

ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

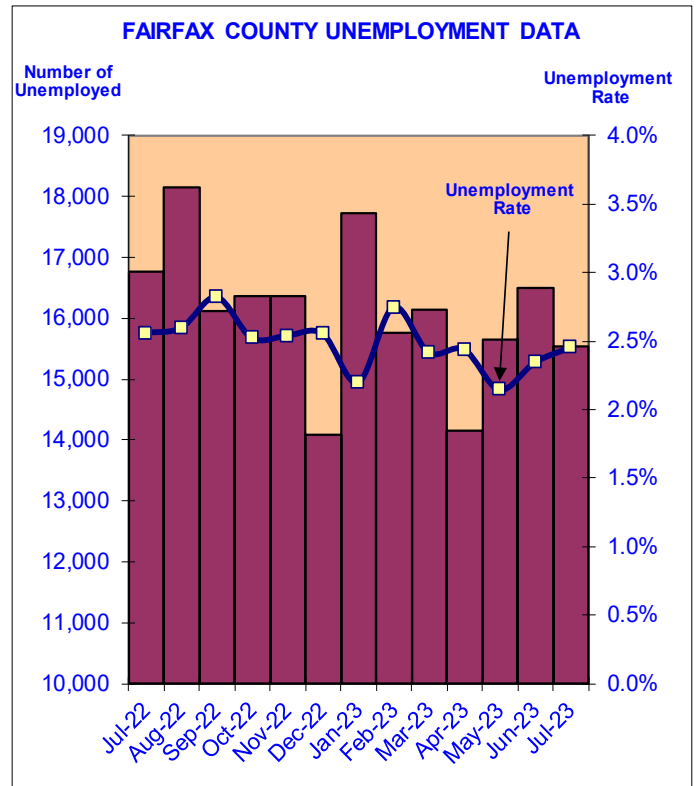
SEPTEMBER 2023

IN THIS ISSUE:

- The unemployment rate in Fairfax County decreased from 2.5 percent in June to 2.3 percent in July.
(See page 1)
- Sales tax receipts in September for purchases made in July increased 5.9 percent compared to last September.
(See page 2)
- The Consumer Confidence Index continued to pull back in September.
(See page 2)
- The number of homes sold in Fairfax County in August 2023 decreased 12.8 percent from a year earlier.
(See page 3)
- In August 2023, the average sales price of all homes sold in Fairfax County increased 17.2 percent compared to August 2022.
(See page 3)
- The number of active listings of homes for sale in the County in August 2023 decreased 35.9 percent from a year earlier.
(See page 4)
- The average 30-year fixed rate mortgage interest rate increased to 7.20 percent in August, up from 6.11 percent a year ago.
(See page 4)

