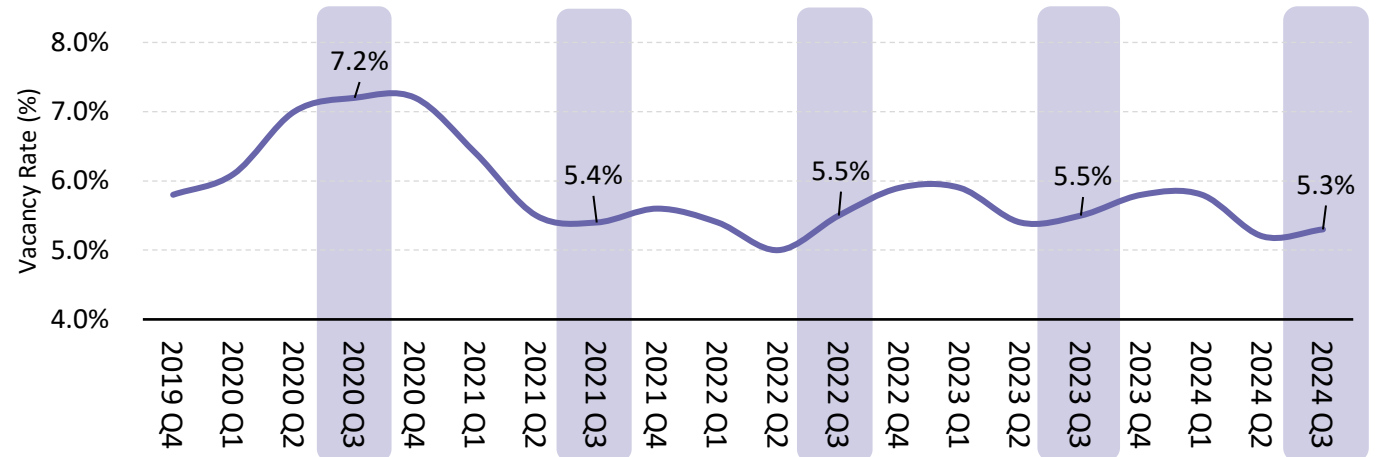
Under Construction & Net Deliveries (units)



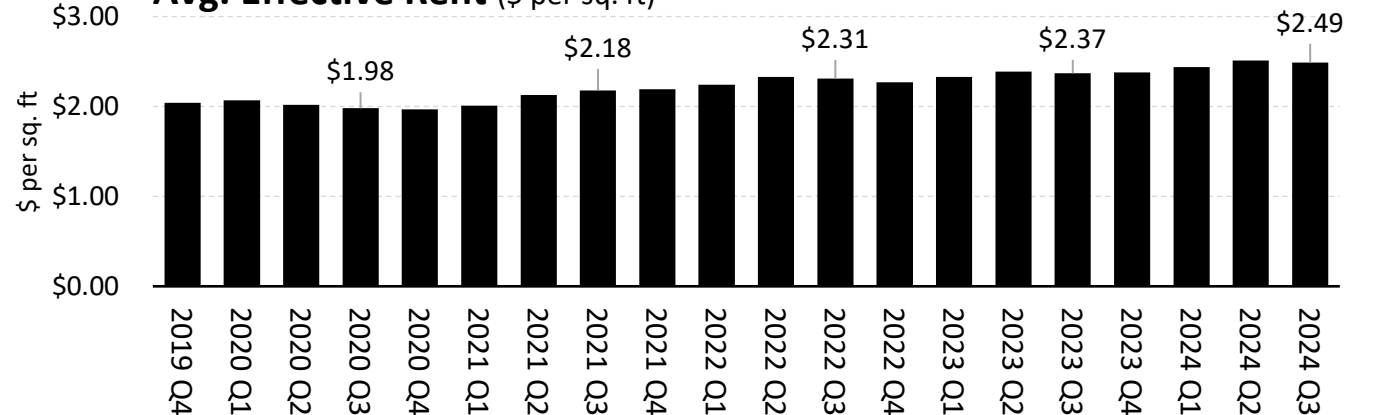
Net Absorption (units)



Vacancy Rate (%)



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



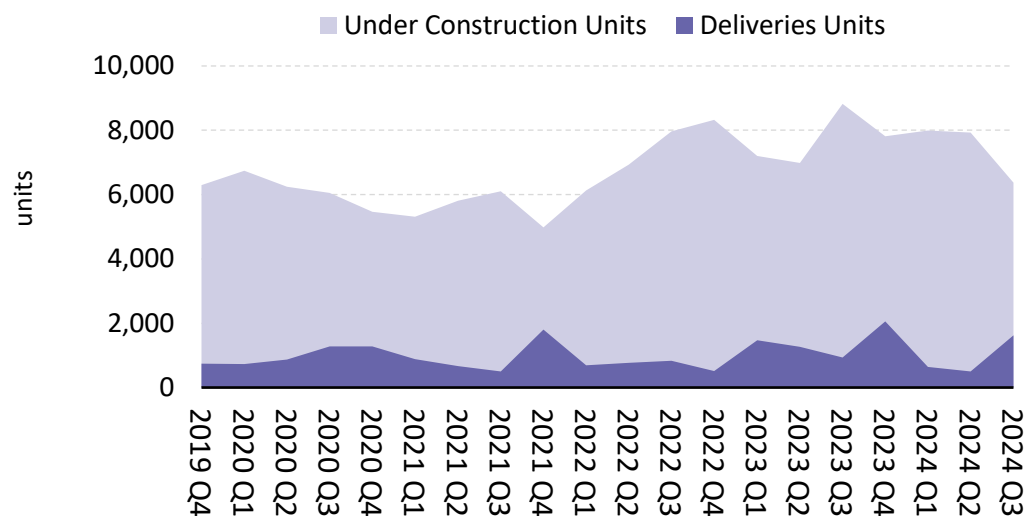
Multifamily Market - MSA Trends

RICHMOND MSA

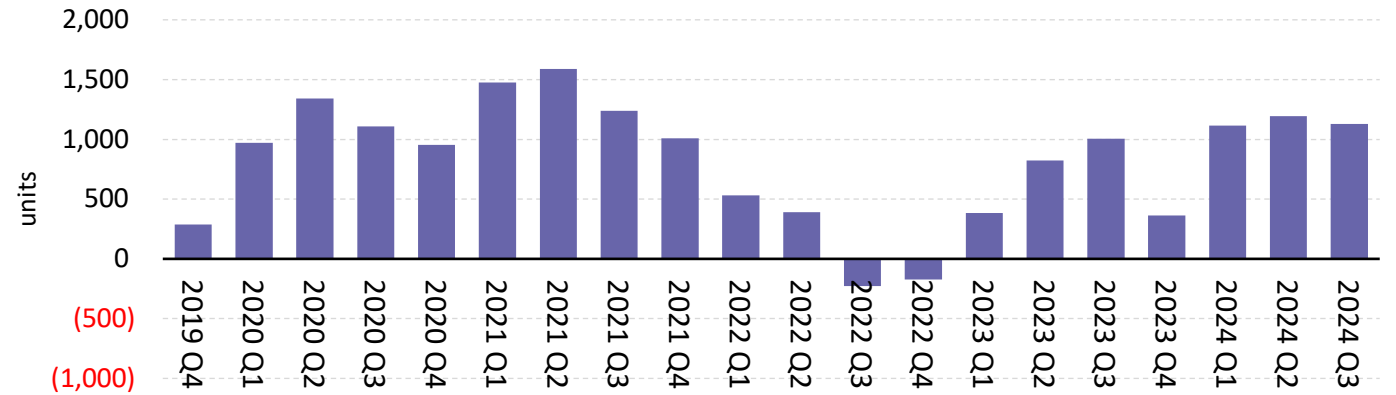
Local Market Indicator Dashboard

	Q3-2024	YoY Chg
Total Inventory (units)	138,430	3.6% % chg
Vacancy Rate (%)	8.4%	0.5% pct points
Net Absorption (units)	1,128	123 units
Avg. Effective Rent (\$/per unit)	\$1,465	\$48 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.66	\$0.05 \$ per sq. ft
Under Construction (units)	6,377	-2,444 units

