Fauquier County
Economic Indicators

September 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.

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	-	While community development fees continue to show overall growth, an 11.6% increase in the first quarter of FY 2015 compared to the same period of FY 2014, the rate of growth has leveled off from the 20% increase of FY 2014.
Community Development	Building & new residential construction permits	⇩	New residential construction permits slowed in the first quarter of FY 2015, declining 25% over the same period in FY 2014. Building permits issued YTD in FY 2015 are also down 17.7%.
Employment	Unemployment rate	⇧	As of September 2014, the County's unemployment rate was 4.3%, ranking 10th lowest overall in the State. This is an improvement from latter of FY 2014, when the County ranked 17th overall.
Employment	Unemployment insurance claims	-	Continued and initial unemployment claims are maintaining a declining trend with only seasonal fluctuation.
Environmental Services	Landfill tonnage	-	Landfill tonnage remains stable.
Environmental Services	Recycling tonnage	-	Recycling tonnage for the first quarter of FY 2015 remains stable, experiencing seasonal fluctuation.
Local Revenue	County sales tax collections	⇧	Sales tax collections continue to show marked improvement, increasing over 16.4% YTD for the first three months of FY 2015.
Residential Housing Market	Days houses are on market	⇧	The average number of days houses are on the market continues to decline in the first quarter of FY 2015, similar to the first half of the calendar year.
Residential Housing Market	Median sales price	-	Median home sales values fell during the first quarter of FY 2015, similar to the entire region, but at a level higher than prior year.
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	-	The number of home sales experienced seasonal fluctuation in first three months of FY 2015, slowing slightly. This trend is similar to the rest of the region, but remains at a level higher than prior years.

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 estimated number of start-up firms experienced growth during the first three months of the 2014 calendar year.
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.

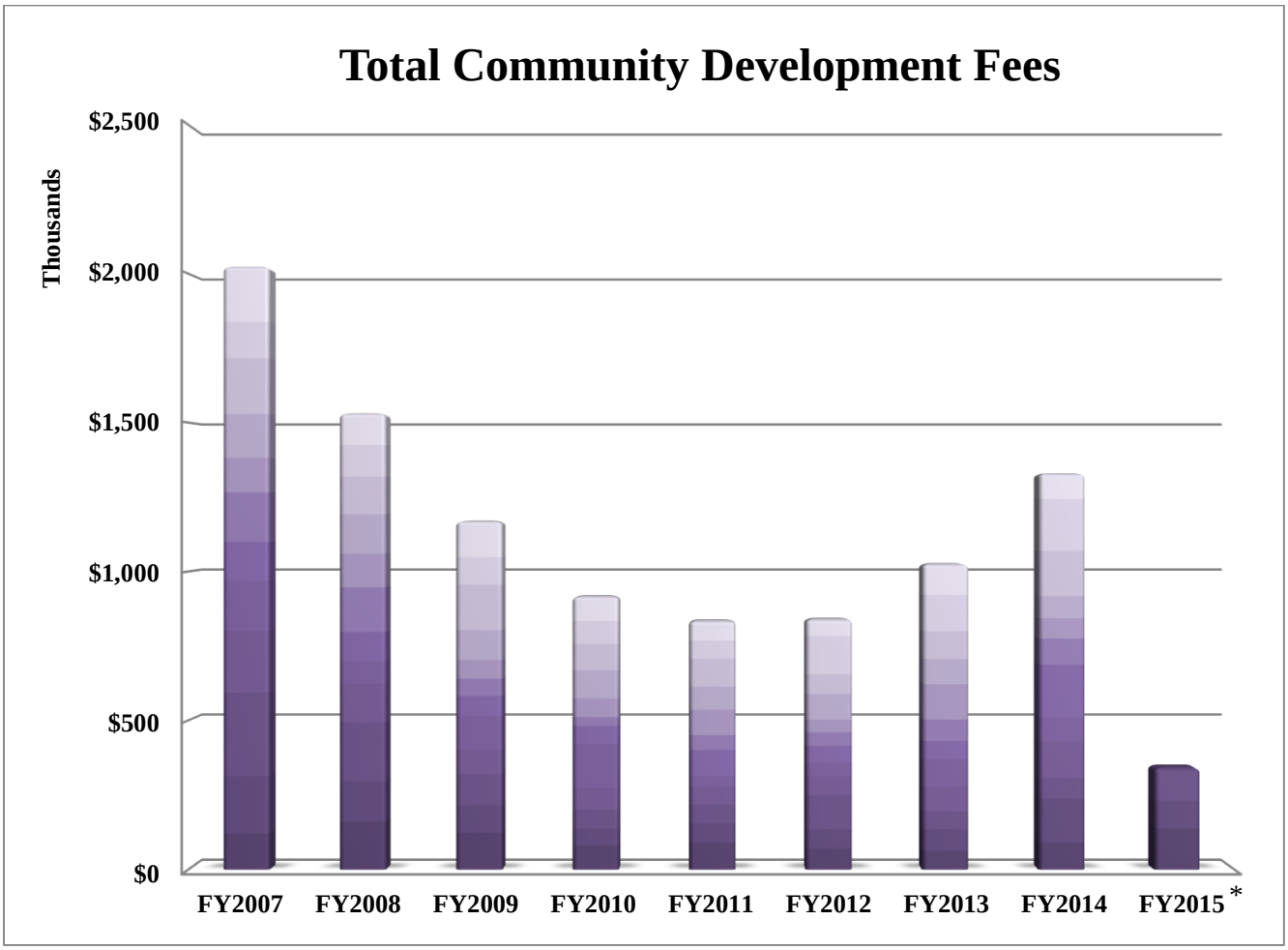
III. Economic Indicators – Data

A. Current Economic Indicators Data

1. Community Development

a) Community Development Fees

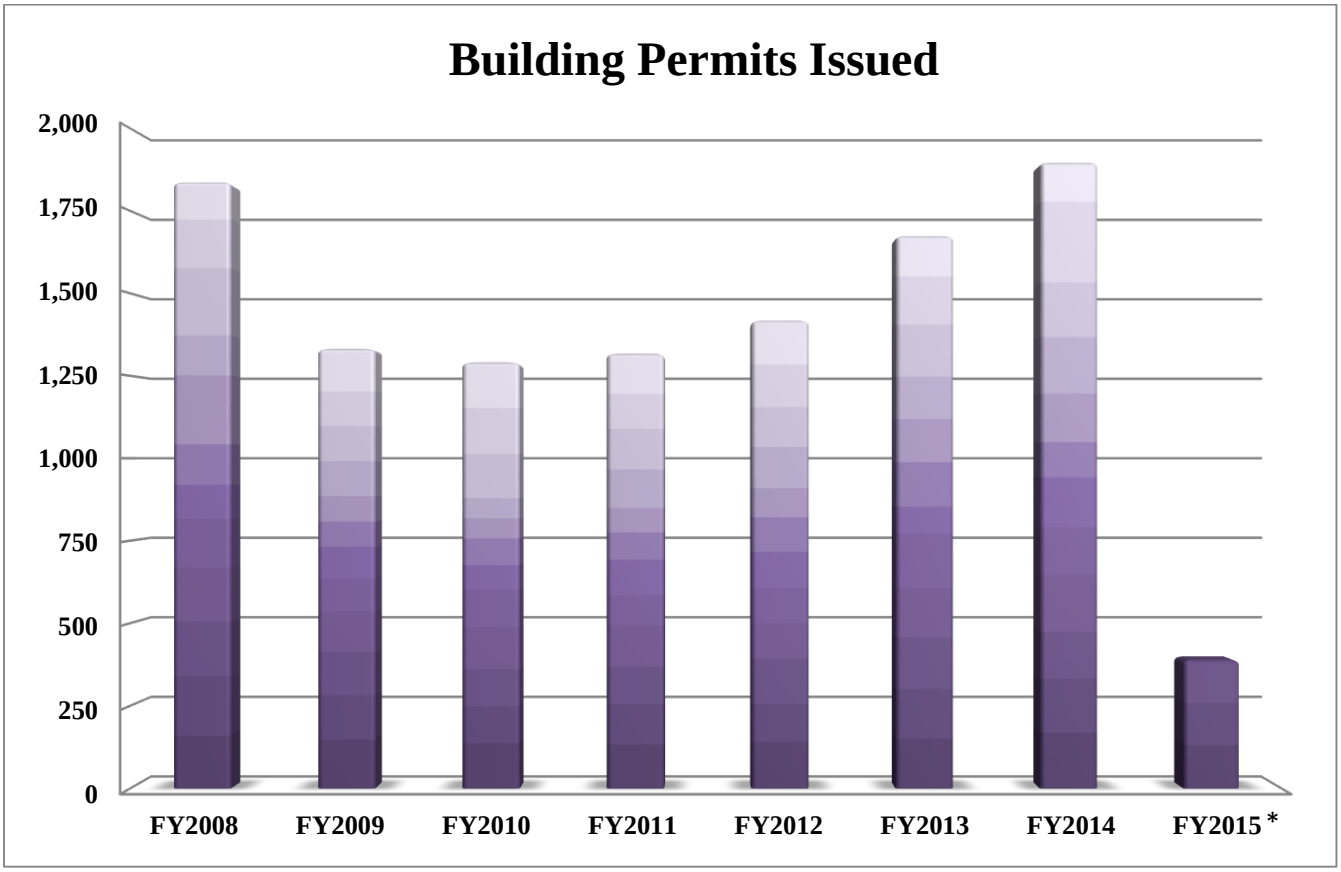
For FY 2014, Community Development Fee revenue reached its highest level since the recession at over $1.3 million. In the first quarter of FY 2015, Community Development Fee revenue experienced an 11.6% year-to-date increase, continuing the trend of sustained annual growth.



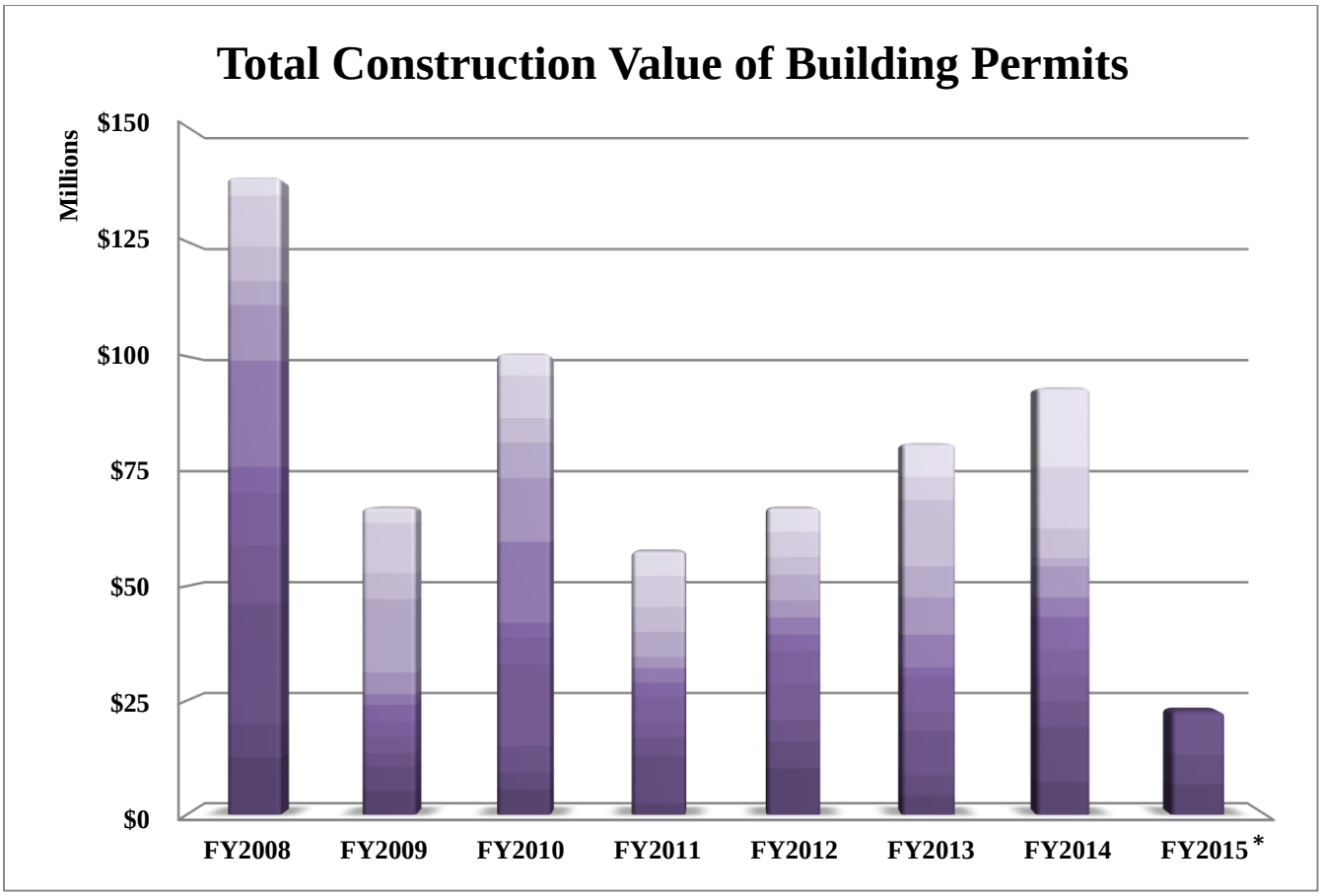
Source: Community Development. *FY 2015 Data includes data as September 30, 2014.

b) Building Permits

The first quarter of FY 2015 marks the first decline in the number of building permits issued since 2010, experiencing a 17.7% year-to-date decrease. New residential construction permits issued also slowed, experiencing a 25% year-to-date decline. However, the number of permits issued in the first quarter of FY 2014 was particularly strong at 95% above the same period in FY 2013.



*FY 2015 Data includes data as of September 30, 2014.



