



ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

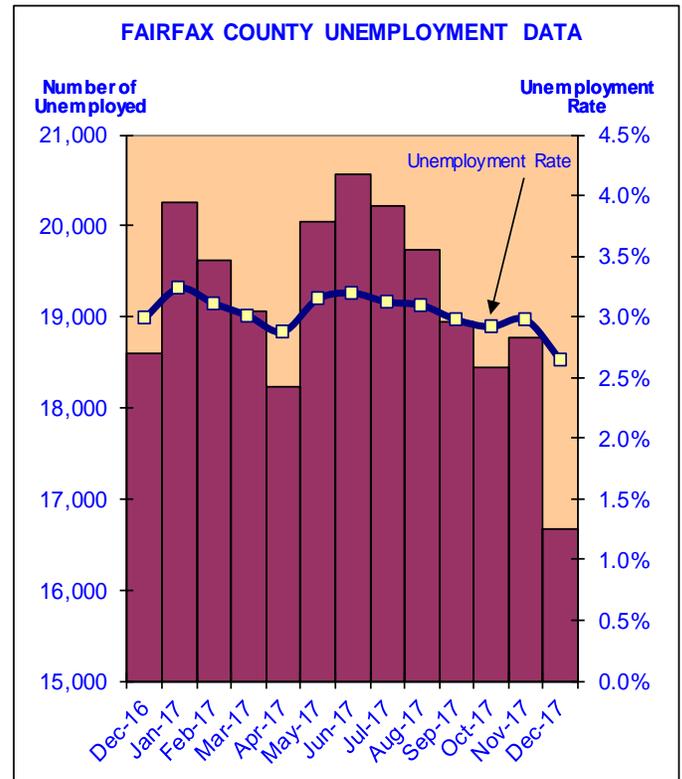
FEBRUARY 2018

IN THIS ISSUE:

- The December unemployment rate in Fairfax County decreased to 2.6 percent. (See page 1)
- Through February, Sales Tax receipts in Fairfax County are up 3.0 percent. (See page 2)
- The Consumer Confidence Index increased in January after declining in December. (See page 2)
- The number of homes sold in Fairfax County in January decreased 1.0 percent compared to January 2017. (See page 3)
- In January 2018, the average sales price of all homes sold in Fairfax County increased 2.8 percent compared to the average sale price in January 2017. (See page 3)
- The number of active listings of homes for sale in the County decreased 23.4 percent in January from a year ago. (See page 4)
- A 30-year fixed rate mortgage averaged 4.33 percent in February, the highest monthly average rate since April 2014. (See page 4)

Previous issues of this publication can be accessed at:

