



ECONOMIC INDICATORS

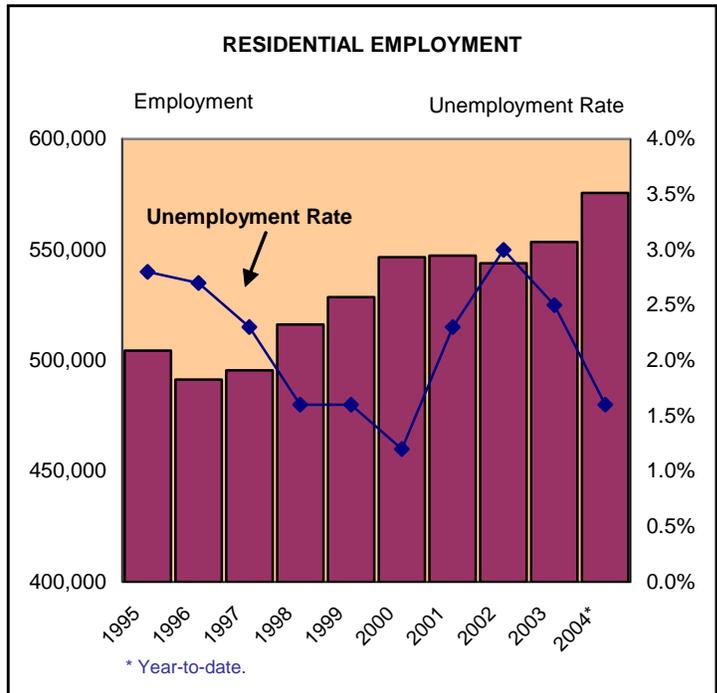
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FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

FEBRUARY 2005

IN THIS ISSUE:

- The unemployment rate in Fairfax County for December 2004 decreased to 1.6 percent from the revised level of 1.7 percent in November 2004. In addition, the number of employed County residents has increased 18,215 since December 2003. (See page 1)
- February 2005 Sales Tax receipts for Fairfax County are \$16.8 million, an increase of 3.4 percent over February 2004. Sales Tax receipts are up 6.5 percent, fiscal year-to-date. (See page 2)
- The number of new residential permits issued in January 2005 decreased 85.2 percent while new nonresidential permits increased 40.0 percent over January 2004. (See page 3)
- The number of existing single family homes sold rose 9.3 percent in calendar year 2004 and the median value of these homes increased 17.7 percent. (See pages 4 and 5)
- While the number of new single family homes sold increased 11.4 percent during 2004, the median price of these homes declined 1.7 percent from single family homes sold in 2003. (See pages 5 and 6)
- Both the Fairfax County Coincident and Leading Indices decreased in December 2004. (See pages 7 and 8)



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

Employment

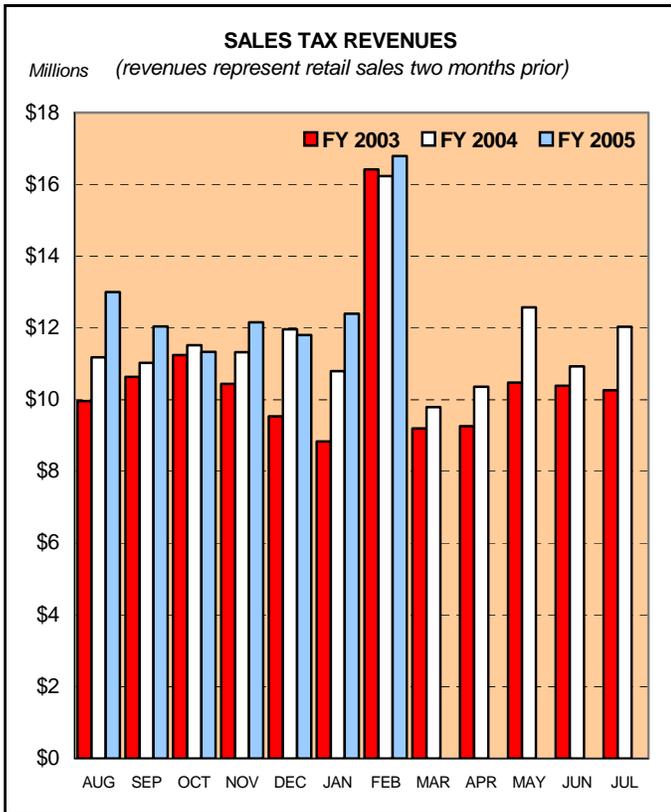
As reported by the Virginia Employment Commission (VEC), the December 2004 unemployment rate in Fairfax County decreased to 1.6 percent from the revised level of 1.7 percent in November 2004. Over the year, the number of employed Fairfax County residents has risen 18,215 to 575,620 through December 2004, an increase of 3.3 percent. During this period, the unemployment rate in Fairfax County fell 0.4 percentage points from 2.0 percent in December 2003 to the current 1.6 percent.