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

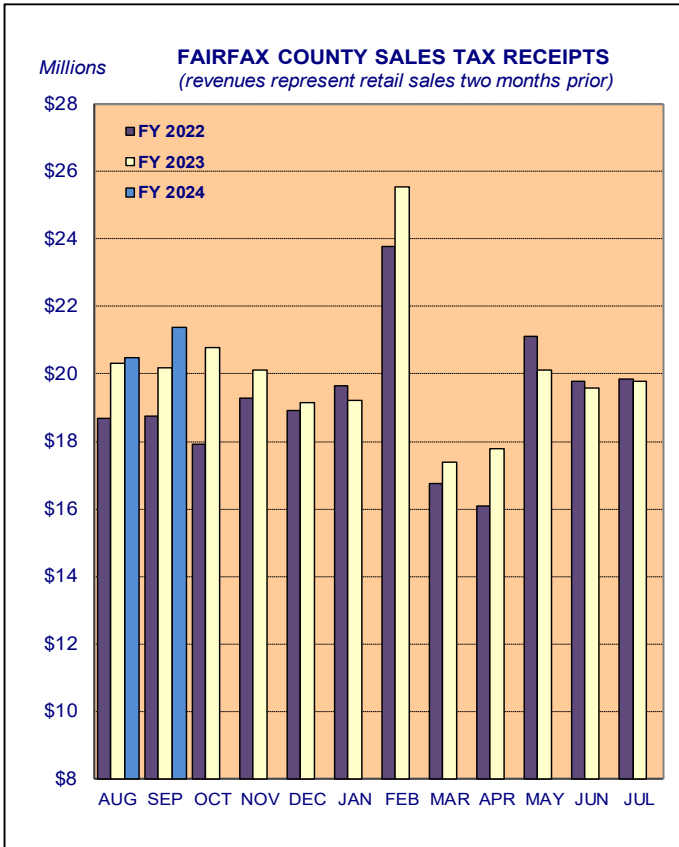
Employment

The July unemployment rate in Fairfax County decreased to 2.3 percent, down from 2.5 percent in June. The number of unemployed residents decreased from 16,595 to 15,537. The County's unemployment rate was down 0.3 percentage point compared to July 2022.

The seasonally adjusted unemployment rate in Virginia decreased from 2.7 percent in June to 2.5 percent in July. The rate was down 0.1 percentage point compared to July 2022.

Compared to June, the U.S. seasonally adjusted unemployment rate in July decreased 0.1 percentage point to 3.5 percent. The rate was unchanged from a year ago. The national unemployment rate has stayed in the range from 3.4 percent to 3.7 percent since March 2022. Total nonfarm payroll employment increased by 187,000 jobs in July, down from the average monthly gain of 312,000 over the prior 12 months.

Sales Tax Receipts



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

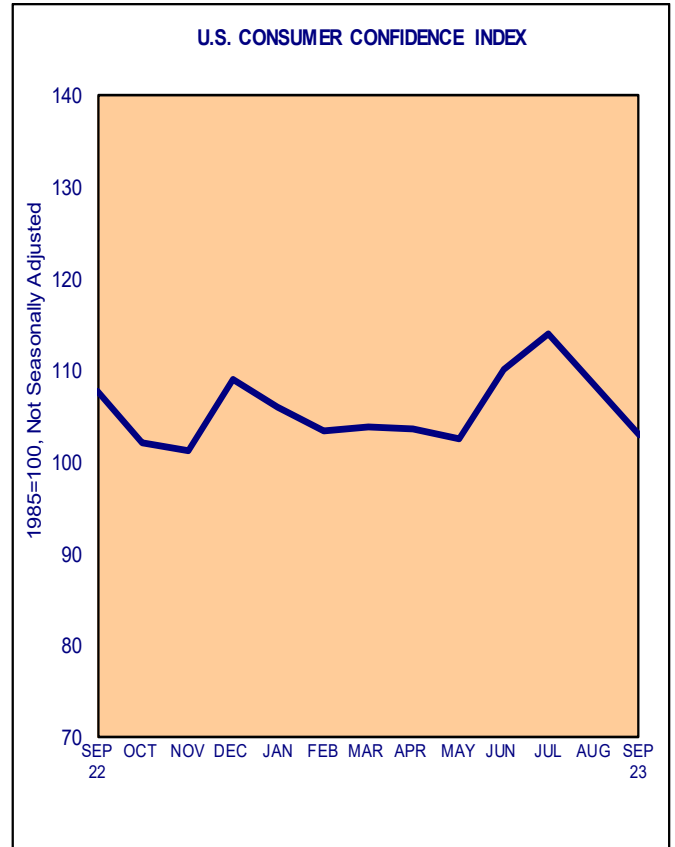
Sales Tax receipts distributed to Fairfax County in September for retail purchases made in July were \$21.4 million, an increase of 5.9 percent over September 2022. For the first 2 months of FY 2024, Sales Tax receipts are up 3.4 percent compared to the previous year.

