Economic & Housing Market Trends

Virginia Housing Commission
July 15, 2025

Ryan Price
Chief Economist
Virginia REALTORS®

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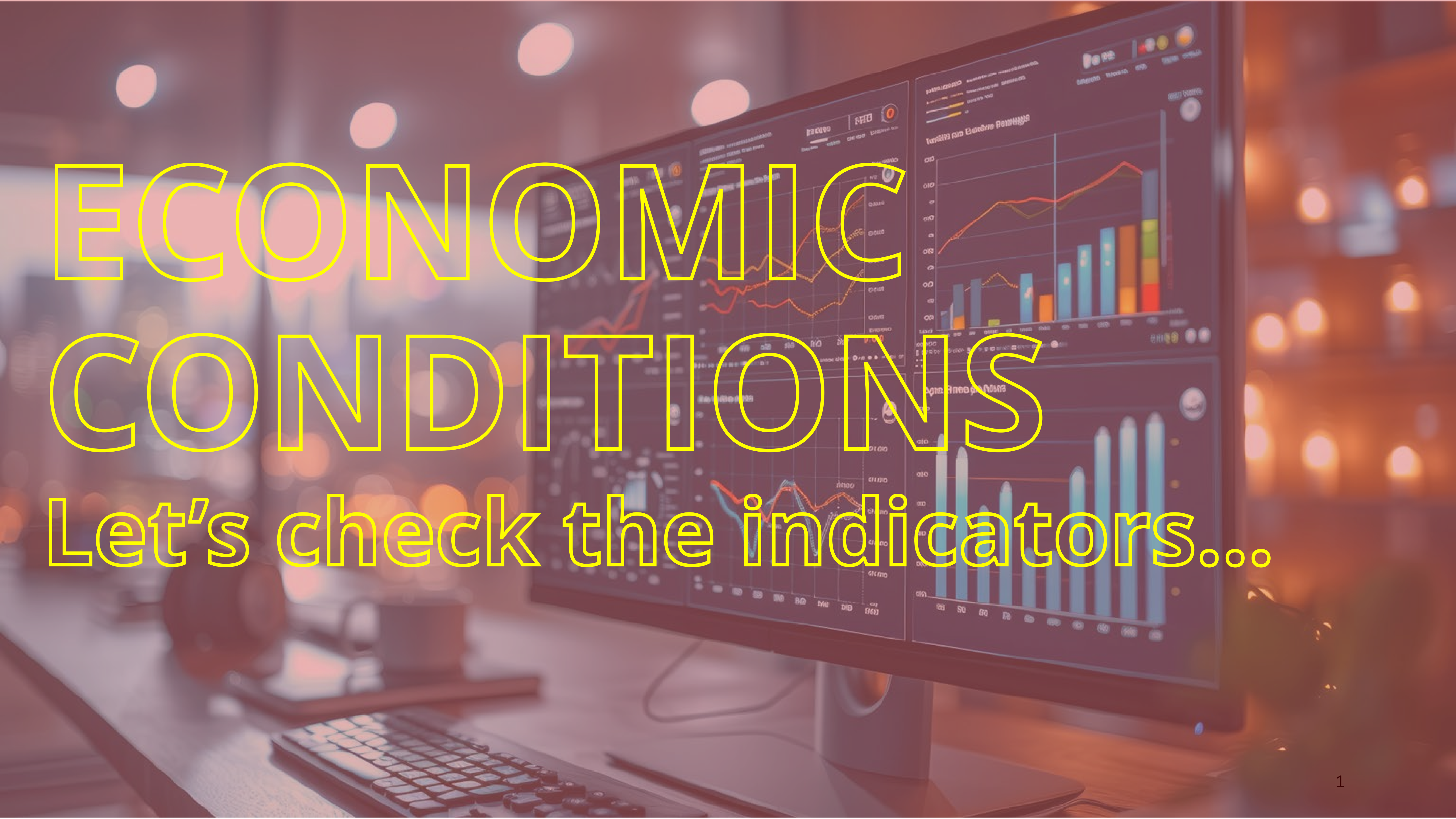


ECONOMIC CONDITIONS

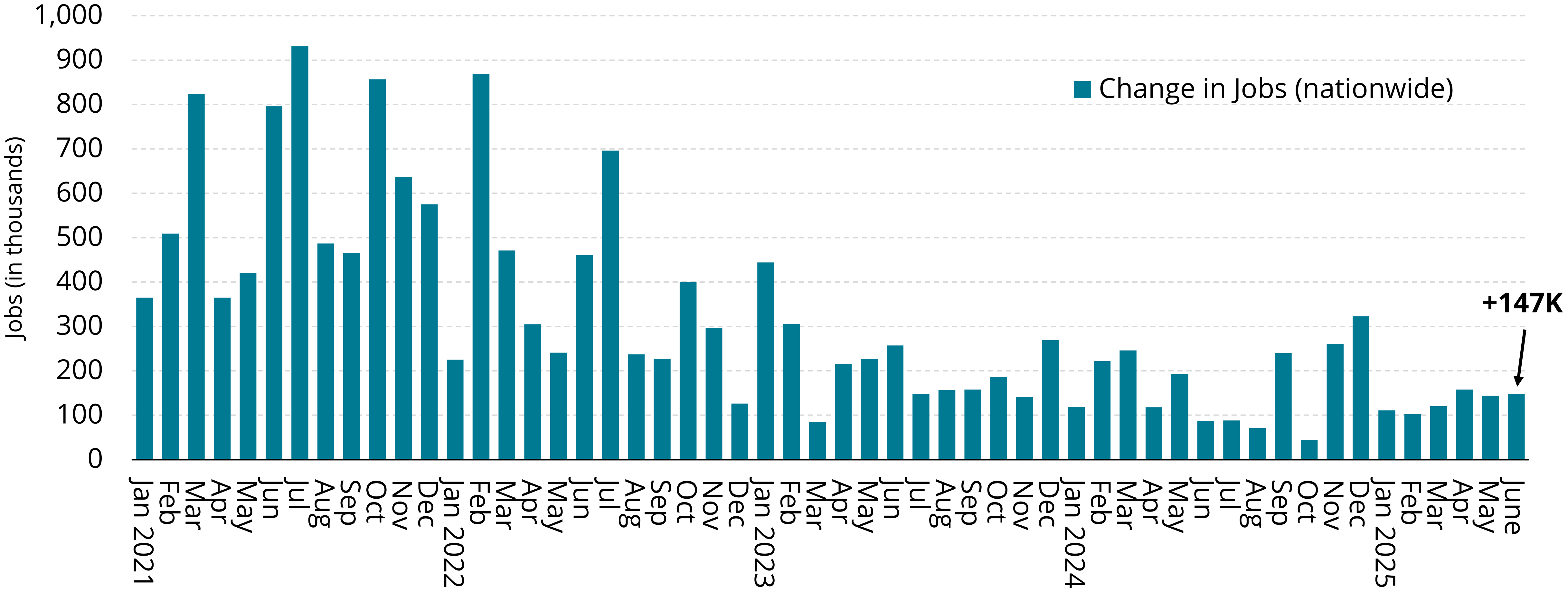
Let's check the indicators…

Key Economic Indicators 2025 Check-in

JOBS		
U.S	↑	National job market holding up for now. 147K jobs added in June, beating expectations. But uncertainty looms for employers amid tariff prospects.

National Job Trends

Monthly job change, U.S. (in thousands)

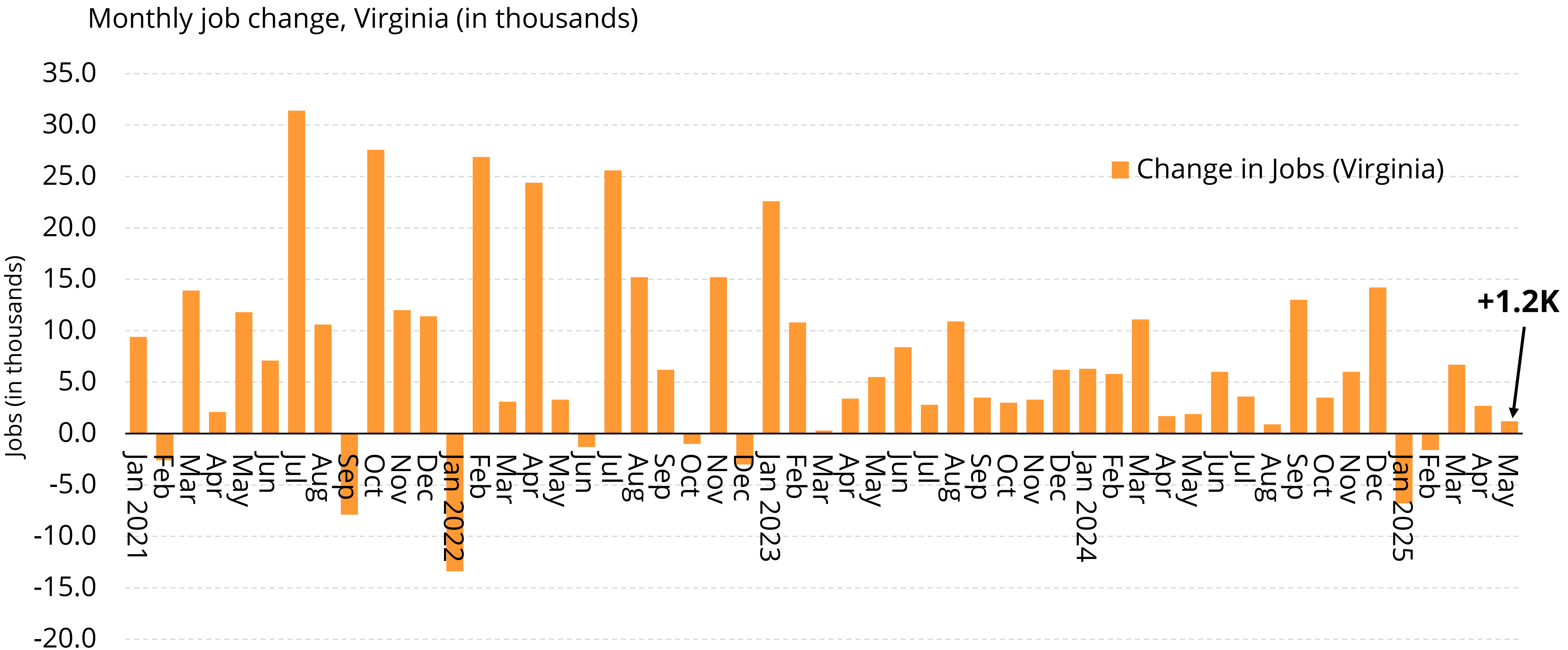


Source: U.S. Bureau of Labor Statistics, seasonally adjusted

Key Economic Indicators 2025 Check-in

JOBS		
U.S	↑	National job market holding up for now. 147K jobs added in June, beating expectations. But uncertainty looms for employers amid tariff prospects.
VA	↔	Modest/stable growth in VA jobs overall. Gains in retail trade, construction, & health care sectors. Job losses mounting in key sectors like prof/tech svcs. & fed govt.

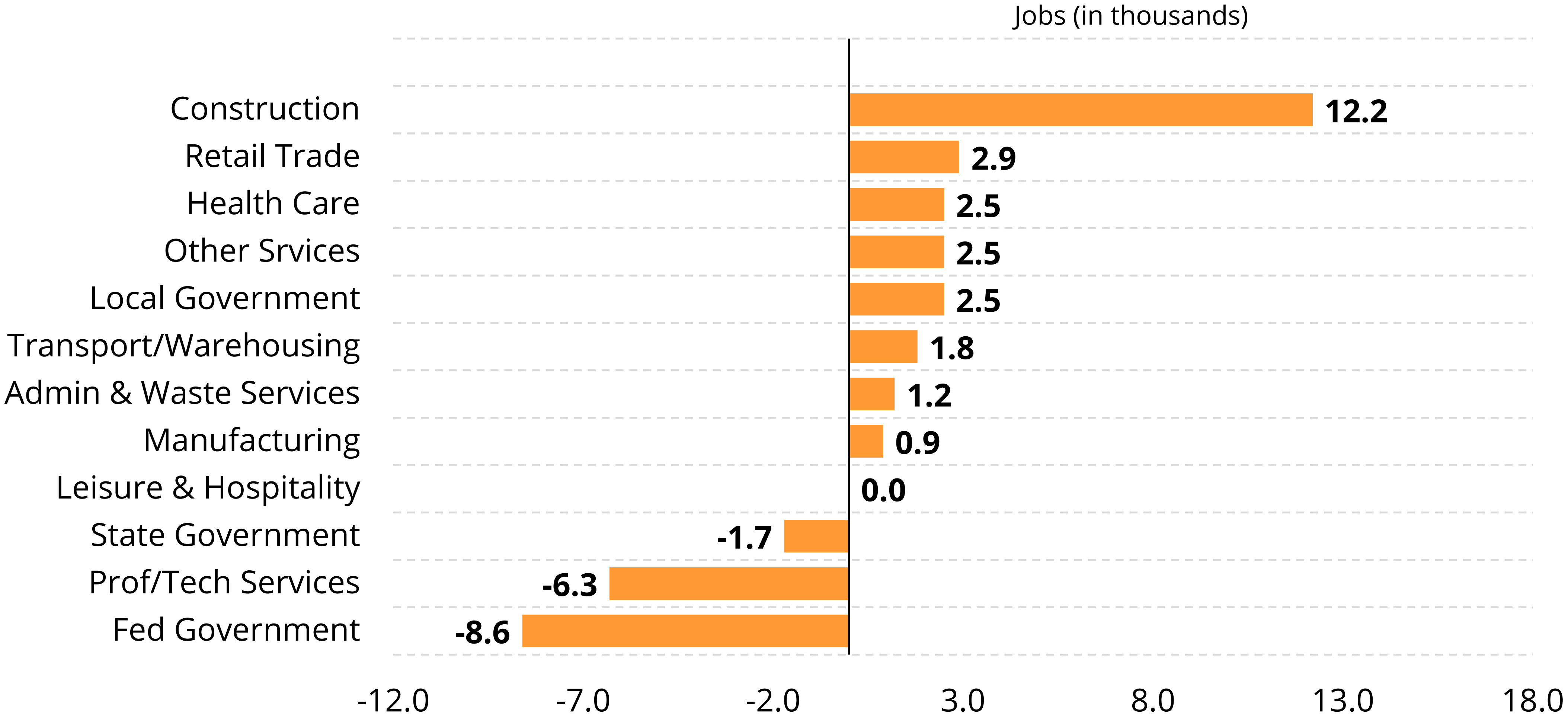
Virginia Job Trends



Source: U.S. Bureau of Labor Statistics, seasonally adjusted

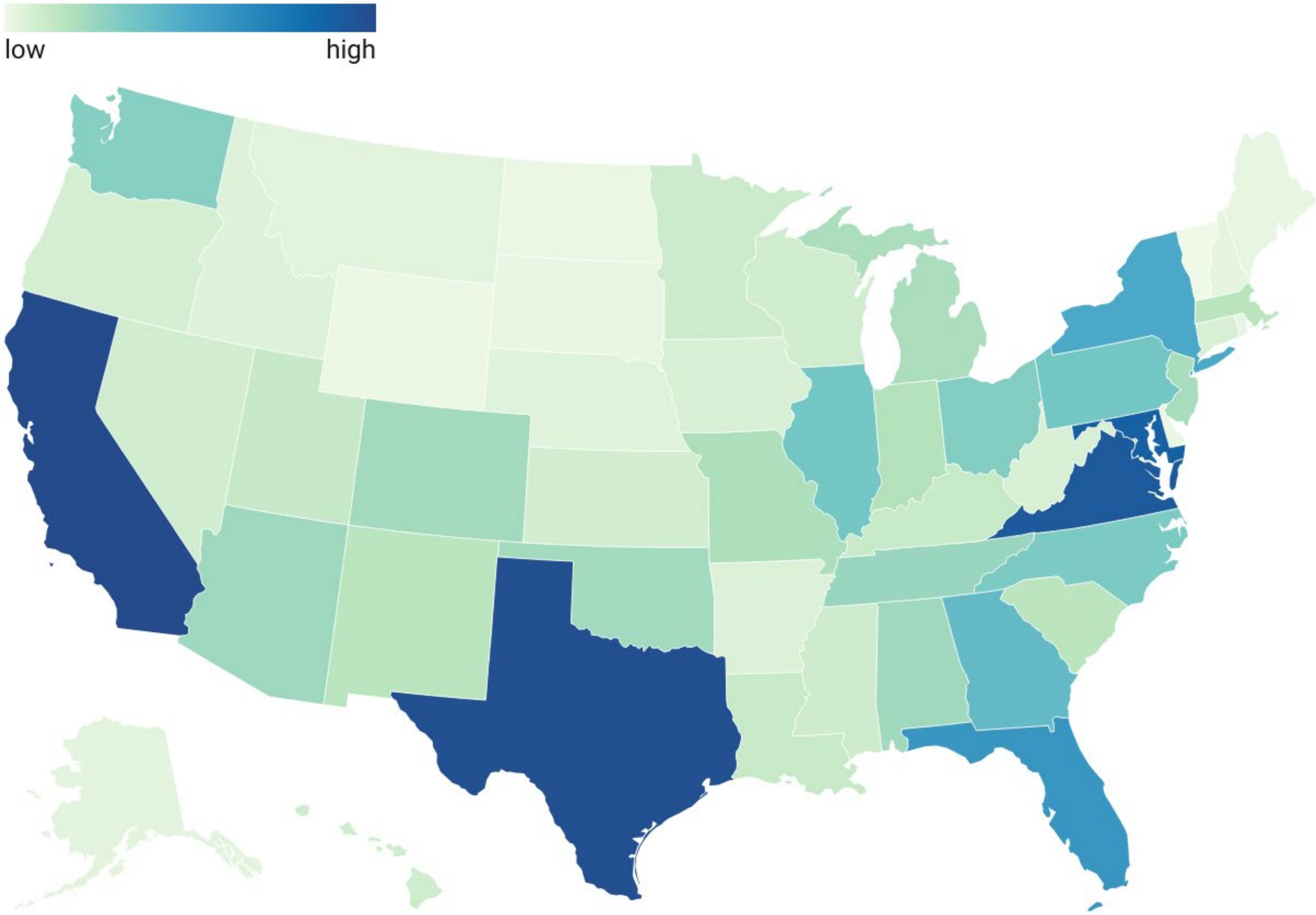
Job Change by Sector in Virginia

Job Change Jan 2025 to May 2025, Virginia (in thousands)



