

# ECONOMIC INDICATORS<sup>®</sup>

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

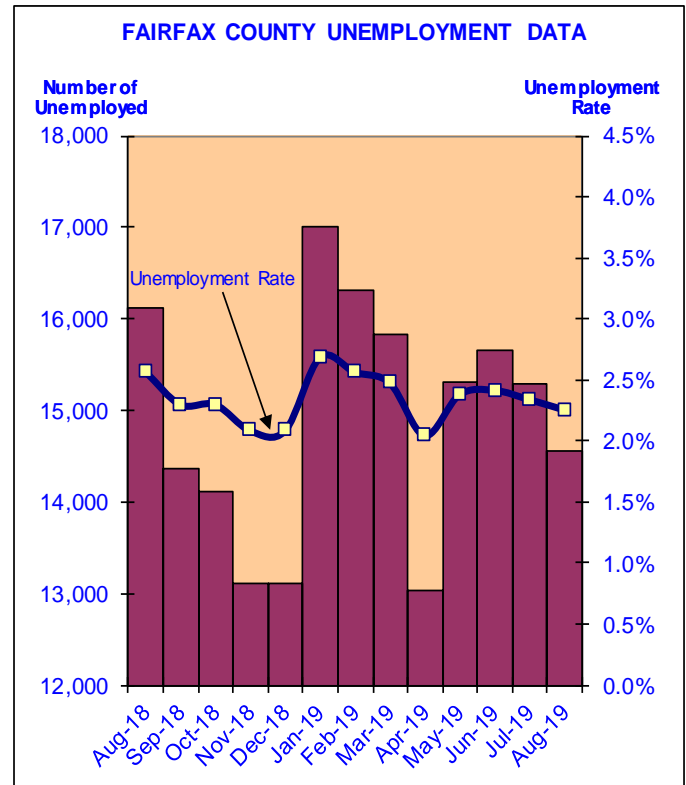
OCTOBER 2019

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- The August unemployment rate in Fairfax County remained unchanged at 2.3 percent. (See page 1)
- Sales tax receipts in Fairfax County increased 4.5 percent through the first three months of the fiscal year. (See page 2)
- The Consumer Confidence Index decreased in September for the second straight month. (See page 2)
- The number of homes sold in Fairfax County during September 2019 increased 17.0 percent from a year earlier. (See page 3)
- In September 2019, the average sales price of all homes sold in Fairfax County increased 5.1 percent compared to the average sale price in September 2018. (See page 3)
- The number of active listings of homes for sale in the County decreased 31.4 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 2019 is up 13.7 percent. (See page 4)
- October 2019 Special Report on Northern Virginia Employment. (See page 5-6)

Previous issues of this publication can be accessed at:

