

Fauquier County Economic Indicators



June 30, 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 7 key categories for both current and historical trends: 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. FY 2014 showed year-over-year revenue growth of 30% from FY 2013, with only seasonal fluctuation.
Community Development	Building & new residential construction permits		New residential construction permits continue to show growth through FY 2014, up 21% over FY 2013. Building permits issued in FY 2014 are also up 13% over FY 2013.
Employment	Unemployment rate		While the county's unemployment rate remains one of the 25 lowest in the State, by rank it is higher than a year ago but similar to other jurisdictions in the region. The County's unemployment rate was 4.7% as of June 2014, 17th 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		Overall recycling tonnage for FY 2014 was 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 an FY 2014 yearly increase of 5.7% over FY 2013.
Residential Housing Market	Days houses are on market		The average number of days houses are on the market has improved since the increase in the second and third quarters.
Residential Housing Market	Median sales price	-	Median home sales values continue to improve during the last quarter of FY 2014, with coupled with increased number of listings.
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 continued to improve in the first six 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
Businesses	Number of new licenses issued	-	The number of new licenses issued for businesses in FY 2014 declined 11% from FY 2013, continuing to show yearly fluctuation.
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	↑	In FY 2014, 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.

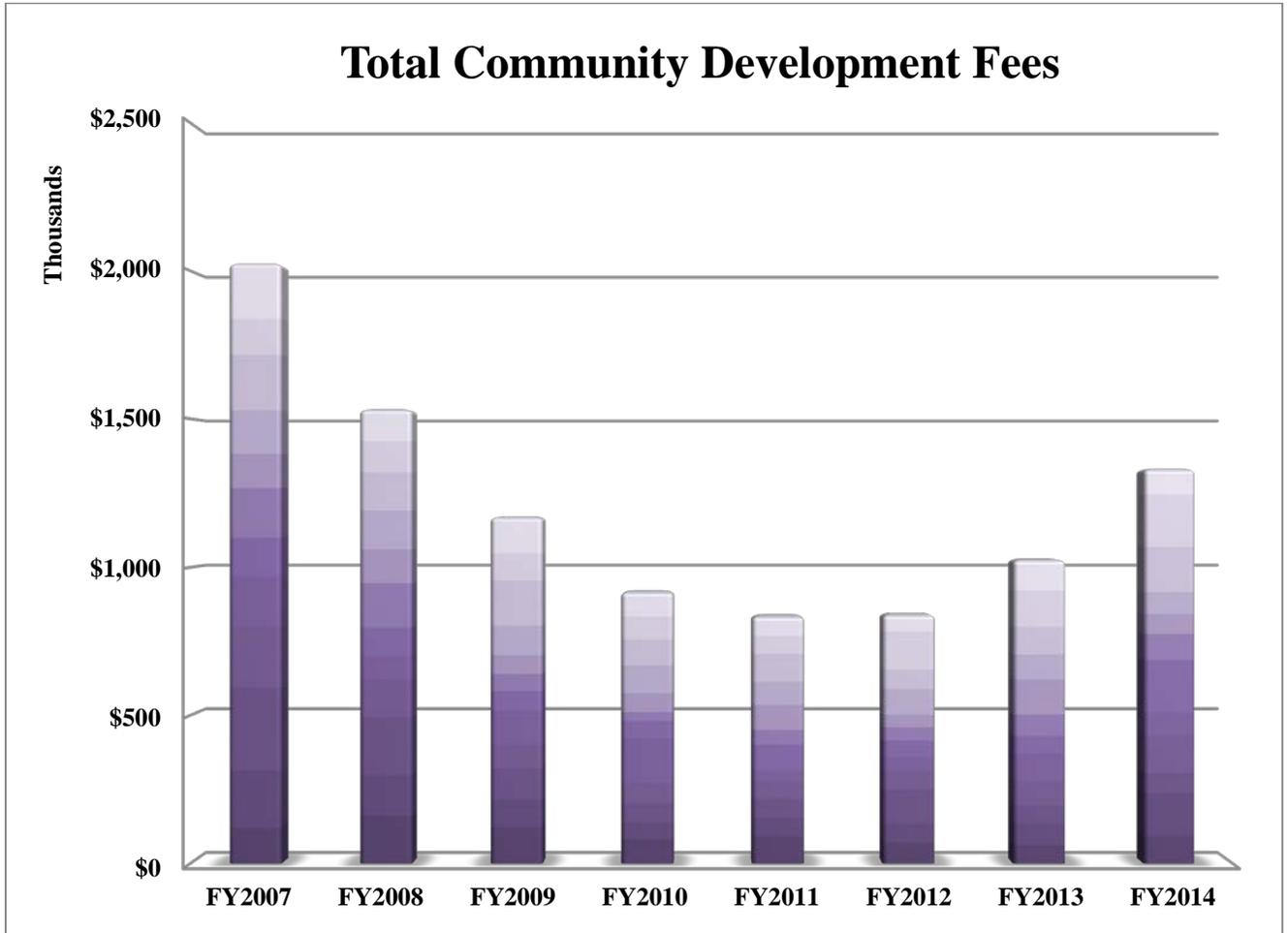
III. Economic Indicators – Data

A. Current Economic Indicators Data

1. Community Development

a) Community Development Fees

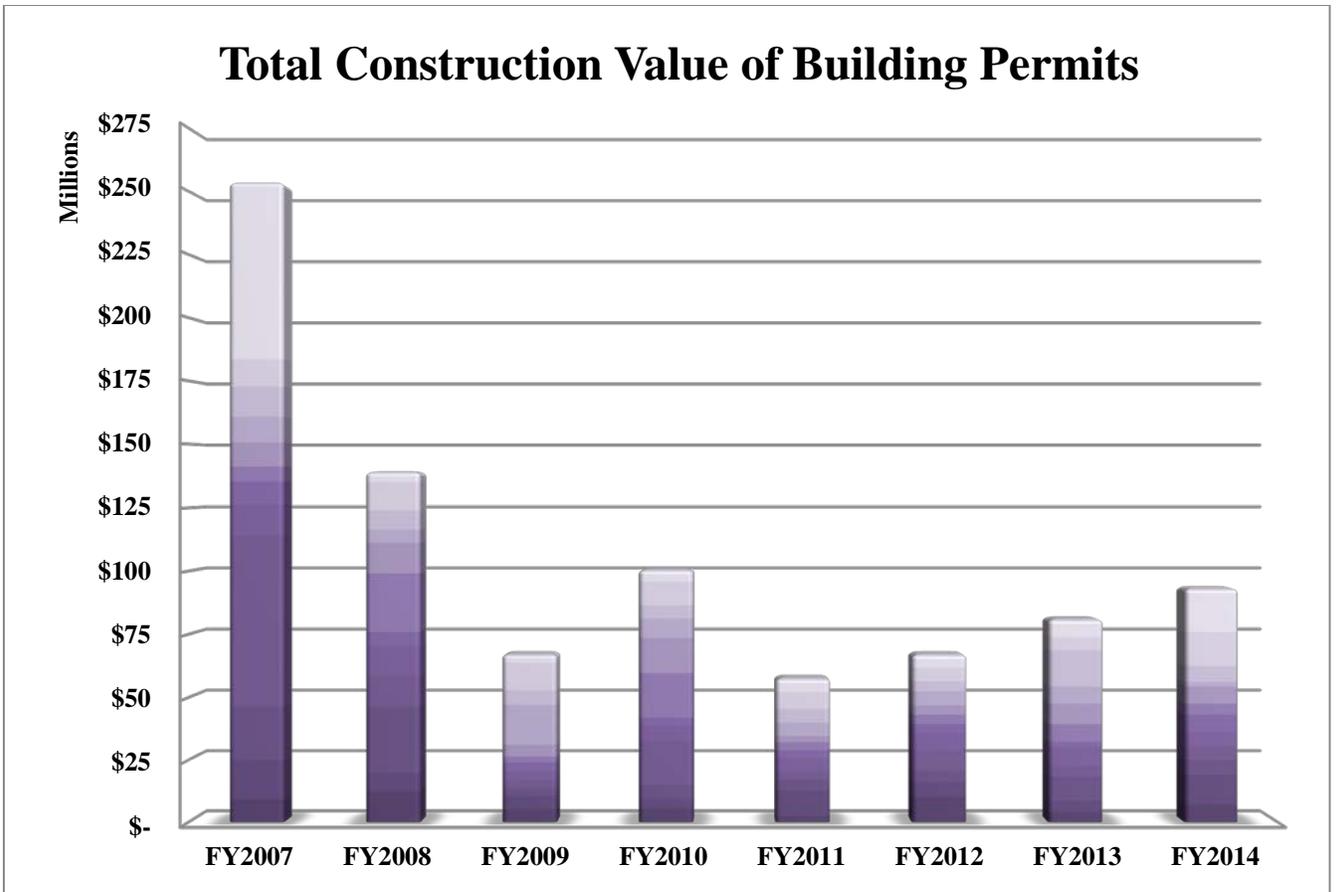
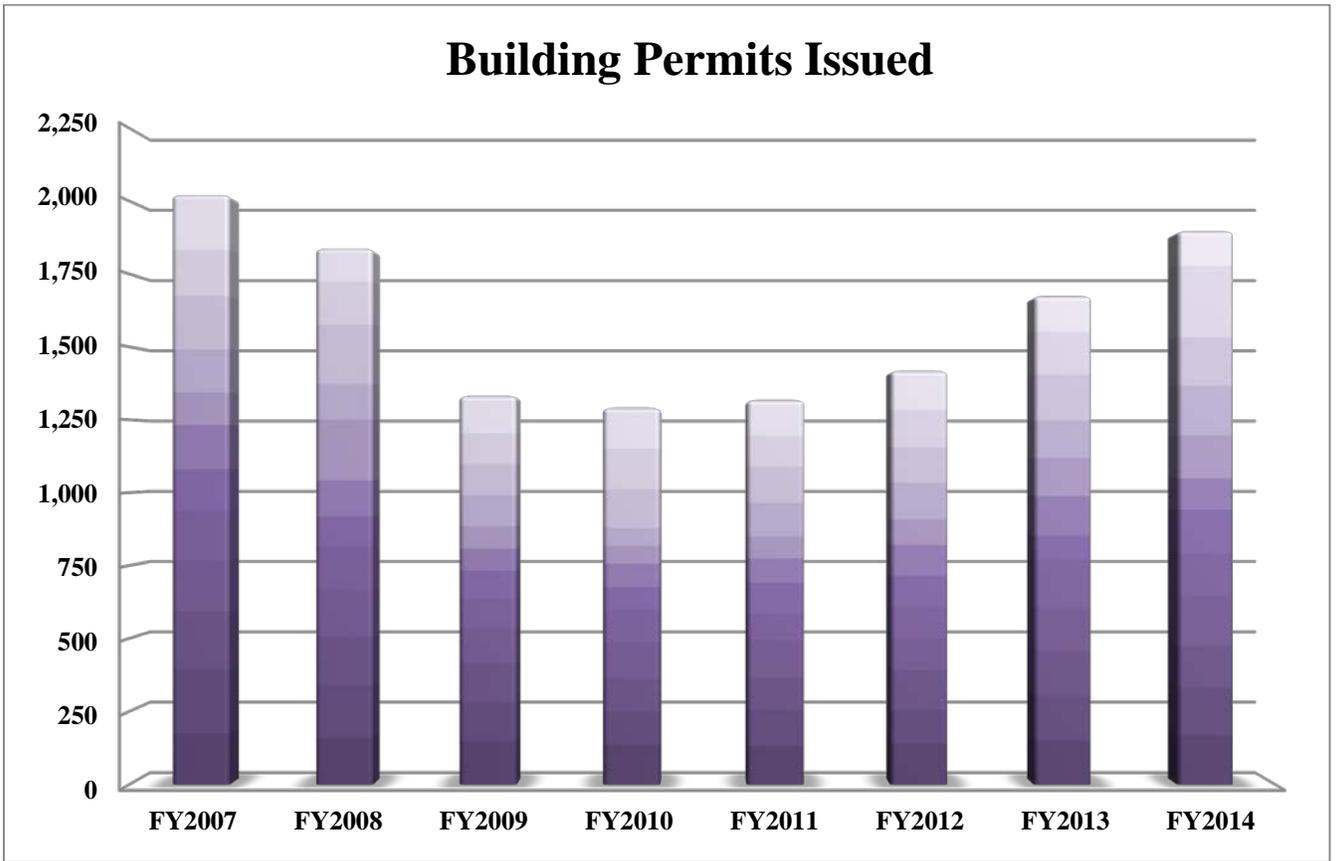
In FY 2014, Community Development Fee revenue continued to experience marked growth, up over 29% compared to the last quarter of FY 2013, and over 30% year over year. Both FY 2013 and FY 2014 yearly revenue exceeded \$1 million, continuing the trend of increased Community Development activity.

