

# COMMERCIAL REAL ESTATE REPORT Q4 2023

## Richmond, VA Metro Area

Select a Metro Area  
Richmond, VA Metro Area

### Demographics and Economy

#### Demographics

1.8%	32.4%	1.4%	Net Migration in Virginia
population growth (2022)	share of renters (2022)	renter household formation (2022)	21,132 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	12,514 (2022)

#### Economy

8.6%	16,300	2.3%	9.6%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$60,910	3.1%	18.7%	International Migration in Virginia
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	28,117 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	37,444 (2022)

### Commercial Real Estate by Sector

#### 1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	6,308	11,619	3.3%	\$22	8.5%
2022 Q4	-22,757	-842,154	6.2%	\$22	8.3%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	69,034,327	6,000	166,077	\$47.79M	9.7%
2022 Q4	68,867,194	26,698	117,753	\$257.54M	9.3%

#### 2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. As a result, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	813	3,173	1.5%	\$1,438	\$1,424	9.2%
2022 Q4	-407	-151	4.2%	\$1,417	\$1,405	7.3%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	102,787	1,968	5,526		6.0%	
2022 Q4	97,261	72	1,990		5.5%	

#### 3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	325,927	272,203	7.0%	\$20	3.8%
2022 Q4	-350,958	84,373	3.8%	\$19	5.2%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	82,008,081	7.4%	\$66.32M	\$272	
2022 Q4	82,915,044	7.5%	\$217.91M	\$187	

#### 4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	214,209	3,931,439	6.8%	\$9	3.4%
2022 Q4	5,076,810	9,001,632	11.6%	\$8	3.5%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	150,194,807	45,900	3,948,042	7.8%	\$111.90M
2022 Q4	146,246,765	5,828,873	9,929,778	7.3%	\$197.27M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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# COMMERCIAL REAL ESTATE REPORT Q4 2023

## Virginia Beach-Norfolk-Newport News, VA-NC Metro Area

Select a Metro Area  
Virginia Beach-Norfolk-Newport N.

### Demographics and Economy

#### Demographics

0.1%	35.8%	-4.1%	Net Migration in Virginia
population growth (2022)	share of renters (2022)	renter household formation (2022)	21,132 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	12,514 (2022)

#### Economy

7.5%	3,800	0.5%	8.0%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$55,240	3.2%	11.1%	International Migration in Virginia
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	28,117 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	37,444 (2022)

### Commercial Real Estate by Sector

#### 1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	82,254	69,082	1.2%	\$21	7.8%
2022 Q4	100,330	96,186	3.1%	\$21	7.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	56,760,164	10,000	46,200	\$66.53M	10.1%
2022 Q4	56,713,964	19,833	16,550	\$121.28M	9.5%

#### 2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	194	1,392	2.5%	\$1,445	\$1,436	6.6%
2022 Q4	-726	-1,661	5.2%	\$1,409	\$1,402	6.7%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	122,323	287	1,447		6.1%	
2022 Q4	120,876	403	2,005		5.6%	

#### 3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. Despite strong conditions, rent prices rose slower than nationwide and vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	310,535	551,092	3.4%	\$20	4.5%
2022 Q4	171,775	936,624	3.5%	\$19	4.9%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	109,511,794	7.1%	\$62.68M	\$110	
2022 Q4	109,373,946	7.2%	\$205.24M	\$223	

#### 4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	303,119	614,779	6.2%	\$10	3.3%
2022 Q4	185,527	5,335,646	9.3%	\$10	2.5%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	131,780,195	1,157,624	1,685,587	8.3%	\$18.90M
2022 Q4	130,094,608	1,390,643	6,511,055	7.8%	\$133.07M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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