



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

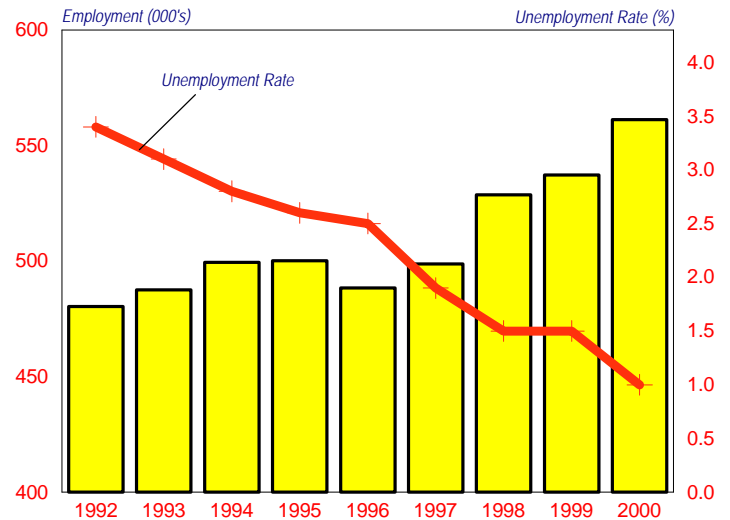
Publication 101

DECEMBER 2000

DECEMBER HIGHLIGHTS

- ❑ November unemployment in Fairfax County dropped 0.2 points to 1.0 percent.
- ❑ December Sales Tax receipts for Fairfax County are up 6.8 percent over December 1999 and up 6.0 percent since the beginning of the fiscal year, July 1, 2000.
- ❑ New dwelling permits remain lower than last year's levels, but repair and alteration permits are up significantly through November.
- ❑ Homes sales data through November show that sales volume is down for new homes but up in most categories for existing homes, and median sales prices are rising.
- ❑ Consumer Confidence fell in December for the third consecutive month, suggesting that consumer spending will cool further in 2001.
- ❑ In December, both the Fairfax County Coincident Index and Leading Index rose modestly. However, the Leading Index is tracking below its historic trend, suggesting that the County's growth rate will continue to slow.
- ❑ The December Metropolitan Washington Economic Index had mixed results, with the Coincident Index increasing slightly while the Leading Index declined somewhat. The Leading Index in particular suggests that the regional economy continues to decelerate.

RESIDENTIAL EMPLOYMENT - NOVEMBER



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

According to the Virginia Employment Commission (VEC), the November unemployment rate in Fairfax County dropped 0.2 points to 1.0 percent, the lowest rate thus far in 2000. That rate is 0.5 points lower than the November 1999 rate of 1.5 percent.

Statewide, the November unemployment rate fell 0.3 points to 2.0 percent from 2.3 percent in October. That is the lowest rate for any month since 1952 when the Korean War created considerable defense activity in the state. The improvement in the unemployment rate from October to November was the result of retailers hiring holiday workers by mid-November to have them on board by Thanksgiving week. The November 1999 Virginia rate was 2.6 percent and the November 2000 nationwide rate was 3.8 percent.

Employment levels should show relatively little change from November to December as holiday activities peak.



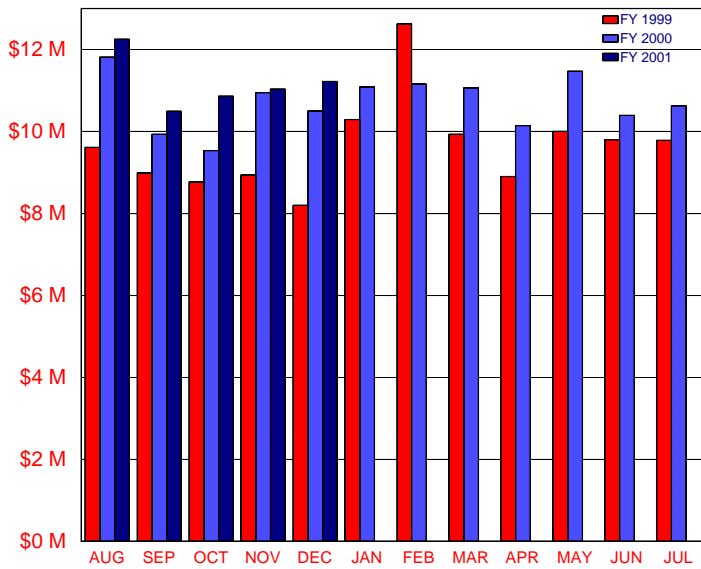
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

