



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

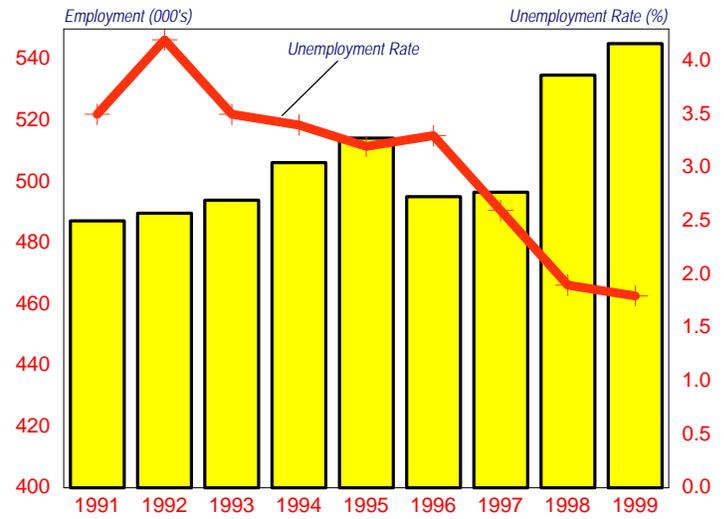
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AUGUST HIGHLIGHTS

- ❑ Retail activity throughout the State was robust in June, as indicated by an overall double-digit increase in August Sales Tax receipts. Each Northern Virginia jurisdiction registered a gain in excess of 10.0 percent in their August Sales Tax receipts.
- ❑ For the third consecutive month, issues of new residential dwelling permits in July fell short of last year's level. This weak performance has caused the lead in the number of residential dwelling permits to narrow to 19.4 percent. While this margin is still impressive, it is significantly lower than those that were established earlier in the year.
- ❑ Based on sales data for the first half of 1999, the median selling prices of all types of existing and new homes are up from the levels established in 1998.
- ❑ Home sale activity in the County's existing home market continues to exhibit strength as indicated by the volume of homes sold through June. These leads are expected to erode; however, as higher interest rates squeeze buyers out of the market and discourage new buyers from entering the market.
- ❑ The Fairfax County Leading Index declined for the third consecutive month in June, signaling a slowing of economic activity in the County. The County's Coincident Index also declined in June.

RESIDENTIAL EMPLOYMENT - JUNE



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

Local job growth of 1.9 percent registered in June...

In June, the County's unemployment rate advanced 0.2 points to 1.8 percent, according to the Virginia Employment Commission (VEC). Despite the increase, June's unemployment rate is 0.1 percentage point below that of one year ago when the rate was 1.9 percent. Data from the VEC indicate that 545,166 County residents were employed in June, up 1.9 percent, or 10,229 jobs, over June 1998.

Unemployment rates inch up in June...

The Commonwealth's unemployment rate also rose in June, adding 0.3 percentage points to 3.2 percent, as reported by the VEC. The Bureau of Labor Statistics reported that the national unemployment rate inched up a slight 0.1 percentage point in June to 4.3 percent.

