

ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

OCTOBER 2020

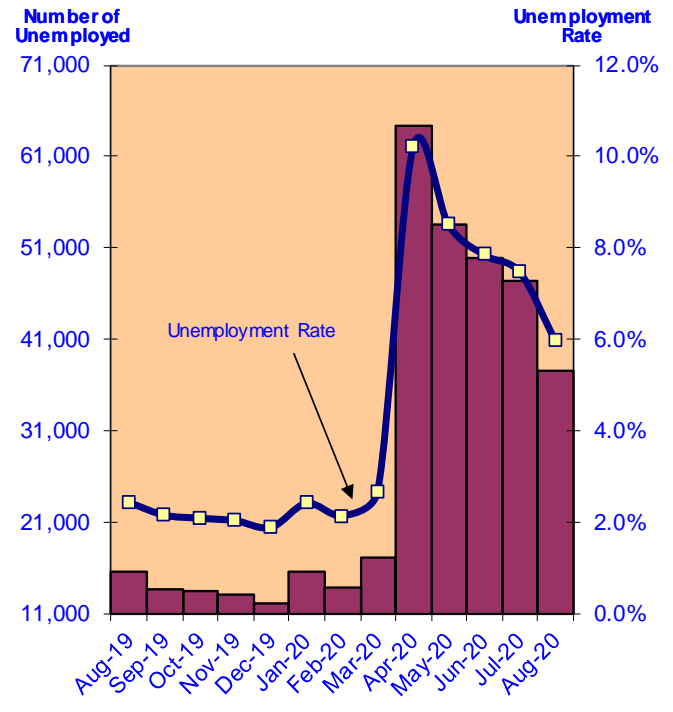
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- The unemployment rate in Fairfax County decreased 1.5 percentage points to 6.0 percent in August.
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- Sales tax receipts decreased 0.8 percent through the first three months of the fiscal year.
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- The Consumer Confidence Index increased in September.
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- The number of homes sold in Fairfax County in September increased 34.6 percent from a year earlier.
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- In September 2020, the average sales price of all homes sold in Fairfax County increased 15.1 percent compared to the average sale price in September 2019.
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- The number of active listings of homes for sale in the County decreased 21.9 percent in September from a year ago.
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- The number of single family and townhouse building permits in the County for the first nine months of 2020 is down 4.9 percent.
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- October 2020 Special Report on Northern Virginia Employment.
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Previous issues of this publication can be accessed at:

<https://www.fairfaxcounty.gov/budget/economic-indicators>

FAIRFAX COUNTY UNEMPLOYMENT DATA



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

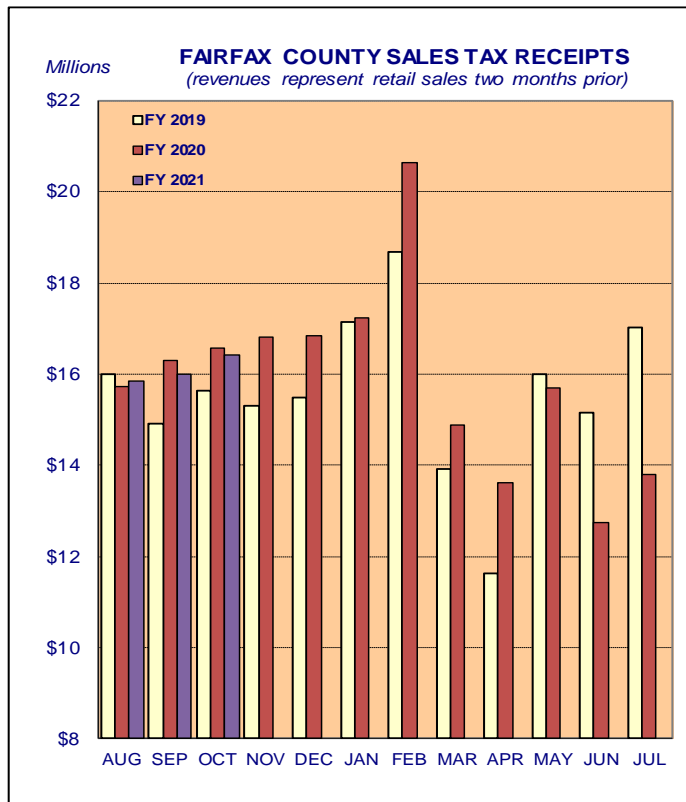
Employment

Compared to July, the August unemployment rate in Fairfax County decreased 1.5 percentage points to 6.0 percent. The number of unemployed residents decreased over the month from 47,315 to 37,616. The County's unemployment rate was up 3.6 percentage points over August 2019.

