2017

Fiscal Health Outlook Report

Published November 1, 2018

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Introduction

This report provides a framework for monitoring Prince William County's financial condition for Fiscal Year 2017. The continuous monitoring process utilized herein is a management tool that pulls together information from the County's budgetary and financial reports and combines it with economic and demographic data.

Included is trend analysis to help gauge the fiscal health of Prince William County. Local trends are compared with both regional and national trends. The County utilized the services of Public Financial Management, Inc. (PFM) to prepare this report. Unless otherwise indicated, the source of trend data for Prince William County comes from the Auditor of Public Accounts report entitled "Comparative Report of Local Government Revenues and Expenditures" for the respective years shown. Additional trend data is taken from the County's Comprehensive Annual Financial Report (CAFR) Statistical Section and other financial and accounting records. The sources of trend data for the comparison jurisdictions included in this report are their respective CAFRs. The comparison group includes the Virginia counties of Fairfax, Hanover, Arlington, Henrico, Chesterfield and Loudoun, as well as Howard and Anne Arundel County, Maryland and Wake County, North Carolina.

Executive Summary

A credit rating is an assessment of the general creditworthiness of an obligor or the creditworthiness of an obligor with respect to a particular debt security or other financial obligation, based on relevant risk factors. Credit rating criteria and methodology have grown in complexity over time, with both quantitative and qualitative analysis involved.

In general rating agencies look at the following primary credit factors – *financial/budgetary performance*, *economy and tax base*, *debt and pension obligations* and *governance/management*.

Rating agencies use a quantitative scorecard approach to provide a composite score of a local government's credit profile based on the weighted factors deemed most important, measurable and prevalent. Qualitative adjustments, or notching factors, are used when events or certain characteristics of the local government may be more significant determinants of a rating than the pure scorecard weighting might otherwise imply. Examples of qualitative adjustments include, but are not limited to, the following:

<u>Financial/Budgetary Performance</u>

- ↑ Additional borrowable liquidity
- ↑↓ Strong or weak budget planning and management (e.g. five-year plan)
- ↓ Reliance on uncertain federal or state aid
- ↓ Limited revenue raising ability or restrictive tax caps
- ↓ Heavy fixed costs
- ↓ Volatile revenue sources
- ↓ Large structural imbalance

Economy and Tax Base

- ↑ Presence or proximity of a university, state capital or Nation's capital
- ↑ Exceptionally high household wealth levels
- ↑ Expected future development
- ↑↓ Median home value and real estate values trend
- ↑↓ Population trends
- ↑↓ Composition of the workforce and employment opportunities
- ↓ Expected decline in tax base due to corporate closures or tax appeals
- ↓ High poverty rate

Debt and Pension Obligations

- ↑↓ Unusually rapid or slow amortization of debt principal
- ↑ Established pension or OBEP reserve
- ↓ Heavy capital needs implying future debt increases

Governance/Management

- ↑ Formal financial policies
- ↑ History of conservative budgeting
- ↑ Active monitoring of budget performance
- ↑ Well-defined plan for restoring structural operating balance and/or replenishing reserves
- ↑ Ability and willingness to make adjustments in response to economic and financial pressures
- ↓ Reliance on cash flow borrowing
- ↓ Weaknesses in best practices
- ↓ Political polarization that makes budgeting and decision-making difficult

This chart provides a summary of the overall credit strengths and weaknesses of the County as last reported in April of 2018 by the three major credit rating agencies, Moody's Investors Services (Moody's), S&P Global Ratings (S&P) and Fitch Ratings (Fitch).

Prince William's Strengths and Weaknesses

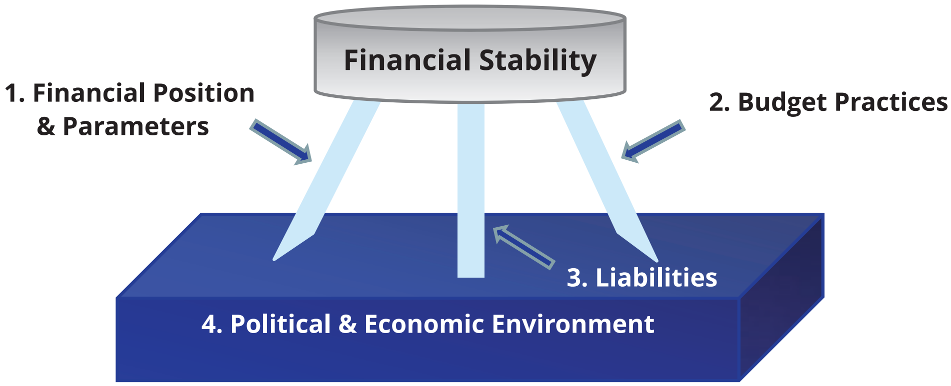
Positives	Negatives
Economy & Demographics	**Economy & Demographics**
• Above average wealth levels • Dynamic, diversifying local economy, favorably located near the nation's capital • Very low unemployment rate, below commonwealth and national averages • Sizeable tax base experiencing healthy growth and ongoing growth potential	• High exposure to changes in federal defense spending, which was volatile over the past decade • Historically volatile tax base, which was hit very hard during the recession
Financial Condition	**Financial Condition**
• Solid reserve and ample liquidity position • Strong budgetary performance, which takes into account the ongoing internal financing of various capital projects • Maintenance of a capital reserve fund for pay-go capital projects	• None
Debt and Pension	**Debt and Pension**
• Conservative debt management practices • Above-average debt repayment with 70% retiring within 10 years	• Debt burden relative to full valuation is above average • Above average pension liability relative to operating revenues • Debt burden expected to increase to fund school and other capital needs
Management	**Management**
• Strong management team supported by formal fiscal policies and very strong financial practices • Use of multi-year forecasting tools and frequent budget monitoring	• None

Sources: Moody's report dated April 24,2018; Fitch report dated April 3, 2018; S&P reported dated April 20, 2018

After making all qualitative adjustments to their rating metrics, either upward or downward, the County rates 'AAA' from all three major credit rating agencies.

Fiscal Stability

According to the Government Finance Officers Association (GFOA) a financially sustainable community provides services to citizens within its available means while proactively taking measures to build and preserve its ability to provide services in the future. The drawing below depicts a three-legged stool comprised of sound financial position and parameters, flexible budget practices and manageable liabilities. The stool sits on a foundation made up of the political and economic environment. These are the same factors the rating agencies assess when assigning a bond rating to a municipality. While the County is a triple-AAA jurisdiction, as affirmed in April 2018, there are some areas that are not as strong as others, based purely on the rating agencies' quantitative scoring metrics. However as previously noted, each rating agency also looks at qualitative factors, namely the political environment, governance and additional economic, financial and debt factors, and can make upward or downward adjustments to a score based on that assessment.

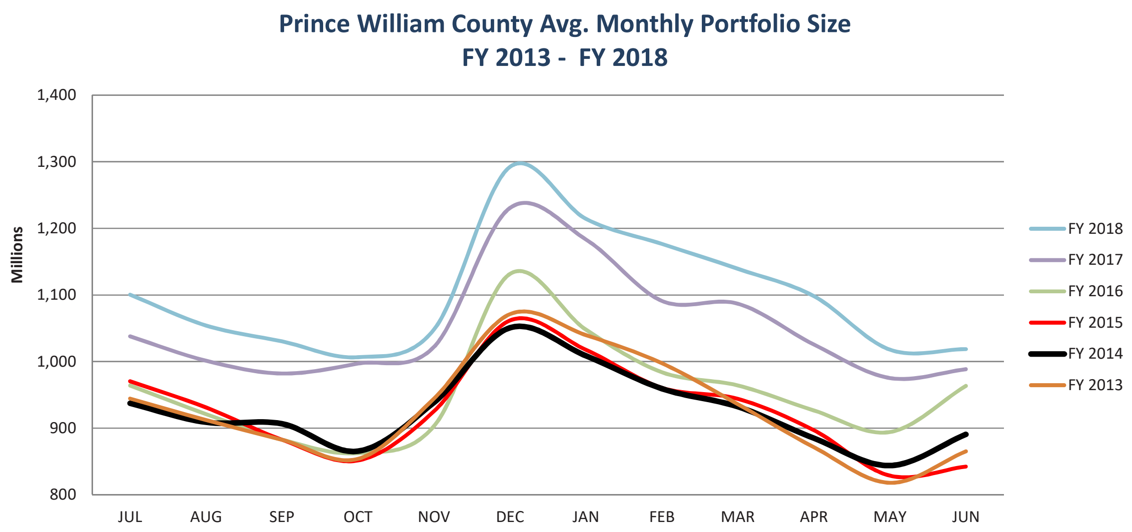


Source: Government Finance Officers Association

Financial Position

Cash

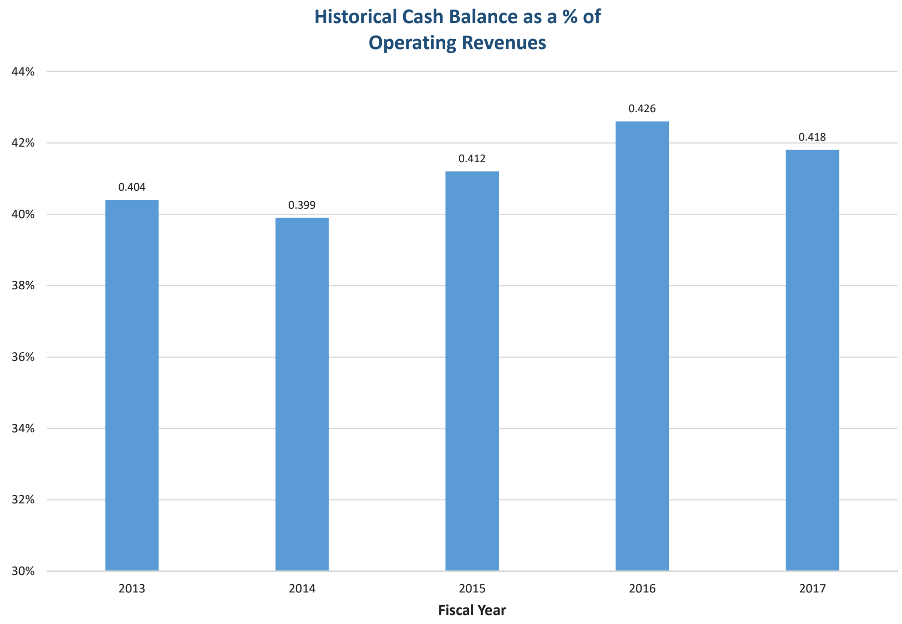
One of the areas assessed related to financial position is the cash balances or liquidity. This chart shows the history of the County's portfolio since 2013. Increases in portfolio size typically come from additions to fund balance/year-end savings as well as a portion of annual revenue growth. The portfolio has seen steady growth since 2016, which was attributed to the inflow of Northern Virginia Transportation Authority (NVTA) monies and bond proceeds from the Virginia Public School Authority (VPSA) and Industrial Development Authority (IDA) for school construction and the new central district police station, respectively. Additionally, after seven years of historical low rates of near zero, the Federal Open Market Committee (FOMC) began increasing the target Federal Funds rate at the end of 2015. Since then, the FOMC has incrementally raised the target rate to 2% to 2.25% with an additional 25 basis point rate hike anticipated in December 2018.



Liquidity

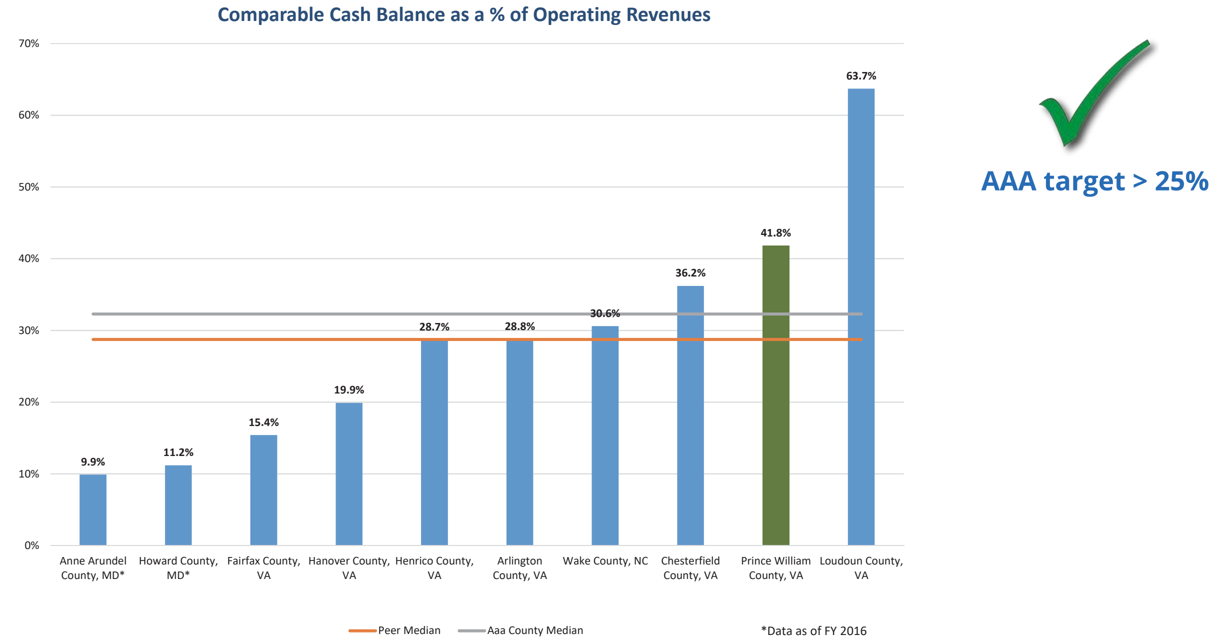
Liquidity ratios analyze the ability of an organization to pay off both its current liabilities as they become due as well as its long-term liabilities as they become current. In other words, these ratios show the cash balance levels of the County and the ability to turn other assets into cash to pay off liabilities and other current obligations. Cash basis liquidity measures assess the County's relative degree of financial cushion. A good indicator of liquidity level is the cash cushion available to an entity at the end of the fiscal year.

