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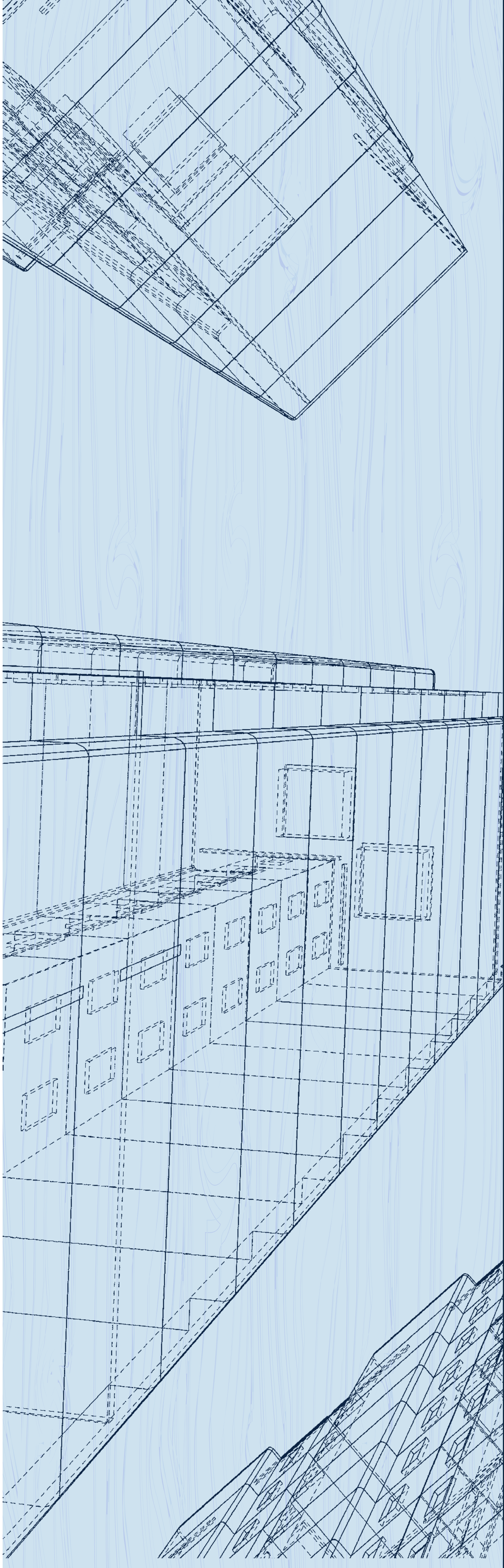
AT THE HARVEY LINDSAY SCHOOL OF REAL ESTATE

2021 Hampton Roads REAL ESTATE MARKET REVIEW & FORECAST

E. V. WILLIAMS CENTER FOR REAL ESTATE

March 9, 2021



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26th Annual Hampton Roads REAL ESTATE market review & forecast

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E. V. WILLIAMS CENTER FOR REAL ESTATE

https://odu.edu/business/center/evwilliams-center

MESSAGE
FROM THE CENTER

Last year as we prepared for the Hampton Roads Real Estate Market Review and Forecast, we were not aware that the local commercial real estate market's biggest annual event would also be the last…for a while, anyway. Just a week later, we were faced with an economic shut-down. The local community had heard of COVID-19, but few of us really understood the chaos and tragedy it would cause. As I write this, vaccinations have begun and there is light at the end of the tunnel; but the pandemic has put into perspective how important health and safety really is.

With this in mind, the E.V. Williams Center for Real Estate presses on with our mission by presenting this year's event virtually. We could not have accomplished it without the continued support of the real estate community, especially our Directors and Speakers/Authors. We appreciate their time, dedication, and research, which continue to ensure a comprehensive examination of the market sectors.

The E.V. Williams Center for Real Estate and the Harvey Lindsay School of Real Estate rely on the contributions of the community. Our programs and events are designed to connect the academic and business communities. As partners, we strive to promote academic achievement, professional development, and personal growth by providing career information, mentoring, and networking opportunities to the students who comprise our future real estate workforce. Over the past year, students in the Harvey Lindsay School of Real Estate had the opportunity to participate in industry events, guest lectures, site visits, internships, and licensing preparation programs. These opportunities provide them with the hands-on experiences necessary to support their academic work. Thank you to everyone who enriched our students as they continue their pursuits.

This is my last Market Review as Chair of the E.V. Williams Center. When I succeeded Stephanie Sanker, I swore I would not do for it as long as she did. Stephanie, I guess I lied, but I have enjoyed every minute of it. Congratulations to incoming Chair Krista Costa, S.V.P. at Divaris Real Estate. Krista is a consummate professional, and a devoted ODU alumna. The Center is in very good hands.

We are blessed to have a strong and supportive group of local practitioners. I would like to personally thank the Harvey Lindsay family for whom ODU's Real Estate program is named; Robert M. Stanton who endowed the Chair in Real Estate; and E.V. Williams, the Center's namesake. I also thank our sponsors who make the Market Review possible. I am grateful to my Executive Committee, Stephanie Sanker, Tom Dillon, Jonathan Guion, and Brad Sanford. We could not accomplish our goals without the consistent support of ODU Administration especially President Broderick and Dean Tanner; as well as current and past ODU Faculty and Staff Andy Hansz, PhD, John Griffith, PhD, Bruce Rubin, PhD, Walter D'Lima, PhD, Sara Russell Riggs, Stephanie Hawthorne, and Ruth Cookson. It is because of each of you that the future is bright for real estate at ODU.

The Center is constantly looking for opportunities to offer additional educational programming and support the needs of the local industry. To learn more or to participate in upcoming events, please contact Ruth Cookson, Interim Director.

Thank you for attending the 2021 Market Review and Forecast. We appreciate your support of the E.V. Williams Center for Real Estate, and look forward to hosting you at future events

Lawrence J. Colorito, MAI
Chair, E.V. Williams Center for Real Estate
Chairman of the Board & Senior Managing Director, Valbridge Property Advisors
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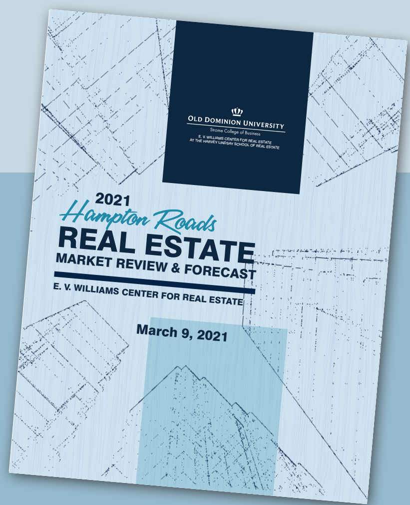

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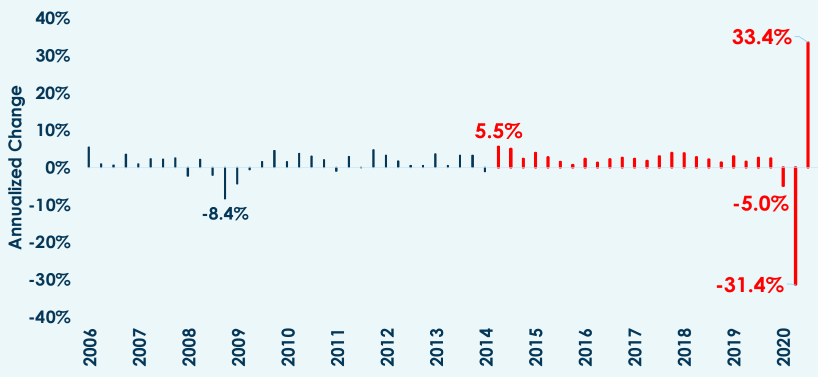
ECONOMIC TRENDS

VINOD AGARWAL, Ph.D.
Deputy Director, Dragas Center for Economic Analysis and Policy
Strome College of Business, Old Dominion University

The COVID-19 pandemic has certainly changed our personal lives, and it continues to upend the global and national economies. At the national level, we began to see adverse economic impacts of the pandemic beginning in the middle of March 2020. Initial pandemic impacts caused a loss of nearly 22 million jobs by April 2020. Additionally, the national Real Gross Domestic Product (GDP) declined on an annualized basis by 31.4% in the second quarter. The devastating economic impacts of the pandemic resulted in the passage of the coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided a \$2.2 trillion stimulus. The Federal Reserve also adopted an expansionary monetary policy, bringing the short-term interest rates to near zero. The expansionary fiscal and monetary policies created significant recovery; national GDP increased on an annualized basis by 33.4% during the third quarter, and the nation regained 12 million jobs by December 2020.

Hampton Roads economy, as measured by its real GDP, is estimated to have declined by 2.5% during the pandemic, and a rebound is forecast in 2021. From 2002 to 2005, real GDP in Hampton Roads grew annually on average by about 4.50%. While the inflation-adjusted U.S. GDP increased annually at a compounded rate of 1.56% from 2005 to 2016, Hampton Roads' real GDP increased by only 0.14%. Primary reasons for our regional economy's poor performance during this period include the Great Recession, the deceleration of Department of Defense (DOD) spending since 2012, and lack of job growth in the private sector.

GROWTH IN REAL GROSS DOMESTIC PRODUCT UNITED STATES, 2006 Q1 – 2020 Q4



*Sources: Bureau of Economic Analysis and Dragas Center for Economic Analysis and Policy. Data on GDP incorporate latest BEA revisions in December 2020. *2020 Q3 are third estimates, and Q4 represent advance estimates.*

REAL GROSS DOMESTIC PRODUCT (GDP): HAMPTON ROADS, 2002 – 2020

Sources: Bureau of Economic Analysis and Dragas Center for Economic Analysis and Policy. Data on GDP incorporates latest BEA revisions in December 2020. Data for 2019 for Hampton Roads are the advance estimates, and 2020 data represent our estimate. Real GDP in 2012 Chained Dollars.

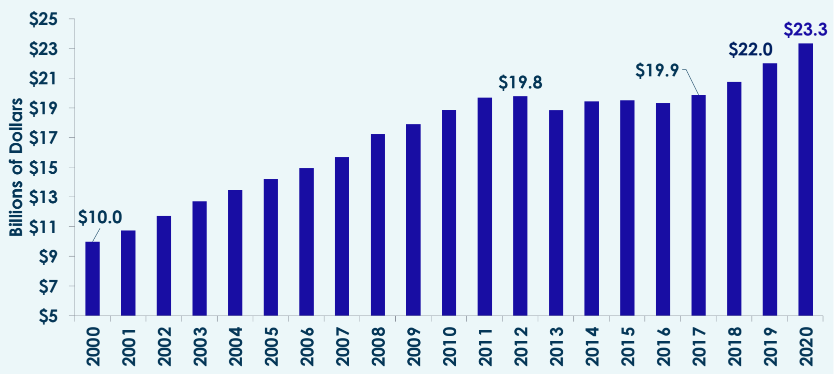
ECONOMIC TRENDS

Between 2000 and 2012, nominal DOD spending in the region increased annually at a rate of 5.9%, compounded. DOD expenditures from 2012 through 2017, however, have declined or remained stagnant, although Budget Agreements have led to increases in discretionary spending since FY 2018. Direct DOD spending in Hampton Roads has increased every year since 2017, and spending in 2020 is anticipated to be 17.4% higher than 2017.

