

# Fauquier County Economic Indicators

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**December 31, 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 remain relatively flat with slight improvement over FY 2011 and FY 2012.  |
| Community Development      | Building & new residential construction permits |    | The number of new residential construction permits continues to improve. Building permits for the first six months of FY 2013 increased by 11.9% over the same period of FY 2012.  |
| Employment                 | Unemployment rate                               | -   | The County's unemployment rate remains one of the lowest in the State at 4.3% in December 2012 and the seventh lowest overall.   |
| Employment                 | Unemployment insurance claims                   |  | Continued and initial claims remain at the lowest levels since the start of the recession with no marked fluctuations.   |
| Environmental Services     | Landfill tonnage                                | -   | Landfill tonnage remains stable.   |
| Environmental Services     | Recycling tonnage                               | -   | Recycling tonnage remains stable with continued signs of slow construction and demolition recycling growth.  |
| Local Revenue              | County sales tax collections                    |  | Sales tax collections continue to rise in comparison to the same month of the prior year. December 2012 marked the single largest month of collections since December 2007.  |
| Residential Housing Market | Days houses are on market                       | -   | The average number of days houses are on the market has declined throughout most of 2012 for the County. The County's average is similar to the average of neighboring jurisdictions and below the average of the counties within the Greater Piedmont Area Association of Realtors.                   |
| Residential Housing Market | Median sales price                              |  | Median home sale prices continue to improve, trending closer to \$300,000 with a minimal amount of seasonal fluctuation beginning in Fall 2012.  |
| Residential Housing Market | Foreclosures and short sale listings            | -   | Foreclosure and short sale listings remain stable at a level lower than the highs of the recession.  |
| Residential Housing Market | Number of homes sold                            |  | The number of home sales has stabilized to pre-recession levels rising to average of 75 or greater since Spring 2012, the highest average since the beginning of the recession. A minimal decline was observed for the last quarter of 2012, as seen throughout the entire Washington, DC area market. |

## B. Historic Economic Indicators

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

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

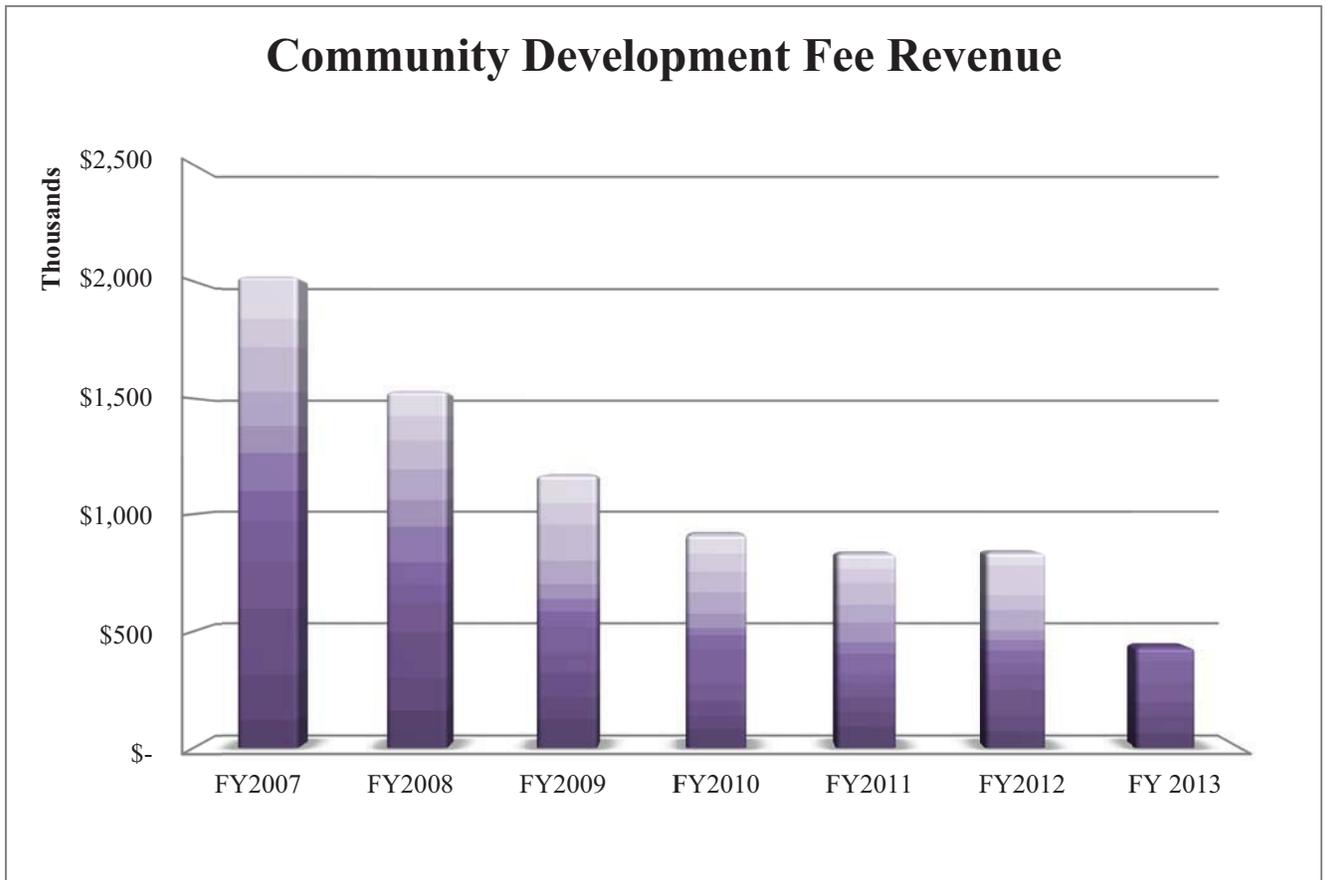
## III. Economic Indicators – Data

### A. Current Economic Indicators Data

#### 1. Community Development

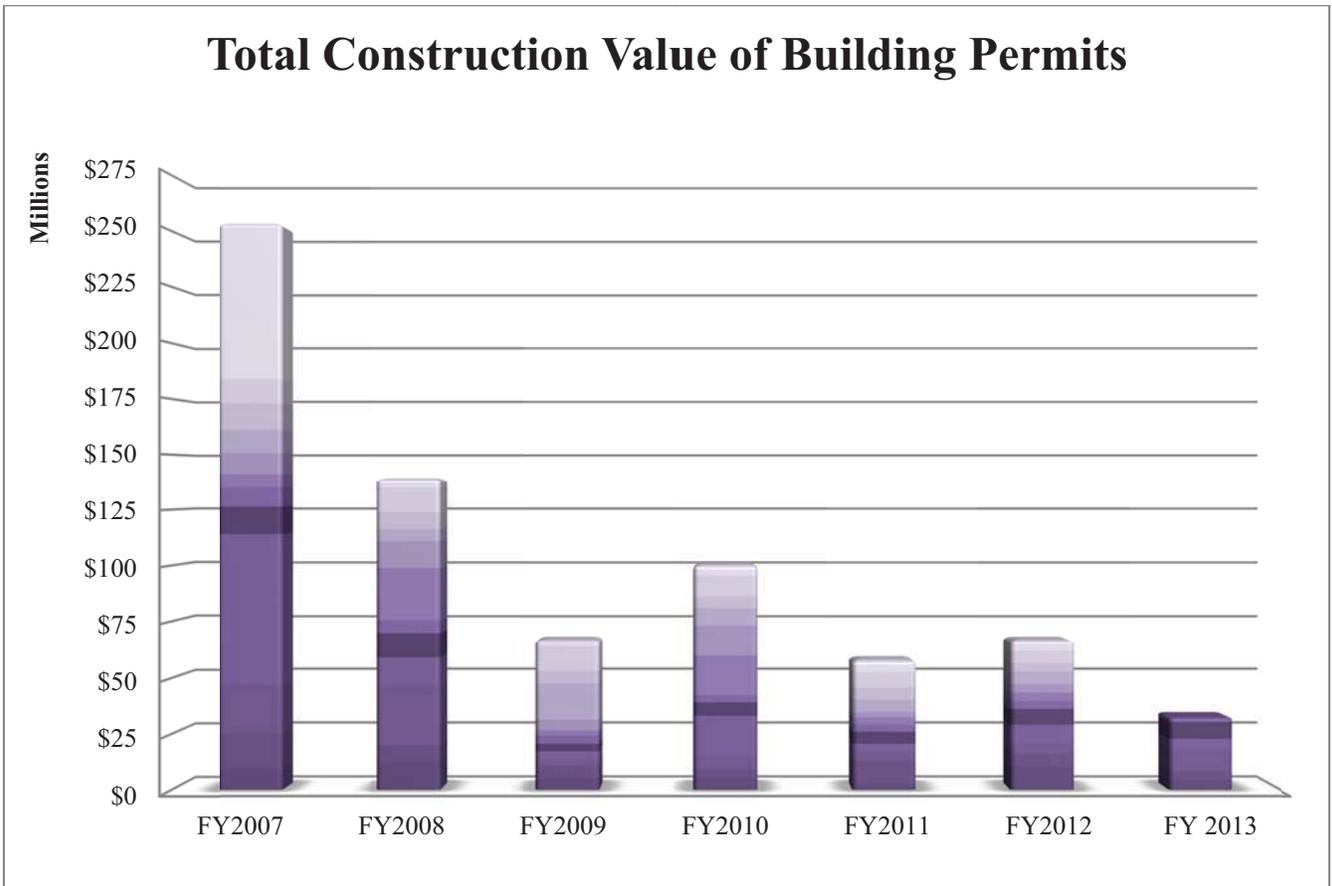
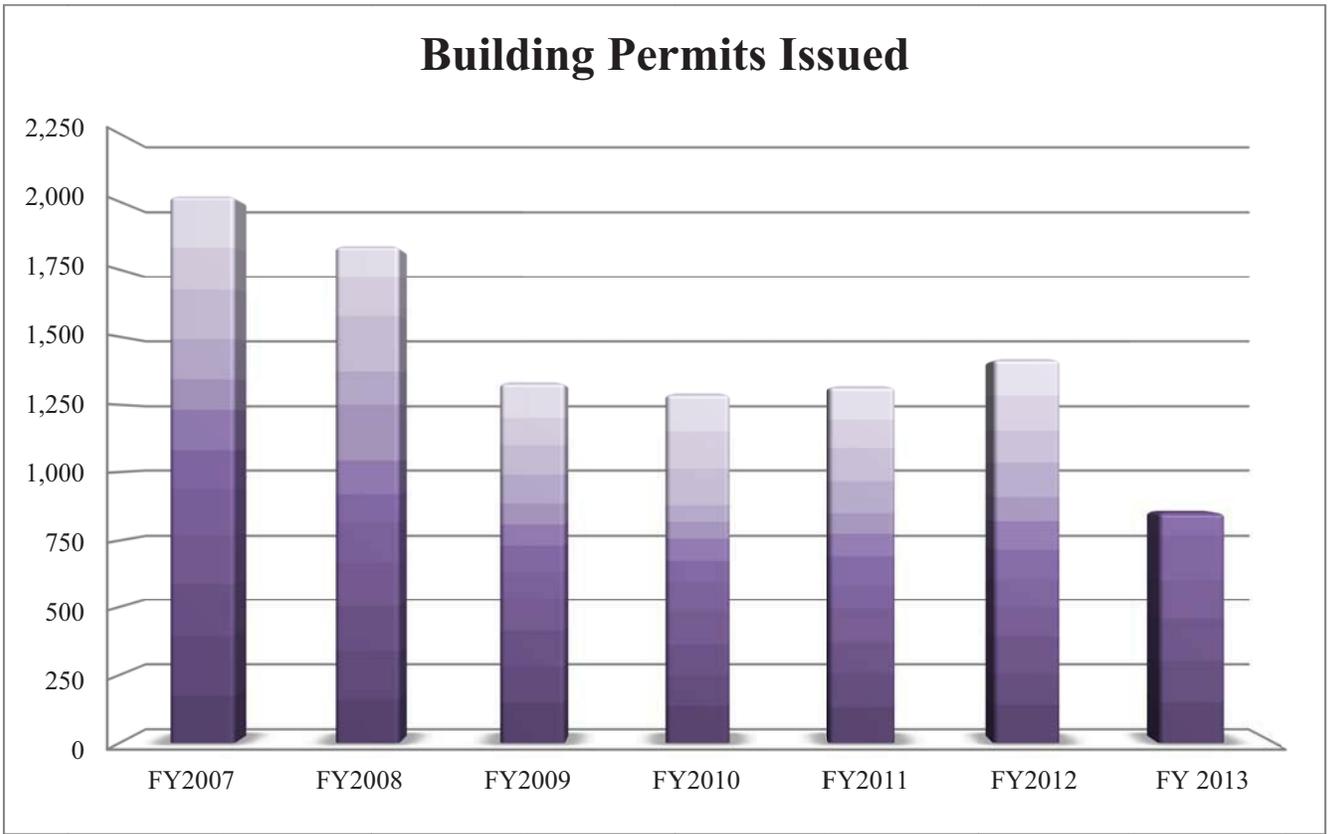
##### a) Community Development Fees

