



Virginia's Economy and the Rental Housing Market

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Chief Economist

PMX 2021

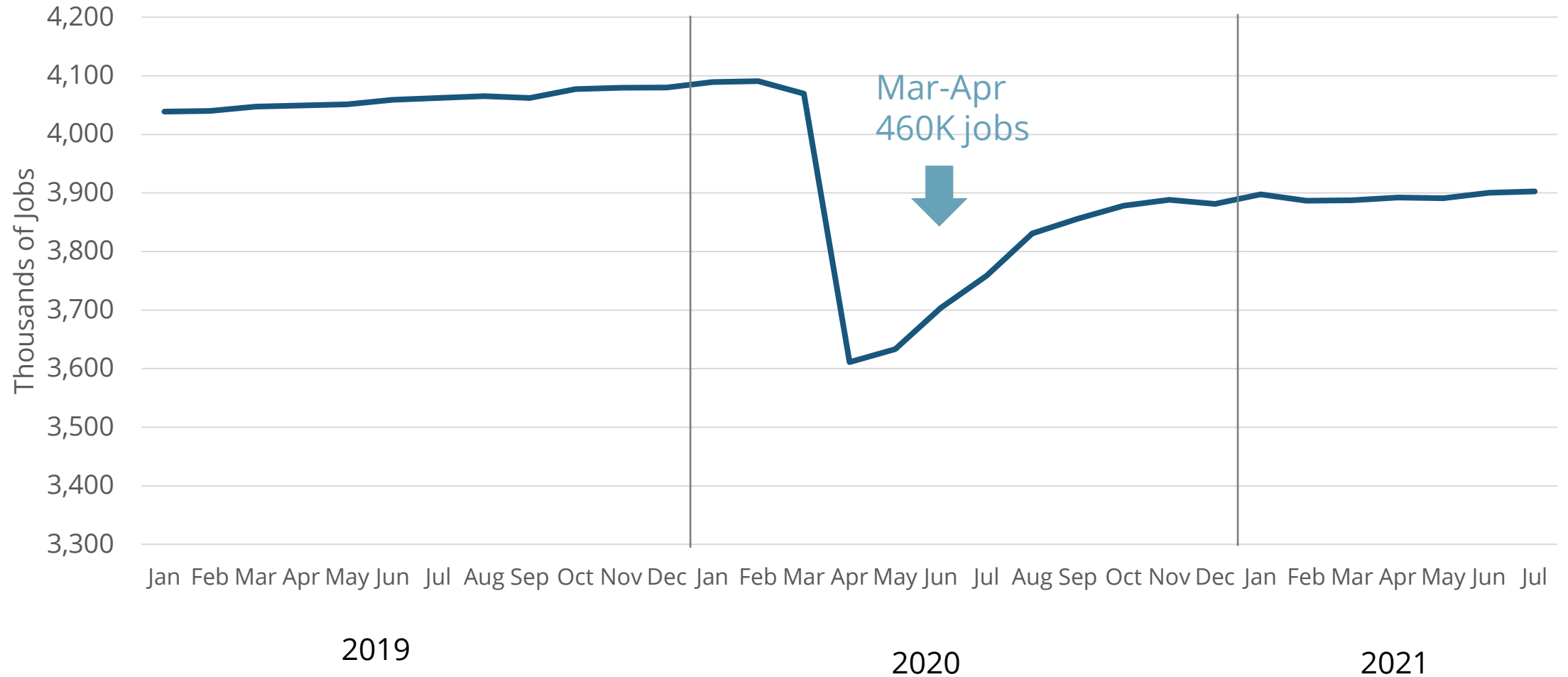
October 14, 2021

The background features a 3D perspective grid of light blue lines. A dark blue, jagged line graph with a white outline is positioned diagonally across the grid, starting from the bottom left and trending upwards towards the top right. Various numbers, such as '77.05', '89.46', and '50.17', are scattered across the grid in a light blue font, appearing to float in the space.

