



Overview

The purpose of this report is to provide an overview of different economic indicators that may impact Henrico County's ability to provide its services. This report compiles National, State, and Local data that measure current economic conditions from National Financial Markets to Local Car Registration. Most data will provide complete information for at least the previous fiscal year (FY23) and compare it to the current year (FY24). Data for FY24 is updated monthly as it becomes available. Some data is collected more frequently. Figures with dollar values will be in the millions unless indicated otherwise. Forward-looking statements should not be relied upon for investment decisions.

OMB Summary

March yielded largely mixed economic results. The S&P 500 fell significantly for the first time in almost six months. The index had previously been experiencing steady growth since November 2023. Consumer confidence continues its decline as elevated food and gas prices persist. Real GDP increased in Q1 2024, and unemployment went largely unchanged decreasing marginally at the National and State levels and growing only slightly at the County level. The Median Sales Price of homes in the County increased by \$27,000, falling directly in line with the cyclical nature of home prices although trending upward in recent years. This metric is expected to continue to rise and fluctuate throughout 2024, but limited inventory statewide has hampered sales volume, thus encouraging close continued monitoring. Thirty-year fixed mortgage rates grew to 7.0% in March. Year-to-date tax collections remained strong across all bases. While new residential construction continues to lag that of 2023, both used and new car registrations have been experiencing sharp upticks, and Richmond International Airport continues to break monthly passenger records indicating a robust and functioning economy.

Metrics Considered

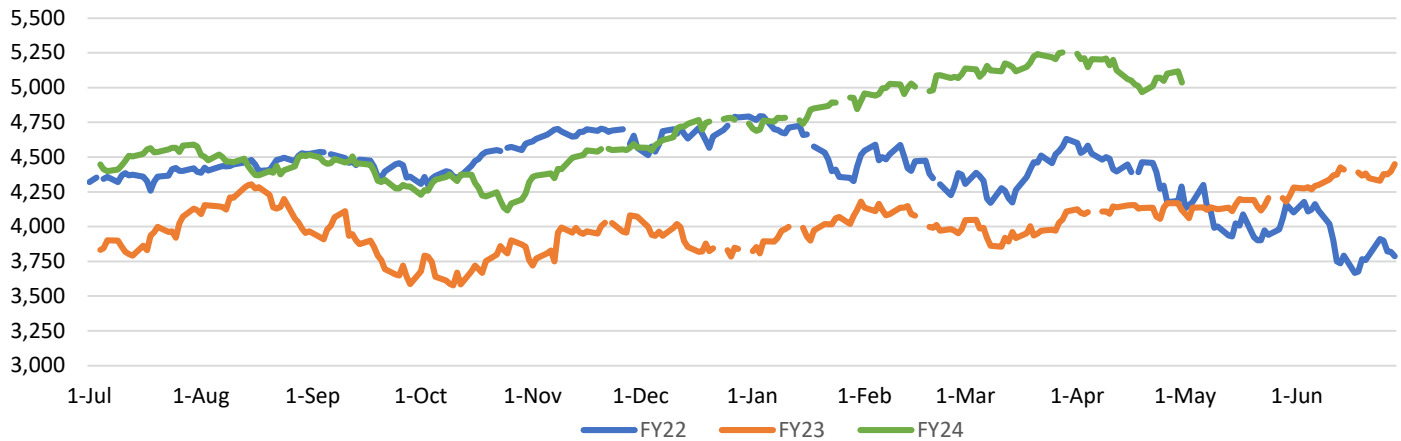
- **National:** S&P 500, Consumer Confidence Index, Real GDP, Wages, Consumer Price Index, Average Hourly Wage Changes against Changes in the Consumer Price Index, 30-Year Fixed Mortgage Rate, Crude Oil Prices
- **Virginia:** Unemployment Rate
- **Henrico:** Local Sales & Use Tax, Meals Tax, Real Property Tax, Personal Property Tax, Vehicle Registrations, Occupancy Tax, New Residential Construction, Average Days on the Housing Market & Median Sales Price, Residential Transactions & Foreclosures
- **Area:** Richmond Aviation Activity



National Metrics

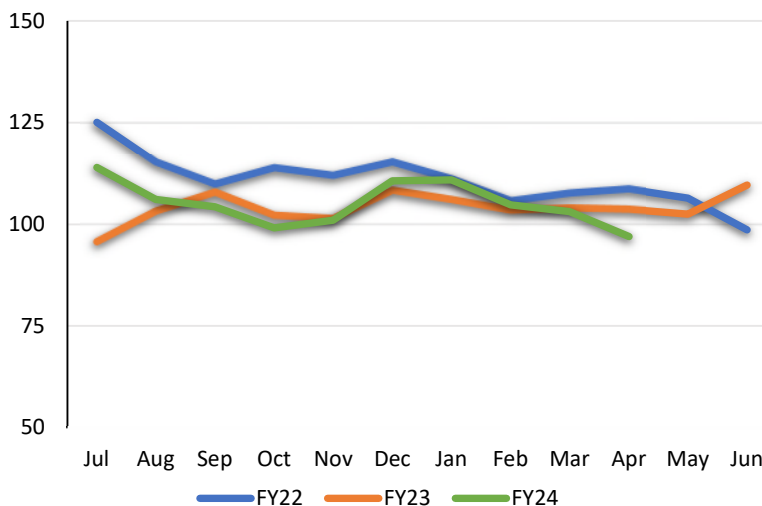
These indicators provide a mix of hard financial data as well as consumer consensus surveys to provide a macroeconomic and microeconomic view of the United States.

