

ECONOMIC INDICATORS[®]

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

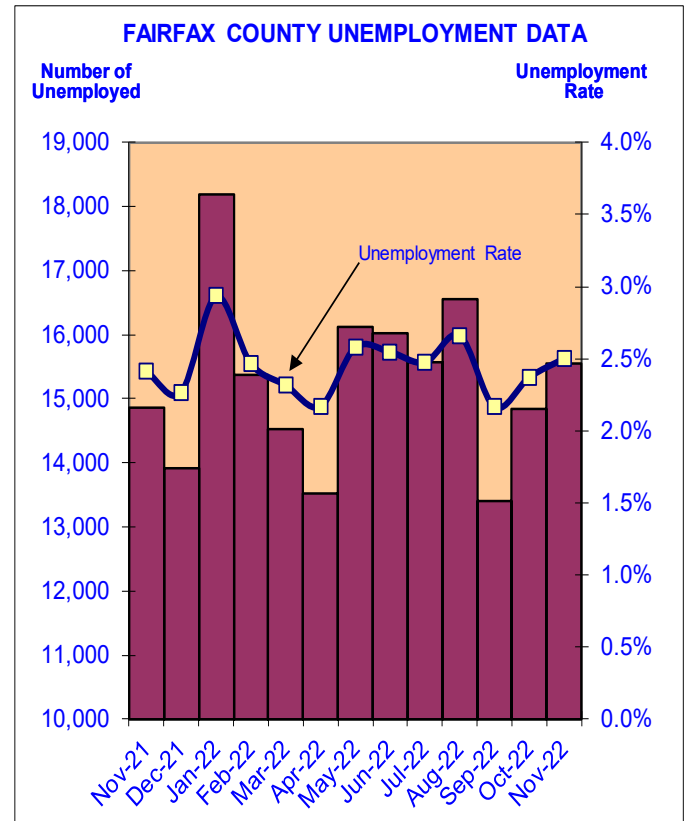
JANUARY 2023

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- The unemployment rate in Fairfax County increased 0.1 percentage point to 2.5 percent in November. (See page 1)
- Sales tax receipts in January for purchases made in November decreased 2.2 percent compared to last January. (See page 2)
- The Consumer Confidence Index decreased in January after increasing the previous month. (See page 2)
- The number of homes sold in Fairfax County during 2022 decreased 25.4 percent from a year earlier. (See page 3)
- In 2022, the average sales price of all homes sold in Fairfax County increased 7.4 percent compared to 2021. (See page 3)
- In 2022, on average, it took 17 days to sell a home in Fairfax County, the same length of time as in 2021. (See page 4)
- A 30-year fixed rate mortgage averaged 6.27 percent in January 2023, up from 3.45 in January 2022. (See page 4)

Previous issues of this publication can be accessed at:

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



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

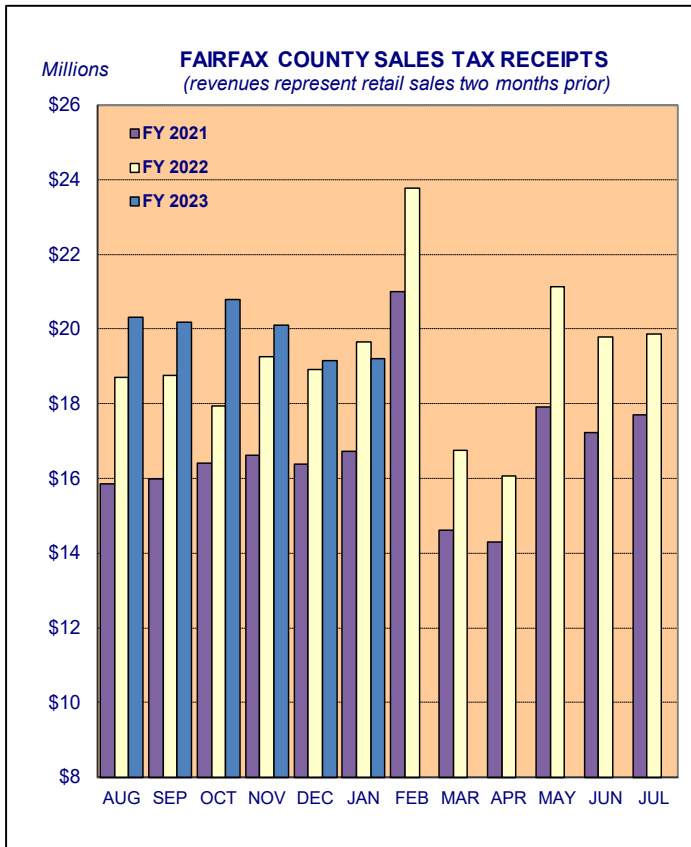
Employment

Compared to October, the November unemployment rate in Fairfax County increased 0.1 percentage point to 2.5 percent. The number of unemployed residents increased from 14,848 to 15,550. The County's unemployment rate was up 0.1 percentage point over November 2021.

