



ECONOMIC INDICATORS[®]

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

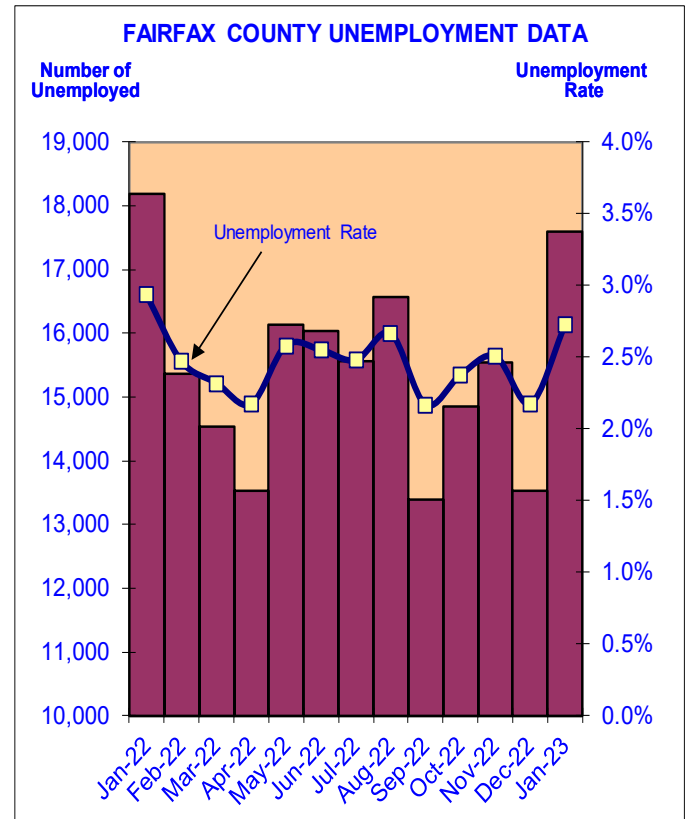
MARCH 2023

IN THIS ISSUE:

- The unemployment rate in Fairfax County increased 0.5 percentage point to 2.7 percent in January.
(See page 1)
- Sales tax receipts in March for purchases made in January increased 3.9 percent compared to last March.
(See page 2)
- The Consumer Confidence Index increased in March after declining in February.
(See page 2)
- The number of homes sold in Fairfax County in February decreased 25.6 percent from a year earlier.
(See page 3)
- In February 2023, the average sales price of all homes sold in Fairfax County increased 0.5 percent compared to February 2022.
(See page 3)
- The number of active listings of homes for sale in the County increased 50.5 percent from a year earlier.
(See page 4)
- The direct office vacancy rate increased to 16.7 percent at year-end 2022, up from 16.0 percent a year earlier.
(See page 4)

Previous issues of this publication can be accessed at:

