



ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

AUGUST 2014

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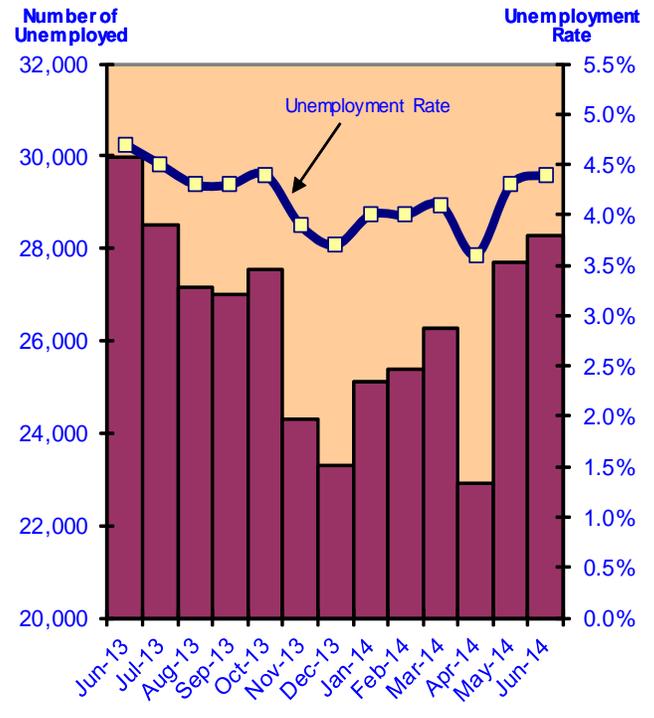
- The unemployment rate in Fairfax County increased slightly to 4.4 percent in June. (See page 1)
- August Sales tax receipts in Fairfax County declined 1.6 percent from a year ago. (See page 2)
- The U.S. economy grew at an annual rate of 4.0 percent in the second quarter of 2014 after contracting 2.1 percent in the first quarter. (See page 2)
- The Consumer Confidence Index improved in July to the highest level since October 2007. (See page 2)
- In July 2014, the average sales price of all homes that sold in Fairfax County decreased 0.5 percent compared to the average sales price in July 2013. (See page 3)
- The number of active listing of homes for sale in the County increased 57.2 percent in July from a year ago. (See page 4)
- Total non-farm employment in Northern Virginia was 1,384,000 in July 2014; a gain of 13,900 jobs over last July. (See page 5)

