ECONOMIC INDICATORS©

Fairfax County Department of Management and Budget

February 2026

Previous issues of this publication can be accessed at: http://bit.ly/444nhlp

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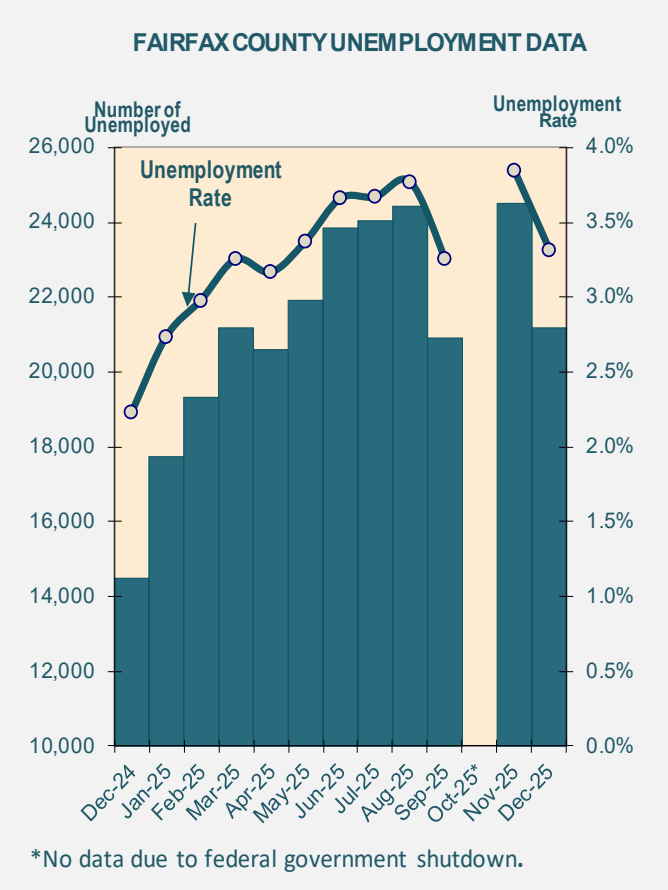
- The unemployment rate in Fairfax County decreased from 3.8 percent in November to 3.3 percent in December. **(See Page 2)**
- Sales tax receipts in February 2026 for purchases made in December 2025 increased 8.6 percent compared to last February. **(See page 2)**
- The number of homes sold in Fairfax County in January 2026 was up 1.4 percent from a year ago. **(See page 3)**
- In January 2026, the average sales price of all homes sold in Fairfax County decreased 1.5 percent from January 2025. **(See page 4)**
- The number of active listings of homes for sale in Fairfax County in January 2026 increased 15.3 percent from a year earlier. **(See page 4)**
- A 30-year fixed mortgage rate in January 2026 averaged 6.05 percent, down from 6.10 percent a month ago. The average mortgage rate in the last week of February fell below 6.00 percent for the first time since September 2022. **(See page 5)**

EMPLOYMENT



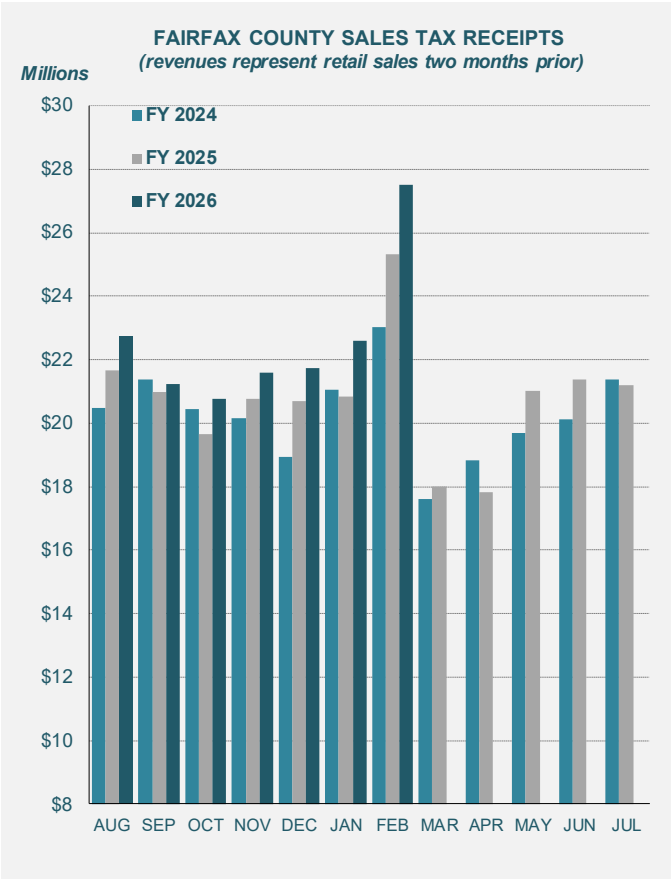
Source: Virginia Employment Commission. Compiled by the Fairfax County Department of Management and Budget.

