



2022 Hampton Roads Economic Forecast

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Strome College of Business

Old Dominion University

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Chartway
CREDIT UNION

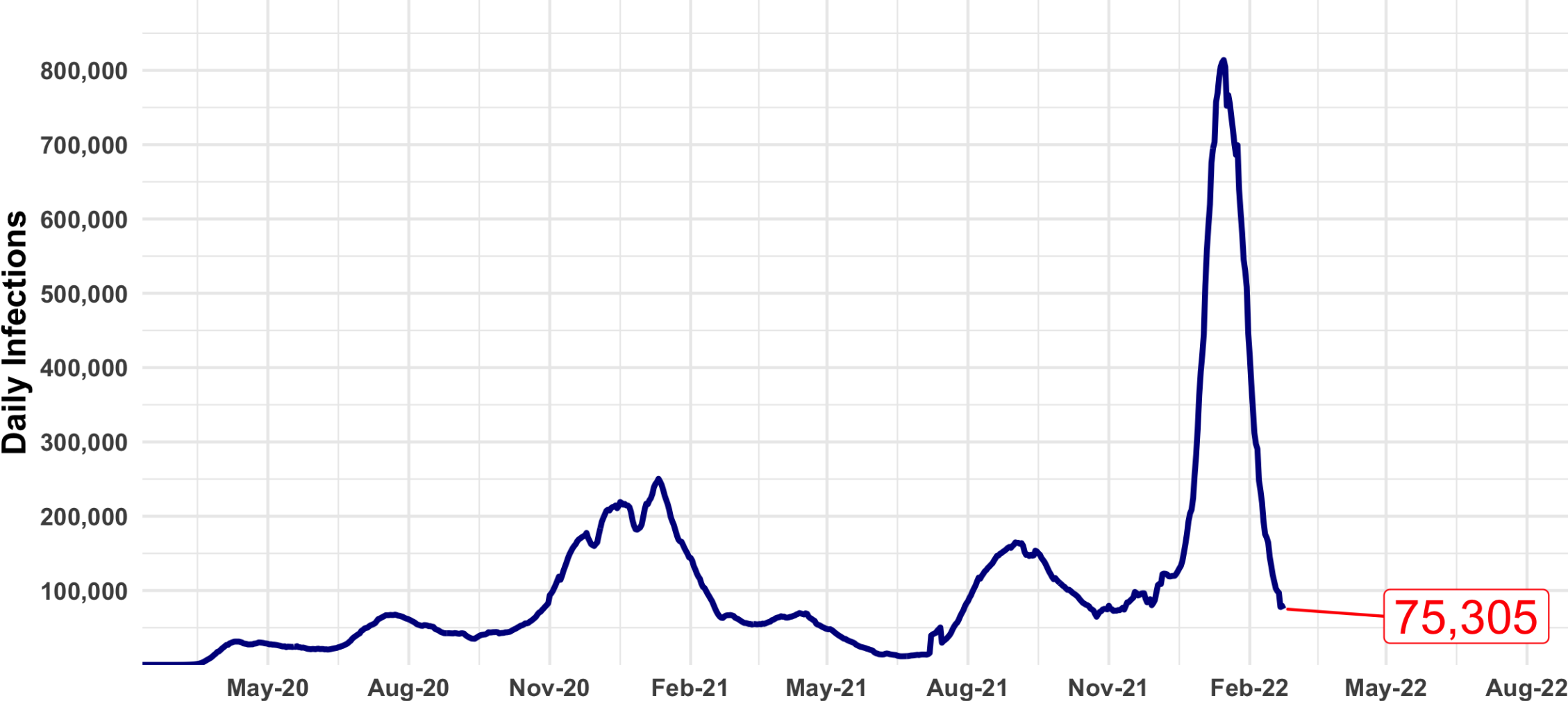


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COVID-19



7-Day Moving Average of Daily COVID-19 Infections United States, February 9, 2020 - February 23, 2022



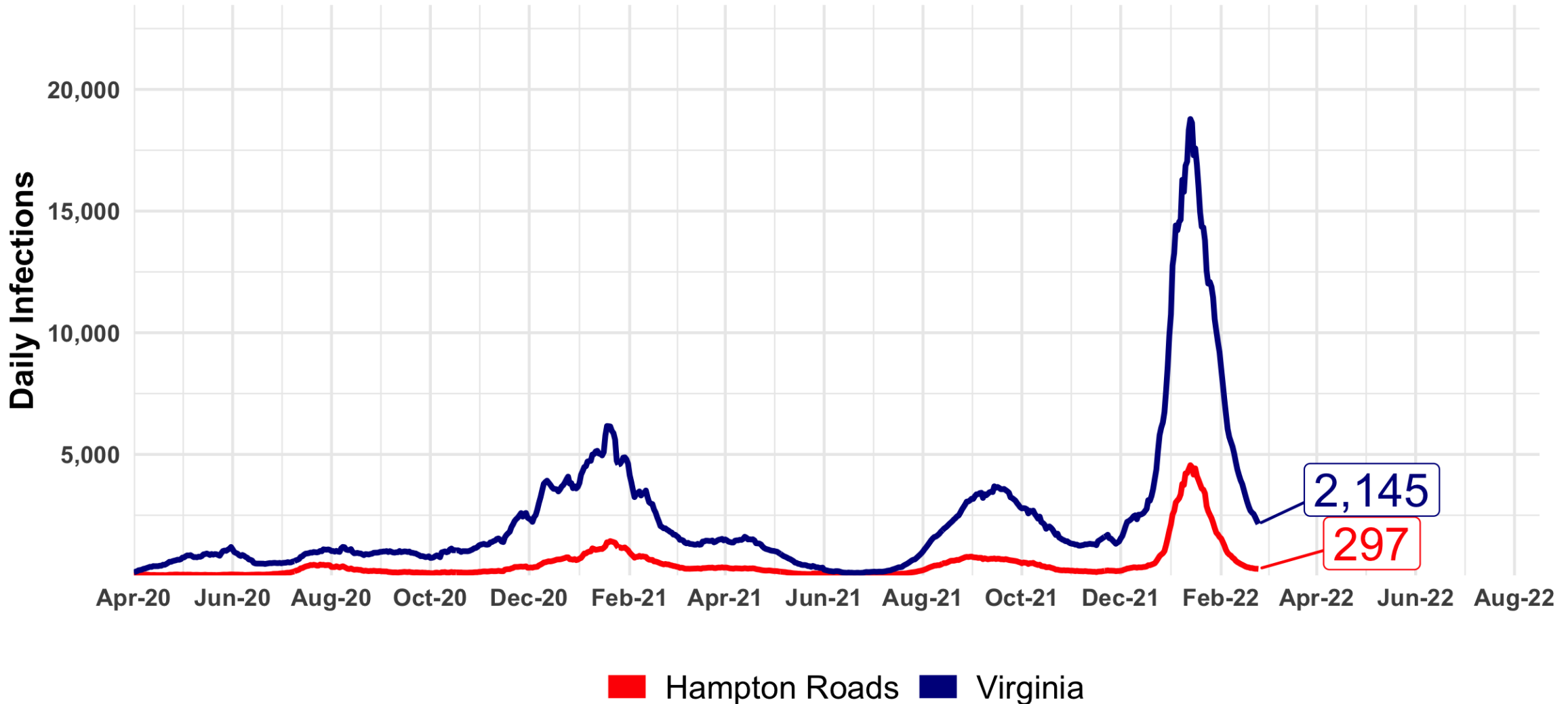
Source: Centers for Disease Control and Prevention, United States COVID-19 Cases and Deaths by State over Time.

7-Day Moving Average of Daily COVID-19 Deaths United States, February 9, 2020 - February 23, 2022



Source: Centers for Disease Control and Prevention, United States COVID-19 Cases and Deaths by State over Time.

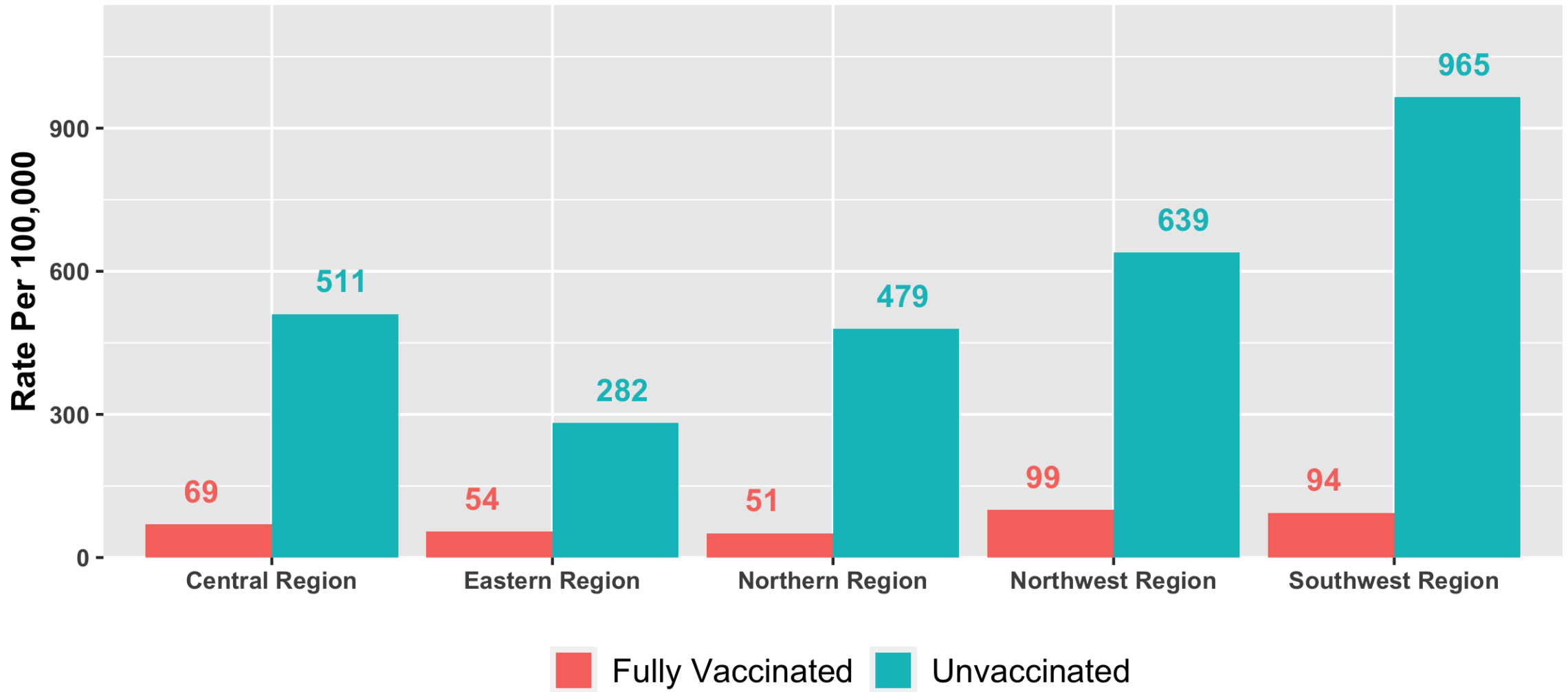
7-Day Moving Average of Daily COVID-19 Infections Hampton Roads and Virginia, April 1, 2020 - February 24, 2022



Sources: Virginia Department of Health and Dragas Center for Economic Analysis and Policy.

COVID-19 Infections by Vaccination Status, Virginia Health Regions

Rate Per 100,000 Per Vaccination Group, Week of February 12, 2022

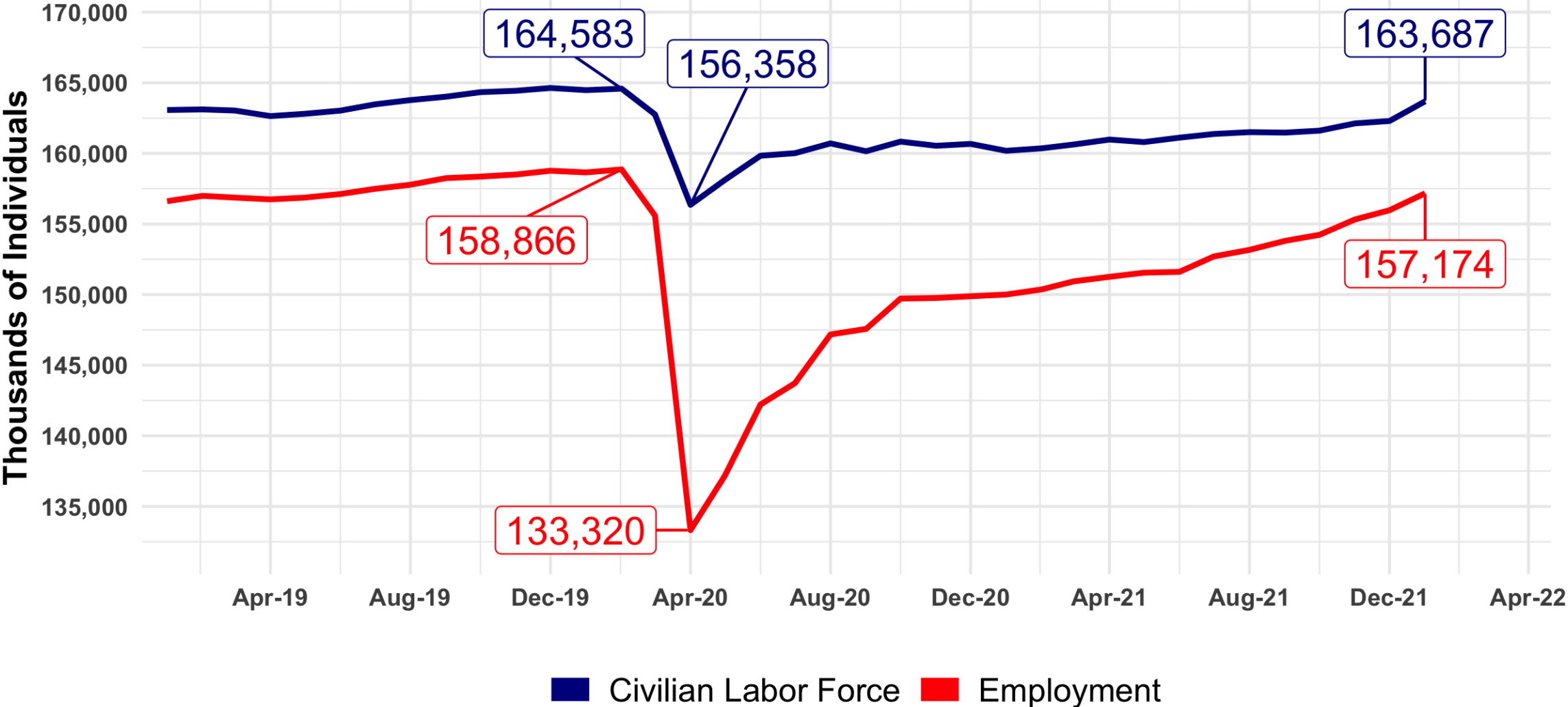


Sources: Virginia Department of Health, Centers for Disease Control and Prevention, and Dragas Center for Economic Analysis and Policy. 2019 NCHS population estimates.

Recovery and Resignation



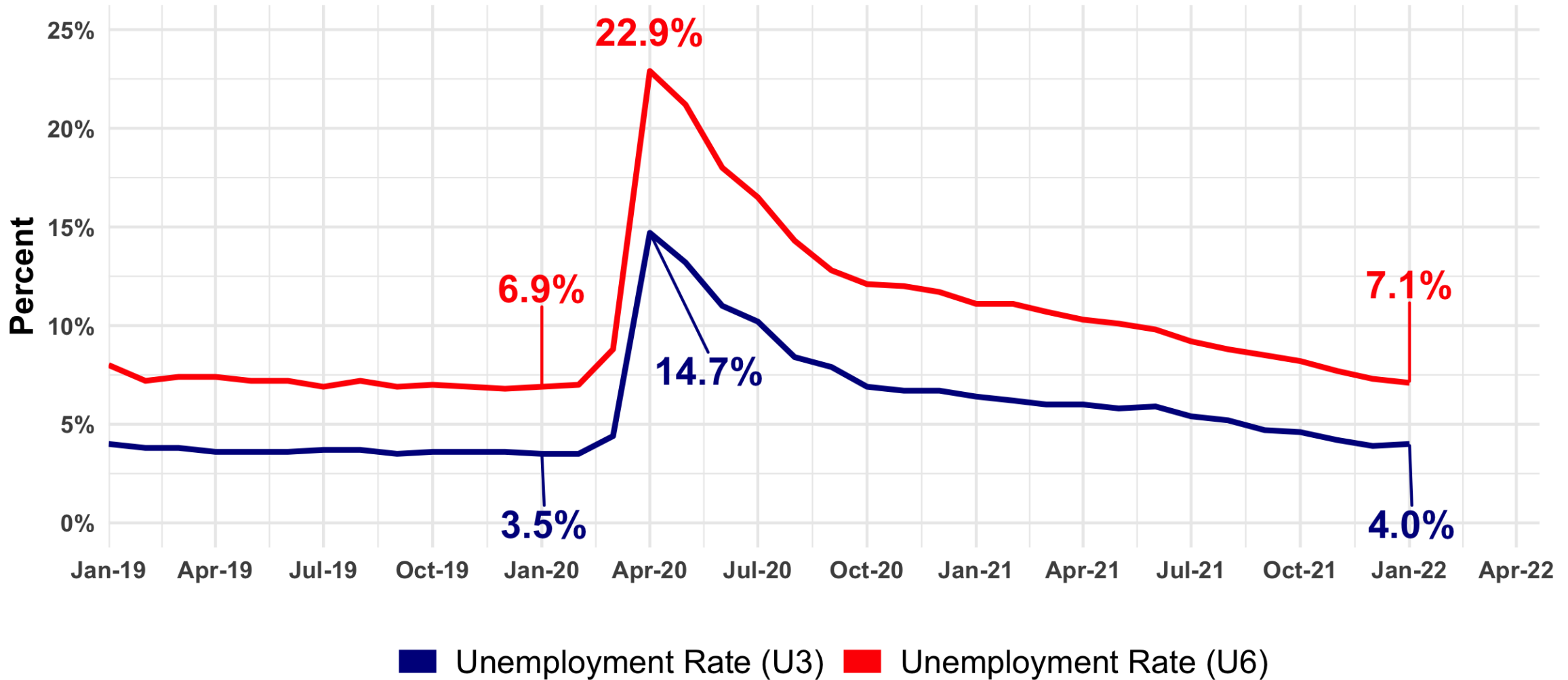
Civilian Labor Force and Individual Employment United States, January 2019 - January 2022



Source: Bureau of Labor Statistics, seasonally adjusted data.

Unemployment Rate

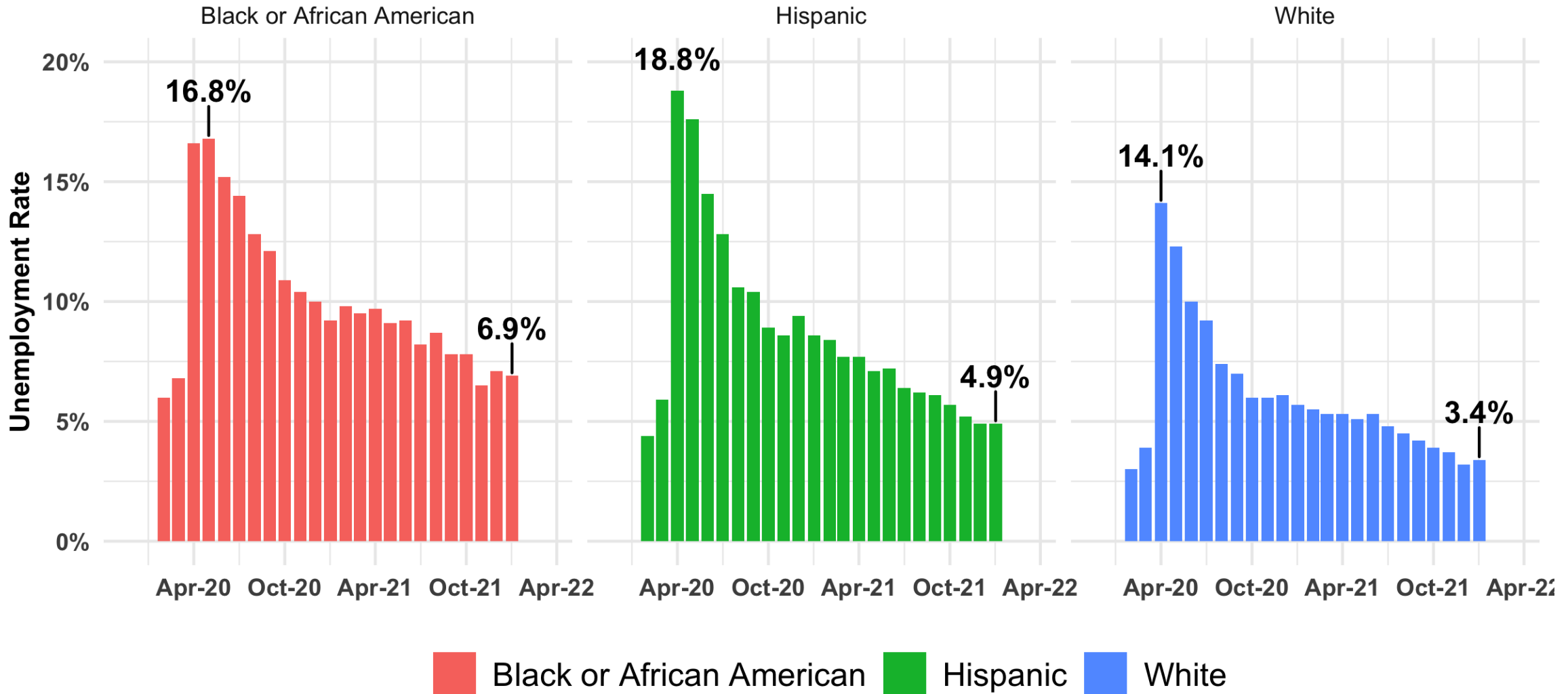
United States, January 2019 - January 2022



Source: Bureau of Labor Statistics, seasonally adjusted data. The U6 rate is the broadest measure of unemployment and includes persons marginally attached to the labor force and persons working part-time for economic reasons.

