



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

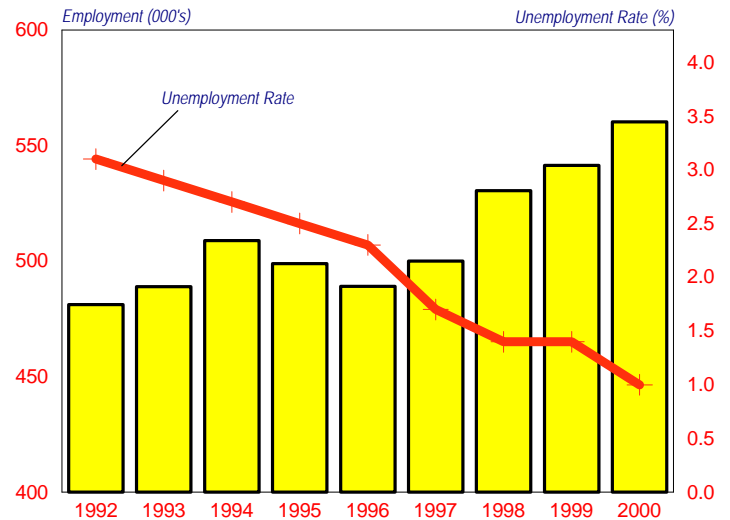
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JANUARY HIGHLIGHTS

- ❑ December unemployment in Fairfax County remained steady at 1.0 percent.
- ❑ January Sales Tax receipts for Fairfax County are 10.6 percent lower than January 1999, but up 3.1 percent since the beginning of the fiscal year.
- ❑ New dwelling permits remain lower than last year's levels, but repair and alteration permits are up significantly through December.
- ❑ Homes sales data through December show that calendar year 2000 sales volume was mixed for both new and existing homes, but median sales prices were up sharply.
- ❑ National Consumer Confidence fell in January for the fourth consecutive month and is beginning to show typical pre-recession patterns.
- ❑ In January, both the Fairfax County Coincident Index and Leading Index rose modestly. The Leading Index suggests that the County will experience moderate growth in 2001.
- ❑ The January Metropolitan Washington Coincident Index and Leading Index both rose slightly. Although the Washington Metropolitan area economy is still expanding, the Leading Index suggests the economy will decelerate but not stop growing.

RESIDENTIAL EMPLOYMENT - DECEMBER



Source: Virginia Employment Commission
Compiled by the Fairfax County Dept. of Management and Budget

According to the Virginia Employment Commission (VEC), the December unemployment rate in Fairfax County remained at 1.0 percent for the second consecutive month. That rate is 0.4 points lower than the December 1999 rate of 1.4 percent.

Statewide, the December unemployment rate fell 0.1 point to 1.9 percent from 2.0 percent in November. December marks the first time in 48 years that the unemployment rate has dropped below 2.0 percent in any month. Furthermore, nonagricultural employment in Virginia set an all-time record for the third consecutive month, rising 7,500 to 3,543,000. The record low unemployment level was the result of continued hiring of extra workers for the holiday season. The December 1999 Virginia rate was 2.6 percent and the December 2000 nationwide rate was 3.7 percent.



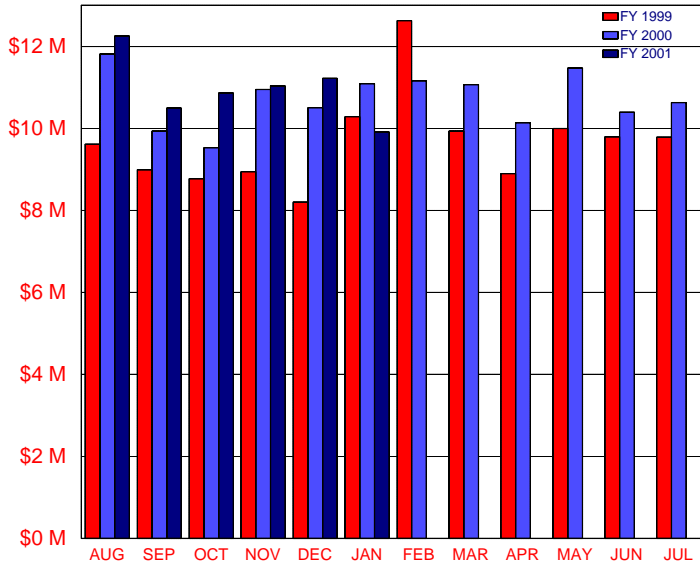
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.co.fairfax.va.us/comm/economic/economic.htm>



