



ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

JULY 2023

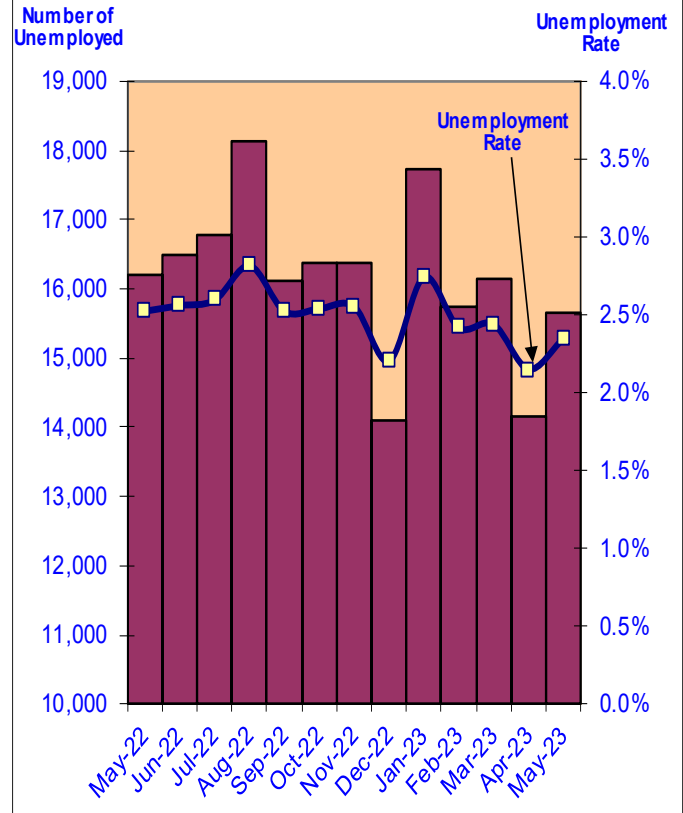
IN THIS ISSUE:

- The unemployment rate in Fairfax County increased from 2.1 percent in April to 2.3 percent in May.
(See page 1)
- Sales tax receipts in July for purchases made in May decreased 0.4 percent compared to last July.
(See page 2)
- The Consumer Confidence Index improved in July to the highest level since July 2021.
(See page 2)
- The number of homes sold in Fairfax County in June decreased 17.8 percent from a year earlier.
(See page 3)
- In June 2023, the average sales price of all homes sold in Fairfax County increased 3.4 percent compared to June 2022.
(See page 3)
- The number of active listings of homes for sale in the County decreased 33.3 percent from a year earlier.
(See page 4)
- The average 30-year fixed rate mortgage interest rate increased to 6.84 percent in June, up from 5.41 percent a year ago.
(See page 4)

Previous issues of this publication can be accessed at:

