

Fauquier County Economic Indicators



June 30, 2018
Office of Management and Budget

I. Executive Summary

Fiscal health can be measured by a myriad of factors which provide insight to current and historical economic conditions, future projections, budget preparation, and determining needs or priorities of the community.

The data provided in this document is a means of presenting fiscal health characteristics in terms of current and historical trends. The data provides a quick snapshot of the market today to indicate where the market is moving, and/or utilizes historical trends to display the market trends over multiple fiscal or calendar years. Current trends provide context for the historical trends of the economic environment, its prolonged expansion or contraction of the market, and signs of change.

The information that follows was derived from various sources including federal, state, and local government and the private sector. The information collected is based on 6 key categories for both current and historical trends: businesses, community development fees and permit issuances, employment, residential sales, local revenues, and taxable sales.

Section II of the document provides a table of key observations for both current and historical economic indicators. For current economic indicators, observations are given a rating of positive, neutral, or negative based on their impact to the economic environment. Section III of the document provides an overview of the economic indicator categories with various graphs. The section is divided into two sections: current and historical economic indicators.

Fauquier County Economic Indicators

II. Trends and Analysis

A. Current Economic Indicators

The following table displays key observations in the review of current economic indicators. The trend for each key indicator listed below is rated by one of the following symbols:

-  **Positive trends observed; can be an indicator of market expansion**
- **Neutral trends observed; changes can be an indicator of decline or growth**
-  **Negative trends observed; can be an indicator of market contraction**

Category	Indicator	Trend	Comments
Community Development	Community Development Fees		Community Development fees experienced an 8% decrease in FY 2018.
Community Development	Building & New Residential Construction Permits		Permitting volume experienced an 8.4% increase in FY 2018, but new construction permits saw a decrease of 7%. In addition, construction value of permits saw a slight decrease of 0.9% this fiscal year.
Employment	Unemployment Rate		The current unemployment levels are significantly below the County's ten and five-year averages of 4.3% (2007-2017) and 4.8% (2012-2017). The County's unemployment rate was 2.8% at the end of June 2018, down 5.1% from the same period last fiscal year. Fauquier County ranked 9 th lowest overall in unemployment for the state.
Employment	Unemployment Insurance Claims		Continued and initial unemployment insurance claims continue to experience seasonal fluctuation, with decreases in continued unemployment insurance claims throughout FY 2018.
Local Revenue	County Sales Tax Collections		The County sales tax collections saw a slight decrease of 2% in FY 2018, as compared to FY 2017.
Residential Housing Market	Days Houses are on Market		At the end of FY 2018 the average days on the market decreased significantly by approximately 49% as compared to the same period in FY 2017. This was fewer days on the market than the rest of the region but in line with seasonal fluctuation, at a lower rate of change.
Residential Housing Market	Median Sales Price		Median home sale values increased by 2.8% at the end of FY 2018 as compared to the end of FY 2017, tracking slightly higher than fluctuation in previous years, and similar to the rest of the region.
Residential Housing Market	Number of Homes Sold	-	The number of home sales saw a decrease of 9.5% at the end of FY 2018, as compared to the same period in FY 2017. While active listings saw a decrease of more than 10% and the number of home sales dipped toward the end of the first quarter of the year, sales rebounded quickly in the second quarter of 2018. This was a similar trend throughout the region. The number of active listings is tracking at a lower rate of change.

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B. Historic Economic Indicators

The following table displays trends and observations relative to historic economic indicators and how those observations may impact current economic indicators.

Category	Indicator	Trend	Comments
Businesses	Number of New Licenses Issued	↑	The number of new licenses issued for businesses in FY 2018 increased 15% from FY 2017, continuing the positive trend seen in recent years.
Businesses	Number of Start-up Firms	-	Significant seasonal fluctuation remains, and the estimated number of start-up firms saw a 3.85% decrease through the end of the first quarter of CY 2018 as compared to the same period in CY 2017.
Taxable Sales	Taxable Sales	-	Taxable sales continue to improve year-over-year, with only seasonal fluctuation, similar to the entire region.

