

2024 POPULATION ESTIMATES

The U.S. Census Bureau recently released its annual population estimates for 2024, showing a continued acceleration in national population growth. The U.S. population increased by 0.98% over the year, marking the fastest rate of growth since 2018. This represents a sharp rebound from the historic lows observed during the height of the pandemic, when growth fell to just 0.1% in 2021. The growth in 2024 was driven largely by a resurgence in international migration, as global mobility resumed. Although natural population change (births minus deaths) has also stabilized and domestic migration remains a key driver in many states, international migration accounted for the largest share of national growth in 2024.

Virginia mirrored the national pattern, with population growth rising to 0.9%. This improvement reflects both an increase in international migration and a modest rebound in natural change. Hampton Roads also benefited from these broader demographic trends. The region's population rose to 1.79 million in 2024, an increase of 5,866 people or 0.3% from the previous year. The latest estimates mark a notable turnaround from the prior few years. As shown in Figure 1, while population growth in Hampton Roads has consistently fallen behind the state and national averages, all three areas have followed the same trends. This rebound represents a positive shift, though the region's growth rate remains below both Virginia and the U.S. as a whole.

To better understand the drivers of this improvement, it is useful to examine the three components of population change: natural change, net domestic migration, and net international migration. As shown in Figure 2, net international migration emerged as the dominant contributor to population growth in Hampton Roads. This marks the second consecutive year where international migration was the leading source of growth.

Figure 1: Population Change: U.S., Virginia, and Hampton Roads

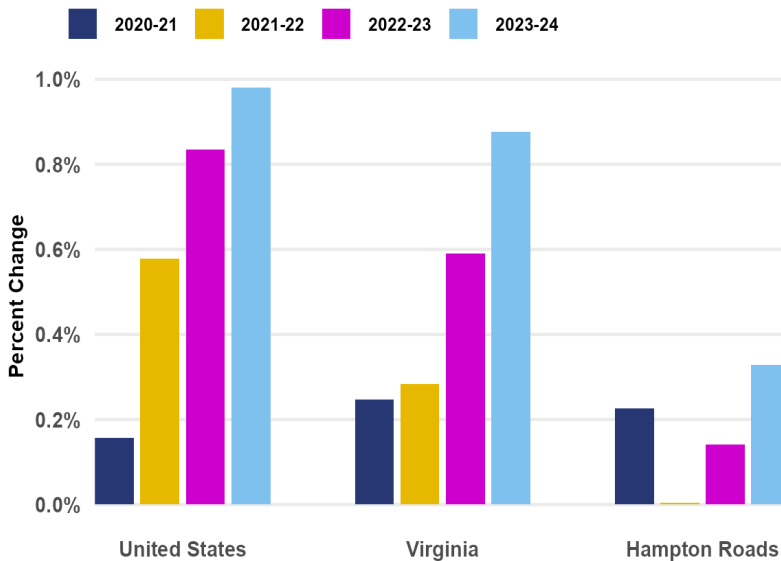
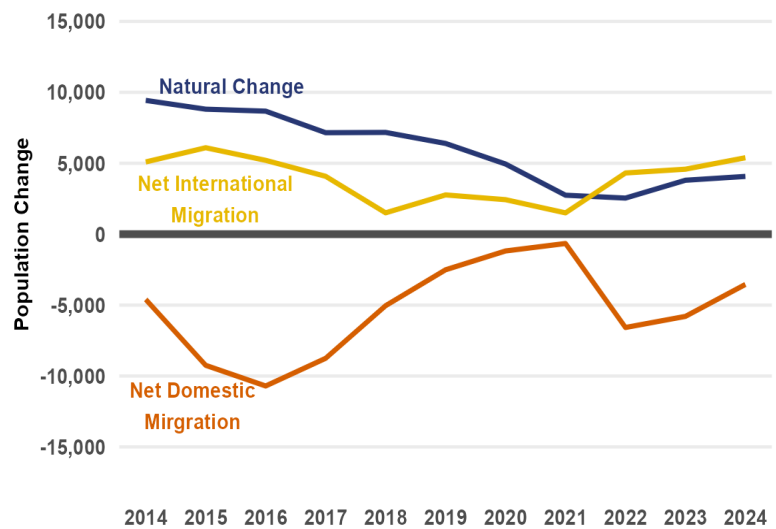


