



ECONOMIC INDICATORS[®]

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

OCTOBER 2018

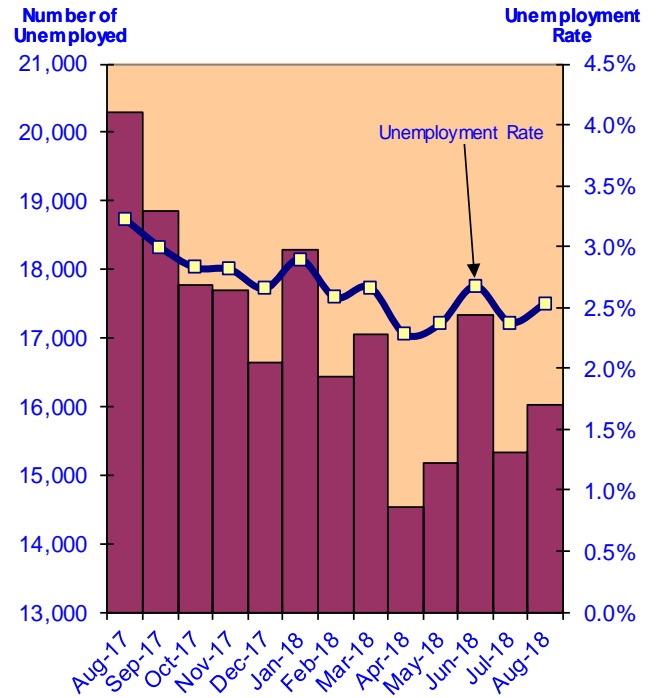
IN THIS ISSUE:

- The August unemployment rate in Fairfax County increased to 2.5 percent. (See page 1)
- For the first three months of the fiscal year, Sales tax receipts in Fairfax County are up 2.7 percent. (See page 2)
- The Consumer Confidence Index increased in September for the third straight month. (See page 2)
- The number of homes sold in Fairfax County during September 2018 decreased 13.6 percent from a year earlier. (See page 3)
- In September 2018, the average sales price of all homes sold in Fairfax County increased 5.8 percent compared to the average sale price in September 2017. (See page 3)
- The number of active listings of homes for sale in the County decreased 8.3 percent in September from a year ago. (See page 4)
- The number of single family building permits issued in the County for the first nine months of 2018 is up 4.8 percent. (See page 4)
- October 2018 Special Report on Northern Virginia Employment. (See page 5-6)

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.

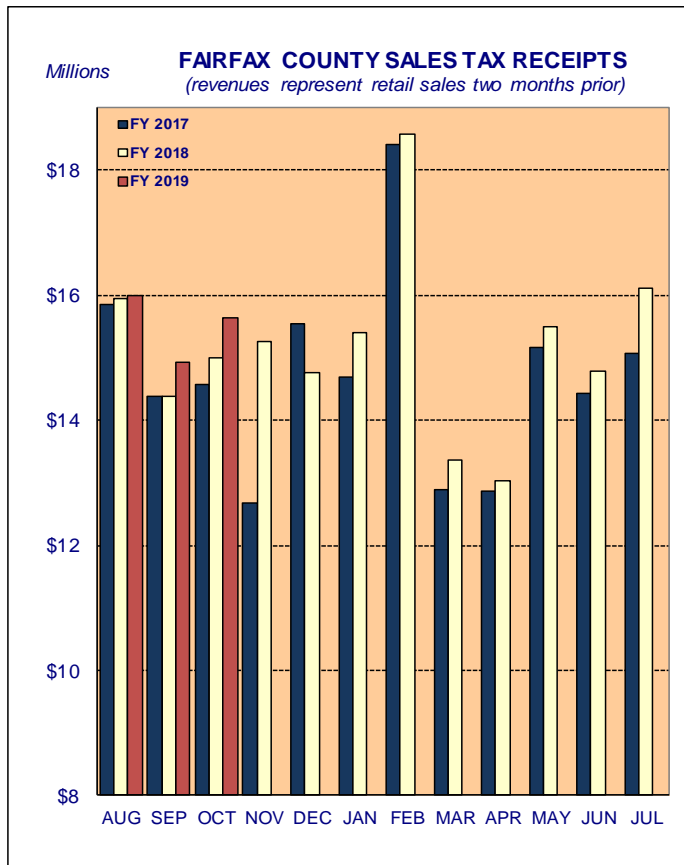
Employment

Compared to July, the August unemployment rate in Fairfax County increased 0.1 percentage point to 2.5 percent. The number of unemployed residents increased over the month from 15,326 to 16,026. The County's unemployment rate was down 0.7 percentage point from August 2017.

