



Economic and Housing Market Update

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Economic Trends

The U.S. Economy Shrank in 2020

BIGGEST ANNUAL GDP DECLINES

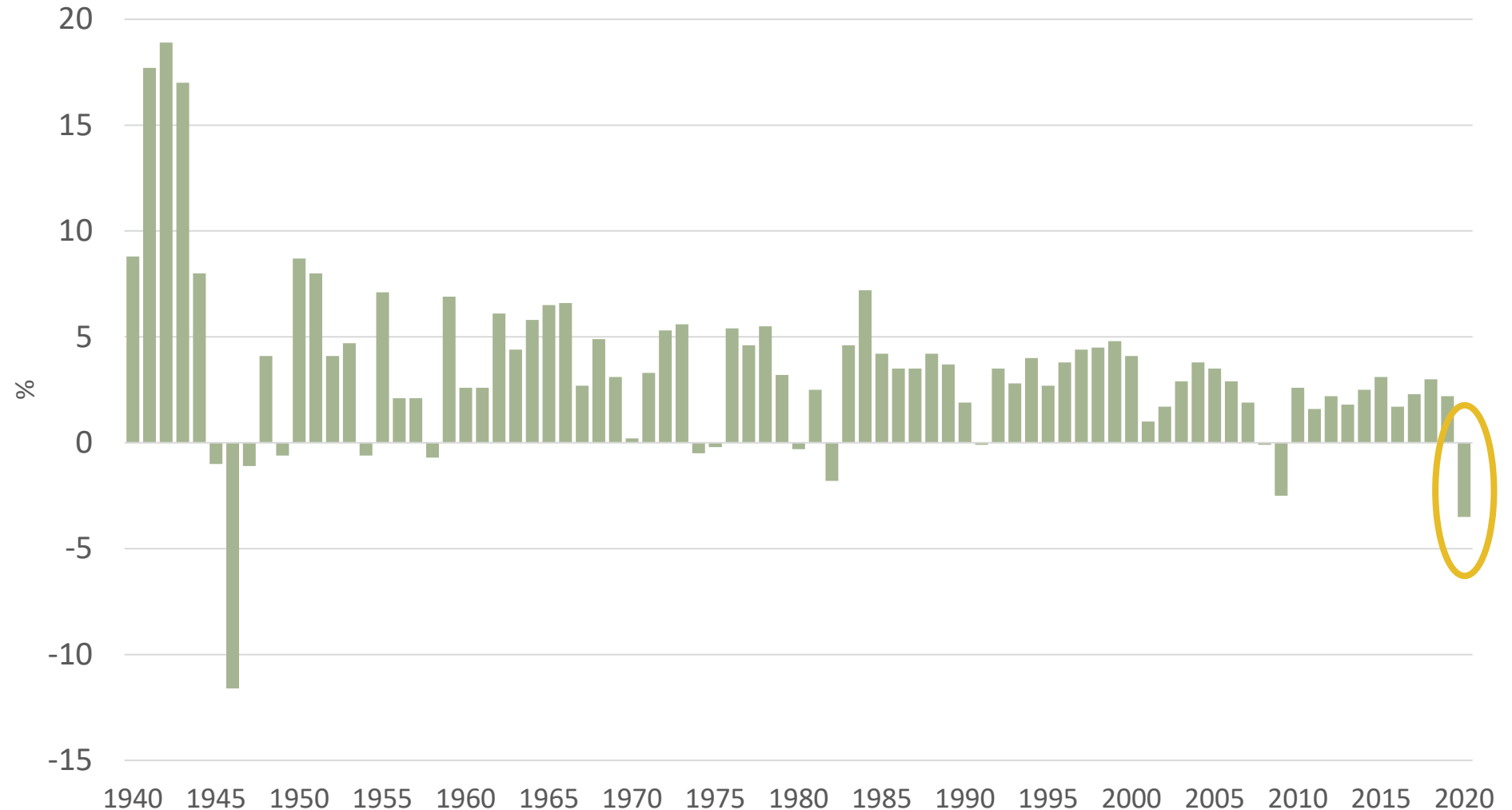
1946: -11.6%
End of War Recession

2020: -3.5%
COVID-19 Recession

2009: -2.5%
Great Recession

1982: -1.8%
Energy Crisis Recession

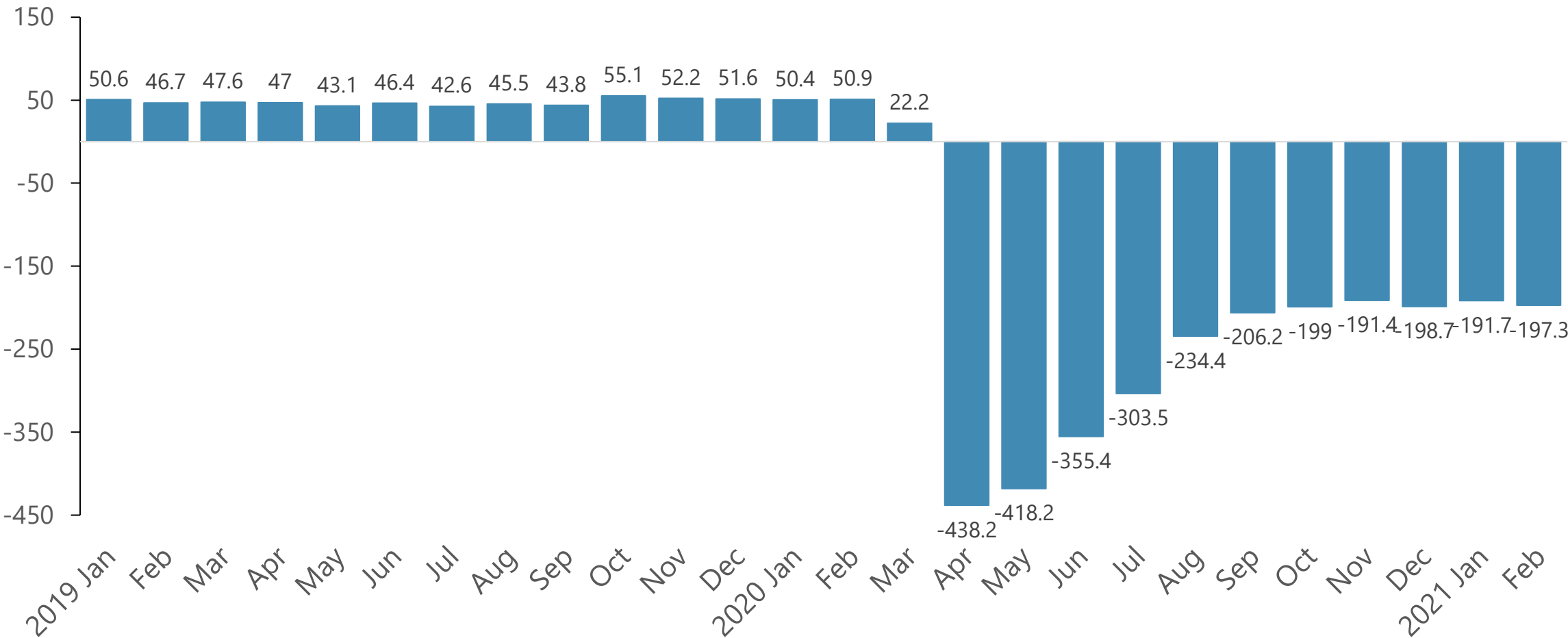
Real GDP, Annual Percent Change



Source: U.S. Bureau of Economic Analysis

Virginia Employment

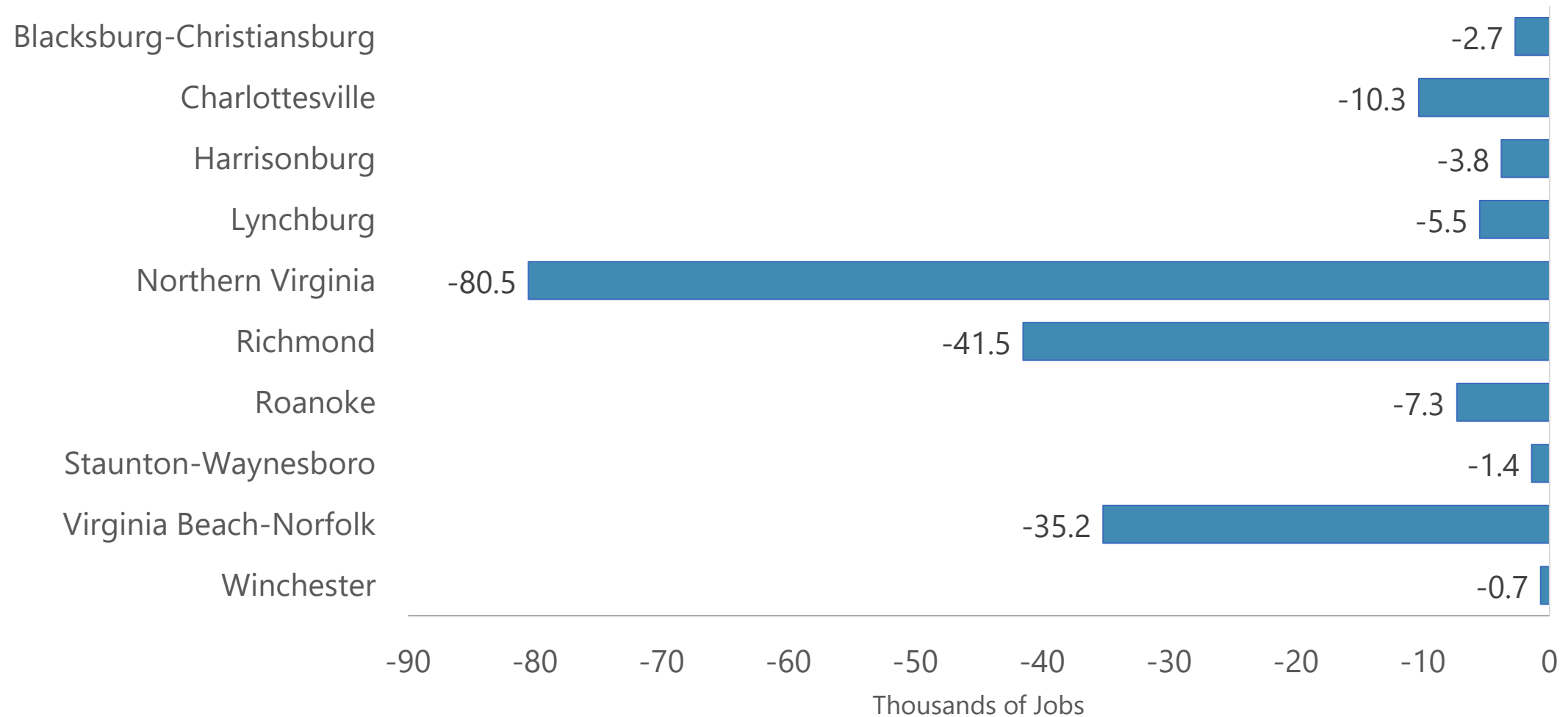
Virginia Year-Over-Year Job Change (000s)