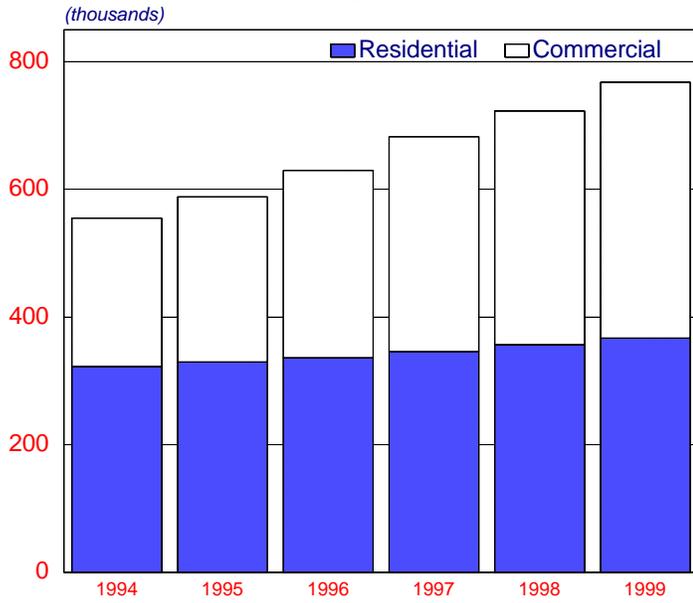


The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

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



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



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

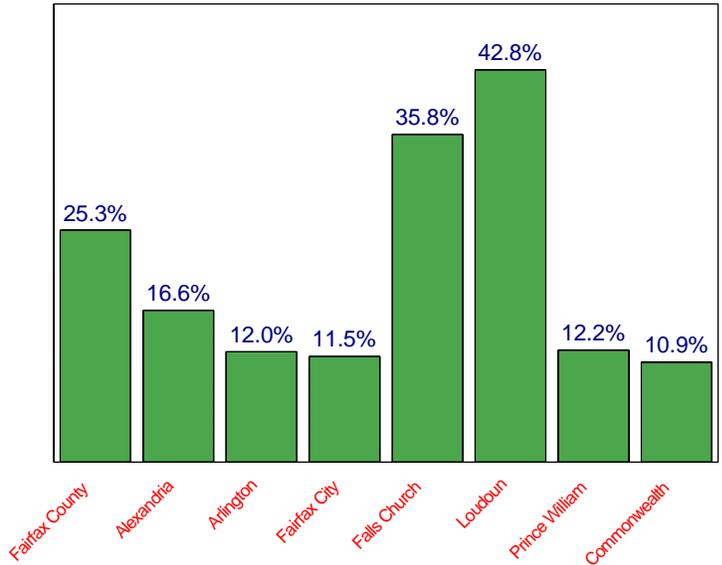
More and more telephone lines being added...

As of July 31, 1999, Bell Atlantic, the primary provider of local telephone service in Fairfax County, maintained 767,738 telephone lines, up 44,833 lines, or 6.2 percent, over July 1998. The business sector continues to fuel this growth, adding 34,151 new telephone lines to 400,718 lines for an increase of 9.3 percent over the prior year. Residential telephone lines totaled 367,020 as of July 1999 and topped last year by 10,682 lines, or 3.0 percent.

Yet another double-digit increase in Sales Tax Receipts....

Fairfax County's August Sales Tax receipts, representing retail purchases made in June, posted yet another double-digit gain over last year. In August, the County received Sales Tax revenue of \$11.8 million, a 25.3 percent increase over that of August 1998.

FY 2000 SALES TAX RECEIPTS



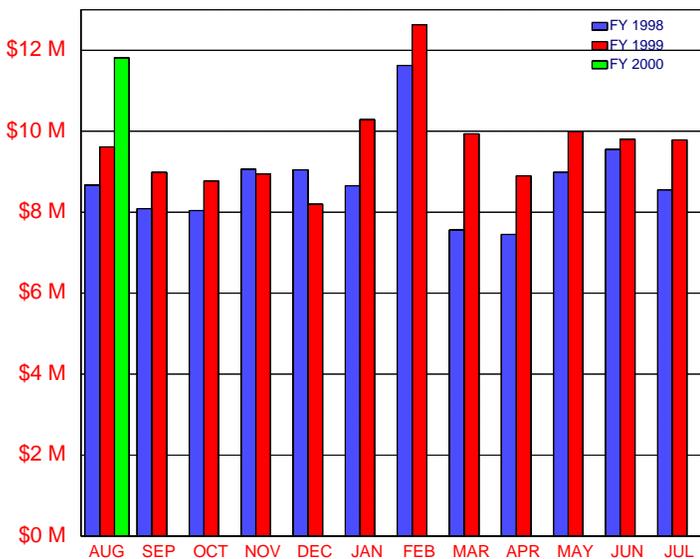
Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

Retail activity robust throughout the State in June...

Double-digit advances were registered in August Sales Tax receipts throughout the State, according to data from the Virginia Department of Taxation. In Northern Virginia, for example, Sales Tax receipts were up 42.8 percent in Loudoun, 35.8 percent in Falls Church, 16.6 percent in Alexandria, 12.2 percent in Prince William, 12.0 percent in Arlington, and 11.5 percent in Fairfax City. On the whole, Sales Tax receipts in the Commonwealth registered a gain of 10.9 percent in August. It should be noted that August's gain is significant given the advance of 11.0 percent registered in August 1998 over the prior year.

