

Virginia's Housing Market

State of Virginia

Senate Finance Committee

Thursday, September 17, 2015

General Assembly Building

Richmond, VA

Mel Jones

Andrew McCoy

Virginia Center for Housing Research at Virginia Tech

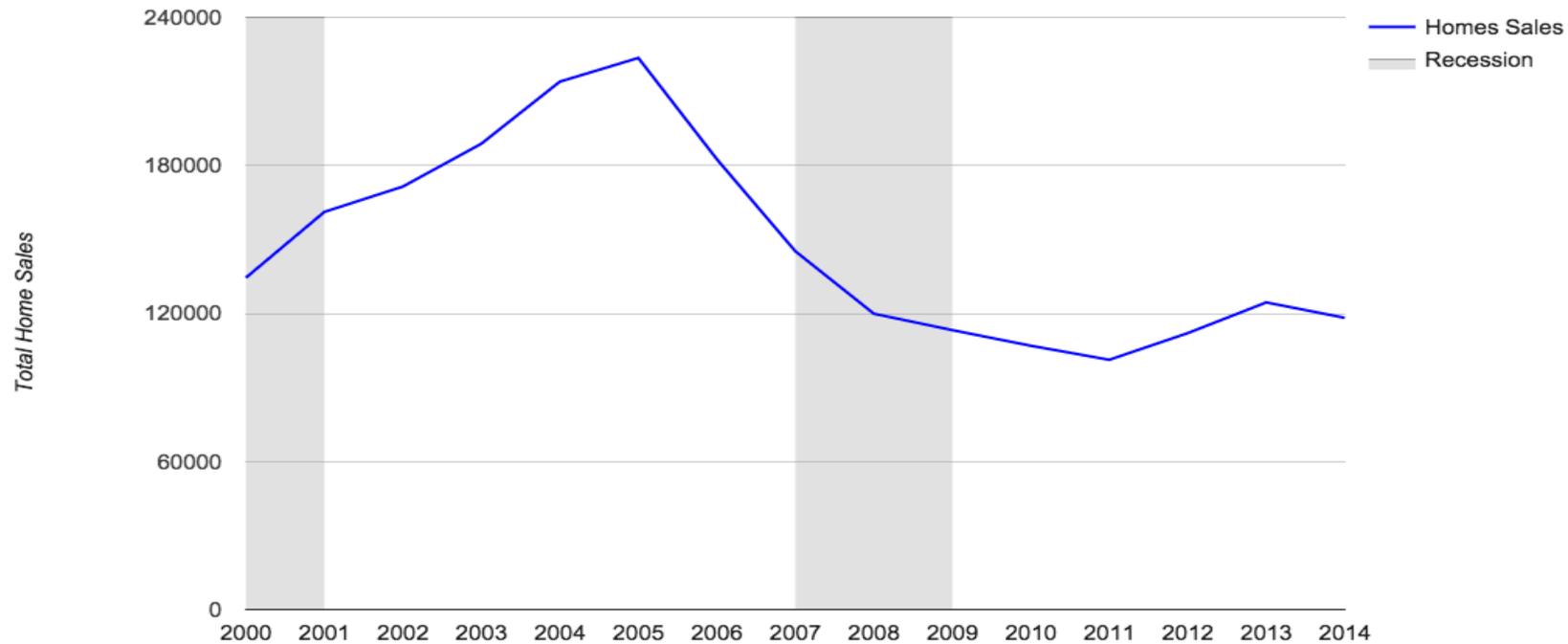
Overview of the Presentation

- ✓ Introduce the Virginia Center for Housing Research (VCHR)
- ✓ Characterizing Virginia's Recent Residential Housing Market: 2009 - 2015
 - Home Sales
 - Sales Prices
 - Volume
 - Time on the Market
 - Regional Differences
 - Unemployment
 - Interest rates
- ✓ Characterizing Virginia's Home Sales: 1996 - 2015
 - Time Periods and Differences
- ✓ New Construction versus Existing Home Sales
- ✓ Construction Jobs
- ✓ Local Case Study- Economic Impact in Virginia Beach
- ✓ Residential Market Trends

Virginia Center for Housing Research (VCHR)

- ✓ Established in 1989 as the state's housing research center.
- ✓ Mission to serve as "an interdisciplinary study, research, and information resource on housing for the Commonwealth of Virginia."
- ✓ Provides housing-related data services to the Commonwealth through working with the legislature, state agencies, Virginia localities, and non-profit organizations.
- ✓ Increasingly focused on housing data analytics and construction technologies.

