

**VIRGINIA**

September Summary

The most recent reports on Virginia’s economy were generally upbeat. Payroll employment rose, the unemployment rate remained low, and housing market indicators were mostly positive.

Labor Markets: Payroll employment in Virginia rose by 3,400 jobs (0.1 percent), on net, in July. The monthly job gain was largely driven by the leisure and hospitality industry, which added 4,100 jobs (1.0 percent growth). Additionally, jobs were added in education and health services (1,900 jobs or 0.3 percent), construction (1,700 jobs or 0.8 percent), and financial activities (900 jobs or 0.4 percent). Those gains, however, were largely offset by a sizeable decline in the government sector of 4,300 jobs (0.6 percent). Since July of 2018, total employment in Virginia grew 0.6 percent (23,000 jobs). The largest year-over-year gains occurred in leisure and hospitality (11,700 jobs) and education and health services (11,100 jobs), followed by professional and business services (6,600 jobs) and manufacturing (6,100 jobs). The only industries to cut jobs since last year were trade, transportation, and utilities (6,900 jobs), government (6,600 jobs), and information (3,700 jobs).

Household Conditions: The unemployment rate in Virginia held steady at 2.9 percent in July and also matched the unemployment rate reported in July 2018. In the first quarter of 2019, the share of Virginia mortgages with payments 90 or more days past due was inched down to 0.9 percent. Delinquency rates for fixed and adjustable rate conventional loans both edged down in the second quarter to 0.6 percent and 1.6 percent, respectively. In the first quarter of 2019, real personal income in Virginia rose 0.9 percent and increased 2.5 percent since the first quarter of 2018.

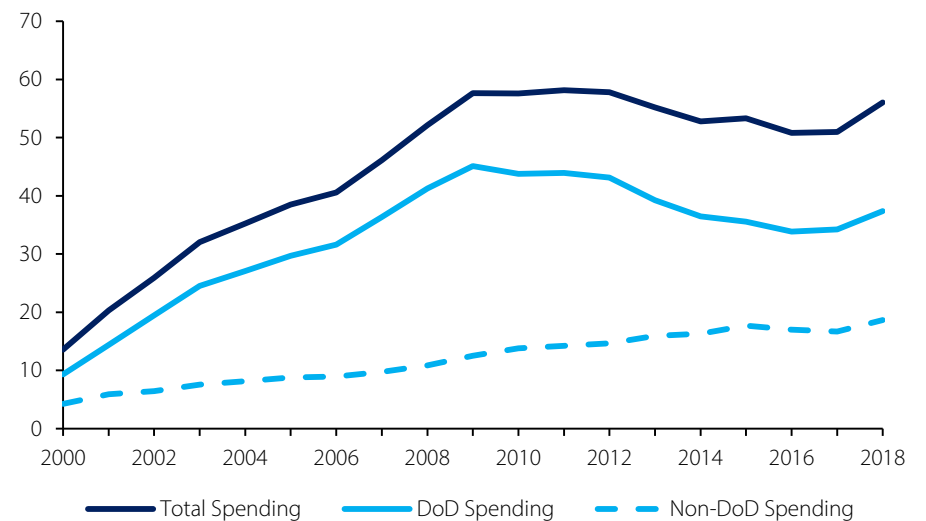
Housing Markets: Virginia issued 3,263 new residential permits in July, up 11.8 percent from the prior month and up 10.4 percent from July 2018. The Richmond MSA issued the most permits in July (711 permits), followed by the Virginia Beach-Norfolk MSA (417 permits). Meanwhile, housing starts in Virginia totaled 32,100 in July, down 5.5 percent from the prior month but up 0.7 percent on a year-over-year basis. According to CoreLogic Information Solutions, Virginia home values rose 0.3 percent in June and appreciated 3.0 percent on a year-over-year basis. At the metro level, house prices increased in every MSA in the month except Danville and Charlottesville. House prices rose in every MSA except Danville on a year-over-year basis.

A Closer Look at...Federal Contract Spending

FedSpendTop, a data product provided by Chmura Economics and Analytics, takes data from the Federal Procurement Data System and reallocates contract dollars based on the location of a subcontractor, where applicable, and divides contract amounts evenly over the years for which the contract endures. This allows for an approximation of the amount of money spent to fund work in a given year and place. According to the data, in Fiscal Year 2018:

- Total spending for Virginia was \$56.1 billion, compared to \$58.3 billion using USAspending data. This was 10.0% more spending than in 2017.
- 37.4 billion dollars, 66.7% of total spending, were allocated to the Department of Defense, 9.2% more than were allocated in 2017.
- 18.7 billion dollars, 33.3% of the total, were allocated to all other departments within the Federal government, 11.7% more than were allocated in 2017.

