

Virginia Association of REALTORS®
Legislative & Education Conference
February 14, 2008

***Virginia's Housing Market
and Economy
Outlook for 2008 and Beyond***

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Office of Housing Policy Research

John McClain, AICP
Senior Fellow and Deputy Director
Center for Regional Analysis

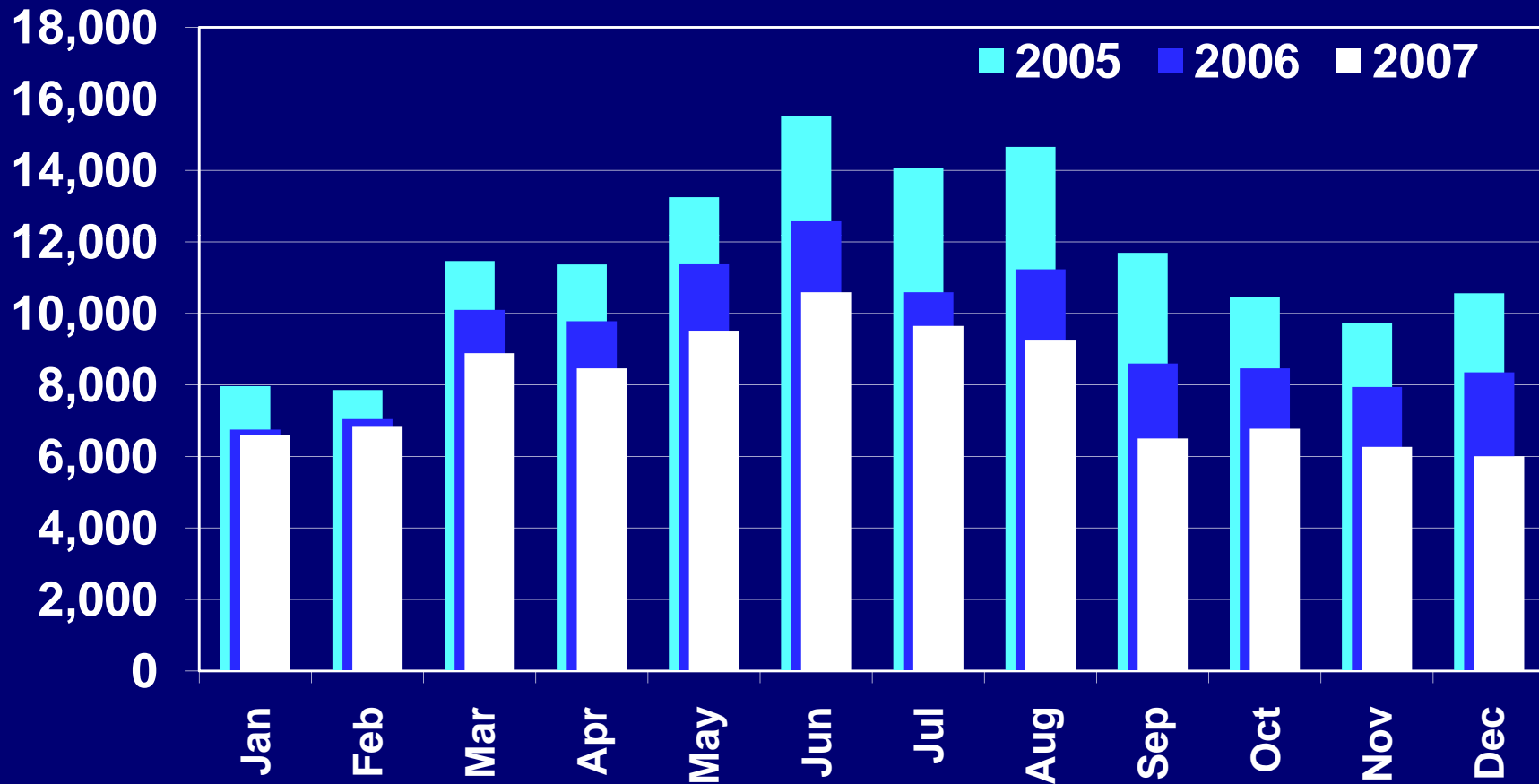
School of Public Policy, George Mason University

Outline

- Housing Market
 - Sales
 - Prices
 - Northern Virginia In-Depth
 - Foreclosure Activity
- Economy
 - U.S.
 - Virginia

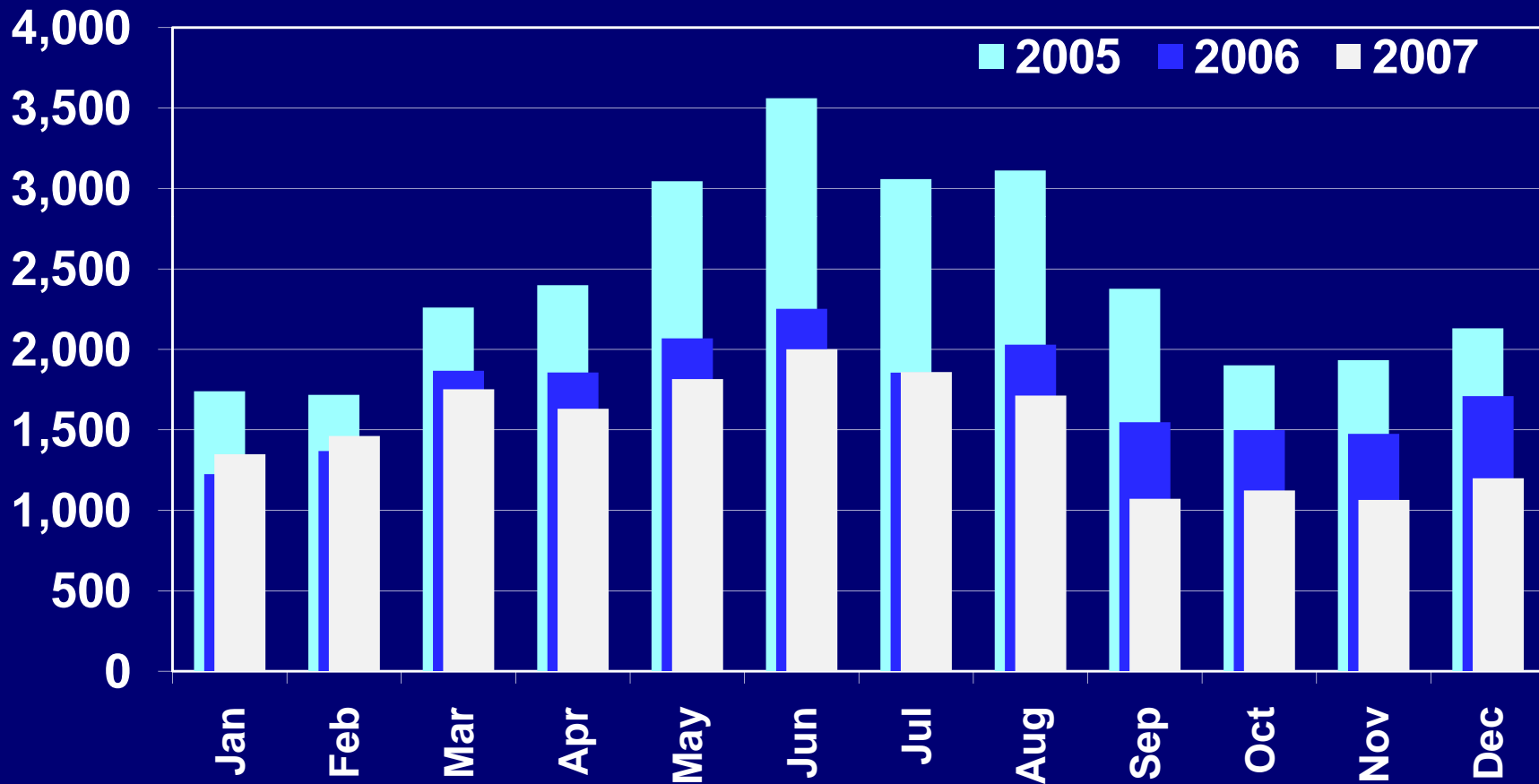
Sales

Sales Virginia



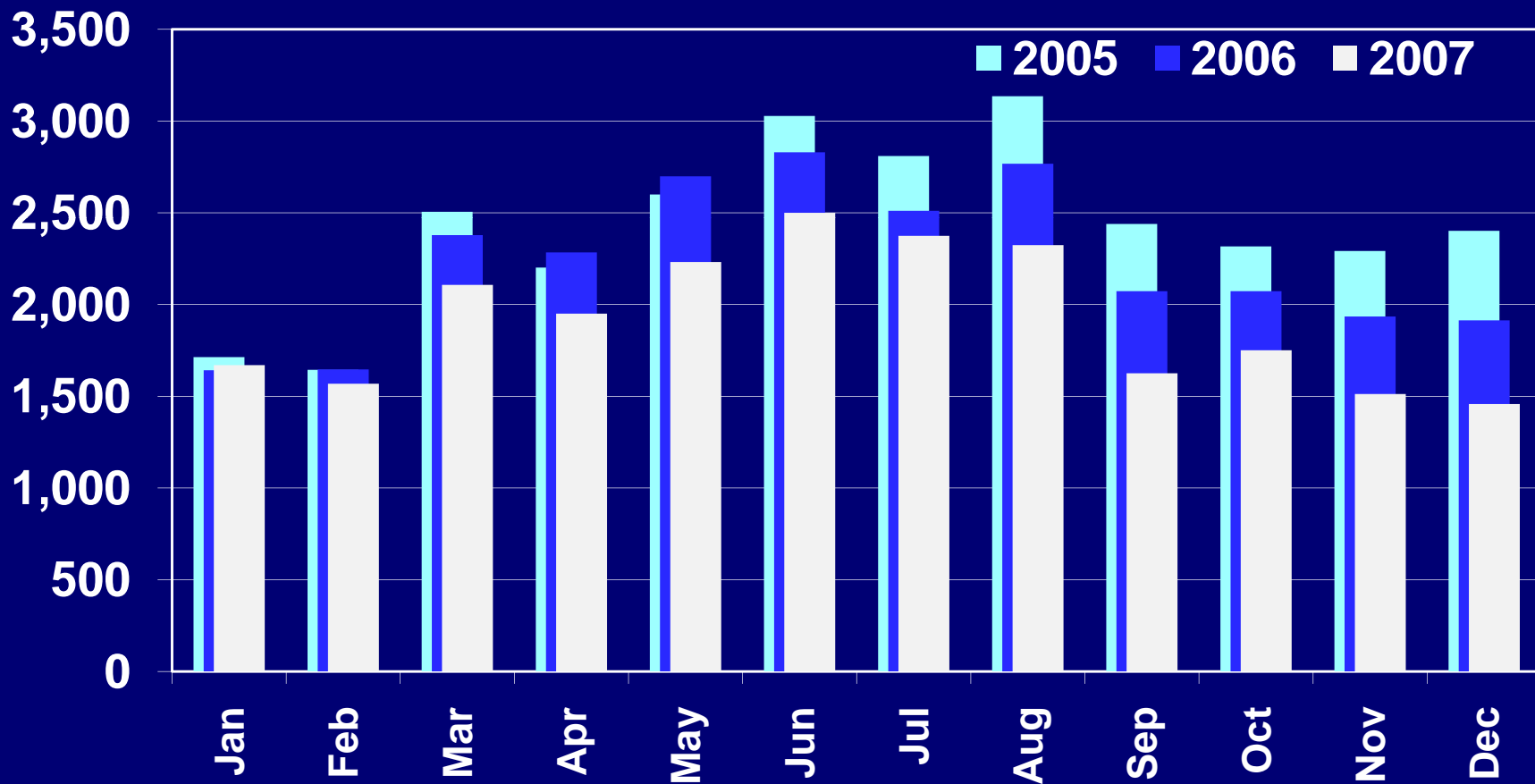
Source: Virginia Association of Realtors, George Mason University

Sales NVAR



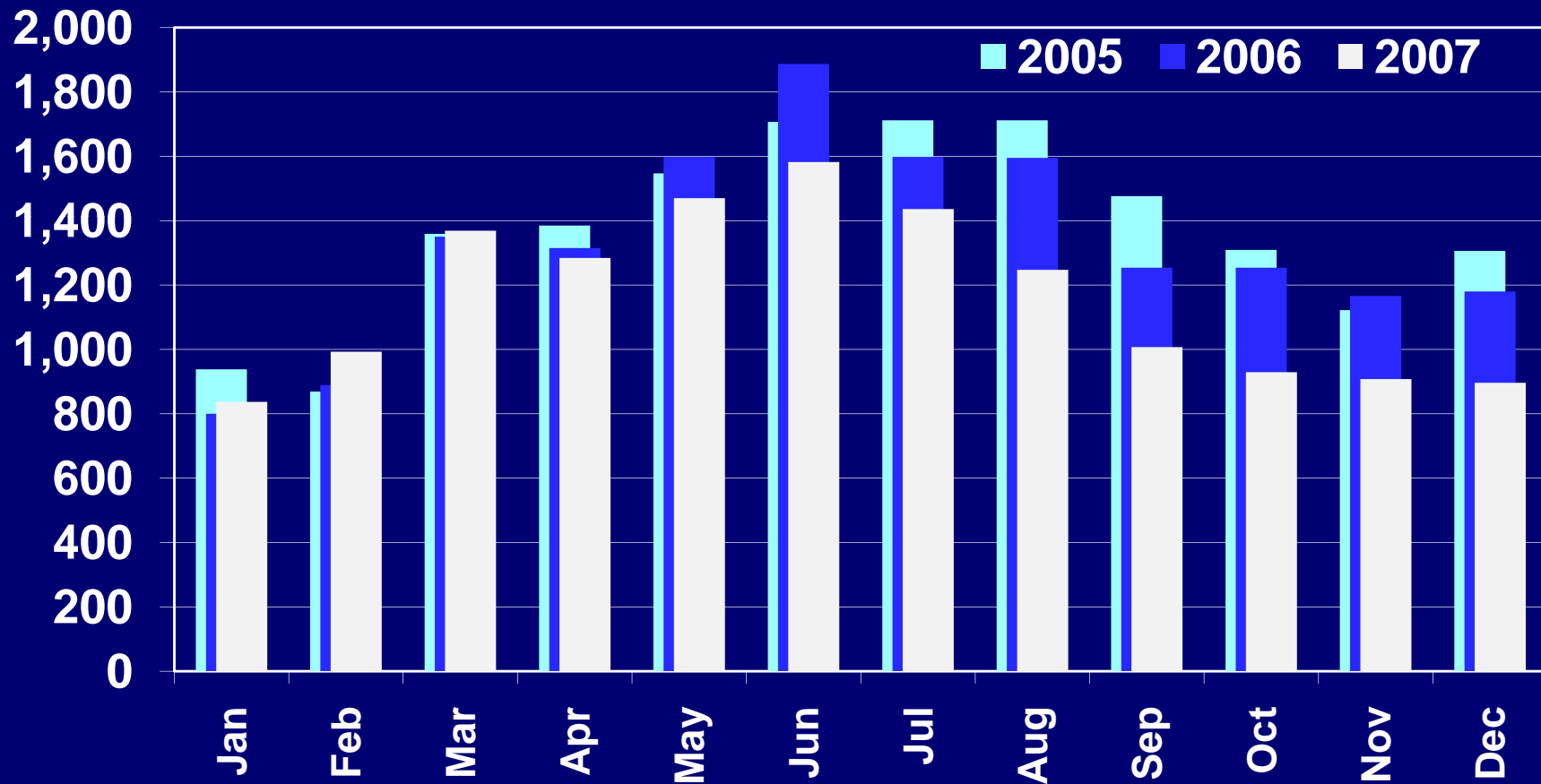
Source: Virginia Association of Realtors, George Mason University

Sales Hampton Roads



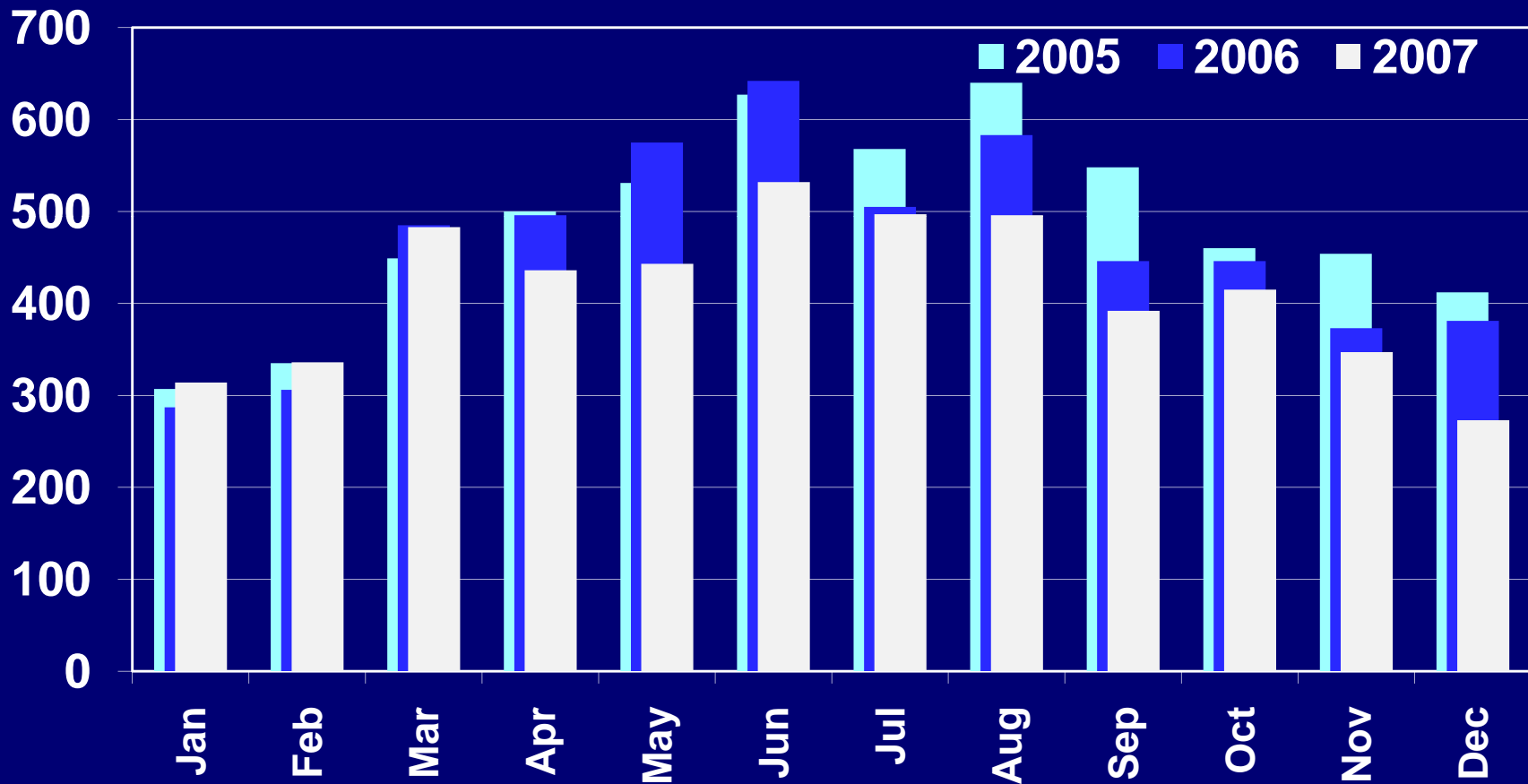
Source: Virginia Association of Realtors, George Mason University

