

ECONOMIC INDICATORS[®]

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

OCTOBER 2023

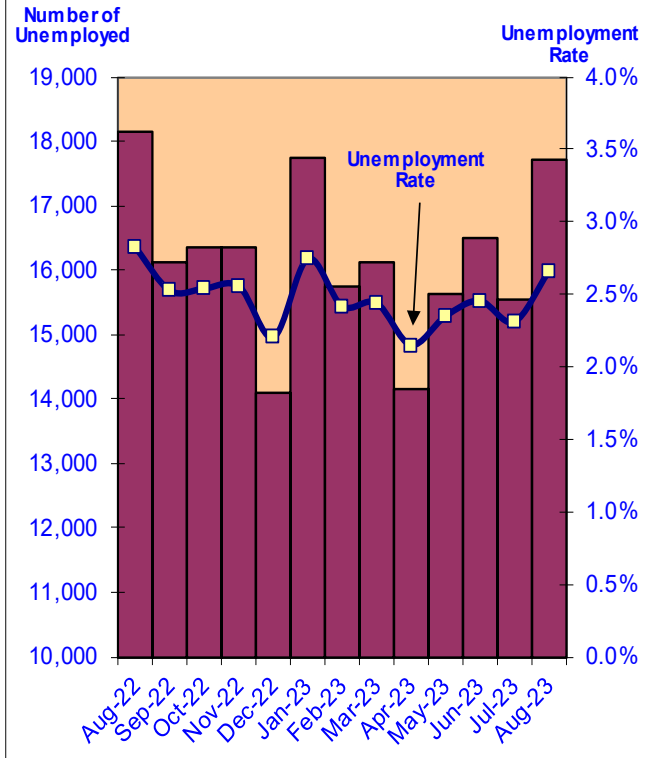
IN THIS ISSUE:

- The unemployment rate in Fairfax County increased from 2.3 percent in July to 2.7 percent in August. (See page 1)
- October Sales tax receipts for purchases made in August decreased 1.7 percent compared to last October. (See page 2)
- The Consumer Confidence Index continued to pull back in October, marking three consecutive months of continuous decline. (See page 2)
- The number of homes sold in Fairfax County in September 2023 decreased 21.0 percent from a year earlier. (See page 3)
- In September 2023, the average sales price of all homes sold in Fairfax County increased 2.6 percent compared to September 2022. (See page 3)
- The number of active listings of homes for sale in the County in September 2023 decreased 32.8 percent from a year earlier. (See page 4)
- The average 30-year fixed rate mortgage interest rate increased to 7.20 percent in September, up from 6.11 percent a year ago. (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

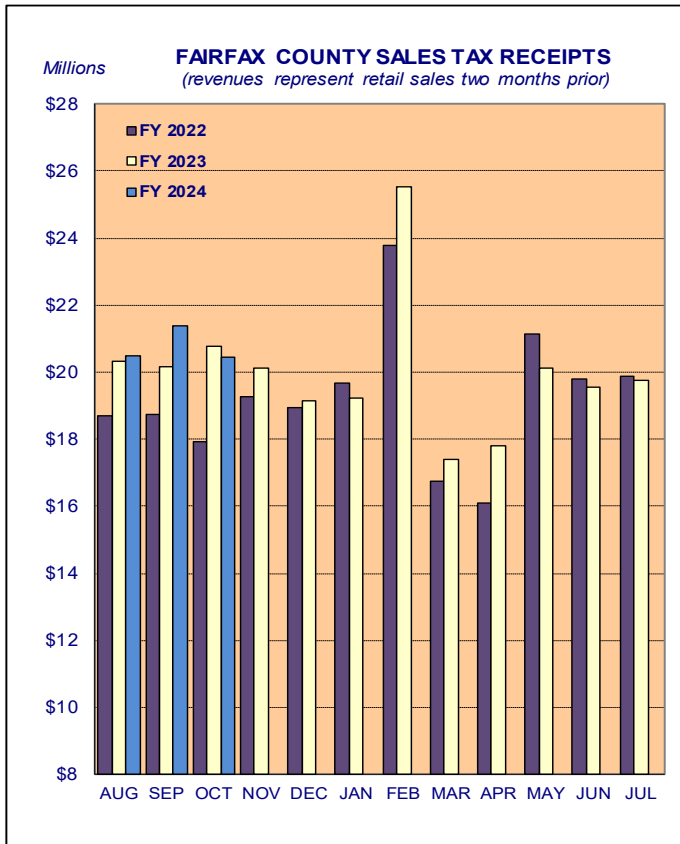
Employment

The August unemployment rate in Fairfax County increased to 2.7 percent, up from 2.3 percent in July. The number of unemployed residents increased from 15,537 to 17,725. The County's unemployment rate was down 0.1 percentage point compared to August 2022.

