

VIRGINIA

January Summary

Recent reports on Virginia's economy were mixed. Payroll employment declined slightly, the unemployment rate edged up, and housing market reports varied.

Labor Markets: Total employment in Virginia dipped 0.1 percent as 5,700 jobs were cut, on net, from payrolls. The trade, transportation, and utilities industry cut the most jobs in the month (4,700 jobs), followed by leisure and hospitality (2,300 jobs), professional and business services (1,300 jobs), and government (900 jobs). On a positive note, 1,100 jobs were added in "other" services and 900 jobs were added in both construction and manufacturing. Smaller job gains were reported in the remaining industries. On a year-over-year basis, payroll employment in Virginia grew 0.9 percent, which lagged the national rate of 1.4 percent. The largest employment growth came from educational and health services, which grew 2.9 percent by adding 15,600 jobs since last November. In absolute terms, professional and business services followed with 11,700 jobs added. The only industries to contract since November 2016 were trade, transportation, and utilities; information; and government.

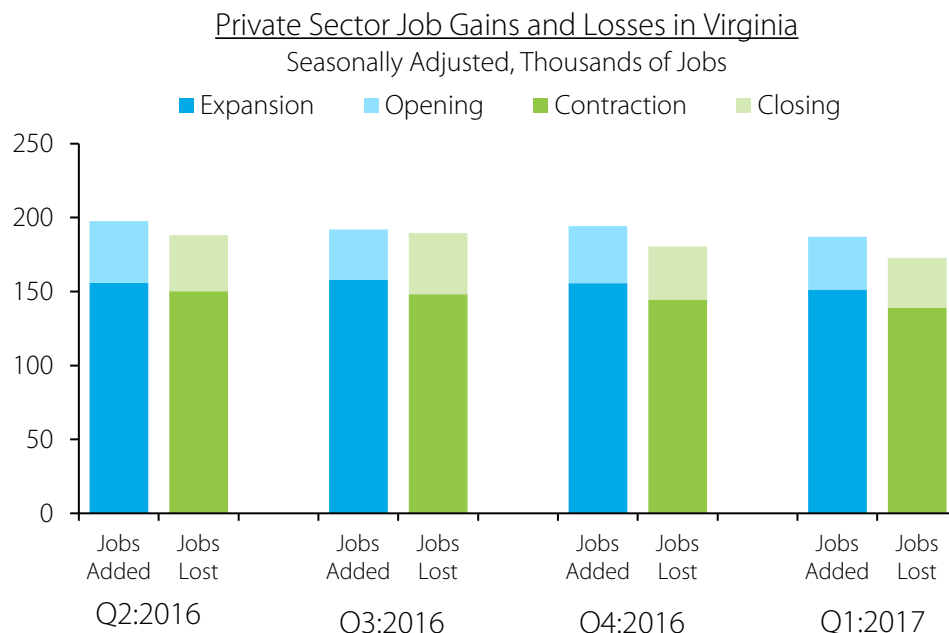
Household Conditions: The unemployment rate in Virginia edged up 0.1 percentage point to 3.7 percent in November. The number of unemployed increased 1.0 percent in the month while the labor force declined 0.3 percent; the labor force participation rate dropped 0.2 percentage point to 65.6 percent. In the third quarter of 2017, the share of Virginia mortgages with payments 90 or more days past due rose 0.1 percentage point to 1.1 percent. The delinquency rate for fixed rate conventional loans also rose in the third quarter to 0.8 percent while the delinquency rate for adjustable rate loans was unchanged at 2.0 percent. Also in the third quarter, real personal income in Virginia rose 0.3 percent and increased 1.2 percent since the third quarter of 2016.