Source: U.S. Bureau of Labor Statistics, seasonally adjusted

Federal Employment by State



Top 5 by # of Federal Jobs

1. CA
2. VA
3. MD
4. TX
5. FL

Source: U.S. Office of Personnel Management, U.S. Census Bureau

Federal Employment by Type in Virginia

- Federal Civilian: approximately **321K jobs**
- Active-Duty Military: approximately **131K Jobs**
- Federal Contracting: approximately **441K jobs**

Source: UVA Weldon Cooper Center, U.S. Office of Personnel Management, U.S. Bureau of Labor Statistics, U.S. Department of Defense, U.S. Census Bureau

Job Change by Metro Area in Virginia

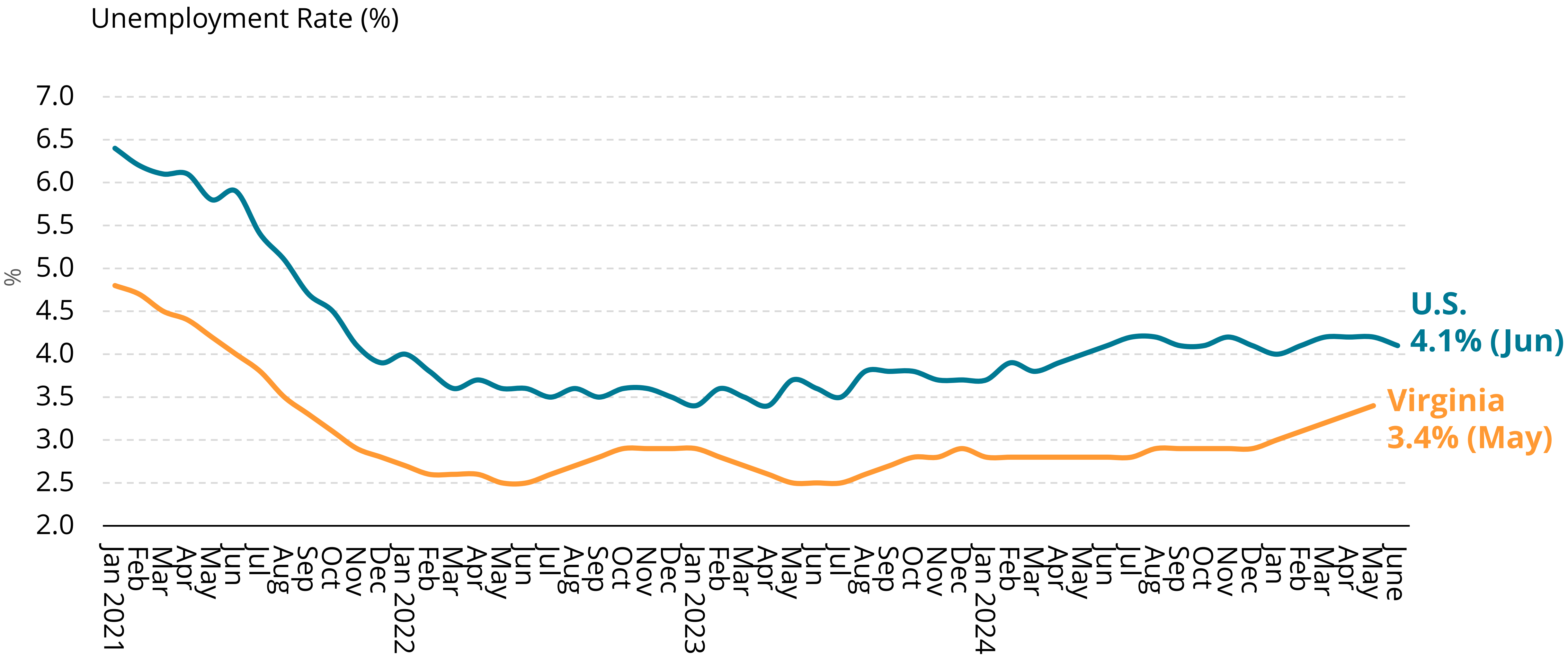
Job Change Jan 2025 to May 2025 by Metropolitan Statistical Area in Virginia

Metro Area	YTD Net Job Change	% Change
Richmond	5,100	+0.70%
Winchester	400	+0.54%
Lynchburg	500	+0.48%
Northern Virginia	3,800	+0.23%
Staunton	0	0.00%
Charlottesville	-100	-0.08%
Roanoke	-300	-0.18%
Hampton Roads	-4,600	-0.56%
Blacksburg	-800	-0.97%
Harrisonburg	-1,000	-1.39%

Key Economic Indicators 2025 Check-in

JOBS		
U.S	↑	National job market holding up for now. 147K jobs added in June, beating expectations. But uncertainty looms for employers amid tariff prospects.
VA	↔	Modest/stable growth in VA jobs overall. Gains in retail trade, construction, & health care sectors. Job losses mounting in key sectors like prof/tech svcs. & fed govt.
UNEMPLOYMENT RATE		
U.S.	↔	Stable through June. Hovering between 4% and 4.2%.
VA	↑	Has climbed slightly for 5 consecutive months.

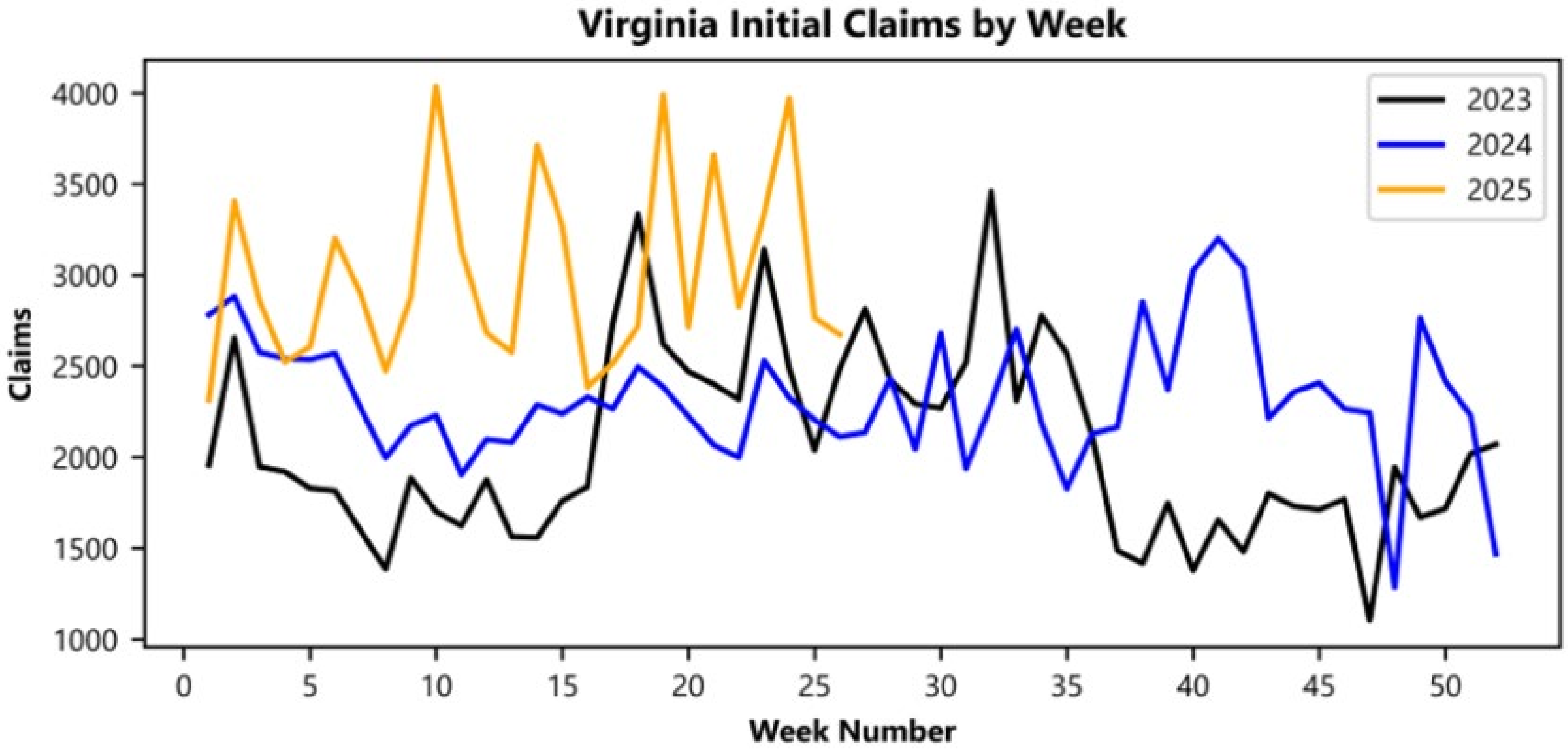
Unemployment Rate



Source: U.S. Bureau of Labor Statistics, seasonally adjusted

Unemployment Claims

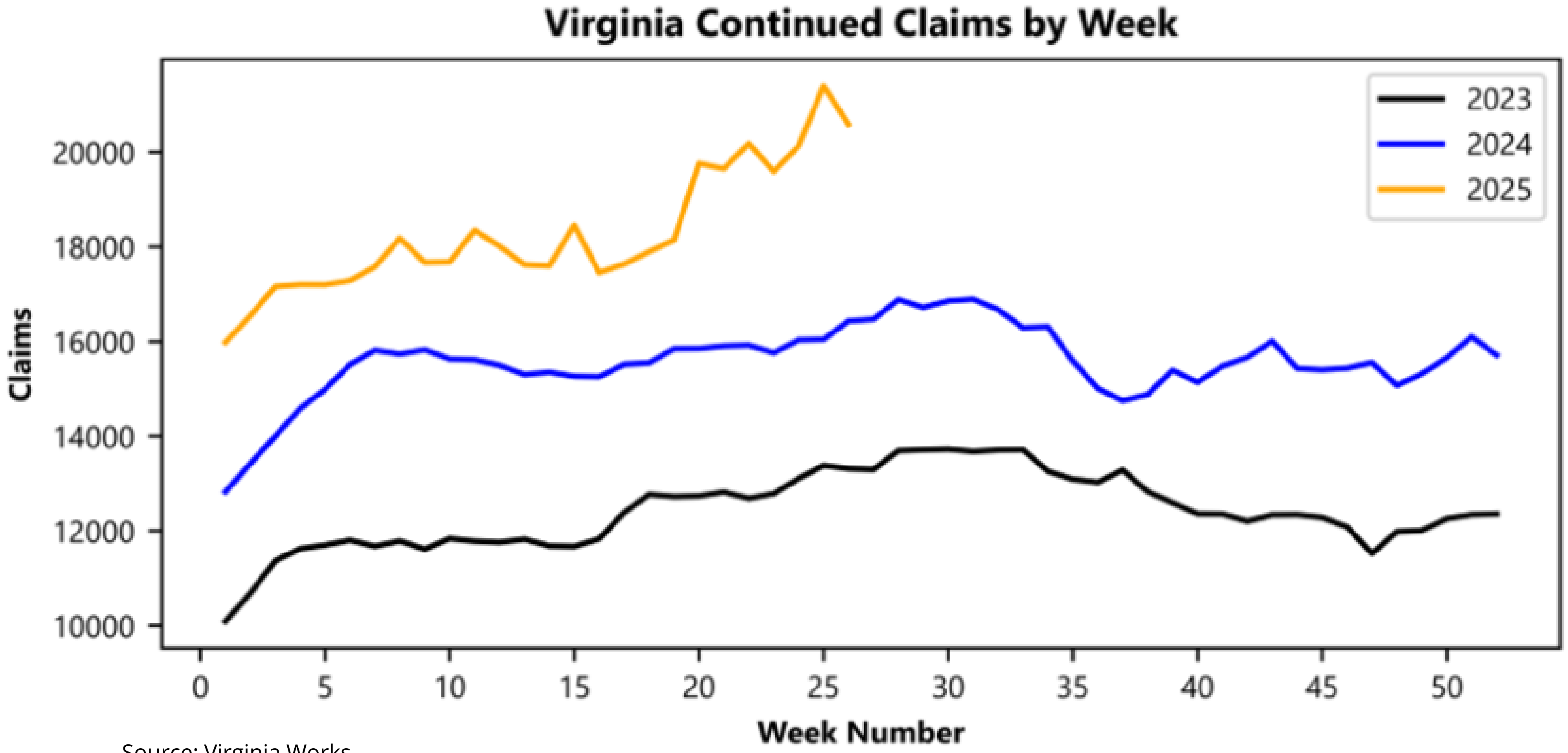
Unemployment insurance claims continue to trend higher than last year in Virginia



Source: Virginia Works

Unemployment Claims

Unemployment insurance claims continue to trend higher than last year in Virginia