The seasonally adjusted unemployment rate in Virginia stayed at 2.5 percent in August. The rate was down 0.3 percentage point compared to August 2022.

Compared to July, the U.S. seasonally adjusted unemployment rate in August increased 0.3 percentage point to 3.8 percent. The rate was up 0.1 percentage point from a year ago. Total nonfarm payroll employment increased by 187,000 jobs in August, down from the average monthly gain of 271,000 over the prior 12 months.

Sales Tax Receipts



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

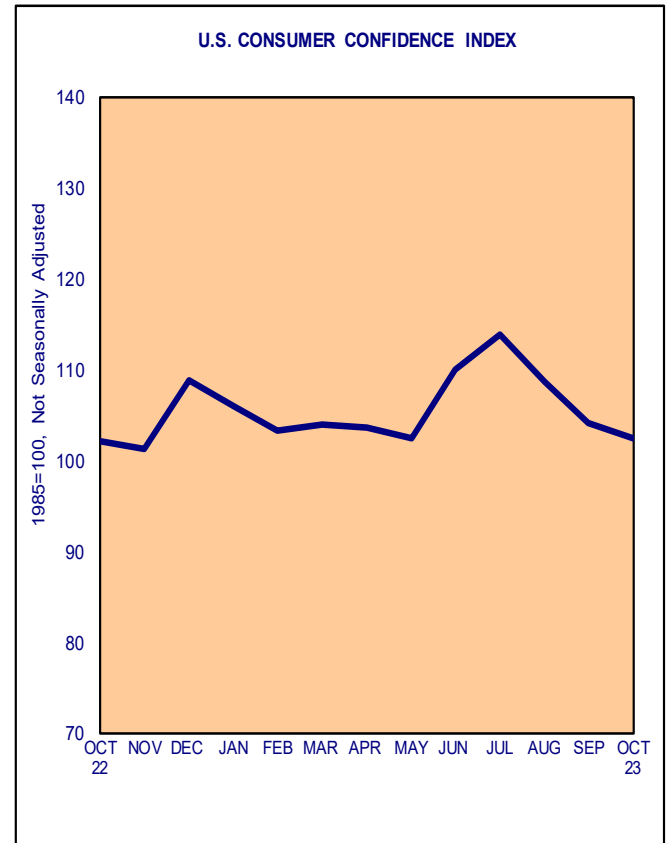
Sales Tax receipts distributed to Fairfax County in October for retail purchases made in August were \$20.4 million, a decrease of 1.7 percent compared to October 2022. For the first 3 months of FY 2024, Sales Tax receipts are up 1.7 percent compared to the previous year.

NATIONAL INDICATORS

Case-Shiller Home Prices 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 2.2 percent for the 12 months ending in August. Home prices in the Washington Metropolitan area increased by 3.4 percent during the same period. Craig J. Lazzara, Managing Director and Global Head of Index Investment Strategy, said that, "The year's increase in mortgage rates has surely suppressed housing demand, but after years of very low rates, it seems to have suppressed supply even more. Unless higher rates or other events lead to general economic weakness, the breadth and strength of this month's report are consistent with an optimistic view of future results."

Consumer Confidence Index



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

The Consumer Confidence Index declined again in October to 102.6 from 104.3 in September, marking three months of continuous decline. Both the present situation component and expectations component decreased. The Expectations Index is still below 80, the level which often signals a recession within the next year. Dana Peterson, Chief Economist at the Conference Board, said that, "Write-in responses showed that consumers continued to be preoccupied with rising prices in general, and for grocery and gasoline prices in particular. Consumers also expressed concerns about the political situation and higher interest rates. Worries around war/conflicts also rose, amid the recent turmoil in the Middle East." She added that, "Assessments of the present situation were driven by less optimistic views on the state of business conditions, but consumers' rating of current job availability held steady."

