

Fauquier County Economic Indicators



March 31, 2013
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 trends as a quick snapshot of the market today which can indicate where the market is moving or of historical trends to display the trends of the market 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, or local government and the private sector. The information collected is based on 8 key categories for both current and historical trends: bankruptcy filings, businesses, community development fees and permit issuances, employment, environmental services tonnage data, residential sales and foreclosures, 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 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 are beginning to show signs of sustained growth in FY 2013.
Community Development	Building & new residential construction permits		The number of new residential construction permits continues to improve with total number of permits issued in the first nine months of FY 2013 equivalent to the total issued in FY 2012. Building permits for the first nine months of FY 2013 increased by 20.6% over the same period of FY 2012.
Employment	Unemployment rate	-	The County's unemployment rate remains one of the lowest in the State at 4.3% in March 2013 and the seventh lowest overall.
Employment	Unemployment insurance claims	-	Continued and initial claims continue to decline with no marked fluctuations.
Environmental Services	Landfill tonnage	-	Landfill tonnage remains stable.
Environmental Services	Recycling tonnage	-	Recycling tonnage remains stable with continued signs of slow construction and demolition recycling growth.
Local Revenue	County sales tax collections		Sales tax collections continue to rise in comparison to the same month of the prior year. To date, the County's sales tax collections have not experienced a negative impact from the federal sequestration or experienced the overall State trend of actual collections are slightly lagging the projection.
Residential Housing Market	Days houses are on market	-	While the average number of days homes are on the market prior to sale rose at the between December 2012 and March 2013, this is mainly due to limited inventory as the number of homes sold increased during the same period. As inventory has begun to increase in the spring, the average days has also begun to decline.
Residential Housing Market	Median sales price		Median home sale prices continue to improve, trending over \$300,000 for the first time since the beginning of the recession.
Residential Housing Market	Foreclosures and short sale listings	-	Foreclosure and short sale listings remain stable at a level lower than the highs of the recession.
Residential Housing Market	Number of homes sold		The number of home sales continues to stabilize at pre-recession levels similar to other localities in the region.

Fauquier County Economic Indicators

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
Bankruptcy Filings	Number of bankruptcy filings	↑	The number of bankruptcy filings for both business and non-business filings continue to decline throughout 2012.
Businesses	Number of new licenses issued	↓	While the decline in the number of new licenses issuance lessened between FY 2010 and FY 2011, the decline heightened between FY 2011 and FY 2012.
Businesses	Number of startup firms	-	Some recovery has been observed since the drop-off of Summer 2011, but less stable than prior months.
Residential Housing Market	Foreclosures by loan type	↑	Foreclosures continue to remain at levels lower than the height of the recession with slight improvements on a quarterly basis for all loan types.
Taxable Sales	Taxable sales	↑	Taxable sales continue a trend of slow, modest growth with continued improvement within key classifications and overall.

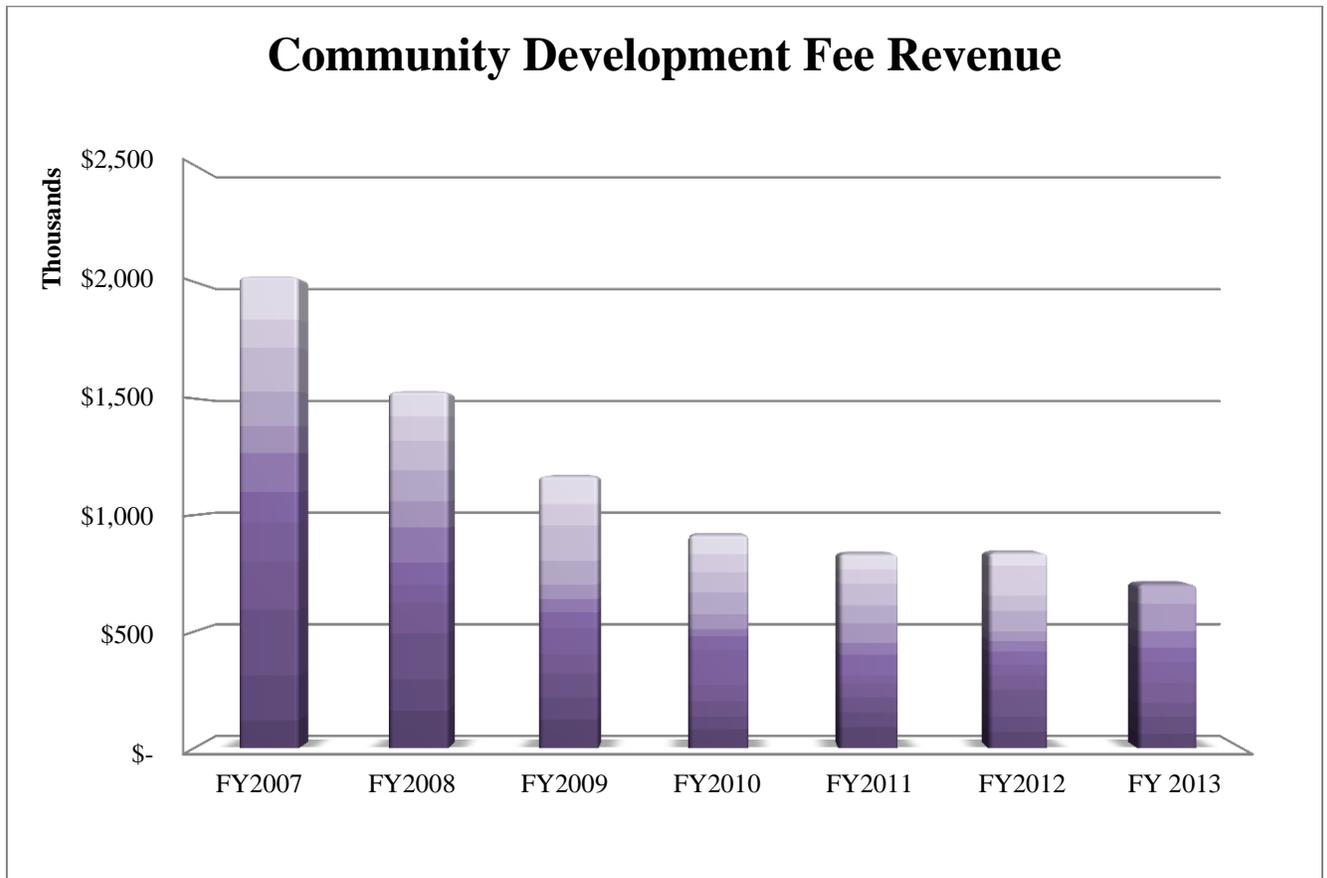
III. Economic Indicators – Data

A. Current Economic Indicators Data

1. Community Development

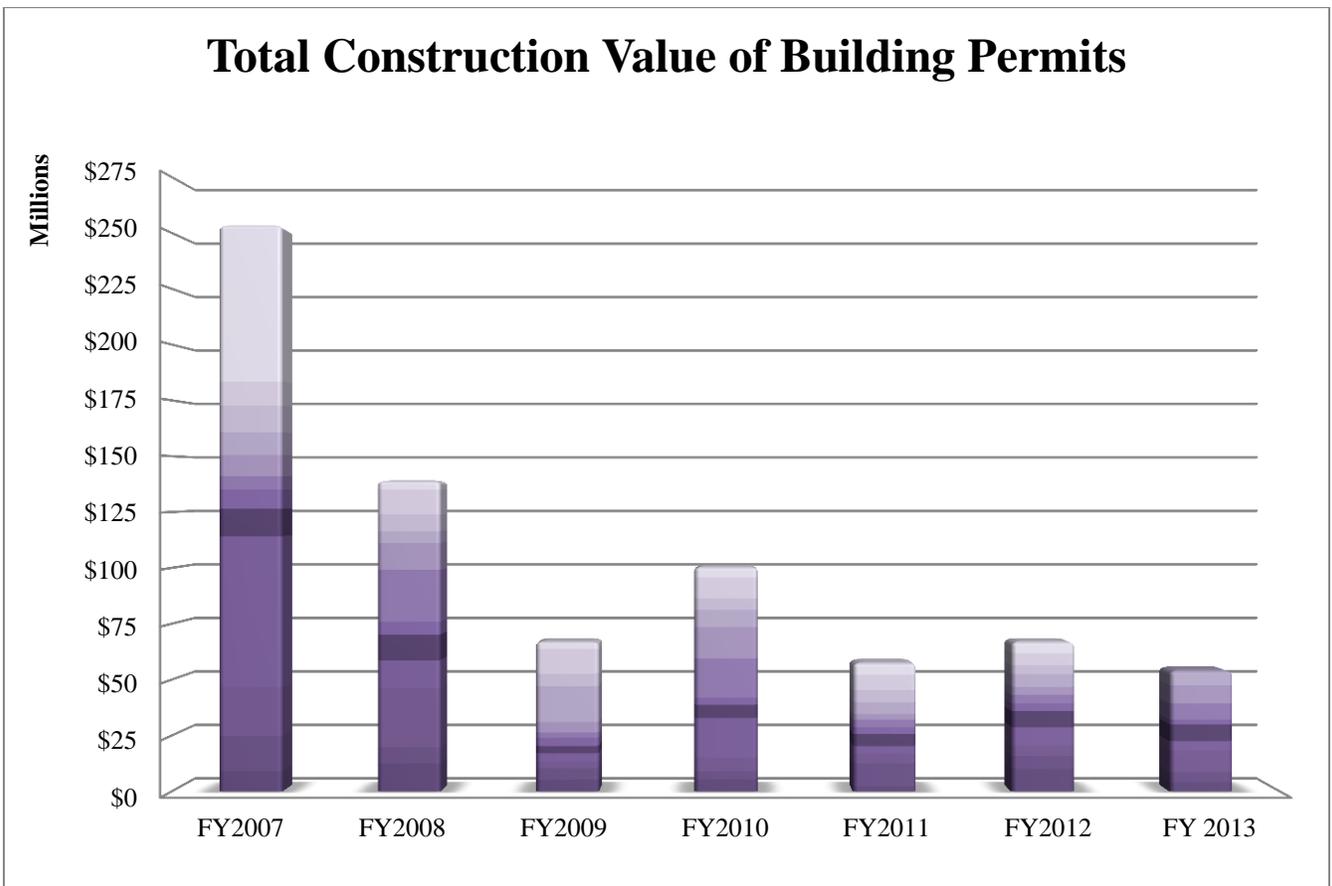
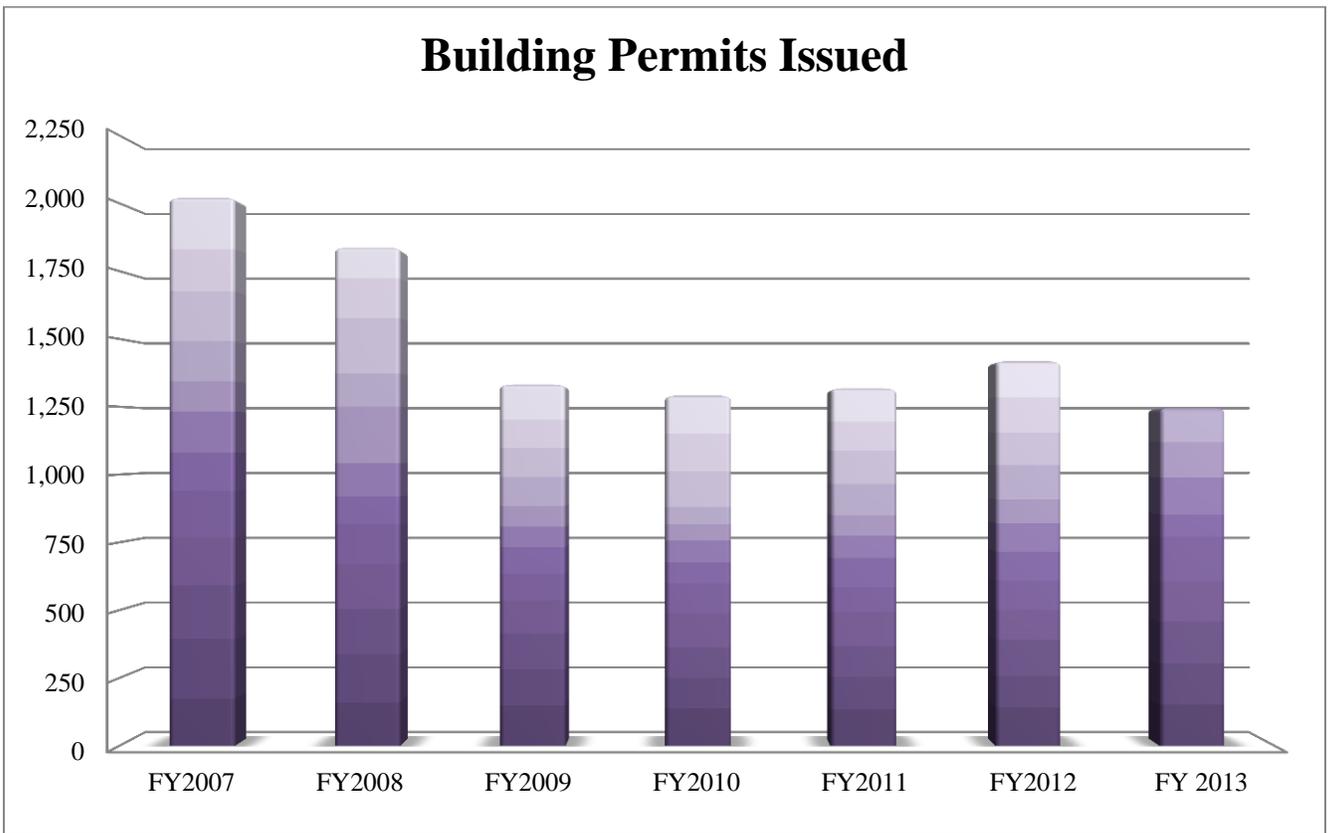
a) Community Development Fees

