

NEWMARK

Richmond & Hampton Roads Multifamily Overview

1Q26

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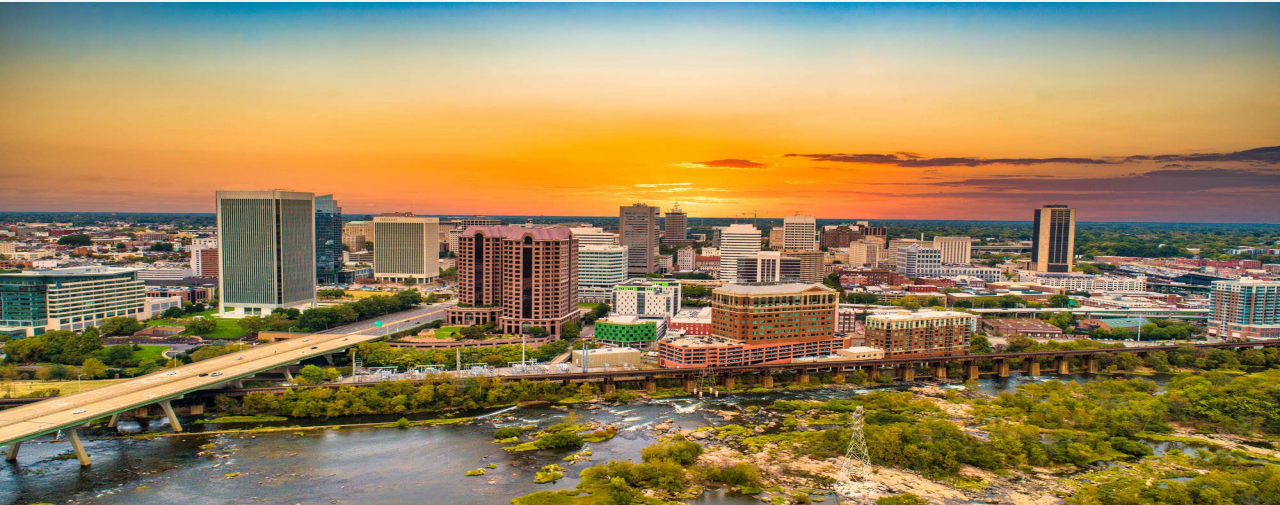
Market Observations

Richmond metro area multifamily occupancy increased by 20 basis points compared with last quarter but was flat year-over-year, ending the first quarter of 2026 at 95.4%.

Average effective rental rates were up in the first quarter of 2026 in Richmond, increasing by 1.3% year-over-year. Growth has leveled off since its peak in 2021, but Richmond continues to outpace its Mid-Atlantic peers.

Absorption was down by approximately 30.3% year-over-year, while deliveries decreased significantly over the same period, with just 306 new units during the first quarter of 2026, 61.3% lower over the last twelve months.

Multifamily sales volume in the Richmond metro market during the first quarter of 2026 surpassed the previous three years, totaling approximately \$287 million.



Hampton Roads multifamily occupancy ended the first quarter of 2026 at 96.6%, up 40 basis points year-over-year and up 10 basis points compared with last quarter.

Effective rental rates were up 4.1% year-over-year, after declining sharply between 2021 and 2023. The Hampton Roads market has the third-highest annual apartment rent growth among the top 50 U.S. markets.

Absorption outpaced deliveries in Hampton Roads during the first quarter of 2026, though both decreased compared with the year prior. Absorption was down 63.0% compared with one year ago, while deliveries declined by 61.6% over the same period.

Multifamily sales in the Hampton Roads market slowed to begin the year, ending the first quarter of 2026 with approximately \$140 million in volume, 45.1% lower than in the same period last year.

Expert Insights

Richmond



What We Know

- Hotspots including Scott’s Addition and The Fan have a high share of units under construction, potentially leading to a more competitive leasing environment.
- Transaction activity has picked up following 2024 lows, with private and institutional buyers re-entering the market at reset valuations and debt projections offering less volatility.
- AI and data center expansion along Route 288 is quietly reshaping Richmond’s employment base, attracting a higher-income demographic specifically in areas like Midlothian and Chesterfield.



What We Expect

- With the new supply pipeline at its thinnest in a decade, occupancy is expected to tighten in 2026, creating conditions for rent growth to accelerate over the course of the year.
- Richmond’s positioning as an affordable mid-market alternative to Northern Virginia will remain a durable demand driver.
- Value-add investment opportunities ranging from 1980s to 2010s will expand as overleveraged owners from the 2021-2022 vintage face loan maturities and refinancing pressure.

Hampton Roads



What We Know

- Elevated rent growth year-over-year has now placed Hampton Roads among the top-performing multifamily markets nationally, drawing attention from institutional capital that previously overlooked the market.
- The shortage of entitled, developable land continues to prevent meaningful supply.



What We Expect

- Defense-driven population growth will sustain renter demand through at least 2027, with the market structurally insulated from the broader national softening narrative.
- Hampton Roads is emerging as a target market for mid-sized regional operators priced out of Northern Virginia and Washington, DC, and increased competition for deals will likely push values up.
- Major infrastructure investments throughout the MSA will improve long-term asset durability.

