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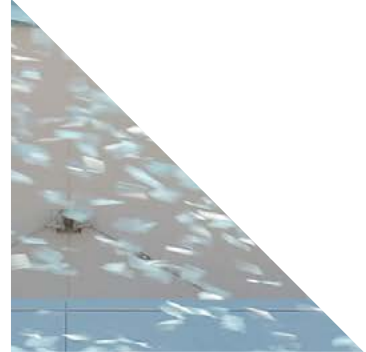
Greater Richmond, Va.

ECONOMIC REVIEW



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When we create a new Economic Review, we focus on specific topics important to economic development: population, labor force, education, recent activity in traded sectors of the economy, and commercial real estate (specifically industrial and Class A office space).

To avoid updating statistics that may not have changed much over the past three or four months, or reusing data that is only updated once a year, we look for different ways to interpret the same data; you'll see some of this in this publication.

While Greater Richmond (meaning the Richmond MSA) has averaged a net increase of 30 new residents per day since 2016, some of our comparison communities have averaged between 80 and 190 new residents daily. An important issue is whether their housing industry is keeping up with population growth. And then there is the New York metro, which has been losing 450 people per day since 2020.



Chuck Peterson
Vice President
of Research

A few of the statistics that we follow, such as job and wage growth, are mirroring trends seen at the national level. While the numbers are increasing, our rate of change lags behind the national rate.

Richmond's average weekly wage has increased on the same trajectory over the past year as the nation's, but at a slightly lower rate: +15 percent locally and +18 percent for the U.S. Richmond stands out here because of the wide variation on quarter-to-quarter rates of change – one quarter was up 10 percent from the previous, then negative growth a few quarters later. This might be the result of a smaller economy and changes being more

noticeable in data, but when graphed the contrast is indeed noticeable.

We looked at the specific type of jobs that were created in 2023 and the type of training that is typically needed to get into those occupations, and we looked at the opposite – the jobs that disappeared and the types of training they usually require. Both job gains and job losses required just a high school diploma, then a bachelors degree.

In the New Industry section, you'll see a list of recent announcements that reflect alignment to the Greater Richmond Partnership targets industries, including Advanced Manufacturing and Logistics.

Nearly all of Greater Richmond's numbers we examined for this issue of the Economic Review are headed in the right direction, but we want to see the growth rates of a community of 1.3 million people exceed those of a nation of 335 million, not equal or lag behind. How do we change this?

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Leading Economic Indicators

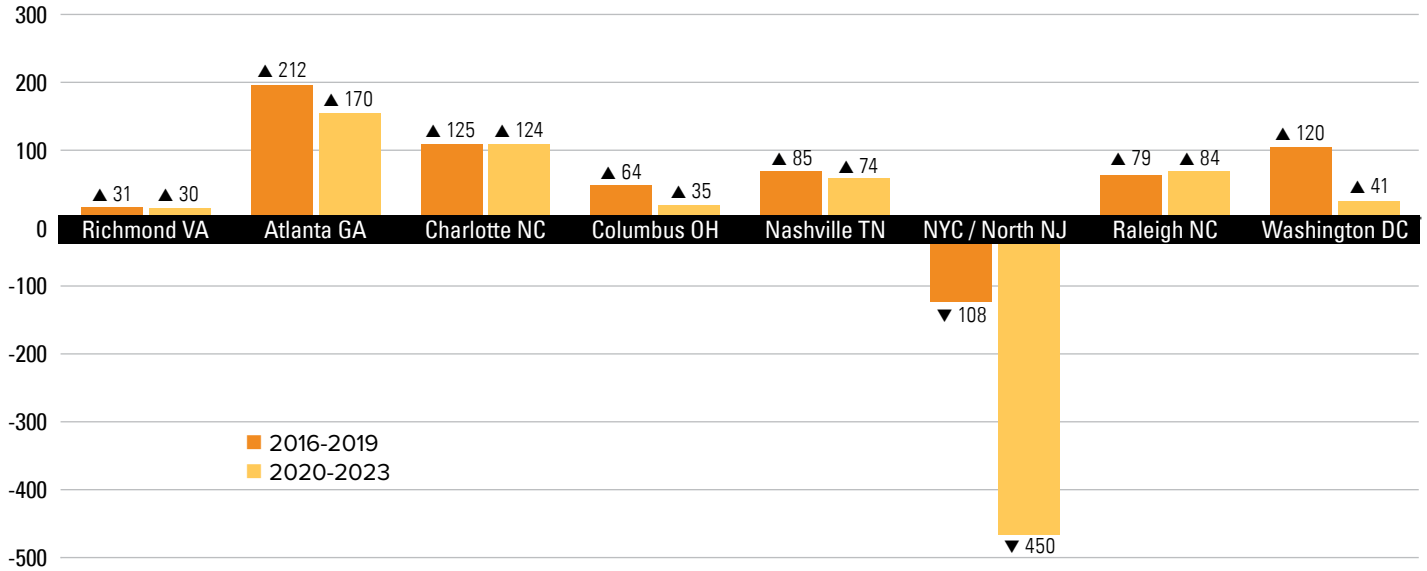
- ▲ Population (+3.1% 2020 to 2023)
- ▲ Labor Force (+1.1%)
- ▼ Unemployment Rate (-1/10th percent)
- ▲ Payroll Employment (+1.1%)
- ▲ Class A Office Vacancy (+0.3%)
- ▲ Office Asking Rent (+1.8%)
- ▲ Industrial Vacancy (+1.3%)
- ▲ Industrial Asking Rent (+5.8%)
- ▲ Existing Home Sales (+5.1%)
- ▲ Median Home Sales Price (+2.9%)
- ▼ RIC Passengers (-3.9%)
- ▲ RIC Cargo Volume (+3.9%)
- ▼ Hotel Occupancy (-0.7%)
- ▲ Containers Through RMT (+7.2%)