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

FAIRFAX COUNTY UNEMPLOYMENT DATA



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

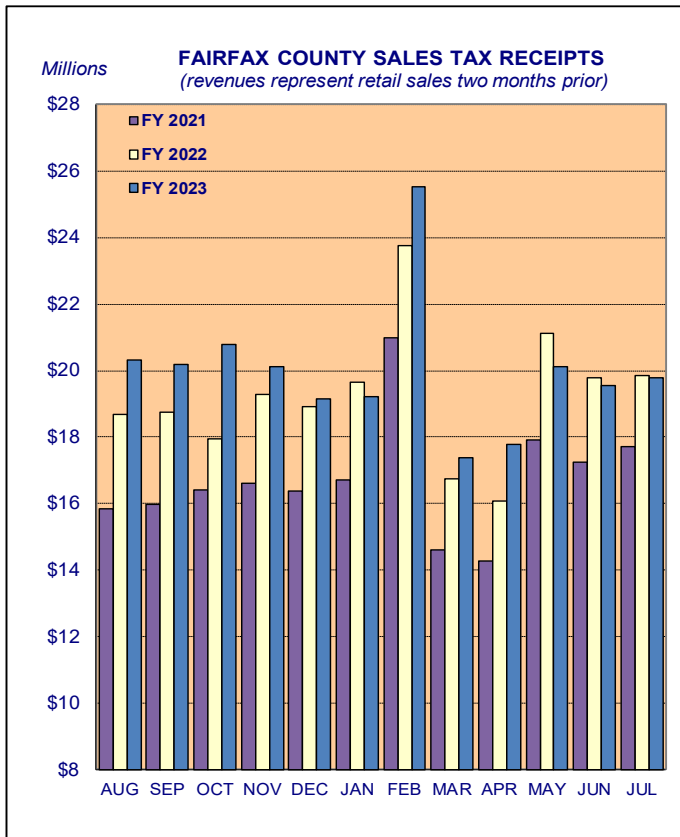
Employment

The May unemployment rate in Fairfax County increased to 2.3 percent, up from 2.1 percent in April. The number of unemployed residents increased from 14,164 to 15,643. The County's unemployment rate was down 0.2 percentage point compared to May 2022.

The seasonally adjusted unemployment rate in Virginia decreased from 3.1 percent in April to 2.9 percent in May. The rate was up 0.4 percentage point compared to May 2022.

Compared to April, the U.S. seasonally adjusted unemployment rate in May increased 0.3 percentage point to 3.7 percent. The rate was up 0.1 percentage point compared to a year ago. Total nonfarm payroll employment increased by 339,000 jobs, in line with the average monthly gain of 341,000 over the prior six months.

Sales Tax Receipts



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

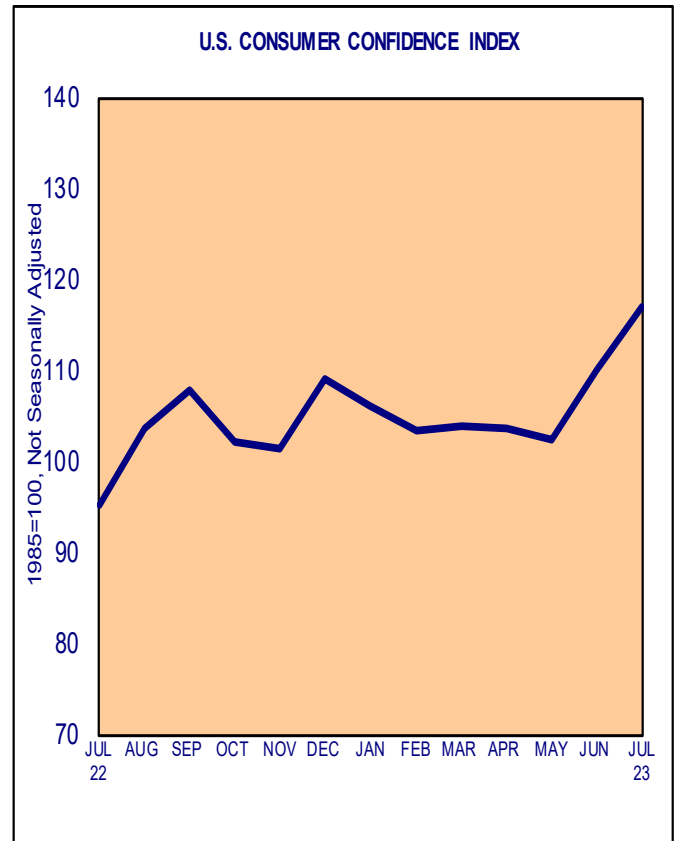
Sales Tax receipts distributed to Fairfax County in July for retail purchases made in May were \$19.8 million, a decrease of 0.4 percent from July 2022. Cumulatively for FY 2023, Sales Tax receipts were up 3.8 percent compared to FY 2022.

NATIONAL INDICATORS

Case-Shiller Home Prices 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, decreased 1.7 percent for the 12 months ending in May. Home prices in the Washington Metropolitan area decreased by 0.1 percent during the same period. However, on a month-over-month basis, the index posted an increase of 1.7 percent in May. Craig J. Lazzara, Managing Director and Global Head of Index Investment Strategy, said that, "Home prices in the U.S. began to fall after June 2022, and May's data bolster the case that the final month of the decline was January 2023." He added that, "the breadth and strength of May's report are consistent with an optimistic view of future months."

