



# DEPARTMENT OF MANAGEMENT AND BUDGET

## FAIRFAX COUNTY ECONOMIC INDICATORS ©

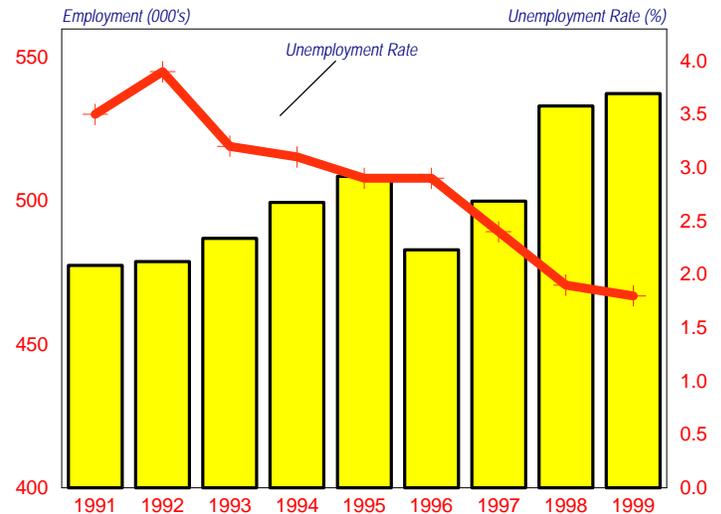
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NOVEMBER 1999

### NOVEMBER HIGHLIGHTS

- ❑ Area unemployment remains low as indicated by the County's September unemployment rate of 1.8 percent.
- ❑ The Commonwealth's unemployment rate in September was 3.0 percent.
- ❑ The County's Sales Tax receipts posted another double-digit gain in November. As a result, collections this fiscal year top that of FY 1999 by 16.9 percent to date.
- ❑ The issues of new residential dwelling permits dropped in October. Despite the decline, the 7,838 new residential dwelling permits issued to date surpass that of last year by 17.0 percent, or 1,137 permits.
- ❑ Issues of nonresidential building permits gained in October. To date, 255 new nonresidential permits have been issued, leading last year's level by 20.3 percent, or 43 permits.
- ❑ Based on sales data for the first nine months of 1999, 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 showed a modest gain in September, while the County's Leading Index dropped. The County's Leading Index is no longer outperforming its 12 month moving average.

### RESIDENTIAL EMPLOYMENT - SEPTEMBER



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

*Unemployment rate in September is up 0.1 percentage points to 1.8 percent...*

In September, the County's unemployment rate was up 0.1 points to 1.8 percent, according to the Virginia Employment Commission (VEC). Despite the slight increase,

September's unemployment rate is 0.1 percentage points below that of one year ago when the rate was 1.9 percent. Data from the VEC indicate that 537,506 County residents were employed in September, up 0.8 percent, or 4,352 jobs, over September 1998.

*State unemployment rate also up slightly in September...*

The Commonwealth's unemployment rate also inched up in September, adding 0.1 percentage points to 3.0 percent, as reported by the VEC. The Bureau of Labor Statistics reported that the September national unemployment rate was unchanged from the 1.8 percent registered in August.

