



Economic and Housing Market Update

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Presentation to
Southside Virginia Association of REALTORS®
Broker Council

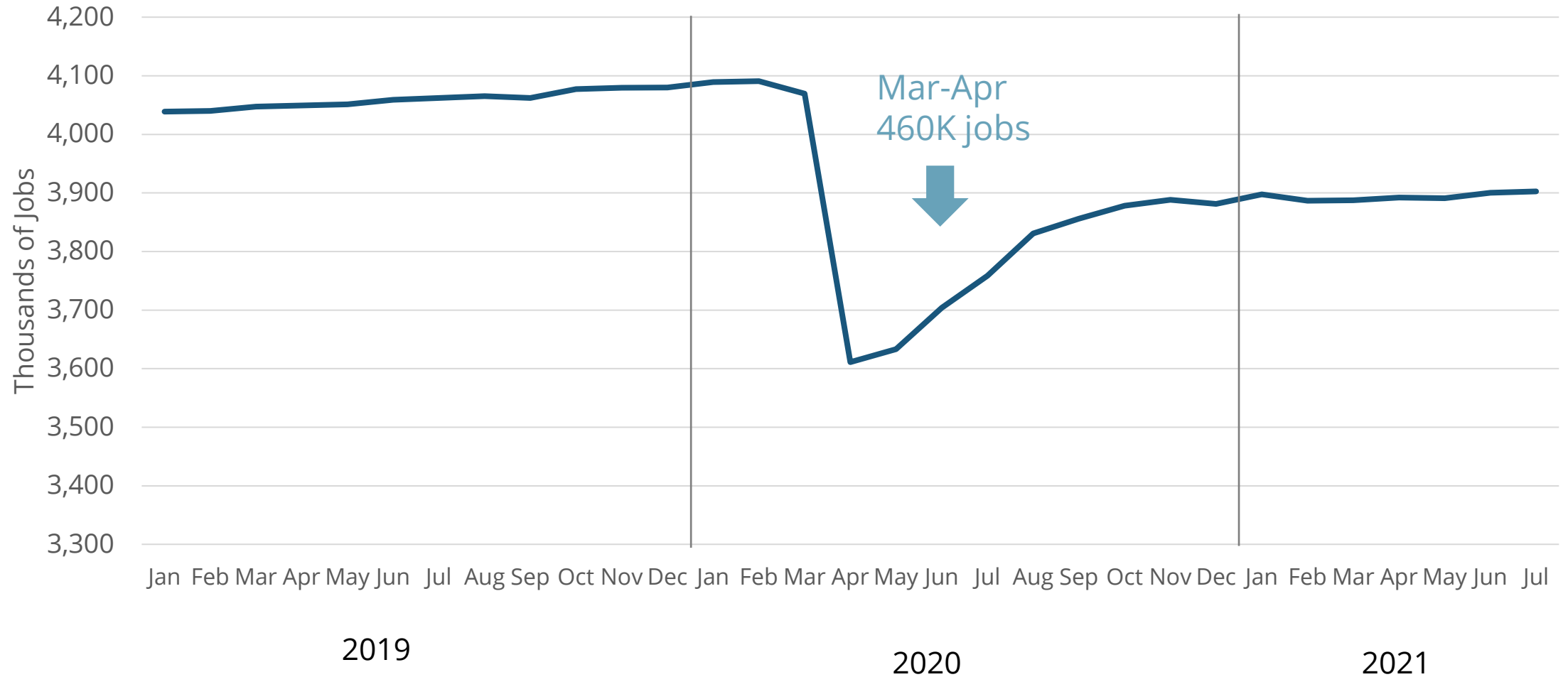
September 30, 2021

The background features a 3D grid of light blue lines on a dark blue surface. A jagged line graph, also in light blue, is superimposed on the grid, showing an overall upward trend with several peaks and valleys. Faint, semi-transparent numbers are scattered across the grid, representing various data points.