Rating agencies examine the historical cash balance as a percentage of operating revenues to determine whether an entity has a strong or weak cash margin. A history of weak year-end liquidity signifies a tight cash position with little buffer available if operating revenues unexpectedly decline. Moody's AAA target for this metric is greater than 25 percent. The County is currently above 40% and rates 'AAA' in this category, with cash balances exceeding $826 million at June 30, 2017.

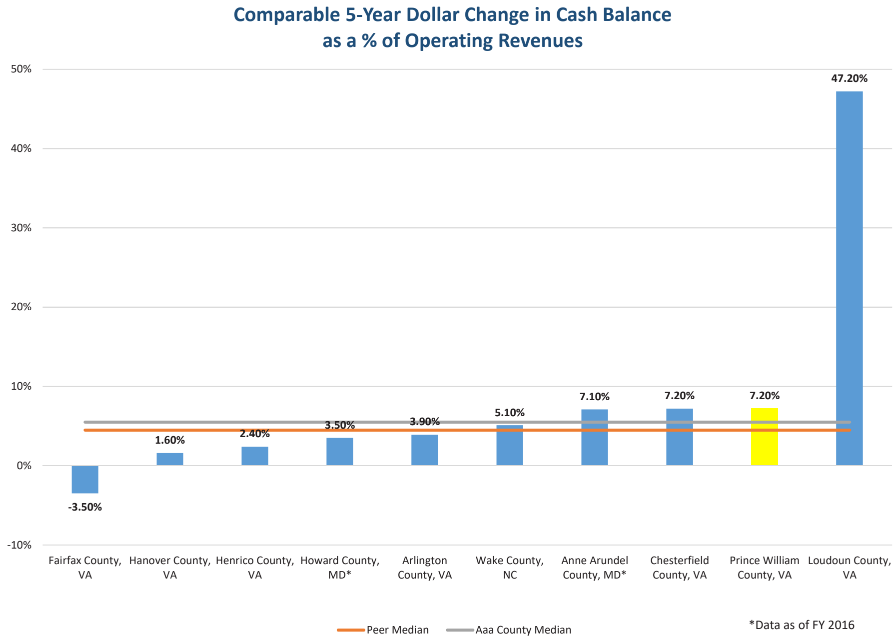


AAA target > 25%

The chart below compares Prince William County to the peer group median and the median of all AAA rated counties in the nation for this particular metric. Compared to our peers, the County exceeds both the peer median and the AAA county median.

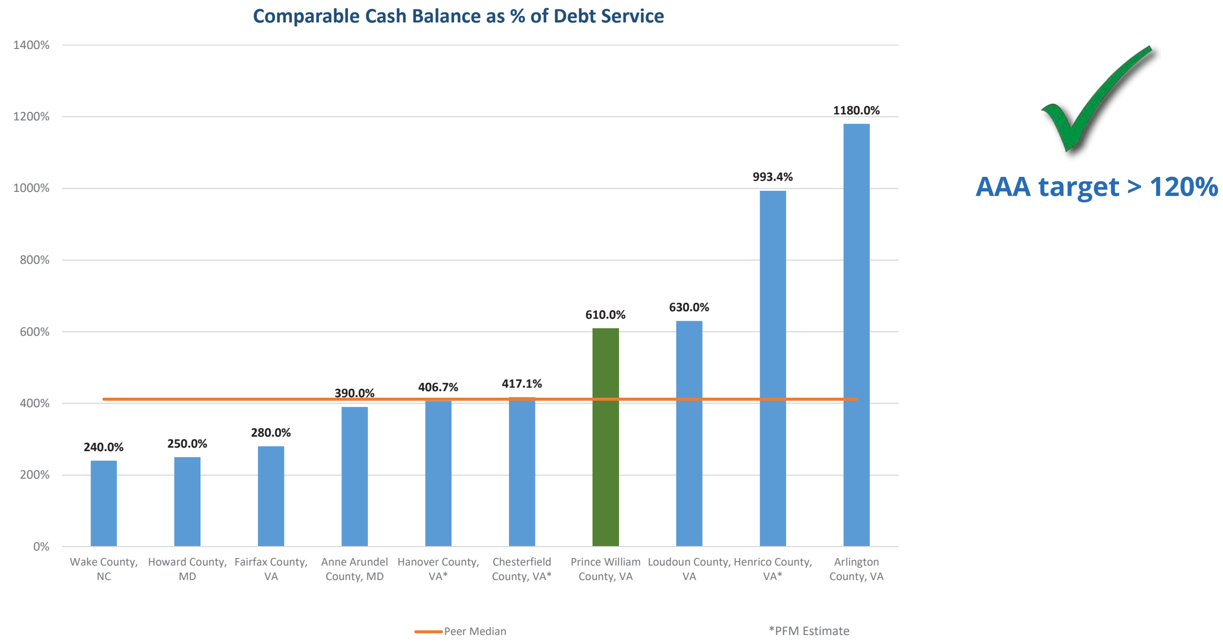


Another liquidity metric used by Moody's is the five-year dollar change in cash balance as a percentage of operating revenues. Stated differently, this is the change in cash balance over a five-year period of time as a percentage of operating revenues. The AAA target is greater than 25 percent. Upward qualitative adjustments may be given for additional borrowable liquidity. On the flip side, a downward adjustment may be given for reliance on uncertain federal or state aid, for example. In this category, on a pure quantitative scoring basis, the County rates only 'A'. However, as the chart below shows, the County still exceeds both the peer median and the AAA county median.

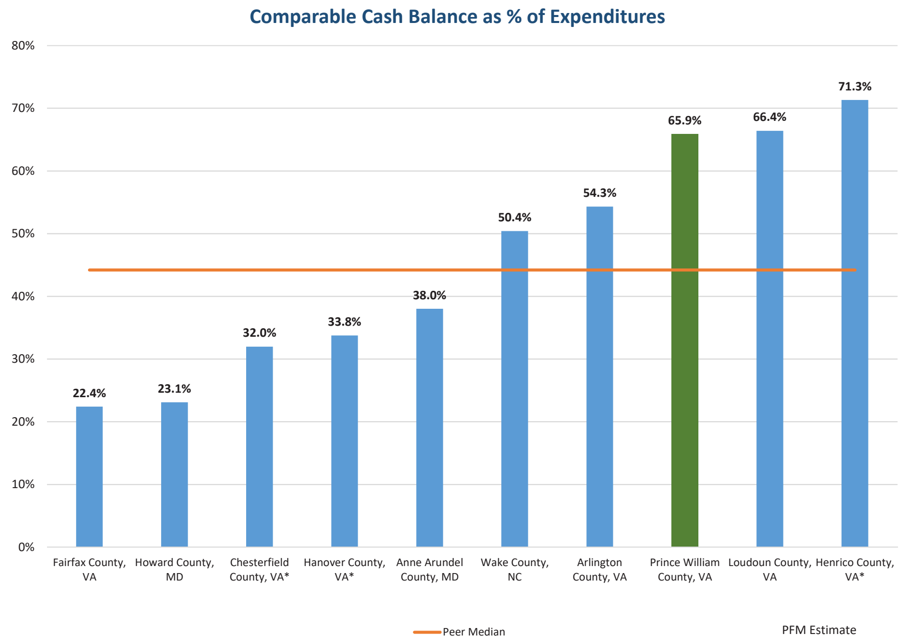


AAA target > 25%

Ratios show the relationship of cash to debt and debt service, and also to an organization's own operational needs. S&P measures the cash balance as a percentage of debt service. Since there are draws on cash other than repaying debt, i.e. cost of daily operations, it is important for rating agencies to understand the extent to which those other requirements will allow cash to be used to pay debt service costs, or alternatively lead to the need for additional borrowing. The AAA target as defined by S&P is greater than 120 percent. As reflected in the chart, the County rates well above this target at 610% and ranks solidly in the 'AAA' category.



S&P also looks at the cash balance as a percentage of total expenditures. The AAA target is greater than 15 percent. Here again, the County is a very strong 'AAA' at almost 66%.



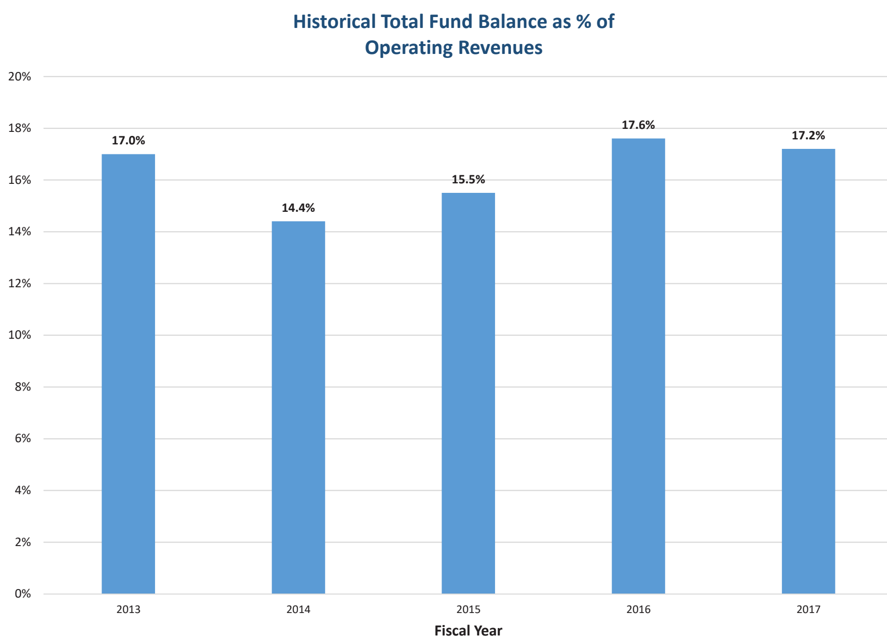
AAA target > 15%

Fund Balance

Fund balance is another measure of financial position. Typically, a proprietary reporting unit reports all related assets and liabilities with the difference between the two reported as net assets, or a measure of net worth. Because governmental funds (i.e. general fund, special revenue funds and capital project funds) report only a subset of related assets and liabilities, the difference between the two is closer to a measure of liquidity, rather than net worth, and could be compared to the term “working capital” in the private-sector.

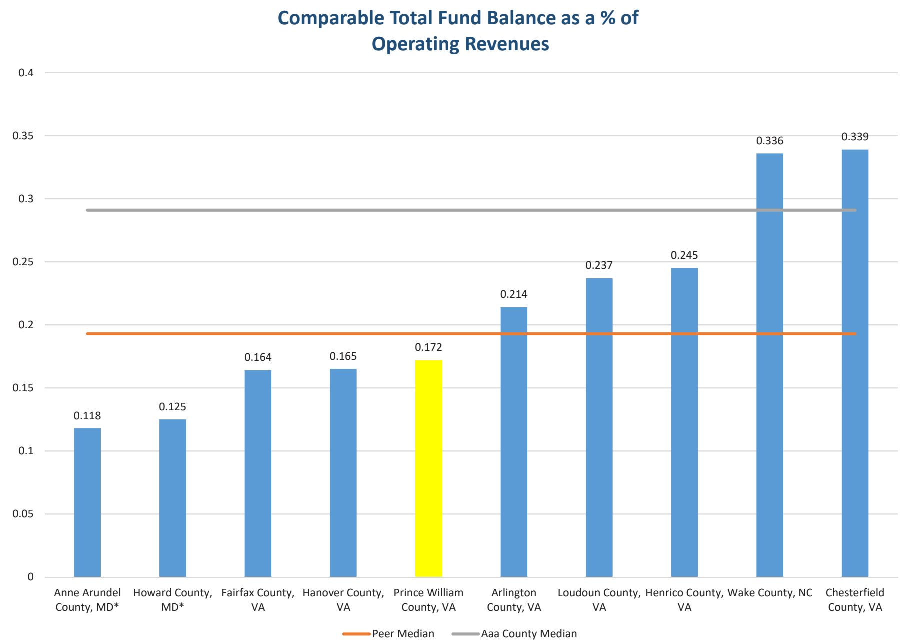
Fund balance ratios generally reflect an entity’s revenue and expenditure policies under Generally Accepted Accounting Principles (GAAP) and therefore show the effects a locality may have taken to balance its budget and communicates valuable information about both the past and the future. Existing levels of fund balance depict the cumulative effects of an organization’s financial history and identifies the liquid resources available to fund future liabilities and unforeseen contingencies.

