



How Housing Supports Economic Growth in Virginia and Tennessee

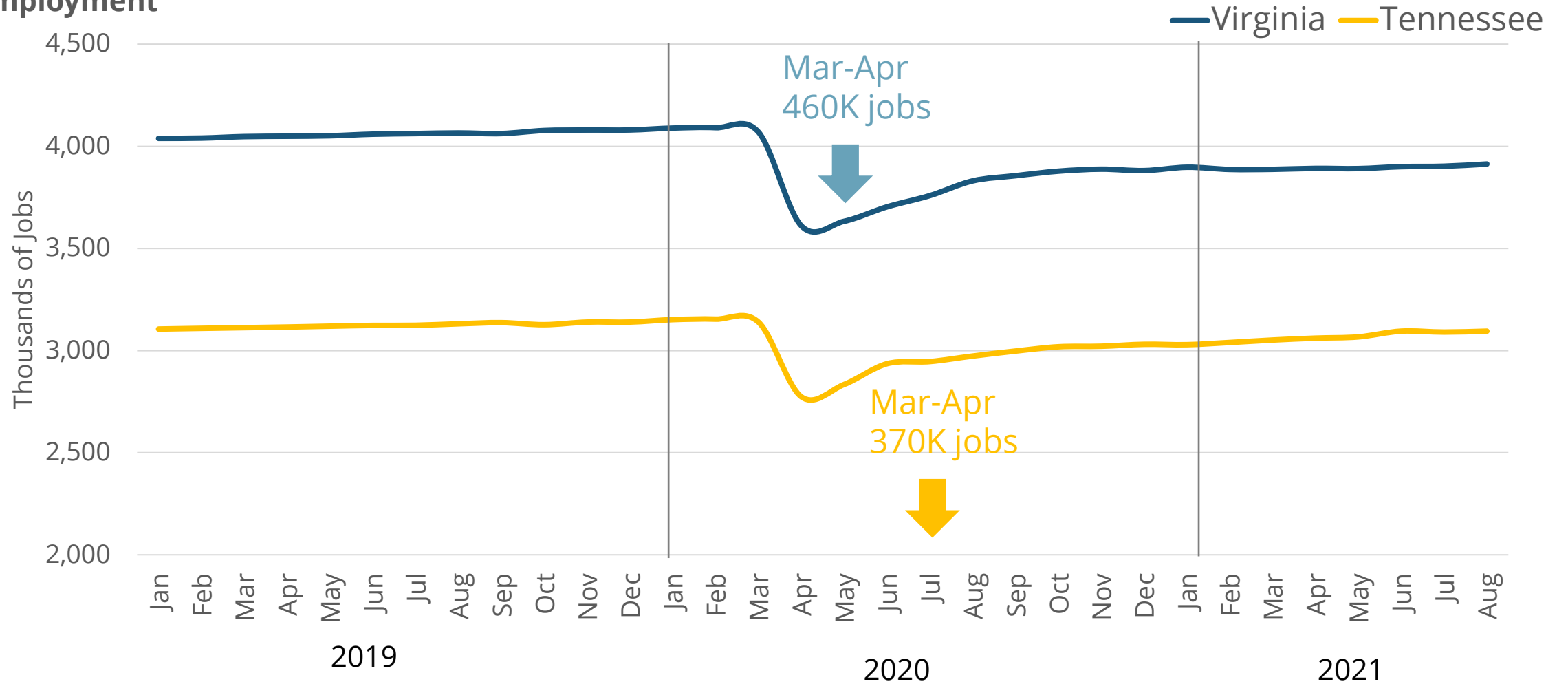
Lisa Sturtevant, PhD
Chief Economist

Presentation to
Bristol Tennessee/Virginia
Association of REALTORS®