**Virginia Federal Contract Spending**  
Billions of Dollars



# SNAPSHOT

# A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

September 2019

FEDERAL RESERVE BANK OF RICHMOND

## VIRGINIA

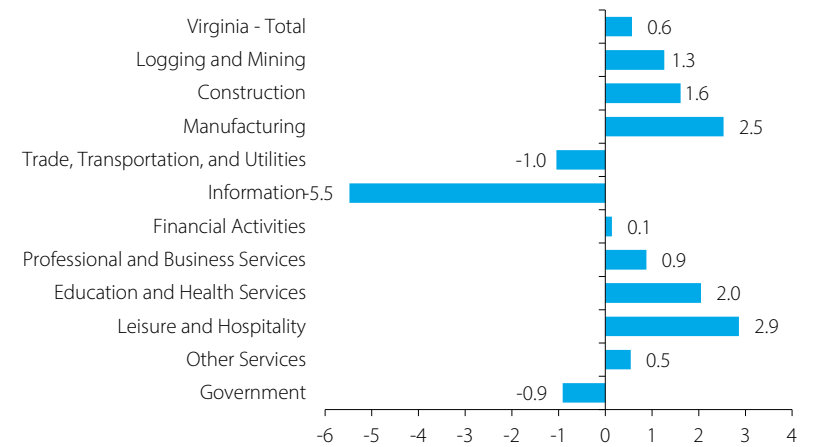
### Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	July	151,431.0	0.11	1.51
Fifth District - Total	July	15,068.5	0.09	1.01
Virginia - Total	July	4,030.7	0.08	0.57
Logging and Mining	July	8.0	0.00	1.27
Construction	July	201.9	0.85	1.61
Manufacturing	July	246.7	-0.08	2.54
Trade, Transportation, and Utilities	July	652.7	-0.02	-1.05
Information	July	63.8	-0.31	-5.48
Financial Activities	July	208.2	0.43	0.14
Professional and Business Services	July	757.8	-0.01	0.88
Education and Health Services	July	552.6	0.35	2.05
Leisure and Hospitality	July	420.4	0.98	2.86
Other Services	July	202.1	-0.15	0.55
Government	July	716.5	-0.60	-0.91

Metro Payroll Employment (NSA)	Period	Level (000s)	YoY % Change
Blacksburg MSA - Total	July	75.0	0.00
Charlottesville MSA - Total	July	118.7	1.98
Lynchburg MSA - Total	July	105.4	0.76
Northern Virginia - Total	July	1,508.7	0.90
Richmond MSA - Total	July	692.0	1.59
Roanoke MSA - Total	July	162.5	1.18
Virginia Beach-Norfolk MSA - Total	July	808.2	1.23
Winchester MSA - Total	July	66.0	2.80

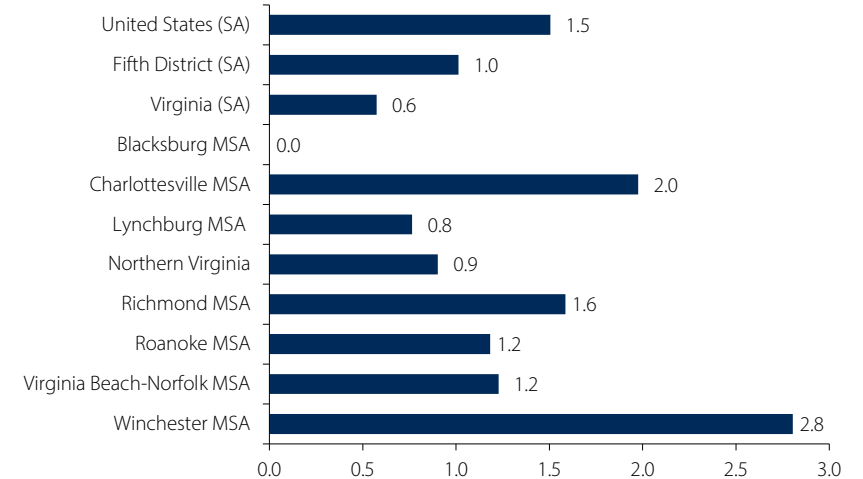
### Virginia Payroll Employment Performance

