



## MARKET AT A GLANCE



**OCCUPANCY RATE** **96.3%**  
Down **20 bps** since 3Q19



**EFFECTIVE RENT** **\$1,161**  
Up **3.2%** since 3Q19

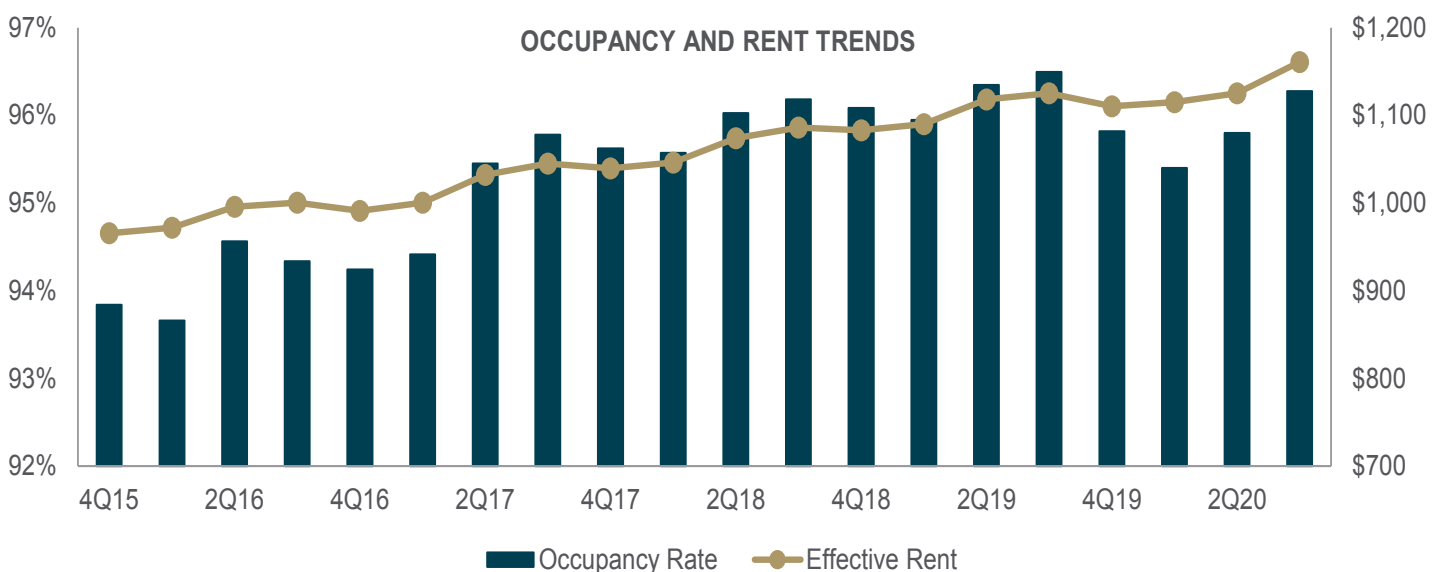


**TOTAL INVENTORY** **104,274**

## OCCUPANCY AND RENT TRENDS

### RICHMOND'S DRAW UNDERPINS HEALTHY APARTMENT FUNDAMENTALS

While Richmond's market weathers the pandemic's effects on the economy, apartment demand persists. Renters newly occupied 1,110 units in the third quarter of 2020. The market's comparative affordability to other large metros on the East Coast and the recovering job market underpinned rental demand across Greater Richmond. In July and August, local employers rehired or created 15,900 positions. A significant portion of those additions were in the leisure and hospitality industry. Hiring extended to the white-collar segment as professional and business services employers expanded payrolls by 4,800 personnel. The combination of high-paying jobs and limited single-family inventory for sale created demand for amenity-rich, Class A apartments. Even with more than 640 deliveries, demand exceeded inventory growth to lead to a 10-basis-point, quarter-over-quarter rise in Class A occupancy. With some renters priced out of Class A stock or facing financial hardships due to the pandemic, leasing activity was more pronounced among Class B and C product. This led to metrowide occupancy elevating 50 basis points in the third quarter to an average of 96.3%. Simultaneously, monthly effective rent increased 3.2% to \$1,161.