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

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



FAIRFAX COUNTY UNEMPLOYMENT DATA



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

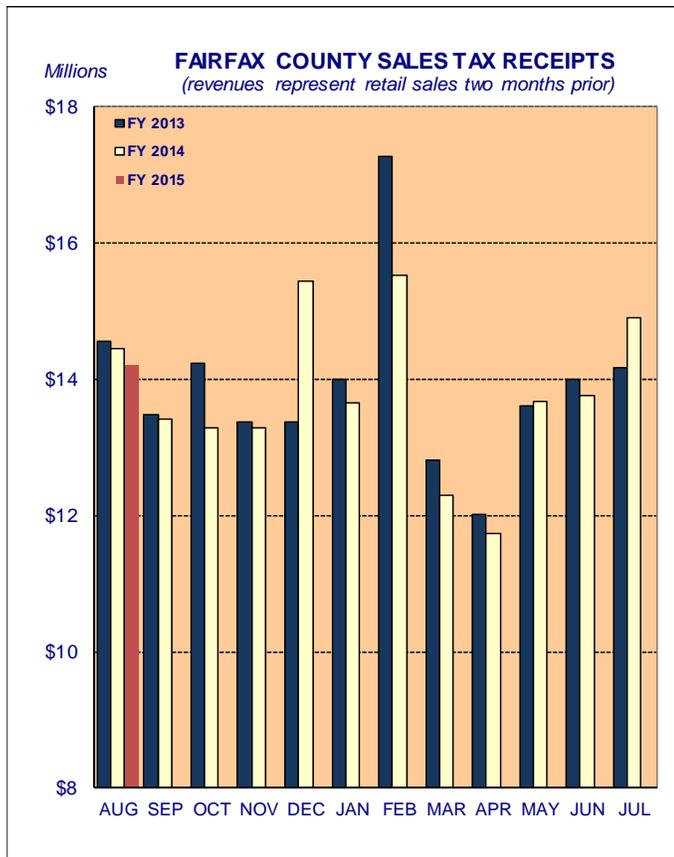
Employment

The unemployment rate in Fairfax County increased from 4.3 percent in May to 4.4 percent in June. The number of unemployed residents increased over the month from 27,688 to 28,280. The County's unemployment rate was 0.3 percentage points lower than last June.

The seasonally adjusted June unemployment rate in Virginia increased to 5.3 percent from 5.1 percent in May. This is the second consecutive increase. The state's unemployment rate was 5.7 percent a year ago.

The U.S. seasonally adjusted unemployment rate in June declined to 6.1 percent, down from 6.3 percent in May. Total nonfarm payroll employment rose by 288,000. Over the prior 3 months, employment growth has averaged 272,000 per month.

Sales Tax Receipts



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

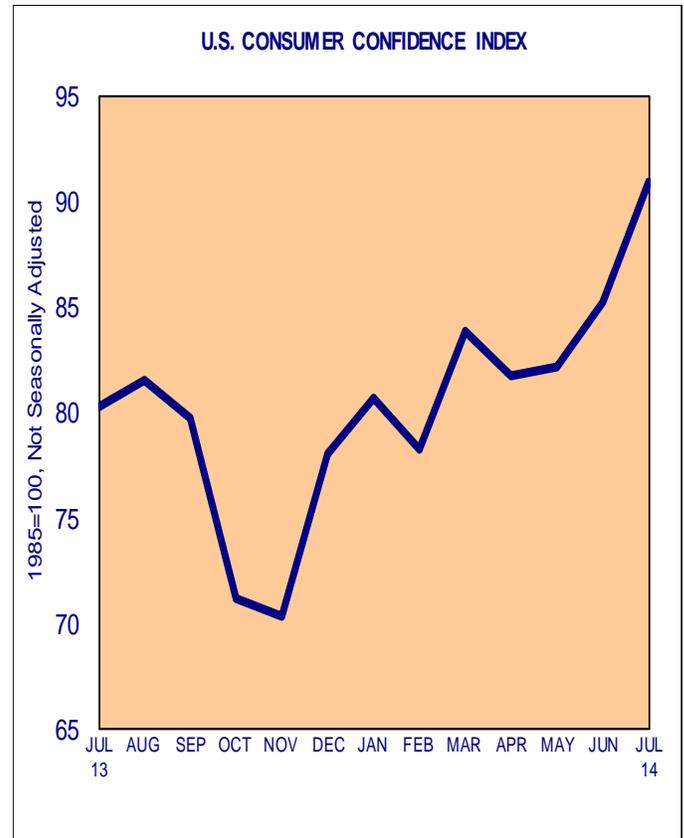
Sales Tax receipts distributed to Fairfax County in August for retail purchases made in June, were \$14.2 million, a decrease of 1.6 percent from August 2013. The August distribution was reduced for a refund of \$0.9 million resulting from a state audit. August represents the first month of the County's FY 2015 Sales Tax receipts.

NATIONAL INDICATORS

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 4.0 percent in the second quarter of 2014, according to the advance estimate by the Bureau of Economic Analysis (BEA). The robust rate primarily reflected increases in personal consumption expenditures and business inventory investment. In the first quarter of 2014, real GDP declined 2.1 percent.

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 June, rose again in July. The index stands at 90.9 (1985=100), up from 86.4 a month ago. Both the present situation component and the expectations component increased over the month. Lynn Franco, Director of Economic Indicators at the Conference Board, said that the index is at its highest level since October 2007 primarily due to strong job growth which improved consumers' assessment of current business conditions. She added that "the recent strengthening in growth is likely to continue into the second half of this year."