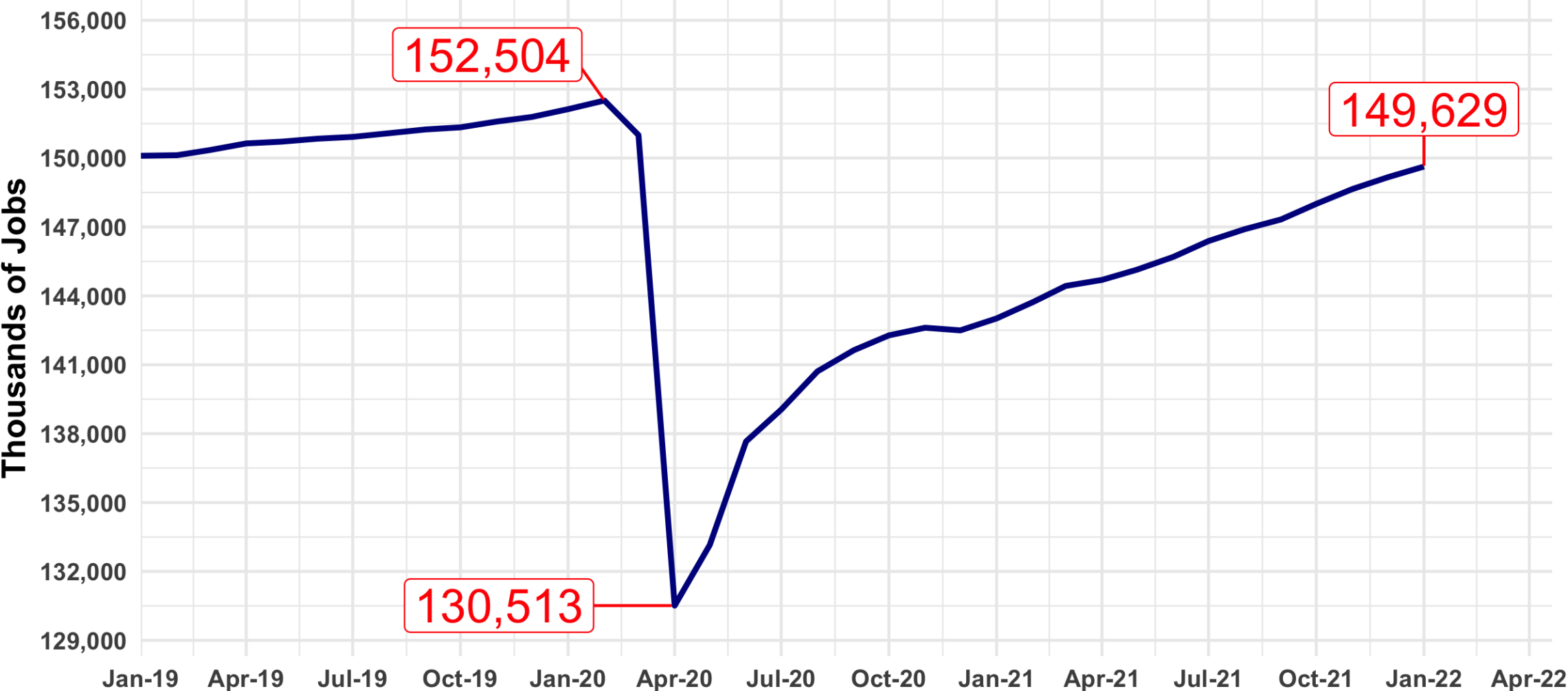
Unemployment Rate by Race and Ethnicity

United States, February 2020 - January 2022



Source: Bureau of Labor Statistics, seasonally adjusted data.

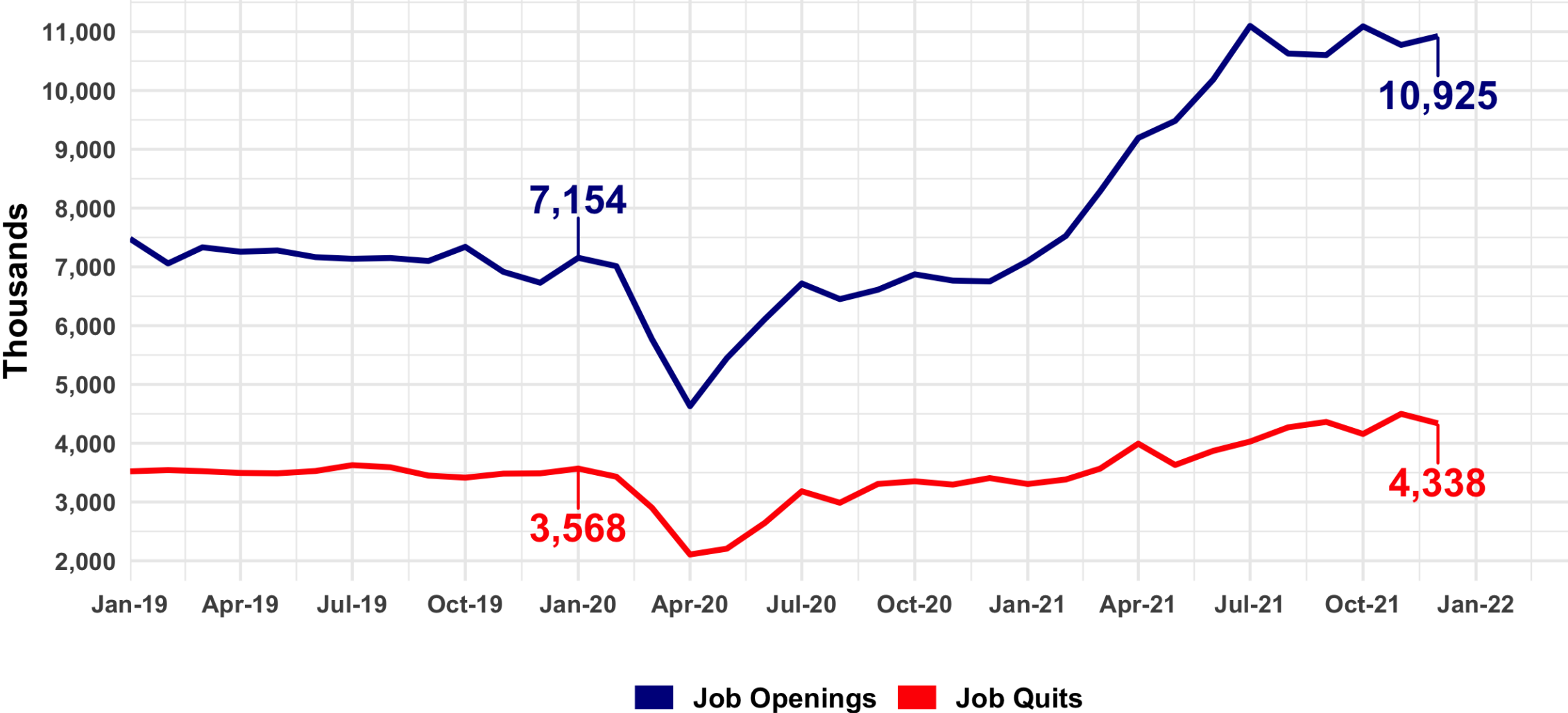
Nonfarm Payrolls (Jobs) United States, January 2019 - January 2022



Source: Bureau of Labor Statistics, seasonally adjusted data.

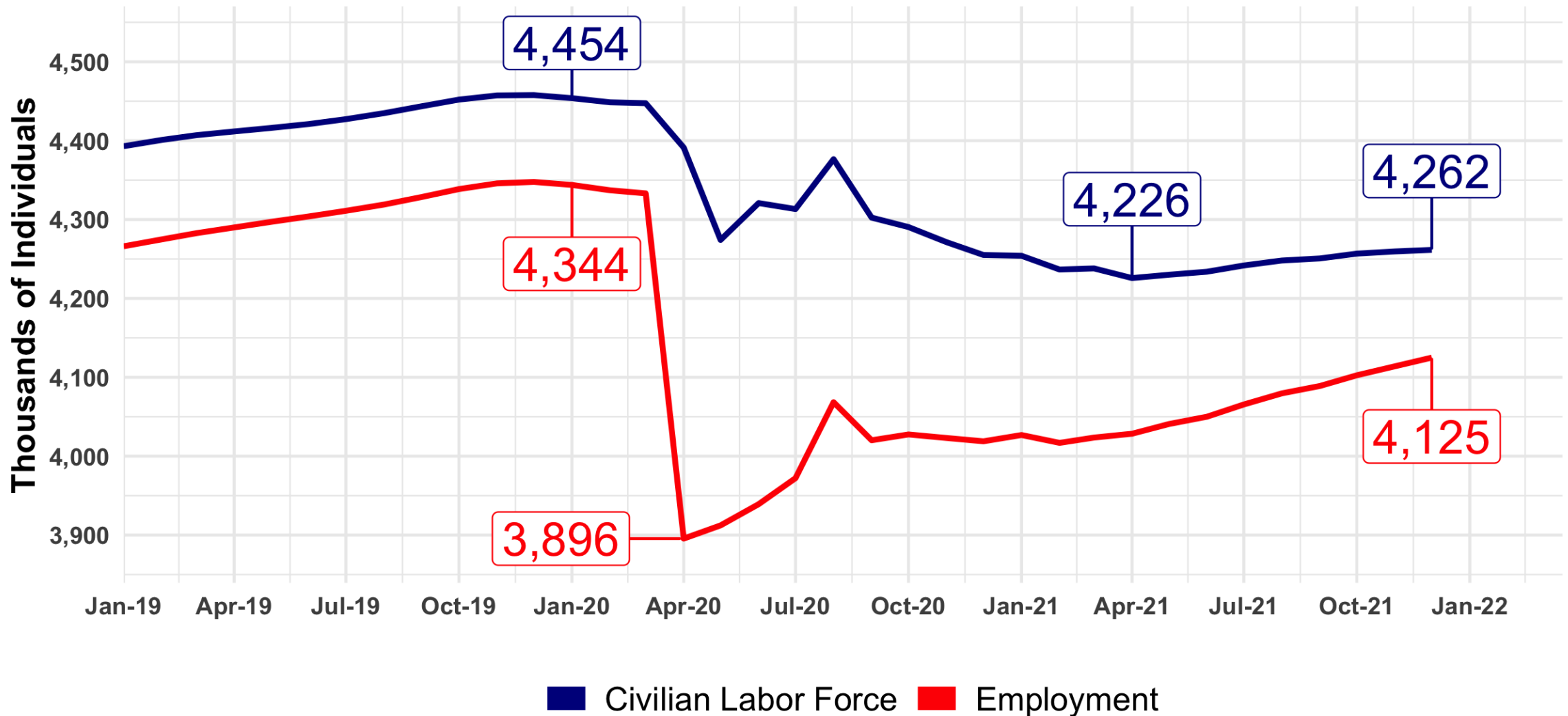
Job Openings and Quits

United States, January 2019 - December 2021



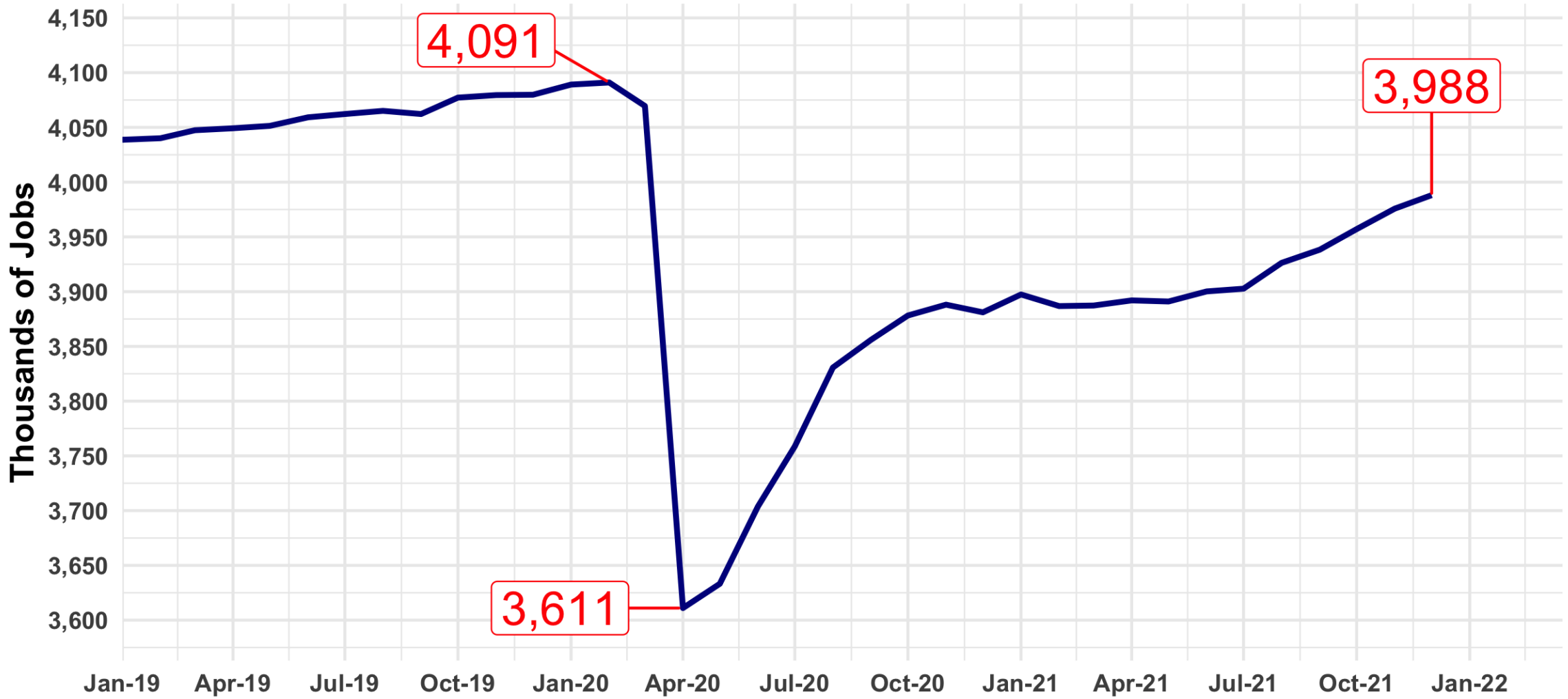
Source: Bureau of Labor Statistics, seasonally adjusted data.

Civilian Labor Force and Individual Employment Virginia, January 2019 - December 2021



Source: Bureau of Labor Statistics, seasonally adjusted data.

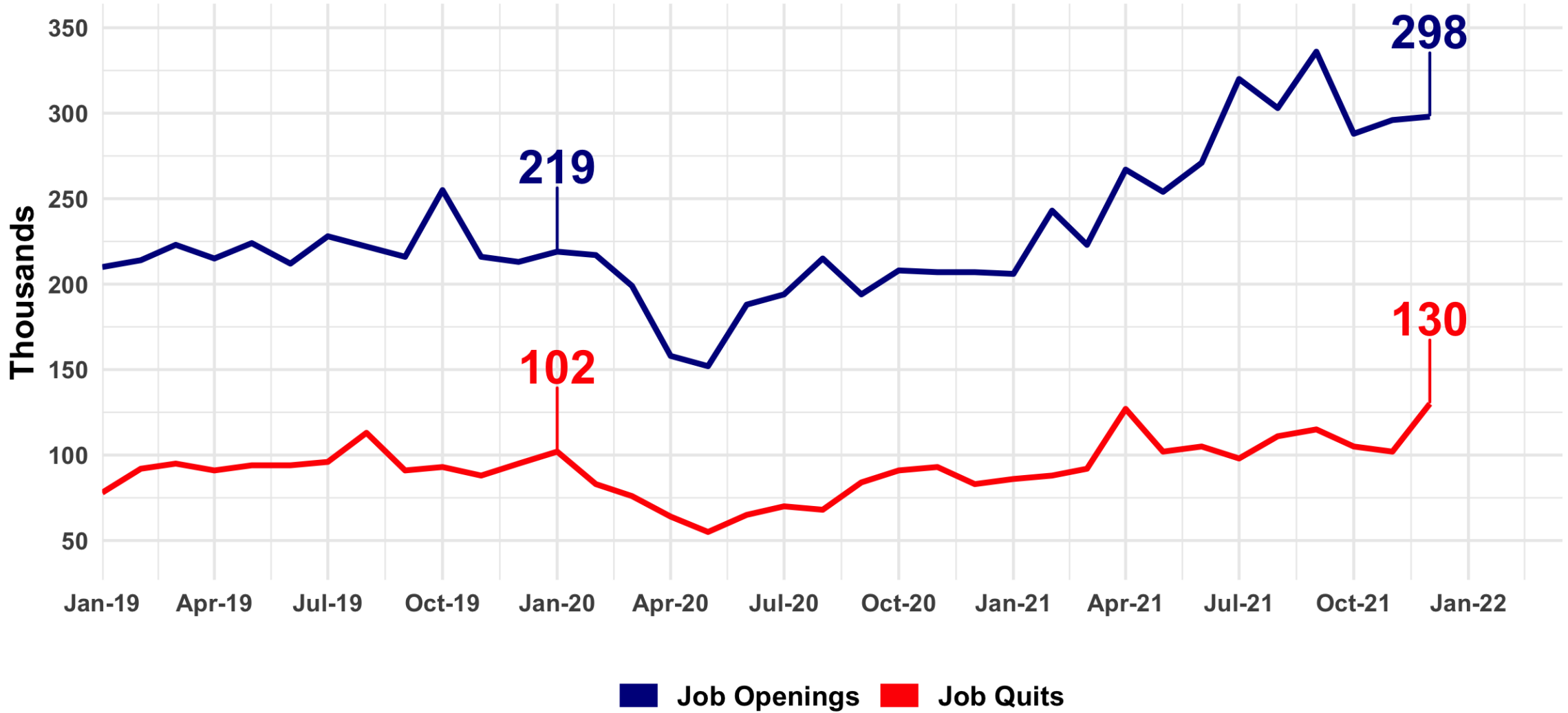
Nonfarm Payrolls (Jobs) Virginia, January 2019 - December 2021



Source: Bureau of Labor Statistics, seasonally adjusted data.