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



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

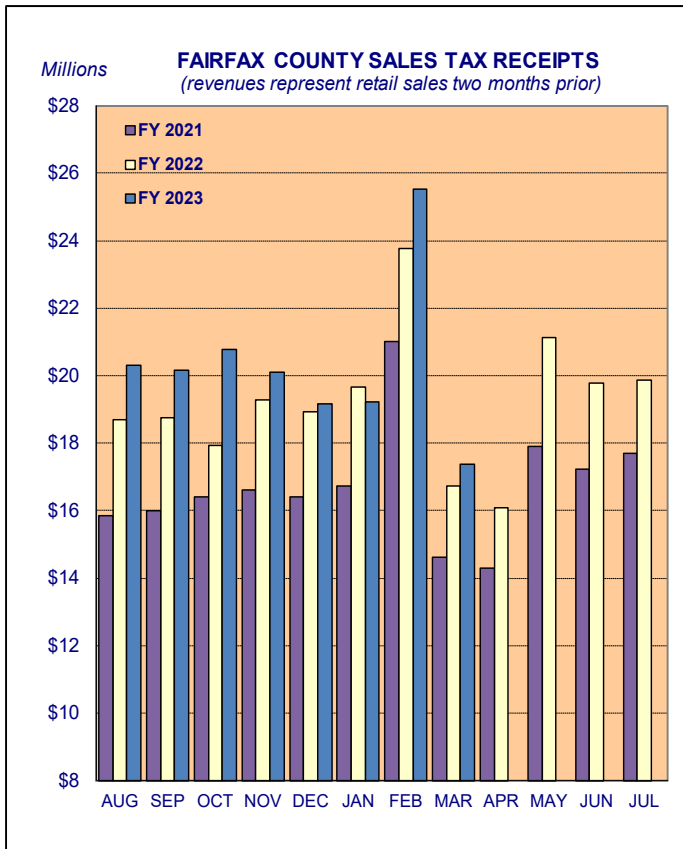
Employment

Compared to December, the January unemployment rate in Fairfax County increased 0.5 percentage point to 2.7 percent. The number of unemployed residents increased from 13,531 to 17,591. The County's unemployment rate was down 0.2 percentage point from January 2022.

The seasonally adjusted unemployment rate in Virginia in January increased 0.1 percentage point to 3.2 percent. The rate was up 0.3 percentage point from January 2022.

The U.S. seasonally adjusted unemployment rate in January decreased 0.1 percentage point to 3.4 percent. The rate was down 0.6 percentage point compared to a year ago. Total nonfarm payroll employment increased by 517,000 jobs, compared with an average monthly gain of 401,000 in 2022.

Sales Tax Receipts



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

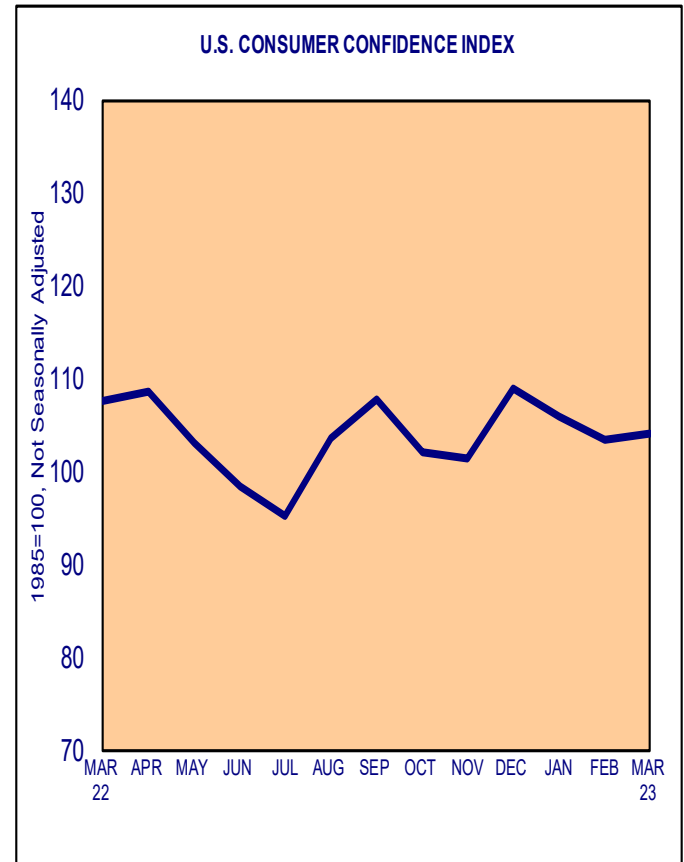
Sales Tax receipts distributed to Fairfax County in March for retail purchases made in January were \$17.4 million, an increase of 3.9 percent over March 2022. For the first eight months of FY 2023, sales tax receipts are up 5.5 percent compared to the previous year.

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, increased 2.5 percent for the 12 months ending in January. Home prices in the Washington Metropolitan area gained 2.4 percent during the same period. Craig J. Lazzara, Managing Director and Global Head of Index Investment Strategy, said that, “the Federal Reserve remains focused on its inflation-reduction targets, which suggest that rates may remain elevated in the near-term.” He added that, “Mortgage financing and the prospect of economic weakness are therefore likely to remain a headwind for housing prices for at least the next several months.”