Hampton Roads' economy remains heavily dependent on DOD spending, as over 40% of economic activity can be attributed to Defense expenditures. With a large military and federal presence, the increases in DOD spending have been a significant factor in Hampton Roads' economic growth in 2018 and 2019. During 2020, increased DOD spending resulted in a smaller decline in the regional economy compared to national declines. Military and Federal Civilian employment has also increased since 2017, and these workers continue to receive more than twice the compensation received by private nonfarm workers.

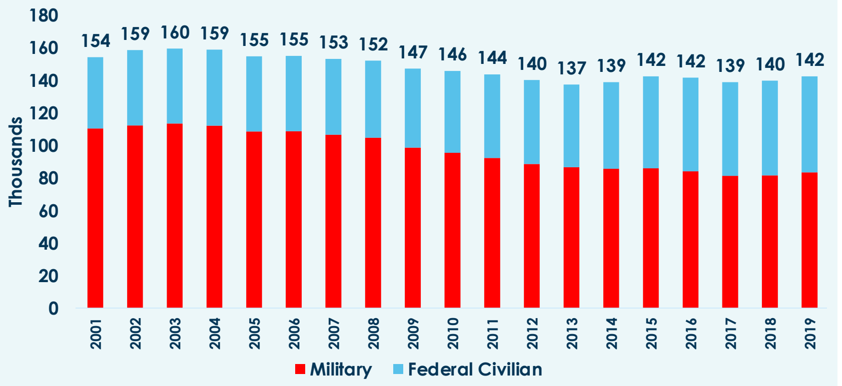
The pandemic affected job markets throughout the United States. From February 2020 through December 2020, the U.S. economy lost 9.8 million jobs or about 6.5% of all nonfarm jobs. Since the jobs' trough observed in February 2010, Hampton Roads had slowly gained 65,000 jobs over the following ten years. However, in the span of two months, not only were all the gains wiped out, the region had also lost an additional 22,000 jobs. The economy has regained about 60,000 jobs, but it still has a net loss of 28,000 jobs or 3.5%. Percentage of jobs lost in the region has been smallest compared to other large neighboring metro areas north or south of the region. Again, sustained federal spending is responsible for a relatively smaller loss in jobs in our region. Not surprisingly, the pandemic has caused significant job losses in Leisure & Hospitality, Retail Trade, Wholesale Trade, and State and Local governments.

ESTIMATED DIRECT DEPARTMENT OF DEFENSE SPENDING HAMPTON ROADS, 2000 – 2020*



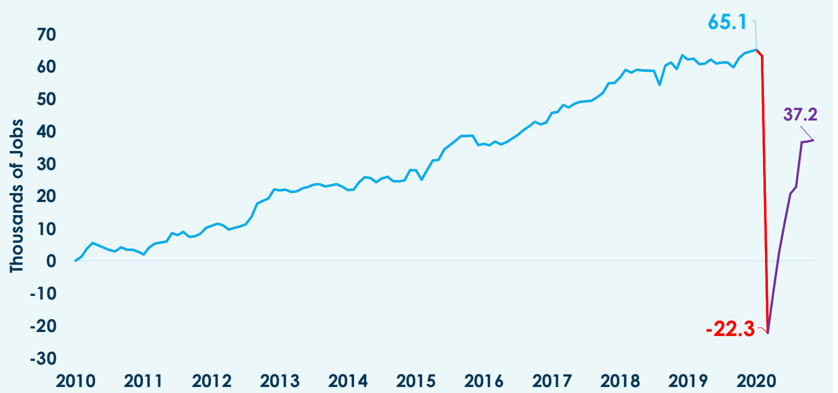
*Sources: U.S. Department of Defense and Dragas Center for Economic Analysis and Policy. Includes Federal Civilian and Military Personnel and Procurement. *Data for 2020 are estimates while 2021 is our forecast. Last updated on December 19, 2020.*

MILITARY AND FEDERAL CIVILIAN EMPLOYMENT HAMPTON ROADS, 2001 – 2019



Sources: U.S. Bureau of Economic Analysis and Dragas Center for Economic Analysis and Policy. Last updated by BEA on November 17, 2020.

CUMULATIVE GROWTH IN NONFARM PAYROLLS HAMPTON ROADS, FEBRUARY 2010 – DECEMBER 2020



Sources: Department of Labor and Dragas Center for Economic Analysis and Policy. Smoothed seasonally adjusted data. Trough of nonfarm payrolls was February 2010.

Another indicator of labor market performance is the size of the labor force and the number of individuals employed. From February 2020 to December 2020, the labor force decreased by 30,000, but number of individuals employed declined by 49,000.

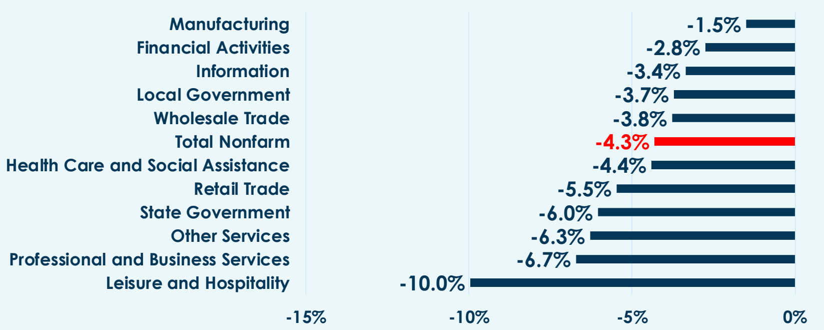
A faster decline in employment of individuals compared to the decline in labor force has resulted in a higher unemployment rate in 2020. However, had individuals not withdrawn from the labor force, the unemployment rate would be even higher.

Undoubtedly, Leisure and Hospitality was the industry most severely impacted by the pandemic in Hampton Roads. Data on the hotel industry, a sub sector of this industry, shows the extent of the impact. COVID-19 started to adversely affect performance of the hotel industry beginning March 2020. Despite the increases in revenue observed in the first two months, hotel revenue declined from $892 million in 2019 to $578 million in 2020, a decrease of $314 million or about 35%.

The average Interest rate on a 30-year fixed mortgage dropped to 3.11% in 2020, the lowest level in the nearly 50-year history of the Freddie Mac's survey. Weekly rates have been even lower and stood at 2.73% for the week ending February 4, 2021.

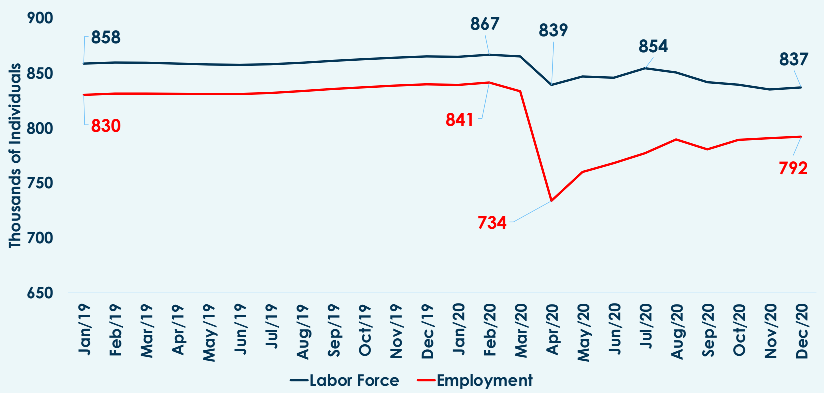
Due to its large military population, Hampton Roads typically has had a higher volume of distressed sales activity in the residential housing market. Historically, the Department of Veteran Affairs (VA) finances about 30% of existing homes and about 48% of newly constructed homes sold in Hampton Roads. VA Loans require little or no down payment. In addition, the Federal Housing Administration (FHA) insures another 18% of homes sold. During a downturn or with low housing market appreciation, such homes are more likely to end up in distressed sales. It appears, however, that sale of distressed homes has reached a level not seen since 2008. Furthermore, residential foreclosure filings, peaking in 2010, have decreased by 90%, and filings in 2020 were lower than 2007.

PERCENT OF CIVILIAN JOBS LOST IN SELECTED SECTORS IN HAMPTON ROADS 2019 TO 2020



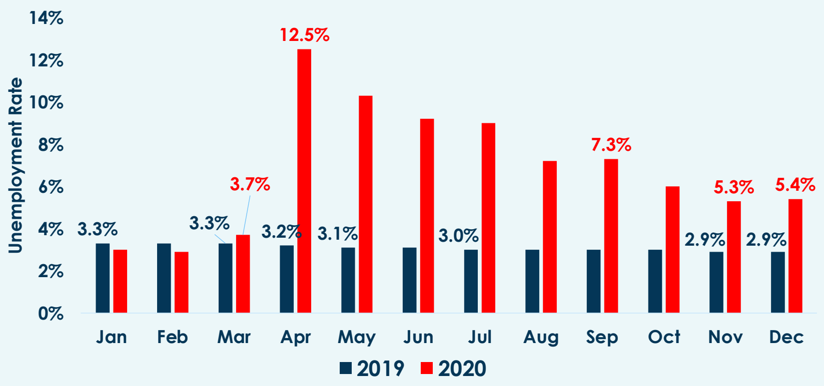
Sources: Bureau of Labor Statistics and Old Dominion University Economic Forecasting Project. Not-seasonally adjusted data. Data for December 2020 are preliminary.

CIVILIAN LABOR FORCE AND INDIVIDUAL EMPLOYMENT HAMPTON ROADS, JANUARY 2019 – DECEMBER 2020



Sources: Bureau of Labor Statistics and Dragas Center for Economic Analysis and Policy. Seasonally adjusted data.

UNEMPLOYMENT RATE HAMPTON ROADS, JANUARY 2019 – DECEMBER 2020



Sources: Bureau of Labor Statistics and Dragas Center for Economic Analysis and Policy. Seasonally adjusted data.