01

Richmond

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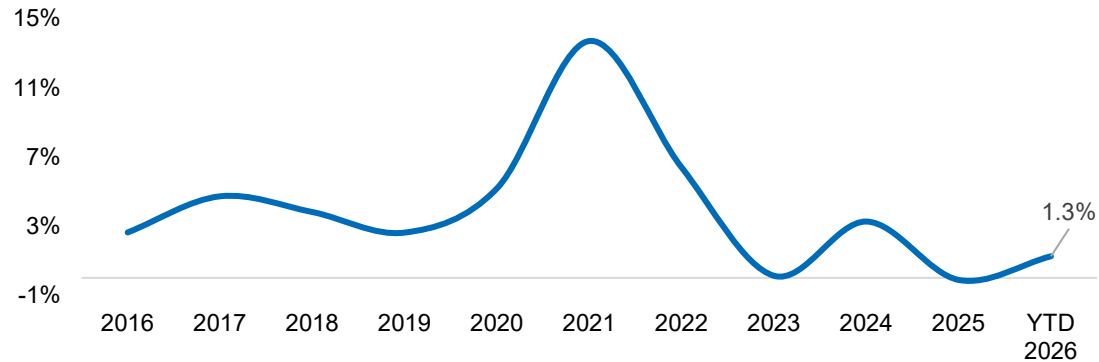
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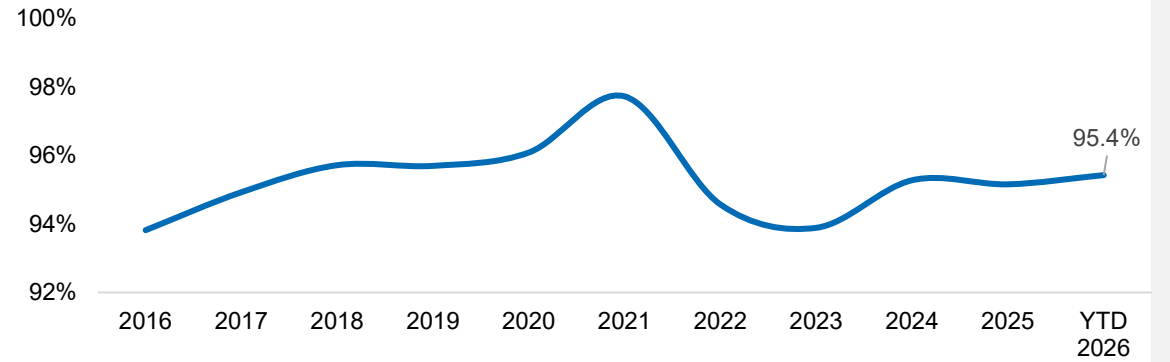
Richmond Multifamily Fundamentals

Richmond metro area multifamily fundamentals showed varied results to start 2026. Annual average effective rents increased by 1.3% year-over-year, and occupancy rates grew by 20 basis points quarter-over-quarter but were flat over the last twelve months. Absorption was down by approximately 30.3% year-over-year, while deliveries decreased significantly year-over-year, with just 306 new units during the first quarter of 2026, 61.3% lower than the same period in 2025.

