



# ECONOMIC INDICATORS®

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

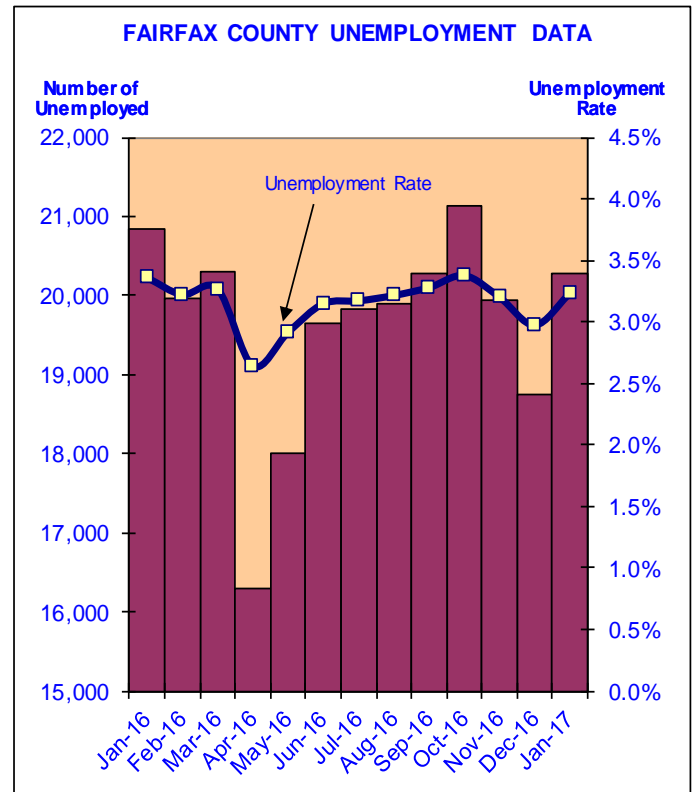
MARCH 2017

## IN THIS ISSUE:

- The January unemployment rate in Fairfax County increased to 3.2 percent. (See page 1)
- Sales Tax receipts in March were up 4.8 percent. (See page 2)
- The U.S. economy grew at an annual rate of 2.1 percent in the fourth quarter of 2016 after growing 3.5 percent in the third quarter. (See page 2)
- The Consumer Confidence Index increased to a fifteen year high in February. (See page 2)
- The number of homes sold in Fairfax County during February 2017 increased 1.4 percent over a year earlier. (See page 3)
- In February 2017, the average sales price of all homes sold in Fairfax County increased 2.9 percent compared to the average sale price in February 2016. (See page 3)
- The number of active listings of homes for sale in the County decreased 14.5 percent in February from a year ago. (See page 4)

Previous issues of this publication can be accessed at:

[http://www.fairfaxcounty.gov/economic/economic\\_indicators.htm](http://www.fairfaxcounty.gov/economic/economic_indicators.htm)