Sales Richmond



Source: Virginia Association of Realtors, George Mason University

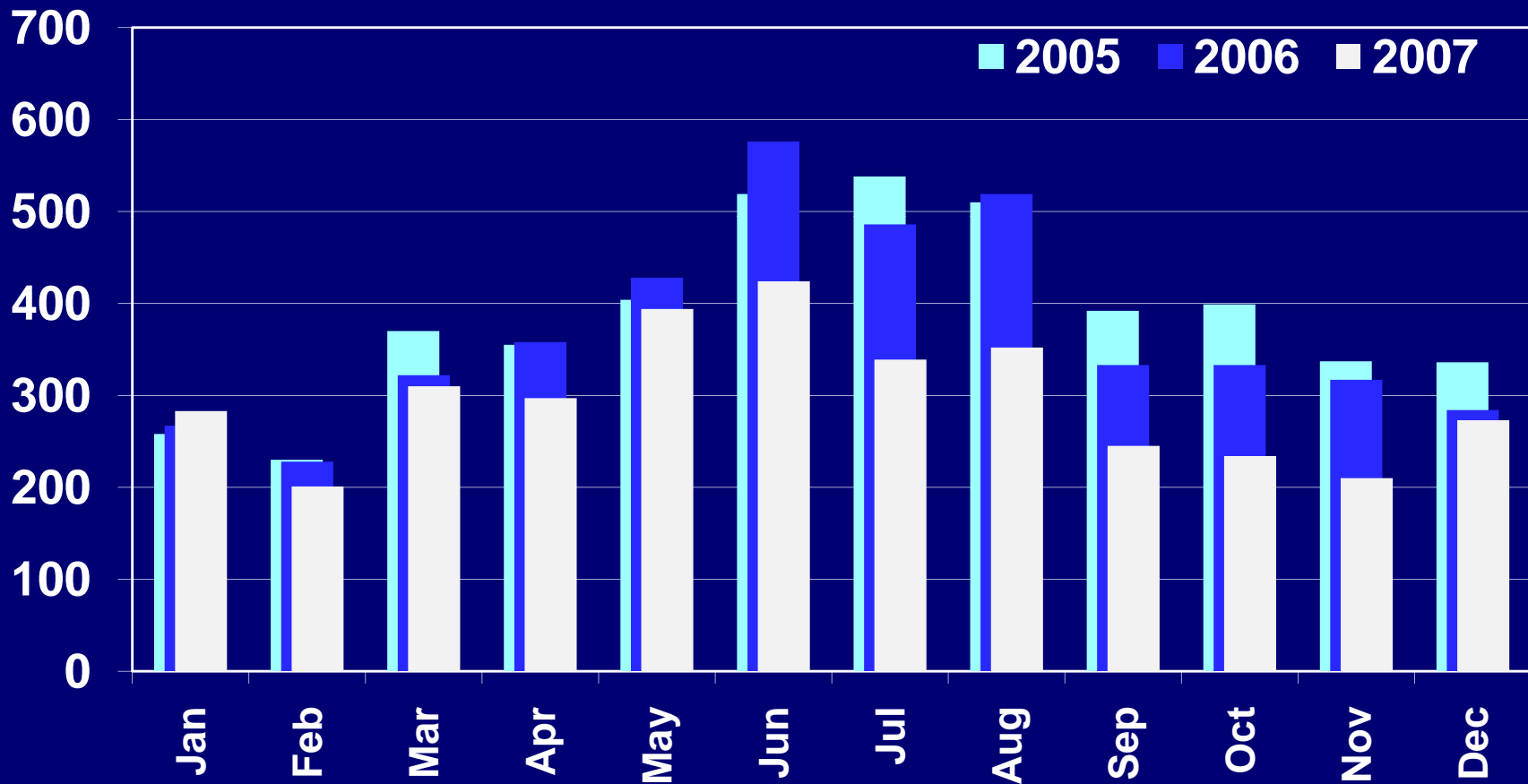
Sales Roanoke Valley



Source: Virginia Association of Realtors, George Mason University

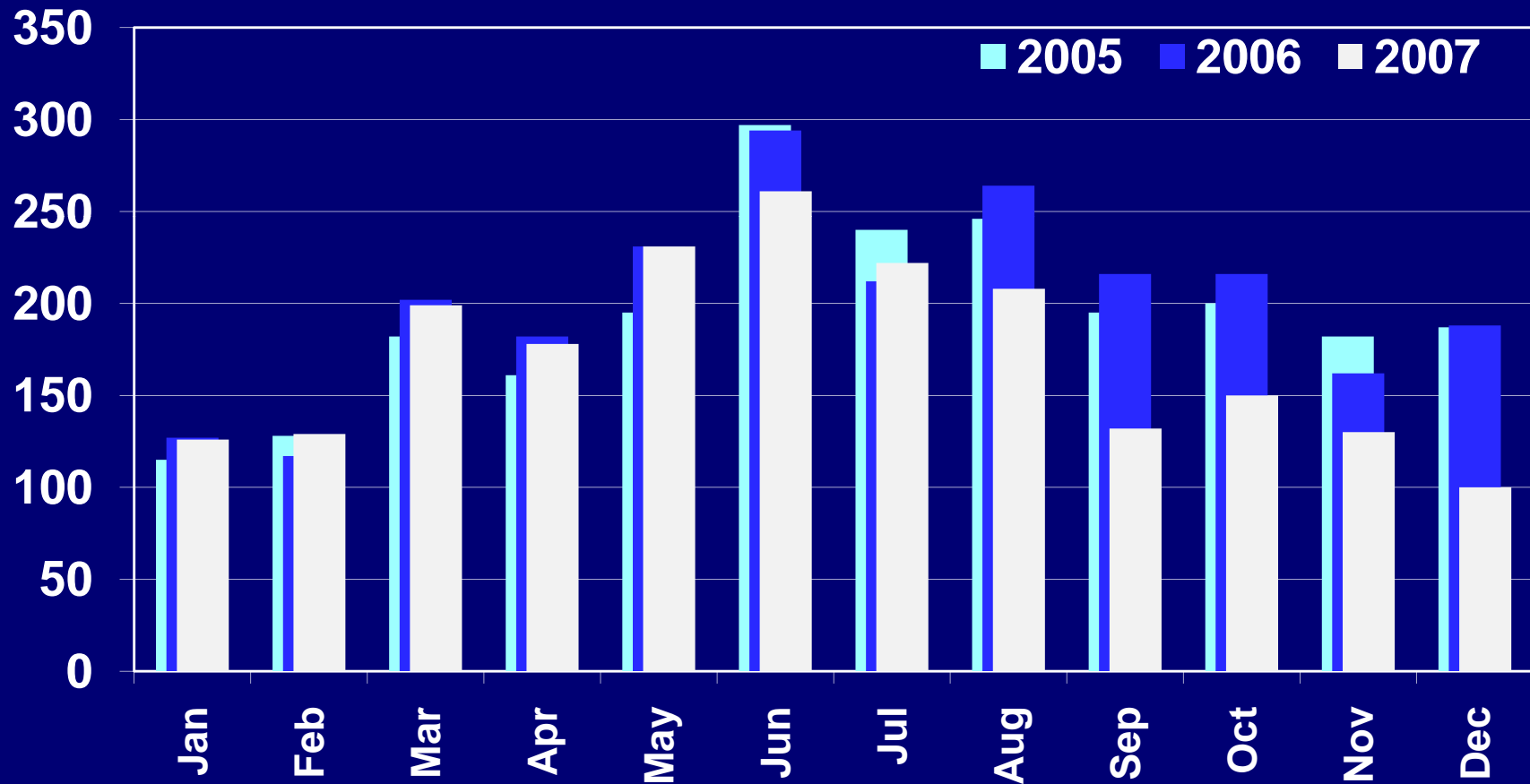
Sales

Charlottesville Area



Source: Virginia Association of Realtors, George Mason University

Sales Williamsburg



Source: Virginia Association of Realtors, George Mason University

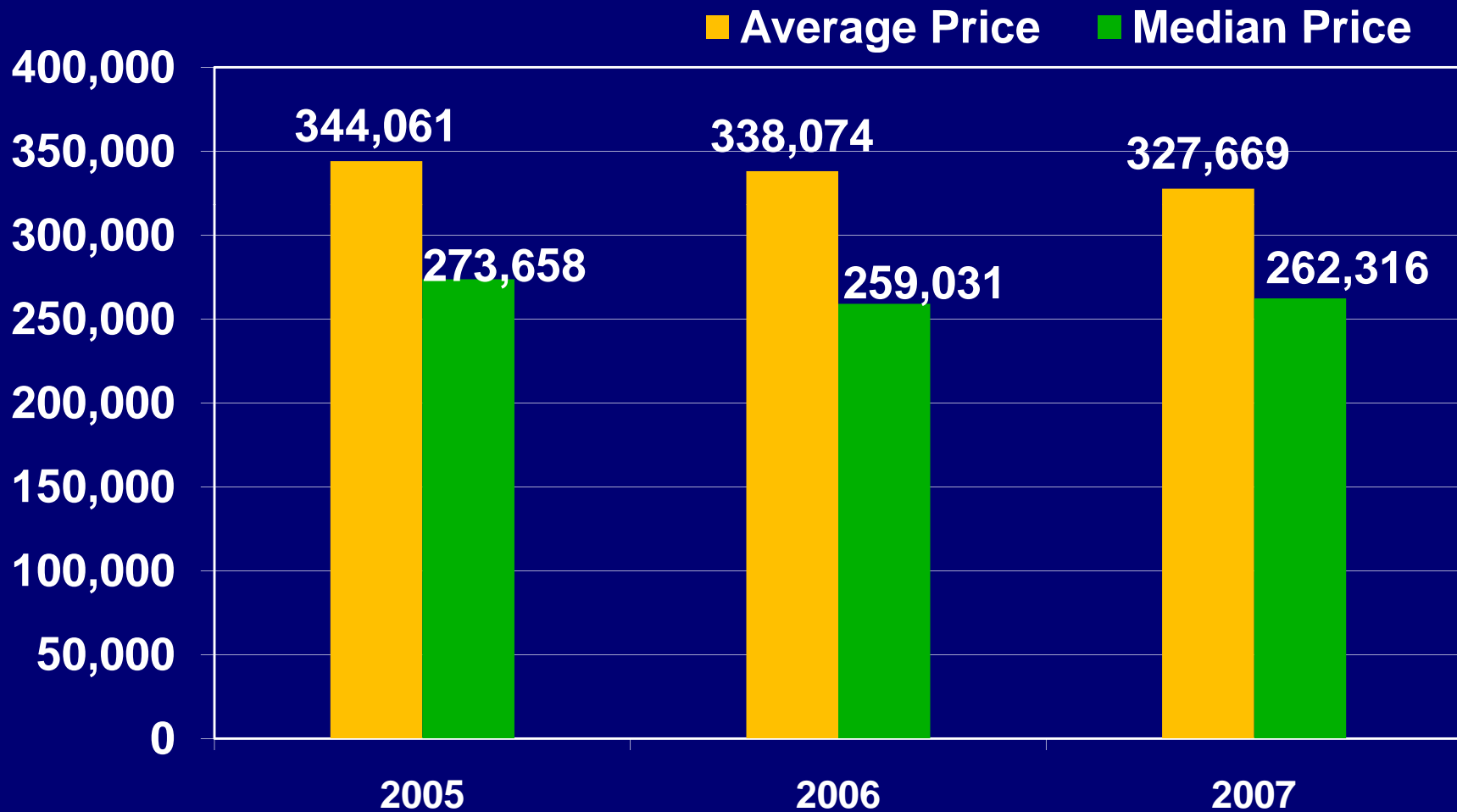
Prices

Quarterly House Price Index Virginia

1975-2007 (3rd quarter)

