

Fauquier County Economic Indicators



April 2012
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 remained relatively flat throughout FY 2011 and marked the lowest level since the recession. While FY 2012 overall is trending similar to FY 2011, building permit activity has shown a moderate improvement.
Community Development	Building & new residential construction permits		FY 2012 YTD as of March for new construction shows signs of improvements in comparison to FY 2009 – 2011 year to date. Building permits FY 2012 YTD are trending slightly ahead of the same period in FY 2009 – 2011.
Employment	Unemployment rate		The county's unemployment rate is the 9 th lowest in the state at 5.1%. While relatively flat over the last year and lower than the height of the recession, the unemployment rate remains elevated in comparison to the beginning of the recession, which was 2.7% in December 2007.
Employment	Unemployment insurance claims		Continued claims declined early in the calendar year and have remained flat. Initial claims have experienced limited yet with sizeable fluctuations, but track lower than the last two years.
Environmental Services	Landfill tonnage	-	Total landfill tonnage appears to have stabilized with little growth.
Environmental Services	Recycling tonnage		FY 2012 tonnage is tracking slightly ahead of FY 2011.
Residential Housing Market	Days houses are on market	-	The average number of days increased slightly in the fall/winter months, similar to prior years.
Residential Housing Market	Median Sales price		Median sales prices are beginning to return to a level similar to the early 2000s. While the prices have adjusted in normal seasonal patterns, they have been relatively stable since mid-2009.
Residential Housing Market	Foreclosures and short sale listings		Foreclosure and short sale listings have decreased substantially over the last six months. Continuation of reduced foreclosure listings are dependent upon the impact of foreclosure processing held up by banks as part of the national foreclosure settlement.
Residential Housing Market	Number of houses sold	-	The number of houses sold has begun to normalize at pre-recession level of 60 units per month throughout 2011 and the beginning of 2012.
Local Revenue	County sales tax collections		Sales tax collections continue to increase in comparison to the same month of the prior year throughout 2011. Total collections for FY 2012 through January 2012 show a 6.46% increase over the same period of FY 2011. December 2011 marked the single highest month of collections since December 2007.

B. Historical Economic Indicators

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

Category	Indicator	Comments
Bankruptcy Filings	Number of bankruptcy filings	The number of bankruptcy filings has begun to stabilize with both business and non-business filings declining or flat year-over-year.
Businesses	Number of new licenses issued	While new business license issuances continue to decline, they decline at a slower pace than prior fiscal years. The reduction in new business licenses contraction could be indicative of an improving environment for County businesses.
Businesses	Number of startup firms	While relatively flat since June 2008, incremental growth is observed since March 2011.
Residential Housing Market	Foreclosures by loan type	Improvement in the level of foreclosures and new delinquencies continue to be observed. While the middle of 2011 saw a rise in the number of prime loan foreclosures, they have begun to decline.
Residential Housing Market	Rate of foreclosure	The rate of foreclosures has declined in the entire Washington, DC metro area since July 2010. Fauquier County's foreclosure rate relative to the entire metro area decreased below the average for the DC metro area in the 1 st quarter of calendar year 2011.
Taxable Sales	Taxable sales	Taxable sales continue to improvement. Businesses categorized as food services and drinking places and building materials and garden equipment have experienced some expansion.

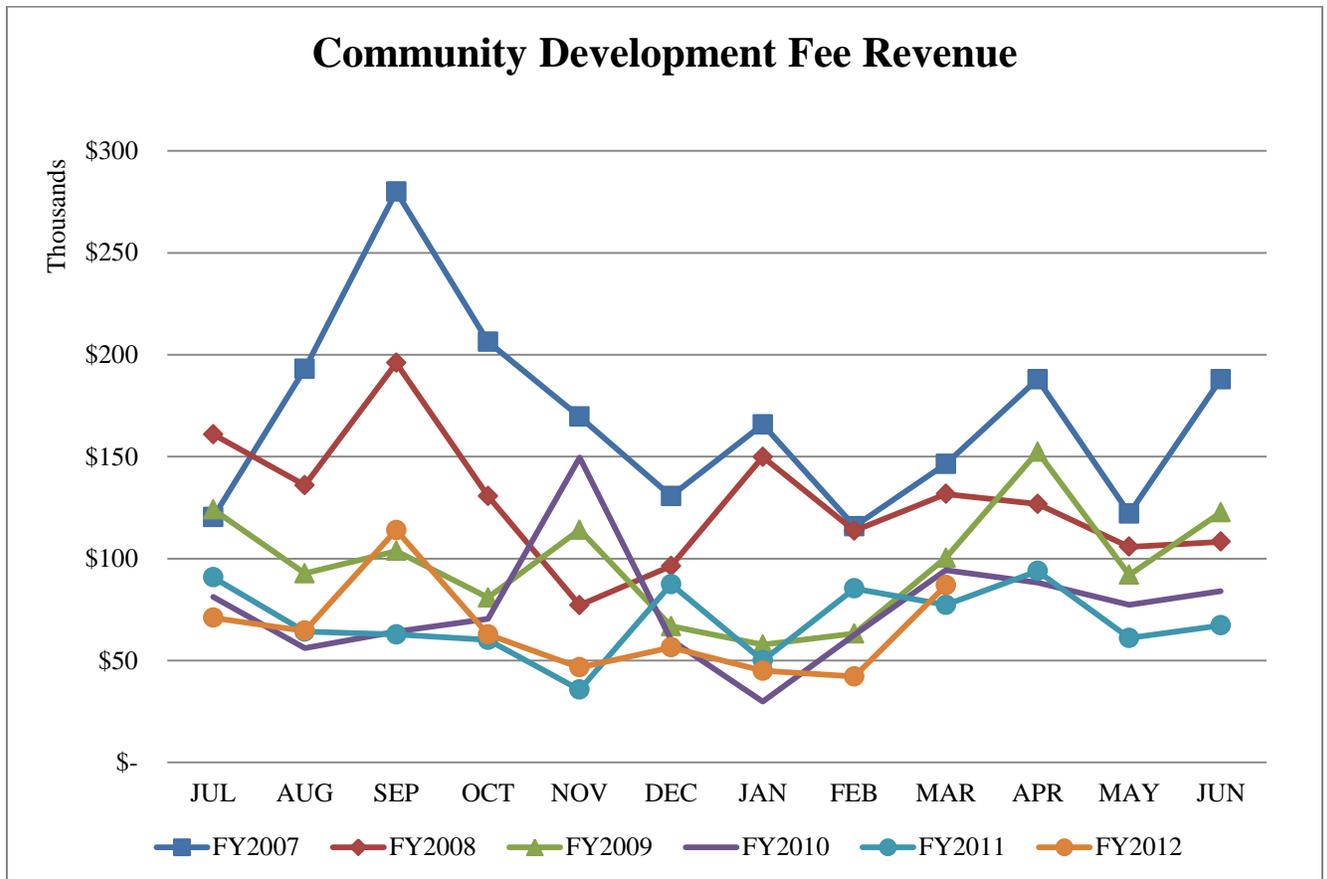
III. Economic Indicators – Data

A. Current Economic Indicators Data

1. Community Development

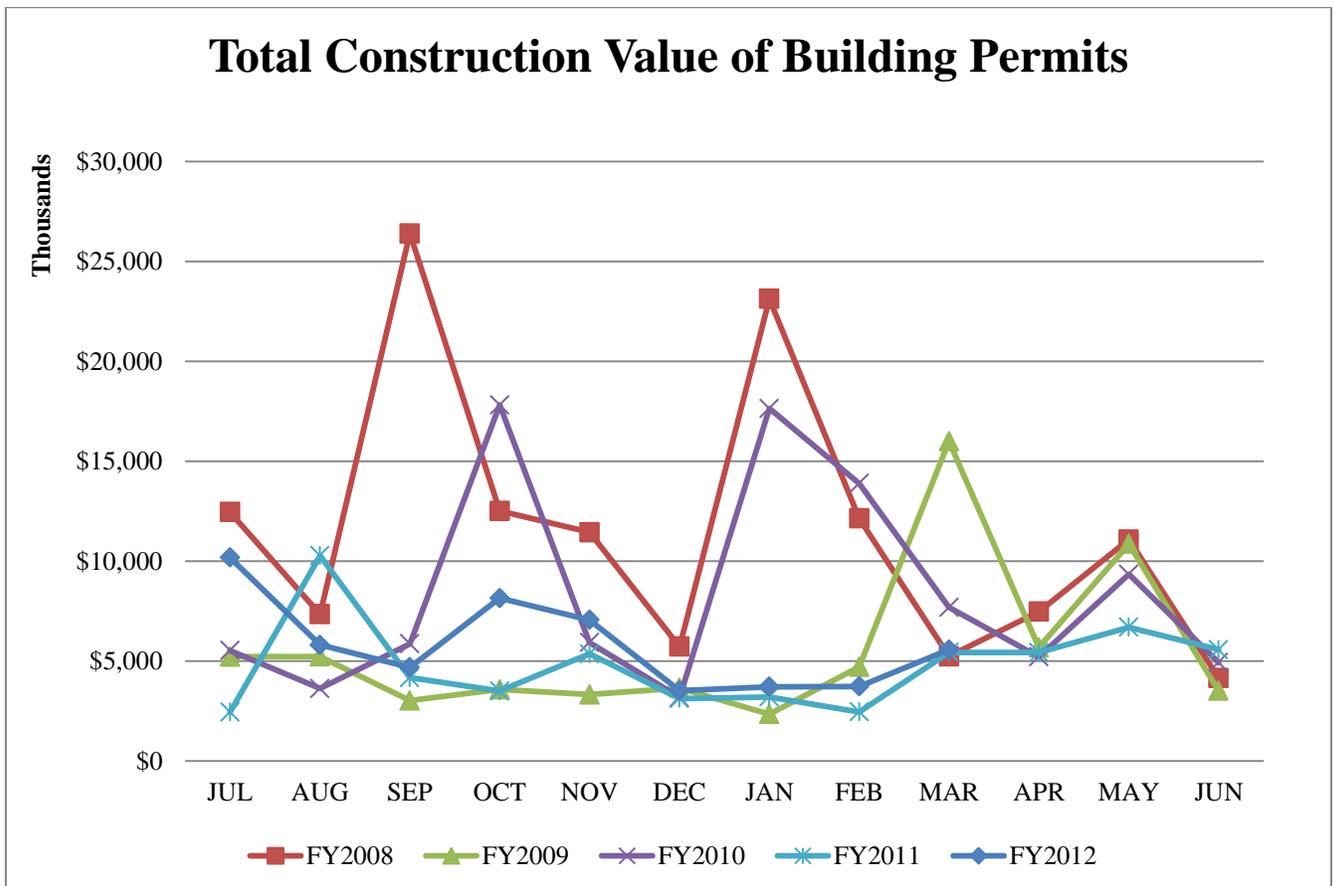
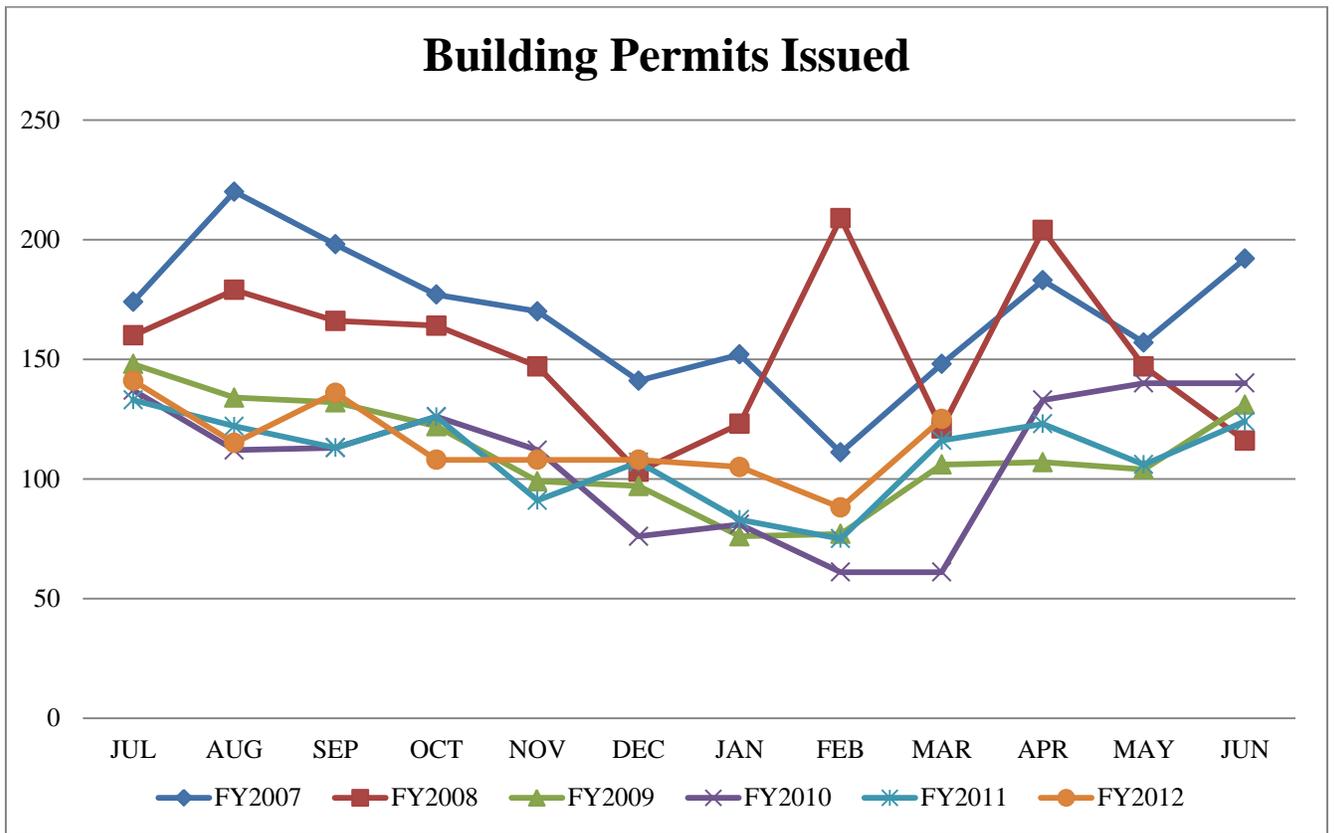
a) Community Development Fees

