



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

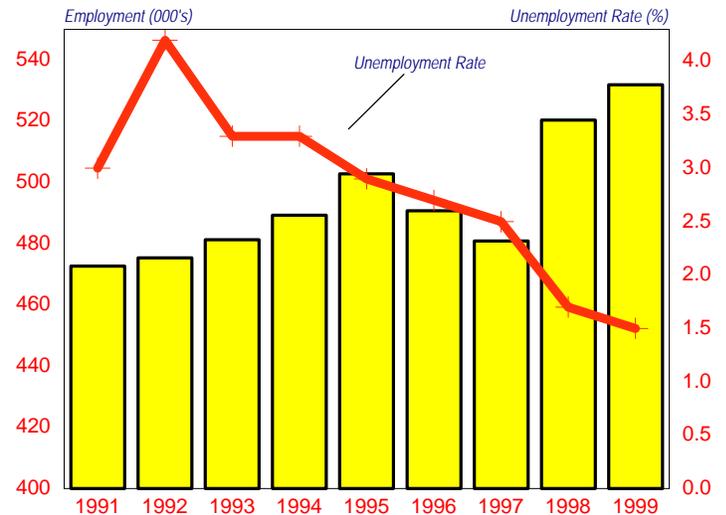
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APRIL HIGHLIGHTS

- ❑ Based on revised data from the Virginia Employment Commission, Fairfax County's employment base experienced a 2.1 percent expansion in January, rather than the contraction suggested by the preliminary data. A similar rate of growth was registered in February.
- ❑ The County's Sales Tax receipts registered yet another double digit gain in April, thereby widening the lead relative to last year to 10.1 percent.
- ❑ The number of new residential building permits issued through the first quarter of 1999 leads the prior year by a significant margin of 52.7 percent, or 997 permits. The number of nonresidential permits issued through March also indicate a substantial lead over the prior year of 92.2 percent, or 47 permits.
- ❑ On the national level, low interest rates and a positive economic outlook are fueling the 14.5 percent increase in the number of housing starts through March. Similarly, issues of residential building permits for the first quarter of 1999 are outpacing the prior year by 9.6 percent.
- ❑ The volumes of all types of existing homes sold in January and February exceed the impressive levels established in 1998 by significant margins. Sales of new single family and townhomes in through February have also outpaced the prior year, while that of new condominiums has fallen short.
- ❑ The strength of the local economy was confirmed once again by an increase in the Fairfax County Coincident in February. By contrast, the Fairfax County Leading Index lost ground in February. Despite the decline, the Index is 2.0 percent above its level one year ago and continues to track above its 12 month moving average.
- ❑ The Virginia Coincident Index declined for the first time since October 1998 in February, while the Virginia Leading Index registered its most significant gain since May 1996.

RESIDENTIAL EMPLOYMENT - FEBRUARY



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

Based on revised data, the employment base did expand in January...

The County's unemployment rate was unchanged at 1.5 percent in February, according to the Virginia Employment Commission (VEC).

Consistent with recent trends, the current unemployment rate is slightly below that of last year when the rate was 1.7 percent. As discussed last month, preliminary employment data for January indicated a decrease in the number of Fairfax County residents employed relative to one year ago. These data have been revised, and now indicate job expansion of 2.1 percent in January. Similarly, preliminary February data from the VEC show an employment increase of 11,453 jobs, or 2.2 percent, to 531,908.

Employment situation strong on all levels...

The Commonwealth's unemployment rate also remained steady in February, holding at 2.9 percent,

as reported by the VEC, while the national employment rate edged up a slight 0.1 percentage point to 4.4 percent.

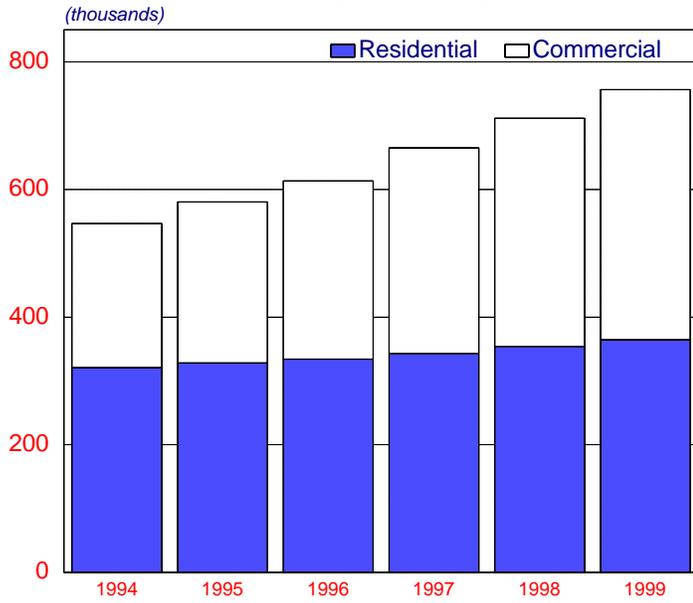


The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

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



**BELL ATLANTIC TELEPHONE LINES
FAIRFAX COUNTY - MARCH**



Source: Bell Atlantic
Compiled by the Fairfax County Dept. of Management and Budget