S&P 500



The **S&P 500** is a stock market index measuring the performance of 500 large U.S. companies on stock exchanges and is considered one of the best representations of the U.S. stock market. **The index reversed course in April, falling 219 points from March’s peak, and showing its first notable decline since October 2023¹.**

Consumer Confidence Index



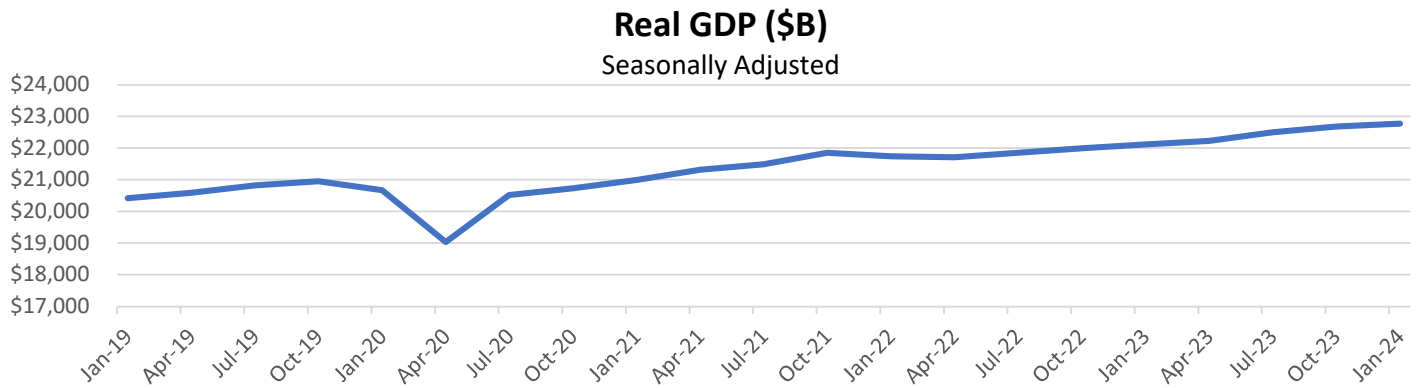
The **Consumer Confidence Index** is a monthly survey given to 5,000 randomly selected households gathering opinions on present situations and future expectations. It is benchmarked to 1985 (100) and best compared by reviewing month over month changes. **In April, the index retreated from a downwardly revised 103.1 to 97.0. Thus, marking its third consecutive month of decline, and its lowest level since July 2022. Consumers cited continued concern over inflated prices primarily regarding food and gas².**

¹ Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/SP500>

² The Conference Board; [US Consumer Confidence \(conference-board.org\)](https://www.conference-board.org/US-Consumer-Confidence)



National Metrics



The **Real Gross Domestic Product** is an inflation adjusted standard measure of all goods and services produced by labor and property located in the United States in a stated period. Gross domestic product can be calculated on a nominal or real (adjusted for inflation) basis. Since rising prices influence GDP, removing inflation related price changes isolates changes in production quantity. **In the first quarter of 2024, real GDP increased by 0.4%³ over Q4 2023, continuing the upward trend experienced since Q3 2022.**



The **Average Hourly Earnings of All Private Employees** measures average hourly earnings employers pay that include overtime and shift differentials but excludes benefits, bonuses, retroactive pay, or employer payroll taxes. While earnings data changes capture wage rate adjustments, they can also include changes in the mix of employment. **In March, the average hourly wage increased to \$34.68. This rise of \$0.12 from February represents a 0.3% increase⁴.** The last time wages decreased from the prior month was in June 2020 reflecting impacts of the pandemic.

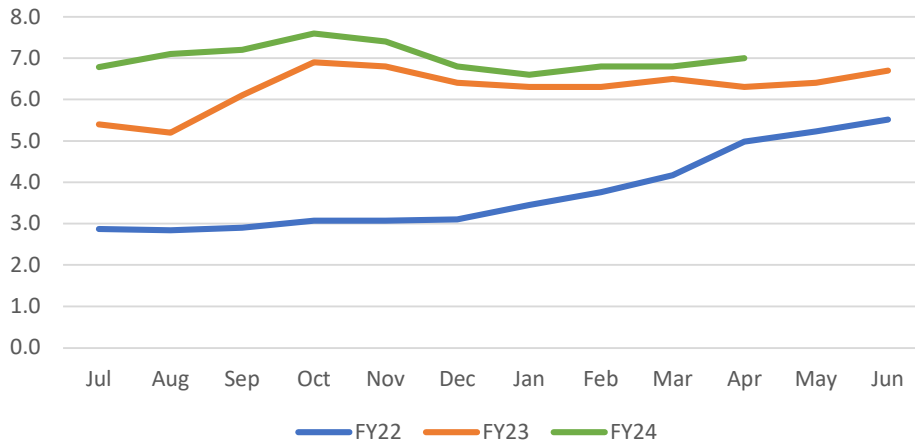
³ Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/GDP>; GDP data is published quarterly.

