



ECONOMIC INDICATORS[®]

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

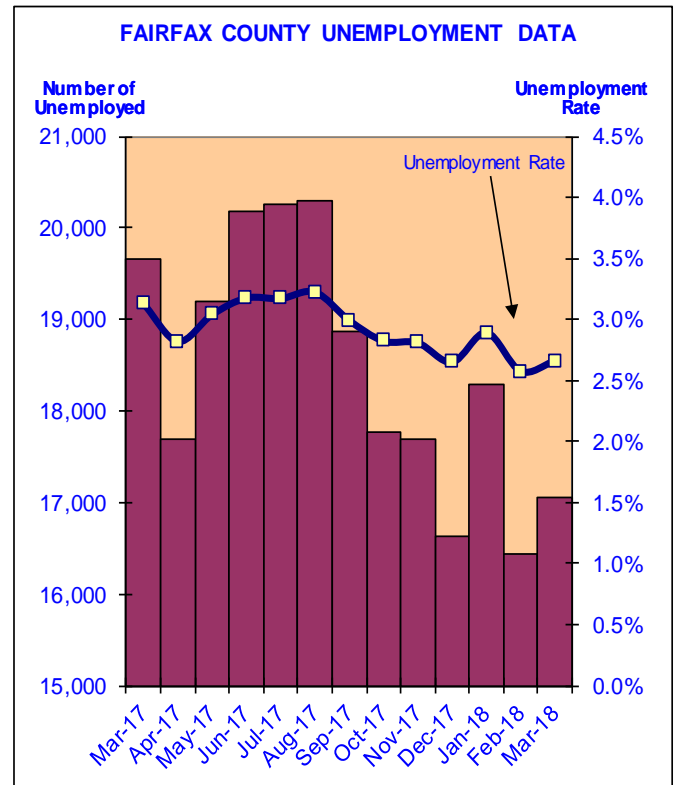
MAY 2018

IN THIS ISSUE:

- The March unemployment rate in Fairfax County increased to 2.7 percent. (See page 1)
- Sales tax receipts in May were up 2.2 percent. (See page 2)
- The Consumer Confidence Index increased in April after decreasing in March. (See page 2)
- The U.S. economy grew at an annual rate of 2.2 percent in the first quarter of 2018 after growing 2.9 percent in the fourth quarter of 2017. (See page 2)
- The number of homes sold in Fairfax County during April 2018 increased 5.5 percent from a year earlier. (See page 3)
- In April 2018, the average sales price of all homes sold in Fairfax County increased 2.6 percent compared to the average sale price in April 2017. (See page 3)
- The number of active listings of homes for sale in the County decreased 20.2 percent in April from a year ago. (See page 4)
- May 2018 Special report on Northern Virginia Employment. (See pages 5-6)

Previous issues of this publication can be accessed at:

