



ZOOM TOWNS BOOM OR BUST?

**Virginia Governor's
Housing Conference 2021**

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What are Zoom Towns?

A **Zoom town** is a community that experiences a significant population increase as remote work becomes more popular, especially in the wake of the COVID-19 pandemic.

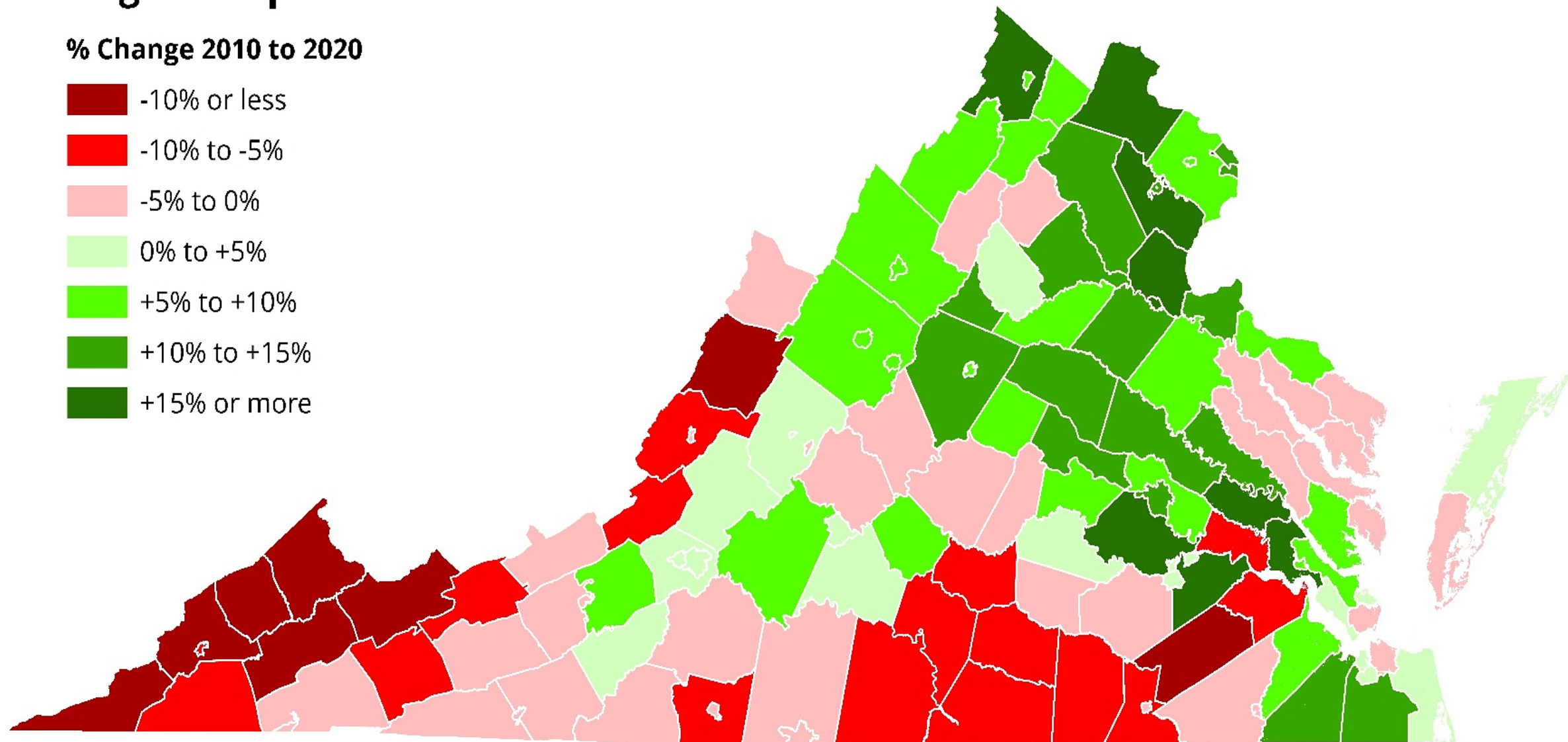
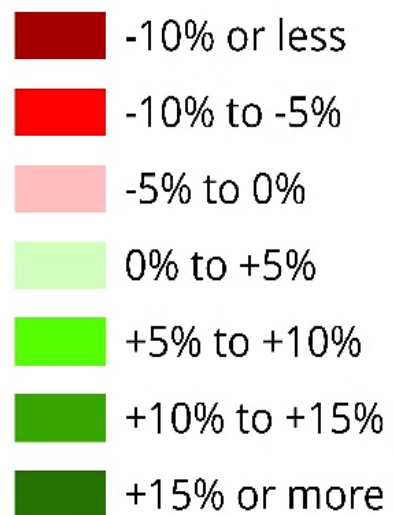
Zoom towns are typically found in the suburbs, exurbs, small towns or rural areas.

Where are Virginia's "Zoom Towns"?

Are they booming or busting?