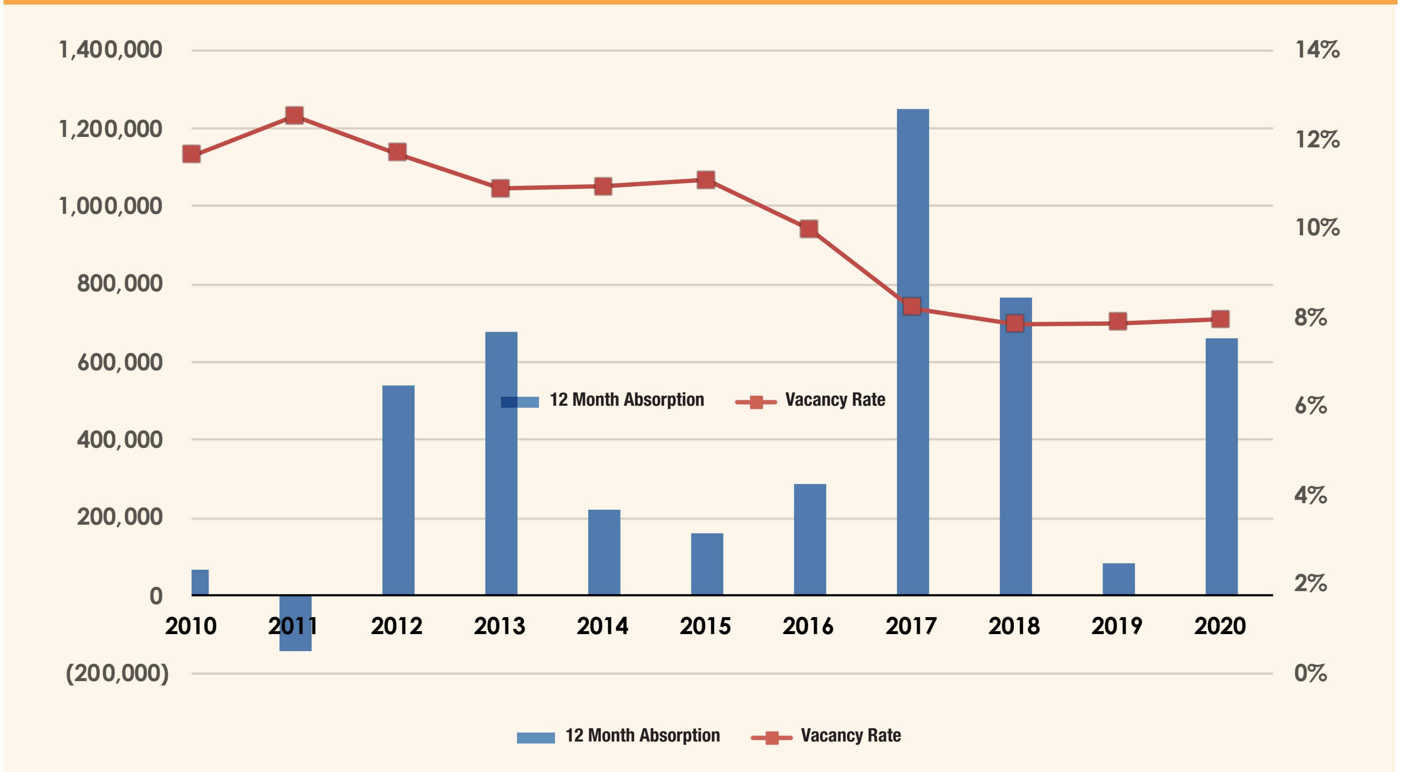
OFFICE

DEBORAH K. STEARNS, CPM, SIOR
Senior Vice President, Brokerage, JLL

HAMPTON ROADS OFFICE MARKET STATISTICS

Strong demand for office space earlier in 2020 mitigated some of the damage done by the pandemic and its effects on the economy. CoStar reports total office inventory in Hampton Roads at 55,146,120 SF. The overall vacancy rate was essentially flat at 7.9%, but the availability rate increased 30 basis points to 10.8%. Positive net absorption of 659,146 SF was driven by the delivery of several substantially owner-occupied buildings, but the core non-medical, multi-tenant market segment saw negative absorption of 182,441 SF. Leasing activity fell to 1,604,139 SF. The average direct full-service asking rent increased by just under 9.8% to $19.95 per SF.

ABSORPTION/VACANCY
HAMPTON ROADS OFFICE



Source: CoStar Group

KEY HAMPTON ROADS TRANSACTIONS

2020 TOP NEW OFFICE LEASES				
Tenant	Property	Date	Square Footage	Lease Type
Movement Mortgage	1434 Crossways Boulevard	Q2 2020	33,016	Sublease
City of Virginia Beach	2809 S. Lynnhaven Road	Q3 2020	29,000	New
City of Virginia Beach	484 Viking Drive	Q4 2020	20,437	New
Orbis Education	6320 Center Drive	Q1 2020	16,000	New
NVR/Ryan Homes	4525 South Boulevard	Q3 2020	15,968	New
Eplus	447 Viking Drive	Q4 2020	15,257	New

2020 TOP SALES TRANSACTIONS					
Property	Square Footage	Date	Sale Price	Price Per SF	Buyer Type
Norfolk Southern Tower	310,745	Q2 2020	$30,000,000	$96.54	Owner/Occupant
DSC Crossways Office Portfolio:	206,504	Q3 2020	$41,150,000	$199.27	Investor
Crossways I	144,512	Q3 2020	$26,150,000	$180.95	Investor (BW)
Crossways Commerce Center III	61,992	Q3 2020	$15,000,000	$241.97	Investor (BW)
824 N. Military Highway	184,081	Q3 2020	$20,000,000	$108.65	Owner/Occupant
Bridgeway Technology Center I	123,407	Q2 2020	$8,500,000	$68.88	Investor
Volvo Office Park (733-747 Volvo Pkwy)	74,210	Q1 2020	$8,400,000	$133.19	Investor

HAMPTON ROADS MARKET OVERVIEW

Office space demand reflected the growing Hampton Roads economy at the beginning of 2020. The first quarter brought 506,203 SF of leasing activity and 220,272 SF of positive net absorption, with overall vacancy declining by 30 basis points to 7.6%. But business as usual ceased after Friday, March 13, 2020. Weeks of lockdown and a limited, gradual reopening saw second-quarter leasing activity plummet to just 204,223 SF. Activity recovered in the second half of the year to bring totals to about two-thirds of 2019, and delivery of owner-occupied buildings kept net absorption positive for all four quarters.

While the momentum of early 2020 may have stalled, a generally flat market is a more than respectable performance when economic activity virtually stopped for two months and was artificially restricted by quarantines for the remainder of the year. Overall vacancy on the Southside was unchanged at 7.2% while the Peninsula saw a 20-basis-point rise to 9.5%. The Southside availability rate increased by 50 basis points to 10.2%; however, Peninsula availability rose only 10 basis points to 12.0%. Average direct full-service asking rents increased for most spaces' classes across both areas, with Southside Class A rents rising 5.0% to $23.78 per SF and Class B rents up 9.5% to $18.75 per SF. The Peninsula saw Class B rents rise by 7.6% to $16.70 per SF and Class A rents decline 0.1% to $18.55.

Two of 2020's five largest sales went to owner-occupiers, with the TowneBank-CHKD joint venture completing its purchase of Norfolk Southern Tower and MPB, Inc. (Sentara) acquiring 824 N Military Highway to occupy the roughly half of the building they weren't already leasing. Keeping with its government-lease focused investment strategy, Boyd Watterson increased its local footprint once again with the purchase of DSC's Crossways I and Crossways Commerce Center III, whose tenant profiles (100% Coast Guard at Crossways Commerce Center III and split between the Coast Guard and Sentara at Crossways I) fit its concentration in government assets. W.M. Jordan purchased the 30% vacant Bridgeway Technology Center I in Harbour View from the lender, and Ashby Development bought the three-building portfolio at 737-747 Volvo Parkway. The value of opportunities in Hampton Roads should continue to attract buyers in 2021 as owner-occupiers and local investors take advantage of low interest rates, and external investors shy away from still-pricey primary markets.

OFFICE

Buildings under construction were delivered, but no speculative construction broke ground. Waitzer Hall, now under construction at the corner of West Brambleton and Colley avenues, is projected to add 89,000 SF of occupied space and a 310-space parking garage to the EVMS campus in Q2 2021. Delivery of Ferguson Enterprise's new 260,000 SF headquarters boosted Peninsula absorption, as did completion of 580 City Center Boulevard, whose owner, Orthopedic and Spine Center, occupies one of three floors. Sentara Healthcare's Orthopedic Surgery Center and Brock Cancer Center buildings were also largely owner-occupied on delivery. And 555 Belaire Avenue, Summit Pointe's first multi-tenant office building and the Southside's first non-medical, Class A spec building since 2014, delivered in the fall, with one lease executed prior to year-end.

CURRENT TRENDS

- WFH. The 'work from home' reality of 2020 is definitely an ongoing component of the work environment, with employees expecting a new 'benefit' of WFH 2-3 days per week. The PWC Emerging Trends in Real Estate 2021 respondents indicated 55% of the workforce would WFH post-COVID vs. 39% pre-COVID.
- Office design. Plexiglass shields are flying out of manufacturing facilities to wrap around traditional workstation designs. It does not appear that workstations are being replaced by private offices but enhanced by privacy partitions. It is, however, too soon to determine what design trends may emerge post-COVID.
- Renew in Place … also known as 'kick the can down the road.' Many tenants facing lease renewals in 2021 are opting to remain in place until they have a better assessment of virus containment. Expectations from agents predict downsizing on renewals in 2021 and 2022.
- Sublease Options. Hampton Roads has historically seen minimal sublease av ailability, but it is definitely on the rise, increasing over 2% in the multi-tenant market since Q1 2020. Attractive rates are offset by 'as is' occupancy criteria.
- Capital investment remains solid with interest rates still at extremely attractive rates. Older properties are being acquired for renovation and releasing at competitive market rates. Continuing interest from owner occupants is driven by interest rates and the ability to control the operating environment, helping employees feel safe in returning to the office.

2021-2022 OFFICE *Outlook*

The office market for the 757 is holding its own. Market fundamentals were extremely strong on the landlord side at the beginning of 2020. There were minimal lease adjustments from landlords during the year as most office businesses remained healthy. Shifts from leased space to owned space by TowneBank and Ferguson Enterprises and corporate decisions to increase remote working or consolidate locations will drive an increase in multi-tenant vacancy in 2021 that matches the rise in 2020. Notwithstanding, rents should hold steady with concessions that had diminished returning to deal structure. Tenant requests for short-term leases and flexibility are often pushing rents up. Dire forecasts of rate reductions have not materialized. Students should be back in the classroom by the start of the school year this fall, allowing workers to return to the office. The crystal ball for 2021 has a big question mark as we begin a year with the promise of vaccine distribution, but not eradication of COVID-19, a new administration in Washington, employees who want to get back to the office, employees who want to remain at home, and office cleaning protocols that hospitals could emulate! As corporations assess shifts in the workforce, Hampton Roads offers an excellent quality of life, competitive cost of living, and increasing opportunities to lease large blocks of space at attractive rents.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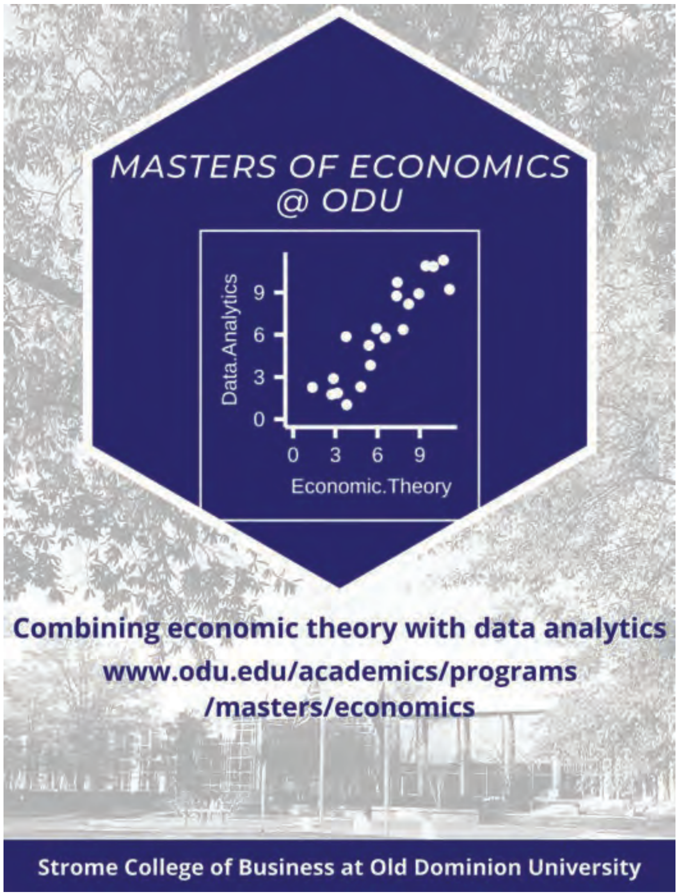
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HAMPTON ROADS INDUSTRIAL 2020 KEY METRICS

