

ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

JANUARY 2024

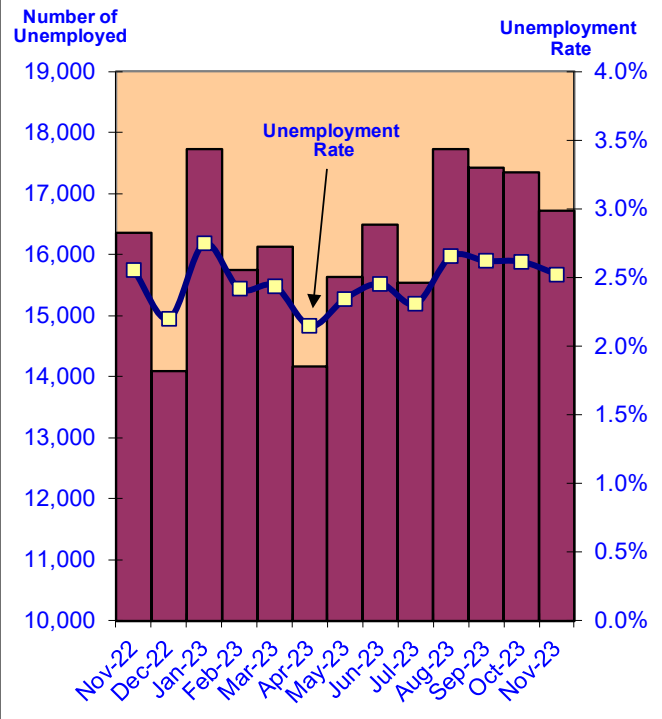
IN THIS ISSUE:

- The November unemployment rate in Fairfax County was 2.5 percent, 0.1 percentage point down from a year ago. (See page 1)
- January Sales tax receipts for purchases made in November increased 9.7 percent compared to last January. (See page 2)
- The Consumer Confidence Index increased for a third consecutive month in January. (See page 2)
- The number of homes sold in Fairfax County in December 2023 decreased 18.4 percent from a year ago. (See page 3)
- In December 2023, the average sales price of all homes sold in Fairfax County increased 9.4 percent compared to December 2022. (See page 3)
- The number of active listings of homes for sale in the County in December 2023 decreased 25.7 percent from a year earlier. (See page 4)
- As of year-end 2023, the direct office vacancy rate in Fairfax County increased to 17.2 percent. Office leasing has recovered to about two-thirds of the pre-pandemic average. (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