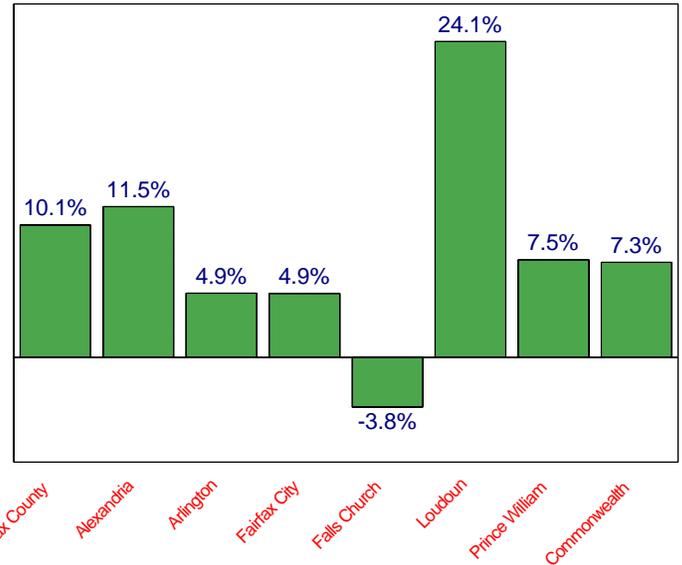
The number of telephone lines in the County continues to grow...

As of March 31, 1999, Bell Atlantic, the primary provider of local telephone service in Fairfax County, maintained 756,367 telephone lines, up 44,997 lines, or 6.3 percent, over March 1998. Consistent with recent trends, the business sector is driving this growth, adding 34,168 new telephone lines for an increase of 9.6 percent over the prior year. Residential telephone lines totaled 364,700 as of March 1999 and topped last March by 10,829 lines, or 3.1 percent.

County Sales tax receipts register another double-digit increase in April...

Fairfax County's April Sales Tax receipts, representing retail purchases made in February, of \$8.9 million reflect yet another double-digit gain (19.5 percent) over last year. As a result, the County's fiscal year Sales Tax receipts to date total \$86.1 million and lead the prior year by 10.1 percent.

FY 1999 SALES TAX RECEIPTS -THROUGH APRIL



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

Retail activity positive throughout most of Northern Virginia...

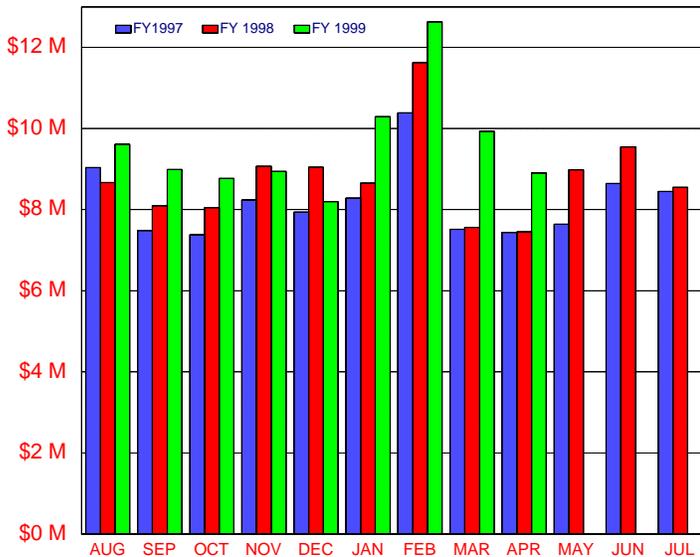
Once again, data from the Virginia Department of Taxation indicate a significant increase in Sales Tax receipts for all Northern Virginia localities except Falls Church in April. Consequently, cumulative fiscal year Sales Tax receipts through April are up 24.1 percent in Loudoun, 11.5 percent in Alexandria, 7.5 percent in Prince William, and 4.9 percent in both Arlington and Fairfax City. By contrast, Falls Church Sales Tax receipts through April trail last year by 3.8 percent. On the whole, Sales Tax receipts in the Commonwealth registered an increase of 8.7 percent in April. With this increase, the Commonwealth's cumulative Sales Tax receipts through April lead the prior fiscal year by 7.4 percent.