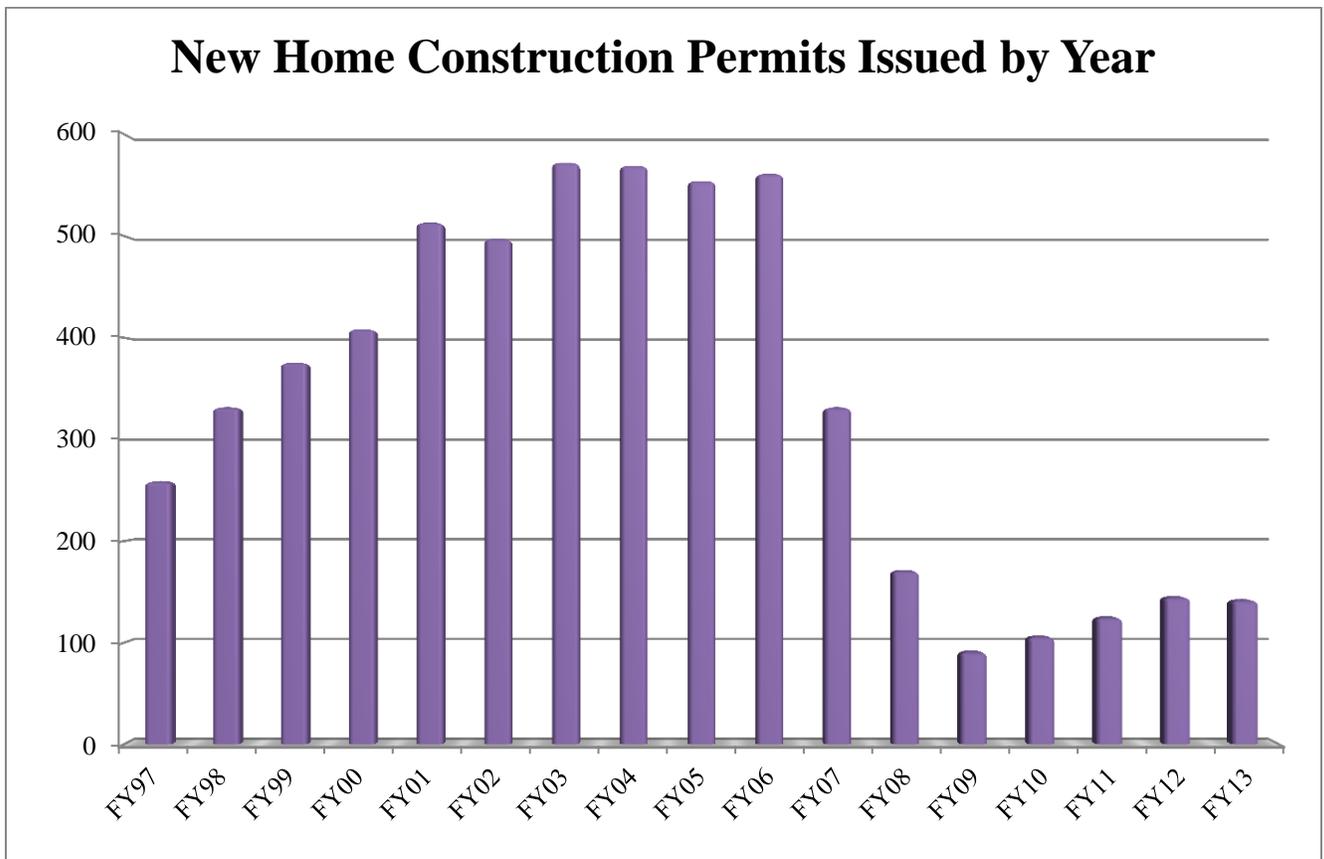
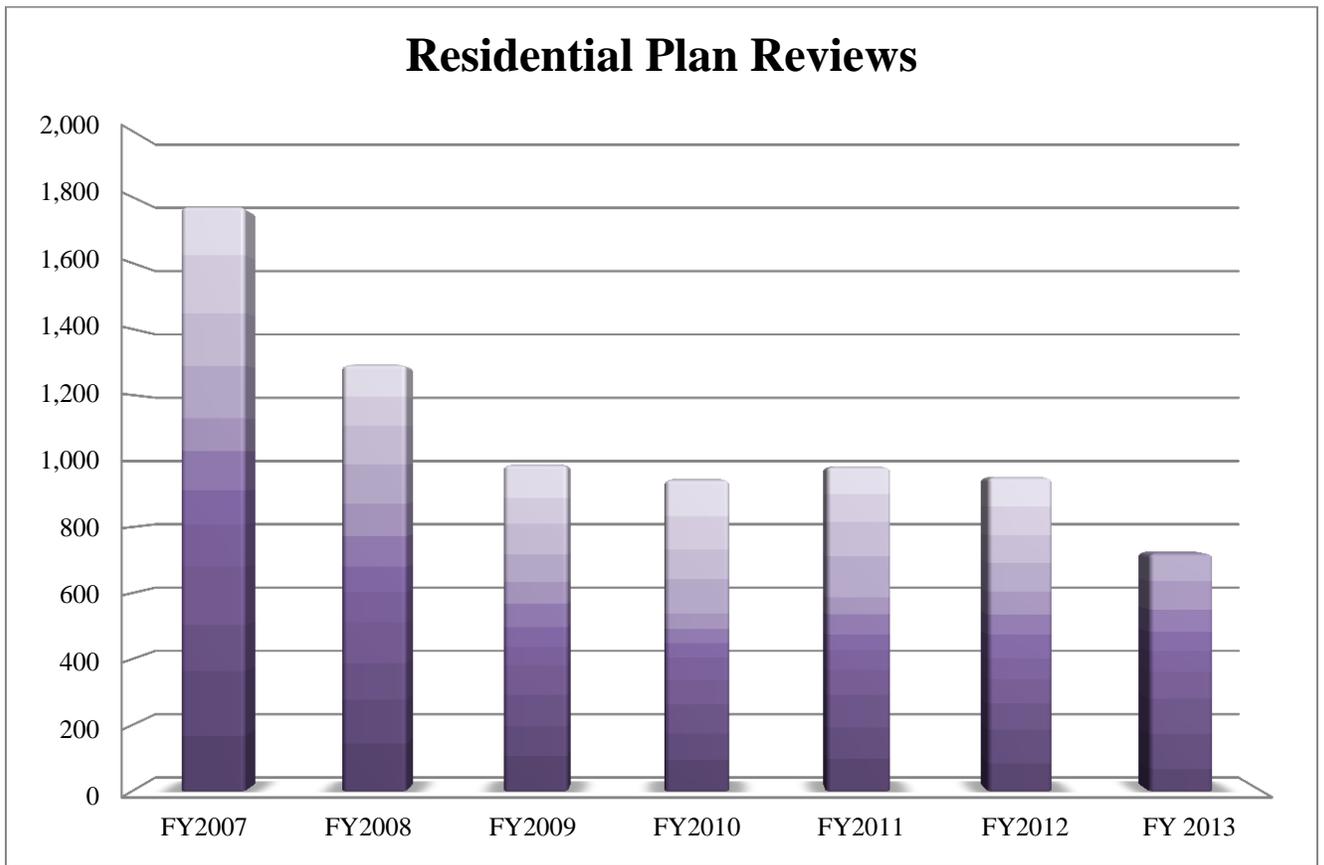
Community development fee revenue has begun to experience sustained growth since the first quarter of FY 2013. FY 2013 through the first nine months marks the highest total Community Development fee revenue since FY 2009 for the same time period.



b) Building Permits

Building permits for the first nine months of FY 2013 mark the highest number of building permits issued since FY 2008 for the same time period. New homes construction permits issued for the first nine months are equivalent to the total issued in all of FY 2012 and the highest quantity issued for the same time period since FY 2007.