Moody’s measures total fund balance as a percentage of operating revenues, a measurement of “available balances”. The AAA target is greater than 30%. Here the County does not score AAA but rather is scored closer to the ‘Aa’ category on a pure quantitative scorecard basis. Over the past few years, the available balances of the County have declined due to the budgeted spend down of both the capital reserve and the fire and rescue levy fund balance for one-time capital expenditures.



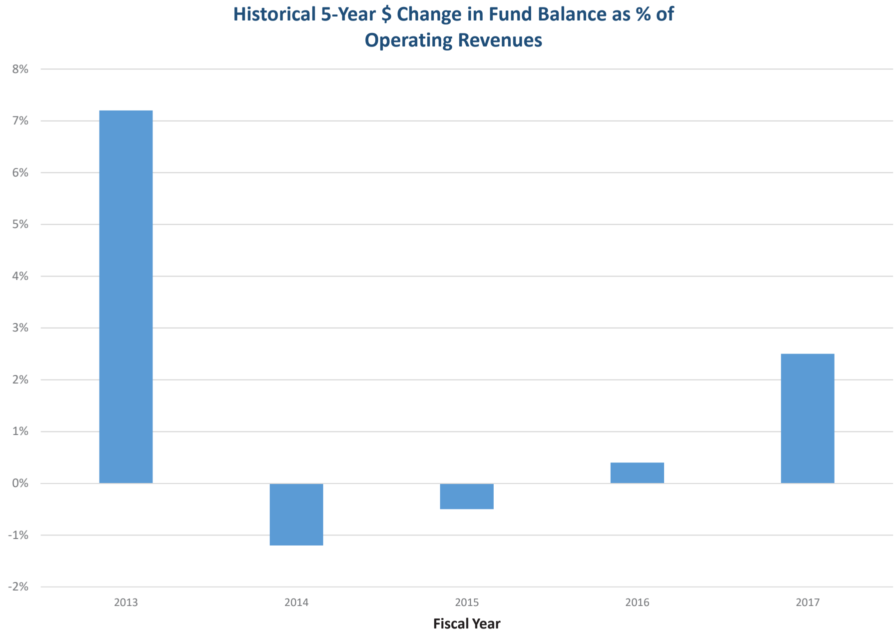
AAA target > 30%

The next chart shows the same fund balance metric as compared to the County's peers. The County scores below most of the AAA peers and well below the national AAA median.

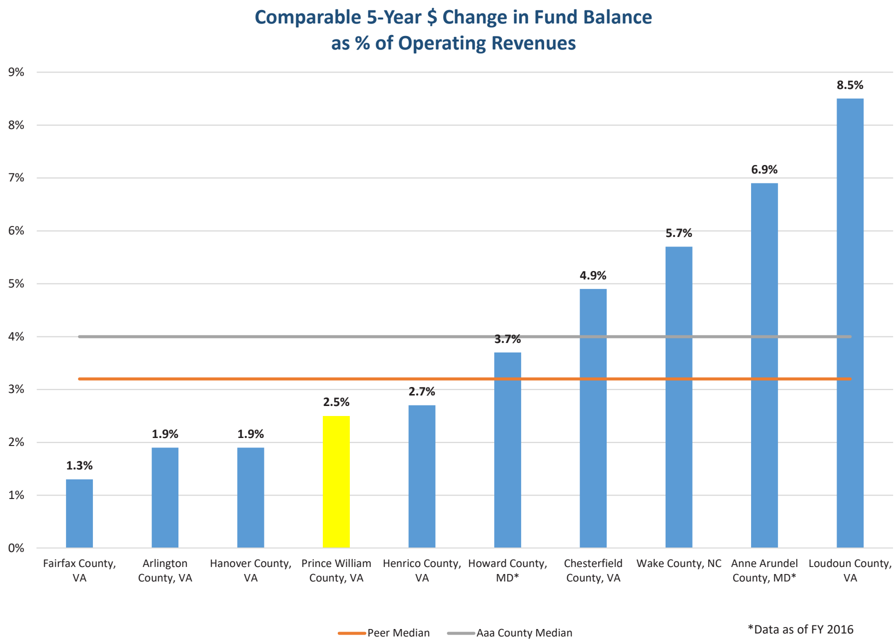


AAA target > 30%

Moody's also looks at the five-year dollar change in fund balance as a percentage of operating revenues. The AAA target is greater than 25%. The County scores below the target in the 'A' category, however has shown improvement over the last three years.



AAA target > 25%



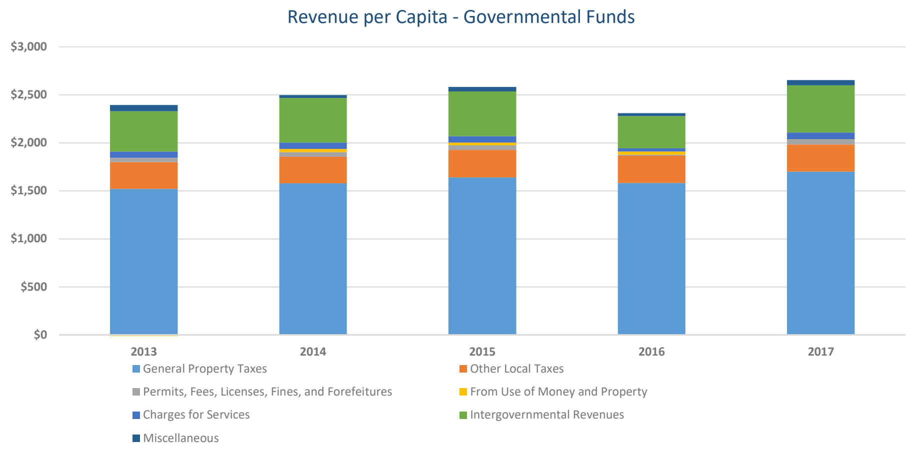
AAA target > 25%

When compared to the peer group median and the nationwide AAA median, the County does not score strongly. However, it is important to note that the median of both the peer group and the nationwide AAA's all fall below the AAA target.

Budgetary Practices

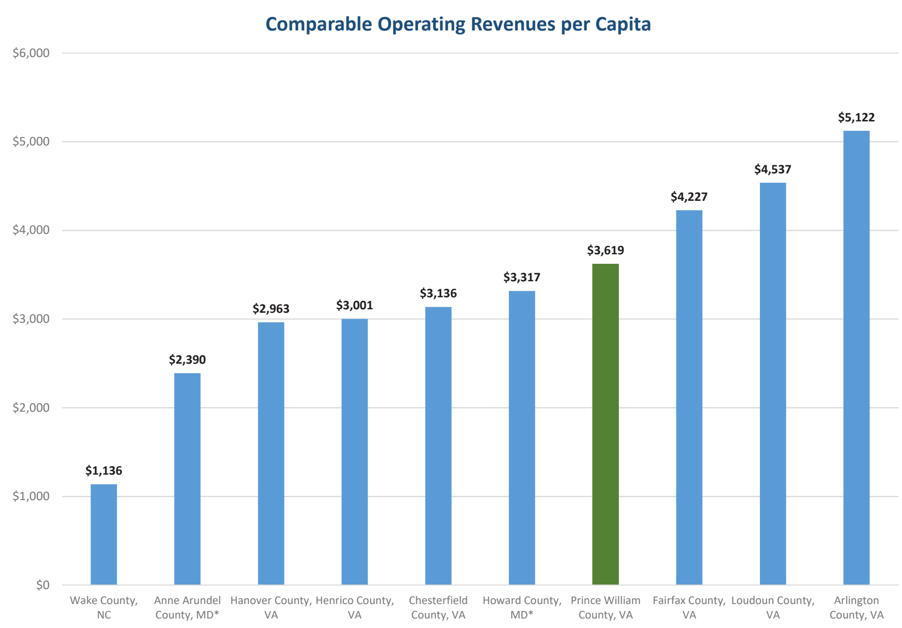
Revenues

Another component of a financially sustainable community includes flexible budget practices. This chart depicts the history of revenue per capita noting the various categories of revenue. General property taxes remains the largest source of revenue for the County. This chart also includes the governmental funds – that is general fund, special revenue funds and capital project funds.



Source: Comprehensive Annual Financial Report (CAFR) Table 4

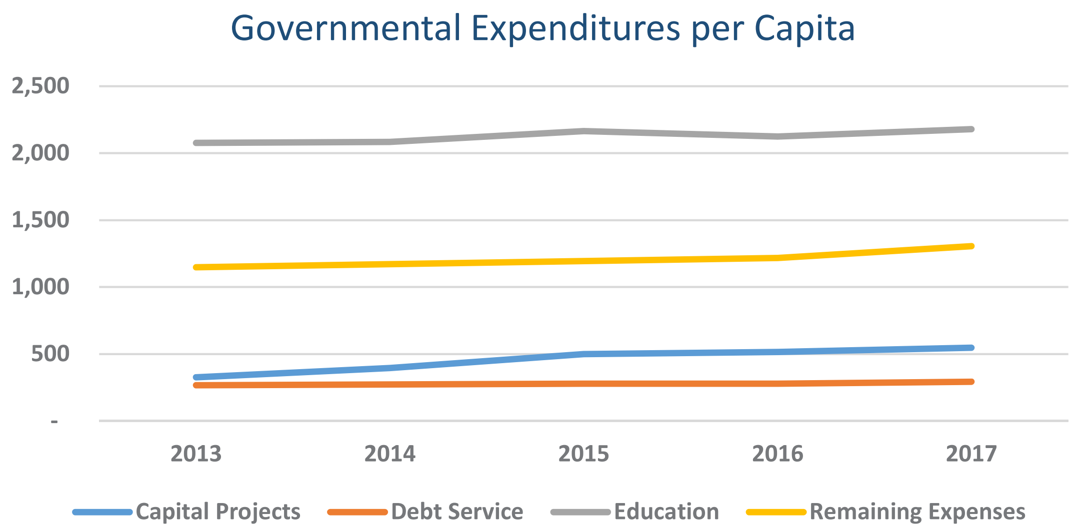
Rating analysts also take note of operating revenues per capita as compared to the County's peers. Focus is given to the General Fund and Schools revenues and exclude the special revenue funds and capital project funds. Prince William County is in the middle of the pack as compared to its peers. This metric helps with the qualitative scoring in that rating agencies see the County has capacity to raise revenues if faced with a fiscal crisis and still remain competitive with its Northern Virginia counterparts.



*Data as of FY 2016

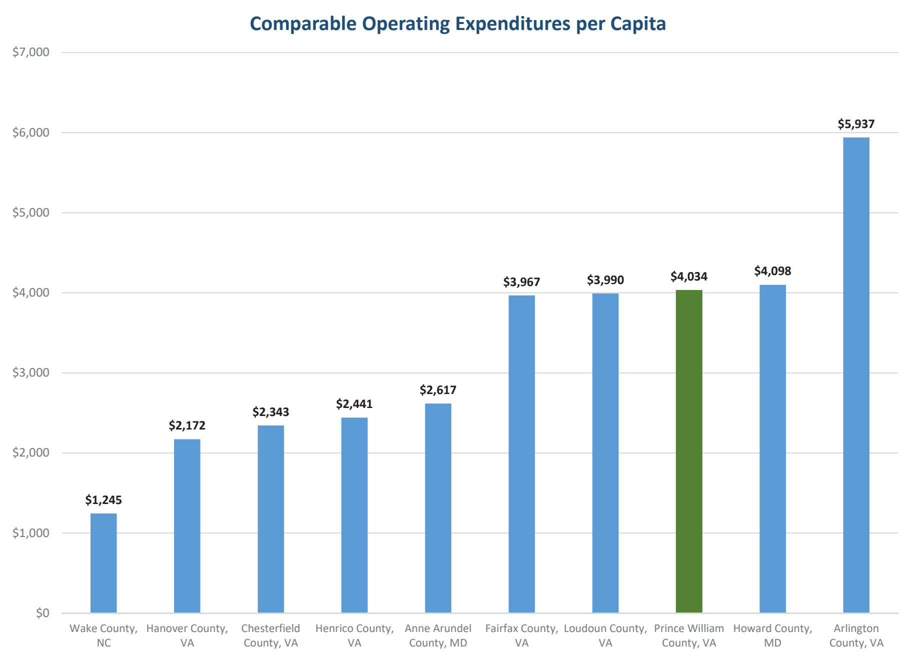
Expenditures

This chart reflects the County's governmental expenditures per capita and includes the General Fund, Special Revenue Funds, School Board and Adult Detention Center.