September 30, 2021

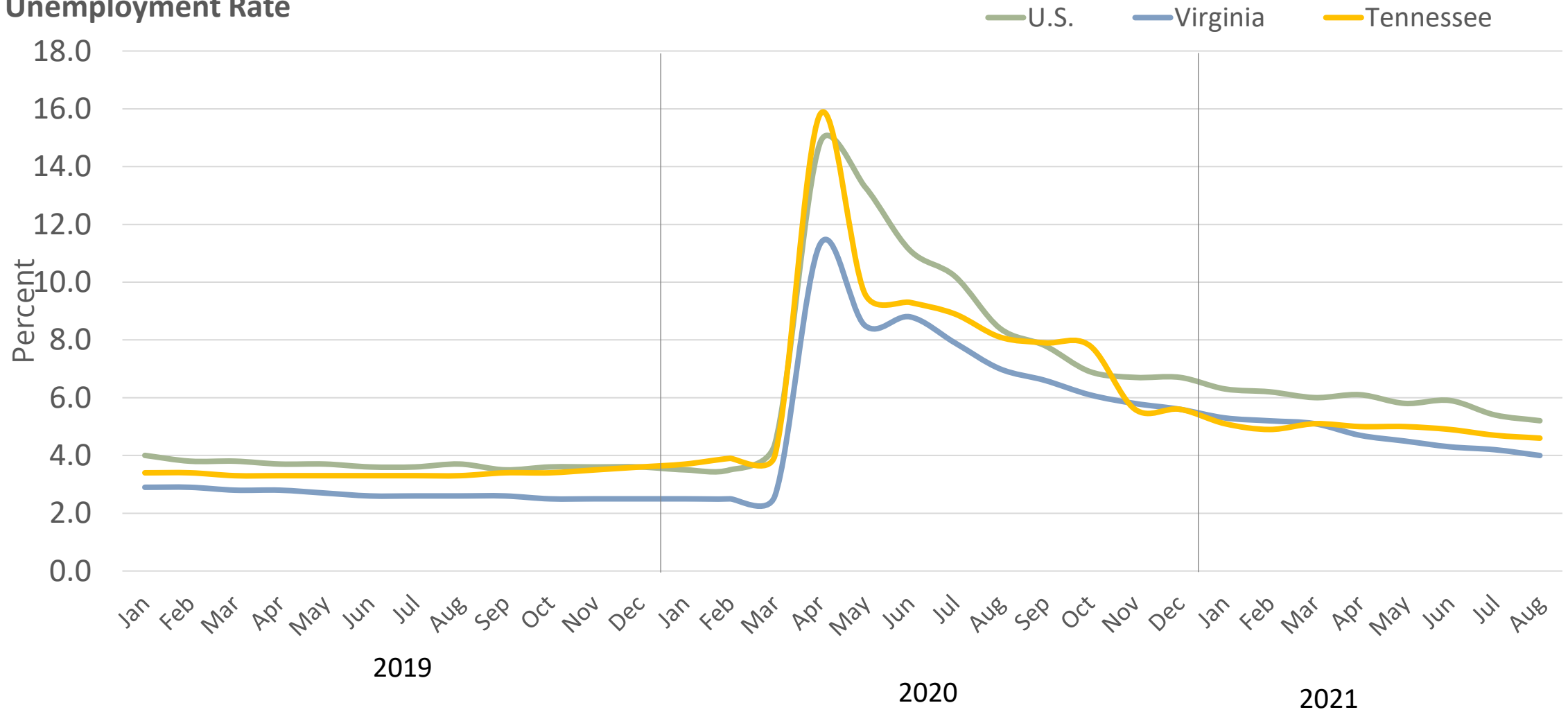
The Economy

Employment

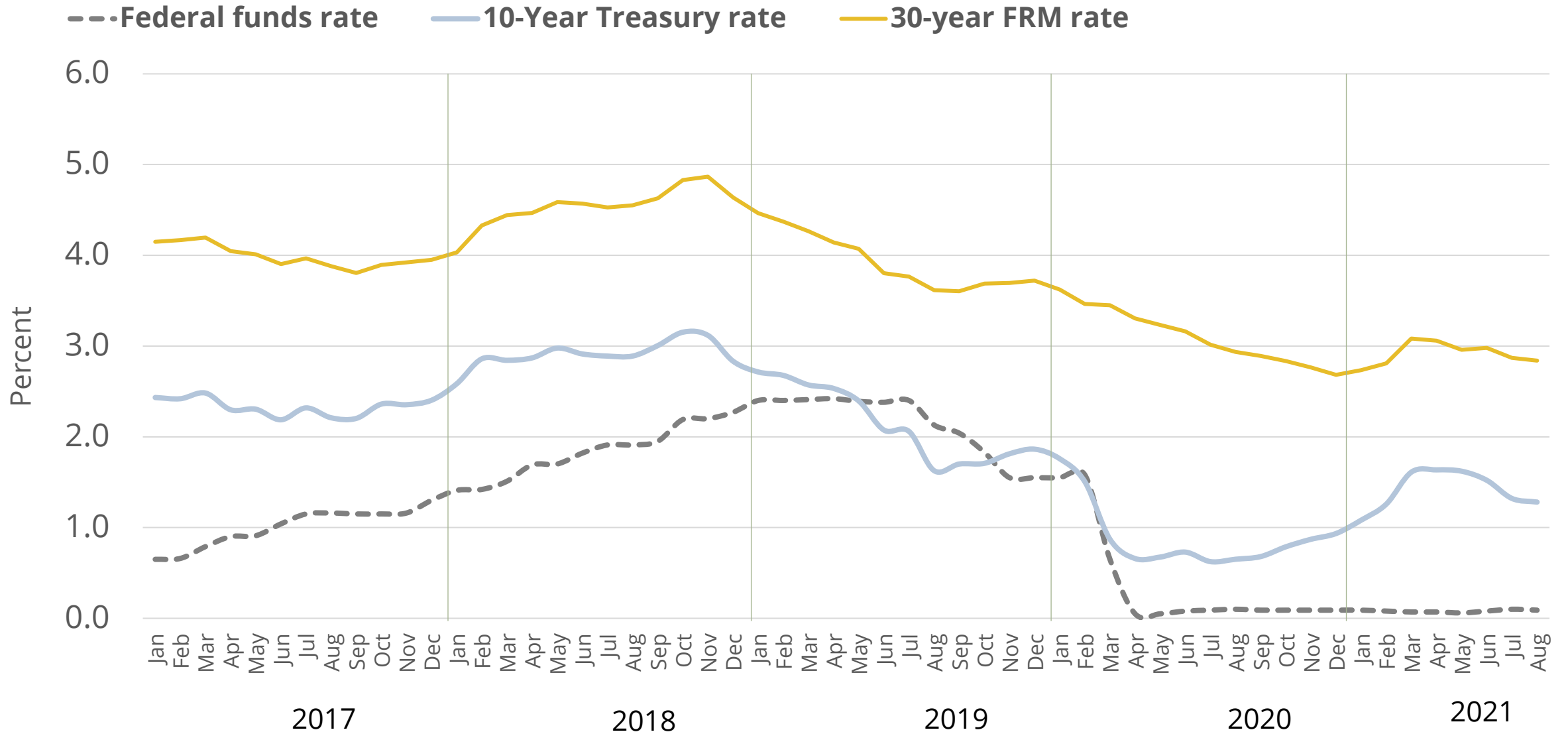


Virginia's Economy

Unemployment Rate



Interest Rates