Virginia Population Trends

% Change 2010 to 2020



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

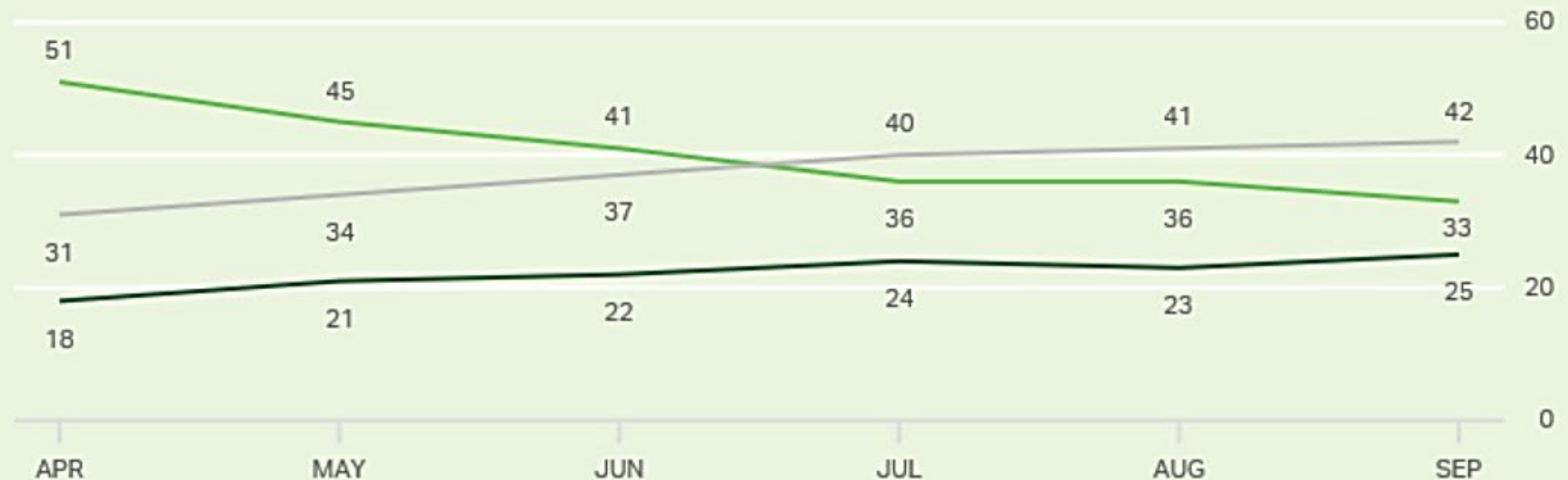
Rise of Remote Work & Learning During the Pandemic

Before the pandemic, only 6% of workers primarily worked from home and 75% *never* worked from home.

U.S. Workers' Frequency of Remote Work in Response to COVID-19

To what extent are you working remotely to avoid catching or spreading the coronavirus?