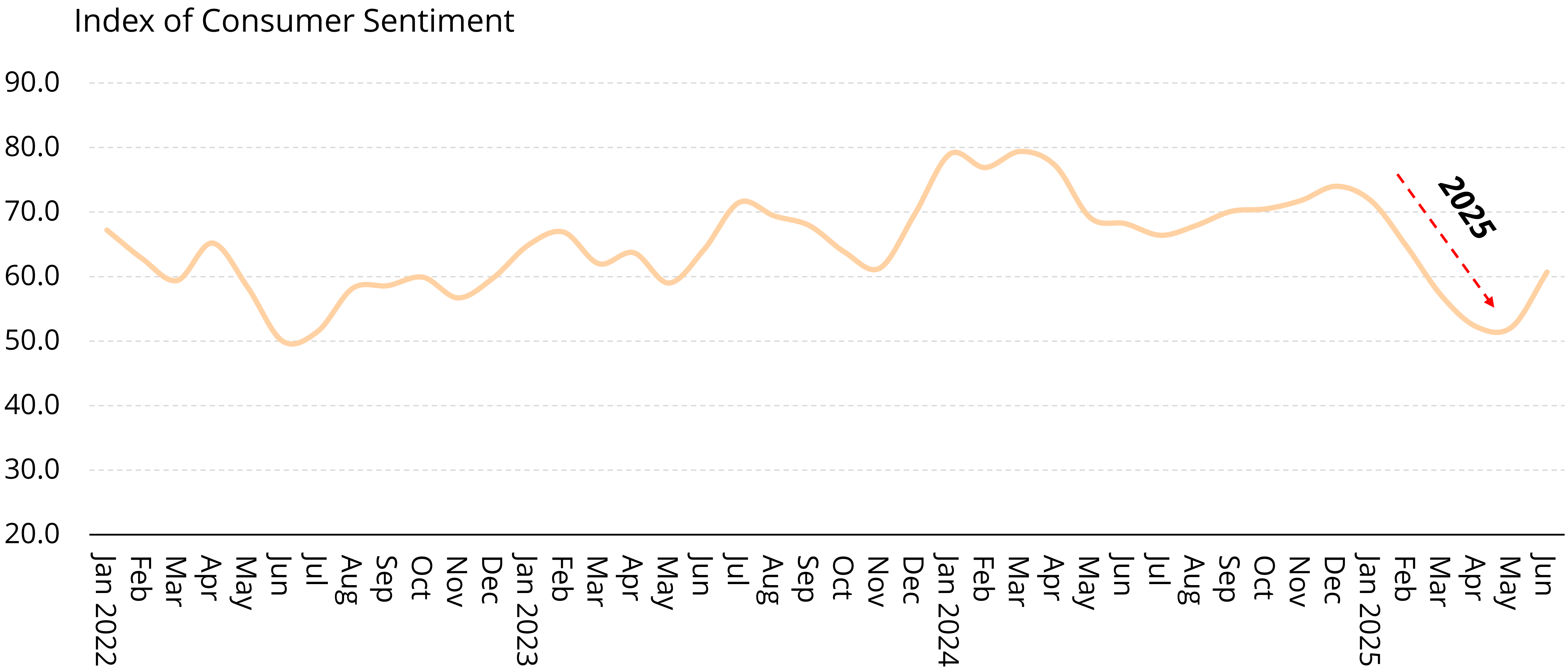


Source: Virginia Works

Key Economic Indicators 2025 Check-in

THE CONFERENCE BOARD		
Consumer Confidence Index	↓	Trending down every month so far in 2025 except for a brief uptick in May. June index fell. Tariffs and job uncertainty loom for consumers.
UNIVERISTY OF MICHIGAN		
Consumer Sentiment Index	↑	Trending down most of the year, but uptick in June. Driven by less pessimism about inflation expectations.
FANNIE MAE		
Home Purchase Sentiment Index	↓	Consumer housing sentiment has fallen much of 2025. June index declined.

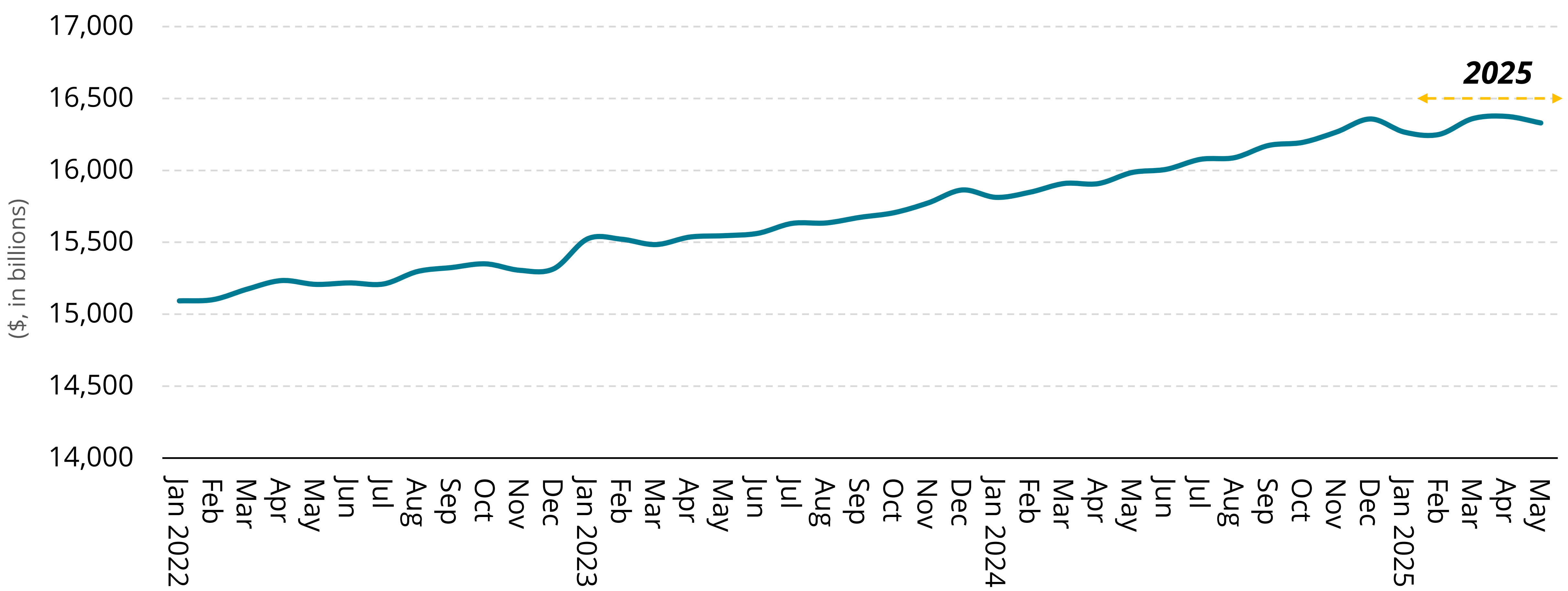
Consumer Sentiment



Source: University of Michigan

Consumer Spending

Personal Consumption Expenditures (U.S.)

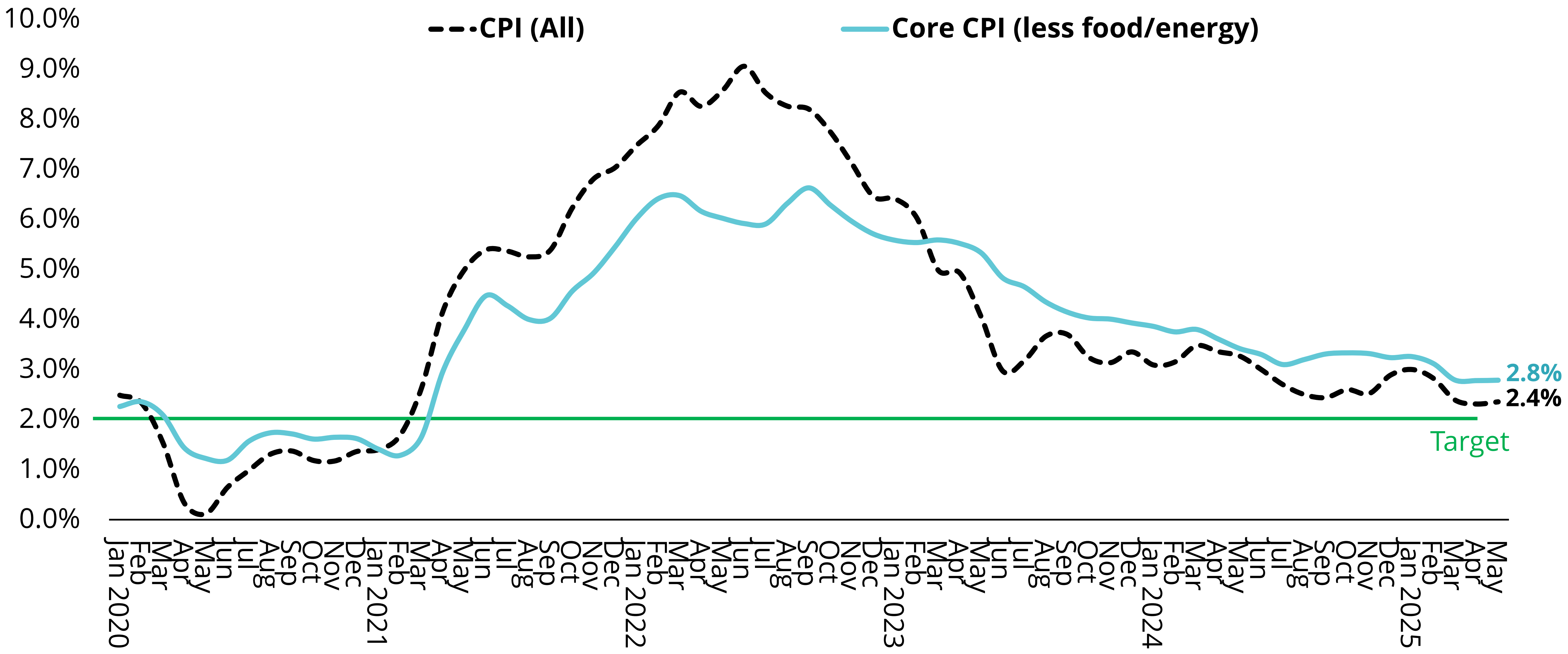


Source: Bureau of Economic Analysis, 2017 chained, seasonally adjusted

Key Economic Indicators 2025 Check-in

CONSUMER PRICE INDEX (CPI)		
Overall CPI	↑	2.4% in May, up from 2.3% in April
Core CPI (excludes food & energy)	↔	2.8% in May, unchanged from April
PERSONAL CONSUMPTION EXPENDITURES PRICE INDEX (PCE)		
Overall PCE	↑	2.3% in May, up from 2.2% in April
Core PCE (excludes food & energy)	↑	2.7% in May, up from 2.6% in April

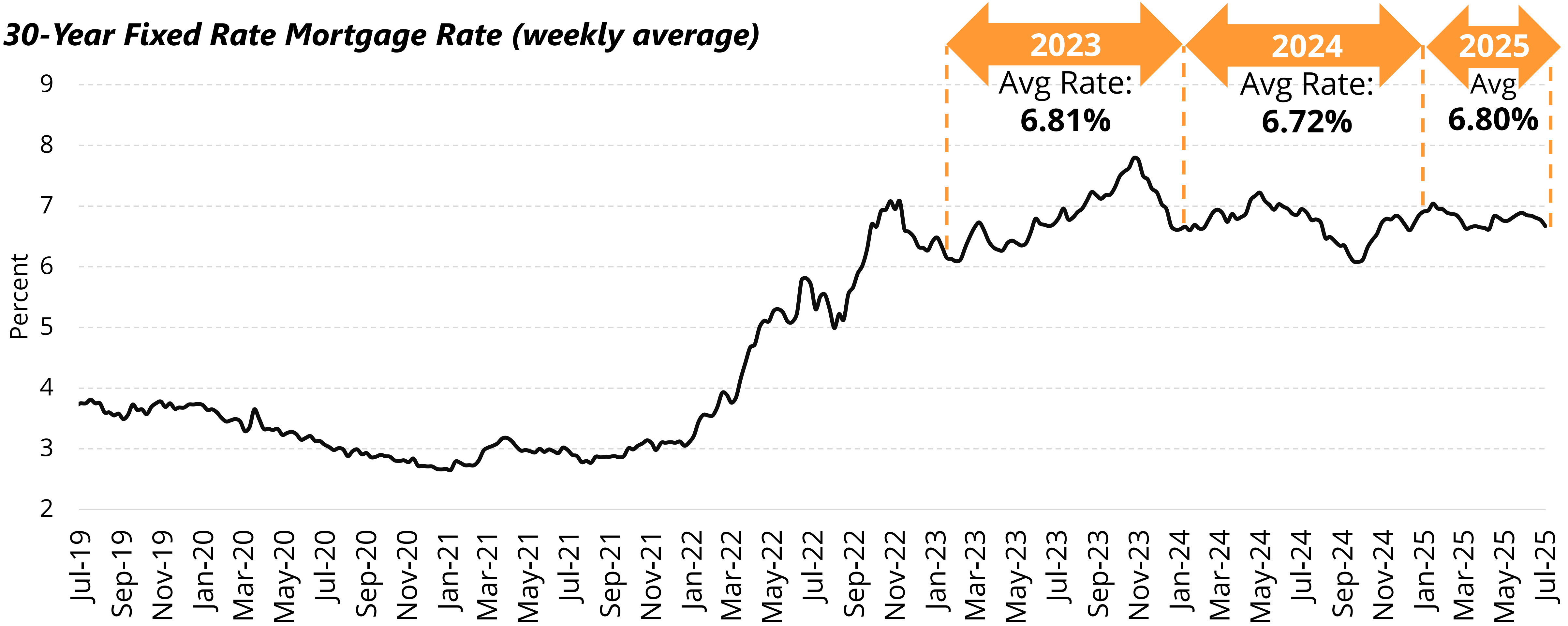
Inflation (CPI)