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 0.1 percent for the 12 months ending in July. Home prices in the Washington Metropolitan area increased by 1.9 percent during the same period. However, on a month-over-month basis, the composite index posted an increase of 0.6 percent in July. Craig J. Lazzara, Managing Director and Global Head of Index Investment Strategy, said that, "We have previously noted that home prices peaked in June 2022 and fell through January of 2023, declining by 5.0 percent in those seven months. The increase in prices that began in January has now erased the earlier decline, so that July represents a new all-time high for the National Composite." He added that, "Although the market's gains could be truncated by increases in mortgage rates or by general economic weakness, 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 again in September to 103.0 from 108.7 in August. The present situation component rose slightly while the expectations component decreased. The Expectations Index fell under 80, the level which often signals a recession within the next year. Dana Peterson, Chief Economist at the Conference Board, said that, "Consumer confidence fell again in September 2023, marking two consecutive months of decline." She added that, "Write-in responses showed that consumers continued to be preoccupied with rising prices in general, and for groceries and gasoline in particular. Consumers also expressed concerns about the political situation and higher interest rates."

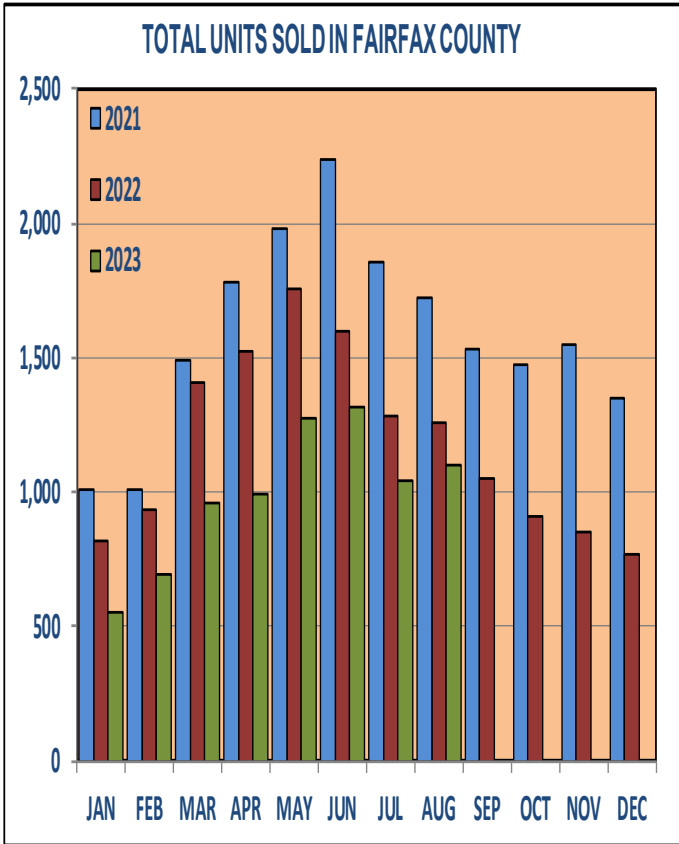
Consumer Price Index (CPI)

Compared to a year ago, the Consumer Price Index for all Urban Consumers (CPI-U) increased 3.7 percent in August before seasonal adjustments. The increases were led by a 7.3 percent increase in the cost of shelter, and a 4.3 percent increase in the cost of food. The cost of energy decreased 3.6 percent, while the cost of used cars and trucks decreased 6.6 percent. The August index for all items less food and energy increased 4.3 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 August 2023, 1,100 homes were sold in Fairfax County, a decrease of 12.8 percent from the 1,262 homes that were sold in August 2022.

