



ECONOMIC INDICATORS®

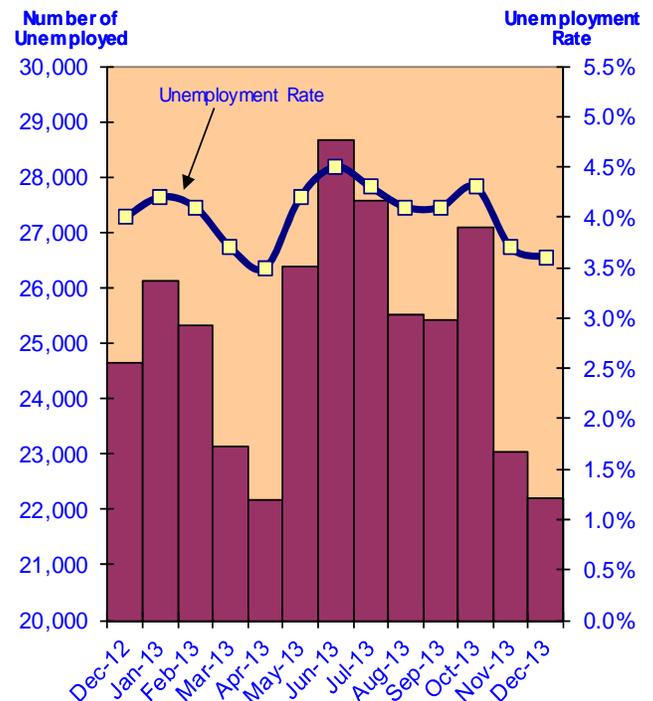
FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

FEBRUARY 2014

IN THIS ISSUE:

- The unemployment rate in Fairfax County fell to 3.6 percent in December. (See page 1)
- Sales tax receipts in Fairfax County fell 10.1 percent in February from a year ago primarily due to a \$1.5 million refund. (See page 2)
- Home prices in the Washington Metropolitan area posted a 8.1 percent gain in December from a year ago. (See page 2)
- The Consumer Confidence Index, which had increased in December, rose again in January. (See page 2)
- The average sales price of all homes that sold in January 2014 decreased 2.4 percent compared to the average sales price in January 2013. (See page 3)
- The number of active listings on the market in the County increased 20.1 percent in January from a year ago. (See page 4)

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 fell to 3.6 percent in December, down from 3.7 percent in November. The number of unemployed residents declined over the month from 22,979 to 22,195. The County's unemployment rate is below the 4.0 percent rate recorded last December.

The seasonally adjusted December unemployment rate in Virginia fell to 5.2 percent, down from 5.4 percent in November. The state's unemployment rate is below the 5.6 percent rate recorded a year ago.

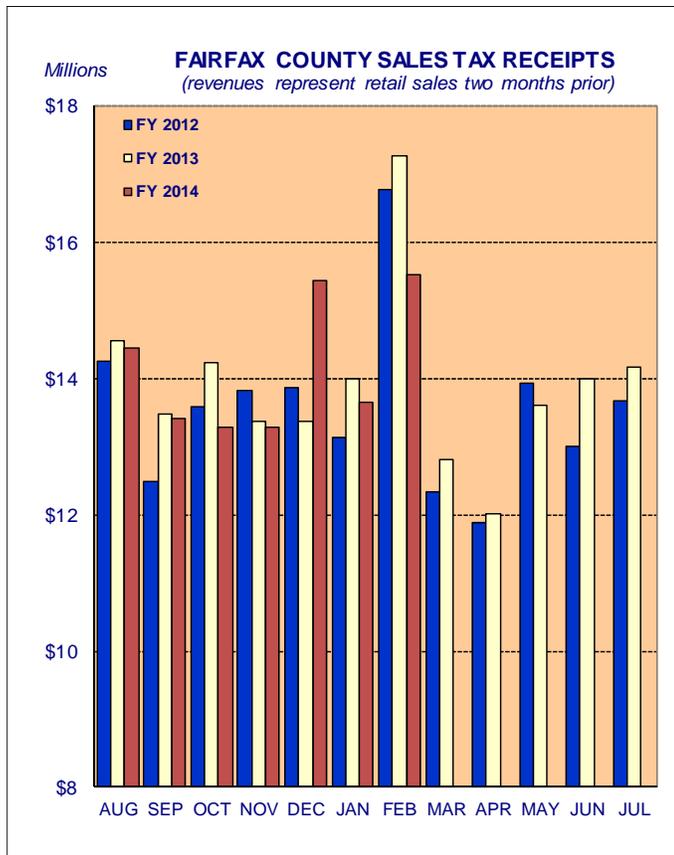
The U.S. seasonally adjusted unemployment rate in December decreased from 7.0 percent to 6.7 percent. Over the year, the number of unemployed persons and the unemployment rate were down by 1.9 million and 1.2 percentage points, respectively. Total nonfarm payroll employment increased by 74,000 in December. On average, 182,000 jobs per month were added during 2013, about the same as in 2012, when employment growth averaged 183,000 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.

