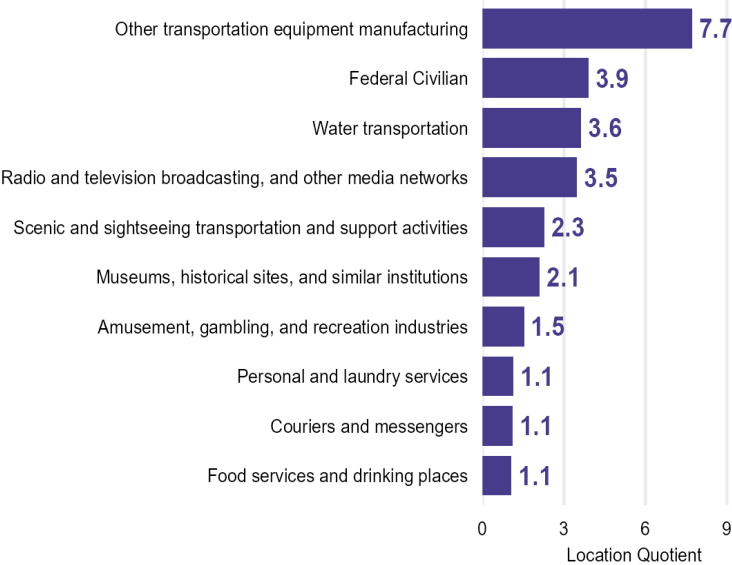


BEHIND THE NUMBERS: THE INDUSTRIES THAT POWER HAMPTON ROADS

What makes the Hampton Roads economy unique? Every region has a mix of distinct industries that shape its regional economy. Location quotients (LQs) help us see which sectors truly specialize here, not just by head count but by how concentrated they are compared to the nation. A location quotient measures an industry's employment concentration in a region relative to its concentration in the nation. An LQ of 1.0 in a particular industry means the region and nation are equally specialized, while an LQ above 1.0 means the region has a higher concentration of employment in that industry relative to the nation.

The Hampton Roads economy is often described as resting on three pillars: defense, the port, and tourism. Figure 1 shows how clearly that structure appears when we look at the industries with the highest location quotients. Employment in shipbuilding, captured in other transportation equipment manufacturing, stands far above every other sector, with a concentration of employment 7.7 times the national average, reflecting the scale of the region's naval industrial base. Another defense related sector, federal civilian employment, follows with an LQ of 3.9, driven by the large number of military installations spread across the region. Water transportation posts an LQ of 3.6, highlighting the weight of port activity in the local economy. Several tourism related industries, including scenic transportation, amusement and recreation, and museums, also have LQs above one. The employment and wage data in Figure 2 add more detail to this picture. Other transportation equipment manufacturing represents 2.6% of all jobs in the region with an average annual pay 1.7 times the regional average. Federal civilian employment accounts for about 5.3% of total jobs, with average wages 1.8 times the regional average. Water transportation represents less than 1% of all jobs, though many port related workers such as analysts, administrative staff, and logistics employees are classified in other industries rather than in water transportation itself. Several tourism related industries show faster growth but lower wages. Scenic and sightseeing transportation wages are slightly above the regional average, and employment in this sector grew 4.2% per year between 2014 and 2024.

Figure 1: Location Quotients
Highest LQ Industries in Hampton Roads, 2024



Source: REMI and HRPDC.

Figure 2: Employment and Wages for Highest LQ Industries

Industry	Jobs 2024	Avg Annual Growth Rate 2014-2024	Avg. Annual Wage 2024
Other transportation equipment manufacturing	29,912	0.7%	\$91,119
Federal Civilian	60,321	1.3%	\$93,335
Water transportation	1,363	-1.0%	\$186,953
Radio and television broadcasting, and other media networks	5,782	1.6%	\$42,384
Scenic and sightseeing transportation and support activities	11,823	4.2%	\$62,925
Museums, historical sites, and similar institutions	1,901	-2.1%	\$44,805
Amusement, gambling, and recreation industries	16,601	3.9%	\$20,543
Personal and laundry services	29,062	1.6%	\$14,231
Couriers and messengers	20,372	18.0%	\$8,694
All Industries	1,138,499	1.2%	\$52,507

