



ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

OCTOBER 2014

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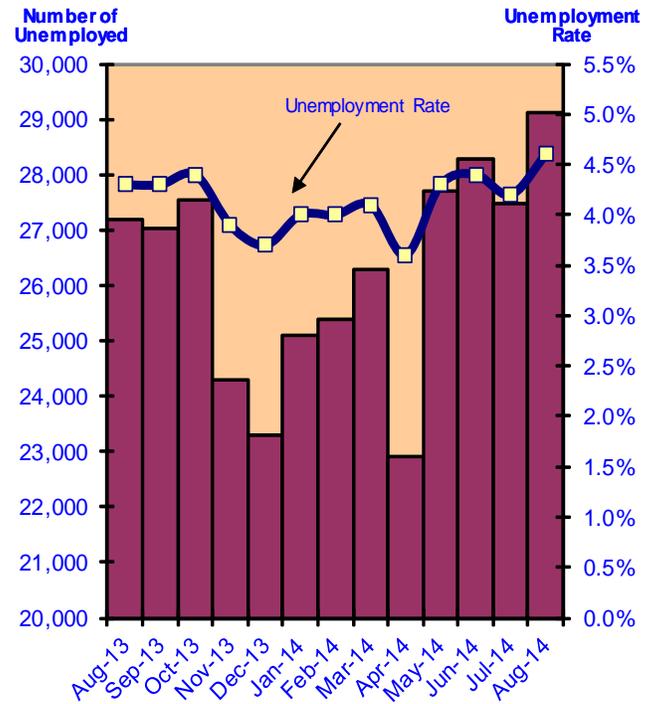
- The unemployment rate in Fairfax County increased to 4.6 percent in August. (See page 1)
- October Sales tax receipts in Fairfax County increased 15.8 percent from a year ago. (See page 2)
- The U.S. economy increased at an annual rate of 4.6 percent in the second quarter of 2014 after contracting 2.1 percent in the first quarter. (See page 2)
- The Consumer Confidence Index decreased in September after four consecutive monthly increases. (See page 2)
- In September 2014, the average sales price of all homes that sold in Fairfax County decreased 3.2 percent compared to the average sales price in September 2013. (See page 3)
- The number of active listings of homes for sale in the County increased 46.8 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 2014 is up 3.9 percent. (See page 4)