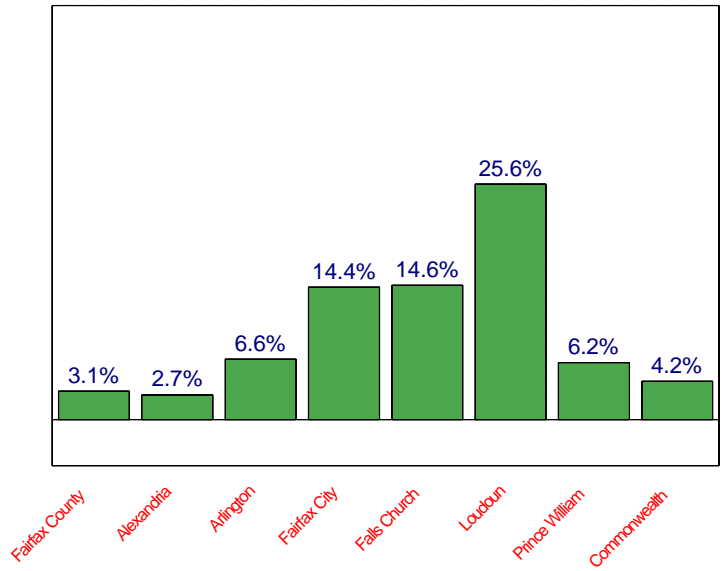
SALES TAX REVENUES

(revenues represent retail sales two months prior)



Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

FY 2001 SALES TAX RECEIPTS THROUGH JANUARY



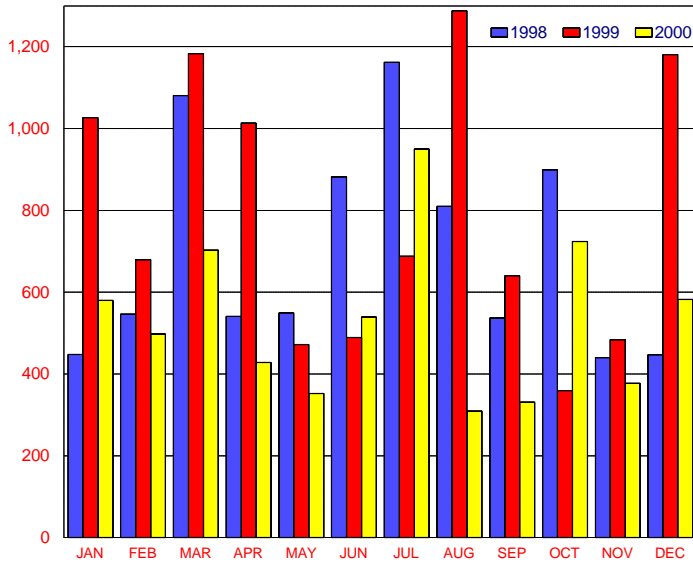
Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

January sales tax receipts for Fairfax County, representing retail purchases made in November, were 10.6 percent lower than January 2000. Fiscal year-to-date, sales tax receipts are up 3.1 percent over the same period last year.

In December, seasonally adjusted advance retail sales estimates for the U.S. rose 0.1 percent over November, and are up 3.4 percent over December 1999, according to the Commerce Department. Durable goods sales increased 0.1 percent over November, and are up 0.7 percent over December last year. Furniture sales rose 2.7 percent over December 1999. December nondurable goods were unchanged from November, but are 5.3 percent above December 1999. Drug stores sales are up 8.4 percent over last year while gasoline sales are up 7.3 percent over December 1999.

