



## ECONOMIC & HOUSING MARKET OUTLOOK

### ECONOMIC OUTLOOK



#### TOTAL JOBS

2023: +1.6% (67K JOBS)

2024: +0.1% (3K JOBS)

#### YEAR-OVER-YEAR JOB CHANGE



#### UNEMPLOYMENT RATE (Q4)

2023: 2.9%

2024: 3.6%

Unemployment rates have been declining to near historic lows this year, and Virginia's unemployment rate continues to be lower than the nation as a whole—a gap that has widened in 2023. However, with weakening economic conditions across the country, unemployment is expected to increase to 3.6% in Virginia by the end of 2024.

### HOUSING MARKET OUTLOOK



#### HOME SALES

2023: -23.6%

2024: +11.4%

#### ANNUAL CHANGE



#### MEDIAN HOME PRICE

2023: +4.4%

2024: +1.2%

#### ANNUAL CHANGE



#### NEW HOUSING STARTS

2023: -10.6%

2024: -3.5%

#### ANNUAL CHANGE



#### 30-YR MORTGAGE RATE (DEC AVG)

2023: 6.90%

2024: 6.15%

Due to rising and volatile mortgage rates, upward pressure on home prices, mounting affordability challenges around the state, and tight inventory conditions, Virginia's housing market has experienced a sharp decline in sales activity in 2023 which is the lowest it has seen in almost a decade. We expect sales activity to rise in 2024 compared to 2023 as mortgage rates stabilize. Mortgage rates are expected to end the year in the upper 6% range and then slowly decline to a low 6% range by the end of 2024 as macroeconomic headwinds simmer down.