



ECONOMIC INDICATORS®

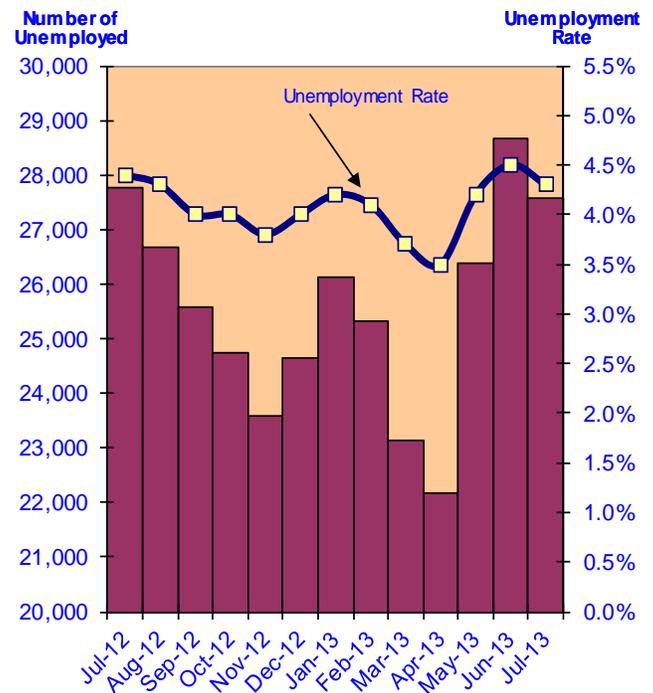
FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

SEPTEMBER 2013

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FAIRFAX COUNTY UNEMPLOYMENT DATA



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

Employment

The unemployment rate in Fairfax County decreased to 4.3 percent in July, down from 4.5 percent in June. The number of unemployed residents decreased over the month from 28,639 to 27,567. The County's unemployment rate is below the 4.4 percent rate recorded last July.

The seasonally adjusted July unemployment rate in Virginia increased 0.2 percentage points to 5.7 percent, the third consecutive monthly increase. The July unemployment rate was lower than a year ago when it was 6.0 percent.

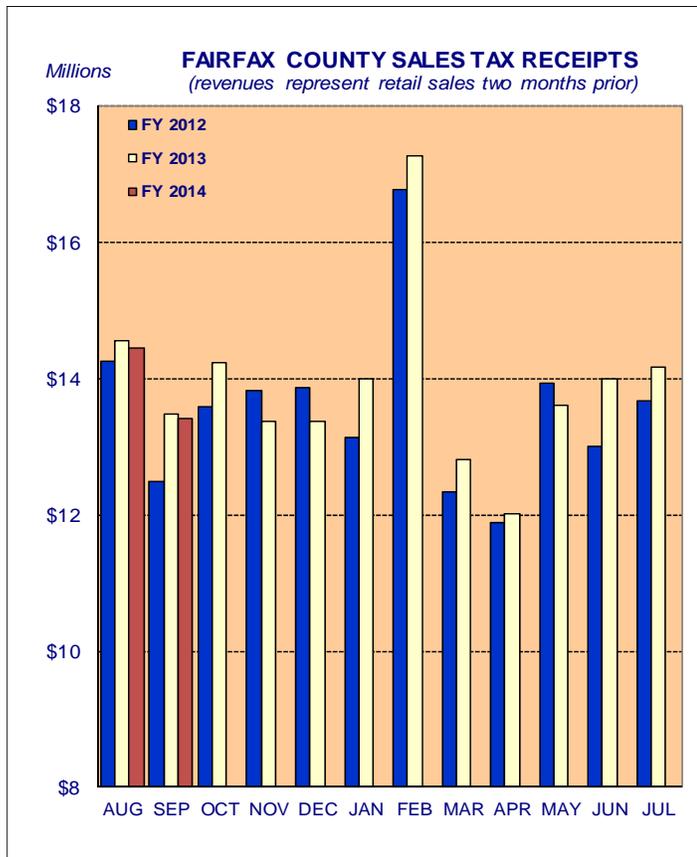
The U.S. seasonally adjusted unemployment rate in July decreased from 7.6 percent to 7.4 percent. Over the year, this measure was down by 0.8 percentage point. The number of unemployed persons, at 11.5 million, has declined by 1.2 million from a year ago. The total nonfarm payroll employment increased by 162,000. In the prior 12 months, employment growth averaged 189,000 jobs per month.