The December unemployment rate in Virginia was 3.0 percent, 0.2 percentage points lower than in November 2004. The December 2004 national unemployment rate was 5.4 percent.



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

<http://www.fairfaxcounty.gov/comm/economic/economic.htm>



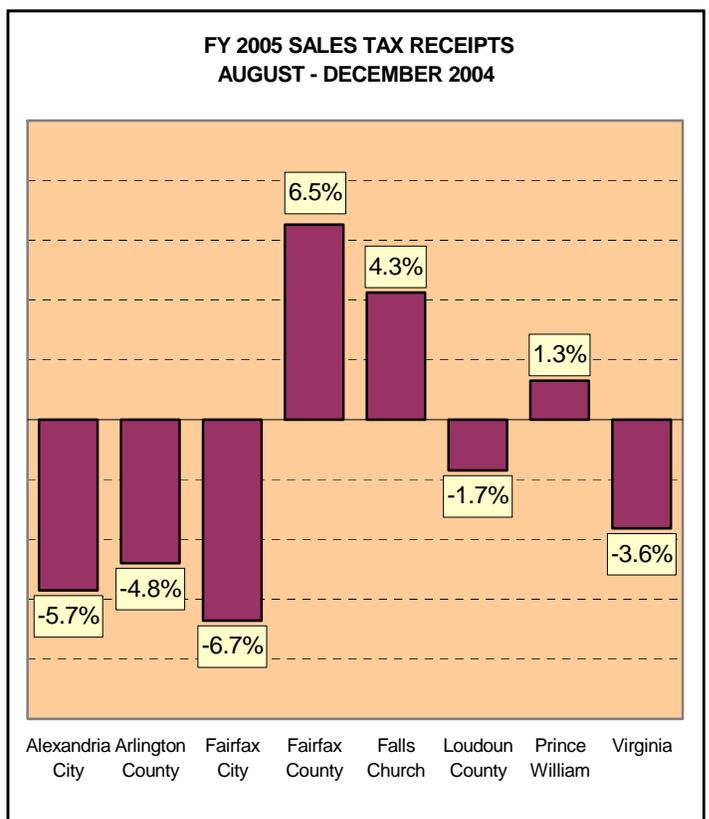
Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

Fairfax County Sales Tax Receipts

February Sales Tax receipts for Fairfax County, representing retail purchases made in December, are \$16.8 million, an increase of 3.4 percent over February 2004. Sales Tax receipts have exceeded the same month value of the previous year for five out of the last seven months. Through the first seven months of FY 2005, Sales Tax receipts are up 6.5 percent over the same period in FY 2004.

National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary December 2004 retail sales estimates for the U.S. decreased 0.3 percent from the previous month and increased 7.2 percent over January 2004. Compared to last year, gasoline station sales are up 17.3 percent; building materials and garden equipment increased 14.1 percent.



