



ECONOMIC INDICATORS[®]

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

FEBRUARY 2020

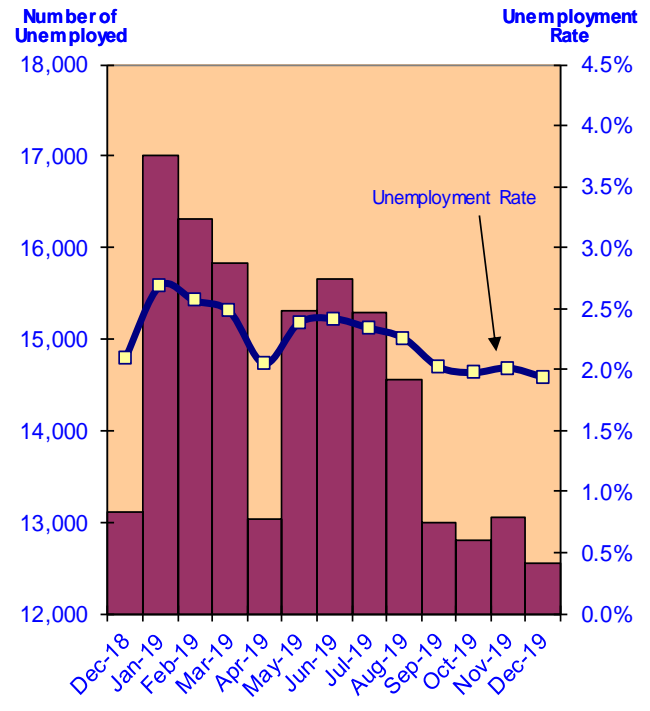
IN THIS ISSUE:

- The unemployment rate in Fairfax County decreased 0.1 percentage point to 1.9 percent in December.
(See page 1)
- Sales tax receipts in Fairfax County are up 6.2 percent through the first seven months of the fiscal year.
(See page 2)
- The Consumer Confidence Index increased in January for the third straight month.
(See page 2)
- The number of homes sold in Fairfax County in January decreased 3.6 percent from a year earlier.
(See page 3)
- In January 2020, the average sales price of all homes sold in Fairfax County increased 7.7 percent compared to the average sale price in January 2019.
(See page 3)
- The number of active listings of homes for sale in the County decreased 15.6 percent in January from a year ago.
(See page 4)
- A 30-year fixed rate mortgage averaged 3.47 percent in February, down from 3.62 percent in the previous month.
(See page 4)

Previous issues of this publication can be accessed at:

<https://www.fairfaxcounty.gov/budget/economic-indicators>

FAIRFAX COUNTY UNEMPLOYMENT DATA



Source: Virginia Employment Commission. Compiled by the Fairfax County Department of Management and Budget.

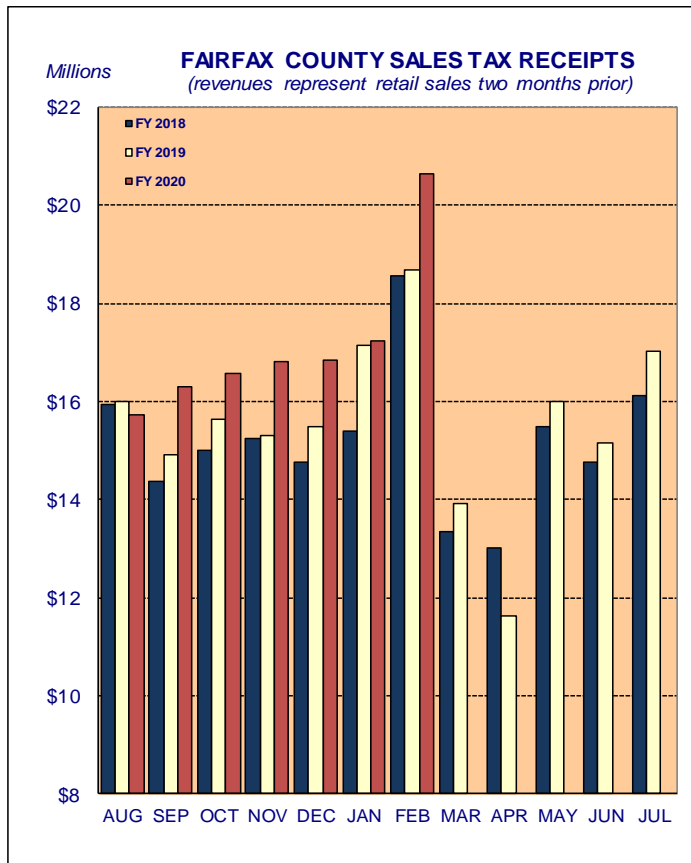
Employment

Compared to November, the December unemployment rate in Fairfax County decreased 0.1 percentage point to 1.9 percent. The number of unemployed residents decreased over the month from 13,051 to 12,257. The County's unemployment rate was down 0.2 percentage point from December 2018. The rate was the lowest it has been since April 2001.

