

VIRGINIA

December Summary

Economic reports on Virginia varied in recent months. The labor market improved slightly; however, the unemployment rate edged higher and housing market reports were somewhat downbeat.

Labor Markets: Total employment in Virginia rose 0.1 percent as firms added 4,900 jobs to the economy in October. The net job gain in the state was driven by just four industries as a majority of sectors actually cut jobs in the month. The professional and business services industry added 6,900 jobs, followed by the leisure and hospitality industry (3,400 jobs). Additionally, the education and health services industry added 1,300 jobs and the construction industry added 800 jobs. The largest job cut, on the other hand, came from government sector, which cut 3,300 jobs in October. Within the government sector, state and local agencies cut jobs while the jobs were added in the federal government subsector. Since October 2015, payroll employment rose 1.7 percent in Virginia. The professional and business services industry continued to report the largest year-over-year growth rate of 3.7 percent and added the most positions (26,100 jobs), on net, in the state. The only industries to contract since October 2015 were logging and mining (10.2 percent), information (2.6 percent), and manufacturing (2.3 percent).

Household Conditions: The unemployment rate in Virginia rose 0.2 percentage point to 4.2 percent in October. In the third quarter of 2016, the share of mortgages with payments 90 or more days past due declined 0.1 percentage point to 1.2 percent. The prime delinquency rate was unchanged at 0.6 percent while the subprime rate declined 0.4 percentage point to 6.2 percent. In the second quarter of 2016, real personal income in Virginia rose 0.5 percent and increased 2.3 percent since the second quarter of 2015.

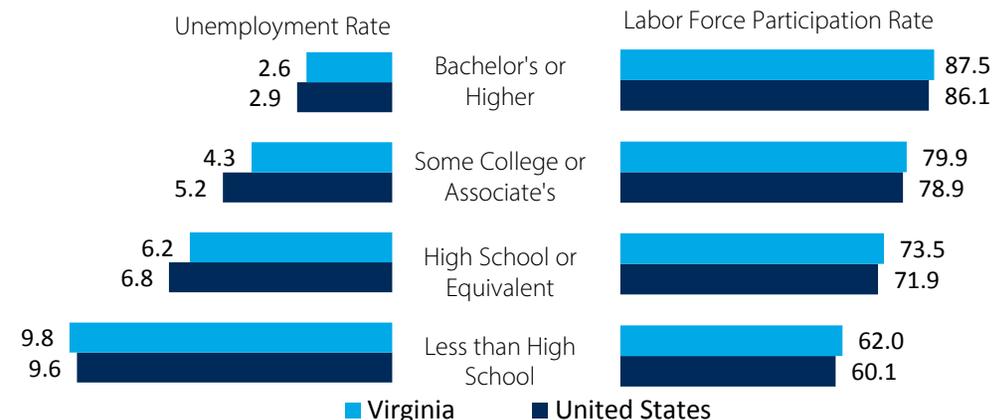
Housing Markets: Virginia issued 1,709 new residential permits in October, down 34.4 percent from the prior month and 37.6 percent from October 2015. At the metro level, permitting activity varied with only the Winchester MSA issuing more permits over both periods. Housing starts in Virginia totaled 22,700 in October, down 17.6 percent from September and down 20.3 percent on a year-over-year basis. According to CoreLogic Information Solutions, Virginia home values depreciated 0.1 percent in September but appreciated 2.1 percent since September 2015. In the state's metro areas, home price growth varied in the month while, on a year-over-year basis, home prices rose in every MSA except Blacksburg.

A Closer Look at... Educational Attainment

According to the Census Bureau's 2015 American Community Survey, for the population 25 years or older in Virginia:

- 15.7 percent had a graduate or professional degree, with median earnings of \$78,049.
- 21.3 percent had a bachelor's degree, with median earnings of \$55,799.
- 27.3 percent had an associate's degree or some college, with median earnings of \$35,656.
- 24.6 percent had a high school diploma or equivalent, with median earnings of \$29,674.
- 11.1 percent had less than a high school diploma, with median earnings of \$22,657.