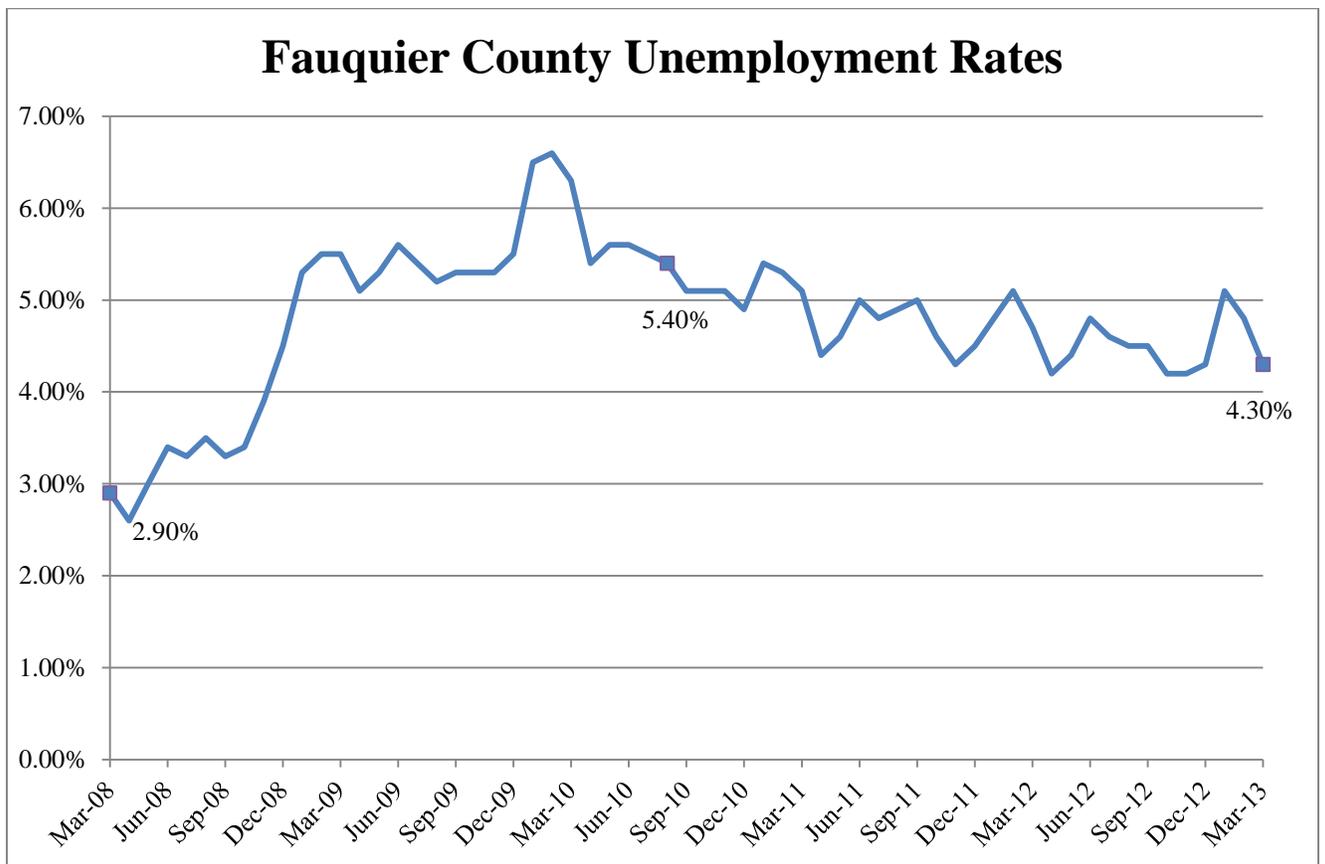


Source: Community Development

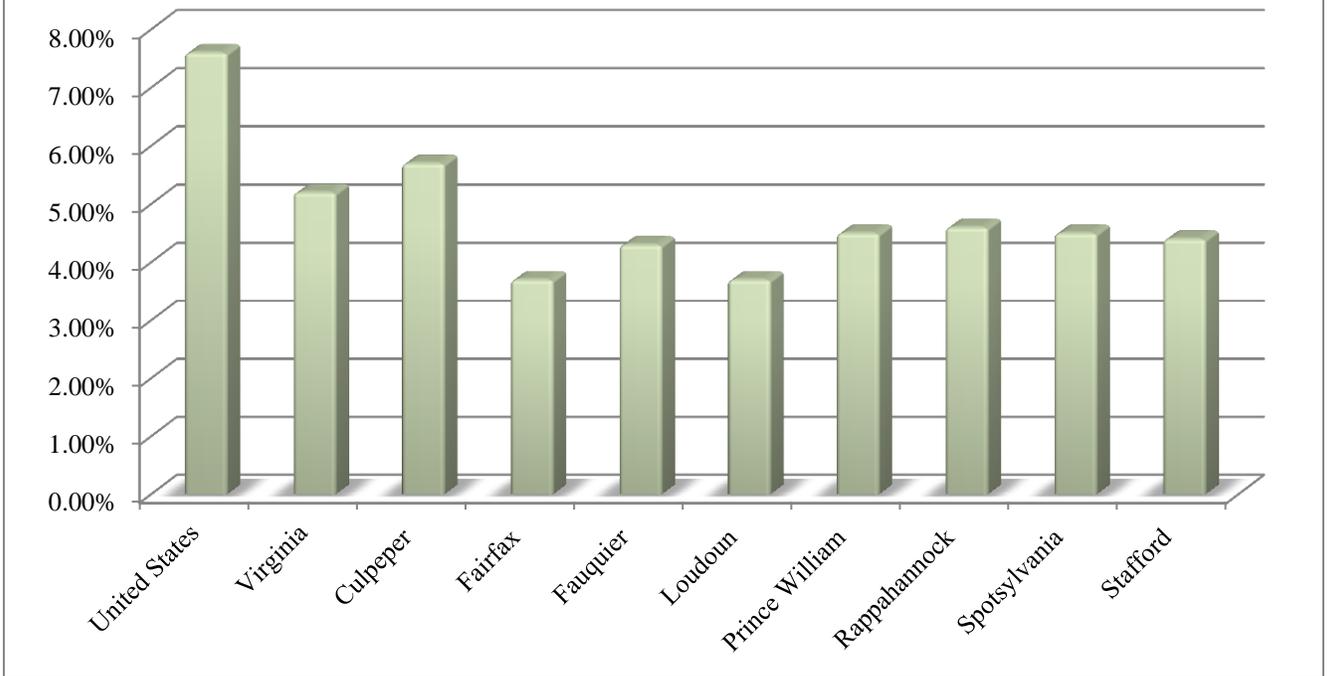
2. Employment

a) Unemployment Rates

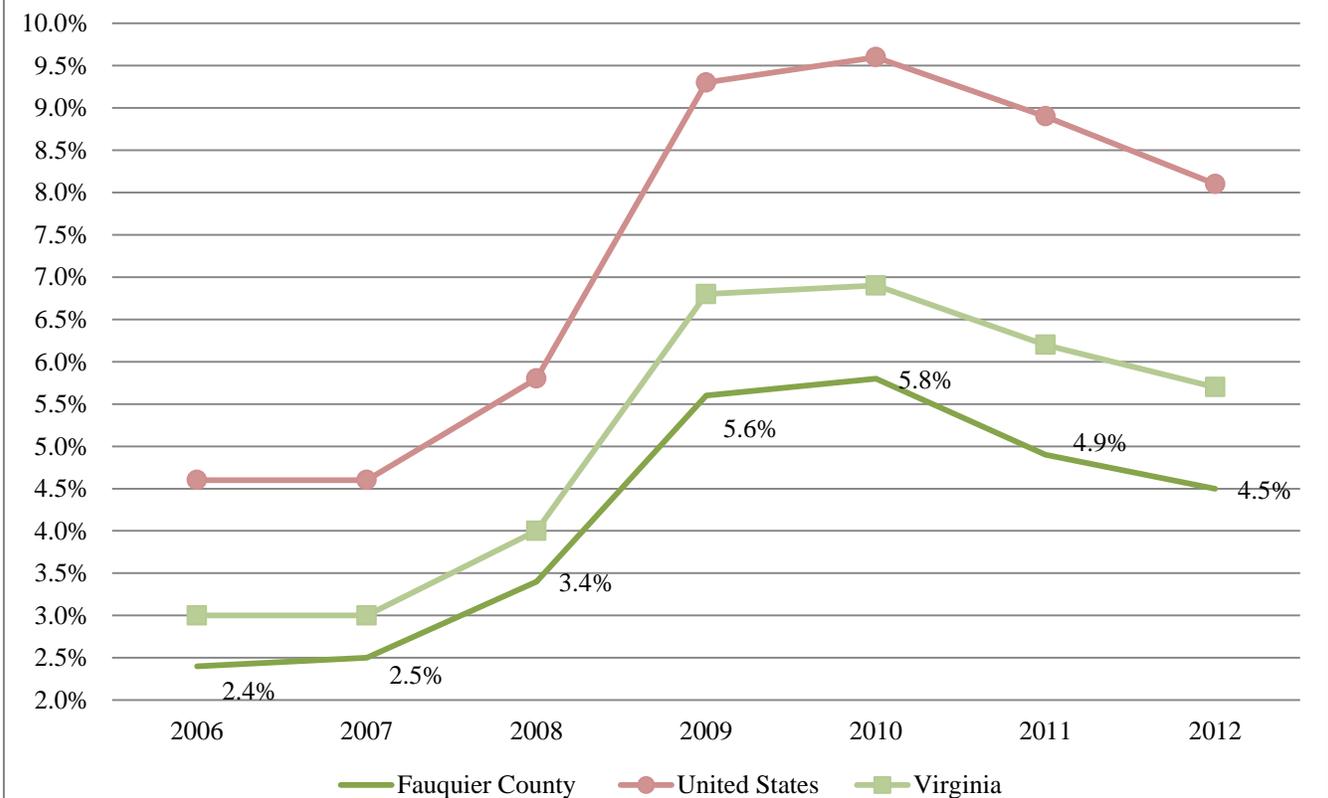
Unemployment for the United States and the Commonwealth of Virginia continues to slowly recover with marked improvements over the past twelve months. The Fauquier County unemployment rate remains on a slow decline. In comparison to other local jurisdictions, Fauquier County's March 2013 unemployment rate of 4.3% trails Arlington, Fairfax, Loudoun, Alexandria, Albemarle, and Fluvanna; ahead of Stafford, Prince William, Rappahannock, and Spotsylvania County; and is significantly lower than Culpeper County at 5.7%. Overall for the Commonwealth, Fauquier County ranked 7th behind Arlington, Fairfax, Loudoun, Alexandria, Albemarle, and Fluvanna; and is equal to Clarke, Greene, and Madison Counties.



March 2013 Unemployment Rates *not seasonally adjusted*



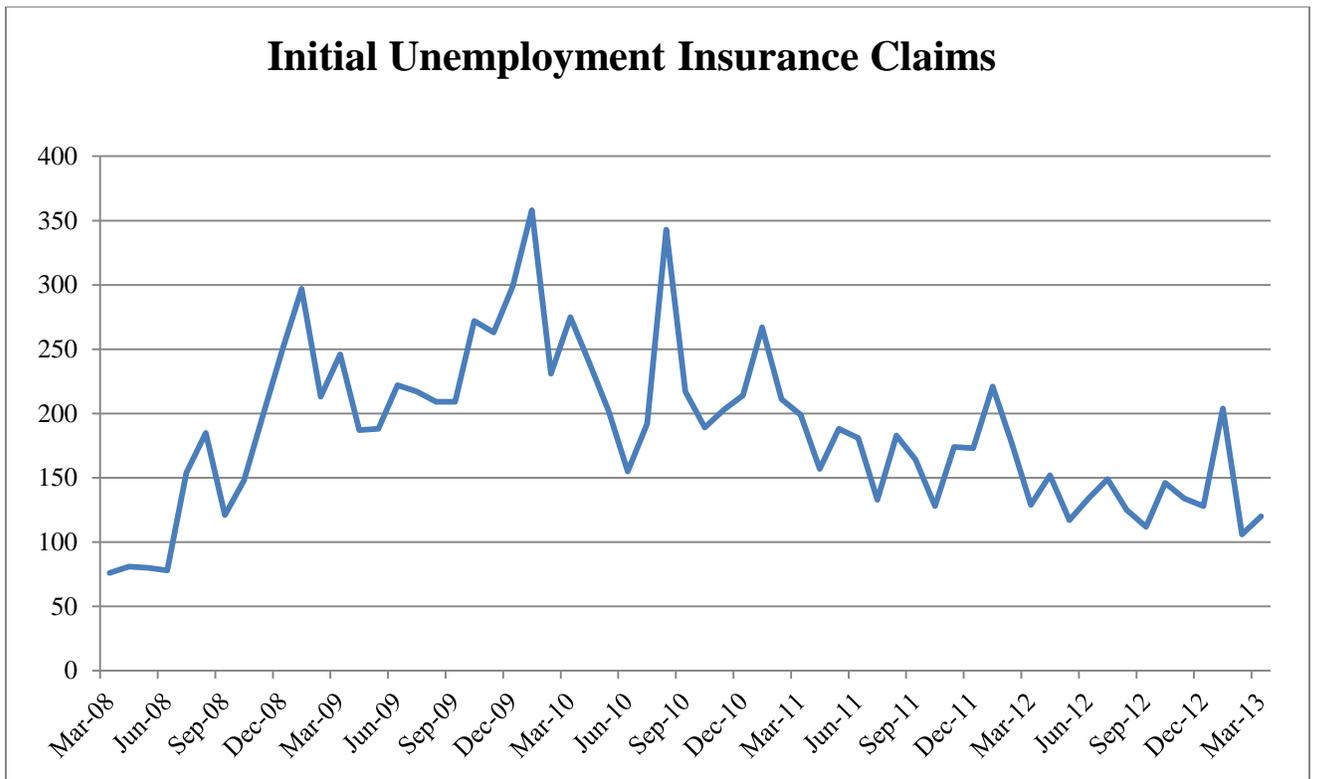
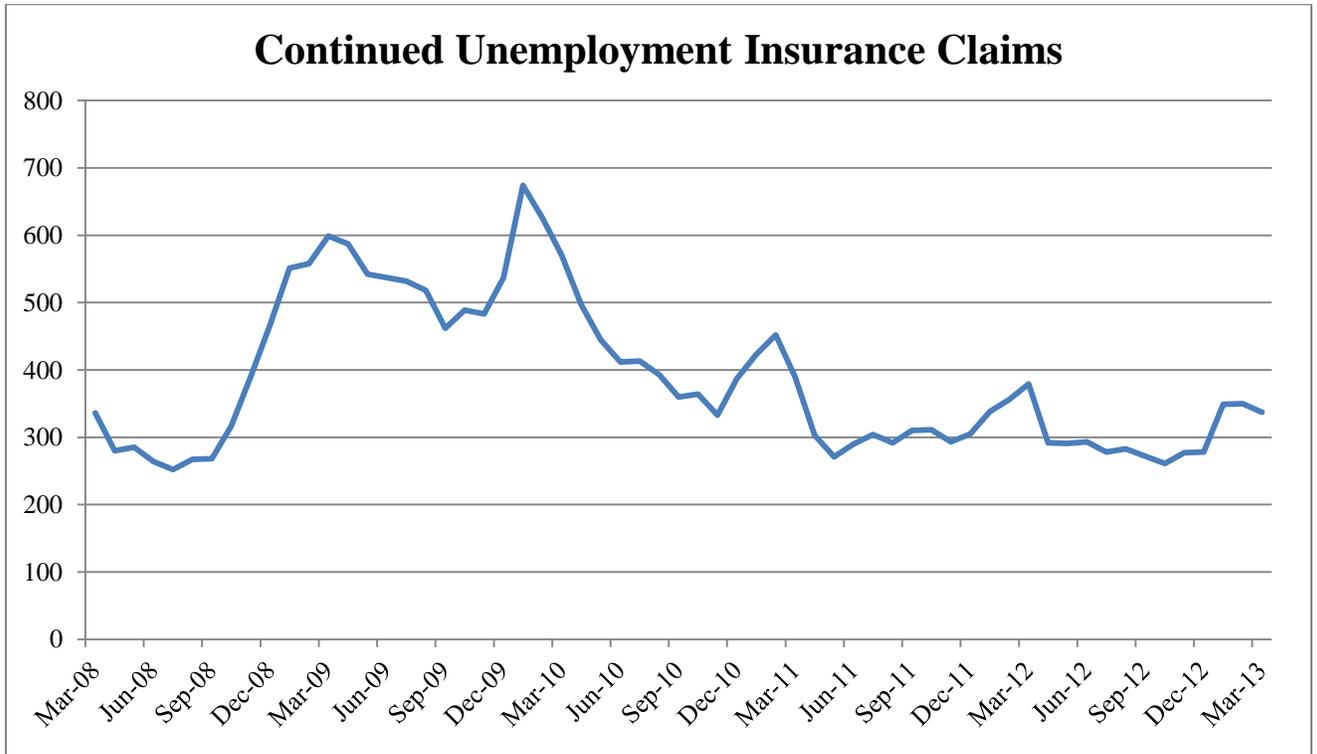
Average Annual Unemployment Rates *not seasonally adjusted*



Source: Virginia Employment Commission.

b) Unemployment Insurance Claims

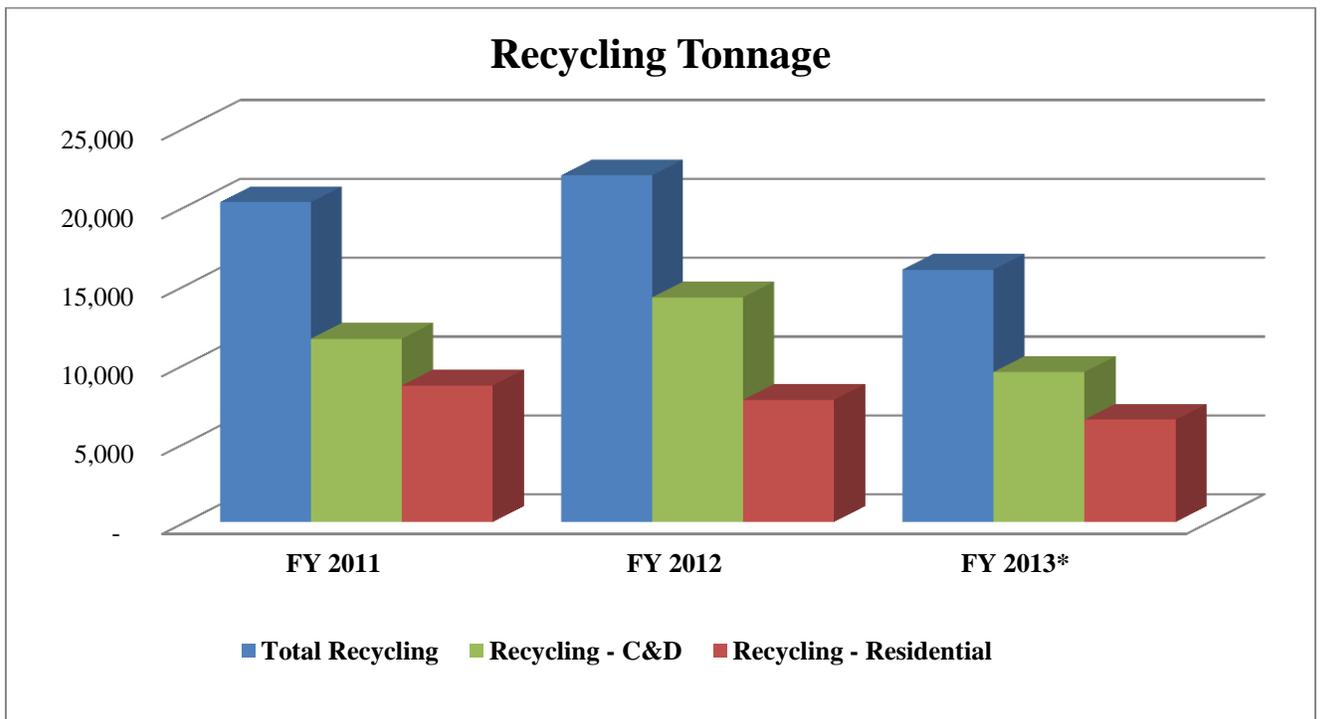
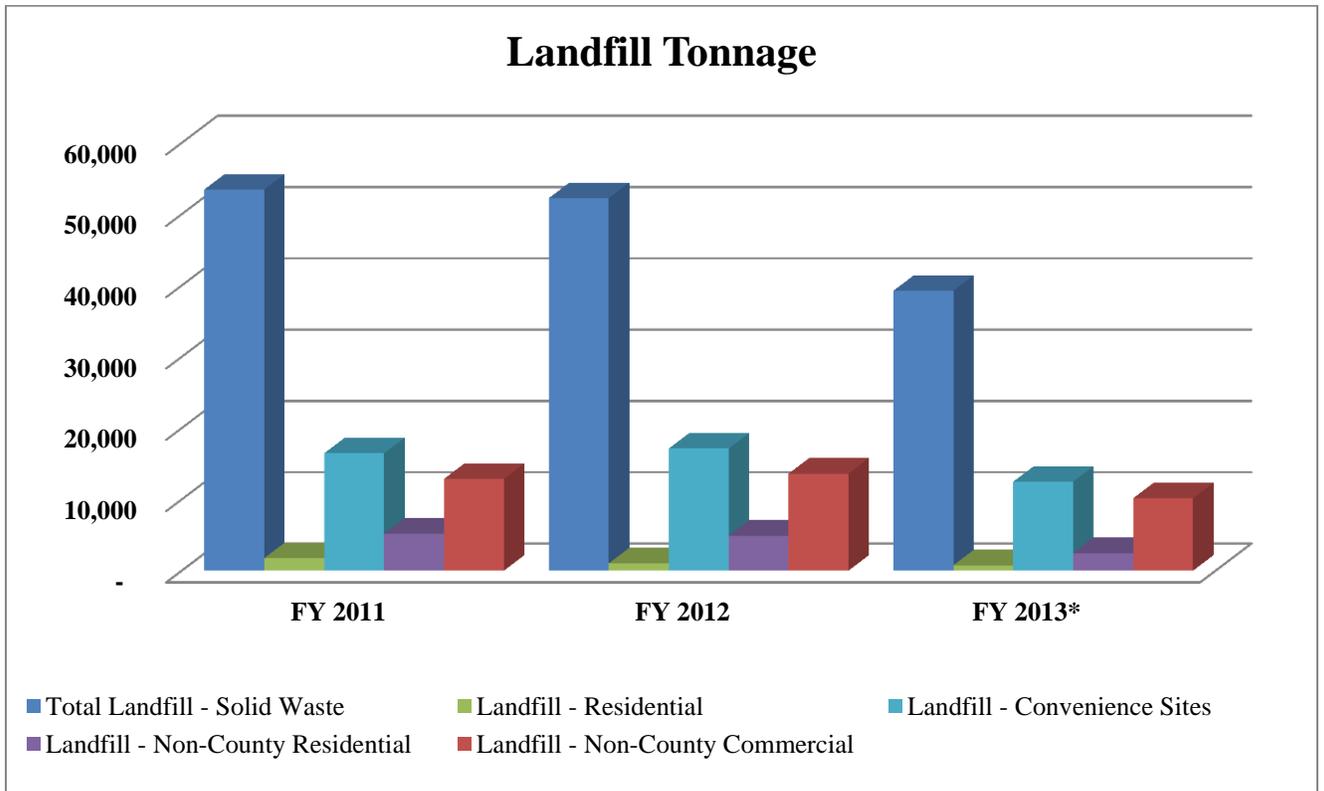
Initial unemployment insurance claims continue to decline to some of the lowest levels since the start of the recession with only seasonal fluctuations. Similarly, continued claims while experiencing seasonal fluctuations continue to slowly decline.



