

MARKET FUNDAMENTALS

	YOY Chg	Outlook
8.4% Vacancy Rate	▼	▼
1,779 YTD Net Absorption, units	▼	▲
\$1,565 Effective Rent, per unit (Overall, All Property Classes)	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
725.4K Richmond MSA Employment	▼	▲
3.7% Richmond MSA Unemployment Rate	▲	▲
0.4% Richmond MSA Population Growth Source: BLS	▼	▲

ECONOMY: REGIONAL GROWTH DRIVERS ACCELERATE

Richmond continues to strengthen its position as one of the mid-Atlantic’s most dynamic growth markets, backed by major economic development wins, infrastructure investments, and expanding talent attraction. Richmond International Airport (RIC) was recognized as North America’s most efficient airport serving fewer than 5 million passengers, while LinkedIn ranked the region second as the fastest-growing metro area for jobs and new talent. Pharmaceutical giant Eli Lilly closed on the purchase of 227 acres in Goochland County, marking a major milestone toward construction of its \$5 billion manufacturing campus in West Creek Business Park. Colonial Heights approved a \$180 million sports and entertainment complex with a mix of hospitality and retail components, and VCU Medical Center was named the top hospital in Virginia by U.S. News & World Report.

SUPPLY AND DEMAND: BALANCED FUNDAMENTALS

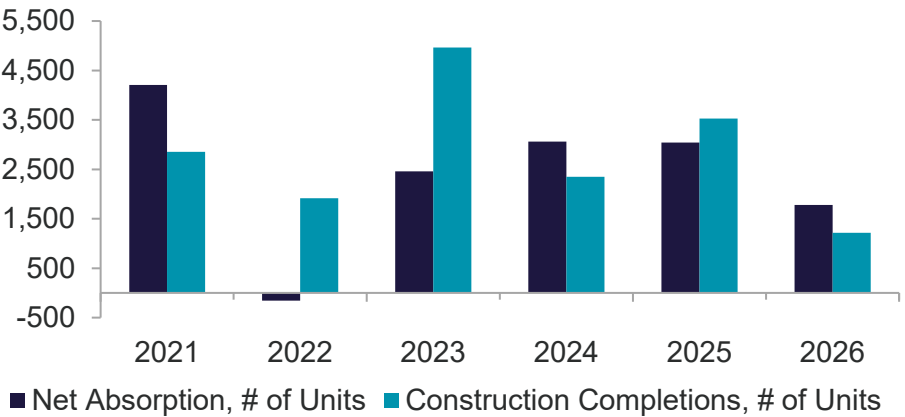
Overall vacancy closed the quarter down 50 basis points (bps) year-over-year (YOY) and remained flat quarter-over-quarter (QOQ) as net absorption numbers continue to keep pace with deliveries. Pipeline activity has accelerated with 5,941 units currently in development, including seven projects that broke ground in the third quarter, the majority of which are located in Chesterfield County. The first residential portion of The Lake is underway near Brandermill as The Breeden Co. started construction on Vida on the Lake, a \$72 million project with 258 units planned. Bonaventure broke ground on the 344-unit Attain at Swift Creek, a \$93.3 million development adjacent to the Kroger at Iron Bridge Marketplace.

Beyond the active pipeline, developers continue to pursue new project locations throughout the region. After purchasing the land for \$8 million from Highwoods Properties, Richmond-based Spy Rock Real Estate announced plans for more than 300 units on an infill site in the Innsbrook area of western Henrico, which will include a mix of apartments and townhomes, a first for the developer in that submarket.

