

Economic Initiatives Committee

Economic Update – February 10th, 2026



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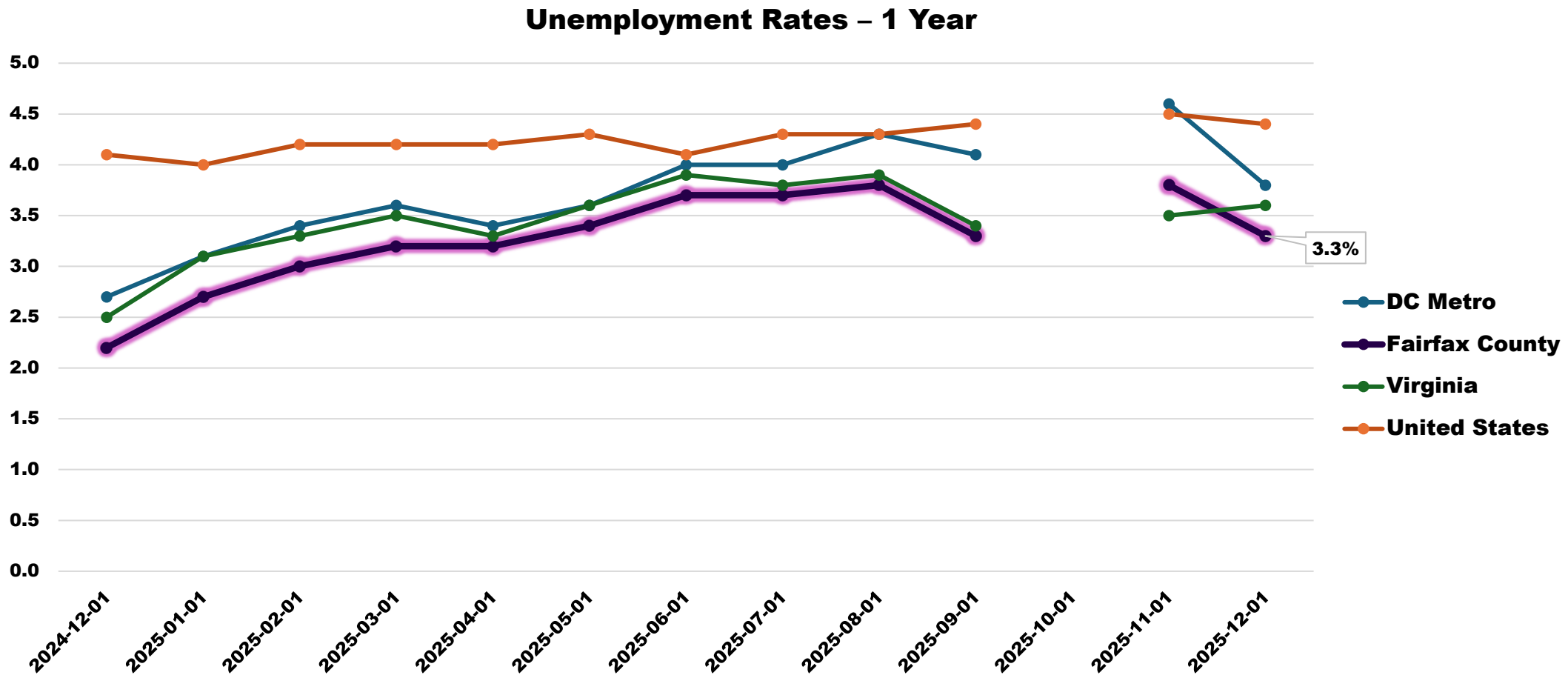
Fairfax County
Economic Development Authority

Due primarily to the impacts of Federal Government employment reductions in 2025, the unemployment rate in Fairfax County increased 1.1%