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



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

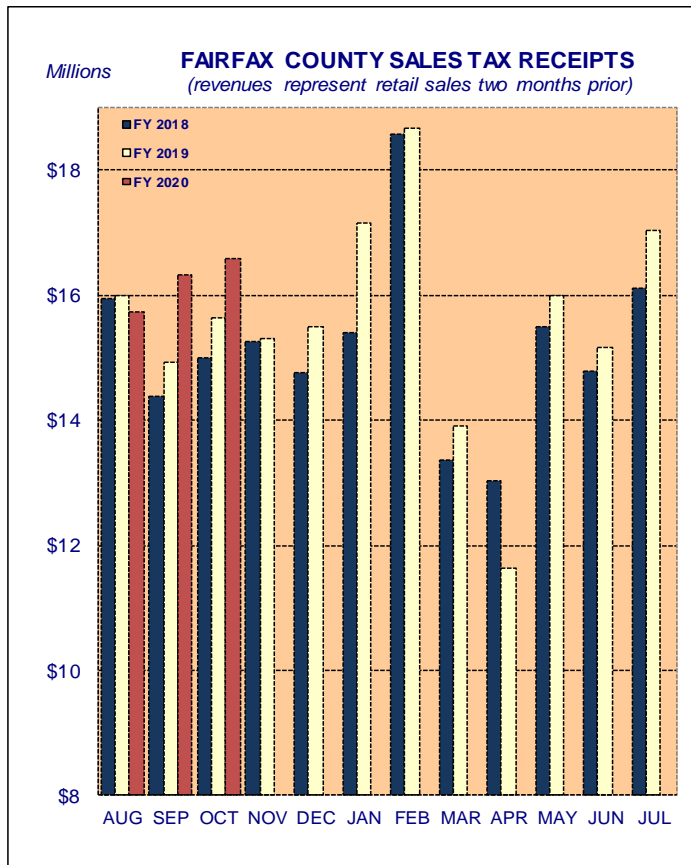
## Employment

Compared to July, the August unemployment rate in Fairfax County remained unchanged at 2.3 percent. The number of unemployed residents decreased slightly over the month from 15,295 to 14,559. The County's unemployment rate was down 0.3 percentage point from August 2018.

In August, the seasonally adjusted unemployment rate in Virginia decreased 0.1 percentage point to 2.8 percent. The rate was unchanged compared to August 2018.

The U.S. seasonally adjusted unemployment rate in August remained unchanged at 3.7 percent. The rate was down 0.1 percentage point from a year ago. Total nonfarm payroll employment increased by 130,000 in August. Over the last three months, job gains have averaged 156,000 per month.

## Sales Tax Receipts



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

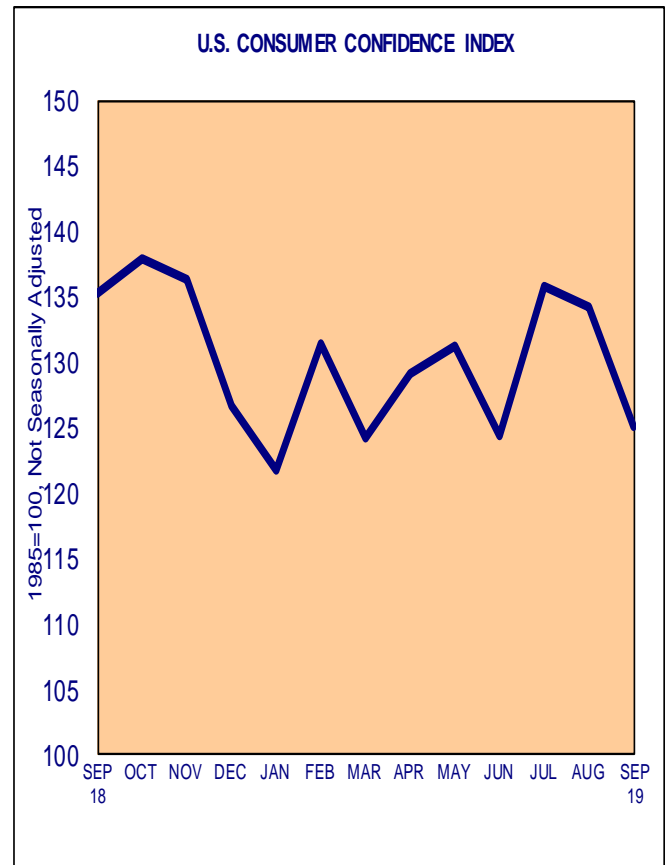
Sales Tax receipts distributed to Fairfax County in October for retail purchases made in August were \$16.6 million, an increase of 5.9 percent over October 2018. During the first three months of FY 2020, Sales Tax receipts are up 4.5 percent over FY 2019. It is likely that a significant part of the increase is due to a new law passed by the Virginia General Assembly and signed by the Governor requiring the collection of state and local sales taxes from remote internet sellers. The law went into effect on July 1.

## 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 home price index, increased 2.0 percent for the 12 months ending in August. Home prices in the Washington Metropolitan area posted a 2.7 percent gain during the same period. The increase was the 13<sup>th</sup> largest of the 20 cities included in the index.

## Consumer Confidence Index



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

The Consumer Confidence Index declined in September for the second straight month. It now stands at 125.1 (1985=100), down from 134.2 a month ago. Both the present situation component and the expectations component decreased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, "The escalation in trade and tariff tensions in late August appears to have rattled consumers. However this pattern of uncertainty and volatility has persisted for much of the year and it appears confidence is plateauing." She added that, "While confidence could continue hovering around current levels for months to come, at some point this continued uncertainty will begin to diminish consumers' confidence in the expansion."

