

VIRGINIA

September Summary

Reports on Virginia’s economy were slightly mixed in recent months. Payroll employment rose but the household employment rate ticked up. Housing market reports were also mixed.

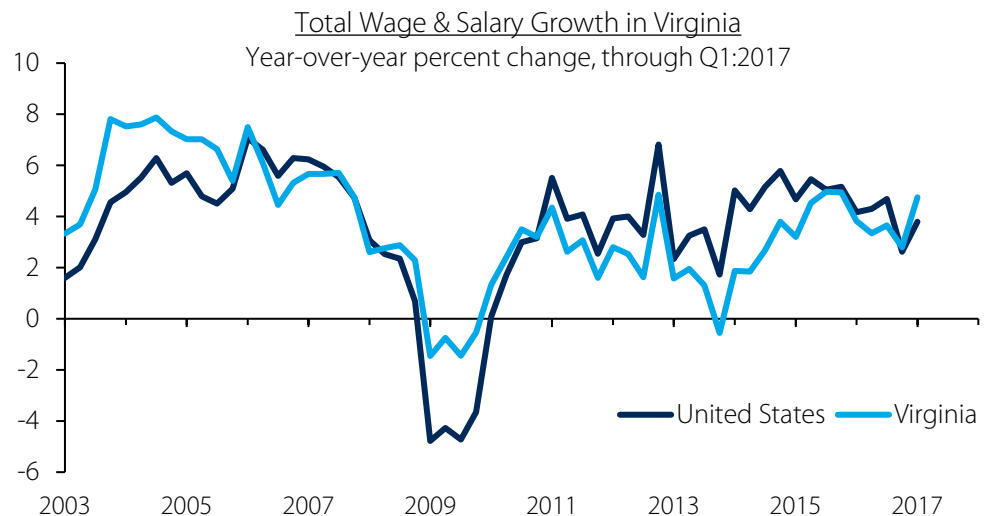
Labor Markets: Total employment in Virginia rose 0.2 percent in July as firms added 8,300 net new jobs in the month. The professional and business service industry added the most jobs in July (4,700 jobs) followed by the education and health services industry (2,400 jobs). The manufacturing industry added 1,800 jobs in the month, which was the largest percentage gain (0.8 percent) of any industry. The only industries to cut jobs in July were information, financial services, and leisure and hospitality. On a year-over-year basis, payroll employment grew 1.5 percent in Virginia, which matched the national rate of job growth. Every industry except logging and mining and information (the state’s two smallest industries) expanded since last July. The largest employment gain, in both absolute and percentage terms, came from the professional and business services industry, which added 24,000 jobs (3.4 percent) over the last twelve months.

Household Conditions: The unemployment rate in Virginia edged up 0.1 percentage point to 3.8 percent in July. Unemployment rates improved or were unchanged in July in every metro area and ranged from 3.2 percent in Northern Virginia to 4.4 percent in Lynchburg. In the second quarter of 2017, the share of Virginia mortgages with payments 90 or more days past due declined 0.1 percentage point to 1.0 percent. Delinquency rates for fixed and adjustable rate conventional loans also declined in the second quarter to 0.7 percent and 2.0 percent, respectively. In the first quarter of 2017, real personal income in Virginia rose 0.6 percent and increased 2.3 percent since the first quarter of 2016.

Housing Markets: Virginia issued 2,669 new residential permits in July, down 22.5 percent from the prior month but up 8.5 percent from July 2016. At the metro level, permitting activity slowed in the month in every MSA except Harrisonburg; on a year-over-year basis, permitting activity picked up in every MSA except Virginia Beach and Winchester. Housing starts in Virginia totaled 28,200 in July, down 7.4 percent from the prior month and down 14.1 percent on a year-over-year basis. According to CoreLogic Information Solutions, Virginia home values appreciated 0.7 percent in June and 2.8 percent since June 2016. In the state’s metro areas, home prices rose in the majority of MSAs in the month. On a year-over-year basis, home prices rose in every MSA except Roanoke.

