



5 R E H O W 6 W D Q W R Q μ

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\$ Z D U G

3 U H V H Q W R H G

6 W H Z D U W μ 6 N L S † 6 D F N V



3 U H V H Q W L Q J 6 S R Q

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0 R Q D U F K 6 S R Q V



/ L R Q S R Q V R U

0 H G L D 6 S R Q V R U



% O X H

6 L O Y H U

6 S

— — — — —



% R R W K 6 S R Q V R U



0 X Q L F 6 S B Q V R U V

**Chesapeake**  
VIRGINIA

CHESAPEAKE

ZONED FOR  
PROSPERITY

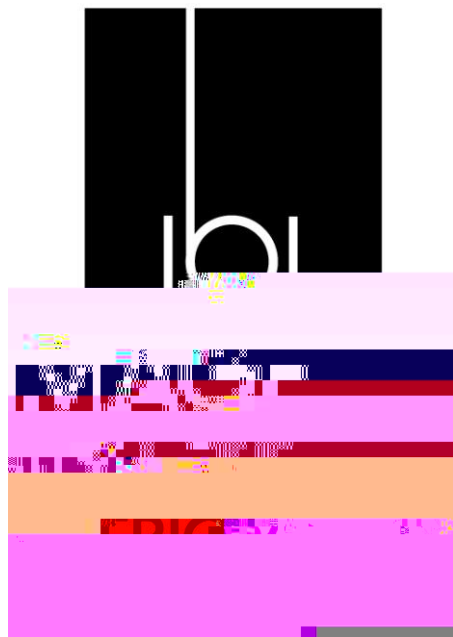


3 U R J U D P 6 S R Q V R U





6 W D J L Q J 6 S R Q V R U





, 16(57 + (\$'6 + 27  
+ (5(

# Economic Trends



# 2019 Hampton Roads Economy

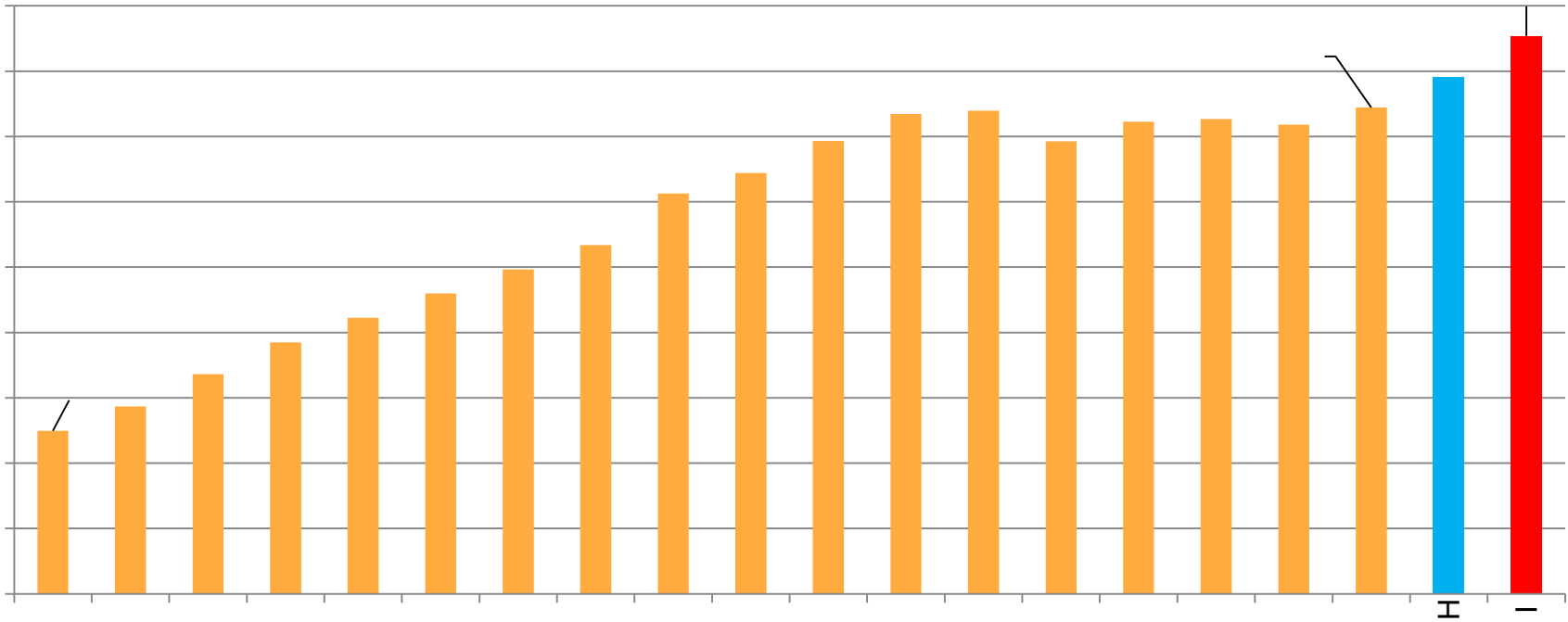