Figure 2: Components of Population Change, Hampton Roads



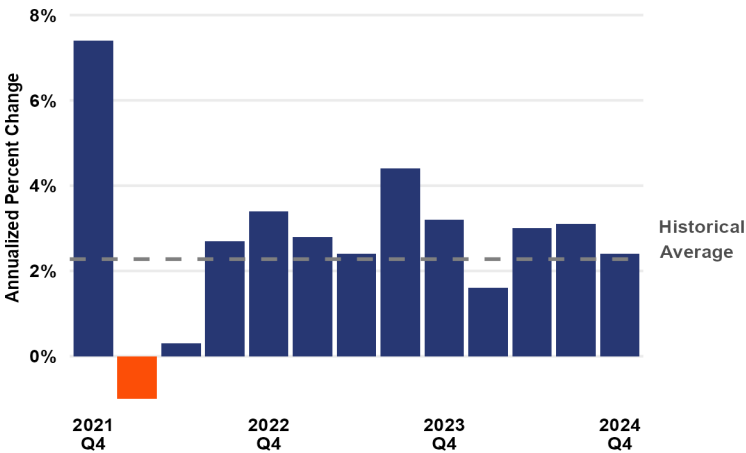
Data source: U.S. Census Bureau Population Estimates Program (PEP). Hampton Roads reflects the Virginia Beach-Chesapeake-Norfolk, VA-NC MSA.

Natural change remained positive but muted, as birth rates have yet to return to pre-pandemic levels and the long-term effects of an aging population continue to weigh on growth. Net domestic migration, meanwhile, remained negative in 2024, indicating that more people moved out of Hampton Roads to other U.S. regions than moved in. Although the magnitude of this outflow declined slightly compared to recent years, domestic losses continue to constrain overall growth. While domestic migration challenges persist, international migration is playing an increasingly important role in sustaining the region's growth.

GDP, ANNUALIZED GROWTH RATE (Q)

	Q4 2023	Q4 2024	Trend
United States	3.2%	2.4%	▼

GDP: Gross Domestic Product combines consumption, investment, net exports, and government spending to determine the size and general health of the economy. Inflation-adjusted GDP rose 2.4% in Q4 2024, a slight decrease from the previous quarter. Personal consumption accounted for 2.70 percentage points of the 2.4% increase in Q4, followed by government spending (0.52) and net exports (0.26). Gross private domestic investment accounted for a 1.03 percentage point decline in GDP growth.

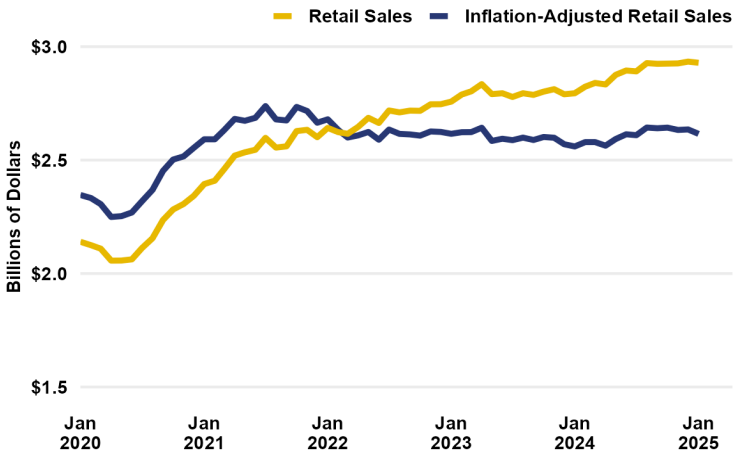


Source: Bureau of Economic Analysis, HRPDC

RETAIL SALES (M)

(not seasonally adjusted)	Jan '24	Jan '25	Trend
Hampton Roads	\$2.58B	\$2.58B	▲
Virginia	\$13.66B	\$13.87B	▲

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. Retail sales in December 2024 were up 4.7% year over year. When seasonally adjusted, retail sales in December increased 0.2% from the previous month. Inflation-adjusted retail sales have slowed from the post-pandemic surge in spending seen in the summer of 2021, but remain 19.1% above pre-pandemic levels observed in February 2020.