Key Economic Indicators

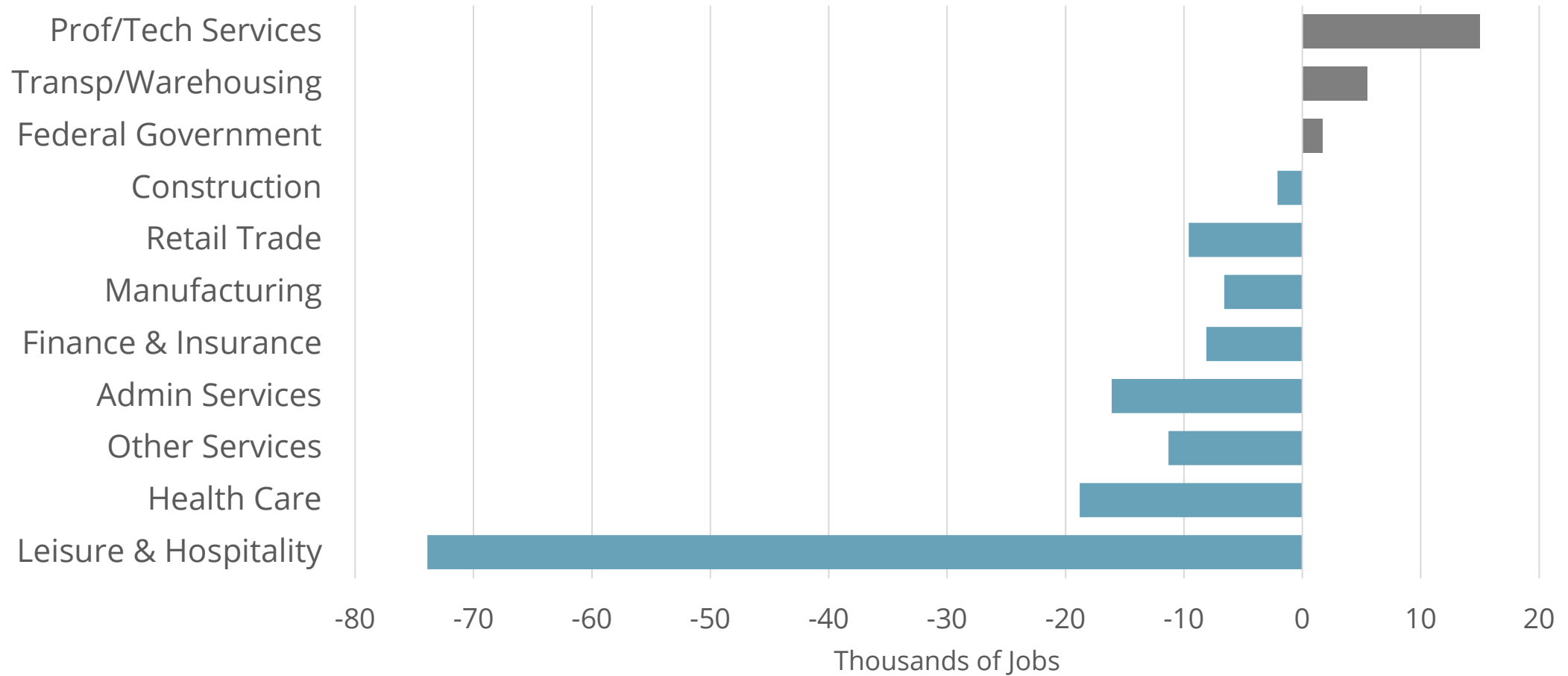
Virginia's Economy

Virginia Employment



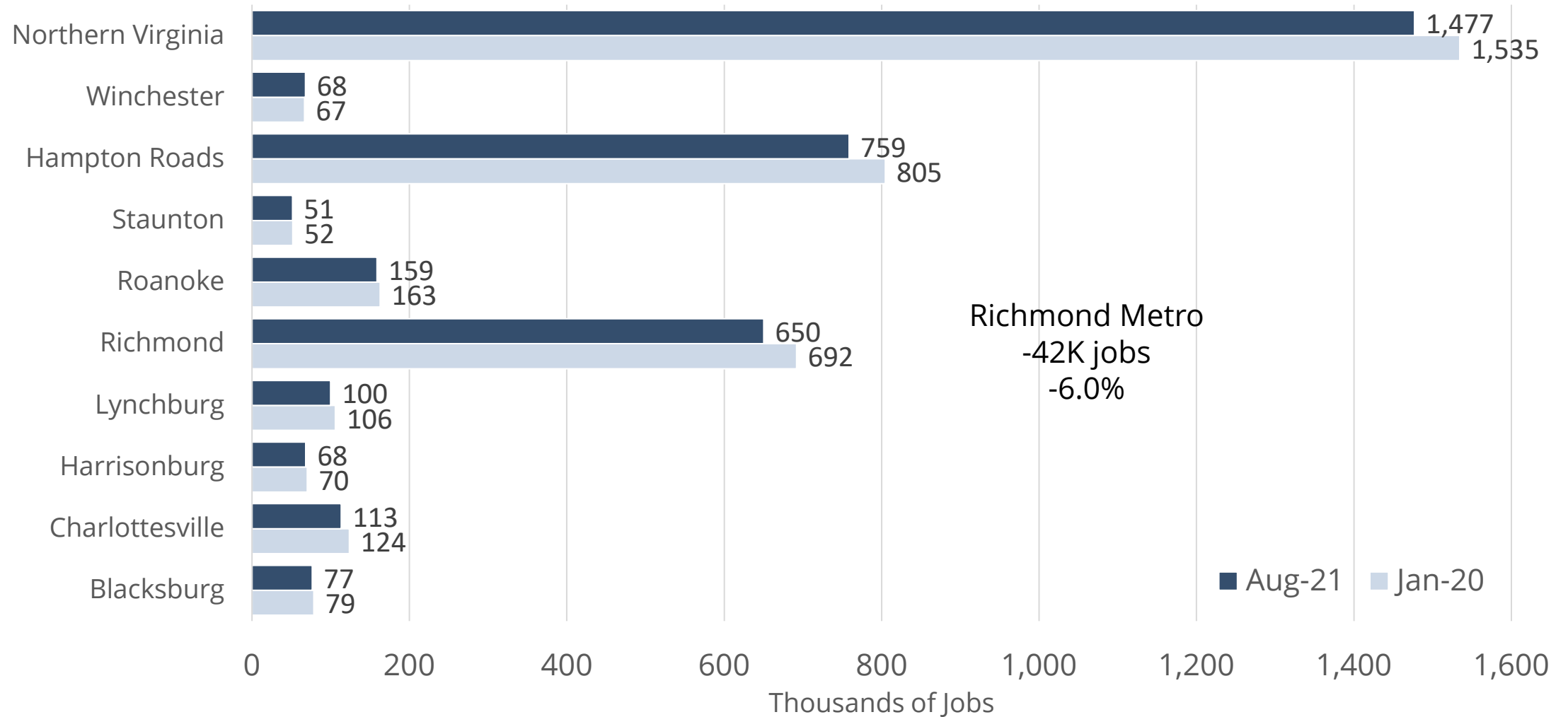
Virginia's Economy

Virginia Employment by Sector August 2021 Compared to January 2020



Virginia's Economy

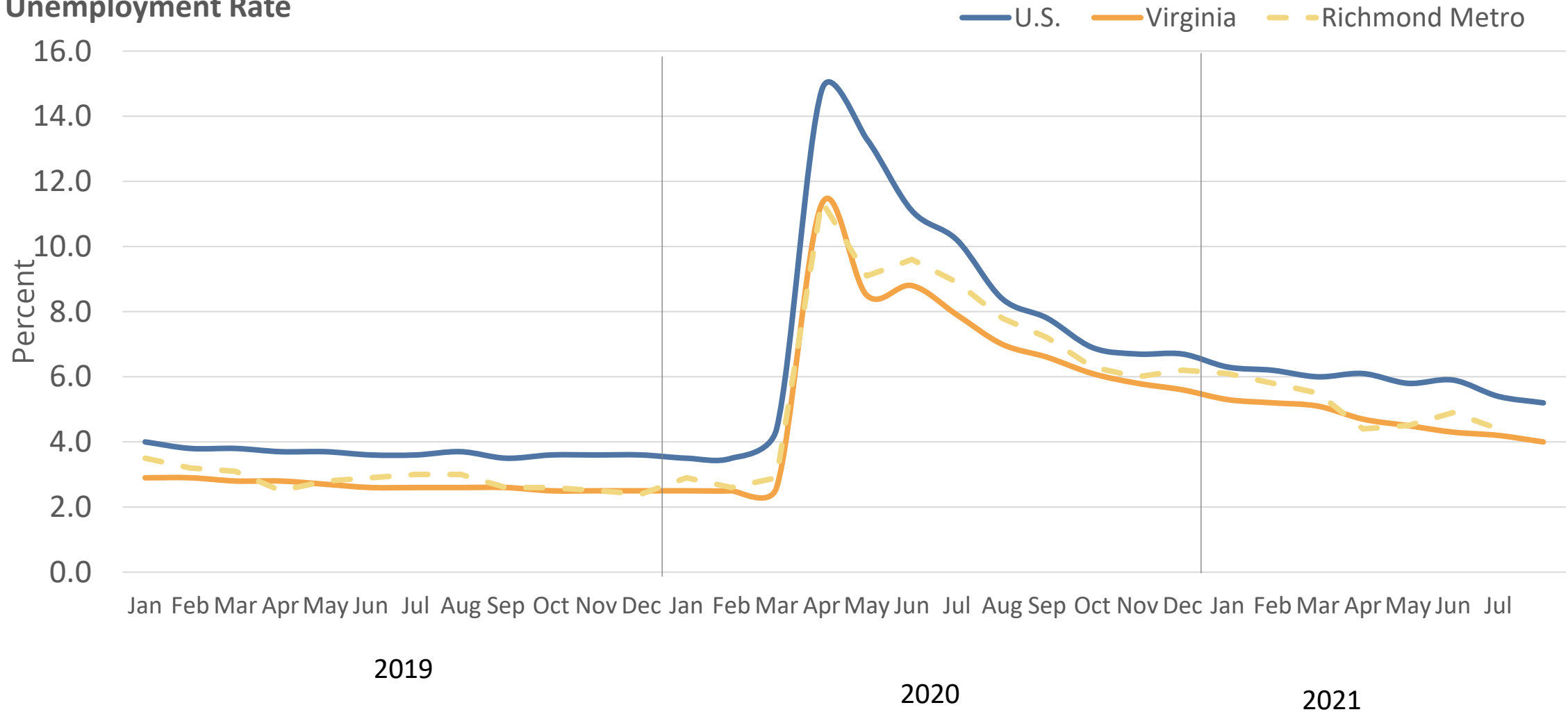
Metropolitan Area Employment



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

Virginia's Economy

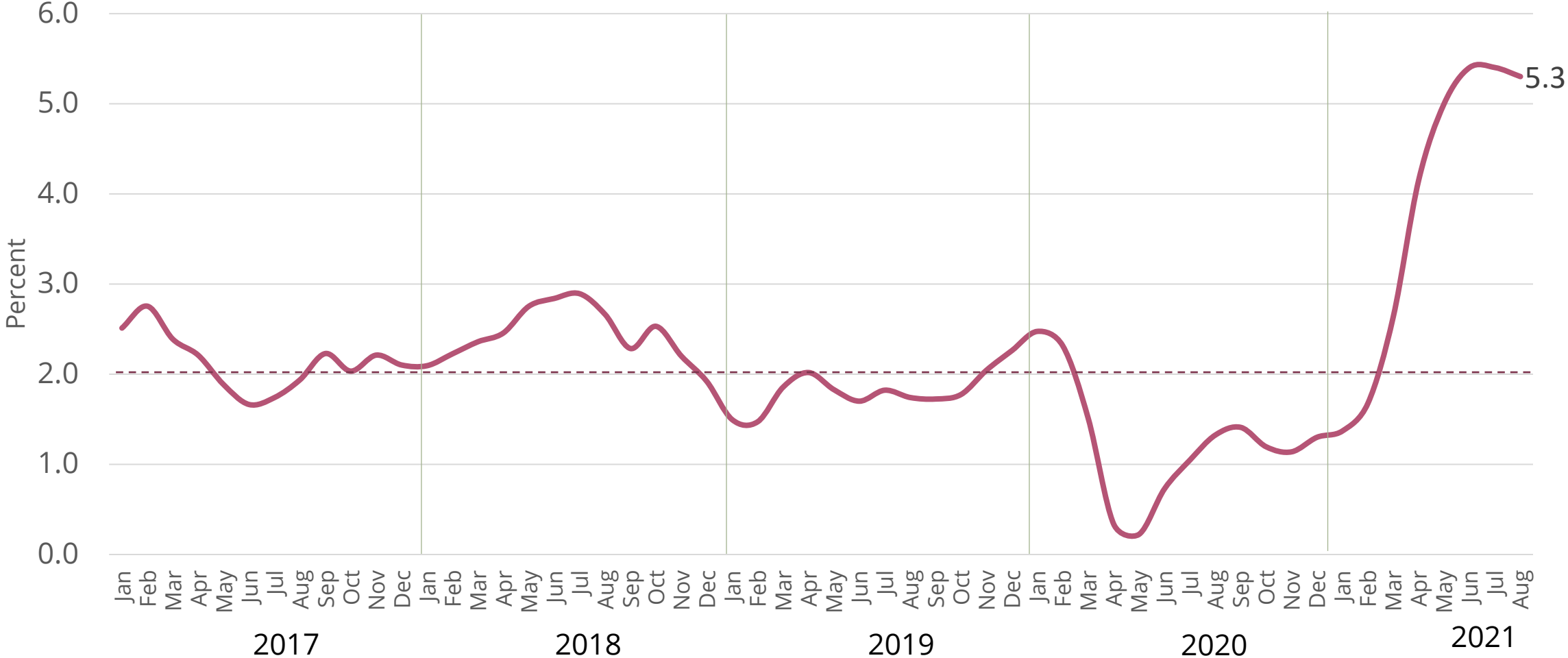
Unemployment Rate



Consumer Prices - Inflation



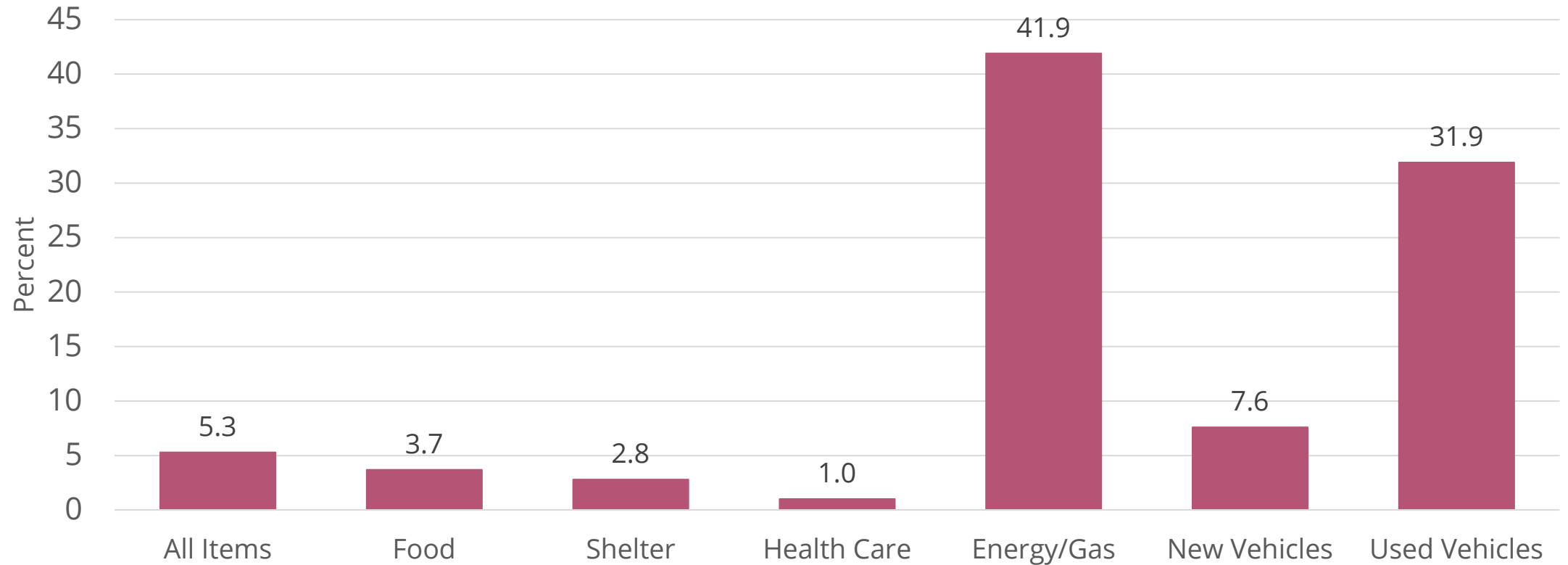
Percent Change from a Year Ago, CPI-U



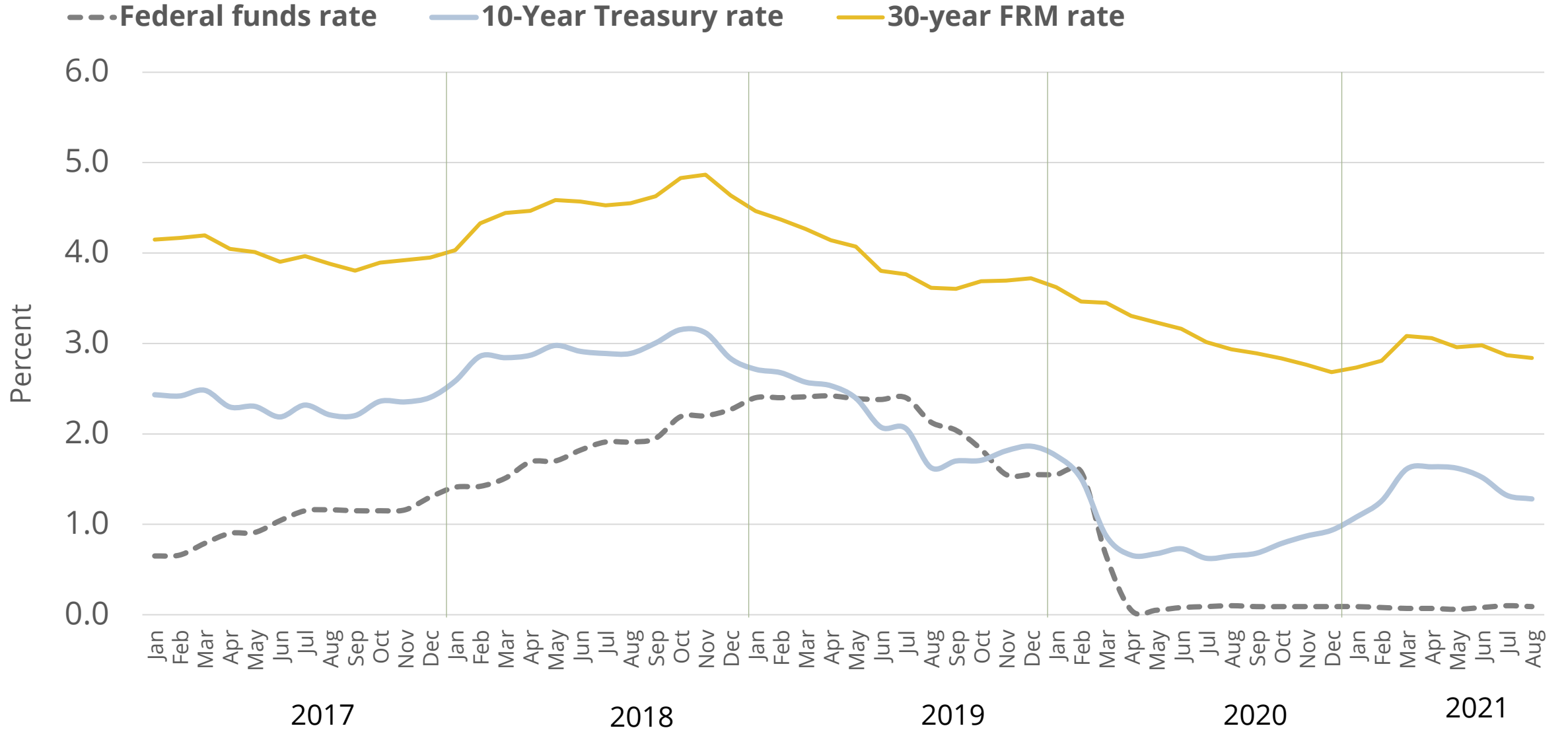
Source: U.S. Bureau of Labor Statistics

Consumer Prices - Inflation

Year-over-year change in CPI, Selected Categories

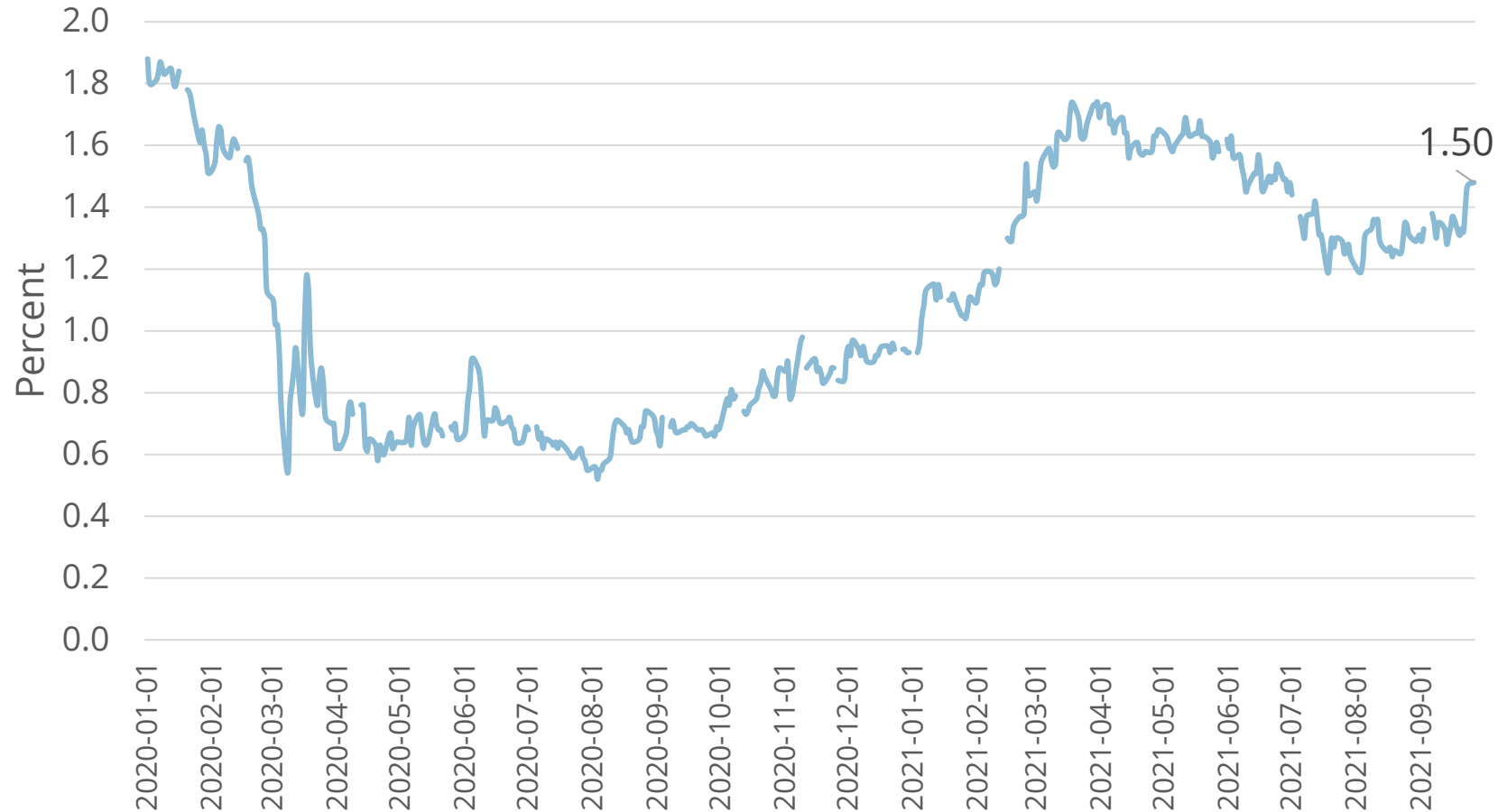


Interest Rates



Interest Rates

10-Year Treasury rate



Watching Rates

10-year Treasury yield
Between 1.6 and 1.9% →
3.5% 30-yr FRM rate

10-year Treasury yield
Between 2.0 and 2.5% →
4.0% 30-yr FRM rate

Housing Market Trends



Economic Impacts of the Housing Industry in Virginia in 2020