Improving Prospects



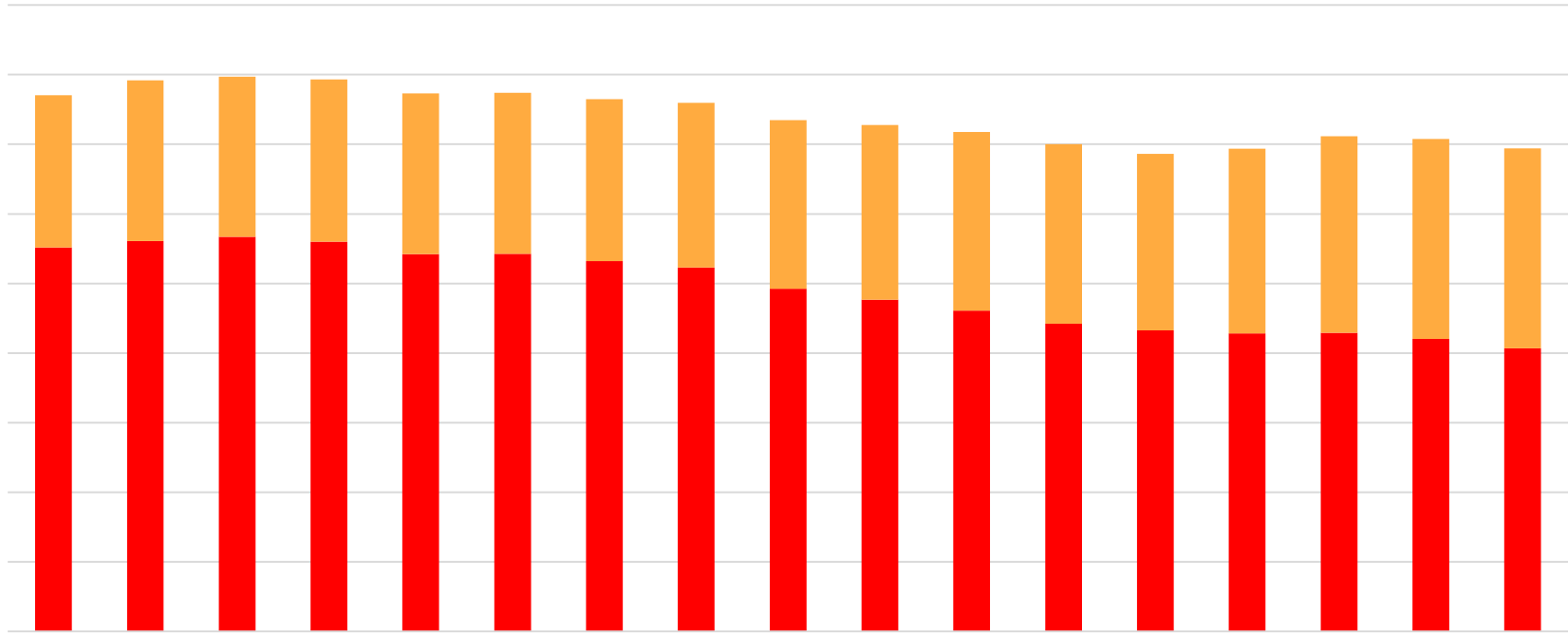


( VWLPDWHG 'LUHFW 'HSDUWPHQW RI 'H  
+DPSWRQ 5RDGV

%LOOLRQV RI 'ROODUV



Sources: U.S. Department of Defense and Dragas Center for Economic Analysis and Policy. Includes Federal Civilian and Military and Procurement. \*Data for 2018 are estimates while

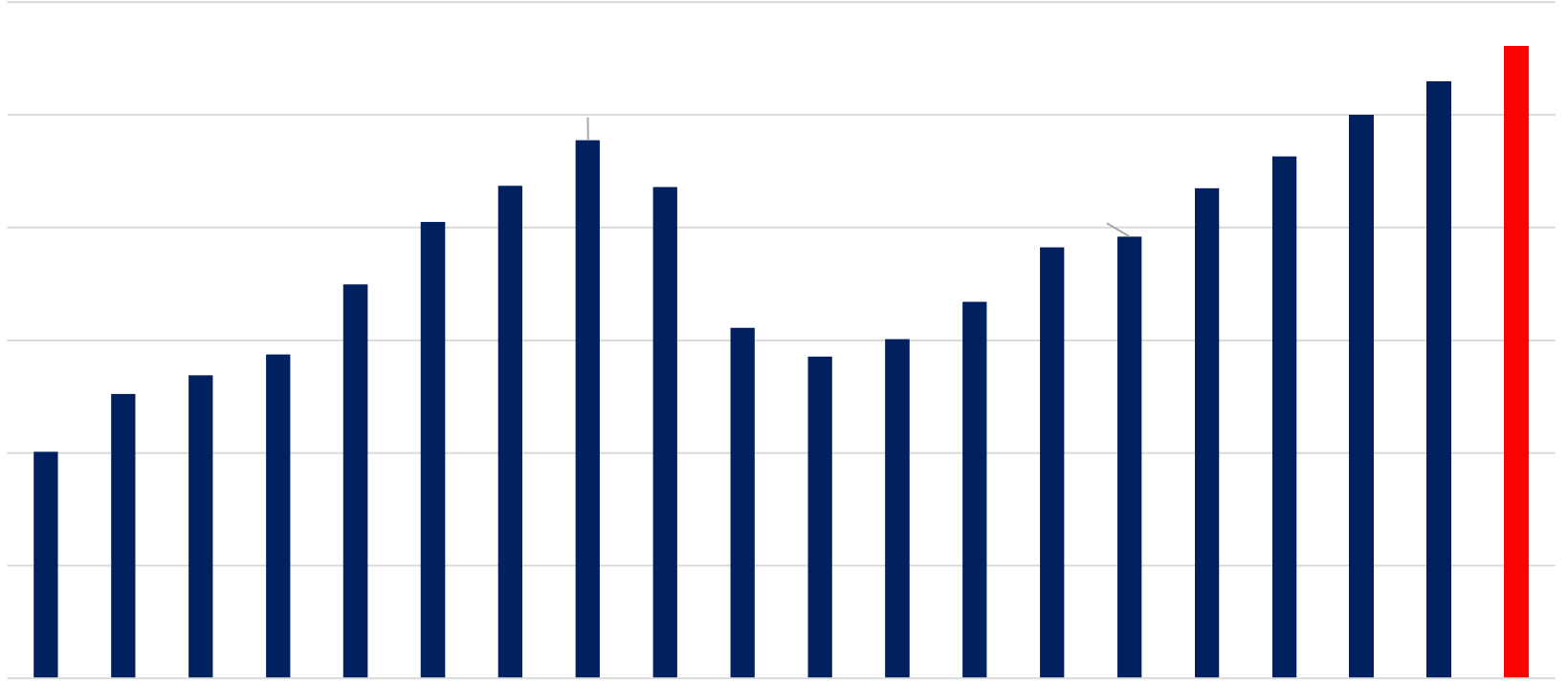


( VWLPDWHG \$YHUDJH &RP  
 +DPSWRQ 5RDGV 6HOHFWH

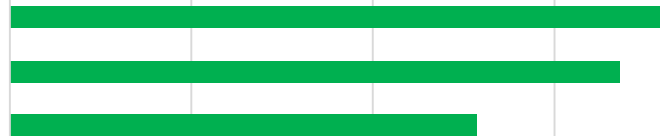
	<u>2016</u>	<u>2017</u>	<u>Change in Compensation</u>
Military	\$92,112	\$94,067	2.12%
Federal Civilian Govt. Employees	\$110,092	\$113,961	3.51%
State and Local Govt. Employees	\$62,224	\$64,558	3.75%
Private Nonfarm	\$41,628	\$42,647	2.45%