The Hampton Roads industrial market absorbed a one-two punch in 2020 in the form of tariffs and COVID-19. As a result of the 2019 trade war with China, the Port experienced lingering negative effects to container volume in January and February. Many regional companies suffered business disruption due to supply chain issues or material shortages. As Covid-19 took over in March, industrial real estate activity slowed significantly. By the summer, however, industrial transactions were on the rise, and general activity was up. In the latter half of 2020, many Landlords and Sellers benefited from pent-up demand, at times resulting in multiple offers on the same property, sometimes over asking price, and at very favorable terms. Much of this demand can be attributed to the Fed's monetary policy throughout the pandemic, allowing users to take advantage of historically low interest rates. The other primary contributor to increased industrial demand in 2020 was a dramatic increase in e-commerce shopping. According to the US Census Bureau, year-over-year e-commerce sales increased by 14.8% in Q1 2020, by 44.5% in Q2 2020, by 36.7% in Q3 2020, and is projected to be 32.2% in Q4 2020. CBRE Research projects e-commerce's share of all retail sales will increase to 23%, up from 16% in 2019.

2.9%
VACANCY RATE

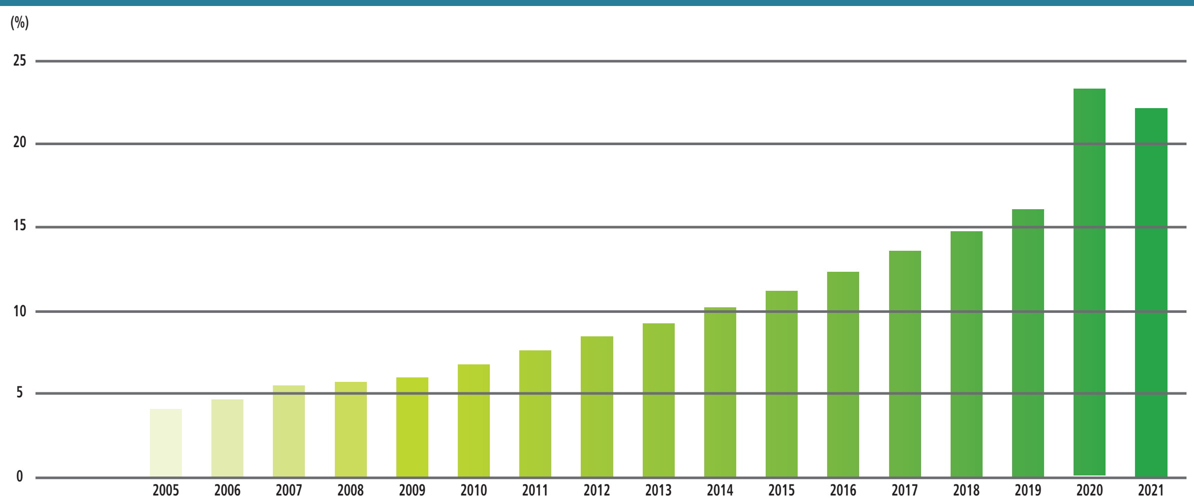
461,000 SF
POSITIVE NET ABSORPTION

4.6%
RENT GROWTH

874,000 SF
DELIVERIES

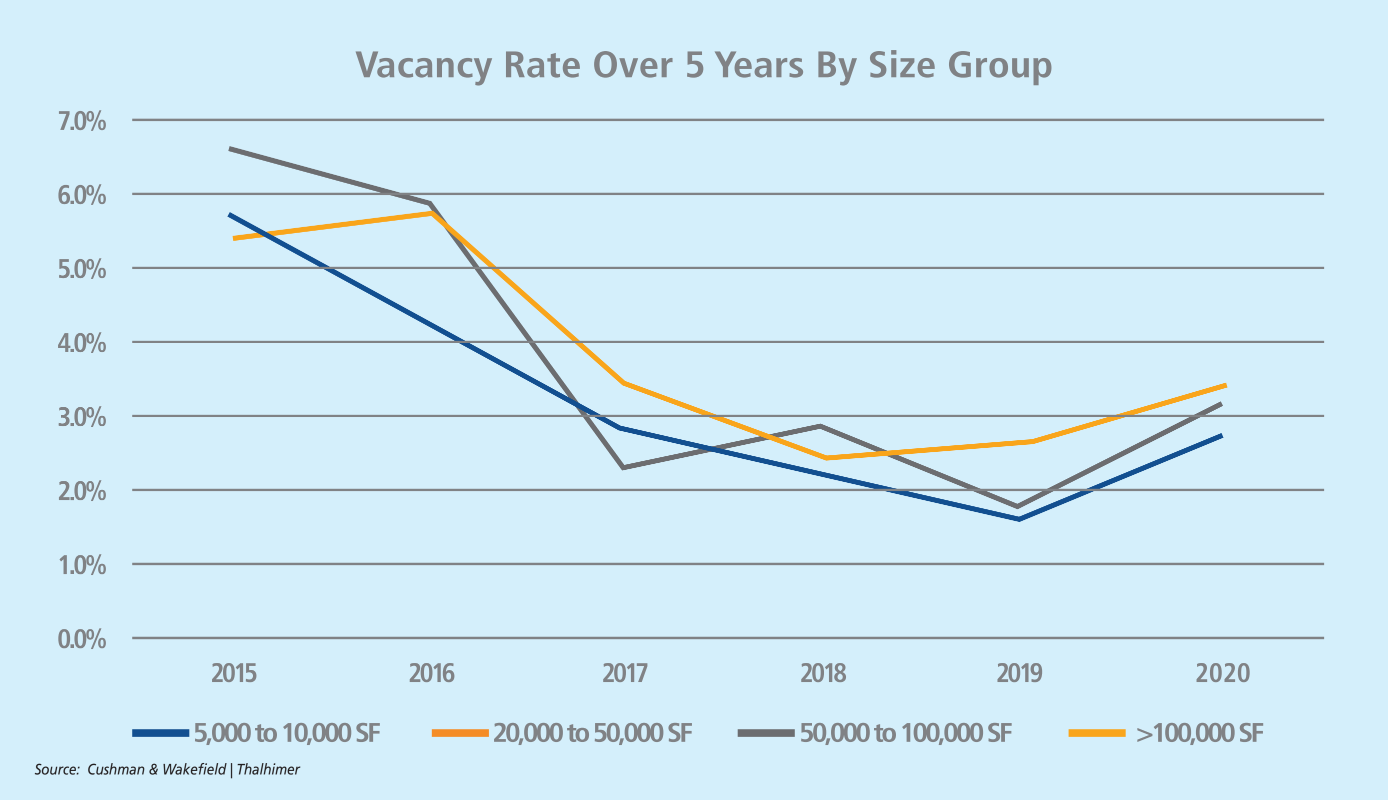
5.4 MILLION SF
UDER CONSTRUCTION

E-COMMERCE SALES PENETRATION (% OF TOTAL RETAIL SALES)



Source: CBRE Research, U.S. Census Bureau

New speculative deliveries in the Greenbrier submarket, as well as business closures and downsizing, resulted in a slight uptick in the overall vacancy rate to 2.9%.

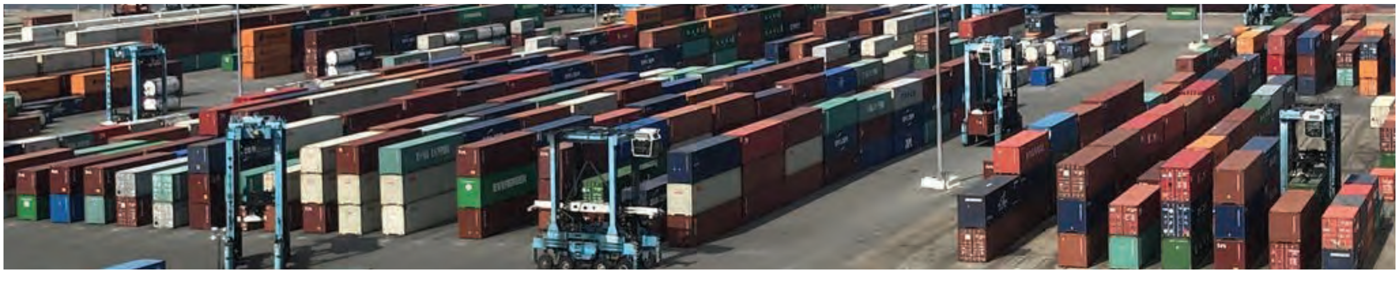


Hampton Roads' industrial rent growth remained relatively stable at 4.6%. The region compared similarly with the national average of 4.2% growth over the course of 2020.

Value of small-scale, single user buildings with yard space increased greatly in 2020. Well-located industrial properties with excess land continue to be removed from the inventory for multifamily development and other commercial uses. As a result, values for this niche property type shot up significantly, with some sales in the $200s and high $100s per SF.

Despite a tumultuous year, the Hampton Roads industrial market persevered. The region celebrated major industrial-related successes in 2020:

- Announcement of Amazon's 3.8 million SF, multi-story robotic fulfilment center in Suffolk and 650,000 SF distribution center in Chesapeake
- Announcement of the 350,000 SF build-to-suit for Massimo Zanetti and 348,000 SF speculative building, both developed by Equus, at Virginia Port Logistics Park in Suffolk
- Several milestones in the burgeoning Virginia offshore wind industry, including
  - o The installation and successful testing of the Coastal Virginia Offshore Wind pilot project 27 miles off the coast of Virginia Beach
  - o Legislative approval of a $40 million grant for Portsmouth Marine Terminal upgrades in support of the wind energy industry
  - o Dominion Energy's 200-turbine Construction and Operations Plan submitted to BOEM in December
- The Port of Virginia's most productive quarter in its history, handling more than 814,000 TEUs in Q4 2020.



