

ECONOMIC INDICATORS[®]

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

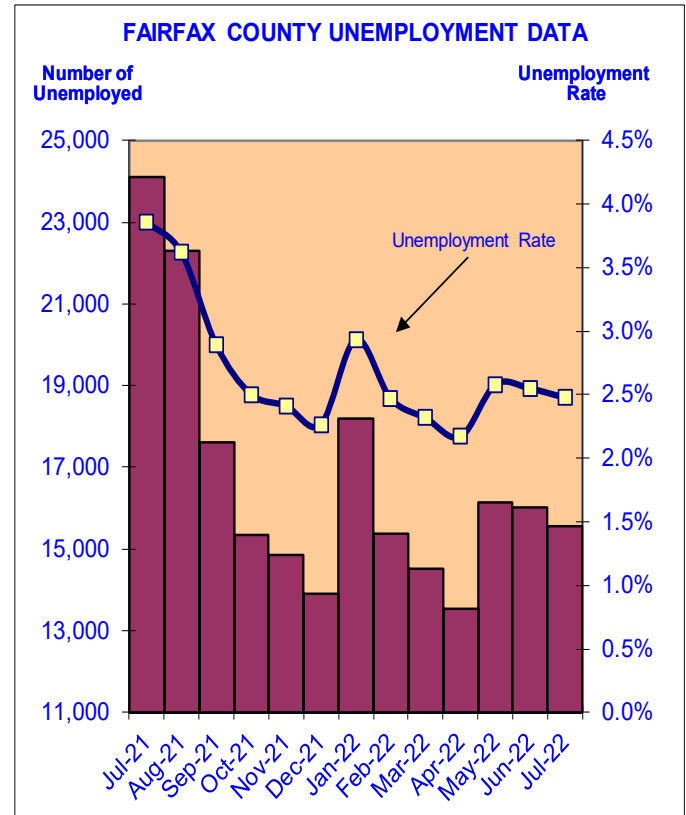
SEPTEMBER 2022

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- The unemployment rate in Fairfax County remained unchanged at 2.5 percent in July. (See page 1)
- Sales tax receipts in September for purchases made in July increased 7.6 percent compared to last September. (See page 2)
- The Consumer Confidence Index increased in September for the second straight month. (See page 2)
- The number of homes sold in Fairfax County in August decreased 26.6 percent from a year earlier. (See page 3)
- In August 2022, the average sales price of all homes sold in Fairfax County increased 3.7 percent compared to the average sale price in August 2021. (See page 3)
- The number of active listings of homes for sale in the County decreased 15.1 percent from a year earlier. (See page 4)
- A 30-year fixed rate mortgage interest rate averaged 5.22 percent in August. (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.