# \$YHUDJH & LYLOLDQ 1RQIDUP (PSOR\PHC +DPSWRQ 5RDQV

7KRXXVDQQGVRI-REV



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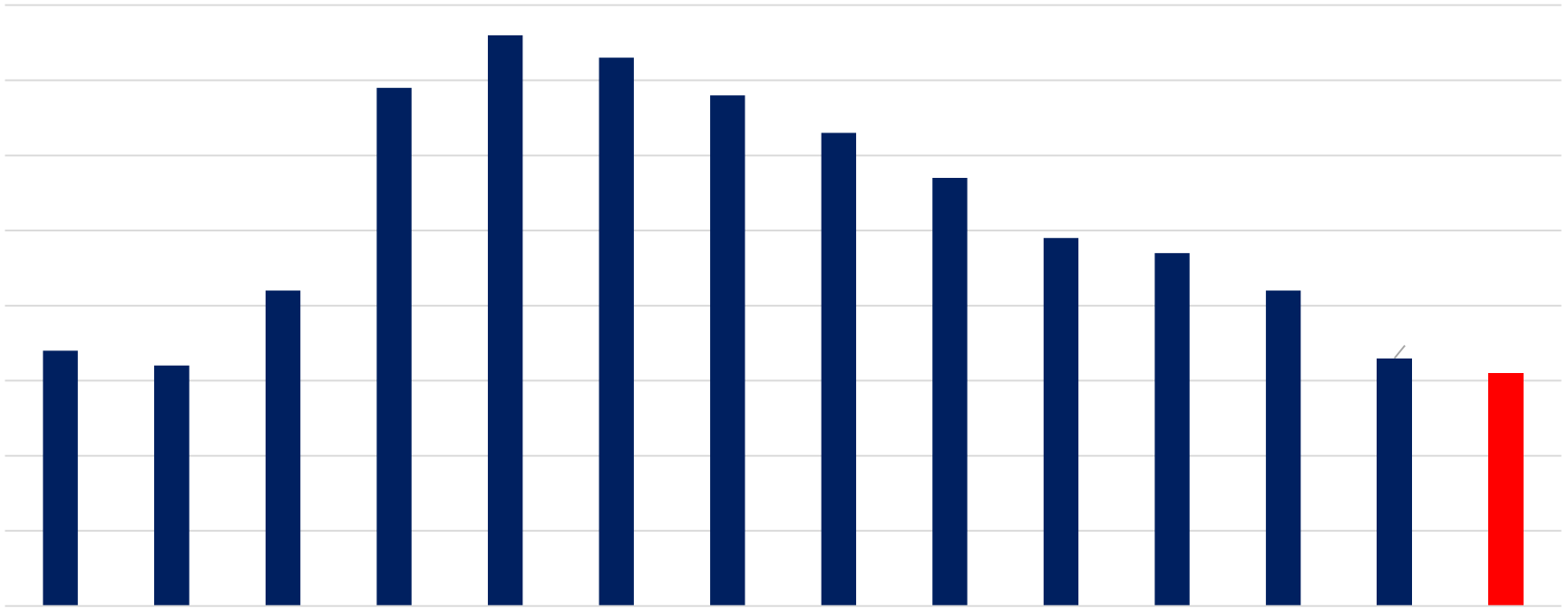


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) L Q D Q F H D Q G , Q V X U D Q F H  
& R Q V W U X F W L R Q

7 U D Q V S R U W D W L R Q D Q G : D U H K R X V L Q J  
3 U R I H V V L R Q D O 6 F L H Q W L I L F D Q G 7 H F K Q L F D O 6 H U Y L  
( G X F D W L R Q D O 6 H U Y L F H V  
, Q I R U P D W L R Q  
5 H W Q L - O T M 7 U S G H  
: K R O H V D O H 7 U D G H



8 Q H P S O R \ P H Q W 5 D W H + D P S W R Q 5 R D



Sources: Bureau of Labor Statistics and Old Dominion University Economic Forecasting\* Data for 2019 represent forecast. Data will be revised in April 2019.



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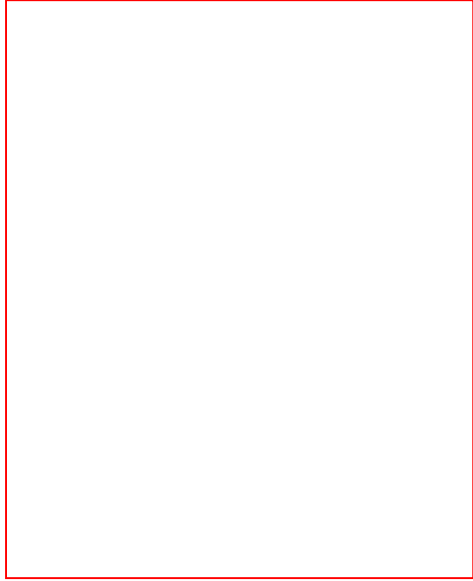