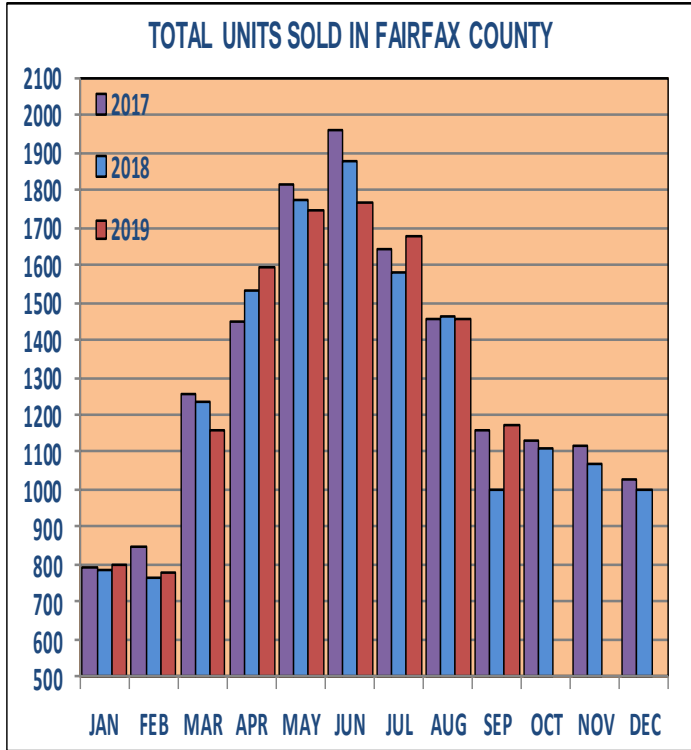
### Consumer Price Index

The September Consumer Price Index for All Urban Consumers (CPI-U) increased 1.7 percent compared to last September. Excluding food and energy, core inflation increased 2.4 percent. Through September, the Washington area CPI-U increased 0.9 percent compared to a year ago. The Federal Reserve Board's target annual inflation rate is 2.0 percent.

# FAIRFAX COUNTY HOUSING MARKET

## Total Home Sales Volume

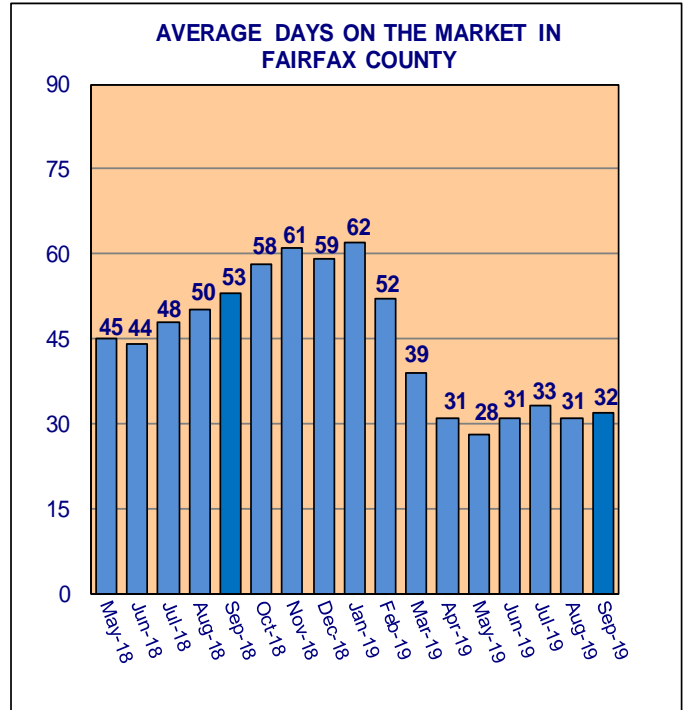
In September, 1,169 homes were sold in Fairfax County, an increase of 17.0 percent over the 999 homes that were sold in September 2018.



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 32 days. This is 21 days fewer than the 53-day average in September 2018.



