

ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

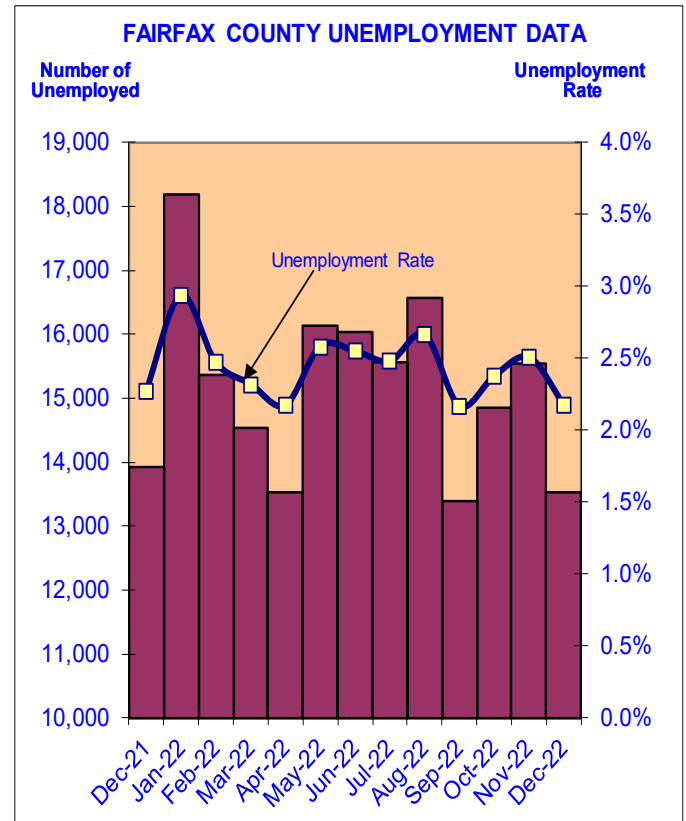
FEBRUARY 2023

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- The unemployment rate in Fairfax County decreased 0.3 percentage point to 2.2 percent in December.
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- Sales tax receipts in February for purchases made in December increased 5.5 percent compared to last February.
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- The Consumer Confidence Index decreased in February for the second straight month.
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- The number of homes sold in Fairfax County in January decreased 32.4 percent from a year earlier.
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- In January 2023, the average sales price of all homes sold in Fairfax County increased 0.8 percent compared to January 2022.
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- The number of active listings of homes for sale in the County increased 60.7 percent from a year earlier.
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- A 30-year fixed rate mortgage averaged 6.26 percent in February 2023, up from 3.76 in February 2022.
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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.

