



2022

**HAMPTON ROADS REAL ESTATE
MARKET REVIEW & FORECAST**

**E.V. WILLIAMS CENTER FOR REAL ESTATE
AT THE HARVEY LINDSAY SCHOOL OF REAL ESTATE**



OLD DOMINION UNIVERSITY

Strome College of Business
E.V. WILLIAMS CENTER FOR REAL ESTATE
AT THE HARVEY LINDSAY SCHOOL OF REAL ESTATE

2022

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EMCEE

KRISTA COSTA

**EXECUTIVE VICE PRESIDENT, CORPORATE
SERVICES & OFFICE LEASING**





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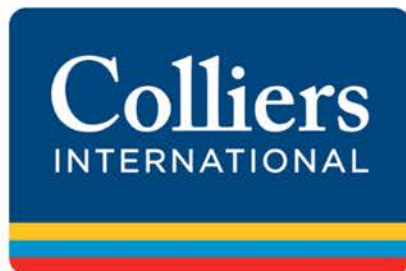
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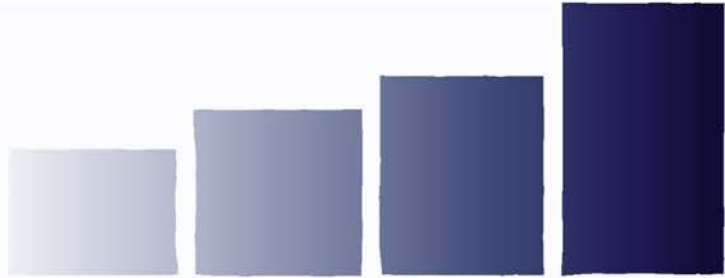
Inside Business

The Hampton Roads Business Journal

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ECONOMIC DEVELOPMENT

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**IMAGE
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Robert McNab, PH.D.

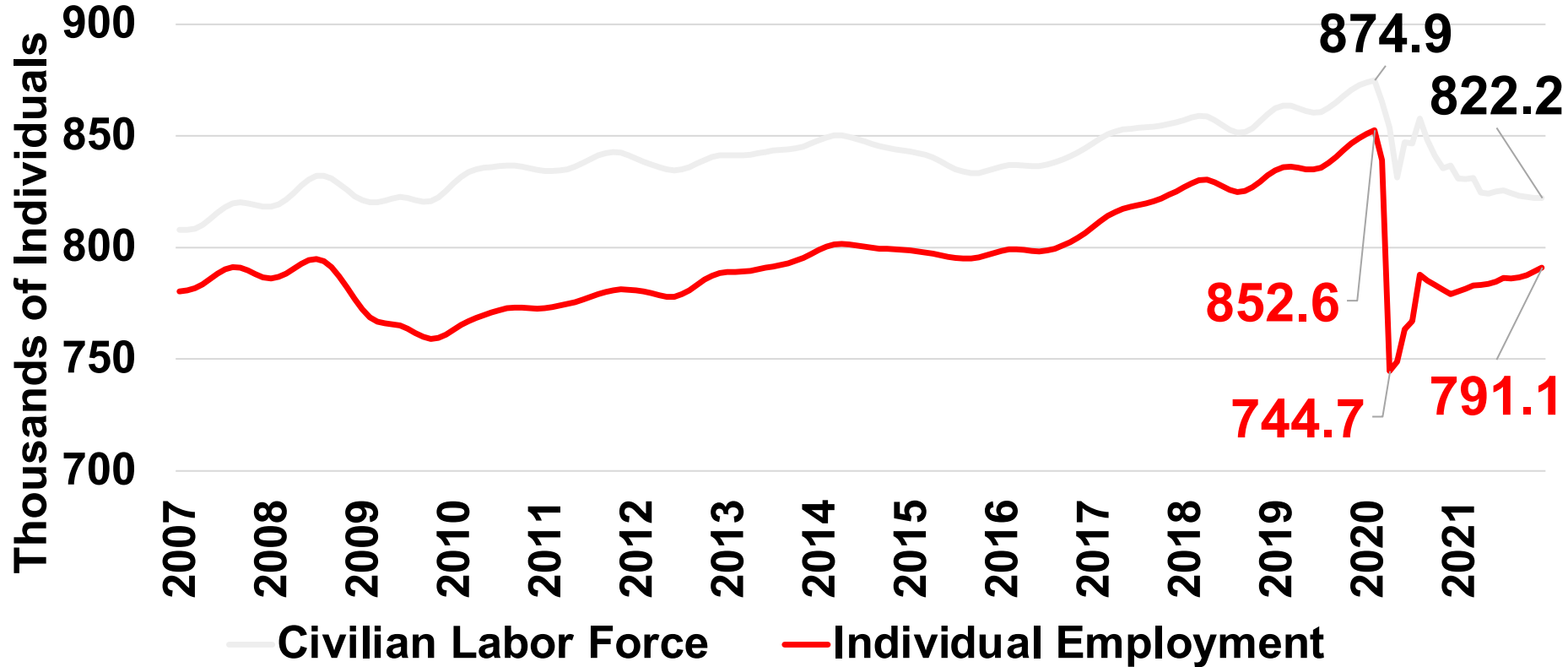
Director, Dragas Center for Economic
Analysis and Policy

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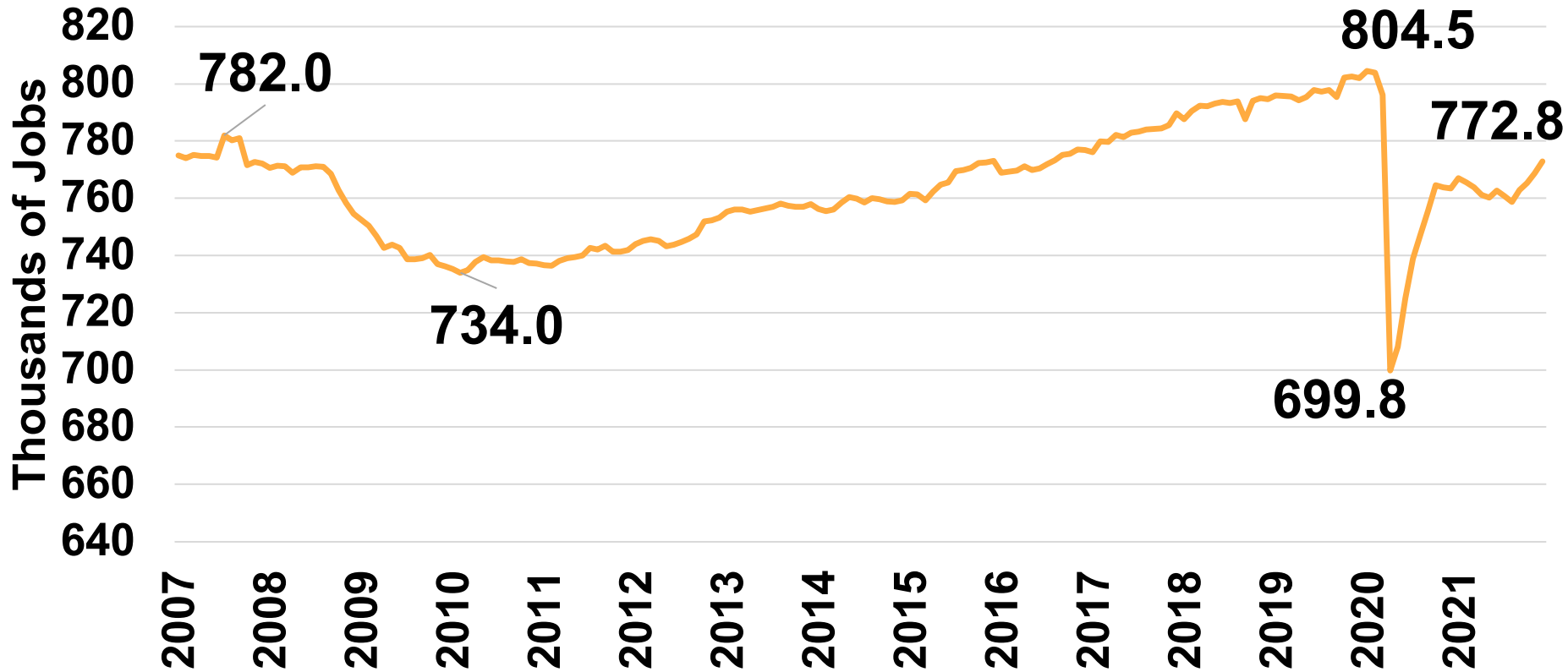
**ECONOMIC TRENDS
& CONDITIONS**

Civilian Labor Force and Individual Employment Hampton Roads, January 2007 – December 2021



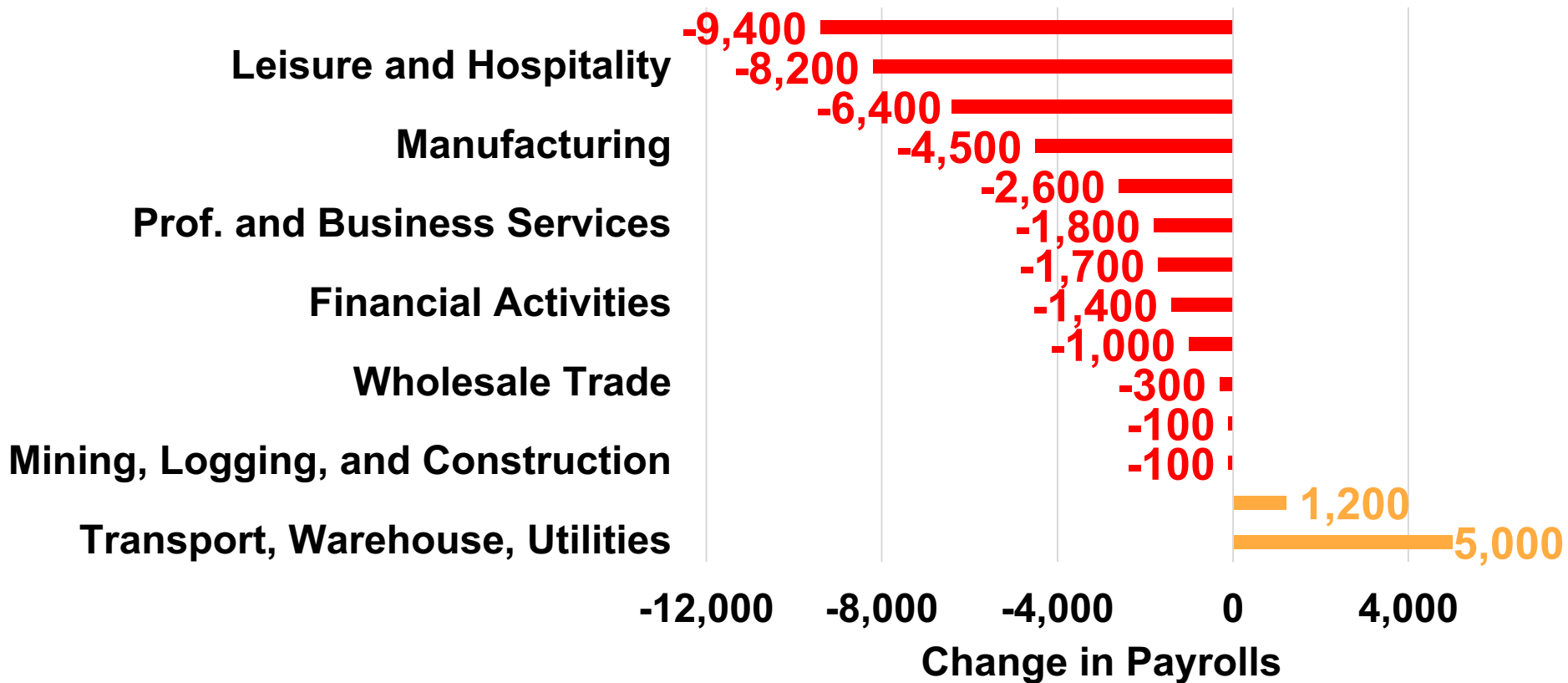
Nonfarm Payrolls (Jobs)