Key Economic Indicators

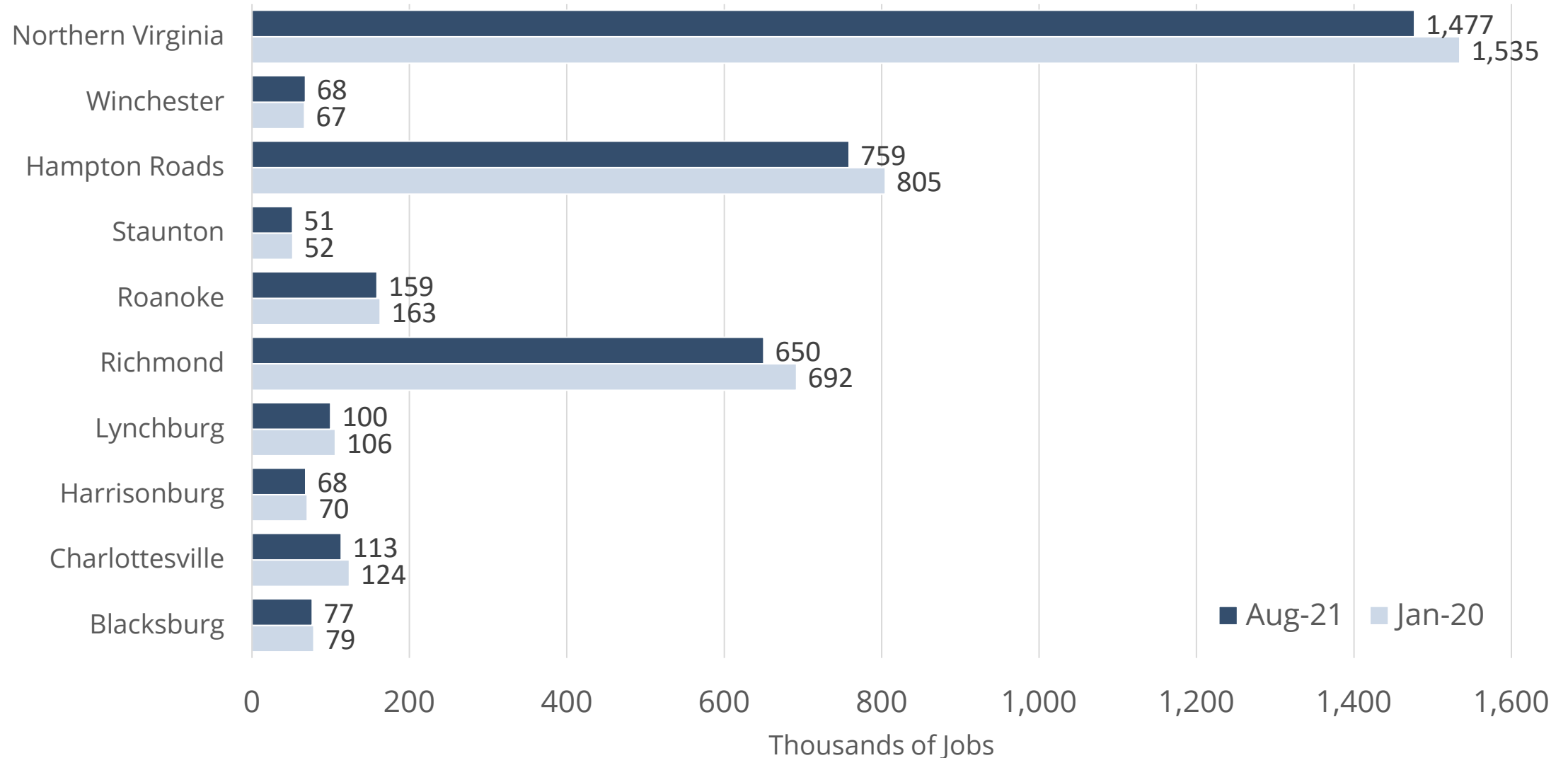
Virginia's Economy

Virginia Employment



Virginia's Economy

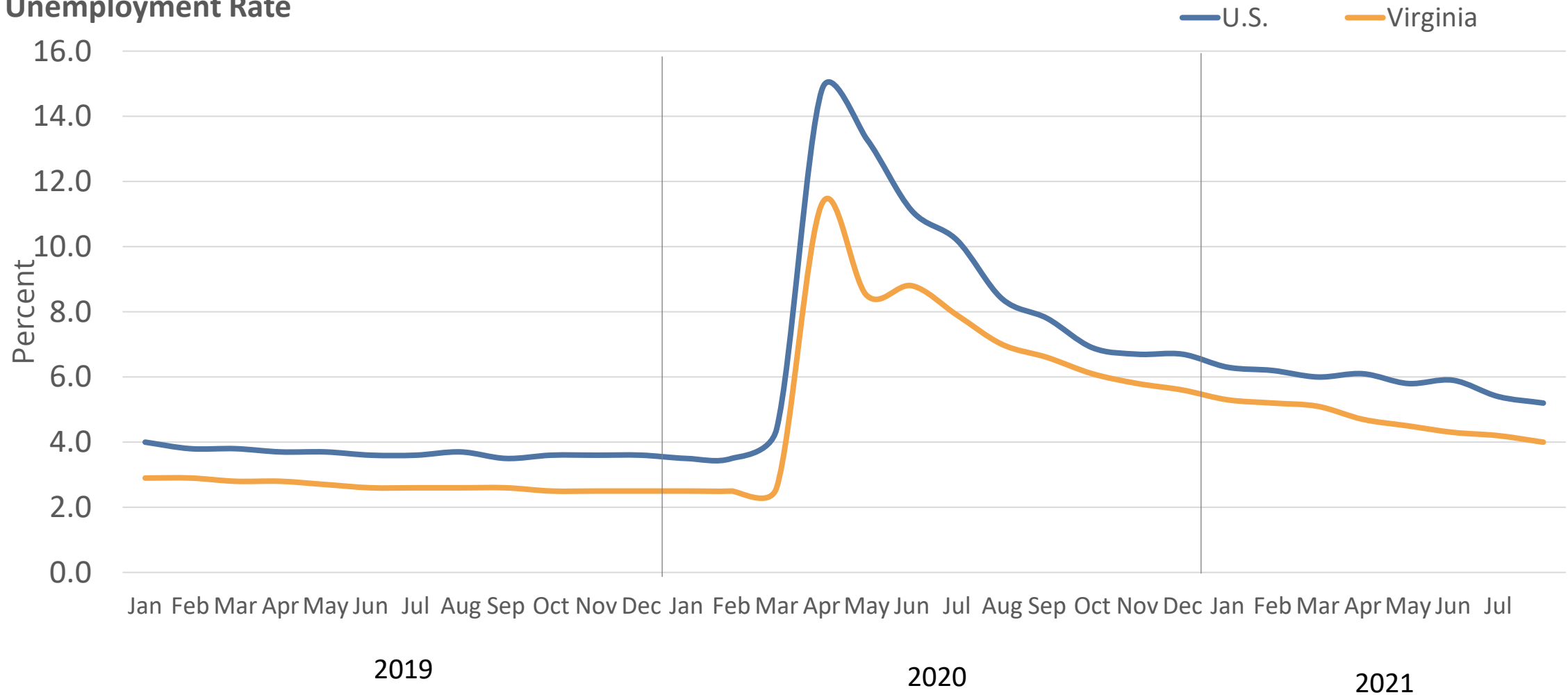
Metropolitan Area Employment



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

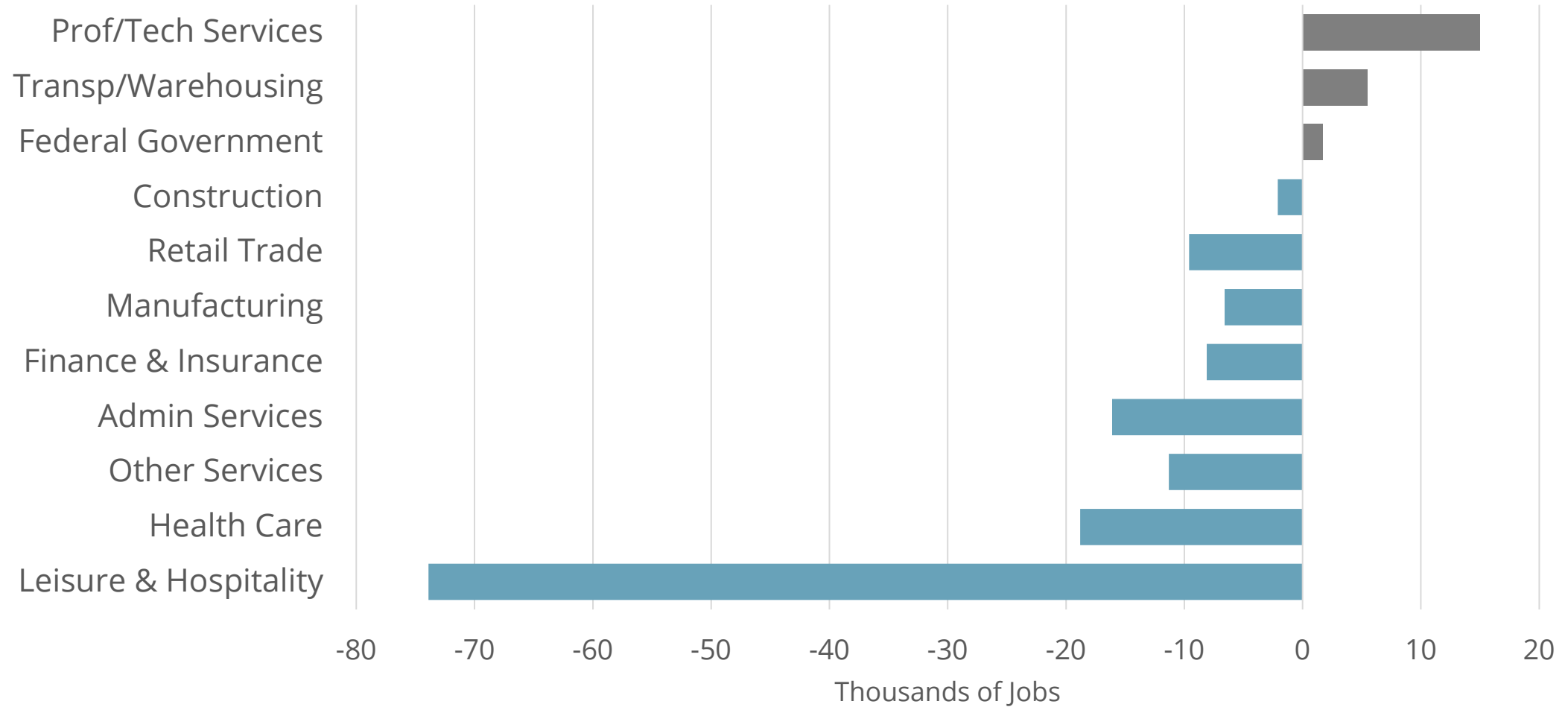
Virginia's Economy

Unemployment Rate