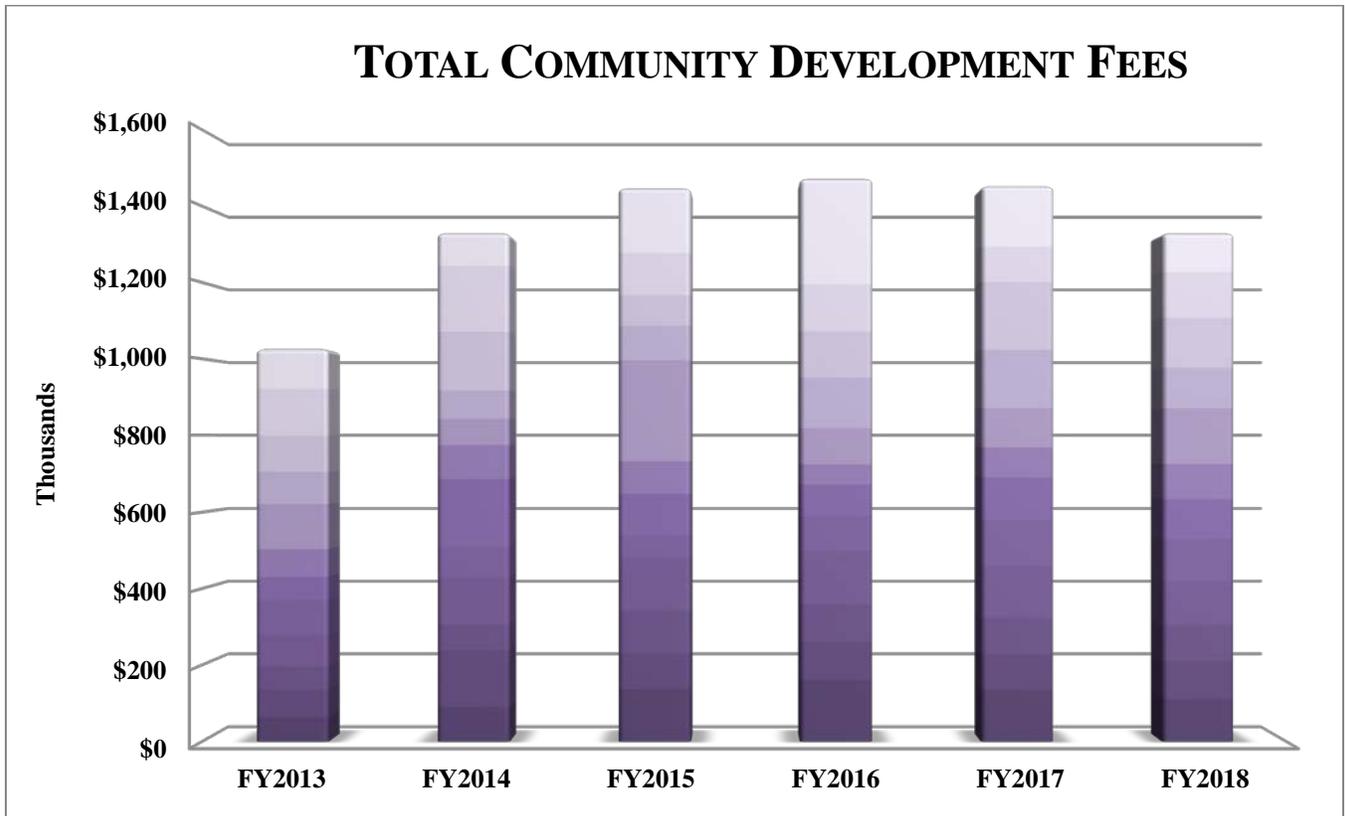
III. Economic Indicators – Data

A. Current Economic Indicators Data

1. Community Development

a) Community Development Fees

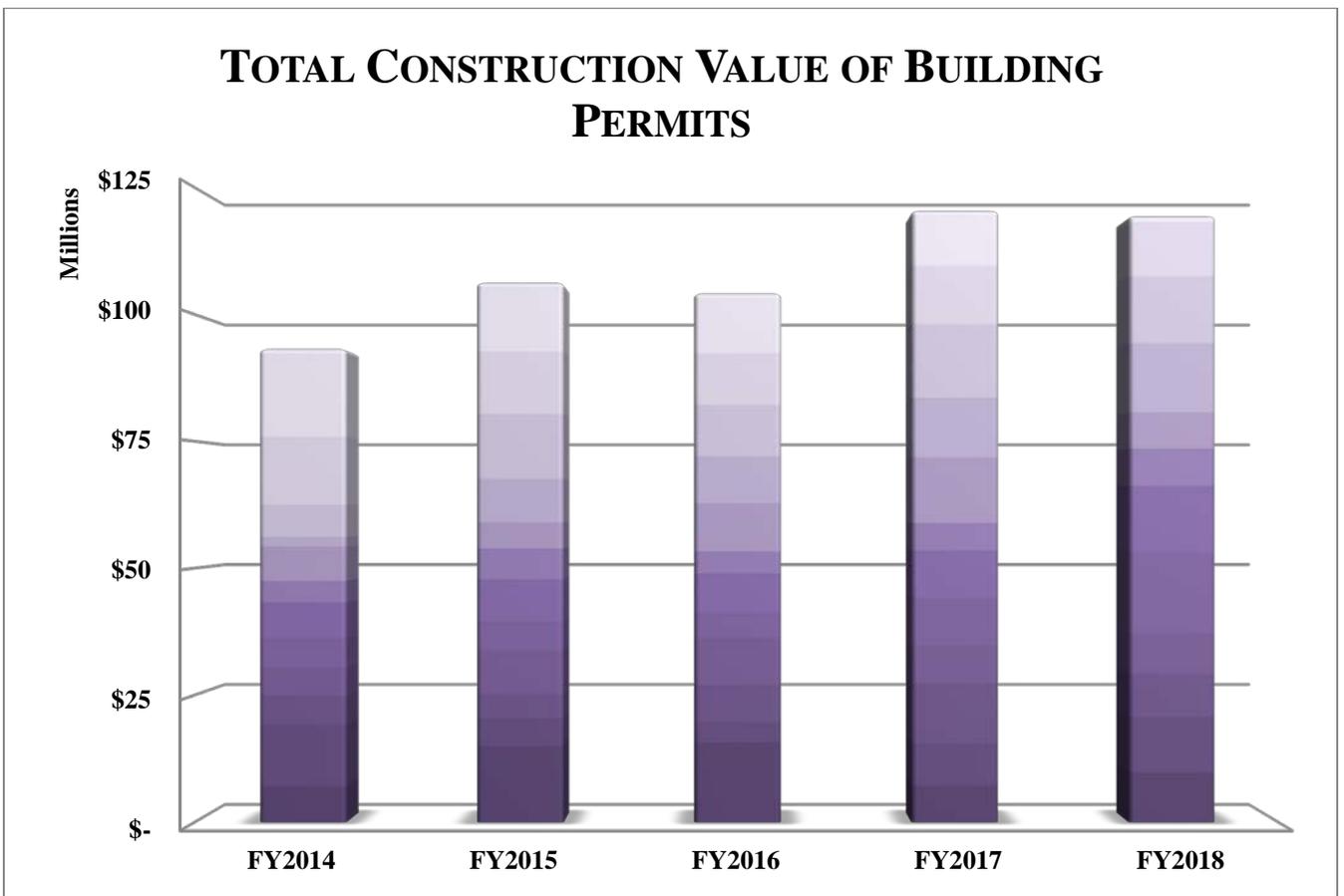
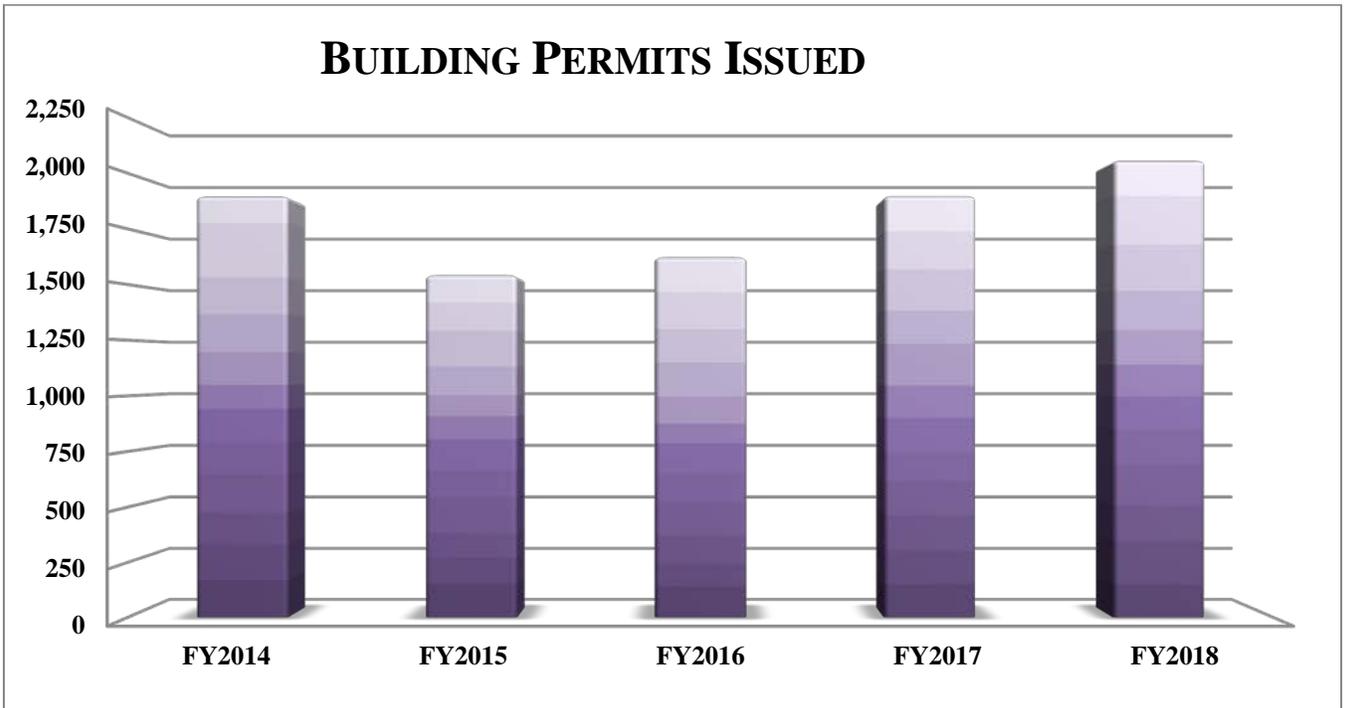
While Community Development Fee revenue has remained relatively flat over the last three fiscal years, FY 2018 saw an 8% decrease in fee revenue as compared to the last fiscal year. This reduction in revenue collections is not attributable to permitting activity overall, as the volume of building permits issued in the County is trending positively, with an 8.4% increase for the same period of comparison. The decline in revenue collections is mainly attributable to the types of permits issued and the fee associated with those permits which can vary based on State and/or local requirements.

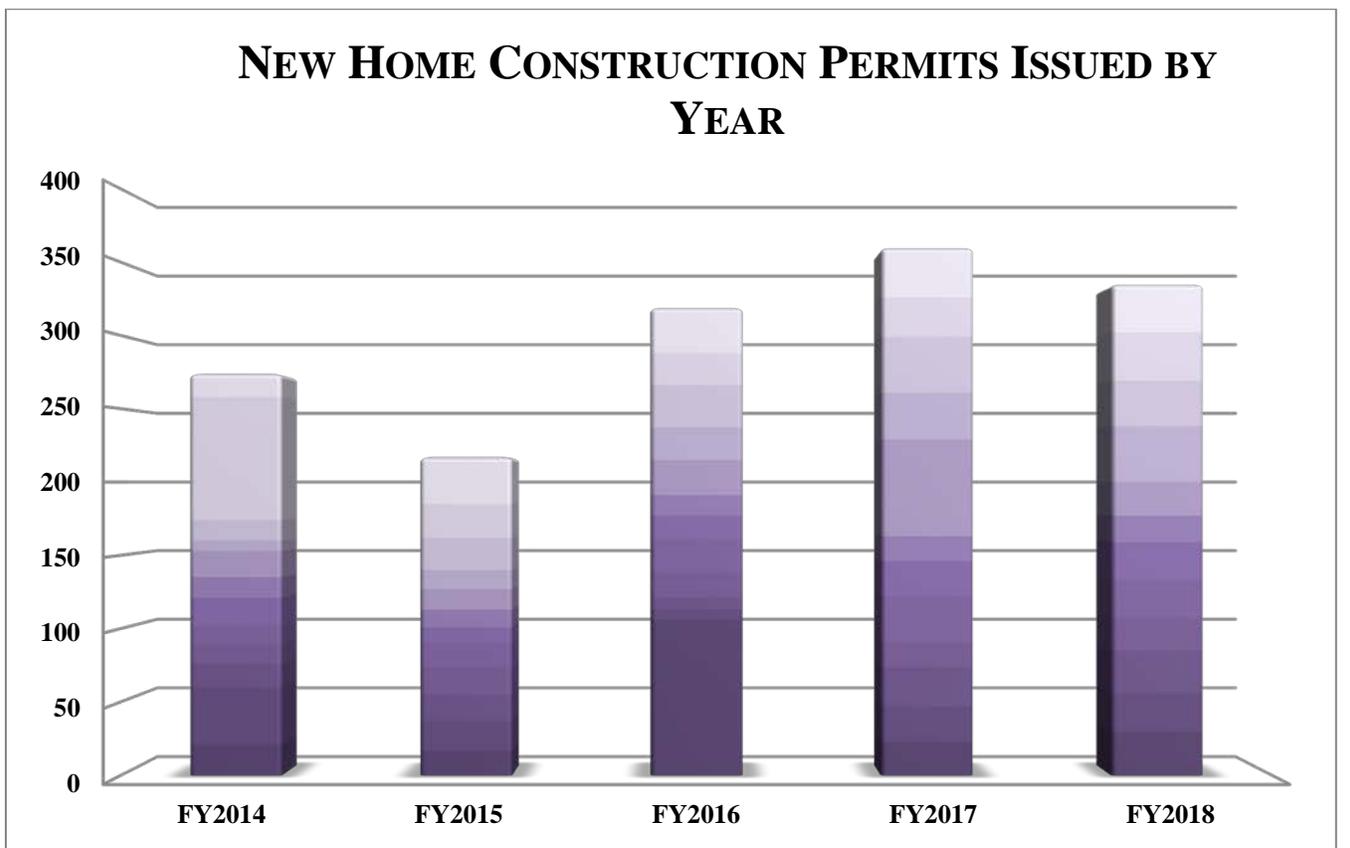
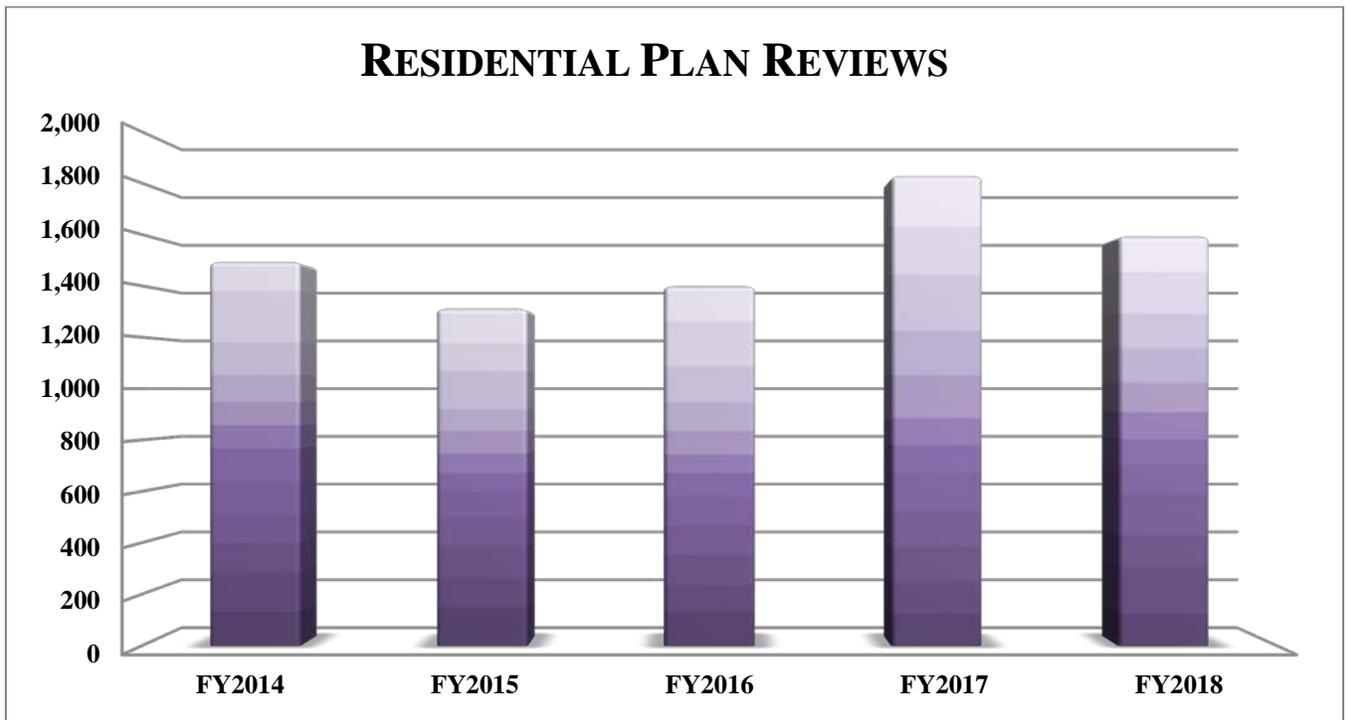


Source: Community Development.

b) Building Permits

Building permits issued increased by 8.4% in FY 2018 as compared to the same period in FY 2017, despite a decrease of 7% in new residential construction permits. The value of building permits also decreased slightly by 0.9%, and residential plans reviewed went down by 15% in FY 2018 as compared to the same period last year. Overall construction values saw a slight downward trend compared to recent years.

