



Economic and Housing Market Update

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Chief Economist

Presentation to
Home Builders Association of Virginia

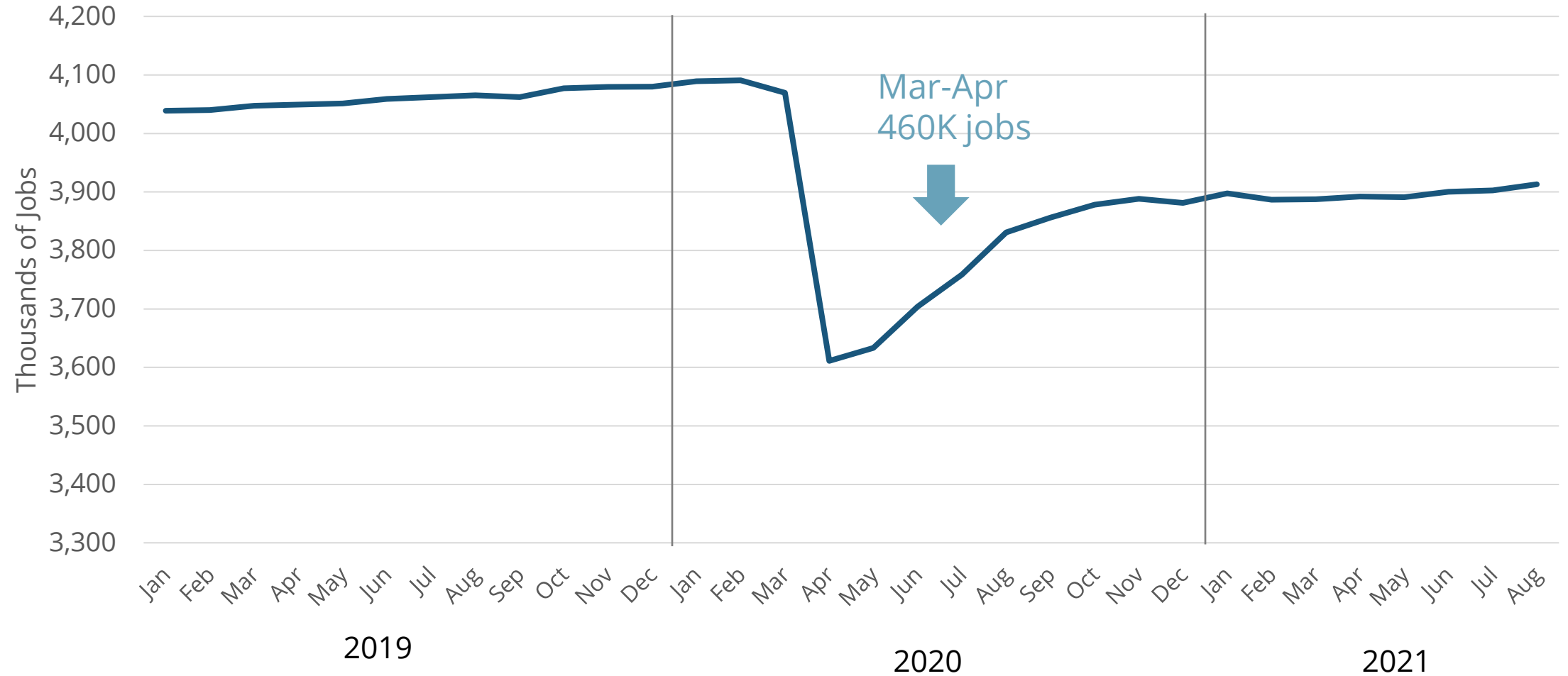
October 12, 2021

The background features a 3D perspective grid of light blue lines. A thick, dark blue jagged line graph is superimposed on the grid, showing an overall upward trend with several peaks and troughs. Various numbers, such as '77.05', '89.46', and '50.17', are scattered across the grid in a lighter blue font, some appearing to float or be part of the data series.