Consumer Confidence Index



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

The Consumer Confidence Index increased again in July and now stands at 117.0 (1985=100), which is the highest level since July 2021. Both the present situation component and the expectations component increased. Importantly, the Expectations Index rose above 80 for the first time since April 2022, the level which often signals a recession within the next year. Dana Peterson, Chief Economist at the Conference Board, said that, "Headline confidence appears to have broken out of the sideways trend that prevailed for much of the last year. Greater confidence was evident across all age groups, and among both consumers earning incomes less than \$50,000 and those making more than \$100,000." She added that, "consumers are more upbeat, likely reflecting lower inflation and a tight labor market."

Consumer Price Index (CPI)

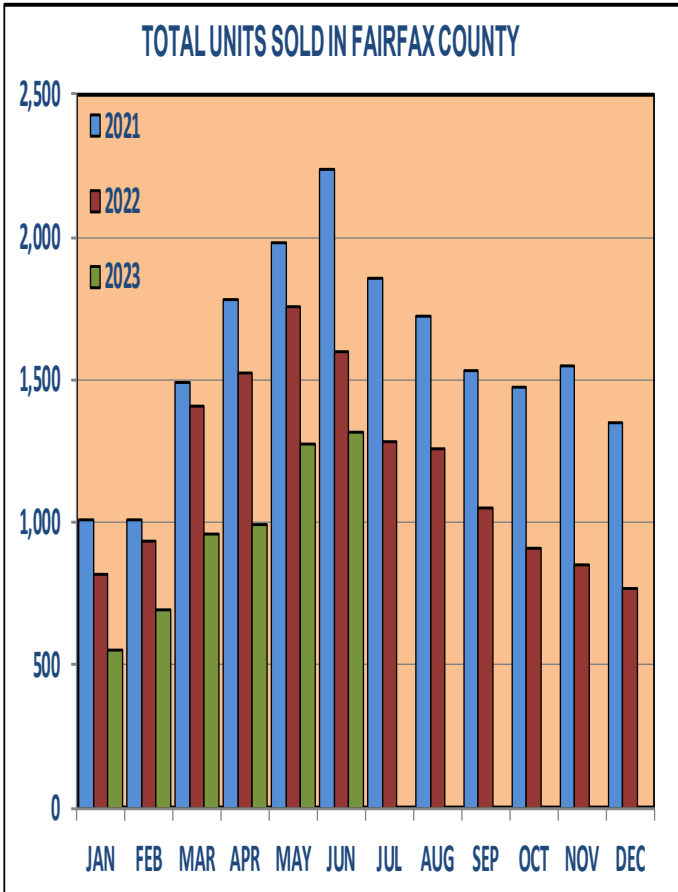
The Consumer Price Index for all Urban Consumers (CPI-U) increased 3.0 percent in June before seasonal adjustments. The increases were led by a 5.7 percent increase in the cost of food, and a 7.8 percent increase in the cost of shelter. The cost of energy decreased 16.7 percent, while the cost of used cars and trucks decreased 5.2 percent.

The June index for all items less food and energy increased 4.8 percent over the course of the last 12 months. The Federal Reserve target inflation rate is 2 percent.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

In June 2023, 1,312 homes were sold in Fairfax County, a decrease of 17.8 percent from the 1,596 homes that were sold in June 2022.