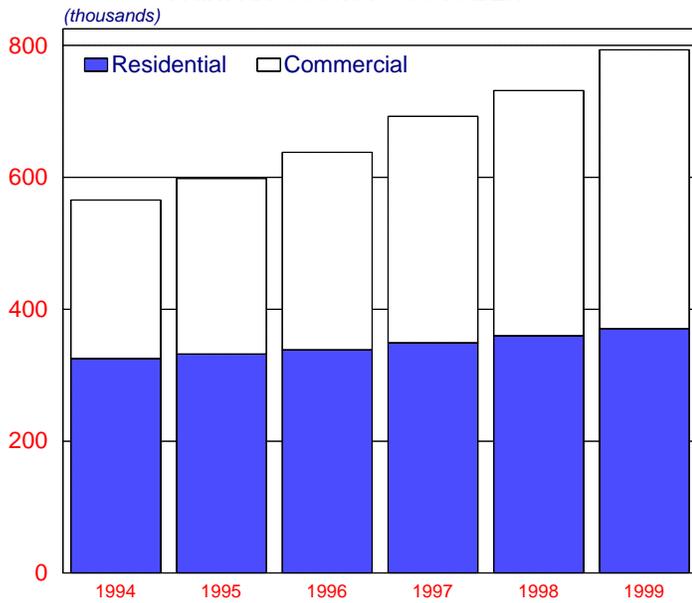


The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

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



### BELL ATLANTIC TELEPHONE LINES FAIRFAX COUNTY - OCTOBER



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

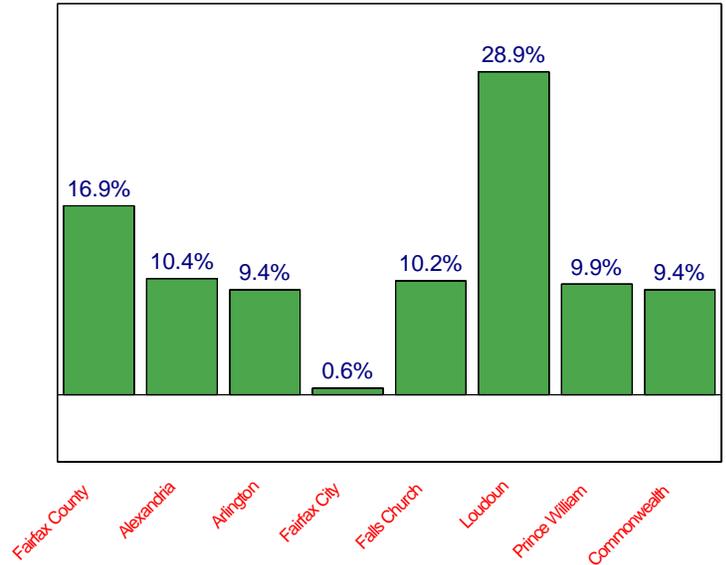
*Business sector continues to fuel growth in the number of telephone lines...*

As of October 31, 1999, Bell Atlantic, the primary provider of local telephone service in Fairfax County, maintained 793,177 telephone lines, up 61,780 lines, or 8.5 percent, over October 1998. The business sector is still driving most of this growth, adding 50,276 new telephone lines to 422,274 lines for an increase of 13.5 percent over the prior year. Residential telephone lines totaled 370,903 as of October 1999 and topped last year by 11,504 lines, or 3.2 percent.

*County's Sales Tax gain 16.9 percent through November....*

Fairfax County's November Sales Tax receipts, representing retail purchases made in September, reached \$10.9 million, up 22.5 percent over the prior year. To date, collections total \$42.2 million and exceed the prior year by an impressive 16.9 percent margin.

### FY 2000 SALES TAX RECEIPTS THROUGH NOVEMBER



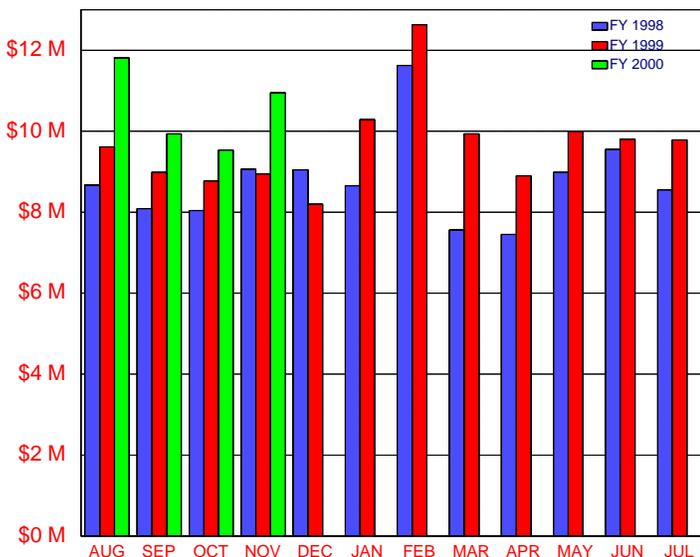
Source: Virginia Department of Taxation  
Compiled by the Fairfax County Dept. of Management and Budget

*Sales Tax revenues strengthen in November throughout Northern Virginia...*

Sales Tax revenues received by Northern Virginia localities in November, representing September retail sales, outpaced the levels established in FY 1998 by double digit margins, according to data from the Virginia Department of Taxation. For the first four months of FY 2000, Sales Tax receipts are up 28.9 percent in Loudoun, 10.4 percent in Alexandria, 10.2 percent in Falls Church, 9.9 percent in Prince William, 9.4 percent in Arlington and 0.6 percent in Fairfax City. On the whole, November Sales Tax receipts in the Commonwealth topped November 1998 by 14.1 percent and lead the same period in FY 1999 by 9.4 percent.