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

## Average Home Sales Prices

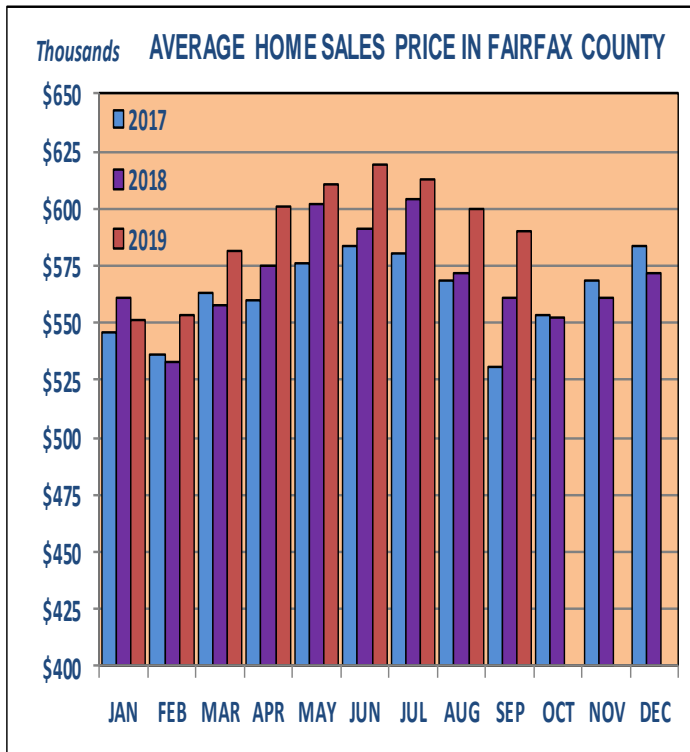
The average sales price of all homes that sold in September 2019 in Fairfax County was \$589,874, an increase of 5.1 percent over the September 2018 average sales price of \$561,056. The average sales price increased 1.9 percent compared to the annual 2018 average home sales price of \$578,723.

The average sales price for detached homes that sold in September 2019 was \$794,168, an increase of 4.6 percent over the September 2018 average of \$758,908. The average sales price of attached homes increased by 3.3 percent over the same period.

### FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN SEP 2019 COMPARED TO SALES IN SEP 2018

	SEP 2019	SEP 2018	% Change
All Homes	\$589,874	\$561,056	5.1%
Detached Homes	\$794,168	\$758,908	4.6%
Attached Homes	\$399,448	\$386,678	3.3%

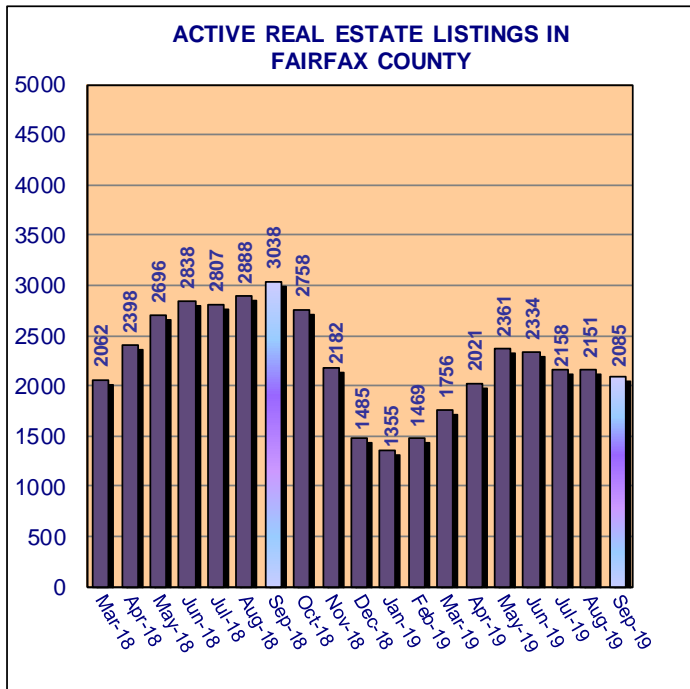
Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Average selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read more about Fairfax County tax assessments, please visit: <https://www.fairfaxcounty.gov/taxes/real-estate>



