

ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

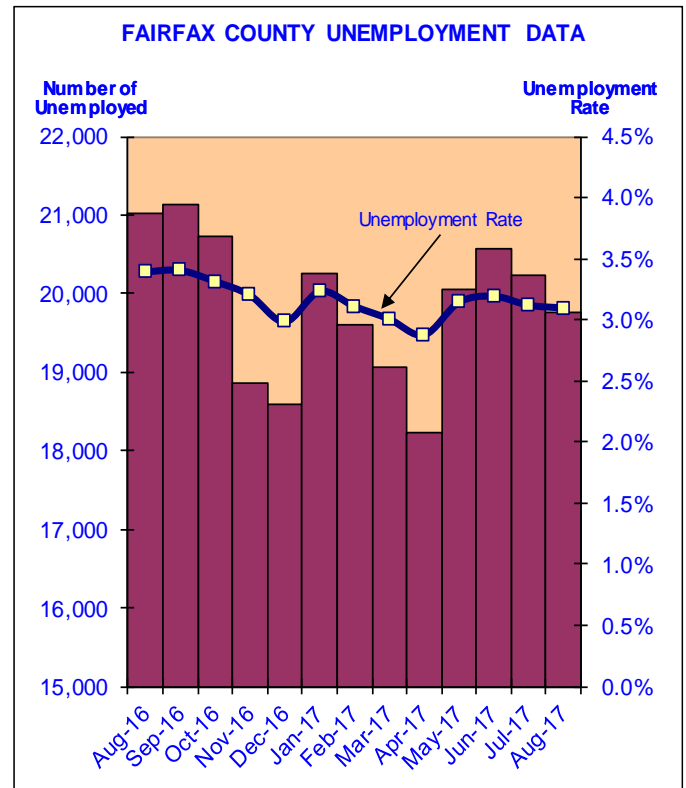
OCTOBER 2017

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- The August unemployment rate in Fairfax County remained unchanged at 3.1 percent. (See page 1)
- For the first three months of the fiscal year, Sales tax receipts in Fairfax County are up 1.2 percent. (See page 2)
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- The number of homes sold in Fairfax County during September 2017 decreased 4.8 percent from a year earlier. (See page 3)
- In September 2017, the average sales price of all homes sold in Fairfax County increased 0.4 percent compared to the average sale price in September 2016. (See page 3)
- The number of active listings of homes for sale in the County decreased 8.6 percent in September from a year ago. (See page 4)
- The number of single family building permits issued in the County for the first nine months of 2017 is up 13.1 percent. (See page 4)
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Previous issues of this publication can be accessed at:

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



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

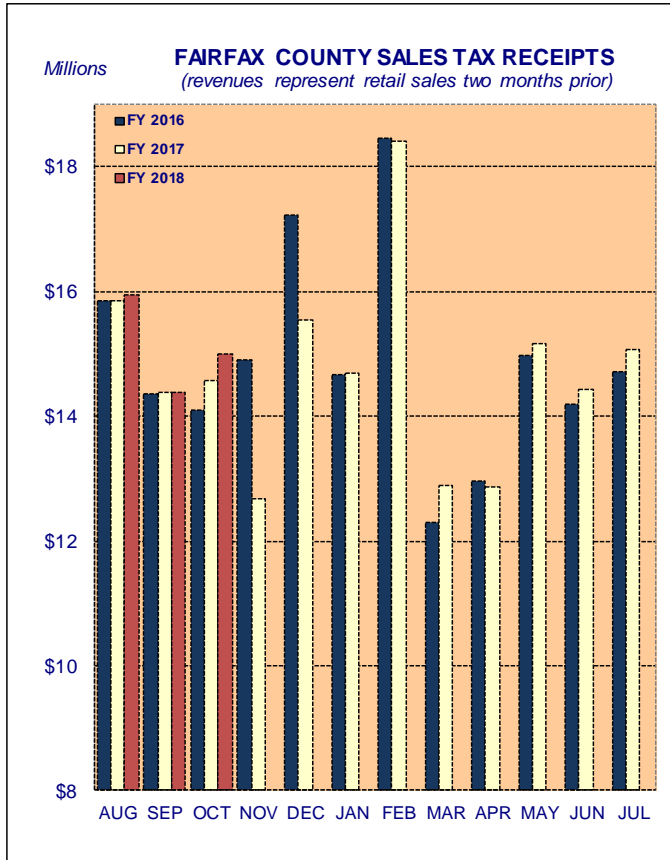
Employment

The August unemployment rate in Fairfax County remained unchanged at 3.1 percent. The number of unemployed residents decreased over the month from 20,223 to 19,761. The County's unemployment rate was down 0.3 percentage point from August 2016.

