

Fauquier County Economic Indicators



March 31, 2014
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 continue to show sustained growth in FY 2014. While FY 2013 marked the first year of annual year-over-year growth since FY 2012, FY 2014 is currently up 30% from the same period of FY 2013 with only seasonal fluctuation.
Community Development	Building & new residential construction permits	↑	New residential construction permits continue to show growth through the first nine months of FY 2014, up 22% from the same period in FY 2013. Building permits issued YTD are also up 16% from the same period of FY 2013.
Employment	Unemployment rate	-	The county's unemployment rate remains one of the 25 lowest in the State at 4.6% as of March 2014, 14th lowest overall.
Employment	Unemployment insurance claims	-	Continued and initial claims are maintaining a declining trend with only seasonal fluctuation.
Environmental Services	Landfill tonnage	-	Landfill tonnage remains stable.
Environmental Services	Recycling tonnage	↑	FY 2014 recycling tonnage is currently slightly ahead of FY 2013, with marked improvement in construction and demolition materials.
Local Revenue	County sales tax collections	↑	Sales tax collections continue to experience year-over-year increases, with a YTD increase of 5.7% over last year.
Residential Housing Market	Days houses are on market	-	The average number of days houses are on the market has increased slightly in FY 2014, attributable to seasonal fluctuation and similar trends across the entire region.
Residential Housing Market	Median sales price	-	Median home sales values declined slightly during the winter months, but have begun to improve similar to prior years and the region.
Residential Housing Market	Foreclosures and short sale listings	↑	Foreclosure listings and short sale listings continue to decline or remain flat.
Residential Housing Market	Number of homes sold	-	While the number of home sales experienced seasonal fluctuation in winter months, the number of sales has begun to improve in the first three months of the calendar year.

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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
Bankruptcy Filings	Number of bankruptcy filings	-	The number of bankruptcy filings for both business and non-business filings declined incrementally throughout 2012. NOTE: 2013 and 2014 data is currently unavailable. As the U.S. courts system no longer is reporting data by locality, this will be the last report that includes this data category.
Businesses	Number of new licenses issued	↑	FY 2013 marked the first year of growth in the number of new licenses issued for businesses since the recession.
Businesses	Number of startup firms	-	While significant seasonal fluctuation remains, the current estimated number of start-up firms is equal to that of one year ago.
Residential Housing Market	Foreclosures by loan type	↑	As of December 2013, the number of owner-occupied prime loans in foreclosure and owner-occupied subprime loans in foreclosure continue to decline in the County.
Taxable Sales	Taxable sales	↑	Taxable sales continue to improve year-over-year, with seasonal fluctuation, particularly in key areas of sales including building materials and food and beverage establishments.

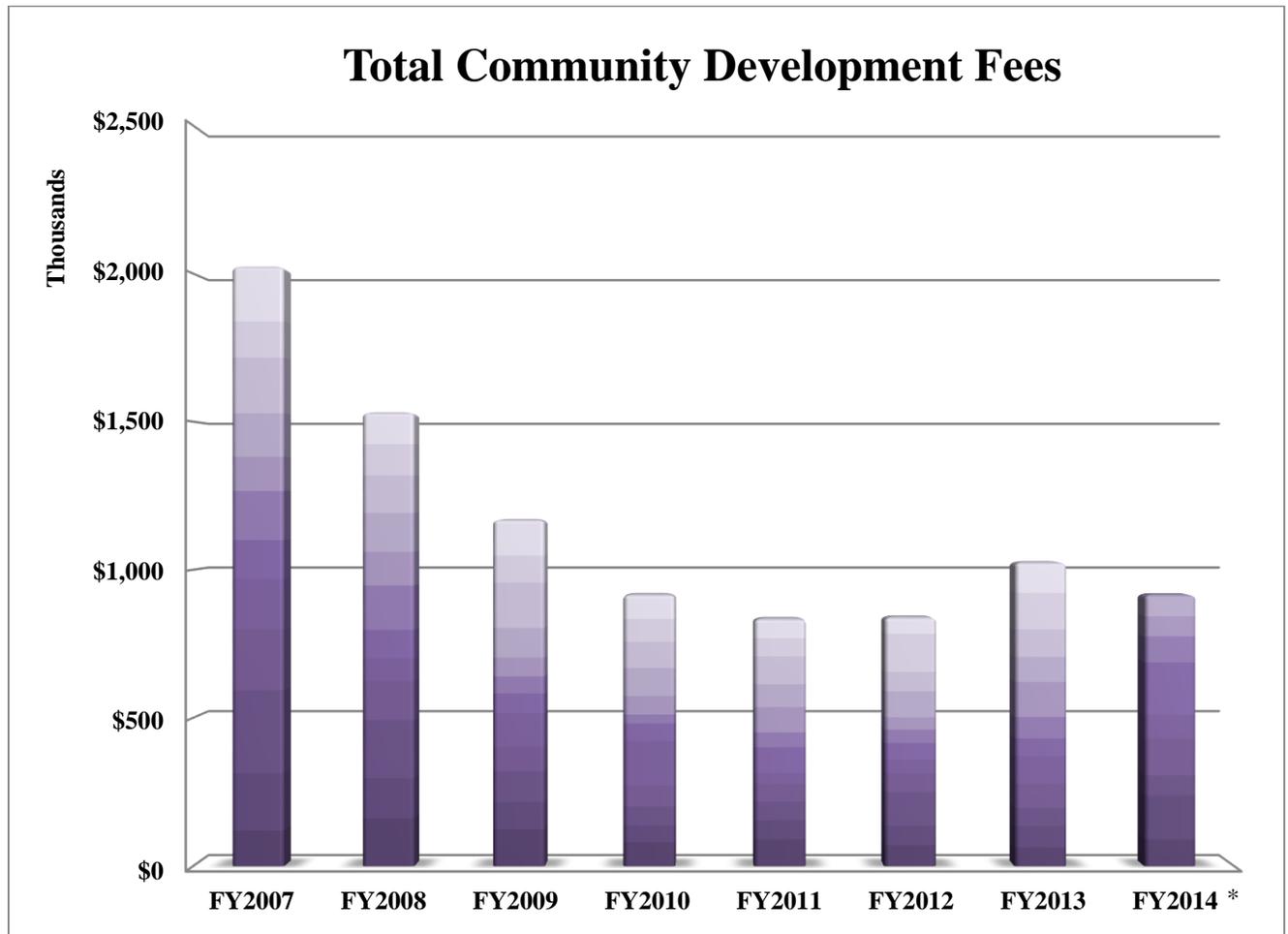
III. Economic Indicators – Data

A. Current Economic Indicators Data

1. Community Development

a) Community Development Fees

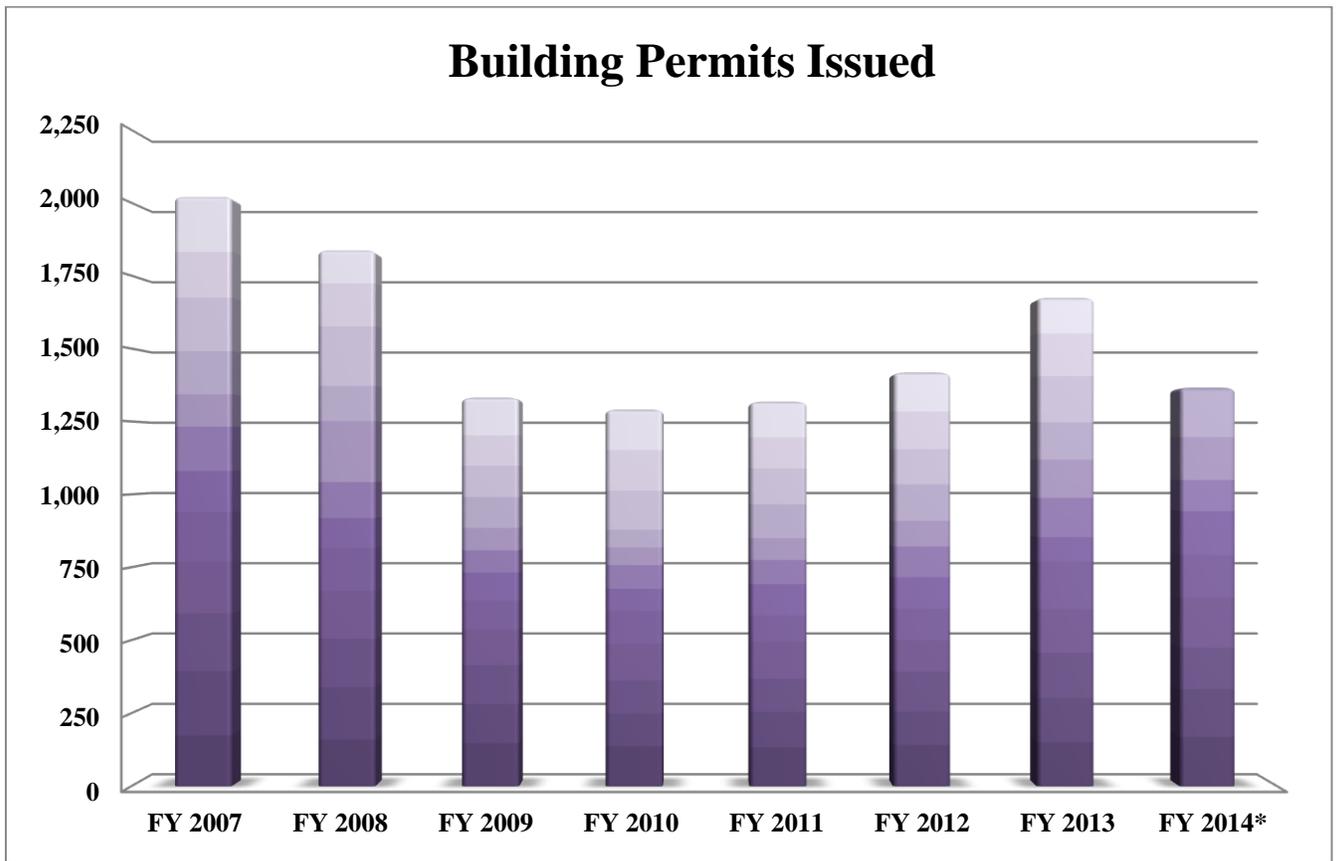
In FY 2013, Community Development Fee revenue experienced the first year of marked growth since the downturn, and the first year of revenue in excess of \$1 million since the recession. To date, FY 2014 is currently up 30% from the same time period of FY 2013, continuing a trend of more sustained annual growth.



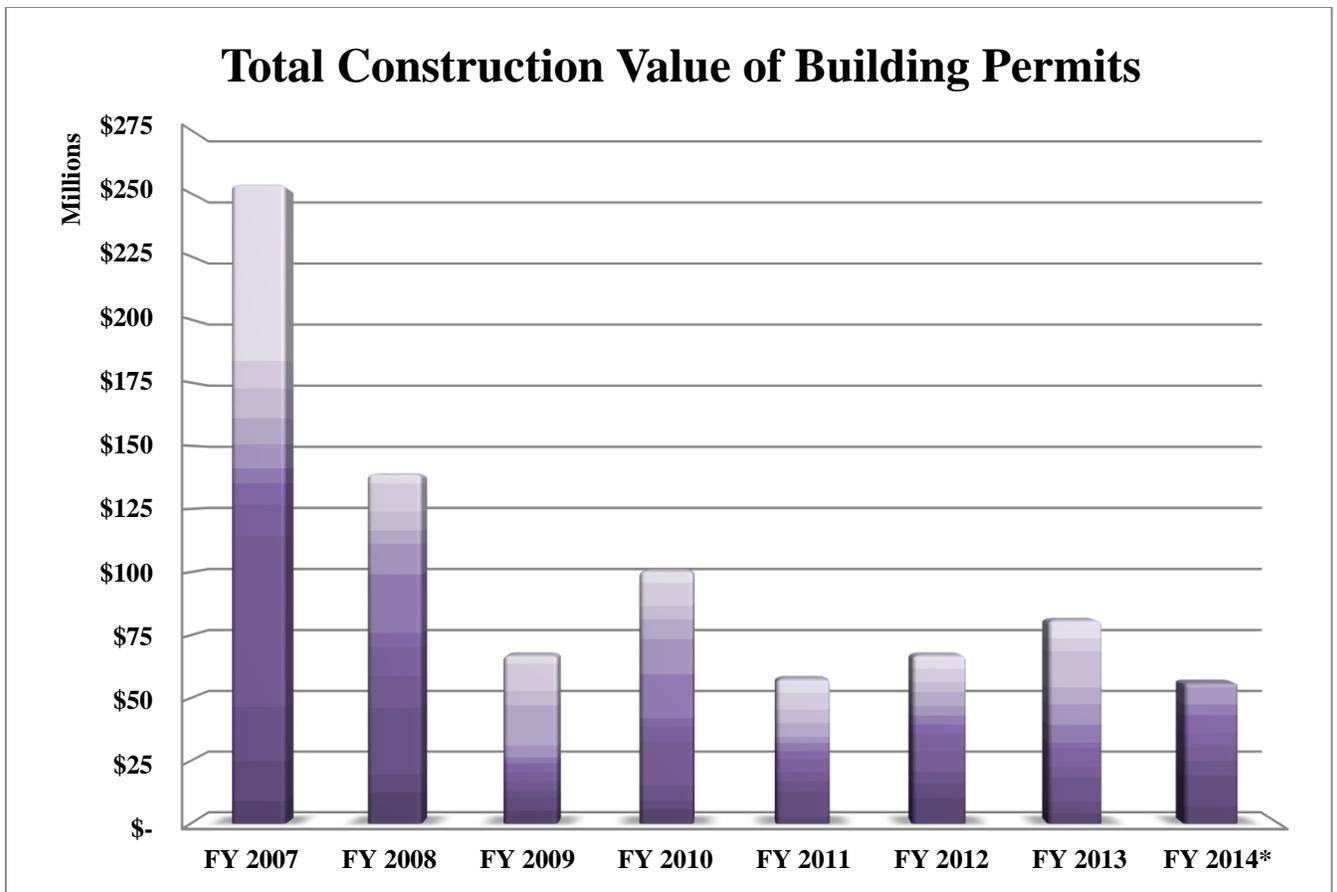
Source: Community Development. *FY 2014 Data includes data as of 31 March 2014.