The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

http://www.fairfaxcounty.gov/economic/economic_indicators.htm

Sales Tax Receipts



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

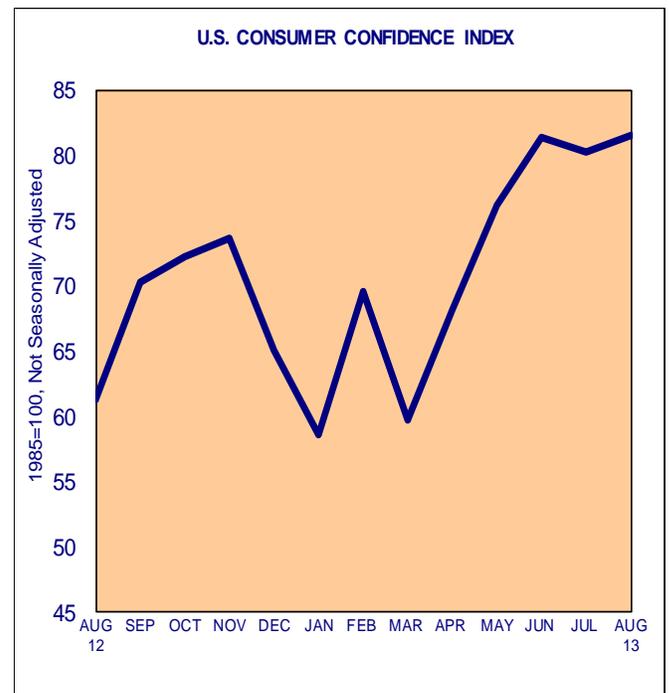
Sales Tax receipts distributed to Fairfax County in September for retail purchases made in July, were \$13.4 million, a decrease of 0.5 percent from September 2012. This is the second consecutive month in which Sales Taxes were down, after the 0.7 percent decline in August. Combined, Sales Tax receipts are down 0.6 for the first two month of FY 2014. While some federal agencies began furloughs in June because of sequestration, Defense Department agencies began furloughing their civilian employees in July. The decline in Sales Tax over the past two months is assumed to be at least partially due to these furloughs.

NATIONAL INDICATORS

Existing Home Sales

Sales of existing homes reached a six-year high in August, rising 1.7 percent from the previous month and 13.2 percent from a year ago. However, the uptick in sales may be temporary. Lawrence Yun, chief economist of the National Association of Realtors said that, "Rising mortgage interest rates pushed more buyers to close deals, but monthly sales are likely to be uneven in the months ahead."

Consumer Confidence Index



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

The Consumer Confidence Index, which had decreased in July, increased slightly in August. The index stands at 81.5 (1985=100), up from 81.0 a month ago. While the present situation component declined, the expectations component increased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that consumers' short-term expectations were improving. She added that, "In fact, income expectations, which had declined sharply earlier this year with the payroll tax hike, have rebounded to their highest level in two and a half years."