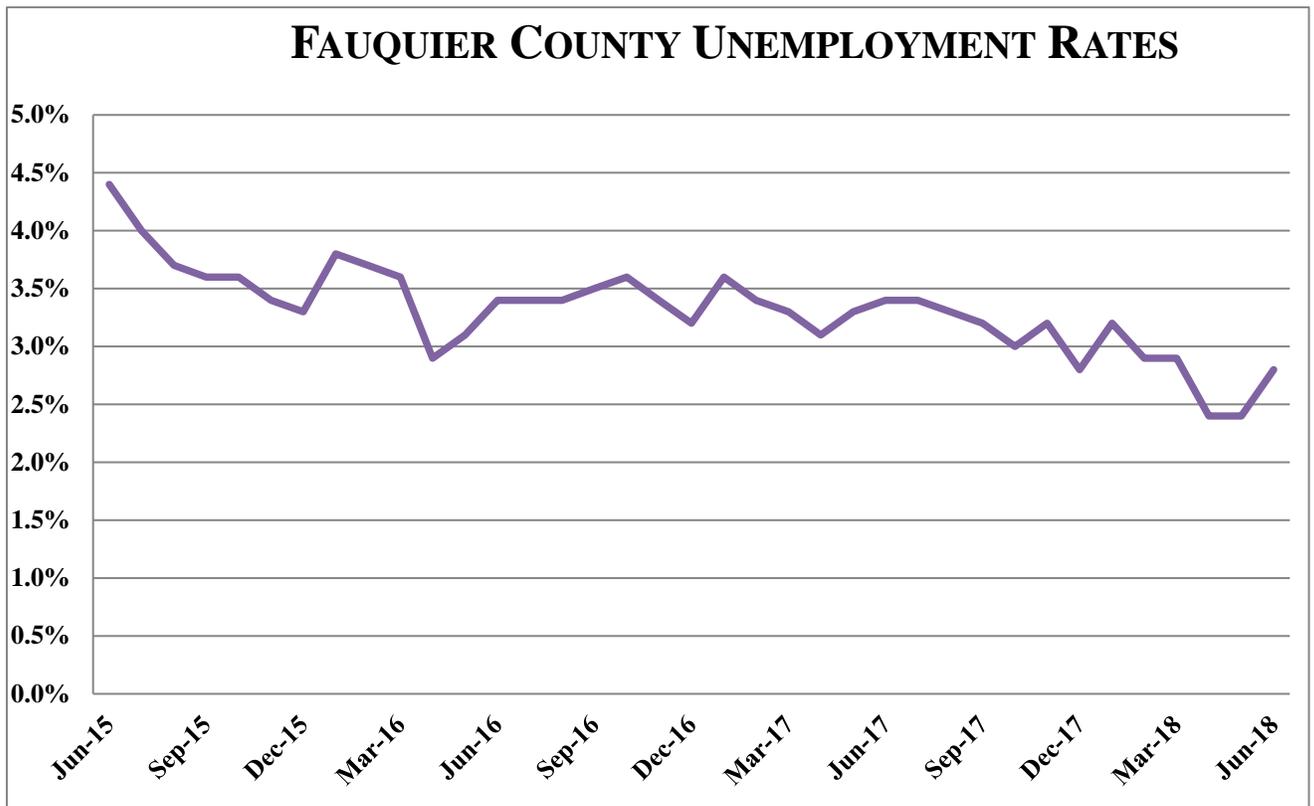




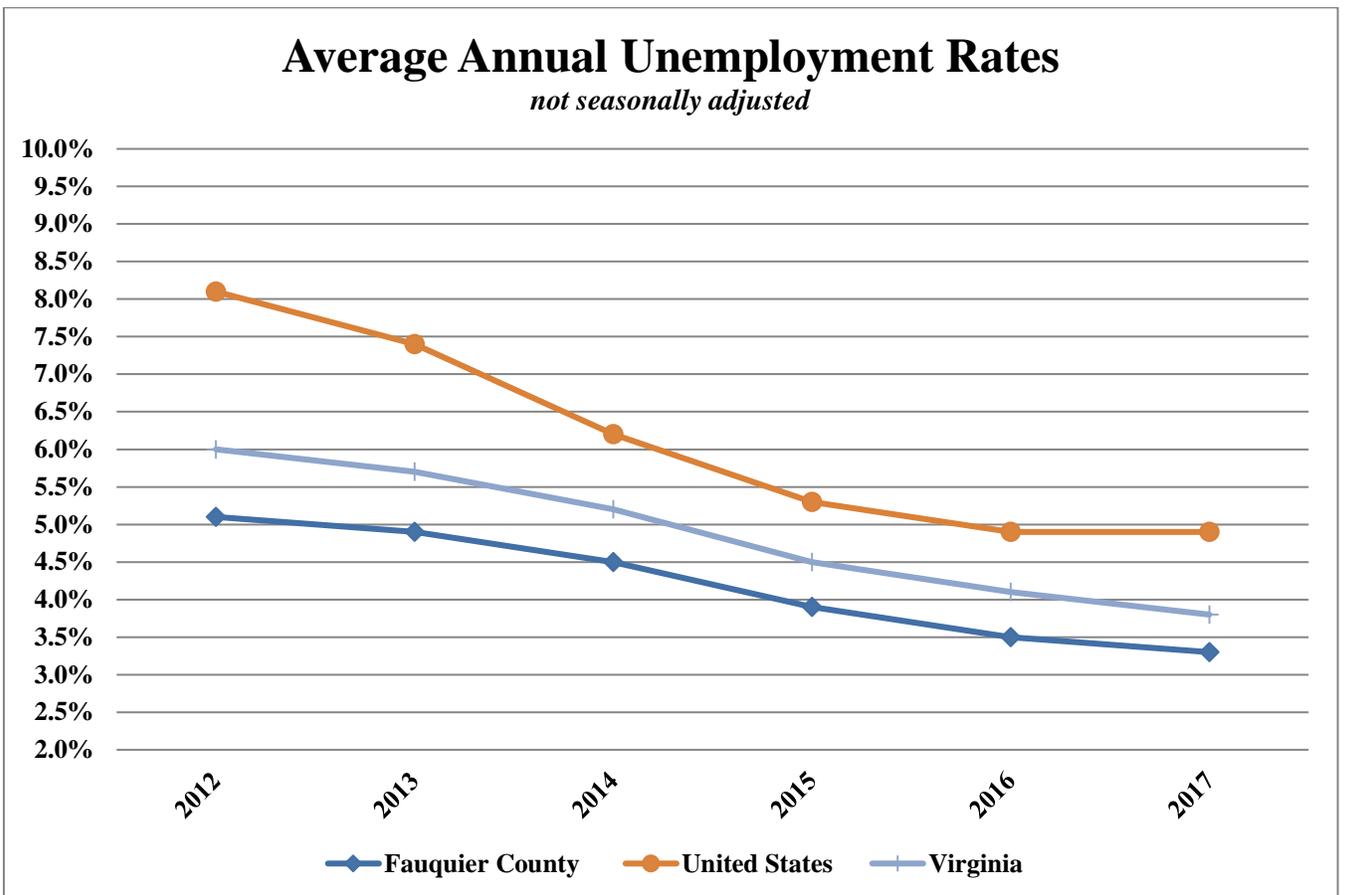
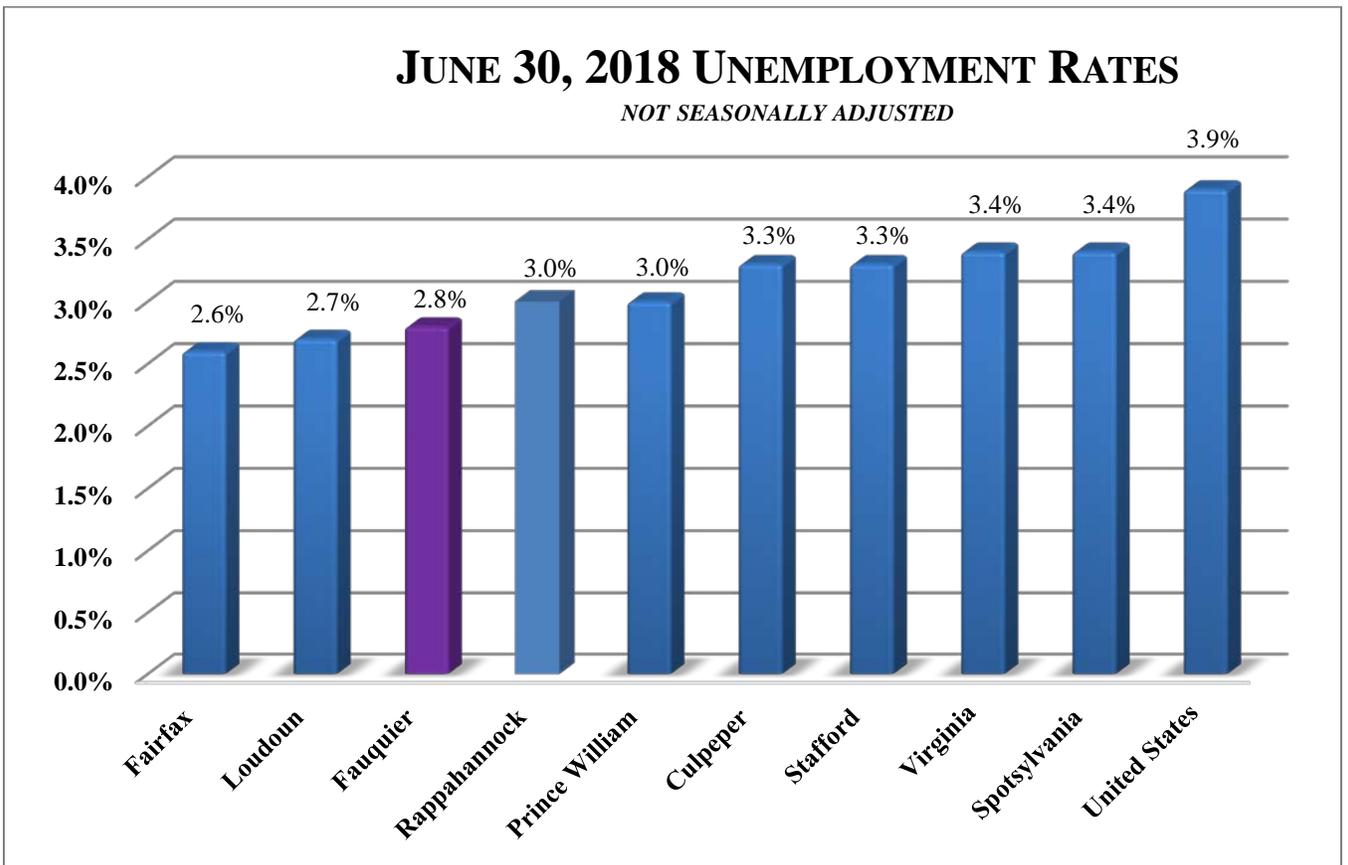
2. Employment

a) Unemployment Rates

The Fauquier County unemployment rate continued to decline in FY 2018, down almost 5.1% as compared to FY 2017. The County saw the lowest rate in more than 7 years with an unemployment rate of 2.4% in April and May of 2018 before climbing slightly in June. These trends are in line with the state and the surrounding regions. In comparison to other local jurisdictions, Fauquier County's June 2018 unemployment rate of 2.8% trails Fairfax and Loudoun and leads Prince William, Rappahannock, Culpeper, Stafford, and Spotsylvania. Overall for the Commonwealth, Fauquier County ranked 9th behind other localities such as Arlington, Falls Church City, Fairfax City, Alexandria City, and Madison.