Hampton Roads, January 2007 – December 2021



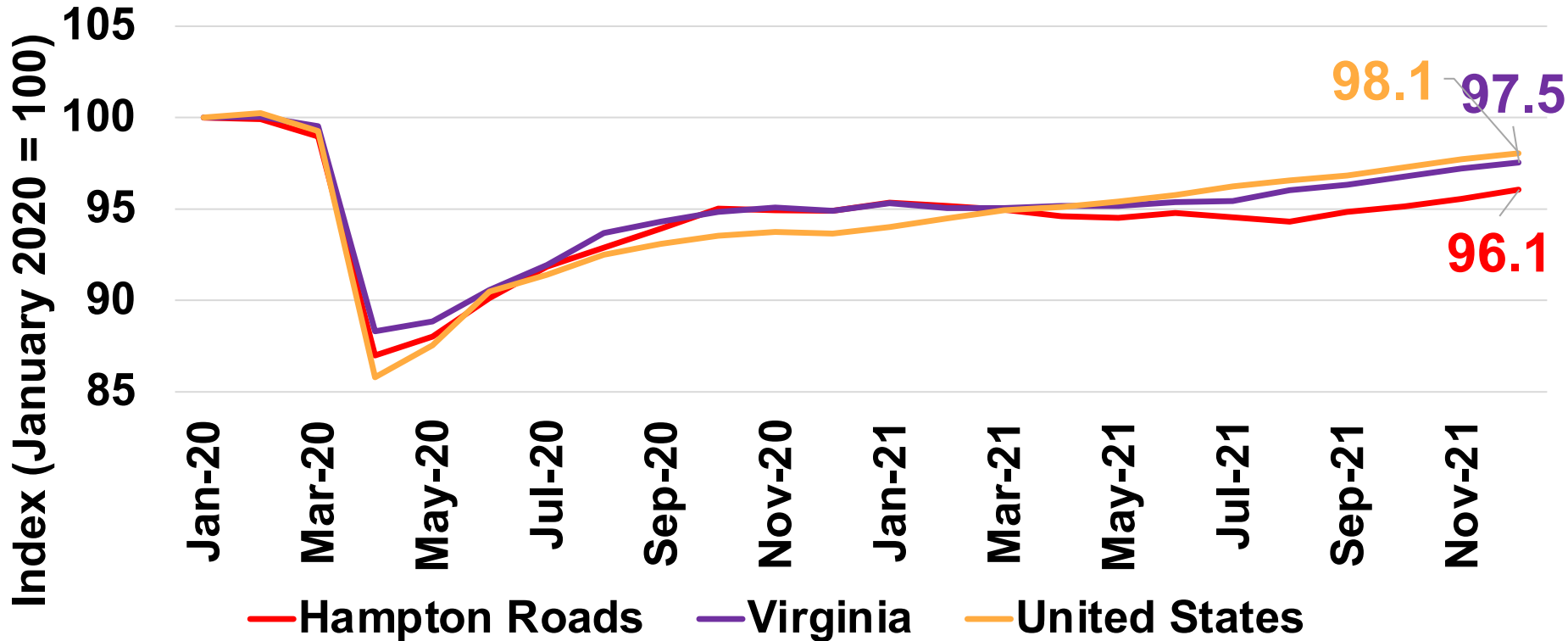
Change in Nonfarm Payrolls (Jobs)

Hampton Roads, December 2019 – December 2021

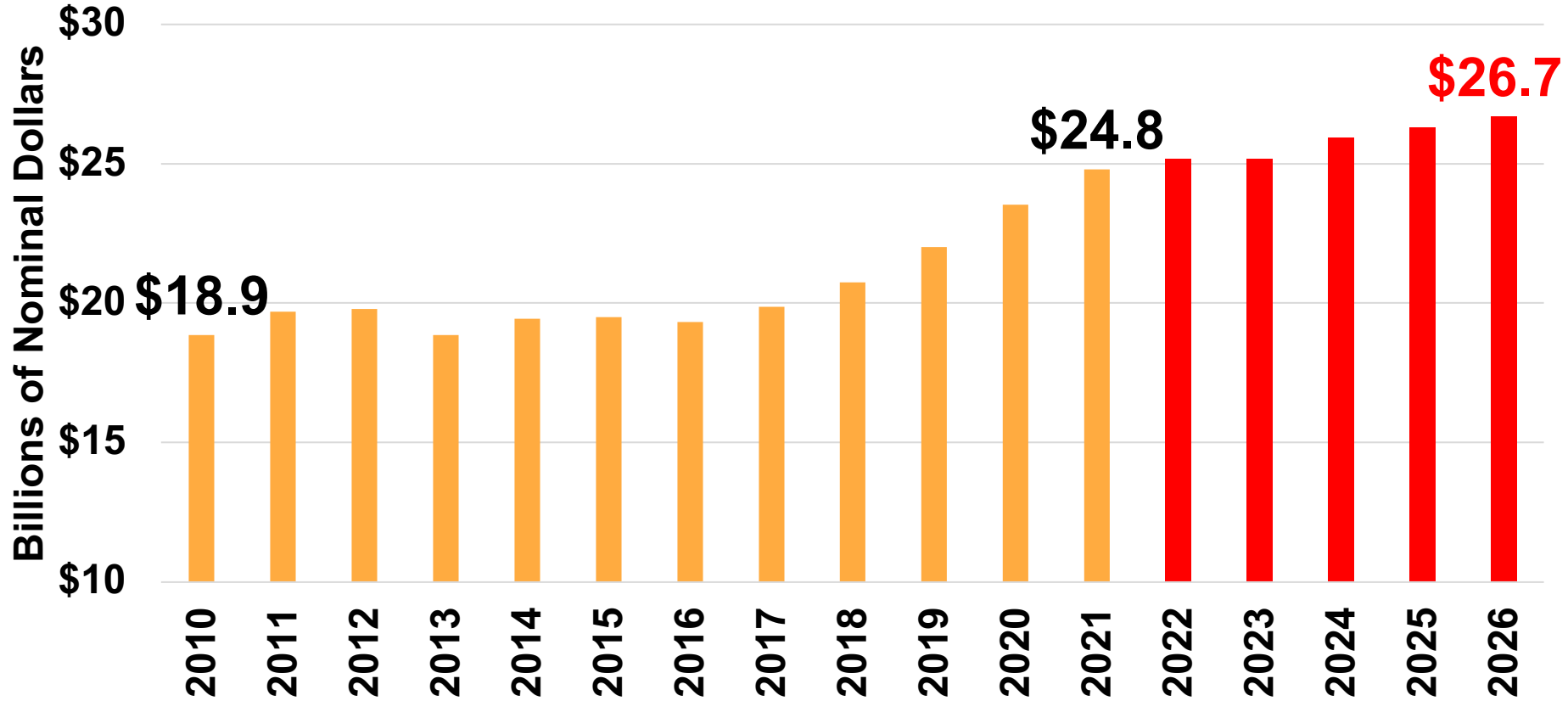


Nonfarm Payrolls (Jobs), Hampton Roads, Virginia, and the United States

January 2020 – December 2021



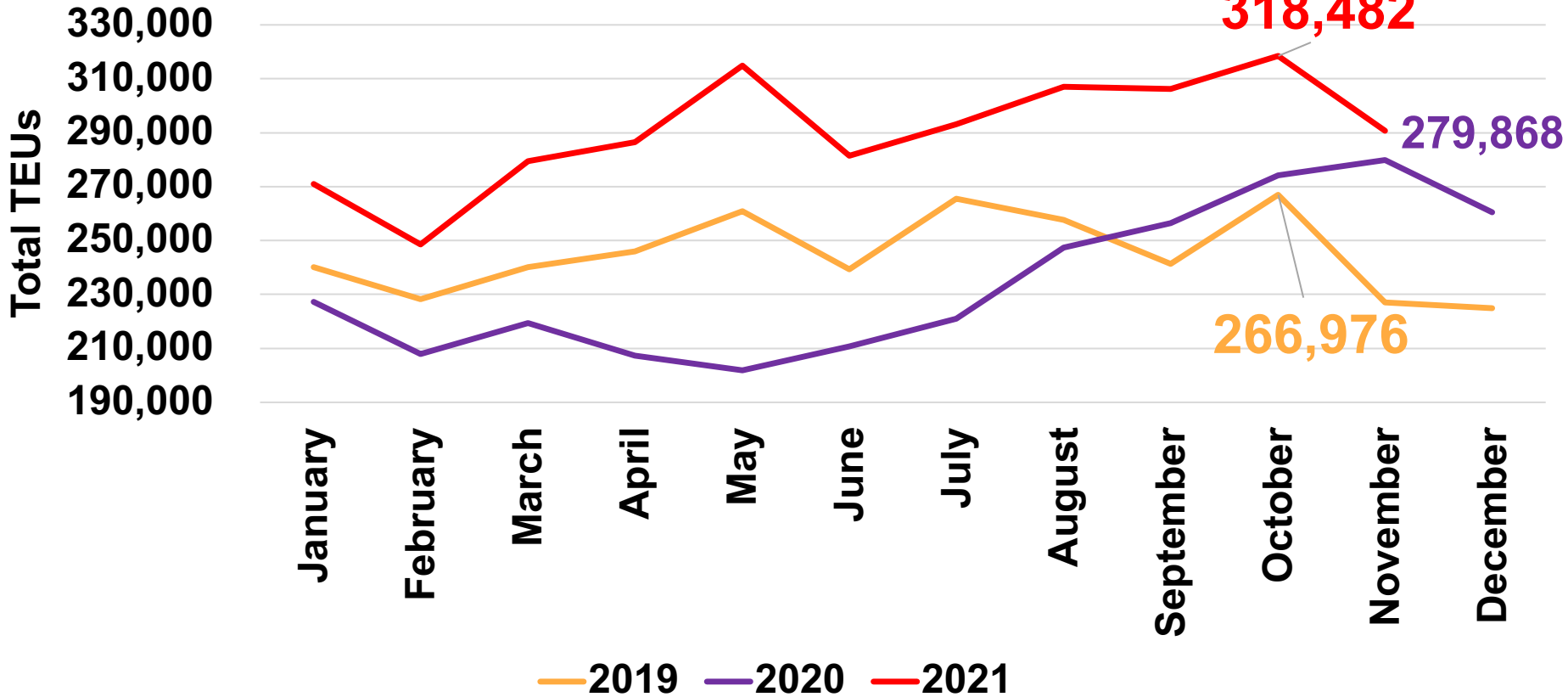
Department of Defense Direct Spending Hampton Roads, 2010 – 2026*



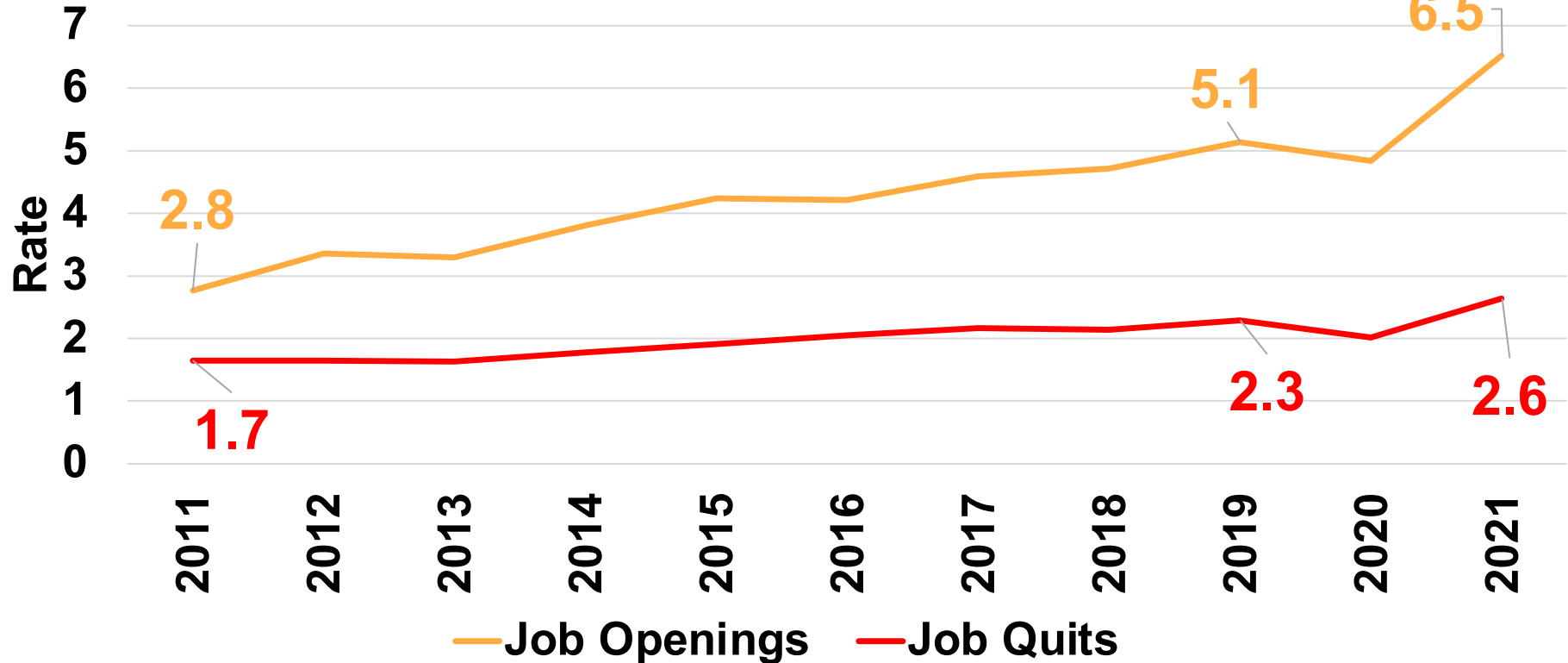
Sources: United States Department of Defense, Office of Management and Budget, and Dragas Center for Economic Analysis and Policy. Includes federal civilian and military personnel and procurement spending. Data for 2021 are estimates while data for 2022 through 2026 are projections based on DoD spending projections.

