Q3 2024 MULTIFAMILY MARKET REPORT

Virginia REALTORS®

Multifamily Market - Key Trends Snapshot

Q3 2024 | Virginia REALTORS® MULTIFAMILY Market Report

Multifamily Market

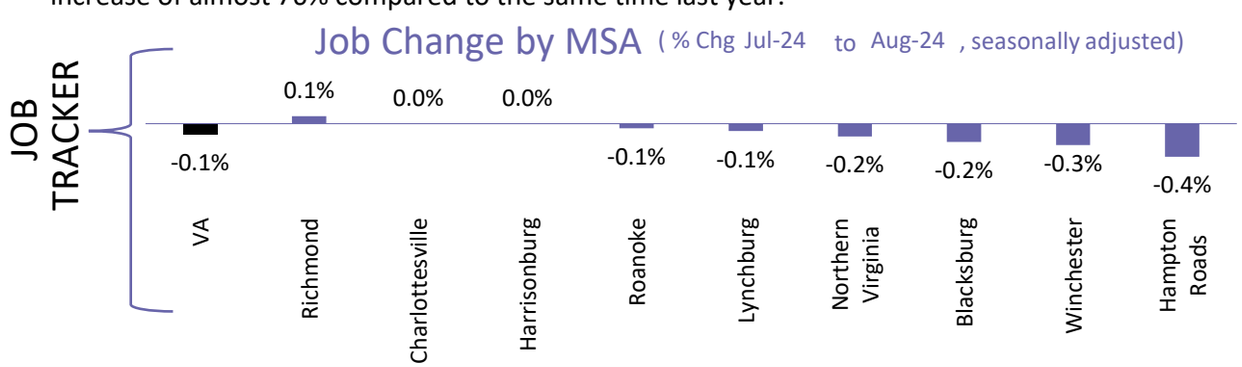
Overview: The multifamily rental market in Virginia had a relatively solid third quarter. Absorption was positive in all regional markets and rents continue to trend up in most places. Vacancies inched up as more new units were delivered. The construction pipeline continues to shrink rapidly as new projects 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. Norther 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)
	QoQ Chg	**Q2-2024**	
pct point	1.6%	3.0%	**Gross Domestic Product, U.S.** (seasonally adjusted annual rate)

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Multifamily Market - Absorption & Construction Trends

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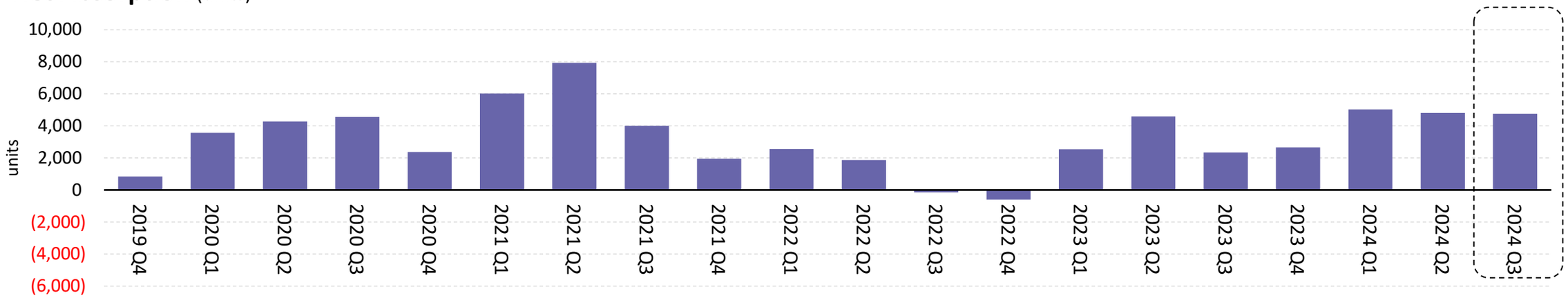
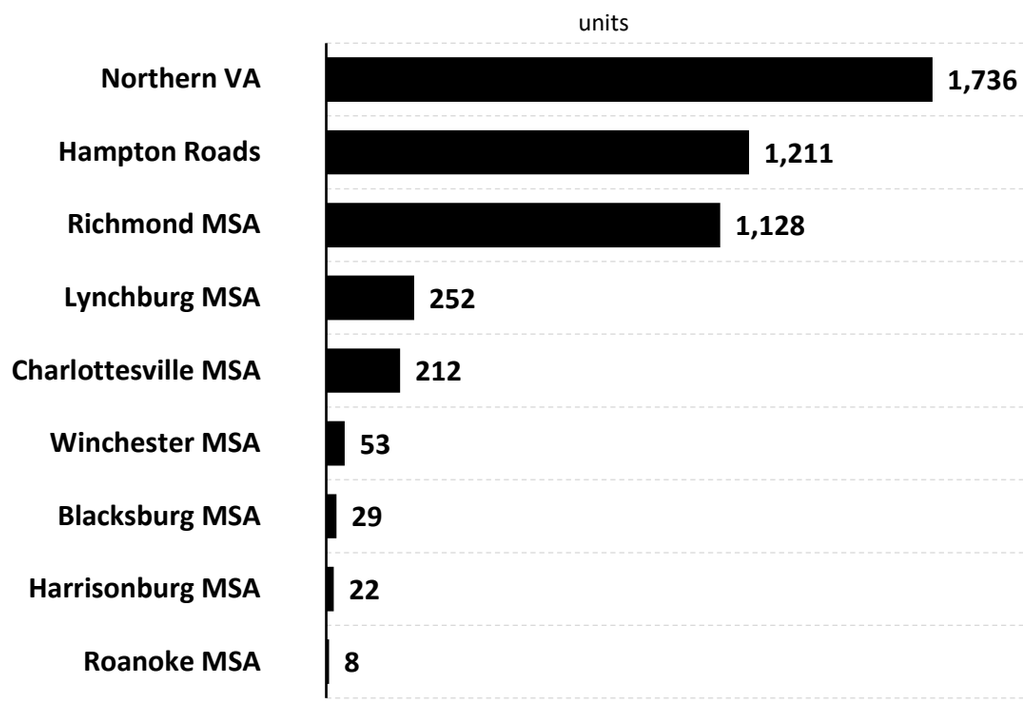
VIRGINIA *(Statewide)*

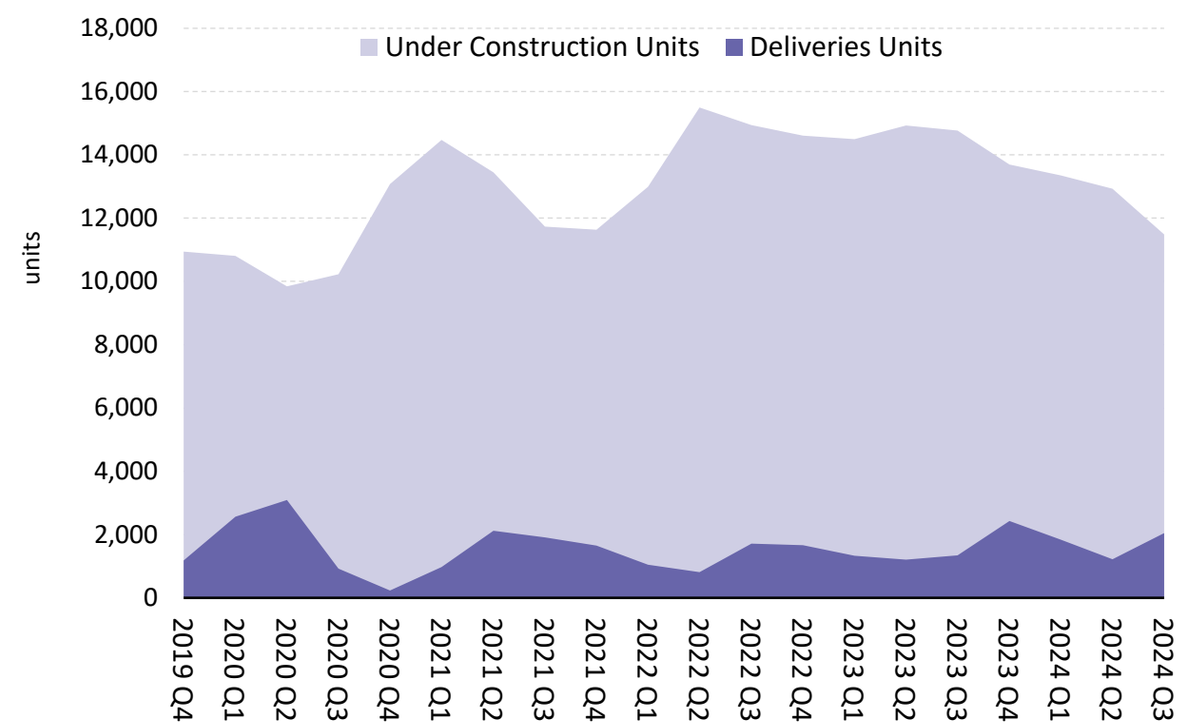
Net Absorption (units)



Q3-2024 Net Absorption by Metro Area (units)



Under Construction & Net Deliveries (units)