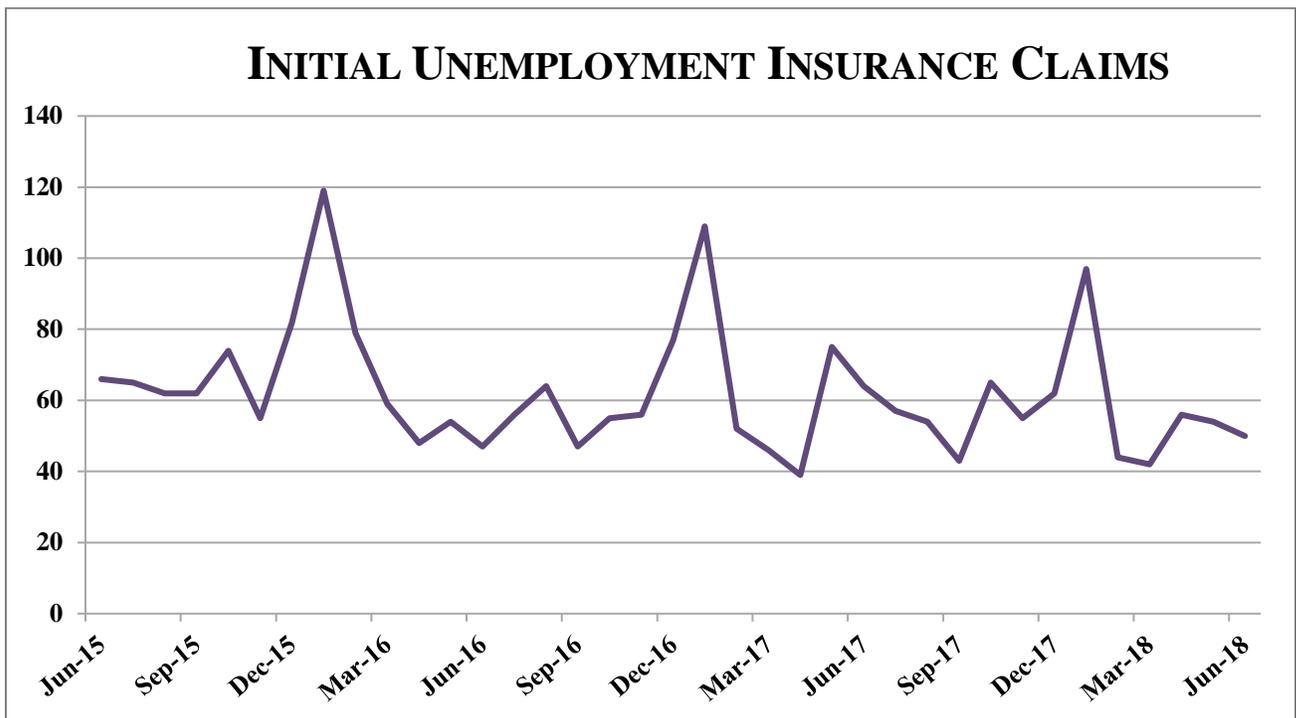
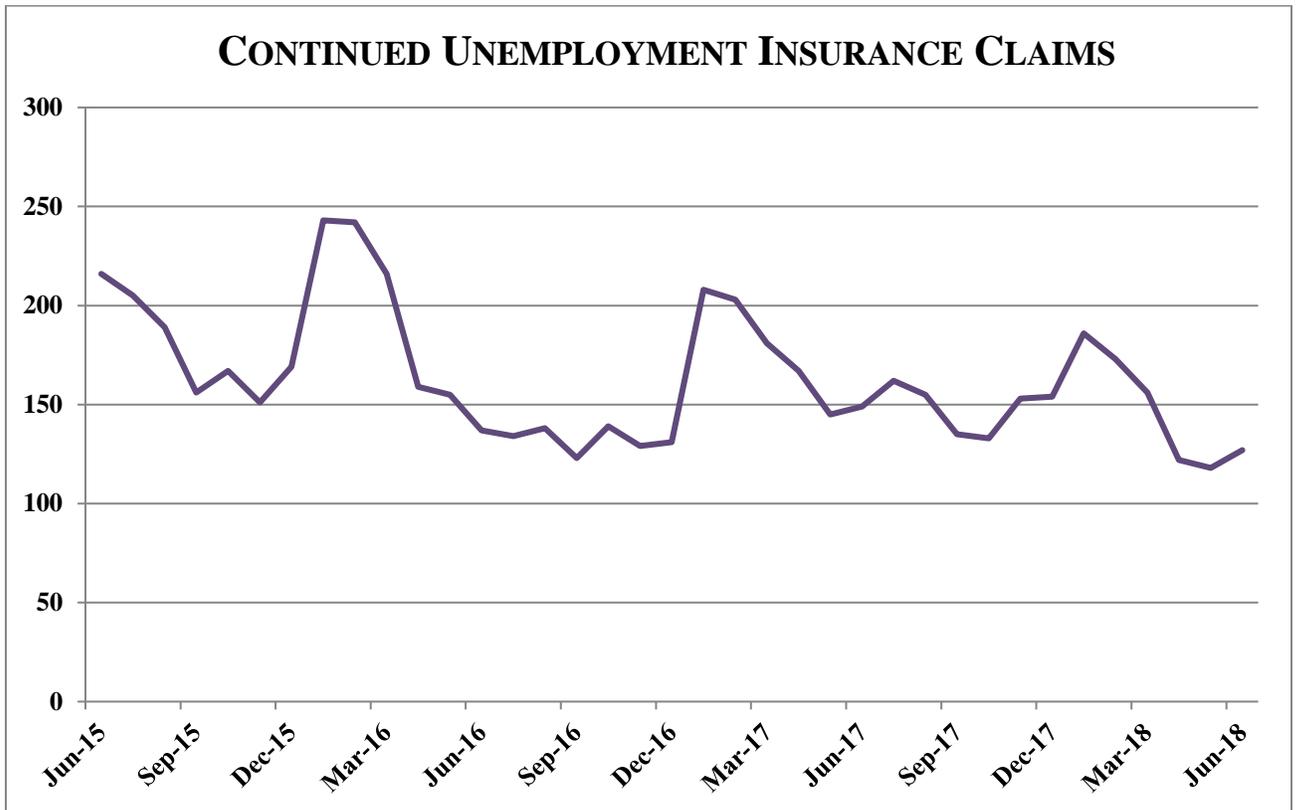
Source: Virginia Employment Commission.



Source: Virginia Employment Commission.

b) Unemployment Insurance Claims

Continued unemployment insurance claims saw a 6.9% decrease in FY 2018, as compared to the last year fiscal, while initial unemployment claims saw a decrease of 8.2% as compared to last year, consistent with seasonal fluctuation.



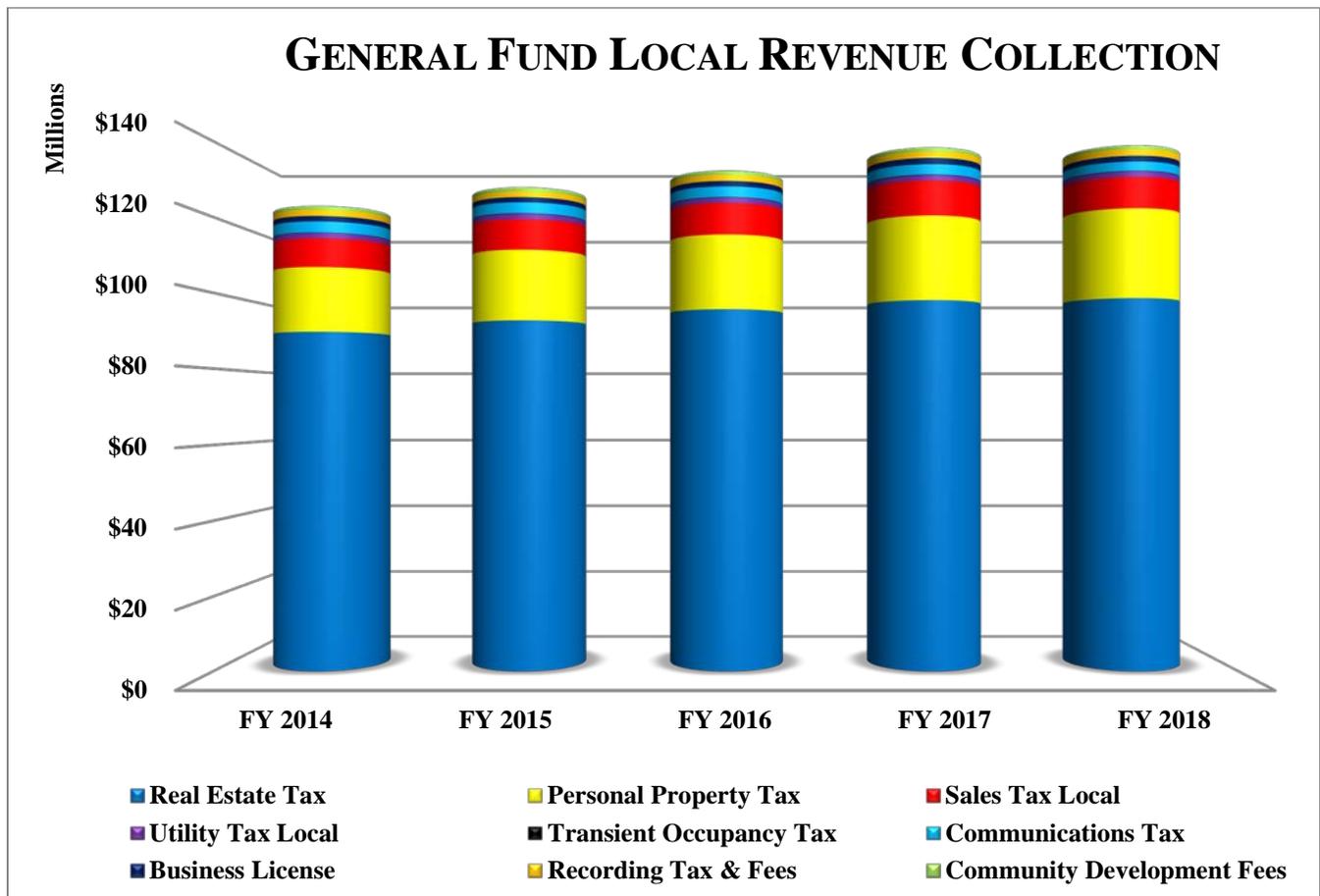
Source: Virginia Employment Commission

3. Local Revenues

The following graphs display key General Fund local revenue sources. Local revenue sources observed are real estate tax, personal property tax, sales taxes, utility tax, recording tax and fees, business and other professional licensing tax and fees, and transient occupancy tax revenue.