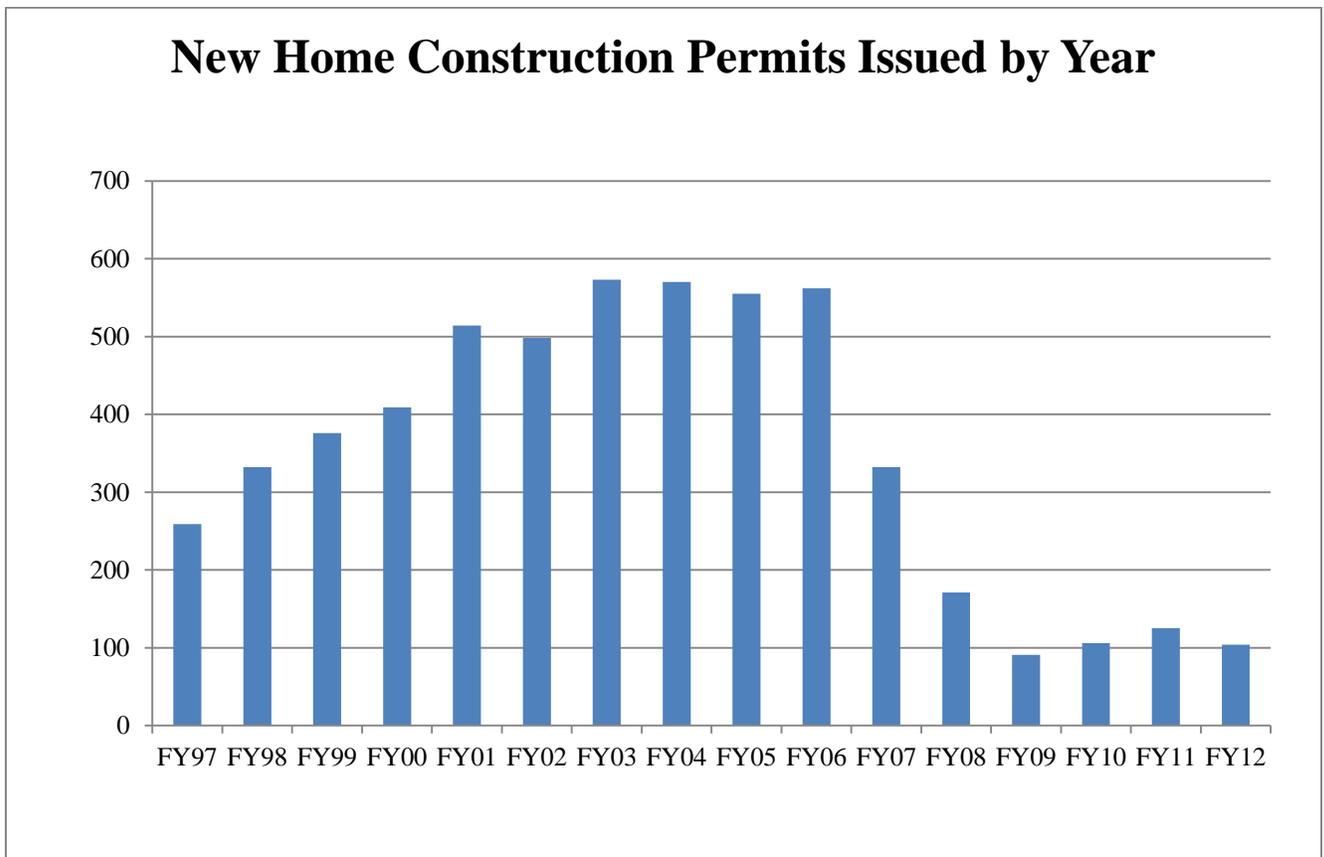
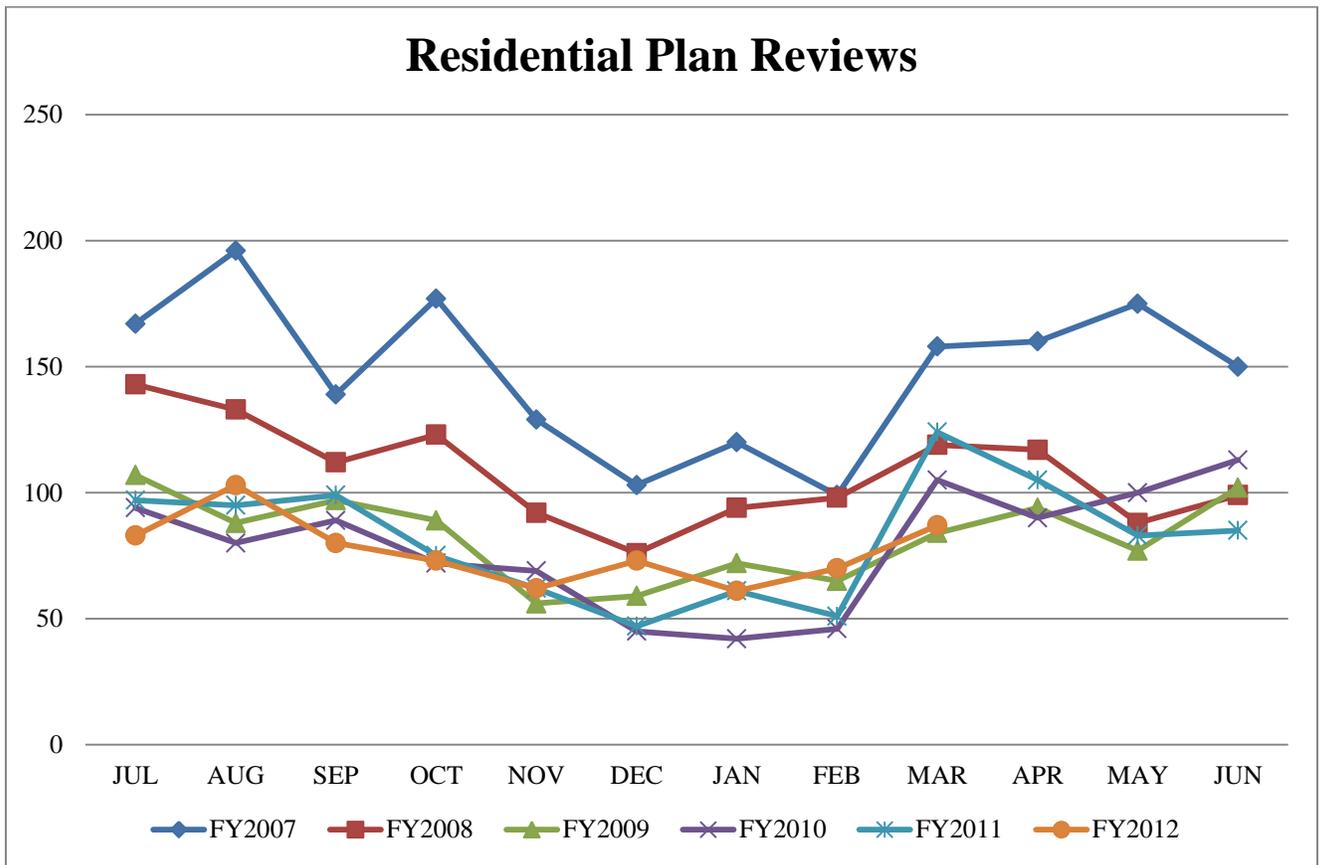
FY 2011 Community development fee marked the lowest overall fiscal year since the onset of the recession. FY 2012 has experienced some growth particularly in permitting revenues.



b) Building Permits

Building permits continue to trend at a historically low level, but FY 2012 YTD as of March is the highest since FY 2008. While new home construction permits for FY 2012 through March exceed the same period for FY 2008 through FY 2011; levels remain historically low. March 2012 with 20 single family dwelling permits marked the highest single month since May 2010.