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



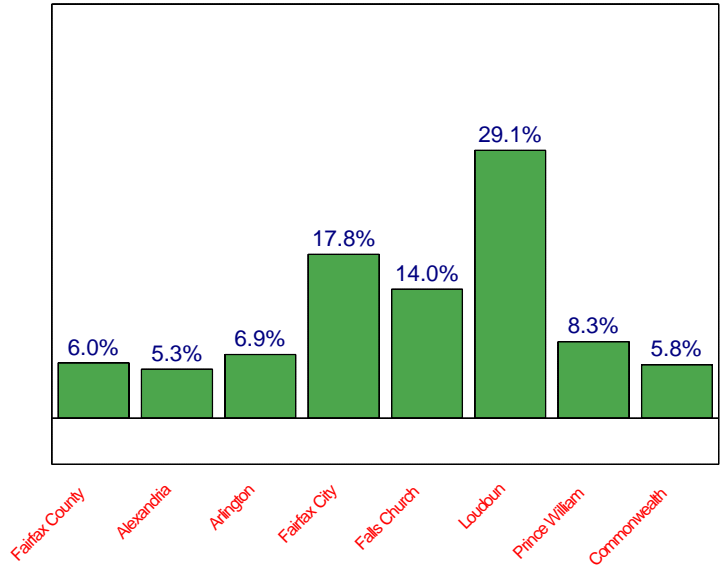
SALES TAX REVENUES

(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 NOVEMBER



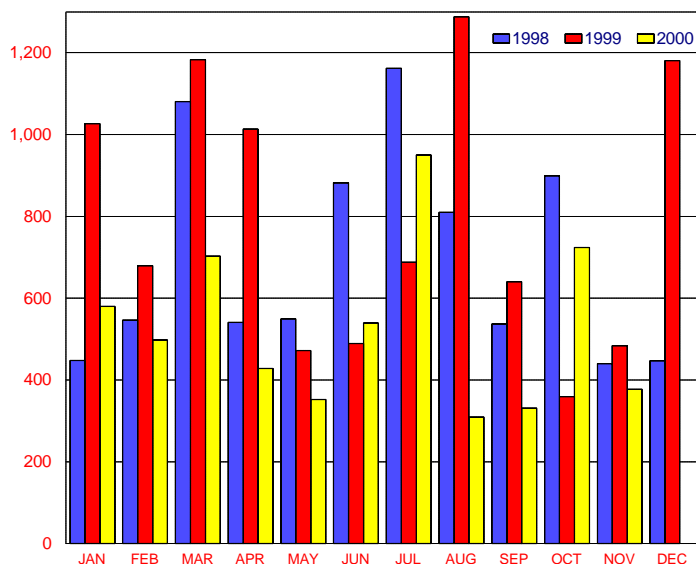
Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

December sales tax receipts for Fairfax County, representing retail purchases made in October, rose 6.8 percent over December 1999. Fiscal year-to-date, sales tax receipts are up 6.0 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 8.4 percent above December 1999. Drug stores sales are up 8.4 percent from last year, while gasoline sales are up 7.3 percent from December 1999.

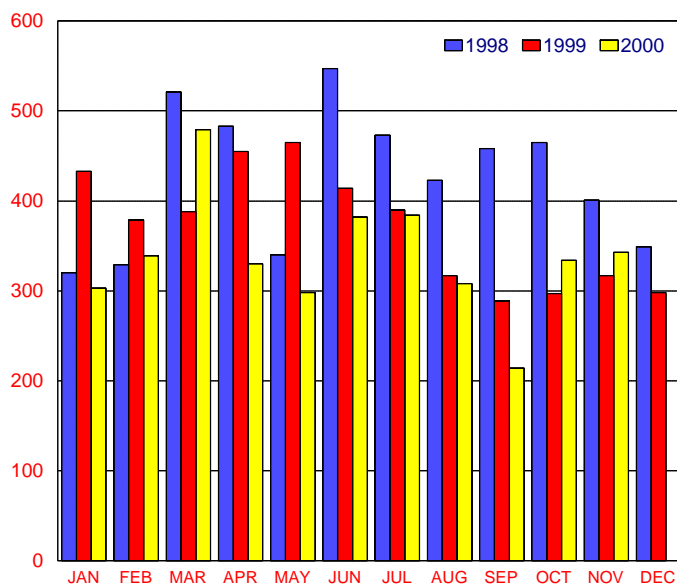
Through the first five months of FY 2001, Sales Tax receipts have shown moderate to strong growth. Loudoun County continues to show the strongest growth—up 29.1 percent over the same period last year. Fairfax City and Falls Church have also shown solid year-to-date growth at 17.8 and 14.0 percent respectively. Sales Tax receipts through December are up 8.3 percent in Prince William, 6.9 percent in Arlington, 6.0 percent in Fairfax County, and 5.3 percent in Alexandria. Sales Tax receipts are up 5.8 percent Statewide over the same period last year.