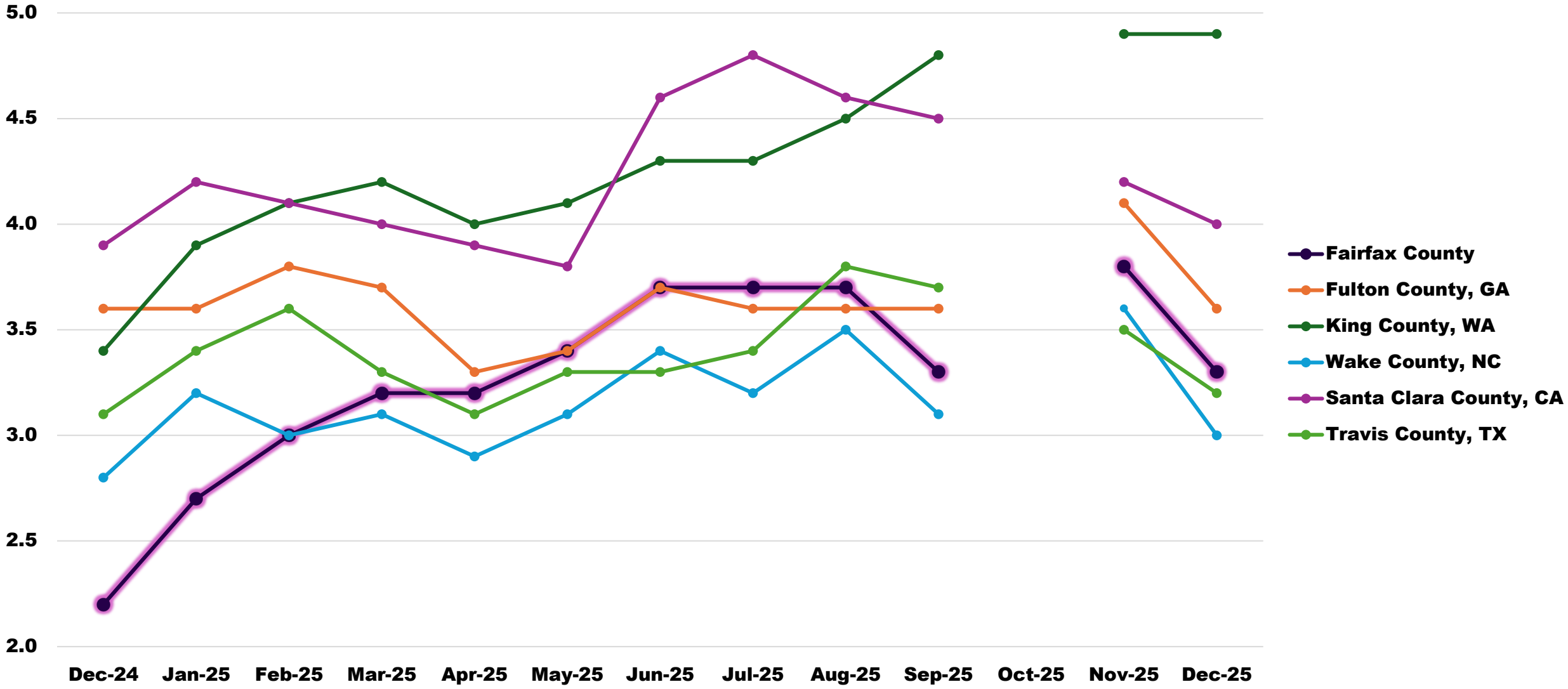
Source: U.S. Bureau of Labor Statistics

Federal Workforce Reductions

- **Virginia**
  - **Down 12% Year over Year**
    - **Over 23,000 less Federal Government workers (Place of Work)**
- **Washington, DC Metro**
  - **Down 14% Year over Year**
    - **Close to 54,000 less Federal Government workers (Place of Work)**
- **Northern Virginia**
  - **Down 14% Year over Year**
    - **Over 13,000 less Federal Government workers (Place of Work)**
- **Largest Agency Reductions**
  - **Veterans Affairs**
  - **Treasury**
  - **Army**

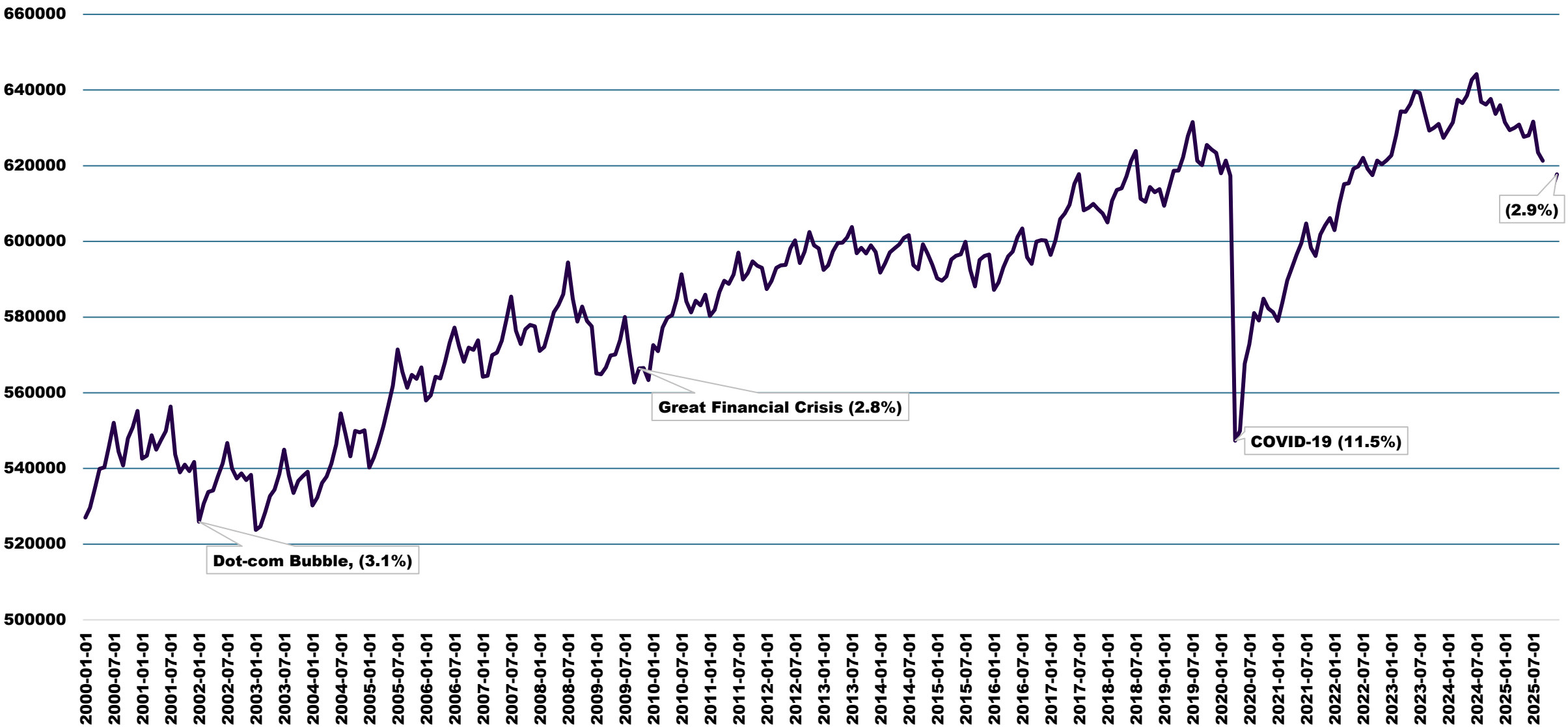
Sources: U.S. Bureau of Labor Statistics (CES), U.S. Office of Personnel Management

Unemployment Rates - Large Counties (1 Year)



Source: U.S. Bureau of Labor Statistics

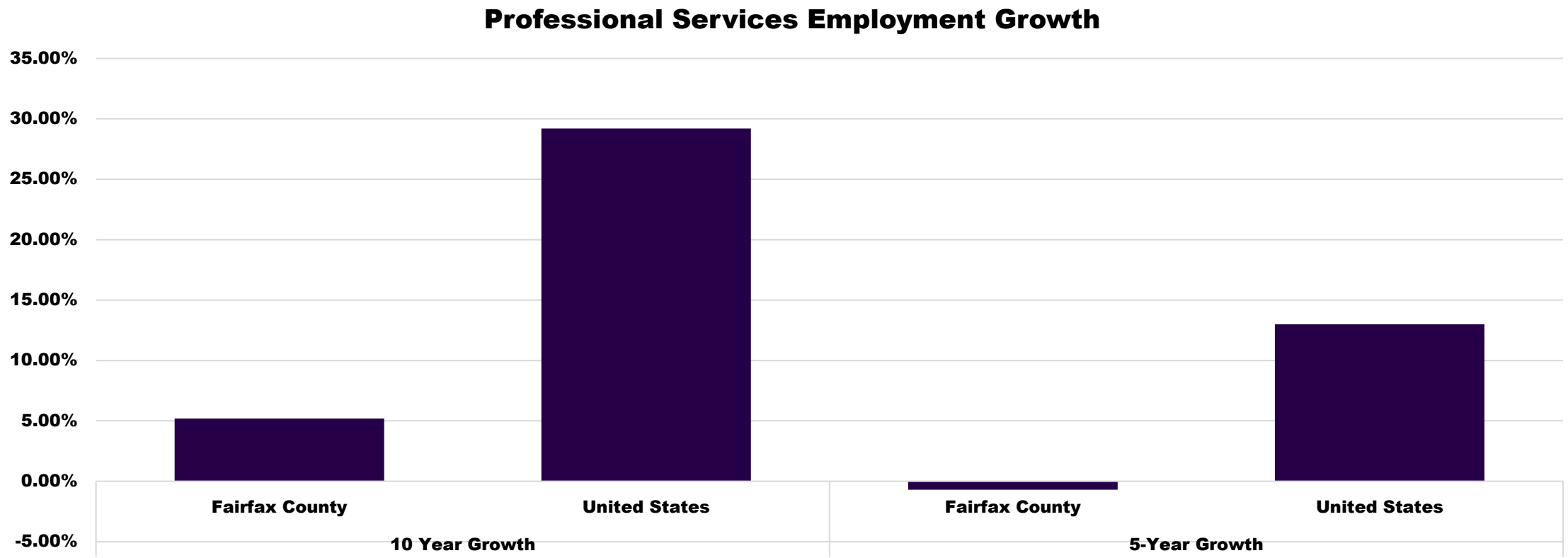
Fairfax County Employment (Since 2000)