Population



Change in Population Per Day, 2020 and 2023

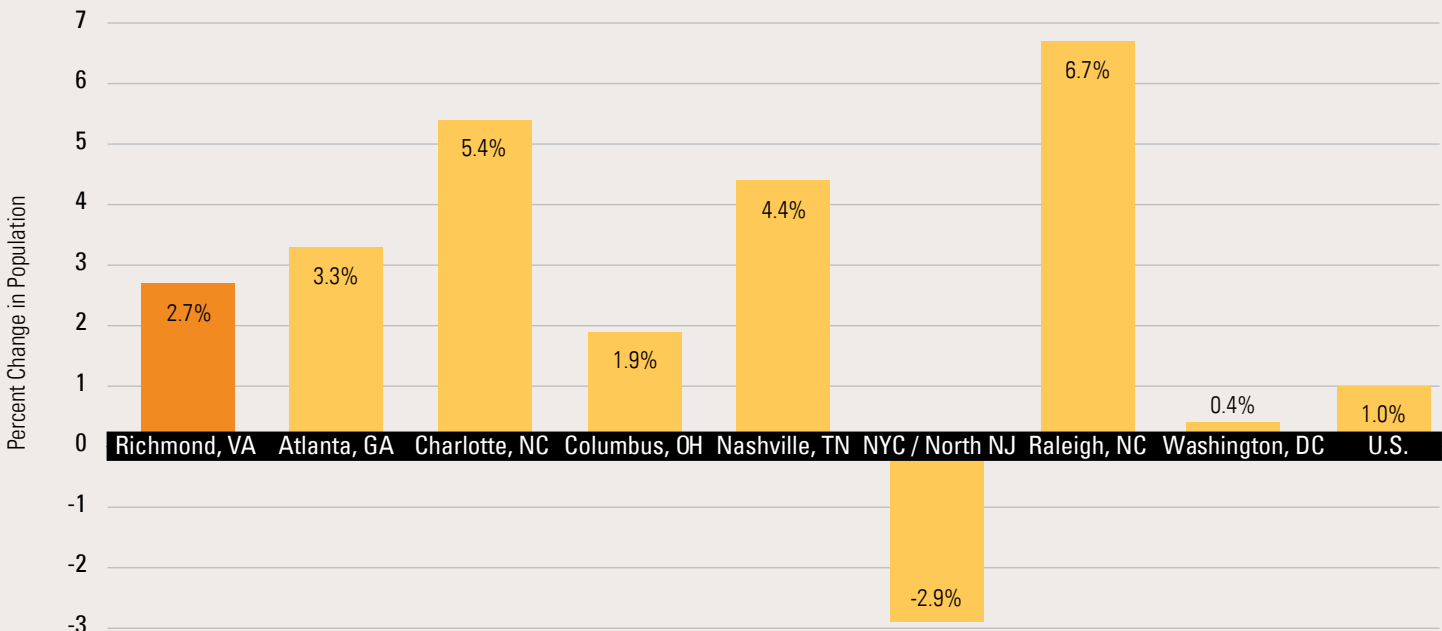
Greater Richmond gained 30 net new residents per day from 2020 to 2023 compared to 31 during 2016-2019. The Richmond MSA's population grew 33,086 between 2020 and 2023. Among the comparison communities, only the New York City metro lost population during these time frames with a decrease of 450 residents per day.



Source: US Census Bureau, Metropolitan and Micropolitan Statistical Areas Population Totals: 2016-2023.

Percent Population Change, 2020 to 2023

Richmond's 2.7 percent population increase between 2020 and 2023 far outpaced the national growth rate of 1.0 percent.