Source: U.S. Bureau of Labor Statistics, seasonally adjusted

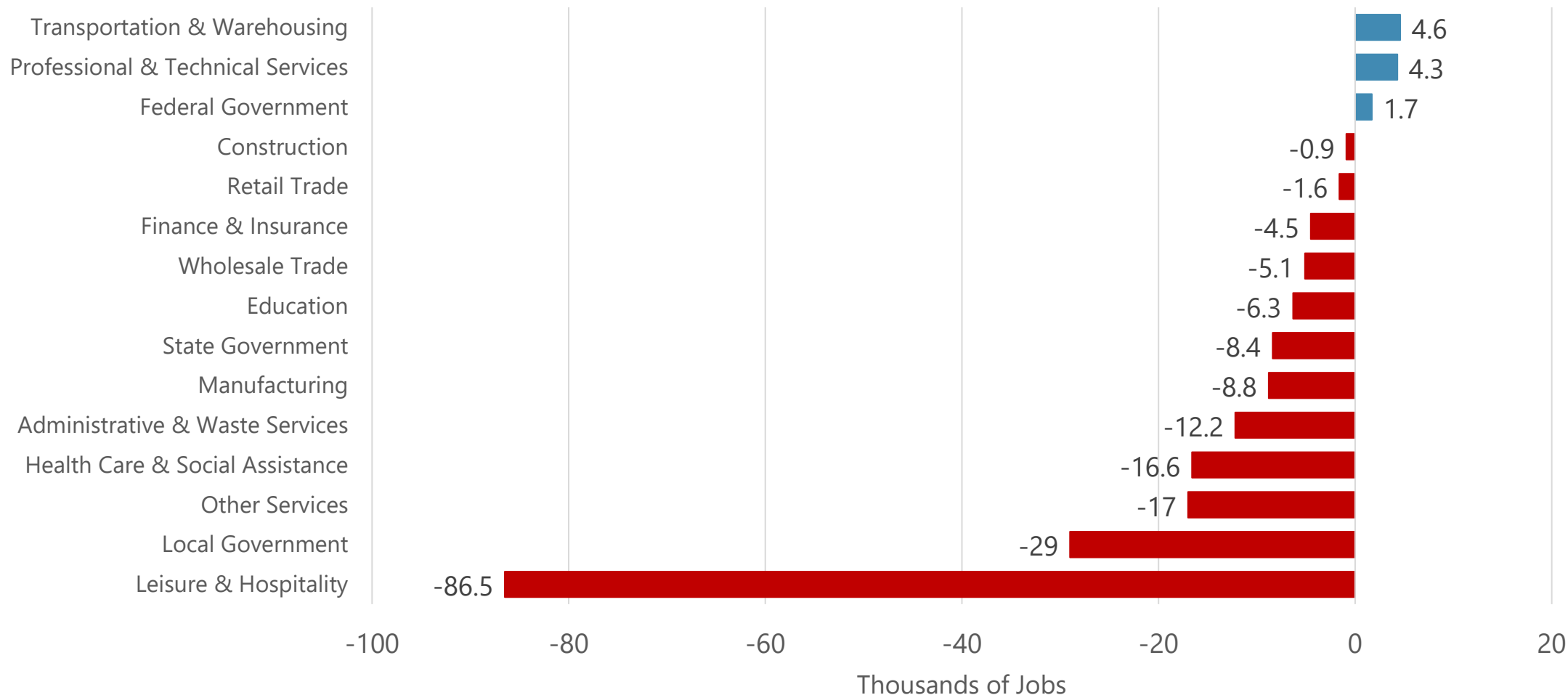
Regional Employment

Job Change February 2020 to February 2021 by Metro Area



Virginia Employment Change by Sector

February 2020 to February 2021 (thousands)



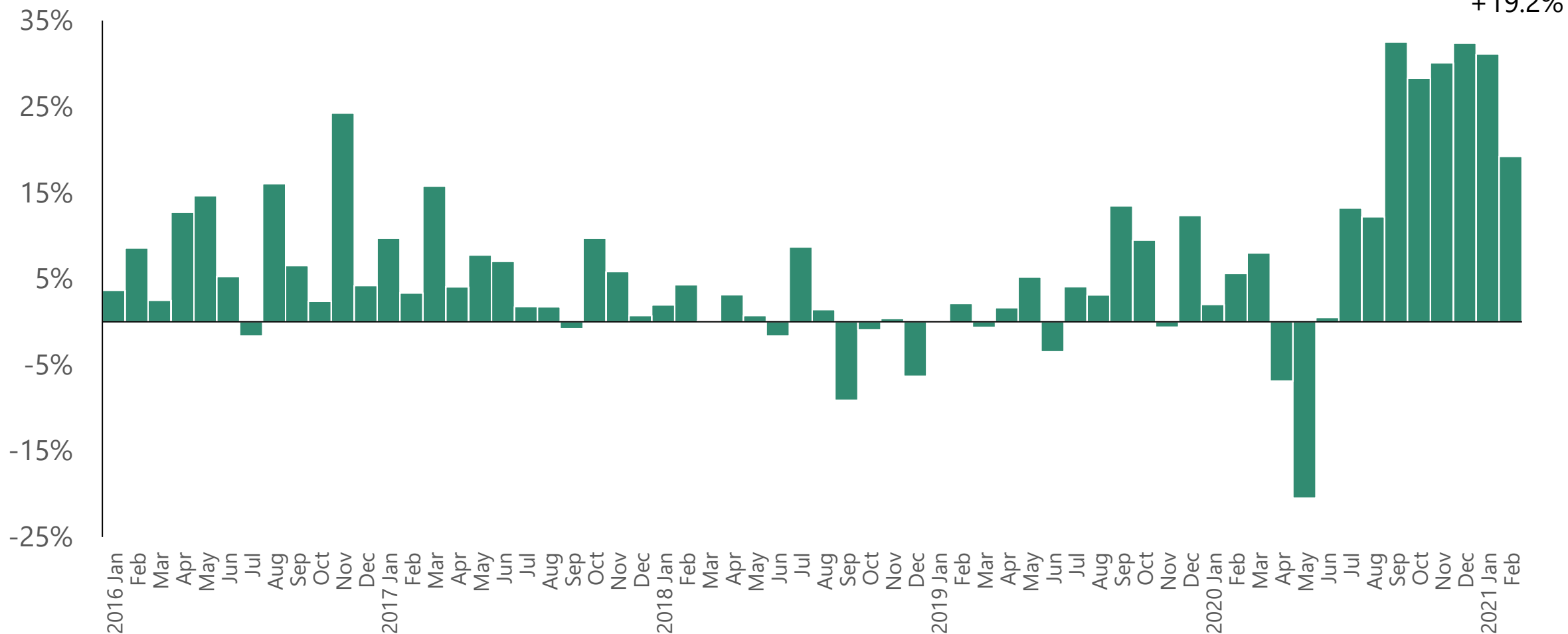
Source: U.S. Bureau of Labor Statistics, seasonally adjusted