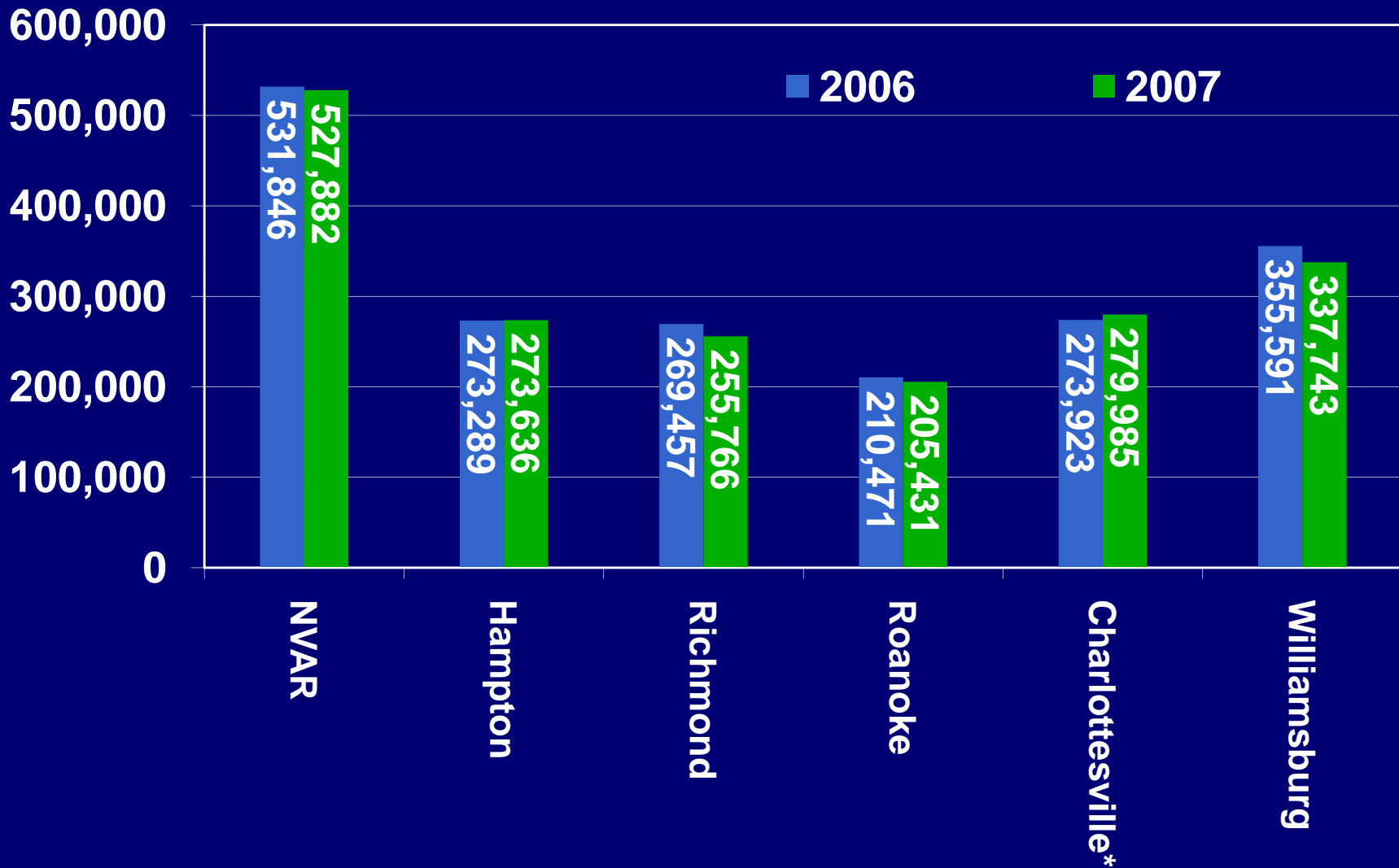


Prices Virginia



Source: Virginia Association of Realtors, George Mason University

Average Prices Across the State



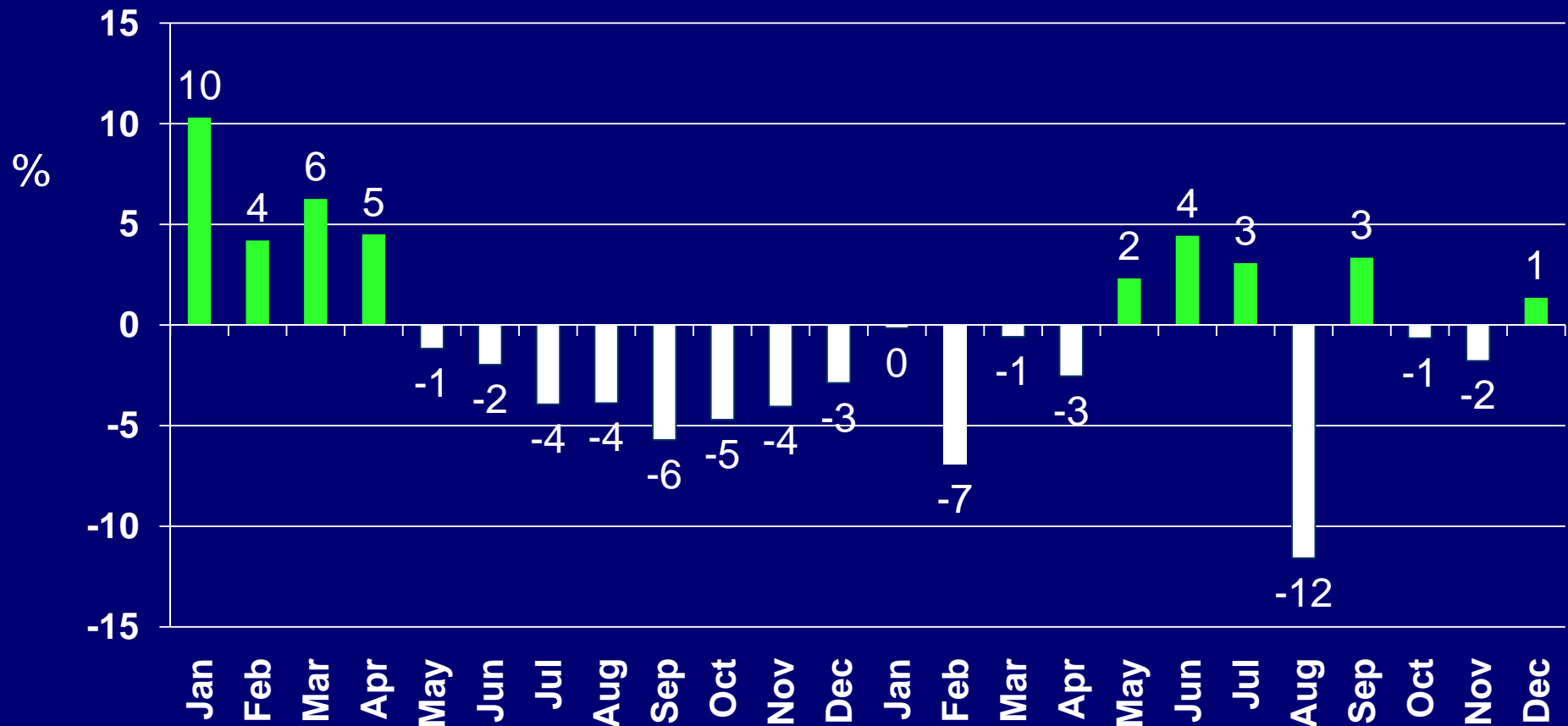
*Median

Source: Virginia Association of Realtors, George Mason University

Average Sales Price Percent Change NVAR

2005 - 2006

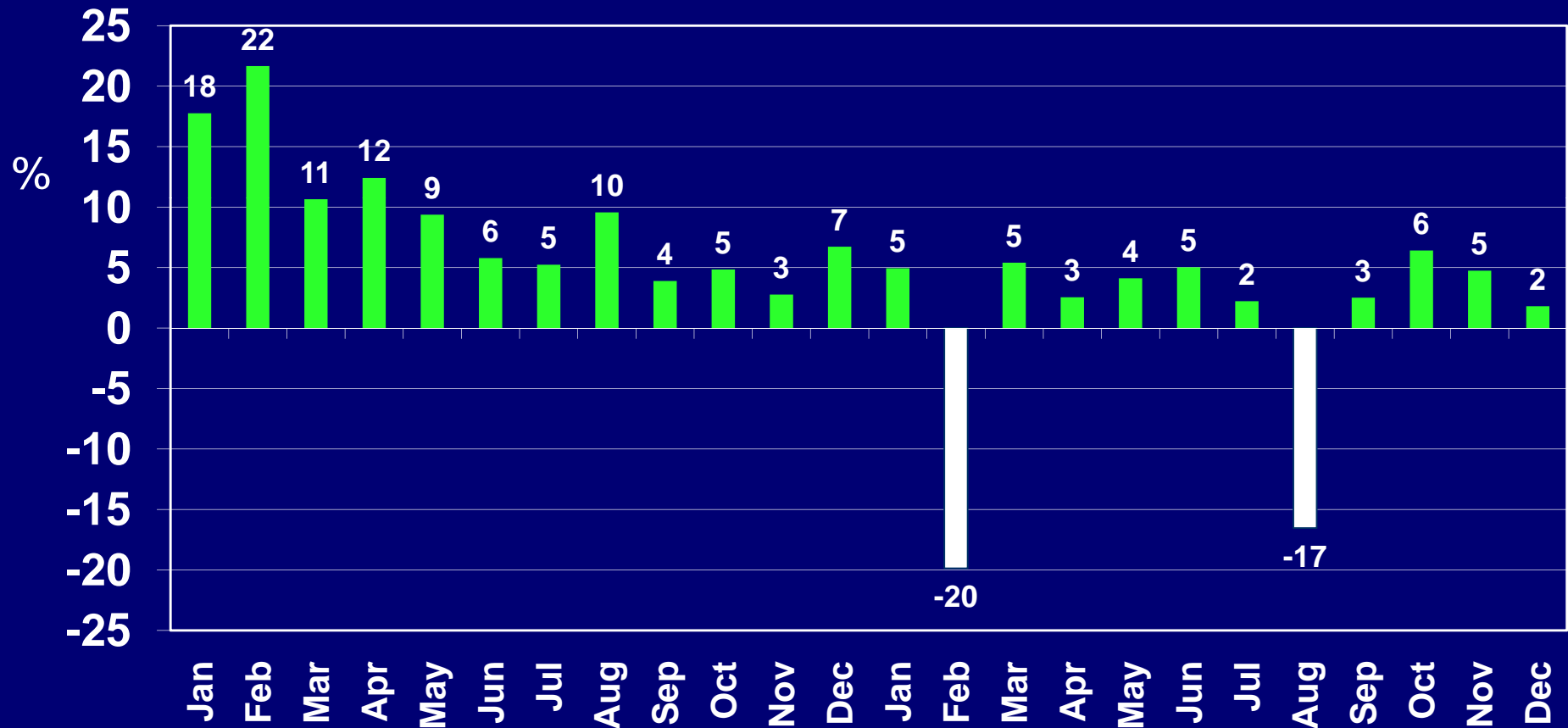
2006 - 2007



Average Sales Price Percent Change Hampton Roads

2005 - 2006

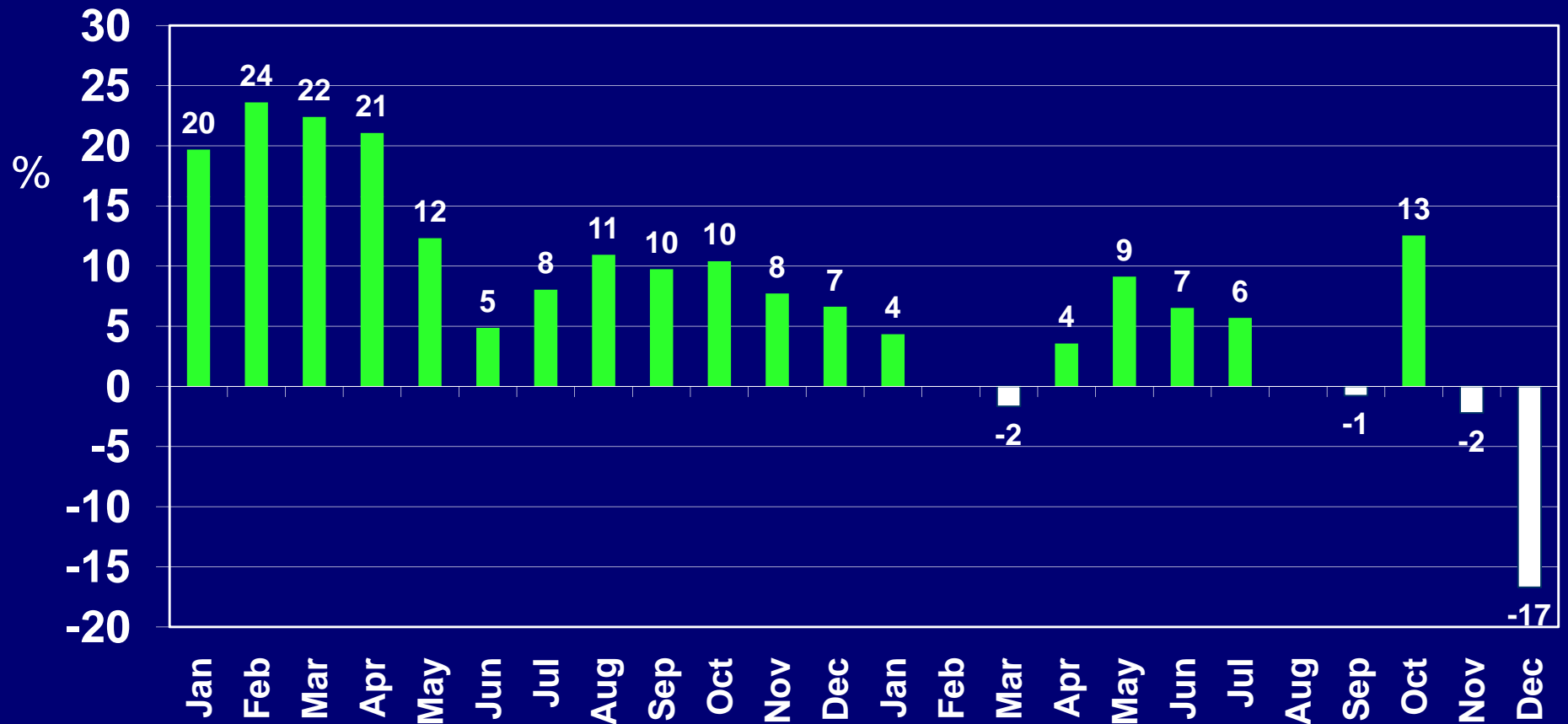
2006 - 2007



Average Sales Price Percent Change Richmond Metro

2005 - 2006

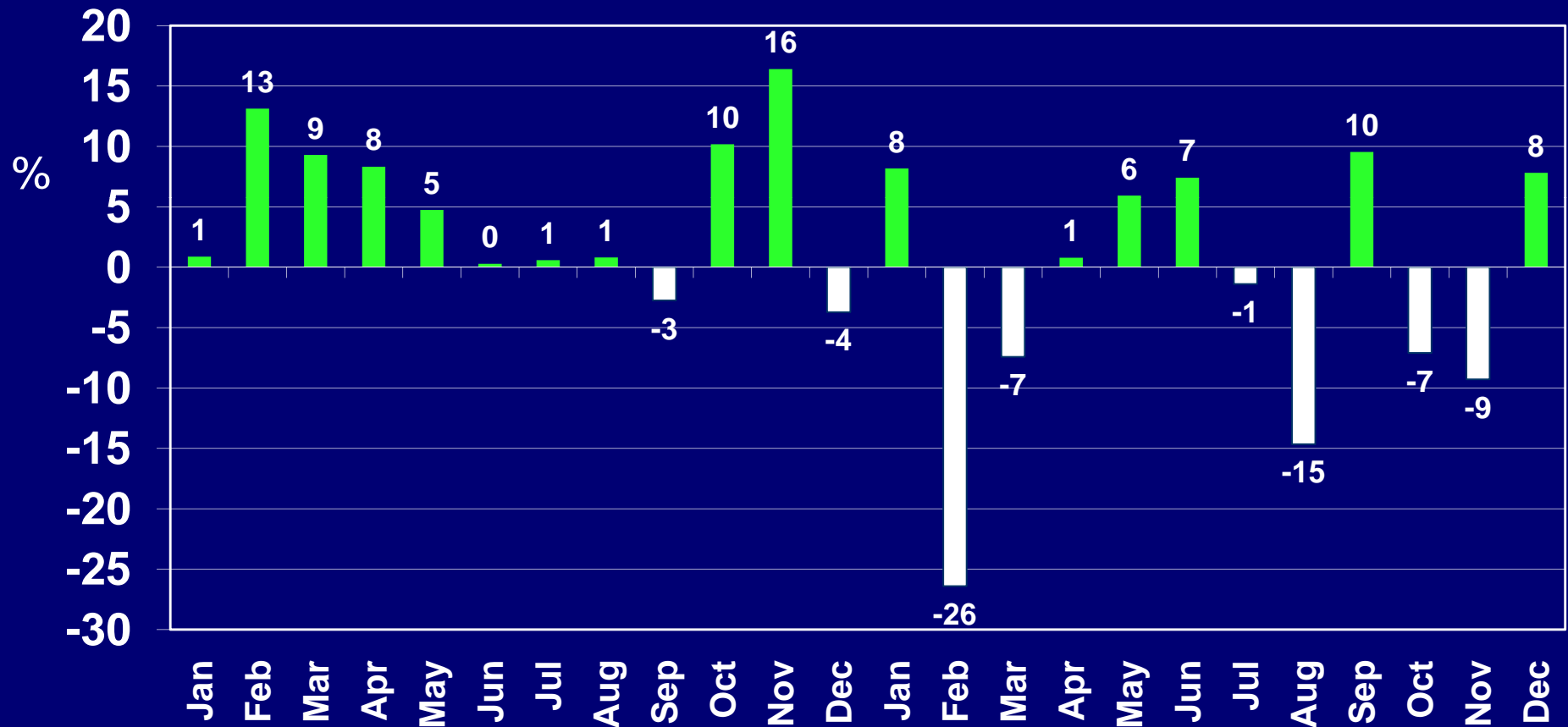
2006 - 2007



Average Sales Price Percent Change Roanoke Valley

2005 - 2006

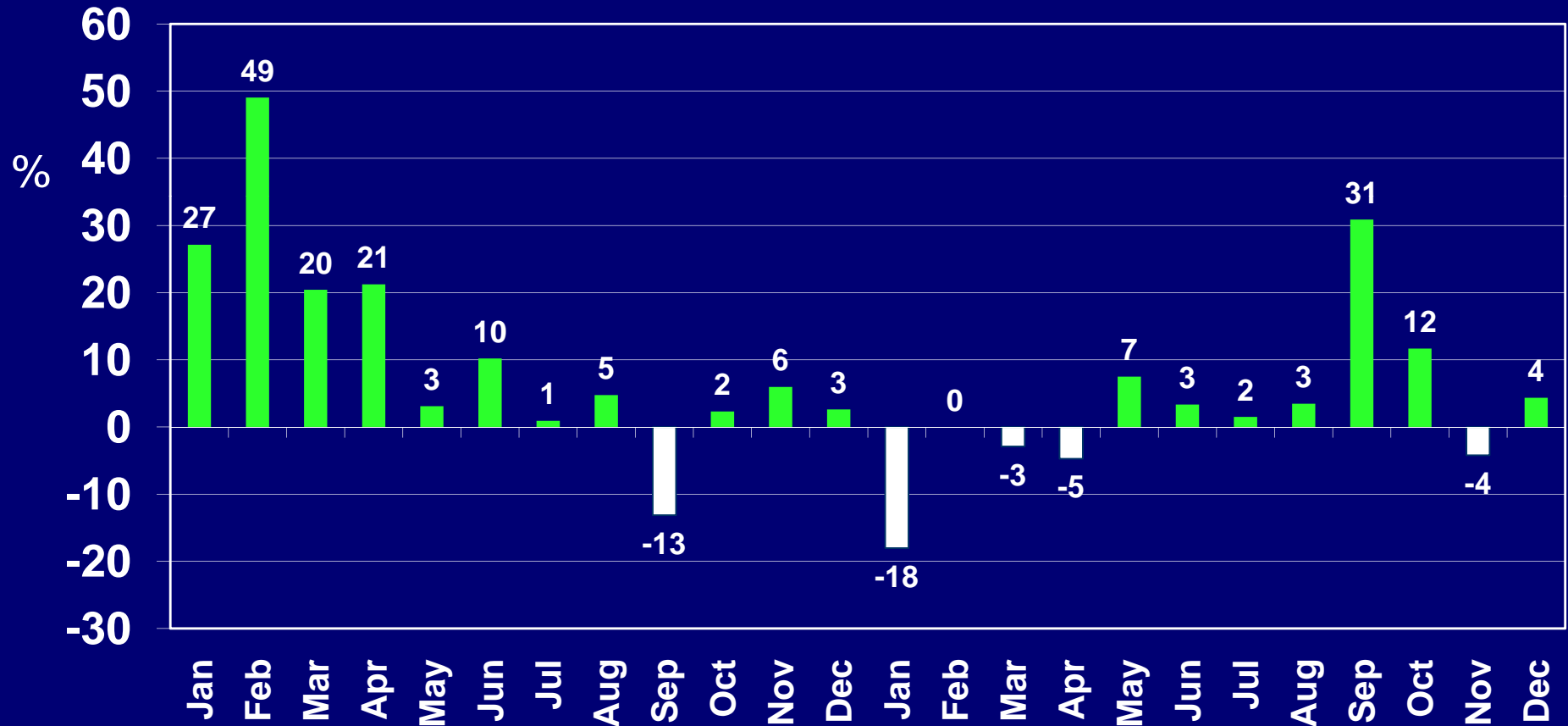
2006 - 2007



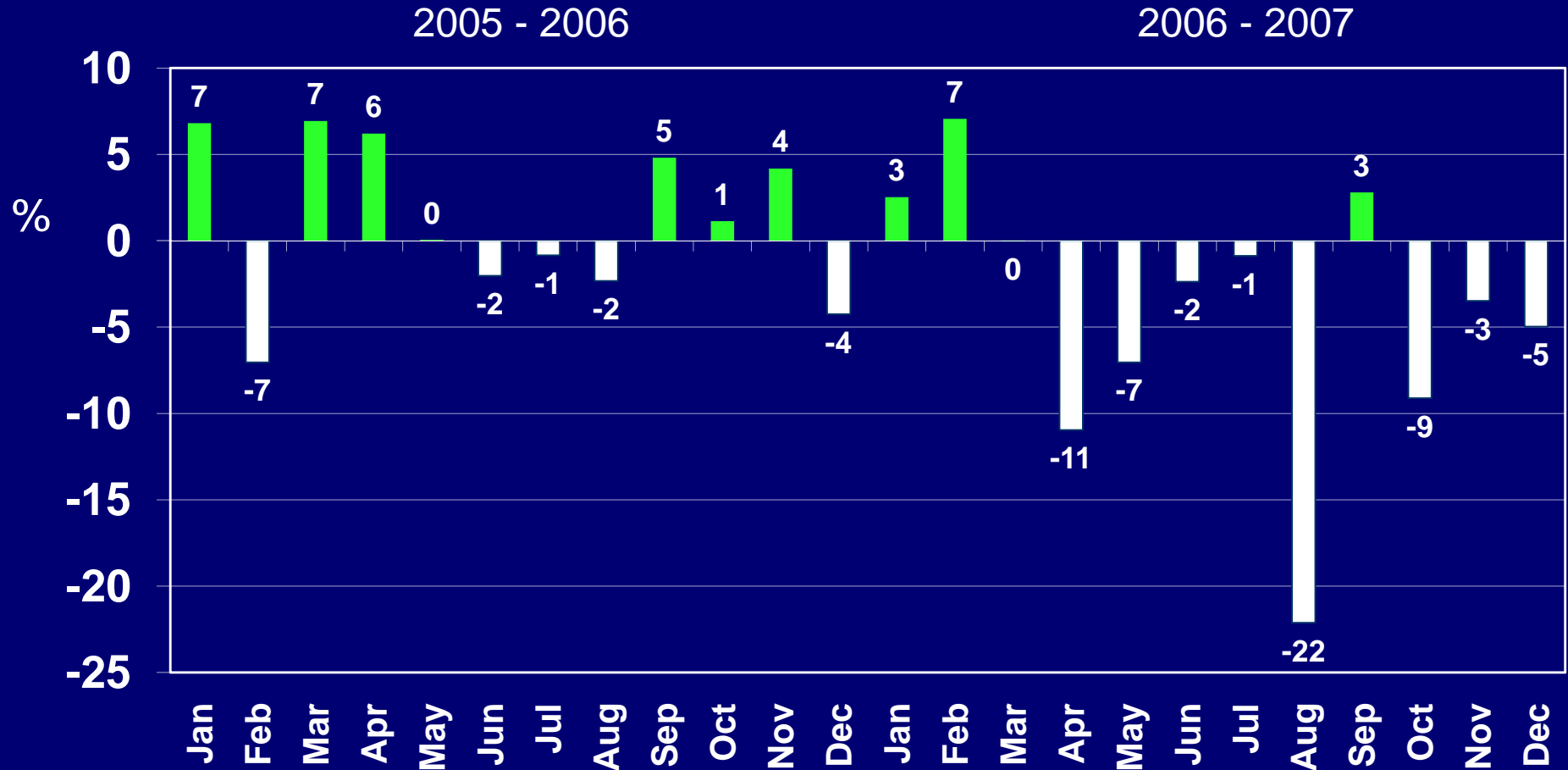
Average Sales Price Percent Change Charlottesville Area