Key Economic Indicators

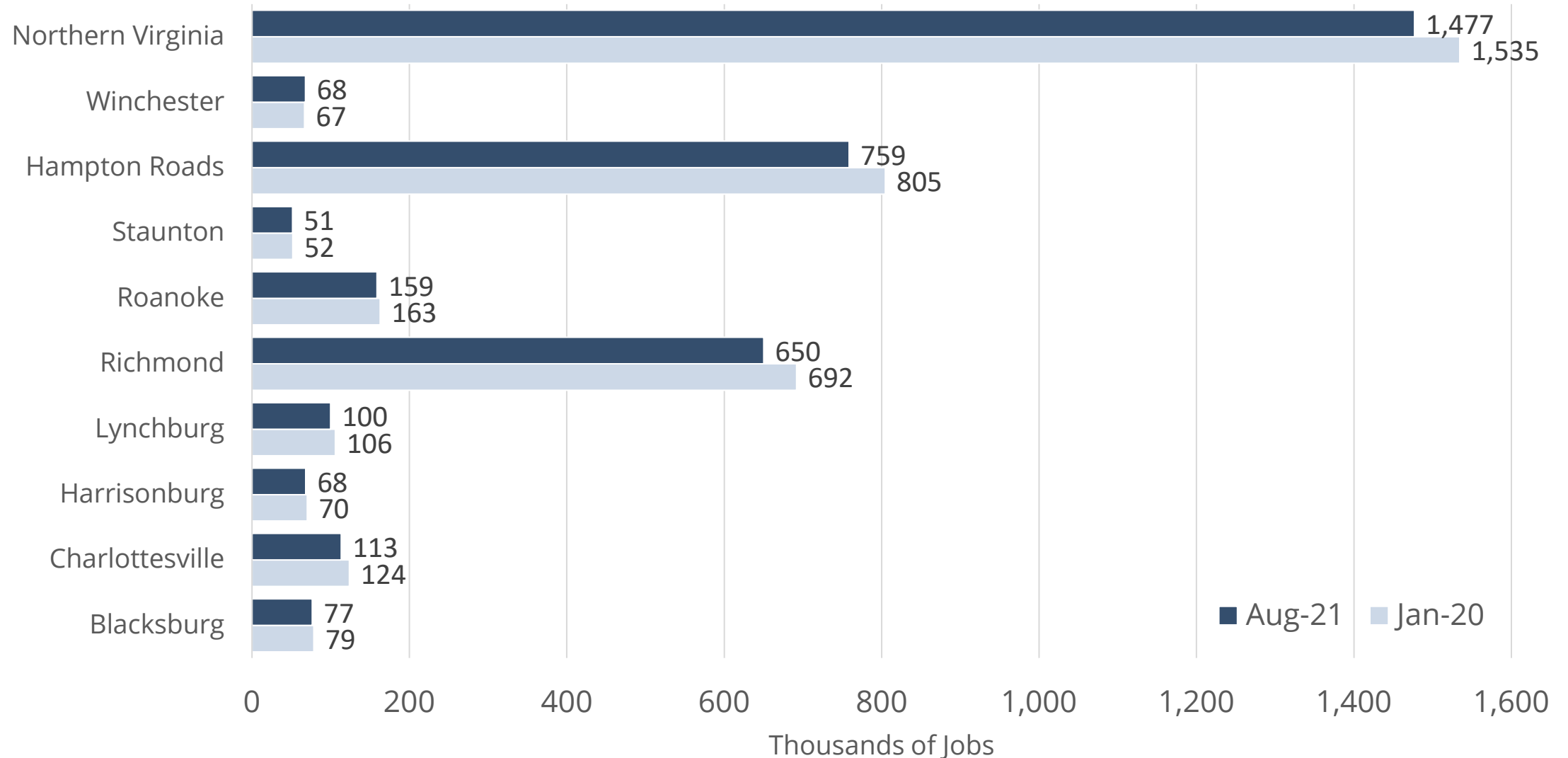
Virginia's Economy

Virginia Employment



Virginia's Economy

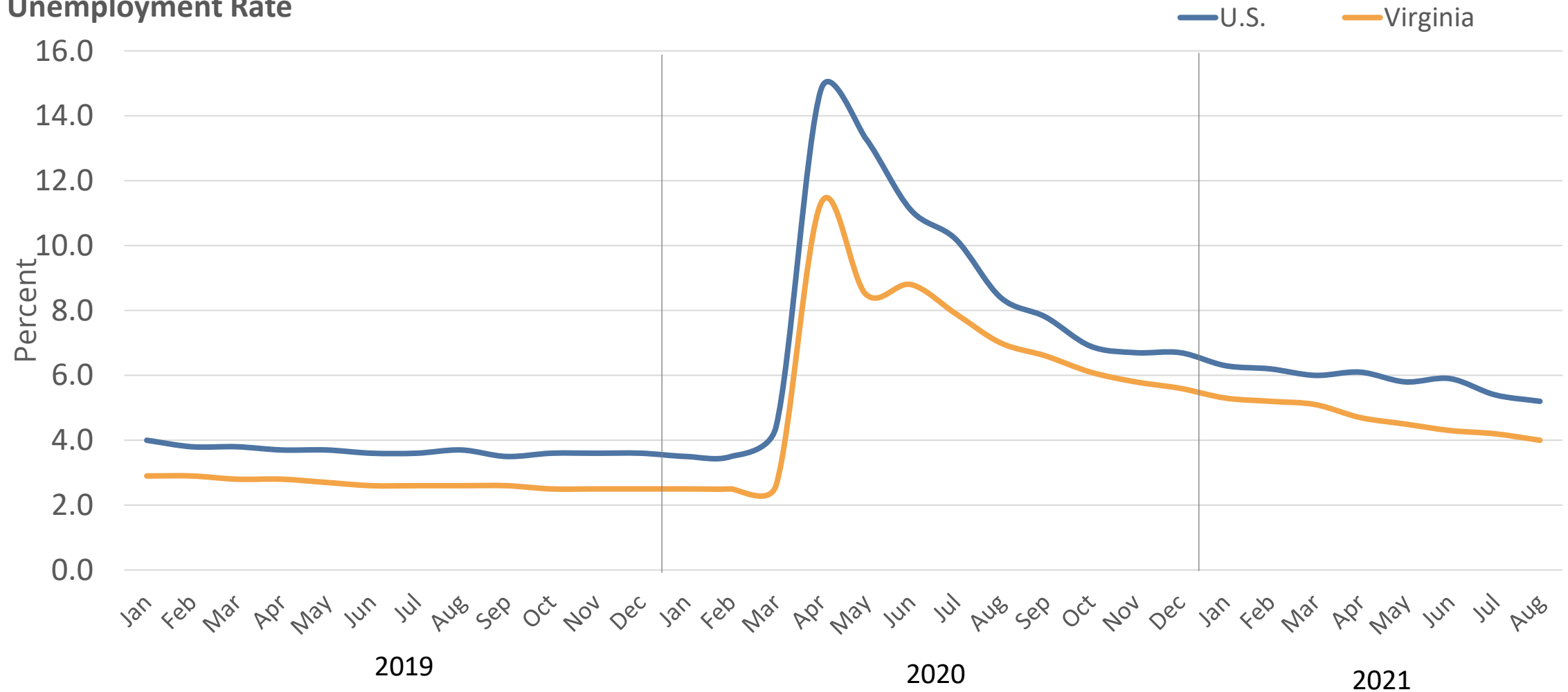
Metropolitan Area Employment



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

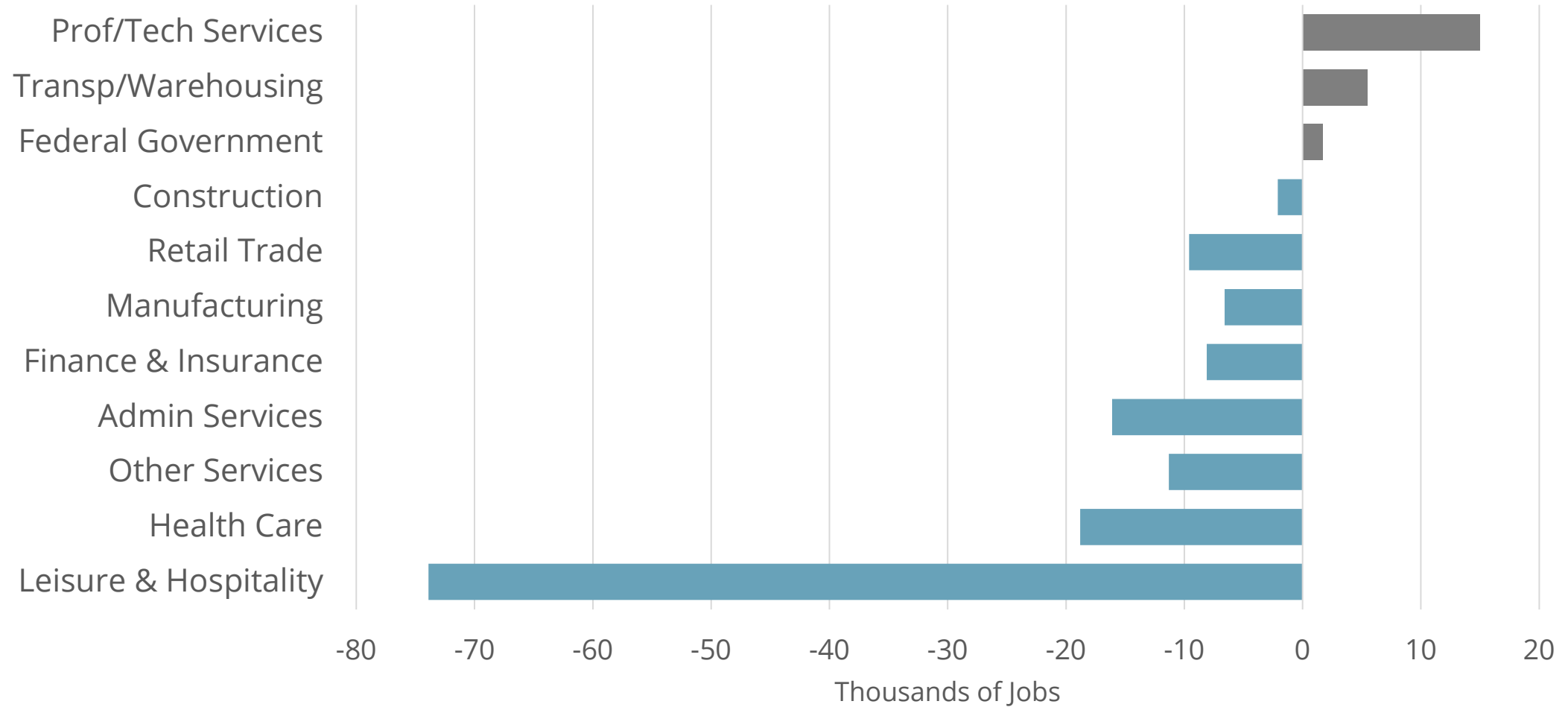