b) Building Permits

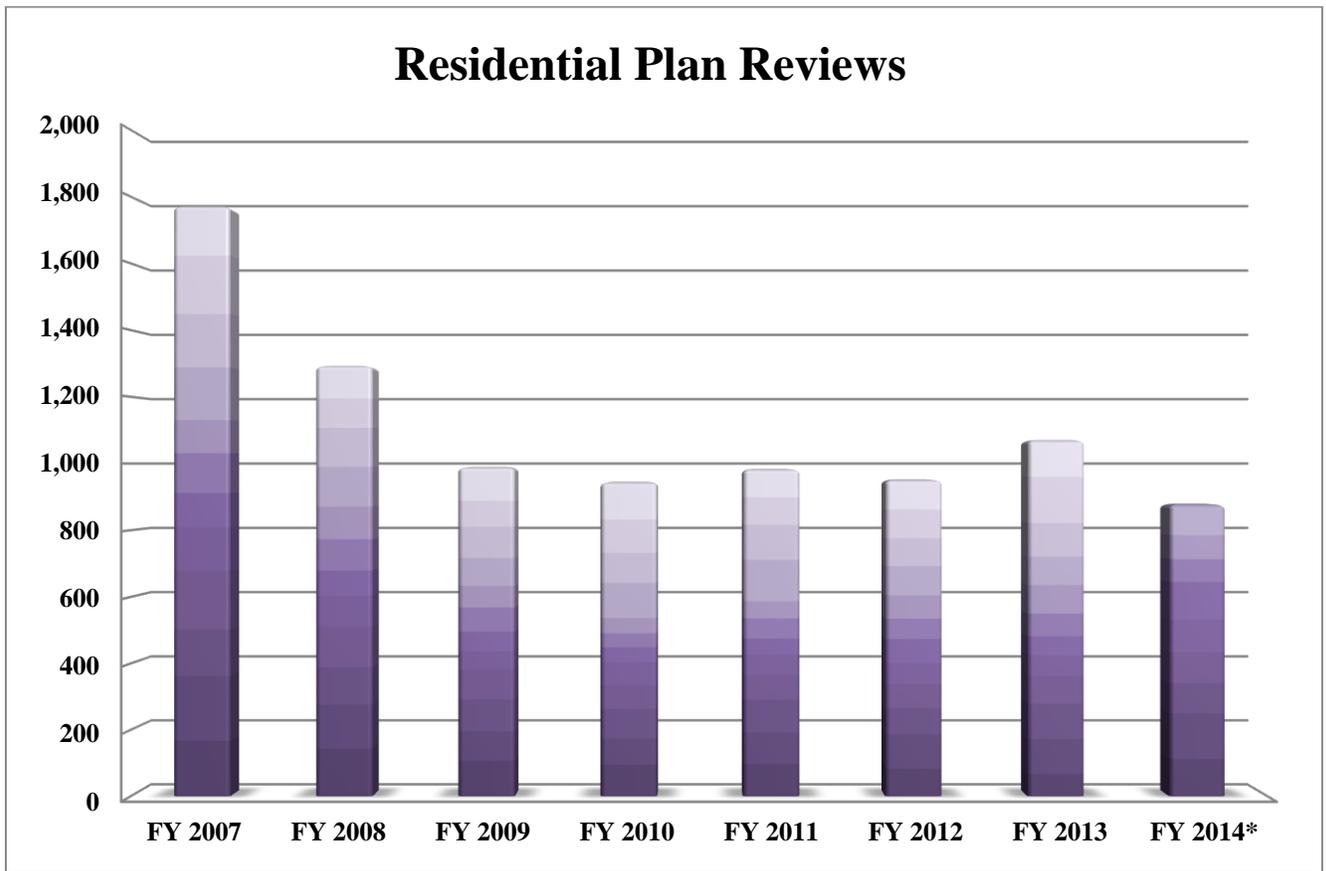
FY 2014 marks the second year of growth in building permits since the beginning of the recession, with a 9.6% year-to-date increase over FY 2013. New residential construction permits continue to show year-over-year growth, the second year of positive trend since the recession. In FY 2013, new home construction permits increased by 47.5% over the prior year, with a 12.7% increase in FY 2014 in comparison to the same time period of FY 2013.



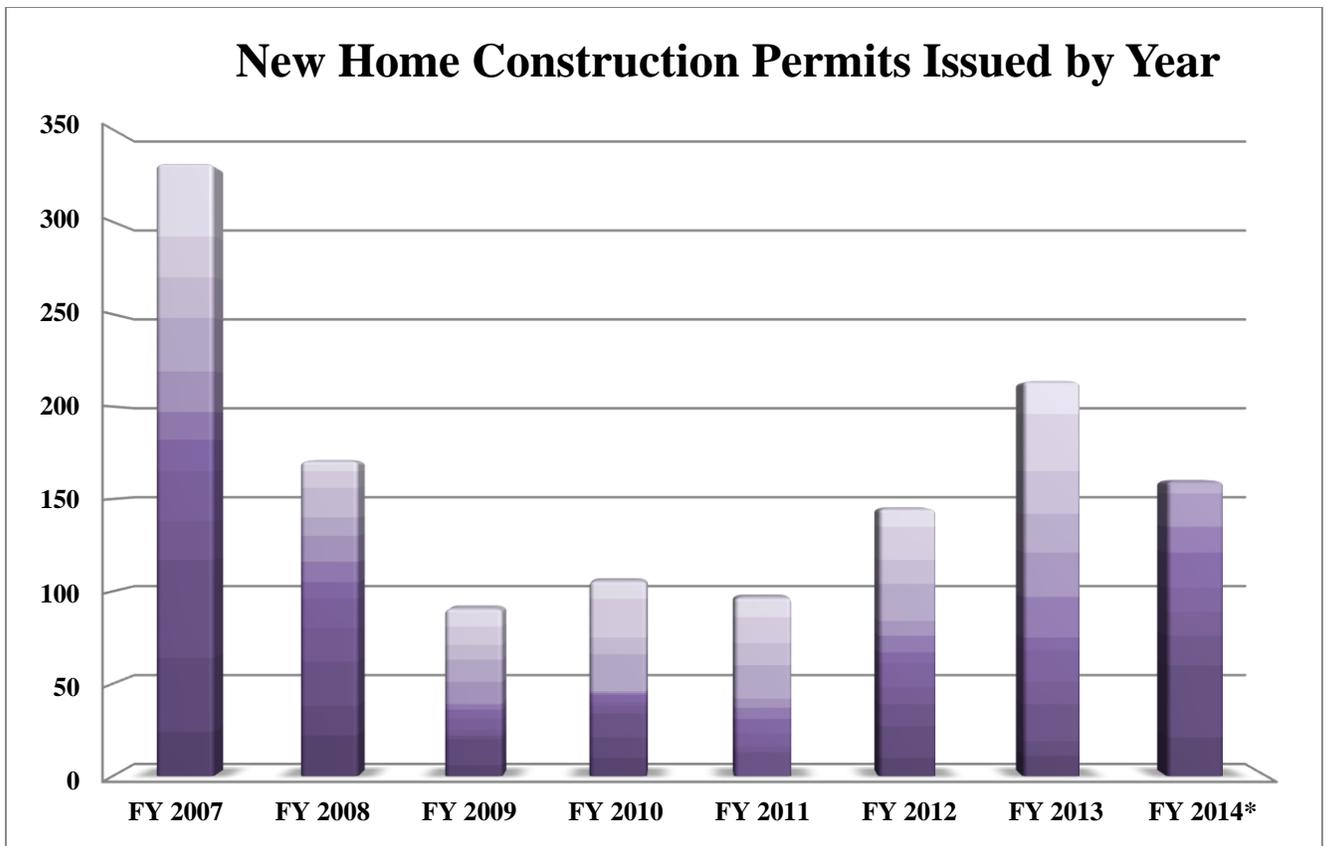
*FY 2014 Data includes data as of 31 March 2014. March data incomplete due to system conversion.



*FY 2014 Data includes data as of 31 March 2014. March data incomplete due to system conversion.



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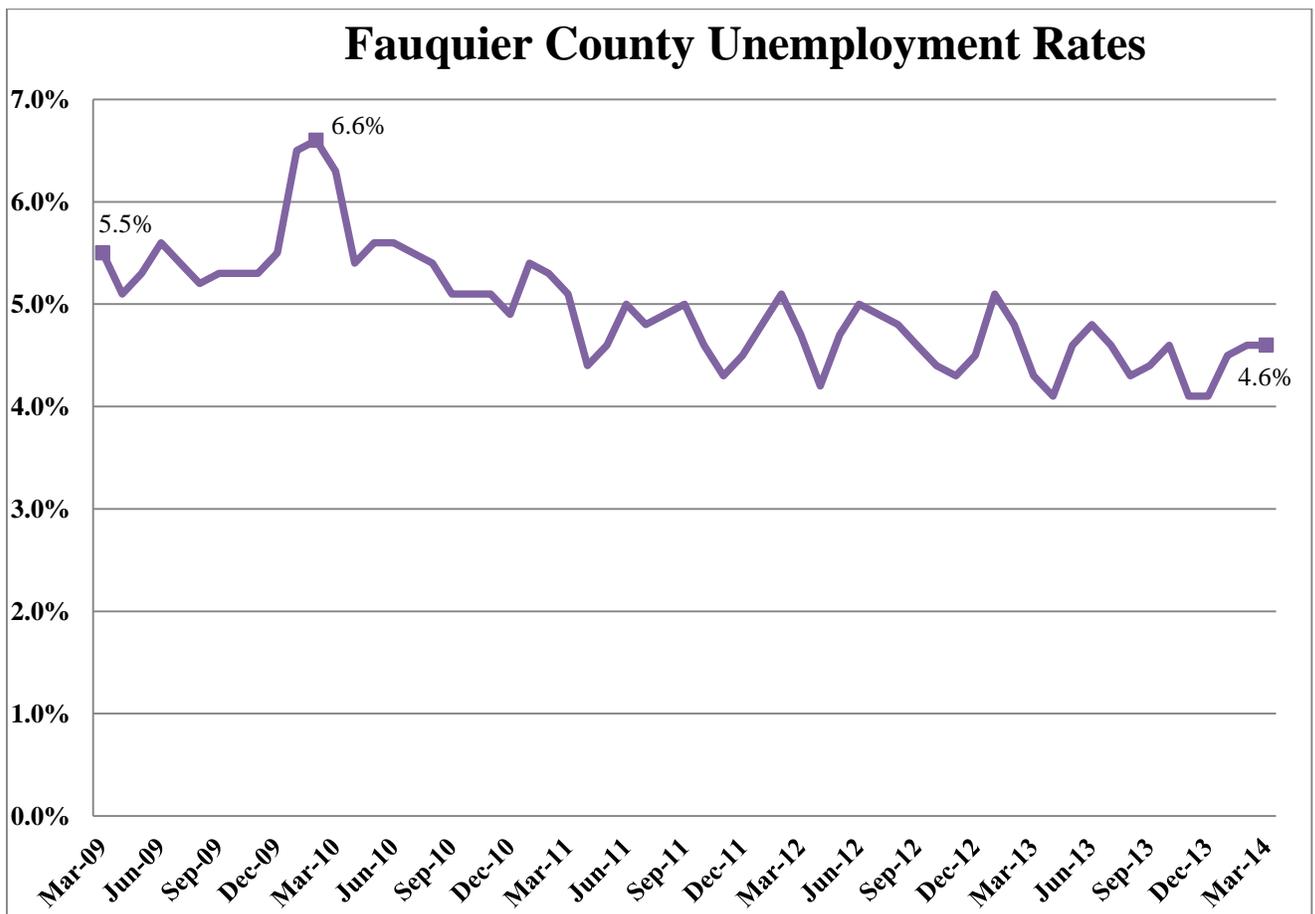
Source: Community Development

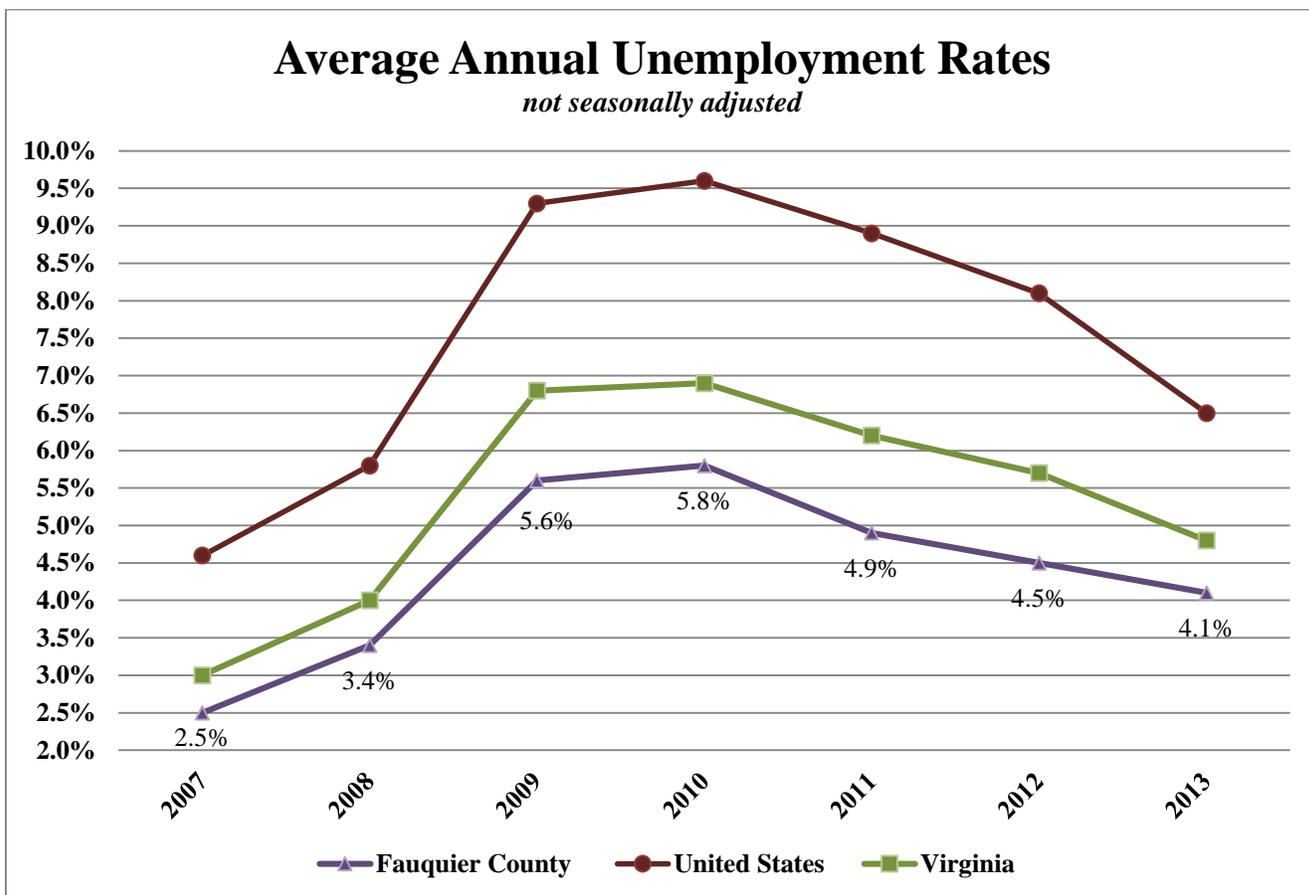
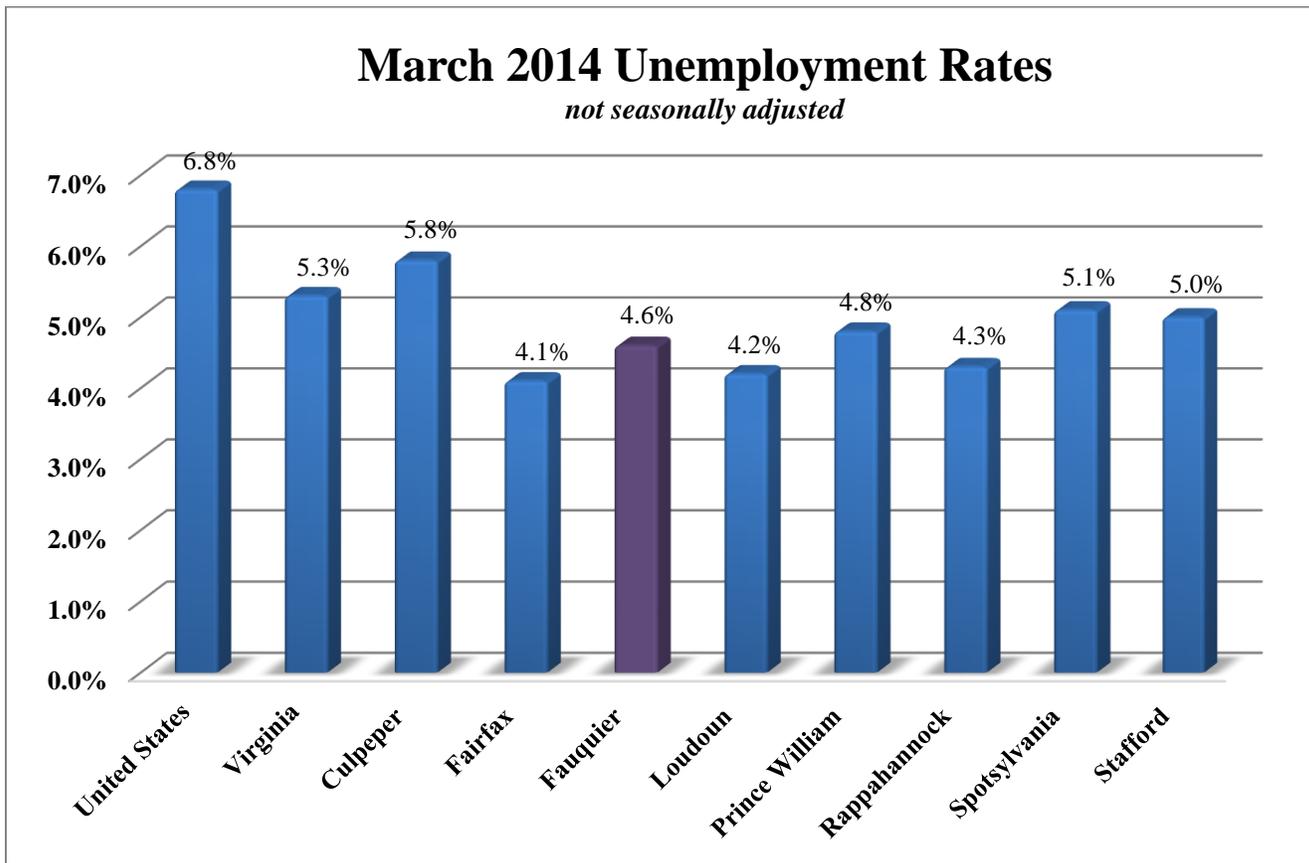
*FY 2014 Data includes data as of 31 March 2014. March data incomplete due to system conversion.