INDUSTRIAL LEASE TRANSACTIONS

Tenant	Property	Total SF	Comments
Amazon	**2020 Northgate Commerce Parkway Suffolk**	3,800,000	4-story fulfillment center, partially automated with robotic machinery. Largest distribution facility on the East Coast (source: Colliers International).
Amazon	**5945 Portsmouth Boulevard Chesapeake**	650,000	Distribution center. 1.8 miles from 3.8 million SF fulfillment center.
Massimo Zanetti Beverage USA	**Enterprise Drive Suffolk**	350,000	Build-to-suit at Virginia Port Logistics Park
Amazon	**1960 Diamond Hill Road Chesapeake**	200,000	Simultaneously leased 148,500 SF at 1910 Campostella Road for a total of 348,500 SF at the Diamond Hill Distribution Center
Amazon	**1400 Sewells Point Road Norfolk**	166,000	Infill location, excess yard for van parking

INDUSTRIAL SALE TRANSACTIONS

Property	Buyer	Total SF	Sale Price	Price Per SF	Buyer Type
Prologis/Liberty Property Trust Portfolio	Equus Capital Partners	650,952	$56,390,000	$86.62	Investment
1537 Air Rail Avenue Virginia Beach	Manchester Capital	320,000	$21,750,000	$67.97	Investment
3000 John Deere Parkway Toano	Navien	307,184	$15,350,000	$49.97	Owner/Occupier
4554 Progress Road Norfolk	Norfolk Co, LLC	109,000	$ 6,450,000	$58.62	Investment
6700 College Dr Suffolk	Brookwood	45 acres	$ 5,625,000	$125,000/acre	Development

LOOKING FORWARD

We say goodbye to the Port of Virginia's John Reinhart, who has left our entire region in a much better place than he found it, and say hello to new CEO, Stephen Edwards. Stephen has no doubt hit the ground running on his mission to propel the Port, and the region, forward.

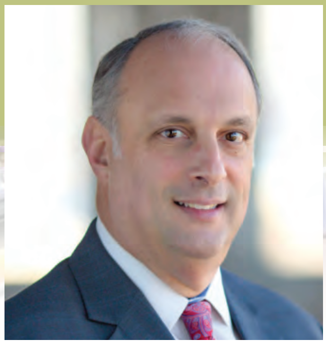
Expect a slight decrease in local user transaction volume due to limited available inventory. Demand will remain high and functional properties will generate significant interest in short order.

Expect vacancy to hover around the three percent mark as new, speculative product comes on throughout the year and in 2022. Additional institutional multi-tenant development is just entering the pipeline — a healthy phase in the region's real estate cycle — with anticipated delivery in 2023. The staggered timeline for new development coming online bodes well for continued demand and stable vacancy.

Expect exciting developments in wind energy with big implications for the region. Our region is well positioned to capture a sizeable share of the growing wind energy industry and associated supply chain. Due to the region's Mid-Atlantic location, deep channels, unrestricted air heights, and skilled labor force, Hampton Roads is in the driver's seat to attract manufacturers providing jobs and further industrial demand for warehousing of related components.

Expect more Amazon deals. Other e-commerce users will follow Amazon's lead and begin to set up major import/export facilities and smaller infill, last mile distribution depots throughout the Hampton Roads region.

RETAIL



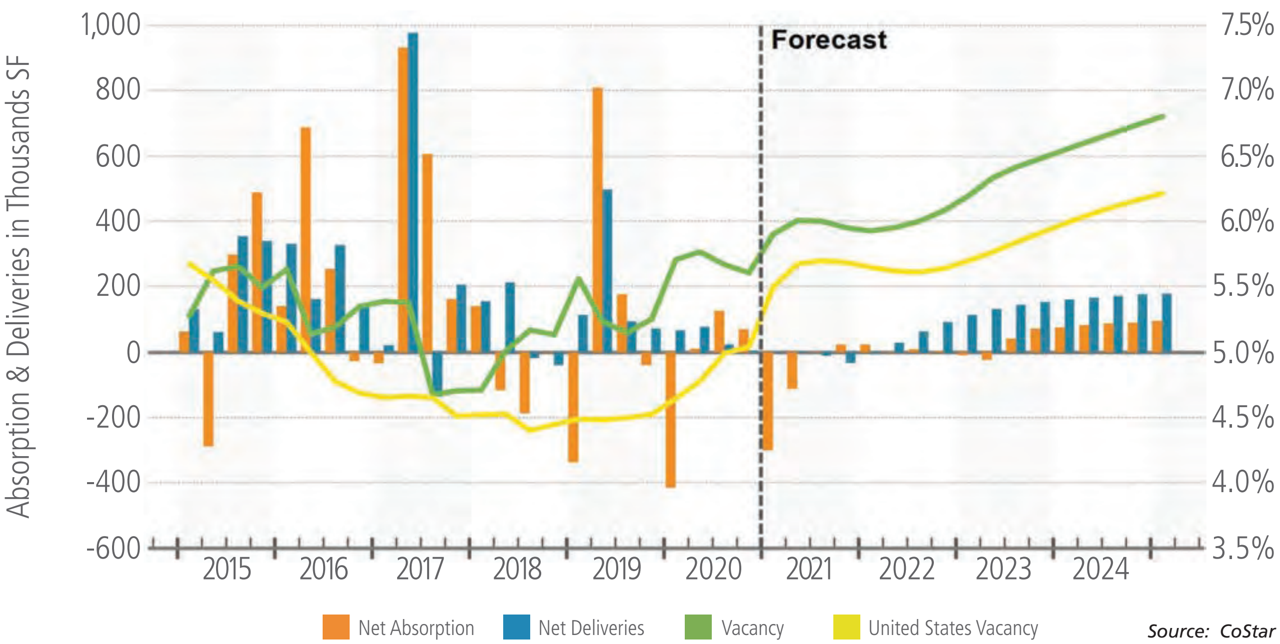
MICHAEL P. ZARPAS
Vice President, S.L. Nusbaum Realty Co.

HAMPTON ROADS MARKET STATISTICS

HAMPTON ROADS YEAR END 2020							
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	9,947.716	2.3%	$21.31	5.6%	0	0	0
Power Centers	8,123,554	6.1%	$20.53	9.9%	6,061	0	55,020
Neighborhood Centers	34,673,110	11.1%	$17.60	13.5%	(96,938)	0	6,000
Strip Centers	6,916,490	5.4%	$16.65	6.6%	6,498	0	0
General Retail	45,346,647	2.4%	$16.11	4.6%	4,657	0	53,364
Other	1,207,828	0%	$20.20	0%	0	0	0
Market	106,215,345	5.7%	$17.51	8.1%	(79,722)	0	114,304

Source: CoStar Group

Like all of Hampton Roads, the retail arena was rocked by the worldwide COVID-19 pandemic. Retail saw the gravest effects of any property category throughout 2020. State-imposed closures and social distancing mandates, enforced beginning March 12, 2020, had shuttered and/or crippled many a retailer, restaurateur, entertainment venue, or regional mall owner. Though net absorption decreased by 79,722 SF, tenants were seeking rent relief and government grants were all many retailers could count on for survival, still landlords saw moderate rent growth of 1.4%. The MSA's retail vacancy rate



Source: CoStar Group

increased to 5.7%, up from 5.1% in 2019. The neighborhood center category was hardest hit, with an 11.1% vacancy rate and a 13.5% availability rate. New tenant entrances, like dd's DISCOUNTS at Todd Center in Hampton, were overshadowed by mass store closings such as Stein Mart, Gordmans, Catherine's Plus Sizes, Justice, Men's Wearhouse, New York & Company, Victoria's Secret, Ruby Tuesday, Save-A-Lot, Zoe's Kitchen, Pier 1, Allied Cash Advance, Advance America, TitleMax and IHOP. Many local spaces were gobbled up by budding entrepreneurs loaded with government grant money, lack of employment and an eagerness to enjoy success as a contrarian in the throes of national chaos. Consumer behavior patterns were greatly changed due to COVID-19 fear, racial issues and partisan politics, which all flared up concurrently, causing major disruption in retail shopping habits.

KEY HAMPTON ROADS TRANSACTIONS

Top 5 Retail Leases in 2020

1) 63,000 SF – East Coast Appliance, Norfolk
2) 37,942 SF – AutoZone, Norfolk
3) 33,472 SF – Kool Bins,
4) 25,132 SF – Wayne's Home, Chesapeake
5) 18,635 SF – Caliber Collision, Williamsburg

Top 5 Retail Sales in 2020

1) $21,500,000 – Mercury Plaza, Hampton
2) $17,100,000 – Little Creek Marketplace, Norfolk
3) $13,636,972 – Gainsborough Square, Chesapeake
4) $11,000,000 – Military Circle Mall, Norfolk
5) $7,605,634 – Indian Lakes Crossing, Virginia Beach

Top 5 Retail Developments in 2020

1) 17,000 SF – Poindexter Street Shops, Chesapeake
2) 9,000 SF – Bridgeport, Suffolk
3) 8,469 SF – Great Bridge Village Shoppes, Chesapeake
4) 6,600 SF – Virginia ABC, Virginia Beach
5) 6,049 SF – Wawa, Newport News

Top Cool New Tenants Opening in 2020

1) Apex Entertainment
2) Latitude Climbing & Fitness
3) The Yard Milkshake Bar
4) Fink's Jewelers
5) Orion's Roof

RETAIL

HAMPTON ROADS MARKET OVERVIEW

At $325,000,000, retail property sales were down slightly from the region's historical average. Retail property deliveries were down to a mere 218,000 SF — well off historical averages of over 1,000,000 SF. Restaurants, entertainment venues and non-essential retailers were forced to shut down and/or eventually run with smaller gatherings, which pulled down sales and created difficulty for tenants to meet rent and operational obligations. Some were forced to the sidelines permanently by regulations, forced shutdowns and decreased sales. Retailers such as Stein Mart, Pier 1, Men's Wearhouse, New York & Company, Gordmans and Catherine's disappeared from the local landscape. With three buildings under construction, Williamsburg was the only submarket with more than one construction project.

NATIONAL MARKET OVERVIEW

Hampton Roads' negative effects were minimal compared to many other regions in the country such as New York City, Los Angeles, Houston, Sioux City, South Dakota, Wisconsin and the Navajo Nation. With record COVID-19 cases and necessary public health measures, retail was greatly affected. e-Commerce increased more than 22% during the year, giving online shopping a five-year jump overnight. Sustainable retailers invested heavily in omnichannel environments and closely monitored consumer habits. Online retailers became offline retailers while traditional retailers embraced their online presence and enhanced it through augmented reality (AR), artificial intelligence (AI) and machine learning. Older malls and retailers behind the technical curve met major failure during the pandemic, as their future was already in danger prior to the national health crisis. Retailers' failure to place orders during the first, second and third quarters caused manufacturers to shut down, creating a supply chain bottleneck that will negatively impact retail/restaurant sales through 2021. The use of authentic influencer marketing has TikTok, Shopify, Snap Chat, Instagram and Facebook teaming up with retailers in social commerce experiences to enhance the bottom line while increasing consumer interaction. Many retailers realized that raising prices and not offering huge discounts allowed them to make more profit on lower revenues. Deep discounting has long weighed on profitability, but COVID-19 has given the retailer a bit of an edge over the consumer due to supply channel inventories. Social distancing measures have pushed retailers, property owners, developers, municipalities and trade organizations to implement creative solutions. No pain, no gain.