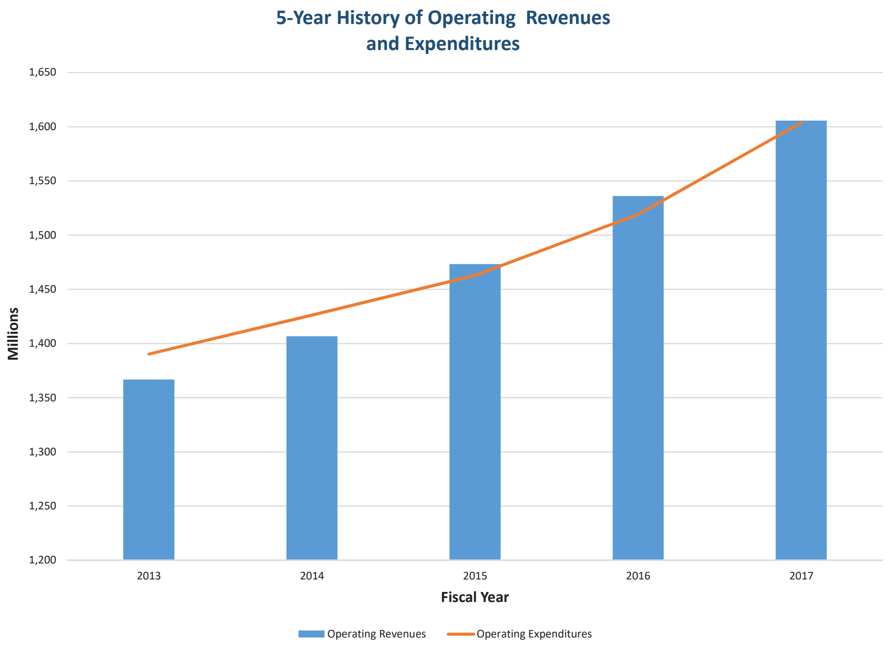
Source: Comprehensive Annual Financial Report (CAFR) Table 22

The rating analysts look at operating expenditures per capita as compared to peers. From FY 2016 to FY 2017 this per capita number increased.



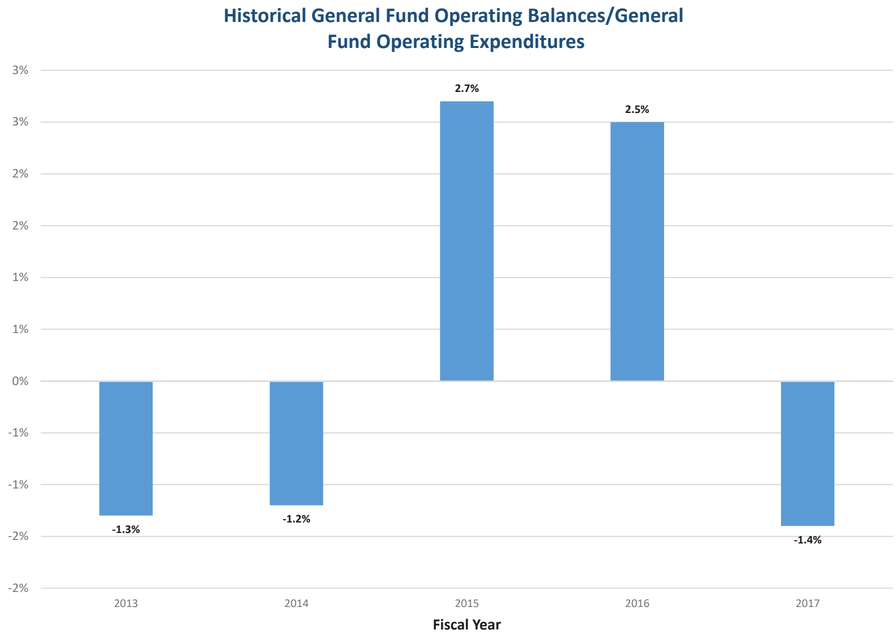
Revenues and Expenditures

This graph below provides a five-year history of operating revenues and operating expenditures.

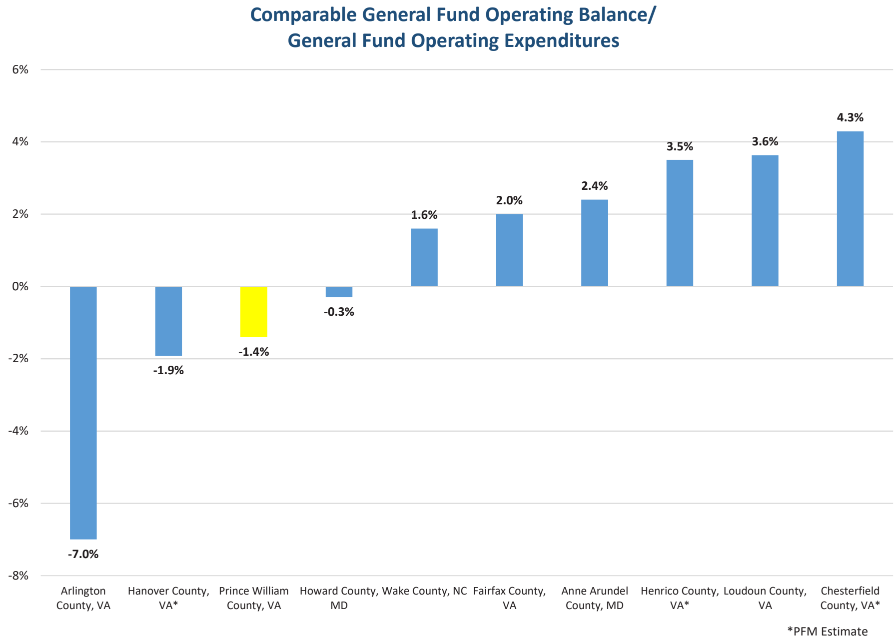


Budget Strength Measurement

A structurally balanced budget is a key criteria for evaluating financial strength. A balanced budget that forecasts recurring revenues under reasonable growth assumptions that support recurring baseline expenditures is considered structurally balanced. Rating agencies expect AAA local governments to make taxing and spending decisions with this structurally balanced budget equation in mind. S&P measures the County's General Fund Operating Balance, that is the surplus or deficit, as a percentage of general fund operating expenditures. The AAA target is greater than 5 percent. The County was at -1.4% for FY 2017, a 'AA+' level. All peers also fall below the target AAA threshold as well.

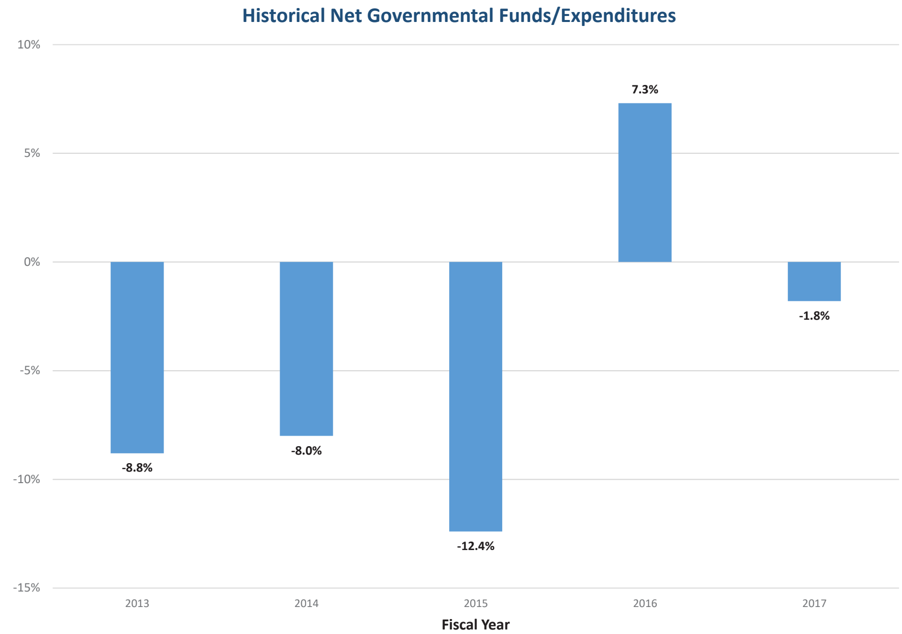


AAA target > 5%

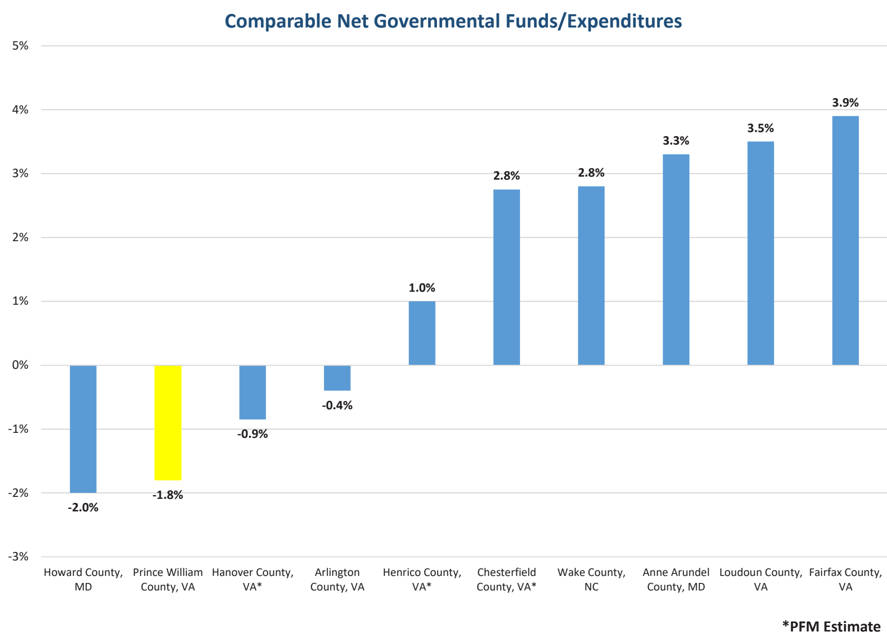


AAA target > 5%

A measure of budget strength used by S&P is Net Governmental Funds divided by expenditures. The AAA target is greater than -1%. The County falls at -1.8% for FY 2017, slightly below the 'AAA' category, largely because of debt financing of capital expenditures in the capital projects fund.



AAA target > -1%



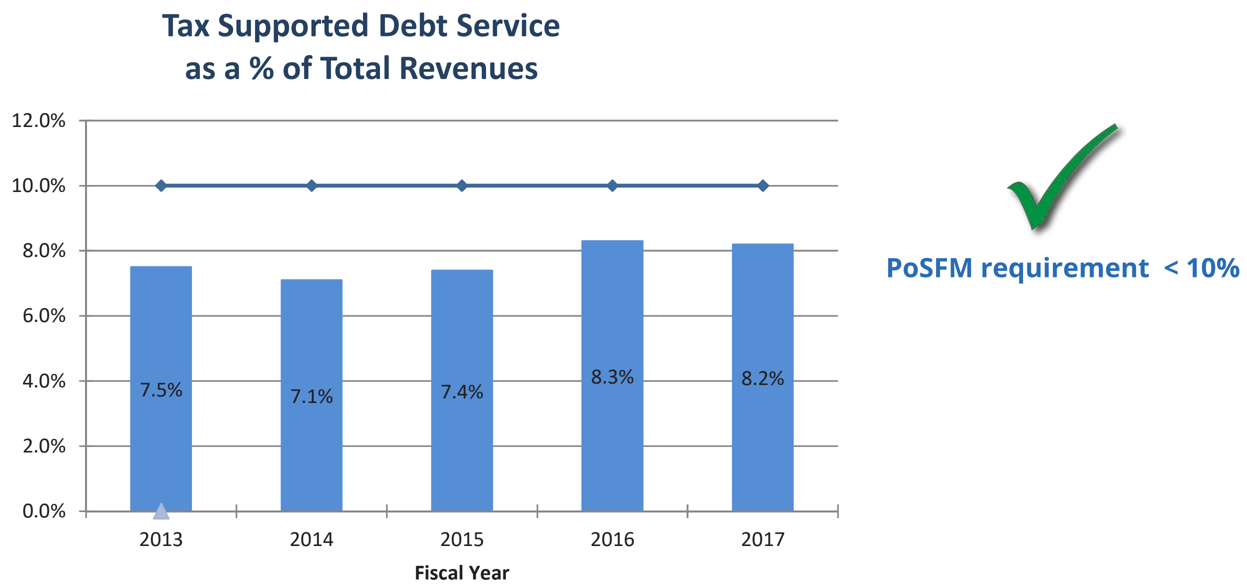
AAA target > -1%

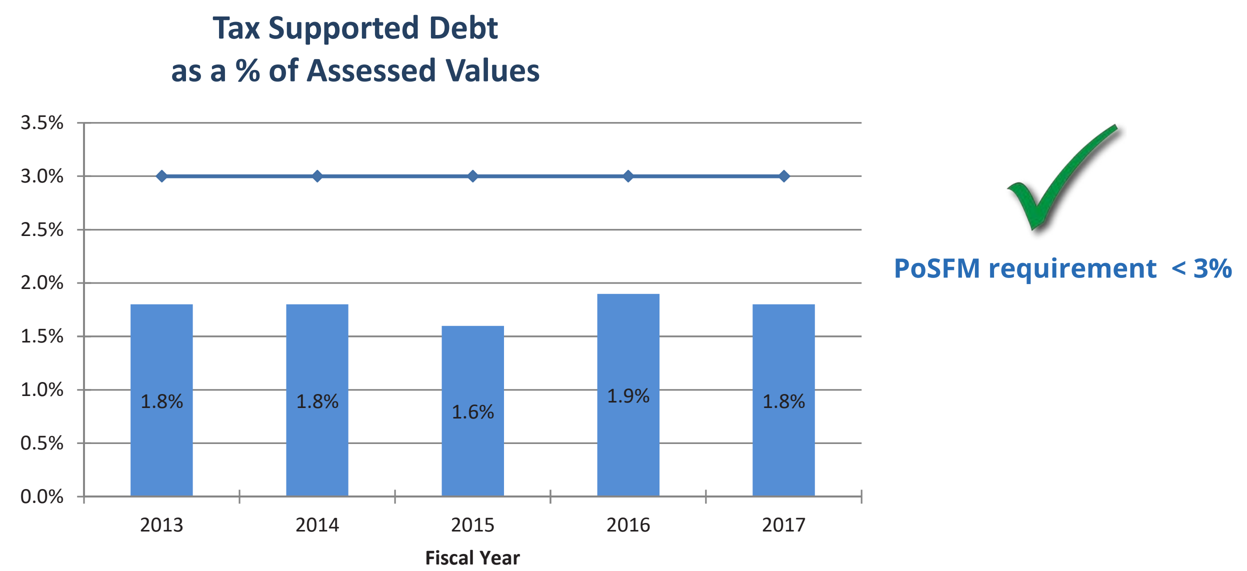
The chart above depicts the same metric as compared to the peer group.