Multifamily Market - Rent Trends

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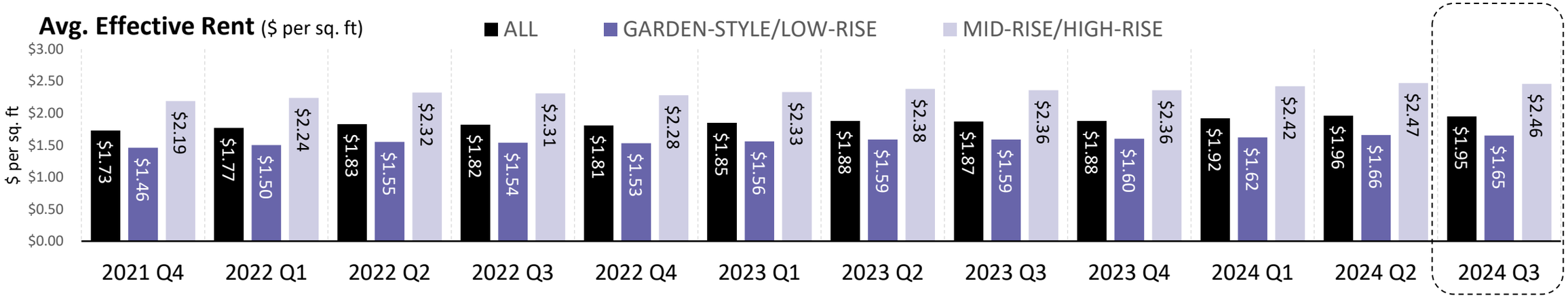
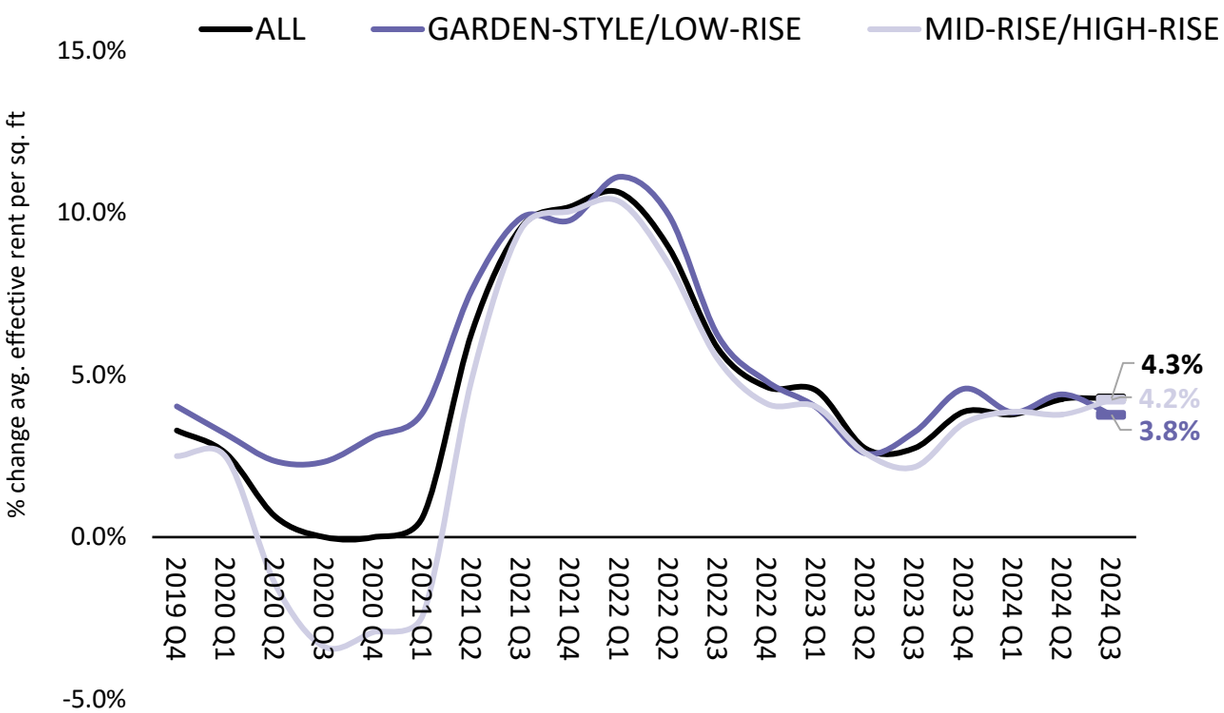
VIRGINIA *(Statewide)*

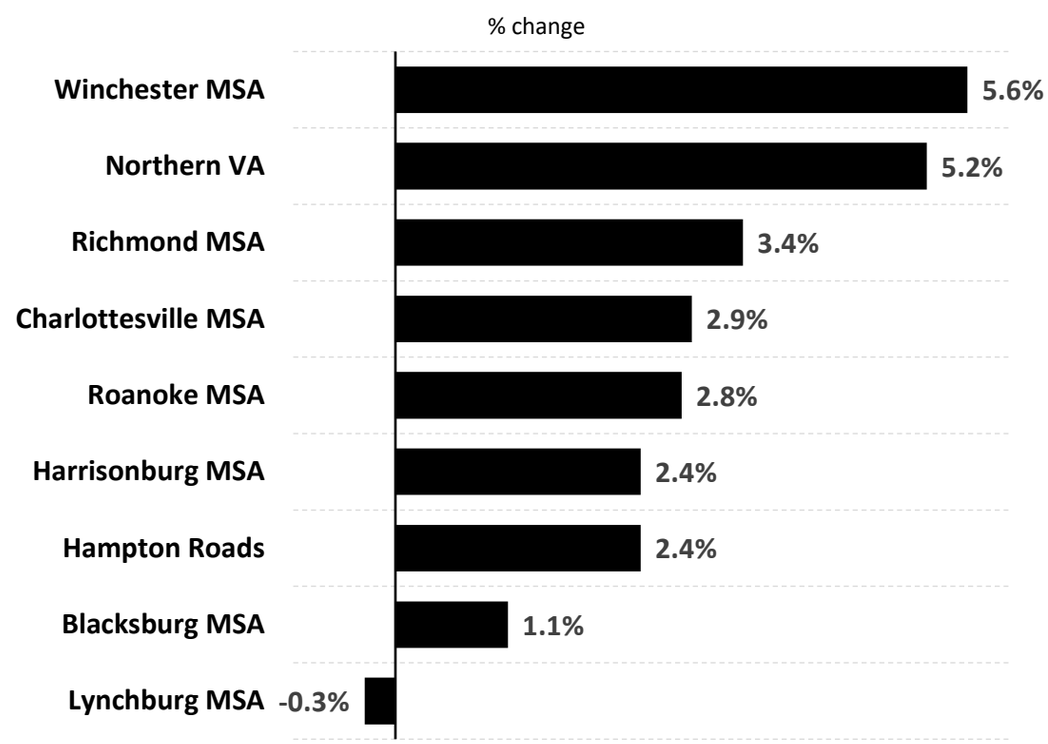
Avg. Effective Rent ($ per sq. ft)



% Change, Avg. Effective Rent (YoY % change)



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

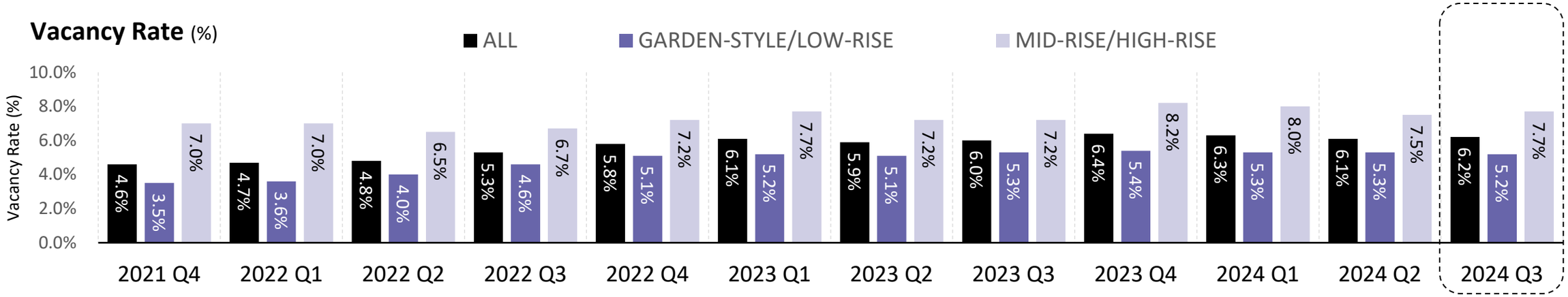


Multifamily Market - Vacancy Trends

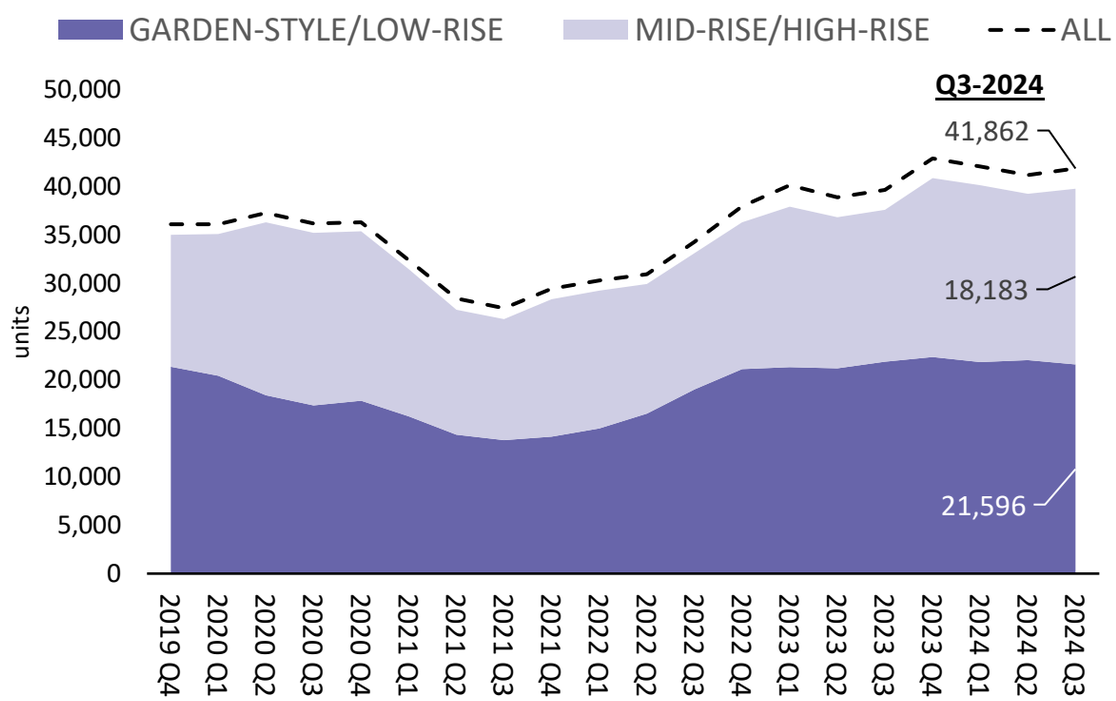
Q3 2024 Virginia REALTORS® MULTIFAMILY Market Report

VIRGINIA *(Statewide)*

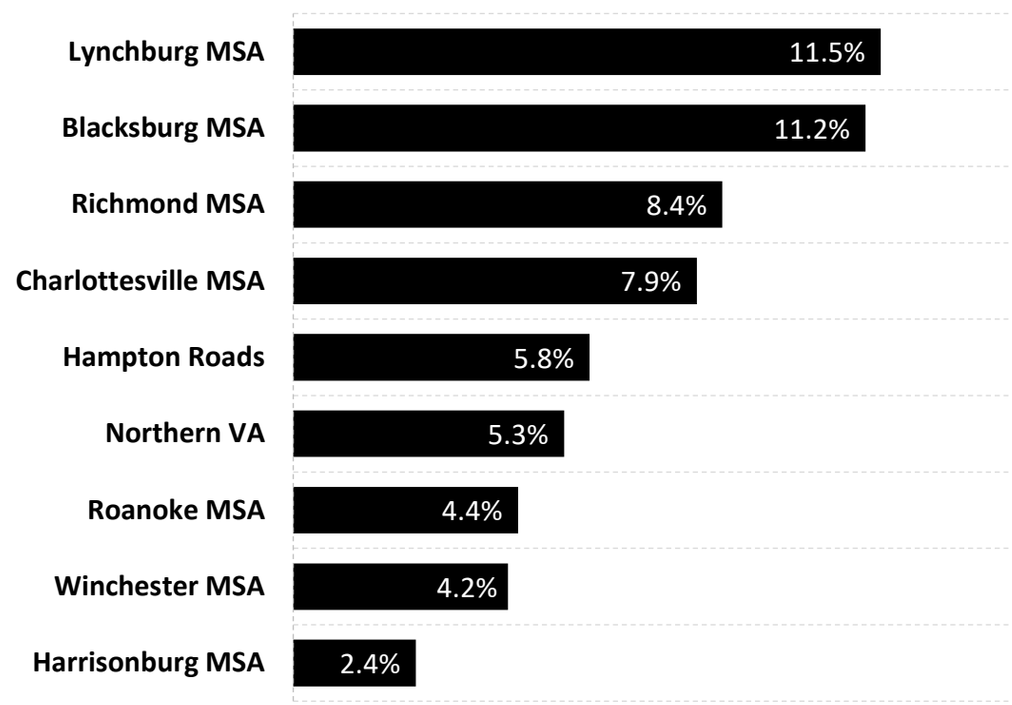
Vacancy Rate (%)