A Closer Look at... Total Wages and Salaries

Total Wages and Salaries by Industry	YoY% Change Q1:2017	Average Annual % Change Since Q1:2012
Total	4.8	3.0
Natural Resources	3.8	-1.8
Construction	6.6	4.1
Manufacturing	5.1	1.9
Trade, Transportation & Utilities	2.8	2.4
Information	6.9	4.0
Financial Activities	3.3	4.8
Professional & Business Services	7.0	3.2
Education & Health Services	4.1	3.4
Leisure & Hospitality	5.2	4.8
Other	4.1	3.7
Government	3.2	2.2



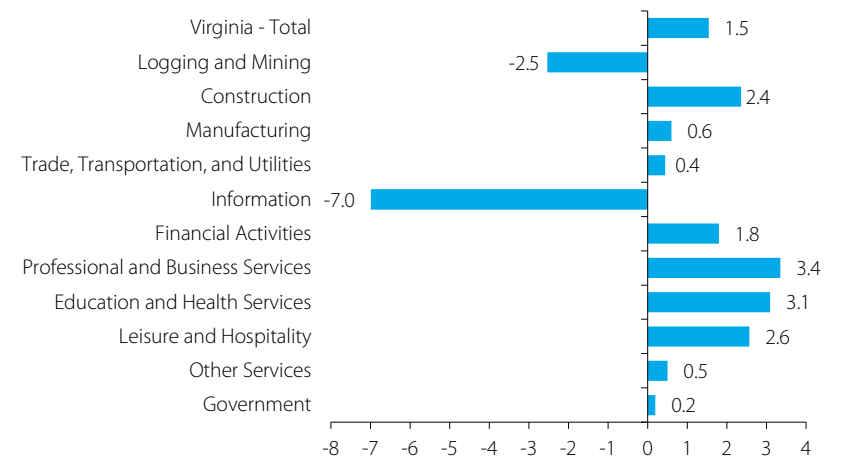
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Labor Market Conditions

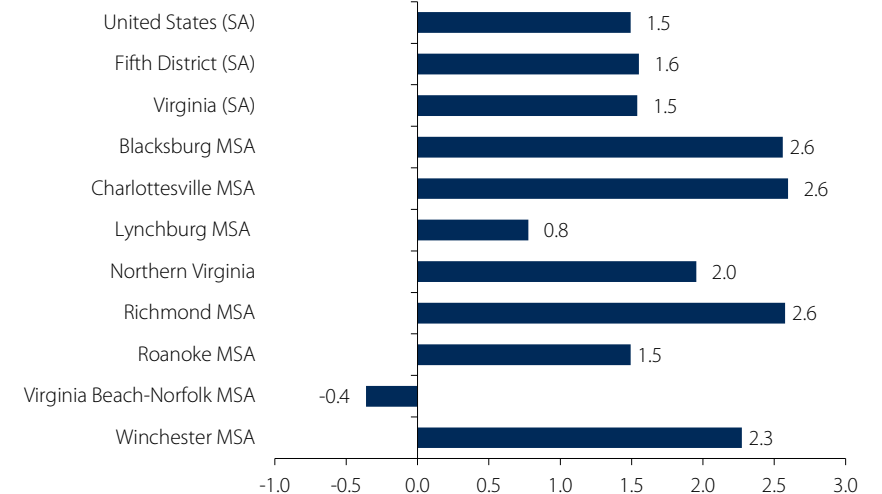
Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	July	146,615.0	0.14	1.49
Fifth District - Total	July	14,788.0	0.21	1.55
Virginia - Total	July	3,975.9	0.21	1.54
Logging and Mining	July	7.7	0.00	-2.53
Construction	July	191.1	0.58	2.36
Manufacturing	July	233.9	0.78	0.60
Trade, Transportation, and Utilities	July	664.7	0.00	0.44
Information	July	63.9	-1.39	-6.99
Financial Activities	July	203.8	-0.88	1.80
Professional and Business Services	July	740.3	0.64	3.35
Education and Health Services	July	546.7	0.44	3.09
Leisure and Hospitality	July	407.4	-0.02	2.57
Other Services	July	200.6	0.00	0.50
Government	July	715.8	0.15	0.20

Metro Payroll Employment (NSA)	Period	Level (000s)	YoY % Change
Blacksburg MSA - Total	July	76.1	2.56
Charlottesville MSA - Total	July	114.6	2.60
Lynchburg MSA - Total	July	103.9	0.78
Northern Virginia - Total	July	1,472.4	1.95
Richmond MSA - Total	July	680.9	2.58
Roanoke MSA - Total	July	163.2	1.49
Virginia Beach-Norfolk MSA - Total	July	775.3	-0.36
Winchester MSA - Total	July	63.0	2.27