Job Openings and Quits

Virginia, January 2019 - December 2021

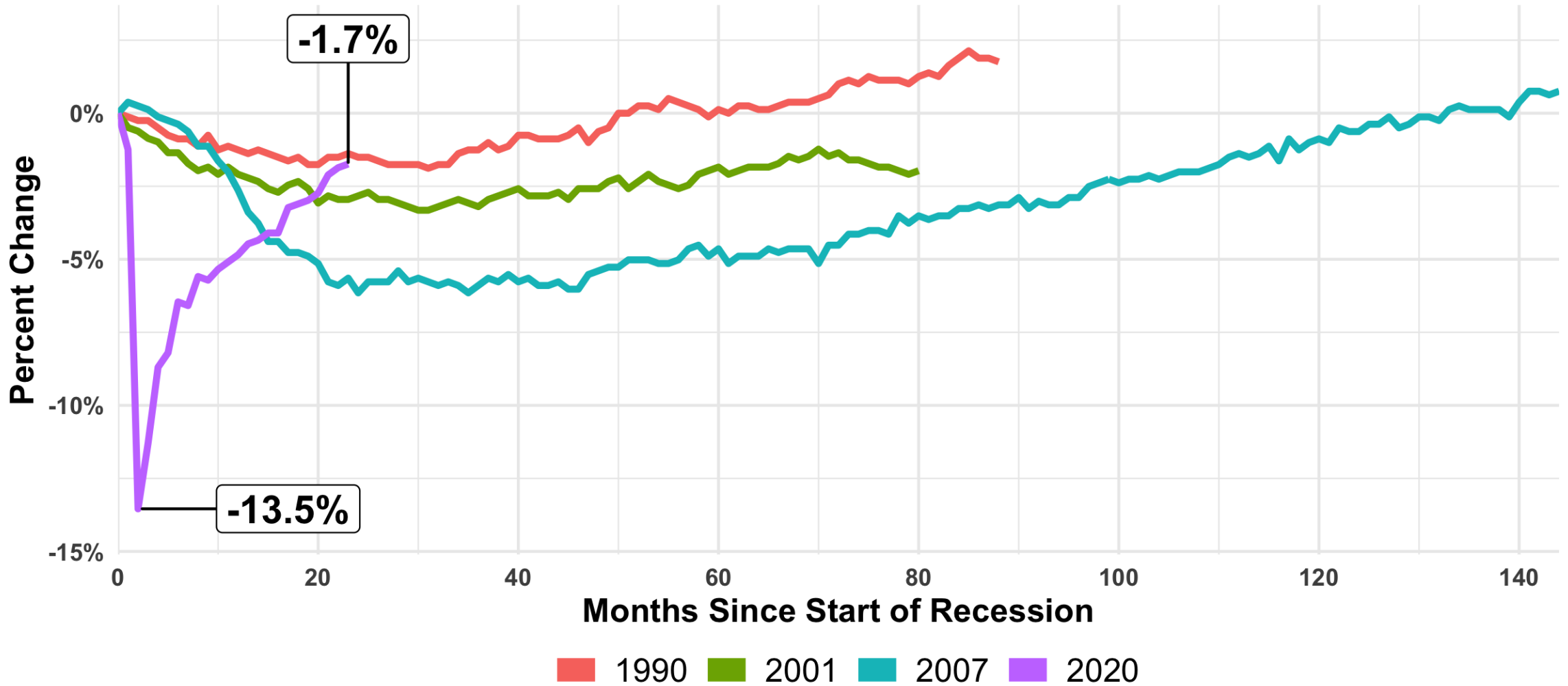


Source: Bureau of Labor Statistics, seasonally adjusted data.

Inflation and Interest Rates



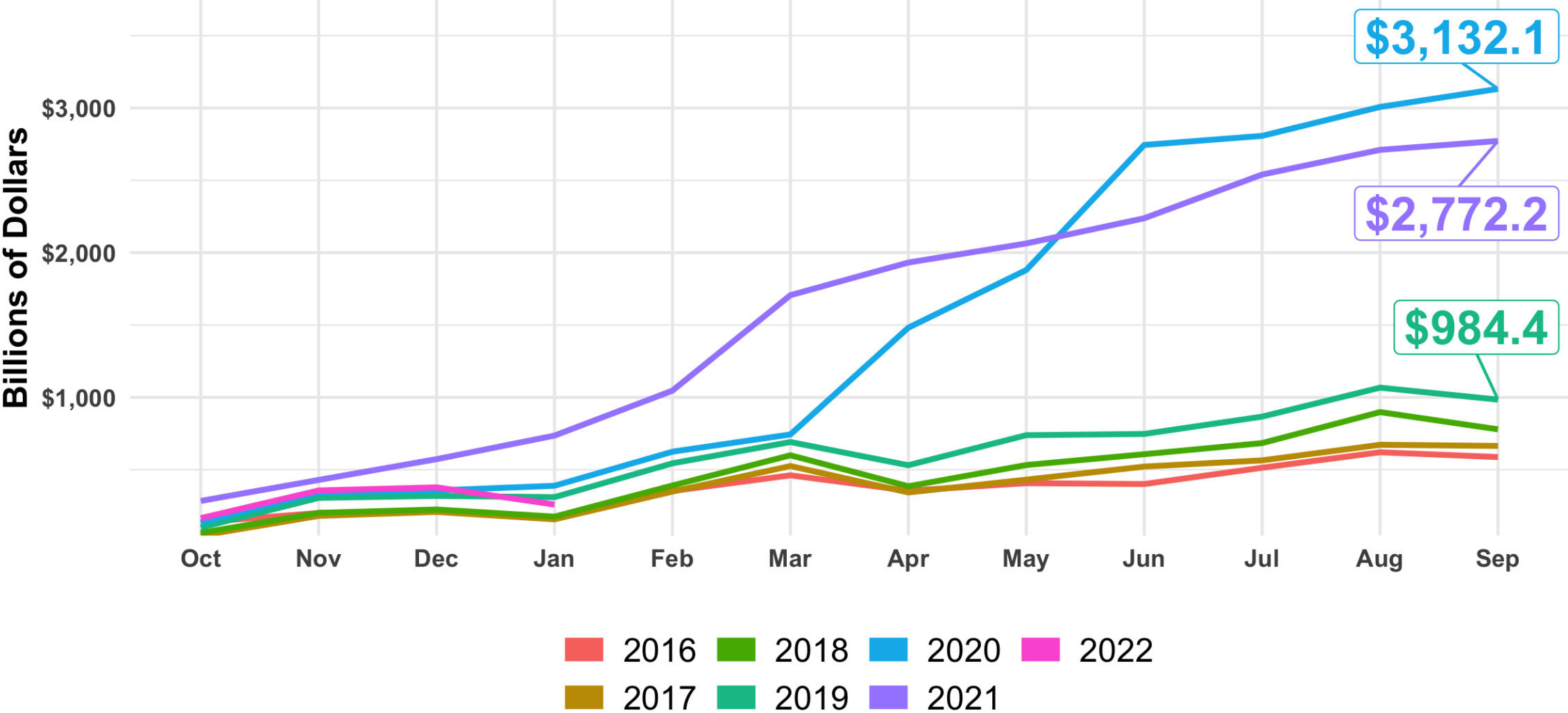
Employment-Population Ratio for Workers Aged 25 to 54 United States, Recessions of 1990, 2001, 2007, and 2020



Source: Bureau of Labor Statistics, seasonally adjusted data.
Change in employment-population ratio from the start of each recession.

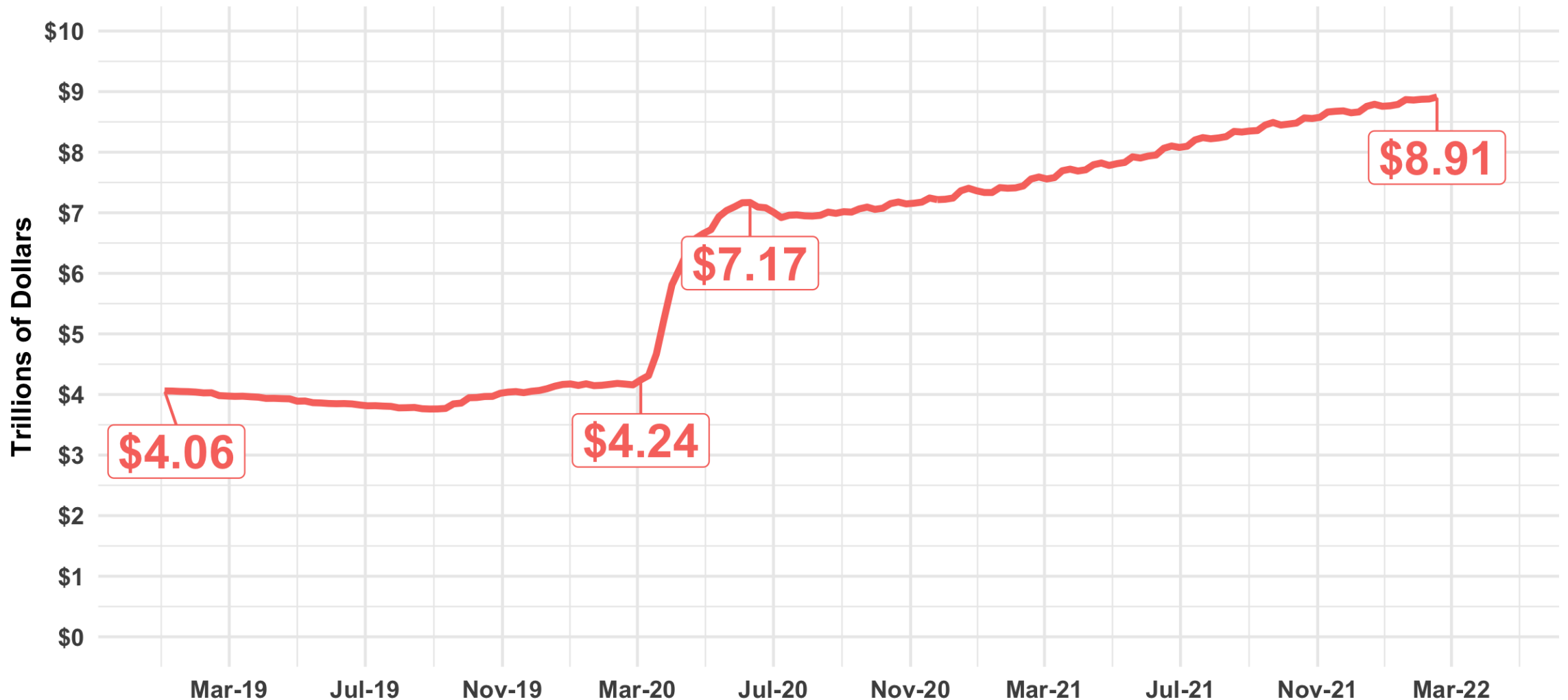
Cumulative U.S. Federal Government Deficit by Month

October 2015 - January 2022



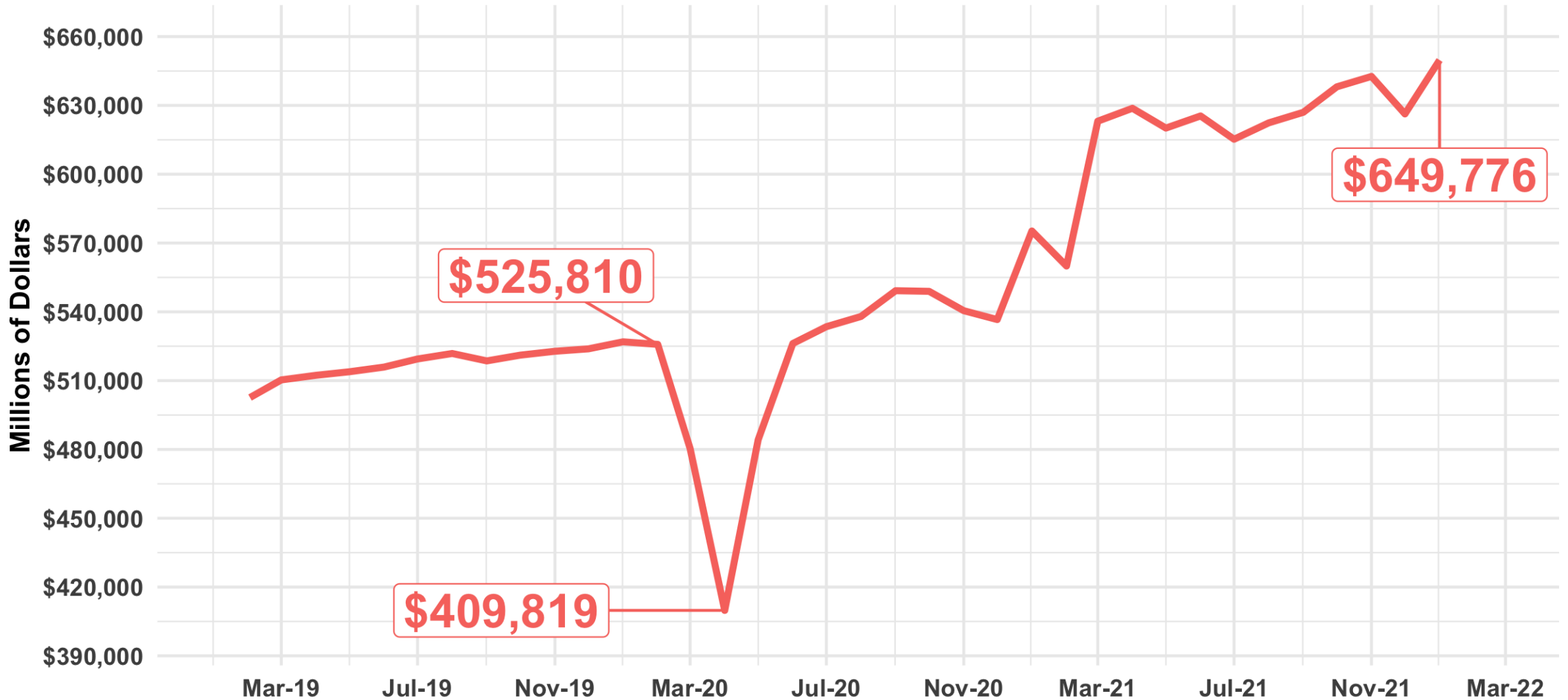
Source: Congressional Budget Office, U.S. Treasury.

Total Assets of the Federal Reserve United States, January 2, 2019 - February 16, 2022



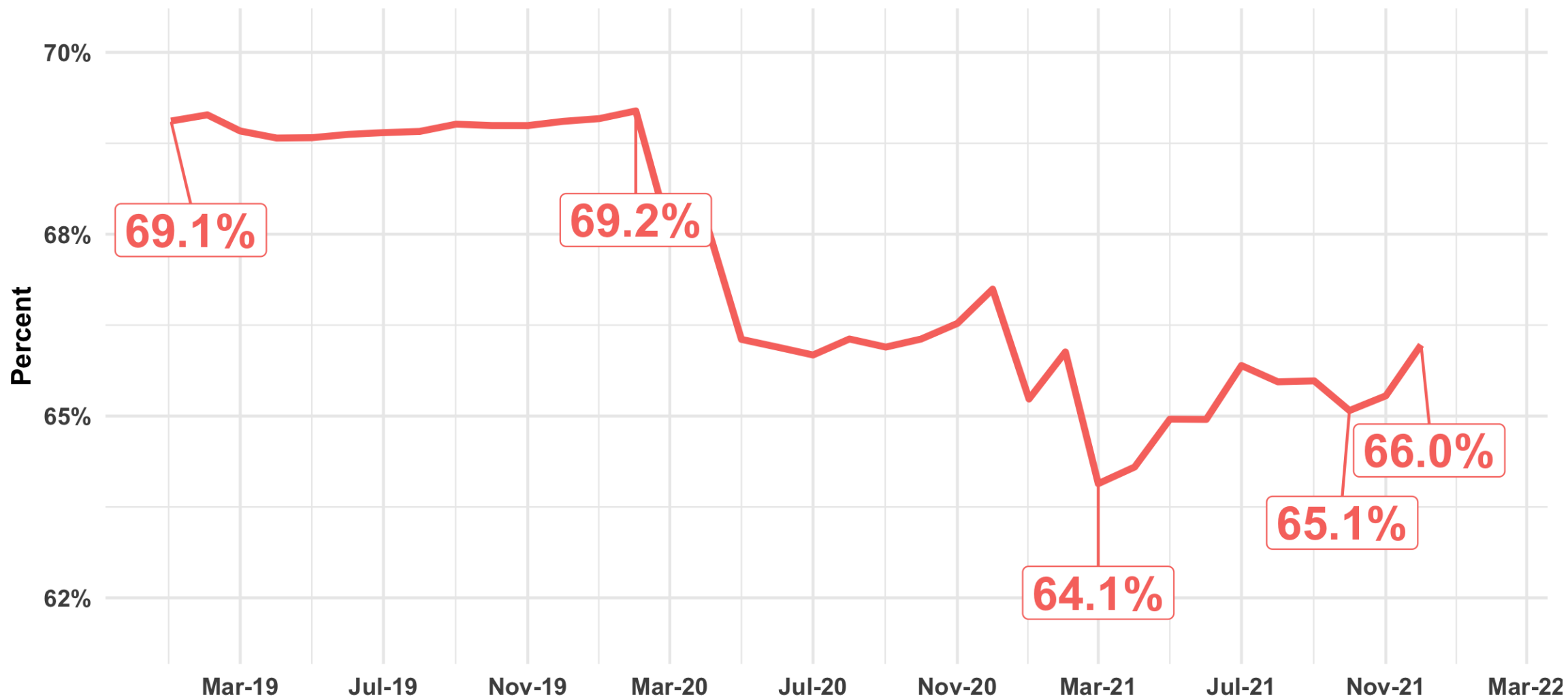
Source: Board of Governors of the Federal Reserve System (US).

Advance Retail and Food Services United States, January 2019 - January 2022



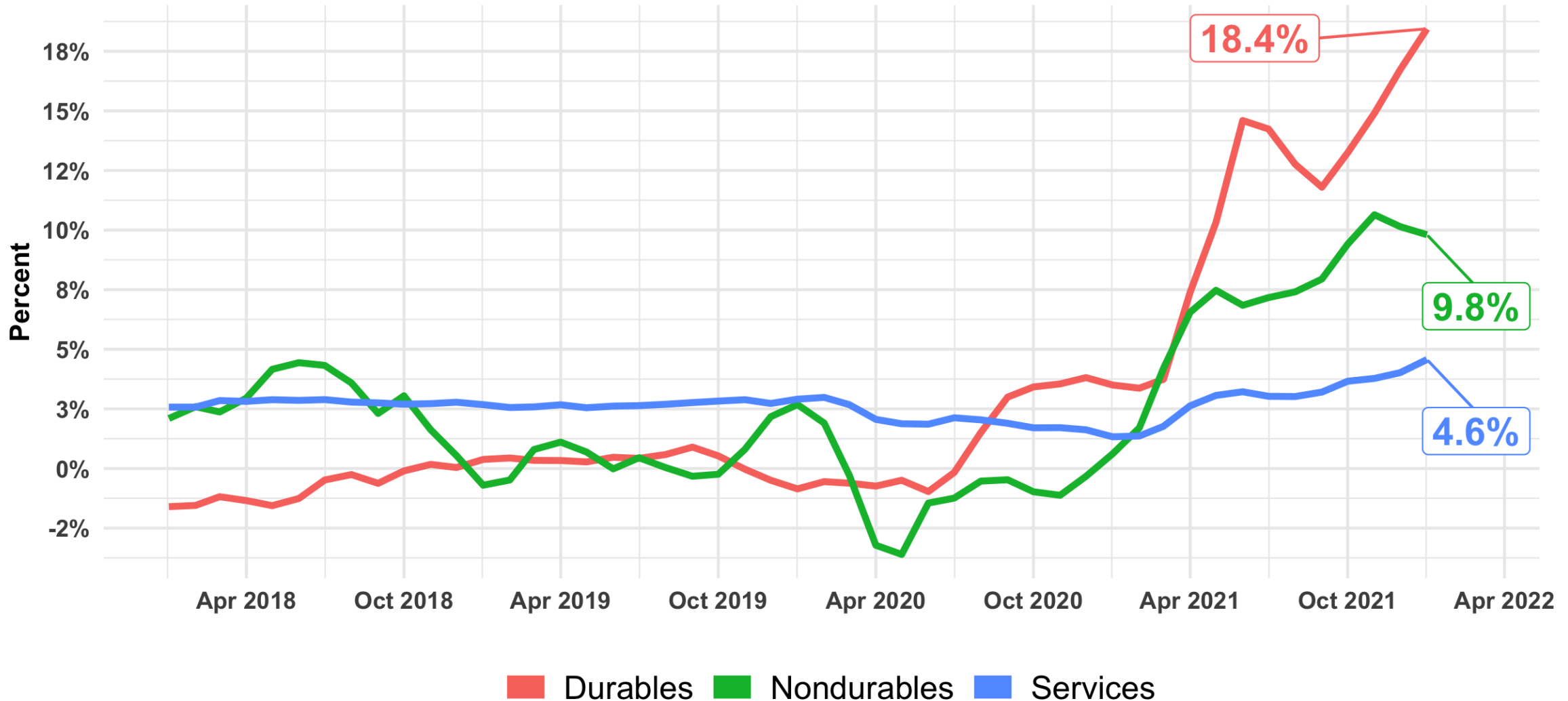
Source: U.S. Census Bureau, seasonally adjusted data.

Percent of Nominal Personal Consumption Expenditures on Services January 2019 - December 2021



Sources: Bureau of Economic Analysis and Center for Economic Analysis and Policy. Seasonally adjusted data.

