

VIRGINIA

January Summary

Recent reports on Virginia's economy were somewhat positive. Payroll employment increased and the unemployment rate edged down, though housing market reports were mostly downbeat.

Labor Markets: Employers in Virginia added 6,600 net new jobs (0.2 percent) to their payrolls in November. The largest job gain came from the government sector (2,600 jobs or 0.4 percent), followed by education and health services which added 2,300 jobs (0.4 percent). On the downside, job losses were reported in the month in information (800 jobs), trade, transportation, and utilities (500 jobs), and "other" services (100 jobs). Compared to a year earlier, total employment in Virginia rose 1.9 percent (75,100 jobs), which outpaced the Fifth District and national growth rates. Manufacturing showed the fastest growth over the year (4.4 percent or 10,300 jobs) while professional and business services added the most jobs (21,100, or 2.9 percent). Education and health services (16,300 jobs), leisure and hospitality (15,900 jobs), and trade, transportation, and utilities (13,200 jobs) also saw sizeable job gains since last November. The only employment declines since last November came from government and information, which lost 16,100 jobs and 1,400 jobs, respectively.

Household Conditions: The unemployment rate in Virginia edged down 0.1 percentage point to 2.8 percent in November, which is the state's lowest rate since April 2001. In the third quarter of 2018, the share of Virginia mortgages with payments 90 or more days past due was unchanged at 0.9 percent. Delinquency rates for fixed and adjustable rate conventional loans were unchanged in the third quarter at 0.7 percent and 1.6 percent, respectively. In the third quarter of 2018, real personal income in Virginia rose 0.6 percent and was up 1.4 percent since the third quarter of 2017.

Housing Markets: Virginia issued 2,415 new residential permits in October, down 27.0 percent from the prior month and down 18.1 percent from October 2017. The Richmond MSA issued the most permits in October (486 permits) followed by Virginia Beach-Norfolk (436 permits). Meanwhile, housing starts in Virginia totaled 26,300 in October, down 30.0 percent from the prior month and down 22.1 percent on a year-over-year basis. According to CoreLogic Information Solutions, Virginia home values depreciated 0.3 percent in October but rose 2.6 percent on a year-over-year basis. House prices decreased in every MSA except Richmond in the month but rose in every MSA except Danville on a year-over-year basis.

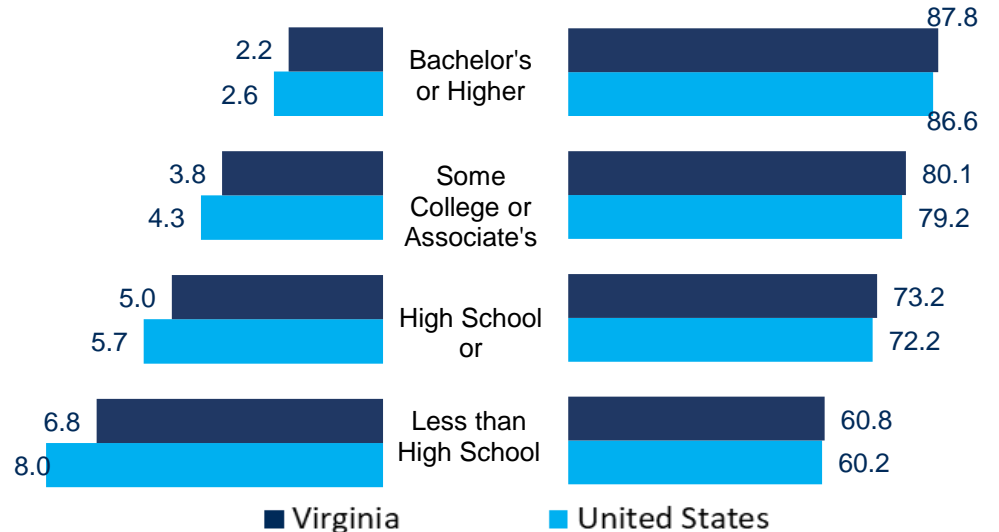
A Closer Look at...Educational Attainment

According to the Census Bureau's 2017 American Community Survey, for the population 25 years or older in Virginia:

- 16.7 percent had a graduate or professional degree, with median earnings of \$80,946.
- 22.0 percent had a bachelor's degree, with median earnings of \$58,191.
- 26.9 percent had an associate's degree or some college, with median earnings of \$37,428.
- 24.2 percent had a high school diploma or equivalent, with median earnings of \$31,165.
- 10.3 percent had less than a high school diploma, with median