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

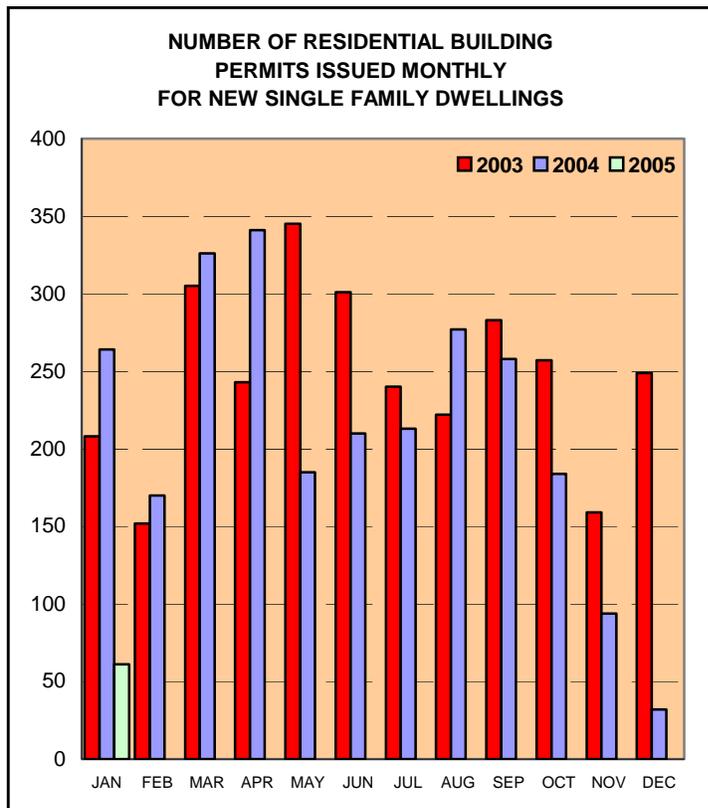
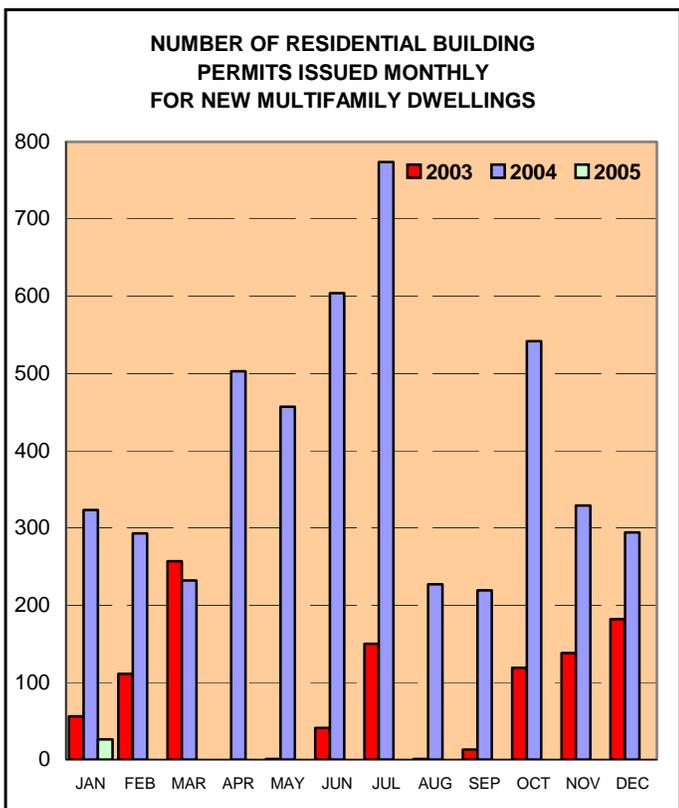
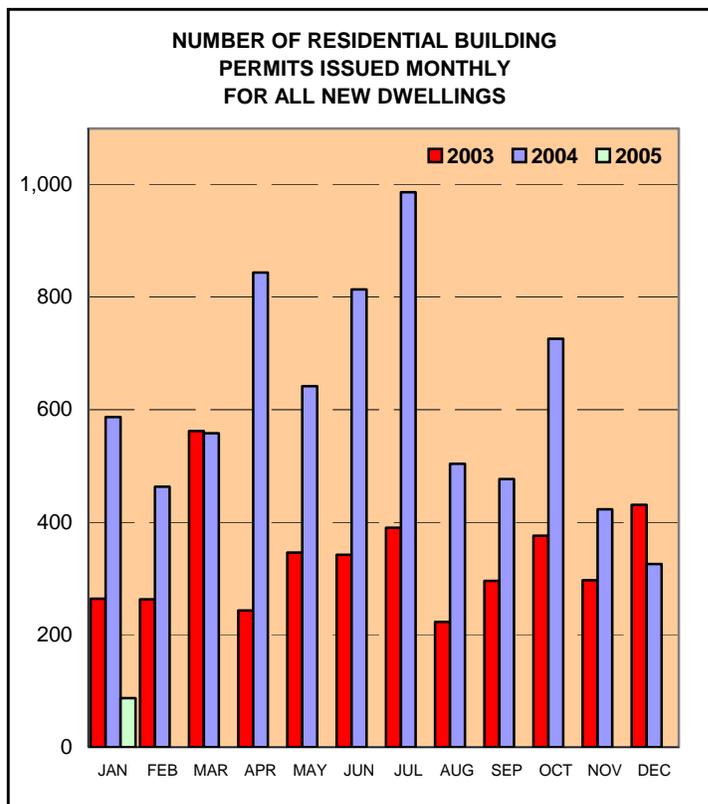
Neighboring Jurisdictions

Less than half of the Northern Virginia localities have experienced a rise in Sales Tax receipts during the first seven months of FY 2005. Sales Tax receipts are up 6.5 percent in Fairfax County; 4.3 percent in Falls Church; and, 1.3 percent in Prince William County. Sales tax receipts, however, are down 6.7 percent in Fairfax City; 5.7 percent in Alexandria; 4.8 percent in Arlington; and, 1.7 percent in Loudoun. Statewide Sales Tax receipts are also down. For the period August 2004 through February 2005, statewide sales tax receipts have decreased 3.6 percent from the same period a year ago.

