



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

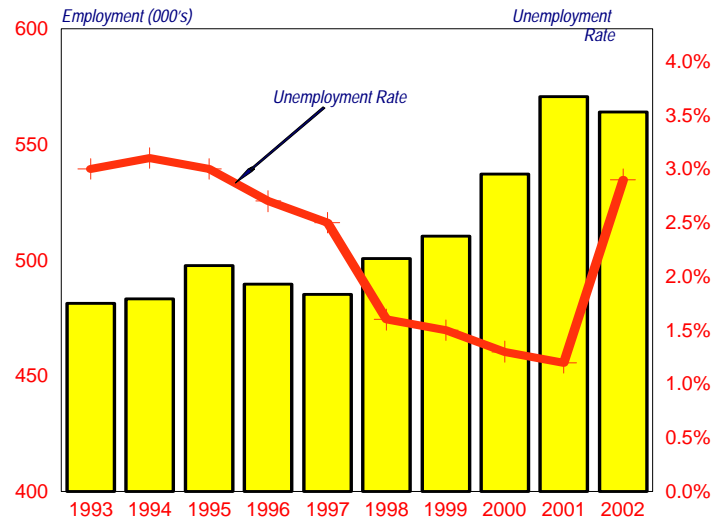
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APRIL 2002

APRIL HIGHLIGHTS

- ❑ The February unemployment rate in Fairfax County fell to 2.9 percent—a 0.2 point decrease from January.
- ❑ April Sales Tax receipts for Fairfax County are 0.4 percent lower than April 2001, and fiscal year-to-date growth is down 6.4 percent.
- ❑ The overall growth rate of new residential permits has decreased by 25.4 percent year-to-date. Through March, multifamily permits are down 46.1 percent and single family permits are down 2.6 percent.
- ❑ According to homes sales data through February, sales volume was up for existing homes and down for new homes, except for new townhomes which were up 63.4 percent. Median sales prices showed growth for both existing and new home sales.
- ❑ Consumer Confidence, which increased dramatically in March, declined moderately in April. Consumers' assessment of business conditions and employment are less optimistic than last month.
- ❑ In February, the Fairfax County Coincident Index decreased, while the Metropolitan Washington Coincident Index increased slightly, for the first time since September 2001.
- ❑ Both the Fairfax County and Metropolitan Washington Leading Indices declined in February. While the prospect of economic expansion in the Washington Metropolitan area and Northern Virginia has been supported by the Leading indices in recent months, the pace of economic recovery has been lower than expected.

RESIDENTIAL EMPLOYMENT - FEBRUARY



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



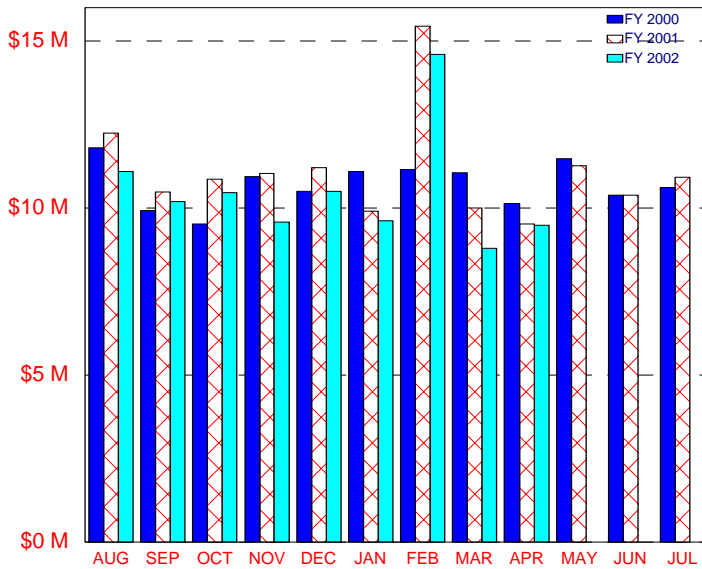
According to the Virginia Employment Commission (VEC), the February unemployment rate in Fairfax County fell to 2.9 percent—a 0.2 point decrease from January. The February 2002 rate was 1.7 points higher than the February 2001 rate of 1.2 percent.

Statewide, the unemployment rate decreased 0.2 points to 4.2 percent in February. The decrease in joblessness was attributed to mild weather in February and fewer temporary factory furloughs around the President's Day holiday. Construction employment also enjoyed the second highest February level on record.

