



# ECONOMIC INDICATORS<sup>®</sup>

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

JUNE 2015

## IN THIS ISSUE:

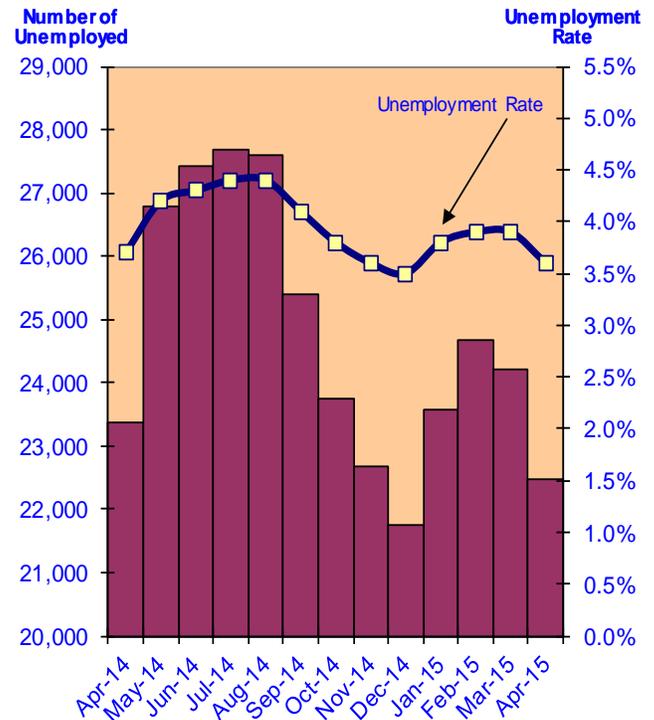
- The unemployment rate in Fairfax County decreased to 3.6 percent in April. (See page 1)
- June Sales tax receipts in Fairfax County increased 7.5 percent from a year ago. (See page 2)
- The Consumer Confidence Index increased slightly in May after decreasing sharply in April. (See page 2)
- The U.S. economy contracted at an annual rate of 0.2 percent in the first quarter of 2015 after growing 2.2 percent in the fourth quarter of 2014. (See page 2)
- The number of homes sold in Fairfax County in May increased 9.7 percent from a year ago. (See page 3)
- In May 2015, the average sales price of all homes sold in Fairfax County increased 1.0 percent compared to the average sales price in May 2014. (See page 3)
- The number of active listings of homes for sale in the County increased 26.9 percent in May from a year ago. (See page 4)
- The direct office vacancy rate in Fairfax County was 16.3 percent at year-end 2014, up from 14.4 percent at the end of 2013. (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](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.

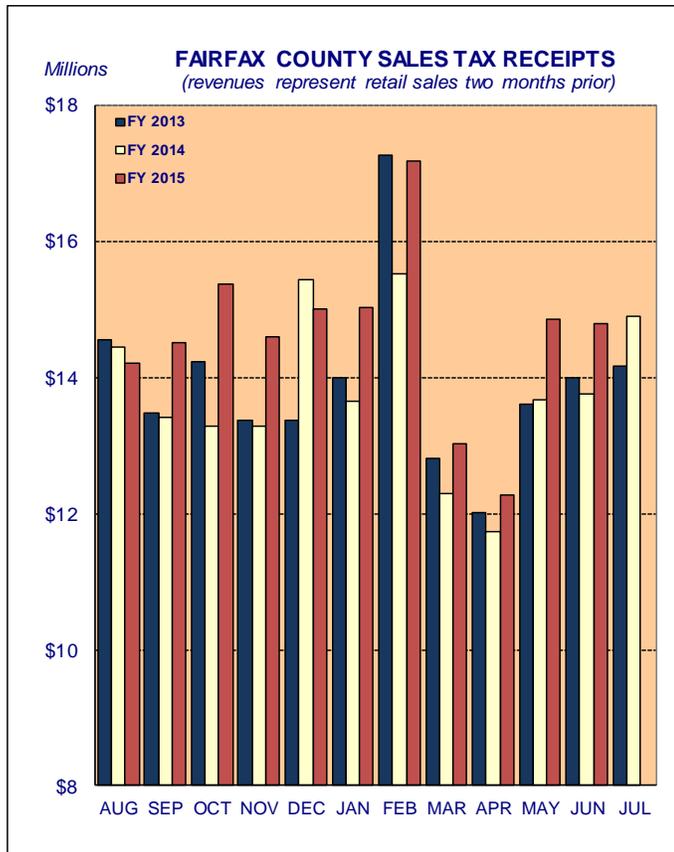
## Employment

The unemployment rate in Fairfax County decreased from 3.9 percent in March to 3.6 percent in April. The number of unemployed residents decreased over the month from 24,213 to 22,478. The County's unemployment rate was 0.1 percentage points lower than last April.