Building Permits

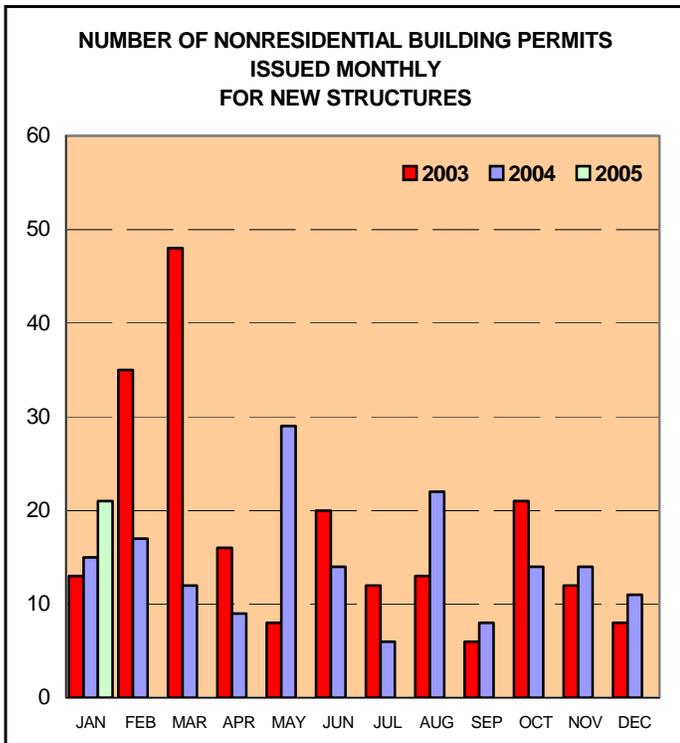
The issuance of new residential permits declined significantly in January. In January 2004, 87 new residential dwelling permits were issued, down 85.2 percent, or 500 permits from the January 2004 total of 587. For the first month of calendar year 2005, 26 multifamily permits have been issued, dropping sharply from last January by 92.0 percent or 297 permits. Single family permits issued in January 2005 total 61, down 76.9 percent, or 201 permits from January 2004.

Residential repair and alteration permits issued in January 2005 are 37, a decline of 231 permits or 86.2 percent from January 2004.



NOTE: In April 2003, no permits were issued; in May 2003 and August 2003, only one multifamily permit was issued and therefore, the bars are too small to discern.

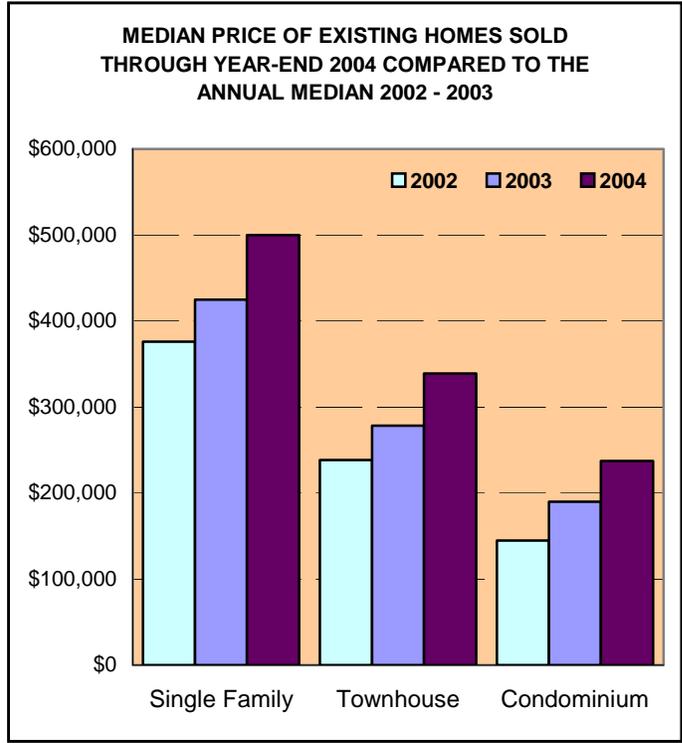
Source of data for all above charts: Fairfax County Department of Public Works and Environmental Services. Compiled by the Department of Management and Budget.