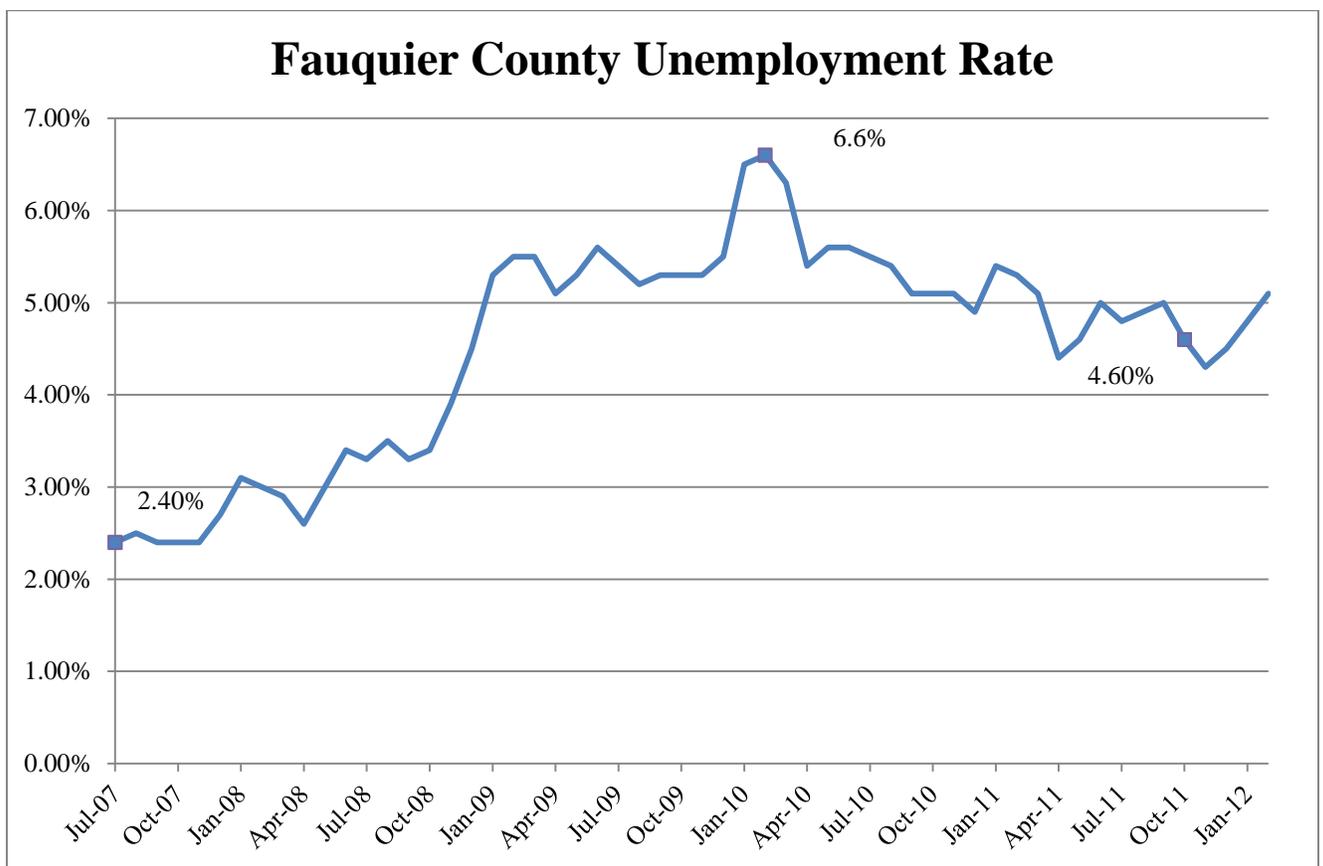


Source: Community Development

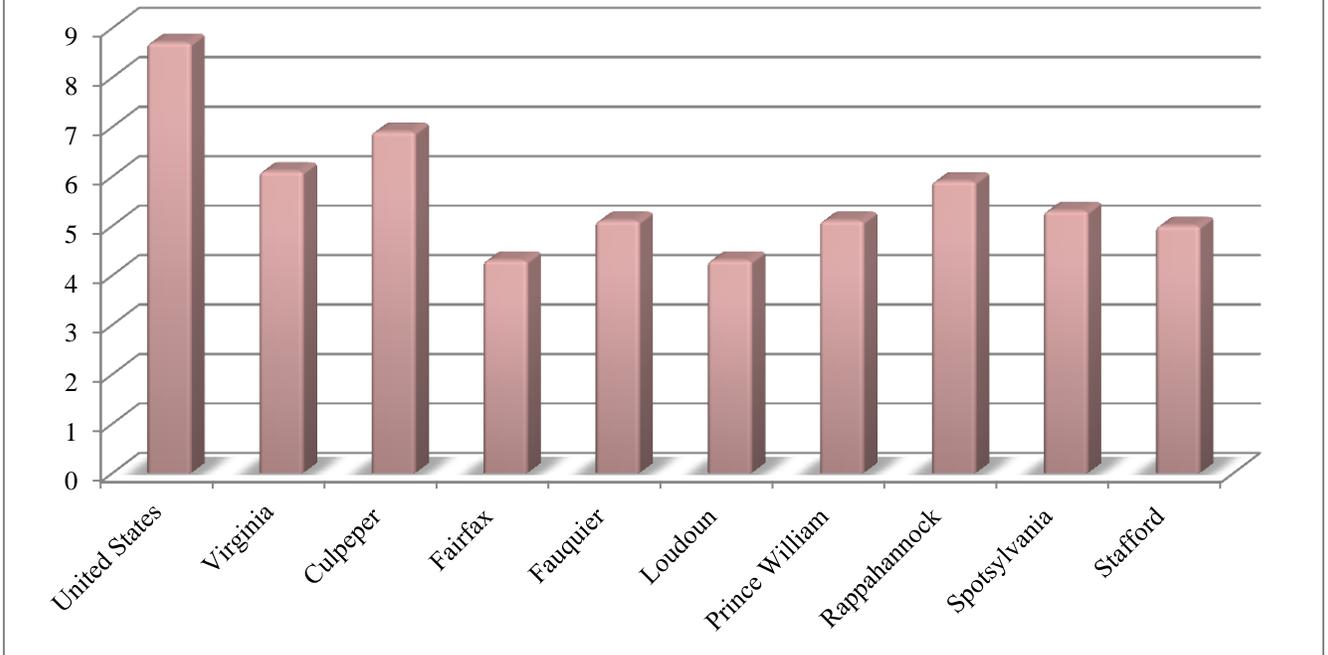
2. Employment

a) Unemployment Rates

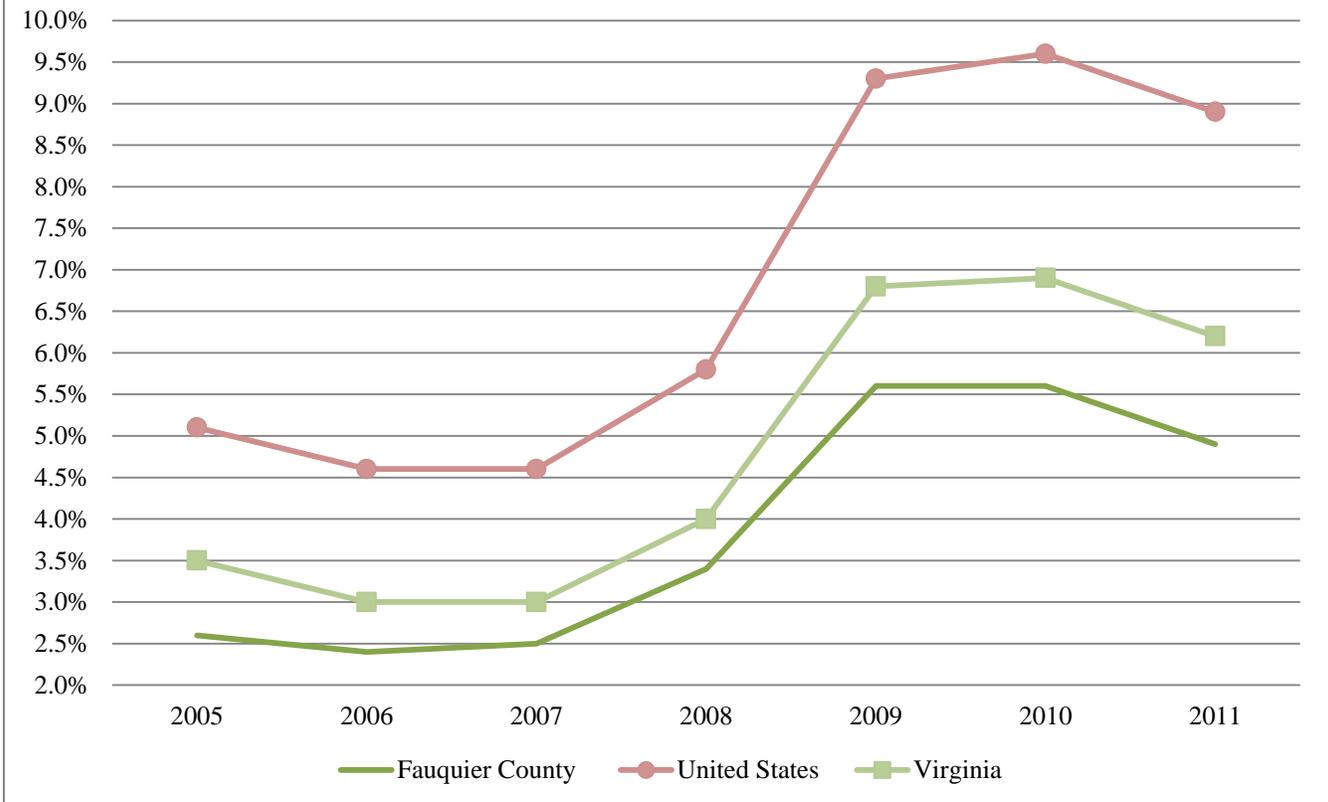
While unemployment rates for the United States and the Commonwealth of Virginia continue to decline through much of 2011 and the start of 2012, rates remain elevated. Fauquier County's unemployment rate has continued to decline with only seasonally expected, unsustained rises. In comparison to other local jurisdictions, Fauquier County's February 2012 unemployment rate of 5.1% trails Loudoun, Fairfax, and Stafford; is equal to Prince William, ahead of Rappahannock and Spotsylvania County; and is significantly lower than Culpeper County. Overall for the Commonwealth, Fauquier County ranked 9th behind Arlington, Loudoun, Fairfax, Albemarle, Clarke, Alexandria, Fluvanna, and Stafford; and is equal with Prince William.



February 2012 Unemployment Rates not seasonally adjusted



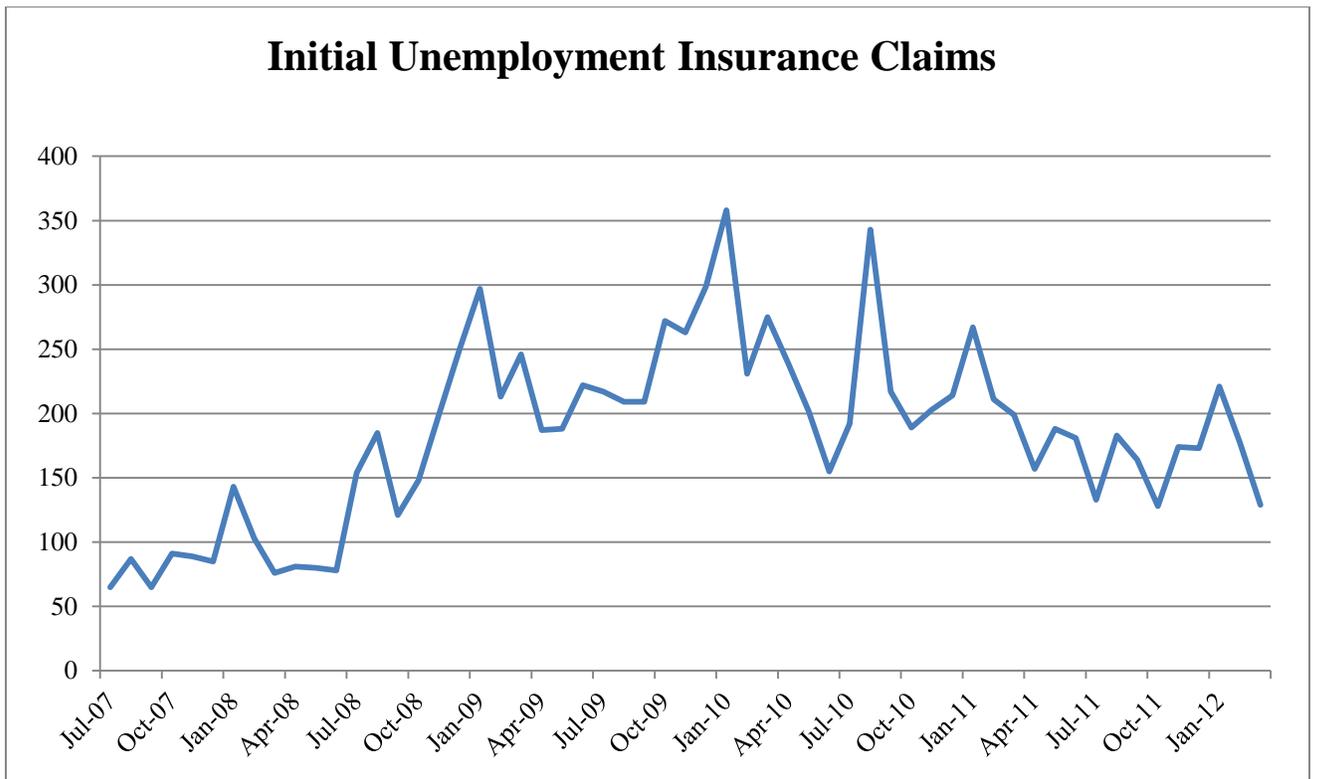
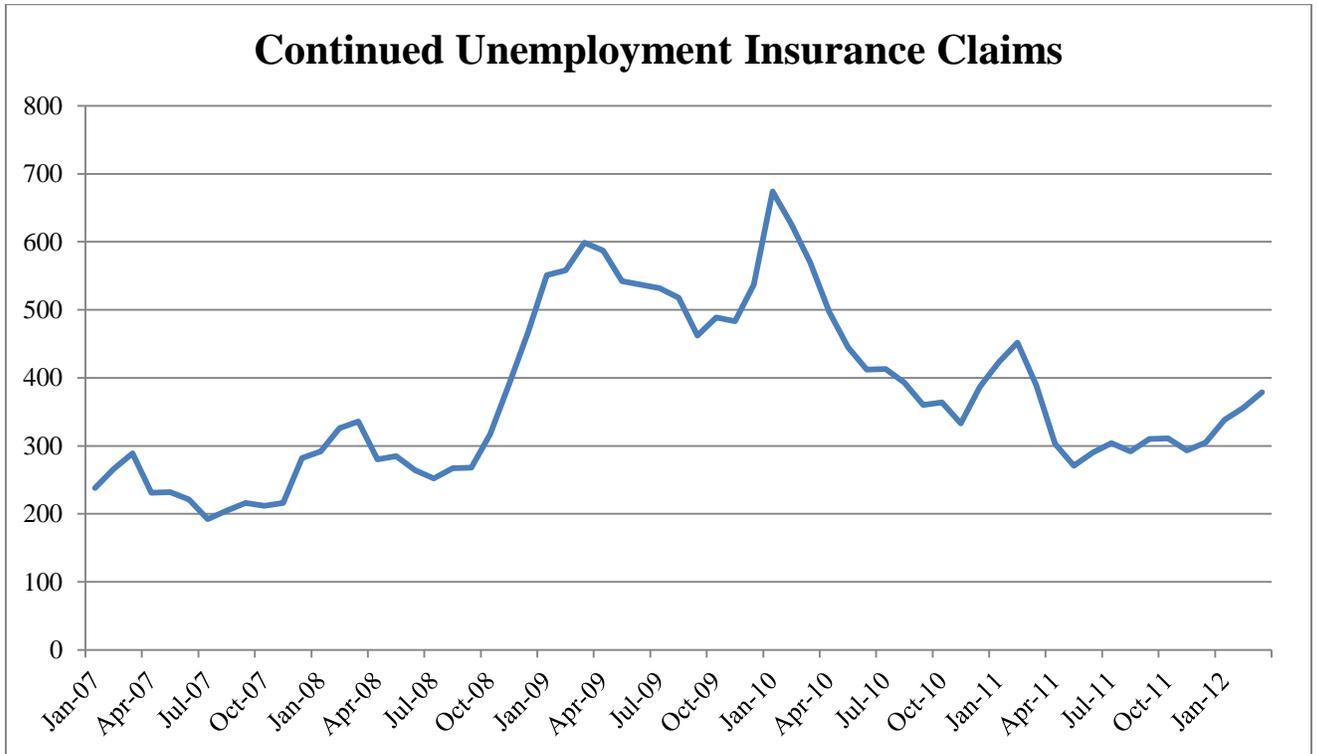
Average Annual Unemployment Rates not seasonally adjusted



Source: Virginia Employment Commission.

b) Unemployment Insurance Claims

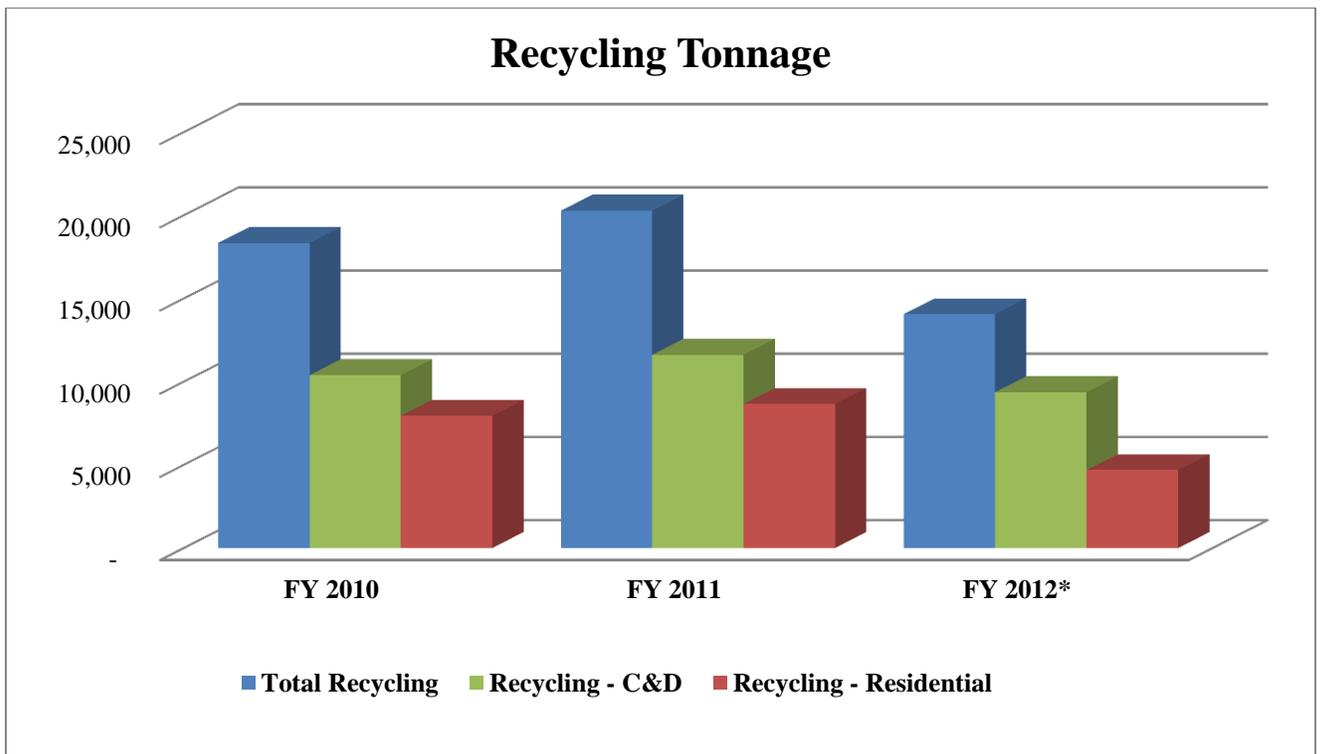
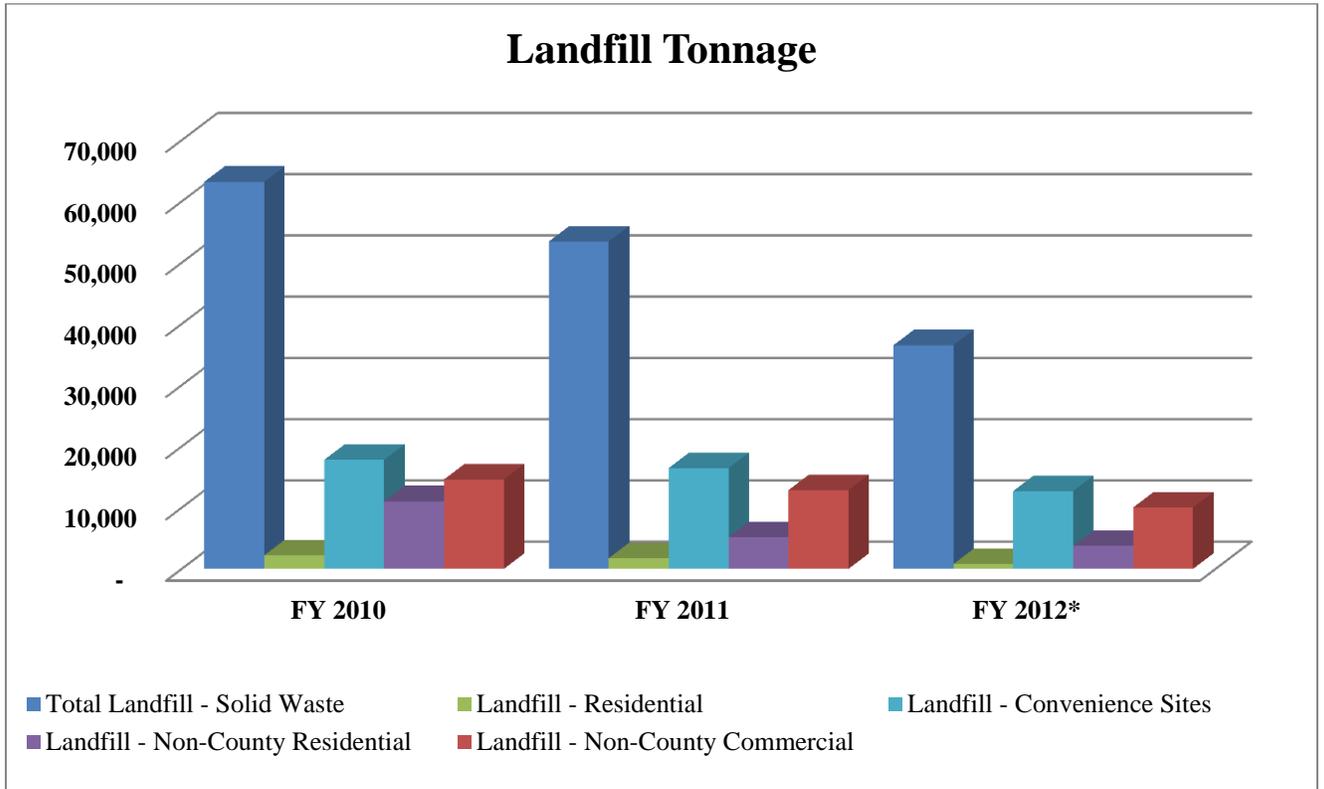
Continued unemployment insurance (UI) claims stabilized through much of FY 2011. While continued claims rose slightly at the end of 2011 and beginning of 2012, initial claims continue to fall with March marking the lowest single month since September 2008.



