



# DEPARTMENT OF MANAGEMENT AND BUDGET

## FAIRFAX COUNTY ECONOMIC INDICATORS ©

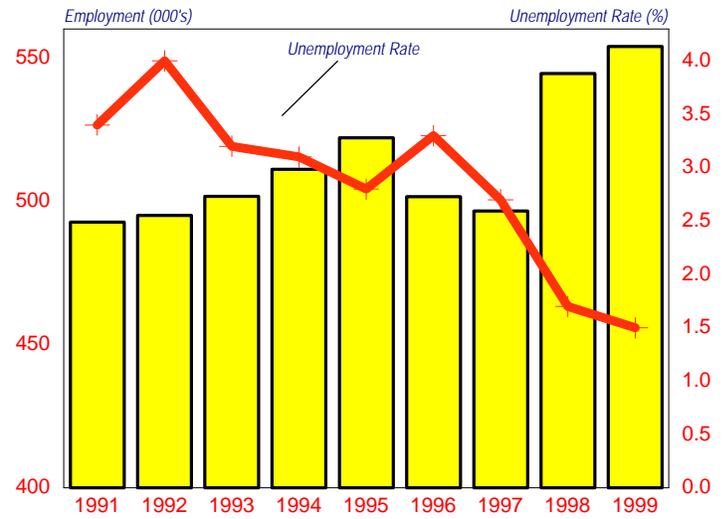
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### SEPTEMBER HIGHLIGHTS

- ❑ Area unemployment remains low as indicated by the County's July unemployment rate of 1.5 percent. The Commonwealth's unemployment rate in July was only 2.8 percent.
- ❑ The County's Sales Tax receipts posted another double-digit gain in September. As a result, collections this fiscal year top that of FY 1999 by 18.1 percent to date.
- ❑ The downward trend that had been sustained for three months was interrupted in August as issues of new residential dwelling permits topped last year's level by a significant margin. To date, the 6,839 new residential dwelling permits issued surpass that of last year by 27.0 percent, or 1,453 permits.
- ❑ Issues of nonresidential building permits fell short of the prior year in August. Despite the decline, issues to date lead 1998 by 23.7 percent.
- ❑ Based on sales data through July, the median selling prices of all types of existing and new homes are up from the levels established in 1998.
- ❑ The Fairfax County Coincident Index slipped in July, while the County's Leading Index inched forward a bit.

### RESIDENTIAL EMPLOYMENT - JULY



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

*Area job growth of 1.7 percent is indicated by July employment data...*

In July, the County's unemployment rate declined 0.3 points to 1.5 percent, according to the Virginia Employment Commission (VEC). With this decrease, July's unemployment rate is 0.2 percentage points below that of one year ago when the rate was 1.7 percent. Data from the VEC indicate that 553,835 County residents were employed in July, up 1.7 percent, or 9,336 jobs, over July 1998.

*State unemployment rate dips in July...*

The Commonwealth's unemployment rate also dipped in July, shaving off 0.4 percentage points to 2.8 percent, as reported by the VEC. The Bureau of Labor Statistics reported that the national unemployment rate remained steady at 4.3 percent in July.