SALES TAX REVENUES

(revenues represent retail sales two months prior)

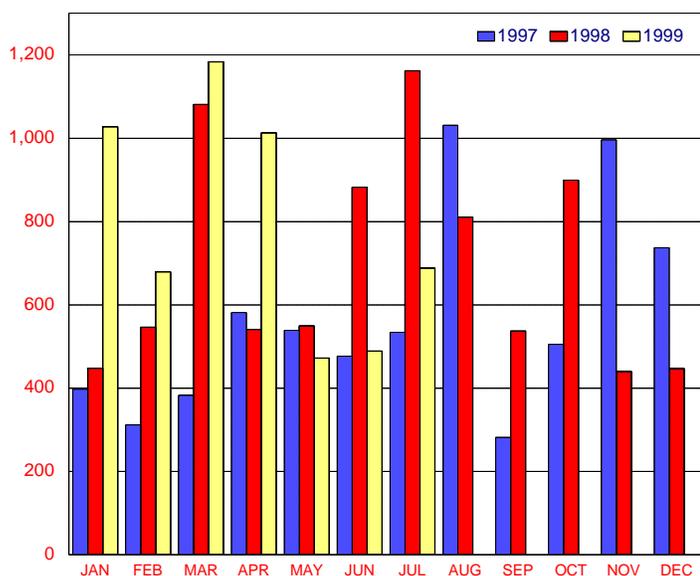


Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

Retail sales on national level accelerate slightly in June...

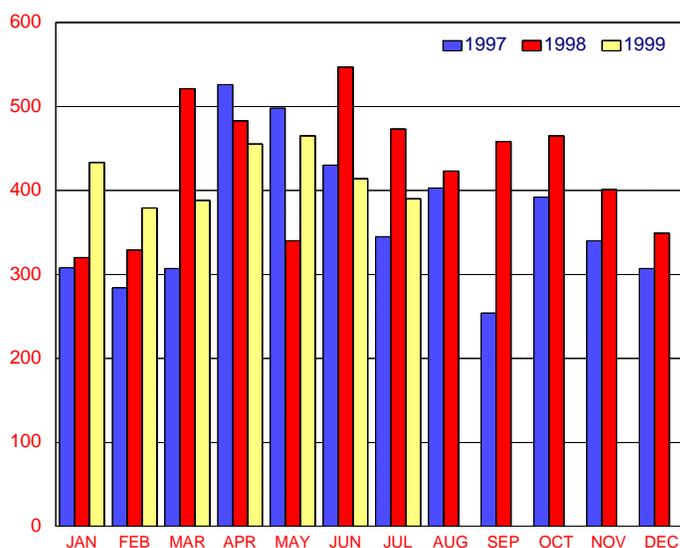
According to the Commerce Department, strength continues to be seen in retail sales on the national level. June sales accelerated to an 8.1 percent lead over last year, with durable goods sales posting a gain of 8.5 percent and non-durable goods sales topping the prior year by 7.8 percent.

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW DWELLINGS



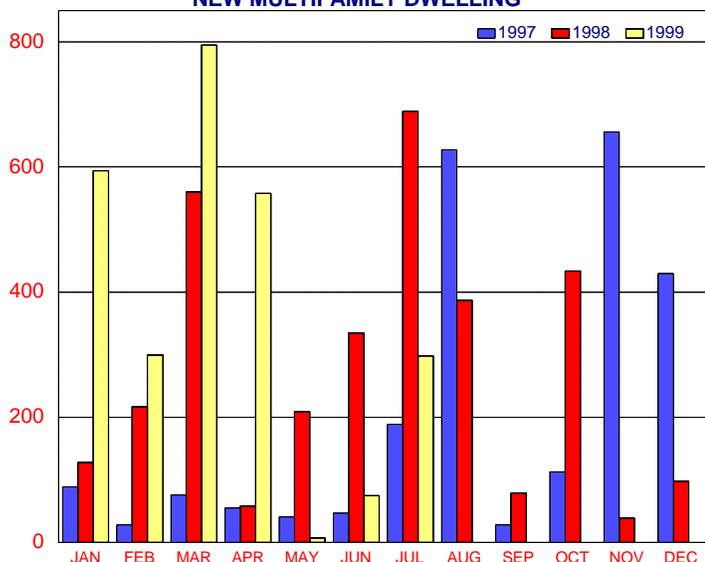
Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

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 DWELLING



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

Issues of residential dwelling permits fall short for third straight month....

