

ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

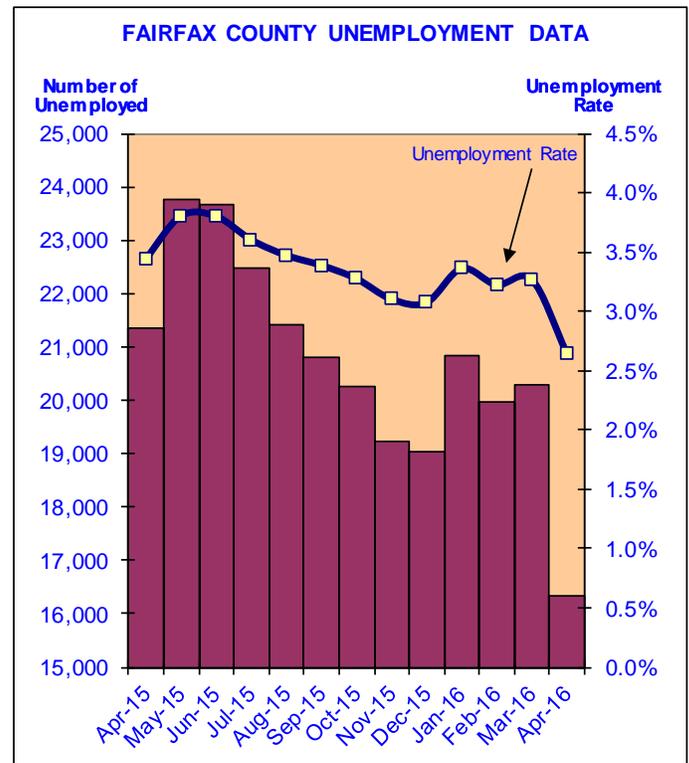
JUNE 2016

IN THIS ISSUE:

- The April unemployment rate in Fairfax County decreased to 2.6 percent. (See page 1)
- For the first eleven months of the fiscal year, Sales Tax receipts in Fairfax County are up 2.0 percent. (See page 2)
- The Consumer Confidence Index declined in May for the second consecutive month. (See page 2)
- The U.S. economy grew at an annual rate of 1.1 percent in the first quarter of 2016 after growing 1.4 percent in the fourth quarter of 2015. (See page 2)
- The number of homes sold in Fairfax County in May increased 10.2 percent from a year earlier. (See page 3)
- In May 2016, the average sales price of all homes sold in Fairfax County decreased 2.6 percent compared to the average sales price in May 2015. (See page 3)
- The number of active listings of homes for sale in the County decreased 8.9 percent in May from a year ago. (See page 4)

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.

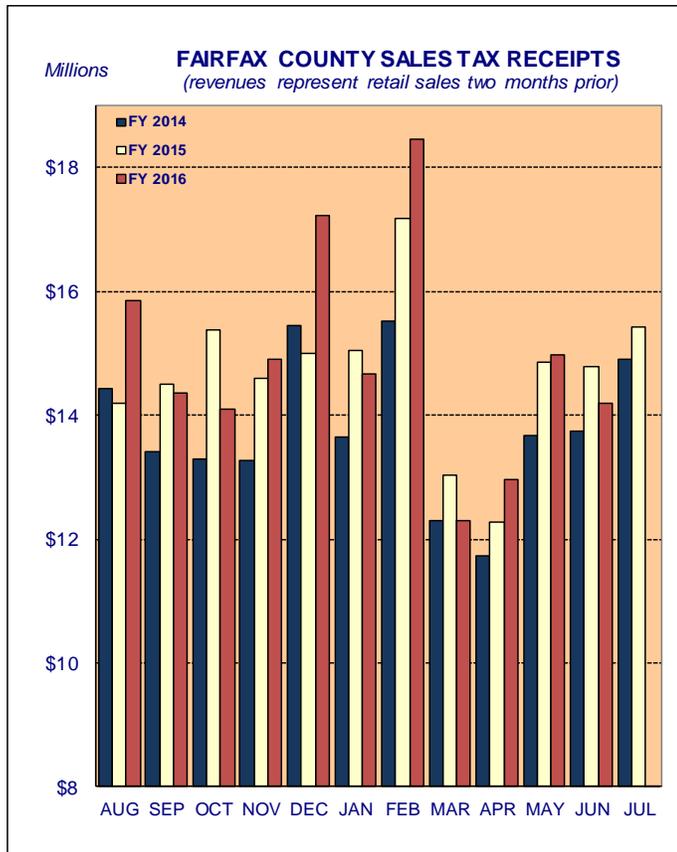
Employment

The April unemployment rate in Fairfax County was 2.6 percent, a decrease of 0.7 percentage point from March. The number of unemployed residents decreased over the month from 20,305 to 16,333. The County's unemployment rate was 0.8 percentage point lower than last April and was at the lowest level since September 2008.