Always Sometimes Never



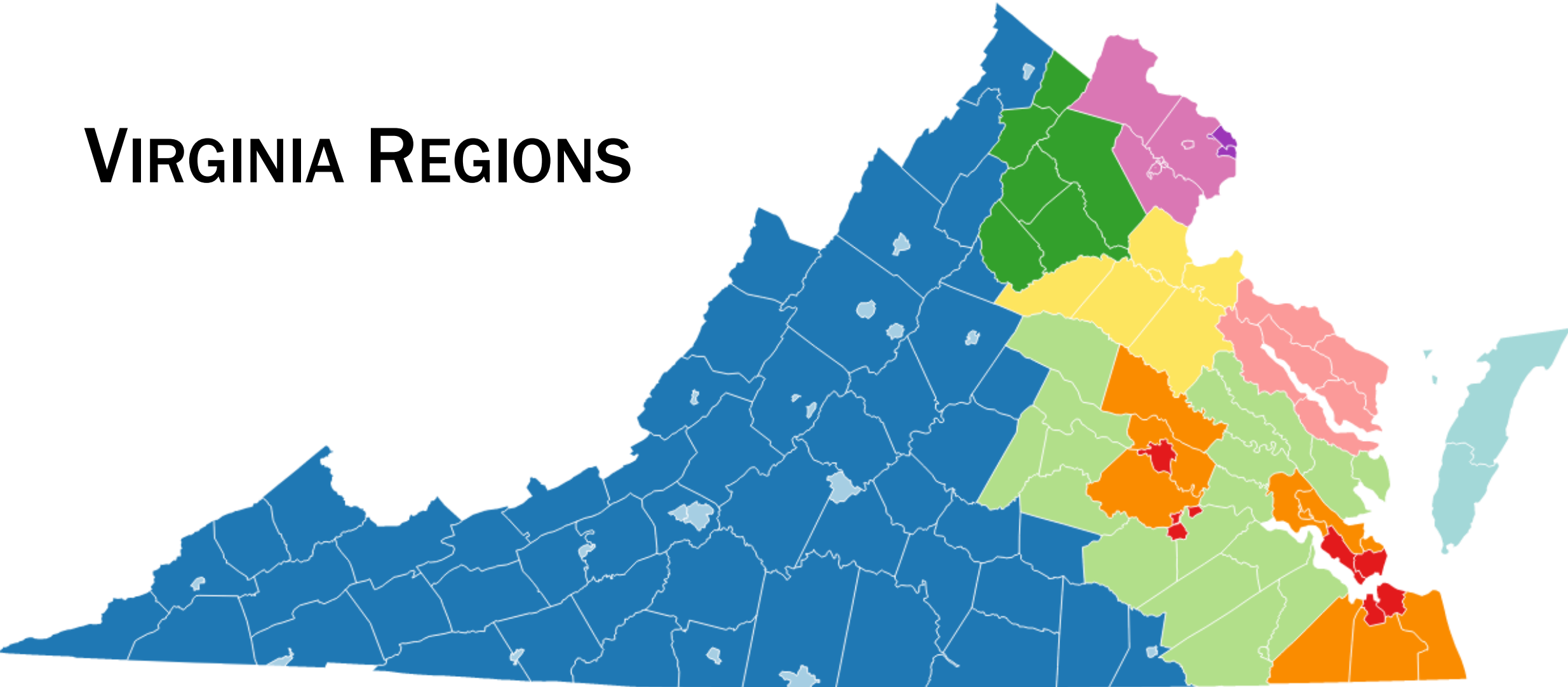
GALLUP, 2020



Rise of Remote Work & Learning During the Pandemic



VIRGINIA REGIONS



- Cities
- Counties
- Eastern Shore
- Exurbs
- High Density Urban Core
- Lower Density Outer Suburbs/Exurbs (Fredericksburg Area (I-95 Corridor))
- Lower Density Outer Suburbs/Exurbs (Northern Piedmont (I-66/US 29 Corridors))
- Middle Peninsula / Northern Neck
- Moderate Density Inner Suburbs
- Suburbs
- Urban Core

Source: Housing Forward Virginia

Housing Market Activity At the Onset of the Pandemic