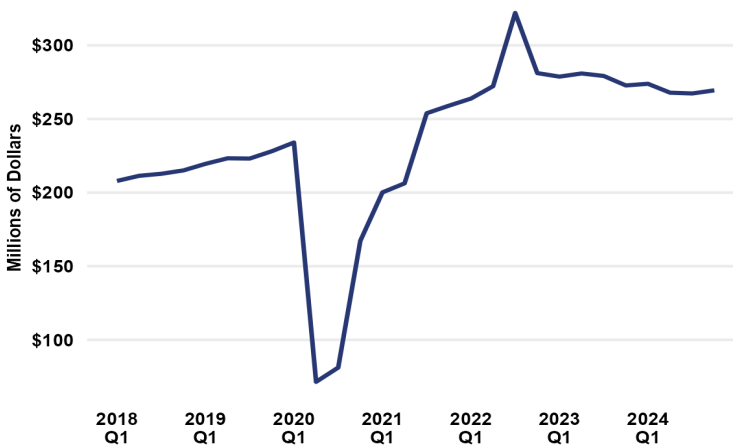


Source: Virginia Department of Taxation, HRPDC. Seasonally adjusted 5-month moving-average. Inflation-adjusted sales in 2022 dollars

ESTIMATED HOTEL REVENUE (Q)

	2023 Q4	2024 Q4	Trend
Hampton Roads	\$273M	\$269M	▼
Virginia	\$1.1B	\$1.1B	▲

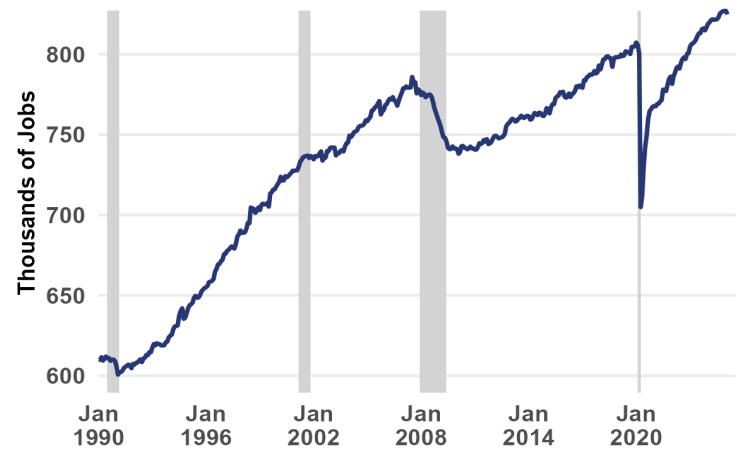
Estimated Hotel Revenue: Hotel revenues indicate the performance of the region's tourism sector. Hotel revenues in Q3 2024 were down 3.9% year over year. Seasonally adjusted hotel revenues in 2024 Q3 decreased 1.1% from the previous quarter. Hotel revenues have declined for the fifth consecutive quarter, signaling a slowdown from the post-pandemic boom observed over the prior two years.



Source: Virginia Department of Taxation, HRPDC. Seasonally adjusted data.

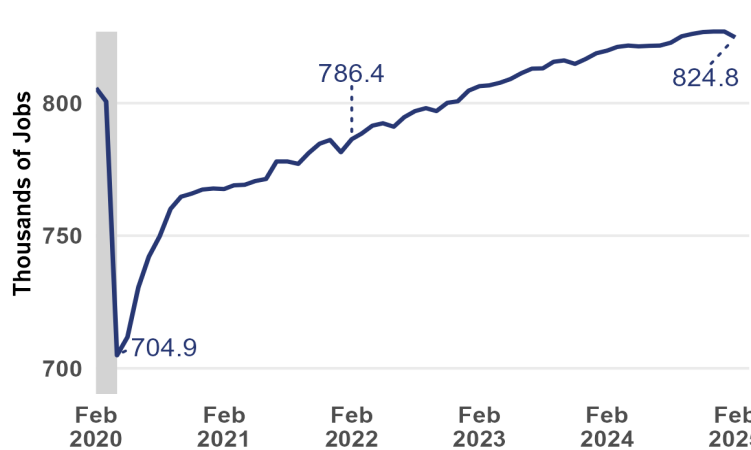
CIVILIAN PAYROLL EMPLOYMENT (M)