In August, the seasonally adjusted unemployment rate in Virginia decreased 0.1 percentage point to 3.0 percent. The rate was down 0.7 percentage point from August 2017. This is the lowest monthly unemployment rate since August 2007.

The U.S. seasonally adjusted unemployment rate was 3.9 percent in August, unchanged compared to July. The rate was down 0.5 percentage point from a year ago. Total nonfarm payroll employment increased by 201,000 in August. Over the last three months, job gains have averaged 185,000 per month.

Sales Tax Receipts



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

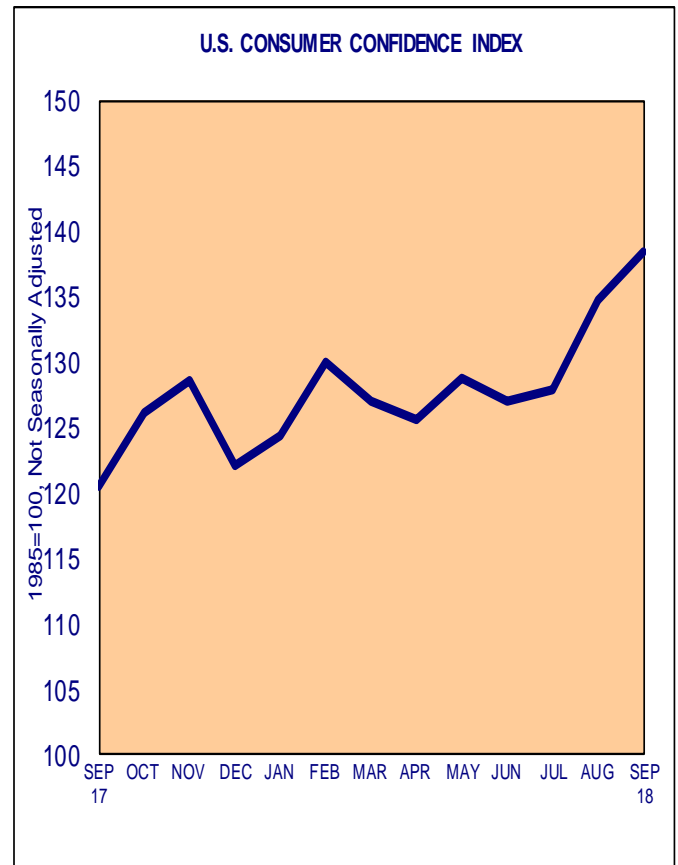
Sales Tax receipts distributed to Fairfax County in October for retail purchases made in August were \$15.6 million, an increase of 4.3 percent over October 2017. During the first three months of FY 2019, Sales Tax receipts are up 2.7 percent over FY 2018.

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 5.5 percent for the 12 months ending in August. Home prices in the Washington Metropolitan area posted a 2.8 percent gain during the same period, tied with New York for the lowest rate of increase among the metropolitan areas in the index. David M. Blitzer, Managing Director and Chairman of the Index Committee, said that, "Following reports that home sales are flat to down, price gains are beginning to moderate." He added that, "Rising prices may be pricing some potential home buyers out of the market, especially when combined with mortgage rates approaching 5% for 30-year fixed rate loans."

Consumer Confidence Index



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

The Consumer Confidence Index increased in September for the third straight month and now stands at 138.4 (1985=100), up from 134.7 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 remains extremely favorable, bolstered by a strong economy and robust job growth." She added that, "These historically high confidence levels should continue to support healthy consumer spending, and should be welcome news for retailers as they begin gearing up for the holiday season."

