



ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

DECEMBER 2014

IN THIS ISSUE:

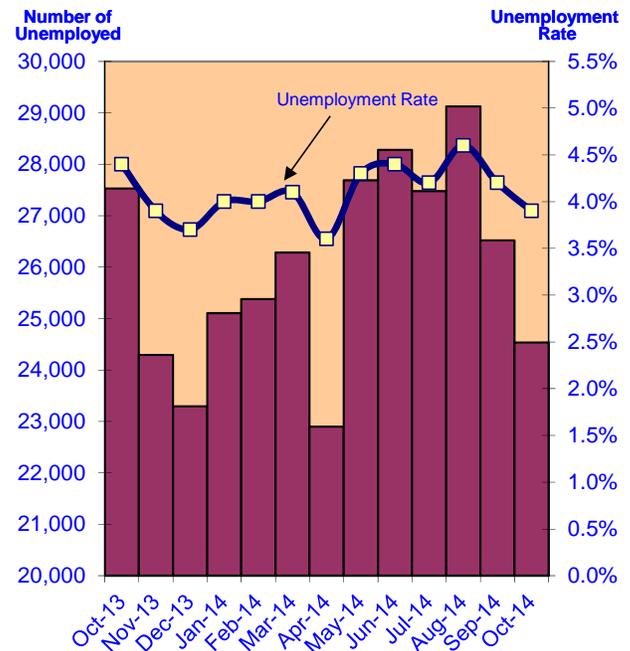
- The unemployment rate in Fairfax County decreased to 3.9 percent in October. (See page 1)
- Year-to-date through December, Sales tax receipts in Fairfax County are up 5.5 percent. (See page 2)
- The U.S. economy grew at an annual rate of 3.9 percent in the third quarter of 2014 after growing 4.6 percent in the second quarter. (See page 2)
- The Consumer Confidence Index declined in November after increasing in October. (See page 2)
- The number of homes sold in Fairfax County in November decreased 9.2 percent from a year ago. (See page 3)
- In November 2014, it took 20 days longer to sell a home in Fairfax County compared to a year ago. (See page 3)
- In November 2014, the average sales price of all homes that sold in Fairfax County increased 6.9 percent compared to the average sales price in November 2013. (See page 3)
- The direct office vacancy rate in Fairfax County increased to 15.2 percent as of mid-year 2014, the highest level since 1991. (See page 4)