The seasonally adjusted unemployment rate in Virginia in August decreased 1.8 percentage points to 6.1 percent. The rate was up 3.4 percentage points over August 2019.

The U.S. seasonally adjusted unemployment rate in August decreased 1.8 percentage points to 8.4 percent, reflecting the continued partial resumption of economic activity after the COVID-19 related disruptions in previous months. The rate was up 4.7 percentage points compared to a year ago. Total nonfarm payroll employment increased by 1.4 million jobs in August.

Sales Tax Receipts



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

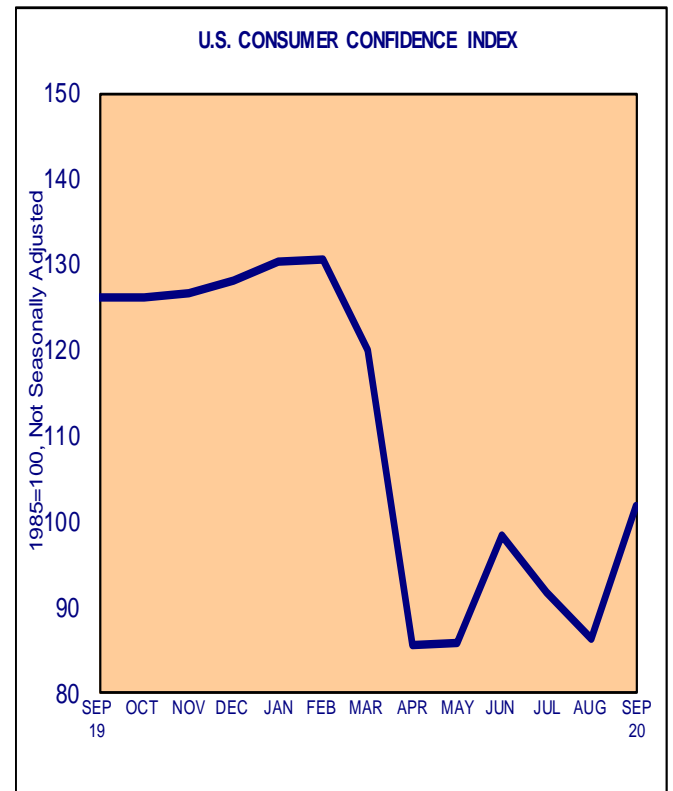
Sales Tax receipts distributed to Fairfax County in October for retail purchases made in August were \$16.4 million, a decrease of 1.0 percent from October 2019. For the first three months of FY 2021, sales tax receipts are down 0.8 percent compared to the previous year.

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 home price index, increased 5.2 percent for the 12 months ending in August. Home prices in the Washington Metropolitan area posted a 5.7 percent gain during the same period. Craig J. Lazzara, Managing Director and Global Head of Index Investment Strategy, said that, "A trend of accelerating increases in the National Composite Index began in August 2019 but was interrupted in May and June, as COVID-related restrictions produced modestly-decelerating price gains." He added that, "We speculated last month that the accelerating trend might have resumed, and August's results easily bear that interpretation."

Consumer Confidence Index



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

The Consumer Confidence Index increased in September after declining in August. The index now stands at 101.8 (1985=100), up from 86.3 a month ago. Both the present situation component and the expectations component increased. Lynn Franco, Director of Economic Indicators at the Conference Board, said that, "A more favorable view of current business and labor market conditions, coupled with renewed optimism about the short-term outlook, helped spur this month's rebound in confidence." She added that, "Consumers also expressed greater optimism about their short-term financial prospects, which may help keep spending from slowing further in the months ahead."