Consumer Price Index (CPI)

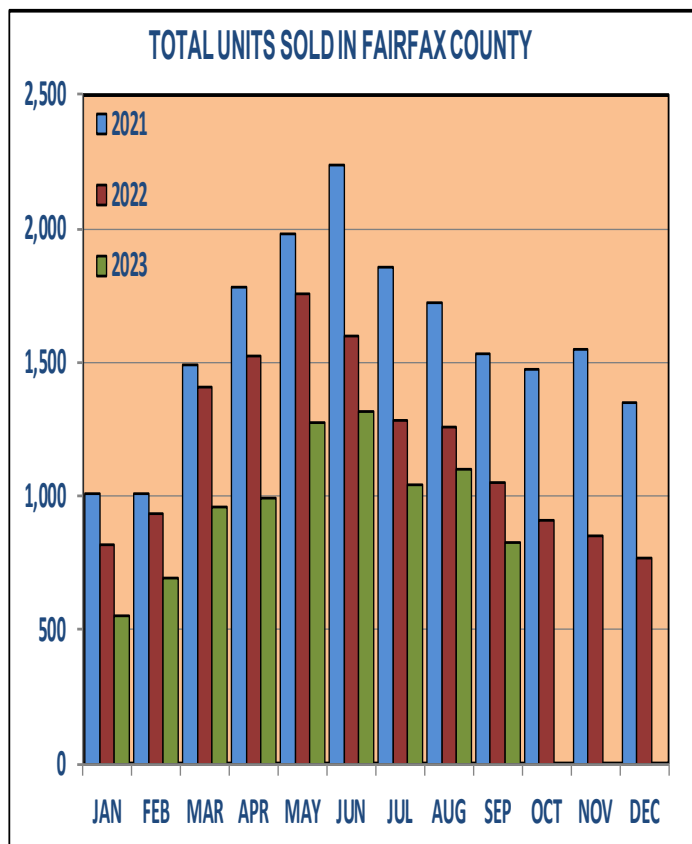
Compared to a year ago, the Consumer Price Index for all Urban Consumers (CPI-U) increased 3.7 percent in September before seasonal adjustments. The increases were led by a 7.2 percent increase in the cost of shelter, and a 3.7 percent increase in the cost of food. The cost of energy decreased 0.5

percent, and the cost of used cars and trucks decreased 8.0 percent. The September index for all items less food and energy increased 4.1 percent over the course of the last 12 months. The Federal Reserve target inflation rate is 2 percent.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

In September 2023, 830 homes were sold in Fairfax County, a decrease of 21.0 percent from the 1,051 homes that were sold in September 2022.

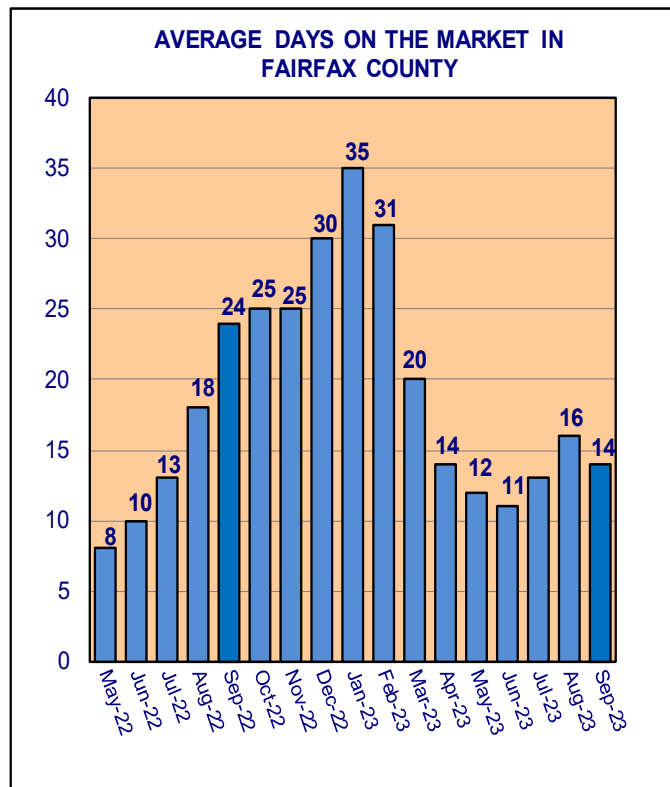


Source: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.

Average Days on the Market

On average, homes that sold in Fairfax County in September 2023 were on the market for 14 days, a decrease of 10 days compared to September 2022.

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.

