



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

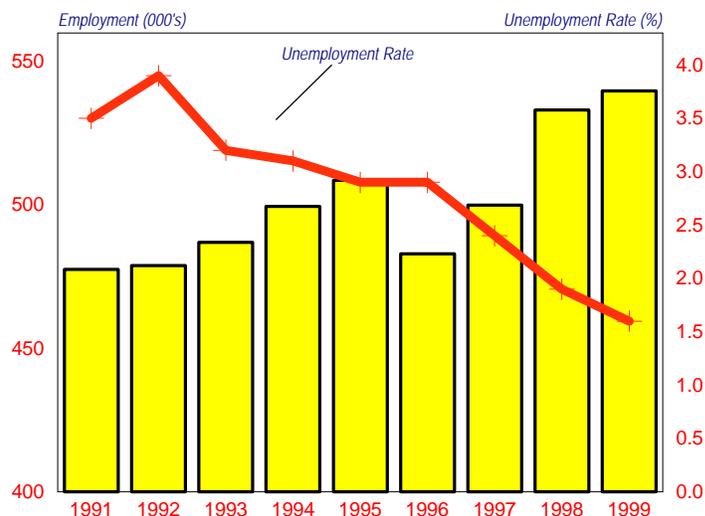
Publication 92

DECEMBER 1999

◆ ◆ ◆ DECEMBER HIGHLIGHTS ◆ ◆ ◆

- ❑ Area unemployment remains low as indicated by the County's October unemployment rate of 1.6 percent. The Commonwealth's unemployment rate in October was only 2.7 percent.
- ❑ Issues of new residential dwelling permits are up in November after a decline the previous month. The new dwelling permits issued topped last year's level by a significant margin. To date, 8,322 new residential dwelling permits issued surpass that of last year by 17.4 percent, or 1,233 permits.
- ❑ Issues of nonresidential building permits fell in November, but are still surpassing 1998 for the year. To date, 265 new nonresidential permits were issued, leading last year's level by 10.0 percent or 24 permits.
- ❑ Based on sales data for the first ten 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 inched up 1.6 points in October, while the County's Leading Index declined slightly.

RESIDENTIAL EMPLOYMENT - OCTOBER



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

Unemployment rate drops to 1.6 percent in October...

In October, the County's unemployment rate was down 0.2 points to 1.6 percent, according to the Virginia Employment Commission (VEC). October's unemployment rate is 0.1 percentage points below that of one year ago when the rate was 1.7 percent. Data from the VEC indicate that 539,850 County residents were employed in October, up 1.5 percent, or 7,844 jobs, over October 1998.

State unemployment rate also down slightly in October...

The Commonwealth's unemployment rate declined 0.3 percentage points to 2.7 percent in October, as reported by the VEC. The Bureau of Labor Statistics reported that the October national unemployment rate was down 0.1 point to 4.1 percent.