A study by George Mason University found that Virginia's housing industry is a major contributor to overall economic activity in the commonwealth and provided key jobs and income opportunities during the COVID-19 pandemic and economic crisis of 2020.

TOTAL ECONOMIC IMPACT OF VIRGINIA'S HOUSING SECTOR

\$51.77 BILLION



STATE & LOCAL TAX REVENUE

\$2.1 BILLION

which excludes most property taxes paid on existing homes, and therefore substantially understates the fiscal impact.

Sources: Virginia REALTORS®, GMU Center for Regional Analysis, Chmura Economics, IBIS World, industry sources, IMPLAN

VIRGINIA JOBS SUPPORTED



325,702 jobs

with a total labor income of

\$15.74 BILLION

The housing industry's **resiliency** during the COVID-19 pandemic is a direct testament to the professionals who support the building, renovating, buying, selling, and servicing of residential properties.



Read the full report at www.virginiarealtors.org/research

THE ECONOMIC IMPACT OF A TYPICAL HOME SALE

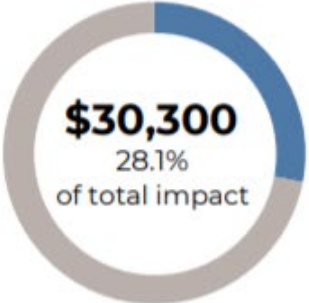
in Virginia

The real estate industry accounted for **\$104.6** billion or **19.0%** of the gross state product in 2020.

