

VIRGINIA BEACH, VA

2023 MARKET AT A GLANCE

Occupancy Rate

94.6%



DOWN 120 BPS YOY

Effective Rent

\$1,481



UP 3.0% YOY

Rent Share of Wallet

22.0%



DOWN 20 BPS YOY

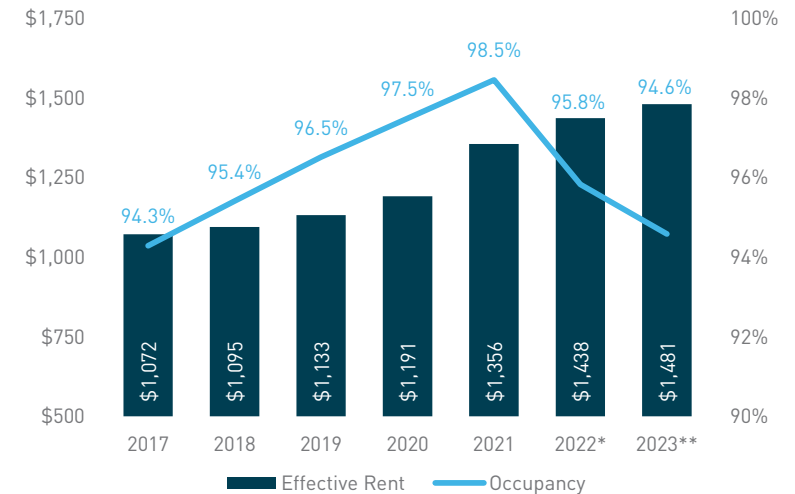
Growing Economy Supporting Housing Demand Amid Influx of Apartment Deliveries

With apartment inventory growth trailing demand across Virginia Beach leading up to the pandemic, developers ramped up multifamily construction activity. As a result, apartment deliveries are expected to heighten this year. Builders are forecast to add nearly 2,300 units, up nearly 47% year over year. This new stock will be the largest inventory increase Greater Virginia Beach has seen since 2016. Developers are mainly targeting the Southern Norfolk submarket. By the end of 2023, over 870 units are projected to come online, which is more than double the amount of construction compared to the other submarkets. Located in the Southern Norfolk submarket, Downtown Norfolk has two luxury apartment complexes scheduled to finish in 2023, each costing \$50 million. Looking ahead, nearly 30 multifamily projects are planned within the metro's pipeline dispersed among the varying submarkets. Greater Virginia Beach's strong economy also acts as a backstop to increased deliveries. The area's largest private employer, Newport News Shipbuilding, plans to hire thousands of employees through 2023 for four key programs. Overall employment is forecast to expand 0.7% this year, while the median household income increases 3.7%. The additional income will underpin apartment operators' confidence to raise rent. By the end of 2023, Virginia Beach's average monthly effective rent is expected to rise 3.0% to \$1,481. Even with the healthy increase, Virginia Beach will remain an affordable market with effective rent being below the national 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 2022 are projected values. 2023 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.

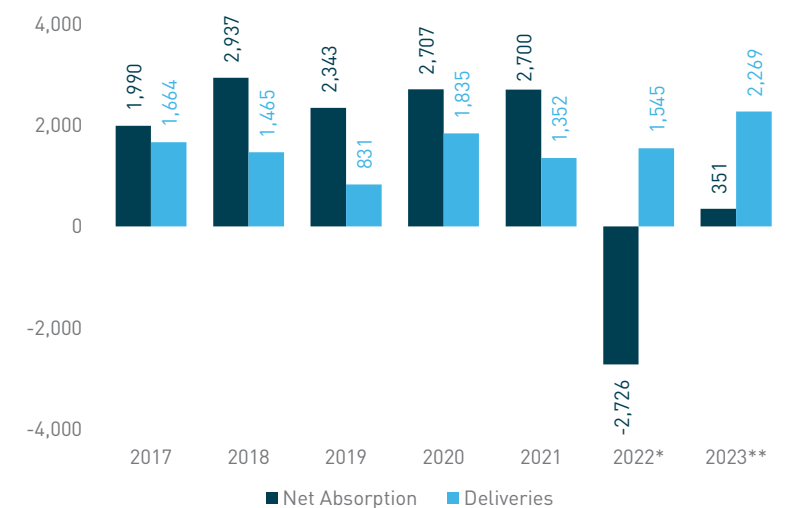
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