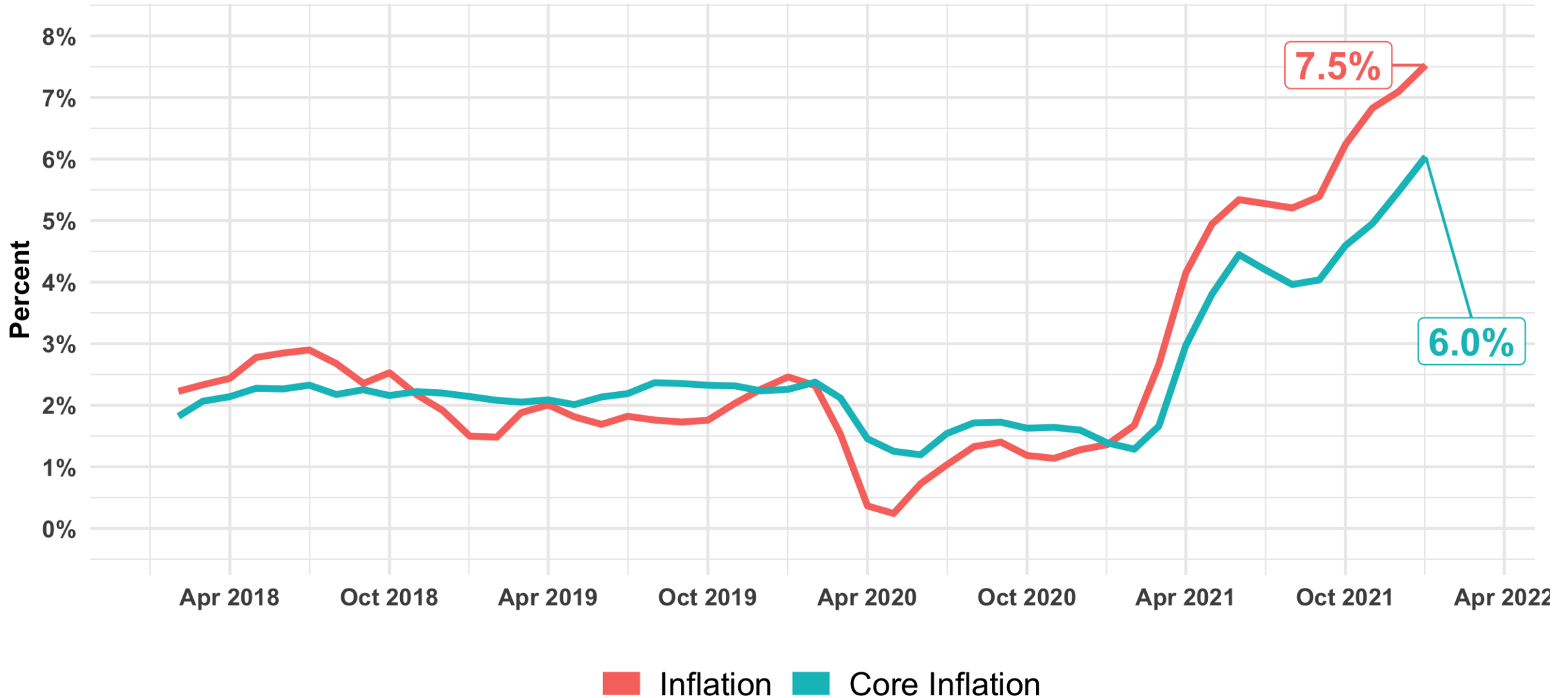
Monthly Inflation in Durables, Nondurables, and Services United States, January 2018 - January 2022



Source: Bureau of Labor Statistics (CPI-U), seasonally adjusted data.

Monthly Inflation

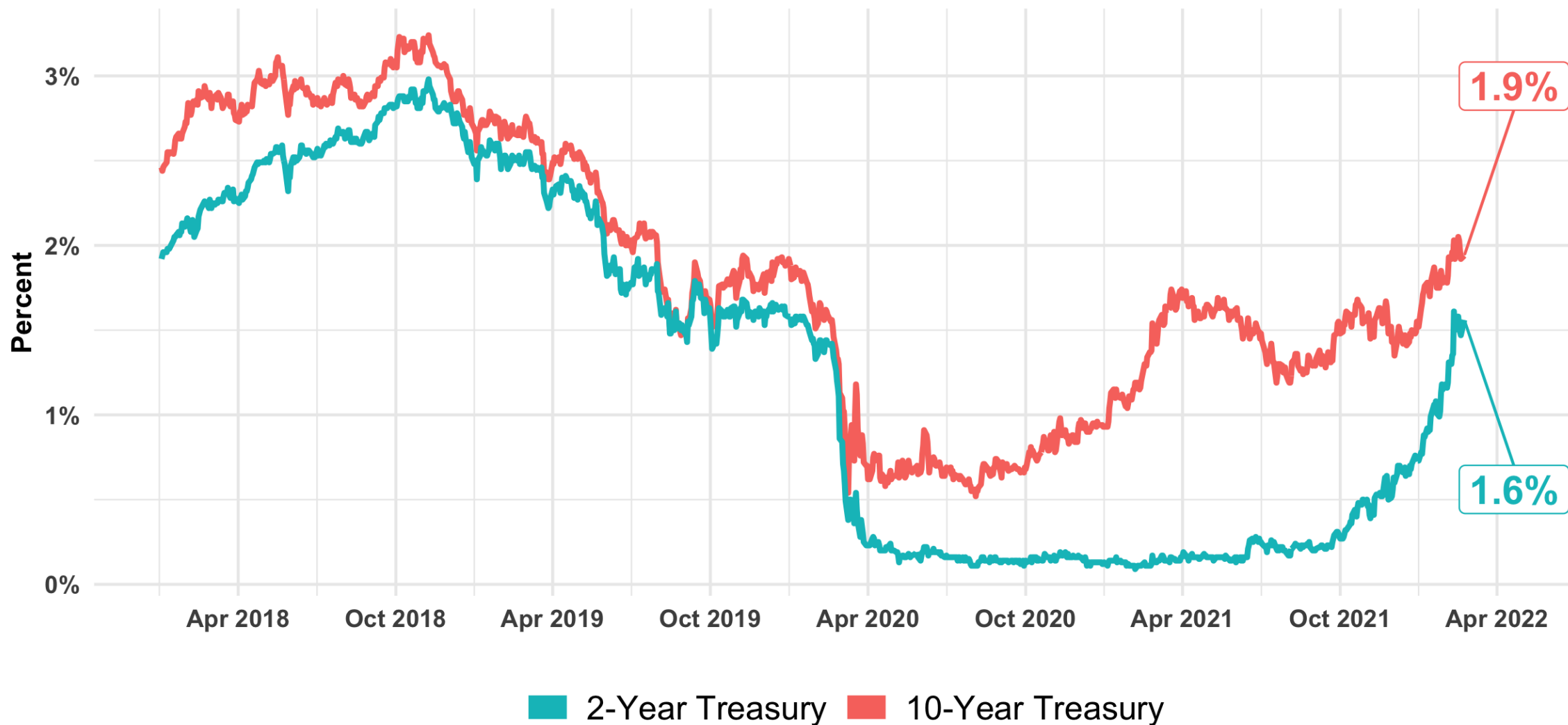
United States, January 2018 - January 2022



Source: Bureau of Labor Statistics (CPI-U), seasonally adjusted data.

Constant Maturity Rates of U.S. Treasuries

January 2018 - February 2022



Source: Board of Governors of the Federal Reserve System.

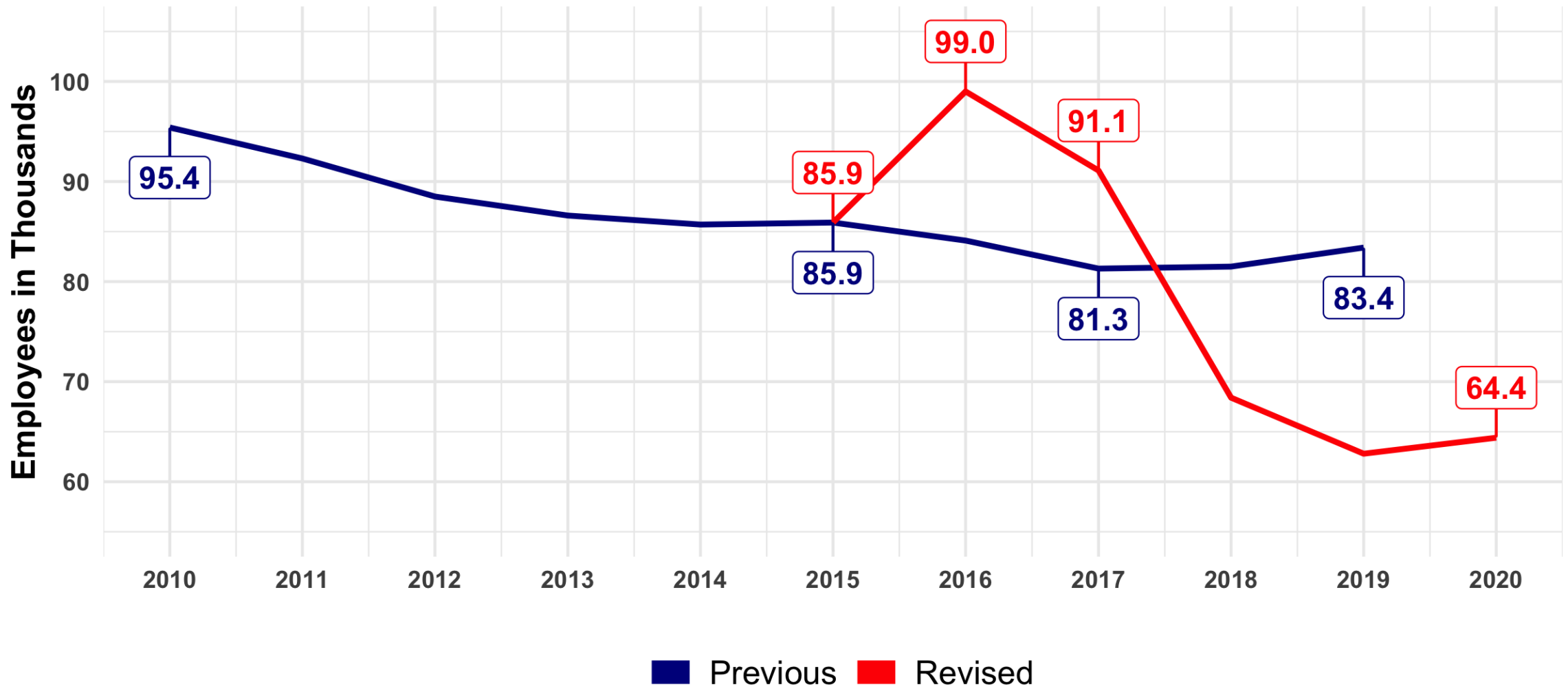
Hampton Roads



Defense Spending In Hampton Roads Through 2020

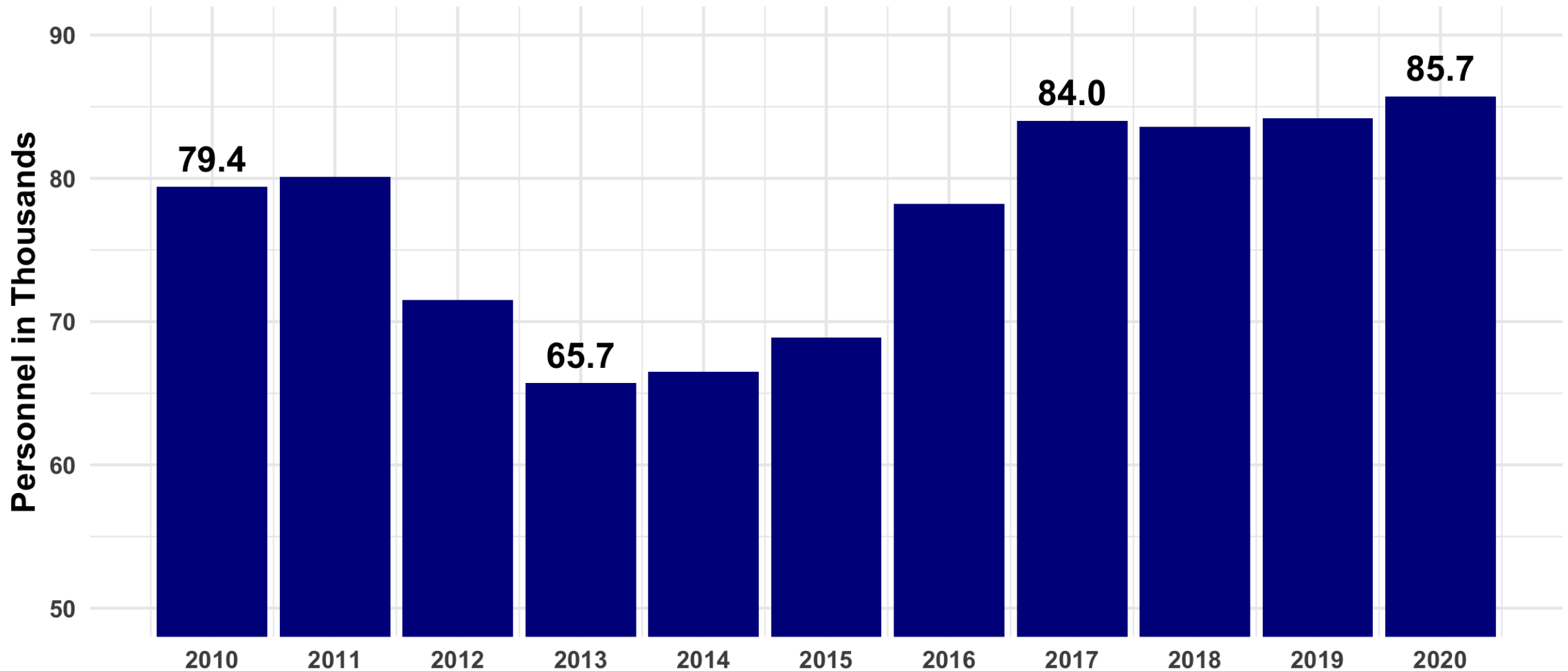


Military Employment Hampton Roads, 2010 - 2020



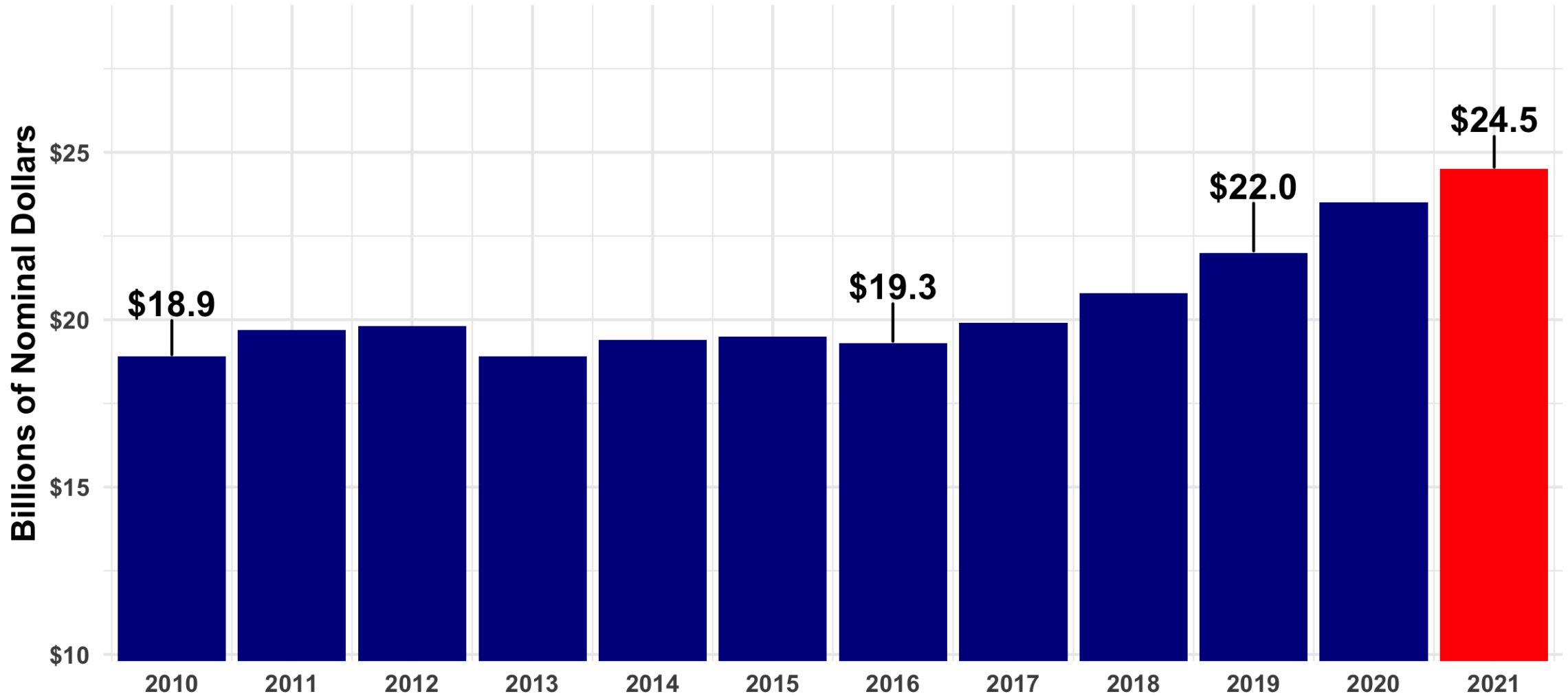
Sources: U.S. Bureau of Economic Analysis and Dragas Center for Economic Analysis and Policy.
Previous series updated on November 17, 2020; revised series released on November 16, 2021.

Active Duty Navy Personnel Hampton Roads, FY 2010 - FY 2020



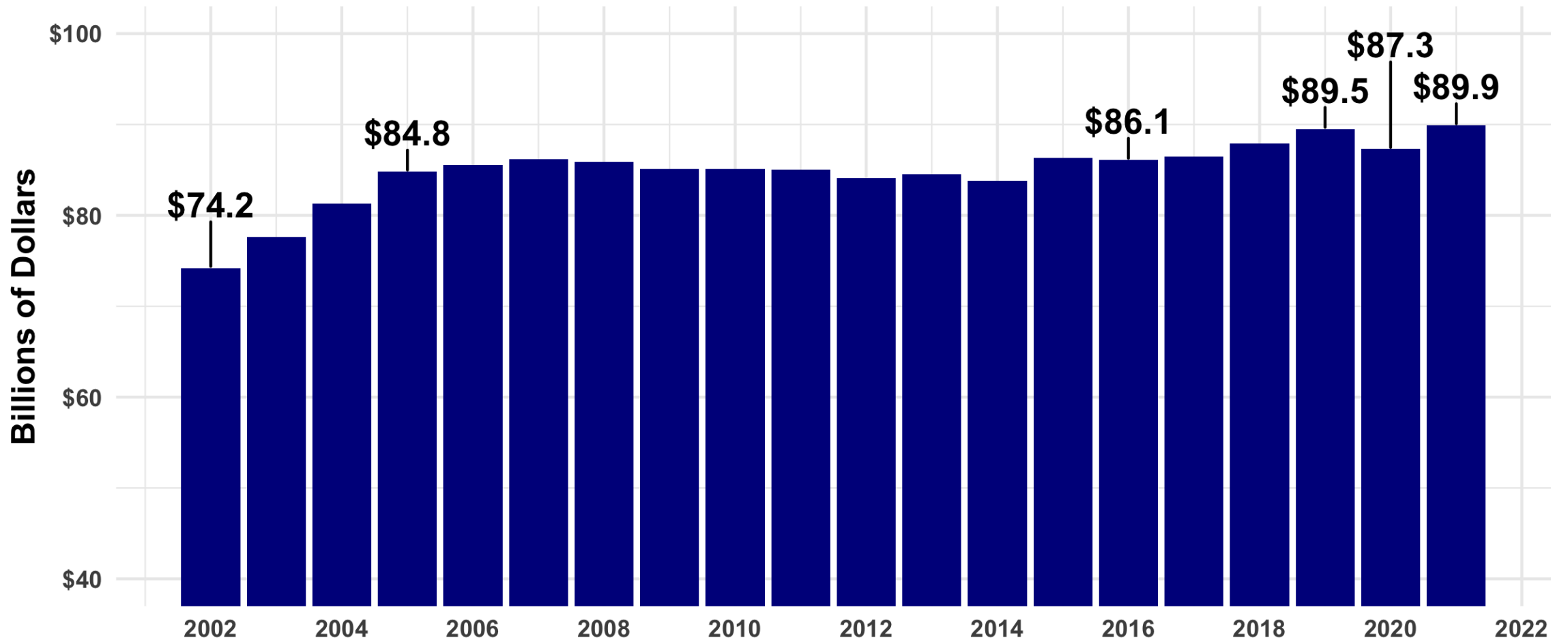
Sources: Navy Region Mid – Atlantic Public Affairs Office: Statistical Reports for Fiscal Years 2010 to 2020, The Navy in Hampton Roads, and Dragas Center for Economic Analysis and Policy. Exclude students and other transients.