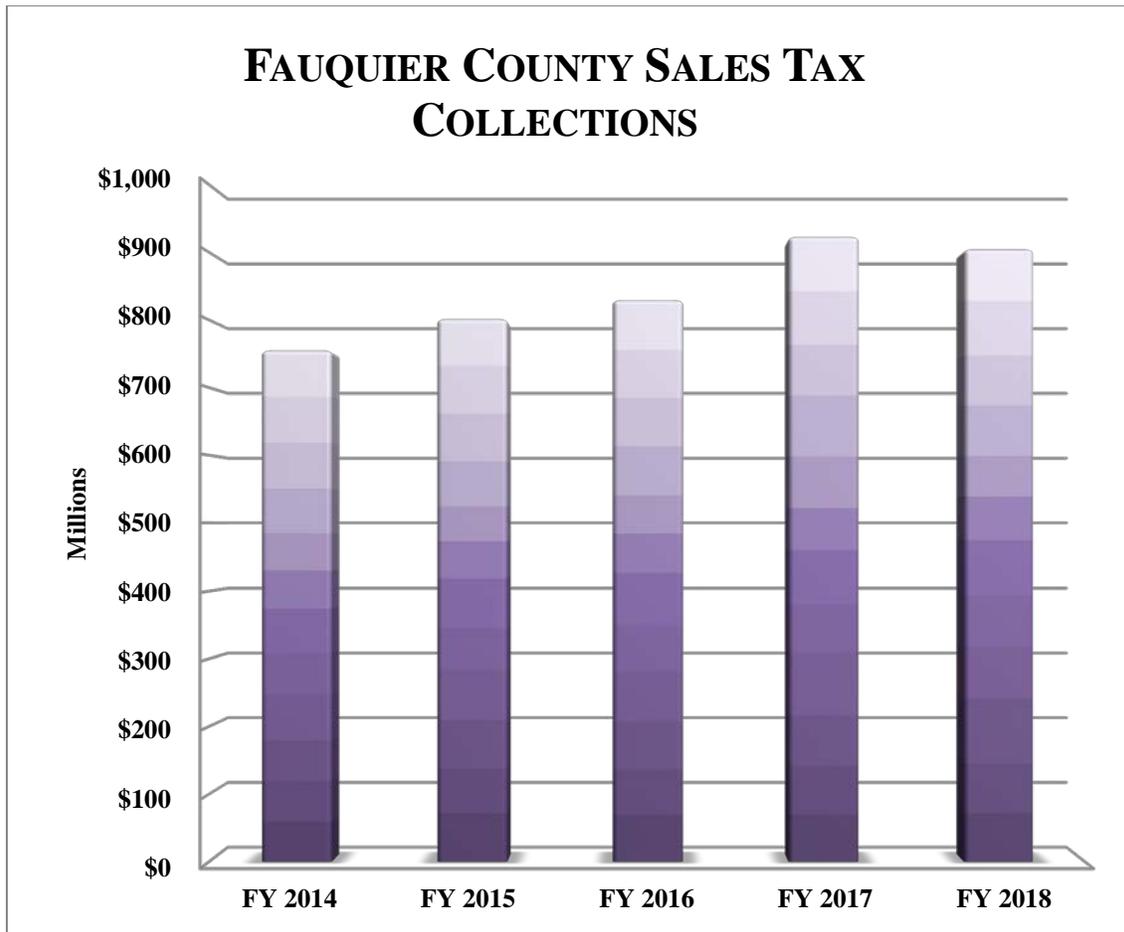
a) General Fund Local Revenue Collection

General Fund local revenues continued to grow in FY 2018, with a slight increase of 0.39% as compared to FY 2017. The most significant growth in FY 2018 can be found in real estate and personal property taxes.



b) Sales Tax Revenue

Monthly sales tax collections experienced a 2% decrease in FY 2018 in comparison to FY 2017. This remains in line with the rest of the region and outpaces the State's annual growth trend.

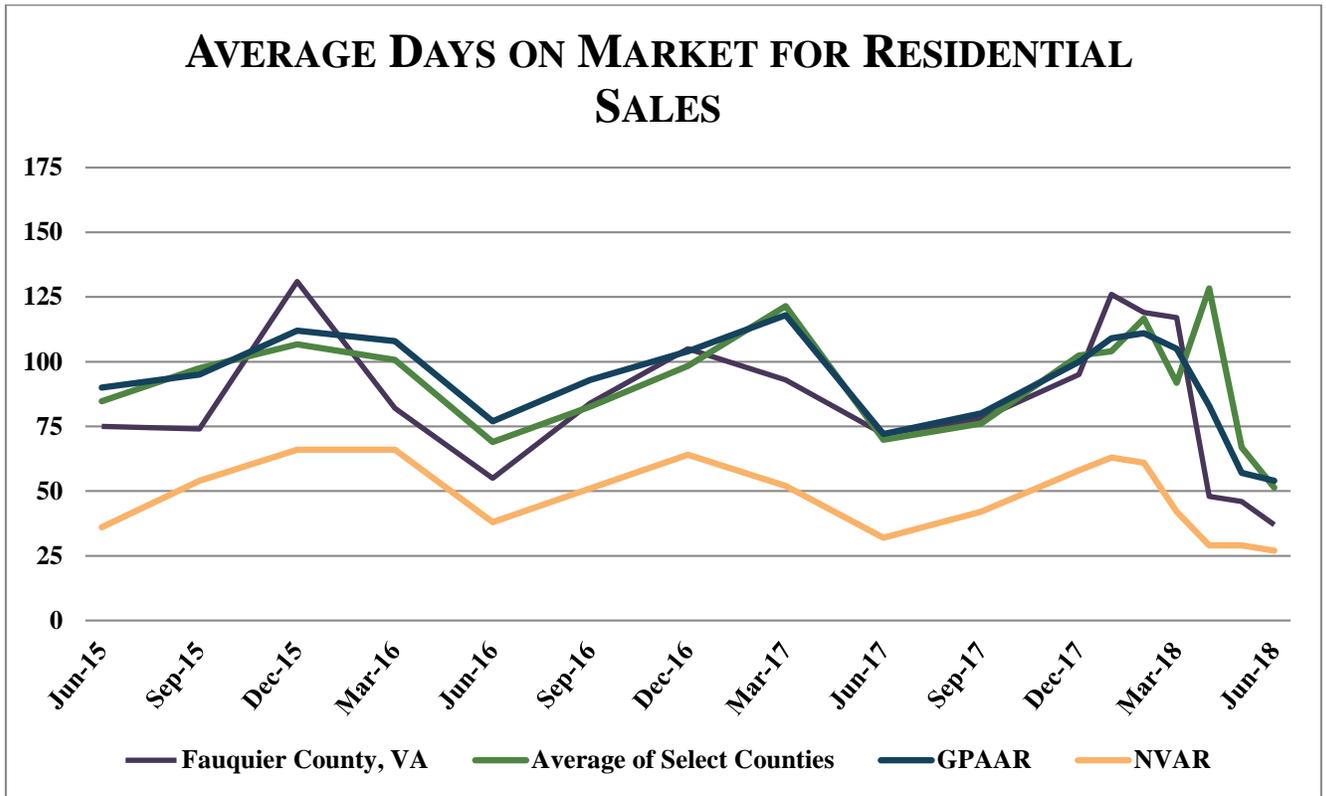


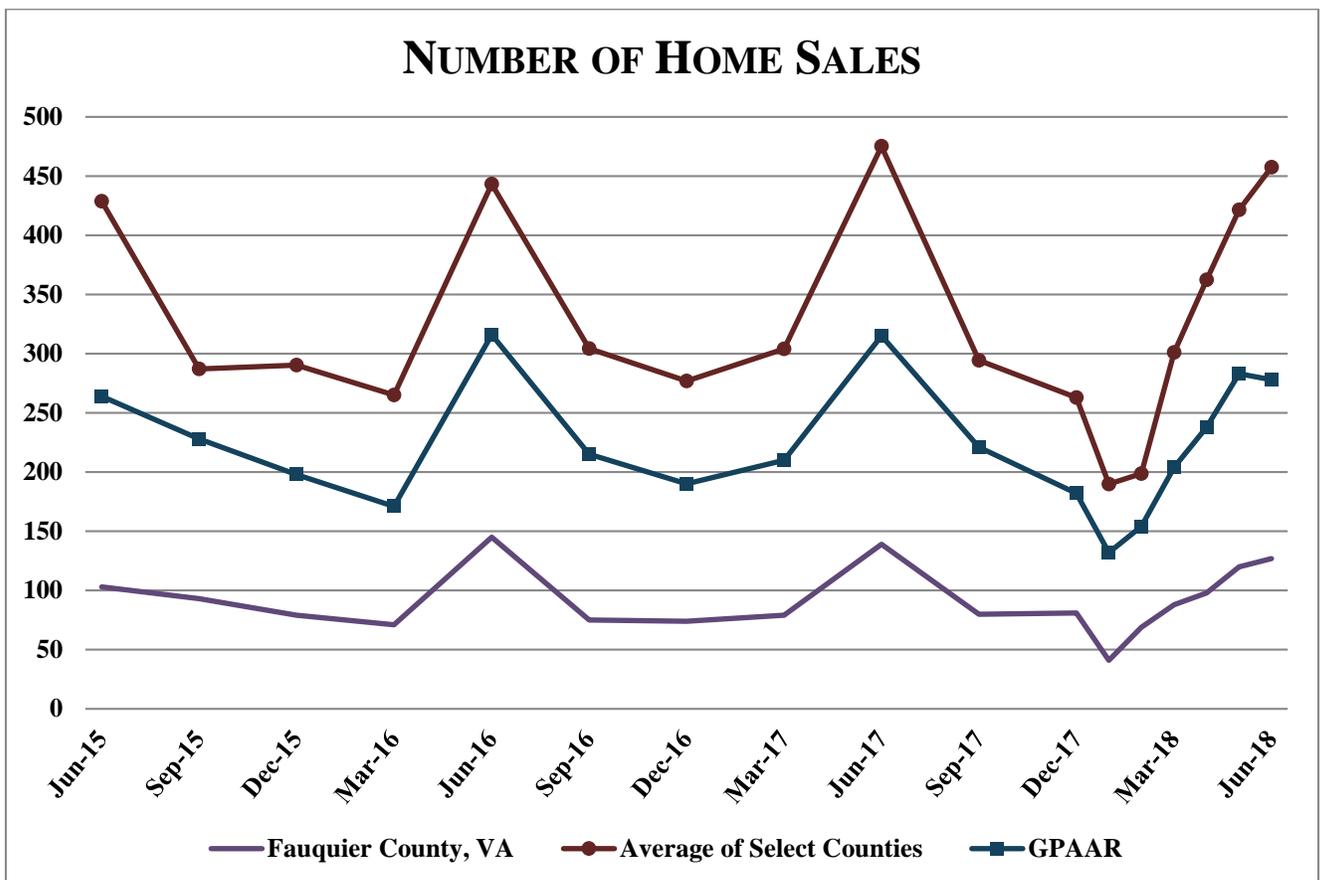
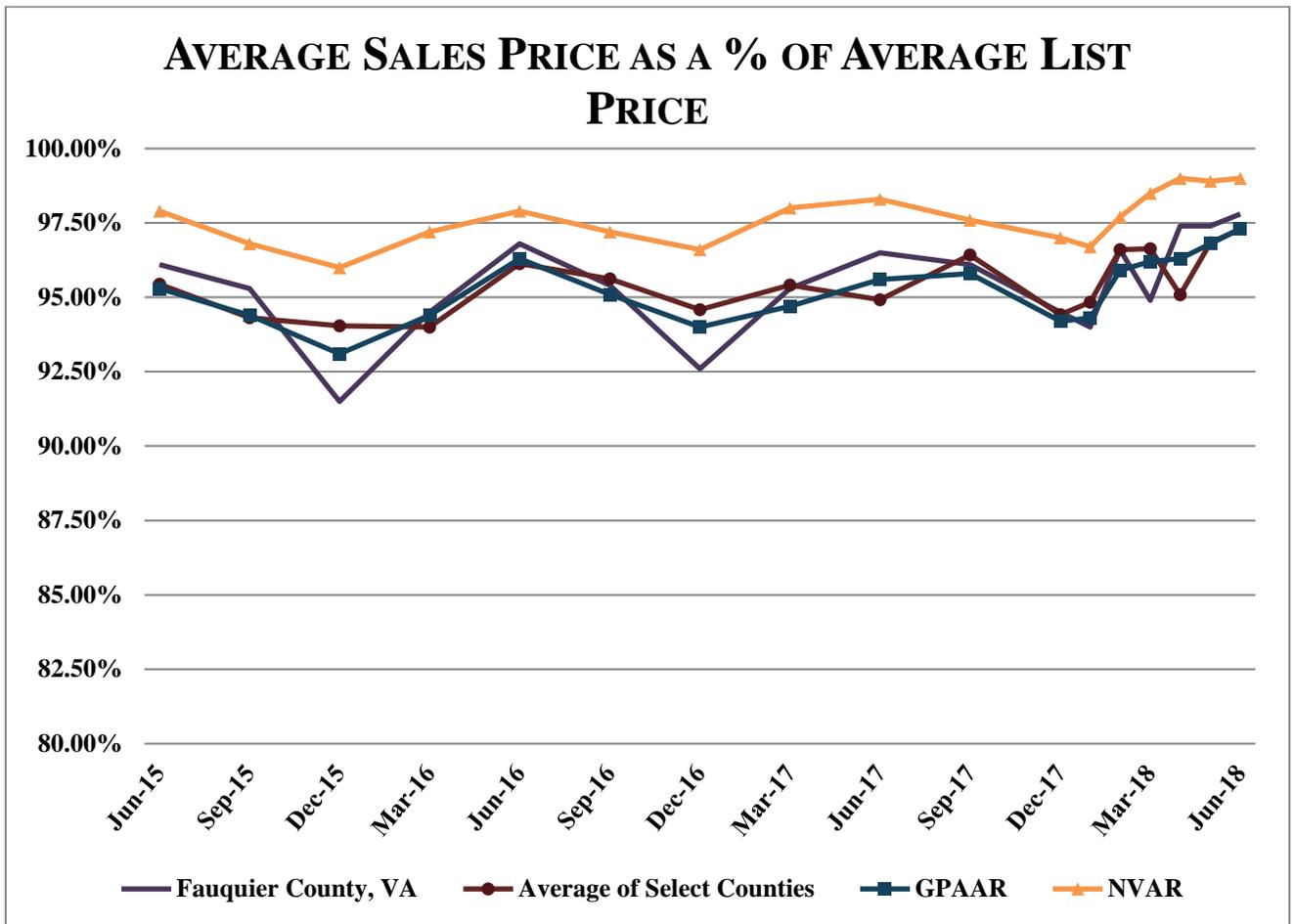
4. Residential Housing Market – Current Data