The seasonally adjusted unemployment rate in Virginia in December remained unchanged at 2.7 percent. The rate was down 0.3 percentage point from December 2018.

The U.S. seasonally adjusted unemployment rate in December was unchanged at 3.5 percent. The rate was down 0.4 percentage point from a year ago. Total nonfarm payroll employment increased by 145,000 in December. Over the last three months, job gains have averaged 184,000 per month.

Sales Tax Receipts



Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

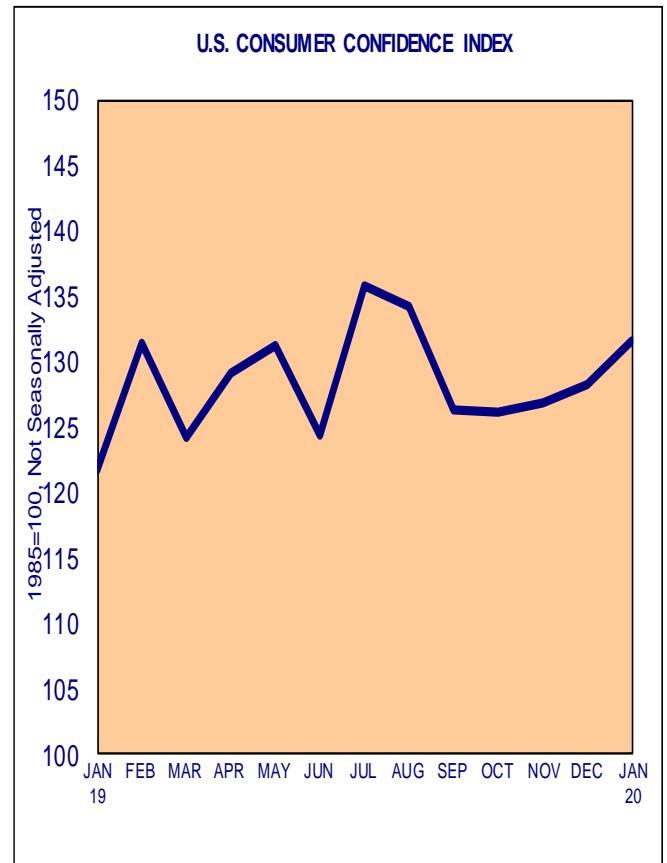
Sales Tax receipts distributed to Fairfax County in February for retail purchases made in December were \$20.6 million, an increase of 10.5 percent over February 2019. During the first seven months of FY 2020, Sales Tax receipts are up 6.2 percent over FY 2019. It is likely that a significant part of the increase is due to a new law passed by the Virginia General Assembly and signed by the Governor requiring the collection of state and local sales taxes from remote internet sellers. The law went into effect on July 1, 2019.

NATIONAL INDICATORS

Case-Shiller Home Price Indices

Based on the latest available data, home prices in 20 U.S. cities, as measured by the S&P Case-Shiller home price index, increased 2.9 percent for the 12 months ending in December. Home prices in the Washington Metropolitan area posted a 3.4 percent gain during the same period. Craig J. Lazzara, Managing Director and Global Head of Index Investment Strategy, said that, "As was the case last month, after a long period of decelerating price increases, the National, 10-City, and 20-City Composites all rose at a modestly faster rate in December than they had done in November." He added that, "It is, of course, too soon to say whether this marks an end to the deceleration or is merely a pause in the longer-term trend."

Consumer Confidence Index



Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget.

The Consumer Confidence Index increased in January for the third straight month. It now stands at 131.6 (1985=100), up from 128.2 a month ago. Both the present situation component and the expectations component increased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, "Consumer confidence increased in January, following a more modest increase in December, driven primarily by a more positive assessment of the current job market and increased optimism about future job prospects." She added that, "Optimism about the labor market should continue to support confidence in the short-term and, as a result, consumers will continue driving growth and prevent the economy from slowing in early 2020."