### SALES TAX REVENUES

(revenues represent retail sales two months prior)

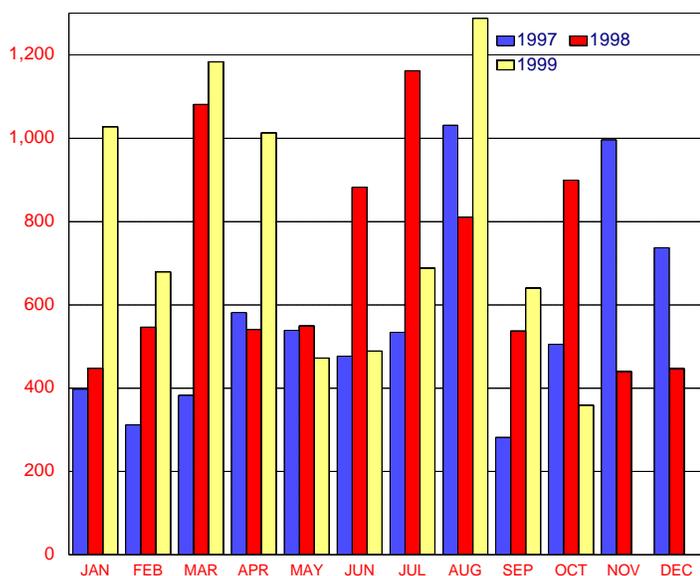


Source: Virginia Department of Taxation  
Compiled by the Fairfax County Dept. of Management and Budget

*Strong national retail sales in September...*

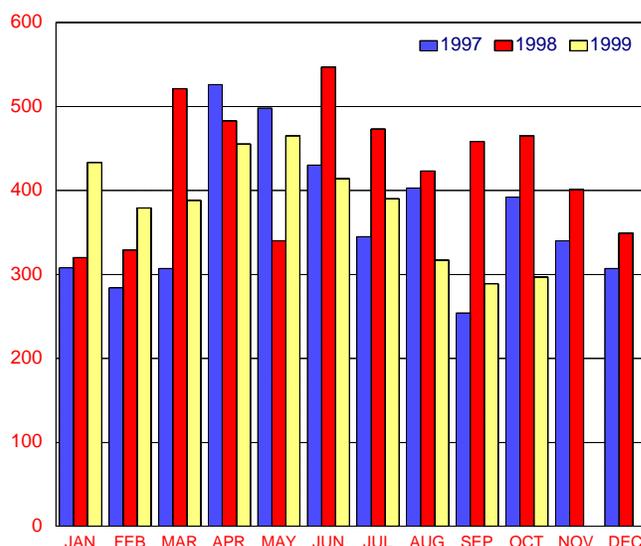
According to the Commerce Department, the retail industry on the national level strengthened even further in September, accelerating to an 11.0 percent lead over last September. Durable goods sales posted a gain of 12.2 percent, indicating consumers' high confidence levels regarding their economic prospects, and non-durable goods sales topped the prior year by 10.1 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