Home sales in 2020 were higher in the suburbs and exurbs, and on the Eastern Shore and Middle Peninsula/Northern Neck

Places where sales growth was higher than the state average

Middle Peninsula / Northern Neck

Eastern Shore

Lower Density Outer Suburbs/Exurbs
(Fredericksburg Area (I-95 Corridor))

Lower Density Outer Suburbs/Exurbs (Northern
Piedmont (I-66/US 29 Corridors))

Exurbs

Suburbs

Places where sales growth was less than the state average

Rural Counties

Urban Core

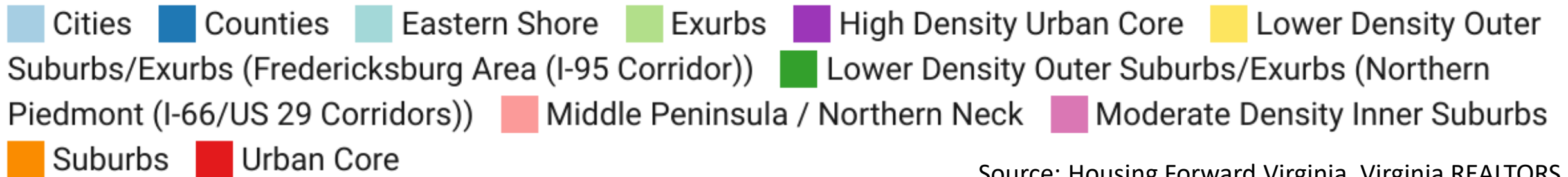
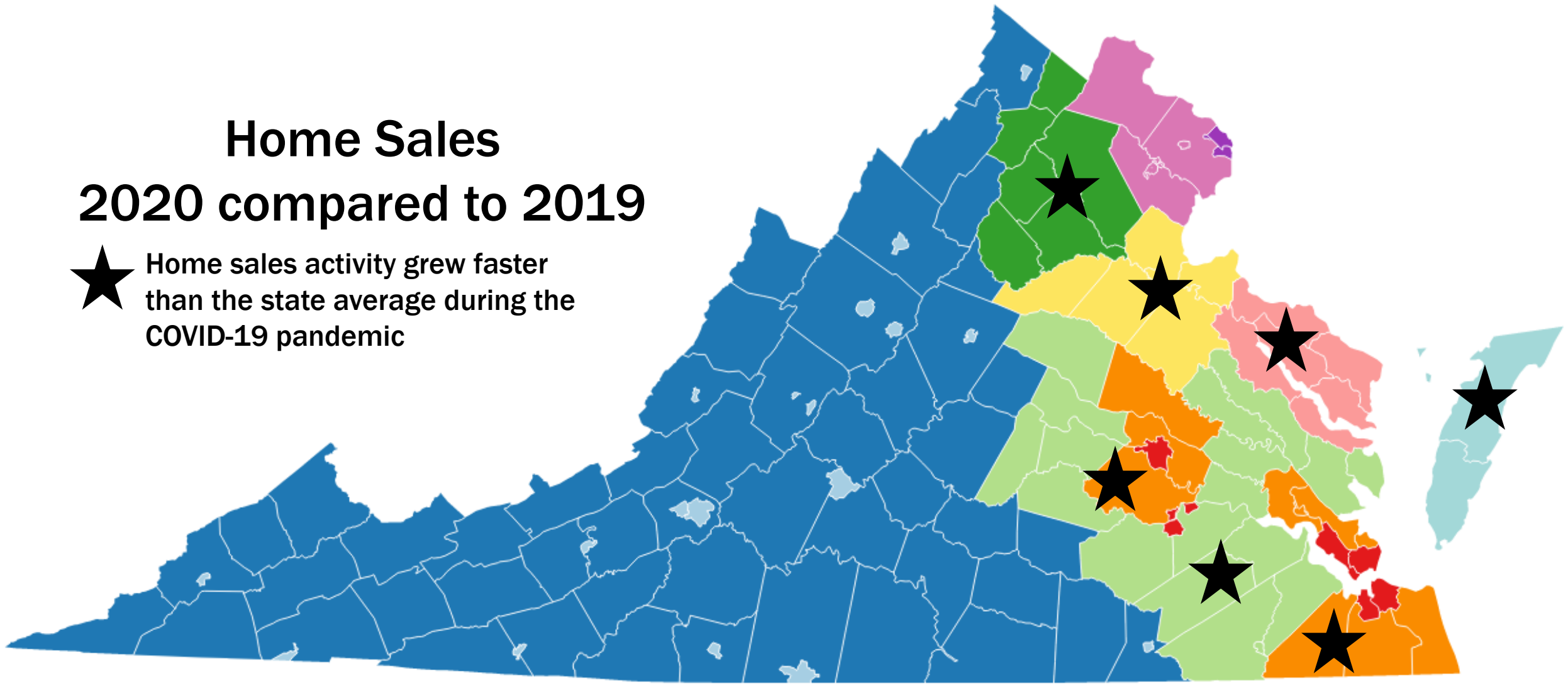
Rural Cities