Vacant Inventory (units)



Q3-2024 Multifamily Vacancy Rate by MSA



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MSA TRENDS

METROPOLITAN STATISTICAL AREA

Snapshot of Multifamily Market Conditions Around Virginia

Multifamily Market - MSA Trends

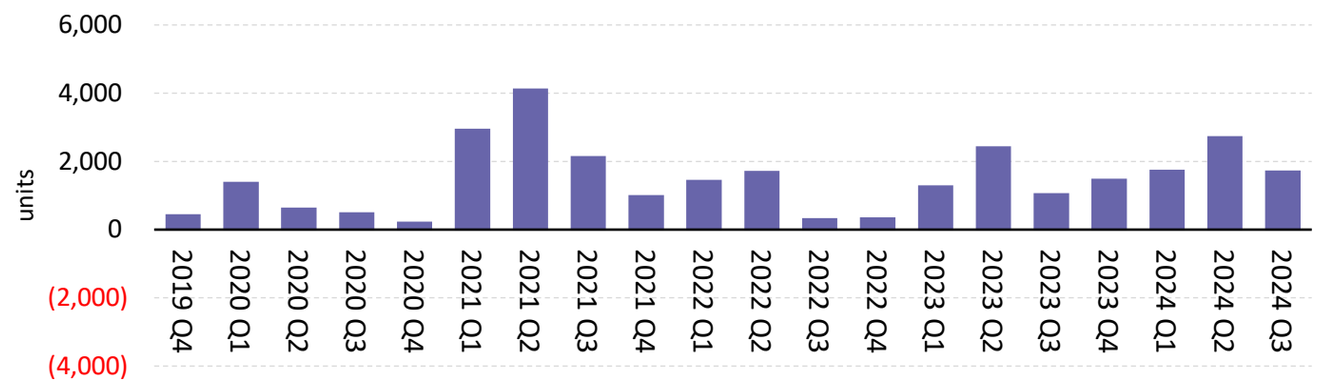
Q3 2024 Virginia REALTORS® MULTIFAMILY Market Report

NORTHERN VIRGINIA

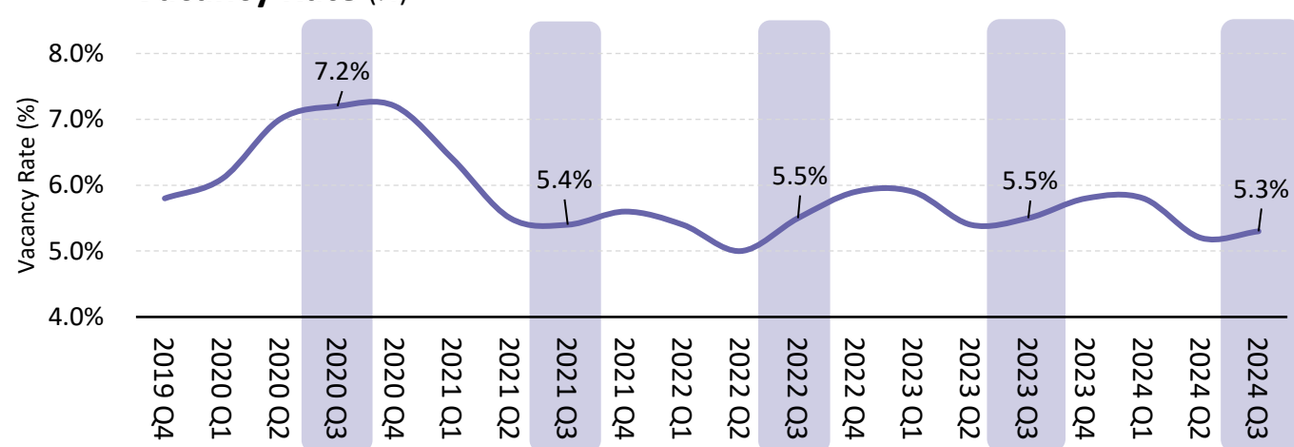
Local Market Indicator Dashboard

	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

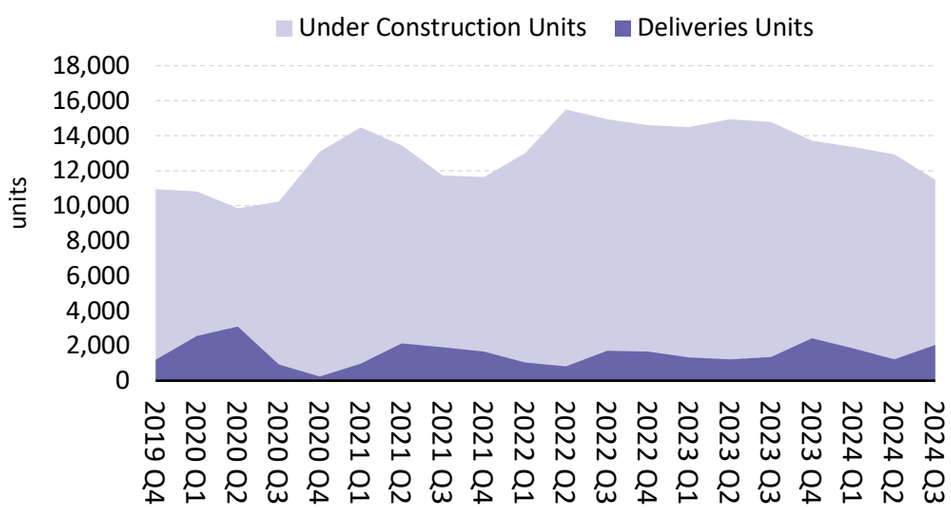
Net Absorption (units)



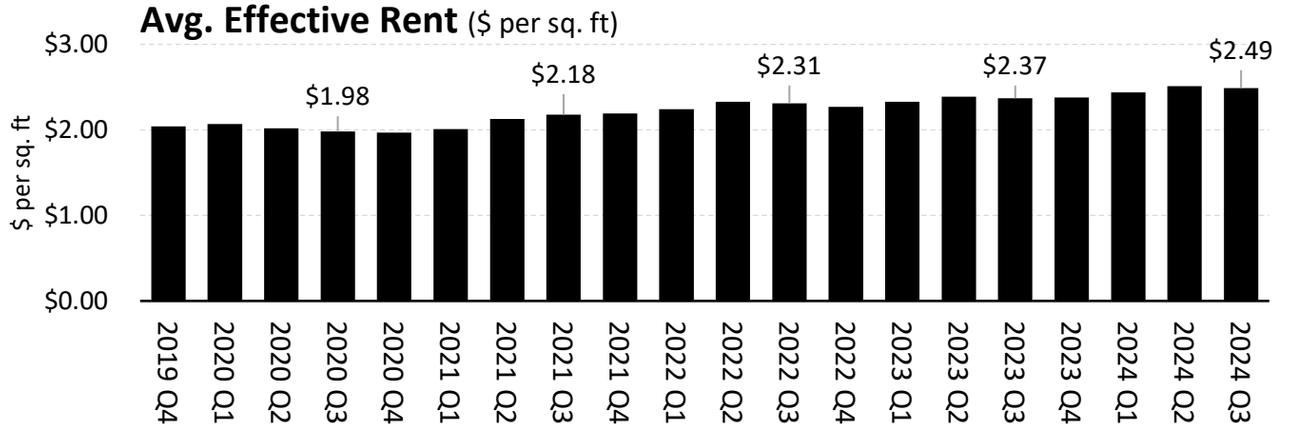
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



Avg. Effective Rent ($ per sq. ft)



Multifamily Market - MSA Trends

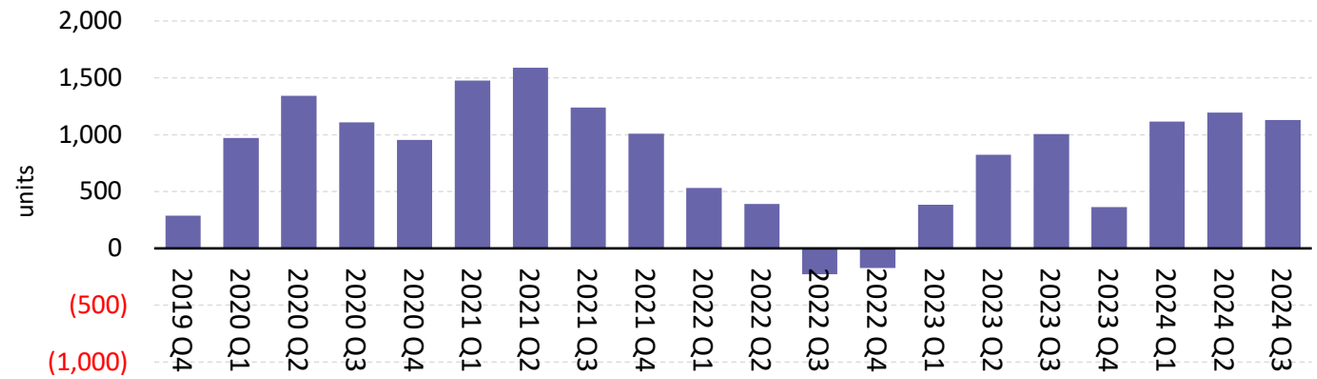
Q3 2024 | Virginia REALTORS® MULTIFAMILY Market Report