The seasonally adjusted unemployment rate in Virginia in November increased 0.1 percentage point to 2.8 percent. The rate was down 0.5 percentage point from November 2021.

The U.S. seasonally adjusted unemployment rate in November was unchanged at 3.7 percent. The rate was down 0.5 percentage point compared to a year ago. Total nonfarm payroll employment increased by 263,000 jobs. Monthly job growth has averaged 392,000 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.

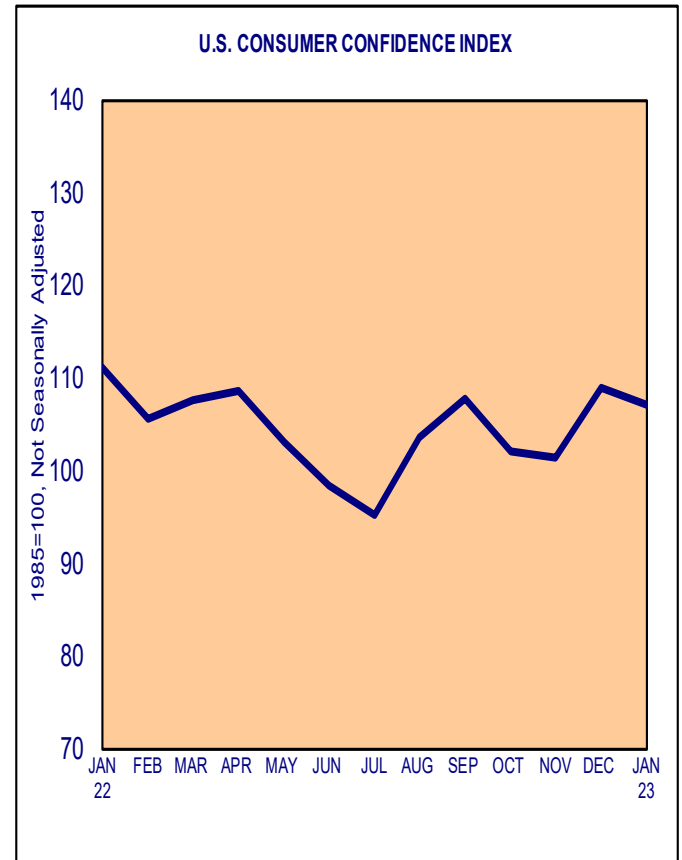
Sales Tax receipts distributed to Fairfax County in January for retail purchases made in November were \$19.2 million, a decrease of 2.2 percent from January 2022. Collections were impacted by a significant sales tax refund from several years' ago. Absent the refund, growth would have been 0.4 percent. For the first six months of FY 2023, sales tax receipts are up 5.8 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 6.8 percent for the 12 months ending in November. Home prices in the Washington Metropolitan area gained 5.3 percent during the same period. Craig J. Lazzara, Managing Director and Global Head of Index Investment Strategy, said that, "As the Federal Reserve moves interest rates higher, mortgage financing continues to be a headwind for home prices." He added that, "Given these 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 decreased in January. The index now stands at 107.1 (1985=100), down from 109.0 in December. The present situation component increased while the expectations component decreased. Ataman Ozyildirim, Senior Director of Economics at the Conference Board, said that, "Consumers were less upbeat about the short-term outlook for jobs. They also expect business conditions to worsen in the near term." He added that, "Purchasing plans for autos and appliances held steady, but fewer consumers are planning to buy a home – new or existing."