The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

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



FAIRFAX COUNTY UNEMPLOYMENT DATA



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

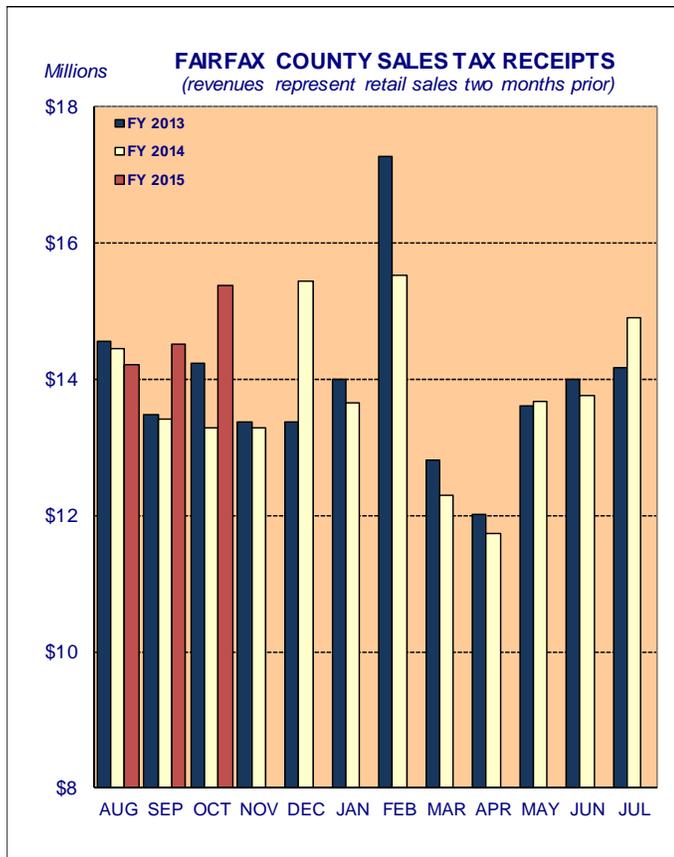
Employment

The unemployment rate in Fairfax County increased from 4.2 percent in July to 4.6 percent in August. The number of unemployed residents increased over the month from 27,380 to 29,124. The County's unemployment rate was 0.3 percentage points higher than last August.

The August seasonally adjusted unemployment rate in Virginia increased to 5.6 percent from 5.3 percent in July. Unemployment has increased in three of the last four months and is the same rate as it was a year ago.

The U.S. seasonally adjusted unemployment rate in August was hardly changed at 6.1 percent, down from 6.2 percent in July. Total nonfarm payroll employment increased by 142,000 in August, compared with an average monthly gain of 212,000 over the prior 12 months.

Sales Tax Receipts



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

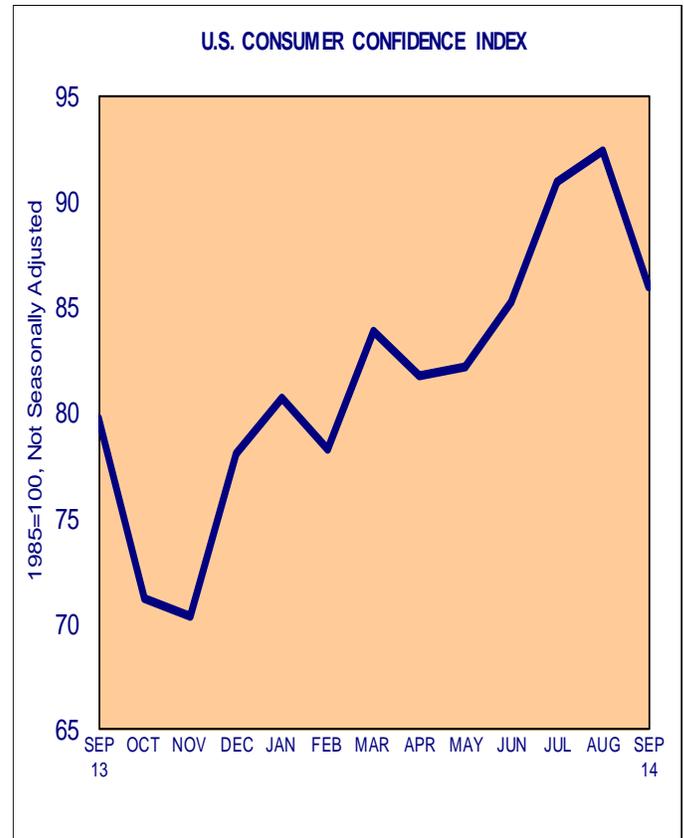
Sales Tax receipts distributed to Fairfax County in October for retail purchases made in August were \$15.4 million, an increase of 15.8 percent over October 2013. Combined, Sales Tax receipts are up 7.2 percent for the first three months of the fiscal year. Last year, filings from several major retailers were held by the state until errors were resolved and their sales tax receipts were not remitted to the County until December. As a result, current growth in sales tax revenue might be artificially high when compared to last year.

NATIONAL INDICATORS

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 4.6 percent in the second quarter of 2014, according to the final estimate by the Bureau of Economic Analysis (BEA). In the previous estimate, real GDP was reported to have increased 4.2 percent. This is an acceleration in growth over the first quarter of 2014, when the economy contracted 2.1 percent.