Source: U.S. Bureau of Labor Statistics

Professional Services Employment

- **Fairfax County has the highest concentration of Professional Services employment in the U.S.**
  - **More than 3X the U.S. average**



Source: U.S. Bureau of Labor Statistics (QCEW), Chmura JobsEQ

Growth Opportunities

Computing Infrastructure Providers	
Fairfax County	United States
10.2%	6.2%

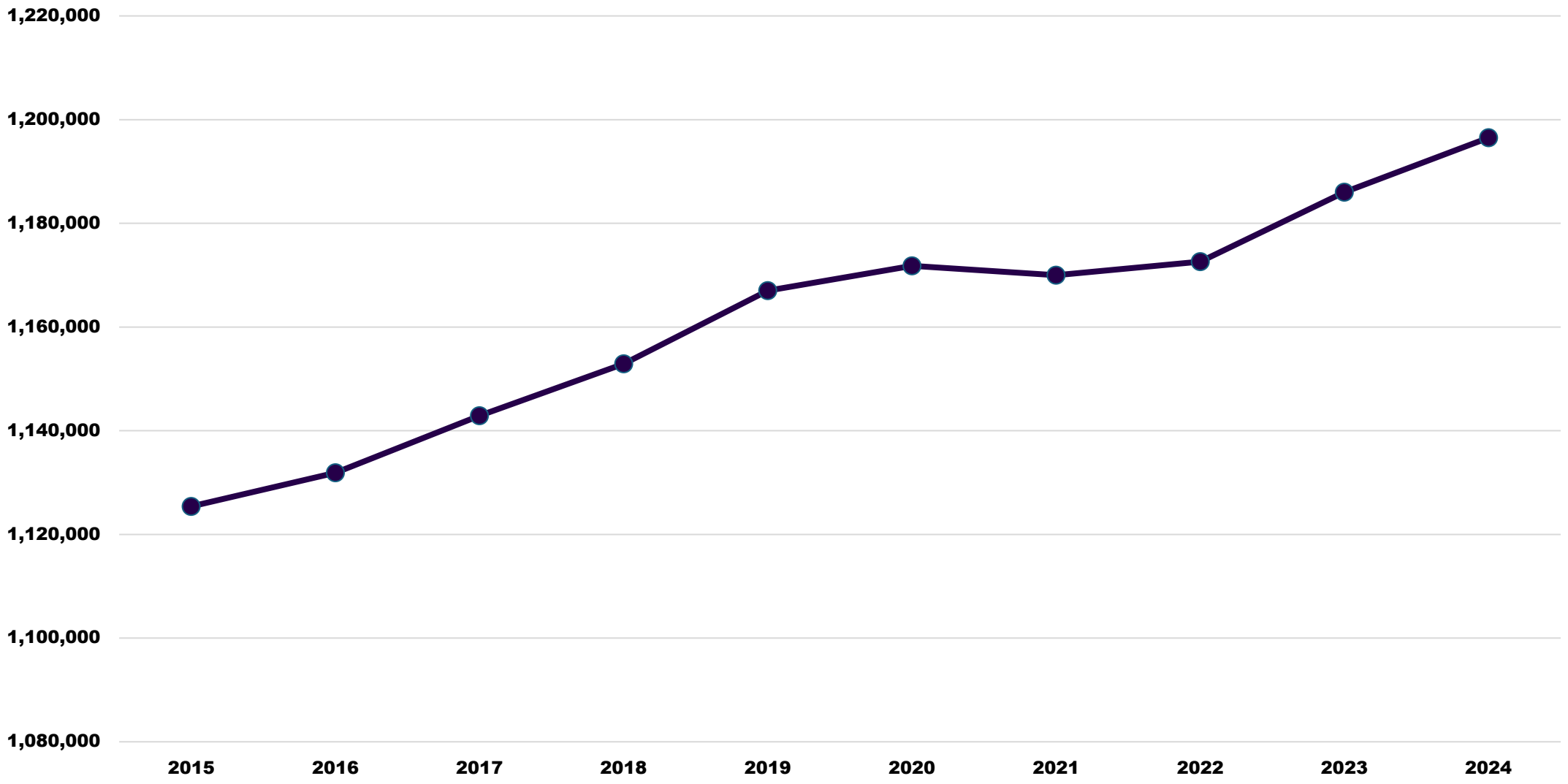
Scientific Research and Development	
Fairfax County	United States
5.1%	4.3%