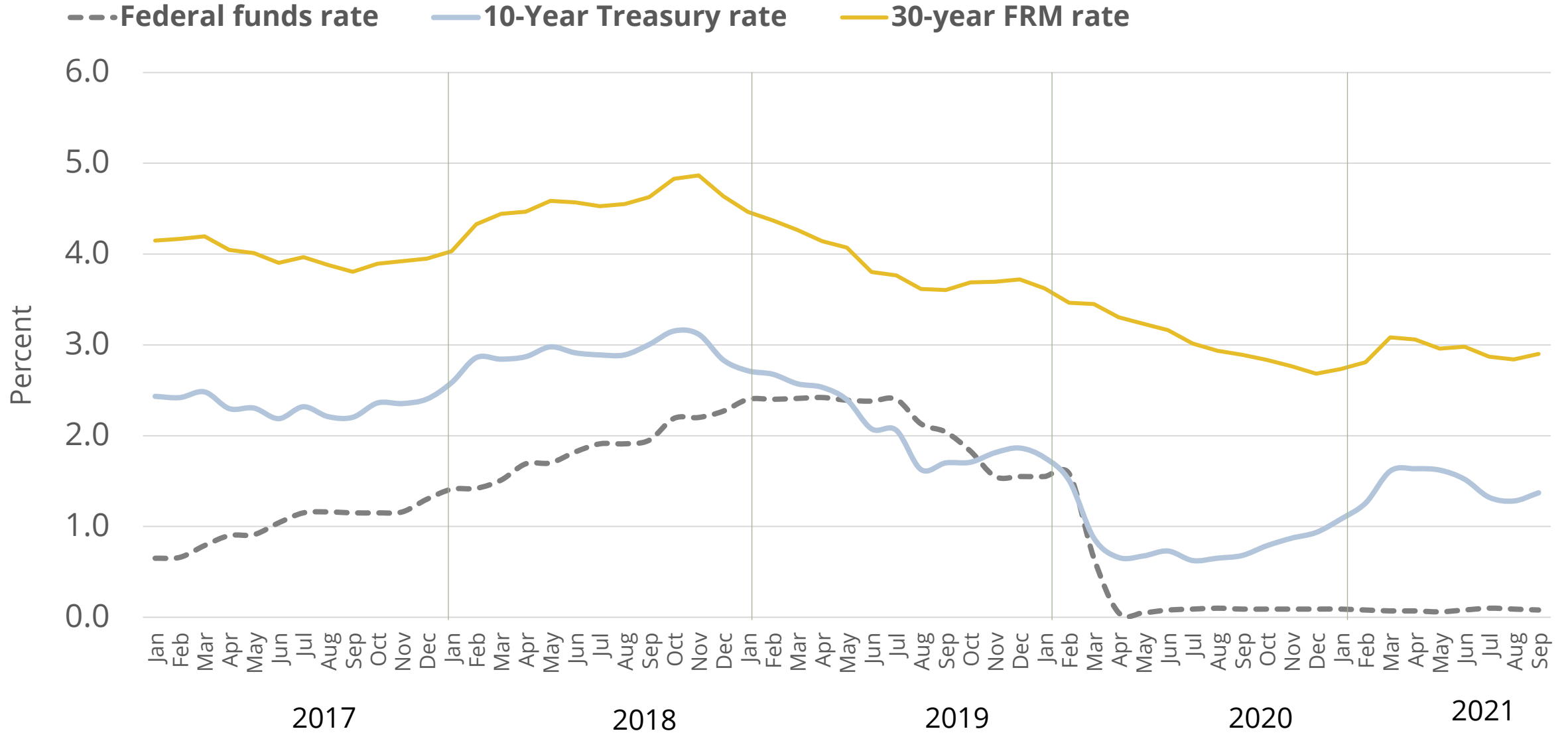


Virginia's Economy

Virginia Employment by Sector August 2021 Compared to January 2020



Interest Rates



Source: Federal Reserve Bank of St. Louis

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.

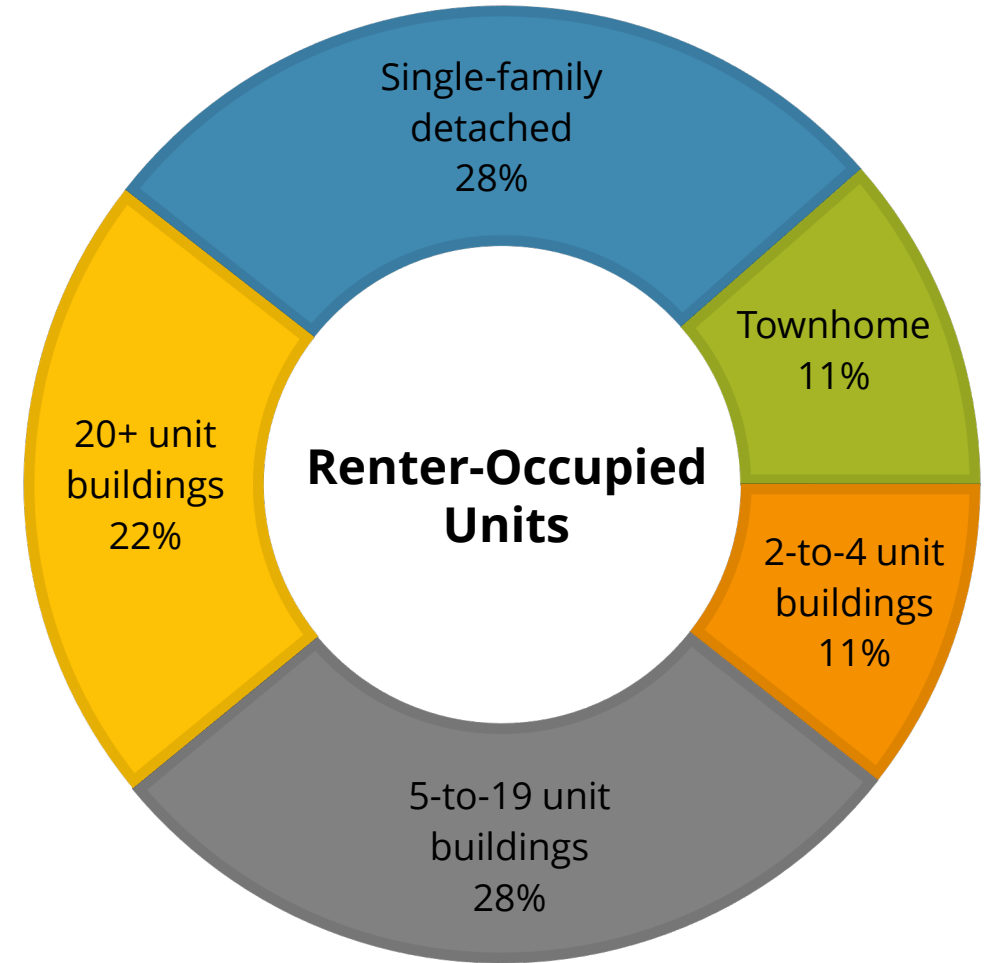
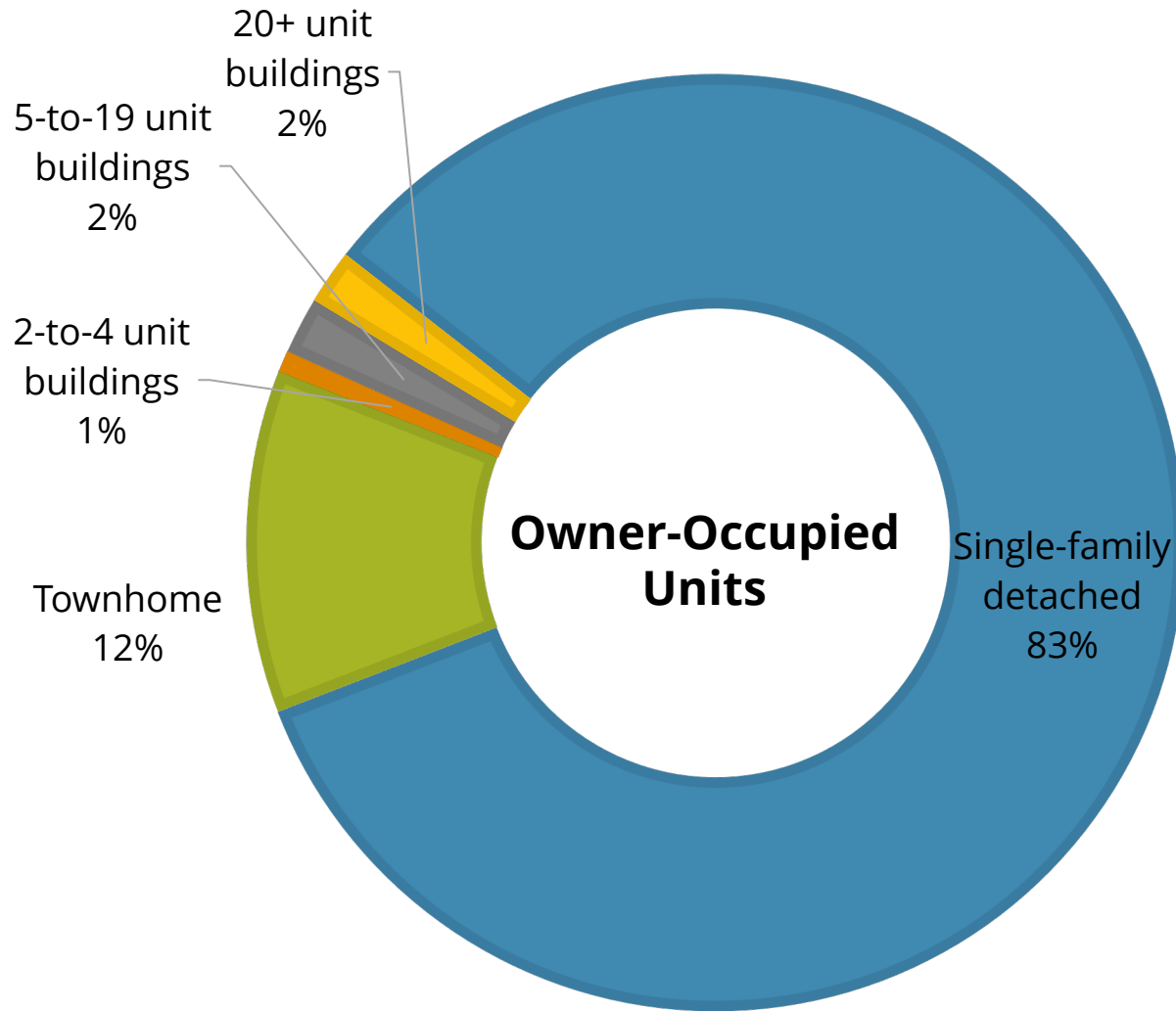