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



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

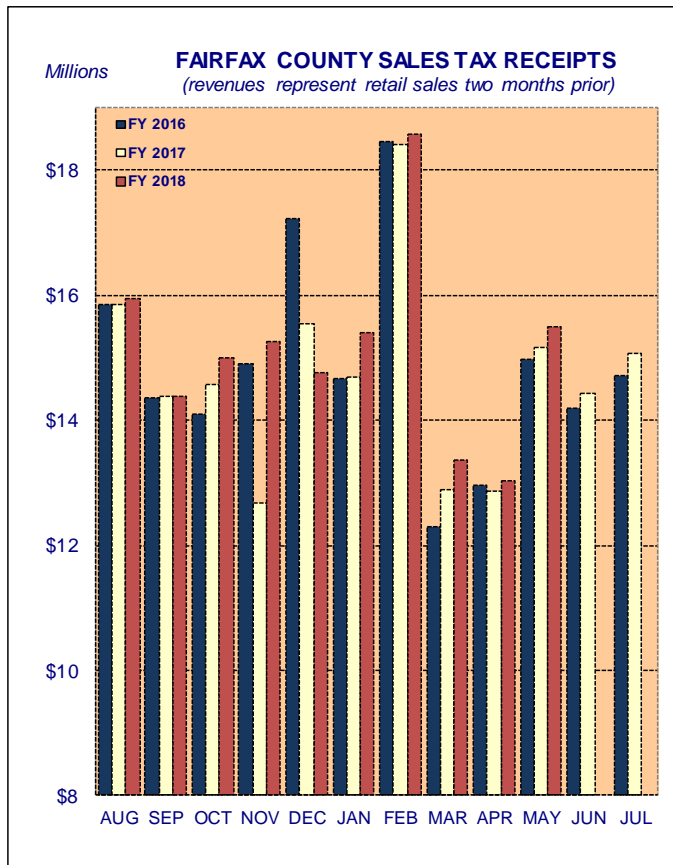
Employment

Compared to February, the March unemployment rate in Fairfax County increased 0.1 percentage point to 2.7 percent. The number of unemployed residents increased over the month from 16,438 to 17,047. The County's unemployment rate was down 0.4 percentage point from March 2017.

In March, the seasonally adjusted unemployment rate in Virginia decreased 0.1 percentage point from February to 3.4 percent. The rate was down 0.5 percentage point from March 2017.

The U.S. seasonally adjusted unemployment rate of 4.1 percent was unchanged in March. The rate was down 0.4 percentage point from a year ago. Total nonfarm payroll employment increased by 103,000 in March. Over the last three months, job gains have averaged 202,000 per month.

Sales Tax Receipts



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

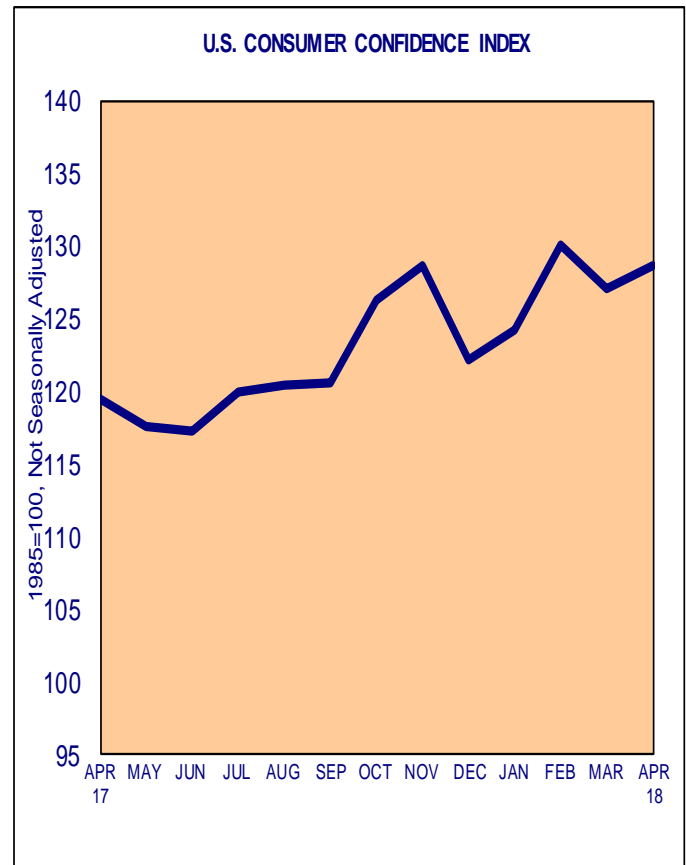
Sales Tax receipts distributed to Fairfax County in May for retail purchases made in March were \$15.5 million, an increase of 2.2 percent over May 2017. Through May, FY 2018 Sales Tax receipts are up 2.8 percent compared to the same period of FY 2017.

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 6.8 percent for the 12 months ending in March. Home prices in the Washington Metropolitan area posted a 3.0 percent gain during the same period, the second lowest rate of increase among the metropolitan areas in the index. David M. Blitzer, Managing Director and Chairman of the Index Committee, said that, "Looking across various national statistics on sales of new or existing homes, permits for new construction, and financing terms, two figures that stand out are rapidly rising home prices and low inventories of existing homes for sale." He added that, "Until inventories increase faster than sales, or the economy slows significantly, home prices are likely to continue rising."

Consumer Confidence Index



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

The Consumer Confidence Index increased in April, following a decrease in March and now stands at 128.7 (1985=100), up from 127.0 a month ago. Both the present situation and the expectations component increased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, "Consumers' assessment of current conditions improved somewhat, with consumers rating both business and labor market conditions quite favorably." She added that, "Overall, confidence levels remain strong and suggest that the economy will continue expanding at a solid pace in the months ahead."