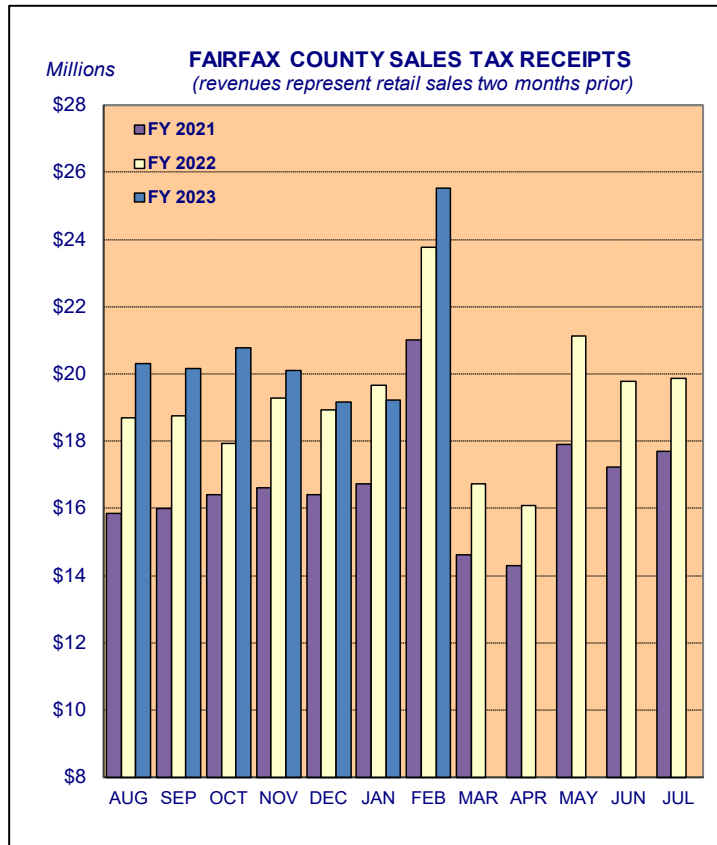
Employment

Compared to November, the December unemployment rate in Fairfax County decreased 0.3 percentage point to 2.2 percent. The number of unemployed residents decreased from 15,550 to 13,531. The County's unemployment rate was down 0.1 percentage point from December 2021.

The seasonally adjusted unemployment rate in Virginia in December decreased 0.1 percentage point to 3.1 percent. The rate was up 0.1 percentage point from December 2021.

The U.S. seasonally adjusted unemployment rate in December decreased 0.1 percentage point to 3.5 percent. The rate was down 0.4 percentage point compared to a year ago. Total nonfarm payroll employment increased by 223,000 jobs. Monthly job growth averaged 375,000 in 2022, compared with an average of 562,000 per month in 2021.

Sales Tax Receipts



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

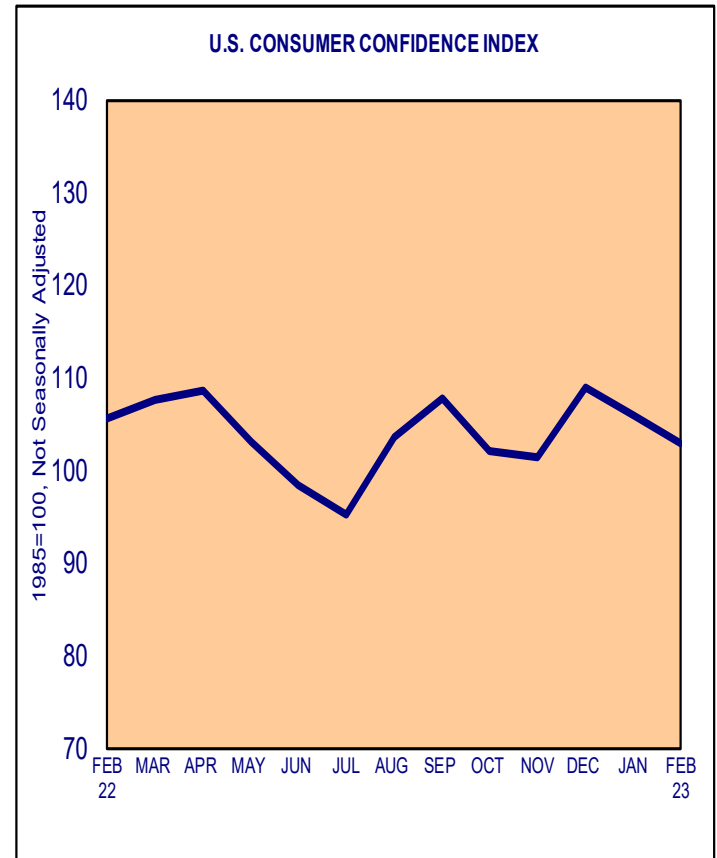
Sales Tax receipts distributed to Fairfax County in February for retail purchases made in December were \$25.5 million, an increase of 5.5 percent over February 2022. For the first seven months of FY 2023, sales tax receipts are up 5.7 percent compared to the previous year.