Total TEUs

Port of Virginia, January 2019 – November 2021



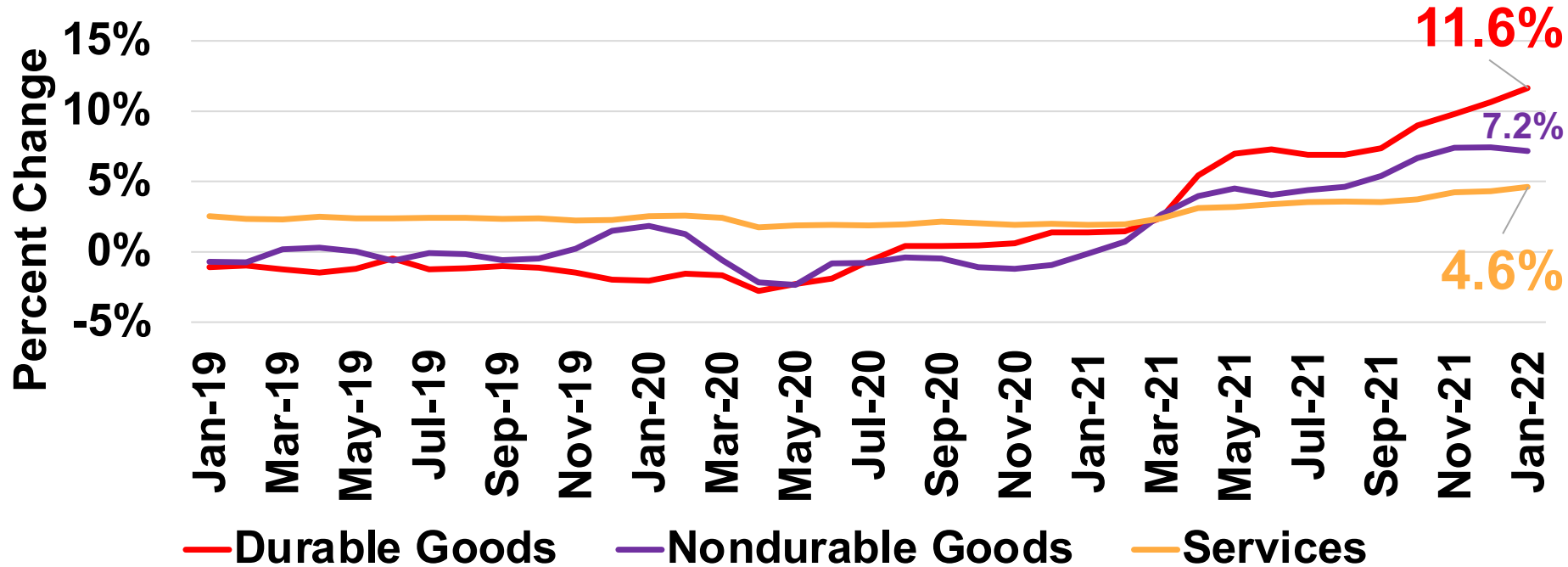
Job Openings and Job Quits Virginia, 2011 - 2021



Source: Bureau of Labor Statistics and Dragas Center for Economic Analysis and Policy. The job openings rate is equal to the ratio of the number of job openings to the sum of employment and job openings. The job quit rate is equal to the ratio of job quits to employment. Both ratios are multiplied by 100.

Personal Consumption Expenditures Price Indices

Year-over-Year Change, January 2019 – January 2022



- The Russian invasion of Ukraine highlights the interconnectedness of the global economy and the vulnerability of economies to a synchronized energy shock.
- The Department of Defense budget will rise in the coming years and Hampton Roads will see increases in shipbuilding and repair, cybersecurity, and other activities.
- The Federal Reserve continues to lag inflationary expectations and will need to rapidly increase the discount rate in the second half of 2022 and into 2023.
- Not every recession since World War II has been caused by an energy price shock, but every energy price shock has led to a recession.
- The Hampton Roads economy should grow by 2.5% in 2022, but there is growing recessionary risk coupled with persistent inflation.



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Ashley M. Bussey

Senior Associate, Office and
Industrial Division

S.L. Nusbaum Realty Co.

OFFICE



S.L. NUSBAUM
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“Are offices going to be essential?”

THE

Dead

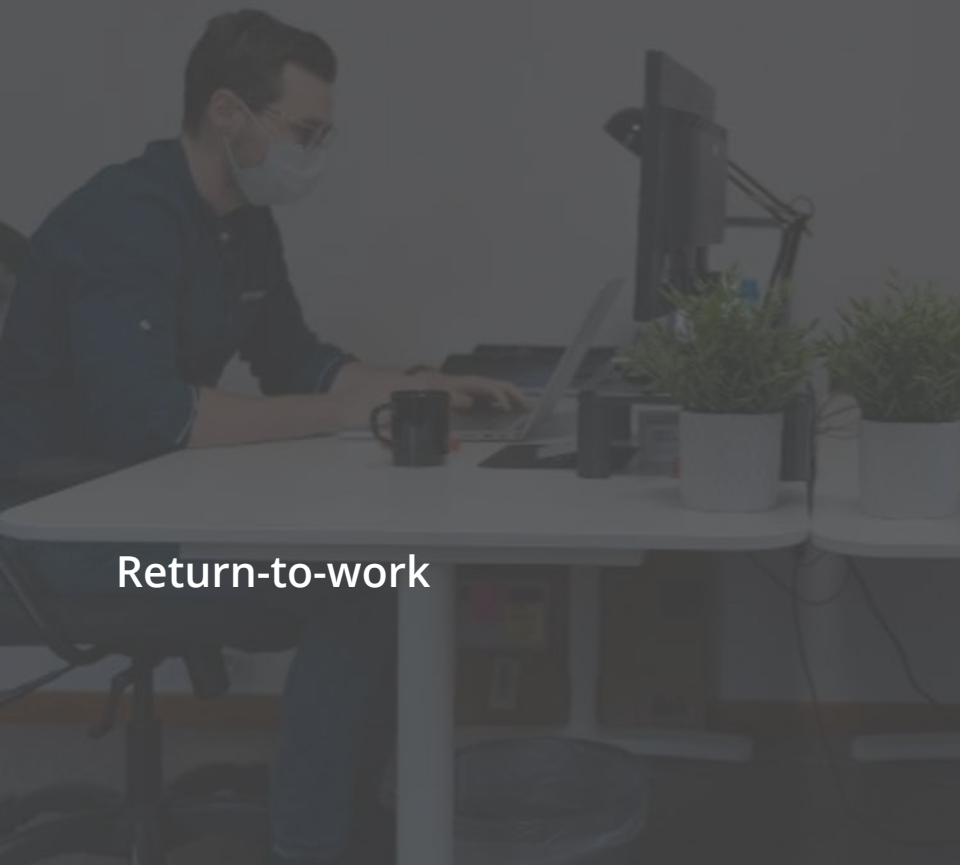
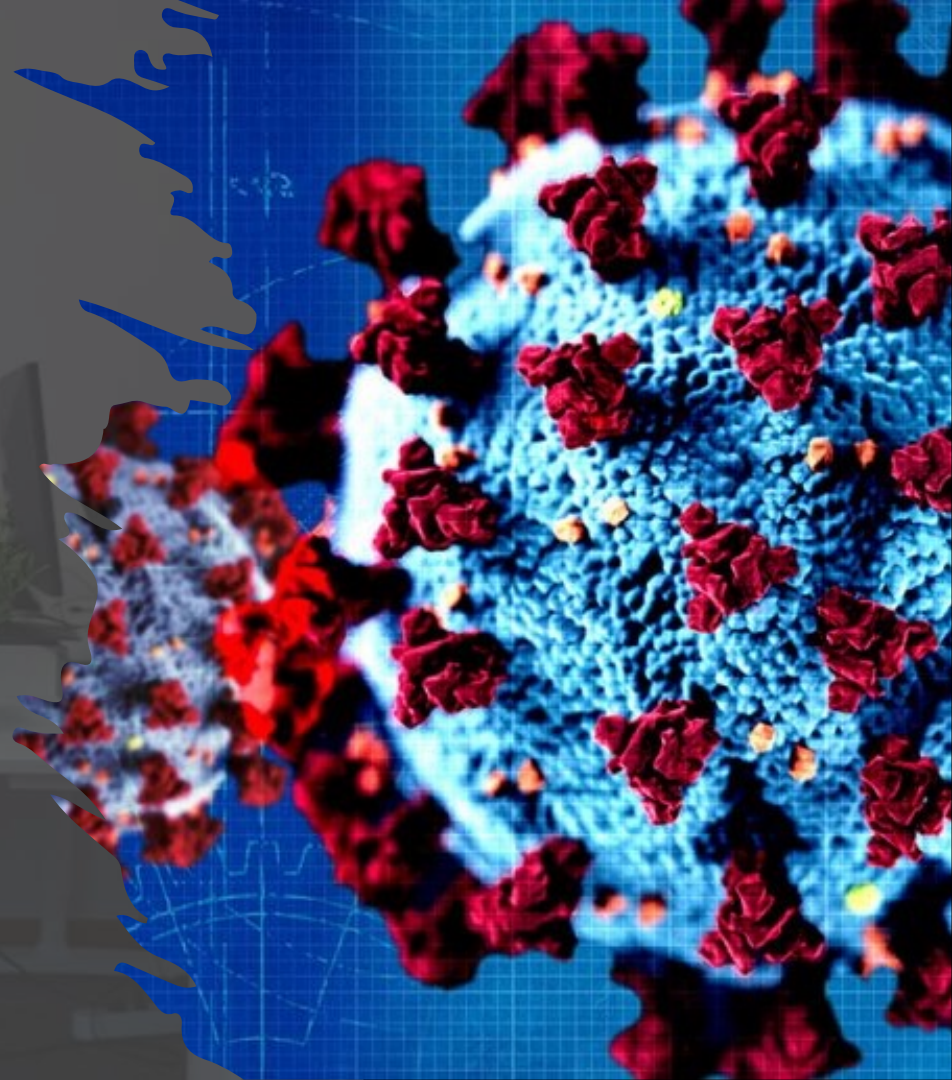
THE

HOW IT, IS DEAD.

ended.”

Is “Office Space” Dead After Covid?

Far From it.