2005 - 2006

2006 - 2007



Average Sales Price Percent Change Williamsburg

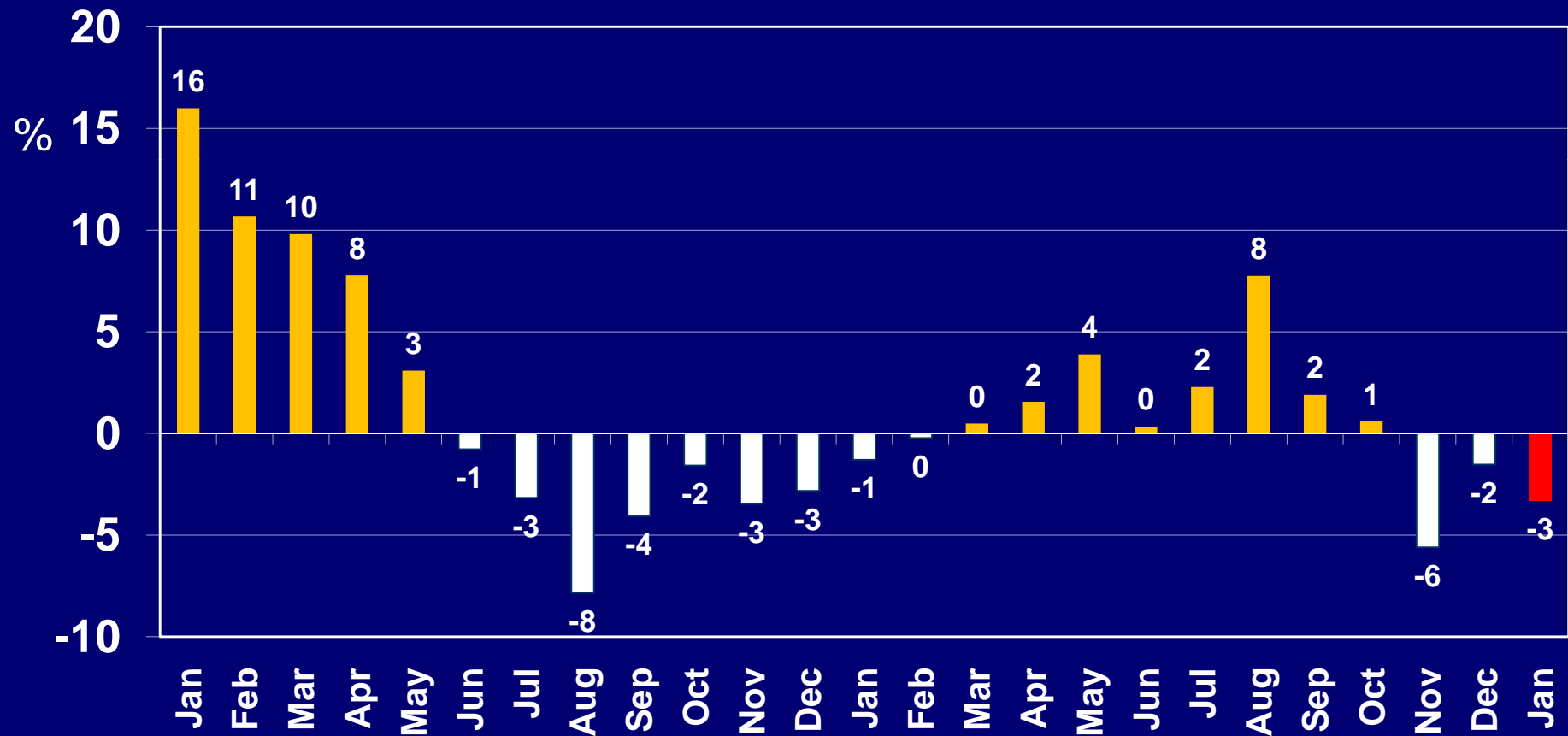


Northern Virginia In-Depth

Average Sales Price Percent Change Northern Virginia - Condominiums

2005 - 2006

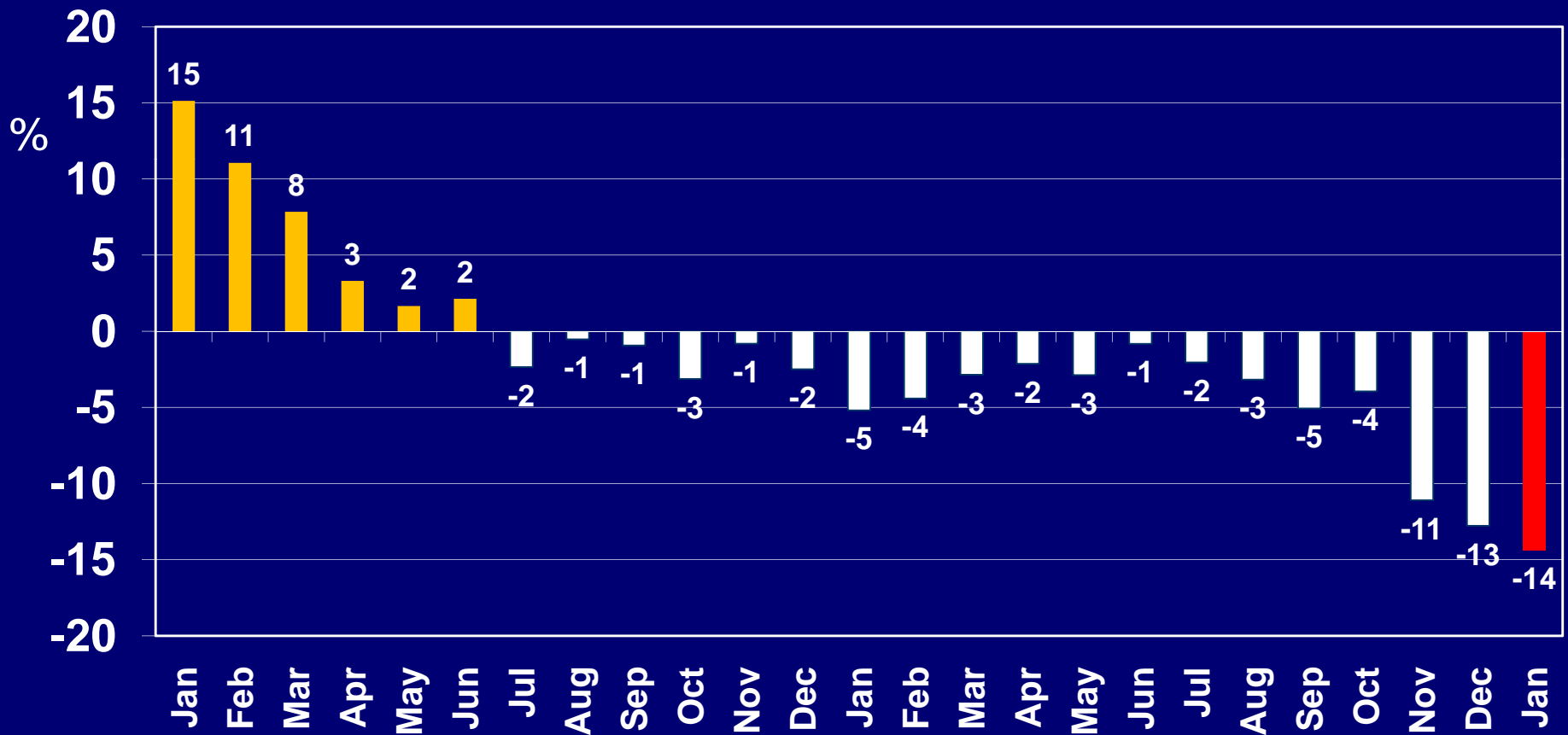
2006 - 2007



Average Sales Price Percent Change Northern Virginia, Single-Family Attached

2005 - 2006

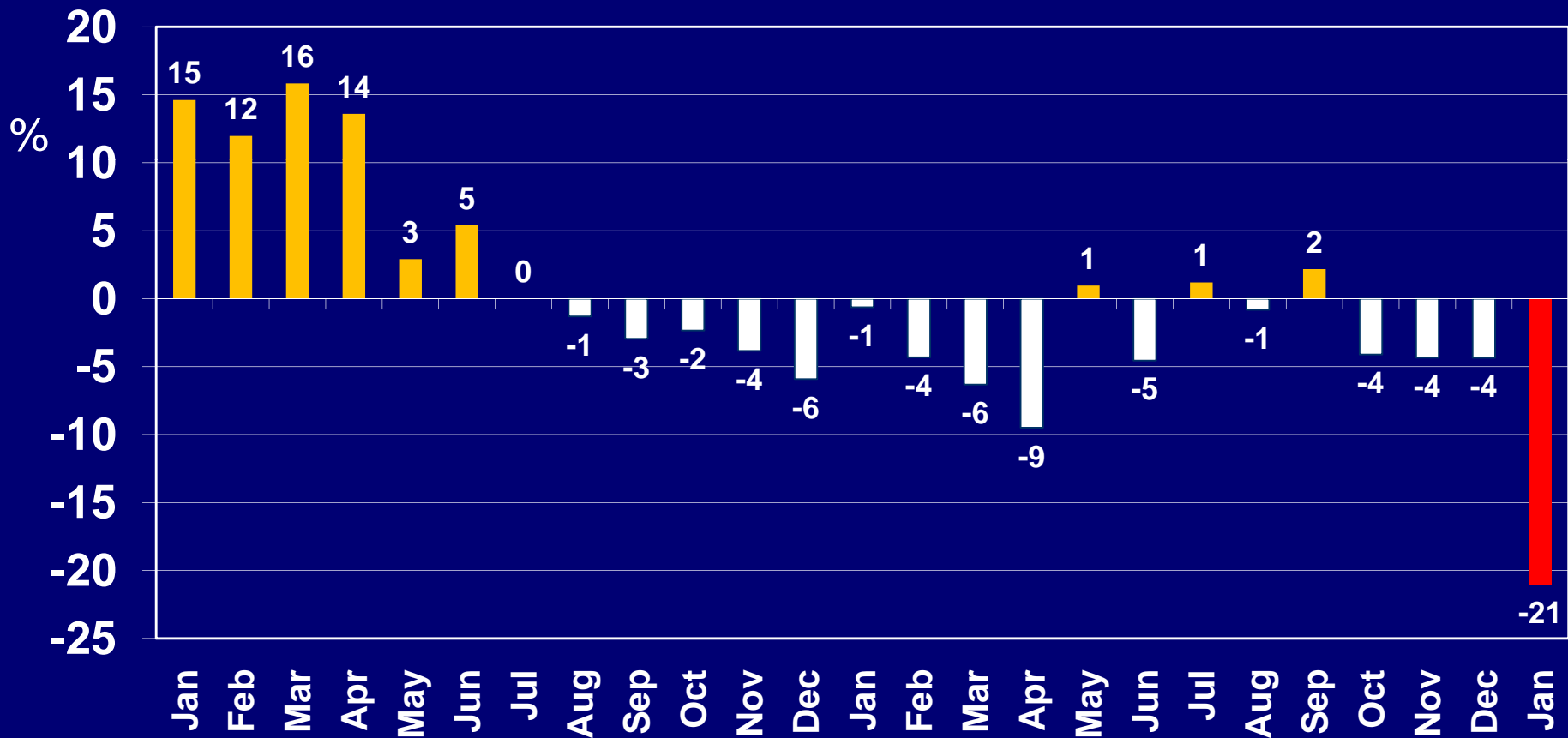
2006 - 2007



Average Sales Price Percent Change Northern Virginia, Single-Family Detached

2005 - 2006

2006 - 2007



Percent Change in Inventories of Existing Homes

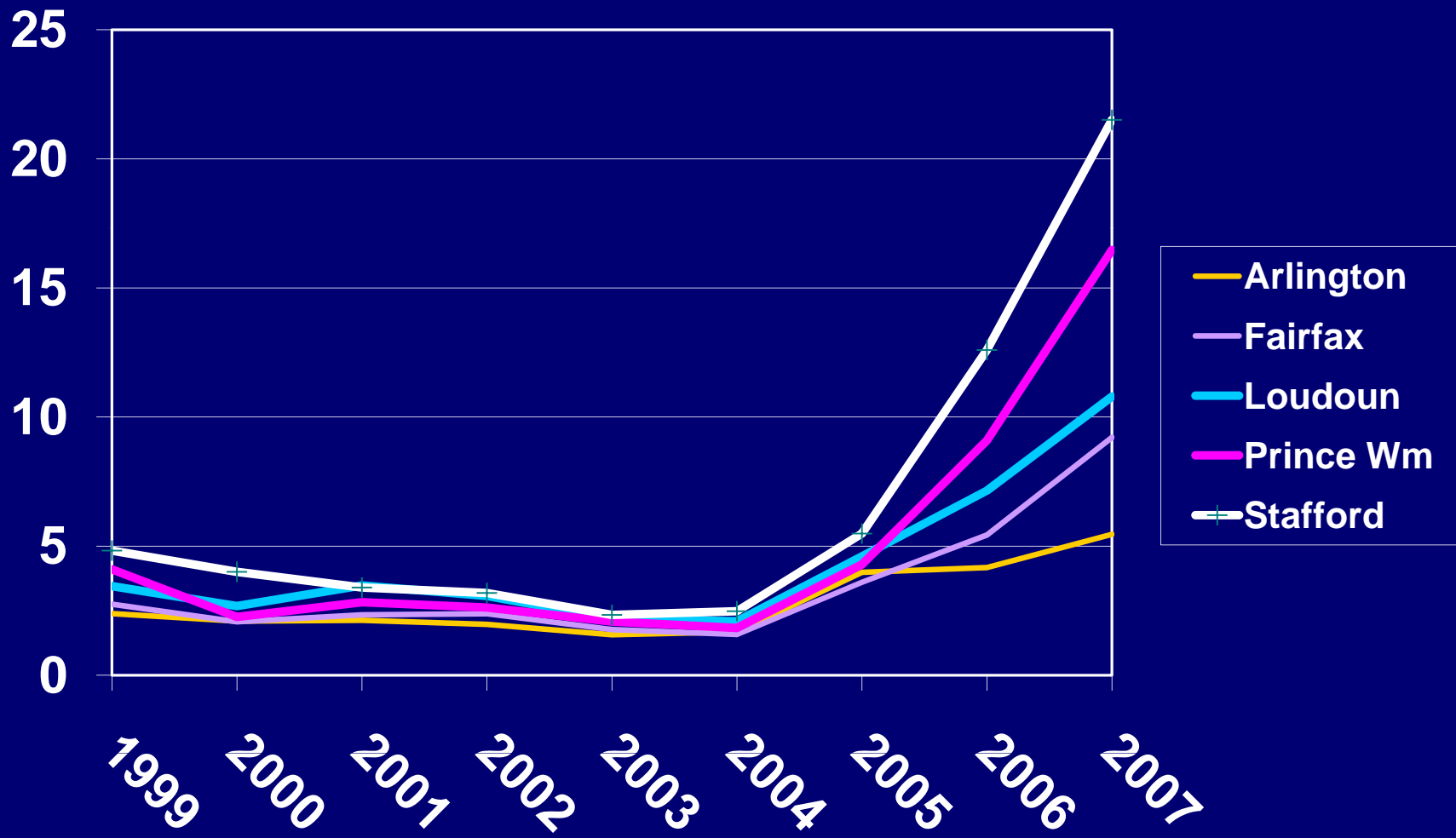
Month-Over-the-Year-Change

Northern Virginia



Total Active Listings per Sale

December Each Year



Northern Virginia January 2008 Market

County	Average “Net” Price (\$)	Average List Price (\$)	Average Price Concession	Change in “Net” Price Jan 07-Jan 08
Arlington	561,381	586,108	-4.2%	+14.5%
Fairfax	474,235	494,120	-5.2%	-10.5%
Loudoun	427,908	451,475	-5.2%	-22.3%
Prince Wm.	314,916	332,841	-5.4%	-22.6%
Fauquier	398,281	412,548	-5.6%	-23.1%

Are Sellers Dropping Their Prices?

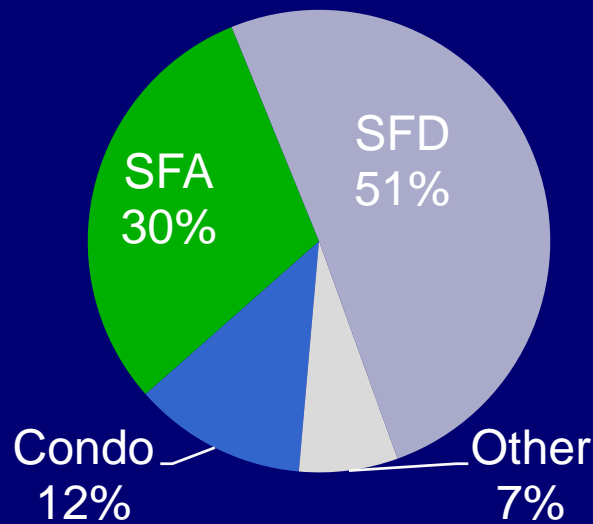
County	Average "Net" Price (\$)	Average List Price (\$)	Average Price Concession		Change in "Net" Price Jan 07-Jan 08	
Arlington	561,381	586,108	-4.2%	-4.0%	+14.5%	+14.8%
Fairfax	474,235	494,120	-5.2%	-4.2%	-10.5%	-9.7%
Loudoun	427,908	451,475	-5.2%	-4.1%	-22.3%	-21.4%
Prince Wm.	314,916	332,841	-5.4%	-4.3%	-22.6%	-21.8%
Fauquier	398,281	412,548	-5.6%	-5.9%	-23.1%	-23.3%

Jan 2007

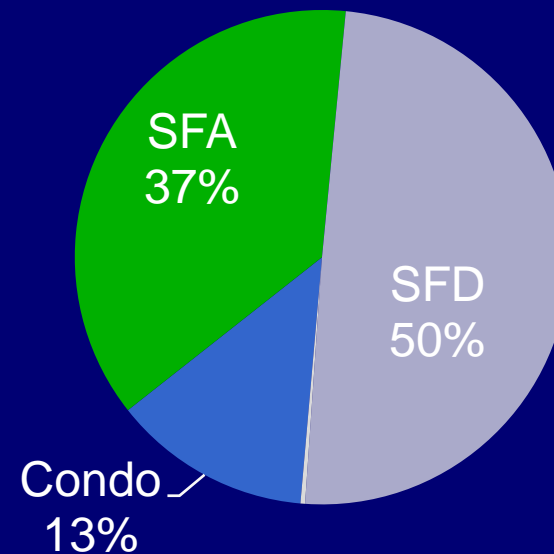
Change
in List
Price

Is it the Mix of Homes Being Sold?

Loudoun County Jan 2008 Sales

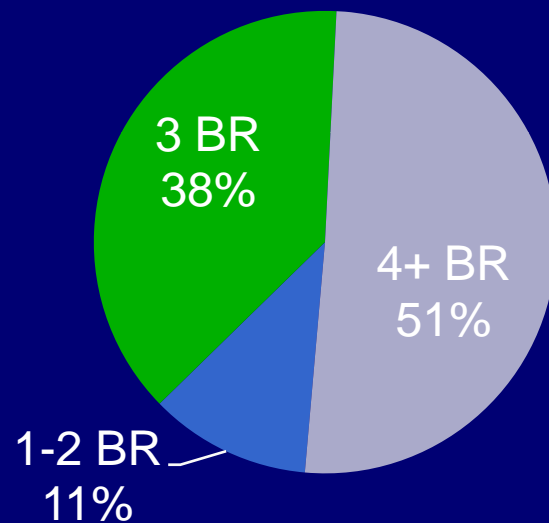


Loudoun County Jan 2007 Sales

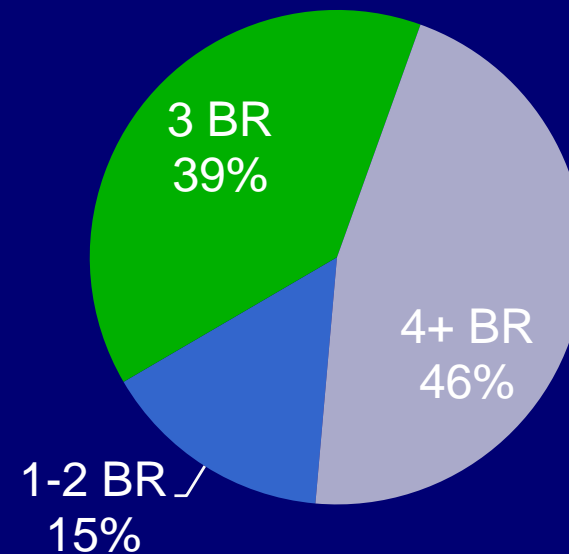


Is it the Mix of Homes Being Sold?