<https://www.fairfaxcounty.gov/budget/economic-indicators>



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

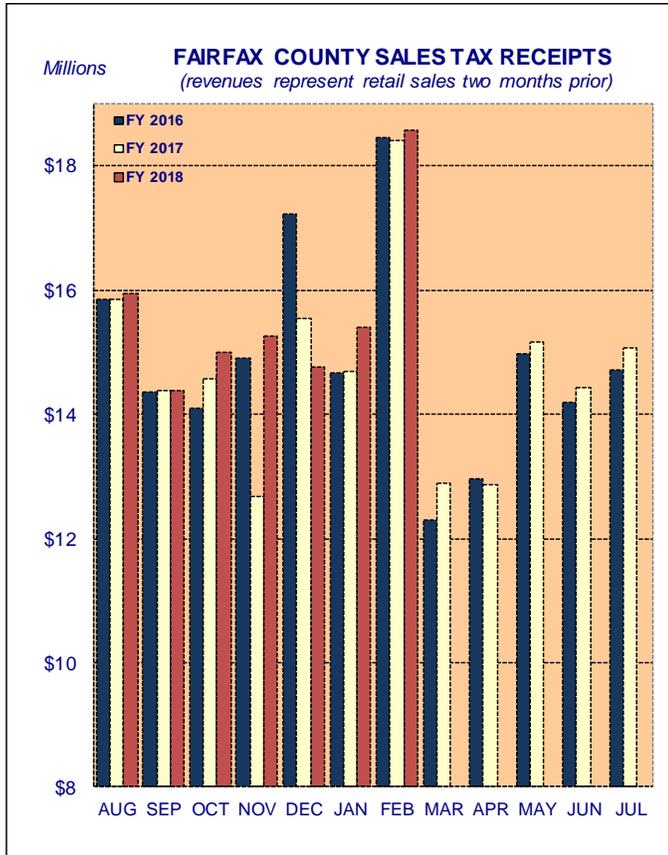
Employment

The December unemployment rate in Fairfax County decreased 0.4 percentage point to 2.6 percent, the lowest level since 2008. The number of unemployed residents decreased over the month from 18,780 to 16,677. The County's unemployment rate was down 0.4 percentage point from December 2016.

The December seasonally adjusted unemployment rate in Virginia was unchanged from a month ago at 3.6 percent. The rate was down 0.5 percentage point from December 2016.

The U.S. seasonally adjusted unemployment rate of 4.1 percent was unchanged in December. The rate was down 0.6 percentage point from a year ago. Total nonfarm payroll employment increased by 148,000 in December. In 2017, payroll employment growth totaled 2.1 million, compared with a gain of 2.2 million in 2016.

Sales Tax Receipts



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

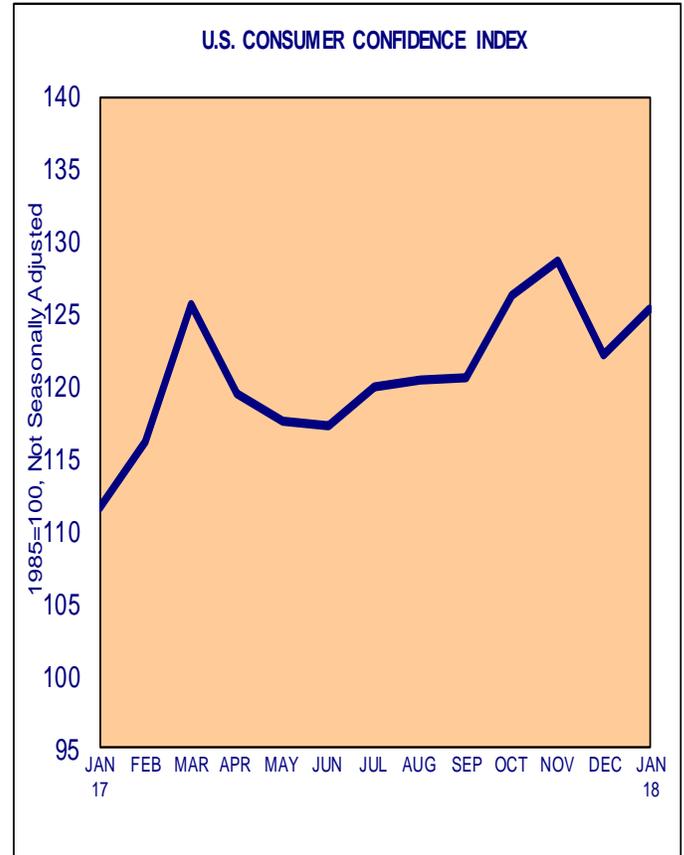
Sales Tax receipts distributed to Fairfax County in February for retail purchases made in December were \$18.6 million, an increase of 0.9 percent over February 2017. Through the first seven months of FY 2018, Sales Tax receipts are up 3.0 percent over FY 2017.

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 6.3 percent for the 12 months ending in December. Home prices in the Washington Metropolitan area posted a 2.8 percent gain during the same period, the second lowest rate of increase after Chicago among the metropolitan areas in the index. David M. Blitzer, Managing Director and Chairman of the Index Committee, said that, "Within the last few months, there are beginning to be some signs that gains in housing may be leveling off." He added that, "While the price increases do not suggest any weakening of demand, mortgage rates rose from 4% to 4.4% since the start of the year. It is too early to tell if the housing recovery is slowing. If it is, some moderation in price gains could be seen later this year."