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 4.6 percent for the 12 months ending in December. Home prices in the Washington Metropolitan area gained 4.3 percent during the same period. Craig J. Lazzara, Managing Director and Global Head of Index Investment Strategy, said that, "The prospect of stable, or higher, interest rates means that mortgage financing remains a headwind for home prices, while economic weakness, including the possibility of a recession, may also constrain potential home buyers." He added that, "Given these prospects for a challenging macroeconomic environment, home prices may well continue to weaken."

Consumer Confidence Index



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

The Consumer Confidence Index decreased in February. The index now stands at 102.9 (1985=100), down from 106.0 in January. The present situation component increased while the expectations component decreased. Ataman Ozyildirim, Senior Director of Economics at the Conference Board, said that, "While 12-month inflation expectations improved – falling to 6.3 percent from 6.7 percent last month – consumers may be showing early signs of pulling back spending in the face of high prices and rising interest rates." He added that, "Fewer consumers are planning to purchase homes or autos and they also appear to be scaling back plans to buy major appliances. Vacation intentions also declined in February."

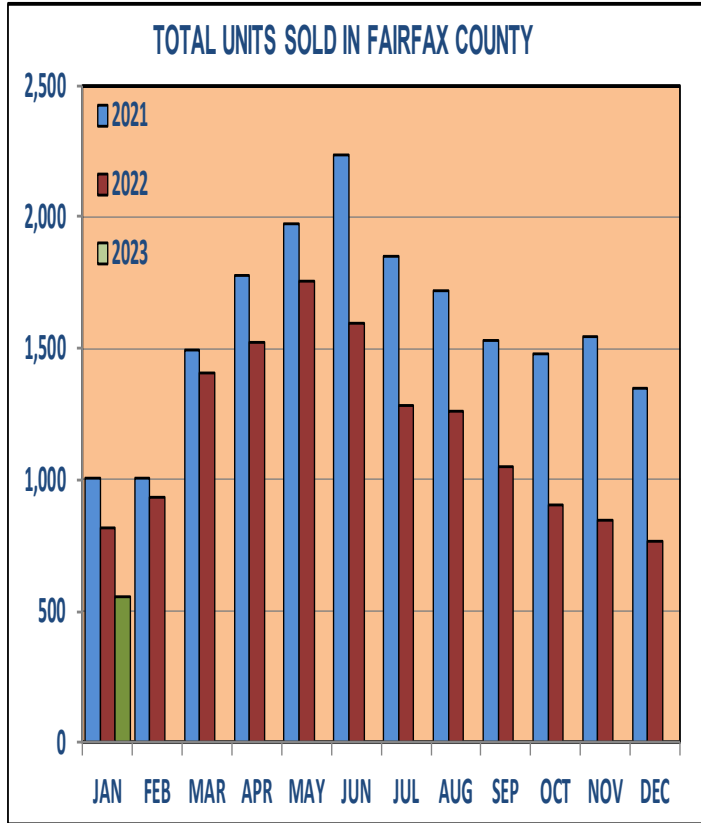
Consumer Price Index

The Consumer Price Index for All Urban Consumers (CPI-U) increased 6.4 percent in January over the last 12 months before seasonal adjustment. The core inflation rate excluding food and energy increased 5.6 percent. The increases were led by a 10.1 percent increase in the cost of food, an 8.7 percent increase in the cost of energy, and a 7.8 percent increase in the cost of rental housing. The Federal Reserve Board's target annual inflation rate is 2.0 percent.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