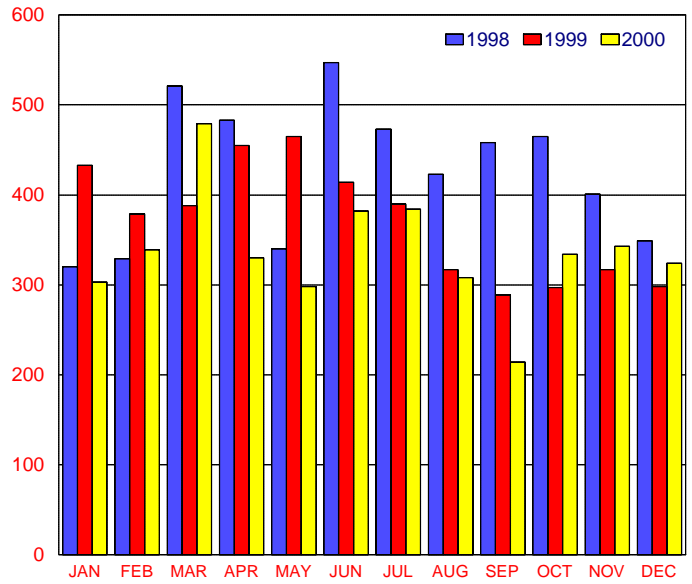
Through the first six months of FY 2001, Sales Tax receipts in the Northern Virginia area have varied dramatically. Loudoun County continues to show the strongest growth—up 25.6 percent over the same period last year. Falls Church and Fairfax City have also shown robust year-to-date growth at 14.6 and 14.4 percent respectively. Other area jurisdictions, though, have shown more moderate growth. Sales Tax receipts through January are up 6.6 percent in Arlington, 6.2 percent in Prince William, 3.1 percent in Fairfax County, and 2.7 percent in Alexandria. Sales Tax receipts are up 4.2 percent Statewide over the same period last year.

**NUMBER OF RESIDENTIAL BUILDING PERMITS
NEW DWELLINGS**



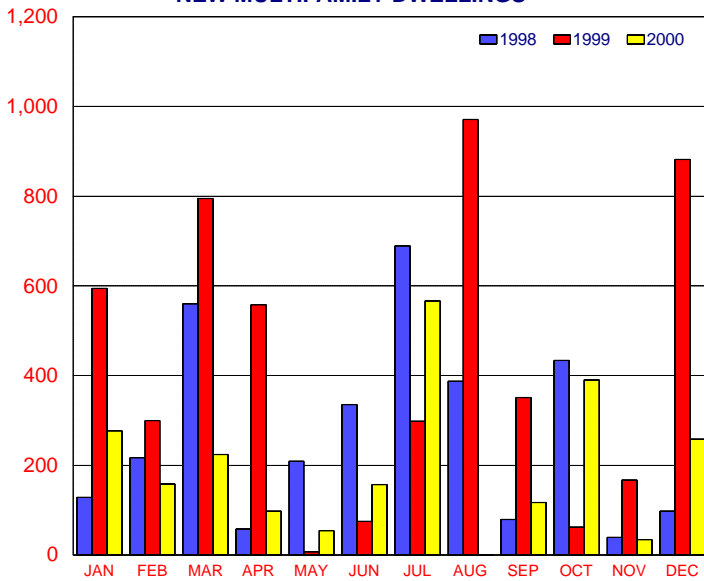
Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