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, & + 8 5 1 1 2 % 8 5 1 «

9 \$ & \$ 1 & < 5 \$ 7A\$ a percentage of Total Inventory

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6 D Y D Q Q D K

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+ D P S W ~~5 R Q~~ G V

& R O X P E X V

& K D U O H V W R Q

\* 5 2 6 6 \$ % 6 2 5 3 7: , As a percentage of Total Inventory

& K D U O H V W R Q

6 D Y D Q Q D K

& R O X P E X V

5 L F K P R Q G

5 D O H L J K

+ D P S W R Q 5 R D G V

2,678,623 square feet

1 ( 7 \$ % 6 2 5 3 7:., As a percentage of Total Inventory

& K D U O H V W R Q

6 D Y D Q Q D K

5 L F K P R Q G

& R O X P E X V

5 D O H L J K

+ D P S W R Q 5 R D G V

16,935 square feet

9 \$ & \$ 1 & < 5 \$ 7A\$ a percentage of Total Inventory

5 D O H L J K

6 D Y D Q Q D K

5 L F K P R Q G

+ D P S W ~~5 R Q~~ G V

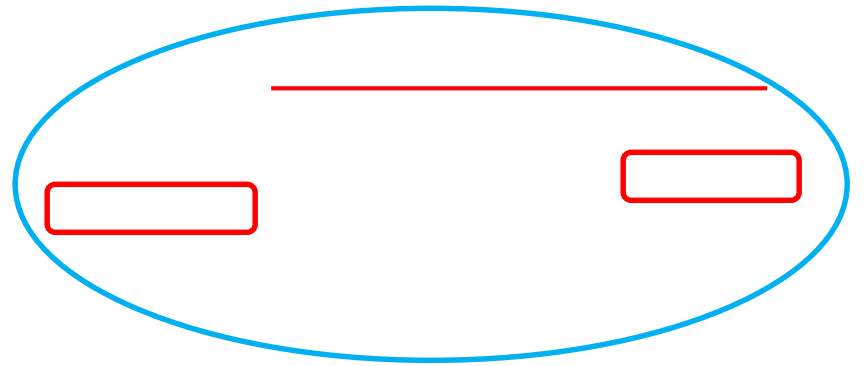
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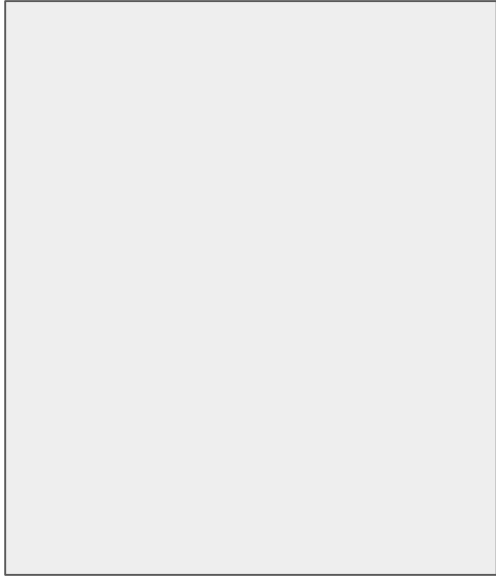




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Thank you





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Bridgeport, Suffolk

Tech Center, Newport News



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City Center at Oyster Point, Newport News

Towne Place at Greenbrier, Chesapeake

0 , ; ( ' 8 6 ( ' ( 9 ( / 2 3 0 ( 1 7  
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Peninsula Town Center, Hampton

Virginia Beach Town Center, Virginia Beach

2))



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& K H V D S H D N H 6 T X D U H 0 D O O &