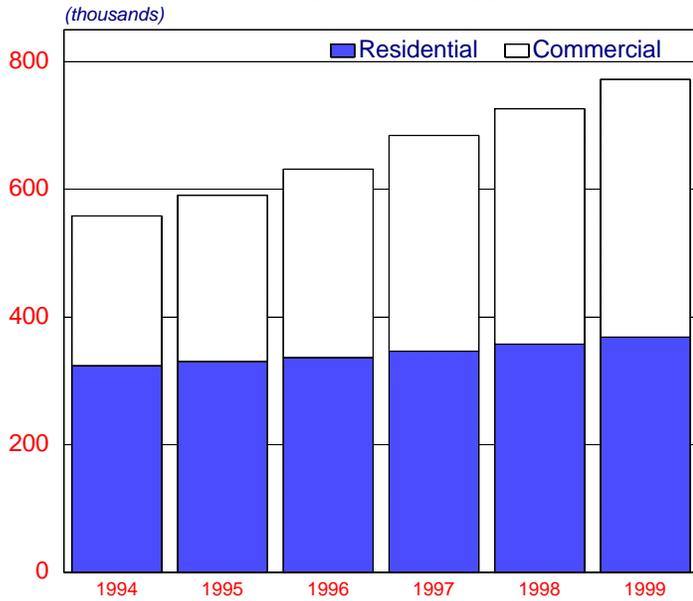


The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

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



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

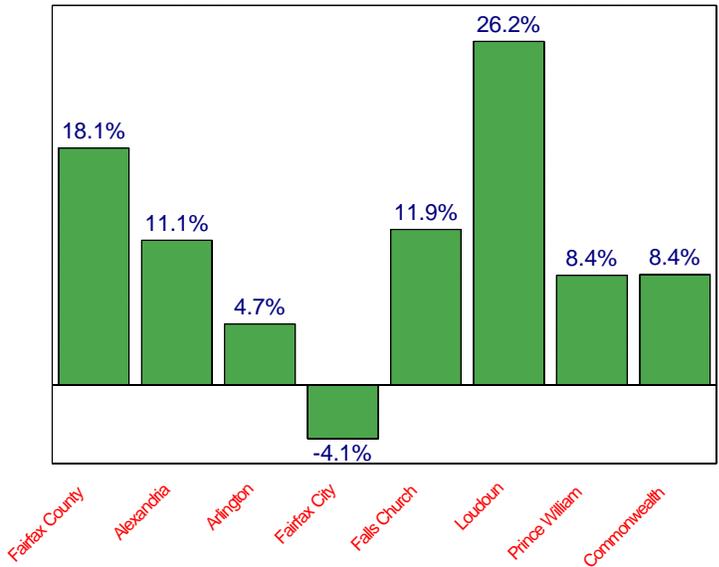


Source: Bell Atlantic  
Compiled by the Fairfax County Dept. of Management and Budget

**County's Sales Tax receipts up 18.1 percent through September....**

Fairfax County's September Sales Tax receipts, representing retail purchases made in July, sustained the recent trend of surpassing the prior year's receipts by a double-digit margin. In September, the County received Sales Tax revenue of \$9.9 million, a 10.5 percent increase over that of September 1998. To date, collections exceed the prior fiscal year by 18.1 percent.

**FY 2000 SALES TAX RECEIPTS THROUGH SEPTEMBER**



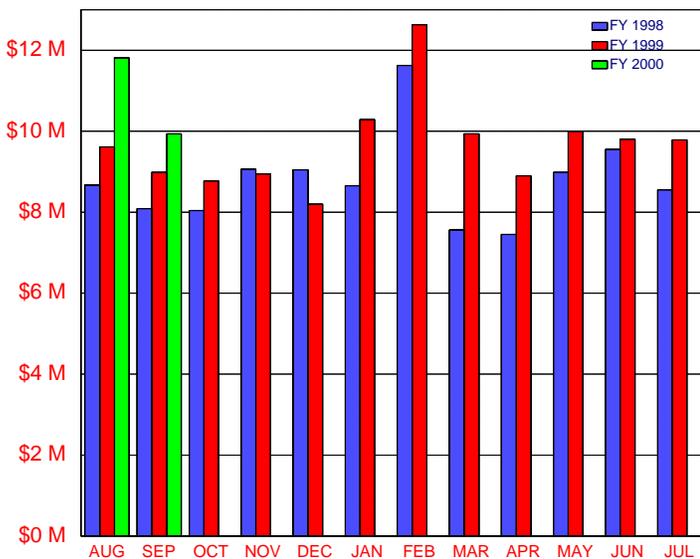
Source: Virginia Department of Taxation  
Compiled by the Fairfax County Dept. of Management and Budget

**Business sector now accounts for more than half of the telephone lines in the County...**

As of August 31, 1999, Bell Atlantic, the primary provider of local telephone service in Fairfax County, maintained 772,249 telephone lines, up 45,724 lines, or 6.3 percent, over August 1998. The business sector continues to fuel this growth, adding 34,879 new telephone lines to 404,005 lines for an increase of 9.5 percent over the prior year. Residential telephone lines totaled 368,244 as of August 1999 and topped last year by 10,845 lines, or 3.0 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

