CITY OF ALEXANDRIA
City Manager's Office

City Manager Oral Report

State of the Economy

Agenda

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National Economic Indicators

Theme of uncertainty continues at the national level

Unemployment is low but increasing

- 4.4% as of June 2025*
- 3.6% in June 2023*

Inflation is near the 2.0% Federal Reserve target but may not yet reflect the full effect of tariffs

- 2.7% as of July 2025*

Jobs are flat but holding

- **Job Openings** - The number and rate of job openings were little changed at 7.2 million and 4.3 %, respectively, in July 2025.*
- **Hires** - The number and rate of hires were unchanged at 5.3 million and 3.3 %, respectively, in July 2025.*
- **Separations** - The number and rate of total separations were unchanged at 5.3 million and 3.3 %, respectively, in July 2025.*

**Source:*
U.S. Bureau of Labor Statistics

National Economic Indicators

Consumer confidence is weakening which could impact economic activity

Index of Consumer Sentiment
- Decrease of 5.7% from July to August 2025*

Current Economic Conditions
- Decrease of 9.3% from July to August 2025*

Index of Consumer Expectations
- Decrease of 3.1% from July to August 2025*

Looming Federal Government Shutdown
- September 30

Source: University of Michigan's Surveys of Consumers

Local Economic Indicators

Residential real estate property remains strong*

- Based on data from the July 2025 Multiple Listing Service, the number of real estate sales is down slightly from the prior year, at 174 compared to 183.
- The median sales price is up 5.38%
- The market remains strong with average days on market at 23 days (44% sold within 10 days).
- As of July, there were 308 active listings, up almost 44% over the prior year.

**Source:*
Multiple Listing Service

Local Economic Indicators

Employment status of Alexandrians changed while number of jobs in the City are constant

Unemployment

- 3.6% in 2025 which is a slight increase from 2.5% in 2024

Jobs

- Total employment in the City in the first quarter of 2025 was 80,127 which was nearly unchanged compared to the same quarter of 2024 at 80,746.

	UNEMPLOYMENT RATE				
	2021	2022	2023	2024	2025
Alexandria*	4.6%	2.3%	2.2%	2.5%	3.6%
Commonwealth of Virginia*	4.0	2.5	2.5	2.8	3.9
United States*	5.9	3.6	3.6	4.1	4.4

*As of June each year. Figures are not seasonally adjusted.

Source: US Department of Labor, Bureau of Labor Statistics (via FRED)

Alexandria Market Highlights

Commercial office vacancy is well above norms

Q2 2025

Vacancy Rate	21.6%
Net Absorption	-29,313 SF
Inventory	18,923,031 SF

Alexandria Office Market Statistics by Submarket
Q2 2025

SUBMARKET	VACANCY RATE	NET ABSORPTION	INVENTORY
Old Town	14.3%	-26,860 SF	7,670,164 SF
Carlyle	29.1%	32,377 SF	1,881,912 SF
Potomac Yard	0.9%	33,488 SF	991,041 SF
West End	18.6%	-12,630 SF	1,894,861 SF

- Overall vacancy rate up 0.5% since year end 2024, and significantly from 12/2023 rate of 15.3%
- Alexandria vacancy rate slightly lower than regional vacancy rate of 23%
- Negative net absorption means more space was vacated than leased
- Variability in vacancy throughout Alexandria neighborhoods, with highest concentration in Carlyle

**Source: AEDP Mid-Year Market Report 2025*

Alexandria Market Highlights

High occupancy in Alexandria retail spaces

- Old Town retail vacancy rate 5.8% compared to 12.3% vacancy in Washington, DC

- 6.3% increase in foot traffic year-over-year in Del Ray

Source: AEDP Mid-Year Market Report 2025

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- Regular State of the Economy Updates at future meetings
- More local information available online at www.AlexandriaEcon.org
- The most recent biannual report, covering the first half of the calendar year, was released September 8th