RICHMOND MSA

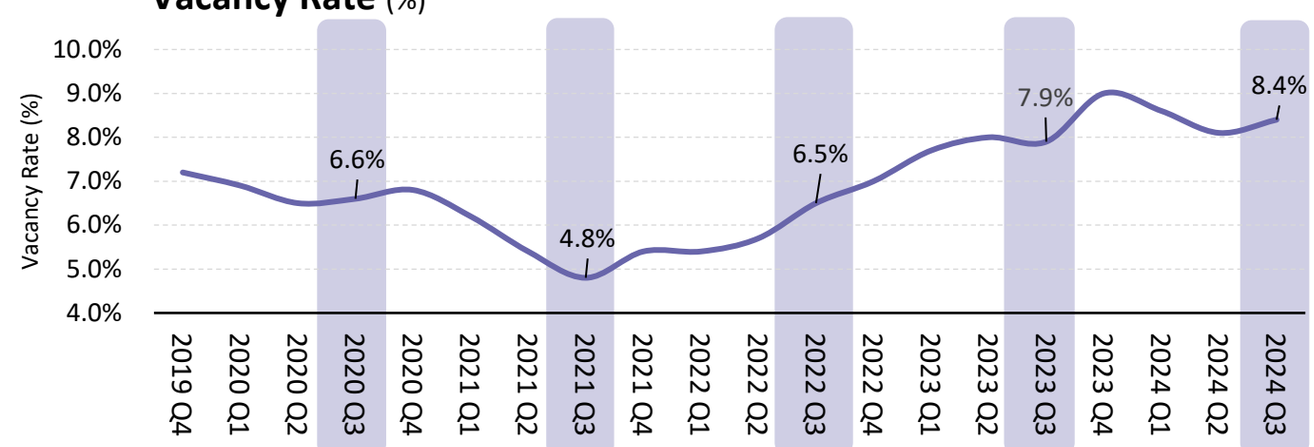
Local Market Indicator Dashboard

	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

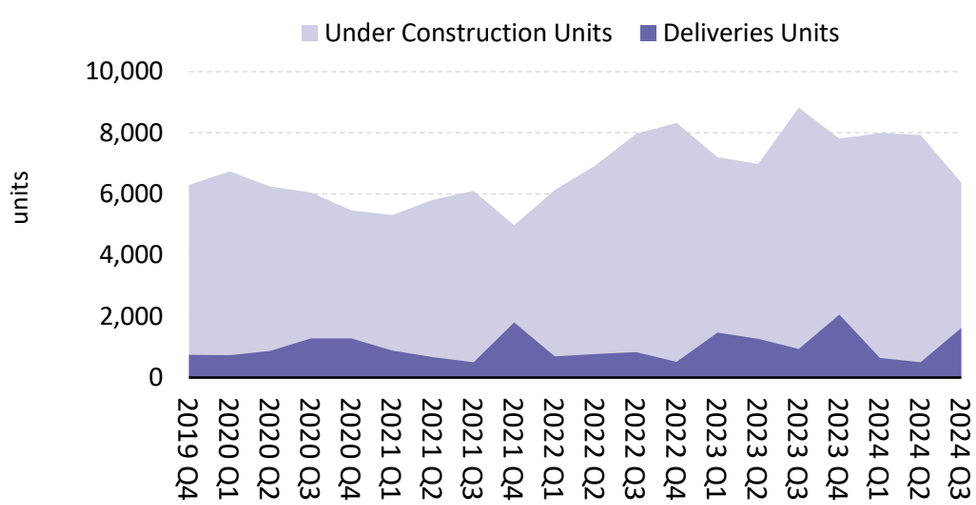
Net Absorption (units)



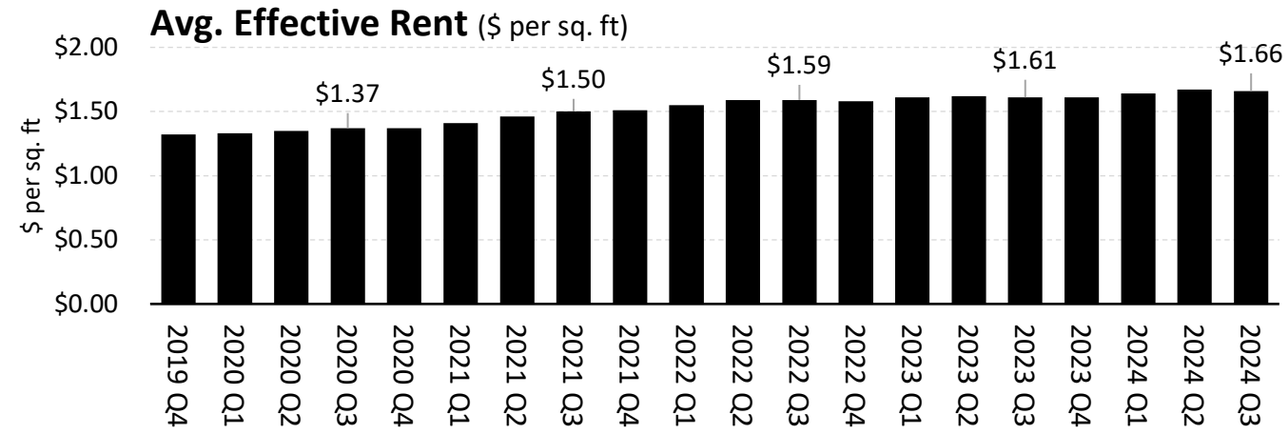
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



Avg. Effective Rent ($ per sq. ft)



Multifamily Market - MSA Trends

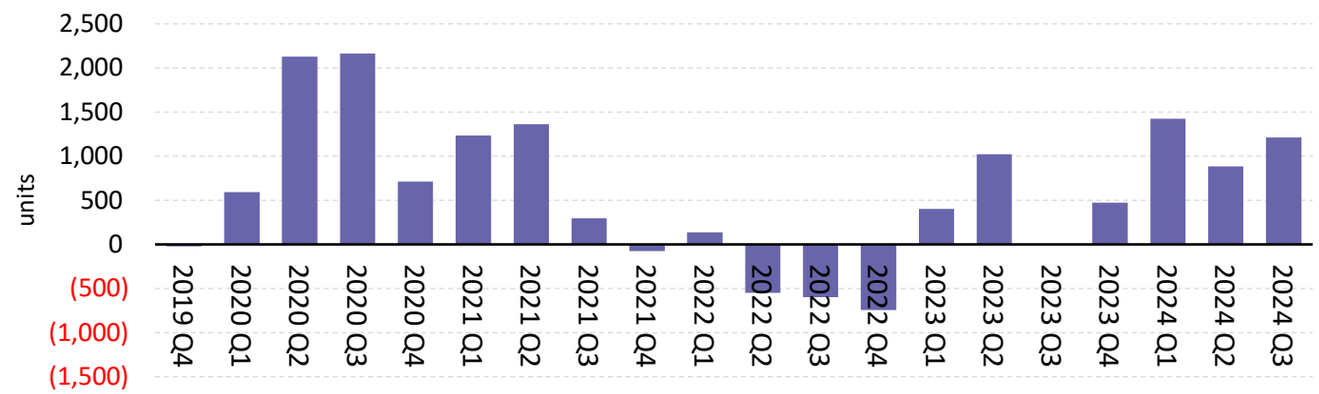
Q3 2024 | Virginia REALTORS® MULTIFAMILY Market Report

HAMPTON ROADS

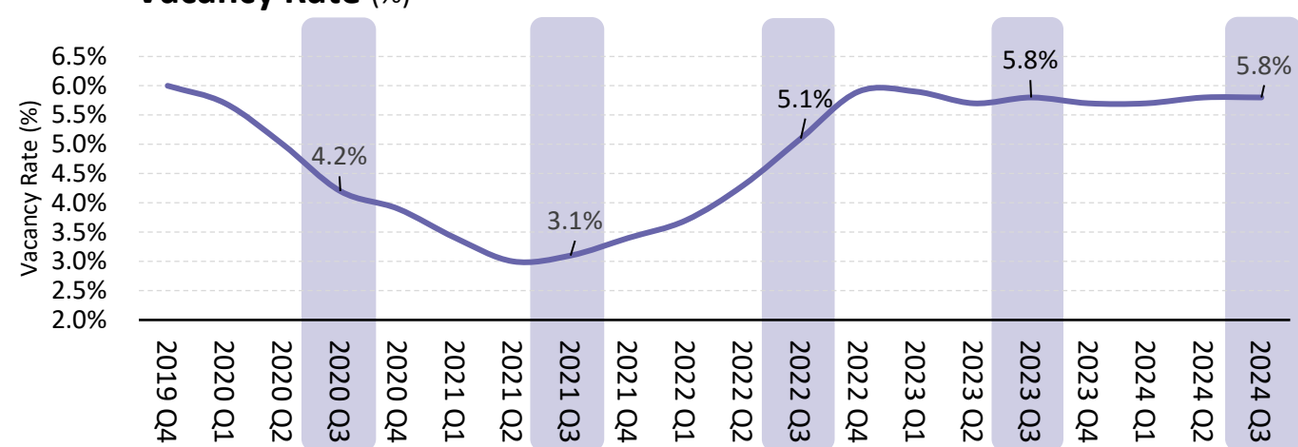
Local Market Indicator Dashboard

	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

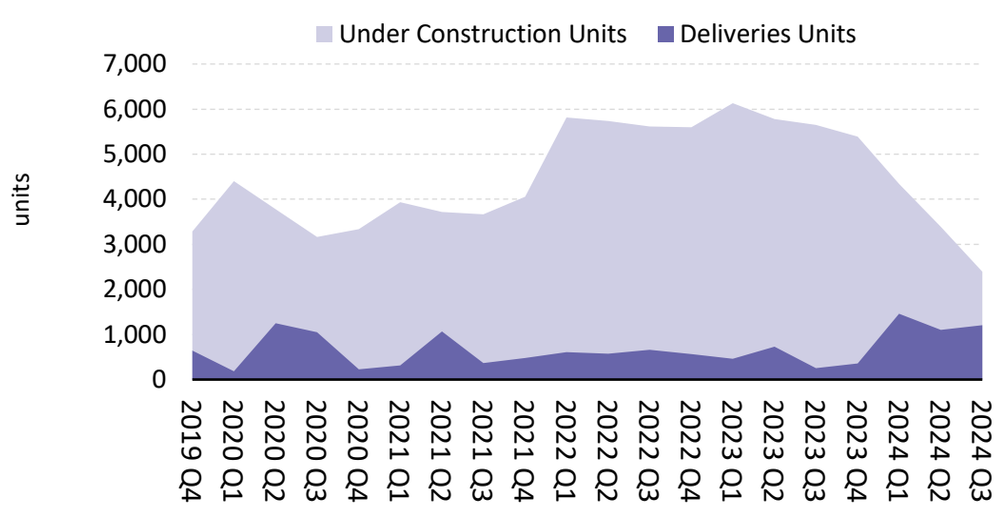
Net Absorption (units)



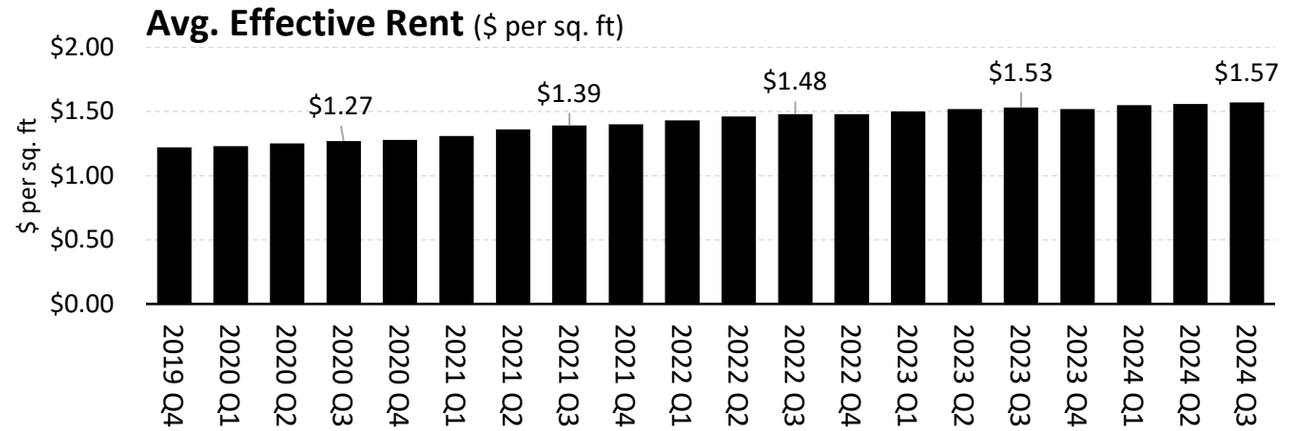
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