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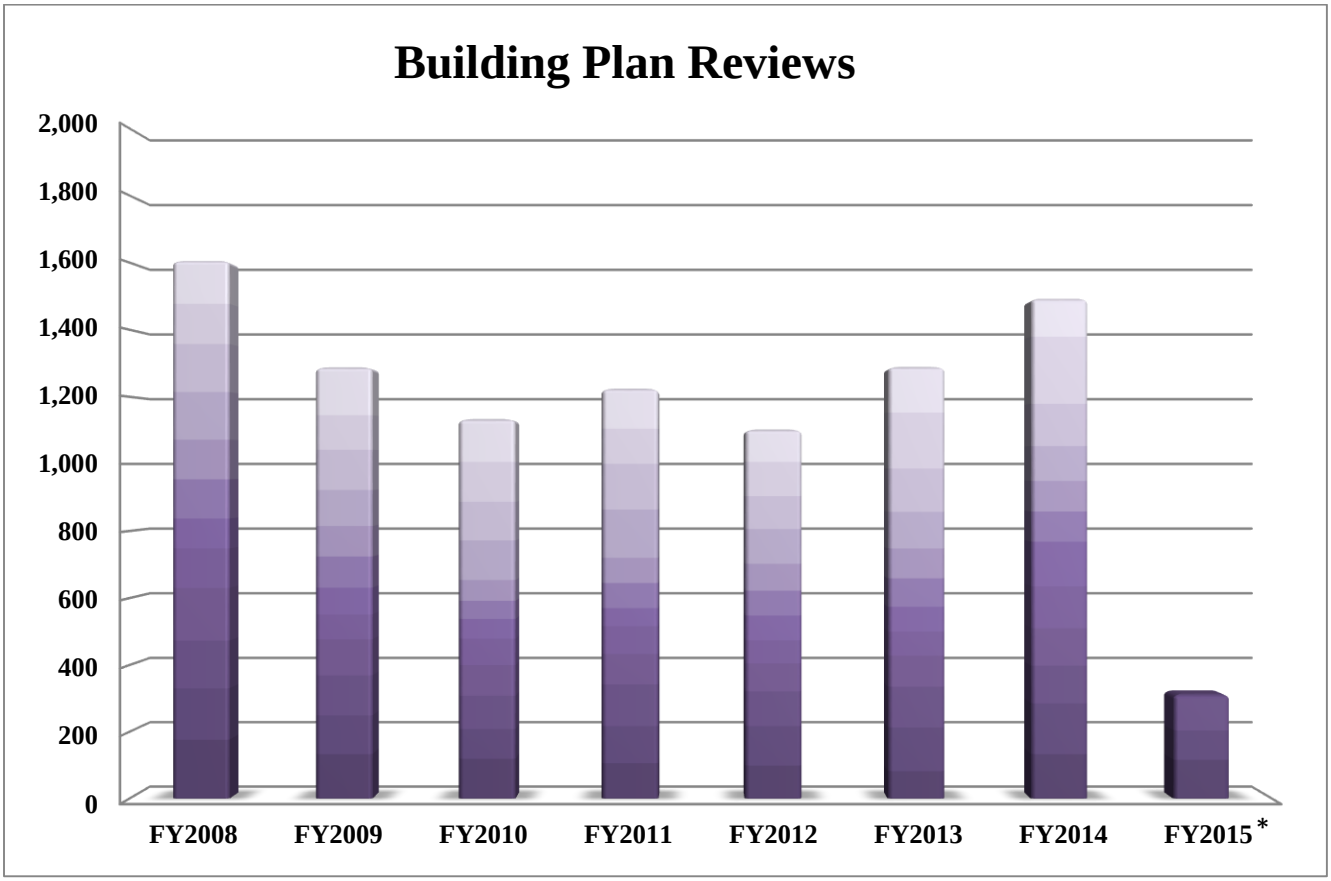
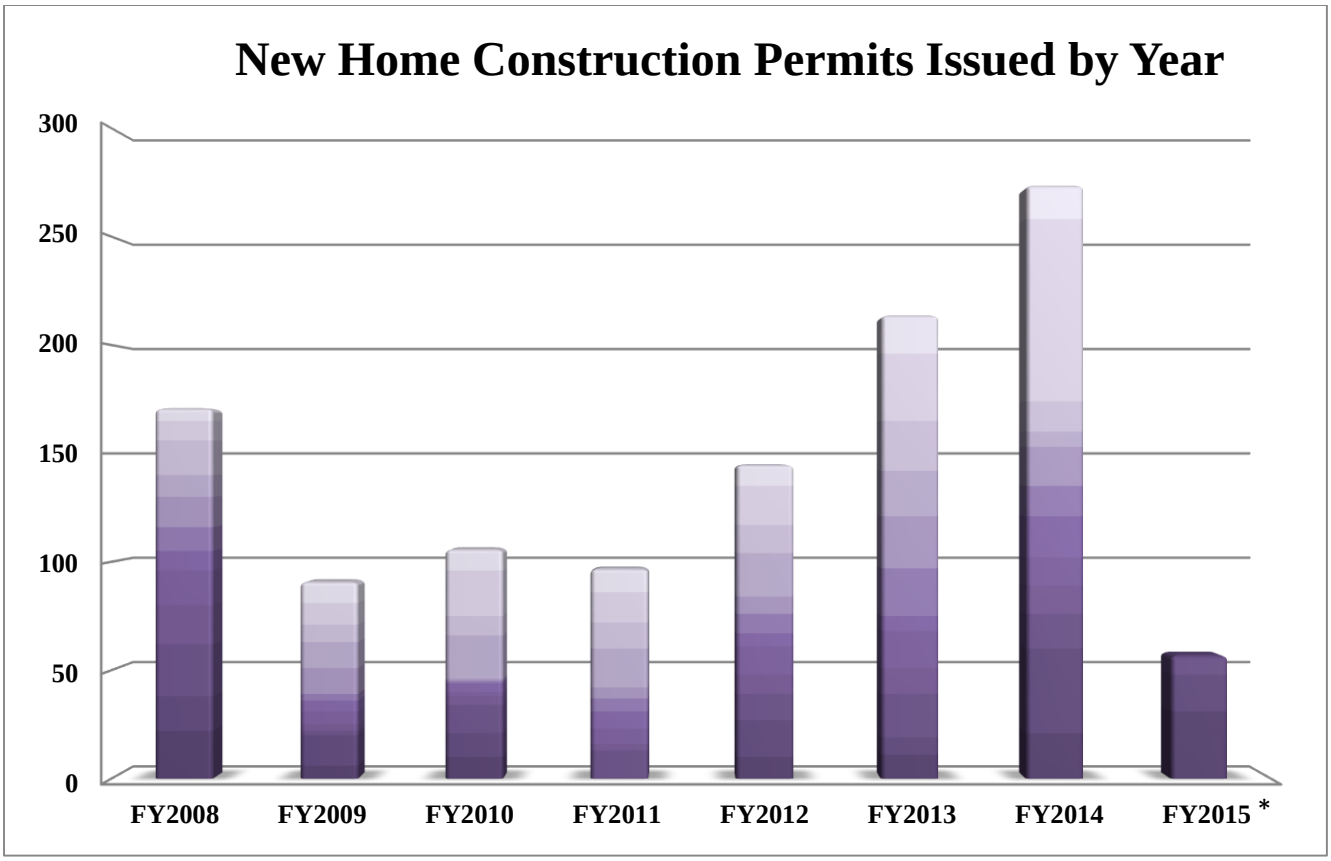


*FY 2015 Data includes data as of September 30, 2014.

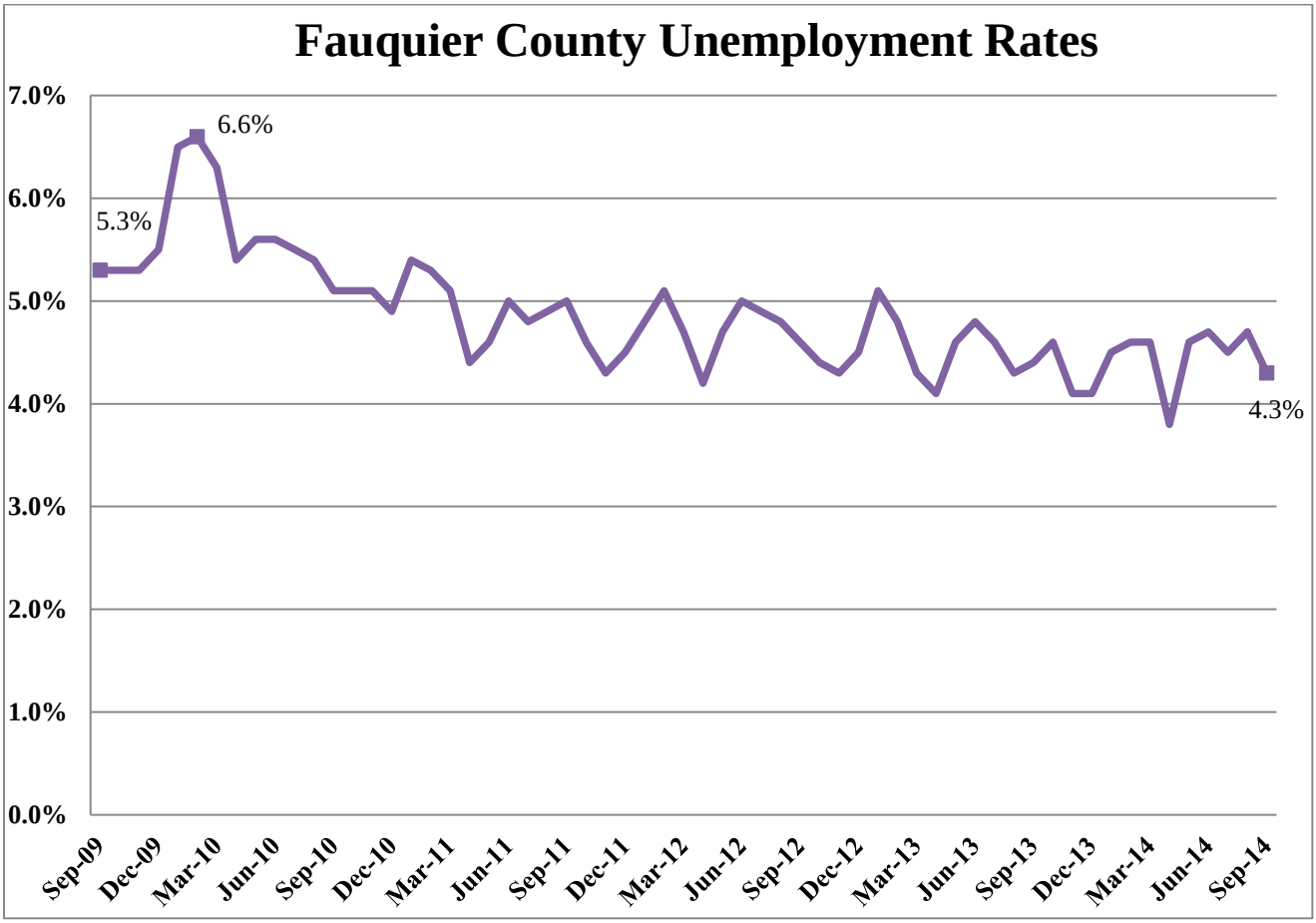


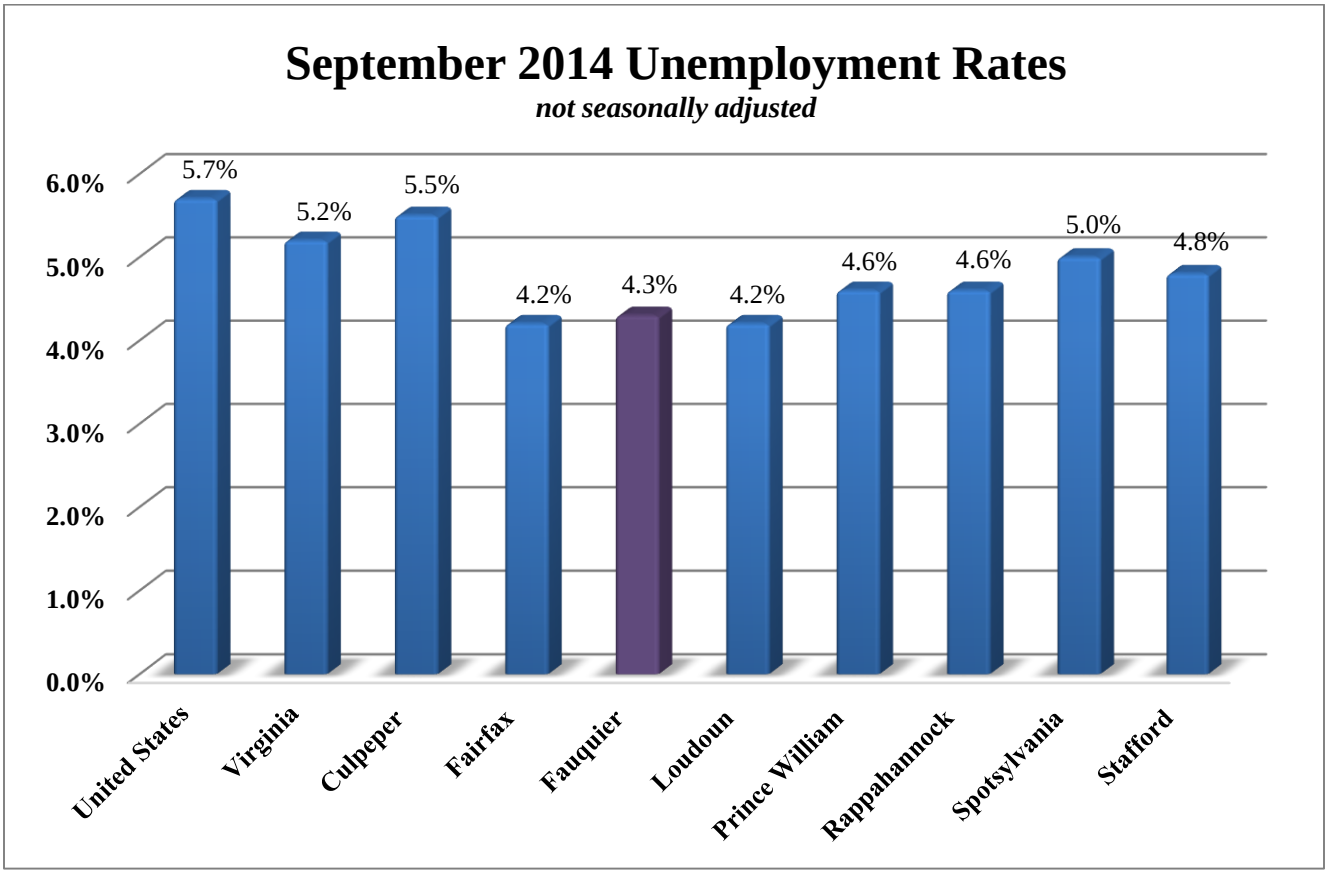
Source: Community Development: *FY 2015 Data includes data as of September 30, 2014.