Virginia's Economy

Unemployment Rate



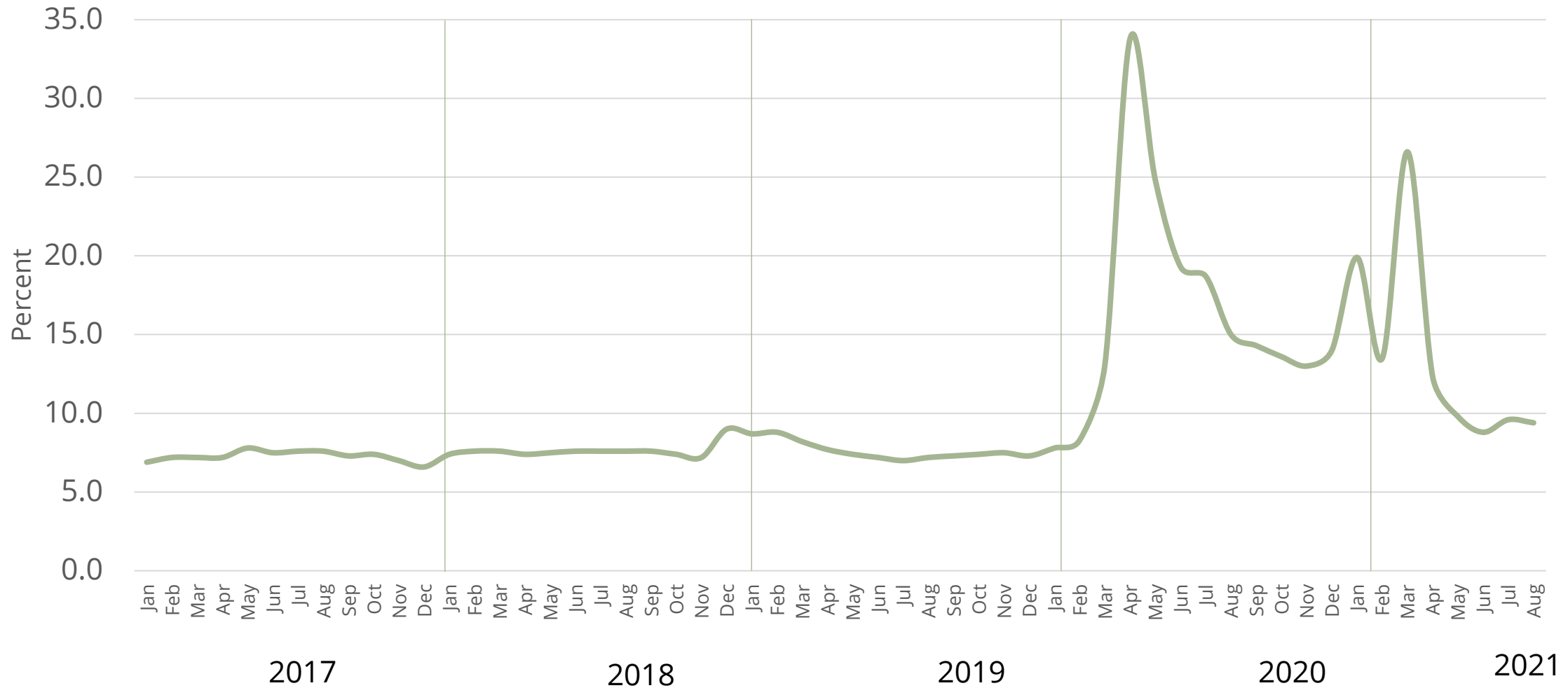
Virginia's Economy

Virginia Employment by Sector August 2021 Compared to January 2020

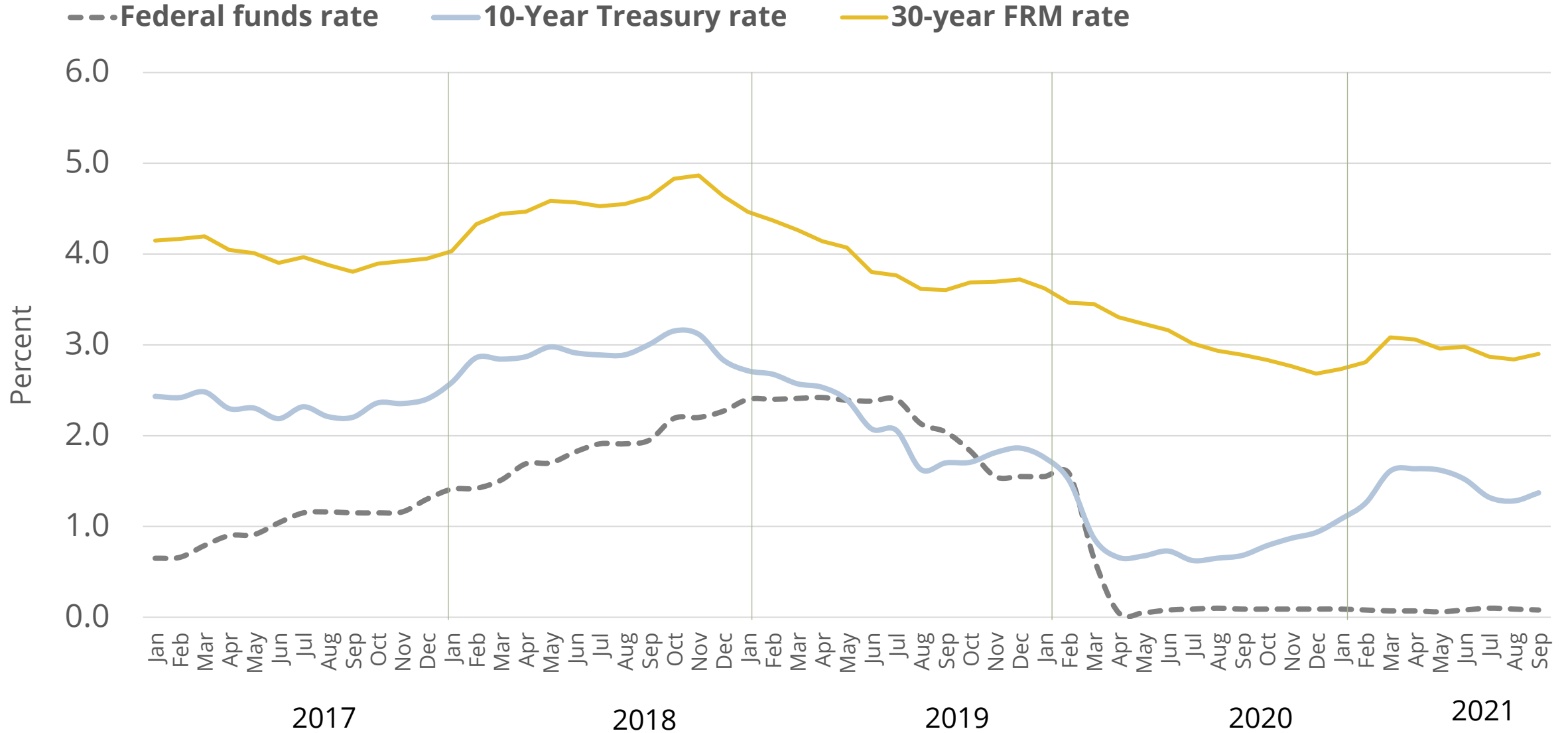


Personal Savings

Personal Savings Rate (U.S.)