Loudoun County
Jan 2008 Sales



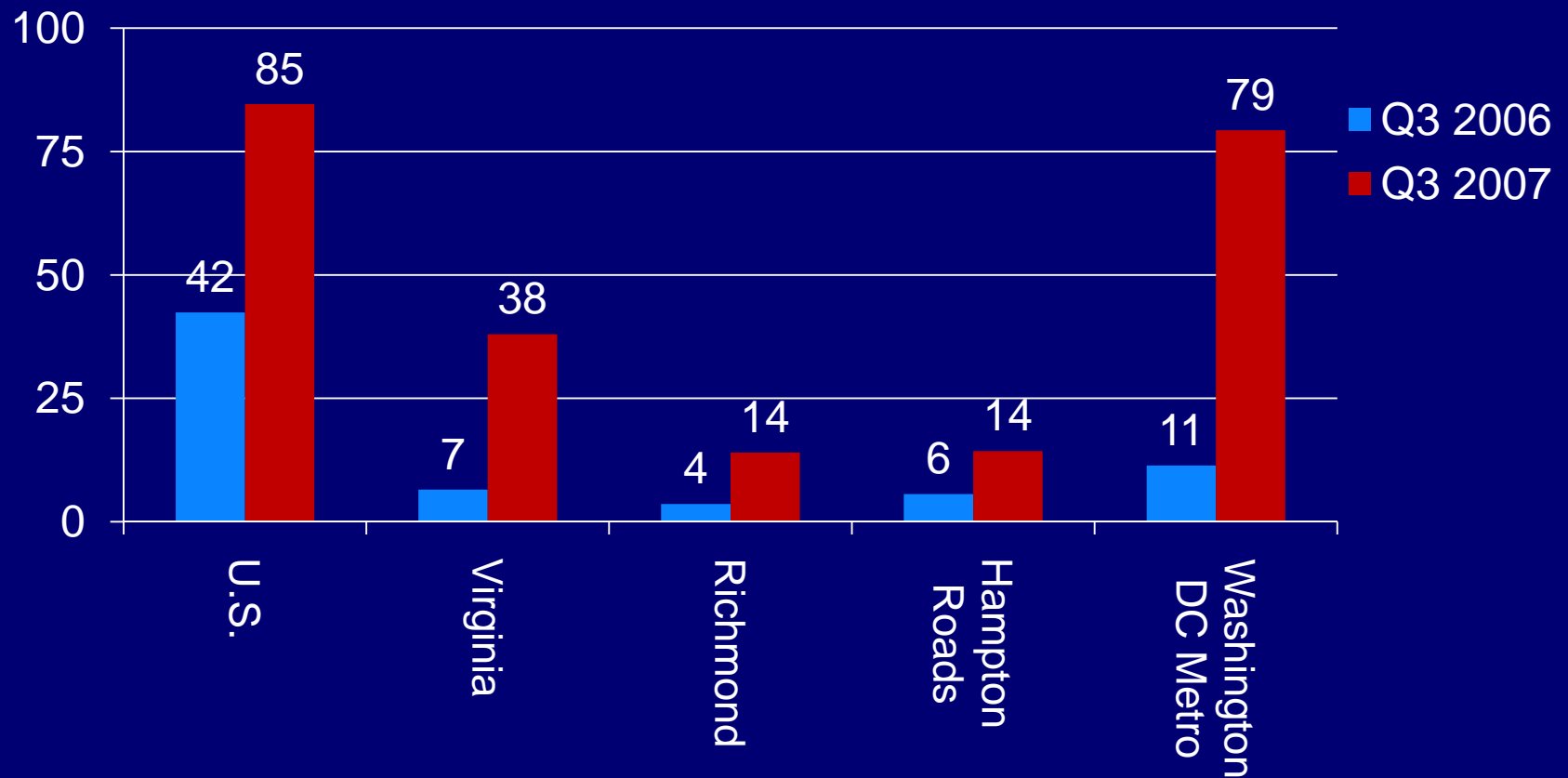
Loudoun County
Jan 2007 Sales



Foreclosure Activity

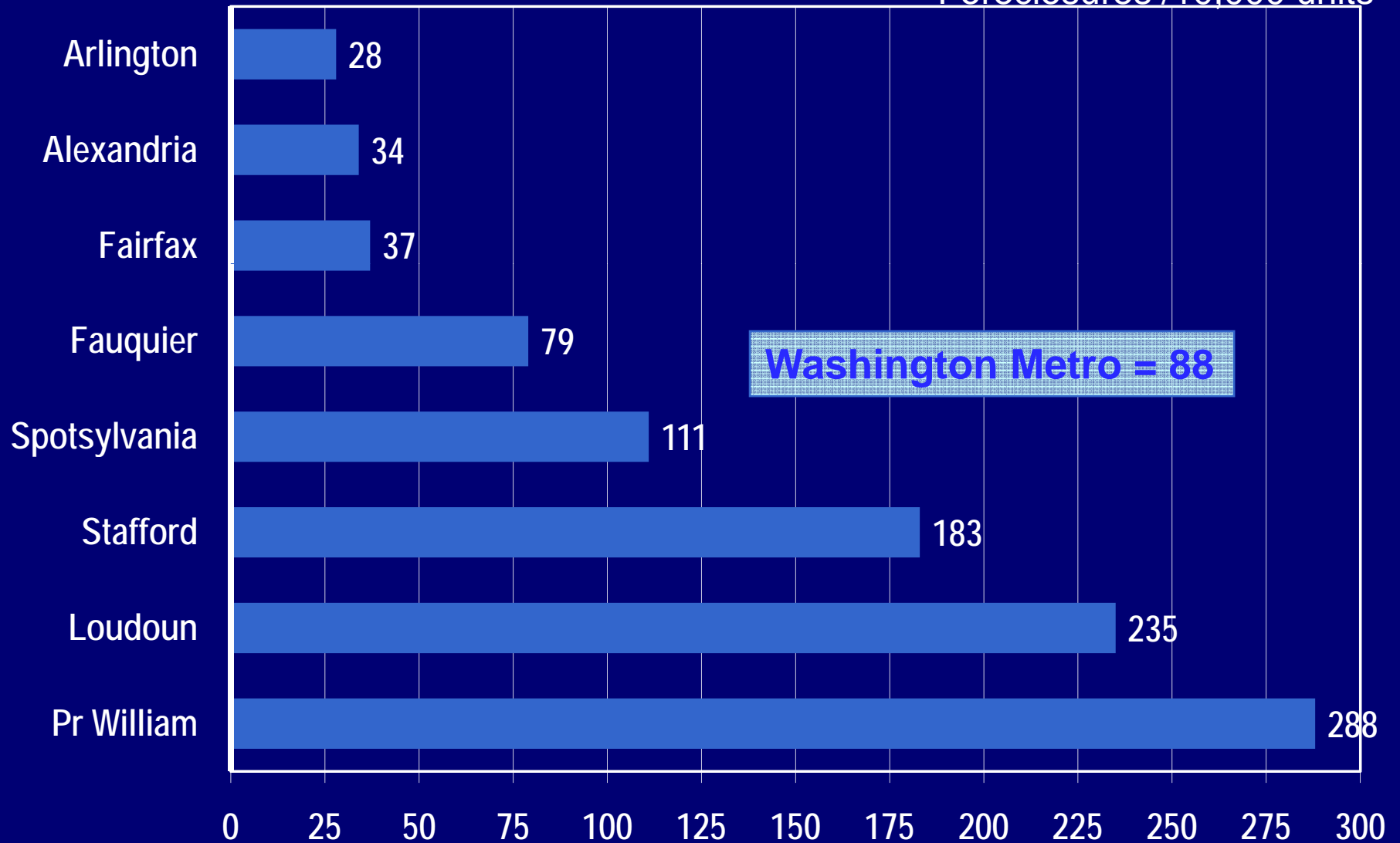
Foreclosure Activity

Foreclosures per 10,000 Owner Occupied Housing Units



Mortgage Foreclosure Rates by County – Dec 28, 2007

Foreclosures /10,000 units



Estimates of Foreclosures January 2008

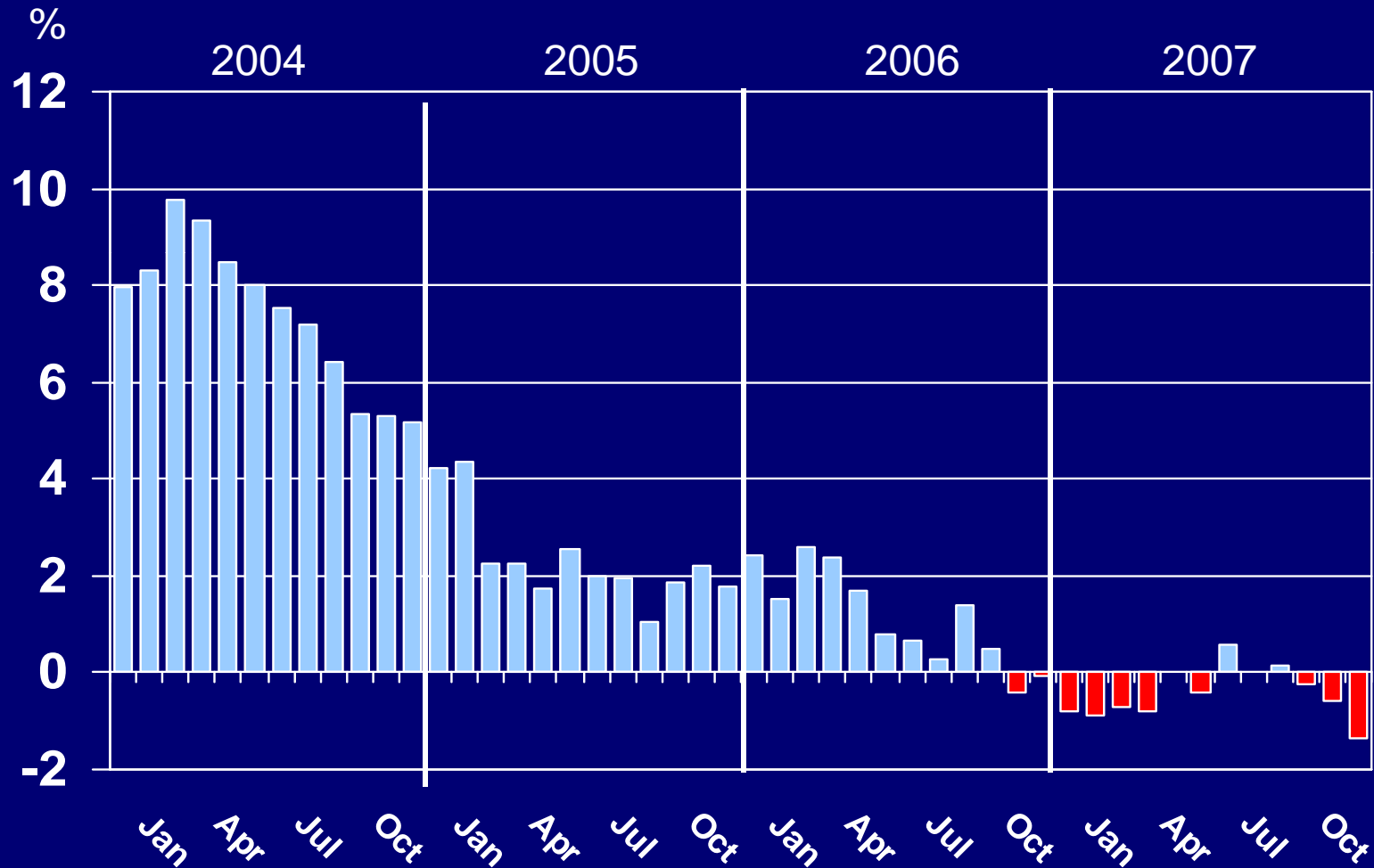
County/City		County/City		County/City	
Prince William County	3943	Culpeper County	181	Portsmouth	47
Fairfax County	2891	Arlington County	180	Hanover County	39
Loudoun County	1742	Henrico County	172	Fredericksburg	37
Stafford County	600	Alexandria	166	Fairfax	32
Spotsylvania County	513	Chesterfield County	162	King George County	29
Virginia Beach	393	Danville	134	Newport News	24
Norfolk	350	Chesapeake	99	Rockingham County	21
Frederick County	220	Orange County	88	Isle of Wight County	19
Manassas	220	Caroline County	76	Roanoke County	19
Richmond	204	Hampton	56	Lynchburg	13
Fauquier County	192	Suffolk	55	James City County	12

The U.S. Economy in 2008

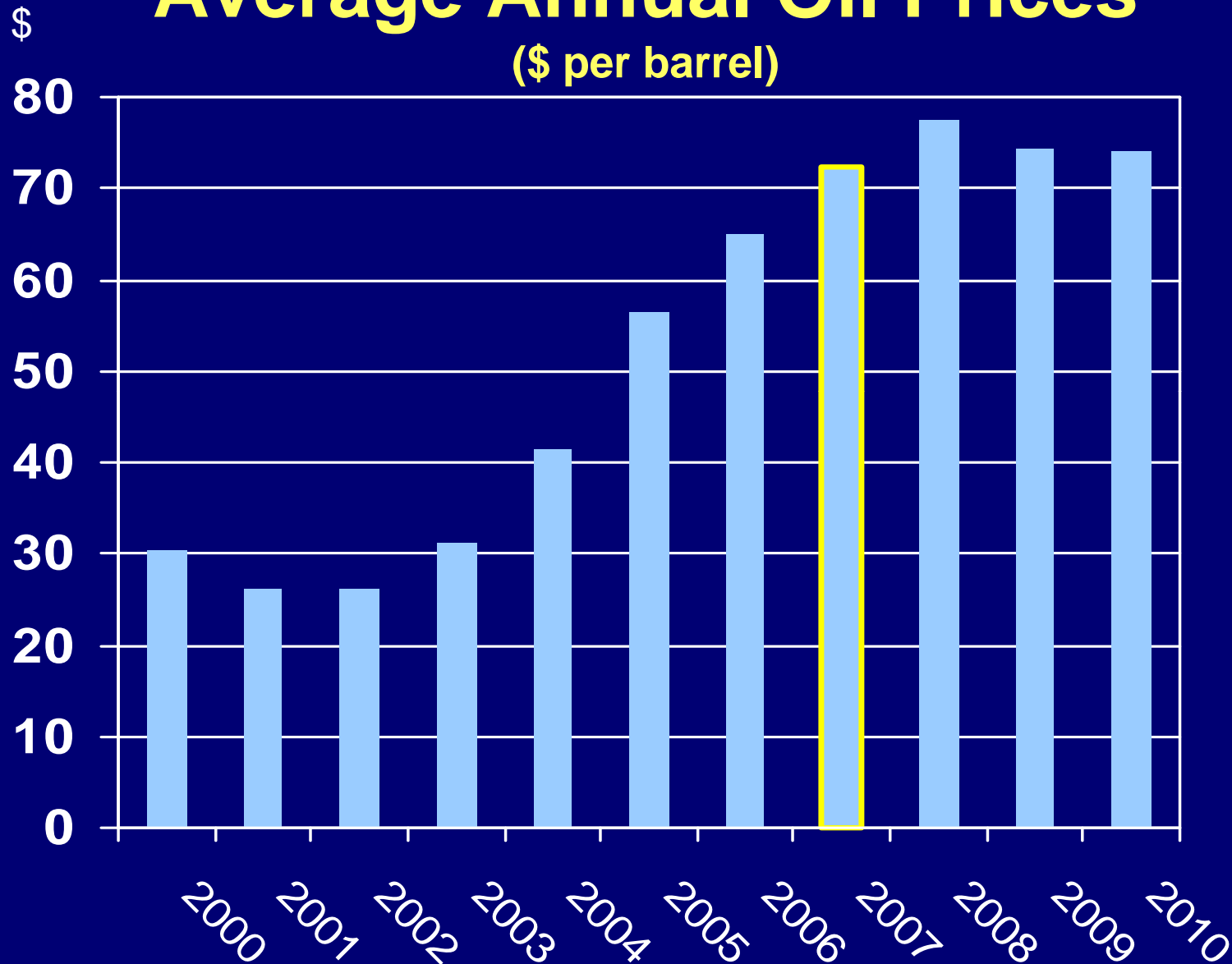
Re-establishing Momentum

U.S. Leading Index

Monthly Over-the-Year Percent Changes

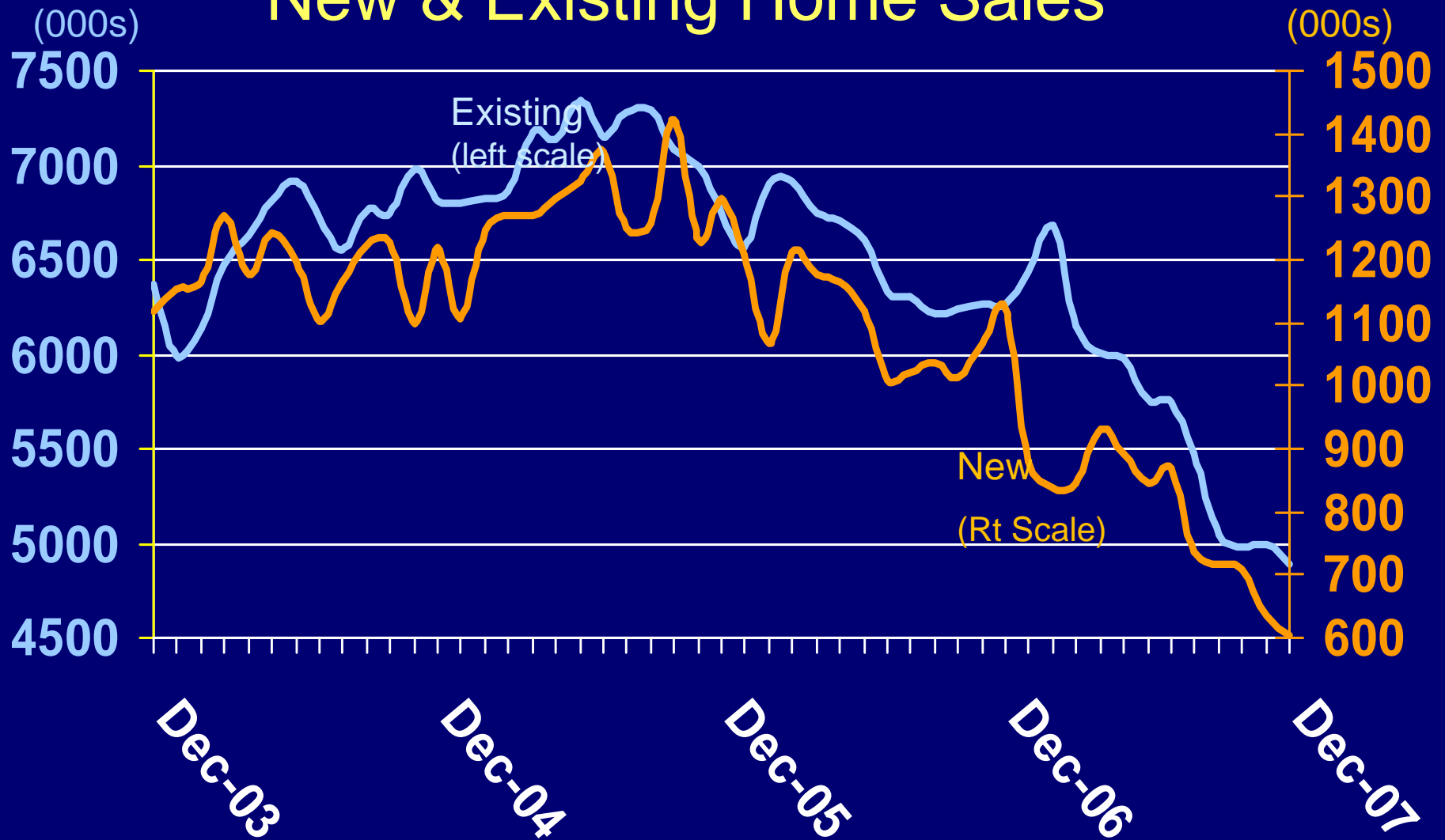


Average Annual Oil Prices (\$ per barrel)

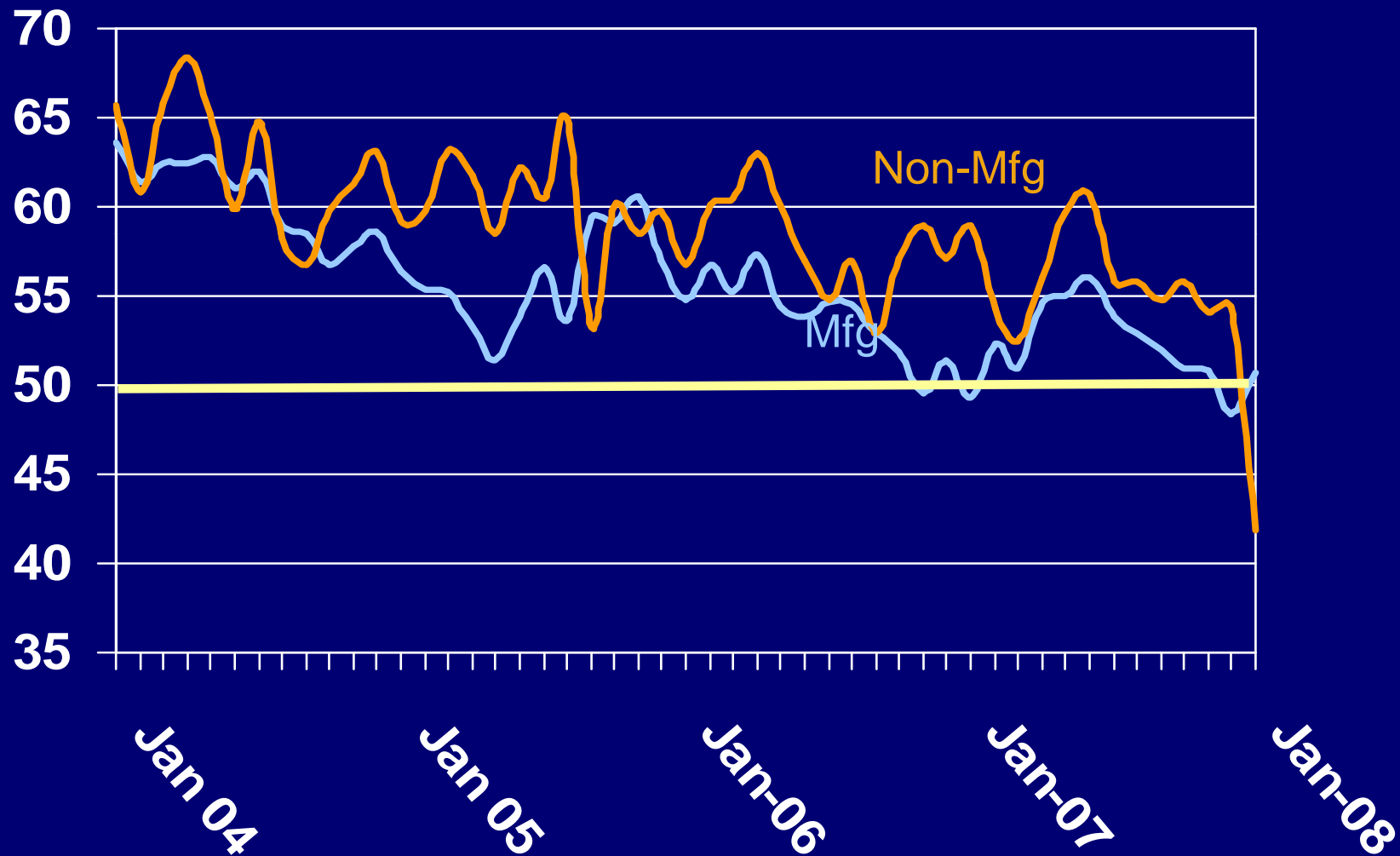


Source: Global Insight, GMU Center for Regional Analysis

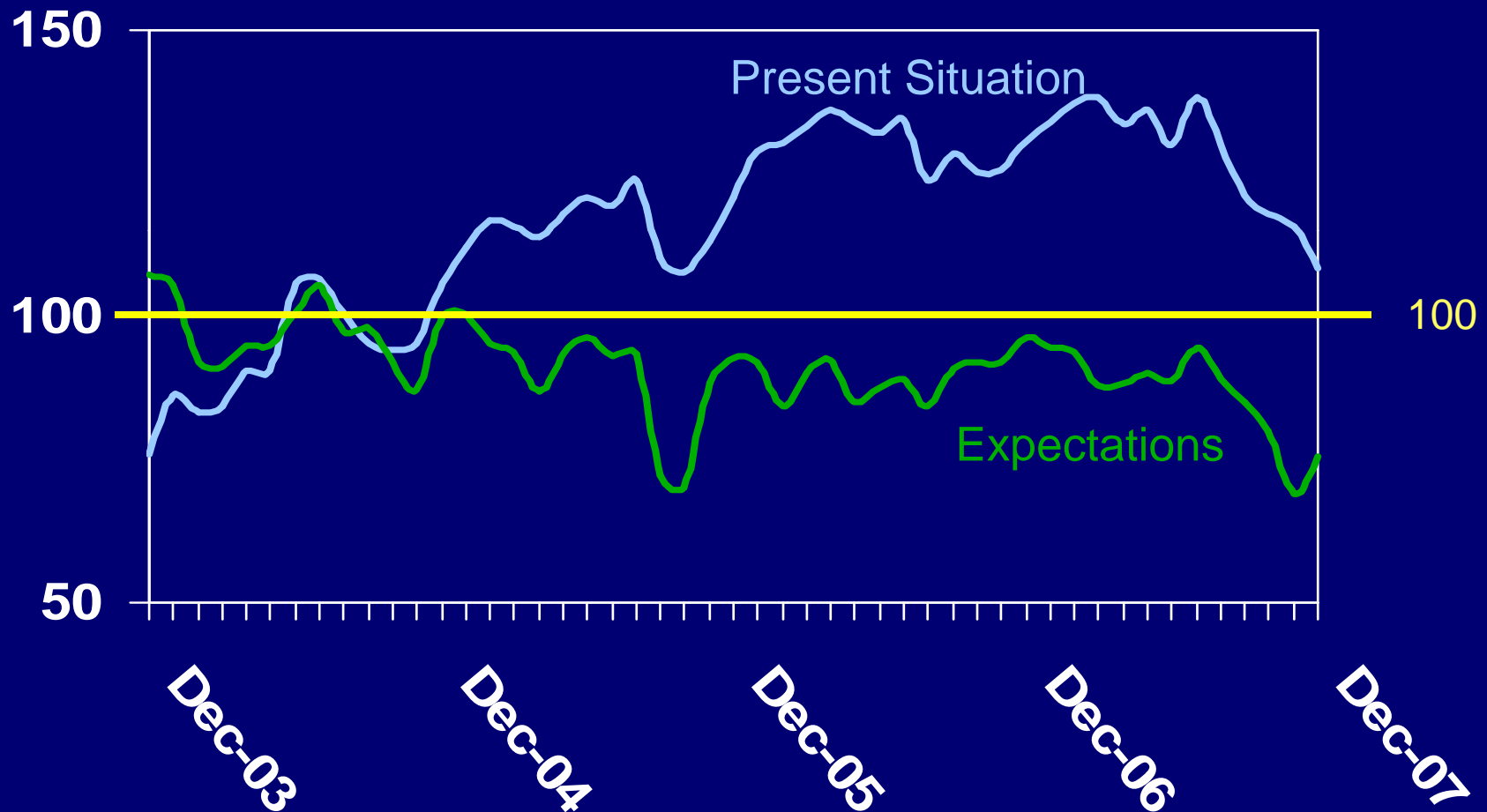
Housing Trends: New & Existing Home Sales