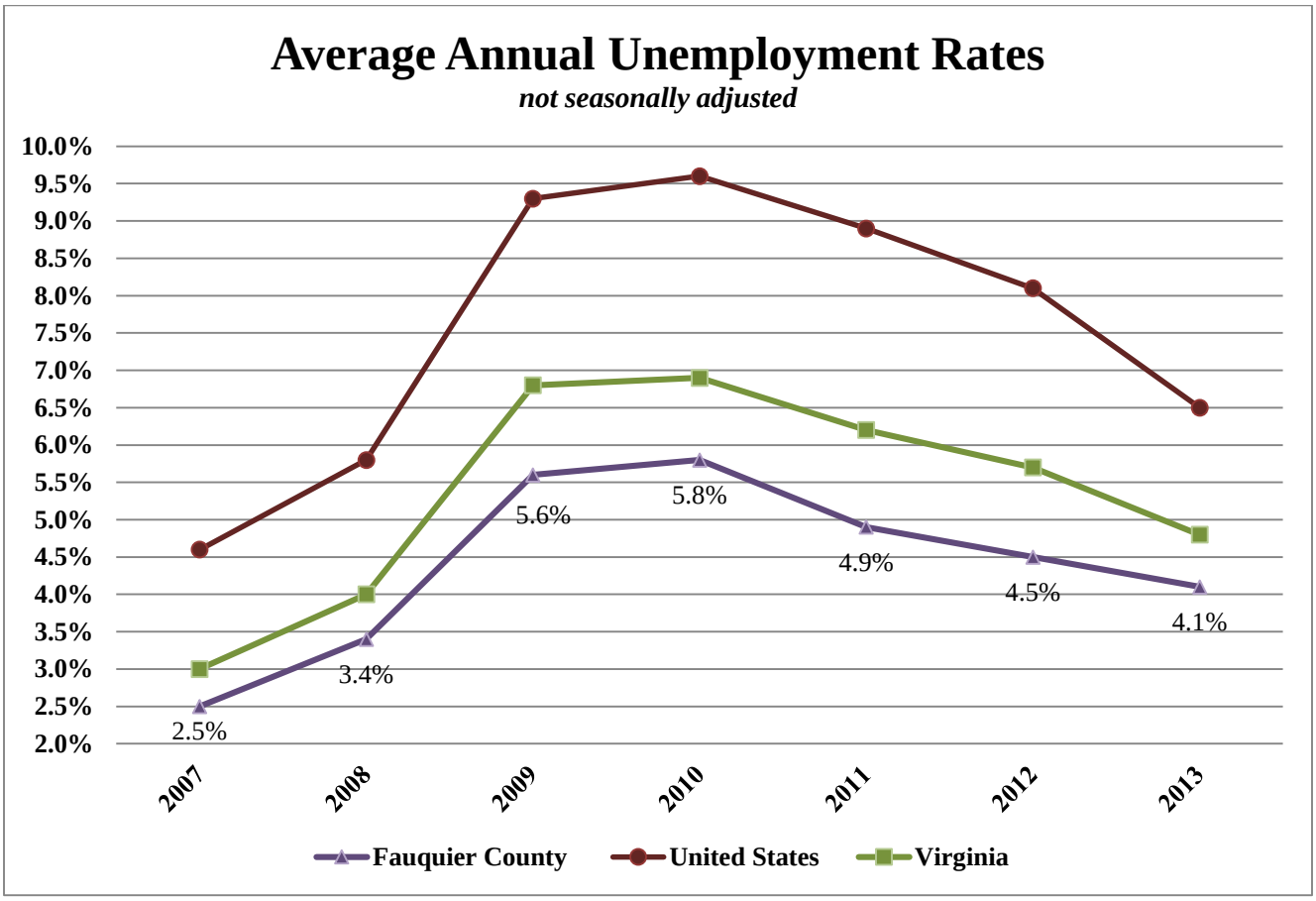
2. Employment

a) Unemployment Rates

The Fauquier County unemployment rate remains on a slow decline, with only seasonal fluctuation. In comparison to other local jurisdictions, Fauquier County's September 2014 unemployment rate of 4.3% trails Madison, Fairfax and Loudoun; and is ahead of Prince William, Rappahannock, Stafford, Spotsylvania, and Culpeper. Overall for the Commonwealth, Fauquier County ranked 10th behind Arlington, Falls Church City, Bath, Alexandria, Madison, Manassas Park City, Fairfax, Fluvanna, and Loudoun, and was equal to Fairfax City.



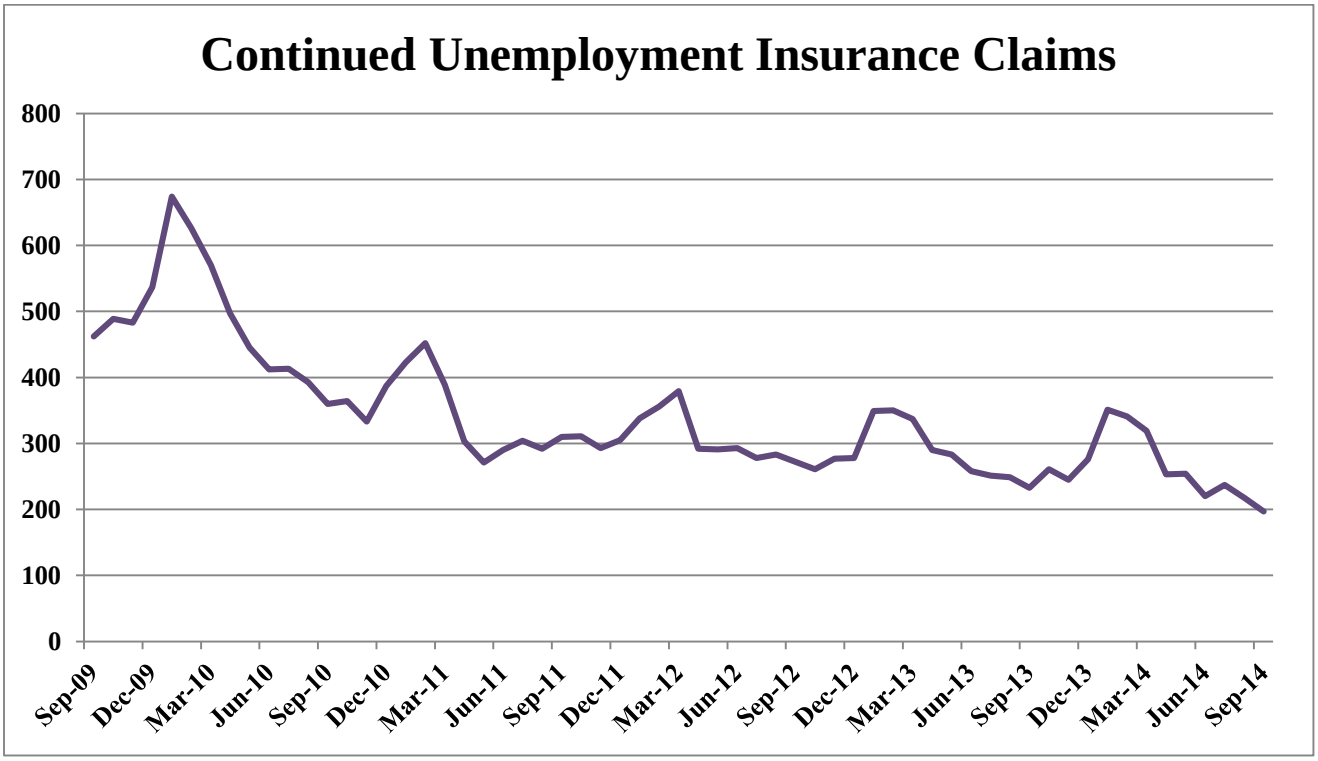


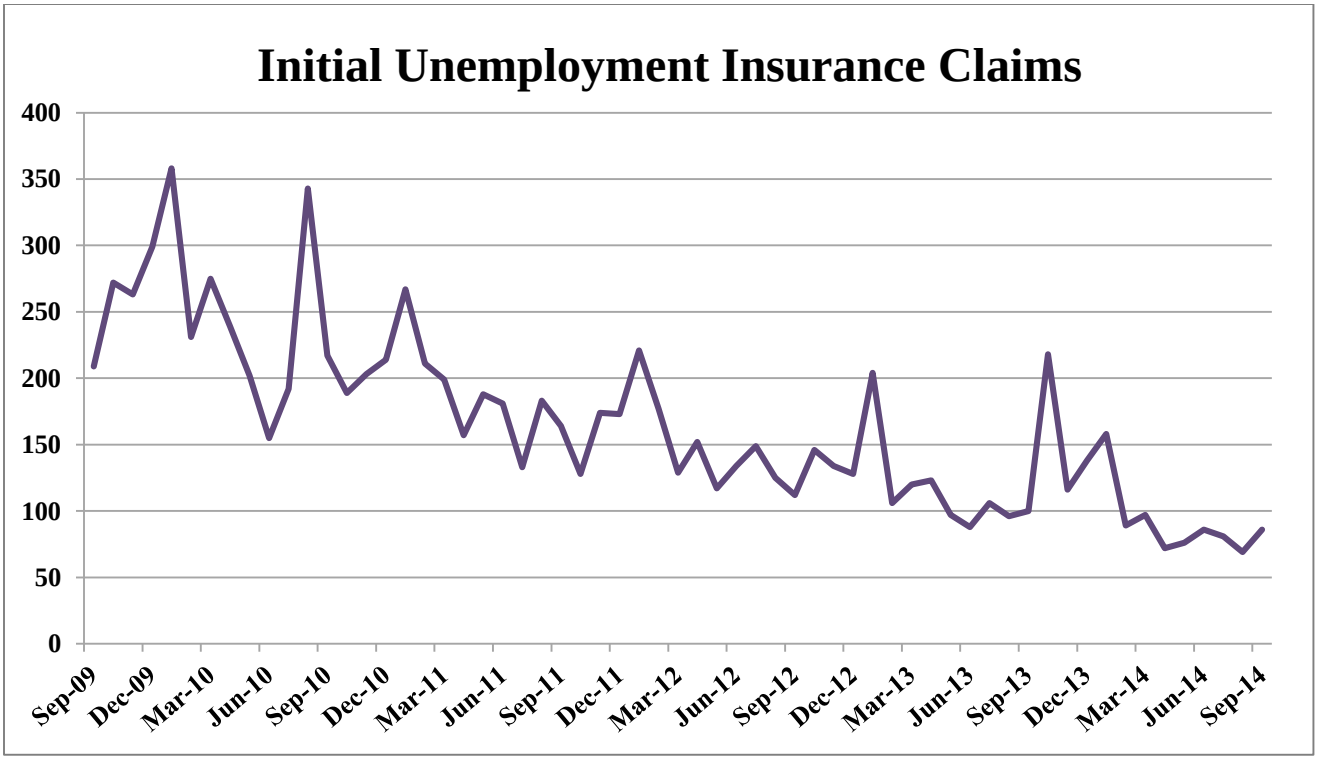


Source: Virginia Employment Commission

b) Unemployment Insurance Claims

Continued unemployment insurance claims continue to decline in the first quarter of FY 2015. Initial unemployment claims remain relatively flat, with only seasonal fluctuation.

