

VIRGINIA BEACH, VA

2022 MARKET AT A GLANCE

Occupancy Rate

96.8%



DOWN 90 BPS YOY

Effective Rent

\$1,405



UP 8.0% YOY

Rent Share of Wallet

22.5%



UP 100 BPS YOY

Economy Continues to Grow, Drawing in Residents as Rent Rises

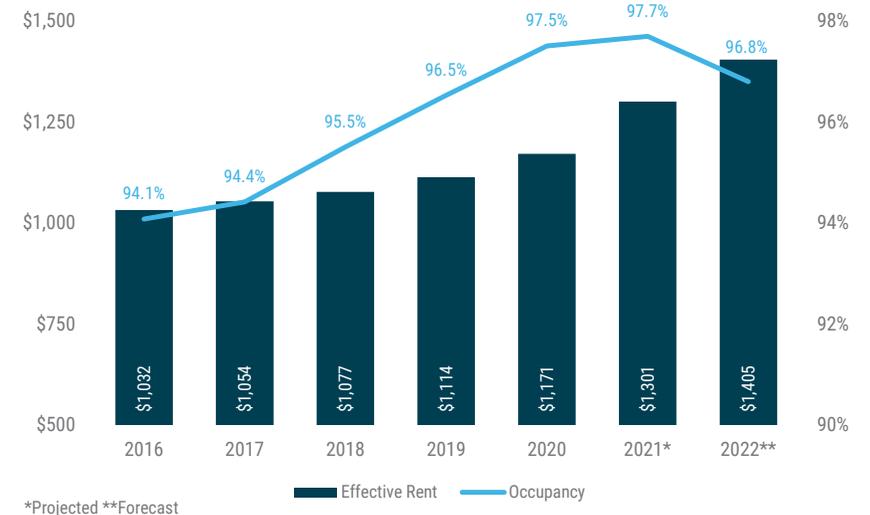
Virginia Beach metro's employers are predicted to add more jobs this year, outpacing employment growth in 2021 as pandemic restrictions decrease. Over the next 12 months, 15,600 net jobs are predicted to be added compared to 12,400 additions in 2021. Hiring in the leisure and hospitality industry is forecast to lead the metro with the addition of 4,000 net jobs in 2022. The short-term explanation for the sector's job growth is the reopening of restaurants and entertainment activities, and tourism has picked back up. During the summer months of 2021, the metro's beach hotels recorded occupancy rates of 84.2%, which outperformed 2019 pre-pandemic levels. Meanwhile, employment in the education and health services sector is projected to increase by 3,600 net jobs, representing the second-highest additions in the metro. Rising payrolls have contributed to continued apartment demand. Even so, projected leasing activity in 2022 is expected to trail increasing inventory growth. Over 1,700 new apartment units are set to come online in the metro by the end of 2022. Nearly half of the new deliveries are being built in the suburban Chesapeake and Portsmouth submarkets. Meanwhile, average apartment occupancy is projected to drop to 96.8% by year-end 2022. With the occupancy rate still 70 basis points higher than the preceding five-year average, the Virginia Beach metro's effective rent is expected to reach \$1,405 per month in the fourth quarter of 2022. The 8.0% annual effective rent growth is projected to slow from 2021, more aligned to the five-year average.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

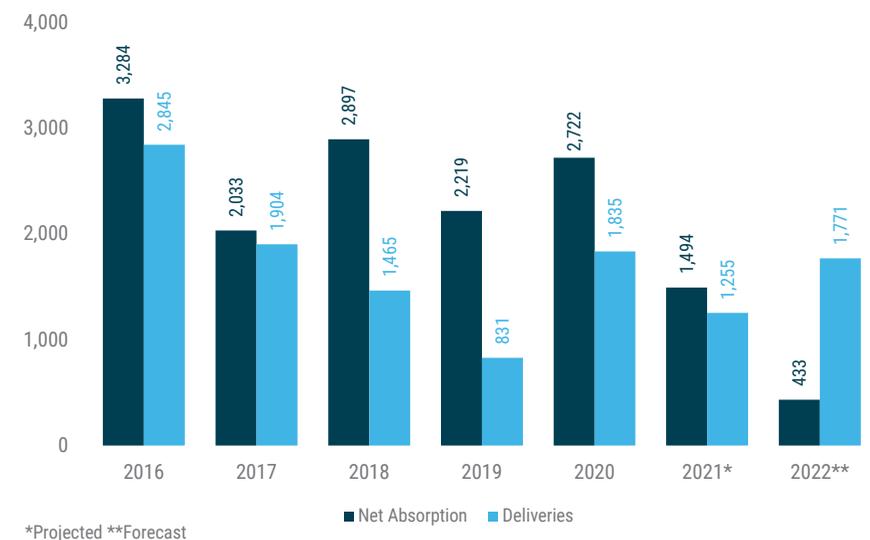
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy



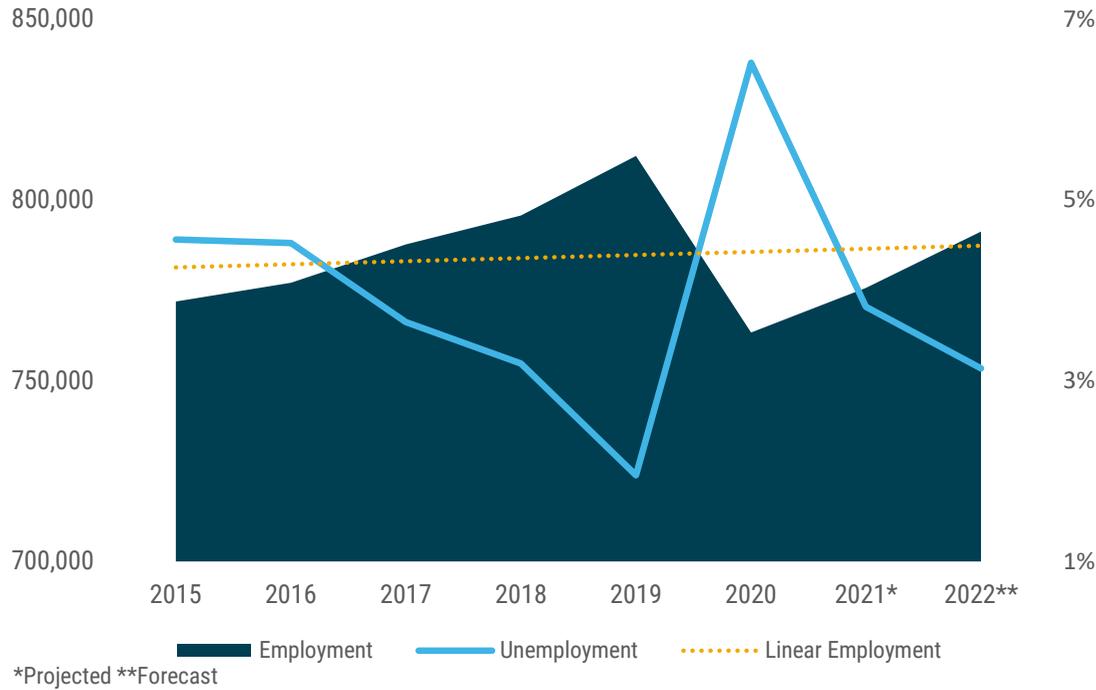
Absorption & Deliveries



VIRGINIA BEACH, VA

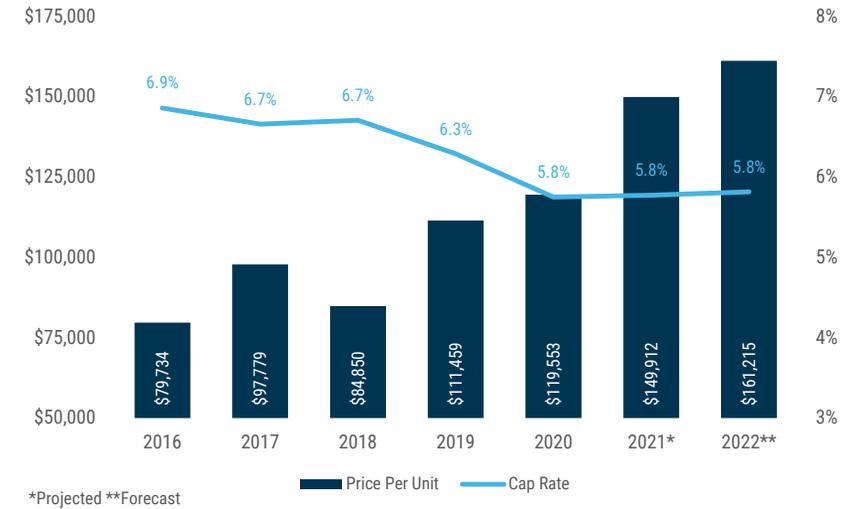
EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



<p>Employment</p> <p>791,300</p> <p>↑</p> <p>UP 2.0% YOY</p>	<p>Unemployment</p> <p>3.1%</p> <p>↓</p> <p>DOWN 70 BPS YOY</p>	<p>Median Household Income</p> <p>\$75,098</p> <p>↑</p> <p>UP 3.3% YOY</p>
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<p>Price Per Unit</p> <p>\$161,215</p> <p>↑</p> <p>UP 7.5% YOY</p>	<p>Cap Rate</p> <p>5.8%</p> <p>=</p> <p>UNCHANGED YOY</p>
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