Unemployment Rate

Labor Force Participation



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

January 2019

FEDERAL RESERVE BANK OF RICHMOND

VIRGINIA

Labor Market Conditions

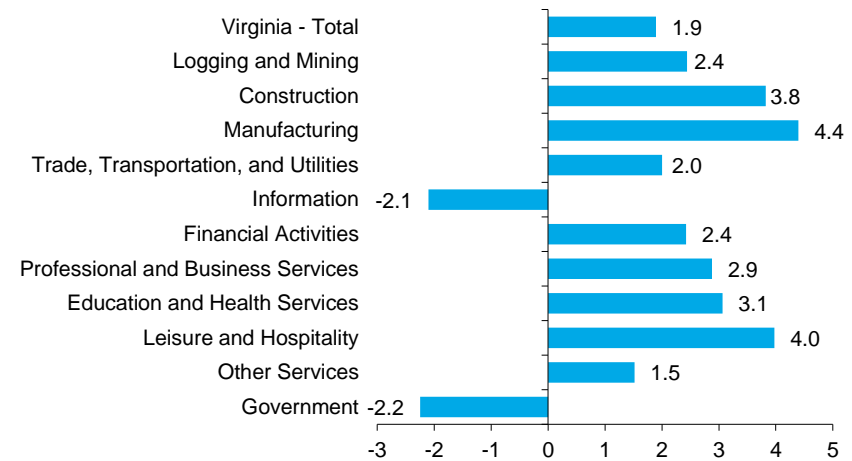
Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	149,893.0	0.10	1.66
Fifth District - Total	November	15,018.7	0.13	1.71
Virginia - Total	November	4,031.7	0.16	1.90
Logging and Mining	November	8.4	0.00	2.44
Construction	November	203.6	0.00	3.82
Manufacturing	November	244.6	0.53	4.40
Trade, Transportation, and Utilities	November	673.3	-0.07	2.00
Information	November	65.2	-1.21	-2.10
Financial Activities	November	211.1	0.09	2.43
Professional and Business Services	November	753.9	0.11	2.88
Education and Health Services	November	548.3	0.42	3.06
Leisure and Hospitality	November	416.0	0.19	3.97
Other Services	November	207.1	-0.05	1.52
Government	November	700.2	0.37	-2.25

Metro Payroll Employment (NSA)

Period	Level (000s)	YoY % Change	
Blacksburg MSA - Total	November	79.6	2.58
Charlottesville MSA - Total	November	123.0	2.67
Lynchburg MSA - Total	November	107.4	1.90
Northern Virginia - Total	November	1,495.4	1.08
Richmond MSA - Total	November	686.5	1.61
Roanoke MSA - Total	November	165.1	2.42
Virginia Beach-Norfolk MSA - Total	November	794.3	1.62
Winchester MSA - Total	November	66.7	2.46