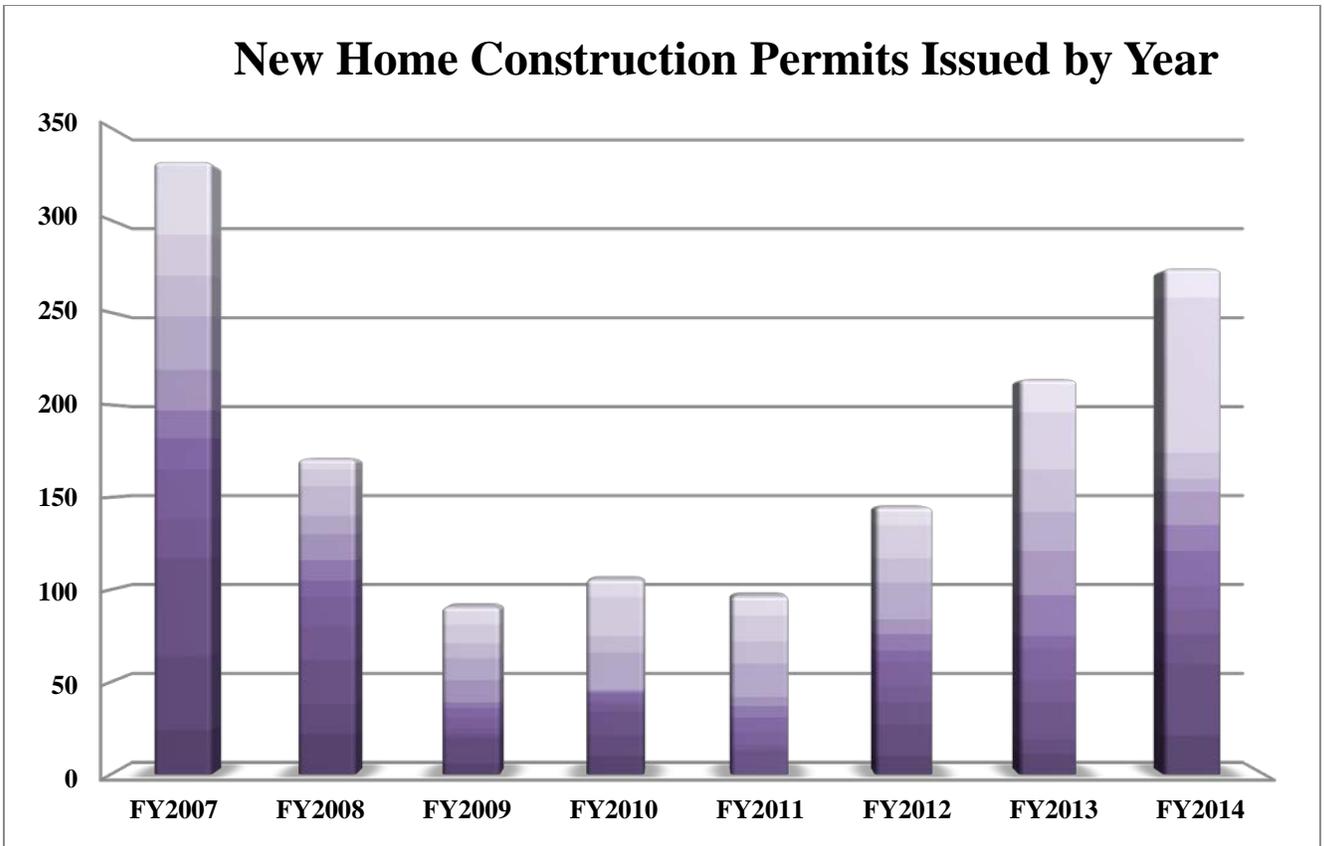
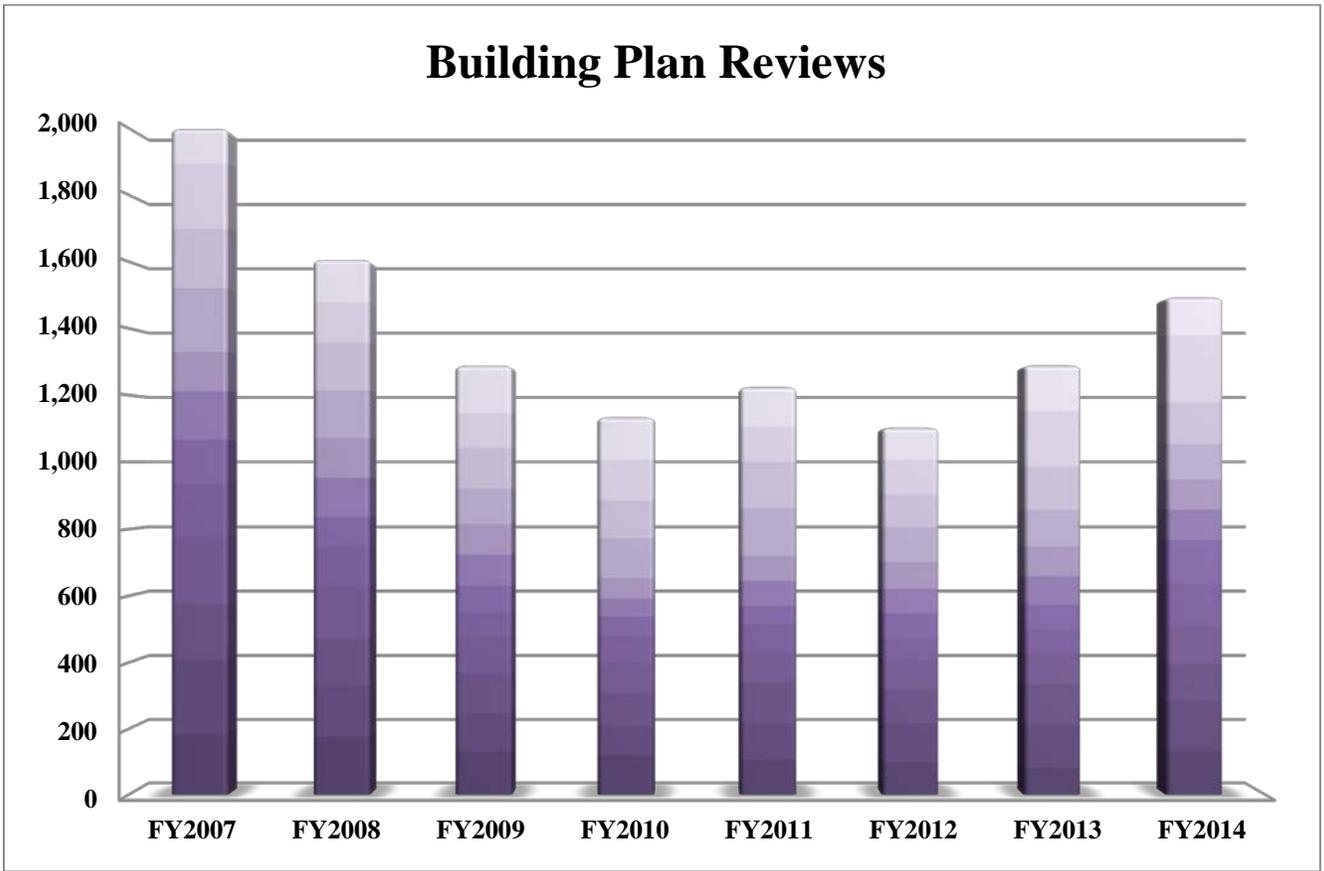


Source: Community Development.

b) Building Permits

The number of building permits issued in FY 2014 continued to increase, experiencing yearly growth of 13.3% over FY 2013. FY 2014 new residential construction permits issued also experienced year-over-year growth, increasing 21.5% over FY 2013, continuing a growing trend.



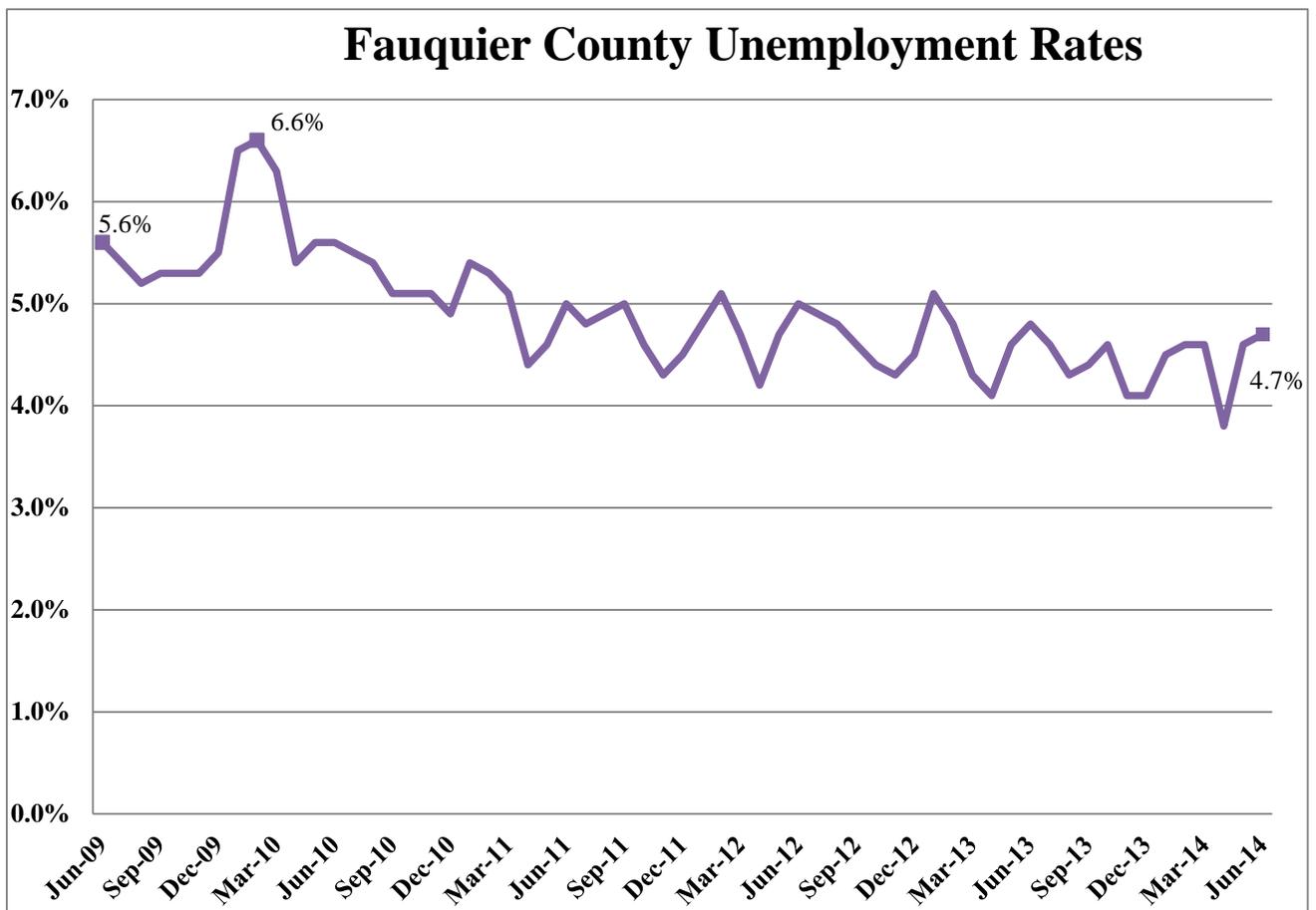


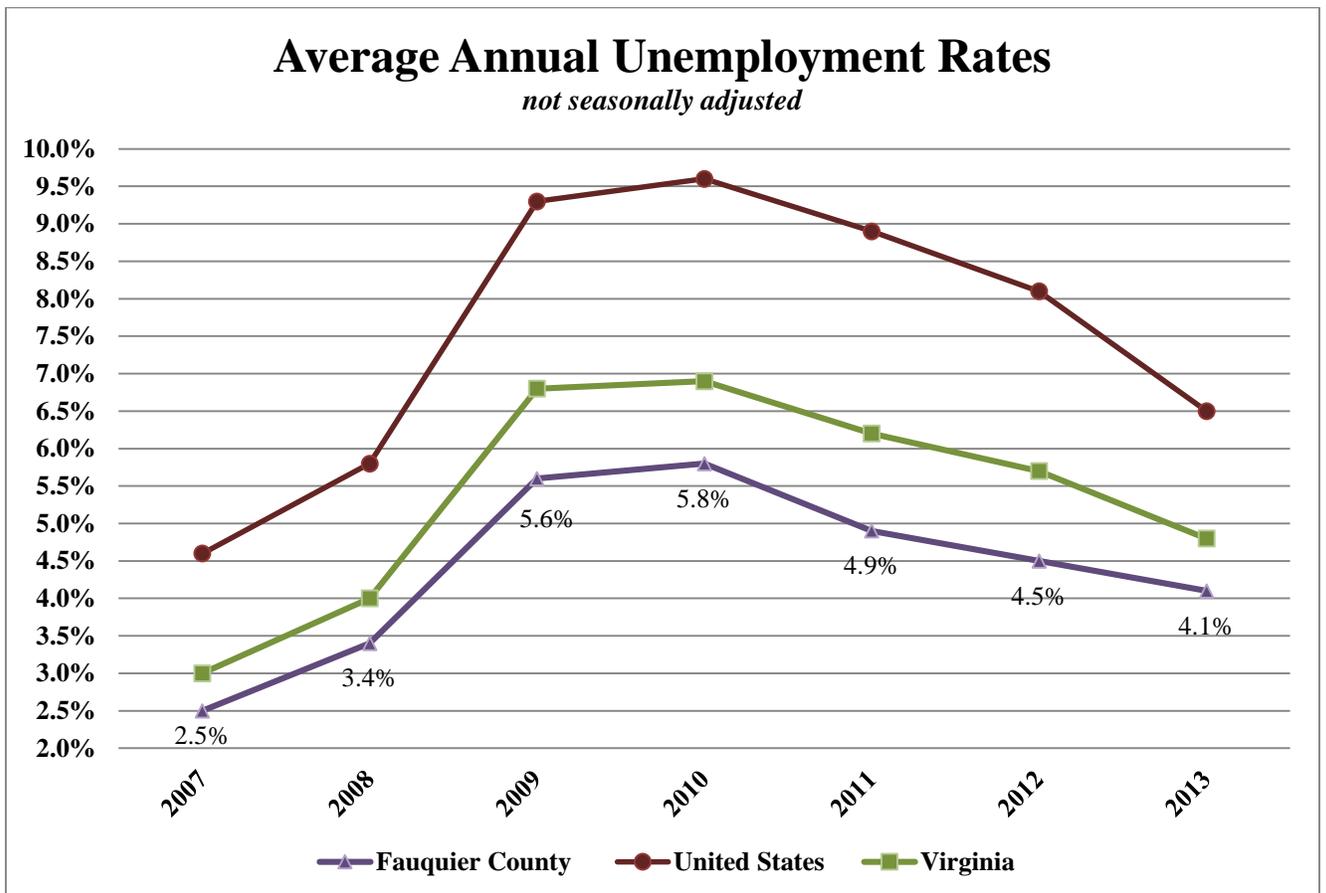
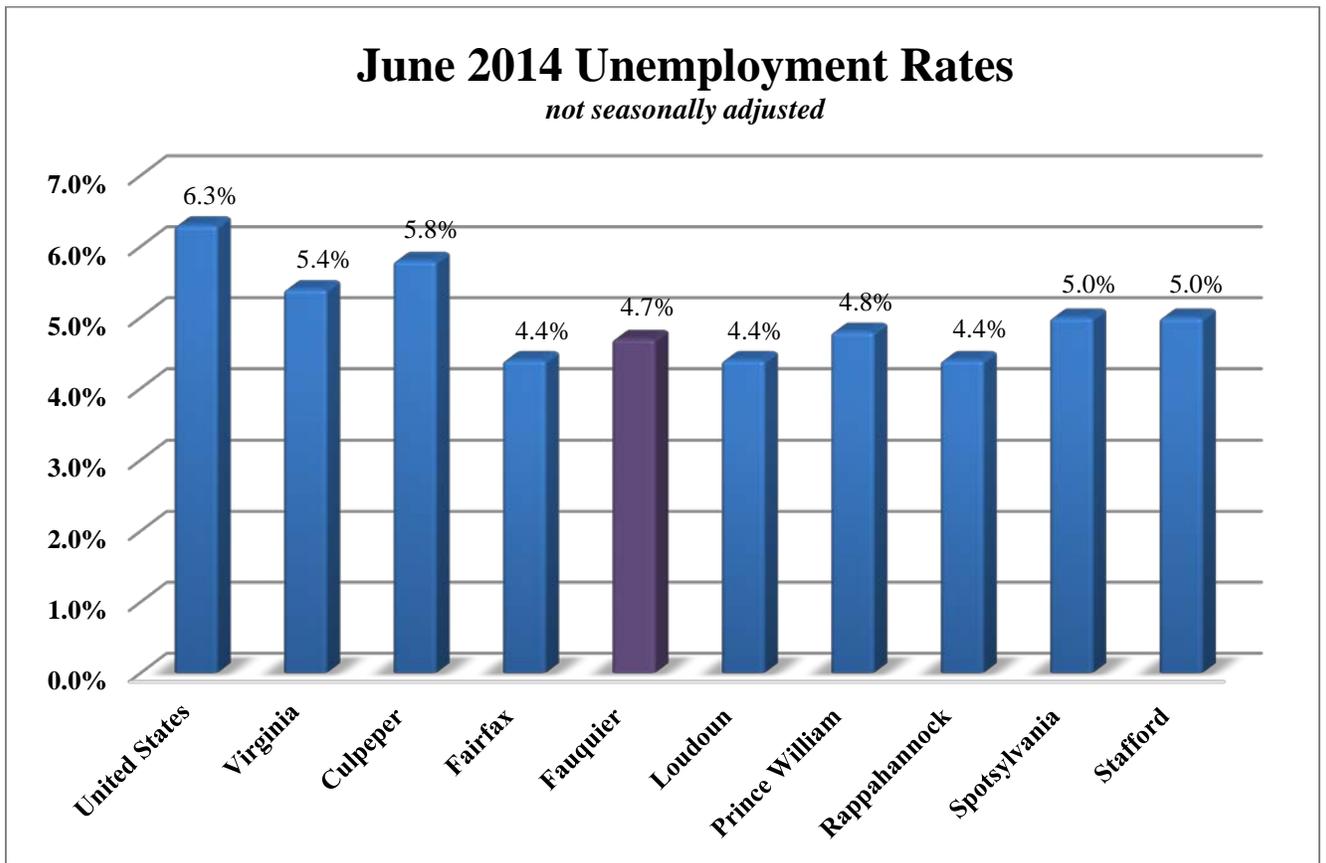
Source: Community Development