**NUMBER OF RESIDENTIAL BUILDING PERMITS
NEW SINGLE FAMILY DWELLINGS**



Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

**NUMBER OF RESIDENTIAL BUILDING PERMITS
NEW MULTIFAMILY DWELLINGS**

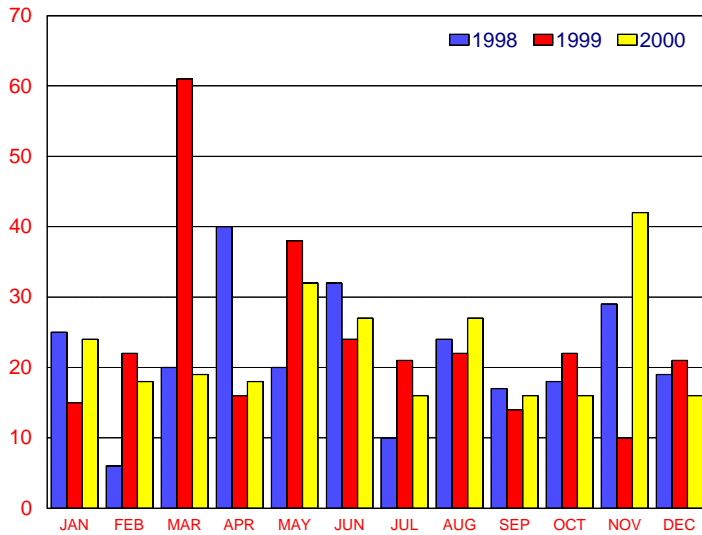


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Year-to-date, all new residential permit categories continue to show negative growth. In total, new residential dwelling permits are down 32.9 percent, or 3,130 permits, through December. Multifamily permits are down 53.9 percent, or 2,726 permits, while single family permits are down 9.1 percent, or 404 permits, over the same period.

However, residential repair and alteration permits continue to show solid year-to-date growth. Through December, issues of residential repair and alteration permits have increased 22.9 percent, or 3,392 permits, over December 1999.

**NUMBER OF NONRESIDENTIAL BUILDING PERMITS
NEW STRUCTURES**



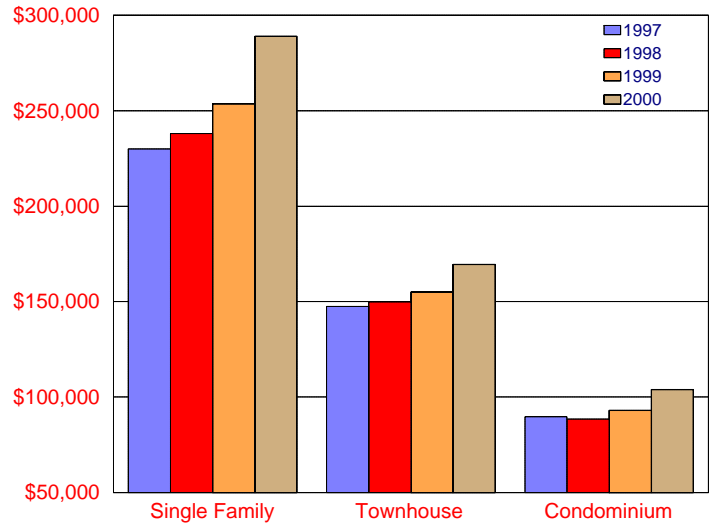
Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Nonresidential building permits issued through December are down 5.2 percent, or 15 permits, from the same period in 1999. Nonresidential repair and alterations permits, however, are up 9.8 percent, or 409 permits, year-to-date.

According to the Economic Development Authority's mid-year 2000 report, the office vacancy rate has fallen to 3.2 percent—the lowest office vacancy rate in more than 15 years. Furthermore, the rate dropped despite an increase in office space inventory of more than 2.3 million square feet. The report suggests that pressure on the office space market could ease slightly over the next 12-18 months as the latest wave of buildings is completed.