Housing Market Trends



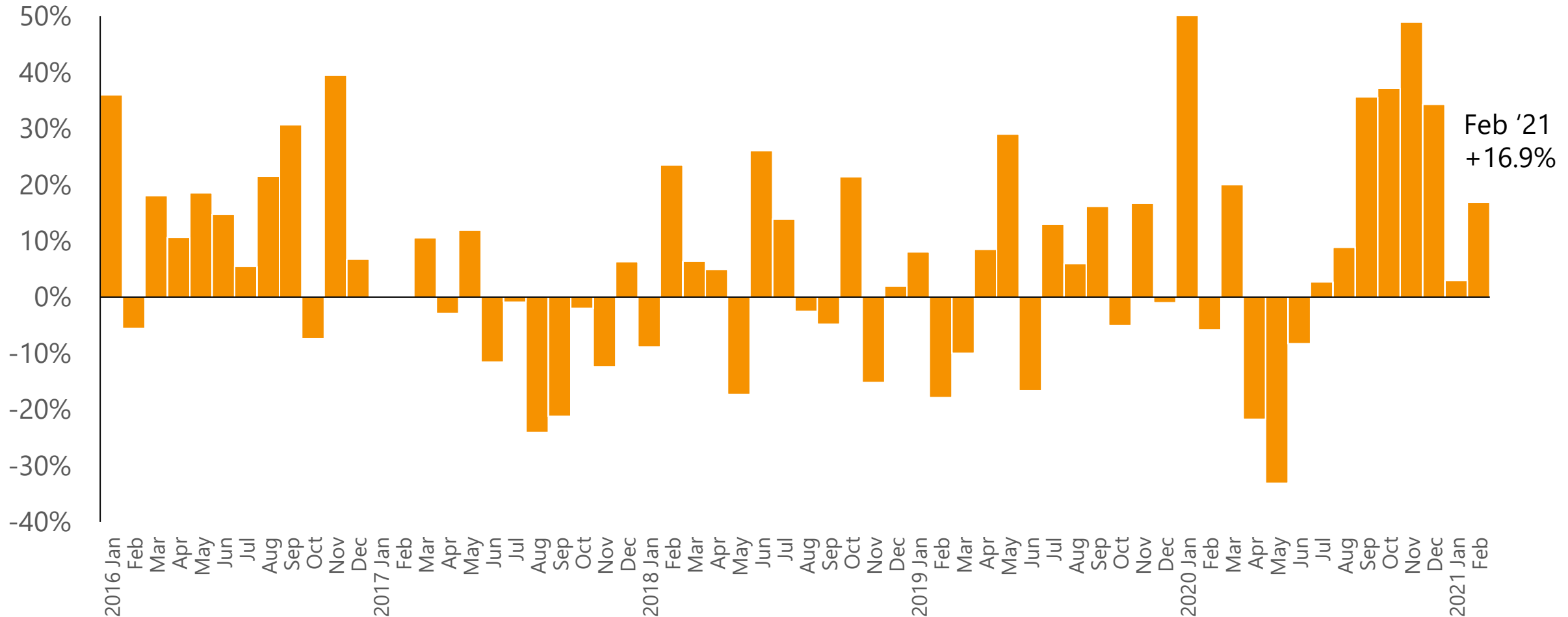
Home Sales

Virginia Y-o-Y Change in Monthly Home Sales



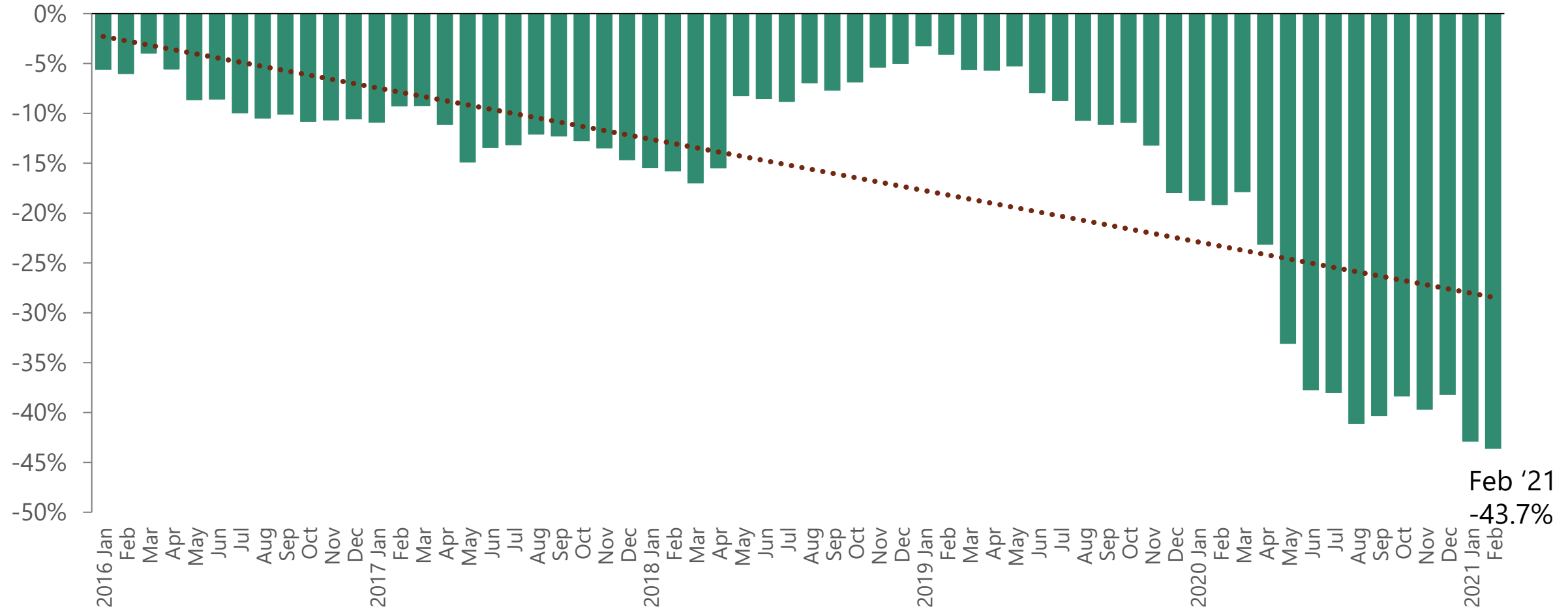
HRAR Home Sales

HRAR Y-o-Y Change in Monthly Home Sales



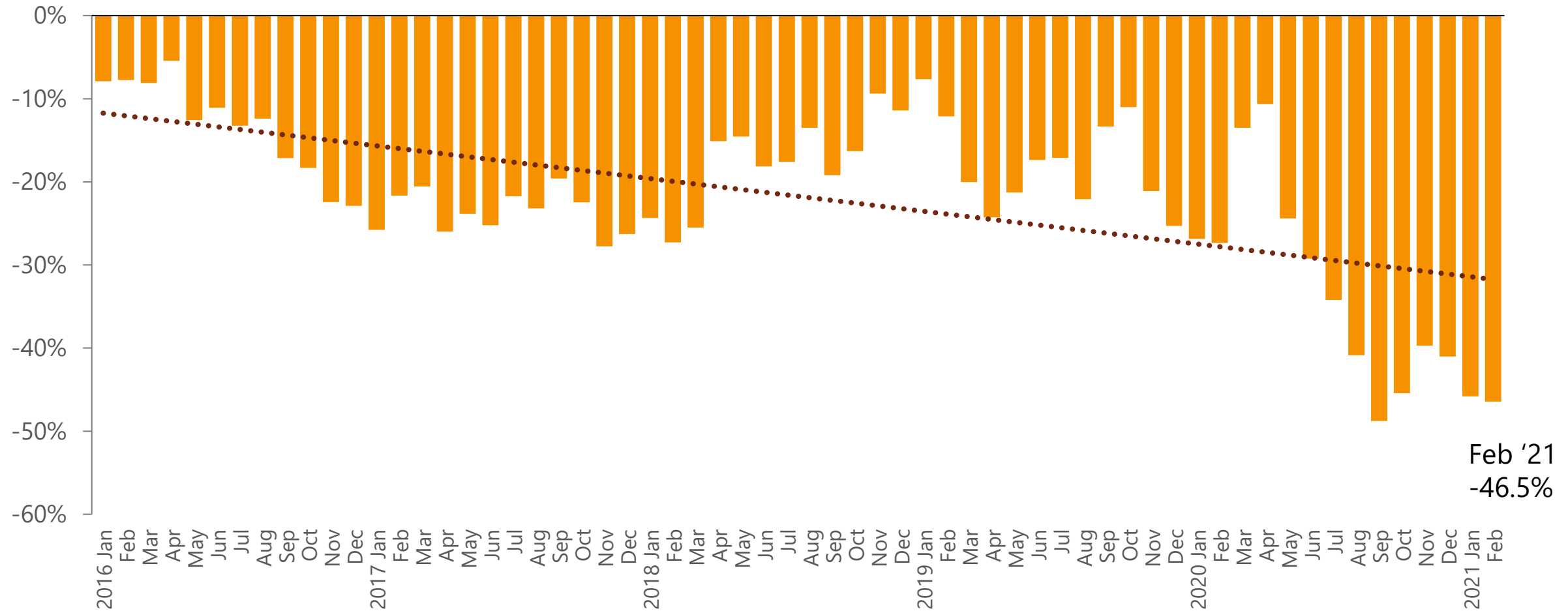
Inventory

Virginia Y-o-Y Change in Monthly Active Listings



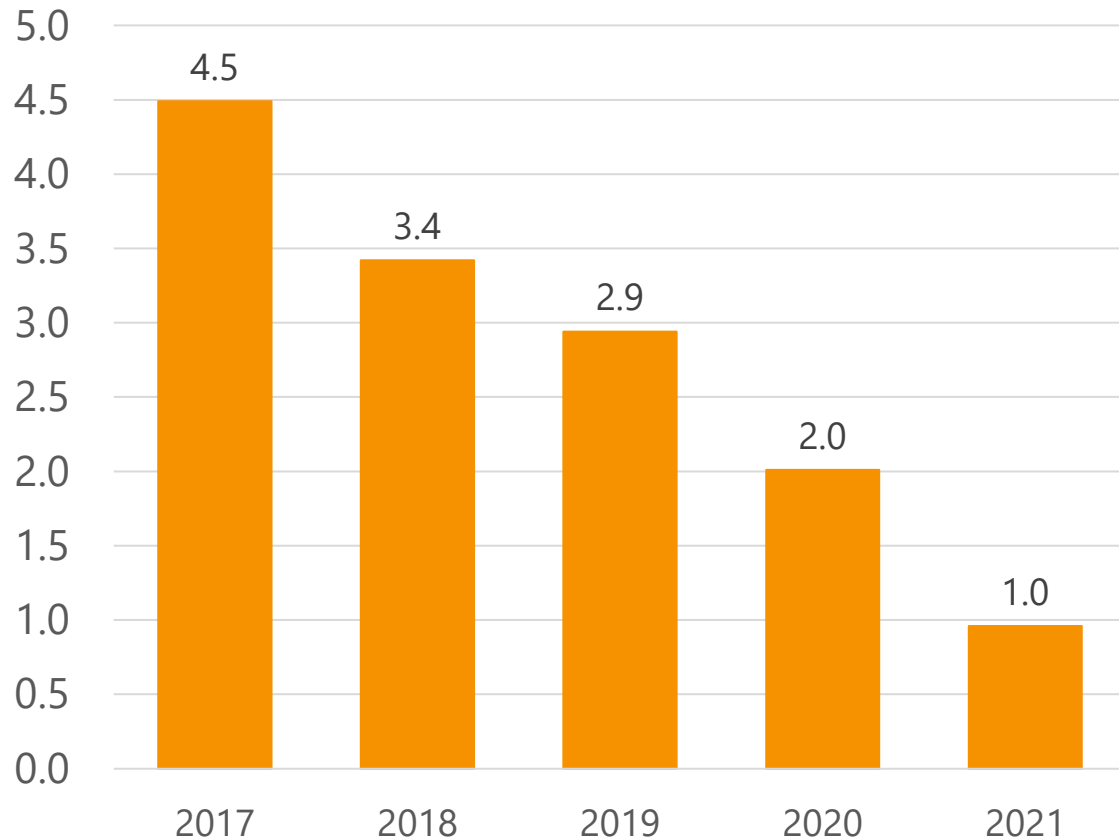
HRAR Inventory

HRAR Y-o-Y Change in Monthly Active Listings

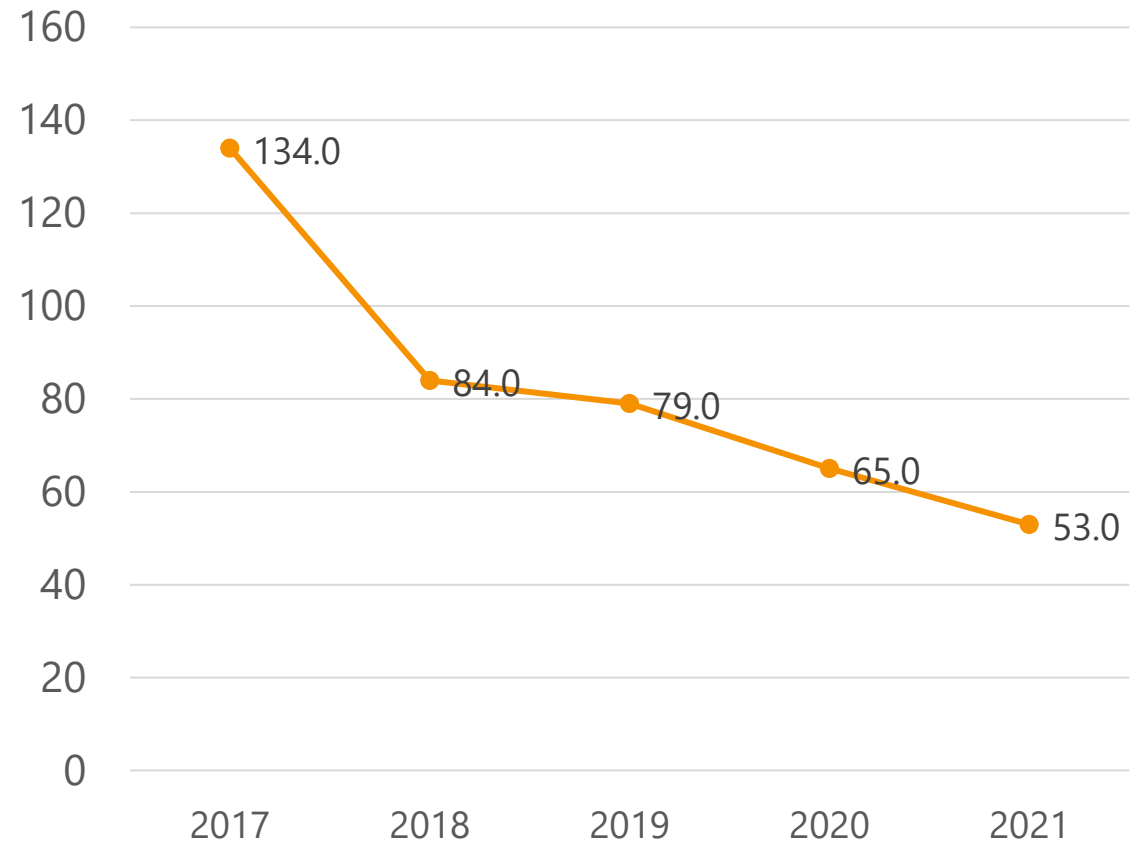


HRAR Inventory

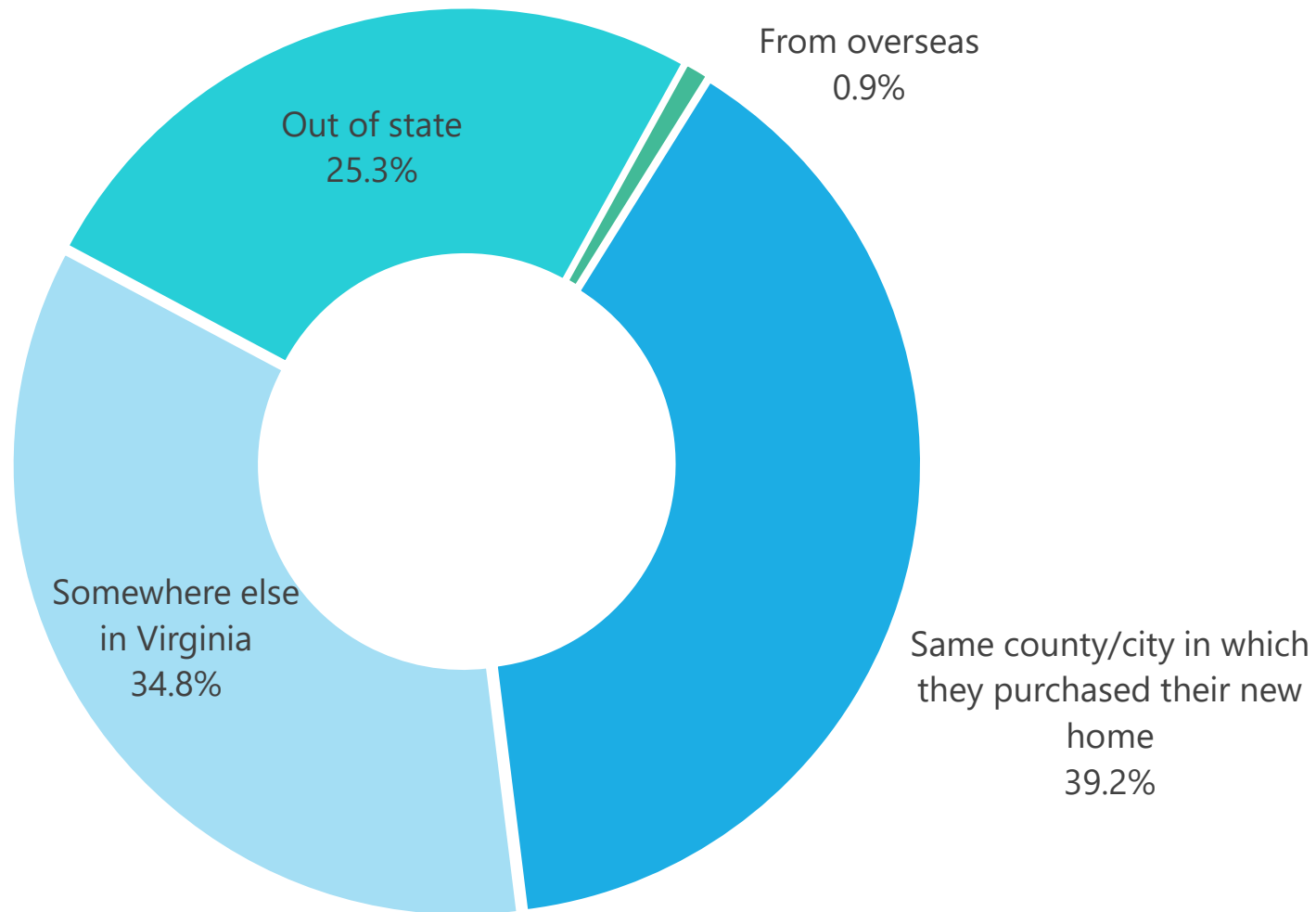