For the third consecutive month, issues of new residential dwelling permits in July fell short of last year's level. As a result, the significant lead established earlier in the year has eroded to a narrower, although still impressive, 19.4 percent, or 901 permit, margin. Through July, 5,551 residential dwelling permits have been issued by the County. In July, the multifamily component drove the overall decline, falling short of July 1998 by 55.3 percent. To date, 2,627 multifamily residential dwelling permits have been issued, up 25.0 percent, or 526 permits. Issues of single family residential dwelling permits posted a modest advance of 4.6 percent in July, resulting in a cumulative total of 2,924 permits through July and a lead of 14.7 percent, or 375 permits.

Residential repair and alteration permits up through July...

Issues of residential repair and alteration permits in July raced passed the level achieved one year ago. Consequently, through July the 7,719 permits that have been issued lead last year by 8.3 percent, or 593 permits.

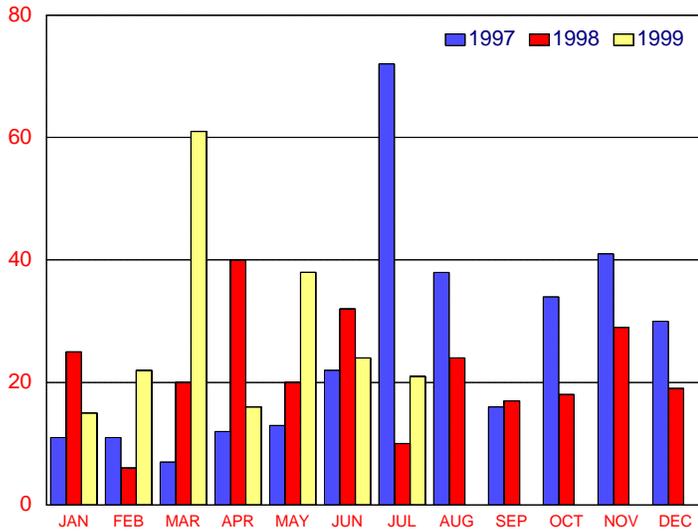
Housing starts up 5.4 percent through July nationwide...

On the national level, new privately owned housing units started through July are surpassing that of last year by 5.4 percent, according to the Commerce Department. Regionally, the Midwest and the Northeast are registering greatest leads with increases of 7.7 percent and 7.0 percent, respectively, followed by gains of 6.1 percent in the South and 1.7 percent in the West.

Residential building permit issues top last year by 4.4 percent through July...

The Commerce Department also reported that the number of residential building permits issued nationwide through July exceeded that of 1998 by 4.4 percent. Residential building permit issues are up 6.5 percent in the Northeast, 5.4 percent in the South, 4.8 percent in the Midwest, and 1.5 percent in the West.

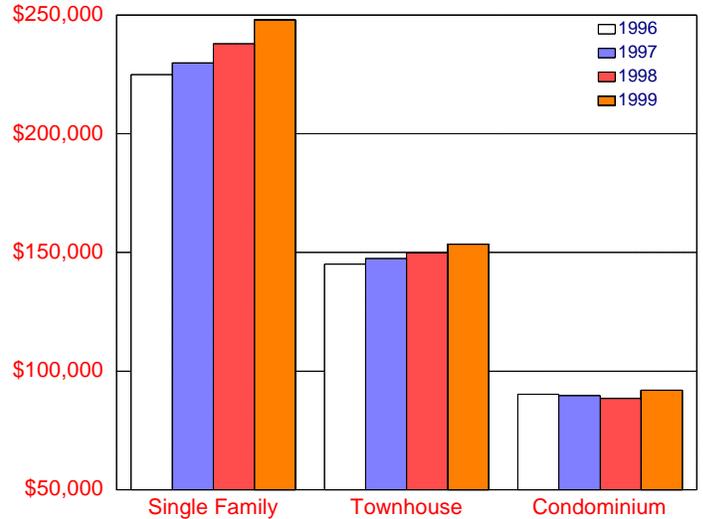
**NUMBER OF NONRESIDENTIAL BUILDING PERMITS
NEW STRUCTURES**



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-JUNE 1999 COMPARED TO
ANNUAL MEDIAN PRICES 1996 - 1998**



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

Through July, County issues of nonresidential building permits up 28.8 percent...