The April seasonally adjusted unemployment rate in Virginia was unchanged from a month ago at 4.8 percent. The April rate was down 0.5 percentage points from a year ago.

The U.S. seasonally adjusted unemployment rate decreased slightly from 5.5 percent in March to 5.4 percent in April. Over the year, the unemployment rate was down by 0.8 percentage points. Total nonfarm payroll employment increased by 223,000 in April. On average, 191,000 jobs per month were added over the past three months.

## Sales Tax Receipts



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

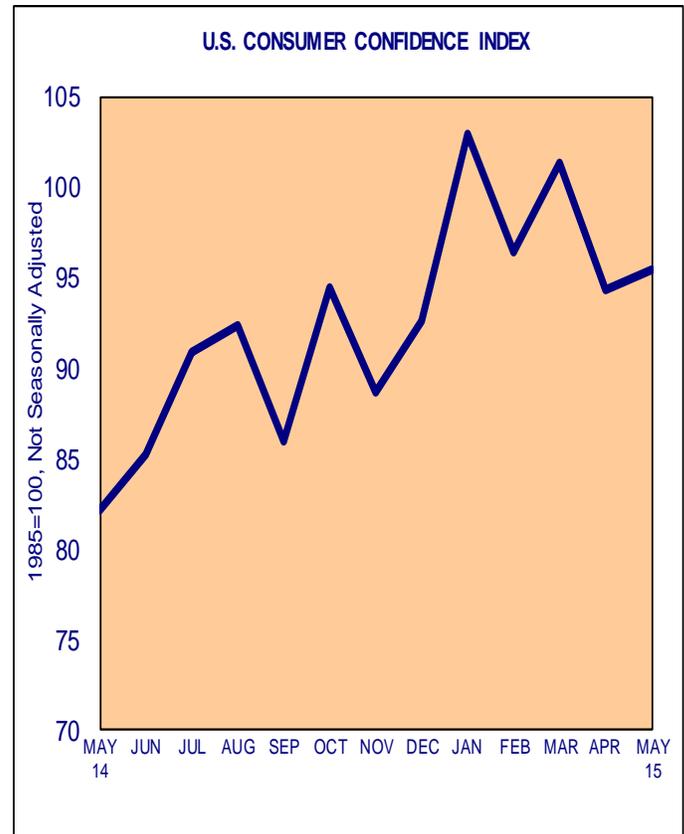
Sales Tax receipts distributed to Fairfax County in June for retail purchases made in April were \$14.8 million, an increase of 7.5 percent over June 2014. Combined, Sales Tax receipts are up 6.9 percent for the first eleven months of the fiscal year.

## NATIONAL INDICATORS

### Case-Shiller Home Price Indices

According to the S&P Case-Shiller home price index, home prices were up 4.9 percent for the 12 months ending in April. Home prices in the Washington Metropolitan area posted a 1.1 percent gain during the same period. David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices, said that "Home prices continue to rise across the country, but the pace is not accelerating." He added that the current pace is consistent with consumer expectations based on a national survey published by the New York Fed, which indicated that home owners and renters expected an average price increase of 4.1 percent.

## Consumer Confidence Index



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

The Consumer Confidence Index increased slightly in May after decreasing sharply in April. The index stands at 95.4 (1985=100), up from 94.3 a month ago. While the present situation component increased, the expectations component decreased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, "While current conditions in the second quarter appear to be improving, consumers still remain cautious about the short term outlook."