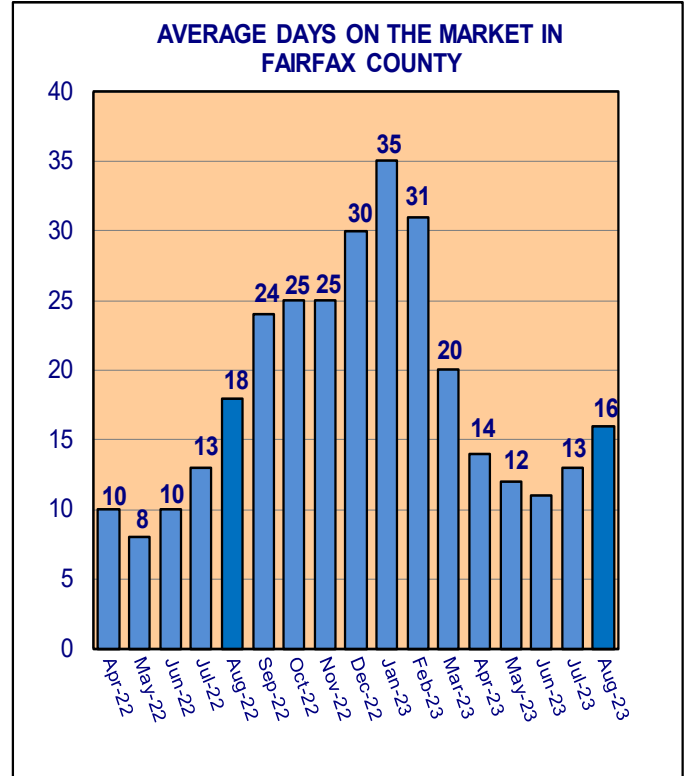


Source: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.

Average Days on the Market

On average, homes that sold in Fairfax County in August 2023 were on the market for 16 days, a decrease of 2 days compared to August 2022.

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.

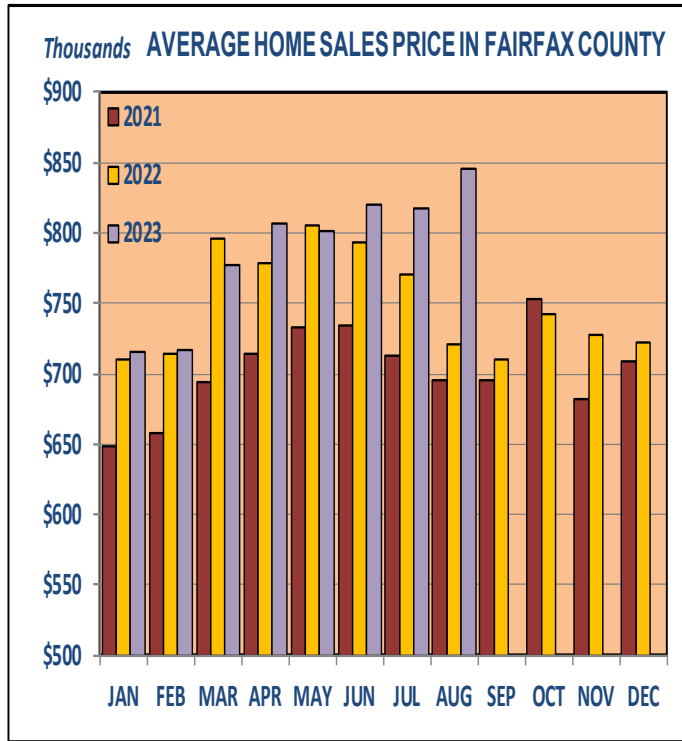
Average Home Sales Prices

The average sales price of all homes that sold in August 2023 in Fairfax County was \$845,311, an increase of 17.2 percent over the August 2022 average sales price of \$721,095. The average sales price was up 11.0 percent compared to the 2022 annual average home sales price of \$761,799.

The average sales price for detached homes that sold in August 2023 was \$1,122,304, an increase of 15.4 percent over the August 2022 average of \$972,777. The average sales price of attached homes increased by 12.5 percent over the same period.