The seasonally adjusted unemployment rate in Virginia decreased from 4.0 percent in March to 3.9 percent in April. The rate was down 0.7 percentage point from April 2015 and stands at its lowest level since June 2008.

The U.S. seasonally adjusted unemployment rate in April was unchanged at 5.0 percent. The rate was down 0.4 percentage point from a year ago. Total nonfarm payroll employment increased by 160,000 in April. On average, 200,000 jobs per month were added during the past 3 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 \$14.2 million, a decrease of 3.9 percent from June 2015. Combined, Sales Tax receipts are up 2.0 percent for the first eleven months of the fiscal year.

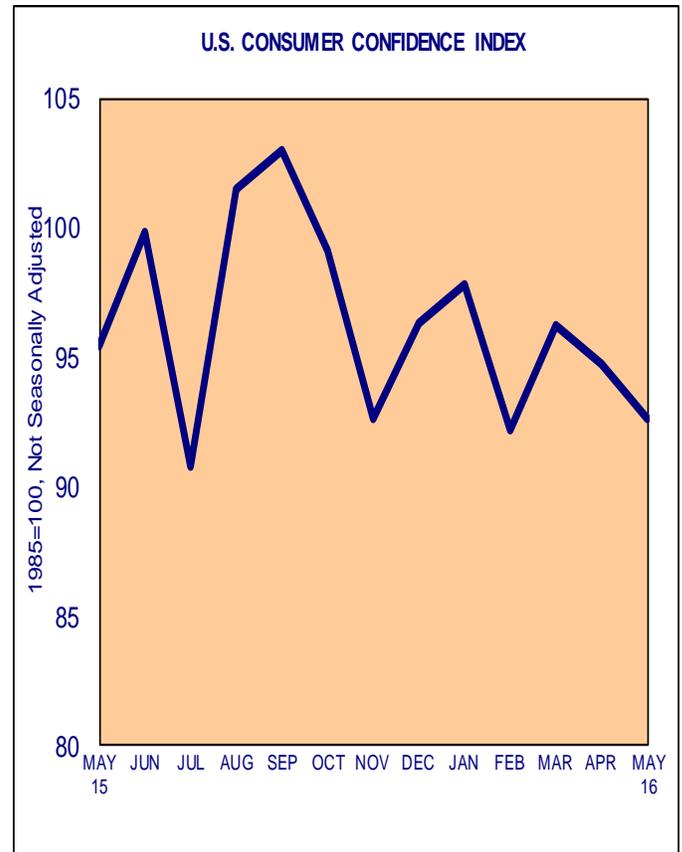
NATIONAL INDICATORS

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 Index, increased 5.4 percent for the 12 months ending in April 2016. David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices, said that "The home price increases reflect the low unemployment rate, low mortgage interest rates, and consumers' generally positive outlook." He added that, "The outlook is not without a lot of uncertainty and some risk. Last week's vote by Great Britain to leave the European Union is the most recent political concern while the U.S. elections in the fall raise uncertainty and will distract home buyers and investors in the coming months."

During the same period, the Washington DC Metro area posted a 1.9 percent gain, the smallest increase among the 20 cities included in the S&P Case-Shiller Index.

Consumer Confidence Index



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

The Consumer Confidence Index decreased in May for the second consecutive month. The index stands at 92.6 (1985=100), down from 94.7 a month ago. The present situation component and the expectations component both decreased compared to last month. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, "Consumer confidence declined slightly in May, primarily due to consumers rating current conditions less favorably than in April." She added that, "Consumers remain cautious about the outlook for business and labor market conditions. They continue to expect little change in economic activity in the months ahead."