TOTAL ECONOMIC IMPACT OF A TYPICAL HOME SALE

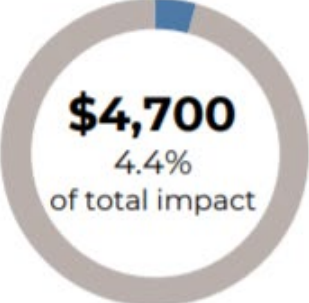
\$107,900

Income generated from
real estate industries



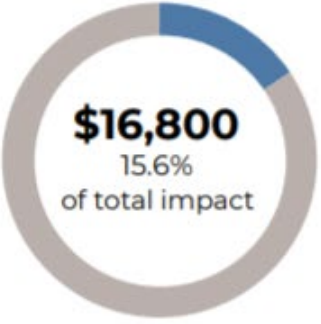
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Expenditures related
to home purchase



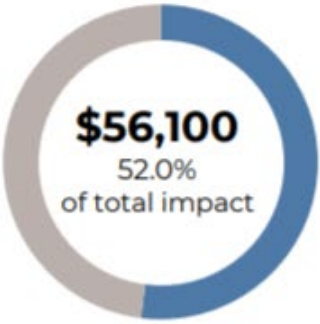
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Multiplier of housing
related expenditures



+

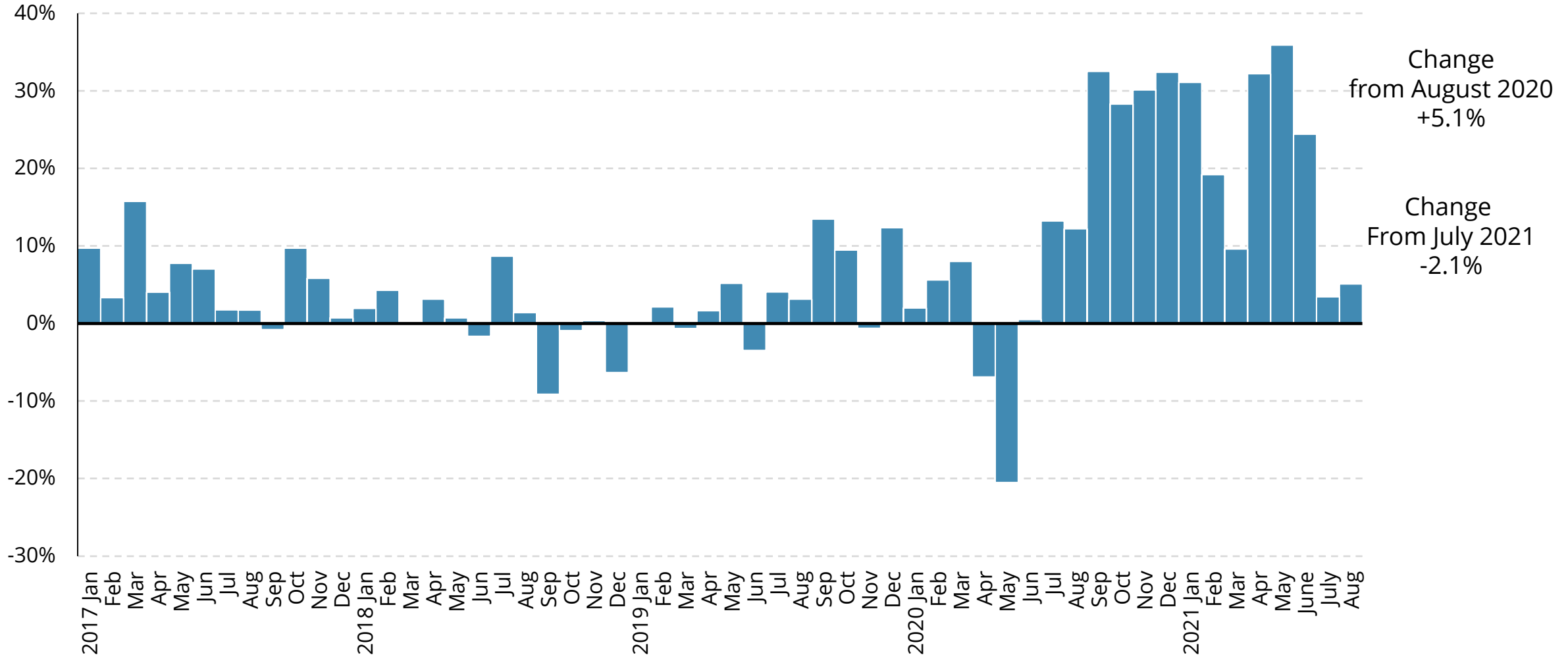
New home
construction



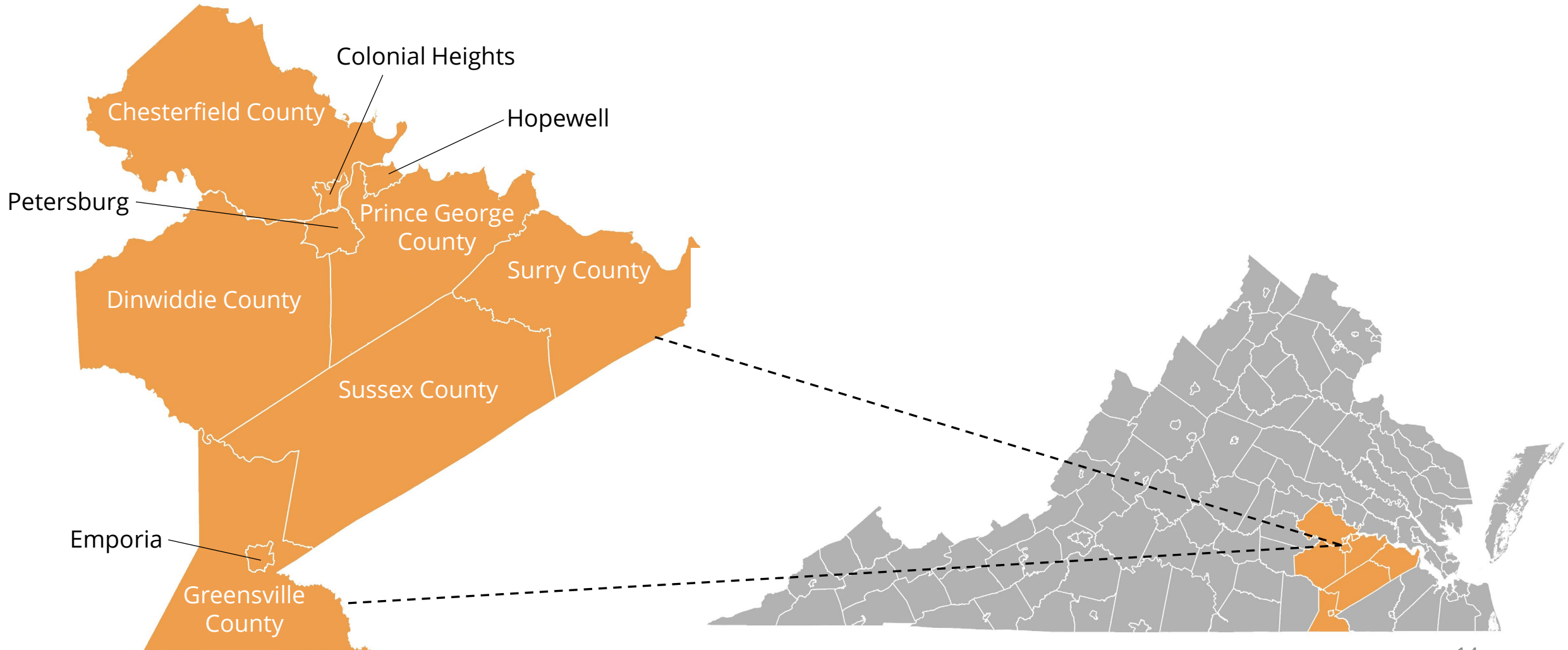
Source: National Association of REALTORS®