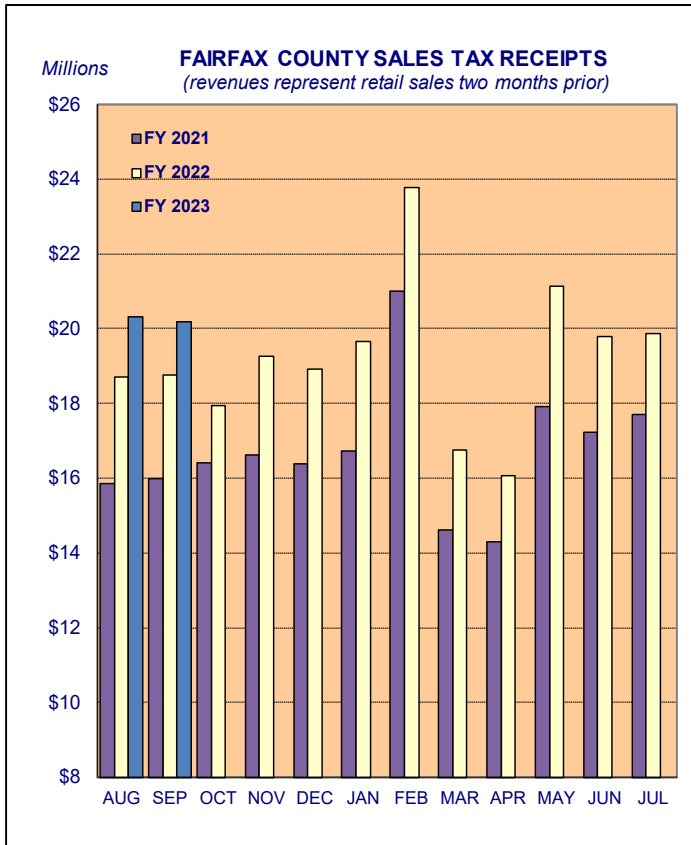
Employment

Compared to June, the July unemployment rate in Fairfax County was unchanged at 2.5 percent. The number of unemployed residents decreased from 16,026 to 15,563. The County's unemployment rate was down 1.4 percentage points from July 2021.

The seasonally adjusted unemployment rate in Virginia in July decreased 0.1 percentage point to 2.7 percent. The rate was down 1.1 percentage points from July 2021.

The U.S. seasonally adjusted unemployment rate in July decreased 0.1 percent to 3.5 percent. The rate was down 1.9 percentage points compared to a year ago. Over the three months ending in July, the average monthly gain in employment was 437,000. Both total nonfarm employment and the unemployment rate have returned to their February 2020 pre-pandemic levels.

Sales Tax Receipts



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

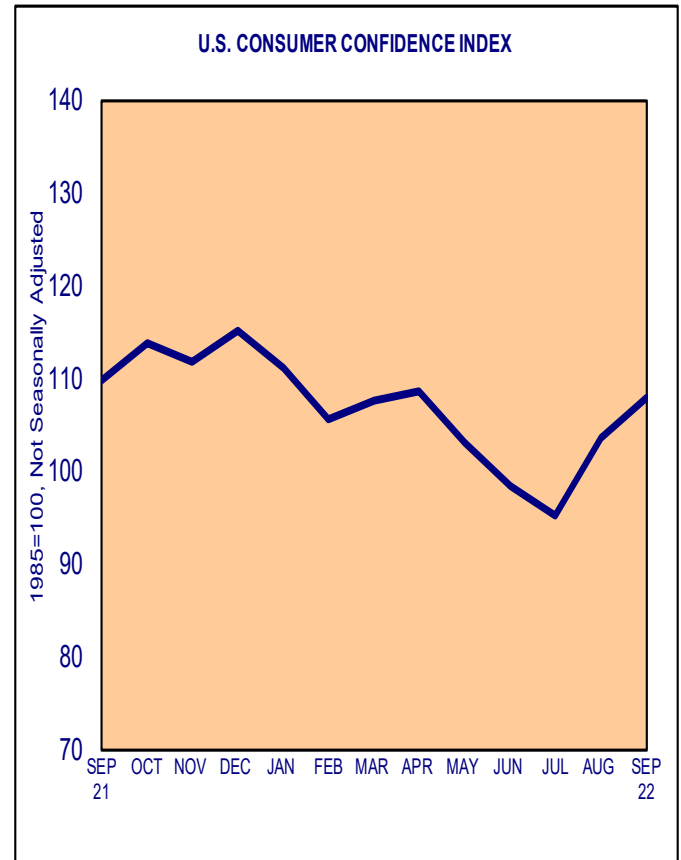
Sales Tax receipts distributed to Fairfax County in September for retail purchases made in July were \$20.2 million, an increase of 7.6 percent over September 2021. For the first two months of FY 2023, sales tax receipts are up 8.1 percent compared to the previous year.

