

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.4% Vacancy Rate	▼	▼
2,403 YTD Net Absorption, units	▲	▲
\$1,690 Effective Rent, per unit (Overall, All Property Classes)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
826.7K Hampton Roads MSA Employment	▼	▲
3.8% Hampton Roads MSA Unemployment Rate	▲	▲
0.2% Hampton Roads MSA Population Growth Source: BLS	▬	▲

ECONOMY: MAJOR MIXED-USE DEVELOPMENT NEWS

Hampton Roads’ multifamily market continues to benefit from a growing pipeline of public and private investment that is reshaping several of the region’s urban centers and reinforcing long-term housing demand. The U.S. Navy recently announced a \$1.7 billion initiative to modernize military housing across the region, including \$450 million for two new 17-story residential towers in Downtown Newport News, underscoring the importance of the military sector as a driver of population stability, workforce growth, and housing demand in the region. Multiple redevelopment projects are also in the planning stages. In Portsmouth, the 250-acre LINC District will create a mixed-use destination featuring housing, healthcare facilities, light industrial space, and creative studios, supported by more than \$24 million in infrastructure improvements. Norfolk is also pursuing a major mixed-use redevelopment of the former MacArthur Center site, where plans call for new residential components alongside hotels, a grocery store, and ground-floor retail.

SUPPLY AND DEMAND: VACANCY RATES COMPRESSED

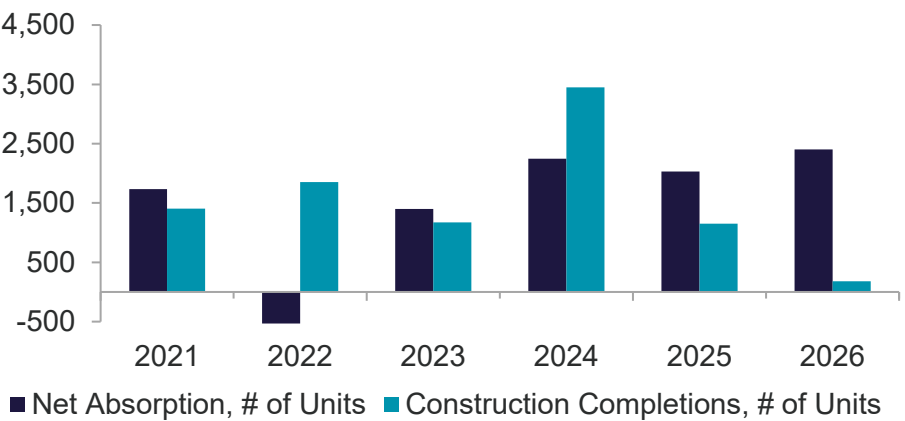
Overall vacancy closed the third quarter at 4.4%, a drop of 60 basis points (bps) quarter-over-quarter (QOQ), and down 110 bps year-over-year (YOY). Elevated mortgage rates and persistent single family inventory shortages have contributed to sustained demand as the differential cost between renting and owning continues to climb. Those factors, combined with the limited new construction in the market, have kept vacancy compressed. Absorption has topped 6,680 units since the start of 2024 with 4,783 units delivered in the same timeframe.

The active construction pipeline includes 2,156 units currently in development with six groundbreakings since the start of the year. The majority of the current pipeline is in the Southside region with only one project underway on the Peninsula.