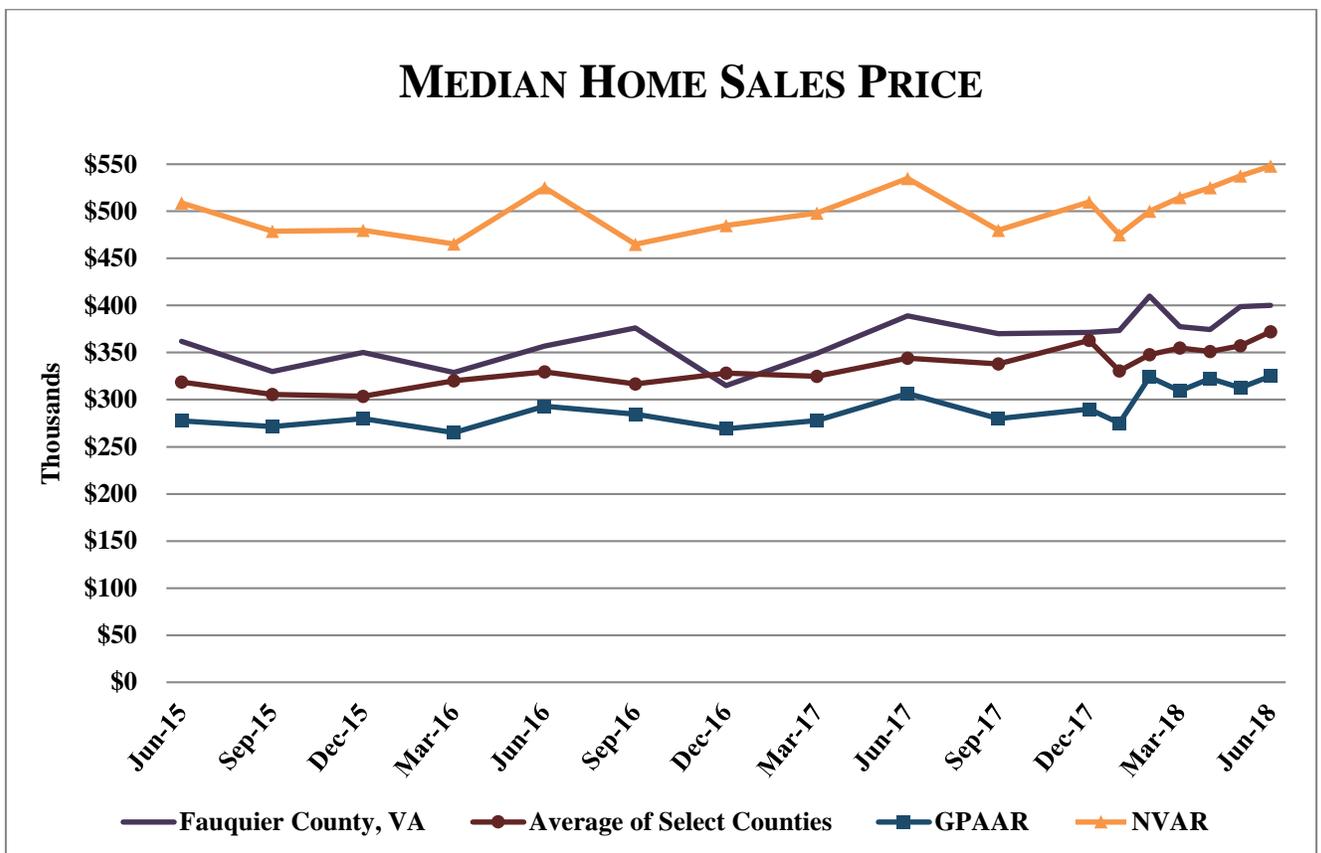
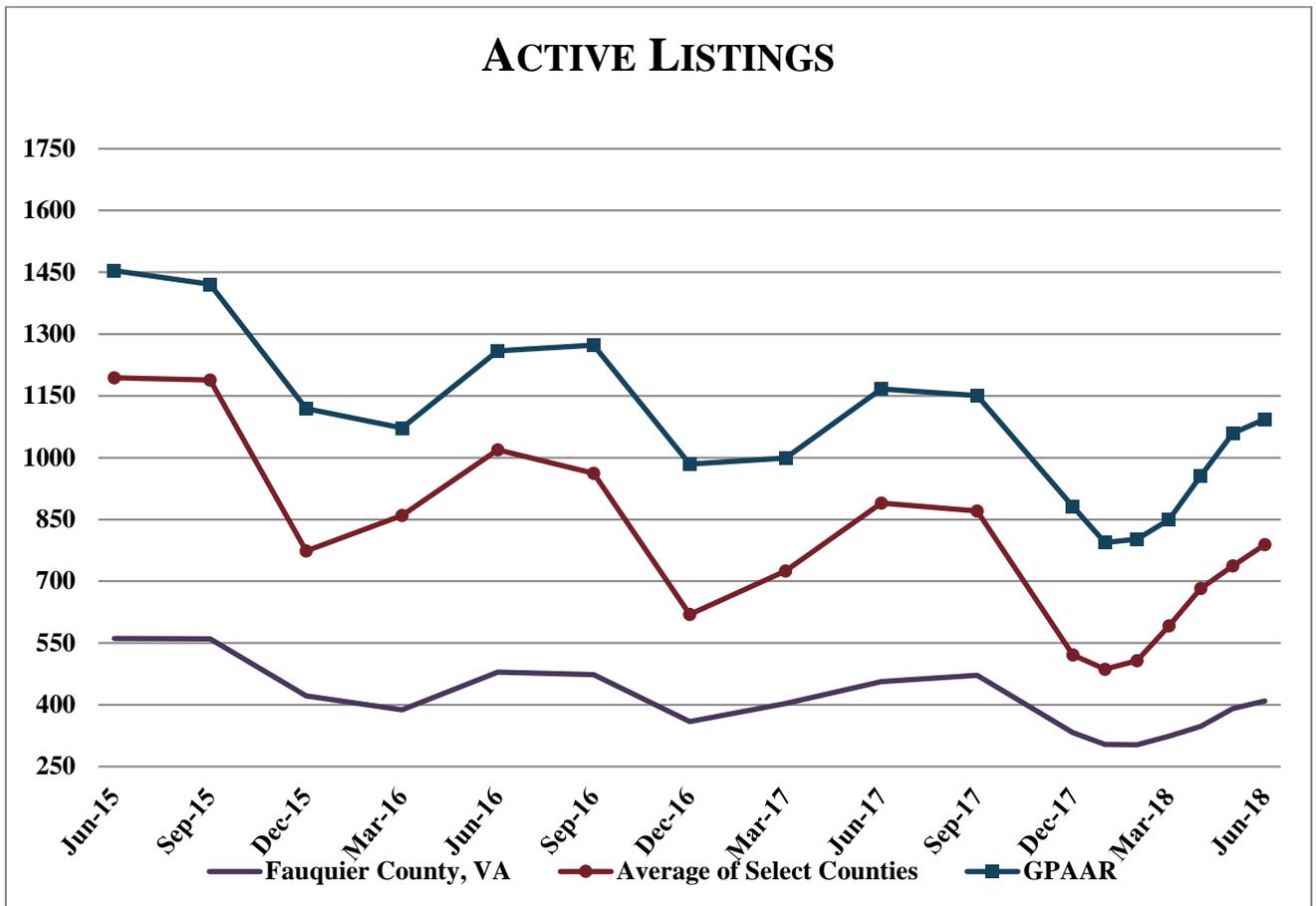
The following charts provide data on various characteristics of the local residential housing market. The graphs display data for Fauquier County, the Greater Piedmont Area Association of Realtors, Northern Virginia Association of Realtors, and/or an average of select counties. The Greater Piedmont Area Association of Realtors (GPAAR) is composed of the following counties: Fauquier, Culpeper, Orange, Madison, and Rappahannock. The Northern Virginia Association of Realtors (NVAR) is composed of the following counties or cities: Fairfax County, City of Fairfax, Arlington County, City of Alexandria, and City of Falls Church. The selected counties for purposes of averaging include Fauquier, Culpeper, Orange, Madison, Fairfax, Loudoun, Prince William, Rappahannock, and Spotsylvania.

a) Residential Sales

The County’s housing market has remained relatively stable throughout FY 2018, with only normal seasonal fluctuation. The number of units sold decreased by approximately 8.6% at the end of FY 2018 but the median sales price increased nearly 3% as compared to the same period in FY 2017. This trend is similar to the region and an experience seen on the state and national levels, with insufficient real estate inventory-to-market demand. The median sales price has stayed relatively flat, with seasonal fluctuation, similar to the rest of the region.