LIABILITIES

Debt

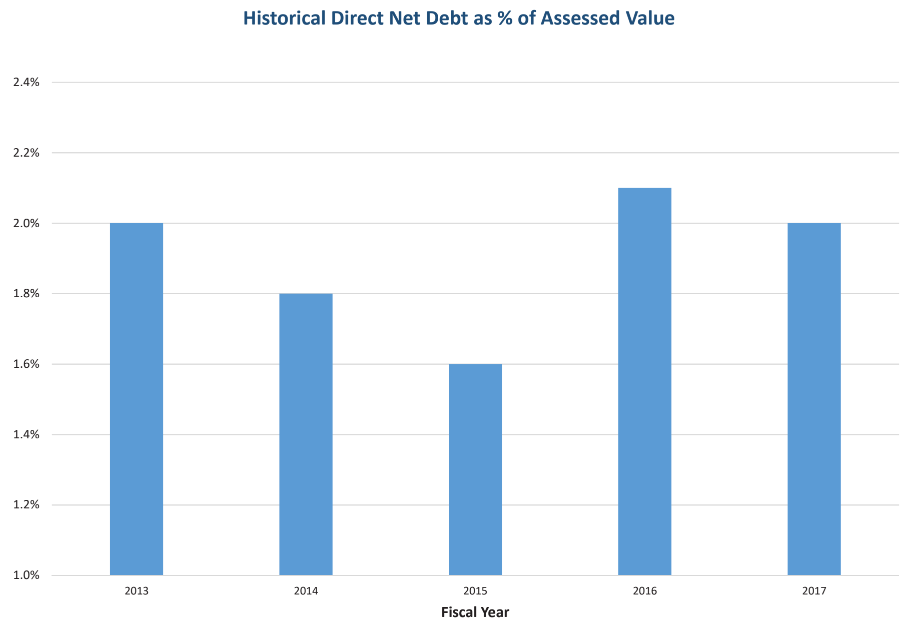
The last component of a financially sustainable community are manageable liabilities. Rating analysts seek to assess an entity's debt burden and debt affordability, taking into account the debt structure. Within the Principles of Sound Financial Management (PSFM) the County has self-imposed debt limits, a credit strength. The first self-imposed limit measures total debt service as a percent of total revenues – this number must be below 10 percent. For FY 2017, the County was at 8.2%.



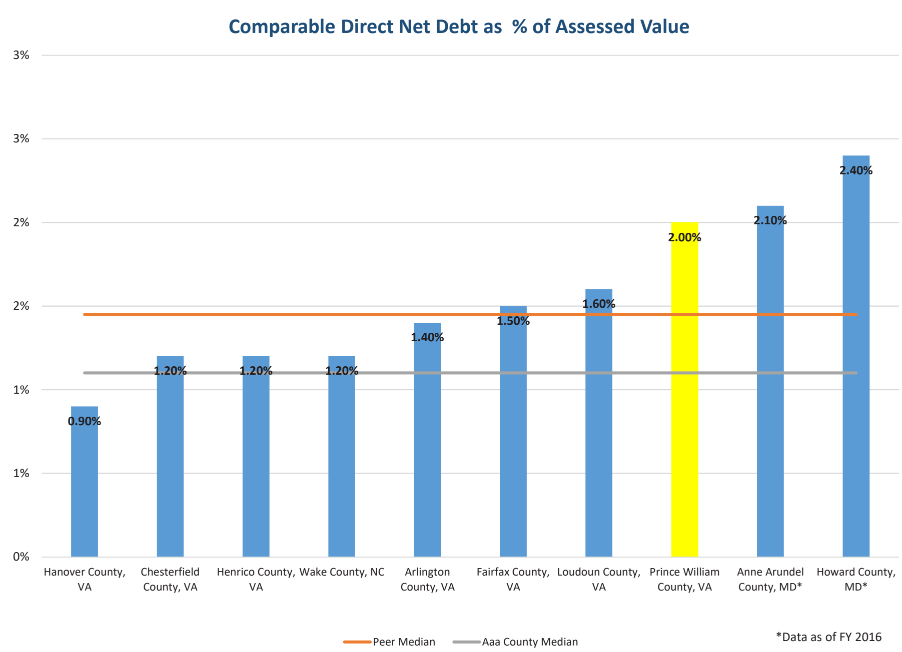


The second self-imposed limit states that total tax supported debt must be below 3 percent of assessed values. For FY 2017, the County was at 1.8%.

Moody's looks at net direct debt as a percentage of assessed value to measure the ability of a municipality to meet its debt obligations. This metric reflects how much debt has been issued relative to the value of the real property within Prince William County. Increased used of cash to fund capital needs, all other things held constant can negatively affect this metric. The AAA target is less than 0.75 percent. The County, at 2%, falls above this target and scores in the 'A' category. All other peer group jurisdictions also fall outside the AAA target.

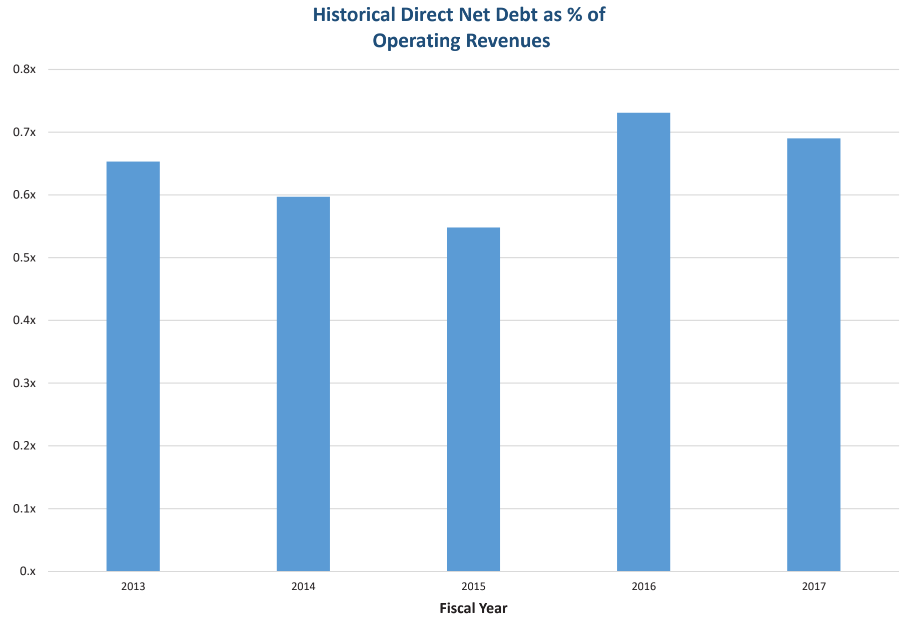


AAA target < .75%

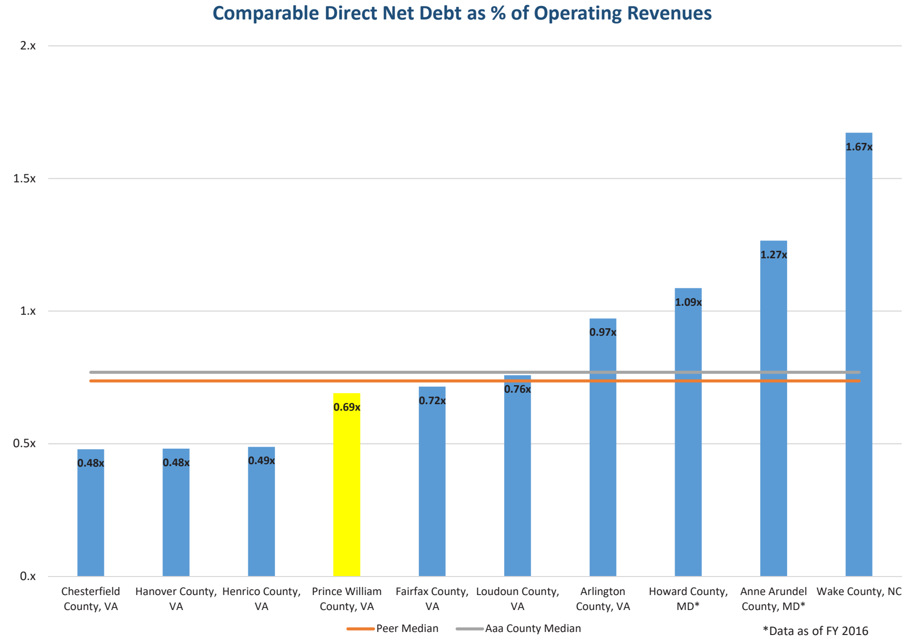


AAA target < .75%

Another metric evaluated by Moody's is direct net debt as a percentage of operating revenues. This metric expresses the potential budgetary impact of future debt service and speaks to the relative affordability of debt obligations based on current revenue sources. The AAA target is less than 0.33 percent. The County score at 0.69 percent misses a 'AA' score by 0.02, however scores better than both the peer group and Aaa county medians. All other peer jurisdictions also fall outside the AAA target.



AAA target < .33x



AAA target < .33x

Debt Capacity

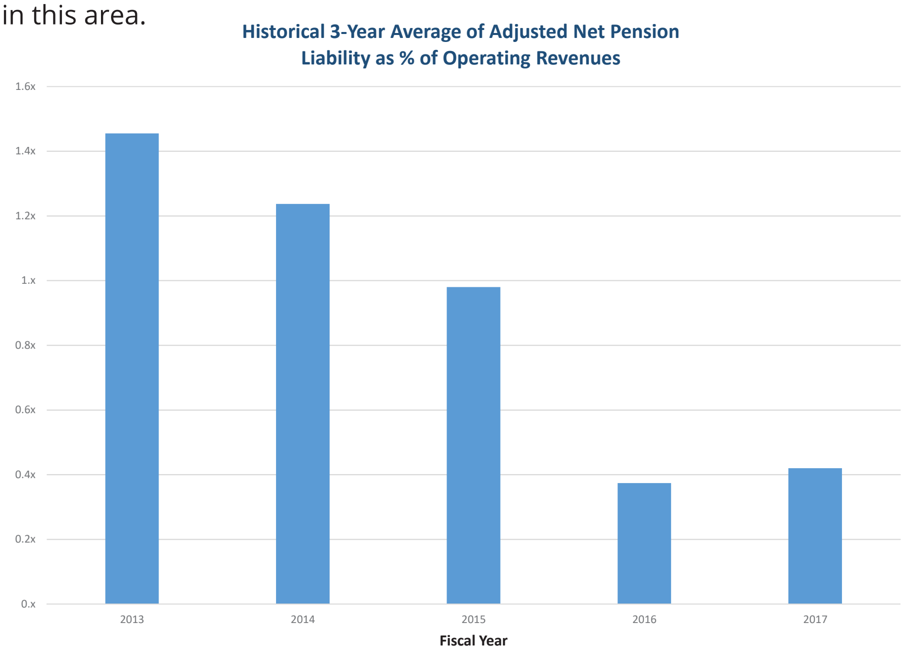
	2019	2020	2021	2022	2023	2024	2025
Total Existing Debt Service	$ 146,937,203	$ 139,562,874	$ 136,819,125	$ 125,808,428	$ 118,653,604	$ 109,919,388	$ 100,864,773
Percent change from PY	3.23%	1.92%	8.00%	-3.54%	6.62%	4.21%	-2.17%
General Revenue [1]	$ 1,019,476,816	$ 1,060,755,529	$ 1,102,887,810	$ 1,143,720,822	$ 1,184,022,740	$ 1,225,772,701	$ 1,268,994,811
Growth	6.21%	4.05%	3.97%	3.70%	3.52%	3.53%	3.53%
Total Revenues[2]	$ 1,746,482	$ 1,817,198	$ 1,889,375	$ 1,959,327	$ 2,028,369	$ 2,099,891	$ 2,173,936
Debt service as a percentage of Total Revenue	8.44%	8.26%	8.59%	7.99%	8.22%	8.28%	7.82%
PSFM imposed limit	10%	10%	10%	10%	10%	10%	10%