HISTORICAL TREND, SEASONALLY ADJUSTED



Source: Bureau of Labor Statistics, HRPDC

5-YEAR, SEASONALLY ADJUSTED



Source: Bureau of Labor Statistics, HRPDC

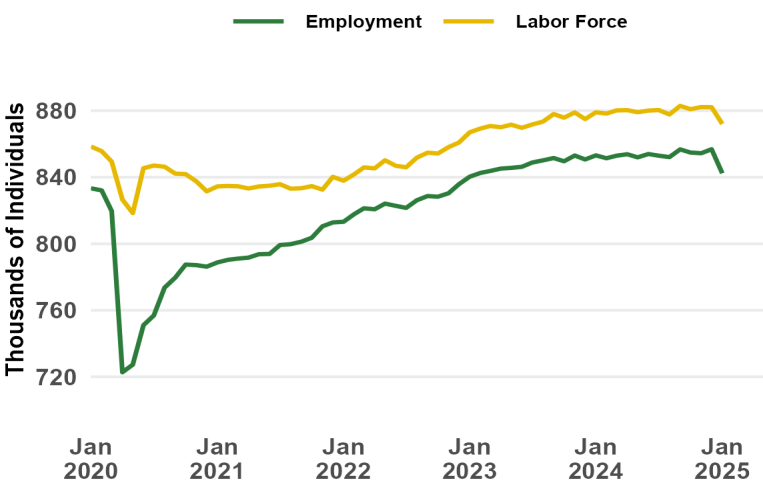
(seasonally adjusted)	Feb 2024	Jan 2025	Feb 2025	YoY % Change	MoM Trend
Hampton Roads	819,800	827,000	824,800	0.6%	▼
Virginia	4,212,000	4,267,100	4,266,100	1.3%	▼
United States	157,271,000	159,053,000	159,170,000	1.2%	▲

Employment: A leading indicator of labor market activity, the Bureau of Labor Statistics' payroll survey of businesses and government establishments measures the number of nonfarm civilian jobs. In Hampton Roads, non-seasonally adjusted civilian jobs in February were up 0.6% year over year. Seasonally adjusted civilian jobs in February were down 0.3% from the previous month. Both Hampton Roads and Virginia saw a decline in jobs from the previous month, while the United States posted a modest gain. Despite these differences, all three regions have experienced a slowdown in job growth compared to the accelerated pace of the past few years. While this trend has signaled a normalization toward pre-pandemic growth levels rather than a downturn, the short-term impact of recent federal policy changes remains uncertain.

CIVILIAN LABOR FORCE (M)

	Labor Force	Emp	Unemp	LF Trend
Dec 2024	882,092	856,823	26,339	▼
Jan 2025	872,005	842,343	28,049	

Labor Force: The Bureau of Labor Statistic's household survey measures the employment status of the civilian population 16 years and older. An area's labor force is comprised of the number of people working (employed) and those actively seeking work (unemployed). The HRPDC's civilian labor force in January fell by 1.1% from the previous month. Year over year, the region's labor force was down 0.8%. The overall trend continues to signal a cooling of labor market activity since the second half of 2023.

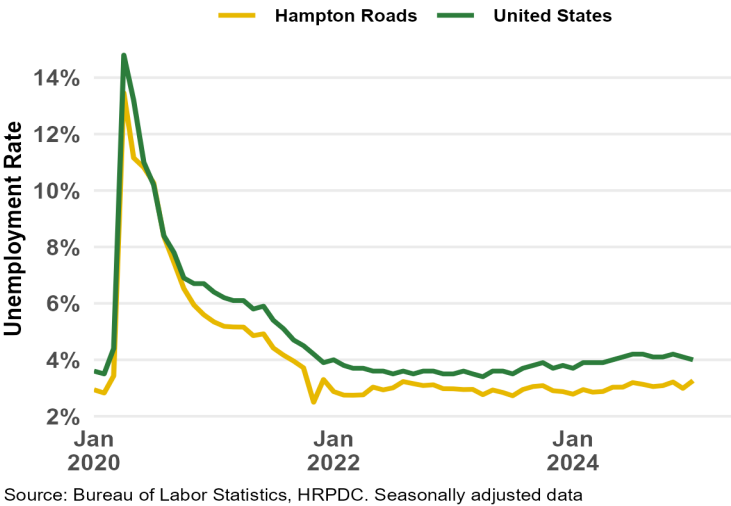


Source: Bureau of Labor Statistics, HRPDC. Seasonally adjusted data

UNEMPLOYMENT RATE (M)