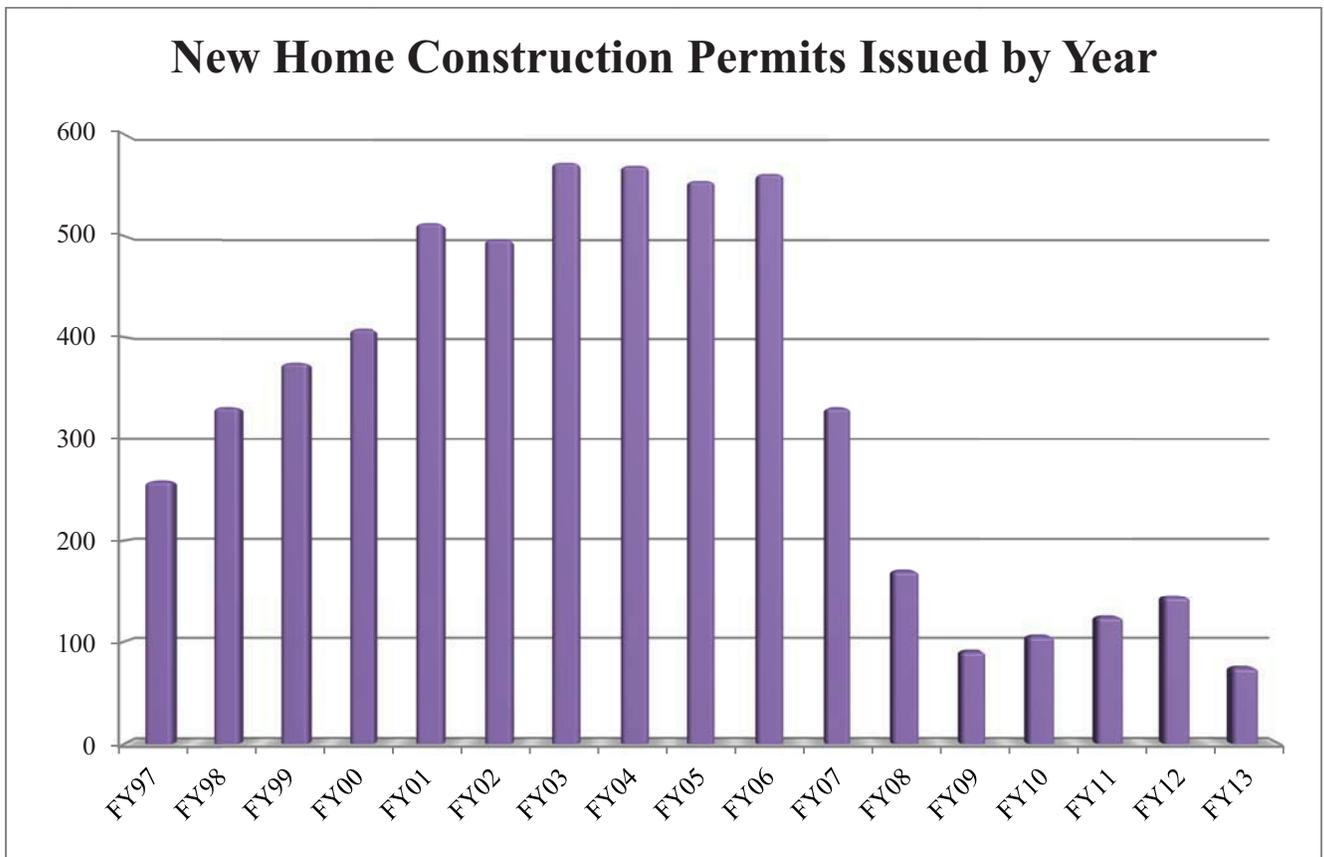
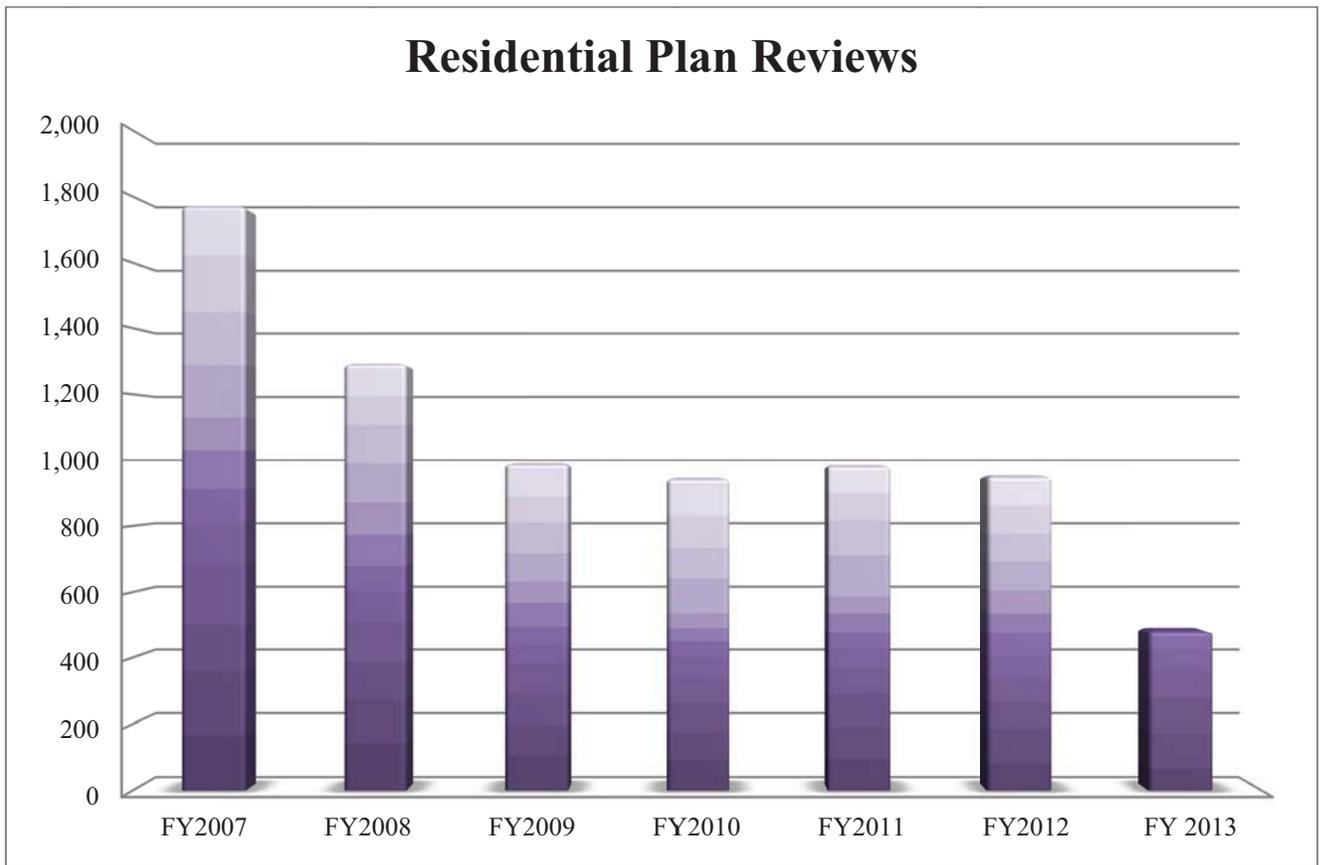
Community development fee revenue has shown minimal improvement in the first half of FY 2013 in comparison to FY 2011 and FY 2012.



##### b) Building Permits

Building permits continue to experience year-over-year growth at a rate slightly higher than the last two fiscal years. New homes construction continues to show signs of stable, marked growth year-over-year.



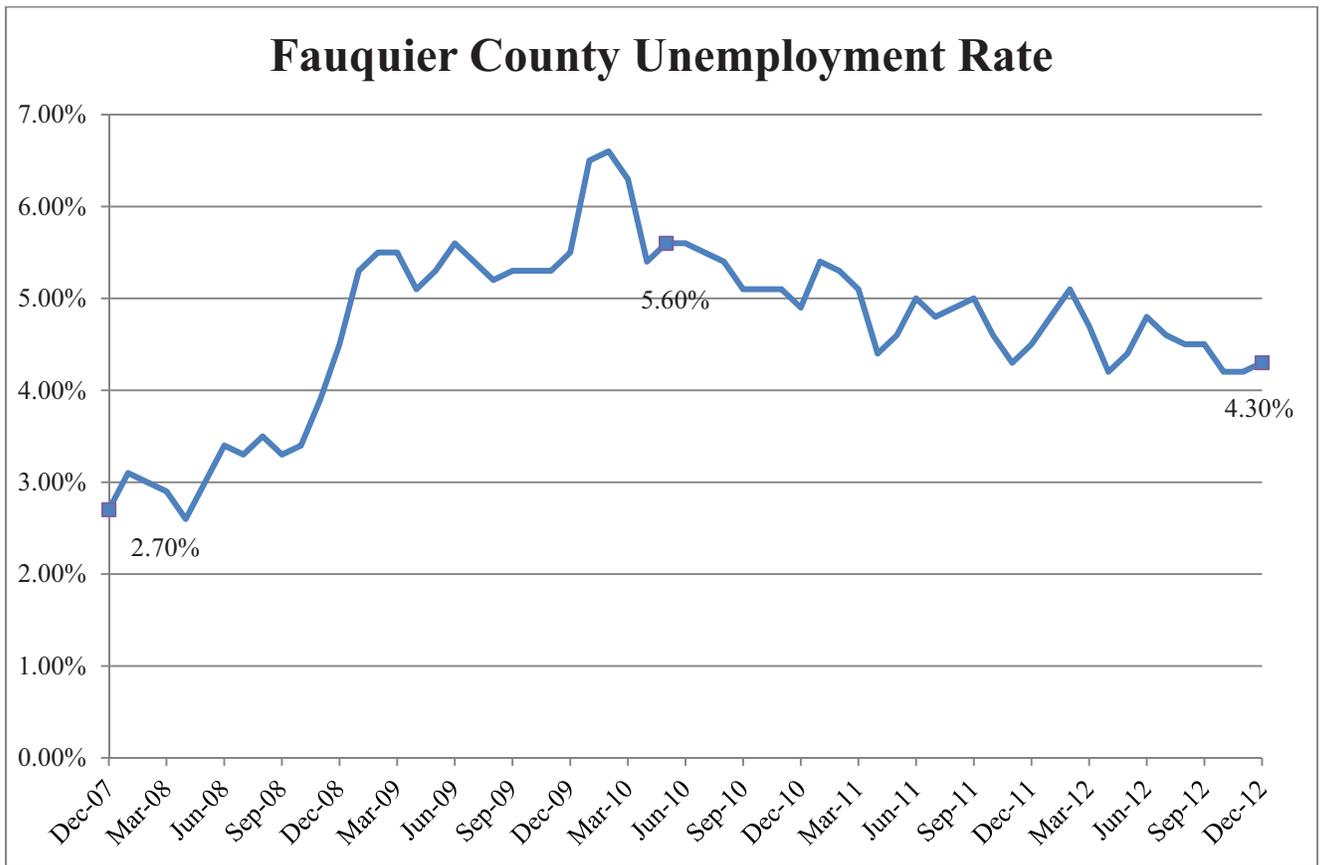


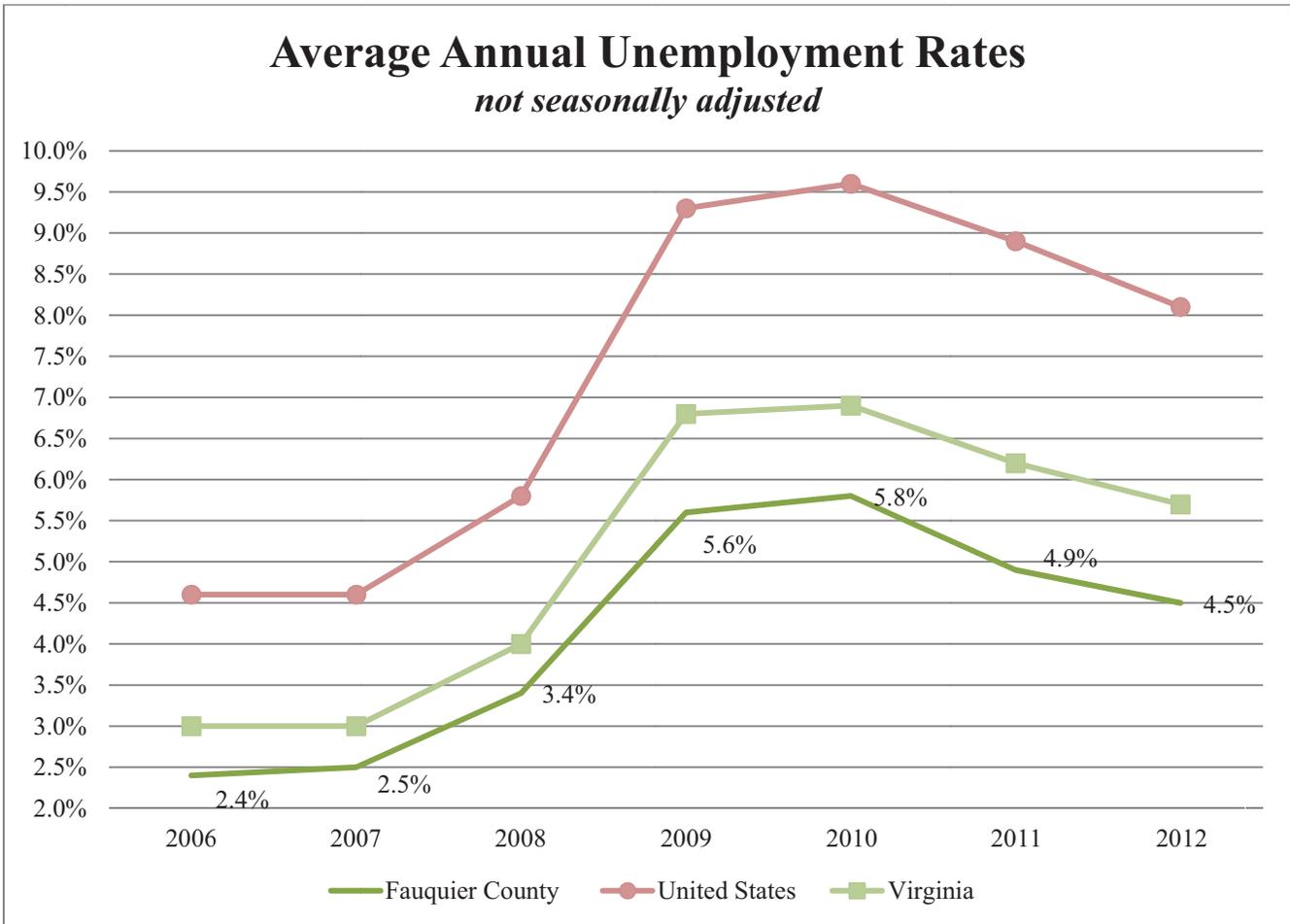
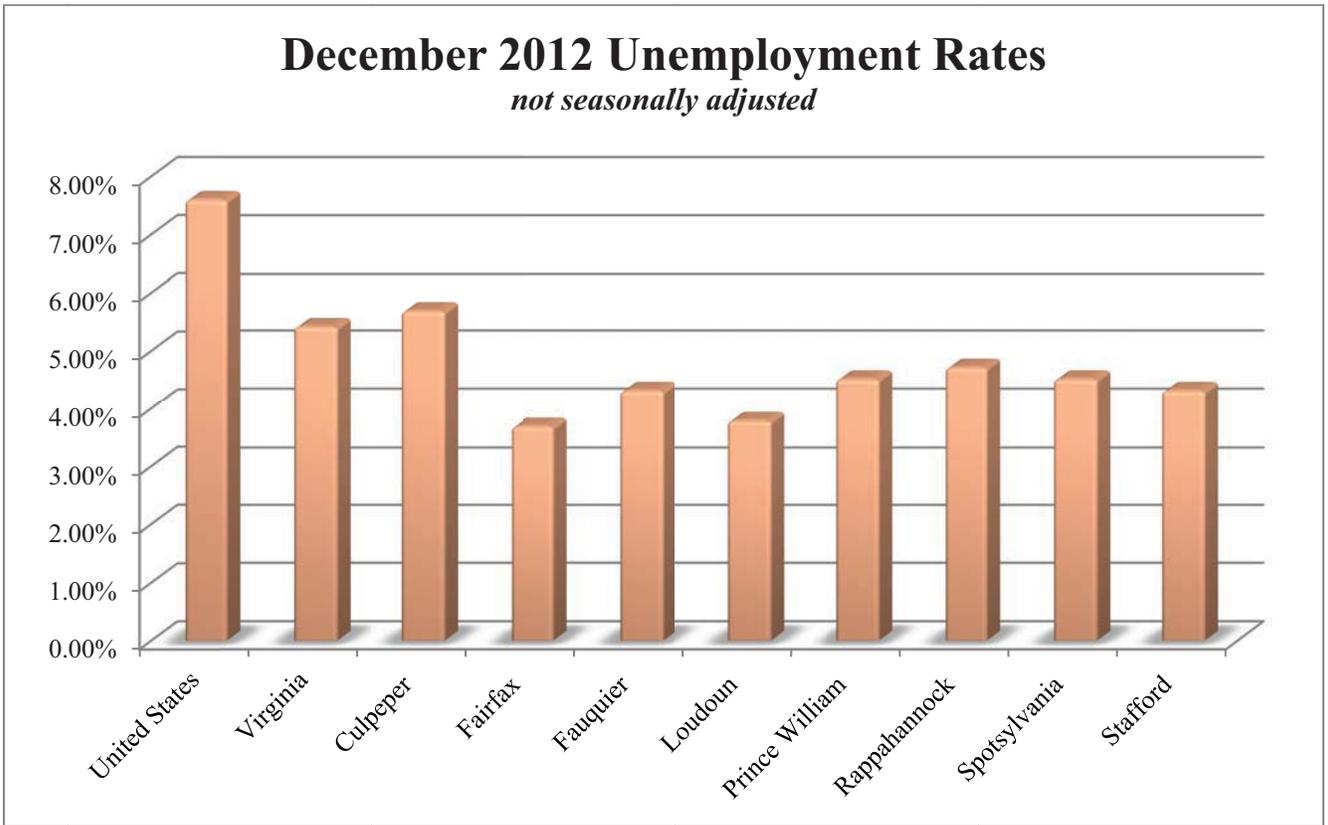
Source: Community Development