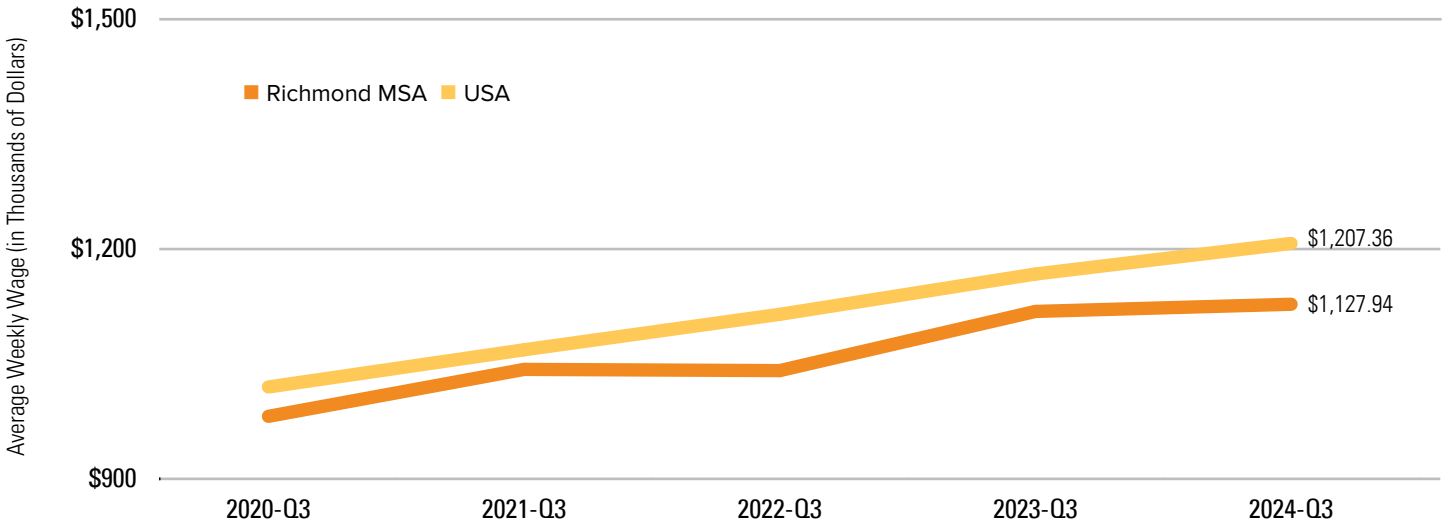
Source: US Census Bureau, Metropolitan and Micropolitan Statistical Areas Population Totals: 2020-2023.

Wages



Growth in Average Weekly Wage, 2020 to 2024

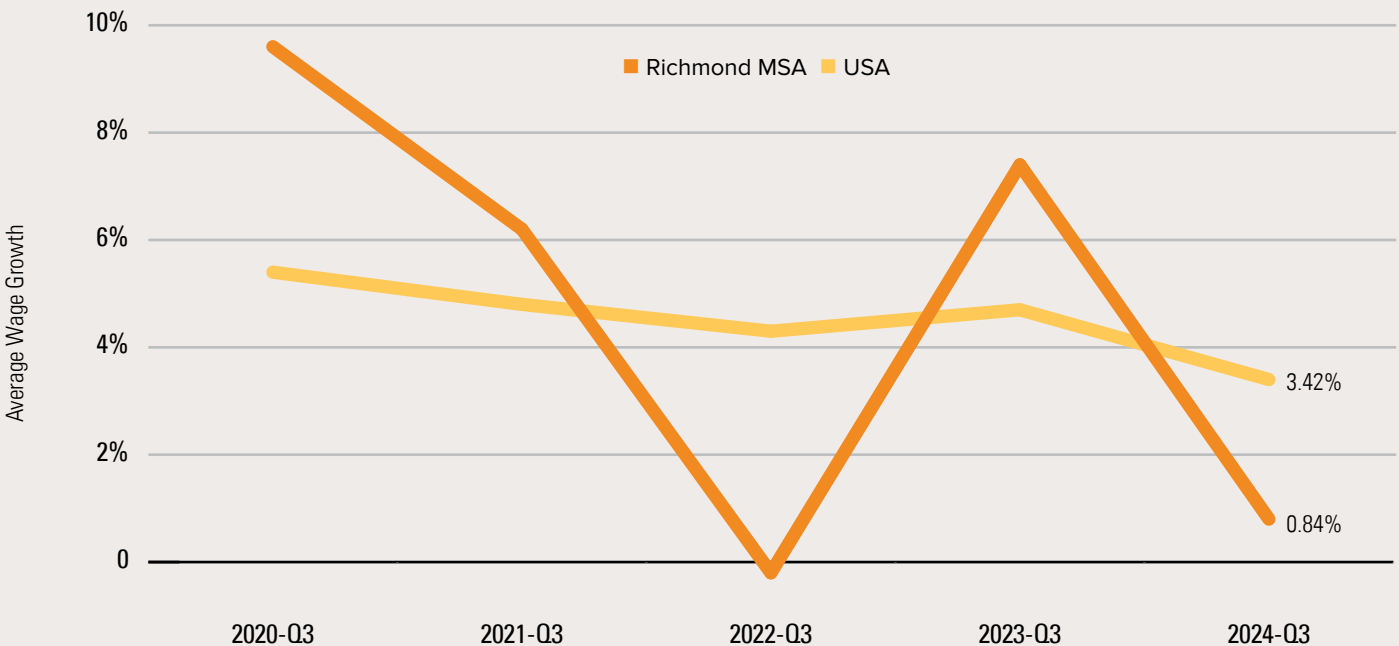
For at least the past five years, since 2020, the average weekly wage in Greater Richmond has been 94 percent of the national average. While both have increases on similar trajectories, Richmond's wage has increased by 20 percent while the nation's has risen by 17 percent. Richmond's average hourly wage in 2024 was \$28.36 compared to the US at \$29.93.