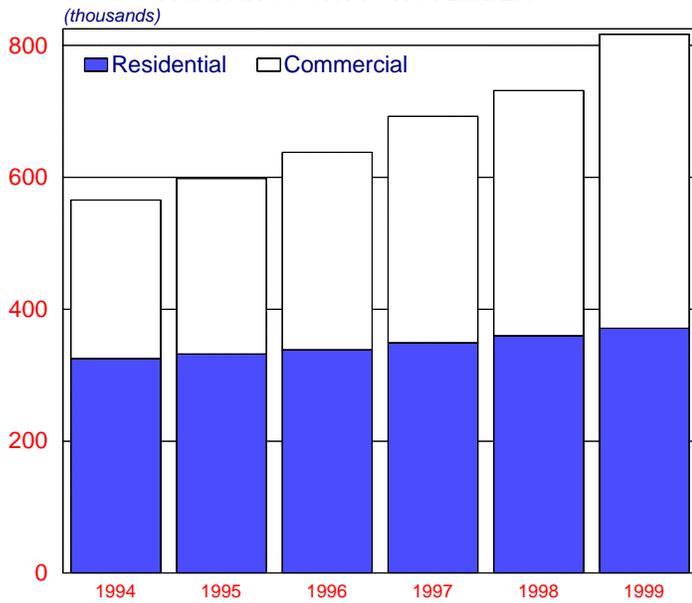


The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

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



BELL ATLANTIC TELEPHONE LINES FAIRFAX COUNTY - NOVEMBER



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

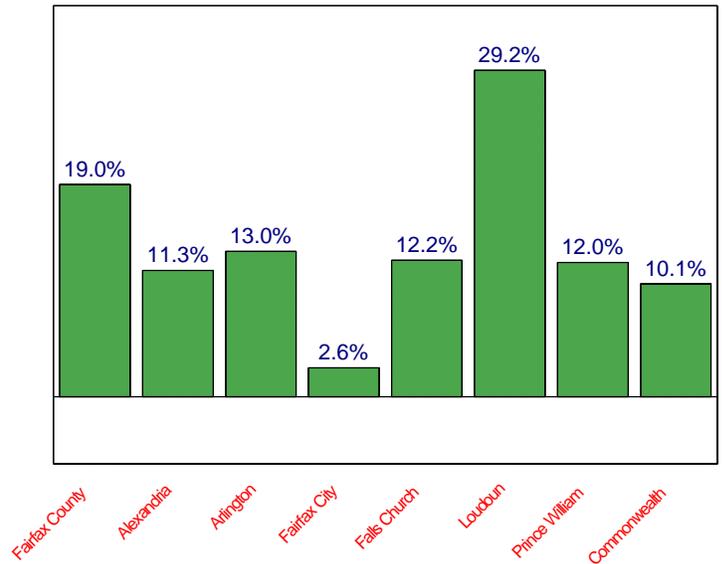
Business sector continues to be major driver for growth in telephone lines...

As of November 30, 1999, Bell Atlantic, the primary provider of local telephone service in Fairfax County, maintained 816,964 telephone lines, up 81,655 lines, or 11.1 percent, over November 1998. The business sector is still driving most of this growth, adding 70,323 new telephone lines for a total of 445,684 lines or an increase of 18.7 percent over the prior year. Residential telephone lines totaled 371,280 as of November 1999 and exceeded last year by 11,332 lines, or 3.2 percent.

County's Sales Tax up 19.0 percent through December....

Fairfax County's December Sales Tax receipts, representing retail purchases made in October, reached \$10.5 million, up 28.1 percent over the prior year. To date, collections total \$52.7 million and exceed the prior year by an impressive 19.0 percent margin.

FY 2000 SALES TAX RECEIPTS THROUGH DECEMBER



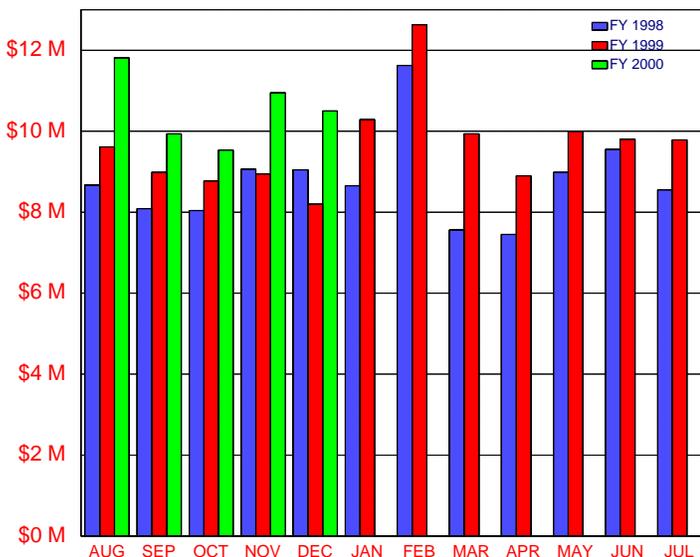
Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

Sales Tax revenues strong throughout Northern Virginia...