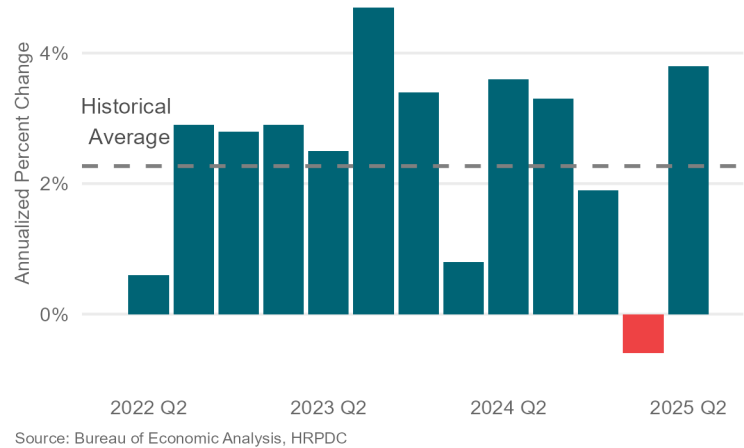
LQs do not tell us everything, but they reveal which industries anchor the region. Hampton Roads shows clear strengths in sectors tied to shipbuilding and other defense related sectors, the port, and tourism. When we understand which industries are truly concentrated here, we can make better decisions about long term planning. Knowing what makes the region different is the first step in preparing for what comes next.

Note: Several indicators featured in the rest of this report have not yet been updated because of the recent government shutdown.

GDP, ANNUALIZED GROWTH RATE (Q)

	Q1 2025	Q2 2025	Trend
United States	-0.6%	3.8%	

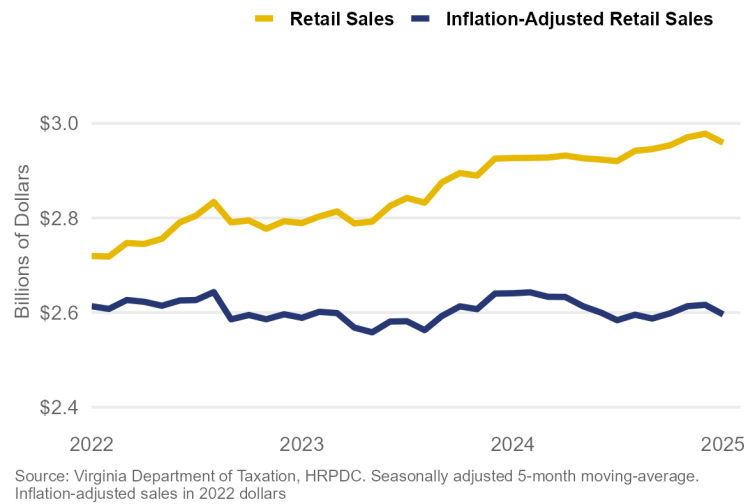
GDP: Gross Domestic Product combines consumption, investment, net exports, and government spending to determine the size and general health of the economy. Inflation-adjusted GDP rose 3.8% in Q2 2025. Net exports accounted for 4.8 percentage points of GDP growth, followed by personal consumption expenditures (1.7). Gross private domestic investment accounted for a 2.6 percentage point decline in GDP growth followed by government spending (-0.01). In the first half of 2025 GDP growth averaged 1.6%, compared to 2.2% in 2024.



RETAIL SALES (M)

