

ECONOMIC & HOUSING MARKET OUTLOOK

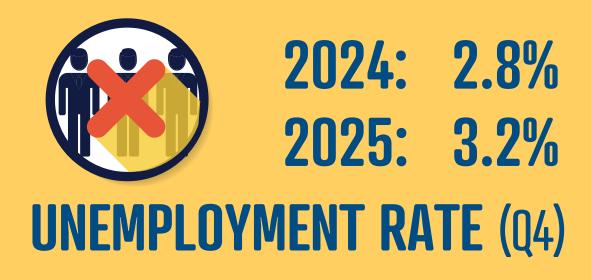
ECONOMIC OUTLOOK

 2024: +1.9% (+79K JOBS)

 2025: +1.2% (+51K JOBS)

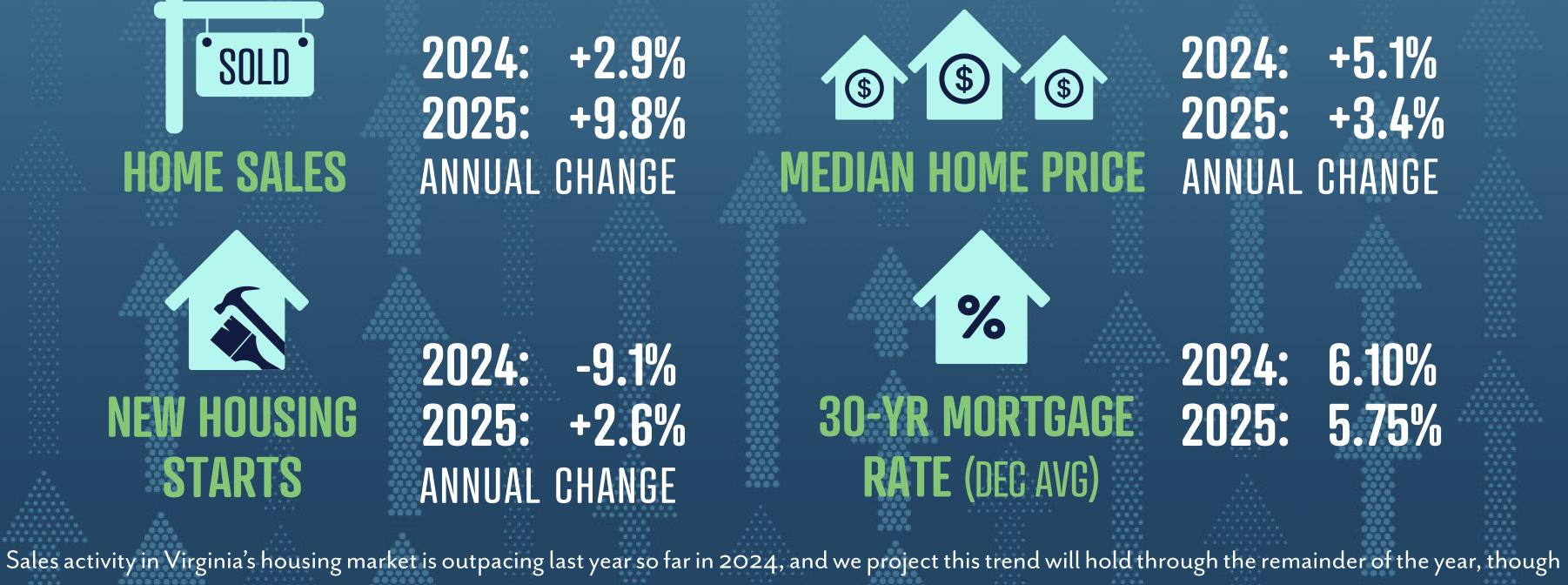
 TOTAL JOBS

 YEAR-OVER-YEAR JOB CHANGE



The job base in Virginia has expanded over the years and has even outpaced the job growth in neighboring states in the South in 2024. Total jobs in Virginia are projected to increase 1.2% in 2025 compared to their 2024 levels. Virginia's unemployment rate continues to be lower than that for the United States – a gap that has widened in 2024. However, due to weaker economic conditions across the country, we expect unemployment to see a modest increase to 3.2% by the end of 2025.

HOUSING MARKET OUTLOOK



the pace of sales is still below average. If mortgage rates stabilize and drift downward as project this trend with four though the remainder of the year, though supply constraints and more active listings will likely keep market, both from first time buyers and repeat buyers alike. This demand coupled with easing on seasonal factors and local pricing trends. Overall, we anticipate upward pressure on home prices to remain a factor in the 2025 market in Virginia, however, likely at a slower pace than the market has seen in 2024. This will be owing to the expected moderation in home price growth along with an easing of supply constraints due to new housing growth in 2025. We project mortgage rates to end the year in the low 6% range and then decline slightly to the upper 5% range by the end of 2025 which is expected to help alleviate affordability issues for some buyer segments, and could also loosen the lock-in effect for homeowners that have delayed their next home purchase due to elevated mortgage rates.



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