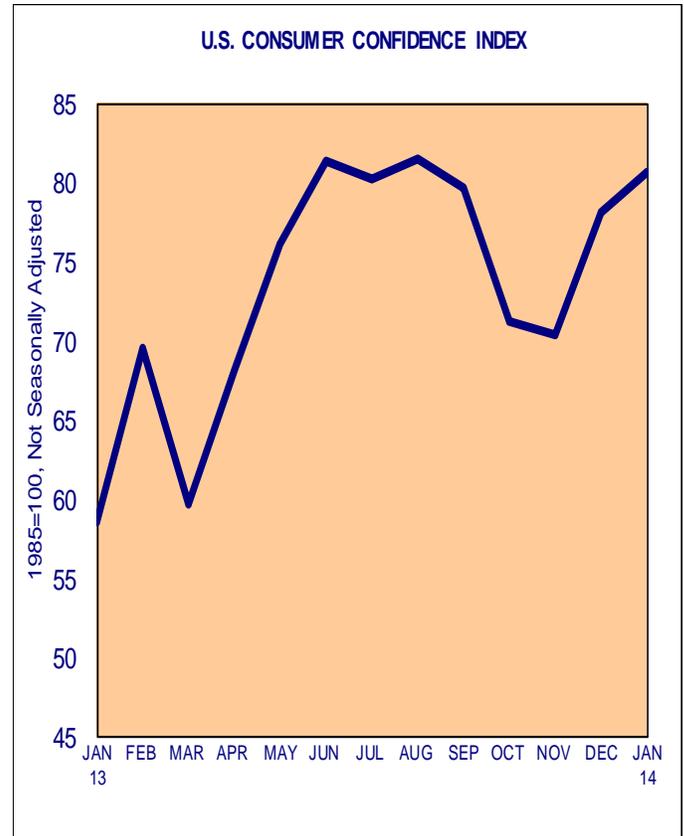
Sales Tax receipts distributed to Fairfax County in February for retail purchases made in December, were \$15.5 million, a decrease of 10.1 percent from February 2013. February receipts included a refund for taxes paid prior to the beginning of FY 2014 based on a state audit. The refund impacted several localities. Fairfax County's share of the refund was \$1.5 million. Even without the refund, however, Sales Tax receipts for December 2013 retail sales – a critical holiday spending month – would have been down 1.4 percent. During the first seven months of FY 2014, Sales Tax receipts are down 1.2 percent.

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 Index, increased 13.4 percent in December from a year earlier. This marks the Index's best annual performance since 2005. David Blitzer, Chairman of the Index Committee cautioned, however, that "gains are slowing from month-to-month and the strongest part of the recovery in home values may be over." He added that while some of the weakness is related to the cold weather, "higher home prices and mortgage rates are taking a toll on affordability." Home prices in the Washington Metropolitan area posted an 8.1 percent gain during the same period.

Consumer Confidence Index



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

The Consumer Confidence Index, which had increased in December, rose again in January. The index stands at 80.7 (1985=100), up from 77.5 a month ago. Both the present situation component and the expectations component increased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that consumers feel better about the current conditions and that "confidence appears to be back on track and rising expectations suggest the economy may pick up some momentum in the months ahead."