⁴ Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CES0500000003>



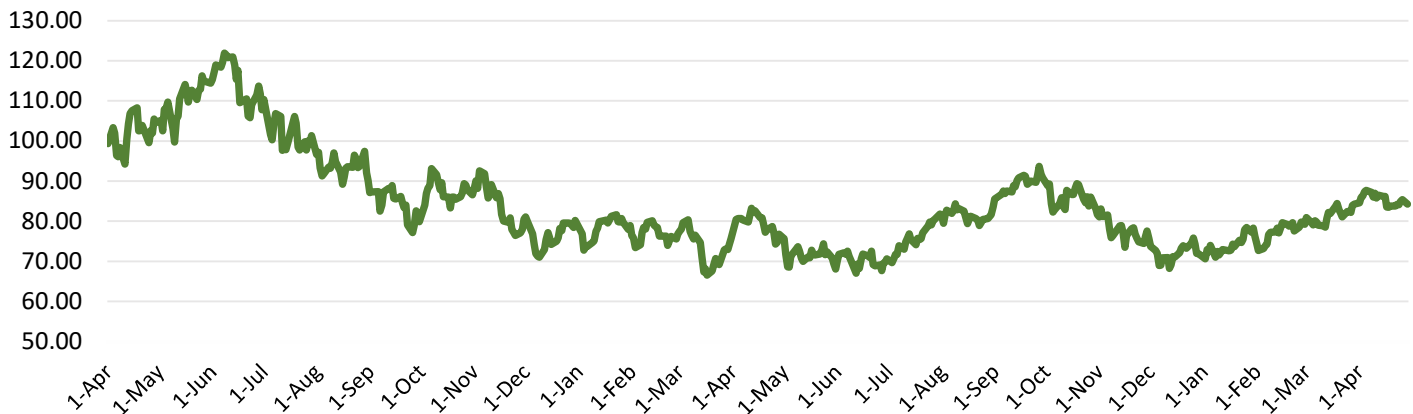
National Metrics

30 Year Fixed Mortgage Rates



The **30-year Fixed Mortgage Rate** is the most common financing mechanism used by residential home buyers. The interest rate represents the amount a qualified borrower will be charged by a lender over the loan term. **In April, the 30-year fixed mortgage interest rate increased from 6.8% to 7.0%⁶.**

Crude Oil Prices



Crude Oil Prices are the daily rate received for a barrel of unrefined oil produced in Texas and Southern Oklahoma – among the easiest to refine oils in the world and therefore a standard for oil prices worldwide. When crude oil prices change, the price at the pump paid by consumers changes in harmony. **The latest April pricing was recorded at \$84.26, an increase of one penny over the close of March⁷.** The volatility seen throughout 2022 illustrated exactly how impactful world events are on the price of crude, which subsequently impacted consumer spending and other economic inputs.

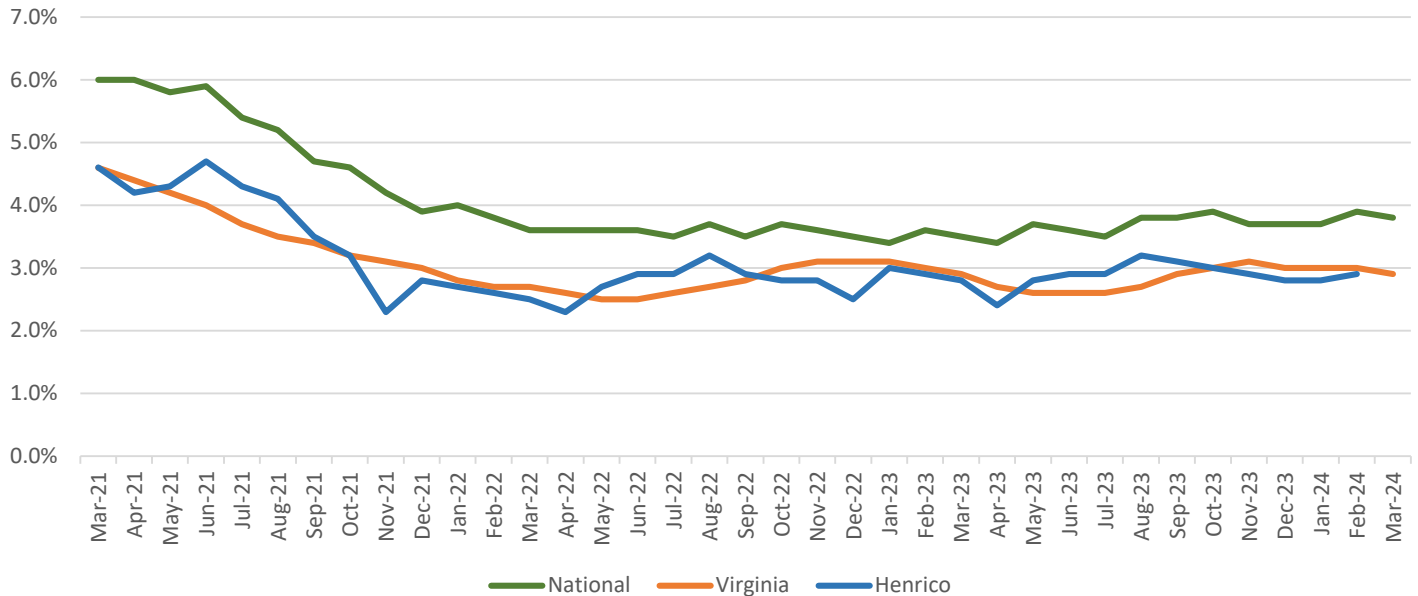
⁶ Freddie Mac; [30-Year Fixed-Rate Mortgages Since 1971 - Freddie Mac](https://freddie.com/research/mortgage-rates/)