**NUMBER OF RESIDENTIAL BUILDING PERMITS
NEW DWELLINGS**



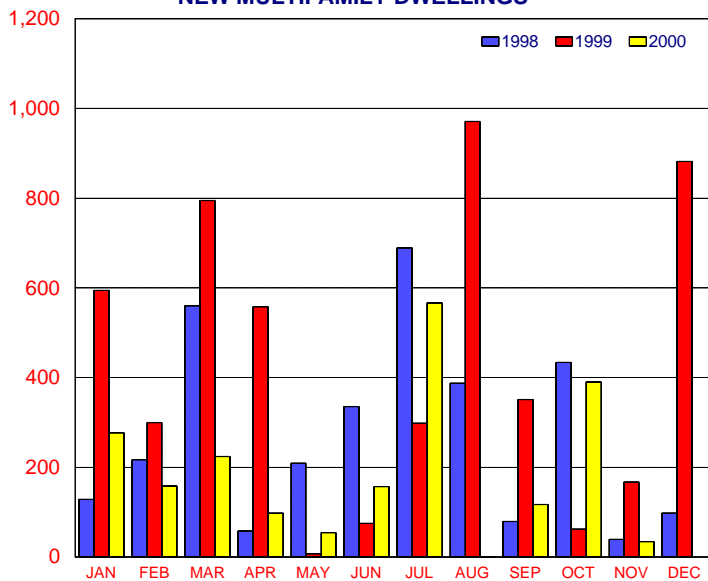
Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

**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**

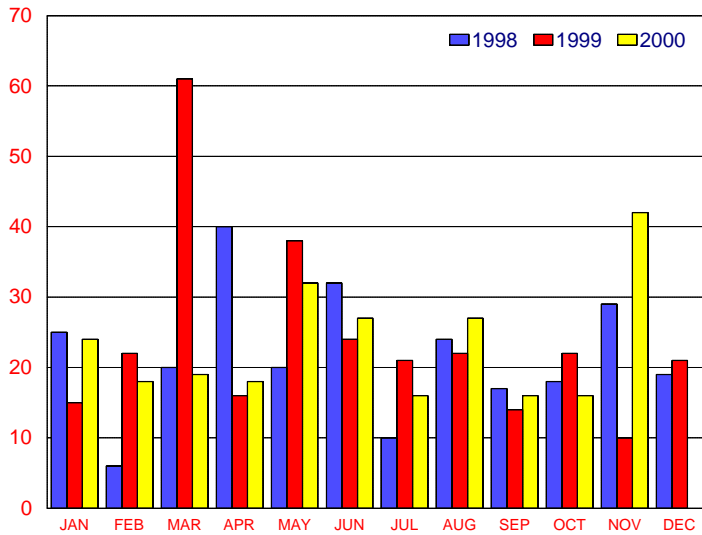


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Year-to-date, all new residential permit categories continue to show negative growth. In total, new residential dwelling permits are down 30.4 percent, or 2,532 permits, through November. Multifamily permits are down 50.3 percent, or 2,102 permits, while single family permits are down 10.4 percent, or 430 permits, over the same period.

However, residential repair and alteration permits continue to show solid year-to-date growth. Through November, issues of residential repair and alteration permits have increased 29.3 percent, or 3,880 permits, over November 1999.