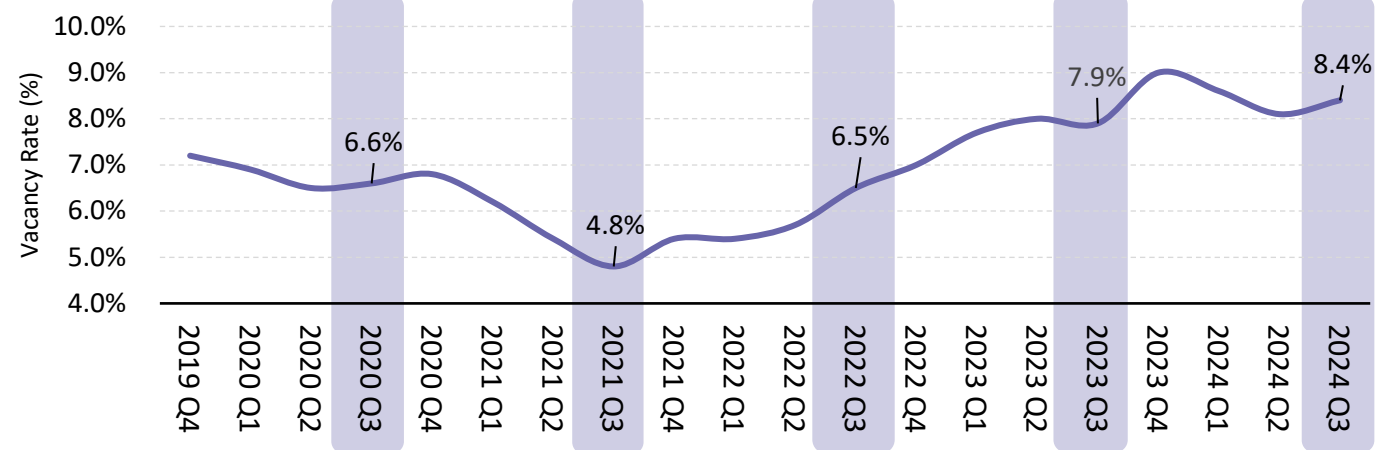
Under Construction & Net Deliveries (units)



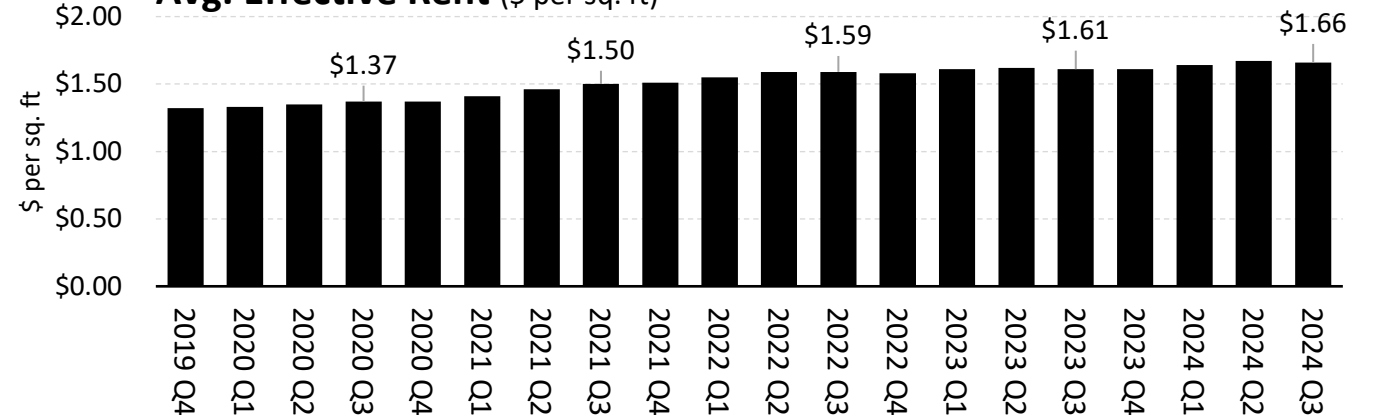
Net Absorption (units)



Vacancy Rate (%)



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



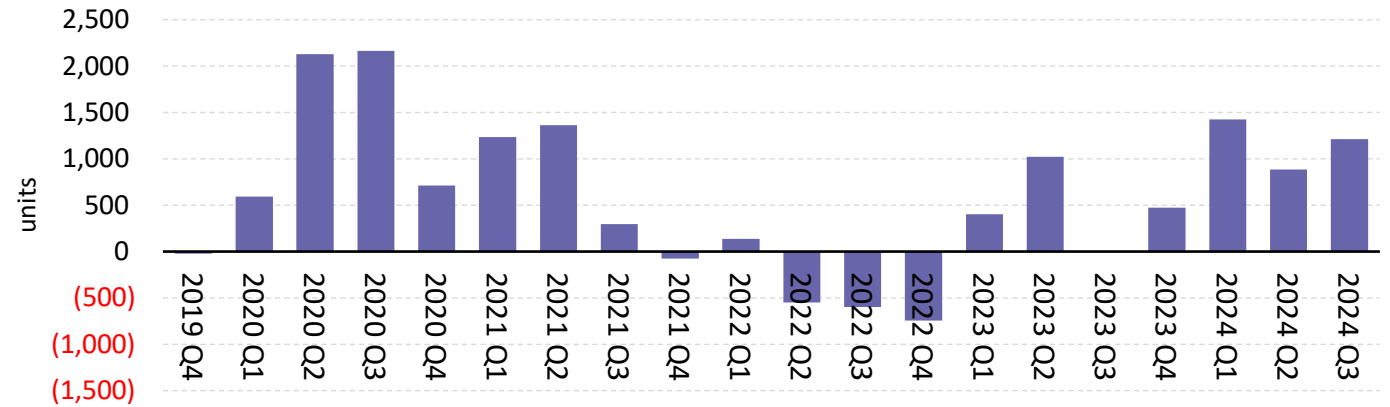
Multifamily Market - MSA Trends

HAMPTON ROADS

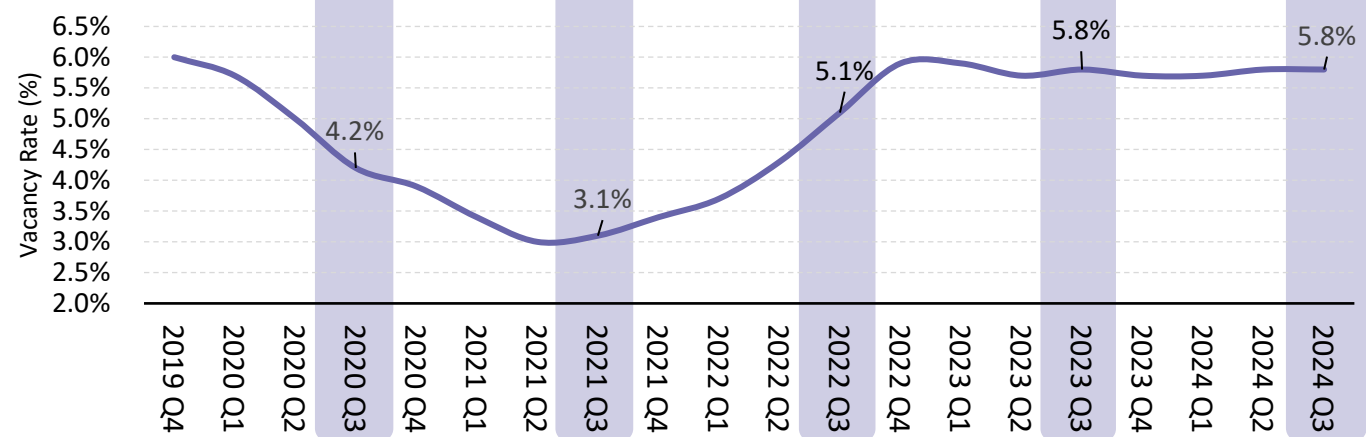
Local Market Indicator Dashboard

	Q3-2024	YoY Chg	
Total Inventory (units)	179,076	2.4%	% chg
Vacancy Rate (%)	5.8%	0	pct points
Net Absorption (units)	1,211	1,210	units
Avg. Effective Rent (\$/per unit)	\$1,453	\$35	\$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.57	\$0.04	\$ per sq. ft
Under Construction (units)	2,392	-3,255	units