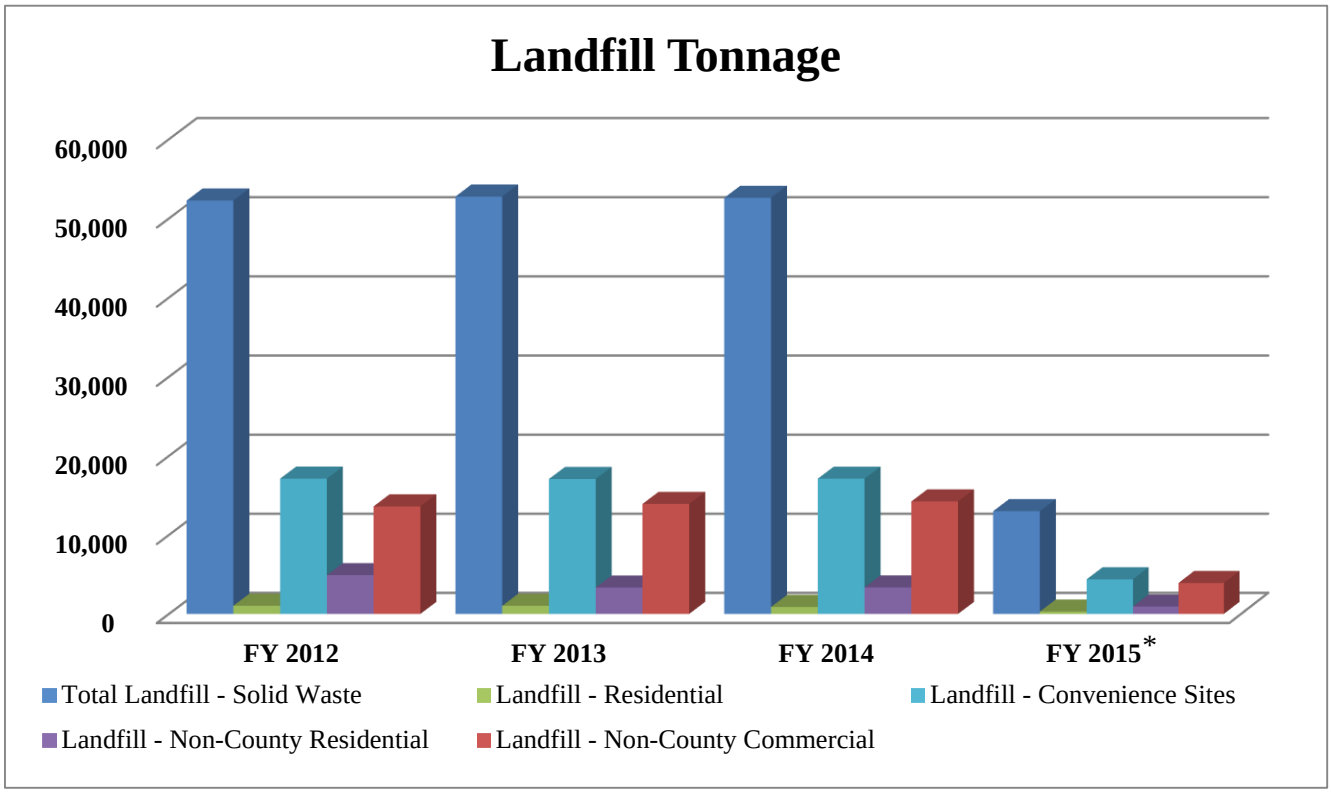




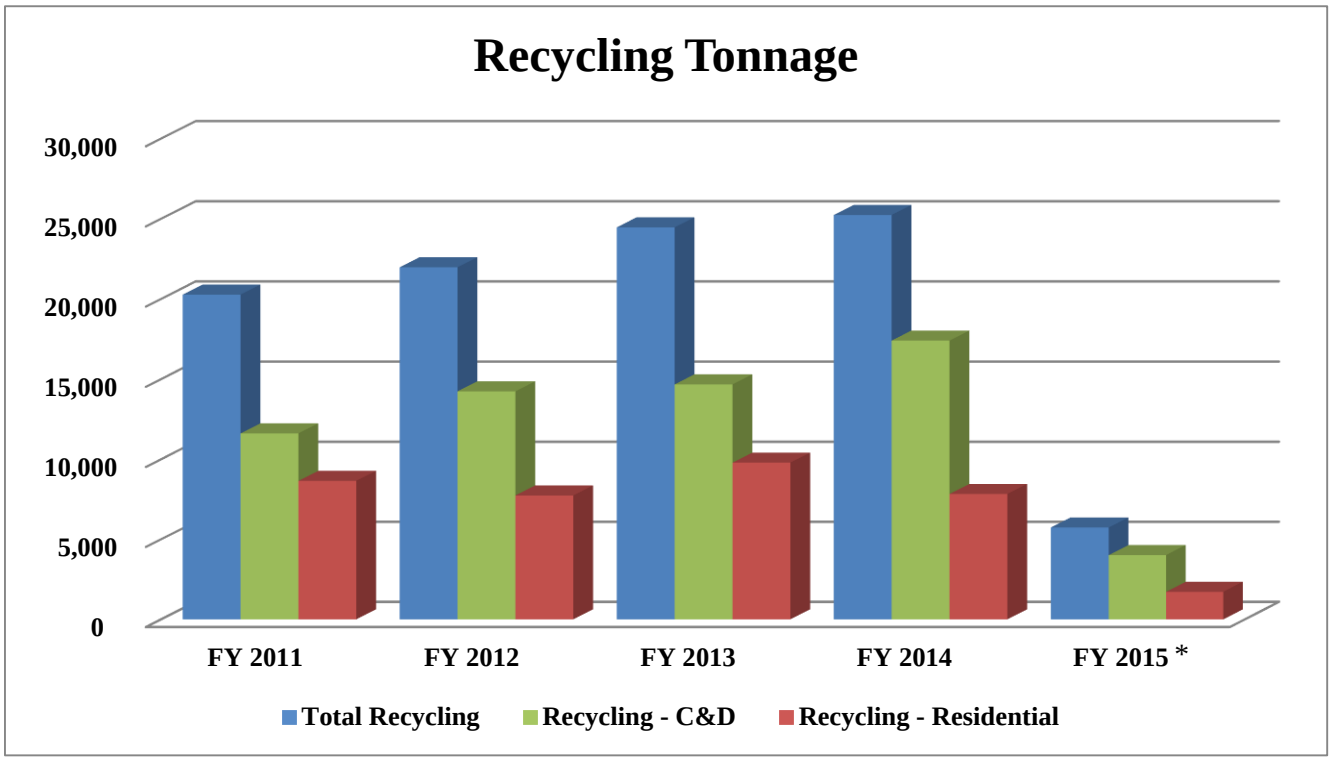
Source: Virginia Employment Commission

3. Environmental Services

Overall, landfill and recycling tonnage remains stable for the first quarter of FY 2015. Construction and demolition recycling tonnage has slowed, coupled with slower permitting activity in the first quarter.



Source: Environmental Services. *FY 2015 Data includes data as of September 30, 2014.



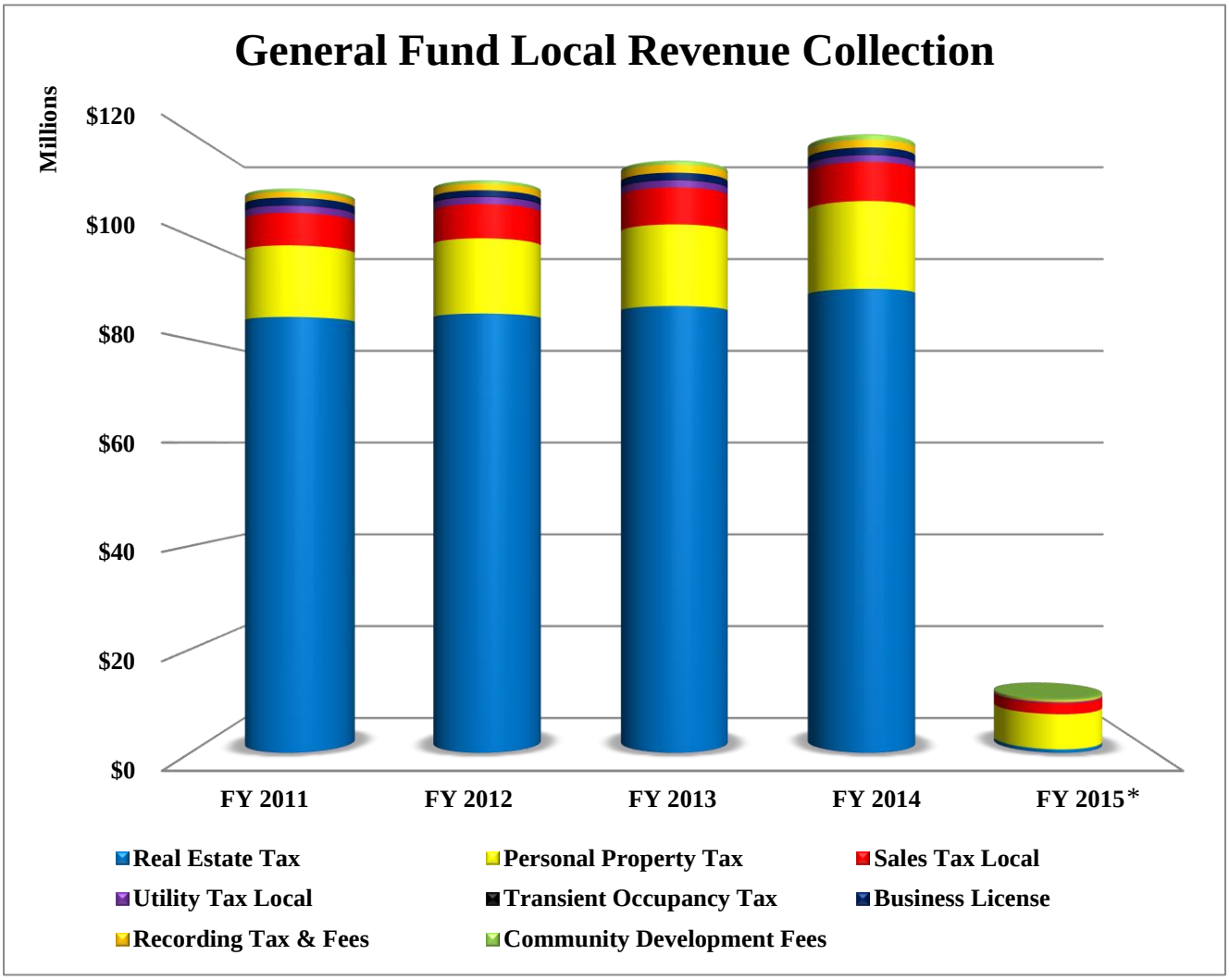
Source: Environmental Services. *FY 2015 Data includes data as of September 30, 2014.

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

a) General Fund local revenue collection

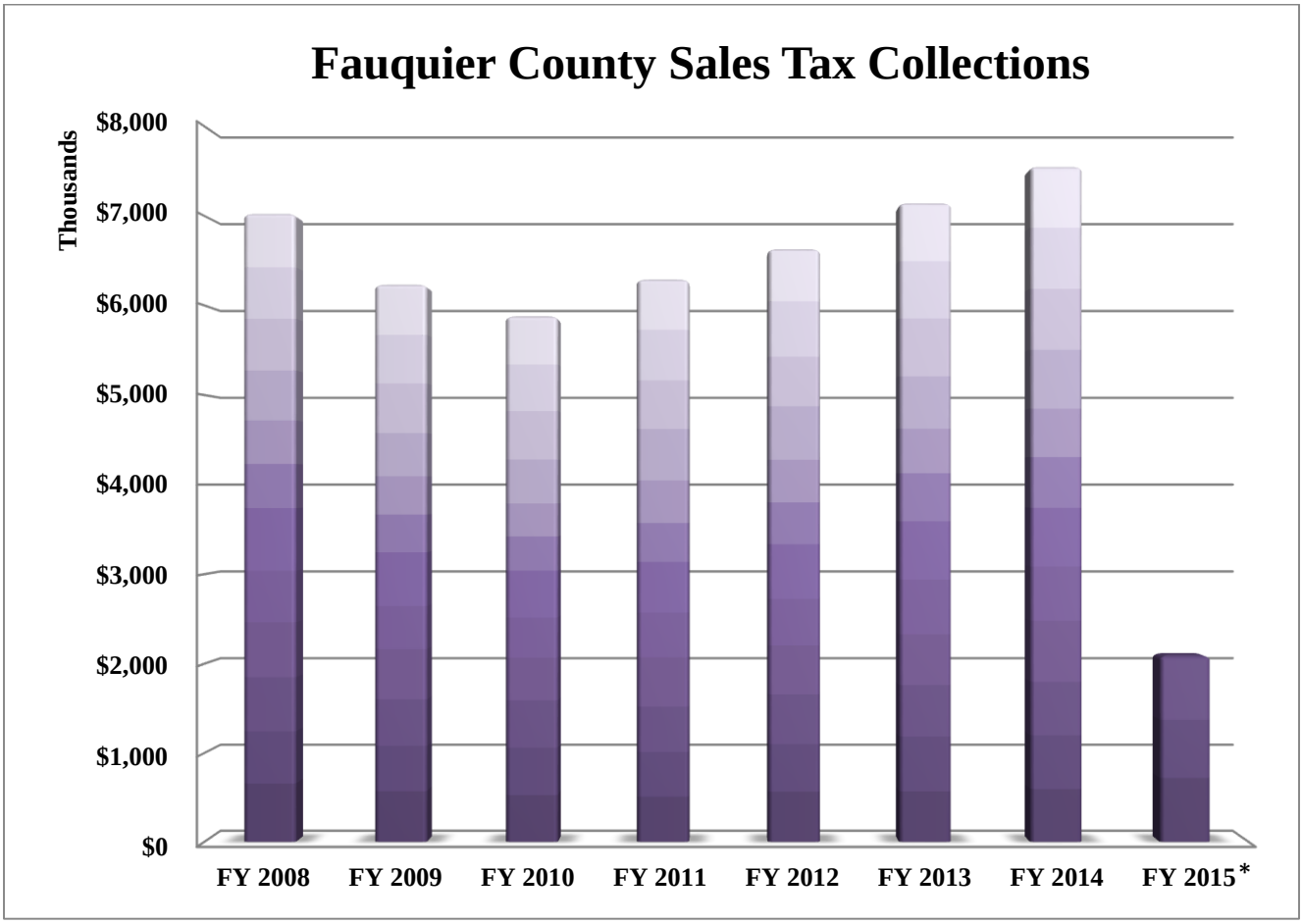
General Fund local revenues for the first three months of FY 2015 show modest signs of growth in sales and personal property taxes. Community development fees revenue, while elevated, is at a lower growth rate than prior year for the same period.



*FY 2015 Data includes data as of September 30, 2014

b) Sales Tax Revenue

Monthly sales tax collections continue to experience stable growth during the first three months of FY 2015. Sales tax collections increased 16.4% over the same period of the prior fiscal year.



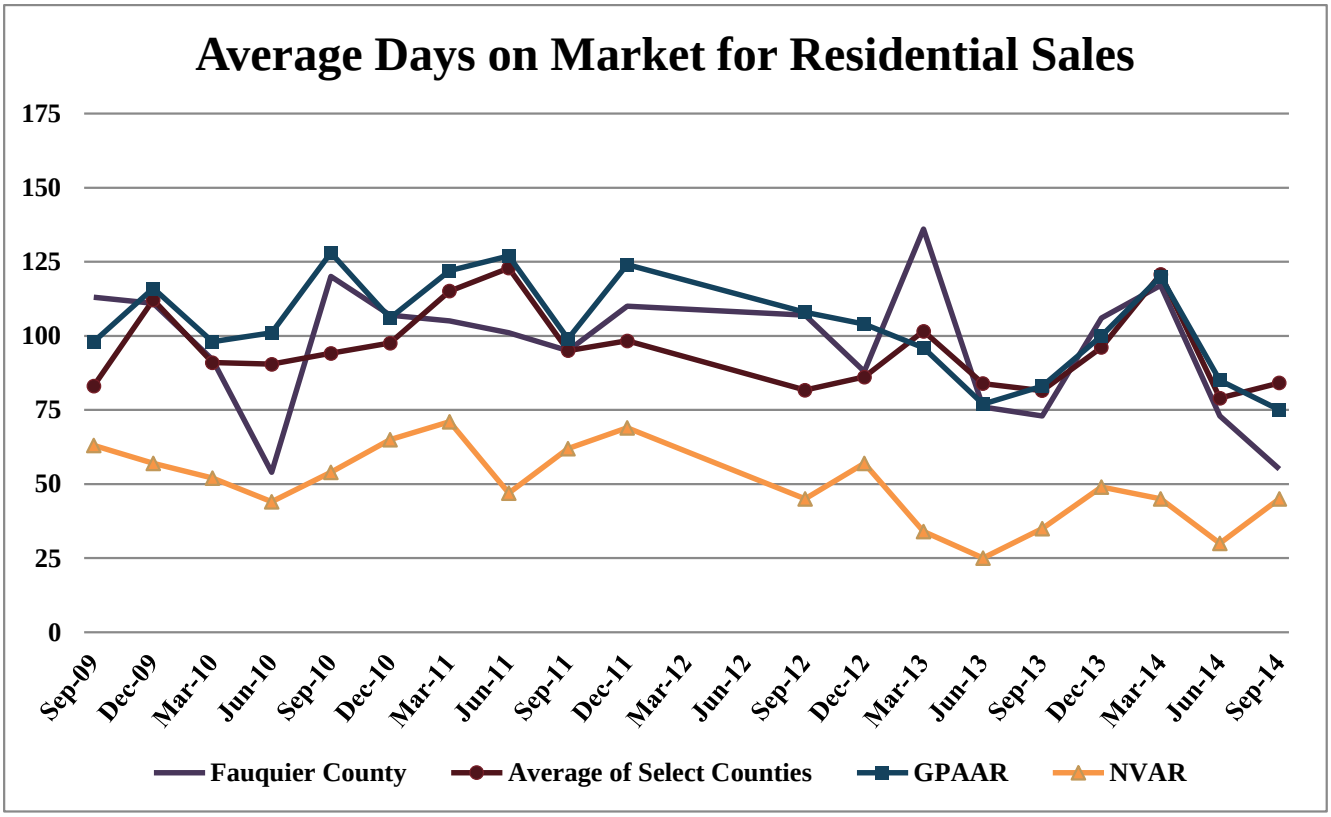
*FY 2015 Data includes data as of September 30, 2014.