Avg. Effective Rent ($ per sq. ft)



Multifamily Market - MSA Trends

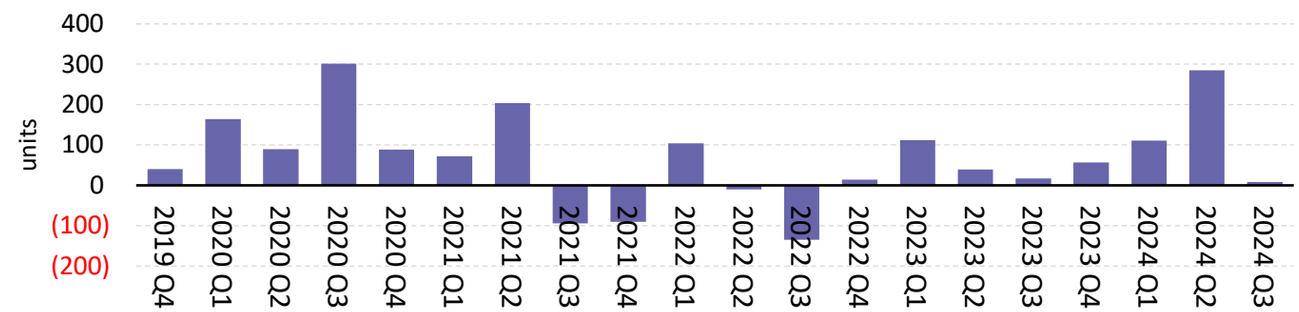
Q3 2024 Virginia REALTORS® MULTIFAMILY Market Report

ROANOKE MSA

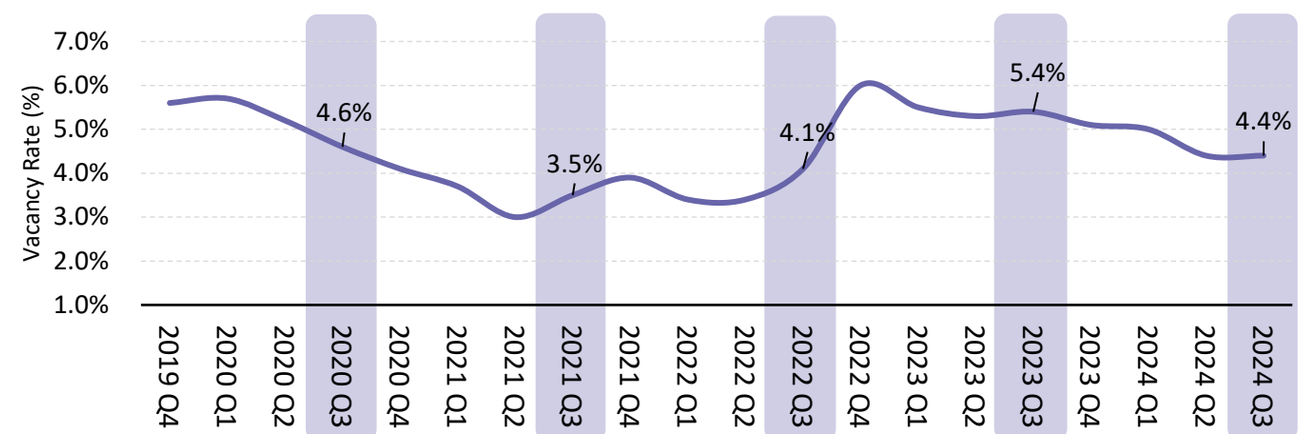
Local Market Indicator Dashboard

	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

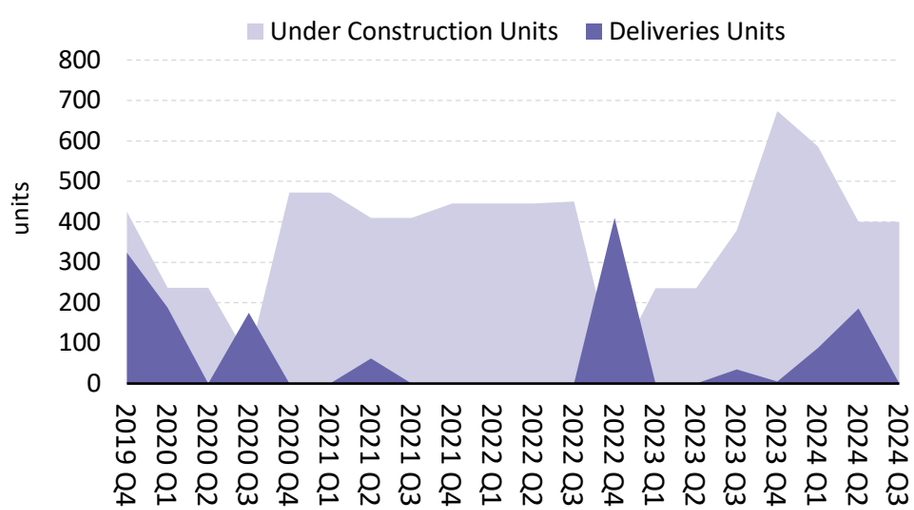
Net Absorption (units)



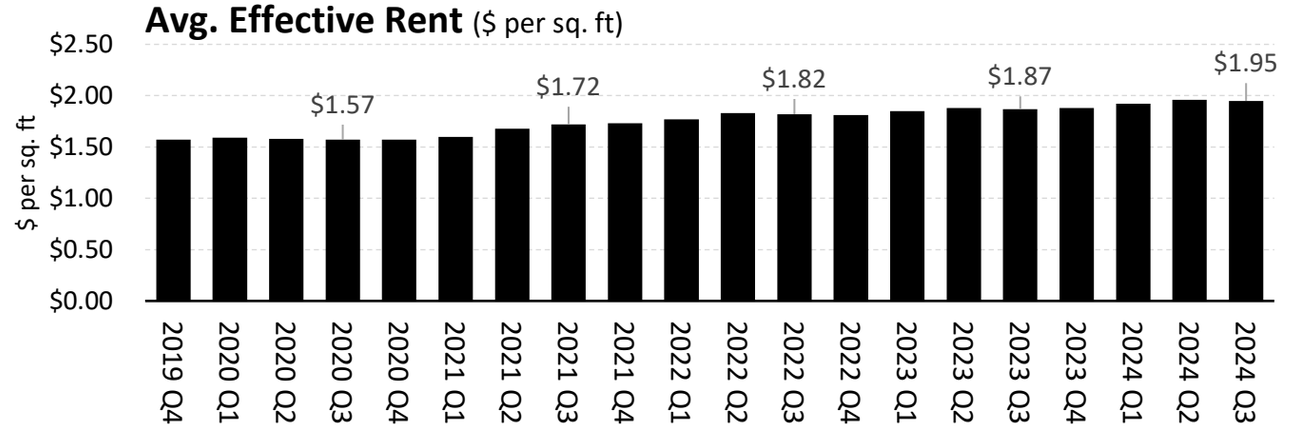
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



Avg. Effective Rent ($ per sq. ft)



Multifamily Market - MSA Trends

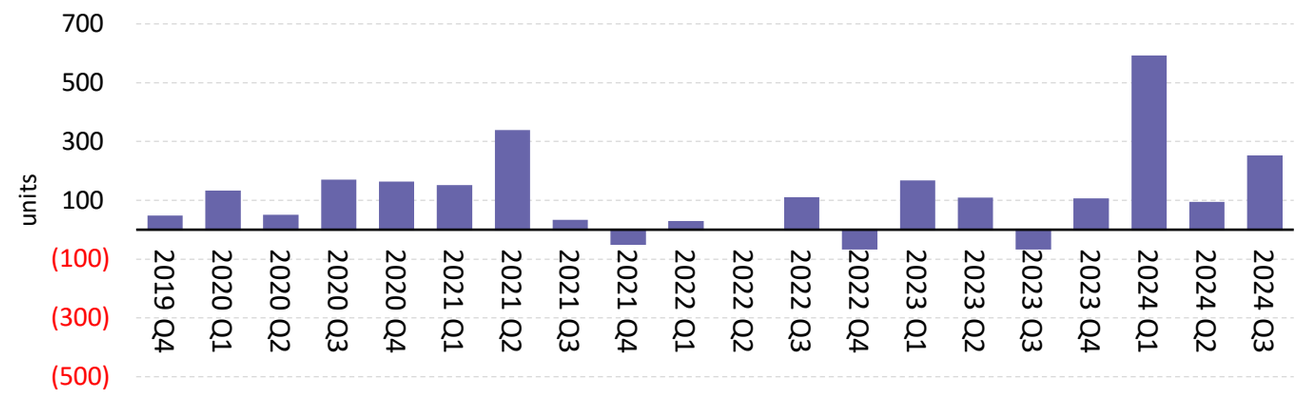
Q3 2024 Virginia REALTORS® MULTIFAMILY Market Report