Satellite Telecommunications	
Fairfax County	United States
4.8%	1.3%

Management of Companies	
Fairfax County	United States
3.1%	1.9%

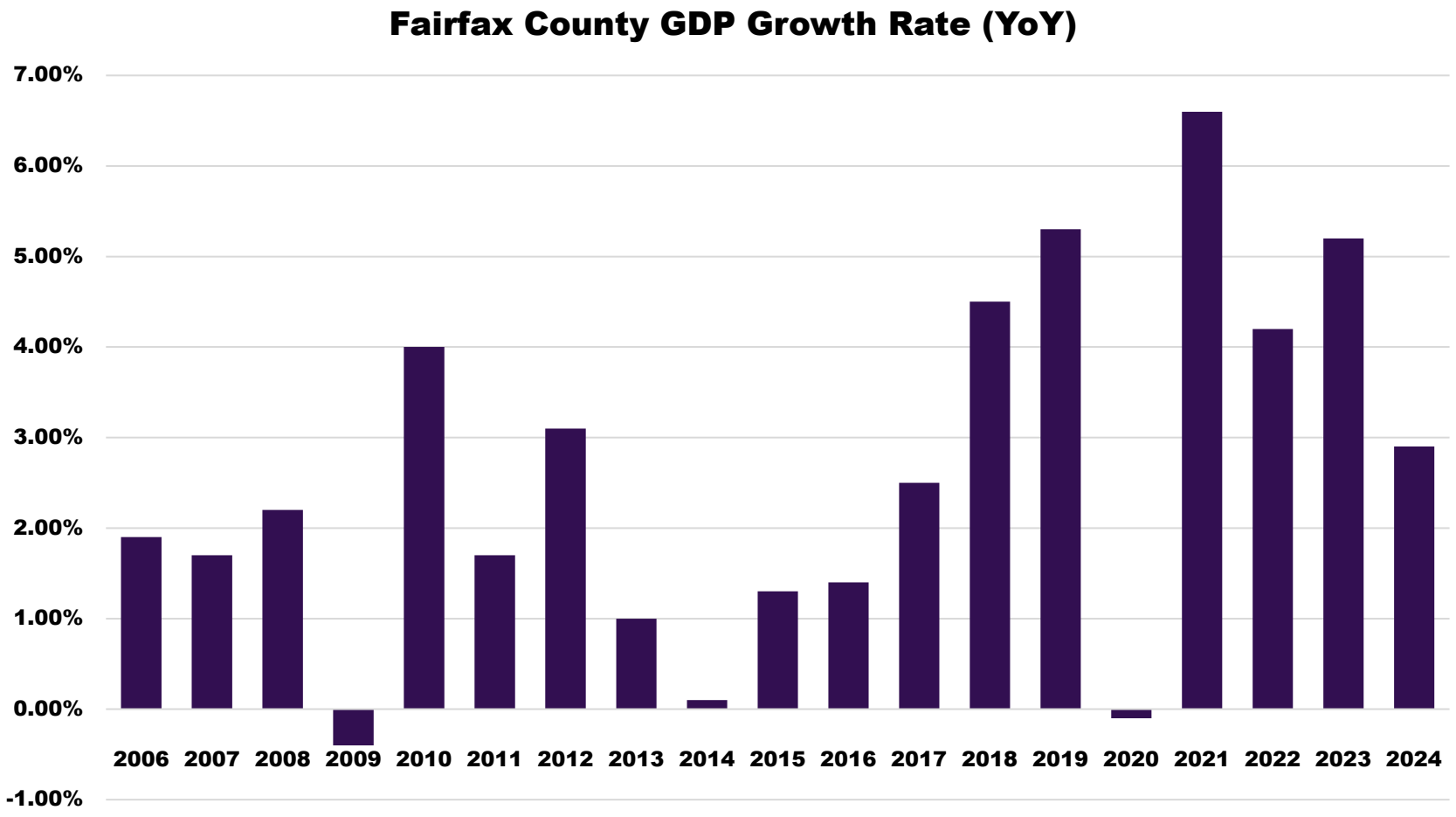
Source: Chmura, JobsEQ

Fairfax County Population



Source: Fairfax County Demographic Report, 2024

Only two periods since 2006 showed a decrease in GDP for Fairfax County. Even those declines were minimal and followed by strong growth the following year. Fairfax County performs well among peers in recent growth rates