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 16.1 percent for the 12 months ending in July. Home prices in the Washington Metropolitan area gained 9.4 percent during the same period, the second smallest rate of annual increase only ahead of Minneapolis. Craig J. Lazzara, Managing Director and Global Head of Index Investment Strategy, explained that July's report reflected a forceful deceleration and said that, "As the Federal Reserve continues to move interest rates upward, mortgage financing has become more expensive." He added that, "Given the prospects for a more challenging macroeconomic environment, home prices may well continue to decelerate."

Consumer Confidence Index



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

The Consumer Confidence Index increased in September for the second consecutive month. The index now stands at 108.0 (1985=100), up from 103.6 in August. Both the present situation and the expectations component increased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, "Concerns about inflation dissipated further in September – prompted largely by declining prices at the gas pump – and are now at their lowest level since the start of the year." She added that, "Looking ahead, the improvement in confidence may bode well for consumer spending in the final months of 2022, but inflation and interest rate hikes remain strong headwinds to growth in the short term."

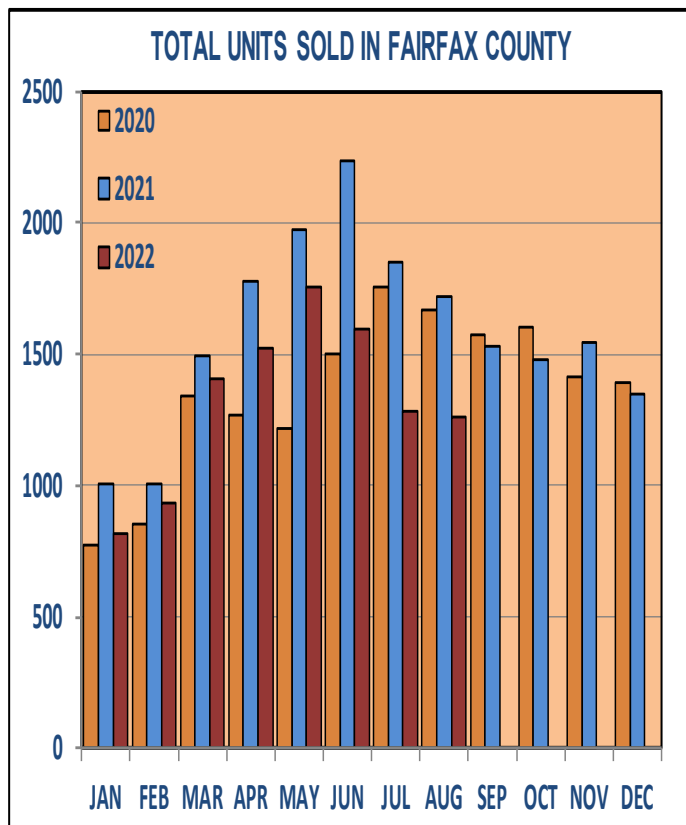
Consumer Price Index

The Consumer Price Index for All Urban Consumers (CPI-U) increased 8.3 percent in August before seasonal adjustment. The increase was led by a year-over-year increase of 11.4 percent in the cost of food and an increase of 23.8 percent in the cost of energy. However, in some key areas such as energy, the month-over-month numbers fell. The cost of shelter, which makes up almost a third of the index, increased 6.2 percent compared to the previous year. The core Consumer Price Index, which excludes food and energy, increased 6.3 percent over the last 12 months. The Federal Reserve's target annual inflation rate is 2.0 percent.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