⁷ Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/DCOILWTICO>



Combined Metrics

Unemployment Rates



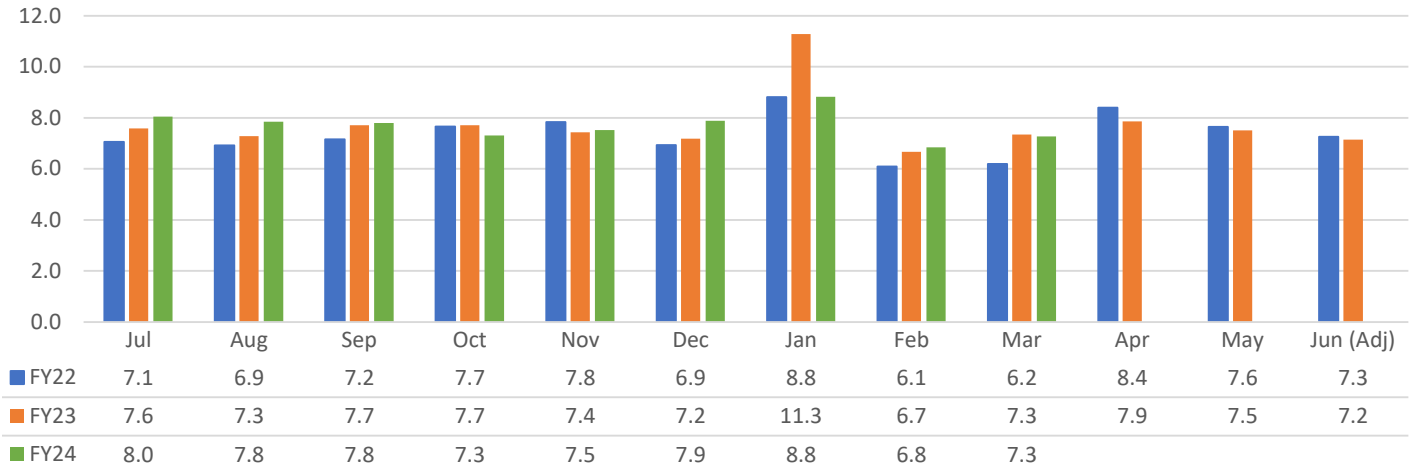
The **Unemployment Rate** shows the number of unemployed people as a percentage of the workforce. Known as the U-3 unemployment rate, an individual must be actively seeking work or laid off to be included. State unemployment data lags roughly six weeks while local unemployment data lags 9 weeks. **In the month of March, the unemployment rate decreased from 3.9% to 3.8% at the national level and from 3.0% to 2.9% at the state level. In the month of February, Henrico’s unemployment rate increased from 2.8 to 2.9%⁸.** Historically, Henrico unemployment rates have trended closely with the National and State levels.

⁸ US Bureau of Labor Statistics; <https://data.bls.gov/lausmap/showMap.jsp>



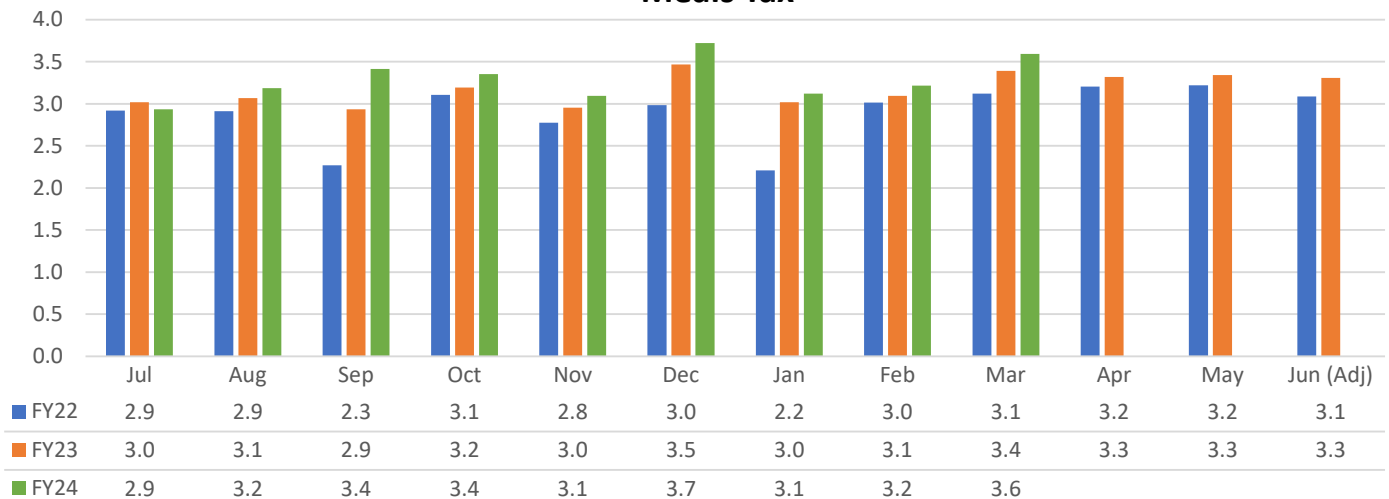
Henrico Metrics

Local Sales & Use Tax



Henrico County **Sales & Use Tax** amounts to 6% on each purchase collected by the Commonwealth. By law, 1% is then remitted back to the County from the State. **March FY24 recorded collections of \$7.3 million, coming in almost exactly where it did during the same period in FY23.**