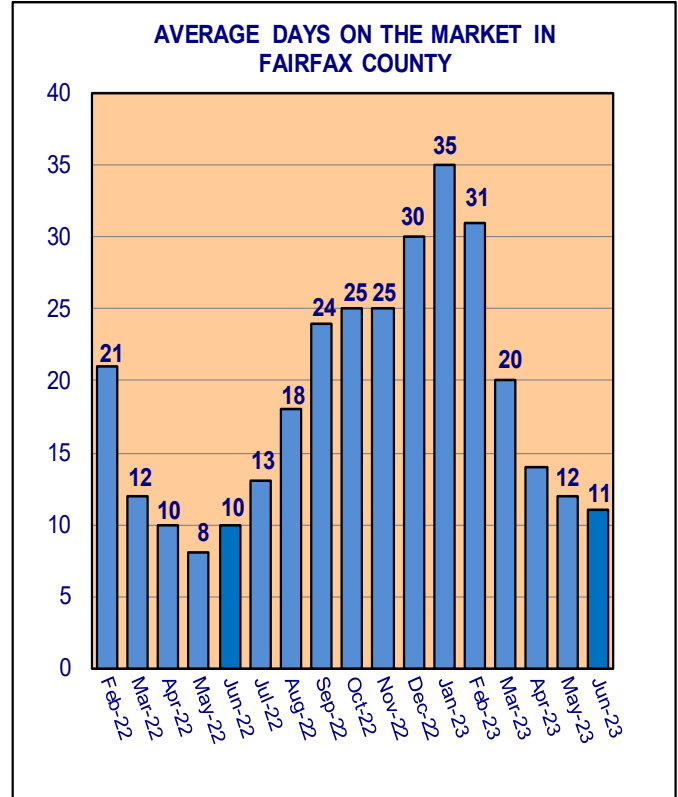


Source: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.

Average Days on the Market

On average, homes that sold in Fairfax County in June 2023 were on the market for 11 days. This is one day more than the 10-day average in June 2022.

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: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.

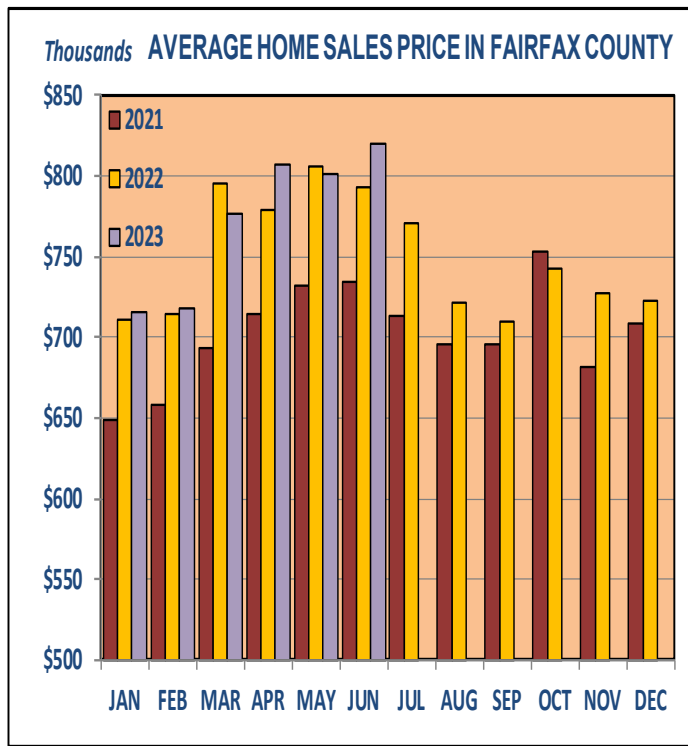
Average Home Sales Prices

The average sales price of all homes that sold in June 2023 in Fairfax County was \$819,795, an increase of 3.4 percent over the June 2022 average sales price of \$792,686. The average sales price was up 7.6 percent compared to the 2022 annual average home sales price of \$761,799.

The average sales price for detached homes that sold in June 2023 was \$1,095,924, an increase of 2.2 percent over the June 2022 average of \$1,071,899. The average sales price of attached homes increased by 2.7 percent over the same period.

FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN JUN 2023 COMPARED TO SALES IN JUN 2022

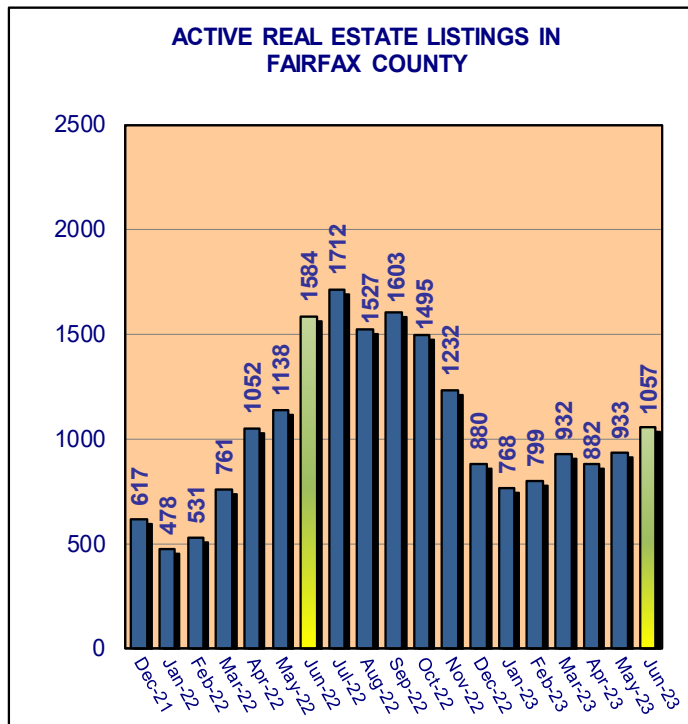
	JUN 2023	JUN 2022	% Change
All Homes	\$819,795	\$792,686	3.4%
Detached Homes	\$1,095,924	\$1,071,899	2.2%
Attached Homes	\$511,599	\$498,000	2.7%



Source: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.

Inventory of Homes for Sale

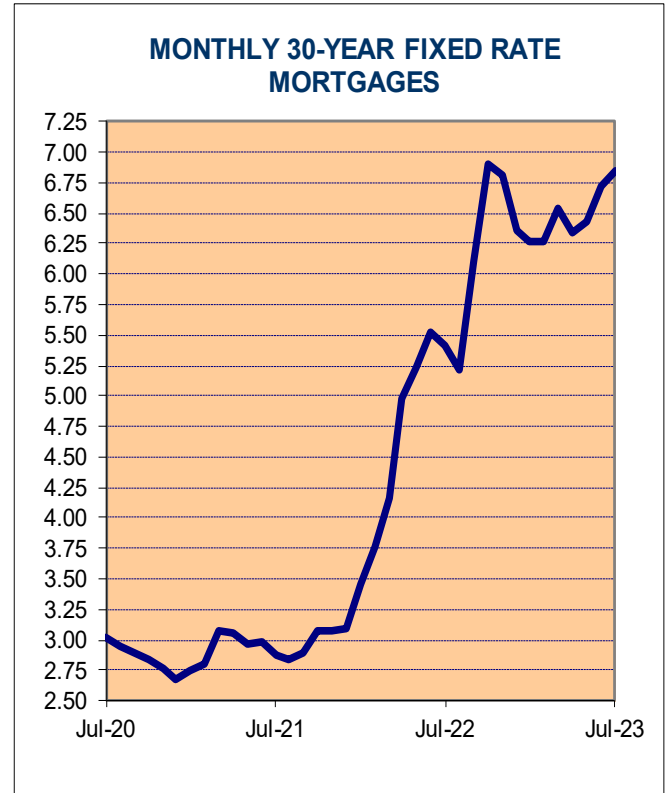
The number of active listings for sale in the County in June 2023 was 1,057, a decrease of 33.3 percent from the 1,584 listings in June 2022. Based on the June 2023 listings and the current sales rate, there is approximately a 0.8-month supply of homes for sale in the County, less than the 1.0-month supply a year ago.



Source: Bright MLS. 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 6.84 percent, up from 6.72 percent a month ago. A year ago, the average 30-year mortgage rate was 5.41 percent.



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 Division Director; Eric Eisinger, Budget Analyst; Taotao Luo, Budget Analyst