Source: Virginia Employment Commission

3. Environmental Services

FY 2013 continues to experience stable to slightly improved landfill and recycling tonnage. Construction and demolition recycling continues to show improvement throughout FY 2013.



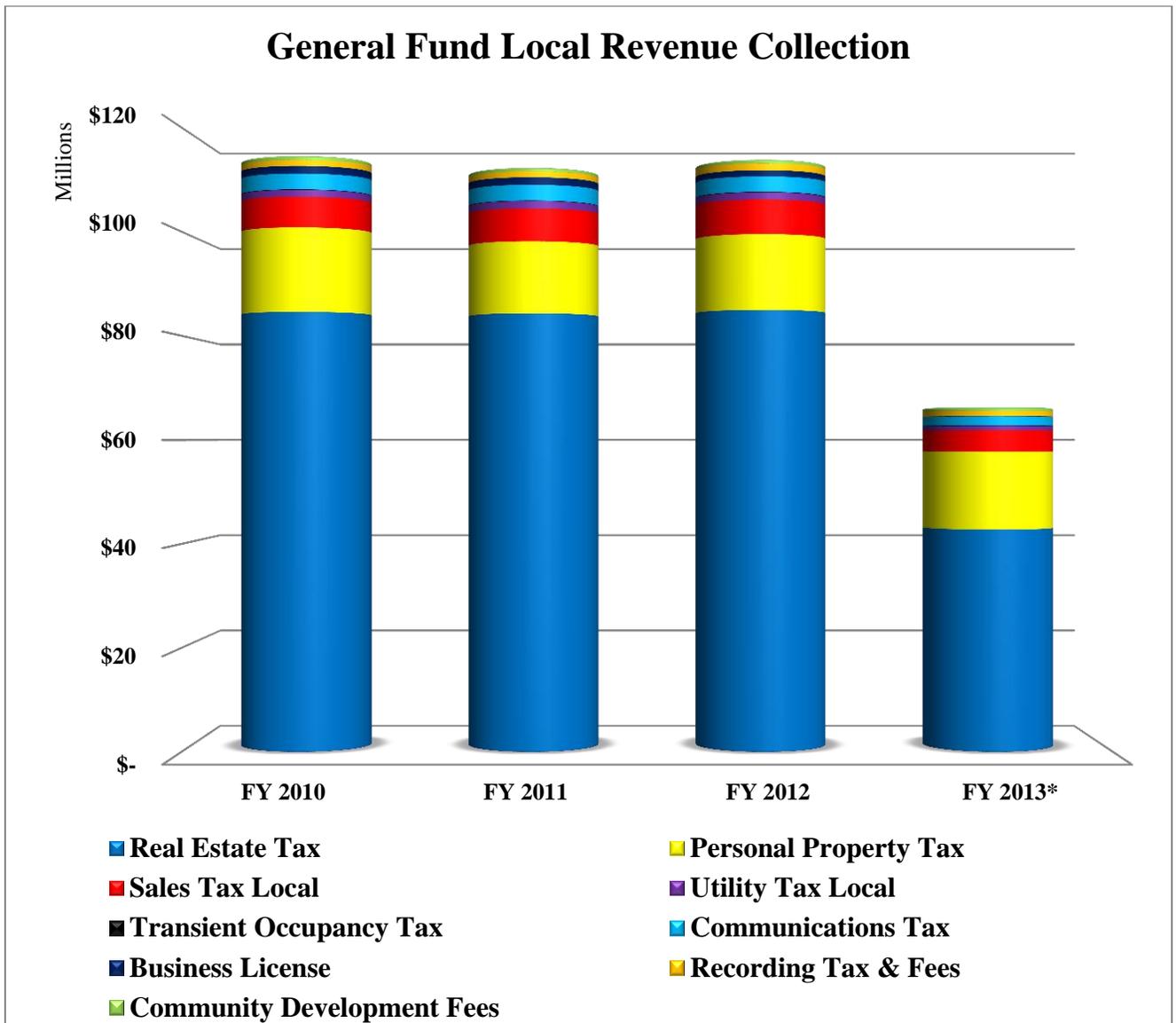
Source: Environmental Services. * Recycling and Landfill tonnage for FY 2013 as of March 31, 2013.

4. 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, communication tax, recoding tax and fees, business and other professions licensing tax and fees, and transient occupancy tax revenue.

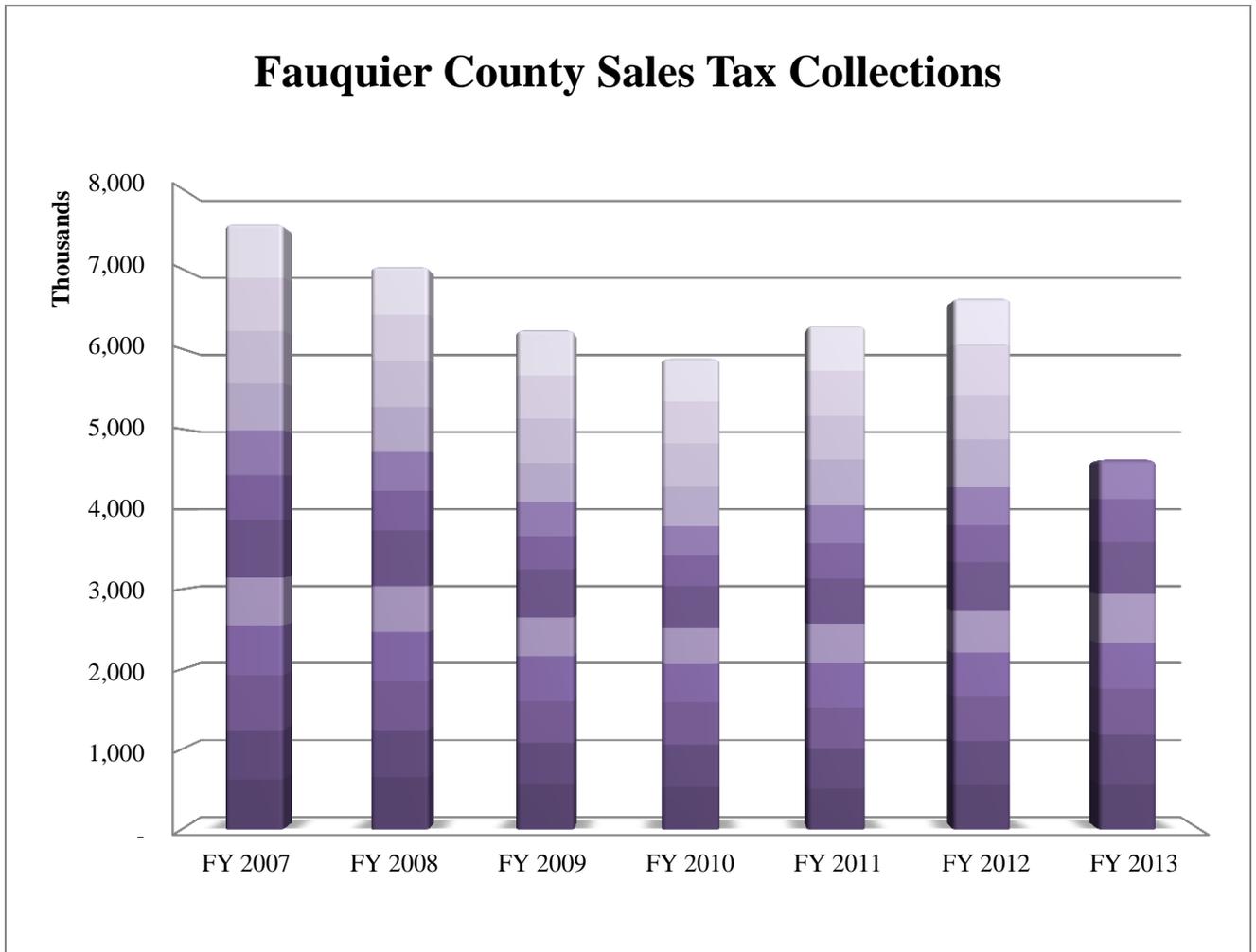
a) General Fund local revenue collection

General Fund local revenue collections for the first nine months of FY 2013 indicate modest signs of continued growth. Sales tax collections continue to improve in FY 2013 with no current indications of a negative impact from federal sequestration.



b) Sales Tax Revenue

Monthly sales tax collections have maintained steady growth year-over-year. Collections for the first eight months of FY 2013 marked the highest total amount of collections for the same period since FY 2008; while December 2012 marked the single largest month of collections since December 2007.

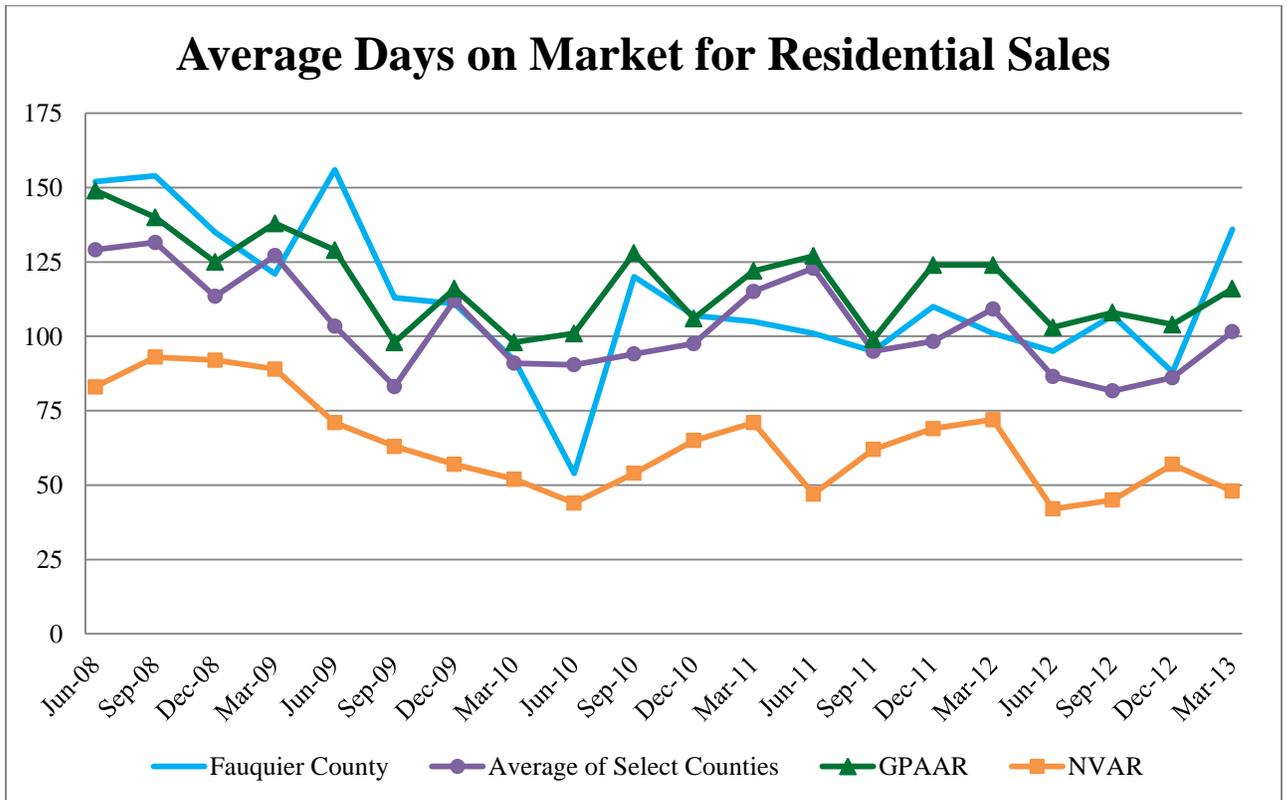


5. Residential Housing Market – Current Data

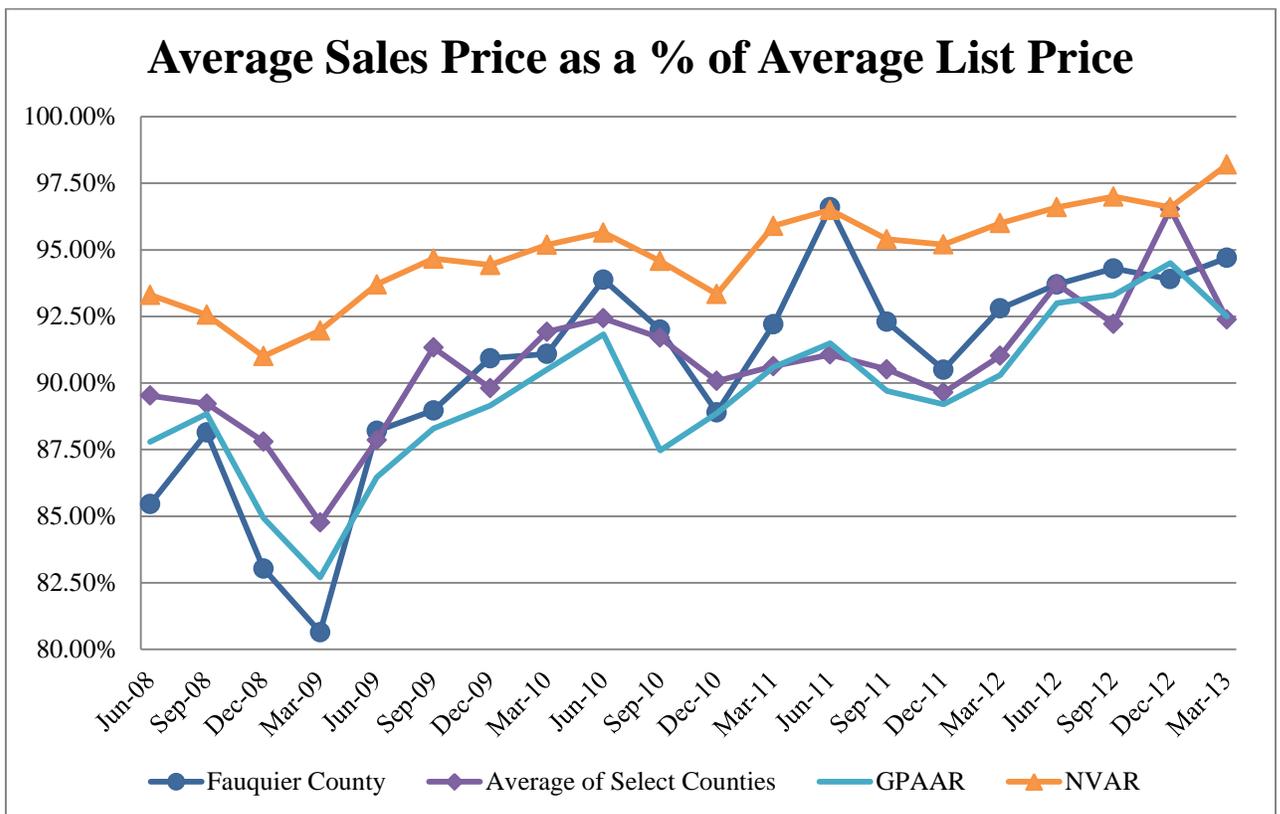
The following charts provide data on various characteristics of the local residential housing market. The graphs display data for Fauquier County, the Greater Piedmont Area Association of Realtors, Northern Virginia Association of Realtors, and/or an Average of select counties. The Greater Piedmont Area 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