Months of Supply, February



Average Days on Market, February

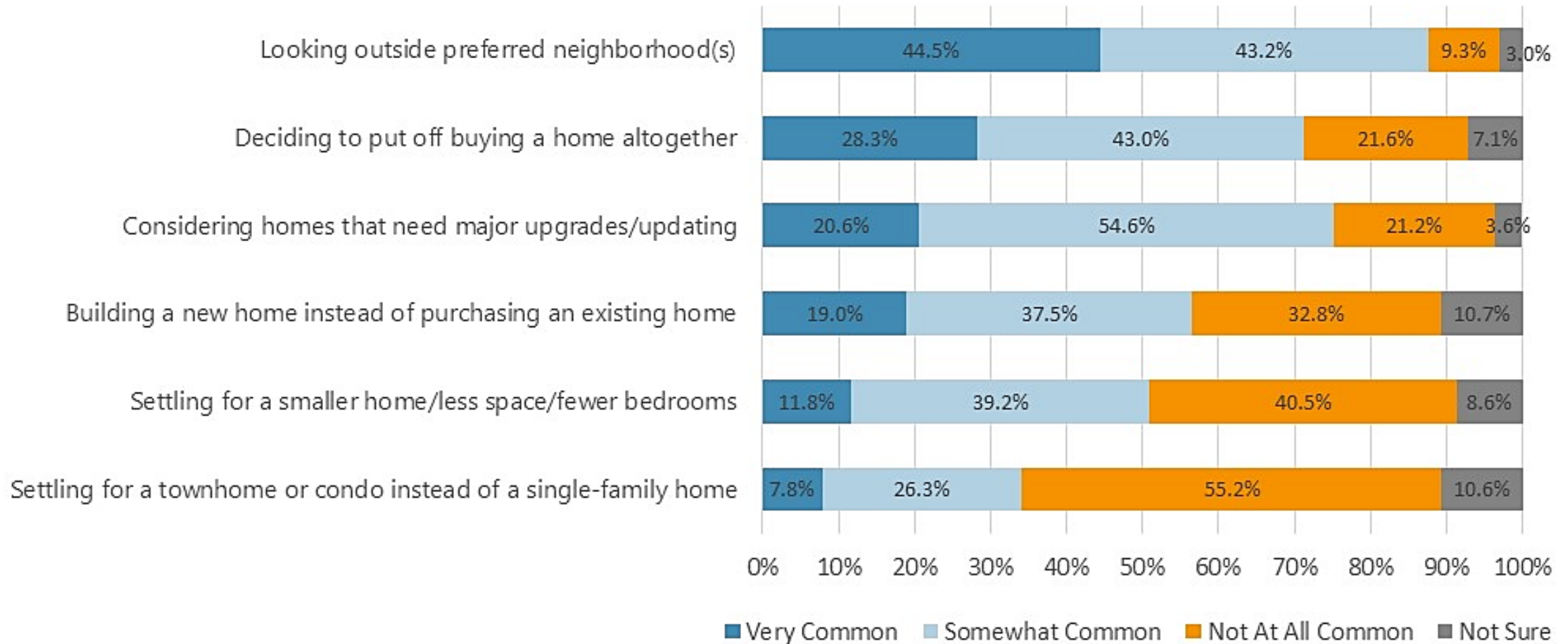


Where Are Buyers Moving From?



Home Buyer Compromises and Concessions

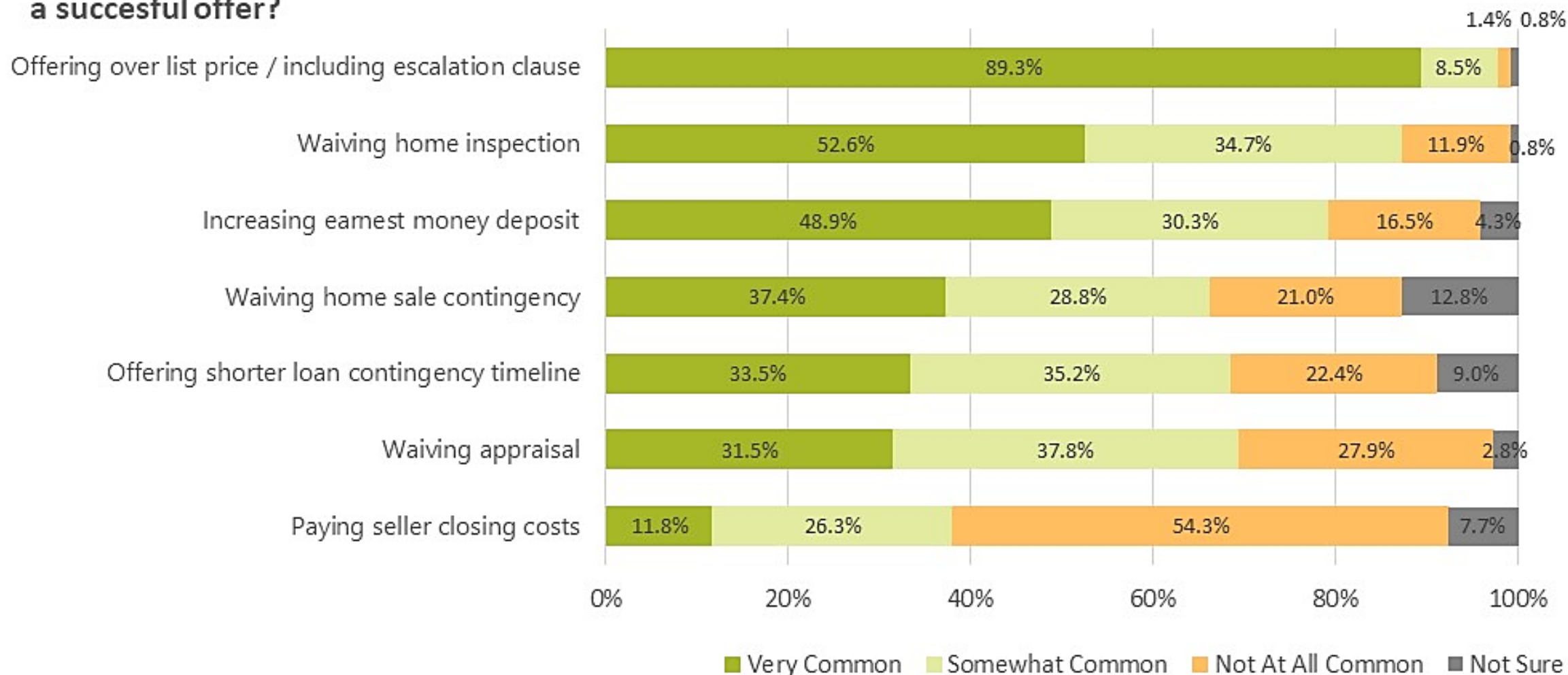
What are the most common compromises buyers are making in their home search?



Source: Virginia REALTORS® Flash Survey, March 25-28 2021

Home Buyer Compromises and Concessions

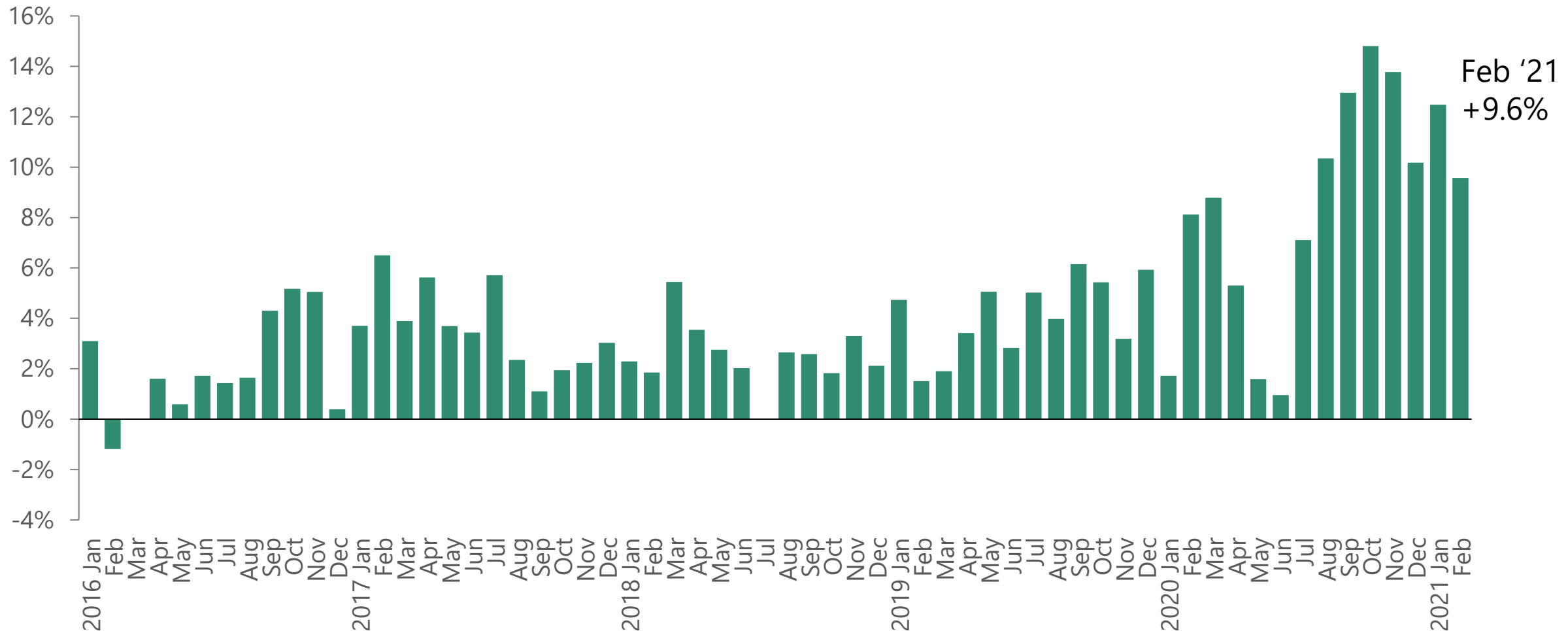
What are the most common concessions buyers are making to improve their chances of a succesful offer?