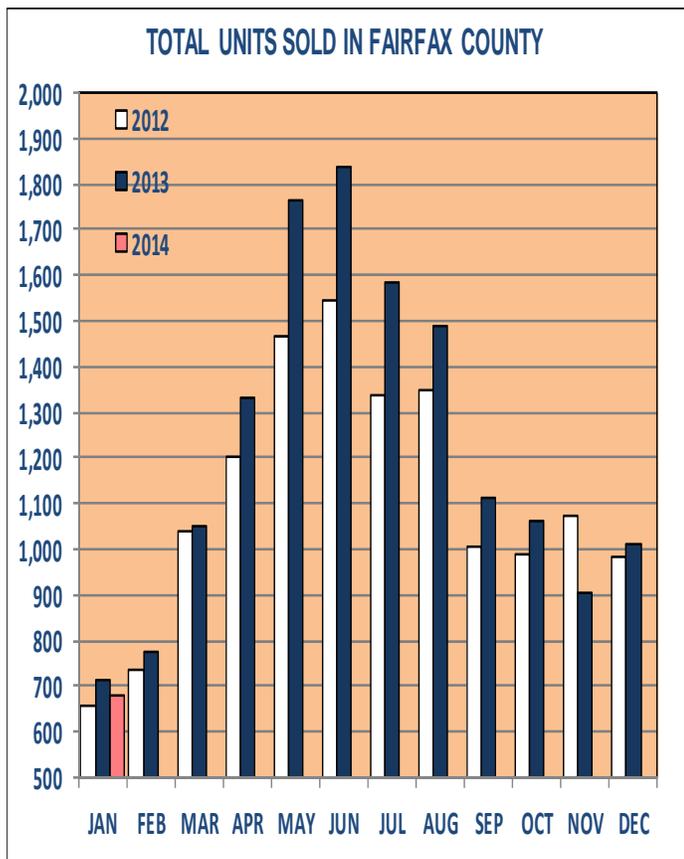
Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 2.4 percent in the fourth quarter of 2013, according to the revised estimate by the Bureau of Economic Analysis (BEA). In the initial estimate, real GDP was reported to have increased 3.2 percent. This is a deceleration in growth from the third quarter, when the economy grew 4.1 percent. The fourth quarter GDP figure will be revised once more before it is considered final.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

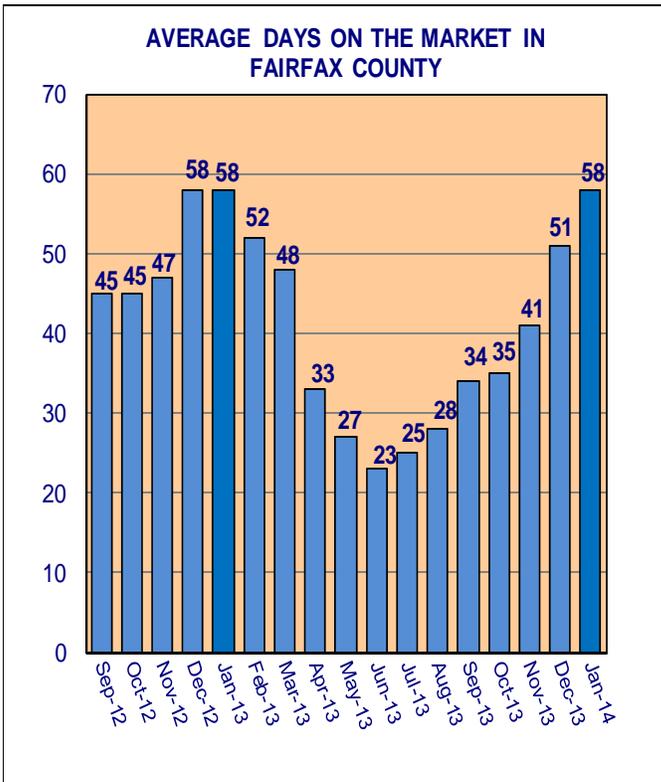
In January, 677 homes were sold in Fairfax County, a decrease of 4.9 percent from the 712 homes sold in January 2013.



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 January were on the market for 58 days, the same as in January 2013.