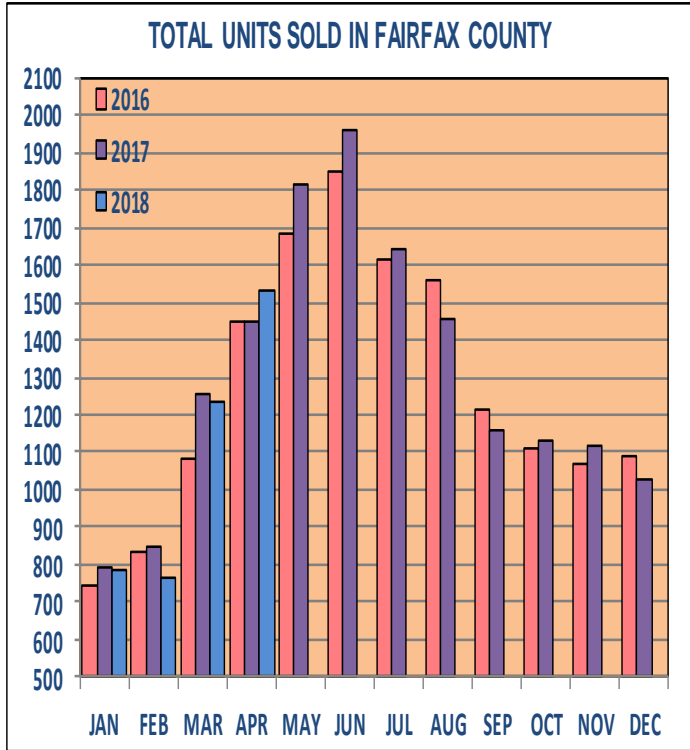
Gross Domestic Product

According to the revised estimate by the Bureau of Economic Analysis, real gross domestic product (GDP) increased at an annual rate of 2.2 percent in the first quarter of 2018, after growing 2.9 percent in the fourth quarter of 2017. In the initial estimate, the real GDP was reported to have increased 2.3 percent. The estimate will be revised once more based on more complete data before it is considered final.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

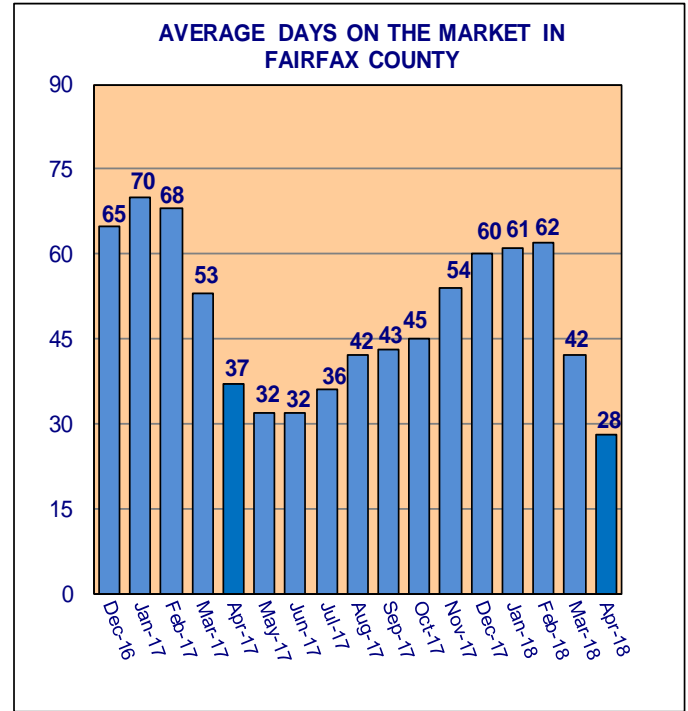
In April, 1,531 homes were sold in Fairfax County, an increase of 5.5 percent over the 1,451 homes sold in April 2017.



Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

Average Days on the Market

On average, homes that sold in Fairfax County in April were on the market for 28 days. This is 9 days fewer than the 37 day average in April 2017.



Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

Average Home Sales Prices

The average sales price of all homes that sold in April 2018 in Fairfax County was \$574,522, an increase of 2.6 percent over the April 2017 average sales price of \$560,067. The average April price was up 1.2 percent compared to the annual 2017 average home sales price of \$567,829.

The average sales price for detached homes that sold in April 2018 was \$746,782, an increase of 2.5 percent over the April 2017 average of \$728,655. The average sales price of attached homes increased 2.4 percent over the same period.