Virginia Payroll Employment Performance  
Year-over-Year Percent Change in July 2017



Virginia Total Employment Performance  
Year-over-Year Percent Change in July 2017



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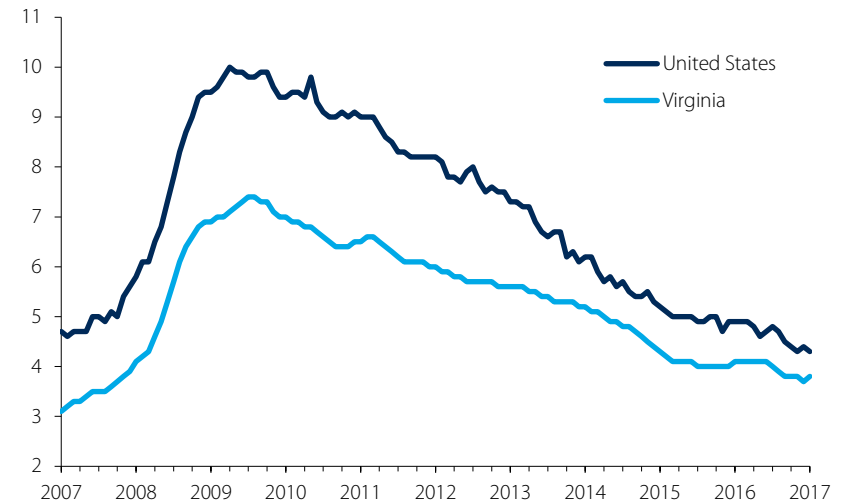
Labor Market Conditions

Unemployment Rate (SA)	July 17	June 17	July 16
United States	4.3	4.4	4.9
Fifth District	4.1	4.1	4.6
Virginia	3.8	3.7	4.1
Blacksburg MSA	3.9	4.1	4.4
Charlottesville MSA	3.3	3.3	3.5
Lynchburg MSA	4.4	4.4	4.6
Northern Virginia (NSA)	3.2	3.2	3.4
Richmond MSA	3.8	3.8	4.1
Roanoke MSA	3.8	3.8	3.9
Virginia Beach-Norfolk MSA	4.2	4.2	4.6
Winchester MSA	3.4	3.4	3.7

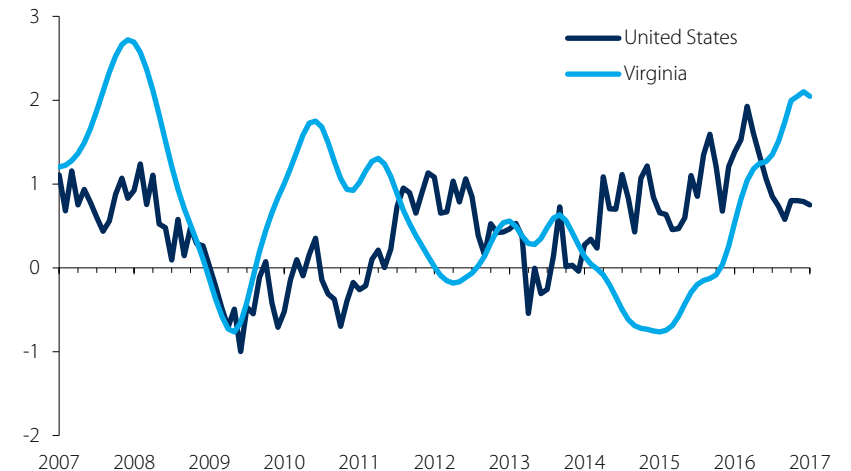
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	July	160,494	0.22	0.75
Fifth District	July	15,960	0.01	1.42
Virginia	July	4,320	0.14	2.05
Blacksburg MSA	July	93	0.33	2.32
Charlottesville MSA	July	119	0.00	3.21
Lynchburg MSA	July	123	0.65	1.90
Northern Virginia (NSA)	July	1,631	0.88	3.46
Richmond MSA	July	687	0.78	3.63
Roanoke MSA	July	161	0.37	2.42
Virginia Beach-Norfolk MSA	July	842	-0.02	0.80
Winchester MSA	July	71	0.43	2.16