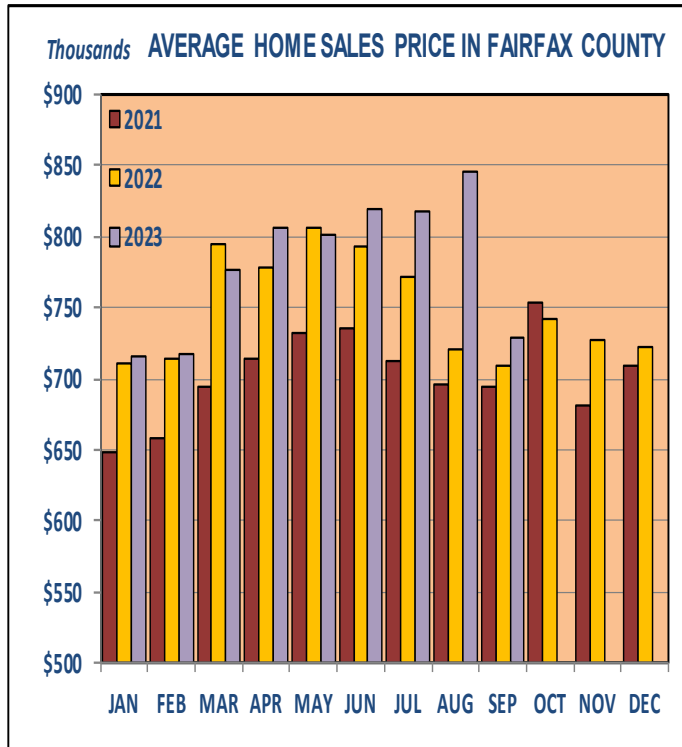
Average Home Sales Prices

The average sales price of all homes that sold in September 2023 in Fairfax County was \$728,206, an increase of 2.6 percent over the September 2022 average sales price of \$709,595. The average sales price was down 4.4 percent compared to the 2022 annual average home sales price of \$761,799.

The average sales price for detached homes that sold in September 2023 was \$993,138, an increase of 3.0 percent over the September 2022 average of \$964,392. The average sales price of attached homes decreased by 0.4 percent over the same period.

FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN SEP 2023 COMPARED TO SALES IN SEP 2022

	SEP 2023	SEP 2022	% Change
All Homes	\$728,206	\$709,595	2.6%
Detached Homes	\$993,138	\$964,392	3.0%
Attached Homes	\$498,479	\$500,281	-0.4%



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

30-Year Fixed Rate Mortgages

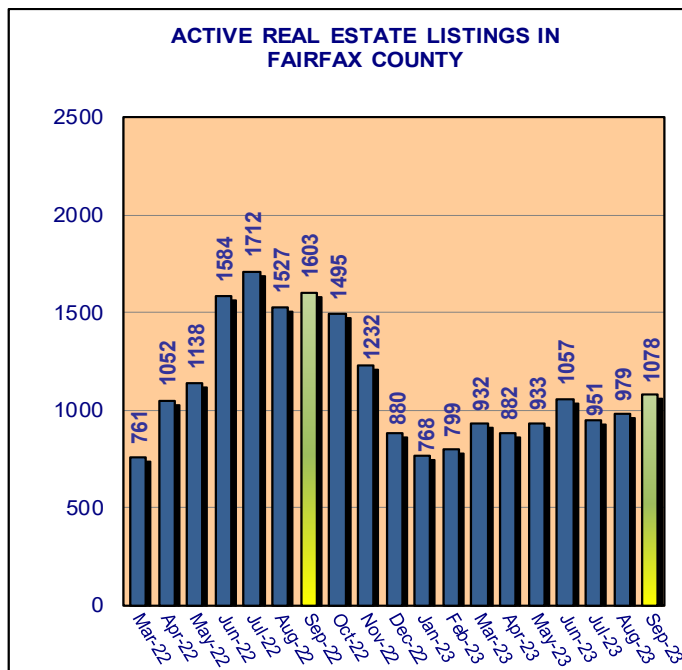
According to Freddie Mac, the average 30-year fixed rate mortgage interest rate in September increased to 7.20 percent, up from 7.05 percent a month ago. A year ago, the average 30-year mortgage rate was 6.11 percent. This is the highest level since 2001.



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

Inventory of Homes for Sale

The number of active listings for sale in the County in September 2023 was 1,078, a decrease of 32.8 percent from the 1,603 listings in September 2022. Based on the September 2023 listings and the current sales rate, there is approximately a 1.3-month supply of homes for sale in the County, less than the 1.5-month supply a year ago.



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

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