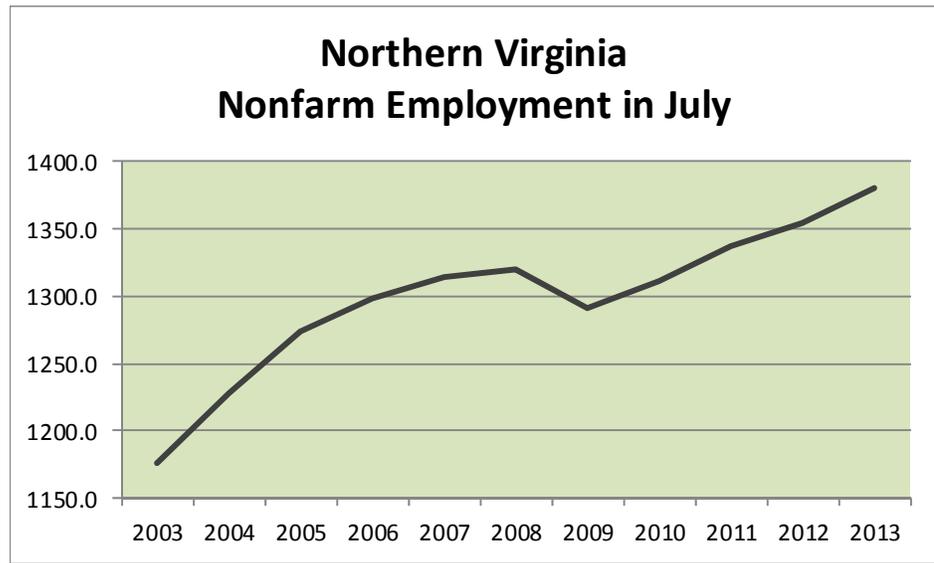
Case-Shiller Home Price Indices

Nationally, home prices continue to improve and rose by the most in more than seven years in the twelve months through July. Home prices in 20 U.S. cities, as measured by the S&P Case-Shiller Index, increased 12.4 percent in July from a year earlier. This is the best year-over-year increase since February 2006. On a month-to-month basis, however, price appreciation decelerated and might continue to slow down through the rest of the year as higher mortgage rates are likely to temper demand. Through July 2013, home prices in the Washington metro area increased 6.0 percent over the year.

Special Report -- Northern Virginia Employment

September 2013

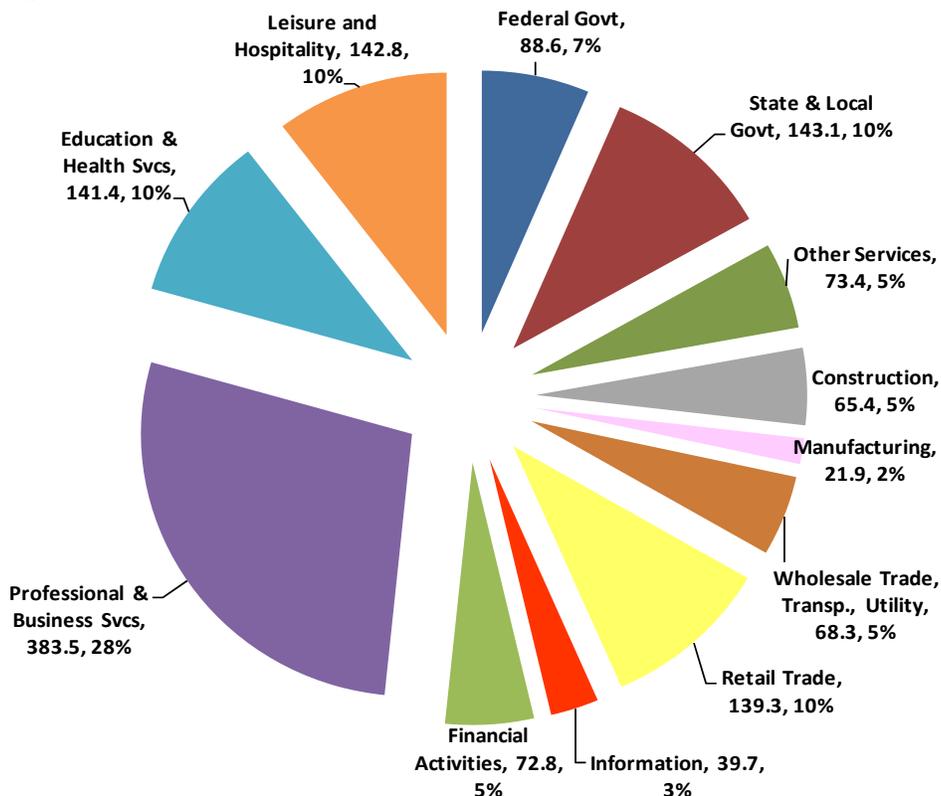
The Northern Virginia region experienced job growth at an annual rate of 1.9 percent in July. Prior to the recession, annual job growth from 2003 through 2007 in Northern Virginia rose at a 2.9 percent clip. Growth stagnated in 2008, rising a meager 0.3