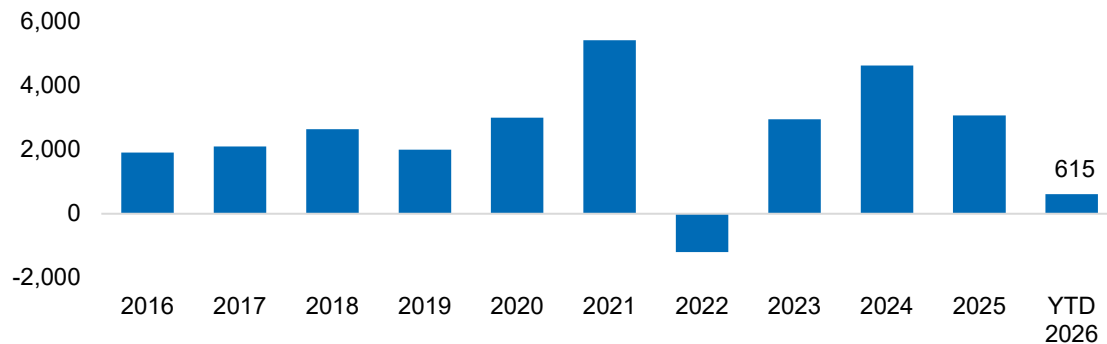
Annual Average Effective Rent Growth



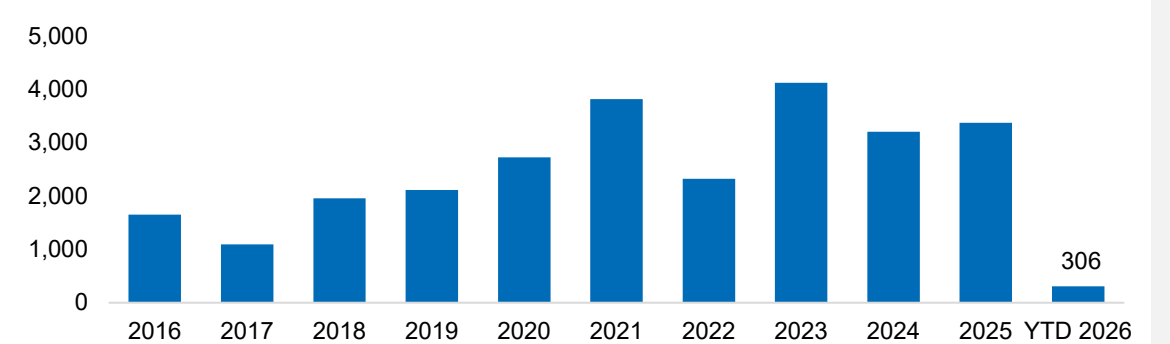
Occupancy Rate



Absorption



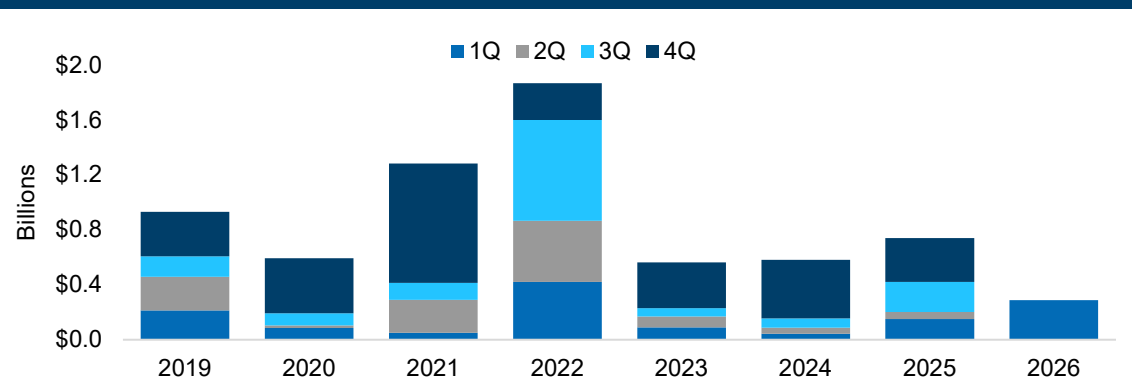
Deliveries



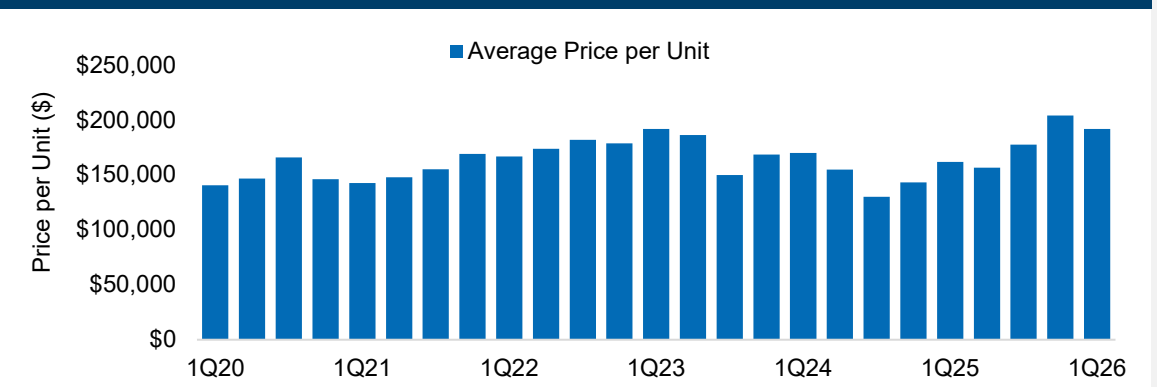
Richmond Multifamily Sales Market Overview

Multifamily sales volume in the Richmond metro market during the first quarter of 2026 surpassed the previous three years, totaling approximately \$287 million. First-quarter sales volume increased by 91.7% year-over-year, reaching the second highest level of the past ten years. Volume was approximately one-third lower than the recent peak reached in 2022. The average price per unit was up 18.6% over the last twelve months, but down 6.0% quarter-over-quarter, ending the first quarter of 2026 at \$191,784 per unit. The largest transaction of the first quarter of 2026 was for Innsbrook Square, a 305-unit property, sold by Dominion Realty Partners for \$81.7 million, or \$267,869 per unit.

Total Multifamily Sales Volume



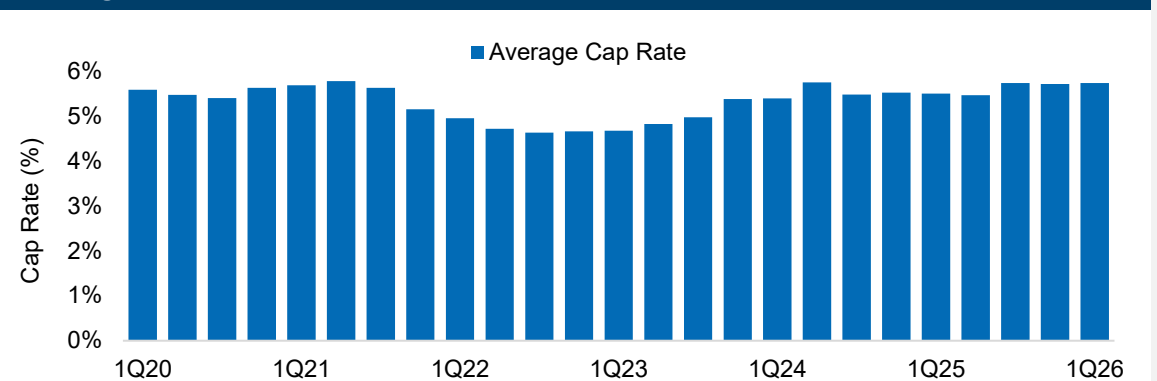
Price per Unit (12-Month Average)



Notable Deals of 1Q 2026

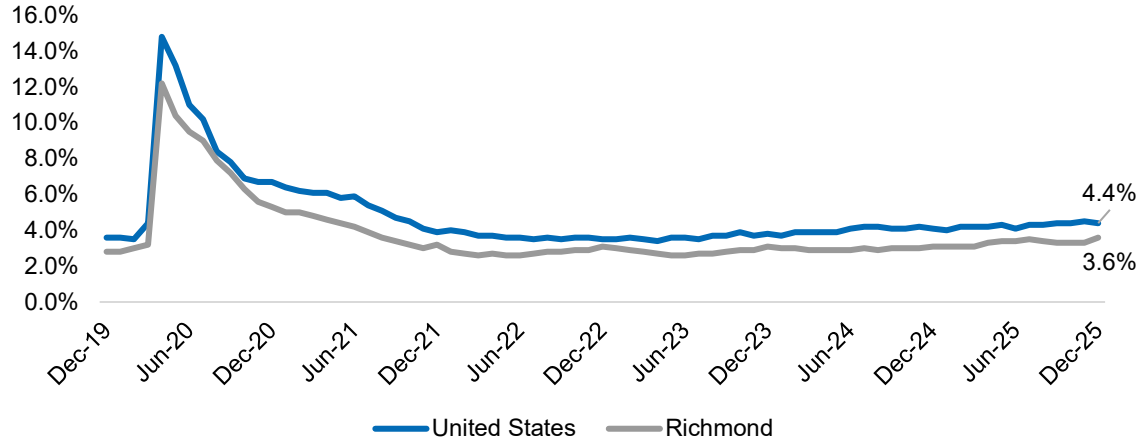
Multifamily Asset Name	Sales Price (\$M)	Price/Unit	Buyer	Seller	Submarket
Innsbrook Square	\$81.7	\$267,869	New York Life	Dominion Realty Partners	Northwest Richmond
Boulders Lakeview	\$51.5	\$242,925	American Landmark	Dominion Realty Partners	Southside
Innslake Place Apartments	\$51.3	\$231,900	Fulton Peak Capital	Northrock Companies	Northwest Richmond
The Crossings at Bramblewood	\$40.3	\$119,231	Levco Management	BH Management Services	Southside