Little Creek Marketplace, Norfolk

Virginia ABC, Virginia Beach

Latitude, Virginia Beach

2020-2021 RETAIL *Outlook*

Construction prices have risen rapidly, and projects are stalled due to construction supply availability. With increased costs and delayed rent commencements, landlords will have to become more creative in their developments and individual deal structures. While interest rates are low, the impact can be absorbed into the lower mortgage payments. However, if interest rate pressure rises, some properties may be faced with dire consequences. The COVID-19 spikes in late 2020 will be a final death blow for many retailers holding on by a thread. In mid-2022 normalcy will begin to take hold and limit further store closures. Amazon will continue to show resilience and will continue to take over failed retail properties in strategic locations for regional fulfillment/delivery centers. This trend will pick up speed for both online and offline retailers as well. Buy online, pickup in store (BOPIS) is now an enduring trend. Contactless pick up will increase by more than 50%. Also, contactless payment options will become a major factor in sustainability. Inventory management is crucially important, especially given the pandemic's strain on supply chains. Retailers are gaining greater knowledge as omnichannel efforts with technology applications grow at a rapid pace. Consumers will seek more expansive and cleaner environments, forcing retailers and developers to provide a safe and healthy shopping experience. Retailers that show strong ethical standards and practice measures of planet awareness will align with the changing values of the conscious consumer.

MULTIFAMILY

CHRISTEN FAATZ
Senior Vice President, Corporate Finance and Accounting

KEY HAMPTON ROADS MARKET STATISTICS

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rates	12 Mo. Asking Rent Growth
1,982	**4,468**	**3.9%**	**5.30%**

Current Quarter Q4 2020	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Construct Units
4 & 5 Star	26,297	4.90%	$1,445	$1,436	346	0	324
3 Star	51,281	3.2%	$1,142	$1,137	79.00	0	1,011
1 & 2 Star	37,161	3.9%	$929	$926	(27.00)	0	0
Market	**114,739**	**3.9%**	**$1,153**	**$1,147**	**398**	**0**	**1,335**
National	**17,445,088**	**6.80%**	**$1,371**	**$1,355**	**334,132**	**416,327**	**559,998**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change	-2.20%	6.8%	4.2%	9.80%	2004 Q3	3.80%	2020 Q2
Absorption Units	4,263	1,364	1,494.00	4,447	2020 Q4	(3,103)	2003 Q4
Delivered Units	1,912	1,452	1,603.00	3,400	2016 Q3	57	2000 Q4
Demolished Units	46	56	67	467	2015 Q4	0	2019 Q4
Asking Rent Growth (YOY)	5.10%	2.70%	3.70%	6.90%	2001 Q2	-0.10%	2011 Q3
Effective Rent Growth (YOY)	5.10%	2.70%	3.70%	6.80%	2001 Q3	-0.10%	2011 Q3
Sales Volume	$702 M	$348.3 M	N/A	$889 M	2019 Q3	$14.8 M	2006 Q3

Source: CoStar Group

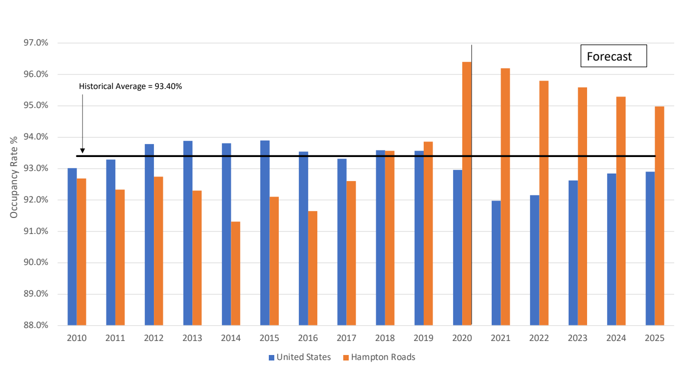
HAMPTON ROADS MARKET OVERVIEW

Despite the ongoing pandemic, the multifamily market in Hampton Roads was stable in 2020 and will continue to prove resilient over the next 12 months.

Our apartments are rented. The Hampton Roads market had approximately 115,000 apartment units as of 2020. Average occupancy of those units was 96%, outperforming every year in the last decade. Historically, occupancy in Hampton Roads lagged the national average. However, this trend reversed in 2019, and Hampton Roads is expected to continue outperforming the national average through 2025. We can attribute this to a few factors. Most notably, supply simply has not kept up with demand, and income and job growth are very modest, but nonetheless positive. In our own portfolio, two-thirds of our Virginia communities had lower turnover in 2020 than in 2019, which we largely attribute to residents foregoing a move until the pandemic abates and labor markets restabilize. The national eviction moratorium also prevented landlords nationwide from reclaiming possession of their apartments from non-paying residents. As of this writing, the moratorium is still in place until March 31, 2021.

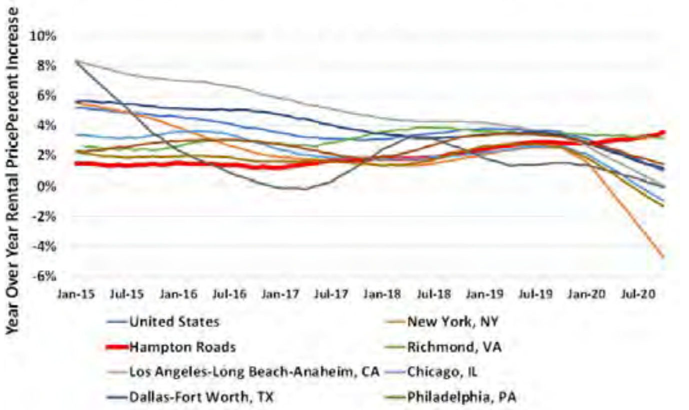
[1]*Market Insights Summary. (n.d.). Retrieved January 12, 2021, from https://product.costar.com/search/multi-family/analytics/summary*
[2]*Greg Willett Posted Jun 15, 1, O., 7, J., 20, F., 13, D., 14, N., & 5, N. (2020, June 15). Better-Than-Expected Local Apartment Market Performers: RP Analytics. Retrieved January 08, 2021, from https://www.realpage.com/analytics/better-than-expected-local-apartment-market-performers-May-2020/*

UNITED STATES VS HAMPTON ROADS – OCCUPANCY TREND



Source: CoStar Group

YOY RENTAL PRICE PERCENT INCREASE IN LARGE METRO AREAS



Source: CoStar Group

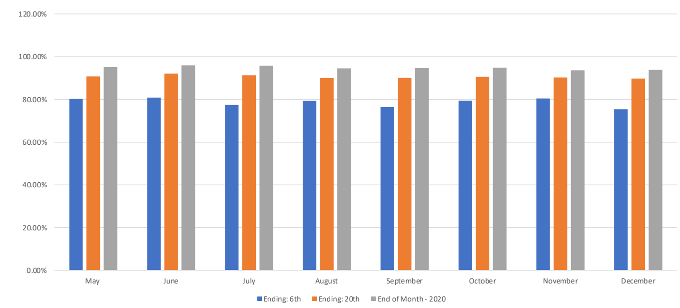
THE RENT IS (MOSTLY) COLLECTED

Rent collection rates are only moderately below normal levels for the broader national market. Federal stimulus programs and enhanced unemployment benefits have afforded some renters, who otherwise would not have been able to make rent payments, the ability to fulfill their obligations. The National Multifamily Housing Council tracked rent payments throughout the year. As of December, 89.8% of the 11.5 million apartment households nationwide have made a partial or full payment as of the 20th of the month. From May to November, collections nationwide averaged slightly over 94%. Hampton Roads was amongst the national leaders for collection of rent payments with 97.3% of households paying rent for the same period. Government grant programs like Virginia's Rent and Mortgage Relief Program offer a pay and stay model, aimed at keeping as many people in their homes as possible. The program has paid out more than $53.7 million in rent and mortgage payments for 16,762 households as of year-end 2020.

THE RENT IS GOING UP

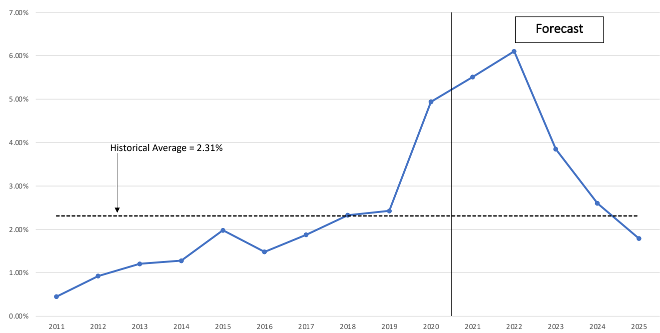
With 40% of our area's economy dependent on military spending, Hampton Roads was insulated to some extent against the economic fallout of the pandemic. Densely populated urban areas like New York experienced sharp declines of more than 10% in rental growth year-over-year, while Hampton Roads had an annual growth rate of 5.3%, with growth up to 6.5% in Class A properties. Typically, our region enjoys steady, albeit modest, rent growth averaging 2.31% annually. Due to the pandemic and the lack of supply, we have seen a pricing spike. As people were forced to work from home and shelter in-place, larger unit types were in particularly high demand; rent for a two-bedroom unit increased by 4.65%, and three-bedroom units increased by 5.49%. CoStar predicts above average rent growth in excess of 5.0% for the next two years before new supply catches up and occupancy and rent growth revert to the mean by 2024.

RENT PAYMENTS FOR THE UNITED STATES



Source: CoStar Group

EFFECTIVE RENT GROWTH IN HAMPTON ROADS



Source: CoStar Group

[3]NMHC Rent Payment Tracker. (n.d.). Retrieved January 08, 2021, from https://www.nmhc.org/research-insight/nmhc-rent-payment-tracker/

[4]Willett, G. (2020, October 29). Apartment Rent Payment Results at 94.6% in Late October: RP Analytics. Retrieved January 12, 2021, from https:/www.realpage.com/analytics/apartment-rent-payment-results-94-6-late-october/

[5]Market Insights Summary. (n.d.). Retrieved January 12, 2021, from https://product.costar.com/search/multi-family/analytics/summary

WE ARE STILL BUILDING AND BUYING.

