

ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

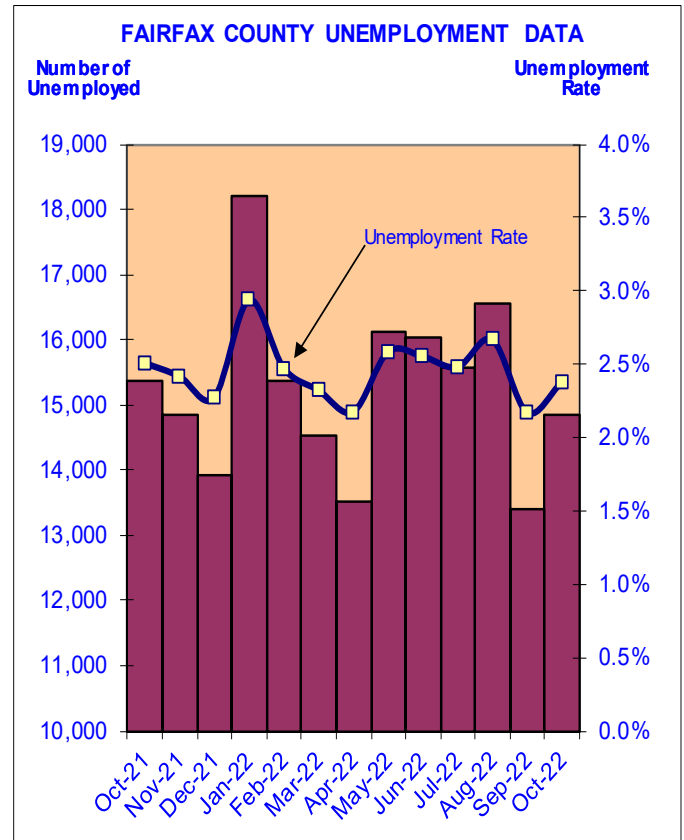
DECEMBER 2022

IN THIS ISSUE:

- The unemployment rate in Fairfax County increased 0.2 percentage point to 2.4 percent in October.
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- Sales tax receipts in December for purchases made in October increased 1.2 percent compared to last December.
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- The Consumer Confidence Index increased in December after declining for two consecutive months.
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- The number of homes sold in Fairfax County in November decreased 45.0 percent from a year earlier.
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- In November 2022, the average sales price of all homes sold in Fairfax County increased 6.7 percent compared to the average sale price in November 2021.
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- The number of active listings of homes for sale in the County increased 25.1 percent from a year earlier.
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- As of mid-year 2022, the direct office vacancy rate in Fairfax County increased to 16.3 percent.
(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.

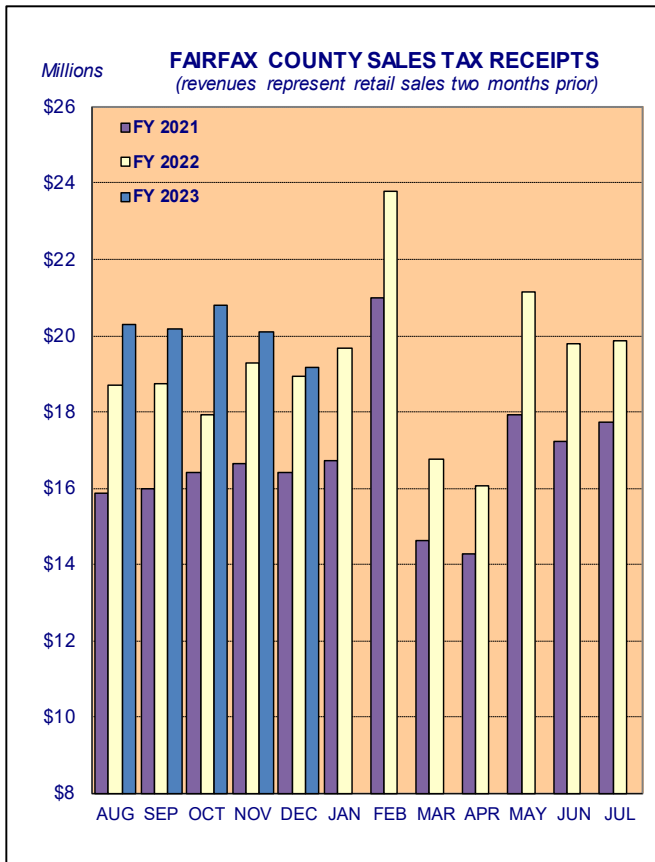
Employment

Compared to September, the October unemployment rate in Fairfax County increased 0.2 percentage point to 2.4 percent. The number of unemployed residents increased from 13,398 to 14,848. The County's unemployment rate was down 0.1 percentage point from October 2021.