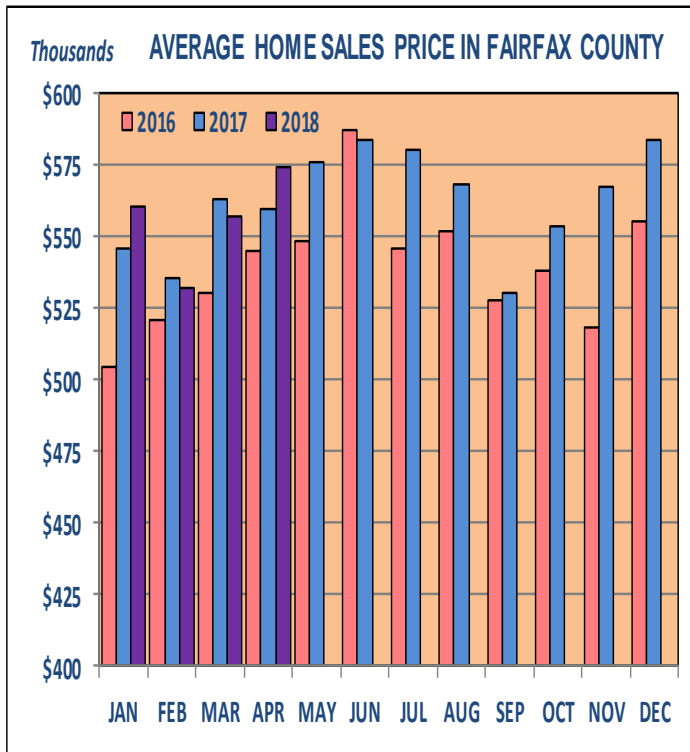
FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN APR 2018 COMPARED TO SALES IN APR 2017

	APR 2018	APR 2017	% Change
All Homes	\$574,522	\$560,067	2.6%
Detached Homes	\$746,782	\$728,655	2.5%
Attached Homes	\$391,829	\$382,656	2.4%

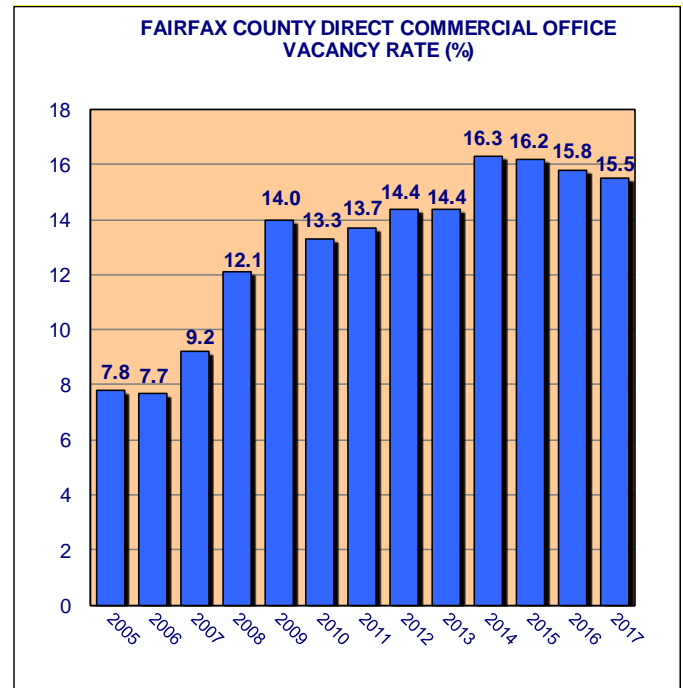
Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Average selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read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

Commercial Office Market

According to the Fairfax County Economic Development Economic Authority (FCEDA), the direct office vacancy rate was 15.5 percent at year-end 2017, down from 15.8 percent at year-end 2016. The overall vacancy rate, which includes sublet space, was 16.3 percent, down from 16.8 percent at year-end 2016. Gross office leasing totaled 11.7 million square feet, the fourth-highest total ever for Fairfax County. New office construction continues throughout Fairfax County. At year's end, six office buildings totaling nearly 2.3 million square feet were underway. Fairfax County continues to be the second-largest suburban office market in the United States, behind only Orange County, California.