Year-over-Year Percent Change in July 2019



### Virginia Total Employment Performance

Year-over-Year Percent Change in July 2019



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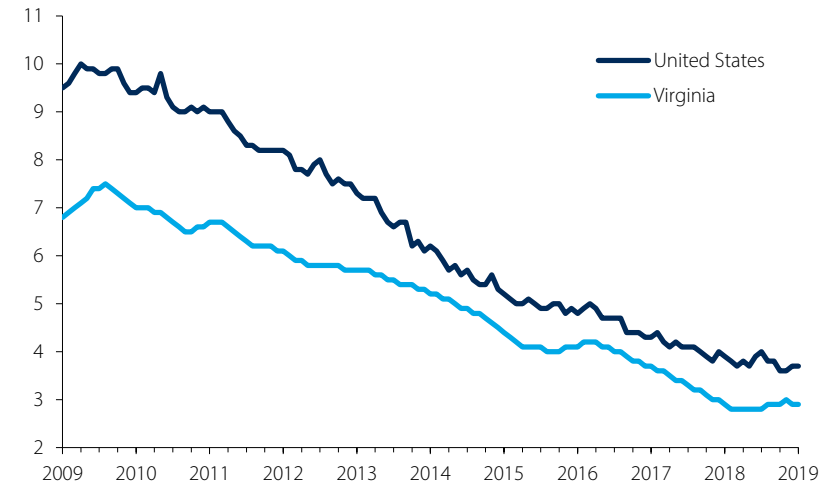
### Labor Market Conditions

Unemployment Rate (SA)	July 19	June 19	July 18
United States	3.7	3.7	3.9
Fifth District	3.7	3.7	3.6
Virginia	2.9	2.9	2.9
Blacksburg MSA	3.0	3.0	3.0
Charlottesville MSA	2.6	2.7	2.7
Lynchburg MSA	3.3	3.3	3.4
Northern Virginia (NSA)	2.4	2.5	2.4
Richmond MSA	3.0	3.0	3.1
Roanoke MSA	2.8	2.8	2.9
Virginia Beach-Norfolk MSA	3.1	3.2	3.2
Winchester MSA	2.7	2.8	2.9

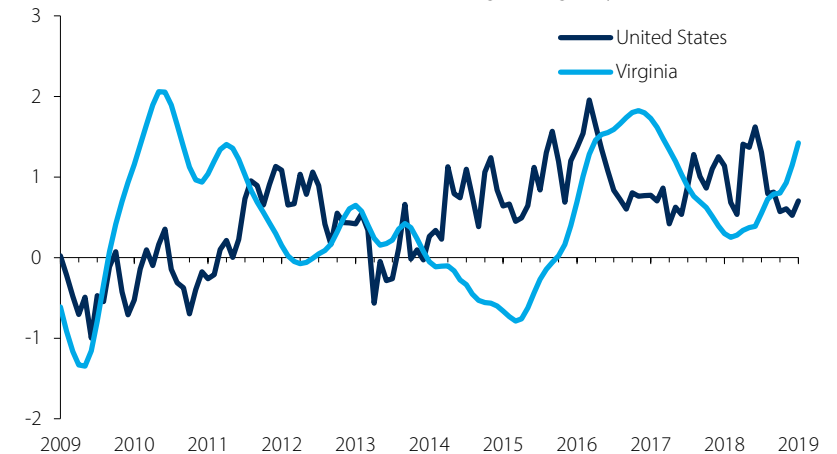
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	July	163,351	0.23	0.70
Fifth District	July	16,306	0.29	1.82
Virginia	July	4,390	0.28	1.42
Blacksburg MSA	July	90	0.33	0.22
Charlottesville MSA	July	121	0.50	1.68
Lynchburg MSA	July	124	0.16	1.56
Northern Virginia (NSA)	July	1,665	0.80	1.70
Richmond MSA	July	686	0.50	1.46
Roanoke MSA	July	159	0.25	1.41
Virginia Beach-Norfolk MSA	July	861	0.36	1.46
Winchester MSA	July	74	0.27	2.51