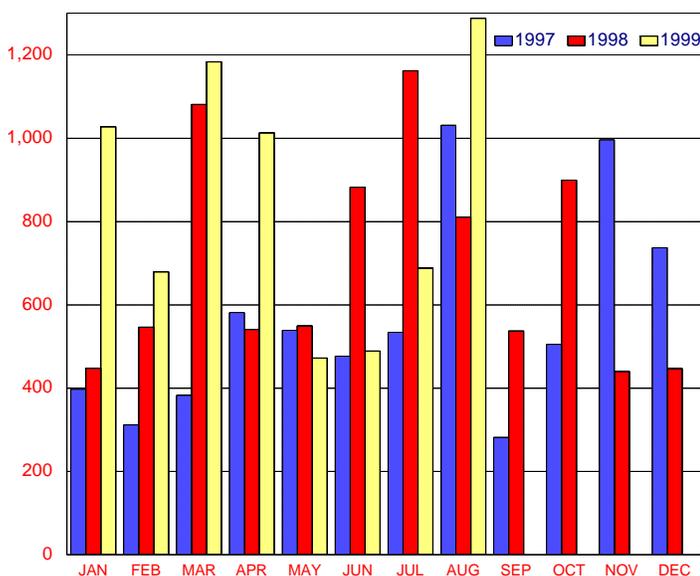
**Sales Tax revenues moderate in September throughout Northern Virginia...**

Sales Tax revenues received in September were more moderate than that of the previous month, according to data from the Virginia Department of Taxation. For the first two months of the new fiscal year, Sales Tax receipts are up 26.2 percent in Loudoun, 11.9 percent in Falls Church, 11.1 percent in Alexandria, 8.4 percent in Prince William, and 4.7 percent in Arlington. A significant shortfall in September's receipts completely erased Fairfax City's lead that was established in August. Collections for the first two months of FY 2000 trail last year by 4.1 percent in Fairfax City. On the whole, September Sales Tax receipts in the Commonwealth topped September 1998 by 5.7 percent and now lead the same period in FY 1999 by 8.4 percent.

**National retail sales strengthen in July...**

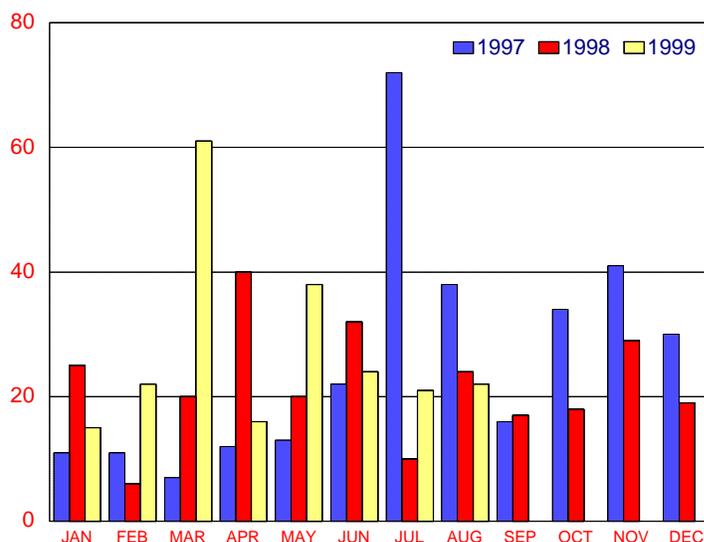
According to the Commerce Department, the retail industry on the national level strengthened even further in July, accelerating to a 9.5 percent lead over last July. Durable goods sales posted a gain of 11.6 percent and non-durable goods sales topped the prior year by 8.0 percent.