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

Nonresidential Building Permits

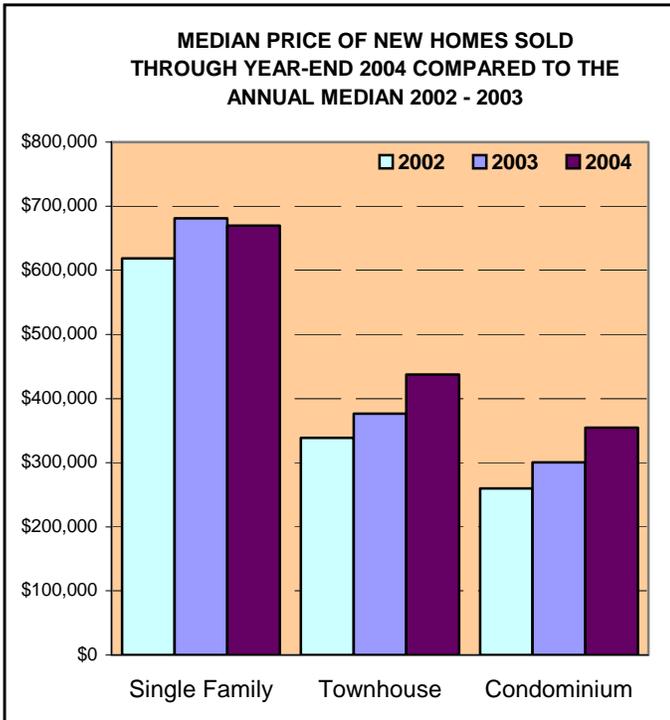
New nonresidential building permits issued in January 2005 increased over the number issued in January 2004. In January 2005, 21 new nonresidential building permits were issued, an increase of 40.0 percent, or 6 permits over January 2004. Nonresidential repair and alterations permits issued in January 2005 were 296, an increase of 8.8 percent or 24 permits over January 2004.



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

Existing Home Sales Prices

All types of existing (previously owned) homes in Fairfax County experienced robust growth in median sales price during calendar year 2004. For existing single family homes, the median sales price of homes sold increased 17.7 percent to \$500,000, as compared to the 2003 median of \$424,900. The median sales price for existing townhomes sold during 2004 rose to \$339,000 from the 2003 median of \$278,350, reflecting growth of 21.8 percent. The median for condominiums increased to \$237,000 in 2004 from \$189,900 in 2003, representing growth of 24.8 percent.



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

New Home Sales Prices

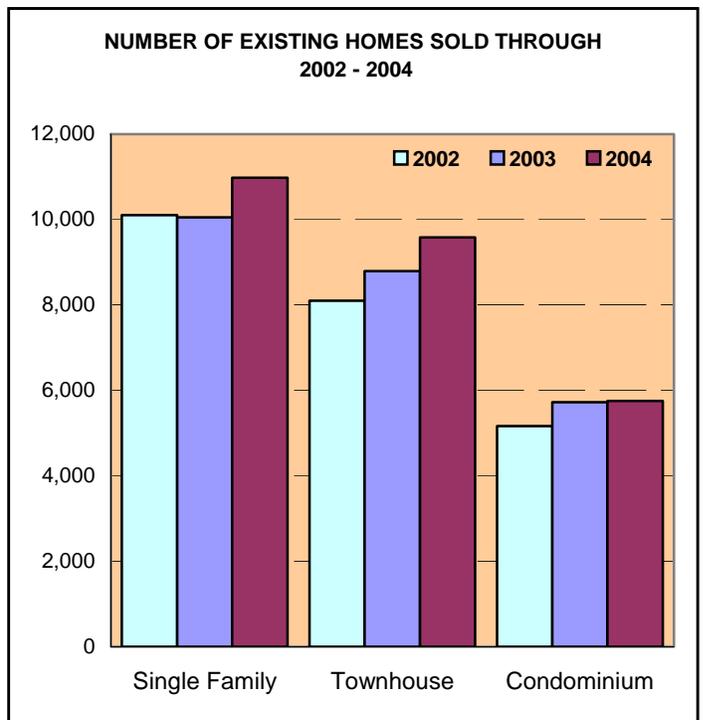
The median sales prices of new townhomes and condominiums in Fairfax County experienced growth in 2004, while the median sales of new single family homes declined. The 2004 median sales price for townhomes grew to \$437,340 from the 2003 median of \$376,440, an increase of 16.2 percent. The 2004 median sales price for condominiums increased 18.0 percent, from \$300,370 in 2003 to 354,450. Through year-end 2004, new single family median sales prices declined to \$664,139 from the 2003 median sales price of \$680,842, reflecting a decline of 2.4 percent.

PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD YEAR-END 2003 COMPARED TO SALES THROUGH YEAR-END 2004

	Existing Sales	New Sales
Single Family	17.7	(1.7)
Townhouse	21.8	16.2
Condominium	25.1	18.0

Changes in selling prices, coupled with the volume of sales, are generally considered 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 selling prices within neighborhoods. To read more about Fairfax County tax assessments, please visit:

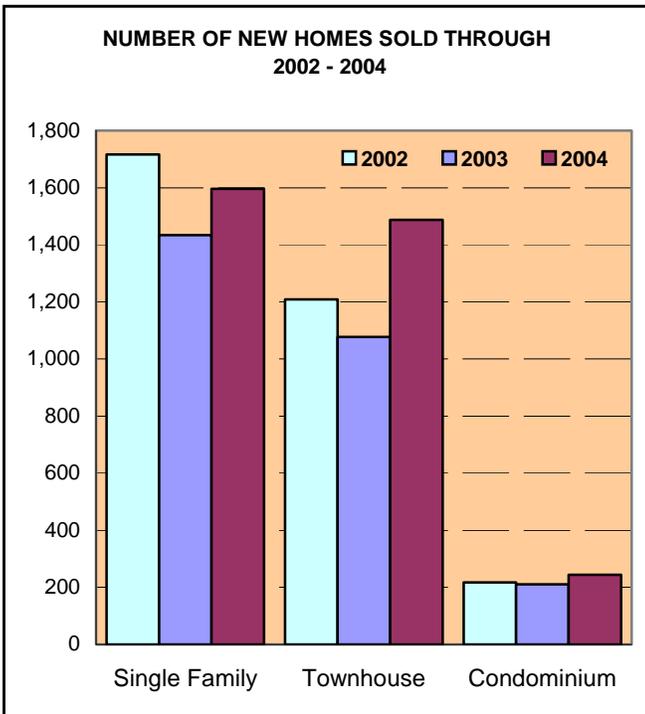
www.co.fairfax.va.us/dta/tax_assessment.htm



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

Existing Home Sales Volume

Sales volume for existing (previously owned) homes was up for all home types in calendar year 2004. Sales of existing single family homes have increased over 900 from 10,047 to 10,981, reflecting growth of 9.3 percent. Sales volume of existing townhomes increased in 2004 to 9,582 from 8,788, reflecting growth of 9.0 percent over 2003. The number of existing condominium sales reported for 2004 increased 0.7 percent from 5,721 to 5,756.

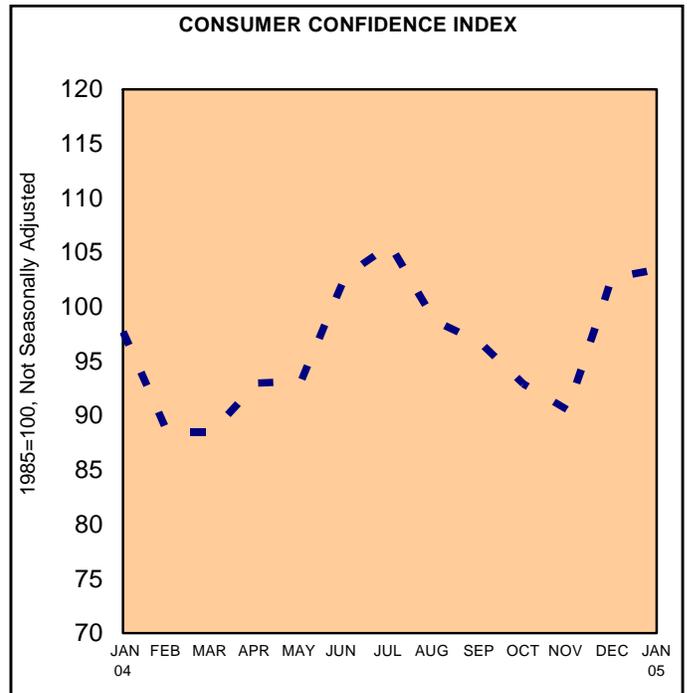


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

New Home Sales Volume

Sales volume for all new home types was up for calendar year 2004. The number of new single family homes sold increased from 1,433 to 1,596 for 2004, reflecting an increase of 11.4 percent. Sales volume of new townhomes increased 38.1 percent through year-end, to 4,487 units from 1,077 in 2003. The number of new condominium sales in 2004 increased 15.6 percent from the 211 reported in 2003 to 244 units in 2004.

ADDITIONAL



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

Consumer Confidence Index

The Conference Board reports that the Consumer Confidence Index increased 0.07 points in January 2005. The Index is 103.4, compared to the revised level of 102.7 reported in December 2004.