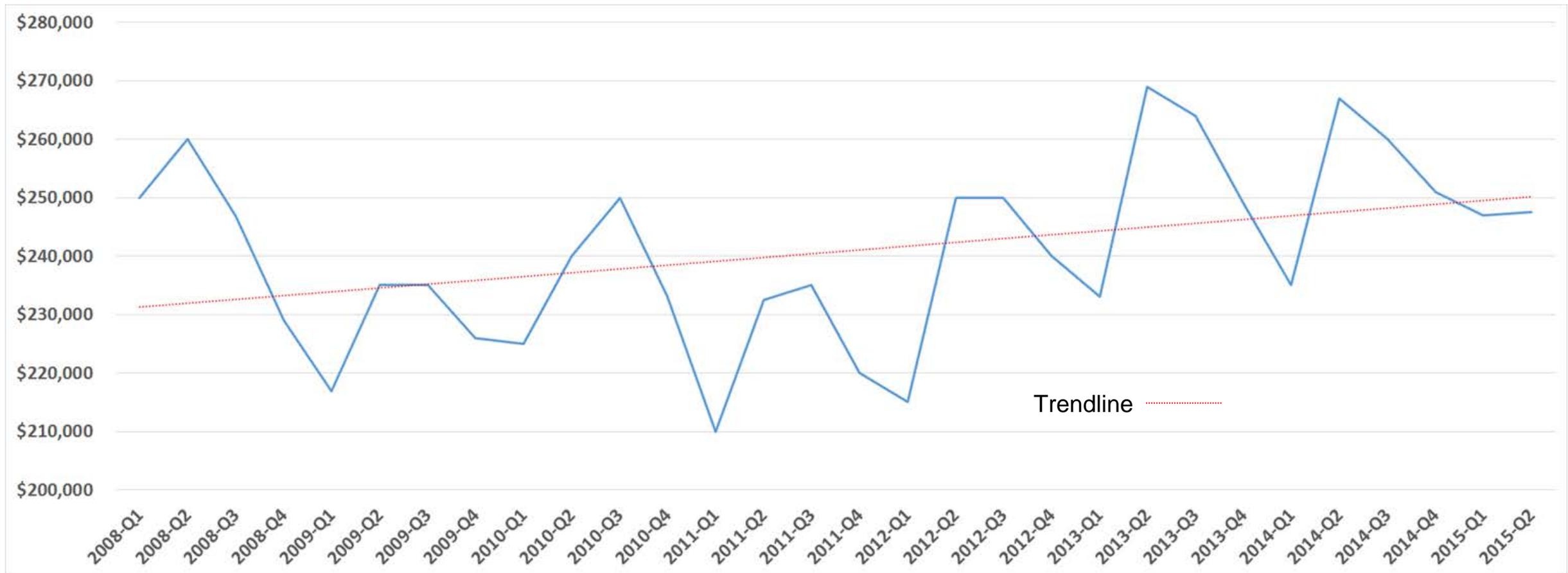
Virginia Home Sales 2000-2014



Source: CoreLogic, Inc.; Moody's Analytics (ECCA) Aggregated

Virginia Median Homes Sales Price 2008Q1-2015Q2

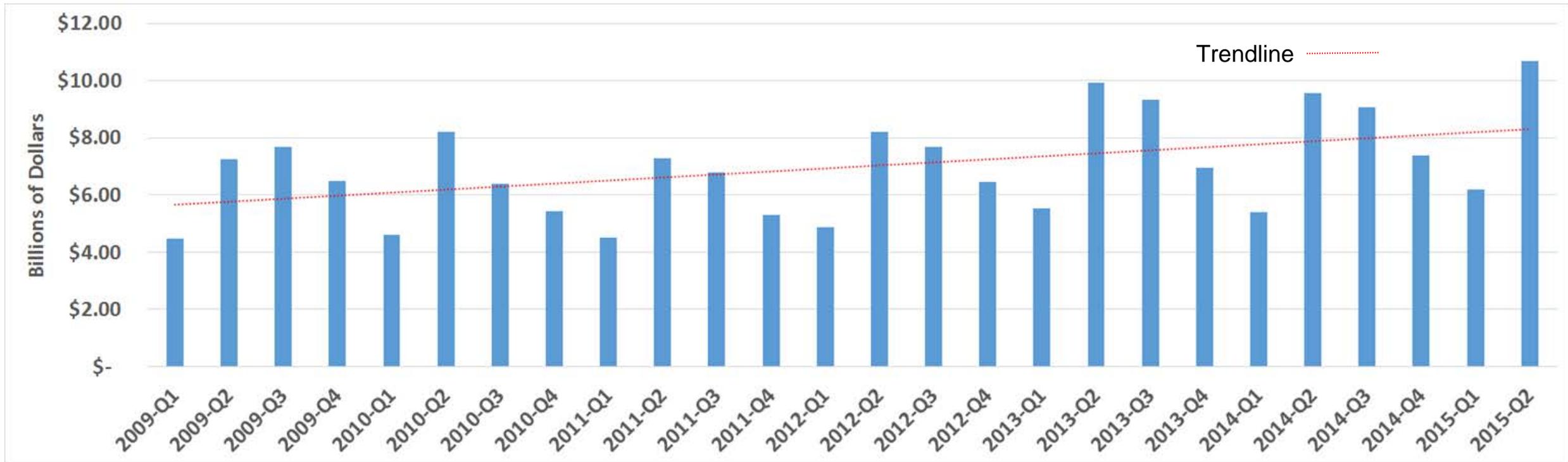
Single Family, Townhouse, Condo



Source: Virginia Association of REALTORS
Virginia Center for Housing Research at Virginia Tech