## 2. Employment

### a) Unemployment Rates

Unemployment for the United States and the Commonwealth of Virginia has begun to show the first signs of positive change in the first quarter of FY 2013. The Fauquier County unemployment rate remains on a slow decline. In comparison to other local jurisdictions, Fauquier County's December 2012 unemployment rate of 4.3% trails Arlington, Fairfax, Loudoun, Madison, and Alexandria; ahead of, Prince William, Rappahannock, and Spotsylvania County; and is significantly lower than Culpeper County at 5.7%. Overall for the Commonwealth, Fauquier County ranked 7<sup>th</sup> behind Arlington, Fairfax, Loudoun, Madison, Alexandria, and Fluvanna; and is equal to Albemarle and Stafford.

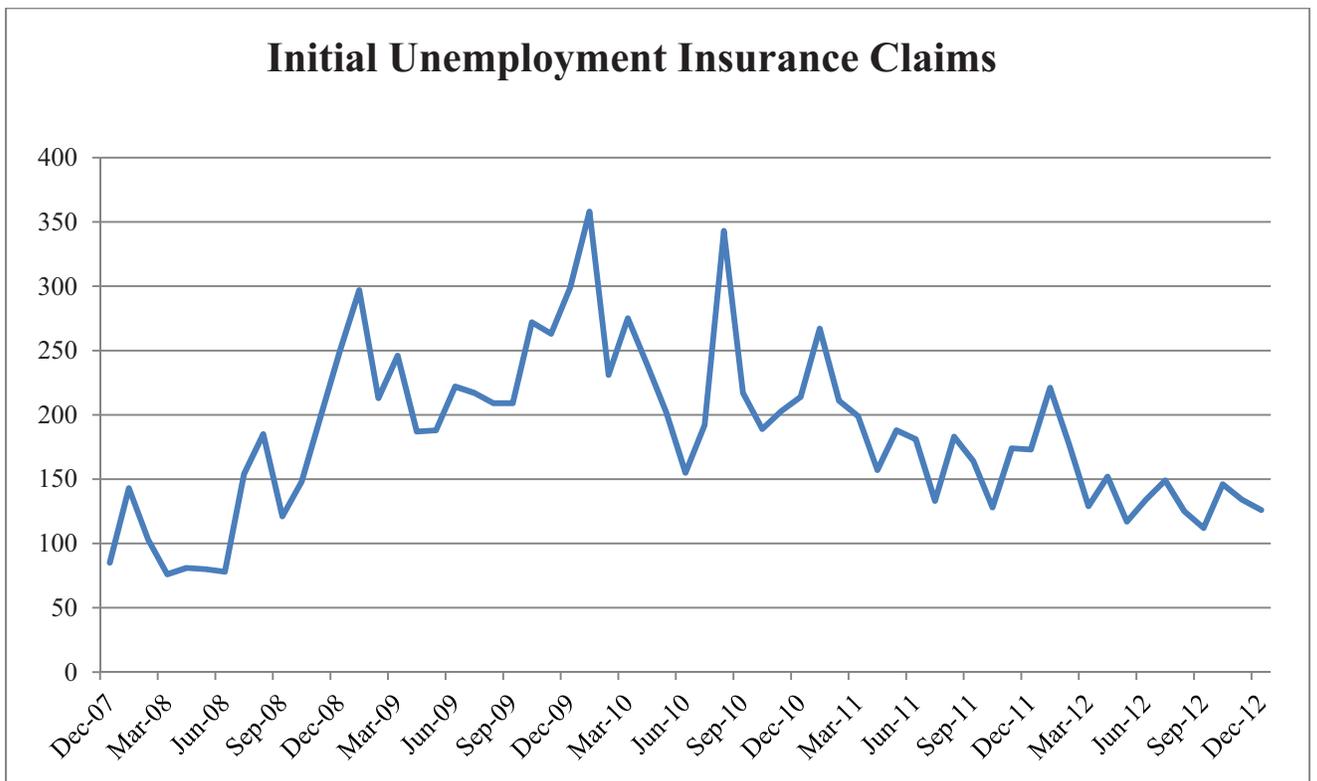
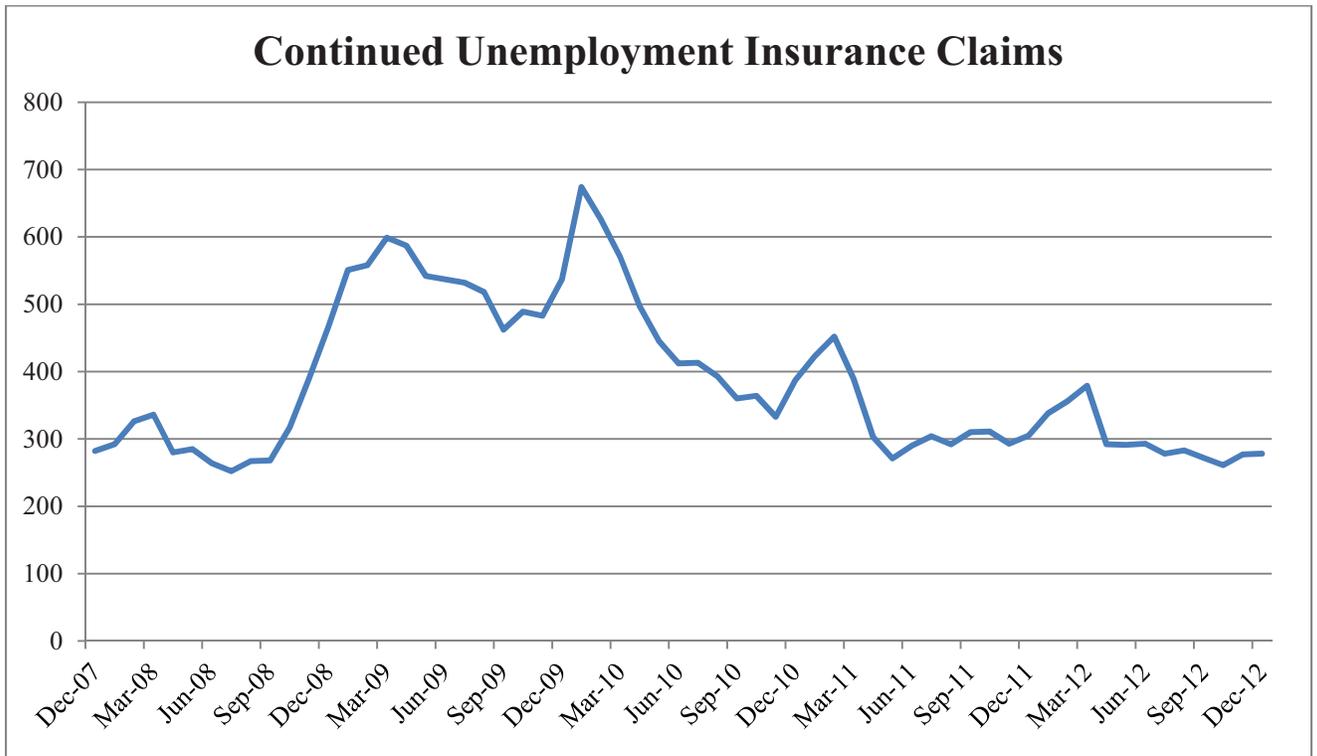




Source: Virginia Employment Commission.

## b) Unemployment Insurance Claims

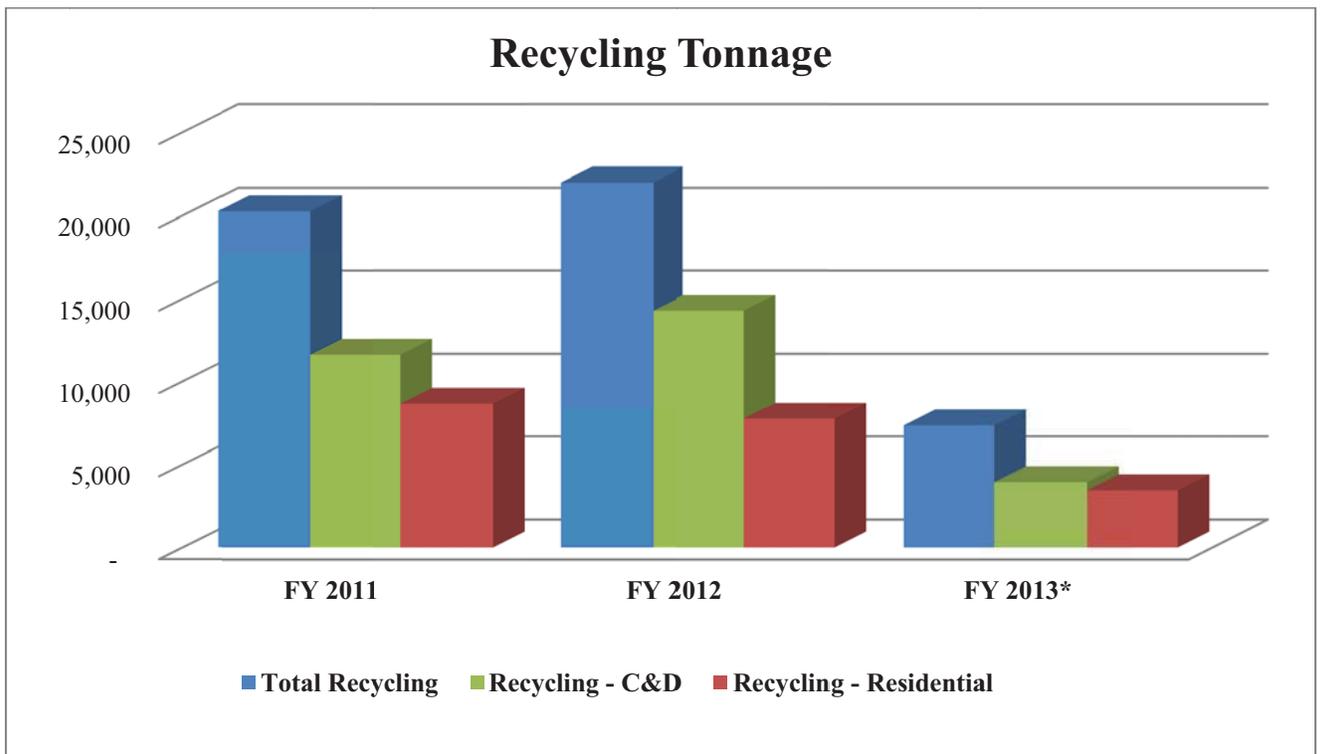
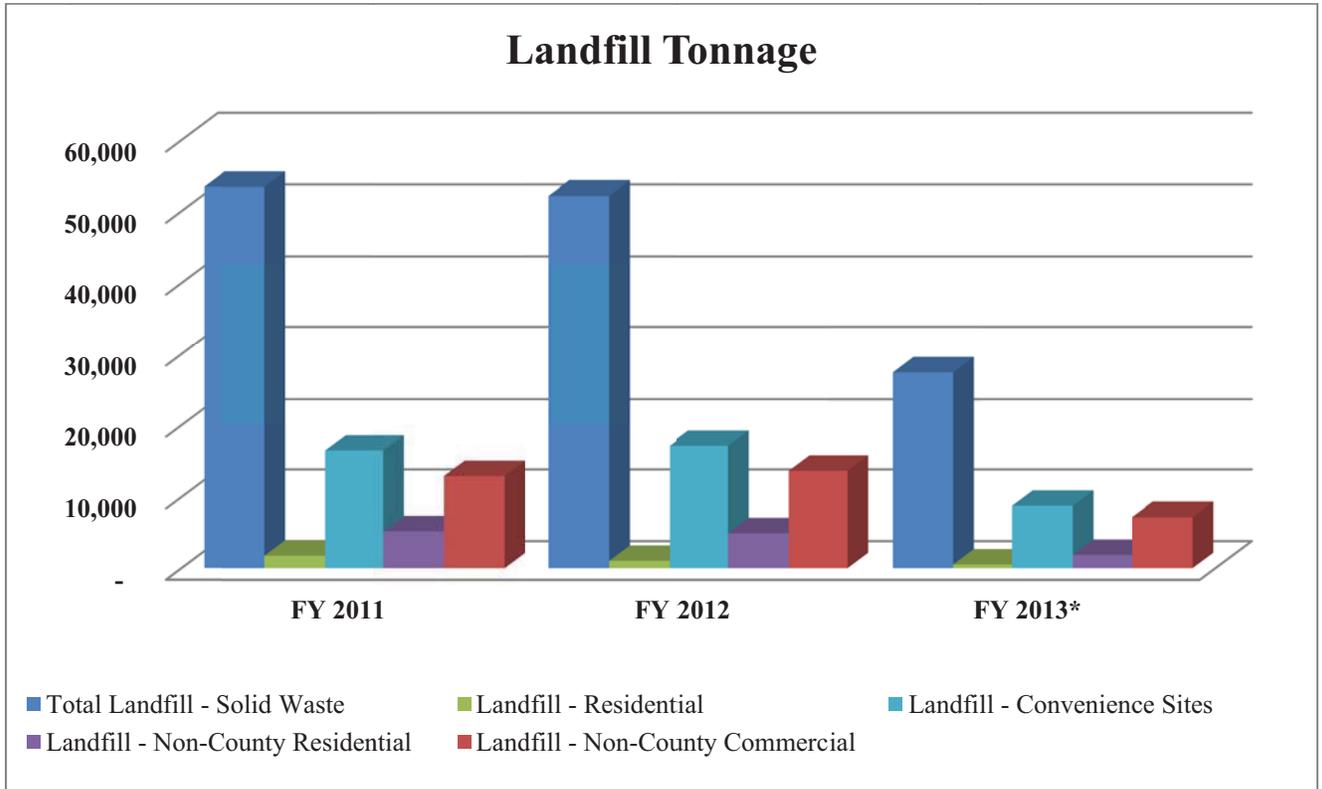
Continued and Initial unemployment insurance claims continue to decline to some of the lowest levels since the start of the recession with only seasonal fluctuations.