[1] Source: Table 2 2017 CAFR and FY 19 - 23 Revenue Forecast

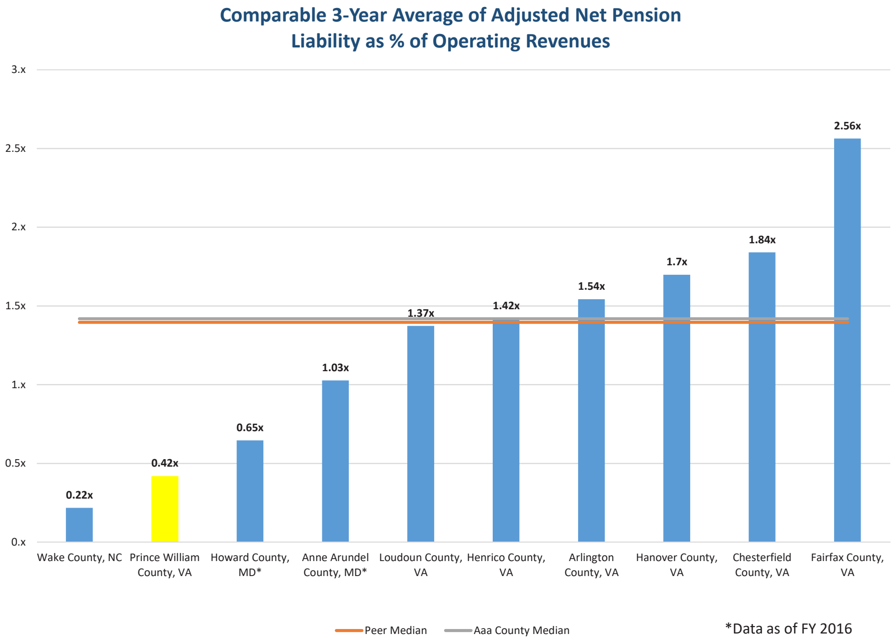
[2] Source :Table 14 FY 2017 CAFR. Includes revenues fo the General Fund, Special Revenue Funds and the School Board and ADC component units

Pensions

Another liability the rating agencies assess is the pension liability. Unfunded pension liabilities represent a long-term liability and can present future budgetary pressures if not reduced. Here the County score is slightly above the AAA target. The Board of County Supervisors' commitment to fully funding the annual actuarially required contribution into the pension plans has helped to maintain the 'AAA' score in this area.



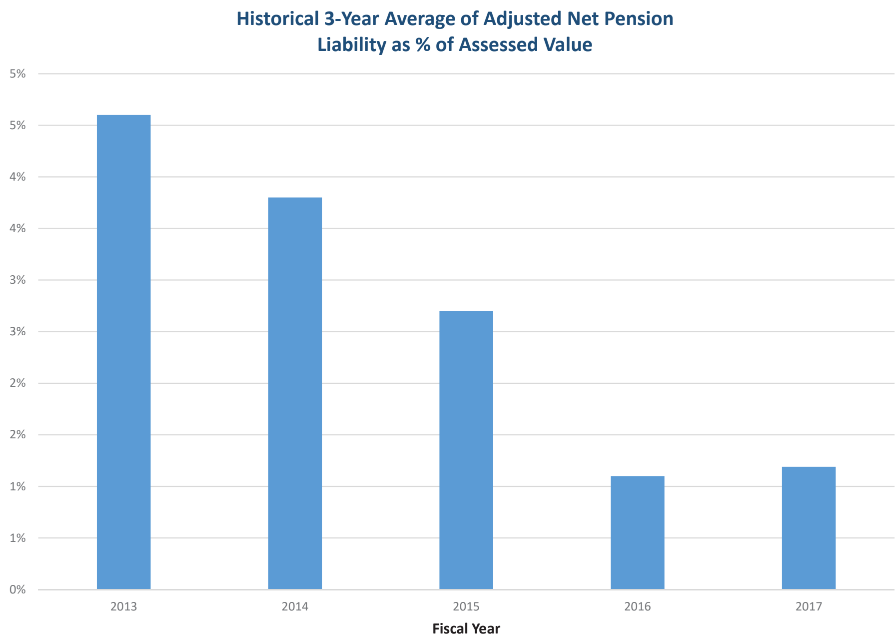
AAA target < .4x



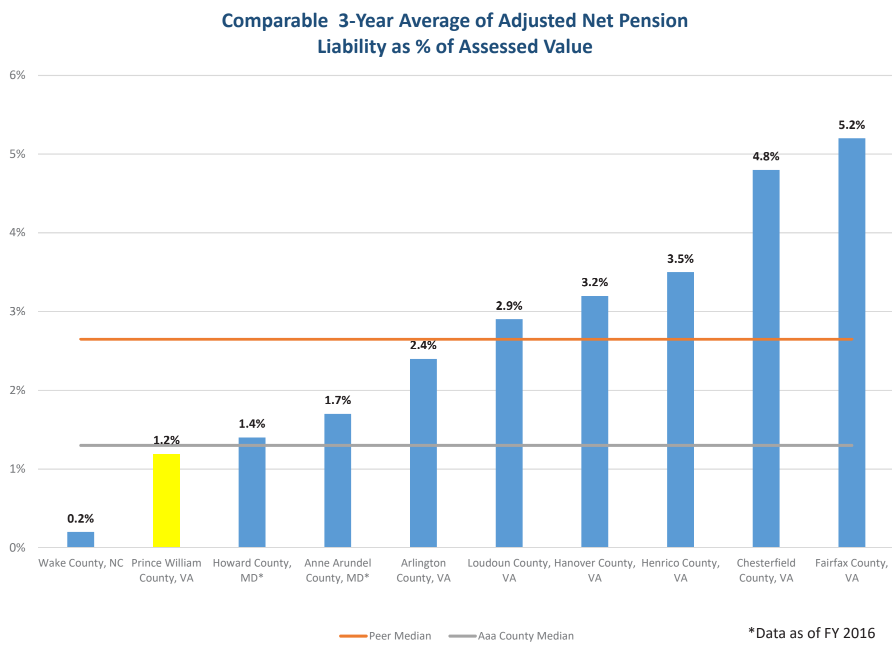
AAA target < .4x

As depicted in the chart above, the County far outperforms its peers.

Moody's also looks at the 3-year average net pension liability as a percentage of assessed value. The County scores a 'Aa' rating in this category.



AAA target < .9%



*Data as of FY 2016

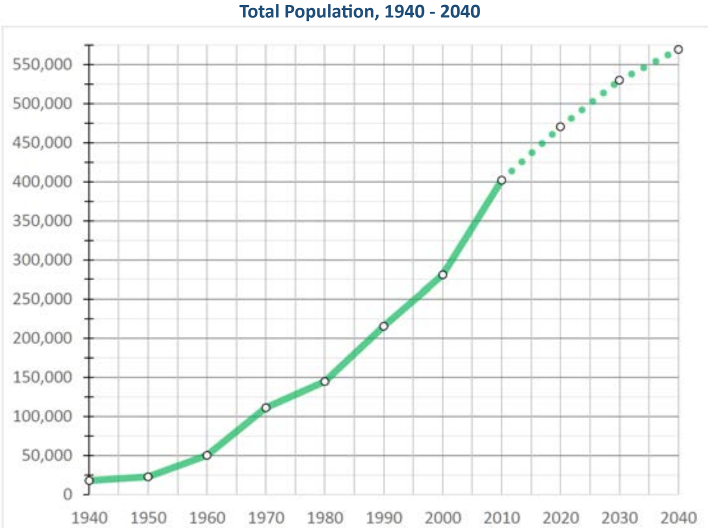
AAA target < .9%

ECONOMIC ENVIRONMENT

The political and economic environment begins with the governing body. The rating agencies look at the stability of the Board of County Supervisors, adherence to the Principles of Sound Financial Management and consistency in operations. Governance factors capture an organization's willingness to make proactive policy decisions to ensure the maintenance of a strong financial position and reliable financial cushion. Rating agencies report that entities that attempt to increase expenditures for popular services and programs and simultaneously pledge not to raise taxes or cut other programs will generally experience negative impacts such as a deterioration in their balance sheets as reserves are extinguished and the debt load grows. Since historically, the County has scored very well in this area, with the institutional framework and management assessment at 'very strong'.

The County is continuing to experience a growing population, albeit the rate growth has slowed. The County demographer estimates the population in the County at 458,000 as of the first quarter of 2018. The chart provides other population estimates and projections for the County following certain accepted growth models.

Total Population, 1940 - 2040



Source: PWC Demographer; U.S. Census Bureau; Minnesota Population Center; National Historical Geographic Information System; University of Minnesota; Metropolitan Council of Governments
^^2020-2040 COG 9.1 forecast November 2017

WHERE THE ESTIMATE FITS

PWC GIS Division:
2018 Quarter 1 Estimate: 458,959

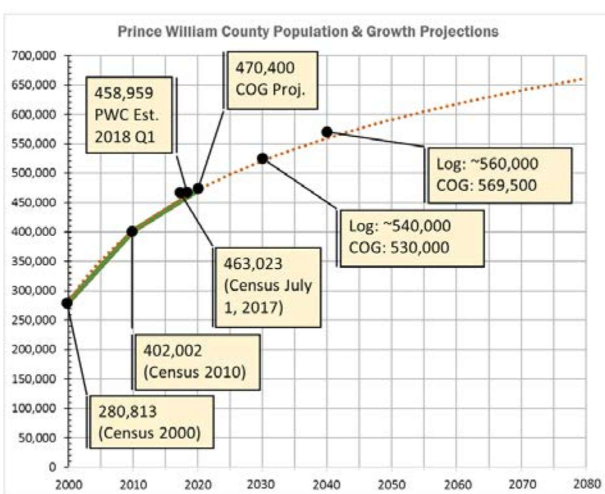
Orange Line:
Logarithmic Growth

Gray Dotted Line:
Linear Growth Model

Other Estimates:
-U.S. Census ACS 2016 1-Year Estimate: 455,210

-U.S. Census Pop. Est. Program: 463,023 (2017)

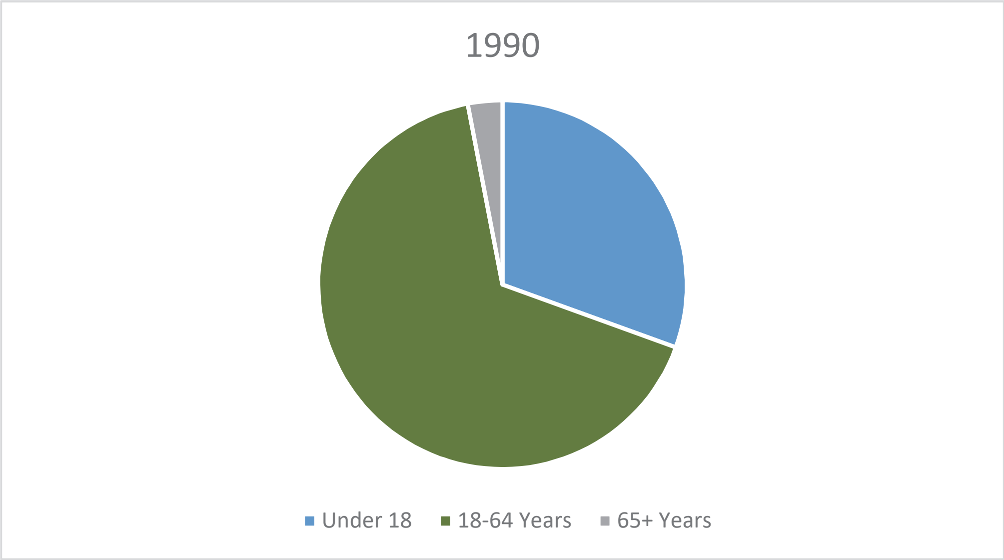
-Weldon Cooper Center: 455,990 (July 1, 2017)

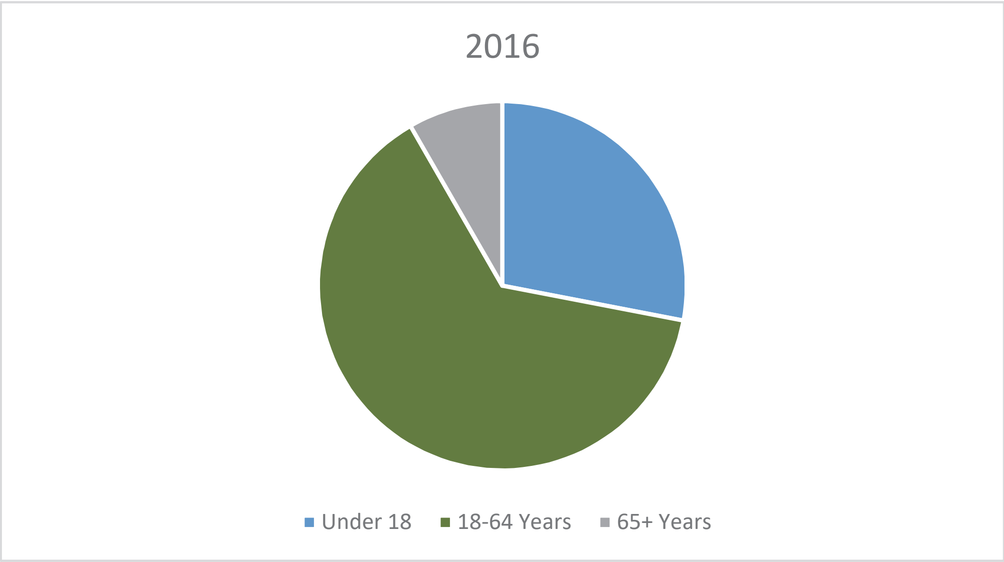


Source: U.S. Census Bureau; Metropolitan Council of Governments; Prince William County GIS Division

Demographic factors drive demands for programs and services, impacting the expenditures of a local government. The largest sector of the County population is the 18-64 year-old age group but the fastest rate of growth continues to be in the over 65 category.