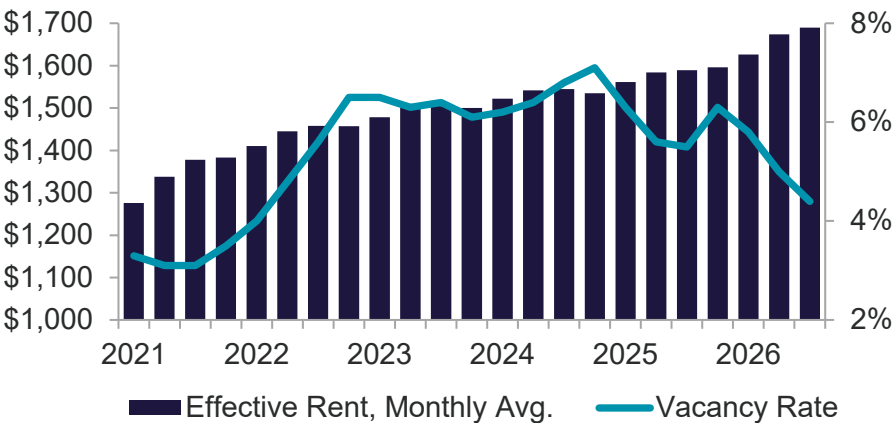
PRICING: RENT GROWTH ACCELERATES

Rent growth has accelerated since the start of the year after moderating in 2024 and 2025 following the dramatic pandemic era increases. At the close of the third quarter, effective rates are up 6.4% YOY and up 11.2% since the start of 2024. Year-to-date (YTD) sales volume has topped \$893.2 million with more than \$282.6 million closed in the third quarter. The sale of the 280-unit Allure at Edinburg in Chesapeake set the YTD high mark in terms of price per unit, closing in the second quarter for over \$327,000 per unit.

DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Chesapeake	10,544	0	0.0%	919	113	3.6%	-110	\$1,876	\$1.92	6.3%
Gloucester	486	0	0.0%	0	2	4.1%	-110	\$1,068	\$1.42	9.6%
Hampton City	12,590	0	0.0%	0	206	5.3%	-120	\$1,612	\$1.73	7.7%
Isle of Wight	1,567	0	0.0%	0	-28	6.3%	240	\$1,832	\$1.70	8.2%
James City	2,569	0	0.0%	0	12	4.4%	-110	\$1,739	\$1.74	5.0%
Newport News	20,487	0	0.0%	73	300	7.0%	0	\$1,450	\$1.58	5.7%
Norfolk City	19,726	50	0.3%	671	425	3.1%	-130	\$1,598	\$1.80	6.6%
Poquoson City	405	0	0.0%	0	-3	2.2%	70	\$1,913	\$1.83	10.8%
Portsmouth	4,695	0	0.0%	0	8	5.0%	-100	\$1,361	\$1.56	5.8%
Suffolk City	4,831	0	0.0%	0	85	3.0%	-180	\$1,898	\$1.88	7.3%
Virginia Beach	34,428	132	0.4%	367	1,156	3.6%	-160	\$1,845	\$1.89	6.5%
Williamsburg	2,085	0	0.0%	126	43	4.2%	-50	\$1,757	\$1.80	2.6%
York	3,611	0	0.0%	0	83	3.7%	-240	\$1,872	\$1.80	3.7%
HAMPTON ROADS, VA TOTALS	118,024	182	0.2%	2,156	2,402	4.4%	-110	\$1,690	\$1.79	6.4%