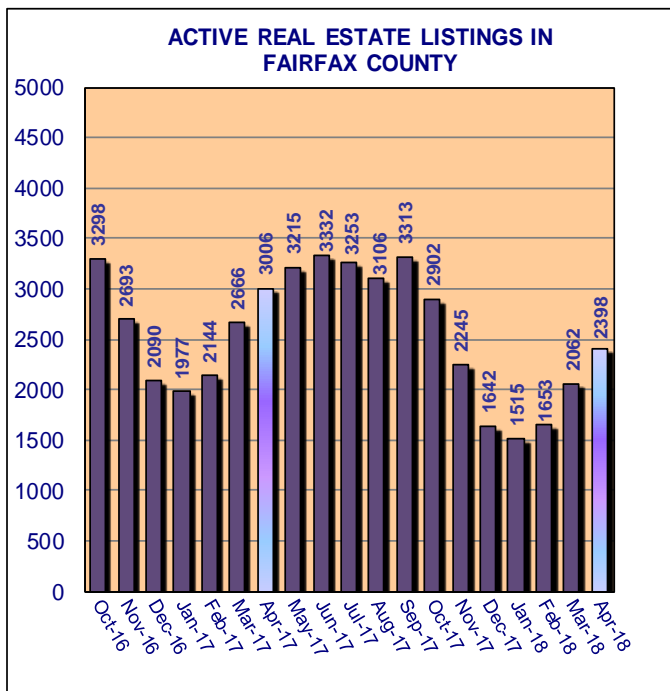
Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.



Source: Fairfax County Economic Development Authority. Compiled by the Fairfax County Department of Management and Budget.

Inventory of Homes for Sale

The number of active listings in the County in April was 2,398, a decrease of 20.2 percent from the 3,006 listings in April 2017. Based on the April 2018 listings and the current sales rate, there is approximately a 1.6 month supply of homes for sale in the County, less than the 2.1 month supply a year ago.



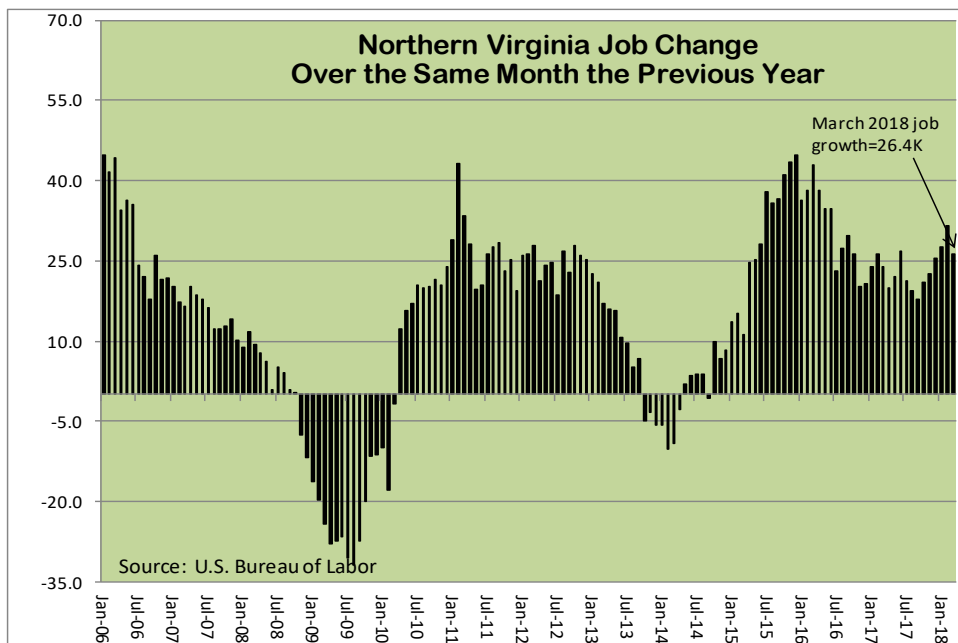
Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

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Special Report – May 2018 Northern Virginia Employment