Housing Markets: Virginia issued 2,936 new residential permits in November, down slightly (0.5 percent) from the prior month but up 32.9 percent from November 2016. At the metro level, permitting activity picked up in every MSA except Charlottesville and Harrisonburg in November and in every MSA except Harrisonburg and Lynchburg on a year-over-year basis. Housing starts in Virginia totaled 43,500 in November, up 27.8 percent from the prior month and up 43.7 percent on a year-over-year basis. According to CoreLogic Information Solutions, Virginia home values depreciated 0.2 percent in October but appreciated 2.9 percent since October 2016. Home prices declined in every MSA in the month but increased in every MSA except Danville compared to last October.

A Closer Look at... Business Employment Dynamics

The BLS Business Employment Dynamics data includes information on job gains and job losses based on a quarterly census of administrative records. Job gains are attributed to establishments that had employment for the first time in the given quarter (openings) and those that had net increases in employment over the period (expansions). Similarly, job losses are attributed to establishments that reported zero employment in the quarter but had previously reported positive employment (closings) and those that had a net decrease in employment over the period (contractions).

The number of establishments in Virginia reporting job losses in 2017 Q1 was 52,457, including 10,604 closings. In the same period 56,724 establishments reported job gains, including 11,934 openings.



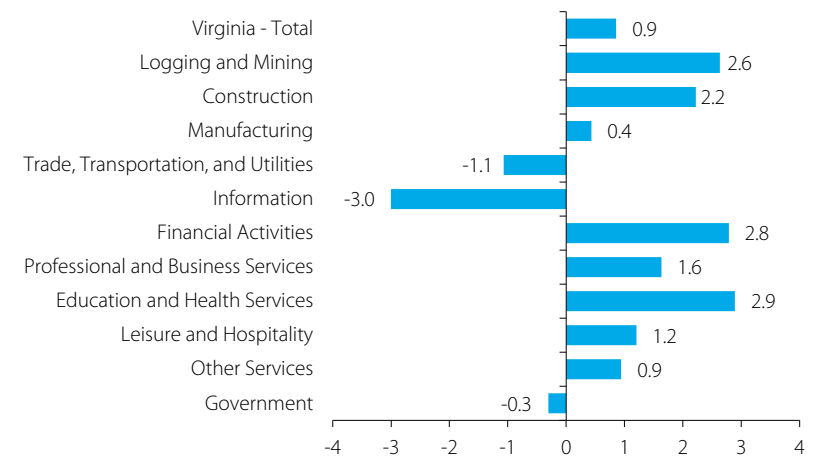
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Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	147,241.0	0.16	1.43
Fifth District - Total	November	14,851.4	0.06	1.45
Virginia - Total	November	3,966.5	-0.14	0.86
Logging and Mining	November	7.8	0.00	2.63
Construction	November	193.2	0.47	2.22
Manufacturing	November	233.6	0.39	0.43
Trade, Transportation, and Utilities	November	656.6	-0.71	-1.07
Information	November	64.6	0.47	-3.00
Financial Activities	November	206.6	0.10	2.79
Professional and Business Services	November	729.2	-0.18	1.63
Education and Health Services	November	555.0	0.02	2.89
Leisure and Hospitality	November	404.3	-0.57	1.20
Other Services	November	203.3	0.54	0.94
Government	November	712.3	-0.13	-0.31

Metro Payroll Employment (NSA)	Period	Level (000s)	YoY % Change
Blacksburg MSA - Total	November	80.5	1.64
Charlottesville MSA - Total	November	119.6	1.87
Lynchburg MSA - Total	November	105.7	0.28
Northern Virginia - Total	November	1,472.6	1.11
Richmond MSA - Total	November	681.4	1.44
Roanoke MSA - Total	November	165.9	1.22
Virginia Beach-Norfolk MSA - Total	November	767.4	-0.78
Winchester MSA - Total	November	64.6	2.38