Source: Virginia Employment Commission

3. Environmental Services

Small improvements in tonnage have been observed in FY2012 and are currently projected to exceed FY 2011.



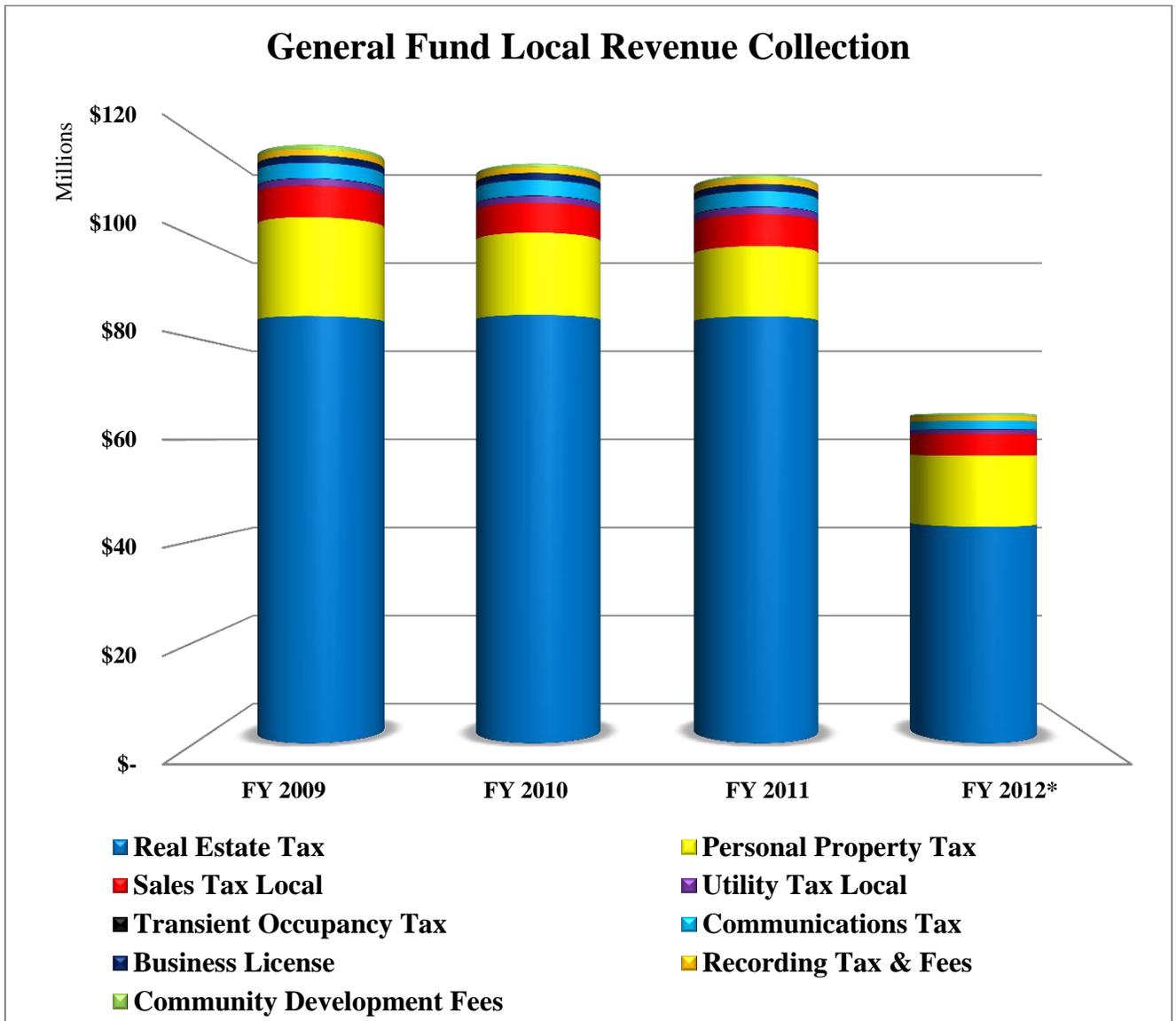
Source: Environmental Services. *FY 2012 data as of March 31, 2012.

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

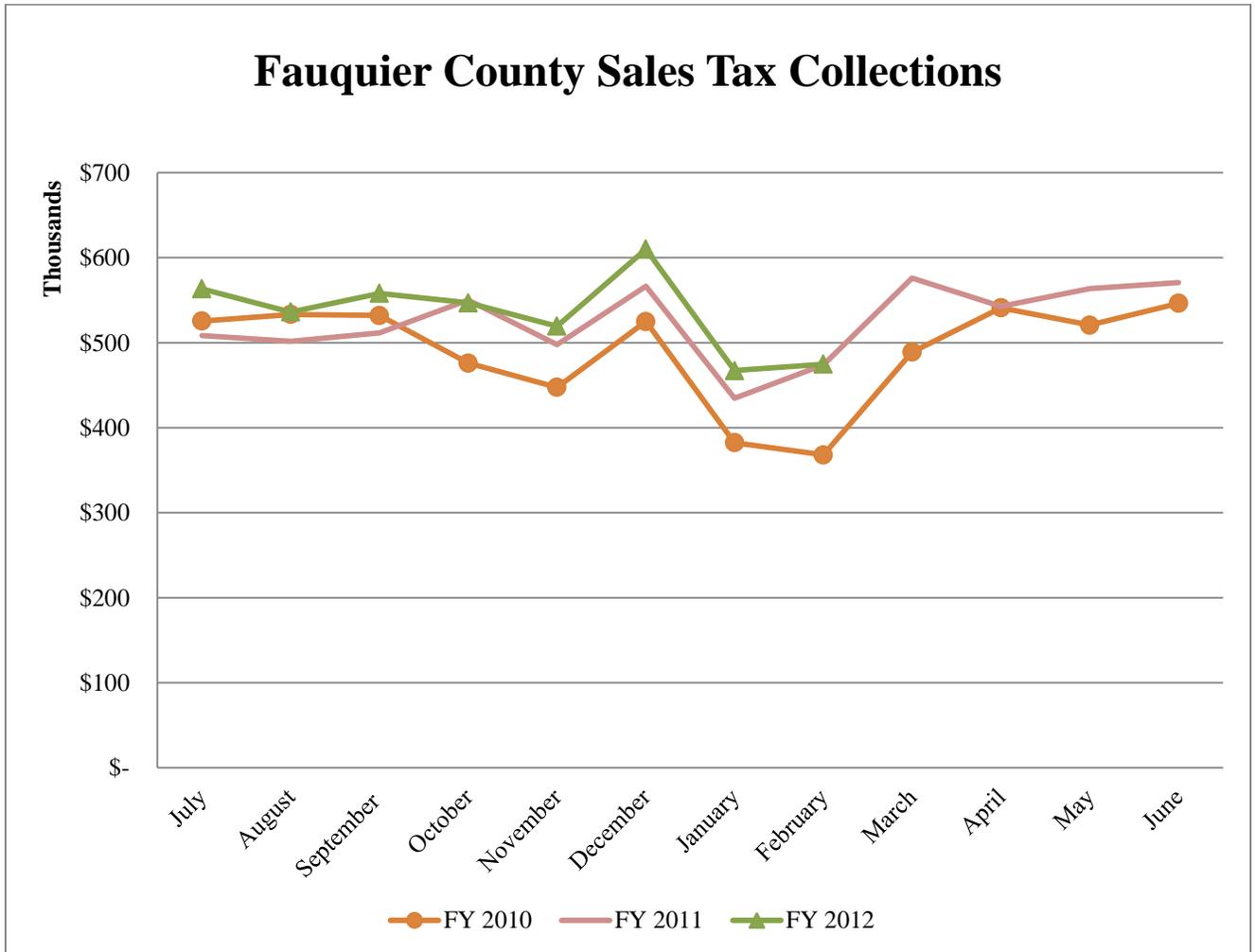
General Fund local revenue collections for FY 2011 indicated modest signs of growth in the real estate, sales, and personal property tax base. Sales tax collections continue to indicate growth throughout FY 2012.



*FY 2012 data as of April 20, 2012.

b) Sales Tax Revenue

Monthly sales tax collections continue to improve. As a primary indicator of economic health in the County, continued growth and stability in sales tax collections is indicative of a slow recovery.

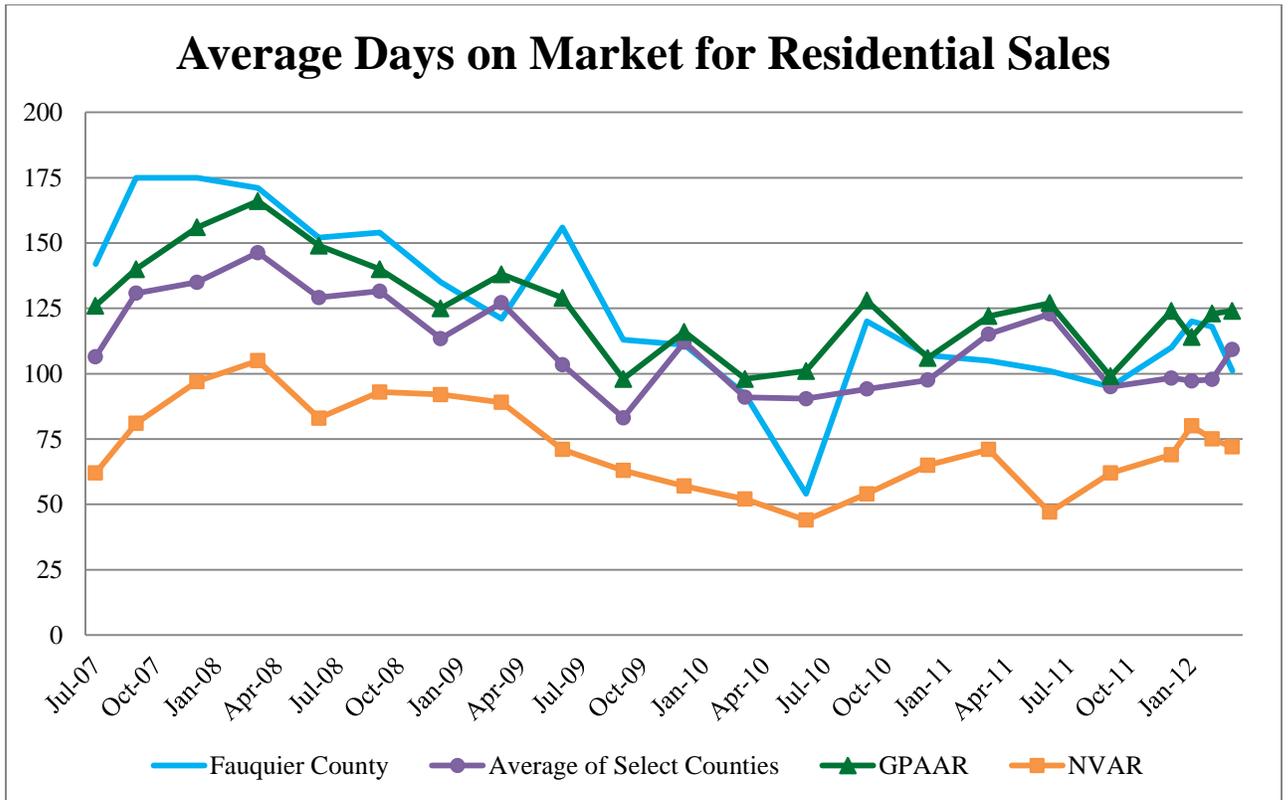


5. Residential Housing Market – Current Data

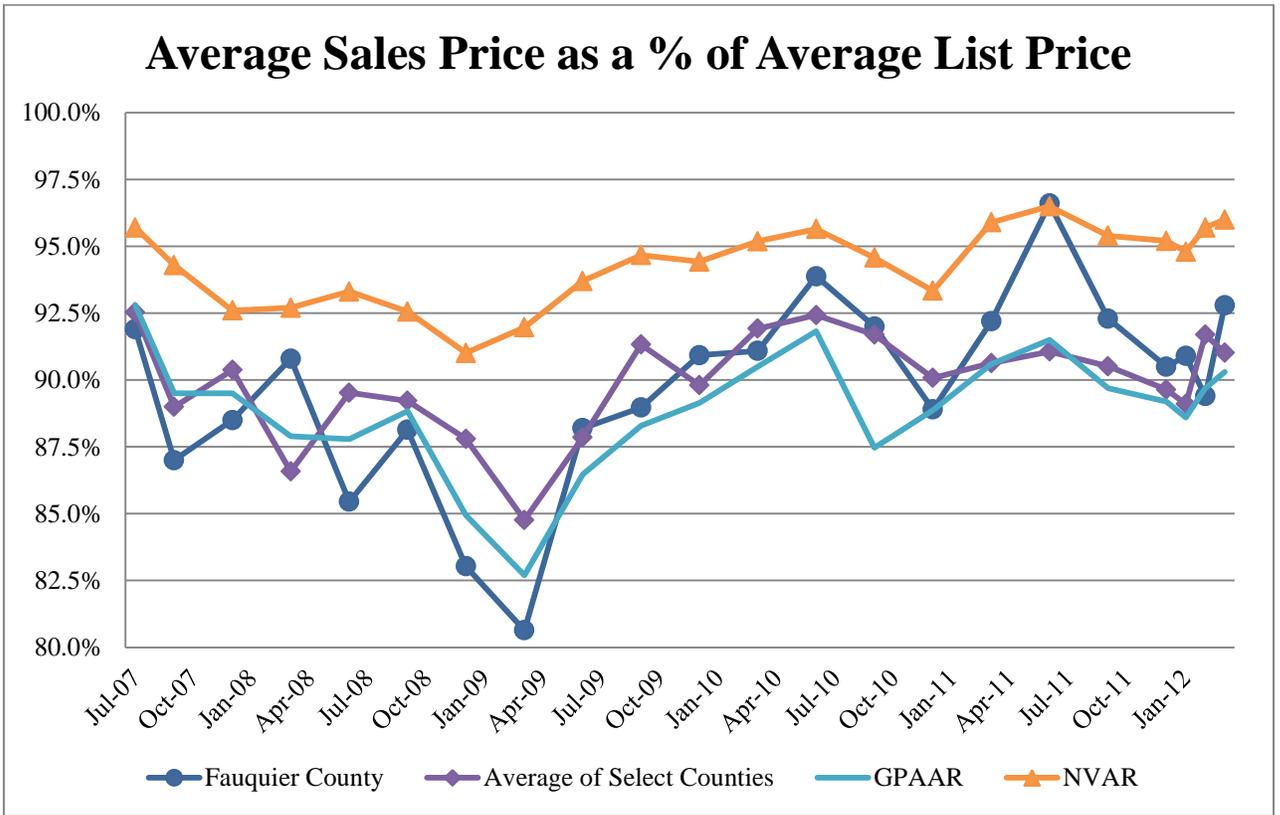
The following charts provide data on various characteristics of the local residential housing market. The graphs display data for Fauquier County, the Greater Piedmont Area Association of Realtors, Northern Virginia Association of Realtors, and/or an Average of select counties. The Greater Piedmont Area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