LYNCHBURG MSA

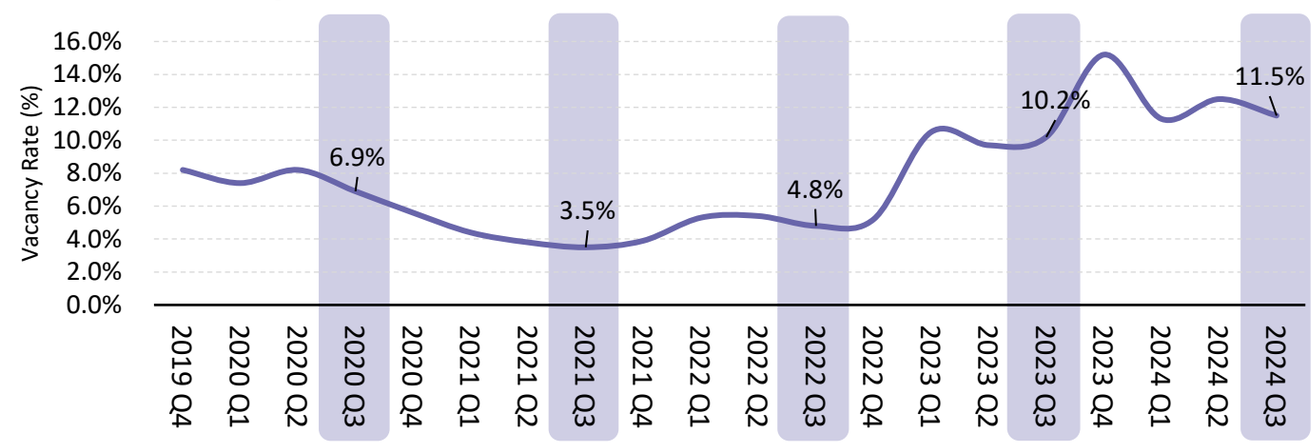
Local Market Indicator Dashboard

	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

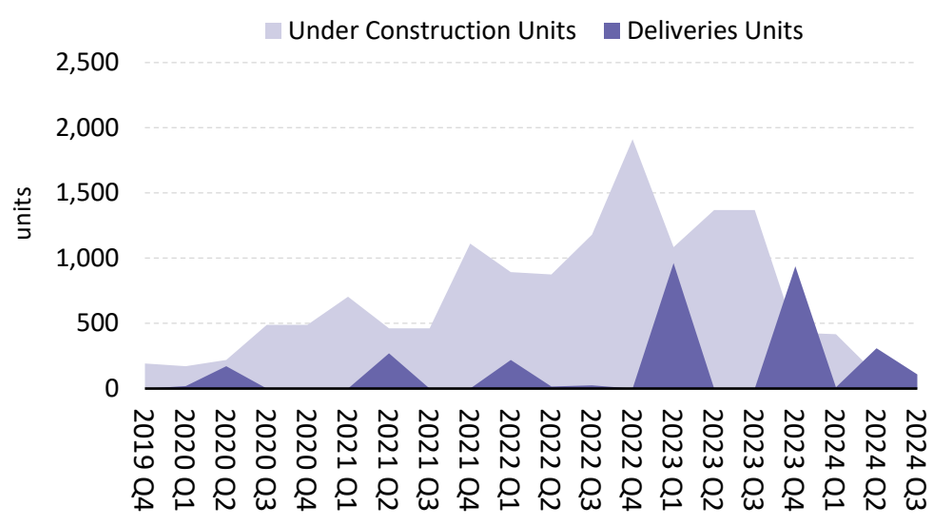
Net Absorption (units)



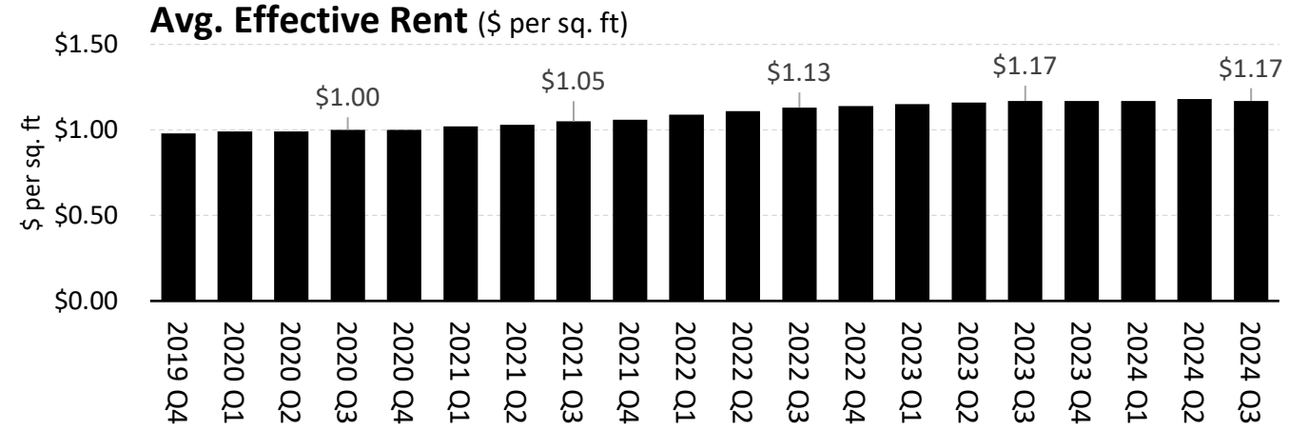
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



Avg. Effective Rent ($ per sq. ft)

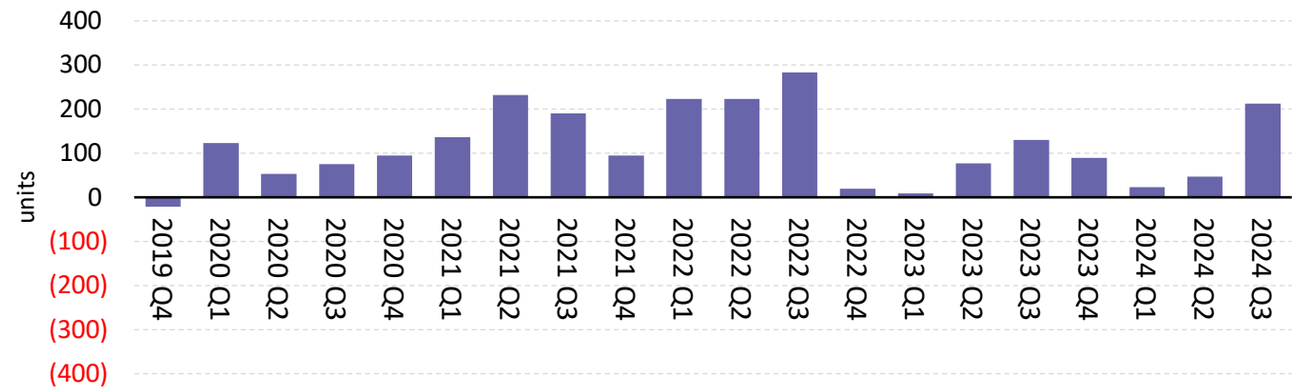


CHARLOTTESVILLE MSA

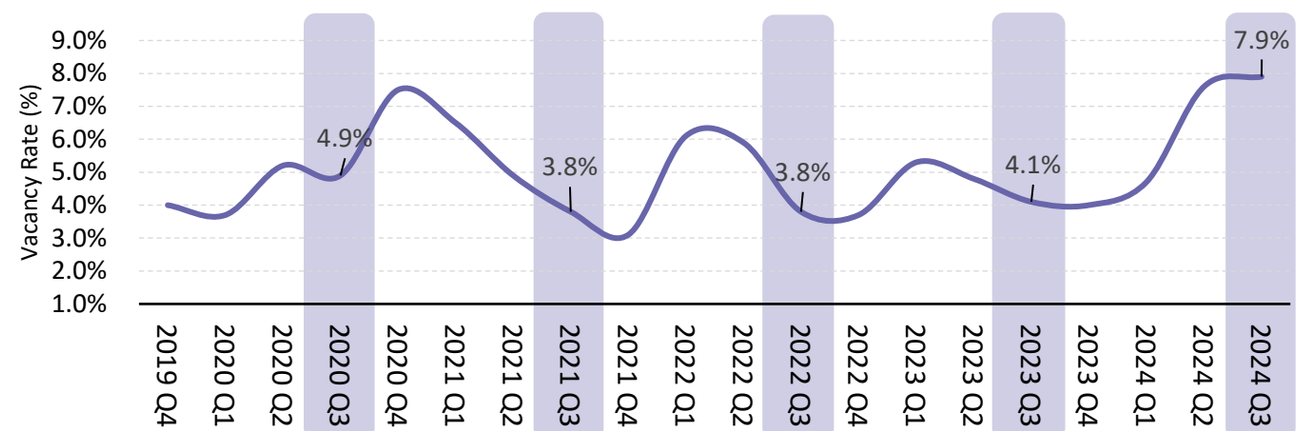
Local Market Indicator Dashboard

	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

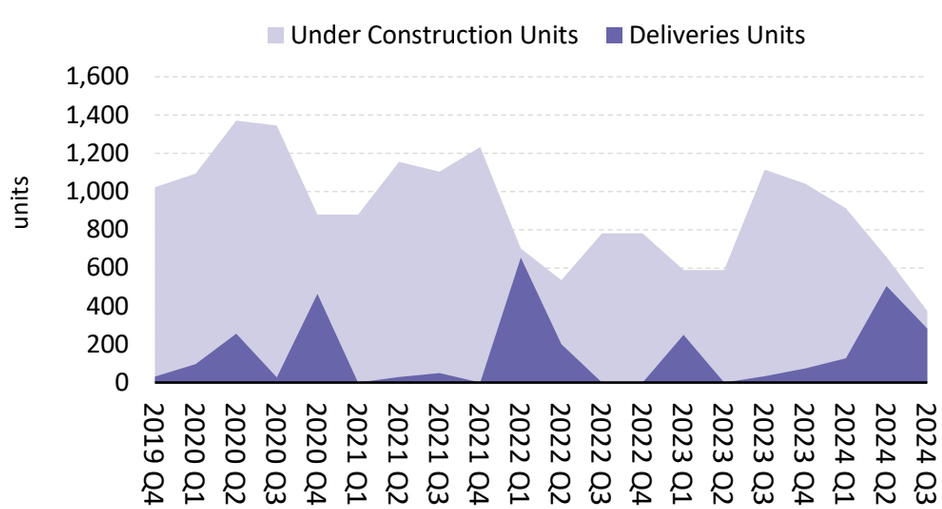
Net Absorption (units)



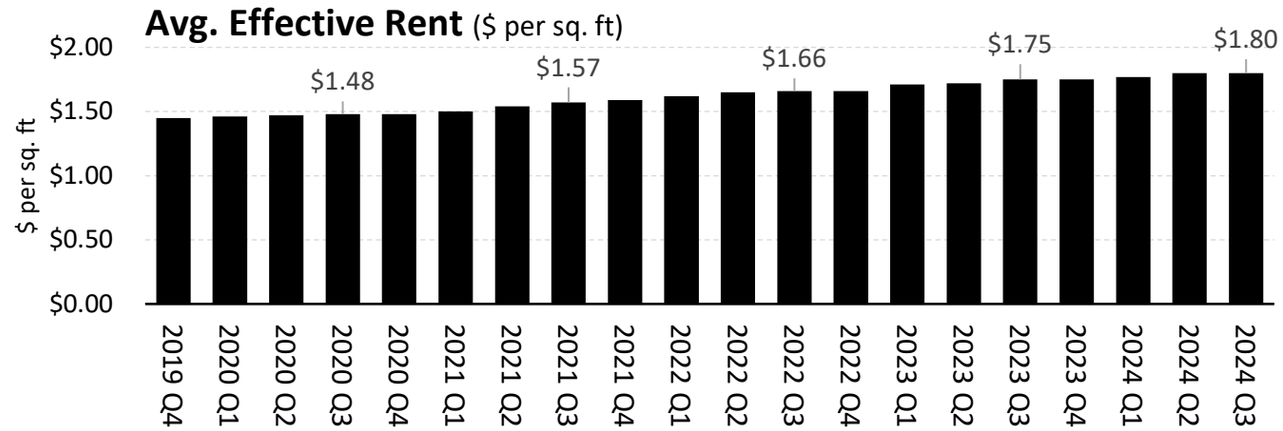
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



Avg. Effective Rent ($ per sq. ft)