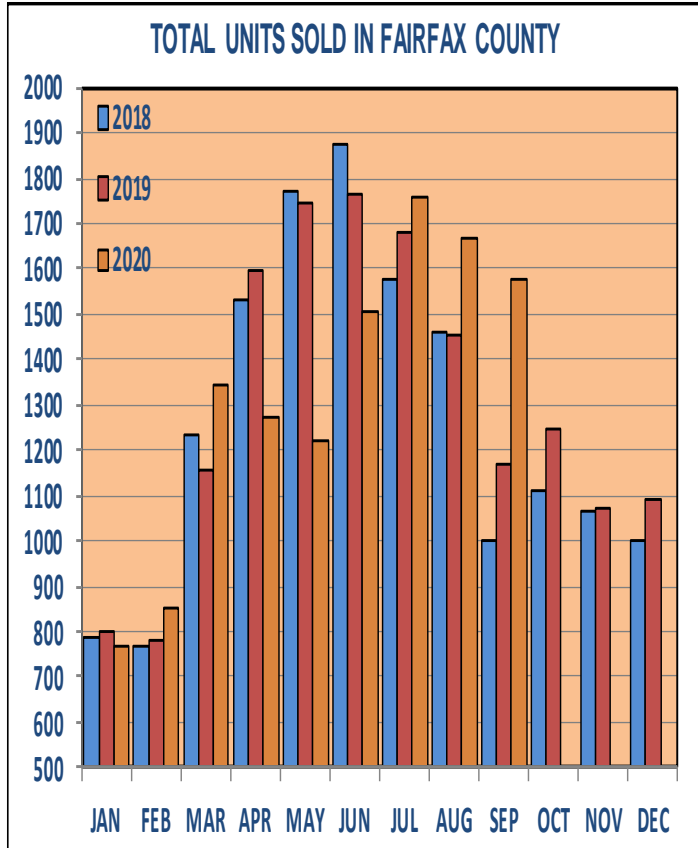
Consumer Price Index

The September Consumer Price Index for All Urban Consumers (CPI-U) increased 1.4 percent compared to last September. Excluding food and energy, core inflation increased 1.7 percent. During the same period, the Washington area CPI-U increased 1.2 percent. The Federal Reserve Board's target annual inflation rate is 2.0 percent.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

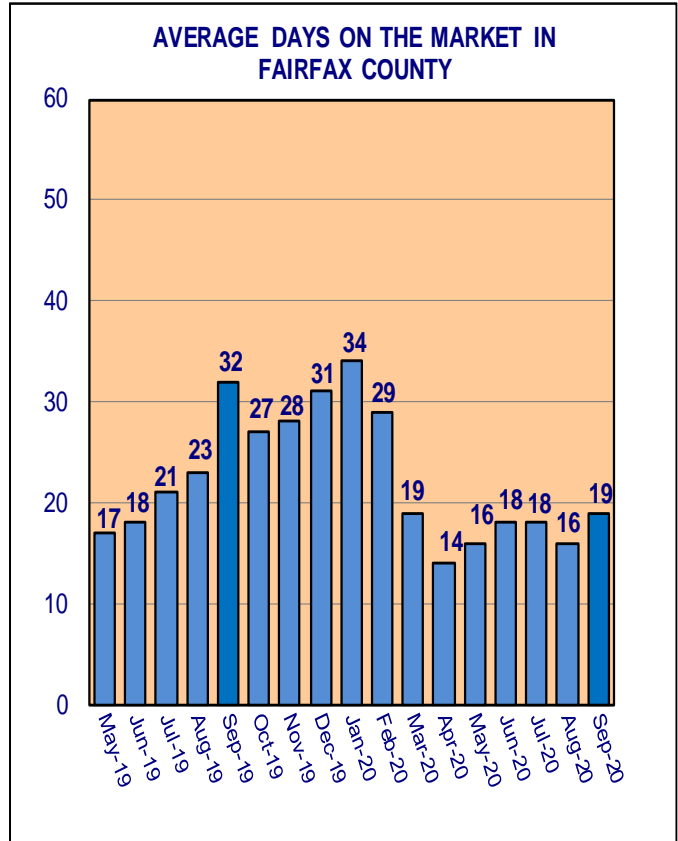
In September, 1,574 homes were sold in Fairfax County, an increase of 34.6 percent over the 1,169 homes that were sold in September 2019.



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 September were on the market for 19 days. This is 13 days fewer than the 32-day average in September 2019.



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 September 2020 in Fairfax County was \$678,757, an increase of 15.1 percent over the September 2019 average sales price of \$589,874. The average sales price was up 12.8 percent compared to the annual 2019 average home sales price of \$601,506.