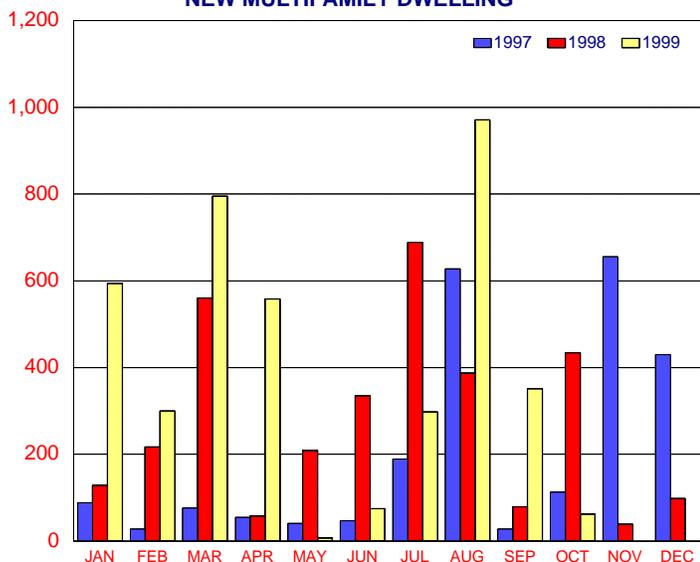


Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

*Issues of new residential dwelling permits surpass prior year through October....*

Issues of new residential dwelling permits fell in October. Despite the decline, the 7,838 new residential dwelling permits issued surpass that of last year by 17.0 percent, or 1,137 permits. The increase in the multifamily component completely surpasses that of the single family sector. To date, 4,011 multifamily residential dwelling permits have been issued, up 34.6 percent, or 1,030 permits, over the same period in 1998. Issues of single family residential dwelling permits total 3,827 through October and lead 1998 by 2.9 percent, or 107 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 16.7 percent through October...*

October issues of residential repair and alteration permits outpaced the level achieved one year ago once again. Consequently, the 11,892 permits that have been issued through October lead last year by 16.7 percent, or 1,701 permits.

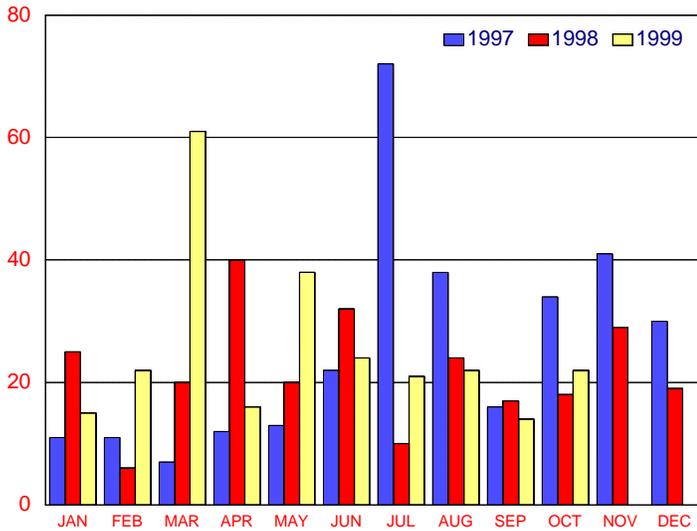
*Nationally, housing starts up 3.5 percent through October...*

On the national level, new privately owned housing units started through October are surpassing that of last year by 3.5 percent, according to the Commerce Department. Regionally, housing starts are up 8.2 percent in the Midwest, 3.2 percent in the Northeast, 2.9 percent in the South, and 0.7 percent in the West.

*Issues of residential building permits outpaced last year 2.8 percent nationwide through October...*

The Commerce Department also reported that the number of residential building permits issued nationwide through October exceeded that of 1998 by 2.8 percent. Residential building permit issues are up 5.6 percent in the Midwest, 3.6 percent in the Northeast, and 3.0 percent in the South. To date, residential building permit issues are down a slight 0.3 percent in the West.