Sales Tax revenues received by Northern Virginia localities in December, representing October 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 five months of FY 2000, Sales Tax receipts are up 29.2 percent in Loudoun, 13.0 percent in Arlington, 12.2 percent in Falls Church, 12.0 percent in Prince William, 11.3 percent in Alexandria and 2.6 percent in Fairfax City. On the whole, December Sales Tax receipts in the Commonwealth topped December 1998 by 12.7 percent and lead the same period in FY 1999 by a 10.1 percent margin.

SALES TAX REVENUES

(revenues represent retail sales two months prior)

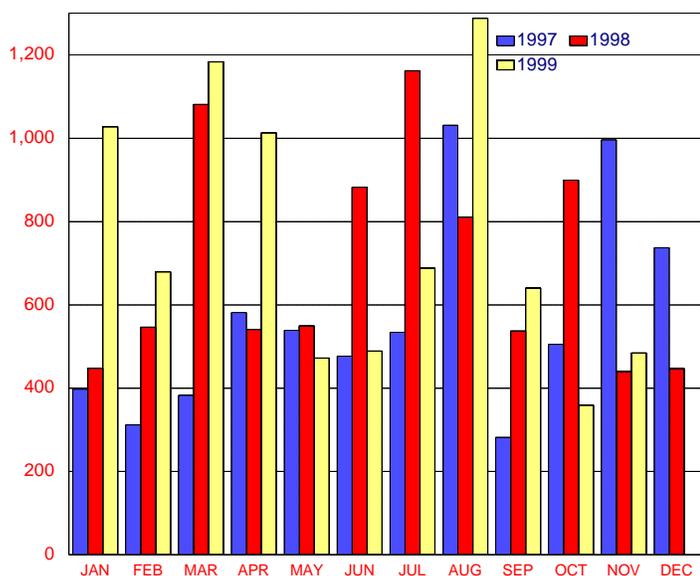


Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

Strong national retail sales in October...

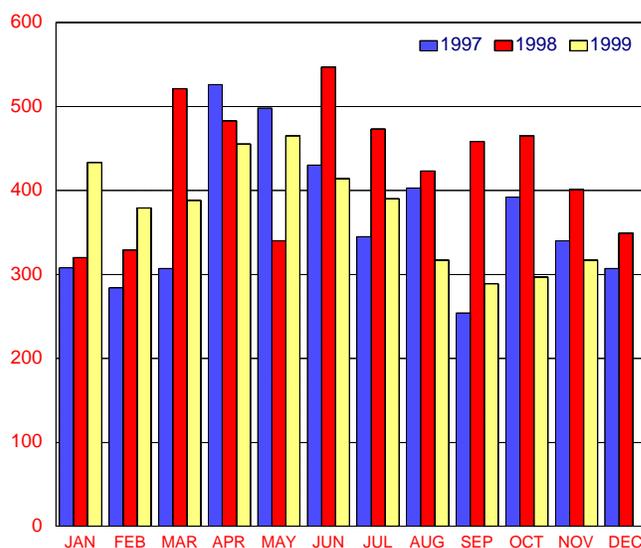
According to the Commerce Department, the retail industry on the national level in October established a 6.4 percent lead over the prior October. Durable goods sales posted a gain of 5.0 percent, indicating consumers' high confidence levels regarding their economic prospects, and non-durable goods sales topped the prior year by 7.4 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



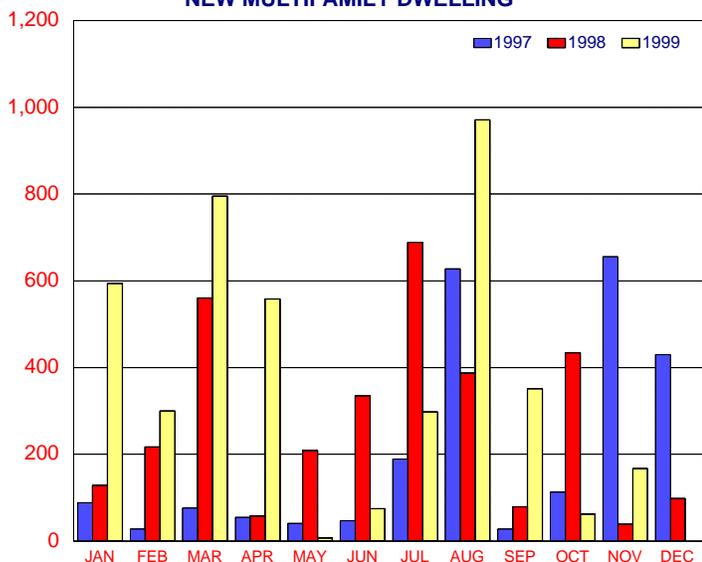
Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Issues of new residential dwelling permits surge in November....