Source: Virginia Employment Commission

## 3. Environmental Services

The first half of FY 2013 continues the trend of FY 2012 with stable to slightly improved landfill and recycling tonnage. Construction and demolition recycling continues to show improvement throughout the first half of FY 2013.



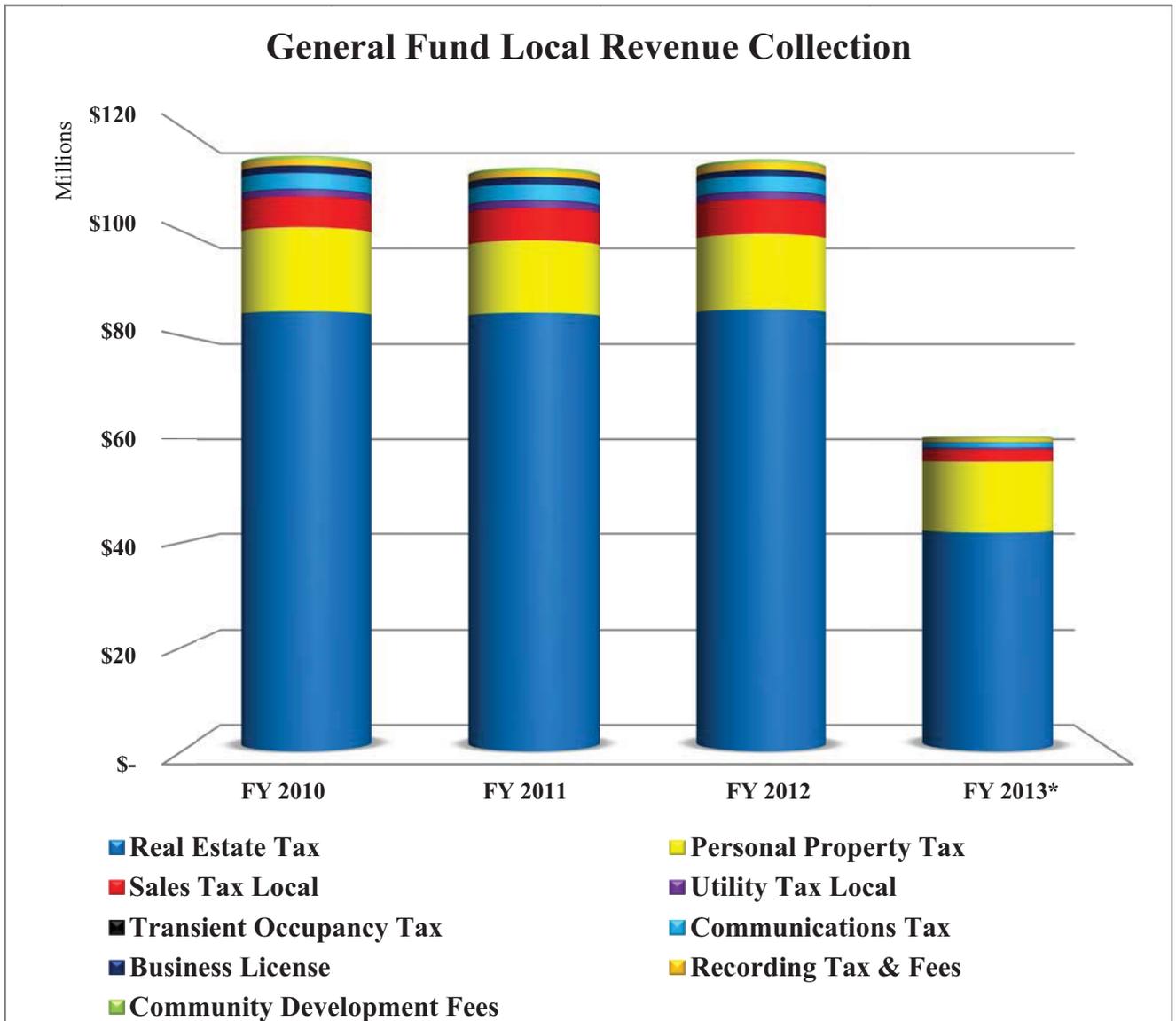
Source: Environmental Services. \* Recycling and Landfill tonnage for FY 2013 as of December 31, 2012.

## 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

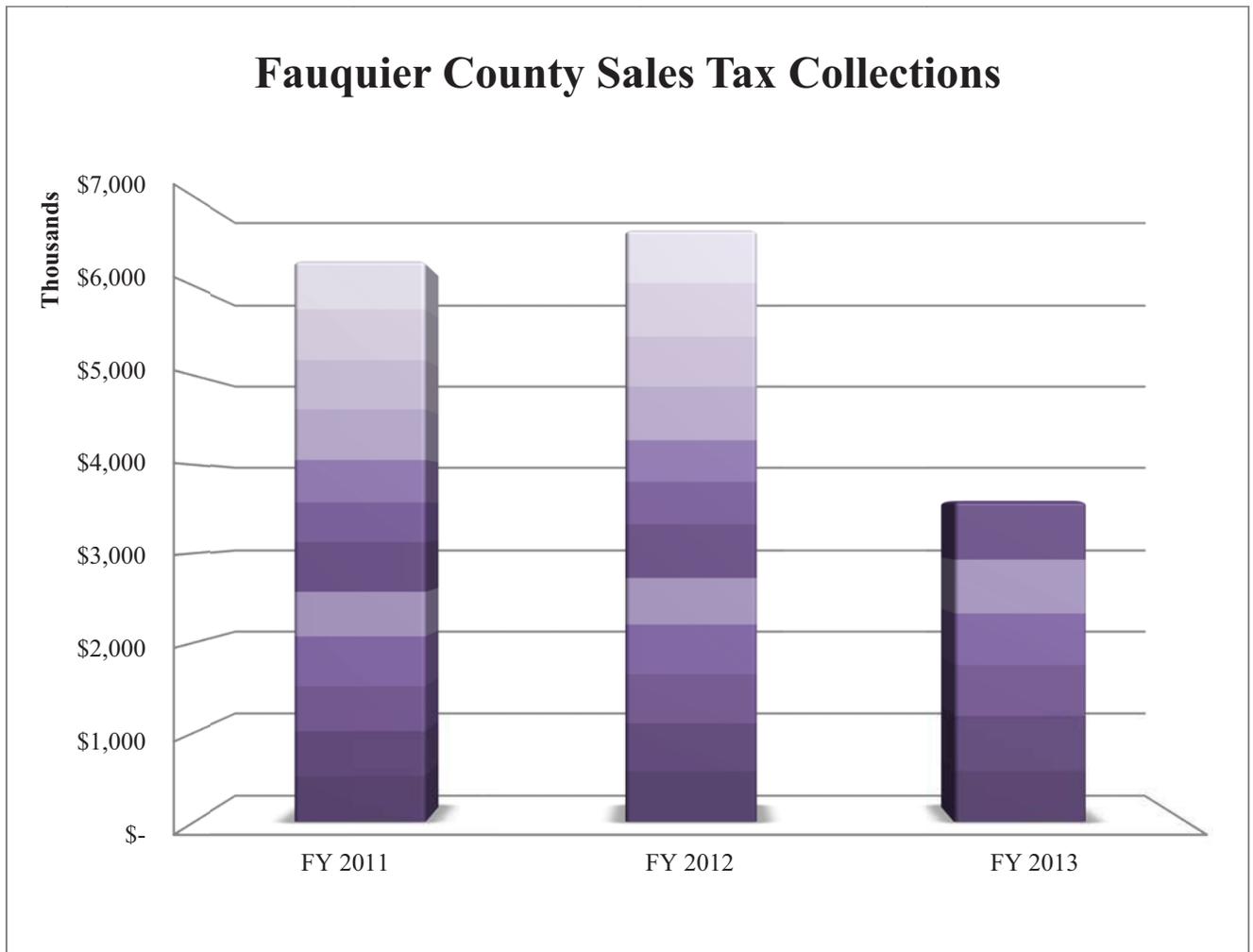
General Fund local revenue collections for the first half of FY 2013 indicate modest signs of continued growth. Sales tax collections continue to improve through the first half of FY 2013.



\*FY 2013 as of December 31, 2012.

## b) Sales Tax Revenue

Monthly sales tax collections continue to improve throughout 2012. December 2012 marked the single largest month of collections since December 2007 with sustained improvement on a monthly basis in comparison to the prior year.