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

### Inventory of Homes for Sale

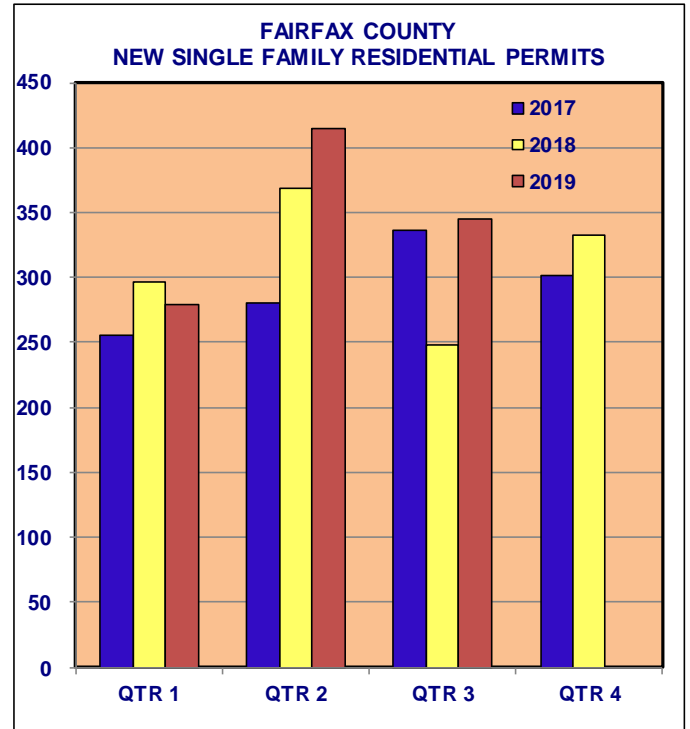
The number of active listings in the County in August was 2,085, a decrease of 31.4 percent from the 3,038 listings in September 2018. Based on the September 2019 listings and the current sales rate, there is approximately a 1.8-month supply of homes for sale in the County, less than the 3.0-month supply a year ago.



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

### Single Family Building Permits

During the third quarter of 2019, 345 new single family permits were issued in Fairfax County. This represents a 39.1 percent increase over the number of permits issued during the same period in 2018. Combined, the number of new single family permits is up 13.7 percent for the first three quarters of 2019.



Source: Fairfax County Land Development Services. Compiled by the Fairfax County Department of Management and Budget.

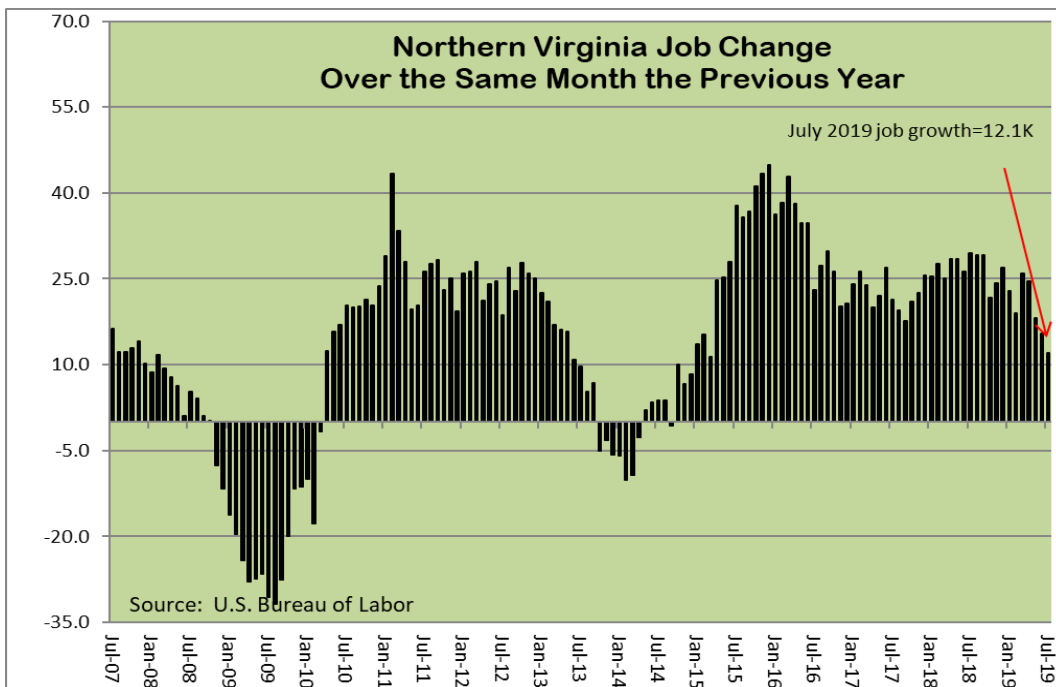
**The Department of Management and Budget**  
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## Special Report – October 2019 Northern Virginia Employment