percent. The area lost 21,500 jobs in 2009. However, since the end of the recession, employment has steadily risen with 62,200 jobs created through the end of 2012. As of July 2013, total nonfarm employment in Northern Virginia was 1,380,200, a gain of 25,800 jobs since July 2012.

Jobs by Sector in Northern Virginia

Employment in the Professional and Business Services sector was 383,500 in July, 28 percent of the total jobs in Northern Virginia and nearly 3 times as many jobs as the next largest sectors.

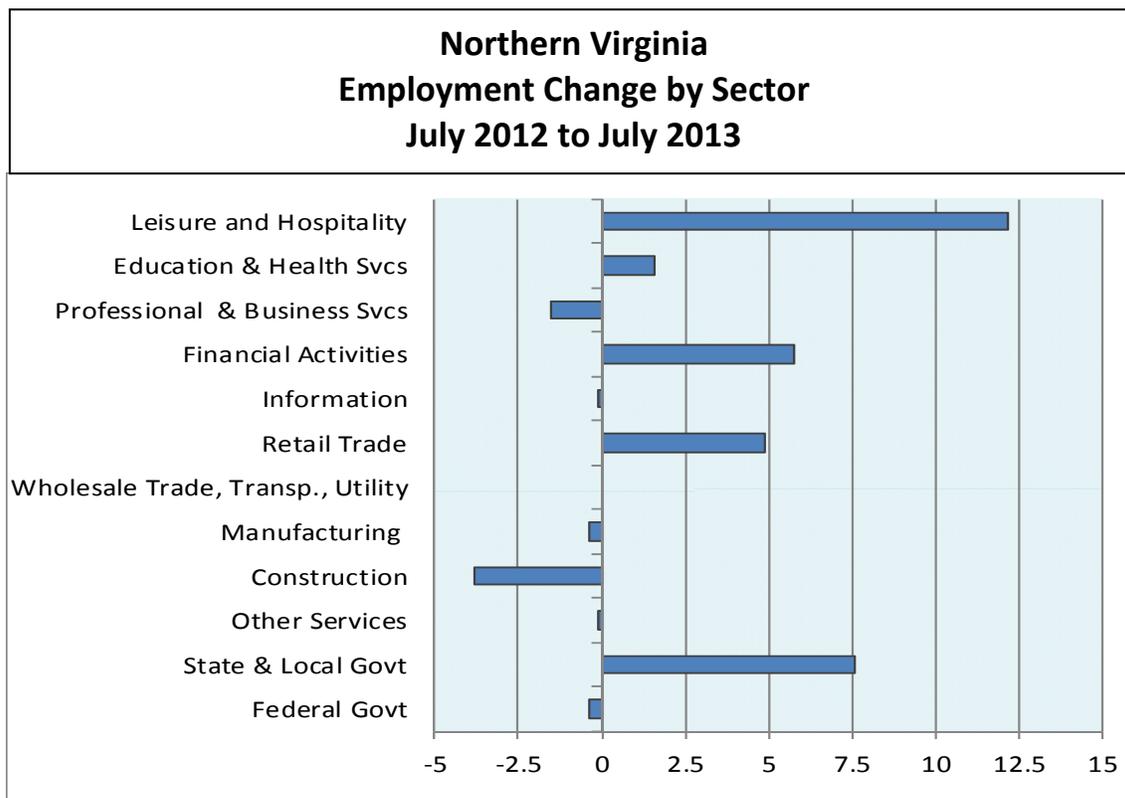


Note: Total employment in July 2013 was 1,380,200. Employment figures in graph above are in thousands.