	Sep-24	Sep-25	Trend
Hampton Roads	\$2.81B	\$2.96B	
Virginia	\$15.14B	\$16.33B	

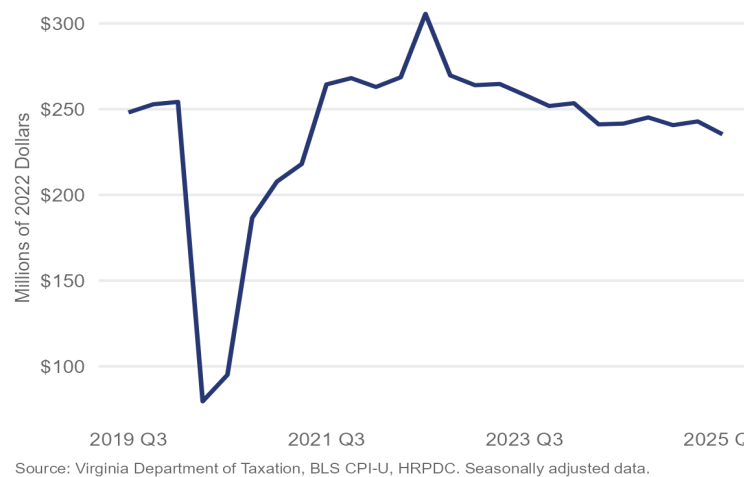
Retail Sales: Retail sales in Hampton Roads, as measured by the 1% local option sales tax, serve as an indicator for consumption in the region. Retail sales in September 2025 fell 5.4% compared with the same month one year earlier. When seasonally adjusted, retail sales in September were down 0.6% from the previous month, indicating a softening in consumer spending. Year to date retail sales have decreased 1.0% when compared to the same period in 2024.



ESTIMATED HOTEL REVENUE (Q)

	Q3 2024	Q3 2025	Trend
Hampton Roads	\$387.5M	\$391.1M	
Virginia	\$1,248.1M	\$1,293.2M	

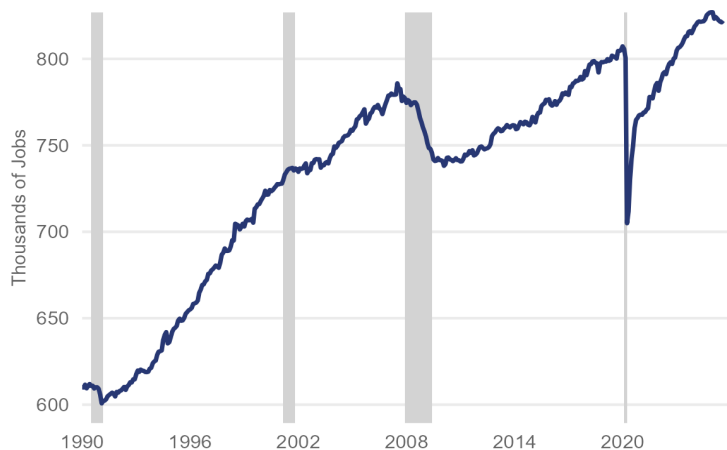
Estimated Hotel Revenue: Hotel revenues indicate the performance of the region's tourism sector. Hotel revenues in Q3 2025 were up 0.9% year over year. Seasonally adjusted revenues in 2025 Q3 increased 0.2% from the previous quarter. After more than seven quarters of inflation adjusted declines, hotel revenues briefly improved in Q2 2025, but the recovery faded as Q3 returned to negative year over year growth.



CIVILIAN PAYROLL EMPLOYMENT (M)

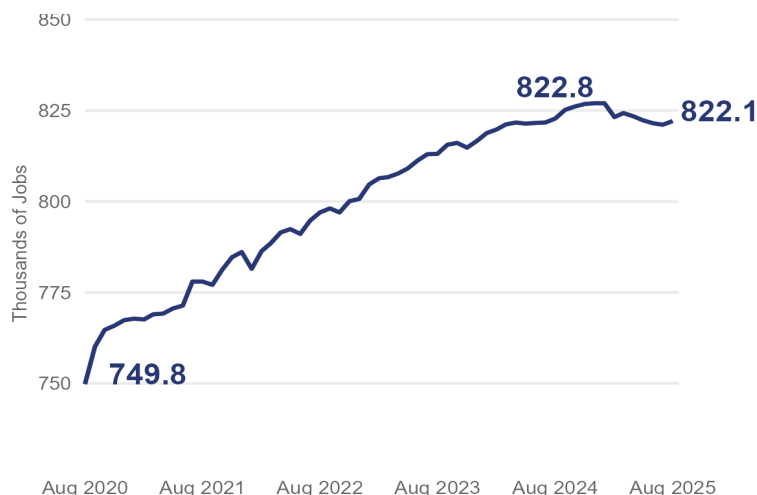
*ONLY U.S. UPDATE DUE TO GOVERNMENT SHUTDOWN