Read the full report at www.virginiarealtors.org/research

Housing Market Trends



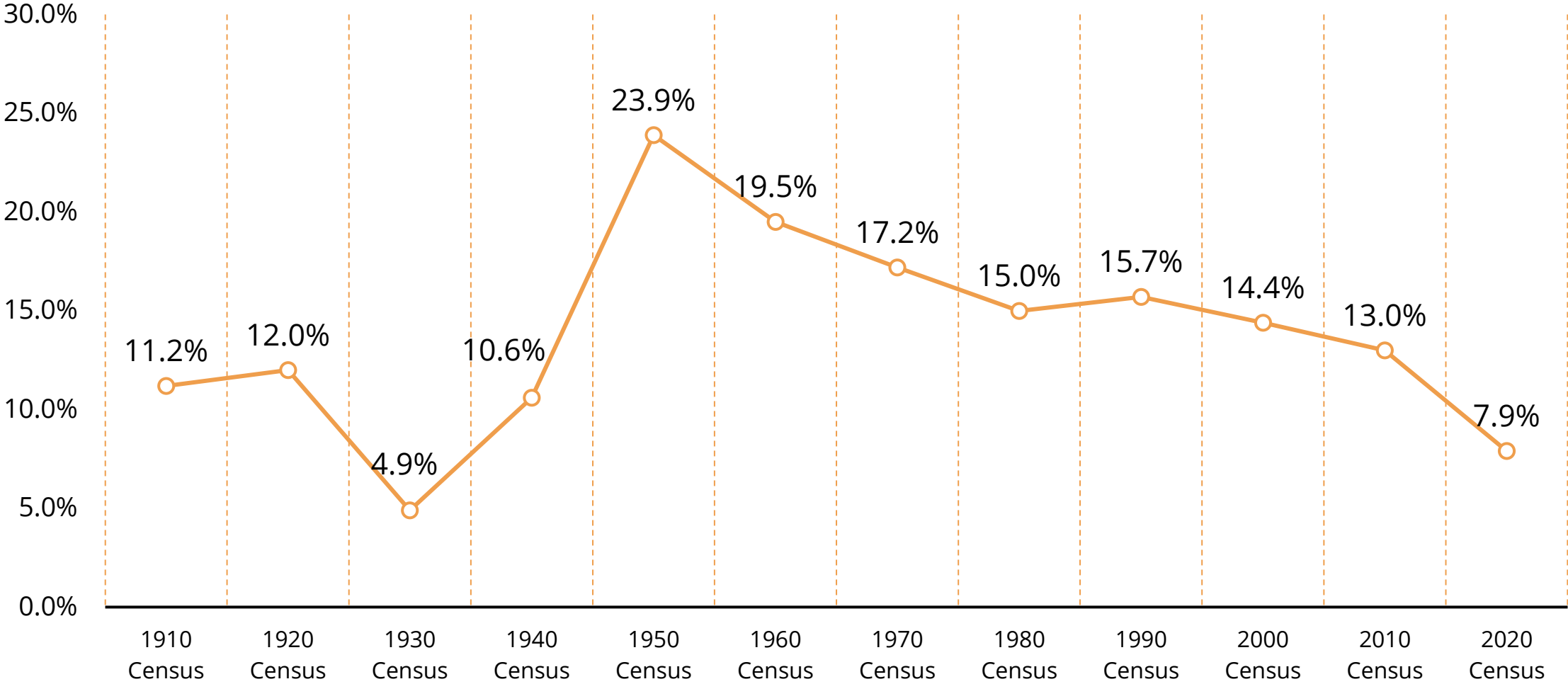
Housing Stock in Virginia



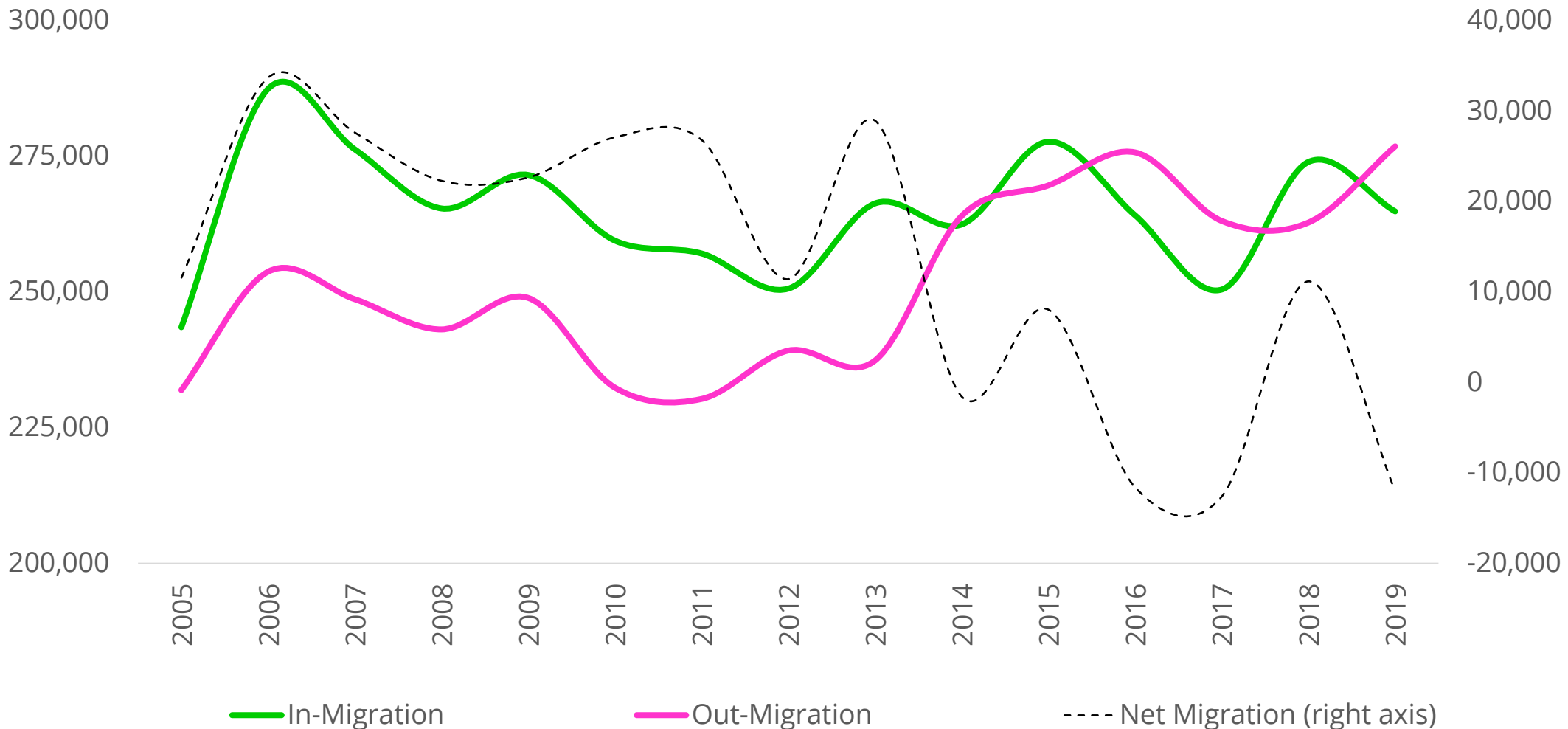
Population

Population Change in Virginia

Decennial Census Trends: 1910 to 2020



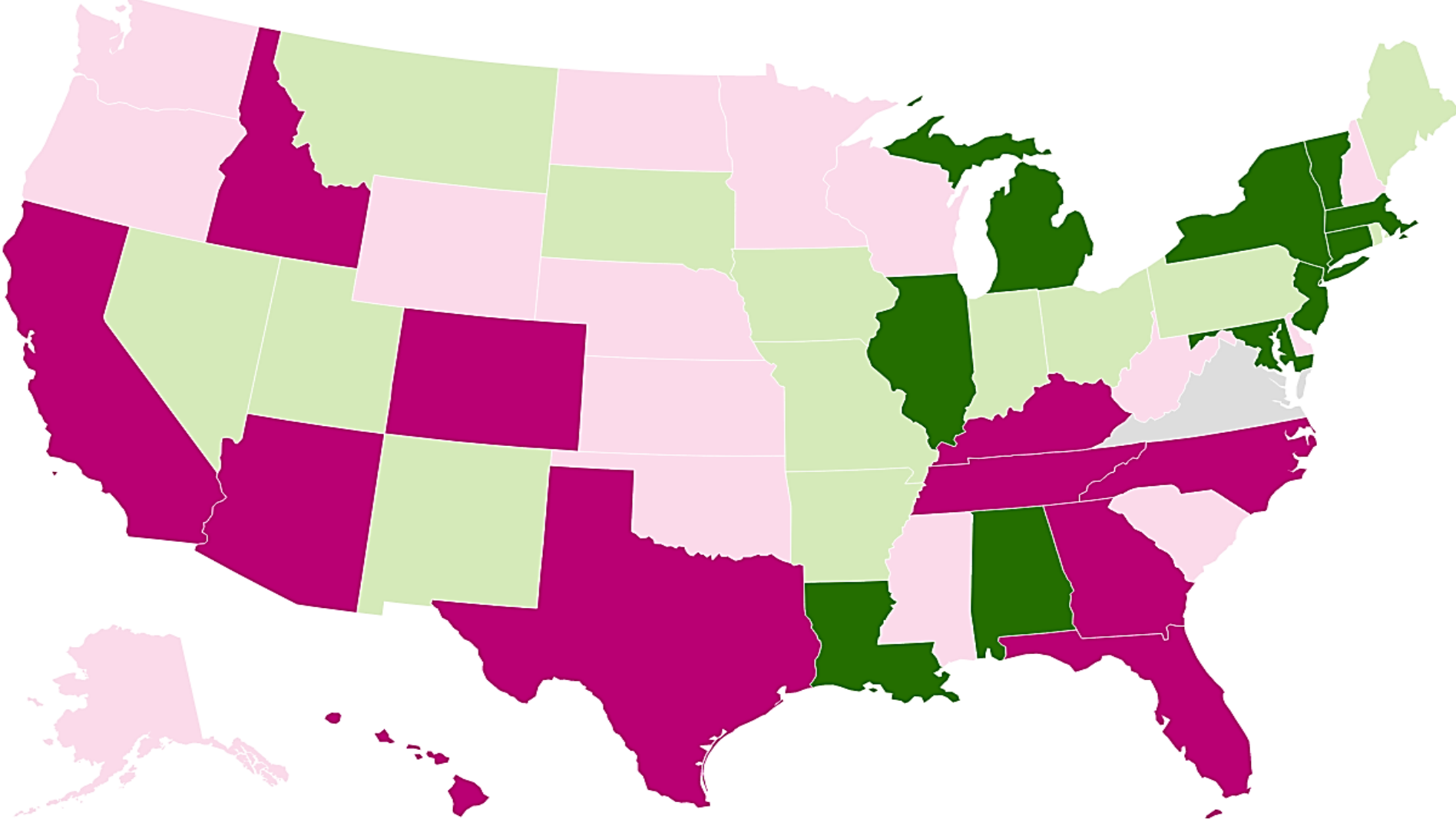
Domestic Migration Into and Out of Virginia