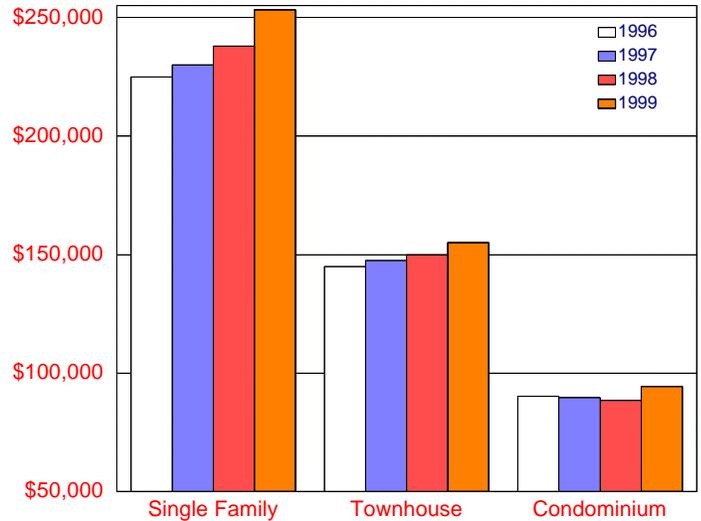
**NUMBER OF NONRESIDENTIAL BUILDING PERMITS  
NEW STRUCTURES**



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



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

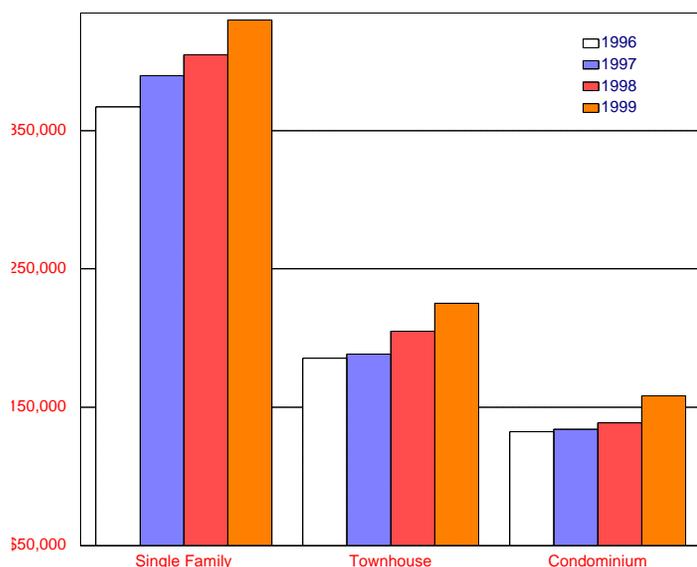
*Nonresidential building permits up in October...*

Issues of nonresidential building permits gained in October. To date, the 255 new nonresidential permits issued outpaced that of last year by 20.3 percent, or 43 permits. Through October, 3,471 nonresidential repair and alterations permits have been issued, up 4.5 percent, or 150 permits, over the same period last year.

*Prices of existing homes are up through September...*

Based on sales data through September, 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 condominiums has risen to \$94,275, up 6.5 percent, or \$5,775, over the level established last year. Existing single family homes have sold for a median price of \$253,250, up \$15,250, or 6.4 percent, from the \$238,000 registered in 1998. The median selling price of \$155,000 for existing townhomes reflects a rise of 3.4 percent, or \$5,100, compared to 1998's \$149,900.

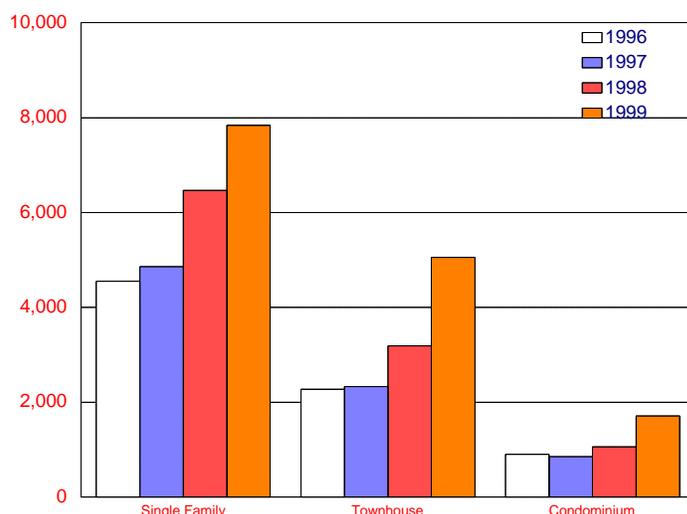
**MEDIAN PRICE OF NEW HOMES SOLD  
JANUARY-SEPTEMBER 1999 COMPARED TO  
ANNUAL MEDIAN PRICES 1996 - 1998**



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.

