

UNPACKING THE LATEST POPULATION ESTIMATES

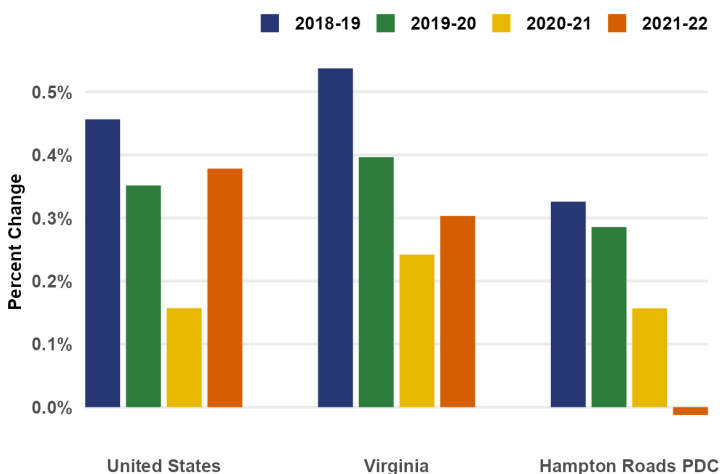
In non-decennial census years, the U.S. Census Bureau provides annual (intercensal) population estimates as of July 1st. These estimates have played a vital role in understanding the pandemic's impact on population growth. Analyzing the latest 2022 population estimates, we explore population trends in Hampton Roads over the past few years, while also drawing comparisons to the rest of Virginia and the nation.

Nationally, with international migration coming to a halt, a decline in births, and a rise in deaths, the U.S. population increased just 0.15% from July 2020 to July 2021 – the slowest rate of growth in the nation's history. As shown in the figure on the left, the latest data for 2022 indicates a slight rebound, increasing 0.4% from the previous year. The latest uptick in population growth was primarily driven by a rebound in net international migration. Similarly, in the Commonwealth, population growth rose slightly, from a pandemic low of 0.2% in 2020-21 to 0.3% in 2021-22. Despite this improvement, growth remained below pre-pandemic levels. To put these numbers into context, from 2010 to 2019, the state's population increased at an average annual rate of 0.7%.

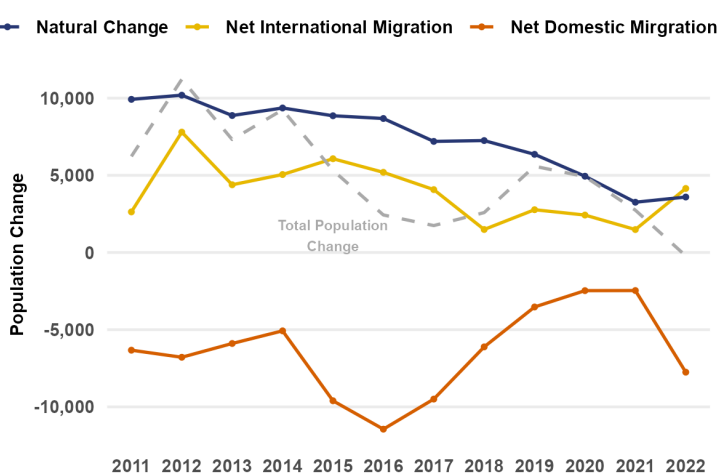
The Hampton Roads Planning District Commission had an estimated 1.75 million residents in 2022. In the previous decade, the region's population grew at an average rate of 0.3% per year. In contrast to the rebound observed at both the state and national level, the region's total population decreased 0.01% in 2021-22.

The graph on the right illustrates the components of population change for the Hampton Roads PDC. The U.S. Census Bureau breaks down changes in an area's population into three main components: the natural change (births minus deaths), net domestic migration (movement within the U.S.), and net international migration (the movement to and from another country). In 2022, the region's population decline was mainly due to the decline in net domestic migration. It is important to note that this migration trend isn't unique to Hampton Roads; the Commonwealth shows a similar pattern over the past decade and in the latest 2022 data. Unlike the state, however, the region's other components of population change could not compensate for the decline in domestic migration in 2022.

Population Change: U.S., Virginia, and Hampton Roads



Components of Population Change: Hampton Roads



Data source: U.S. Census Bureau, HRPDC. 2021-2022 are benchmarked to the 2020 Census, estimates from 2010 - 2020 are benchmarked to the 2010 Census.