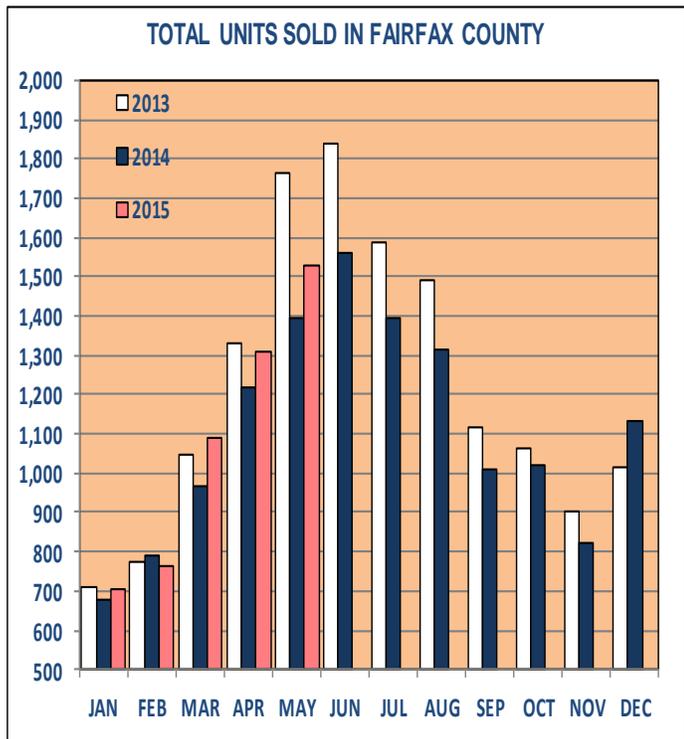
### Gross Domestic Product

According to the final estimate by the Bureau of Economic Analysis, real gross domestic product (GDP) contracted at an annual rate of 0.2 percent in the first quarter of 2015 after growing 2.2 percent in the fourth quarter of 2014. In the previous estimate, real GDP was reported to have decreased 0.7 percent. Consumer spending, which makes up more than two-thirds of economic activity, grew 2.1 percent in the first quarter, compared with an increase of 4.4 percent in the fourth quarter. In addition, exports declined 5.9 percent as the strong dollar made U.S. goods more expensive for foreign buyers. Government spending declined 0.6 percent.

# FAIRFAX COUNTY HOUSING MARKET

## Total Home Sales Volume

In May, 1,527 homes were sold in Fairfax County, an increase of 9.7 percent over the 1,392 homes sold in May 2014.

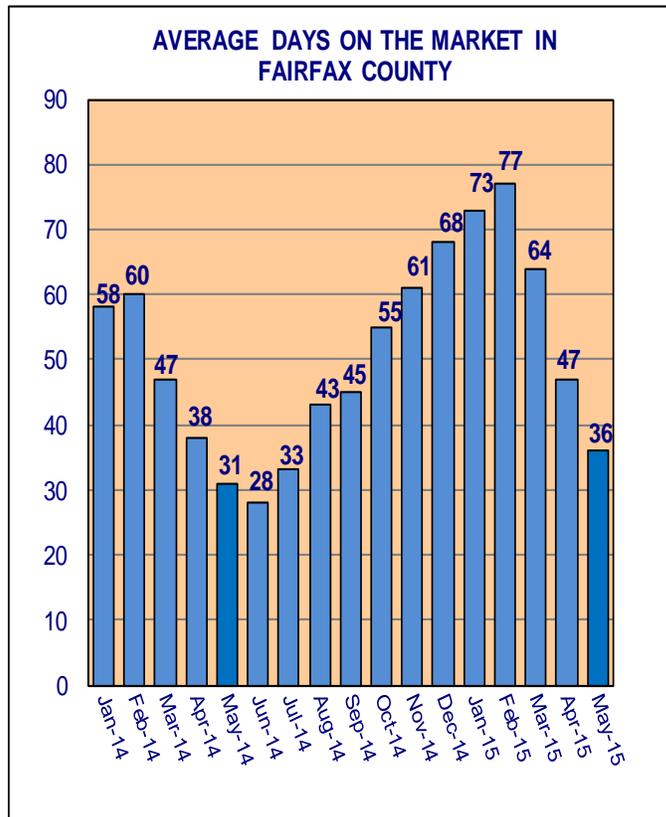


Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

## Average Days on the Market

On average, homes that sold in Fairfax County in May were on the market for 36 days. This is 5 days longer than the 31-day average in May 2014.

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](http://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 May 2015 in Fairfax County was \$563,267, an increase of 1.0 percent over the May 2014 average sales price of \$557,484. The average May price was up 4.6 percent compared to the 2014 average home sales price of \$538,280.