The seasonally adjusted unemployment rate in Virginia in October increased 0.1 percentage point to 2.7 percent. The rate was down 0.7 percentage point from October 2021.

The U.S. seasonally adjusted unemployment rate in October increased 0.2 percentage point to 3.7 percent. The rate was down 0.9 percentage point compared to a year ago. Total nonfarm payroll employment increased by 261,000 jobs. Monthly job growth has averaged 407,000 in 2022, compared with 562,000 per month in 2021.

Sales Tax Receipts



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

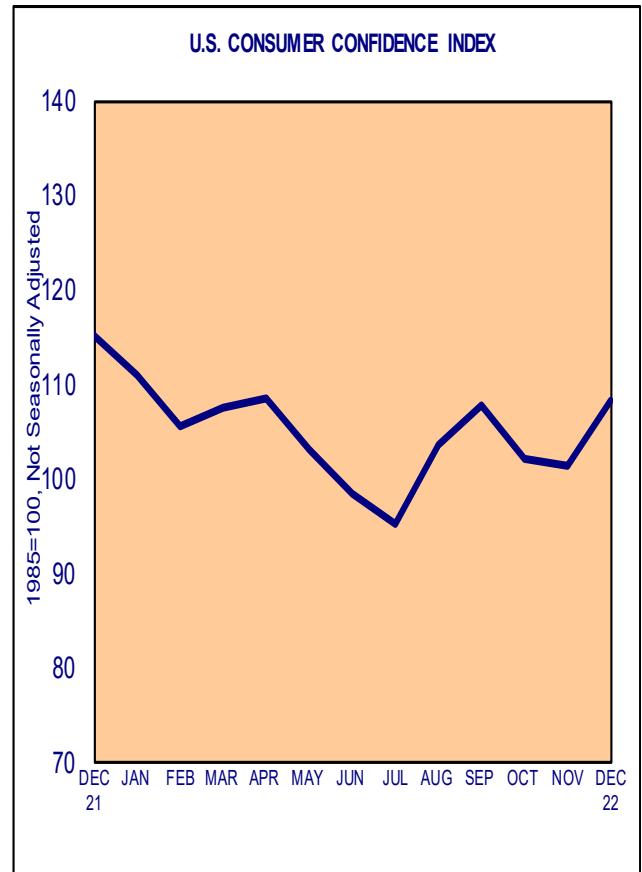
Sales Tax receipts distributed to Fairfax County in December for retail purchases made in October were \$19.2 million, an increase of 1.2 percent over December 2021. Collections were impacted by a significant sales tax refund from several years' ago. Absent the refund, growth would have been 5.2 percent. For the first five months of FY 2023, sales tax receipts are up 7.4 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 8.6 percent for the 12 months ending in October. Home prices in the Washington Metropolitan area gained 6.0 percent during the same period. Craig J. Lazzara, Managing Director and Global Head of Index Investment Strategy, explained that October's report reflected short-term declines and medium-term deceleration in housing prices across the U.S. and said that, "As the Federal Reserve continues to move interest rates higher, mortgage financing continues to be a headwind for home prices." He added that, "Given the continuing prospects for a challenging macroeconomic environment, prices may well continue to weaken."

Consumer Confidence Index



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

The Consumer Confidence Index increased in December. The index now stands at 108.3 (1985=100), up from 101.4 in November. Both the present situation and the expectations component increased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, "Inflation expectations retreated in December to their lowest level since September 2021, with recent declines in gas prices a major impetus. Vacation intentions improved but plans to purchase homes and big ticket appliances cooled further." She added that, "This shift in consumers' preference from big-ticket items to services will continue in 2023, as will headwinds from inflation and interest rate hikes."

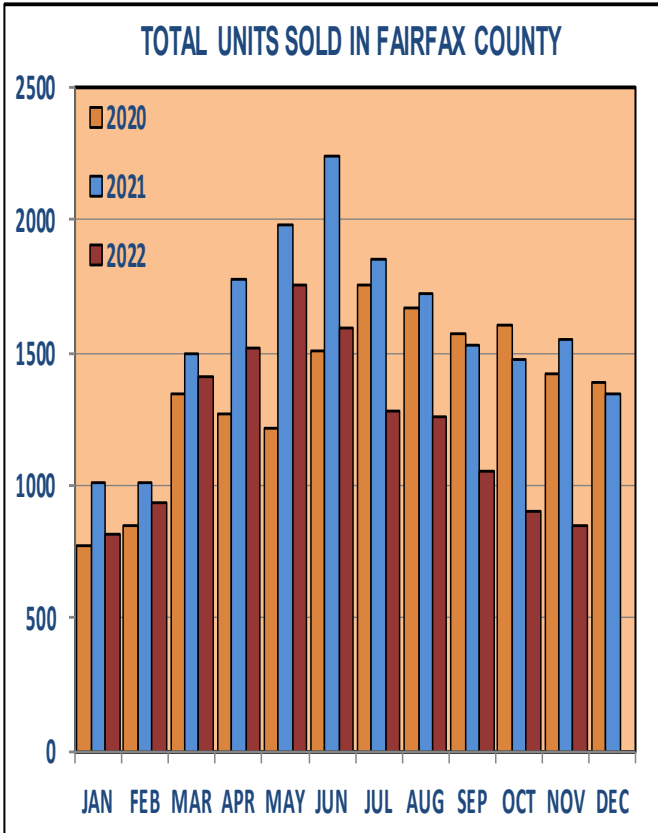
Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 3.2 percent in the third quarter of 2022, according to the third estimate released by the Bureau of Economic Analysis (BEA). The initial estimate of growth was 2.6 percent. The upward revision reflected increases to consumer spending and nonresidential fixed investment that were partially offset by a downward revision to private inventory investment.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