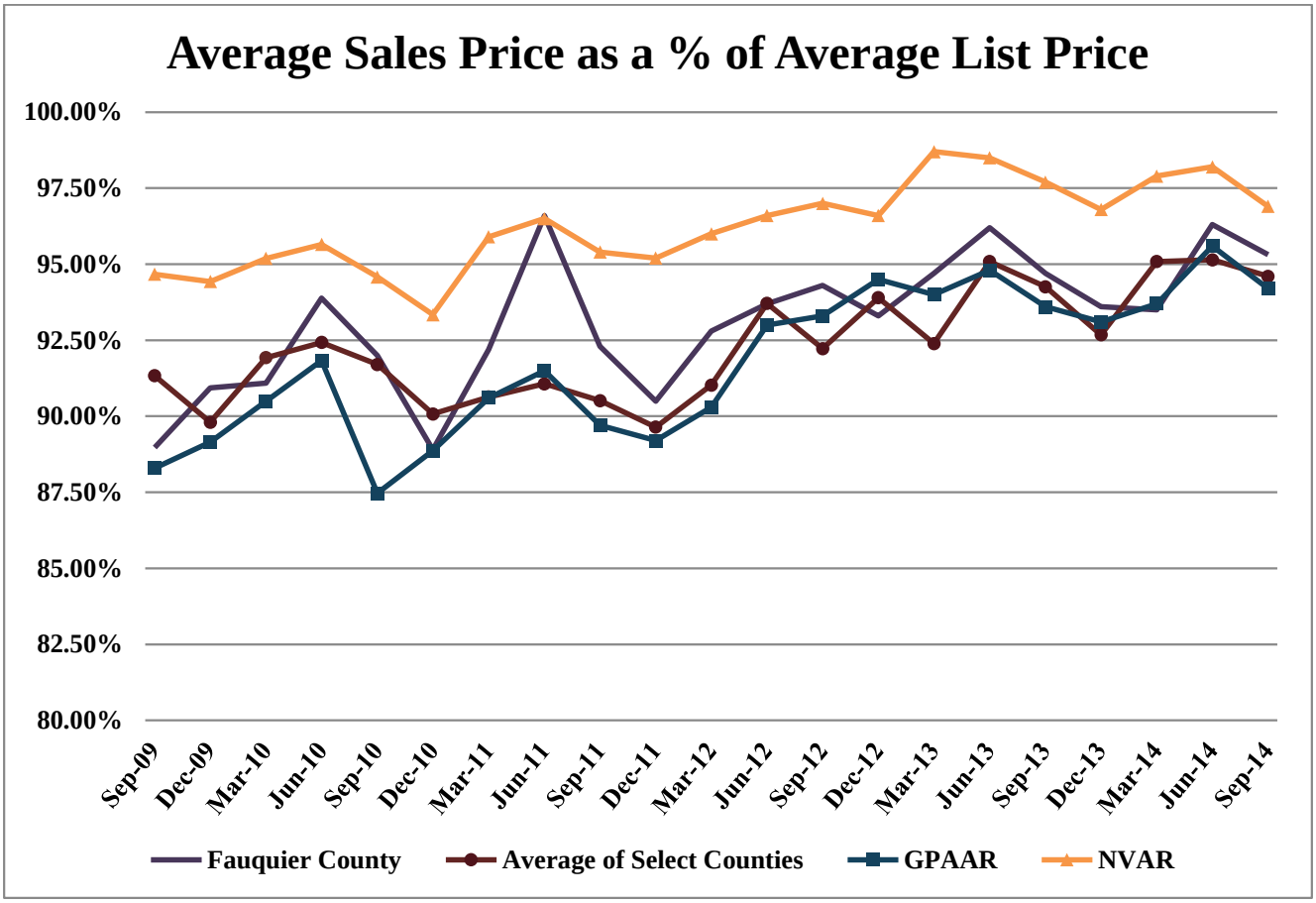
5. Residential Housing Market – Current Data

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 during FY 2014, with only seasonal fluctuation. During the first quarter of FY 2015, the number of days on the market and active listings have improved slightly. All other areas of residential sales have remained stable, except for median sales price and units sold which declined, similar to the entire region.




Average Sales Price as a % of Average List Price
100.00%
97.50%
95.00%
92.50%
90.00%
87.50%
85.00%
82.50%
80.00%
Sep-09
Dec-09
Mar-10
Jun-10
Sep-10
Dec-10
Mar-11
Jun-11
Sep-11
Dec-11
Mar-12
Jun-12
Sep-12
Dec-12
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Mar-14
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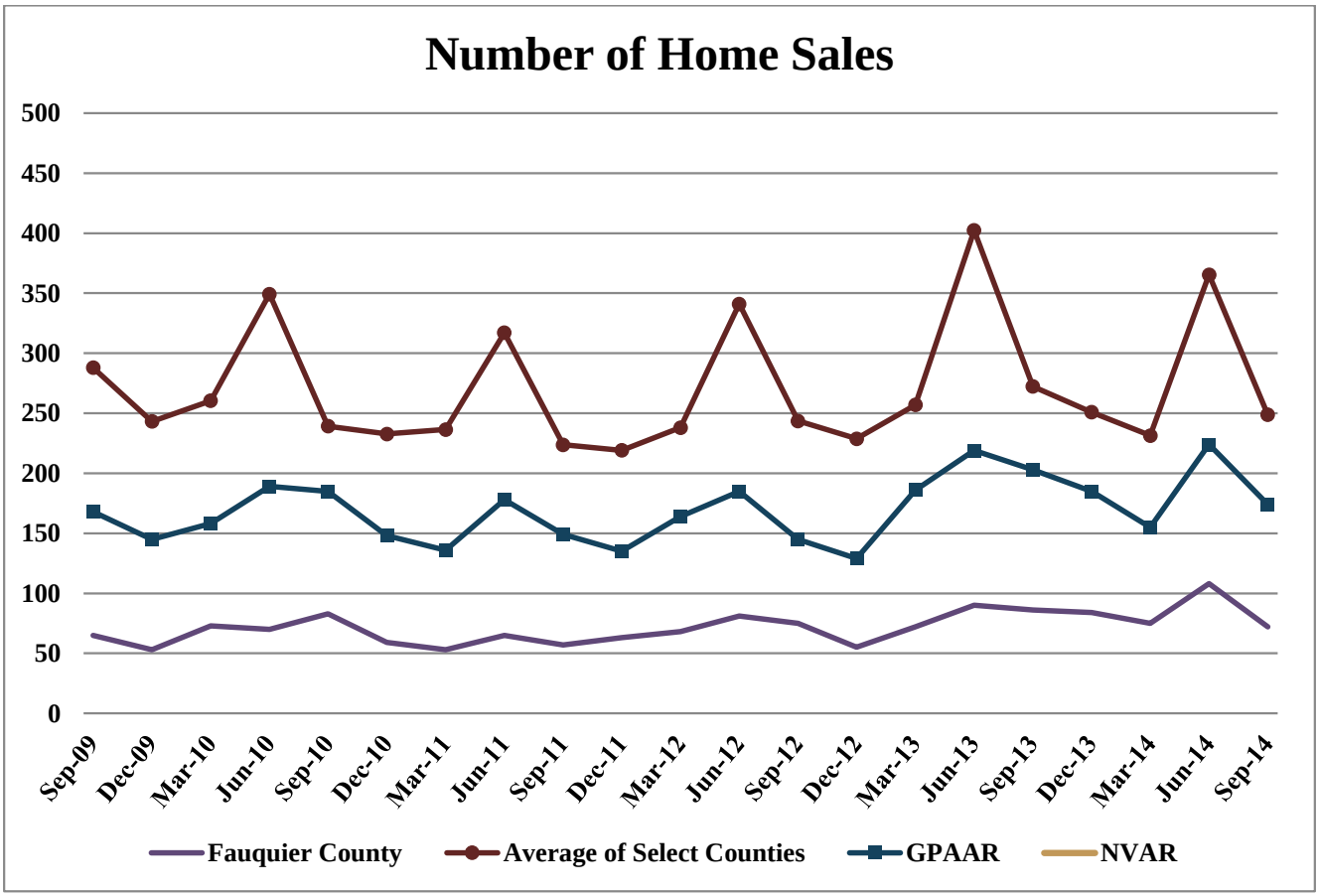
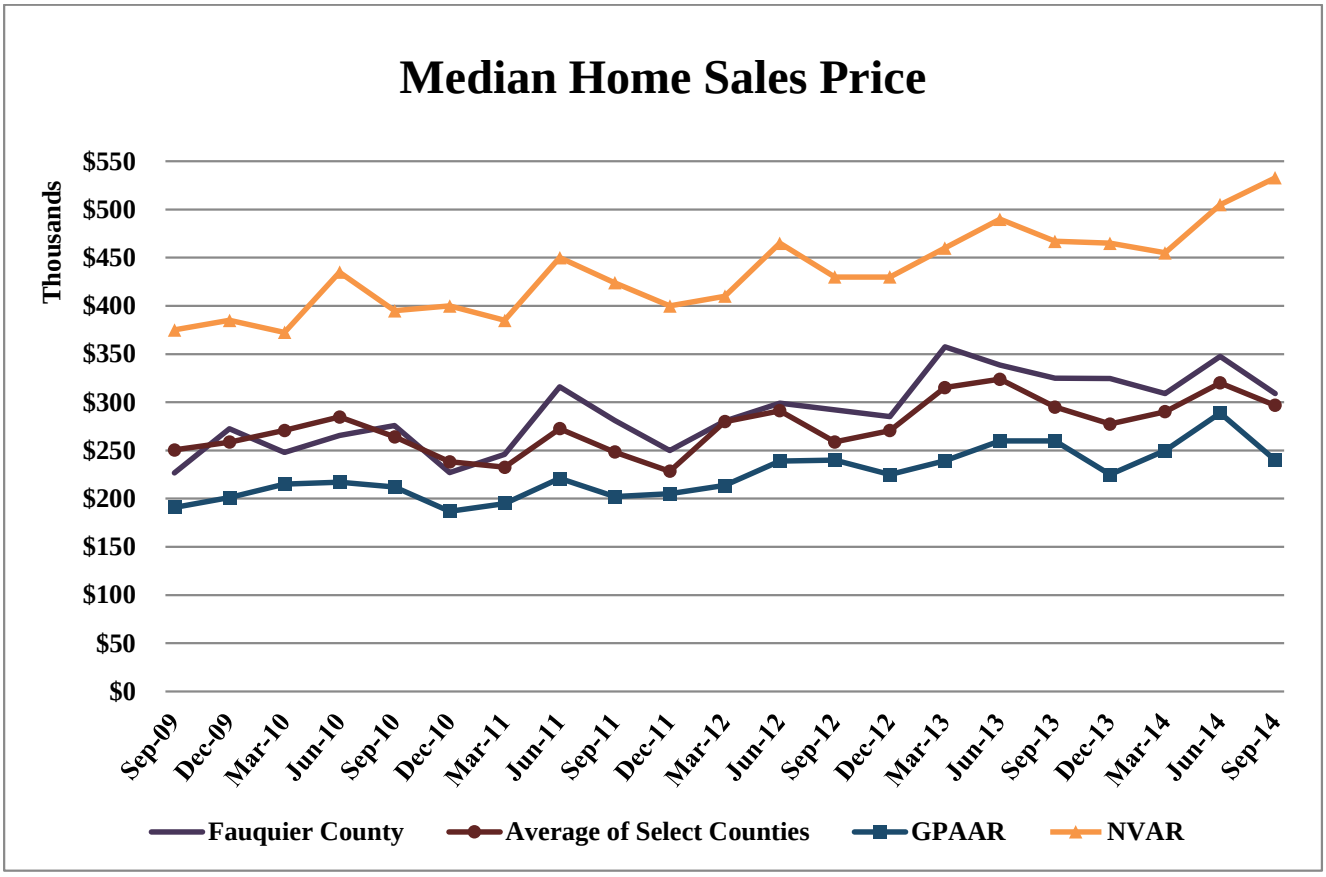
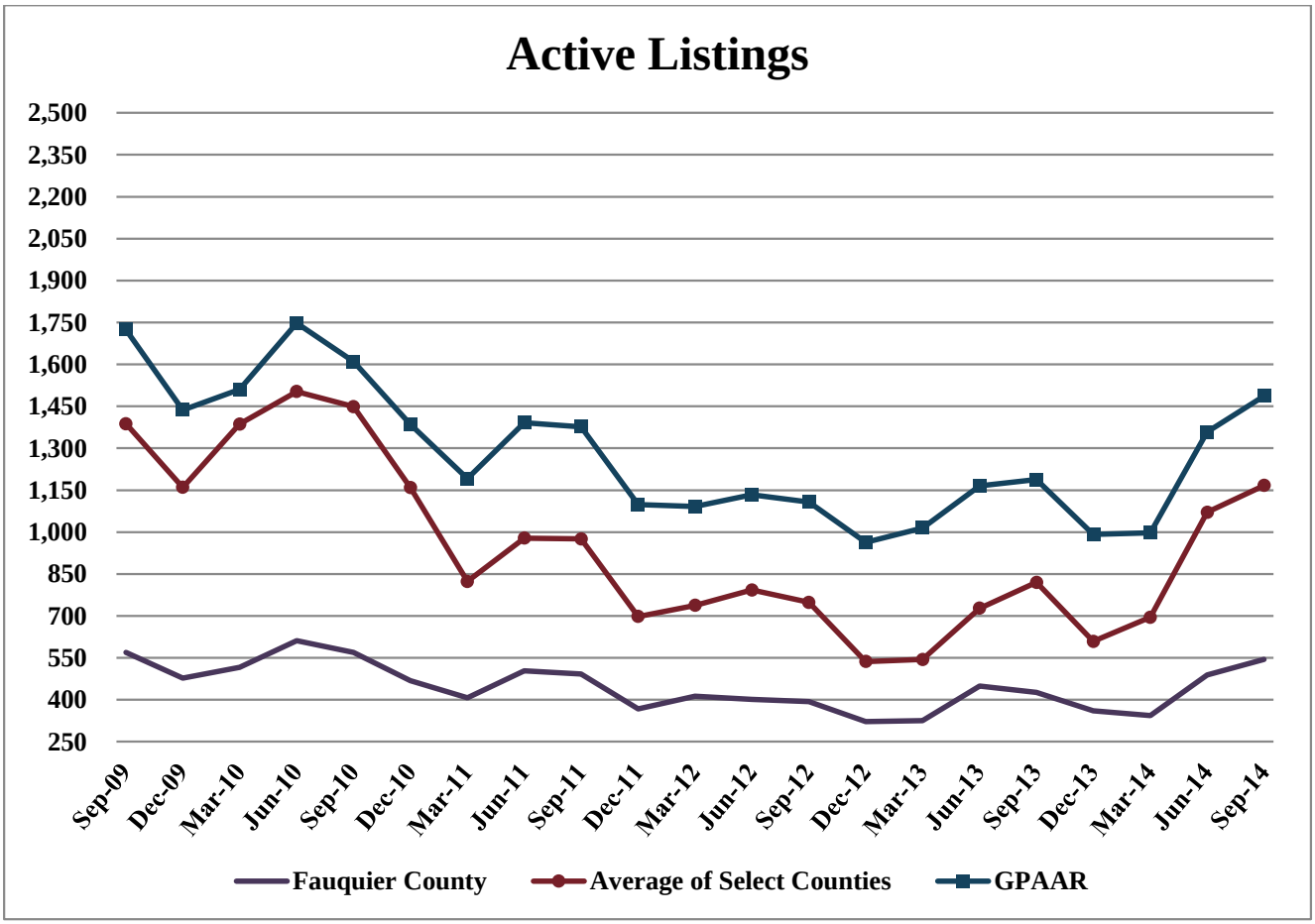
Fauquier County
Average of Select Counties
GPAAR
NVAR