Source: BLS Current Employment Statistics survey

Percentage Growth in Average Wage, 2020-2024

For the past five years, the average annual wage in Greater Richmond has increased in Q3 except for 2022. Overall, while both the national and Richmond wage growth increases have been on similar trajectories, Richmond's average wage growth was 4.8 percent with high fluctuation while the US's average was 4.5 percent with stable growth year to year.

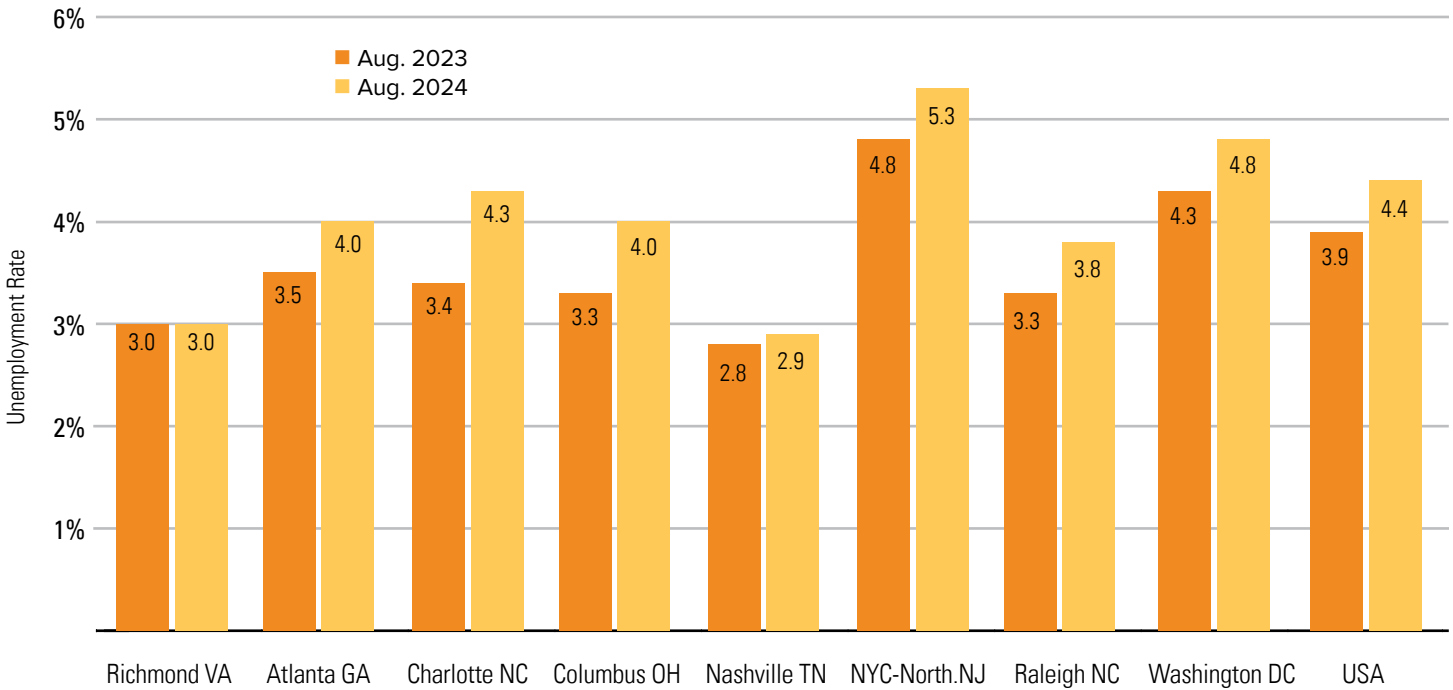


Source: BLS Current Employment Statistics survey



Unemployment Rate Comparison, Nov. 2023 and Nov. 2024

Richmond and its comparison communities are all at “full employment” levels, typically viewed as 5 percent or less. While the comparison communities’ unemployment rates all increased over the past year by an average of 0.5 percent, Richmond’s rate decreased from 3.1 percent in Nov. 2023 to 3.0 percent in Nov. 2024.



Source: US Bureau of Labor Statistics.