Fairfax GDP

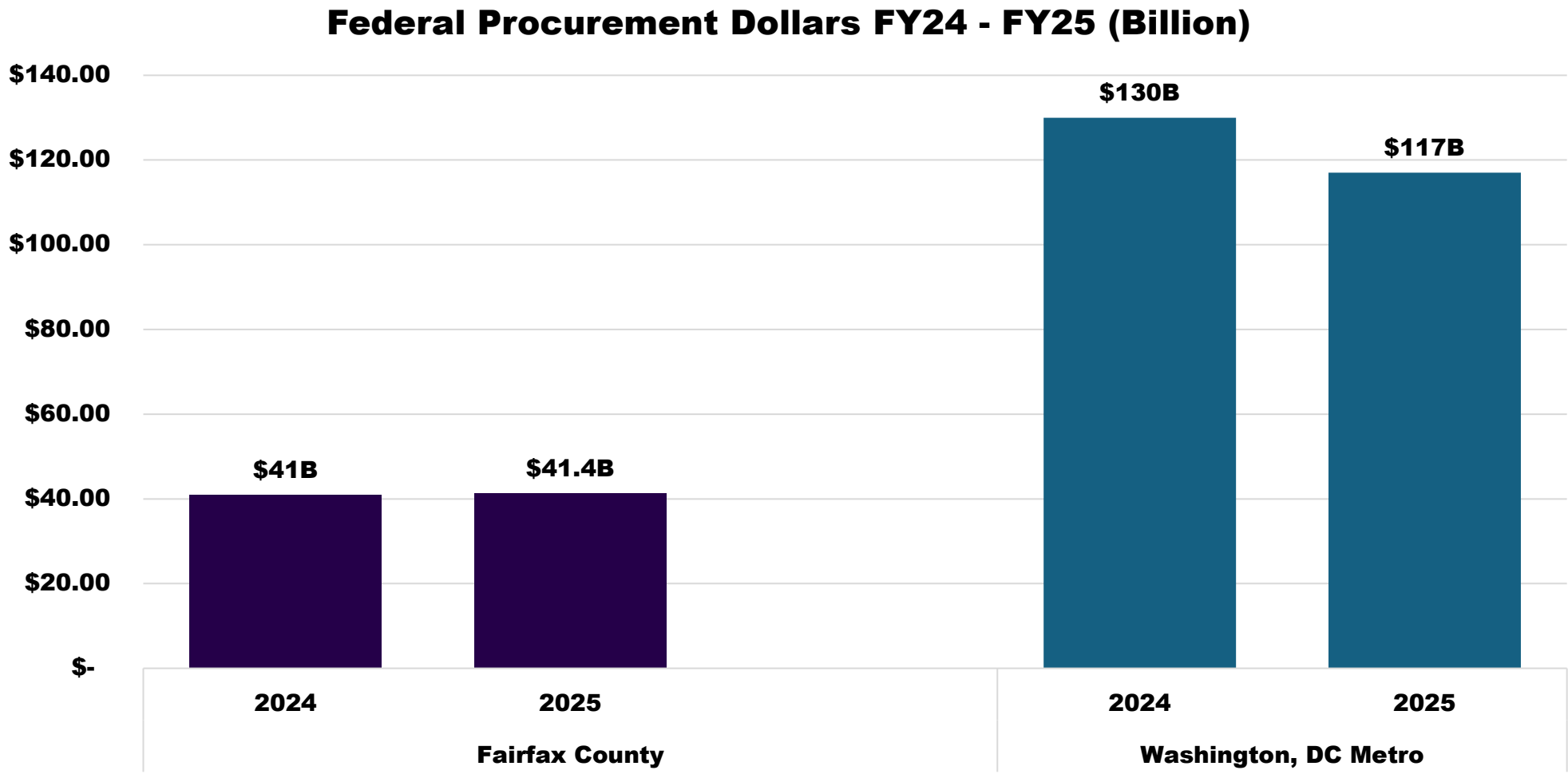
2.9% Growth YoY in 2024

25.5% of DC Metro GDP

24.6% of Virginia GDP

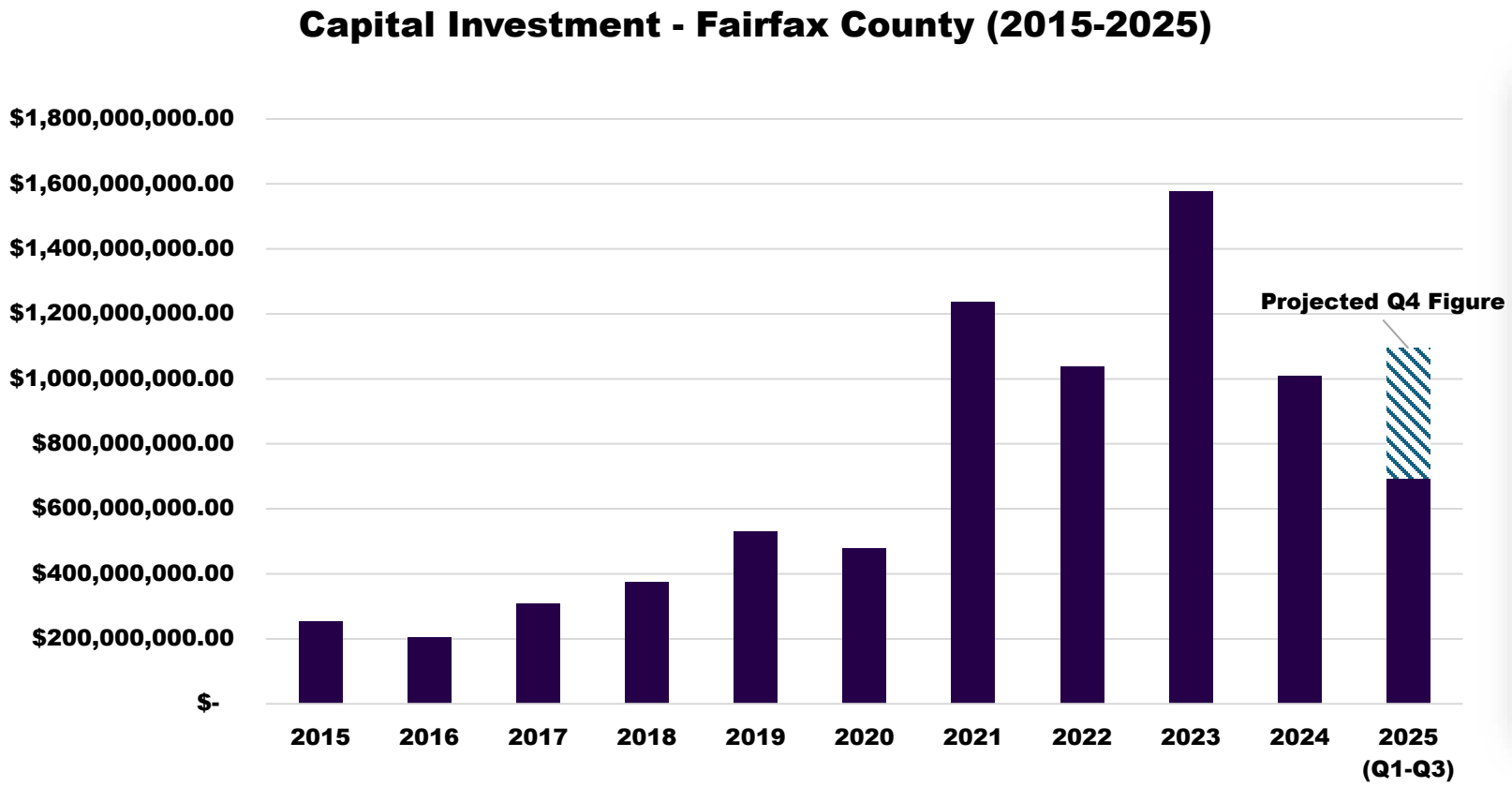
Source: U.S. Bureau of Economic Analysis

Federal Procurement increased year-over-year for the County, demonstrating minimal impacts on overall government contract dollars



Source: USASpending.gov

Fairfax County saw venture capital dollars subside in Q1 2025, but has seen a rebound in investment activity, especially among the artificial intelligence and defense tech startups





Technology

Greater Washington venture funding more than doubled in 2025, to $5.4B

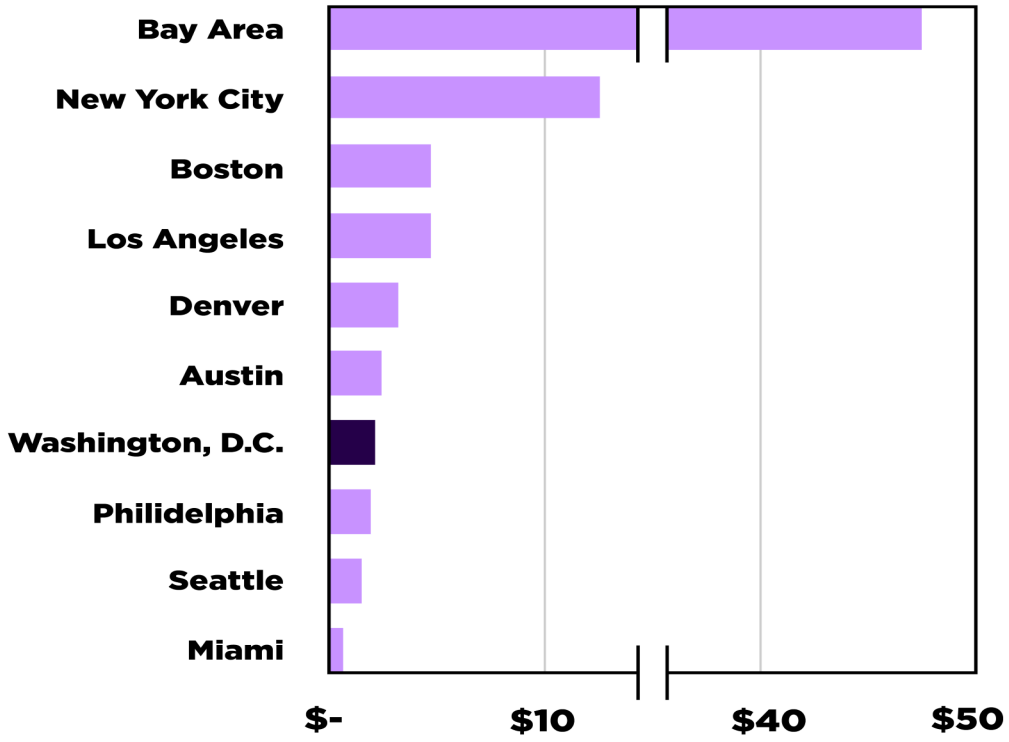
Forterra, a Clarksburg-based developer of technology for autonomous vehicles, raised $238 million in a Series C round in November.