Based on the latest available data from the U.S. Bureau of Labor Statistics, the unemployment rate in Fairfax County decreased from 3.8 percent in November to 3.3 percent in December. It was up 1.1 percentage point compared to a year ago. The number of unemployed residents decreased from 24,515 in November to 21,181 in December.

Compared to November, the seasonally adjusted December unemployment rate in Virginia increased from 3.5 percent to 3.6 percent. It was up 0.7 percentage point compared to a year ago.

The U.S. seasonally adjusted unemployment rate decreased from 4.6 percent in November to 4.4 percent in December, and was up 0.3 percentage point compared to a year ago. Total nonfarm payroll edged up by only 50,000 jobs in December. The federal government sector was down by 277,000, or 9.2 percent, from its January 2025 peak. Payroll employment rose by 584,000 in 2025 (an average monthly gain of 49,000), less than the increase of 2.0 million in 2024 (an average monthly gain of 168,000).

SALES TAX RECEIPTS



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

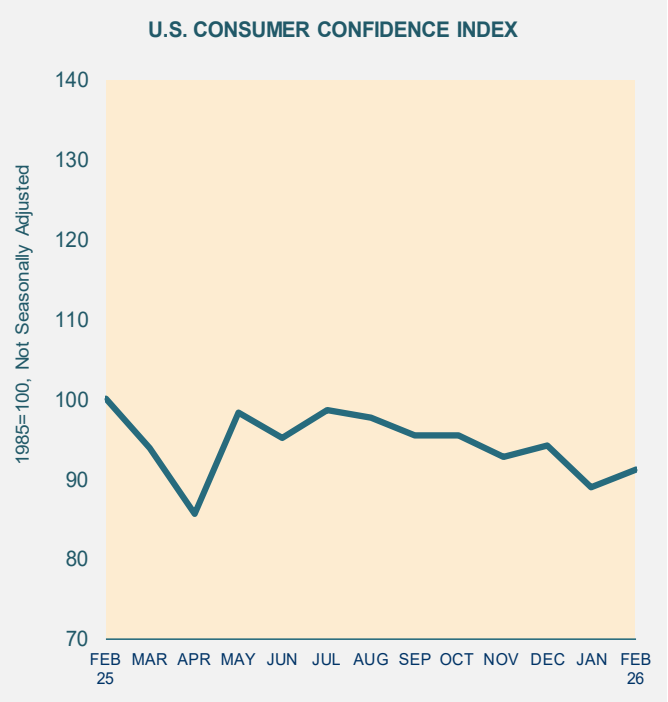
Sales Tax receipts distributed to Fairfax County in Februrary 2026 for retail purchases made in December 2025 were $27.5 million, an increase of 8.6 percent compared to February 2025. For the first 7 months of FY 2026, Sales Tax receipts are up 5.5 percent compared to the previous year.

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 Cotality Case-Shiller home price index, increased by 0.5 percent in December compared to a year ago. Home prices in the Washington Metropolitan area increased by just 0.3 percent during the same period. Nicholas Godec, Head of Fixed Income Tradables & Commodities at S&P, said, "Over the prior decade, national home prices outpaced inflation by 3.7 percentage points annually, a dynamic that has quietly reversed, with real home price returns turning negative in June 2025." He added, "Decomposing 2025 price returns reveals a year of two halves. The first six months saw prices rise 2.6 percent, while the back half delivered nominal declines of 1.3 percent."

Consumer Confidence Index



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

In February, the Consumer Confidence Index improved slightly to 91.2, up from 89.0 in January. The present situation component continued to decline while the expectations component improved. Dana Peterson, Chief Economist at the Conference Board said, "Consumers' write-in responses on factors affecting the economy continued to skew towards pessimism. Comments about prices, inflation, and the cost of goods remained at the top of consumers' minds. She added, "Mentions of trade and politics also increased in February. Labor market mentions eased a bit in February, while observations about immigration increased somewhat."