Increases in Employment, 2023 Q2 to 2024 Q2	Employment Change
Material Moving Workers	1,721
Healthcare Diagnosing/Treating Practitioners	903
Business Operations Specialists	636
Home Health & Personal Care Aides; & Nursing Assts, Orderlies, & Psych. Aides	621
Other Management Occupations	573
Top Executives	524
Counselors, Social Workers, & Other Community & Social Service Specialists	516
Preschool, Elementary, Middle, Secondary, & Special Education Teachers	478
Building Cleaning & Pest Control Workers	456
Cooks & Food Preparation Workers	394

Decreases in Employment, 2023 Q2 to 2024 Q2	Employment Change
Financial Clerks	-675
Financial Specialists	-641
Information and Record Clerks	-402
Retail Sales Workers	-247
Other Production Occupations	-213
Other Sales and Related Workers	-174
Computer Occupations	-164
Food Processing Workers	-160
Secretaries and Administrative Assistants	-152
Construction Trades Workers	-139

Source: Chmura Economics & Analytics, JobsEQ.

Educational Requirements



Newly Created Jobs Education Required

During 2023, 14,740 jobs were created in Greater Richmond that didn't exist in 2022. Nearly 40 percent required only a high school diploma to enter the field; these were in construction, supply chain, food-related, health care and education. Twenty-five percent required a bachelors degree, but 20 percent listed no educational requirements.

Typical Education Needed	Employment Change 2023-Q1 to 2024-Q1
High school diploma or equivalent	5,682
Bachelor's degree	3,706
No formal educational credential	3,011
Postsecondary nondegree award	868
Master's degree	487
Doctoral or professional degree	474
Associate's degree	306
Some college, no degree	206

Source: Chmura Economics & Analytics, JobsEQ

Jobs Decreases by Education Required, Richmond MSA

During 2023, just over 6,700 jobs disappeared from Greater Richmond's economy. More than half of these jobs required only a high school diploma to enter that field and 20 percent required a four-year degree. A significant share of the lost jobs (17 percent) do not list the type of training needed.

Typical Education Needed	Employment Change 2023-Q1 to 2024-Q1
High school diploma or equivalent	-3,595
Bachelor's degree	-1,450
No formal educational credential	-1,165
Some college, no degree	-261
Postsecondary nondegree award	-199
Associate's degree	-61
Doctoral or professional degree	-15
Master's degree	-6

Source: Chmura Economics & Analytics, JobsEQ

Company Announcements in Greater Richmond, Jan. 2020 to Dec. 2024

Just under 50 percent of the companies that newly located or expanded in Greater Richmond were in the sectors targeted by GRP for recruitment. This 50 percent figure includes the share of companies, new jobs and capital investment.

Cluster	Projects	Announced Jobs	Announced Investment
Advanced Manufacturing	17	1,746	\$934,000,000
Logistics & E-commerce	13	2,923	\$991,000,000
Life Science	11	1,826	\$314,000,000
Corporate Services	10	1,650	\$77,000,000
Information Technology	2	0	\$145,000,000
All Other	56	8,345	\$2,621,000,000
TOTAL	109	16,490	\$5,082,000,000