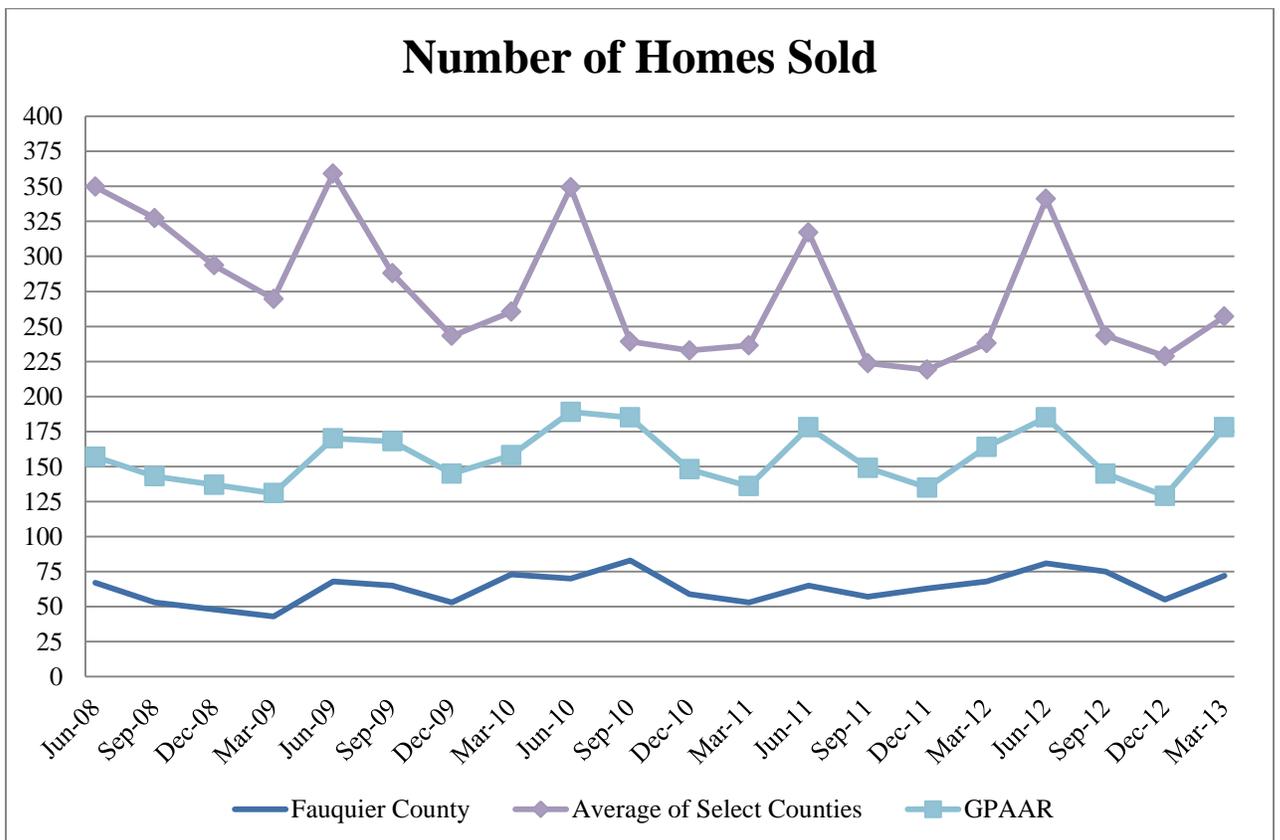
The County’s housing market continues to show signs of improvements throughout FY 2013. While the average number of days houses are on the market before sale increased at the end of 2012, this is partially contributable to fewer active listings at the end of 2012 while the number of home sold did not decline substantially. The number of homes sold throughout 2012 and into 2013 has been at its highest since the start of the recession. Additionally, the median sales price and the average sales prices to list price continue to improve with median sales prices exceeding the \$300,000 mark in the beginning of 2013. The \$300,000 median sales price is the highest mark since before the start of the recession.



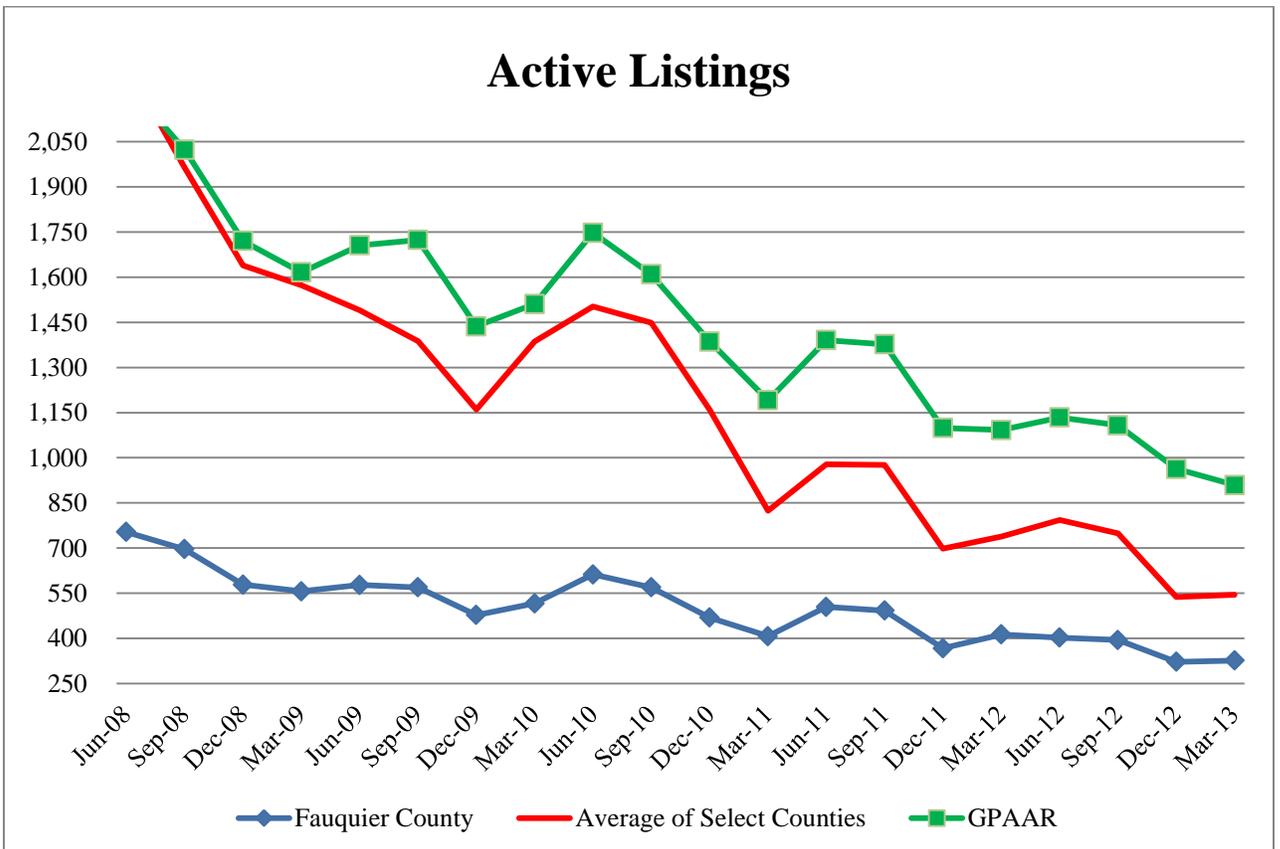
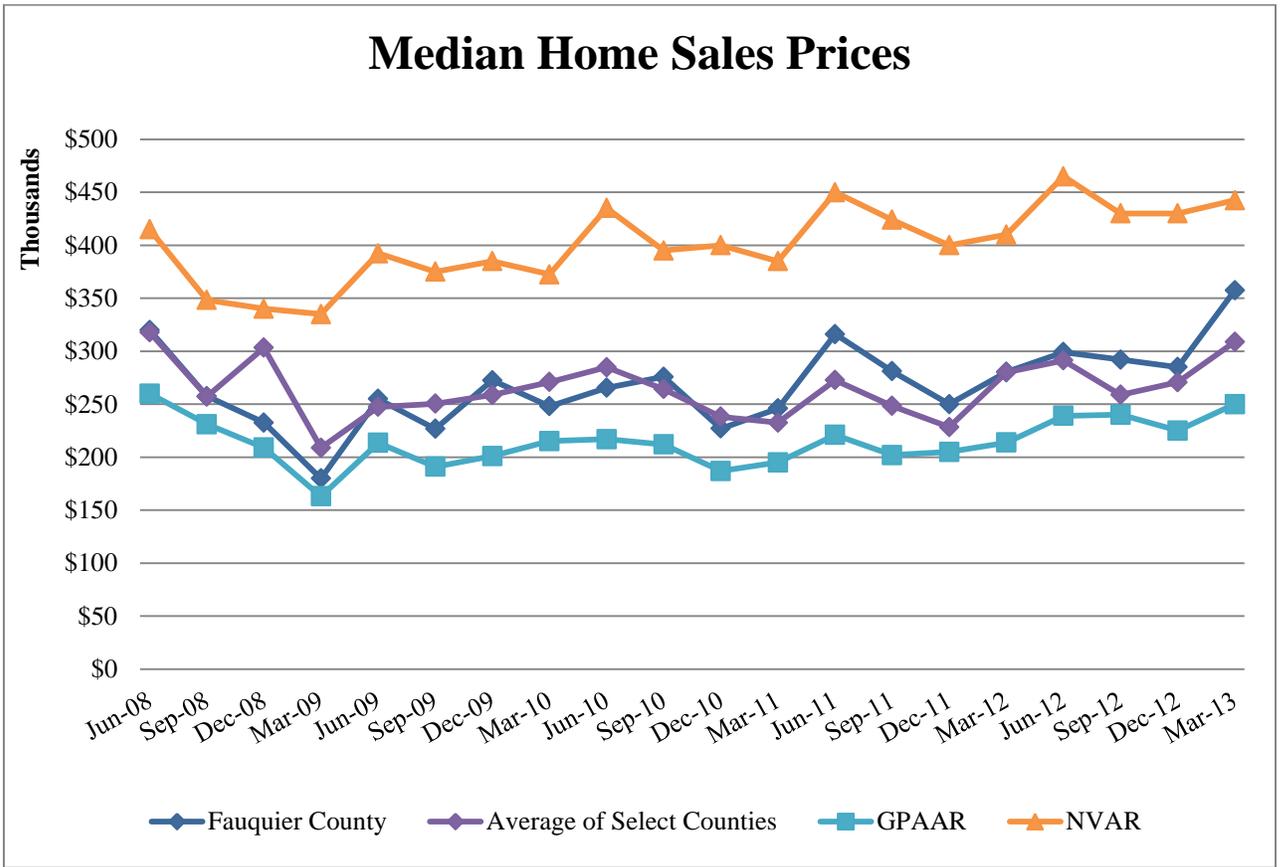
Source: Metropolitan Regional Information Systems, Inc. (MRIS)



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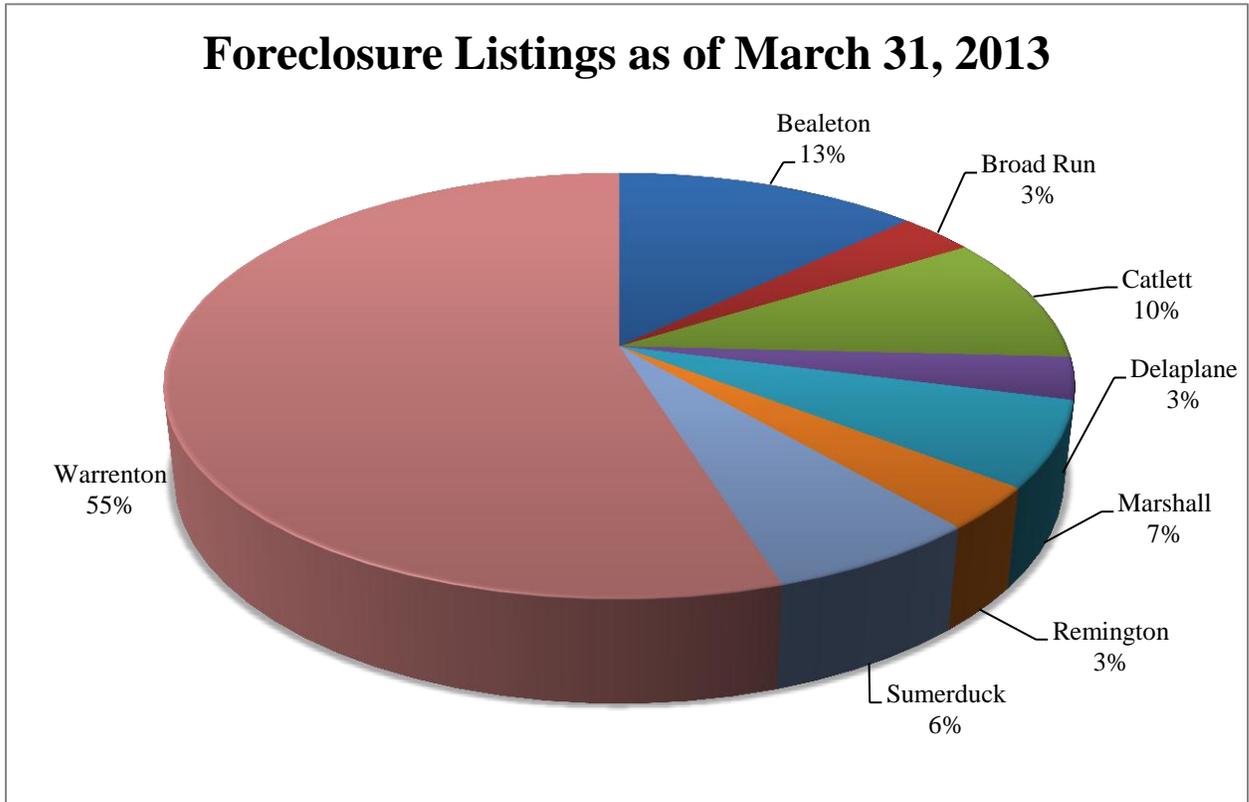
Source: Metropolitan Regional Information Systems, Inc. (MRIS)