	Jan '24	Dec '24	Jan '25	Trend
Hampton Roads	2.8%	3.0%	3.3%	▲
Virginia	2.8%	2.9%	3.0%	▲
United States	3.7%	4.1%	4.0%	▼

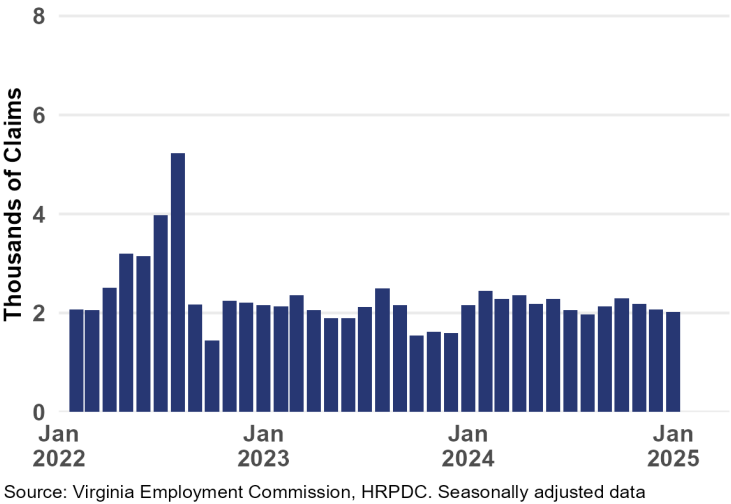
Unemployment Rate: The unemployment rate reflects the percentage of the labor force unemployed and actively seeking work. Hampton Roads' unemployment rate in January 2025 increased from the prior month. While remaining near historical lows, the latest trends continue to reflect a slowdown in labor market conditions.



INITIAL UNEMPLOYMENT CLAIMS (M)

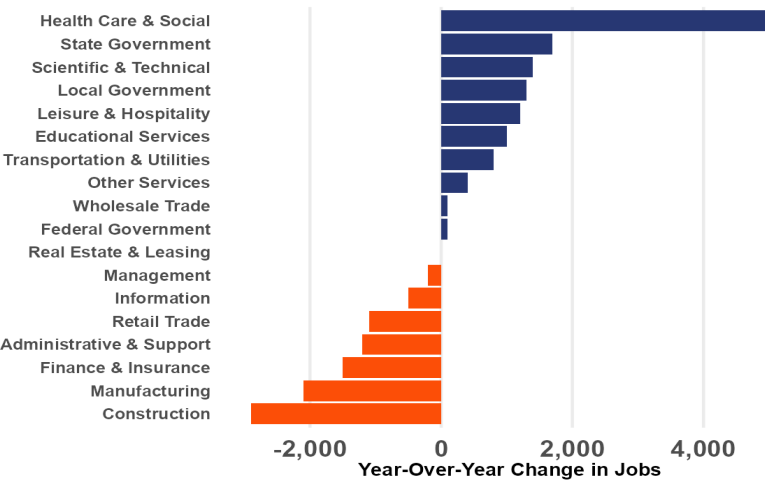
(seasonally adjusted)	Dec '24	Jan '25	Trend
Hampton Roads	2,073	2,019	▼
Virginia	9,218	9,329	▲

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. The number of initial claims for unemployment benefits filed in January in the region decreased 2.6% from the previous month and are down 6.4% year over year. Claims continue to hover around below pre-pandemic levels.