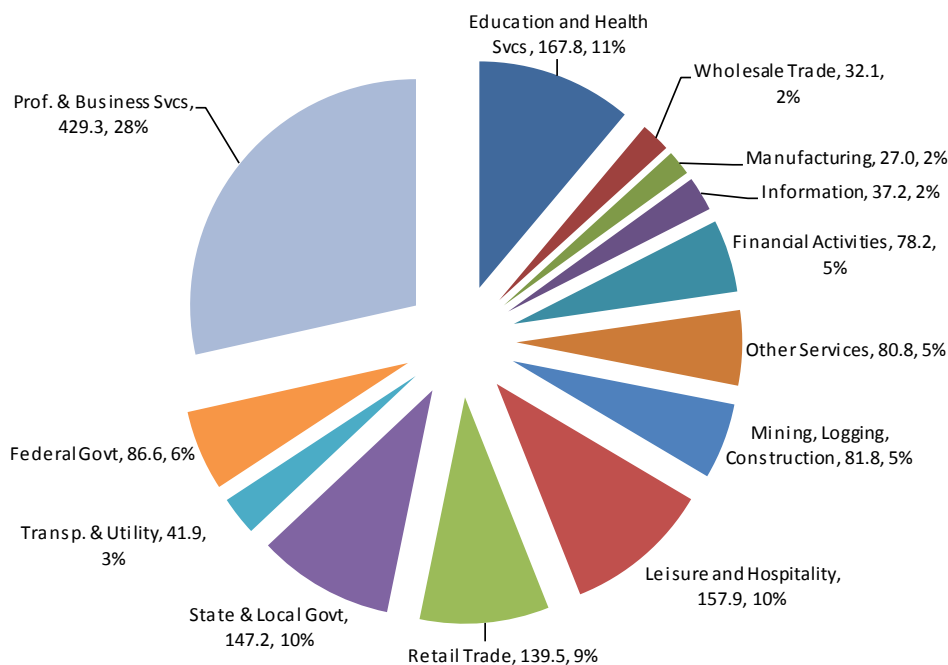
Based on data from the U.S. Bureau of Labor Statistics (BLS), the Northern Virginia region experienced job growth at an annual rate of 0.8 percent in July 2019. Prior to the recession, annual job growth from 2003 through 2007 rose at a rate of 2.9 percent. Growth stagnated in 2008, rising just 0.2 percent. The area lost 22,900 jobs in 2009, a drop of 1.7 percent. Employment growth resumed in 2010 and averaged 1.6 percent per year from 2010 through 2012. Federal sequestration and reductions in procurement spending led to job losses in late 2013 and 2014, primarily in the Professional and Business Services sector, and limited average overall job growth to an annual rate of 0.4 percent over those two years. From 2015 to 2018, job growth accelerated to an average of 1.9 percent annually. As of July 2019, total nonfarm employment in Northern Virginia was 1,507,300, a gain of 12,100 jobs compared to July 2018.



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### Jobs by Sector in Northern Virginia

Employment in the Professional and Business Services sector was 429,300 in July 2019, 28 percent of the total jobs in Northern Virginia.