Virginia Residential Sales Volume 2009Q1-2015Q2

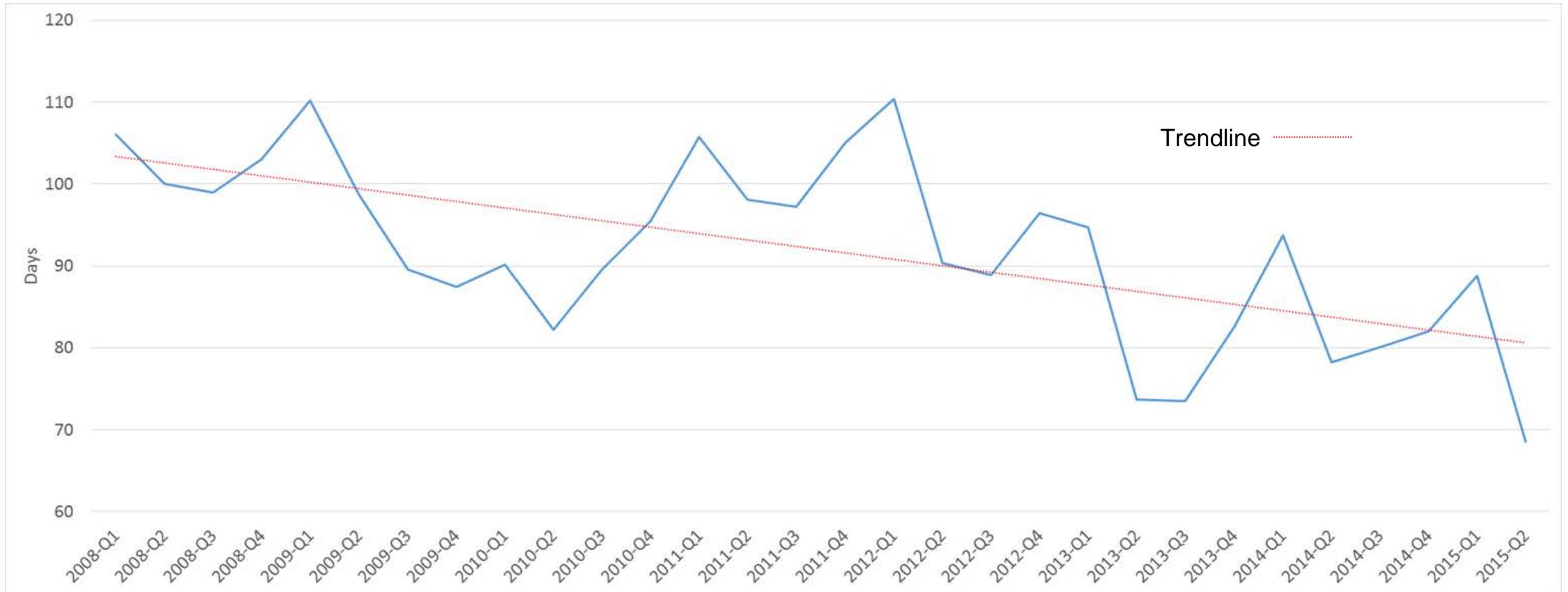
Single Family, Townhouse, Condo



Source: Virginia Association of REALTORS

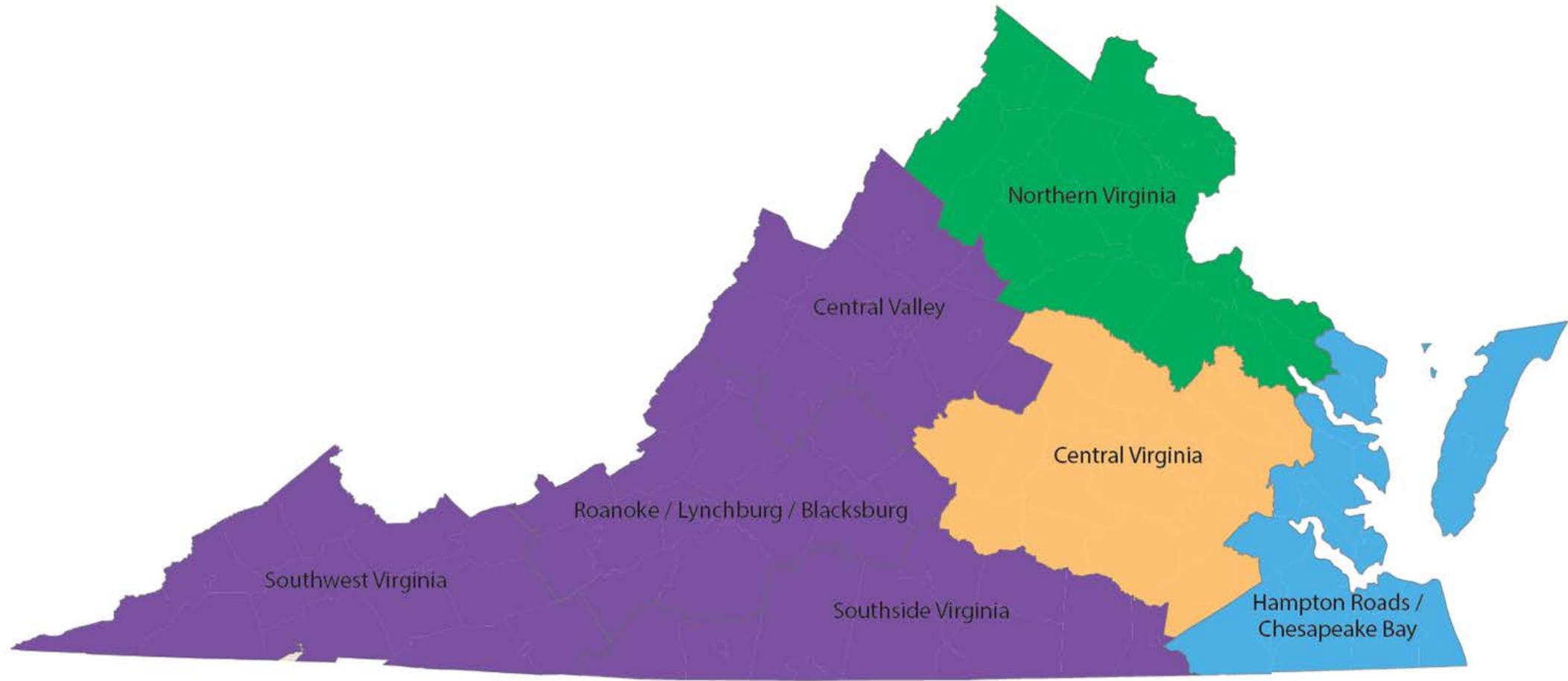
