

# **Economic & Housing Market Trends**

## **Central Virginia Region**

### **Central Virginia Regional Housing Summit**

June 25, 2025

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Chief Economist  
Virginia REALTORS®

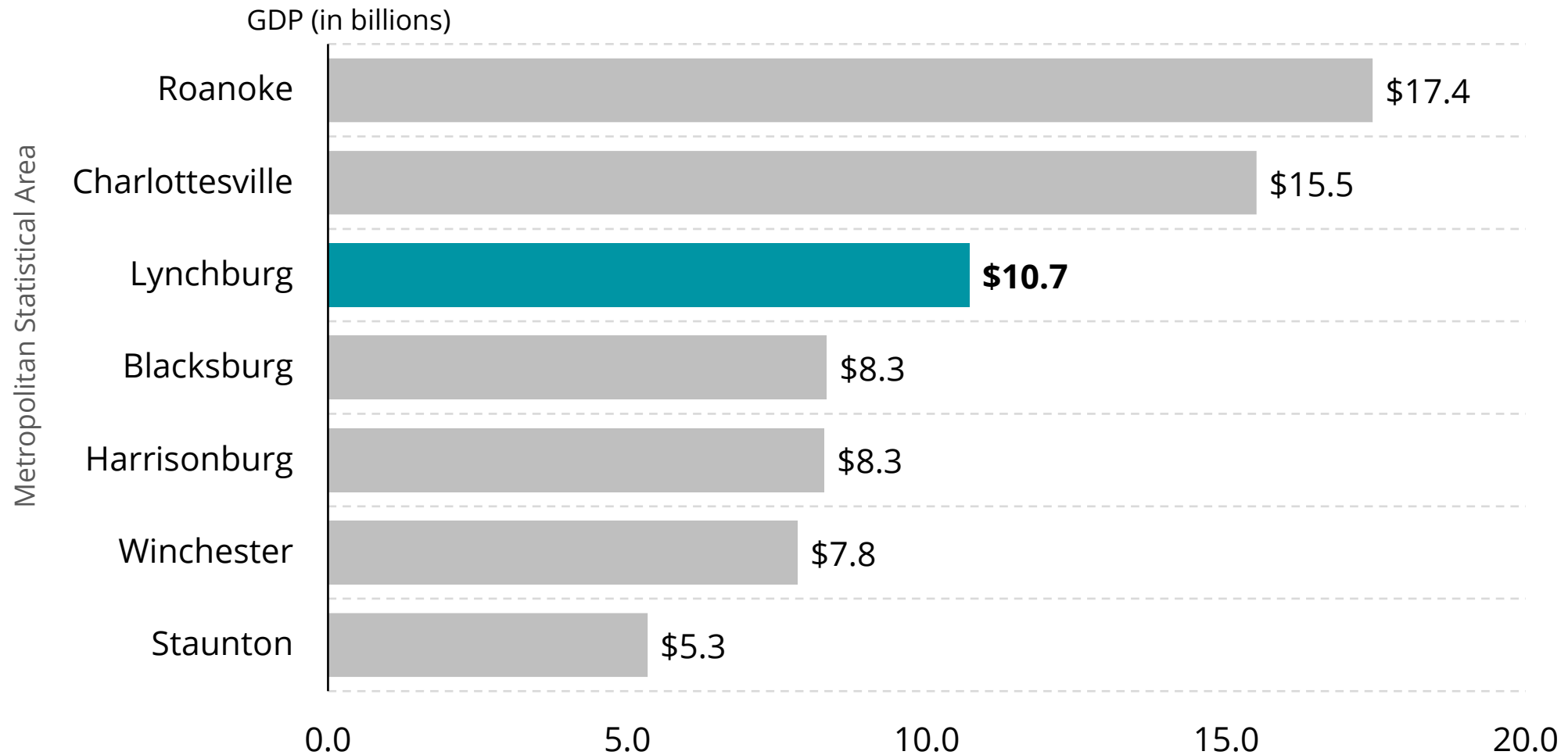


# ECONOMIC TRENDS



# Ranks 3<sup>rd</sup> in Size of Economy Among Smaller Metros

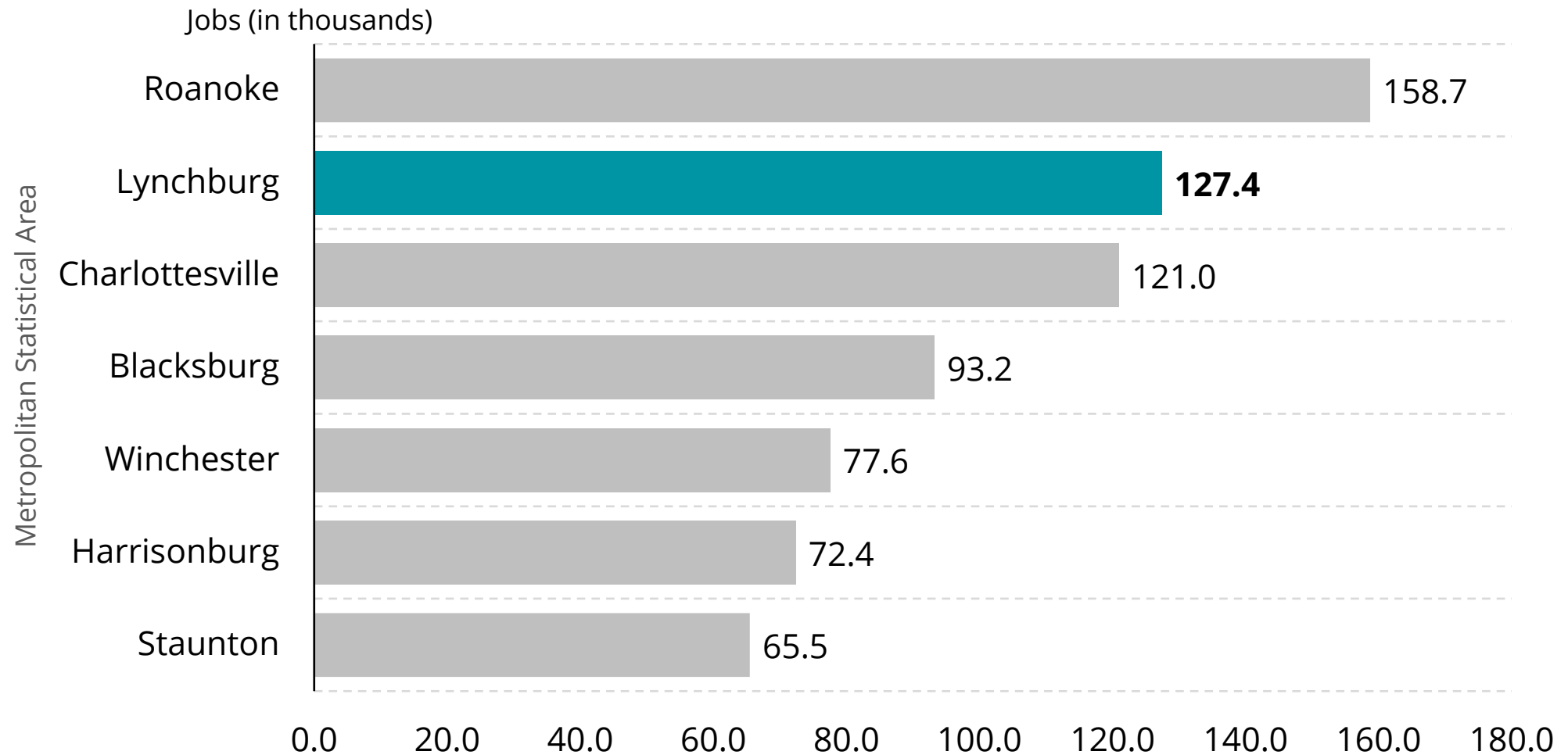
## *GDP of Smaller Metro Areas in Virginia, 2023*



Source: U.S. Bureau of Labor Statistics, seasonally adjusted

# Ranks 2<sup>nd</sup> in Labor Force Size Among Smaller Metros

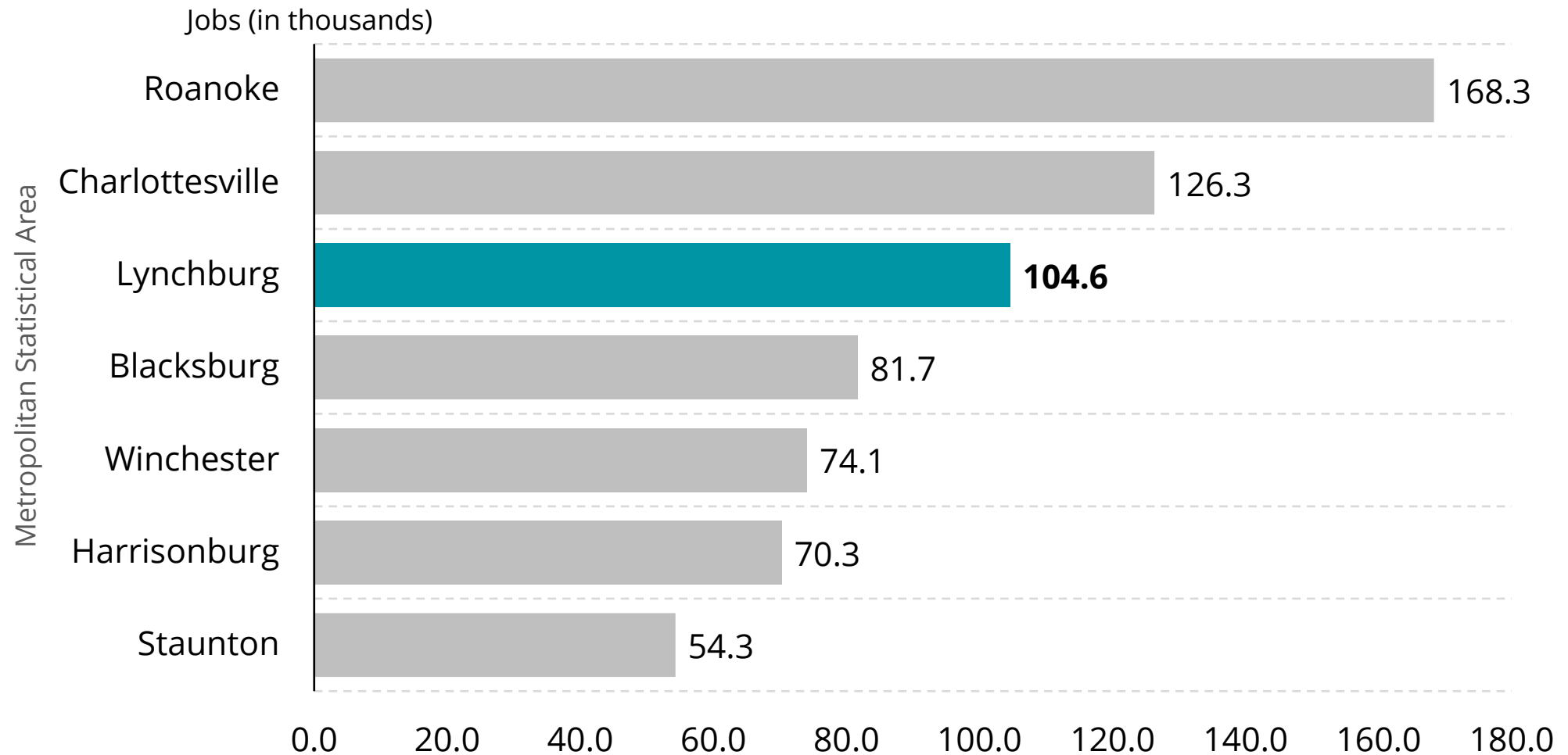
## *Total Jobs by Smaller Metro Areas in Virginia, April 2025*



Source: U.S. Bureau of Labor Statistics, seasonally adjusted

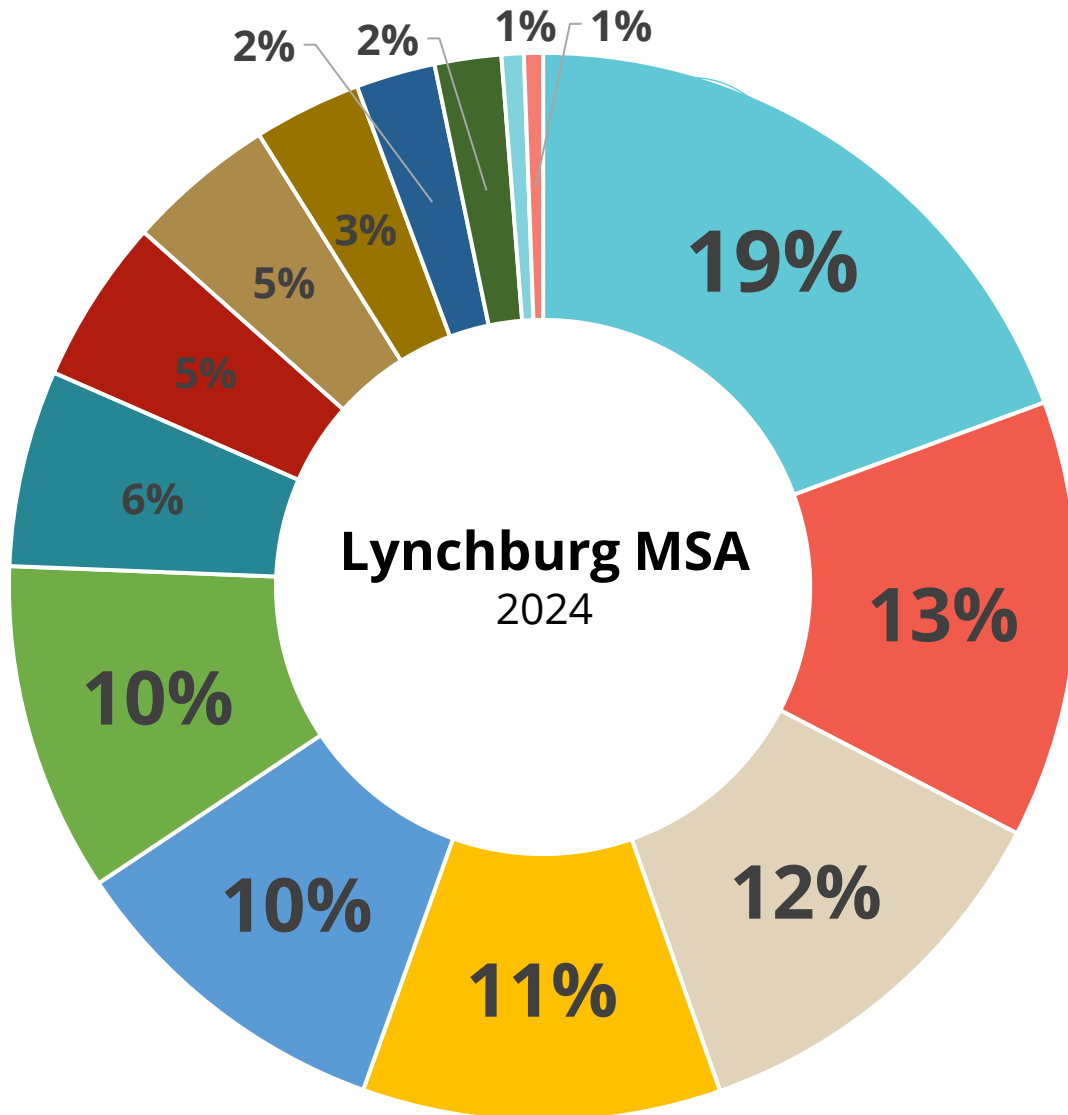
# Ranks 3<sup>rd</sup> in Total Jobs Among Smaller Metros