Source: Virginia REALTORS® Flash Survey, March 25-28 2021

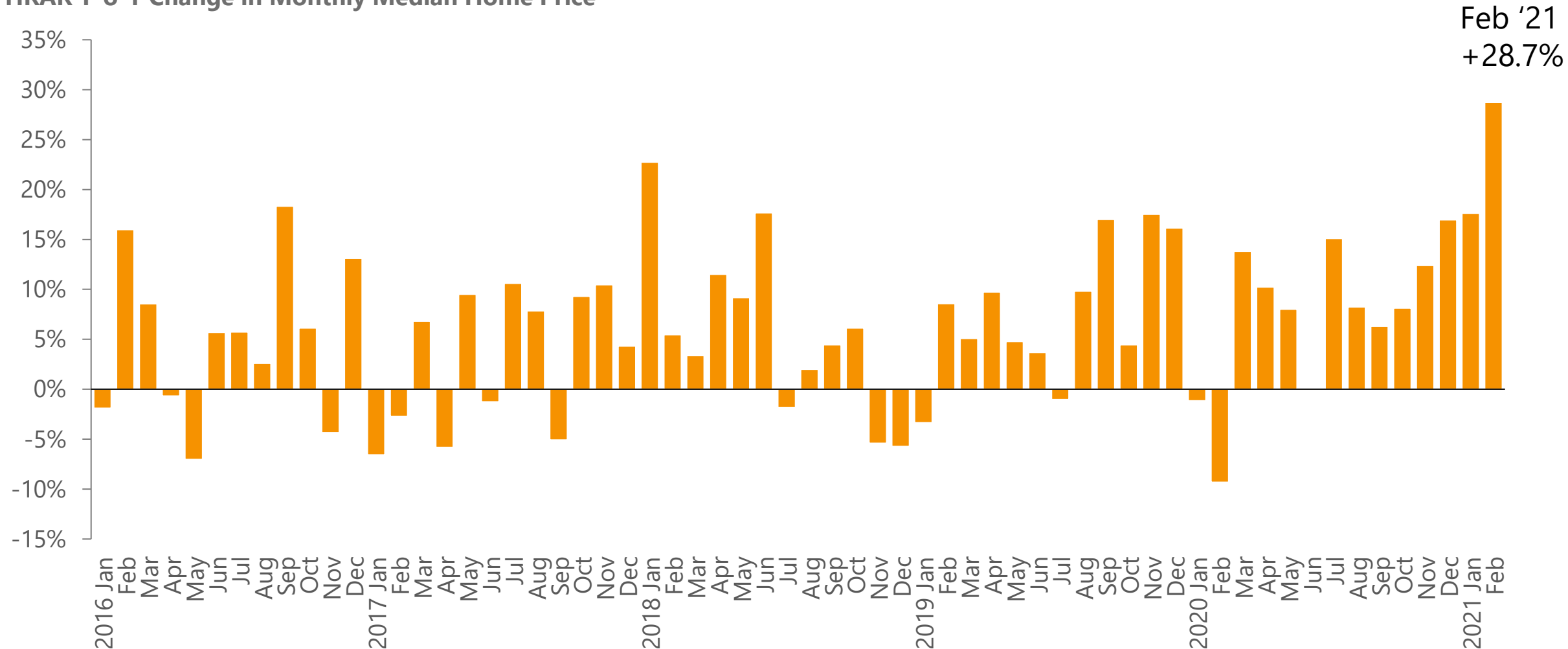
Home Prices


Virginia Y-o-Y Change in Monthly Median Home Price



HRAR Home Prices

HRAR Y-o-Y Change in Monthly Median Home Price





What to Expect in
2021

Outlook

Some Ways COVID-19 Has Changed the Housing Market

Residential real estate has become the driver of the economy

Mortgage rates fell to historically low levels

Home equity has surged

The seasonality of the housing market has been upended

Home buyers are re-evaluating their preferences

There is an epic housing shortage

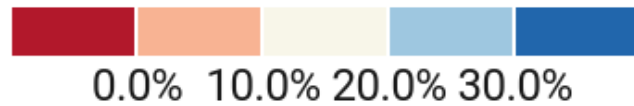
WHAT'S OUT
WFH



WHAT'S IN
Hybrid Work

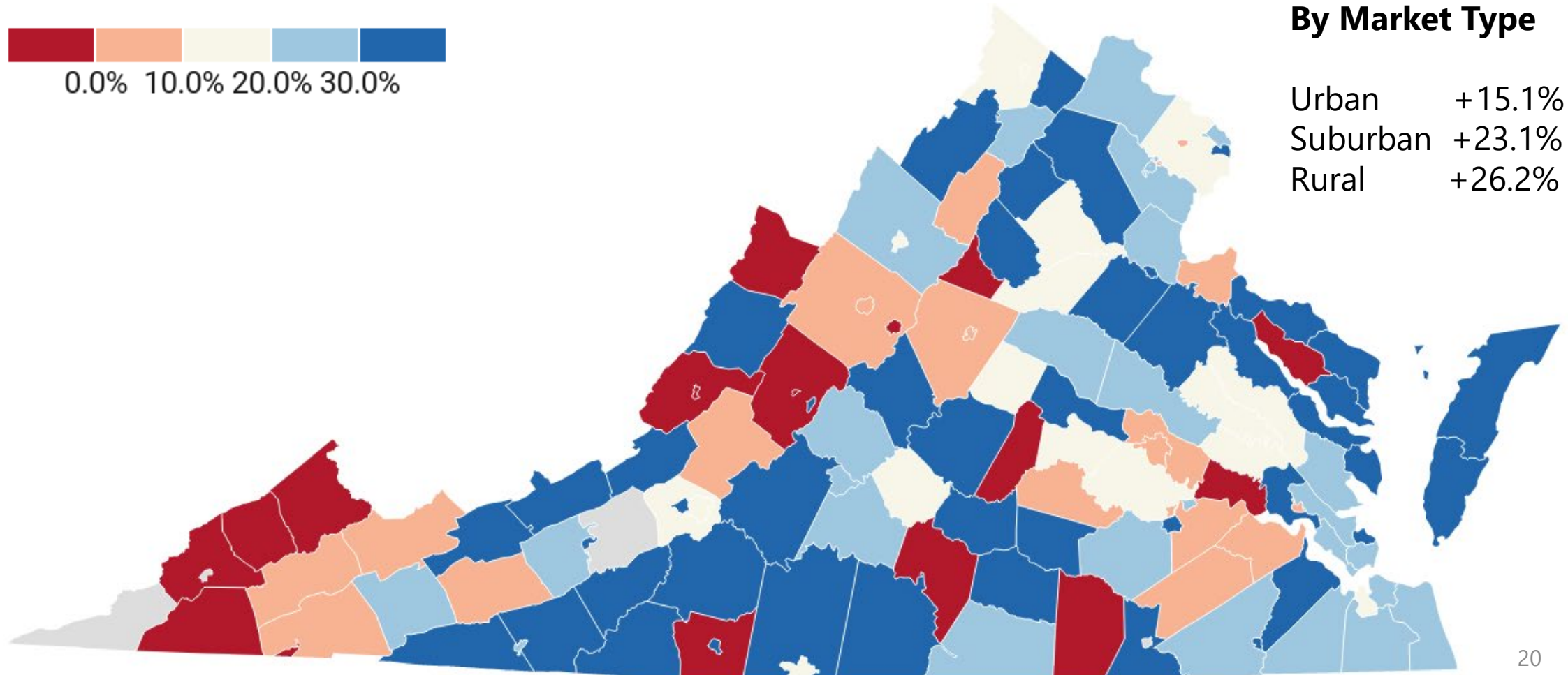
Increase in Home Sales in Some Rural Markets, But Demand Was Widespread Across the State

Home Sales - 2nd Half of the Year
Percent change, 2019 to 2020



**Avg. Percent Change
In Home Sales
By Market Type**

| | |
|----------|--------|
| Urban | +15.1% |
| Suburban | +23.1% |
| Rural | +26.2% |



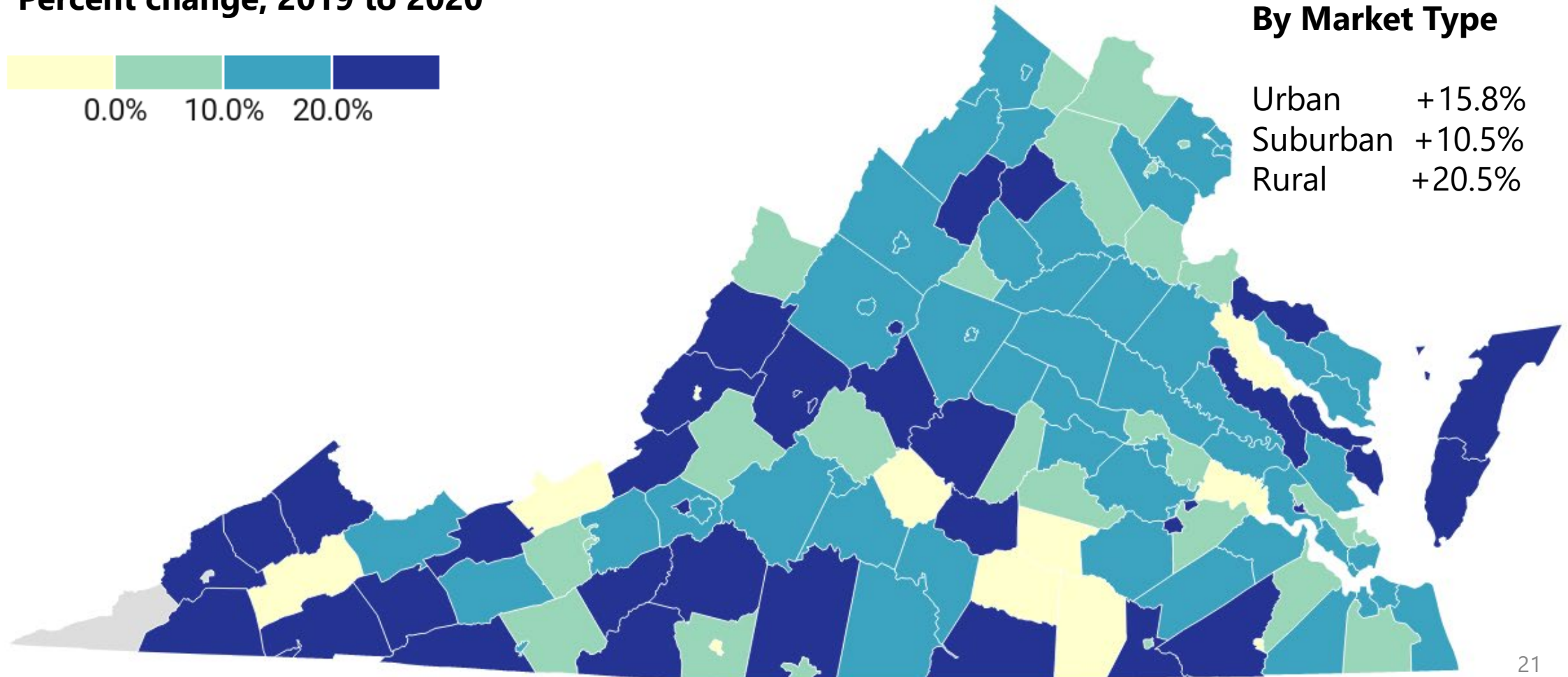
Median Home Prices Rising Faster in Rural Markets