The seasonally adjusted unemployment rate in Virginia remained unchanged at 3.8 percent in August. The rate was down 0.3 percentage point from August 2016.

The U.S. seasonally adjusted unemployment rate increased 0.1 percentage point to 4.4 percent in August. The rate was down 0.5 percentage point from a year ago. Total nonfarm payroll employment increased by 156,000 in August. Over the past three months, job gains have averaged 185,000 per month.

Sales Tax Receipts



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

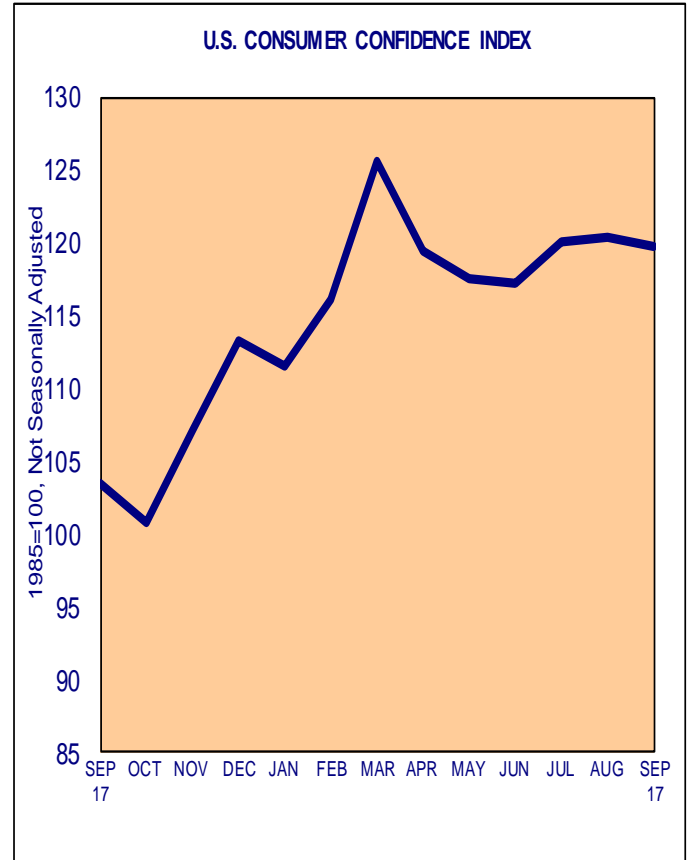
Sales Tax receipts distributed to Fairfax County in October for retail purchases made in August were \$15.0 million, an increase of 3.0 percent over October 2016. During the first three months of FY 2018, Sales Tax receipts are up 1.2 percent over FY 2017.

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 5.9 percent for the 12 months ending in August. Home prices in the Washington Metropolitan area posted a 3.4 percent gain during the same period, the smallest increase among the twenty cities in the index. David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices, said that, "Home price increases appear to be unstoppable." He added that, "However, home prices will not rise forever. Measures of affordability are beginning to slide, indicating the pool of buyers is shrinking. The Federal Reserve is pushing short term interest rates upward and mortgage rates are likely to follow over time, removing a key factor supporting rising home prices."

Consumer Confidence Index



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

The Consumer Confidence Index, which had improved marginally in August, declined slightly in September. The index stands at 119.8 (1985=100), down from 120.4 a month ago. The present situation component decreased, while the expectations component increased slightly. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, "Despite the slight downtick in confidence, consumers' assessment of current conditions remains quite favorable and their expectations for the short-term suggest the economy will continue expanding at its current pace."