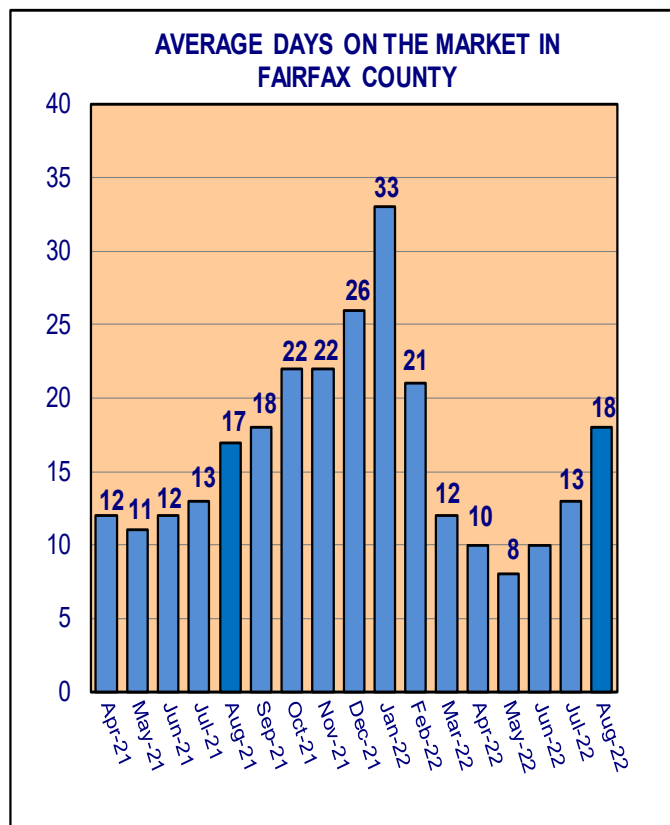
In August 2022, 1,262 homes were sold in Fairfax County, a decrease of 26.6 percent from the 1,719 homes that were sold in August 2021.



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 2022 were on the market for 18 days. This is one day more than the 17-day average in August 2021.



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 2022 in Fairfax County was \$721,095, an increase of 3.7 percent over the August 2021 average sales price of \$695,363. The average sales price was up 1.7 percent compared to the 2021 annual average home sales price of \$709,136.

The average sales price for detached homes that sold in August 2022 was \$972,777, an increase of 2.6 percent over the August 2021 average of \$948,124. The average sales price of attached homes increased 3.5 percent over the same period.

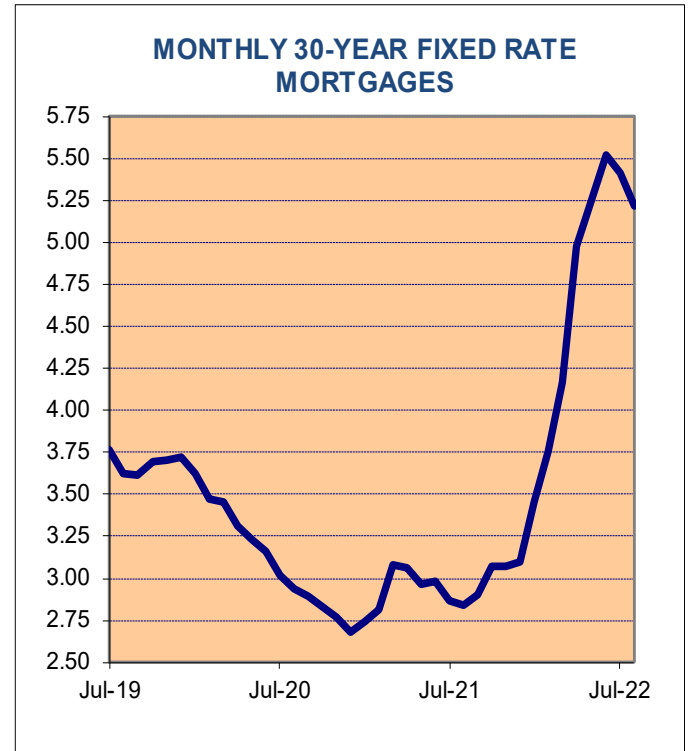
Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Average selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read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

FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN AUG 2022 COMPARED TO SALES IN AUG 2021