Virginia Average Days on the Market

Single Family, Townhouse, Condo

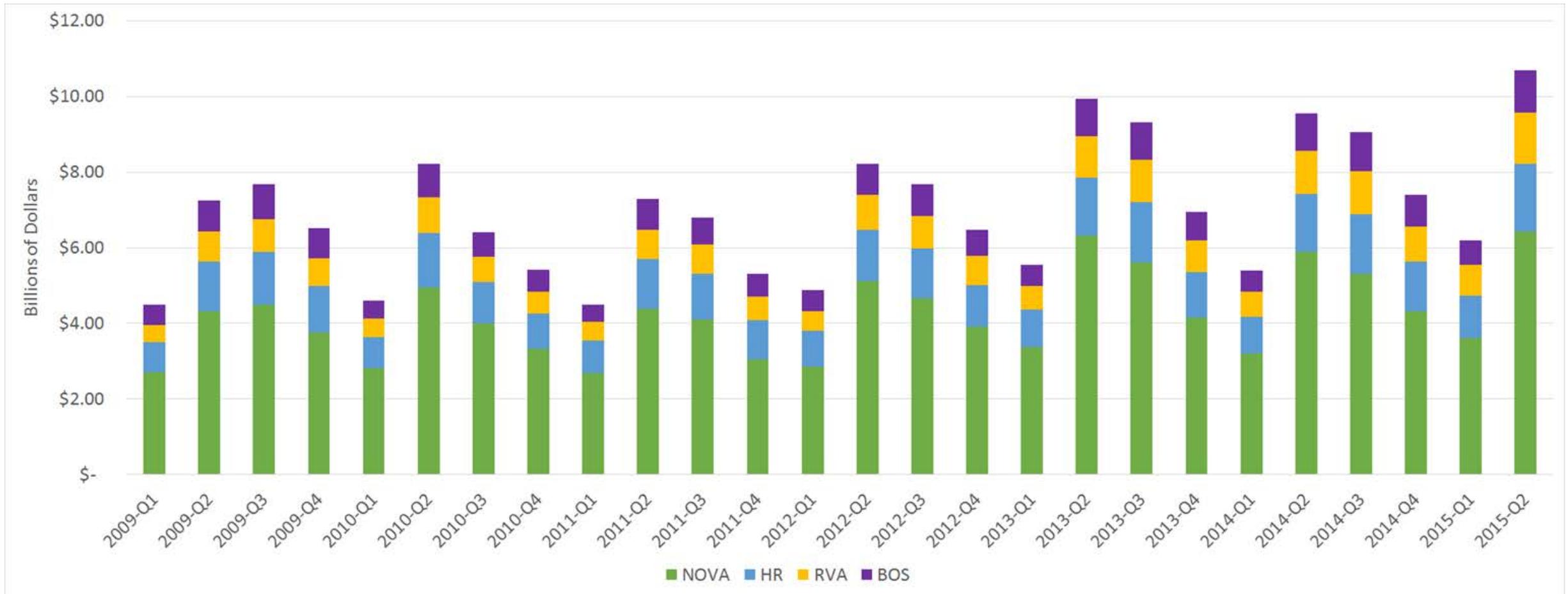


Source: Virginia Association of REALTORS
Virginia Center for Housing Research at Virginia Tech