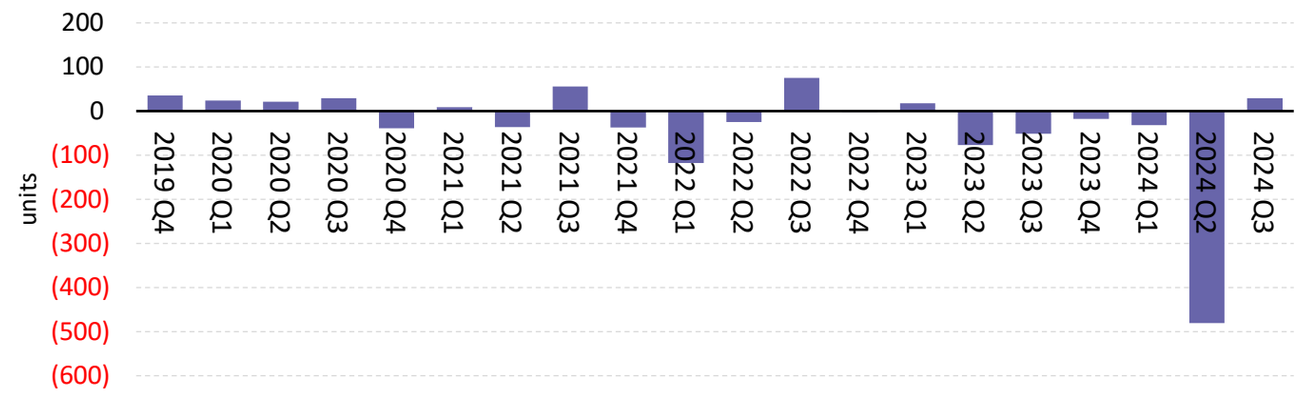


BLACKSBURG MSA

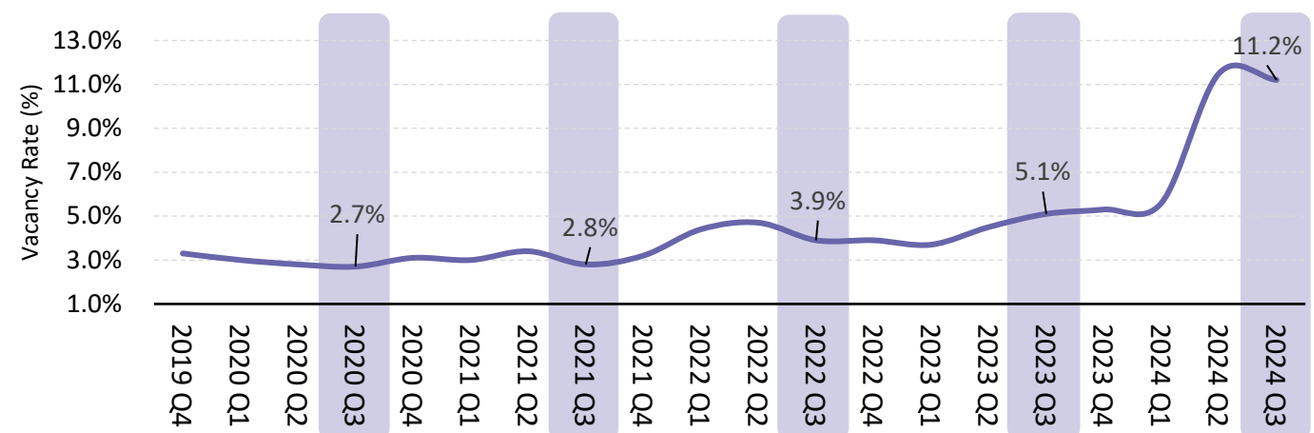
Local Market Indicator Dashboard

	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

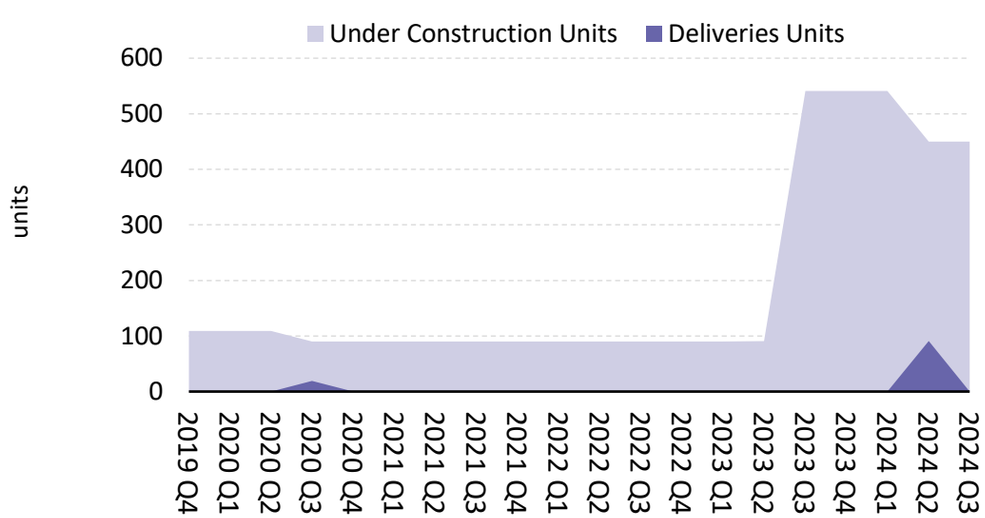
Net Absorption (units)



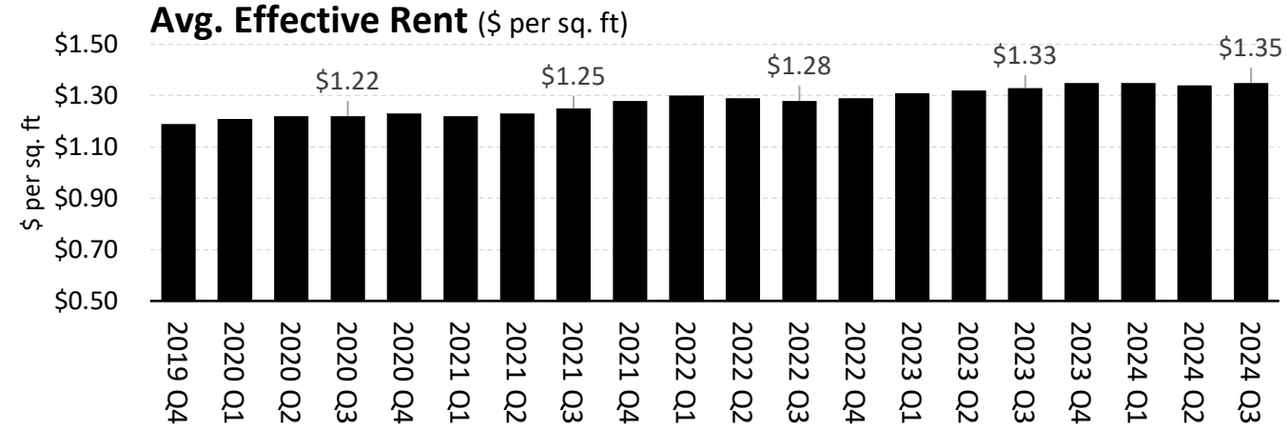
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



Avg. Effective Rent ($ per sq. ft)



Multifamily Market - MSA Trends

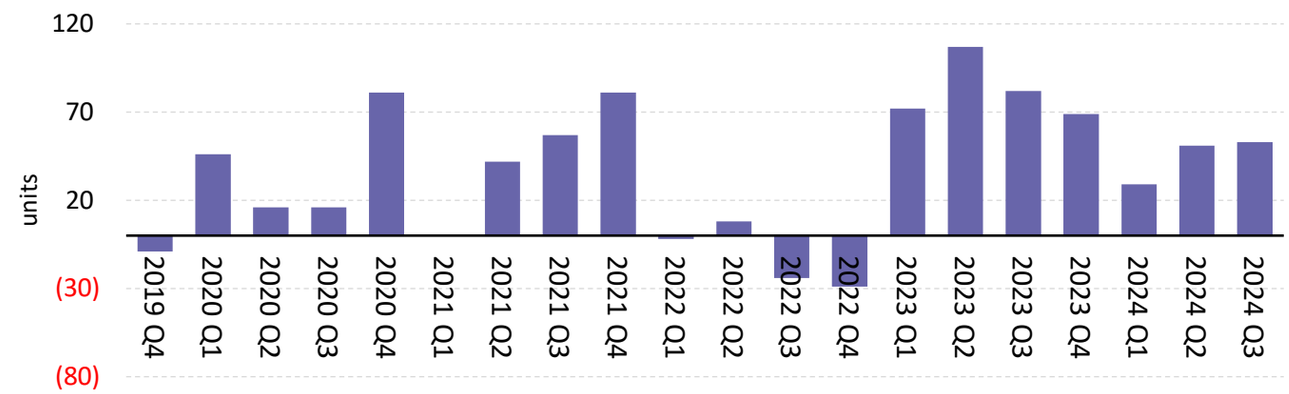
Q3 2024 Virginia REALTORS® MULTIFAMILY Market Report

WINCHESTER MSA

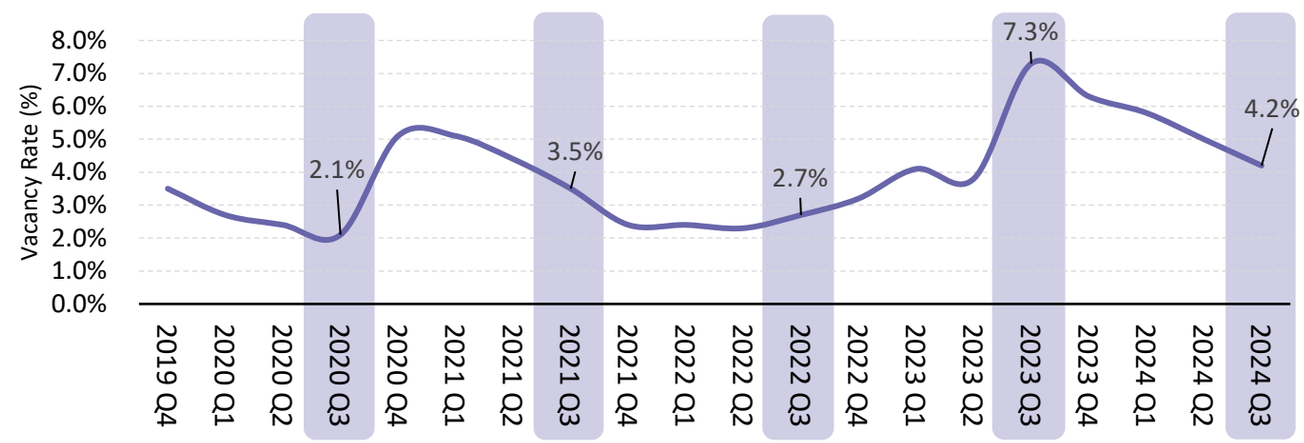
Local Market Indicator Dashboard

	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

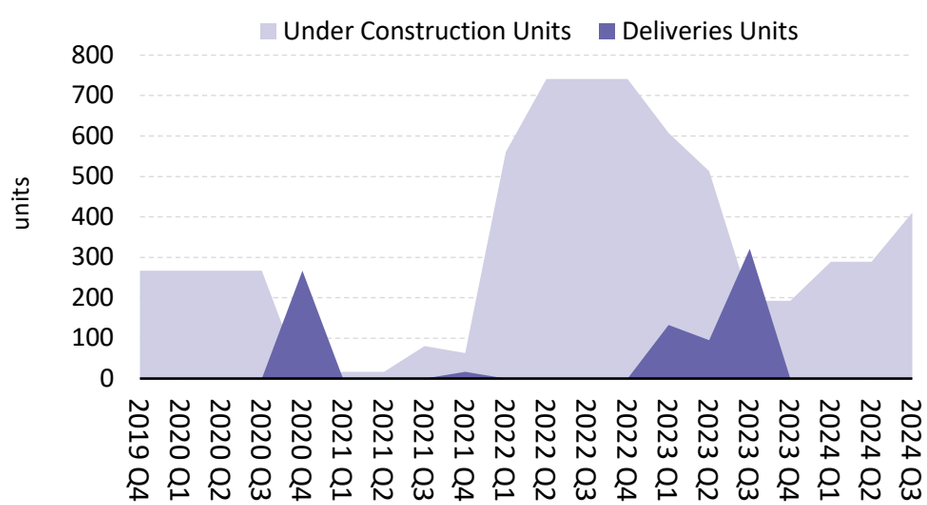
Net Absorption (units)