ISM Manufacturing and Non-Manufacturing Indices

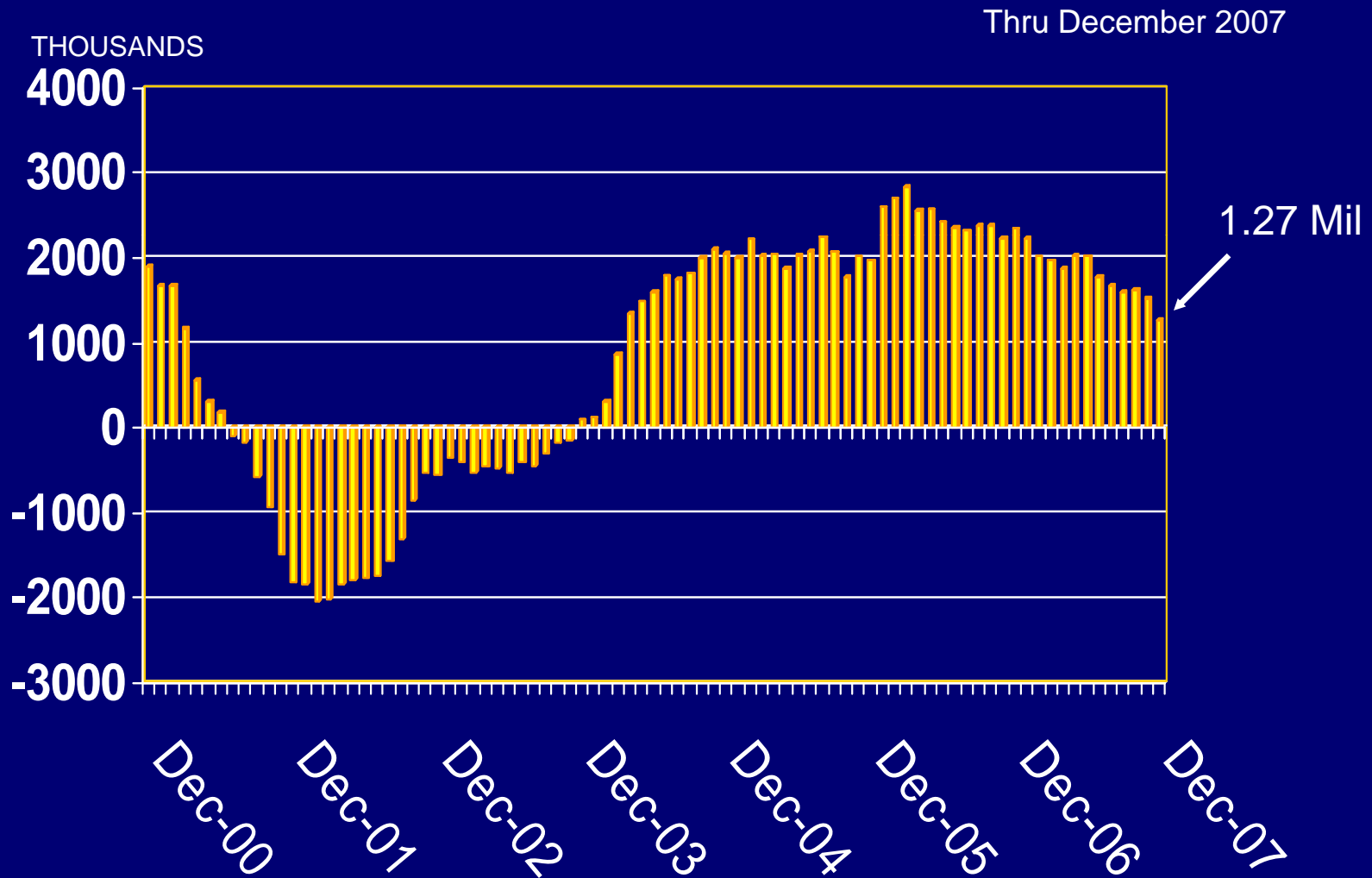


Consumer Confidence



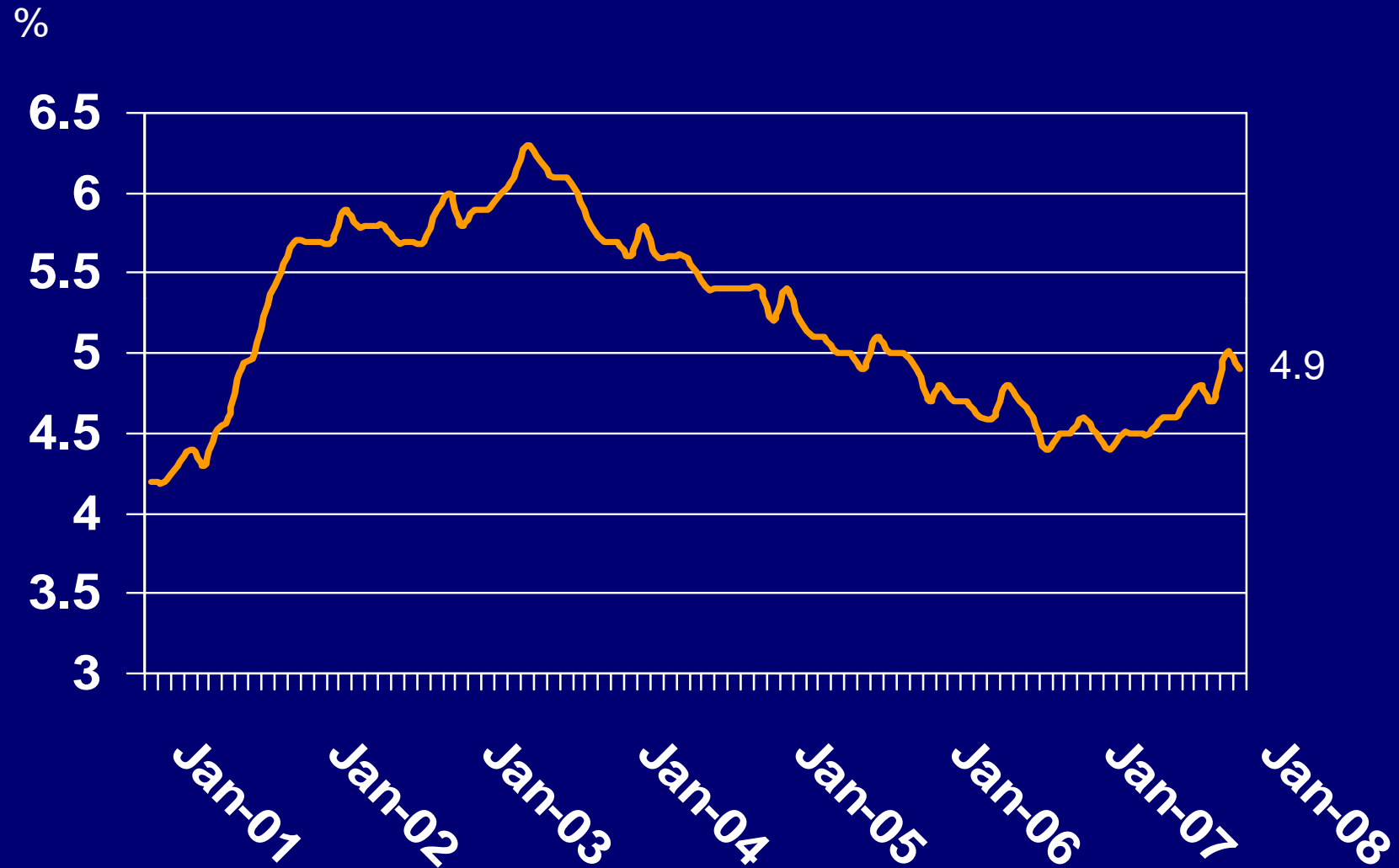
Source: Conference Board, GMU Center for Regional Analysis

Annual Change in Jobs - US



Source: BLS Establishment Survey

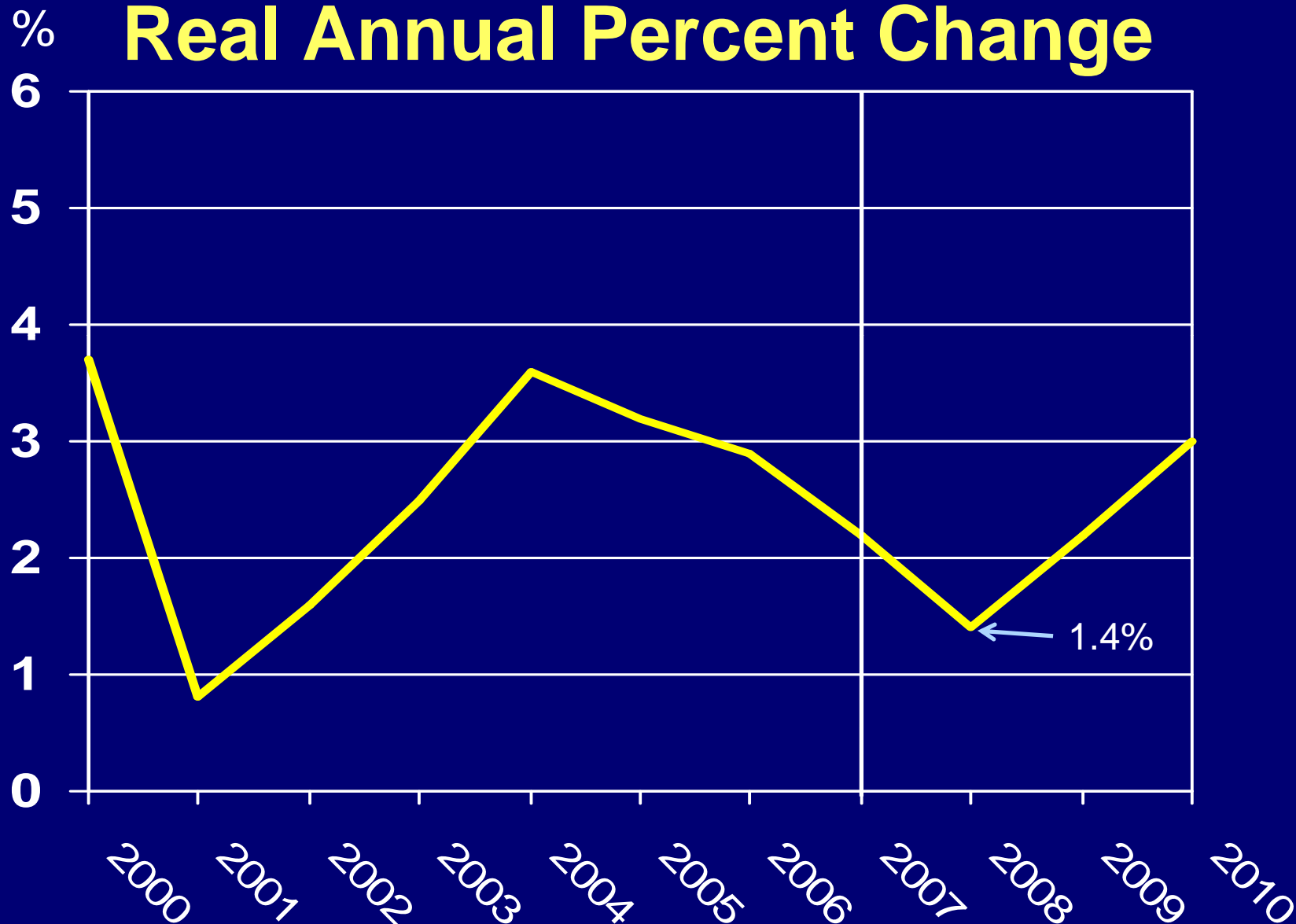
U.S. Unemployment Rate



Source: BLS, Seasonally Adjusted

GDP 2000 - 2010

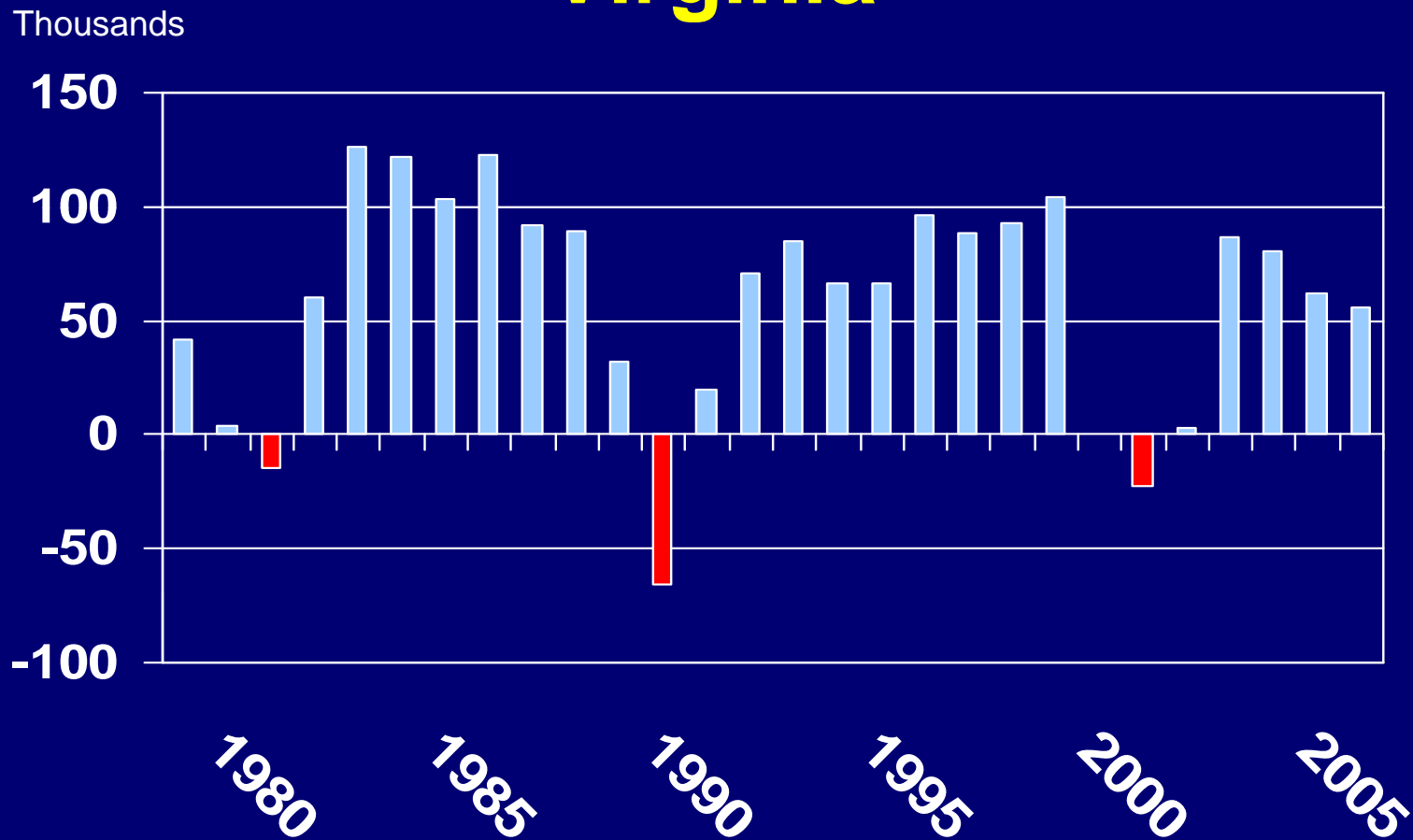
Real Annual Percent Change



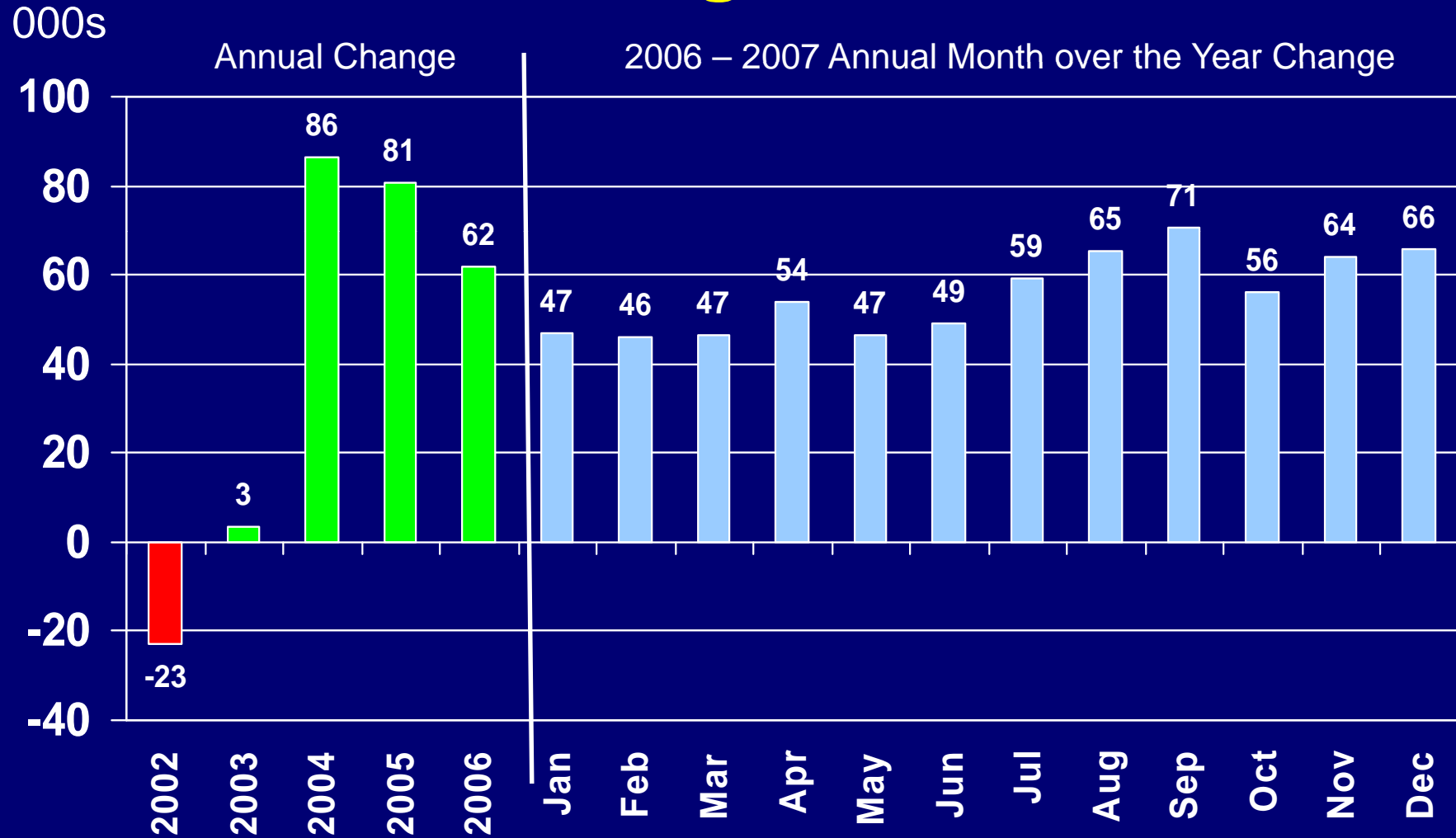
The Virginia Economy

Looking Backwards/ Looking Forwards

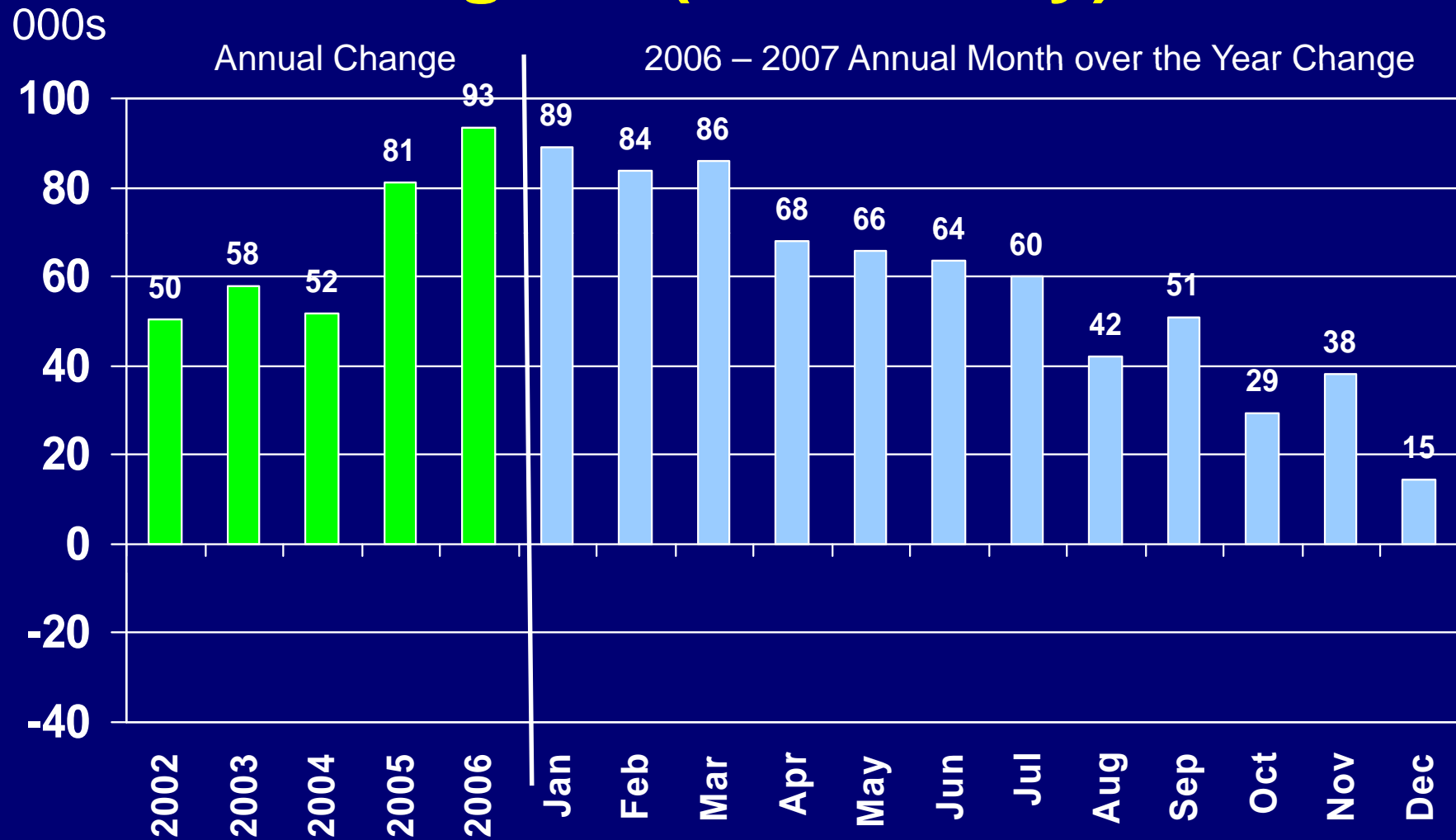
Annual Change in Jobs 1980 – 2007 Virginia