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 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 June 2014 unemployment rate of 4.7% trails Fairfax, Loudoun, and Rappahannock; and is ahead of Prince William, Spotsylvania, Stafford, and Culpeper. Overall for the Commonwealth, Fauquier County ranked 17th behind other counties such as Arlington, Fairfax, Greene, Loudoun, and Rappahannock; and was equal to Augusta, Manassas City, and Powhatan County.

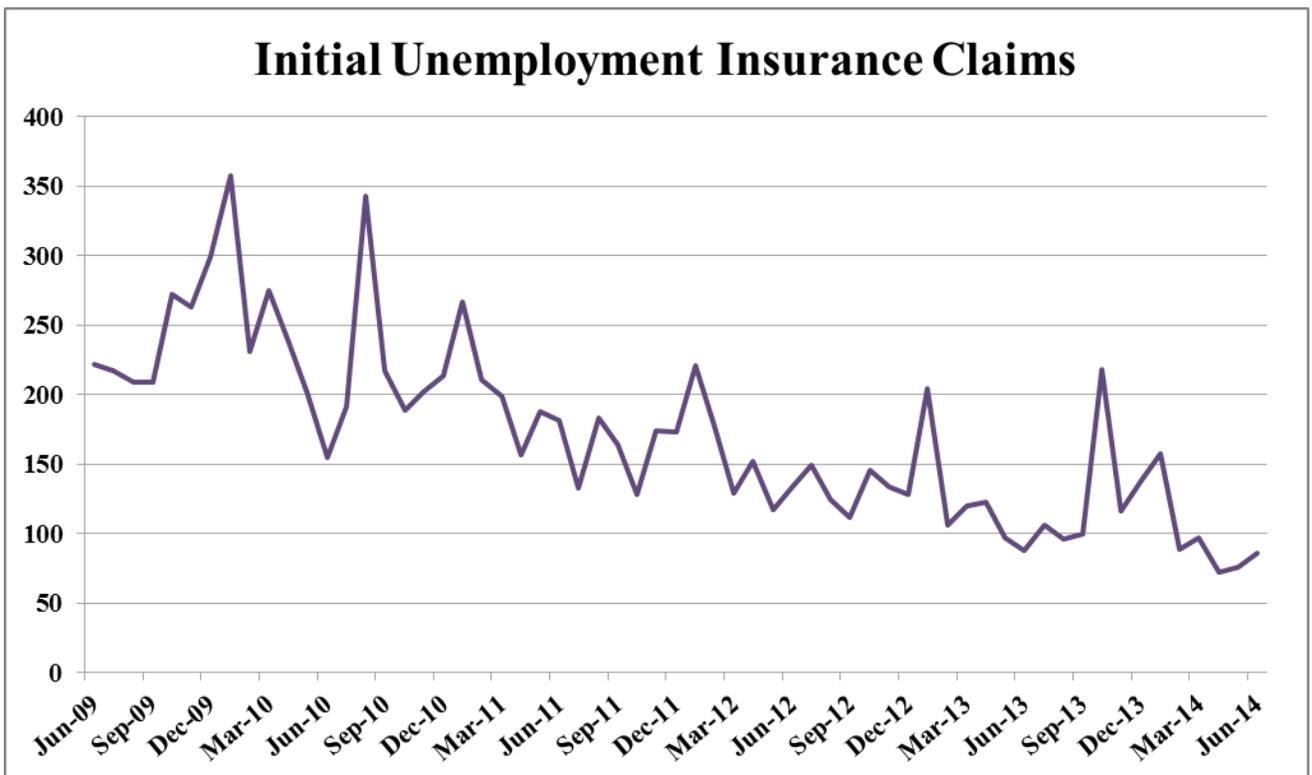
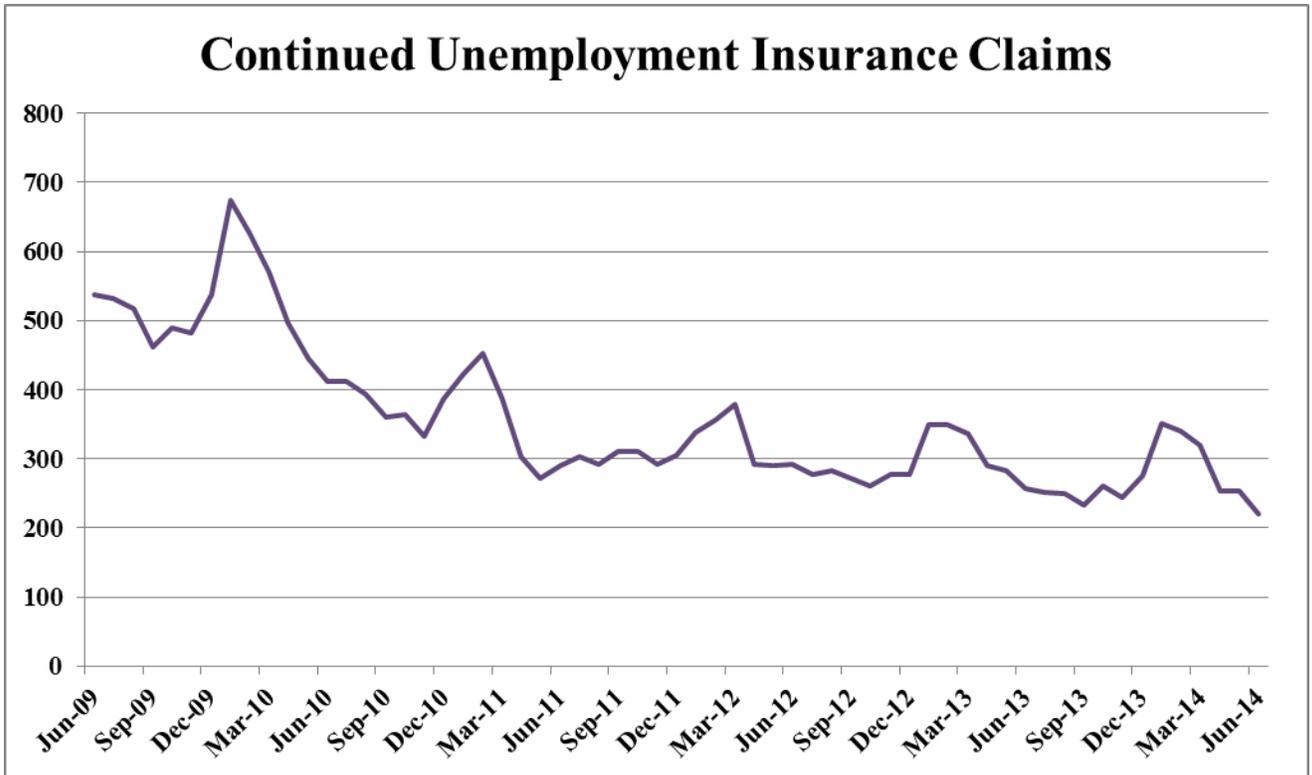




Source: Virginia Employment Commission

b) Unemployment Insurance Claims

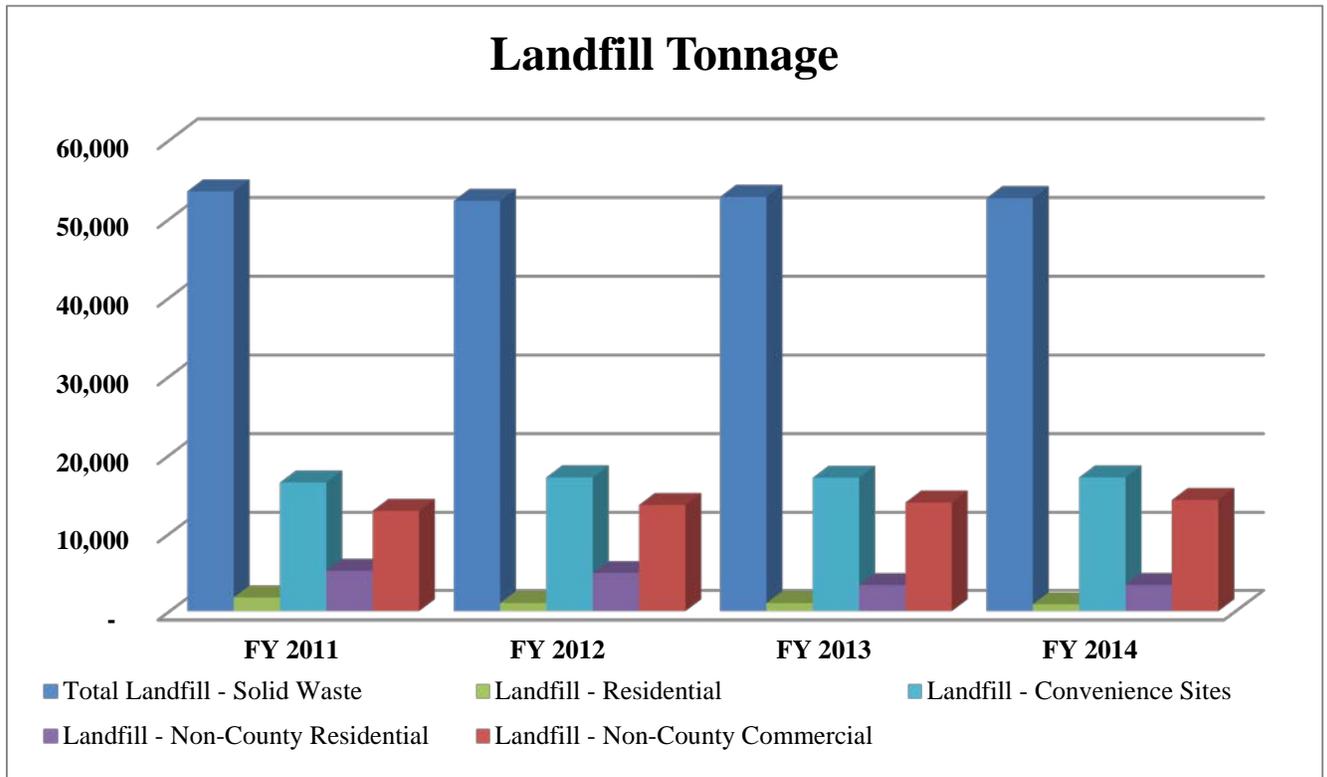
Continued unemployment insurance claims have declined over the last twelve months with seasonal fluctuation, reaching their lowest level since the recession. Initial unemployment claims have had a slight decrease in the last two quarters, attributable to normal seasonal fluctuation.