Retail sales on the national level accelerate in February...

According to the Commerce Department, retail sales on the national level in February top the prior year by 7.7 percent, considerably higher than the 5.5 percent registered in January. Durable goods sales posted a gain of 9.4 percent and non-durable goods sales topped the prior year by 6.5 percent.

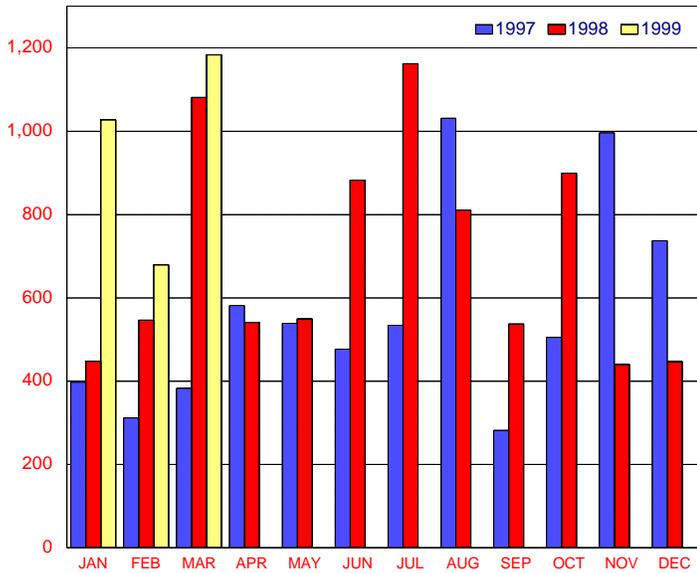
SALES TAX REVENUES

(revenues represent retail sales two months prior)



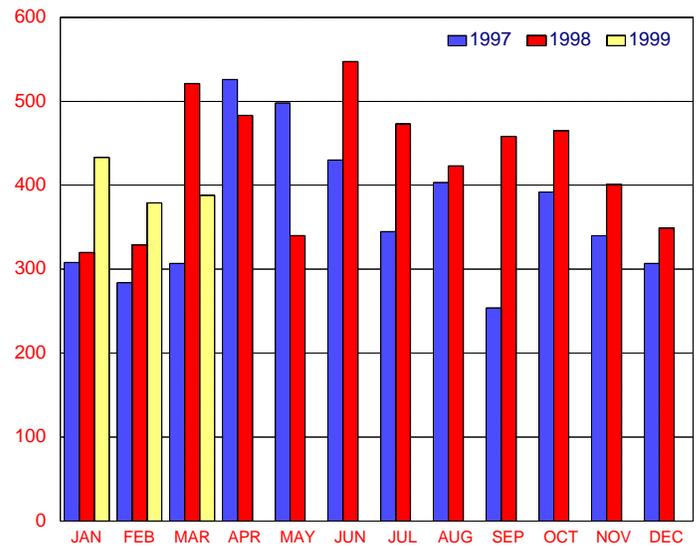
Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

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

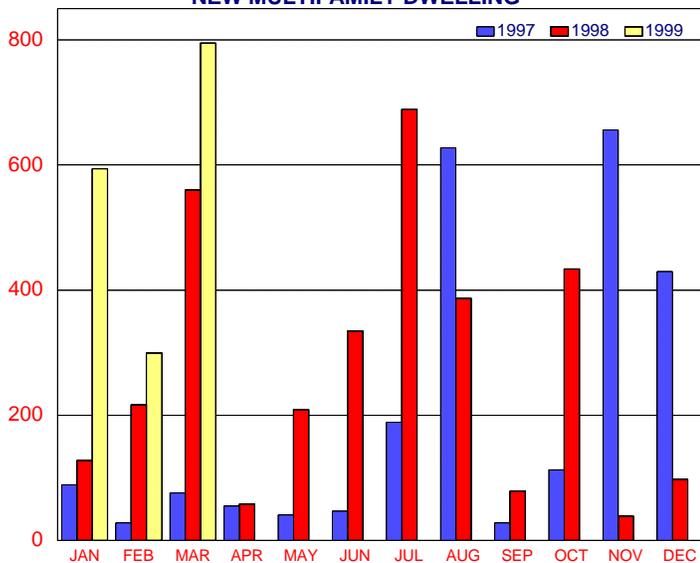


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Issues of residential dwelling permits up substantially during the first quarter of 1999....