HISTORICAL TREND, SEASONALLY ADJUSTED



Source: Bureau of Labor Statistics, HRPDC

5-YEAR, SEASONALLY ADJUSTED



Source: Bureau of Labor Statistics, HRPDC

	Aug 2024	Jul 2025	Aug 2025	MoM Trend	YoY % Change
Hampton Roads	822,800	821,100	822,100	↗	-0.1%
Virginia	4,237,200	4,274,400	4,281,600	↗	1.0%
United States	158,074,000	159,511,000	159,507,000	↘	0.9%

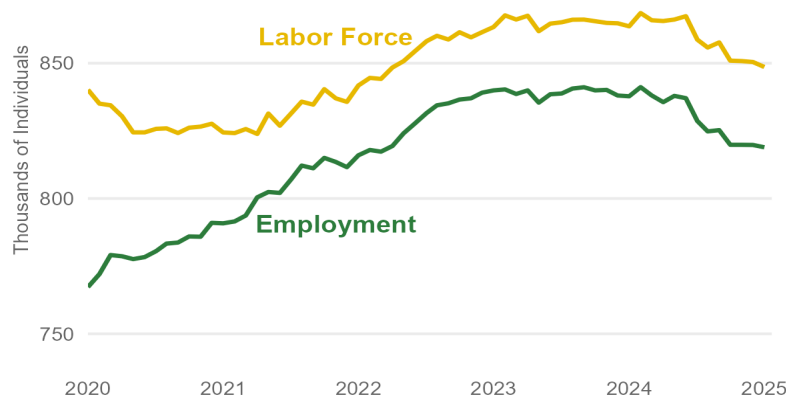
Employment: A leading indicator of labor market activity, the Bureau of Labor Statistics' payroll survey of businesses and government establishments measures the number of nonfarm civilian jobs. In Hampton Roads, non-seasonally adjusted civilian jobs in August were down 0.1% year over year. Seasonally adjusted civilian jobs in August were up 0.1% from the previous month. In August Hampton Roads and Virginia added jobs from the previous month while revised estimates for U.S. show a decline from the previous month. For Hampton Roads, August marked a positive turnaround after fourth straight months of job losses. Year to date, civilian jobs in Hampton Roads are up 0.2% when compared to same period in 2024, a slower pace than the Virginia (1.13%) and the United States (1.09%). The latest estimates continue to highlight the outsized impact of federal cuts on labor market conditions in the Hampton Roads region.

CIVILIAN LABOR FORCE (M)

*NO UPDATE DUE TO GOVERNMENT SHUTDOWN

	Aug 24	Aug 25	Trend
Labor Force	868,561	853,384	↘
Employed	838,143	818,986	↘
Unemployed	30,418	34,398	↗

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). In August the HRPDC's civilian labor force declined by 0.2% from the previous month. On a year-over-year basis, the labor force was 1.7% lower. August marked the seventh consecutive month of annual declines in the region's labor force.

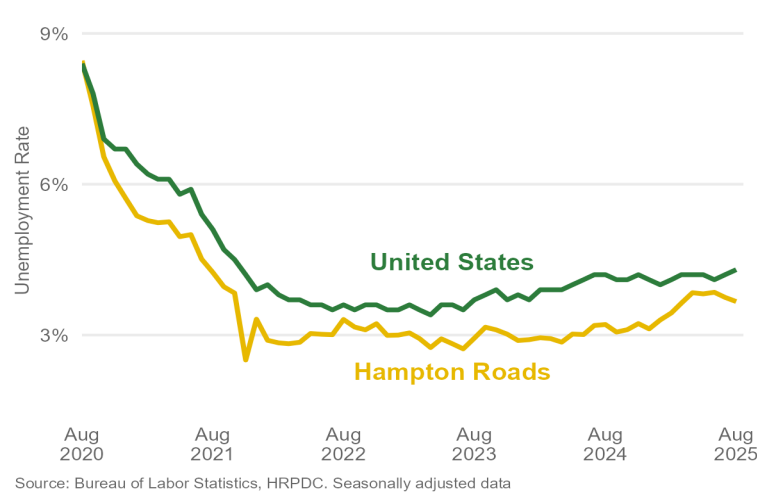


Source: Bureau of Labor Statistics, HRPDC. Seasonally adjusted data

UNEMPLOYMENT RATE (M) *NO UPDATE DUE TO GOVERNMENT SHUTDOWN

	Aug 24	Jul 25	Aug 25	MoM Trend
Hampton Roads	3.2%	3.7%	3.7%	↗
Virginia	2.9%	3.6%	3.6%	→
United States	4.2%	4.2%	4.3%	↗