FORTERRA

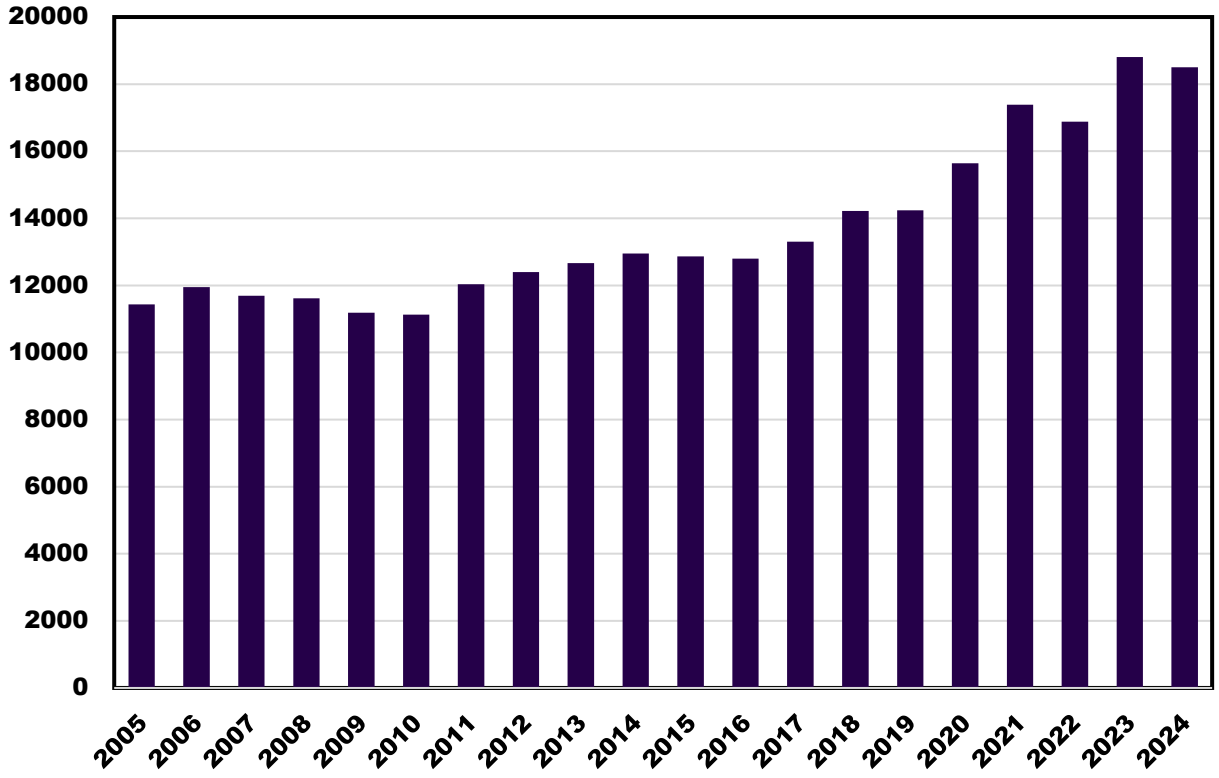
Sources: Pitchbook, Washington Business Journal

Startup Ecosystem

Q4 2025 Venture Capital Dollars by Region (Billions)