Consumer Confidence Index



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

The Consumer Confidence Index increased in March. The index now stands at 104.2 (1985=100), up from 103.4 in February. The present situation component decreased while the expectations component increased. For 12 of the last 13 months – since February 2022 – the Expectations Index has been below 80, the level which often signals a recession within the next year. Ataman Ozyildirim, Senior Director of Economics at the Conference Board, said that, “The latest results reveal that consumers’ expectations of inflation over the next 12 months remain elevated – at 6.3 percent.” He added that, “Overall purchasing plans for appliances continued to soften while automobile purchases saw a slight increase.”

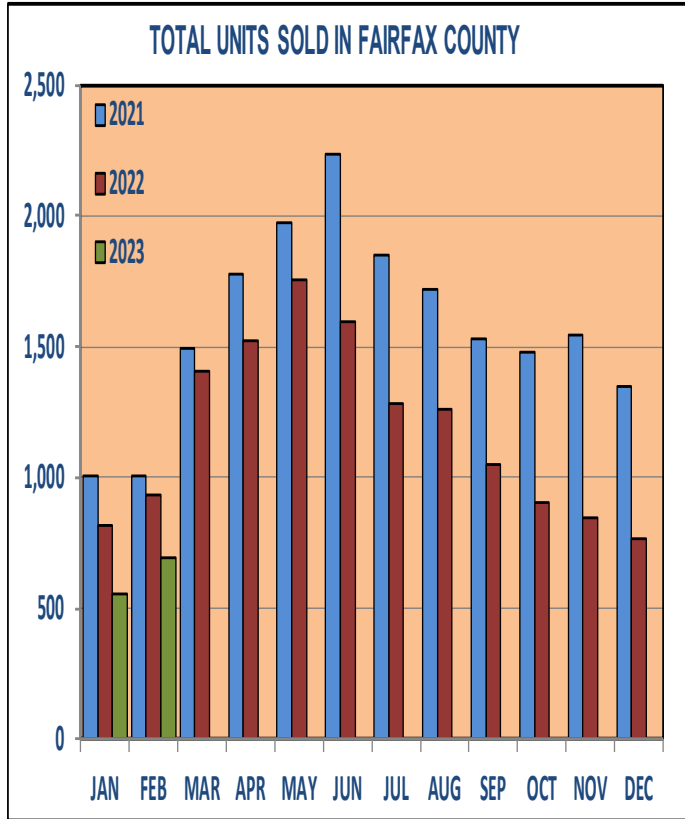
Consumer Price Index

The Consumer Price Index for All Urban Consumers (CPI-U) increased 6.0 percent in February over the last 12 months before seasonal adjustment. The core inflation rate excluding food and energy increased 5.5 percent. The increases were led by a 9.5 percent increase in the cost of food, a 5.2 percent increase in the cost of energy, and an 8.8 percent increase in the cost of rental housing. Used cars and trucks decreased by 13.6 percent compared to the previous February. The Federal Reserve Board’s target annual inflation rate is 2.0 percent.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