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



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



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

January 2018

FEDERAL RESERVE BANK OF RICHMOND

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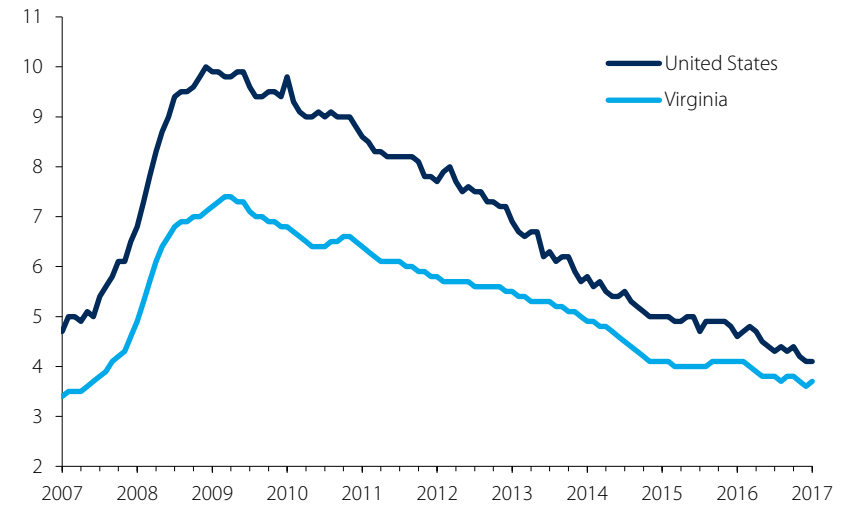
Labor Market Conditions

Unemployment Rate (SA)	November 17	October 17	November 16
United States	4.1	4.1	4.6
Fifth District	4.1	4.0	4.6
Virginia	3.7	3.6	4.1
Blacksburg MSA	4.1	4.0	4.5
Charlottesville MSA	3.4	3.1	3.6
Lynchburg MSA	4.5	4.3	4.6
Northern Virginia (NSA)	3.0	3.0	3.1
Richmond MSA	4.0	3.9	4.2
Roanoke MSA	3.8	3.7	4.1
Virginia Beach-Norfolk MSA	4.3	4.2	4.5
Winchester MSA	3.4	3.2	3.7

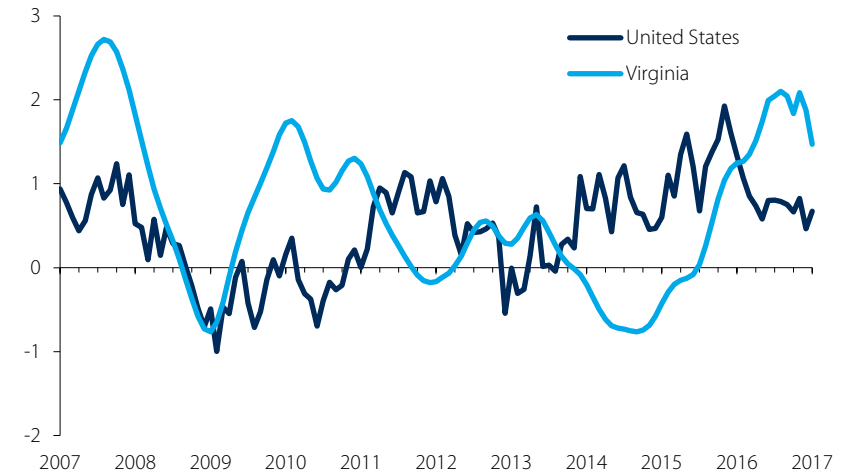
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	160,529	0.09	0.67
Fifth District	November	16,031	-0.07	1.26
Virginia	November	4,327	-0.26	1.47
Blacksburg MSA	November	93	-0.32	1.75
Charlottesville MSA	November	119	0.00	1.37
Lynchburg MSA	November	122	-0.41	0.16
Northern Virginia (NSA)	November	1,583	-0.29	0.92
Richmond MSA	November	679	-0.73	1.78
Roanoke MSA	November	160	-0.62	1.01
Virginia Beach-Norfolk MSA	November	830	-0.57	-0.75
Winchester MSA	November	71	0.00	1.86