HOME SALES IN FAIRFAX COUNTY

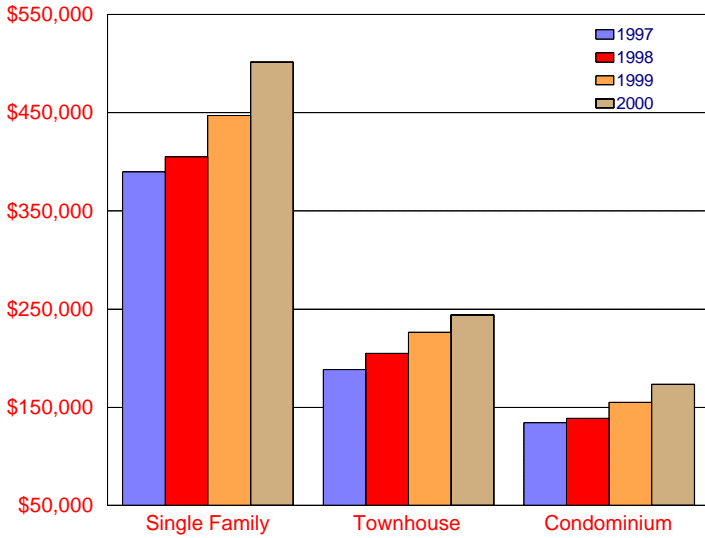
**MEDIAN PRICE OF EXISTING HOMES SOLD
ANNUAL MEDIAN PRICES 1997 - 2000**



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

According to home sales data through the end of December 2000, existing homes in Fairfax County have experienced strong growth in median sales prices. For existing single family homes, the 2000 median is \$289,000 compared to the 1999 median of \$253,625—growth of 14.0 percent. The 2000 median sales price for townhomes grew 9.4 percent, from \$155,000 in 1999 to \$169,500, and the 2000 median for condominiums increased from \$93,000 to \$103,945, representing growth of 11.8 percent.

**MEDIAN PRICE OF NEW HOMES SOLD
ANNUAL MEDIAN PRICES 1997 - 2000**

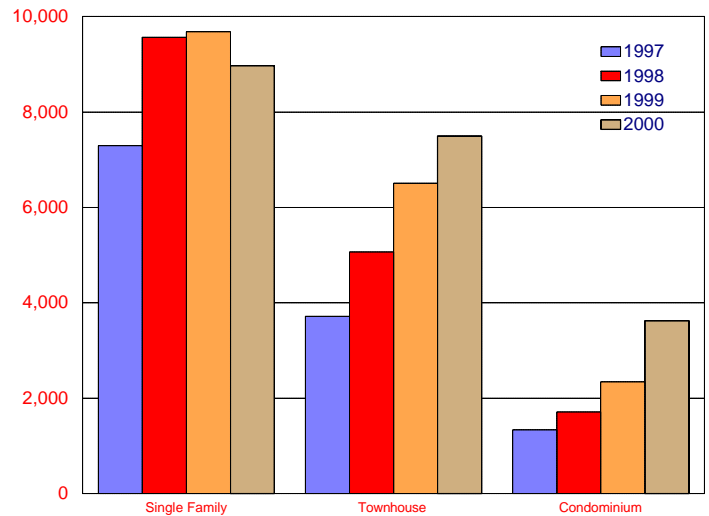


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Changes in selling prices, coupled with the volume of sales, are generally considered to be reasonable indicators of the County's real estate market. Median selling price increases do not translate directly into assessment adjustments, however, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. Changes in median selling prices are comparisons to the prices of homes sold during the prior year, and the type of homes sold (i.e., model, size, age, location, etc.) varies from one year to the next. The key factor in real estate assessments is not the change in the median sale price, but the relationship of assessments to the selling prices within neighborhoods.

Growth in median sales prices for new homes is strong according to sales data through December. The 2000 median sales price for a new single family home is \$501,420, an increase of 12.2 percent, or \$54,473, over the 1999 median. New townhomes have increased 7.8 percent, from the 1999 median of \$226,520 to a median of \$244,067 in 2000, while condominiums have grown from \$155,155 to \$173,226, or 11.7 percent, over the same period.