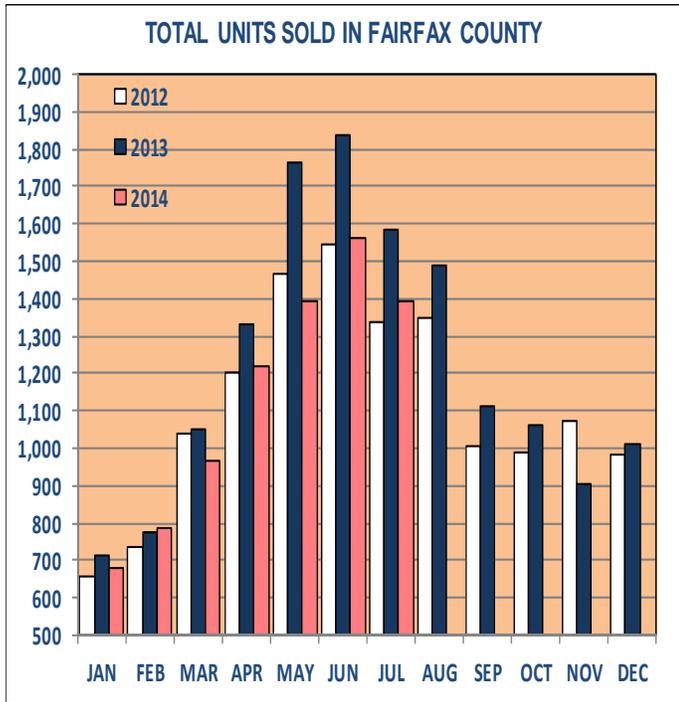
Case-Shiller Home Price Indices

Based on the latest available data, home prices in 20 U.S. cities, as measured by the S&P Case-Shiller Index, increased 9.3 percent for the 12 months ending in May 2014. The pace of home price appreciation is slower than a month ago and this trend is expected to continue during the rest of 2014. Home prices in the Washington Metropolitan area posted a 5.8 percent gain during the same period.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

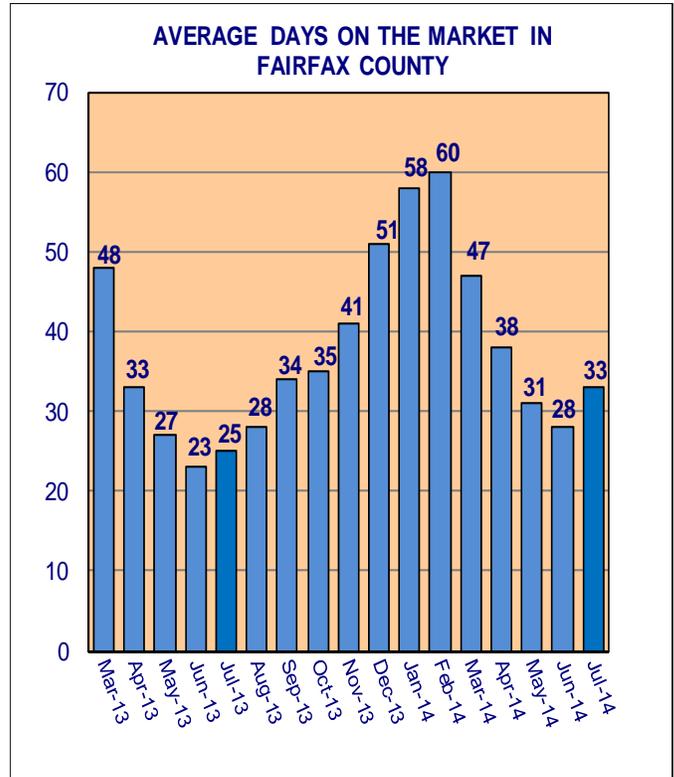
In July, 1,395 homes were sold in Fairfax County, a decrease of 12.0 percent from the 1,586 homes sold in July 2013. During the first seven months of 2014, the number of home sales is down 11.7 percent from 9,054 in 2013 to 7,997 in 2014.



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 July were on the market for 33 days, eight days longer than the 25-day average in July 2013.