The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In January 2005, the Present Situation Index increased to 110.9 from 105.7 points, a 5.2 point gain over last month. The Expectations Index decreased to 98.4 over 100.7 for the previous month.

The employment outlook in January was optimistic with a higher percentage of consumers saying that business conditions are good and jobs are plentiful. However, short-term consumer expectations are down from the previous month due to a decrease in the number of consumers expecting their income to improve.

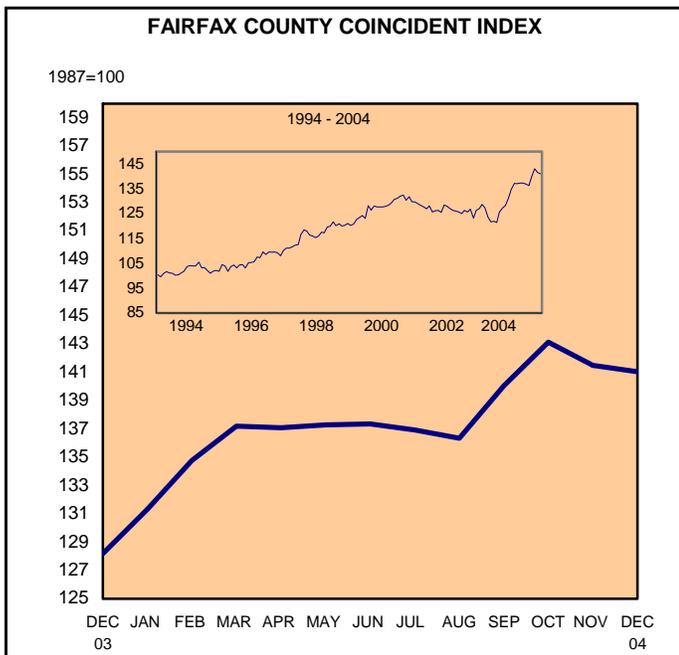
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in the coming months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

Fairfax County Coincident Index

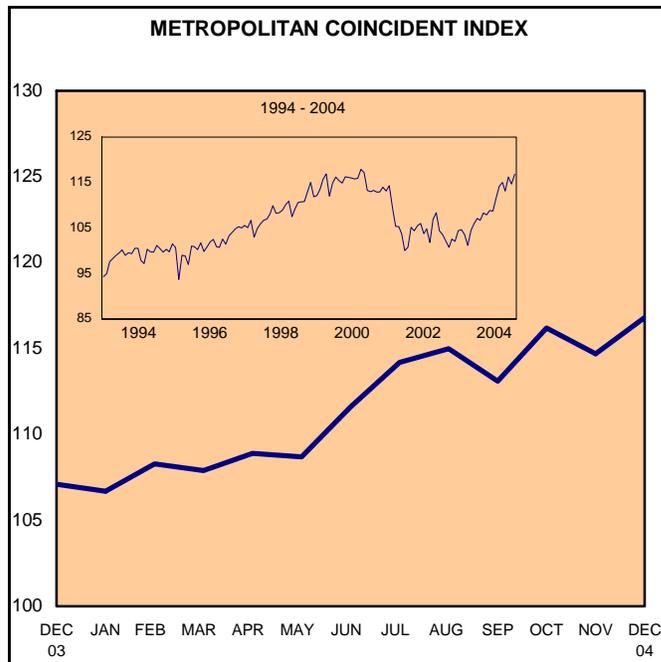


The Fairfax County Coincident Index, which represents the current state of the County's economy, decreased to 141.0 in December 2004, a 1.6 percent decline from November 2004. However, the Index has increased fifteen consecutive months over last year's same-month value and is currently 6.7 percent above its year-end 2003 level.

In December, two of the Index's four components were negative; one was positive and was unchanged. Transient occupancy tax collections, adjusted for inflation and seasonal variation, declined for the second month. Sales tax collections, adjusted for inflation and seasonal variation, decreased for a second month as well. Consumer Confidence (in the present) increased for the third time in four months. Total employment remains unchanged after twenty consecutive monthly gains.



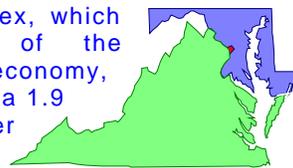
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.