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



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

*Median sales prices of new homes outpacing last year...*

Sales data through September 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 14.0 percent, or \$19,475, to \$158,265 from 1998's \$138,790. The median selling price of new townhomes through September is \$225,124, up 9.8 percent, or \$20,124, compared to the \$205,000 established in 1998. The median price of new single family homes sold through September indicates an advance of 6.2 percent, or \$25,035, to \$430,000 from the \$404,965 established in 1998.

*Volume of existing homes sold up through September...*

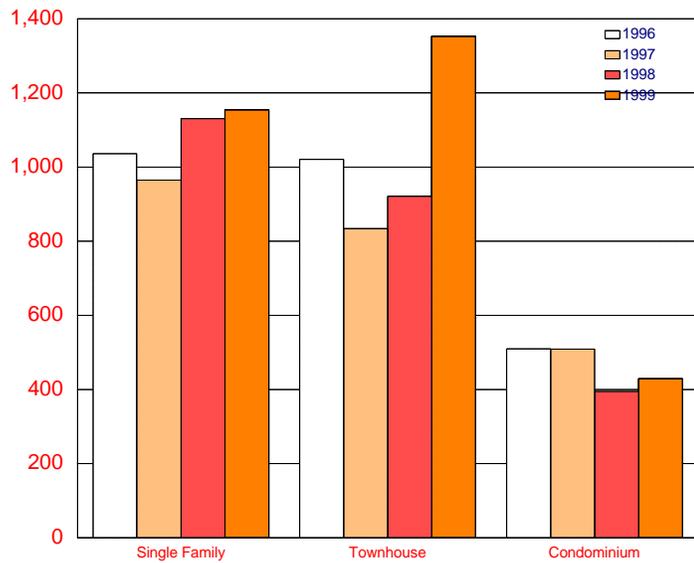
Home sale activity in the County's existing home market continues to exhibit strength as indicated by the volume of homes sold during the first nine months of 1999. Please note that these increases are in addition to the notable gains achieved in 1998. The 1,712 existing condominiums sold through September exceed the prior year by 41.6 percent, or 503 units. Similarly, 5,054 existing townhomes were sold, up 37.5 percent, or 1,377 units, compared to the same period in 1998. To date, 7,836 existing single family homes have been sold, topping last year by 7.7 percent, or 560 homes.

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

	Existing Sales	New Sales
Single Family	6.4	6.2
Townhouse	3.4	9.8
Condominium	6.5	14.0

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

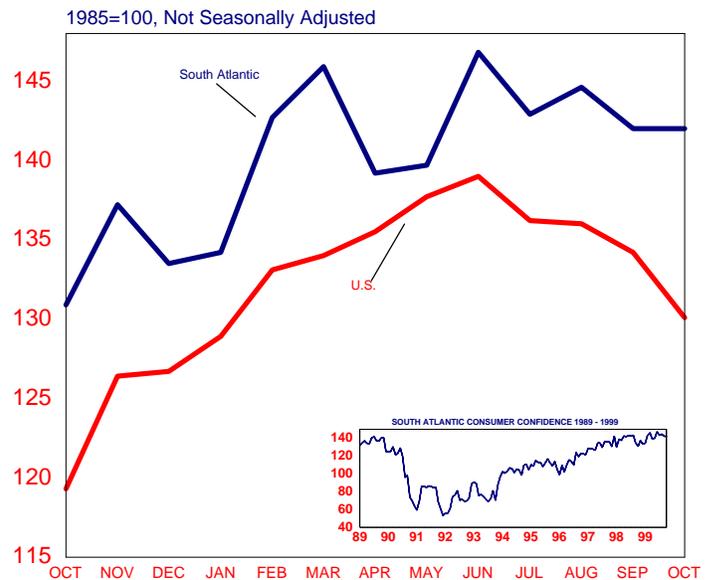
**NUMBER OF NEW HOMES SOLD  
JANUARY-SEPTEMBER 1996-1999**



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

**ADDITIONAL INDICATORS**

**CONSUMER CONFIDENCE INDICES**



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

*Volume of new homes sold through September is mixed by type of home...*

Sales data through September continue to exhibit considerable variability in the volume of sales by type of new home. For example, a total of 1,353 new townhomes were sold through September, reflecting an increase of 32.9 percent, or 335 units, compared to the same period in 1998. By contrast, the 429 new condominiums sold during the first nine months of 1999 trail the same period in 1998 by 6.7 percent, or 31 units. The 1,155 new single family homes sold to date are down 11.1 percent, or 144 homes, from last year.