Interest Rates



Source: Federal Reserve Bank of St. Louis

THE ECONOMIC IMPACT OF A TYPICAL HOME SALE

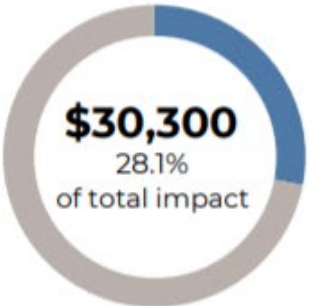
in Virginia

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

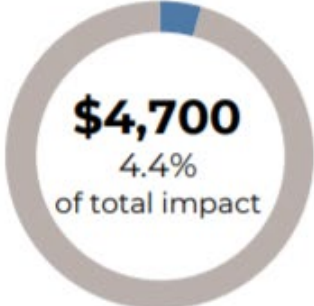
\$107,900

Income generated from
real estate industries



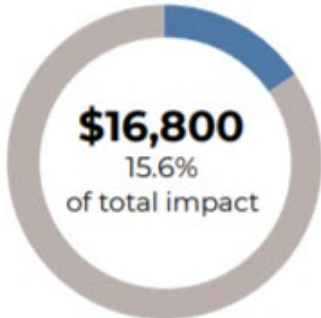
+

Expenditures related
to home purchase



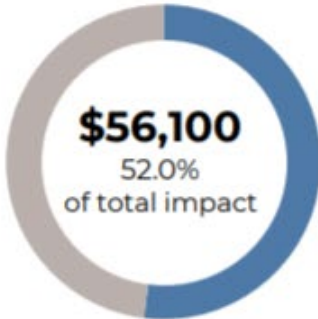
+

Multiplier of housing
related expenditures



+

New home
construction



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

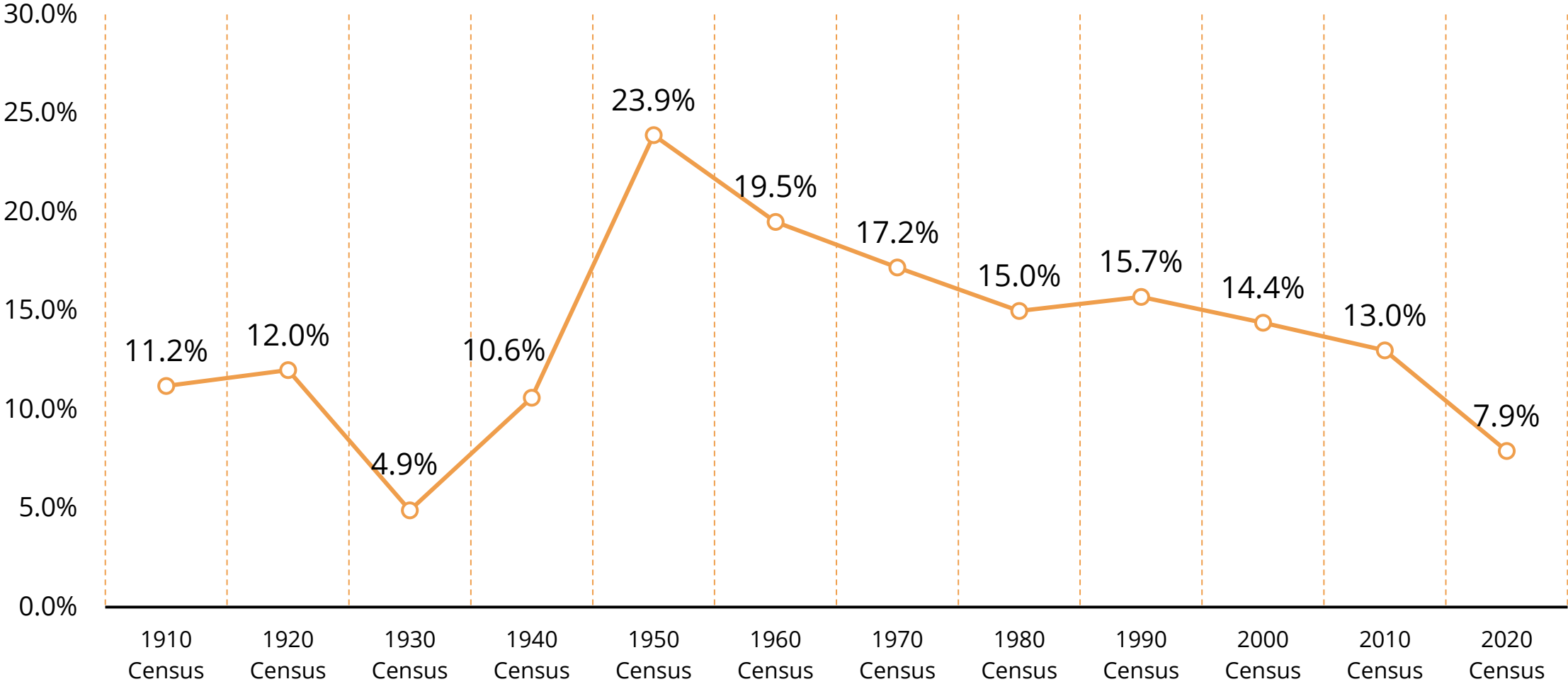
Housing Market Trends



Population

Population Change in Virginia

Decennial Census Trends: 1910 to 2020

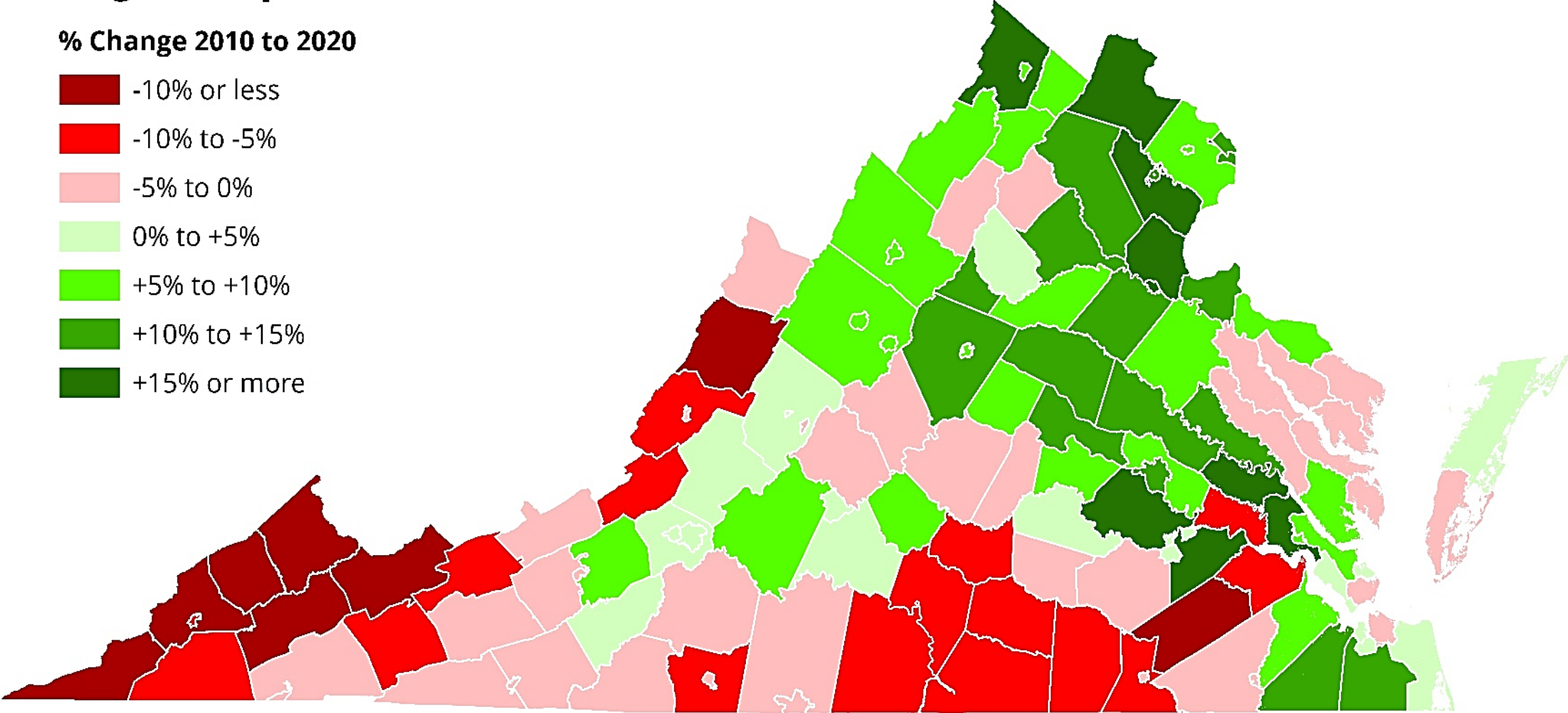


Population Change

Virginia Population Trends

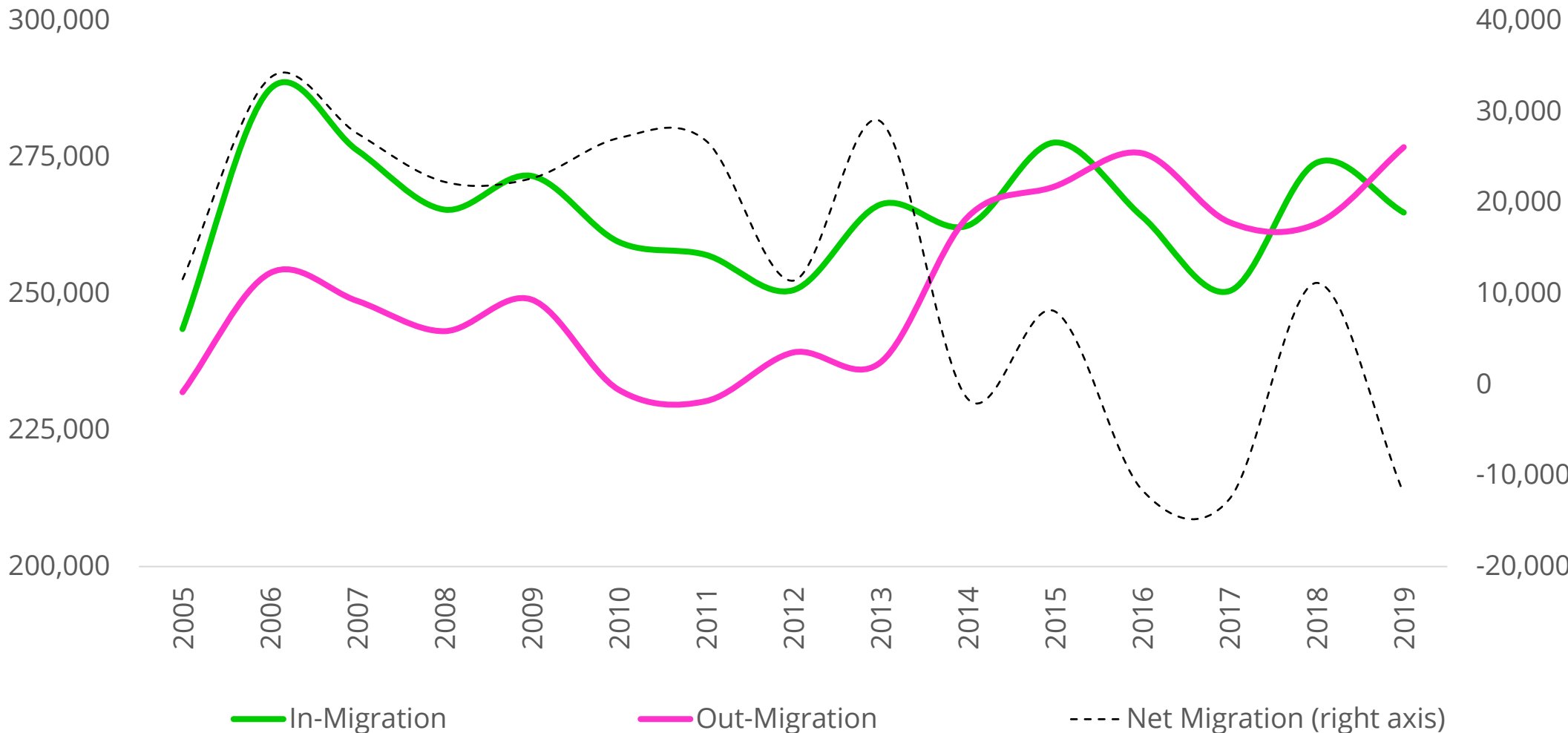
% Change 2010 to 2020

- 10% or less
- 10% to -5%
- 5% to 0%
- 0% to +5%
- +5% to +10%
- +10% to +15%
- +15% or more



Source: U.S. Census Bureau (Decennial Census)

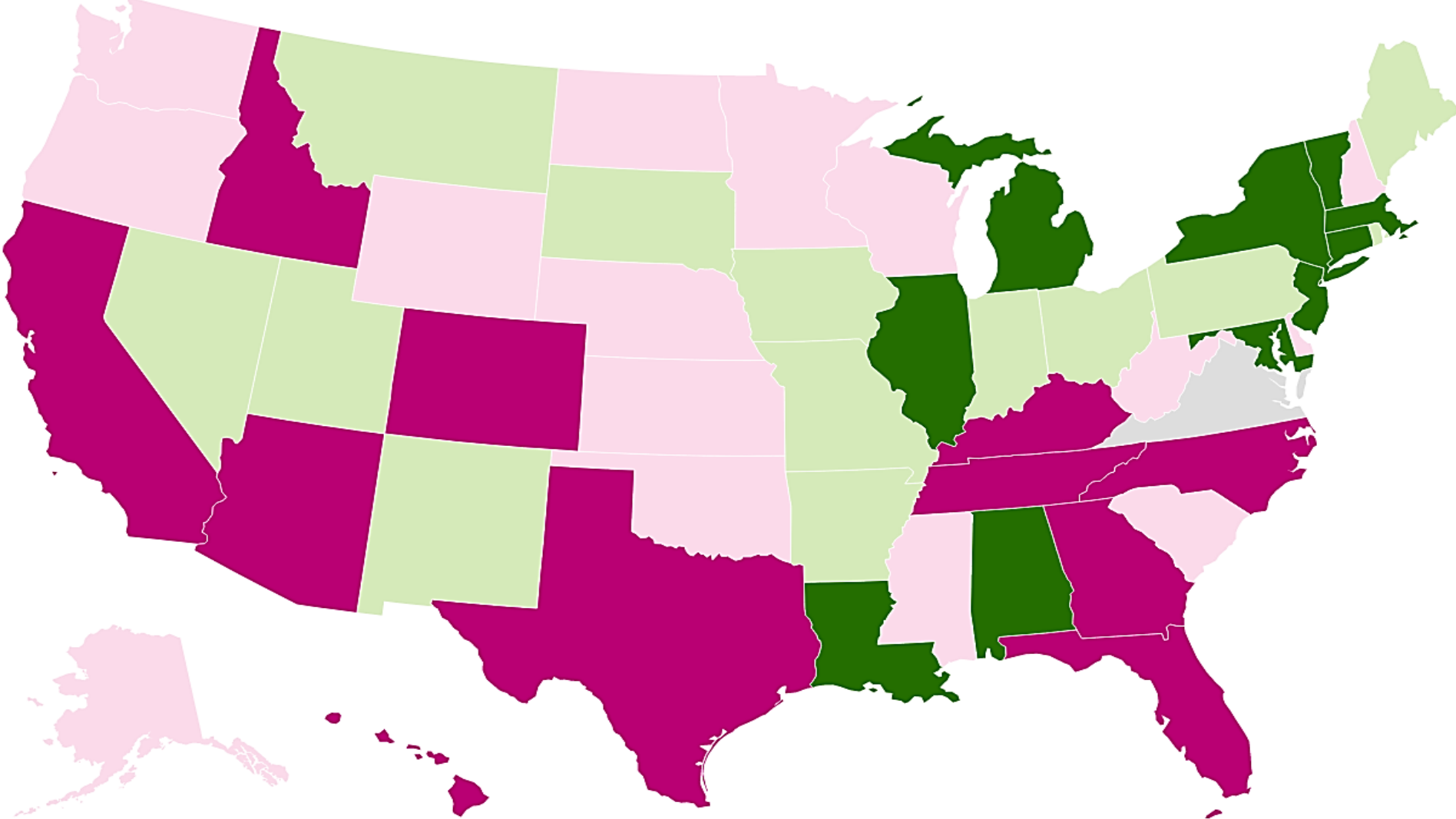
Domestic Migration Into and Out of Virginia