Estimated Direct Department of Defense Spending Hampton Roads, 2010 - 2021*



Sources: U.S. Department of Defense and Dragas Center for Economic Analysis and Policy. *2021 is an estimate.

Real Gross Domestic Product (GDP) Hampton Roads, 2002 - 2021



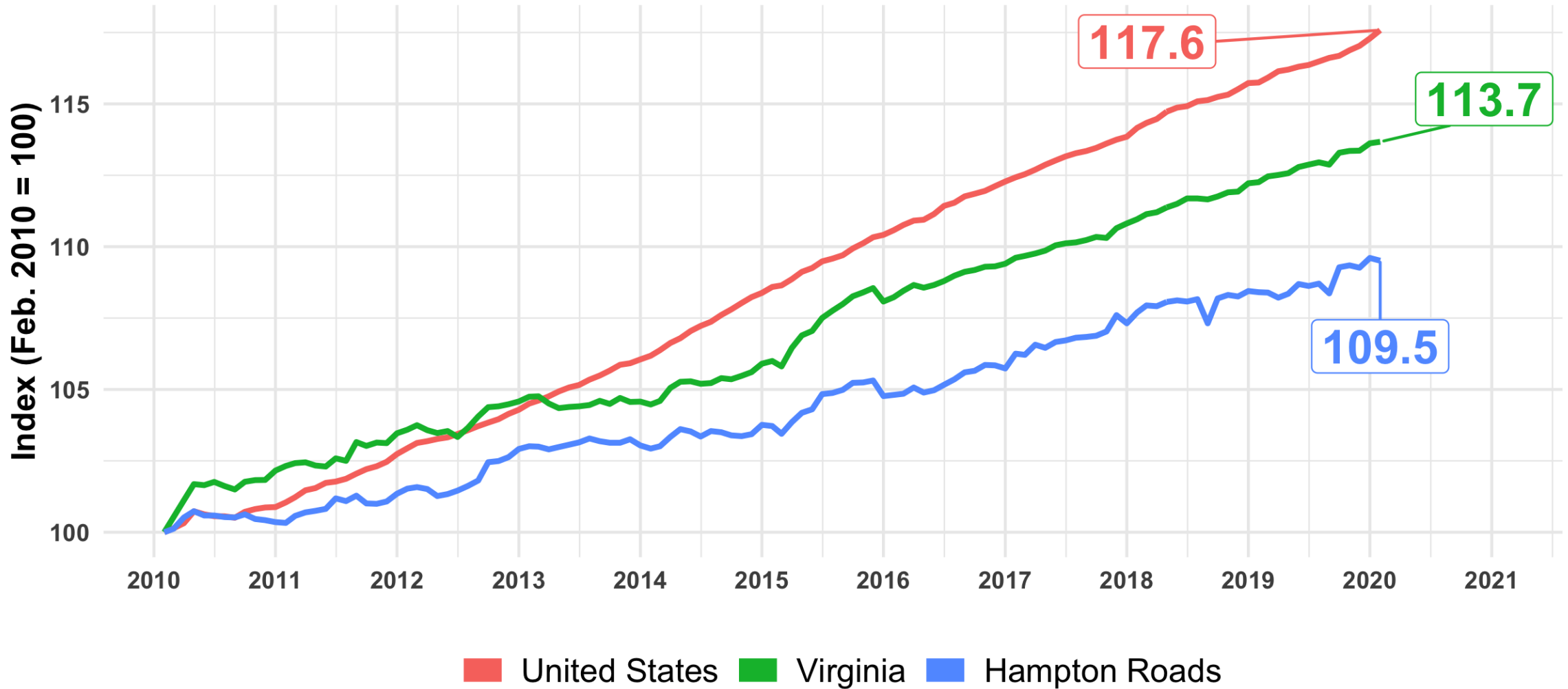
Sources: Bureau of Economic Analysis and Dragas Center for Economic Analysis and Policy.
Data on GDP incorporates latest BEA revisions in December 2020. Data for 2020 and 2021 for Hampton Roads are our estimate. Real GDP in 2012 Chained Dollars.

Jobs and Employment



Nonfarm Payrolls (Jobs)

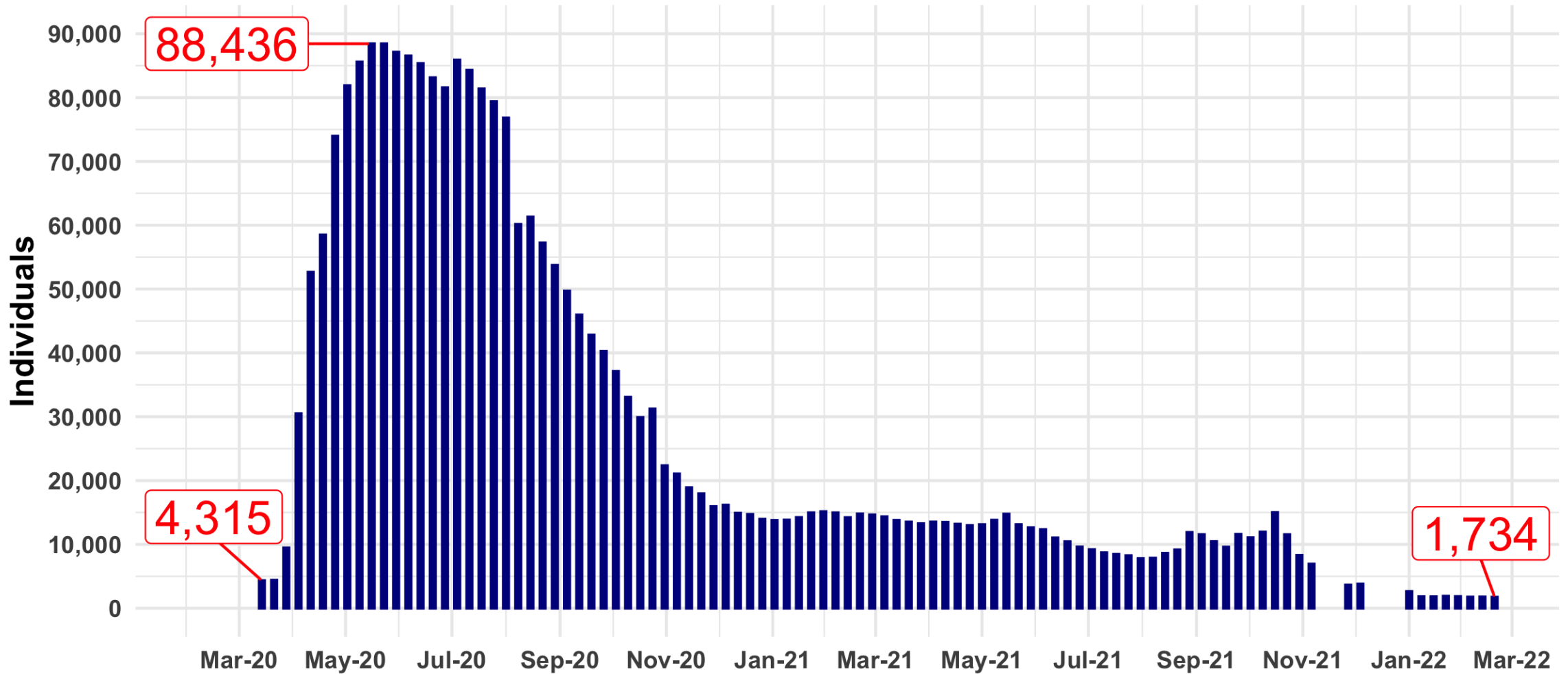
Hampton Roads, Virginia, and the United States, February 2010 - February 2020



Source: Bureau of Labor Statistics, seasonally adjusted data.

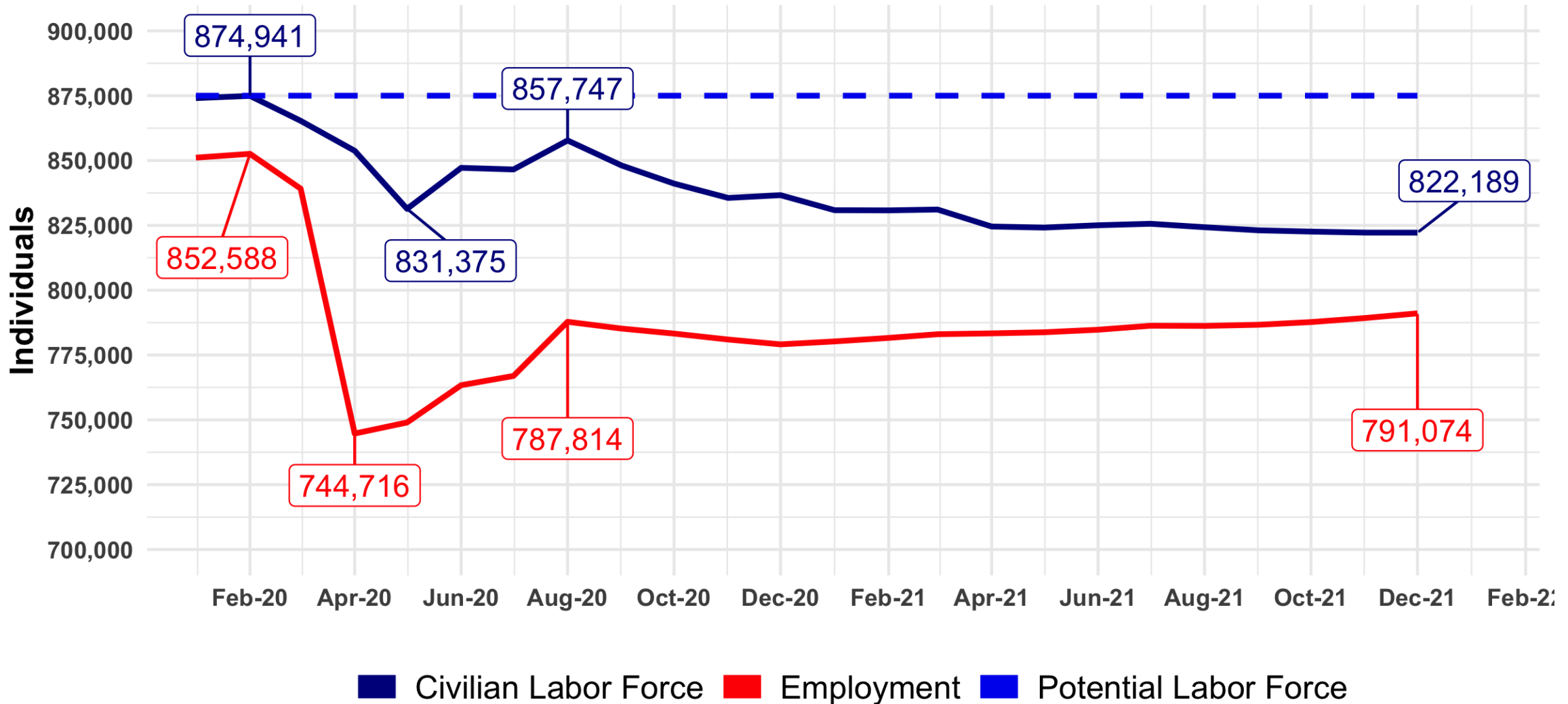
February 2010 was the trough of nonfarm payrolls for the United States, Virginia, and Hampton Roads.

Continued Claims for Unemployment Insurance Hampton Roads, March 14, 2020 - February 19, 2022



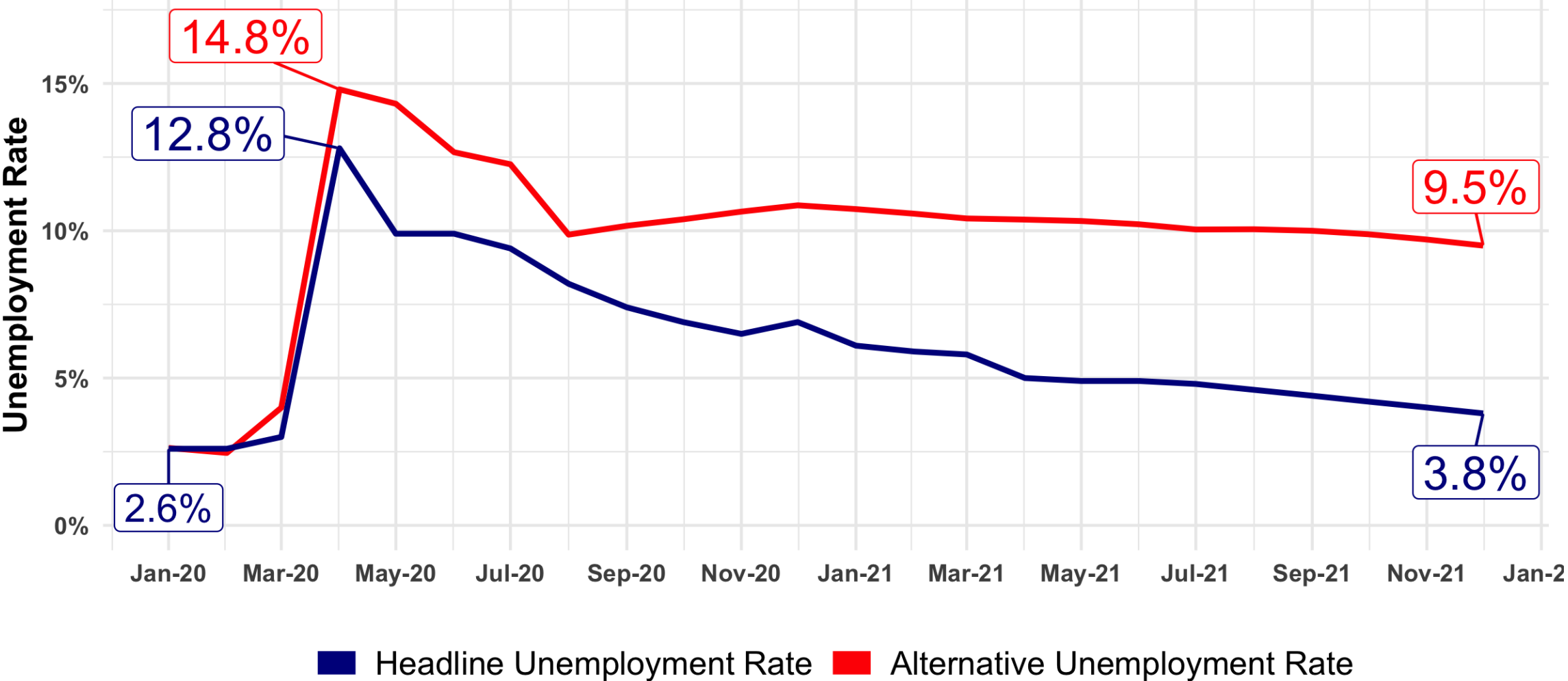
Source: Virginia Employment Commission, non-seasonally adjusted data. Virginia cities and counties in MSA. Continued claims data in 2021 for weeks ending Nov. 13, Nov. 20, Dec. 11, Dec. 18, and Dec. 25 are not available.

Civilian Labor Force and Employment Hampton Roads, January 2020 - December 2021



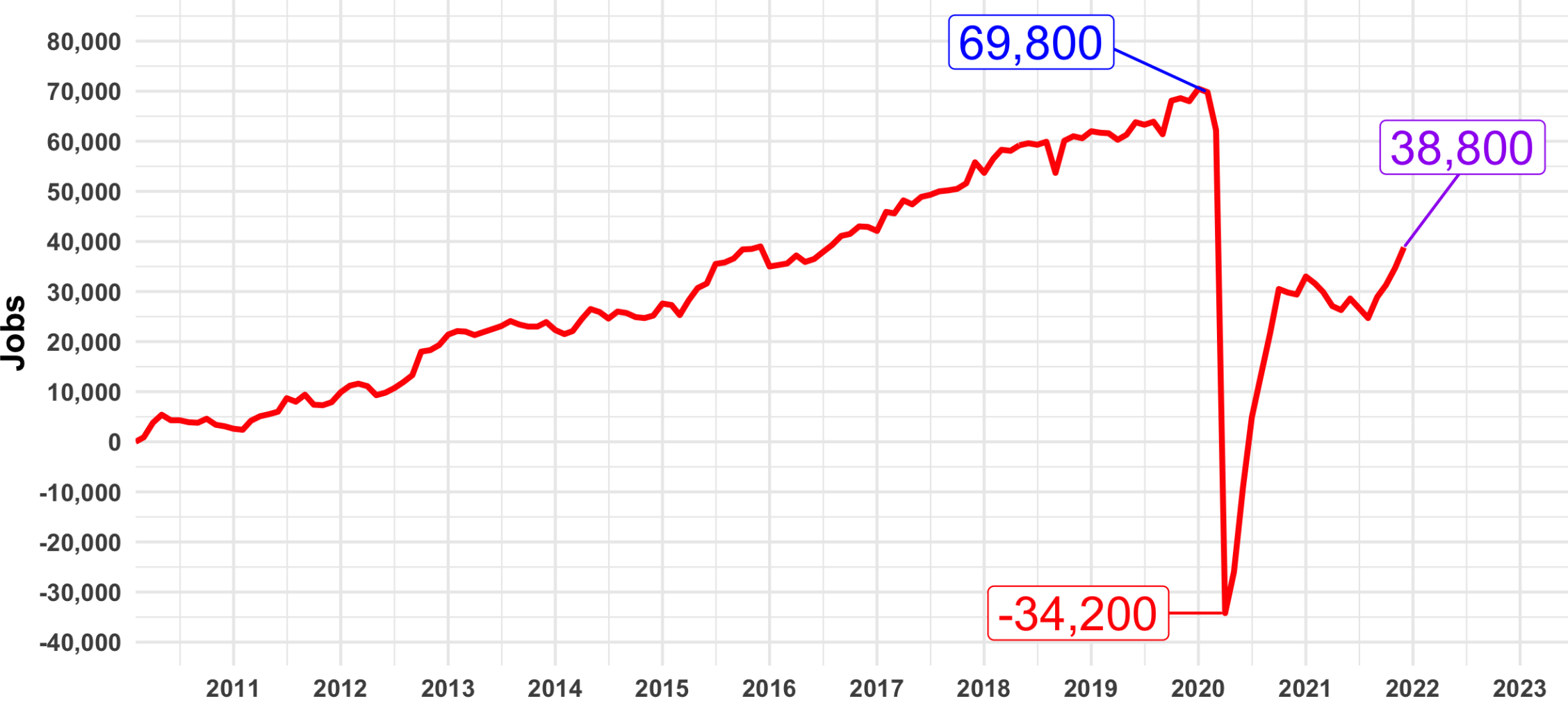
Source: Bureau of Labor Statistics, seasonally adjusted data.