**NUMBER OF NONRESIDENTIAL BUILDING PERMITS
NEW STRUCTURES**

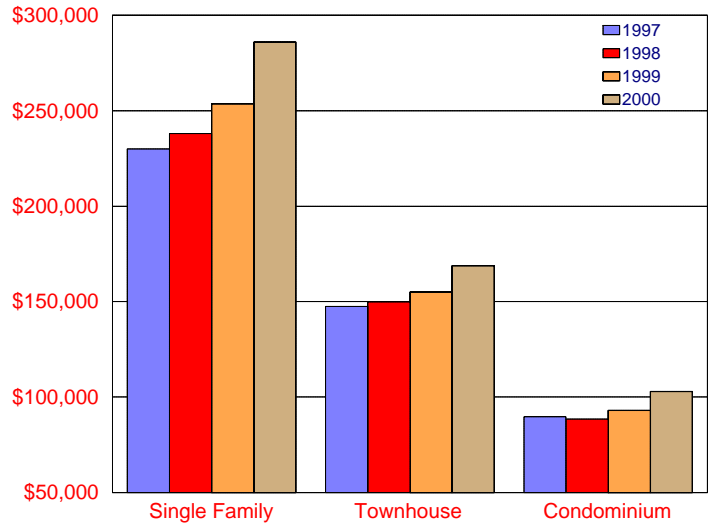


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Nonresidential building permits issued through November are down 3.8 percent, or 10 permits, from the same period in 1999. Nonresidential repair and alterations permits, however, are up 13.1 percent, or 495 permits, year-to-date.

HOME SALES IN FAIRFAX COUNTY

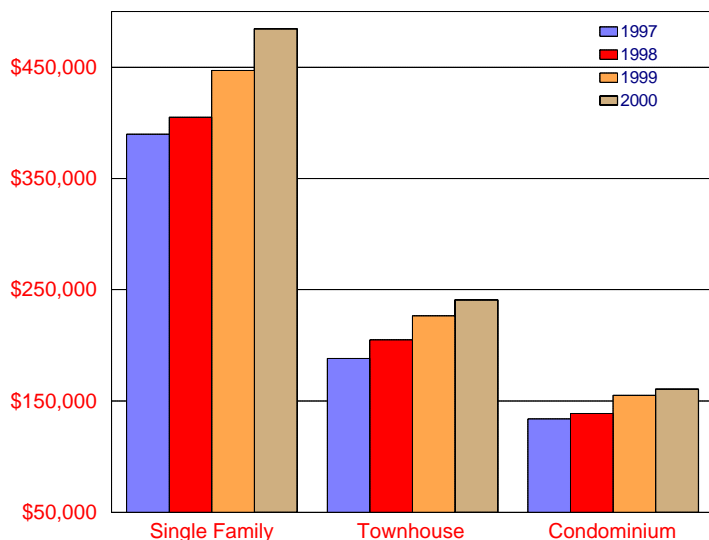
**MEDIAN PRICE OF EXISTING HOMES SOLD
JANUARY-NOVEMBER 2000 COMPARED TO
ANNUAL MEDIAN PRICES 1997 - 1999**



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

According to home sales data through the end of November 2000, existing homes in Fairfax County have experienced moderate to strong growth in median sales prices. For existing single family homes, the median is \$286,000 compared to the 1999 median of \$253,625—growth of 12.8 percent. The median sales price for townhomes grew 8.9 percent from \$155,000 in 1999 to \$168,750 through November 2000. The median for condominiums increased from \$93,000 to \$103,000, representing growth of 10.8 percent.

**MEDIAN PRICE OF NEW HOMES SOLD
JANUARY-NOVEMBER 2000 COMPARED TO
ANNUAL MEDIAN PRICES 1997 - 1999**

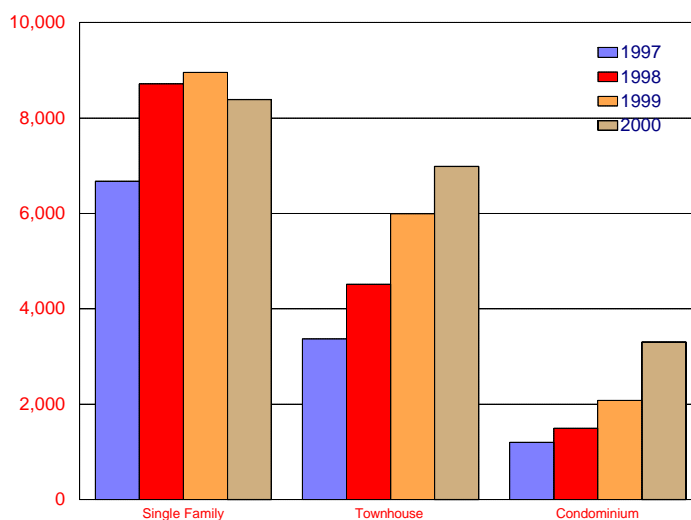


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

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 moderate according to sales data through November. The median sales price for a new single family home is \$484,516, an increase of 8.4 percent, or \$37,569, over the 1999 median. New townhomes have increased 6.4 percent, from \$226,520 to \$240,969, while condominiums have grown from \$155,155 to \$160,669, or 3.6 percent, over the same period.