## *Total Jobs by Smaller Metro Areas in Virginia, April 2025*



Source: U.S. Bureau of Labor Statistics, seasonally adjusted

# Lynchburg Metro Area Job Composition



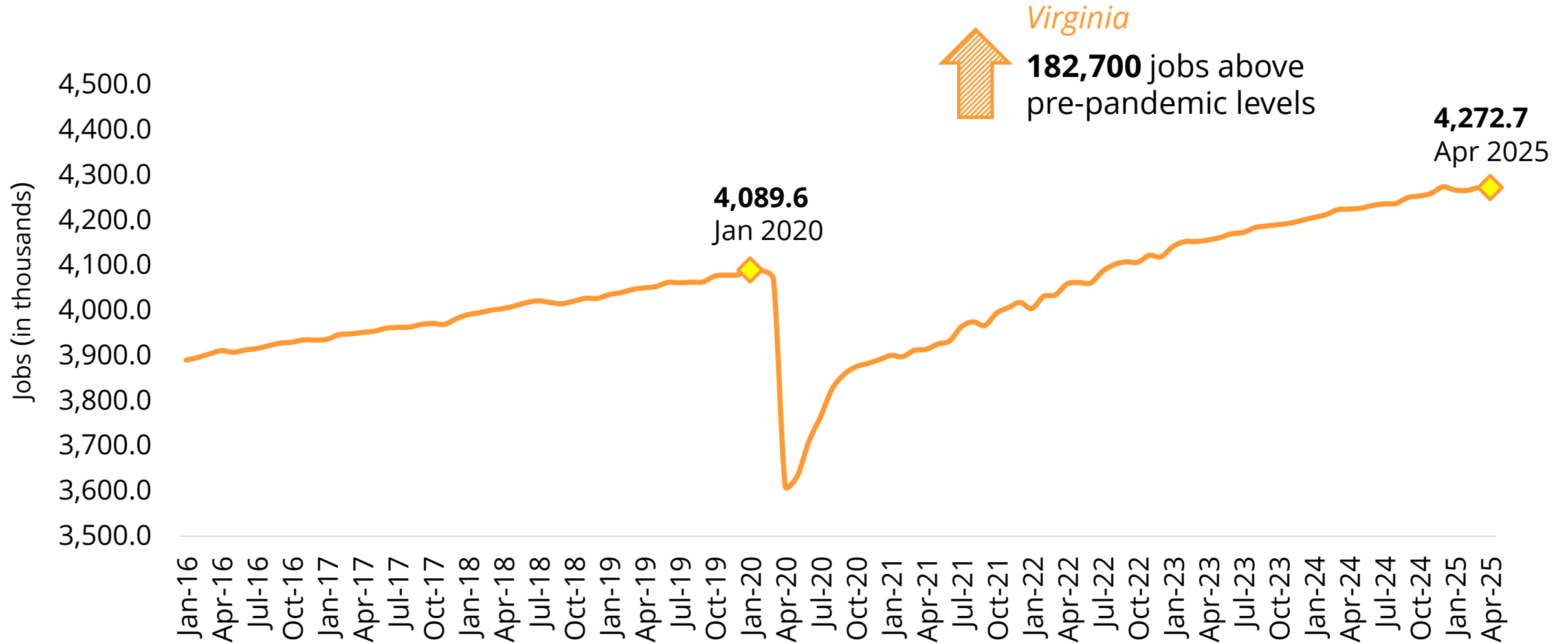
**75%**

**25%**

- Education and Health Services
- Manufacturing
- Retail Trade
- Leisure and Hospitality
- Professional and Business Services
- Local Government
- Mining, Logging and Construction
- Financial Activities
- Other Services
- Wholesale Trade
- Transportation, Warehousing, and Utilities
- State Government
- Information
- Federal Government