J.A.N.A.F. Shopping Yard

Crossways Center II

Oyster Point Square

Chesapeake Square Mall

Hampton Plaza



7 2 3      5 ( 7 \$ , / ' ( 9 ( / 2 3 0 ( 1 7 6

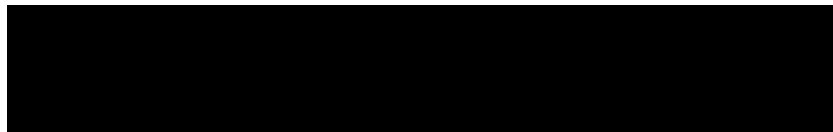
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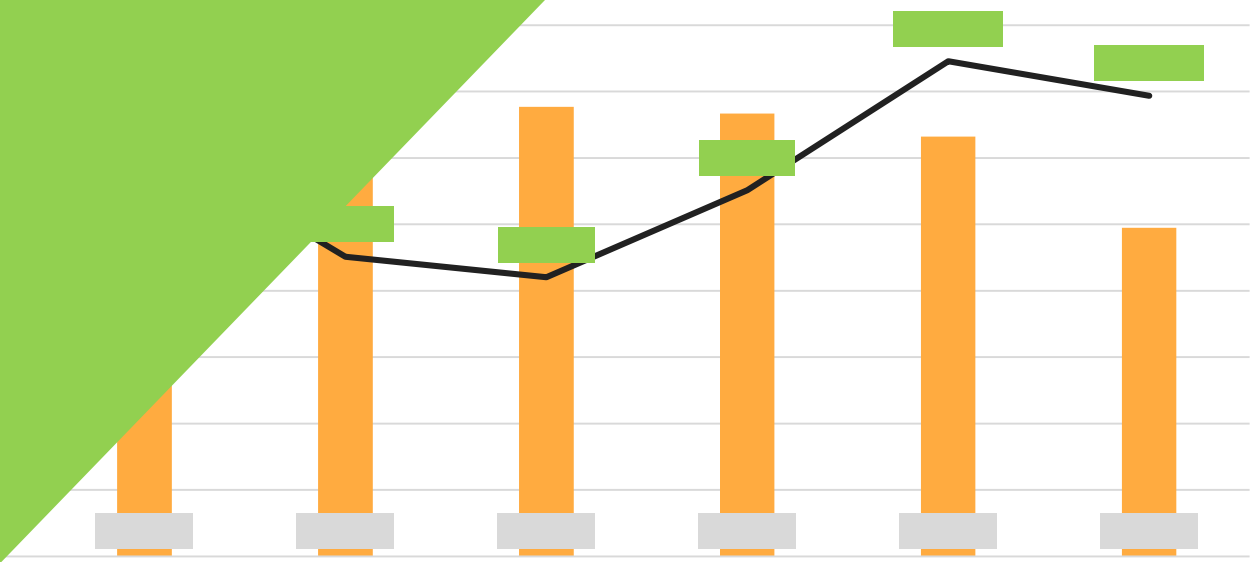
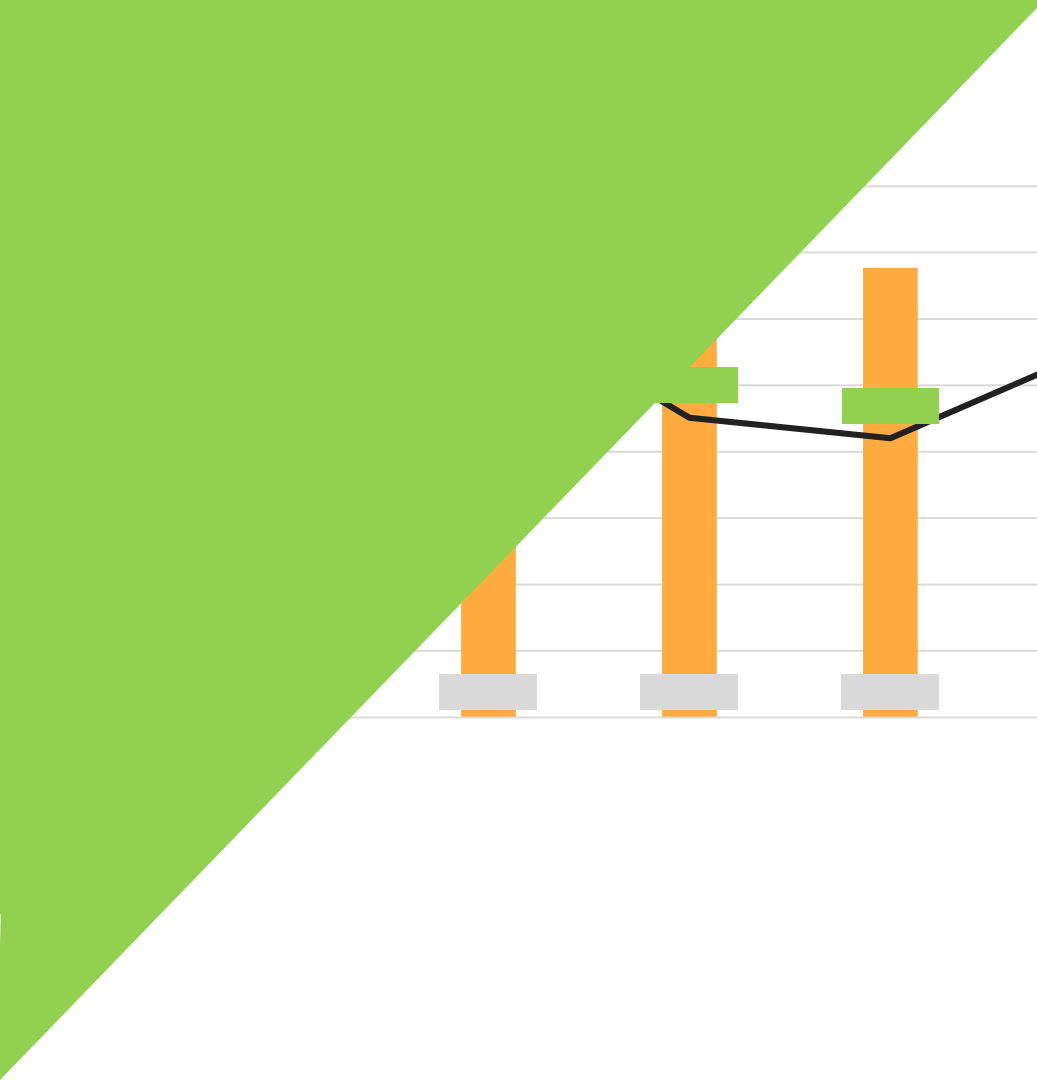
6 ) : H J P D Q V   9 L U J L Q L D   % H D F K