The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

http://www.fairfaxcounty.gov/economic/economic_indicators.htm



FAIRFAX COUNTY UNEMPLOYMENT DATA



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

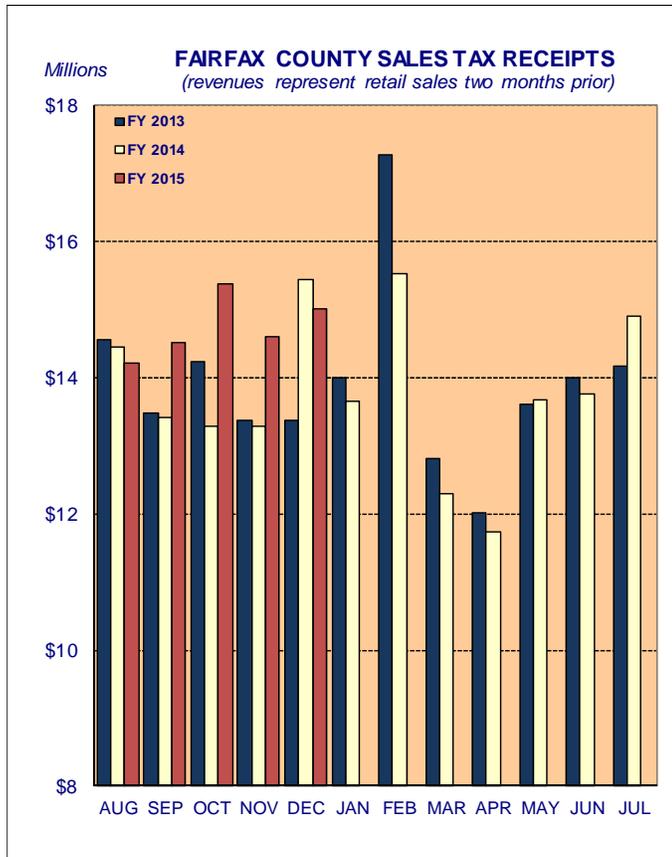
Employment

The unemployment rate in Fairfax County decreased from 4.2 percent in September to 3.9 percent in October. The number of unemployed residents decreased over the month from 26,471 to 24,534. The County's unemployment rate was 0.5 percentage points lower than last October.

The October seasonally adjusted unemployment rate in Virginia fell to 5.3 percent from 5.5 percent in September. The October rate decreased 0.1 percentage point from a year ago.

The U.S. seasonally adjusted unemployment rate in October declined to 5.8 percent from 5.9 percent in September. Total nonfarm payroll employment increased by 214,000 in October, compared with an average monthly gain of 222,000 over the prior 12 months.

Sales Tax Receipts



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

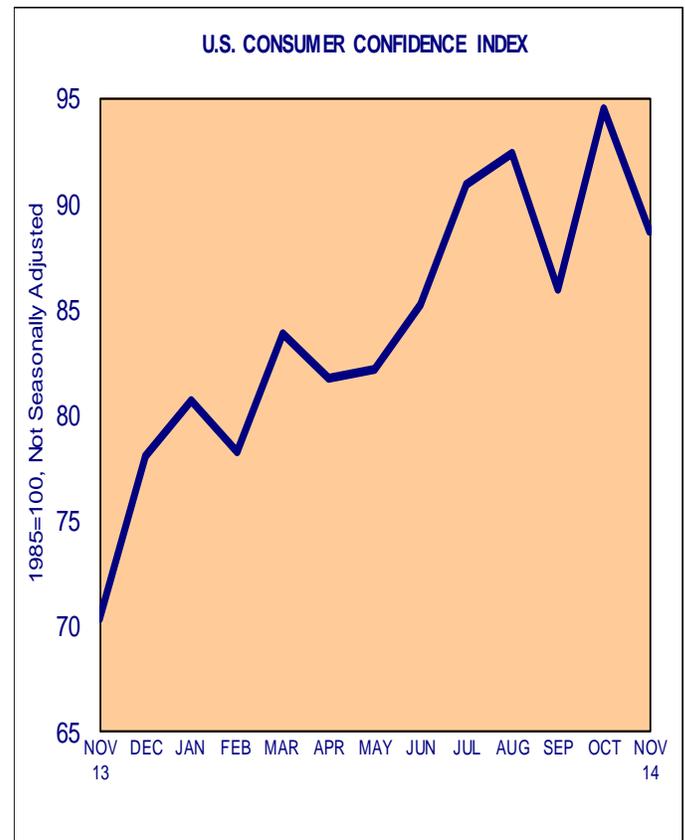
Sales Tax receipts distributed to Fairfax County in December for retail purchases made in October were \$15.0 million, a decrease of 2.9 percent from December 2013. Combined, Sales Tax receipts are up 5.5 percent for the first five months of the fiscal year.

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 Index, increased 4.9 percent for the 12 months ending in September 2014, which continues the deceleration trend in home price gains. The Washington Metropolitan area posted a 2.1 percent gain during the same period. According to David M. Blitzer, Chairman of the Index Committee at S&P Dow Jones Indices, "The Northeast region reported its first negative monthly returns since December 2013 and its worst annual returns since December 2012 due to weaknesses in Washington D.C. and Boston." He added that, "With the economy looking better than a year ago, the housing outlook for 2015 is stable to slightly better."