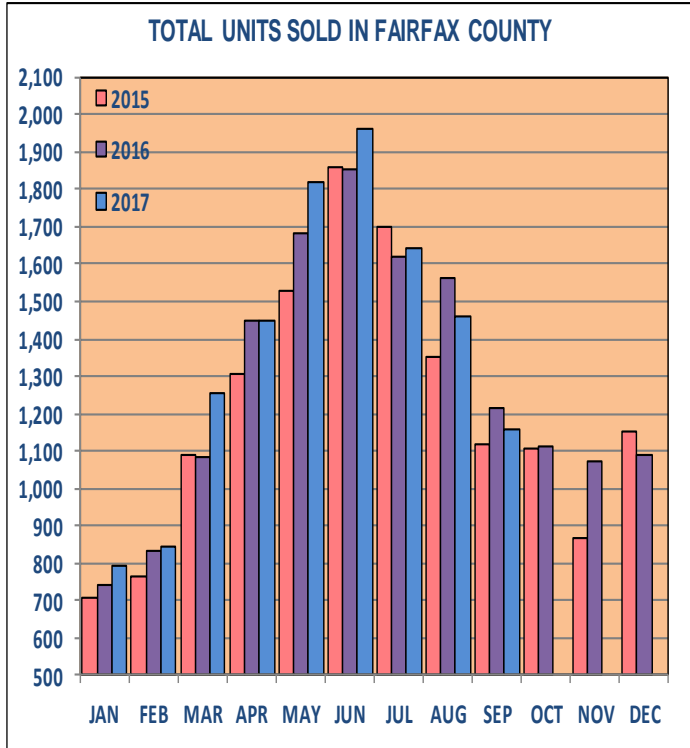
Consumer Price Index

The Consumer Price Index for All Urban Consumers (CPI-U) increased 2.2 percent compared to last September. Excluding food and energy, core inflation increased 1.7 percent. Through September, the Washington area CPI-U increased 1.7 percent compared to a year ago.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

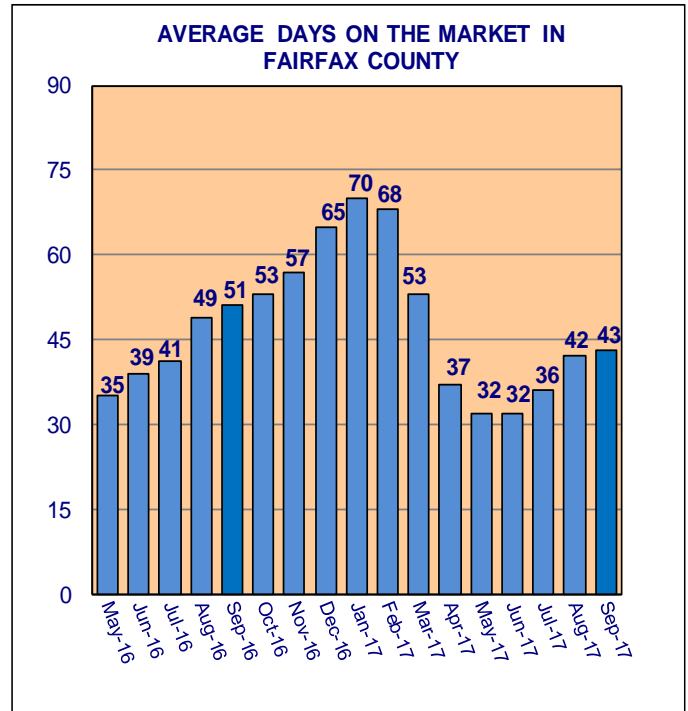
In September, 1,156 homes were sold in Fairfax County, a decrease of 4.8 percent from the 1,214 homes sold in September 2016.



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 September were on the market for 43 days. This is 8 days fewer than the 51 day average in September 2016.



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 September 2017 in Fairfax County was \$530,429, an increase of 0.4 percent over the September 2016 average sales price of \$528,349. The average September price was down 2.6 percent compared to the annual 2016 average home sales price of \$544,416.

The average sales price for detached homes that sold in September 2017 was \$721,800, an increase of 3.4 percent over the September 2016 average of \$698,186. The average sales price of attached homes decreased 1.8 percent over the same period.