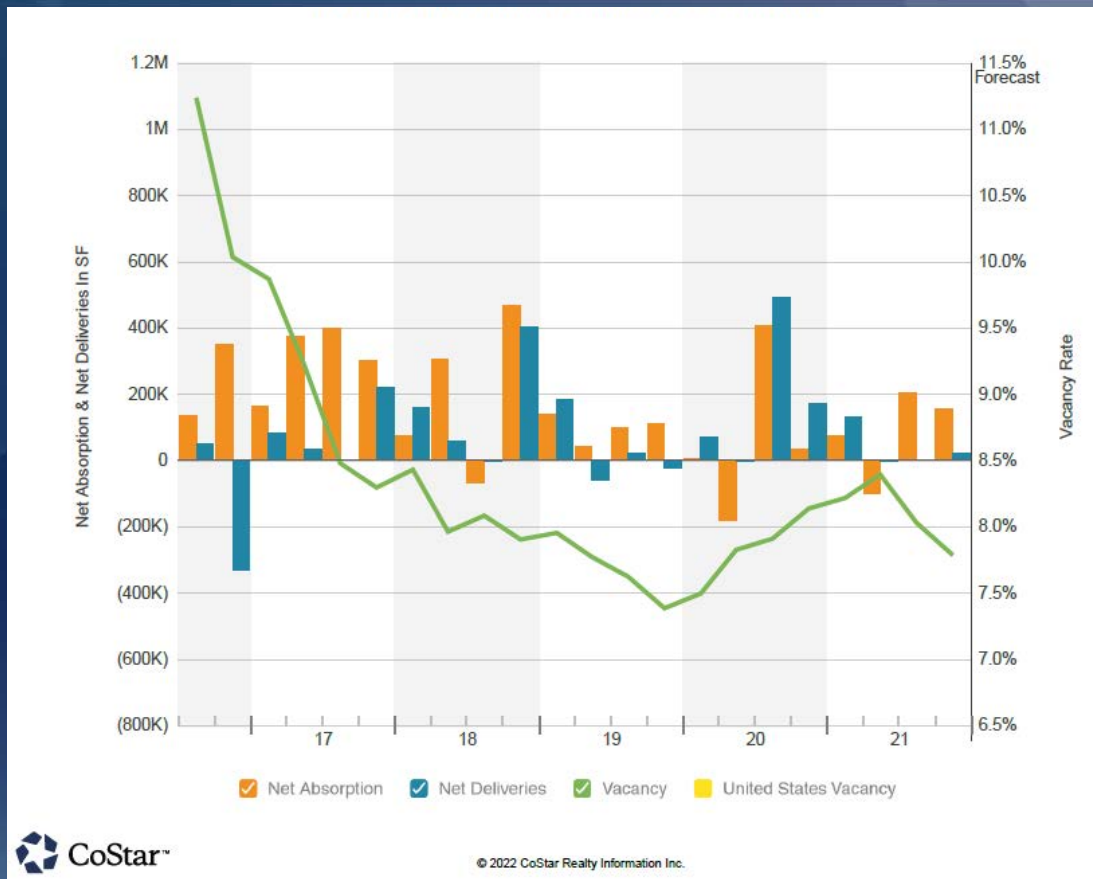


Return-to-work

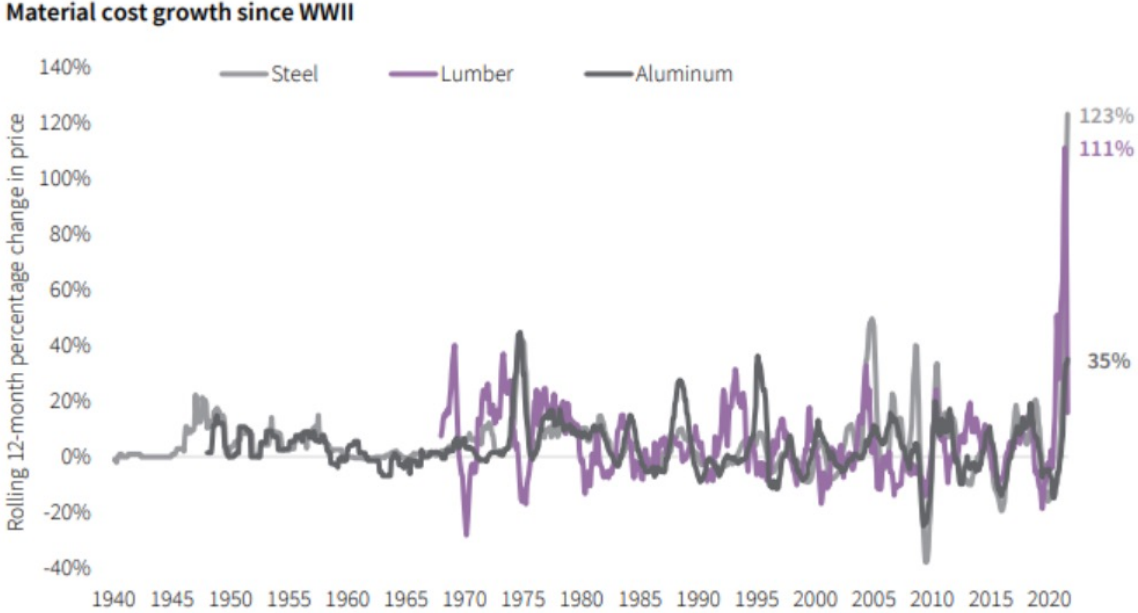


FLEXIBILITY

Net Absorption, Net Deliveries, & Vacancy



Soaring Construction Prices



Sources: JLL Research, U.S. Bureau of Labor Statistics

Material cost growth since WWII. Chart courtesy of JLL Research, U.S. Bureau of Labor Statistics



Top 2021 Office Leases



Top 2021 Office Leases



Property

4588 Virginia Beach Boulevard

Size

52,638 SF

Tenant



Top 2021 Office Leases

Property

Size

Tenant



4588 Virginia Beach Boulevard

52,638 SF



1434 Crossways Boulevard

51,700 SF



Top 2021 Office Leases

	<u>Property</u>	<u>Size</u>	<u>Tenant</u>
	4588 Virginia Beach Boulevard	52,638 SF	
	1434 Crossways Boulevard	51,700 SF	
	5151 Bonney Road	43,686 SF	



Top 2021 Office Sales



Top 2021 Office Sales



Property

101 W. Main Street

Sale Price

\$68,900,000

Price/SF

\$187.74

Top 2021 Office Sales



Property

101 W. Main Street

Sale Price

\$68,900,000

Price/SF

\$187.74



850 Enterprise Parkway
(part of a 14-property portfolio)

\$44,894,049

\$484.82

Top 2021 Office Sales



Property

101 W. Main Street

Sale Price

\$68,900,000

Price/SF

\$187.74



850 Enterprise Parkway
(part of a 14-property portfolio)

\$44,894,049

\$484.82



1717 Will O Wisp Drive

\$20,785,787

\$404.46

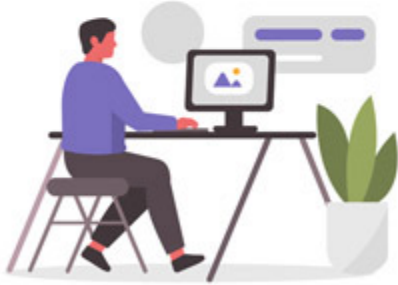
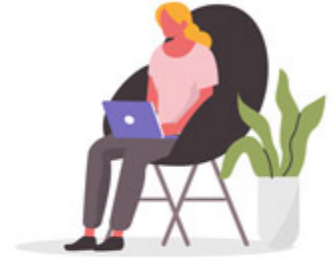
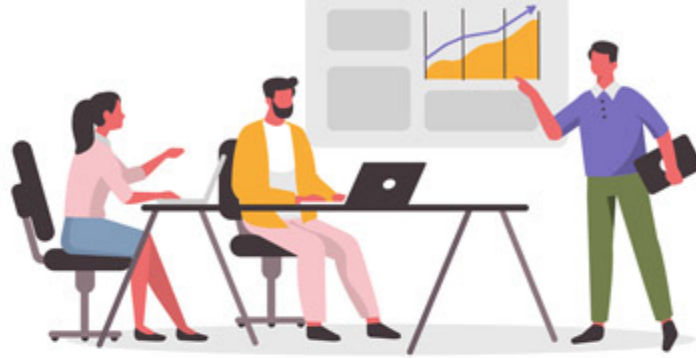
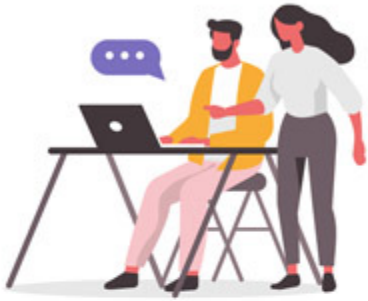
A blurred photograph of an office interior. In the background, several people are seated at desks, working. The scene is brightly lit, likely from large windows, creating a bokeh effect with light spots. The overall atmosphere is professional and busy.

Continued Office Trends



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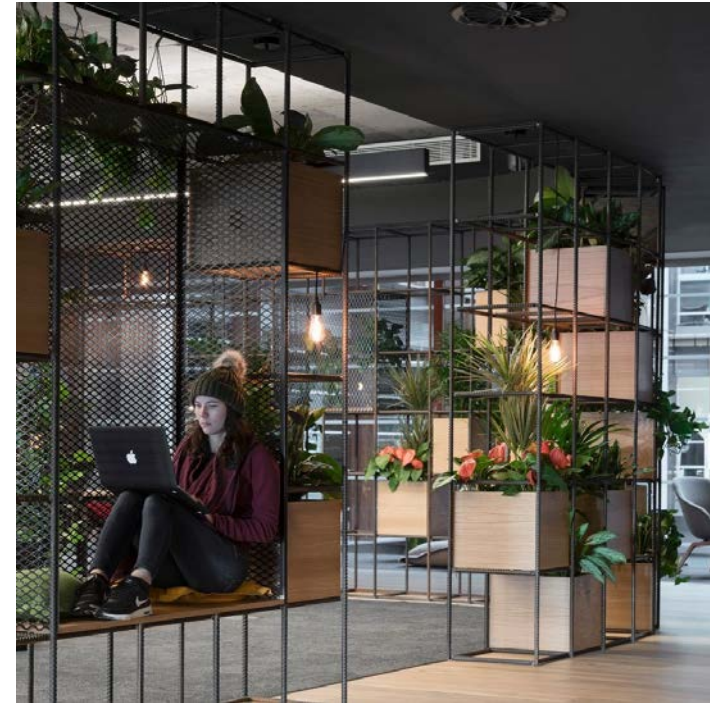
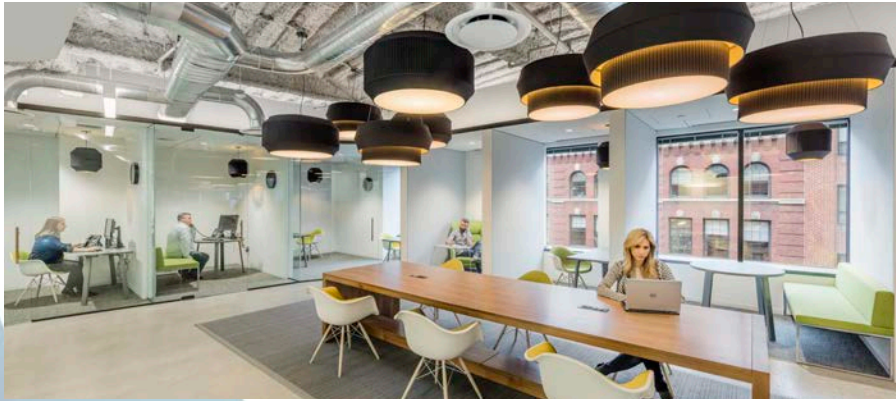
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Hybrid Work-From-Home



Innovative Office Space



- 
- **Greater Space Utilization**
 - **Space Flexibility**
 - **Enhanced Technology**
 - **Attractive Amenities**
 - **Sustainability**



Future of Office





Flexibility



2022 Office Outlook

- Companies continue to “right-size”

A wide-angle photograph of a modern, open-plan office space. The room features long wooden desks arranged in a U-shape. Several people are seated at the desks, working on laptops. The office is decorated with numerous strings of warm-toned, glowing string lights that create a cozy and creative atmosphere. Large windows in the background allow natural light to enter the space. The ceiling has exposed pipes and several large, dark pendant lights. An 'EXIT' sign is visible above a doorway in the background.

2022 Office Outlook

- Companies continue to “right-size”
- Minimal supply-side pressures



2022 Office Outlook

- Companies continue to “right-size”
- Minimal supply-side pressures
- Construction prices will limit new inventory



2022 Office Outlook

- Companies continue to “right-size”
- Minimal supply-side pressures
- Construction prices will limit new inventory
- Landlords combat rising inflation



2022 Office Outlook

- Companies continue to “right-size”
- Minimal supply-side pressures
- Construction prices will limit new inventory
- Landlords combat rising inflation
- Rental rates will increase slightly



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Geoff Poston, CCIM, SIOR

Senior Vice President

Cushman & Wakefield | Thalhimer

INDUSTRIAL



THALHIMER

Hampton Roads Industrial Market Review - 2021

US Industrial Market Stats

	YoY Chg	12-Mo. Forecast
3.8% Vacancy Rate	▼	▼
507.3M Net Absorption, SF	▲	▼
\$7.62 Asking Rent, PSF	▲	▲
<i>Overall, Net Asking Rent</i>		

Hampton Roads Industrial Market Stats

	YoY Chg	12-Mo. Forecast
1.5% Vacancy Rate	▼	▼
6.7M Net Absorption, SF	▲	▼
\$6.85 Asking Rent, PSF	▲	▲
<i>Overall, Net Asking Rent</i>		

Hampton Roads Industrial Market Review - 2021

- Private equity and institutional investors and developers
- Record-breaking year at the Port (again)
- eCommerce push continues
- Offshore wind energy supply chain hub



Hampton Roads Industrial Market - 2021

- Low interest rates
- Repositioning asset classes
- Investor appetite for transportation-oriented markets
- Diversification and shifting trade patterns

TOP MARKETS BY INDUSTRIAL TRANSACTION VOLUME BASED ON YOY PERCENTAGE CHANGE									
Bulls (Top 10)					Bears (Bottom 10)				
2021 Rank	City	YOY Change	Total 4Q20-3Q21	Vol. Rank*	2021 Rank	City	YOY Change	Total 4Q20-3Q21	Vol. Rank*
1	Polk Co	508.8%	\$1,035 M	31	45	Chicago	-4.9%	\$5,964 M	5
2	Boulder	355.8%	\$629 M	45	46	Cincinnati	-4.9%	\$762 M	38
3	Eastern PA	299.1%	\$467 M	50	47	Baltimore	-5.5%	\$1,503 M	21
4	Norfolk	286.4%	\$425 M	51	48	Greensboro	-5.7%	\$763 M	37
5	St Louis	218.5%	\$1,777 M	17	49	Orlando	-6.4%	\$985 M	32
6	Charleston	192.0%	\$473 M	49	50	Richmond	-11.3%	\$574 M	47
7	Sacramento	180.3%	\$1,197 M	27	51	Greenville	-14.3%	\$657 M	44
8	Detroit	180.0%	\$910 M	34	52	Portland	-19.6%	\$918 M	33
9	Providence	167.6%	\$546 M	48	53	Denver	-24.0%	\$1,449 M	23
10	Raleigh/Durham	141.5%	\$1,541 M	20	54	Allentown	-75.5%	\$600 M	46

* Volume Ranking is based on the overall transaction volume among 54 markets nationally

VIEWPOINT 2022 | 31

Source: Viewpoint 2022 Commercial Real Estate Trends Report, Integra Realty Resources (IRR)



The Port of Virginia

- 25.2% increase YoY in 2021 – 3.5 million TEUs handled
- Most efficient Port in US in 2021 (amongst ports handling over 1m TEUs)
- Over \$100bn economic impact
- PMT – Siemens Gamesa

Differentiators

- One authority; six terminals
- Most automated terminal in US (VIG)
- Two Class I railroads and ability to handle ULCVS



Source: Port of Virginia

Top 3 Industrial Leases – 2021

1. Lot 6, Enterprise Dr, Virginia Port Logistics Park, Suffolk. 1,500,000 SF.



Top 3 Industrial Leases – 2021

XPOLogistics

1. Lot 6, Enterprise Dr, Virginia Port Logistics Park, Suffolk. 1,500,000 SF.
2. 1401 Enterprise Dr, Virginia Port Logistics Park, Suffolk. 348,500 SF.