Moderate Density Inner Suburbs

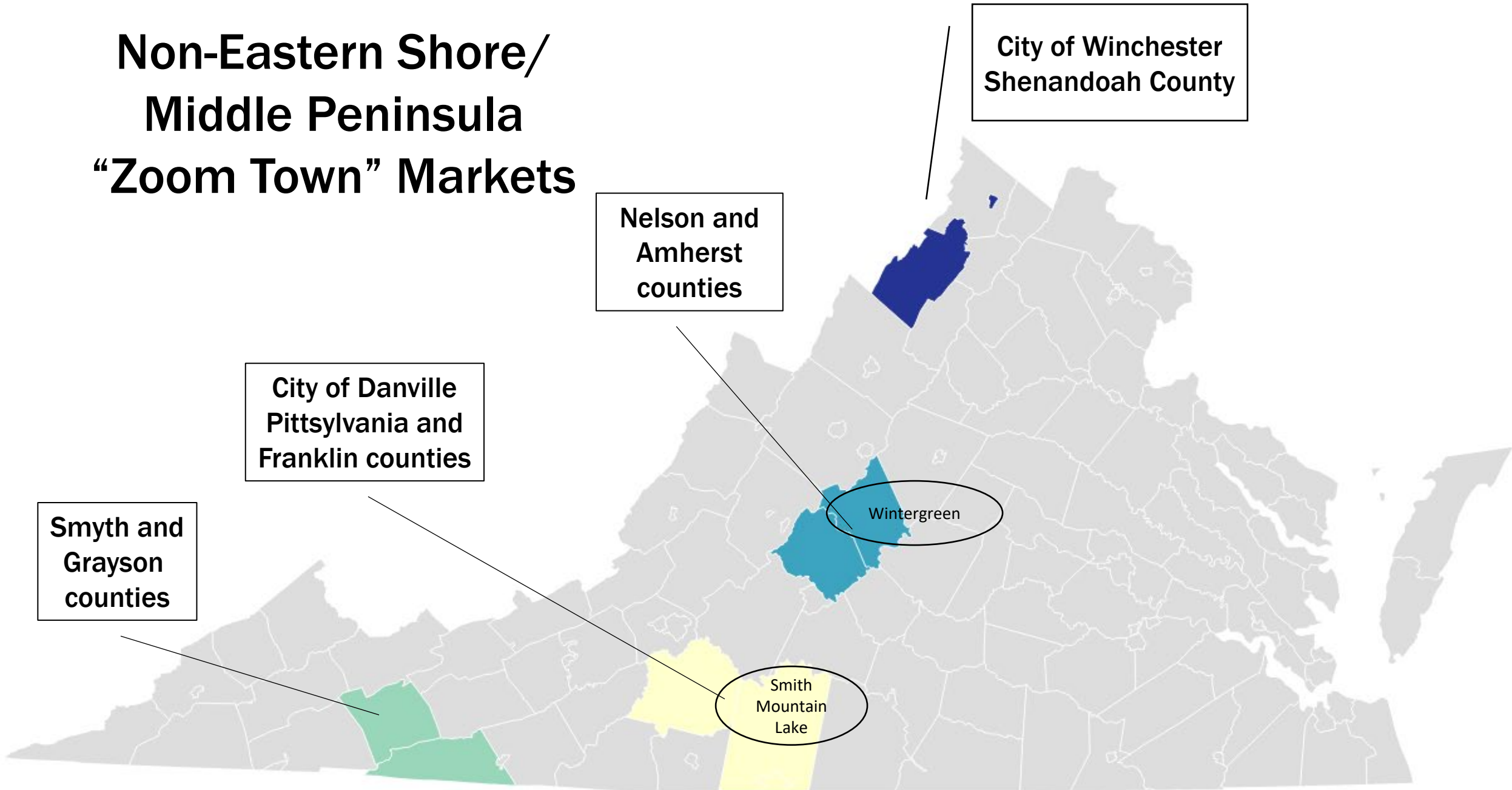
High Density Urban Core

Home Sales 2020 compared to 2019

★ Home sales activity grew faster than the state average during the COVID-19 pandemic



Non-Eastern Shore/ Middle Peninsula “Zoom Town” Markets



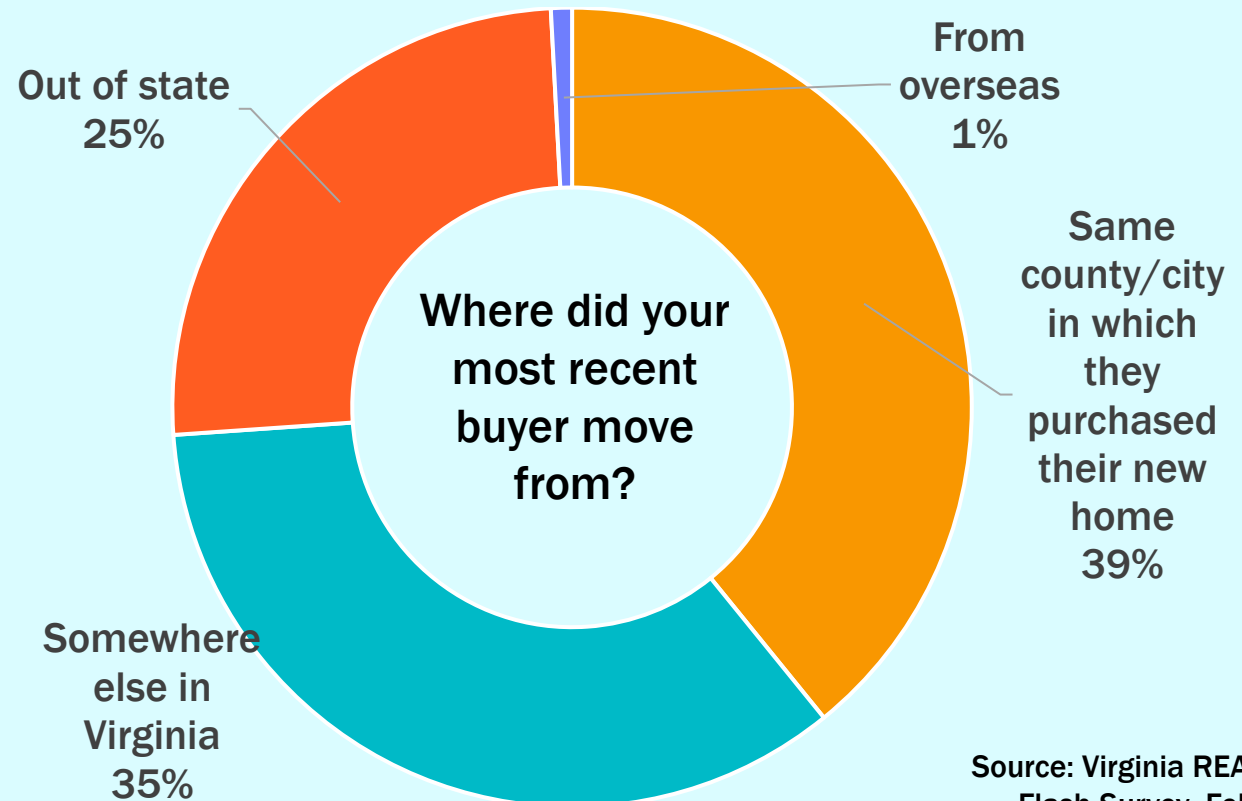
“Out-of-Town” Buyers

In some small markets, non-local buyers changed the market during the pandemic

Out-of-Town Buyer Examples

Northern Virginia buyers looking in Winchester, Harrisonburg, Charlottesville

Higher-income urban residents seeking second homes in smaller markets



Source: Virginia REALTORS Flash Survey, Feb 2021

Housing Market Activity As We Emerge From COVID

Home sales in 2021 were higher in urban markets

Places where sales growth was higher than the state average

High Density Urban Core

Eastern Shore

Urban Core

Moderate Density Inner Suburbs

Places where sales growth was less than the state average

Lower Density Outer Suburbs/Exurbs
(Fredericksburg Area (I-95 Corridor))