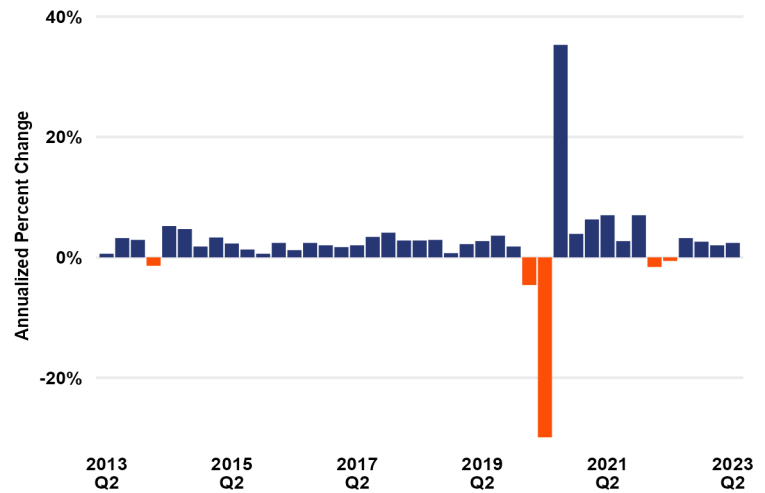
Net international migration increased in 2022, exceeding pre-pandemic levels observed in 2019 while the natural change in the population remained relatively unchanged from the previous year. Over the past decade, the natural change has declined by almost half, largely due to the number of deaths rising faster than births.

The estimates presented here provide insight into the latest population growth trends and allow for comparison across different geographic levels. However, it is important to acknowledge that intercensal population estimates are subject to sampling errors and undergo revisions with each subsequent release. For example, a marginal 0.01% population decline in 2022 might reverse to a positive growth in the next year's release. We should therefore exercise caution in assigning too much significance to any individual estimates.

GDP, ANNUALIZED GROWTH RATE (Q) SOURCE: BUREAU OF ECONOMIC ANALYSIS, HRPDC

	Q2 2022	Q2 2023	Trend
United States	-0.6%	2.4%	▲

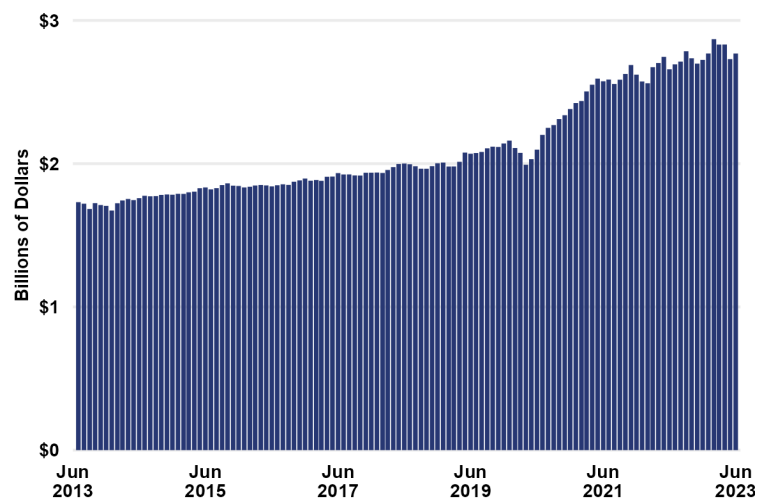
GDP: Gross Domestic Product combines consumption, investment, net exports, and government spending to determine the size and general health of the economy. Real GDP increased by 2.4% in Q2 2023, the fourth straight quarter of increases after two quarters of declines in early 2022. Q2 2023 increases were driven by a significant increase in personal consumption expenditures, the majority on services, and gross private domestic investment. Alternatively, Q2 also saw a large decline in export expenditures, mostly outweighed by the increase in spending on imports.