Consumer Confidence Index



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

The Consumer Confidence Index increased in January after declining in December. The index stands at 125.4 (1985=100), up from 123.1 a month ago. The present situation component decreased, while the expectations component increased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, "Consumers' assessment of current conditions decreased slightly, but remains at historically strong levels." She added, "Expectations improved, though consumers were somewhat ambivalent about their income prospects over the coming months, perhaps the result of some uncertainty regarding the impact of the tax plan. Overall, however, consumers remain quite confident that the solid pace of growth seen in late 2017 will continue into 2018."

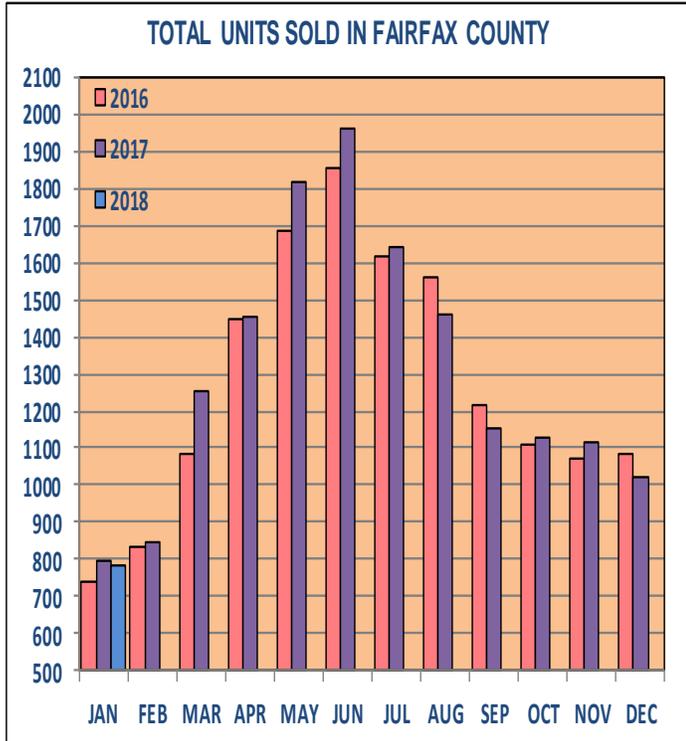
Gross Domestic Product

According to the revised estimate by the Bureau of Economic Analysis, real gross domestic product (GDP) increased at an annual rate of 2.5 percent in the fourth quarter of 2017, after growing 3.2 percent in the third quarter. In the previous estimate, real GDP was reported to have increased 2.6 percent. For all of 2017, the U.S. economy is estimated to have grown 2.3 percent compared to an increase of 1.5 percent in 2016.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

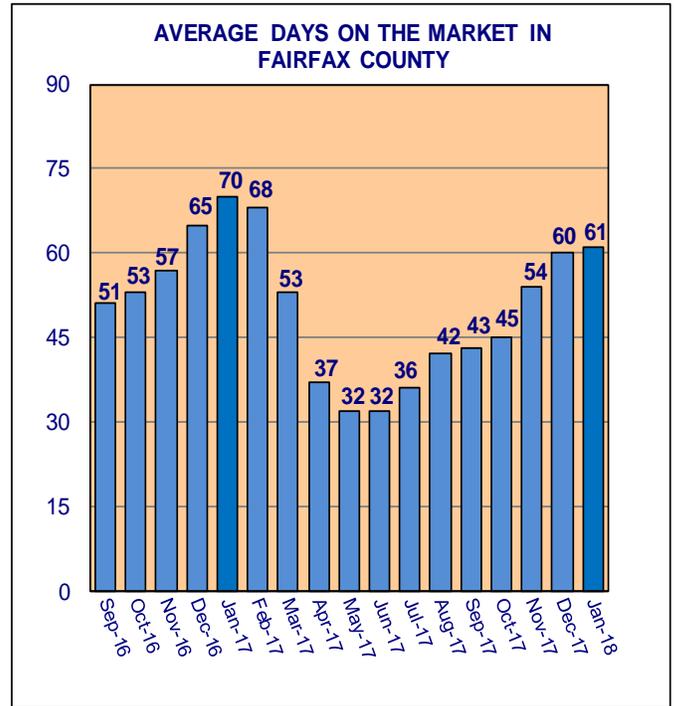
In January, 786 homes were sold in Fairfax County, a decrease of 1.0 percent from the 794 homes sold in January 2017.