Labor Market Measures by Educational Attainment in 2015



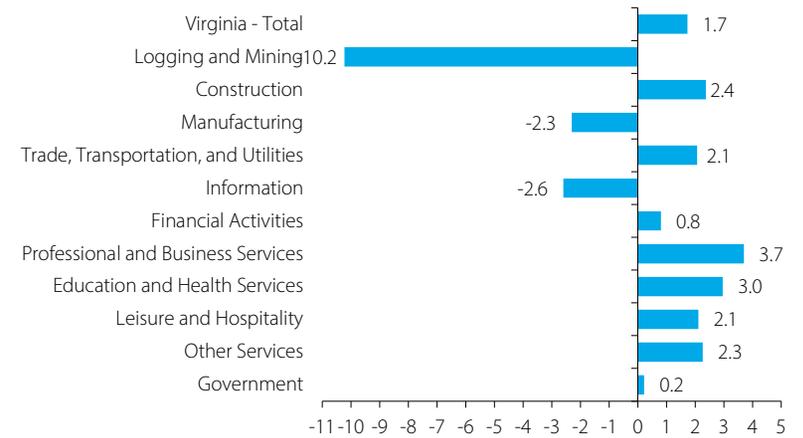
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Labor Market Conditions

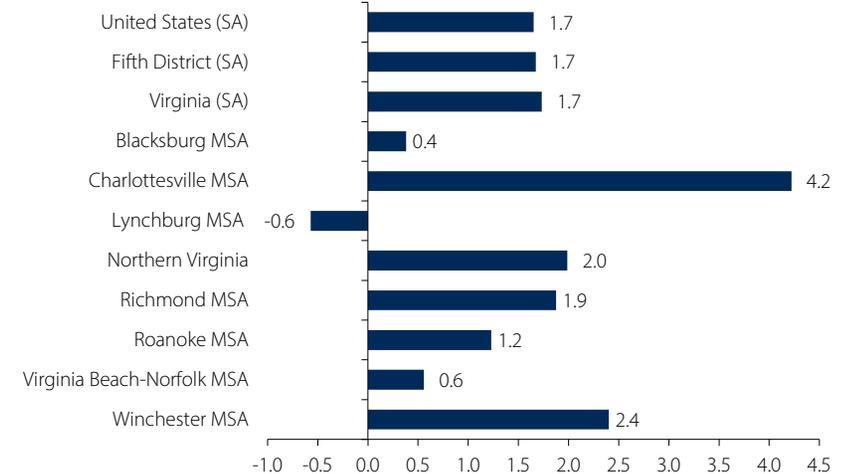
Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	October	144,952.0	0.11	1.65
Fifth District - Total	October	14,609.5	0.00	1.68
Virginia - Total	October	3,948.7	0.12	1.73
Logging and Mining	October	7.9	-4.82	-10.23
Construction	October	189.6	0.42	2.38
Manufacturing	October	228.7	-0.35	-2.31
Trade, Transportation, and Utilities	October	677.4	-0.13	2.06
Information	October	67.7	-0.88	-2.59
Financial Activities	October	200.2	-0.30	0.81
Professional and Business Services	October	731.8	0.95	3.70
Education and Health Services	October	532.0	0.24	2.96
Leisure and Hospitality	October	397.4	0.86	2.11
Other Services	October	203.3	-0.44	2.26
Government	October	712.7	-0.46	0.23

Metro Payroll Employment (NSA)	Period	Level (000s)	YoY % Change
Blacksburg MSA - Total	October	79.4	0.38
Charlottesville MSA - Total	October	118.5	4.22
Lynchburg MSA - Total	October	104.5	-0.57
Northern Virginia - Total	October	1,446.0	1.99
Richmond MSA - Total	October	679.4	1.87
Roanoke MSA - Total	October	164.6	1.23
Virginia Beach-Norfolk MSA - Total	October	774.0	0.56
Winchester MSA - Total	October	64.0	2.40

Virginia Payroll Employment Performance
Year-over-Year Percent Change through October 2016



Virginia Total Employment Performance
Year-over-Year Percent Change through October 2016