Regions

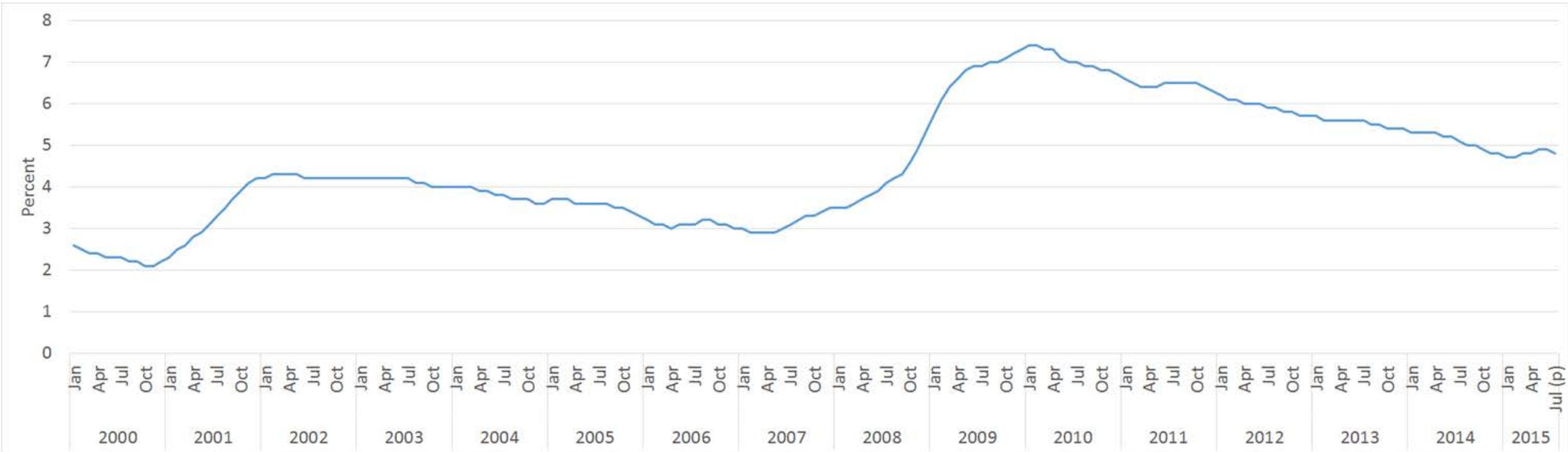


Regional Contributions to Volume



Source: Virginia Association of REALTORS

Virginia Unemployment Rate

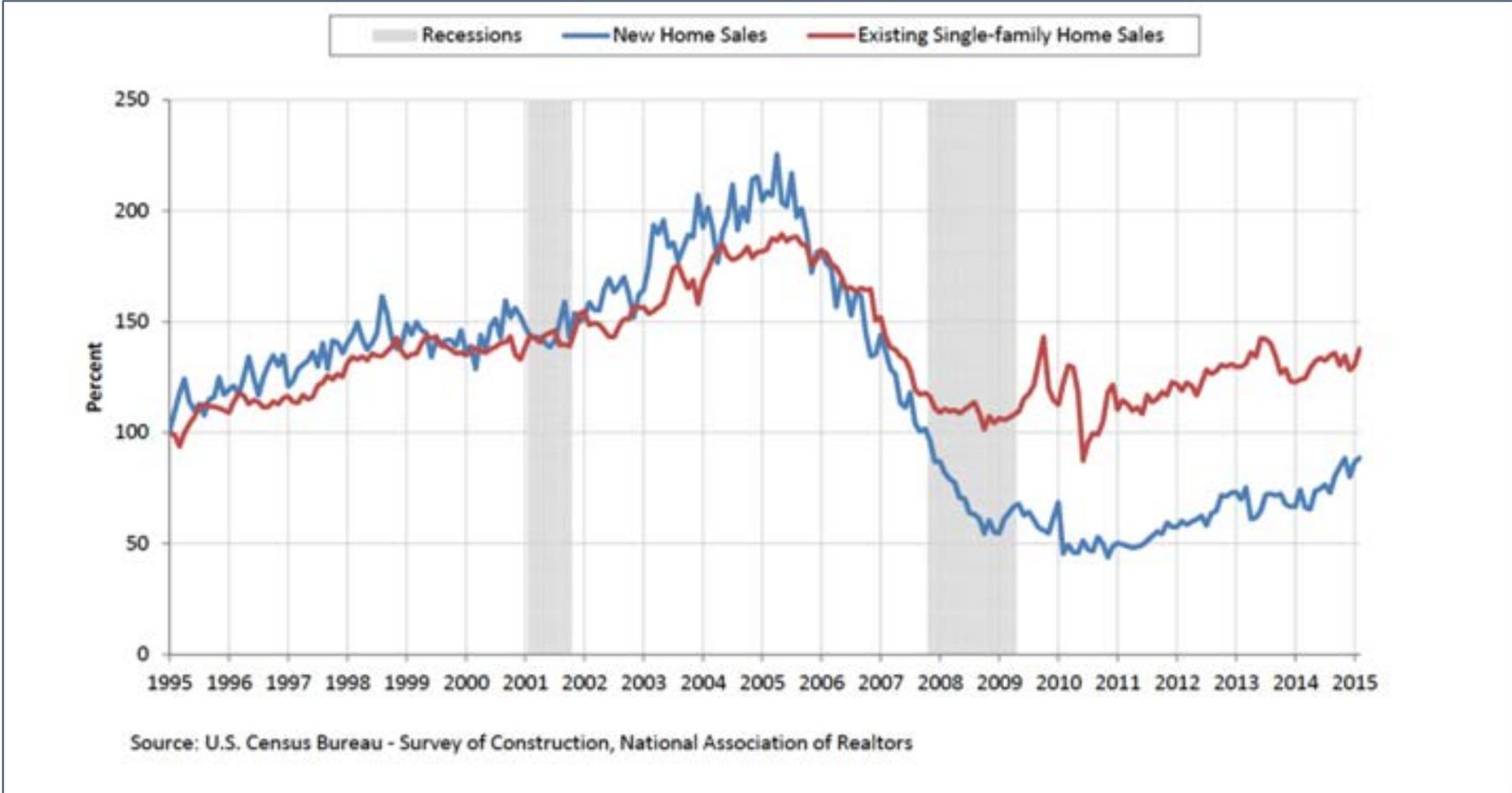