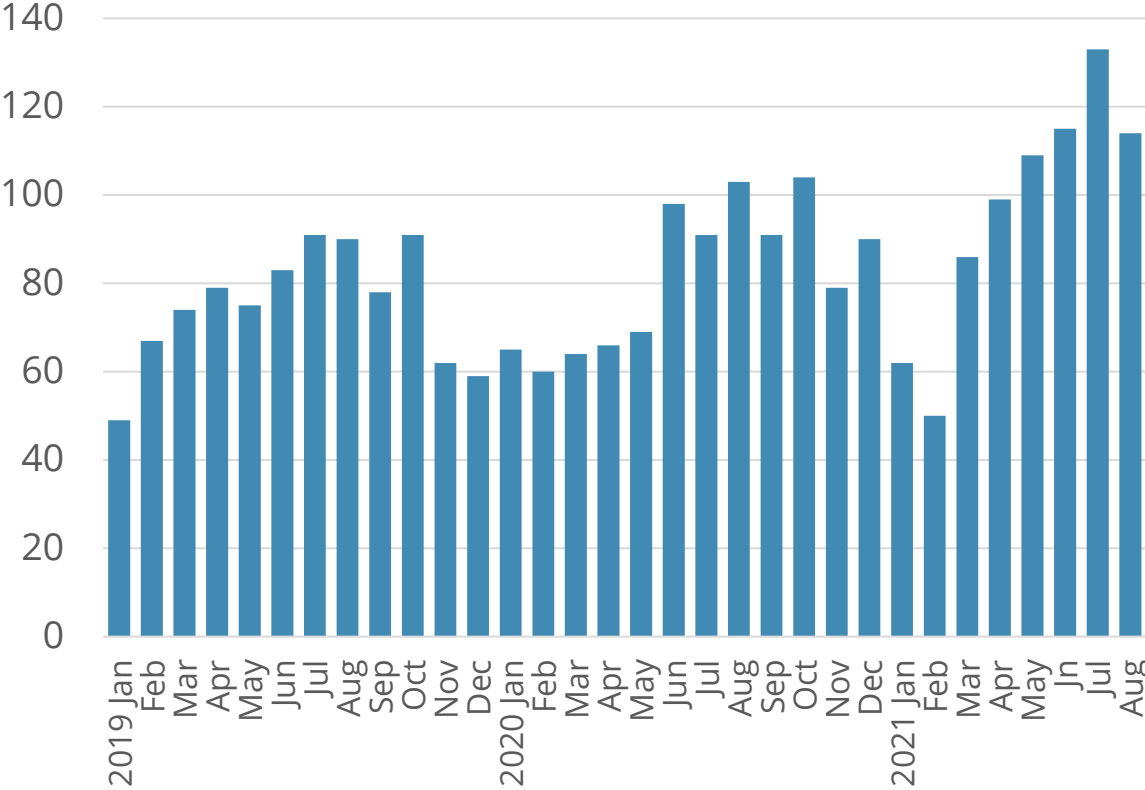


Source: Federal Reserve Bank of St. Louis

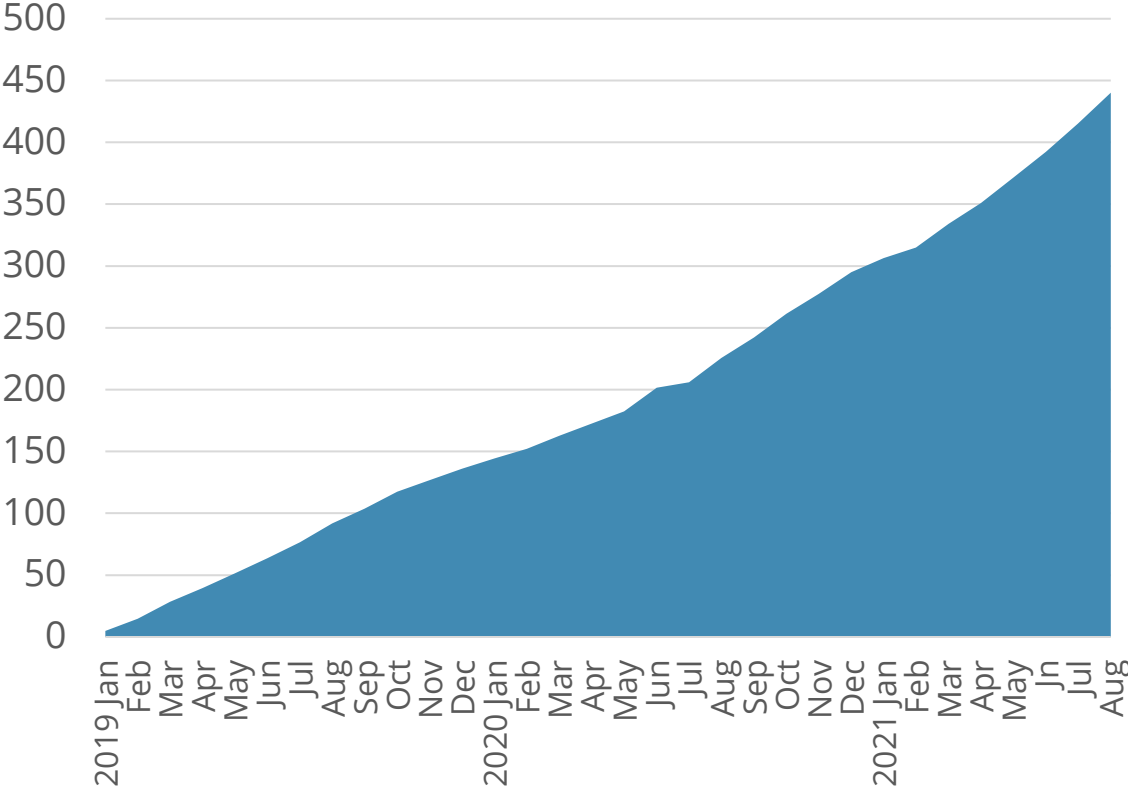
Housing Market Trends

BTVAR - Virginia

Monthly Home Sales



Cumulative Sold Volume (\$s millions)