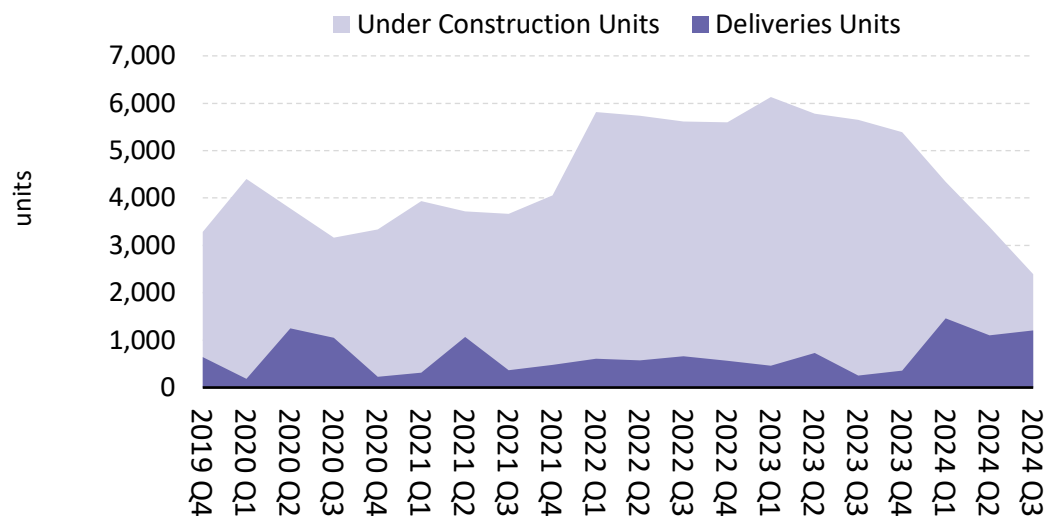
Net Absorption (units)



Vacancy Rate (%)



Under Construction & Net Deliveries (units)



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



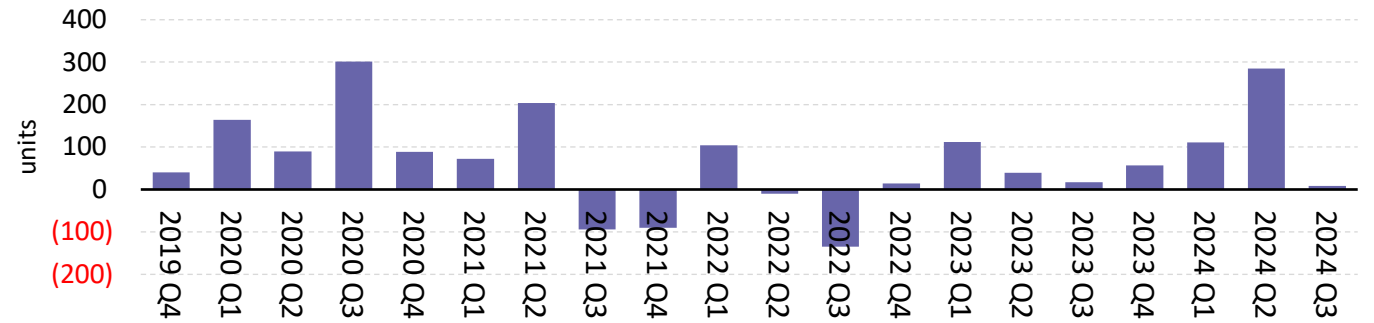
Multifamily Market - MSA Trends

ROANOKE MSA

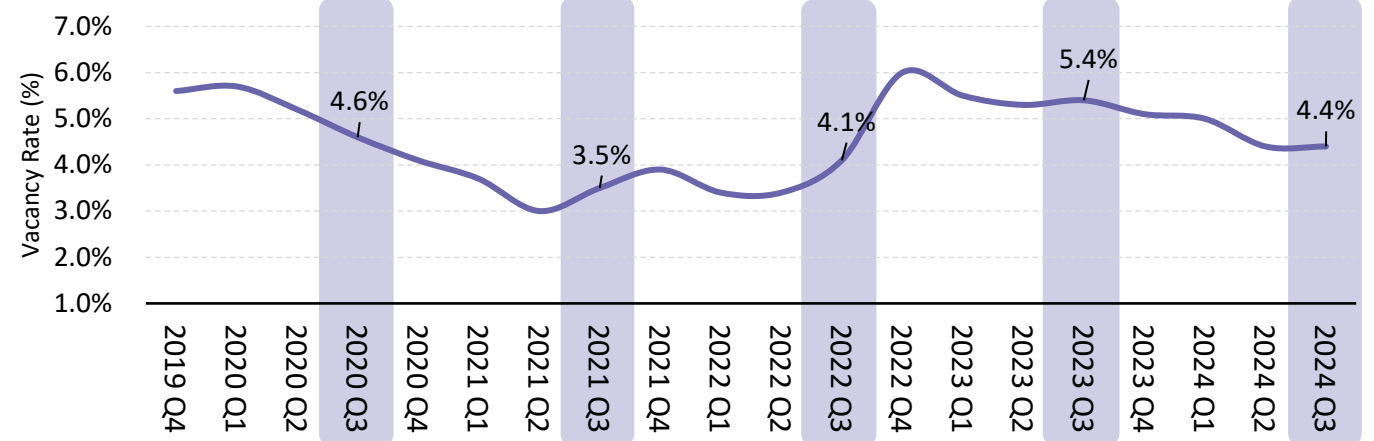
Local Market Indicator Dashboard

	Q3-2024	YoY Chg	
Total Inventory (units)	20,365	1.4%	% chg
Vacancy Rate (%)	4.4%	-1.0%	pct points
Net Absorption (units)	8	-9	units
Avg. Effective Rent (\$/per unit)	\$1,157	\$32	\$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.32	\$0.04	\$ per sq. ft
Under Construction (units)	400	21	units

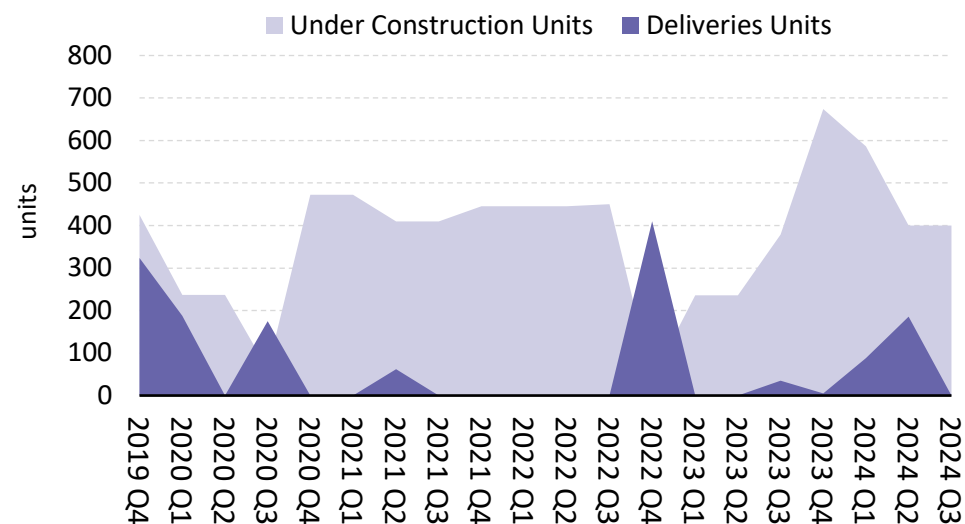
Net Absorption (units)