6 ) + L F N P D Q   3 O D F H   3 K D V H V ,   D Q G

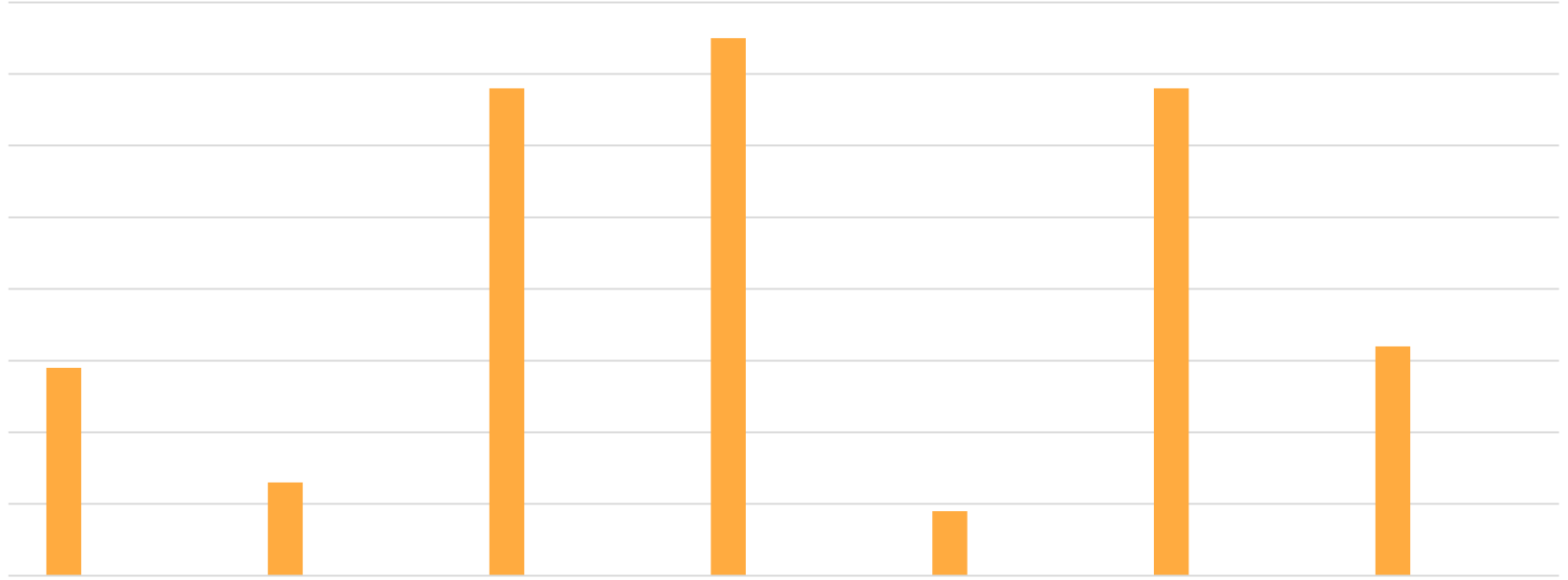


$/2^*, 1^*$









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&KDQJH &KDQJH

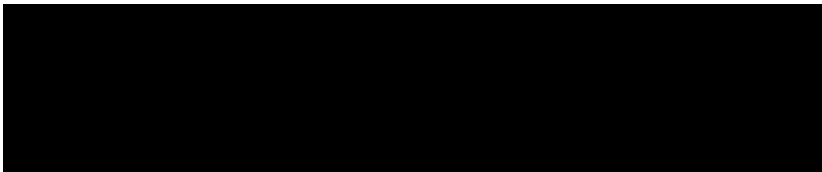
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( Q Y L U R Q F



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DQG +LOWRQ \*DUGHQ ,QQ  
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+ R W % X W W

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‡6 K R U W 7 H U P 5 H Q W D O V



5 R E X V W

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AUTOGRAPH COLLECTION

1870-1875

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‡ \$ F W L Y H O \ % X \ L Q J D Q G 6 H O H

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‡ ( Q W K X V L D V P D E R X W 9 L U J L Q L