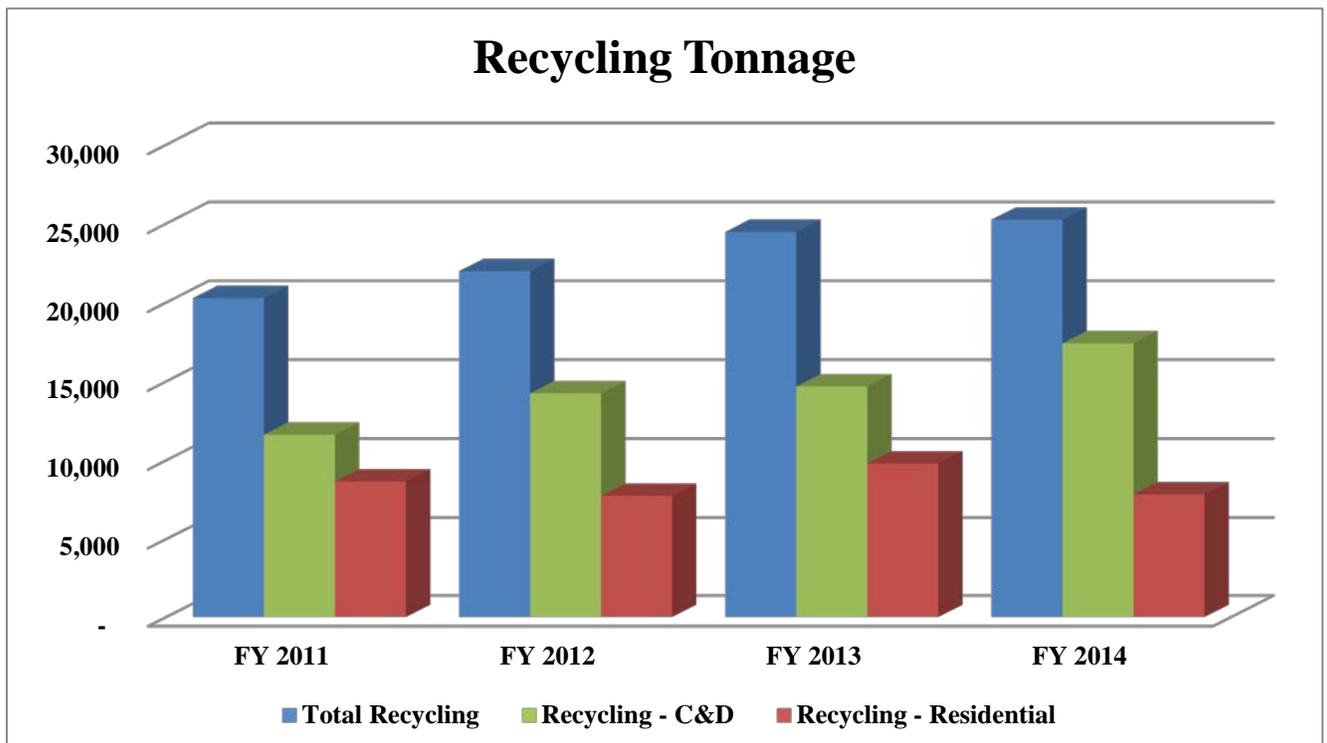
Source: Virginia Employment Commission

3. Environmental Services

Overall, landfill and recycling tonnage remains stable for FY 2014. While recycling tonnages increased overall, primarily due to growth in C&D due to increase activity, residential recycling declined in FY 2014.



Source: Environmental Services.



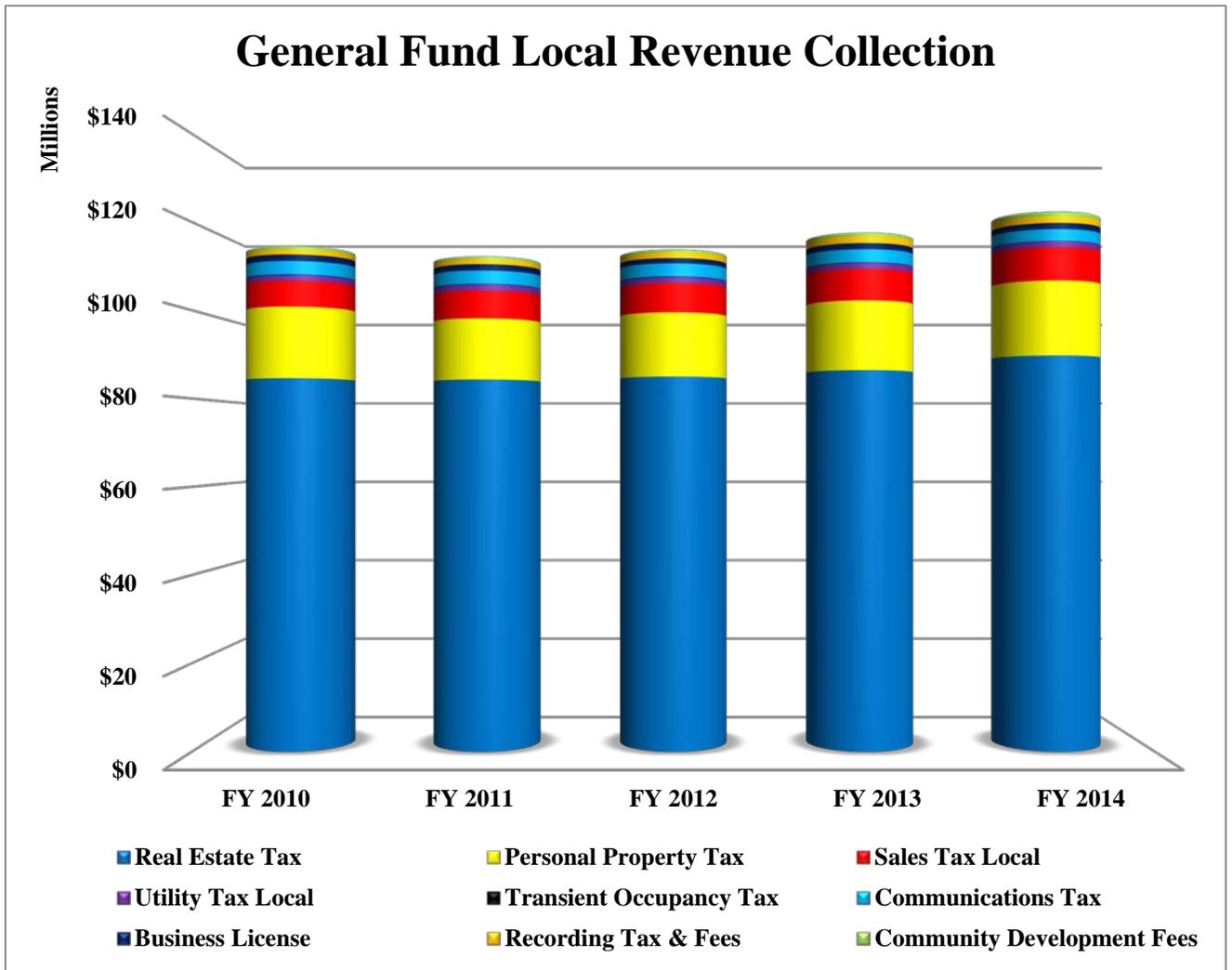
Source: Environmental Services.

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.

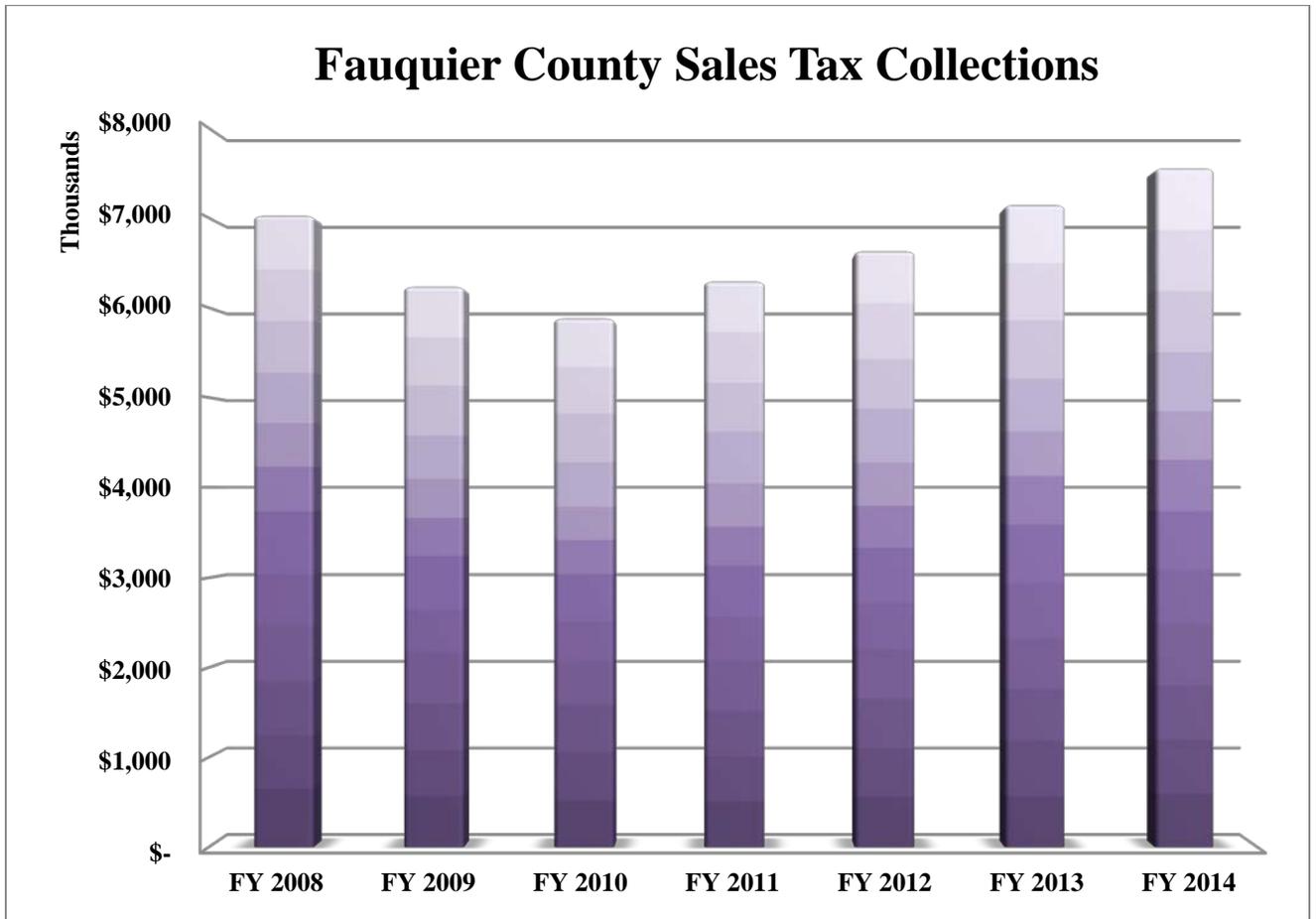
a) General Fund local revenue collection

General Fund local revenues for 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, the 2014 quadrennial assessment, and continued growth in the base. Personal property tax, sales tax, and community development fees continue to experience year-over-year growth.



b) Sales Tax Revenue

Monthly sales tax collections continue to improve year-over-year. On a yearly basis, FY 2014 shows continued improvement with 5.7% growth over FY 2013. While the year-over-year increase is down slightly from FY 2012-2013, sales tax collections continue to experience stable growth.