The Professional and Business Services sector includes such jobs as attorneys, federal contractors, and businesses that provide services to other businesses like printing and computer services. Retail, Education and Health Services, Leisure and Hospitality, and State and Local government employment each makes up approximately 10 percent of the total jobs in Northern Virginia. Federal government jobs represent 7 percent of total employment in the area.

Change by Sector

Of the 25,800 new jobs created over the year ending July, over 47 percent were in the Leisure and Hospitality industry which experienced an employment increase of 12,200 or 9.3 percent. Most of these jobs were concentrated in food service positions. Retail jobs rose by 4,900 jobs, or 3.6 percent over the year. The largest decline occurred in the construction sector where 3,800 jobs were lost. Professional and Business Services employment also fell, an indication that sequestration may be impacting the area. Employment in Professional and Business Services dropped by 0.4 percent, a loss of 1,500 jobs since last July. This is the second consecutive decline. Prior to June 2013, the last time that Professional and Business Services employment declined on a month-over-the-year basis was in September 2009. In addition, federal government employment in Northern Virginia fell by 400 jobs in July. Changes in employment for all sectors are shown in the chart below.



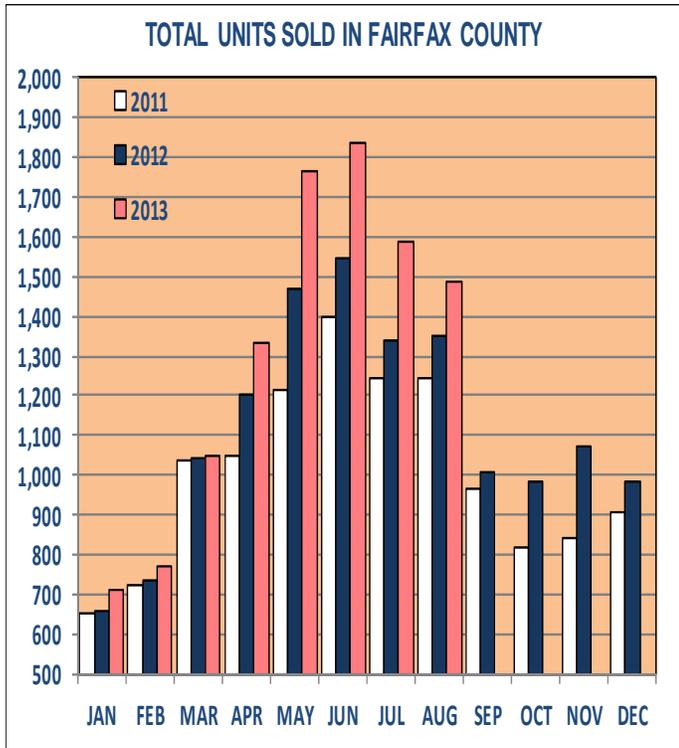
Employment in Fairfax County

Fairfax County specific employment data are reported on a delayed basis and are currently available only through yearend 2012. In 2012, total employment in the County was 590,400, an increase of 9,287 jobs over 2011. This 1.6 percent increase was the fastest rate of employment growth since 2007.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

In August, 1,489 homes were sold in Fairfax County, an increase of 10.4 percent over the 1,349 homes sold in August 2012. During the first eight months of 2013, 10,543 homes have sold, an increase of 10.4 percent over last year and the most homes sold in this eight month period since 2006.