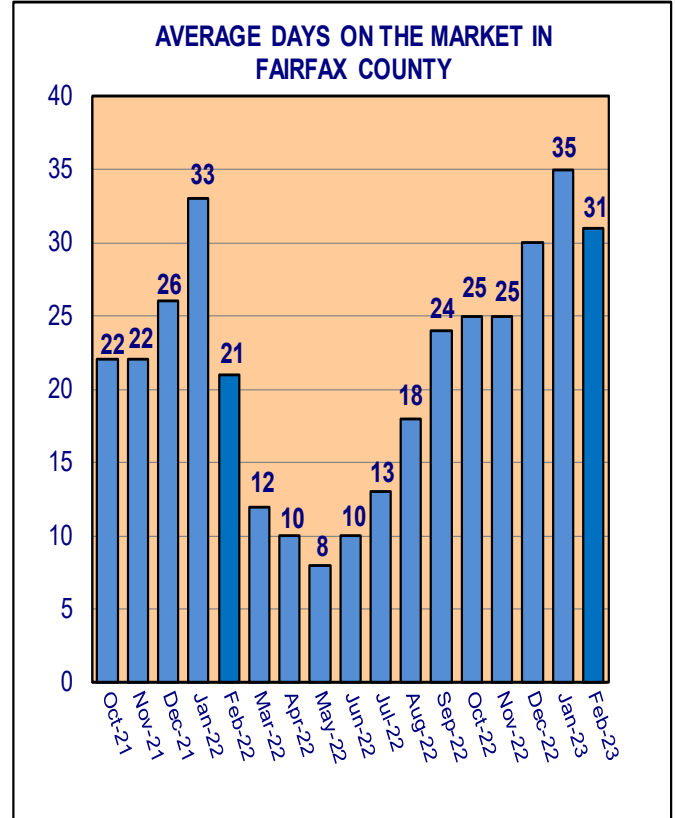
In February 2023, 694 homes were sold in Fairfax County, a decrease of 25.6 percent from the 933 homes that were sold in February 2022.



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 February 2023 were on the market for 31 days. This is ten days more than the 21-day average in February 2022.



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

Average Home Sales Prices

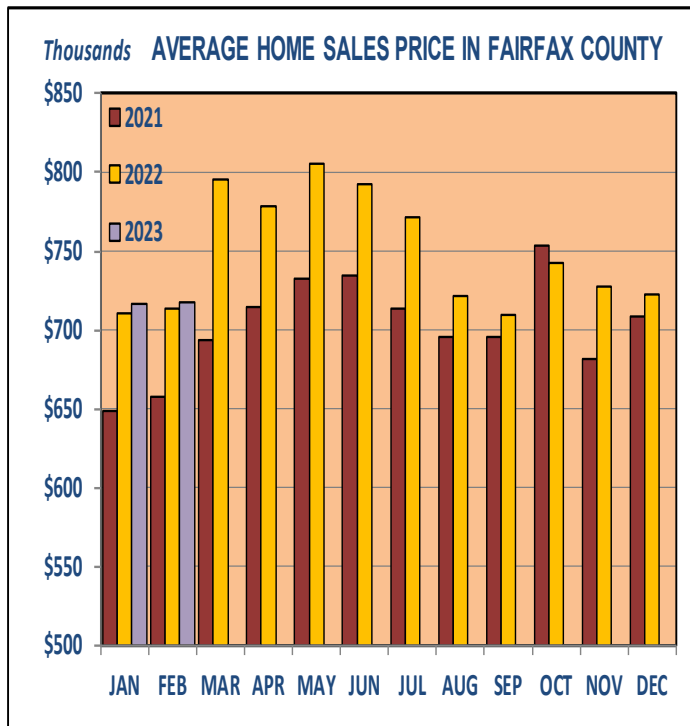
The average sales price of all homes that sold in February 2023 in Fairfax County was \$717,550, an increase of 0.5 percent over the February 2022 average sales price of \$713,873. The average sales price was down 5.8 percent compared to the 2022 annual average home sales price of \$761,799.

The average sales price for detached homes that sold in February 2023 was \$979,043, a decrease of 4.9 percent from the February 2022 average of \$1,029,954. The average sales price of attached homes increased 7.2 percent over the same period.