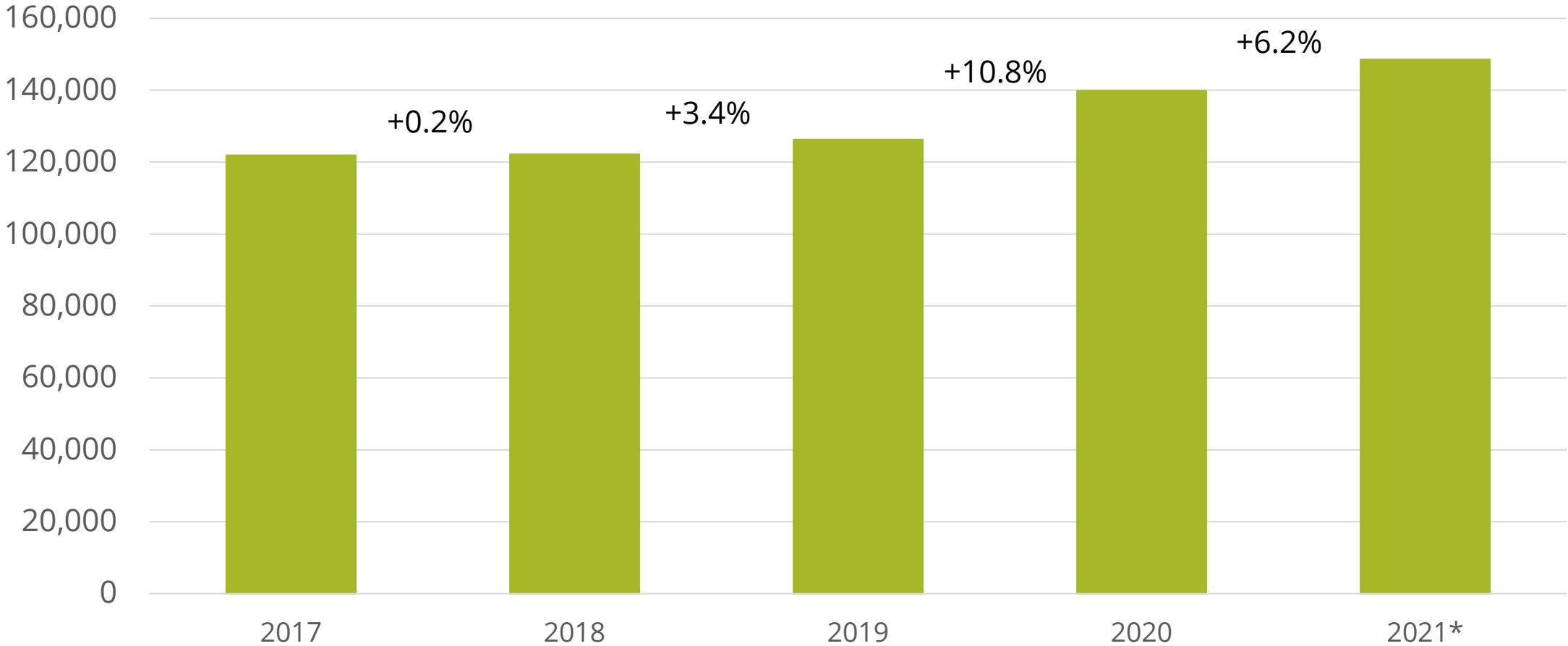
Source: U.S. Census Bureau, American Community Survey