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 24 months. The Fauquier County unemployment rate remains on a slow decline, with only seasonal fluctuation. In comparison to other local jurisdictions, Fauquier County's March 2014 unemployment rate of 4.6% trails Fairfax, Loudoun, and Rappahannock; and is ahead of Prince William, Stafford; Spotsylvania, and Culpeper. Overall for the Commonwealth, Fauquier County ranked 14th behind other counties such as Arlington, Fairfax, Loudoun, Greene, and Rappahannock; and was equal to Powhatan and Rockingham County.

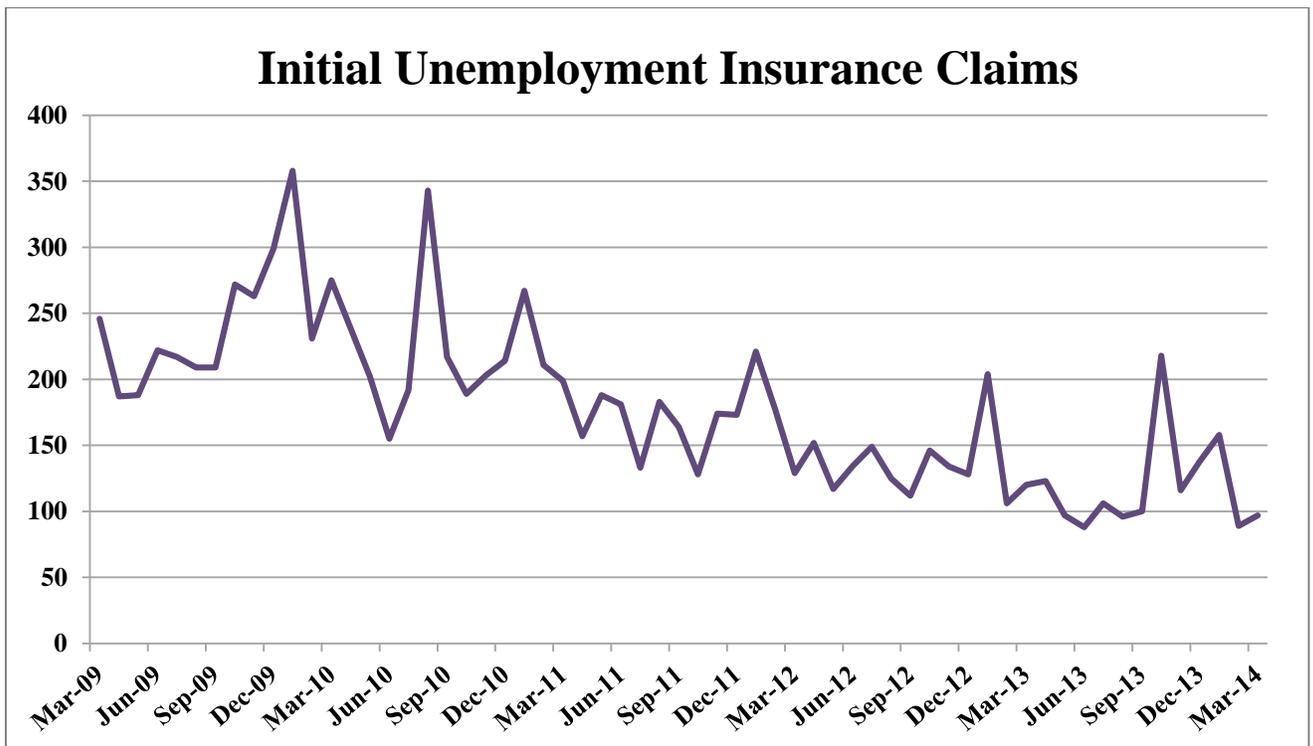
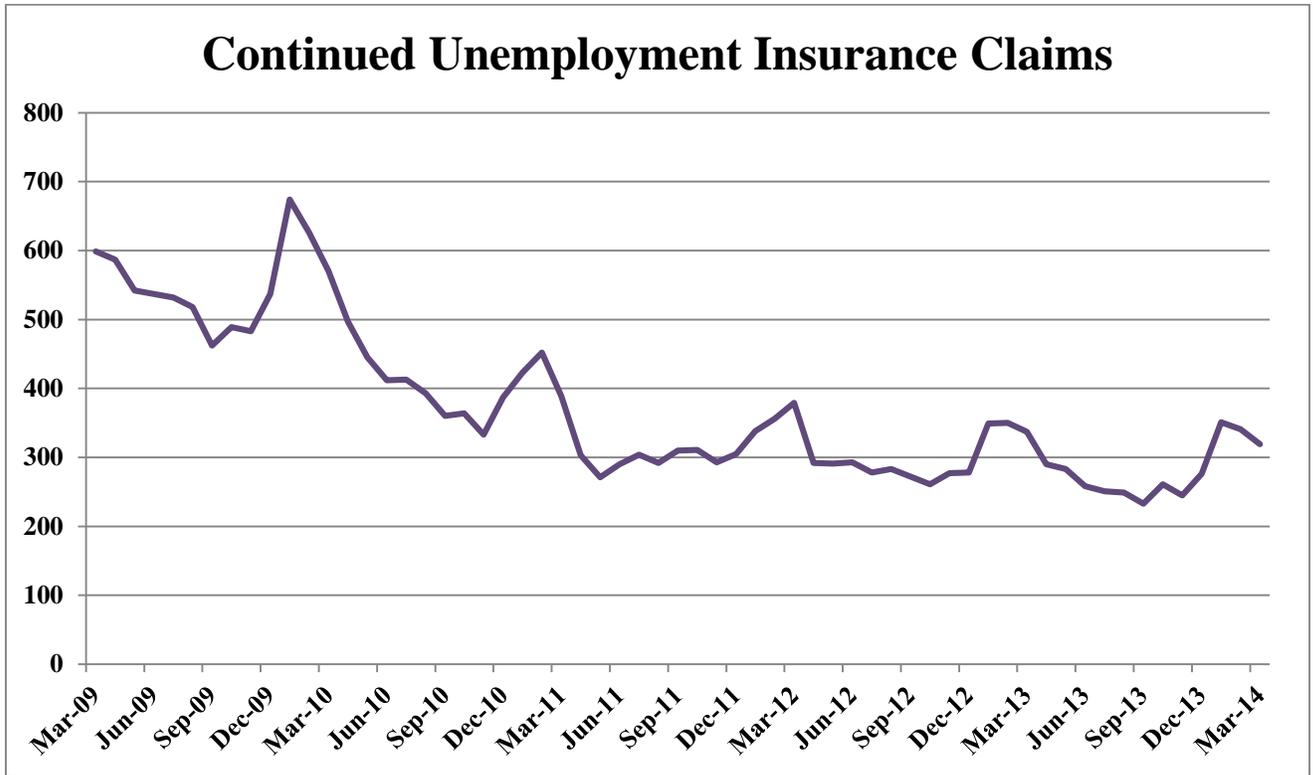




Source: Virginia Employment Commission

b) Unemployment Insurance Claims

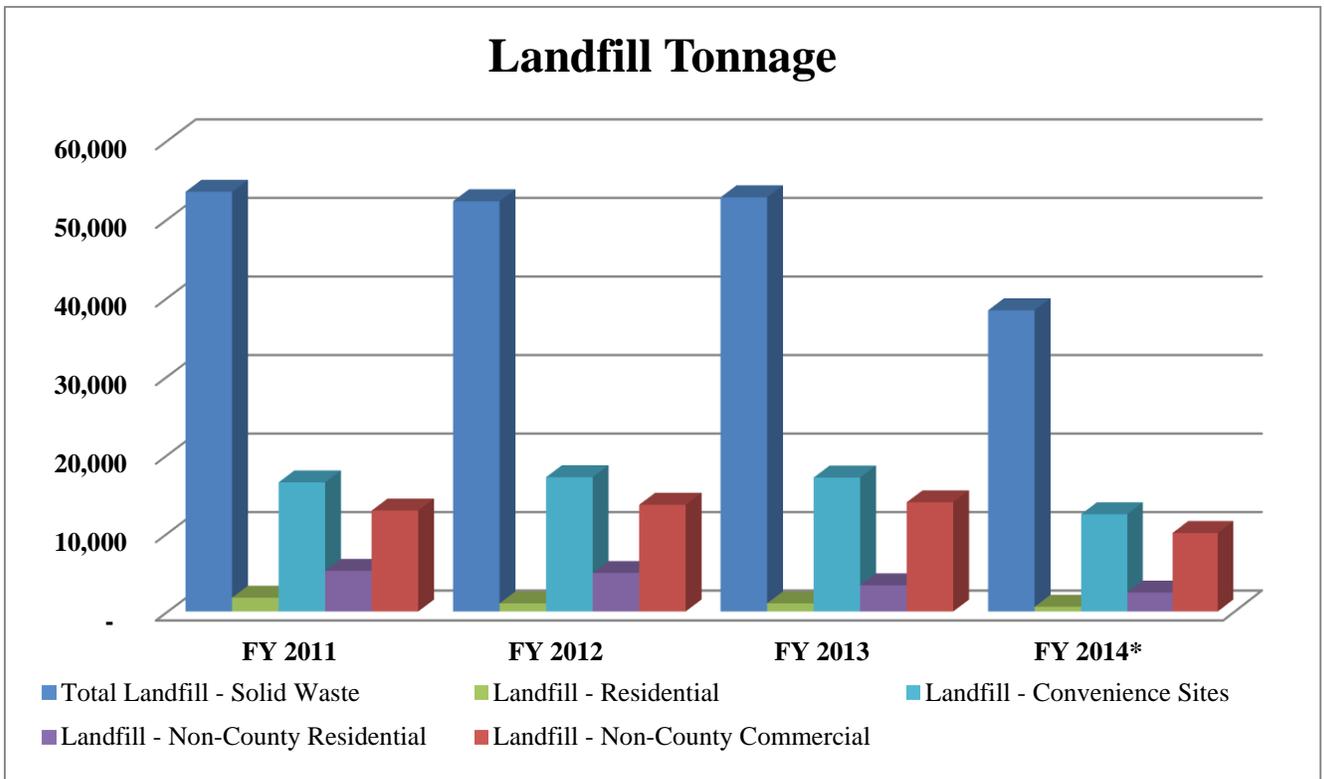
Continued claims have slowly declined over the last twelve months with only seasonal fluctuation. Increases in initial claims are attributable to normal seasonal fluctuation with improvements in the beginning of 2014.



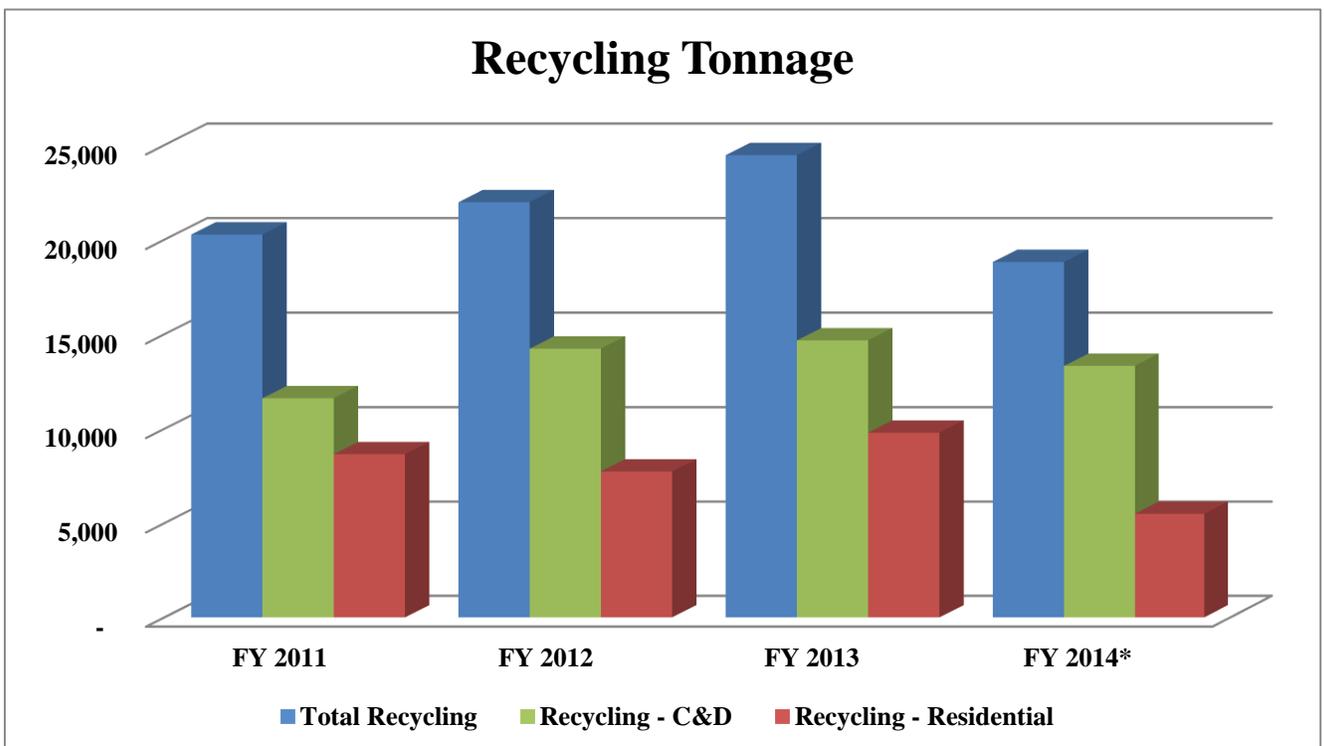
Source: Virginia Employment Commission

3. Environmental Services

Overall, landfill and recycling tonnage remains stable for the first three quarters of FY 2014. Construction and demolition recycling tonnage continues to experience improvement, indicative of the growth in permitting activity.