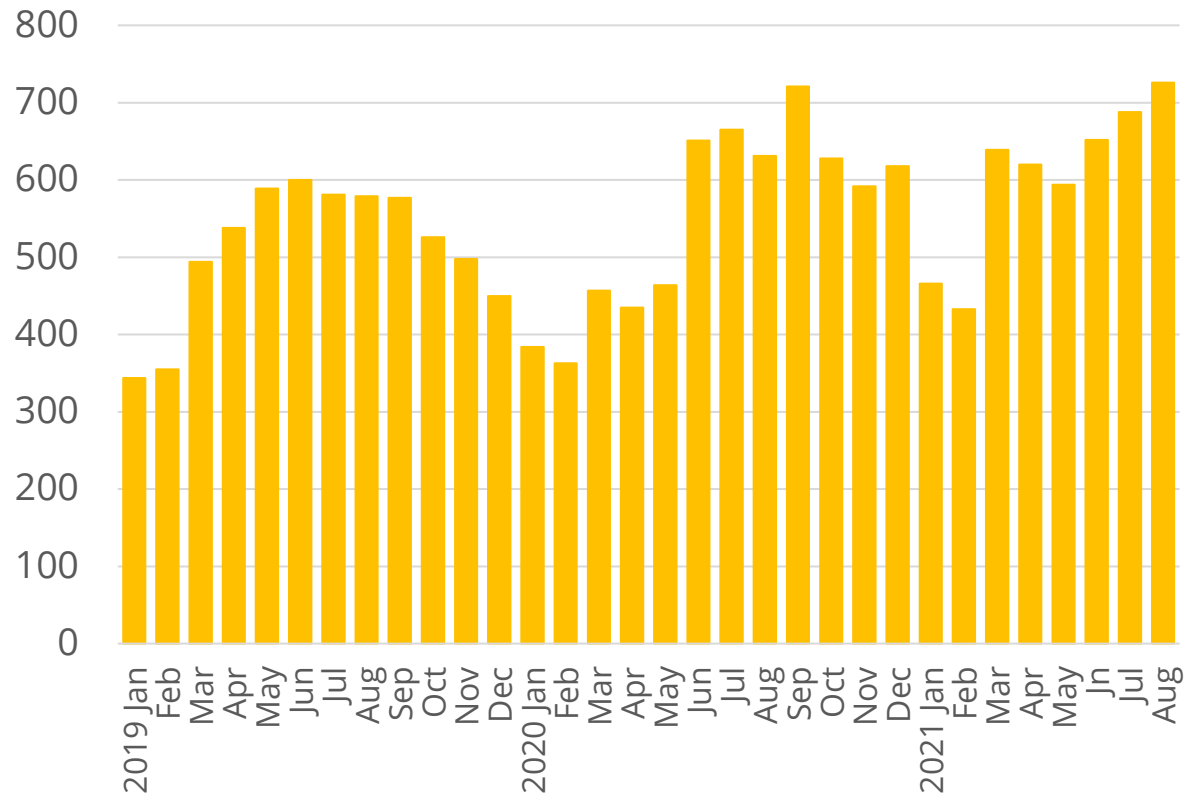


Source: Virginia REALTORS®, BTVAR

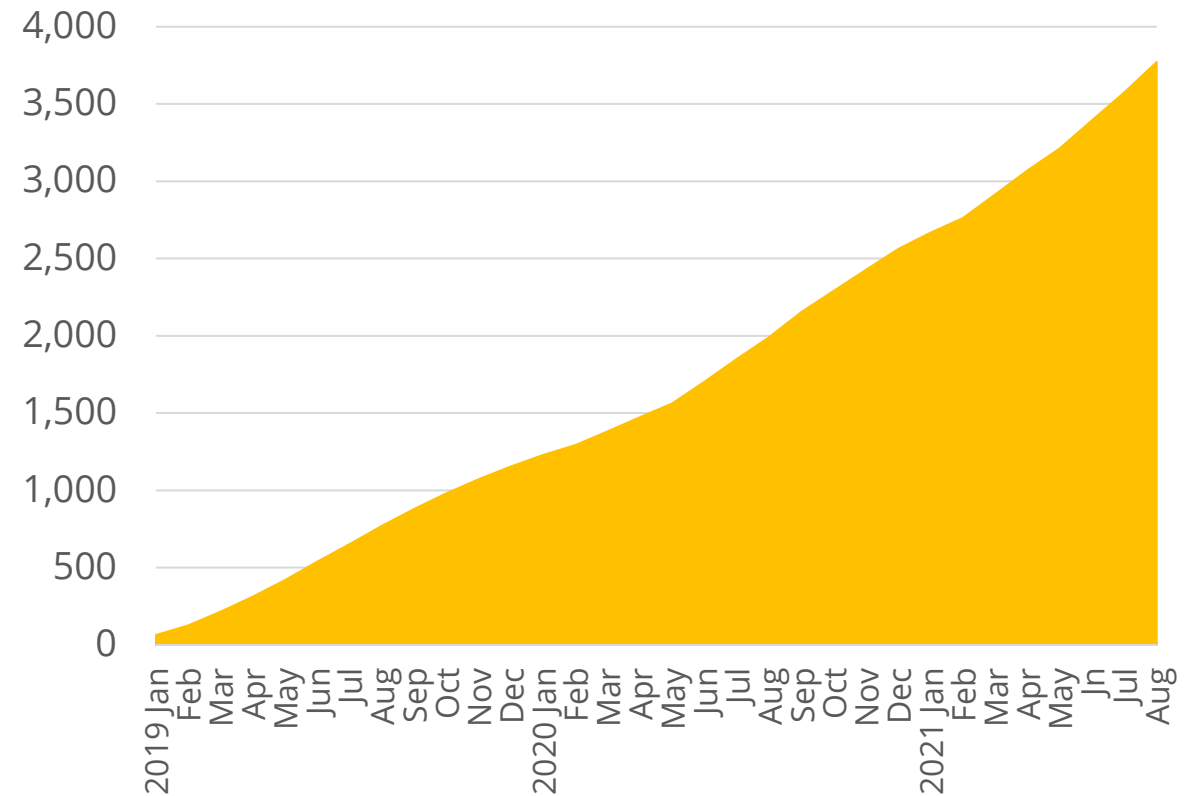
Housing Market Trends