NUMBER OF EXISTING HOMES SOLD



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

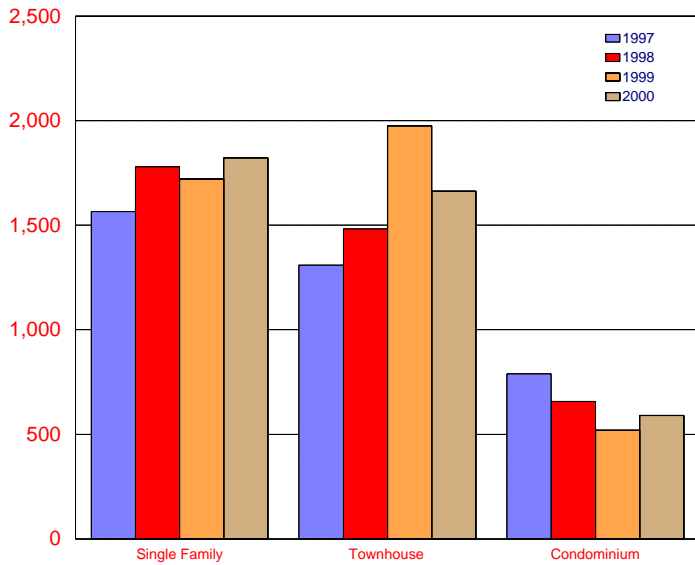
**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD
YEAR-END 1999 COMPARED TO YEAR-END 2000**

	Existing Sales	New Sales
Single Family	14.0	12.2
Townhouse	9.4	7.8
Condominium	11.8	11.7

Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Sales volume in 2000 was up sharply for existing condominiums and townhomes. Condominium sales were up 55.0 percent from 2,340 to 3,626, while townhome sales were up by 15.1 percent from 6,511 to 7,493. However, existing single family home sales fell 706 units in 2000, or 7.3 percent, from 9,678 to 8,972.

NUMBER OF NEW HOMES SOLD

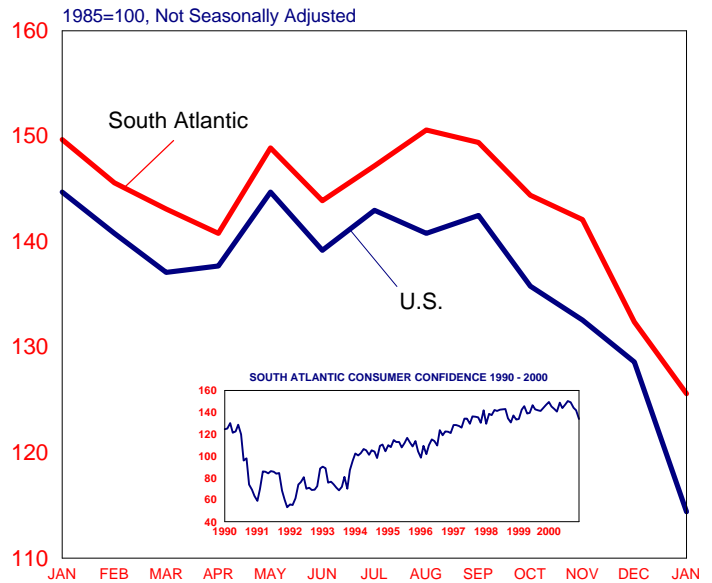


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Growth in new home sales volume in 2000 was mixed compared to 1999. New condominium sales volume increased from 520 in 1999 to 590 in 2000—an increase of 13.5 percent. Townhome sales have fallen 15.8 percent, from 1,975 to 1,663, over the same period, while new single family home sales increased 5.9 percent from 1,721 to 1,822.

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDEX

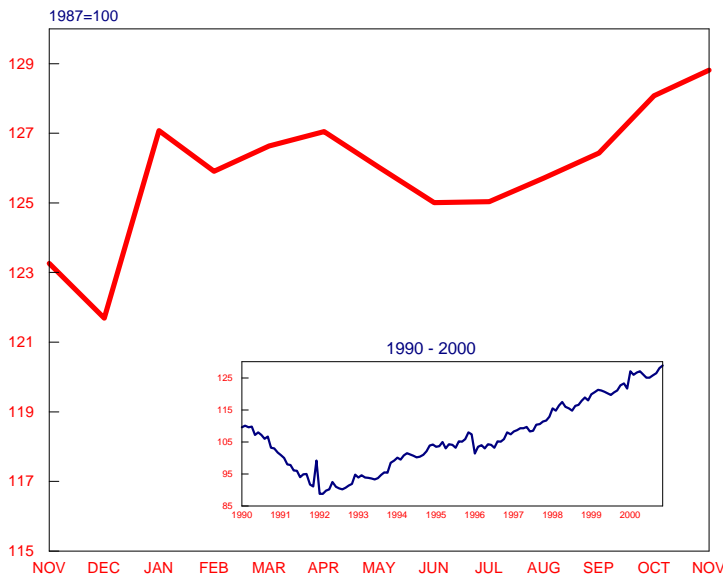


Source: Conference Board
Compiled by the Fairfax County Dept. of Management and Budget