Select New & Expanding Companies, July 2022 to Dec. 2024

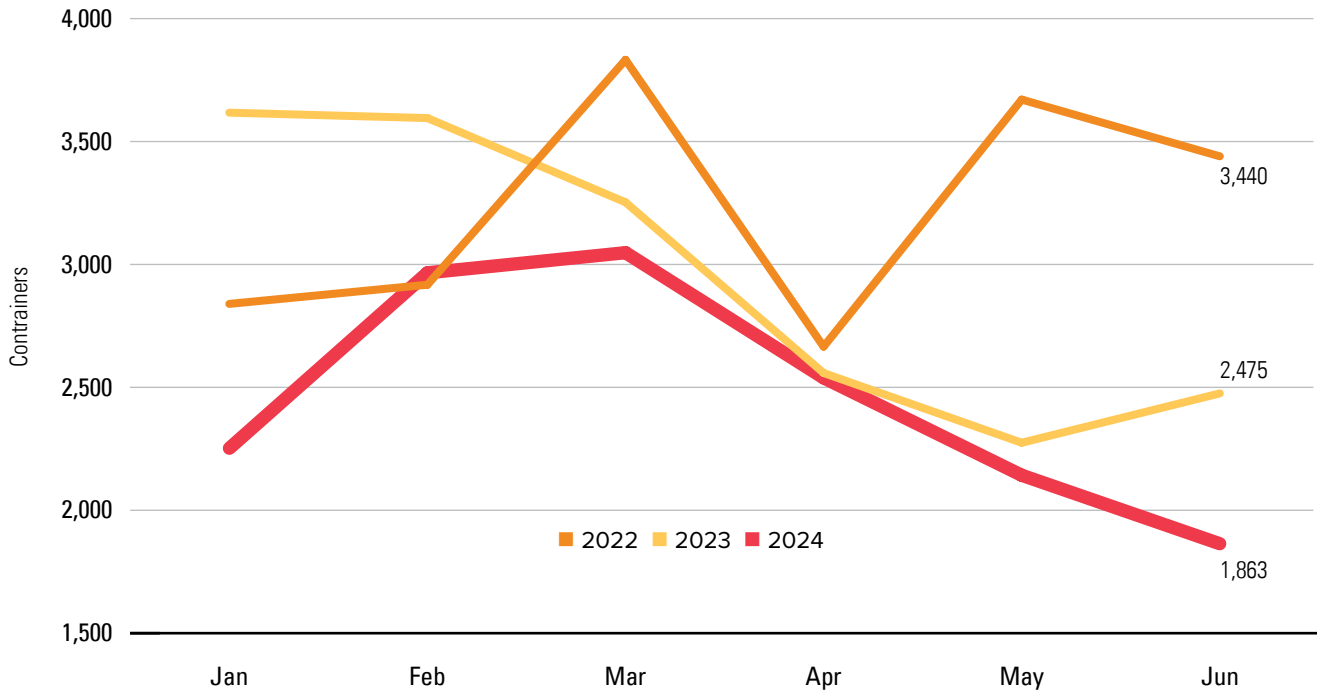
Cluster	Firm	New/ Expansion	Announced Jobs	Announced Investment (\$M)
Advanced Manufacturing	Super Radiator Coils	Expansion	160	\$22
Advanced Manufacturing	KSB Inc.	Expansion	32	\$25
Advanced Manufacturing	PGT Innovations	New	659	\$54
Advanced Manufacturing	Lutron Electronics Co., Inc.	Expansion	200	\$28
Advanced Manufacturing	Condair	New	180	\$57
Advanced Manufacturing	Topsoe	New	150	\$400
Corp. Services	Hoffman & Hoffman	Expansion	n/a	\$4
Corp. Services	Civica Rx	Expansion	51	\$28
Corp. Services	Sands Anderson	Expansion	n/a	\$1
Finance & Insurance	Koalifi	Expansion	274	n/a
Finance & Insurance	Richmond National Group	Expansion	103	n/a
Finance & Insurance	Berkley Mid-Atlantic Group	Expansion	72	\$6
Food & Beverage	Plenty Inc	New	300	\$300
Food & Beverage	Sapporo	New	68	\$16
Food & Beverage	Coca-Cola Consolidated	Expansion	40	\$50
Food & Beverage	Babylon Microfarms	Expansion	15	n/a
Information Technology	VPM	Expansion	n/a	\$55
Information Technology	QTS Data Centers	Expansion	n/a	\$144
Life Sciences	DroneUp	Expansion	145	\$20
Life Sciences	Weidmuller Group	Expansion	140	\$16
Life Sciences	Phlow	Expansion	25	n/a
Logistics & E-commerce	Marble Systems	Expansion	160	\$22
Logistics & E-commerce	SanMar	New	1,000	\$50
Logistics & E-commerce	World Class Distribution	New	745	\$275
Logistics & E-commerce	Republic National Distributing Company	Expansion	150	\$3
Logistics & E-commerce	CEEUS	New	30	\$38



Richmond Marine Terminal (RMT) Containers Over First Six Months, 2022-2024

Compared to 2023, the first half of 2024 saw 2,962 fewer containers moving through the Richmond Marine Terminal, a decline of 16.7 percent. The amount of containers in April were similar to those in 2023, but they decreased over

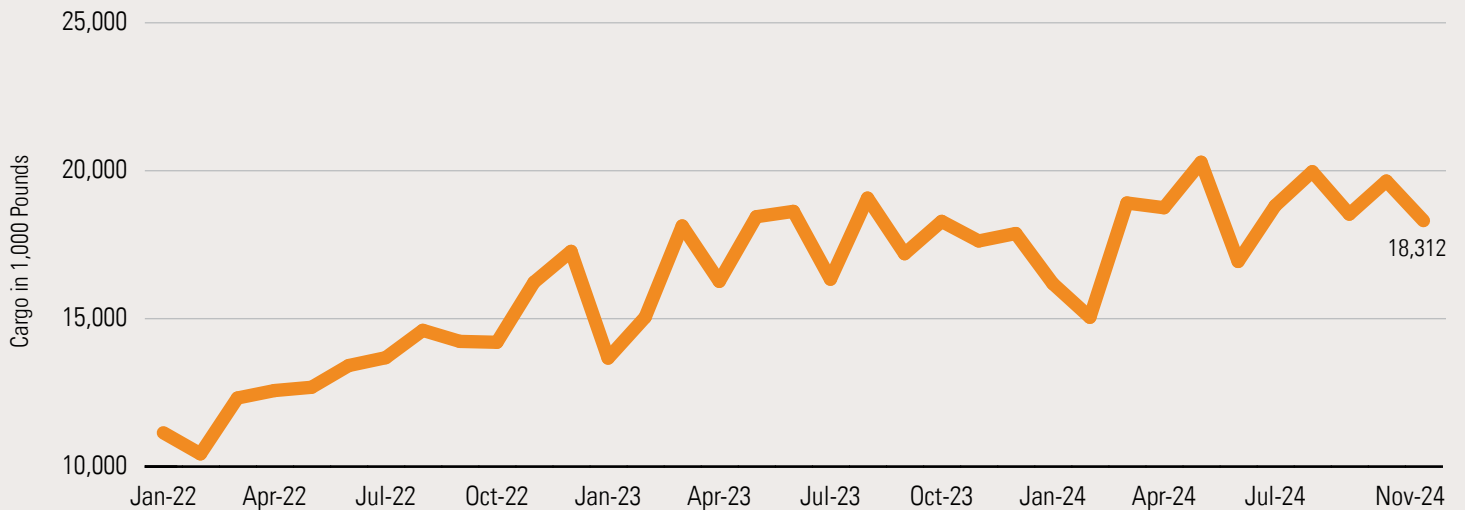
May and June. Overall, 2024 Q2 container levels were 10.4 percent lower than 2023 Q2. RMT has also been investing \$6.1 million throughout 2024 to upgrade the terminal's main gate and drop-lot for motor carriers.