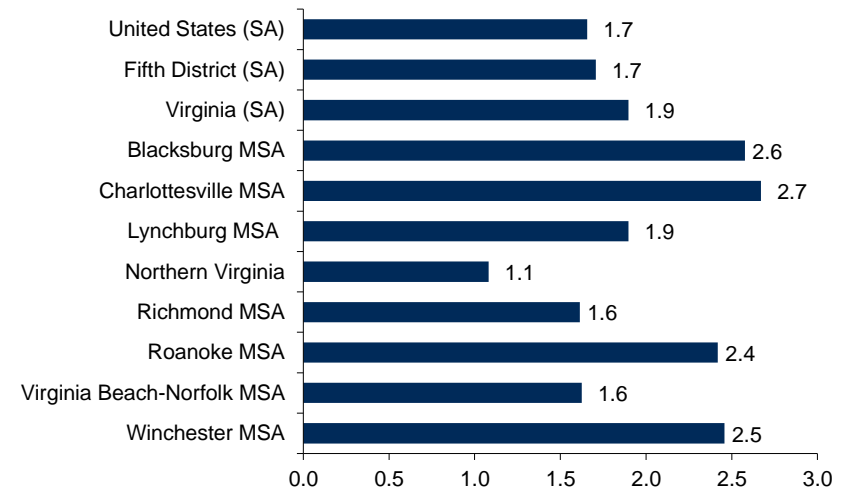
Virginia Payroll Employment Performance

Year-over-Year Percent Change in November 2018



Virginia Total Employment Performance

Year-over-Year Percent Change in November 2018



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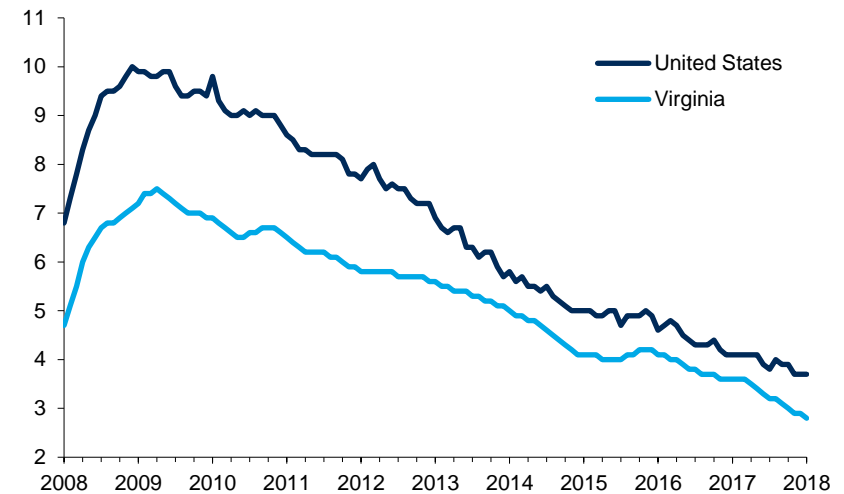
Unemployment Rate (SA)	November 18	October 18	November 17
United States	3.7	3.7	4.1
Fifth District	3.5	3.6	4.2
Virginia	2.8	2.9	3.6
Blacksburg MSA	3.2	3.2	3.9
Charlottesville MSA	2.6	2.5	3.2
Lynchburg MSA	3.3	3.3	4.2
Northern Virginia (NSA)	0.0	2.4	2.9
Richmond MSA	3.1	3.1	3.8
Roanoke MSA	2.9	2.9	3.7
Virginia Beach-Norfolk MSA	3.2	3.2	4.0
Winchester MSA	2.8	2.8	3.2

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	162,770	0.08	1.39
Fifth District	November	16,070	0.02	0.37
Virginia	November	4,355	0.04	0.82
Blacksburg MSA	November	92	0.77	2.12
Charlottesville MSA	November	123	0.08	3.01
Lynchburg MSA	November	125	0.40	1.72
Northern Virginia (NSA)	November	0	0.00	0.00
Richmond MSA	November	684	-0.13	1.33
Roanoke MSA	November	159	0.00	1.79
Virginia Beach-Norfolk MSA	November	855	0.09	1.11
Winchester MSA	November	73	0.41	2.51

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	1,052,238	16.94	-5.86
Fifth District	November	59,346	-14.93	5.65
Virginia	November	11,274	3.36	-10.20