Source: Bureau of Labor Statistics

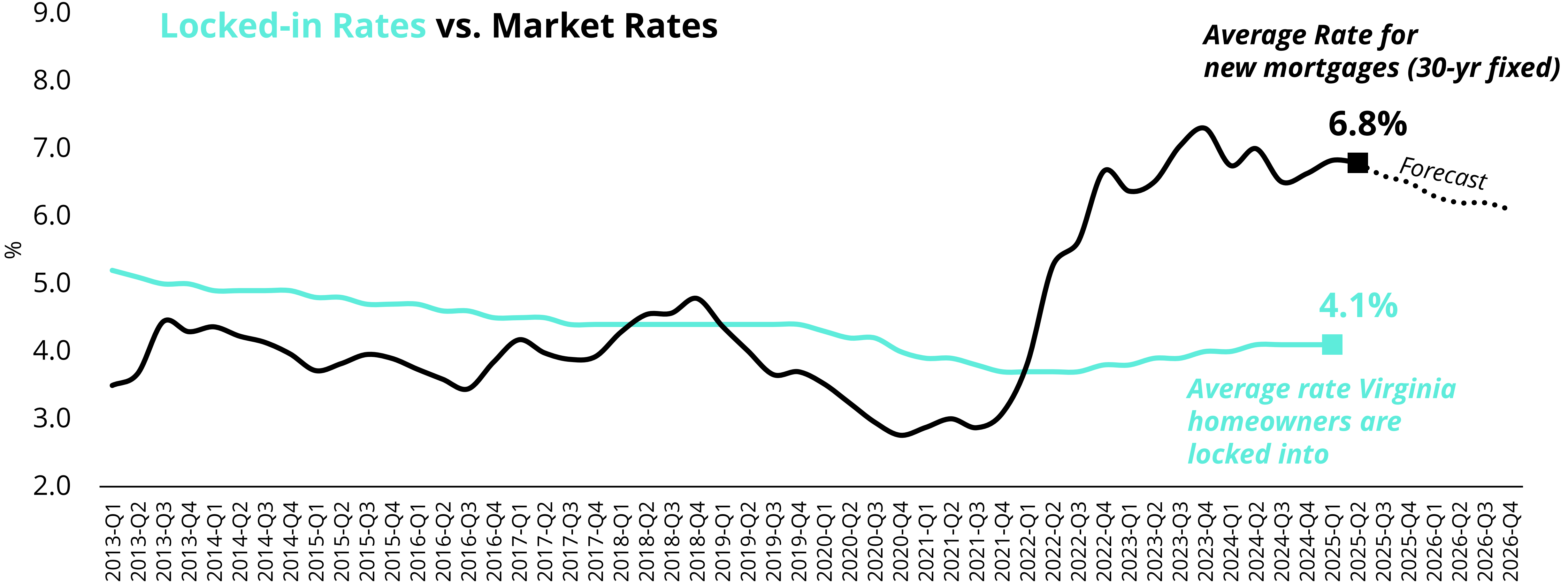
HOUSING MARKET TRENDS

Mortgage Rate Trends



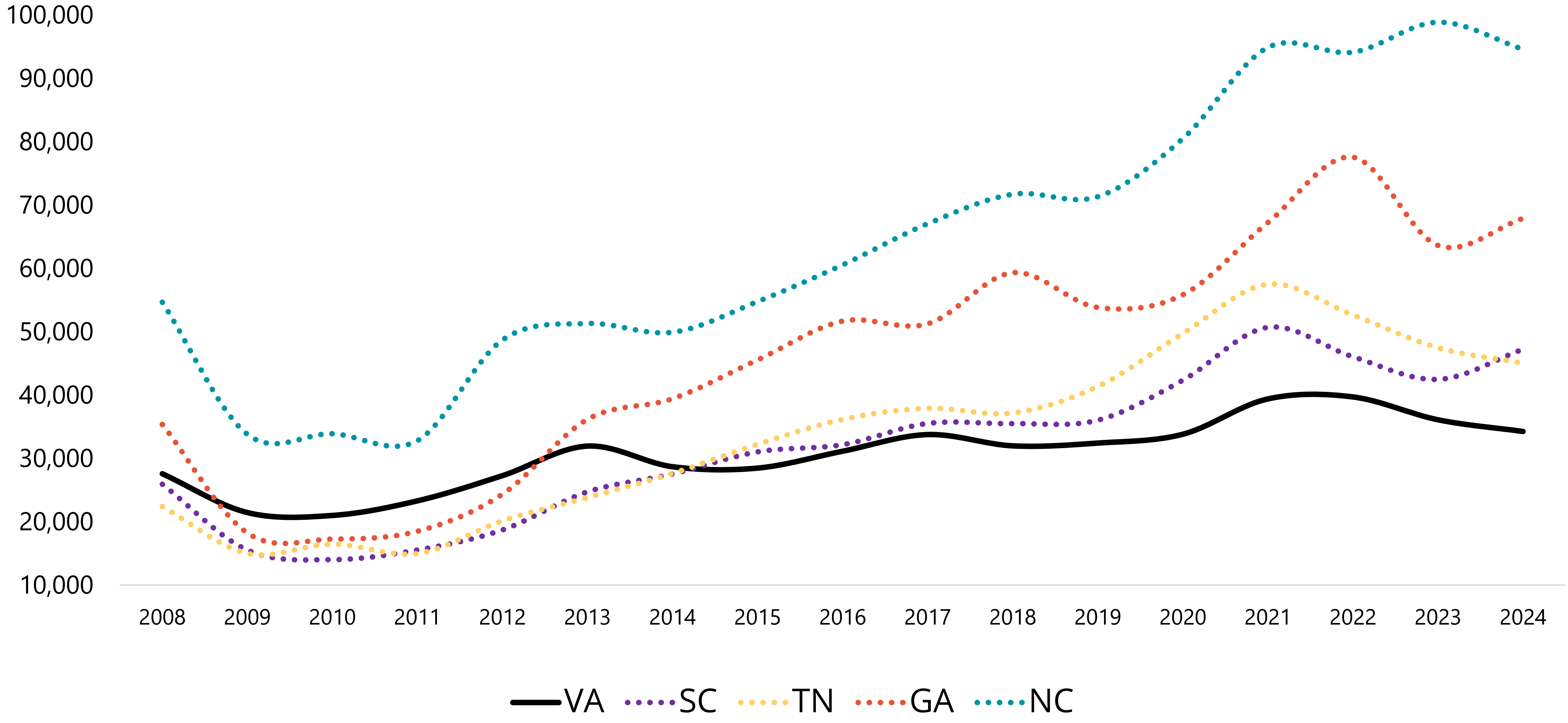
Source: Freddie Mac

Lock-in Effect Keeping Sellers on the Sidelines



Source: Federal Housing Finance Agency, Fannie Mae, Freddie Mac

Annual Building Permits by State



Source: U.S. Census Bureau

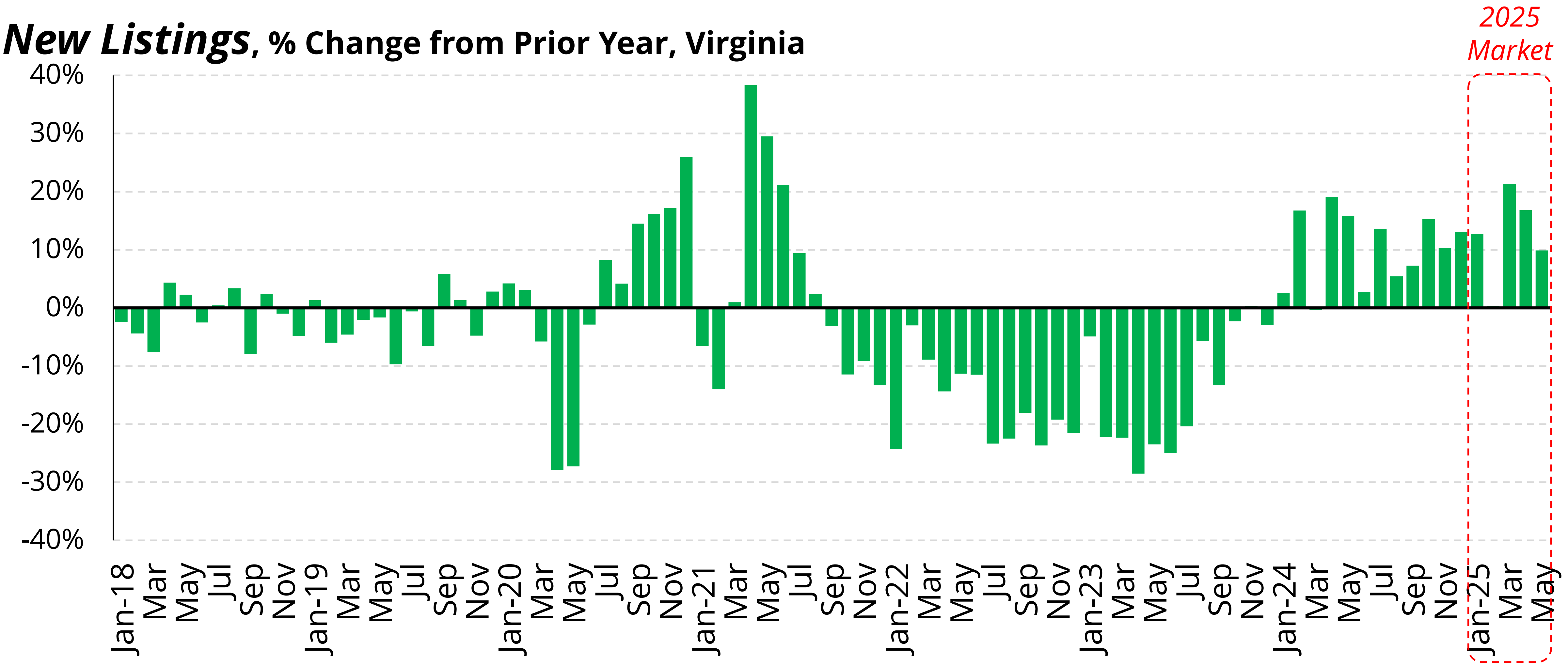
Estimated Housing Supply Shortage in Virginia

AMI Band	*Current Shortage (2025)*	*Projected Shortage (2030)*
80% - 120%	115,200	131,100
120%+	72,700	82,800
Total (80%+ AMI)	**187,900**	**213,900**

Source: Virginia REALTORS® calculations using data from U.S. Census Bureau American Community Survey, iPums, HISTA, Moody's, CoStar, ESRI, Virginia REALTORS®

Inventory levels improving, but remain tight

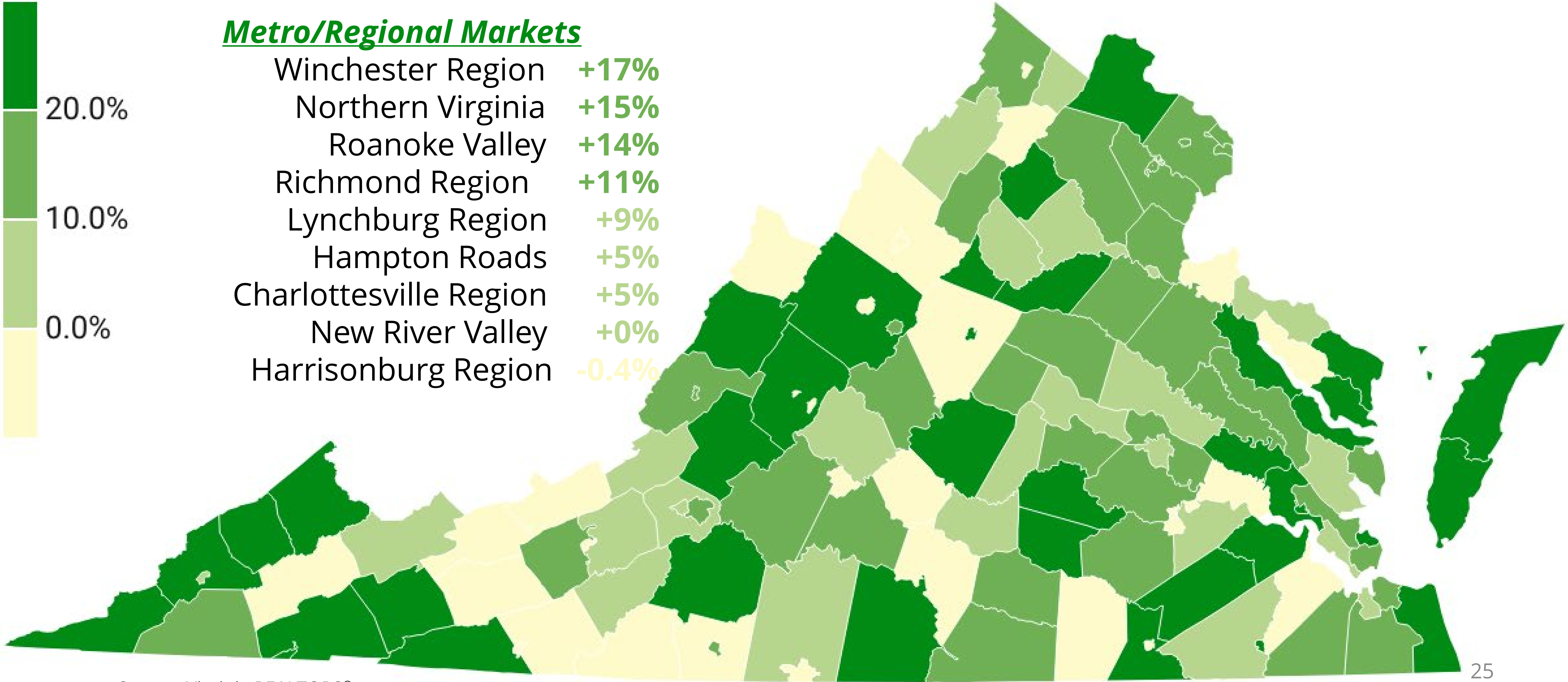
New Listings, **% Change from Prior Year, Virginia**



Source: Virginia REALTORS®

New Listings – Local Markets

Change in New Listings – YTD May 2025 compared to YTD May 2024



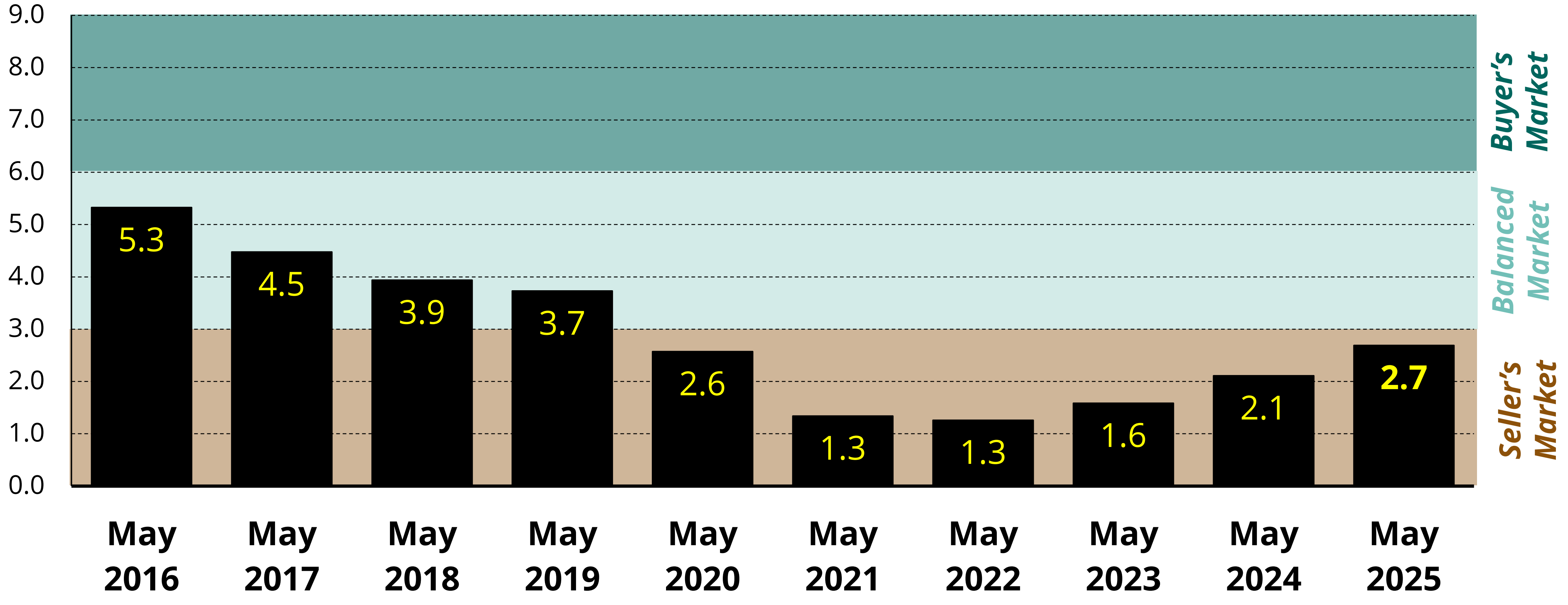
Metro/Regional Markets

Winchester Region	+17%
Northern Virginia	+15%
Roanoke Valley	+14%
Richmond Region	+11%
Lynchburg Region	+9%
Hampton Roads	+5%
Charlottesville Region	+5%
New River Valley	+0%
Harrisonburg Region	-0.4%

Source: Virginia REALTORS®

Supply increasing, but still a relatively tight market

***Months of Supply*, Virginia (May)**



Source: Virginia REALTORS®

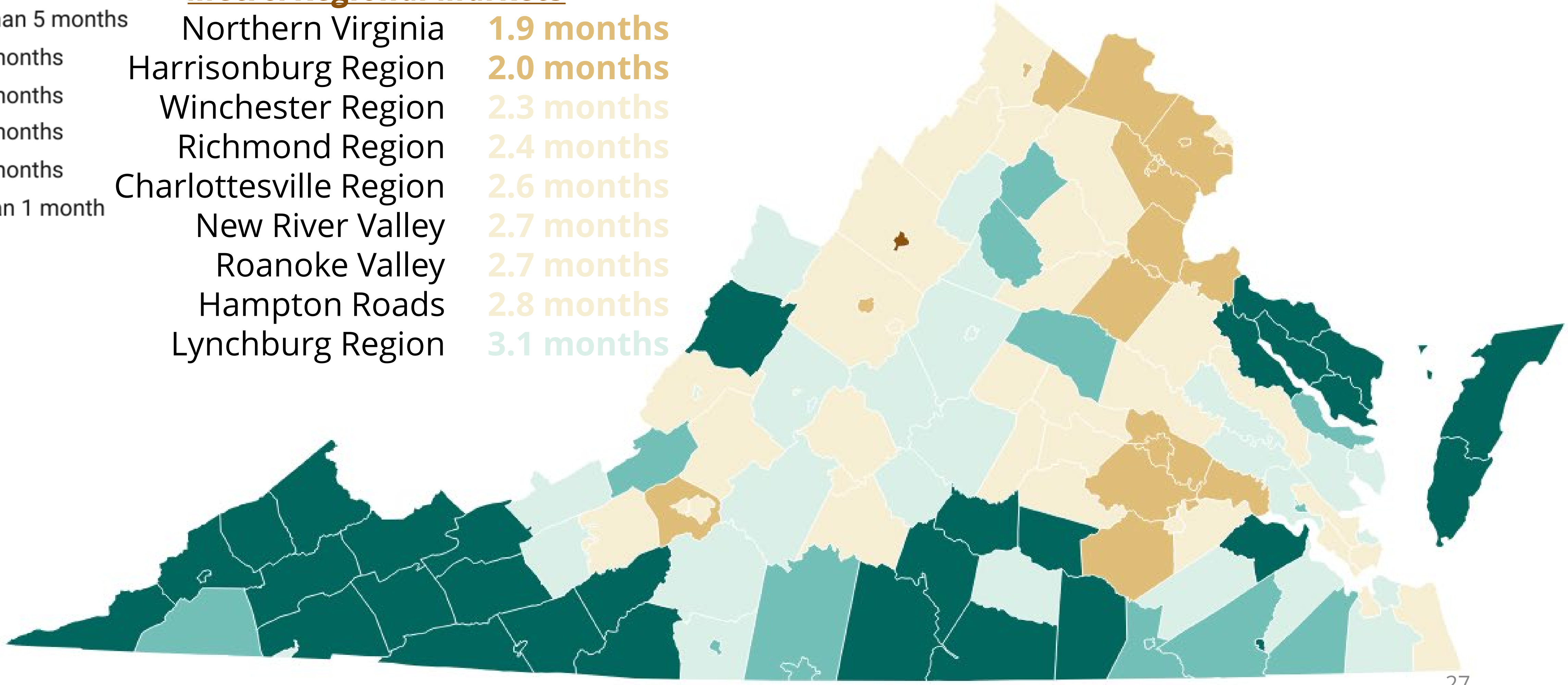
Months of Supply – Local Markets

Months of Supply – May 2025

- more than 5 months
- 4 to 5 months
- 3 to 4 months
- 2 to 3 months
- 1 to 2 months
- less than 1 month

