

# ECONOMIC INDICATORS®

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

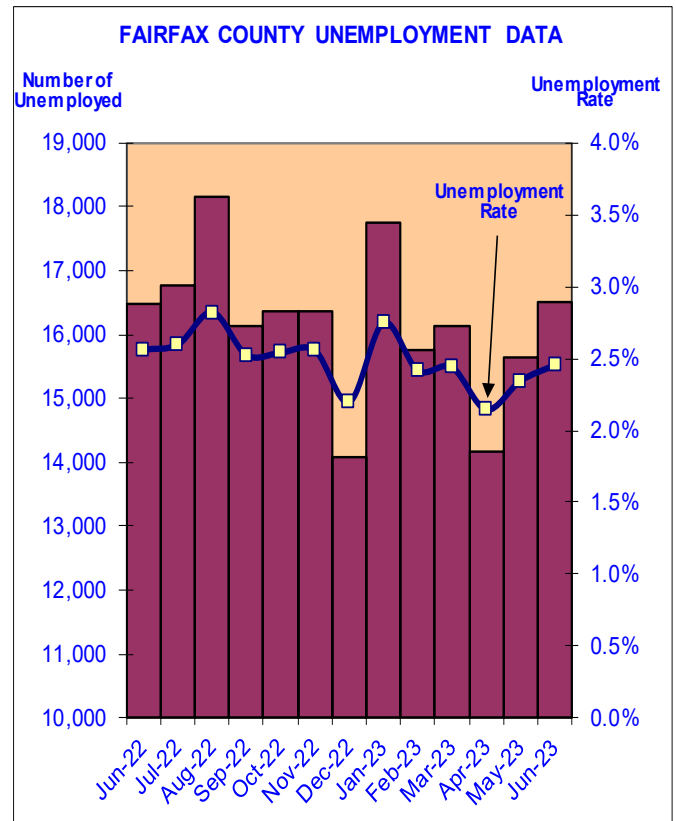
AUGUST 2023

## IN THIS ISSUE:

- The unemployment rate in Fairfax County increased from 2.3 percent in May to 2.5 percent in June.  
**(See page 1)**
- Sales tax receipts in August for purchases made in June increased 0.9 percent compared to last August.  
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- The Consumer Confidence Index pulled back in August after back-to-back increases in June and July.  
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- The number of homes sold in Fairfax County in July decreased 19.0 percent from a year earlier.  
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- In July 2023, the average sales price of all homes sold in Fairfax County increased 6.0 percent compared to July 2022.  
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- The number of active listings of homes for sale in the County decreased 44.5 percent from a year earlier.  
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- The average 30-year fixed rate mortgage interest rate increased to 7.05 percent in July, up from 5.22 percent a year ago.  
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**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