The Conference Board's Consumer Confidence Index fell in January for the fourth consecutive month. The Index now stands at 114.4, down from 128.6 in December. Consumers' confidence in current economic conditions declined 3.2 percent from December, while their short-term outlook declined 20.5 percent. According to Lynn Franco, Director of The Conference Board's Consumer Research Center, consumers have grown increasingly pessimistic about the short-term outlook. Over the last several months, consumer expectations have followed a pattern typically seen prior to a recession. However, consumers' confidence in current economic conditions remains strong enough that the economy does not appear to have completely run out of steam. The South Atlantic Consumer Confidence Index is 125.6 in January, a 5.1 percent decrease from December.

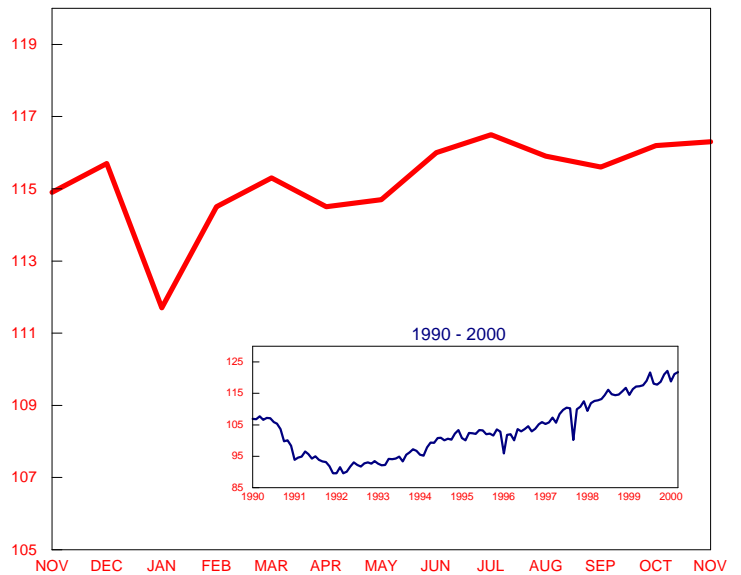
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

FAIRFAX COUNTY COINCIDENT INDEX



Sources: Center for Regional Analysis, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

METROPOLITAN COINCIDENT INDEX

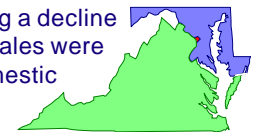


Source: Center for Regional Analysis, George Mason University
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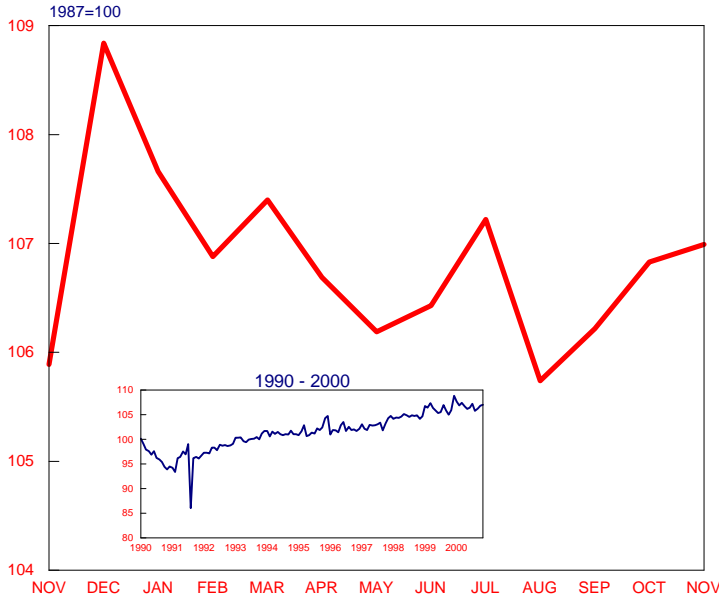
The Fairfax County Coincident Index, which represents the current state of the County's economy, increased in November to 128.8—a 0.6 percent increase over October. With this gain, the Index has now increased for five consecutive months and is up 4.5 percent over November 1999. In November, three of the index's four components were positive. Total employment increased in November for the fifth month in a row and for the ninth time this calendar year, and transient occupancy tax collections, adjusted for inflation and seasonal variation, registered their largest gain of the year in November after slipping in October. Consumer confidence also increased slightly after declining in two of the three previous months. However, sales tax collections, adjusted for inflation and seasonal variation, were down sharply following their strong gain in October.