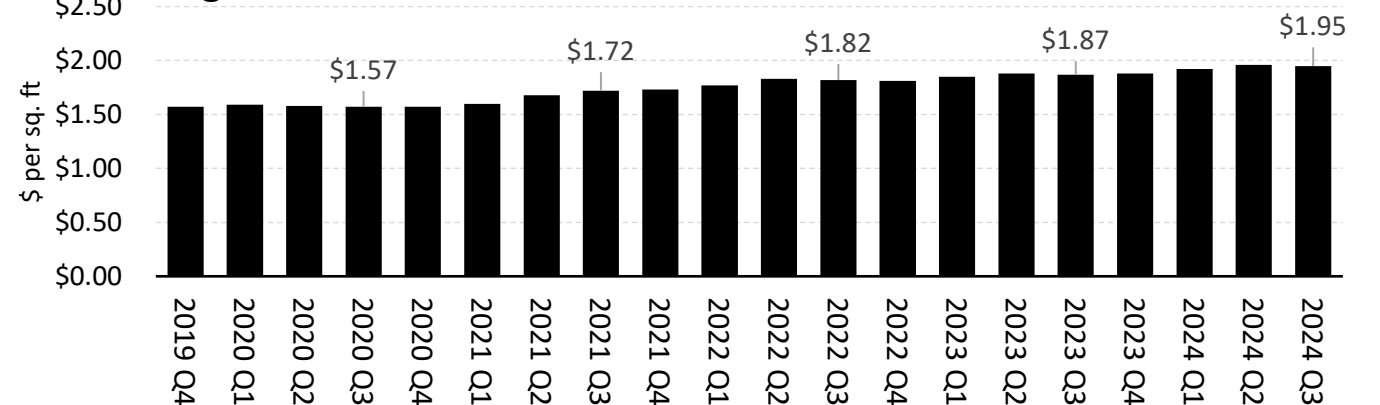
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



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



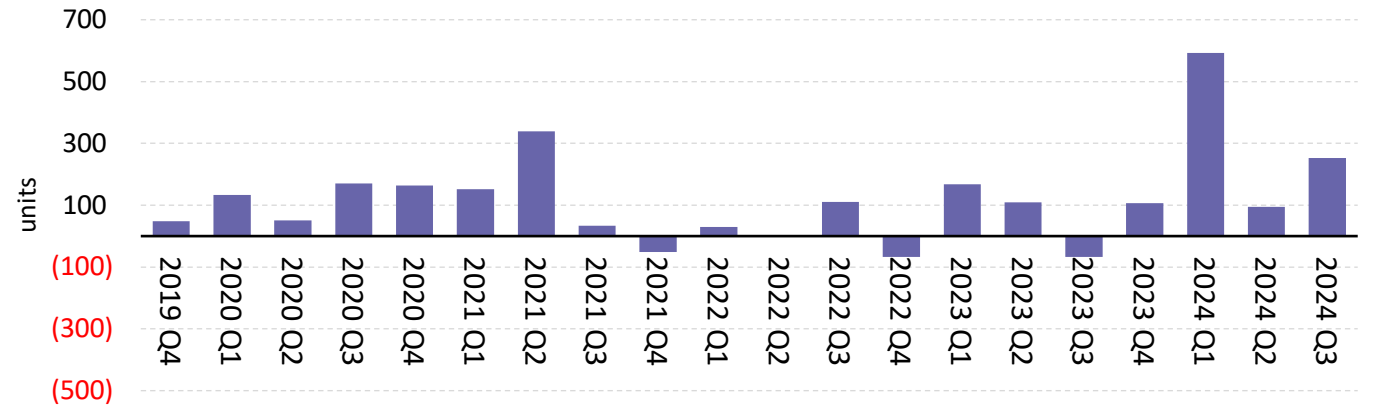
Multifamily Market - MSA Trends

LYNCHBURG MSA

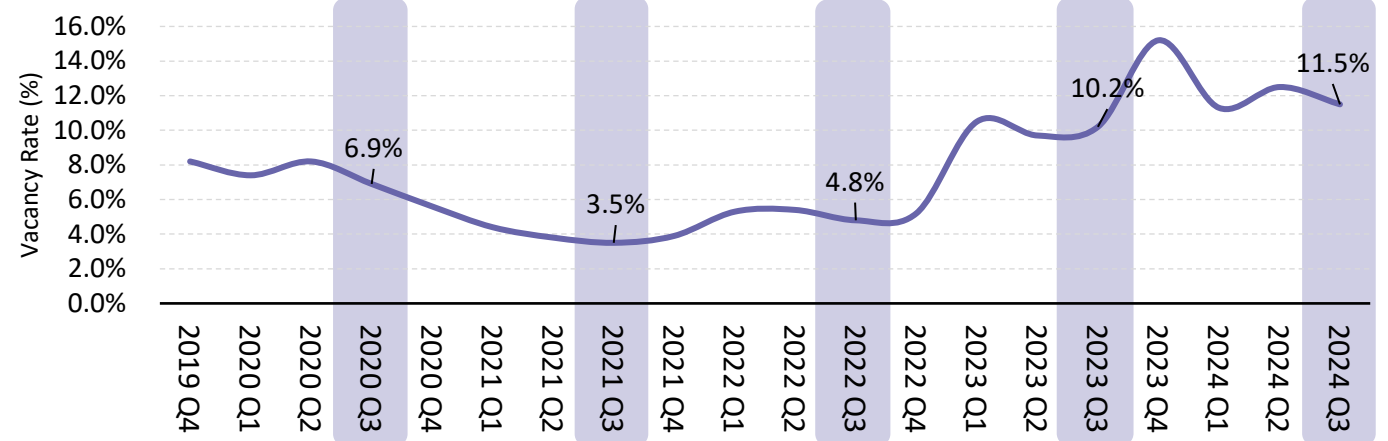
Local Market Indicator Dashboard

	Q3-2024	YoY Chg
Total Inventory (units)	15,572	9.6% % chg
Vacancy Rate (%)	11.5%	1.3% pct points
Net Absorption (units)	252	319 units
Avg. Effective Rent (\$/per unit)	\$1,131	-\$4 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.17	\$0 \$ per sq. ft
Under Construction (units)	0	-1,368 units

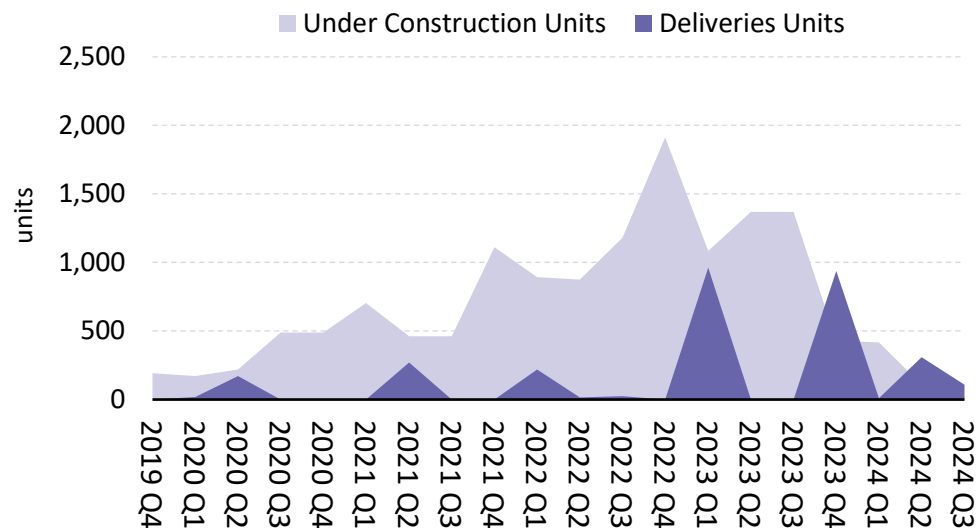
Net Absorption (units)