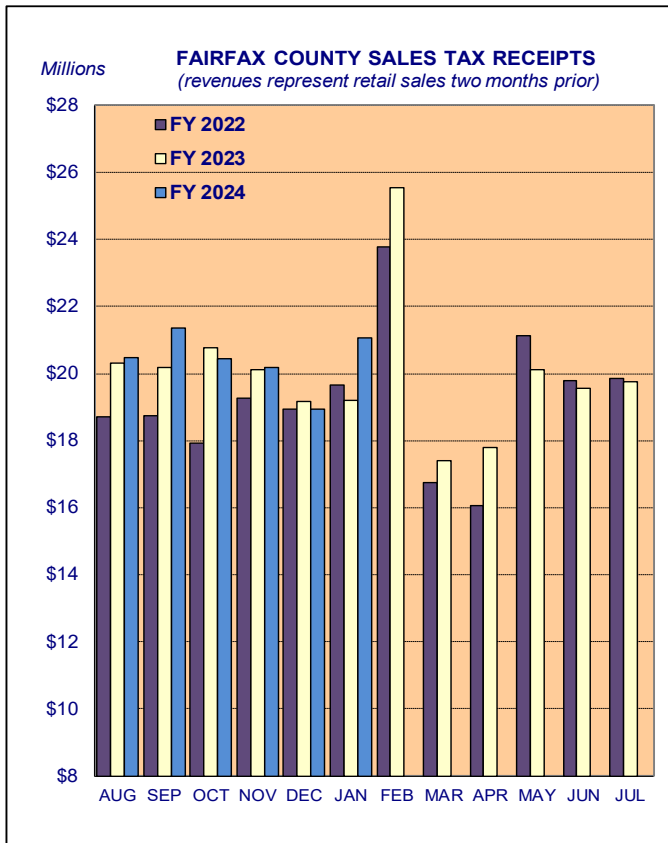
Employment

Compared to October, the November unemployment rate in Fairfax County decreased from 2.6 percent to 2.5 percent. The number of unemployed residents decreased from 17,354 to 16,729. The County's unemployment rate was down 0.1 percentage point compared to November 2022.

Compared to October, the seasonally adjusted unemployment rate in Virginia increased 0.2 percentage point in November to 2.9 percent. The rate was down 0.3 percentage point compared to November 2022.

The U.S. seasonally adjusted unemployment rate in November declined to 3.7 percent. The rate was up 0.1 percentage point from a year ago. Total nonfarm payroll employment increased by 199,000 jobs in November, below the average monthly gain of 240,000 jobs over the prior 12 months.

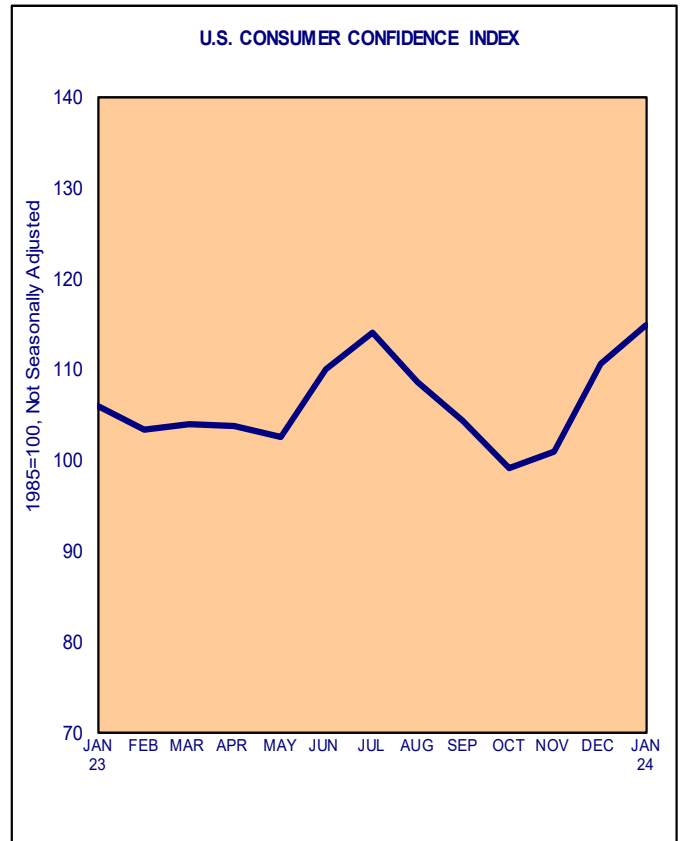
Sales Tax Receipts



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

Sales Tax receipts distributed to Fairfax County in January for retail purchases made in November were \$21.1 million, an increase of 9.7 percent compared to January 2023. For the first 6 months of FY 2024, Sales Tax receipts are up 2.3 percent compared to the previous year.

Consumer Confidence Index



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

The Consumer Confidence Index increased again in January for a third consecutive month to 114.8, up from 108.0 in December. Both the present situation component and the expectations component increased. This was the highest reading since December 2021. Dana Peterson, Chief Economist at the Conference Board, said that, "January's increase in consumer confidence likely reflected slower inflation, anticipation of lower interest rates ahead, and generally favorable employment conditions as companies continue to hoard labor." The index noted a strong improvement in January in consumers' assessment of the current business and market conditions, although around two-thirds of the surveyed families still expect a downturn in 2024.