**NUMBER OF EXISTING HOMES SOLD
JANUARY-NOVEMBER 1997-2000**



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

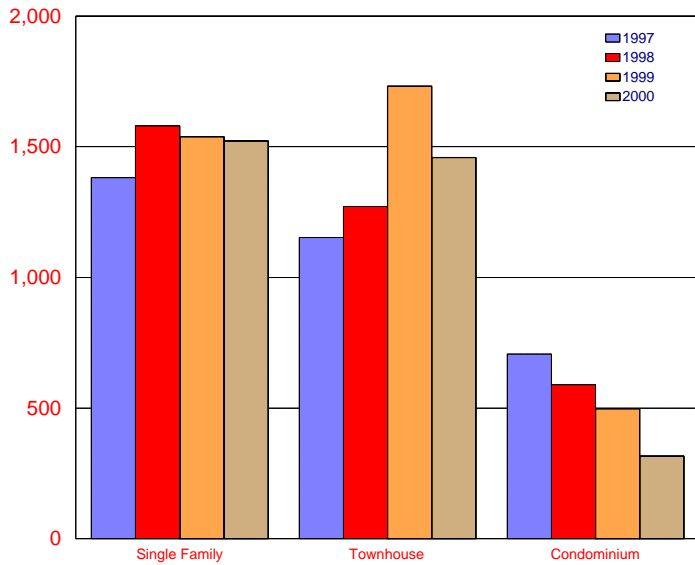
Existing condominiums and townhomes have shown strong growth in sales volume through November 2000. Condominium sales were up 58.7 percent from 2,081 to 3,303, while townhome sales were up 16.5 percent from 5,991 to 6,981. However, existing single family home sales through November 2000 fell 572 units, or 6.4 percent, from 8,958 to 8,386.

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

	Existing Sales	New Sales
Single Family	12.8	8.4
Townhouse	8.9	6.4
Condominium	10.8	3.6

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

**NUMBER OF NEW HOMES SOLD
JANUARY-NOVEMBER 1997-2000**

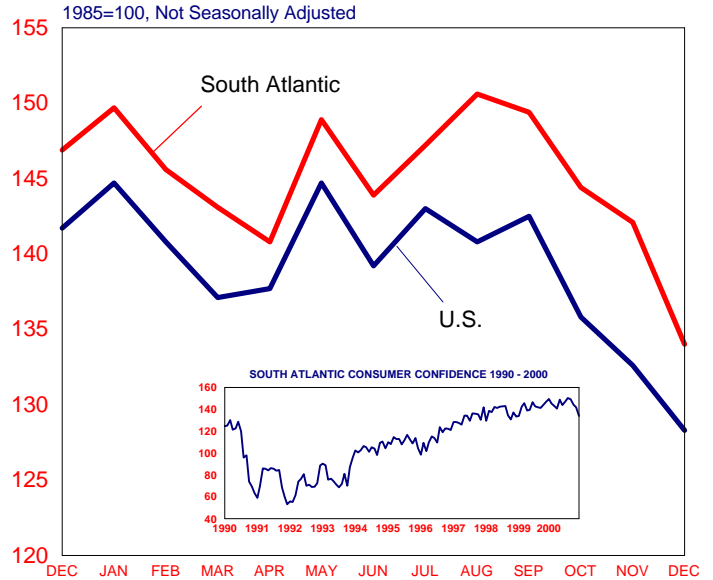


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

New home sales volume through November is down across all housing categories compared to the same period last year. New condominium sales have fallen from 498 in 1999 to 316 in 2000—a decline of 36.6 percent. Townhome sales have fallen 15.8 percent, from 1,732 to 1,459. New single family home sales declined 1.0 percent, from 1,538 to 1,522.