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

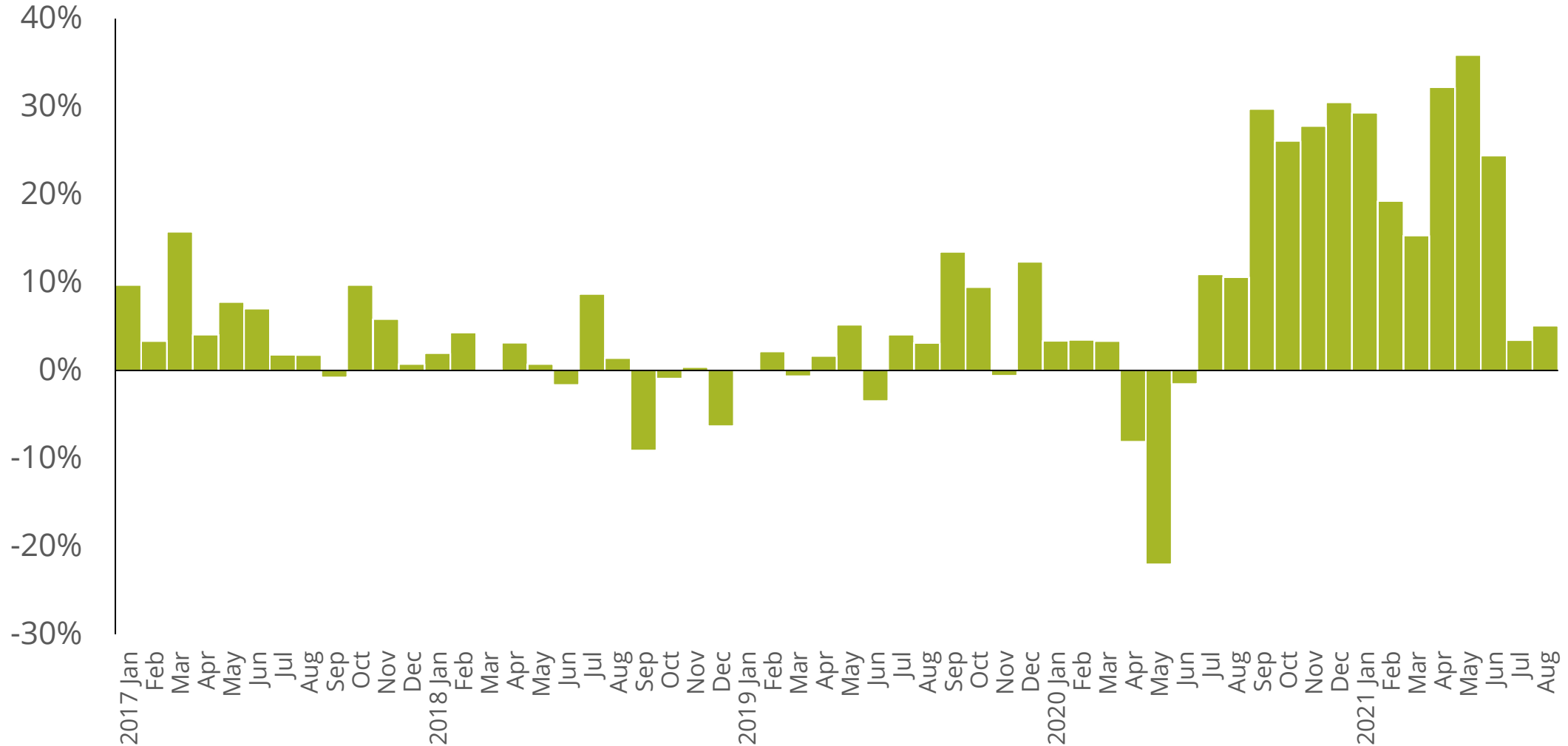
Virginia Net Migration, 2019

■ < -1000 ■ -1000-0 ■ 0-1000 ■ ≥ 1000



Virginia Home Sales

Y-o-Y Change in Monthly Home Sales



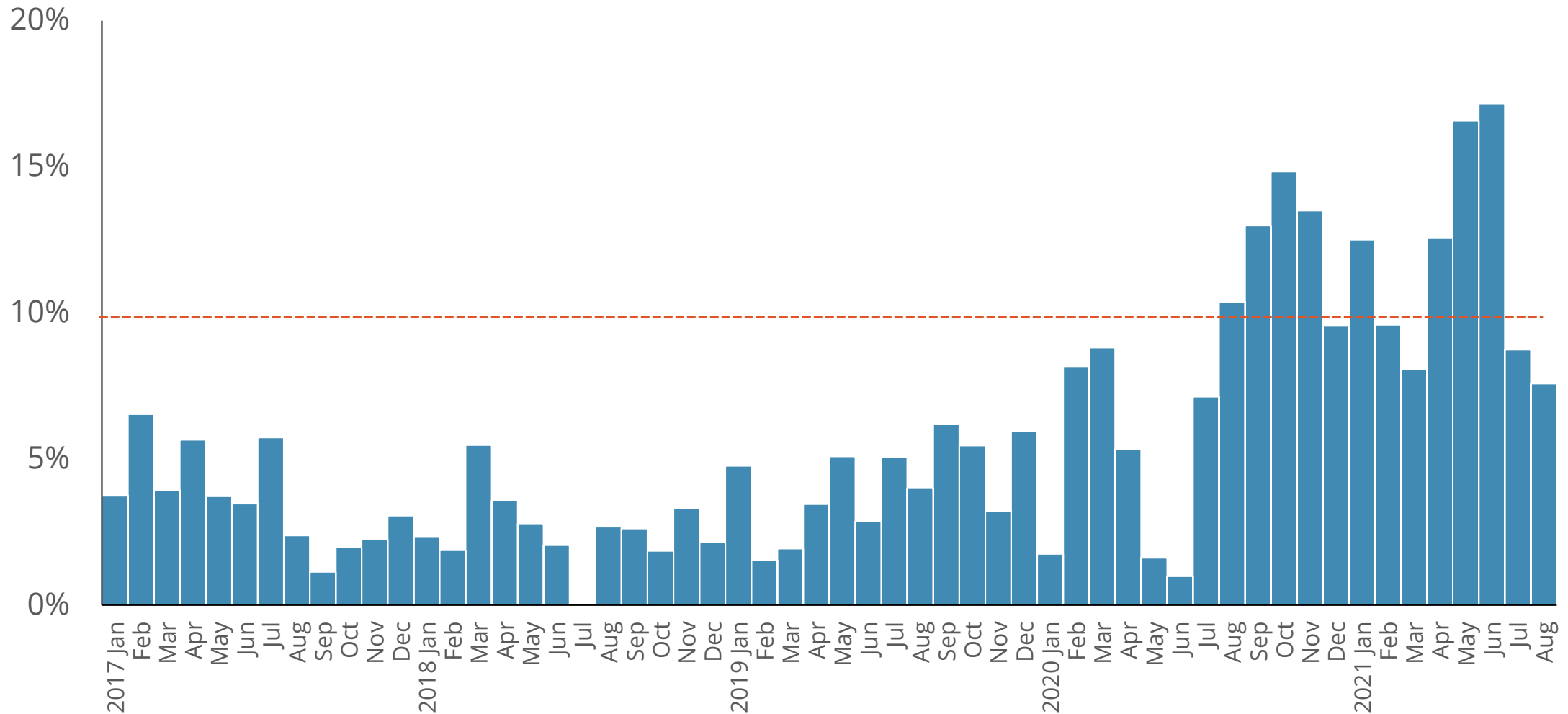
Aug 2021
14,443 sales

Change
from Aug 2020
+5.1%

Change
from Jul 2021
-4.2%

Virginia Home Prices

Y-o-Y Change in Median Home Price



Transition Year

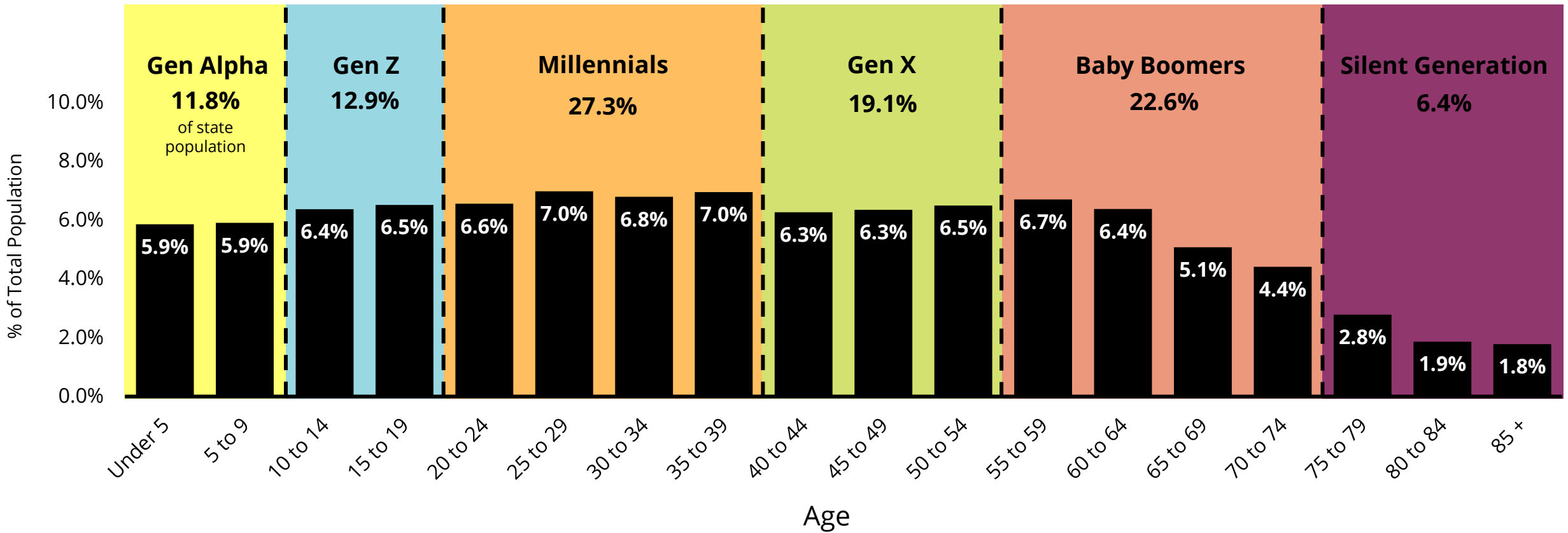
2021 Has Been the Year of the
Home Buyer