Source: CoStar

Top 3 Industrial Leases – 2021

1. Lot 6, Enterprise Dr, Virginia Port Logistics Park, Suffolk. 1,500,000 SF.
2. 1401 Enterprise Dr, Virginia Port Logistics Park, Suffolk. 348,500 SF.
3. 6601 Park Dr, Portside Logistics and Commerce Park, Suffolk. 338,000 SF.



Top 3 Industrial Sales – 2021

1. 5045 Portsmouth Blvd, Chesapeake. \$156,987,294. 637,266 SF.



Top 3 Industrial Sales – 2021

1. 5045 Portsmouth Blvd, Chesapeake. \$156,987,294. 637,266 SF.

2. Crossways Commerce Center, Chesapeake. \$61,050,000. 525,082 SF.



Top 3 Industrial Sales – 2021

1. 5045 Portsmouth Blvd, Chesapeake. \$156,987,294. 637,266 SF.
2. Crossways Commerce Center, Chesapeake. \$61,050,000. 525,082 SF.
3. 1440 London Bridge Rd, Virginia Beach. \$18,000,000. 400,000 SF.



Outlook For 2022

DEMAND

- 3PLs, eCommerce, and continued migration to east coast ports

PRICING

- Rental rates rise

AVAILABILITY

- Vacancy stabilizes....at 0.5%

DEVELOPMENT

- New Class A development projects in the works

OBSTACLES

- But limited industrial development opportunities remain
- Indirect impact from Russia's invasion of Ukraine
- Inflation



Hampton Roads Industrial Market Review - 2021

- THOUGHTS AND PRAYERS WITH THE PEOPLE OF UKRAINE
- Thank you and have a great 2022!





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Erica Rorrer

Executive Vice President and
Associate Broker

7 Hills Advisors

RETAIL



**COVID-19, will
you be naughty
or nice in 2021??**

“2021? Well, it can’t be as bad as 2020!”

- Said Every Human On Earth

**COVID spelled
backwards is
DIVOC.**

***As in, what DIVOC
was that 2020??***

Greater Hampton Roads 2021 Spotlight

(82,661)
2020



252,782
2021

795,562
2019

Total Space Leased
- Total Space Vacated
NET ABSORPTION (SF)

Greater Hampton Roads 2021 Spotlight

5.6%
2020



5.3%
2021

5.1%
2019

**Vacant Units / Total Units =
VACANCY RATE**

Greater Hampton Roads 2021 Spotlight

RENT GROWTH

2.4%
2020

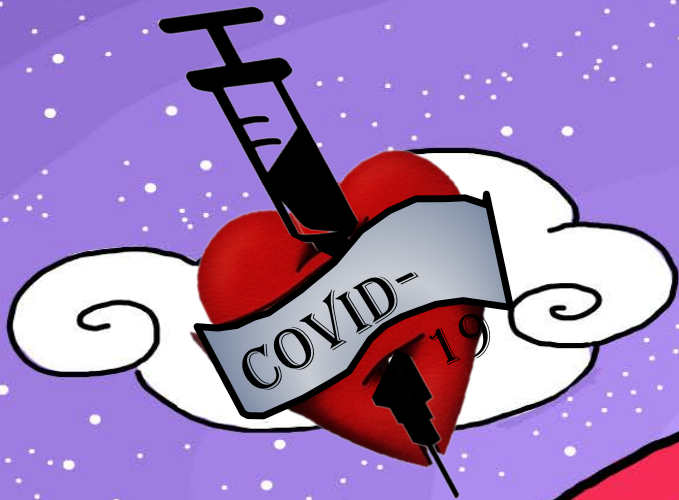


3.2%
2021

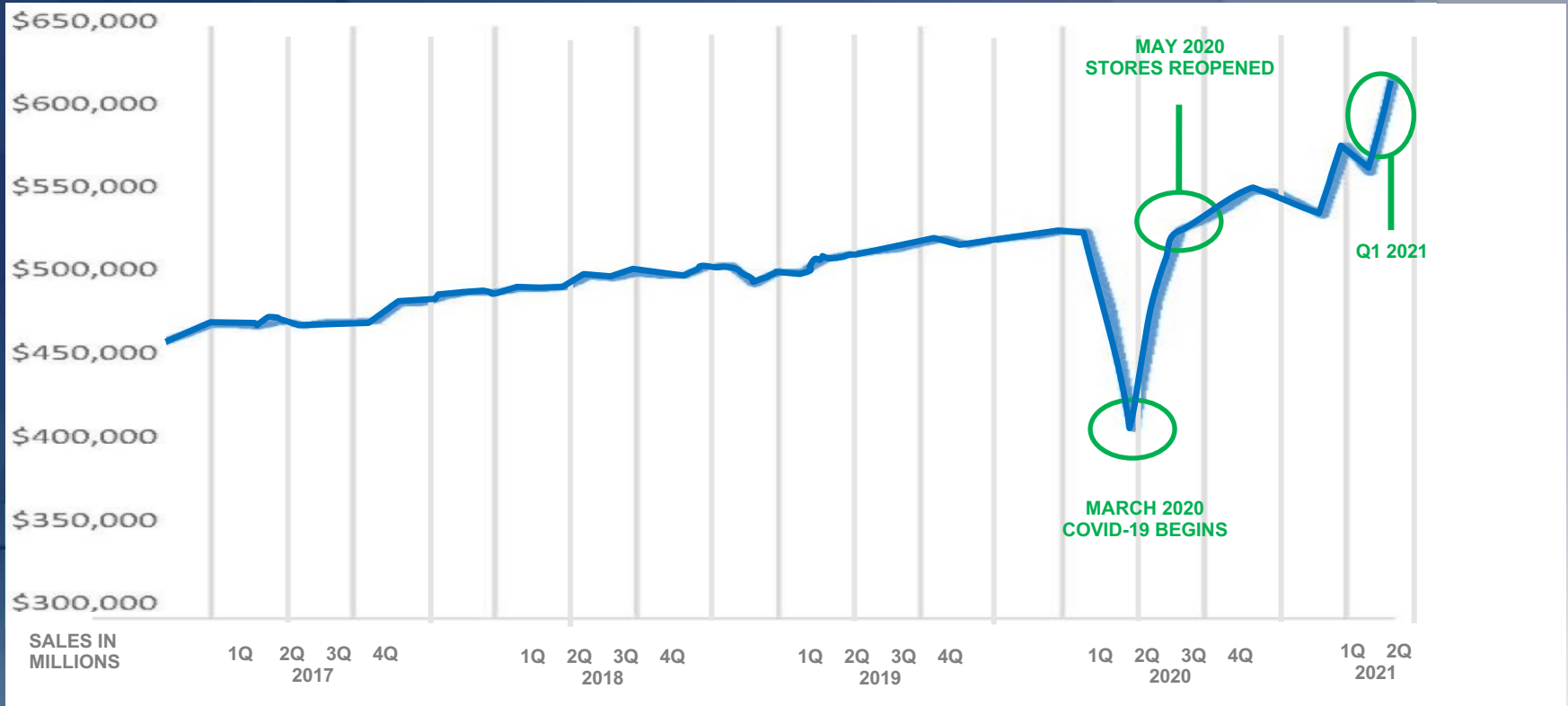
2019
1.6%



Source: CoStar

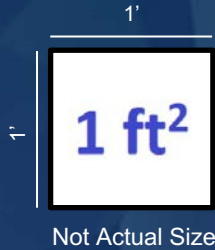


National Retail & Food Service Sales

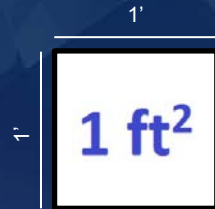


Source: U.S. Census Bureau

Retail Square Feet Leased in 2021



X 900,000 = 1st Quarter
2021

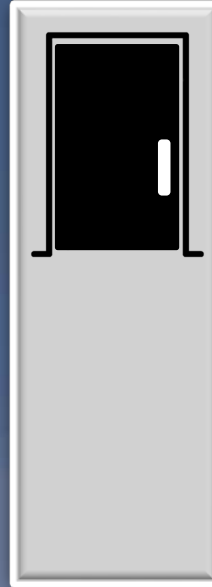


X 2.6 million = 2021
Total

More Stores Open Than Close



10,700



2020

Announced
Closings

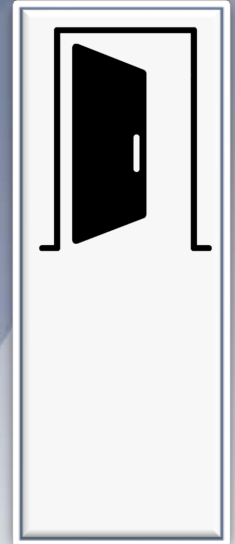
3,950



2021

Announced
Closings

8,100



2021

Announced
Openings

Anchor / Jr. Anchor Announced Store Openings

ROSS
DRESS FOR LESS®
~45 STORES

dd's
DISCOUNTS®
~20 STORES

HOME SENSE

TJX
THE TJX COMPANIES, INC.

TJ-maxx WINNERS®

SIERRA **Marshalls**®

HomeGoods®
~120 STORES

Sam's
CLUB
~30 STORES

COSTCO®
WHOLESALE
~60 STORES

DOLLAR GENERAL®

~ 1,050 STORES

DOLLAR TREE
~393 STORES

FAMILY DOLLAR
~198 STORES

CITITRENDS

Burlington
~220 STORES

five BELOW®
~170 STORES

TOP RETAIL LEASES

HOBBY LOBBY

PAINTED TREE
BOUTIQUES

SURPLUS FREIGHT

DESTINY'S BEAUTY SUPPLY

OLLIE'S OUTLET
Bargain

ROSS
DRESS FOR LESS®

SHOPPING CENTER	CITY	QUARTER	SIZE
Greenbrier Market Center	Chesapeake	Q1	42,296 SF
The Shops at Hilltop	Virginia Beach	Q4	38,920 SF
Newport Crossing	Newport News	Q1	33,472 SF
Newmarket SC	Newport News	Q2	33,200 SF
Kingsgate Green SC	Williamsburg	Q2	30,000 SF
Southern Shopping Center	Norfolk	Q4	30,000 SF

Outer Banks is our Inner Circle



Marshalls®

80,000 square-foot store will open in 2023 in Kill Devil Hills at the site of the old Kmart

24,000 square-foot store to open in 2023 in Marketplace at Southern Shores



The first legal distillery in Currituck! Buffalo City Distillery is a “farm to bottle” operation using this fertile land to grow exceptionally flavorful grains to produce premium spirits with a unique coastal terroir

Retail Store Closings in 2021

JCPenney

EXPRESS



Justice

BED BATH &
BEYOND

francesca's



★ macy's

♥ CVS



VICTORIA'S
SECRET

TOP SHOPPING CENTER SALES



- GREENBRIER SQUARE
- \$36.5M
- \$140 PSF
- 3rd Quarter of 2021
- 240,602 Square Feet
- Anchored by Kroger Marketplace, Field & Stream, Dick's Sporting Goods, HomeGoods, Five Below