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

December 2016

FEDERAL RESERVE BANK OF RICHMOND

VIRGINIA

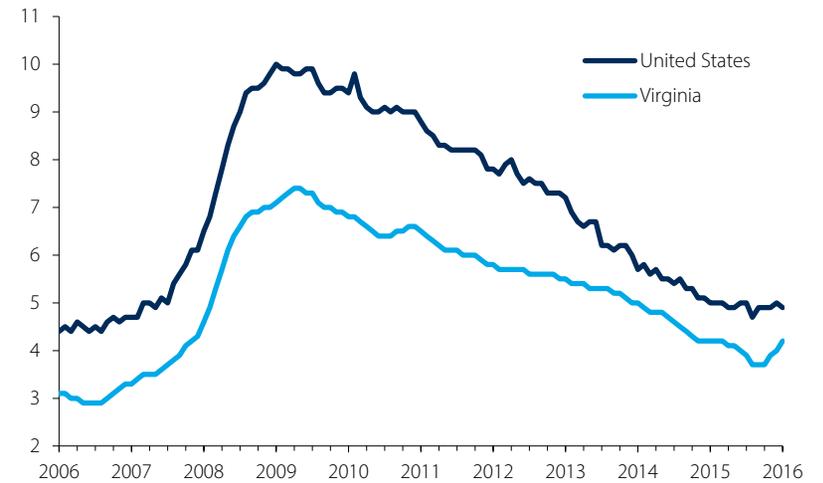
Labor Market Conditions

Unemployment Rate (SA)	October 16	September 16	October 15
United States	4.9	5.0	5.0
Fifth District	4.6	4.5	5.2
Virginia	4.2	4.0	4.2
Blacksburg MSA	4.9	5.0	4.3
Charlottesville MSA	3.6	3.4	3.7
Lynchburg MSA	4.9	4.6	4.6
Northern Virginia (NSA)	3.5	3.3	3.4
Richmond MSA	4.3	4.1	4.3
Roanoke MSA	4.3	4.0	4.2
Virginia Beach-Norfolk MSA	4.8	4.6	4.7
Winchester MSA	3.8	3.6	4.0

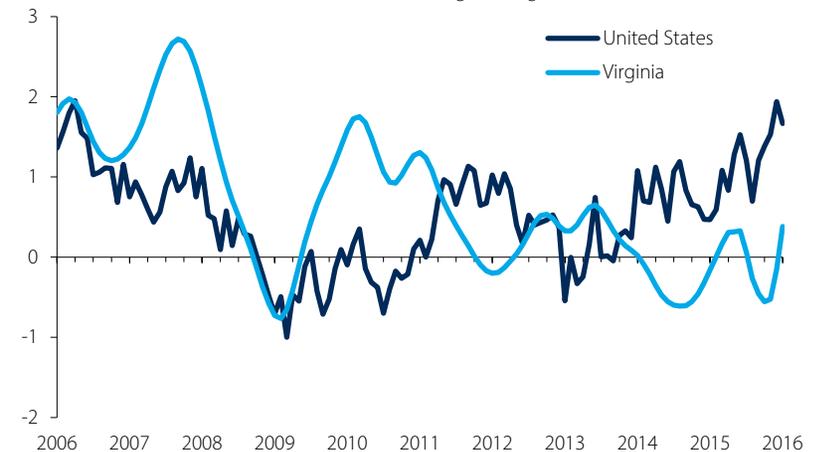
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	October	159,712	-0.12	1.67
Fifth District	October	15,772	0.48	1.16
Virginia	October	4,248	0.64	0.38
Blacksburg MSA	October	91	0.00	-0.11
Charlottesville MSA	October	118	0.34	2.43
Lynchburg MSA	October	121	0.33	-1.06
Northern Virginia (NSA)	October	1,558	0.98	1.02
Richmond MSA	October	672	0.42	1.02
Roanoke MSA	October	159	0.57	0.19
Virginia Beach-Norfolk MSA	October	833	0.68	-0.24
Winchester MSA	October	71	0.43	1.73

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	October	1,019,719	19.28	-4.03
Fifth District	October	71,834	31.62	-4.21
Virginia	October	12,382	1.31	-13.50

Virginia Unemployment Rate
Through October 2016



Virginia Labor Force
Year-over-Year Percent Change through October 2016



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

December 2016

FEDERAL RESERVE BANK OF RICHMOND

VIRGINIA

Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q2:16	14,387,983	0.52	2.23
Fifth District	Q2:16	1,386,886	0.54	2.56
Virginia	Q2:16	406,443	0.46	2.28

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Richmond MSA	2016	72.4	---	-2.43
Roanoke MSA	2016	61.7	---	---
Virginia Beach-Norfolk MSA	2016	70.5	---	-0.56