2022 Will Be the Year of the
Renter



Age Distribution in Virginia, 2019



Source: U.S. Census Bureau

Note: Generation age ranges are approximate

Households Are Changing

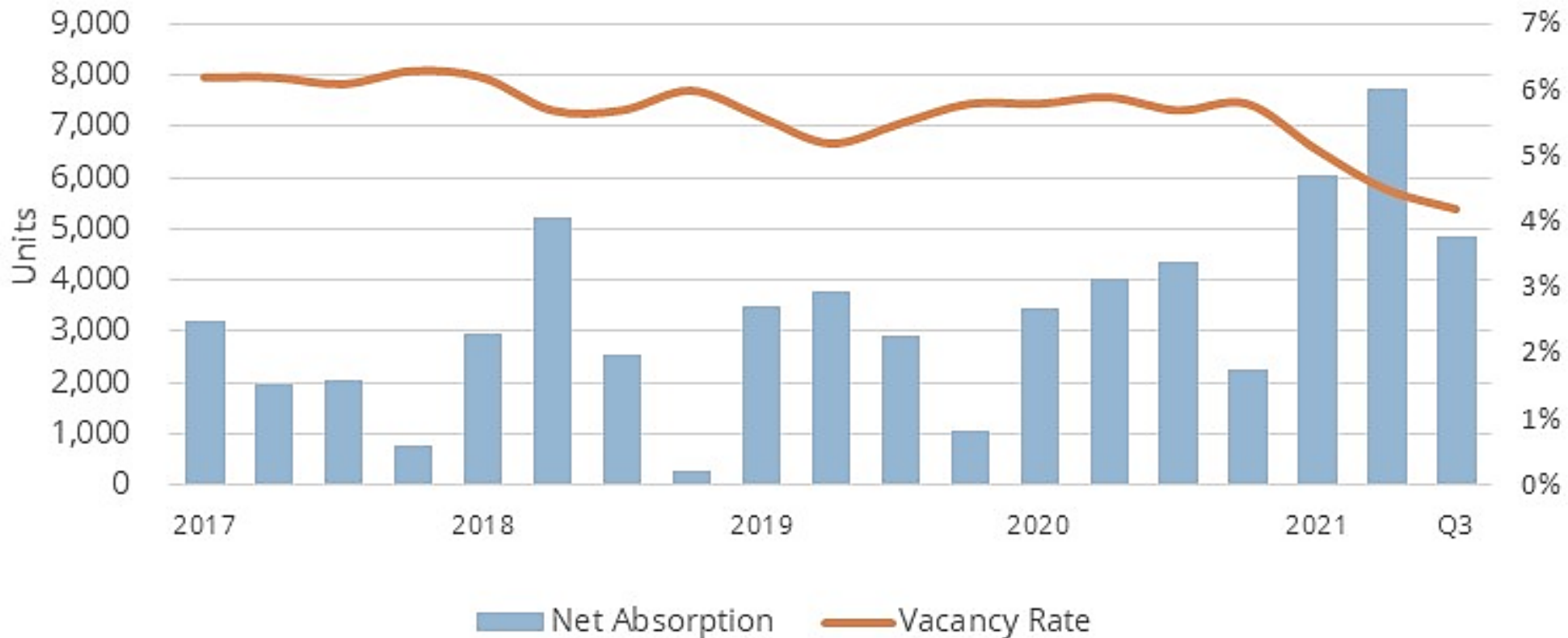
Household Type	U.S.	Virginia
All multigenerational households	31%	29%
Three-or-more generations	9%	8%
Two generations (adults)	21%	20%
Grandfamilies	1%	1%

Apartment Net Absorption & Vacancy

Virginia

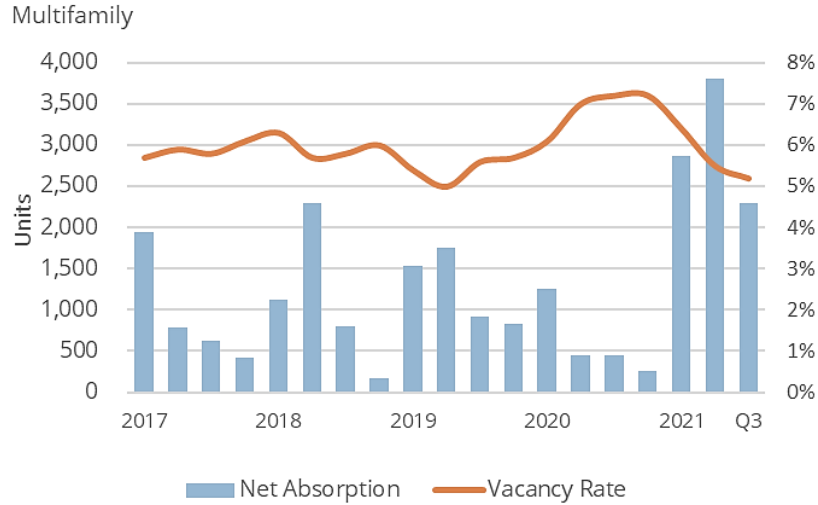
Quarterly Net Absorption & Vacancy Rates