### 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 NONRESIDENTIAL BUILDING PERMITS NEW STRUCTURES

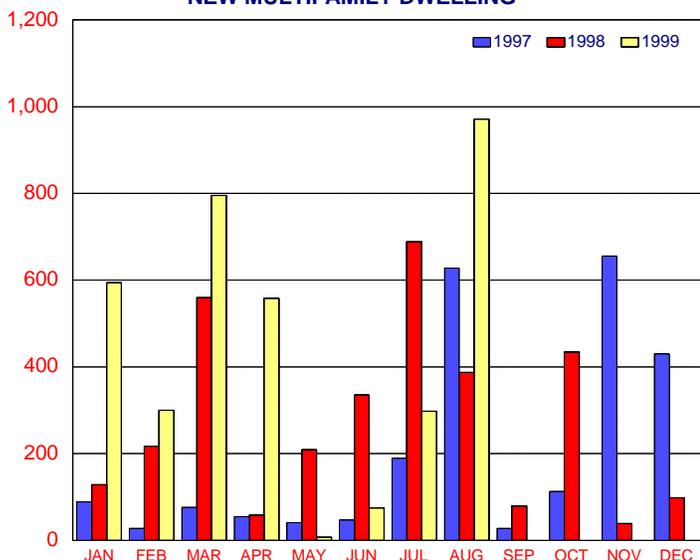


Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

*Downward trend halted as issues of new residential dwelling permits top prior year in August....*

The downward trend that had been sustained for three months was interrupted in August as issues of new residential dwelling permits topped last year's level by a significant margin. To date, the 6,839 new residential dwelling permits issued are surpassing that of last year by 27.0 percent, or 1,453 permits. In August, the multifamily component rebounded while the single family sector posted a decline relative to last year. To date, 3,598 multifamily residential dwelling permits have been issued, up 45.0 percent, or 1,116 permits, over the same period in 1998. Issues of single family residential dwelling permits total 3,241 through August and lead 1998 by 11.6 percent, or 337 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

*Issues of residential repair and alteration permits up 12.8 percent through August...*

Issues of residential repair and alteration permits in August outpaced the level achieved one year ago once again. Consequently, the 9,234 permits that have been issued through August lead last year by 12.8 percent, or 1,051 permits.

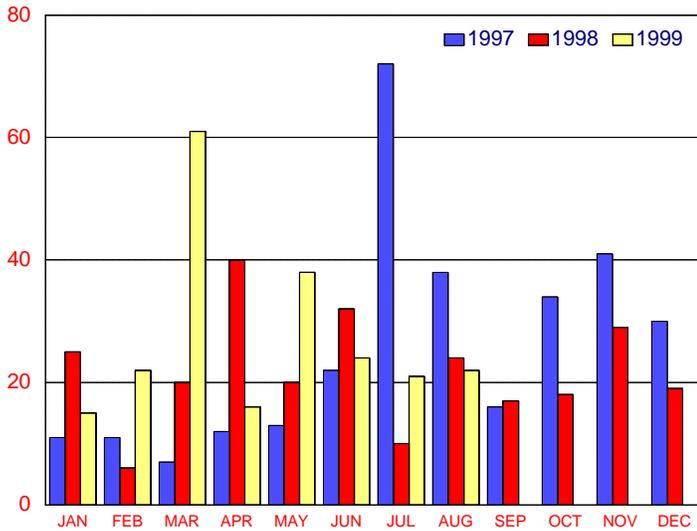
*Housing starts up 5.4 percent nationwide through August...*

On the national level, new privately owned housing units started through August are surpassing that of last year by 5.4 percent, according to the Commerce Department. Regionally, the Northeast and the Midwest are registering greatest leads with increases of 9.5 percent and 8.0 percent, respectively, followed by gains of 5.3 percent in the South and 2.2 percent in the West.

*Nationally, issues of residential building permits lead last year by 4.0 percent through August...*

The Commerce Department also reported that the number of residential building permits issued nationwide through August exceeded that of 1998 by 4.0 percent. Residential building permit issues are up 6.4 percent in the Northeast, 5.9 percent in the Midwest, 4.4 percent in the South, and 0.8 percent in the West.

**NUMBER OF NONRESIDENTIAL BUILDING PERMITS  
NEW STRUCTURES**



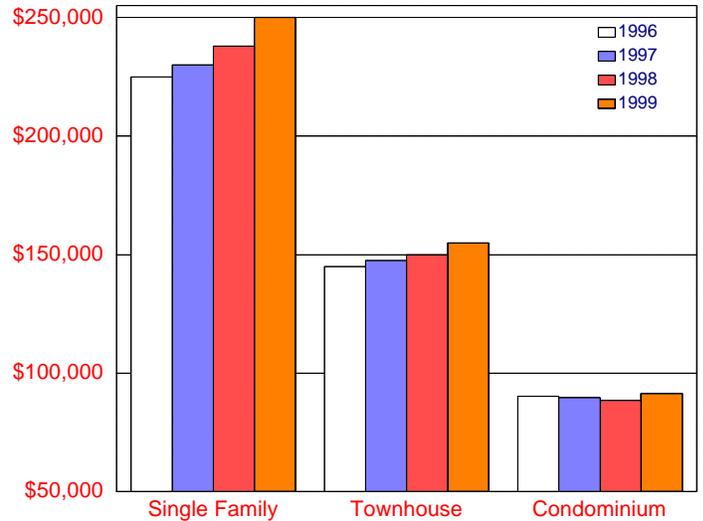
Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