Virginia Home Sales

Virginia Y-o-Y Change in Monthly Home Sales

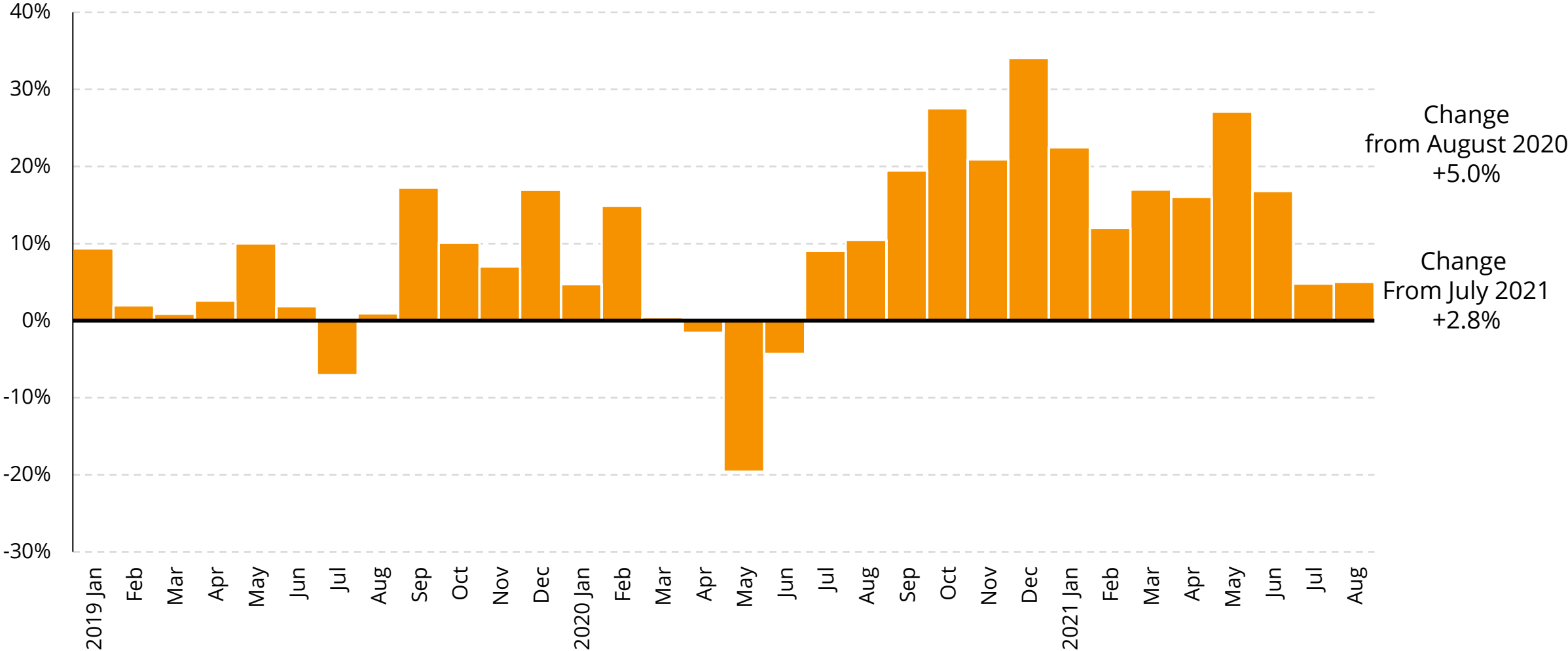


SVAR Footprint

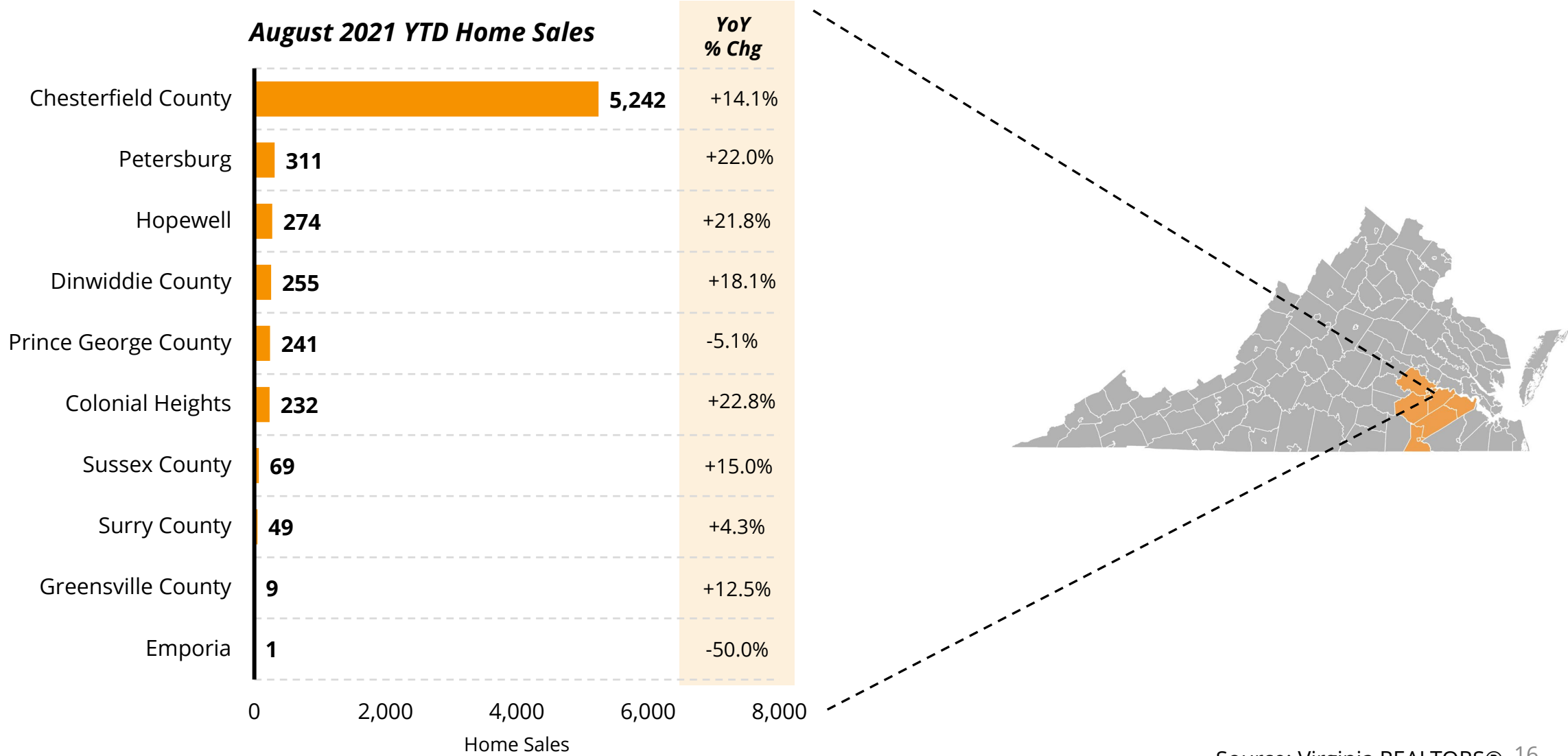


Regional Home Sales

SVAR Y-o-Y Change in Monthly Home Sales