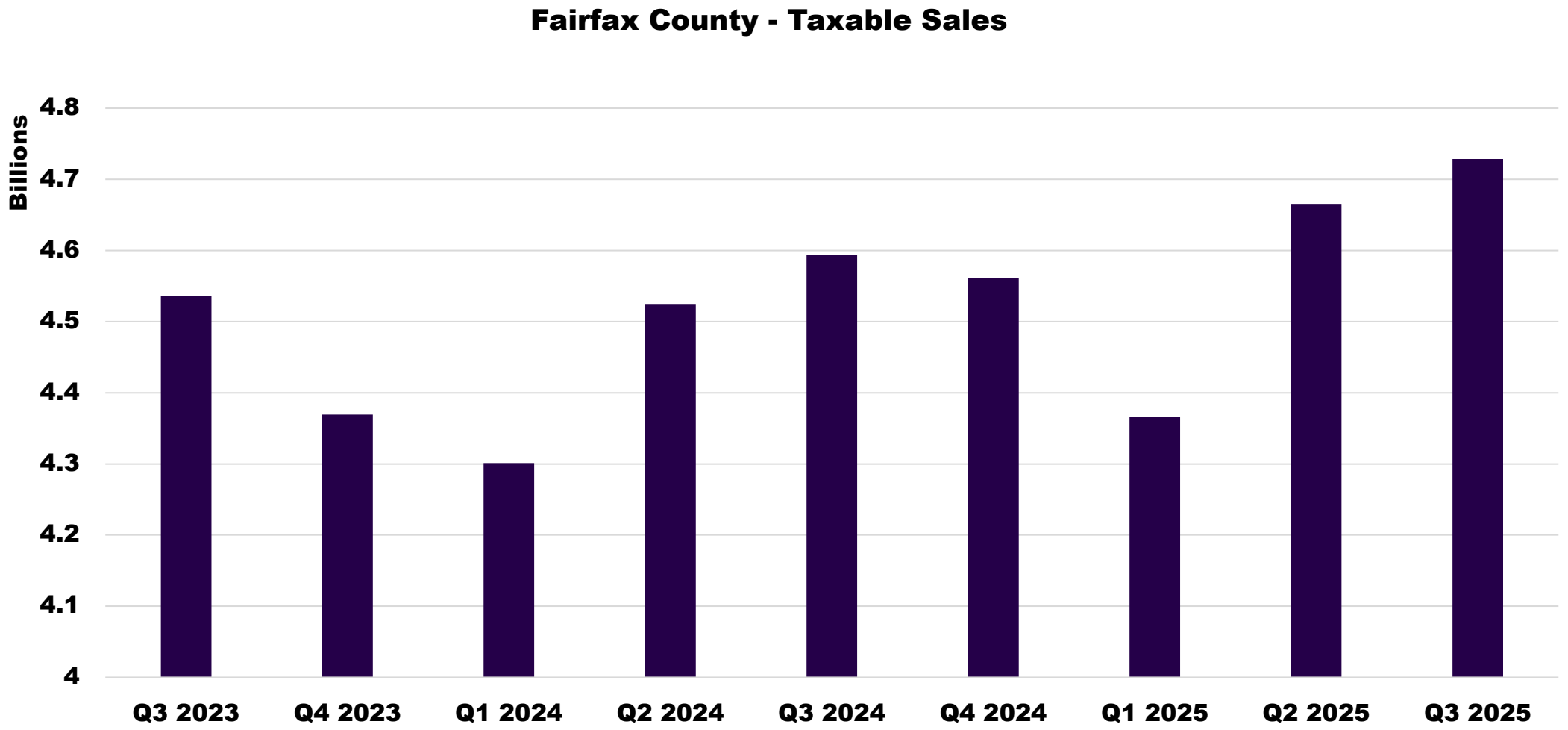


New Business Starts in Fairfax County (Last 20 Years)



Sources: Pitchbook, U.S. Census Bureau (BFS)

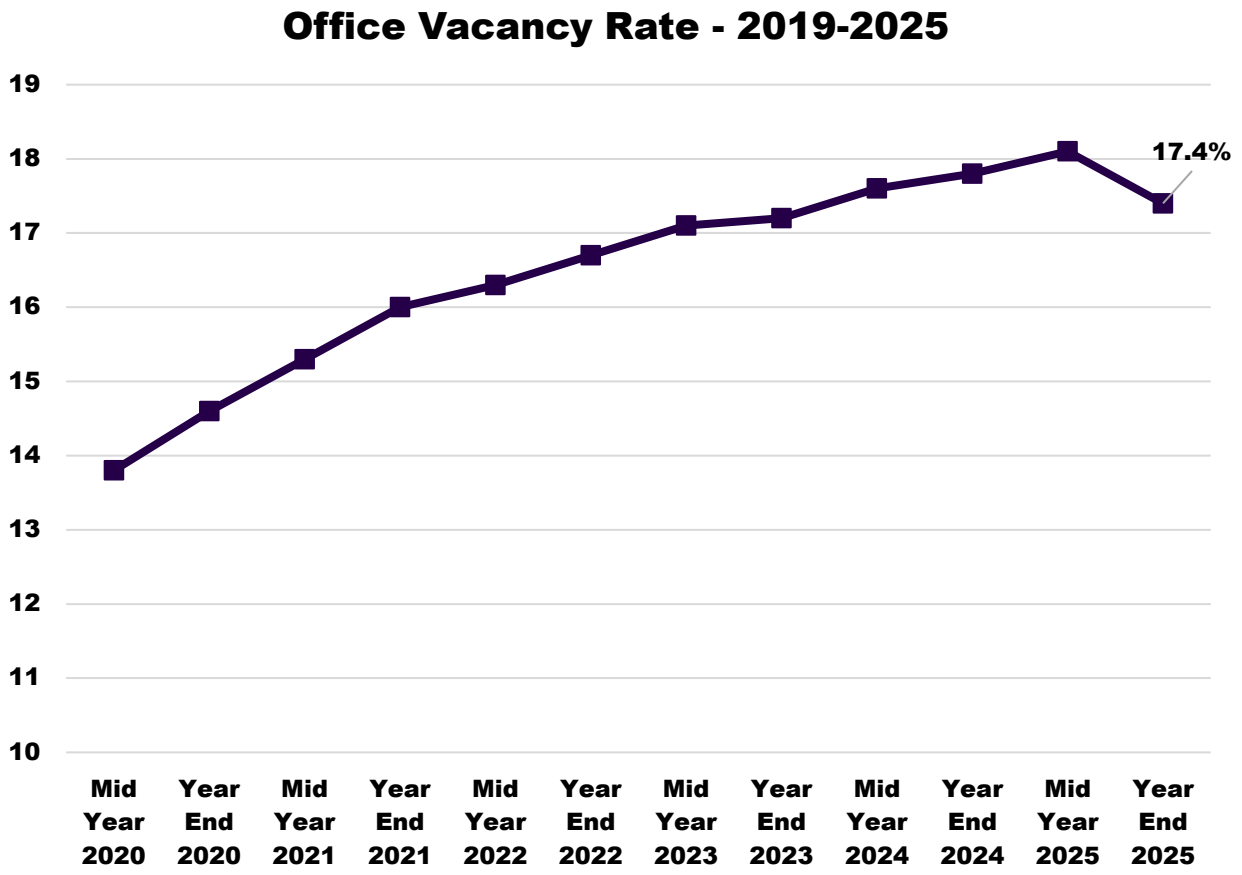
To this point, local taxable sales have not been impacted by workforce changes over the past year



Source: Weldon Cooper Center for Public Service

After five years of vacancy rate increases, the Fairfax County office market had its first decrease in 2025

- Obsolete Office Inventory Decreasing
- No Speculative Office Construction
- Dwindling Available Trophy Space
- Employers Determining Office Footprint