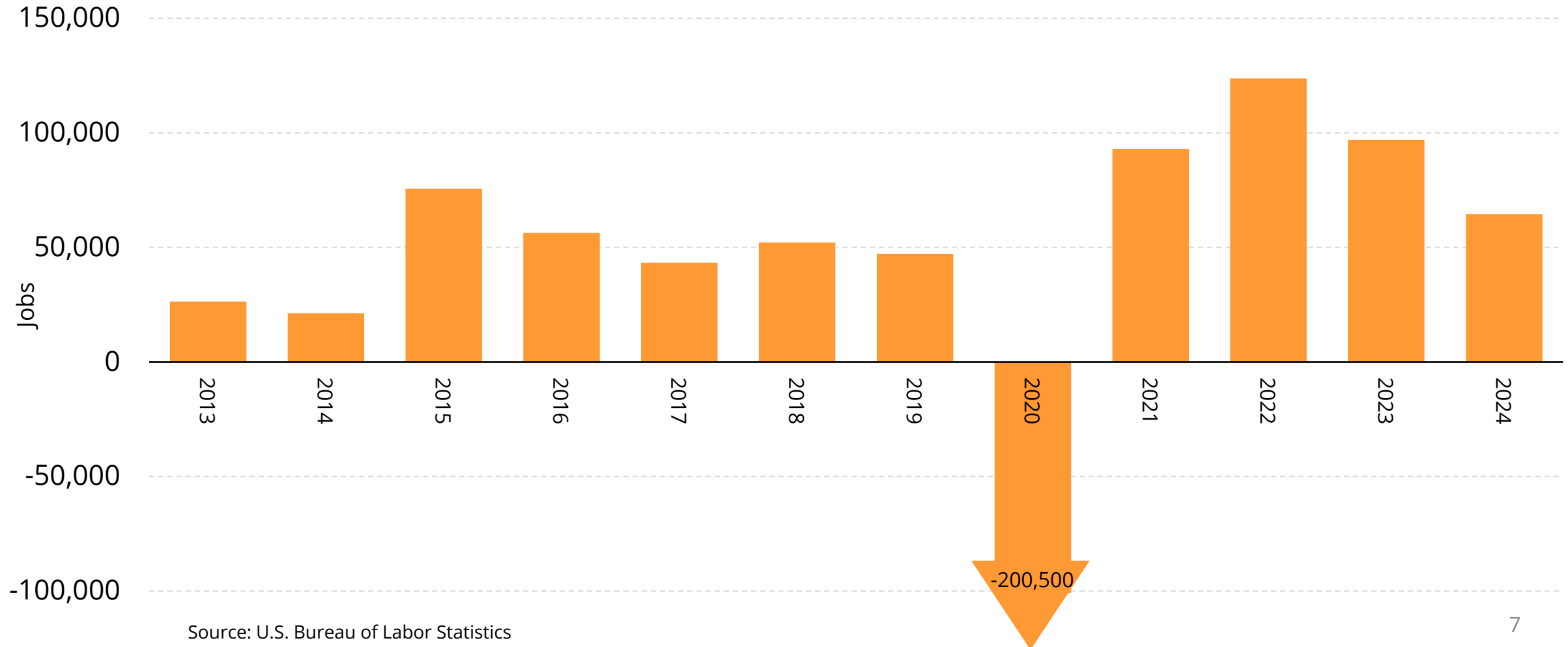
Source: U.S. Bureau of Labor Statistics

# Virginia Job Trends



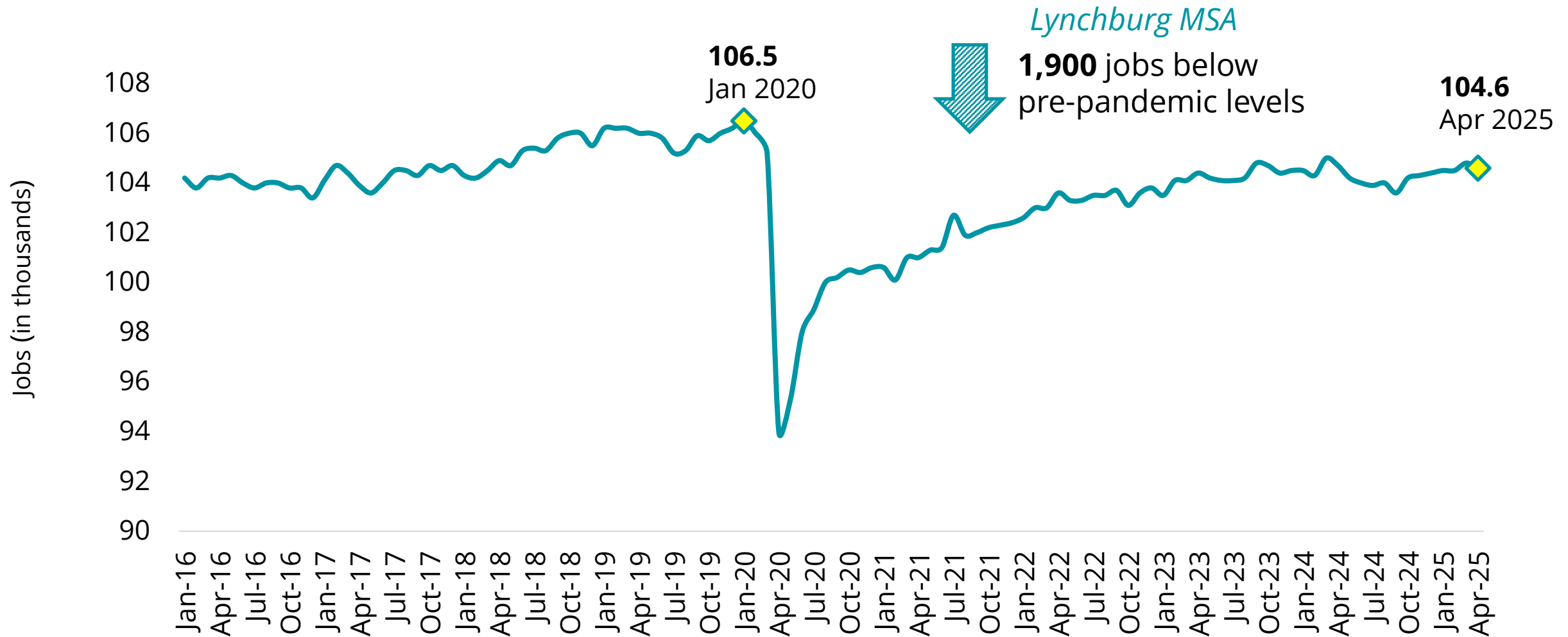
# Virginia Job Trends

## *Annual Net Change in Jobs, Virginia*



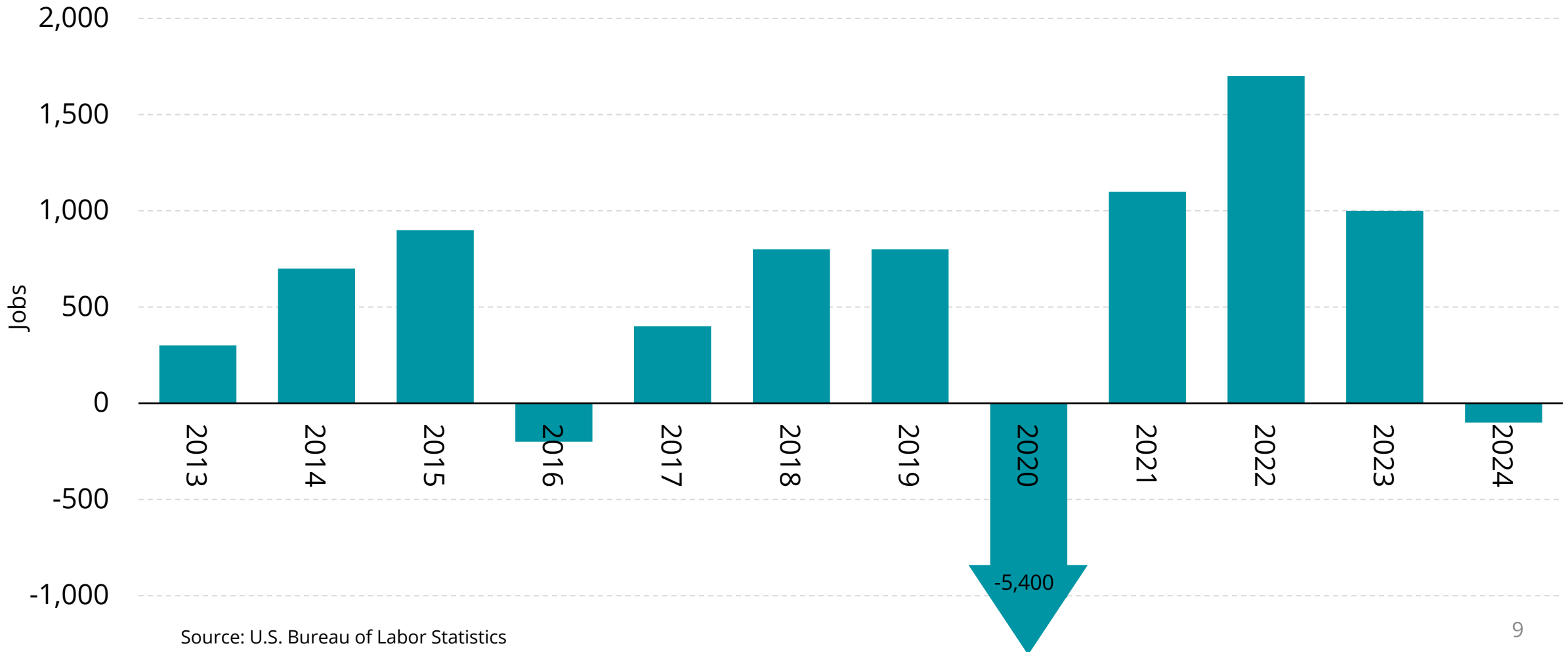
Source: U.S. Bureau of Labor Statistics

# Lynchburg MSA Job Trends



# Lynchburg Metro Area Job Trends

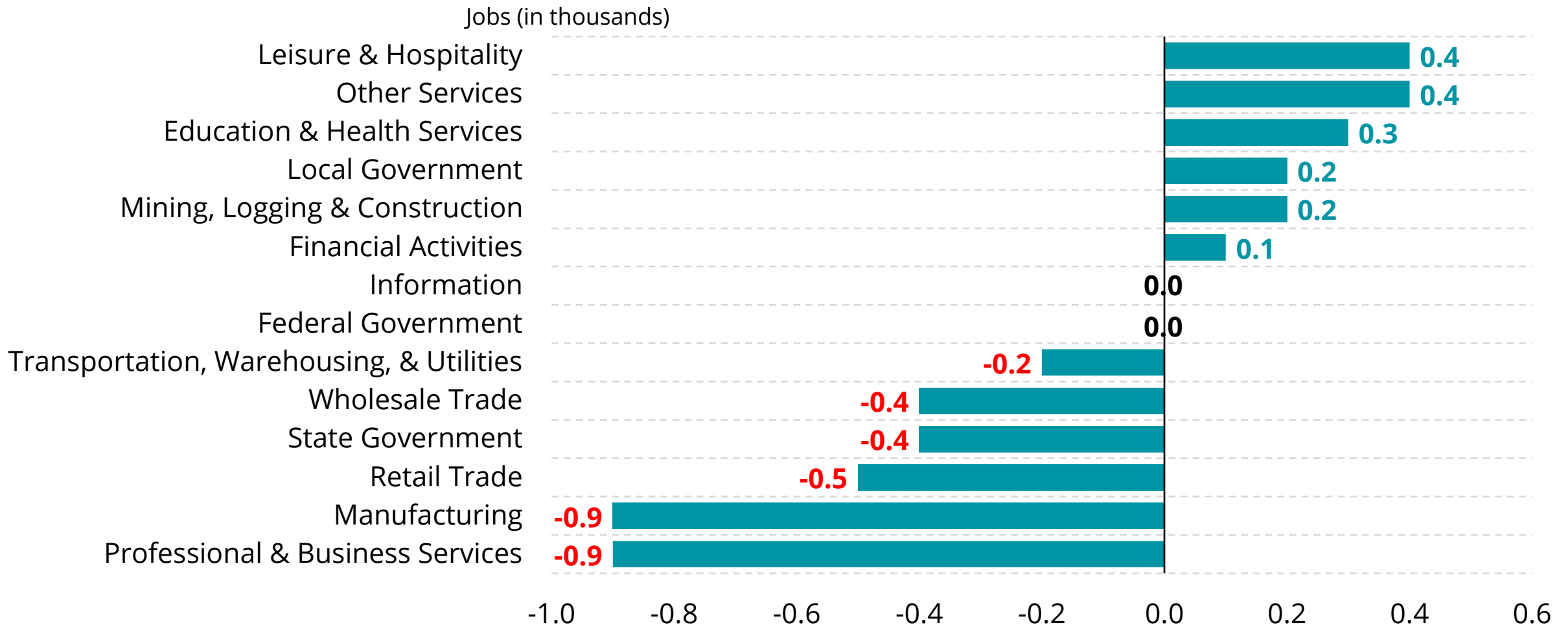
Annual Net Change in Jobs, Lynchburg MSA



Source: U.S. Bureau of Labor Statistics

# Job Change by Sector in Lynchburg MSA

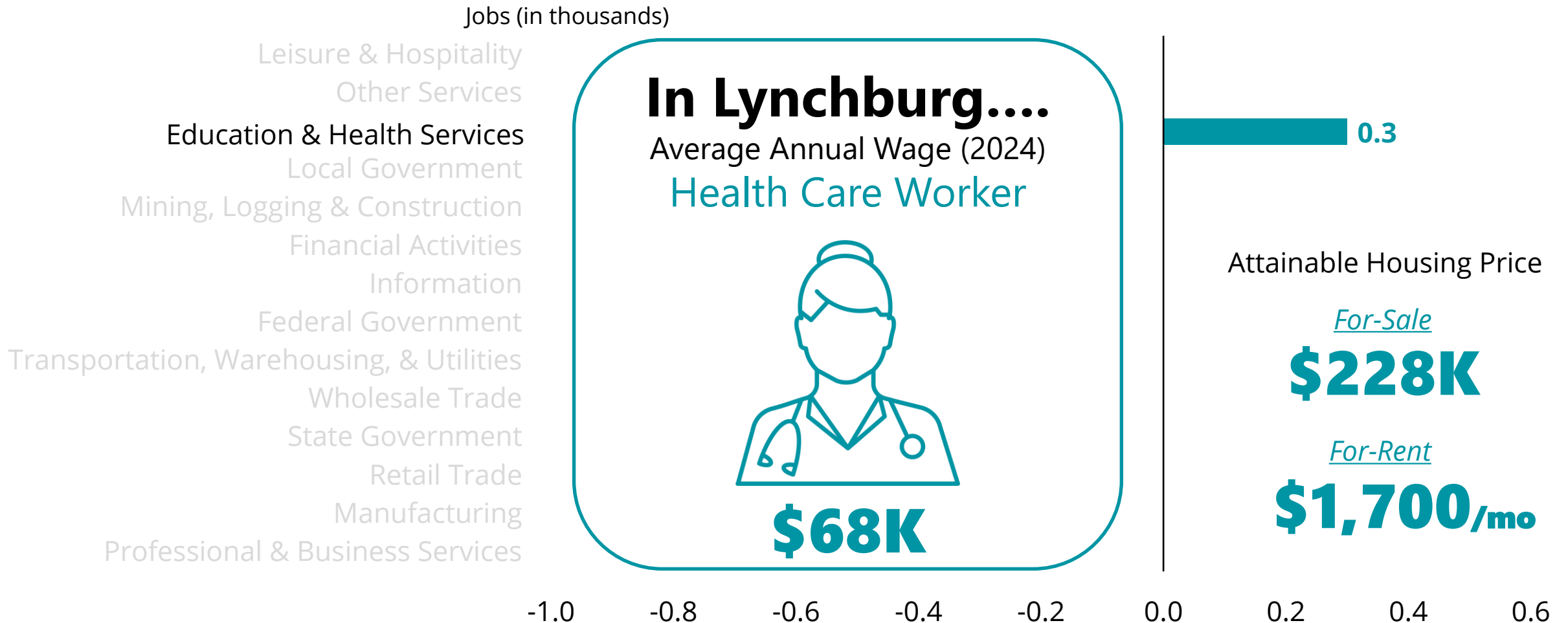
Job Change 2019 to 2024, Lynchburg MSA (in thousands)



Source: U.S. Bureau of Labor Statistics

# Job Change by Sector in Virginia

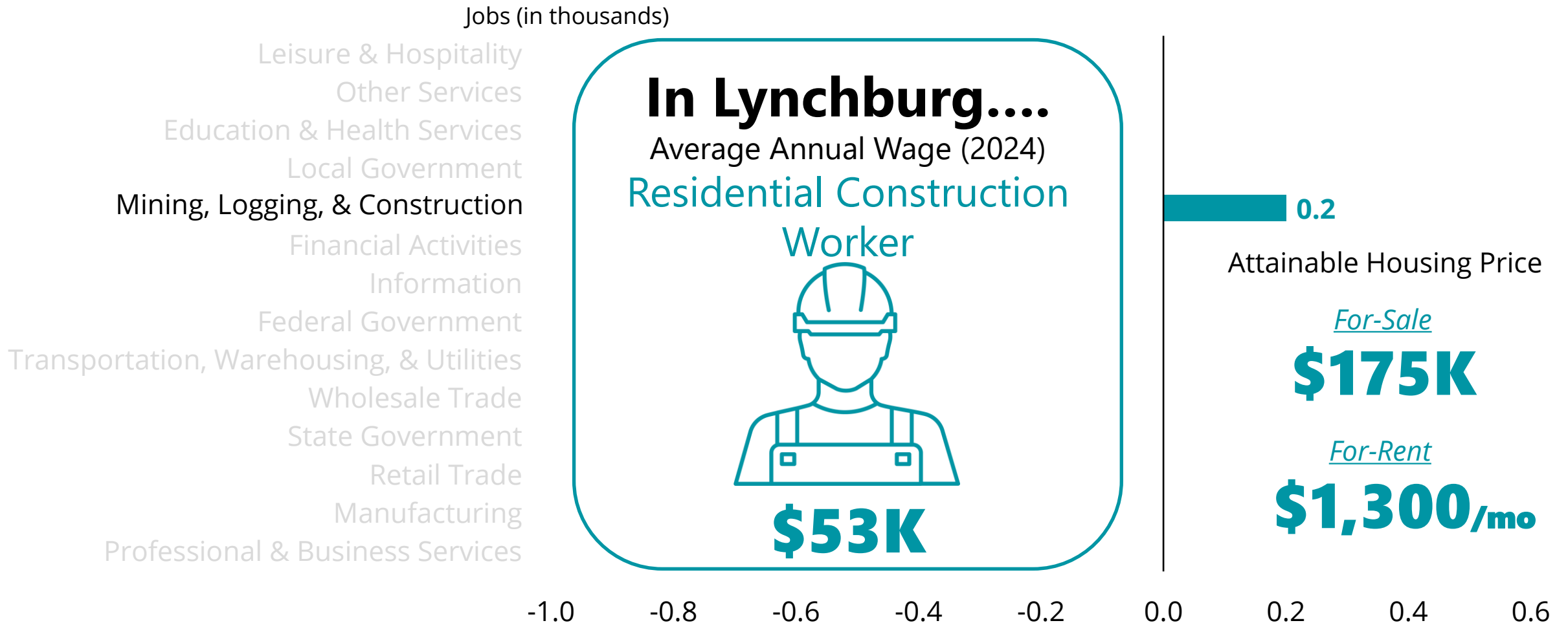
Job Change 2019 to 2024, Lynchburg MSA (in thousands)



Source: U.S. Bureau of Labor Statistics

# Job Change by Sector in Virginia

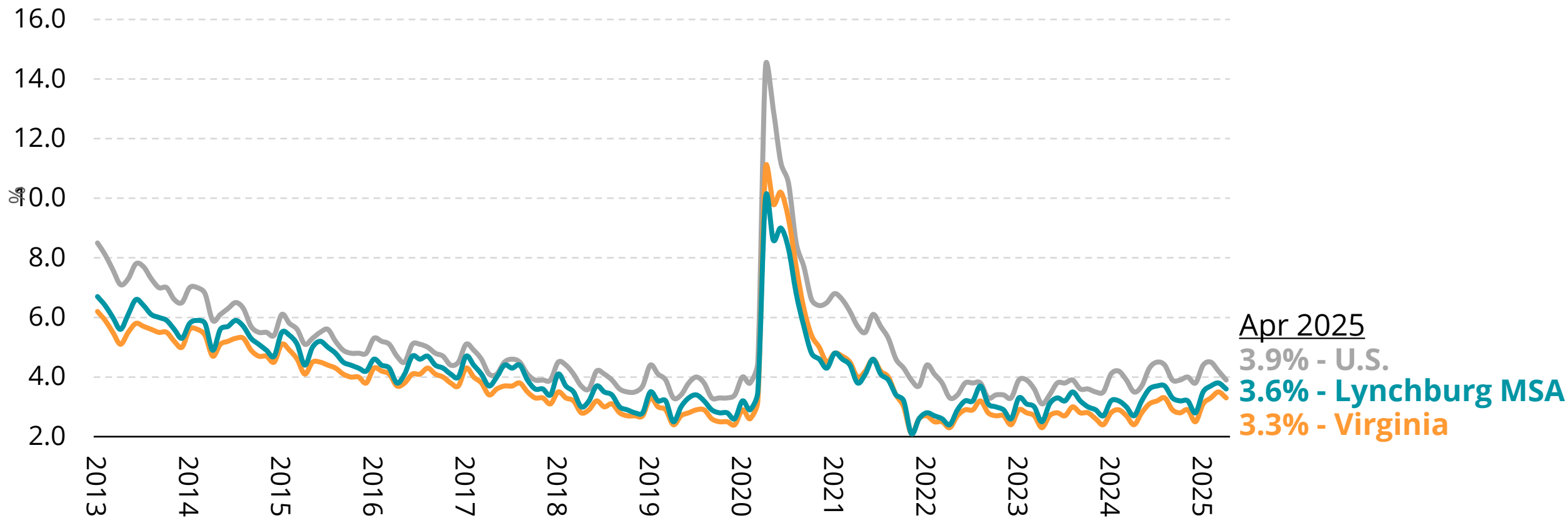
Job Change 2019 to 2024, Lynchburg MSA (in thousands)