Source: Environmental Services. *FY 2014 Data includes data as of 31 March 2014.



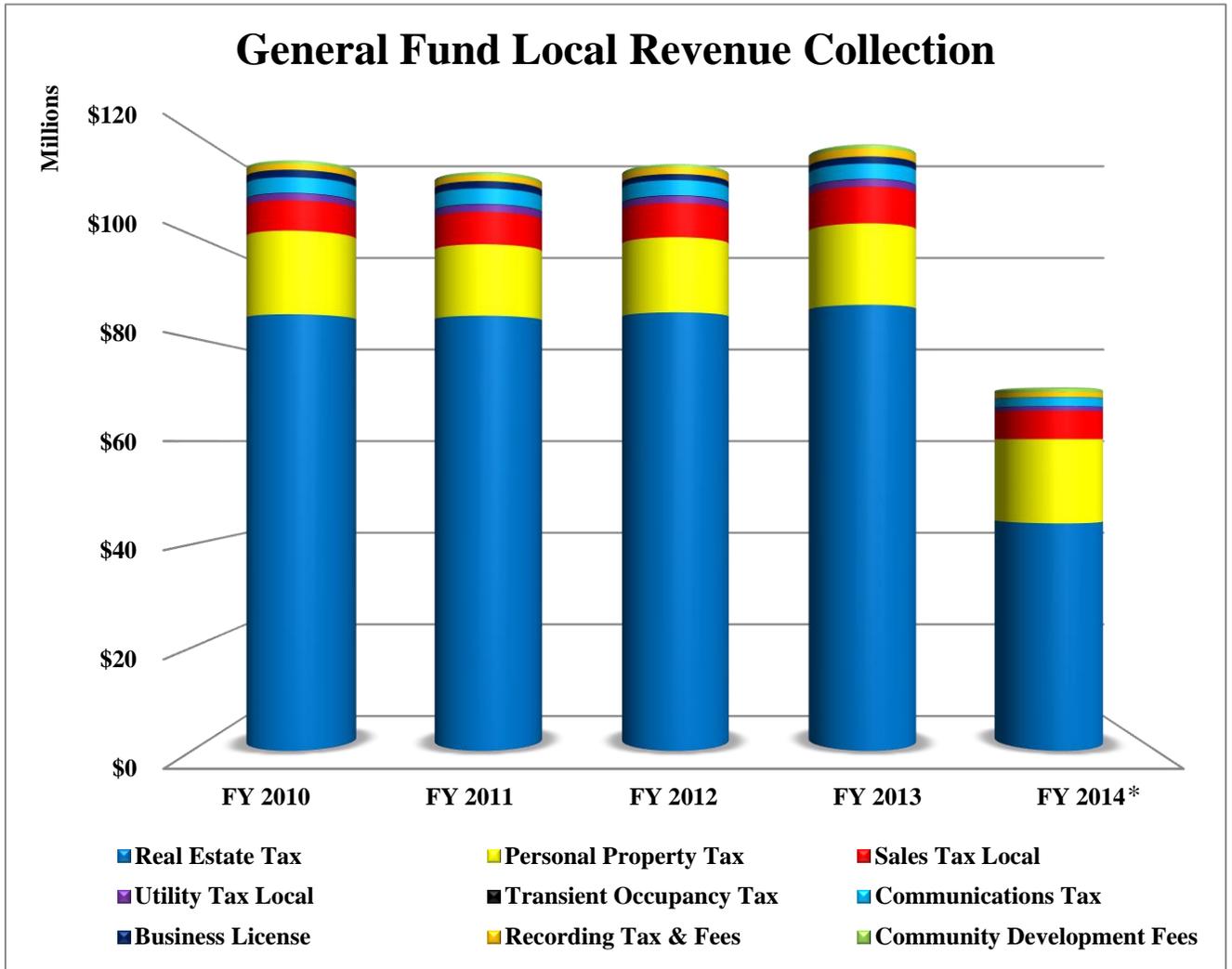
Source: Environmental Services. *FY 2014 Data includes data as of 31 March 2014.

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, recording tax and fees, business and other professional licensing tax and fees, and transient occupancy tax revenue.

a) General Fund local revenue collection

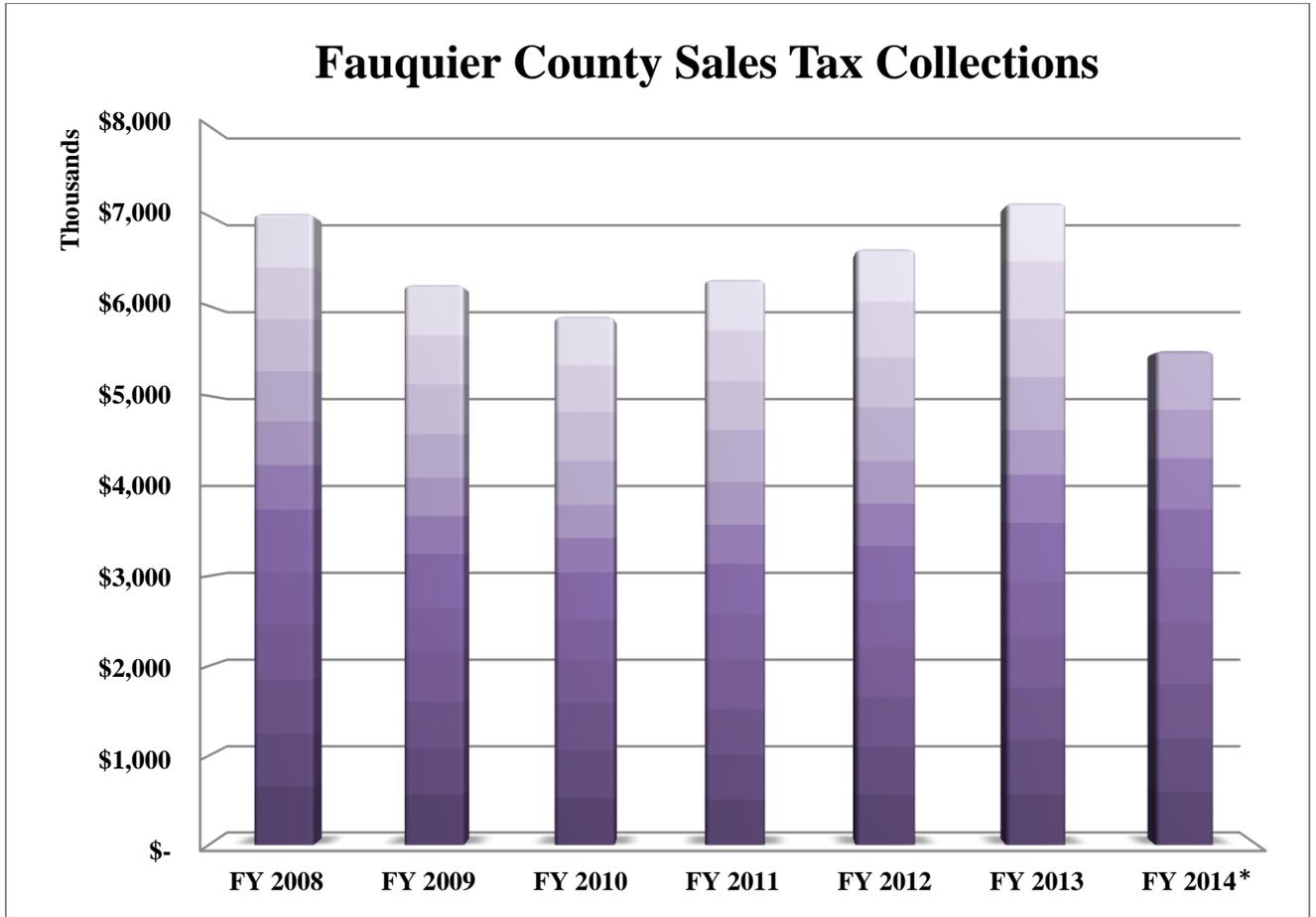
General Fund local revenues for the first nine months of FY 2014 show continued improvement in real estate, sales, and personal property taxes. Growth in real estate taxes is attributable to both an increase in the tax rate for the second-half of FY 2014 and continued growth in the base. Personal property tax and sales tax continue to experience year-over-year growth.



*FY 2014 Data includes data as of 31 March 2014

b) Sales Tax Revenue

Monthly sales tax collections continue to improve year-over-year. On a monthly basis when comparing collections to the prior year, FY 2014 shows the highest total collections for the first nine months of activity since FY 2008. This is a 5.7% increase over the same period of FY 2013.



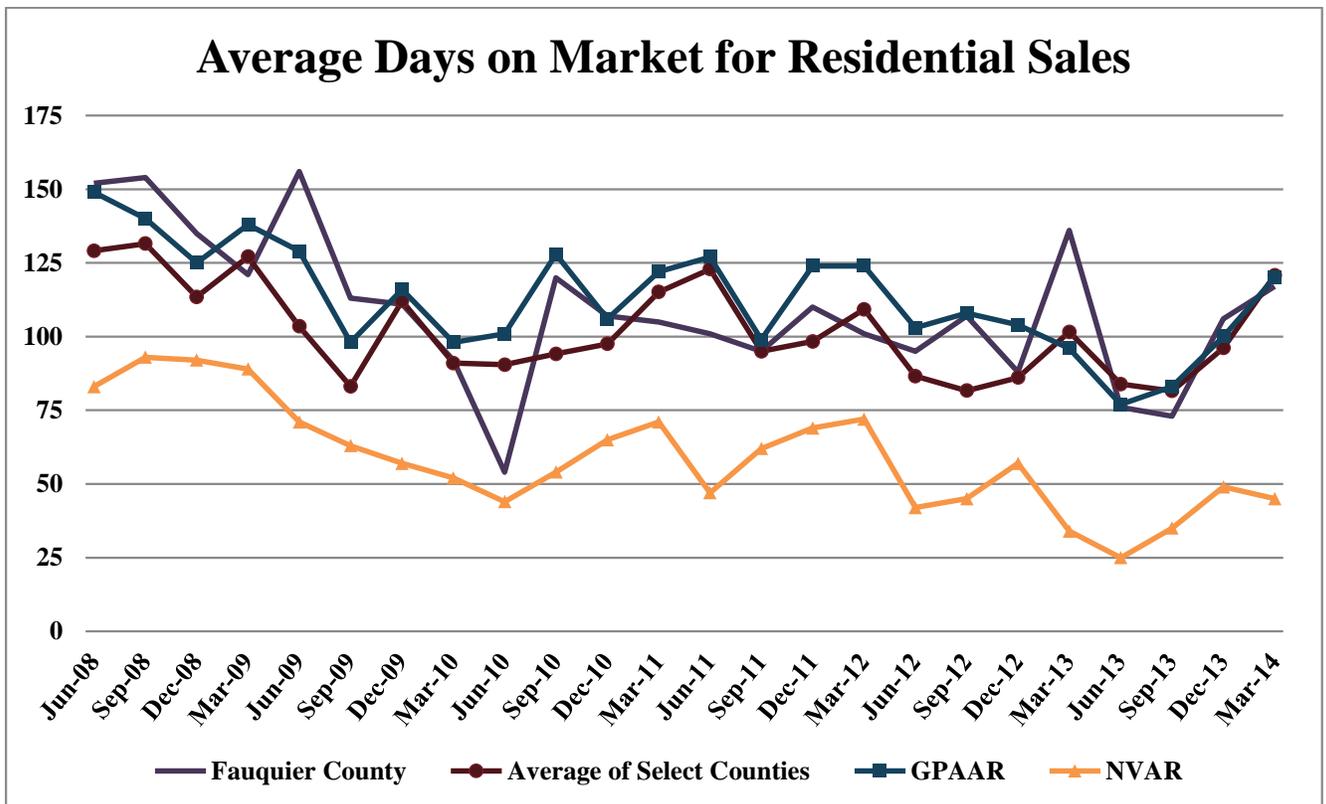
*FY 2014 Data includes data as of 31 March 2014.