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	July	938,776	5.34	-2.21
Fifth District	July	56,040	5.90	1.79
Virginia	July	11,885	16.99	6.09

Virginia Unemployment Rate  
Through July 2019



Virginia Labor Force  
Year-over-Year Percent Change through July 2019



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### Household Conditions

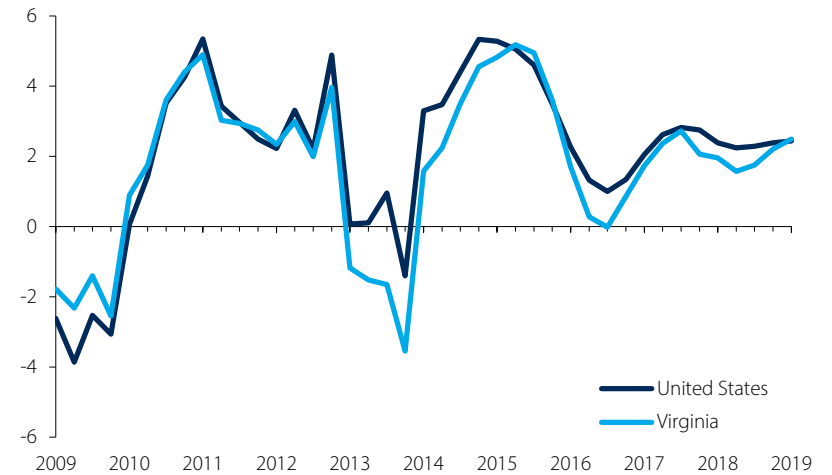
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q1:19	16,494,940	0.75	2.44
Fifth District	Q1:19	1,589,617	0.80	2.62
Virginia	Q1:19	456,456	0.85	2.49

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Richmond MSA	Q1:19	86.4	3.85	3.85
Roanoke MSA	Q1:19	73.1	8.78	8.78
Virginia Beach-Norfolk MSA	Q1:19	79.3	5.73	5.73

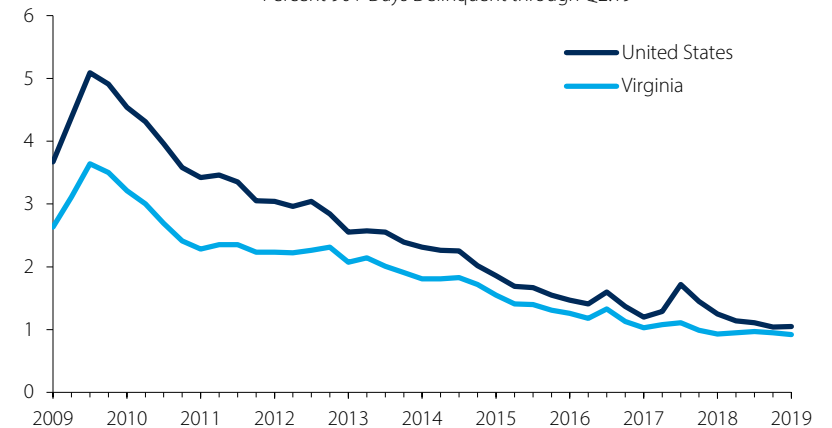
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q2:19	200,540	7.74	0.19
Fifth District	Q2:19	16,588	3.85	-0.99
Virginia	Q2:19	5,983	2.84	0.25

Mortgage Delinquencies (% 90+ Days Delinquent)	Q2:19	Q1:19	Q2:18
United States			
All Mortgages	1.05	1.04	1.25
Conventional - Fixed Rate	0.79	0.76	0.94
Conventional - Adjustable Rate	1.67	1.73	1.97
Virginia			
All Mortgages	0.92	0.95	0.93
Conventional - Fixed Rate	0.64	0.66	0.66
Conventional - Adjustable Rate	1.55	1.65	1.63

