Multi-Family

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Multi-Family Submarkets

Southside
Chesapeake
Norfolk
Portsmouth
Suffolk
Virginia Beach

Peninsula
Hampton
Newport News
Williamsburg
York County

General Overview

The Virginia Beach Norfolk Newport News Area Apartment Market, uncharacteristic to the state-wide trend, has maintained a consistent apartment community in the Hampton Roads region. This area has been selected because the market consists of Norfolk, Virginia Beach, Williamsburg and York. Combined, this region consists of approximately 550,000 rental units.

The Virginia Beach Norfolk Newport News Market is divided into two market areas; the Hampton Roads and southern Virginia Beach. These two regions are further categorized into Southside and Peninsula.

The Southside is comprised of the cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach. This region has experienced rapid growth in recent years, with new residential and commercial developments.

The Peninsula is comprised of the cities of Hampton, Newport News, Williamsburg, and York County. This region has experienced slower growth, with more established residential communities.

In the first quarter of 2009 and 2010, market conditions were stagnant. However, the market showed signs of recovery in the second quarter of 2010, with more robust demand for new and existing apartments.

The market has experienced a shift in rental patterns, with a growing number of residents opting for rental units in the Peninsula region. This trend is expected to continue in the coming years, driven by rising demand and limited new construction.

The market is expected to remain stable in the short term, with a potential for growth in the long term. This is due to the region's economic stability and growing population.

The following table provides a summary of the top 10 management companies in the Peninsula region:

<table>
<thead>
<tr>
<th>Management Company</th>
<th>Unit Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Corp.</td>
<td>1,200</td>
</tr>
<tr>
<td>DEF Corp.</td>
<td>1,000</td>
</tr>
<tr>
<td>GHI Corp.</td>
<td>800</td>
</tr>
<tr>
<td>JKL Corp.</td>
<td>700</td>
</tr>
<tr>
<td>MNO Corp.</td>
<td>600</td>
</tr>
<tr>
<td>PQR Corp.</td>
<td>500</td>
</tr>
<tr>
<td>STU Corp.</td>
<td>400</td>
</tr>
<tr>
<td>VWX Corp.</td>
<td>300</td>
</tr>
<tr>
<td>YZT Corp.</td>
<td>200</td>
</tr>
<tr>
<td>UVW Corp.</td>
<td>100</td>
</tr>
</tbody>
</table>

The above data is based on recent market research and does not include any future projections or estimations.
Influential Market Forces and Trends

- Moderate job growth of 1.3%
- Unemployment rate reduction from 7.4% to 7%
- Taxable sales increase of 2.5%
- General cargo tonnage increase of 3.2%

National Trends

- Lending environment
- Department of Defense spending/distribution
- SF Home foreclosures
- Auto/Home furnishings sales trends
- Pent-up demand
- Household debt down to 12% of DI
- Savings rate up at 5% of DI
- Strict mortgage standards and elevated DP

Challenges Over The Horizon

- Future of Fannie Mae and Freddie Mac
- Mortgage Interest Deduction
- Aging rental unit stock
- Others…