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

Average Home Sales Prices

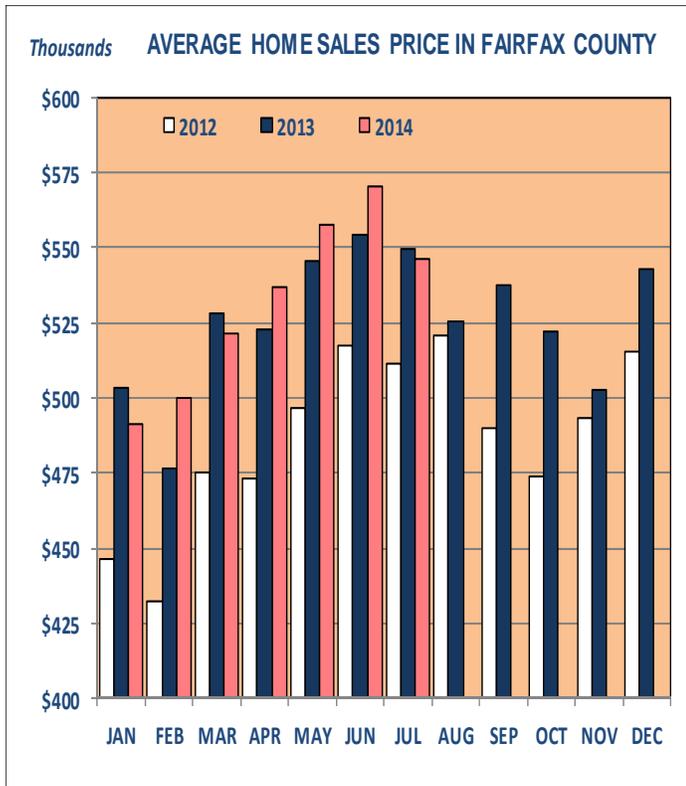
The average sales price of all homes that sold in July 2014 in Fairfax County was \$546,576, a decline of 0.5 percent from the July 2013 average sales price of \$549,419. The average July price was 2.9 percent higher than the 2013 average home sales price of \$531,136.

The average sales price for detached homes that sold in July 2014 was \$713,531, an increase of 2.5 percent over the July 2013 average of \$696,040. The average sales price of attached homes increased 1.0 percent during the same time period. Note that due to the mix of homes sold across the two years, the average of all homes sold fell in July even though the average sold price of detached and attached homes rose.

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

	July 2014	July 2013	% Change
All Homes	\$546,576	\$549,419	-0.5%
Detached Homes	\$713,531	\$696,040	2.5%
Attached Homes	\$376,481	\$372,617	1.0%

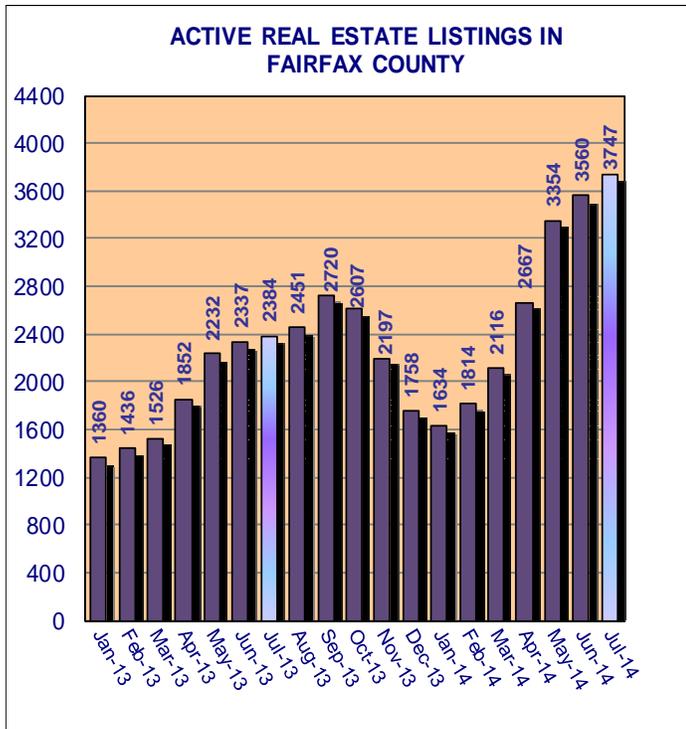
Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Average selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read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