Virginia Real Personal Income  
Year-over-Year Percent Change through Q1:19



Virginia Mortgage Delinquencies  
Percent 90+ Days Delinquent through Q2:19



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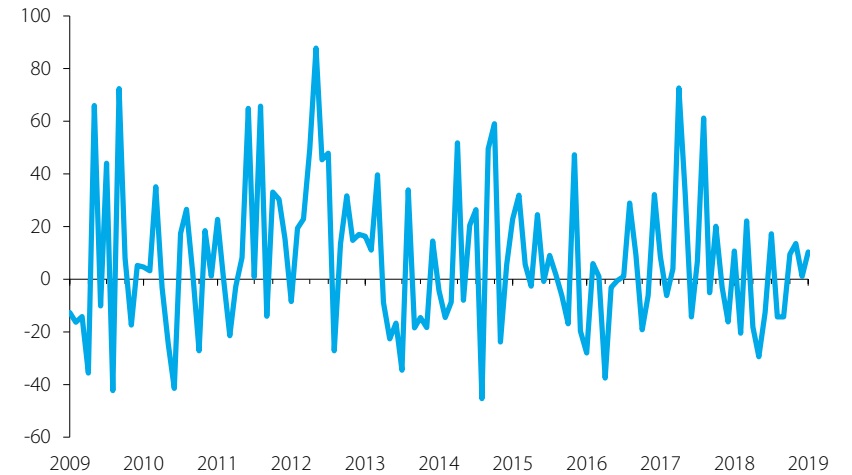
## VIRGINIA

### Real Estate Conditions

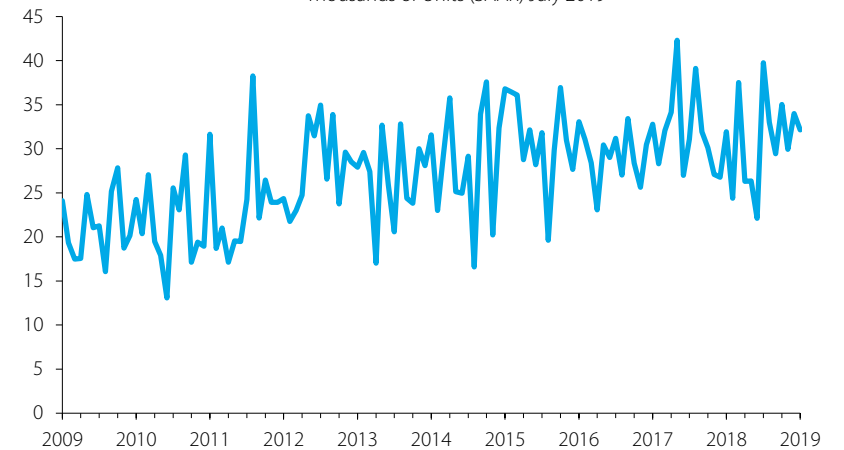
Permits: New Private Housing Units (NSA)	Period	Level	MoM % Change	YoY % Change
United States	July	118,777	7.00	5.08
Fifth District	July	14,699	5.29	4.41
Virginia	July	3,263	11.82	10.39
Charlottesville MSA	July	115	21.05	29.21
Harrisonburg MSA	July	35	-2.78	-25.53
Lynchburg MSA	July	55	323.08	37.50
Richmond MSA	July	711	-15.05	50.64
Virginia Beach-Norfolk MSA	July	417	-35.55	17.46
Winchester MSA	July	73	21.67	30.36

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	July	1,191	-4.03	0.59
Fifth District	July	145	-10.98	-4.75
Virginia	July	32.1	-5.47	0.69

Virginia New Housing Units  
Year-over-Year Percent Change through July 2019



Virginia Housing Starts  
Thousands of Units (SAAR) July 2019



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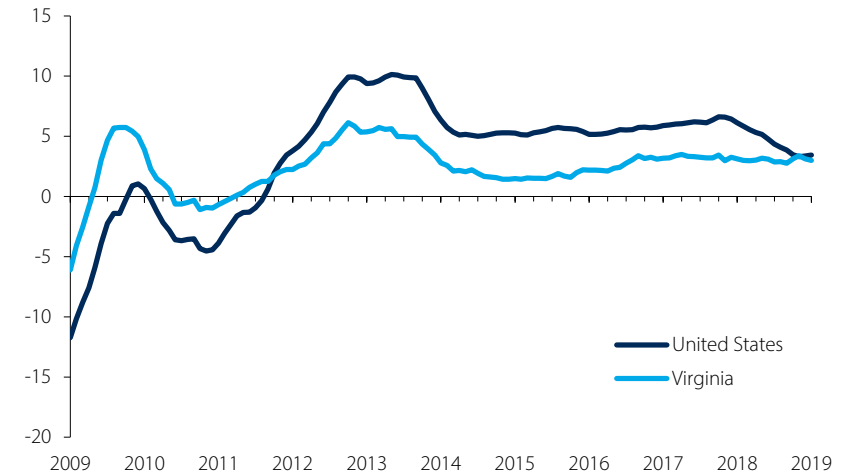
### Real Estate Conditions