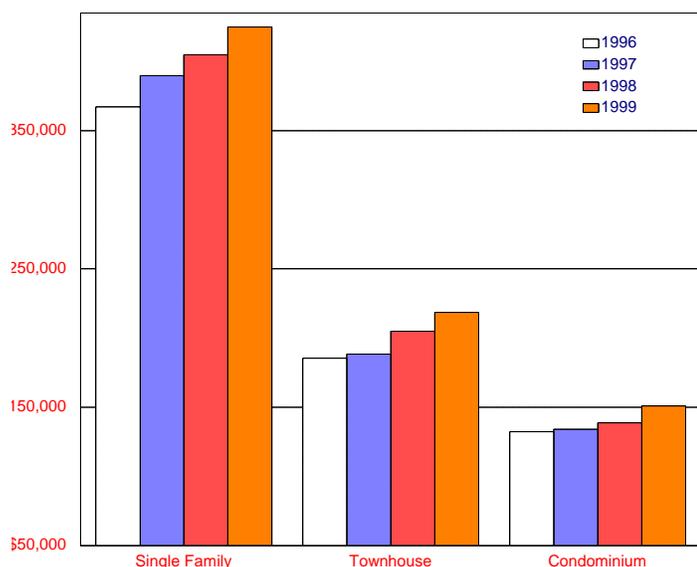
The number of nonresidential building permits issued in July posted a significant increase of 110.0 percent over last year.

Through July, 197 nonresidential permits have been issued, up 28.8 percent, or 44 permits, over last year. Through July, 2,359 nonresidential repair and alterations permits have been issued, up a meager 0.6 percent, or 14 permits, over the same period last year.

Existing homes selling at higher prices...

Based on sales data for the first half of the year, the median selling prices of all types of existing homes are up from the levels established in 1998. Please note, however, that these data are subject to revision as staff verifies each transaction. Through June, the median selling price of existing single family homes has risen to \$248,000, up 4.2 percent, or \$10,000, over the level established last year. Existing condominiums have sold for a median price of \$92,000, up \$3,500, or 4.0 percent, from the \$88,500 registered in 1998. The median selling price of \$153,500 for existing townhomes reflects a rise of 2.4 percent, or \$3,600, compared to 1998's \$149,900.

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



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

Median selling prices up in new home market...

Sales data through June indicate notable gains in the median selling prices of all types of new homes in the County, compared to the levels established in 1998. As mentioned earlier, these data are subject to revision as staff verifies each transaction. The most significant increase is reflected in the median selling price of new condominiums which has increased 8.7 percent, or \$12,110, to \$150,900 from 1998's \$138,790. The median selling price of new townhomes through June is \$218,687, up 6.7 percent, or \$13,687, compared to the \$205,000 established in 1998. The median price of new single family homes sold through June indicate an advance of 5.0 percent, or \$20,104, to \$425,069 from the \$404,965 established in 1998.

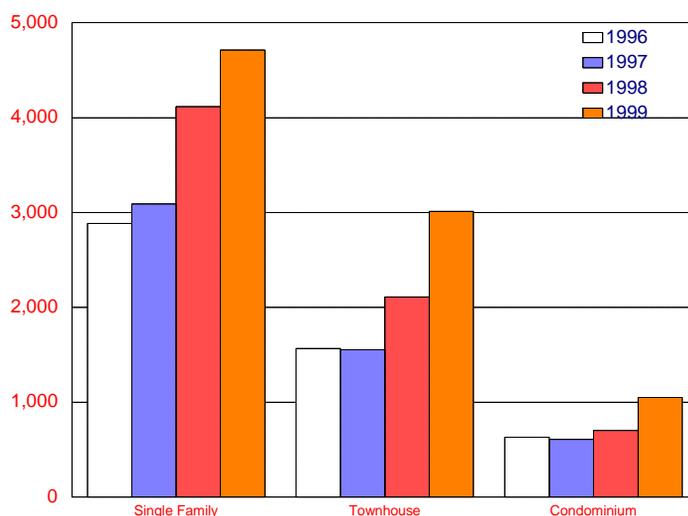
**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD
JANUARY- JUNE 1999 COMPARED TO 1998 ANNUAL**

	Existing Sales	New Sales
Single Family	4.2	5.0
Townhouse	2.4	6.7
Condominium	4.0	8.7

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.

