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☐ In January 2015, the average sales price of all homes sold in Fairfax County increased 7.3 percent compared to the average sales price in January 2014. (See page 3)

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

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

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**Employment**

The unemployment rate in Fairfax County decreased from 3.6 percent in November to 3.5 percent in December. The number of unemployed residents decreased over the month from 22,357 to 21,872. This is the lowest unemployment rate since December 2008. The County’s unemployment rate was 0.2 percentage points lower than last December.

The December seasonally adjusted unemployment rate in Virginia fell to 4.8 percent from 5.0 percent in November. This is the lowest rate since October 2008. The December rate decreased 0.4 percentage points from a year ago.

The U.S. seasonally adjusted unemployment rate in December decreased to 5.6 percent from 5.8 percent in November. Total nonfarm payroll employment increased by 252,000 in December. On average, 246,000 jobs per month were added during 2014, compared to an average monthly gain of 194,000 in 2013.
Sales Tax Receipts

Sales Tax receipts distributed to Fairfax County in February for retail purchases made in December during the holiday season were $17.2 million, an increase of 10.7 percent over February 2014. Last February, receipts included a $1.5 million refund for taxes paid prior to the beginning of the fiscal year based on a state audit. Adjusting for the refund, February 2015 Sales Tax receipts would have been up only 0.9 percent. Combined, Sales Tax receipts are up 6.9 percent for the first seven months of the fiscal year.

NATIONAL INDICATORS

Case-Shiller Home Price Indices

Gains in home prices nationwide slowed during 2014. According to the S&P/Case-Shiller home price index, home prices were up 4.3 percent for the 12 months ending November 2014, the slowest rate since October 2012. Home prices in the Washington Metropolitan area posted a 1.9 percent gain during the same period. The pace of home price appreciation is expected to remain constrained during 2015 due to low inventory levels and tight lending standards.

Consumer Confidence Index

The Consumer Confidence Index increased sharply in January after increasing in December. The index stands at 102.9 (1985=100), up from 93.1 a month ago. Both the present situation component and the expectations component increased. Lynn Franco, Director of Economic Indicators at the Conference Board, said, “Consumer confidence is now at its highest level since August 2007.” She added that “consumers expressed a considerably higher degree of optimism regarding the short-term outlook for the economy and labor market, as well as their earnings.”

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 2.6 percent in the fourth quarter of 2014, according to the preliminary estimate by the Bureau of Economic Analysis (BEA). While that was about half the pace of the third quarter’s 5.0 percent growth rate, consumer spending, the main driver of the economy, grew at the fastest rate in almost nine years from October through December. Falling gasoline prices and consistent job growth in recent months have lifted consumer confidence and spending power. The U.S. economy is estimated to have grown 2.4 percent in 2014 compared to an increase of 2.2 percent in 2013.
FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

In January, 705 homes were sold in Fairfax County, an increase of 4.1 percent over the 677 homes sold in January 2014.

Average Days on the Market

On average, homes that sold in Fairfax County in January were on the market for 73 days. This is 15 days longer than the 58-day average in January 2014.

Average Home Sales Prices

The average sales price of all homes that sold in January 2015 in Fairfax County was $526,786, an increase of 7.3 percent over the January 2014 average sales price of $491,144. The average January price was down 2.1 percent compared to the 2014 average home sales price of $538,280.

The average sales price for detached homes that sold in January 2015 was $701,432, an increase of 7.0 percent over the January 2014 average of $655,499. The average sales price of attached homes increased 4.5 percent during the same time period.

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
Inventory of Homes for Sale

In January, the number of active listings in the County was 2,198, an increase of 34.5 percent over the 1,634 listed in January 2014. Based on the January 2015 listings and the current sales rate, there is approximately a 3.1 month supply of homes for sale in the County, up from the 2.4 month supply a year ago.

30-Year Fixed-Rate Mortgage

According to Freddie Mac, the average 30-year fixed rate mortgage interest rate decreased to 3.67 percent in January, down from 3.86 percent a month ago. This was the lowest level since May 2013. A year ago, the average 30-year mortgage interest rate was 4.43 percent. With falling mortgage interest rates, there has been a resurgence of refinancing activity at the start of 2015, according to the Mortgage Bankers Association.