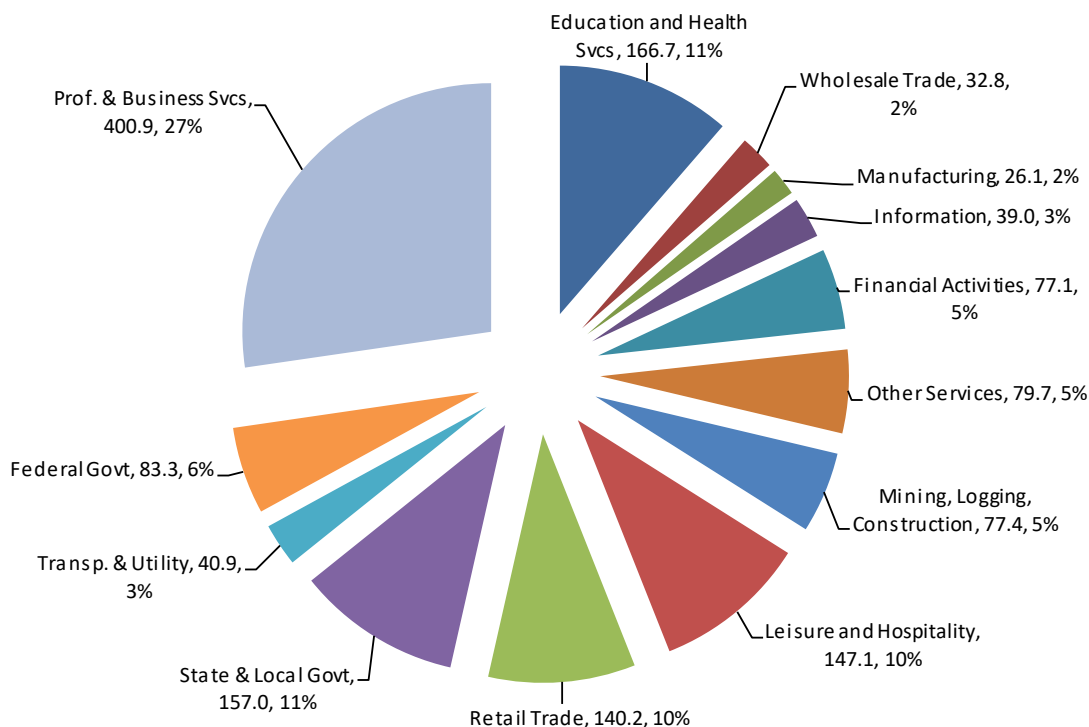
Based on data from the U.S. Bureau of Labor Statistics, the Northern Virginia region experienced job growth at an annual rate of 1.8 percent in March 2018. Prior to the recession, annual job growth from 2003 through 2007 rose at a rate of 2.9 percent. Growth stagnated in 2008, rising just 0.2 percent. The area lost 22,900 jobs in 2009, a drop of 1.7 percent. Employment growth resumed in 2010 and averaged 1.6 percent per year from 2010 through 2012. Federal sequestration and reductions in procurement spending led to job losses in late 2013 and 2014, primarily in the Professional and Business Services sector, and limited average overall job growth to an annual rate of 0.4 percent over those two years. Job growth averaged 2.1 percent in 2015 and 2016 before slipping to 1.6 percent in 2017. As of March 2018, total nonfarm employment in Northern Virginia was 1,468,200, a gain of 26,400 jobs since March 2017.



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Jobs by Sector in Northern Virginia

Employment in the Professional and Business Services sector was 400,900 in March 2018, 27 percent of the total jobs in Northern Virginia.