Average Cap Rates

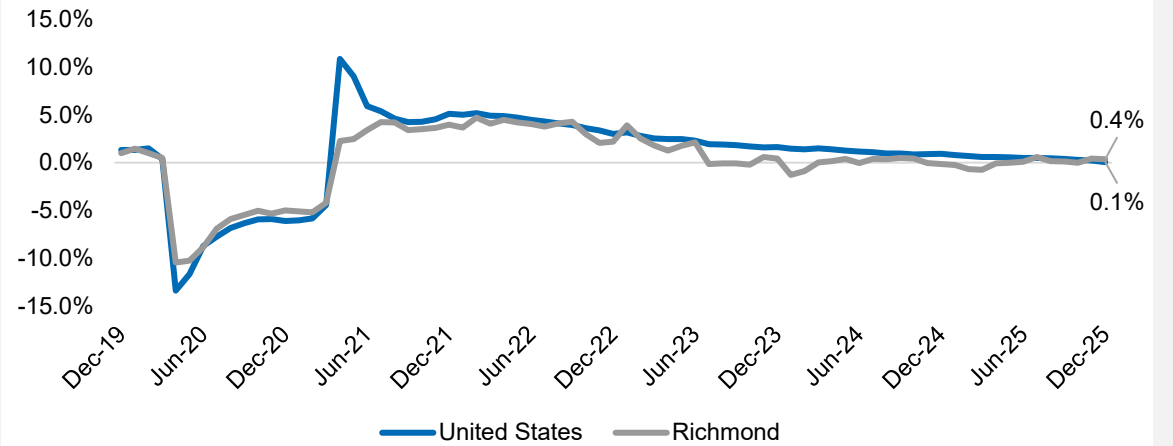


Richmond Economic Metrics

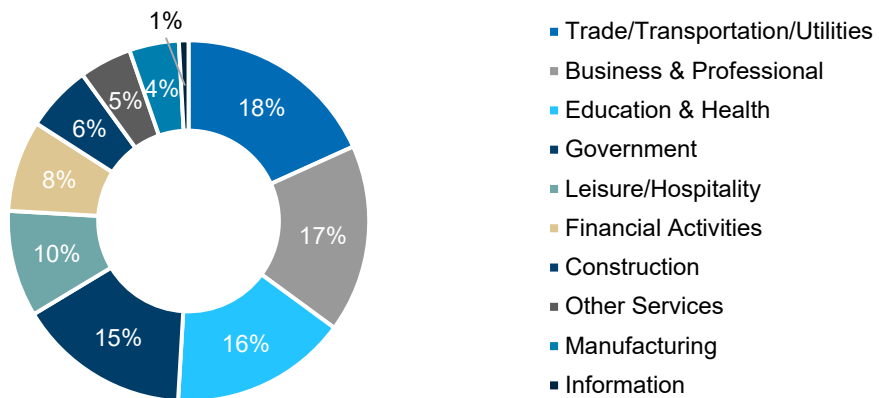
Unemployment Rate, Seasonally Adjusted



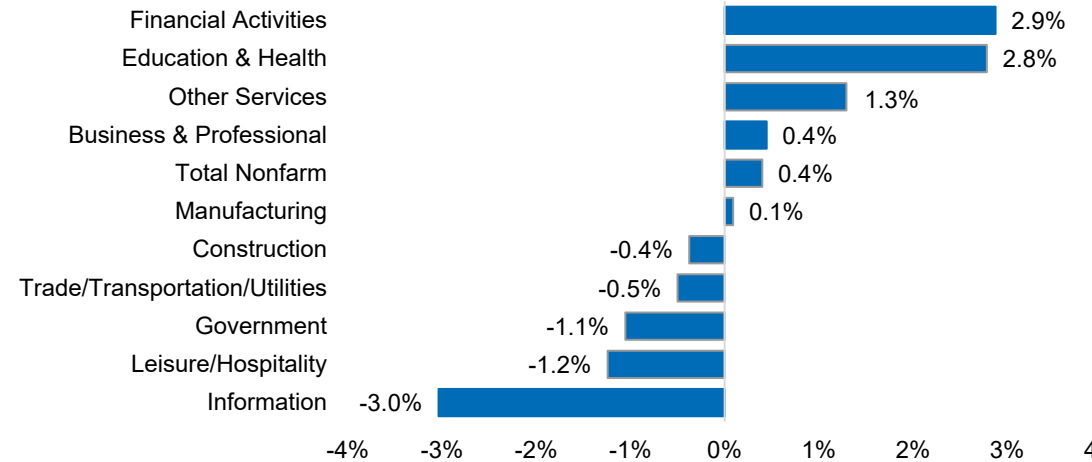
Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change