Source: Virginia Port Authority Data as of July 2024.

Richmond International Airport (RIC) Cargo, 2022-2024 YTD

Since 2022, an average of 16 million pounds of cargo has moved through RIC each month. May 2024's 20.3 million pounds was the most cargo through the facility since Jan. 2014. Since Jan. 2022, cargo moving through the RIC has increased an average of 1 percent per month. Service providers include FedEx Express, USP Air Cargo, DHL and Southwest Airlines.

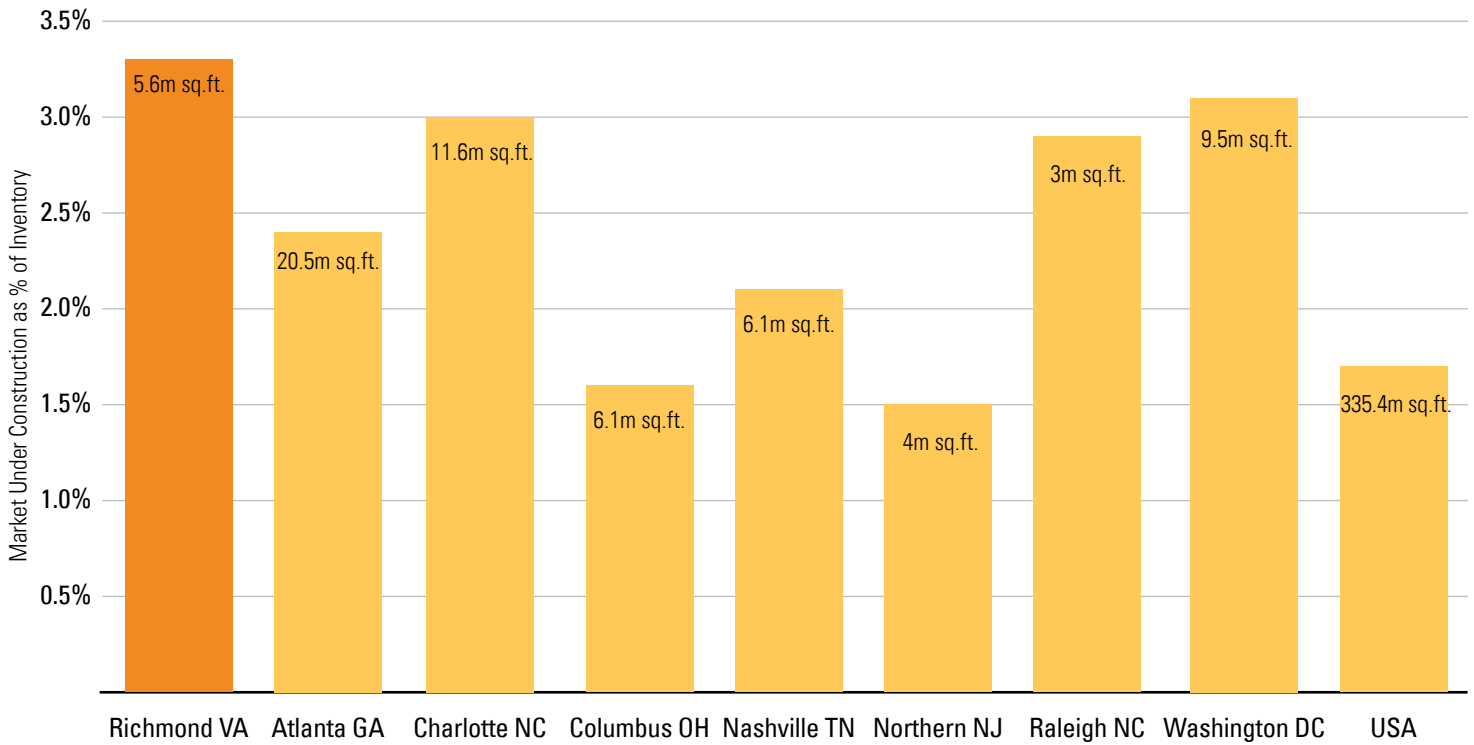


Source: Richmond International Airport, Nov. 2024.



Industrial Real Estate Under Construction

Greater Richmond has the highest share of industrial property under construction among its comparison communities, with 5.6 million square feet of manufacturing or distribution space being built, equal to 3.3 percent of the existing inventory.