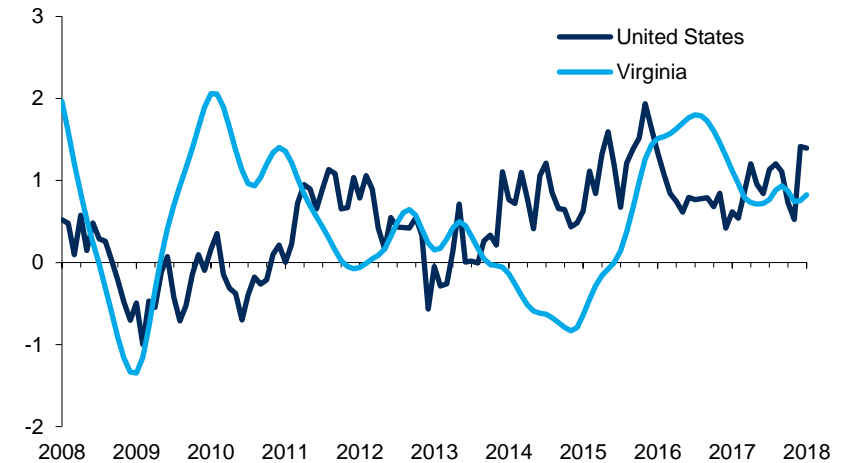
Virginia Unemployment Rate

Through November 2018



Virginia Labor Force

Year-over-Year Percent Change through November 2018



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Household Conditions

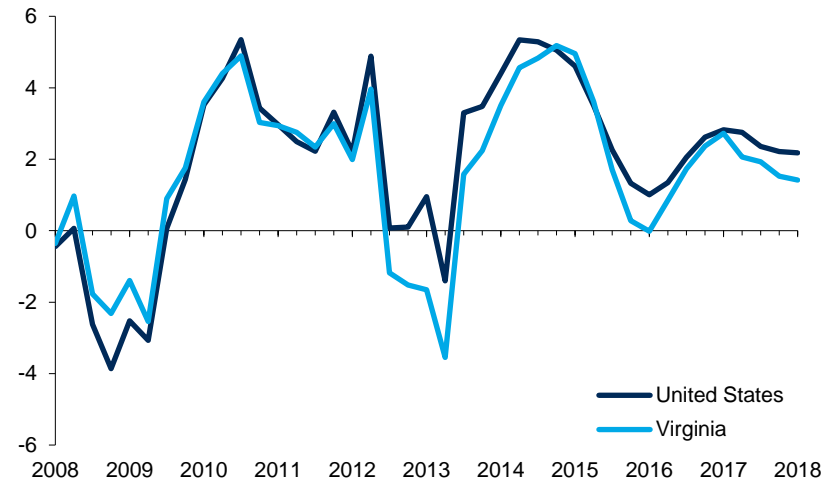
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q3:18	16,250,632	0.60	2.18
Fifth District	Q3:18	1,562,147	0.53	1.74
Virginia	Q3:18	448,012	0.61	1.42

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Richmond MSA	Q3:18	83.2	0.00	5.72
Roanoke MSA	Q3:18	67.2	0.00	0.45
Virginia Beach-Norfolk MSA	Q3:18	75.0	0.00	2.74

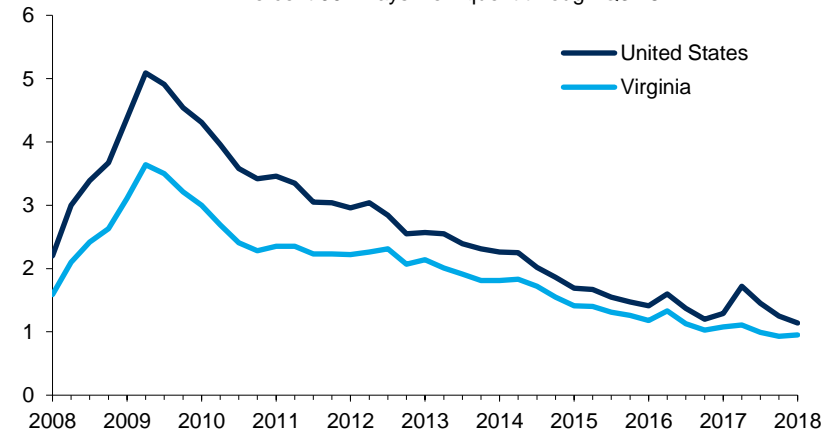
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q3:18	187,490	-6.33	-1.08
Fifth District	Q3:18	15,279	-8.80	-0.85
Virginia	Q3:18	5,300	-11.19	-1.51

Mortgage Delinquencies (% 90+ Days Delinquent)	Q3:18	Q2:18	Q3:17
United States			
All Mortgages	1.14	1.25	1.29
Conventional - Fixed Rate	0.83	0.94	0.98
Conventional - Adjustable Rate	1.85	1.97	2.17
Virginia			
All Mortgages	0.95	0.93	1.08
Conventional - Fixed Rate	0.66	0.66	0.78
Conventional - Adjustable Rate	1.63	1.63	2.01

Virginia Real Personal Income
Year-over-Year Percent Change through Q3:18



Virginia Mortgage Delinquencies
Percent 90+ Days Delinquent through Q3:18



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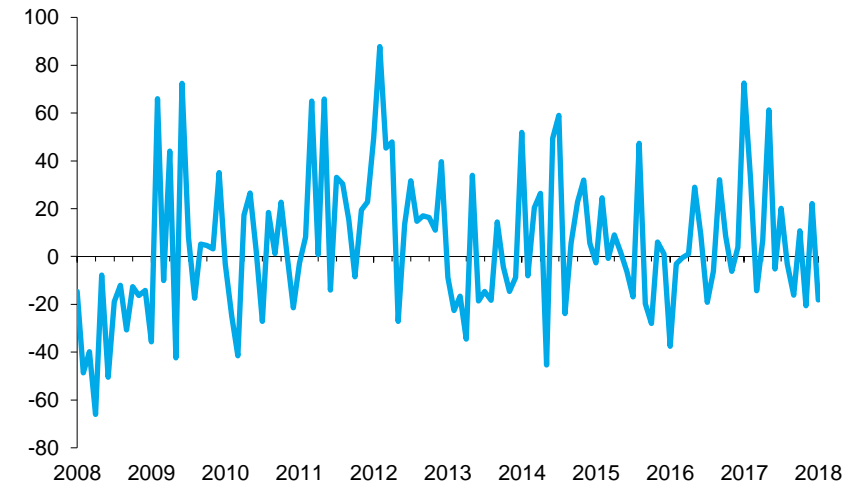
Real Estate Conditions