**Nonresidential permit issues slip in August...**

The number of nonresidential building permits issued in August fell short of the level achieved one year ago, thereby causing the year-to-date lead over 1998 to narrow from the 28.8 percent established through July to 23.7 percent. To date, 219 nonresidential permits have been issued, up 42 permits. Through August, 2,802 nonresidential repair and alterations permits have been issued, up 6.3 percent, or 167 permits, over the same period last year.

**HOME SALES IN FAIRFAX COUNTY**

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

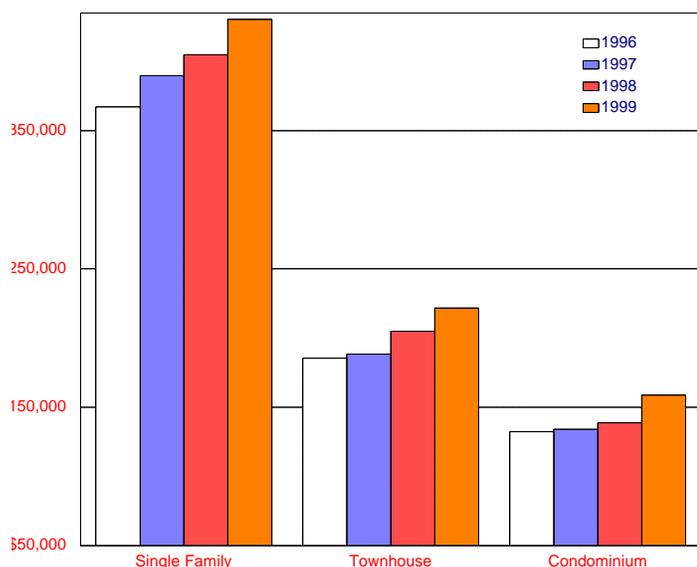


Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

**Existing homes selling at higher prices...**

Based on sales data through July, 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. To date, the median selling price of existing single family homes has risen to \$250,000, up 5.0 percent, or \$12,000, over the level established last year. The median selling price of \$154,900 for existing townhomes reflects a rise of 3.3 percent through July, or \$5,000, compared to 1998's \$149,900. Existing condominiums have sold for a median price of \$91,350, up \$2,850, or 3.2 percent, from the \$88,500 registered in 1998.

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



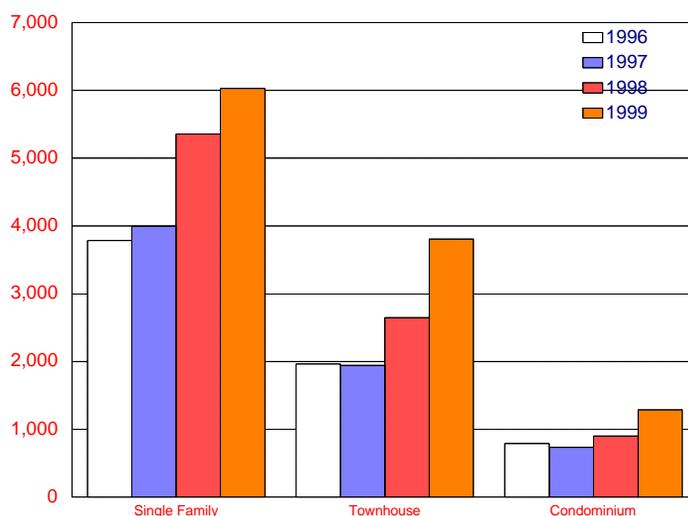
Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

*Median sales prices of new homes rise...*

Sales data through July 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 14.3 percent, or \$19,870, to \$158,660 from 1998's \$138,790. The median selling price of new townhomes through July is \$221,735, up 8.2 percent, or \$16,735, compared to the \$205,000 established in 1998. The median price of new single family homes sold through July indicate an advance of 6.3 percent, or \$25,496, to \$430,461 from the \$404,965 established in 1998.