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDEX

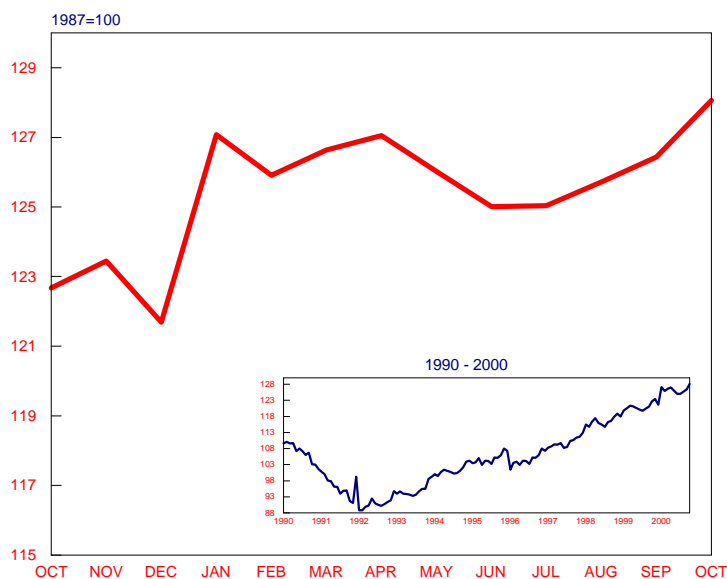


Source: Conference Board
Compiled by the Fairfax County Dept. of Management and Budget

The Conference Board's Consumer Confidence Index fell in December for the third consecutive month. The Index now stands at 128.3, down from 132.6 in November. Consumers' confidence in current economic conditions declined 1.5 percent from November, while their short-term outlook declined 5.3 percent. According to Lynn Franco, Director of The Conference Board's Consumer Research Center, the latest decline in consumer confidence suggests that consumer spending will cool further as we enter 2001. While the overall Index signals slower, yet positive, economic growth, the continued decline in expectations is disconcerting. If the decline continues, a more severe economic slowdown may be on the horizon. The South Atlantic Consumer Confidence Index was 134.0 in December, a 5.7 percent decrease from November.

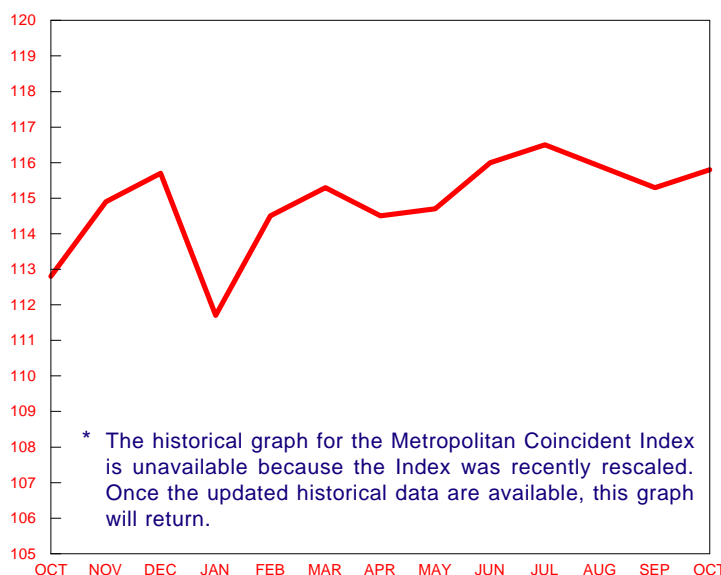
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices 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: Mason Enterprise Center, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

METROPOLITAN COINCIDENT INDEX*



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

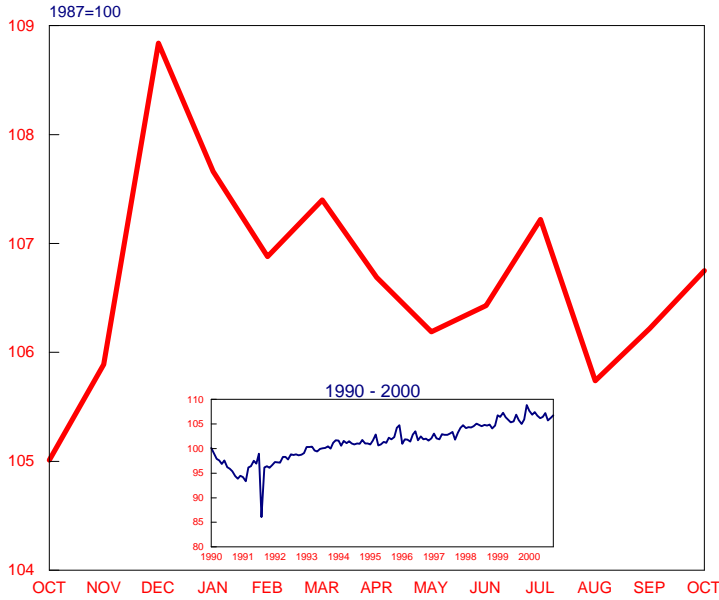
The Fairfax County Coincident Index, which represents the current state of the County's economy, increased in October to 128.1—a 1.3 percent increase over September. This is the fourth consecutive monthly increase and the Index is now up 4.4 percent over October 1999. In October, two of the index's four components were positive. Total employment grew in October for the fourth consecutive month, and sales tax collections, adjusted for inflation and seasonal variation, registered their strongest increase since March after experiencing a decline in September. However, transient occupancy tax collections, adjusted for inflation and seasonal variation, declined in October and have now been down in five of the last six months. Consumer confidence also fell after having gained on a revised basis in September.