BTVAR - Tennessee

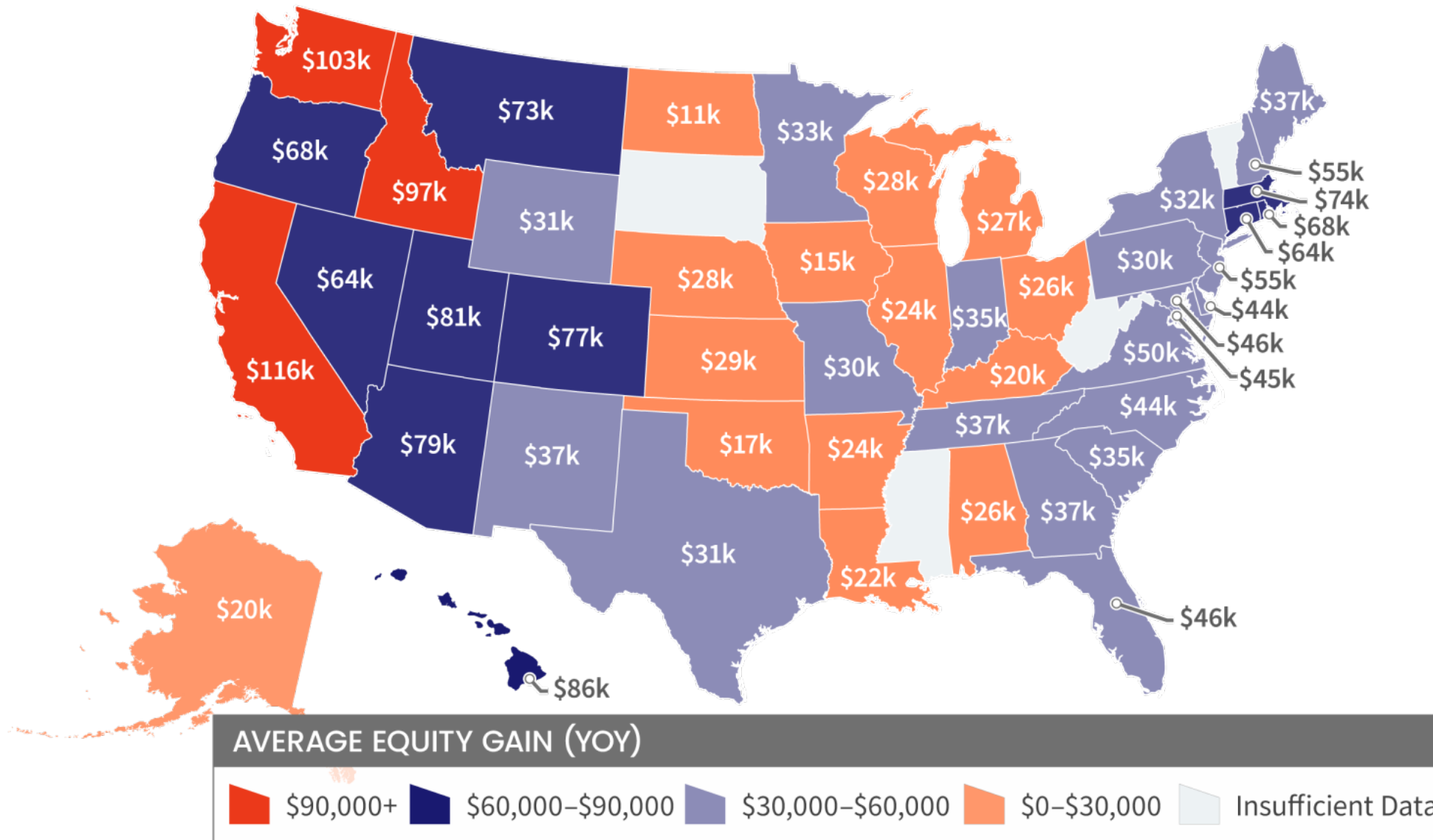
Monthly Home Sales



Cumulative Sold Volume (\$s millions)