Meals Tax

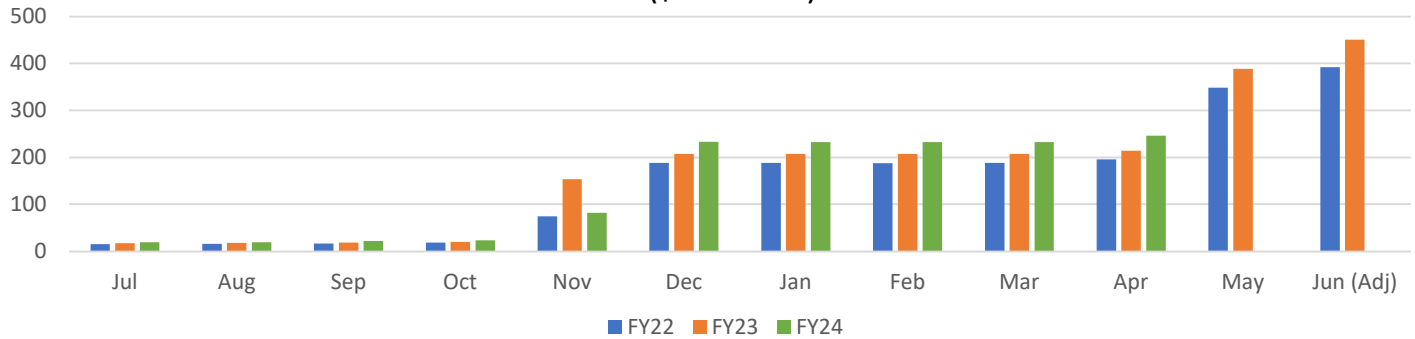


Henrico’s **Meals Tax** establishes a 4% tax on prepared food and beverages. Revenue generated by the Meals Tax is dedicated to the operational and capital project needs of Henrico’s Public Schools. Collections are backdated two months and compared as year-over-year monthly collections. **March FY24 collections of \$3.6 million represent an increase of 5.9% over March FY23 collections.** FY23 collections of \$38.1 million far exceeded pandemic and pre-pandemic levels reflecting an overwhelming resurgence in dining out.



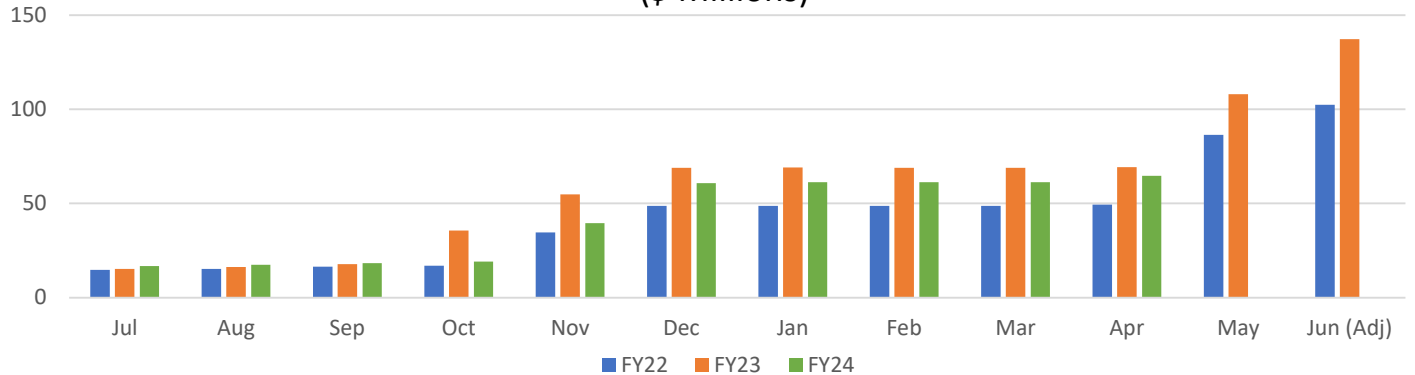
Henrico Metrics

Real Property Taxes (\$ Millions)



Real Property Taxes are collected on property used for residential and nonresidential purposes. The Code of Virginia provides for assessment of real property at 100% of fair market value, which is the probable amount a property would sell for today if exposed to the market for a reasonable period. Collections are due twice a year in December and June. At the time of publication, **Real Property Tax Collections for April FY24 year-to-date recorded \$246 million.** Higher FYTD collections than any time previously recorded. This is largely due to the continued increase in home assessments witnessed in recent years.

Personal Property Taxes (\$ Millions)