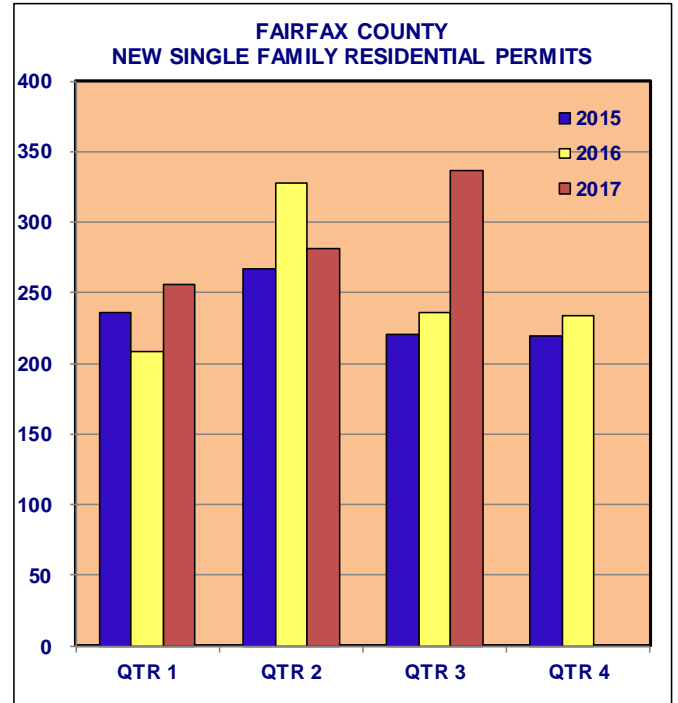
FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN SEP 2017 COMPARED TO SALES IN SEP 2016

	SEP 2017	SEP 2016	% Change
All Homes	\$530,429	\$528,349	0.4%
Detached Homes	\$721,800	\$698,186	3.4%
Attached Homes	\$368,406	\$375,016	-1.8%

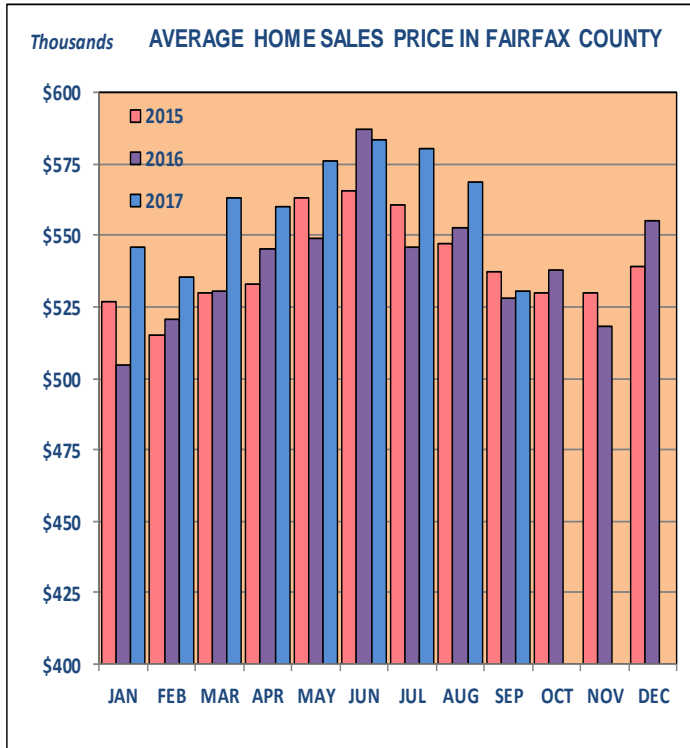
Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Average selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read more about Fairfax County tax assessments, please visit: www.fairfaxcounty.gov/dta/tax_assessment.htm

Single Family Building Permits

During the third quarter of 2017, 336 new single family permits were issued in Fairfax County. This represents a 42.4 percent increase over the 236 permits issued during the same period in 2016. Combined, the number of new single family permits is up 13.1 percent for the first three quarters of 2017.