Issues of new residential dwelling permits surged almost 25 percent in November after a decline in October. To date

the 8,322 new residential dwelling permits issued surpass that of last year by 17.4 percent, or 1,233 permits. This growth is primarily due to the multifamily component. To date, 4,178 multifamily residential dwelling permits have been issued, up 38.7 percent, or 1,165 permits, over the same period in 1998. Issues of single family residential dwelling permits total 4,144 through November and lead 1998 by 1.7 percent, or 68 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 19.7 percent through November...

November issues of residential repair and alteration permits outpaced the level achieved one year ago for the second consecutive month. Consequently, the 13,253 permits that have been issued through November lead last year by 19.7 percent, or 2,184 permits.

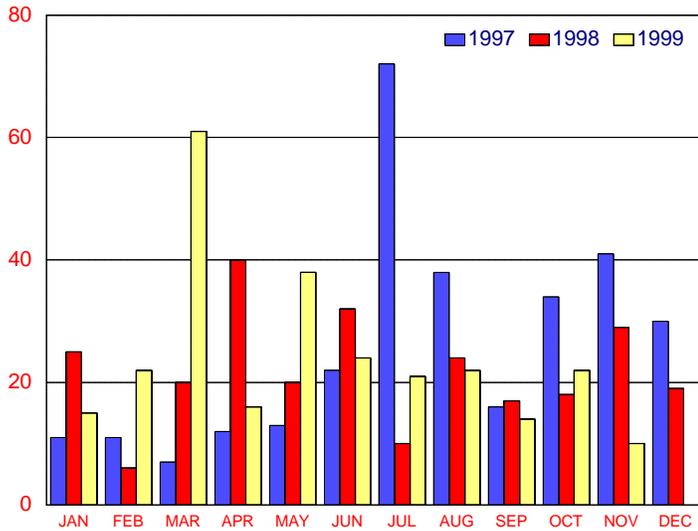
Nationally, housing starts up 3.5 percent through November...

On the national level, new privately owned housing units started through November are surpassing that of last year by 3.5 percent, according to the Commerce Department. Regionally, housing starts are up 8.8 percent in the Midwest, 4.0 percent in the Northeast, 2.3 percent in the South, and 1.0 percent in the West.

Issues of residential building permits outpaced last year by 2.8 percent nationwide through November...

The Commerce Department also reported that the number of residential building permits issued nationwide through November exceeded that of 1998 by 2.8 percent. Residential building permit issues are up 6.7 percent in the Midwest, 3.2 percent in the Northeast, and 3.1 percent in the South. To date, residential building permit issues are down a slight 0.1 percent in the West.

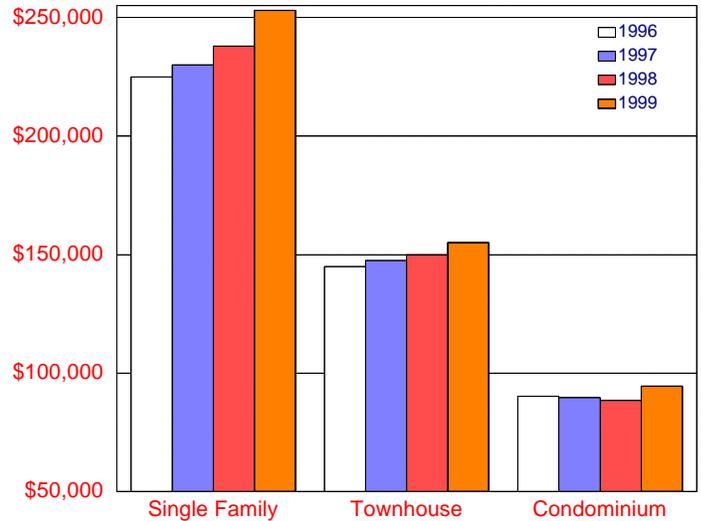
**NUMBER OF NONRESIDENTIAL BUILDING PERMITS
NEW STRUCTURES**



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-OCTOBER 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 fell in November...