Annual Job Change Virginia



Annual Change in Employed Virginia (HH Survey)

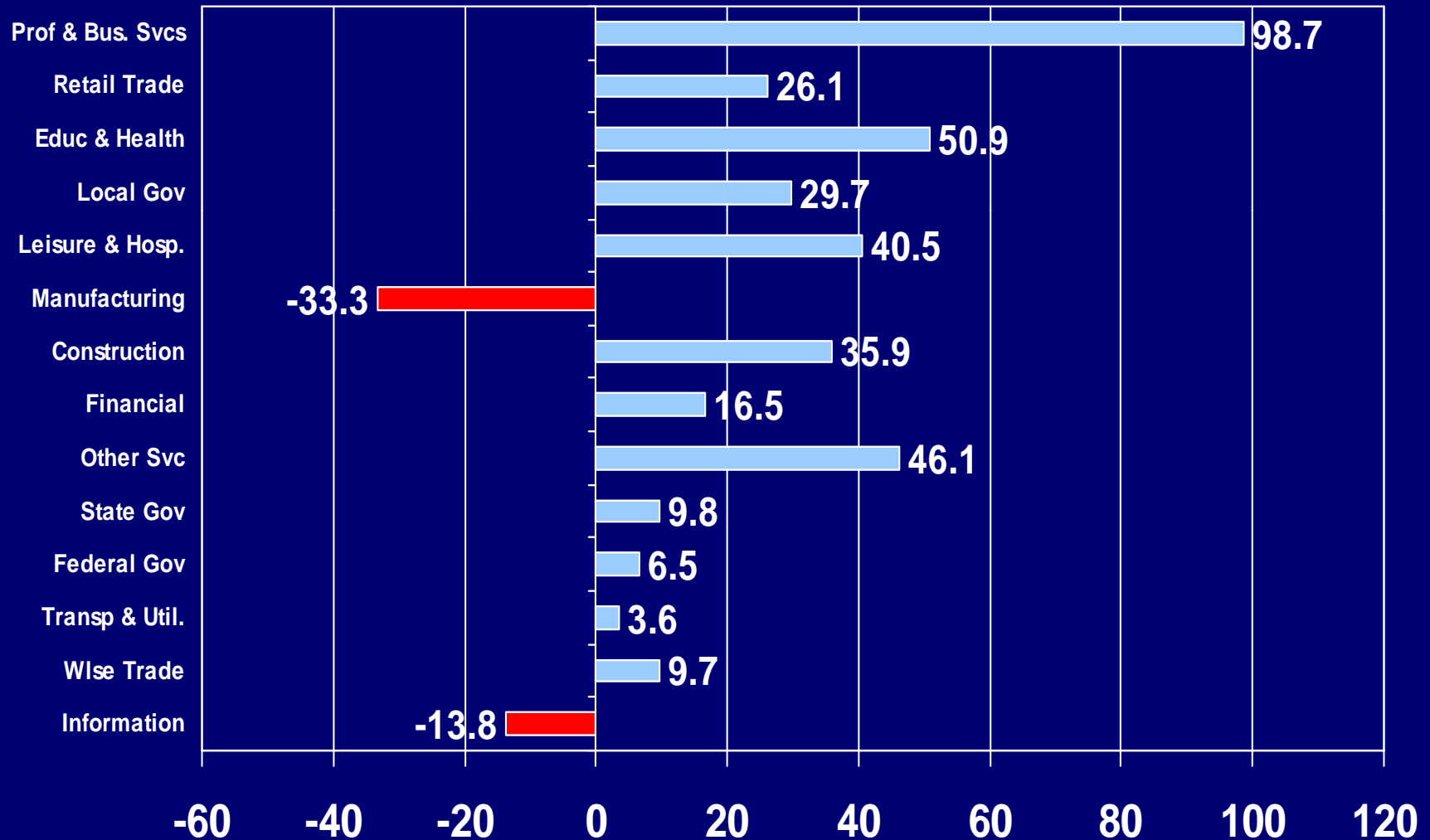


Virginia Job Change By Sector 2002 - 2007

(Ranked by Size of Sector)

000s

Total = 288,400

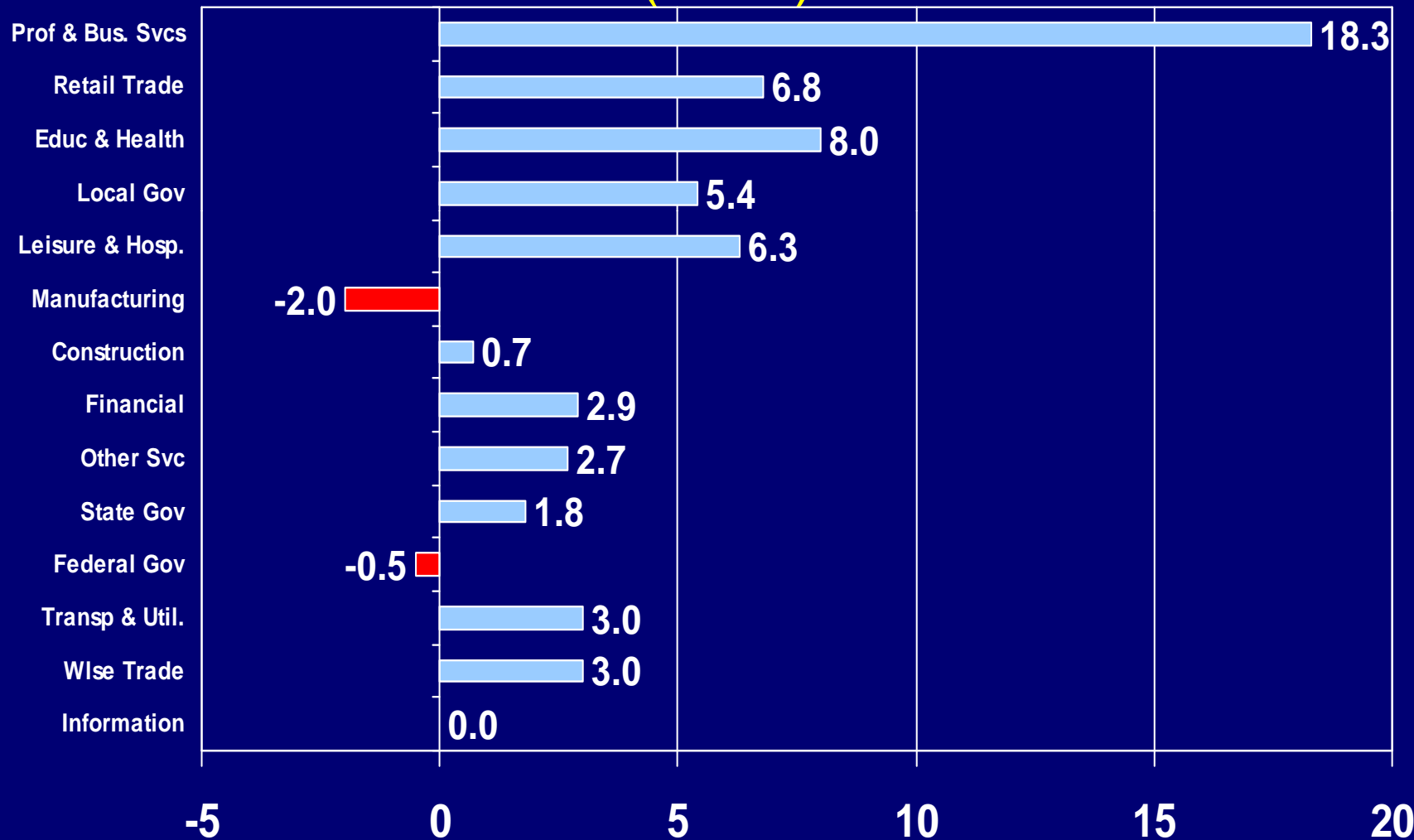


2006 - 2007 Virginia Job Change By Sector

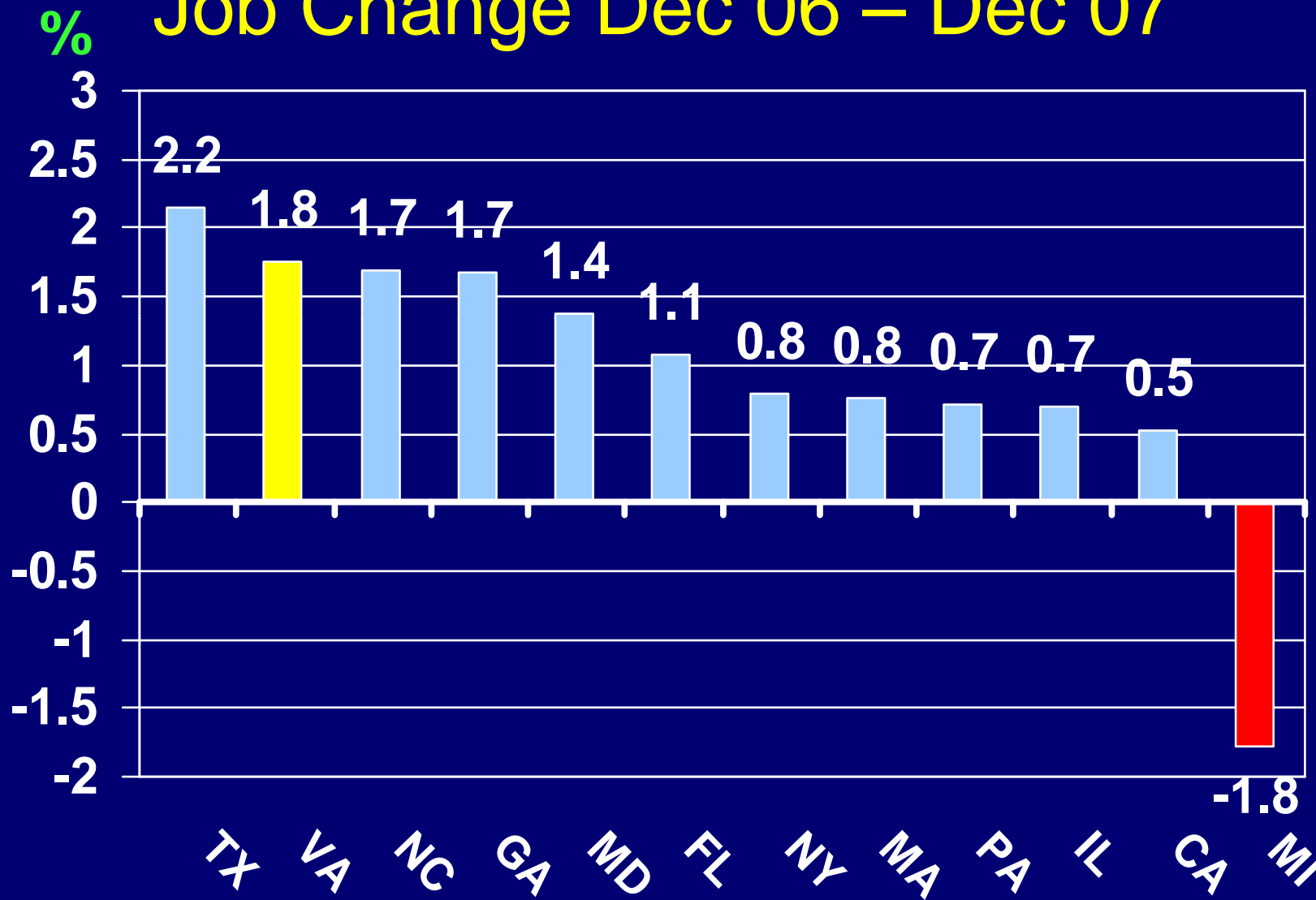
(Ranked by Size of Sector)

(000s)

Total = 56,300



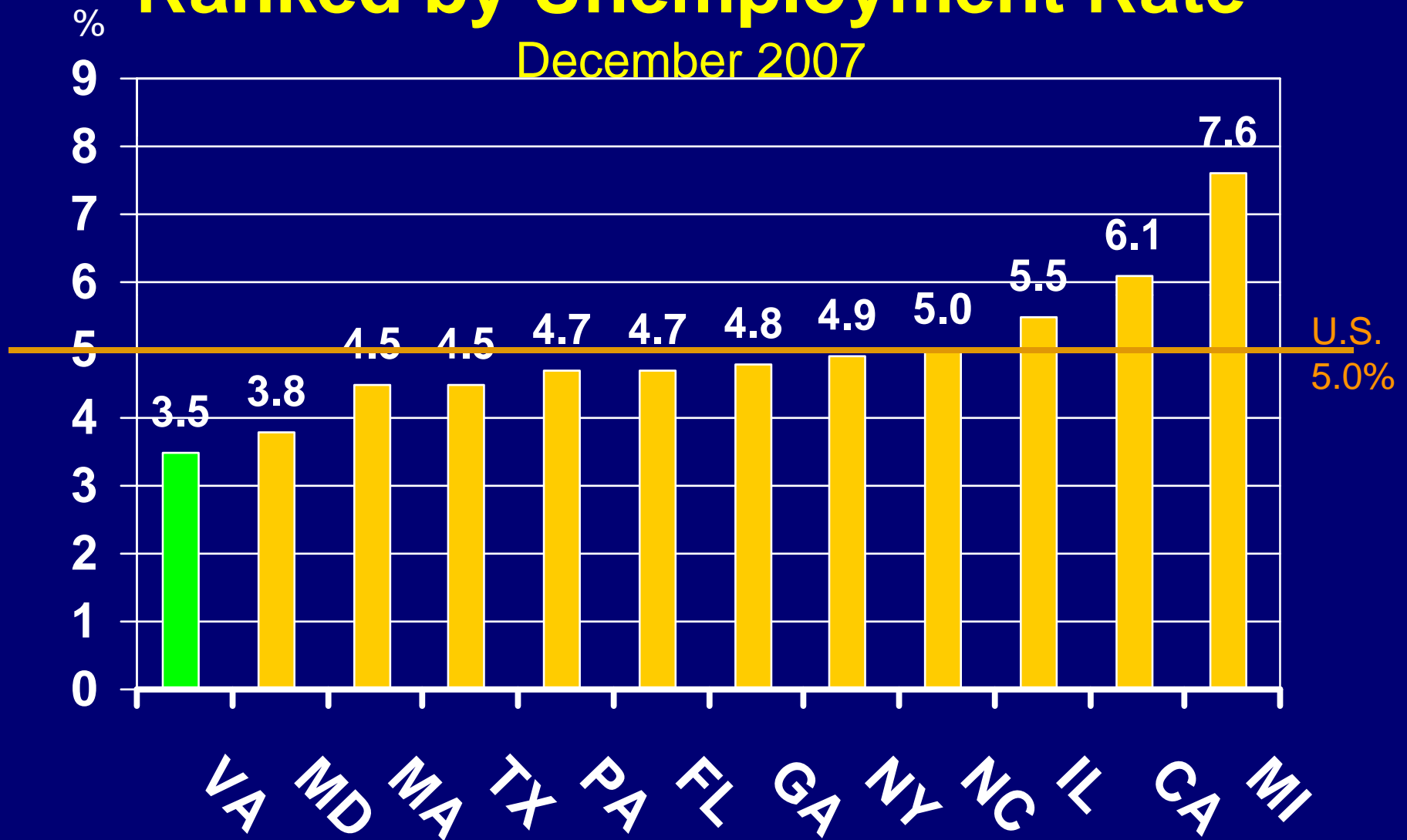
Virginia and Selected States Job Change Dec 06 – Dec 07