The average sales price for detached homes that sold in September 2020 was \$915,992, an increase of 15.3 percent over the September 2019 average of \$794,168. The average sales price of attached homes increased 12.4 percent over the same period.

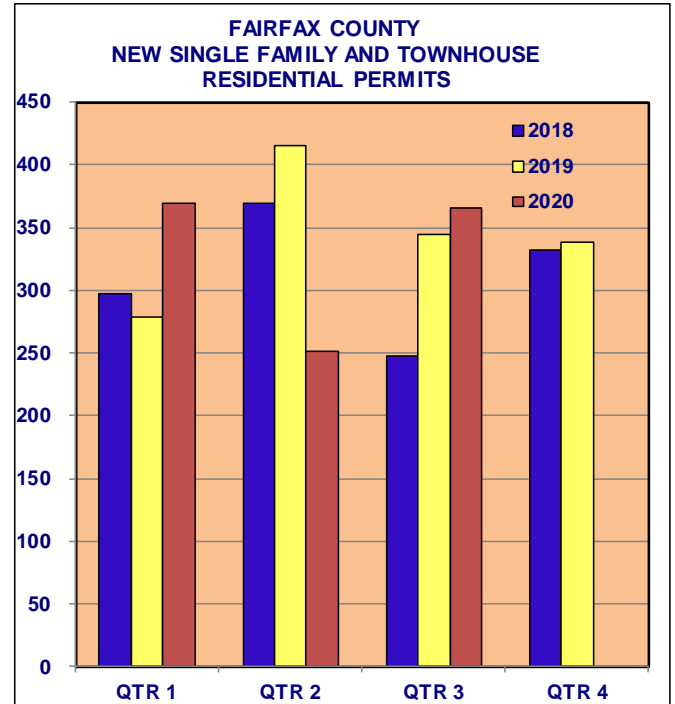
FAIRFAX COUNTY AVERAGE SALES PRICE OF HOMES SOLD IN SEPT 2020 COMPARED TO SALES IN SEPT 2019

	SEPT 2020	SEPT 2019	% Change
All Homes	\$678,757	\$589,874	15.1%
Detached Homes	\$915,992	\$794,168	15.3%
Attached Homes	\$448,944	\$399,448	12.4%

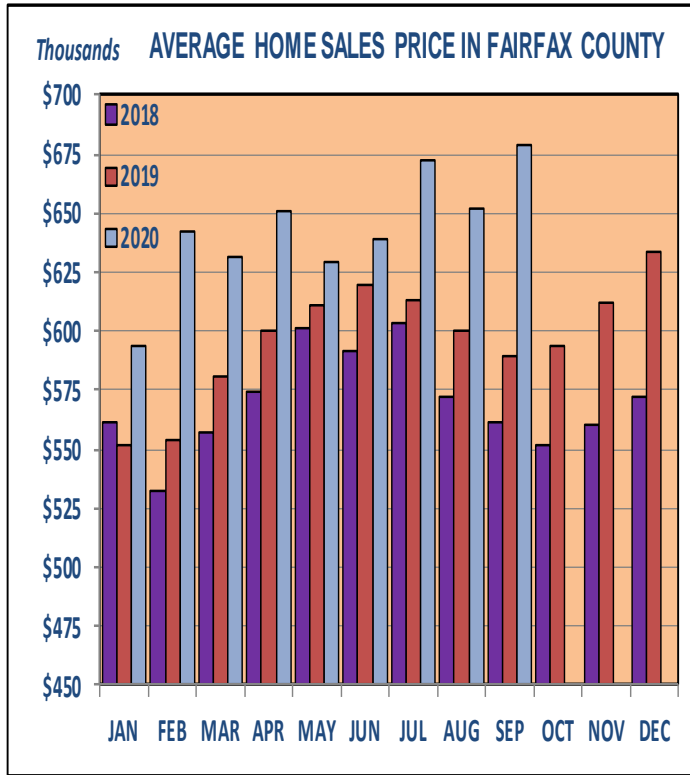
Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Average selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read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

Single Family and Townhouse Building Permits

During the third quarter of 2020, 366 new single family and townhouse permits were issued in Fairfax County. This represents a 6.1 percent increase over the number of permits issued during the same period in 2019. Combined, the number of new permits is down 4.9 percent for the first three quarters of 2020.