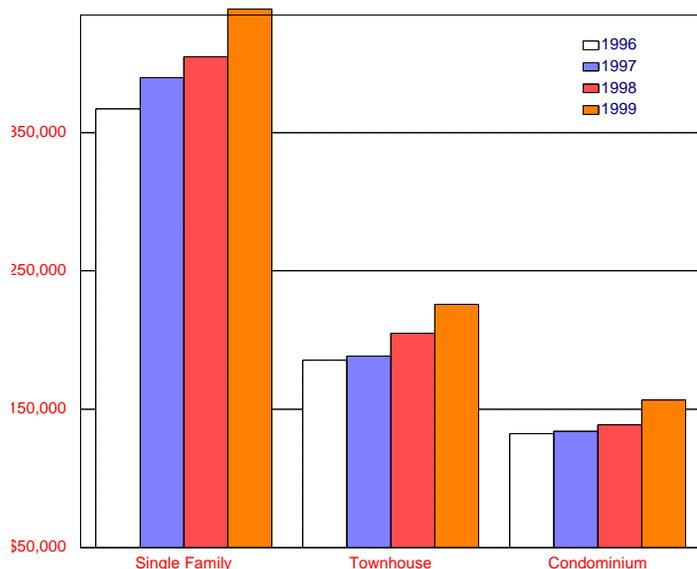
Issues of nonresidential building permits fell in November, but are still outpacing 1998 for the year.

To date, 265 new nonresidential permits issued surpassed that of last year by 10.0 percent, or 24 permits. Through November, 3,794 nonresidential repair and alterations permits have been issued, up 6.1 percent, or 218 permits, over the same period last year.

Prices of existing homes are up through October...

Based on sales data through October, 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 \$94,500 up 6.8 percent, or \$6,000, over the level established last year. Existing single family homes have sold for a median price of \$253,000, up \$15,000, or 6.3 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.

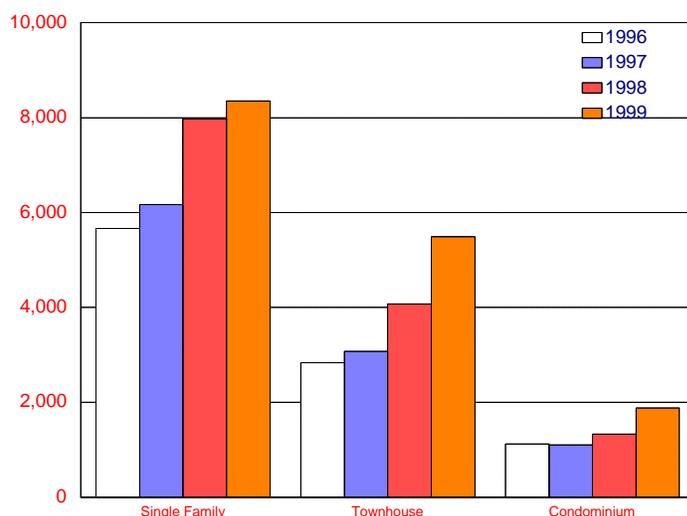
**MEDIAN PRICE OF NEW HOMES SOLD
JANUARY-OCTOBER 1999 COMPARED TO
ANNUAL MEDIAN PRICES 1996 - 1998**



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-OCTOBER 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 October 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 12.8 percent, or \$17,795, to \$156,585 from 1998's \$138,790. The median selling price of new townhomes through October is \$225,854 up 10.2 percent, or \$20,854, compared to the \$205,000 established in 1998. The median price of new single family homes sold through October indicates an advance of 8.5 percent, or \$34,556, to \$439,521 from the \$404,965 established in 1998.