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

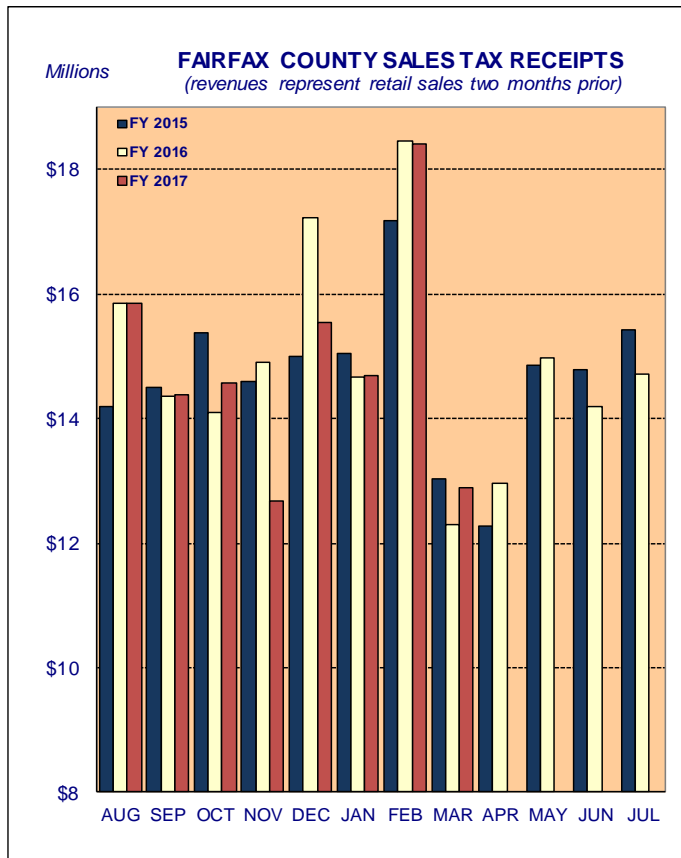
## Employment

Compared to December, the January unemployment rate in Fairfax County increased 0.2 percentage point to 3.2 percent. The number of unemployed residents increased over the month from 18,754 to 20,270. The County's unemployment rate was down 0.2 percentage point from January 2016.

In January, the seasonally adjusted unemployment rate in Virginia decreased 0.1 percentage point from December to 4.0 percent. The rate was unchanged compared to January 2016.

The U.S. seasonally adjusted unemployment rate increased to 4.8 percent in January, down 0.1 percentage point from December. The rate was down 0.1 percentage point from a year ago. Total nonfarm payroll employment increased by 227,000 in January. Over the past three months, job gains have averaged 183,000 per month.

## Sales Tax Receipts



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

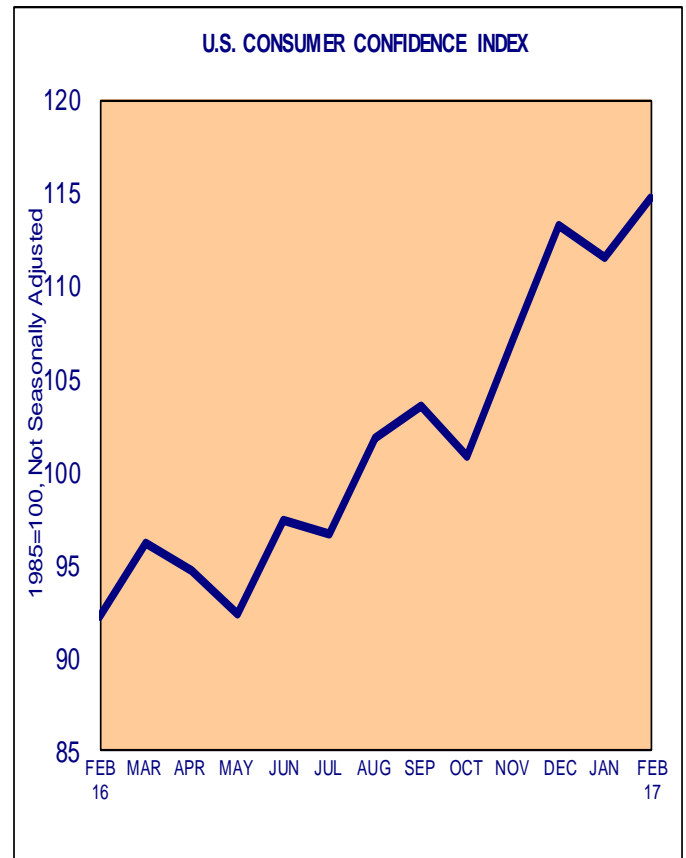
Sales Tax receipts distributed to Fairfax County in March for retail purchases made in January were \$12.9 million, an increase of 4.8 percent over March 2016. Through March, FY 2017 Sales Tax receipts are down 2.3 percent from FY 2016 primarily due to refunds as a result of state audits.

## 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 5.7 percent for the 12 months ending in January. Home prices in the Washington Metropolitan area posted a 3.9 percent gain during the same period. David M. Blitzer, Managing Director and Chairman of the Index Committee, said that "While prices vary month-to-month and across the country, the national price trend has been positive since the first quarter of 2012." He added that, "Tight supplies and rising prices may be deterring some people from trading up to a larger house, further aggravating supplies because fewer people are selling their homes. The prices also hurt affordability as high prices and mortgage rates shrink the number of households that can afford to buy at current price levels."

## Consumer Confidence Index



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

The Consumer Confidence Index increased in February to a 15-year high after decreasing slightly in January. The index stands at 114.8 (1985=100), up from 111.6 a month ago. Both the present situation component and the expectations component increased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, "Expectations improved regarding the short-term outlook for business, and to a lesser degree jobs and income prospects." She added that, "Overall, consumers expect the economy to continue expanding in the months ahead."