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	July	1,020,042	-0.74	-5.03
Fifth District	July	63,451	-0.12	-5.58
Virginia	July	13,304	-0.44	-3.61

Virginia Unemployment Rate  
Through July 2017



Virginia Labor Force  
Year-over-Year Percent Change through July 2017



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Household Conditions

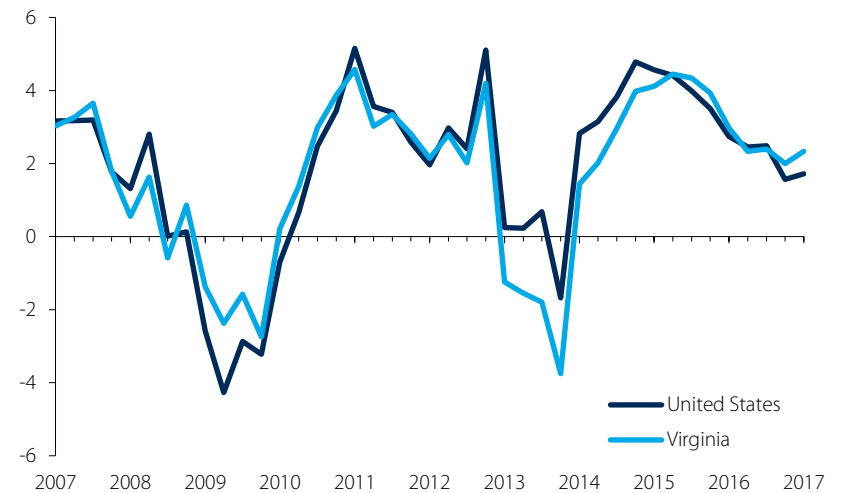
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q1:17	14,566,707	0.42	1.72
Fifth District	Q1:17	1,411,126	0.55	2.36
Virginia	Q1:17	413,798	0.62	2.33

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Richmond MSA	2017	78.7	---	8.70
Roanoke MSA	2017	66.9	---	---
Virginia Beach-Norfolk MSA	2017	73.0	---	3.55

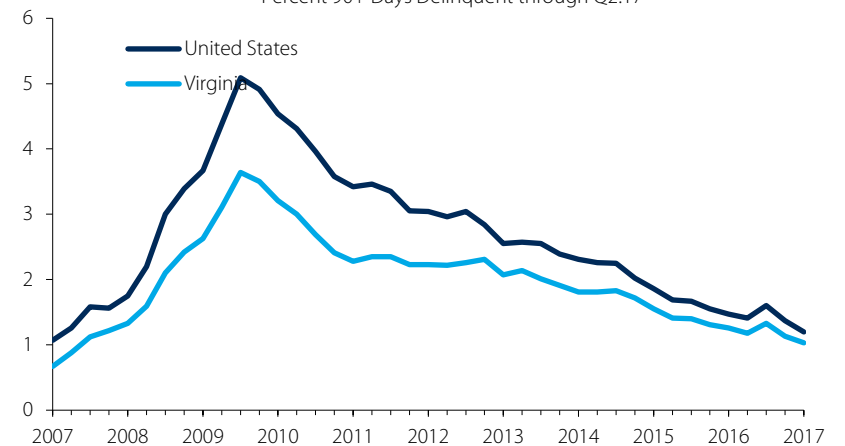
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q2:17	203,976	4.33	0.81
Fifth District	Q2:17	16,650	0.08	-0.93
Virginia	Q2:17	5,838	-0.55	0.60

Mortgage Delinquencies (% 90+ Days Delinquent)	Q2:17	Q1:17	Q2:16
<b>United States</b>			
All Mortgages	1.20	1.37	1.47
Conventional - Fixed Rate	0.92	1.11	1.10
Conventional - Adjustable Rate	2.12	2.39	2.68
<b>Virginia</b>			
All Mortgages	1.03	1.13	1.26
Conventional - Fixed Rate	0.74	0.85	0.88
Conventional - Adjustable Rate	1.96	2.09	2.43