Consumer Confidence Index



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

The Consumer Confidence Index, which had increased in August, declined in September. The index stands at 86.0 (1985=100), down from 93.4 a month ago. Both the present situation component and the expectations component decreased. Lynn Franco, Director of Economic Indicators at the Conference Board, said, "A less positive assessment of the current job market, most likely due to recent softening in growth, was the sole reason for the decline in consumers' assessment of present-day conditions." She added that, "All told, consumers expect economic growth to ease in the months ahead."

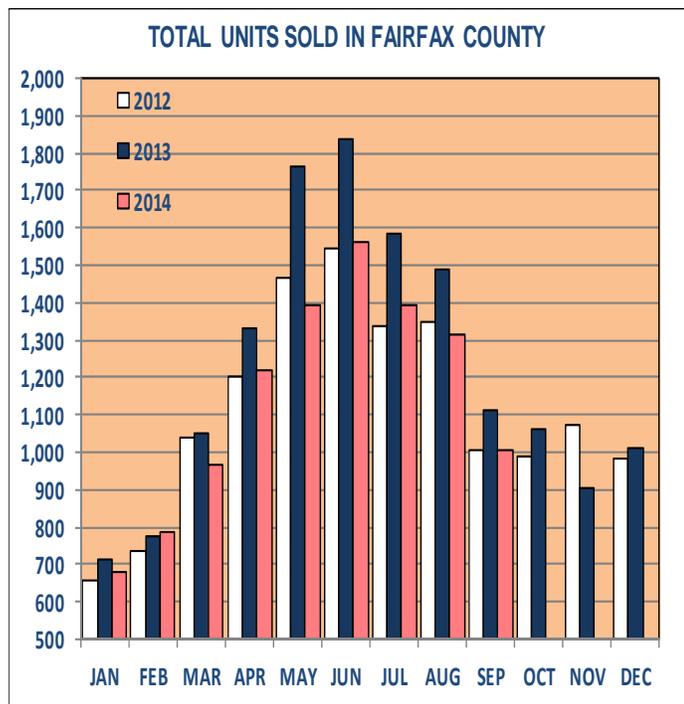
Case-Shiller Home Price Indices

Based on the latest available data, home prices in 20 U.S. cities, as measured by the S&P Case-Shiller Index, increased 6.7 percent for the 12 months ending in July 2014, which continues the trend of a significant slowdown in price increases exhibited in the last several months. The Washington Metropolitan area posted a 3.8 percent gain during the same period. According to David M. Blitzer, Chairman of the Index Committee at S&P Dow Jones Indices, "The slower pace of home price appreciation is consistent with most of the other housing data on housing starts and home sales." However, he added that, "home prices continue to rise at two to three times the rate of inflation."

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

In September, 1,007 homes were sold in Fairfax County, a decrease of 9.7 percent from the 1,115 homes sold in September 2013. For the first nine months of 2014, the number of home sales is down 11.5 percent from 11,658 in 2013 to 10,321 in 2014.