Median Sales Price - 2nd Half of the Year
Percent change, 2019 to 2020



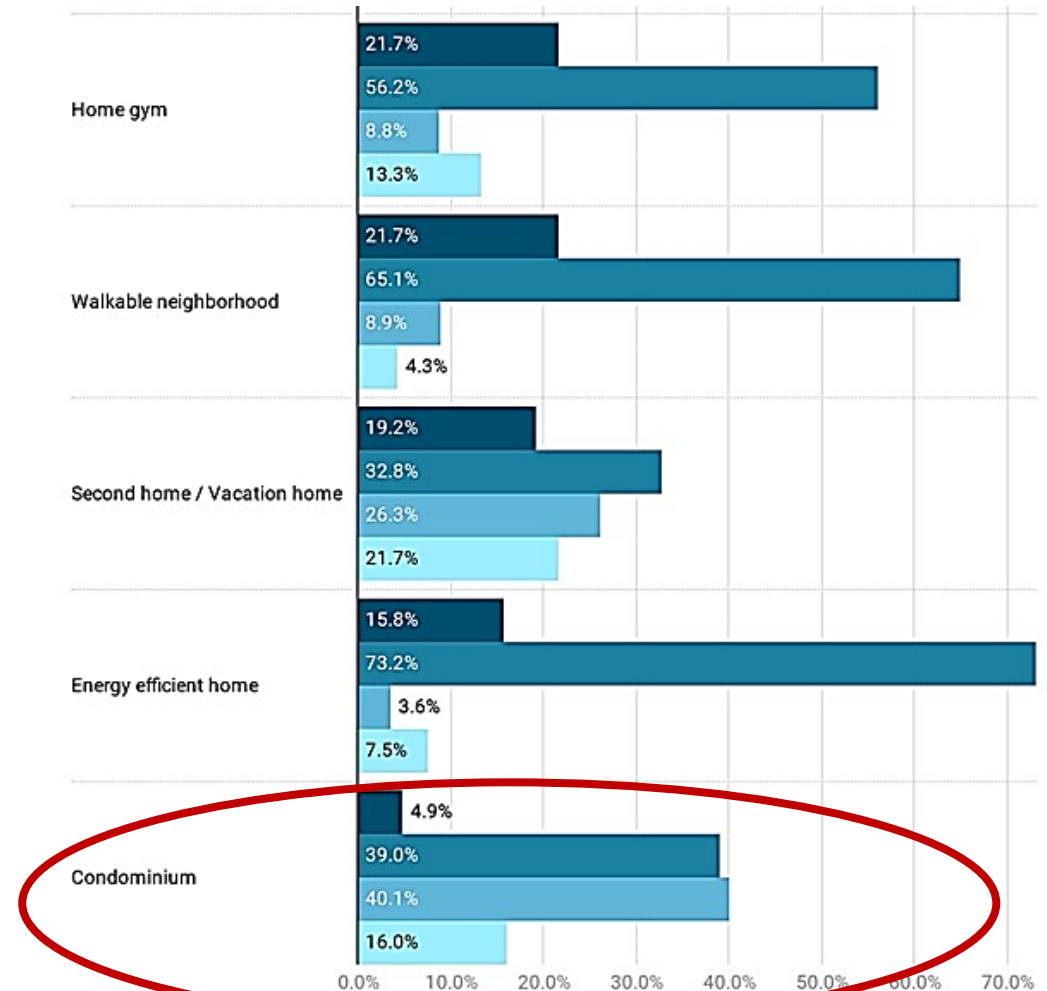
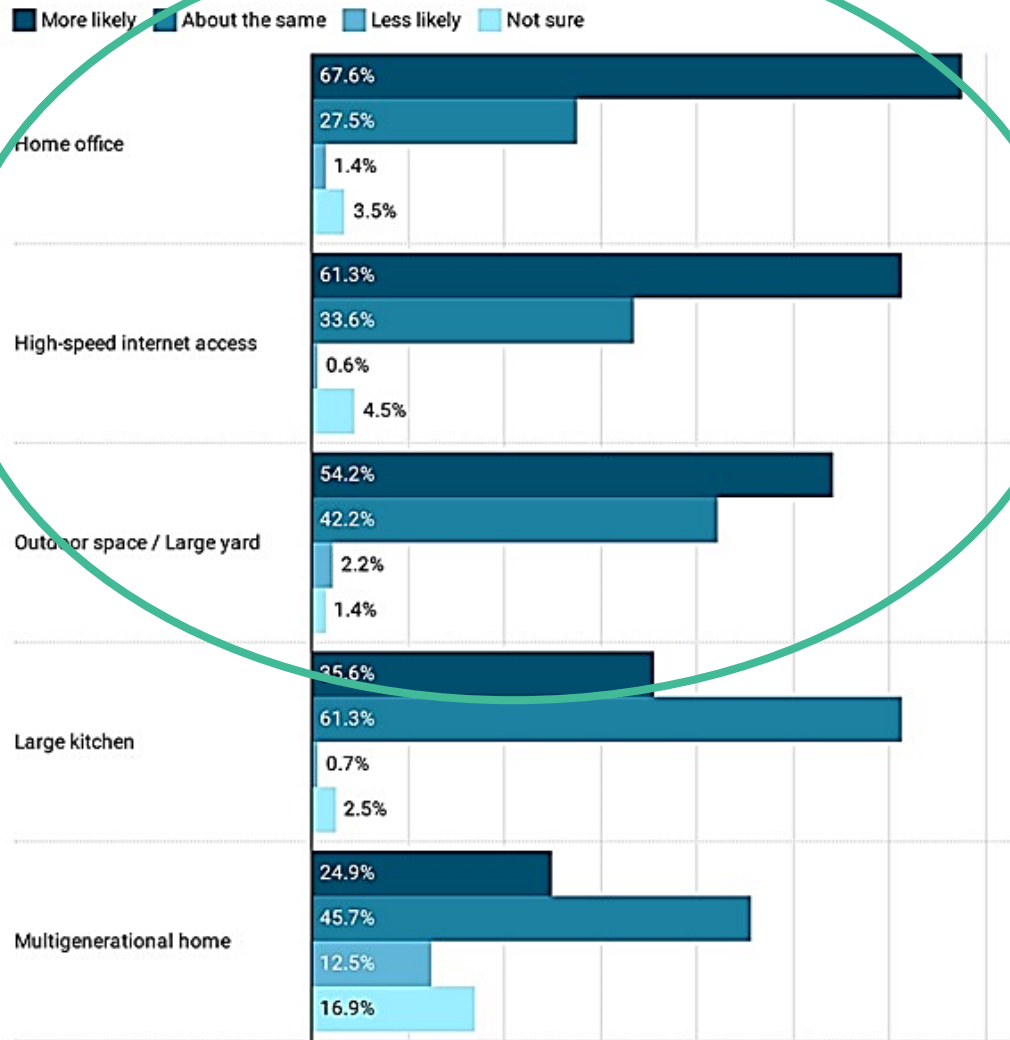
**Avg. Percent Change
Median Home Price
By Market Type**

| | |
|----------|--------|
| Urban | +15.8% |
| Suburban | +10.5% |
| Rural | +20.5% |



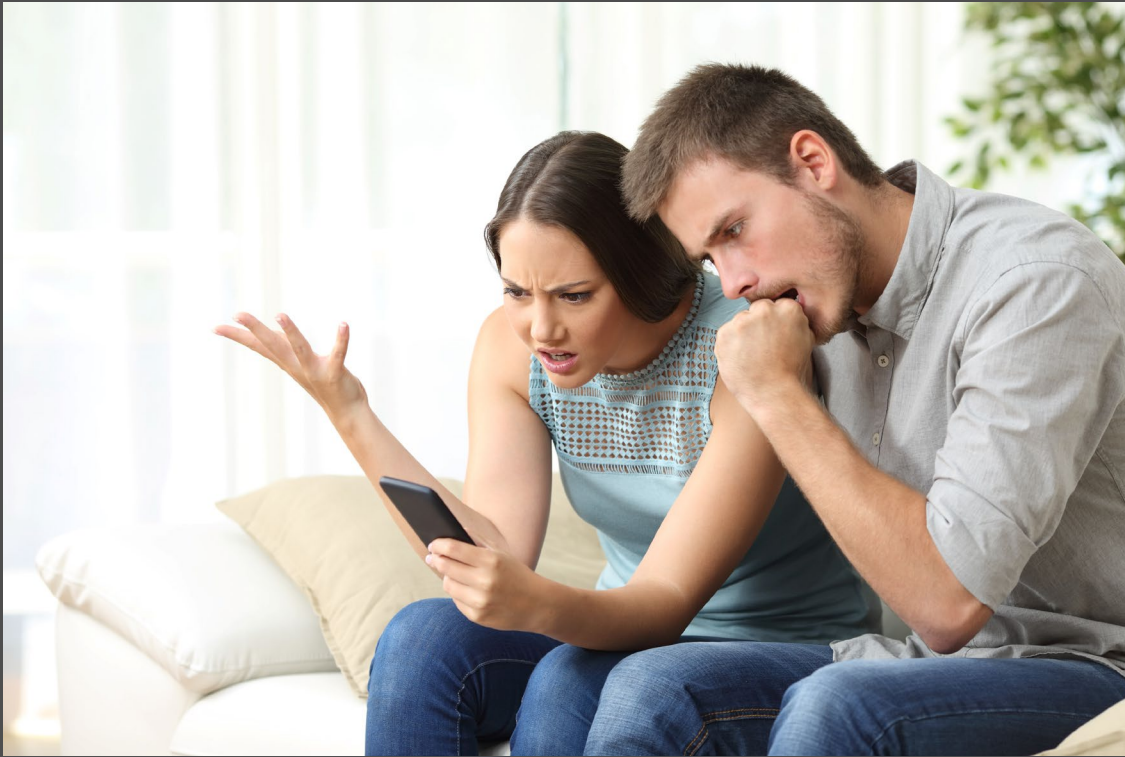
What Buyers are Looking for in 2021?

Compared to this same time last year (i.e. January 2020), which home features are your buyer(s) more or less likely to be looking for?