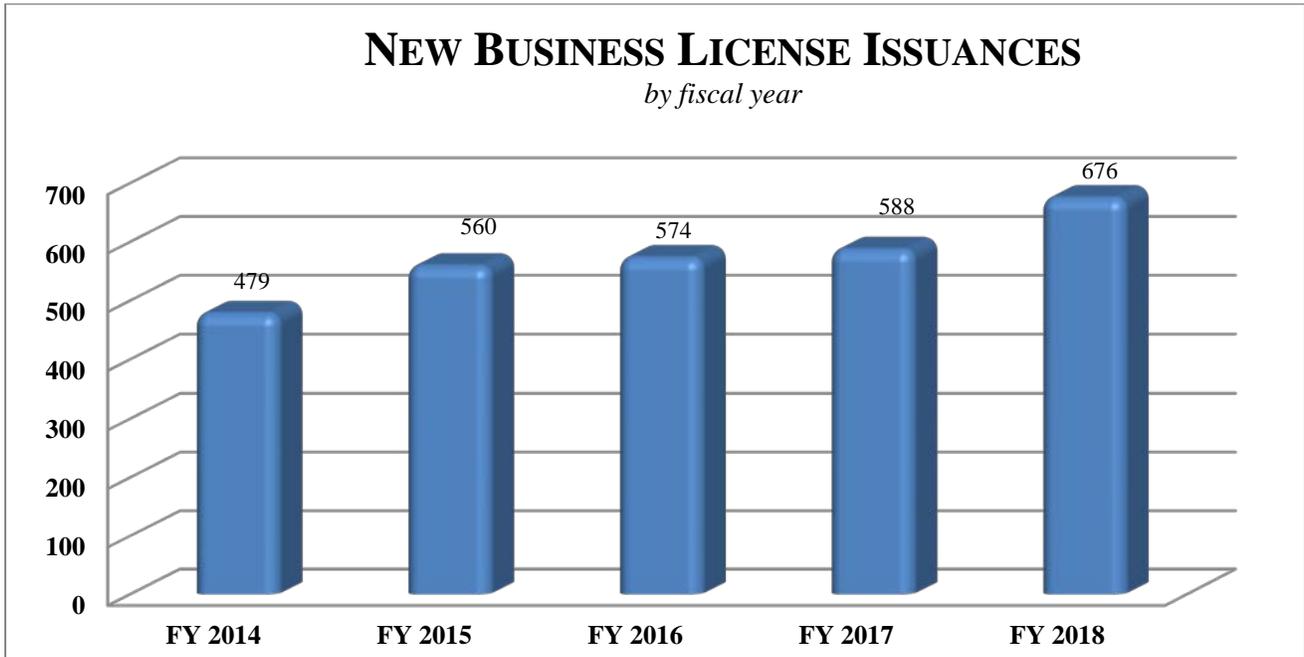


Source: Metropolitan Regional Information Systems, Inc. (MRIS)

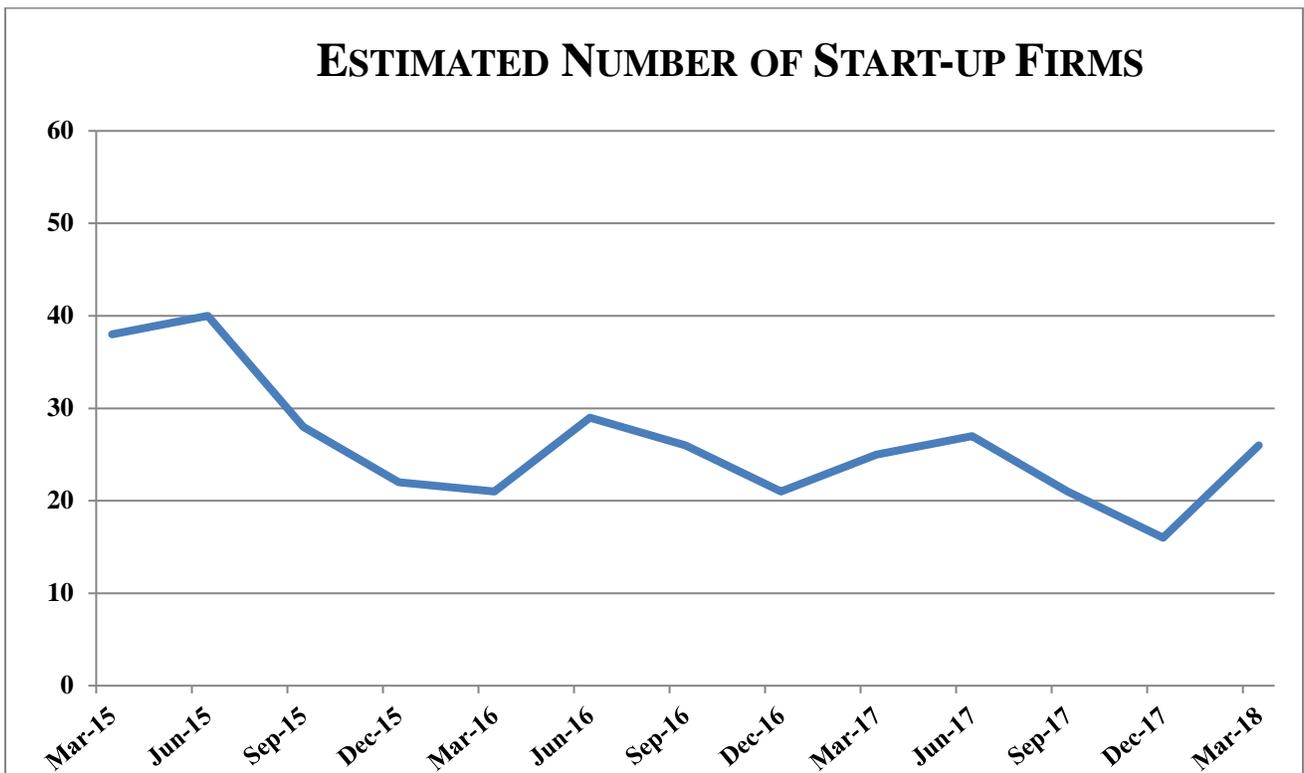
B. Historical Economic Indicators Data

1. Businesses

The number of new licenses issued for businesses continues to experience a positive trend over the last four years, with a nearly 15% increase in FY 2018 compared to FY 2017. The number of start-up firms continues to experience seasonal fluctuations, with a decrease of approximately 3.9% through the end of the first quarter of CY 2018 as compared to the same period in CY 2017.



Source: Commissioner of the Revenue



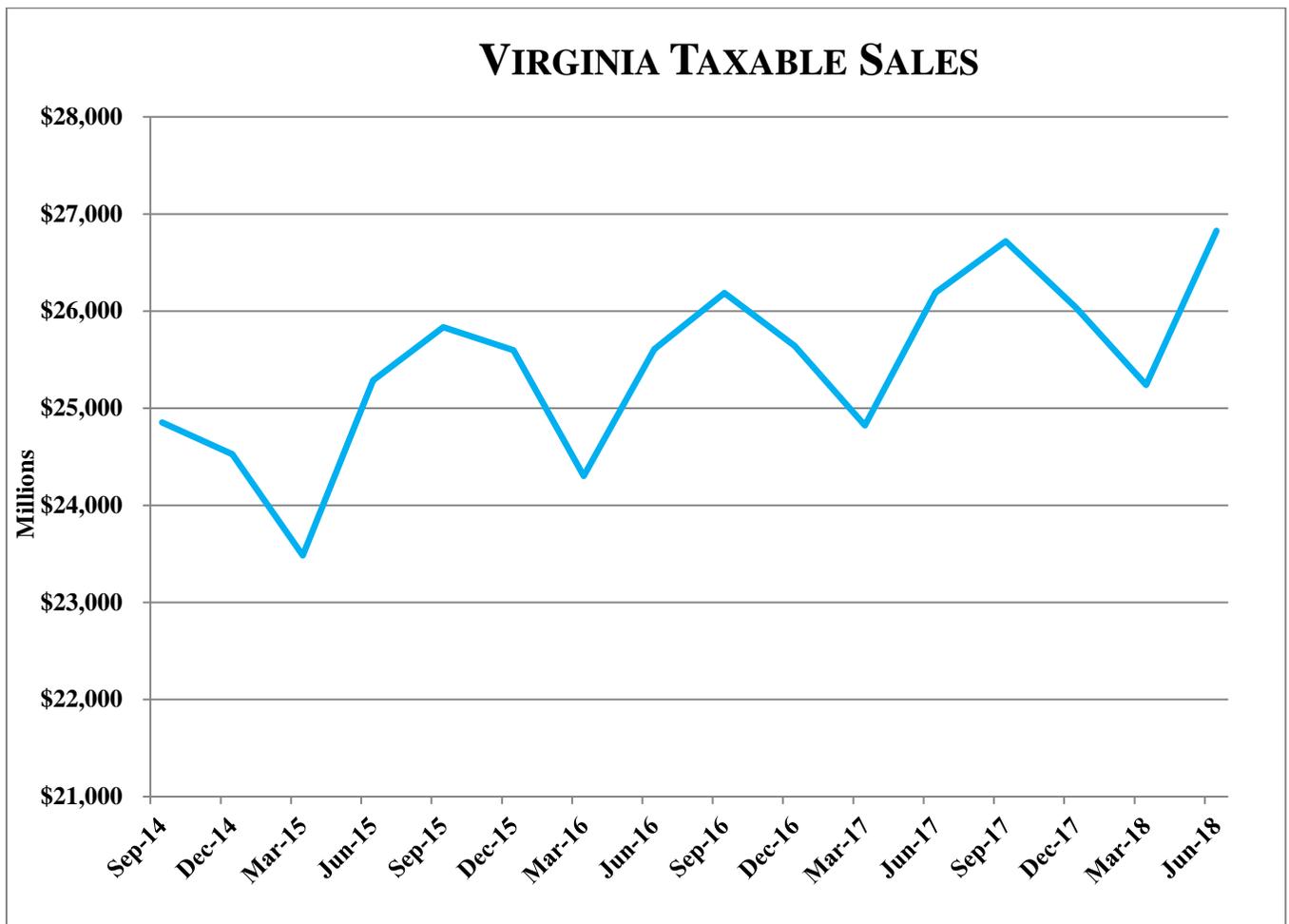
Source: Virginia Employment Commission, as of March 31, 2018