Employment by Industry, December 2025



Employment Growth by Industry, 12-Month % Change, December 2025



02

Hampton Roads

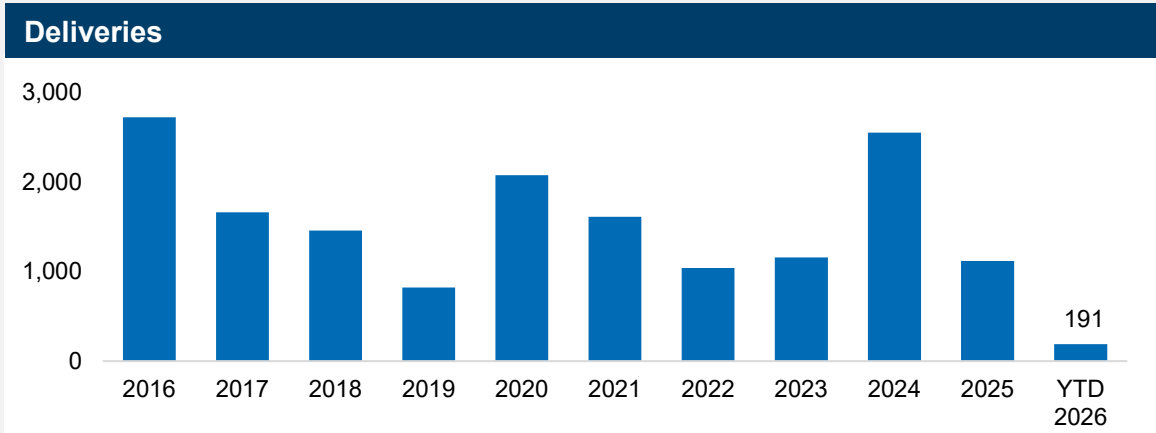
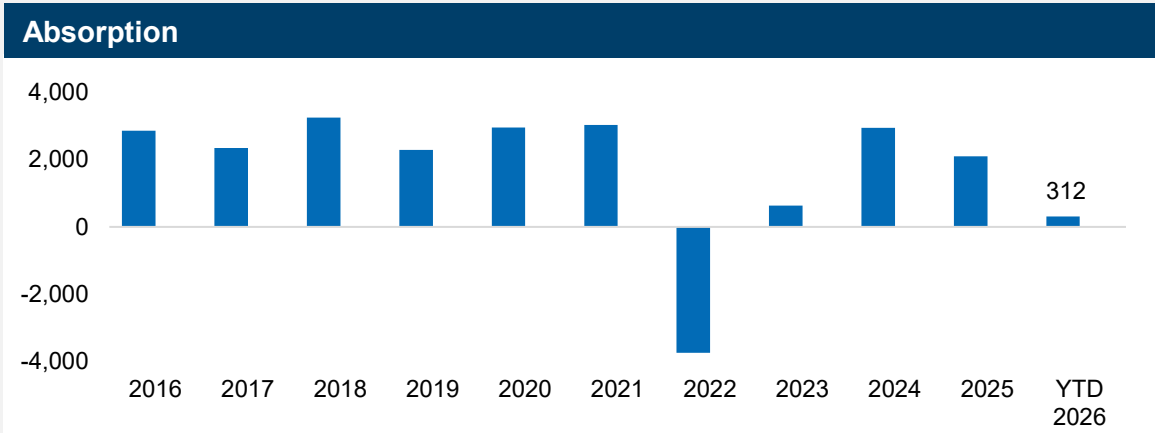
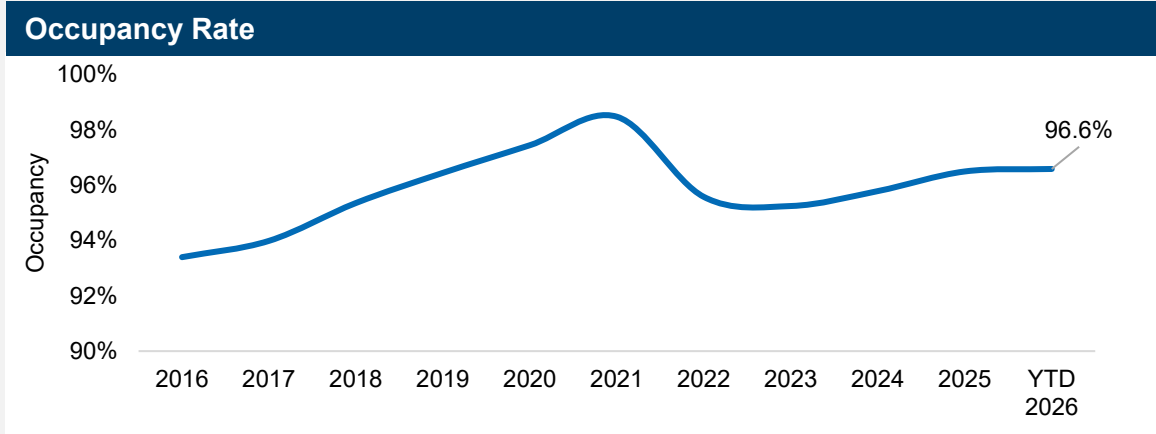
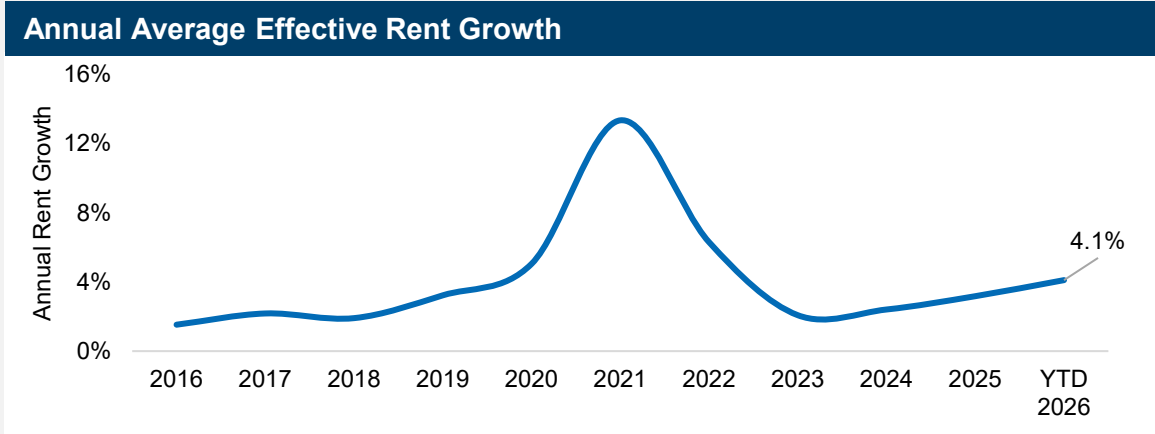
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Hampton Roads Multifamily Fundamentals

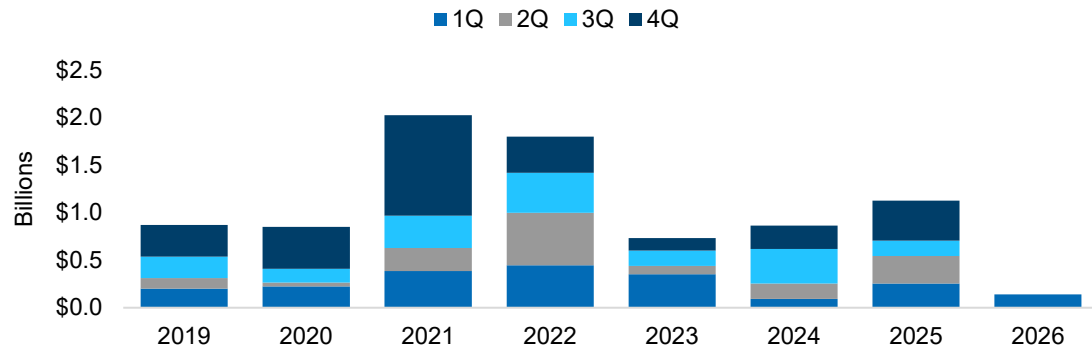
Average annual effective rents in the Hampton Roads metro area increased by 4.1%, despite other fundamentals stabilizing or softening during the first quarter of 2026. The market's occupancy rate was flat quarter-over-quarter but increased 50 basis points compared with the first quarter of last year. Effective rent growth increased by 140 basis points over the last two years, after declining sharply between 2021 and 2023. Absorption was down 63.0% year-over-year, while deliveries declined by 61.6% over the same period.