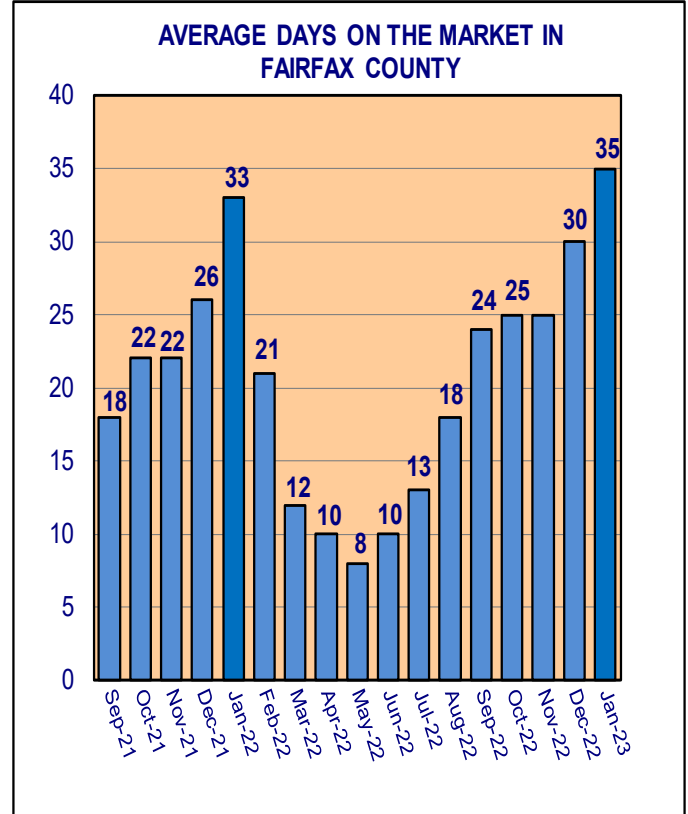
In January 2023, 552 homes were sold in Fairfax County, a decrease of 32.4 percent from the 817 homes that were sold in January 2022.



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 January 2023 were on the market for 35 days. This is two days more than the 33-day average in January 2022.



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

Average Home Sales Prices

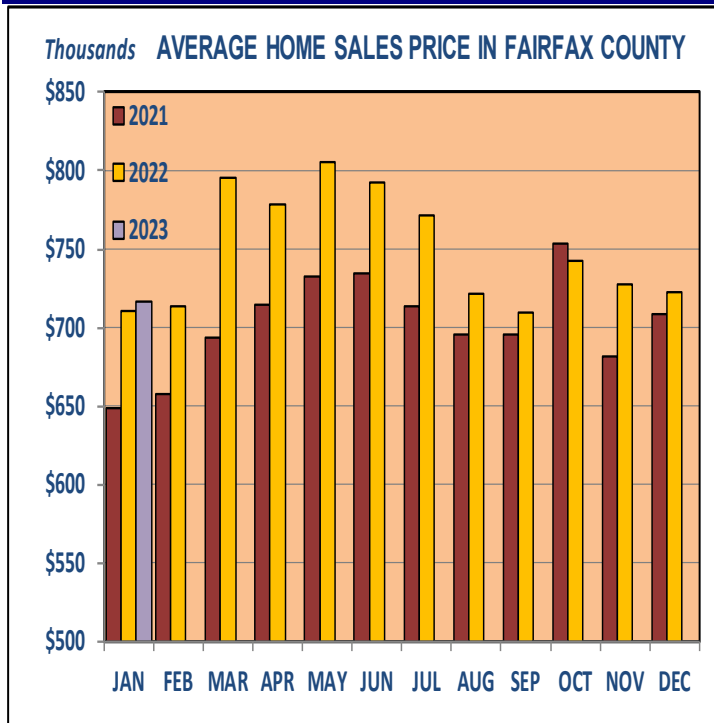
The average sales price of all homes that sold in January 2023 in Fairfax County was \$716,076, an increase of 0.8 percent over the January 2022 average sales price of \$710,626. The average sales price was down 6.0 percent compared to the 2022 annual average home sales price of \$761,799.

The average sales price for detached homes that sold in January 2023 was \$977,209, a decrease of 8.0 percent from the January 2022 average of \$1,062,410. The average sales price of attached homes increased 8.8 percent over the same period.