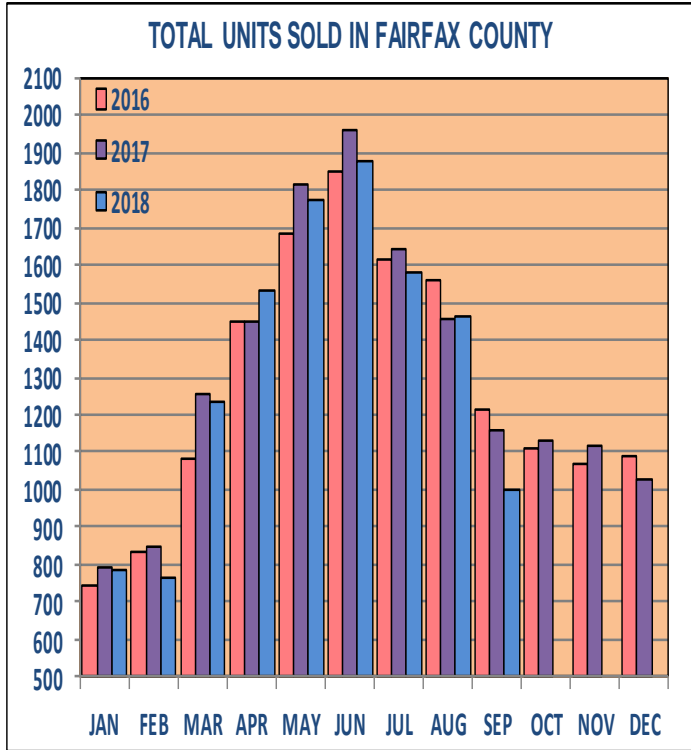
Consumer Price Index

The September Consumer Price Index for All Urban Consumers (CPI-U) increased 2.3 percent compared to last September. Excluding food and energy, core inflation increased 2.2 percent. Through September, the Washington area CPI-U increased 2.0 percent compared to a year ago. The Federal Reserve Board's target annual inflation rate is 2.0 percent.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

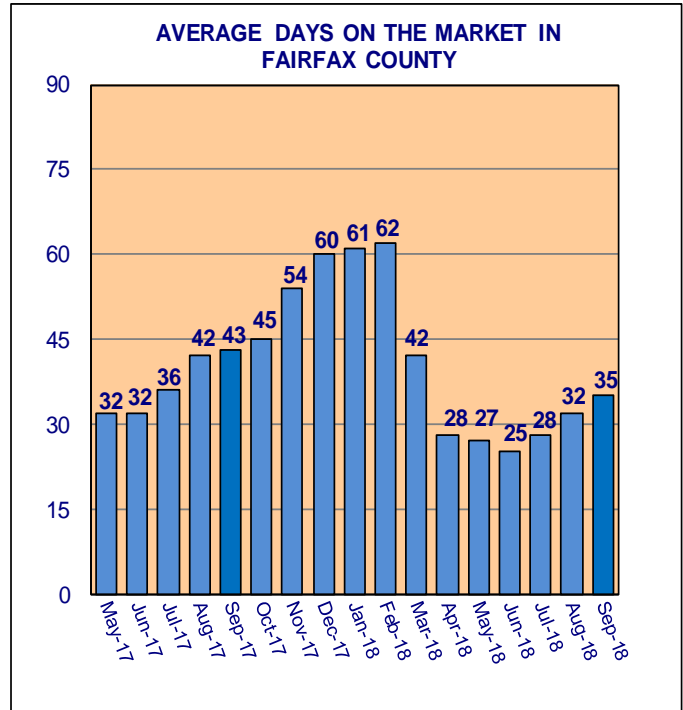
In September, 999 homes were sold in Fairfax County, a decrease of 13.6 percent from the 1,156 homes that were sold in September 2017.



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 September were on the market for 35 days. This is 8 days fewer than the 43 day average in September 2017.