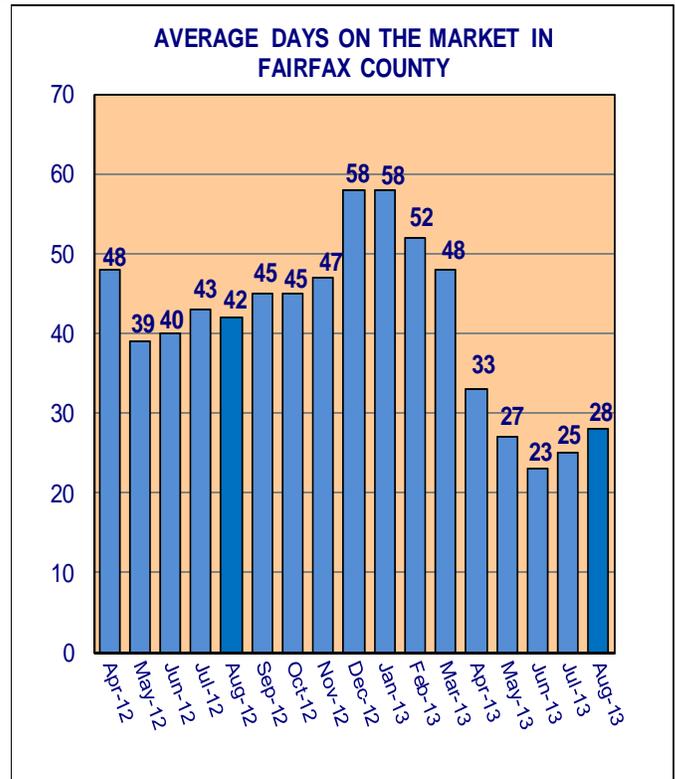


Source: Metropolitan Regional Information Systems, Inc. Compiled by the Fairfax County Department of Management and Budget.

Average Days on the Market

On average, homes that sold in Fairfax County in August were on the market for 28 days, a drop of 14 days compared to the prior year. Of the 1,489 homes that sold in August, about half were on the market for 10 days or less.

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: www.fairfaxcounty.gov/dta/tax_assessment.htm



Source: Metropolitan Regional Information Systems, Inc. Compiled by the Fairfax County Department of Management and Budget.

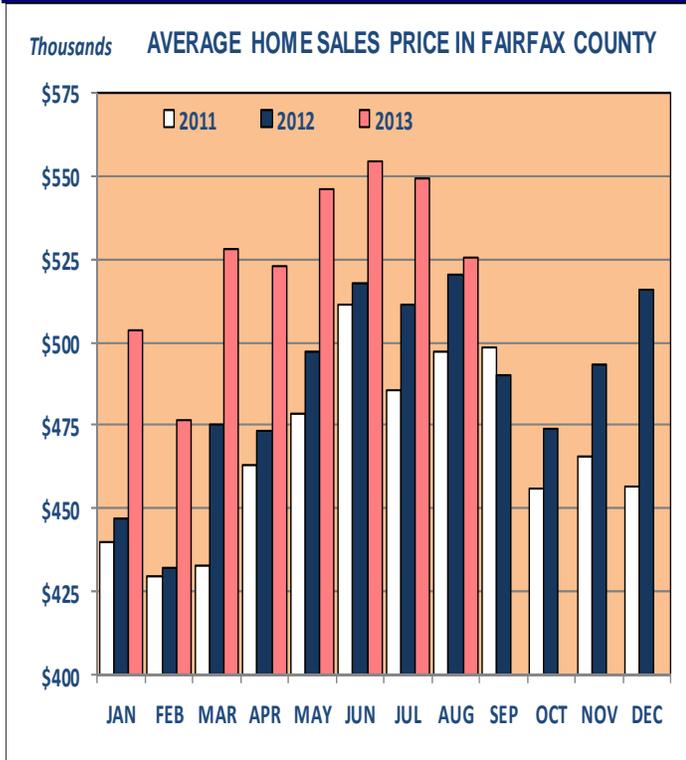
Average Home Sales Prices

The average home sales price of all homes that sold in August 2013 in Fairfax County was \$525,511, an increase of 1.0 percent over the August 2012 average sales price of \$520,551. Compared to the annual 2012 average home sales price of \$492,480, the August price increased 6.7 percent.