Consumer Confidence Index



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

The Consumer Confidence Index decreased in November after increasing in October. The index stands at 88.7 (1985=100), down from 94.1 a month ago. The present situation component decreased slightly, while the expectations component decreased sharply. Lynn Franco, Director of Economic Indicators at the Conference Board, said that consumers felt less optimistic about the current situation and the short-term outlook of the job market and business conditions. However, she added that, "Income expectations were virtually unchanged and gas prices remain low, which should help boost holiday sales."

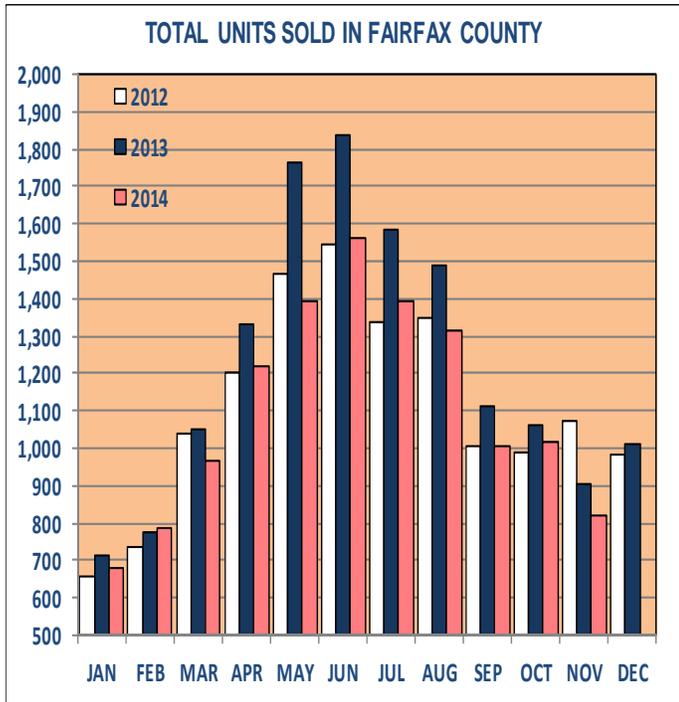
Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 3.9 percent in the third quarter of 2014, according to the revised estimate by the Bureau of Economic Analysis (BEA). In the initial estimate, real GDP was reported to have increased 3.5 percent. During the second quarter of 2014, the economy grew at an annual rate of 4.6 percent.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

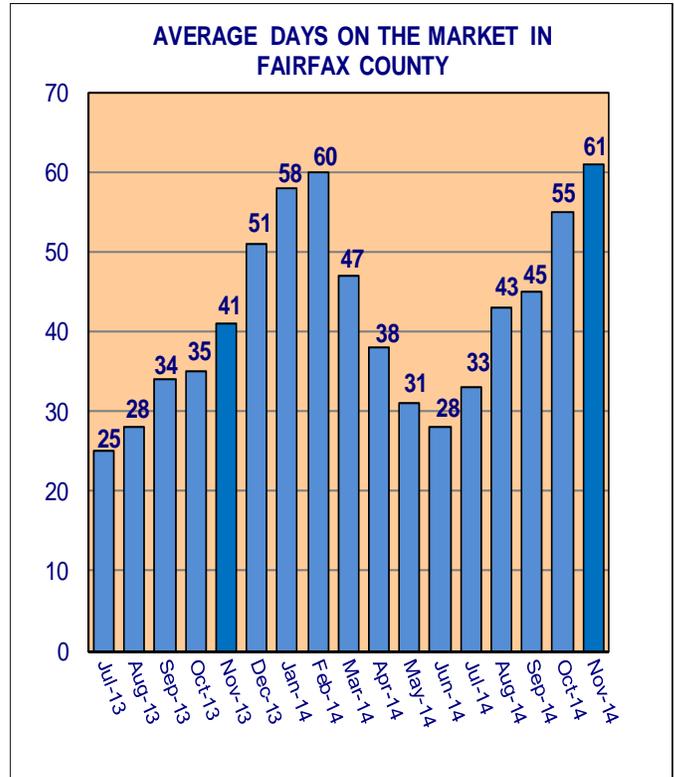
In November, 821 homes were sold in Fairfax County, a decrease of 9.2 percent from the 904 homes sold in November 2013. During the first eleven months of 2014, the number of home sales is down 10.7 percent from 13,623 in 2013 to 12,161 in 2014.