Number of Home Sales
500
450
400
350
300
250
200
150
100
50
0
Sep-09
Dec-09
Mar-10
Jun-10
Sep-10
Dec-10
Mar-11
Jun-11
Sep-11
Dec-11
Mar-12
Jun-12
Sep-12
Dec-12
Mar-13
Jun-13
Sep-13
Dec-13
Mar-14
Jun-14
Sep-14
Fauquier County
Average of Select Counties
GPAAR
NVAR

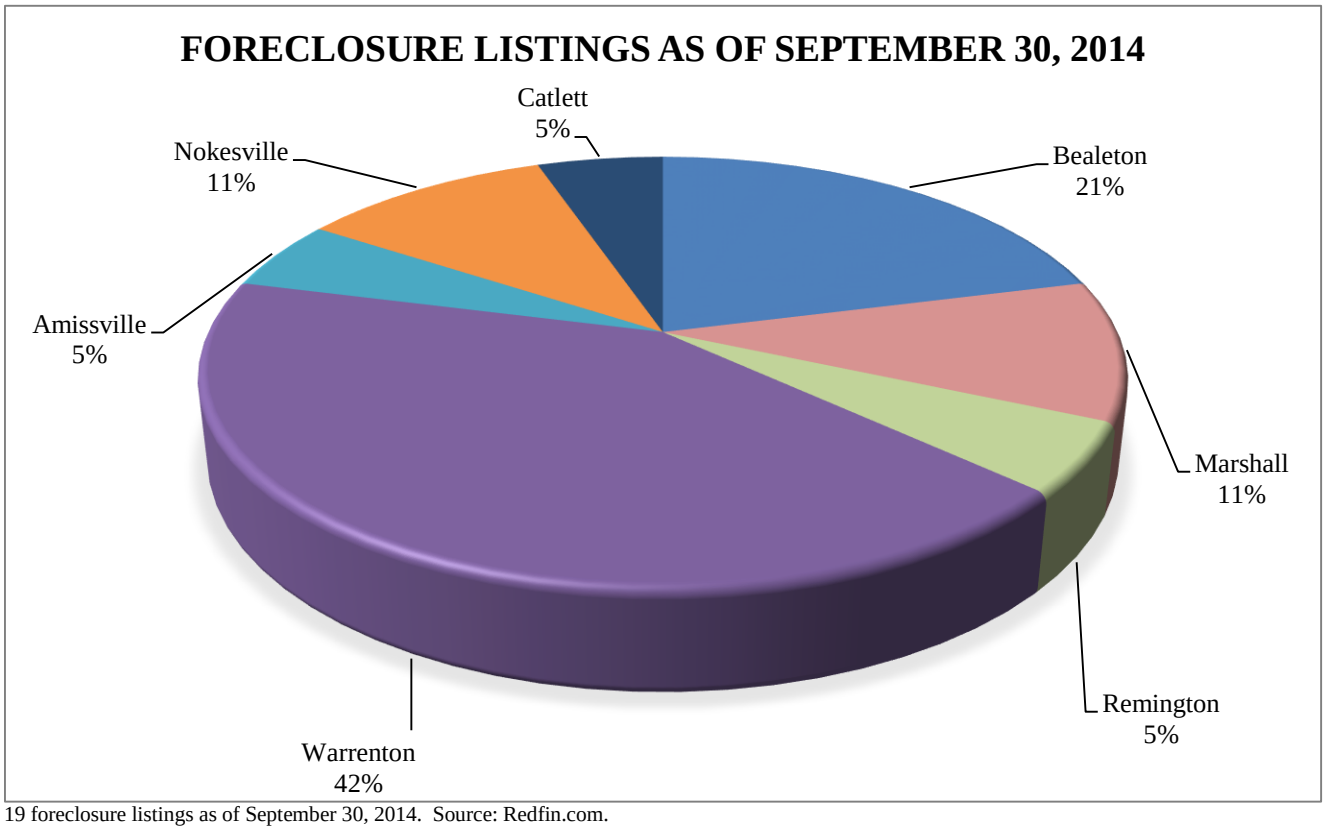




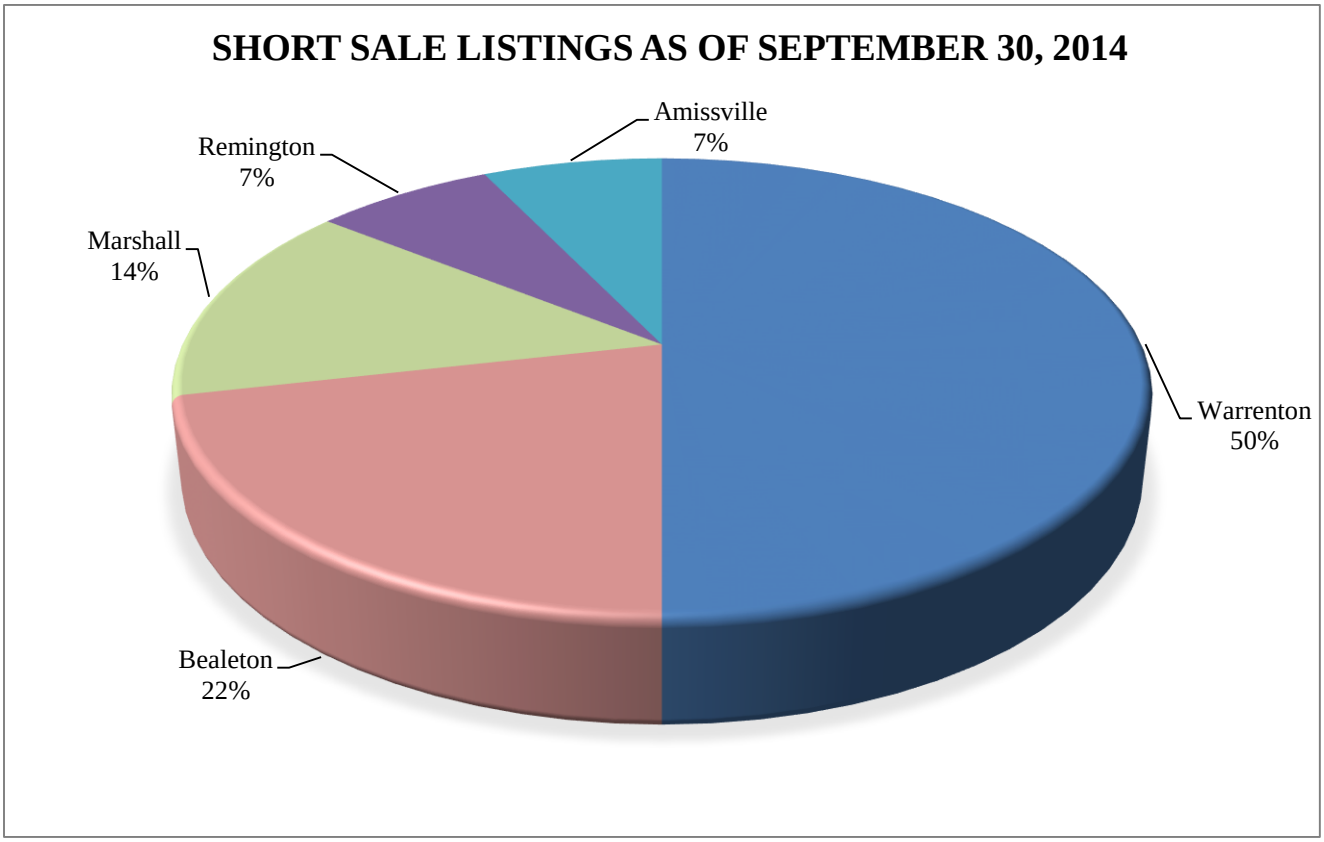
Source: Metropolitan Regional Information Systems, Inc. (MRIS)

b) Foreclosures and Short Sales

Foreclosure listings and short sale listings continue to be limited in the volume of inventory.



19 foreclosure listings as of September 30, 2014. Source: Redfin.com.

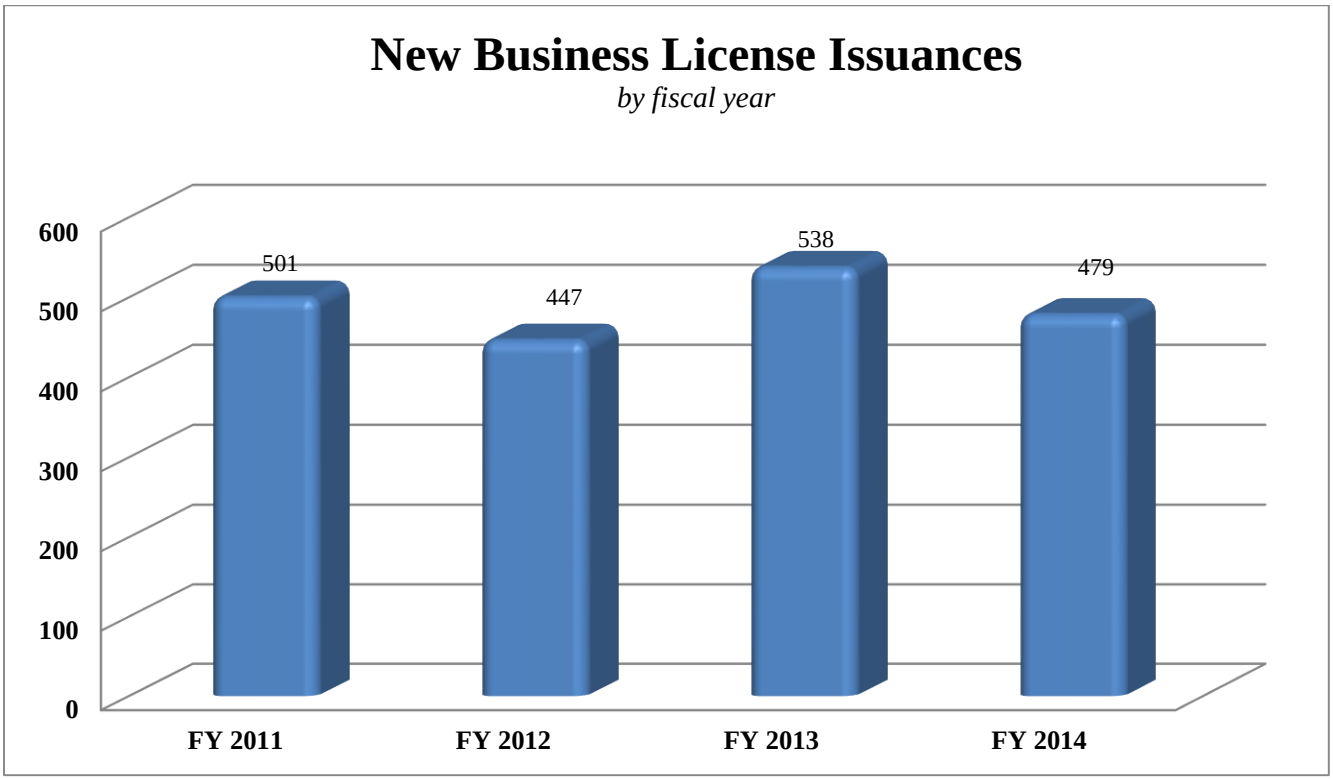


14 short sale listings as of September 30, 2014. Source: Redfin.com.

