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- The January unemployment rate in Fairfax County increased to 3.4 percent. 
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- For the first eight months of the fiscal year, Sales Tax receipts in Fairfax County are up 2.5 percent. 
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- The U.S. economy grew at an annual rate of 1.4 percent in the fourth quarter of 2015 after growing 2.0 percent in the third quarter. 
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- The Consumer Confidence Index declined in February after increasing the previous two months. 
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- The number of homes sold in Fairfax County increased 9.2 percent over a year earlier. 
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- In February 2016, the average sales price of all homes sold in Fairfax County increased 1.1 percent compared to the average sales price in February 2015. 
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- The number of active listings of homes for sale in the County increased 5.4 percent in February from a year ago. 
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Previous issues of this publication can be accessed at:

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

Employment

The January unemployment rate in Fairfax County was 3.4 percent, an increase of 0.4 percentage point from December. The number of unemployed residents increased over the month from 18,954 to 20,974. The County’s unemployment rate was 0.4 percentage point lower than last January.

The seasonally adjusted unemployment rate in Virginia decreased from 4.2 percent in December to 4.1 percent in January. The rate was down 0.7 percentage point from January 2015.

The U.S. seasonally adjusted unemployment rate decreased from 5.0 percent in December to 4.9 percent in January. The rate was down 0.8 percentage point from a year ago. Total nonfarm payroll employment increased by 151,000 in January. On average, 231,000 jobs were added during the past 3 months.
Sales Tax Receipts

Sales Tax receipts distributed to Fairfax County in March for retail purchases made in January were $12.3 million, a decrease of 5.7 percent from March 2015. Sales Tax receipts were likely negatively impacted by severe winter weather experienced in January. Combined, Sales Tax receipts are up 2.5 percent for the first eight months of the fiscal year.

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 5.7 percent for the 12 months ending in January 2016. David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices, said that “Home prices continue to climb at more than twice the rate of inflation.” He added that, “While low inventories and short supply are boosting prices, financing continues to be a concern for some potential purchasers, particularly young adults and first time home buyers.”

During the same period, the Washington Metropolitan area posted a 2.2 percent gain.

Consumer Confidence Index

The Consumer Confidence Index decreased in February after increasing the previous two months. The index stands at 92.2 (1985=100), a decrease from 97.8 a month ago. Both the present situation component and the expectations component declined compared to last month. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, “Consumers’ assessment of current conditions weakened, primarily due to a less favorable assessment of business conditions.” She added that, “Continued turmoil in the financial markets may be rattling customers, but their assessment of current conditions suggests the economy will continue to expand at a moderate pace in the near-term.”

Gross Domestic Product

According to the third estimate by the Bureau of Economic Analysis, real gross domestic product (GDP) increased at an annual rate of 1.4 percent in the fourth quarter of 2015 after growing 2.0 percent in the third quarter. In the previous estimate, real GDP was reported to have increased 1.0 percent. The U.S. economy is estimated to have grown 2.4 percent in 2015, the same rate as in 2014.
FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

In February, 834 homes were sold in Fairfax County, an increase of 9.2 percent over the 764 homes sold in February 2015.

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 February were on the market for 82 days. This is 5 days longer than the 77 day average in February 2015.

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

Average Home Sales Prices

The average sales price of all homes that sold in February 2016 in Fairfax County was $520,770, an increase of 1.1 percent over the February 2015 average sales price of $514,898. The average February sales price was down 4.3 percent compared to the 2015 average home sale price of $544,055.

The average sales price for detached homes that sold in February 2016 was $702,197, an increase of 6.6 percent over the February 2015 average of $658,799. The average sales price of attached homes decreased 1.2 percent over the same period.

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**Inventory of Homes for Sale**

The number of active listings in the County in February was 2,508, an increase of 5.4 percent over the 2,379 listings in February 2015. Based on the February 2016 listings and the current sales rate, there is approximately a 3.0 month supply of homes for sale in the County, slightly lower than the 3.1 month supply a year ago.

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**Negative Equity**

Based on data from Zillow, which is the largest U.S. real estate website that provides nationwide real estate information and research, the percentage of homes with negative equity in the U.S. was 13.1 percent in the fourth quarter of 2015, a decrease of 0.3 percentage points compared to the third quarter. Negative equity, a situation in which the borrower owes more on their mortgage than the home is worth – has fallen or stayed flat for 15 straight quarters after peaking in the first quarter of 2012 at 31.4 percent. According to Zillow’s report, “at 13.1 percent, negative equity is still at higher levels than we’d like to see in more normal times. It also means there’s substantial room for continued slow improvement.” Based on January 2016 Market Overview for the Washington Metro area, the percentage of homes with negative equity in Fairfax County was 8.8 percent, down from 9.0 percent a year ago and the lowest rate among the major jurisdictions in the region.