RETAIL SALES, SEASONALLY ADJUSTED (3 MONTH M.A) SOURCE: VIRGINIA DEPARTMENT OF TAXATION, HRPDC

	May '23	Jun '23	Trend
Hampton Roads	\$2.73B	\$2.77B	▲
Virginia	\$14.73B	\$14.89B	▲

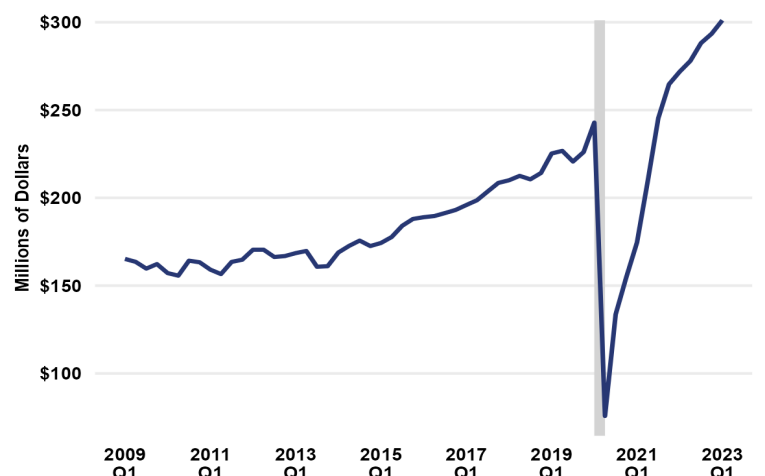
Retail Sales: Retail sales in Hampton Roads, as measured by the 1% local option sales tax, serve as an indicator for consumption in the region. When seasonally adjusted and averaged over 3 months, June shows increased sales. After relatively flat growth in April and decreased sales in May, the latest uptick is a positive trend after consistent declines earlier in the year. Unadjusted, June 2023 shows a 14.3% increase from the previous month, and a 12.9% increase from the previous year.



ESTIMATED HOTEL REVENUE, SEASONALLY ADJUSTED (Q) SOURCE: VIRGINIA DEPARTMENT OF TAXATION, HRPDC

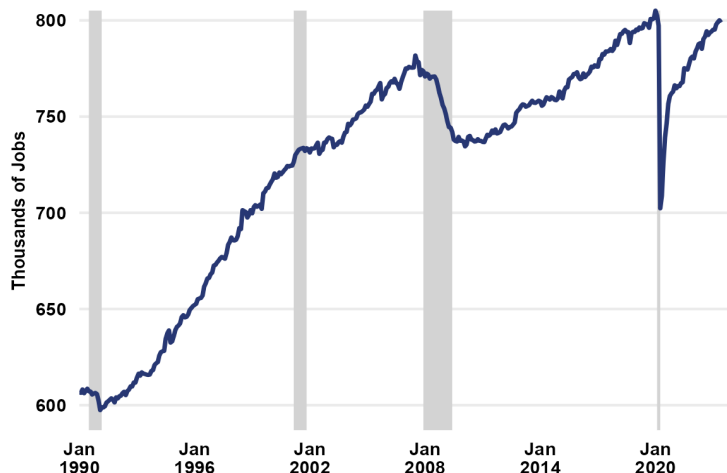
	Q1 2022	Q1 2023	Trend
Hampton Roads	\$272M	\$301M	▲
Virginia	\$1.0B	\$1.1B	▲

Estimated Hotel Revenue: Hotel sales indicate the performance of the region's tourism sector. When seasonally adjusted, Q1 2023 hotel revenue once again saw significant improvement from COVID-related closures, and a quarter-over-quarter increase after the first quarterly decline since the pandemic in Q4 2022. Hotel revenue in Q1 2023 represented an 11% increase over the previous year.