Issues of new residential dwelling permits registered another double digit gain in March causing the 2,889 permits issued during the first quarter of 1999 to outpace that of the previous year by a margin of 52.7 percent, or 997 permits. The majority of the increase is due to the multifamily component which is up 98.0 percent, or 836 permits, to date, with 1,689 being issued through March. Permit issues for single family structures total 1,200 thus far in 1999 and are up 15.5 percent, or 161 permits.

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW MULTIFAMILY DWELLING



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

By contrast the number of residential repair and alteration permits during the first quarter of 1999 indicate a deficit of 4.1 percent, or 93 permits relative to last year. Please note this deficit has been narrowed from last month due to strong performance in March.

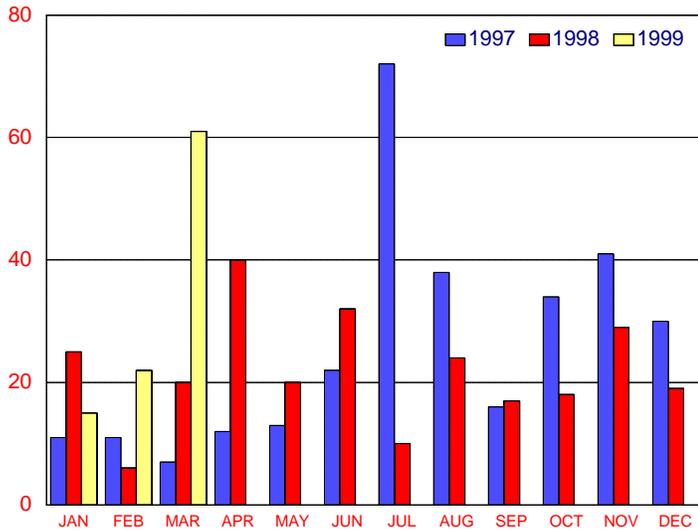
Private housing starts up on national level through March...

On the national level, new privately owned housing starts for the first quarter of 1999 are surpassing that of last year by 14.5 percent, according to the Commerce Department. Regionally, the South and the Midwest have registered the greatest leads with increases of 22.2 percent and 10.7 percent, respectively, followed by gains of 5.7 percent in the West and 5.3 percent in the Northeast.

Issues of residential building permits up 9.4 percent nationwide through February....

The Commerce Department also reported that the number of residential building permits issued nationwide through March exceeded that of 1998 by 9.6 percent. Residential building permit issues are up 12.1 percent in the South, 9.0 percent in the Midwest, 7.7 percent in the Northeast, and 6.2 percent in the West.