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

Inventory of Homes for Sale

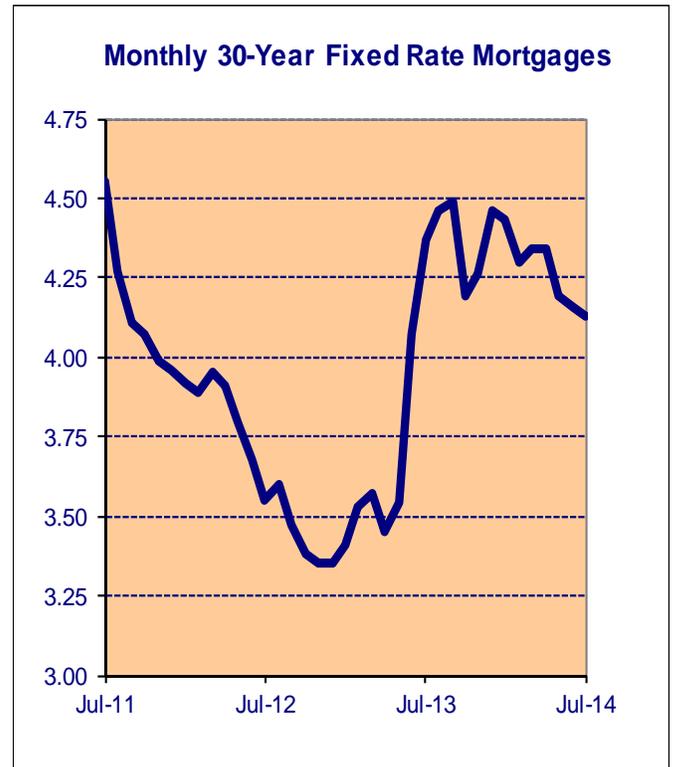
In July, the number of active listings in the County was 3,747, an increase of 57.2 percent over the 2,384 listed in July 2013. Based on the July 2014 listings and the current sales rate, there is a 2.7 month supply of homes for sale in the County, up from the 1.5 month supply a year ago.



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

30-Year Fixed-Rate Mortgage

According to Freddie Mac, the average 30-year fixed rate mortgage interest rate decreased to 4.13 percent in July, down from 4.16 percent a month ago. Last July the 30-year fixed-rate mortgage was 3.37 percent.