TOP SHOPPING CENTER SALES

- SOUTHERN SHOPPING CENTER
- \$25M
- \$101 PSF
- 4th Quarter of 2021
- 246,622 Square Feet
- Anchored by Food Lion, Dollar Tree, Rainbow, Ross Dress for Less (coming soon)



TOP SHOPPING CENTER SALES



- HAMPTON TOWNE CENTRE
- \$7.7M
- \$44 PSF
- 2nd Quarter of 2021
- 174,540 Square Feet
- Anchored by Ace Hardware, Rite Aid, Dollar Tree and Chuck E. Cheese

Outer Banks is our Inner Circle

TimBuckII



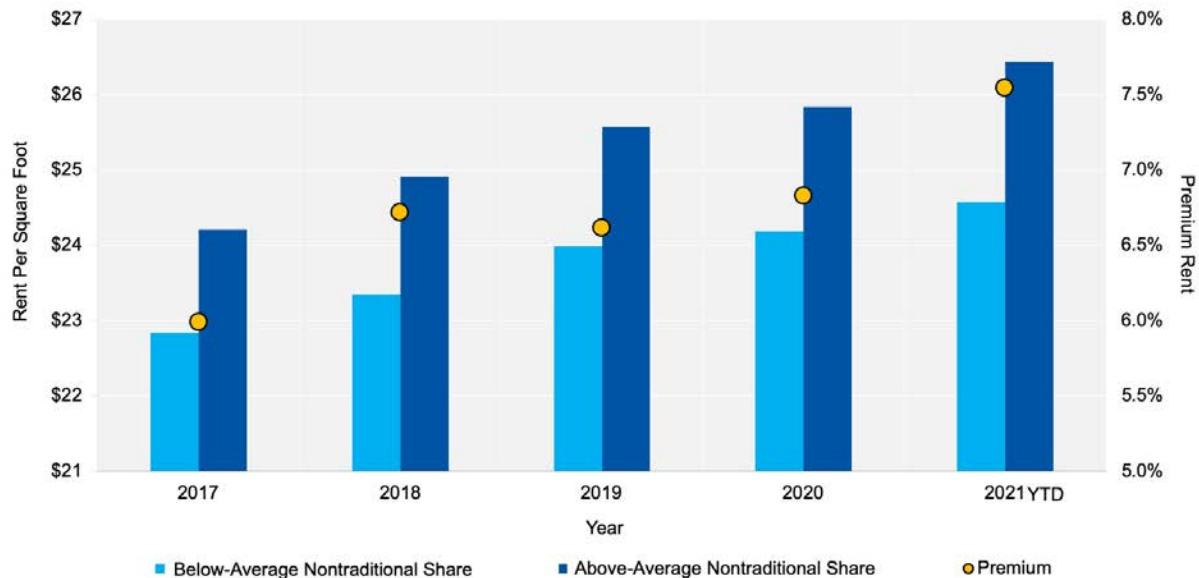
785 Sunset Blvd Corolla, NC 27927 USA

Three buildings totaling 38,421 Square Feet sold for \$10.5M (\$273/sf)

What Types Of Centers Perform Well

Rent Premium Increases for Centers With More Nontraditional Tenants

Rent Per Square Foot and Rent Premium by Share Of Nontraditional Tenants



A Growing Industry



GROW WITH US

HYDROPONICS • GARDENING SUPPLIES

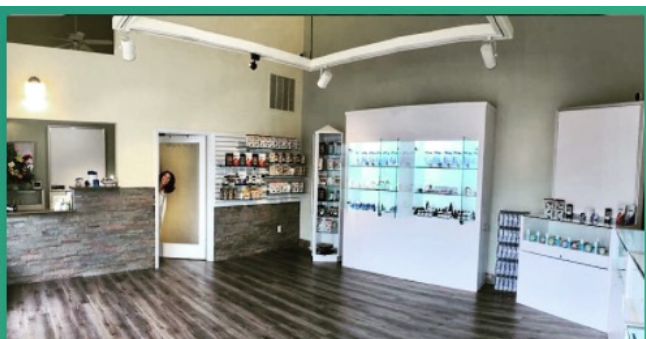
3636 VIRGINIA BEACH BLVD. VIRGINIA BEACH, VA 23452



Hemp House Wellness: A CBD Boutique

★★★★★ *Rated 5 / 5.0 from 5 Reviews*

Hemp House Wellness: A CBD Boutique is a CBD store in Virginia Beach, Virginia.



Soon-to-be-renamed Pembroke Mall

\$200 Million
Investment



14-story dual
branded hotel at
former SunTrust
Bank outparcel



329 multifamily apartments
at former Stein Mart location



Seven-story, 156-
unit senior living
community

The Fall Of The Mall & Mall Makeovers

The Virginian-Pilot

Revitalizing Military Circle: Pharrell, Emmitt Smith among developers to present proposals to Norfolk City Council



The proposals would transform the area around Military Circle mall in Norfolk, which city leaders have long sought to redevelop.

Chesapeake Square Mall



PROPOSED

2021 LARGEST CONSTRUCTION PROJECTS

Midtown Row

- Williamsburg
- Mixed-use redevelopment
- 63,000 SF of retail constructed in 2021



2021 LARGEST CONSTRUCTION PROJECTS

Volvo Place at The Summit

- 601 Volvo Parkway, Chesapeake
- Neighborhood Retail Center
- 43,500 SF constructed in 2021



2021 LARGEST CONSTRUCTION PROJECTS

Bridgeport

- North Suffolk
- Mixed-Use/
Retail and
Apartments
- 36,370 SF of
retail
constructed in
2021



2021 LARGEST CONSTRUCTION PROJECTS

Summit Pointe

500 Volvo Parkway
CHESAPEAKE | VA 23320

\$330M Coastal
Virginia Mixed-Use
Project

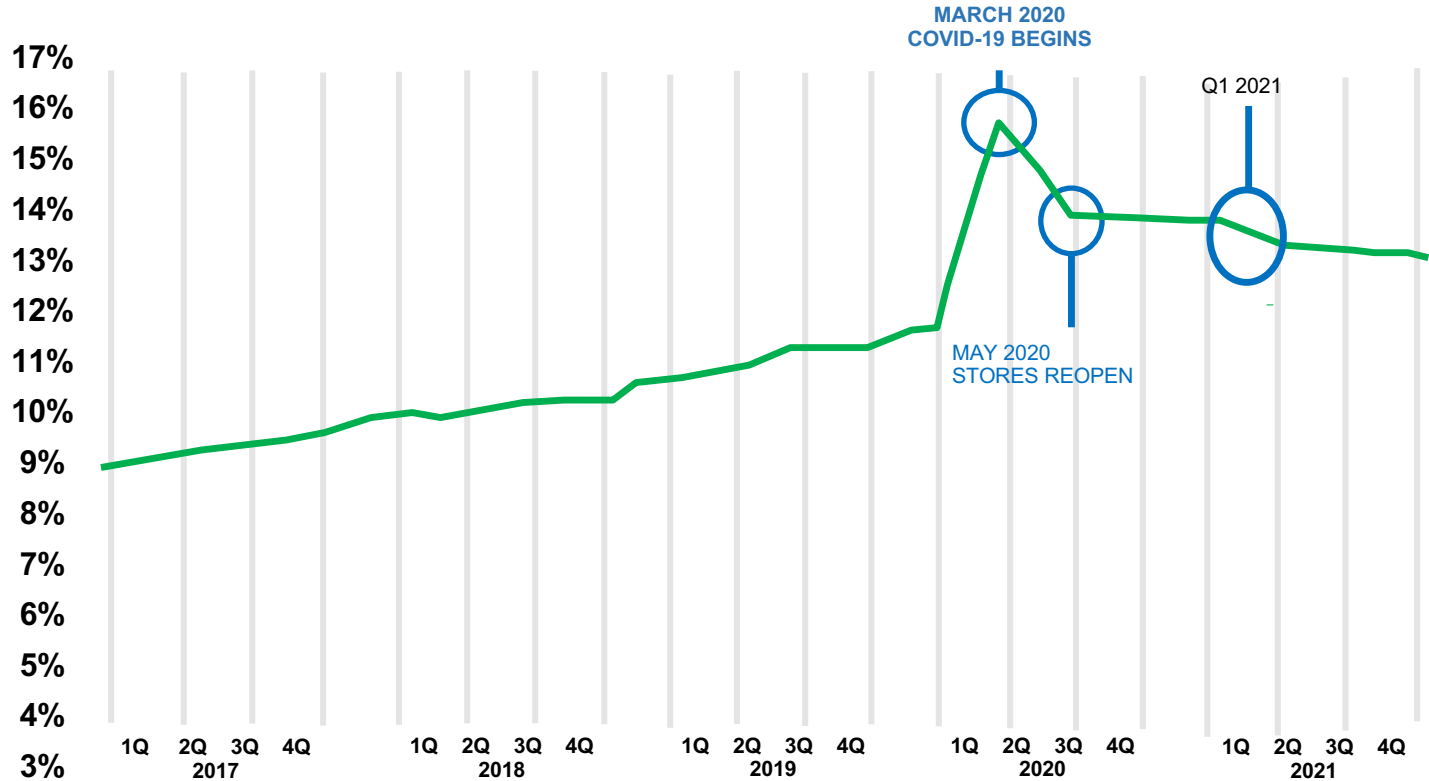
**25,000 SF of Retail
Constructed in
2021**



**New Block
Anchored by
Cork & Bull!**



Retail E-Commerce Sales as % of Total Retail Sales:



Source: U.S. Census Bureau

Stores Are Here To Stay

Retail and Restaurant Sales



E-Commerce Sales As % of Retail Sales



In other news...

Retail Store Marries the Internet!



*"IF YOU LOVE IT SO
MUCH, WHY DON'T
YOU MARRY IT"*

- SHE SAID



2022

**HAMPTON ROADS REAL ESTATE
MARKET REVIEW & FORECAST**

**E.V. WILLIAMS CENTER FOR REAL ESTATE
AT THE HARVEY LINDSAY SCHOOL OF REAL ESTATE**



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HAMPTON ROADS REAL ESTATE
MARKET REVIEW & FORECAST
E.V. WILLIAMS CENTER FOR REAL ESTATE



Christen Faatz

SVP, Corporate Finance
and Accounting

The Franklin Johnston Group

MULTIFAMILY

A photograph of a modern, multi-story apartment building with balconies and trees in the foreground. The image is overlaid with a semi-transparent dark grey filter. The text is centered and reads:

MULTIFAMILY
MARKET
FUNDAMENTALS ARE
STRONG

2022

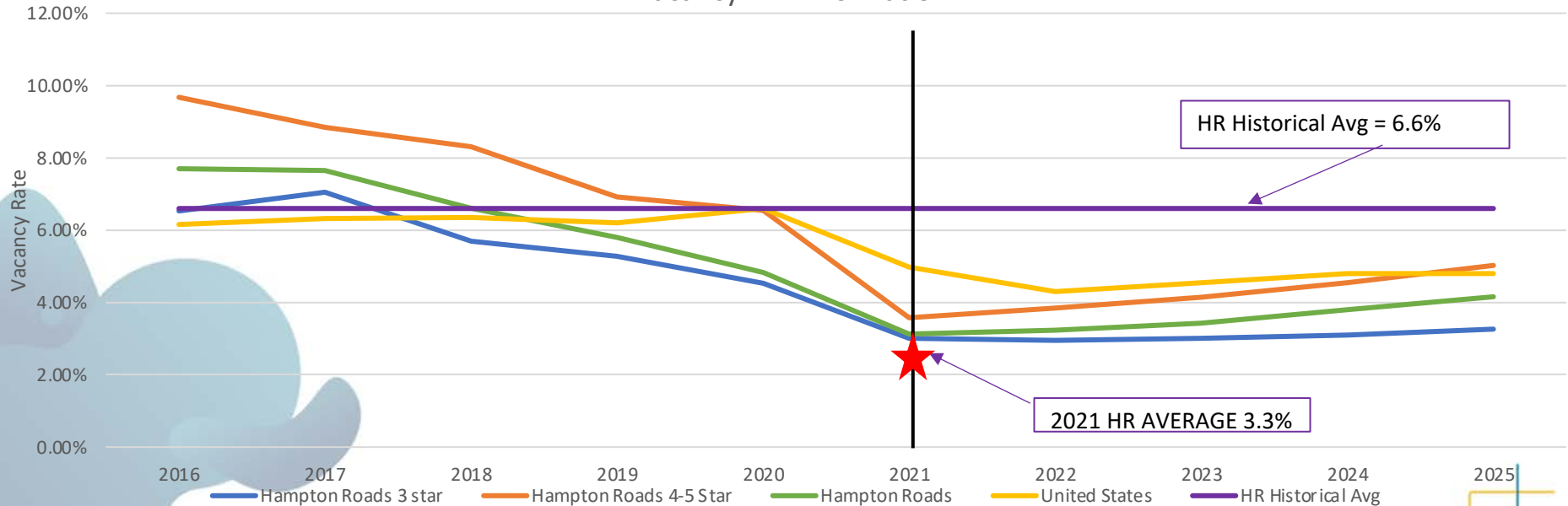
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OUR
APARTMENTS
ARE HIGHLY
OCCUPIED.