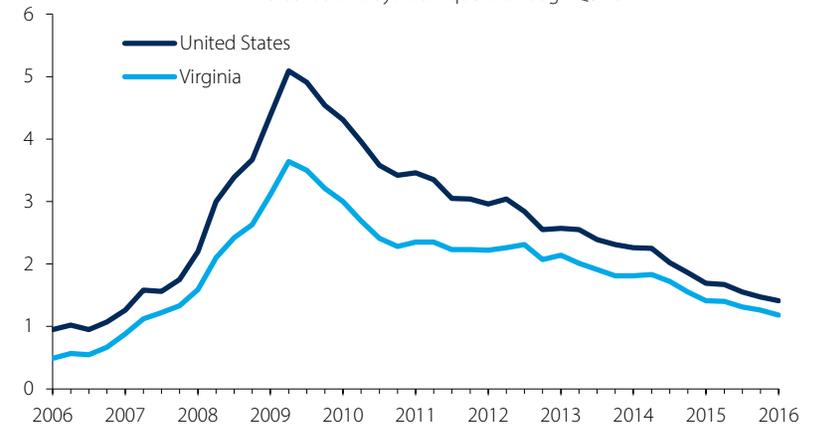
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q3:16	193,820	-4.21	-6.17
Fifth District	Q3:16	15,702	-6.57	-4.91
Virginia	Q3:16	5,546	-4.43	-1.81

Mortgage Delinquencies (% 90+ Days Delinquent)	Q3:16	Q2:16	Q3:15
United States			
All Mortgages	1.41	1.47	1.69
Prime	0.80	0.83	0.97
Subprime	5.51	5.82	6.42
Virginia			
All Mortgages	1.18	1.26	1.41
Prime	0.58	0.62	0.70
Subprime	6.19	6.57	7.04

Virginia Real Personal Income
Year-over-Year Percent Change through Q2:16



Virginia Mortgage Delinquencies
Percent 90+ Days Delinquent through Q3:16



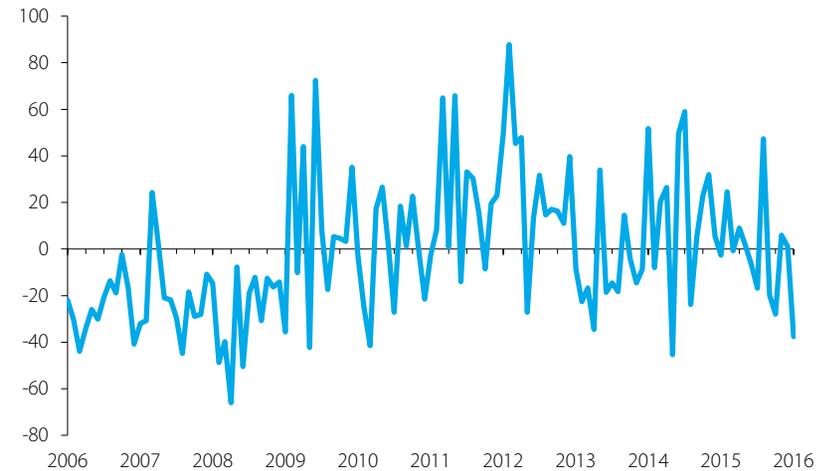
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Real Estate Conditions

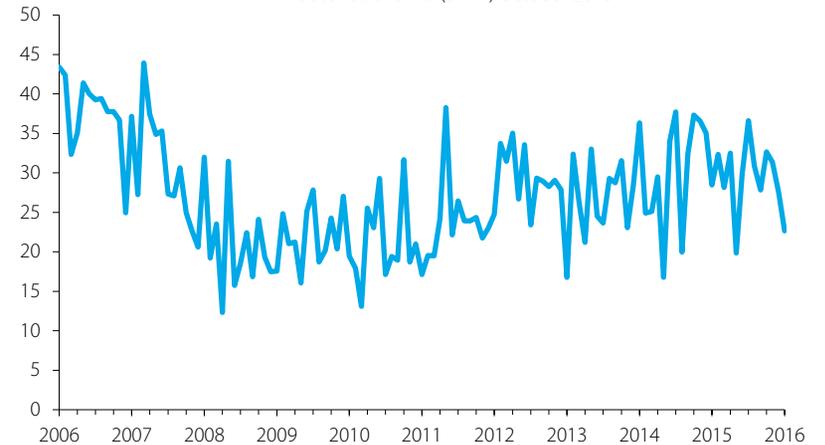
Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	October	100,702	-6.52	2.53
Fifth District	October	10,668	-17.36	-10.09
Virginia	October	1,709	-34.40	-37.58
Charlottesville MSA	October	59	-4.84	13.46
Harrisonburg MSA	October	34	47.83	-29.17
Lynchburg MSA	October	37	12.12	-2.63
Richmond MSA	October	324	-6.63	-19.00
Virginia Beach-Norfolk MSA	October	468	-52.92	47.17
Winchester MSA	October	72	1.41	10.77

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	October	1,323	25.52	23.30
Fifth District	October	142	3.82	14.76
Virginia	October	22.7	-17.59	-20.32