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

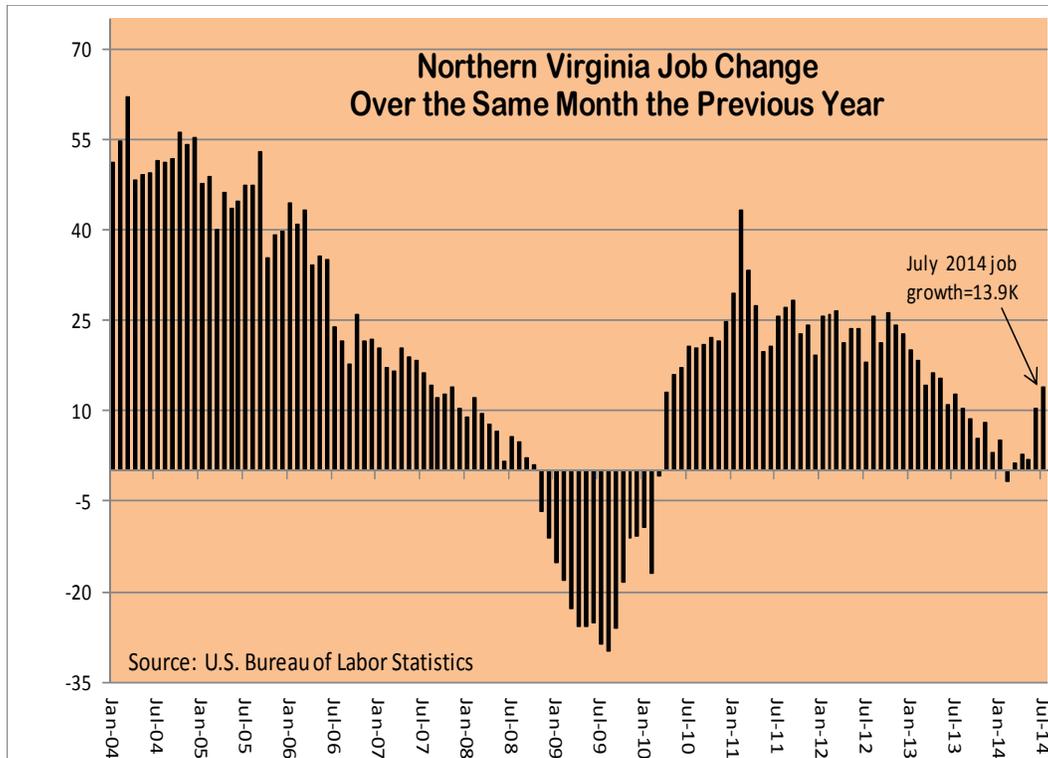
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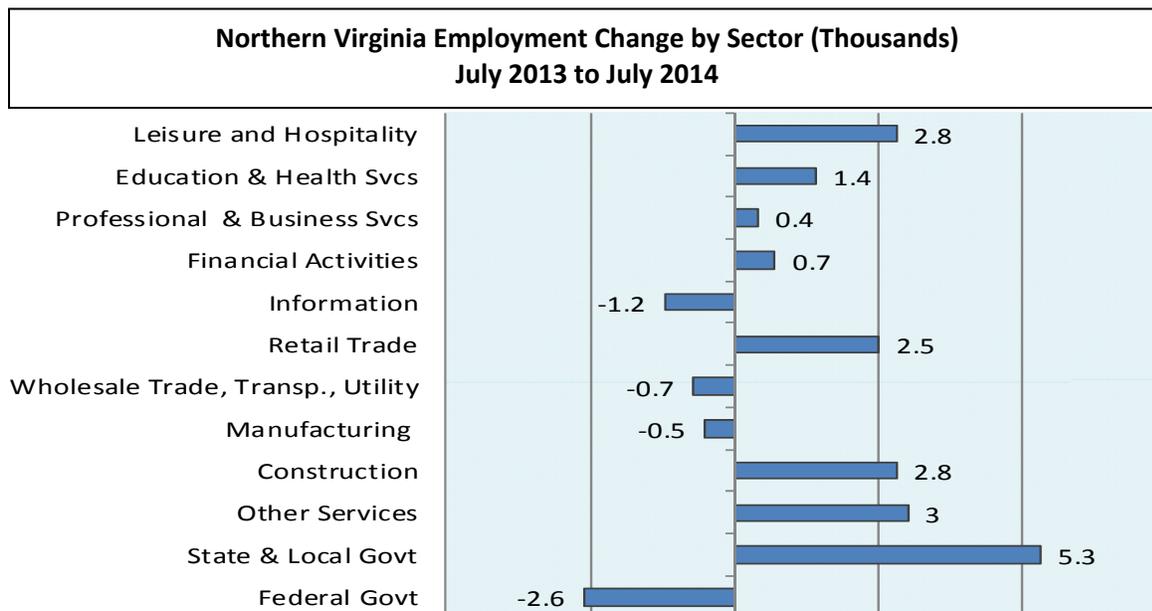
Northern Virginia Employment

Total non-farm employment in Northern Virginia was 1,384,000 in July 2014; a gain of 13,900 jobs over last July. The number of jobs expanded at an annual rate of 1.0 percent. While this is the strongest rate in over a year, it is still significantly lower than the 2.4 average annual rate experienced from 2004 through 2007, prior to the recession. In calendar year 2013, job growth rose 0.9 percent, a gain of 11,900 jobs.



Change by Sector

Of the 13,900 net new jobs created over the year ending July 2014, 38 percent were in State and Local Government which experienced an employment increase of 5,300 or 3.9 percent. The Leisure and Hospitality industry and the construction industry each gained 2,800 jobs over the 12 months ending July 2014. After falling for 12 consecutive months from the same month the prior year, Professional and Business Services employment rose by 400 jobs in July.