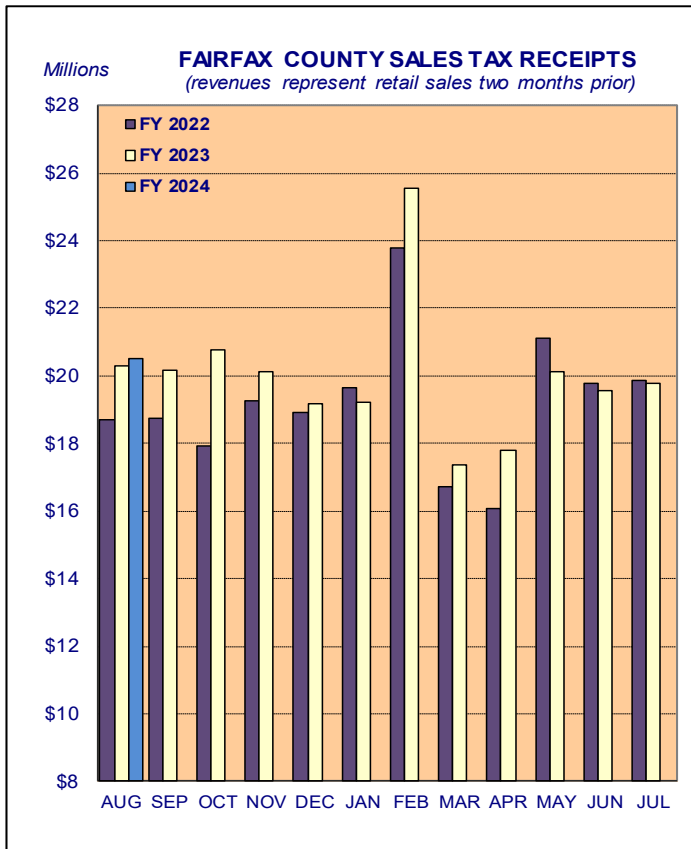
## Employment

The June unemployment rate in Fairfax County increased to 2.5 percent, up from 2.3 percent in May. The number of unemployed residents increased from 15,643 to 16,495. The County's unemployment rate was down 0.1 percentage point compared to June 2022.

The seasonally adjusted unemployment rate in Virginia decreased from 2.9 percent in May to 2.7 percent in June. The rate was up 0.2 percentage point compared to June 2022.

Compared to May, the U.S. seasonally adjusted unemployment rate in June decreased 0.1 percentage point to 3.6 percent. The rate was unchanged from a year ago. Total nonfarm payroll employment increased by 209,000 jobs. Over the first 6 months of 2023, monthly job growth has averaged 278,000, down from 399,000 per month in 2022.

## Sales Tax Receipts



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

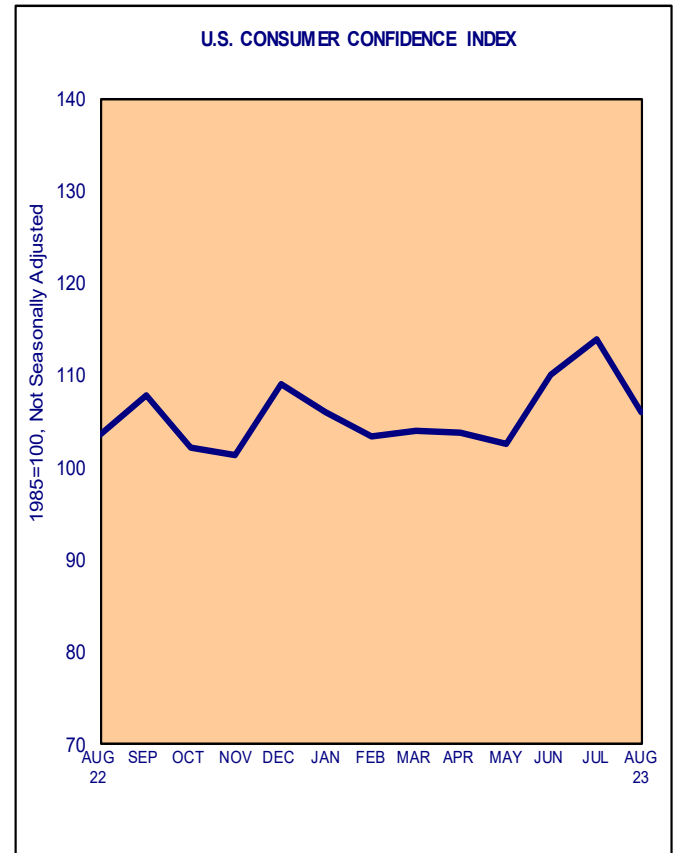
Sales Tax receipts distributed to Fairfax County in August for retail purchases made in June were \$20.5 million, an increase of 0.9 percent over August 2022. August is the first month for Sales Tax receipts for FY 2024.