Rural Cities

Suburbs

Exurbs

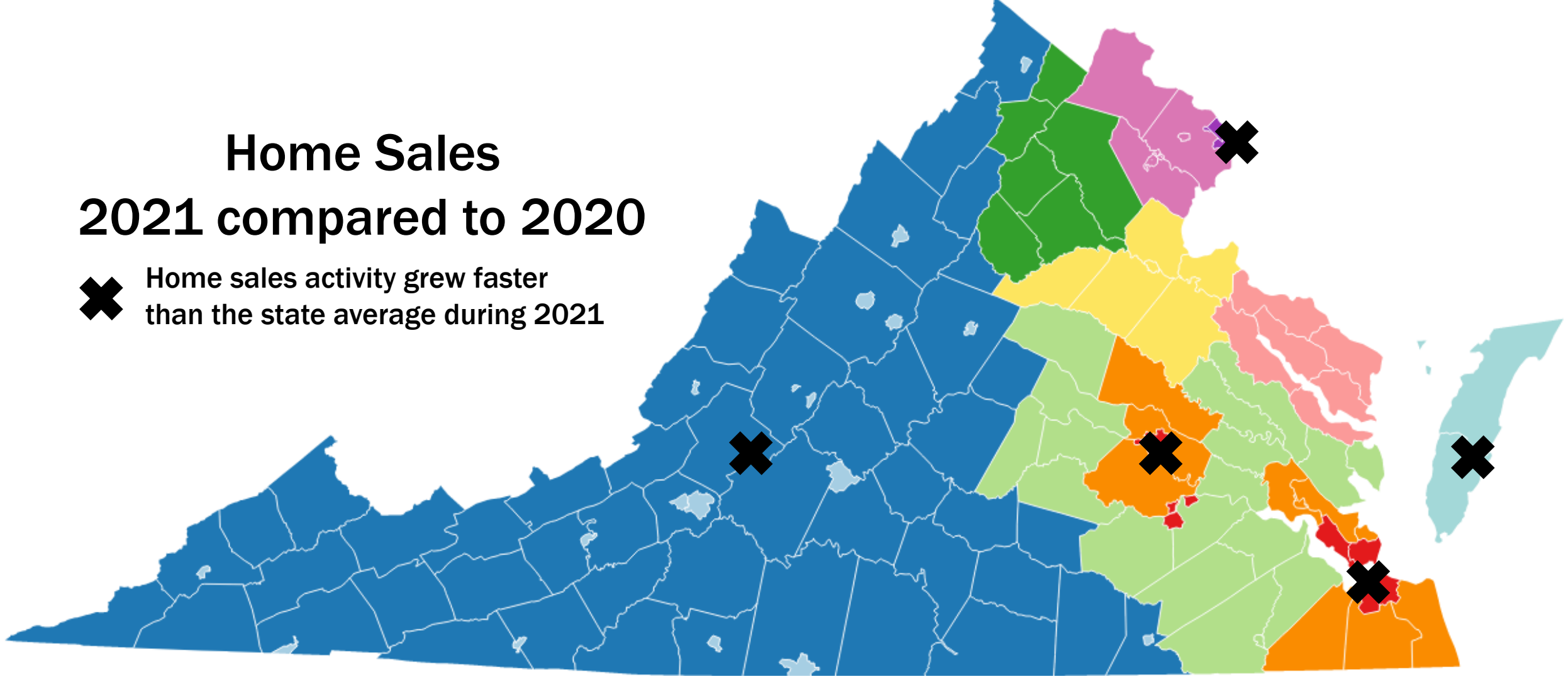
Rural Counties

Middle Peninsula / Northern Neck

Lower Density Outer Suburbs/Exurbs (Northern
Piedmont (I-66/US 29 Corridors))

Home Sales 2021 compared to 2020

✘ Home sales activity grew faster than the state average during 2021



Legend:

- Cities
- Counties
- Eastern Shore
- Exurbs
- High Density Urban Core
- Lower Density Outer Suburbs/Exurbs (Fredericksburg Area (I-95 Corridor))
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Home Prices