Headline and Alternative Unemployment Rate Hampton Roads, January 2020 - December 2021



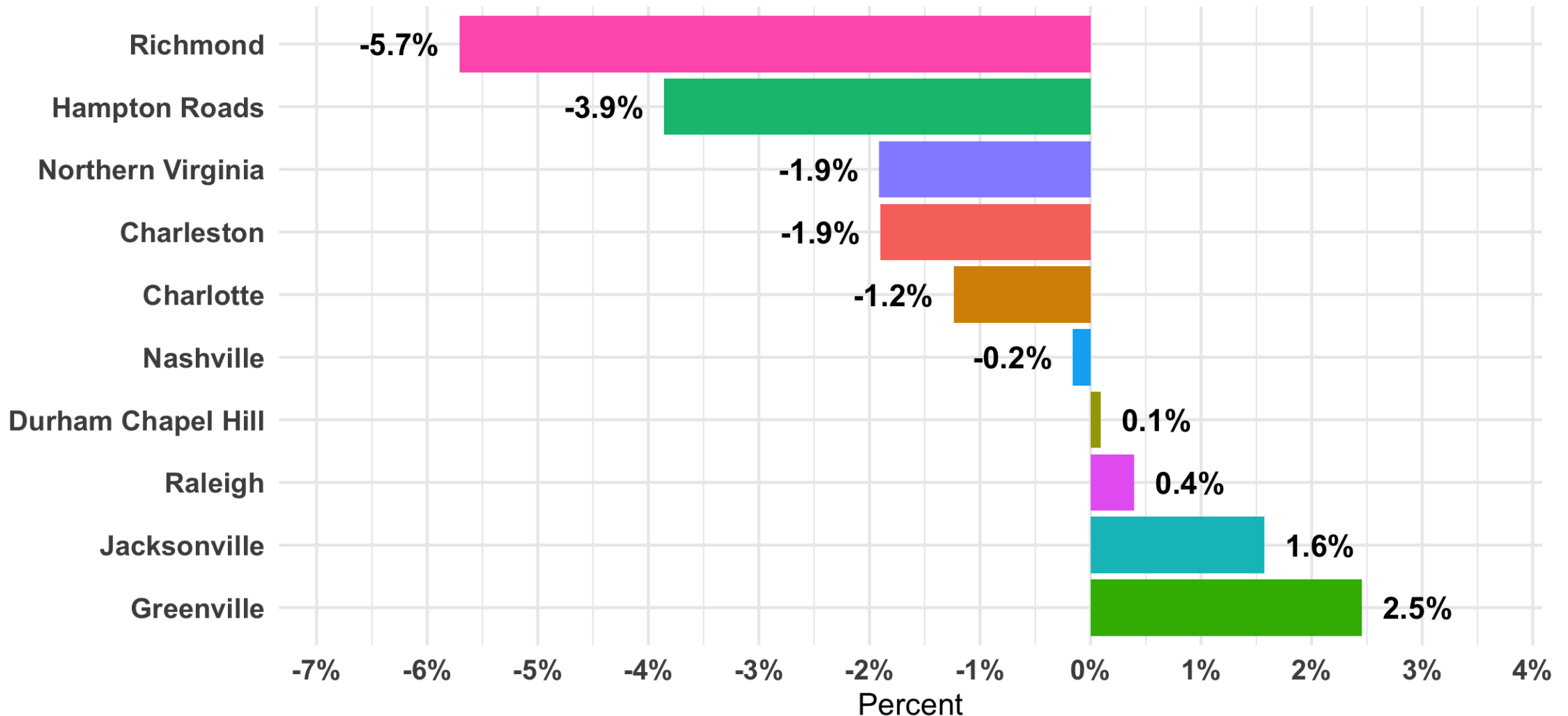
Source: Bureau of Labor Statistics, seasonally adjusted data.
Alternative unemployment rate includes departures from the labor force and counted as unemployed.

Change in Nonfarm Payrolls (Jobs) Hampton Roads, February 2010 - December 2021



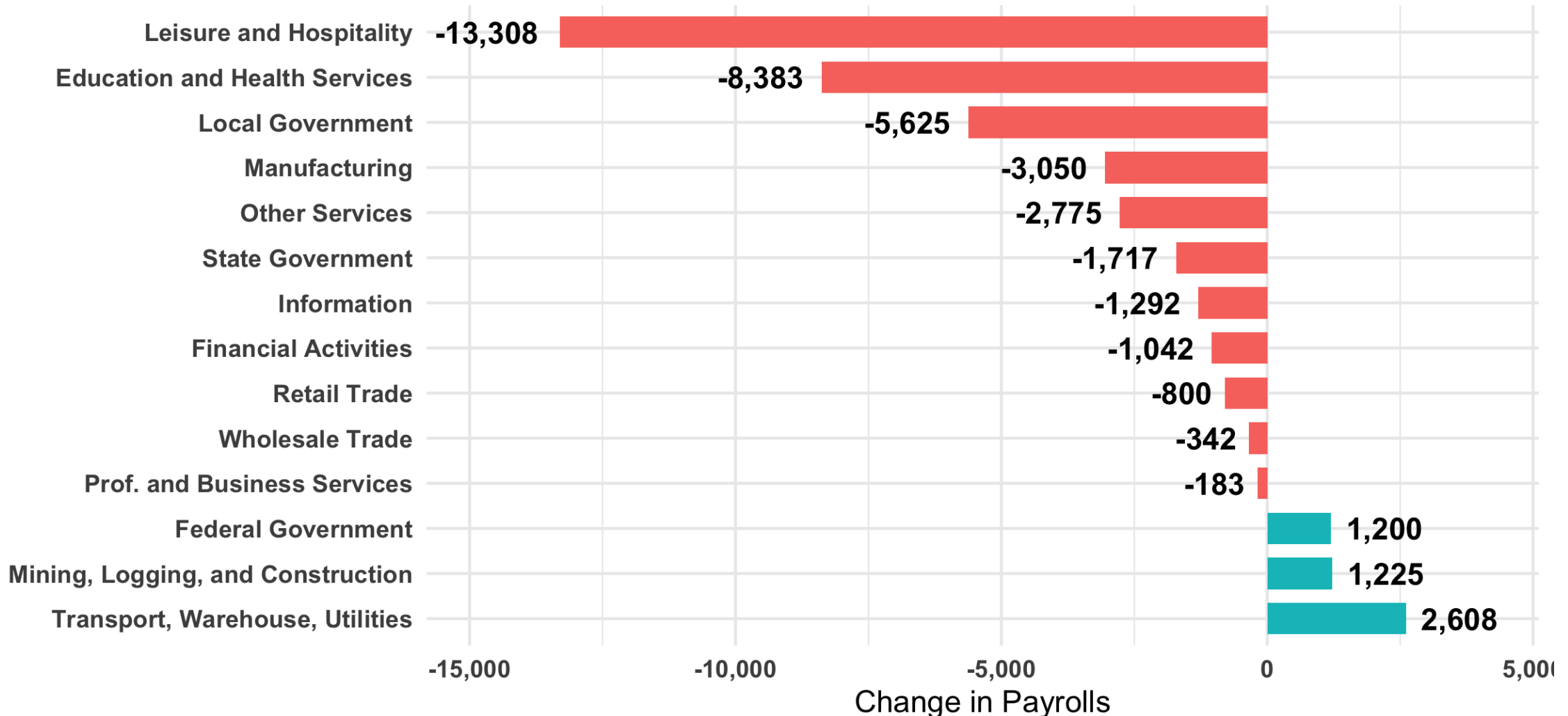
Source: Bureau of Labor Statistics, seasonally adjusted data.

Growth in Nonfarm Payrolls Selected Metropolitan Areas, February 2020 - December 2021



Sources: Bureau of Labor Statistics, seasonally adjusted data, and the Dragas Center for Economic Analysis and Policy.

Change in Average Annual Nonfarm Payrolls (Jobs) Hampton Roads, 2019 - 2021

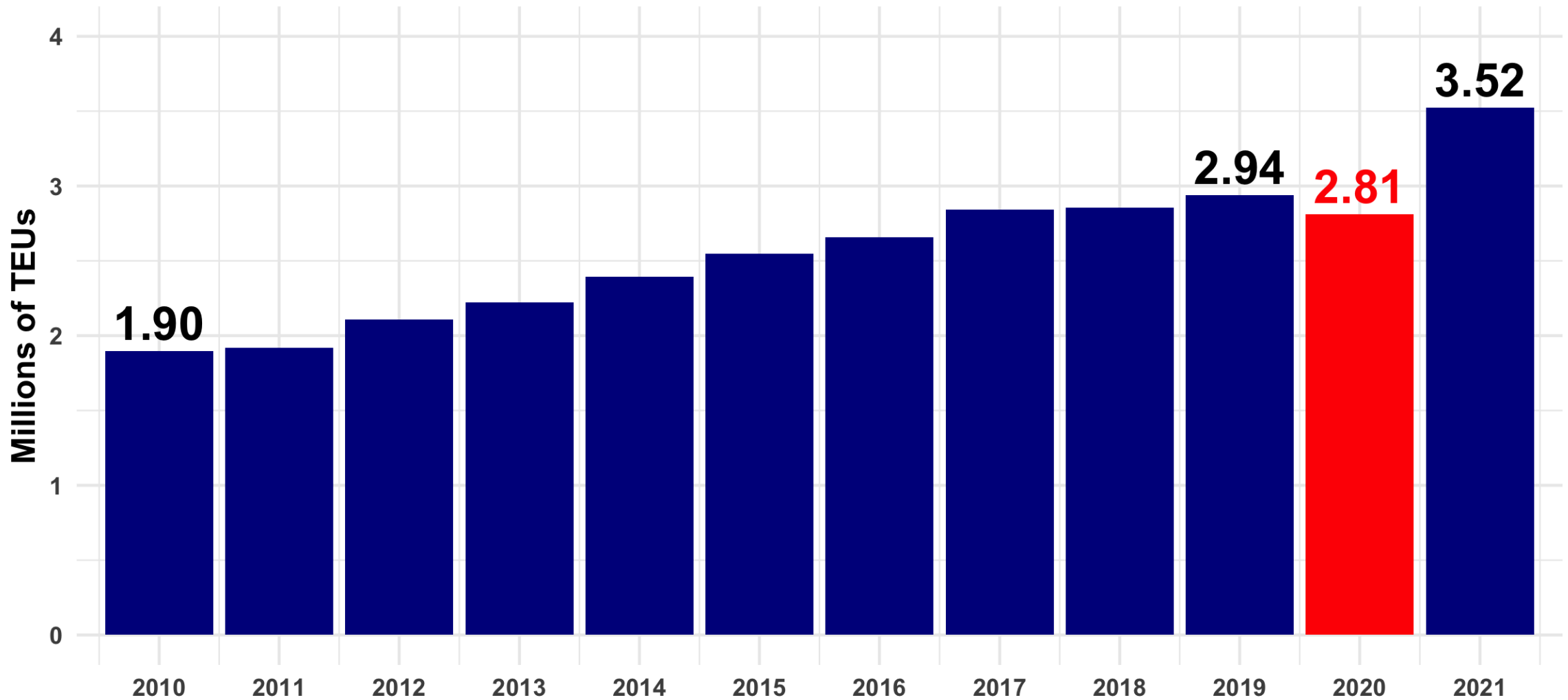


Sources: Bureau of Labor Statistics, non-seasonally adjusted data, and the Dragas Center for Economic Analysis and Policy.

The Port of Virginia: Significant Growth in 2021

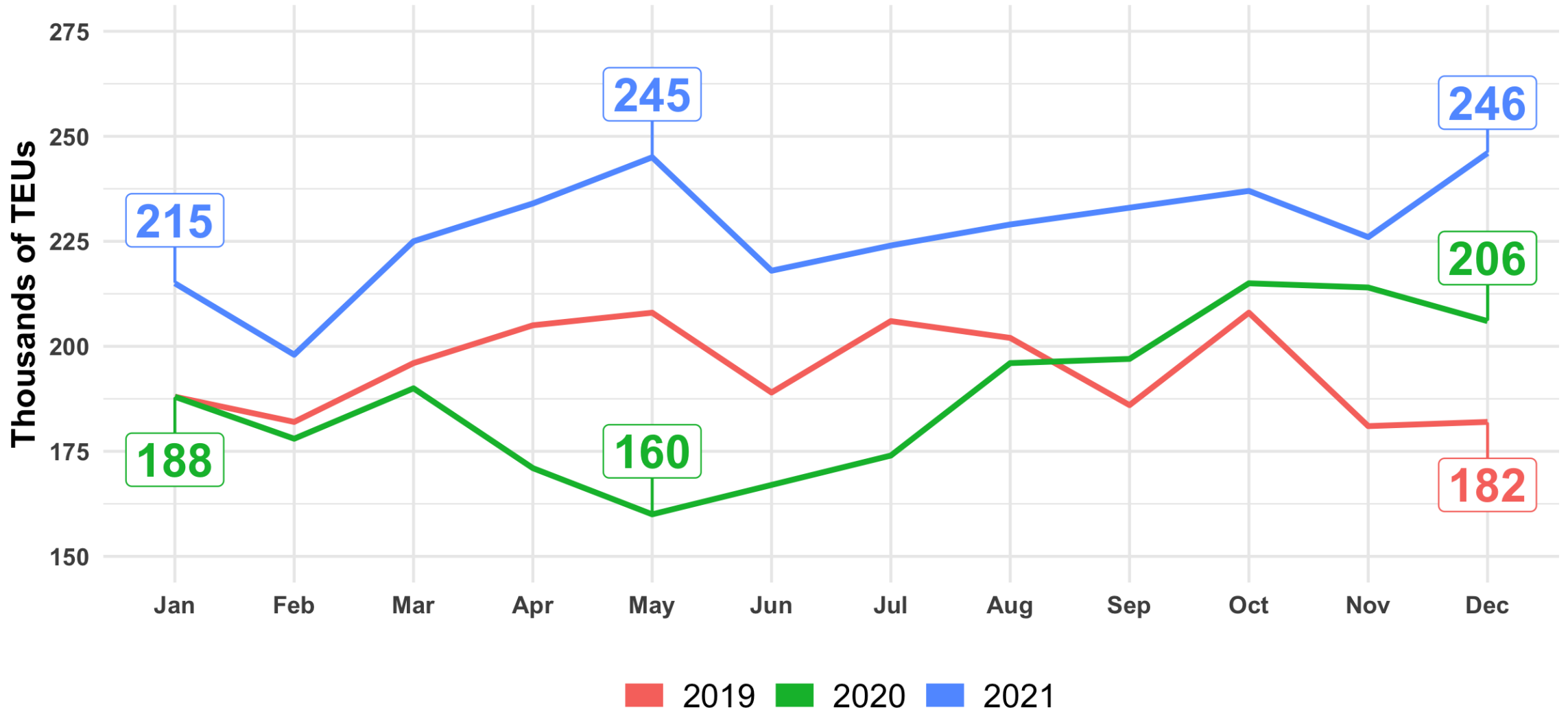


Twenty Foot Equivalent Container Units (TEUs) Port of Virginia, 2010 - 2021



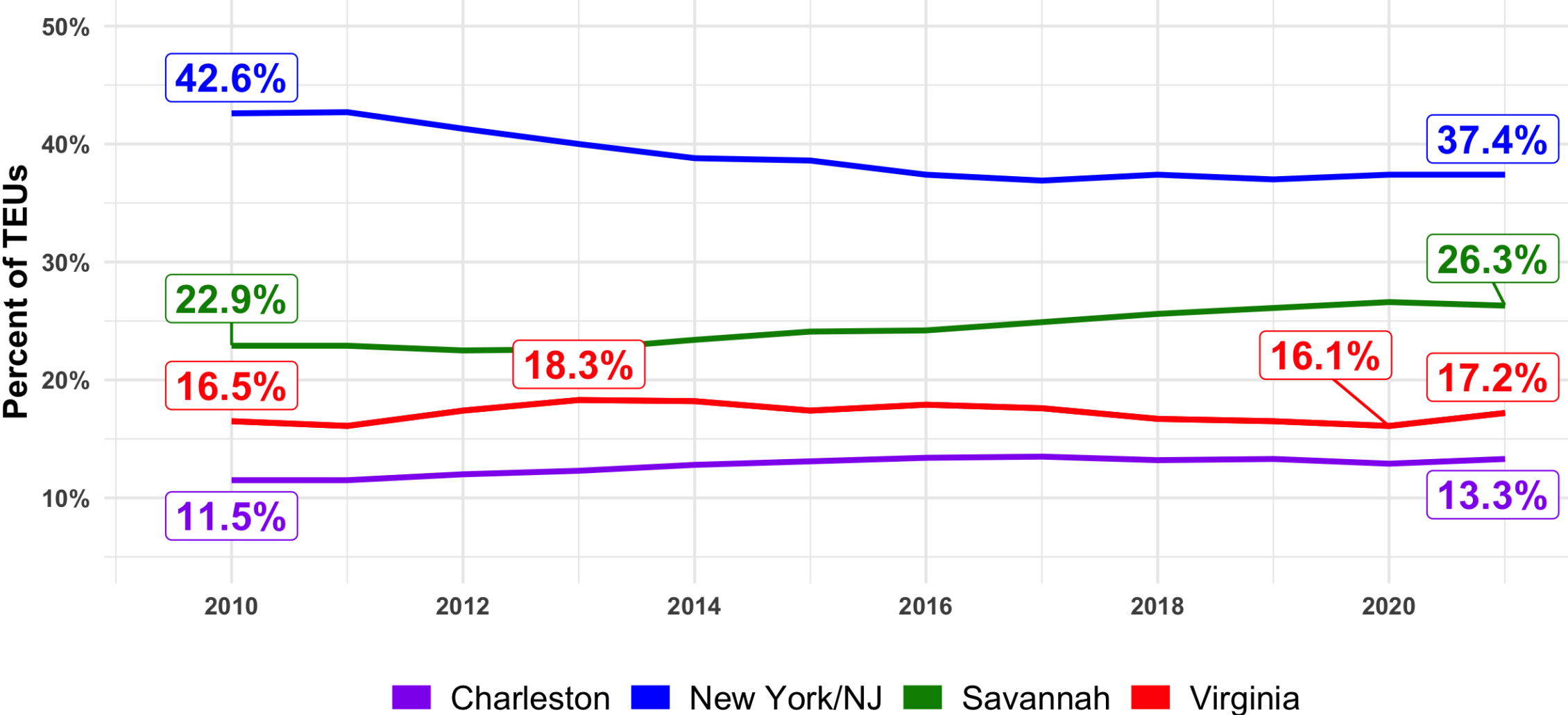
Sources: Virginia Port Authority and Dragas Center for Economic Analysis and Policy.

Total Loaded Twenty Foot Equivalent Container Units (TEUs) Port of Virginia, January 2019 - December 2021



Sources: Virginia Port Authority and Dragas Center for Economic Analysis and Policy.

Shares of Total Loaded TEUs Selected East Coast Ports, 2010 - 2021

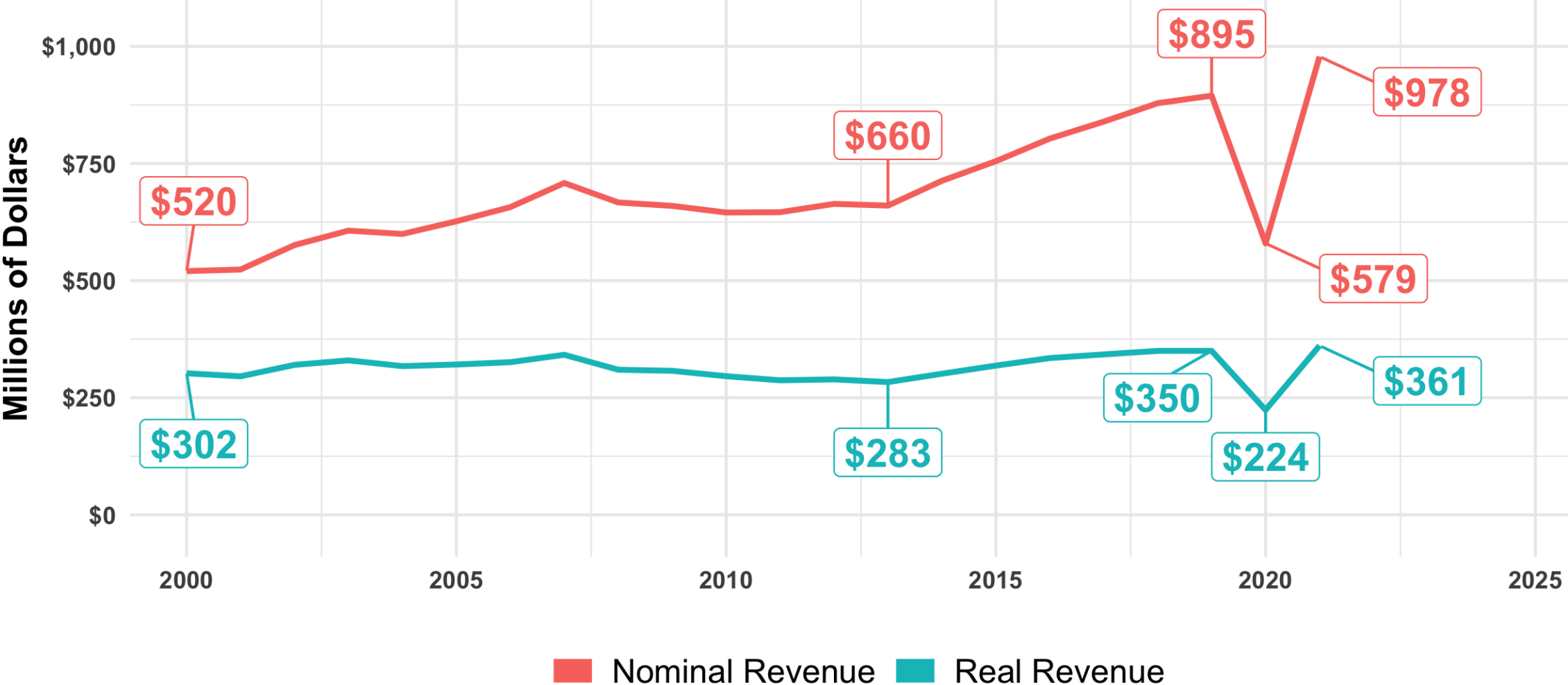


Sources: American Association of Port Authorities, websites of ports, and Dragas Center for Economic Analysis and Policy.