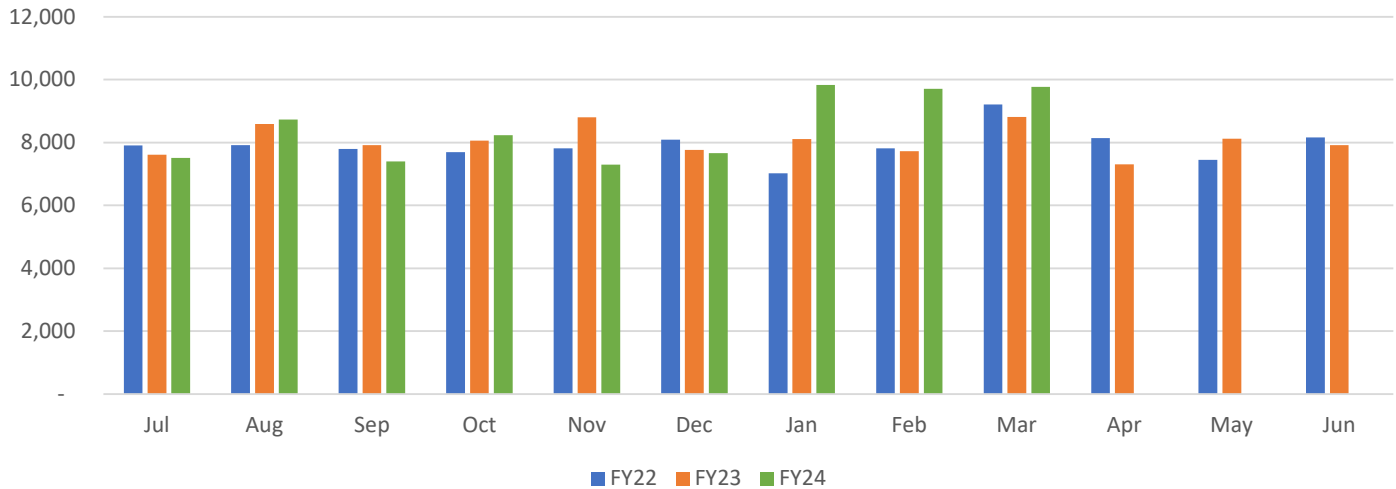


Personal Property Taxes are collected on all vehicles including cars, trucks, trailers, motorcycles, motor homes, aircraft, and watercraft. Personal property is collected in the locality where it is normally garaged, docked, or parked. Henrico County uses the J.D. Power Official Used Car Guide as of January 1st of each year to establish valuations. Collections are due twice a year in December and June. **Personal Property Tax Collections for April FY24 year-to date totaled \$65 million.** Throughout FY23 Personal Property Tax Collections reflected significant increases in used vehicle assessments. These increases were the result of price volatility in the used vehicle market due to supply chain shortages. However, since Q1 FY24 used vehicle prices have started to come down as more supply has become available.

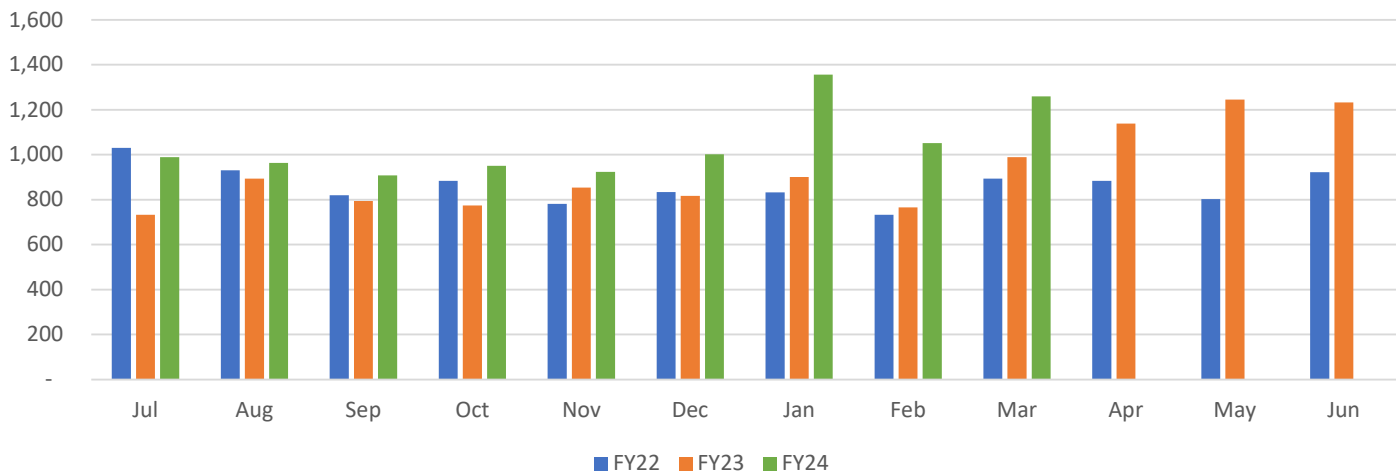


Henrico Metrics

Used Car Registration



New Car Registration

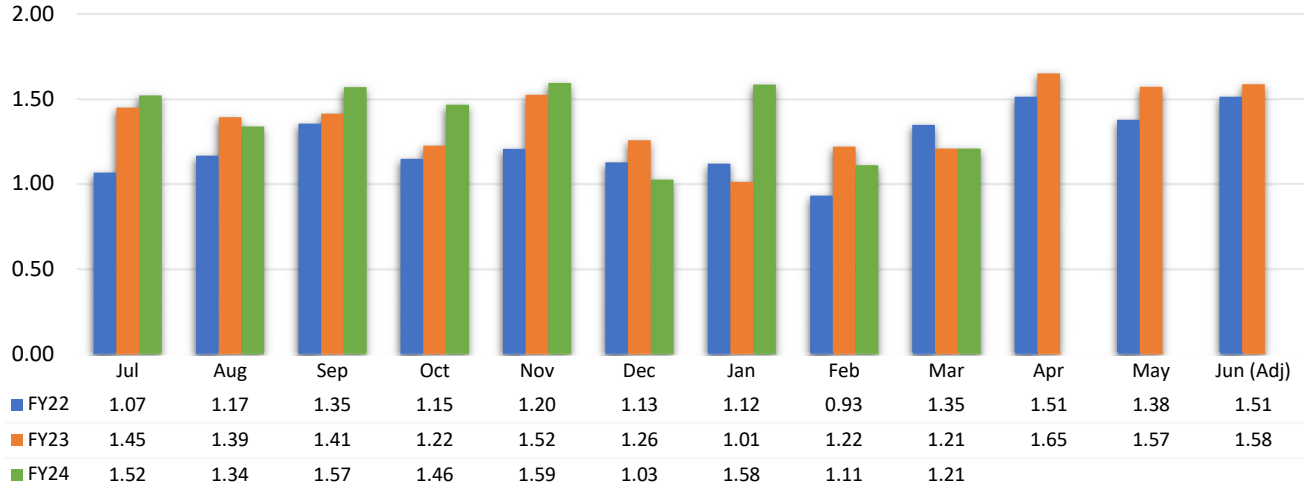


Vehicle Registration data is acquired from the Virginia Department of Transportation and is comprised of both new and used vehicles; the metric strongly correlates to vehicle sales. **Used Car Registrations in March recorded 9,765, a count 952 higher than that of March FY23. New Car Registrations in March recorded 1,259, a count 270 higher than March FY23. New Car Registrations have consistently exceeded FY23 values, marking a return to normalcy in supply chain operations.**