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

	FEB 2023	FEB 2022	% Change
All Homes	\$717,550	\$713,873	0.5%
Detached Homes	\$979,043	\$1,029,954	-4.9%
Attached Homes	\$491,299	\$458,435	7.2%

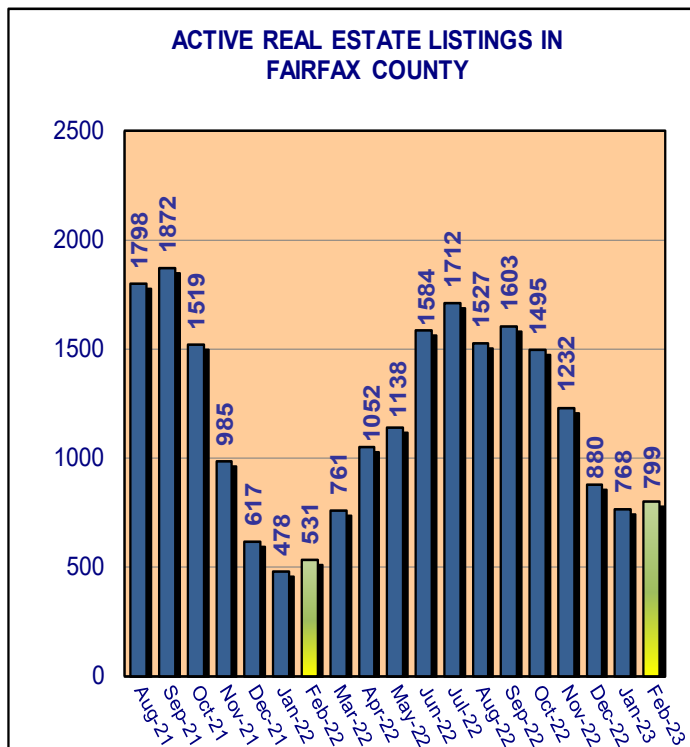
Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Average selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read 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.

Inventory of Homes for Sale

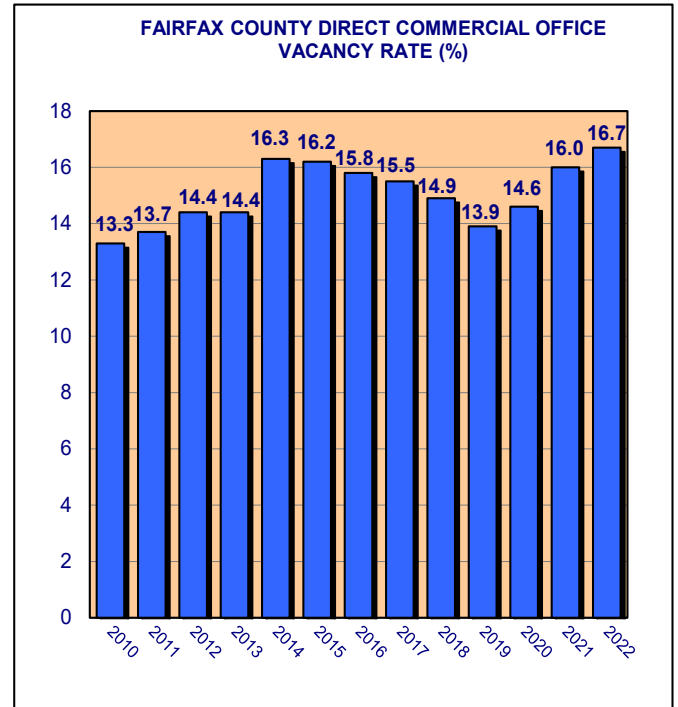
The number of active listings for sale in the County in February 2023 was 799, an increase of 50.5 percent over the 531 listings in February 2022. Based on the February 2023 listings and the current sales rate, there is approximately a 1.2-month supply of homes for sale in the County, more than the 0.6-month supply a year ago.



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

Commercial Office Market

According to the Fairfax County Economic Development Authority (FCEDA), the direct office vacancy rate was 16.7 percent at year-end 2022, up from 16.0 percent at year-end 2021. This is the highest vacancy rate since 1991. Gross leasing in 2022 totaled approximately 6.6 million square feet, outpacing the 4.9 million square feet leased the previous year. At year's end, the amount of vacant unleased office space stood at about 21.3 million square feet.



Source: Fairfax County Economic Development Authority. 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