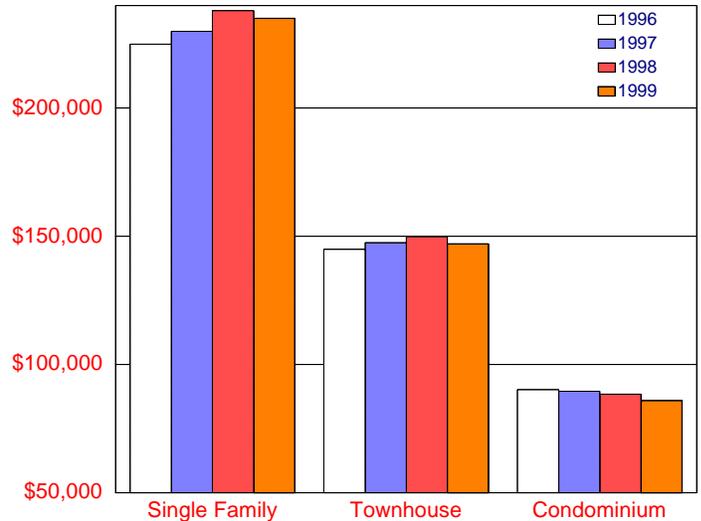
**NUMBER OF NONRESIDENTIAL BUILDING PERMITS
NEW STRUCTURES**



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

HOME SALES IN FAIRFAX COUNTY

**MEDIAN PRICE OF EXISTING HOMES SOLD
JANUARY-FEBRUARY 1999 COMPARED TO
ANNUAL MEDIAN PRICES 1996 - 1998**



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

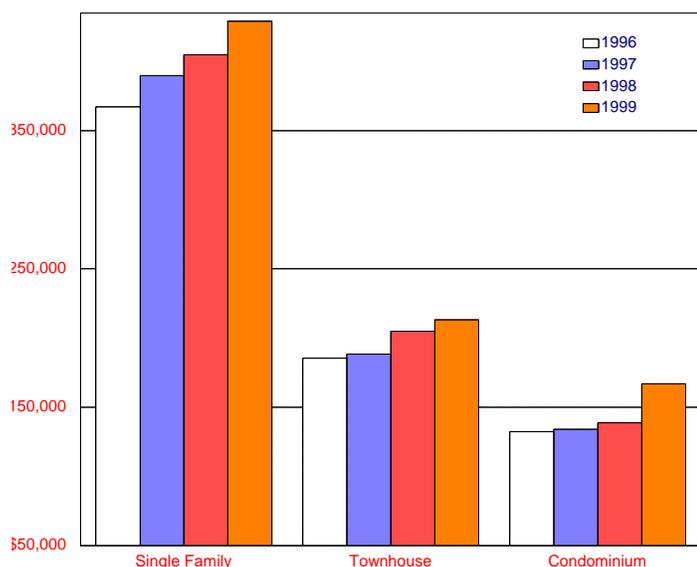
County issues of nonresidential building permits up significantly through March...

For the second consecutive month, the number of nonresidential building permits issued in March exceeded that of last year by a significant margin. As a result, the 98 nonresidential permits issued to date top the prior year by 92.2 percent, or 47 permits. Through March, 1,000 nonresidential repair and alterations permits have been issued, up 5.4 percent, or 51 permits, over the same period last year.

Existing homes selling for lower prices thus far in 1999...

Based on sales data through February, the median selling prices of all types of existing homes are down slightly from the levels established in 1998. Please note, however, that these data reflect only two months of sales and are subject to revision as staff verifies each transaction. Through February, existing condominiums have sold for a median price of \$86,000, down \$2,500, or 2.8 percent, from the \$88,500 registered in 1998. The median selling price of \$147,000 for existing townhomes reflects a decrease of 1.9 percent, or \$2,900, compared to 1998's \$149,900. Existing single family homes have experienced a decline of \$3,000, or 1.3 percent, to \$235,000 based on sales data for the first two months of the year.

MEDIAN PRICE OF NEW HOMES SOLD JANUARY-FEBRUARY 1999 COMPARED TO ANNUAL MEDIAN PRICES 1996 - 1998



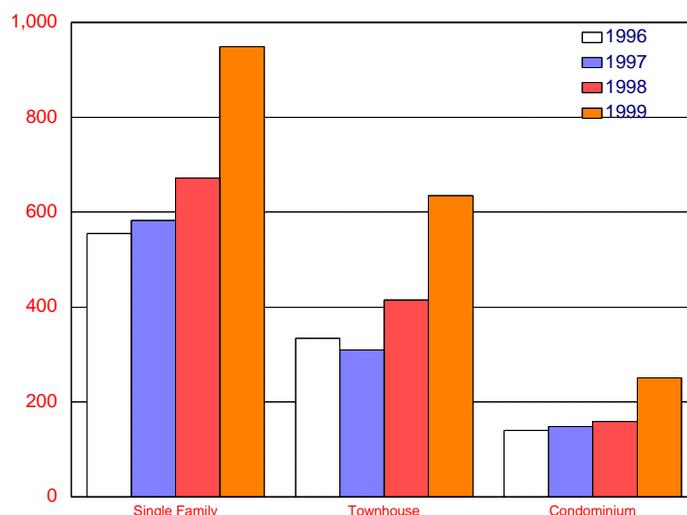
Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

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.

Prices of new homes rise...

Sales data for January and February indicate increases in the median selling prices of all types of new homes, as compared to that the levels established in 1998. As mentioned earlier, these data reflect only two months of sales and are subject to revision as staff verifies each transaction. The most significant increase is reflected in the median selling price of new condominiums which tops 1998 by 20.3 percent, or \$28,160, to \$166,950 from 1998's \$138,790. Note, however, that this significant increase is based on only 32 condominium sales that occurred during the first two months of this year. The median price of new single family homes sold through February indicate an increase of 6.0 percent, or \$24,105, to \$429,070 from the \$404,965 established in 1998. The median selling price of new townhomes is up 4.0 percent, or \$8,200, to \$213,200 compared to the \$205,000 established in 1998.

NUMBER OF EXISTING HOMES SOLD JANUARY-FEBRUARY 1996-1999



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

Volume of existing homes sold outpacing last year's impressive levels...