Metro/Regional Markets

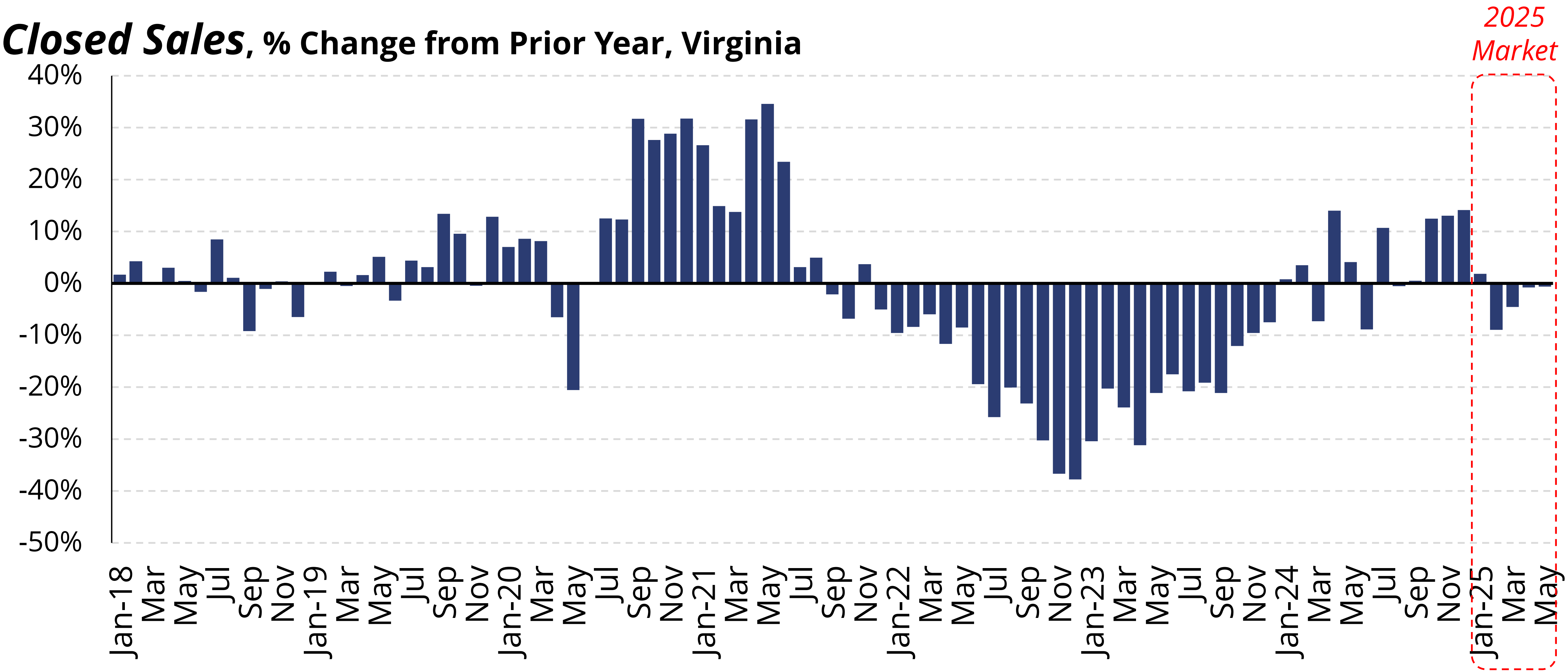
Northern Virginia	1.9 months
Harrisonburg Region	2.0 months
Winchester Region	2.3 months
Richmond Region	2.4 months
Charlottesville Region	2.6 months
New River Valley	2.7 months
Roanoke Valley	2.7 months
Hampton Roads	2.8 months
Lynchburg Region	3.1 months



Source: Virginia REALTORS®

Home Sales Sluggish in 2025

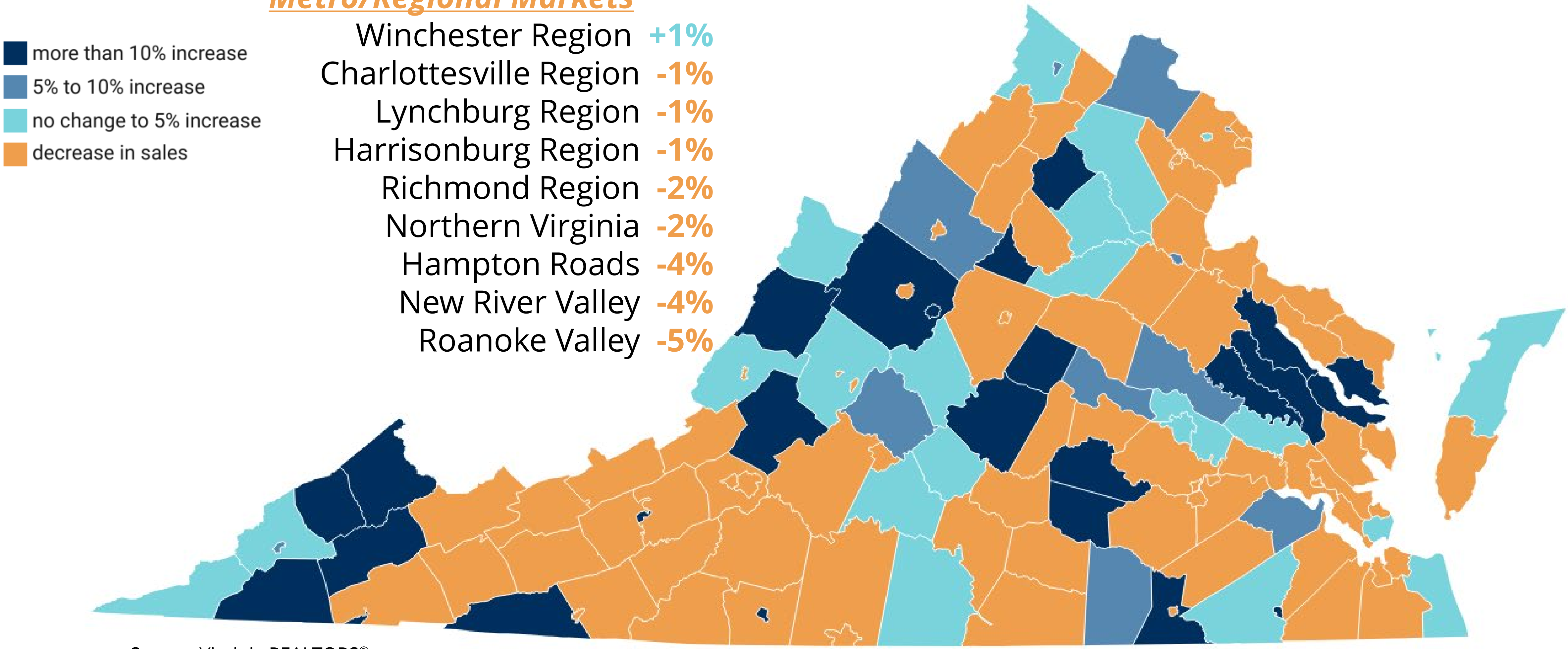
***Closed Sales*, % Change from Prior Year, Virginia**



Source: Virginia REALTORS®

Closed Sales Activity – Local Markets

Change in Home Sales – YTD May 2025 compared to YTD May 2024



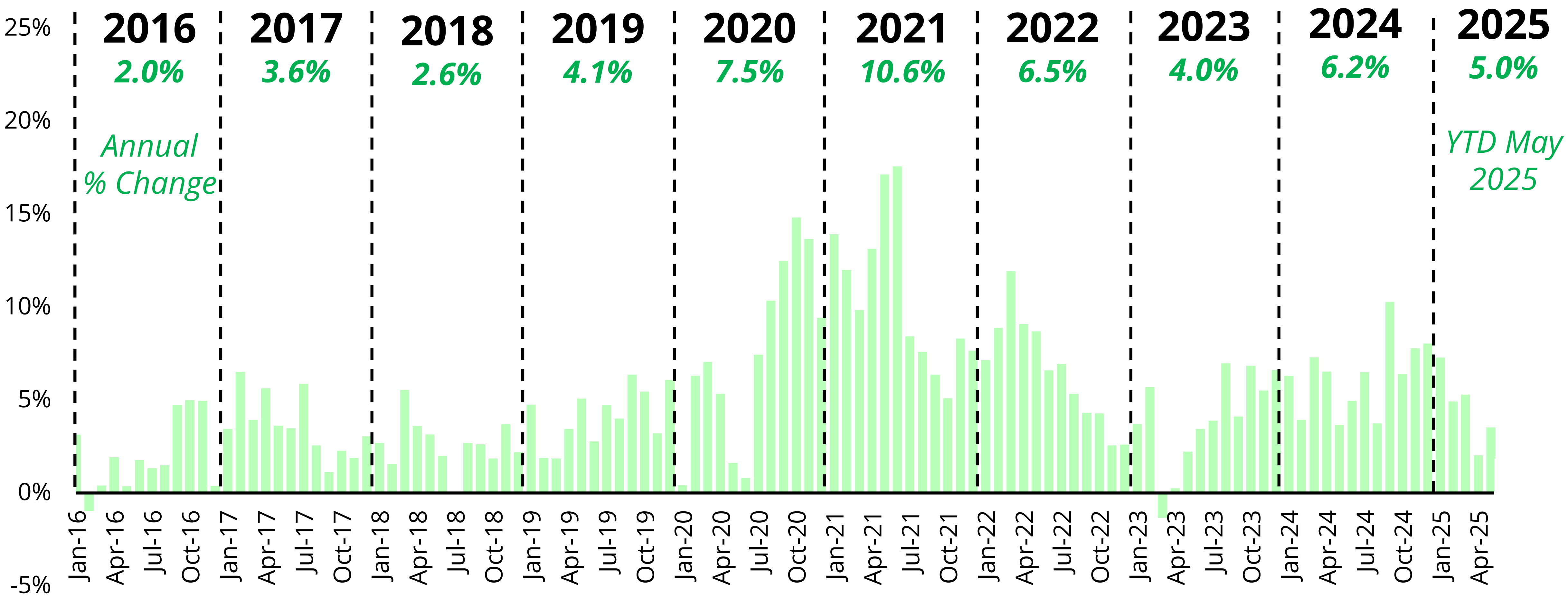
Metro/Regional Markets

Winchester Region	+1%
Charlottesville Region	-1%
Lynchburg Region	-1%
Harrisonburg Region	-1%
Richmond Region	-2%
Northern Virginia	-2%
Hampton Roads	-4%
New River Valley	-4%
Roanoke Valley	-5%

Source: Virginia REALTORS®

Home prices still climbing in Virginia

Median Sales Price, % Change from Prior Year, Virginia



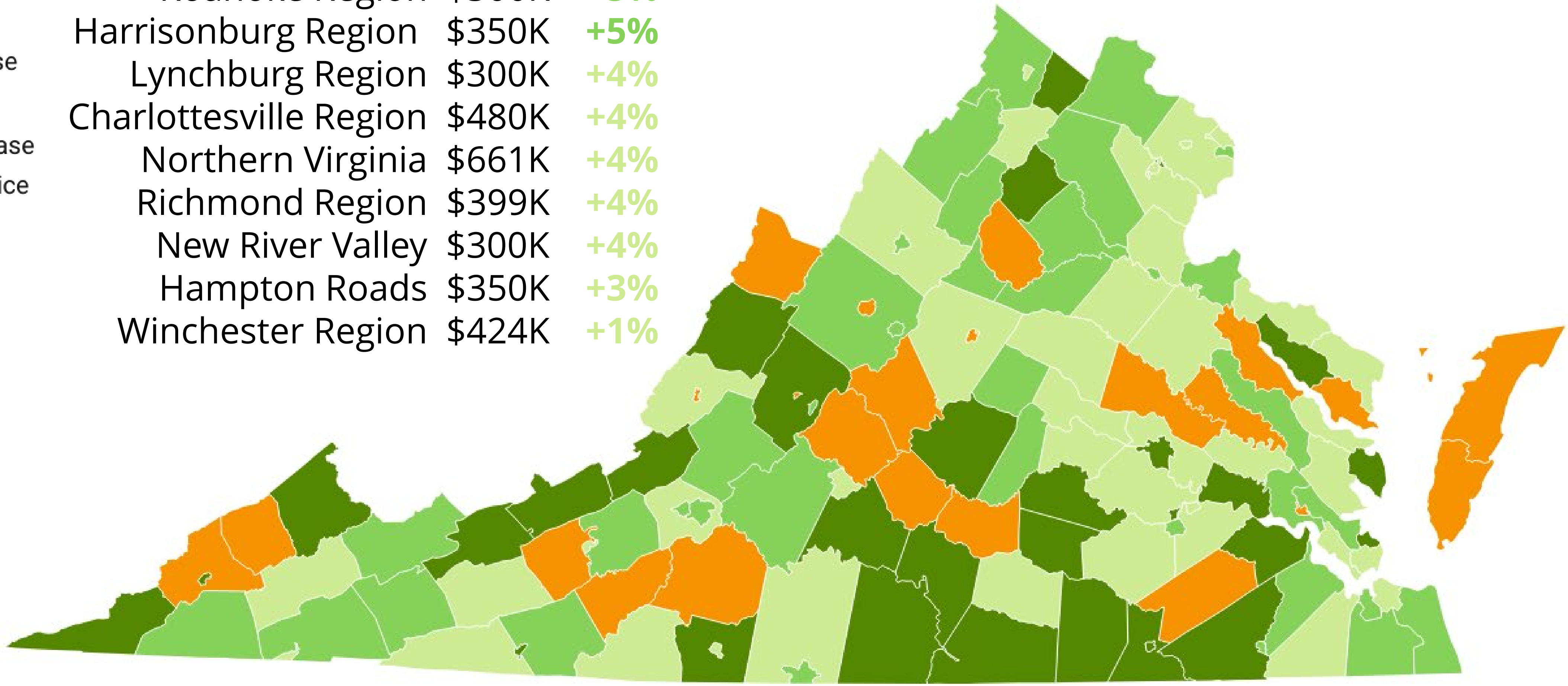
Source: Virginia REALTORS®

Median Sales Price Change – Local Markets

Change in Median Sales Price – YTD May 2025 compared to YTD May 2024

Smaller Metros/Regional Markets

Roanoke Region	$300K	+5%
Harrisonburg Region	$350K	+5%
Lynchburg Region	$300K	+4%
Charlottesville Region	$480K	+4%
Northern Virginia	$661K	+4%
Richmond Region	$399K	+4%
New River Valley	$300K	+4%
Hampton Roads	$350K	+3%
Winchester Region	$424K	+1%