30-year Mortgage Interest Rates

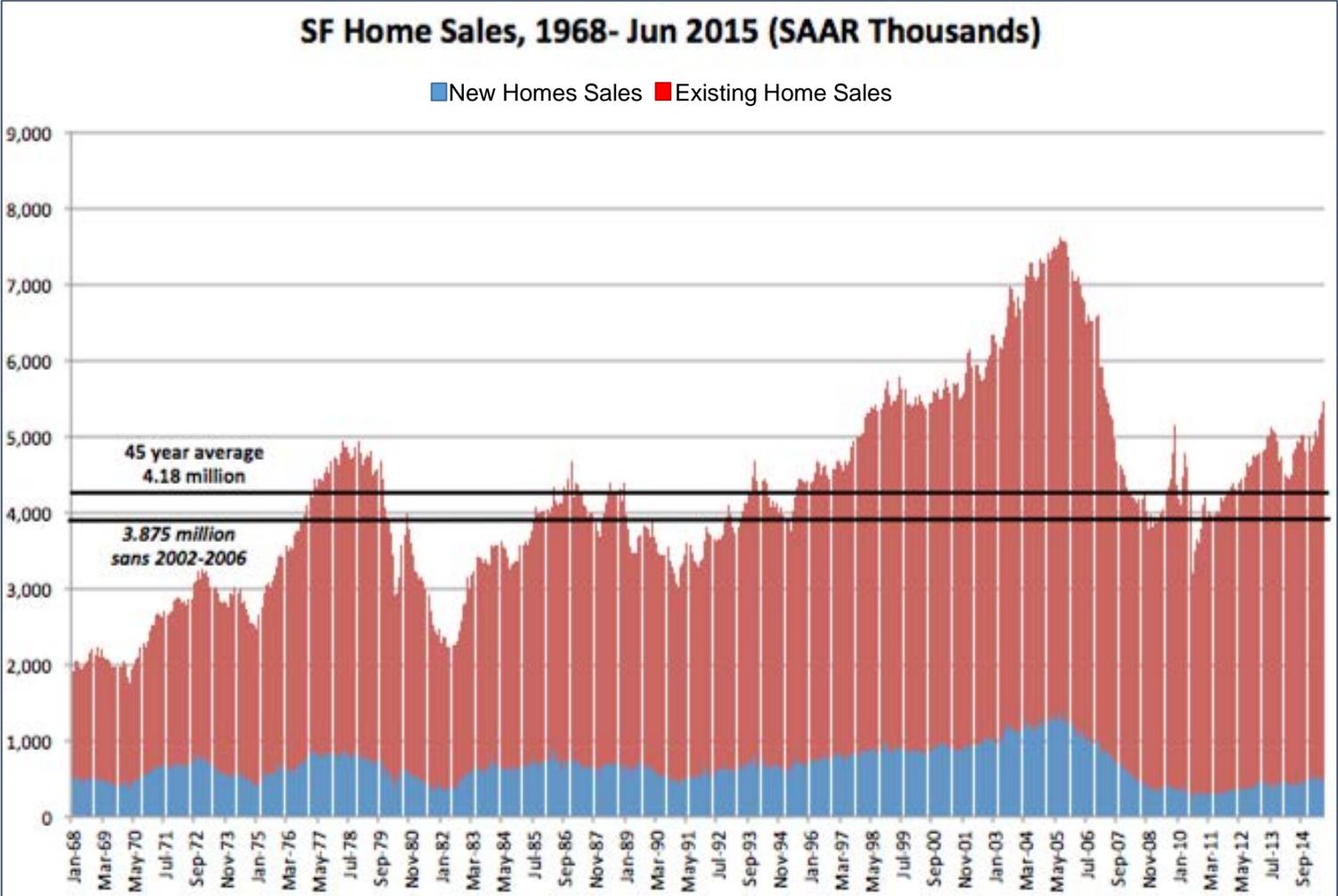


National New Construction and Existing Home Sales Data

(as a percent of January 1995 estimates, new home sales lagged 2 months)