**NUMBER OF EXISTING HOMES SOLD
JANUARY-JUNE 1996-1999**

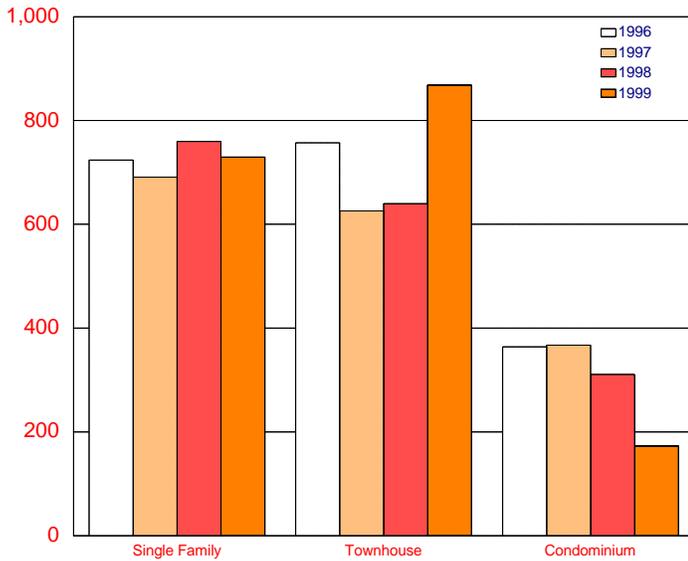


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Volume of existing home sales up in first half of 1999...

Home sale activity in the County's existing home market continues to exhibit strength as indicated by the volume of homes sold through June. Please note that these increases are in addition to the notable gains achieved in 1998. Through June, 1,050 existing condominiums were sold, up 49.4 percent, or 347 units, compared to the same period in 1998. Similarly, the 2,272 existing townhomes sold during the first half of the year exceed the prior year by 42.9 percent, or 904 homes. To date, 4,711 existing single family homes have been sold, topping last year by 14.5 percent, or 596 homes. These leads are expected to erode somewhat due to the substantial increases in mortgage interest rates.

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



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

Sales of new homes, in terms of volume, varied through June...

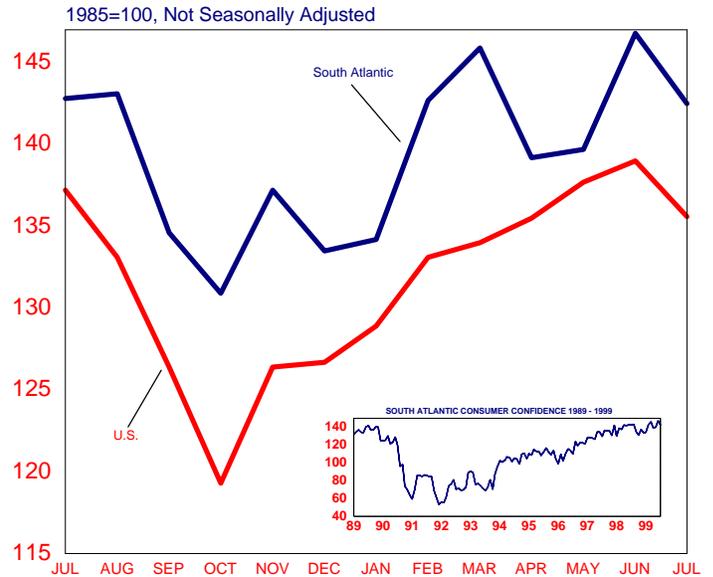
Sales data through June indicate considerable variability in the volume of sale by type of new home. For example, a total of 868 new townhomes were sold through June, reflecting an increase of 35.6 percent, or 228 units, compared to the same period in 1998. By contrast, the 173 new condominiums sold during the first six months of 1999 trail the same period in 1998 by 44.4 percent, or 138 units. The 730 new single family homes sold during the first half of the year are down 4.0 percent, or 30 homes, from last year.

New single family home sales up 4.1 percent nationwide through June...