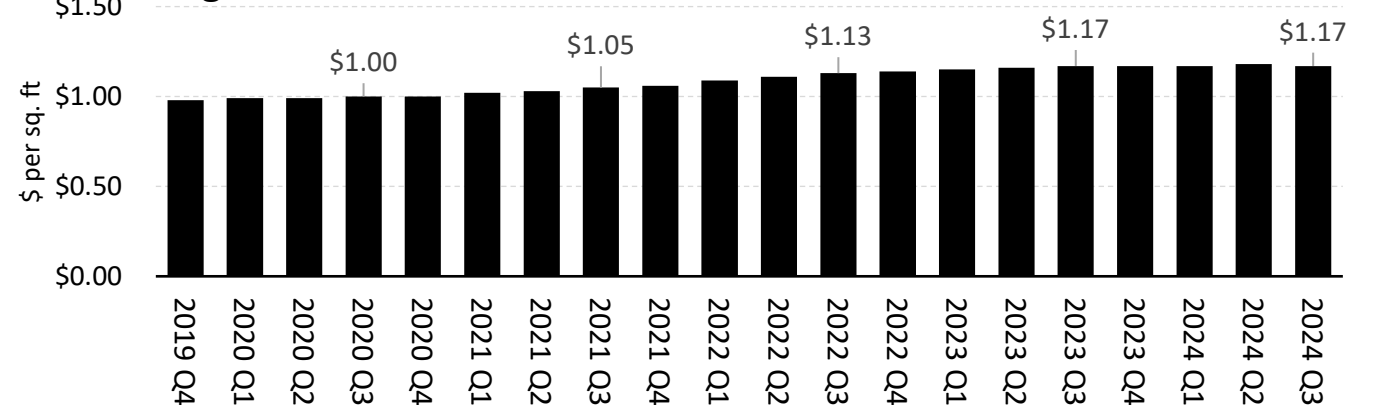
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



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



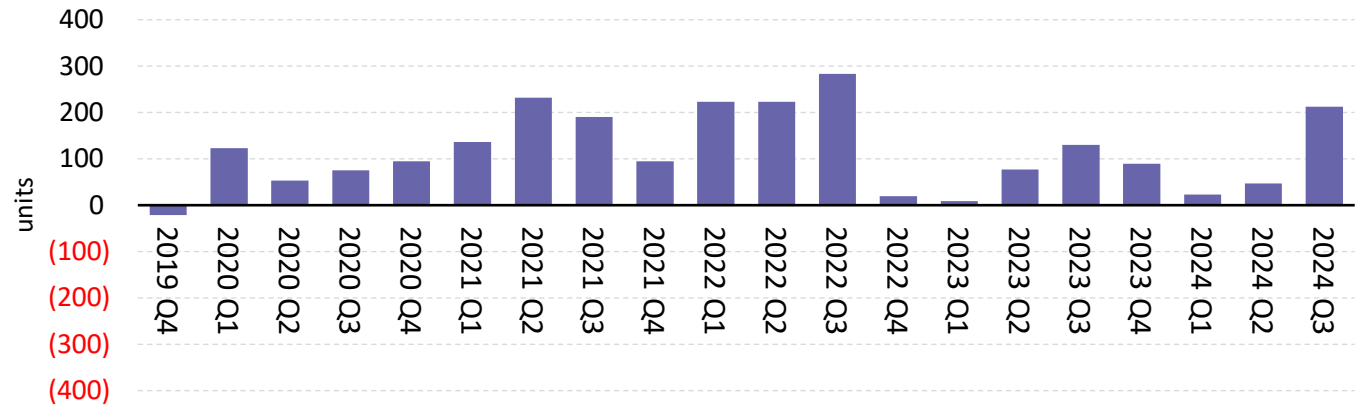
Multifamily Market - MSA Trends

CHARLOTTESVILLE MSA

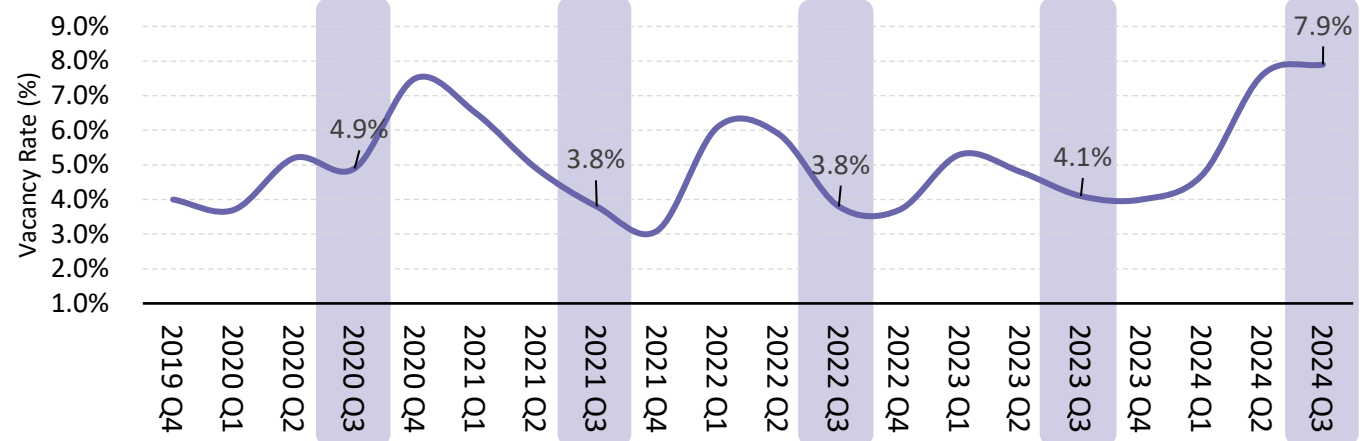
Local Market Indicator Dashboard

	Q3-2024	YoY Chg
Total Inventory (units)	15,161	7.0% % chg
Vacancy Rate (%)	7.9%	3.8% pct points
Net Absorption (units)	212	82 units
Avg. Effective Rent (\$/per unit)	\$1,765	\$49 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.80	\$0.05 \$ per sq. ft
Under Construction (units)	374	-741 units

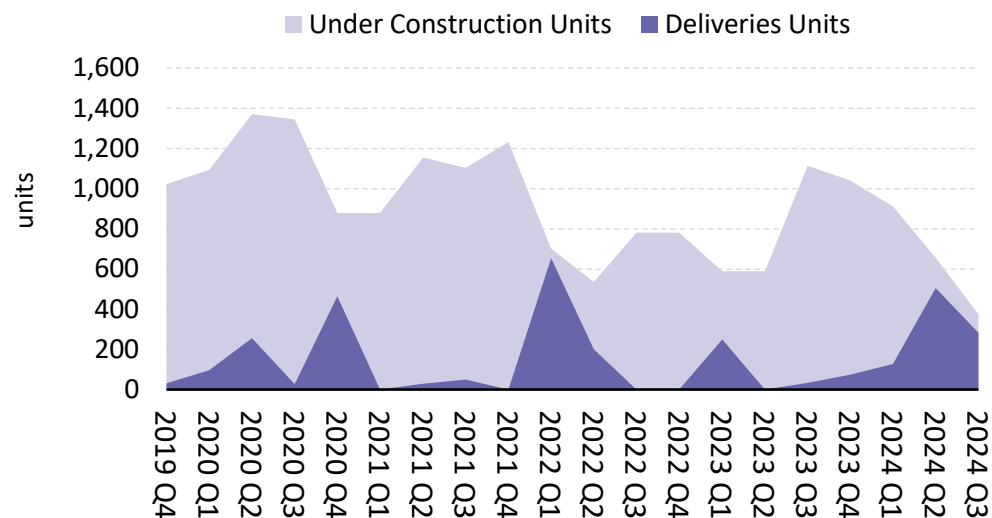
Net Absorption (units)