The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, increased to 115.8 in October—a gain of 0.2 percent over September. October's modest gain reversed two monthly declines, and the Index is now up a slim 0.04 percent year-to-date. In October, three of the Index's four components contributed to its gain. Total wage and salary employment increased in October for a second consecutive month and for the eighth time in ten months. Domestic passenger volume at Dulles and Reagan Airports increased after declining in each of the two previous months, and nondurable goods retail sales were up for the second time in three months. Consumer confidence, however, declined for the second time in three months.

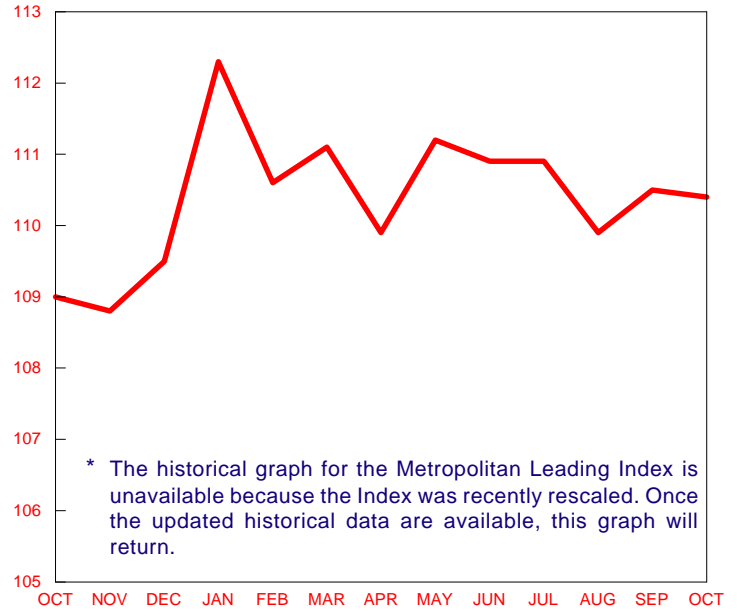


FAIRFAX COUNTY LEADING INDEX



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

METROPOLITAN LEADING INDEX*



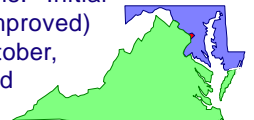
* The historical graph for the Metropolitan Leading Index is unavailable because the Index was recently rescaled. Once the updated historical data are available, this graph will return.

Source: Mason Enterprise Center, 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 106.8 for a gain of 0.5 percent in October. The Leading Index has been up for two months after declining in August, but is still down 1.9 percent year-to-date. In October, three of the Index's five components contributed to its gain. New automobile registrations increased in October after declining in September, and residential building permits were up sharply. The total value of residential building permits was also up following decreases in the previous two months. Initial claims for unemployment insurance increased (worsened), offsetting their decrease (improvement) in September, and consumer expectations (consumer confidence six months hence) declined for a second month.



The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, decreased in October to 110.4 for a decline of 0.1 percent. Year-to-date, the Leading Index has registered a 0.8 percent gain due to its strong performance during the first quarter. Two of the index's five components contributed to its decline in October. Consumer expectations (consumer confidence six months hence) declined in October for a second month, and the Help Wanted Index was down for the fourth time in five months. Total residential building permits were up sharply after declining in the two previous months. Initial claims for unemployment insurance fell (improved) for the fourth time in five months during October, and durable goods retail sales also increased for the second time in three months.



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