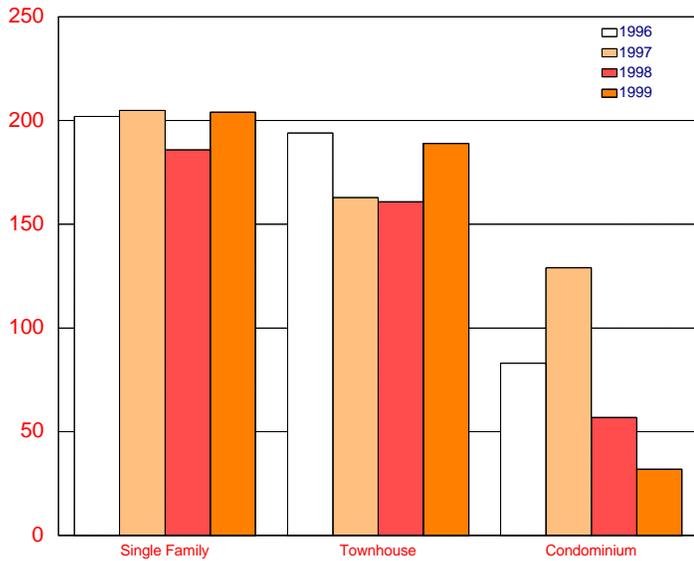
Low interest rates and positive economic prospects continue to fuel increases in real estate activity. As a result, the sales volumes of all types of existing homes in January and February outpaced the impressive levels established last year by significant margins. Through February, 251 existing condominiums were sold, up 57.9 percent, or 92 units, compared to the same period in 1998. Similarly, the 635 existing townhomes sold during the first two months of 1999 outpace the prior year by 53.0 percent, or 220 homes. To date, 949 existing single family homes have been sold, topping last year by 41.2 percent, or 277 homes.

PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD JANUARY-FEBRUARY 1999 COMPARED TO 1998 ANNUAL

	Existing Sales	New Sales
Single Family	-1.3	6.0
Townhouse	-1.9	4.0
Condominium	-2.8	20.3

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

**NUMBER OF NEW HOMES SOLD
JANUARY-FEBRUARY 1996-1999**



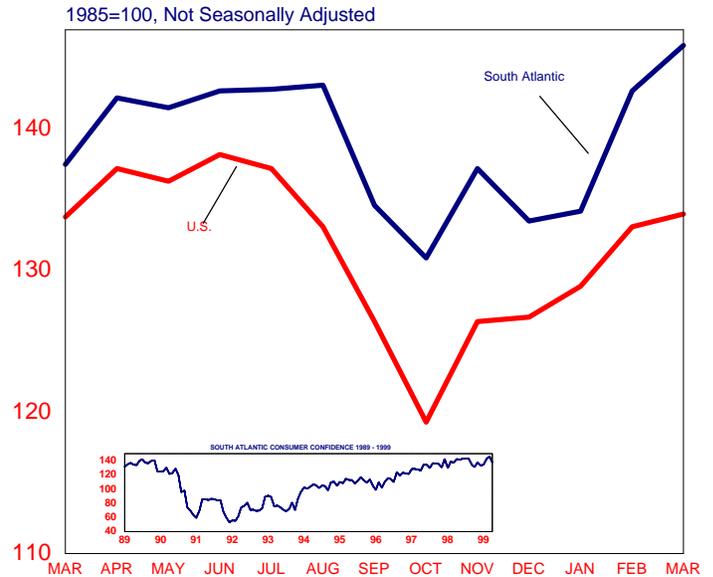
Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Fewer new condominiums sold through February compared to last year...

For the first two months of 1999, the sales volumes of new single family homes and townhomes increased, while that of new condominiums lagged. A total of 189 townhomes were sold through February, reflecting an increase of 17.4 percent, or 28 units, compared to the same period in 1998. Additionally, 204 new single family homes were sold in January and February, topping last year by 9.7 percent, or 18 units. By contrast, the 32 new condominiums sold during the first two months of the year trail the same period in 1998 by 43.9 percent, or 25 units.

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDICES



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

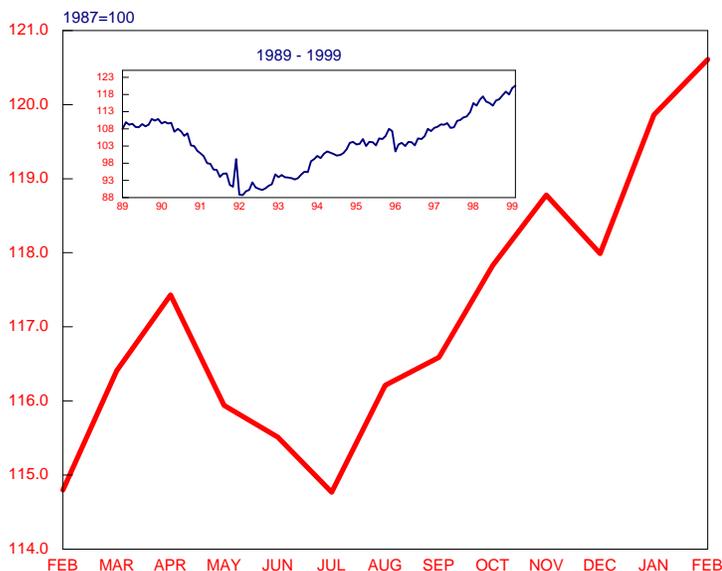
Consumer confidence strengthens in February...