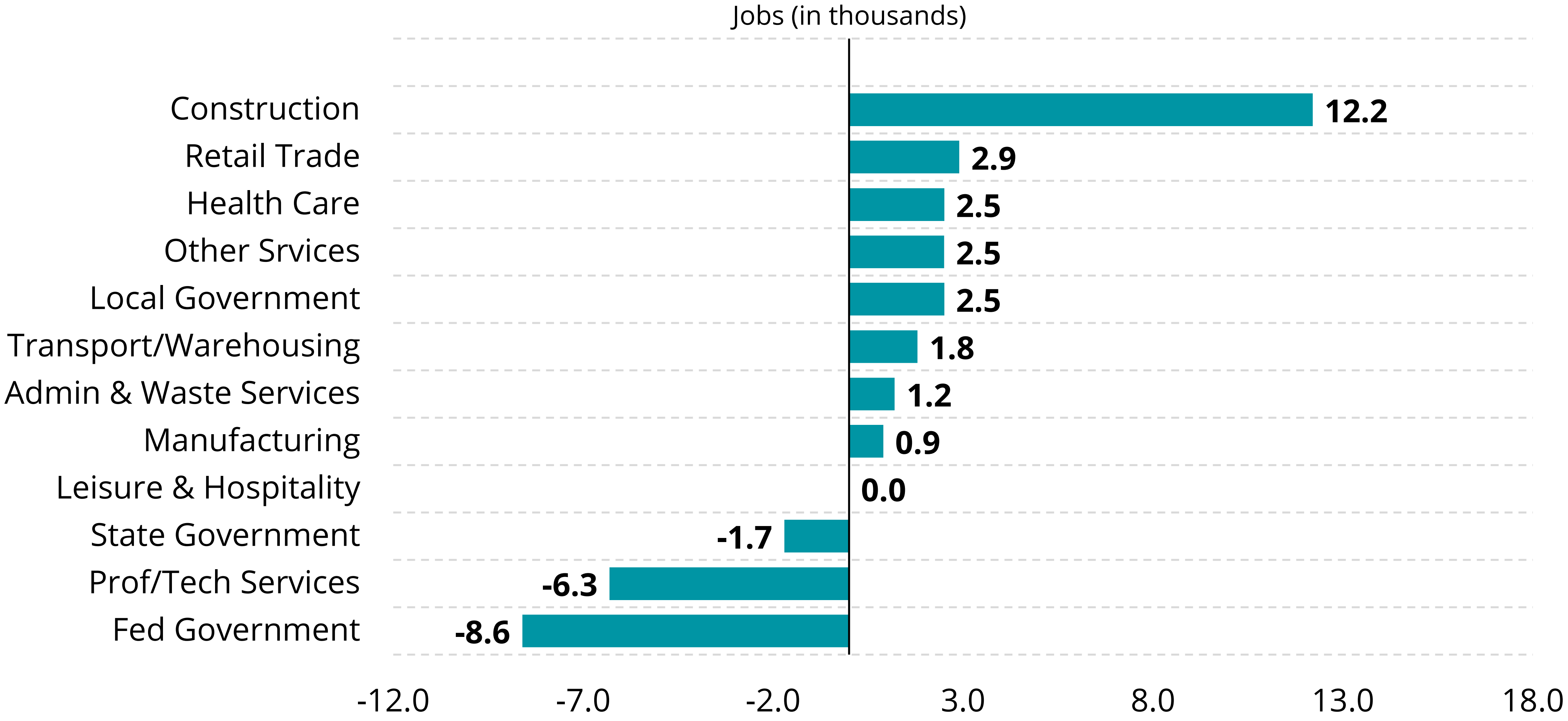


more than 10% increase
5% to 10% increase
no change to 5% increase
decrease in median price

Source: Virginia REALTORS®

Job Change by Sector in Virginia

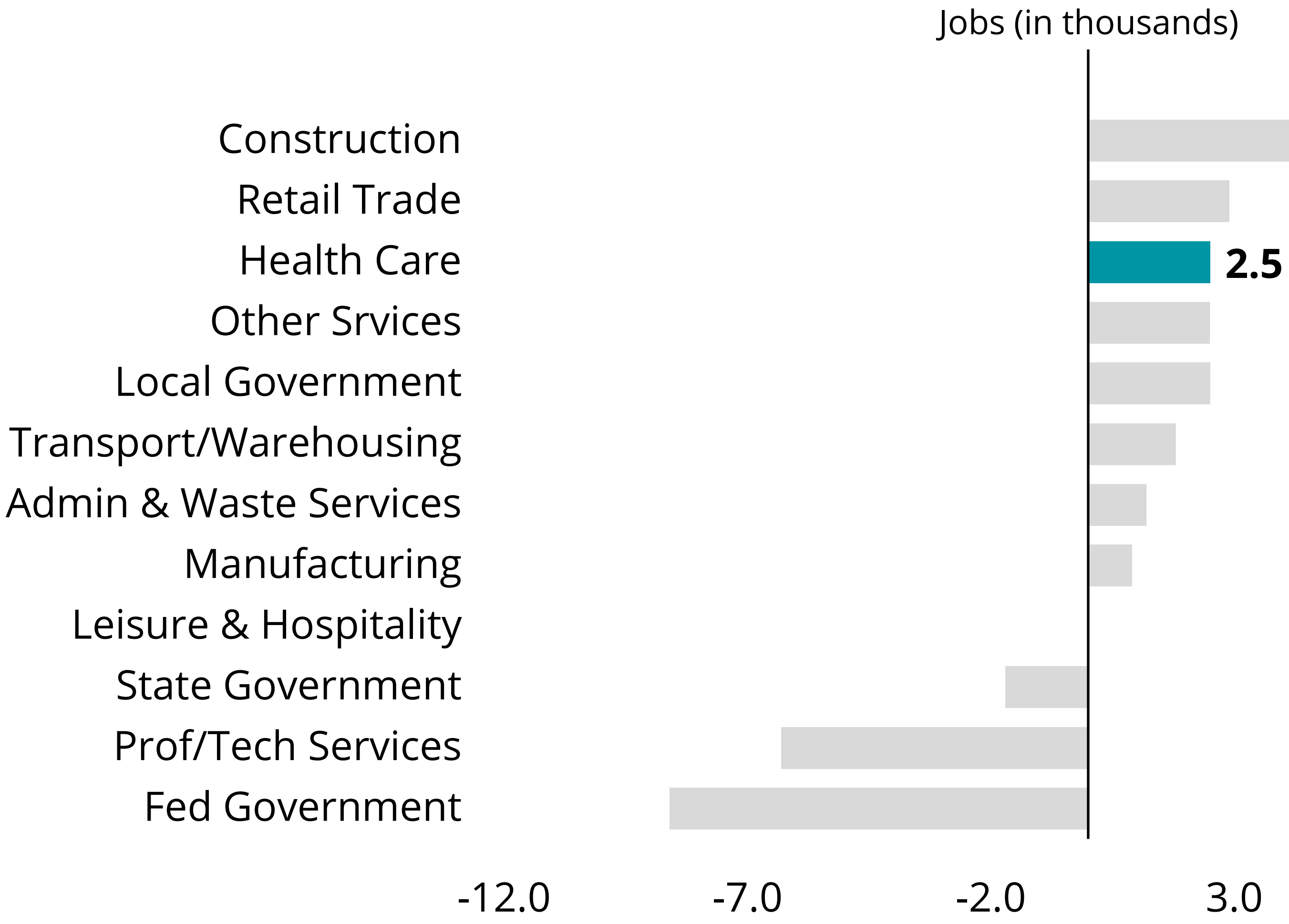
Job Change Jan 2025 to May 2025, Virginia (in thousands)



Source: U.S. Bureau of Labor Statistics, seasonally adjusted

Job Change by Sector in Virginia

Job Change Jan 2025 to May 2025, Virginia (in thousands)



Source: U.S. Bureau of Labor Statistics, seasonally adjusted *1-person Household

In Henrico County

Average Annual Wage (2024)

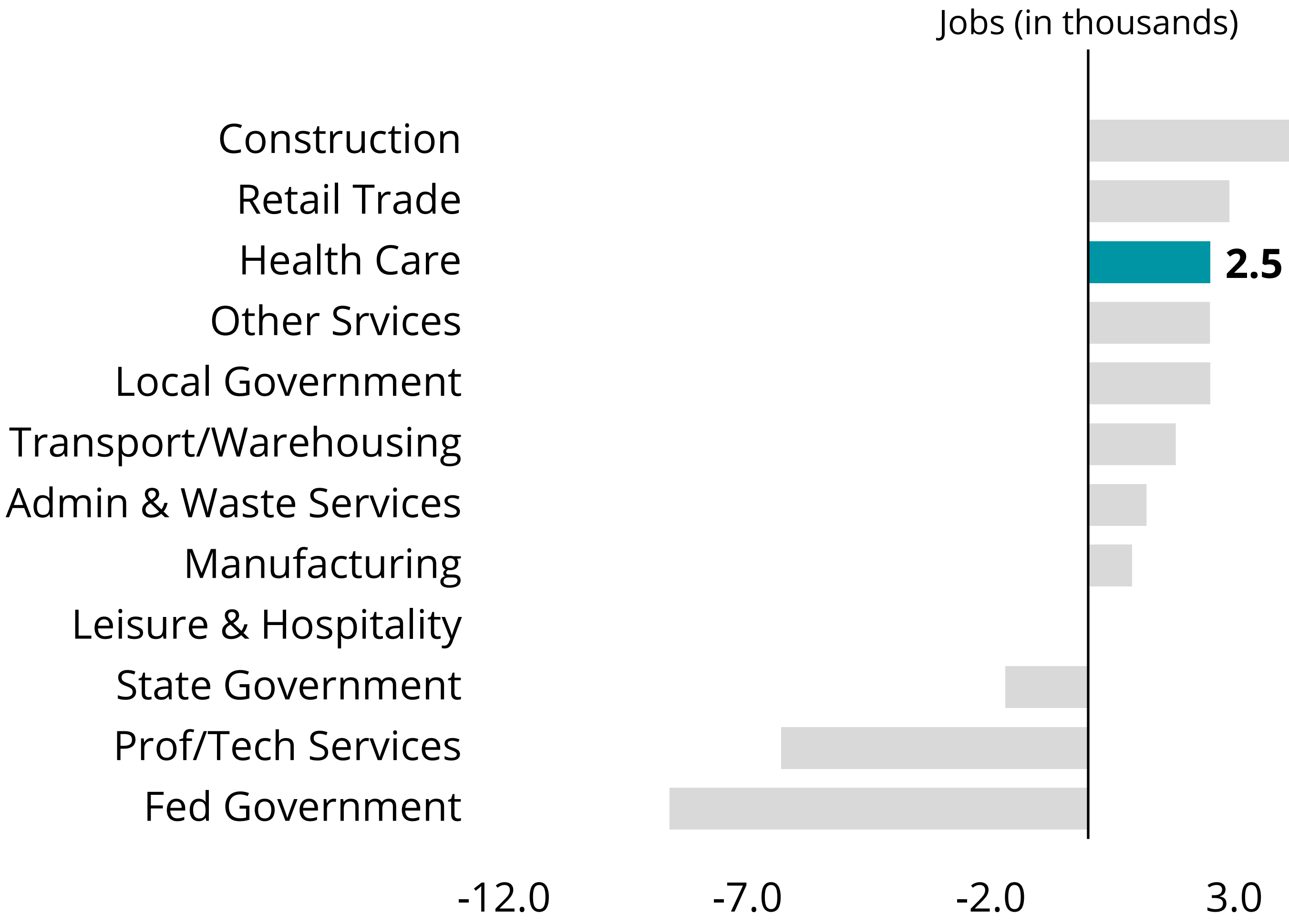
Health Care Worker

(100-120% AMI*)

$82K

Job Change by Sector in Virginia

Job Change Jan 2025 to May 2025, Virginia (in thousands)



Source: U.S. Bureau of Labor Statistics, seasonally adjusted *1-person Household

Attainable Housing Price at $82K Wage in Henrico

For-Sale

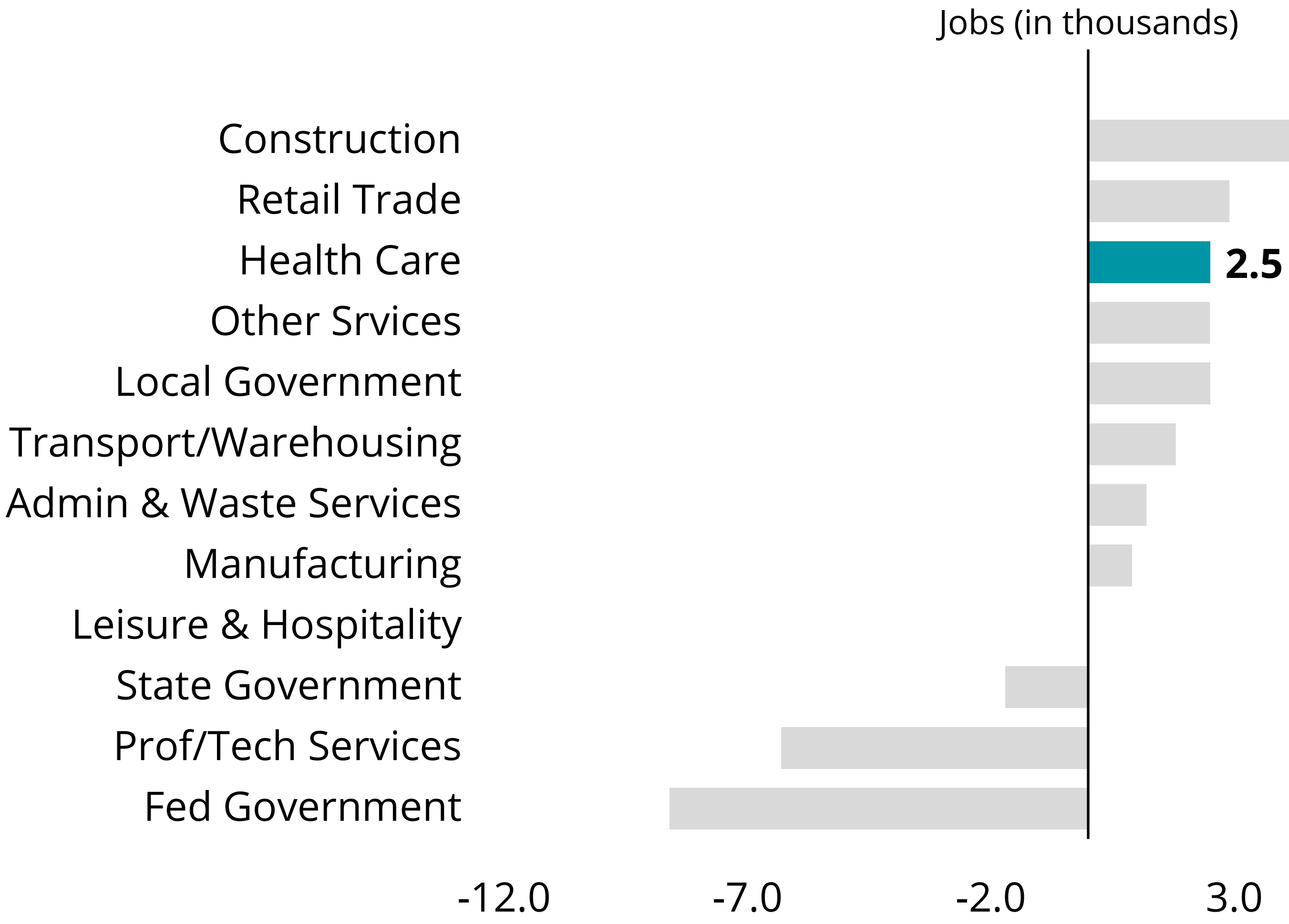
$274K

For-Rent

$2,050/mo

Job Change by Sector in Virginia

Job Change Jan 2025 to May 2025, Virginia (in thousands)