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 November were on the market for 61 days. This is 20 days longer than the 41-day average in November 2013.



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

Average Home Sales Prices

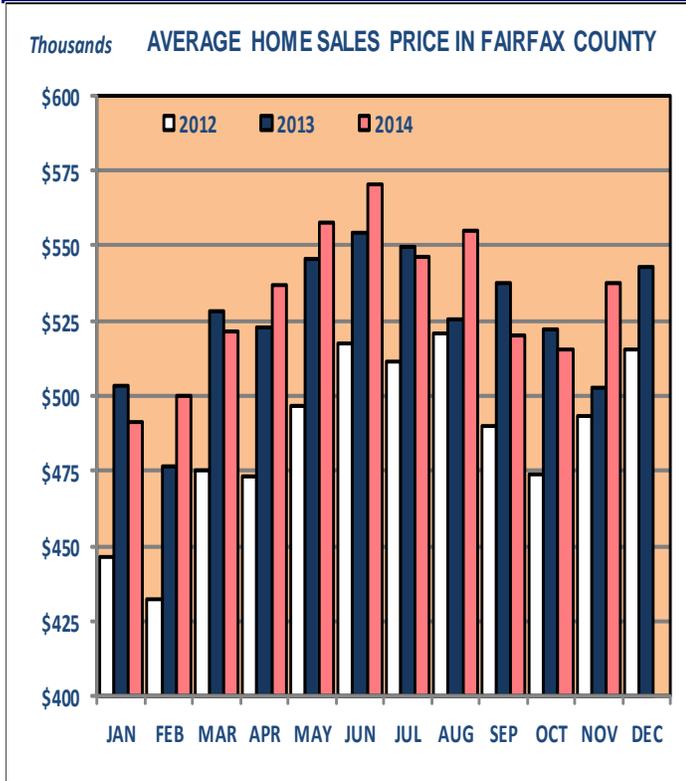
The average sales price of all homes that sold in November 2014 in Fairfax County was \$537,818, an increase of 6.9 percent over the November 2013 average sales price of \$502,883. The average November price was up 1.3 percent compared to the 2013 average home sales price of \$531,136.

The average sales price for detached homes that sold in November 2014 was \$692,818, an increase of 4.6 percent over the November 2013 average of \$662,485. The average sales price of attached homes decreased 1.1 percent during the same time 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: www.fairfaxcounty.gov/dta/tax_assessment.htm

FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN NOV 2014 COMPARED TO SALES IN NOV 2013