VACANCY RATES LOWER THAN HISTORICAL AVERAGES

Vacancy in HR vs. Nation



Source: CoStar

Occupancy by Submarket and Neighboring Regions

Submarket	Market Occupancy	
	Growth	Current
Chesapeake	1.1%	98.3%
Gloucester County	2.5%	99.7%
Hampton/York	2.2%	97.4%
Isle of Wight County	1.7%	99.0%
Kempsville/Bayside	2.3%	97.8%
Lynnhaven/Oceana	1.4%	96.7%
Newport News	1.8%	96.4%
Norfolk	1.4%	97.5%
Portsmouth/Suffolk	1.0%	97.7%
Williamsburg	2.0%	97.2%

Market Occupancy	
Market	Current
Hampton Roads	96.70%
Washington, DC	93.60%
Richmond, VA	95.20%
Charlotte, NC	93.60%

Source: Berkadia internal system data.

2022

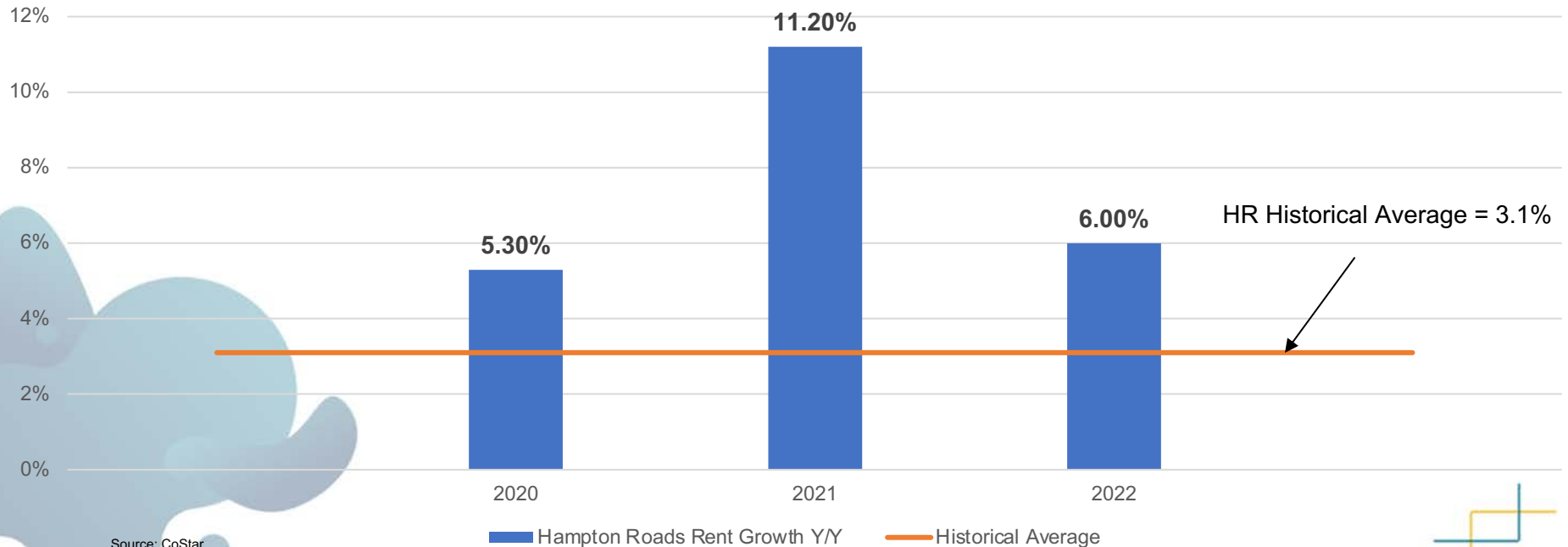
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RENT IS GOING UP.

11.2% IN 2021!



Hampton Roads Rent Growth



Source: CoStar.

Rent Growth by Submarket and Neighboring Regions

Submarket	Market Rent	
	Growth	Rent Per Unit
Chesapeake	11.40%	\$1,391
Gloucester County	8.50%	\$763
Hampton/York	17.40%	\$1,322
Isle of Wight County	10.90%	\$1,346
Kempsville/Bayside	13.50%	\$1,444
Lynnhaven/Oceana	18.40%	\$1,542
Newport News	15.80%	\$1,167
Norfolk	9.80%	\$1,209
Portsmouth/Suffolk	10.40%	\$1,210
Williamsburg	14.30%	\$1,449

Source: Berkadia internal system data.

Submarket	Market Rent	
	Growth	Rent Per Unit
Hampton Roads	11.20%	\$1,318
Washington, DC	9.30%	\$1,957
Richmond, VA	12.10%	\$1,341
Charlotte, NC	16.60%	\$1,472

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RENT WILL RISE AGAIN IN 2022

- CoStar 6+%
- Realtor.com 7+%
- Axiometrics 12%





Occupied... but will the rent be paid?



Rent Relief Program

- Total Rent Relief Available in VA: \$1.02 Billion
- More than 76K households have been helped as of Nov. 2021
- Per DHCD, on January 25, the Agency had \$220M left in Emergency Assistance Funds.
- Burn rate: \$10 million per week
- At this rate, the state could run out of these funds by summer



Welcome to the Rent Relief Program Online Services - Main Menu.

Please select your action below:

- Start New Tenant Application
- Update Contact Information
- Update Personal Information

Back Next

Before we begin, let's make sure this is the right program for you.

Has COVID-19 made it more difficult for you to pay rent or other bills?

- Yes
- No

Which of these have you experienced? (check all that apply)

- I have been laid off
- My place of employment has closed
- I have experienced a reduction in hours of work
- I must stay home to care for children because day care and/or school has closed
- I must stay home to care for children due to distance
- I have lost child or spousal support

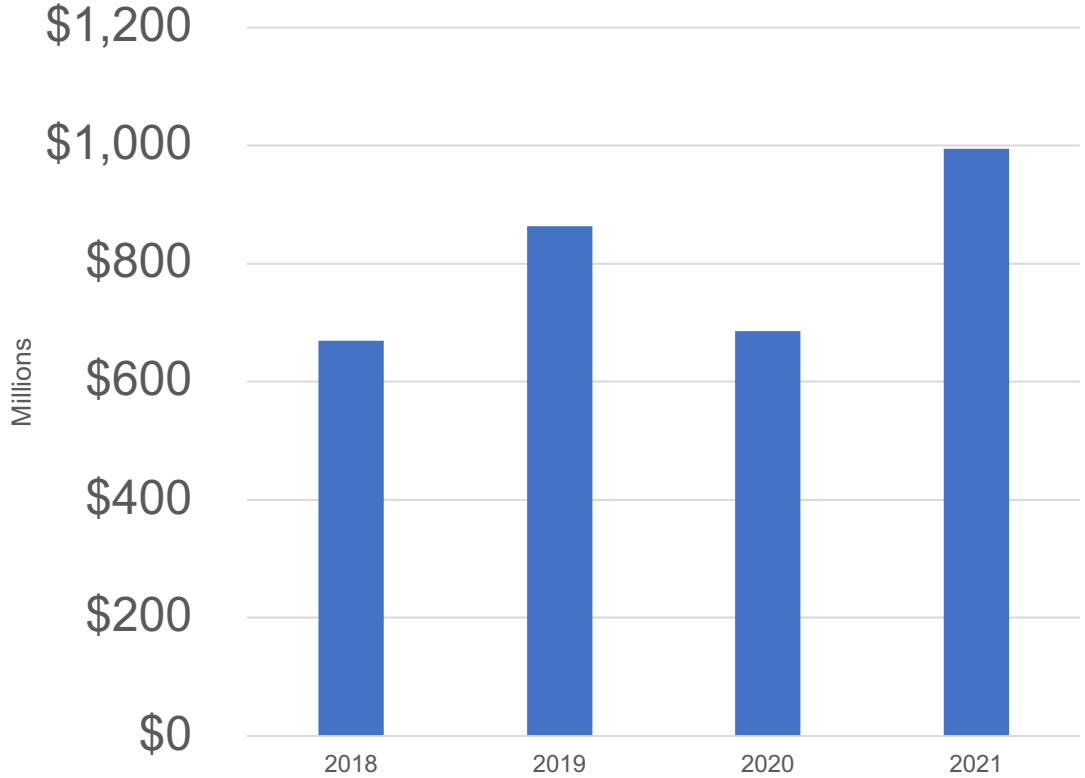


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Transaction Volume

Sales Volume



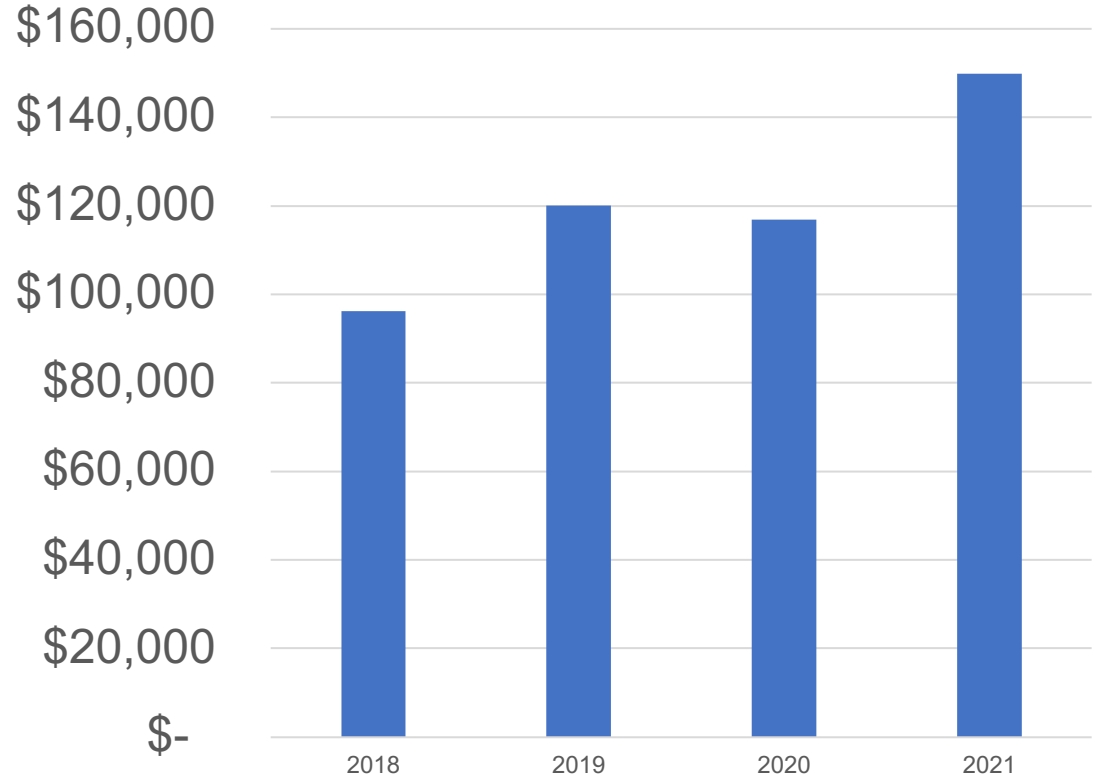
Source: CoStar.

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Sales Price Per Unit Soaring Higher and Higher

Sale Price/Unit



Source: CoStar.

Notable Sales in 2021

Property/Address	Year Build	Units	Price	Price/Unit
Coastline <i>Virginia Beach</i>	1970	600	\$ 98,500,000	\$ 164,166
Lumen Apartments <i>Hampton</i>	2020	300	\$ 82,000,000	\$ 273,333
Streets of Greenbrier <i>Chesapeake</i>	2013	280	\$ 66,459,600	\$ 237,355
River House Apartments <i>Norfolk</i>	2008	194	\$ 49,500,000	\$ 255,154
The Rockefeller <i>Norfolk</i>	2015	146	\$ 29,758,500	\$ 203,825

Source: CoStar.

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Coastline Apts

HIGHEST
PRICE PAID
FOR A SINGLE
DEAL

\$164k/door in
Virginia Beach





River House Apartments \$255k/door in Norfolk





Lumen Apartments HIGHEST PRICE PAID PER UNIT \$273k /door in Hampton



2,500+ units in the Construction Pipeline



2021 Construction Stats	2021 Units Delivered	2021 Units Absorbed
Hampton Roads	1,348	2,003
Washington, DC	13,242	21,210
Richmond, VA	3,096	4,436
Charlotte, NC	9,000	11,531

Source: CoStar.