The Conference Board's South Atlantic Consumer Confidence Index jumped 3.2 points in March to 145.9. The national Consumer Confidence Index also gained in March, adding 0.9 points to 133.1.

The following section includes a discussion of economic indices for three 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, and the Virginia Indices which focus on the entire Commonwealth. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

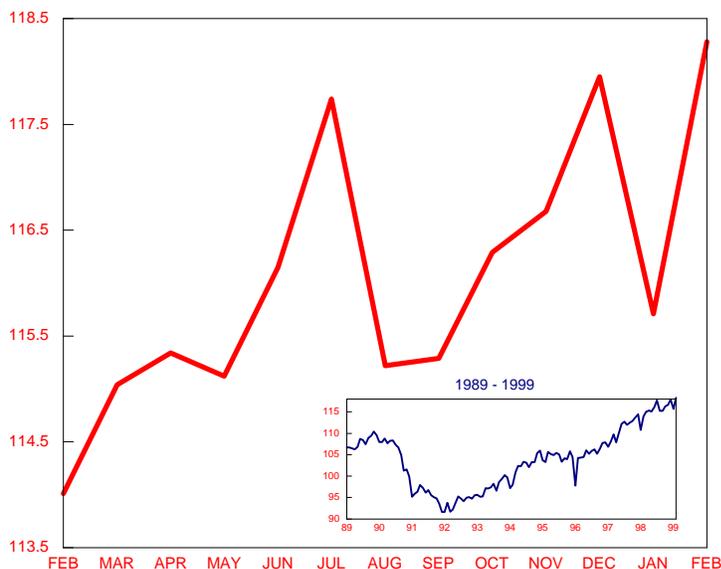
Please note that the Leading and Coincident Indices for both Fairfax County and the Metropolitan area have been revised to reflect updated consumer price data and various statistical adjustments. No changes were made in the economic components incorporated in the indices. The scales have been expanded to give the indices greater vertical dimension, which will make it easier to detect minor fluctuations in monthly performance. The monthly values of the indices and their components have been revised back to 1986.

FAIRFAX COUNTY COINCIDENT INDEX



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

METROPOLITAN COINCIDENT INDEX



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

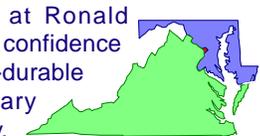
Local economy fares well in February...

The Fairfax County Coincident Index, which represents the current state of the County's economy, increased 0.6 percent to 120.6 in February. The Index has gained 5.1 percent over the past 12 months and now stands at its all time peak. Three of the Index's four major components contributed to its advance in February. Total employment increased for the seventh time in the past nine months; Transient Occupancy Tax collections, adjusted for inflation and seasonal variation, reversed January's decline with a sharp gain; and, Consumer confidence registered a strong gain following declines in December and January. Sales Tax receipts, adjusted for inflation and seasonal variation, were the only component to decline in February.



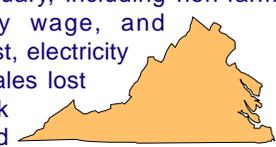
Metropolitan coincident Index regains ground lost in January...

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, regained the ground it lost in January by advancing 2.57 points to 108.27 in February. The Index still leads the prior year by 4.27 points. Contrary to last month, all four of the Index's components were positive, with domestic airport passenger volume at Ronald Reagan National Airport and consumer confidence registering the greatest increases. Non-durable goods sales and total wage and salary employment advanced more moderately.