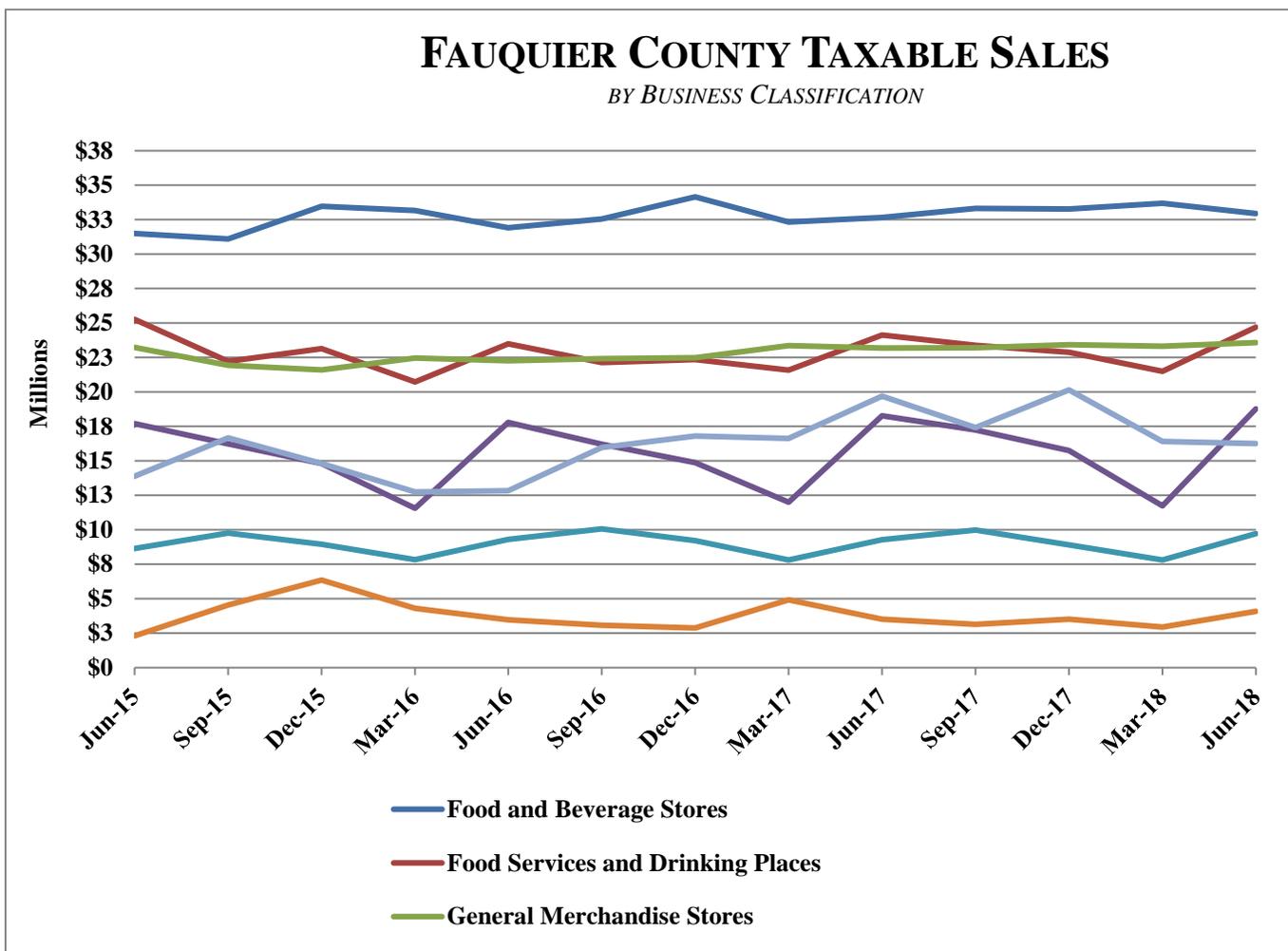
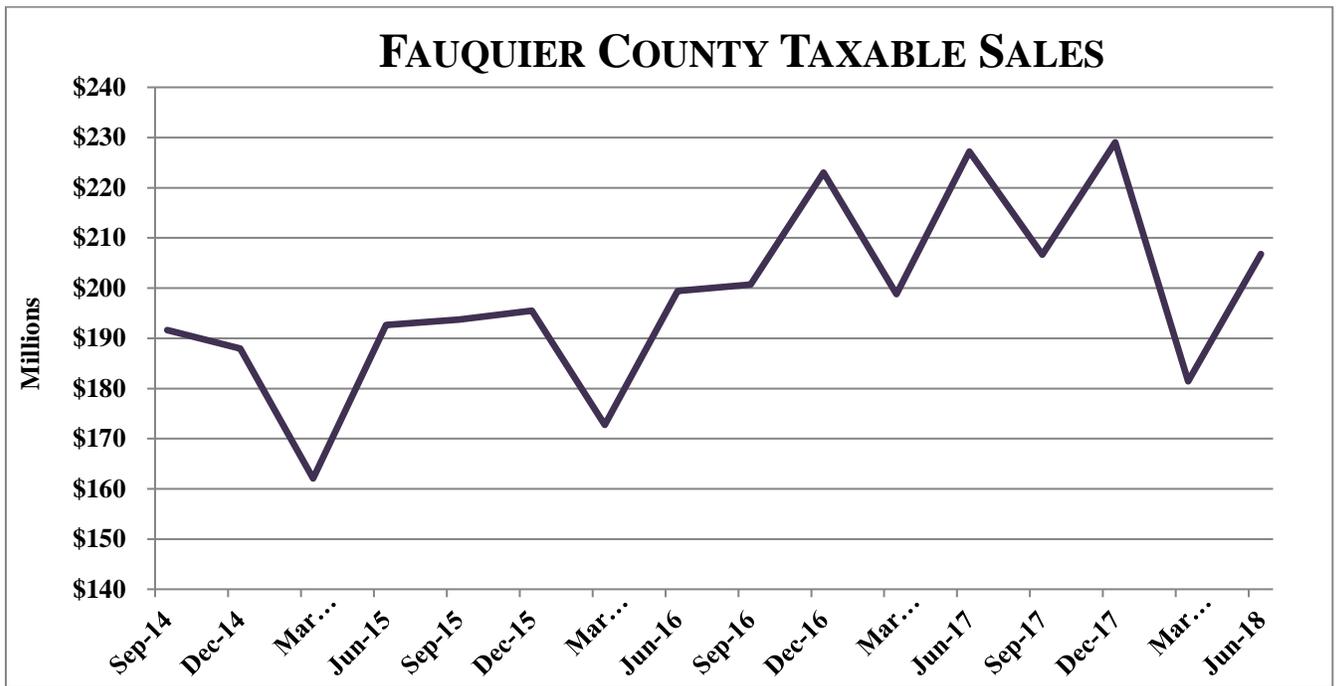
2. Taxable Sales

The following graphs provide data trends of taxable sales relative to the County, the State, and other local jurisdictions including:

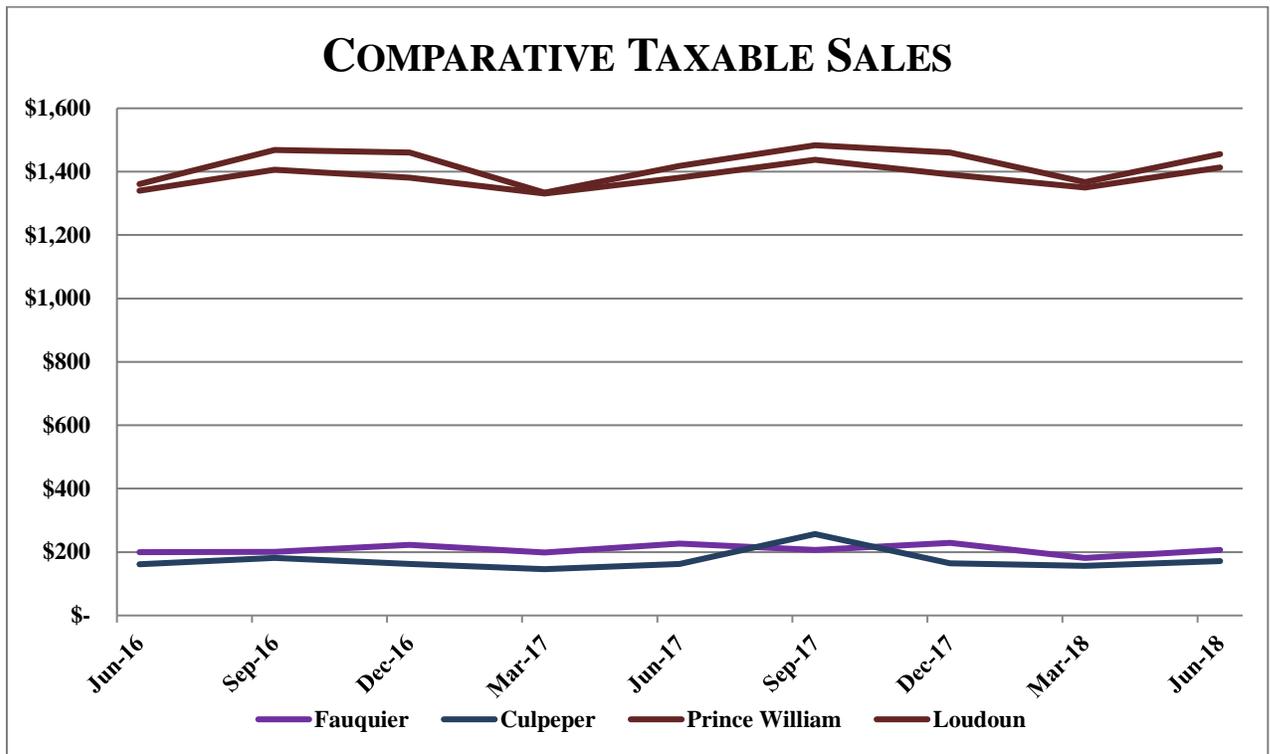
- Virginia statewide taxable sales;
- Fauquier County taxable sales;
- Fauquier County total taxable sales for business classifications with sales in excess of \$10 million at the beginning or end of the recession; and
- Fauquier County taxable sales in comparison to Prince William, Loudoun, and Culpeper Counties.

At the end of the fourth quarter of FY 2018, the County experienced a 10% decrease in taxable sales as compared to the same period in FY 2017. Taxable sales classification, Merchant Wholesalers, Durable Goods saw a decrease of 17.4% in in FY 2018 as compared to the same period in FY 2017, however Nonstore Retailers increased by 15.7%. Gasoline Stations, Building Material and Garden Equipment Supplies Dealers, Food Services and Drinking Places, General Merchandise Stores, and Food and Beverage Stores also saw increases of 4.5%, 2.7%, 2.4%, 1.7%, and 0.9% respectively.





Note: Categories displayed only represent those classifications that had \$10 million or more in monthly sales prior to the recession.
 Source: Weldon Cooper Center for Public Service, UVA.



Source: Weldon Cooper Center for Public Service, UVA.