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

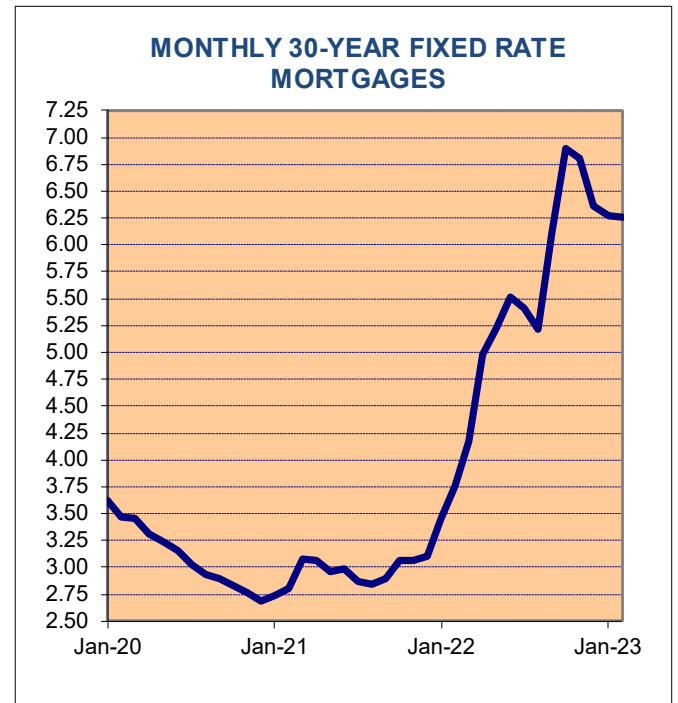
| | JAN 2023 | JAN 2022 | % Change |
|----------------|-----------|-------------|----------|
| All Homes | \$716,076 | \$710,626 | 0.8% |
| Detached Homes | \$977,209 | \$1,062,410 | -8.0% |
| Attached Homes | \$488,581 | \$449,043 | 8.8% |

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.

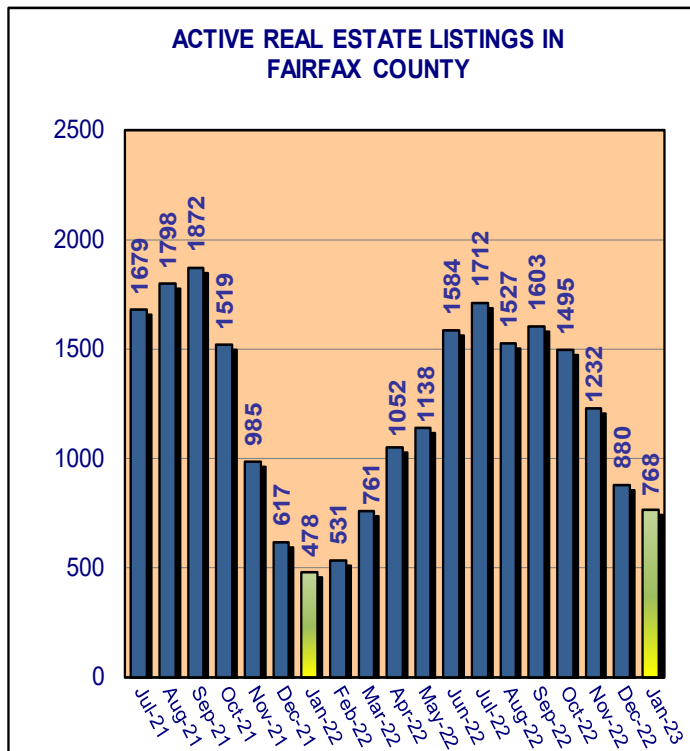
According to Freddie Mac, the average 30-year fixed rate mortgage interest rate was 6.26 percent in February, up from 3.76 percent a year ago.



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 January 2023 was 768, an increase of 60.7 percent over the 478 listings in January 2022. Based on the January 2023 listings and the current sales rate, there is approximately a 1.4-month supply of homes for sale in the County, more than the 0.6-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 Division Director; Eric Eisinger, Budget Analyst

30-Year Fixed Rate Mortgages