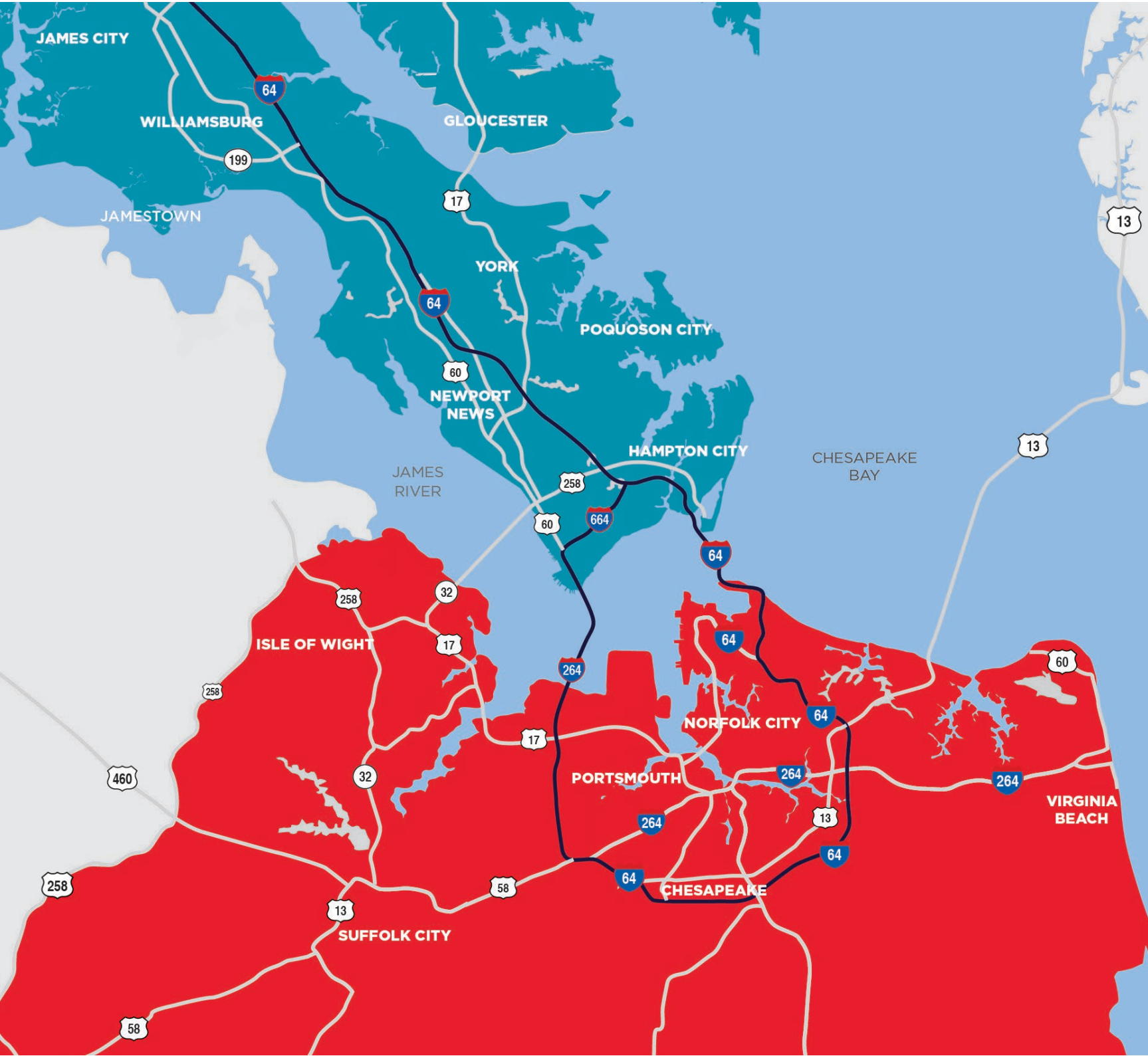
NOTABLE CONSTRUCTION PIPELINE

PROPERTY	SUBMARKET	OWNER / DEVELOPER	UNITS	COMPLETION DATE
The Waverly	Northwest Virginia Beach	LIV Development / LIV Development	367	Q4 2027
Attain at Newtown	Newtown	Bonaventure Realty Group / Bonaventure Realty Group	320	Q4 2027
Attain at Greenbrier	Greenbrier East	Bonaventure Realty Group / Bonaventure Realty Group	268	Q4 2027
900 Battlefield Blvd N	Greenbrier West	Oxford Properties LLC / Oxford Properties LLC	215	Q3 2027
Kingsborough Square Apartments	Greenbrier West	Robinson Development Group / Robinson Development Group	200	Q4 2027
Kinship at Kindred	Tidewater Gardens	NRHA / Gilbane	191	Q4 2026
Summit Point Block 4	Greenbrier East	Summit Pointe Realty LLC / Summit Pointe Realty LLC	170	Q3 2027
5701 Chambers St	Glenrock	Good Homes Communities / Good Homes Communities	160	Q3 2027

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
Asbury Place Townhome Apartments	Crystal Lakes/Powhatan Park	MRKT Capital / Asbury Place TH LLC	262	\$28M / \$107k
Meridian Obici	Suffolk City	Castle Lanterra Properties / Briar Capital Management	224	\$51.3M / \$229k
Indigo 19	Northeast Virginia Beach	Hamilton Zanze & Company / PXV Multifamily	196	\$40.2M / \$205k
Lake Village Apartments	Deep Creek North	Ritz Banc Group / Temple Group Properties	184	\$23.4M / \$130k

MULTIFAMILY SUBMARKETS



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