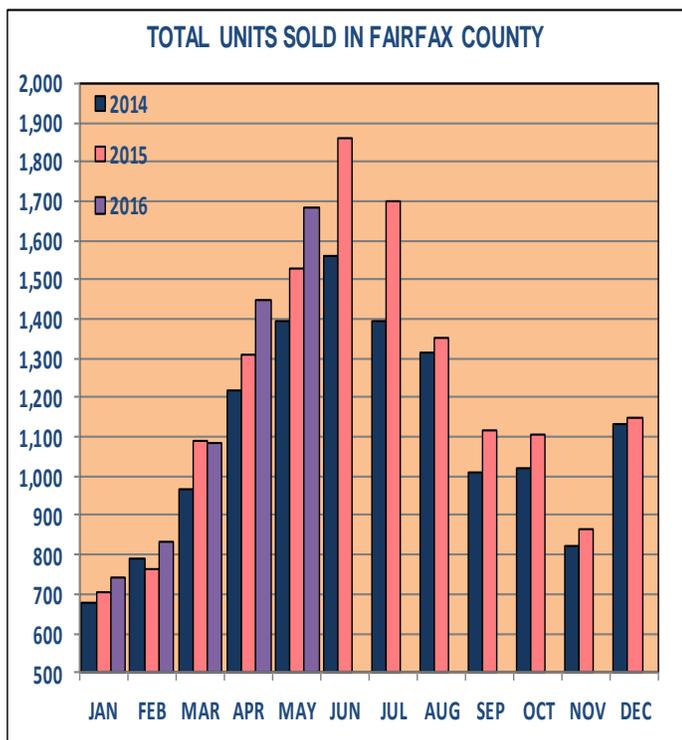
Gross Domestic Product

According to the final estimate by the Bureau of Economic Analysis, real gross domestic product (GDP) increased at an annual rate of 1.1 percent in the first quarter of 2016 after growing 1.4 percent in the fourth quarter. In the previous estimate, real GDP was reported to have increased 0.8 percent. Consumer spending, which makes up more than two-thirds of economic activity, grew 1.5 percent in the first quarter. This is the third straight quarter the increase in consumer spending has decelerated, from 3.6 percent in the second quarter of last year to 3.0 percent in the third quarter, to 2.4 percent in the fourth quarter. Overall government expenditures increased 1.3 percent, though federal expenditures decreased 1.6 percent.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

In May, 1,683 homes were sold in Fairfax County, an increase of 10.2 percent over the 1,527 homes sold in May 2015.

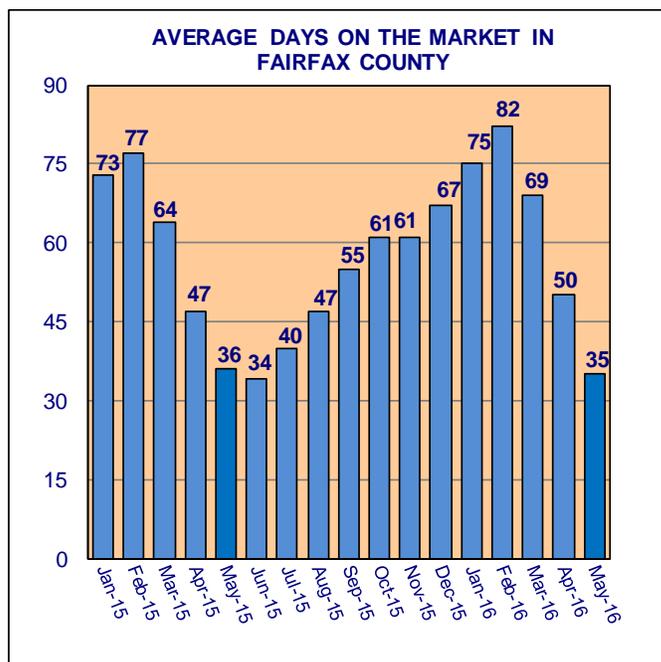


Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

Average Days on the Market

On average, homes that sold in Fairfax County in May were on the market for 35 days. This is 1 day shorter than the 36 day average in May 2015.

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.