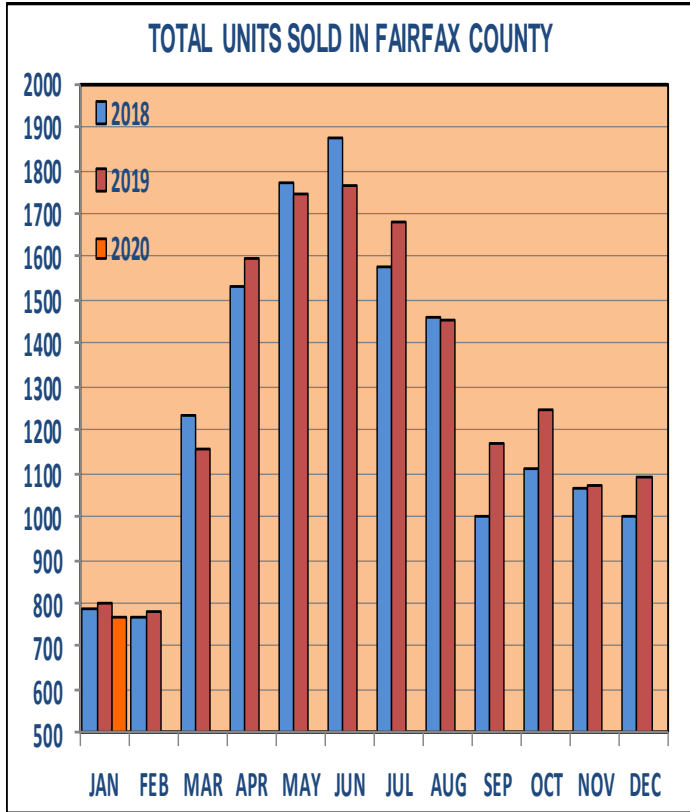
Gross Domestic Product

According to the second estimate released by the Bureau of Economic Analysis, real gross domestic product increased at an annual rate of 2.1 percent in the fourth quarter of 2019, after growing 2.1 percent in the third quarter. For all of 2019, the U.S. economy is estimated to have grown 2.3 percent, compared to an increase of 2.9 percent in 2018.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

In January, 770 homes were sold in Fairfax County, a decrease of 3.6 percent from the 799 homes that were sold in January 2019.

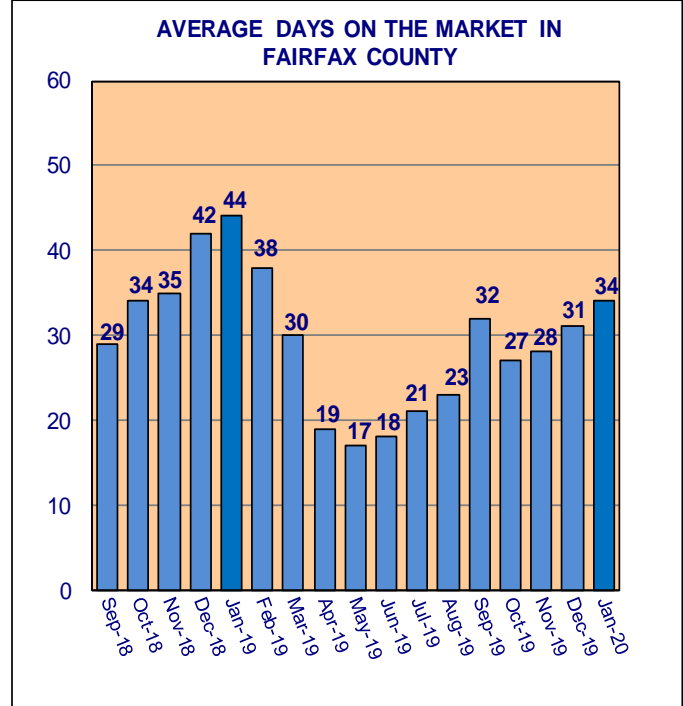


Source: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.

Average Days on the Market

On average, homes that sold in Fairfax County in January were on the market for 34 days. This is 10 days fewer than the 44-day average in January 2019.

Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Average selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read more about Fairfax County tax assessments, please visit: <https://www.fairfaxcounty.gov/taxes/real-estate>



Source: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.