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	1,097,635	11.18	-6.22
Fifth District	November	56,173	2.82	-20.04
Virginia	November	12,554	7.00	-16.07

Virginia Unemployment Rate
Through November 2017



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



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Household Conditions

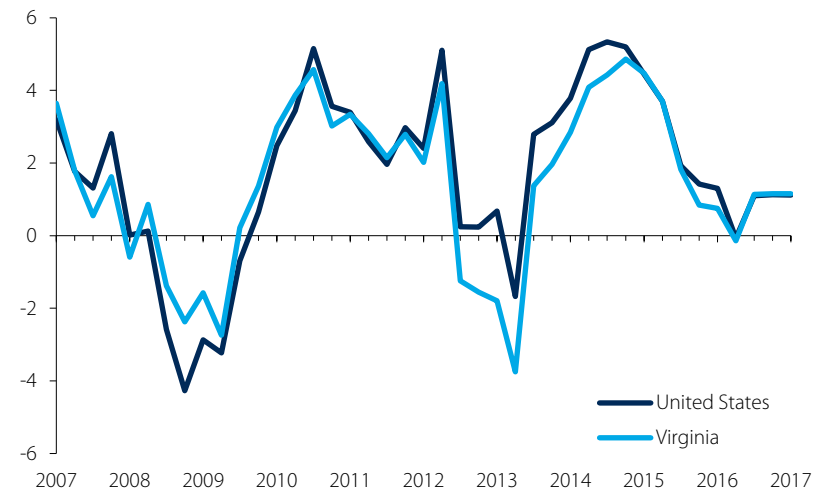
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q3:17	14,581,663	0.29	1.12
Fifth District	Q3:17	1,413,529	0.28	1.48
Virginia	Q3:17	407,965	0.30	1.15

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

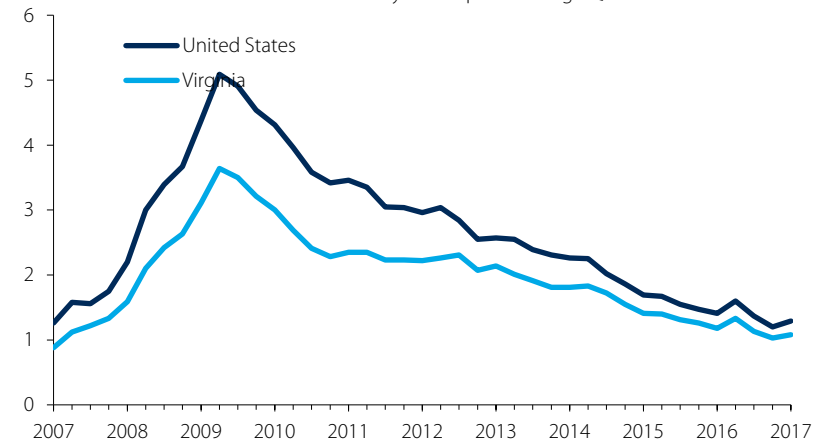
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q3:17	189,540	-7.08	-2.21
Fifth District	Q3:17	15,410	-7.45	-1.86
Virginia	Q3:17	5,381	-7.83	-2.98

Mortgage Delinquencies (% 90+ Days Delinquent)	Q3:17	Q2:17	Q3:16
United States			
All Mortgages	1.29	1.20	1.41
Conventional - Fixed Rate	0.98	0.92	1.05
Conventional - Adjustable Rate	2.17	2.12	2.57
Virginia			
All Mortgages	1.08	1.03	1.18
Conventional - Fixed Rate	0.78	0.74	0.83
Conventional - Adjustable Rate	2.01	1.96	2.27