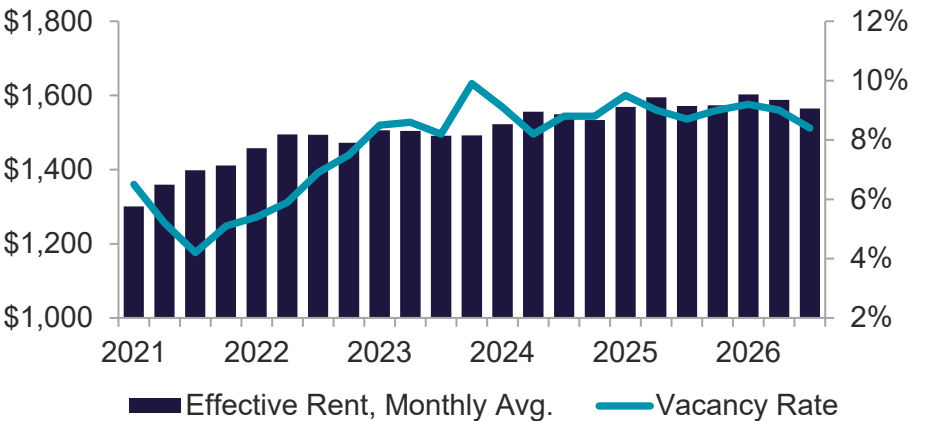
PRICING: RENT GROWTH MODERATES

Effective rents closed the third quarter up 0.6% YOY as growth rates continue to moderate. Year-to-date sales volume has topped \$504.5 million, though active slowed significantly in the third quarter after active first half to the year. Capital Square purchased the 255-unit Colony at Centerpointe in Midlothian for \$74.6 million after selling the 373-unit complex at 2000 West Creek in Goochland for \$115 million to Weinstein Properties. Both trades occurred late in the second quarter of 2026.

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
Central	15,272	0	0.0%	2,084	649	9.2%	-140	\$1,633	\$2.10	-1.9%
Chesterfield	13,954	104	0.7%	1,252	377	6.6%	-150	\$1,629	\$1.65	0.9%
East Richmond/Henrico	4,490	0	0.0%	0	36	6.3%	-80	\$1,390	\$1.55	4.9%
Hanover	2,090	0	0.0%	232	-18	5.1%	120	\$1,745	\$1.84	2.5%
Midlothian	8,085	0	0.0%	591	154	6.5%	-330	\$1,795	\$1.80	2.1%
Near West End	1,554	0	0.0%	0	107	11.3%	-880	\$1,847	\$2.15	-0.7%
North Richmond	2,543	0	0.0%	0	-15	9.1%	140	\$1,333	\$1.68	4.9%
South Richmond	15,514	500	3.3%	573	149	10.5%	200	\$1,385	\$1.64	0.8%
Tri-Cities	5,634	0	0.0%	0	22	9.4%	-130	\$1,213	\$1.37	3.7%
Western Henrico	28,195	615	2.2%	1,209	318	8.3%	20	\$1,598	\$1.75	0.3%
RICHMOND, VA TOTALS	97,331	1,219	1.3%	5,941	1,779	8.4%	-50	\$1,565	\$1.76	0.6%