Multifamily

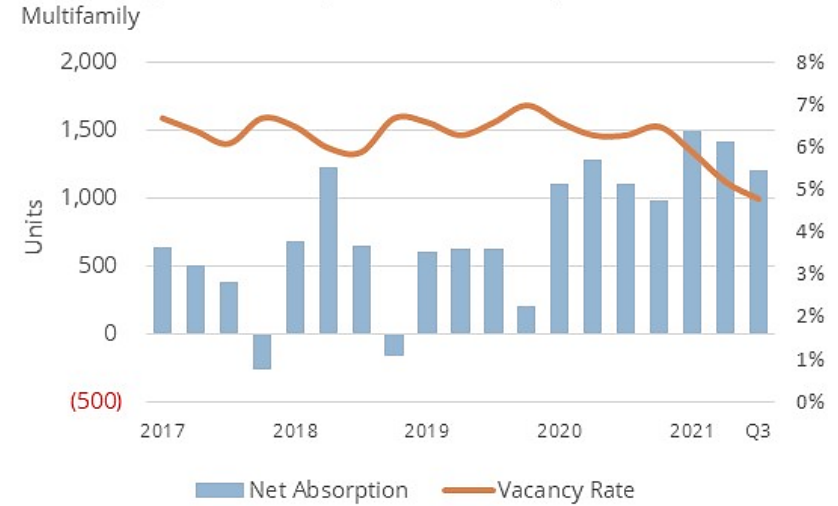


Source: CoStar, properties with 50+ units

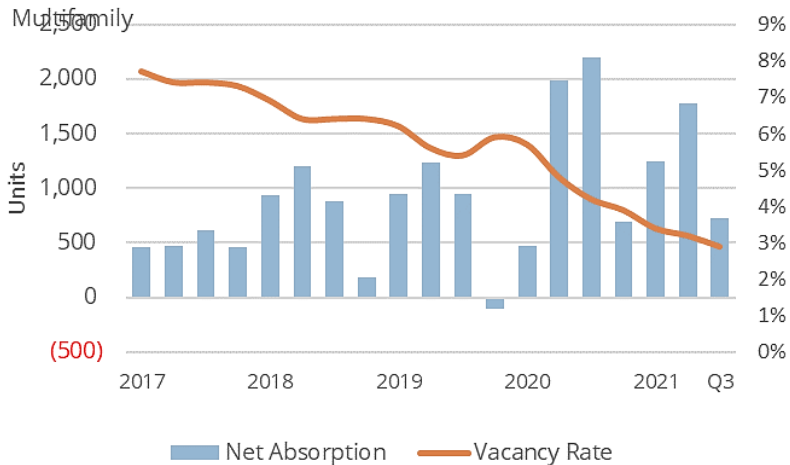
Northern Virginia Metro Area Quarterly Net Absorption & Vacancy Rates



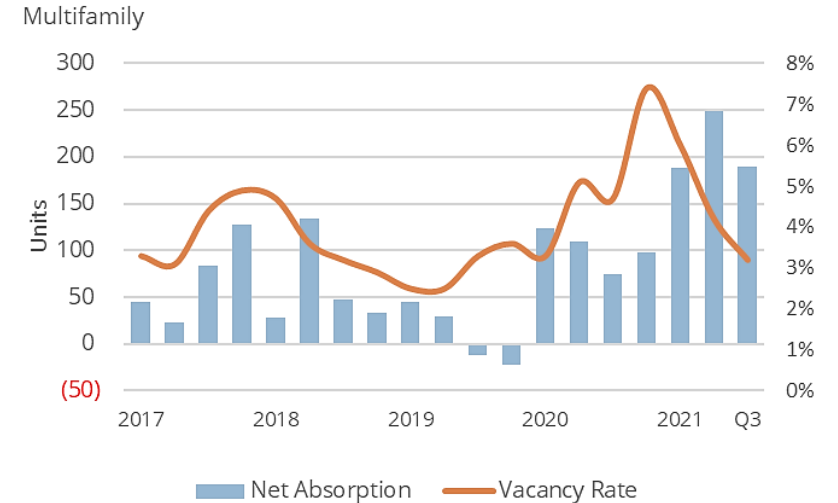
Richmond Metro Area Quarterly Net Absorption & Vacancy Rates



Hampton Roads Metro Area Quarterly Net Absorption & Vacancy Rates



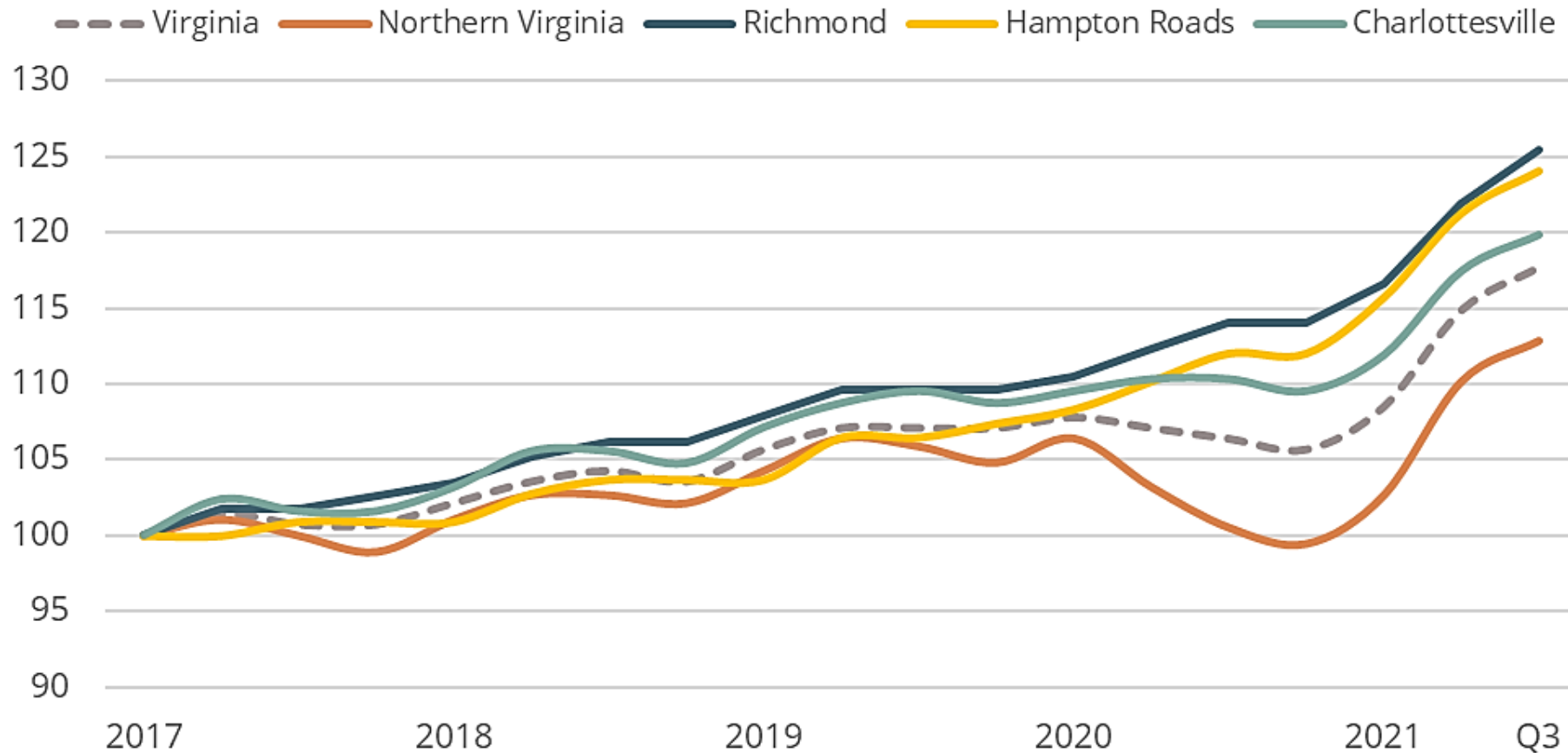
Charlottesville Metro Area Quarterly Net Absorption & Vacancy Rates



Rent

Effective Rent per SF (indexed Q1 2017 = 100)