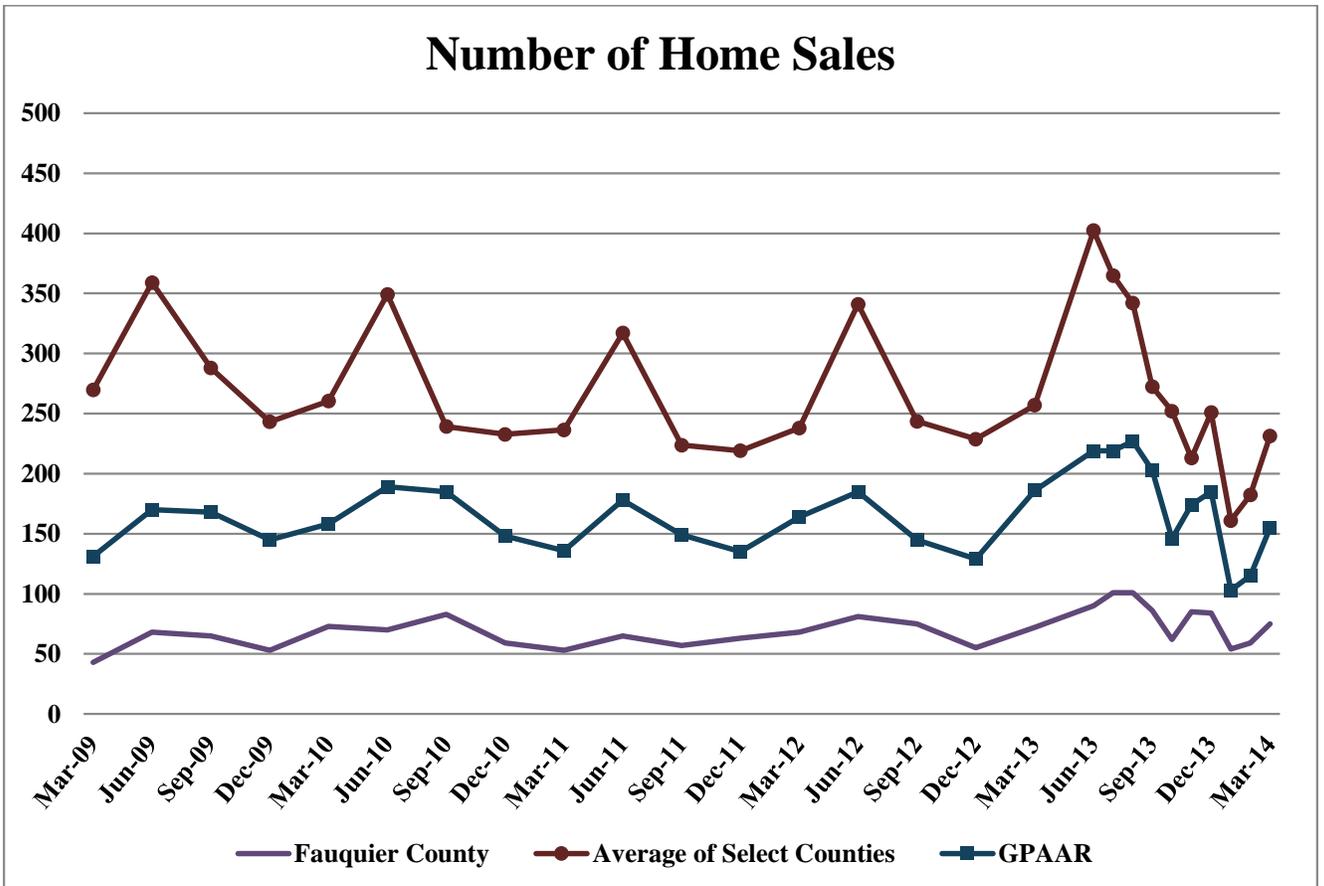
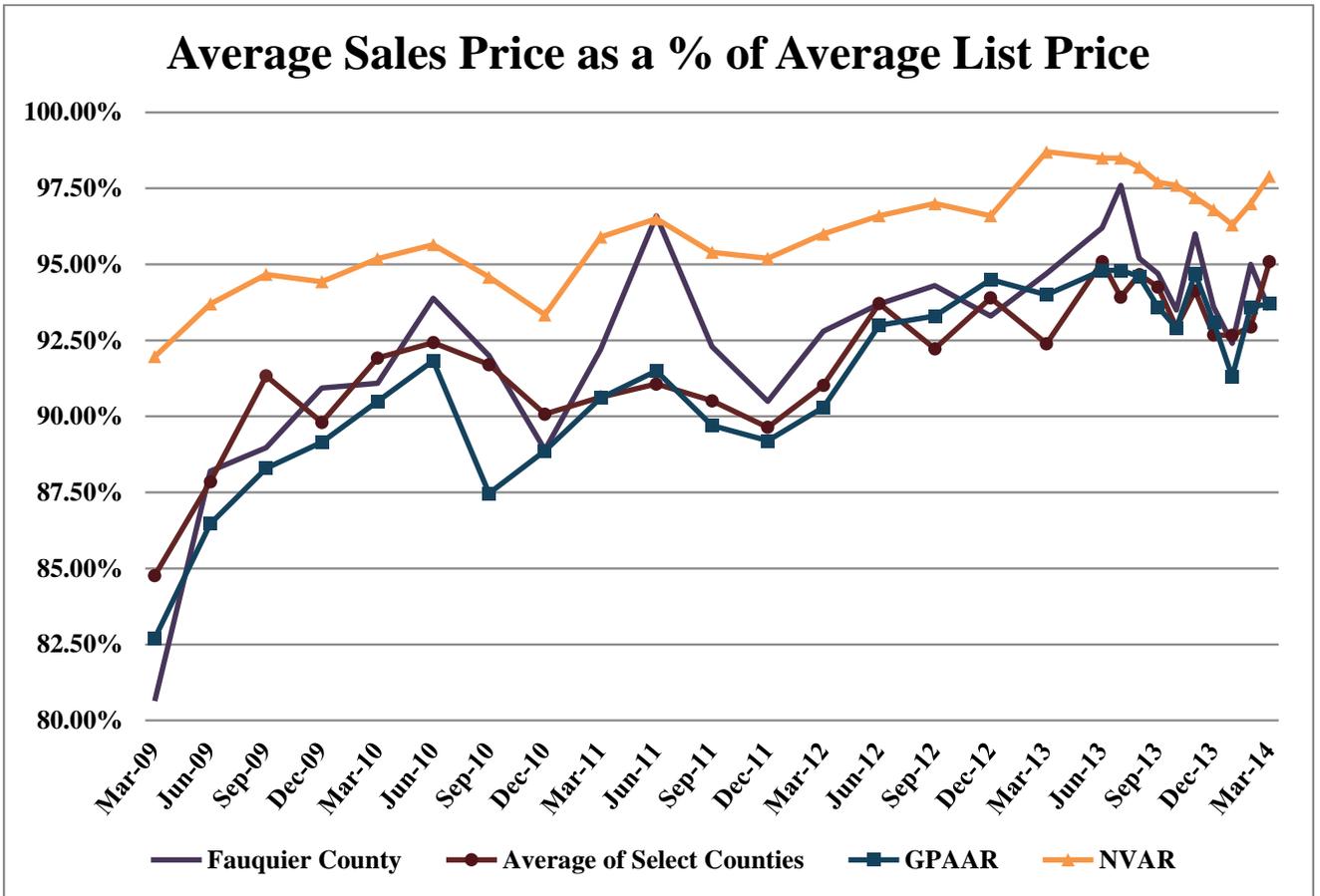
5. Residential Housing Market – Current Data

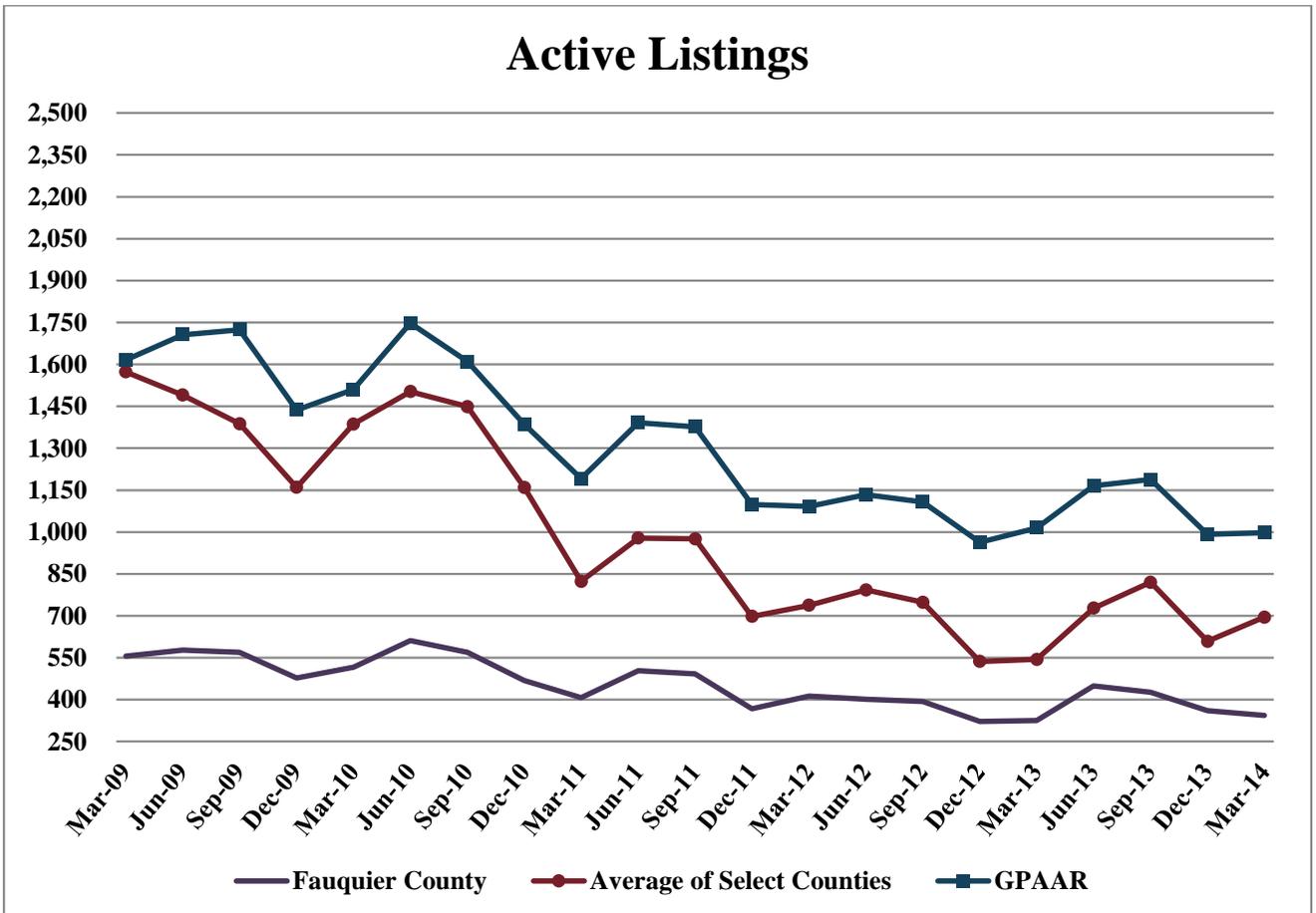
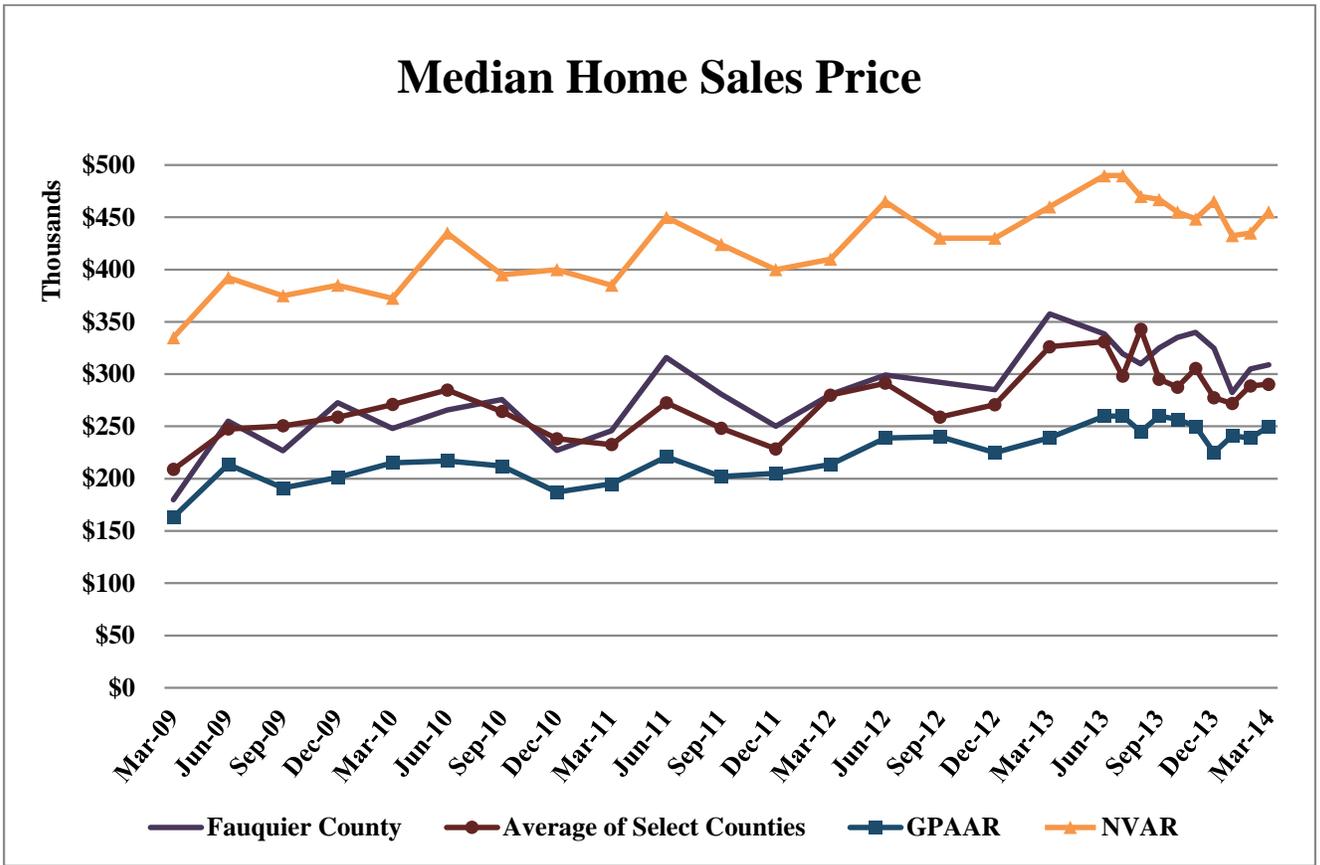
The following charts provide data on various characteristics of the local residential housing market. The graphs display data for Fauquier County, the Greater Piedmont Area Association of Realtors, Northern Virginia Association of Realtors, and/or an Average of select counties. The Greater Piedmont Area 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 has been stable over the last twelve months, with only seasonal fluctuation. While the number of days on market and median home sales values have experienced a slight decline during the winter months, the sales to list price ratio, number of homes sold, and number of listings have remained stable.