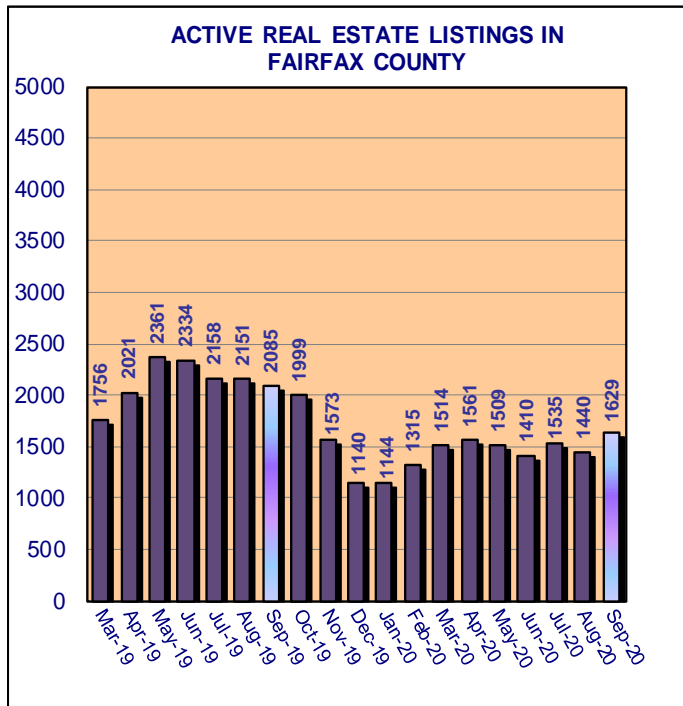
Source: Fairfax County Land Development Services. Compiled by the Fairfax County Department of Management and Budget.



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

Inventory of Homes for Sale

The number of active listings in the County in September was 1,629, a decrease of 21.9 percent from the 2,085 listings in September 2019. Based on the September 2020 listings and the current sales rate, there is approximately a 1.0-month supply of homes for sale in the County, less than the 1.8-month supply a year ago.

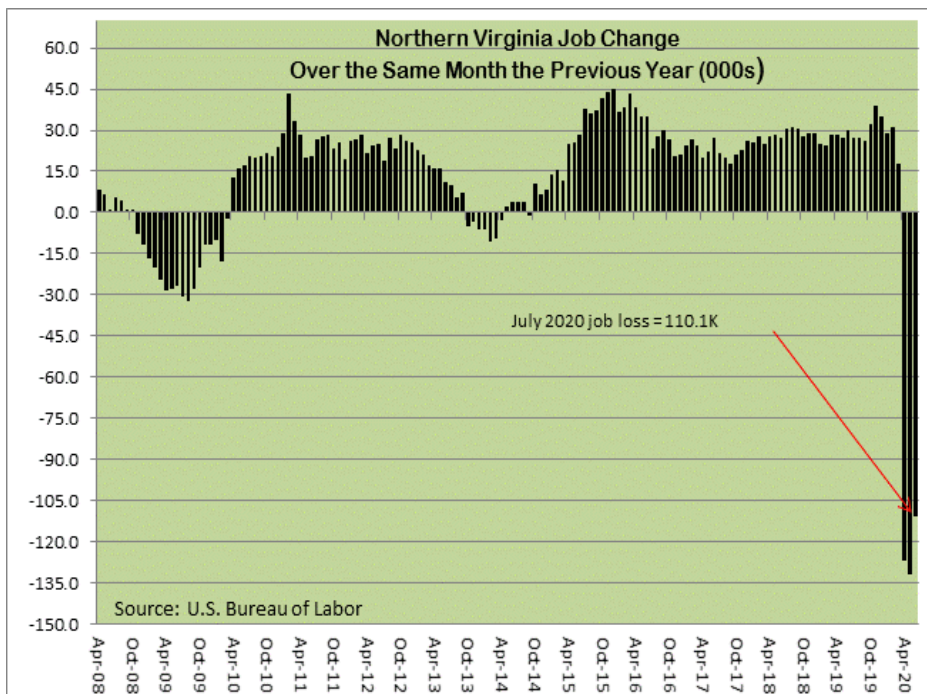


Source: Bright MLS. Compiled by the Fairfax County Department of Management and Budget.