The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, increased to 116.3 in November—a gain of 0.1 percent over October. The Index has now been up for two consecutive months after having declined in August and September, and year-to-date the Index is up 0.5 percent. In November, three of the Index's four components were positive. Total wage and salary employment increased in November for the third consecutive month and for the ninth time in the year's first 11 months. Consumer confidence increased following a decline in October, and nondurable goods retail sales were up for a second month. However, domestic passenger volume at Dulles and Reagan Airports decreased for the third time in four months.

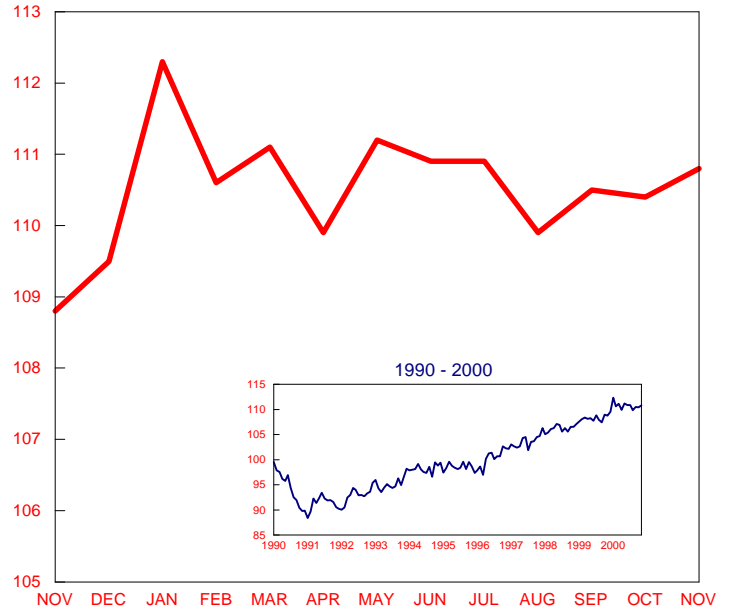


FAIRFAX COUNTY LEADING INDEX



Sources: Center for Regional Analysis, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

METROPOLITAN LEADING INDEX



Source: Center Regional Analysis, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, increased to 107.0 for a gain of 0.2 percent in November. The Leading Index has now been up for three consecutive months since August, but is still down 1.4 percent year-to-date. In November, three of the Index's five components contributed to its modest gain. New automobile registrations increased in November for the second month in a row, and initial claims for unemployment insurance decreased (improved) for the second time in three months. The total value of residential building permits also increased slightly in spite of a decline in the number of permits issued. Consumer expectations (consumer confidence six months hence), however, declined for a third month, and residential building permits also declined following gains in September and October.



The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, increased in November to 110.8 for a gain of 0.4 percent. Year-to-date, the Index has registered a 1.1 percent gain despite being down in six of eleven months. In November, two of the index's five components contributed to its small gain. Durable goods retail sales increased in November for a second month, and initial claims for unemployment insurance declined (improved) for the third month in a row. The Help Wanted Index, however, fell for the fifth time in six months, and consumer expectations (consumer confidence six months hence) declined for a third month. Total residential building permits were slightly lower in November following their sharp increase in October.



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