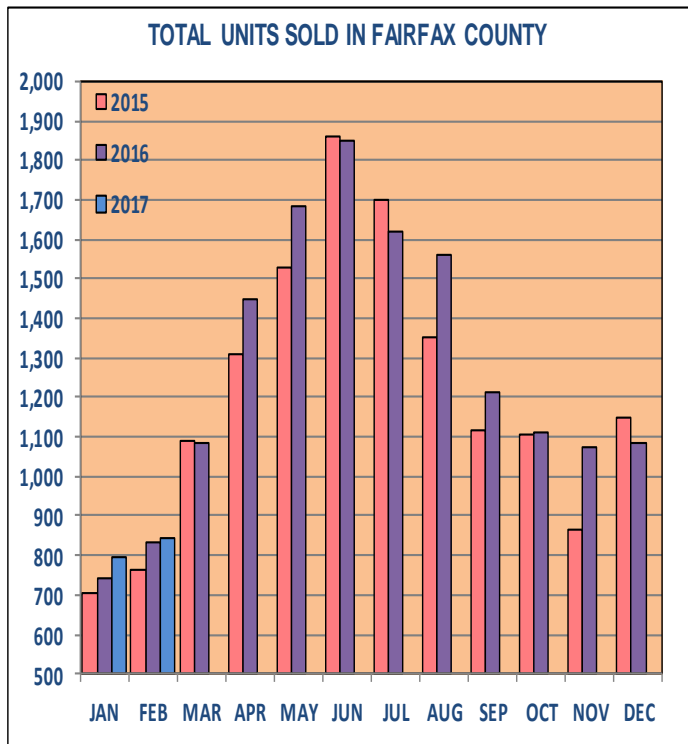
### Gross Domestic Product

According to the third estimate by the Bureau of Economic Analysis, real gross domestic product (GDP) increased at an annual rate of 2.1 percent in the fourth quarter of 2016 after growing 3.5 percent in the third quarter. In the previous estimate, real GDP was reported to have increased 1.9 percent. The U.S. economy is estimated to have grown 1.6 percent in 2016, down from 2.6 percent in 2015.

# FAIRFAX COUNTY HOUSING MARKET

## Total Home Sales Volume

In February, 846 homes were sold in Fairfax County, an increase of 1.4 percent over the 834 homes sold in February 2016.

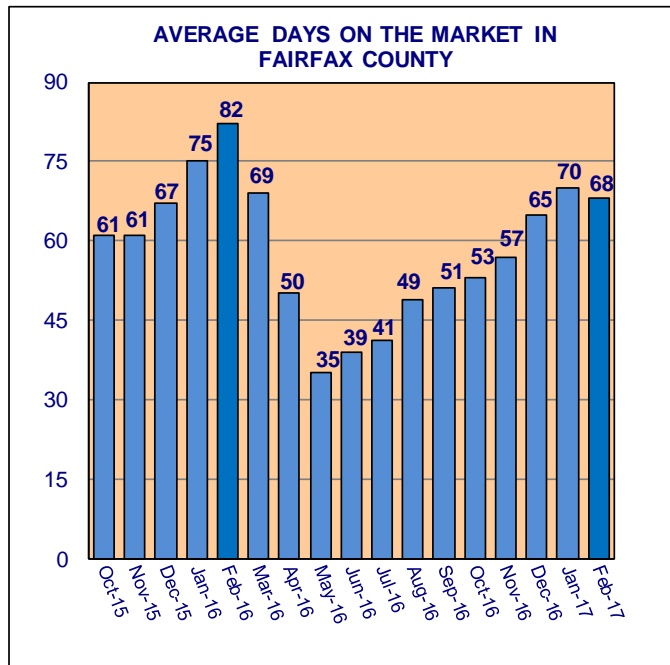


Source: Real Estate Business Intelligence. Compiled by the Fairfax County Department of Management and Budget.

## Average Days on the Market

On average, homes that sold in Fairfax County in February were on the market for 68 days. This is 14 days fewer than the 82 day average in February 2016.

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 February 2017 in Fairfax County was \$535,760, an increase of 2.9 percent over the February 2016 average sales price of \$520,770. The average February price was down 1.6 percent compared to the annual 2016 average home sales price of \$544,416.

The average sales price for detached homes that sold in February 2017 was \$740,783, an increase of 5.5 percent over the February 2016 average of \$702,197. The average sales price of attached homes increased 0.7 percent over the same period.