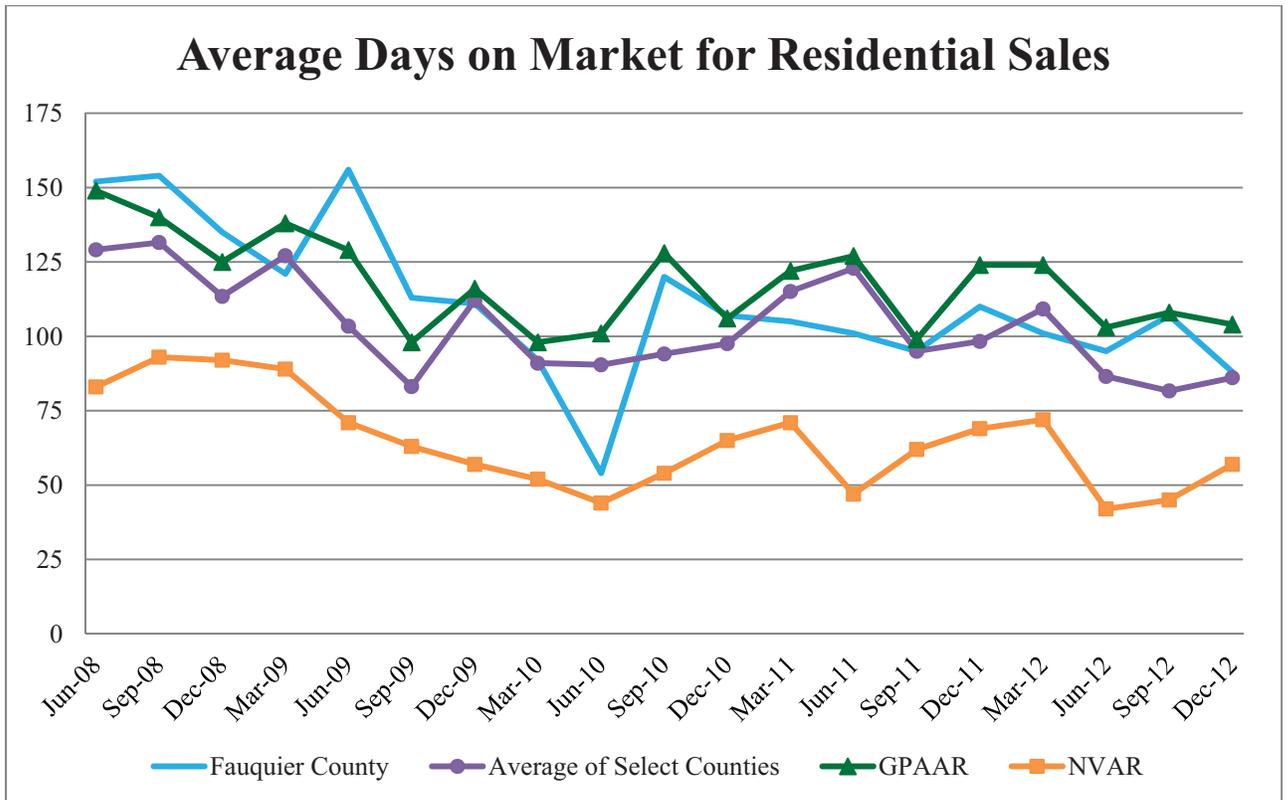


## 5. Residential Housing Market – Current Data

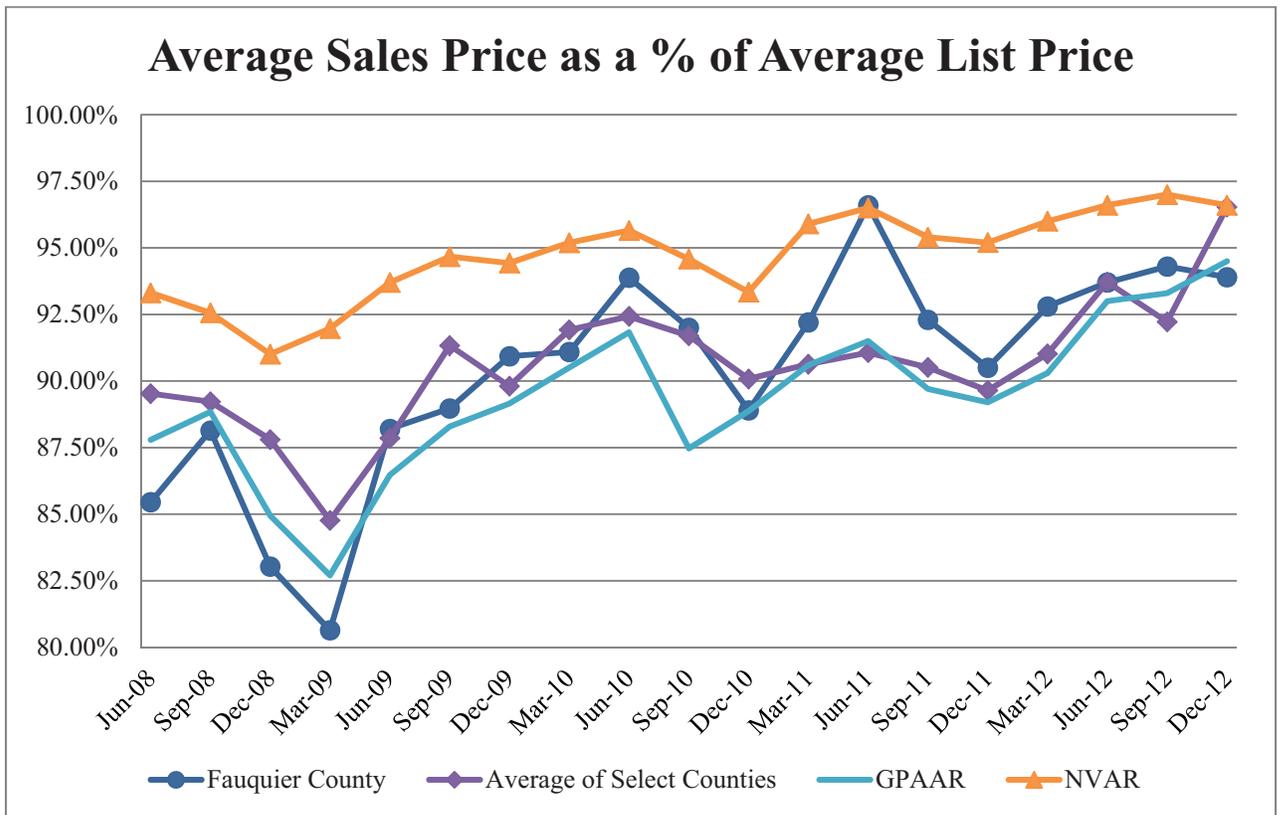
The following charts provide data on various characteristics of the local residential housing market. The graphs display data for Fauquier County, the Greater Piedmont Area Association of Realtors, Northern Virginia Association of Realtors, and/or an Average of select counties. The Greater Piedmont Area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

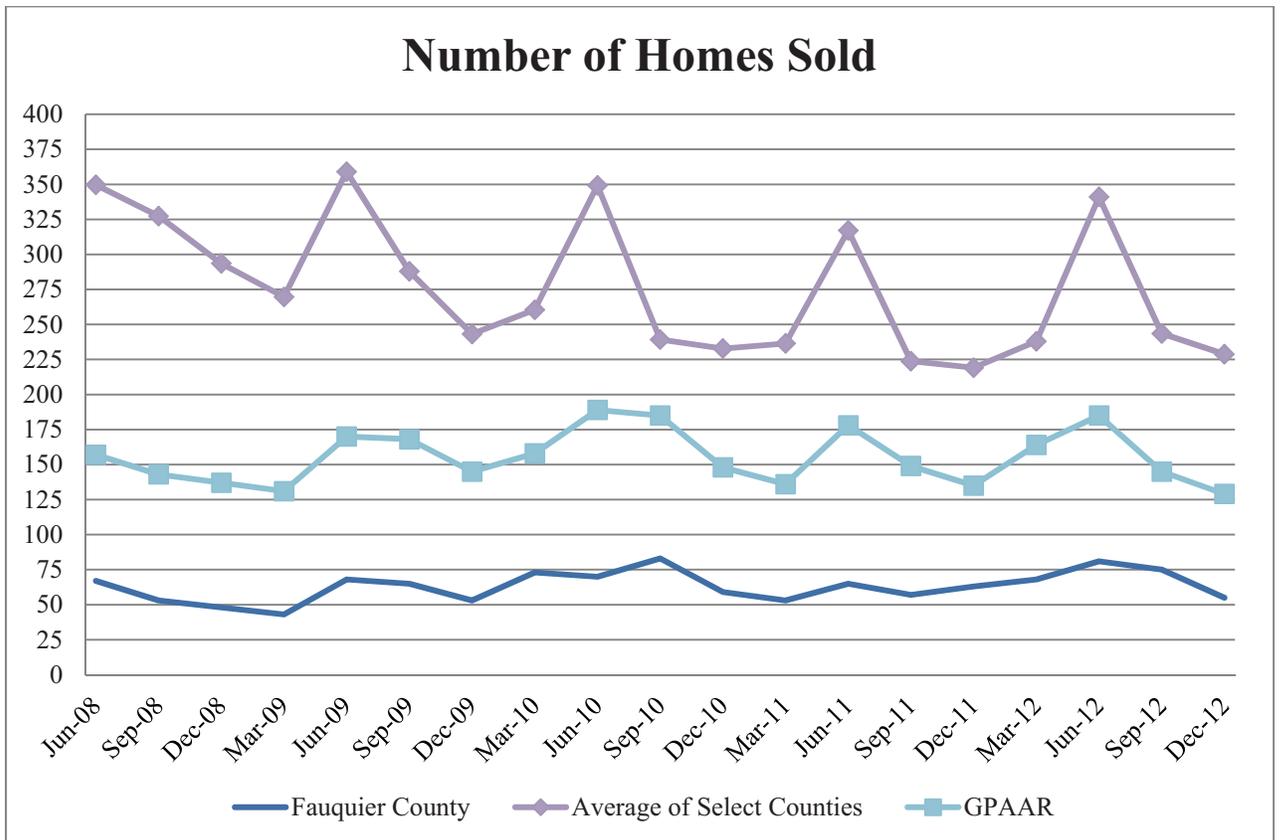
The County’s housing market remained stable throughout 2012 with some signs of growth. The average number of days houses are on the market have only shown seasonal fluctuation and equal to the average of other local jurisdictions. Houses on average have sold at 90% or better of the original list price throughout 2012. The number of homes sold has been the highest throughout 2012 since before the start of the recession. Additionally, the median homes sales price is improving neat the pre-recession level of \$300,000. The end of 2012 experienced a slight decline in the number of homes sold due to lower levels of inventory as experienced throughout the nation.



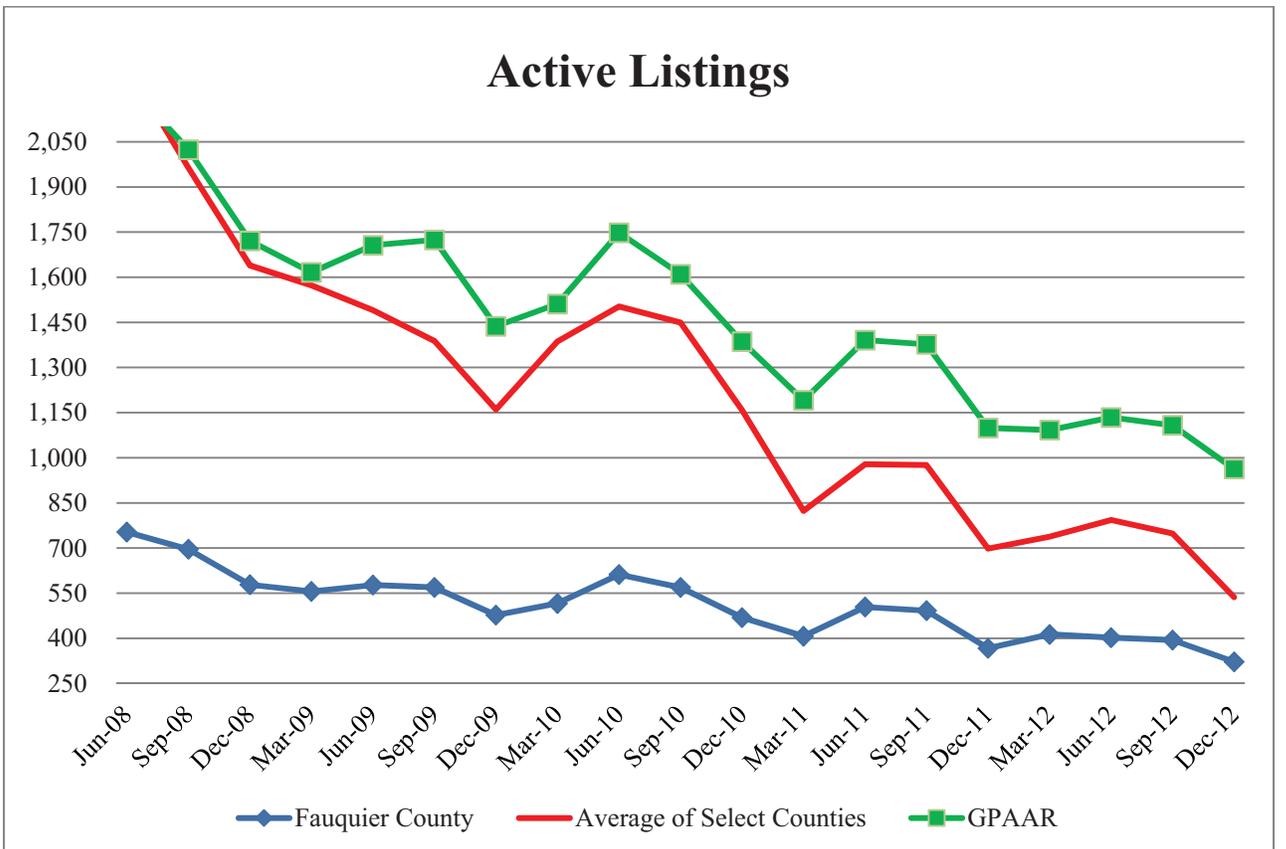
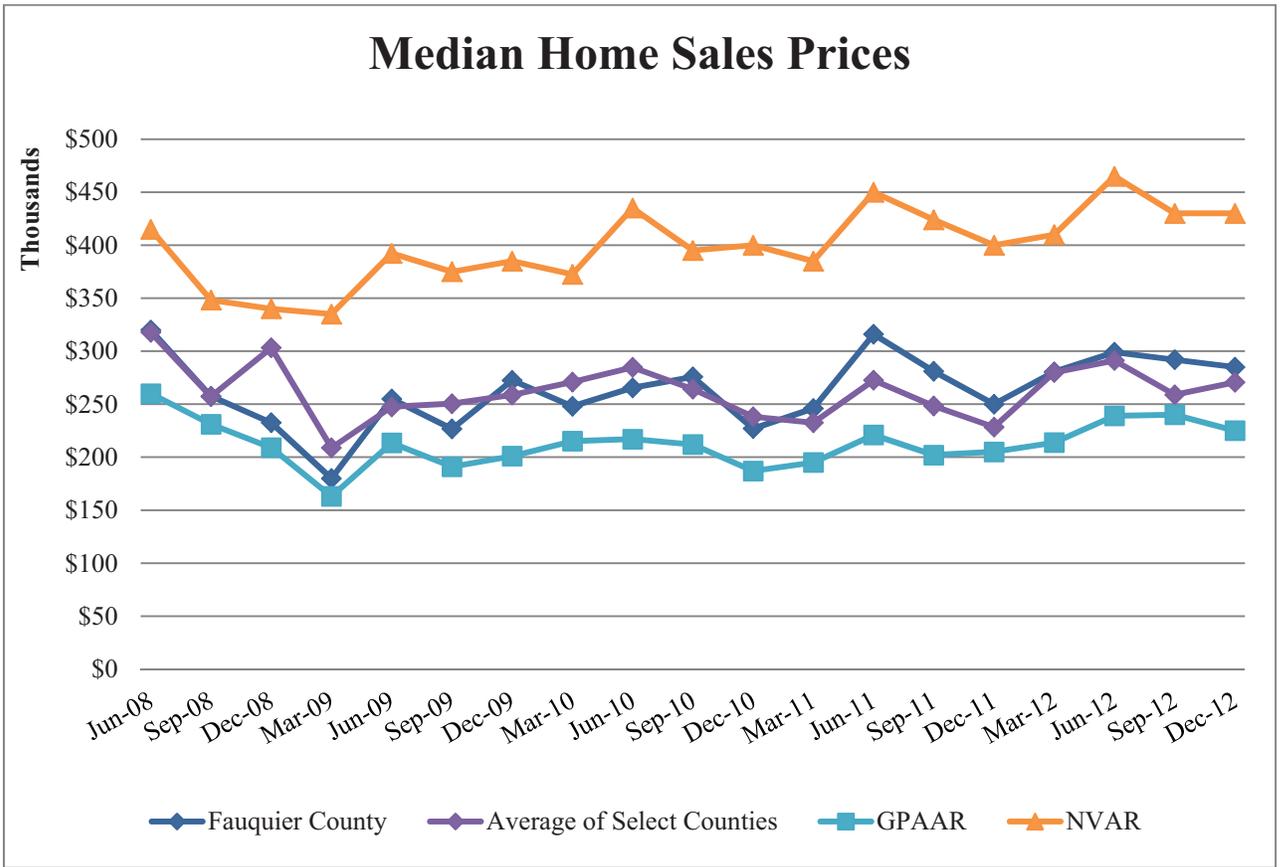
Source: Metropolitan Regional Information Systems, Inc. (MRIS)