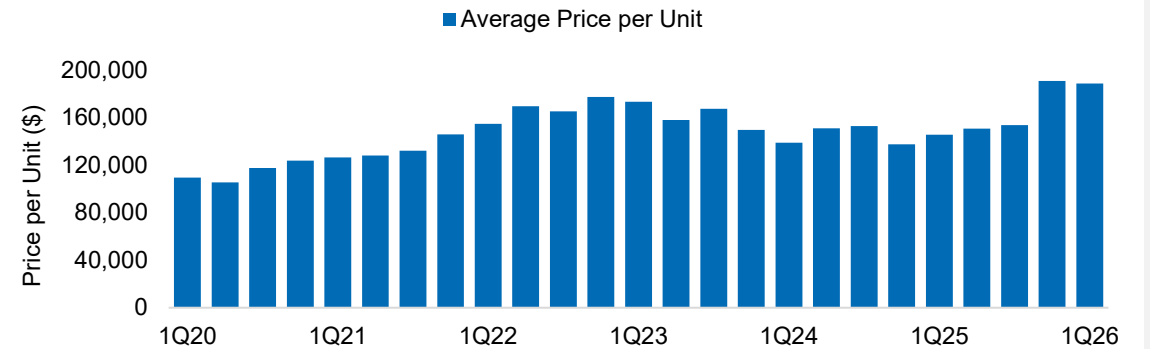
Hampton Roads Multifamily Sales Market Overview

Multifamily sales in the Hampton Roads market declined to begin the year, ending the first quarter of 2026 with approximately \$140 million in volume, 45.1% lower than in the same period last year. Volume had been on the rise over the last three years after declining from a peak in 2021-2022. The average price per unit decreased quarter-over-quarter but increased by 29.5% over the year, ending the first quarter at \$188,782 per unit. Cap rates averaged 5.4% in the Hampton Roads market metro to start the year, down 30 basis points since last year. The largest transaction of the first quarter involved Royal Pointe in the Virginia Beach West submarket. The 208-unit property sold for \$39.5 million, or \$189,904 per unit.

Total Multifamily Sales Volume



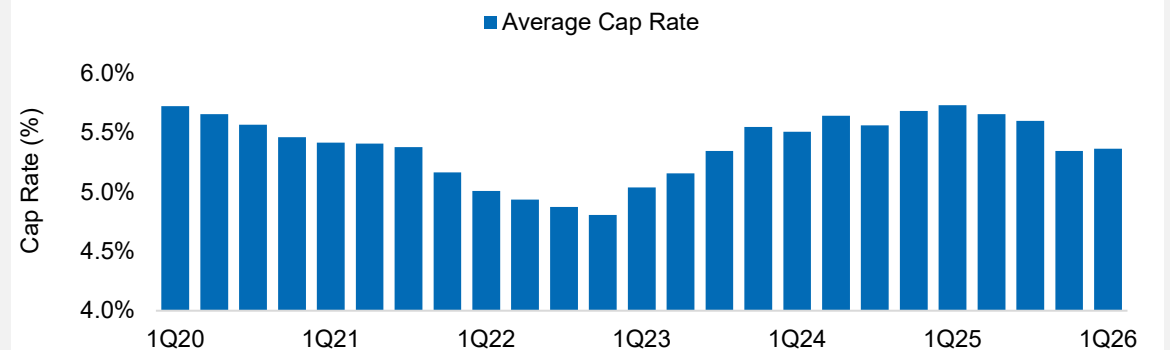
Price Per Unit (12-Month Average)



Notable Deals of 1Q 2026

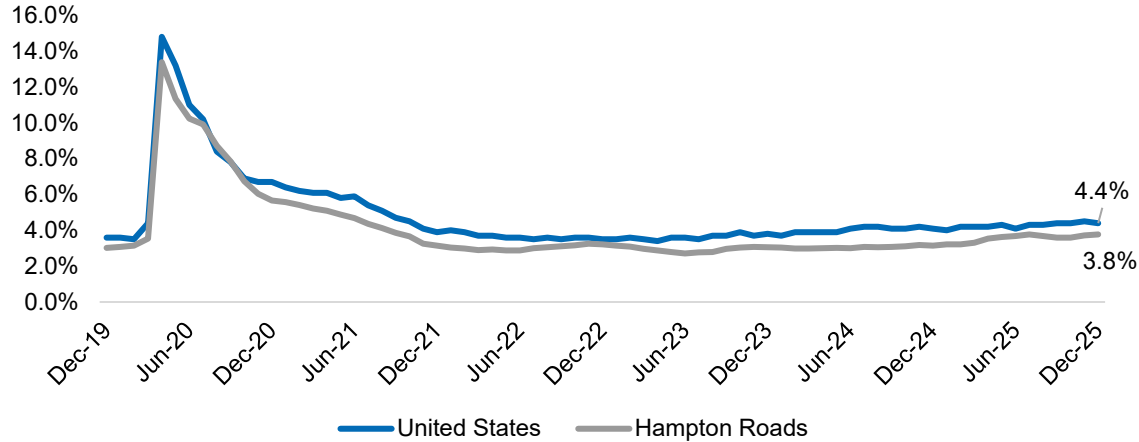
Multifamily Asset Name	Sales Price (\$M)	Price/Unit	Buyer	Seller	Submarket
Royal Pointe	\$39.5	\$189,904	Bonaventure	Featherstone Partners	Virginia Beach West
Wild Geese Landing Townhomes	\$32.1	\$729,545	James O'Connell	Foresight Affordable	Chesapeake
Village at Town Park	\$24.4	\$96,742	Walde Enterprises	Geller Associates	Hampton/Poquoson
Hérons Point Apartments	\$19.5	\$203,125	PRG	Covington & Associates	Virginia Beach West