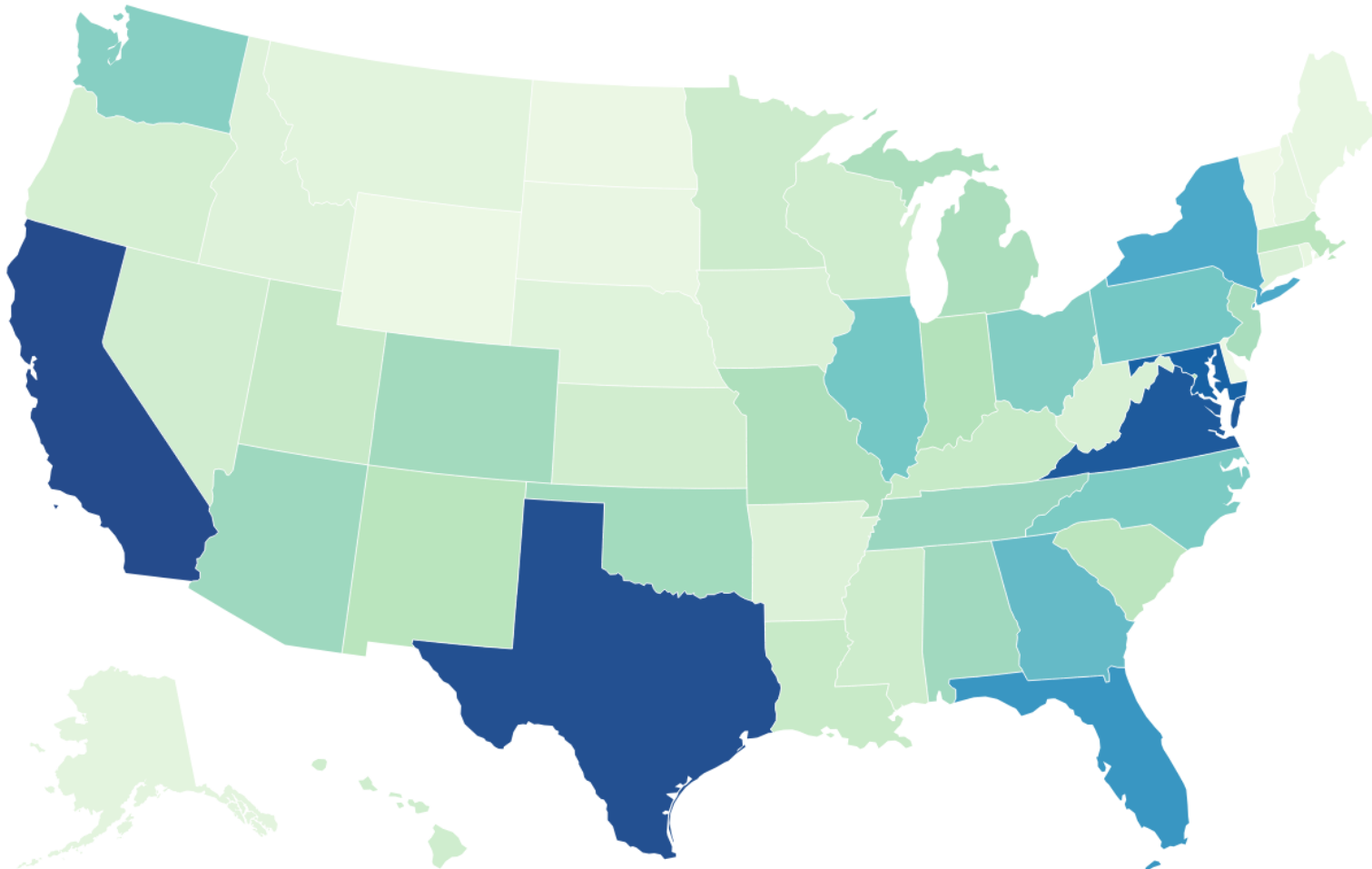
Source: U.S. Bureau of Labor Statistics

# Unemployment Rate

*Unemployment Rate (%)*



# Federal Employment by State



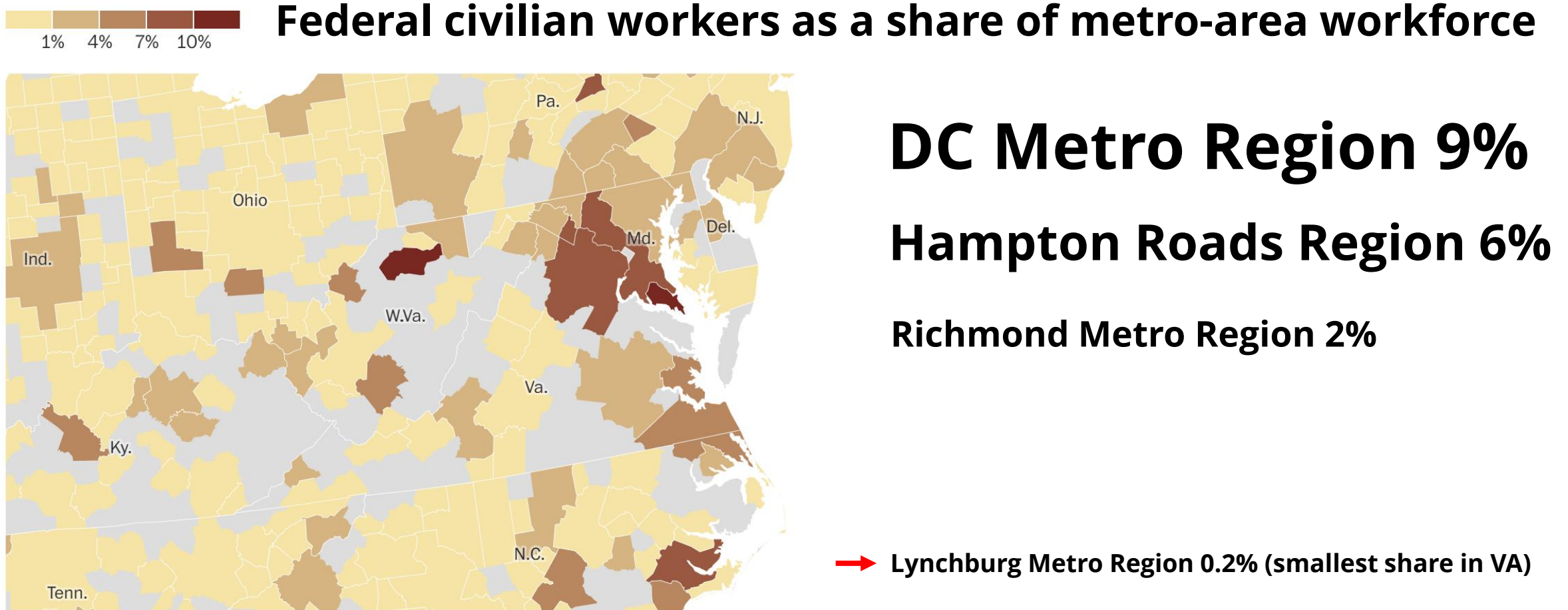
## Top 5 by # of Federal Jobs

1. CA
2. VA
3. MD
4. TX
5. FL

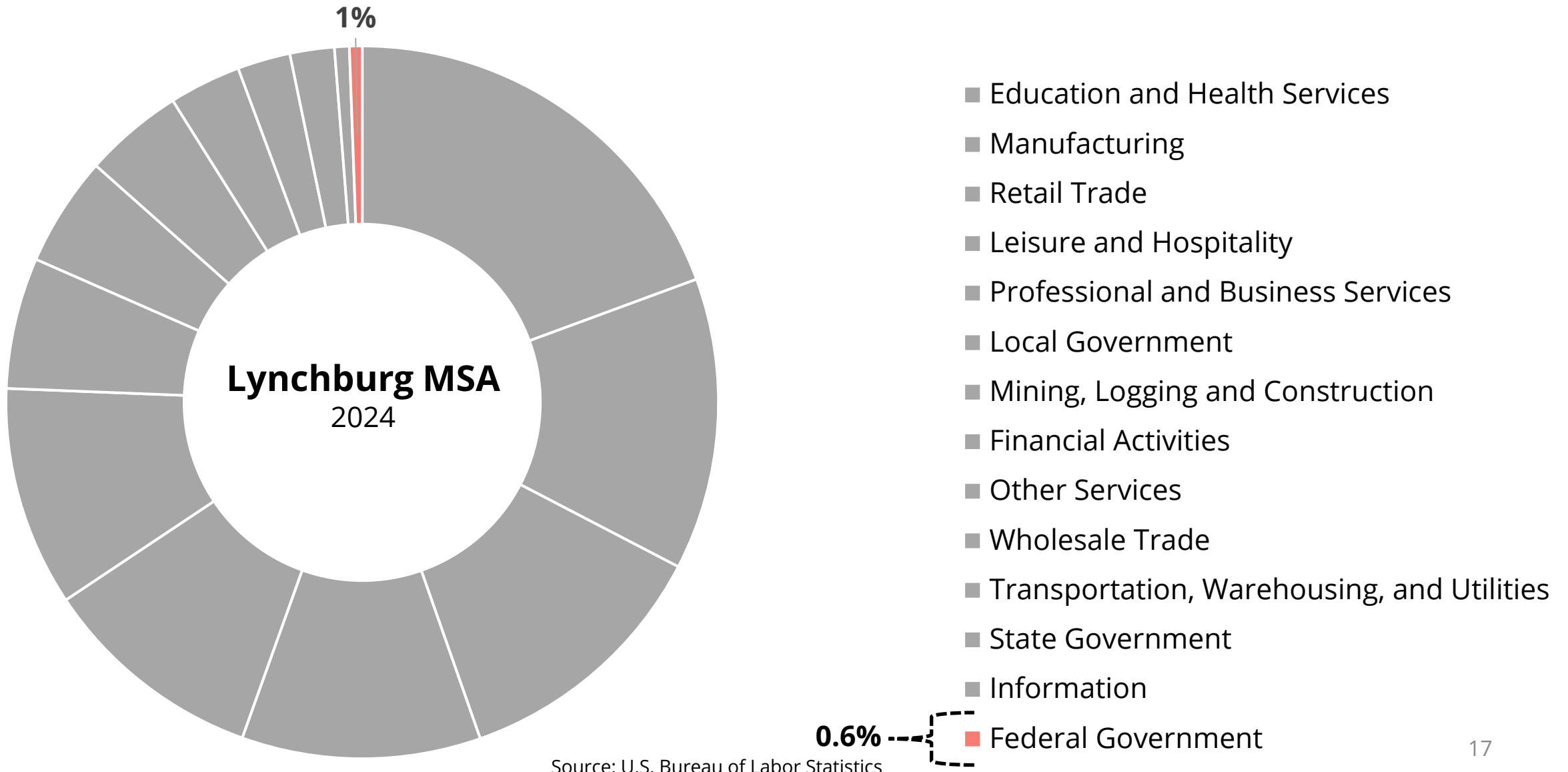
# Federal Employment by Type in Virginia

- Federal Civilian: approximately **321K jobs**
- Active-Duty Military: approximately **131K Jobs**
- Federal Contracting: approximately **441K jobs**

