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**Virginia REALTORS® Releases 2025 Economic & Housing Market Forecast**

*Trade association predicts an increase in home sales next year driven by pent-up demand, more listings in the market, and improving mortgage rate conditions.*

RICHMOND, Va. (September 26, 2024) – Virginia’s largest trade association has released its 2025 Economic & Housing Market Forecast, predicting what is ahead for the commonwealth.

* **Net Job Change in Virginia:** We forecast a 1.2% net change of jobs in 2025 compared to 2024 (approximately 51,000 jobs).
* **Unemployment:** 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, Virginia’s unemployment rate is expected to rise modestly from 2024’s rate of 2.8% to 3.2% in 2025.
* **Home Sales:** In 2025, we anticipate a year-over-year increase in home sales of 9.8%. “We have a lot of pent-up demand in our housing market here in Virginia,” says Virginia REALTORS® Chief Economist Ryan Price. “The supply gains we’ve seen so far in 2024 are likely to continue into 2025, bringing more active listings out in the market. This will provide that pent-up demand with more options to choose from. Couple this with lower mortgage rates, and we’re likely to see Virginia’s sales activity pick up in 2025.”
* **Home Prices:** We project Virginia’s 2025 annual median home price will increase by 3.4%over 2024. “Prices are still climbing in most local markets in Virginia. We anticipate this will continue in 2025, though at a slower rate,” says Virginia REALTORS® Deputy Chief Economist Sejal Naik. “The supply-demand imbalance remains a factor, putting upward pressure on home prices.”
* **New Housing Starts:** Our prediction is for a 2.6% increase in total new housing starts in Virginia in 2025, a modest uptick from 2024. Single-family and townhome starts will likely drive the growth in 2025—as it has in 2024—as the multifamily pipeline continues to wane.
* **Mortgage Rates:** We project mortgage rates to end 2024 in the low 6% range and then drift down slightly to 5.75% by the end of 2025. This could help alleviate affordability issues for some buyers and also help to loosen the "lock-in effect" for homeowners who have delayed their next home purchase due to elevated mortgage rates. As always, there will be some volatility with mortgage rates, but the slope of the trend line in the coming year is projected to be downward.

View the [2025 Forecast infographic here](https://virginiarealtors.org/research/reports/other-reports/virginia-economic-housing-market-2025-forecast/?_cldee=KxJMB92IZ98BjtzJWqYPON2e2znUjKxzWFdDkS59DpQI_E-WjLTm6Q0Csjqp6EoQJ2ogCz2GJ8cUtn_qkYPb7g&recipientid=contact-cfc86b36113a453c944c95d53615bd4c-8d23d30129ef433eb9ca4c18c15633e4&esid=3048a83a-e771-ef11-9ccf-00155d10121f).

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**About Virginia REALTORS®**

Virginia REALTORS® (previously known as the Virginia Association of REALTORS®) is the largest trade association in Virginia, representing over 35,000 REALTORS® engaged in the residential and commercial real estate business. Virginia REALTORS® serves as an advocate for homeownership and represents the interests of property owners in the Commonwealth of Virginia. For more information, visit [www.virginiarealtors.org](http://www.virginiarealtors.org) or follow Virginia REALTORS® on [Facebook](https://www.facebook.com/REALTORSVirginia/) and [LinkedIn](https://www.linkedin.com/groups/31801).

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