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 5.4 percent for the 12 months ending in November. Home prices in the Washington Metropolitan area increased by 4.7 percent during the same period. This is the largest year-over-year growth rate in 2023. However, for the first time since January 2023, the index edged down 0.2 percent on a month-over-month basis, marking the end of the nine-month streak of continuous gains. Brian D. Luke, Head of Commodities, Real & Digital assets, said that, "The house price decline came at a time where mortgage rates peaked, with the average Freddie Mac 30-year fixed rate mortgage nearing 8 percent, according to Federal Reserve data." He added that, "The rate has since fallen over 1 percent[age point], which could support further annual gains in home prices."

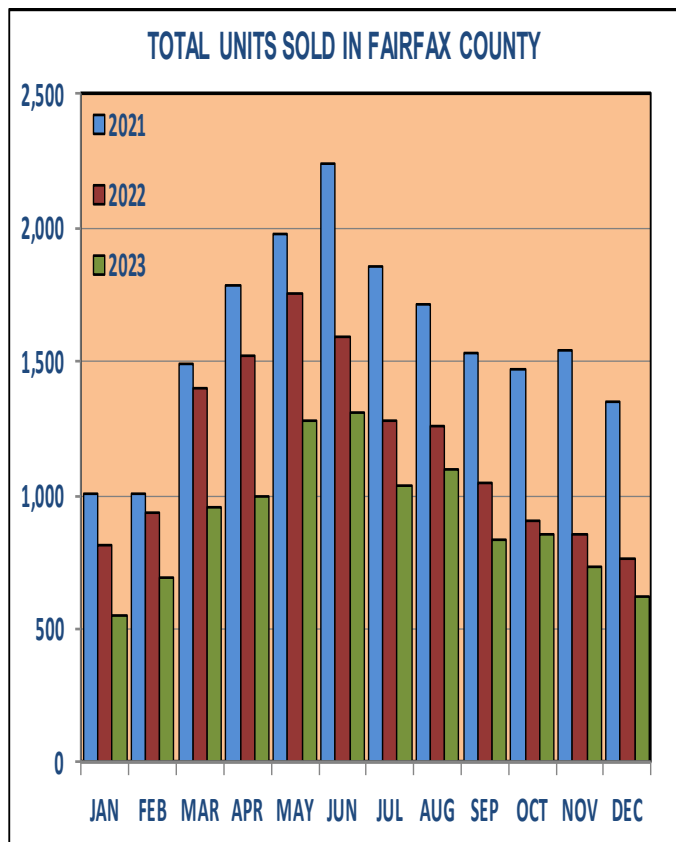
Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 3.2 percent in the fourth quarter of 2023 according to the revised estimate released by the Bureau of Economic Analysis (BEA). This is 0.1 percentage point lower than the advance estimate released in January. In the third quarter, real GDP increased a strong 4.9 percent. The deceleration in the fourth quarter primarily reflected a slowdown in private inventory investment, as well as in consumer spending and federal government spending.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

In December 2023, 624 homes were sold in Fairfax County, a decrease of 18.4 percent from the 765 homes that were sold in December 2022. For all of 2023, the number of home sales decreased 22.5 percent to 11,218 from 14,484 in 2022.