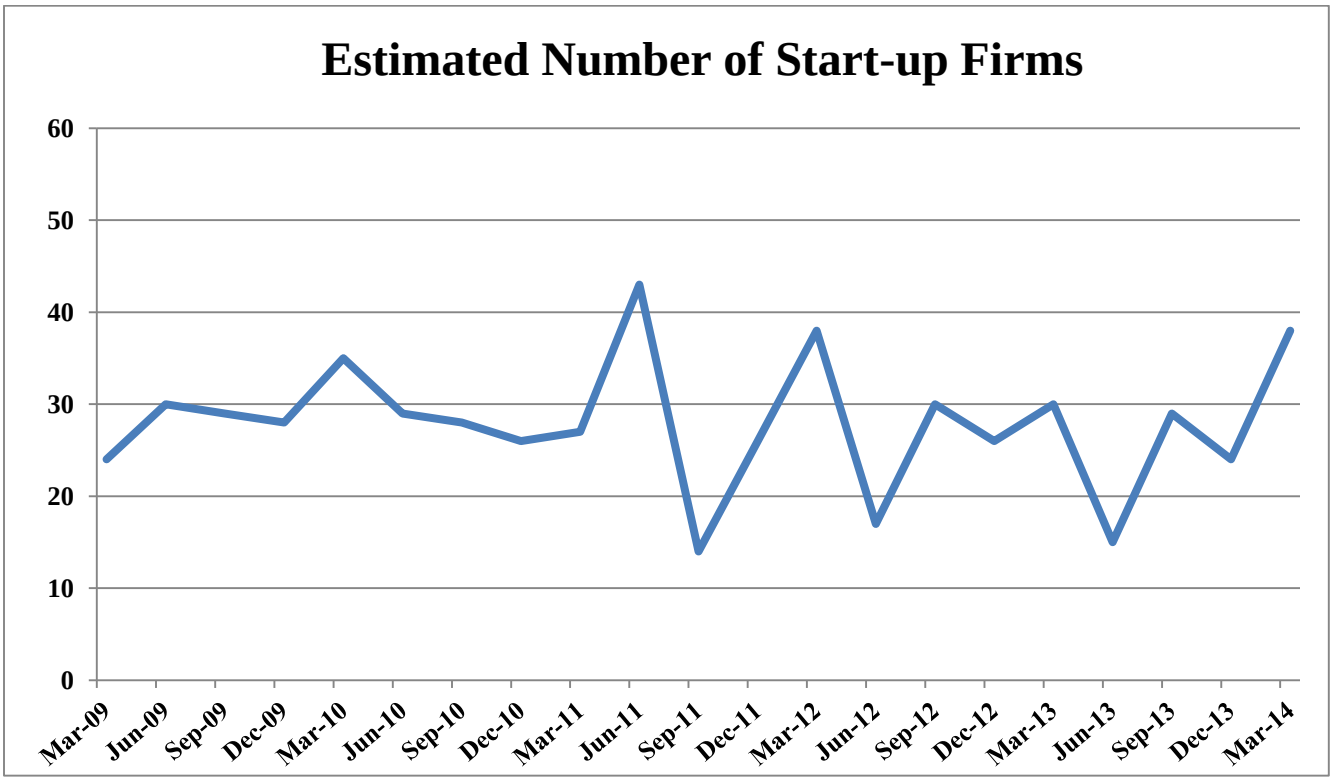
B. Historical Economic Indicators Data

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

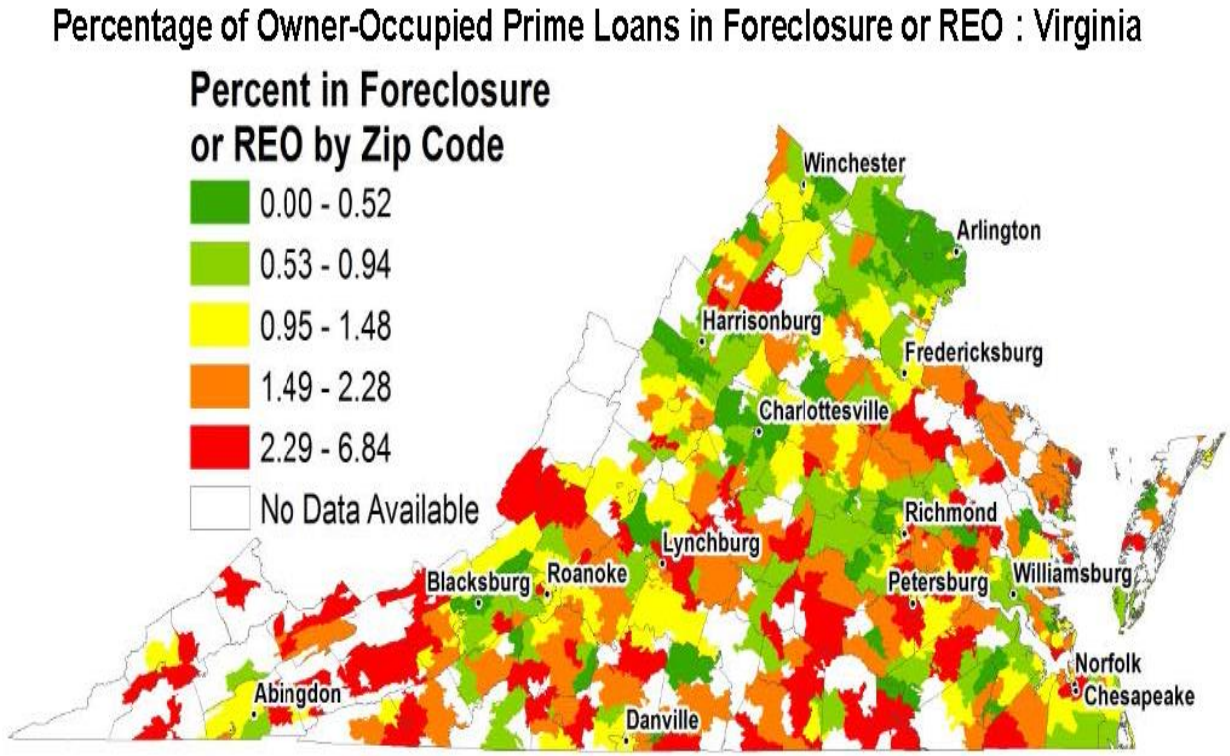
2. Residential Housing Market – Historical Data

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:

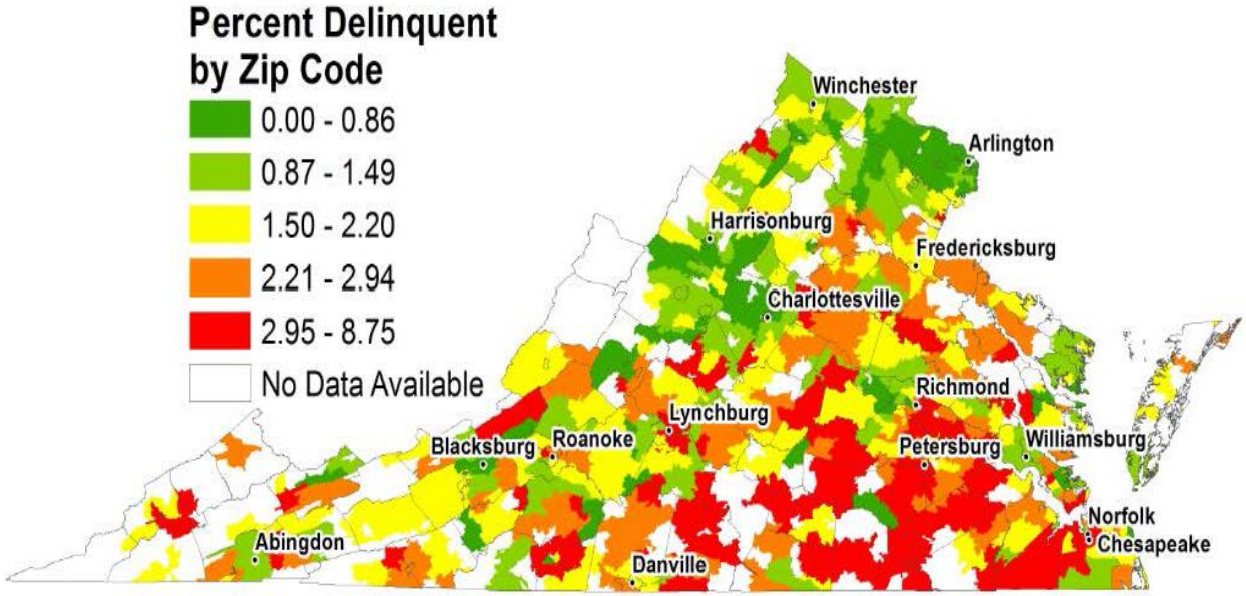
- Percentage of foreclosures or REO for owner-occupied mortgages – prime loans;
- Percentage of delinquencies for owner-occupied mortgages – prime loans;
- Percentage of foreclosures or REO for owner-occupied mortgages – subprime loans;
- Percentage of delinquencies for owner-occupied mortgages – subprime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



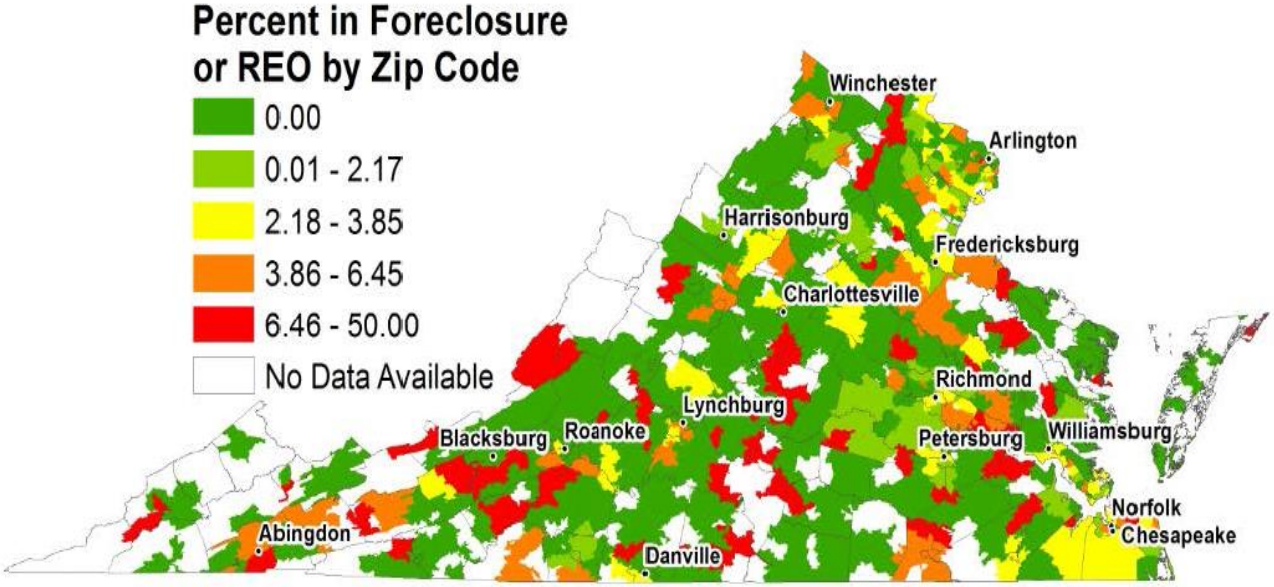
Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (June 2014)

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



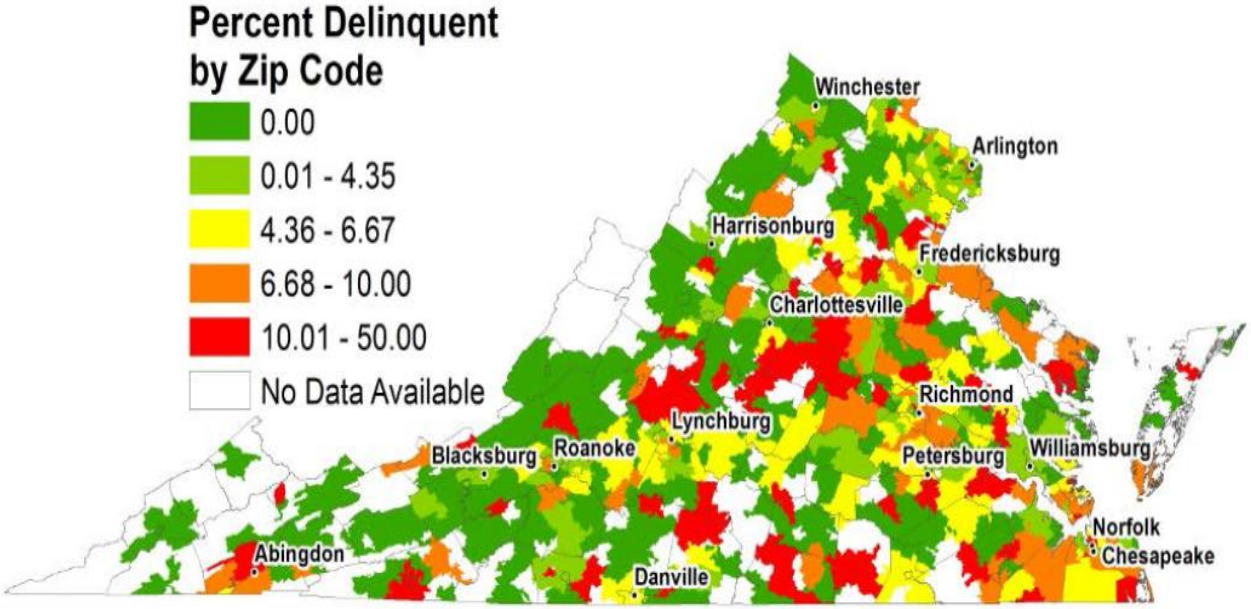
Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (June 2014)

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



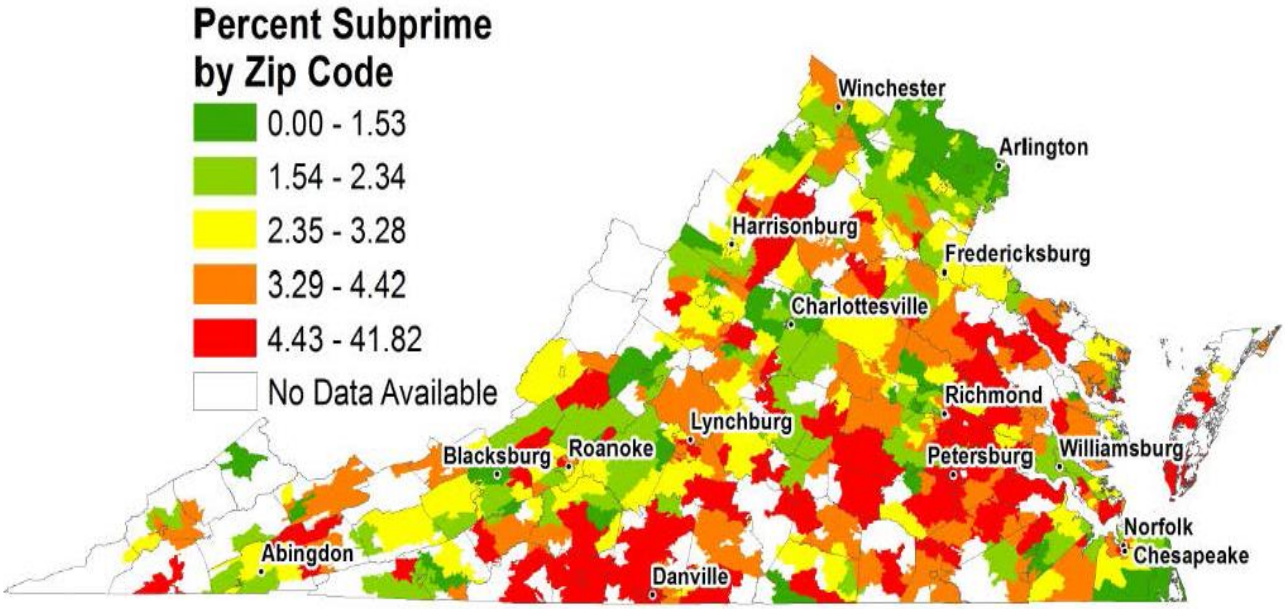
Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (June 2014)