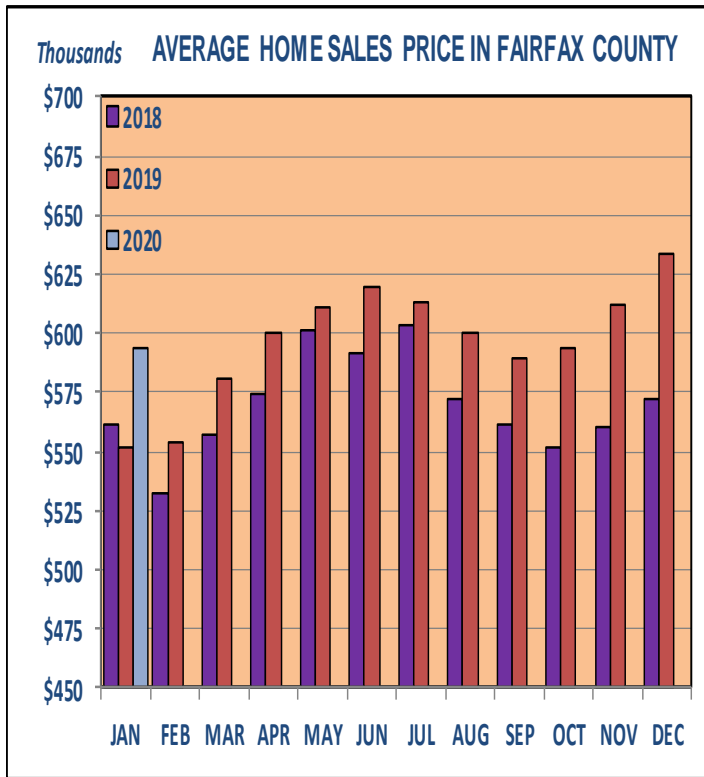
Average Home Sales Prices

The average sales price of all homes that sold in January 2020 in Fairfax County was \$594,005, an increase of 7.7 percent over the January 2019 average sales price of \$551,694. The average sales price was down 1.2 percent compared to the annual 2019 average home sales price of \$601,506.

The average sales price for detached homes that sold in January 2020 was \$794,161, an increase of 8.9 percent over the January 2019 average of \$729,209. The average sales price of attached homes increased by 9.5 percent over the same period.

FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN JAN 2020 COMPARED TO SALES IN JAN 2019

	JAN 2020	JAN 2019	% Change
All Homes	\$594,005	\$551,694	7.7%
Detached Homes	\$794,161	\$729,209	8.9%
Attached Homes	\$414,606	\$378,718	9.5%



Source: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.

30-Year Fixed Rate Mortgage

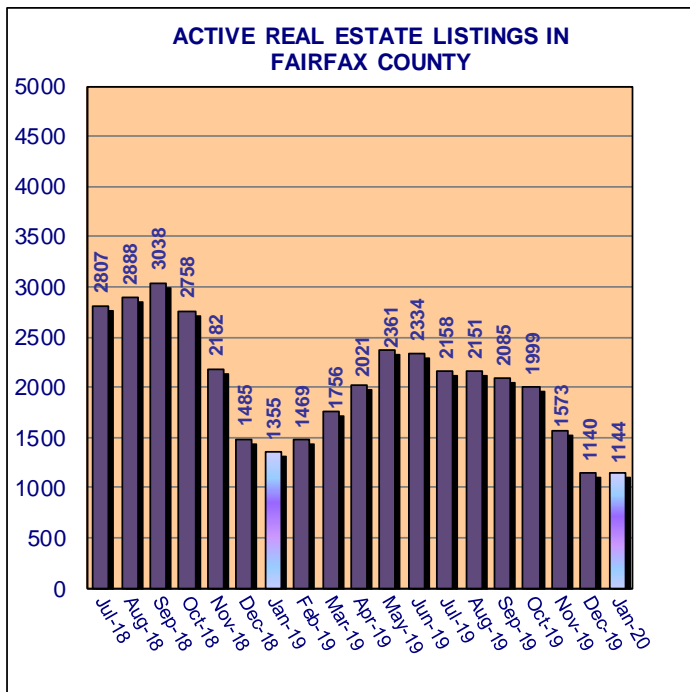
According to Freddie Mac, the average 30-year fixed rate mortgage interest rate decreased to 3.47 percent in February, down from 3.62 percent a month ago. A year ago, the average 30-year mortgage interest rate was 4.33 percent. The February rate was the lowest since October 2016.



Source: Freddie Mac. Compiled by the Fairfax County Department of Management and Budget.

Inventory of Homes for Sale

The number of active listings in the County in January was 1,144, a decrease of 15.6 percent from the 1,355 listings in January 2019. Based on the January 2020 listings and the current sales rate, there is approximately a 1.5-month supply of homes for sale in the County, less than the 1.7-month supply a year ago.



Source: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.

The Department of Management and Budget
12000 Government Center Parkway
Suite 561
Fairfax, Virginia 22035-0074
(703) 324-2391 or TTY 711 (Virginia Relay Center)

Staff: Albena Assenova, Revenue and Economic Analysis Coordinator; Eric Eisinger, Budget Analyst