According to data from the Commerce Department, sales of new single family homes through June outpaced that of last year by 4.1 percent nationwide. Performance is quite varied on a regional basis, however. The South, for example, has a lead of 7.8 percent, while narrower margins of 4.7 percent and 2.2 percent are being experienced in the West and the Midwest, respectively. Sales of new homes during the first half of 1999 are trailing the prior year by 13.3 percent in the Northeast.

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDICES



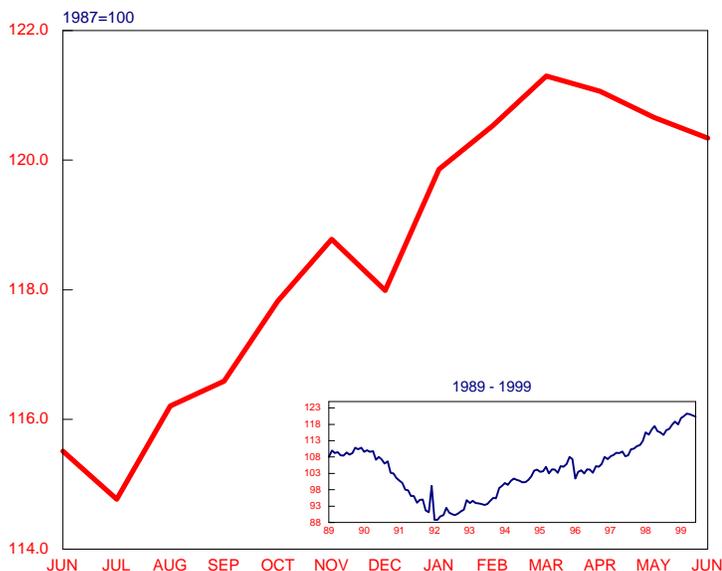
Source: Conference Board
Compiled by the Fairfax County Dept. of Management and Budget

Consumer confidence weakens in July...

The Conference Board's South Atlantic Consumer Confidence Index dipped 4.3 points to 142.5 in July and is now 0.3 points shy of last July. The national Consumer Confidence Index also lost ground in July, shaving off 3.4 points to 135.6. The national Index is 1.6 points below the level established one year ago.

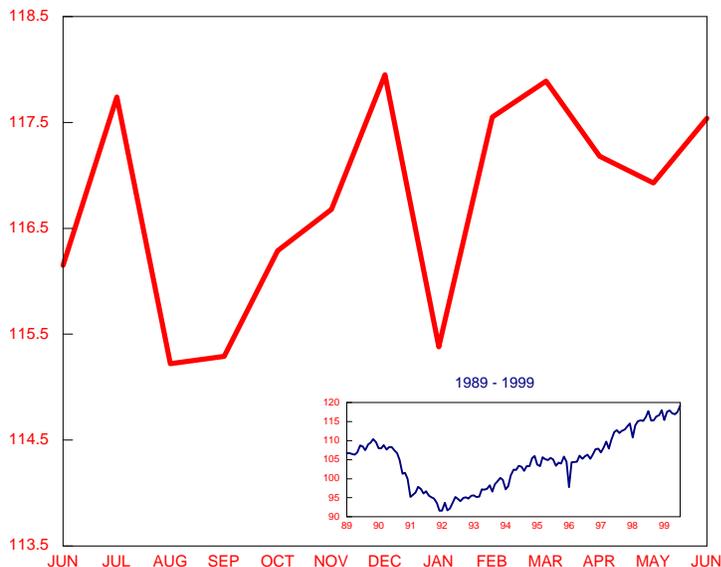
The following section includes a discussion of economic indices for three different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in nine to 12 months for the respective economies. Fairfax County's Indices 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 Virginia Indices were not available for inclusion.

FAIRFAX COUNTY COINCIDENT INDEX



Sources: Mason Enterprise Center, George Mason University
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

County economy slows in June...

The Fairfax County Coincident Index, which represents the current state of the County's economy, declined 0.27 percent to 120.34 in June. The Index has gained 4.2 percent over the past 12 months and 2.0 percent in 1999. Two of the Index's four components contributed to its decline in June. Total employment growth slowed and Transient Occupancy Tax collections, adjusted for inflation and seasonal variation, declined sharply. On the positive side, Sales Tax receipts, adjusted for inflation and seasonal variation, jumped, and consumer confidence reversed its losses registered during the previous two months.