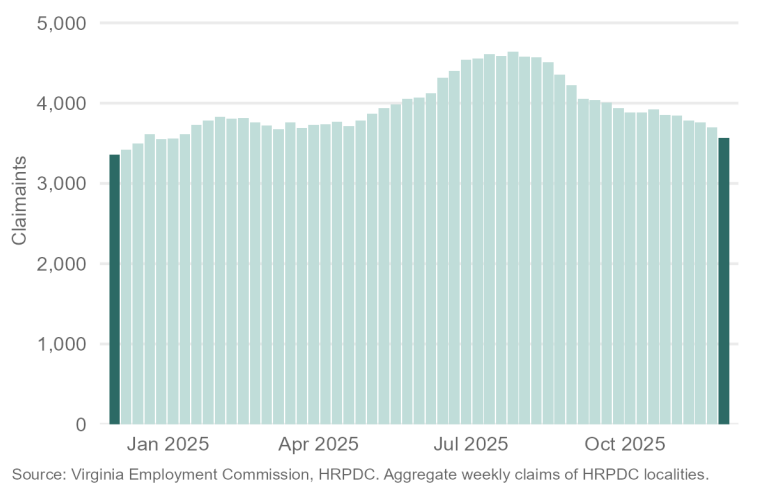
Unemployment Rate: The unemployment rate reflects the percentage of the labor force unemployed and actively seeking work. Hampton Roads' unemployment rate in August decreased from the prior month. Since January, Hampton Roads unemployment rate has risen 0.4 percentage points, compared to a 0.3 percentage point increase observed for the nation.



UNEMPLOYMENT CLAIMS (W)

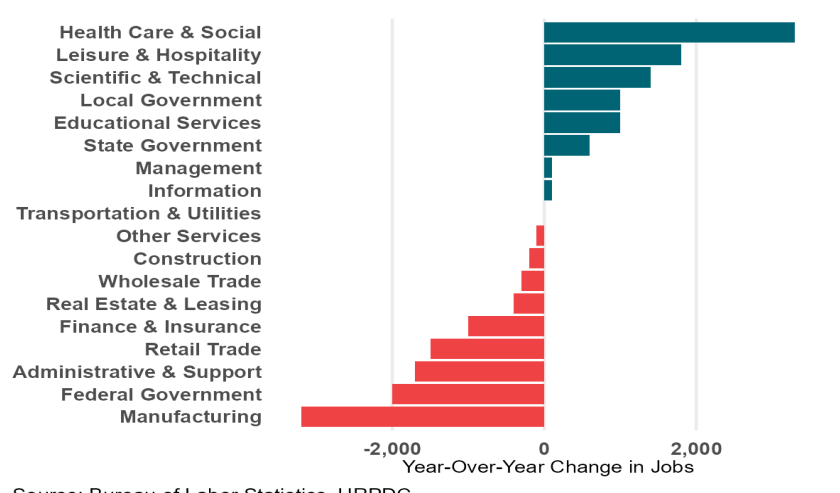
Week Ending	Nov 30, 2024	Nov 29, 2025	YoY Trend
Hampton Roads	3,359	3,564	↗
Virginia	14,379	16,632	↗

Continuing Unemployment Claims: The number of continuing unemployment claims is a coincident indicator reflecting those who remain unemployed after filing an initial claim, thus showing ongoing labor market weakness with minimal delay. In Hampton Roads, the number of continuing claims for unemployment benefits filed for the week ending November 29, 2025 are up 6.1% from the comparable week in 2024.