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

Average Home Sales Prices

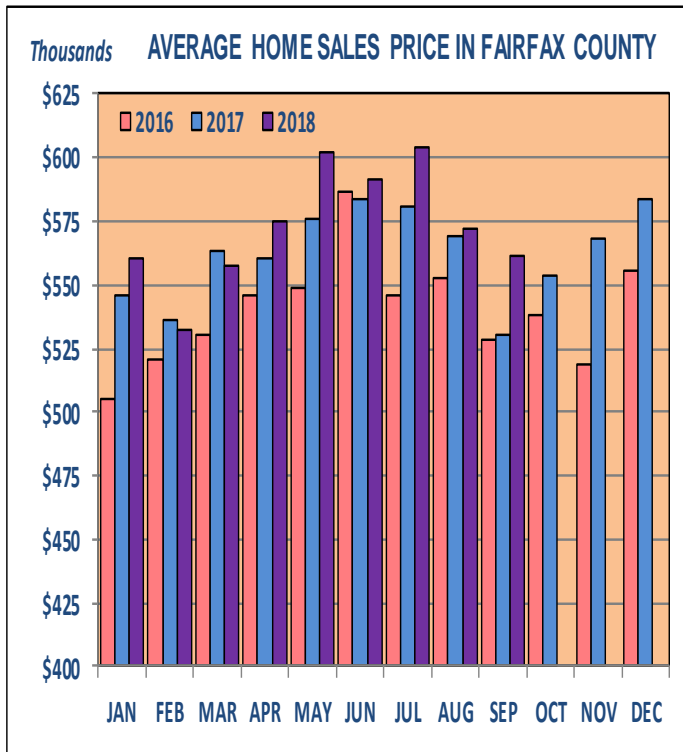
The average sales price of all homes that sold in September 2018 in Fairfax County was \$561,056, an increase of 5.8 percent over the September 2017 average sales price of \$530,429. The average September price was down 1.2 percent compared to the annual 2017 average home sales price of \$567,829.

The average sales price for detached homes that sold in September 2018 was \$758,908, an increase of 5.1 percent over the September 2017 average of \$721,800. The average sales price of attached homes increased 5.0 percent over the same period.

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>

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

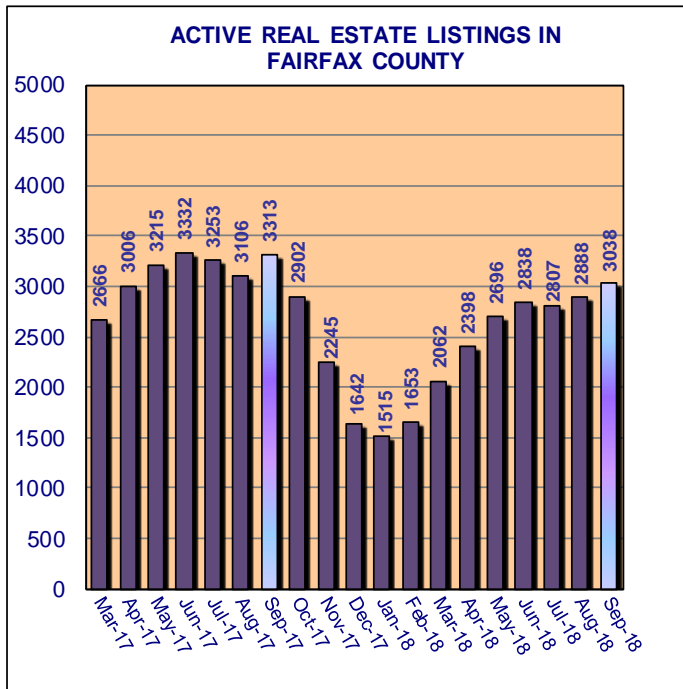
	SEP 2018	SEP 2017	% Change
All Homes	\$561,056	\$530,429	5.8%
Detached Homes	\$758,908	\$721,800	5.1%
Attached Homes	\$386,678	\$368,406	5.0%