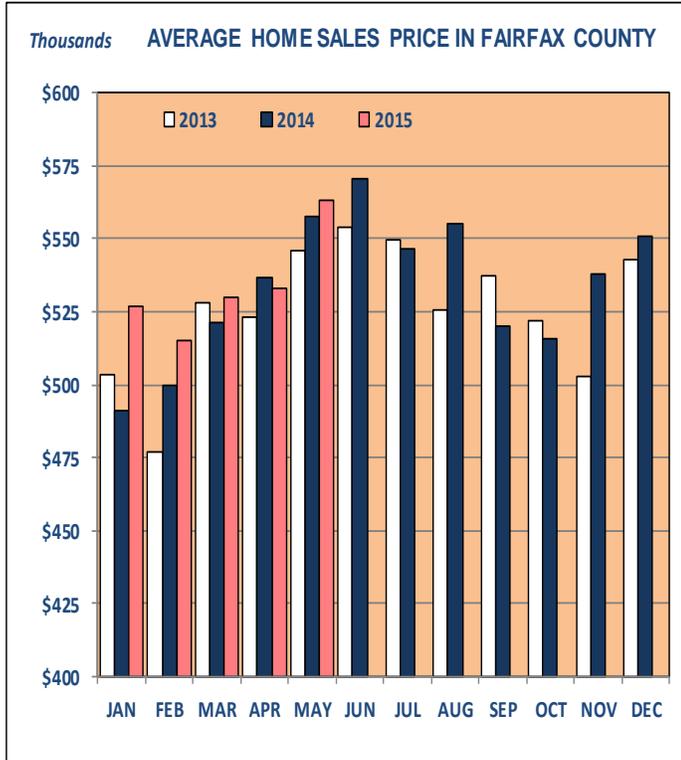
The average sales price for detached homes that sold in May 2015 was \$718,675, an increase of 0.6 percent over the May 2014 average of \$714,630. The average sales price of attached homes increased 2.1 percent during the same time period.

### FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN MAY 2015 COMPARED TO SALES IN MAY 2014

	MAY 2015	MAY 2014	% Change
All Homes	\$563,267	\$557,484	1.0%
Detached Homes	\$718,675	\$714,630	0.6%
Attached Homes	\$383,966	\$376,012	2.1%

## Commercial Office Market

According to the Fairfax County Economic Development Authority (FCEDA), the commercial office market slowed during 2014. The direct office vacancy rate was 16.3 percent at year-end 2014, up from 14.4 percent in 2013. The overall office vacancy rate, which includes sublet space, was 17.7 percent, up from 16.7 percent at year-end 2013. This is the highest rate recorded since 2002, when the rate was 18.8 percent. According to the FCEDA, the aging office inventory in the County, more than 70 percent of which was built prior to 1990, will continue to impact the vacancy rate in future years. Total leasing activity in 2014 declined to the lowest level since 2007. Almost half of the office space absorption occurred in Tysons and Reston.



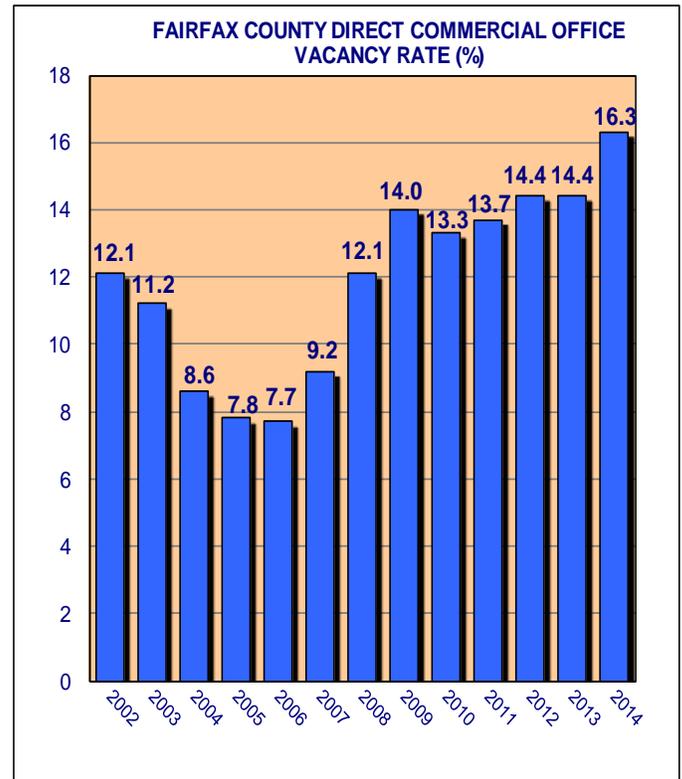
Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

## Inventory of Homes for Sale

In May, the number of active listings in the County was 4,256, an increase of 26.9 percent over the 3,354 listed in May 2014. Based on the May 2015 listings and the current sales rate, there is approximately a 2.8 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.



Source: Fairfax County Economic Development Authority. Compiled by the Fairfax County Department of Management and Budget.

Inquiries regarding this publication should be directed to:

**The Department of Management and Budget**  
**12000 Government Center Parkway**  
**Suite 561**  
**Fairfax, Virginia 22035-0074**  
**(703) 324-2391 or 1-800-828-1120 (TDD)**

---

Staff: Susan Datta, CFO; Marcia Wilds, Revenue and Economic Analysis Coordinator; Albena Assenova, Senior Budget Analyst.