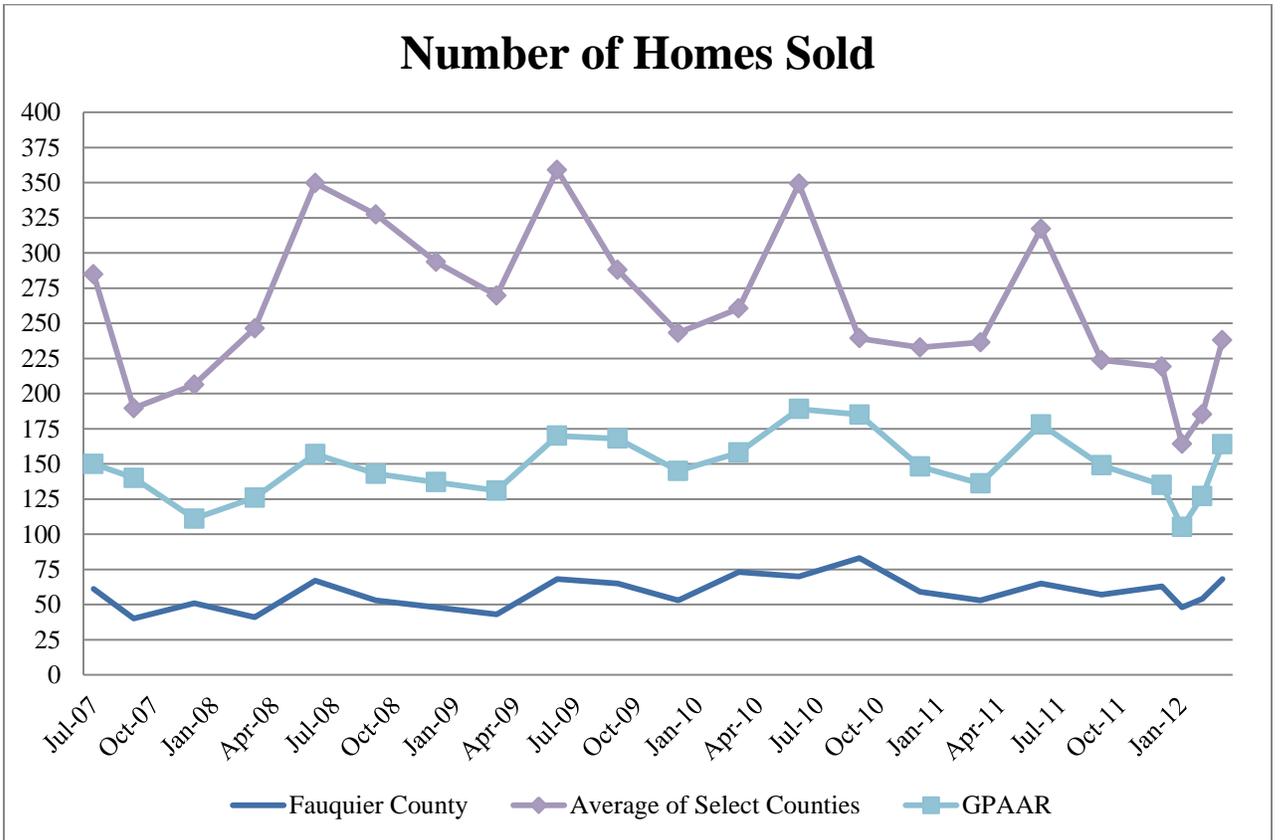
Stabilization of the County’s housing market was observed over most of FY 2011 and continues in FY 2012.



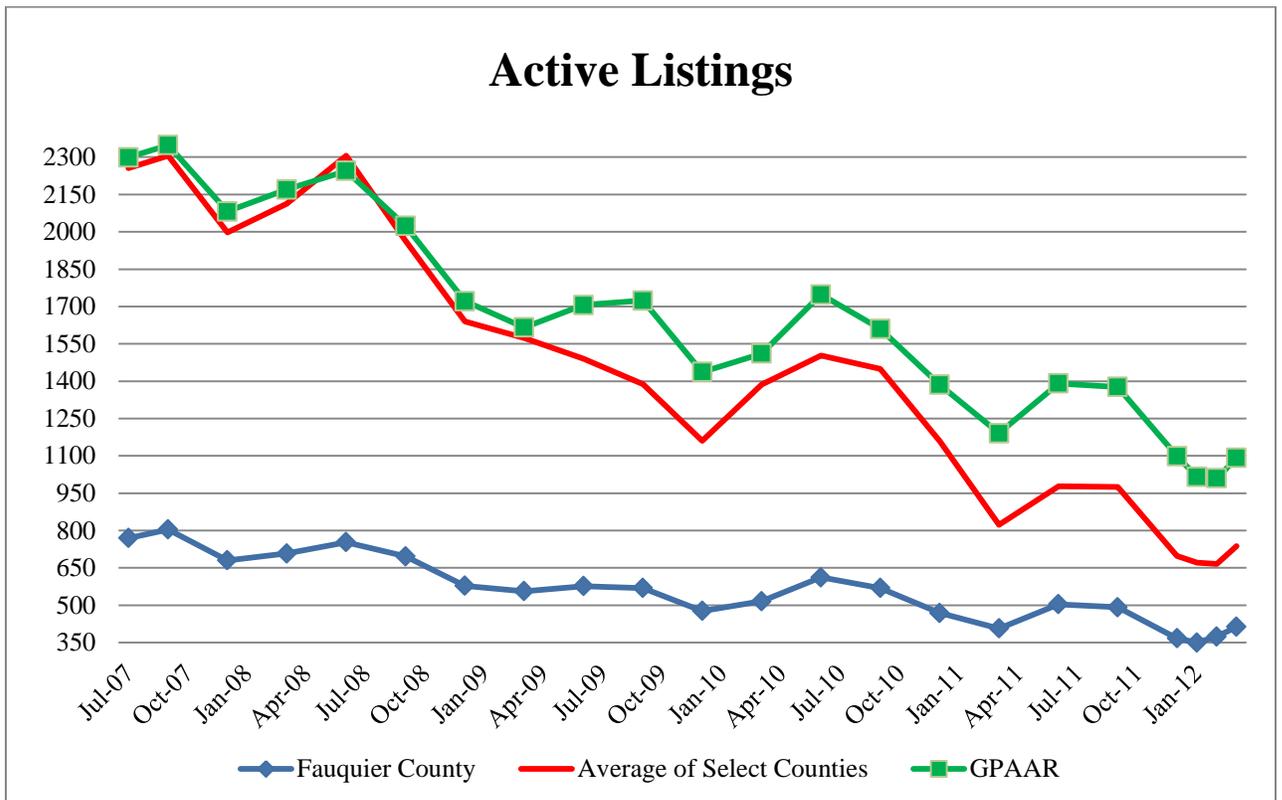
Source: Metropolitan Regional Information Systems, Inc. (MRIS)



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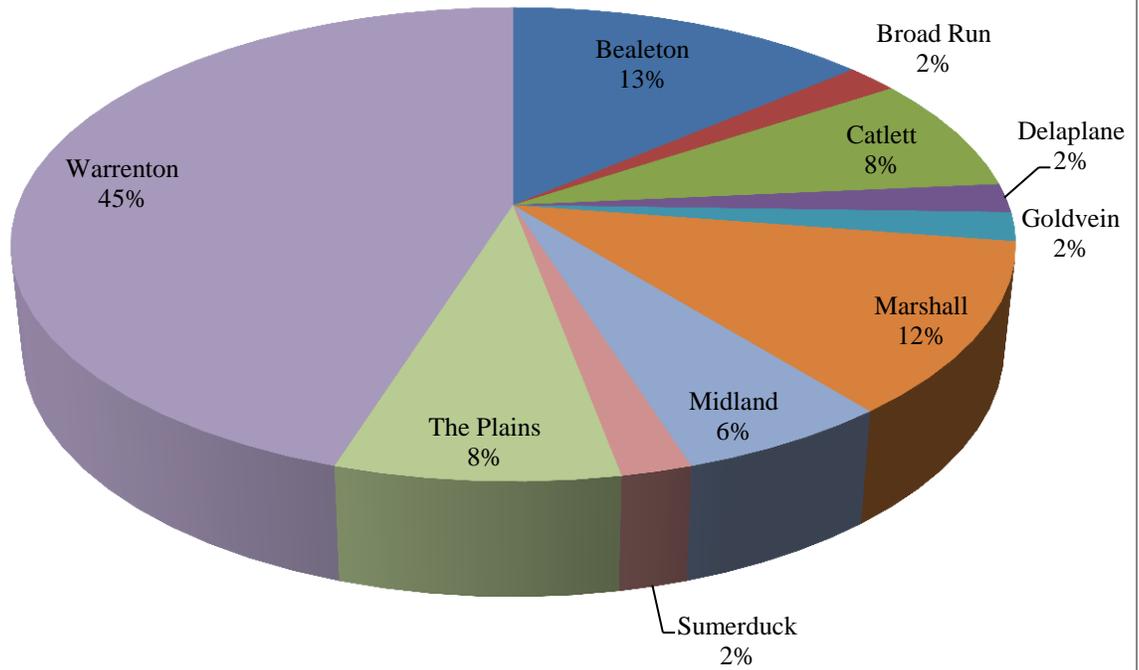


Source: Metropolitan Regional Information Systems, Inc. (MRIS)

b) Foreclosures and Short Sales

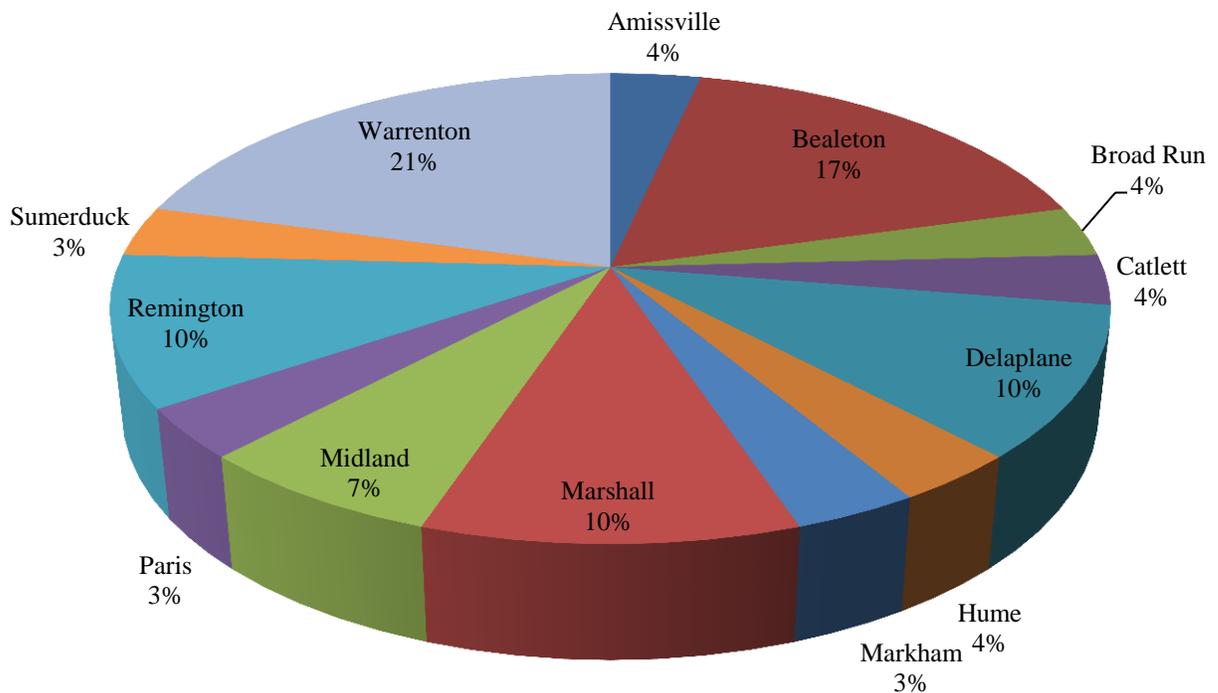
Recent increases in the volume of short sale listings showed significant declines beginning in fall 2011. While foreclosure listings have stabilized, the average number of months to process foreclosures continues to increase. The overall impact from the backlog of foreclosure processing, due to the national foreclosure settlement, on the County’s housing market remains unknown.