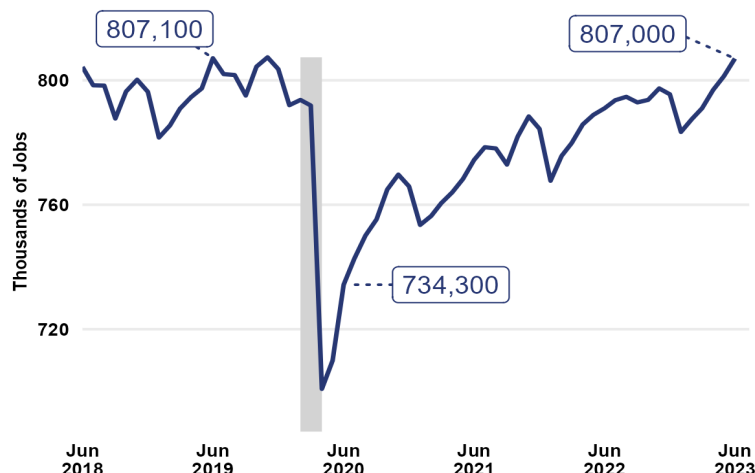


CIVILIAN PAYROLL EMPLOYMENT (M) SOURCE: BUREAU OF LABOR STATISTICS, HRPDC

HISTORICAL TREND, SEASONALLY ADJUSTED



3-YEAR, NOT SEASONALLY ADJUSTED



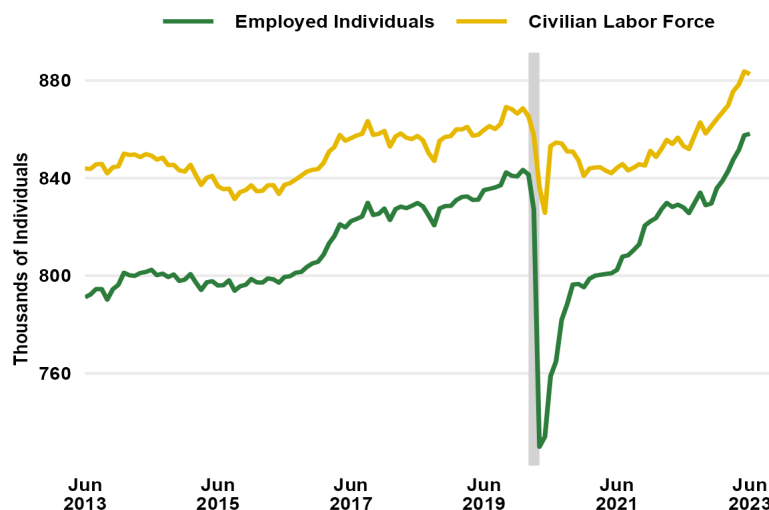
(seasonally adjusted)	June 2022	May 2023	June 2023	YoY % Change	MoM Trend
Hampton Roads	785,200	800,100	798,900	1.74%	▼
Virginia	4,053,900	4,143,500	4,146,400	2.28%	▲
United States	152,412,000	155,970,000	156,155,000	2.46%	▲

Employment: Non-agricultural civilian employment figures are considered the best estimate of labor market activity by the National Bureau of Economic Research. According to data from the Bureau of Labor Statistics, Hampton Roads employment (seasonally adjusted) decreased by 0.15% from May to June 2023, continuing slow increases. Unadjusted employment levels, however, increased from the prior month. In Hampton Roads, year-over-year growth is recorded at 2.02%, continuing to signal that overall the workforce is recovering from COVID losses, but the recent slowdown in growth may be a sign of stagnation. The Commonwealth of Virginia and the U.S. are both experiencing YoY growth at a full percentage point over Hampton Roads, further data showing that Hampton Roads is not recovering as quickly as the rest of the country, still 0.8% below pre-COVID highs.

LABOR FORCE, SEASONALLY ADJUSTED (M) SOURCE: BUREAU OF LABOR STATISTICS, HRPDC

	Labor Force	Emp	Unemp	LF Trend
May 2023	883,767	857,567	25,531	▼
June 2023	882,664	858,188	25,223	

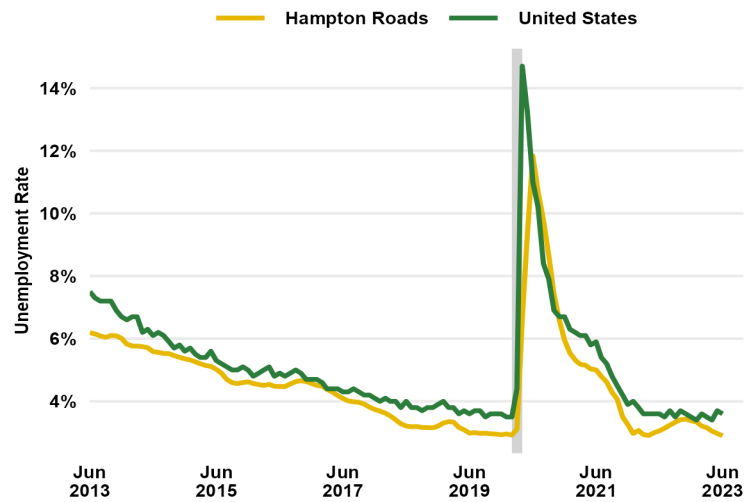
Labor Force: An economy's labor force is defined as those who are either employed or actively seeking work, and the breakdown of the labor force is often used in conjunction with the unemployment rate to offer some perspective into the true state of the economy. The size of the region's labor force has recovered from the pandemic, exceeding the pre-pandemic peak in earlier this year. June marks the first decrease in the labor force in 2023. As of June, the labor force has increased 1.6% from its' pre-pandemic peak.