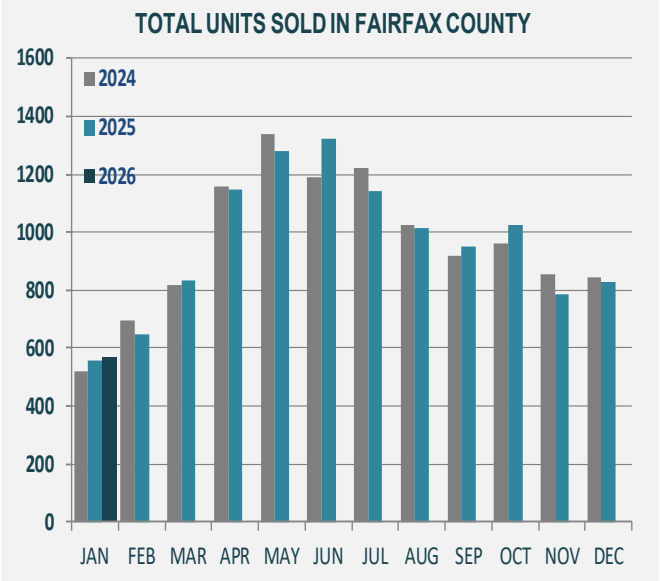
Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 1.4 percent in the fourth quarter of 2025, according to the advance estimate released by the Bureau of Economic Analysis (BEA). It should be noted that the release of the GDP data was later than prior years due to the October-November federal government shutdown. In the third quarter, real GDP increased 4.4 percent. The deceleration in real GDP in the fourth quarter reflected downturns in government spending and exports and a deceleration in consumer spending, partly offset by an increase in investment.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

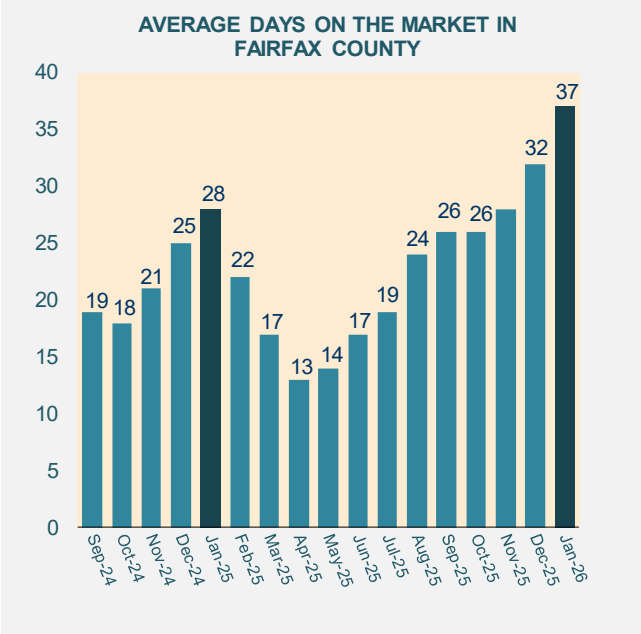
In January 2026, 568 homes were sold in Fairfax County, an increase of 1.4 percent over the 560 homes that were sold in January 2025.



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 2026 were on the market for 37 days. This is 9 days longer than last January.

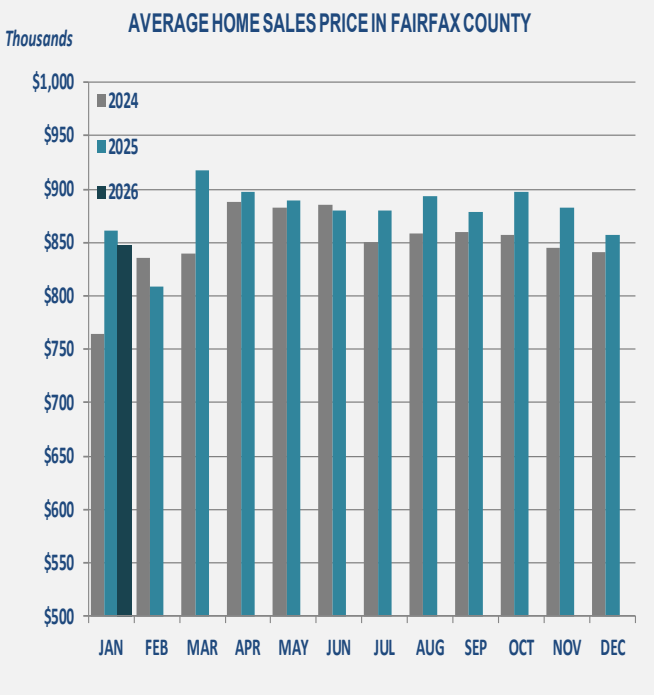


Source: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.

Average Home Sales Prices

The average sales price of all homes that sold in January 2026 in Fairfax County was $847,557, a decrease of 1.5 percent from the January 2025 average sales price of $860,520. The average sales price was 4.1 percent down compared to the 2025 annual home sales price of $883,520.

The average sales price for detached homes that sold in January 2026 was $1,233,492, a decrease of 1.1 percent from the January 2025 average of $1,247,392. The average sales price of attached homes decreased 2.5 percent in the same period.