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-JULY 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...*

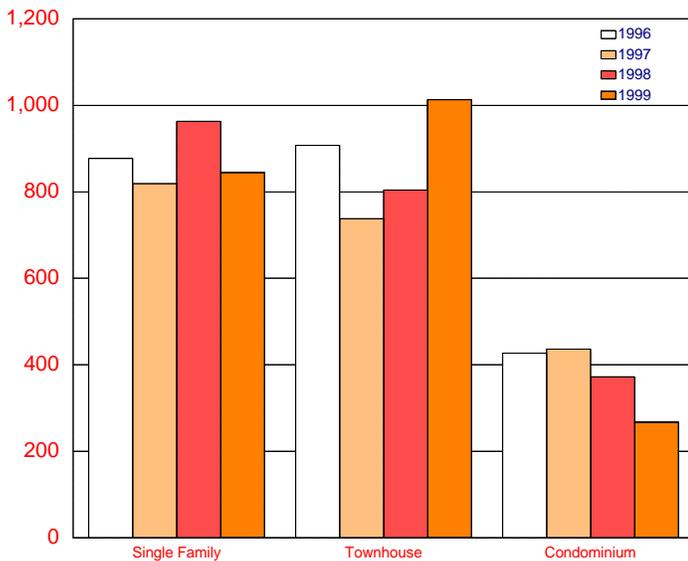
Home sale activity in the County's existing home market continues to exhibit strength as indicated by the volume of homes sold during the first seven months of 1999. Please note that these increases are in addition to the notable gains achieved in 1998. The 3,811 existing townhomes sold through July exceed the prior year by 43.8 percent, or 1,161 homes. Similarly, 1,288 existing condominiums were sold, up 42.5 percent, or 384 units, compared to the same period in 1998. To date, 6,028 existing single family homes have been sold, topping last year by 12.5 percent, or 670 homes. As mentioned last month, these leads are expected to erode somewhat due to the substantial increases in mortgage interest rates.

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

	Existing Sales	New Sales
Single Family	5.0	6.3
Townhouse	3.3	8.2
Condominium	3.2	14.3

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

**NUMBER OF NEW HOMES SOLD  
JANUARY-JULY 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, is mixed...*

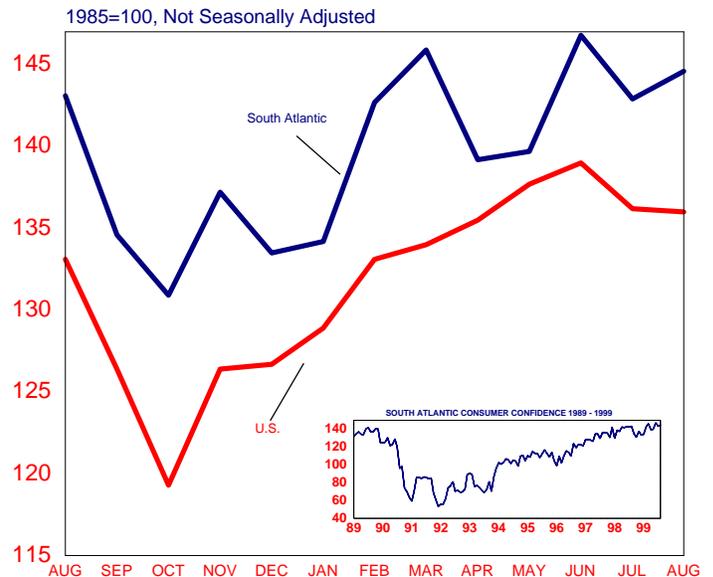
Sales data through July continue to exhibit considerable variability in the volume of sale by type of new home. For example, a total of 1,013 new townhomes were sold through July, reflecting an increase of 26.0 percent, or 209 units, compared to the same period in 1998. By contrast, the 267 new condominiums sold during the first seven months of 1999 trail the same period in 1998 by 28.2 percent, or 105 units. The 845 new single family homes sold to date are down 12.3 percent, or 118 homes, from last year.