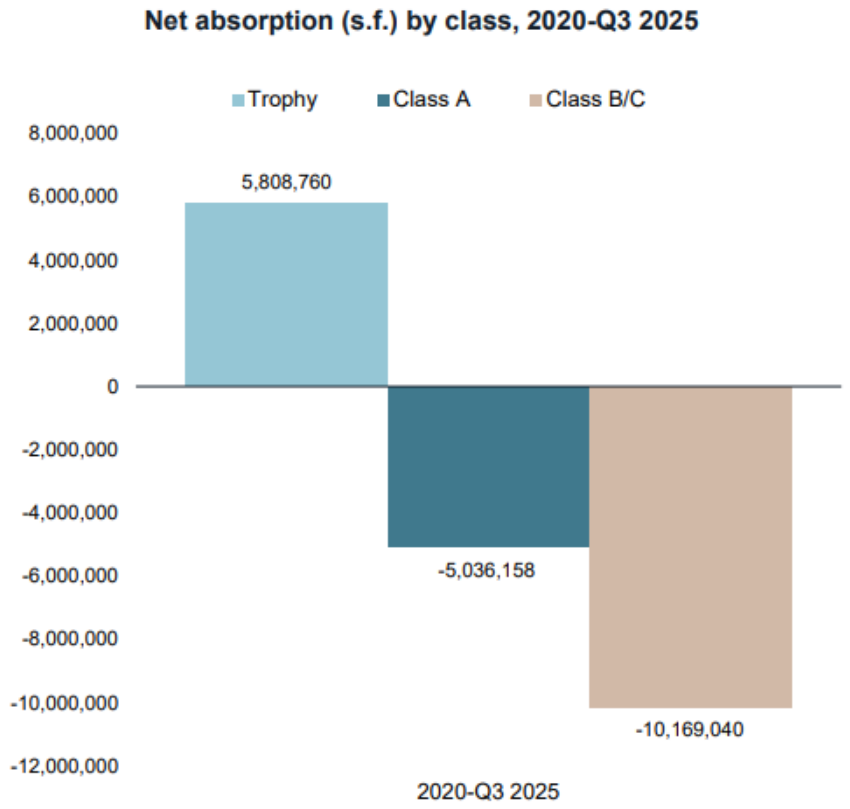


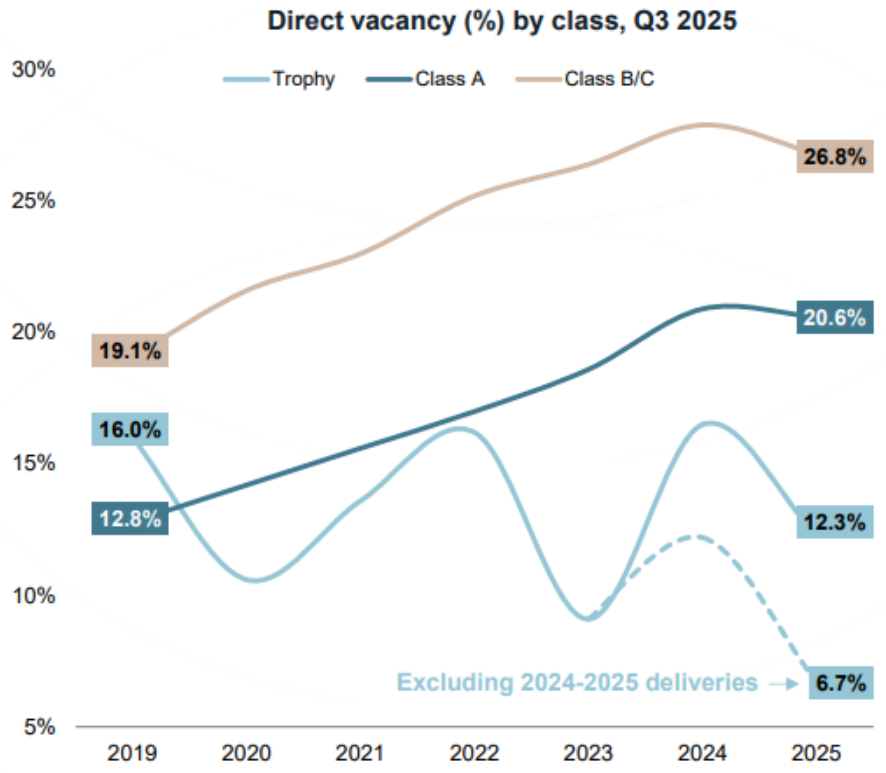
FIGURES | NORTHERN VIRGINIA OFFICE | Q4 2025

Positive Net Absorption and Increased Leasing Activity Drive Recovery in Northern Virginia

Sources: FCEDA, CBRE

Lack of new construction, along with flight to quality, is driving a bifurcated market





Source: JLL Research; 2024-2025 deliveries defined as: 1800 & 1880 Reston Row, 12050 Inspiration, 3901 N Fairfax

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JLL

Source: JLL

Site Selectors – Top Priorities

Site Evaluation

- Transparency and knowledge of the product

Solution-Oriented Responses

- Provide clear pathways to success

Speed to Market

- Existing infrastructure a top priority

Understanding of Competitive Landscape

- Identify where your community excels or lags

COMBINED RATINGS* CONSULTANT SURVEY

Site Selection Factors	2025	2024
Ranking		
1. Energy availability	100.00%	97.9 (3)
2. Available land	100.00%	98 (T2)
3. Skilled labor	98.44%	100 (1)
4. Expedited permitting	98.44%	81.6 (T9)
5. Proximity to suppliers	96.88%	89.8 (T5)
6. Energy costs	95.31%	93.9 (4)
7. Responsive state & local government	95.31%	98(T2)
8. Property tax	95.24%	N/A
9. State and local incentives	95.23%	98 (T2)
10. Highway	93.76%	89.8 (T5)
11. Environmental regulations	93.75%	85.7 (T7)
12. Proximity to major markets	92.19%	83.7 (8)
13. Labor costs	90.63%	87.8 (6)
14. Available buildings	84.13%	81.6 (T9)
15. Water availability	81.26%	85.7 (T7)
16. Construction costs	80.64%	79.6 (T10)
17. Technical schools	79.69%	69.4 (T13)
18. Shovel-ready, certified sites	78.12%	79.6 (T10)
19. Airport	75.00%	69.4 (T13)
20. Raw materials	73.44%	75.5 (11)
21. Training programs	69.84%	71.5 (12)
22. Corporate tax rate	69.84%	58.4 (18)
23. Sales tax	68.26%	N/A
24. Low union profile	65.63%	63.3 (14)
25. ICT, Broadband	64.06%	55.1 (19)
26. Weather hazards	64.06%	62.5 (15)
27. Quality of life	61.90%	59.2 (16)
28. Right-to-work	58.73%	59.2 (17)
29. Port, Waterway	47.62%	42.8 (20)
30. Rail	46.88%	41.7 (21)

*All figures are percentages and are the total of the "very important" and "important" ratings of the Area Development Corporate Survey and are rounded to the nearest tenth of a percent.

Source: Area Development Magazine

Summary

- A strong and resilient economy.
- Labor, population, and office dynamics require monitoring.
- Growth continues, but unevenly across sectors.

Next Steps

- Continue to analyze competitive positioning.
- Findings to inform EC Task Force recommendations.
- Ongoing success requires collaboration and targeted strategic action.