Virginia Net Migration, 2019

■ < -1000 ■ -1000-0 ■ 0-1000 ■ ≥ 1000



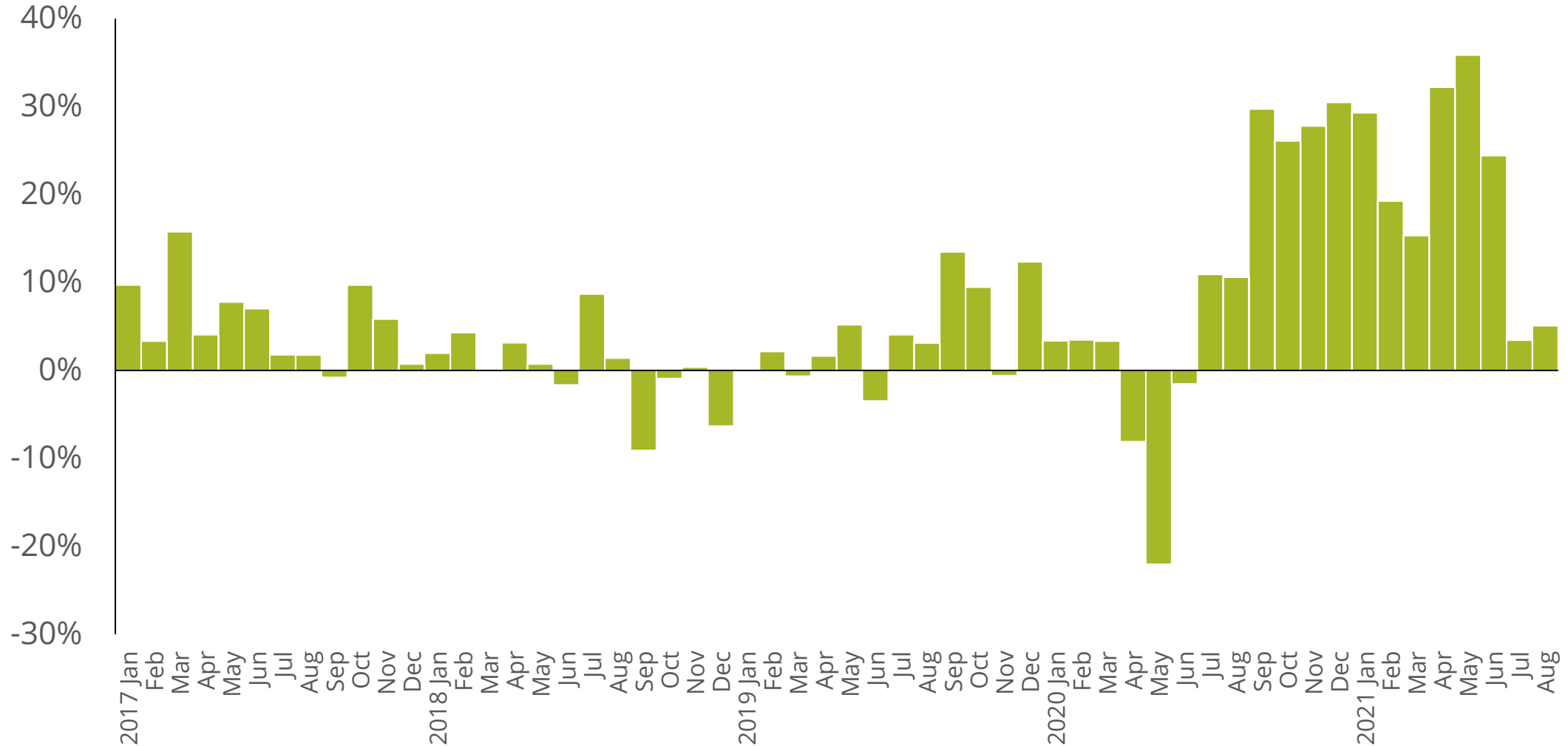
Virginia Home Sales



Source: Virginia REALTORS®

Virginia Home Sales

Y-o-Y Change in Monthly Home Sales



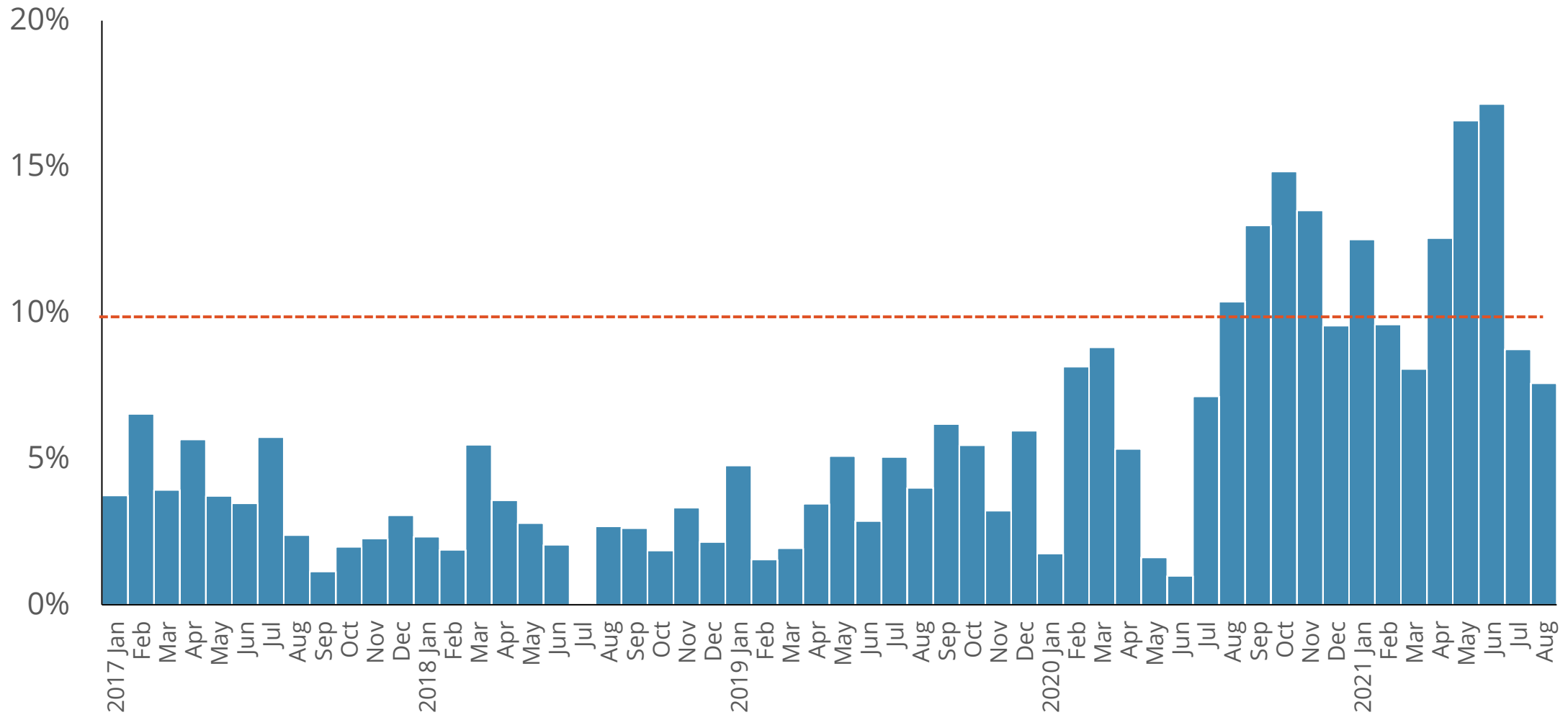
Aug 2021
14,443 sales

Change
from Aug 2020
+5.1%

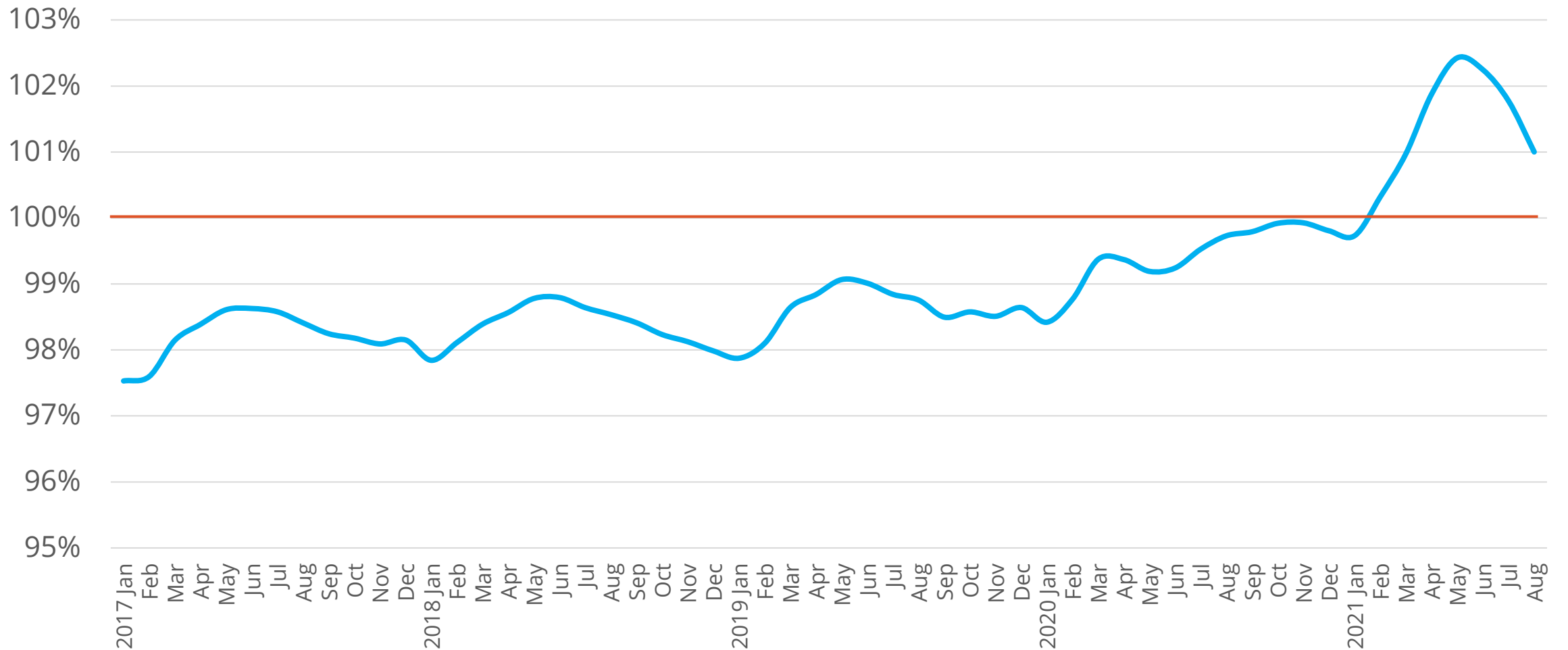
Change
from Jul 2021
-4.2%