Multifamily demand is impacted by the fluctuation of population growth, household formation, personal income, and job growth. Job growth is the single, largest driver of demand but now has the element of working from home. Absorption has outpaced supply in the Hampton Roads market since 2017. In 2020, the market absorbed over 4,000 units, while less than 2,000 new units were delivered. Those new units leased up quickly and completely. As an example, The Franklin Johnston Group's Coastal 61 Apartments (244-unit, Virginia Beach, market rate) and Renaissance Apartments (240-unit, Virginia Beach, mixed income) each leased up in under five months, respectively. Our market is particularly attractive to those choosing to leave city life behind in search of less expensive housing and more suburban living. Demand for suburban apartments has increased, as the appeal of urban living has waned with the pandemic-related restrictions. Renters are still exiting crowded cities where the high-priced rent may no longer be justified if work-from-home is the new normal and once available amenities remain shuttered.

Leasing velocity was strong in 2020, but demand in 2021 is not expected to be as overwhelming as 2020. Deliveries will slow down between 2021 and 2023 and the absorption rate will fall below deliveries. The following new communities are expected to begin lease up in 2021:

UNDER CONSTRUCTION

Under Contruction	Rating	Units	Complete	Owner	City
Cypress Landing Knell's Ridge Boulevard, Chesapeake	4 Stars	50	January 21	V. B. Community Development Corp.	Chesapeake
Harbor's Edge River Tower 1 Colly Avenue, Norfolk	3 Stars	147	January 21	Harbor's Edge	Norfolk
The Villas at Reid Landing 2283 William Reid Drive, Suffolk	3 Stars	51	January 21	Foresight Affordable Housing, Inc.	Suffolk
Lofts at Front Street 533 Front Street, Norfolk	3 Stars	258	February 21	The Breeden Company	Norfolk
The Apartments at Kelton Station 901 Shipwright Loop, Williamsburg	3 Stars	204	March 21	J Page Wiliams	Williamsburg
Huntington Village 501 Sophia Way, Newport News	4 Stars	96	April 21	Dakota Partners, Inc.	Newport News
27 Atlantic Apartments 2613 Atlantic Avenue, Virginia Beach	3 Stars	266	June 21	Armada Hoffer Properties, Inc.	Virginia Beach
High Street View Phase II 150 Kings Manor Dr, Williamsburg	4 Stars	223	June 21	Devon USA, LLC	Williamsburg
Aero Apartments 101 Aero Circle, Hampton	3 Stars	120	June 21	S. L. Nusbaum Realty Co.	Hampton
Monroe Gates Apartments 200 S Mallory St, Hampton	3 Stars	163	August 21	Whitmore Management	Hampton
The Ashton Apartment Homes 1140-1148 E Princess Ann Rd, Norfolk	3 Stars	118	October 21	S. L. Nusbaum Realty Co.	Norfolk

KEY HAMPTON ROADS TRANSACTIONS

While momentum in sales stalled in Q2 and Q3 as uncertainty loomed, 2020 ended up being a banner year for multifamily sales in Hampton Roads with totals topping $700 million. Office, retail and hospitality were not competitive for investment last year, equity was still available, and interest rates were incredibly low. That combination set the stage for capital to flow to multifamily. Some of the most notable transactions of 2020 included: Elan Apartments (198-unit, market community) in Williamsburg which traded at the highest per door price of $234,848, beating the next highest comparable on the Peninsula by nearly $30,000 per unit, and Alexander Apartments (268-unit, market community) in Norfolk, traded at $55.7 million, the highest price paid for a single deal. Because our market outperformed the nation and most comparable markets in rent growth in 2020, and since our construction pipeline is modest, we are starting to see more institutional interest in Hampton Roads. For instance, Starwood Capital Group, a global private investment group based in Miami, closed on an eight property, 1,286-unit affordable and mixed income portfolio for $166 million. Tertiary, suburban markets like Hampton Roads are on investors' radar, and this looks to continue in 2021.

TRENDS TO WATCH

For property management groups, technology will be a major trend for 2021. Collecting rent was a challenge to overcome in 2020, and now most management companies are pushing for 100% online payment collection. Major shifts in leasing will become permanent norms: virtual tours, self-touring options, and click-to-sign leases. Implementation of new technologies may result in decreased staff sizes across multifamily sites of all classes. Payment plans will become a legislated norm.

2021-2022 MULTI-FAMILY *Outlook*

The outlook is cautiously optimistic for business as usual in the multifamily industry in 2021. For the first time in years, we are outperforming the national market, and fundamentals show no reason that this year would not be as good or better than 2020. Rent growth in our market will continue, and new supply will lease up, albeit slower than in 2020. There will be continued investment in our sector. It remains to be seen if continued infusions of stimulus and boosted unemployment checks will be part of the government's plan and for how long. Experts estimate the accrued back rent for the nation during 2020 will be between $34 billion and $70 billion and $266 to $453 million in Virginia by January 2021. Virginia's share of relief from the latest stimulus is estimated to be $569 million. This will be much needed relief to property owners, as the funds are paid directly to them and will allow for vacancy rates to remain low. The latest stimulus funds continue to buoy renters and help with rent payments as the eviction moratorium deadline looms. The eviction moratorium started on March 16, 2020 and is set to end on March 31, 2021. Households that could have faced eviction, have not and will not because of this assistance, and in total, some households will have received 12 months of assistance to ensure housing stability. Many states are expected to continue pushing back the moratorium lift date, and even if they do not, court dockets will be jammed for some time to work through the backlog. Due to the COVID-19 Relief Fund prioritizing multifamily-related rental assistance, the eviction tsunami may never arrive. If over time, the COVID Relief Fund is not sufficient to thwart an eviction wave, we can expect more appropriations, adding to the $28.5 trillion deficit our nation has accumulated. As of this writing, the Biden Administration has proposed extending the federal eviction moratorium until the end of September and asked Congress for additional appropriations of $30 billion for rental assistance, but the outcome of these proposals remains to be seen. Hampton Roads often outperforms the nation through recessionary and early recovery phases. With government grants helping to ensure back rents are paid, continued rent growth, low vacancies, and high demand in the Hampton Roads area, these fundamentals are pointing to a positive outlook for 2021 and beyond.

2021
Hampton Roads
REAL ESTATE
MARKET REVIEW & FORECAST

E.V. WILLIAMS CENTER FOR REAL ESTATE

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

TO ALL OF OUR MEMBERS AND SUPPORTERS:

Thank You

WE LOOK FORWARD TO BEING TOGETHER IN-PERSON VERY SOON.

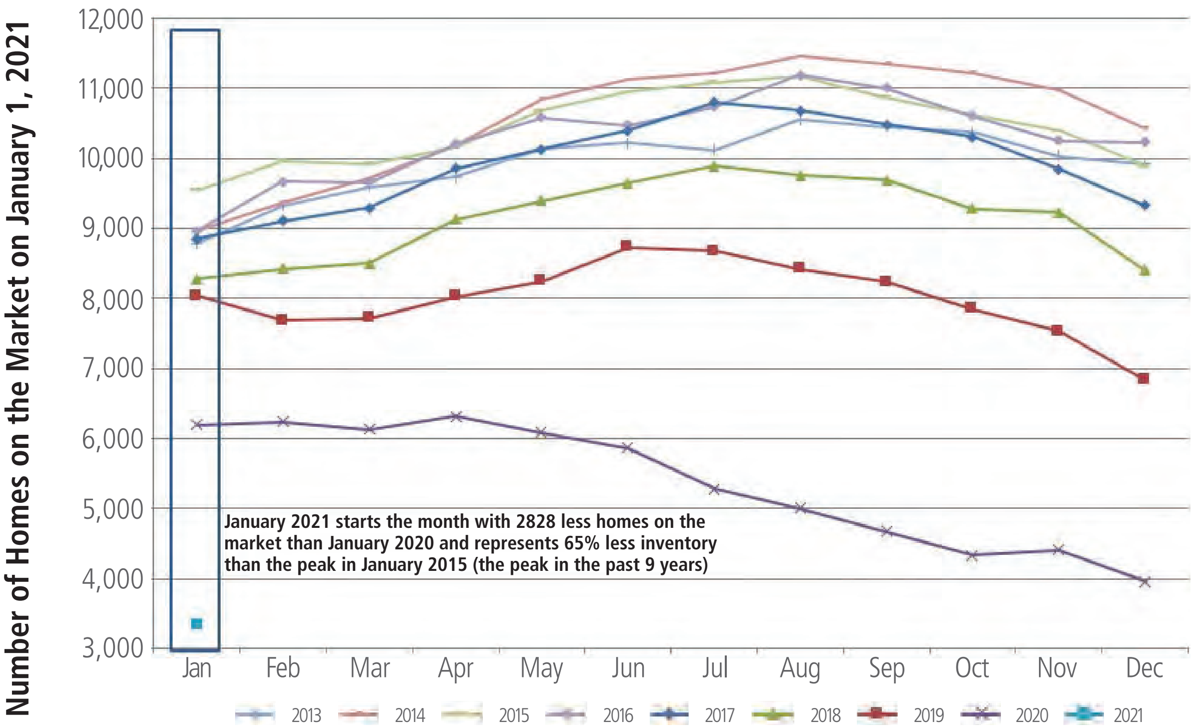
RESIDENTIAL

J. VAN ROSE JR., MIRM
Principal Owner, Rose & Womble Realty

THE YEAR IN REVIEW – 2020

Without question, the story for 2020 in the residential for-sale sector was how COVID-19 re-shaped housing. The sector started January with a lot of promise after a strong 2019. But then March rolled around, the industry moved into lockdown and prognostications for housing went from bright to dismal almost overnight. But after a tough late March and April, green shoots started to appear in May and accelerated from there. The residential sector enjoyed one of its best sales years ever. Without question, COVID was a purchase accelerator. And even though we didn't see a lot of urban flight locally, people did realize that their existing home had now become a home office, school classroom and workout facility, and their existing home simply didn't "work" for them anymore.

In this new environment builders, buyers and agents made a rapid and successful shift to a digital environment. Housing tours changed from "Open Daily at Noon" to "By Appointment Only." And if you were willing to jump the hoops needed to navigate the digital landscape and go through the rigors of obtaining a face-to-face appointment, you were a serious buyer. Conversion ratio improved radically. But those serious buyers, motivated by record-low interest rates, ran into the headwinds of record low inventory (nationally inventory hit the lowest level in recorded history — see the chart that follows for the local data), rapidly rising prices and extended delivery times. As Dickens said, "it was the best of times, it was the worst of times."



THE RESALE MARKET

The resale market was responsible for 85.5% of all 2020 sales transactions in Hampton Roads. Sales in the resale sector were up 16.2% over year-end 2019. Every cylinder was firing in the residential for-sale sector, as illustrated in the table below. Average Days on Market for resale listings dropped to an amazing 38 days by year-end. Contrast that with 2016, which was a good year for housing, when that number stood at 125 days!