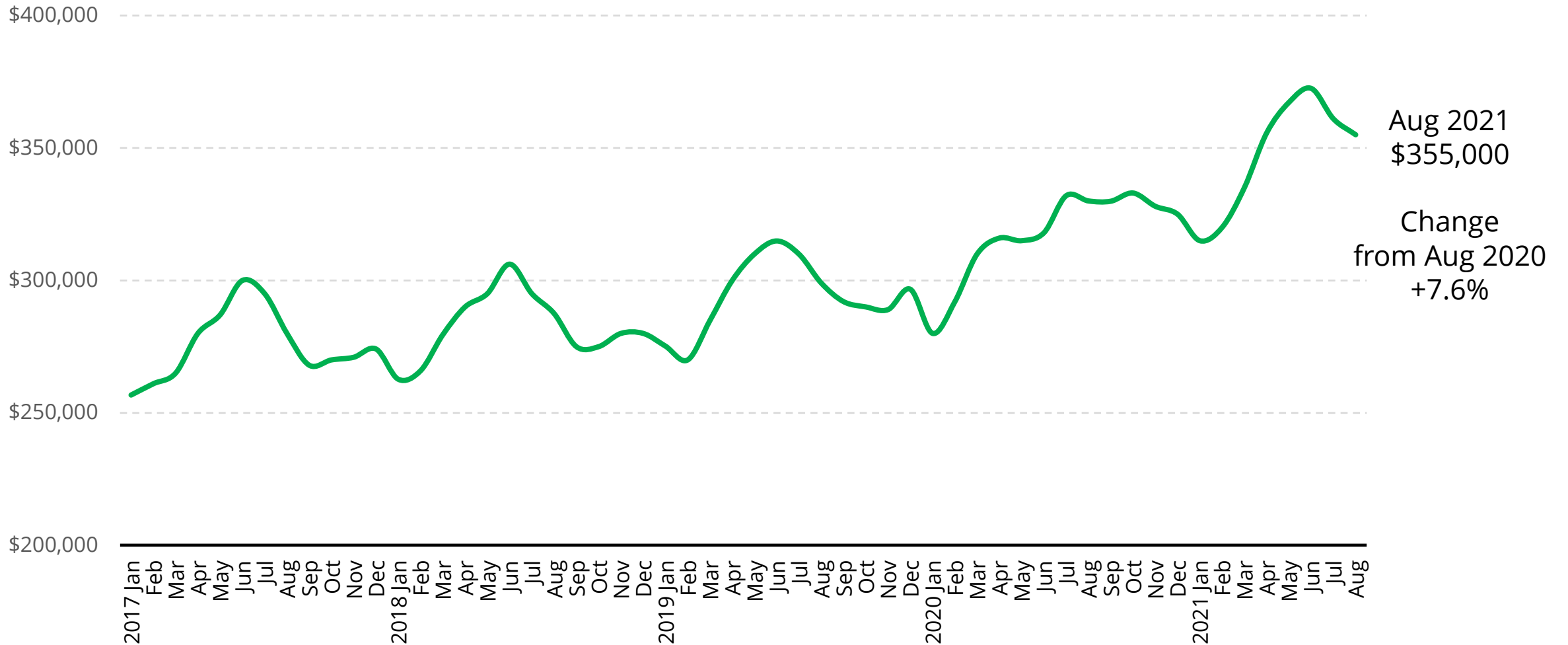


Local Home Sales – SVAR Footprint



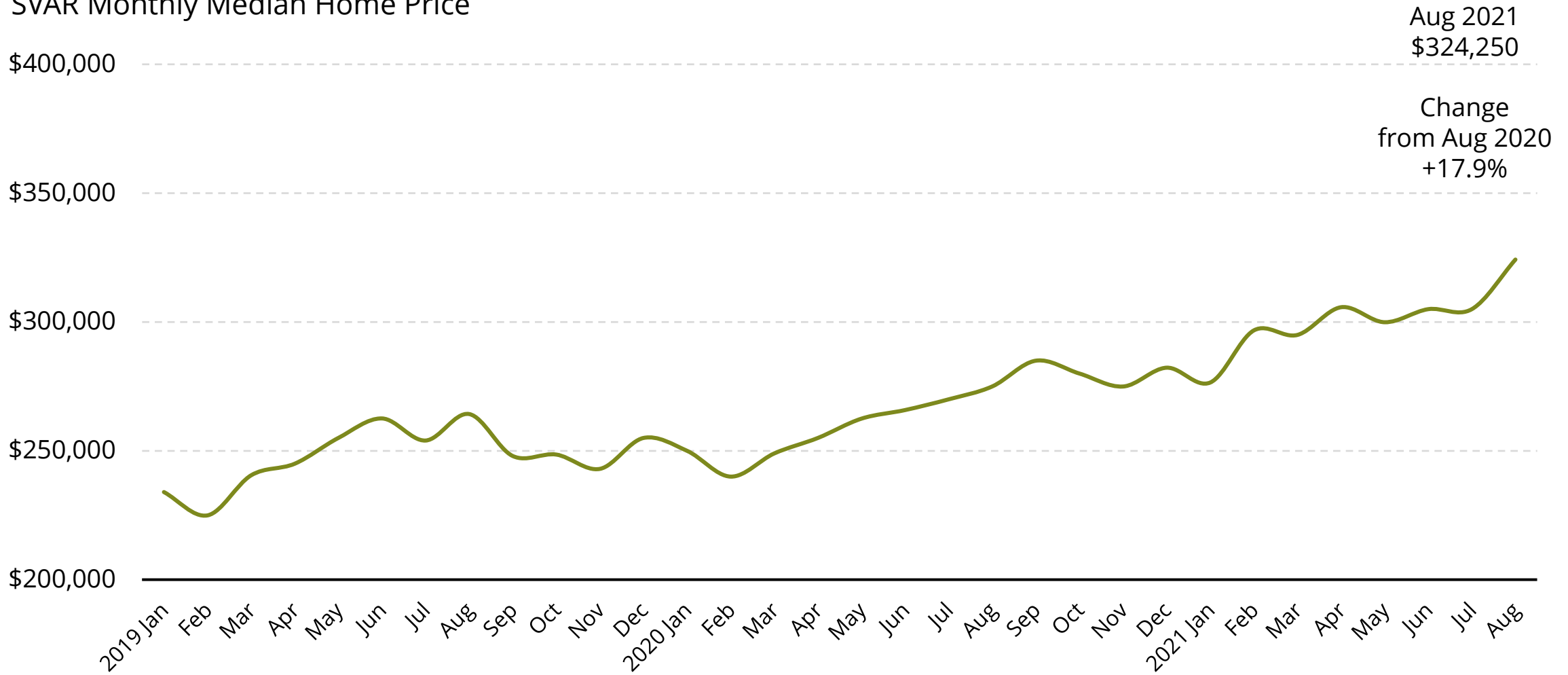
Virginia Home Prices

Monthly Median Home Price

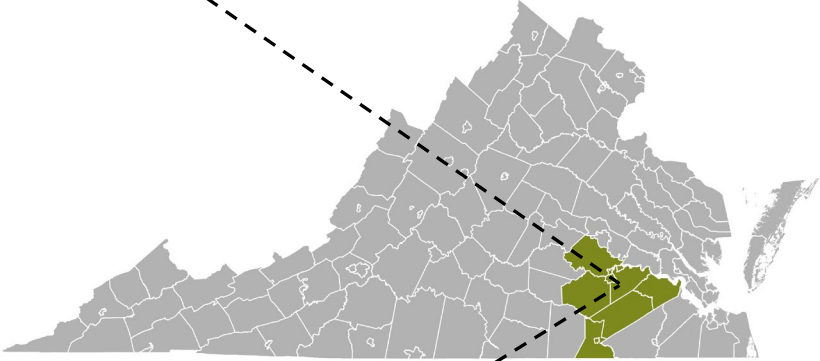
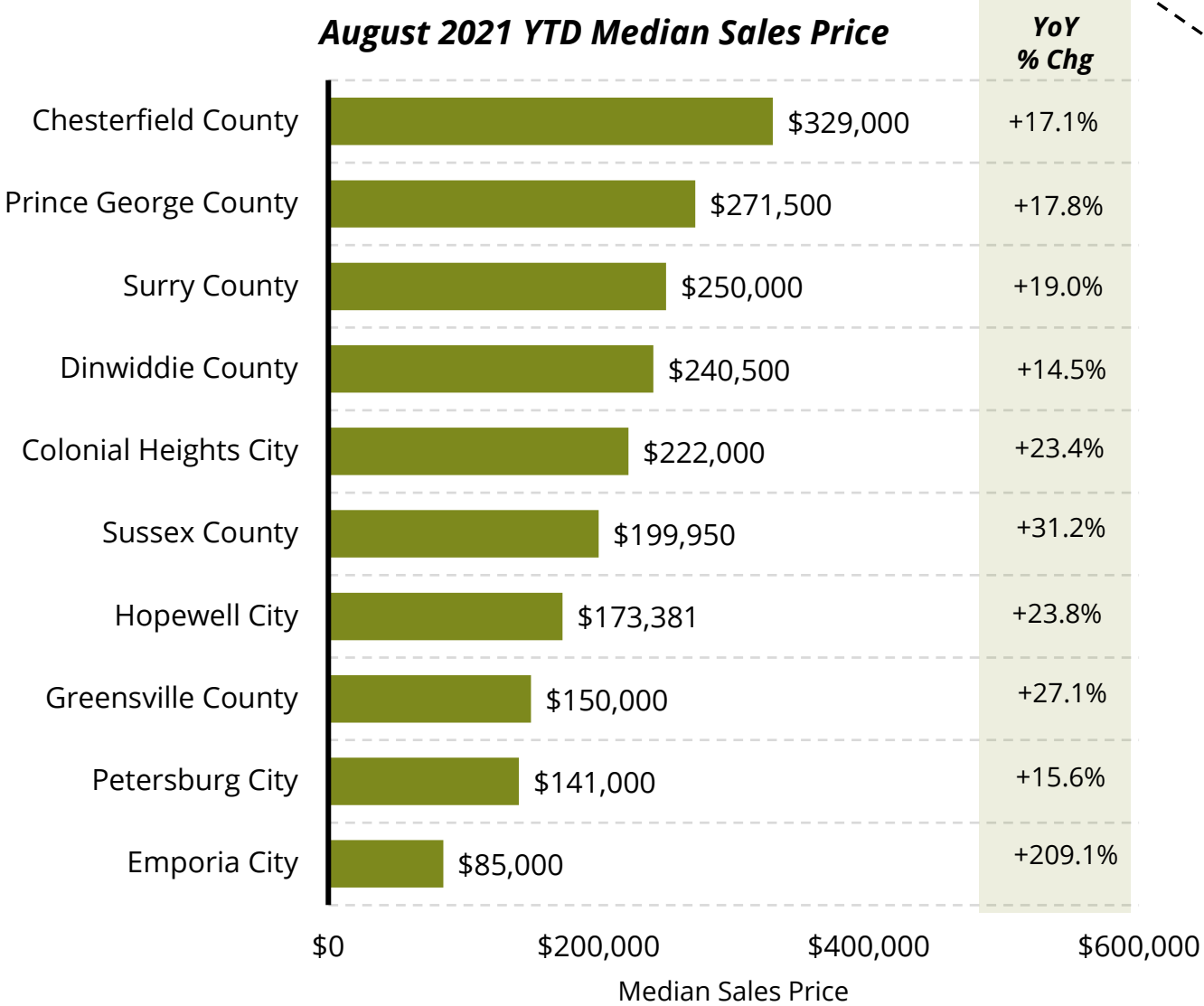