Foreclosure Listings as of April 15, 2012



51 foreclosure listing as of March 1, 2012. Source: Redfin.com

Short Sale Listings as of April 15, 2012

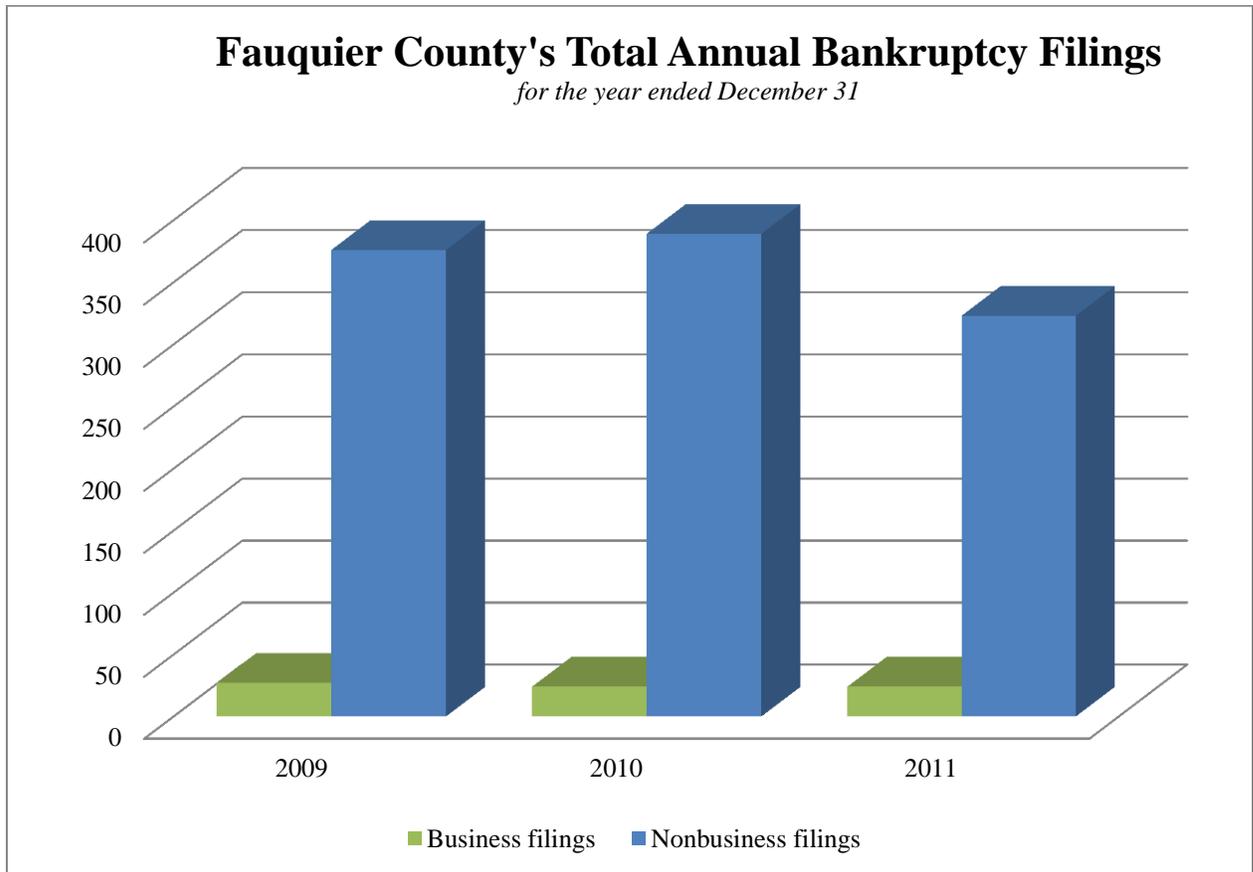


29 short sale listings as of April 15, 2012. Source: Redfin.com

B. Historical Economic Indicators Data

1. Bankruptcy Filings

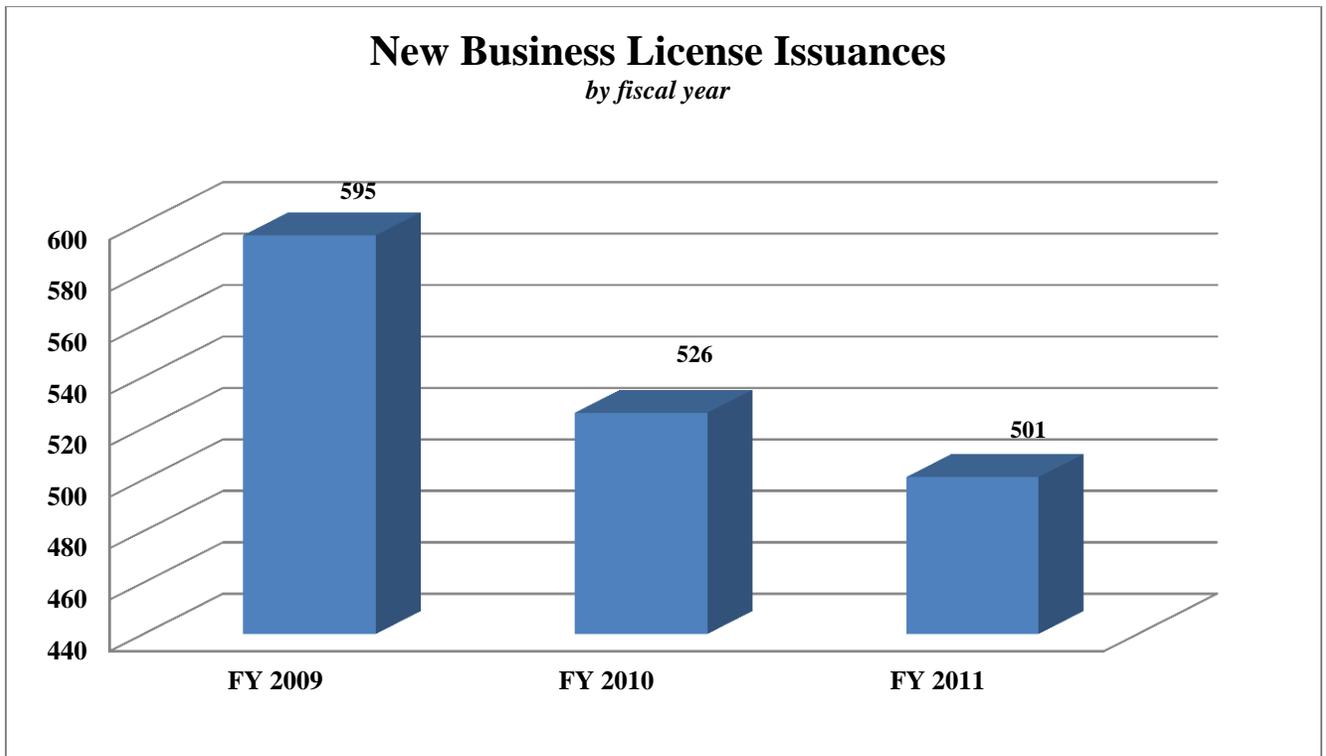
Bankruptcy filings for businesses have risen after a drop in 2010. Overall, the number of filings has fallen since 2010.



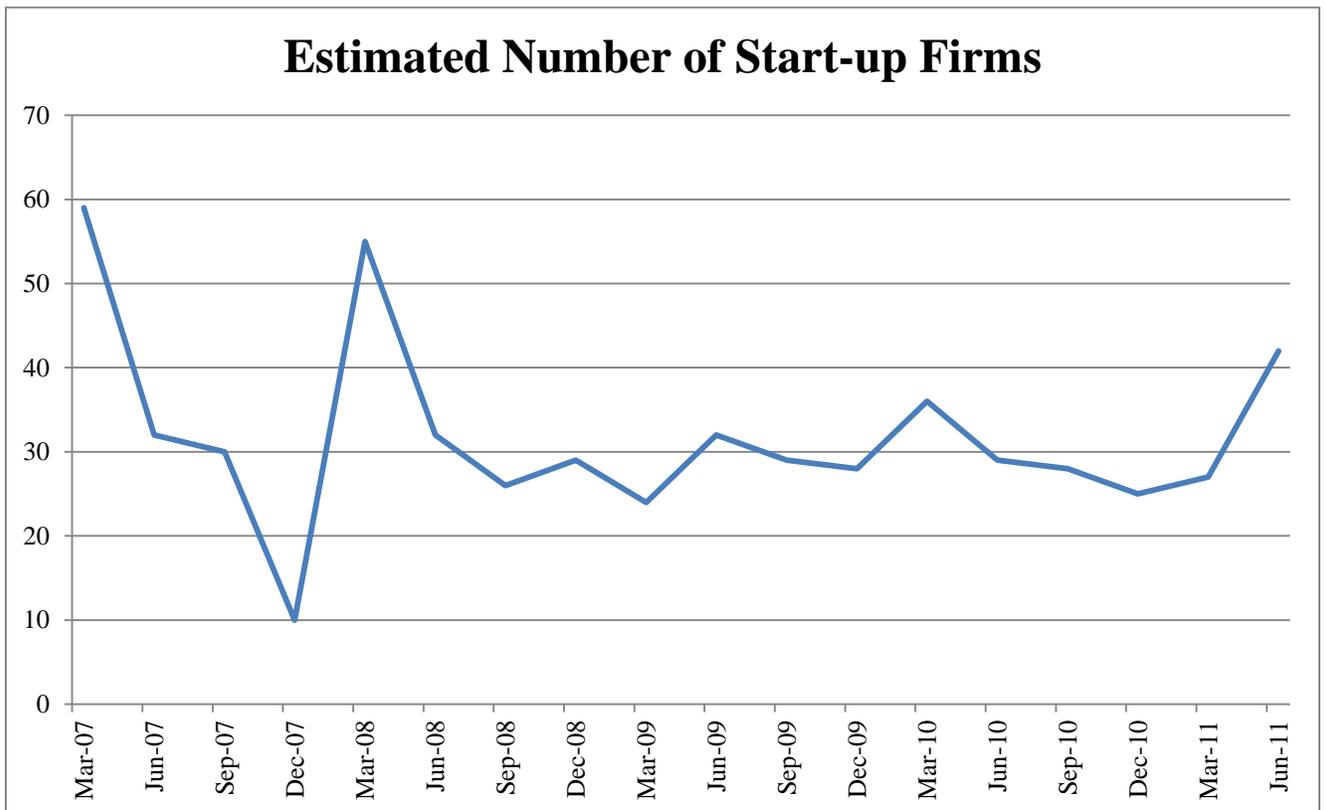
Source: United States Courts System

2. Businesses

FY 2011 experienced limited decline in the number of new business licenses issued in comparison to FY 2009 and 2010 with a decrease of 4.5% in comparison to 10.7% and 11.6%, respectively.



Source: Commissioner of the Revenue



Source: Virginia Employment Commission

3. Residential Housing Market – Historical Data

a) Residential Foreclosures and Delinquencies

The first three graphs prepared by Neighborhood InfoDC and the Urban Institute for the Washington, DC metro area display:

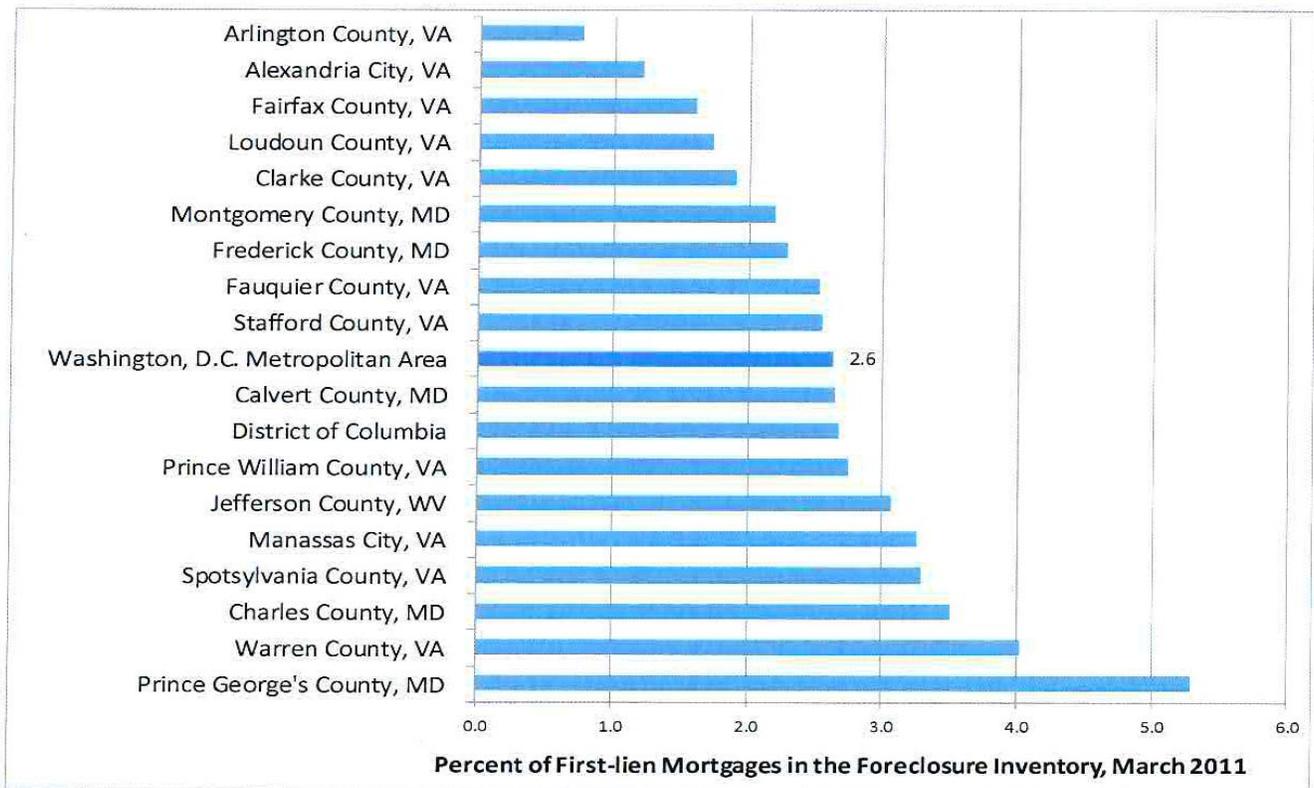
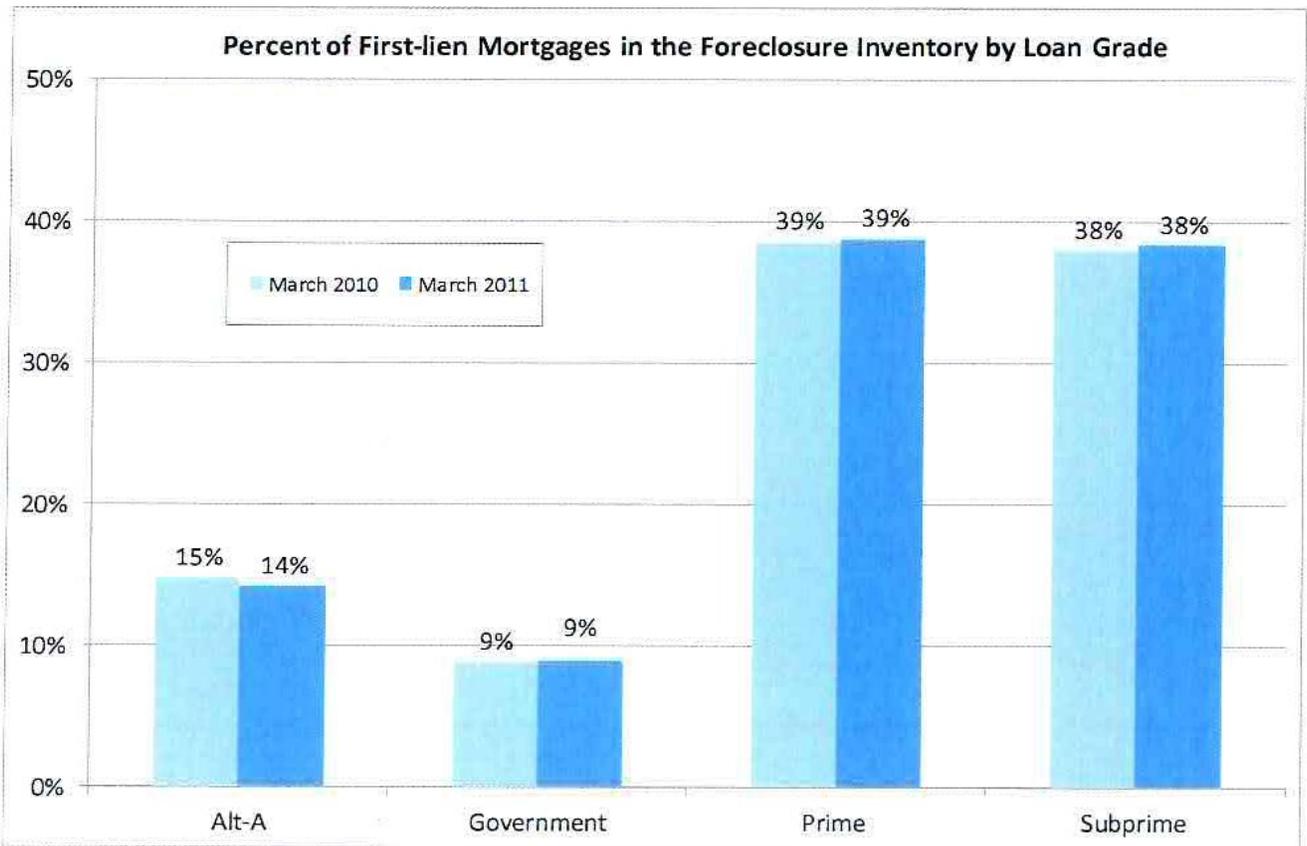
- Foreclosures by loan type/grade comparing March 2010 and 2011;
- March 2011 foreclosure rate by county; and
- Number of mortgage delinquencies (90 days +) for the County by loan type/grade since January 2007.