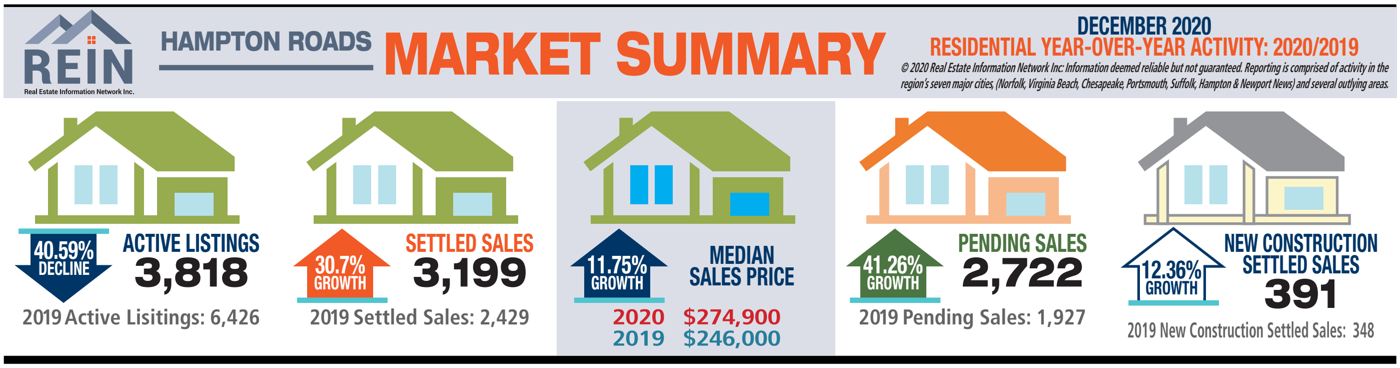
HAMPTON ROADS RESALE MARKET 2016–2020					
Year	2016	2017	2018	2019	2020
Closed Sales	26,865	27,906	28,899	31,060	35,114
YoY Change		+3.8%	+3.6%	+7.5%	+13.1%
Med Close Sales Price	$223,500	$226,867	$228,000	$243,900	$270,000
YoY Change		+1.5%	+0.5%	+7.0%	+10.7%

Source: REIN, Navica and WAAR MLS

THE NEW CONSTRUCTION MARKET

New construction grew its share of the region's sales as many people sought a new home that not only better met their needs for space and function, but also one that was "clean, safe and not lived in before." New construction grew its share of all sales by 8.2% year-over-year. And, more importantly, closings grew by 14.7% YoY in Hampton Roads, booking 3582 closings in 2020.

While pricing seems relatively flat (+1.9% growth YoY), especially in the context of resale price median growth and all of the anecdotes about rising costs driving builder's prices higher and higher, the explanation lies in the ongoing shift from detached homes to attached homes. In 2020, attached sales grabbed a 35.5% share, up from its traditional share of about 25%. And the median closed price delta between attached and detached homes grew to $85,210. With a growing attached sector, overall median price declined marginally. But we still saw solid price appreciation in almost every sector.



The table below highlights some key metrics in the resale sector.

HAMPTON ROADS NEW CONSTRUCTION MARKET 2016–2020					
Year	2016	2017	2018	2019	2020
Closed Sales	3214	3247	3071	3,124	3,582
YoY Change		+1.0%	-5.4%	+1.7%	+14.7
Med Close Sales Price	$317,000	$310,831	$330,875	$328,532	$335,000
YoY Change		-1.9%	+6.4%	-0.7%	+1.9%

Source: REIN, Navica and WAAR MLS

KEY HAMPTON ROADS CITY METRICS

SOUTHSIDE – BY CITY

City/County	Closings thru Q4			Median Sales Price thru Q4			Avg Sales Price thru Q4			Revenue thru Q4		
	2019	2020	% Change	2019	2020	% Change	2019	2020	% Change	2019	2020	% Change
CHES	872	948	8.7%	361,718	377,353	4.3%	374,876	380,114	1.4%	326,892,086	360,347,618	10.2%
I of W	150	149	-0.7%	343,952	359,330	4.5%	328,484	372,104	13.3%	49,272,655	55,443,551	12.5%
NORF	289	323	11.8%	289,900	310,000	6.9%	306,721	338,135	10.2%	88,642,408	109,217,731	23.2%
PORT	107	131	22.4%	239,900	259,900	8.3%	236,846	254,162	7.3%	25,342,533	33,295,243	31.4%
SUFF	397	519	30.7%	330,000	352,810	6.9%	332,597	348,469	4.8%	132,040,872	180,855,561	37.0%
VBCH	514	569	10.7%	411,233	420,255	2.2%	495,303	488,231	-1.4%	254,585,811	277,803,623	9.1%
Total Southside	2329	2639	13.3%	339,024	349,990	3.2%	376,460	385,359	2.4%	876,776,365	1,016,963,327	16.0%

PENINSULA – BY CITY

City/County	Closings thru Q4			Median Sales Price thru Q4			Avg Sales Price thru Q4			Revenue thru Q4		
	2019	2020	% Change	2019	2020	% Change	2019	2020	% Change	2019	2020	% Change
GLOU	50	41	-18.0%	296,923	316,482	6.6%	296,291	323,230	9.1%	14,814,534	13,252,443	-10.5%
HAMP	134	226	68.7%	276,900	269,900	-2.2%	285,828	281,077	-1.7%	38,300,968	63,523,343	65.9%
JCC	237	392	65.4	272,735	315,135	15.5%	414,372	348,738	-15.8%	98,206,072	136,705,170	39.2%
NNEWS	107	116	8.4%	329,900	303,993	-7.9%	329,581	322,049	-2.3%	35,265,127	37,357,706	5.9%
YORK/POQ	267	168	-37.1%	318,280	336,080	5.6%	266,994	380,904	42.7%	71,273,960	63,991,863	-10.2%
Total Peninsula	795	943	18.6%	303,125	304,900	0.6%	324,353	333,861	2.9%	257,860,661	314,830,525	22.1%

Source: REIN, Navica and WAAR MLS

HAMPTON ROADS TOP SUBDIVISIONS

As we have watched the northeast North Carolina market continue to grow, it was time to think about this as one standard metropolitan area (SMA), instead of looking separately at Hampton Roads and NE North Carolina. So the Top Builder and Top Subdivision listings combine the activity in those two market segments. There was little movement year-over-year in the Top Subdivision list, except the addition of North Carolina sites such as Lakeview and Wentworth. The list also shows the growing share of spot lot and infill builders in cities such as Suffolk and Hampton.

HAMPTON ROADS + NE NORTH CAROLINA TOP SUBDIVISIONS

Subdivision	Closings Recorded	Average Price	#Bldrs	Subdivision	Total Revenue	#Bldrs
1. SPENCE CROSSING	146	$344,750	1	1. SPENCE CROSSING	$50,333,448	1
2. BRYAN'S COVE	135	$317,396	1	2. HICKORY MANOR	$45,226,549	1
3. HICKORY MANOR	119	$380,055	1	3. BRYAN'S COVE	$42,848,445	1
4. MOORE'S POINTE	82	$254,865	1	4. NORTH END VA BEACH	$26,240,900	16
5. BENN'S GRANT	81	$323,252	1	5. BENN'S GRANT	$26,183,424	1
6. WHITTAKER'S MILL	59	$380,774	1	6. WHITTAKER'S MILL	$22,465,638	1
7. SUFFOLK SPOT LOT/INFILL	58	$339,550	1	7. KINGSTON ESTATES	$21,844,282	1
8. LAKEVIEW	53	$351,597	21	8. MOORE'S POINTE	$20,898,926	1
9. COMPASS 19	53	$237,655	1	9. CULPEPPER LANDING	$20,174,540	5
10. ARBORDALE	52	$322,715	1	10. DOMINION MEADOWS	$19,948,552	1
11. HAMPTON SPOT LOT/INFILL	52	$282,372	26	11. SUFFOLK SPOT LOT/INFILL	$19,693,878	21
12. PROMENADE@5	51	$252,819	1	12. PATRIOTS WALKE	$19,300,684	1
13. PATRIOTS WALKE	48	$402,098	1	13. OCEAN VIEW	$18,781,471	22
14. OCEAN VIEW	48	$391,281	22	14. LAKEVIEW	$18,634,633	1
15. WENTWORTH	46	$389,029	3	15. WENTWORTH	$17,895,314	3

Source: REIN, Navica and WAAR MLS

HAMPTON ROADS TOP BUILDERS

Even combining Hampton Roads and NE North Carolina, Ryan Homes maintained a lock on the #1 spot, seemingly impenetrable after all these years. The big movers in the metro area this year were QHOC Homes and Bishard Homes. And Franciscus Homes' finish was impressive when you consider they only had two sites contribution closings!

Last year, most pundits viewed the new construction industry playing in "late innings" (if you'll excuse the baseball metaphor) and likely due for a correction. With a nod to some obvious headwinds of rising prices, supply chain difficulties and some potential for small scale movement in long-term fixed mortgage rates, we maintain a very optimistic view for the residential for-sale sector in 2021.

HAMPTON ROADS + NE NORTH CAROLINA TOP BUILDERS

Builder	Closings Recorded	Average Price	#Sites
1. RYAN HOMES	887	$324,161	25
2. DRAGAS COS	321	$339,479	4
3. CHESAPEAKE HOMES	126	$442,955	10
4. QHOC HOMES	122	$356,956	10
5. BISHARD HOMES	108	$427,875	13
6. FRANCISCUS HOMES	104	$245,091	2
7. HEARNDON CONSTRUCTION	103	$391,496	5
8. WETHERINGTON HOMES	78	$314,415	27
9. NAPOLITANO HOMES	76	$427,252	7
10. HHHUNT HOMES	74	$321,656	6
11. CORINTH RESIDENTIAL	73	$378,286	3
12. WELDENFIELD & ROWE	72	$404,443	3
13. KIBOR HOMES	50	$510,632	12
14. PLATINUM HOMES	43	$404,608	6
15. EDC HOMES	42	$388,731	21

Builder	Total Revenue	#Bldrs
1. RYAN HOMES	$287,530,366	25
2. DRAGAS COS.	$108,972,736	4
3. CHESAPEAKE HOMES	$55,812,389	10
4. BISHARD HOMES	$46,210,460	13
5. QHOC HOMES	$43,548,613	10
6. HEARNDON CONSTRUCTION	$40,324,107	5
7. NAPOLITANO HOMES	$32,471,156	7
8. WELDENFIELD & ROWE	$29,119,863	3
9. CORINTH RESIDENTIAL	$27,614,898	3
10. KIRBOR HOMES	$25,531,617	12
11. FRANCISCUS HOMES	$25,489,496	2
12. WETHERINGTON HOMES	$24,524,344	27
13. HHHUNT HOMES	$23,802,548	6
14. ASHDON BUILDERS	$18,577,037	4
15. HAV	$18,490,223	5

Source: REIN, Navica and WAAR MLS

Mission STATEMENT of the E. V. WILLIAMS CENTER FOR REAL ESTATE

The E.V. Williams Center for Real Estate strives to connect those engaged or interested in real estate and economic development to the research, curriculum, and students at Old Dominion University (ODU). Through programming, research initiatives, and publications, the Center partners with its members, ODU alumni, and business leaders to educate the community and provide ODU students with enrichment experiences that facilitate their professional development.

For membership or programming inquiries, please contact Ruth Cookson (RCookson@odu.edu).

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