## 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, decreased 1.2 percent for the 12 months ending in June. Home prices in the Washington Metropolitan area increased by 0.6 percent during the same period. However, on a month-over-month basis, the composite index posted an increase of 0.9 percent in June. Craig J. Lazzara, Managing Director and Global Head of Index Investment Strategy, said that, "June is the fifth consecutive month in which home prices have increased across the U.S. With 2023 half over, the National Composite has risen 4.7%, which is slightly above the median full calendar year increase in more than 35 years of data." He added that, "We recognize that the market's gains could be truncated by increases in mortgage rates or by general economic weakness, but the breadth and strength of this month's report are consistent with an optimistic view of future results."

## Consumer Confidence Index



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

The Consumer Confidence Index declined in August to 106.1 from 114.0 in July, reversing back-to-back increases in June and July. Both the present situation component and the expectations component decreased. The Expectations Index still remained slightly above 80, the level which often signals a recession within the next year. Dana Peterson, Chief Economist at the Conference Board, said that, "August's disappointing headline number reflected dips in both the current conditions and expectations indexes. Write-in responses showed that consumers were once again preoccupied with rising prices in general, and for groceries and gasoline in particular."

### Consumer Price Index (CPI)

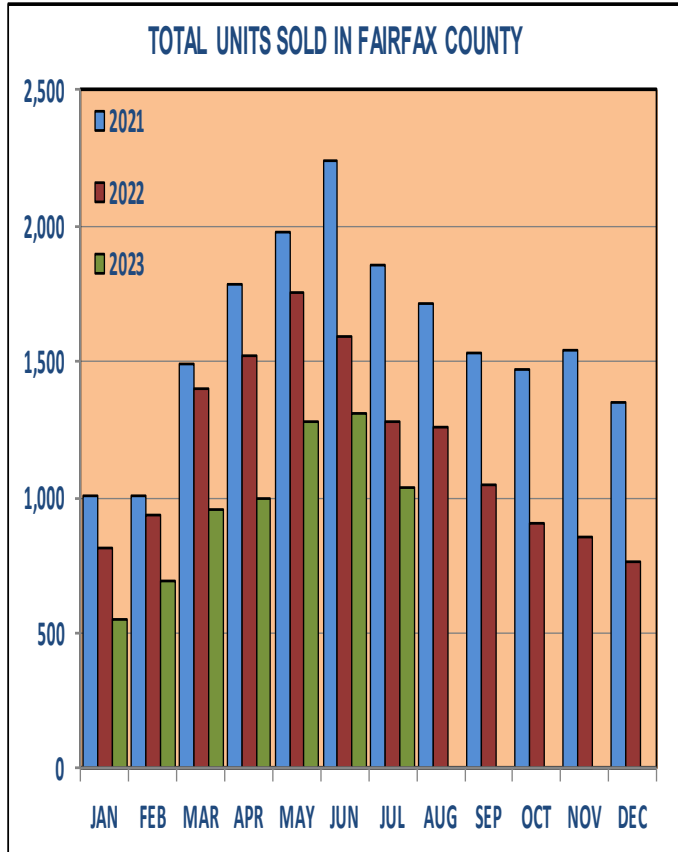
Compared to a year ago, the Consumer Price Index for all Urban Consumers (CPI-U) increased 3.2 percent in July before seasonal adjustments. The increases were led by a 7.7 percent increase in the cost of shelter, and a 4.9 percent increase in the cost of food. The increase in the cost of shelter accounted for over 90 percent of the increase. The cost of energy decreased 12.5 percent, while the cost of used cars and trucks decreased 5.6 percent.

The July index for all items less food and energy increased 4.7 percent over the course of the last 12 months. The Federal Reserve target inflation rate is 2 percent.