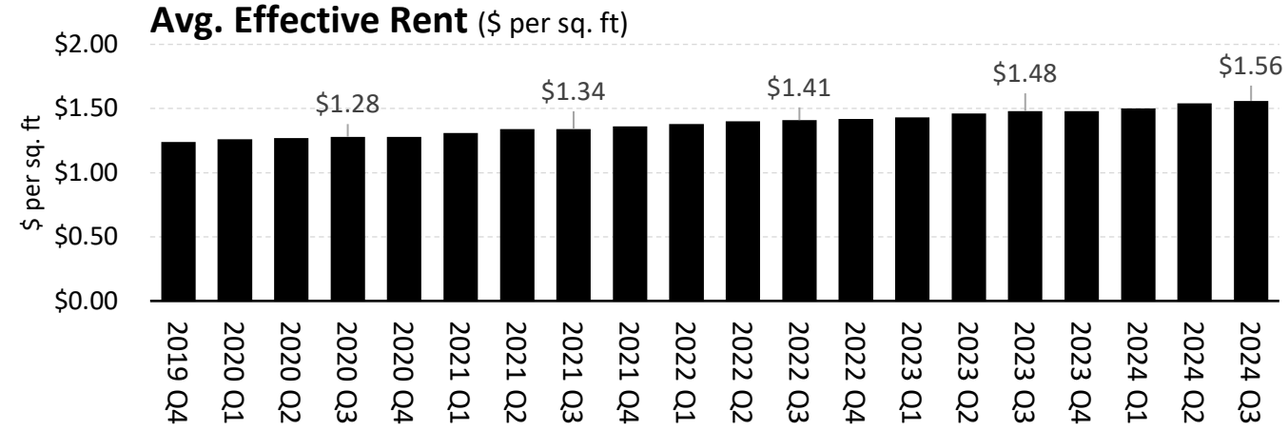
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



Avg. Effective Rent ($ per sq. ft)



Multifamily Market - MSA Trends

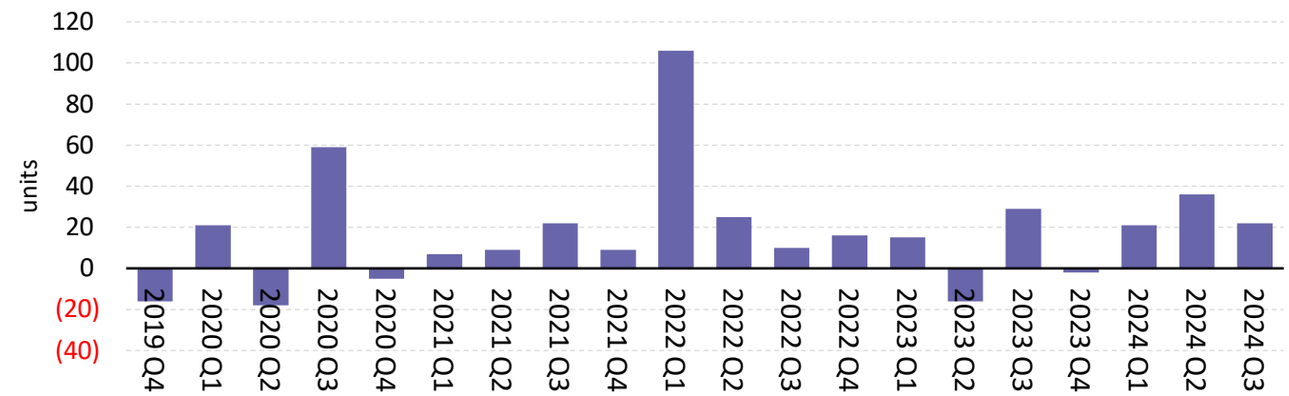
Q3 2024 Virginia REALTORS® MULTIFAMILY Market Report

HARRISONBURG MSA

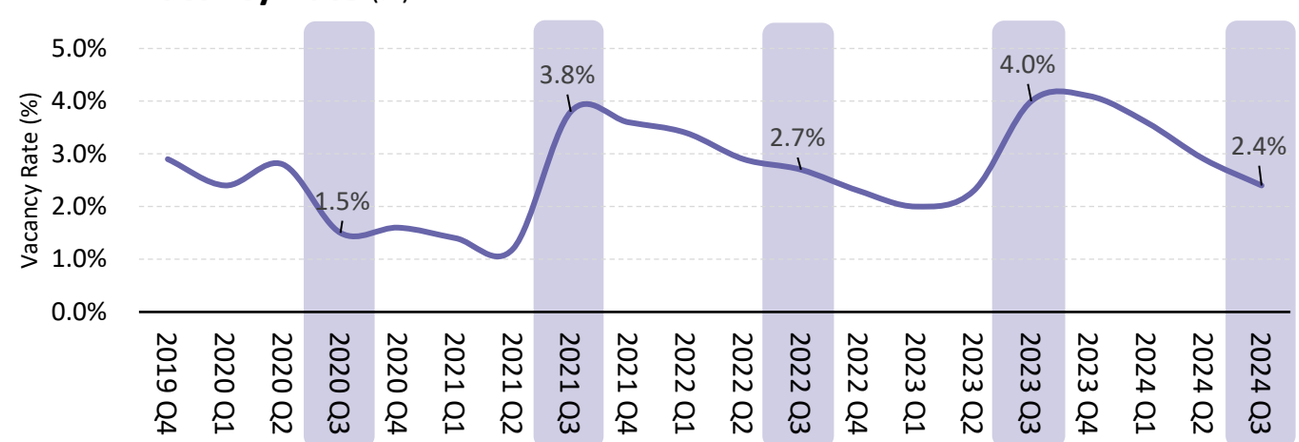
Local Market Indicator Dashboard

	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

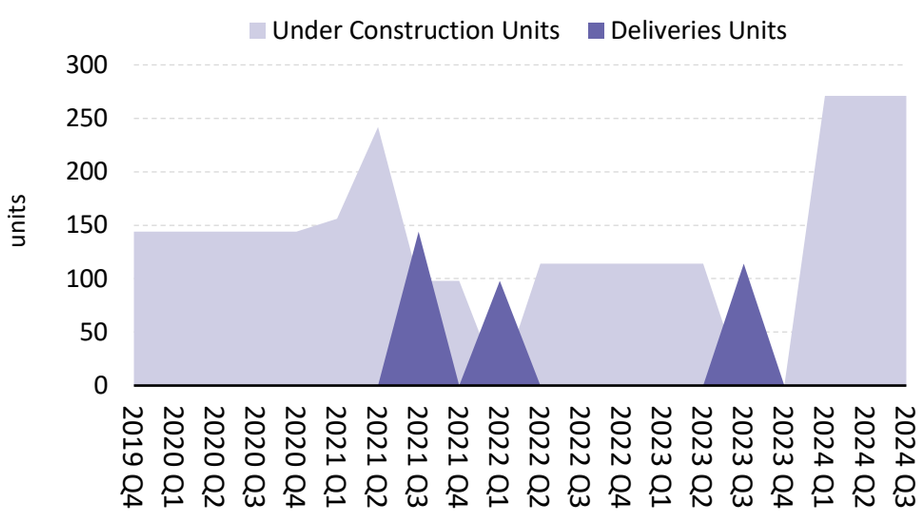
Net Absorption (units)



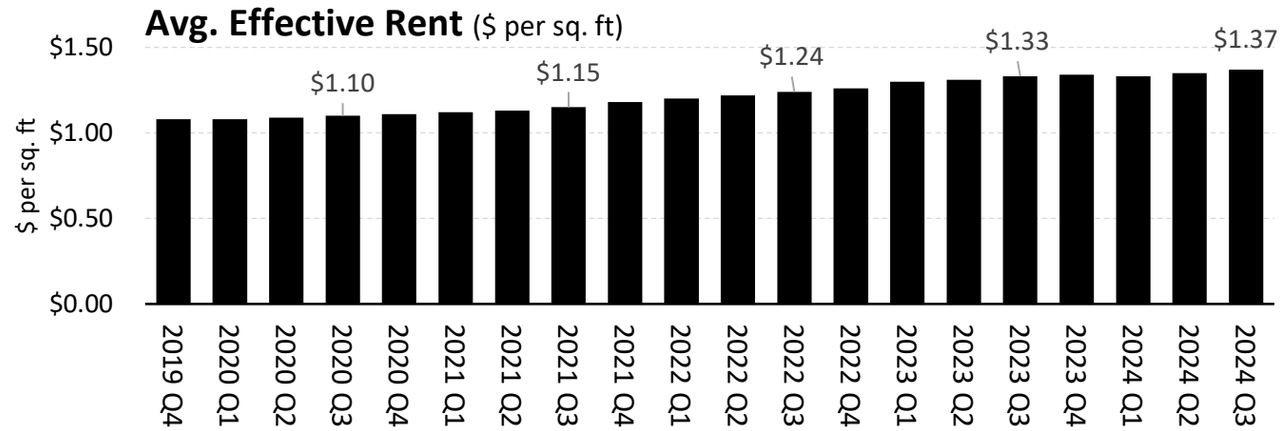
Vacancy Rate (%)



Under Construction & Net Deliveries (units)



Avg. Effective Rent ($ per sq. ft)



The Virginia REALTORS® association is the largest professional trade association in Virginia, representing 38,000 REALTORS® engaged in the residential and commercial real estate business. The Virginia REALTORS® association serves as the advocate for homeownership and private property rights and represents the interests of real estate professionals and property owners in the Commonwealth of Virginia.

NOTE: The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict code of ethics.

All inquiries regarding this report may be directed to:

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Data and analysis provided by Virginia REALTORS® Chief Economist.
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