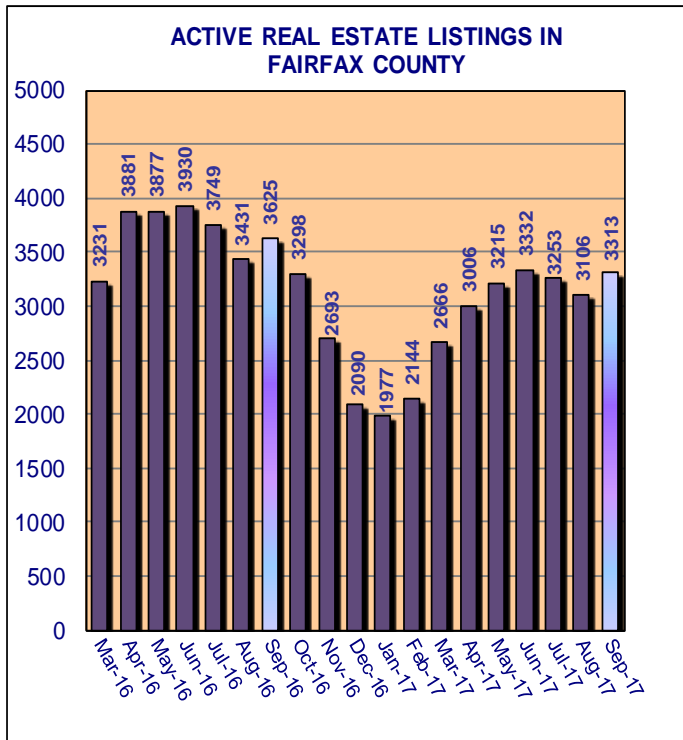
Source: Fairfax County Land Development Services. Compiled by the Fairfax County Department of Management and Budget.



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 September was 3,313, a decrease of 8.6 percent from the 3,625 listings in September 2016. Based on the September 2017 listings and the current sales rate, there is approximately a 2.9 month supply of homes for sale in the County, slightly less than the 3.0 month supply a year ago.



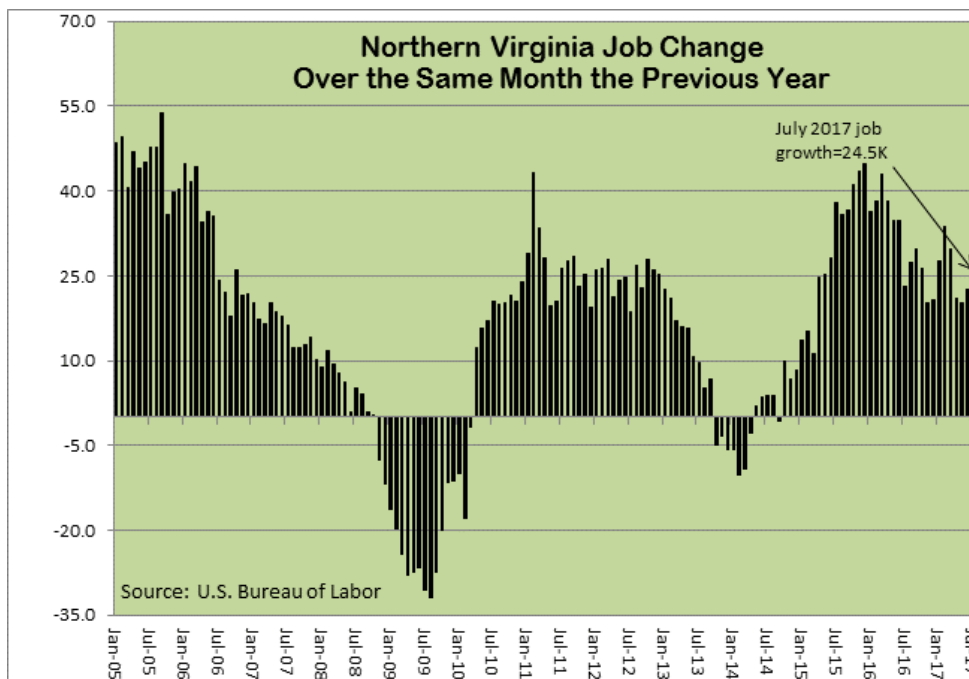
Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

