

Virginia

ECONOMIC & HOUSING MARKET OUTLOOK

ECONOMIC OUTLOOK



TOTAL JOBS

2022: +3.0% (117K JOBS)
2023: +0.3% (13K JOBS)

YEAR-OVER-YEAR JOB CHANGE



UNEMPLOYMENT RATE (Q4)

2022: 2.8%
2023: 3.5%

After more than two years of robust job growth, Virginia is on track to be back at pre-pandemic job levels by the end of 2022. Despite this milestone, some sectors that were hit the hardest in 2020 such as Leisure & Hospitality and Retail Trade are still recovering. As economic conditions continue to weaken nationally and here in Virginia, the job growth will flatten in 2023, and unemployment is projected to rise.

HOUSING MARKET OUTLOOK



HOME SALES

2022: -15.7%
2023: -2.5%
ANNUAL CHANGE



MEDIAN HOME PRICE

2022: +7.0%
2023: +2.9%
ANNUAL CHANGE



NEW HOUSING STARTS

2022: -3.1%
2023: -3.6%
ANNUAL CHANGE



30-YR MORTGAGE RATE (DEC AVG)

2022: 5.95%
2023: 5.2%

Virginia's housing market cooled down in 2022 and is on track to have the sharpest annual drop in sales activity in more than a decade. The market slowdown is being driven by rising mortgage rates, climbing prices, and tight inventory conditions, all of which combined are leaving many buyers on the sidelines. Home price growth has been strong during this moderating period due to low supply. However, upward pressure on prices is starting to ease and this trend is projected to continue in 2023. Demand for new homes has softened, and housing starts have dipped, a trend that will continue next year. Mortgage interest rates rose quickly in 2022 and are likely to hover in the 6% range by the end of the year, before gradually receding some in 2023.