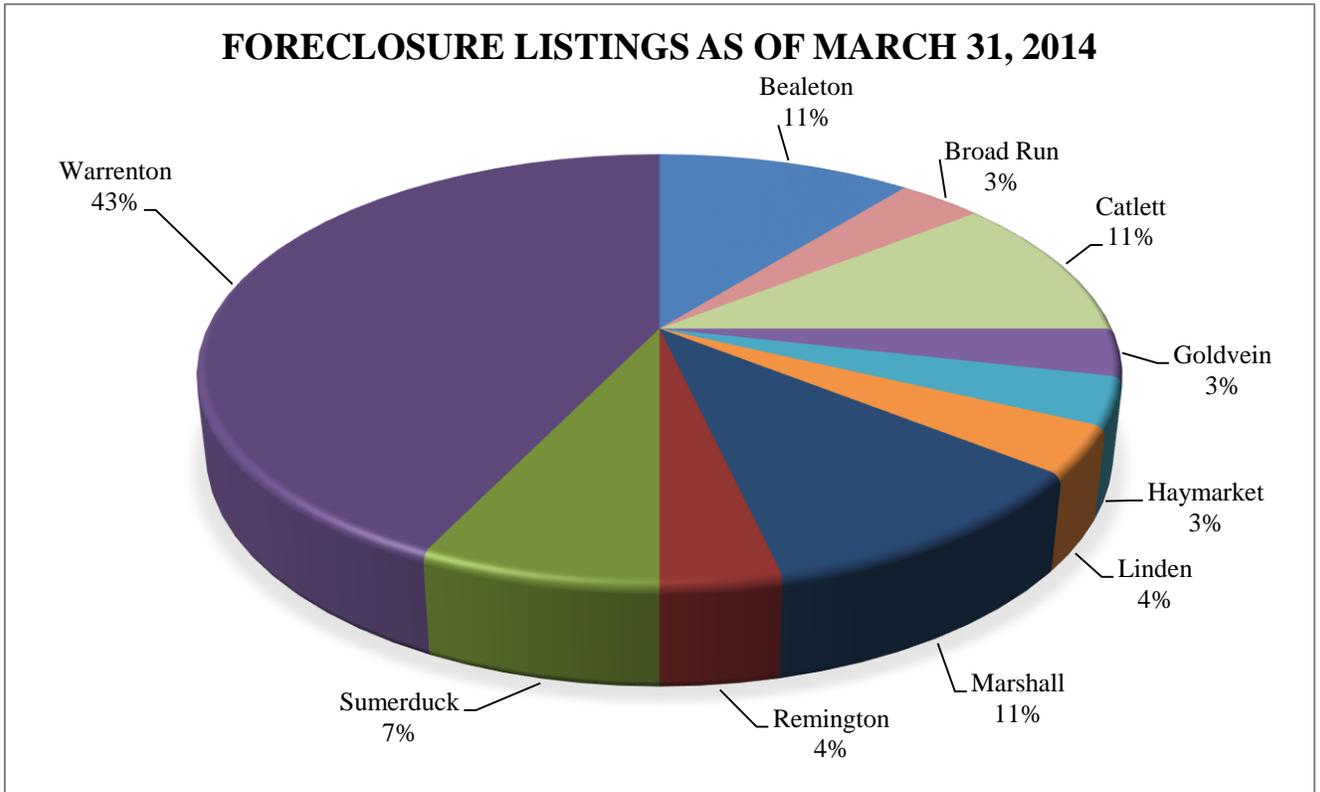




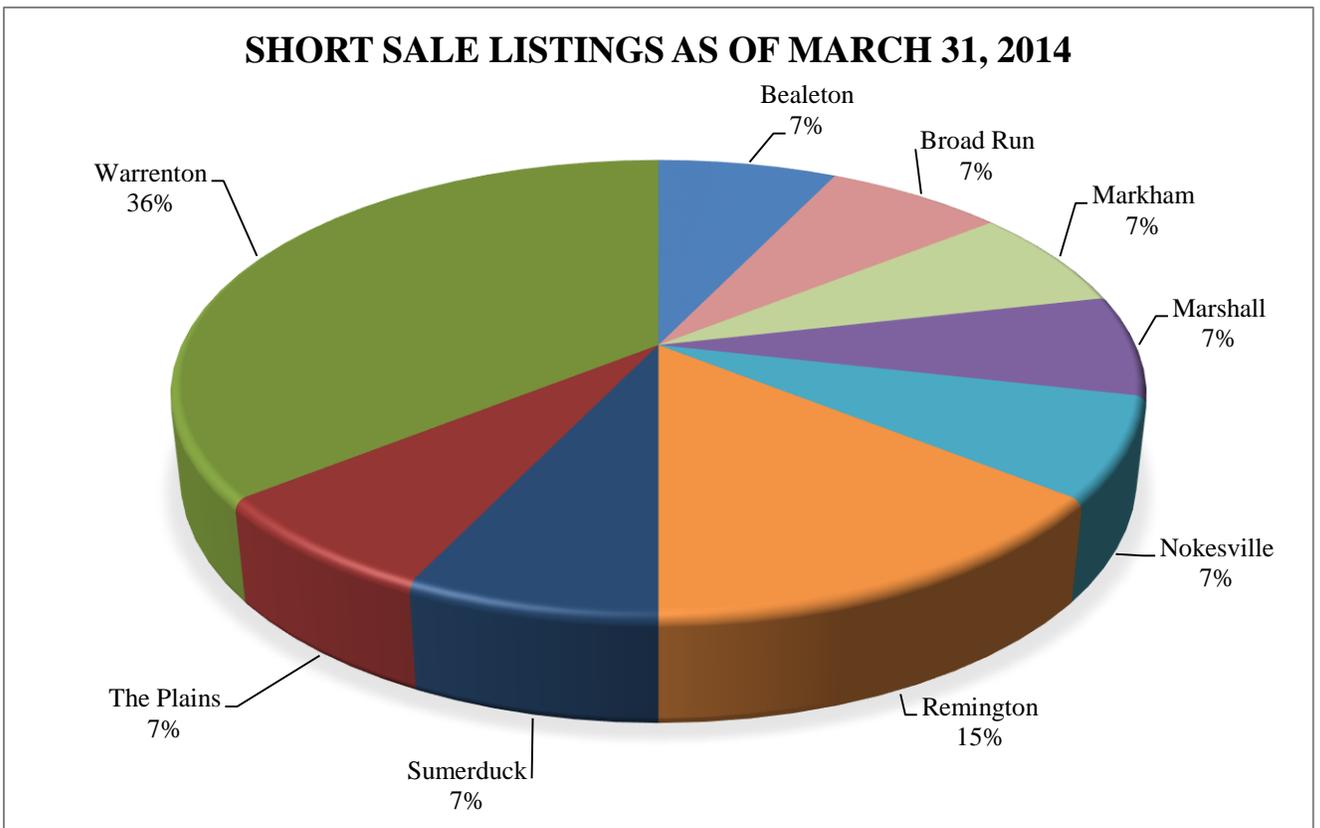
Source: Metropolitan Regional Information Systems, Inc. (MRIS)

b) Foreclosures and Short Sales

Foreclosure listings and short sale listings remained steady to slightly declining over the last twelve months.



28 foreclosure listings as of March 31, 2014. Source: Redfin.com.



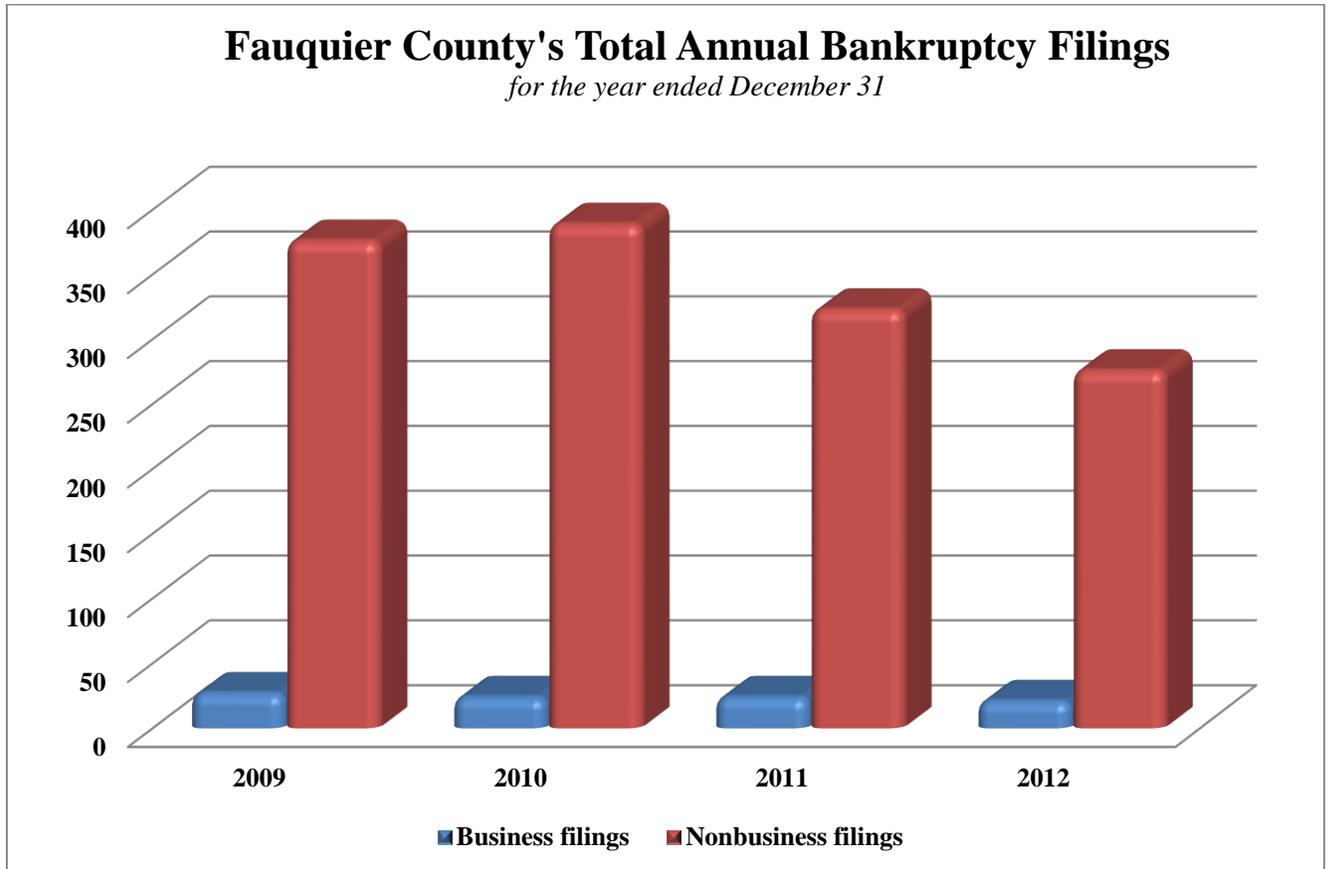
14 short sale listings as of March 31, 2014. Source: Redfin.com.

B. Historical Economic Indicators Data

1. Bankruptcy Filings

While the number of business filers was relatively stable from 2009 through 2012, non-business filers continued to decline between 15-17% annually.

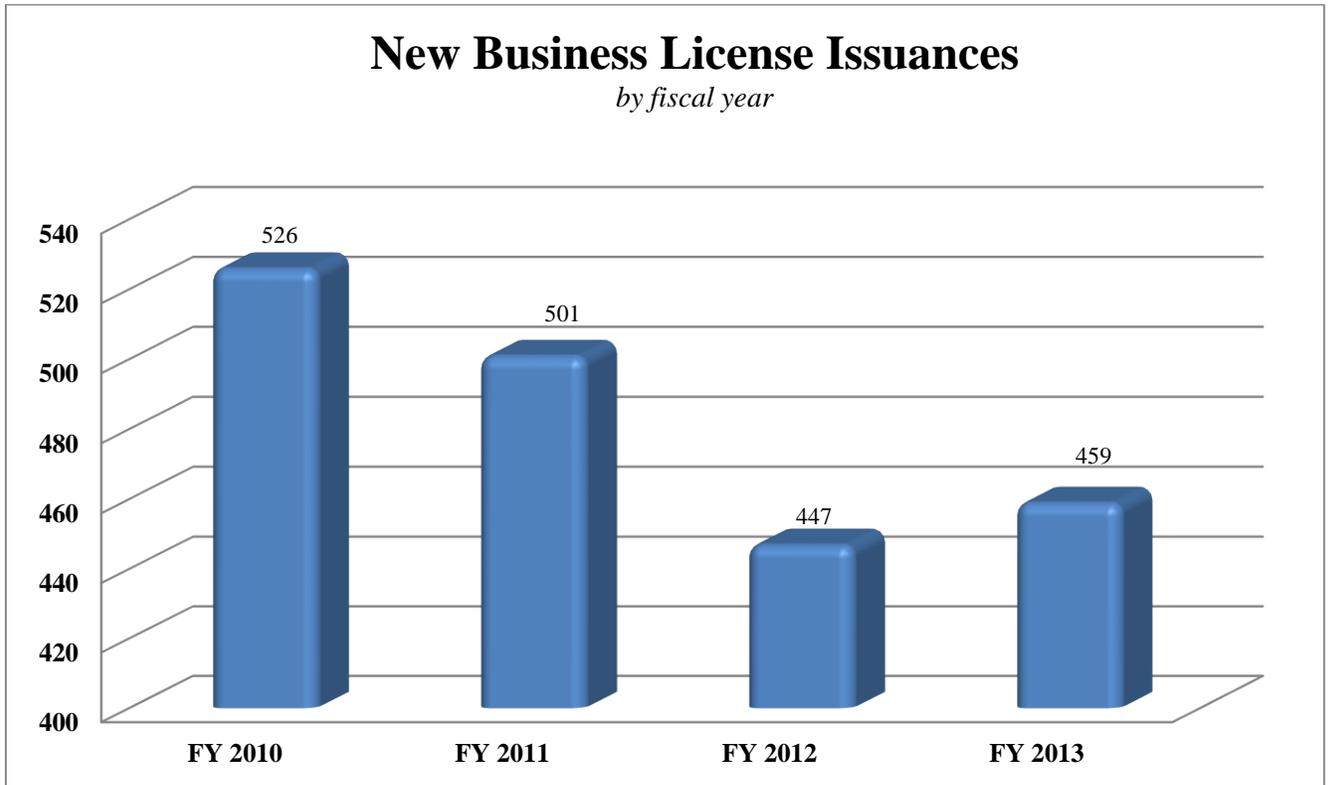
Note: As indicated on page 2, the U.S. courts system no longer is reporting data by locality; therefore, this will be the last Fauquier County Economic Indicators report that includes this data category.



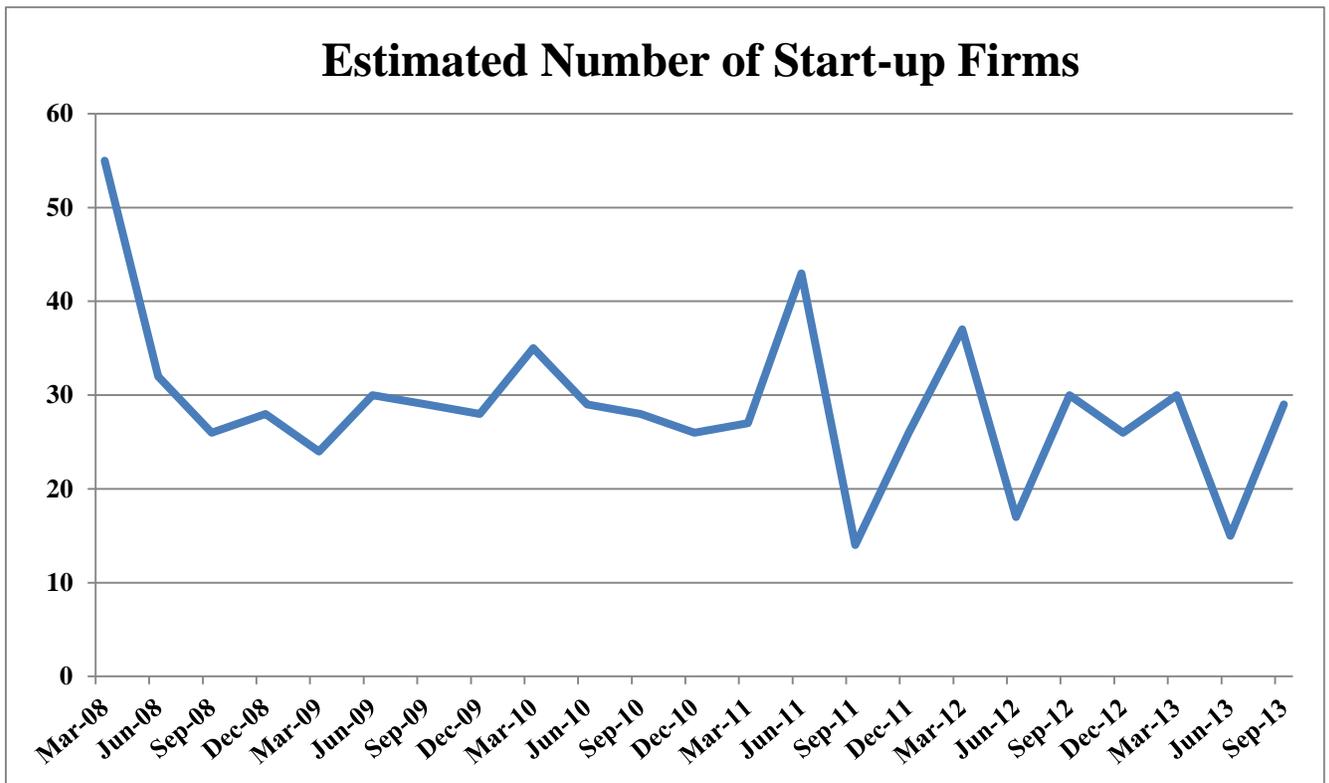
Source: United States Courts System. NOTE: 2013 Data is currently unavailable.