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Special Report – October 2020 Northern Virginia Employment

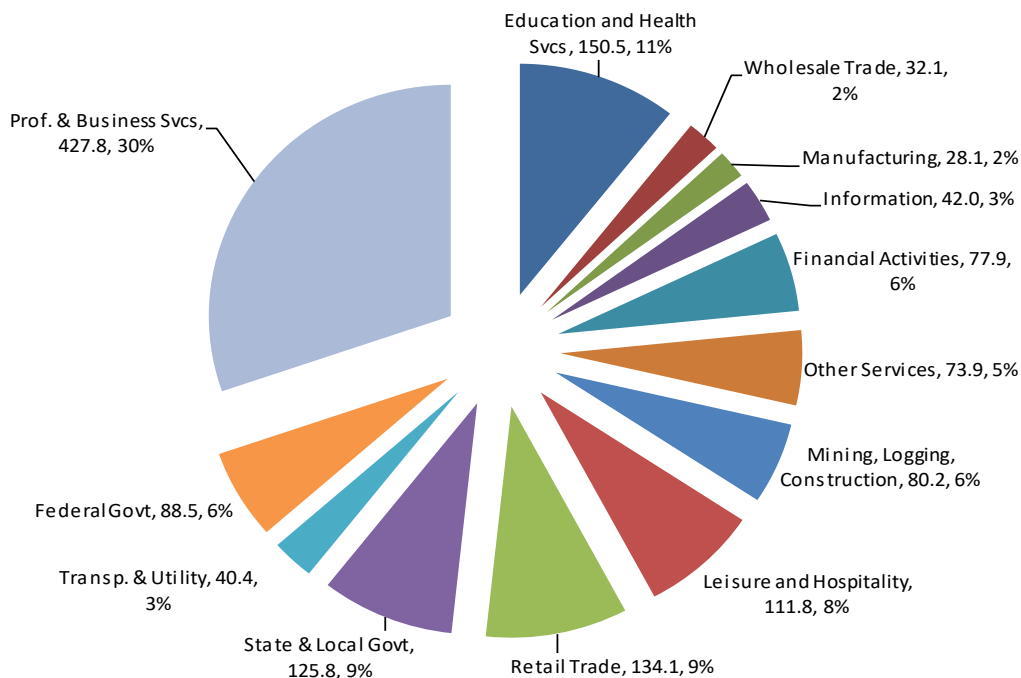


Based on data from the U.S. Bureau of Labor Statistics (BLS), the Northern Virginia region experienced job losses at an annual rate of 7.2 percent in July 2020. This was due to the partial shutdown of the local economy as a result of the COVID-19 pandemic. Previously, the region experienced job losses in late 2013 and 2014, primarily in the Professional and Business Services sector due to federal sequestration and reductions in procurement spending. The job growth over those two years averaged 0.4 percent. From 2015 to 2018, job growth accelerated to an average of 1.9 percent annually.

As of July 2020, total nonfarm employment in Northern Virginia was 1,413,100, a loss of 110,100 jobs compared to July 2019.

Jobs by Sector in Northern Virginia

Employment in the Professional and Business Services sector was 427,800 in July 2020, 30 percent of the total jobs in Northern Virginia.