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 January were on the market for 61 days. This is 9 days fewer than the 70-day average in January 2017.



Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

Average Home Sales Prices

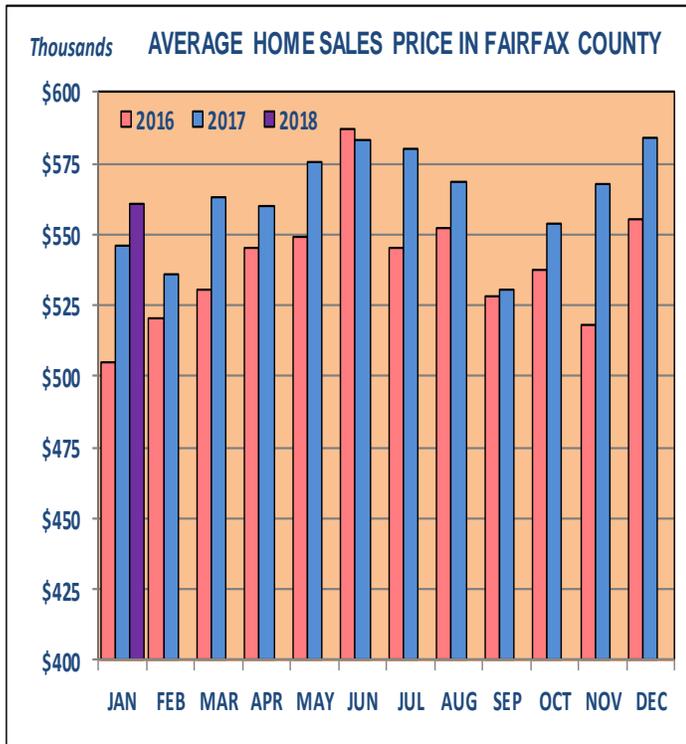
The average sales price of all homes that sold in January 2018 in Fairfax County was \$560,919, an increase of 2.8 percent over the January 2017 average sales price of \$545,772. The average January price was down 1.2 percent compared to the annual 2017 average home sales price of \$567,829.

The average sales price for detached homes that sold in January 2018 was \$799,662, an increase of 9.5 percent over the January 2017 average of \$730,390. The average sales price of attached homes increased just 0.1 percent over the same period.

FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN JAN 2018 COMPARED TO SALES IN JAN 2017

	JAN 2018	JAN 2017	% Change
All Homes	\$560,919	\$545,772	2.8%
Detached Homes	\$799,662	\$730,390	9.5%
Attached Homes	\$364,275	\$363,923	0.1%

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>



Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

Inventory of Homes for Sale

The number of active listings in the County in January was 1,515, a decrease of 23.4 percent from the 1,977 listings in January 2017. Based on the January 2018 listings and the current sales rate, there is approximately a 1.9 month supply of homes for sale in the County, less than the 2.5 month supply a year ago.



Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

30-Year Fixed Rate Mortgages

According to Freddie Mac, the average 30-year fixed rate mortgage interest rate increased to 4.33 percent in February, up from 4.03 percent a month ago. A year ago, the average 30-year mortgage interest rate was 4.17 percent. The current monthly average rate is the highest since April 2014.



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

The Department of Management and Budget
12000 Government Center Parkway
Suite 561
Fairfax, Virginia 22035-0074
(703) 324-2391 or TTY 711 (Virginia Relay Center)

Staff: Albena Assenova, Revenue and Economic Analysis Coordinator; Eric Eisinger, Budget Analyst