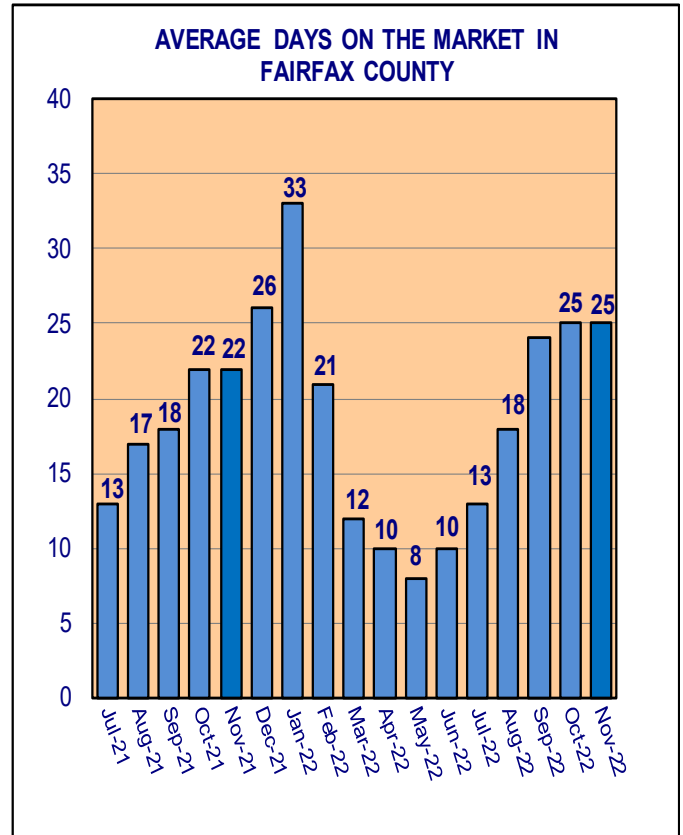
In November 2022, 850 homes were sold in Fairfax County, a decrease of 45.0 percent from the 1,546 homes that were sold in November 2021.



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 November 2022 were on the market for 25 days. This is three days more than the 22-day average in November 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 November 2022 in Fairfax County was \$727,566, an increase of 6.7 percent over the November 2021 average sales price of \$681,962. The average sales price was up 2.6 percent compared to the 2021 annual average home sales price of \$709,136.

The average sales price for detached homes that sold in November 2022 was \$986,713, an increase of 5.2 percent over the November 2021 average of \$937,499. The average sales price of attached homes increased 5.5 percent over the same period.

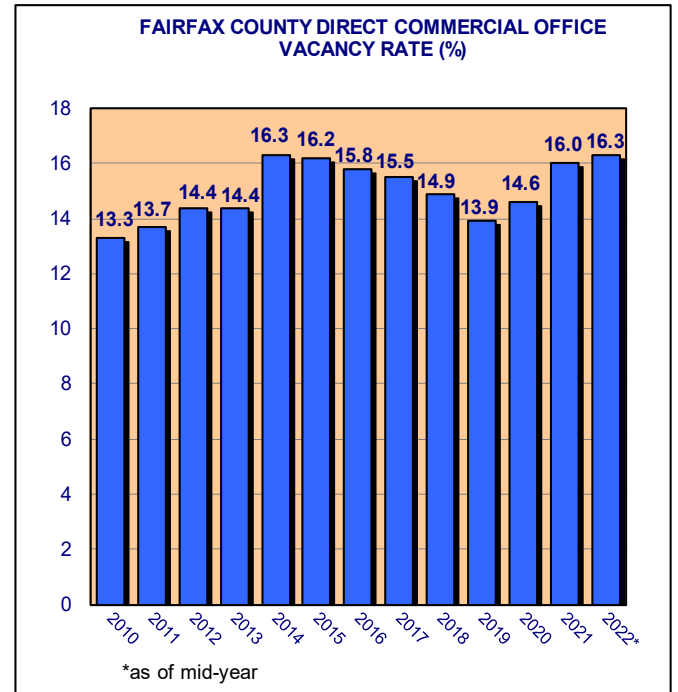
FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN NOV 2022 COMPARED TO SALES IN NOV 2021