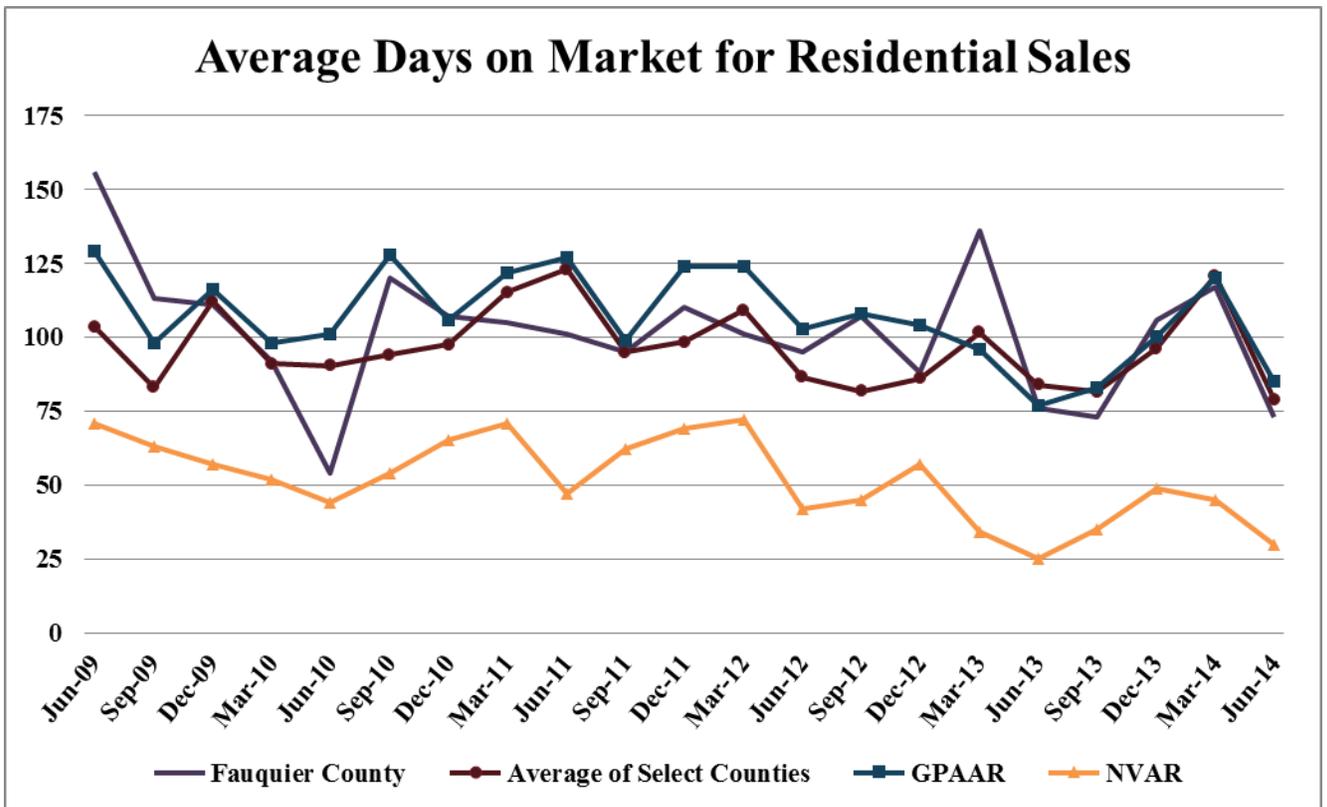


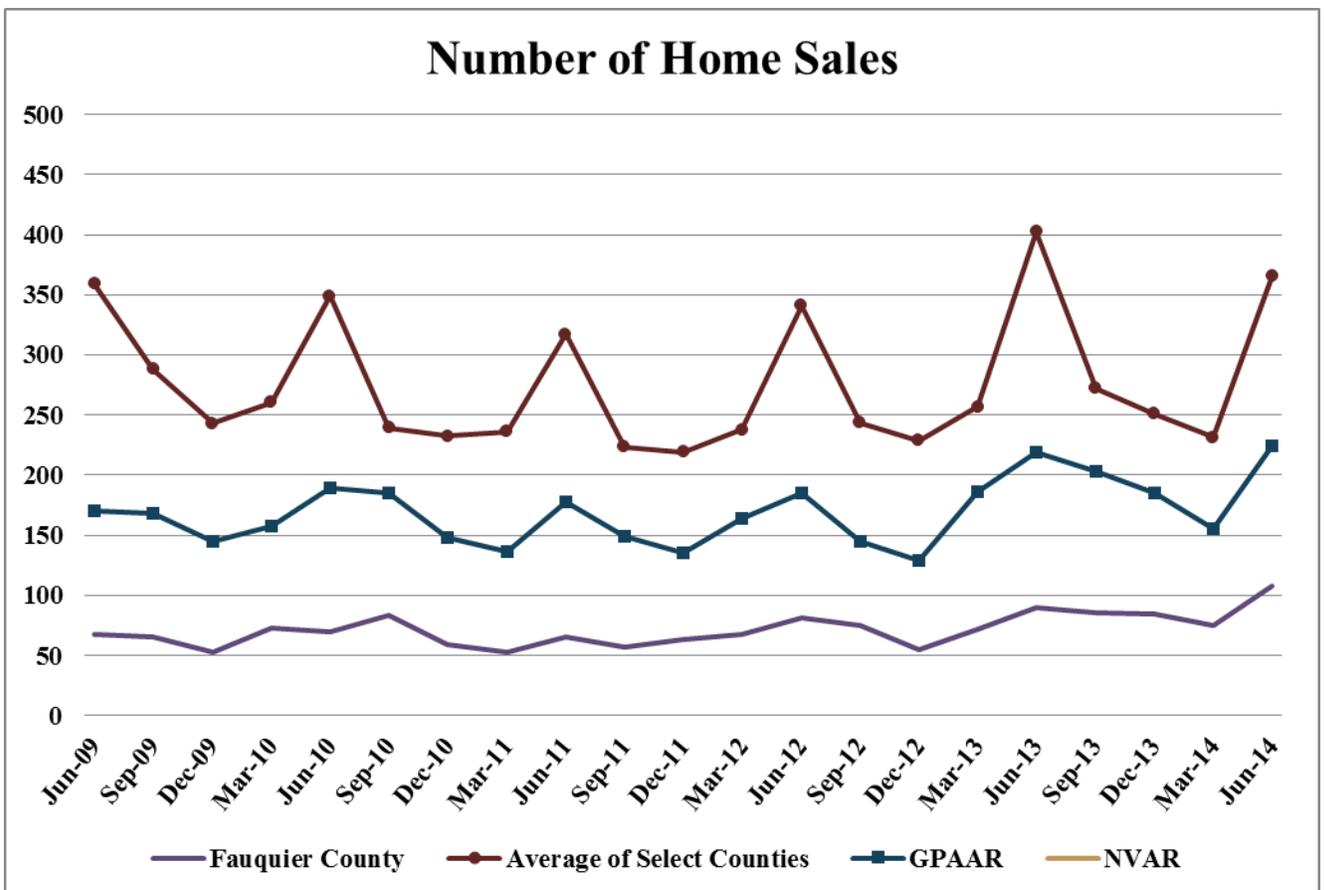
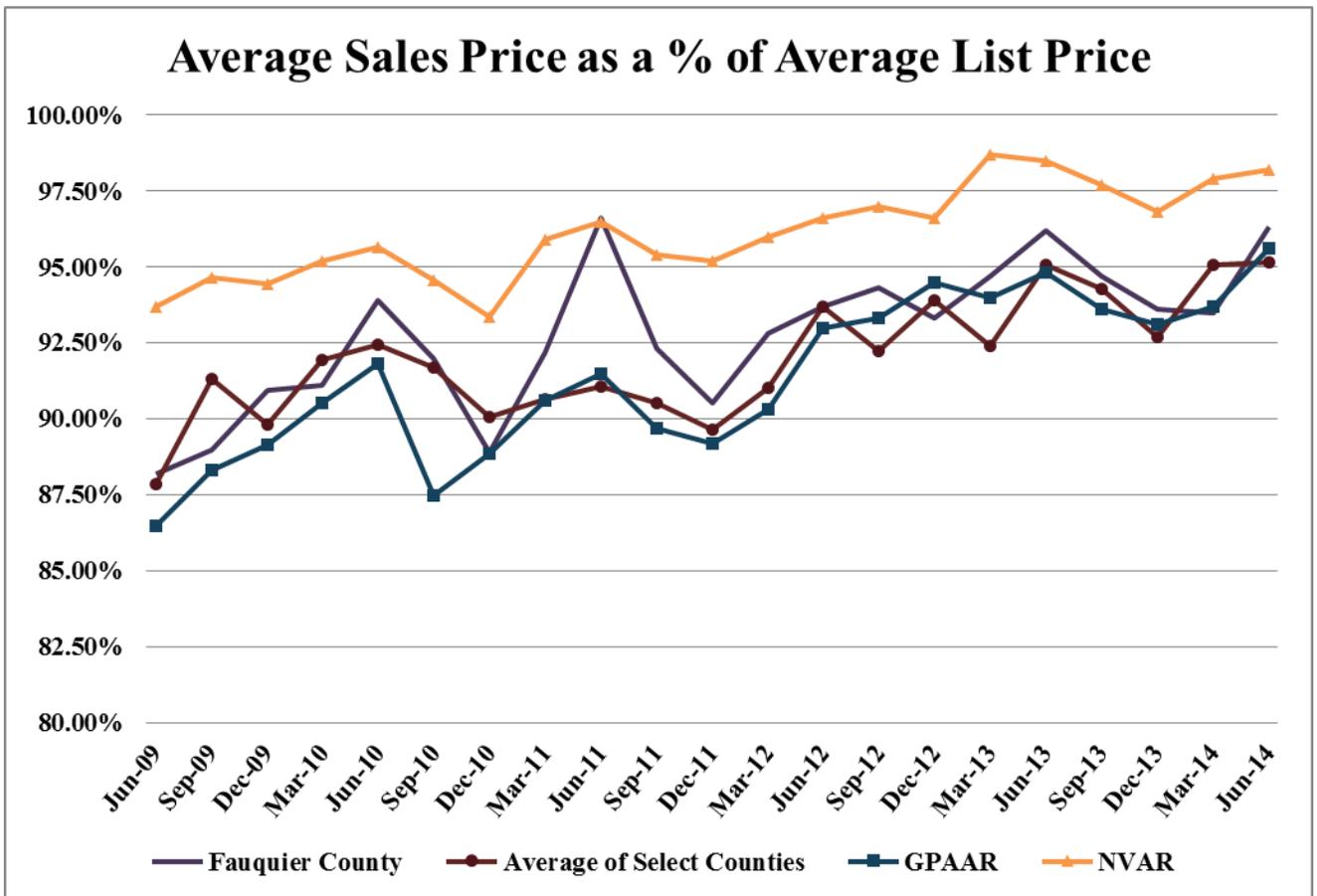
5. Residential Housing Market – Current Data

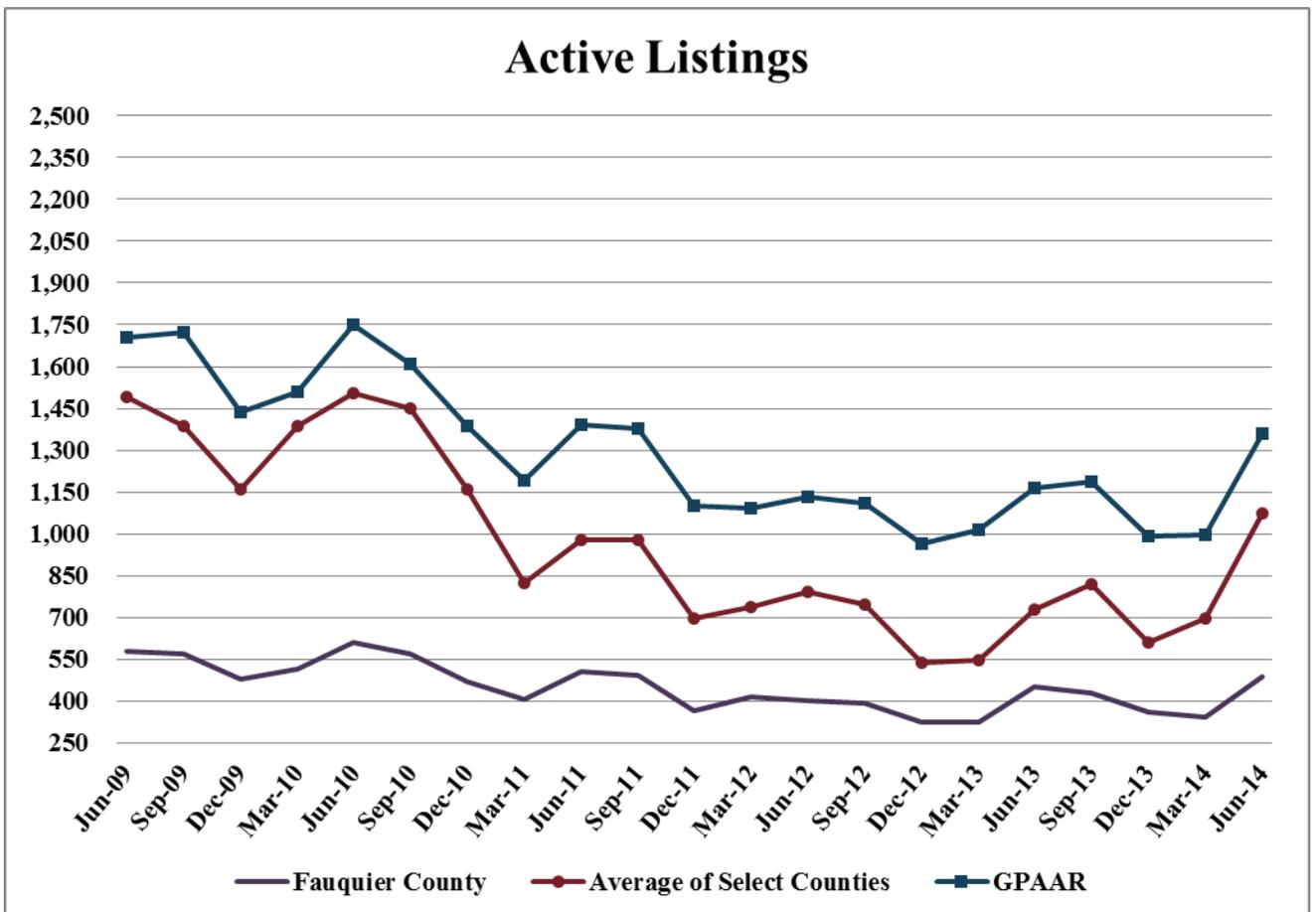
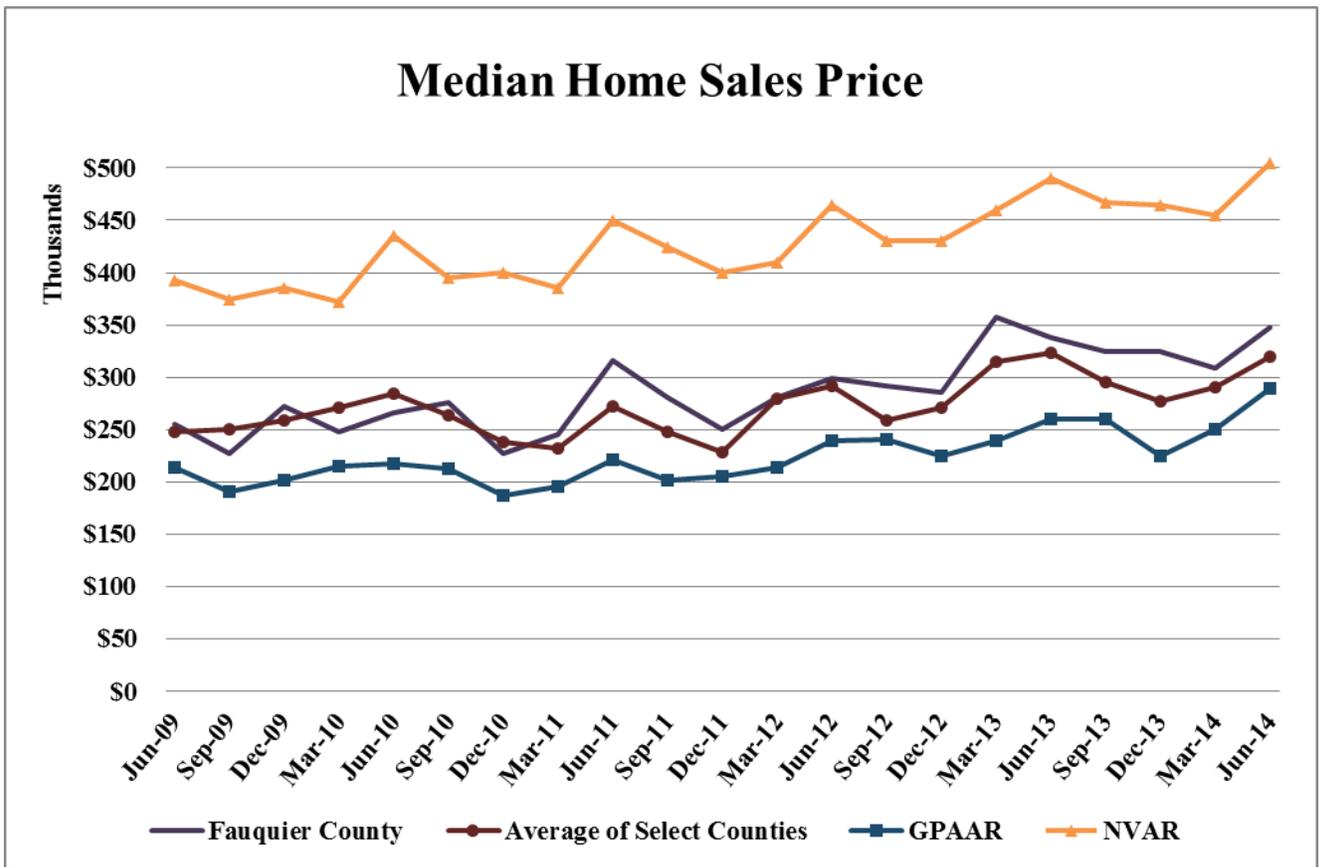
The following charts provide data on various characteristics of the local residential housing market. The graphs display data for Fauquier County, the Greater Piedmont Area Association of Realtors, Northern Virginia Association of Realtors, and/or an Average of select counties. The Greater Piedmont Area 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. During the last quarter of FY 2014, all areas of residential sales improved similar to the entire area, including median sales price, days on market, and number of sales.