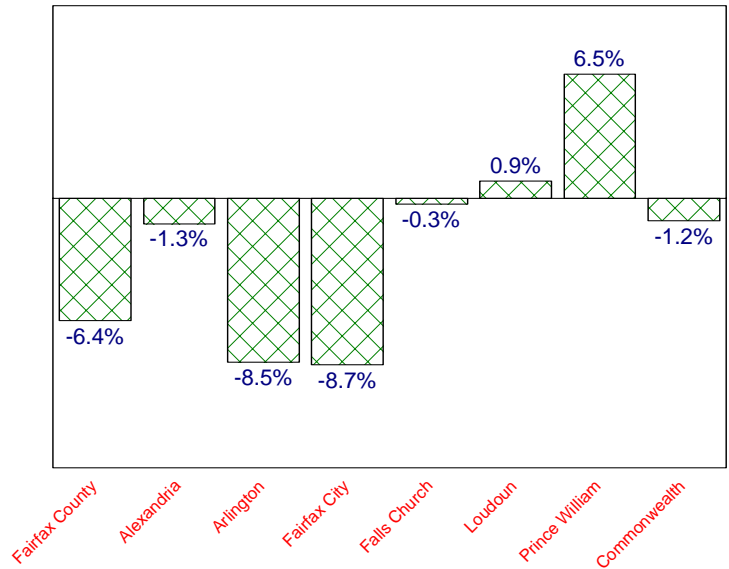
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

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



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

FY 2002 SALES TAX RECEIPTS THROUGH APRIL

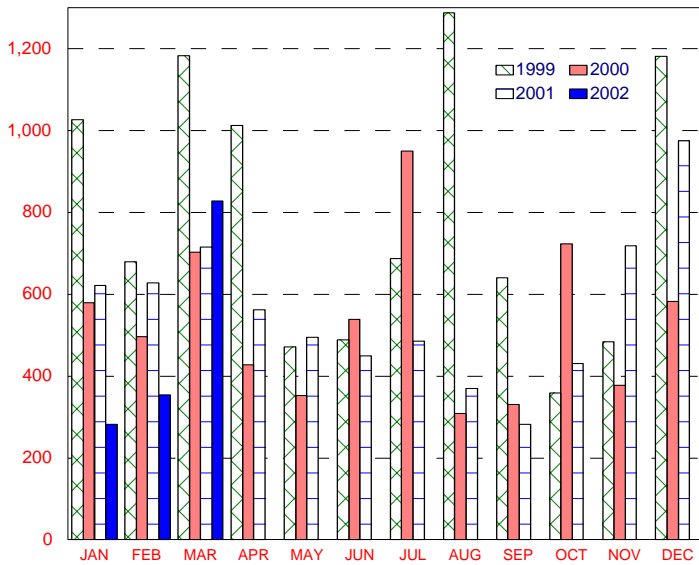
Source: Virginia Department of Taxation
 Compiled by the Fairfax County Dept. of Management and Budget

April Sales Tax receipts for Fairfax County, representing retail purchases made in February, are \$9.5 million—0.4 percent lower than April 2001. Fiscal year-to-date, Sales Tax receipts are 6.4 percent lower than the same period last year.

According to the Commerce Department, seasonally adjusted preliminary retail sales estimates for the U.S. in March increased 0.2 percent from February, but were up 3.6 percent from March 2001. Compared to last year, motor vehicle and parts dealers were up 3.6 percent, health and personal care store sales were up 7.2 percent and building materials and garden equipment sales were up 4.0 percent, while gasoline station sales were down 6.3 percent.

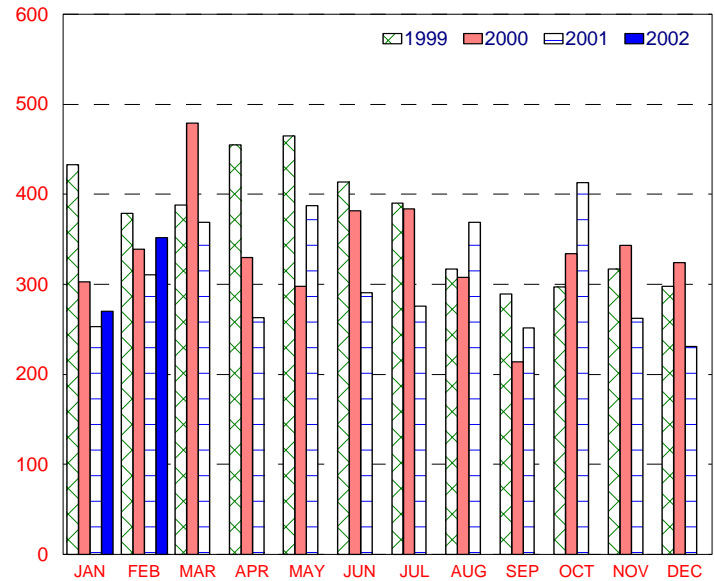
Sales Tax receipt growth from August through April has been negative among all the Northern Virginia localities except for Prince William and Loudoun Counties. These receipts represent the first nine months of FY 2002 and correspond to retail purchases from June through February. Through April, Sales Tax receipts are down 8.7 percent in Fairfax City, 8.5 percent in Arlington, 6.4 percent in Fairfax County, 1.3 percent in Alexandria, and 0.3 percent in Falls Church, year-to-date. Both Prince William County and Loudoun have experienced positive growth to-date at 6.5 percent and 0.9 percent respectively. During this same period, Statewide Sales Tax receipts are down 1.2 percent.