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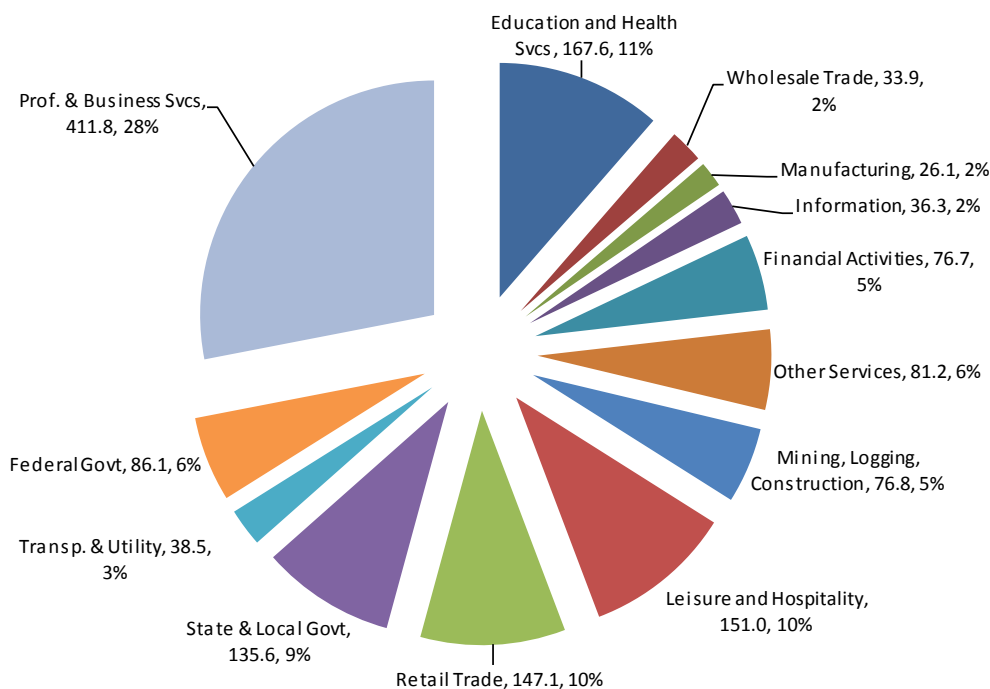
Special Report – October 2017 Northern Virginia Employment

Based on data from the U.S. Bureau of Labor Statistics, the Northern Virginia region experienced job growth at an annual rate of 1.7 percent in July 2017. Prior to the recession, annual job growth from 2003 through 2007 rose at a rate of 2.9 percent. Growth stagnated in 2008, rising just 0.2 percent. The area lost 22,900 jobs in 2009, a drop of 1.7 percent. After the recession ended, employment grew by an average of 1.6 percent from 2010 through 2012. Federal sequestration and reductions in procurement spending led to job losses in late 2013 and 2014, primarily in the Professional and Business Services sector, and limited average overall job growth to an annual rate of 0.4 percent over those two years. Job growth strengthened in 2015 and 2016, increasing 2.2 percent in both years. As of July 2017, total nonfarm employment in Northern Virginia was 1,468,700, a gain of 24,500 jobs since July 2016.



Jobs by Sector in Northern Virginia

Employment in the Professional and Business Services sector was 411,800 in July 2017, 28 percent of the total jobs in Northern Virginia.