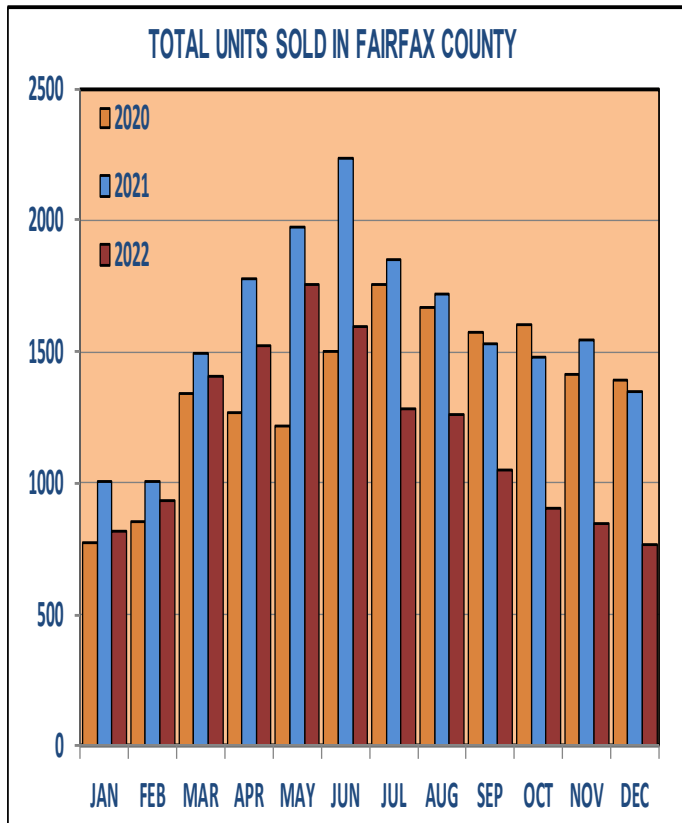
Gross Domestic Product

According to the "advance" estimate released by the Bureau of Economic Analysis, real gross domestic product increased at an annual rate of 2.9 percent in the fourth quarter of 2022 after growing 3.2 percent in the third quarter. For all of 2022, the Real gross domestic product (GDP) increased at an annual rate of 2.1 percent. The increase in real GDP reflected increases in consumer spending, federal government spending, state and local government spending, and nonresidential fixed investment, partially offset by decreases in residential fixed investment and exports.

FAIRFAX COUNTY HOUSING MARKET

Total Home Sales Volume

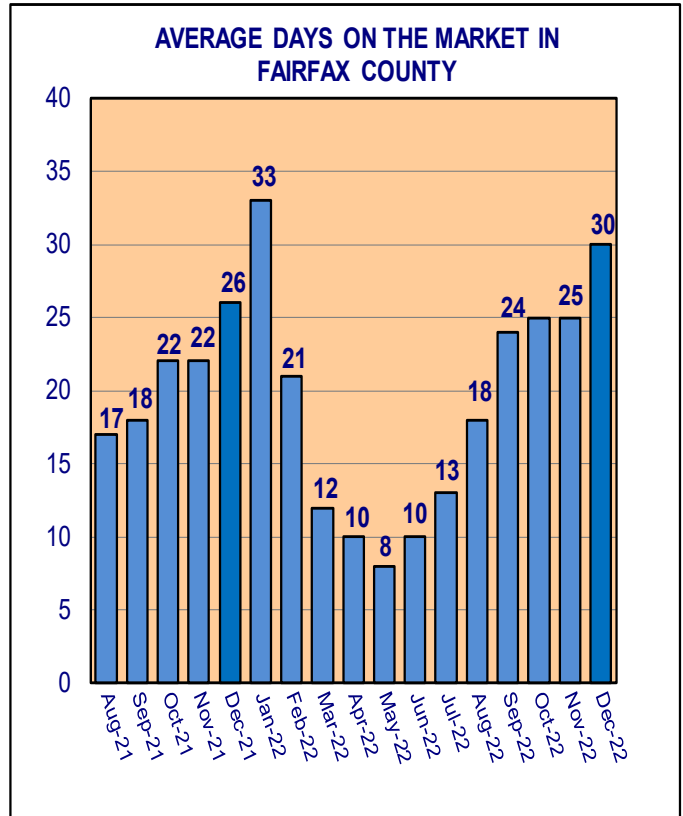
In December 2022, 765 homes were sold in Fairfax County, a decrease of 43.2 percent from the 1,348 homes that were sold in December 2021. For all of 2022, the number of home sales decreased 25.4 percent to 14,484 from 19,407 in 2021.



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 December 2022 were on the market for 30 days. This is four days more than the 26-day average in December 2021. For all of 2022, homes were on the market 17 days on average before they were sold, unchanged compared to 2021.