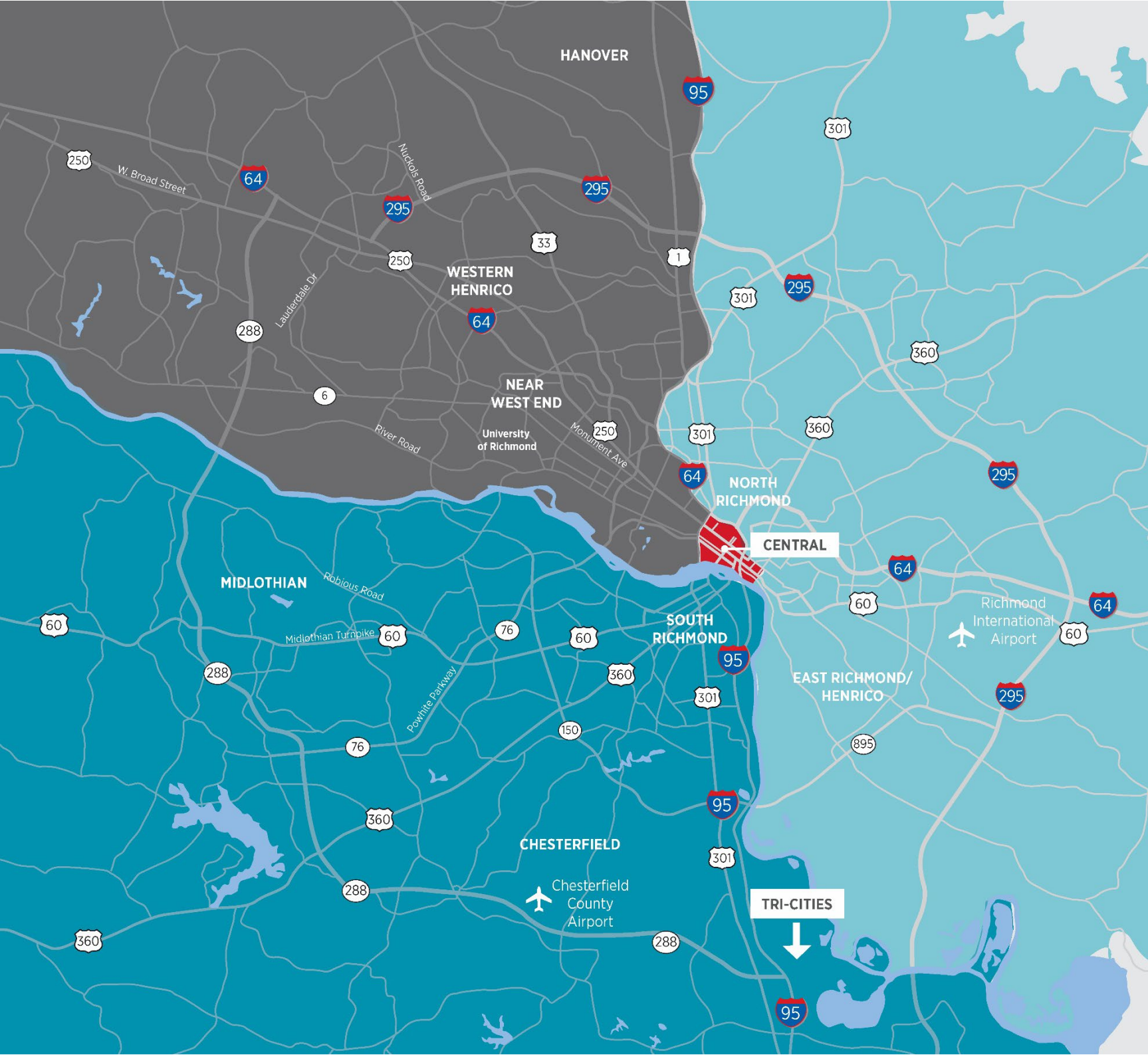
NOTABLE CONSTRUCTION PIPELINE

PROPERTY	SUBMARKET	OWNER / DEVELOPER	UNITS	COMPLETION DATE
Harp’s Landing Apartments	Western Henrico	Gumenick Properties / Gumenick Properties	398	Q4 2027
Silas at West Hundred	Chesterfield County	Lingerfelt / Lingerfelt	390	Q2 2028
The Russell	Midtown Richmond	Greystar Real Estate Partners / Greystar Real Estate Partners	388	Q4 2026
3200 West Moore Street	Scott’s Addition	Hoffman & Associates / Hoffman & Associates & DeBartolo Development	366	Q3 2027
Attain at Swift Creek	Chesterfield County	Bonaventure Realty Group / Bonaventure Realty Group	344	Q1 2028
Three Notch’d Flats	Western Henrico	Edward Rose & Sons / Edward Rose & Sons	325	Q4 2026
The Regent at Regency	Western Henrico	Rebkee Company / Thalhimer Realty Partners	314	Q4 2026
MAA Rove	The Diamond	Mid-America Apartment Communities Inc. / Mid-America Apartment Communities Inc.	306	Q4 2026
Altitude on Main	City Center Richmond	RPC Realty Capital LLC / RPC Realty Capital LLC	302	Q4 2026
Scottwood	Western Henrico	Harbor Group International / Middleburg Communities	299	Q3 2027
Alexan Manchester	Swansboro	Trammell Crow Residential / Trammell Crow Residential	260	Q3 2027
200 E Marshall Street	City Center Richmond	SNP Properties / SNP Properties	254	Q1 2027
The Ledger	The Diamond	Spy Rock Real Estate / Spy Rock Real Estate	247	Q2 2028
Poppy	Uptown Richmond	Audeo Partners / Audeo Partners	221	Q1 2027

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
2000 West Creek Apartments	Goochland County	Capital Square / Weinstein Properties	373	\$115M / \$308k
Colony at Centerpointe	Midlothian	Blackstone Real Estate Income Trust Inc. / Capital Square	255	\$74.6M / \$293k

MULTIFAMILY SUBMARKETS



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