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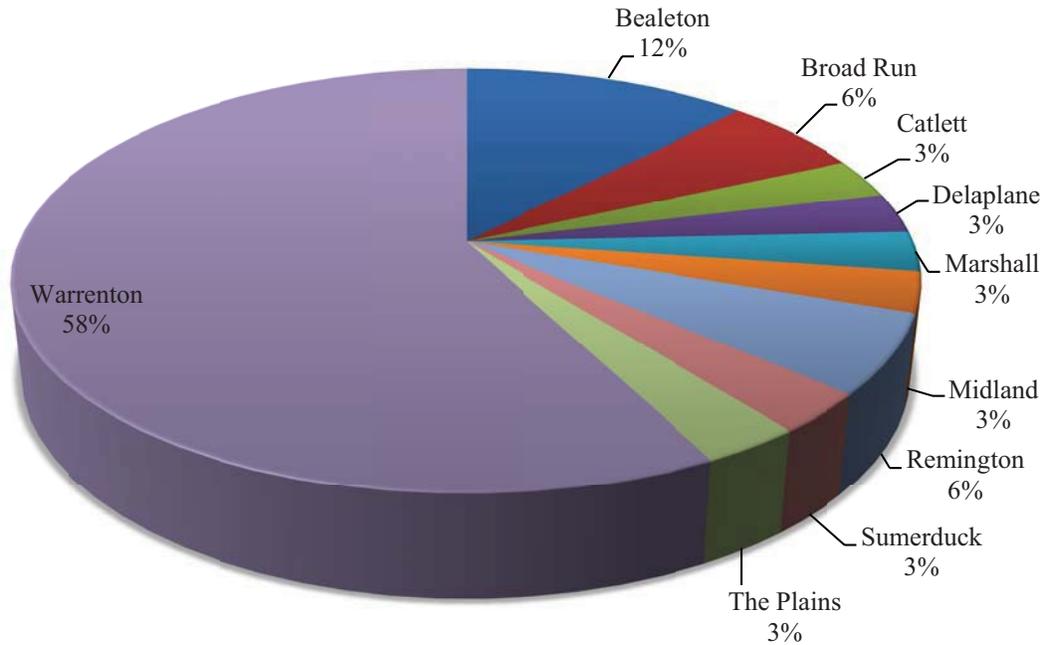


Source: Metropolitan Regional Information Systems, Inc. (MRIS)

**b) Foreclosures and Short Sales**

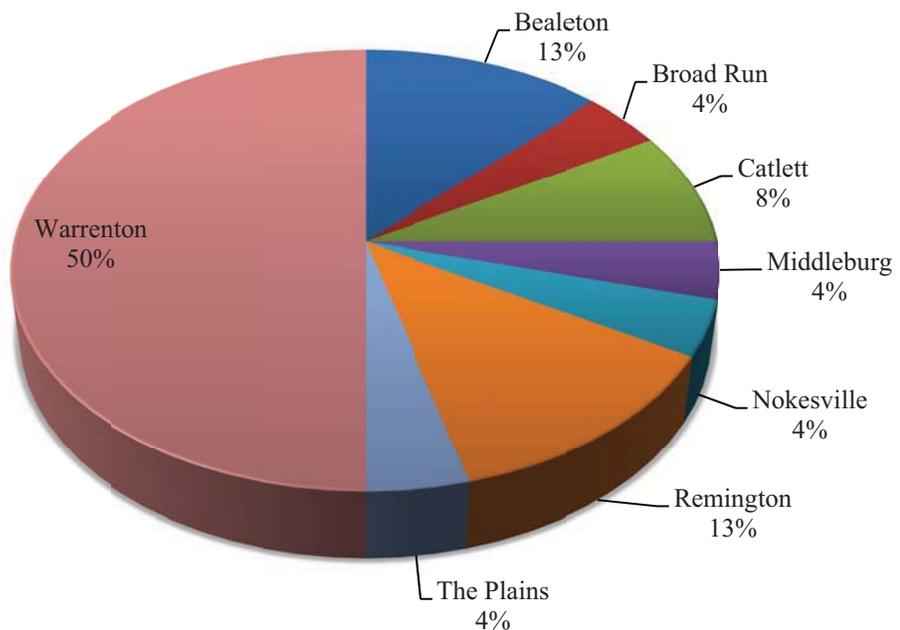
The volume of foreclosure and short sale listings has remained stable throughout 2012 at the lowest levels since the beginning of the recession with no marked fluctuations.

**Foreclosure Listings as of December 31, 2012**



33 foreclosure listing as of December 31, 2012. Source: Redfin.com

**Short Sale Listings as of December 31, 2012**

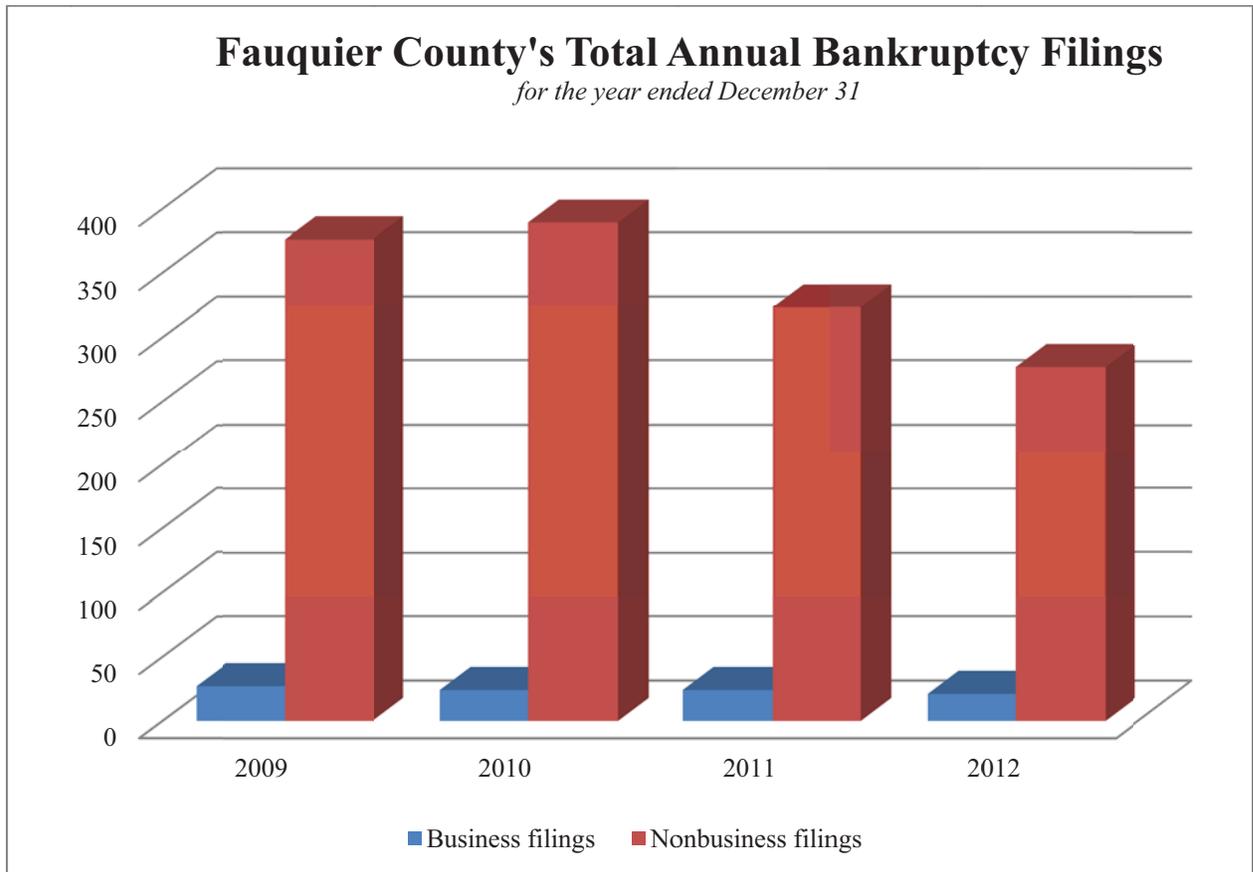


24 short sale listings as of December 31, 2012. Source: Redfin.com

## B. Historical Economic Indicators Data

### 1. Bankruptcy Filings

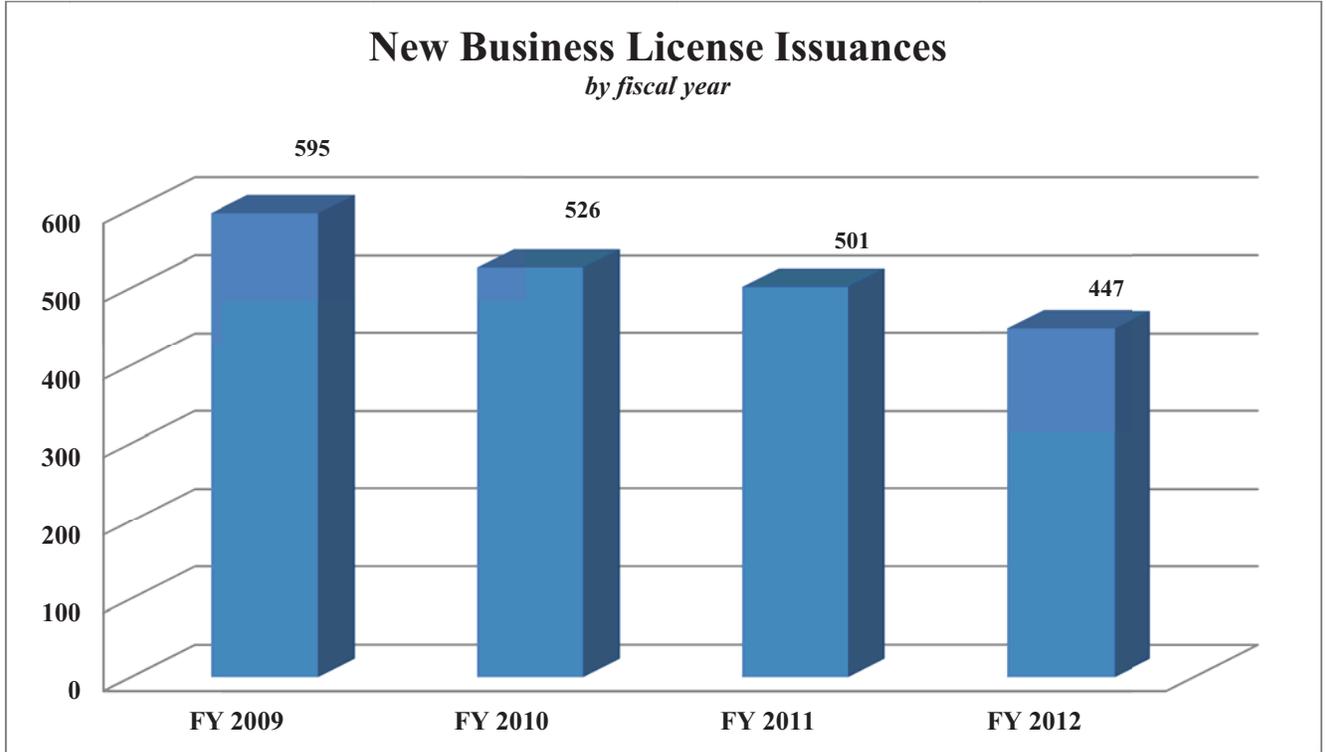
Bankruptcy filings in 2012 for both business and non-business filers continued to decline from the elevated levels of 2009 and 2010.