Source: Virginia REALTORS® Flash Survey January 21-24, 2021

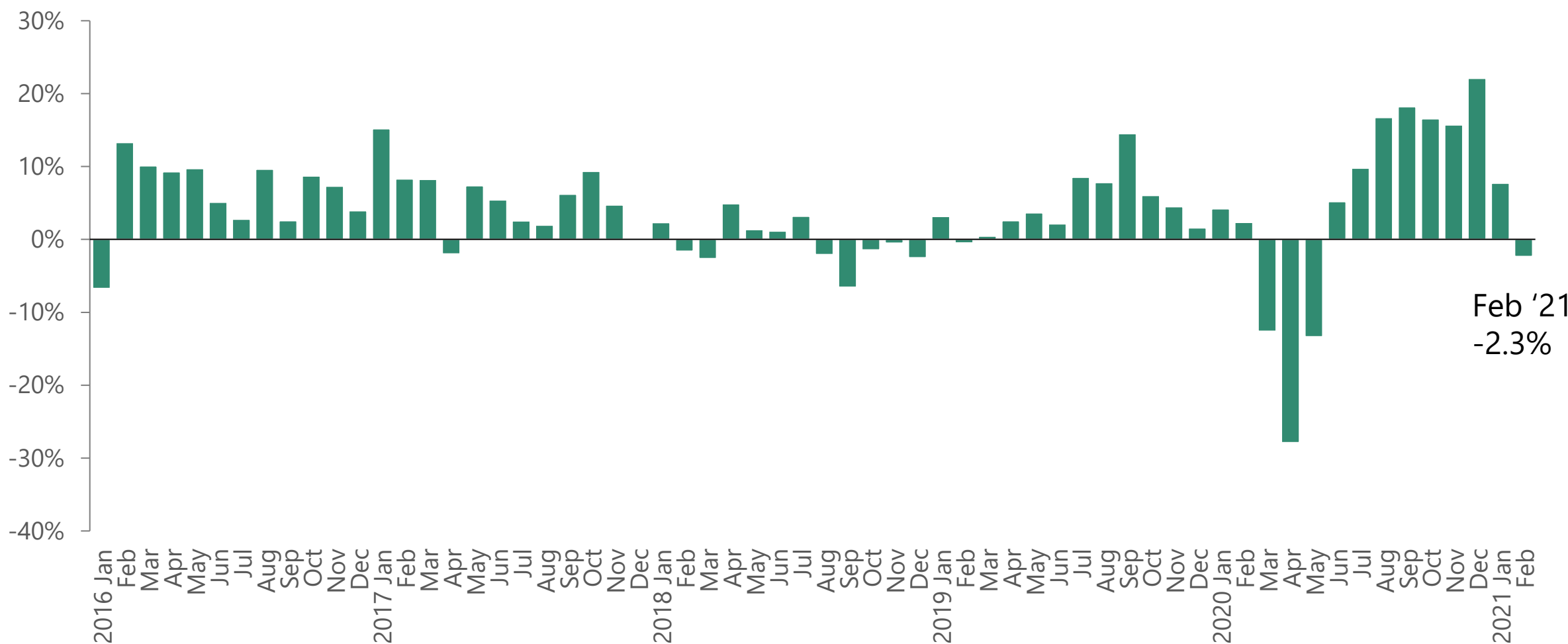
WHAT'S OUT Frustrated Buyers



WHAT'S IN Resigned Renters

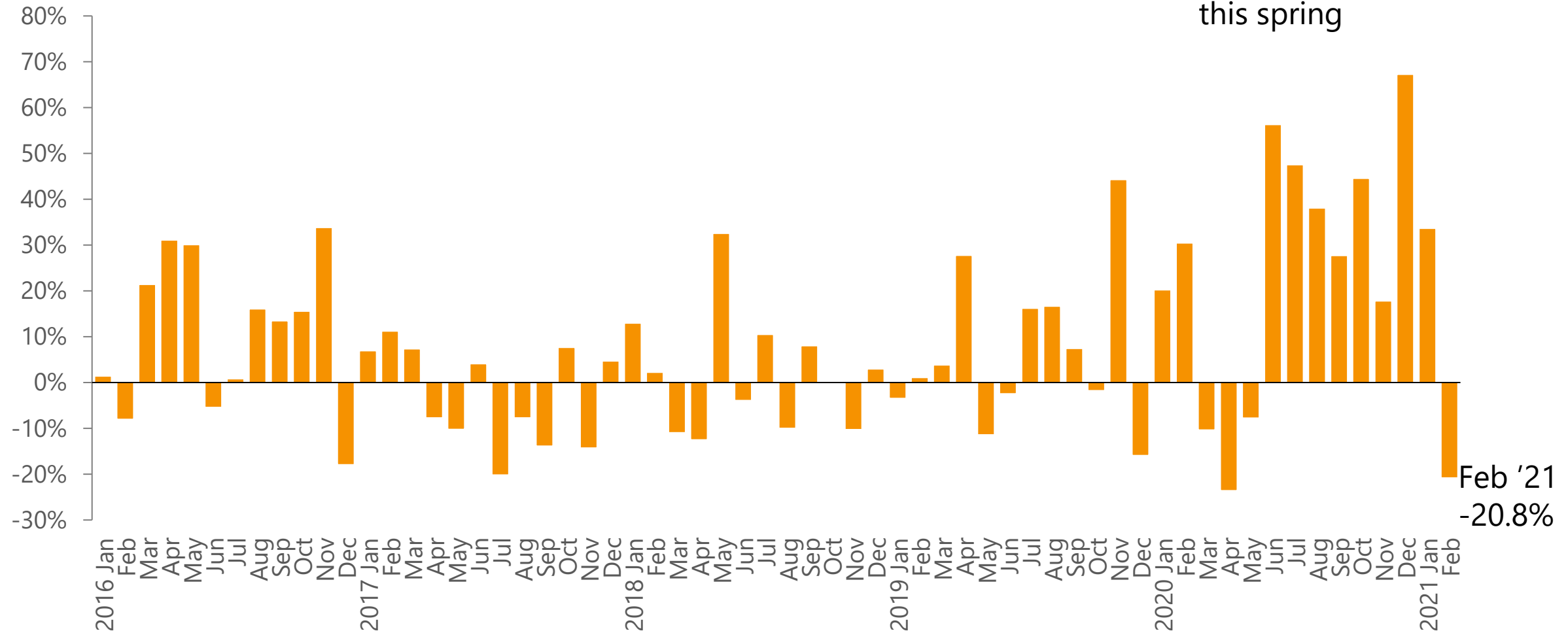
Pending Sales

Virginia Y-o-Y Change in Month-End Pending Sales



HRAR Pending Sales

HRAR Y-o-Y Change in Month-End Pending Sales





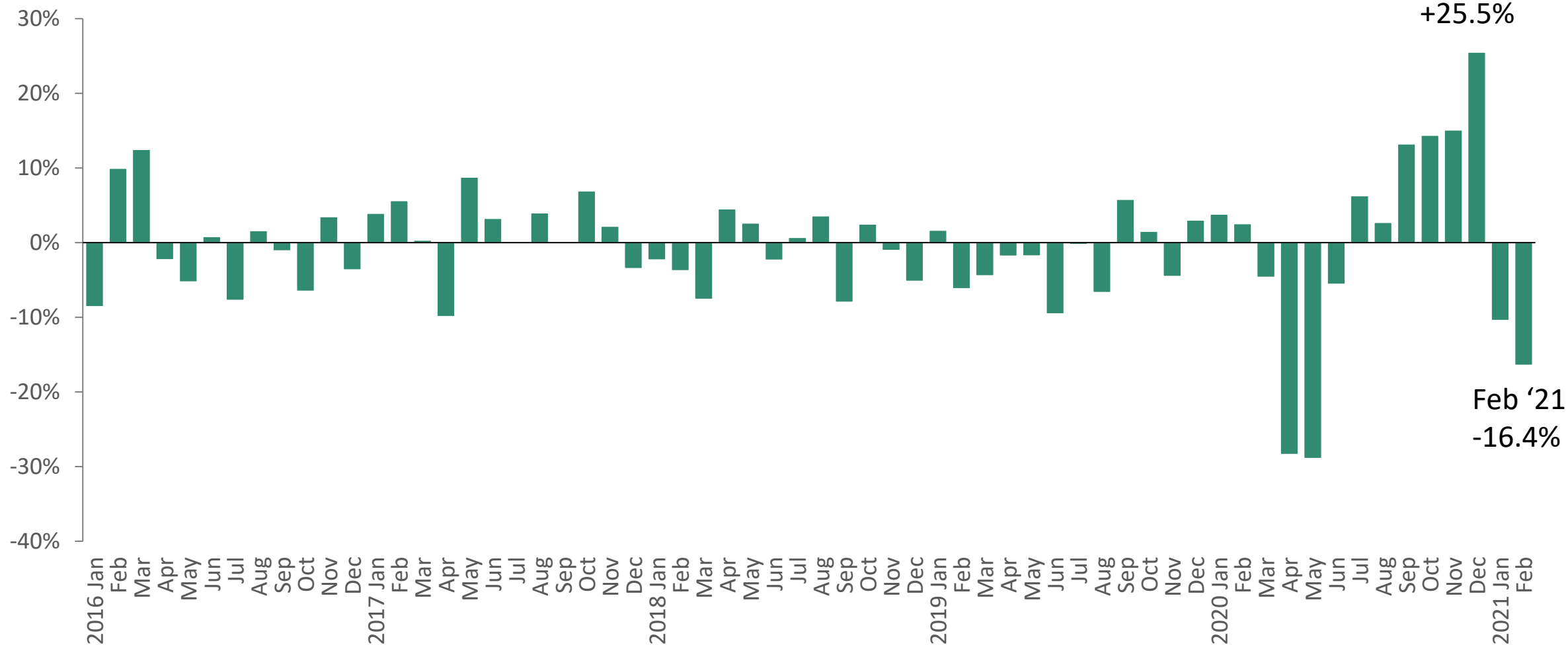
WHAT'S OUT
Extremely Low Inventory



WHAT'S IN
Very Low Inventory

New Listings

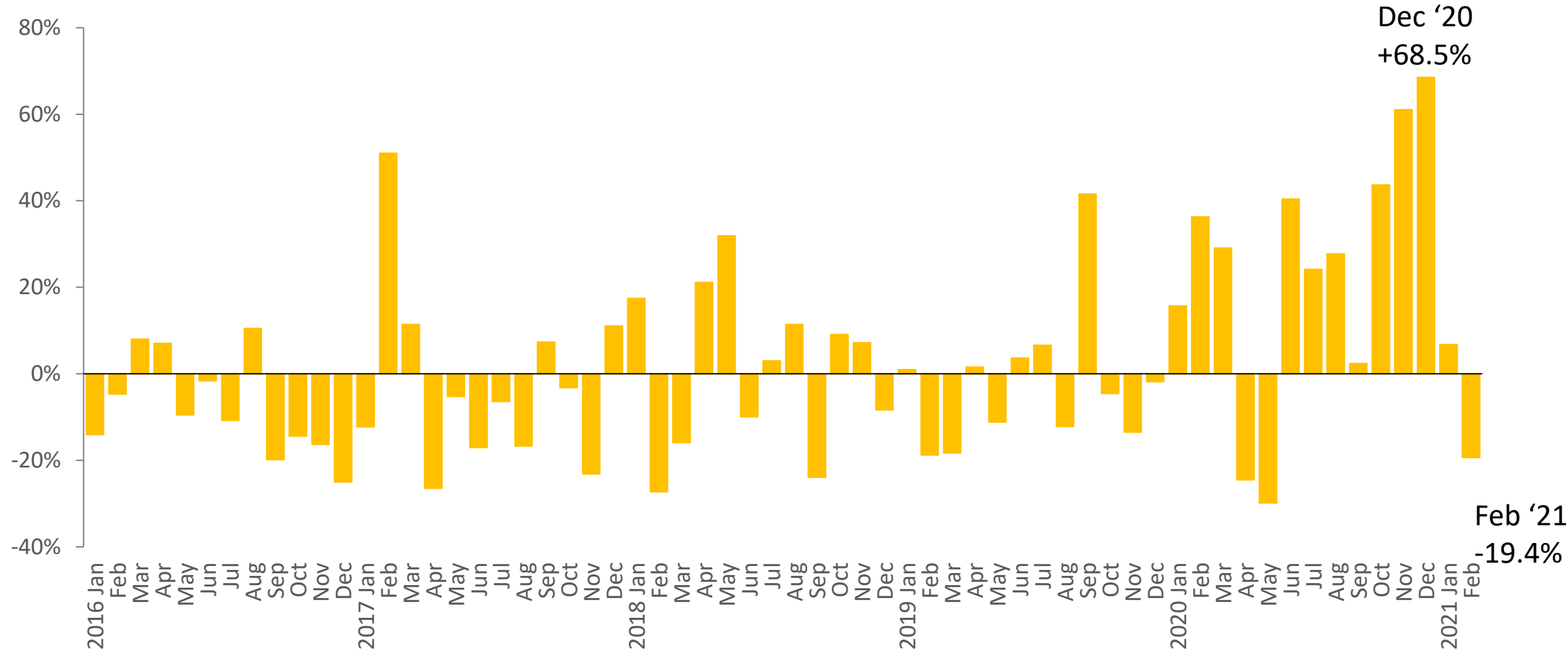
Virginia Y-o-Y Change in Monthly New Listings