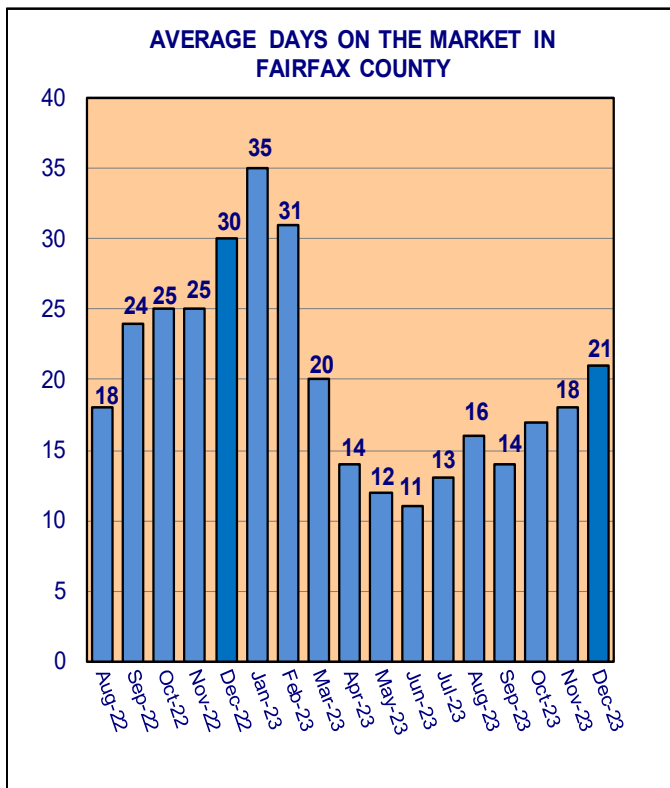


Source: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.

Average Days on the Market

On average, homes that sold in Fairfax County in December 2023 were on the market for 21 days, a decrease of 9 days compared to December 2022. For all of 2023, homes were on the market for 18 days on average before they were sold, one day less compared to 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 December 2023 in Fairfax County was \$790,444, an increase of 9.4 percent over the December 2022 average sales price of \$722,733. For all of 2023, the average home sales price increased 3.8 percent to \$790,367 compared to the 2022 average of \$761,799.

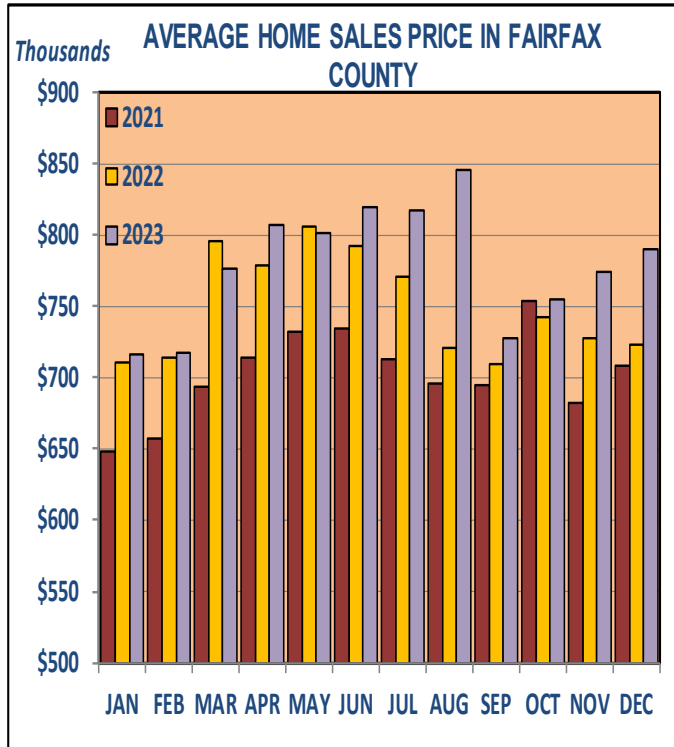
The average sales price for detached homes that sold in December 2023 was \$1,096,210, an increase of 8.6 percent over the December 2022 average of \$1,009,366. The average sales price of attached homes grew a strong 13.1 percent over the same period. For all of 2023, detached homes' average sales price increased 2.2 percent over 2022, while attached homes increased 4.4 percent over the same time period.