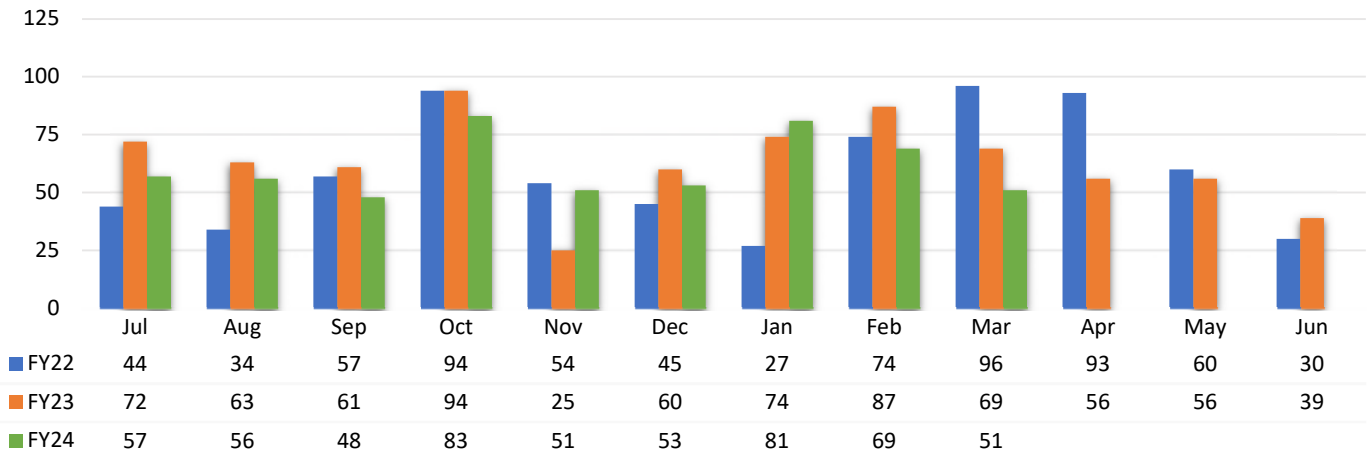
Henrico Metrics

Occupancy Tax



Henrico’s **Occupancy Tax** is collected on lodging for overnight stays. **Occupancy Tax collections in March FY24 fell right in line with those of March FY23.**

New Residential Construction

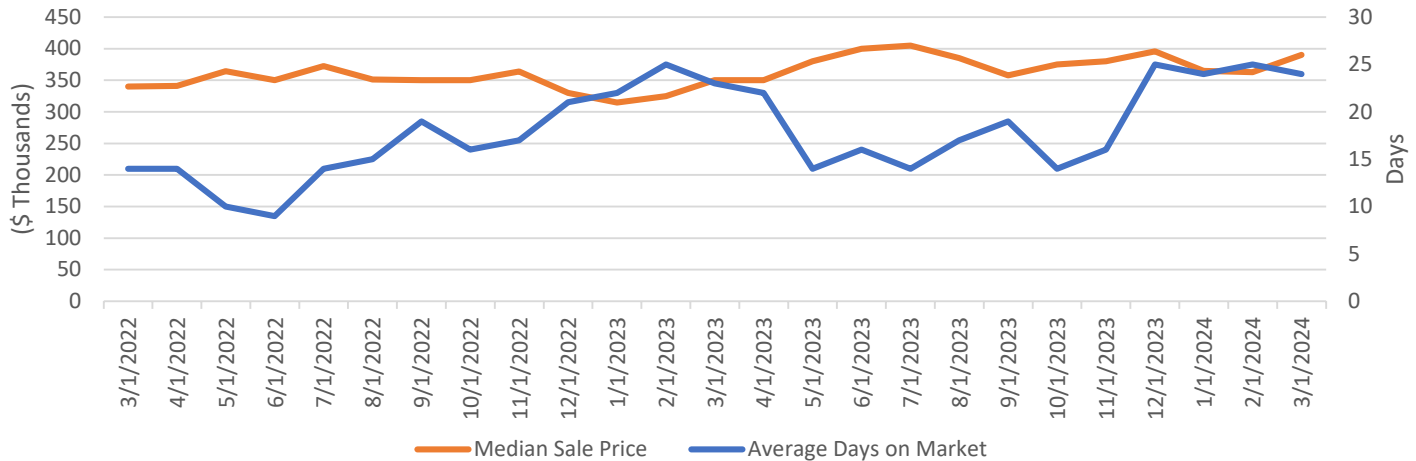


New Residential Construction is comprised of new single-family houses that were issued building permits. A slowdown may indicate worsening economic conditions, increased competition from neighboring localities, or a lack of expansion capabilities. **March FY24 construction recorded 51 permits, 18 less than March FY23.**



Henrico Metrics

Average Days on Housing Market and Median Sales Price (Henrico)



Average Days on the Housing Market and Median Sale Price provides a benchmark of the state of the housing market in Henrico. An increase in the time spent on market may indicate a slowing of the housing market, while a decrease may indicate acceleration. Median Sale Price tracks the middle value of homes sold in the County that month and can provide insight into the general direction of the market. **In March 2024, the Median Sale Price rose \$27,000 to \$390,000; this is 11.4% higher than the median of March 2023, and 14.7% higher than March 2022⁹.** The low supply of inventory continues to put upward pressure on home prices, although the data suggests a slowdown in transaction volume¹⁰. Average Days on the Housing Market decreased from 25 in February to 24 in March.