October existing homes sales up...

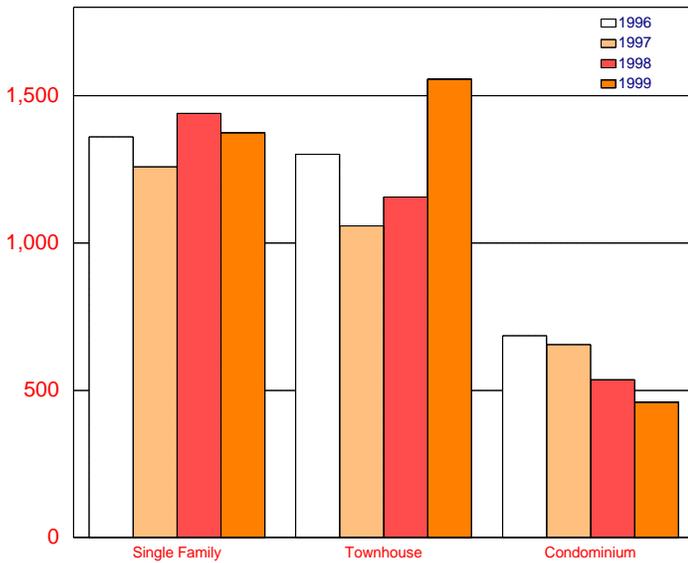
Home sale activity in the County's existing home market continues to exhibit strength as indicated by the volume of homes sold during the first ten months of 1999. Please note that these increases are in addition to the notable gains achieved in 1998. The 1,881 existing condominiums sold through October exceed the prior year by 41.4 percent, or 551 units. Similarly, 5,492 existing townhomes were sold, up 34.7 percent, or 1,415 units, compared to the same period in 1998. To date, 8,353 existing single family homes have been sold, topping last year by 4.7 percent, or 373 homes.

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

	Existing Sales	New Sales
Single Family	6.3	8.5
Townhouse	3.4	10.2
Condominium	6.8	12.8

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

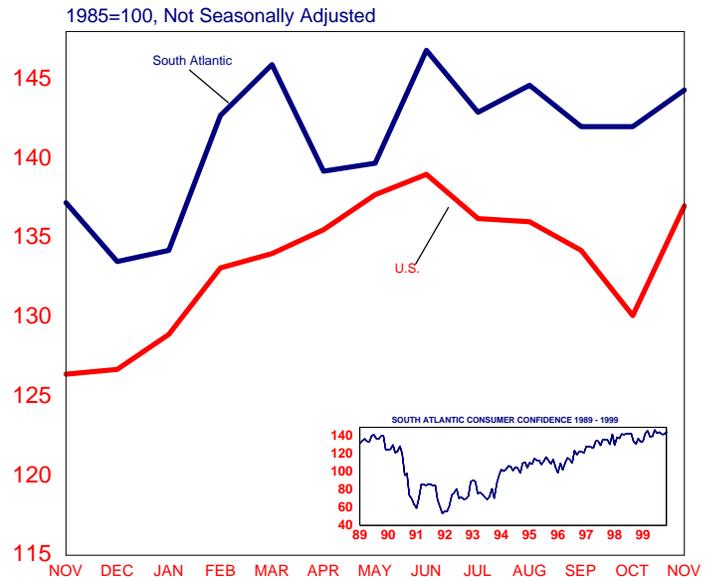
**NUMBER OF NEW HOMES SOLD
JANUARY-OCTOBER 1996-1999**



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 October is mixed by type of home...

Sales data through October continue to exhibit considerable variability in the volume of sale by type of new home. For example, a total of 1,556 new townhomes were sold through October, reflecting an increase of 34.5 percent, or 399 units, compared to the same period in 1998. By contrast, the 1,375 new single family homes sold during first ten months of 1999 dropped over the same period in 1998 by 4.6 percent or 66 homes. The 460 new condominiums sold to date are down 14.2 percent or 76 units from last year.

National new home sales up 4.9 percent through October...