2. Businesses

FY 2013 marked the first year of growth in business licenses issued since the recession. New business licenses issued increased by 2.7% from FY 2012 to FY 2013. The increase is a noted improvement over the decline of 10.8% from FY 2011 to FY 2012.



Source: Commissioner of the Revenue



Source: Virginia Employment Commission

3. Residential Housing Market – Historical Data

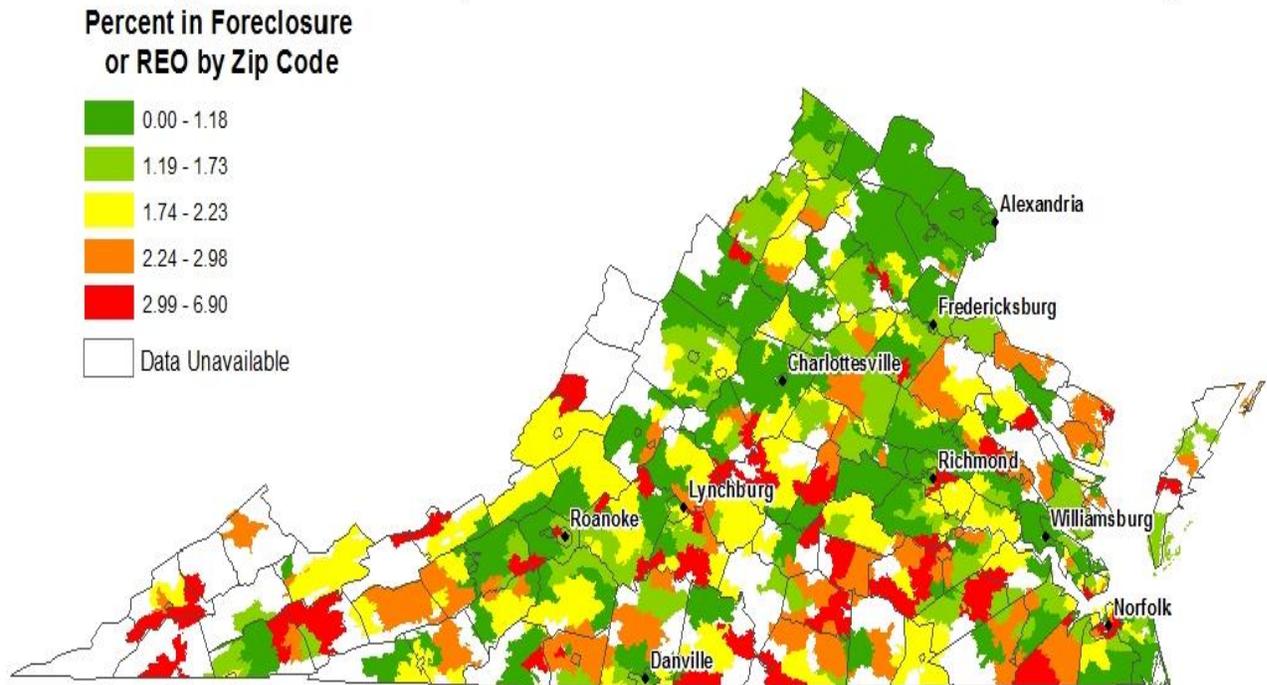
a) Residential Foreclosures and Delinquencies

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.

As of December 2013, foreclosures in the County continue to improve for prime and subprime loans. Additionally, the volume of owner-occupied home mortgages with subprime loans continues to lessen throughout the County.

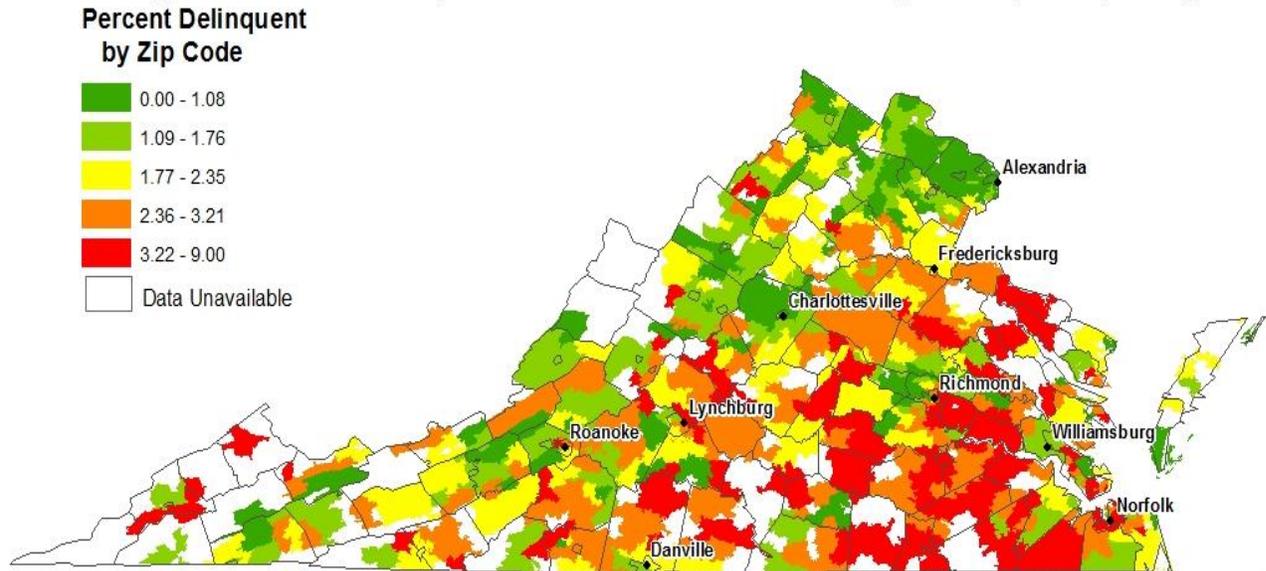
Percentage of Owner-Occupied Prime Loans in Foreclosure or REO : Virginia



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 2013)

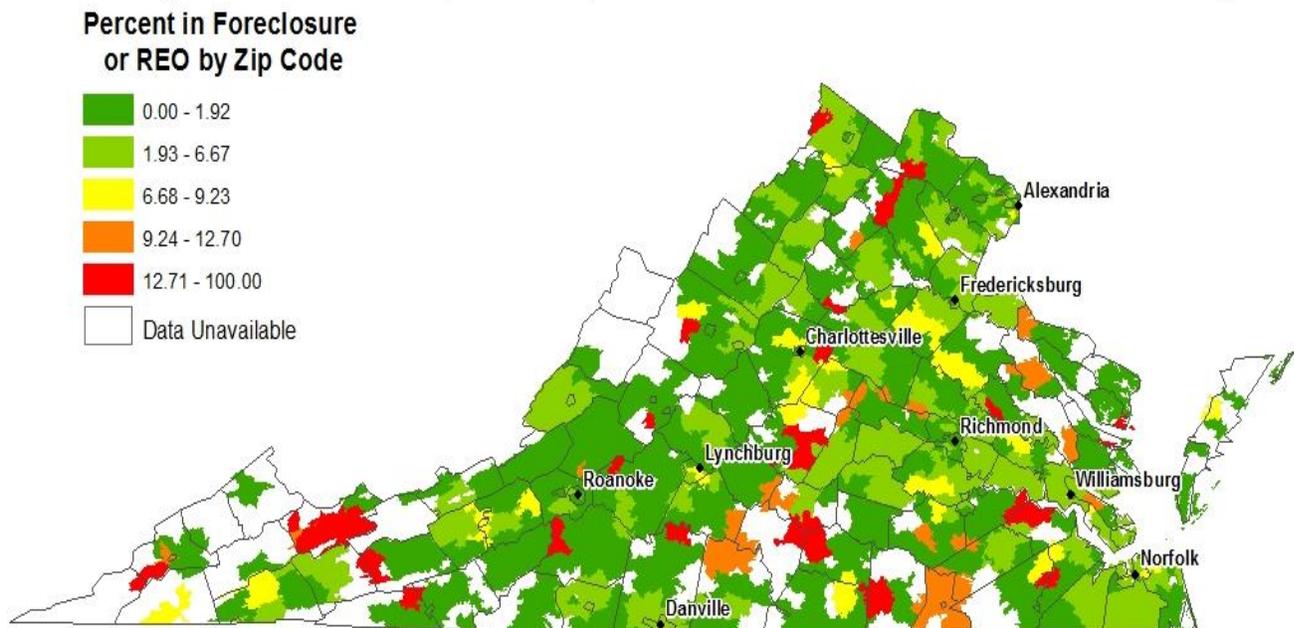
Percentage of Owner-Occupied Prime Loans with 90+ Day Delinquency: Virginia



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 2013)

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

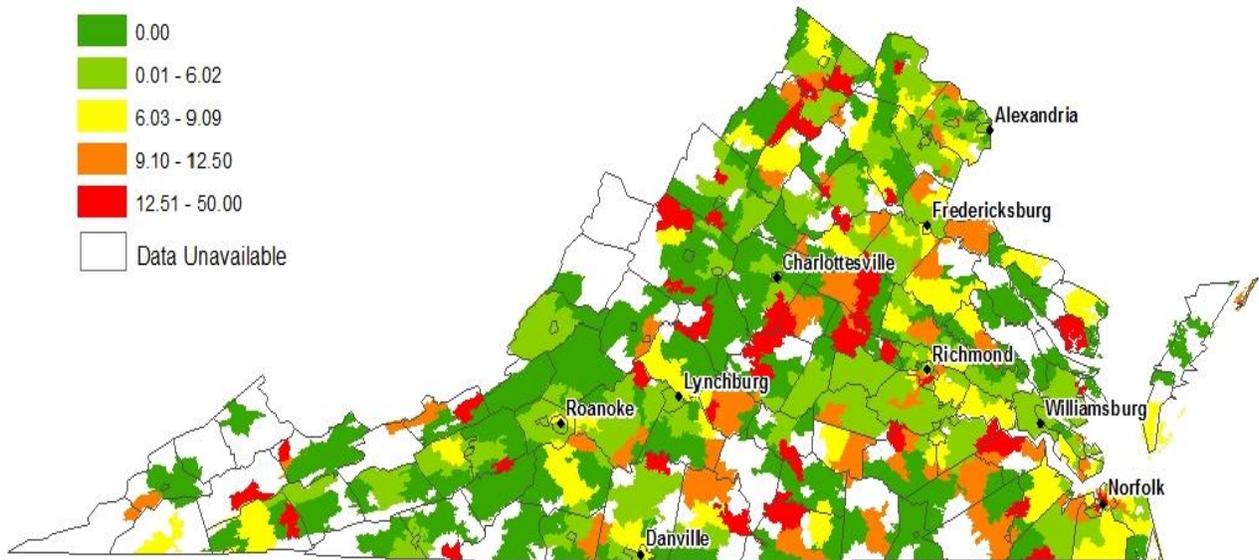


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (December 2013)

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

Percent Delinquent
by Zip Code

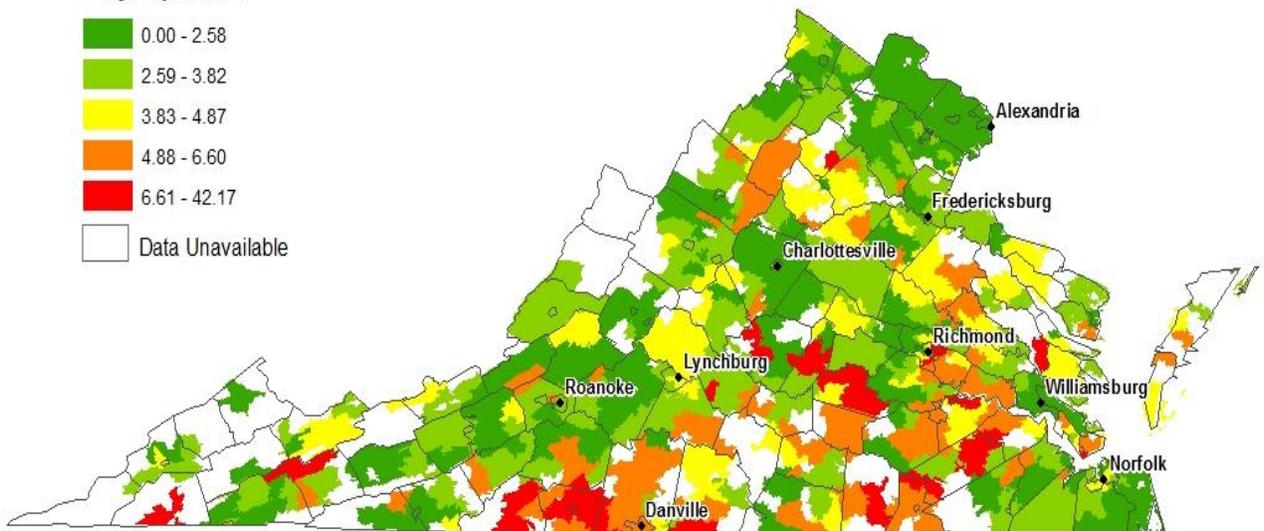


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (December 2013)

Percentage of Owner-Occupied Mortgages with Subprime Loans: Virginia

Percent Subprime
by Zip Code



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.