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

Average Home Sales Prices

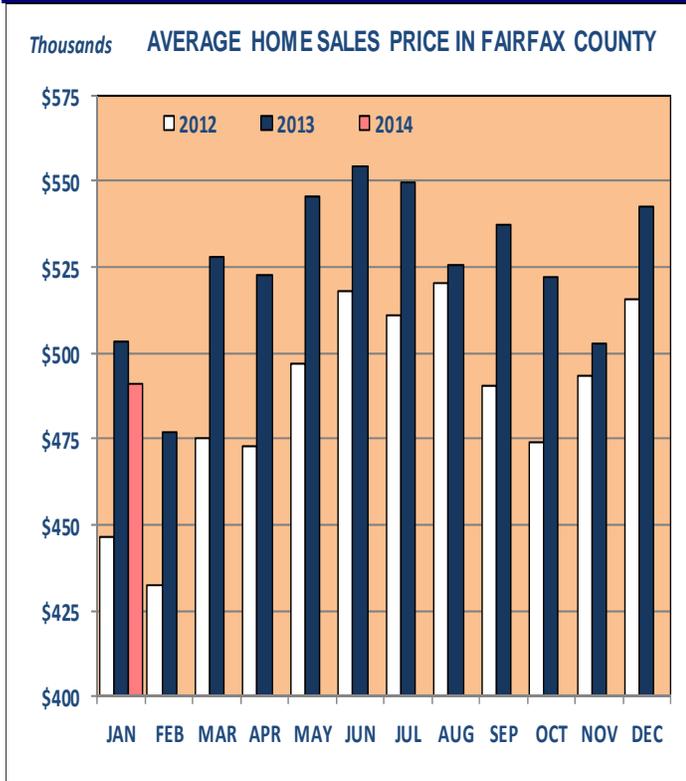
The average home sales price of all homes that sold in January 2014 in Fairfax County was \$491,144, a decrease of 2.4 percent from the January 2013 average sales price of \$503,396. Compared to the annual 2013 average home sales price of \$531,136, the January price decreased 7.5 percent.

The average sales price for detached homes that sold in January 2014 was \$655,499, a decrease of 3.4 percent from the January 2013 average of \$678,800. The average sales price of attached homes increased 2.4 percent in the same time period.

FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN JAN 2014 COMPARED TO SALES IN JAN 2013

	January 2014	January 2013	% Change
All Homes	\$491,144	\$503,396	-2.4%
Detached Homes	\$655,499	\$678,800	-3.4%
Attached Homes	\$343,824	\$335,703	2.4%

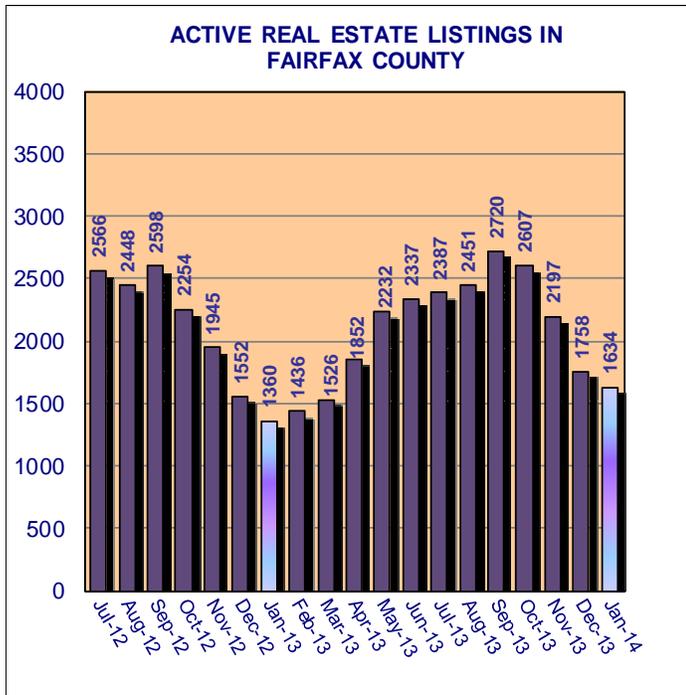
Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Average selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read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



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

Inventory of Homes for Sale

In January, the number of active listings in the County was 1,634, an increase of 20.1 percent over the 1,360 listed in January 2013. Based on the January 2014 listings and the current sales rate, there is a 2.4 month supply of homes for sale in the County, up from the 1.9 month supply a year ago.



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 4.43 percent for a 30-year fixed-rate mortgage in January, up from 3.41 percent a year ago. Increases in mortgage rates have decreased mortgage refinancings. Based on information from the Fairfax County Circuit Court, mortgage refinancings are down nearly 63 percent in the six months ending January 2014 compared to a year ago. This negatively impacts County revenues in the areas of recordation taxes and Clerk Fees, which are collected at the time of mortgage refinancing.



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

GO GREEN!

To receive this publication electronically each month, send your e-mail address to: lynda.pham@fairfaxcounty.gov or call 703-324-2391

Inquiries regarding this publication should be directed to:

The Department of Management and Budget
 12000 Government Center Parkway
 Suite 561
 Fairfax, Virginia 22035-0074
 (703) 324-2391 or 1-800-828-1120 (TDD)

Staff: Susan Datta, CFO; Marcia Wilds, Revenue and Economic Analysis Coordinator; Albena Assenova, Budget Analyst.