Average Cap Rates

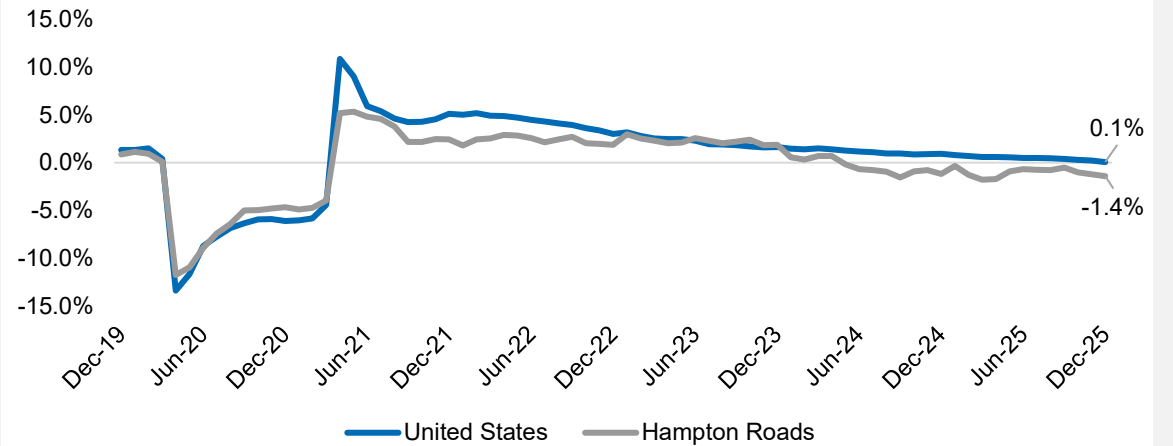


Hampton Roads Economic Metrics

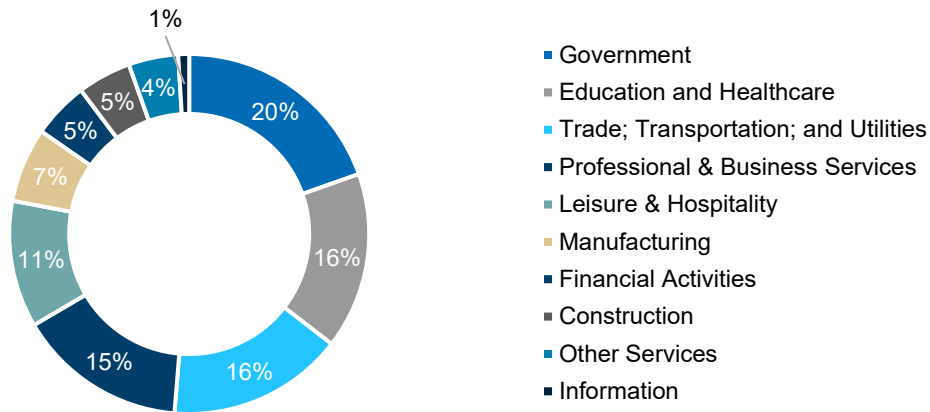
Unemployment Rate, Seasonally Adjusted



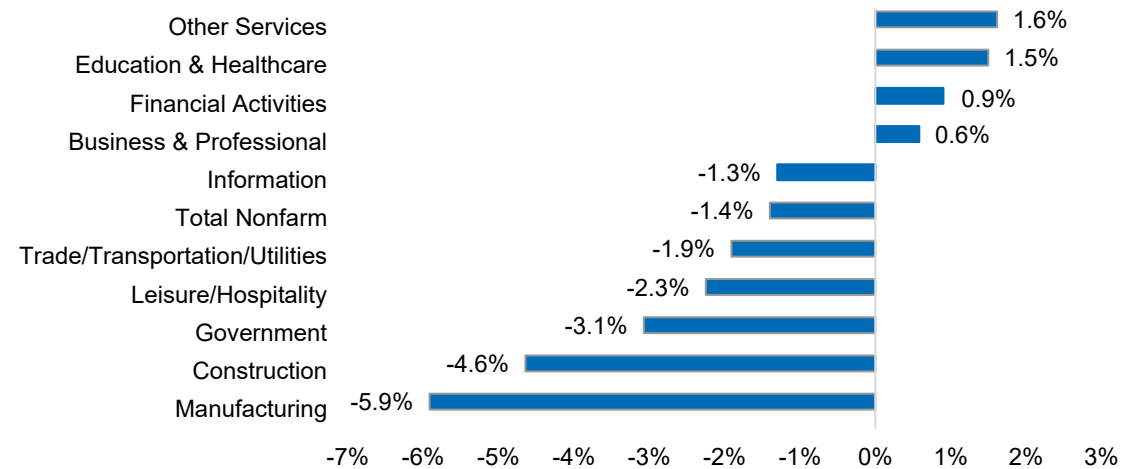
Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change



Employment by Industry, December 2025



Employment Growth by Industry, 12-Month % Change, December 2025



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Appendix

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Richmond Submarket Statistics

Multifamily Statistics by Submarket – As of 1Q 2026

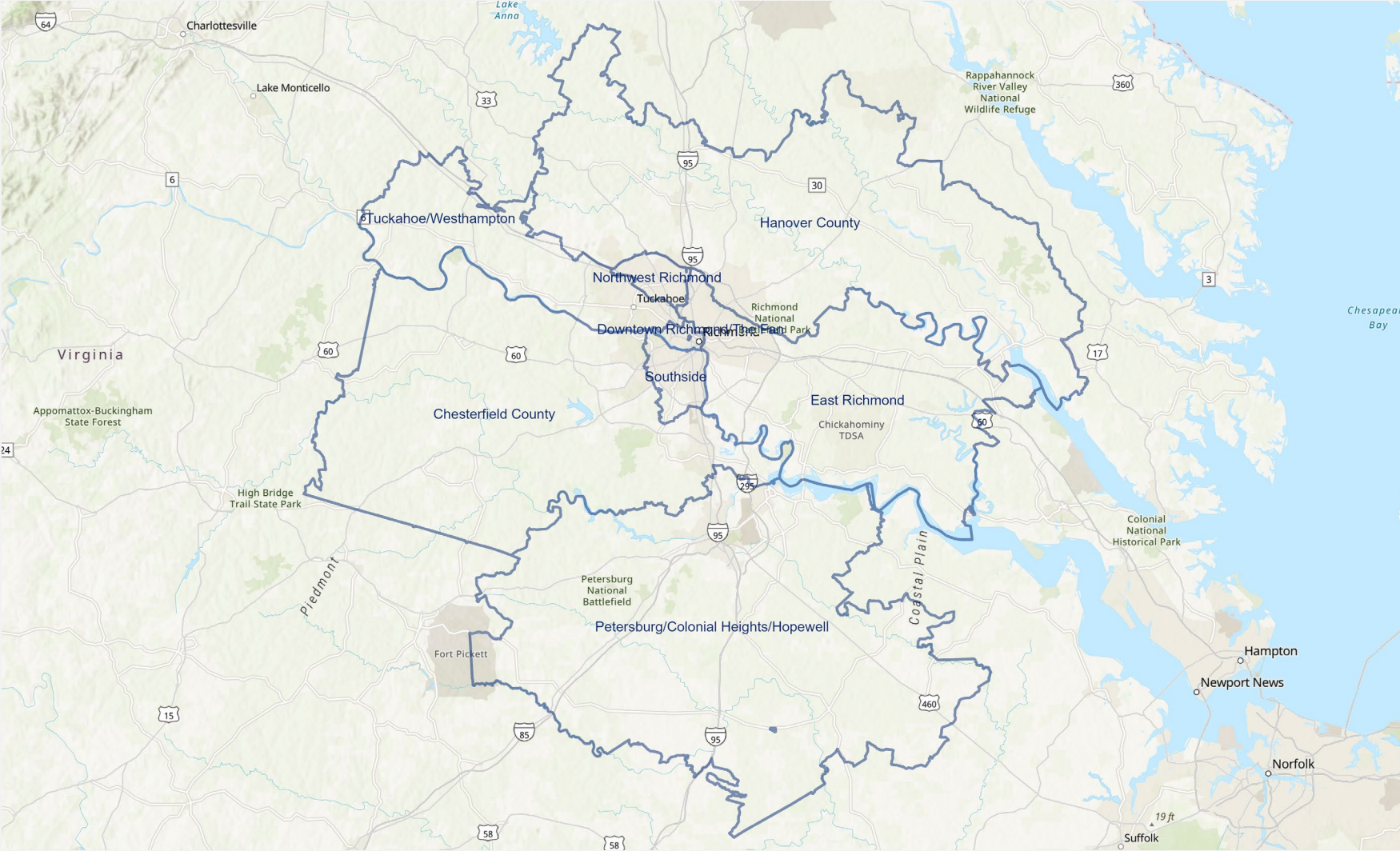
Multifamily Submarket	Inventory Units	Occupancy	Effective Rent	YOY % Change	Under Construction (Units)
Chesterfield County	17,736	95.7%	\$1,754	2.1%	196
Downtown Richmond/The Fan	14,069	93.9%	\$1,604	1.1%	1,560
East Richmond	18,775	94.6%	\$1,386	-0.7%	31
Hanover County	5,829	96.0%	\$1,825	2.8%	279
Northwest Richmond	13,417	95.1%	\$1,557	0.5%	298
Petersburg/Colonial Heights/Hopewell	9,088	97.5%	\$1,293	1.8%	0
Southside	23,282	95.4%	\$1,467	2.0%	625
Tuckahoe/Westhampton	18,121	95.8%	\$1,752	0.4%	1,729
Richmond Metro	120,317	95.3%	\$1,570	1.3%	4,718