Virginia Real Personal Income  
Year-over-Year Percent Change through Q1:17



Virginia Mortgage Delinquencies  
Percent 90+ Days Delinquent through Q2:17



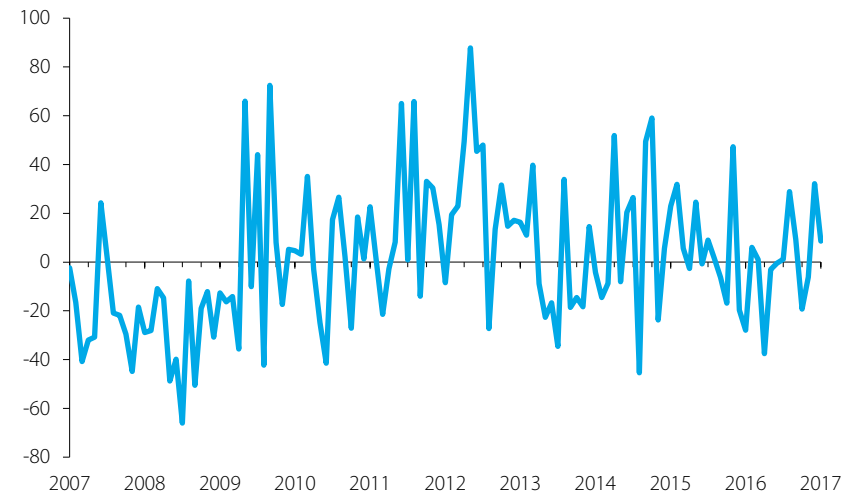
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Real Estate Conditions

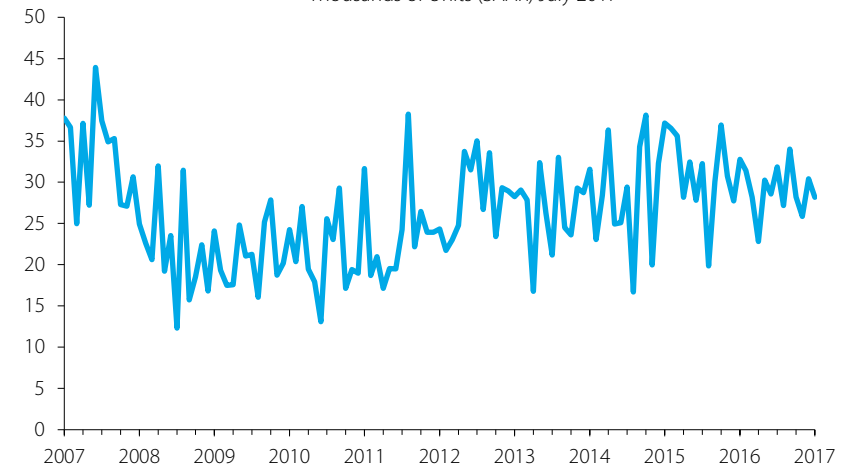
Permits: New Private Housing Units (NSA)	Period	Level	MoM % Change	YoY % Change
United States	July	101,005	-21.01	6.18
Fifth District	July	14,160	-0.07	12.63
Virginia	July	2,669	-22.53	8.54
Charlottesville MSA	July	75	-18.48	20.97
Harrisonburg MSA	July	56	47.37	69.70
Lynchburg MSA	July	44	-46.99	62.96
Richmond MSA	July	428	-35.05	14.13
Virginia Beach-Norfolk MSA	July	383	-13.35	-42.06
Winchester MSA	July	42	-60.00	-72.90

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	July	1,155	-4.78	-5.56
Fifth District	July	149	19.43	-10.83
Virginia	July	28.2	-7.40	-14.07

