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- Based on preliminary estimates, the U.S. economy grew at an annual rate of 2.3 percent in 2017, compared with an increase of 1.5 percent in 2016.  
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- The number of homes sold in Fairfax County during 2017 increased 2.2 percent compared to 2016.  
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- In 2017, the average sales price of all homes sold in Fairfax County increased 4.3 percent compared to the average sale price in 2016.  
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- In 2017, on average, it took 45 days to sell a home in Fairfax County, a decrease of 7 days compared to 2016.  
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- The number of new single family building permits issued in the County for 2017 increased 16.8 percent compared to 2016.  
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Previous issues of this publication can be accessed at:
https://www.fairfaxcounty.gov/budget/economic-indicators

Employment

The November unemployment rate in Fairfax County increased 0.1 percentage point to 3.0 percent. The number of unemployed residents increased over the month from 18,392 to 18,780. The County’s unemployment rate was unchanged compared to November 2016.

The seasonally adjusted unemployment rate in Virginia increased 0.1 percentage point to 3.7 percent in November. The rate was down 0.4 percentage point from November 2016.

The U.S. seasonally adjusted unemployment rate of 4.1 percent was unchanged in November. The rate was down 0.5 percentage point from a year ago. Total nonfarm payroll employment increased by 228,000 in November. Over the past three months, job gains have averaged 170,000 per month.
Sales Tax Receipts

Sales Tax receipts distributed to Fairfax County in January for retail purchases made in November were $15.4 million, an increase of 4.8 percent over January 2017. Through the first six months of FY 2018, Sales Tax receipts are up 3.5 percent over FY 2017.

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 6.4 percent for the 12 months ending in November. Home prices in the Washington Metropolitan area posted a 3.3 percent gain during the same period, the lowest rate of increase among the metropolitan areas in the index. David M. Blitzer, Managing Director and Chairman of the Index Committee, said that, “Given slow population and income growth since the financial crisis, demand is not the primary factor in rising home prices.” He added that, “From 2010 to the latest month of data, the construction of single family homes slowed, with single family home starts averaging 632,000 annually. This is less than the annual rate during the 2007-2009 financial crisis of 698,000, which is far less than the long-term average of slightly more than one million annually from 1959 to 2000 and 1.5 million during the 2001-2006 boom years. Without more home supply, home prices may continue to substantially outpace inflation.”

Consumer Confidence Index

The Consumer Confidence Index decreased in December for the first time in six months. The index stands at 122.1 (1985=100), down from 128.6 a month ago. The present situation component increased, while the expectations component decreased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, “The decline in confidence was fueled by a somewhat less optimistic outlook for business and job prospects in the coming months.” She added, “Despite the decline in confidence, consumers’ expectations remain at historically strong levels, suggesting economic growth will continue well into 2018.”

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 2.6 percent in the fourth quarter of 2017, according to the advanced estimate by the Bureau of Economic Analysis. In the third quarter, real GDP increased 3.2 percent. For all of 2017, real GDP grew at a preliminary rate of 2.3 percent, up from 1.5 percent growth in 2016. The fourth quarter and annual rates will be revised twice more before they are considered final.
FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume
In December, 1,024 homes were sold in Fairfax County, a decrease of 5.8 percent from the 1,087 homes sold in December 2016. During all of 2017, the number of home sales increased 2.2 percent from 15,755 in 2016 to 16,109 in 2017.

Average Home Sales Prices
The average sales price of all homes that sold in December 2017 in Fairfax County was $583,935, an increase of 5.1 percent over the December 2016 average sales price of $555,511. During 2017, the average home price increased 4.3 percent to $567,829 compared to 2016.

The average sales price for detached homes that sold in December 2017 was $749,473, an increase of 5.6 percent over the December 2016 average of $728,356. The average sales price of attached homes increased 2.5 percent over the same period. In 2017, detached homes’ average sale price increased 5.2 percent over 2016, while attached homes increased 1.2 percent over the same time period.

Average Days on the Market
On average, homes that sold in Fairfax County in December were on the market for 60 days. This is 5 days fewer than the 65-day average in December 2016. During 2017, homes were on the market 45 days before they were sold, down from 52 days in 2016.

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 in the County in December was 1,642, a decrease of 21.4 percent from the 2,090 listings in December 2016. Based on the December 2017 listings and the current sales rate, there is approximately a 1.5 month supply of homes for sale in the County, less than the 2.0 month supply a year ago.

**Single Family Building Permits**

During the fourth quarter of 2017, 302 new single family building permits were issued in Fairfax County. This represents a 29.1 percent increase over the 234 permits issued during the same period in 2016. The number of new single family permits issued for all of 2017 was 1,175, up 16.8 percent compared to the 1,006 issued in 2016.