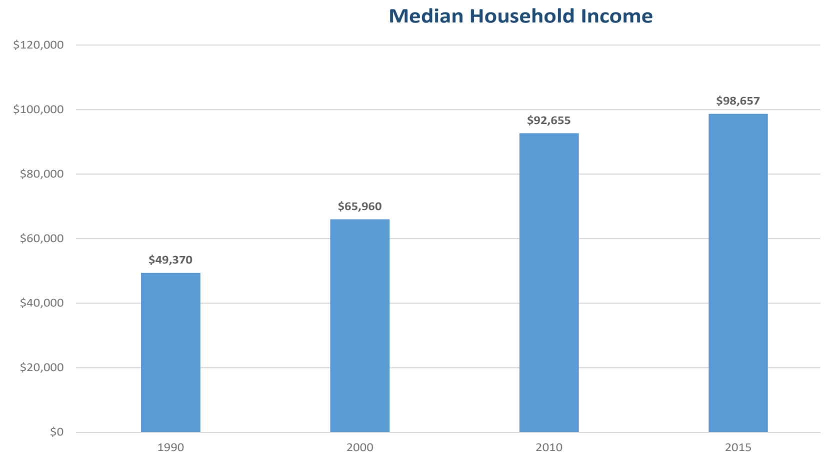
Population by Age





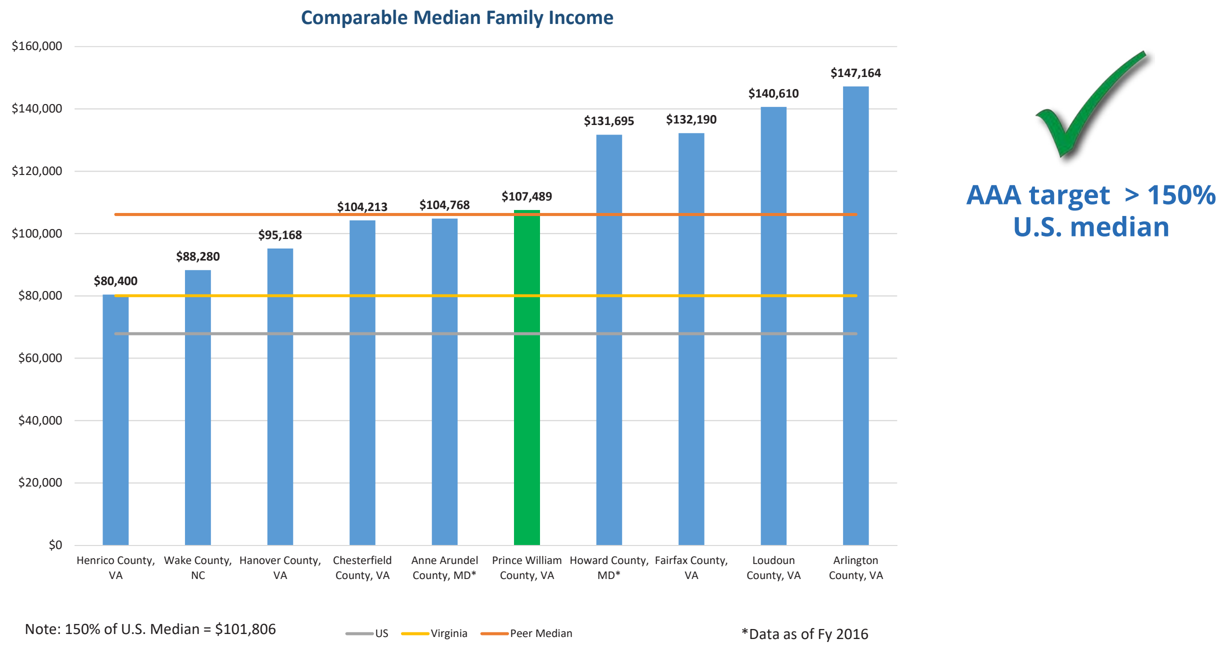
Wealth

A high median household income is a positive economic indicator and a measure of the strength and resilience of a tax base. A jurisdiction with high wealth levels may have greater flexibility to increase property tax rates to meet financial needs. Wealthier communities also have greater spending power and provide drive demand to support growth in the commercial sector. For example, even during the Great Recession, the retail industry in Prince William County remained relatively strong. The 2012-2016 median household income as reported by the U.S. Census Bureau remains above $98,000 up from $92,655 just five years earlier.

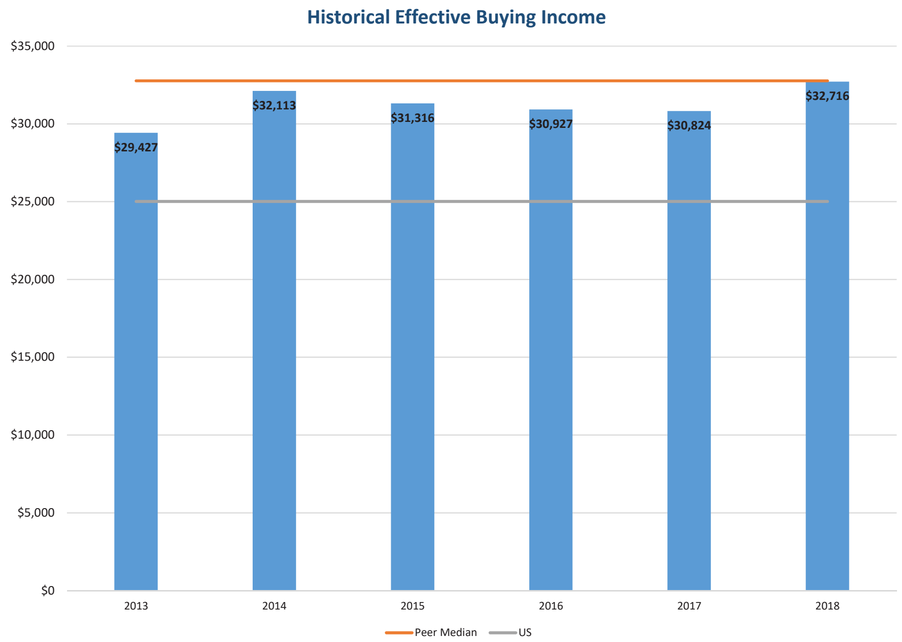


Moody's looks at median family income as opposed to median household income. The difference is household is all people who occupy a housing unit regardless of relationship, whereas a family is two or more people (one of who is the householder) related by birth, marriage or adoption.

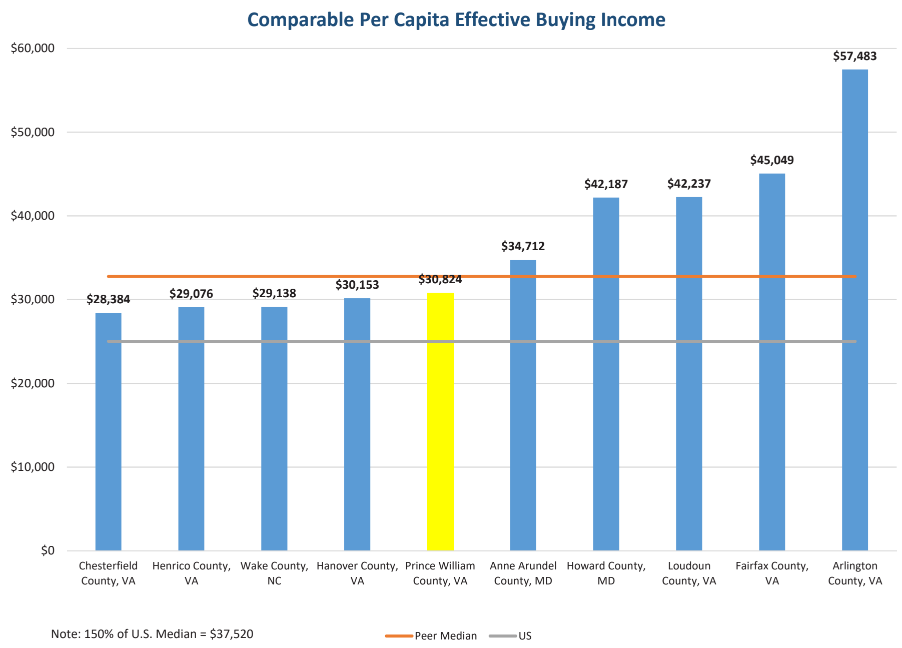
On the median family income, the County also scores very strongly as a 'AAA' at $107,489. This is above the AAA target of 150% of the U.S. median or $101,806.



S&P looks at effective buying income and considers 150% of the U.S. median as AAA. Effective buying income is similar to disposable income. The County is slightly below the peer group median at $30,824, as well as the target of 150% of the U.S. median of $37,520.

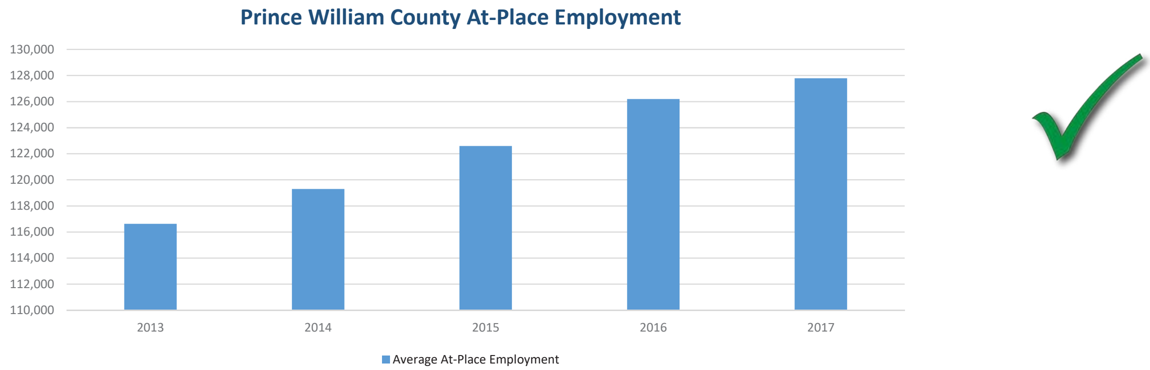


AAA target > 150% U.S. median

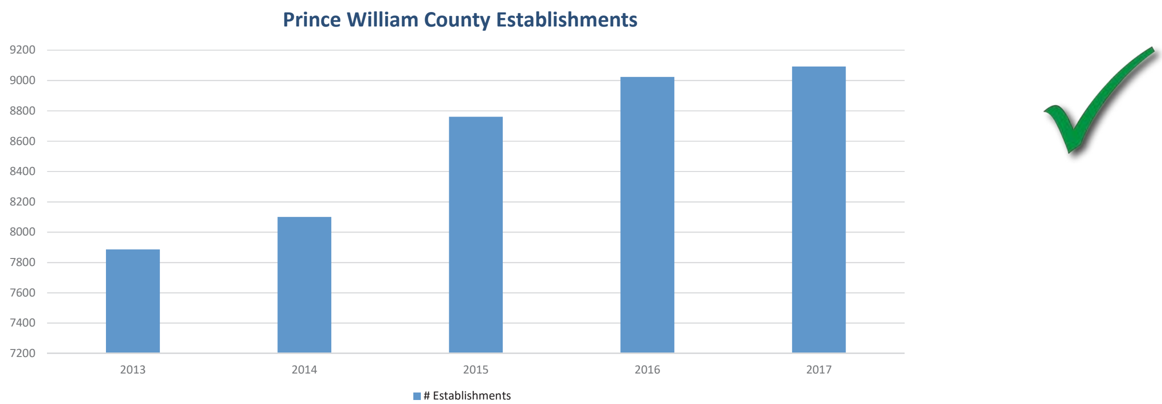


AAA target > 150% U.S. median

Other areas where the County received upward adjustments in its rating is the consistent year-over-year growth in at-place employment. This is important because jobs generate the income to pay taxes.