# FAIRFAX COUNTY HOUSING MARKET

## Total Home Sales Volume

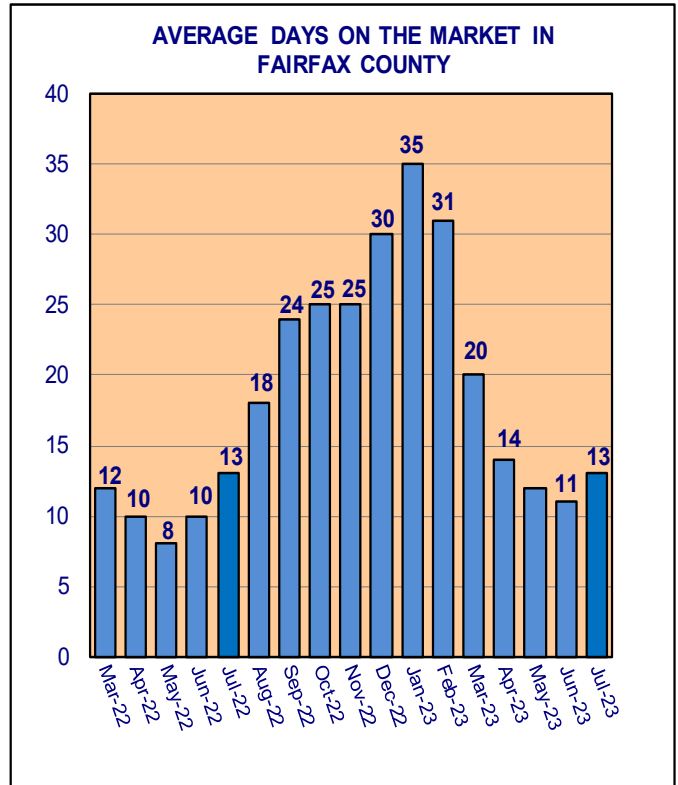
In July 2023, 1,041 homes were sold in Fairfax County, a decrease of 19.0 percent from the 1,285 homes that were sold in July 2022.



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 July 2023 were on the market for 13 days, the same as in July 2022.



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

## Average Home Sales Prices

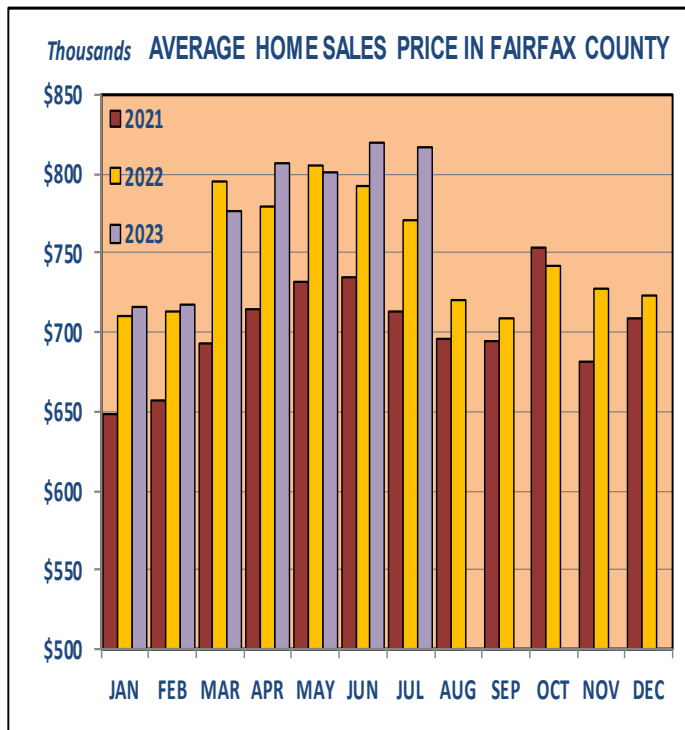
The average sales price of all homes that sold in July 2023 in Fairfax County was \$817,190, an increase of 6.0 percent over the July 2022 average sales price of \$771,198. The average sales price was up 7.3 percent compared to the 2022 annual average home sales price of \$761,799.

The average sales price for detached homes that sold in July 2023 was \$1,082,308, an increase of 3.7 percent over the July 2022 average of \$1,043,666. The average sales price of attached homes increased by 9.9 percent over the same period.