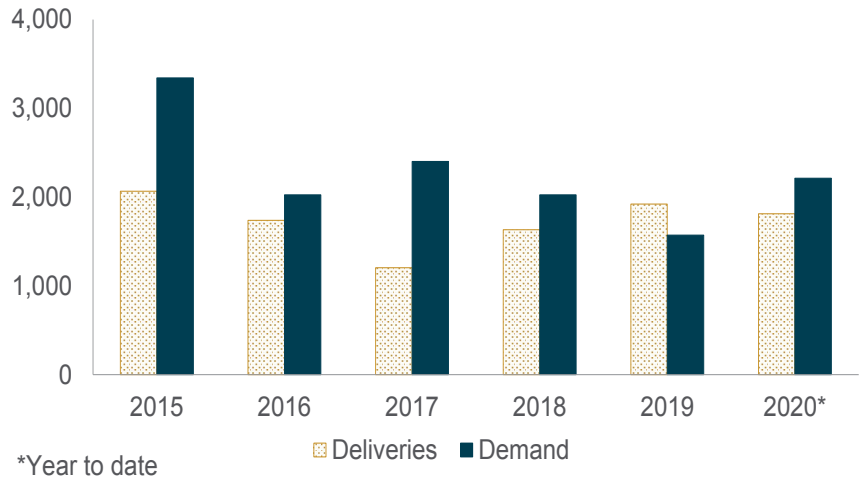
**DELIVERIES AND DEMAND**



**DELIVERIES** 1,812  
Units YTD



**NET ABSORPTION** 2,212  
Units YTD



**ECONOMIC TRENDS**

2019 2.9% ..... **UNEMPLOYMENT\*** ..... 2020 6.8%  
**390 BPS CHANGE**

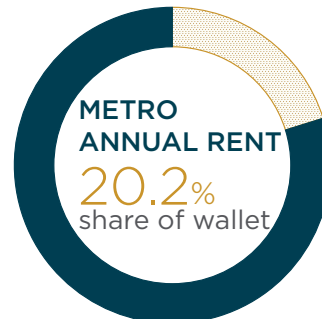
2019 685.1k ..... **EMPLOYMENT\*** ..... 2020 648.5k  
**-5.3% CHANGE**

2019 20.6k ..... **EXISTING SFH SALES\*\*** ..... 2020 22.9k  
**11.2% CHANGE**

2019 1.3m ..... **POPULATION\*\*** ..... 2020 1.3m  
**0.6% CHANGE**

2019 1.70% ..... **10-YEAR TREASURY\*\*** ..... 2020 0.68%  
**-100 BPS CHANGE**

\*August; \*\*September



**SUBMARKET BREAKDOWN**

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	3Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	3Q20	Q-o-Q Change	Y-o-Y Change	3Q20	Annual	3Q20	Annual
Chesterfield County	96.2%	50	-20	\$1,274	3.1%	3.7%	340	540	284	583
Downtown Richmond/The Fan	94.1%	-120	-220	\$1,286	-0.9%	-1.5%	-120	160	21	440
East Richmond	96.0%	90	-20	\$1,052	3.7%	4.0%	170	200	0	243
Hanover County	97.0%	-40	-160	\$1,317	4.5%	1.3%	-22	113	0	207
Northwest Richmond	96.4%	100	-60	\$1,180	3.7%	3.2%	180	27	60	100
Petersburg/Colonial Heights/Hopewell	97.6%	110	80	\$996	2.8%	4.9%	105	76	0	0
Southside	97.1%	70	100	\$1,045	5.3%	6.6%	236	438	99	252
Tuckahoe/Westhampton	96.2%	40	-20	\$1,304	2.6%	0.6%	223	481	178	523
<b>TOTALS</b>	<b>96.3%</b>	<b>50</b>	<b>-20</b>	<b>\$1,161</b>	<b>3.2%</b>	<b>3.2%</b>	<b>1,110</b>	<b>2,037</b>	<b>642</b>	<b>2,348</b>

# **BERKADIA<sup>®</sup>**

## **CORPORATE HEADQUARTERS**

521 Fifth Avenue  
20th Floor  
New York, NY 10175  
(646) 600-7800 | Fax: (646) 600-7838  
[www.Berkadia.com](http://www.Berkadia.com)

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