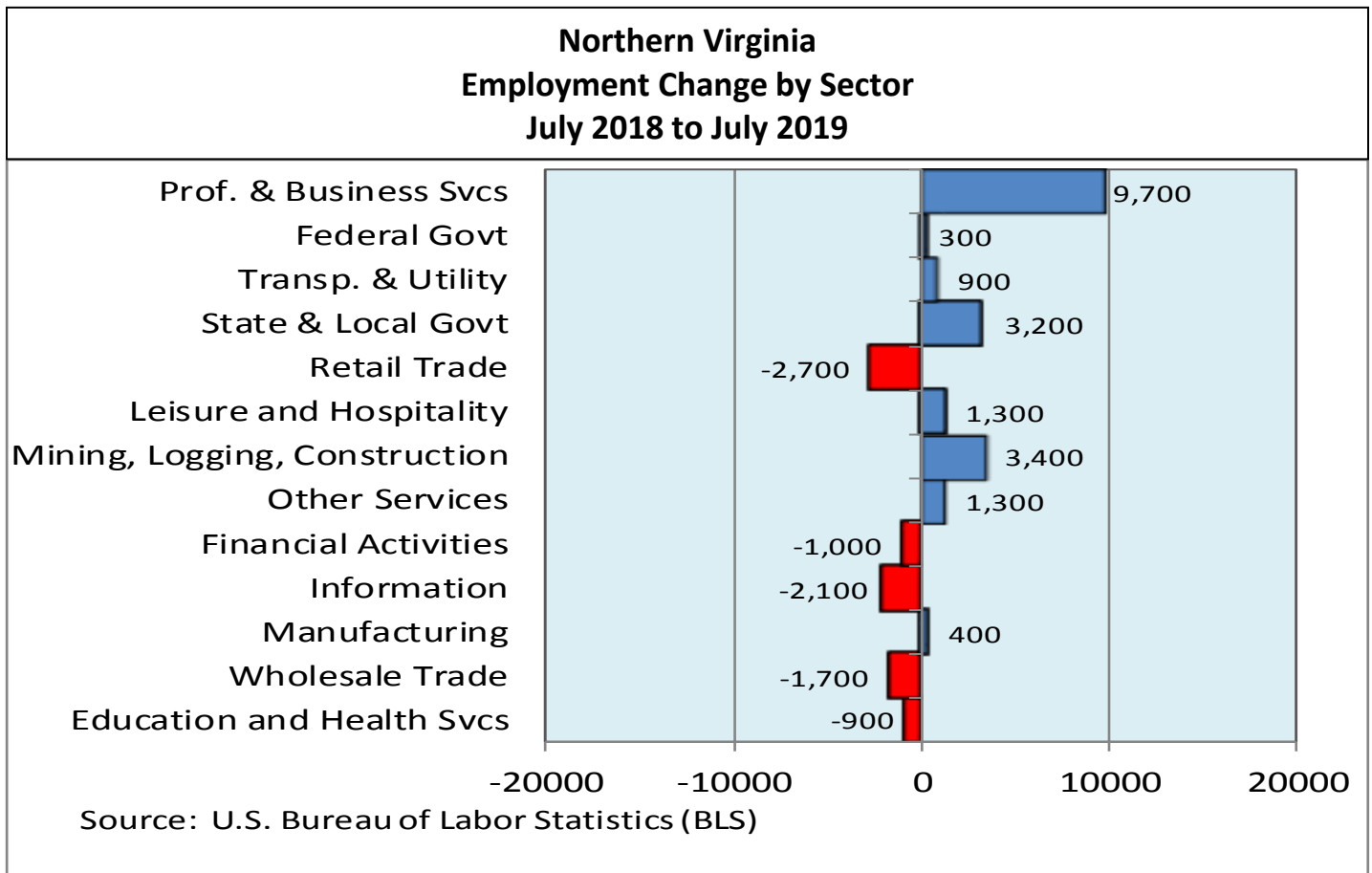


Note: Total employment in July 2019 was 1,507,300. Employment figures in the graph above are in thousands.

The Professional and Business Services sector includes such jobs as attorneys, federal contractors, and businesses that provide services to other businesses such as printing and computer services. The Education and Health Services sector makes up approximately 11 percent of total employment in Northern Virginia, while the Leisure and Hospitality and State and Local Government sectors each make up approximately 10 percent. Federal government jobs represent 6 percent of total employment in the area.

### Change by Sector

Of the 12,100 net new jobs created over the year ending July 2019, 9,700 jobs were in the Professional and Business Services sector, which increased by 2.3 percent over July 2018. There was also a significant increase in the number of jobs in the Mining, Logging, and Construction sector, which increased by 3,400 jobs or 4.3 percent. The Retail, Information, Wholesale Trade, Financial Activities, and Education and Health Services sectors all lost employees.



### Employment in Fairfax County

Fairfax County specific employment data by sector are reported on a delayed basis and are currently available through the first quarter of 2019. In March, total non-farm employment in the County was 613,335, an increase of over 9,300 jobs or 1.5 percent compared to the previous March. The sector with the largest employment gains was Professional and Business Services, which increased by 3,059 employees or 1.4 percent. From 2015 through 2018, annual job growth in Fairfax County has averaged 1.4 percent.