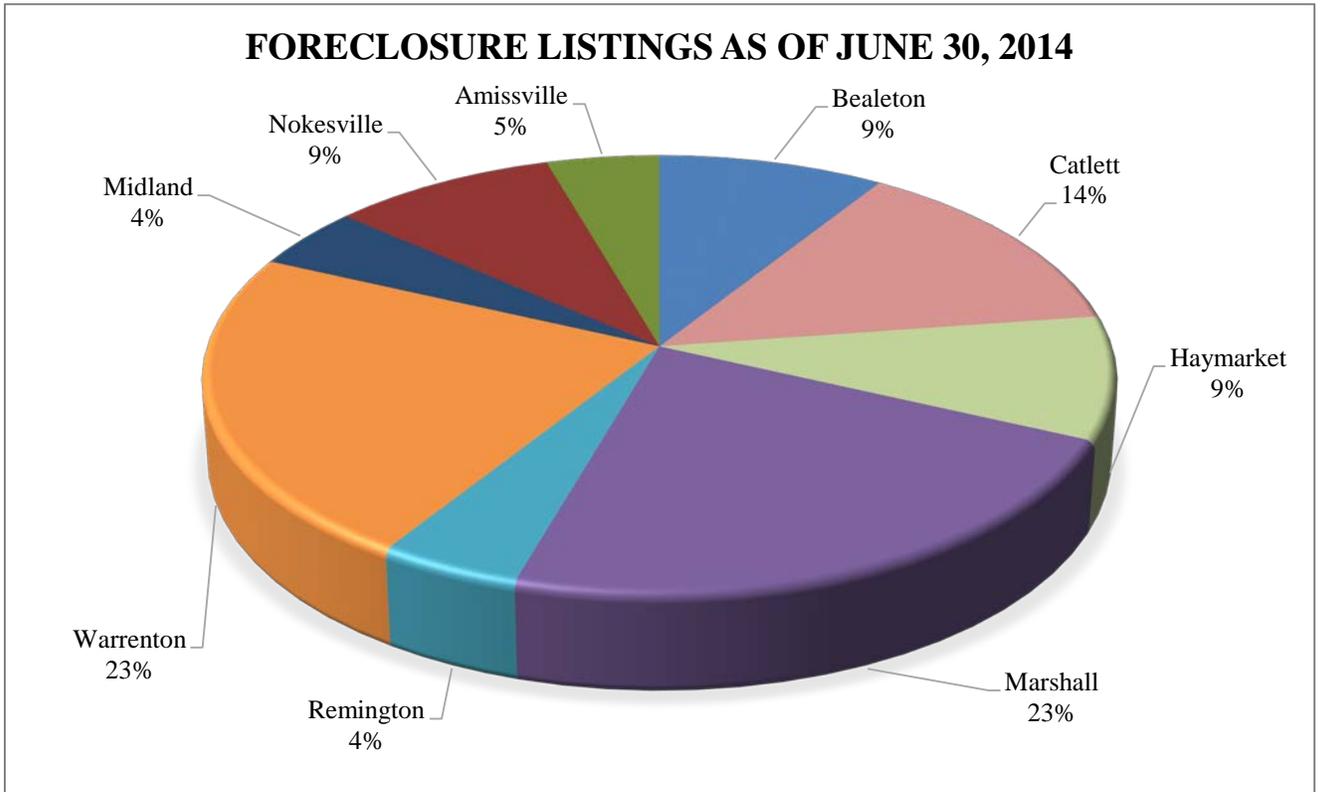




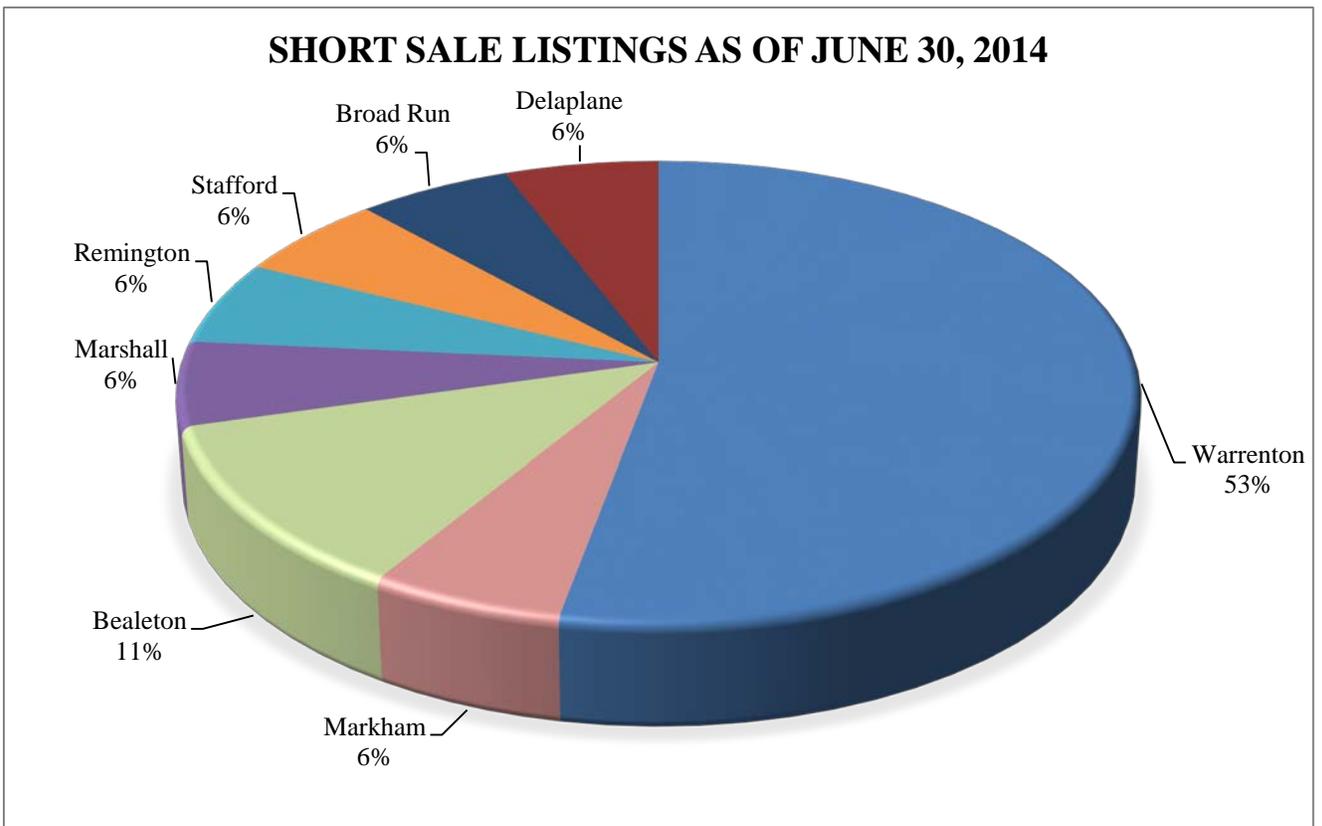
Source: Metropolitan Regional Information Systems, Inc. (MRIS)

b) Foreclosures and Short Sales

Foreclosure listings and short sale listings remained continue to maintain a stable to declining trend.



22 foreclosure listings as of June 30, 2014. Source: Redfin.com.

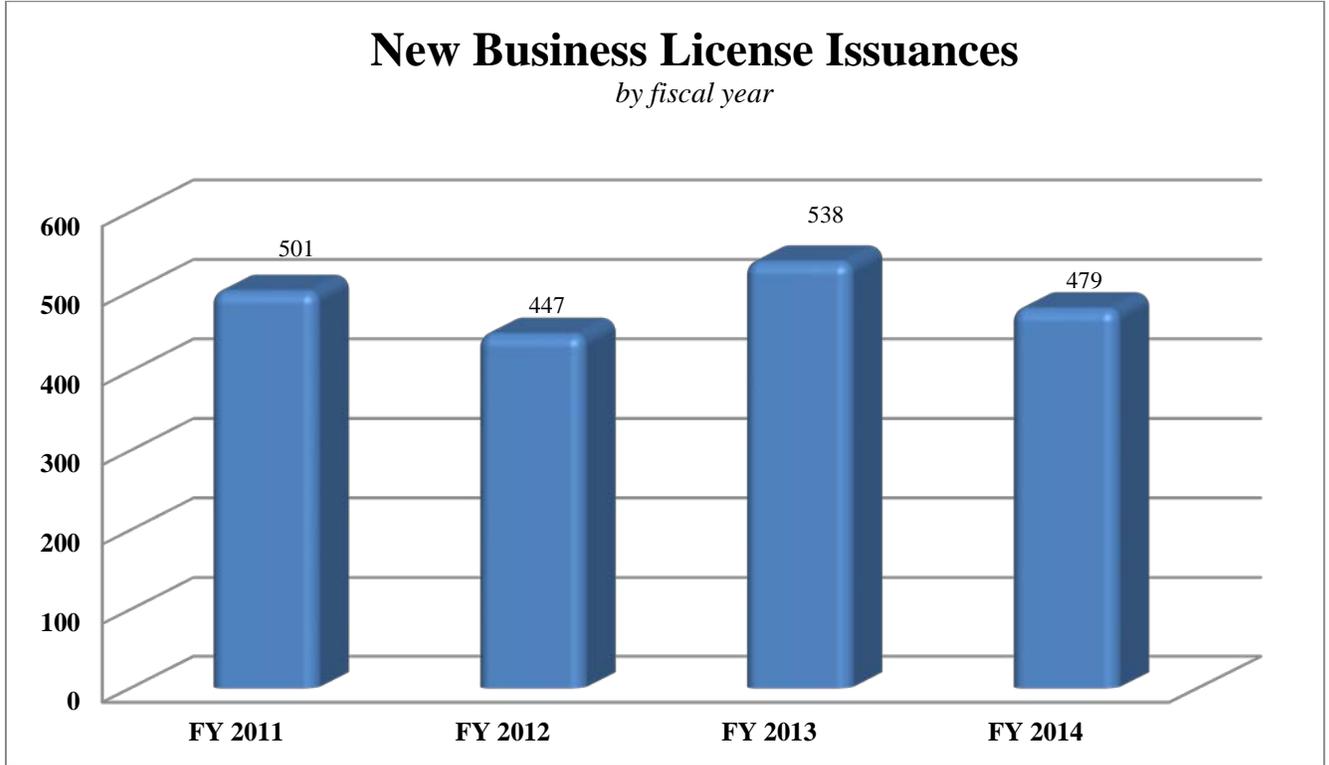


17 short sale listings as of June 30, 2014. Source: Redfin.com.

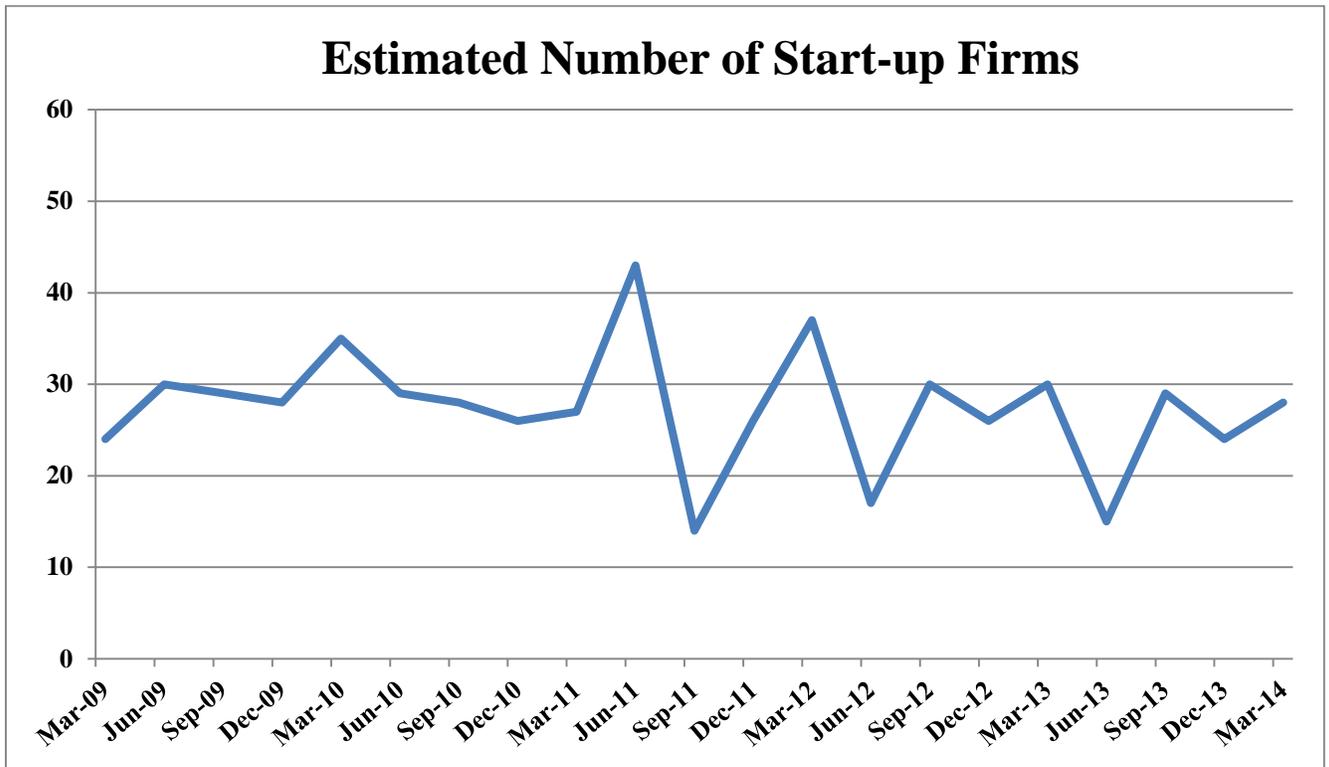
B. Historical Economic Indicators Data

1. Businesses

The number of new licenses issued for businesses continues to fluctuate year over year, declining 11% in FY 2014 compared to FY 2013. FY 2013 showed marked improvement of 20.4% compared to FY 2012.