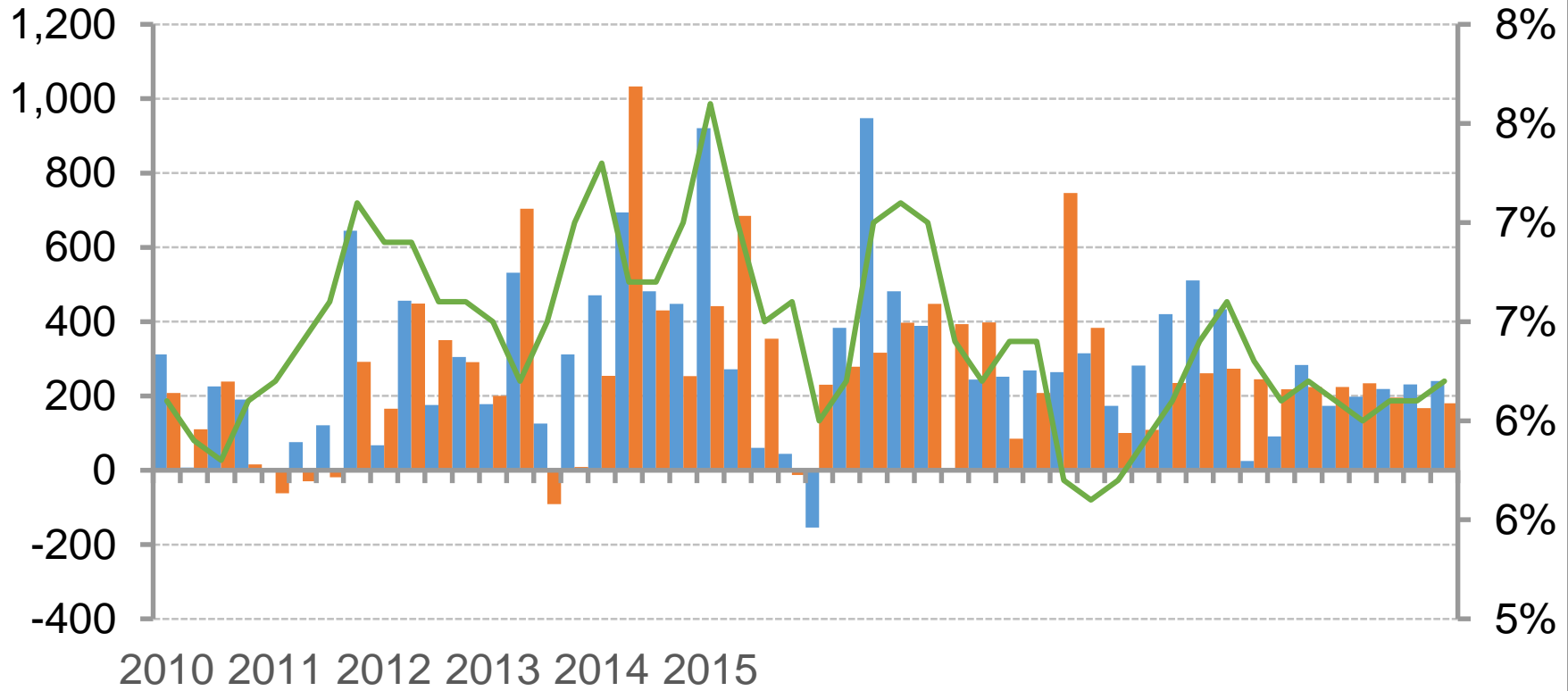




# Amenities

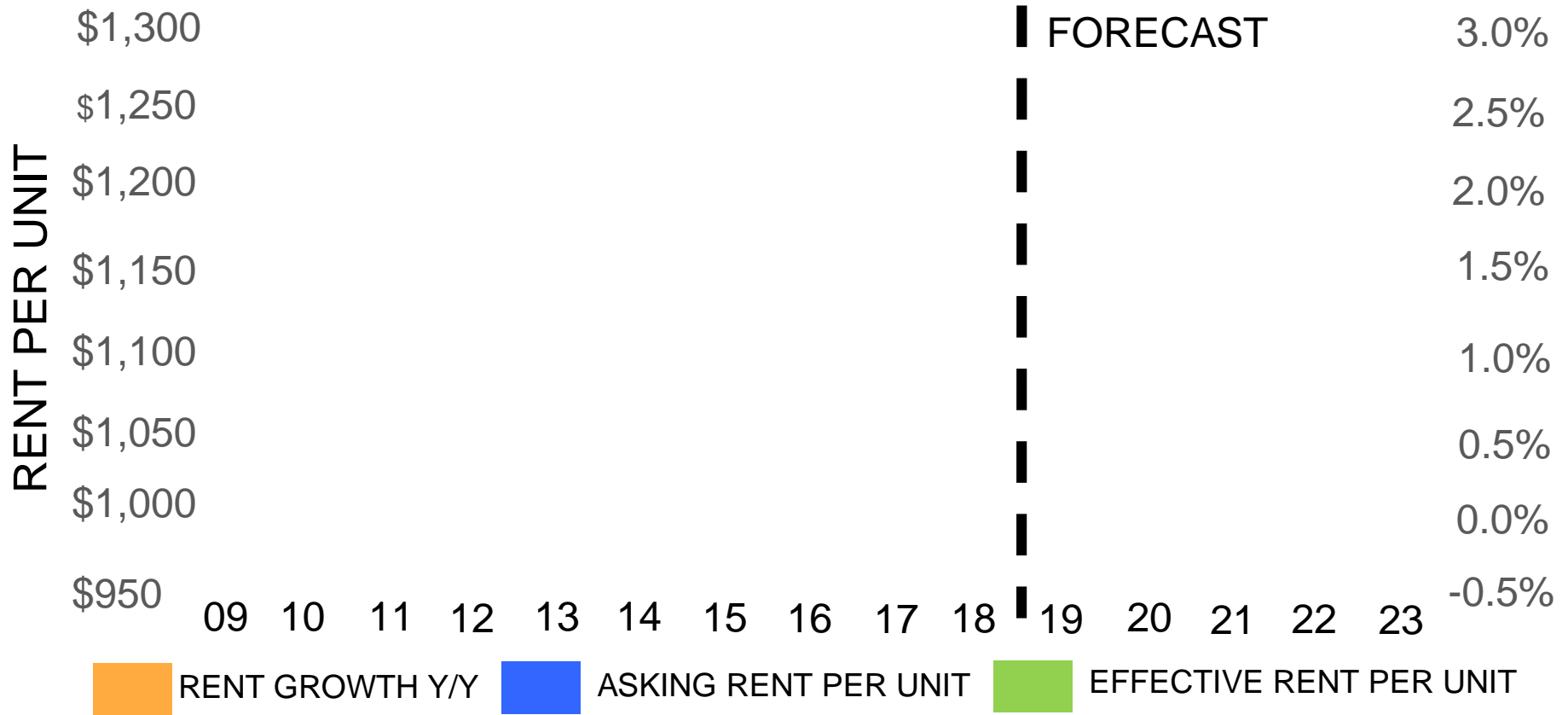
# Absorption, Net Deliveries & Vacancy

<sup>2</sup> Southside



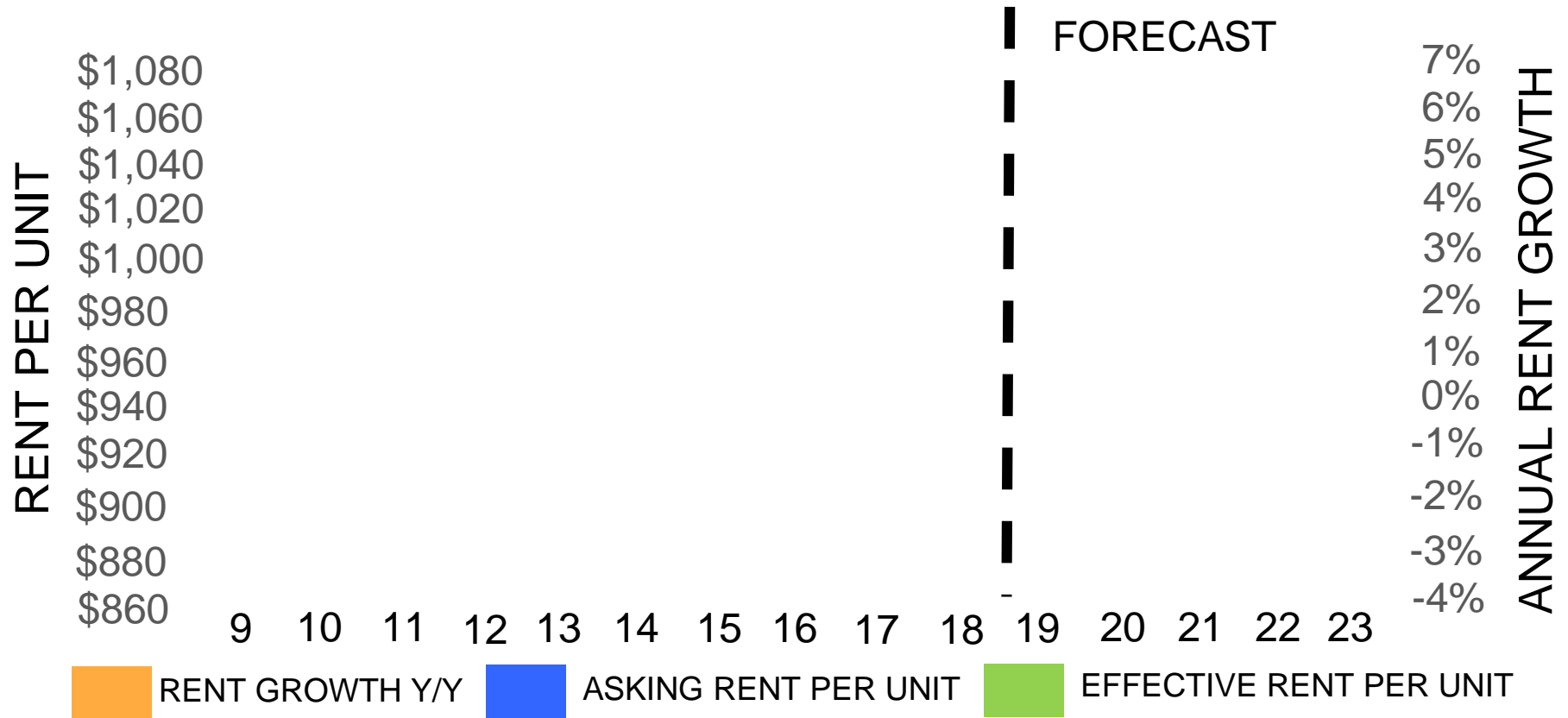


# Market Rent Per Unit & Rent Growth - Southside





# Market Rent Per Unit & Rent Growth - Peninsula





# Recent Significant Sales - Southside

LATITUDE APARTMENTS  
Virginia Beach, VA

COTTAGE TRAILS AT CULPEPPER LANDING  
Chesapeake, VA

Year Built: 1989

Units: 448

Sale Price: \$66,595,000

CAP Rate: 5.63%

Year Built: 2011

Units: 183

Sale Price: \$30,100,000

CAP Rate: 6.2%

# Recent Significant Sales - Peninsula

COMPASS AT CITY CENTER

Newport News, VA

MEZZO APARTMENT HOMES  
Virginia Beach, VA

Units: 282  
Scheduled Completion: March 2019  
Developer: S.L. Nusbaum Realty Co.

PREMIER APARTMENTS  
Virginia Beach, VA

Units: 131  
Completion: October 2018  
Developer:

# New Construction

THE CHOICES  
Virginia Beach, VA

THE MARQ  
Virginia Beach, VA

Units: 252

Completion: July 2018

Developer: Jaffe Caplan Fleder

Units: 264

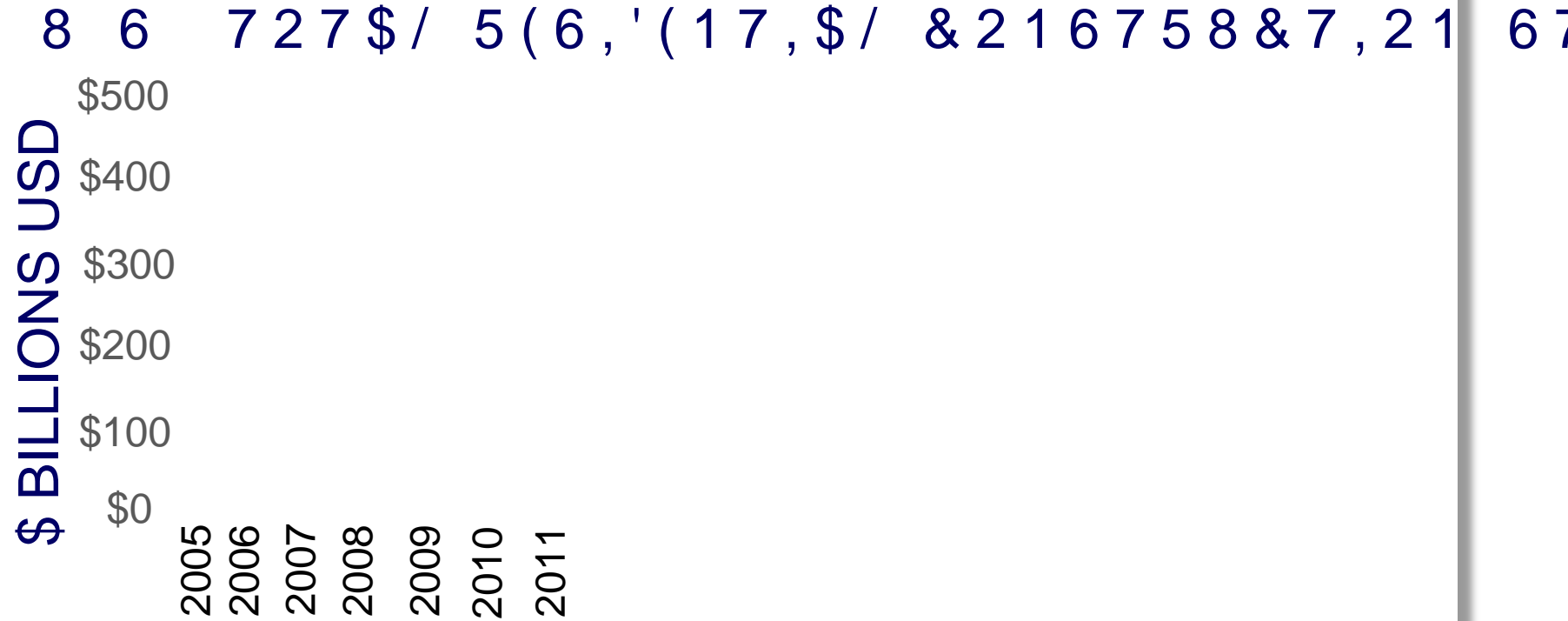
Completion: June 2018

Developer: The Breeden Company





# Construction Costs



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 constructconnect®