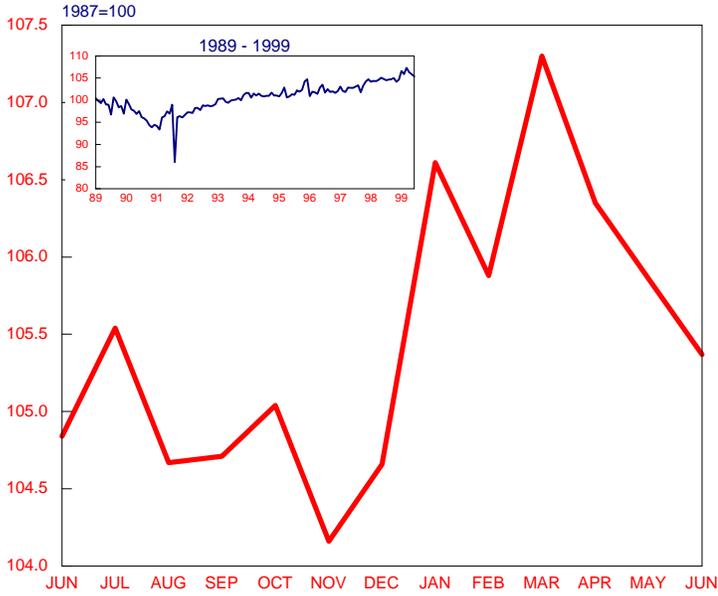


Metropolitan economy fares well in June...

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, advanced 0.61 points to 117.54 in June with all four of its components making positive contributions. Consumer confidence made the most significant advance in June, followed by total wage and salary employment, domestic airport traffic at Ronald Reagan National Airport, and nondurable goods sales.

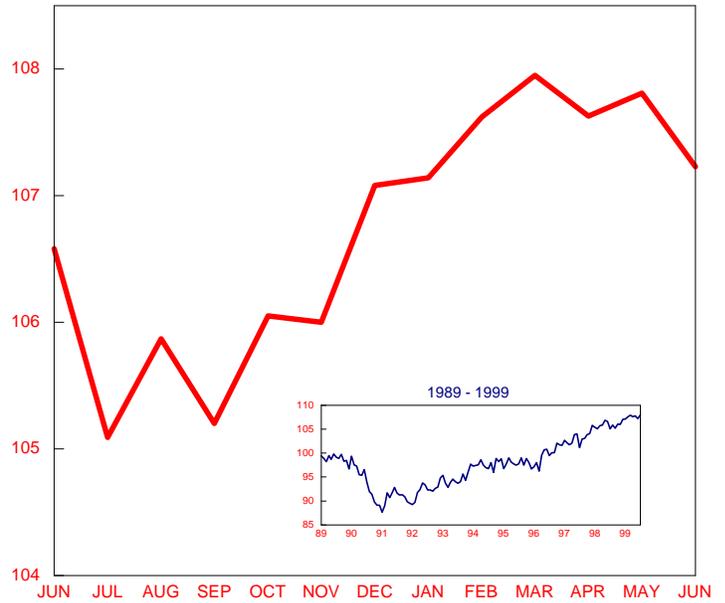


FAIRFAX COUNTY LEADING INDEX



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

METROPOLITAN LEADING INDEX



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

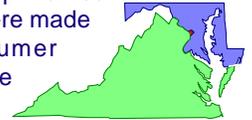
Slower economic activity in County indicated...

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 0.46 percent to 105.37 in June. This decline extends the Index's negative trend to a third consecutive month. In June, three of the Index's five components were negative. Residential building permits declined for the third month in a row; the total value of residential building permits lost ground for the second straight month; and, initial claims for unemployment insurance worsened, reflecting seasonal patterns and a possible softening in the labor market. By contrast, new automobile registrations and consumer expectations (consumer confidence six months hence) posted advances in June.



Metropolitan Leading Index declines in June...

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, lost 0.58 points in June, declining to 107.23. Two of the Index's five components were negative in June. Initial claims for unemployment insurance jumped (worsened) and the Help Wanted Index declined. Positive contributions were made by consumer expectations (consumer confidence six months hence), durable goods sales, and building permit issues.



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