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

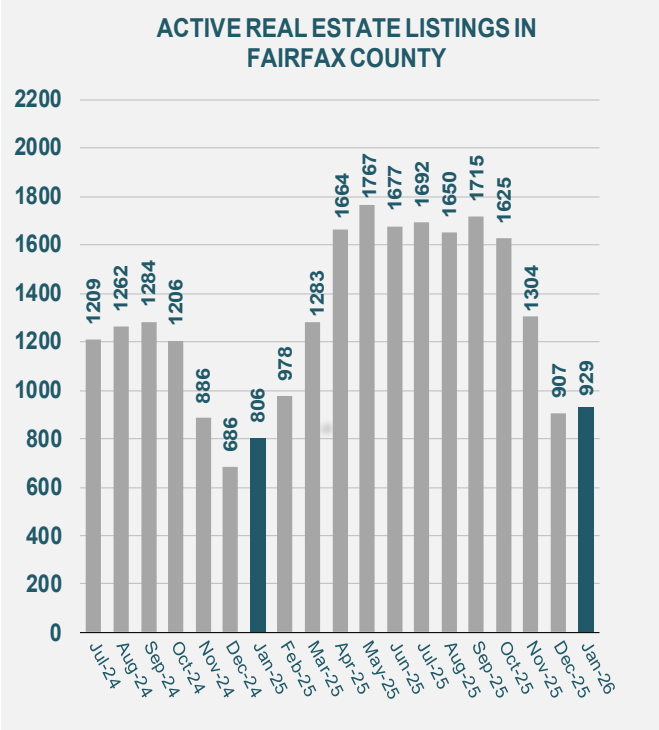
FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN JAN 2026 COMPARED TO SALES IN JAN 2025			
	Jan 2026	Jan 2025	% Change
All Homes	$847,557	$860,520	-1.5%
Detached Homes	$1,233,492	$1,247,392	-1.1%
Attached Homes	$542,858	$556,727	-2.5%

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

Inventory of Homes for Sale

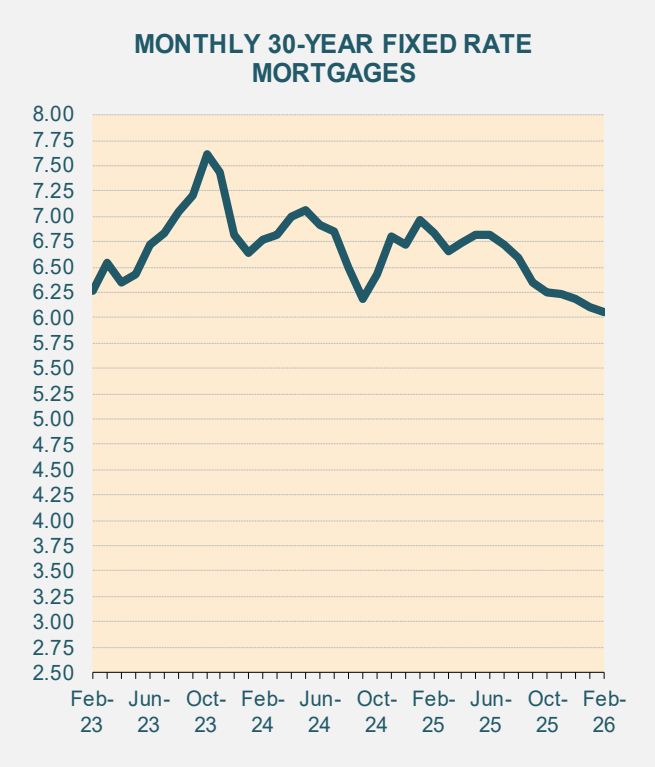
The number of active listings for sale in Fairfax County in January 2026 was 929, an increase of 15.3 percent over the 806 listings in January 2025. Based on the January 2026 listings and the current sales rate, there is approximately a 1.6-month supply of homes for sale in the County, compared to the 1.4-month supply a year ago.



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

30-Year Fixed Rate Mortgages

According to Freddie Mac, the average 30-year fixed mortgage interest rate in February 2026 continued to decline to 6.05 percent, down from 6.10 percent a month ago. Notably, in the last week of Februrary, mortgage rates fell below 6.00 percent for the first time since September 2022. The average monthly mortgage rate was 6.84 percent a year ago. According to data from a leading real estate listing website, more Americans now have a mortgage rate above 6 percent than those with a rate below 3 percent. In January, the Federal Reserve held its rate unchanged keeping it at the 3.5-3.75 percent target range. The market is predicting the current target rate to remain in place until at least June 2026.



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

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