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

Inventory of Homes for Sale

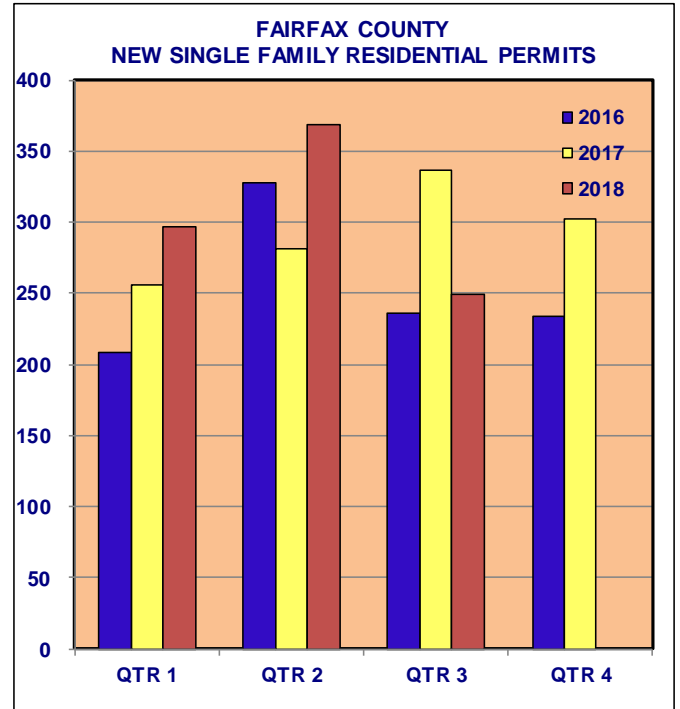
The number of active listings in the County in September was 3,038, a decrease of 8.3 percent from the 3,313 listings in September 2017. Based on the September 2018 listings and the current sales rate, there is approximately a 3.0 month supply of homes for sale in the County, greater than the 2.9 month supply a year ago.



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

Single Family Building Permits

During the third quarter of 2018, 249 new single family permits were issued in Fairfax County. This represents a 25.9 percent decrease from the number of permits issued during the same period in 2017. Combined, the number of new single family permits is up 4.8 percent for the first three quarters of 2018.



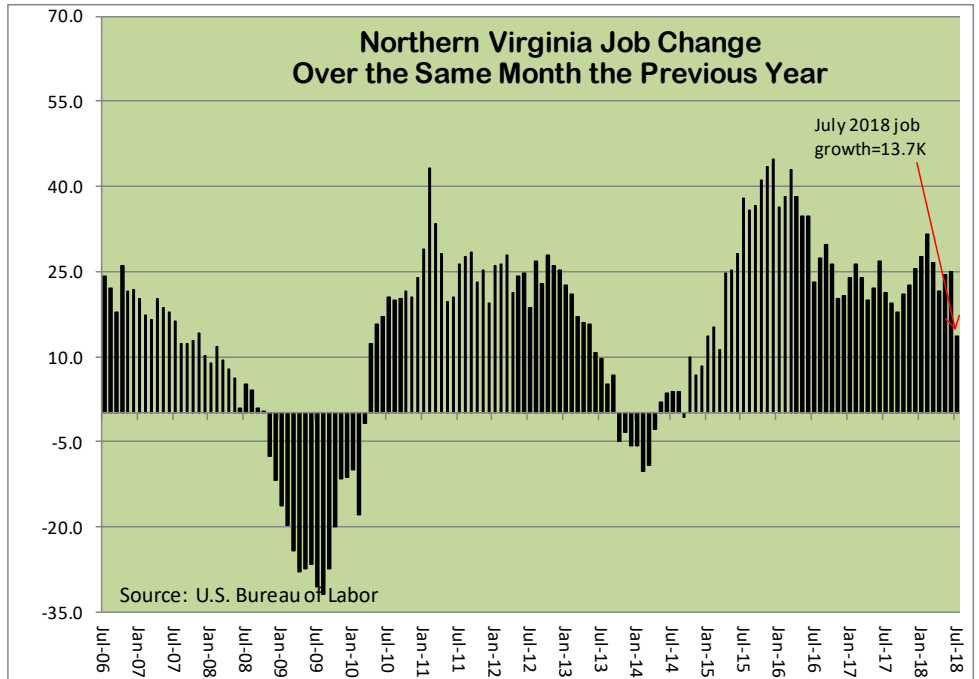
Source: Fairfax County Land Development Services. Compiled by the Fairfax County Department of Management and Budget.