House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	June	210	0.42	3.44
Fifth District	June	208	0.25	3.28
Virginia	June	226	0.32	3.00
Blacksburg MSA	June	169	1.38	4.77
Charlottesville MSA	June	203	-0.09	1.07
Danville MSA	June	183	-1.04	-4.44
Harrisonburg MSA	June	241	1.79	3.48
Lynchburg MSA	June	172	0.15	3.76
Richmond MSA	June	194	0.24	3.95
Roanoke MSA	June	164	0.75	3.53
Virginia Beach-Norfolk MSA	June	194	0.38	1.63
Winchester MSA	June	212	0.32	3.58

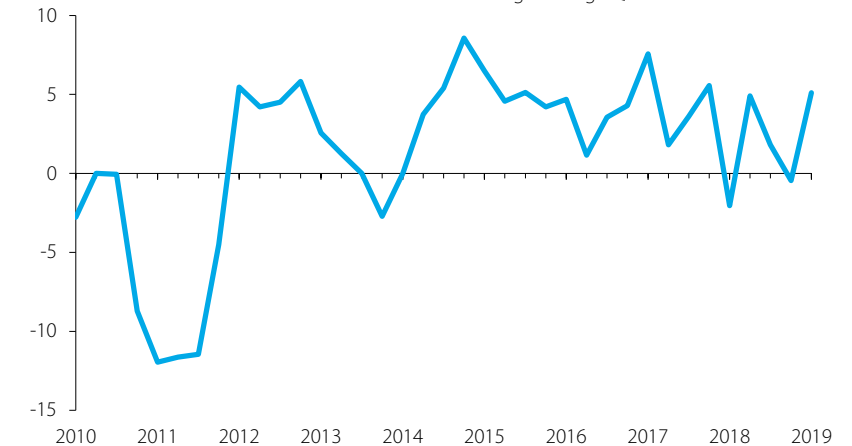
Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	Q2:19	286	7.12	7.00
Virginia Beach-Norfolk MSA	Q2:19	247	13.82	5.11

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	Q1:19	235	0.00	9.30
Virginia Beach-Norfolk MSA	Q1:19	213	0.47	3.40

Virginia House Price Index (CoreLogic)  
Year-over-Year Percent Change through June 2019



Virginia Beach-Norfolk MSA Median Home Sales Price (NAR)  
Year-over-Year Percent Change through Q2:19



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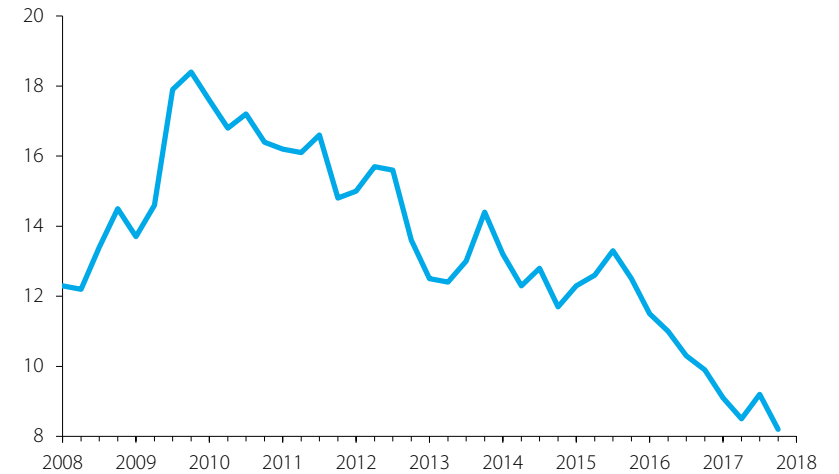
## VIRGINIA

### Real Estate Conditions

Housing Opportunity Index (%)	Q1:19	Q4:18	Q1:18
Richmond MSA	78.0	74.3	80.8
Roanoke MSA	88.2	85.2	87.7
Virginia Beach-Norfolk MSA	78.3	73.8	77.9

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

Richmond MSA Office Vacancy Rate  
Through Q2:18



Richmond MSA Industrial Vacancy Rate  
Through Q1:18