JOB GROWTH BY INDUSTRY (AUG, YEAR-OVER-YEAR CHANGE) *NO UPDATE DUE TO GOVERNMENT SHUTDOWN

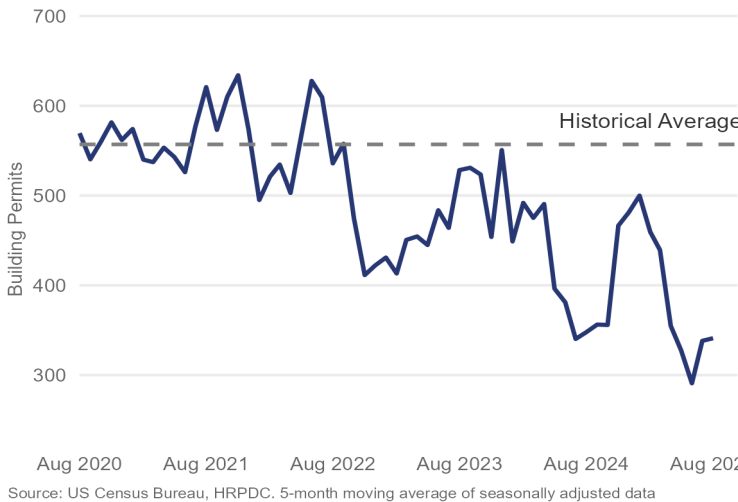
Civilian Job Growth by Industry: As the job market grows or contracts, there will be some industries whose experience does not resemble the regional trend. Less than half of the region's selected industry sectors added jobs in August when compared to the prior year. The largest gains were in Healthcare, & Social Assistance, which added 3,300 jobs year over year. Leisure & Hospitality (+1,800) and Scientific & Technical (+1,400) recorded the second and third largest gains. The largest year-over-year declines were in Manufacturing (-3,200), the Federal Government (-2,000) and Administrative & Support (-1,700).



BUILDING PERMITS (M) *NO UPDATE DUE TO GOVERNMENT SHUTDOWN

	Aug 2024	Jul 2025	Aug 2025	MoM Trend
Hampton Roads	367	433	320	↘

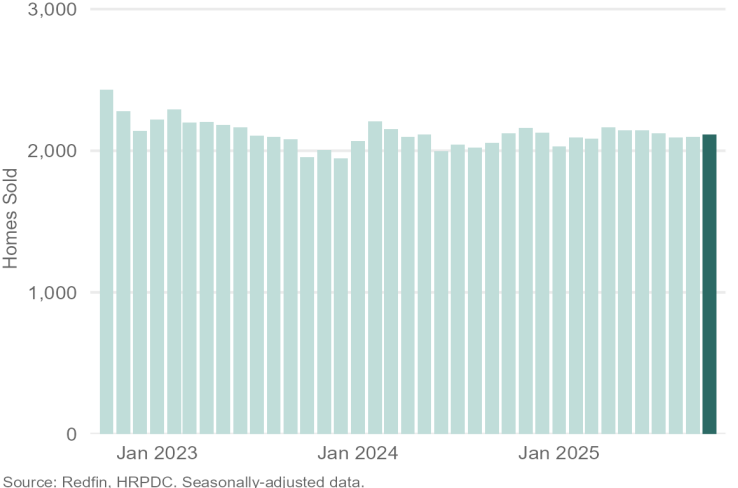
Building Permits: Permits issued across all unit types offers a snapshot of construction activity, housing demand, and trends in construction employment. In August local governments issued 320 new construction permits for both single and multi-unit structures, a decline from the previous month. Residential construction has remained below the historical average since mid-2022. Year-to-date totals remain well below last year's pace, down 14.7% compared with the same period in 2024.



RESIDENTIAL HOMES SOLD (M)

	Oct 2024	Sep 2025	Oct 2025	MoM Trend
Hampton Roads	2,122	2,100	2,117	↗

Homes Sold: Home sales measure the level of transactions in the real estate market over time, and a healthy real estate market should have a consistent level of activity. Seasonally adjusted home sales in October increased 0.2% from September. Sales were 0.9% higher than in October 2024. Year-to-date, homes sold through October were 0.6% above the same period last year. Despite this increase, home sales remain 20.6% below the pre-pandemic levels of February 2020.



30-YEAR FIXED RATE MORTGAGE AVERAGE (M)

	Nov 2024	Oct 2025	Nov 2025	MoM Trend
United States	6.8%	6.3%	6.2%	↘

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 November 2025, mortgage rates declined slightly from the prior month. This marks the fifth straight monthly decline in the mortgage rate. Year-over-year, the average rate was down 0.5 percentage points.