Hampton Roads Submarket Statistics

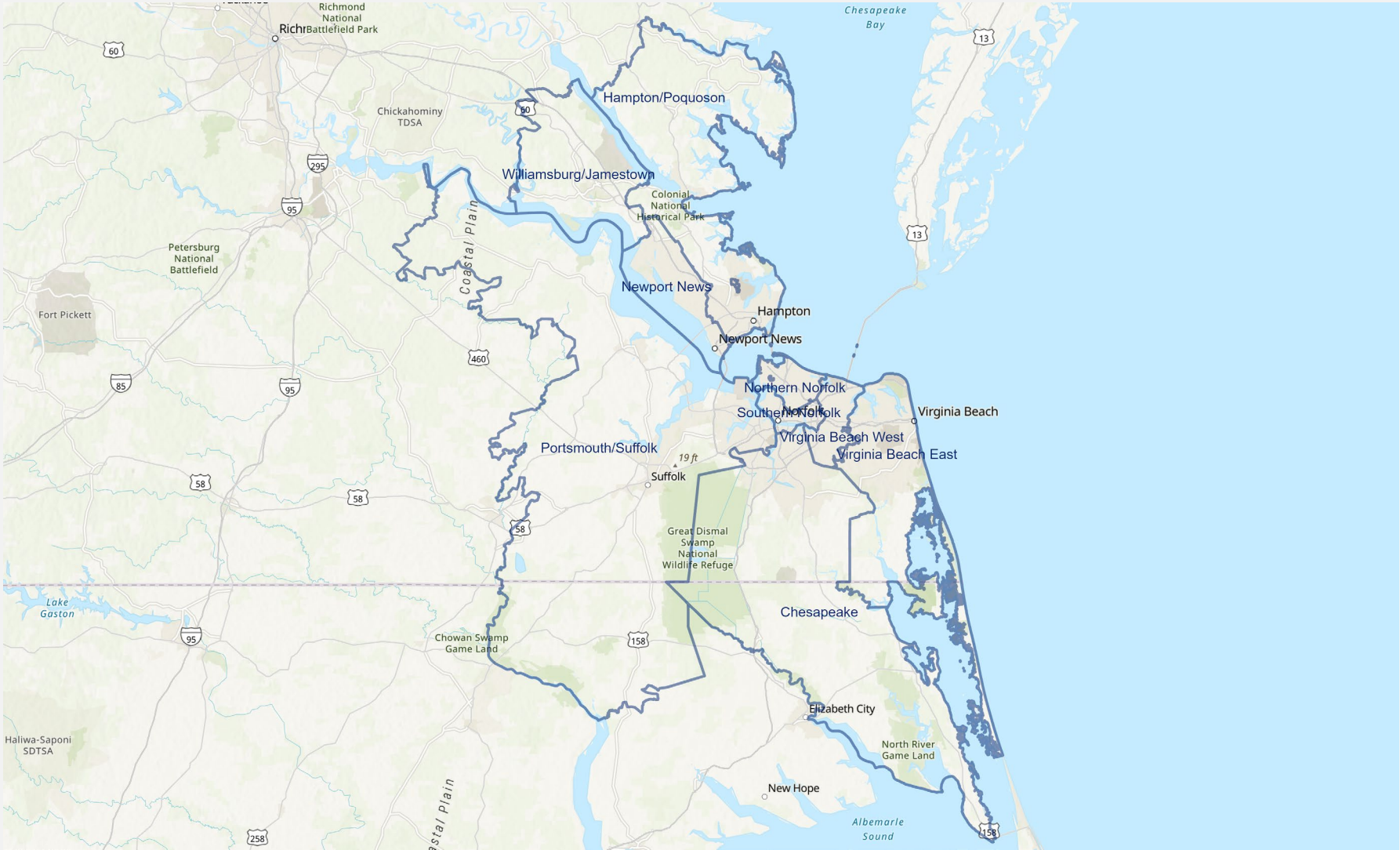
Multifamily Statistics by Submarket – As of 1Q 2026

Multifamily Submarket	Inventory (Units)	Occupancy	Effective Rent	YOY % Change	Under Construction (Units)
Chesapeake	11,132	96.1%	\$1,754	5.4%	215
Hampton/Poquoson	17,791	96.0%	\$1,609	3.1%	78
Newport News	26,314	95.4%	\$1,437	3.0%	229
Northern Norfolk	15,450	98.1%	\$1,435	6.1%	-
Portsmouth/Suffolk	16,908	97.1%	\$1,601	4.6%	-
Southern Norfolk	13,851	96.3%	\$1,721	3.0%	-
Virginia Beach East	19,803	97.4%	\$1,786	5.2%	132
Virginia Beach West	17,899	97.1%	\$1,761	4.2%	315
Williamsburg/Jamestown	7,563	96.1%	\$1,777	1.7%	-
Hampton Roads Metro	146,711	96.6%	\$1,632	4.1%	969

Richmond Submarkets



Hampton Roads Submarkets



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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/insights

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