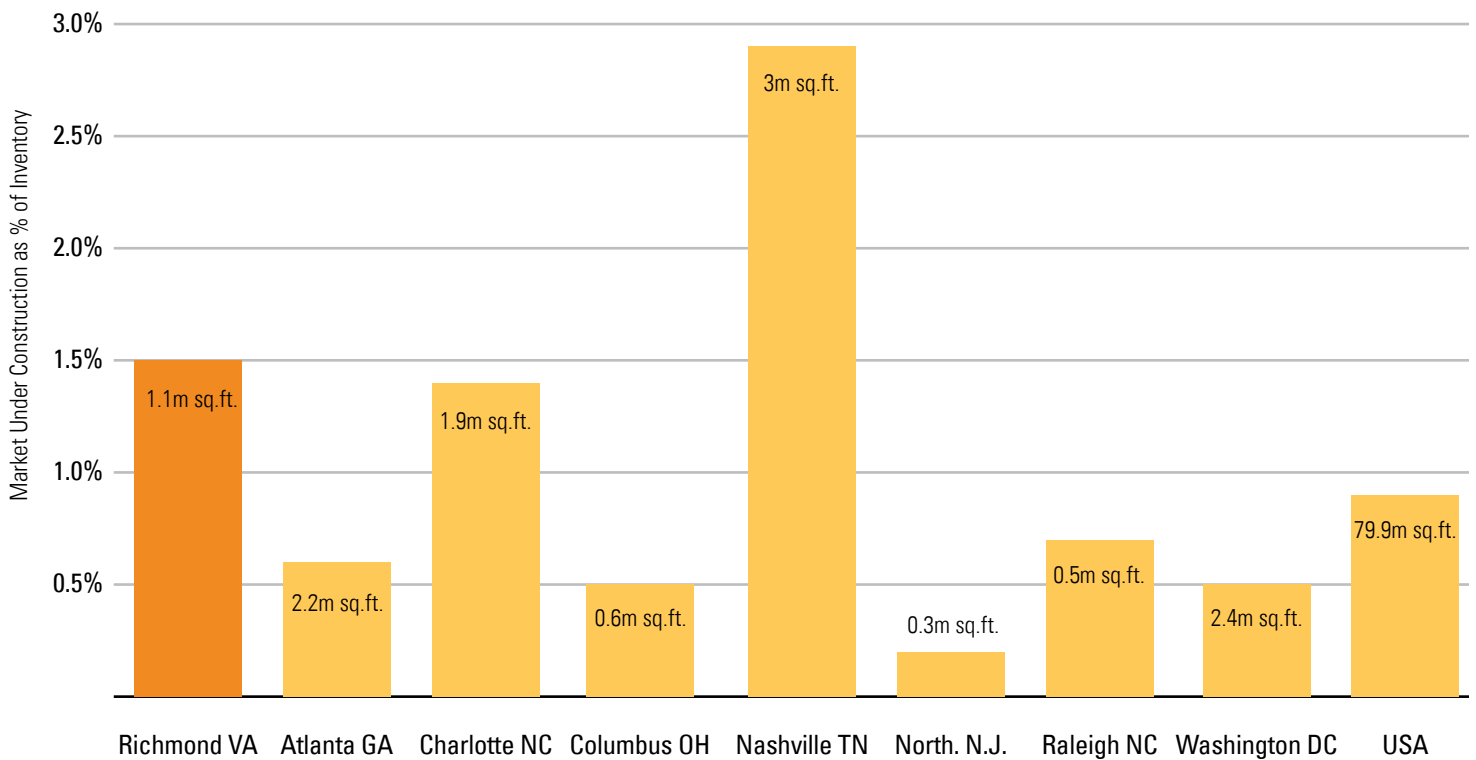


Market	Under Construction Square Feet	Under Construction as % of Inventory
Richmond VA	5.6m	3.3%
Atlanta GA	20.5m	2.4%
Charlotte NC	11.6m	3.0%
Columbus OH	6.1m	1.6%
Nashville TN	6.1m	2.1%
Northern NJ	4m	1.5%
Raleigh NC	3m	2.9%
Washington DC	9.5m	3.1%
USA	335.4m	1.7%

Source: CoStar, November 2024

Office Real Estate Under Construction

The construction of CoStar's 26-story, \$460 million office building in downtown Richmond has put Greater Richmond near the top of the list among its comparison communities for share of office space under construction. Nashville leads the group with its nearly-complete 1.5 million square foot Nashville Yards Pinnacle Tower project.



Market	Under Construction Square Feet	Under Construction as % of Inventory
Richmond VA	1.1m	1.5%
Atlanta GA	2.2m	0.6%
Charlotte NC	1.9m	1.4%
Columbus OH	0.6m	0.5%
Nashville TN	3m	2.9%
Northern NJ	0.3m	0.2%
Raleigh NC	0.5m	0.7%
Washington DC	2.4m	0.5%
USA	79.9m	0.9%

Source: CoStar, November 2024

GRP Research Committee

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