	NOV 2022	NOV 2021	% Change
All Homes	\$727,566	\$681,962	6.7%
Detached Homes	\$986,713	\$937,499	5.2%
Attached Homes	\$498,298	\$472,119	5.5%

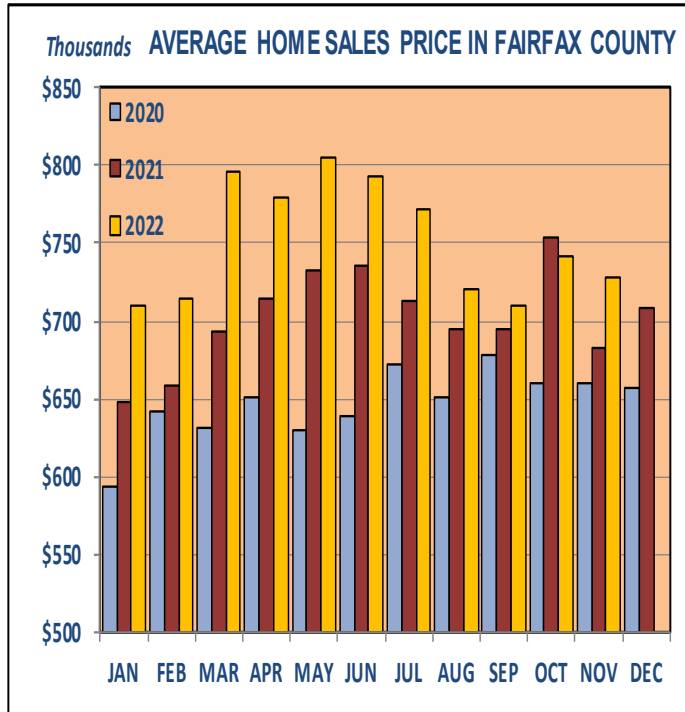
Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Average selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read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

Commercial Office Market

According to the Fairfax County Economic Development Authority (FCEDA), the mid-year 2022 direct office vacancy rate increased to 16.3 percent compared to the year-end 2021 vacancy rate of 16.0 percent. As of mid-year 2022, approximately 1.85 million square feet of office space was under construction.



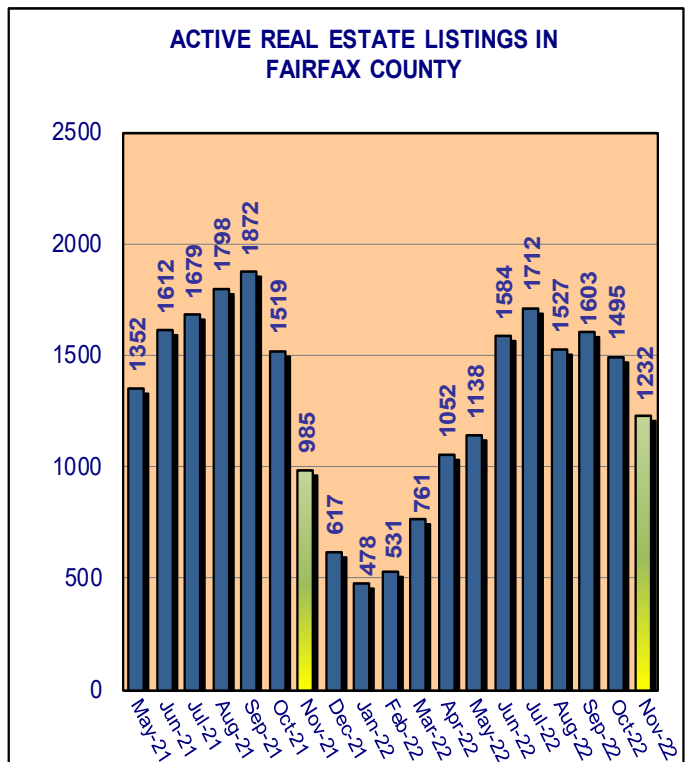
Source: Fairfax County Economic Development Authority. Compiled by the Fairfax County Department of Management and Budget.



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 November 2022 was 1,232 an increase of 25.1 percent over the 985 listings in November 2021. Based on the November 2022 listings and the current sales rate, there is approximately a 1.4-month supply of homes for sale in the County, more than the 0.6-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