Source: Commissioner of the Revenue



Source: Virginia Employment Commission

2. Residential Housing Market – Historical Data

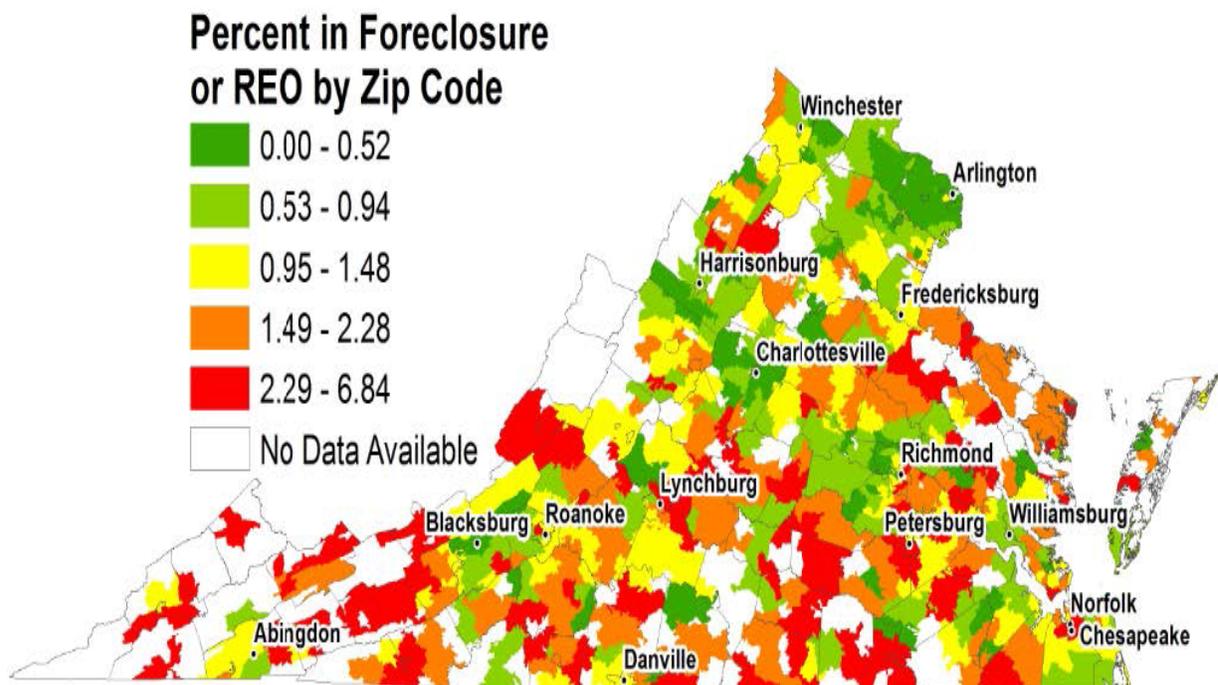
a) Residential Foreclosures and Delinquencies

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.

In FY 2014, foreclosures in the County continued to improve for prime and subprime loans. Additionally, the volume of owner-occupied home mortgages with subprime loans continued to lessen throughout the County.

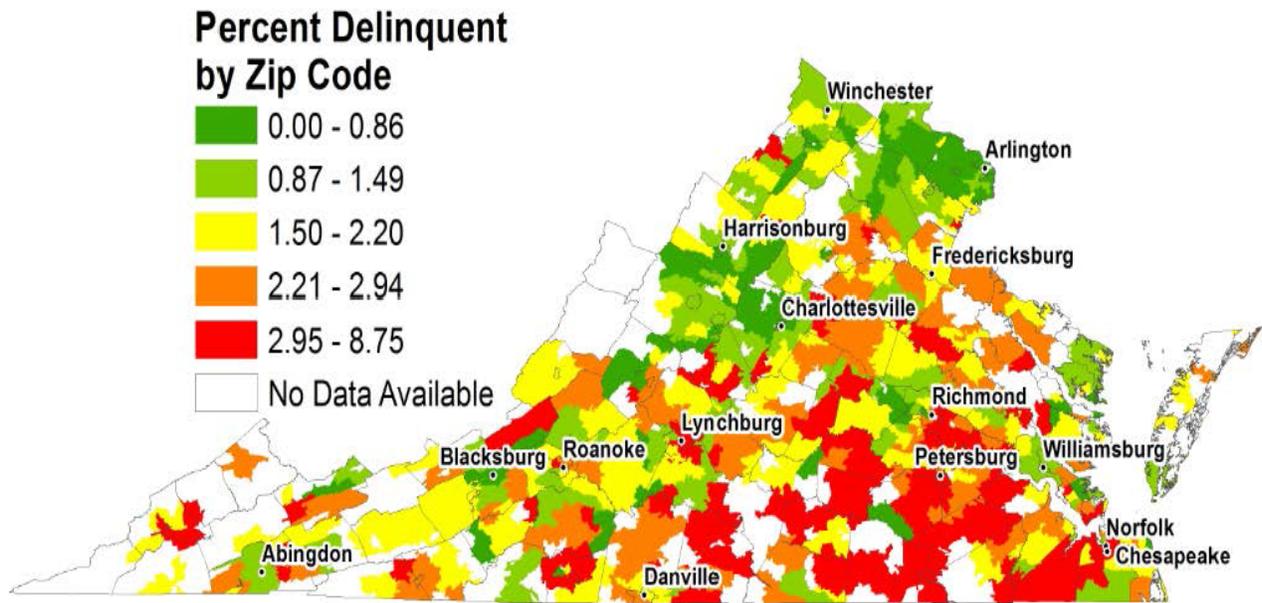
Percentage of Owner-Occupied Prime Loans in Foreclosure or REO²: Virginia



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 (June 2014)

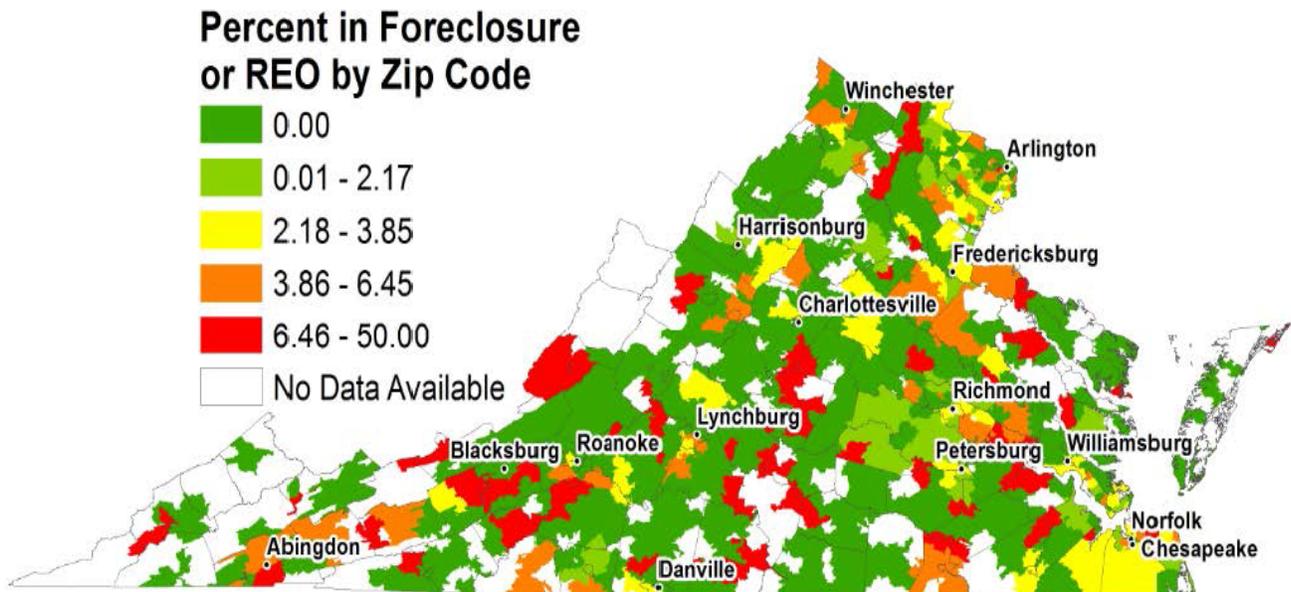
Percentage of Owner-Occupied Prime Loans with 90+ Day Delinquency: Virginia



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 (June 2014)

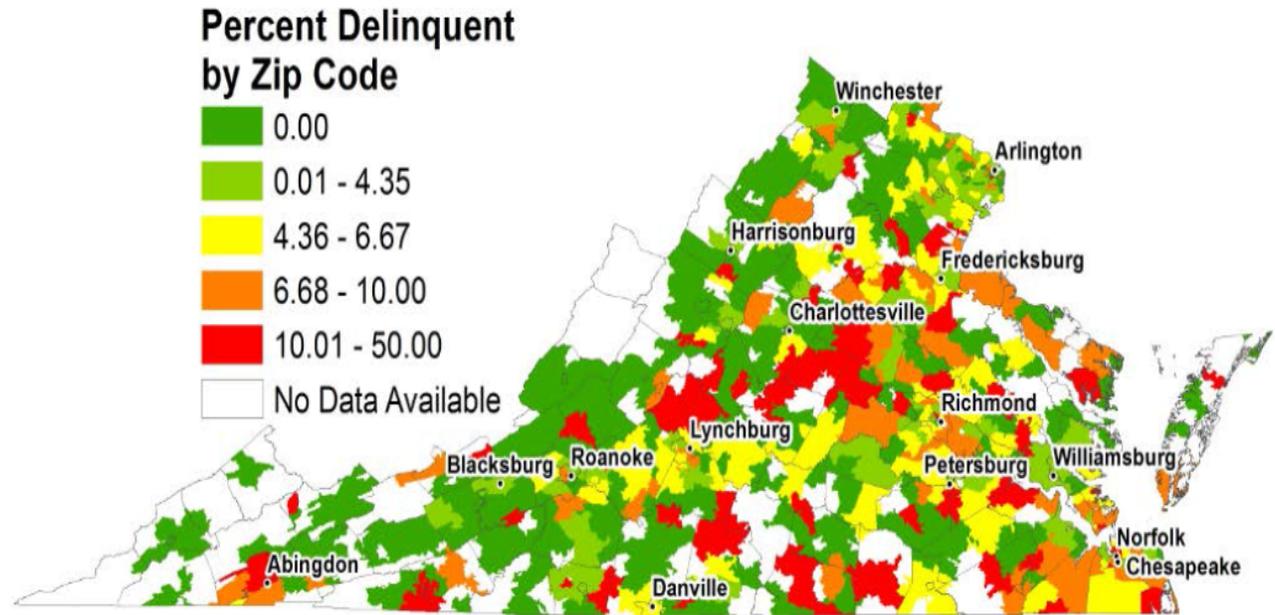
Percentage of Owner-Occupied Subprime Loans in Foreclosure or REO: Virginia



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 (June 2014)

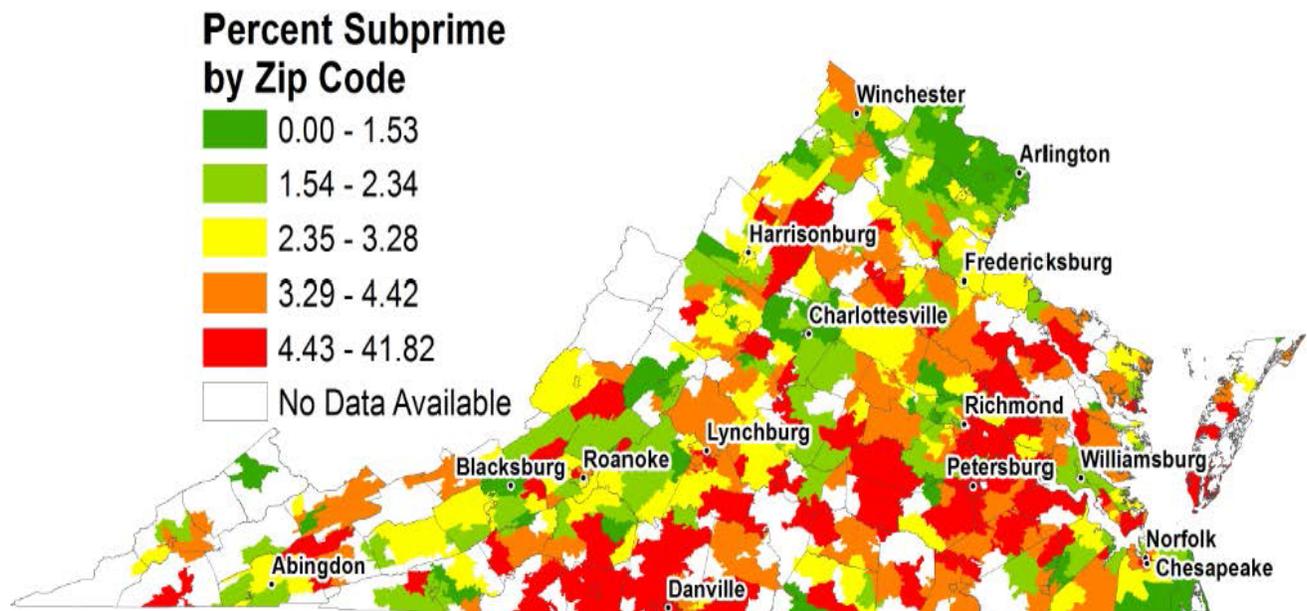
Percentage of Owner-Occupied Subprime Loans with 90+ Day Delinquency: Virginia



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 (June 2014)

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.