# Fed employment in VA concentrated in a few regions



# Lynchburg Metro Area Job Composition

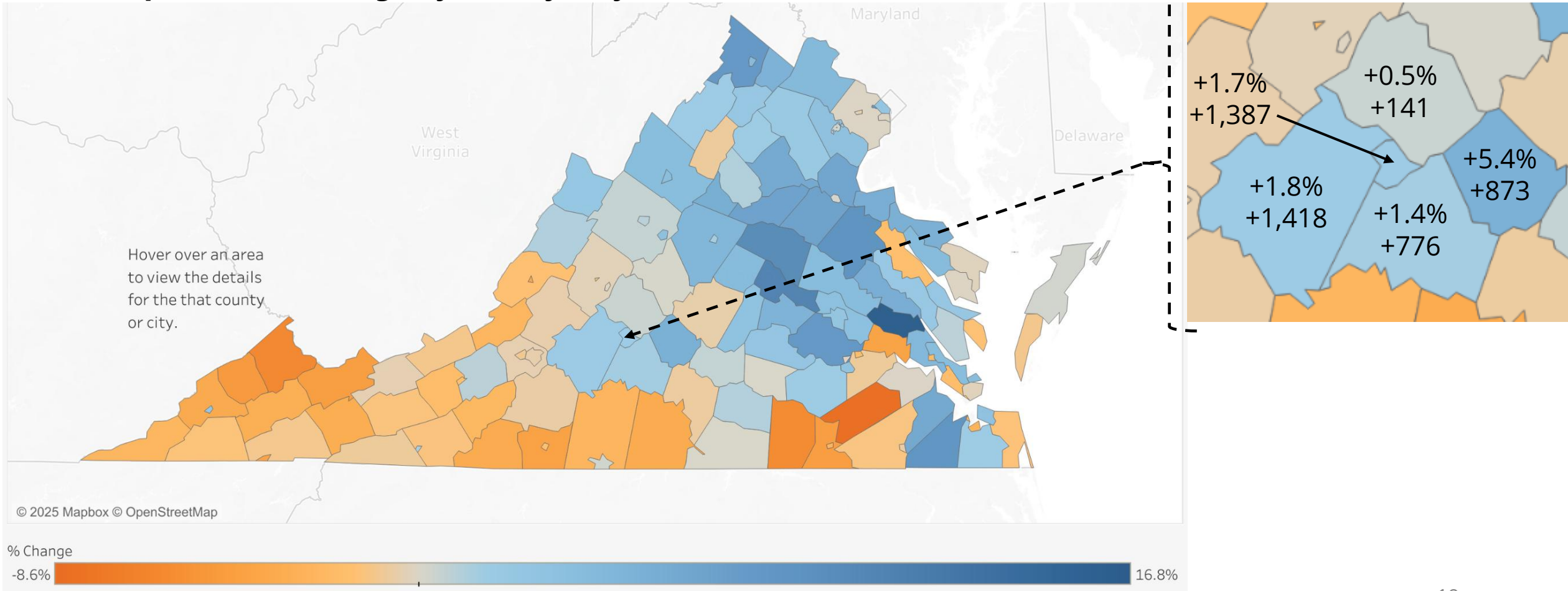




# POPULATION TRENDS

# Lynchburg is a Growing Region

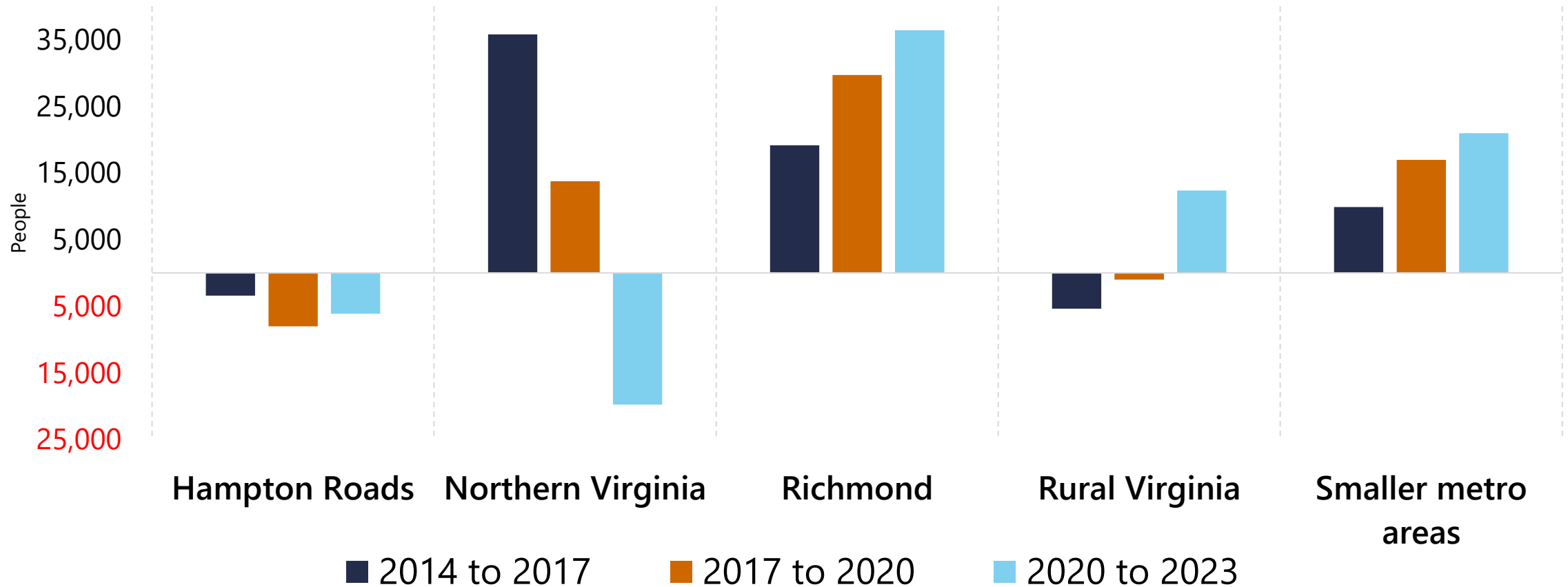
## Population % Change by County/City, 2020 to 2024



# Net Migration by Region

*The pandemic accelerated pre-existing migration trends*

## Net Migration Population Change by Region

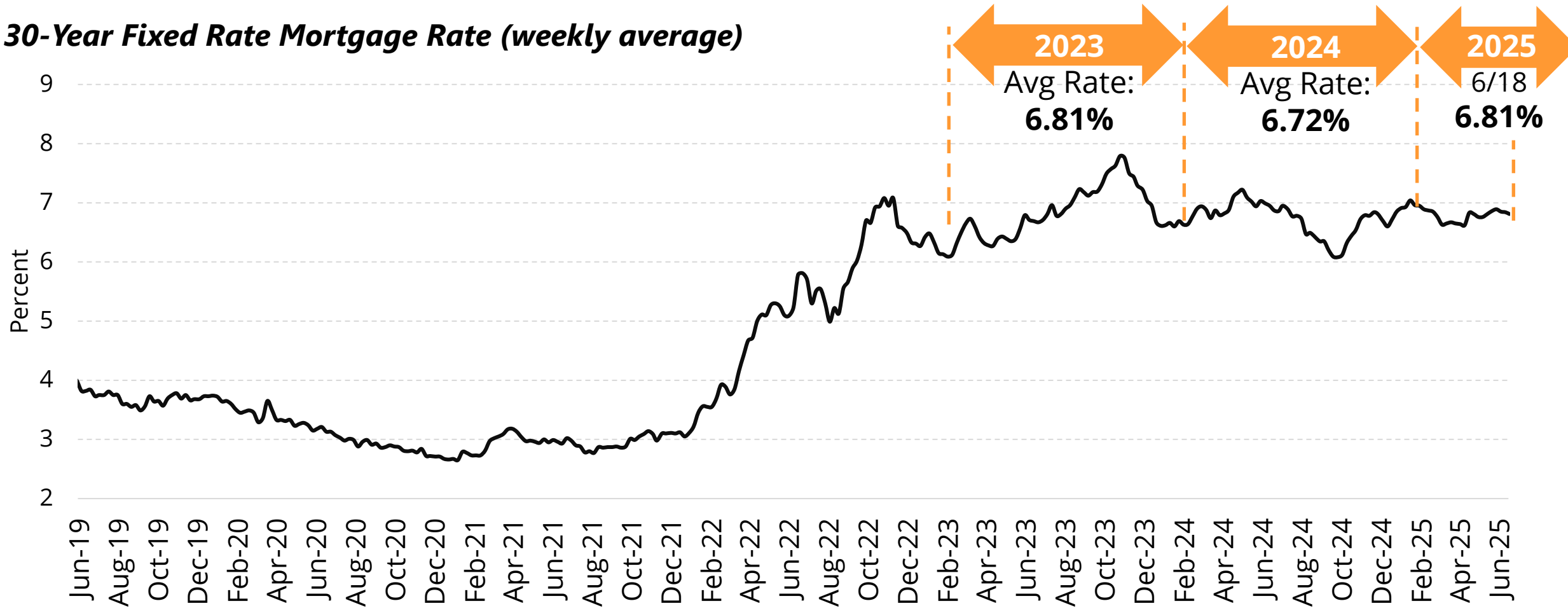




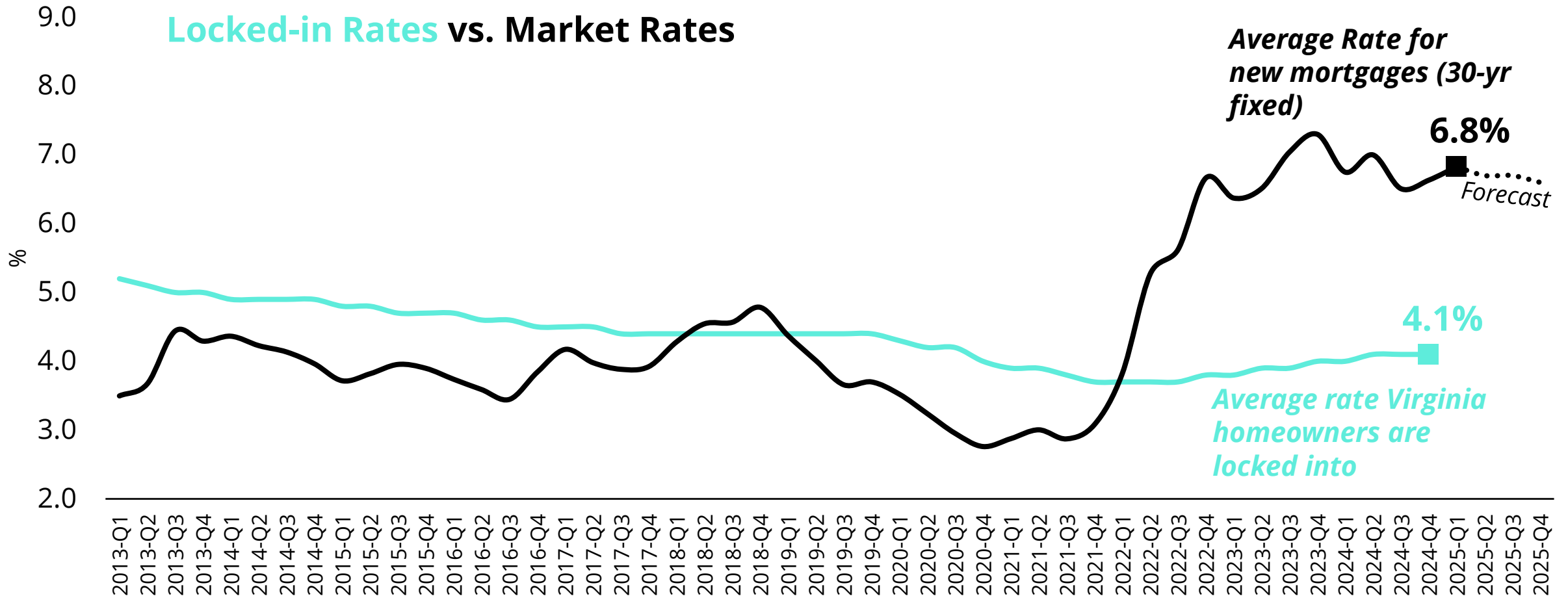
# HOUSING MARKET TRENDS

# Mortgage Rate Trends

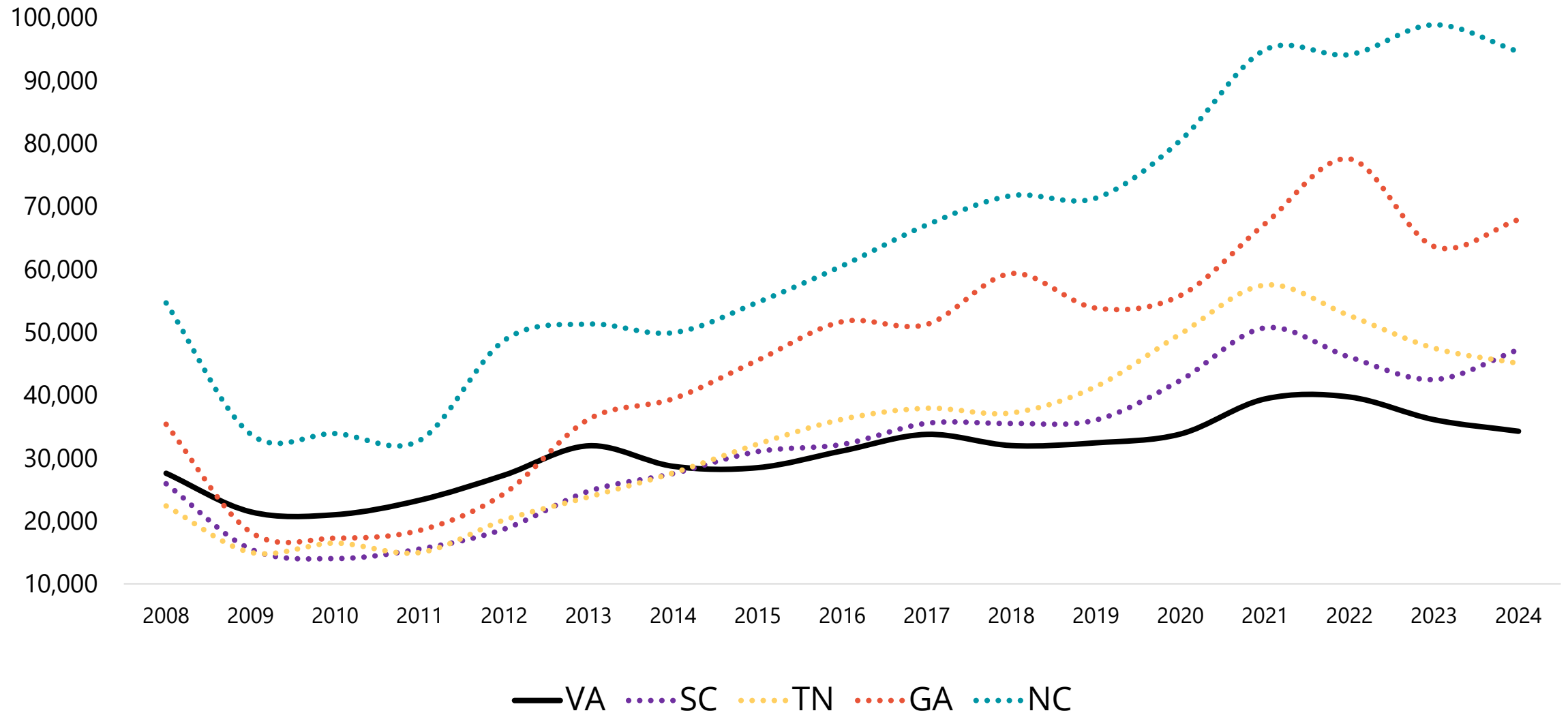
**30-Year Fixed Rate Mortgage Rate (weekly average)**