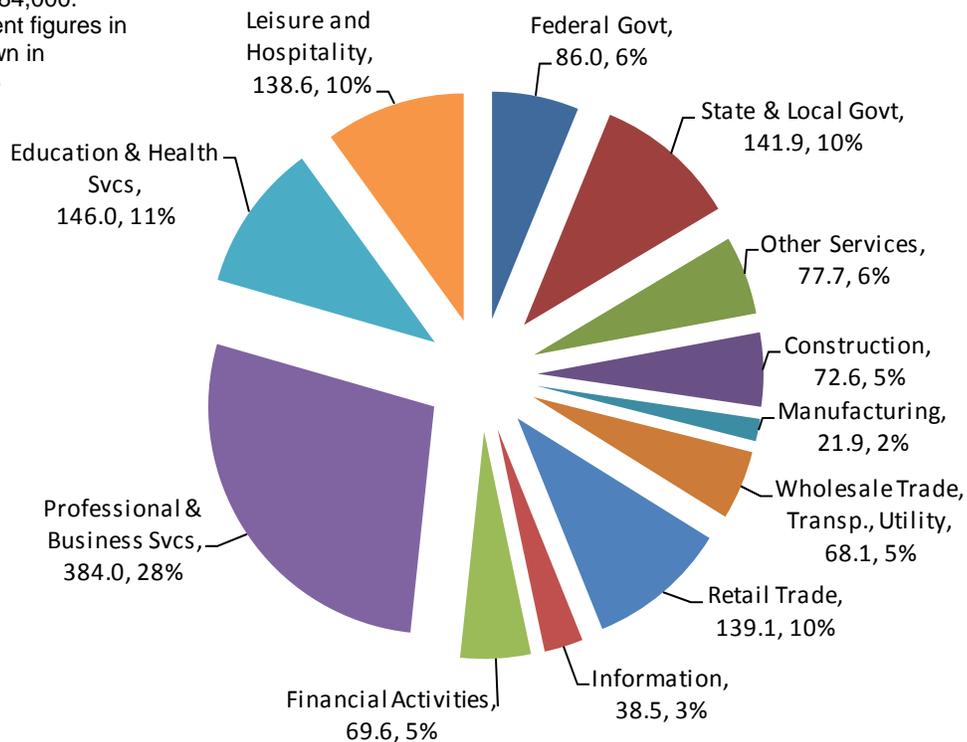
Source: U.S. Bureau of Labor Statistics

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. The largest decline occurred in federal government employment where 2,600 jobs were lost. This is the 13th consecutive decline in federal employment on a month over the year basis. Jobs in the information sector fell by 1,200 in July. This sector includes employment in publishing, TV and radio broadcasting and telecommunications.

Jobs by Sector in Northern Virginia

Employment in the Professional and Business Services sector was 384,000 in July, 28 percent of the total jobs in Northern Virginia. This sector has nearly 2.5 times as many jobs as in the next largest sector – Education and Health Services. The Retail, State and Local Government, and Leisure and Hospitality sectors each make up approximately 10 percent of the total jobs in Northern Virginia. Federal government jobs represent 6 percent of total employment in Northern Virginia.

Total Employment July 2014 =1,384,000. Employment figures in chart shown in thousands



Source: U.S. Bureau of Labor Statistics

Employment in Fairfax County – Calendar Year 2013

Fairfax County specific employment data are reported on a delayed basis by the U.S. Bureau of Labor Statistics and are currently available only through year-end 2013. The preliminary estimate for total employment in the County in 2013 is 586,780, a net decline of 3,710 jobs from 2012. This is the first drop since 2009 when the County lost 14,740 jobs. Fairfax County employment in the Professional Business Services sector was 217,622, (37 percent of total jobs) in 2013, a decline of 3,758 jobs from 2012. In 2013, federal government employment in Fairfax County rose from 23,957 to 24,279, an increase of 322 jobs.