Growth in Housing Equity – Q2 2020 to Q2 2021



Source: Core Logic

THE ECONOMIC IMPACT OF A TYPICAL HOME SALE

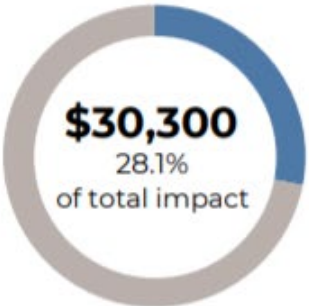
in Virginia

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

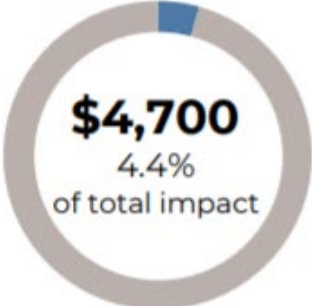
\$107,900

Income generated from
real estate industries



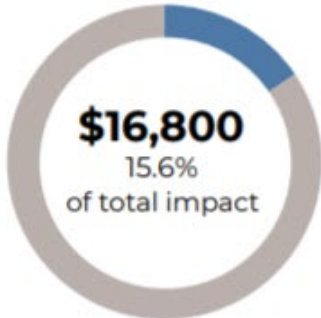
+

Expenditures related
to home purchase



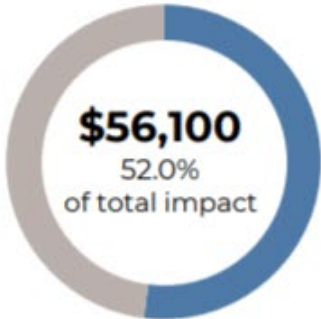
+

Multiplier of housing
related expenditures



+

New home
construction



Source: National Association of REALTORS®

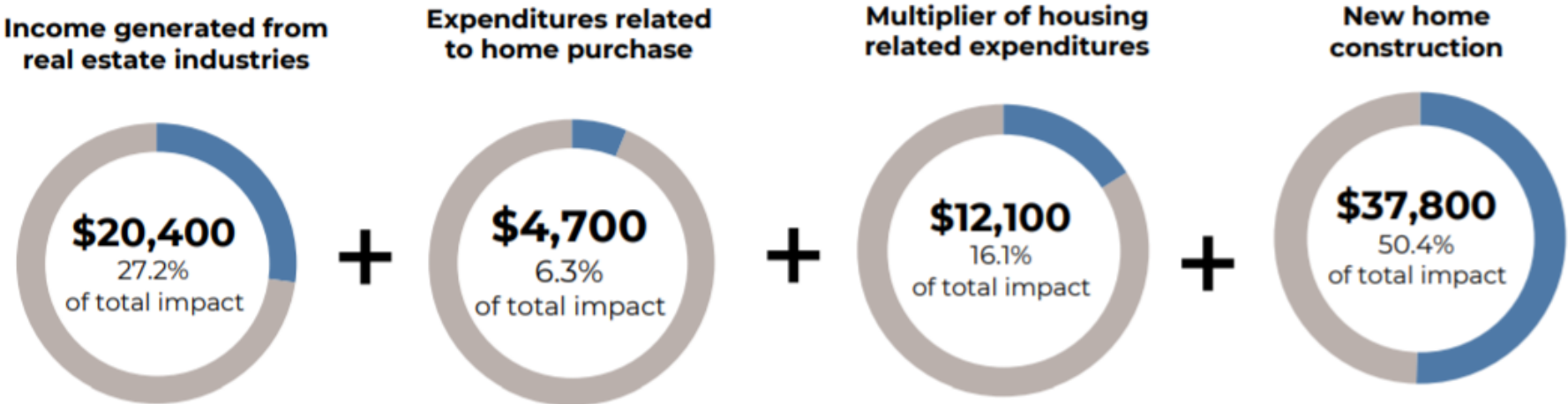
THE ECONOMIC IMPACT OF A TYPICAL HOME SALE

in Tennessee

The real estate industry accounted for **\$59.6** billion or **16.4%** of the gross state product in 2020.

TOTAL ECONOMIC IMPACT OF A TYPICAL HOME SALE

\$75,000



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.

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.



Outlook for the U.S.

	2020	2021	2022
Job Growth Rate	-5.7%	3.3%	2.2%
Unemployment Rate (%)	8.1	5.9	5.5
Existing Home Sales (annual change)	5.6%	6.4%	-0.2%
Median Home Price (annual change)	9.1%	14.1%	4.4%