Hotels Rebound but Challenges Remain



Nominal and Real (Inflation-Adjusted) Hotel Revenue Hampton Roads, 2000 - 2021



Sources: STR Trend Reports January 2018 (for data through 2012) and January 2022 (for data beginning 2013), Bureau of Labor Statistics (base year is chained; 1982-84=100), and Dragas Center for Economic Analysis and Policy.

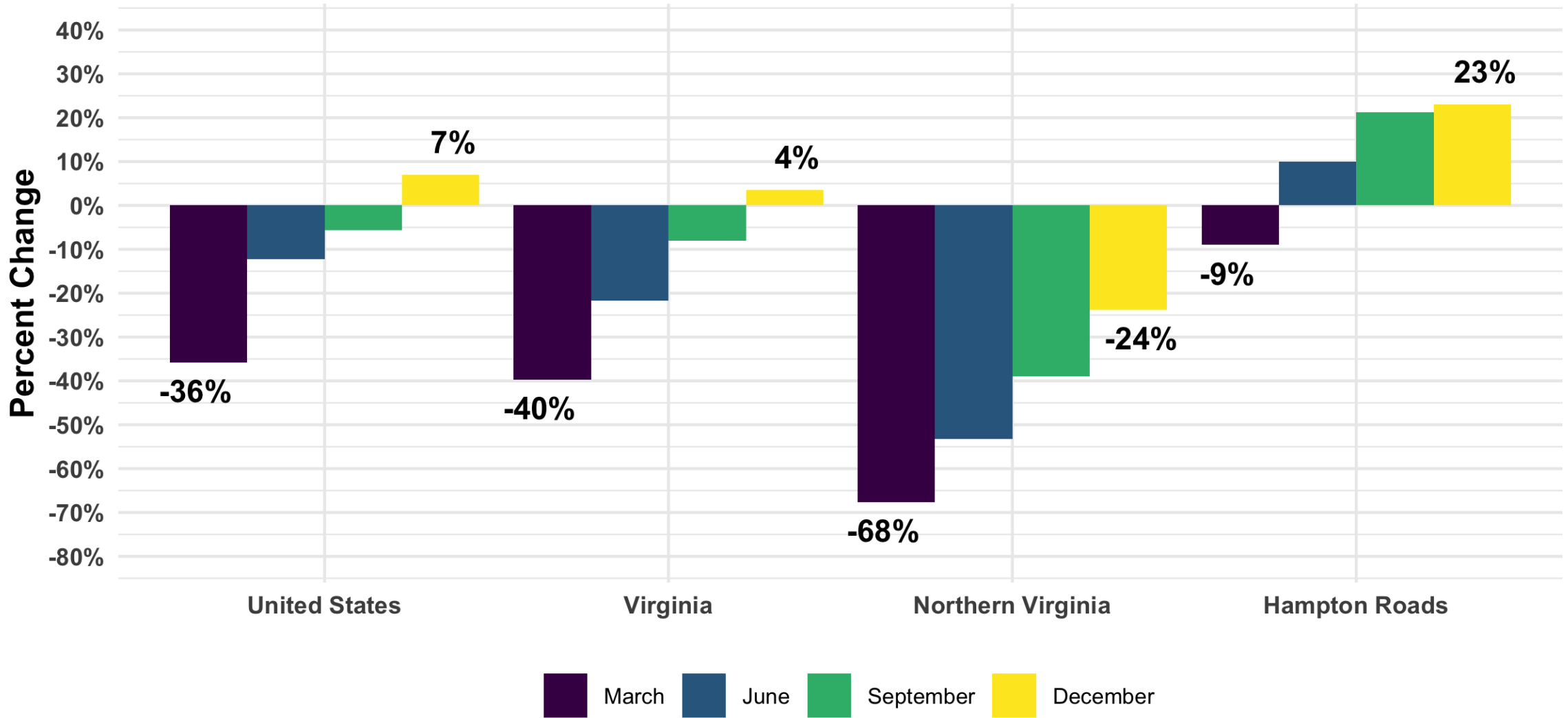
Percent Change in Selected Key Performance Indicators of Hotels in USA, Virginia, and Hampton Roads: 2019 to 2020

	<u>Hotel Revenue</u>	<u>RevPAR</u>	<u>Hotel Rooms Sold</u>
USA	-49.5%	-47.4%	-35.9%
Virginia	-48.0%	-46.7%	-34.3%
Hampton Roads	-35.2%	-34.7%	-23.3%
Chesapeake/Suffolk	-21.3%	-21.3%	-11.4%
Newport News/Hampton	-28.7%	-29.2%	-15.5%
Norfolk/Portsmouth	-32.7%	-34.2%	-20.7%
Virginia Beach	-28.9%	-30.3%	-20.5%
Williamsburg*	-64.5%	-61.2%	-53.8%

* Williamsburg market includes City of Williamsburg and James City County. Sources: STR Trend Report January 2022, and Dragas Center for Economic Analysis and Policy.

Percent Change in Monthly Hotel Revenue

United States, Virginia, Northern Virginia, and Hampton Roads, 2019 to 2021



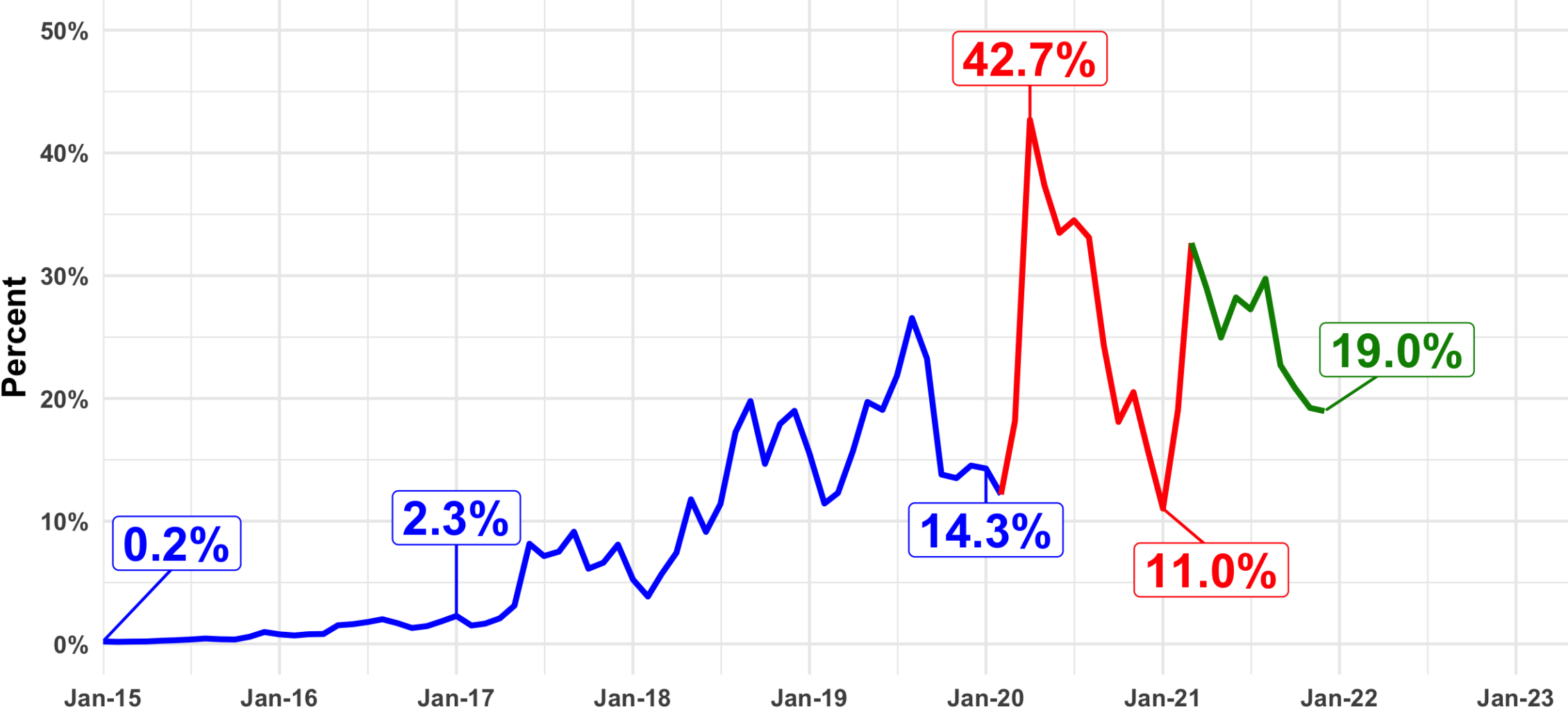
Sources: STR Trend Report January 2022 and Dragas Center for Economic Analysis and Policy.

Percent Change in Selected Key Performance Indicators of Hotels in USA, Virginia, and Hampton Roads: 2019 to 2021

	<u>Hotel Revenue</u>	<u>RevPAR</u>	<u>Hotel Rooms Sold</u>
USA	-16.0%	-16.8%	-11.8%
Virginia	-17.9%	-18.0%	-11.4%
Hampton Roads	9.3%	7.7%	-1.4%
Chesapeake/Suffolk	11.4%	11.4%	4.9%
Newport News/Hampton	0.5%	0.6%	-3.9%
Norfolk/Portsmouth	5.2%	-0.9%	2.8%
Virginia Beach	21.2%	14.4%	2.0%
Williamsburg*	-6.0%	-0.7%	-15.5%

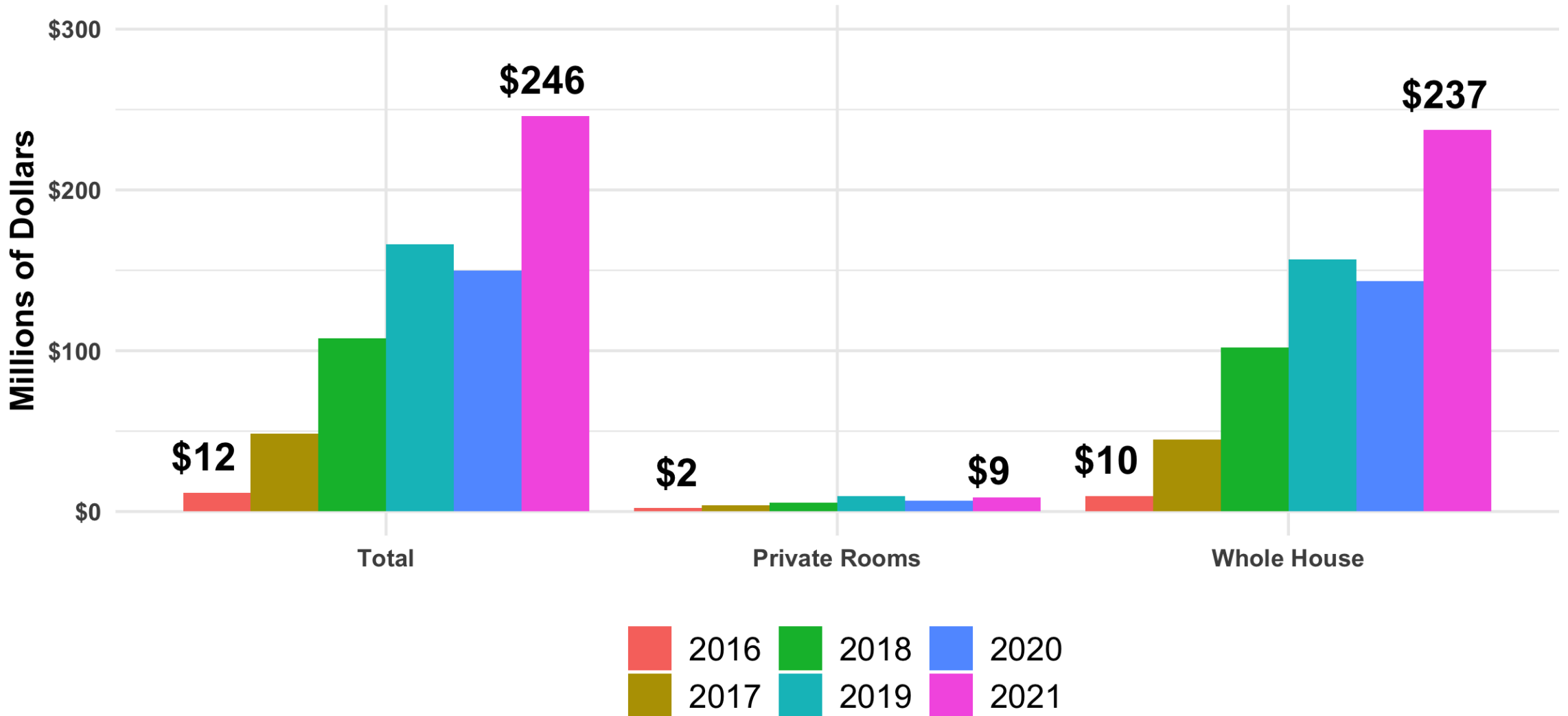
* Williamsburg market includes City of Williamsburg and James City County. Sources: STR Trend Report January 2022, and Dragas Center for Economic Analysis and Policy.

Airbnb & Vrbo Revenue as a Percent of Hotel Revenue Hampton Roads, January 2015 - December 2021



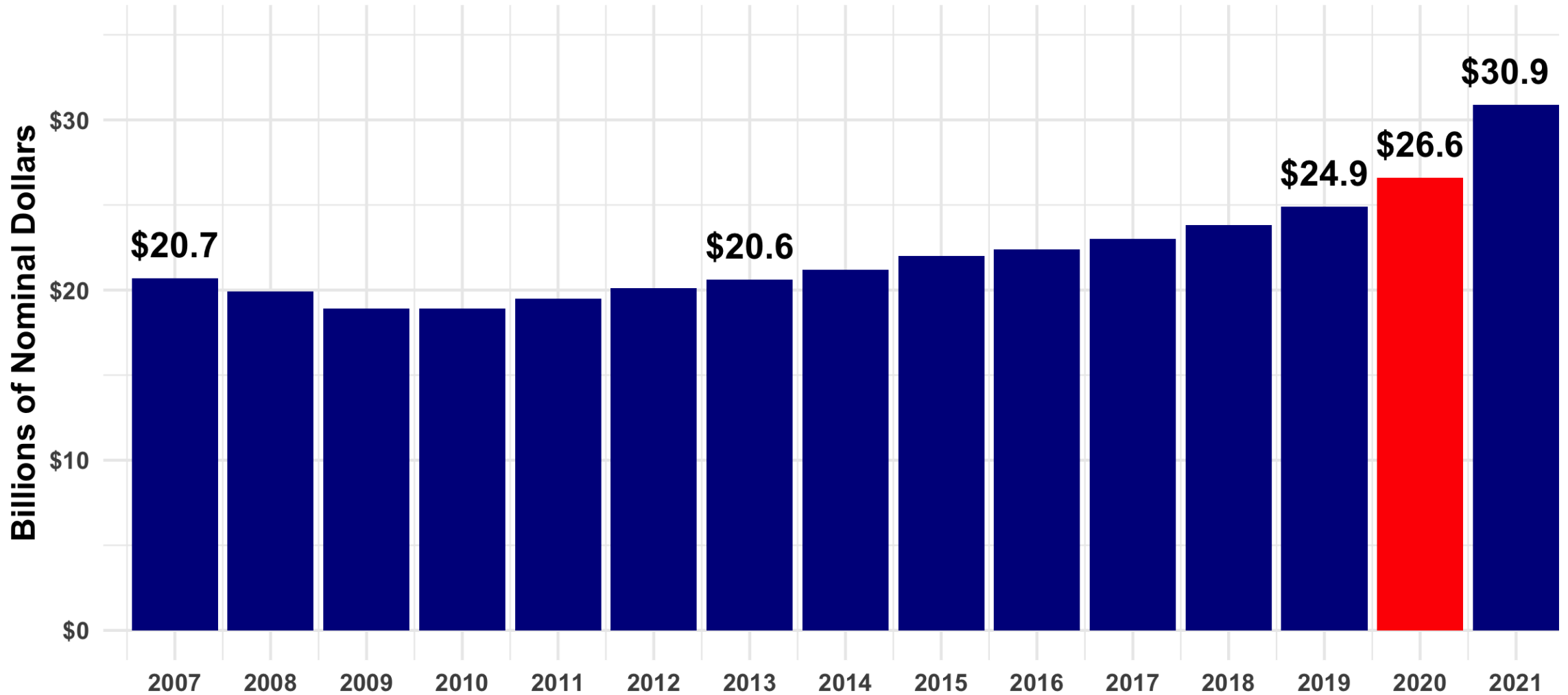
Sources: STR Trend Report January 2022 and AirDNA data received in January 2022.
AirDNA data exclude shared rooms.

Annual Revenue of Airbnb & Vrbo Private Rooms and Whole House Rentals Hampton Roads, 2016 - 2021



Source: AirDNA data received in January 2022; excludes shared rooms.

Taxable Sales Hampton Roads, 2007 - 2021

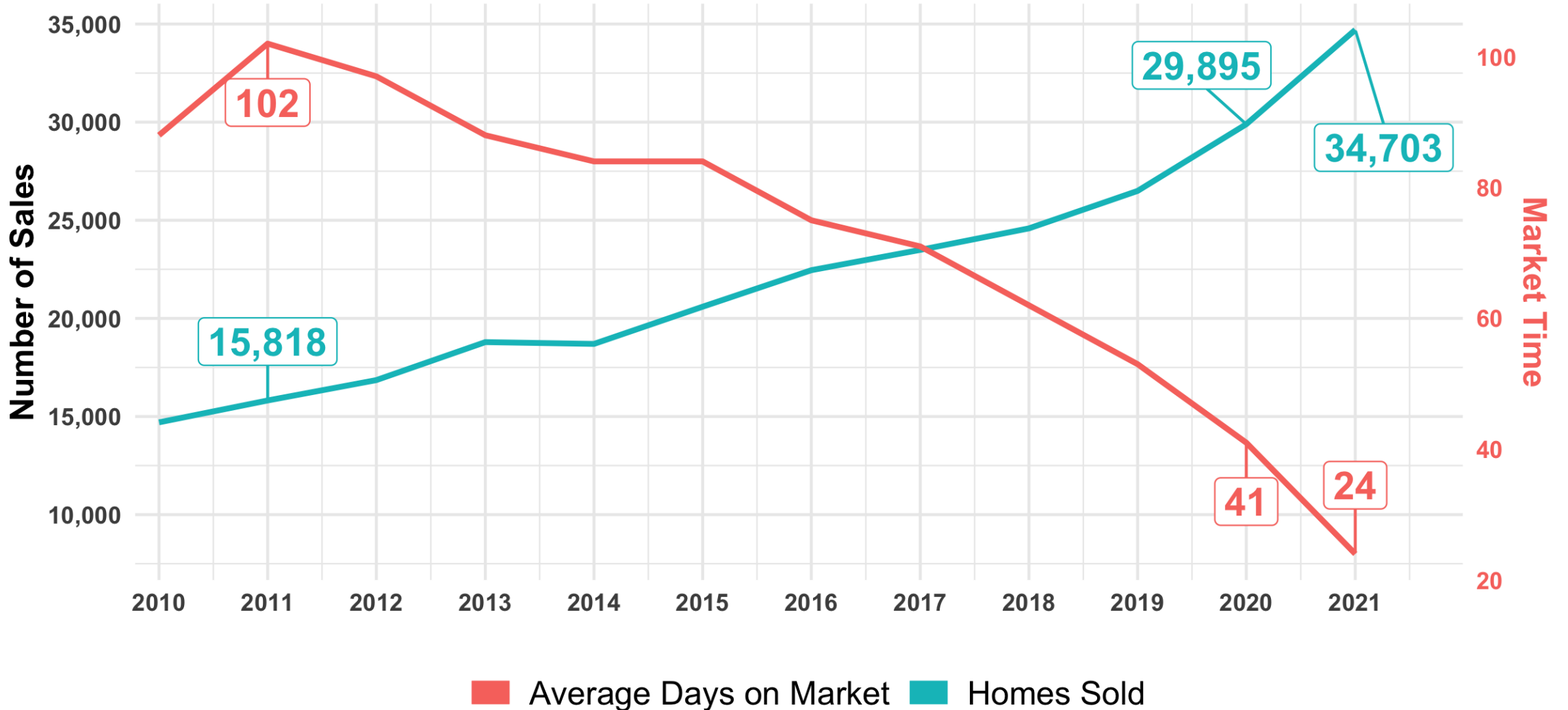


Sources: Virginia Department of Taxation and Dragas Center for Economic Analysis and Policy.