Source: Virginia Employment Commission, Census of Employment and Wages

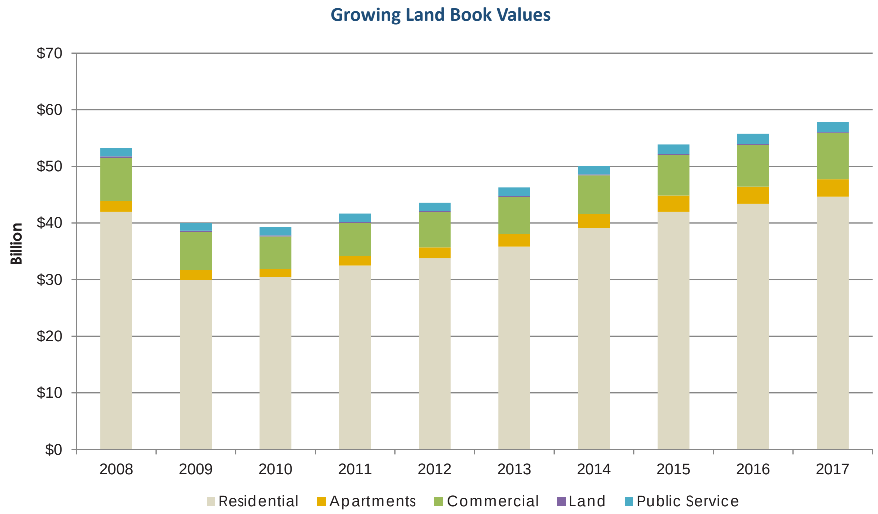


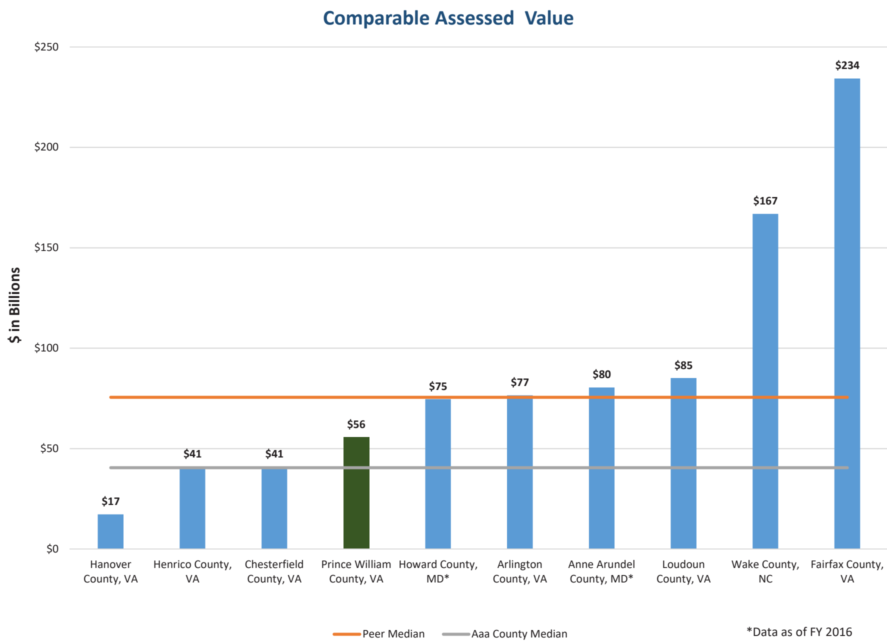
Source: Virginia Employment Commission, Census of Employment and Wages

The County has also demonstrated steady growth in the number of business establishments, a sign of a healthy local economy.

Assessed Value

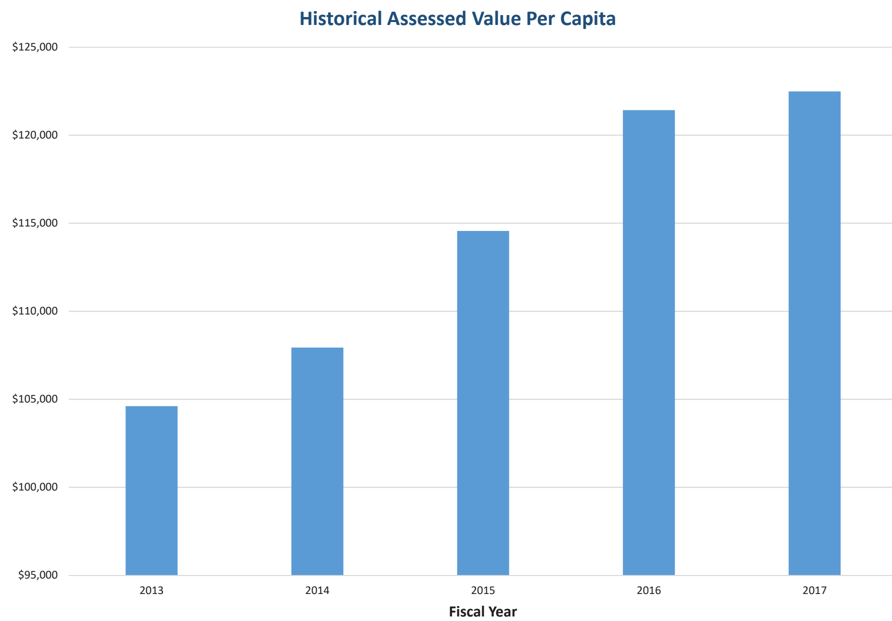
The tax base is the primary source for which a local government derives its revenues. A large, robust, diverse tax base typically offers a local government more flexibility as well as protection from unexpected shocks such as the loss of significant employer or industry. A smaller more concentrated tax base, on the other hand, is more prone to feel the impacts of such loss due to the dependency on a fewer number of properties.



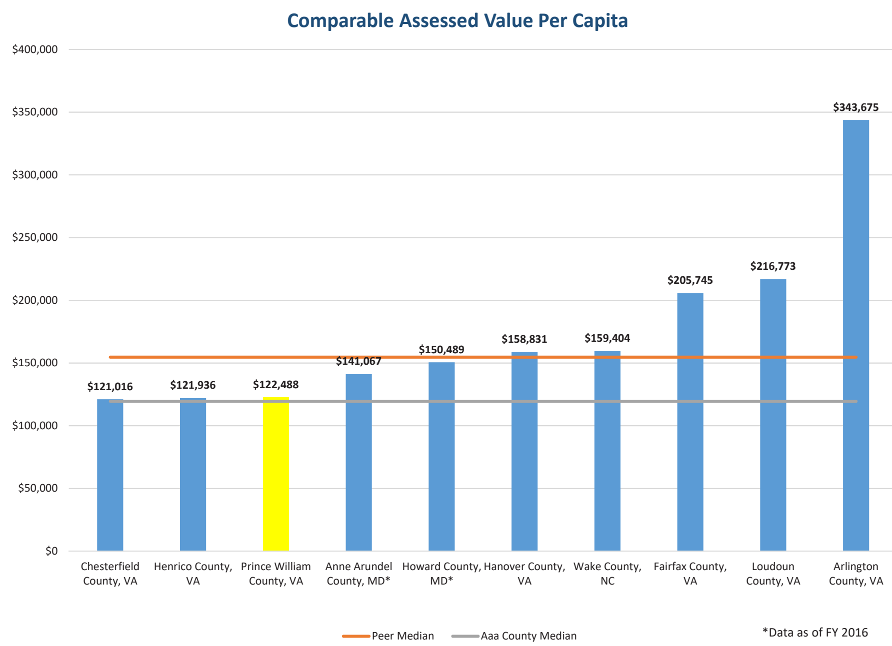


Moody's rates a tax base of greater than $12 billion as AAA worthy. The County's tax base has continued to rebound since the downturn in the economy, now with eight years of continued growth. The 2017 landbook exceeded $56 billion, a strong 'AAA' score, although the County remains more heavily concentrated in residential properties as compared to some of its peers.

Moody's also looks at historical assessed value per capita with a AAA target of greater than $195,000. This metric converts the taxable property available to generate revenues to a per resident metric, depicting the availability of tax-generating resources relative to the users of the programs and services those revenues fund. The County falls in the 'Aa' range for this particular metric.



AAA target > $195,000



AAA target > $195,000

Economy

National, state, regional and local indicators are factors in assessing the economic environment for the County. The ultimate basis for financial stability is the strength and resilience of the local economy. The Prince William economy appears overall to be healthy, with ongoing growth potential.

The current U.S. economic expansion of 111 months has become the nation's second longest on record (dating back to 1850's). The average length of prior expansions was 59 months. Where things go from here, depends in part, on how well policy makers navigate monetary policy as inflation hits their two percent target. Current market expectations predict the expansion will break the all-time record continuing through June of 2019. The yield curve has flattened but not inverted and leading indicators point to economic strength. The U.S. economy has entered a more mature phase, but does not yet point to a recession.

Indicator			Explanation	Trend (Y-O-Y)
CPI (Inflation) (unadjusted year/year)	**2.4%** *(Mar 2018)*	**2.4%** *(Mar 2017)*	Reflects changes in the purchasing power per unit of money	●
GDP (Gross Domestic Product)	+2.3% *(Q1 2018)*	+1.2% *(Q1 2017)*	Indicator of the overall health of the U.S. economy	●
Stock Market:				
S&P 500	**2,640.87** *(03/29/18)*	**2,362.71** *(03/31/17)*	Indicator of the overall health of the U.S. stock market	●
Dow Jones	**24,103.11** *(03/29/18)*	**20,663.22** *(03/31/17)*	Indicator of the overall health of the U.S. stock market	●
Federal Funds Rate	**1.67%** *(03/30/18)*	**0.82%** *(03/31/17)*	Indicator of return on investments	●
Unemployment Rate*:				
National (seasonally adjusted)	**4.1%** *(Mar 2018)*	**4.5%** *(Mar 2017)*	Indicator of overall health of U.S. job market	●
State (seasonally adjusted)	**3.4%** *(Mar 2018)*	**3.9%** *(Mar 2017)*	Indicator of overall health of VA job market	●
Region (not seasonally adjusted)	**3.6%** *(Mar 2018)*	**3.7%** *(Mar 2017)*	Indicator of overall health of NoVA job market	●
Prince William County (not seasonally adjusted)	**3.0%** *(Mar 2018)*	**3.6%** *(Mar 2017)*	Indicator of overall health PWC of job market	●

** Bureau of Labor Statistics - U3*

Indicator			Explanation	Trend (Y-O-Y)
National Retail Sales	**+.56%** *(M/M Mar 2018)*	**+.15%** *(M/M Mar 2017)*	Indicator of relative health of U.S. economy	
# Employment Establishments:				
State	**264,938 (+1.5%)** *(Q3 2017)*	**260,940** *(Q3 2016)*	Indicator of overall health of VA economy, businesses & job market	
Region	**90,405 (-0.25%)** *(Q3 2017)*	**90,636** *(Q3 2016)*	Indicator of overall health of NoVA economy, businesses & job market	
Prince William County	**9,174 (+1.5%)** *(Q3 2017)*	**9,041** *(Q3 2016)*	Indicator of overall health of PWC economy, businesses & job market	
Sales Tax Growth:				
State	**+2.9%** *(FYTD Mar 2018)*	**+1.5%** *(FYTD Mar 2017)*	Indicator of relative health of VA economy	
Prince William County	**+2.6%** *(FYTD Mar 2018)*	**+4.2%** *(FYTD Mar 2017)*	Indicator of relative health of PWC economy	
State Revenue Collections	**+5.2%** *(FYTD Mar 2018)*	**+4.6%** *(FYTD Mar 2017)*	Indicator of relative health of VA economy	
National Automobile Sales	**$17.4M** *(Mar 2018)*	**$16.5M** *(Mar 2017)*	Indicator of consumer purchasing power	
Commercial Vacancy Rates:				
Prince William County	**6.0%** *(Q1 2018)*	**4.5%** *(Q1 2017)*	Indicator of overall health of PWC businesses and commercial market	

Indicator			Explanation	Trend (Y-O-Y)
Average Sales Price (MRIS)	**$389,406 (+5.3%)** *(CYTD Mar 2018)*	**$369,949** *(CYTD Mar 2017)*	Indicator of relative health of housing market	
# of Homes Sold	**1,302 (-7.9%)** *(CYTD Mar 2018)*	**1,413** *(CYTD Mar 2017)*	Indicator of relative health of housing market	
Average # of Days on Market	**41 (-12.8%)** *(CYTD Mar 2018)*	**47** *(CYTD Mar 2017)*	Indicator of relative health of housing market	
# of Occupancy Permits Issued	**1,415 (-20.4%)** *(2017)*	**1,777** *(2016)*	Indicator of relative health of housing market	
Ratio of Homes on the Market to Homes Sold	**1.62 (-12.4%)** *(Mar 2018)*	**1.85** *(Mar 2017)*	Indicator of relative health of housing market	

<u>Sources:</u>

Fitch Ratings, Moody's Investors Service and S&P Global Ratings rating methodology publications

PFM, the County's financial advisors

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