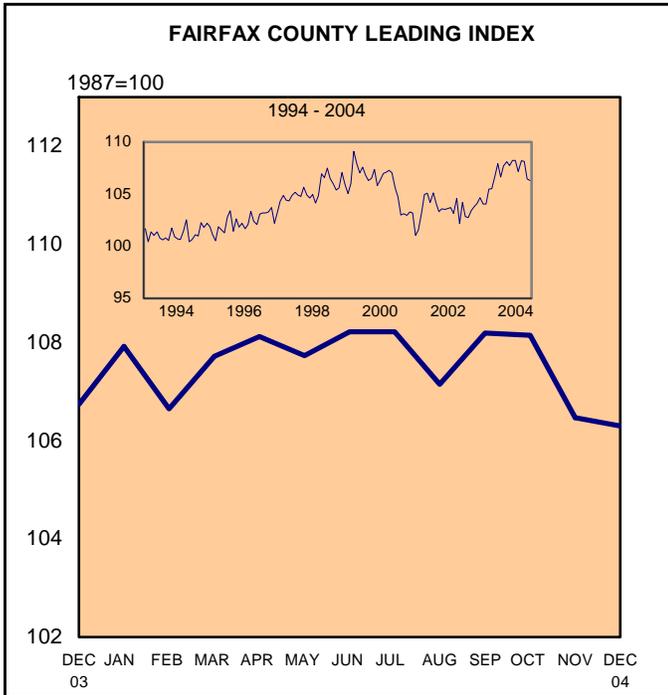
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.

Metropolitan Coincident Index

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, rose to 116.8 in December 2004, a 1.9 percent increase over November 2004. With the increase over the previous month, the Index has reached its highest level since March 2001 and is up 7.7 percent over its December 2003 level. The Index has exceeded its same-month value from last year for thirteen consecutive months

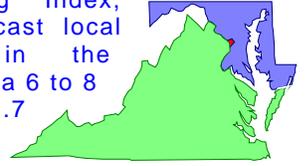


In December, all of the Index's four components were positive. Domestic passenger volume at Reagan National and Dulles Airports increased in December for the sixth time in seven months. In addition, nondurable goods retail sales increase for the 3rd time in four months; Consumer Confidence (in the present) increased for the third time in four months and wage and salary employment increased for a fourth month.

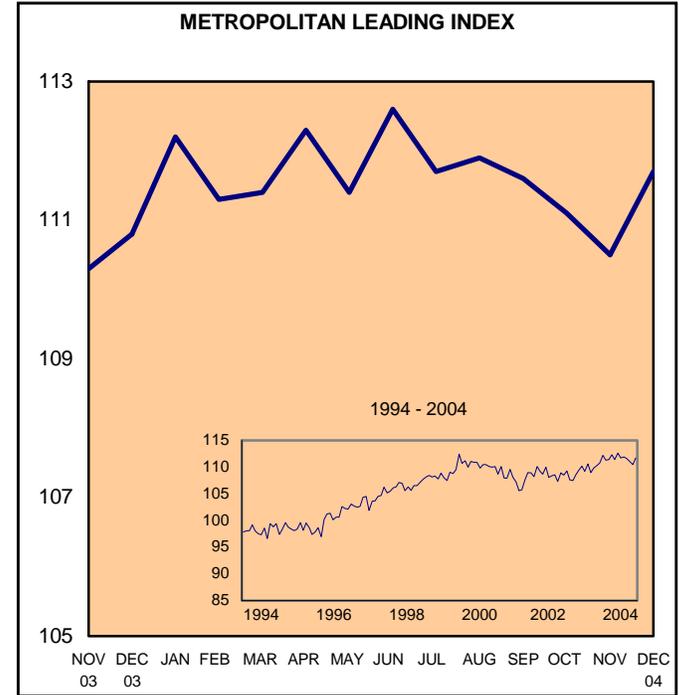


Metropolitan Leading Index

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 6 to 8 months in advance, was 111.7 in December 2004, an increase of 1.1 percent over November. The index is now at its highest level ever achieved.



In December, three of the Index's five components contributed to its increase. Total residential building permits increased after decreasing for two consecutive months. Consumer expectations increased for the third time in four months. The Help Wanted Index increased for the second months. Initial claims for unemployment insurance increased (worsened) in November for a third month and durable goods retail sales decreased for the third time in four months.



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

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

Fairfax County Leading Index



The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, decreased to 106.3 in December 2004, a 0.2 percent decline from November. The Index is currently up 0.4 percent down from its December 2003 level.

In December, three of the Index's five components contributed to its decrease. Residential building permits and the total value of residential building permits issued fell for a second month; and initial claims for unemployment insurance increased (worsened) in December from November 2004. Conversely, new automobile registrations increased after two monthly declines; and consumer expectations (consumer confidence six months hence) increased for the third time in four months.

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