Permits: New Private Housing Units (NSA)	Period	Level	MoM % Change	YoY % Change
United States	October	112,566	13.27	-1.27
Fifth District	October	12,808	5.12	-10.28
Virginia	October	2,415	-26.95	-18.14
Charlottesville MSA	October	88	76.00	4.76
Harrisonburg MSA	October	28	7.69	-44.00
Lynchburg MSA	October	21	600.00	133.33
Richmond MSA	October	486	-43.02	2.75
Virginia Beach-Norfolk MSA	October	436	-35.88	12.66
Winchester MSA	October	59	28.26	28.26

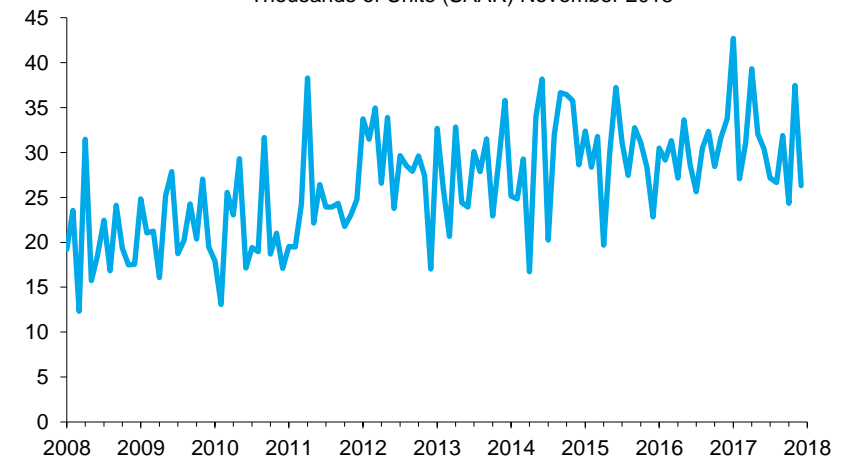
Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	October	1,217	-1.62	-3.79
Fifth District	October	140	1.17	-14.62
Virginia	October	26.3	-29.70	-22.11

Note: November 2018 data was not released for the following data series: Permits, New Private Housing Units (NSA) and Total Private Housing Starts (SAAR)

Virginia New Housing Units
Year-over-Year Percent Change through October 2018



Virginia Housing Starts
Thousands of Units (SAAR) November 2018



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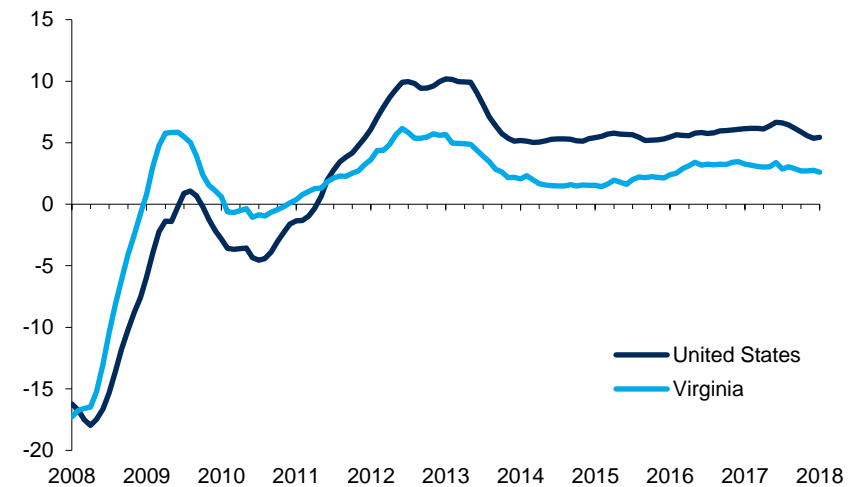
House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	October	205	0.47	5.44
Fifth District	October	203	0.06	3.93
Virginia	October	218	-0.27	2.60
Blacksburg MSA	October	153	-2.27	0.69
Charlottesville MSA	October	192	-1.01	0.36
Danville MSA	October	184	-0.27	-1.53
Harrisonburg MSA	October	240	-0.27	4.75
Lynchburg MSA	October	174	-0.27	3.42
Richmond MSA	October	186	0.10	4.08
Roanoke MSA	October	158	-0.64	1.43
Virginia Beach-Norfolk MSA	October	190	-0.44	2.38
Winchester MSA	October	204	-0.41	3.56