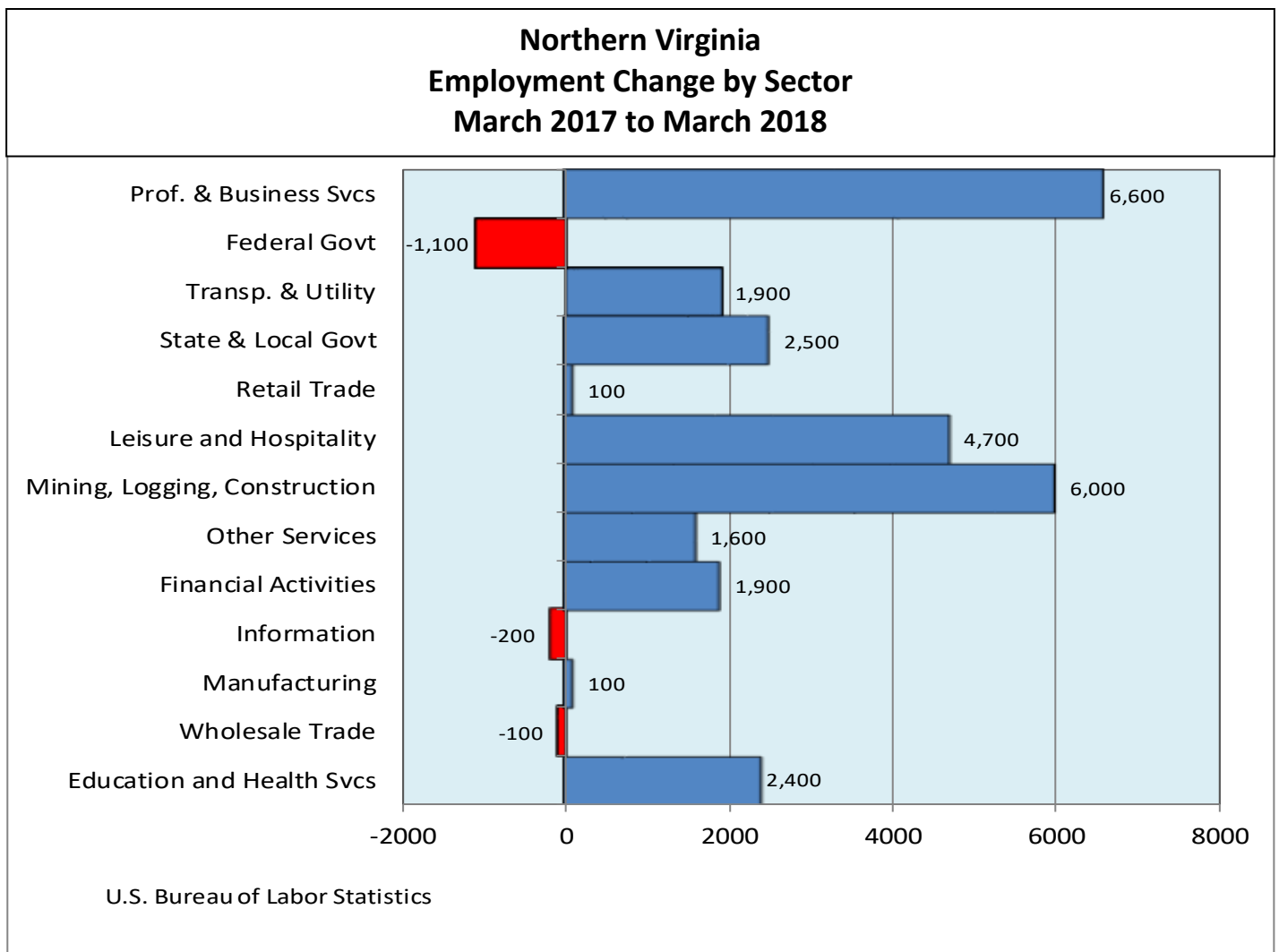


Note: Total employment in March 2018 was 1,468,200. Employment figures in the graph above are in thousands.

The Professional and Business Services sector includes such jobs as attorneys, federal contractors, and businesses that provide services to other businesses such as printing and computer services. The Education and Health Services and State and Local government sectors each make up approximately 11 percent of total employment in Northern Virginia, while the Retail Trade and the Leisure and Hospitality sectors each make up approximately 10 percent. Federal government jobs represent 6 percent of total employment in the area.

Change by Sector

Of the 26,400 net new jobs created over the year ending March 2018, a quarter, or 6,600 jobs, were in the Professional and Business Services sector, which increased by 1.7 percent over March 2017. There were also significant increases in the number of jobs in the Mining, Logging, and Construction sector, which increased by 6,000 jobs or 8.4 percent, and Leisure and Hospitality, which increased by 4,700 jobs or 3.3 percent. The number of Federal Government jobs decreased by 1,100 jobs or 1.3 percent.



Employment in Fairfax County

Fairfax County specific employment data by sector are reported on a delayed basis and are currently available through the third quarter of 2017. In September 2017, total non-farm employment in the County was 603,005, an increase of nearly 4,400 jobs or 0.7 percent compared to the previous September. After falling 1.2 percent in 2014, employment rose 1.3 percent in 2015 and 1.4 percent in 2016. The sectors with the largest employment gains included Financial Activities, which increased by 2,051 employees or 5.8 percent, and Professional and Business Services, which increased by 1,737 employees or 0.8 percent.