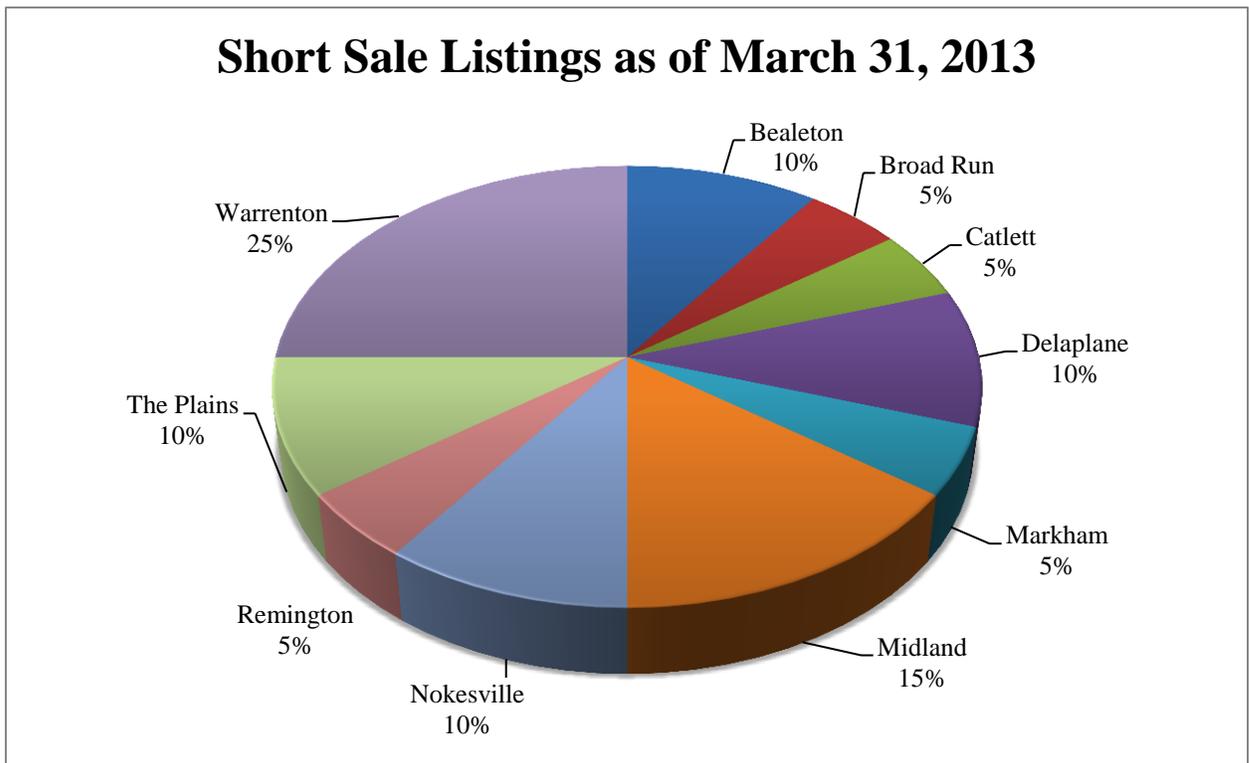
Source: Metropolitan Regional Information Systems, Inc. (MRIS)

b) Foreclosures and Short Sales

The volume of foreclosure and short sale listings has remained stable over the last 12-18 months with no marked fluctuations.



31 foreclosure listing as of March 31, 2013. Source: Redfin.com

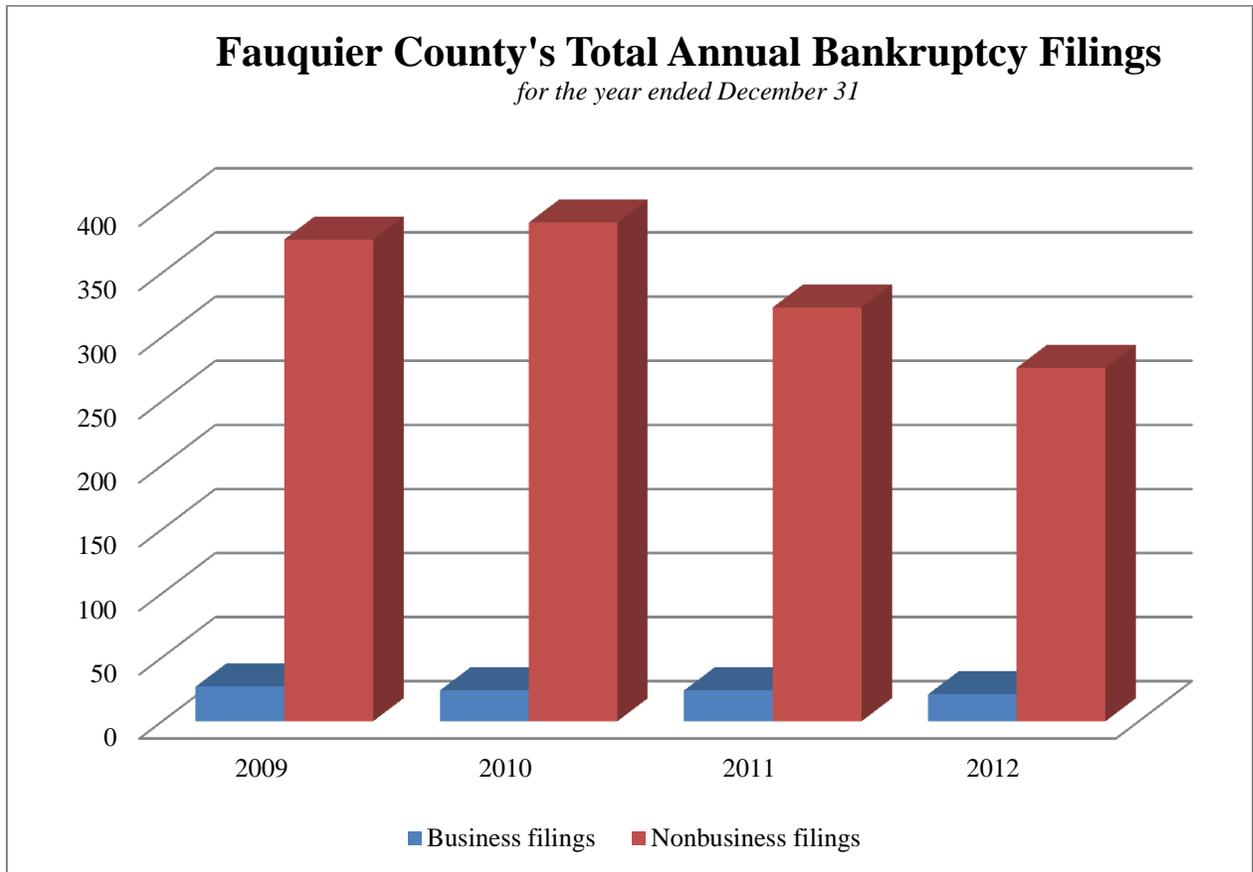


20 short sale listings as of March 31, 2013. Source: Redfin.com

B. Historical Economic Indicators Data

1. Bankruptcy Filings

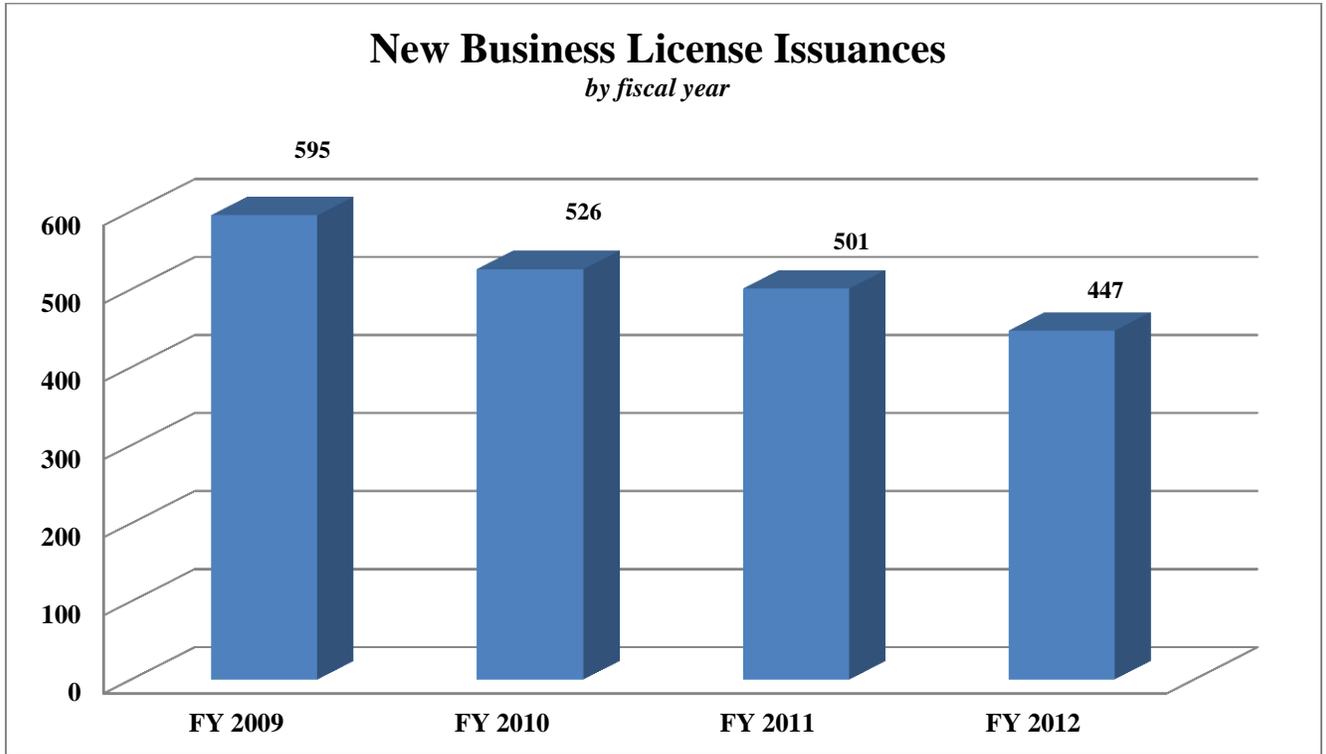
Bankruptcy filings in 2012 for both business and non-business filers continued to decline from the elevated levels of 2009 and 2010.



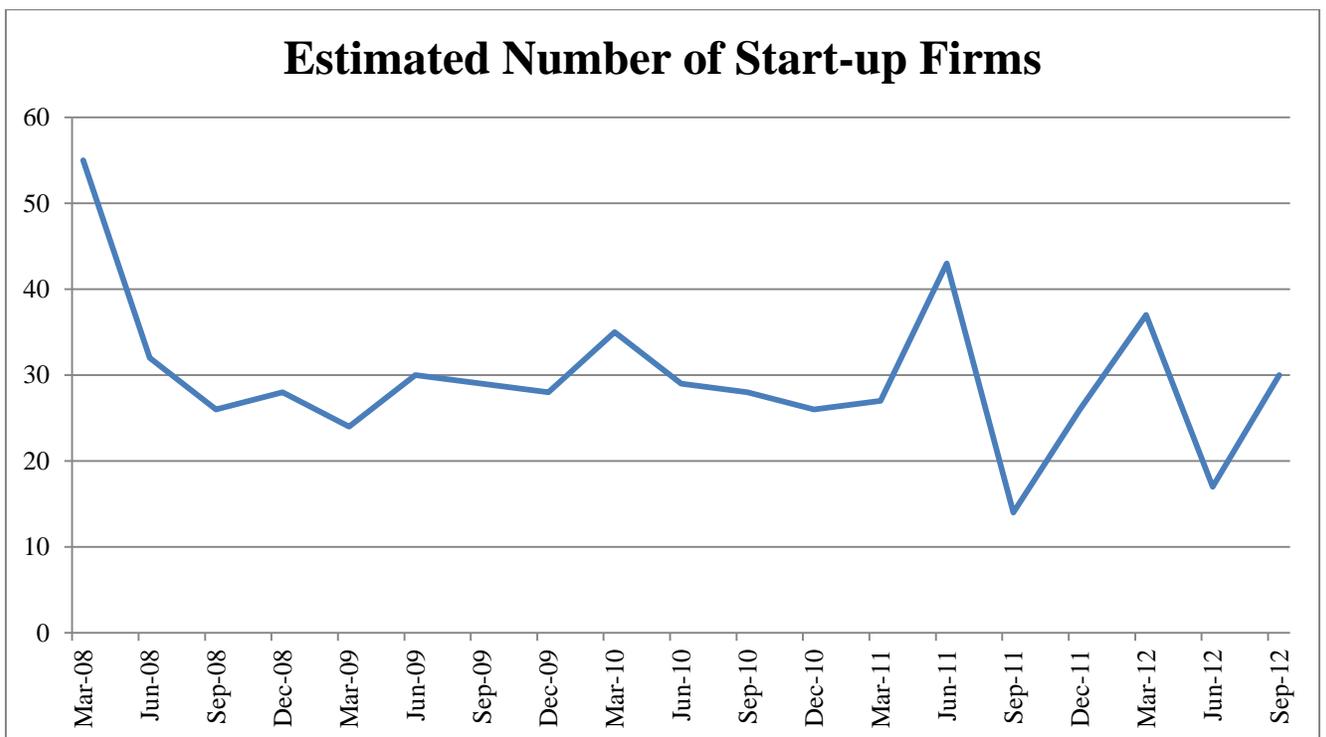
Source: United States Courts System

2. Businesses

The number of new business license issuances experienced a new low in FY 2012 with a 10.8% decline from FY 2011, approximately twice the decline experienced from FY 2010 to FY 2011. The number of estimated start-up firms has been less stable between fall 2011 and spring 2012, but the number of estimated start-ups has been higher than prior years.