Virginia Building Permits
Year-over-Year Percent Change through October 2016



Virginia Housing Starts
Thousands of Units (SAAR) October 2016



VIRGINIA

Real Estate Conditions

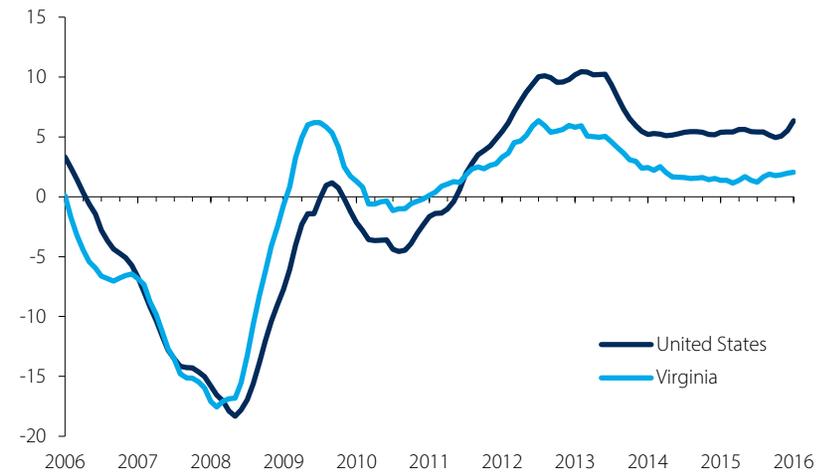
House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	September	184	1.08	6.34
Fifth District	September	187	0.24	3.50
Virginia	September	207	-0.19	2.05
Blacksburg MSA	September	141	0.63	0.90
Charlottesville MSA	September	175	-1.32	2.24
Danville MSA	September	247	-0.19	4.49
Harrisonburg MSA	September	199	-0.29	6.59
Lynchburg MSA	September	156	-0.03	1.93
Richmond MSA	September	172	0.72	5.18
Roanoke MSA	September	153	0.65	2.73
Virginia Beach-Norfolk MSA	September	188	-0.32	1.61
Winchester MSA	September	194	-0.19	4.54

Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	Q3:16	240	-0.25	3.81
Virginia Beach-Norfolk MSA	Q3:16	220	-1.35	1.15

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	Q3:16	220	-2.22	1.85
Virginia Beach-Norfolk MSA	Q3:16	215	0.00	0.94

Virginia House Price Index (CoreLogic)

Year-over-Year Percent Change through September 2016



Virginia Beach-Norfolk MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through Q3:16



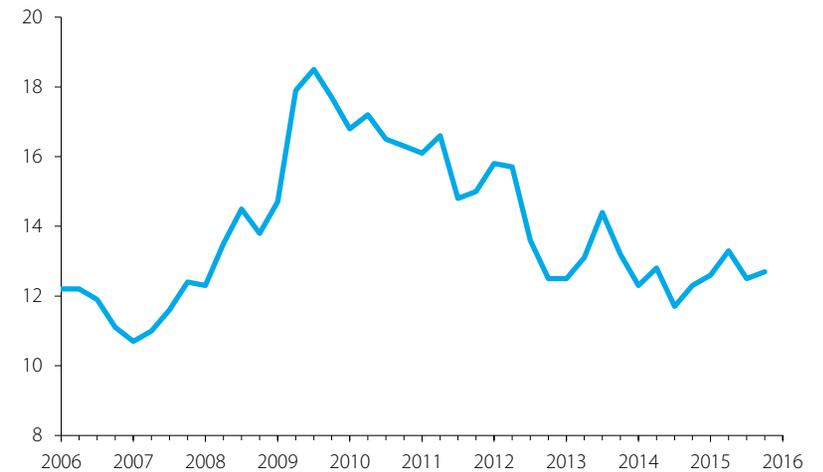
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Real Estate Conditions

Housing Opportunity Index (%)	Q3:16	Q2:16	Q3:15
Richmond MSA	76.9	74.8	74.4
Roanoke MSA	86.6	87.0	84.2
Virginia Beach-Norfolk MSA	75.6	76.9	74.7

Commercial Vacancy Rates (%)	Q3:16	Q2:16	Q3:15
<u>Office Vacancies</u>			
Norfolk	12.5	13.0	13.1
Richmond	12.7	12.5	12.3
<u>Industrial Vacancies</u>			
Northern Virginia	---	---	12.1
Richmond	---	10.2	11.6

Richmond MSA Office Vacancy Rate
Through Q3:16



Richmond MSA Industrial Vacancy Rate
Through Q2:16