Virginia New Housing Units  
Year-over-Year Percent Change through July 2017



Virginia Housing Starts  
Thousands of Units (SAAR) July 2017



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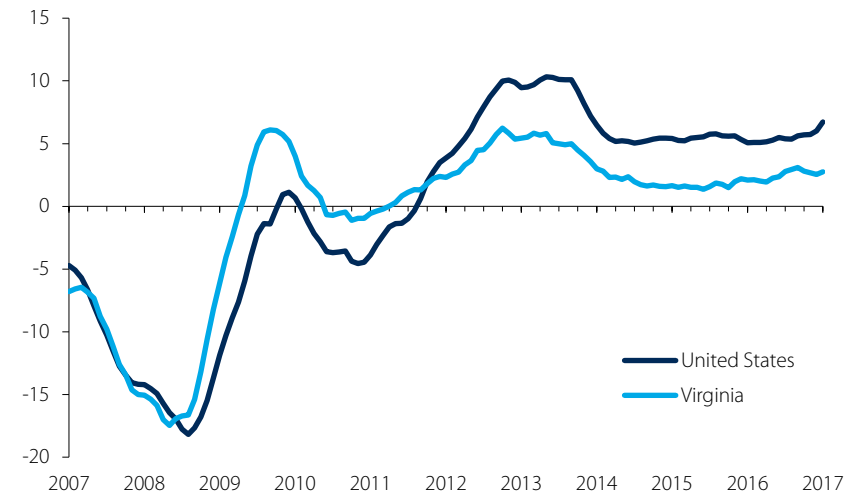
Real Estate Conditions

House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	June	192	1.11	6.73
Fifth District	June	193	0.42	3.79
Virginia	June	212	0.70	2.76
Blacksburg MSA	June	167	0.80	6.39
Charlottesville MSA	June	192	2.50	5.48
Danville MSA	June	234	-0.83	0.73
Harrisonburg MSA	June	223	-0.78	5.45
Lynchburg MSA	June	164	0.47	3.37
Richmond MSA	June	179	1.17	5.58
Roanoke MSA	June	150	-0.69	-0.17
Virginia Beach-Norfolk MSA	June	194	1.17	1.95
Winchester MSA	June	211	1.57	3.45

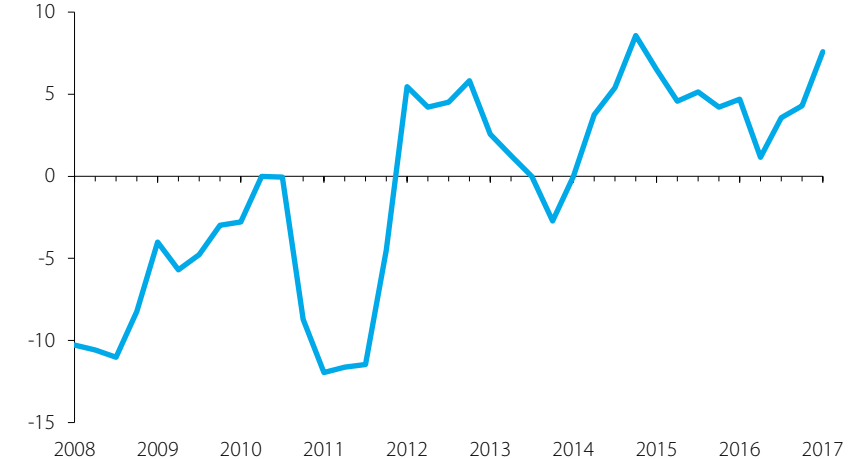
Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	Q2:17	254	8.27	5.66
Virginia Beach-Norfolk MSA	Q2:17	240	16.17	7.58

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	Q2:17	234	5.88	4.00
Virginia Beach-Norfolk MSA	Q2:17	215	13.16	0.00

Virginia House Price Index (CoreLogic)  
Year-over-Year Percent Change through June 2017



Virginia Beach-Norfolk MSA Median Home Sales Price (NAR)  
Year-over-Year Percent Change through Q2:17



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Real Estate Conditions

Housing Opportunity Index (%)	Q2:17	Q1:17	Q2:16
Richmond MSA	76.6	76.6	74.8
Roanoke MSA	80.8	90.4	87.0
Virginia Beach-Norfolk MSA	76.8	80.3	76.9

Commercial Vacancy Rates (%)	Q2:17	Q1:17	Q2:16
<b>Office Vacancies</b>			
Norfolk	11.3	12.3	13.0
Richmond	9.9	10.3	12.5
<b>Industrial Vacancies</b>			
Northern Virginia	---	---	12.0
Richmond	---	9.3	10.2

Richmond MSA Office Vacancy Rate  
Through Q2:17



Richmond MSA Industrial Vacancy Rate  
Through Q1:17