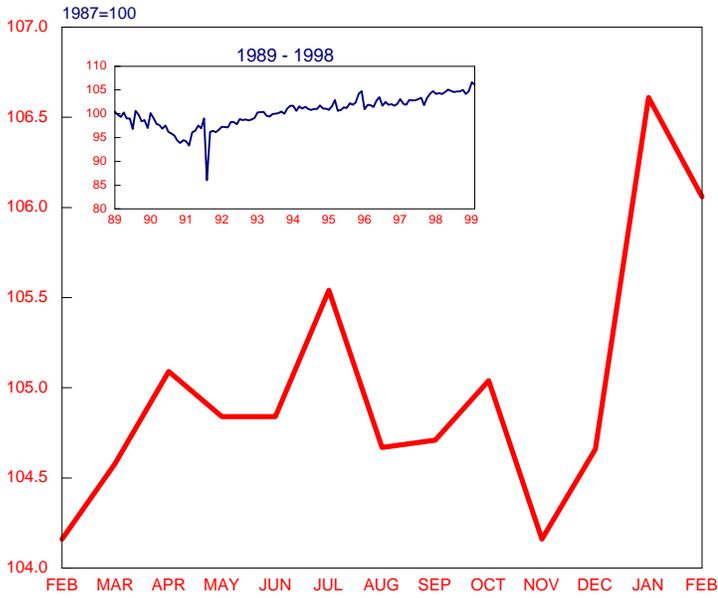


Virginia Coincident Index dips for first time since October 1998...

Crestar Bank's Virginia Coincident Index dipped 0.2 percent to 158.5 in February. This was the Index's first decline since October 1998. Over the past 12 months, the Index has gained 2.4 percent. Three of the Index's six components rose in February, including non-farm employment, real average hourly wage, and manufacturing employment. By contrast, electricity consumption and real taxable retail sales lost ground in February, while the real bank deposit component was unchanged from January.

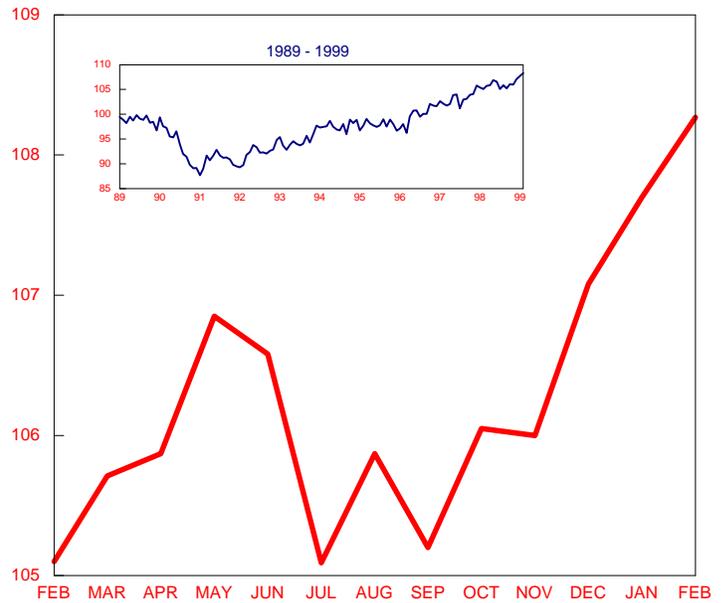


FAIRFAX COUNTY LEADING INDEX



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

METROPOLITAN LEADING INDEX



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

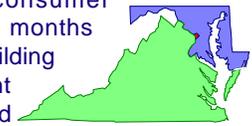
County's Leading Index slips in February...

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in the future, decreased 0.5 percent to 106.0 in February. Despite the decline, the Index is leading its level from one year ago by 2.0 percent and continues to track above its 12 month moving average. Only two of the Index's five components made positive contributions in February. Initial claims for unemployment insurance decreased (improved) for the third consecutive month and consumer expectations (confidence six months hence) increased for the second straight month. Negative contributions were made by residential building permits, which experienced their largest decline in the past twelve months; the total value of residential building permits slipped after being up in four of the previous five months; and, new automobile registrations declined for the fourth time in five months.



Metropolitan Leading Index advances in February...

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, gained 0.57 points to 108.27 in February. Of the Index's five components, two made positive contributions, including durable goods sales and consumer expectations (consumer confidence six months hence). The Help Wanted Index, total building permits issued, and initial unemployment claims dampened the aforementioned increases.



Virginia Leading Index registers largest gain since May 1996 in February...

The Virginia Leading Index, produced by Crestar Bank, registered a gain of 0.7 percent in February to 170.0. This is its largest increase since May 1996. Over the past 12 months, the Index has climbed 2.5 percent. In February, seven of the Index's nine components contributed to its advance. New business starts registered the greatest gain, once again, followed by real nonresidential building contracts, initial unemployment claims, residential building permits, new automobile registrations, newspaper ad lineage and the U.S. Leading Index. The Index's only weak spots in February were the Virginia stock value and the average weekly hours in manufacturing.



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