Regional Home Prices

SVAR Monthly Median Home Price

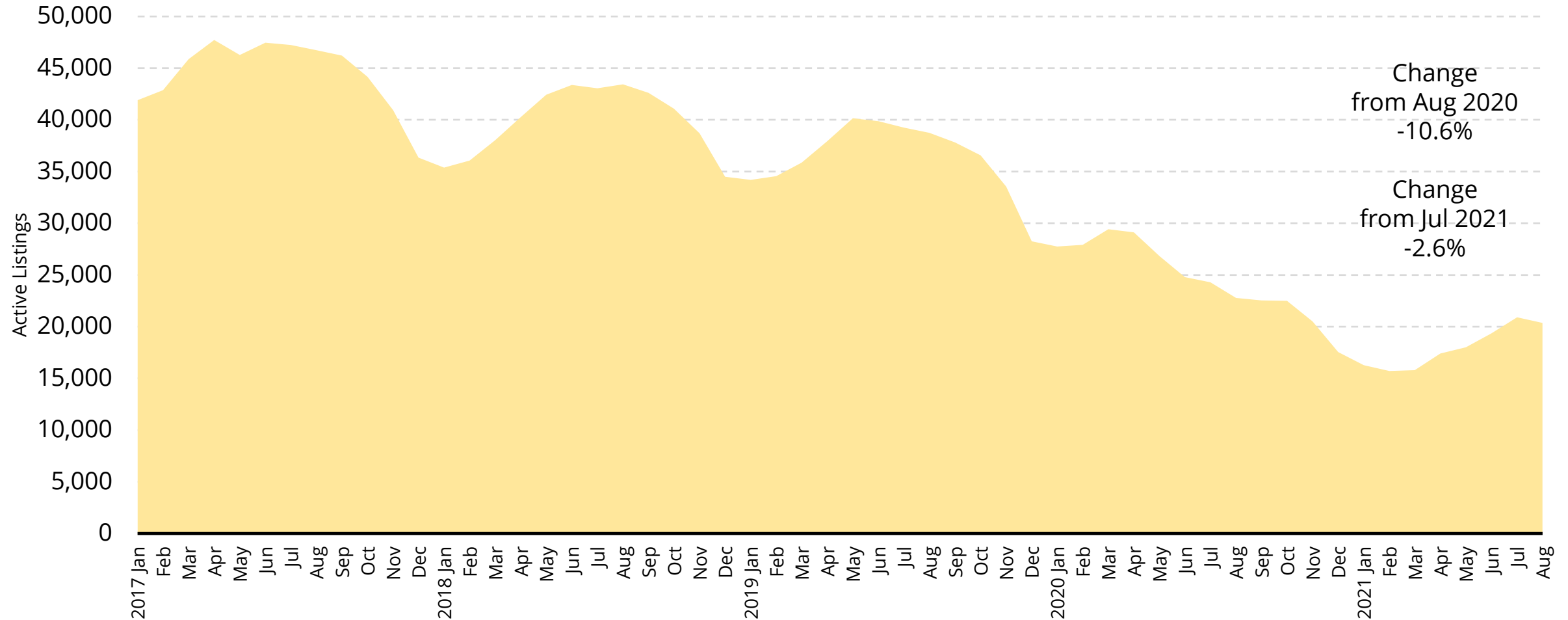


Local Home Prices – SVAR Footprint



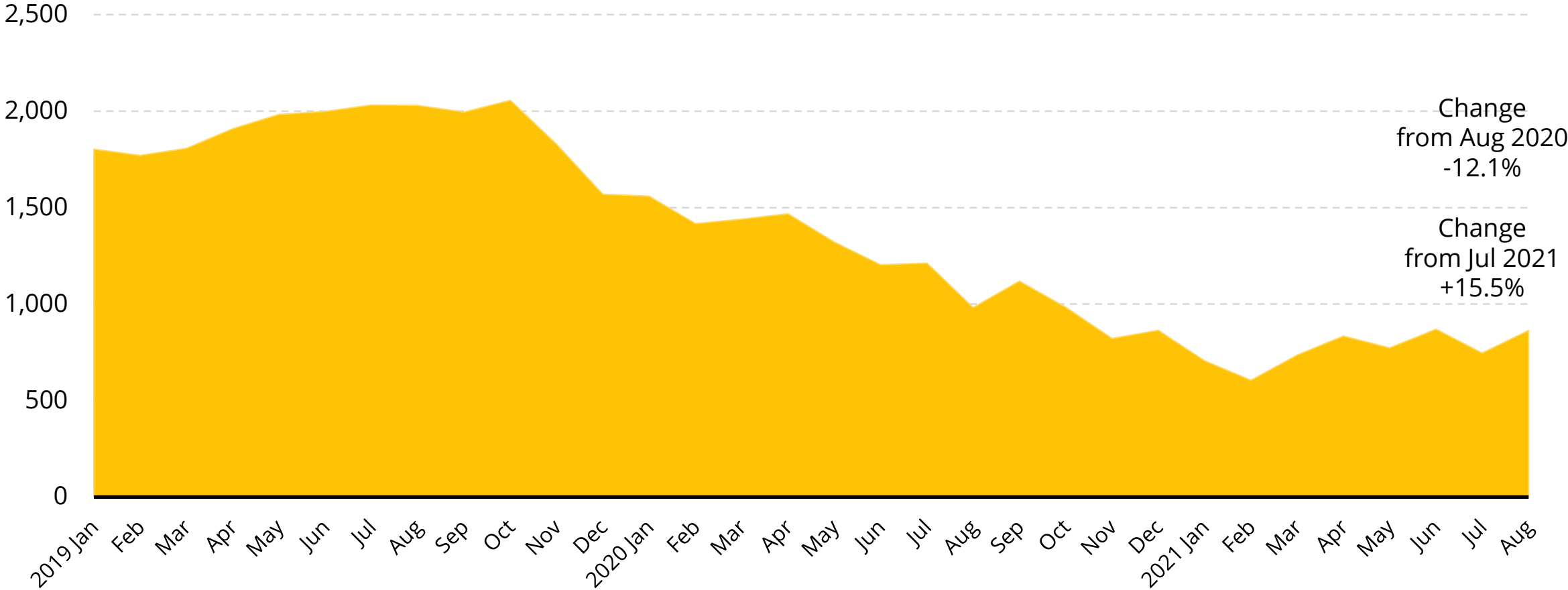
Virginia Inventory

End-of-the-Month Active Listings



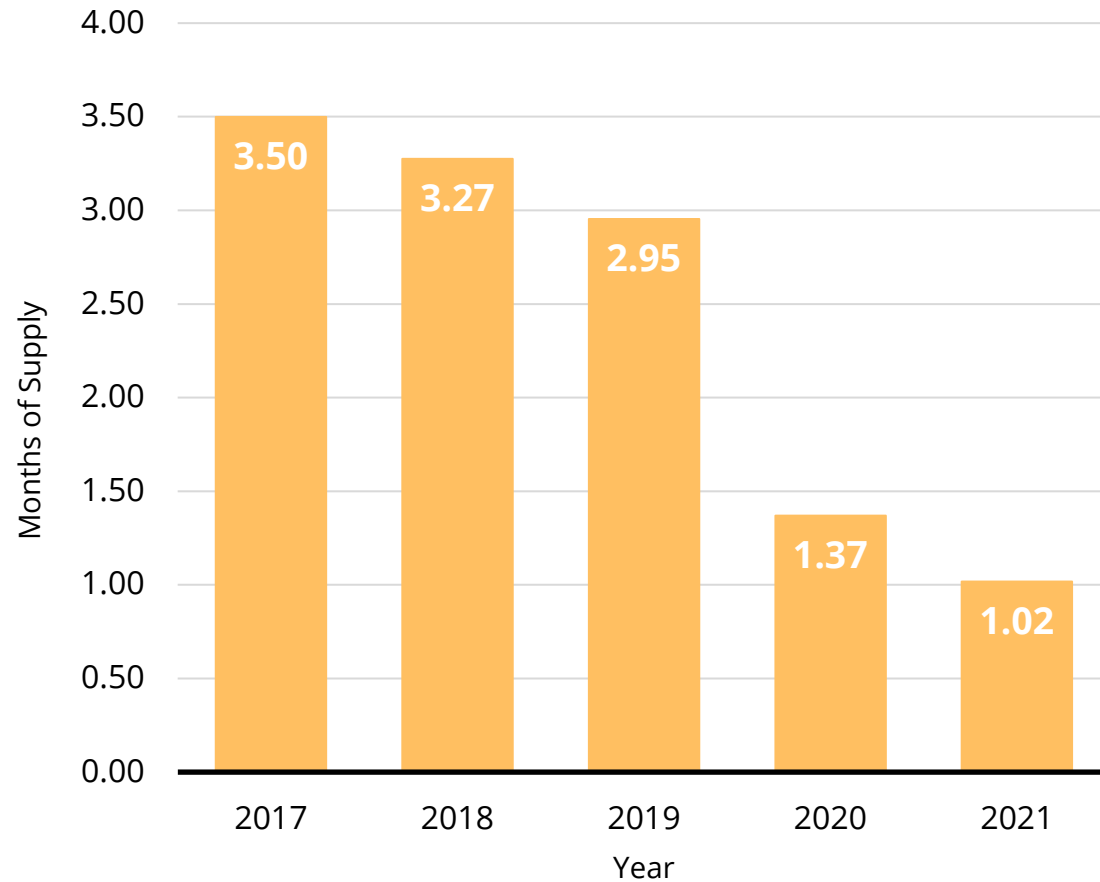
Regional Inventory

SVAR End-of-the-Month Active Listings

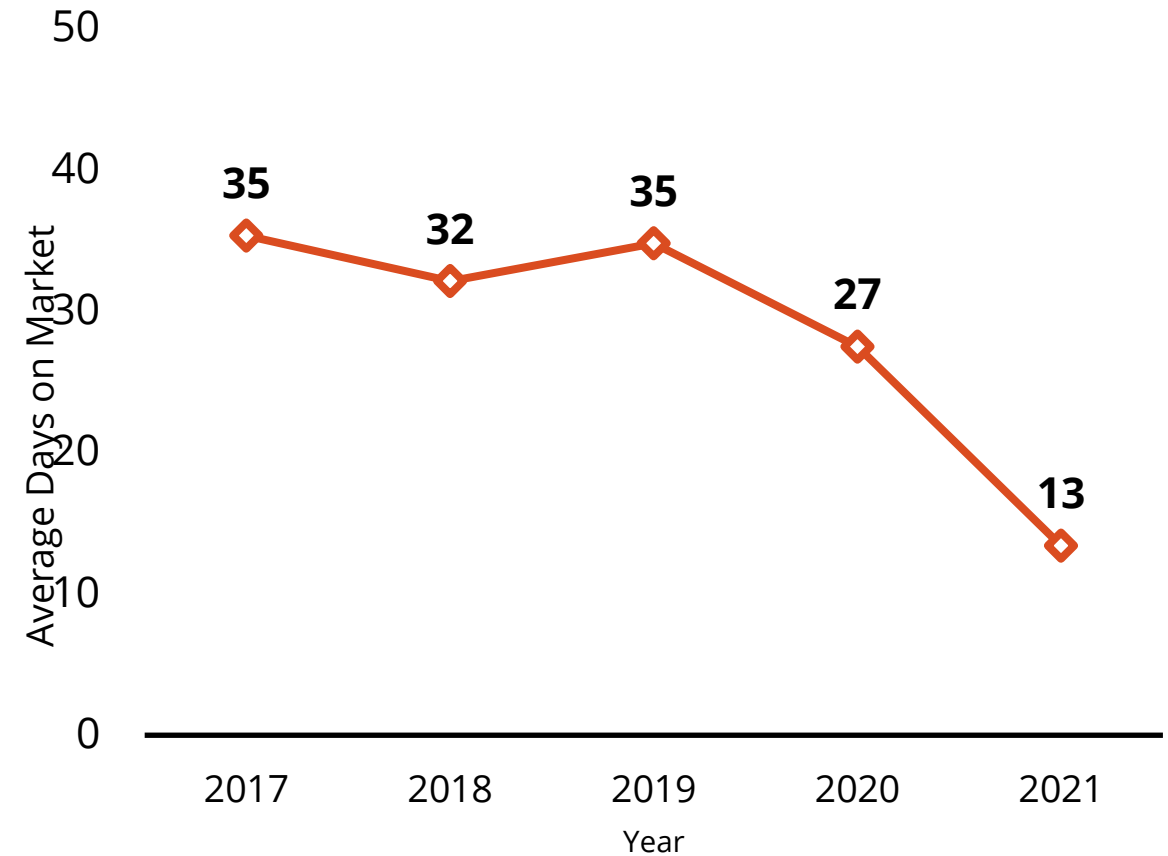


Regional Inventory

SVAR Months of Supply, August

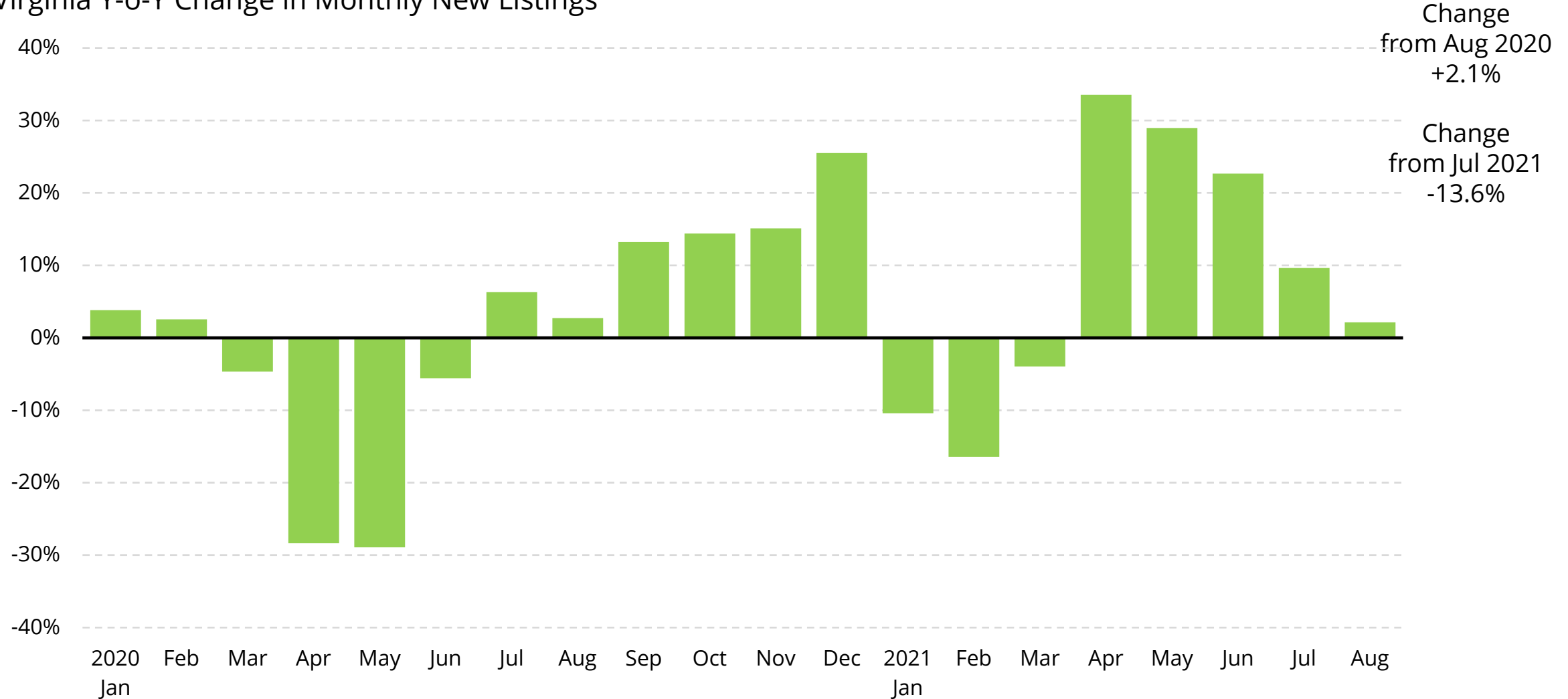


SVAR Average Days on Market, August



Virginia New Listings

Virginia Y-o-Y Change in Monthly New Listings

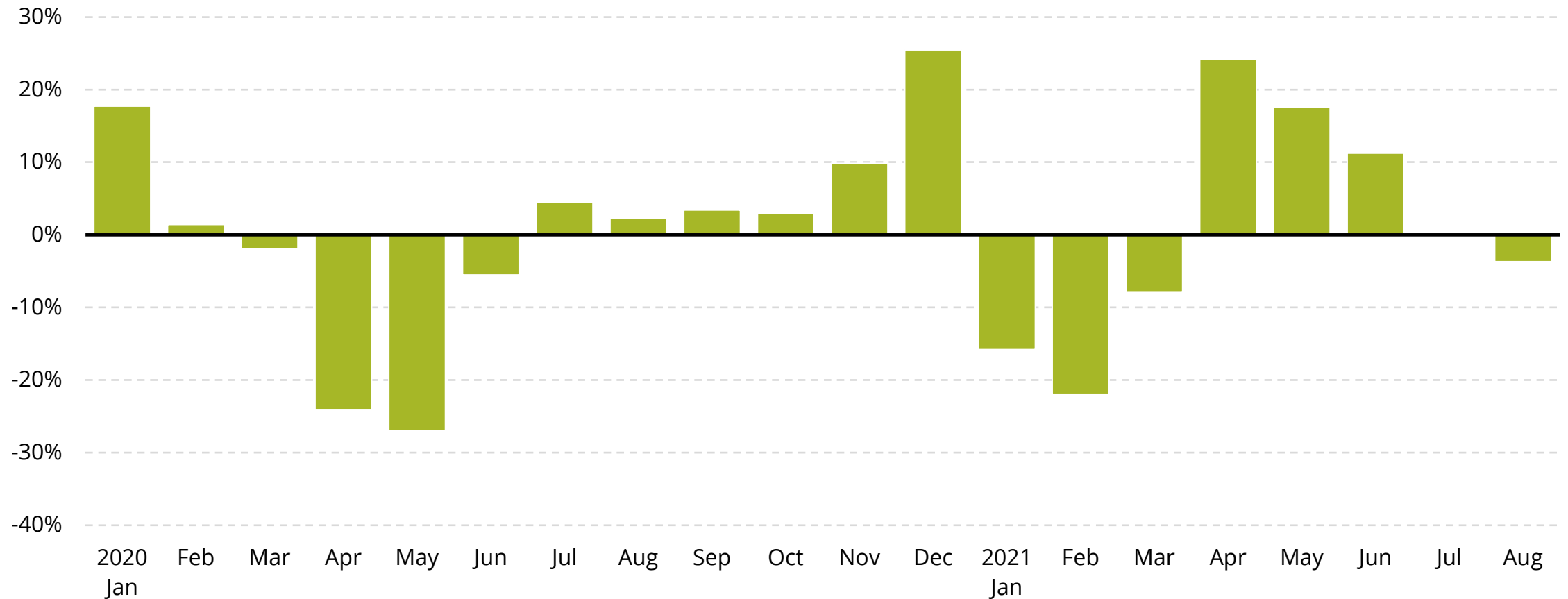


Regional New Listings²⁴

SVAR Y-o-Y Change in Monthly New Listings

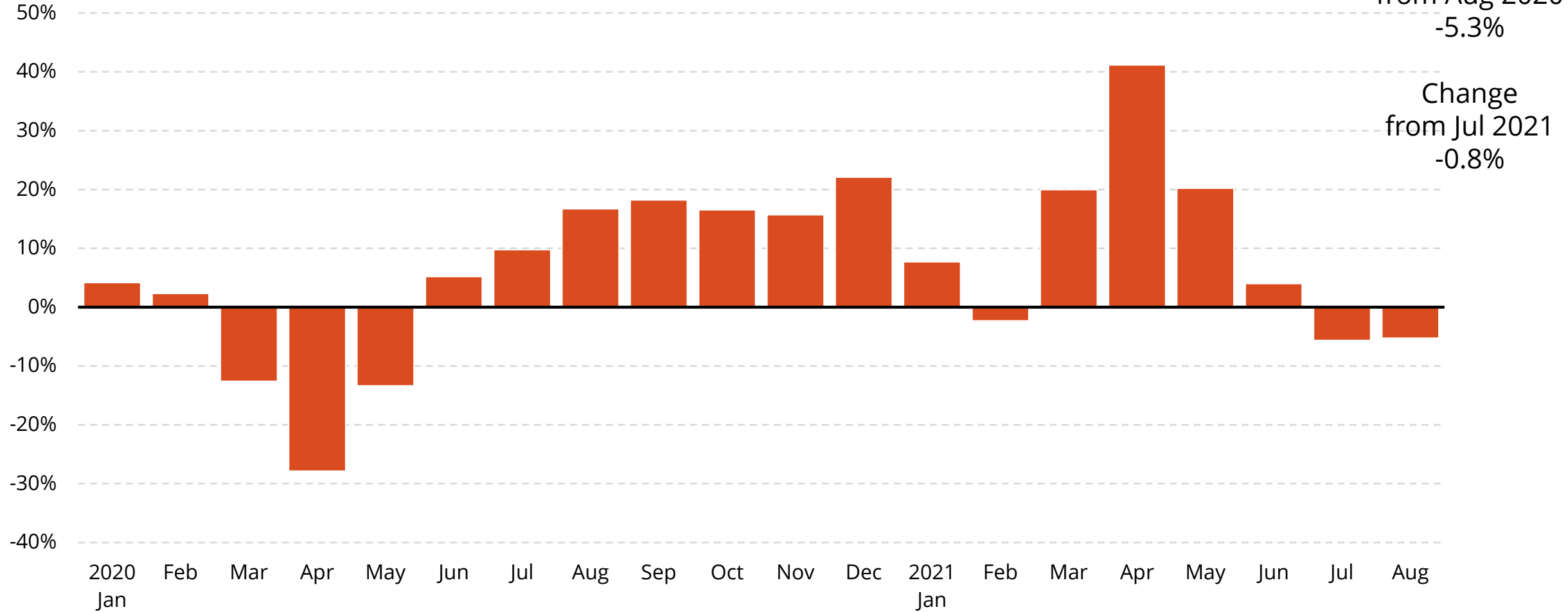
Change Aug 20 to Aug 21: -3.7%

Change Jul 21 to Aug 21: -9.8%



Virginia Pending Sales (under contract)