Prices have been rising most quickly in rural and exurban markets

Top 5 Regions

Fastest Price Growth: 2020

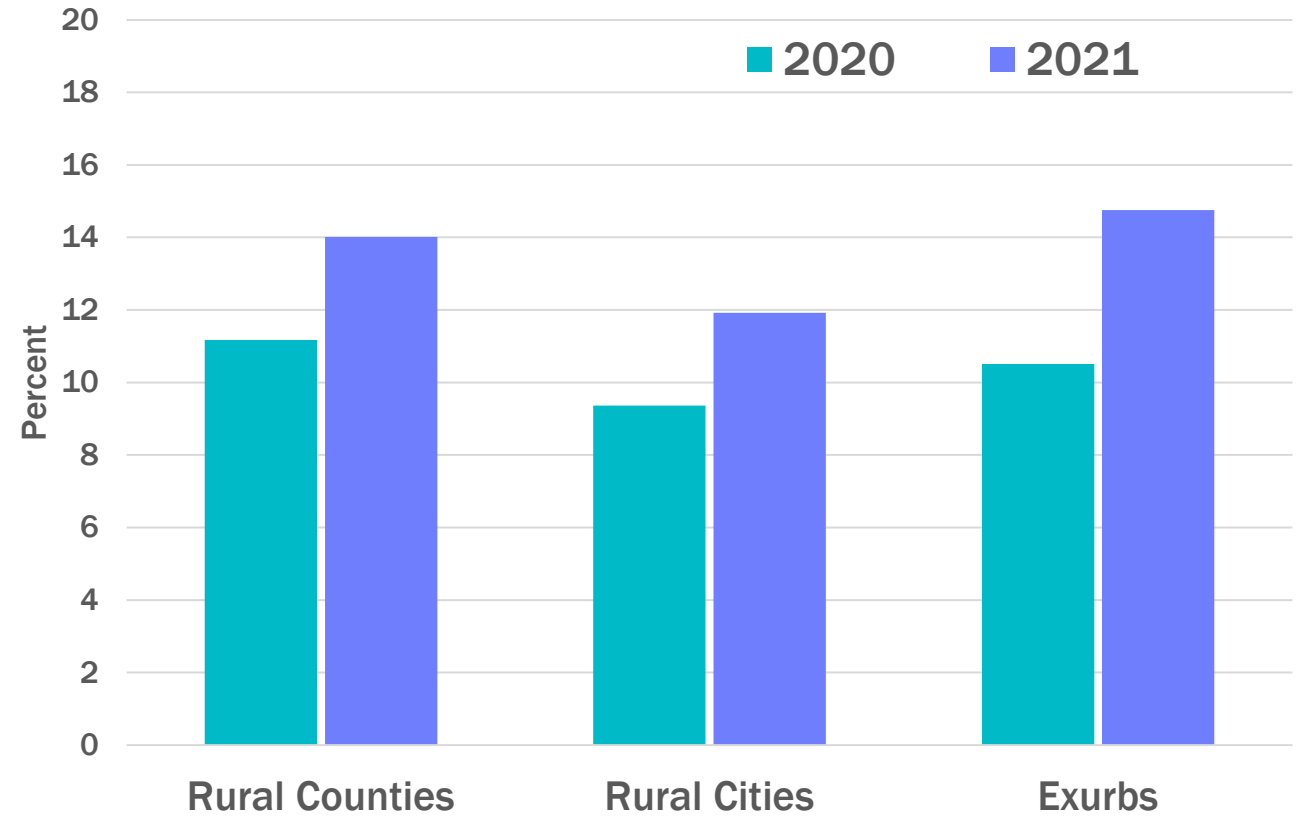
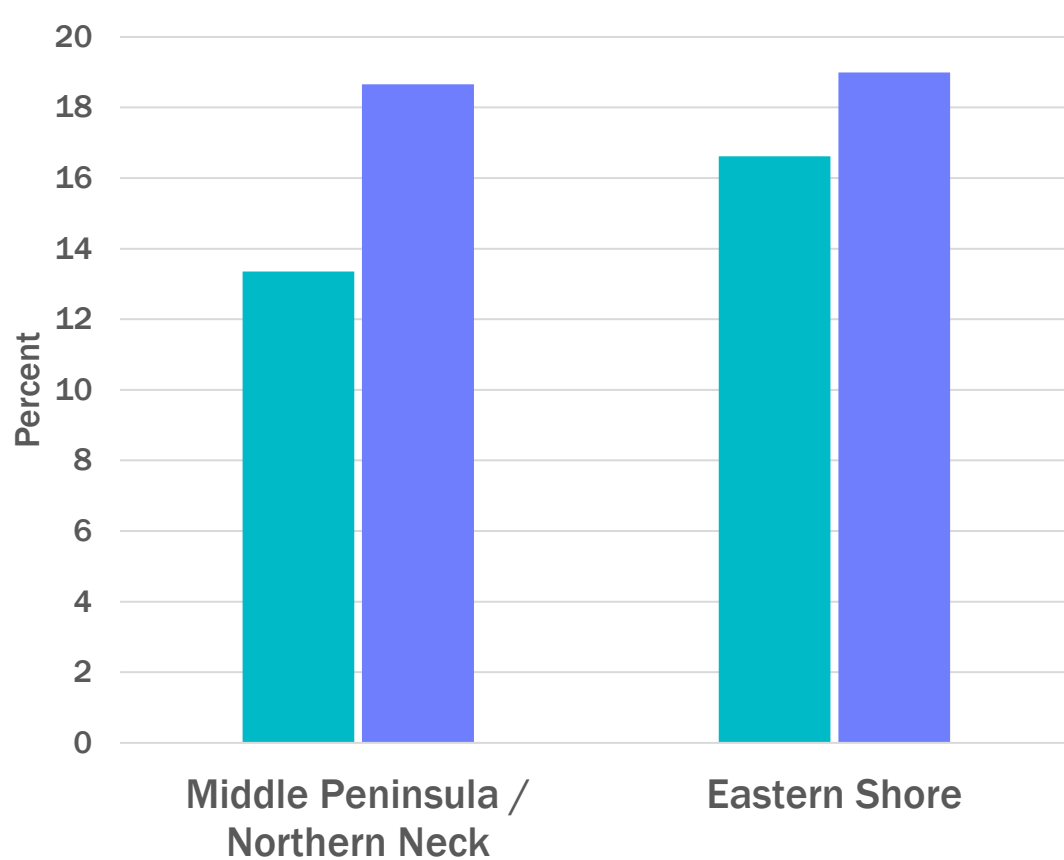
Eastern Shore
Middle Peninsula / Northern Neck
Urban Core
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Exurbs