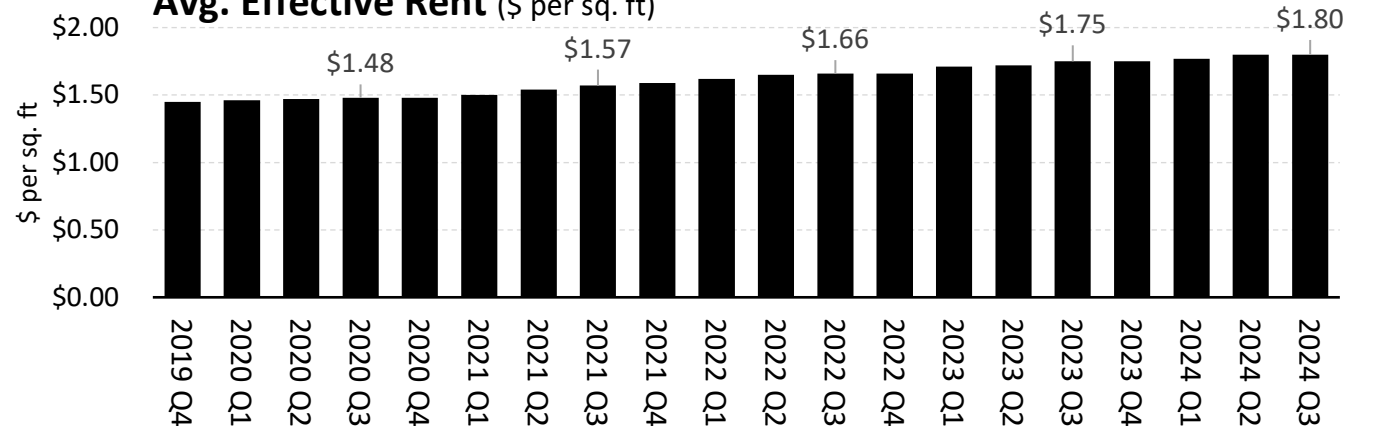
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



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

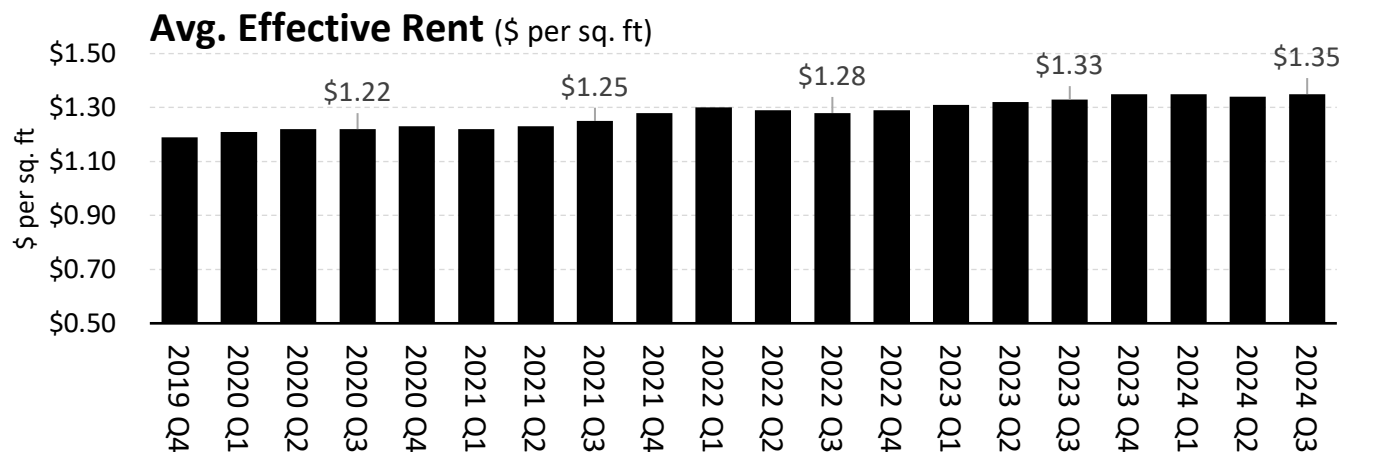
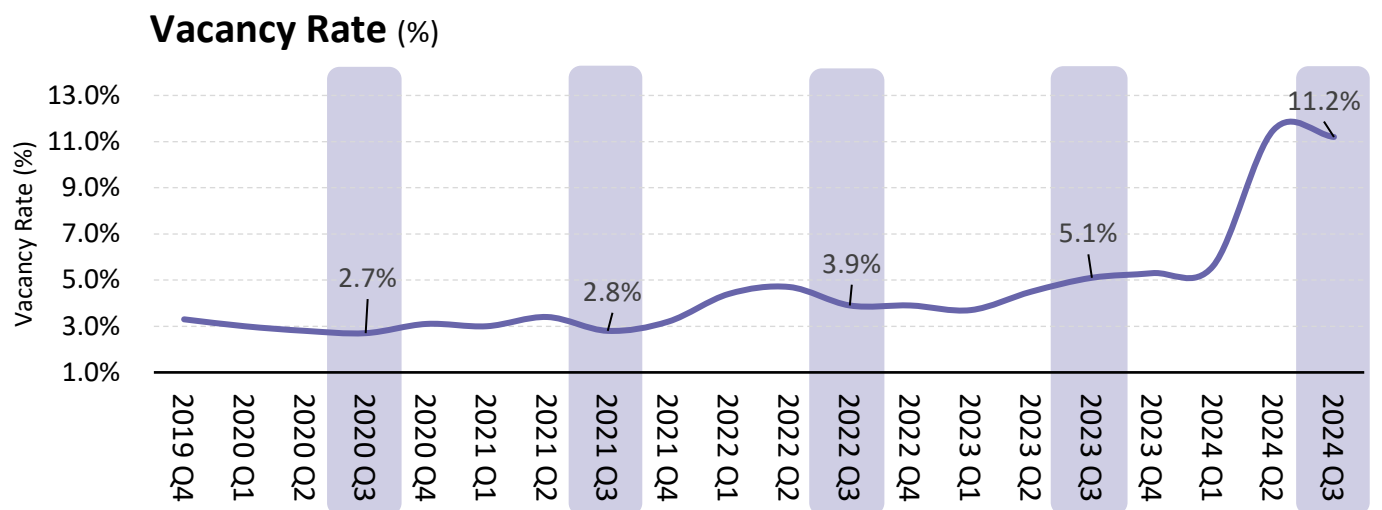
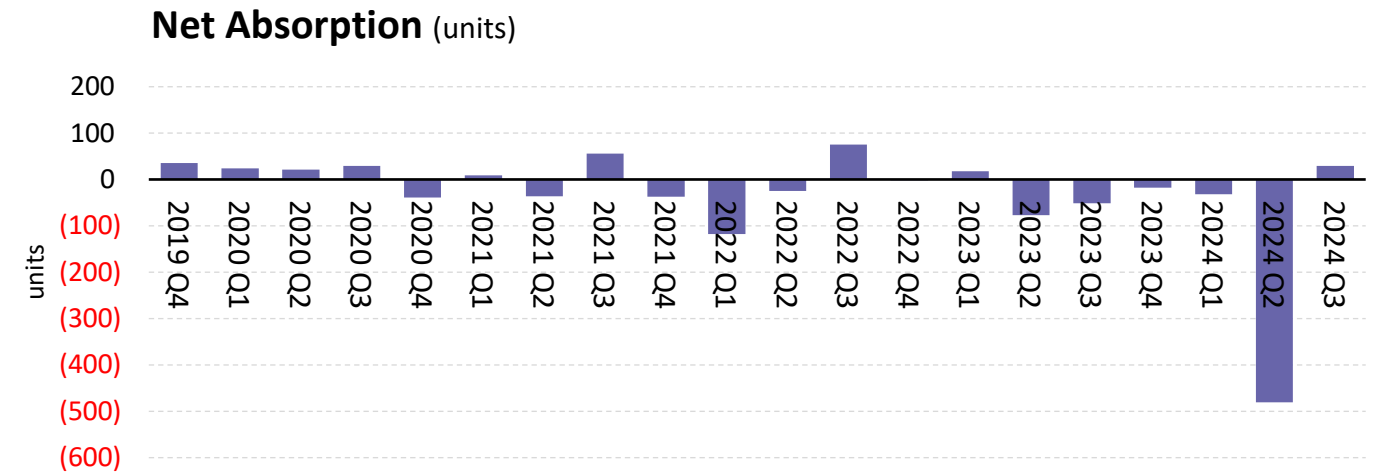
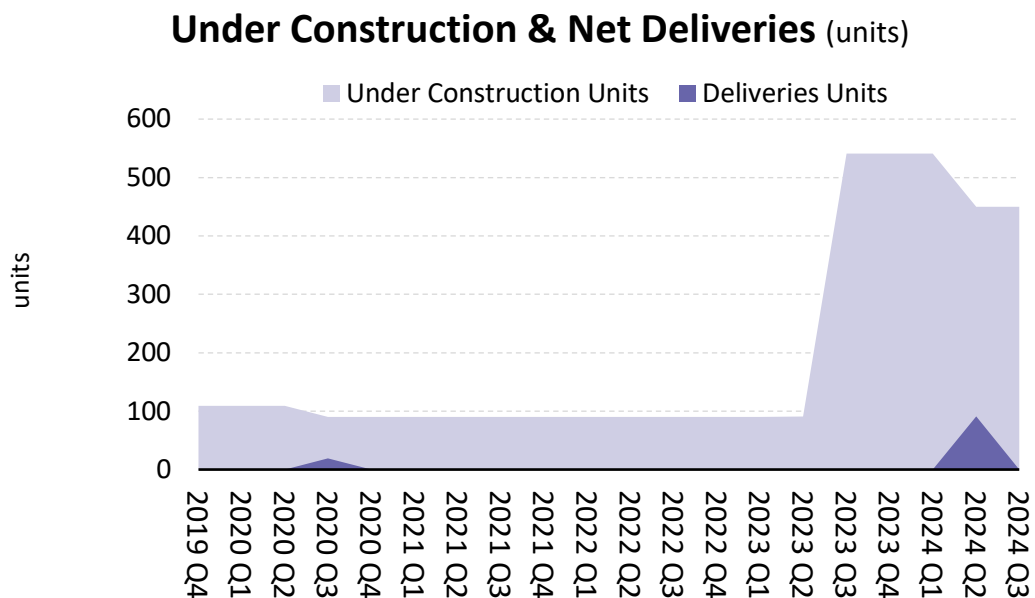