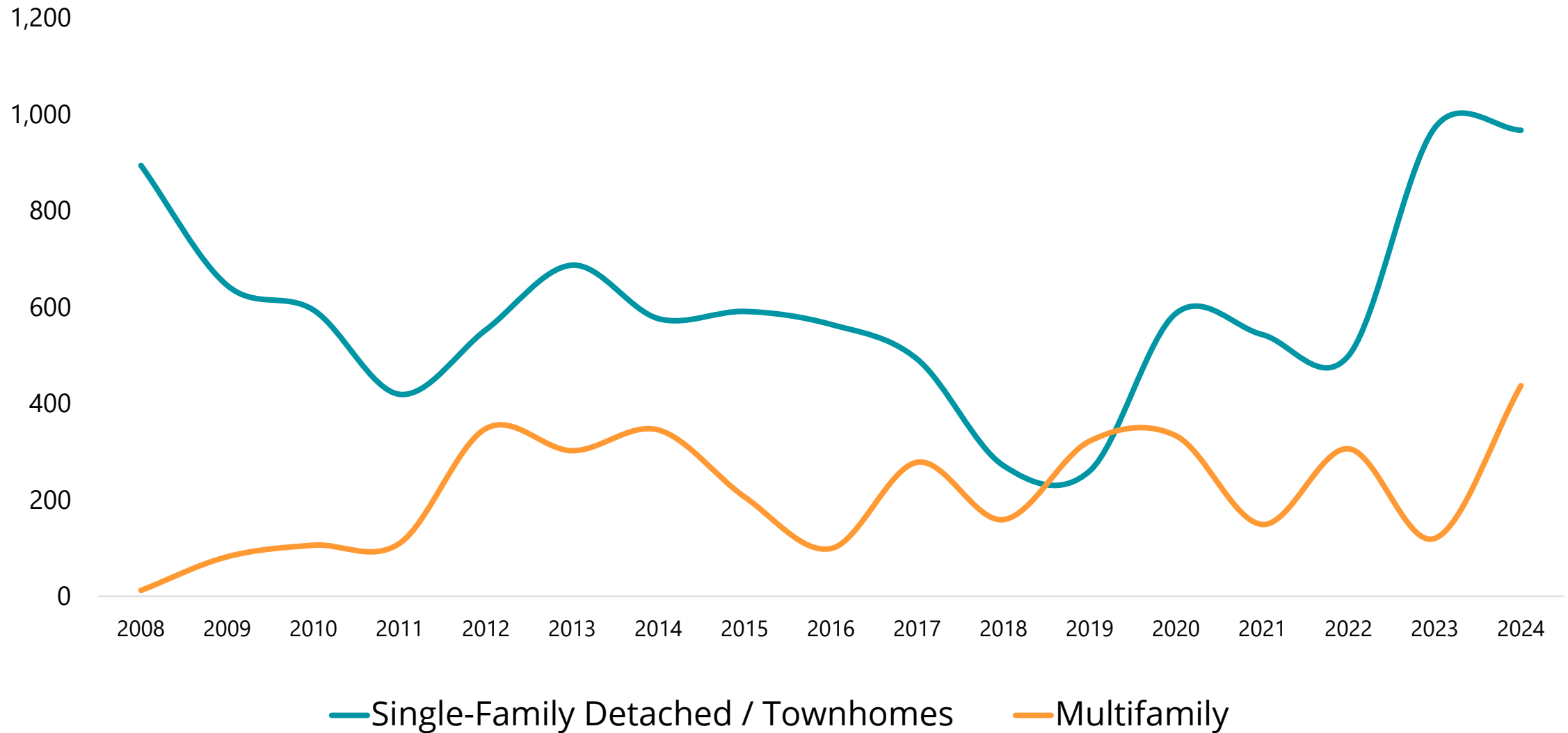
# Lock-in Effect Keeping Sellers on the Sidelines



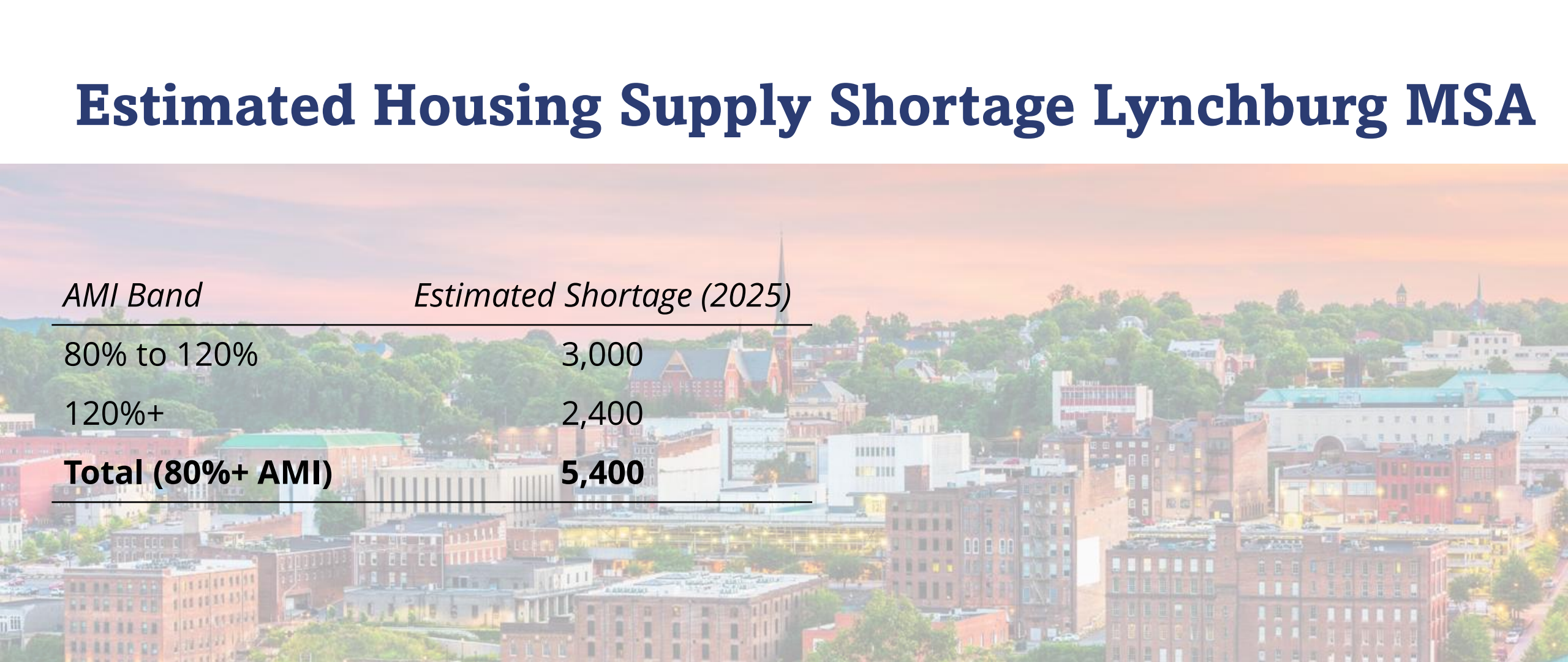
# Annual Building Permits by State



# Annual Building Permits Lynchburg MSA



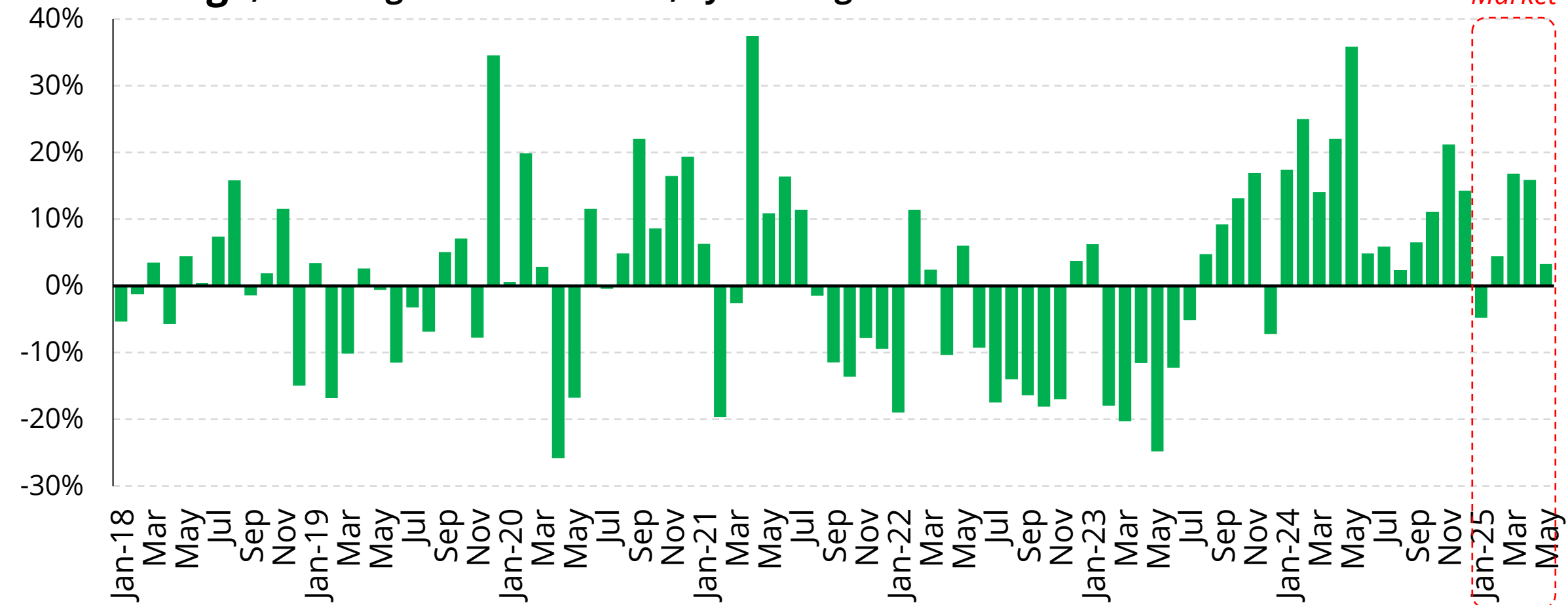
# Estimated Housing Supply Shortage Lynchburg MSA



<i>AMI Band</i>	<i>Estimated Shortage (2025)</i>
80% to 120%	3,000
120%+	2,400
<b>Total (80%+ AMI)</b>	<b>5,400</b>

# Inventory levels improving, but remain tight

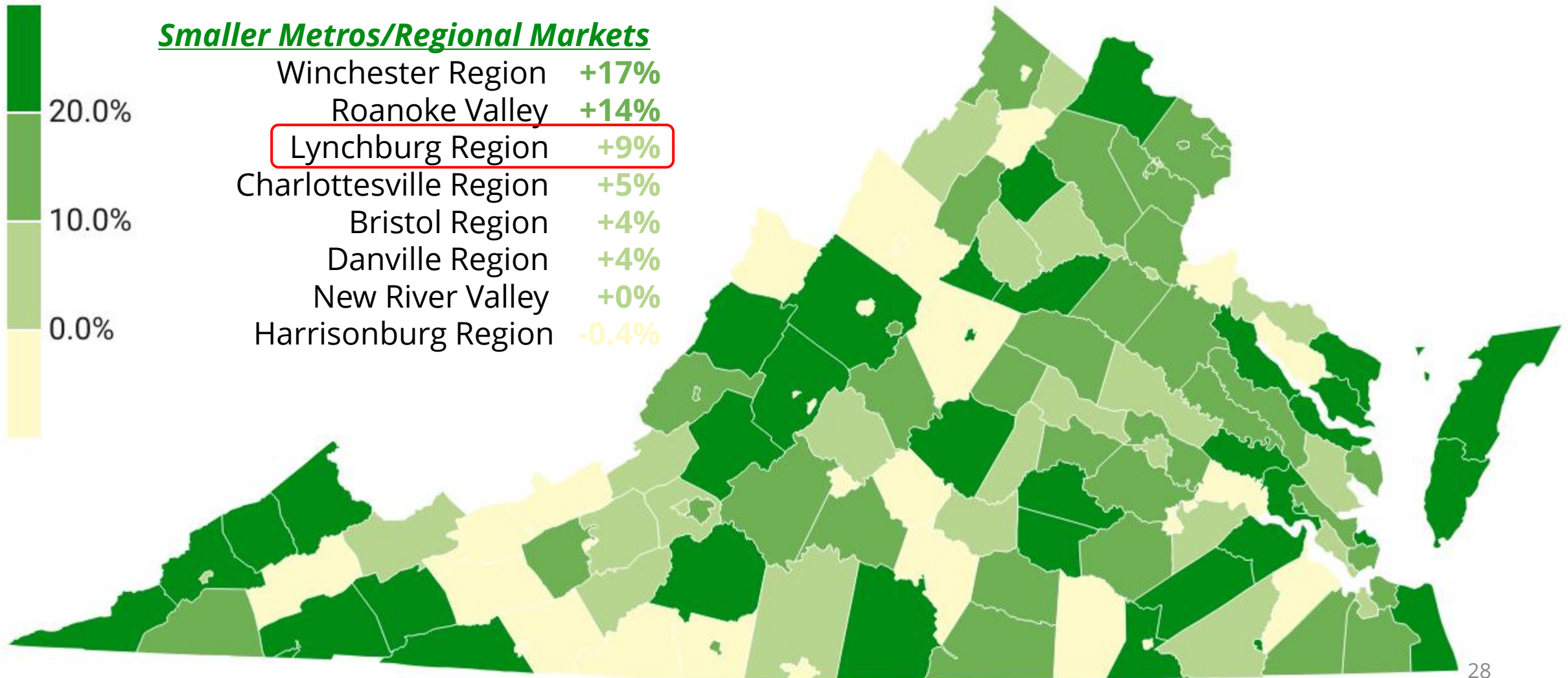
***New Listings, % Change from Prior Year, Lynchburg MSA***