Source: Commissioner of the Revenue



Source: Virginia Employment Commission

3. Residential Housing Market – Historical Data

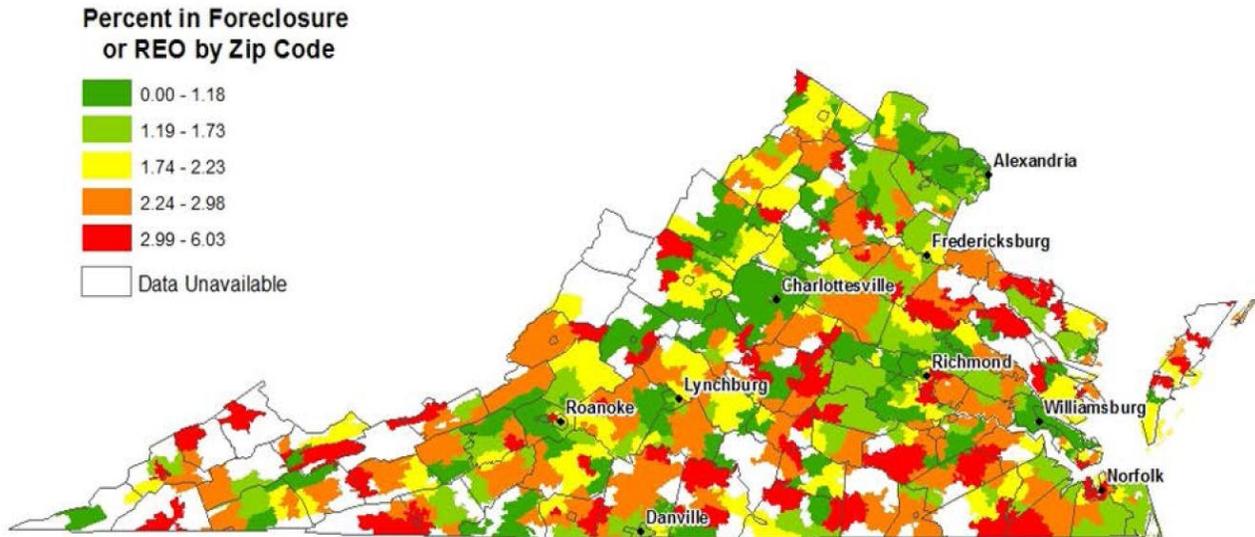
a) Residential Foreclosures and Delinquencies

The following five graphs are prepared by the Federal Reserve Bank of Richmond as part of their quarterly mortgage performance summaries for the Commonwealth of Virginia display:

- Percentage of foreclosures or reo for owner-occupied mortgages – prime loans;
- Percentage of delinquencies for owner-occupied mortgages – prime loans;
- Percentage of foreclosures or reo for owner-occupied mortgages – subprime loans;
- Percentage of delinquencies for owner-occupied mortgages – subprime loans; and
- Percentage of owner-occupied mortgages with subprime loans.

Foreclosures and delinquencies in the County remain low in comparison to the other localities in Virginia and the region. The number of foreclosures and delinquencies for both prime and subprime loans continue to decline with the number of subprime mortgage at a minimum.

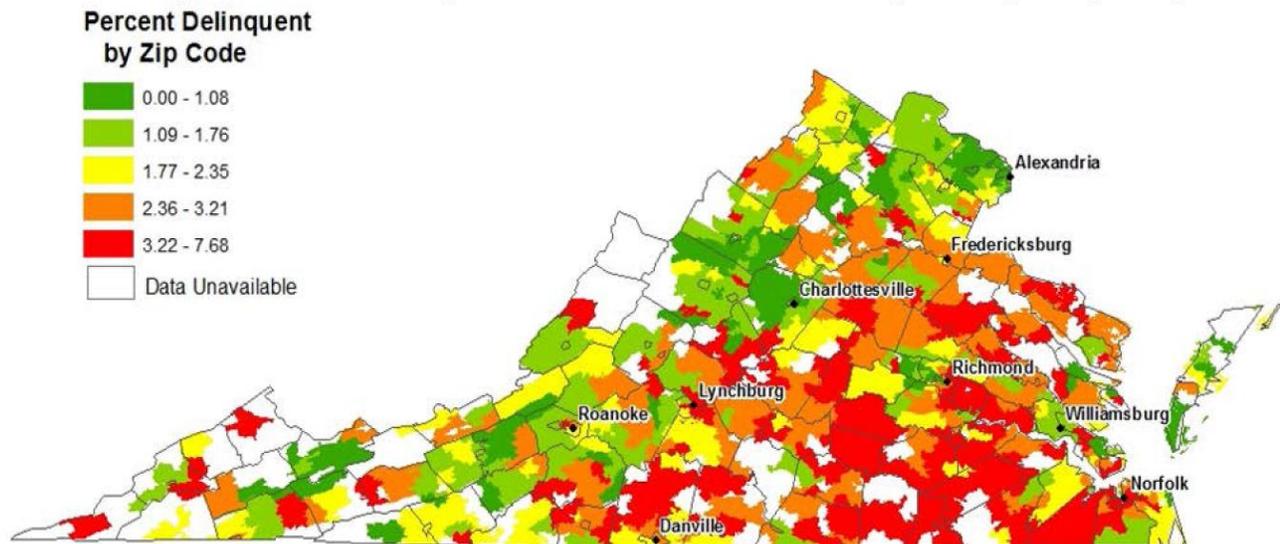
Percentage of Owner-Occupied Prime Loans in Foreclosure or REO²: Virginia



Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (December 2012)

Percentage of Owner-Occupied Prime Loans with 90+ Day Delinquency: Virginia

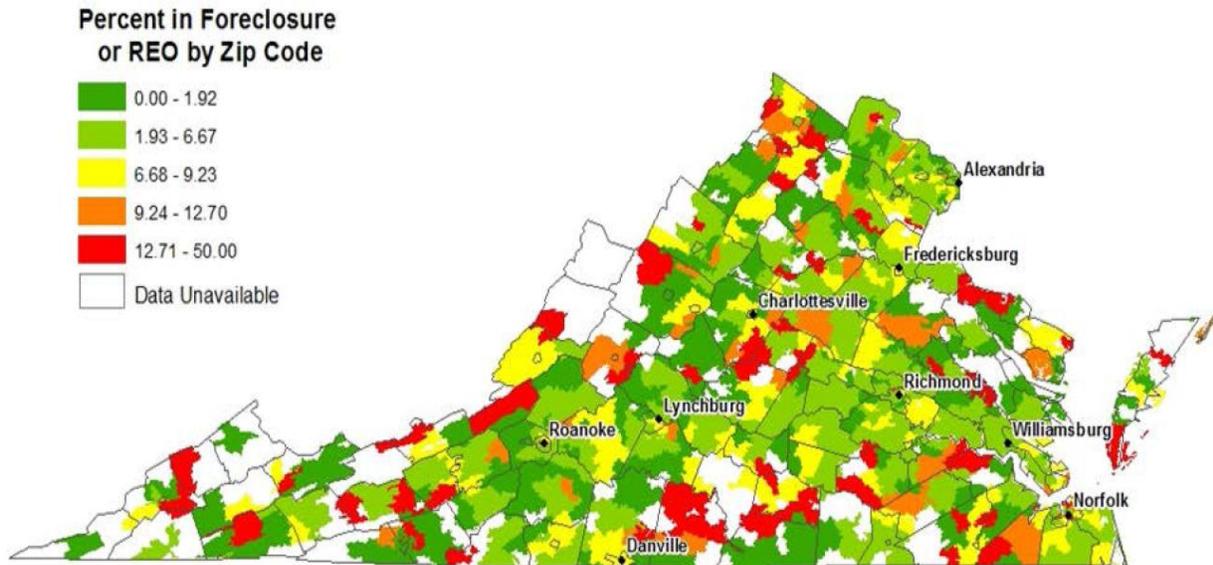


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (December 2012)

² Real Estate Owned (REO) properties are in the possession of the lender due to foreclosure or forfeiture.

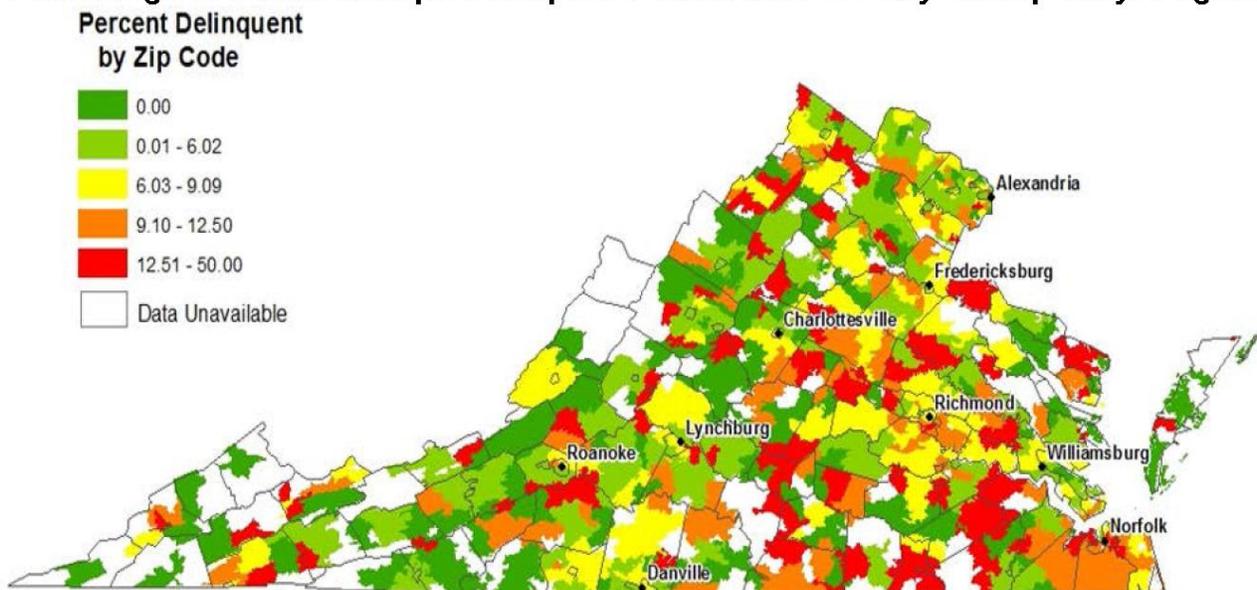
Percentage of Owner-Occupied Subprime Loans in Foreclosure or REO: Virginia



Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (December 2012)

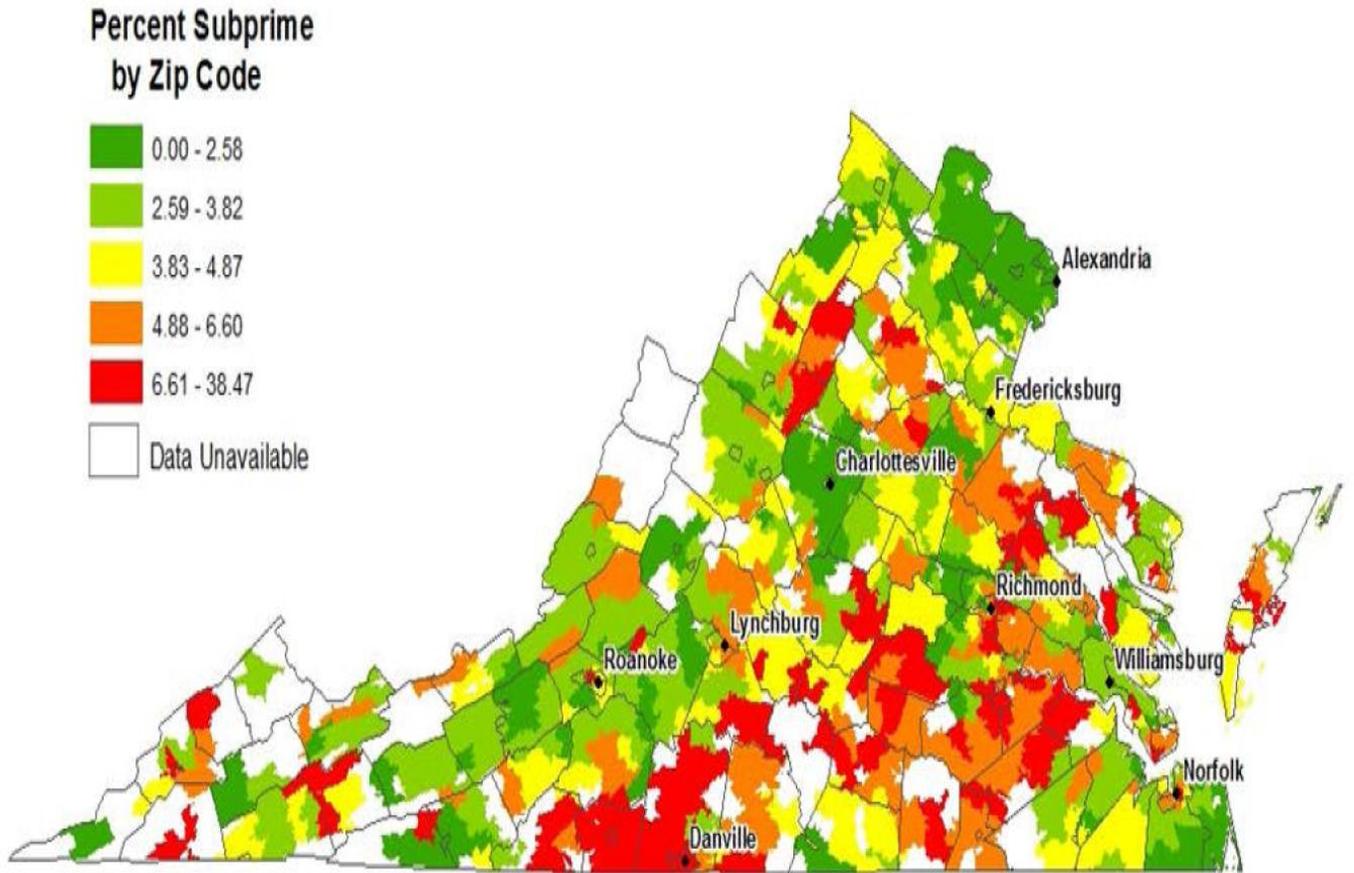
Percentage of Owner-Occupied Subprime Loans with 90+ Day Delinquency: Virginia



Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (December 2012)

Percentage of Owner-Occupied Mortgages with Subprime Loans: Virginia



Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or have no data available.