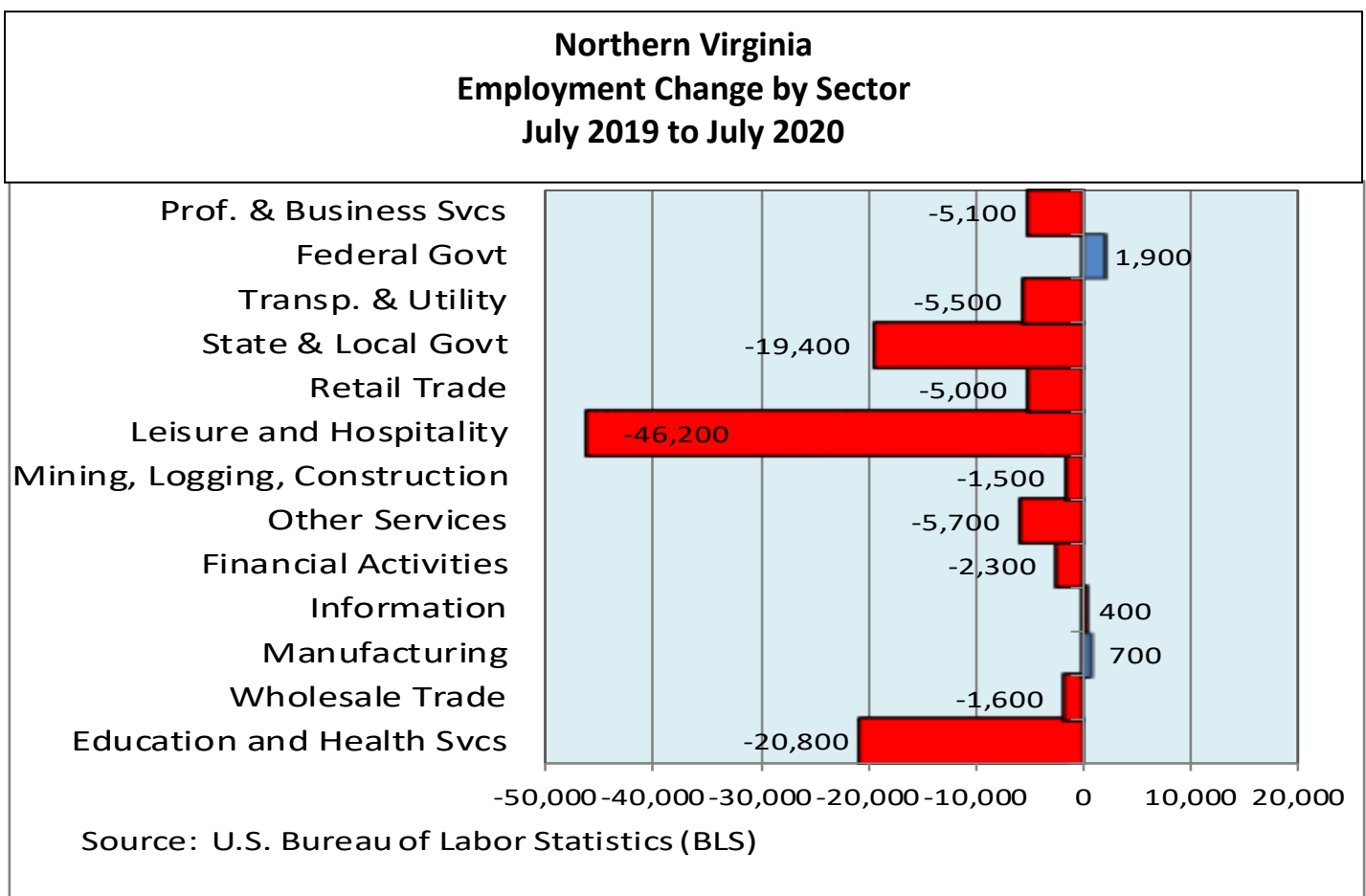


Note: Total employment in July 2020 was 1,413,100. Employment figures in the graph above are in thousands.

The Professional and Business Services sector includes such jobs as attorneys, federal contractors, and businesses that provide services to other businesses such as printing and computer services. The Education and Health Services sector makes up approximately 11 percent of total employment in Northern Virginia, while State and Local Government and Retail Trade sectors each make up approximately 9 percent. Federal government jobs represent 6 percent of total employment in the area.

Change by Sector

Of the 110,100 net jobs lost over the year ending July 2020, 46,200 jobs were in the Leisure and Hospitality sector, which decreased by 29.2 percent from July 2019. There was also a significant decrease in the number of jobs in the Education and Health Services, which decreased by 20,800 jobs or 12.1 percent. The only sectors to gain jobs were the Federal Government, Information, and Manufacturing.



Employment in Fairfax County

Fairfax County specific employment data by sector are reported on a delayed basis and are currently available through the second quarter of 2020. In June, total non-farm employment in Fairfax County was 576,733, a decrease of over 53,800 jobs or 8.5 percent compared to the previous June. The sector with the largest employment decline was Leisure and Hospitality, which decreased by almost 25,000 jobs or 42 percent. The Professional and Business Services sector decreased by 4,197 employees or 1.9 percent. From 2016 through 2019, annual job growth in Fairfax County has averaged 1.5 percent.