The last five graphs 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.

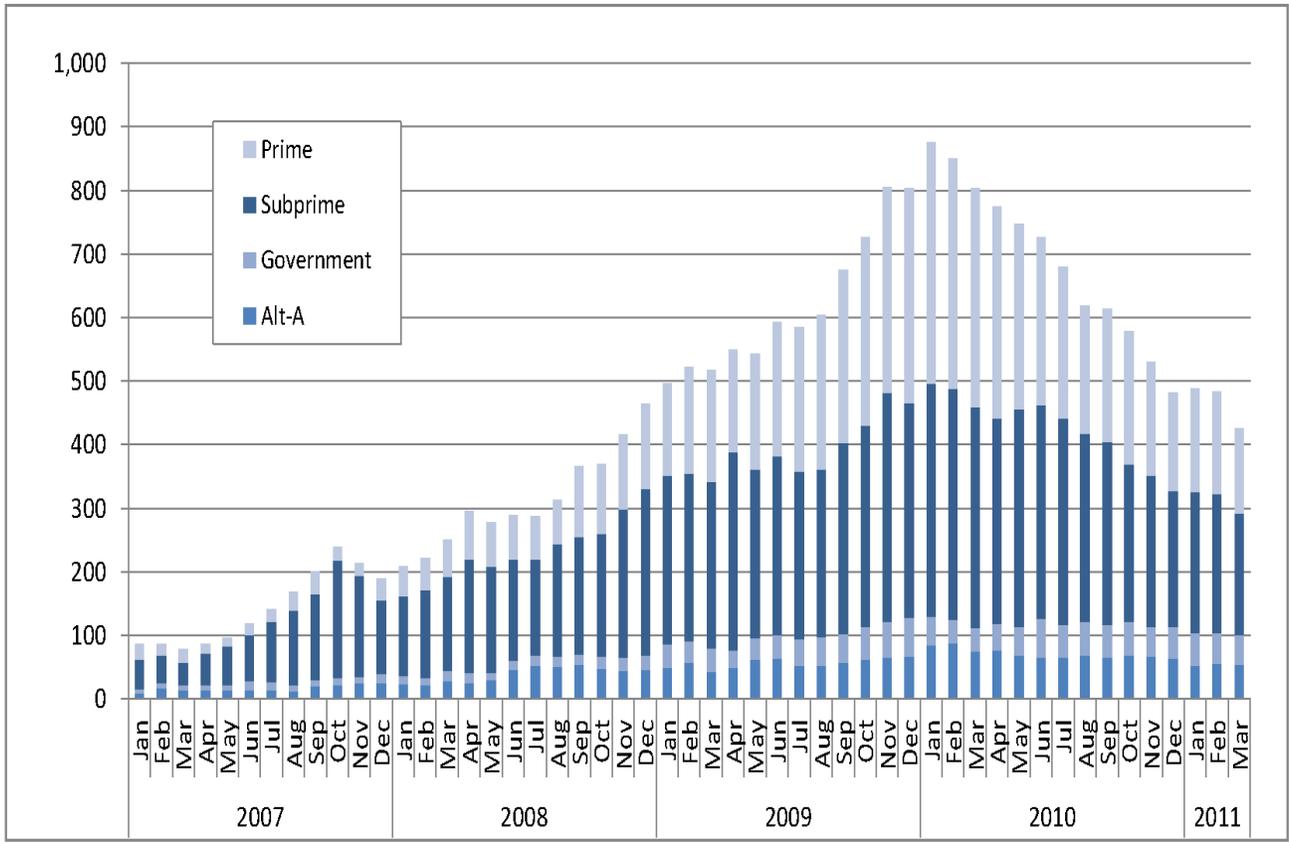
Prime mortgages have increased in percentage of foreclosures, while subprime foreclosures have decreased overall. Fauquier County's rate of foreclosure has fallen below the average for the Washington, DC metro area in the first quarter of 2011.

Fauquier County Economic Indicators



Fauquier County Economic Indicators

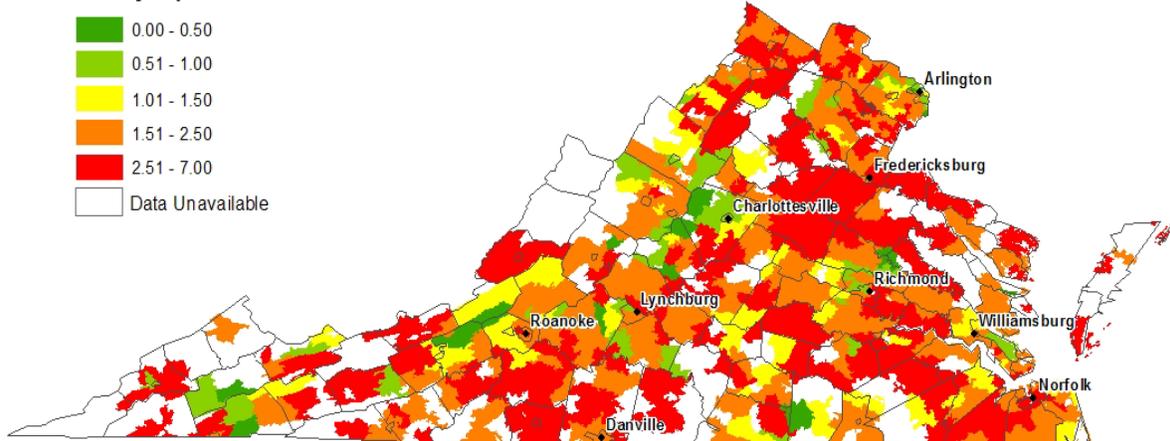
Number of First-lien Mortgages 90 or More Days Delinquent, Fauquier County, VA



Source: the Urban Institute and Neighborhood InfoDC.

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

Percent in Foreclosure or REO by Zip Code

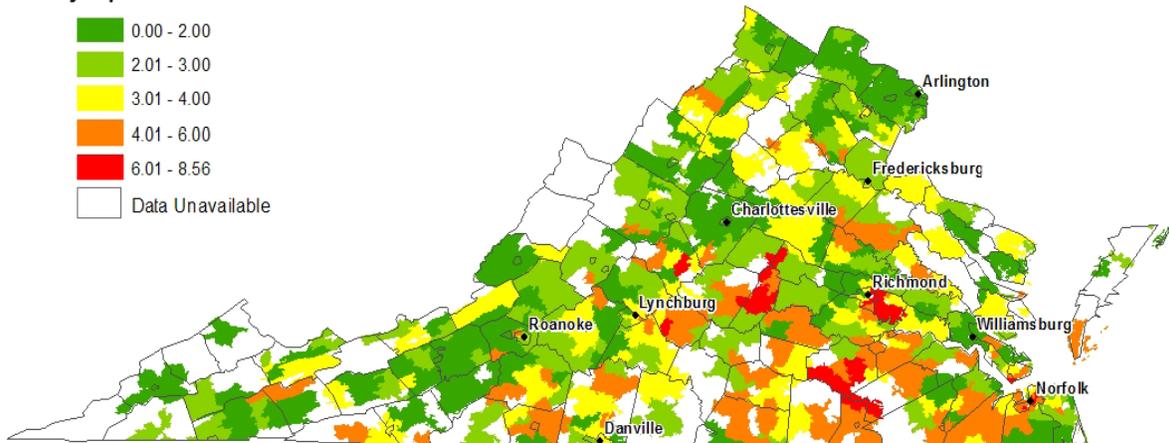


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (December 2011)

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

Percent Delinquent by Zip Code



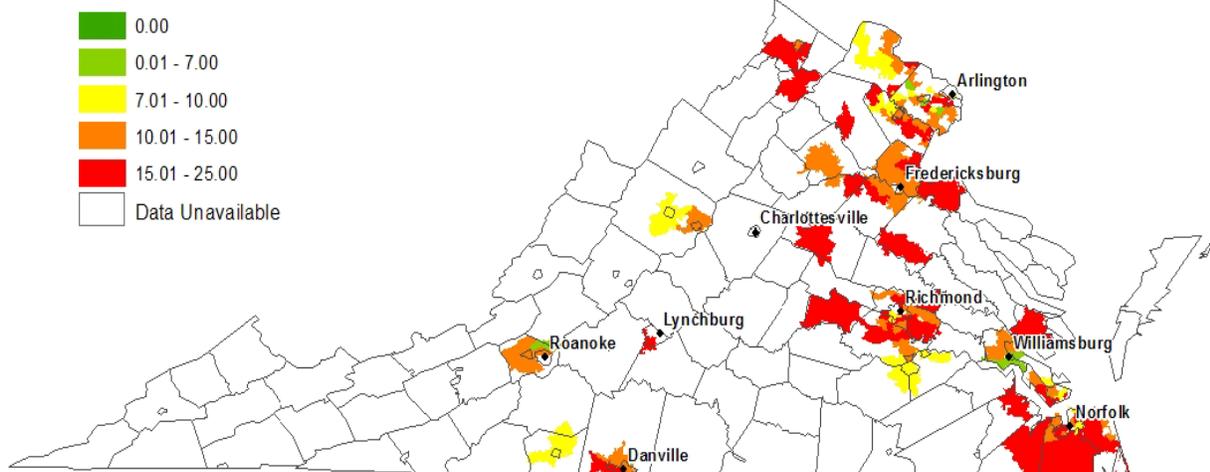
Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (December 2011)

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

Percent in Foreclosure or REO by Zip Code

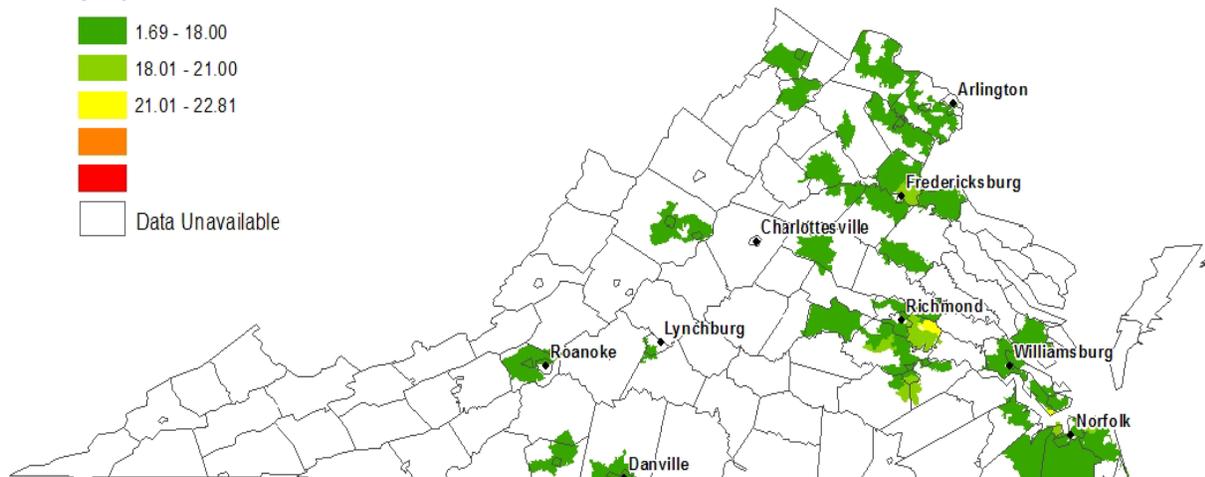


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans, fewer than 50 subprime loans, or have no data available.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (December 2011)

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

Percent Delinquent by Zip Code

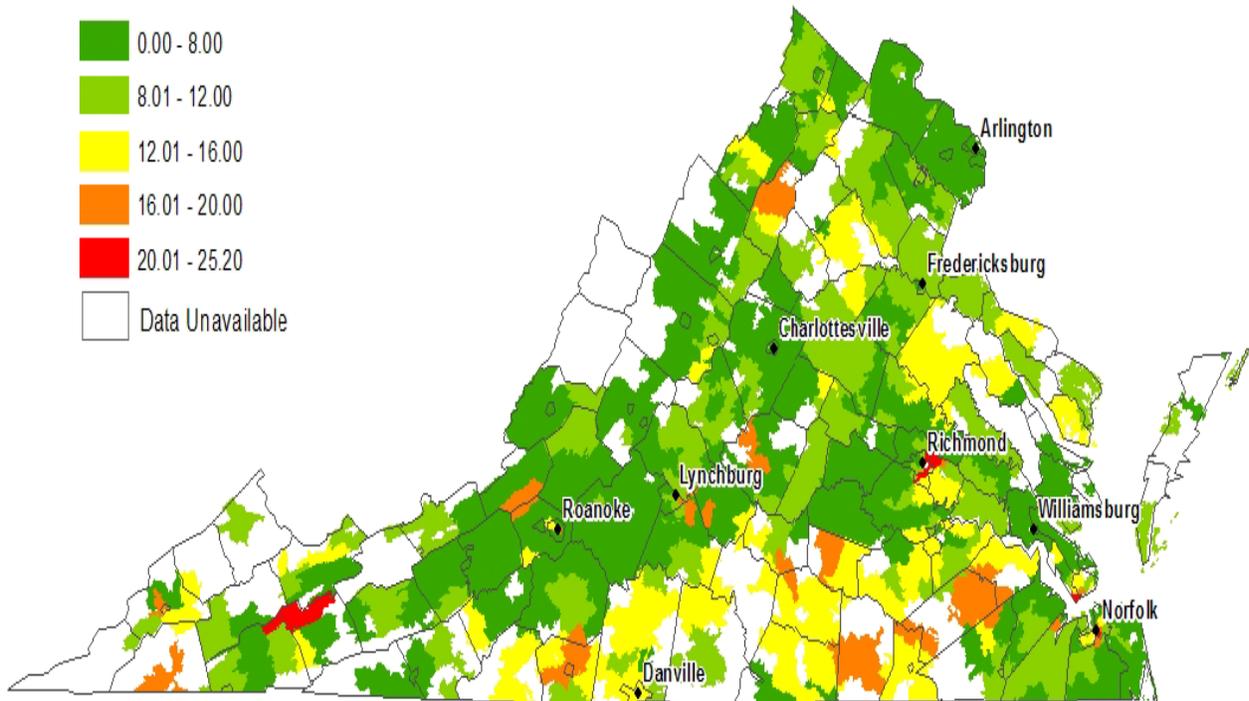


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans, fewer than 50 subprime loans, or have no data available.

Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (December 2011)

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 loans or have no data available.