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Special Report – October 2018 Northern Virginia Employment

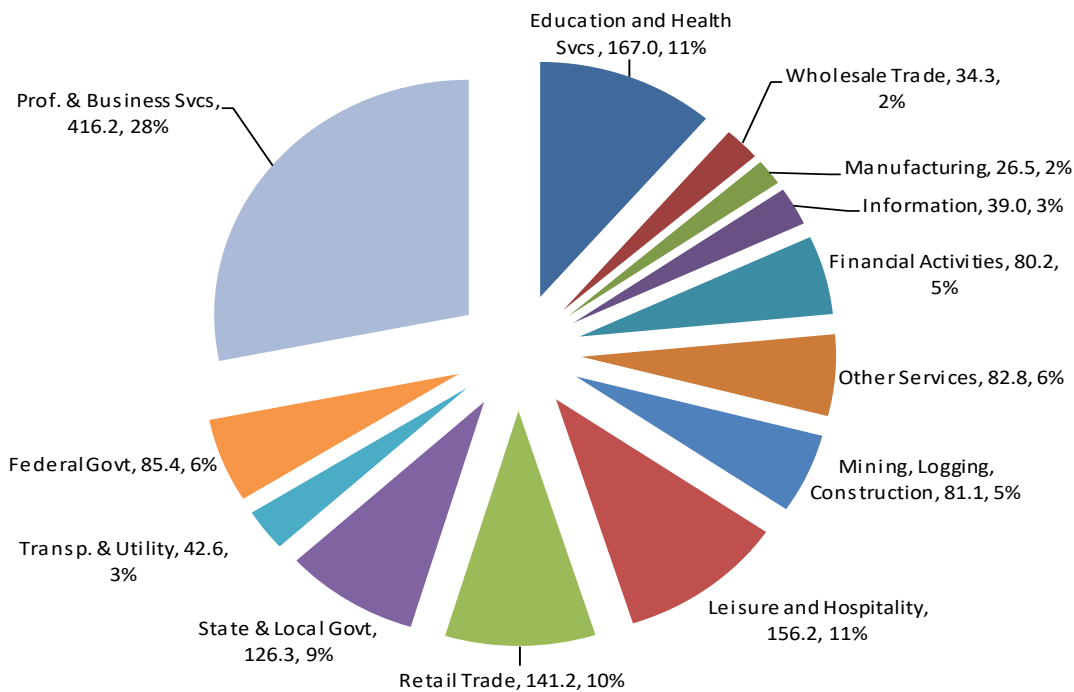
Based on data from the U.S. Bureau of Labor Statistics (BLS), the Northern Virginia region experienced job growth at an annual rate of 0.9 percent in July 2018. Prior to the recession, annual job growth from 2003 through 2007 rose at a rate of 2.9 percent. Growth stagnated in 2008, rising just 0.2 percent. 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 2.2 percent in 2015 and 2.1 percent in 2016 before slipping to 1.6 percent in 2017. As of July 2018, total nonfarm employment in Northern Virginia was 1,478,800, a gain of 13,700 jobs since July 2017.



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Jobs by Sector in Northern Virginia

Employment in the Professional and Business Services sector was 416,200 in July 2018, 28 percent of the total jobs in Northern Virginia.