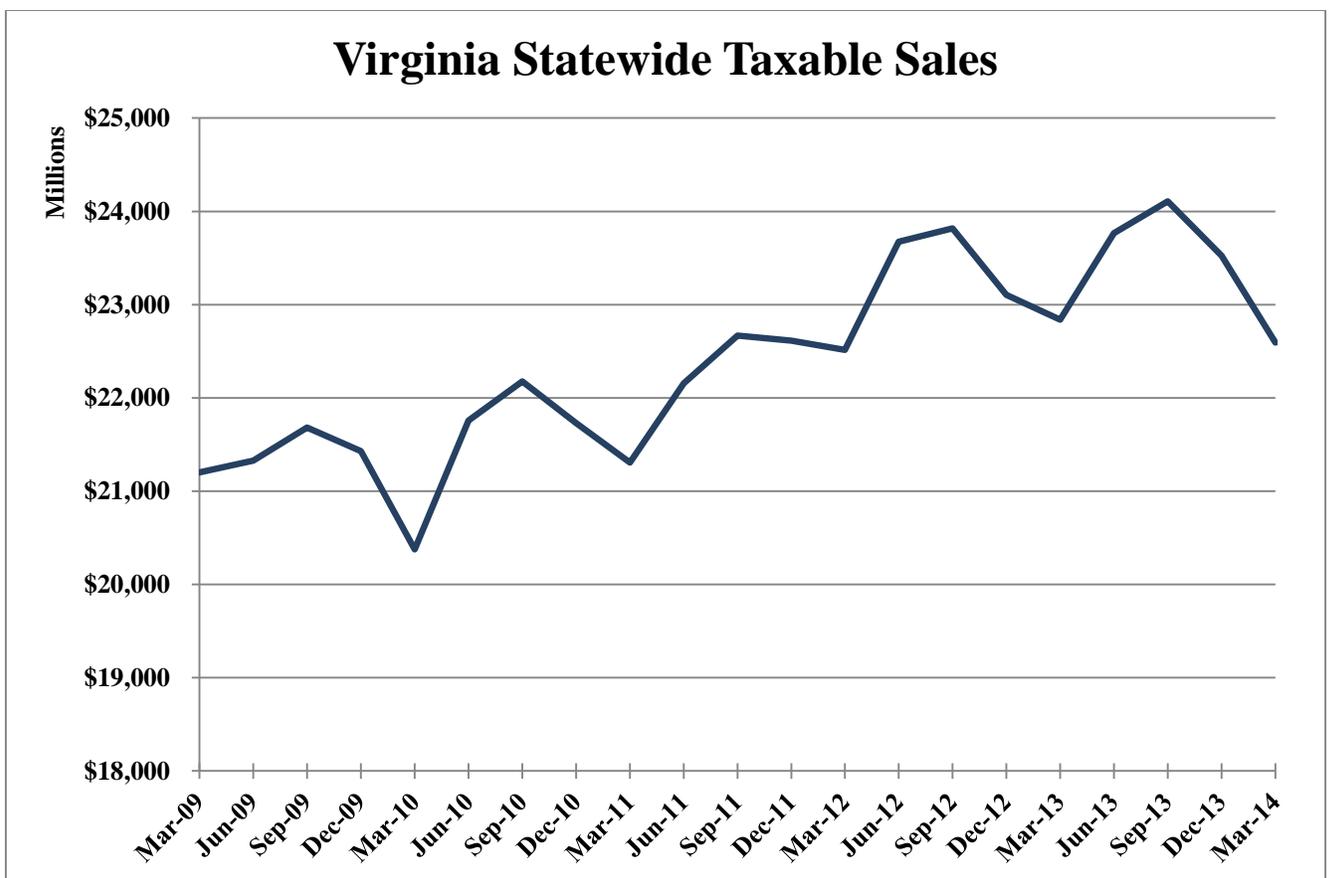
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (December 2013)

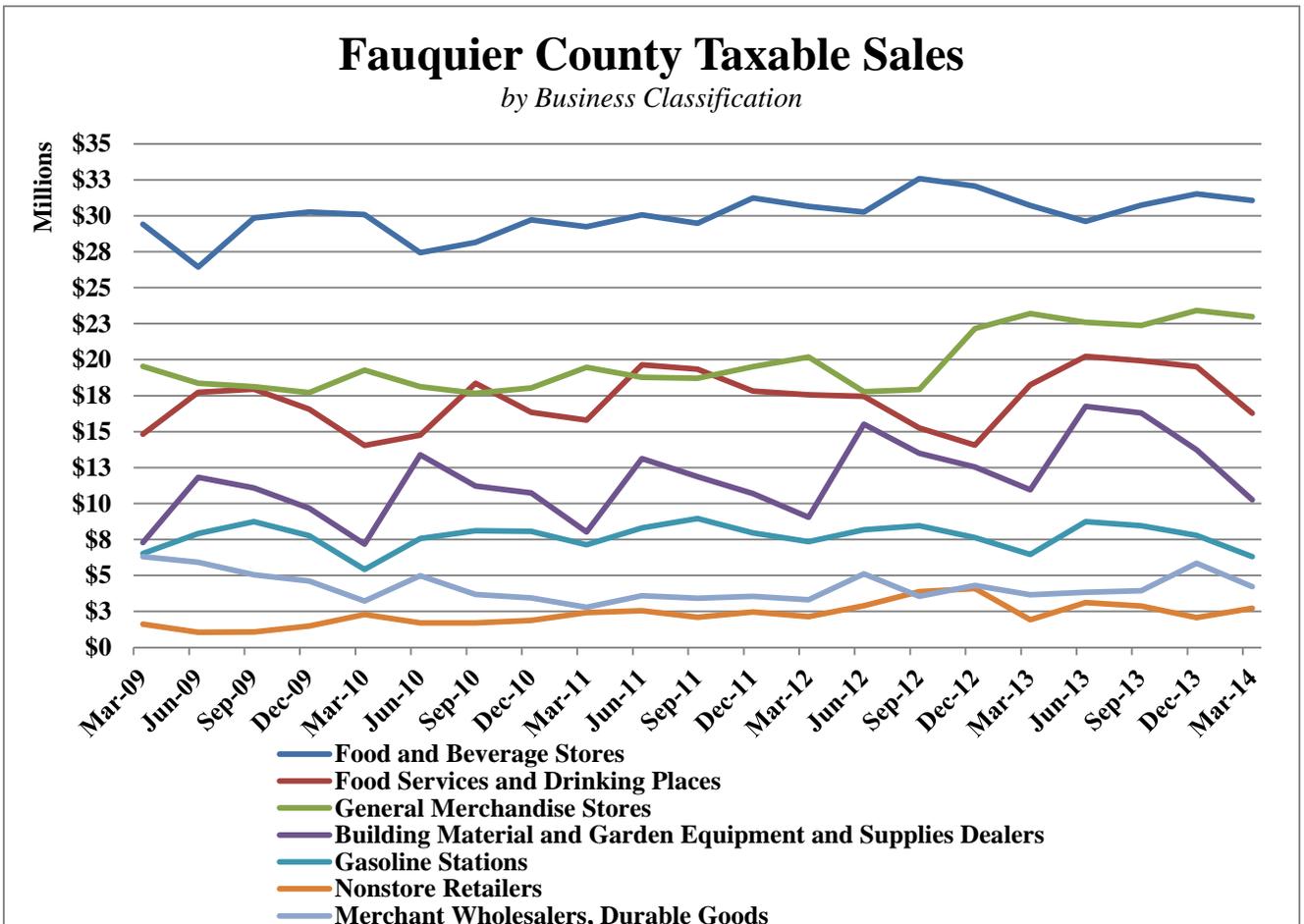
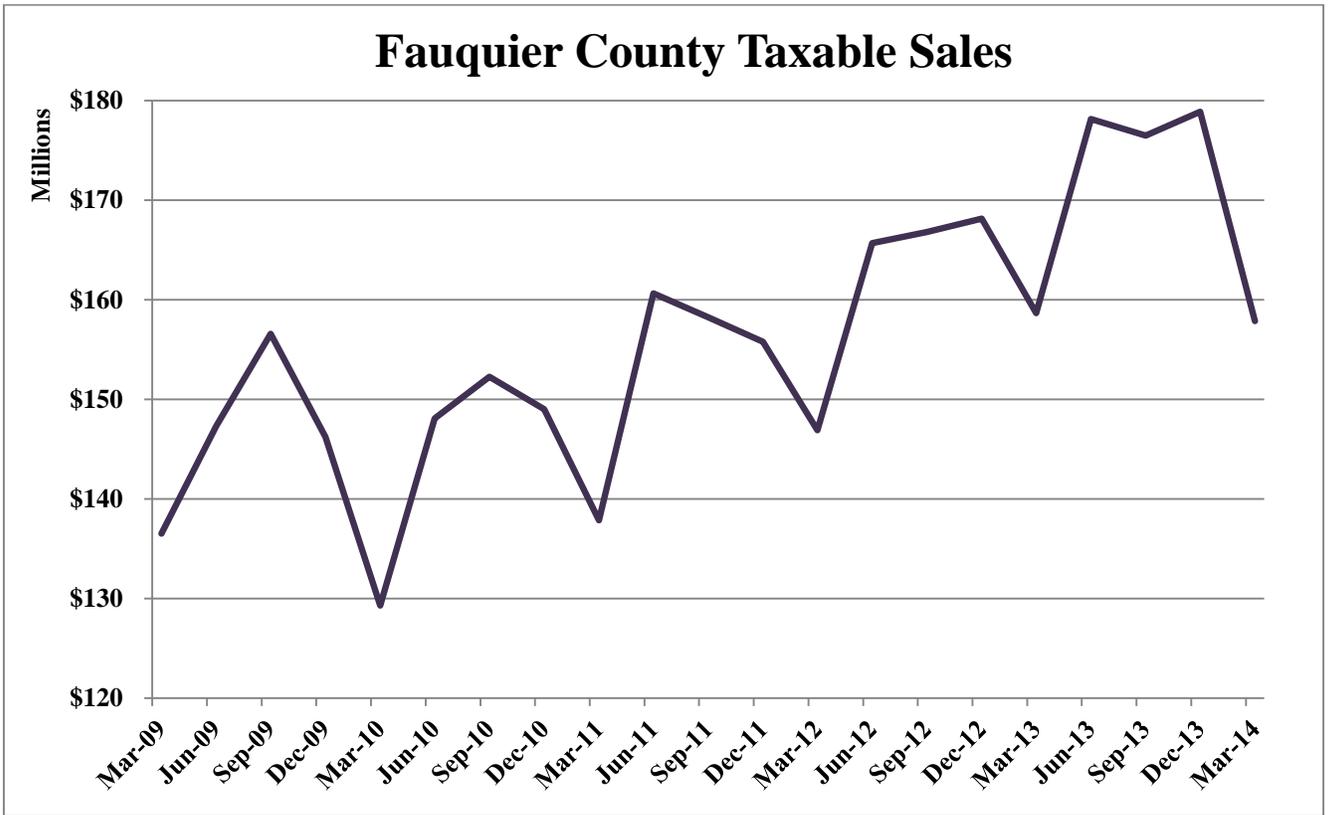
4. Taxable Sales

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

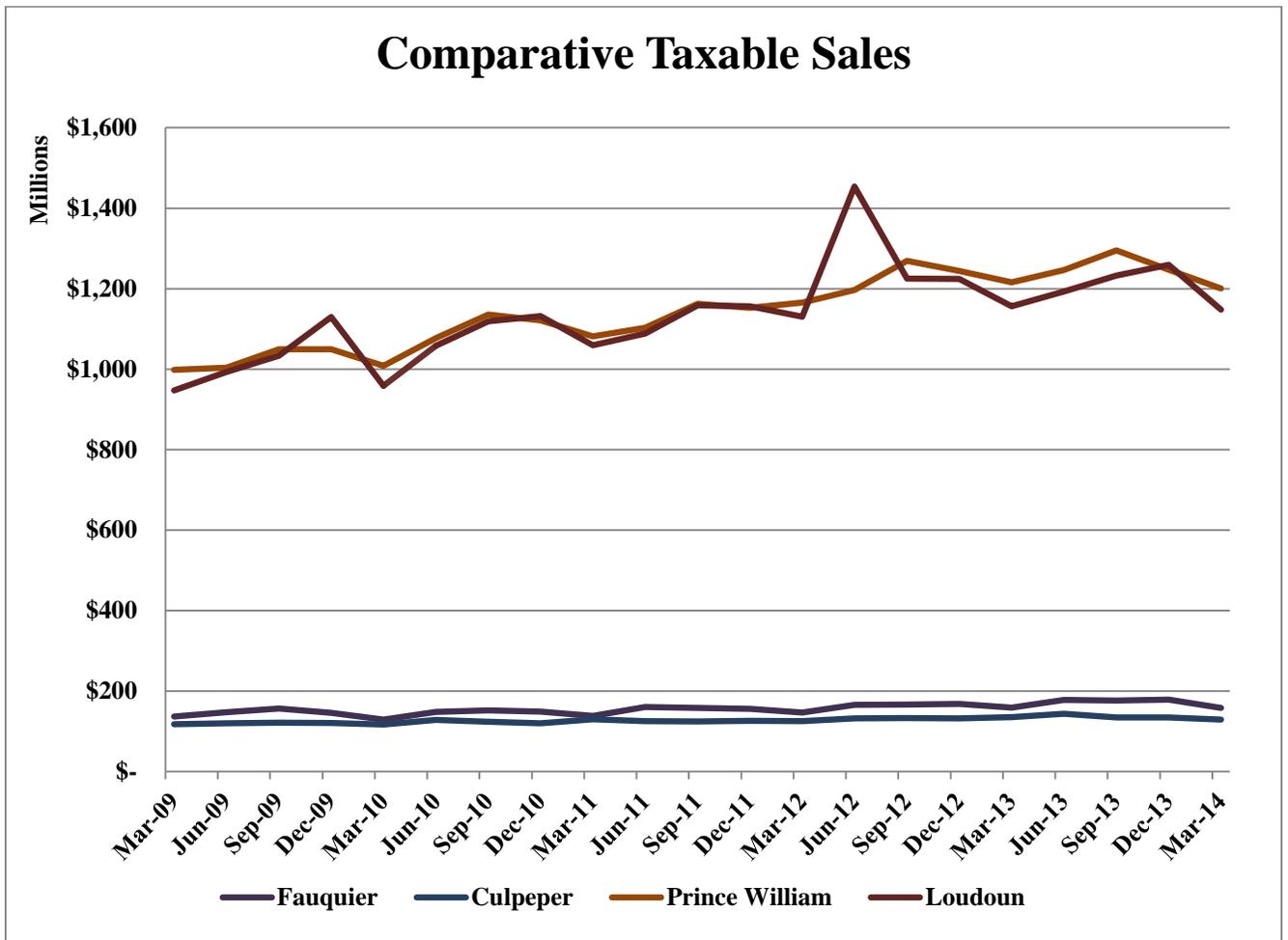
- Virginia statewide taxable sales;
- Fauquier County taxable sales;
- Fauquier County total taxable sales for business classifications with sales in excess of \$10 million at the beginning or end of the recession; and
- Fauquier County taxable sales in comparison to Prince William, Loudoun, and Culpeper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

The County's taxable sales continued to improve through the first three quarters of FY 2014. While the County's value of taxable sales value is less than Prince William and Loudoun, the positive rate of change remains similar. Food and beverage store sales have risen slightly, while sales in food and beverage places have remained stable. In addition, building and garden material supplies continue to experience positive growth, with some seasonal fluctuation. Overall, the County's taxable sales continue to experience a modest recovery.





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 – Taxable sales, Quarter Ending March 31, 2014.



Source: Weldon Cooper Center for Public Service, UVA.