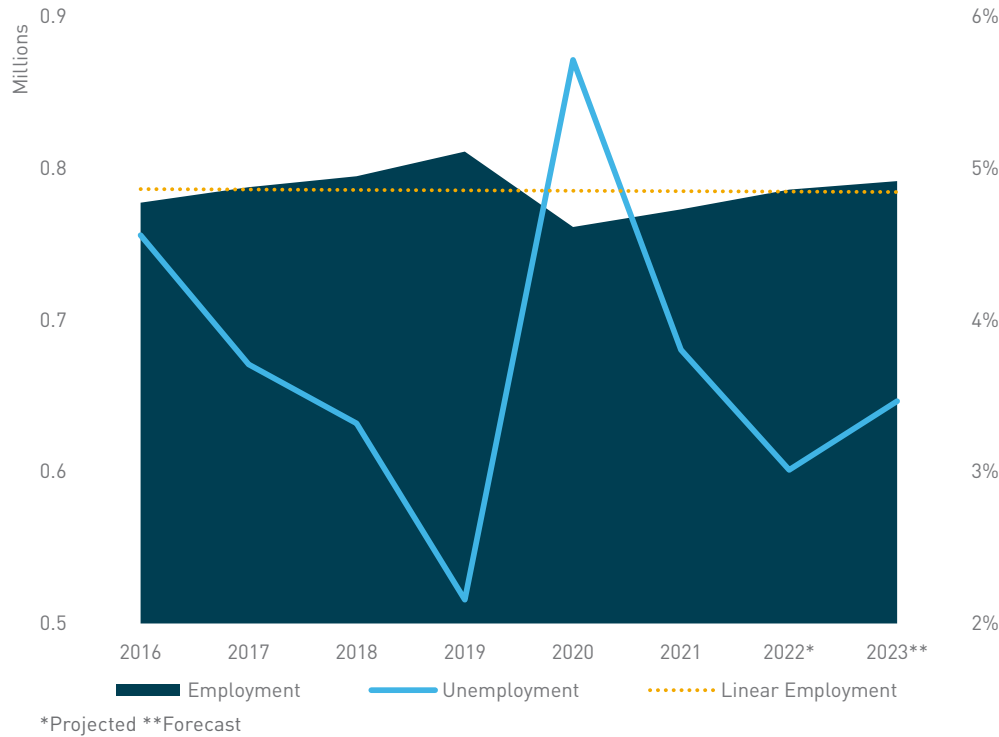


*Projected **Forecast

VIRGINIA BEACH, VA

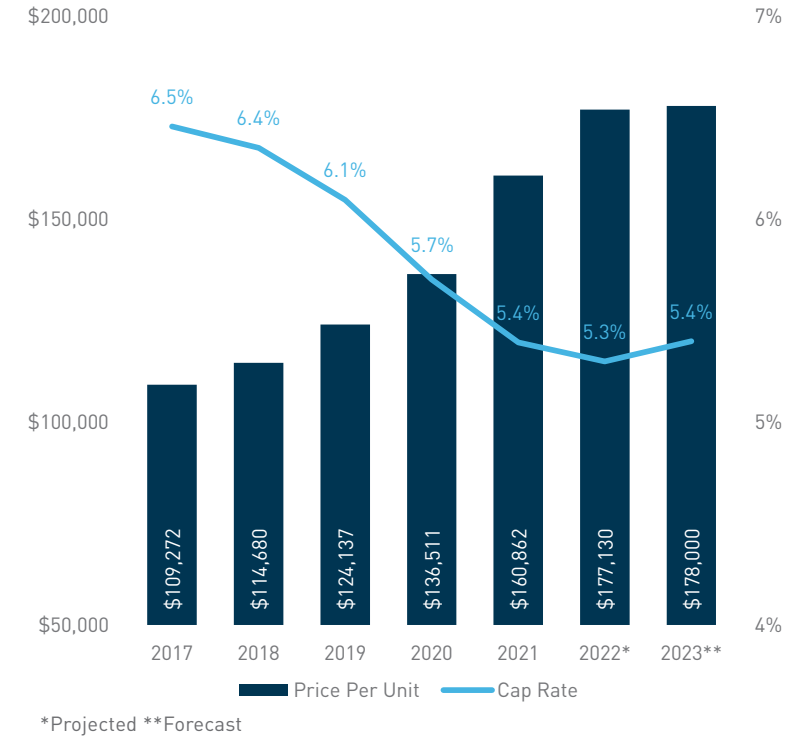
Employment Trends

Market Employment Trends



Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p>791,500</p> <p>↑</p> <p>UP 0.7% YOY</p>	<p>Unemployment</p> <p>3.5%</p> <p>↑</p> <p>UP 50 BPS YOY</p>	<p>Median Household Income</p> <p>\$80,668</p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p>\$178,000</p> <p>↑</p> <p>UP 0.5% YOY</p>	<p>Cap Rate</p> <p>5.4%</p> <p>↑</p> <p>UP 10 BPS YOY</p>
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