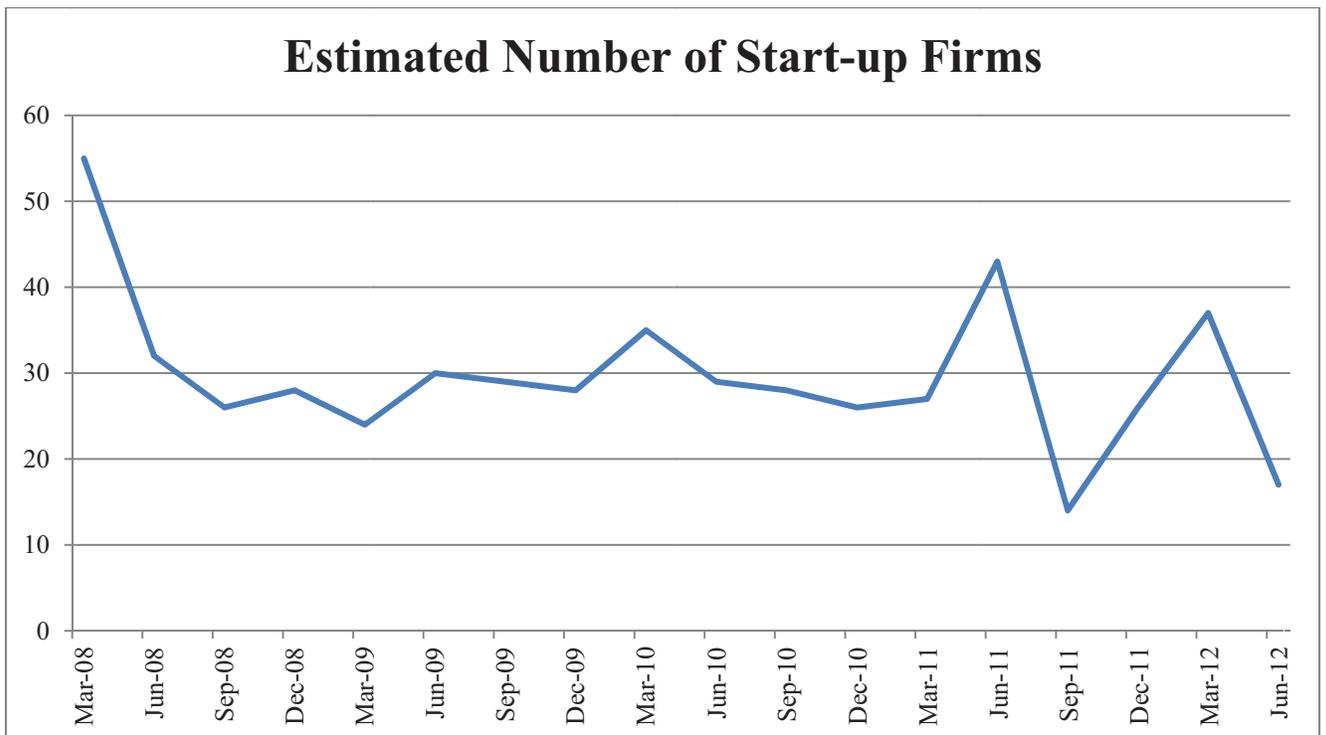
Source: United States Courts System

## 2. Businesses

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



Source: Commissioner of the Revenue



Source: Virginia Employment Commission

### 3. Residential Housing Market – Historical Data

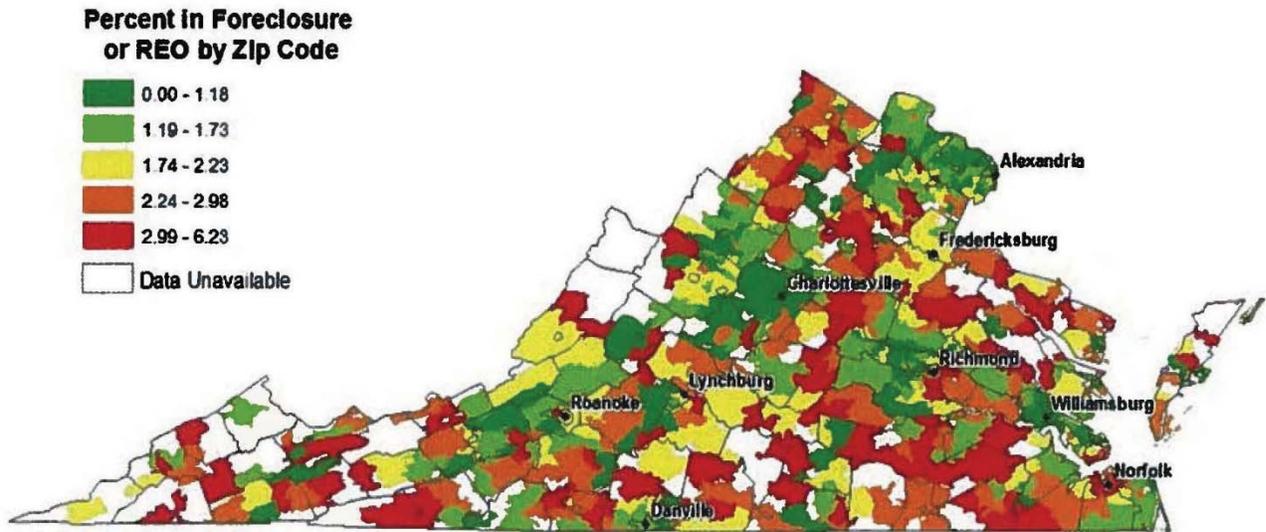
#### a) Residential Foreclosures and Delinquencies

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

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

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

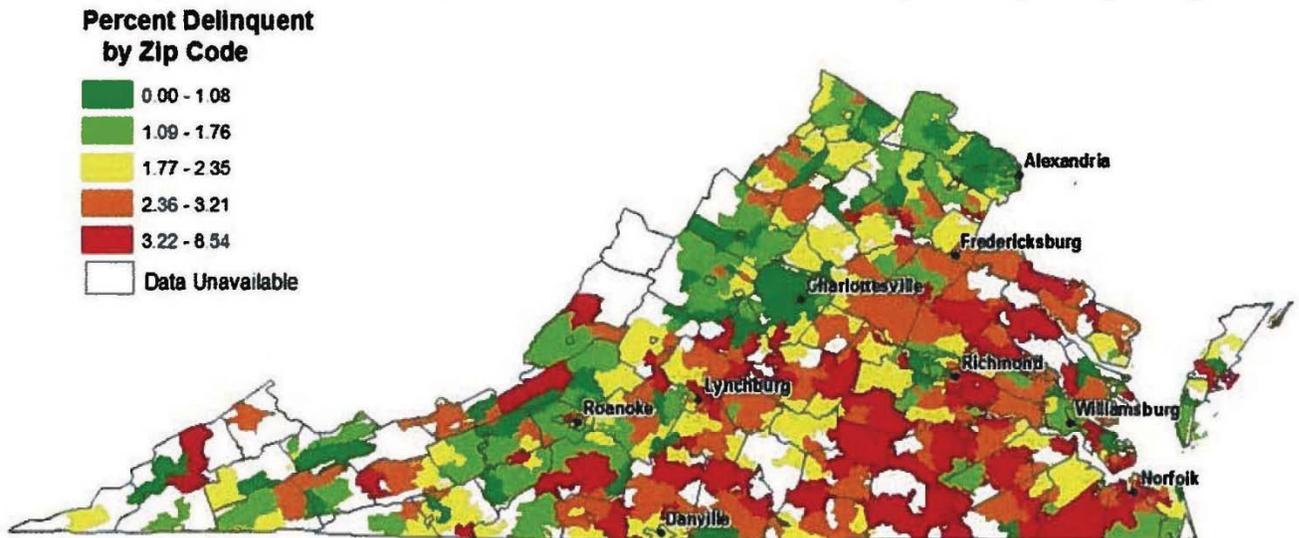
**Percentage of Owner-Occupied Prime Loans in Foreclosure or REO<sup>2</sup>: Virginia**



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/Lender Processing Services (LPS) Applied Analytics (September 2012)

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

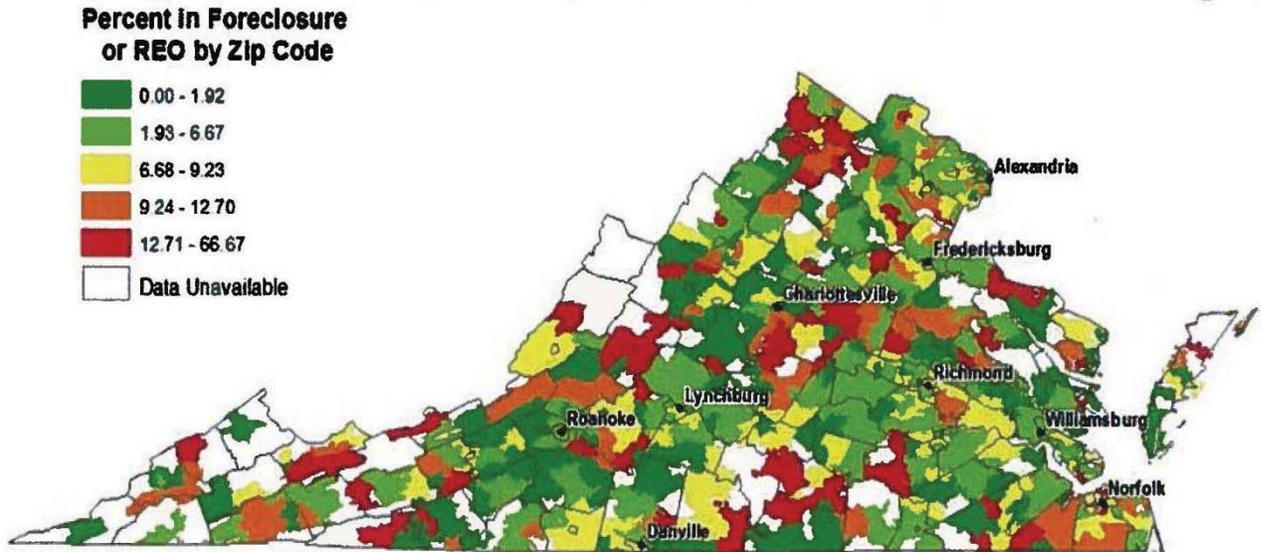


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

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

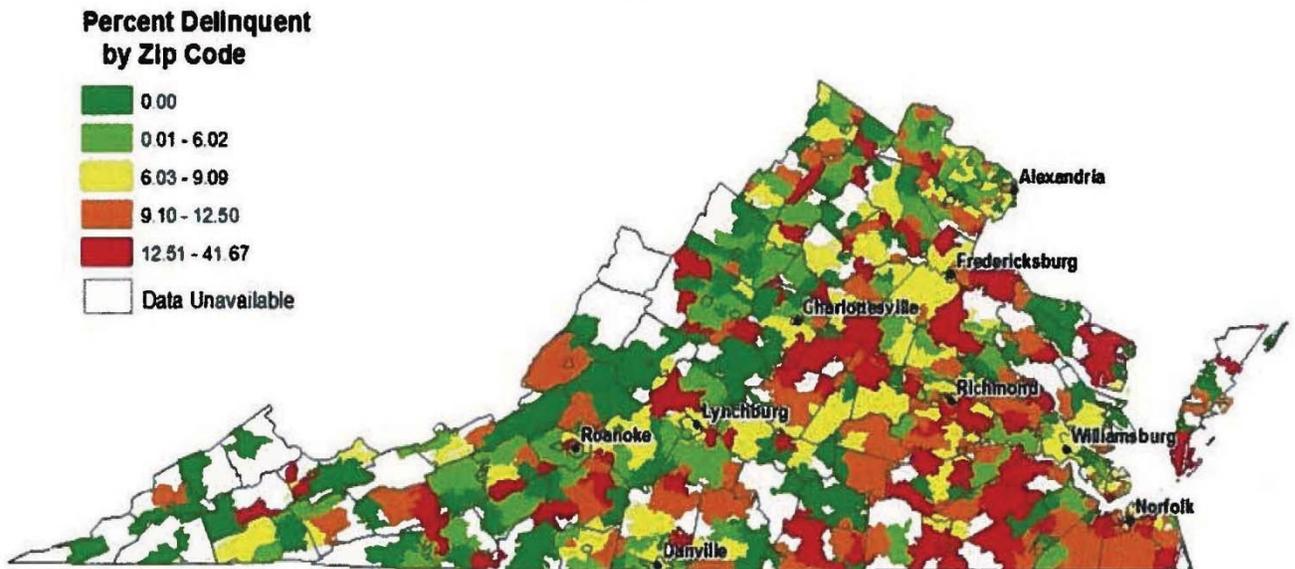
<sup>2</sup> Real Estate Owned (REO) properties are in the possession of the lender due to foreclosure or forfeiture.

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



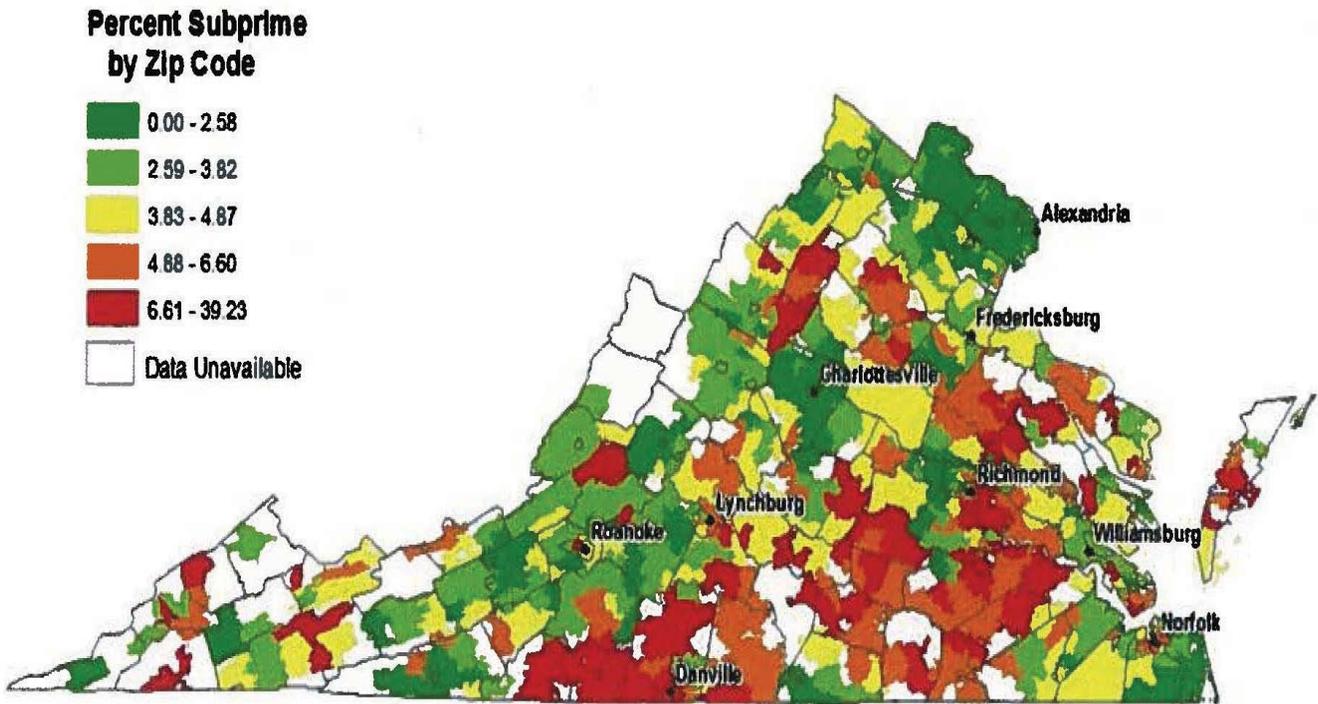
Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.  
 Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (September 2012)

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



Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.  
 Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (September 2012)