Virginia Real Personal Income
Year-over-Year Percent Change through Q3:17



Virginia Mortgage Delinquencies
Percent 90+ Days Delinquent through Q3:17



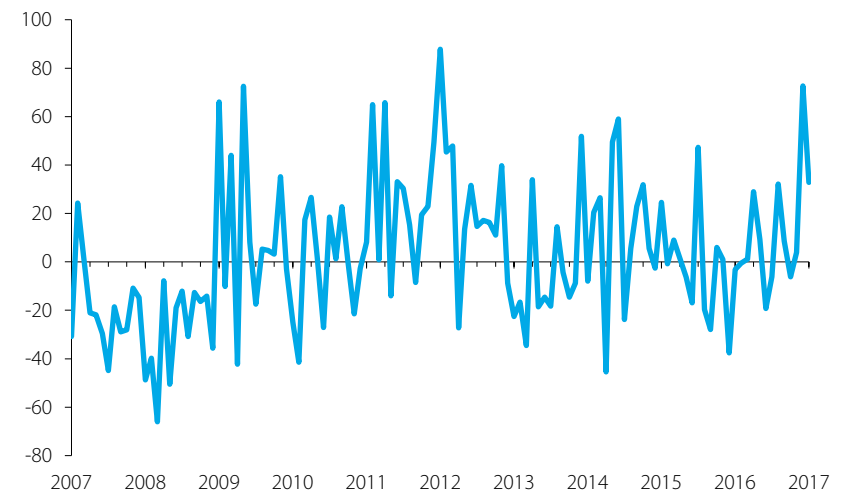
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Real Estate Conditions

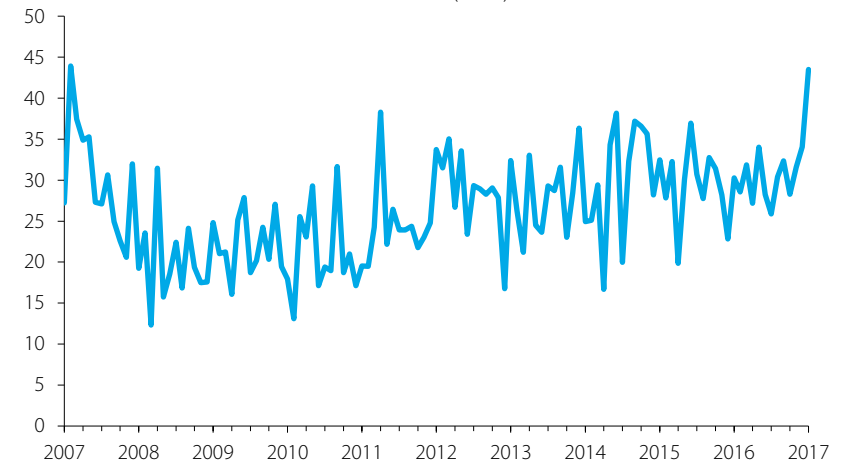
Permits: New Private Housing Units (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	96,966	-14.95	6.26
Fifth District	November	13,439	-5.86	30.05
Virginia	November	2,936	-0.47	32.85
Charlottesville MSA	November	74	-11.90	45.10
Harrisonburg MSA	November	27	-46.00	-57.81
Lynchburg MSA	November	31	244.44	-75.59
Richmond MSA	November	604	27.70	124.54
Virginia Beach-Norfolk MSA	November	631	63.05	68.72
Winchester MSA	November	54	17.39	74.19

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	1,297	3.26	12.88
Fifth District	November	199	20.82	40.71
Virginia	November	43.5	27.75	43.74