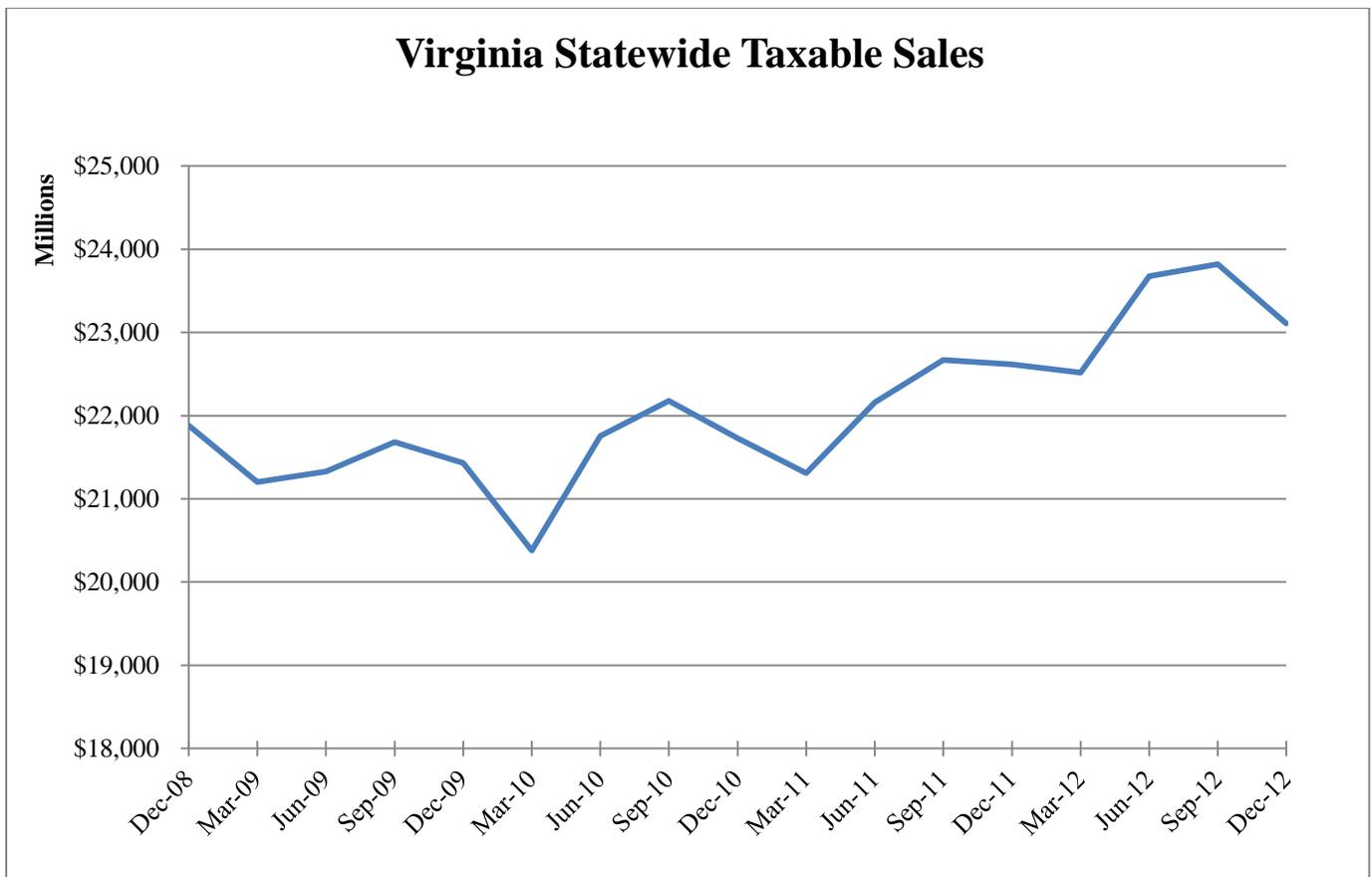
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (December 2012)

4. Taxable Sales

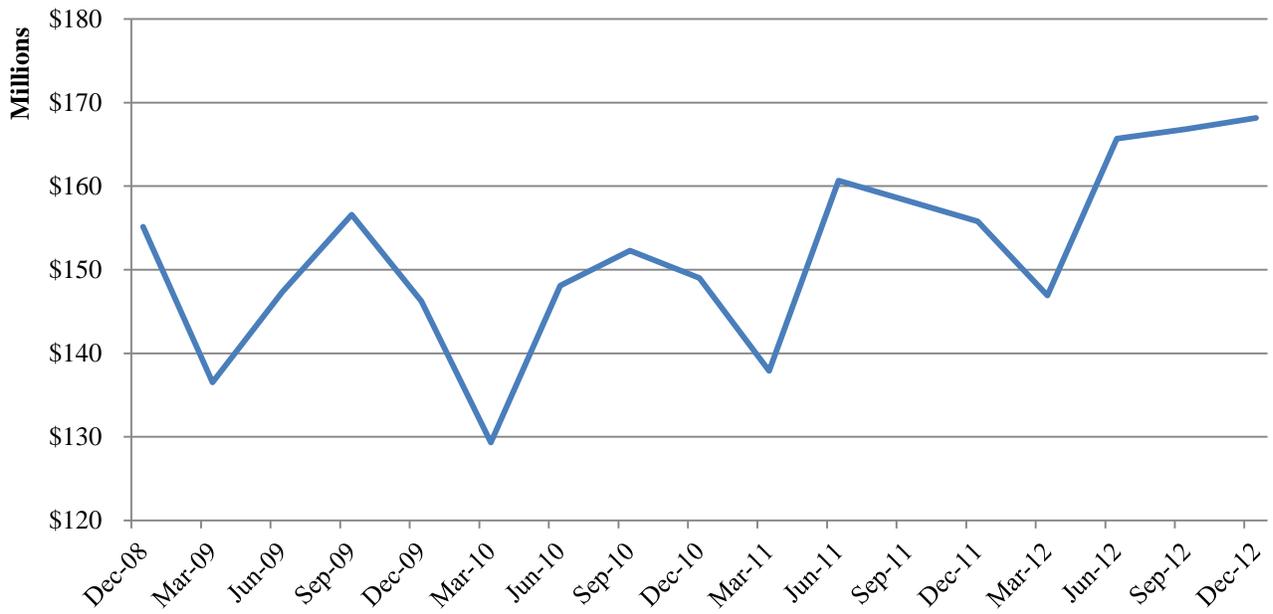
The following graphs provide data trends of taxable sales relative to the County, the State, and other local jurisdictions including:

- 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.

The County's taxable sales continue a slow, but modest recovery. The County's largest business classifications of taxable sales, prior to the recession, continued to show improvements throughout 2012.

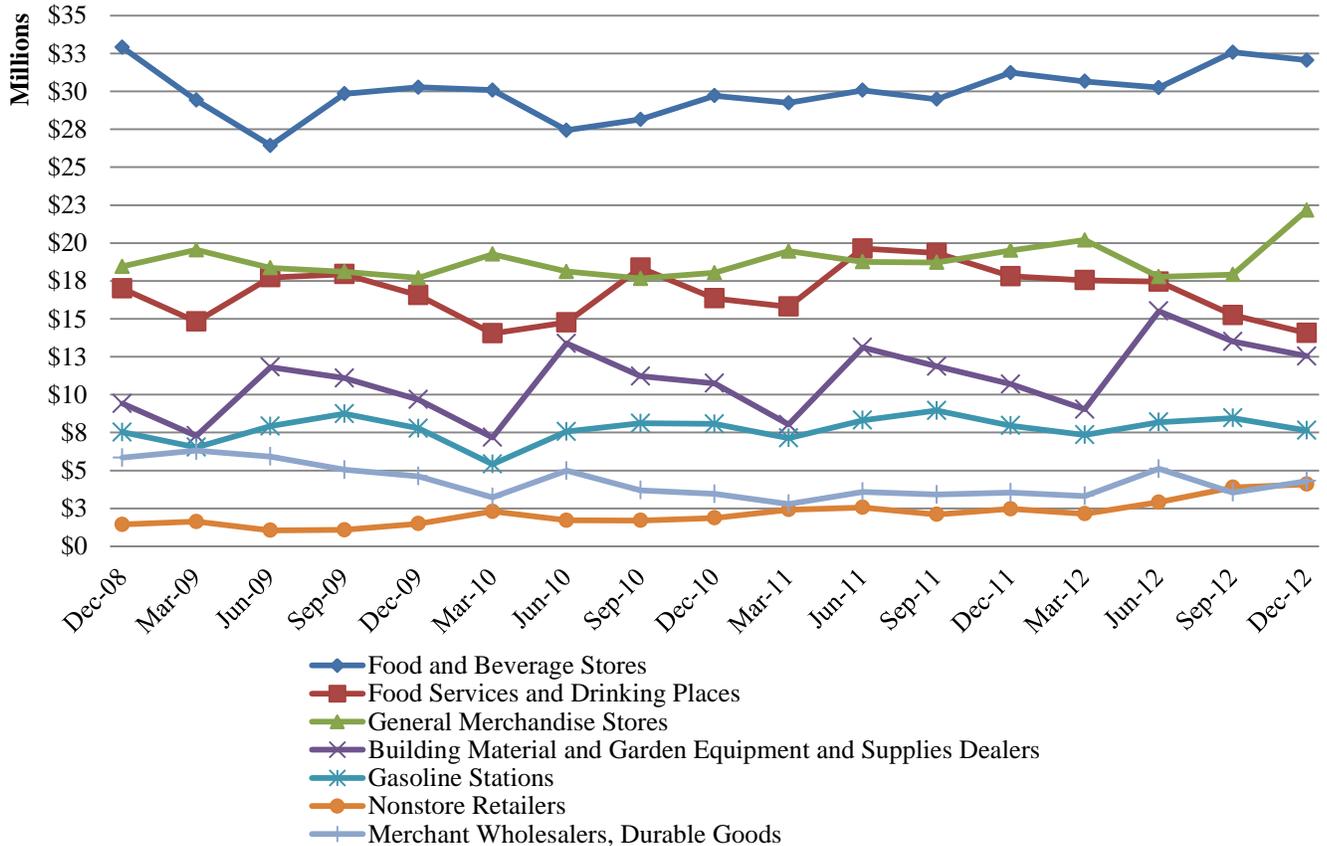


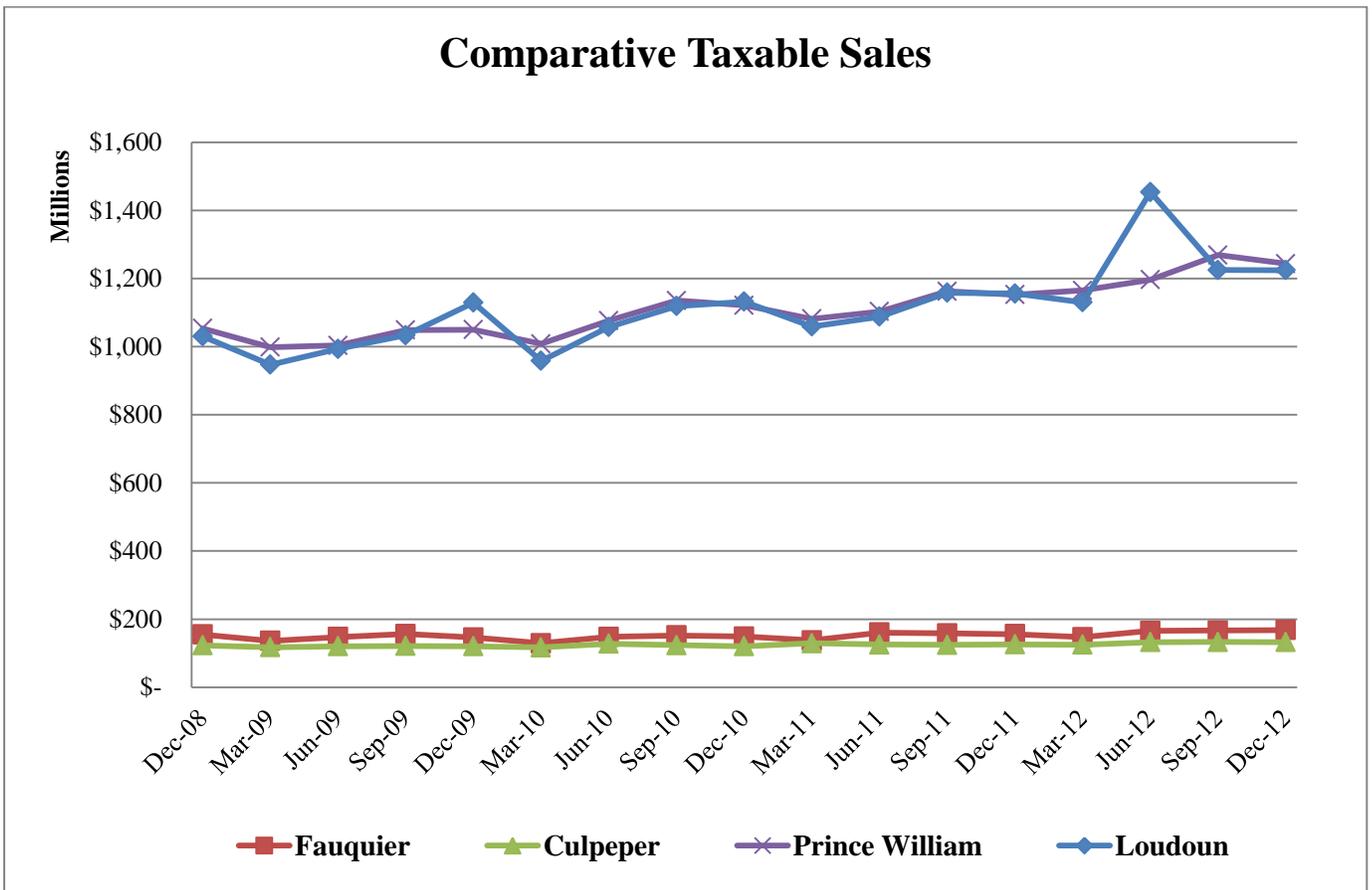
Fauquier County Taxable Sales



Fauquier County Taxable Sales

by Business Classification with \$10 million or greater in taxable sales in 2007





Source: Weldon Cooper Center for Public Service, UVA