The average sales price for detached homes that sold in August 2013 was \$686,596, an increase of 3.1 percent over the August 2012 average of \$665,732. The average sales price of attached homes increased 4.2 percent in the same time period. Note that the average sales price rise in all homes is less than both the detached and attached averages due to significantly more attached homes selling this year compared to last year.

FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN AUG 2013 COMPARED TO SALES IN AUG 2012

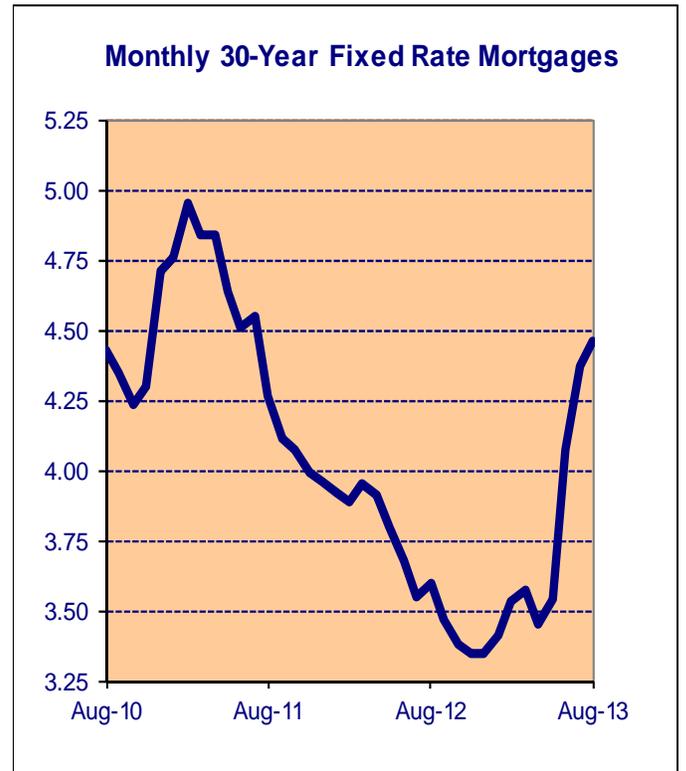
	Aug 2013	Aug 2012	% Change
All Homes	\$525,511	\$520,551	1.0%
Detached Homes	\$686,596	\$665,732	3.1%
Attached Homes	\$365,505	\$350,863	4.2%



Source: Metropolitan Regional Information Systems, Inc. Compiled by the Fairfax County Department of Management and Budget.

30-Year Fixed-Rate Mortgage

According to Freddie Mac, mortgage interest rates increased to 4.46 percent for a 30-year fixed-rate mortgage in August, compared to 4.37 percent a month ago. This is the highest level since July 2011. The rate was 3.60 percent last August. The current rates have been climbing above 4.0 percent since June reflecting fears that the Federal Reserve would reduce its \$85 billion a month in purchases of Treasury and mortgage-backed securities, a stimulus program designed to keep long-term rates low. However, the Fed recently announced it would continue the program for now, implying that the country's economy has a long way to go to full recovery.



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

Inventory of Homes for Sale

In Fairfax County, the number of active listings improved in August compared to July. In August, the number of active listings in the County was 2,451, almost level with the 2,448 listed in August 2012. Based on the August 2013 listings and the current sales rate, there is just a 1.6 month supply of homes for sale in the County, down from the 1.8 month supply a year ago.



Source: Metropolitan Regional Information Systems, Inc. Compiled by the Fairfax County Department of Management and Budget.

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