Housing Values Surge and Rents Rise

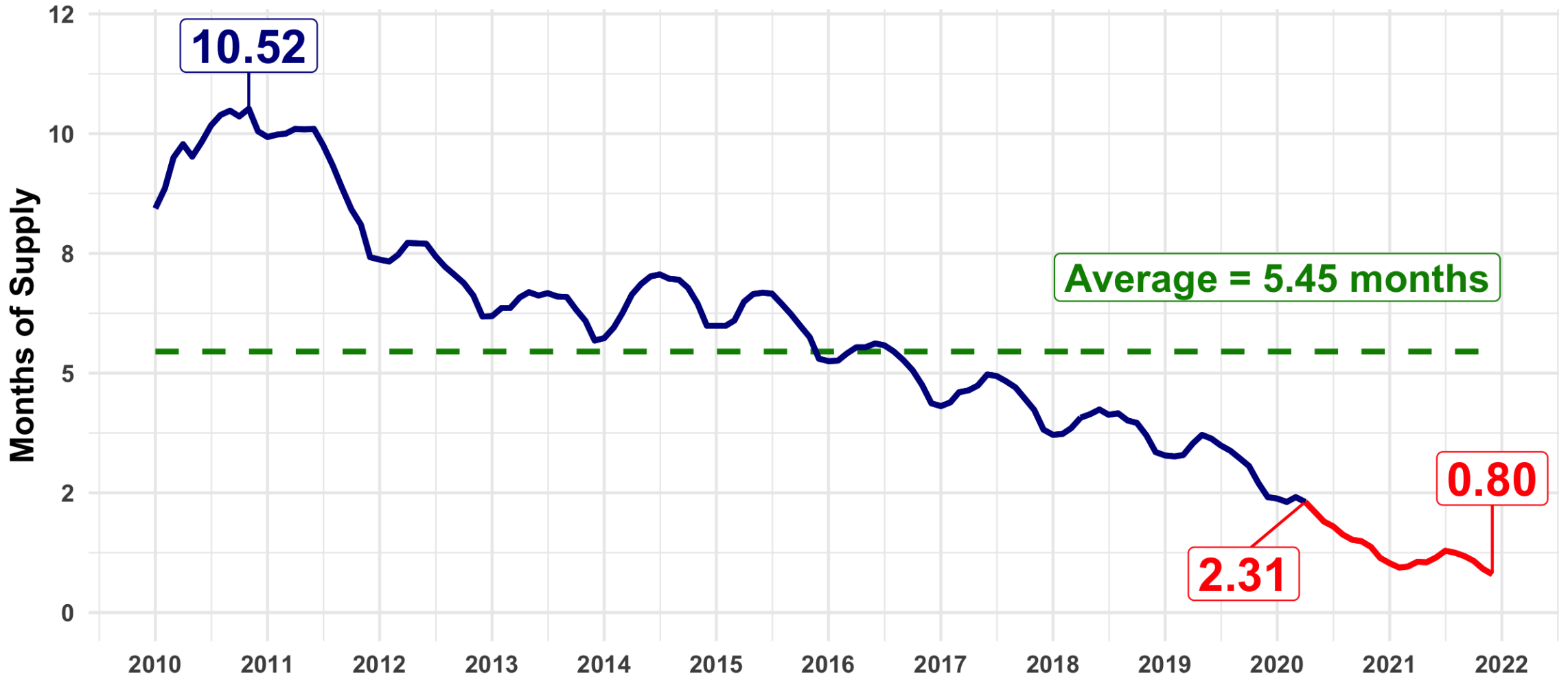


Existing Residential Homes Sold and Average Days on the Market Hampton Roads, 2010 - 2021



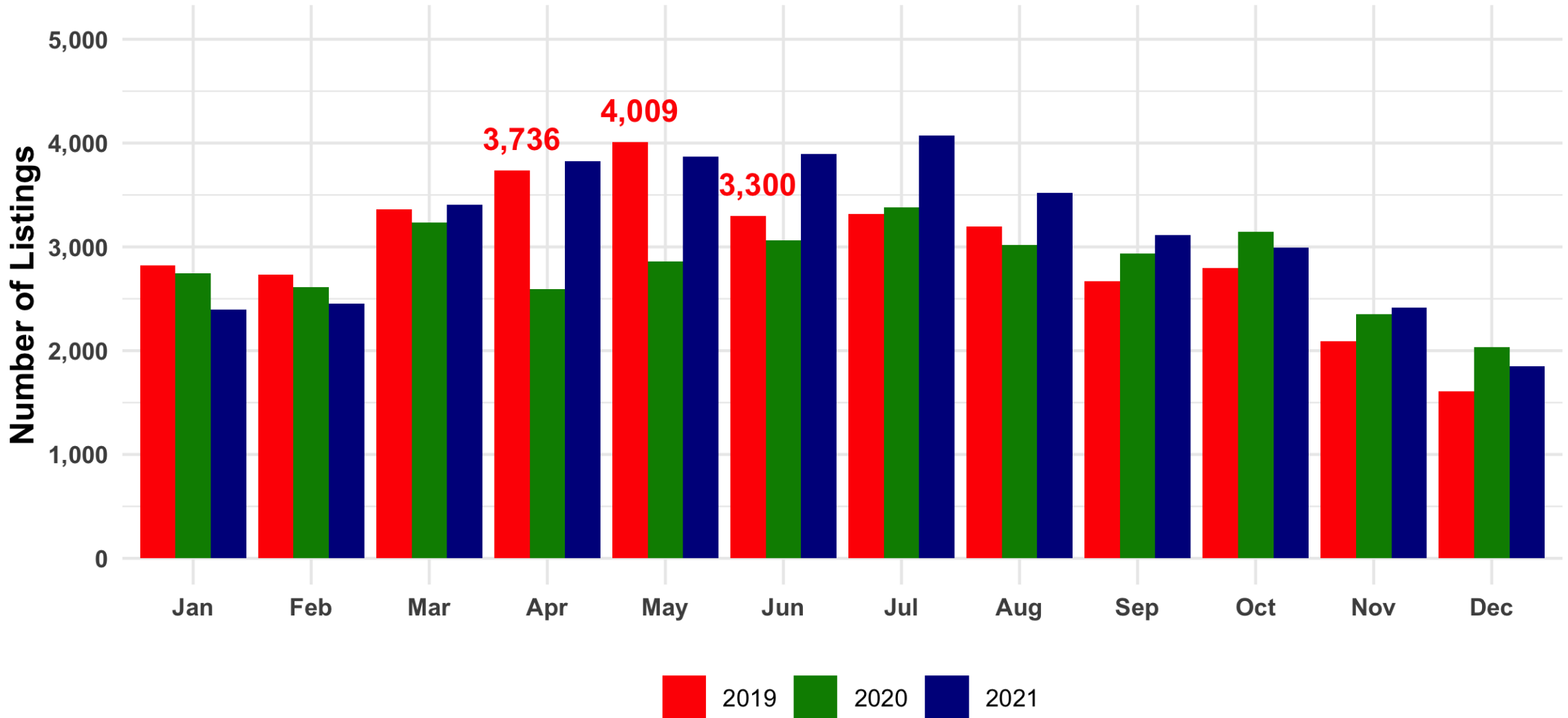
Sources: Real Estate Information Network Inc. and Dragas Center for Economic Analysis and Policy.

Estimated Months of Supply of Existing Homes Hampton Roads, January 2010 - December 2021



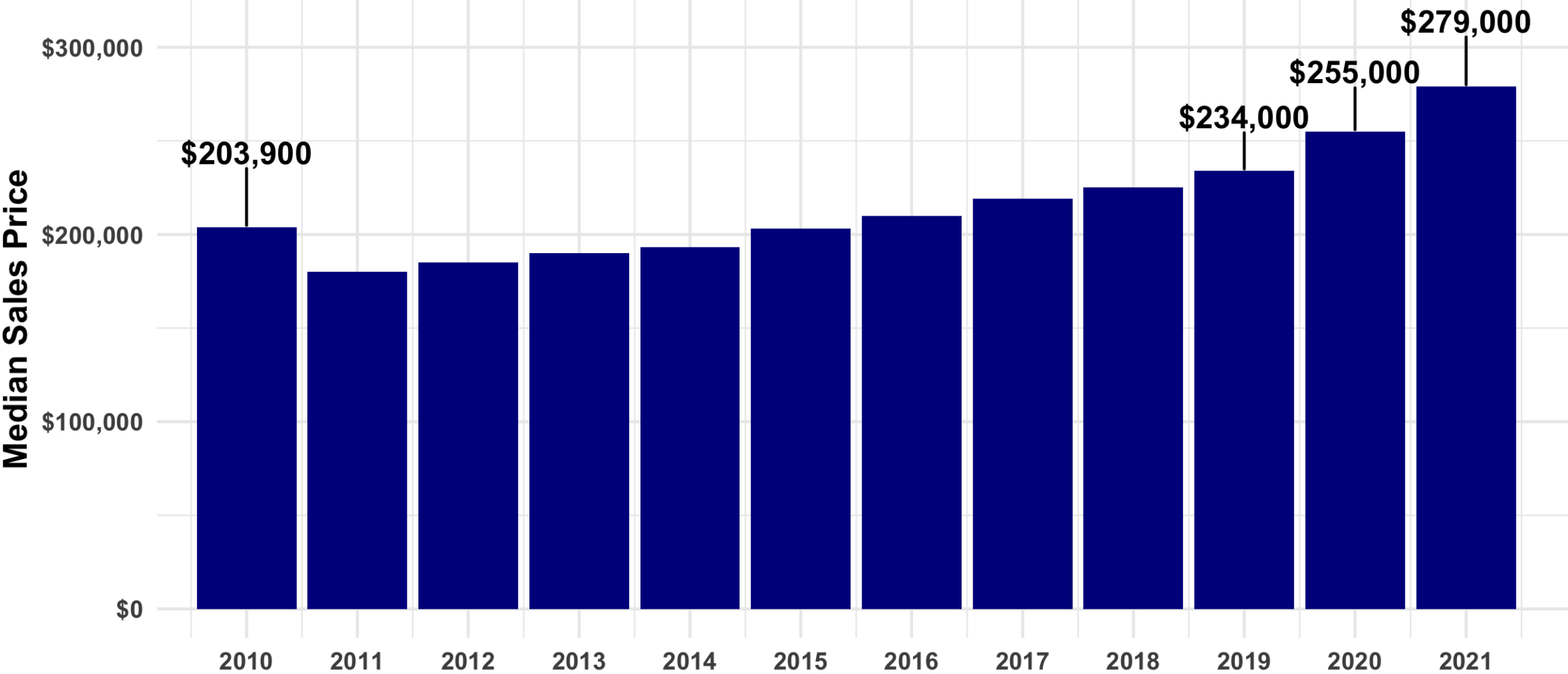
Sources: Real Estate Information Network Inc. and Dragas Center for Economic Analysis and Policy.
Months of supply is based on average sales in the last 12 months.

New Listings of Existing Residential Homes Hampton Roads, 2019, 2020, 2021



Sources: Real Estate Information Network Inc. and Dragas Center for Economic Analysis and Policy.

Median Sales Price of Existing Homes Hampton Roads, 2010 - 2021



Sources: Real Estate Information Network Inc. and Dragas Center for Economic Analysis and Policy.
Information deemed reliable but not guaranteed.

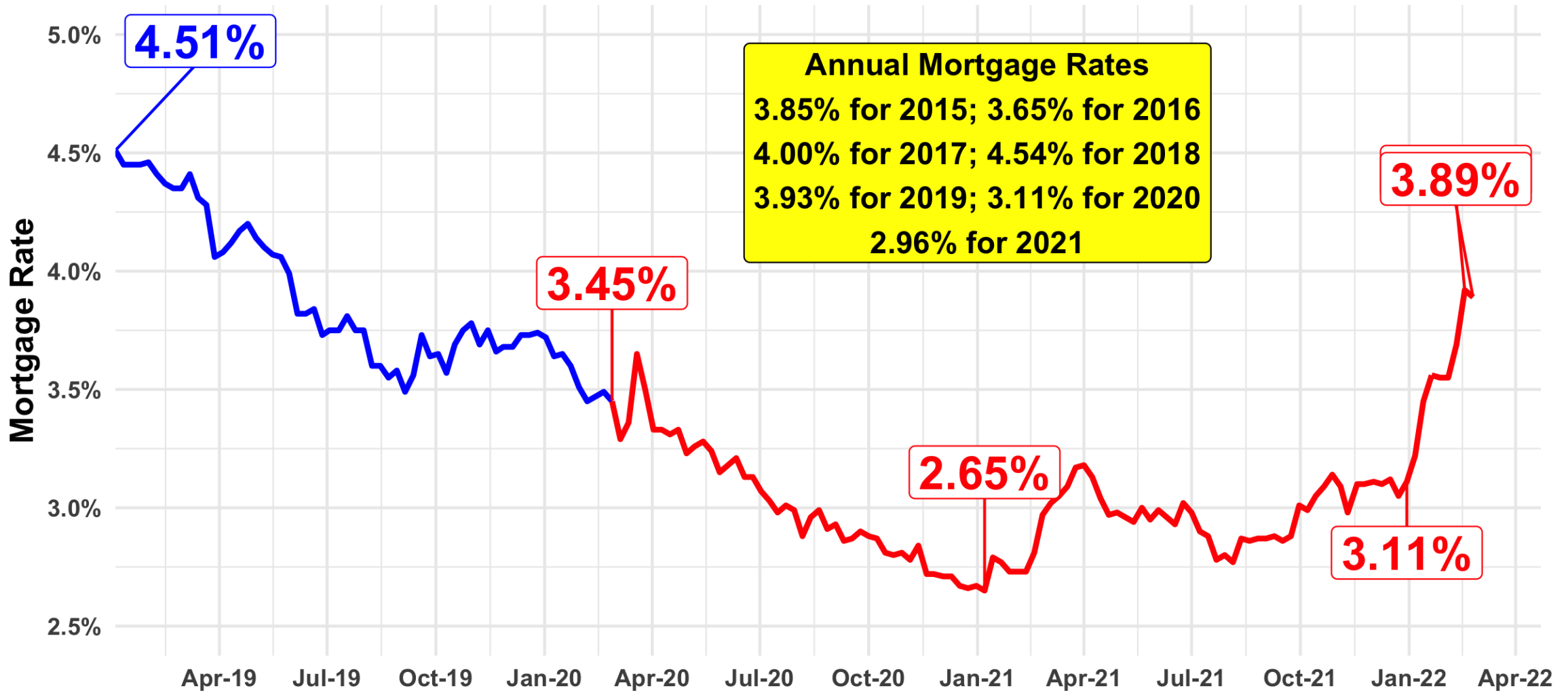
Median Sale Price of Existing Residential Homes for Selected Cities: Hampton Roads, 2020 and 2021

<u>City</u>	<u>2020</u>	<u>2021</u>	<u>Percent Change</u>
Chesapeake	\$282,000	\$315,000	11.7%
Norfolk	\$229,000	\$258,000	12.7%
Portsmouth	\$182,250	\$210,000	15.2%
Suffolk	\$275,000	\$312,500	13.6%
Virginia Beach	\$285,000	\$310,000	8.8%
Hampton	\$193,000	\$225,000	16.6%
Newport News	\$209,000	\$230,000	10.0%
Williamsburg*	\$323,000	\$350,000	8.4%
Hampton Roads	\$255,000	\$279,000	9.4%

* Williamsburg represents Poquoson, Williamsburg, James City County, York County and Gloucester County. Source: Real Estate Information Network and Dragas Center for Economic Analysis and Policy.

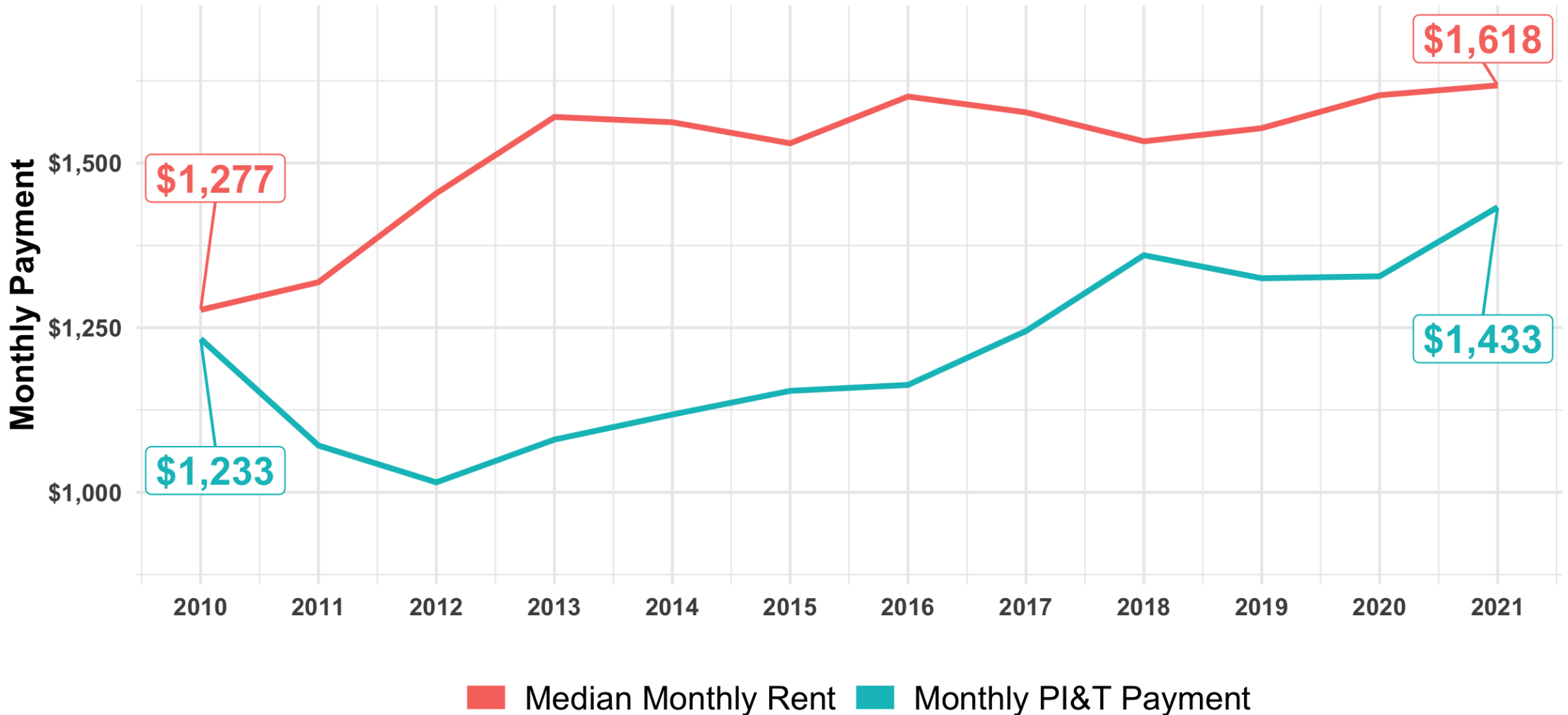
Weekly 30-Year Fixed Mortgage Rate

January 3, 2019 - February 24, 2022



Sources: Freddie Mac and Federal Reserve Bank of St. Louis. Weekly rate ending Thursday of each week.

Estimated House Rental and Principal, Interest, and Taxes for a House Payment Hampton Roads, 2010 - 2021



Sources: H.U.D. and Dragas Center for Economic Analysis and Policy.

The Outlook



Estimated Direct Department of Defense Spending Hampton Roads, 2016 - 2022*



Sources: U.S. Department of Defense and Dragas Center for Economic Analysis and Policy. Includes Federal Civilian and Military Personnel and Procurement.*Data for 2020, and 2021 are estimates. Last updated on December 19, 2020. Procurement data updated on January 5, 2022.

Regional Forecast

	2019 Actual	2020 Actual	2021 Estimated/Actual	2022 Forecast
Hampton Roads Real GDP	1.9%	-2.5%	3.0%	2.4%
Civilian Job Growth	0.6%	-5.3%	1.1%	2.5%
Unemployment Rate	3.0%	7.1%	4.6%	3.3%
Taxable Sales	4.9%	6.7%	16.2%	7.8%
Hotel Revenue	1.8%	-35.2%	68.8%	6.4%
General Cargo Tonnage	-0.2%	-3.9%	20.3%	8.7%
General Cargo TEUs	2.9%	-4.2%	25.2%	11.8%
One-Unit Housing Permit Value	3.5%	10.9%	3.3%	5.2%

2022: COVID-19 and Prospects

- Consistent with the national forecast, regional economic growth in 2022 is forecasted to be lower than its growth in 2021.
- Defense spending will continue to provide a boost for the Hampton Roads economy.
- Port of Virginia is expected to hit new cargo records in 2022.
- Despite anticipated increases in mortgage rates, single-family home prices in 2022 will continue to increase at a moderate pace.

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