Virginia Y-o-Y Change in Pending Sales

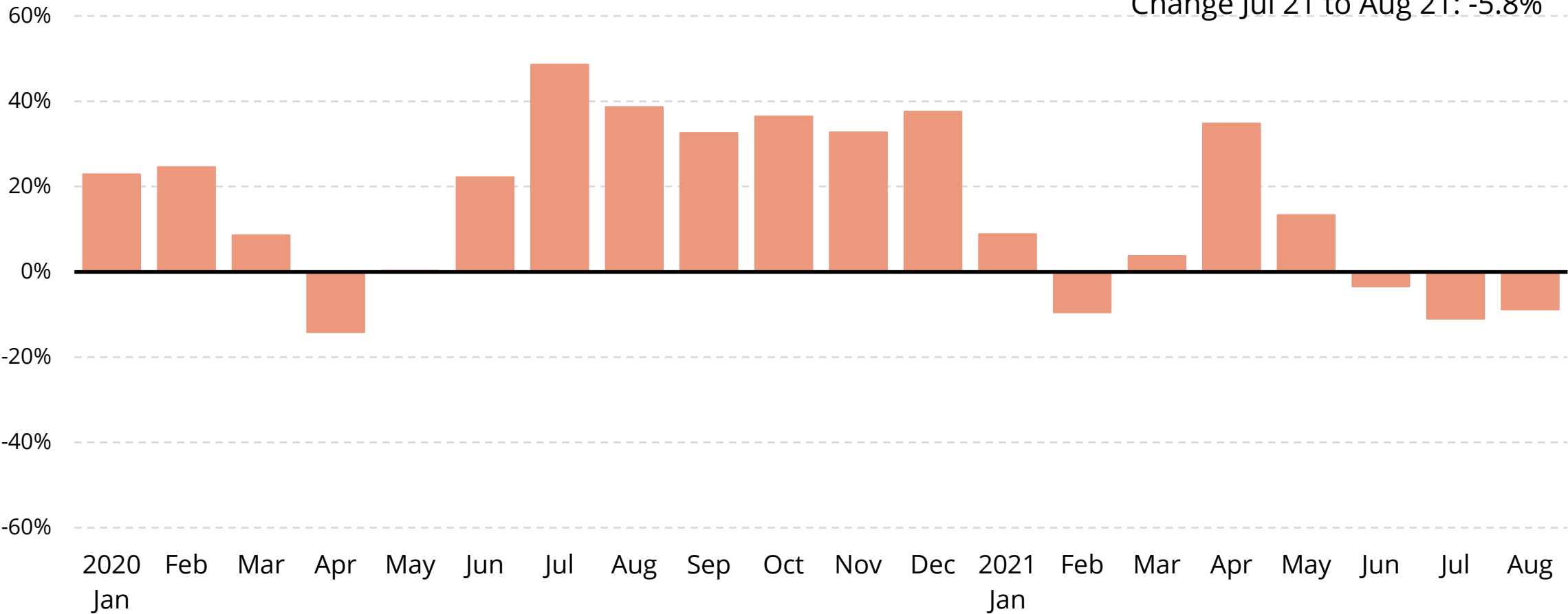


Regional Pending Sales

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

Change Aug 20 to Aug 21: -8.9%

Change Jul 21 to Aug 21: -5.8%



Source: Virginia REALTORS®

Forecast



The Economy: Where We're Headed

Job Growth

Annual Change



2021: +1.6%
+62K jobs

2022: +2.0%
+79K jobs

Unemployment Rate

4th quarter



2021: 3.5%

2022: 3.0%

The Housing Market: Where We're Headed



Home Sales

Annual Change

2021: +6.2%

2022: -0.1%



Median Home Price

Annual Change

2021: +9.2%

2022: +4.1%



New Housing Starts

Annual Change

2021: +10.3%

2022: +0.5%



30-Year Mortgage Rate

December average

2021: 3.10%

2022: 4.00%

Have Questions or Need More Info?

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virginiarealtors.org/research