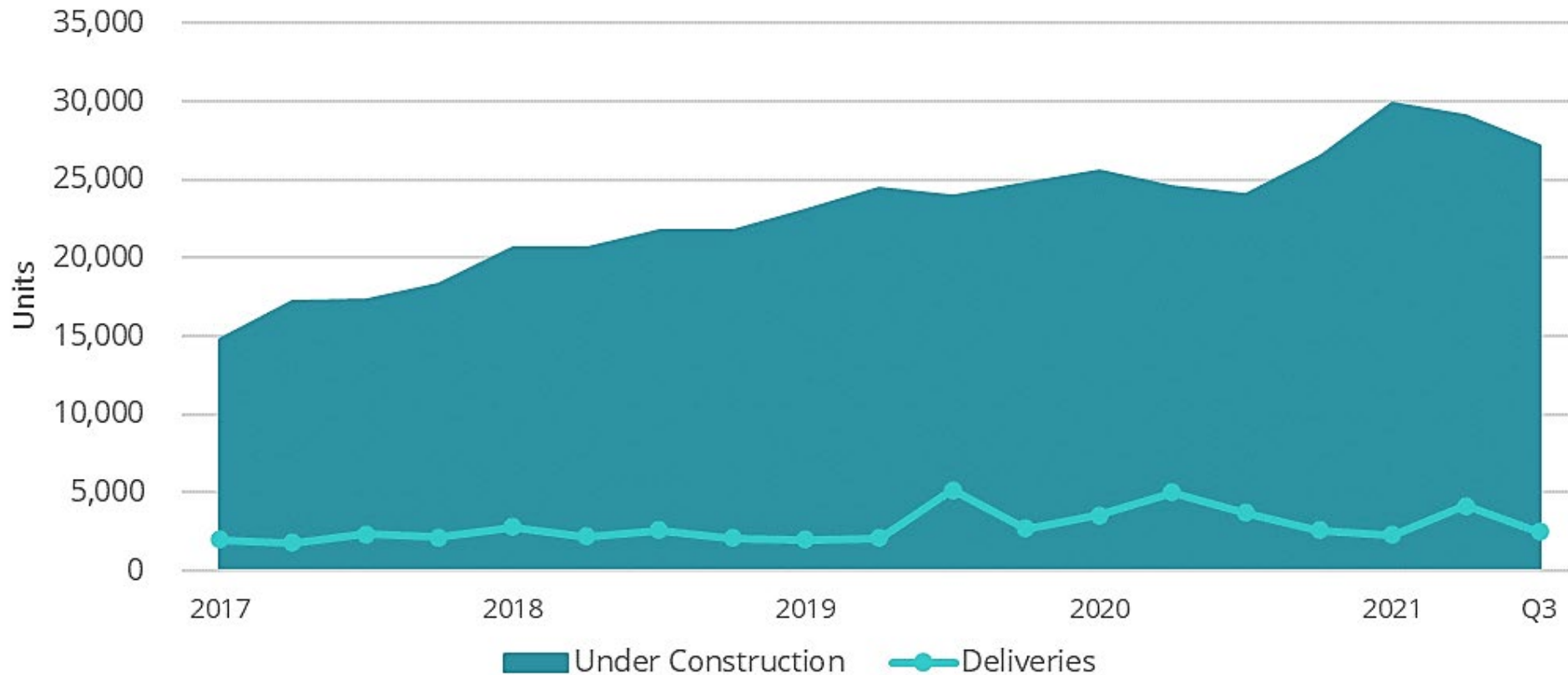
Multifamily



Deliveries and Under Construction

Virginia

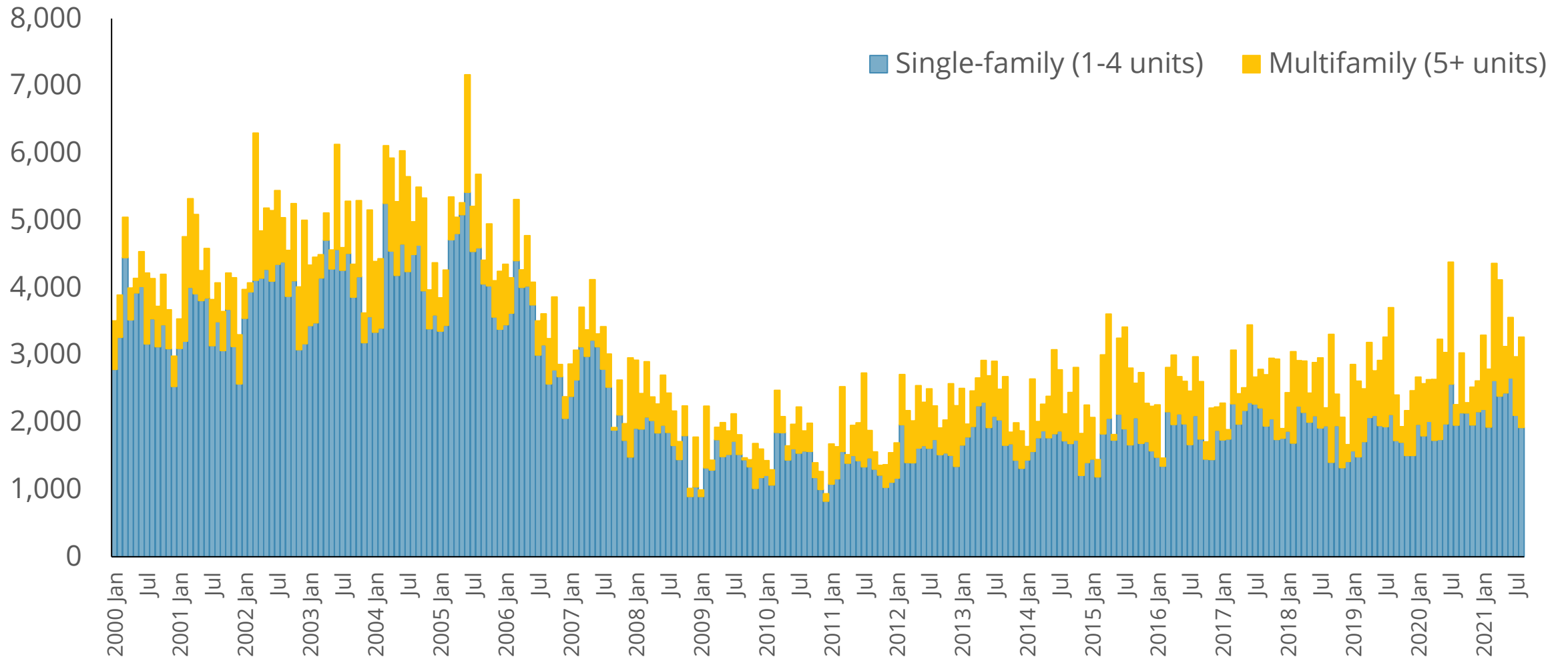
Net Deliveries & Under Construction
Multifamily



Source: CoStar, properties with 50+ units

Virginia New Home Construction

Monthly Permits for New Housing Construction



Source: U.S. Census Bureau

Impact of the COVID-19 Pandemic

Size of Landlord Portfolio	Share Receiving <90% Charged Yearly Rent		Share Receiving <50% Charged Yearly Rent	
	2019	2020	2019	2020
Small (own 1-5 units)	11%	34%	4%	10%
Mid-Sized (own 6-19 units)	12%	44%	2%	8%
Large (own 20+ units)	7%	50%	-	3%

Source: Harvard Joint Center for Housing Studies

Impact of the COVID-19 Pandemic

Year	Granted Rent Extensions	Forgave Back Rent
2019	15%	3%
2020	48%	21%

Source: Harvard Joint Center for Housing Studies

Impact of the COVID-19 Pandemic

Year	Missed Mortgage, Utility, and/or Property Tax Payment	Deferred Maintenance	Listed Property for Sale
2019	4%	5%	3%
2020	19%	31%	13%

University Student Housing

	City/County	Fall 2020 Enrollment*	Change in Enrollment Fall 2019 to Fall 2020
All Colleges and Universities in Virginia	Statewide	524,932	-0.1%
George Mason University	Fairfax	39,032	2.0%
Virginia Tech	Blacksburg	36,383	1.8%
Virginia Commonwealth University	Richmond	30,103	-2.3%
University of Virginia	Charlottesville	25,018	2.5%
Old Dominion University	Norfolk	23,675	2.6%
James Madison University	Harrisonburg	21,820	-1.0%
Radford University	Radford	11,870	-9.9%
College of William & Mary	Williamsburg	8,773	1.9%
Norfolk State University**	Norfolk	5,601	-2.6%
Virginia State University**	Petersburg	4,365	-7.9%
Hampton University**	Hampton	4,294	-18.1%

Source: State Council of Higher Education for Virginia

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

