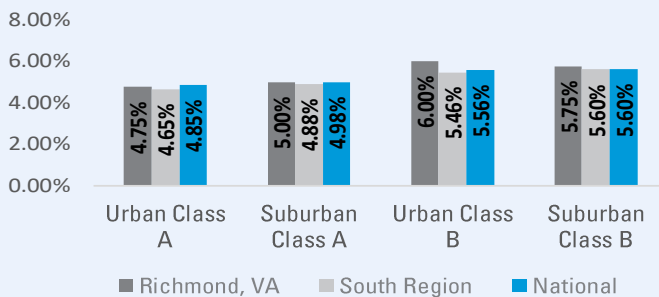


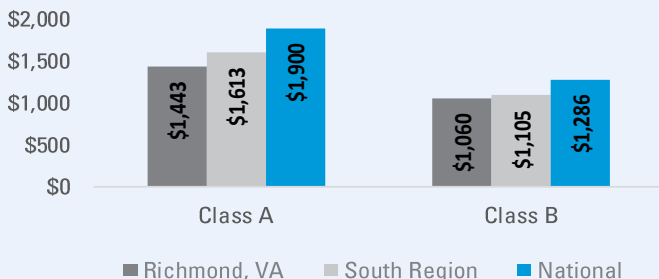
Market Rate Indicators (Y/Y)

Categories	Class A	Class B
Going In Cap Rate (%)	▼	▼
Asking Rent (\$/Unit)	▲	▲
Vacancy Rate (%)	▼	▼

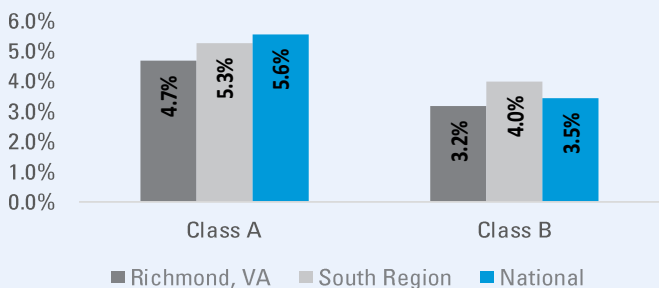
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



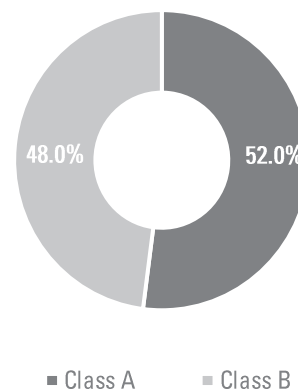
Vacancy Rates (%)



Richmond, VA Multifamily Market Overview

Richmond is the state capital, home of five colleges and universities, eight Fortune 500 companies and three major health care systems. Except for a pause in the 2nd quarter of 2020 in response to the COVID-19 pandemic, the Richmond metropolitan area has seen sustained economic growth since the Great Recession. No property type has seen more dynamic growth over the past decade than the multifamily sector. The Richmond multifamily market contains roughly 86,000 units, an increase of roughly 6,000 units over the past year. Despite the unrelenting supply growth, rents are up roughly 9% in the last 12 months and vacancy remains around 4%. There are currently an additional 5,400 units under construction and a reported 4,700 on the drawing board. Multiple conventional suburban projects are in the works in Chesterfield County where over 1,000 units are under construction and another 1,450 are planned, three mid-rise/mixed-use projects totaling over 1,000 units are underway or planned within or adjacent to the Innsbrook Corporate Center in Henrico County, ±300-unit buildings are underway as part of the repositioning of both Regency Square and Virginia Center Commons malls, and 200+ units are planned as part of a new mixed-use development on tap for Hanover County at the intersection of Route 301 and New Ashcake Road. In town, over 1,000 units are under construction or planned in and around Scott's Addition alone. As projects in the pipeline come online, vacancy rates are expected to rise slightly over the next 12 months and rent growth slow, but remain robust. As Richmond's underlying economic and demographic fundamentals are solid, only a modest uptick in capitalization rates are expected in response to rising interest rates and a weakening national economy. In town, Scott's Addition and the surrounding midtown area will remain a construction hotspot, multifamily product will be added in the area's office parks and repositioning malls, and the Swift Creek and Midlothian areas of Chesterfield County will capture much of the new suburban development.

Distribution of Total Inventory



85,196 Units
Multifamily Inventory

1.38% - 12 Mo. Proj.
Construction/Inventory

2023 RICHMOND, VA MULTIFAMILY ANNUAL REPORT

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Change In Value Next 12 Months



+/- 0%

Urban Class A



+/- 0%

Suburban Class A

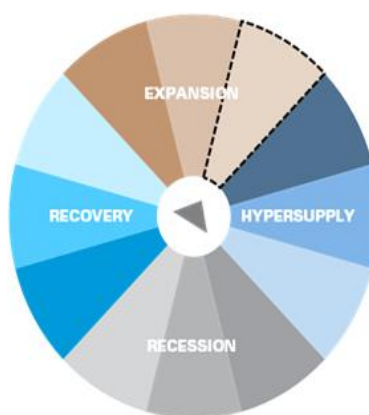
+/- 0%

Urban Class B

+/- 0%

Suburban Class B

Market Cycle: Expansion Stage 3



- Moderate/High New Construction
- Med/High Rental Rate Growth
- High Absorption
- Decreasing Vacancy Rates
- Moderate/High Employment Growth

Forecasts

Richmond, VA 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps
Discount Rate	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps
Reversion Rate	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps
Construction (Units)	1,175			
Market Rent Change	+4.00%	+4.00%	+4.00%	+4.00%
Expense Rate Change	+4.00%	+4.00%	+4.00%	+4.00%
Years to Balance	1			

Richmond, VA 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+12.35%			
Change in Value	Increase 3%-3.9%	Increase 3%-3.9%	Increase 3%-3.9%	Increase 3%-3.9%

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 165 MAI-designated members of the Appraisal Institute among 600+ professionals based in our 50+ offices throughout the United States and the Caribbean. Founded in 1999, the firm specializes in real estate appraisals, feasibility and market studies, expert testimony, and related property consulting services across all local and national markets. Our valuation and counseling services span all commercial property types and locations, from individual properties to large portfolio assignments.

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