Virginia Home Prices

Y-o-Y Change in Median Home Price

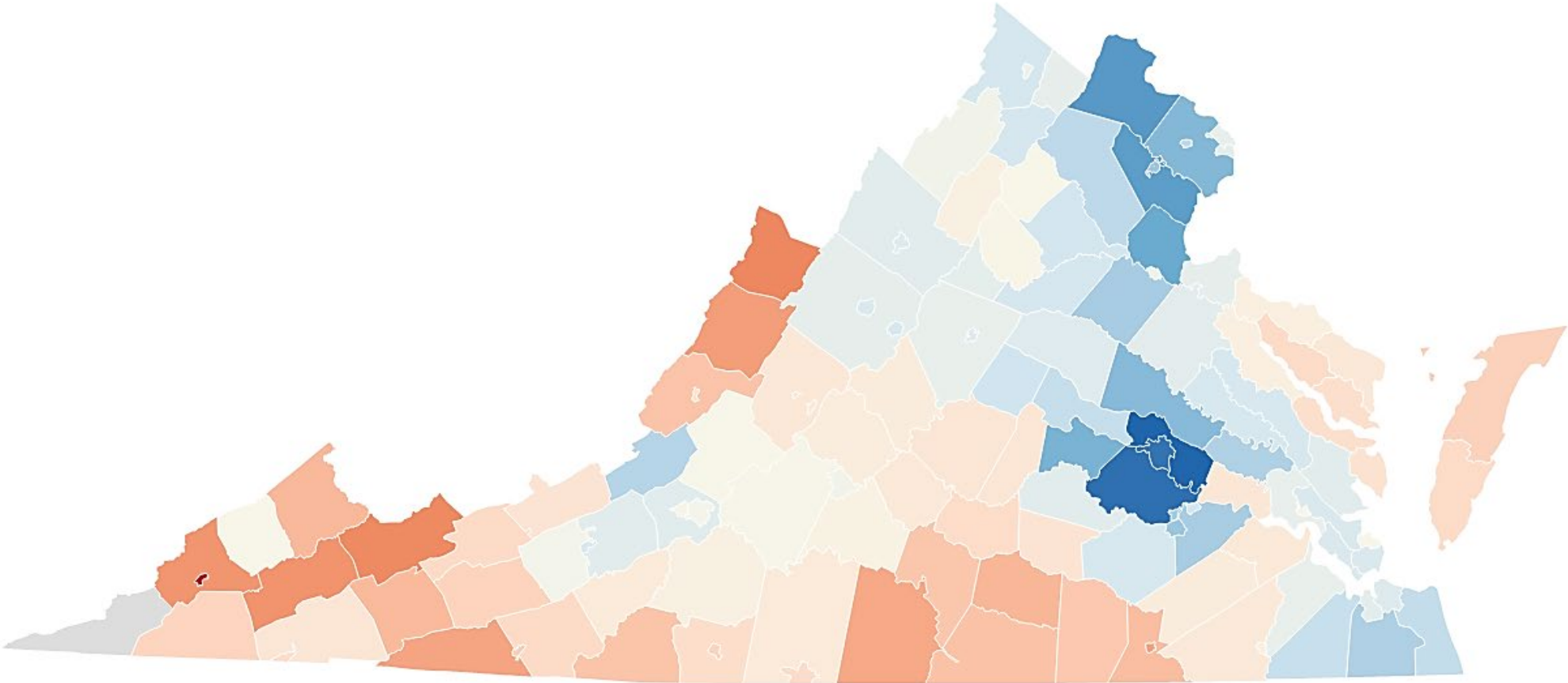


Average Sold-to-List Price Ratio



Average Sold-to-List Price Ratio, YTD 2021

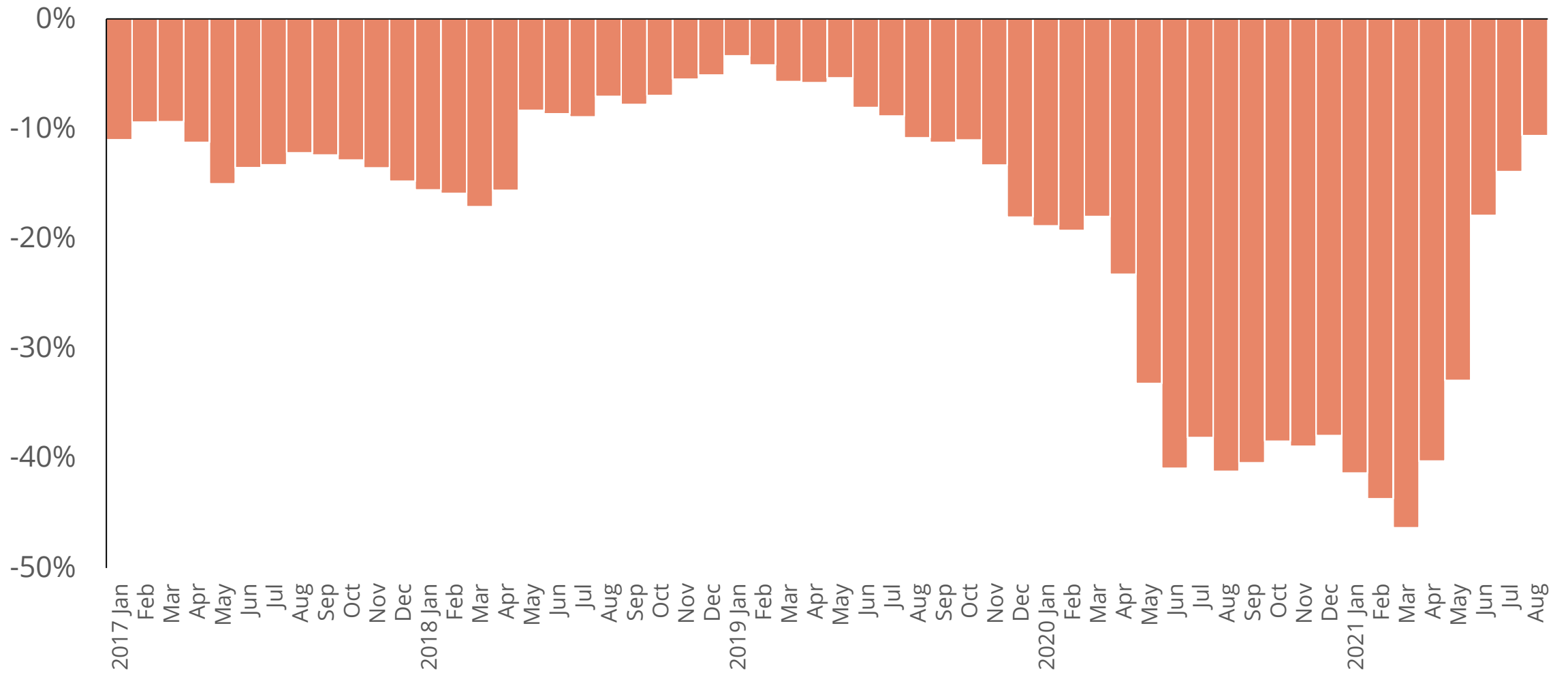
Sales-to-List Price Ratio (%)



Source: Virginia REALTORS®

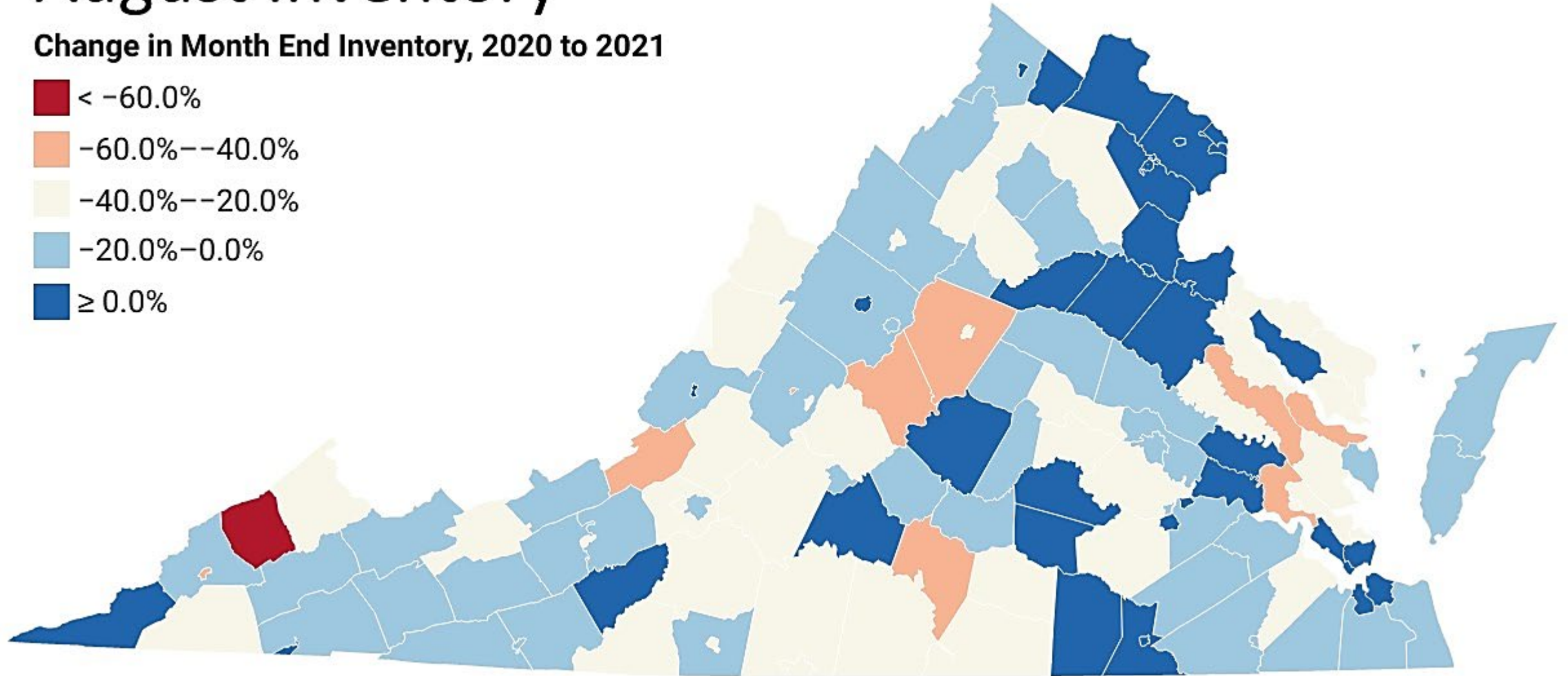
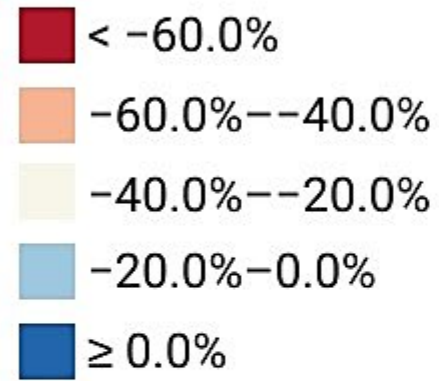
Virginia Inventory