Median Home Sales Price - NAR (N:)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	Q3:18	268	0.37	3.51
Virginia Beach-Norfolk MSA	Q3:18	235	0.00	4.91

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	Q3:18	239	-1.24	3.91
Virginia Beach-Norfolk MSA	Q3:18	223	-0.89	-0.45

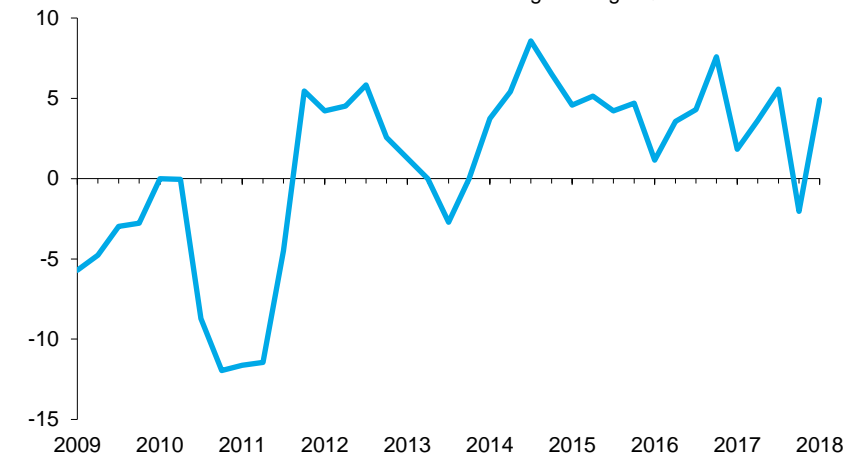
Virginia House Price Index (CoreLogic)

Year-over-Year Percent Change through October 2018



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

Year-over-Year Percent Change through Q3:18



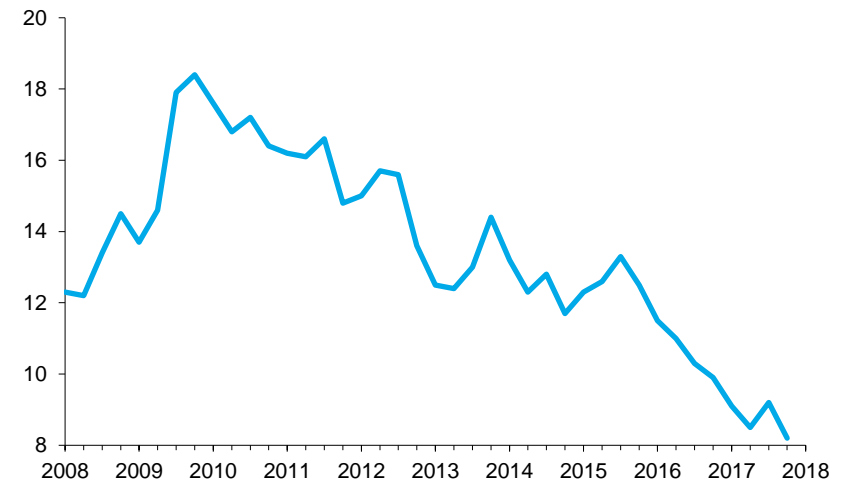
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Real Estate Conditions

Housing Opportunity Index (%)	Q3:18	Q2:18	Q3:17
Richmond MSA	75.5	74.8	77.2
Roanoke MSA	82.6	81.5	80.9
Virginia Beach-Norfolk MSA	72.6	72.7	74.6

Commercial Vacancy Rates (%)	Q2:18	Q1:18	Q2:17
Office Vacancies			
Norfolk	9.6	10.1	11.3
Richmond	8.2	9.2	9.9
Industrial Vacancies			
Northern Virginia	---	---	---
Richmond	---	---	7.1

Richmond MSA Office Vacancy Rate
Through Q2:18



Richmond MSA Industrial Vacancy Rate
Through Q1:18