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

	JUL 2023	JUL 2022	% Change
All Homes	\$817,190	\$771,198	6.0%
Detached Homes	\$1,082,308	\$1,043,666	3.7%
Attached Homes	\$548,481	\$499,156	9.9%

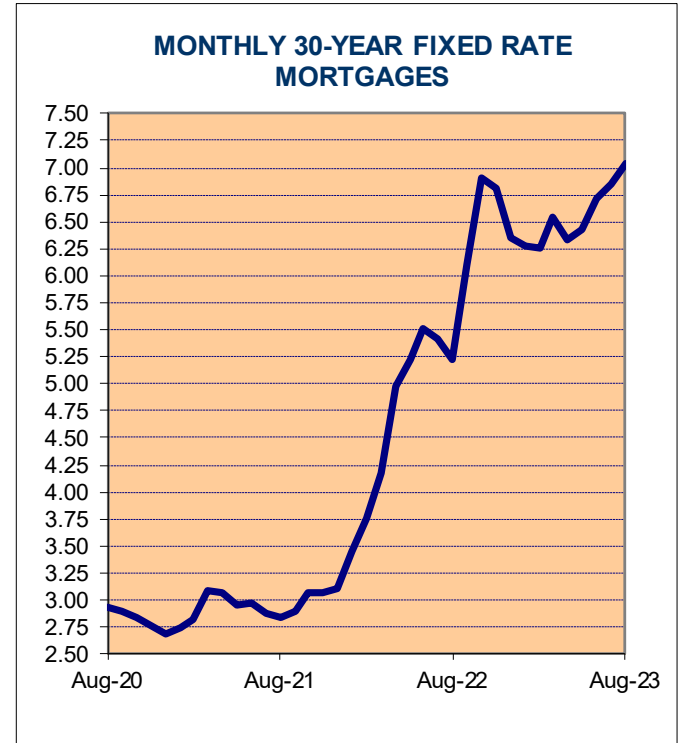
Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Average selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read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

### 30-Year Fixed Rate Mortgages

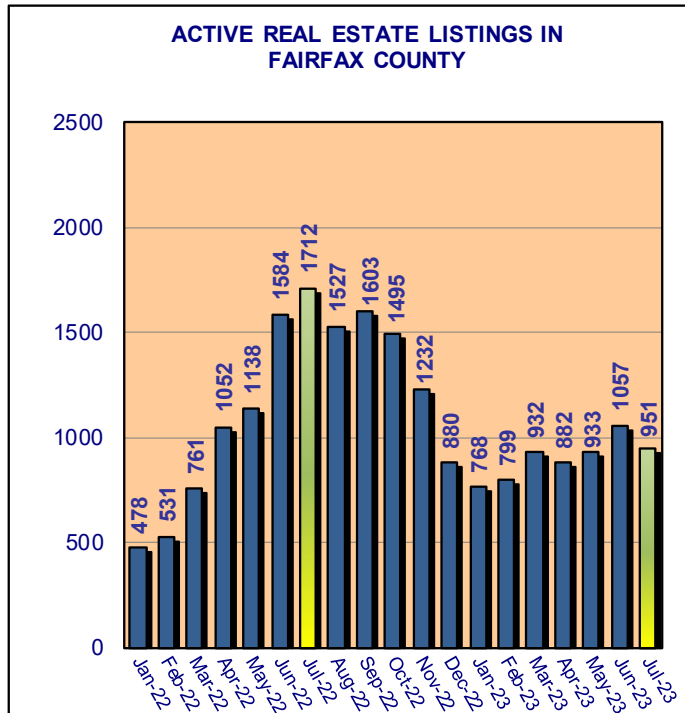
According to Freddie Mac, the average 30-year fixed rate mortgage interest rate in increased to 7.05 percent, up from 6.84 percent a month ago. A year ago, the average 30-year mortgage rate was 5.22 percent. This is the highest level since 2001.



Source: Freddie Mac. 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 July 2023 was 951, a decrease of 44.5 percent from the 1,712 listings in July 2022. Based on the July 2023 listings and the current sales rate, there is approximately a 0.9-month supply of homes for sale in the County, less than the 1.3-month supply a year ago.



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

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