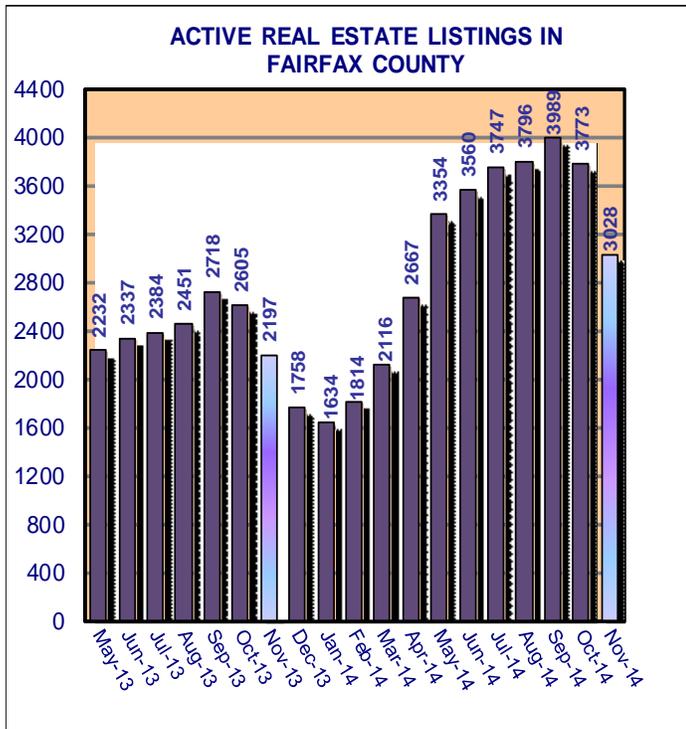
| | Nov 2014 | Nov 2013 | % Change |
|----------------|-----------|-----------|----------|
| All Homes | \$537,818 | \$502,883 | 6.9% |
| Detached Homes | \$692,818 | \$662,485 | 4.6% |
| Attached Homes | \$355,271 | \$359,374 | -1.1% |



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

Inventory of Homes for Sale

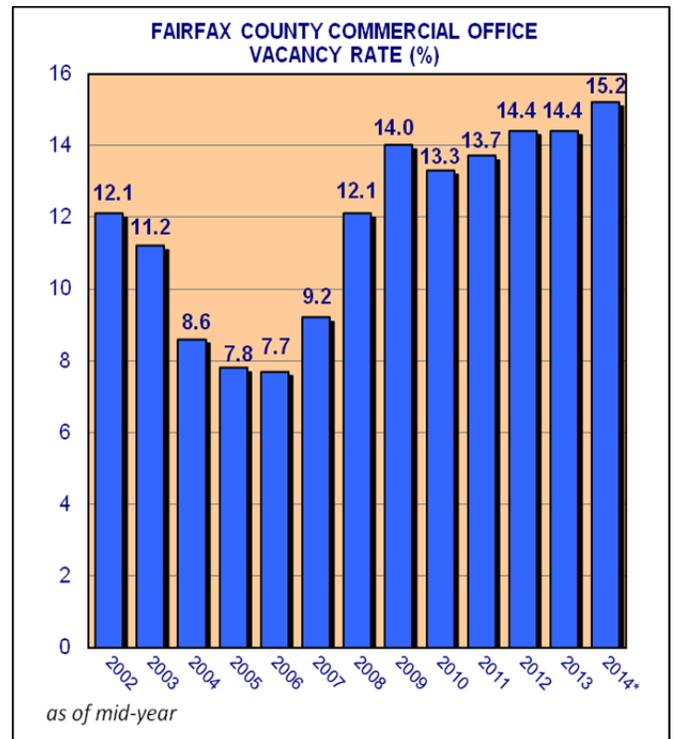
In November, the number of active listings in the County was 3,028, an increase of 37.8 percent over the 2,197 listed in November 2013. Based on the November 2014 listings and the current sales rate, there is approximately a 3.7 month supply of homes for sale in the County, up from the 2.4 month supply a year ago.



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

Commercial Office Market

According to the Fairfax County Economic Development Authority (FCEDA), demand for space in Fairfax County decreased during the first half of 2014 and the direct office vacancy rate rose to 15.2 percent, up from 14.4 percent in 2013. The increase is primarily the result of new product being added to the market, as well as the softer demand for space due to a local economy still recovering from the federal budget sequester. In addition, developers are positioning some older buildings for redevelopment by holding them off the market. The mid-year 2014 direct office vacancy rate was the highest since 1991 when the rate was 16.9 percent. The overall vacancy rate, including sublet space vacancies, was 16.5 percent, slightly down from 16.7 percent at the close of 2013.



Source: Fairfax County Economic Development Authority. 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: Susan Datta, CFO; Marcia Wilds, Revenue and Economic Analysis Coordinator; Albena Assenova, Senior Budget Analyst.