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

Average Home Sales Prices

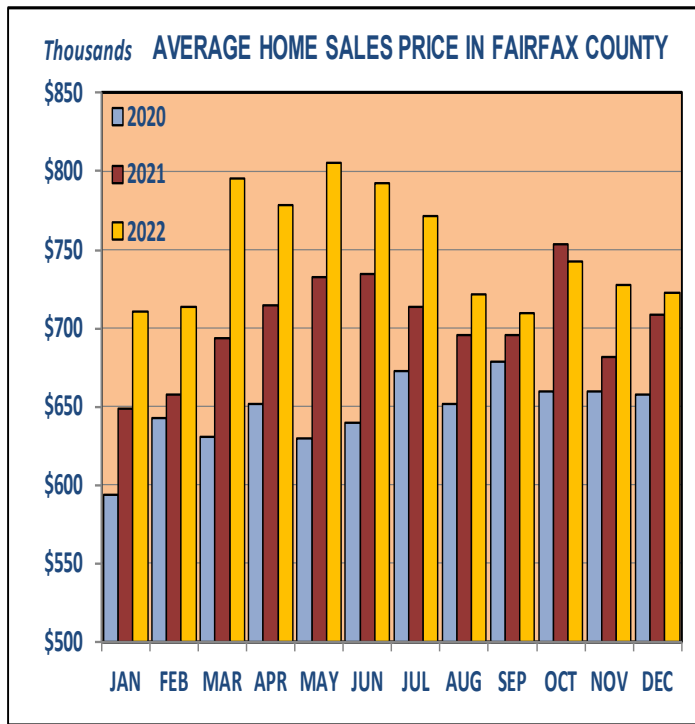
The average sales price of all homes that sold in December 2022 in Fairfax County was \$722,733, an increase of 2.0 percent over the December 2021 average sales price of \$708,455. For all of 2022, the average home sales price increased 7.4 percent to \$761,799 compared to 2021.

The average sales price for detached homes that sold in December 2022 was \$1,009,366, an increase of 0.8 percent over the December 2021 average of \$1,001,445. The average sales price of attached homes decreased 1.5 percent over the same period. For all of 2022, detached homes' average sales price increased 8.1 percent over 2021, while attached homes increased 5.9 percent over the same time period.

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

	DEC 2022	DEC 2021	% Change
All Homes	\$722,733	\$708,455	2.0%
Detached Homes	\$1,009,366	\$1,001,445	0.8%
Attached Homes	\$462,614	\$469,562	-1.5%

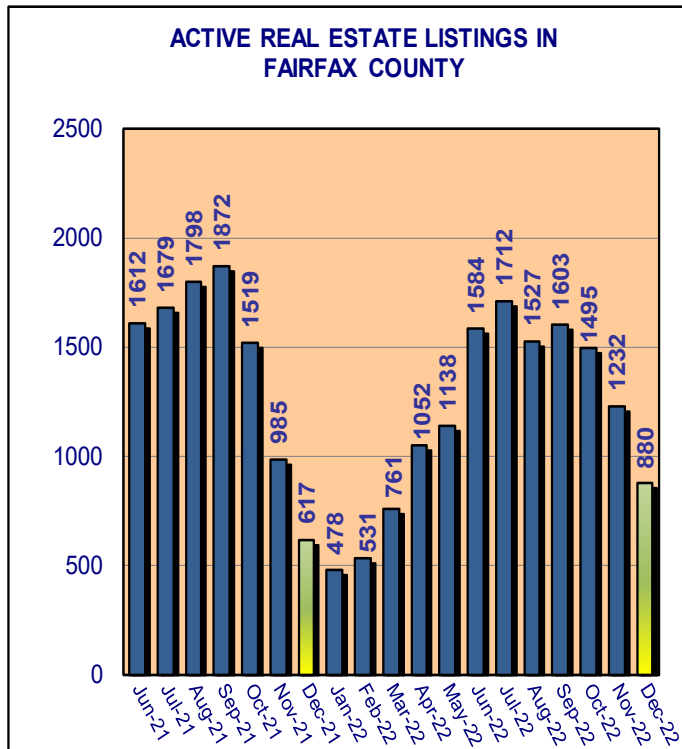
Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Average selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read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



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 December 2022 was 880, an increase of 42.6 percent over the 617 listings in December 2021. Based on the December 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 0.5-month supply a year ago.



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 decreased to 6.27 percent in January, down from 6.36 a month ago. A year ago, the average 30-year fixed mortgage rate was 3.45 percent.



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

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