2025  
Market

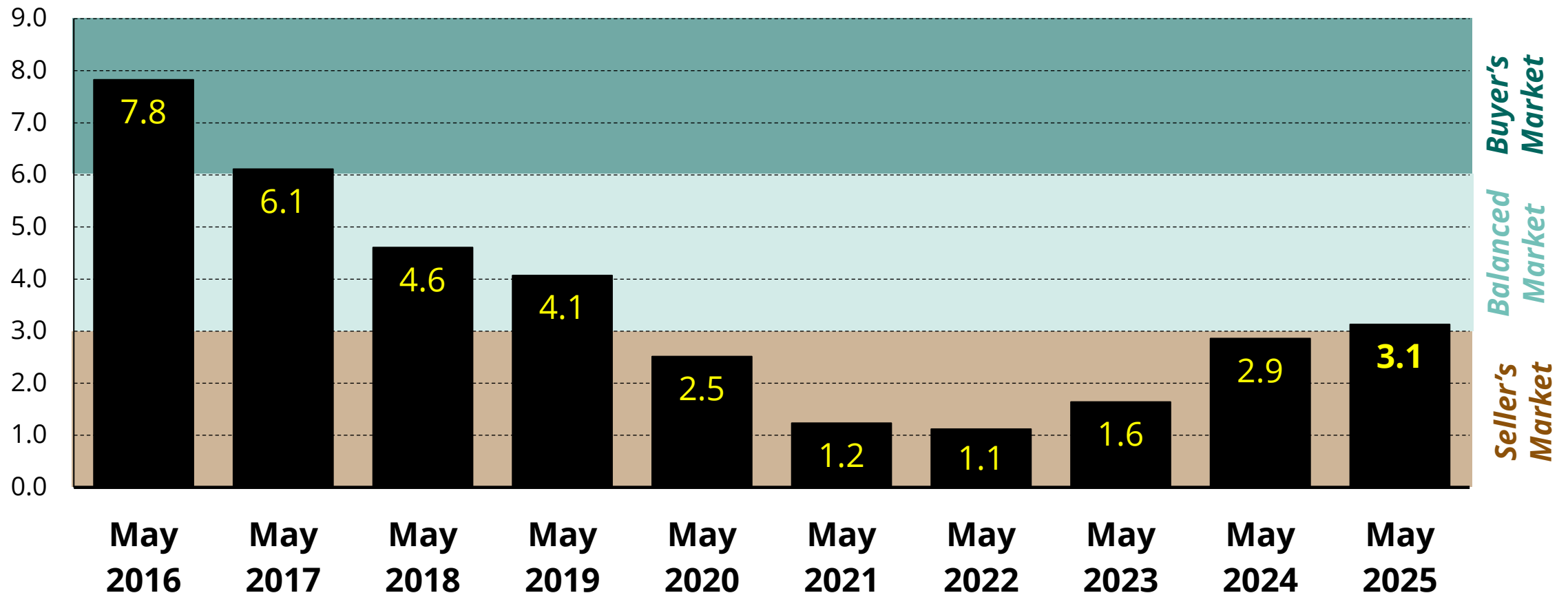
# New Listings – Local Markets

*Change in New Listings – YTD May 2025 compared to YTD May 2024*



# Supply increasing, but still a relatively tight market

## *Months of Supply*, Lynchburg MSA (May)



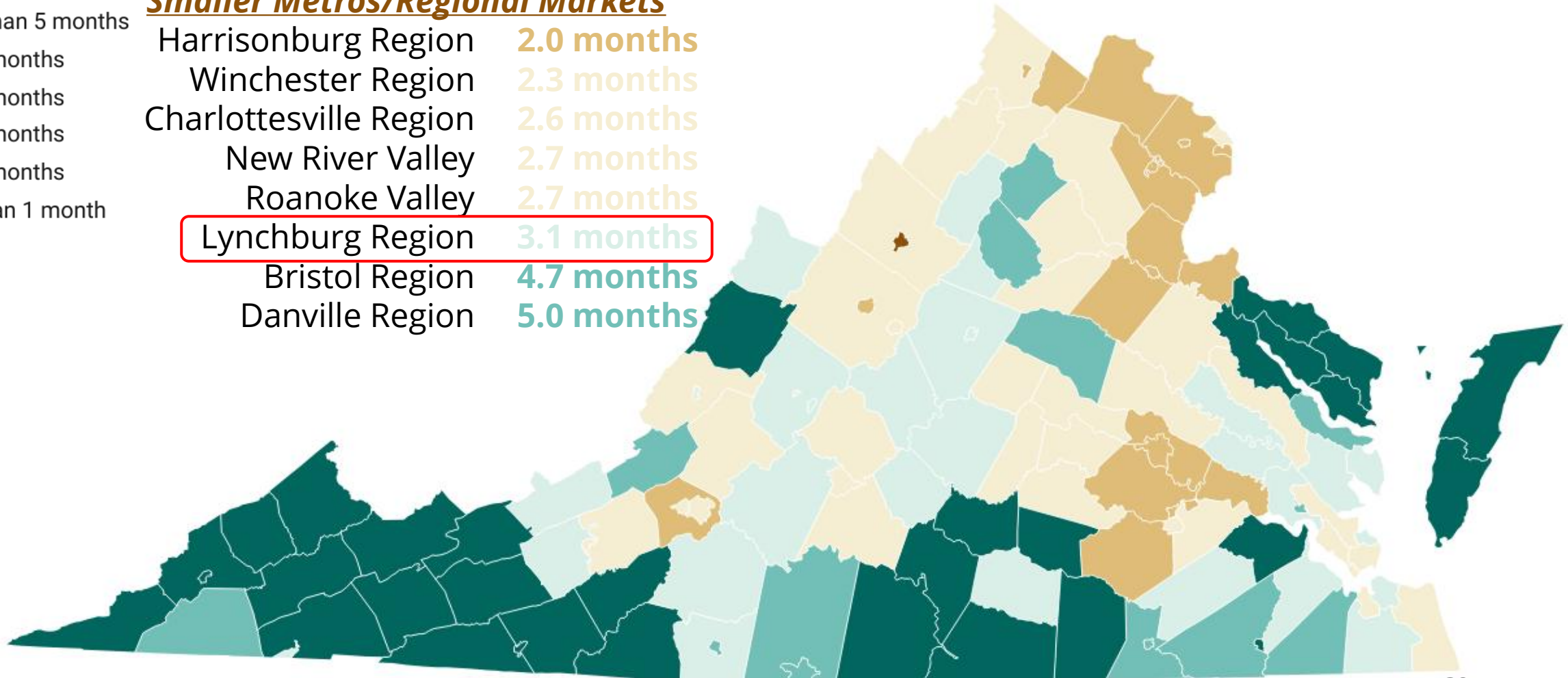
# Months of Supply – Local Markets

*Months of Supply – May 2025*

## Smaller Metros/Regional Markets

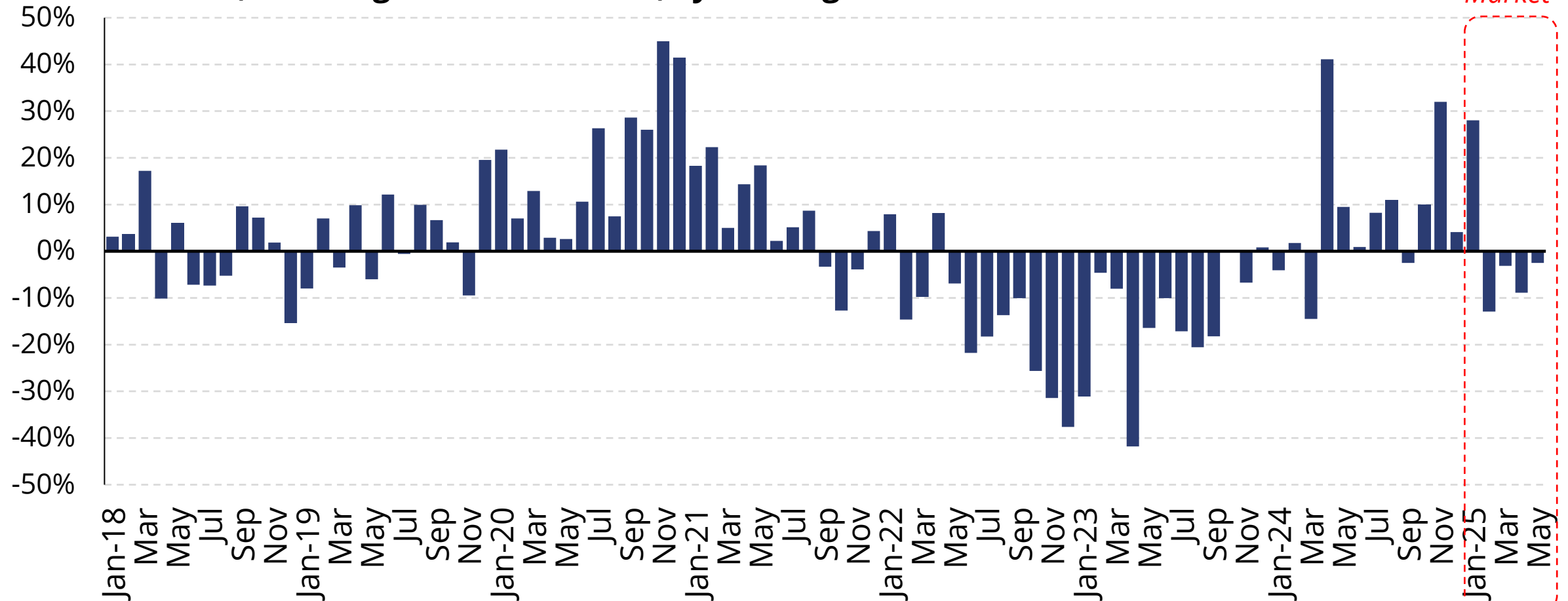
Harrisonburg Region	2.0 months
Winchester Region	2.3 months
Charlottesville Region	2.6 months
New River Valley	2.7 months
Roanoke Valley	2.7 months
Lynchburg Region	3.1 months
Bristol Region	4.7 months
Danville Region	5.0 months

- more than 5 months
- 4 to 5 months
- 3 to 4 months
- 2 to 3 months
- 1 to 2 months
- less than 1 month



# Home Sales Off to a Slow Start in 2025

## ***Closed Sales, % Change from Prior Year, Lynchburg MSA***



2025  
Market

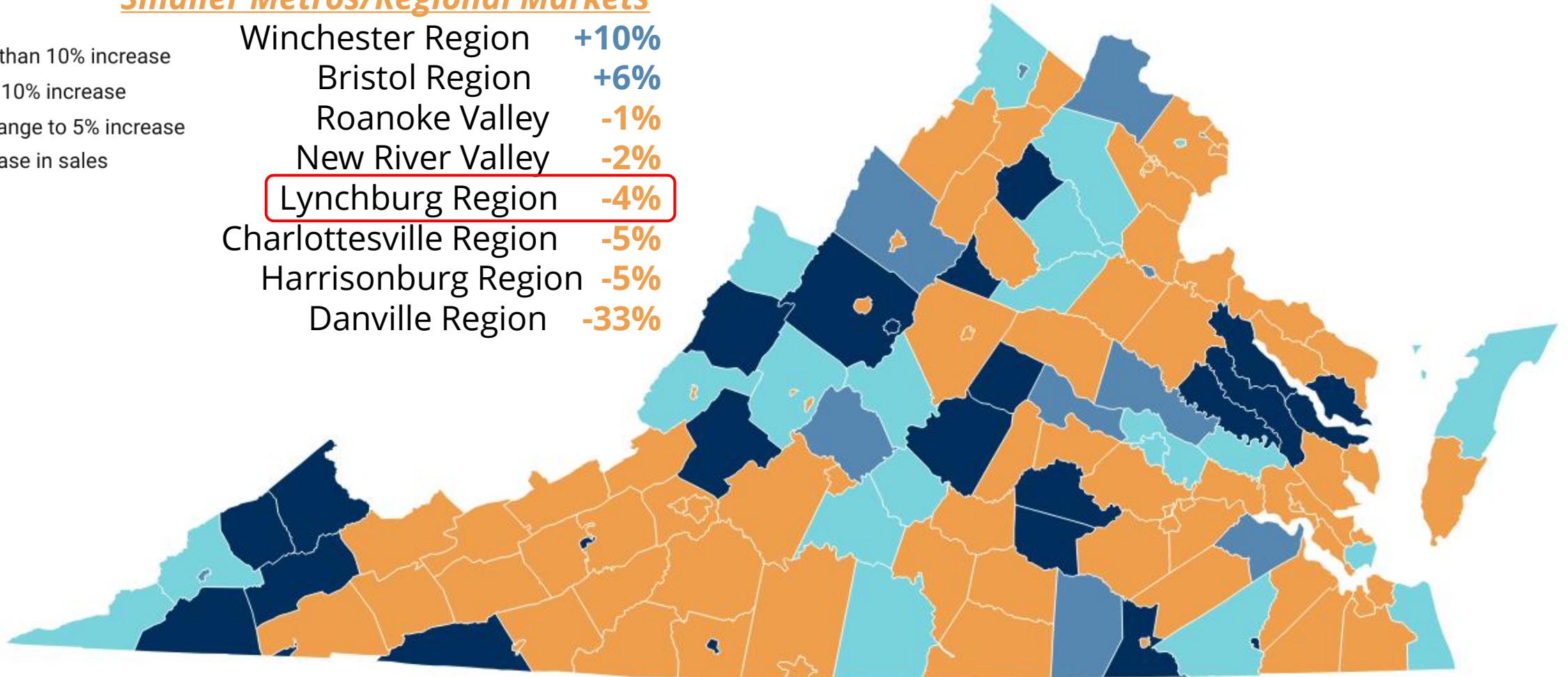
# Closed Sales Activity – Local Markets

*Change in Home Sales – YTD May 2025 compared to YTD May 2024*

## Smaller Metros/Regional Markets

Winchester Region	<b>+10%</b>
Bristol Region	<b>+6%</b>
Roanoke Valley	<b>-1%</b>
New River Valley	<b>-2%</b>
Lynchburg Region	<b>-4%</b>
Charlottesville Region	<b>-5%</b>
Harrisonburg Region	<b>-5%</b>
Danville Region	<b>-33%</b>

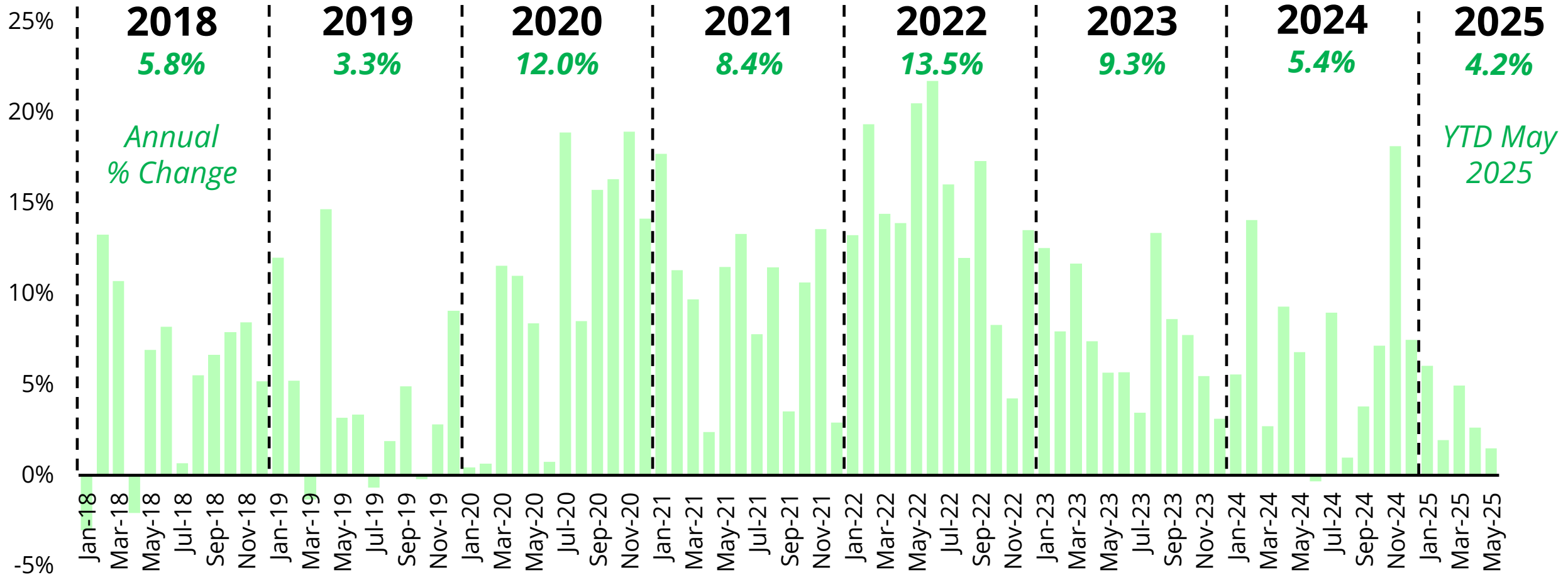
- more than 10% increase
- 5% to 10% increase
- no change to 5% increase
- decrease in sales