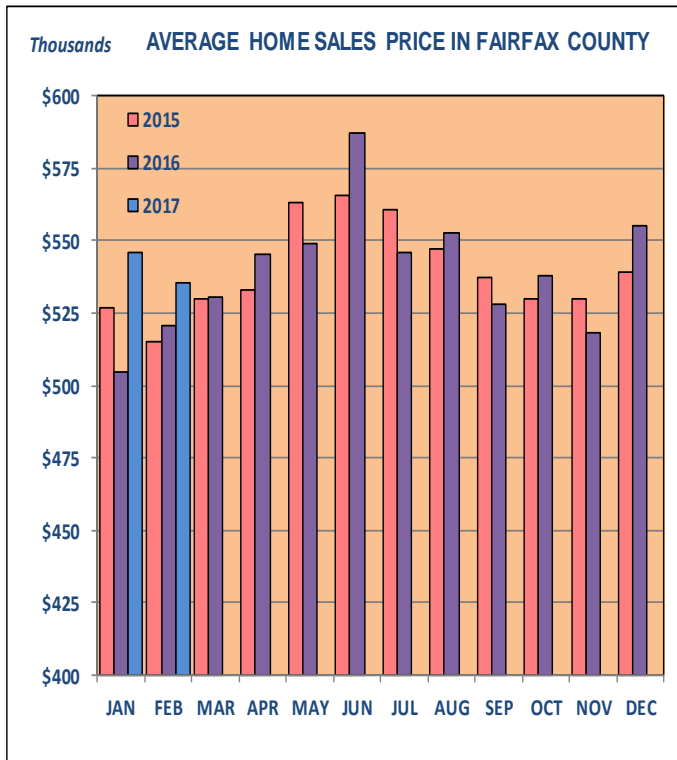
### FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN FEB 2017 COMPARED TO SALES IN FEB 2016

	FEB 2017	FEB 2016	% Change
All Homes	\$535,760	\$520,770	2.9%
Detached Homes	\$740,783	\$702,197	5.5%
Attached Homes	\$366,969	\$364,451	0.7%

## Negative Equity

Based on data from 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 the U.S. was 10.5 percent in the fourth quarter of 2016, a decrease of 0.4 percentage point from the third quarter. Negative equity, a situation in which the borrower owes more on their mortgage than their home is worth, has fallen or stayed flat for fifteen straight quarters after peaking in the first quarter of 2012 at 31.4 percent. According to Zillow’s report, “Even as home values close in on peak levels reached during the housing boom, those deeply underwater homeowners still face a long wait before returning to a positive balance on their home loans.”

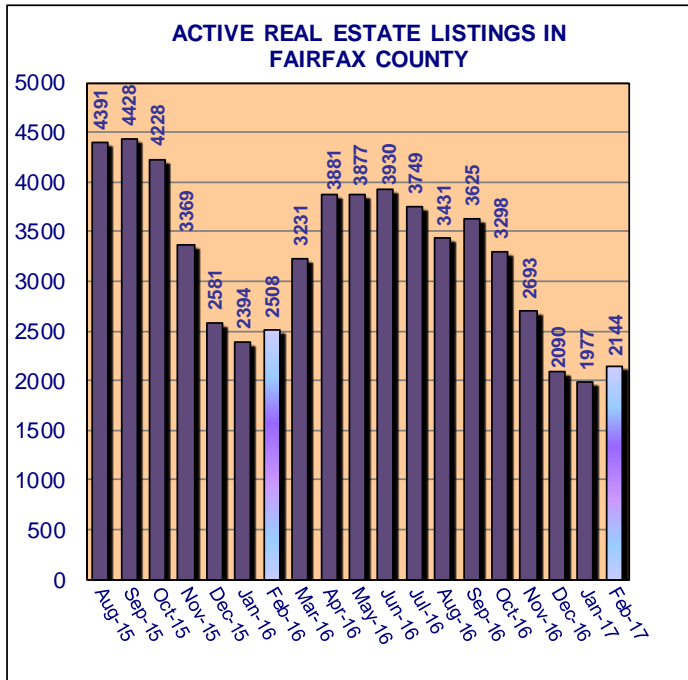
In the fourth quarter, the percentage of homes with negative equity in Fairfax County was 7.8 percent, down from 9.2 percent a year ago and the lowest among the major jurisdictions in the region.



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 February was 2,144, a decrease of 14.5 percent from the 2,508 listings in February 2016. Based on the February 2017 listings and the current sales rate, there is approximately a 2.5 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.

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