Outlook for Virginia



Job Growth

Annual Change

2021: +62K jobs

2022: +79K jobs

Unemployment Rate

4th quarter



2021: 3.5%

2022: 3.0%



Home Sales

Annual Change

2021: +6.2%

2022: -0.1%

Median Home Price

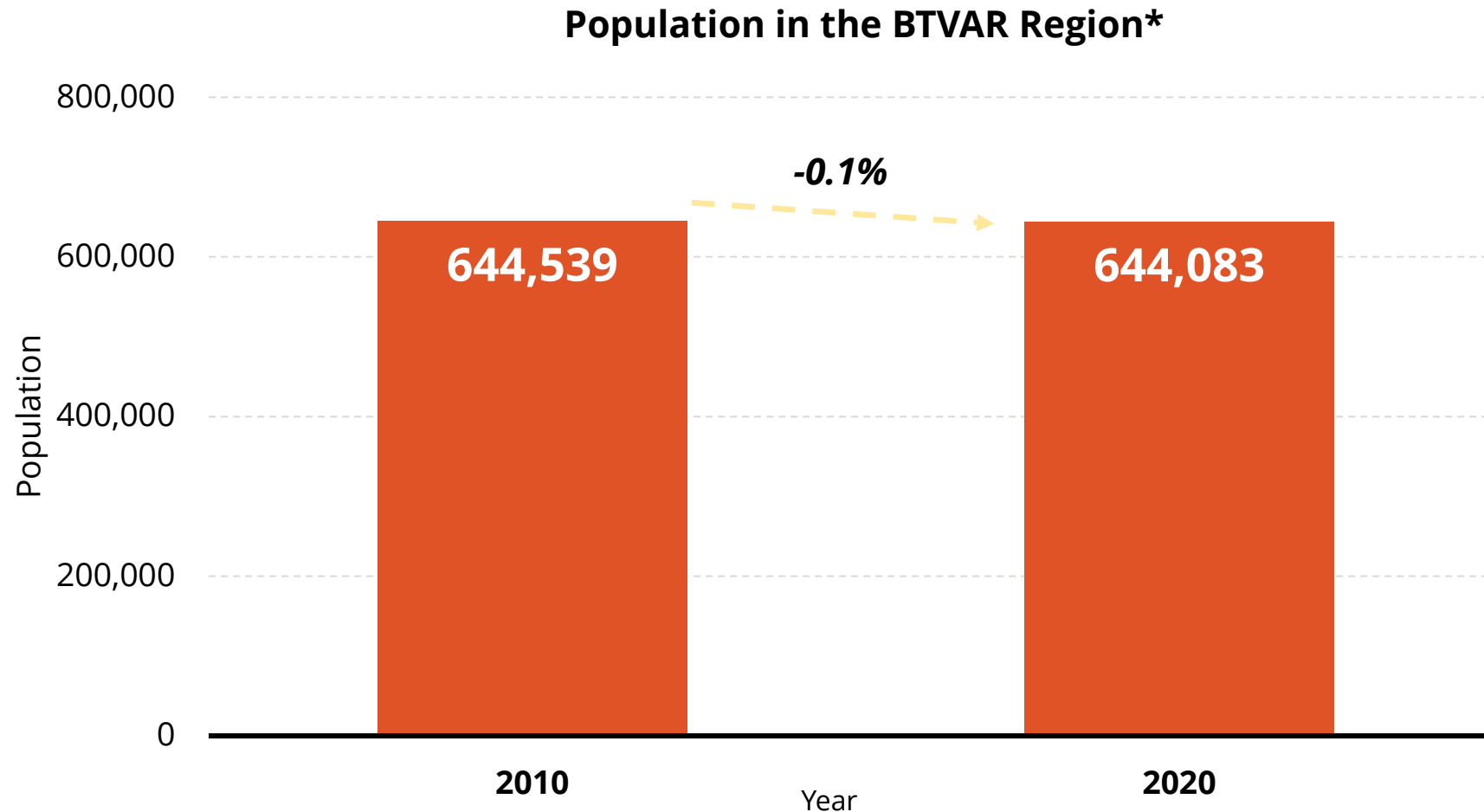
Annual Change

2021: +9.2%

2022: +4.1%



Population Change in BTVAR Region



Population Change (2010-2020)

