

Virginia

ECONOMIC & HOUSING MARKET OUTLOOK

ECONOMIC OUTLOOK



2024: +1.9% (+79K JOBS)
2025: +1.2% (+51K JOBS)

TOTAL JOBS YEAR-OVER-YEAR JOB CHANGE



2024: 2.8%
2025: 3.2%

UNEMPLOYMENT RATE (Q4)

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



HOME SALES

2024: +2.9%
2025: +9.8%
ANNUAL CHANGE



MEDIAN HOME PRICE

2024: +5.1%
2025: +3.4%
ANNUAL CHANGE



NEW HOUSING STARTS

2024: -9.1%
2025: +2.6%
ANNUAL CHANGE



30-YR MORTGAGE RATE (DEC AVG)

2024: 6.10%
2025: 5.75%

Sales activity in Virginia's housing market is outpacing last year so far in 2024, and we project this trend will hold through the remainder of the year, though the pace of sales is still below average. If mortgage rates stabilize and drift downward as projected, we expect home sales activity to improve in 2025. There continues to be strong pent-up demand in the housing market, both from first time buyers and repeat buyers alike. This demand coupled with easing supply constraints and more active listings will likely keep market activity brisk in 2025 relative to 2024, through there could be some fluctuations based 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.