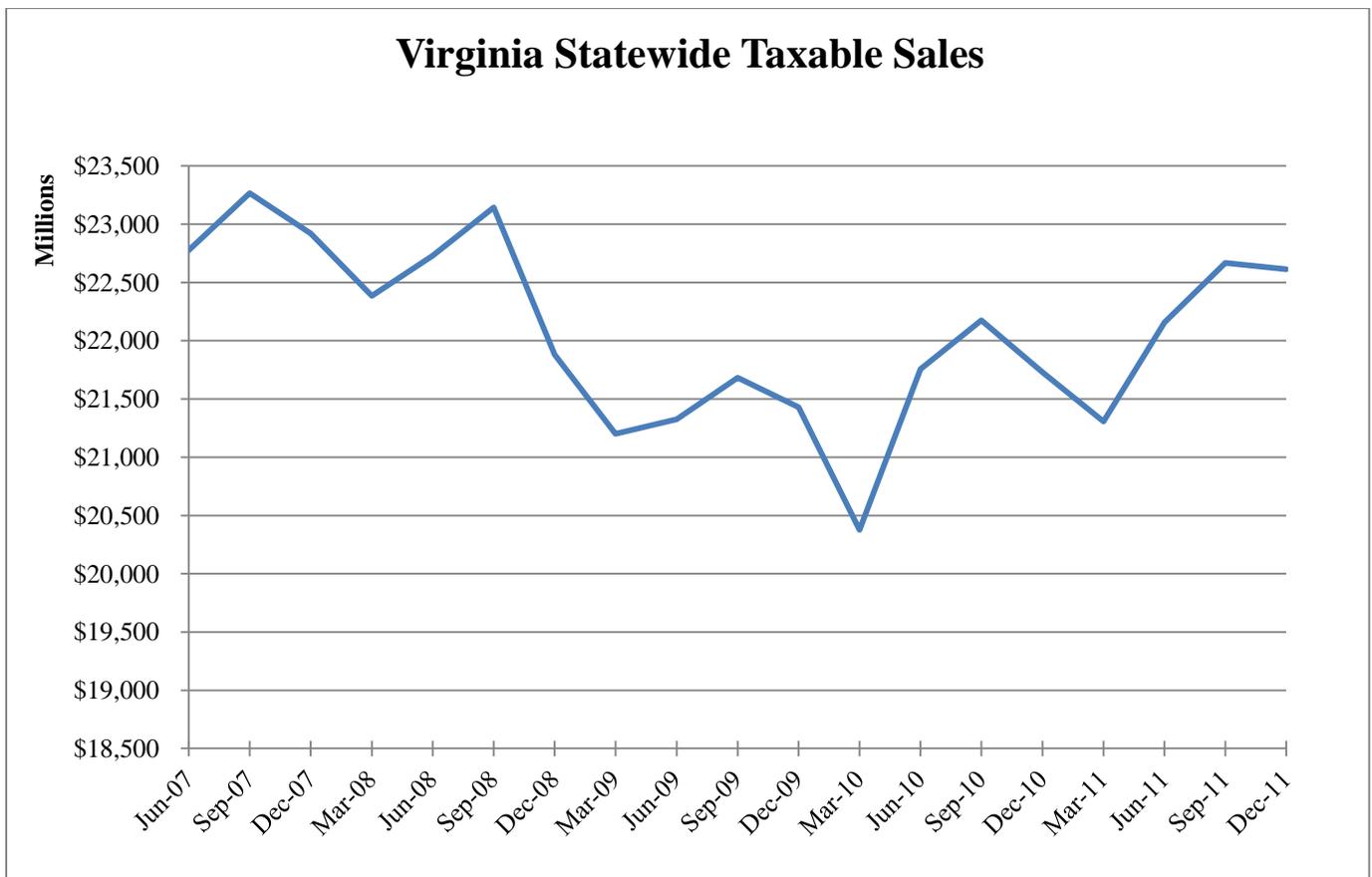
Source: Federal Reserve Bank of Richmond estimates using data from Lender Processing Services (LPS) Applied Analytics (December 2011) and Mortgage Bankers Association (2011:Q4)/Haver Analytics.

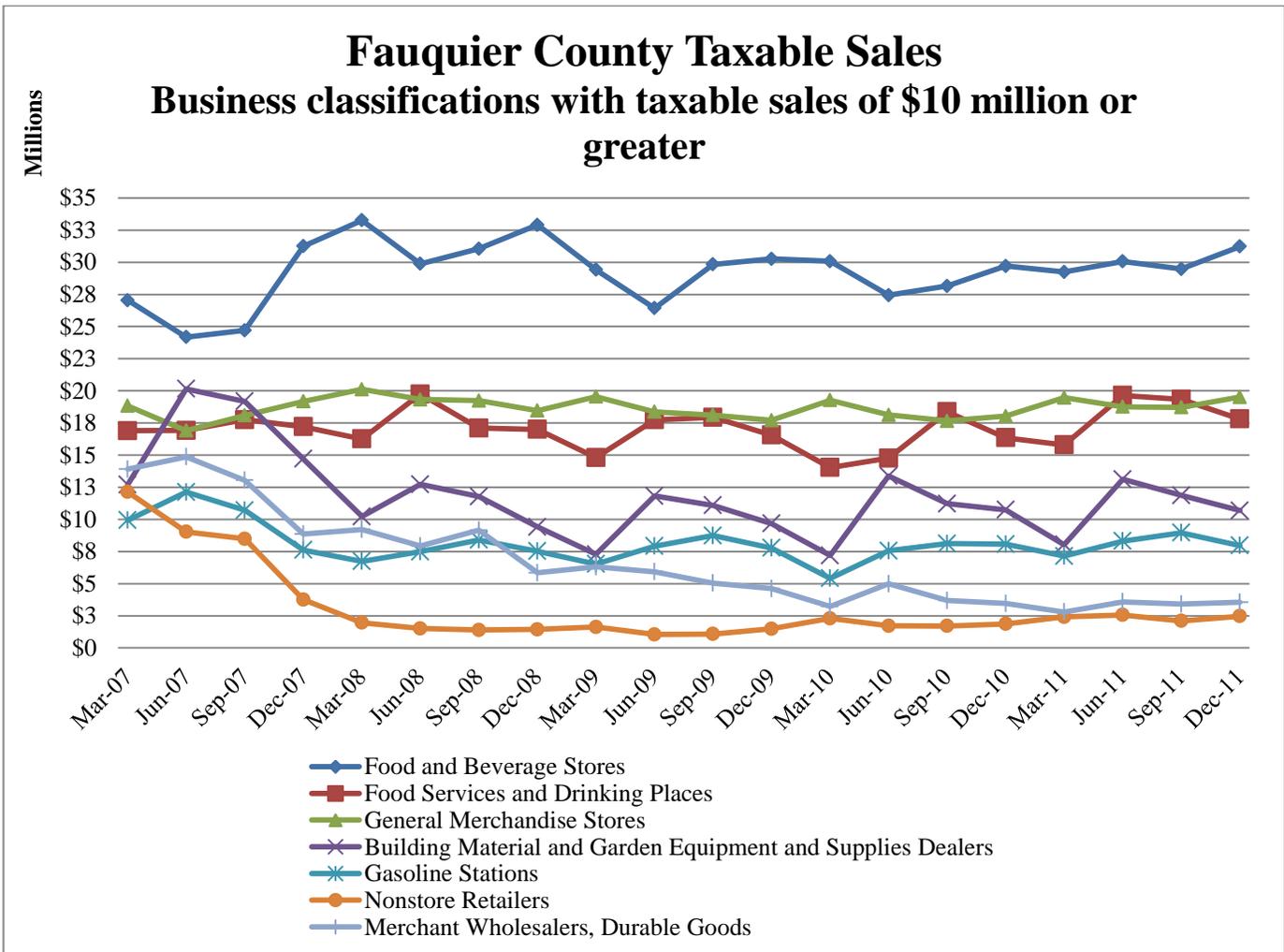
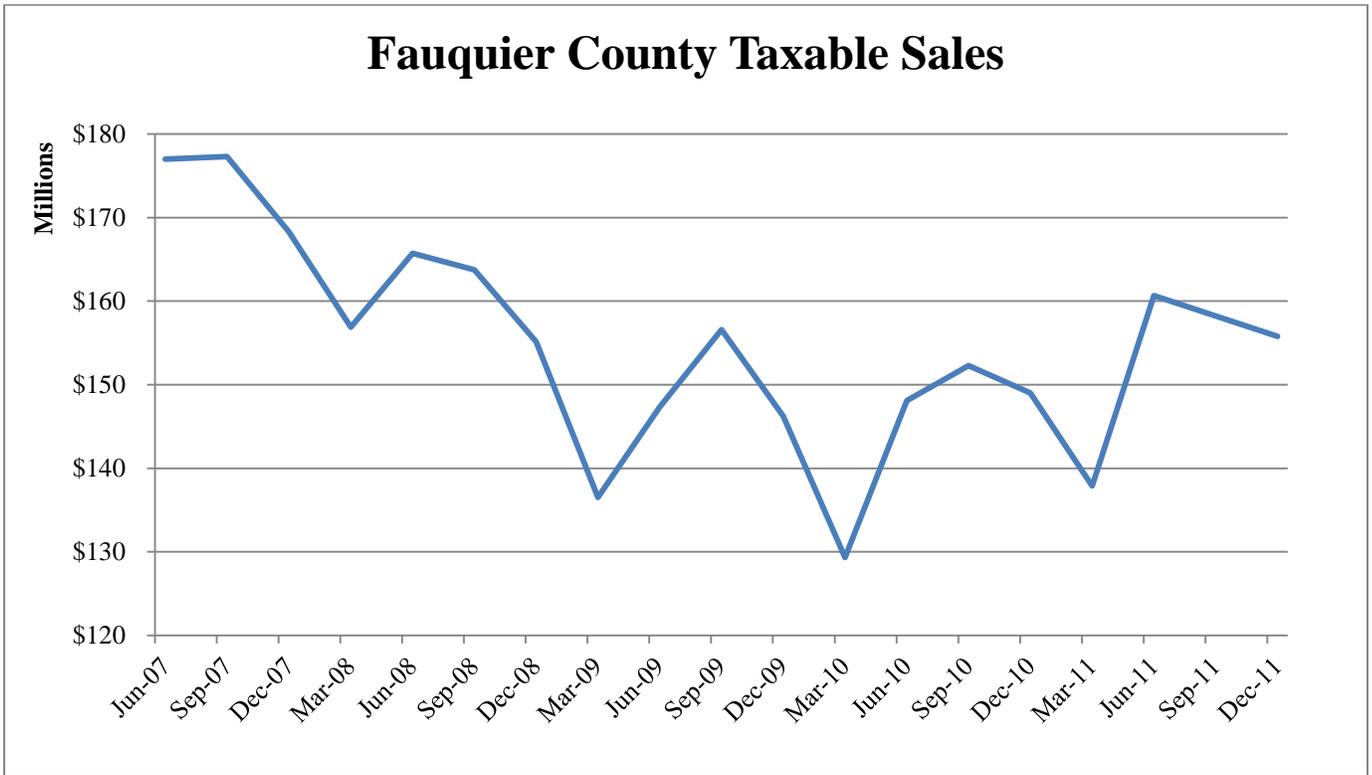
4. Taxable Sales

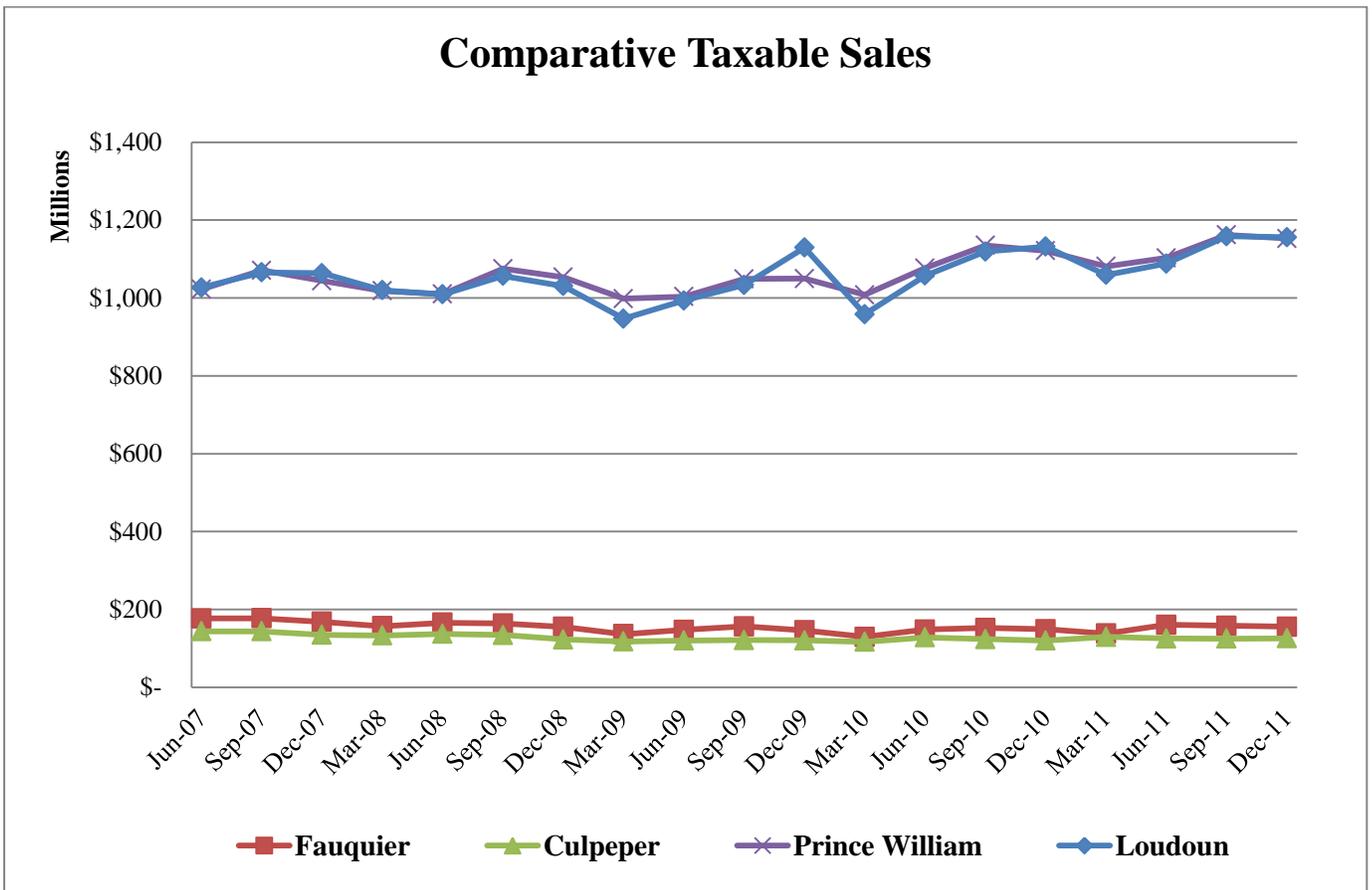
The following graphs provide data trends of taxable sales relative to the County, the State, and other local jurisdictions including:

- 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 for FY 2011 are slightly ahead of Culpeper in value. In comparison to Prince William County, Fauquier County has less taxable sales value but the overall trend or rate of change is similar. Taxable sales for food services and drinking places and building material and garden equipment dealers have experienced significant increases in the past quarter. A continued trend into 2012 would be indicative of growth in the County's economy.







Source: Weldon Cooper Center for Public Service, UVA