Source: U.S. Bureau of Labor Statistics, seasonally adjusted *1-person Household

Housing at these prices in the Henrico market

$274K for sale market

Share of 2024 sales

15%

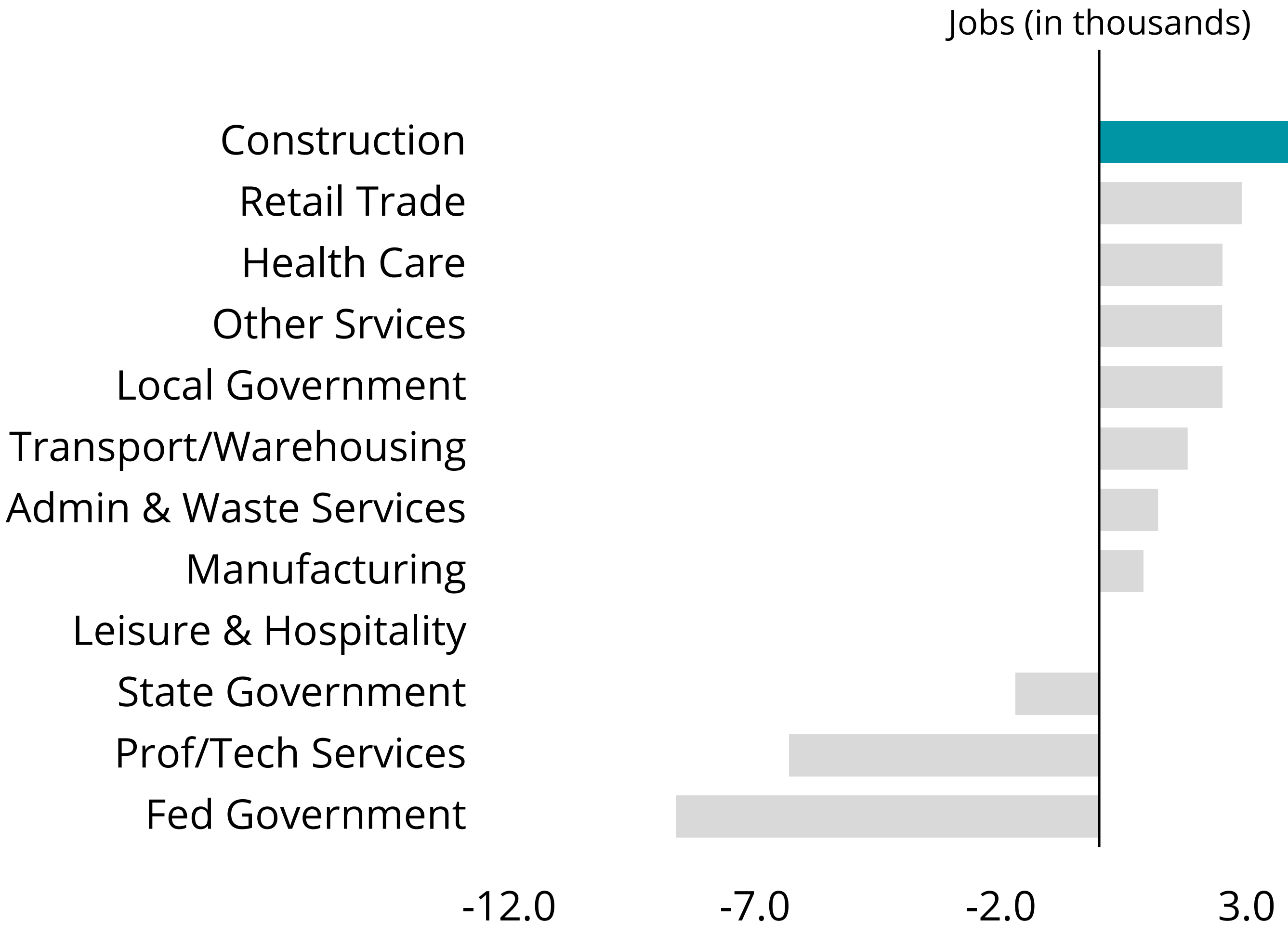
$2,050/mo for rent market

2024 average asking rent (annual)

$1,685/mo

Job Change by Sector in Virginia

Job Change Jan 2025 to May 2025, Virginia (in thousands)



In VA Beach

Average Annual Wage (2024)

Construction Worker

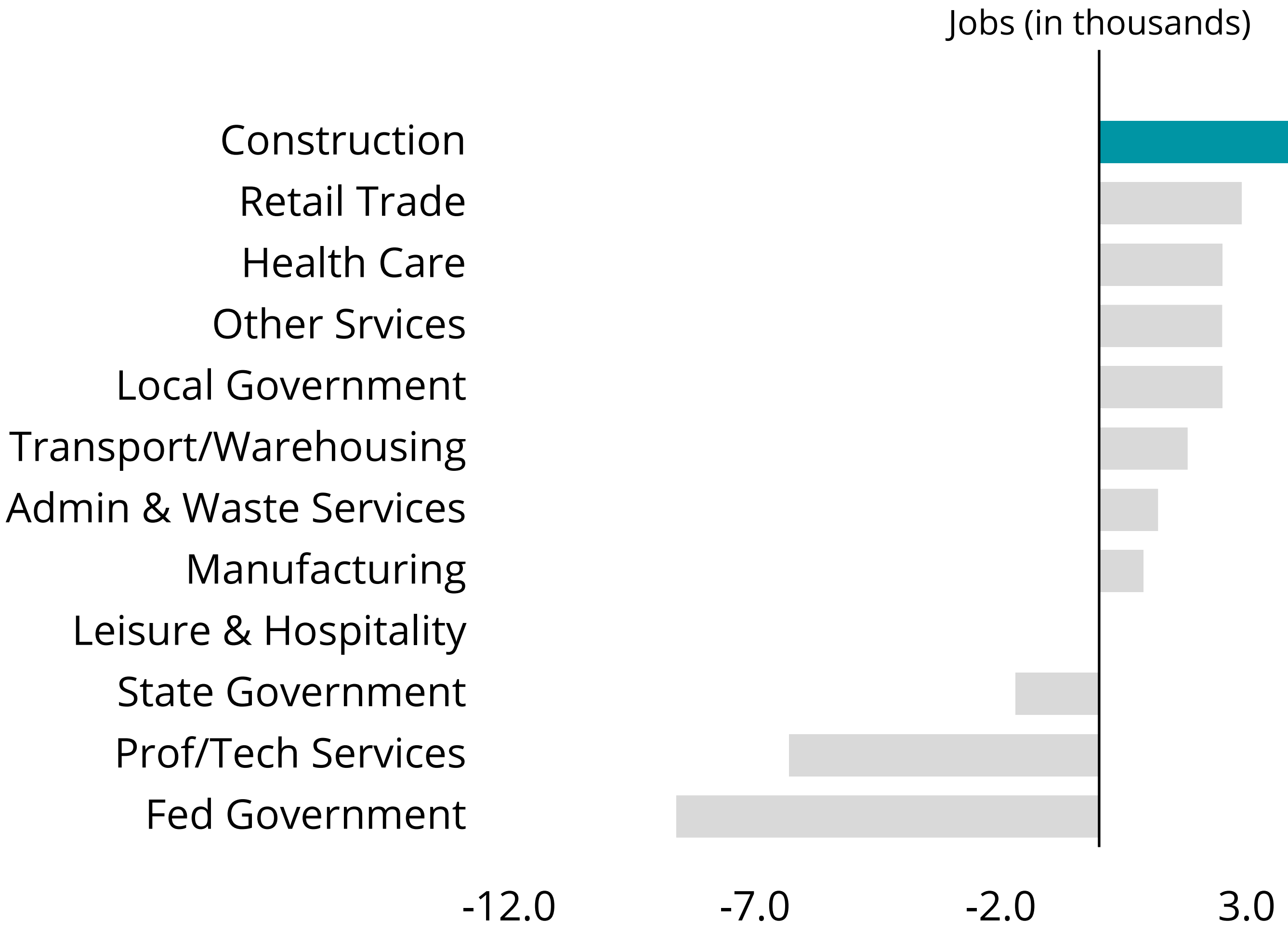
(80-100% AMI*)

$72K

Source: U.S. Bureau of Labor Statistics, seasonally adjusted *1-person Household

Job Change by Sector in Virginia

Job Change Jan 2025 to May 2025, Virginia (in thousands)



Attainable Housing Price at $72K Wage in VA Beach

For-Sale

$240K

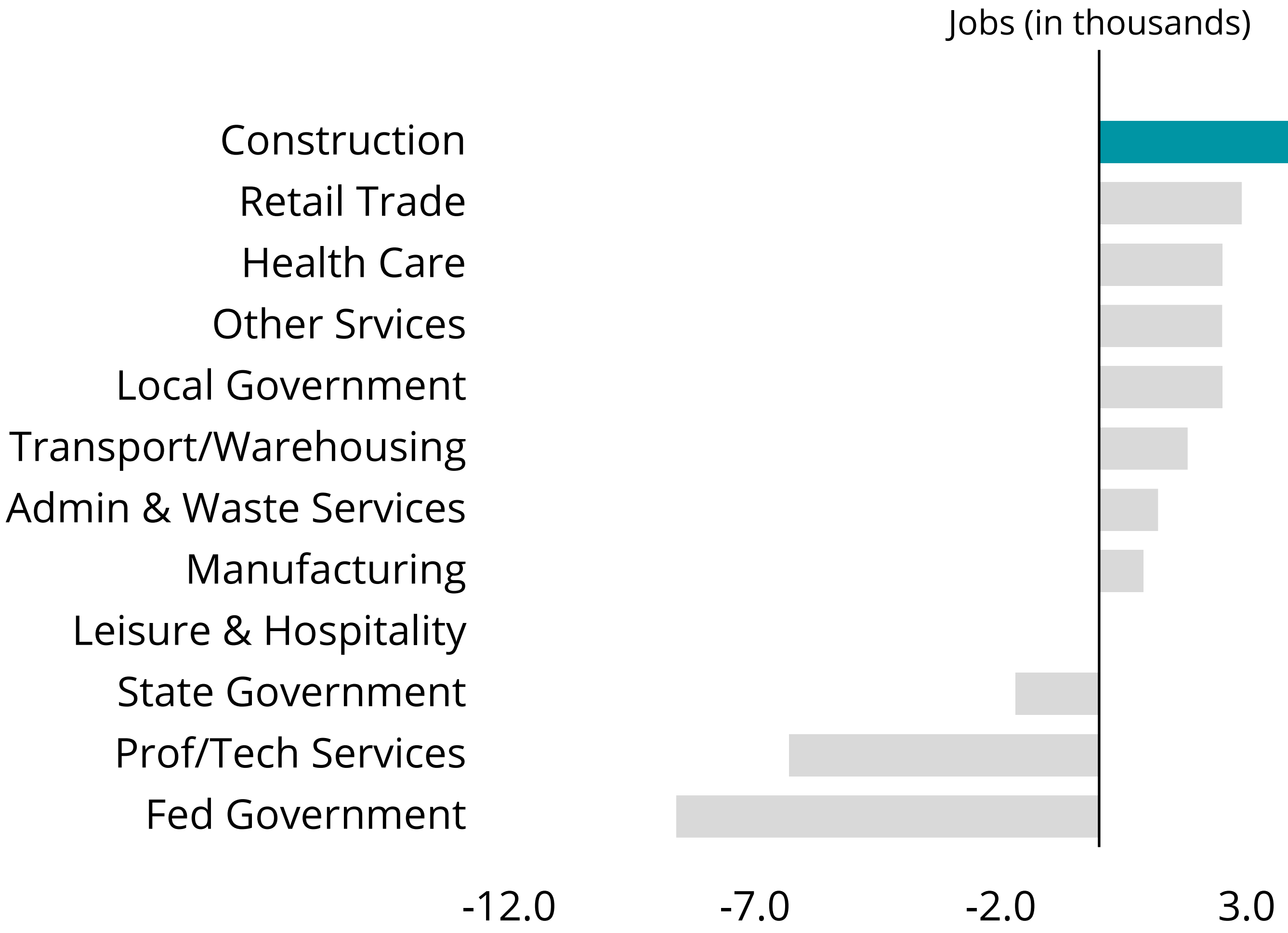
For-Rent

$1,800/mo

Source: U.S. Bureau of Labor Statistics, seasonally adjusted *1-person Household

Job Change by Sector in Virginia

Job Change Jan 2025 to May 2025, Virginia (in thousands)



Source: U.S. Bureau of Labor Statistics, seasonally adjusted   *1-person Household

Housing at these prices in the VA Beach market

$240K for sale market

Share of 2024 sales

12%

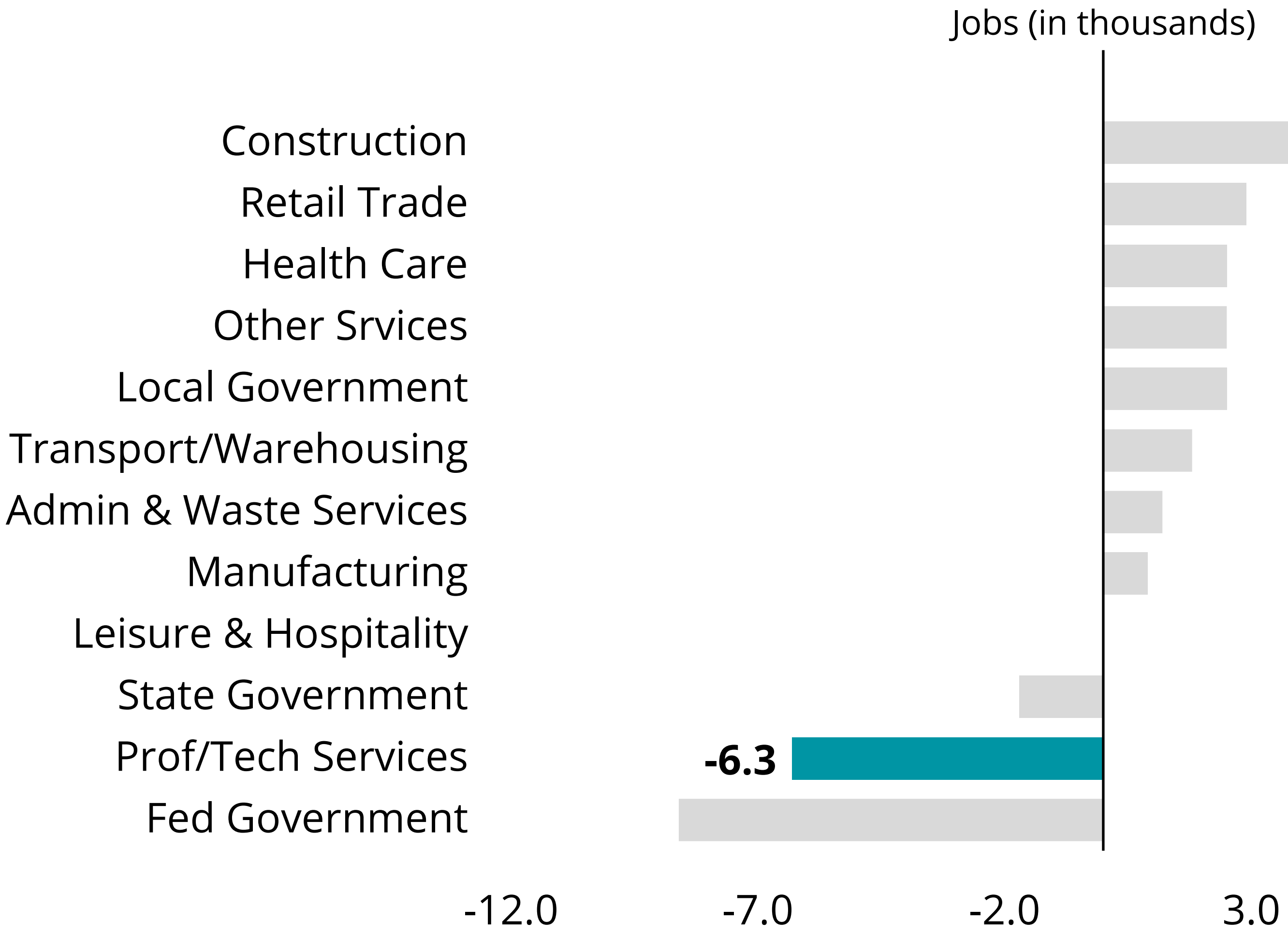
$1,800/mo for rent market

2024 average asking rent (annual)

$1,638/mo

Job Change by Sector in Virginia

Job Change Jan 2025 to May 2025, Virginia (in thousands)



Source: U.S. Bureau of Labor Statistics, seasonally adjusted *1-person Household

In Harrisonburg

Average Annual Wage (2024)