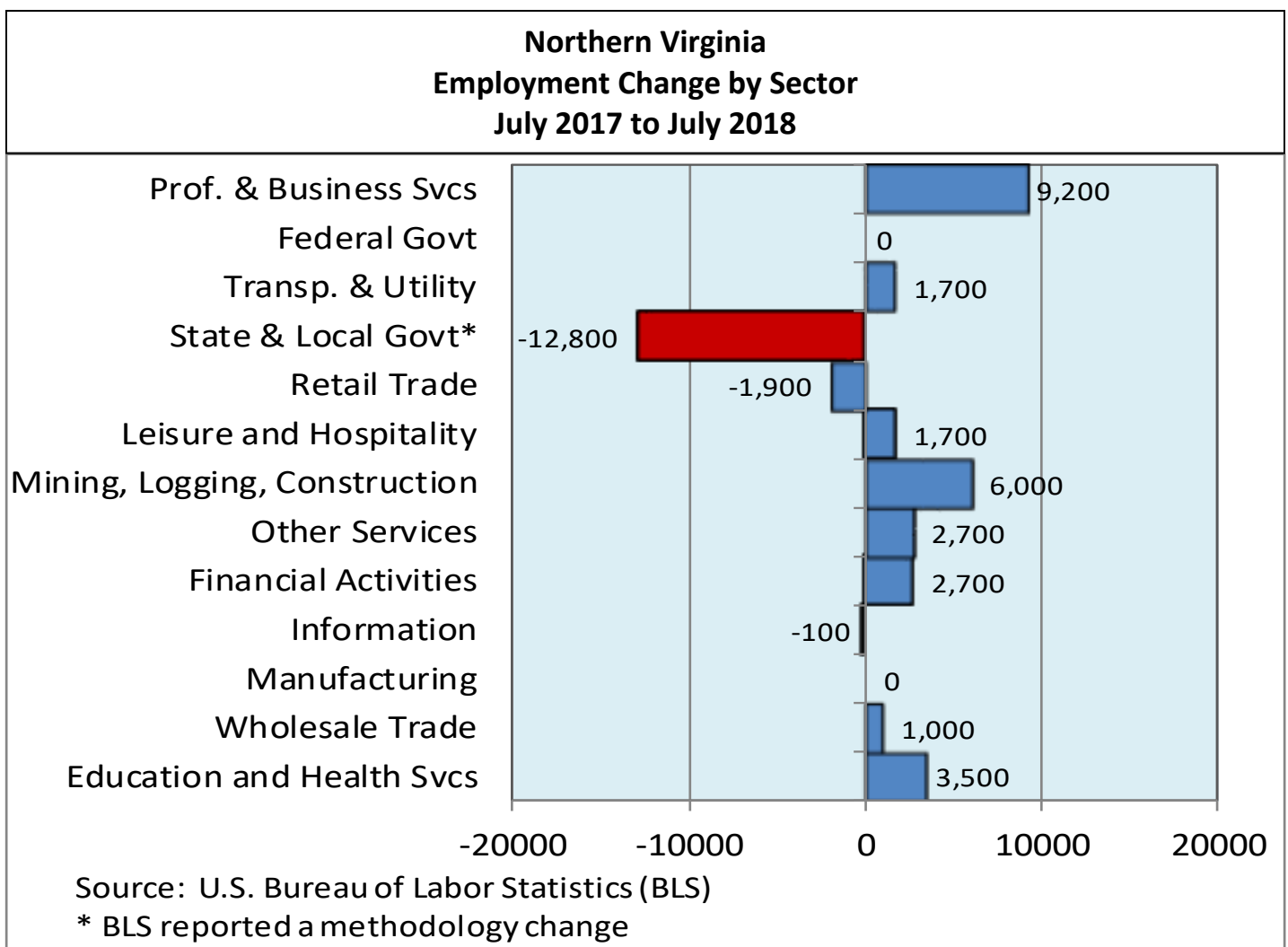


Note: Total employment in July 2018 was 1,478,800. Employment figures in the graph above are in thousands.

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 Leisure and Hospitality sectors each make up approximately 11 percent of total employment in Northern Virginia, while the Retail Trade sector makes up approximately 10 percent. Federal government jobs represent 6 percent of total employment in the area.

Change by Sector

Of the 13,700 net new jobs created over the year ending July 2018, 9,200 jobs were in the Professional and Business Services sector, which increased by 2.3 percent over July 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 8.0 percent. The number of State and Local Government jobs decreased by 12,800 jobs or 9.2 percent; however, BLS reported that the July 2018 preliminary estimate in this category was revised down for the final estimate because there was a sample methodology change, making the year-over-year comparison likely unreliable.



Employment in Fairfax County

Fairfax County specific employment data by sector are reported on a delayed basis and are currently available through the first quarter of 2018. In March, total non-farm employment in the County was 603,900, an increase of over 8,770 jobs or 1.5 percent compared to the previous March. The sector with the largest employment gains was Professional and Business Services, which increased by 6,485 employees or 3.1 percent. From 2014 through 2017, annual job growth in Fairfax County has averaged 1.3 percent.