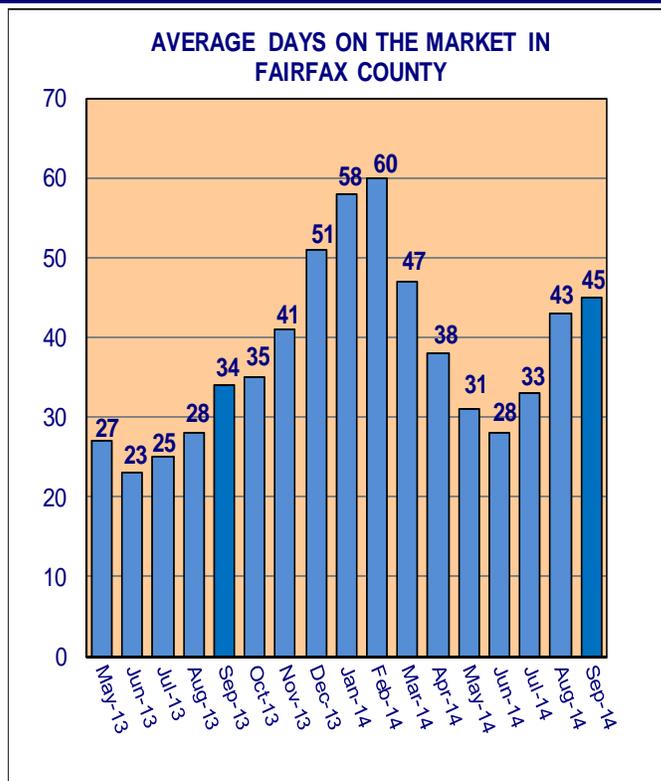


Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

Average Days on the Market

On average, homes that sold in Fairfax County in September were on the market for 45 days. This is 11 days longer than the 34-day average in September 2013.

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



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

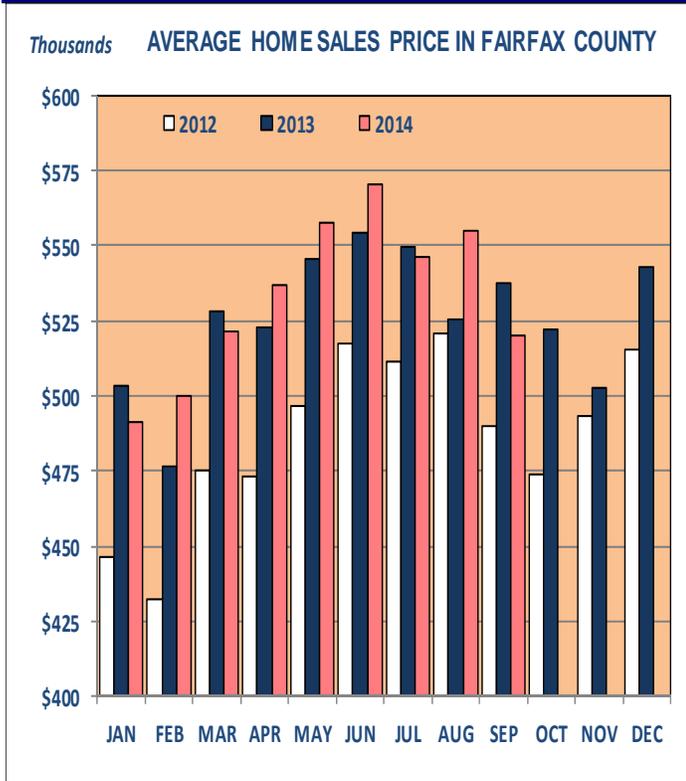
Average Home Sales Prices

The average sales price of all homes that sold in September 2014 in Fairfax County was \$519,833, a decrease of 3.2 percent from the September 2013 average sales price of \$537,233. The average September price was down 2.1 percent compared to the 2013 average home sales price of \$531,136.

The average sales price for detached homes that sold in September 2014 was \$682,258, a decrease of 5.3 percent over the September 2013 average of \$720,498. The average sales price of attached homes increased 1.9 percent during the same time period. It should be noted that the average price of detached homes last September had increased at least partially due to the sale of several homes in the \$2.5 million and above price range.

FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN SEPT 2014 COMPARED TO SALES IN SEPT 2013