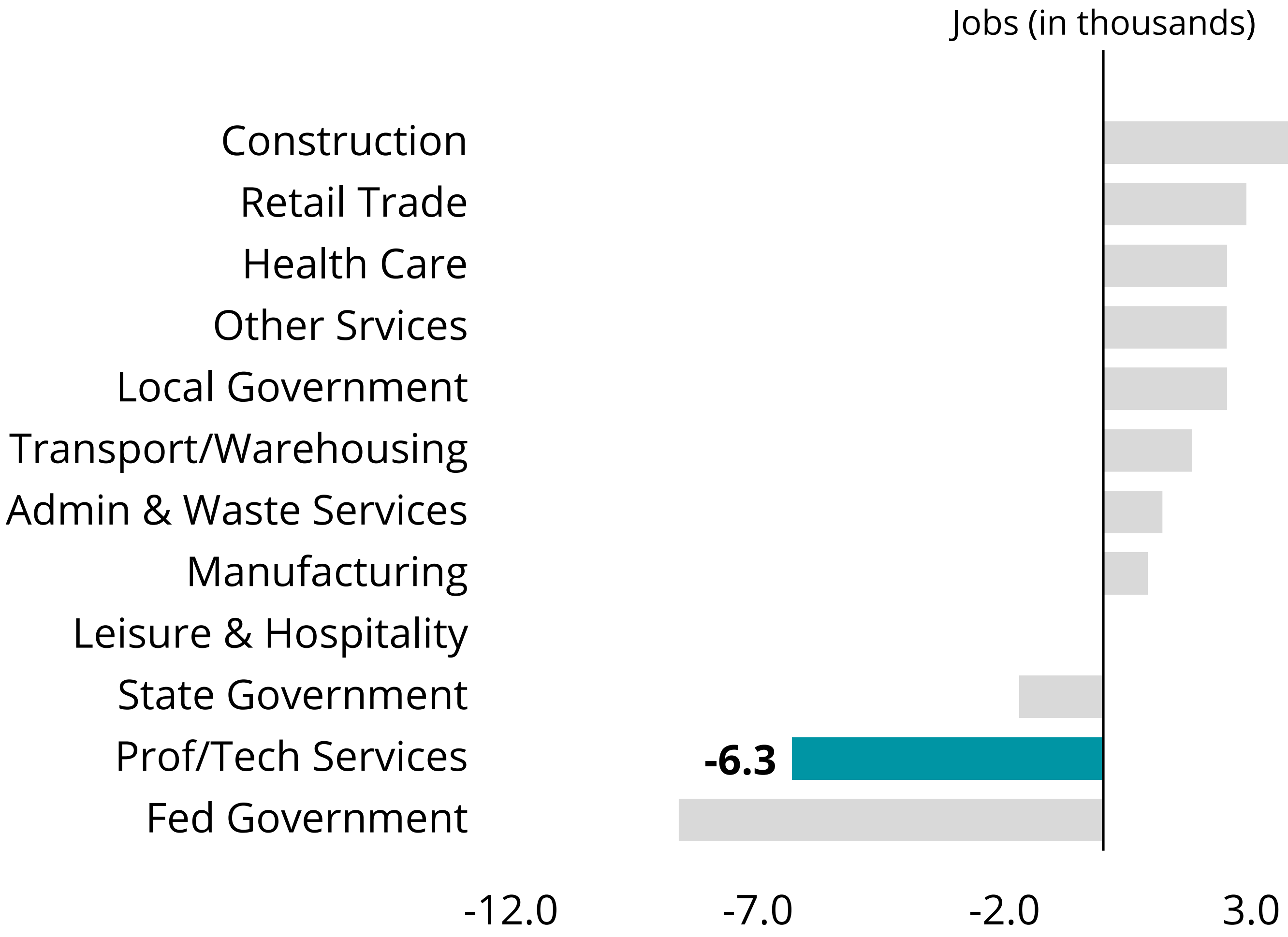
Professional/Tech Worker

(100-120% AMI*)

$80K

Job Change by Sector in Virginia

Job Change Jan 2025 to May 2025, Virginia (in thousands)



Attainable Housing Price at $80K Wage in Harrisonburg

For-Sale

$267K

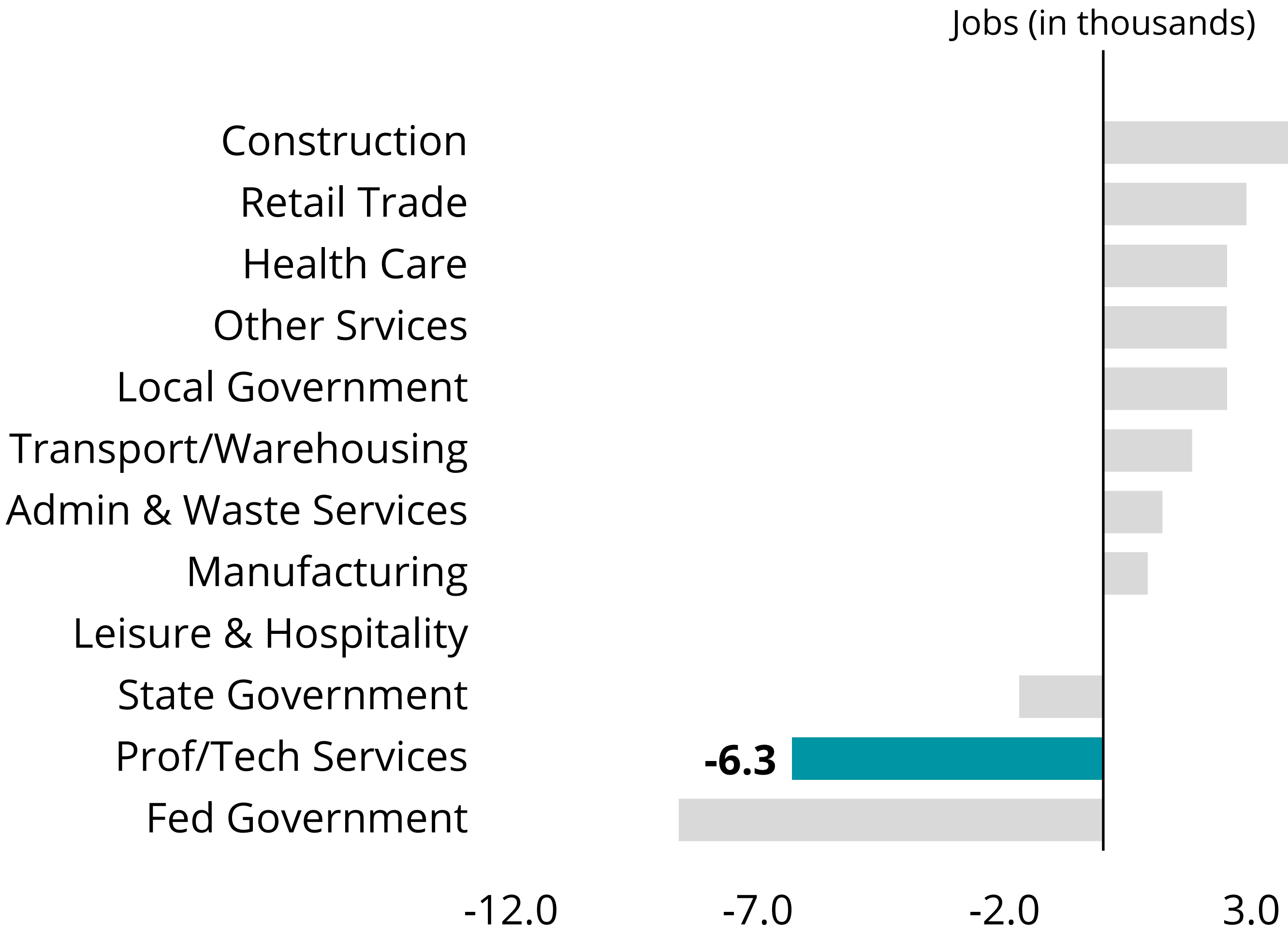
For-Rent

$2,000/mo

Source: U.S. Bureau of Labor Statistics, seasonally adjusted *1-person Household

Job Change by Sector in Virginia

Job Change Jan 2025 to May 2025, Virginia (in thousands)



Source: U.S. Bureau of Labor Statistics, seasonally adjusted *1-person Household

Housing at these prices in the Harrisonburg market

$267K for sale market

Share of 2024 sales

41%

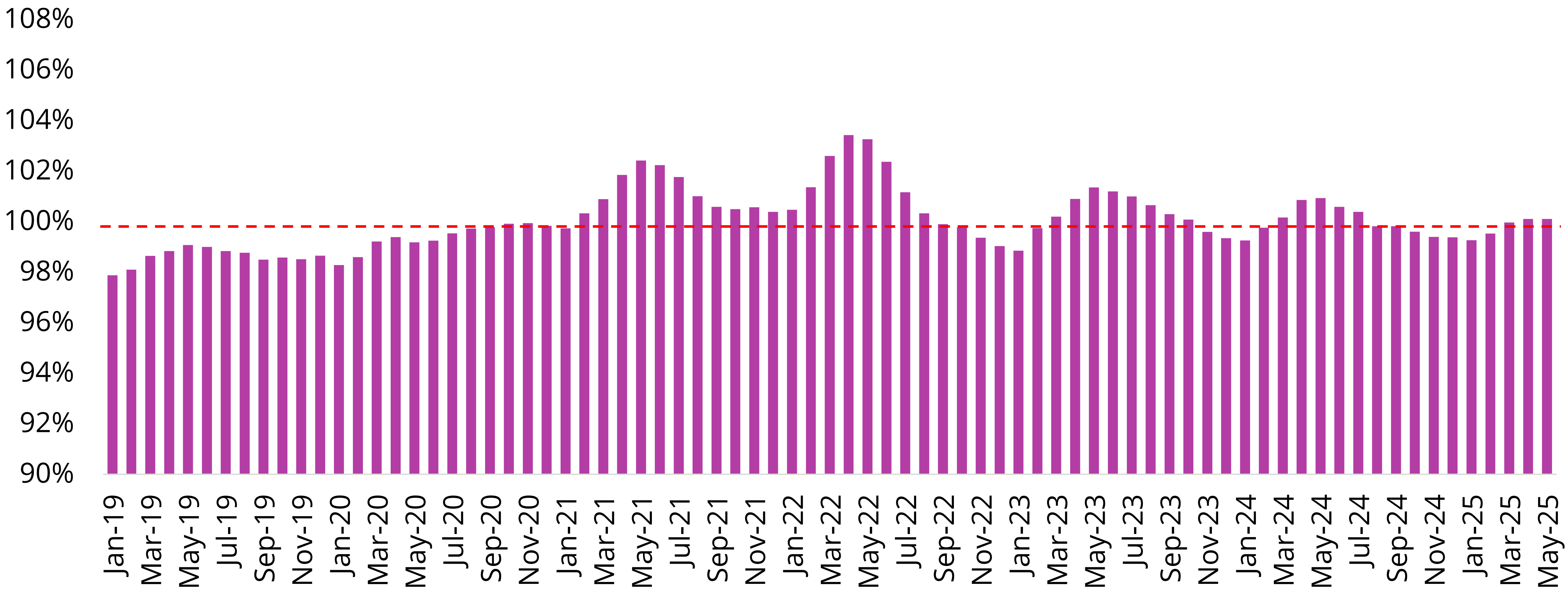
$2,000/mo for rent market

2024 average asking rent (annual)

$1,671/mo

Market Remains Competitive

Average Sold-to-Ask Price Ratio, Virginia



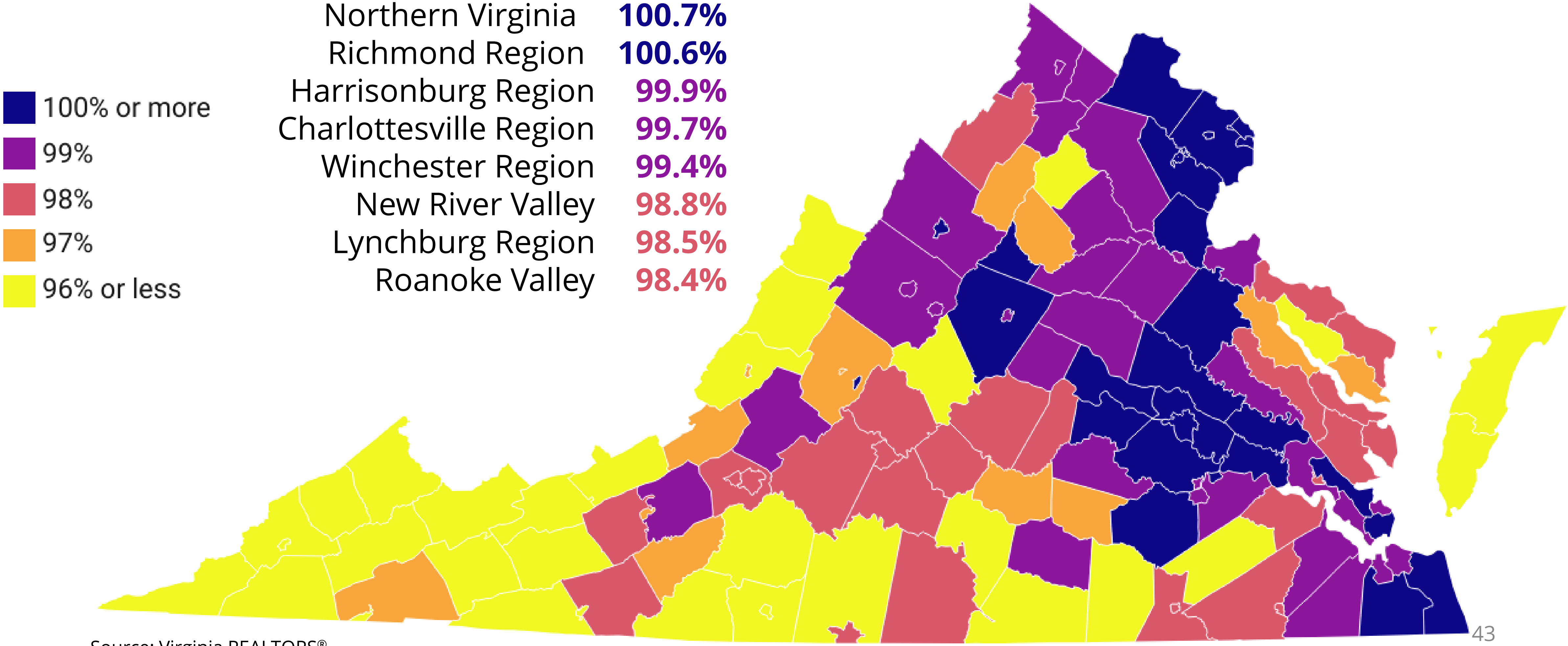
Source: Virginia REALTORS®

Average Sold-to-List Price Ratio – Local Markets

Average Sold-to-List Price Ratio, May YTD 2025

Smaller Metros/Regional Markets

Northern Virginia	**100.7%**
Richmond Region	**100.6%**
Harrisonburg Region	**99.9%**
Charlottesville Region	**99.7%**
Winchester Region	**99.4%**
New River Valley	**98.8%**
Lynchburg Region	**98.5%**
Roanoke Valley	**98.4%**



Source: Virginia REALTORS®

Summary

- Virginia's job market has slowed in some regions amid uncertainty with federal employment and contracting cuts. The full scope of these impacts has yet to be seen.

- Consumer sentiment has worsened so far this year. The impacts of that have yet to translate into big pull backs in spending, but recent signs of weakening have emerged. This negative sentiment has also spilled into the the housing market.

- Virginia's housing market has been sluggish in 2025, mirroring national trends. Sales are below 2024 levels so far through May. Stubborn mortgage rates and affordability challenges have cooled the buyer side of the market. Seller side activity has picked up, inventory is increasing.

- Despite the slow transaction volume, prices continue to climb, reflecting the supply demand imbalance in the market. There remains significant pent-up demand for housing. We estimate a supply shortage of about 188,000 market-rate homes statewide.

- Providing more housing will be critical to retaining our labor force and keeping Virginia competitive from a jobs/economic development perspective. In addition, more housing = more economic activity and tax revenue.

research@virginiarealtors.org

Virginia
REALTORS®