Source: Virginia REALTORS®

# Home prices still climbing in the Lynchburg MSA

## Median Sales Price, % Change from Prior Year, Virginia



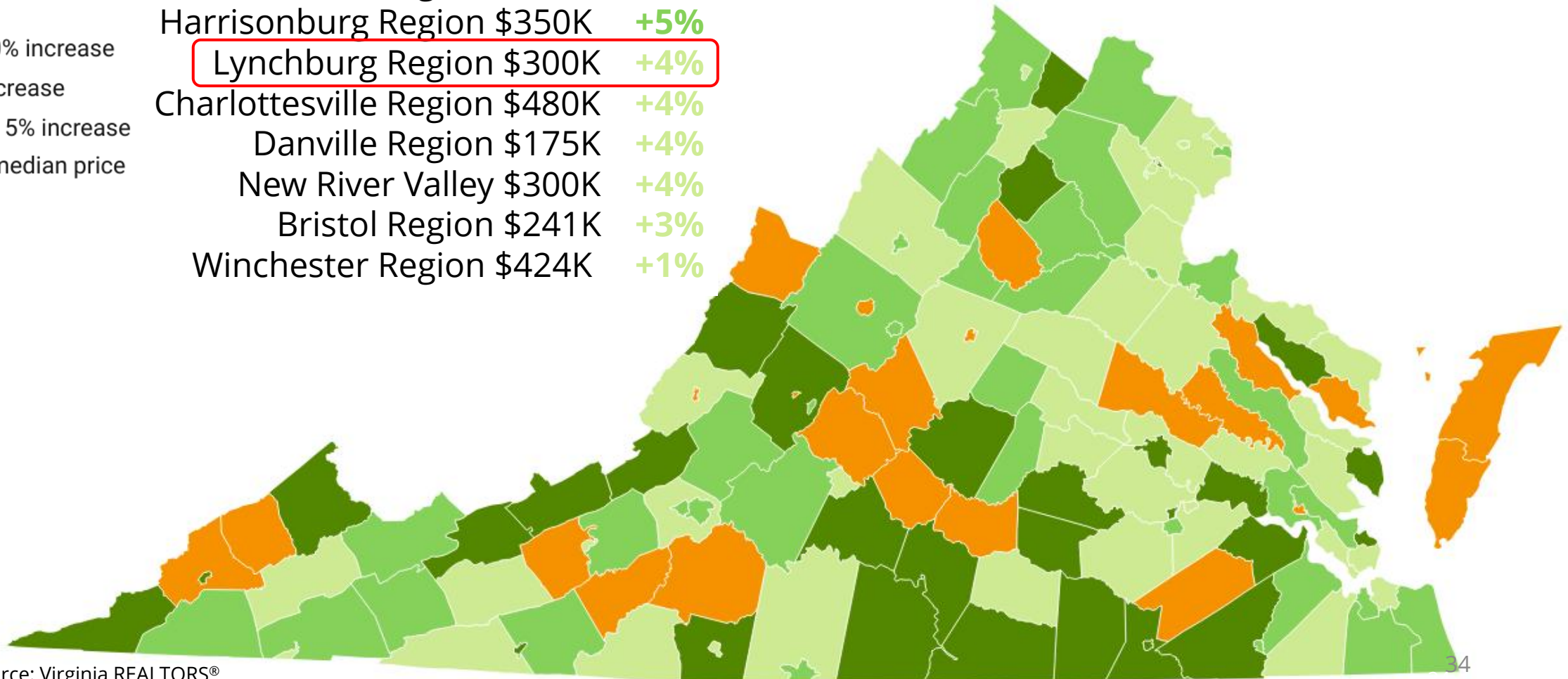
# Median Sales Price Change – Local Markets

*Change in Median Sales Price – YTD May 2025 compared to YTD May 2024*

## Smaller Metros/Regional Markets

Roanoke Region \$300K	+5%
Harrisonburg Region \$350K	+5%
Lynchburg Region \$300K	+4%
Charlottesville Region \$480K	+4%
Danville Region \$175K	+4%
New River Valley \$300K	+4%
Bristol Region \$241K	+3%
Winchester Region \$424K	+1%

- more than 10% increase
- 5% to 10% increase
- no change to 5% increase
- decrease in median price

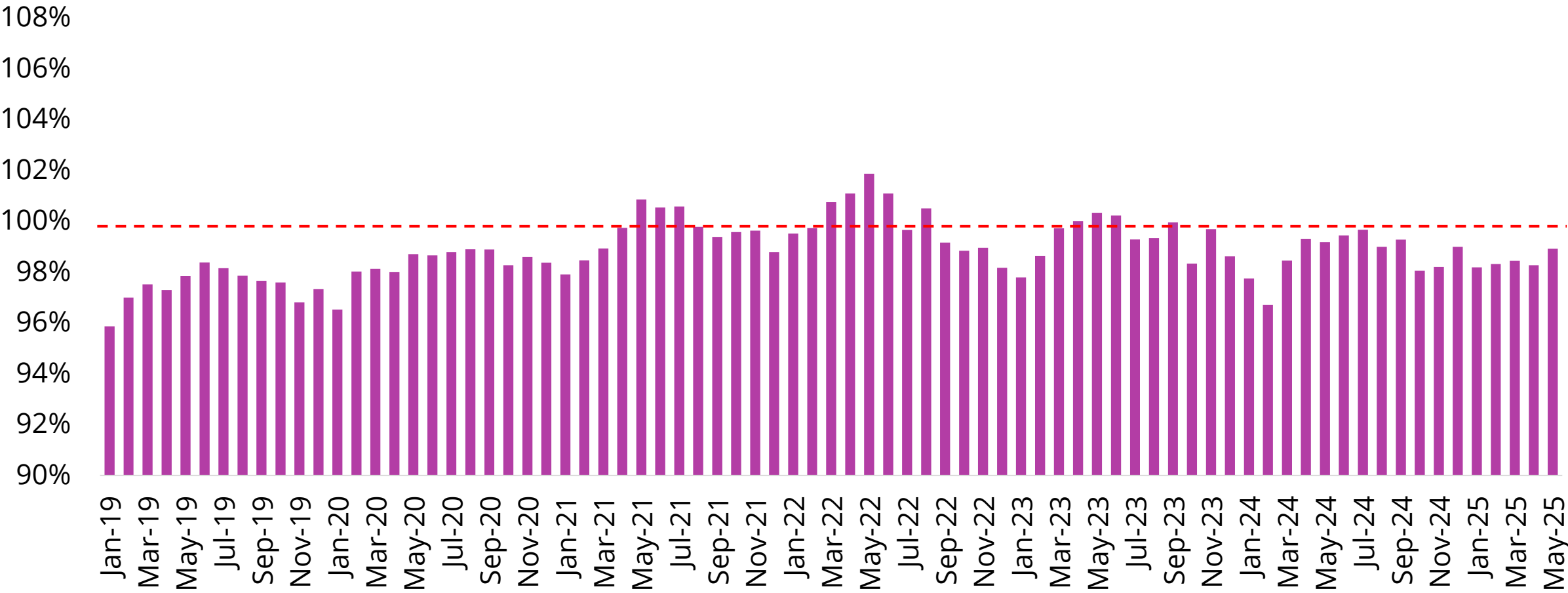


# Younger buyers getting priced out of the market?

Metro Area	<u>Income Needed to Afford</u> Monthly Payment on a Median-Priced Home	Estimated Annual Household Income of 25-44 Year Olds	Difference
Northern Virginia	\$200K	\$126K	-\$74K
Charlottesville	\$151K	\$103K	-\$48K
Winchester	\$133K	\$95K	-\$38K
Harrisonburg	\$107K	\$74K	-\$33K
Richmond	\$123K	\$91K	-\$32K
Hampton Roads	\$111K	\$79K	-\$32K
Lynchburg	\$94K	\$71K	-\$22K
Blacksburg/Christiansburg	\$92K	\$71K	-\$21K
Roanoke	\$93K	\$77K	-\$16K

# Market Remains Competitive

*Average Sold-to-Ask Price Ratio, Lynchburg MSA*



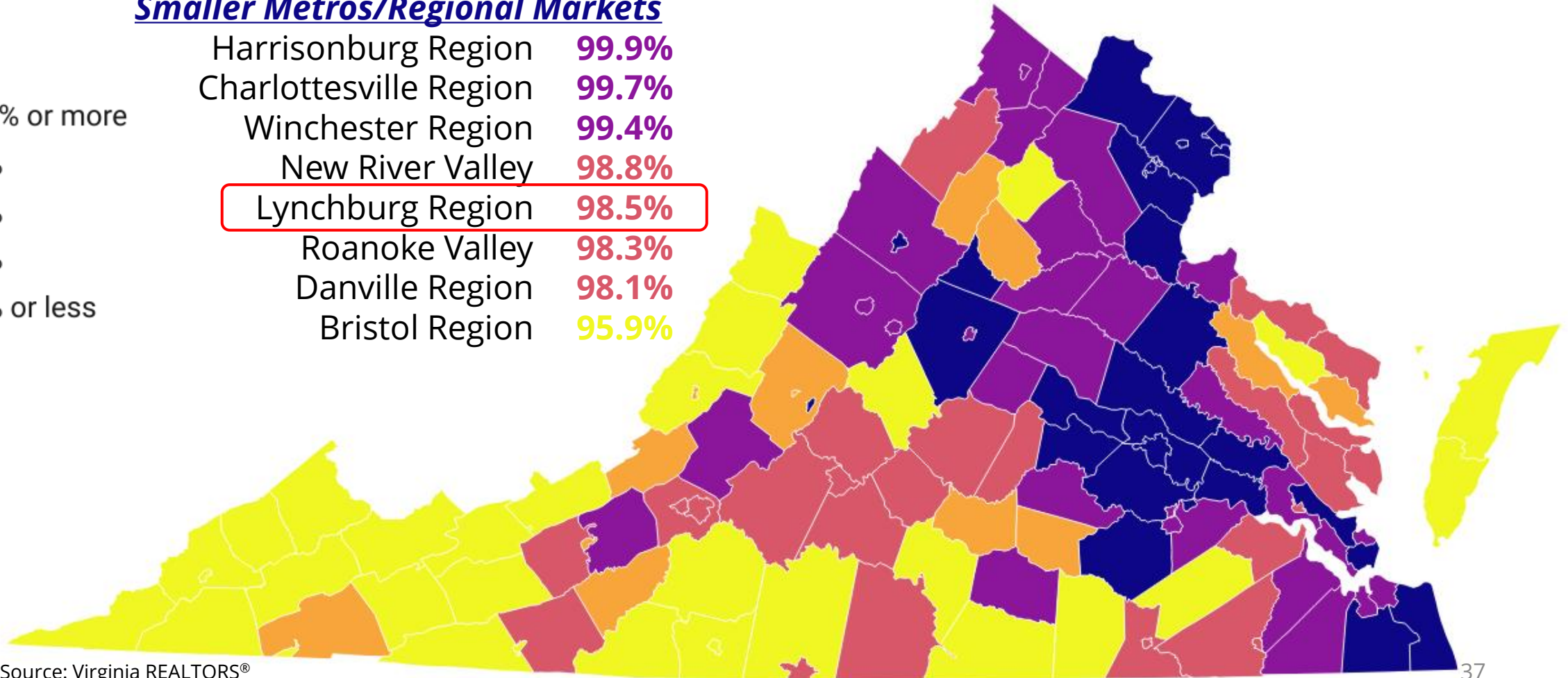
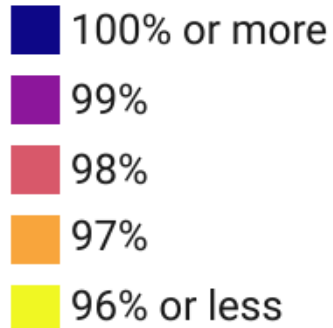
Source: Virginia REALTORS®

# Average Sold-to-List Price Ratio – Local Markets

Average Sold-to-List Price Ratio, May YTD 2025

## Smaller Metros/Regional Markets

Harrisonburg Region	99.9%
Charlottesville Region	99.7%
Winchester Region	99.4%
New River Valley	98.8%
Lynchburg Region	98.5%
Roanoke Valley	98.3%
Danville Region	98.1%
Bristol Region	95.9%



# Summary

- ❖ **The Lynchburg Region is growing. Population growth has been robust, and job growth has been strong for much of the past several years.**
- ❖ **Federal job and spending cuts are a looming headwind for Virginia's economy, which could indirectly impact the region. However, there are very few federal jobs in the area so direct job loss impacts will likely be minimal.**
- ❖ **There is a growing mismatch between the wage levels of workers in the region and the housing that is available.**
- ❖ **New residential construction has ramped up in recent years but has been relatively flat for much of the past decade. More housing production is needed for the region to continue to attract new jobs and remain competitive.**
- ❖ **There is a shortage of market rate housing in the region. Pent-up demand has been building for years. This is putting upward pressure on home prices. Affordability challenges are mounting.**

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