UNEMPLOYMENT RATE, SEASONALLY ADJUSTED (M) SOURCE: BUREAU OF LABOR STATISTICS, HRPDC

	Jun '22	May '23	Jun '23	Trend
Hampton Roads	3.1%	3.0%	2.9%	▼
Virginia	2.5%	2.9%	2.7%	▼
United States	3.6%	3.7%	3.6%	▼

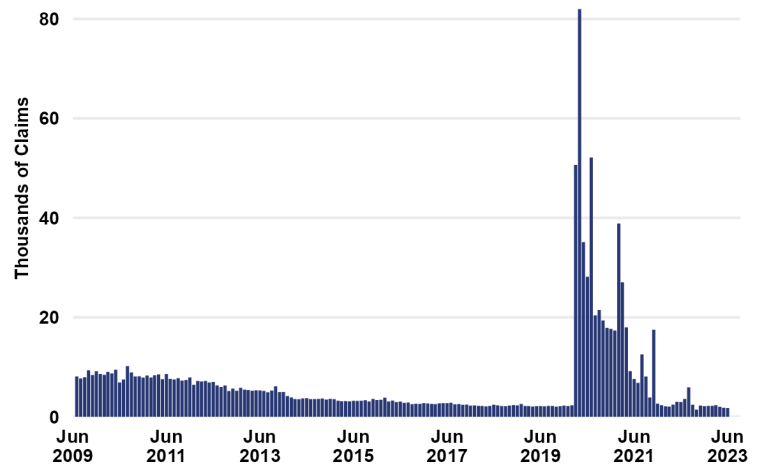
Unemployment Rate: The unemployment rate is the percentage of the population actively seeking work but unable to obtain a position. Hampton Roads' unemployment rate decreased again to 2.9% in June 2023, reflected by a decrease in the labor force and the number of unemployed persons, and an increase in the number of employed persons (all seasonally adjusted).



INITIAL UNEMPLOYMENT CLAIMS, SEASONALLY ADJUSTED (M) SOURCE: VIRGINIA DEPT OF LABOR, HRPDC

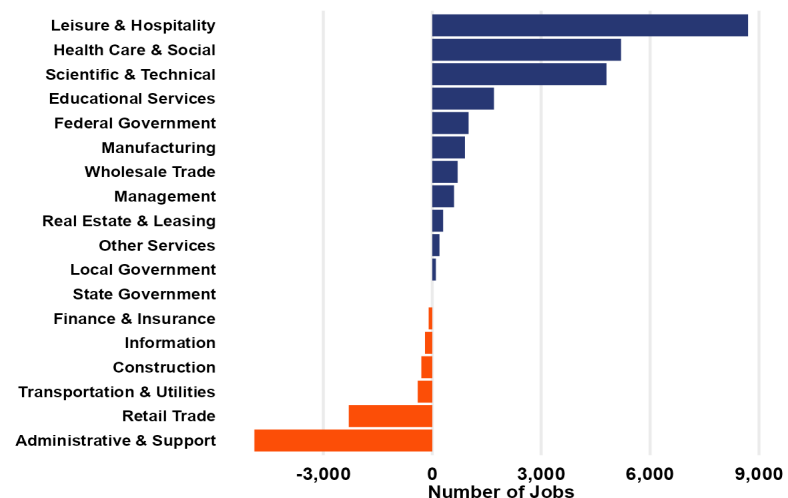
	May '23	Jun '23	Trend
Hampton Roads	1,810	1,761	▼
Virginia	8,694	8,345	▼

Initial Unemployment Claims: The number of initial unemployment claims is a leading economic indicator reflecting those who are forced to leave work unexpectedly, thus revealing the strength of the job market with little lag time. In June 2023, initial unemployment claims decreased slightly for the third month in a row. As talk of a possible recession continues, this indicator will be one to watch closely, as it is the first one to show movement in the data.