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

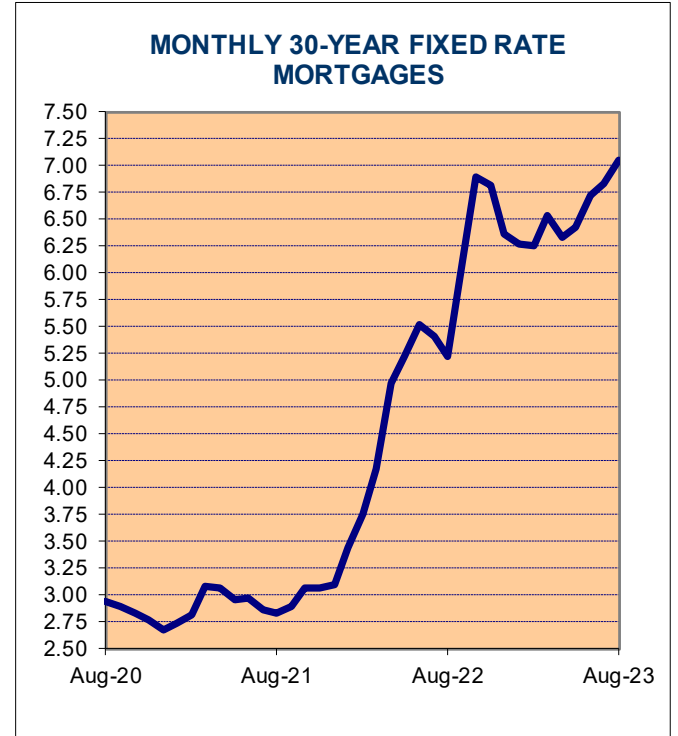
	AUG 2023	AUG 2022	% Change
All Homes	\$845,311	\$721,095	17.2%
Detached Homes	\$1,122,304	\$972,777	15.4%
Attached Homes	\$540,832	\$480,729	12.5%



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

30-Year Fixed Rate Mortgages

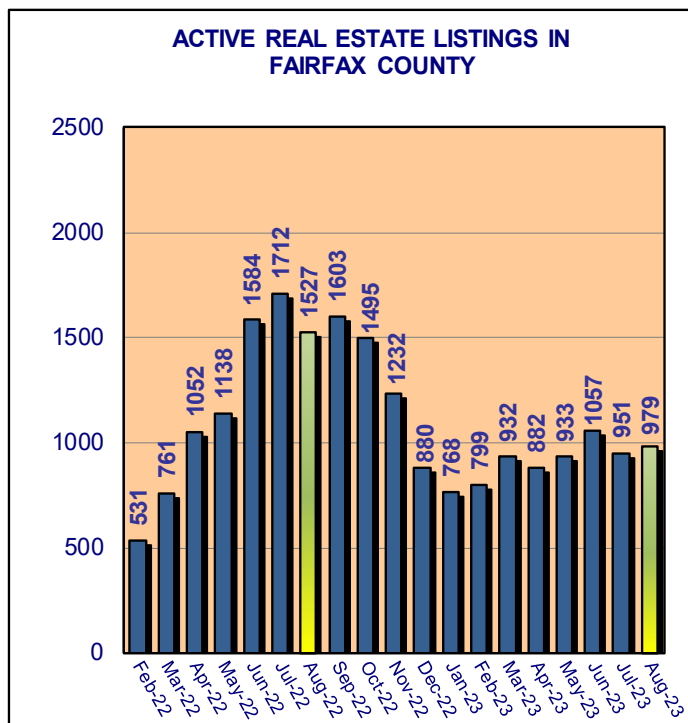
According to Freddie Mac, the average 30-year fixed rate mortgage interest rate in August increased to 7.20 percent, up from 7.05 percent a month ago. A year ago, the average 30-year mortgage rate was 6.11 percent. This is the highest level since 2001.



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 August 2023 was 979, a decrease of 35.9 percent from the 1,527 listings in August 2022. Based on the August 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 1.2-month supply a year ago.



Source: Bright MLS. 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; Taotao Luo, Budget Analyst