Y-o-Y Change in Month-End Active Listings



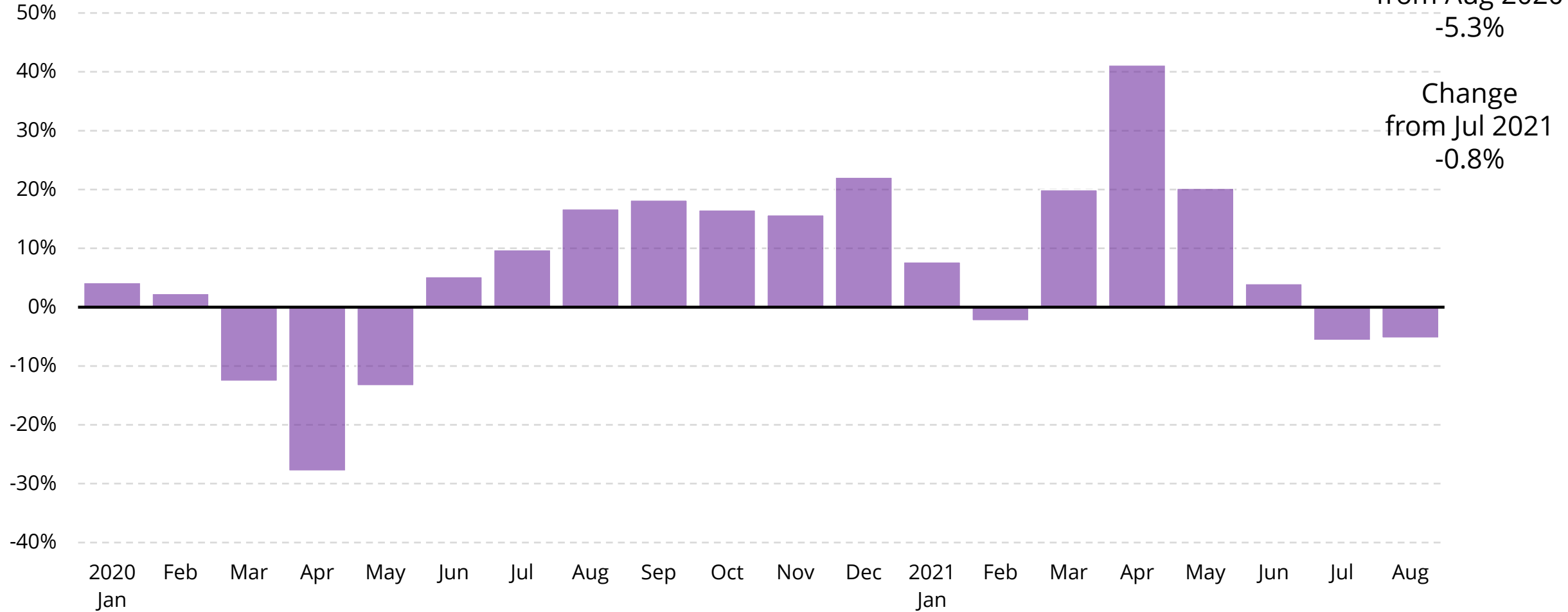
August Inventory

Change in Month End Inventory, 2020 to 2021



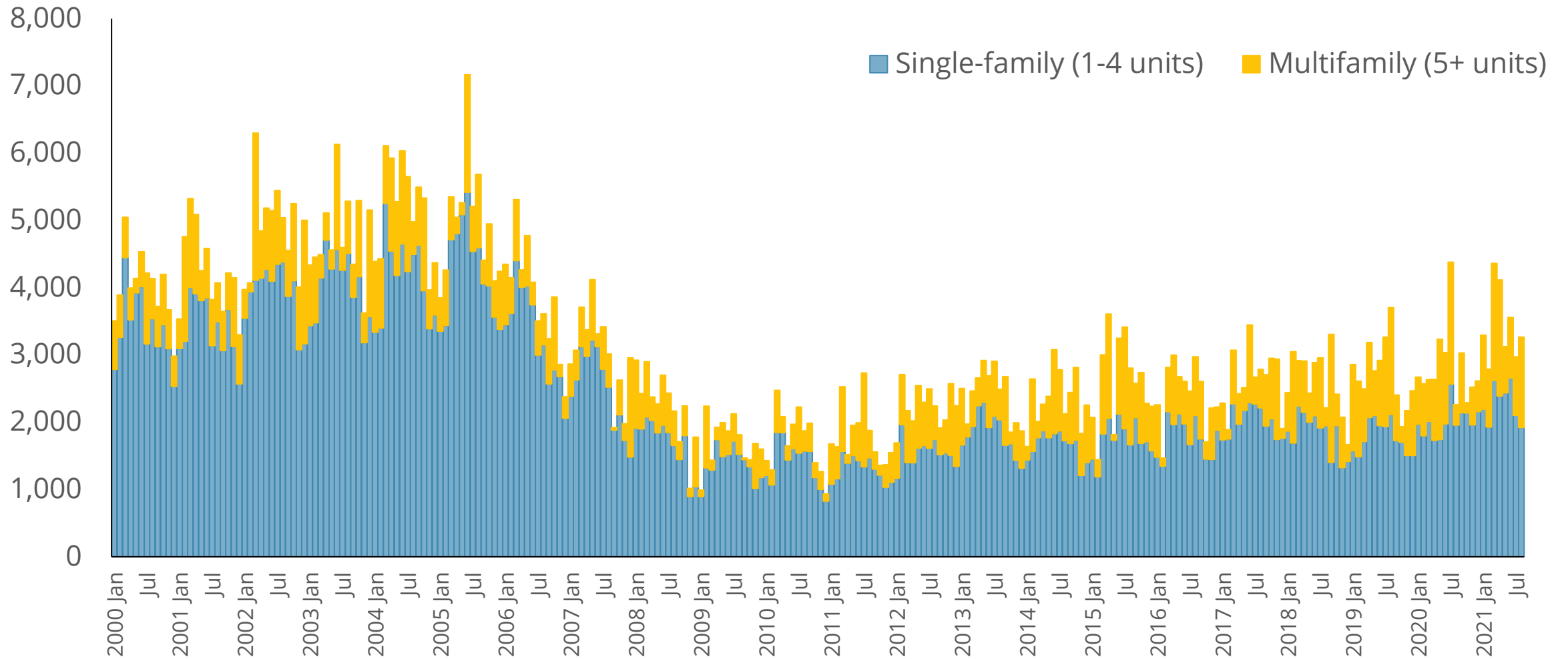
Virginia Pending Sales (under contract)

Virginia Y-o-Y Change in Pending Sales



Virginia New Home Construction

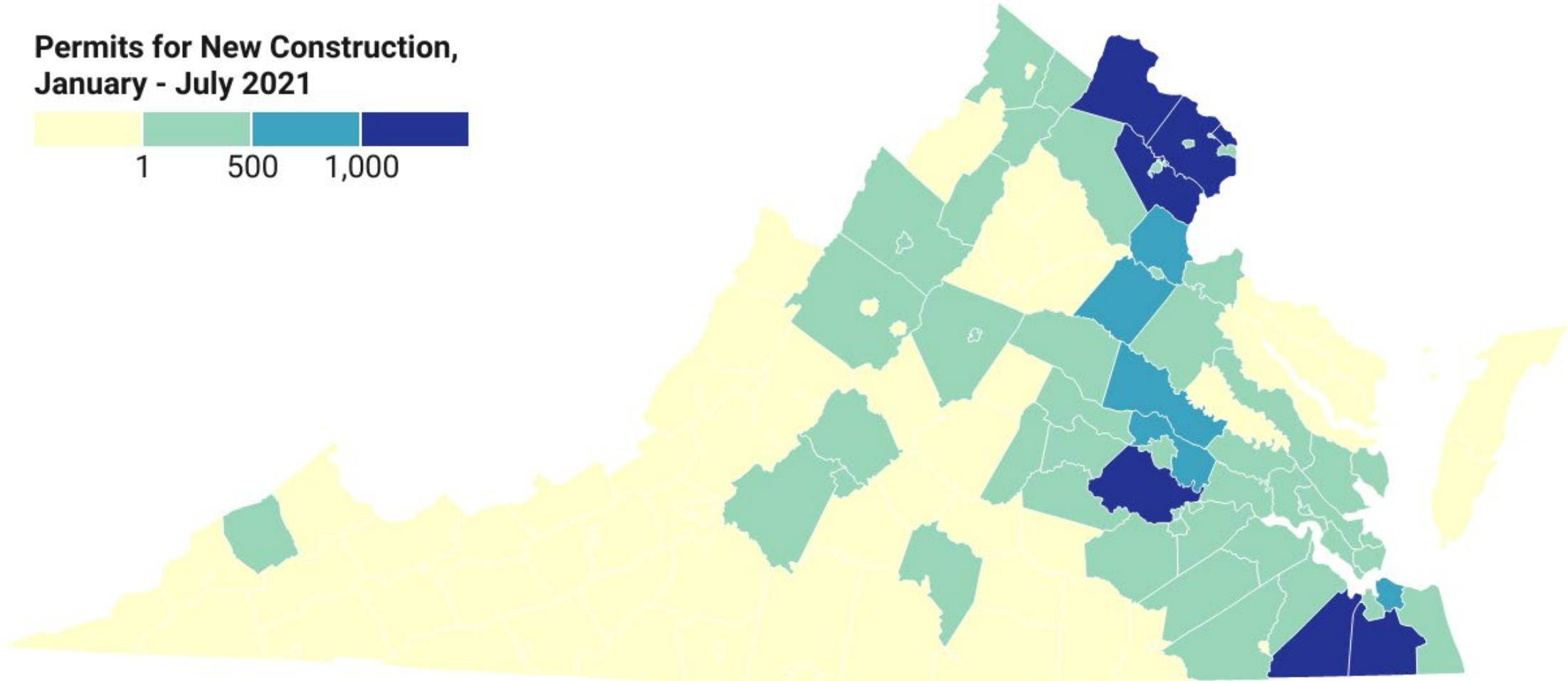
Monthly Permits for New Housing Construction



Source: U.S. Census Bureau

Virginia New Home Construction

Permits for New Construction,
January - July 2021



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