*National new home sales up 4.5 percent through September...*

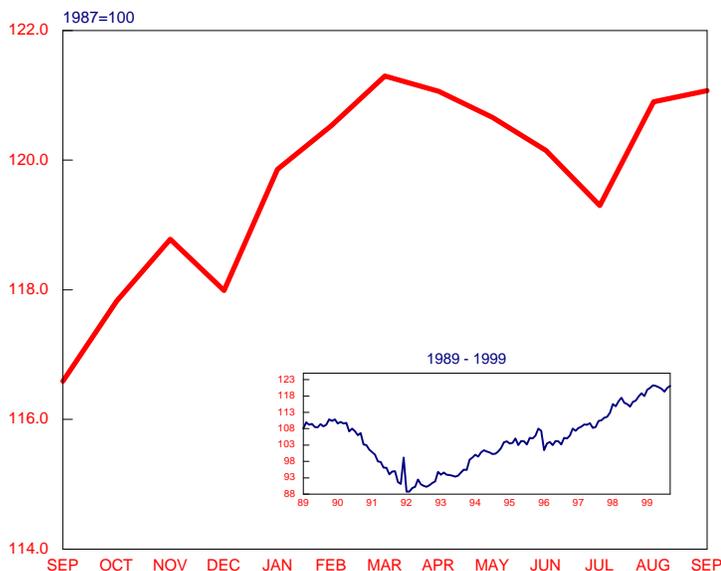
The lead established earlier in the year narrowed further in September as sales of new single family homes slowed slightly nationwide. According to data from the Commerce Department, sales of new single family homes through September exceed that of last year by 4.5 percent, compared to the 5.3 percent lead registered through August. More specifically, sales of new homes are up 5.9 percent in the West, 5.6 percent in the South, and 5.4 percent in the Midwest. By contrast, sales of new single family homes are down 9.1 percent through September in the Northeast.

*South Atlantic Consumer Confidence Index remains unchanged in October...*

Although the Conference Board's October South Atlantic Consumer Confidence Index remained unchanged from September's 142.0, the Index now exceeds its level one year ago by 11.1 points. By contrast, the national Consumer Confidence Index dropped in October, declining 4.1 points to 130.1. The national Index is 10.8 points above the level established in October 1998.

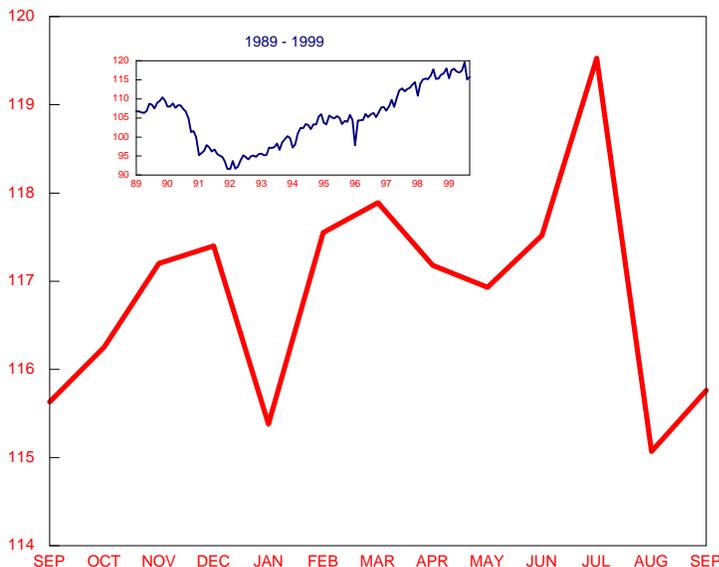
The following section includes a discussion of economic indices for three different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices 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 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 gained 0.63 points in September...**

The Fairfax County Coincident Index, which represents the current state of the County's economy, increased 0.63 points to 121.07 in September. This is the Index's second consecutive advance following four declines over the past six months. All four of the Index's components contributed to its rise in September. Sales tax receipts, adjusted for inflation and seasonal variation, increased following declines in the previous two months; total employment advanced slightly; consumer confidence reversed its August decline; and Transient Occupancy Tax collections, adjusted for inflation and seasonal variation, posted another gain.

