IN THIS ISSUE:

- The September unemployment rate in Fairfax County increased slightly to 3.3 percent.  
  (See page 1)

- For the first four months of the fiscal year, adjusted Sales Tax receipts are up 1.2 percent over FY 2016.  
  (See page 2)

- The Consumer Confidence Index decreased in October after increasing in September.  
  (See page 2)

- The number of homes sold in Fairfax County in October increased 0.4 percent from a year earlier.  
  (See page 3)

- In October 2016, the average sales price of all homes sold in Fairfax County increased 1.5 percent compared to the average sales price in October 2015.  
  (See page 3)

- The number of active listings of homes for sale in the County decreased 22.0 percent in October from a year ago.  
  (See page 4)

- A 30-year fixed rate mortgage averaged 3.77 percent in November.  
  (See page 4)

Previous issues of this publication can be accessed at:

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

Employment

The September unemployment rate in Fairfax County increased 0.1 percentage point to 3.3 percent. The number of unemployed residents increased over the month from 19,895 to 20,315. The County’s unemployment rate was down 0.1 percentage point from September 2015.

The seasonally adjusted unemployment rate in Virginia increased 0.1 percentage point in September to 4.0 percent. The rate was down 0.2 percentage point from September 2015.

The U.S. seasonally adjusted unemployment rate increased 0.1 percentage point to 5.0 percent in September. The rate was down 0.1 percentage point from a year ago. Total nonfarm payroll employment increased by 156,000 in September. On average, 178,000 jobs per month have been added since the beginning of 2016, compared to an average of 229,000 per month in 2015.
Sales Tax Receipts

FAIRFAX COUNTY SALES TAX RECEIPTS
(revenues represent retail sales two months prior)

<table>
<thead>
<tr>
<th>Months</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
</tr>
<tr>
<td>Sep</td>
<td>$12</td>
<td>$12</td>
<td>$12</td>
</tr>
<tr>
<td>Oct</td>
<td>$14</td>
<td>$14</td>
<td>$14</td>
</tr>
<tr>
<td>Nov</td>
<td>$16</td>
<td>$16</td>
<td>$16</td>
</tr>
<tr>
<td>Dec</td>
<td>$18</td>
<td>$18</td>
<td>$18</td>
</tr>
<tr>
<td>Jan</td>
<td>$8</td>
<td>$8</td>
<td>$8</td>
</tr>
<tr>
<td>Feb</td>
<td>$8</td>
<td>$8</td>
<td>$8</td>
</tr>
<tr>
<td>Mar</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
</tr>
<tr>
<td>Apr</td>
<td>$12</td>
<td>$12</td>
<td>$12</td>
</tr>
<tr>
<td>May</td>
<td>$14</td>
<td>$14</td>
<td>$14</td>
</tr>
<tr>
<td>Jun</td>
<td>$16</td>
<td>$16</td>
<td>$16</td>
</tr>
<tr>
<td>Jul</td>
<td>$18</td>
<td>$18</td>
<td>$18</td>
</tr>
</tbody>
</table>

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

Sales Tax receipts distributed to Fairfax County in November for retail purchases made in September were $12.7 million, a decrease of 14.9 percent from November 2015. November receipts included a refund of $2.5 million for taxes paid in previous years based on a state audit. During the first four months of FY 2017, Sales Tax receipts are down 3.0 percent from FY 2016. Excluding the refund, Sales Tax collections are up 1.2 percent over FY 2016.

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 home price index, increased 5.1 percent for the 12 months ending in September. Home prices in the Washington Metropolitan area posted a 2.7 percent gain during the same period. David M. Blitzer, Managing Director and Chairman of the Index Committee, said that “The new peak set by the S&P Case-Shiller CoreLogic National Index will be seen as marking a shift from the housing recovery to the hoped-for start of a new advance.” He added that, “Other housing indicators are also giving positive signals: sales of existing homes and new homes are rising and housing starts at an annual rate of 1.3 million units are at a post-recession peak.”

Consumer Confidence Index

U.S. CONSUMER CONFIDENCE INDEX

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

The Consumer Confidence Index decreased in October. The index stands at 98.6 (1985=100), down from 103.5 a month ago. Both the present situation component and the expectations component decreased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, “Consumers’ assessment of current business and employment conditions softened, while optimism regarding the short-term outlook retreated somewhat.” She added that, “Overall, sentiment is that the economy will continue to expand in the near-term, but at a moderate pace.”

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 3.2 percent in the third quarter of 2016, according to the revised estimate by the Bureau of Economic Analysis (BEA). This marks the strongest quarter of growth in two years. In the initial estimate, real GDP was reported to have increased 2.9 percent. During the second quarter of 2016, the economy grew at an annual rate of 1.4 percent.
FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

In October, 1,110 homes were sold in Fairfax County, a slight increase of 0.4 percent over the 1,106 homes sold in October 2015.

Average Days on the Market

On average, homes that sold in Fairfax County in October were on the market for 53 days. This is 8 days fewer than the 61 day average in October 2015.

Average Home Sales Prices

The average sales price of all homes that sold in October 2016 in Fairfax County was $537,897, an increase of 1.5 percent over the October 2015 average sales price of $529,888. The average October sales price was down 1.1 percent compared to the annual 2015 average home sale price of $544,055.

The average sales price for detached homes that sold in October 2016 was $730,863, an increase of 1.4 percent over the October 2015 average of $720,907. The average sales price of attached homes increased 2.2 percent over last October.

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
30-Year Fixed-Rate Mortgage

According to Freddie Mac, the average 30-year fixed rate mortgage interest rate increased to 3.77 percent, up from 3.47 percent a month ago. By historic standards, the rate remains extremely low. A year ago, the rate was 3.94 percent.

Inventory of Homes for Sale

The number of active listings in the County in October was 3,298, a decrease of 22.0 percent from the 4,228 listings in October 2015. Based on the October 2016 listings and the current sales rate, there is approximately a 3.0 month supply of homes for sale in the County, less than the 3.8 month supply a year ago.

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: Albena Assenova, Senior Budget Analyst; Eric Eisinger, Budget Analyst