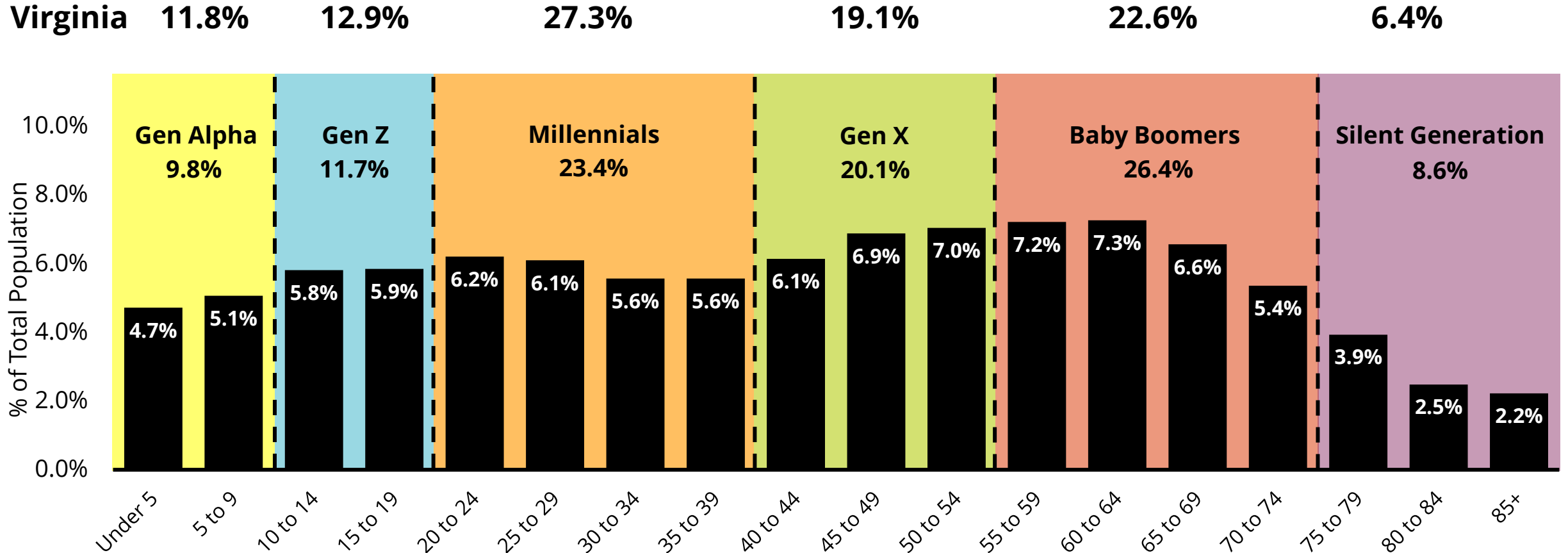
State and Local

Tennessee (statewide)	+8.9%
Virginia (statewide)	+7.9%
Washington County, TN	+8.1%
Greene County, TN	+1.9%
Sullivan County, TN	+0.9%
Hawkins County, TN	-0.2%
Johnson County, TN	-1.6%
Washington County, TN	-1.7%
Carter County, TN	-1.9%
Unicoi County, TN	-2.1%
Scott County, VA	-6.9%
Wise County, VA	-12.8%
Lee County, VA	-13.3%

Source: U.S. Census Bureau

*Includes Lee County VA, Scott County VA, Washington County VA, Wise County VA, Carter County TN, Greene County TN, Hawkins County TN, Johnson County TN, Sullivan County TN, Unicoi County, TN, Washington County, TN

Age Distribution in BTVAR Region*, 2019

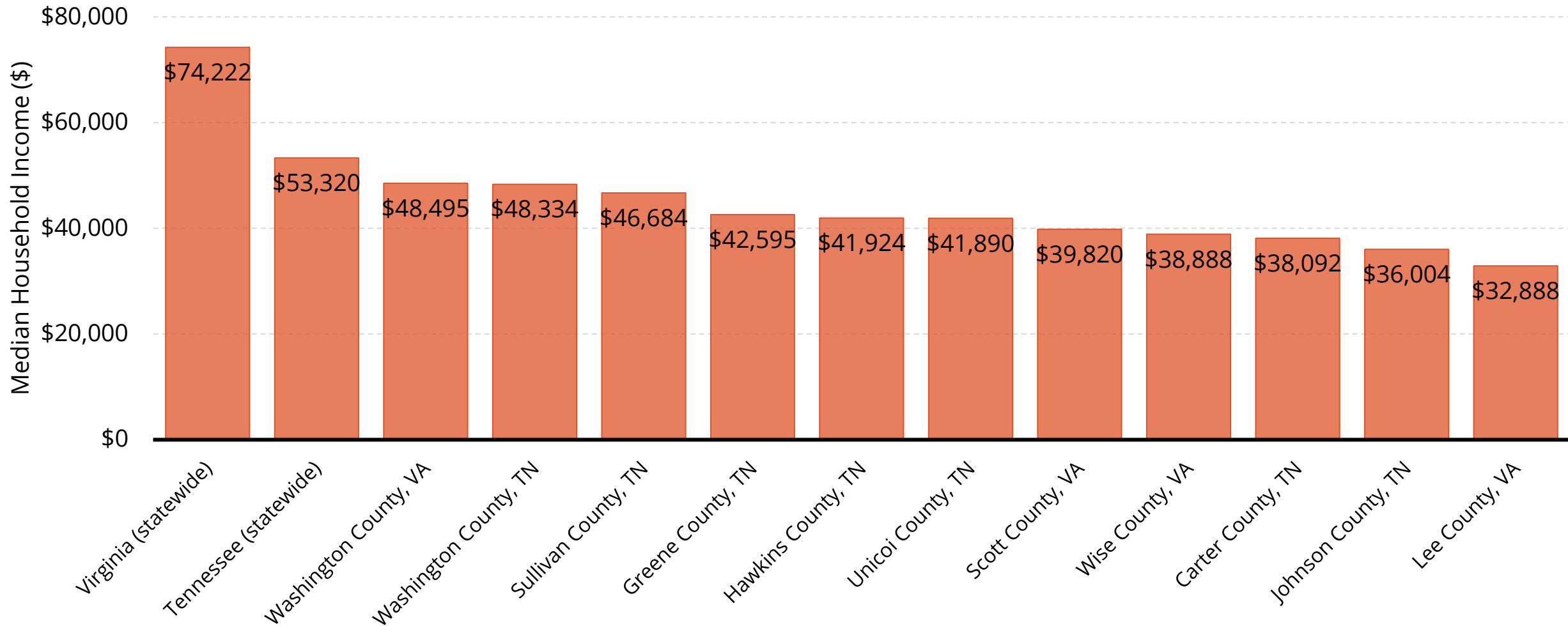


Source: U.S. Census Bureau

*Includes Lee County VA, Scott County VA, Washington County VA, Wise County VA, Carter County TN, Greene County TN, Hawkins County TN, Johnson County TN, Sullivan County TN, Unico County, TN, Washington County, TN

Note: Generation age ranges are approximate

Median Household Income, 2019



Source: U.S. Census Bureau

Have Questions or Need More Info?

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virginiarealtors.org/research