According to data from the Commerce Department, sales of new single family homes through October outpaced that of last year by 4.9 percent nationwide, compared to the 4.5 percent lead registered through September. More specifically, sales of new homes are up 8.5 percent in the Midwest, 5.3 percent in the West, and 5.1 percent in the South. By contrast, sales of new single family homes are trailing 1998 by 9.7 percent in the Northeast.

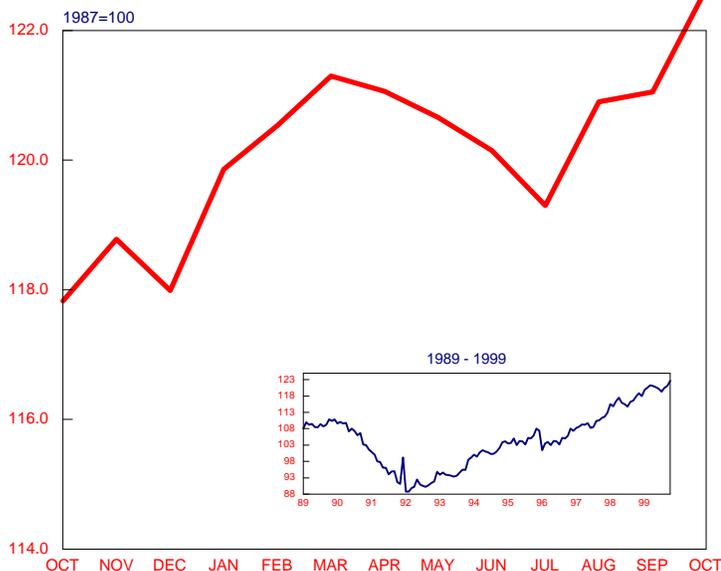
South Atlantic Consumer Confidence Index surged in November...

The Conference Board's South Atlantic Consumer Confidence Index surged in November to 144.3; the index now exceeds its level one year ago by 7.1 points. Similarly, the national Consumer Confidence Index gained 6.5 points to 137.0. The national index is 10.6 points above the level established in November 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 in this report.

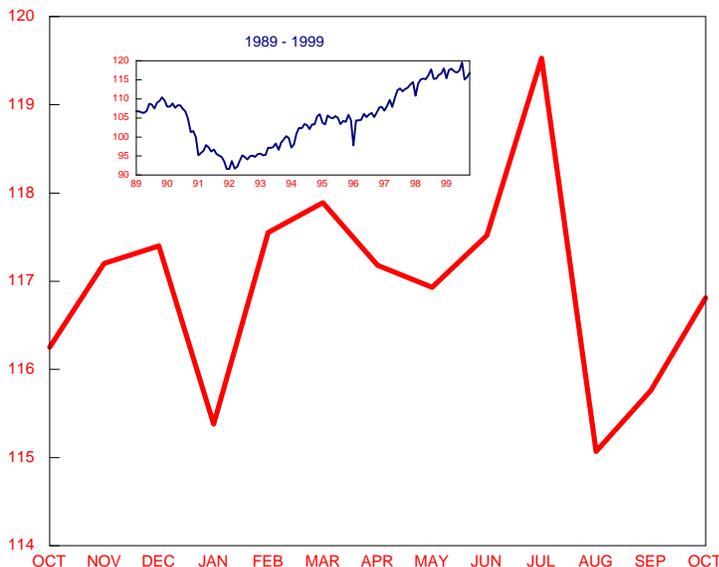
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FAIRFAX COUNTY COINCIDENT INDEX



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 1.59 points in October...

The Fairfax County Coincident Index, which represents the current state of the County's economy, increased 1.59 points to

122.64 in October. This increase extends the Index's upward trend to a third month reversing a four-month decline. Three of its four components contributed to its rise in October. Total employment inched up for a fourth consecutive month and has been up in eight of the year's first ten months; Transient occupancy tax collections, adjusted for inflation and seasonal variation, increased for a third month; and Sales tax receipts, adjusted for inflation and seasonal variation, increased for the second straight month. Consumer confidence slipped for the second time in three months.