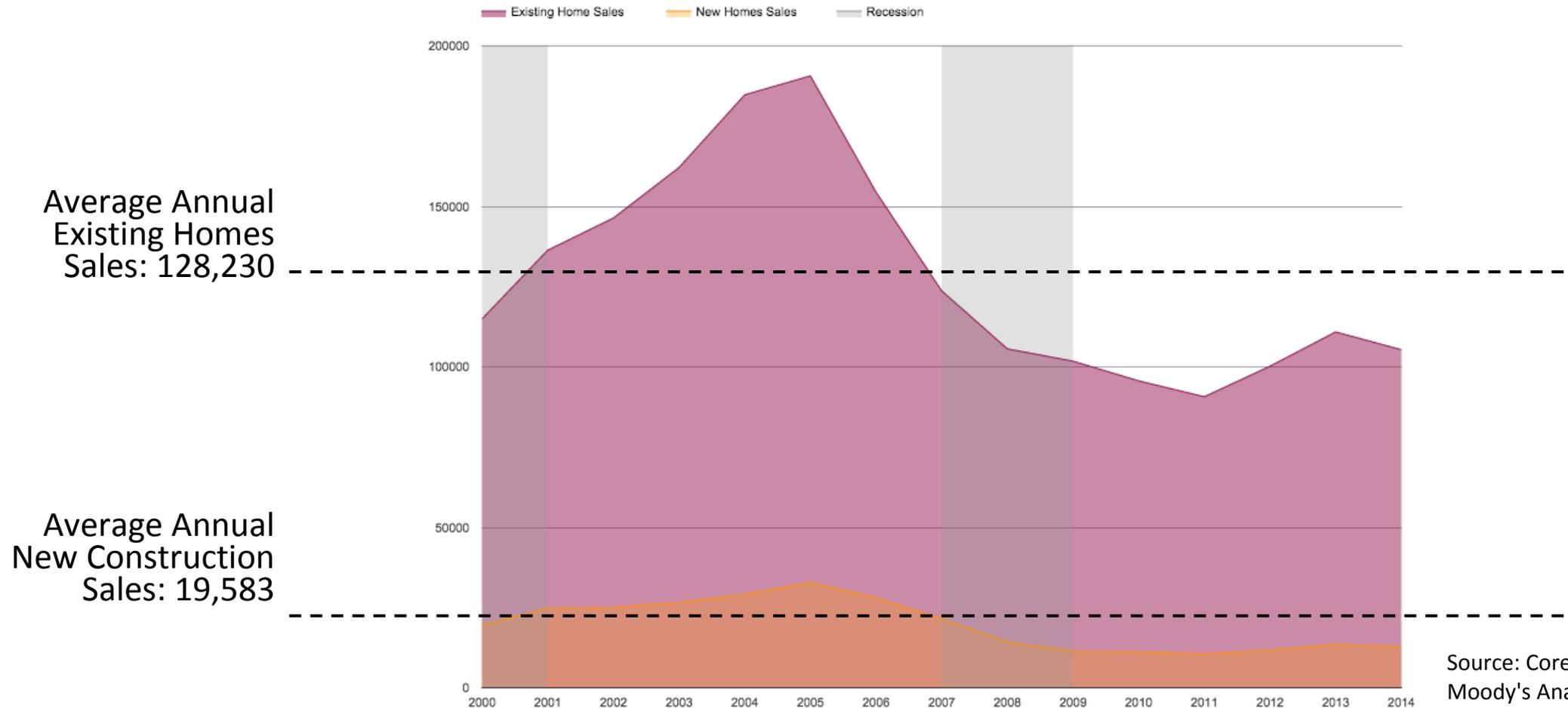


National New Construction and Existing Home Sales Data



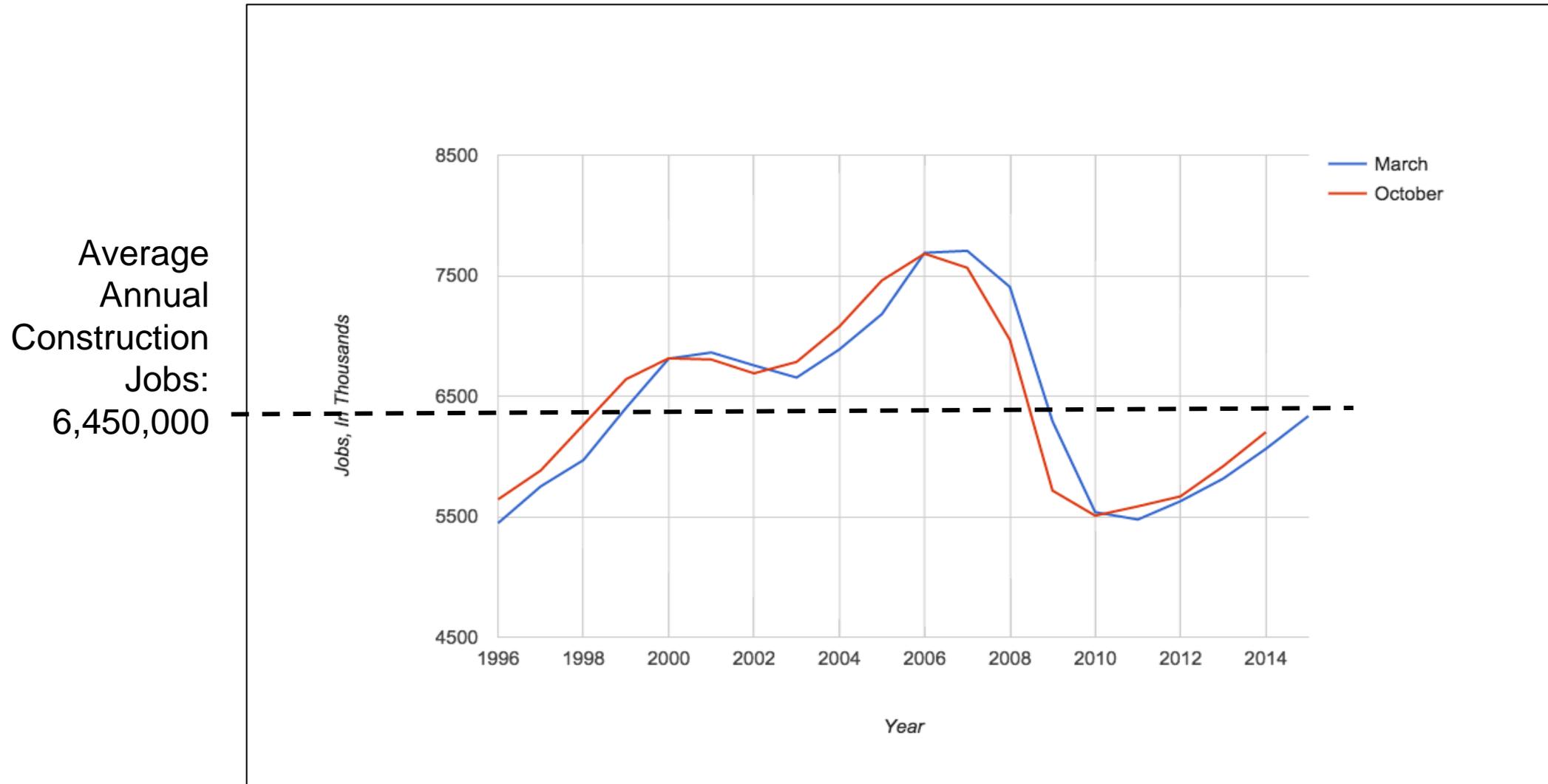
Source:
Metrostudy
Data

Virginia Home Sales 2000-2014



Source: CoreLogic, Inc.;
Moody's Analytics
(ECCA) Aggregated

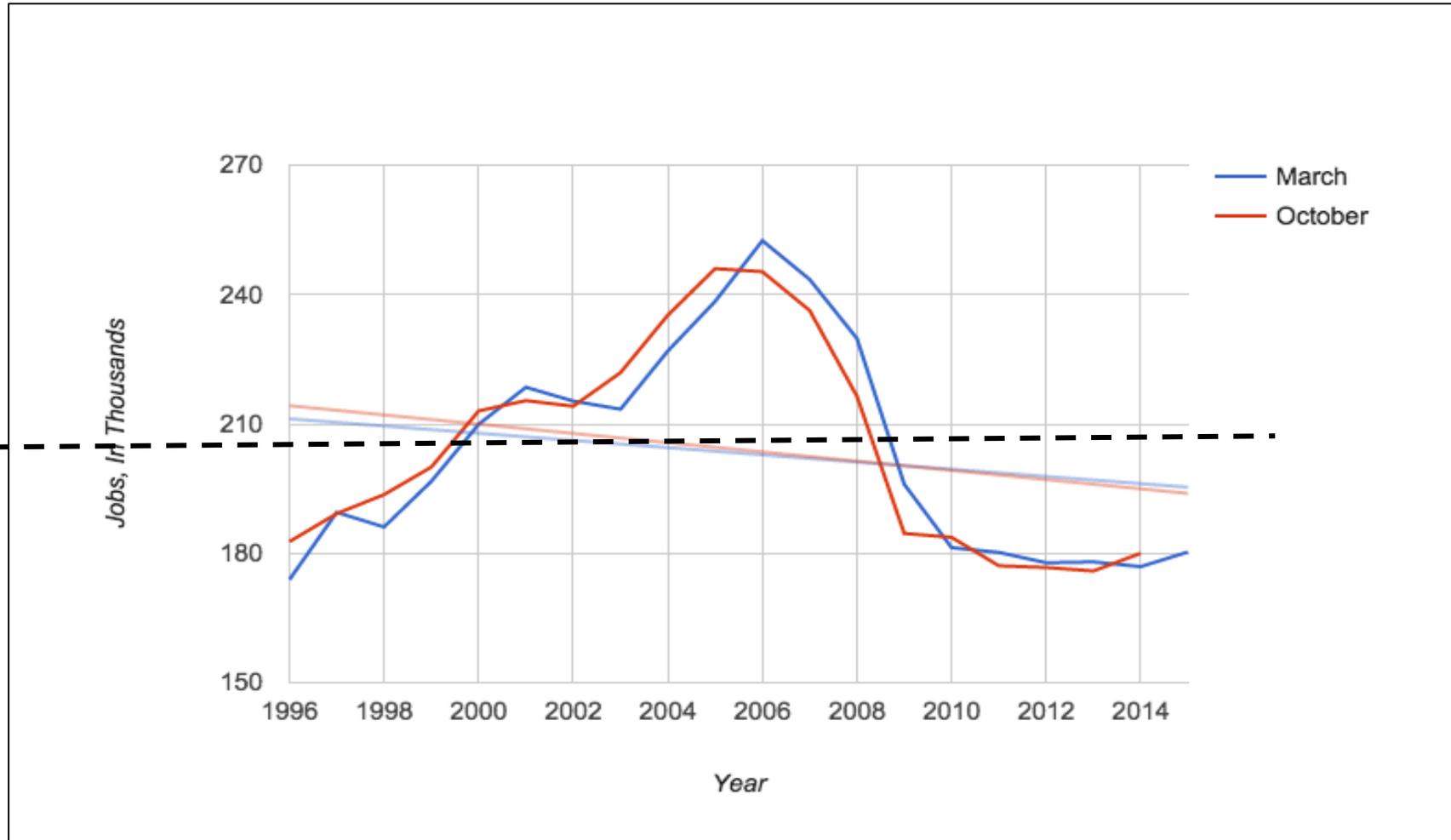
National Construction Jobs 1996-2014



Source: U.S. Bureau of Labor Statistics

Virginia Construction Jobs 1996-2014

Average
Annual
Construction
Jobs: 204,000



Source: U.S.
Bureau of Labor
Statistics

Case Study (Crescent Square)

- ✓ Crescent Square Apartments is an 80 unit, new-construction development located in Virginia Beach, VA.
- ✓ \$9,706,649 spent in Virginia on the Crescent Square project supported 82 jobs with combined earnings of \$3,837,250
- ✓ Aggregate Effect on Jobs in Virginia Beach MSA
 - 129 jobs during construction
 - 10 jobs sustained annually

New Construction Trends- Energy Efficiency and Affordability

Recent Study for Housing Virginia “The Impact of Energy Efficient Construction for LIHTC Housing in Virginia” found that:

1. Incentives are working to reduce energy consumption, but the focus needs to be on results:
 - *Energy usage for developments in the study is 16.6% less than estimated and approximately 30% less than new standard construction.*
2. Not a “one size fits all”- types of developments and units differ in their energy consumption.
3. Certain technologies are impacting energy consumption more than others
4. Education becomes more critical