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



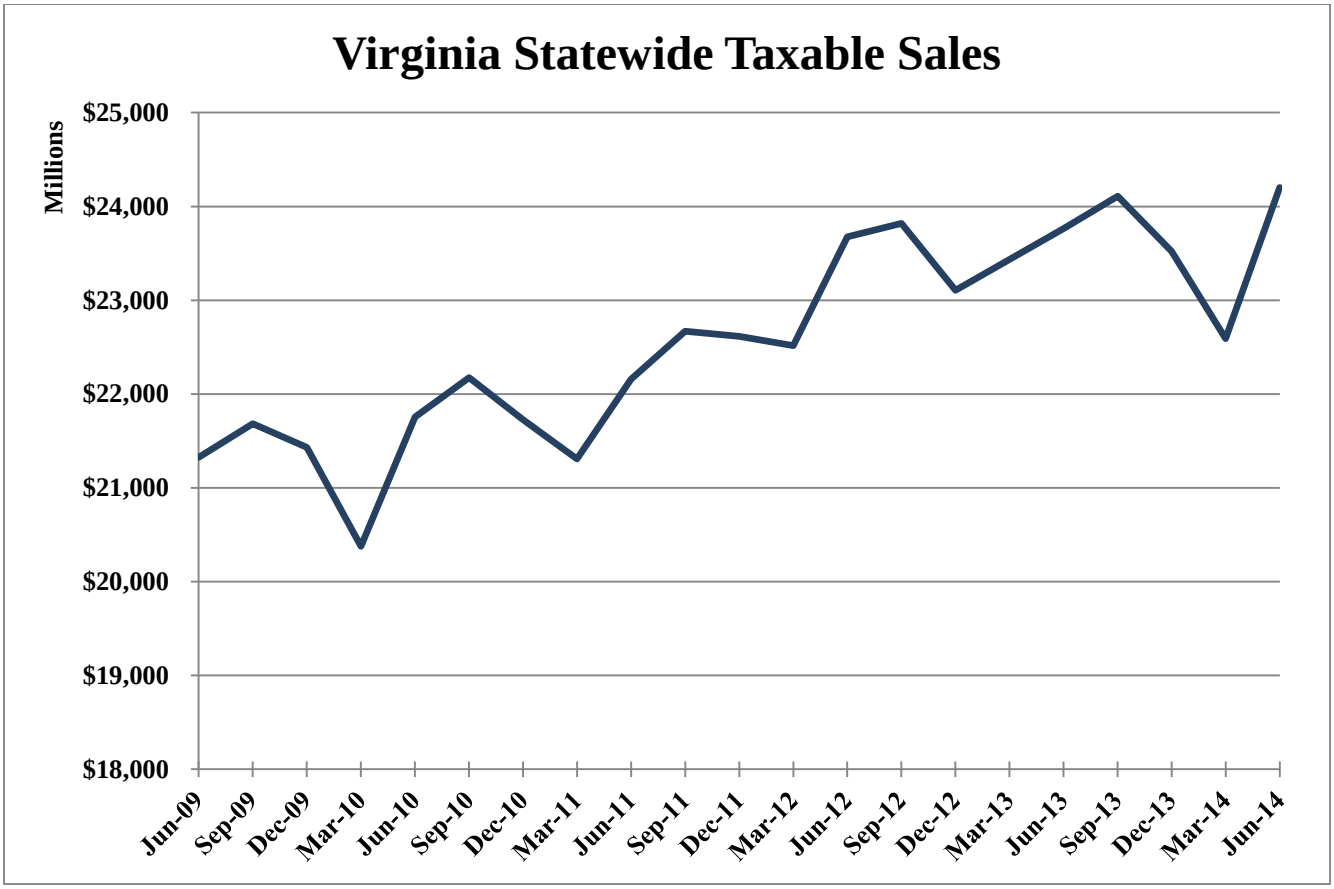
Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or have no data available.
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (June 2014)

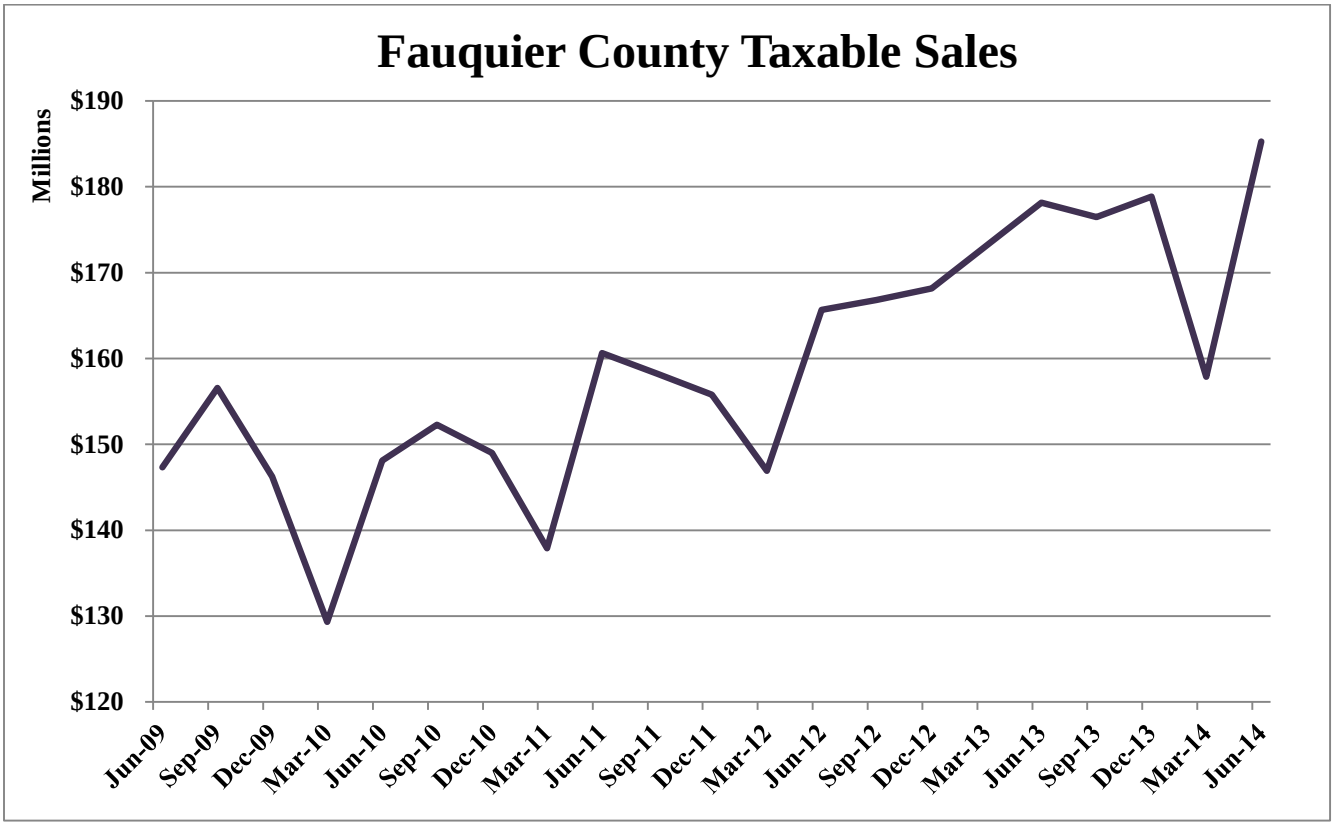
3. Taxable Sales

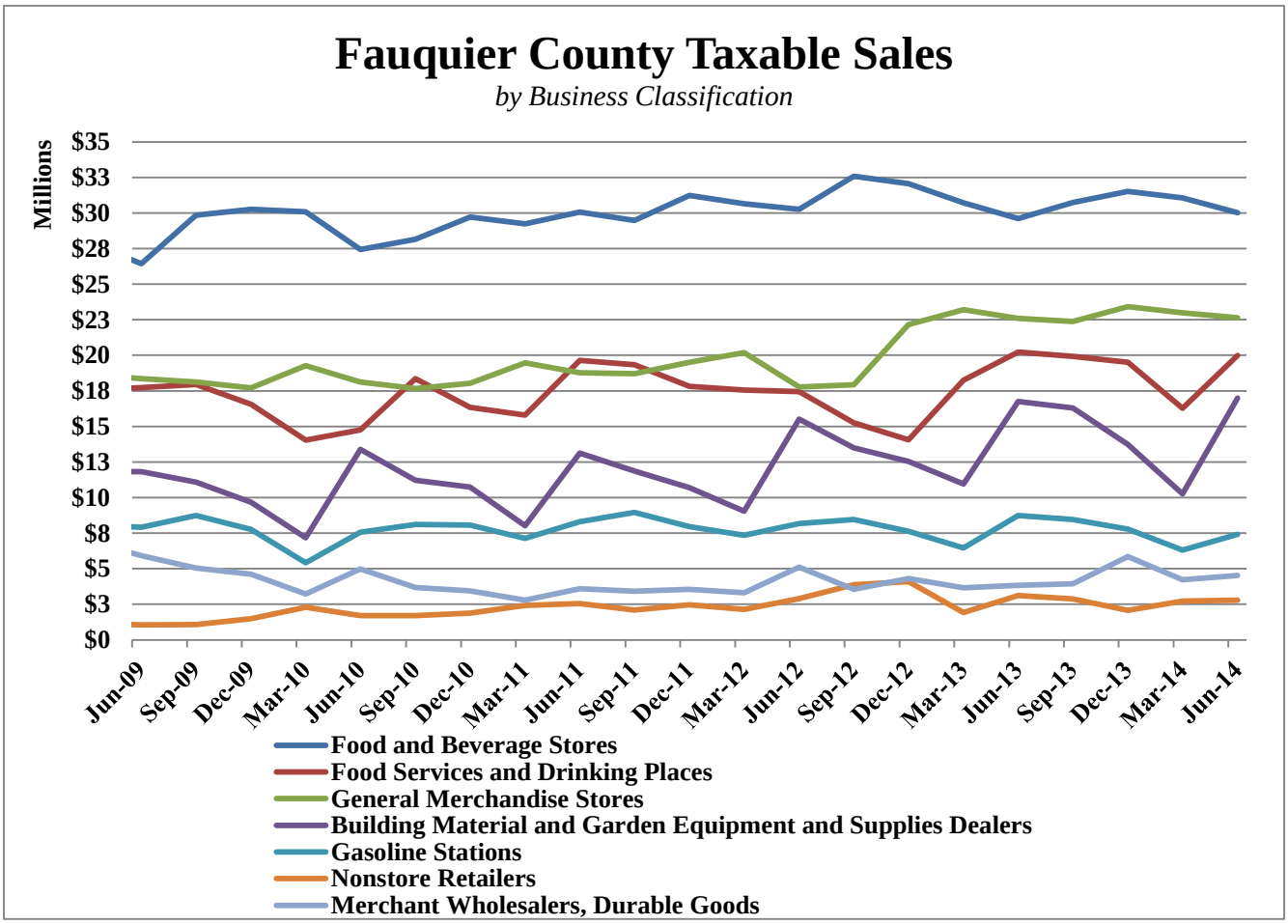
The following graphs provide data trends of taxable sales relative to the County, the State, and other local jurisdictions including:

- 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.

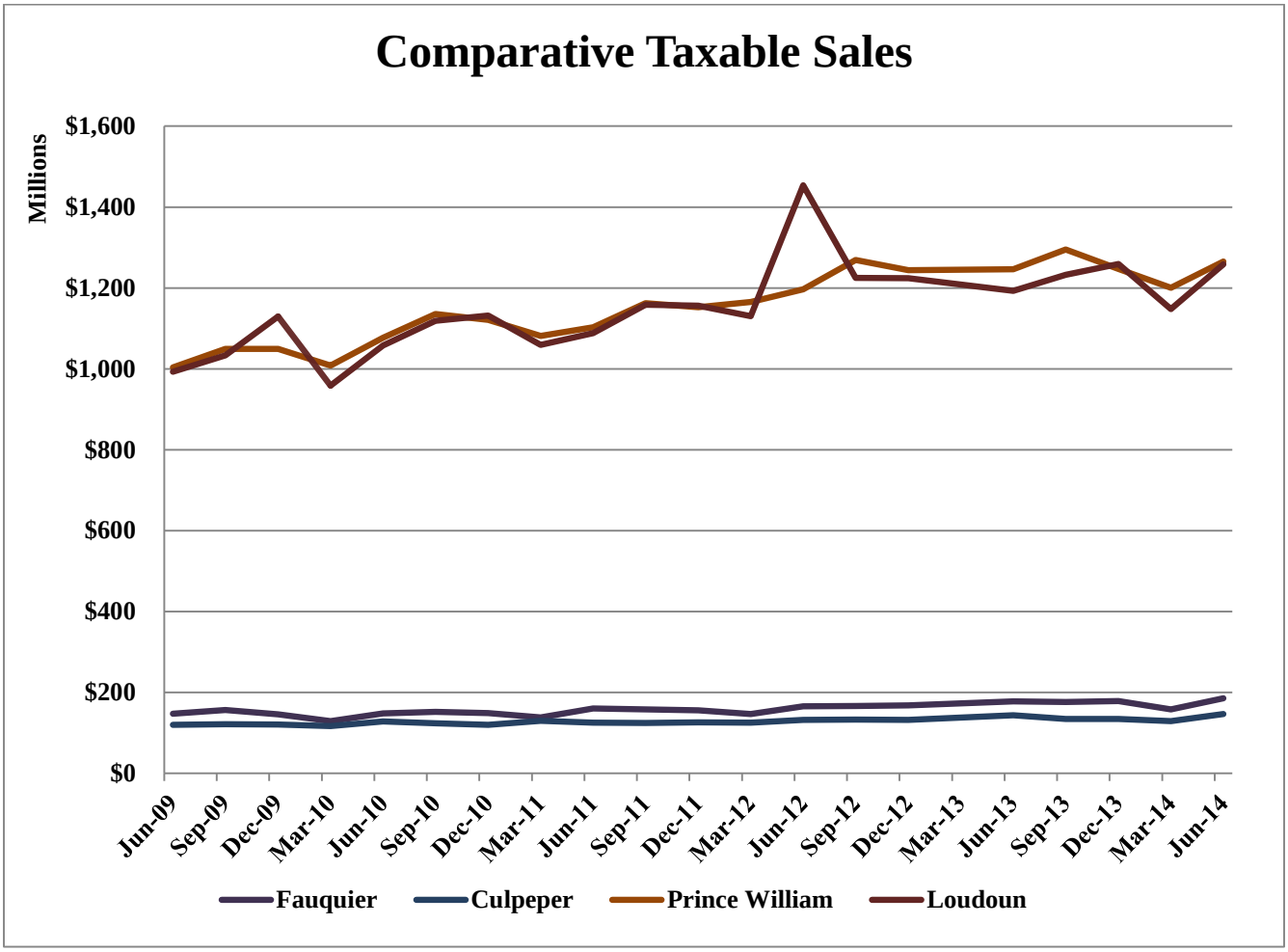
The County's taxable sales continued to improve in FY 2014. While the County's value of taxable sales value is less than Prince William and Loudoun, the positive rate of change remains similar. Food and beverage places sales have risen slightly, while sales in food and beverage stores have remained stable. In addition, building and garden material supplies and general merchandise stores continue to experience positive growth with normal 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.