EMPLOYMENT GROWTH BY INDUSTRY (JUN, YEAR-OVER-YEAR) SOURCE: BUREAU OF LABOR STATISTICS, HRPDC

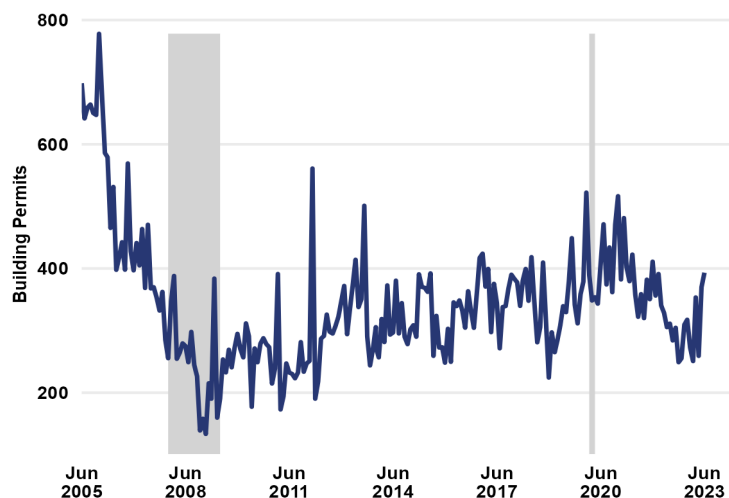
Employment Growth by Industry: As the job market grows or contracts, there will be some industries whose experience does not resemble the regional trend. In June, the majority of Hampton Roads industries experienced an increase in year-over-year employment compared to June 2022. Most significant gains were Leisure & Hospitality, which added nearly 9,000 jobs compared to June 2022, followed by Healthcare & Social and Scientific & Technical. Administrative & Support realized by far the highest losses compared to 2022, followed by Retail Trade and Transportation and Utilities.



SINGLE FAMILY HOUSING PERMITS, SEASONALLY ADJUSTED (M) SOURCE: US CENSUS BUREAU, HRPDC

	Jun '22	May '23	Jun '23	Trend
Hampton Roads	311	370	393	▲

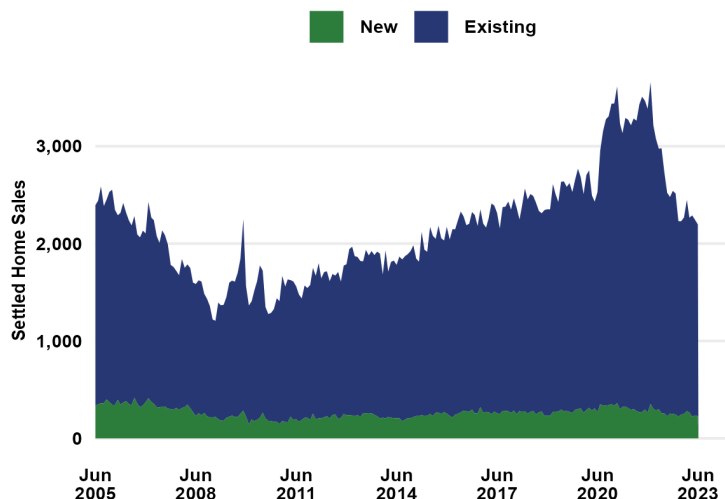
Single Family Housing Permits: Permit data signals the level of construction employment and confidence regarding the future trajectory of the local economy. When seasonally adjusted, there were 393 new construction permits issued for single family homes in June 2023. After over a year of plateauing data in 2020/2021, the trend steadily declined for the entirety of 2022. So far in 2023, permits have steadily increased. As interest rates and materials prices settle, this indicator will be one to watch for potential upward movement.



NUMBER OF HOMES SOLD, SEASONALLY ADJUSTED (M) SOURCE: REIN, HRPDC

	Jun '22	May '23	Jun '23	Trend
Hampton Roads	2,729	2,245	2,197	▼

Home Sales: Settled home sales measure the level of transactions on the real estate market over time, and a healthy real estate market should have a consistent level of activity. Seasonally adjusted, total settled home sales in June decreased again from May with 2,197 homes sold, after a few months of increasing sales during the winter months as mortgage rates stabilized. The sale of new homes in June represented 10.4% of total sales, moving back up to double digits after averaging 9% for most of 2022 and early 2023.



HOME PRICE INDEX, ALL TRANSACTIONS (Q) SOURCE: FEDERAL HOUSING FINANCING AGENCY, HRPDC

	Q1 2022	Q1 2023	Trend
Hampton Roads	154.9	166.9	▲
Virginia	156.4	170.9	▲
United States	173.4	187.4	▲

Home Price Index: The home price index measures the value of homes by evaluating changing price levels through repeated sales of properties. Hampton Roads' home prices increased by 7.7% over the previous year in Q1 2023, a lower rate than both the state and the nation and the third quarter in a row the year-over-year rate of increase has declined, continuing to reflect a slowdown in the real estate market.