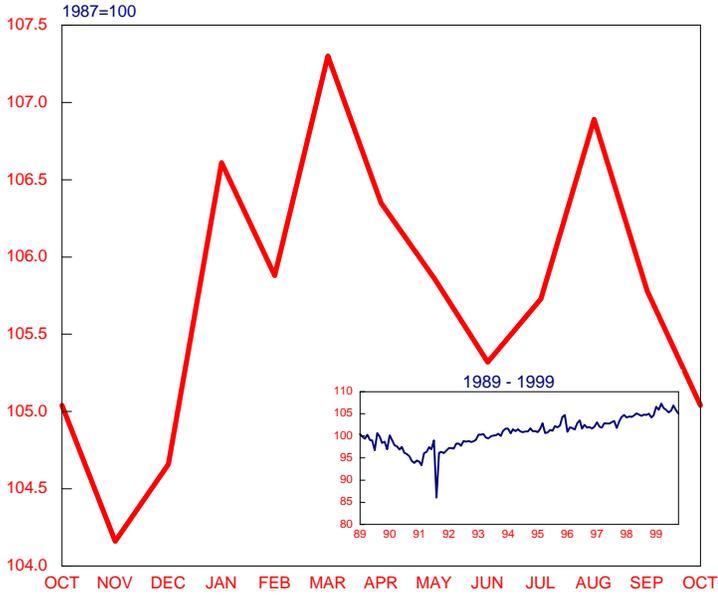


Metropolitan Coincident Index rises in October...

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, added 1.05 points to 116.81 in October with three of its four components making positive contributions. Domestic airport traffic at Ronald Regan National Airport made the most significant gain in October, followed by nondurable goods sales and total wage and salary employment. By contrast, Consumer confidence dropped slightly in October.

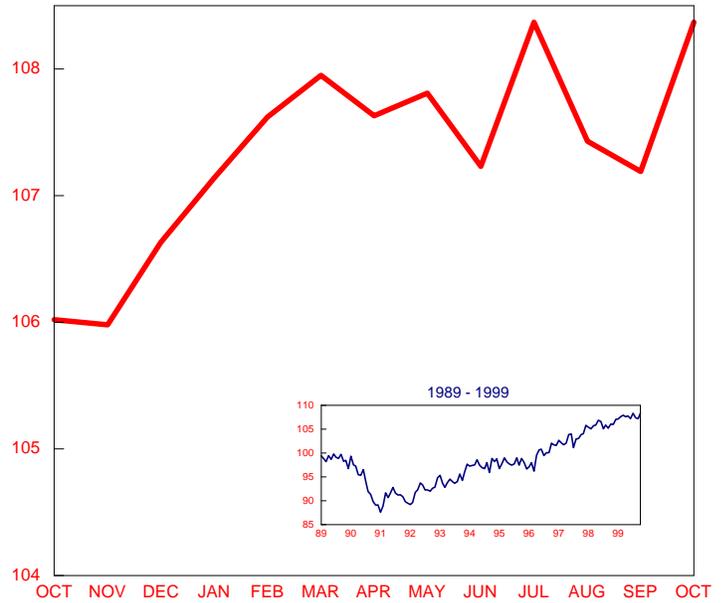


FAIRFAX COUNTY LEADING INDEX



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 declines in October...

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, declined for the second month in October to 105.04, a decrease of 0.74 points from its September level. Given two consecutive declines, the Index is now performing below its twelve month moving average. In October, three of the Index's five components contributed to its decline. New automobile registrations dropped sharply reversing a strong positive trend for the year; the number of residential building permits dropped for the fifth time in the last seven months; and the value of residential building permits fell for the second month. Consumer expectations (consumer confidence six months hence) improved slightly; and Initial claims for unemployment insurance decreased (improved) for the third time in four months.



Metropolitan Leading Index posts gain in October...

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, posted a gain 1.18 points in October to 108.37. Only the help wanted index registered a decline. Total building permits made the most significant positive contribution followed by moderate improvement in initial unemployment claims. Durable goods sales and Consumer expectations (consumer confidence six months hence) also contributed to the advance in October.



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