Amenity Packages



Average One Bedroom Rent

Avg. One Bedroom	2022
Washington, DC	\$ 1,774
Virginia Beach, VA	\$ 1,395
Raleigh, NC	\$ 1,325
Charlotte, NC	\$ 1,272
Richmond, VA	\$ 1,171



Source: CoStar.



Average Two Bedroom Rent

Avg. Two Bedroom	2022
Washington, DC	\$ 1,793
Virginia Beach, VA	\$ 1,639
Raleigh, NC	\$ 1,516
Charlotte, NC	\$ 1,421
Richmond, VA	\$ 1,346



Source: CoStar.

Average Three Bedroom Rent

\$434,919 home at 4.09%!*

Avg. Three Bedroom	2022
Washington, DC	\$ 2,142
Virginia Beach, VA	\$ 2,099
Raleigh, NC	\$ 1,820
Charlotte, NC	\$ 1,658
Richmond, VA	\$ 1,611



Source: CoStar.



**INTEREST
RATES**



BAD DEBT



**MULTIFAMILY OUTLOOK IS STRONG IN
2022 AND BEYOND**





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J. Van Rose, Jr., MIRM

Principal Owner

Rose & Womble Realty Co., LLC

RESIDENTIAL

Rose & Womble
REALTY COMPANY

THE KEY INGREDIENTS FOR STRONG SALES

- 
- ✓ HIGH DEMAND
 - ✓ COVID
 - ✓ LOW RATES
 - ✓ LOW SUPPLY



**Total Closings
in 2021**



**39,998
Homes**



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HAMPTON ROADS RESALE HOMES

CLOSINGS

+16.3%
YOY



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HAMPTON ROADS NEW CONSTRUCTION HOMES



CLOSINGS

-8.9%
YOY



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LOW SUPPLY (ACTIVE LISTINGS) IS CONSTRAINING DEMAND

14,644 in 2010



2,581 in 2022



Year End 2021 Key Statistics

- Median Days on Market: 14
- Months to Absorb: 0.88
- Homes Selling in 30 Days: 72%

RESALE MARKET IN HAMPTON ROADS BY PRICE POINT



Price Range (\$000s)	Months to Absorb	Market Conditions
< \$100	1.4	Extreme Sellers Market
101-150	1.0	Extreme Sellers Market
151-200	0.8	Extreme Sellers Market
201-250	0.8	Extreme Sellers Market
251-300	0.7	Extreme Sellers Market
301-350	0.6	Extreme Sellers Market
351-400	0.8	Extreme Sellers Market
401-500	0.8	Extreme Sellers Market
501-600	0.9	Extreme Sellers Market
601-700	1.4	Extreme Sellers Market
701-800	1.9	Extreme Sellers Market
801-900	1.5	Extreme Sellers Market
901-1M	2.1	Extreme Sellers Market
1M-2M	2.7	Extreme Sellers Market
>2M	7.6	Balanced Market
Total	0.8	Extreme Sellers Market

DISTRESSED SALES

No!!! Forbearance Did Not Kill The Market

November 2020

5.9%

November 2021

3.6%

YOY Change

2.3

Percentage
Point Decrease

In 2021 Hampton Roads: 0.4% - 2.5% of all Sales

HOW HAS PRICING BEEN IMPACTED?

Resale Construction – Median Price Detached Home

\$245,000 in 2017

+3.5%

\$253,500 in 2018

+3.7%

\$263,000 in 2019

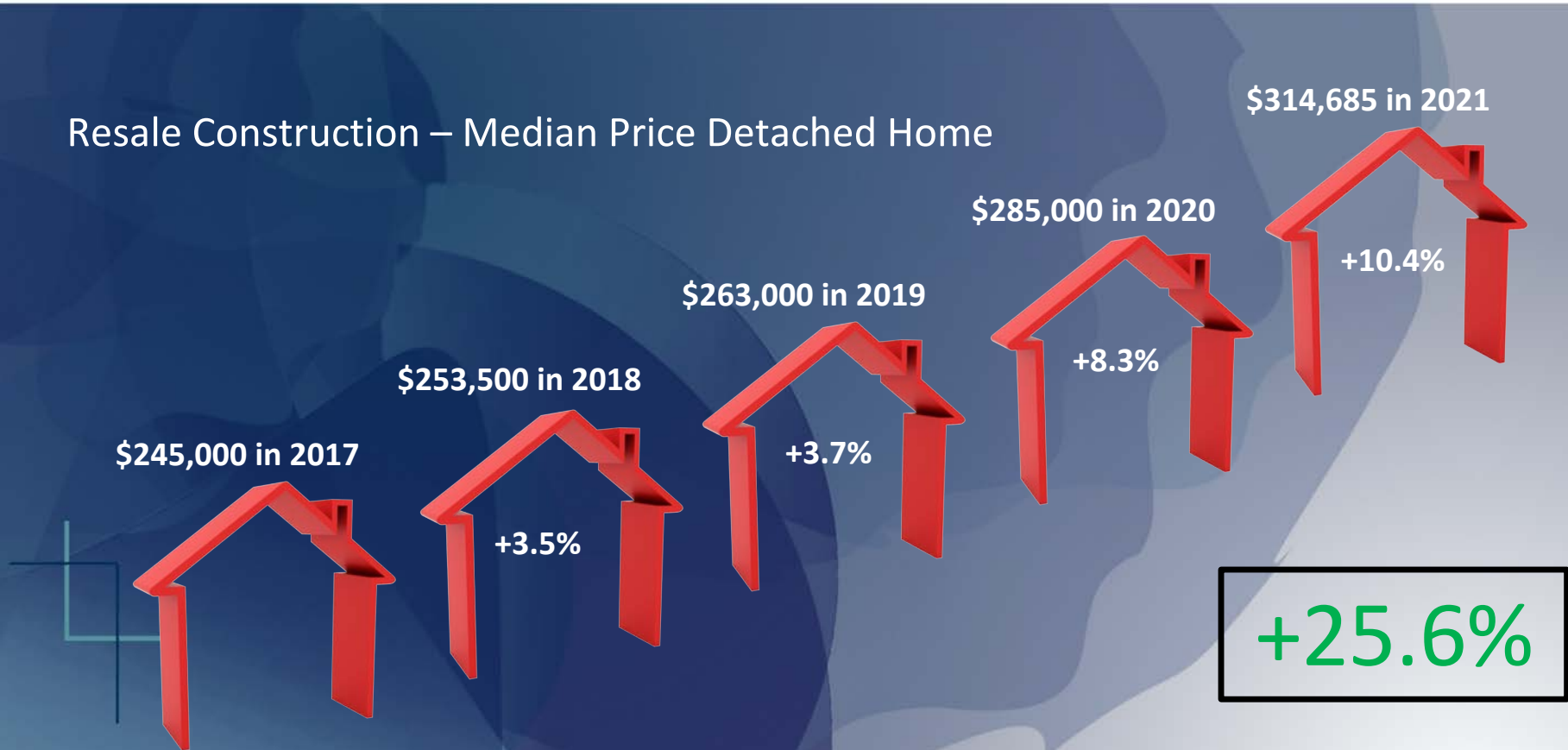
+8.3%

\$285,000 in 2020

+10.4%

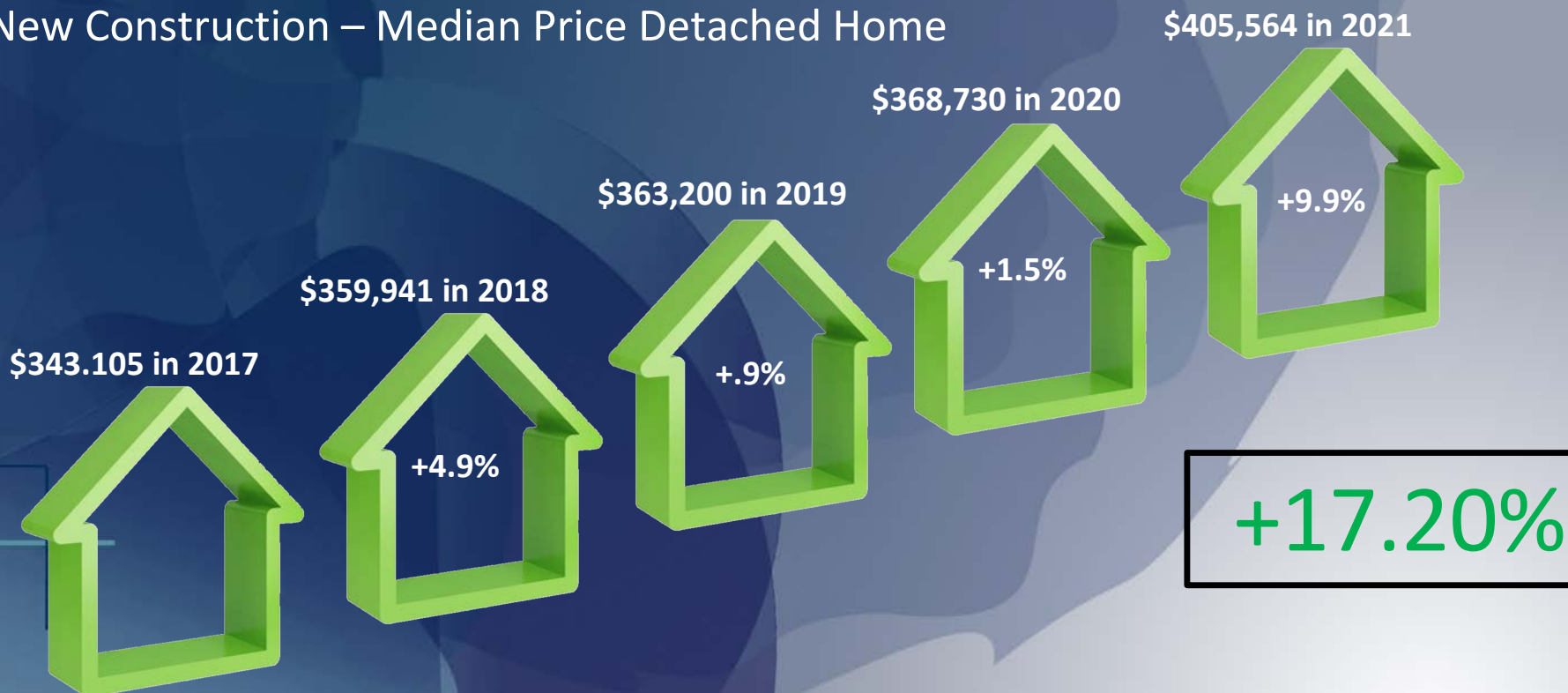
\$314,685 in 2021

+25.6%



HOW HAS PRICING BEEN IMPACTED?

New Construction – Median Price Detached Home



2022 FORECAST – RESALE SECTOR

Sales = Slower

Prices = Slightly Up

Buyers = Plentiful...
but Cautious

Supply = Lower

Rates = Higher

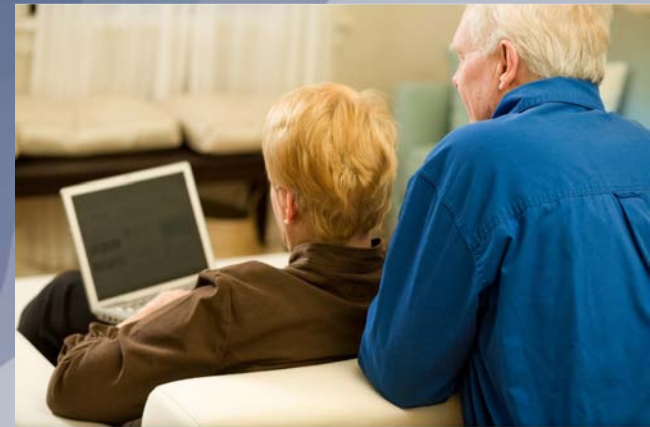


THE DEMOGRAPHIC TSUNAMI



Millennials in Hampton Roads:
392,247 by population;
approximately 153,029 Households

Boomers in Hampton Roads:
387,243 by population;
approximately 154,898 Households



2022 FORECAST – NEW CONSTRUCTION SECTOR

Sales = Higher
Prices = Higher
Buyers = Plentiful
w/Pricing Fatigue
Supply = Higher
Rates = Higher
Supply Chain Issues =
Lingering but Improving



IS HOME EQUITY FUELING THE MARKET?

According to Forbes Magazine, home equity in the United States hit a record \$23,000,000,000,000 just at the end of Q2 2021!



TOP NEW CONSTRUCTION BUILDERS 2021

	2020	2021
#1 Ryan Homes	833	844
#2 Dragas Companies	321	210
#3 Napolitano Homes	48	154
#4 Chesapeake Homes	107	128
#5 Franciscus Homes	104	122

40.2%



2022 Forecast: Bright Market with a Few Challenges

Low Supply

Supply Chain Issues

Interest Rates





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