### Percentage of Owner-Occupied Mortgages with Subprime Loans: Virginia



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

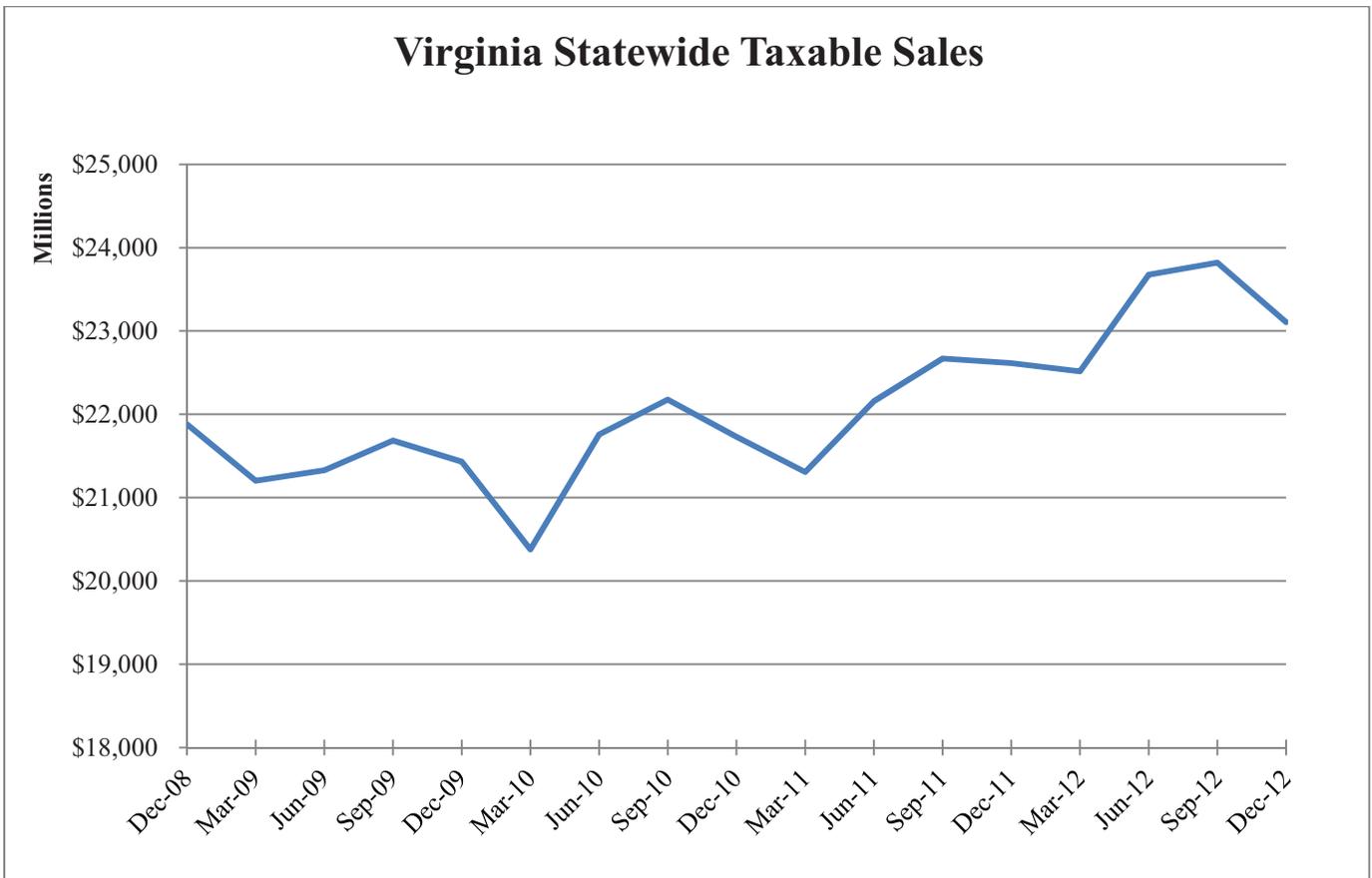
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (September 2012)

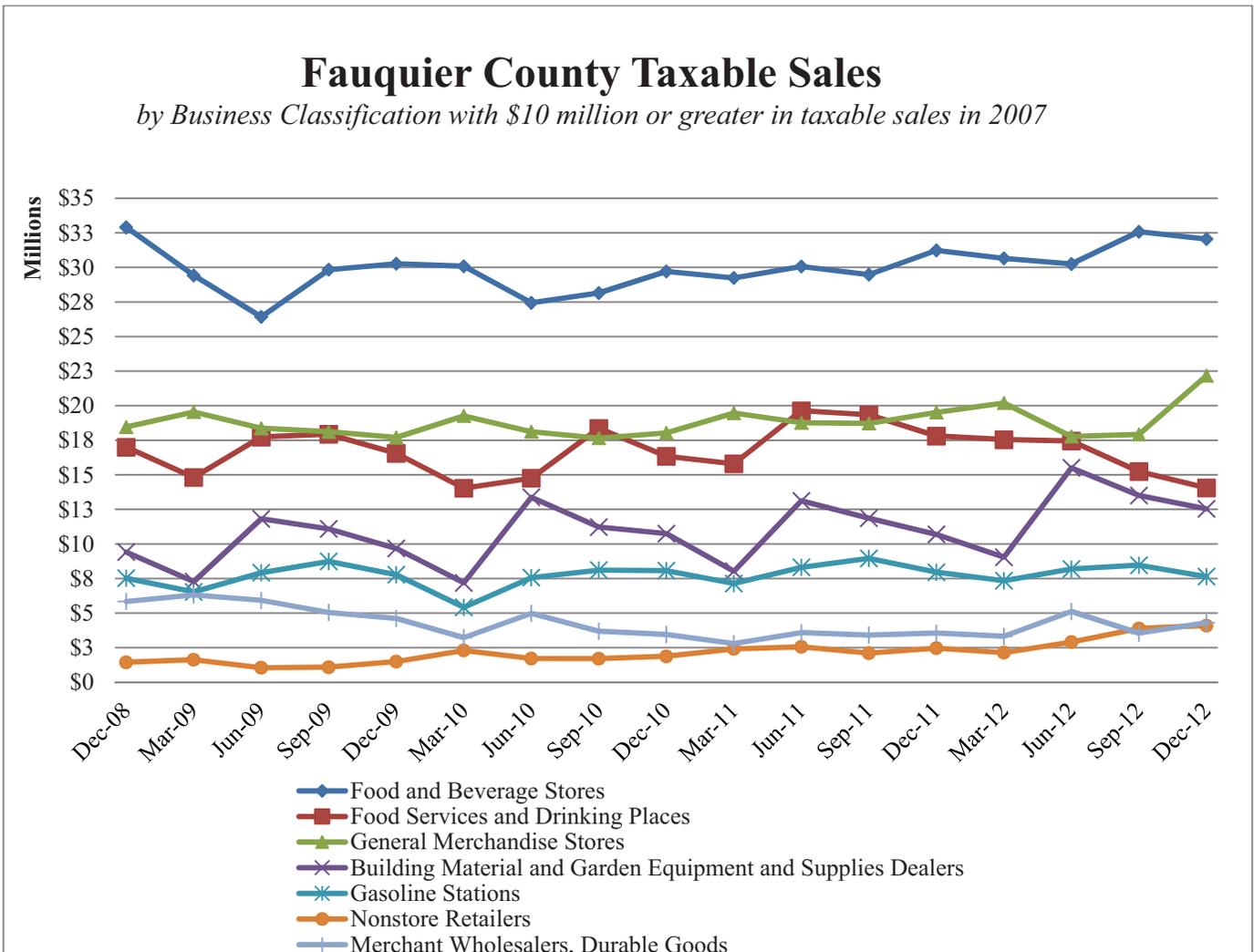
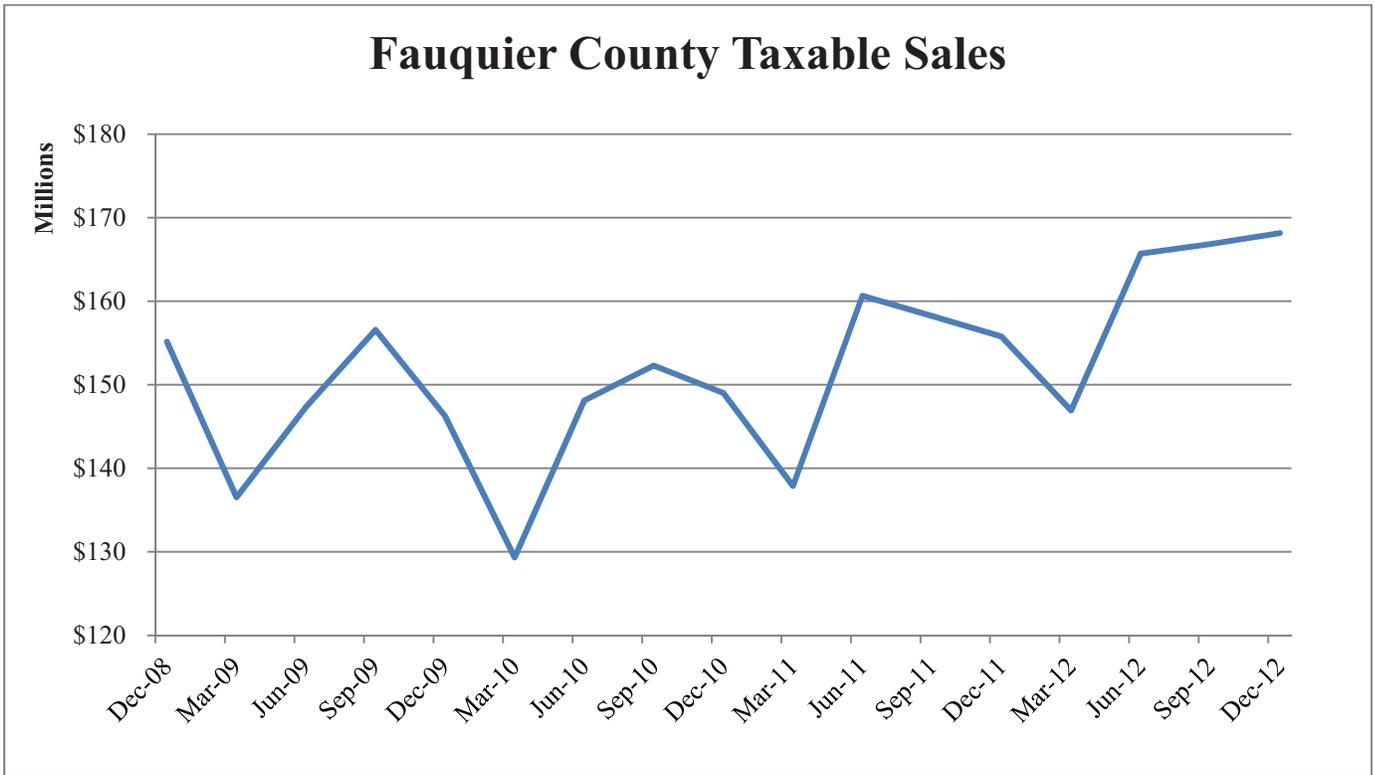
## 4. Taxable Sales

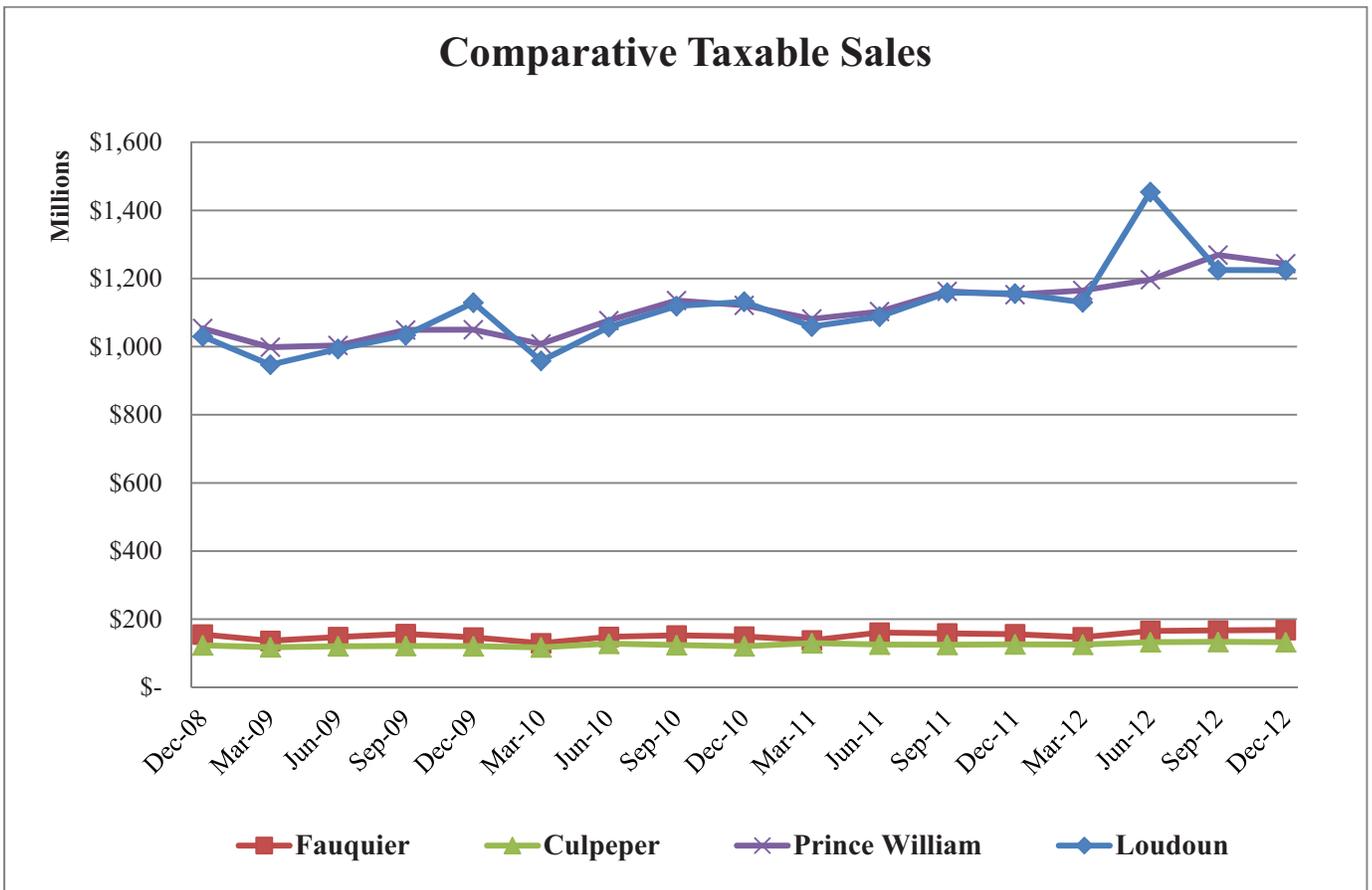
The following graphs provide data trends of taxable sales relative to the County, the State, and other local jurisdictions including:

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

The County’s taxable sales continue a slow, but modest recovery. The County’s largest business classifications of taxable sales, prior to the recession, continue to show improvements in 2012. The County’s taxable sales continue to experience sustained growth since the lows experienced at the start of 2010. The largest business classifications prior to the recession experience growth to pre-recession levels.







Source: Weldon Cooper Center for Public Service, UVA