*Nationally, new home sales top 1998 by 6.3 percent through July...*

According to data from the Commerce Department, sales of new single family homes through July outpaced that of last year by 6.3 percent nationwide. Performance continues to exhibit considerable variability on a regional basis, however. Sales of new homes in the South and the West, for example, are surpassing the prior year by margins of 10.4 percent and 8.2 percent, respectively, while a slimmer lead of 3.9 percent has been registered in the Midwest. By contrast, sales of new homes through July are trailing 1998 by 9.8 percent in the Northeast.

**ADDITIONAL INDICATORS**

**CONSUMER CONFIDENCE INDICES**



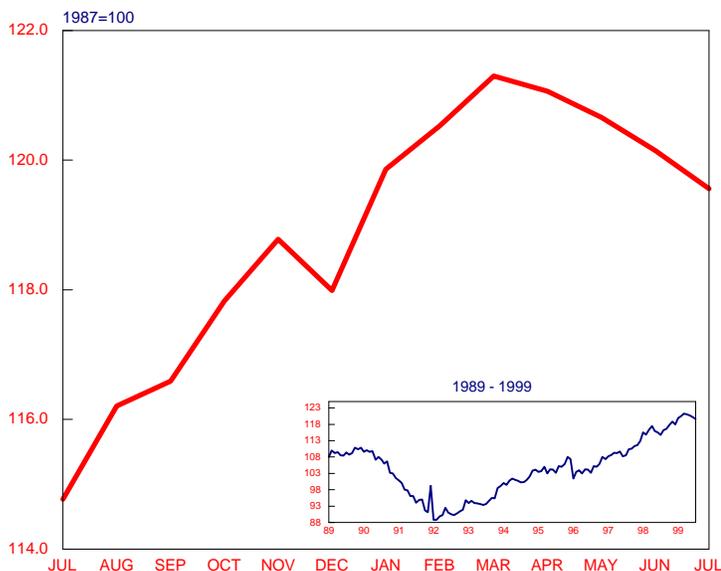
Source: Conference Board  
Compiled by the Fairfax County Dept. of Management and Budget

*South Atlantic Consumer Confidence Index regains some ground in August...*

The Conference Board's South Atlantic Consumer Confidence Index regained some of its losses from July in August, adding 1.7 points to 144.6. The Index now exceeds its level one year ago by 1.5 points. By contrast, the national Consumer Confidence Index lost ground in August, declining 0.2 points to 136.0. The national Index is 2.9 points above the level established one year ago.

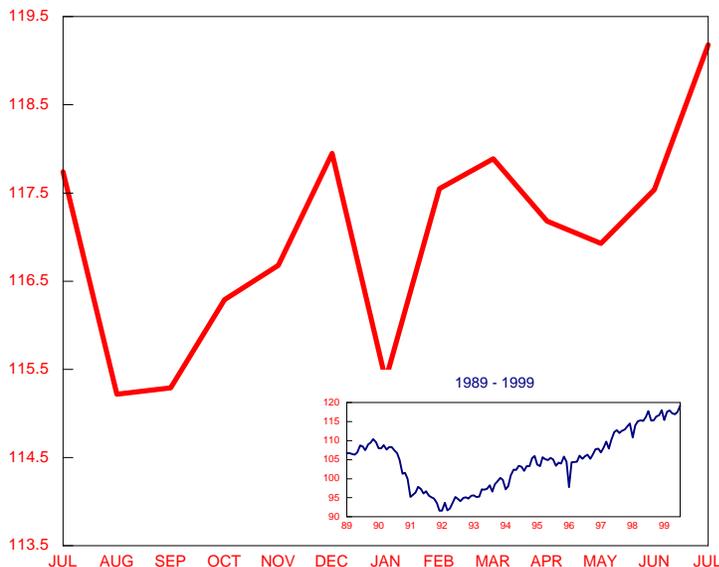
The following section includes a discussion of economic indices for three different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in nine to 12 months for the respective economies. Fairfax County's Indices 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's Coincident Index dips in July...**

The Fairfax County Coincident Index, which represents the current state of the County's economy, declined 0.49 percent to 119.56 in July. This was the Index's fourth consecutive decline since it peaked in March. Two of the Index's four components contributed to its decline in July. Transient Occupancy Tax collections, adjusted for inflation and seasonal variation, declined for the second straight month and Sales Tax receipts, adjusted for inflation and seasonal variation, dropped after increasing sharply in June. The positive contributions made by consumer confidence and total employment were not substantial enough to completely offset the aforementioned declines.