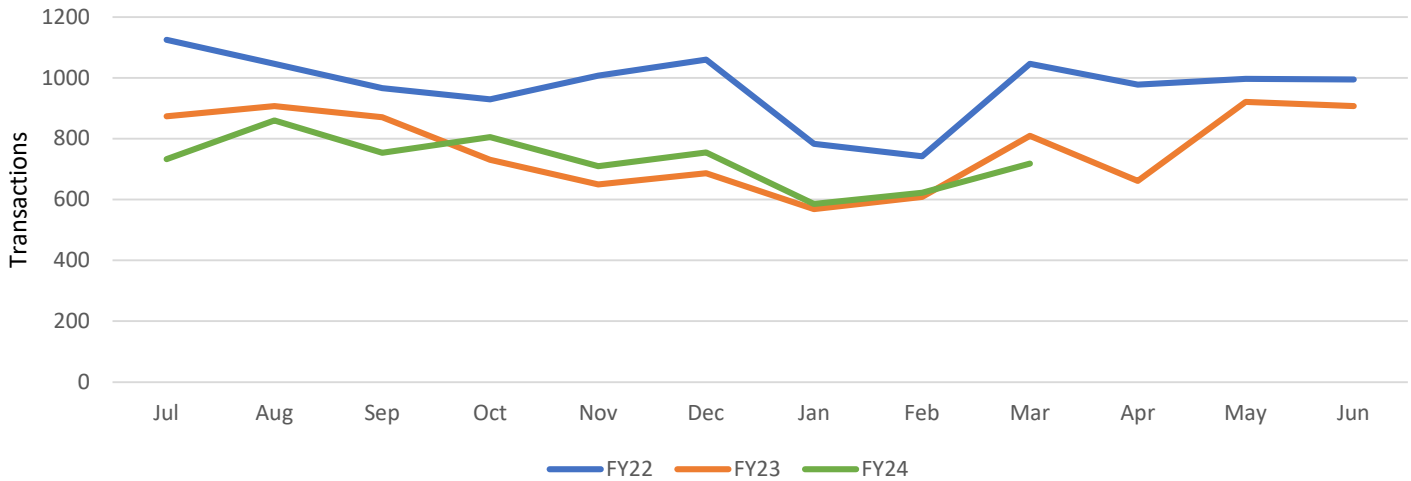
⁹ Long & Foster; <https://marketminute.longandfoster.com/market-minute/va/henrico-county.htm>

¹⁰ Virginia Realtors; <https://virginiarealtors.org/research/reports/home-sales-reports/february-2024-home-sales-report/>



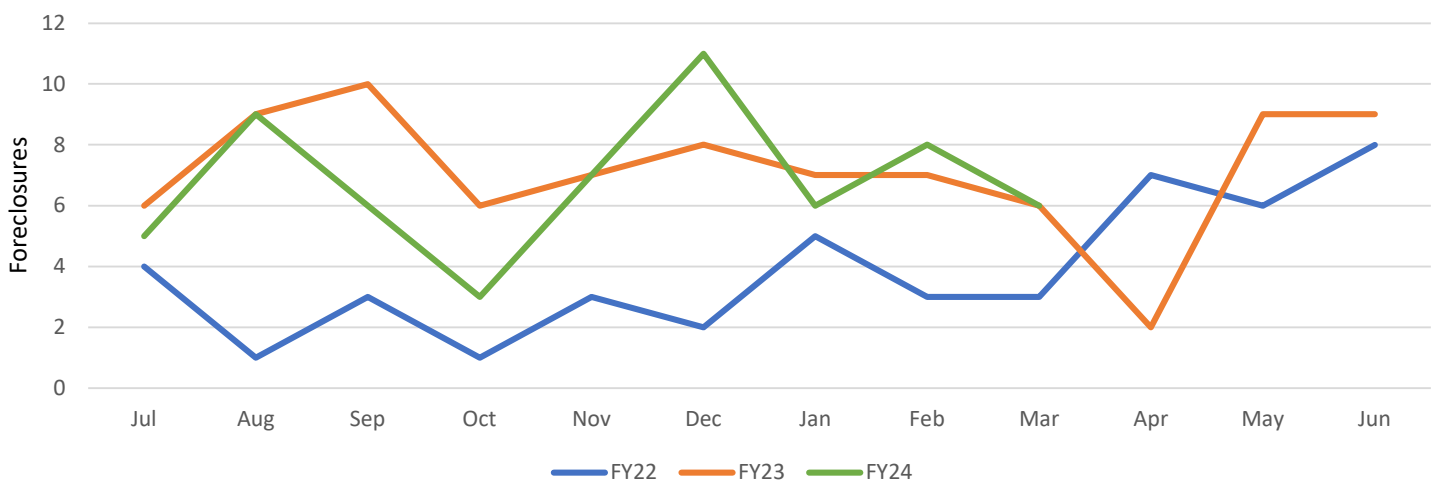
Henrico Metrics

Residential Transactions



Foreclosures & Transactions data represents Henrico’s completed residential sales and reports residential foreclosures. These provide a snapshot of Henrico’s housing market. Consistency in transactions represents a healthy and growing market. **718 total residential transactions were recorded in March FY24, 92 less than March FY23.**

Residential Foreclosures



There were 6 foreclosures reported in March, a decrease of 2 from February.