Fastest Price Growth: 2021

Eastern Shore
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Home Prices

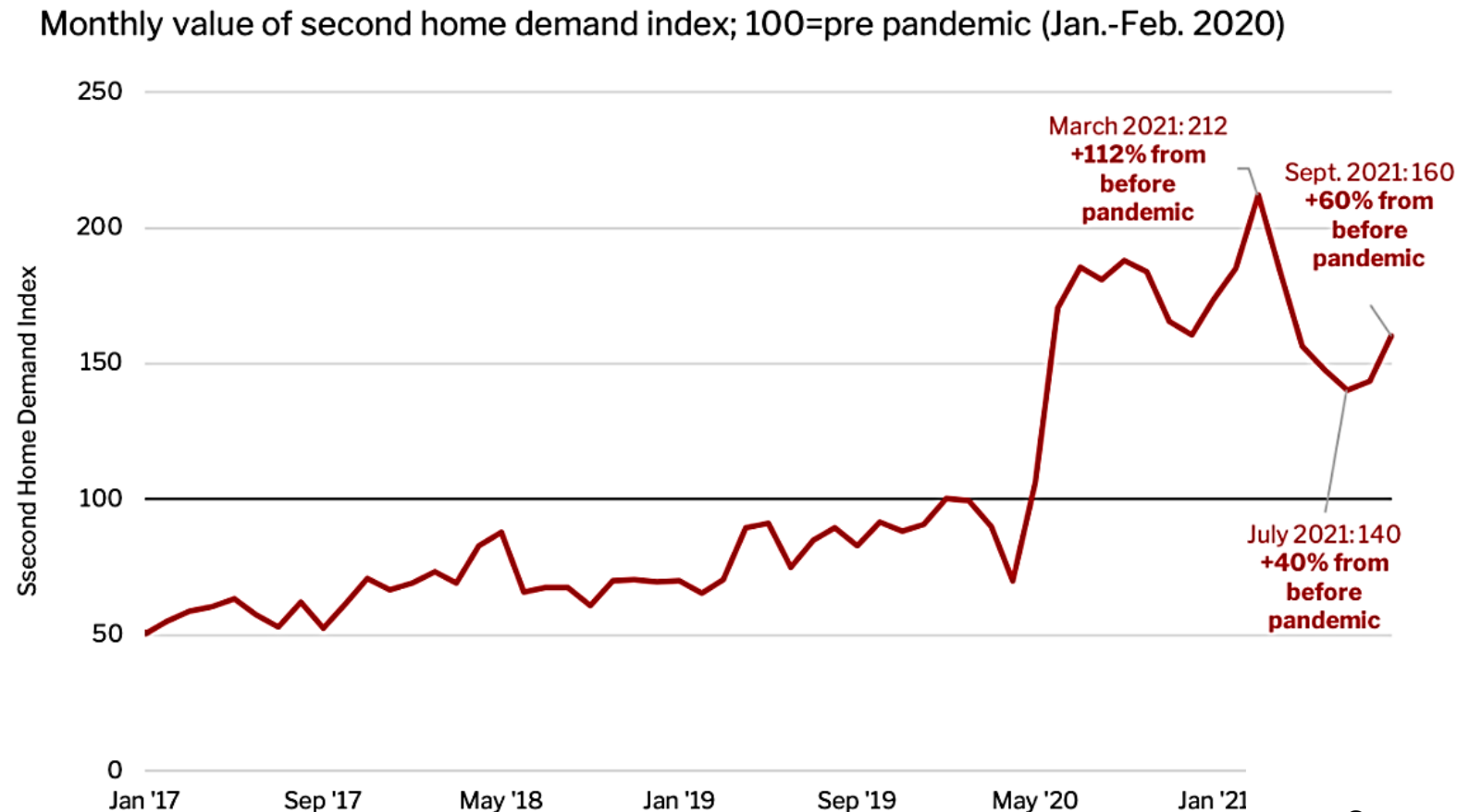
Annual change in median sales price



Source: Virginia REALTORS, Housing Forward Virginia
Weighted averages

Second Homes

Demand for second homes remains above pre-pandemic levels supporting demand in rural housing markets



Source: Redfin

Implications/Outlook for Rural Housing Markets

Implications

Rising home prices for local residents

- Homeownership out of reach for first-time and other buyers

“Winners and losers”

- Second home markets and places with good broadband = “winners”
- Vaccination rates also matter

Outlook for 2022 and Beyond

Return to the office and to in-person school slows Zoom Town demand

Second home market returns to more normal conditions

How to be a Zoom Town? (or Retirement Retreat, Vacation Venue...)

Broadband – definitely -
but arts, culture, & recreation also key



OUTLOOK FOR RURAL HOUSING MARKETS IN VIRGINIA