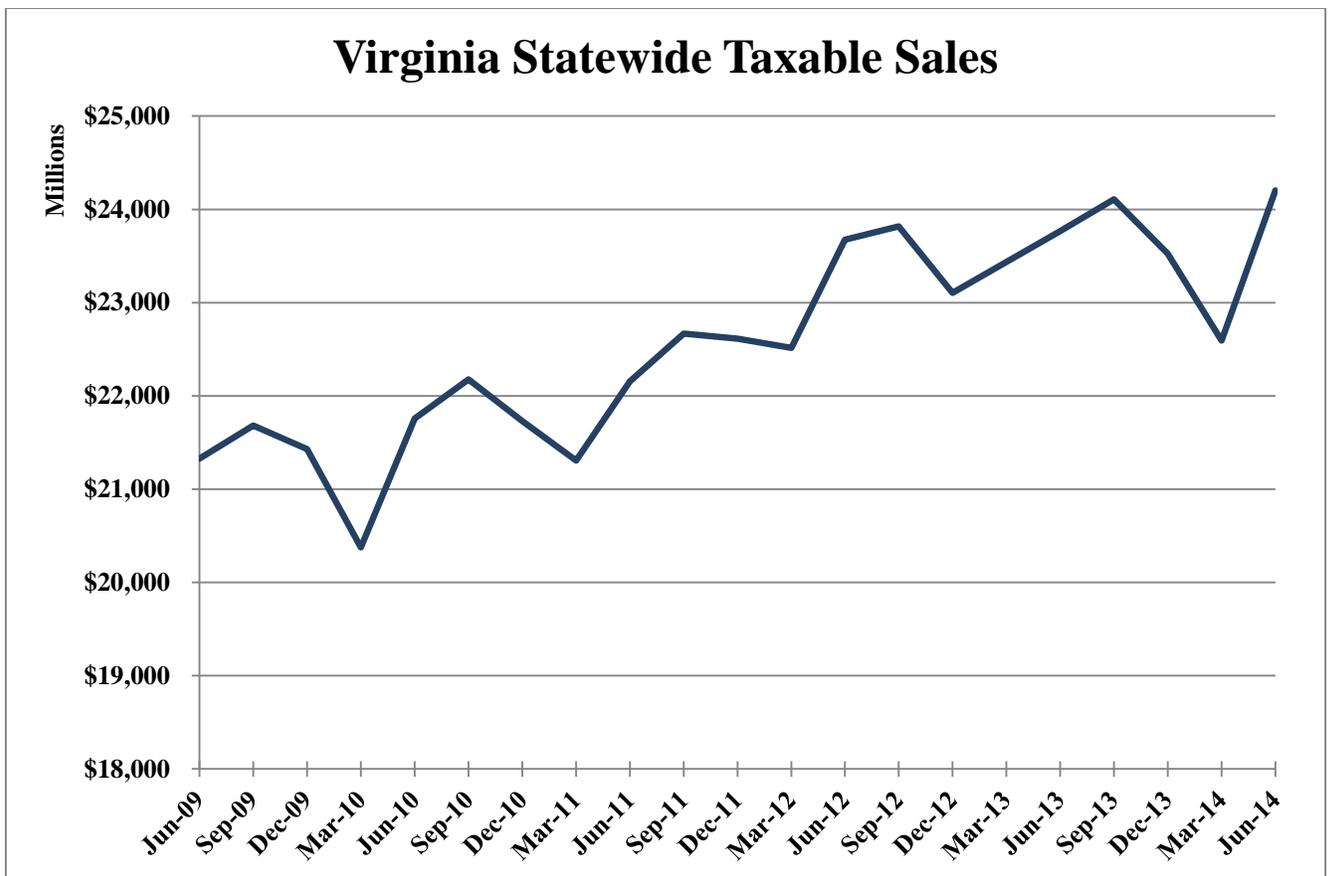
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (June 2014)

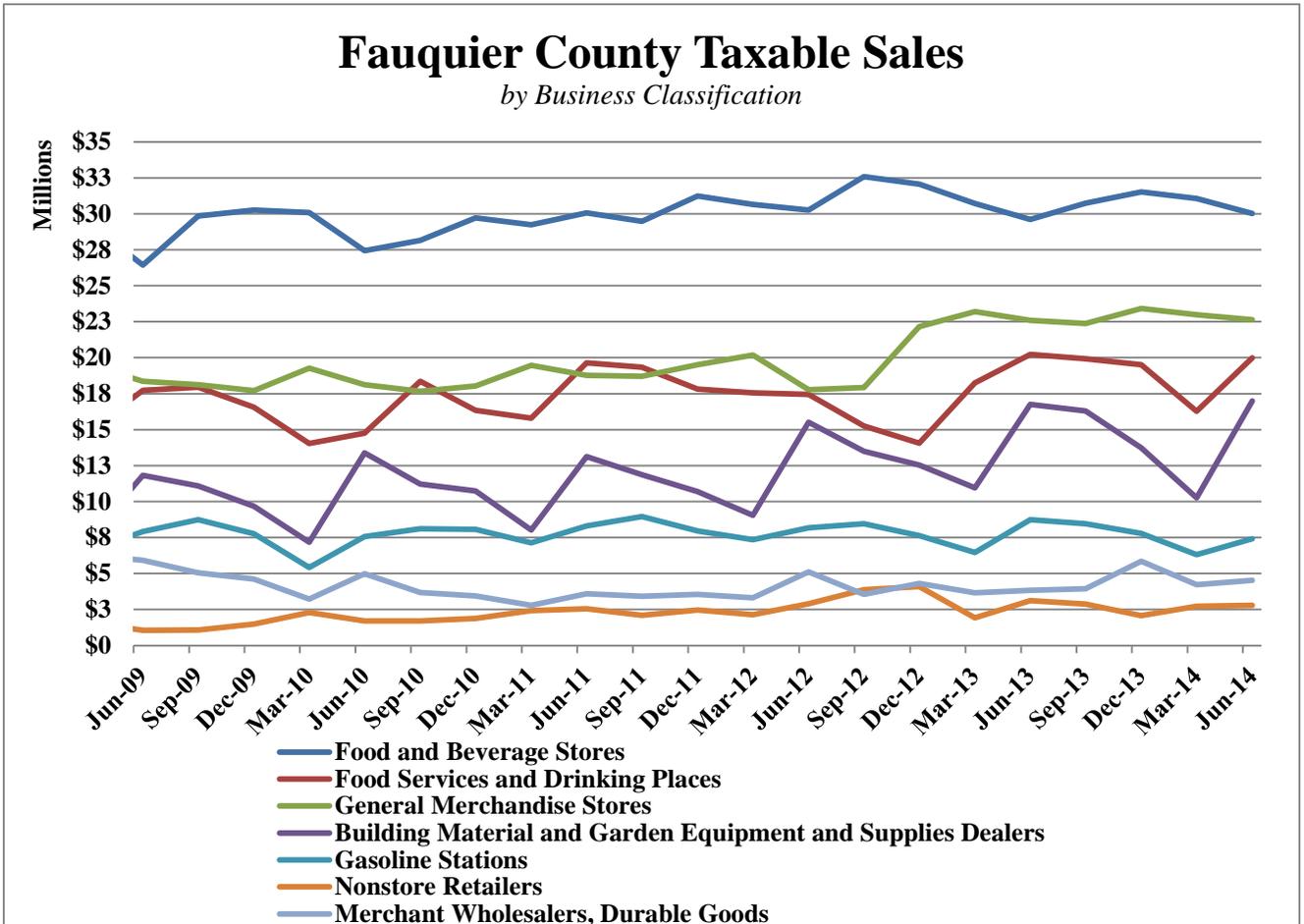
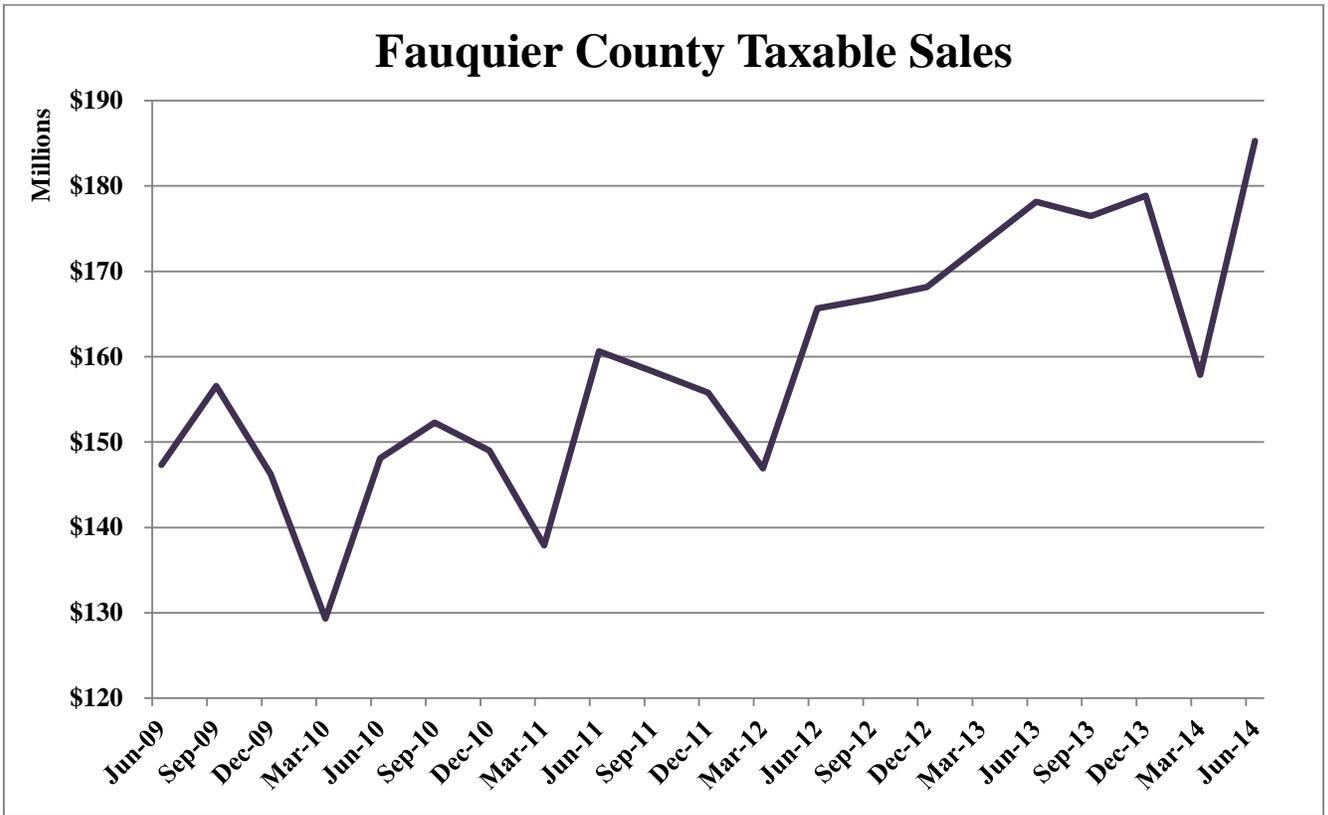
3. Taxable Sales

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

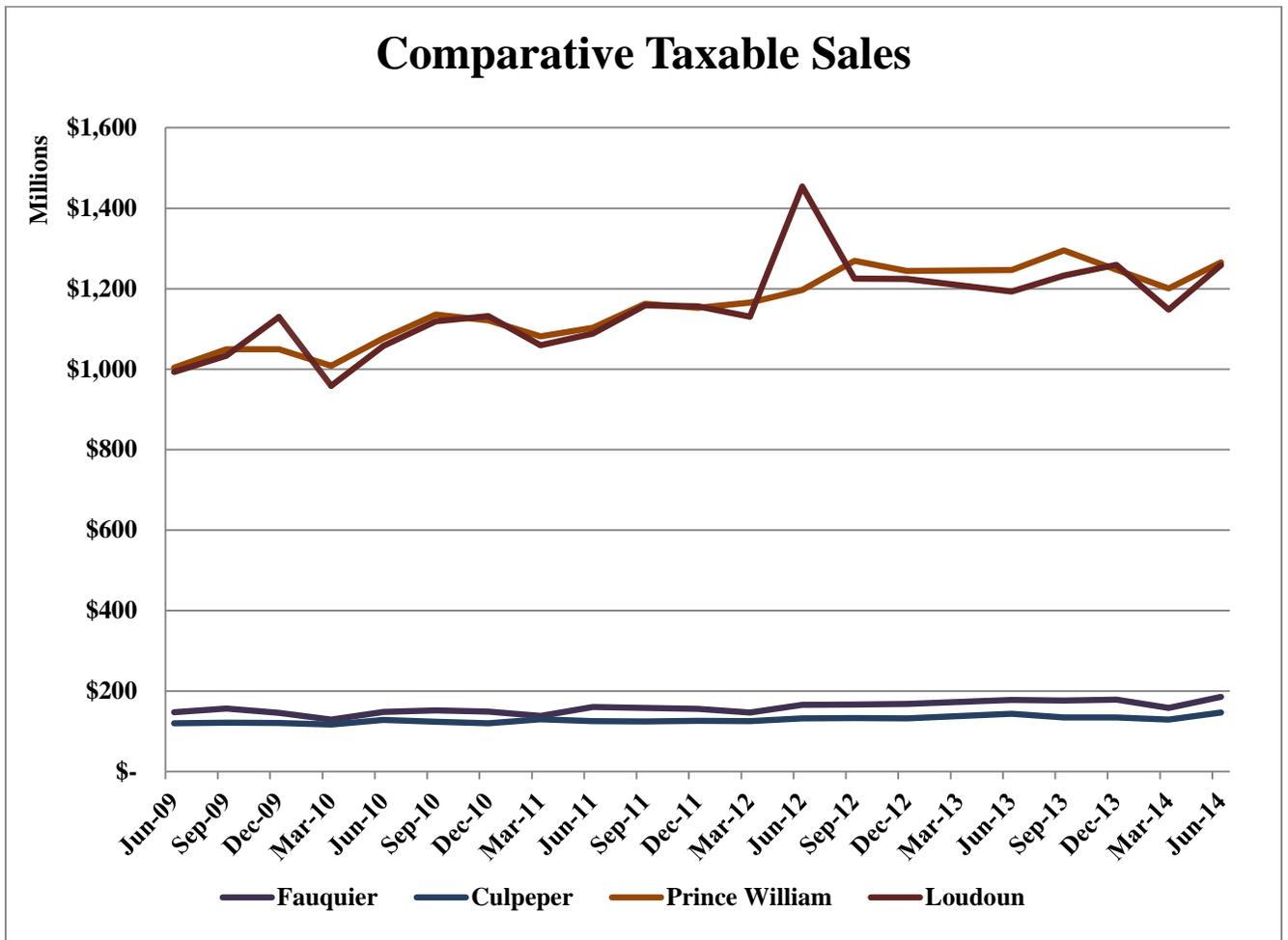
- Virginia statewide taxable sales;
- Fauquier County taxable sales;
- Fauquier County total taxable sales for business classifications with sales in excess of \$10 million at the beginning or end of the recession; and
- Fauquier County taxable sales in comparison to Prince William, Loudoun, and Culpeper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

The County's taxable sales continued to improve through the last quarter 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 places sales have risen slightly, while sales in food and beverage stores have remained stable. In addition, building and garden material supplies, and general merchandise stores continue to experience positive growth, with some seasonal fluctuation. Overall, the County's taxable sales continue to experience positive growth.





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 June 30, 2014.



Source: Weldon Cooper Center for Public Service, UVA.