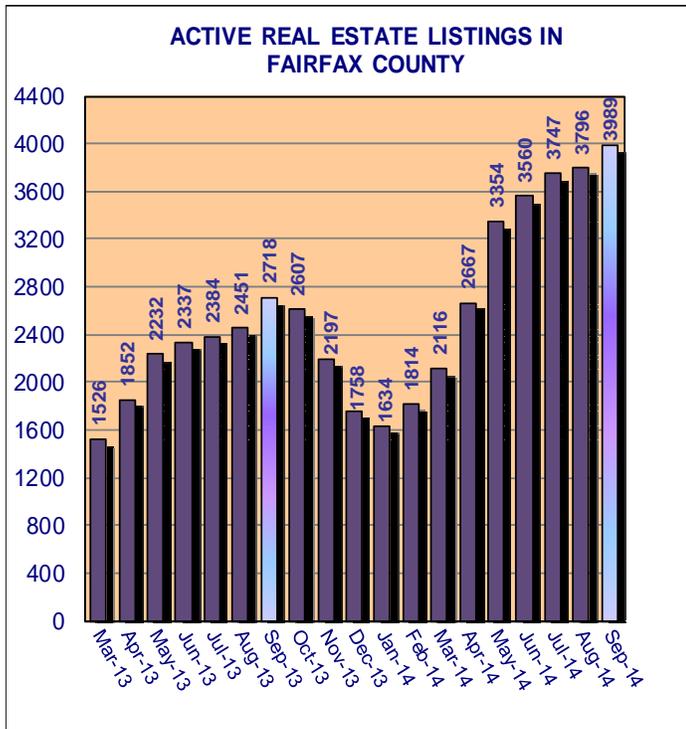
	Sept 2014	Sept 2013	% Change
All Homes	\$519,833	\$537,233	-3.2%
Detached Homes	\$682,258	\$720,498	-5.3%
Attached Homes	\$368,920	\$362,006	1.9%



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

Inventory of Homes for Sale

In September, the number of active listings in the County was 3,989, an increase of 46.8 percent over the 2,718 listed in September 2013. Based on the September 2014 listings and the current sales rate, there is approximately a 4 month supply of homes for sale in the County, up from the 2.4 month supply a year ago.



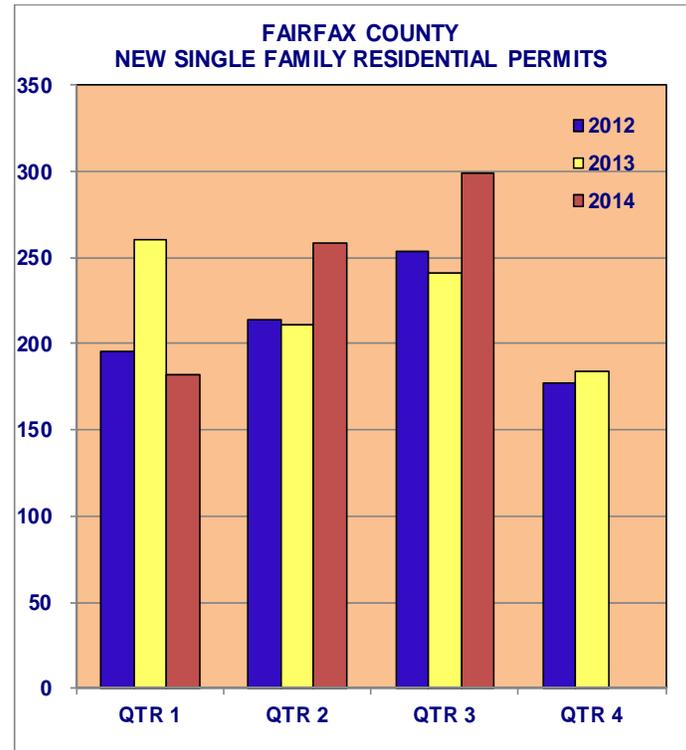
Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

Negative Equity

According to Zillow, which is the largest U.S. real estate website that provides nationwide real estate information and research, the percentage of homes with negative equity in Fairfax County was 9.6 percent as of the second quarter of 2014, down from 10.1 percent in the first quarter. This compares to 17.0 percent nationwide. Negative equity, also referred to as "underwater", is a situation in which the borrower owes more on their mortgage than the home is worth.

Single Family Building Permits

During the third quarter of 2014, 299 new single family building permits were issued in Fairfax County. This represents a 24 percent increase over the 241 permits issued during the same period in 2013. Combined, the number of new single family building permits is up 3.9 percent for the first three quarters of 2014.



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