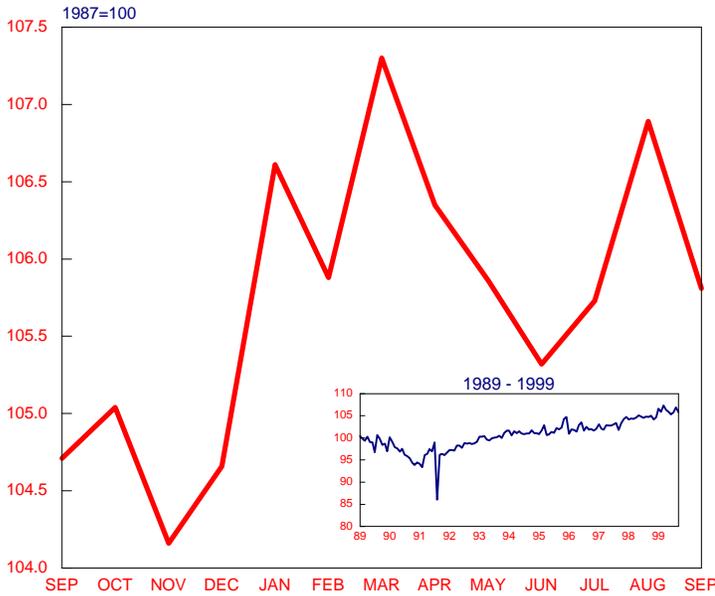


**Metropolitan Leading Index rises in September...**

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, added 0.69 points to 115.76 in September with all four of its components making positive contributions. Domestic airport traffic at Ronald Reagan National Airport made the most significant gain in September, followed by nondurable goods sales, consumer confidence and total wage and salary employment.

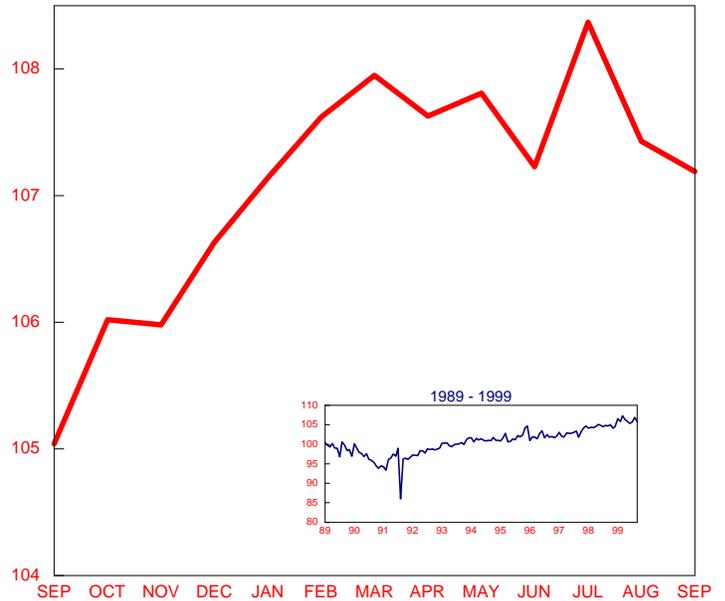


**FAIRFAX COUNTY LEADING INDEX**



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 dips below its 12 month moving average in September...*

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in the future dropped 1.10 points in September to 105.81. This decrease follows gains in July and August. Given the September decline, the Index is no longer outperforming its 12 month moving average. In September, only one of the Index's five components, new automobile registrations, was positive. The value of residential building permits slipped for the fourth time in the last five months; the number of residential building permits declined after positive gains in July and August; initial claims for unemployment insurance increased (worsened); and consumer expectations (consumer confidence six months hence) decreased for the second time in three months.



*Metropolitan Leading Index down in September...*

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, dropped 0.24 points in September to 107.19. Only the Help Wanted Index and initial unemployment claims made positive contributions. By contrast, total building permits declined sharply, while consumer expectations (consumer confidence six months hence) and durable goods sales registered more moderate declines.



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