Multifamily Market - MSA Trends

BLACKSBURG MSA

Local Market Indicator Dashboard

	Q3-2024	YoY Chg	
Total Inventory (units)	9,631	1.0%	% chg
Vacancy Rate (%)	11.2%	6.1%	pct points
Net Absorption (units)	29	80	units
Avg. Effective Rent (\$/per unit)	\$1,253	\$15	\$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.35	\$0.02	\$ per sq. ft
Under Construction (units)	450	-91	units



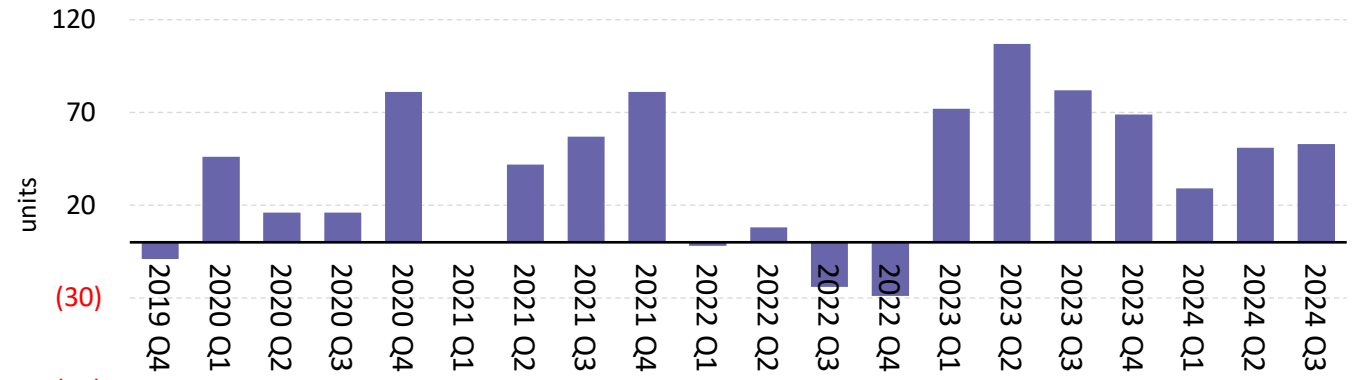
Multifamily Market - MSA Trends

WINCHESTER MSA

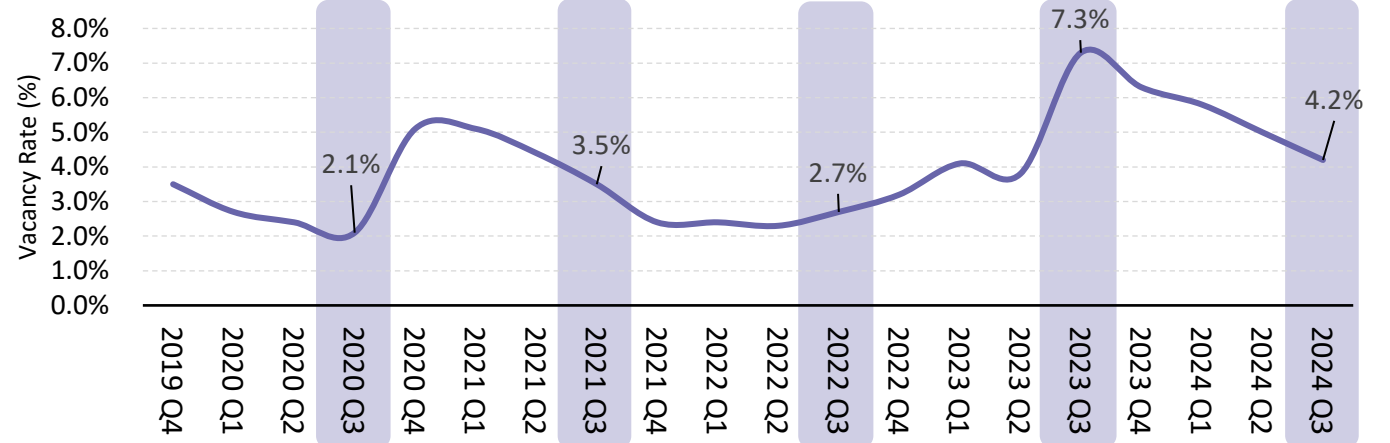
Local Market Indicator Dashboard

	Q3-2024	YoY Chg	
Total Inventory (units)	6,663	0	% chg
Vacancy Rate (%)	4.2%	-3.1%	pct points
Net Absorption (units)	53	-29	units
Avg. Effective Rent (\$/per unit)	\$1,443	\$77	\$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.56	\$0.08	\$ per sq. ft
Under Construction (units)	411	219	units

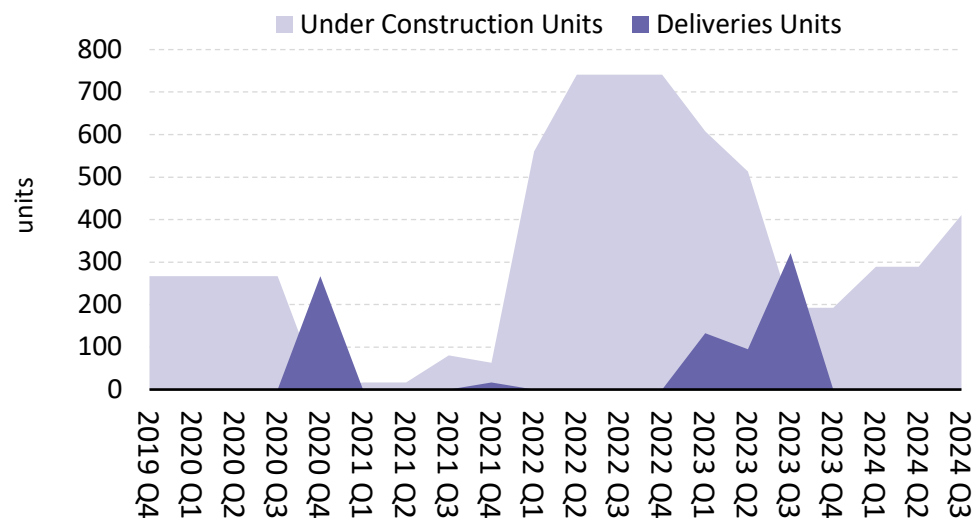
Net Absorption (units)