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+(5(

5 H V L G H Q W



6 R KRZ GLG ZH GR  
SUHGLFWLRQV  
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/LVWLQJV

: H S R Q G H U H G « Z H U H W K H H [ S H U W

: D V D + R X V L Q J % X E E O H F R P L Q J "

# Median Prices Rose Through 2018

# The Peninsula New Construction Market The Shift!!

: H S U H G L F W H G U D  
U L V H « E X W R Q O \ L Q

Rates spiked briefly above 5%,  
but then retreated.



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V H F W R U S H U I R U P D

+ L Q W L W Z D V D S U H W W \ J R





1 H Z & R Q V W U X F W L R Q





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6ROG LQ /HV V WKDQ

'D\ V





7 R S

6 X E G L Y L V L R Q V - E D P & S O V R P / Q Q 5 J R V D

So what do we see for 2019?

9 Residential Demand Excellent

9 Low Inventory, Price Appreciation

9 Abundance of Demographic Diversity

Millennials & Baby Boomers in Record Numbers

9 Improving Local Economy

Especially DOD & Medical

9 Low/Stable Interest Rates

9 Emerging Affordable Growth Corridor







( [ F O X V L Y H 5 H F H S V

+ D P S W R Q 5 R D G V 5  
0 D U N H W 5 H Y L H Z )