JOB GROWTH BY INDUSTRY (FEB, YEAR-OVER-YEAR CHANGE)

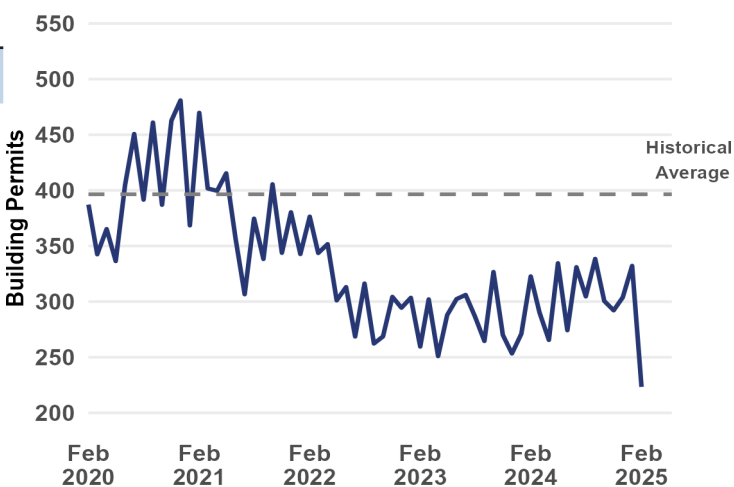
Civilian Job Growth by Industry: As the job market grows or contracts, there will be some industries whose experience does not resemble the regional trend. A majority of the region's industry sectors added jobs in February when compared to the prior year. The largest gains were in Healthcare, & Social Assistance, which added 5,000 jobs year over year. State Government (+1,700) and Scientific & Technical Services (+1,400) recorded the second and third largest gains. The largest year-over-year declines were in Construction (-2,900), Manufacturing (-2,100) and the Finance & Insurance (-1,500) industry sectors.



SINGLE FAMILY HOUSING PERMITS (M)

	Feb '24	Jan '24	Feb '25	Trend
Hampton Roads	323	332	223	▼

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 223 new construction permits issued for single-family homes in February 2025, a 32.8% decline from the previous month. In 2024, single-family building permits issued in Hampton Roads increased by 5.5% from the previous year, marking a positive turnaround from the slowdown experienced in the prior three years.

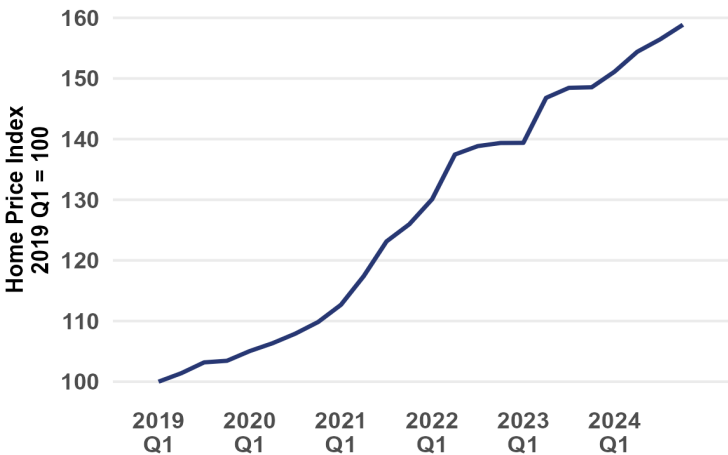


Source: US Census Bureau, HRPDC. Seasonally adjusted data

HOME PRICE INDEX, ALL TRANSACTIONS (M)

	Q2 24'	Q3 24'	Q4 24'	Trend
Hampton Roads	154.4	156.4	158.9	▲

Home Price Index: The The Home Price Index tracks changes in home values by measuring price shifts through repeated sales of properties. In Hampton Roads, home prices increased by 6.9% year-over-year in Q4 2024, a slightly faster pace than the state's 6.8% and above the national rate of 5.4%. Home price growth accelerated in Q4 2024 when compared to previous quarter, but remains below the accelerated pace of the prior few years.



Source: U.S. Federal Housing Finance Agency, All-Transactions House Price Index

30-YEAR FIXED RATE MORTGAGE AVERAGE (M)

	Mar 24'	Feb 25'	Mar 25'	Trend
United States	6.8%	6.8%	6.7%	▼

30-Year Mortgage Rate: Shifts in the cost of borrowing for housing have a substantial impact on housing market trends. The 30-year fixed-rate mortgage represents the average interest rate paid by borrowers on newly issued mortgage loans, and these rates typically fluctuate in tandem with interest rate cycles. In March 2025, mortgage rates declined slightly from the prior month. Year-over-year, the mortgage rate in March was down 0.1 percentage points. The latest pause in Fed rate cuts signals a higher for longer interest rate enviorment in the short term.



Source: Freddie Mac, HRPDC. Seasonally adjusted data