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



Virginia Housing Starts
Thousands of Units (SAAR) November 2017



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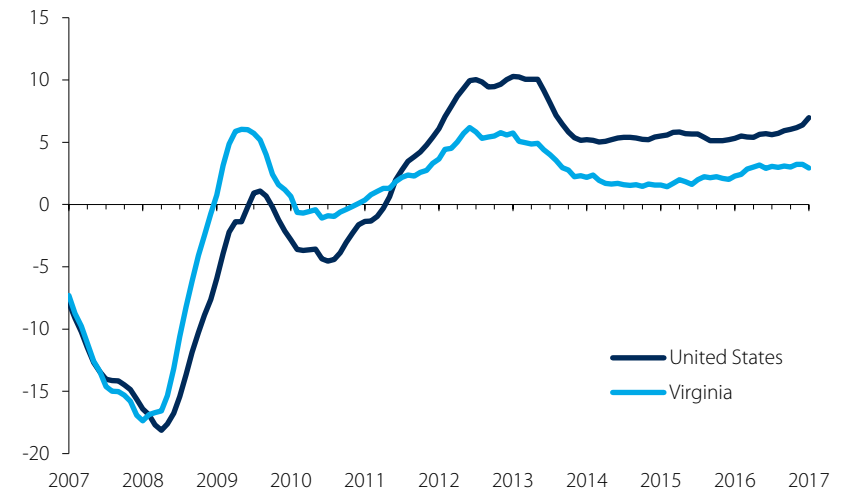
Real Estate Conditions

House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	October	195	0.89	6.97
Fifth District	October	195	0.11	4.06
Virginia	October	212	-0.24	2.93
Blacksburg MSA	October	156	-1.30	3.45
Charlottesville MSA	October	185	-0.24	4.18
Danville MSA	October	176	-0.24	-2.97
Harrisonburg MSA	October	233	-0.24	4.11
Lynchburg MSA	October	165	-0.41	3.64
Richmond MSA	October	178	-0.35	4.65
Roanoke MSA	October	153	-0.16	1.29
Virginia Beach-Norfolk MSA	October	193	-0.45	1.85
Winchester MSA	October	202	-0.25	5.73

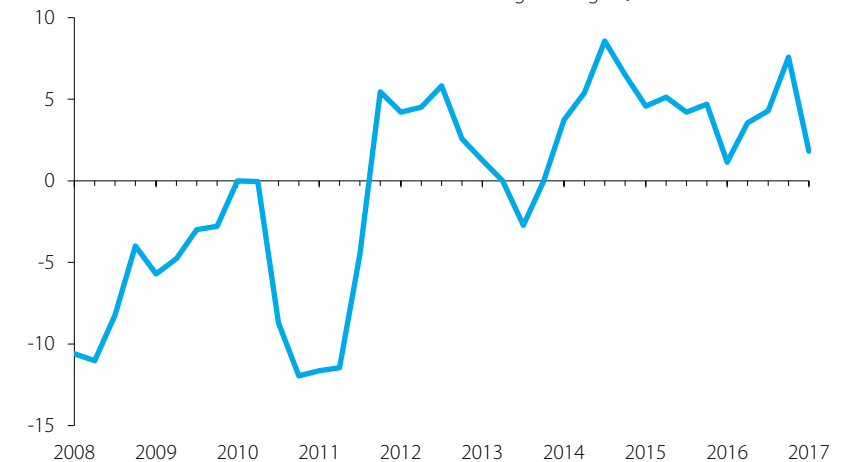
Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	Q3:17	259	1.93	7.96
Virginia Beach-Norfolk MSA	Q3:17	224	-6.63	1.82

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	Q3:17	230	-1.71	4.55
Virginia Beach-Norfolk MSA	Q3:17	224	4.19	4.19

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



Virginia Beach-Norfolk MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through Q3:17



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Real Estate Conditions

Housing Opportunity Index (%)	Q3:17	Q2:17	Q3:16
Richmond MSA	77.2	76.6	76.9
Roanoke MSA	80.9	80.8	86.6
Virginia Beach-Norfolk MSA	74.6	76.8	75.6

Commercial Vacancy Rates (%)	Q3:17	Q2:17	Q3:16
Office Vacancies			
Norfolk	10.7	11.3	12.5
Richmond	9.1	9.9	11.5
Industrial Vacancies			
Northern Virginia	---	---	12.2
Richmond	---	---	9.9

Richmond MSA Office Vacancy Rate
Through Q3:17



Richmond MSA Industrial Vacancy Rate
Through Q2:17