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

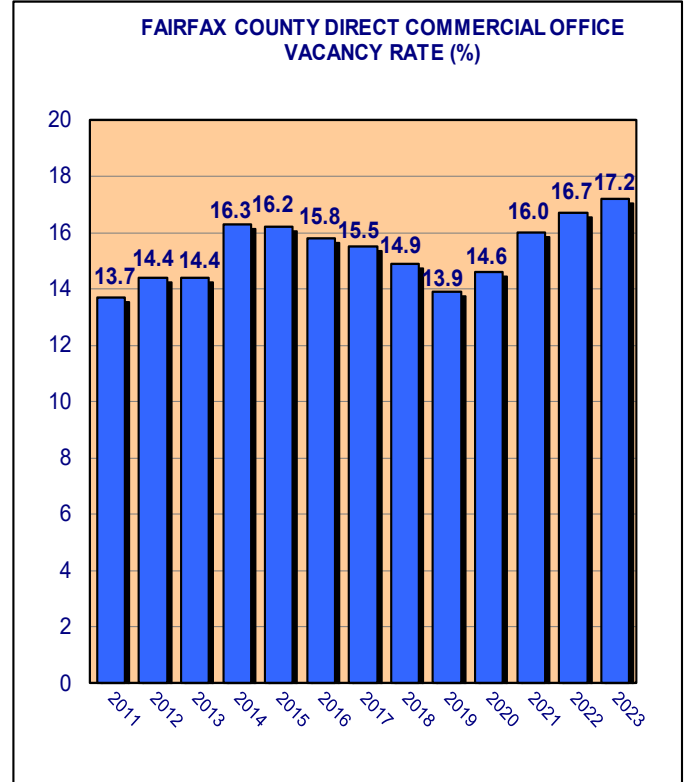
	DEC 2023	DEC 2022	% Change
All Homes	\$790,444	\$722,733	9.4%
Detached Homes	\$1,096,210	\$1,009,366	8.6%
Attached Homes	\$523,243	\$462,614	13.1%

Commercial Office Market

According to the Fairfax County Economic Development Authority (FCEDA), the year-end 2023 direct office vacancy rate in Fairfax County increased to 17.2 percent, an increase of 0.5 percentage point over the year-end 2022 vacancy rate of 16.7 percent. Office leasing in 2023 amounted to about two-thirds of the pre-pandemic average. While this could indicate a new normal, there is an expectation that office leasing could continue its recovery once interest rates come down and more of the workforce returns to the office.



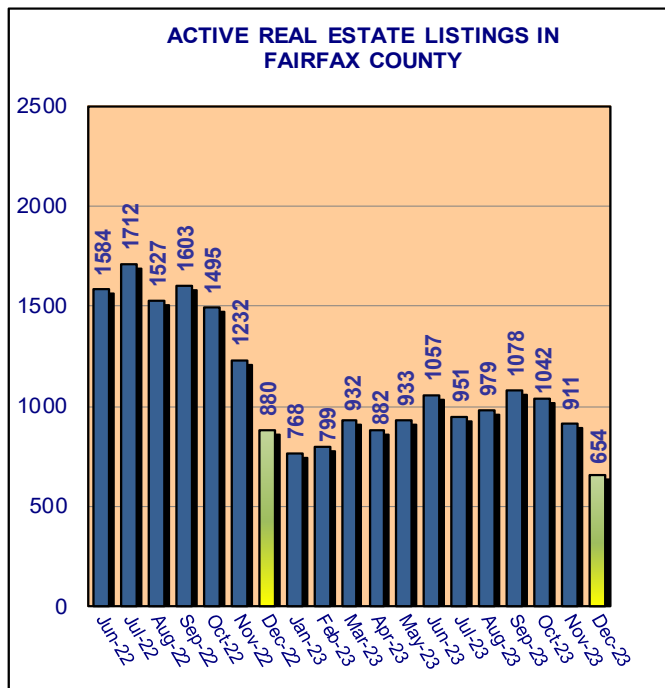
Source: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.



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 for sale in the County in December 2023 was 654, a decrease of 25.7 percent from the 880 listings in December 2022. Based on the December 2023 listings and the current sales rate, there is approximately a 1.0-month supply of homes for sale in the County, less than the 1.1-month supply a year ago.



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

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