Source: Virginia REALTORS®

HRAR New Listings

HRAR Y-o-Y Change in Monthly New Listings



Source: Virginia REALTORS®

WHAT'S OUT
3% Mortgage Rates...What!#@%!*

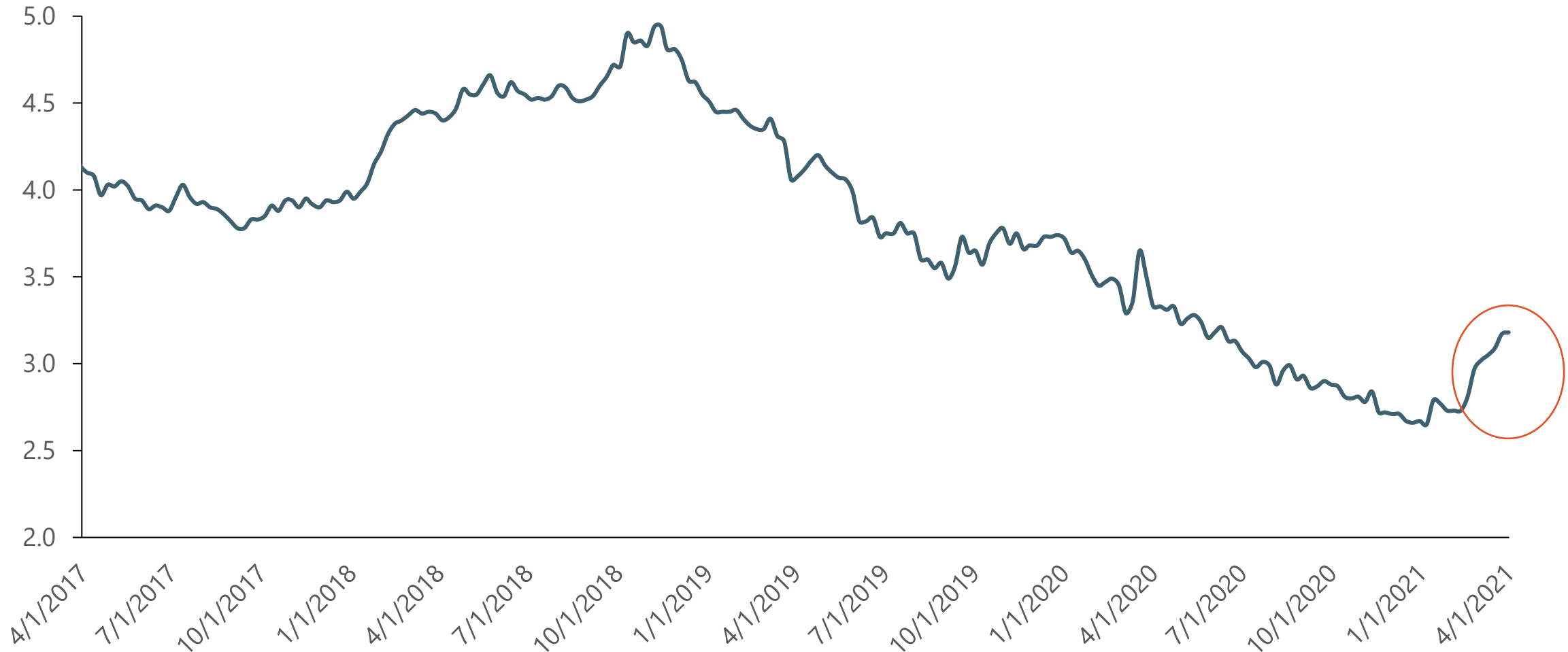
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WHAT'S IN
3% Mortgage Rates...

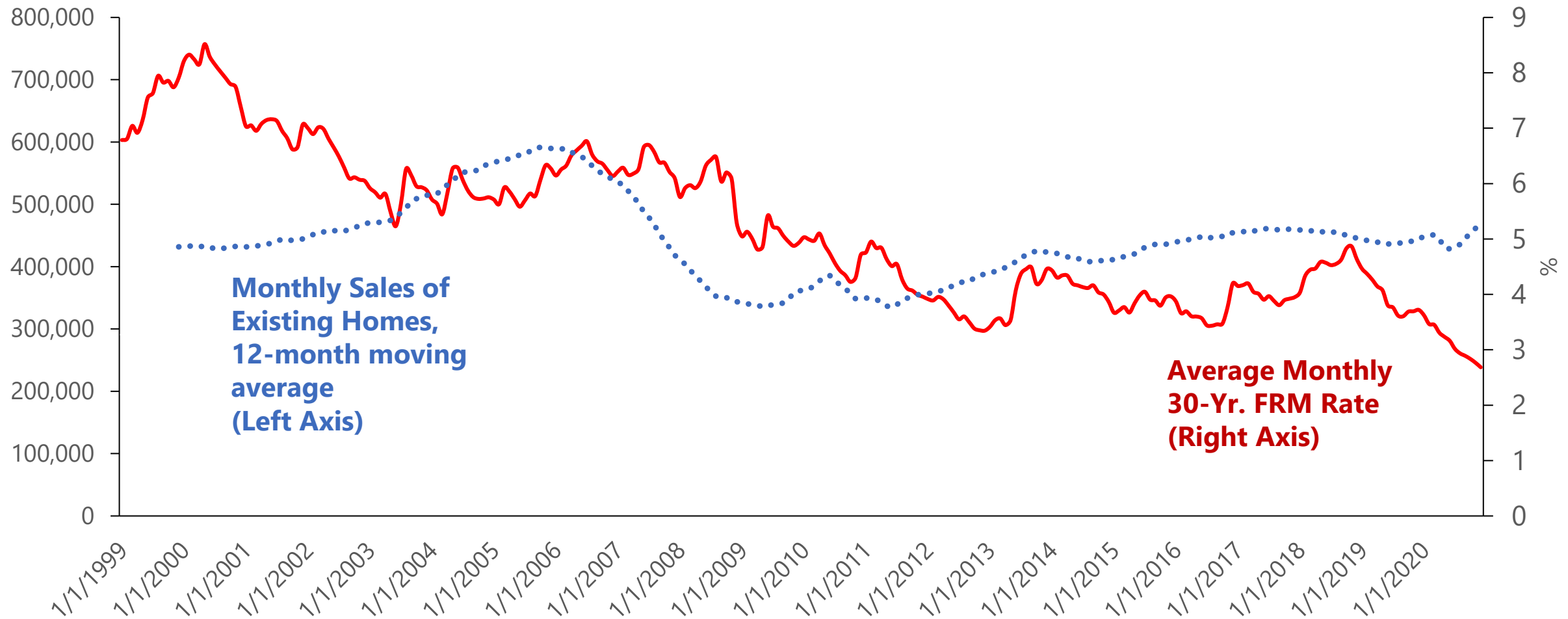


Mortgage Rates

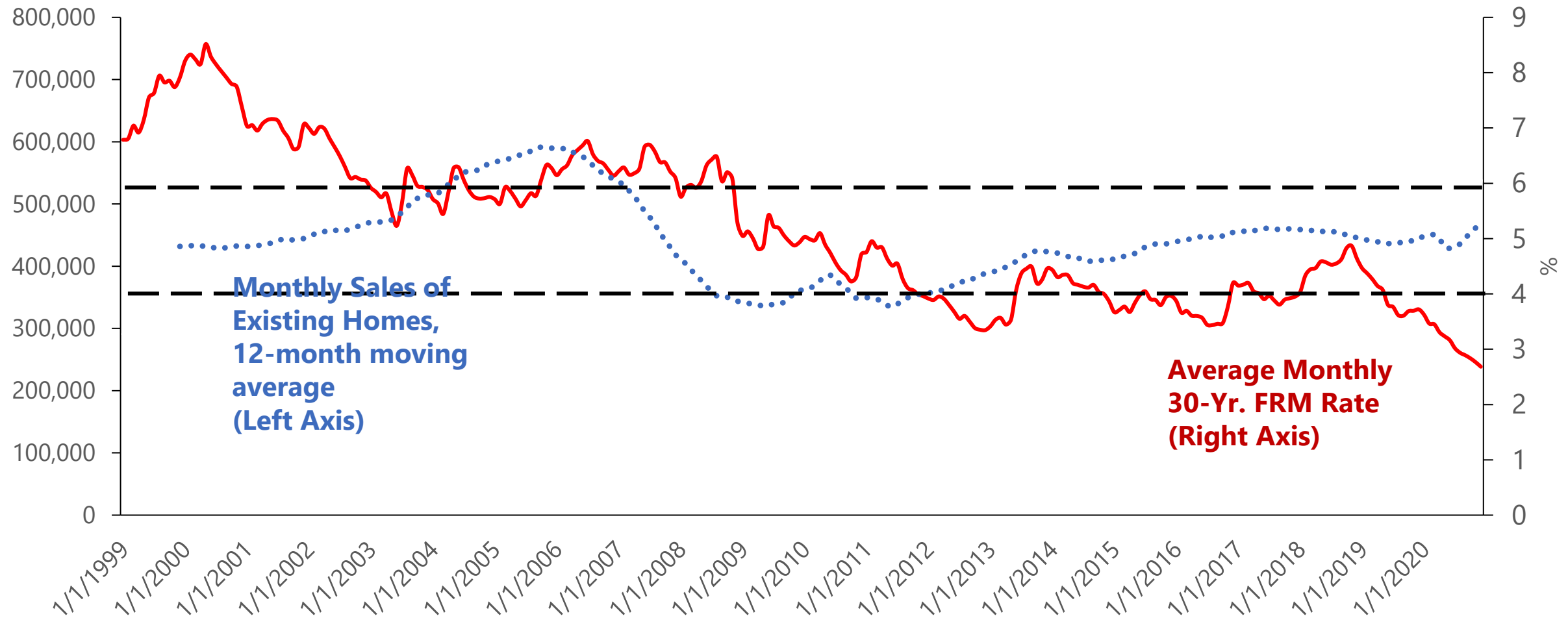
Weekly Average 30-Year Fixed-Rate Mortgage Interest Rate (%), Not Seasonally Adjusted



Mortgage Rates and Home Sales Activity (National)



Mortgage Rates and Home Sales Activity (National)



Have Questions or Need More Info?

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