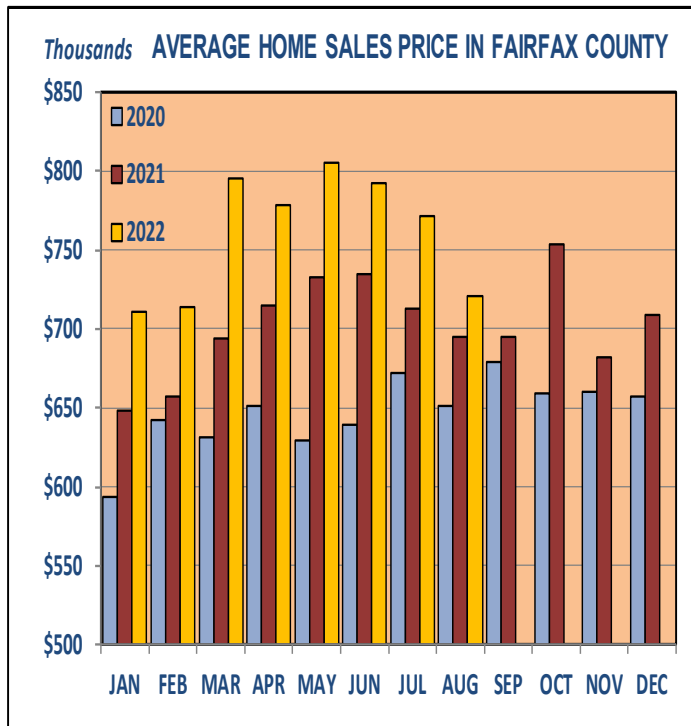
	AUG 2022	AUG 2021	% Change
All Homes	\$721,095	\$695,363	3.7%
Detached Homes	\$972,777	\$948,124	2.6%
Attached Homes	\$480,729	\$464,275	3.5%

30 Year Fixed Rate Mortgage

According to Freddie Mac, the average 30-year fixed mortgage interest rate was 5.22 percent in August, down from 5.41 percent a month ago. A year ago, the average 30-year interest rate was 2.84 percent.



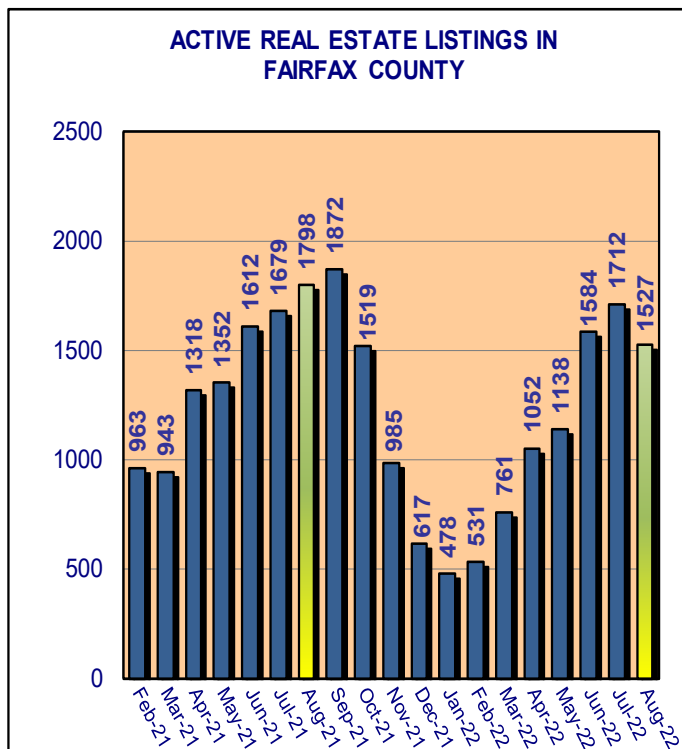
Source: Freddie Mac. Compiled by the Fairfax County Department of Management and Budget.



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 August 2022 was 1,527, a decrease of 15.1 percent from the 1,798 listings in August 2021. Based on the August 2022 listings and the current sales rate, there is approximately a 1.2-month supply of homes for sale in the County, more than the 0.9-month supply a year ago.



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

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