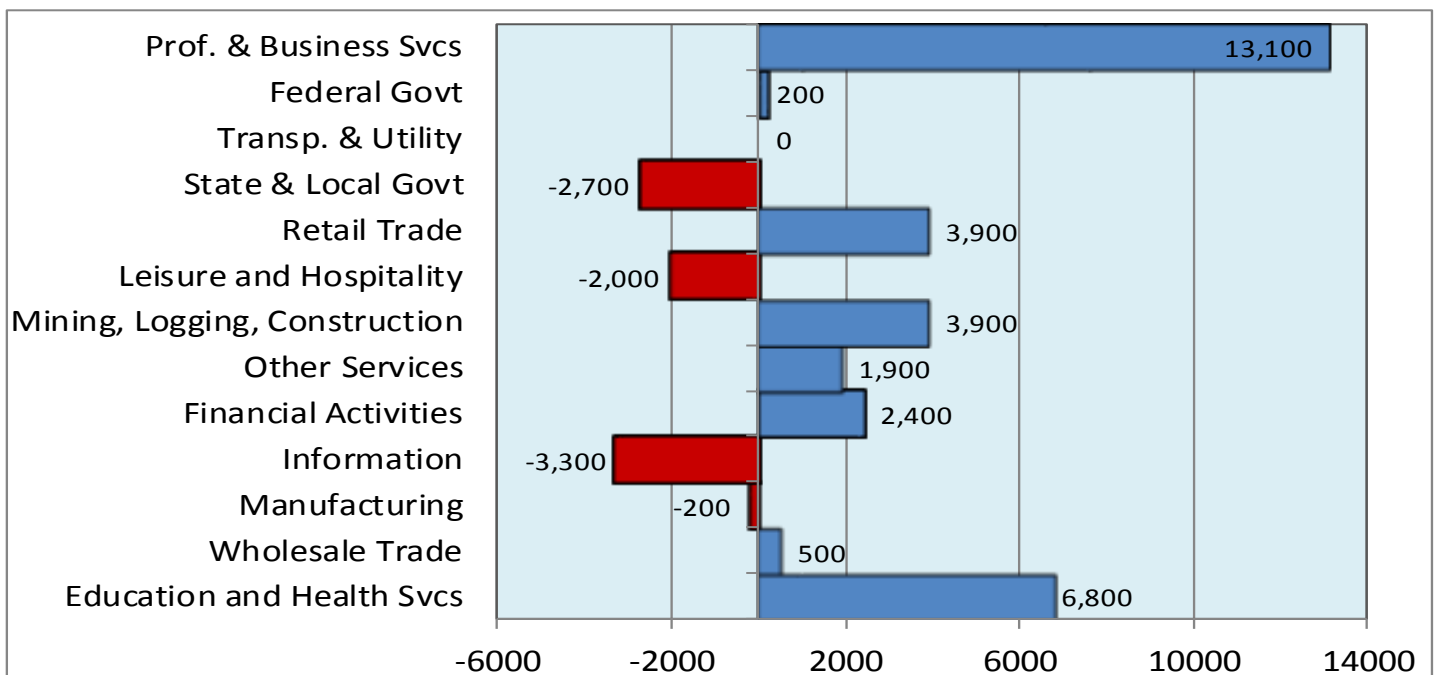
Note: Total employment in July 2017 was 1,468,700. Employment figures in the graph above are in thousands.

The Professional and Business Services sector includes such jobs as attorneys, federal contractors, and businesses that provide services to other businesses such as printing and computer services. The Education and Health Services sector makes up approximately 11 percent of the total employment in Northern Virginia. The Retail Trade, and the Leisure and Hospitality sectors each make up approximately 10 percent. Federal government jobs represent 6 percent of total employment in the area.

Change by Sector

Of the 24,500 net new jobs created over the year ending July 2017, approximately 53 percent, or 13,100 jobs, were in the Professional and Business Services sector which increased by 3.3 percent over July 2016. There were also increases in the number of jobs in the Education and Health Services sector, which increased by 6,800 jobs or 4.2 percent. Mining, Logging, and Construction increased by 3,900 jobs or 5.3 percent, and Financial Activities increased by 2,400 jobs or 3.2 percent. The three sectors to decline significantly were Information, which decreased by 3,300 jobs or 8.3 percent, State and Local Government, which declined by 2,700 jobs or 2.0 percent, and Leisure and Hospitality, which declined by 2,000 jobs or 1.3 percent. Changes in employment for all sectors are shown in the chart below.

**Northern Virginia
Employment Change by Sector
July 2016 to July 2017**



Source: U.S. Bureau of Labor Statistics

Employment in Fairfax County

Fairfax County specific employment data are reported on a delayed basis and are currently available only through the first quarter of 2017. In March, total non-farm employment in the County was 594,737, an increase of 1.0 percent compared to last March. Employment rose 1.3 percent in 2015 and 1.4 percent in 2016 after falling 0.6 percent in 2013 and 1.2 percent in 2014. Employment growth in the Professional and Businesses sector, which has been sluggish due to the impact of federal sequestration, increased by 1.1 percent in 2016.