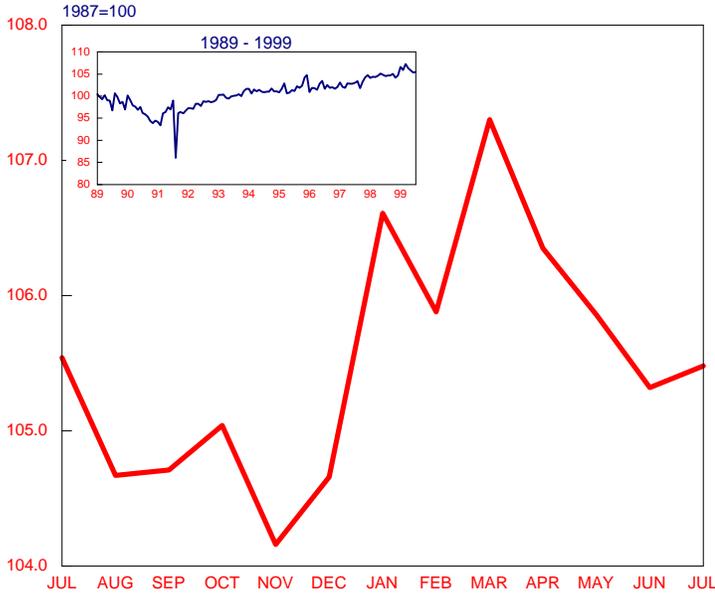


**Metropolitan Leading Index advances in July...**

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, advanced 1.64 points to 119.18 in July with all four of its components making positive contributions. Consumer confidence made the most significant advance in July, followed closely by domestic airport traffic at Ronald Reagan National Airport. Nondurable goods sales and total wage and salary employment also contributed to the advance in July.

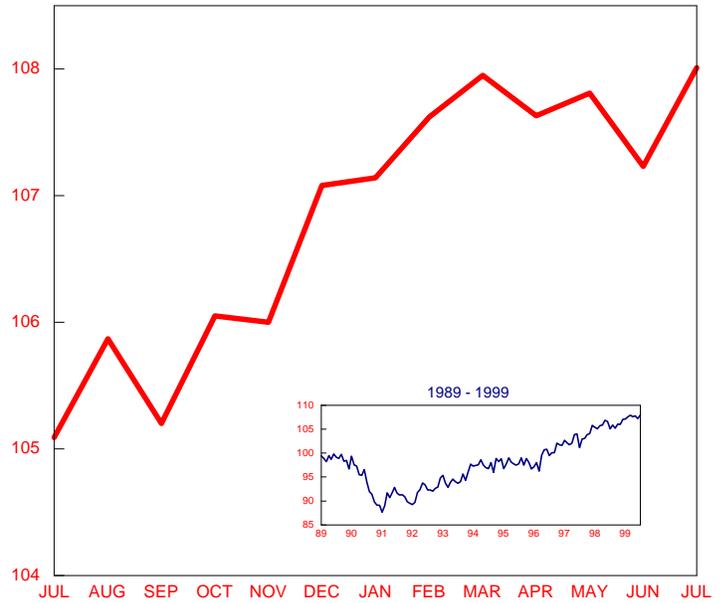


**FAIRFAX COUNTY LEADING INDEX**



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

**County's Leading Index inches forward in July...**

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in the future, inched up a slight 0.15 percent in July to 105.48. This gain reversed a three-month downward trend. In July, three of the Index's five components contributed to its gain. Residential building permits posted a moderate advance; the total value of residential building permits regained some of the ground lost in recent months; and, initial claims for unemployment insurance improved. By contrast, new automobile registrations and consumer expectations (consumer confidence six months hence) dipped in July.



**Metropolitan Leading Index advances in July...**

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, gained 0.78 points in July and increased to 108.01. Hence, June's decline was completely erased. Three of the Index's five components were positive in July. Initial claims for unemployment insurance declined sharply (improved) after worsening in June; the Help Wanted Index advanced; and durable goods sales registered a gain. Consumer expectations (consumer confidence six months hence) and building permit issues were both negative in July.



*Inquiries should be directed to:*

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