Not Seasonally Adjusted

Virginia and Selected States Ranked by Unemployment Rate

December 2007

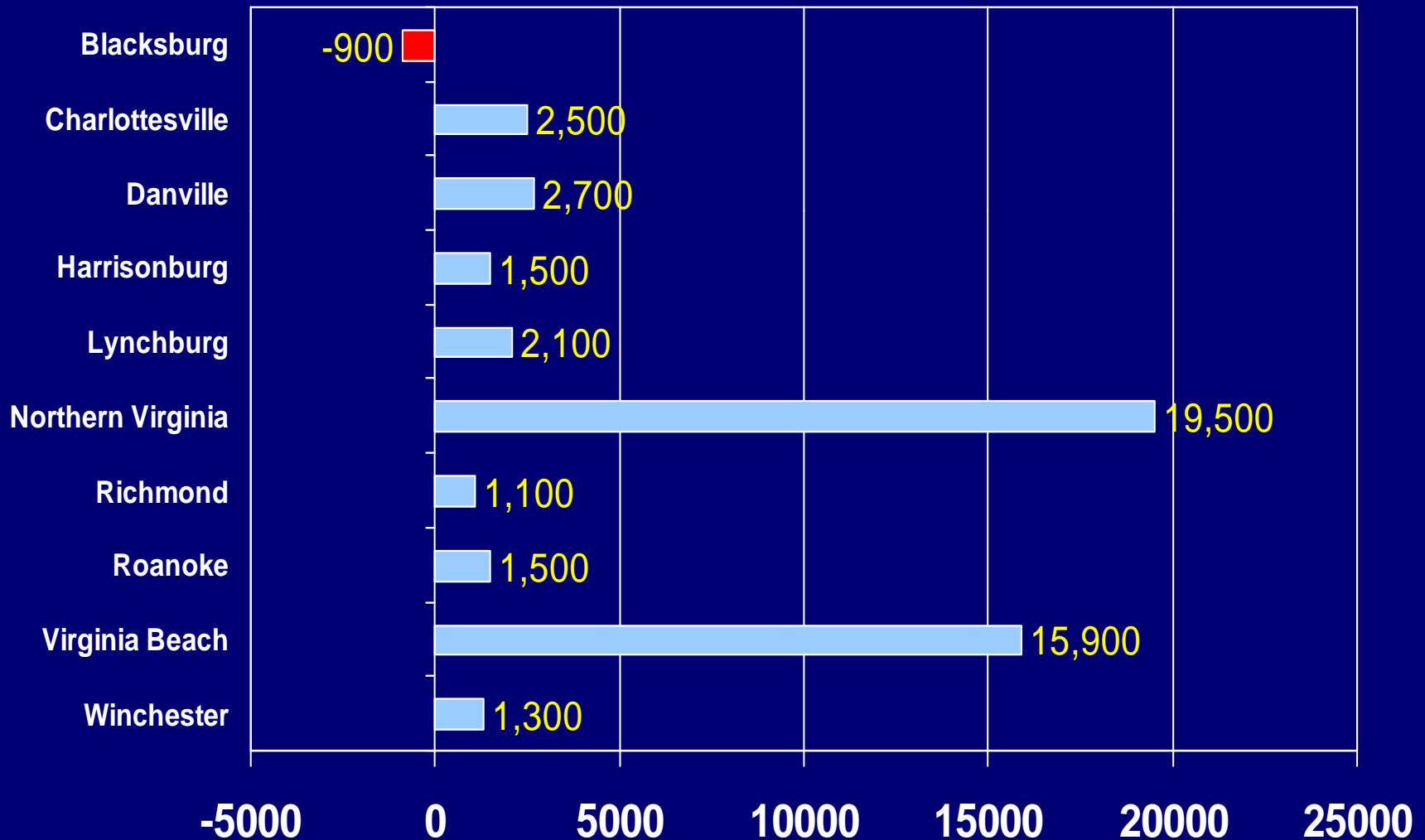


Seasonally Adjusted

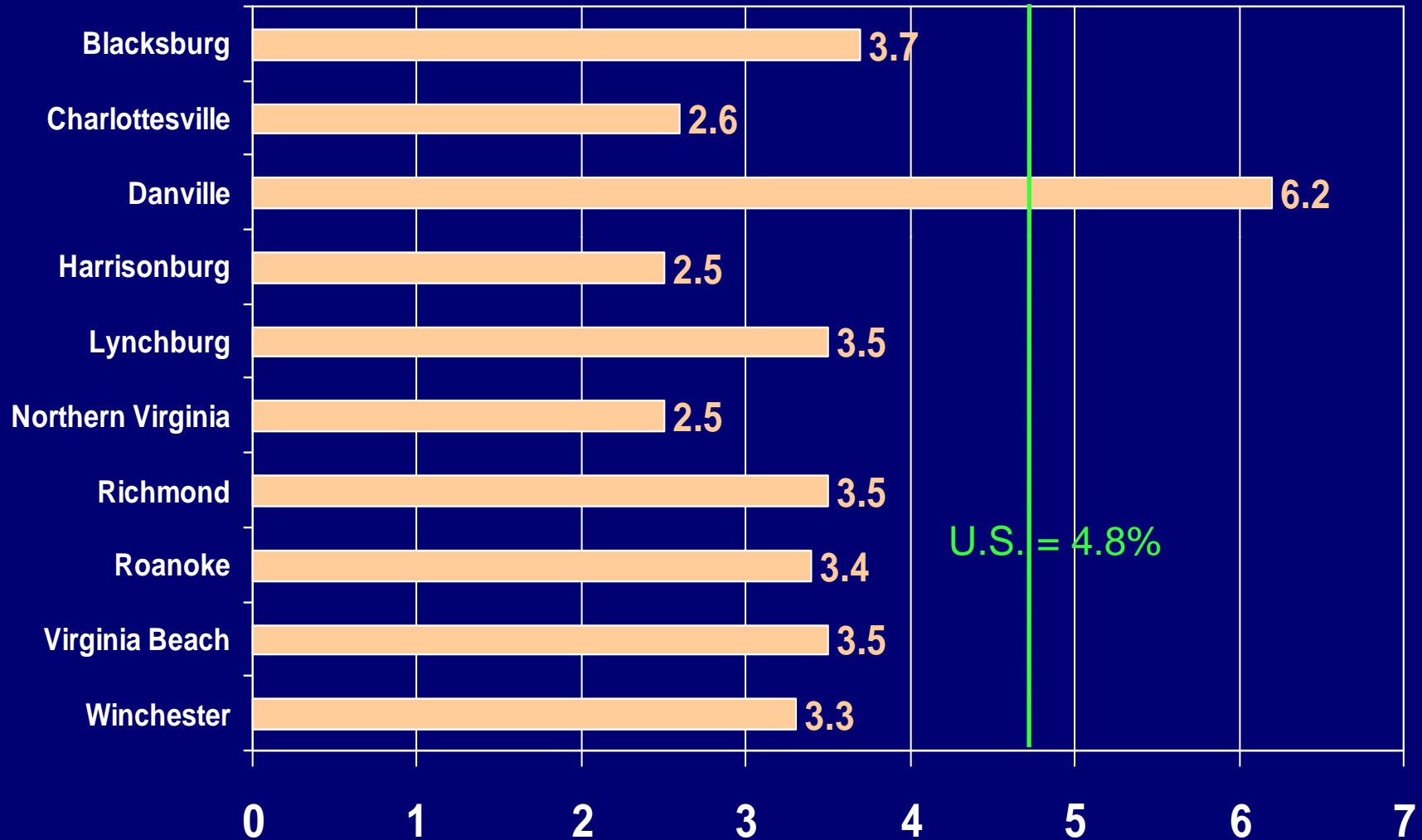
Job Change

Virginia Metro Areas,

Dec 06 – Dec 07



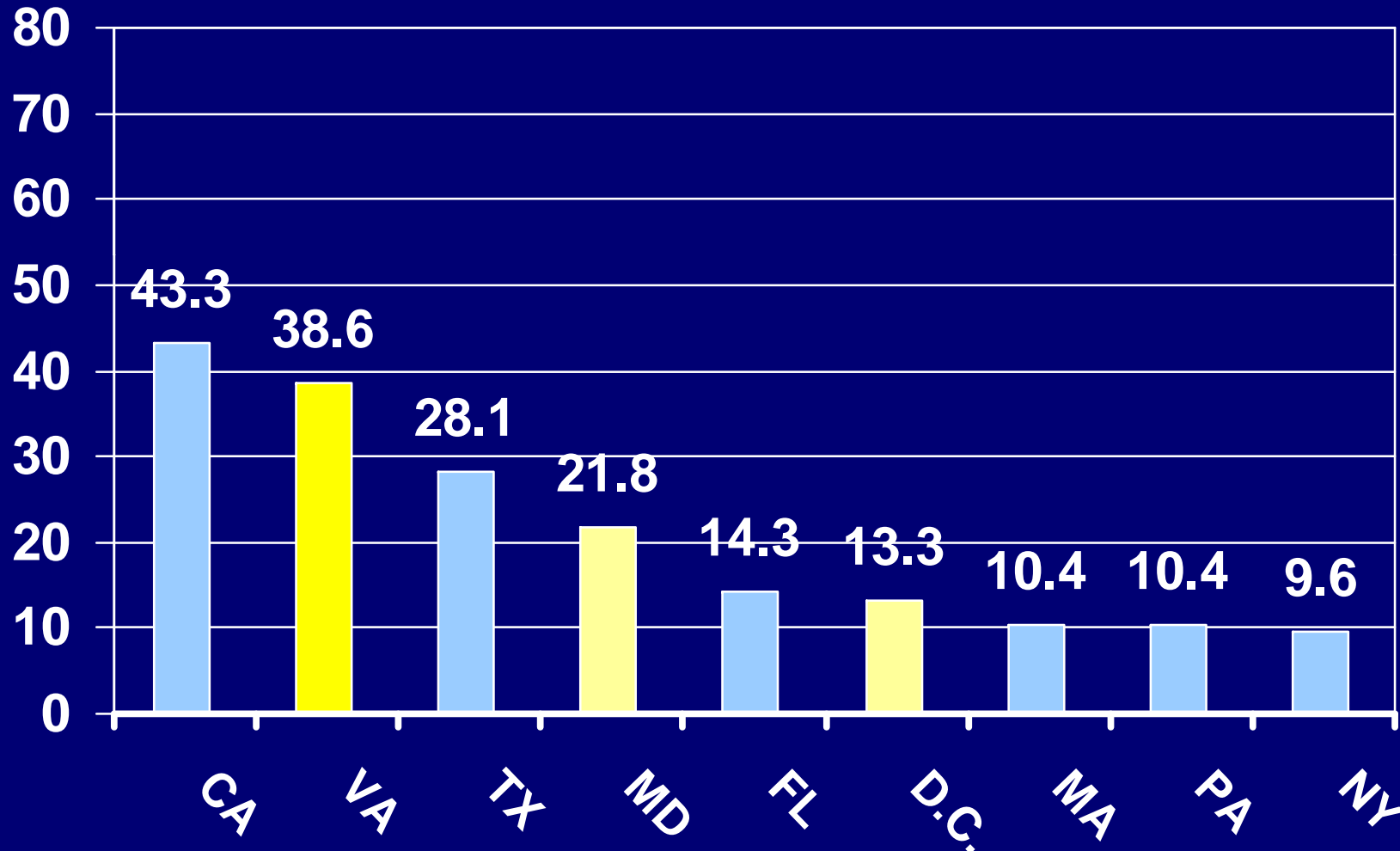
Unemployment Rate Virginia Metro Areas, Dec 06



Source: BLS (Not Seasonally Adjusted), GMU Center for Regional Analysis

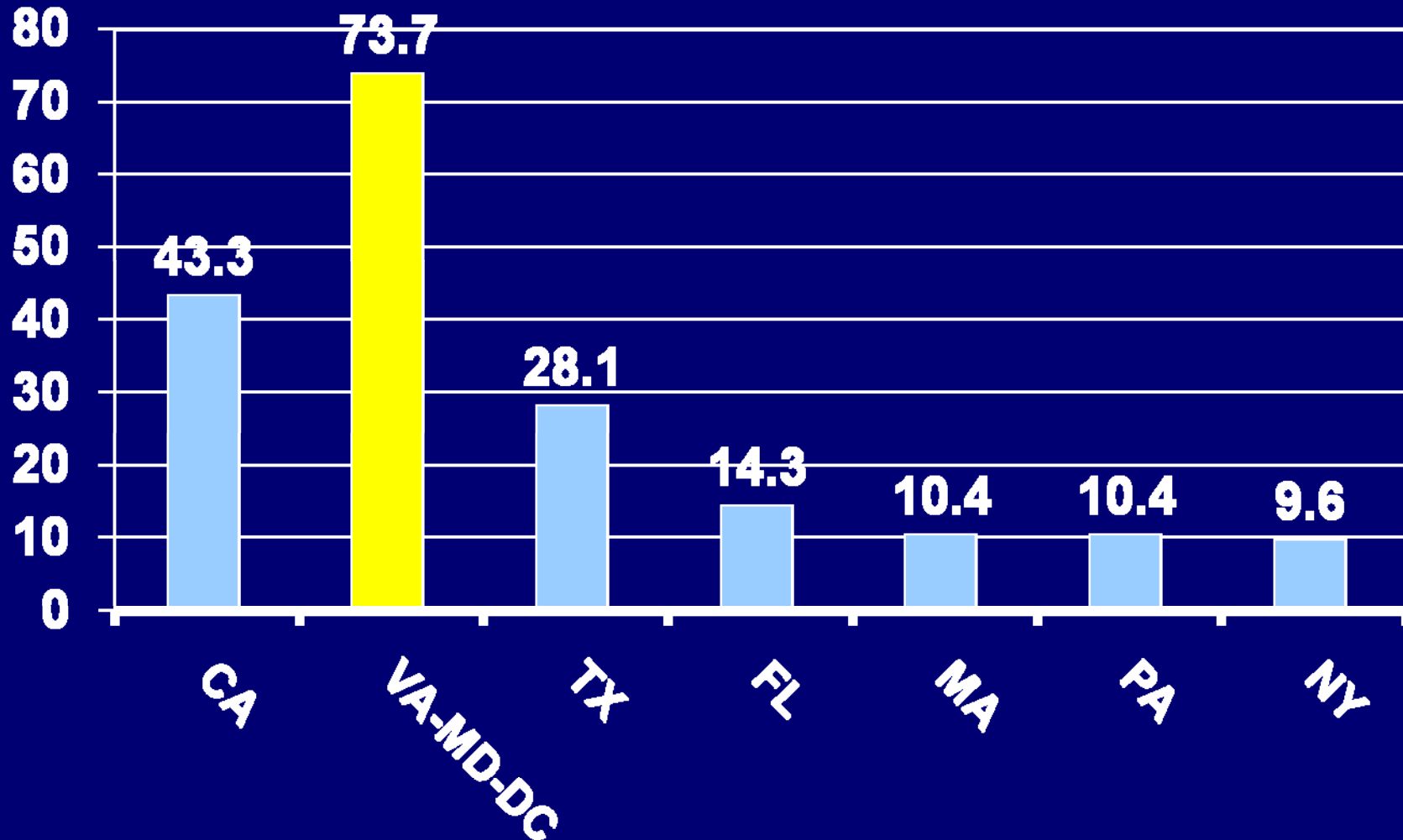
Virginia and Selected States Federal Procurement - 2005

\$ Billions



Virginia and Selected States Federal Procurement - 2005

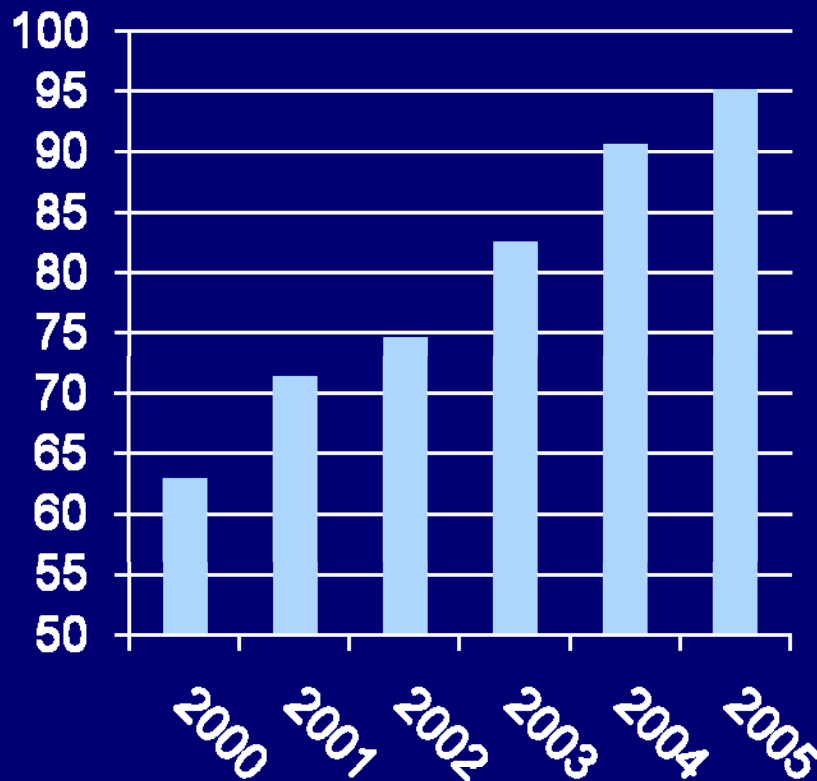
\$ Billions



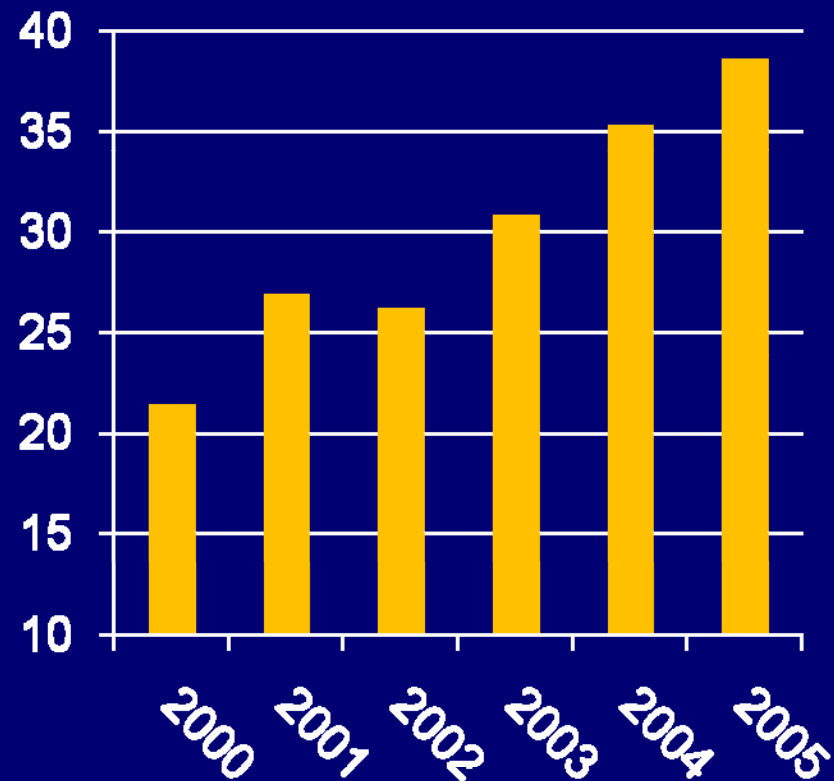
Federal Spending in Virginia 2000 – 2005

(Billions \$)

Total Federal Spending



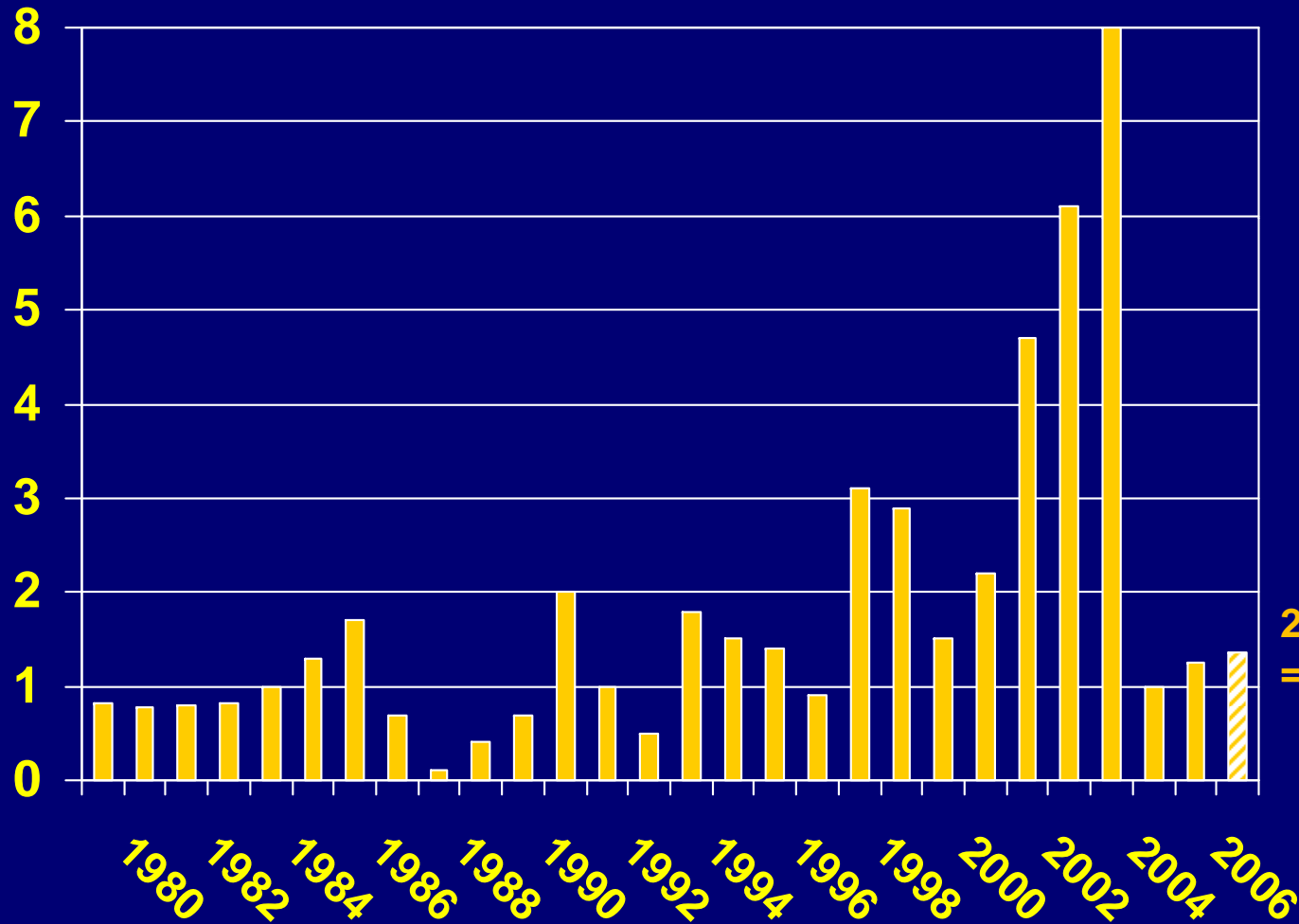
Procurement



Source: US Census Consolidated Federal Funds Report, GMU Center for Regional Analysis

Annual Change in Federal Procurement Spending Washington Metro Area

\$ Billions



2007 Est.
= \$ 1.36 B

Threats to the Virginia Economy's Future Performance

- Slowdown in consumer spending
- Increasing oil prices
- Slowing Federal spending
- Continuing weakness in real estate market
- Shortage of qualified workers

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