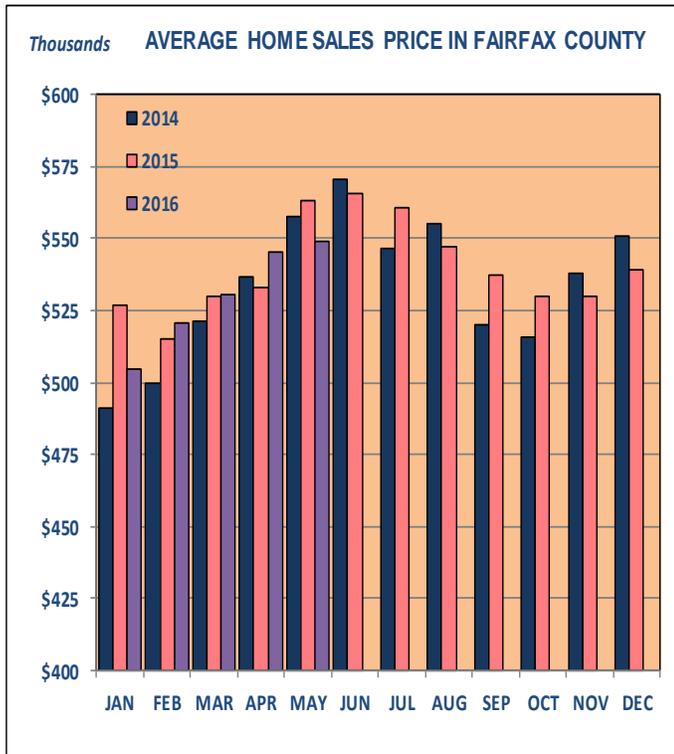
Average Home Sales Prices

The average sales price of all homes that sold in May 2016 in Fairfax County was \$548,909, a decrease of 2.6 percent compared with the May 2015 average sales price of \$563,267. The average May sales price increased 0.9 percent compared to the annual 2015 average home sale price of \$544,055.

The average sales price for detached homes that sold in May 2016 was \$695,365, a decrease of 3.2 percent from the May 2015 average of \$718,675. The average sales price of attached homes decreased 0.1 percent compared to last May.

FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN MAY 2016 COMPARED TO SALES IN MAY 2015

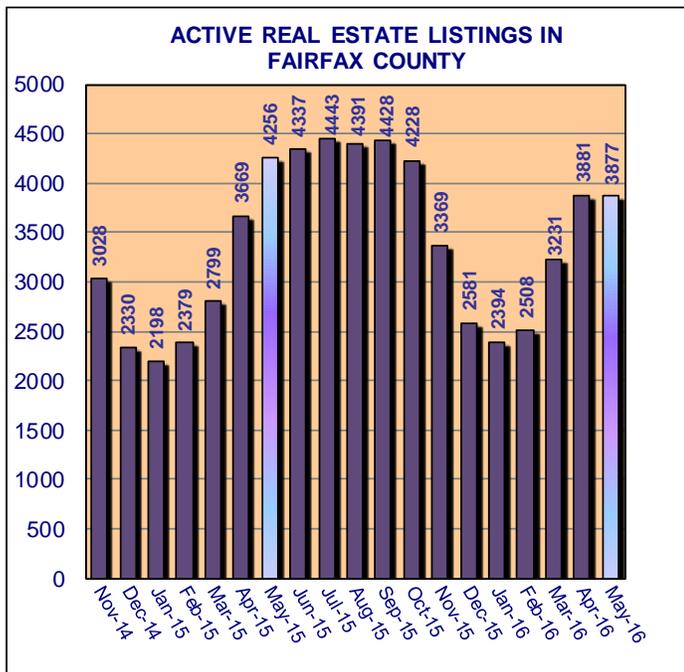
	MAY 2016	MAY 2015	% Change
All Homes	\$548,909	\$563,267	-2.6%
Detached Homes	\$695,365	\$718,675	-3.2%
Attached Homes	\$383,753	\$383,966	-0.1%



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 May was 3,877, a decrease of 8.9 percent from the 4,256 listings in May 2015. Based on the May 2016 listings and the current sales rate, there is approximately a 2.3 month supply of homes for sale in the County, less than the 2.8 month supply a year ago.



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

30-Year Fixed Rate Mortgage

According to Freddie Mac, the average 30-year fixed rate mortgage interest rate decreased to 3.60 percent in May, down from 3.84 percent a year ago. This is the lowest rate since May 2013. The economic turbulence related to the Brexit vote caused investors to shift to safe assets such as US 10-year treasury notes. As a result of this flight to safety, the interest rate on 10-year notes has declined to near its lowest level ever. Since the interest rate on 30-year fixed rate mortgages is related to the rate on US treasury notes, mortgage rates are likely to remain at very low levels.



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: Albena Assenova, Senior Budget Analyst;
 Eric Eisinger, Budget Analyst