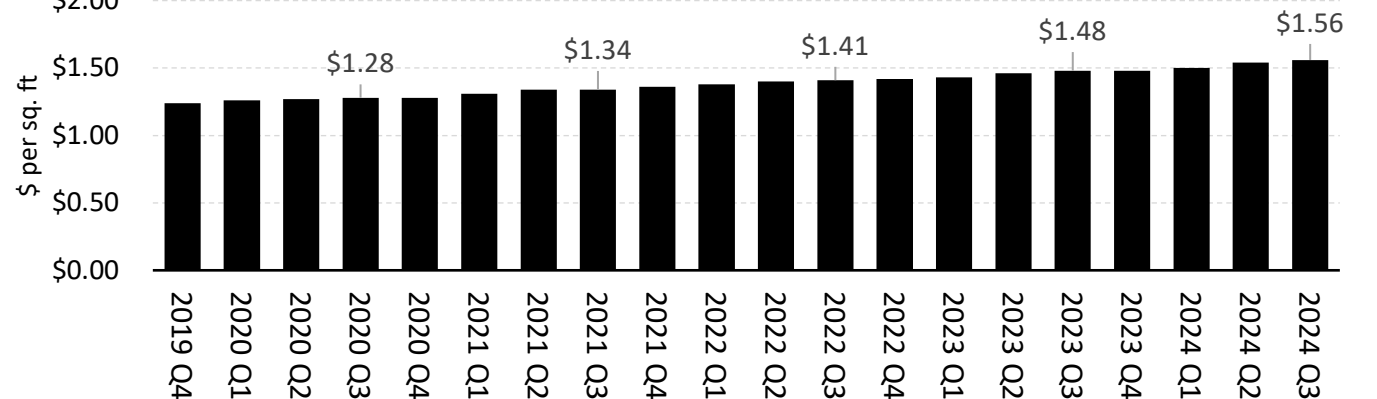
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



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



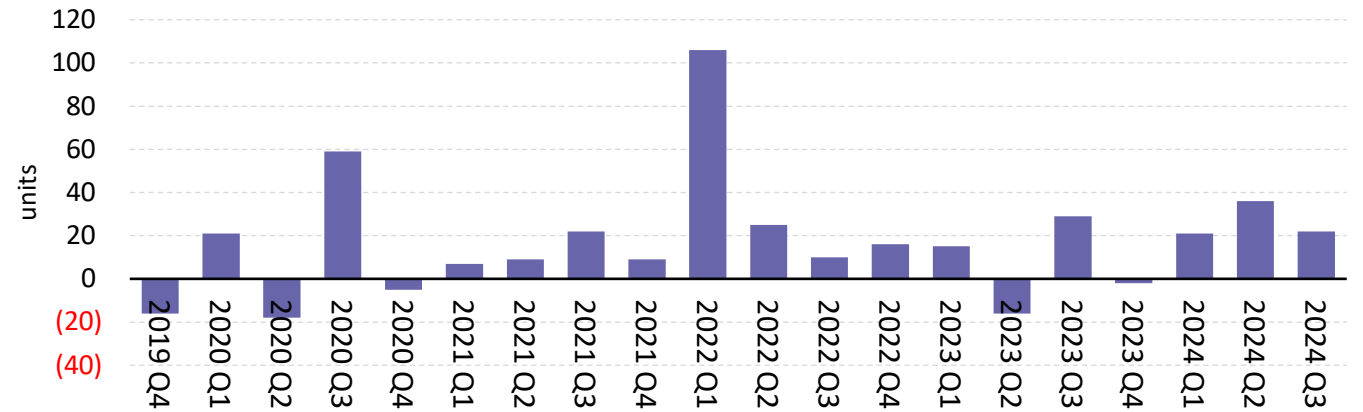
Multifamily Market - MSA Trends

HARRISONBURG MSA

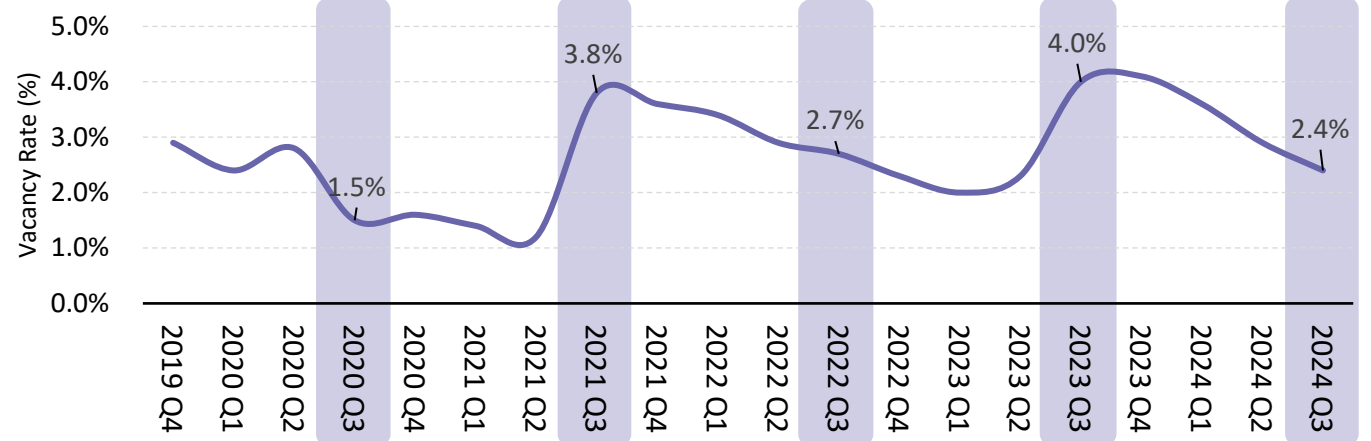
Local Market Indicator Dashboard

	Q3-2024	YoY Chg
Total Inventory (units)	4,828	0 % chg
Vacancy Rate (%)	2.4%	-1.6% pct points
Net Absorption (units)	22	-7 units
Avg. Effective Rent (\$/per unit)	\$1,235	\$29 \$ per unit
Avg. Effective Rent (\$/per sq. ft)	\$1.37	\$0.03 \$ per sq. ft
Under Construction (units)	271	271 units

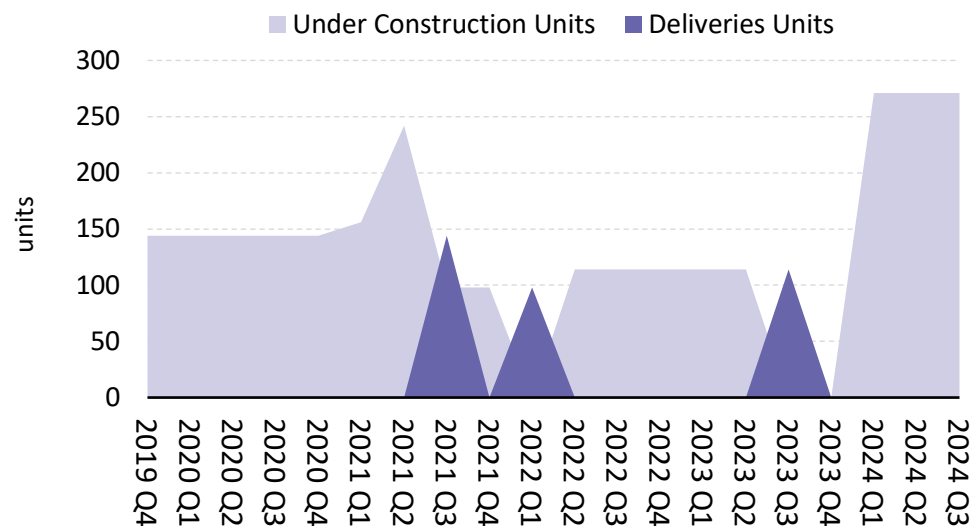
Net Absorption (units)



Vacancy Rate (%)



Under Construction & Net Deliveries (units)



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



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Data and analysis provided by Virginia REALTORS® Chief Economist.

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