NUMBER OF RESIDENTIAL BUILDING PERMITS ISSUED MONTHLY FOR NEW DWELLINGS



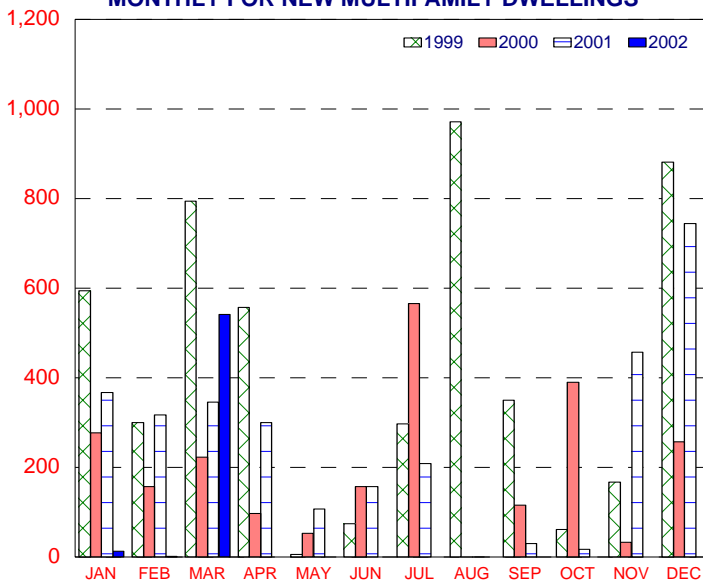
Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

NUMBER OF RESIDENTIAL BUILDING PERMITS ISSUED MONTHLY FOR 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 ISSUED MONTHLY FOR NEW MULTIFAMILY DWELLINGS



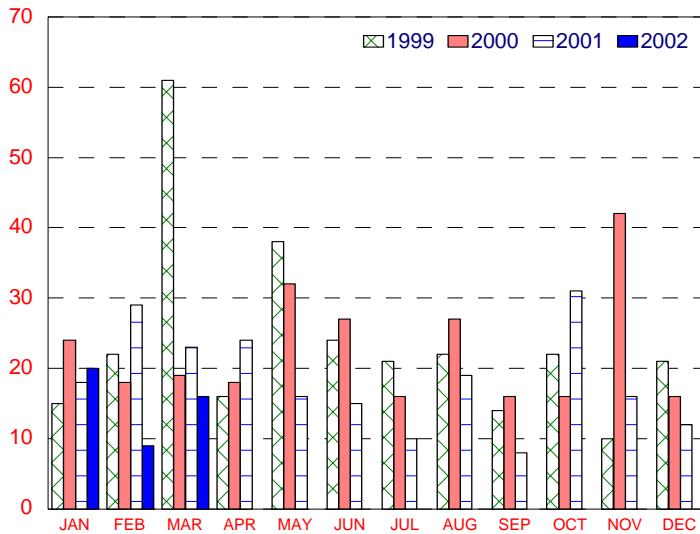
Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Note: In August 2000 and 2001, only one multifamily permit was issued and in February 2002, only two permits were issued; therefore, the bars are too small to discern.

The overall growth rate of new residential permit categories have decreased, year-to-date. Through March, new residential dwelling permits are down 25.4 percent, or 499 permits. Multifamily permits are down sharply 46.1 percent, or 475 permits, year-to-date, while single family permits are down 2.6 percent, or 24 permits, over the same period.

Residential repair and alteration permits are up year-to-date. Through March, issues of residential repair and alteration permits have increased by 2.6 percent, or 60 permits, from the same period last year.

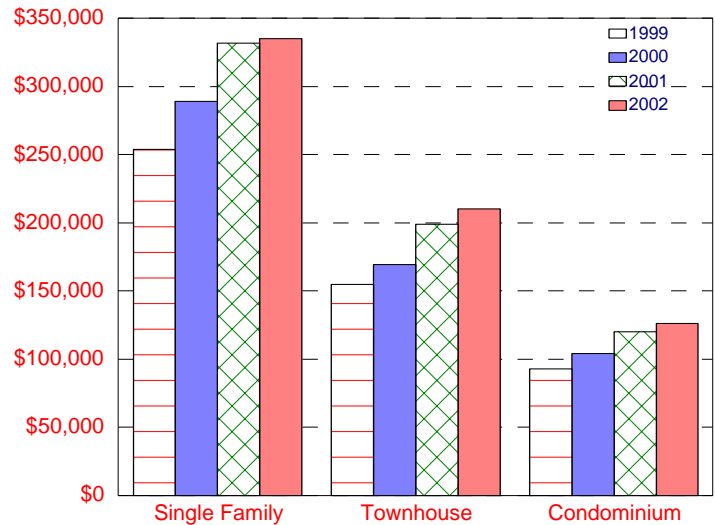
NUMBER OF NONRESIDENTIAL BUILDING PERMITS ISSUED MONTHLY FOR NEW STRUCTURES



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 - FEBRUARY 2002 COMPARED TO ANNUAL MEDIAN PRICES 1999 - 2001



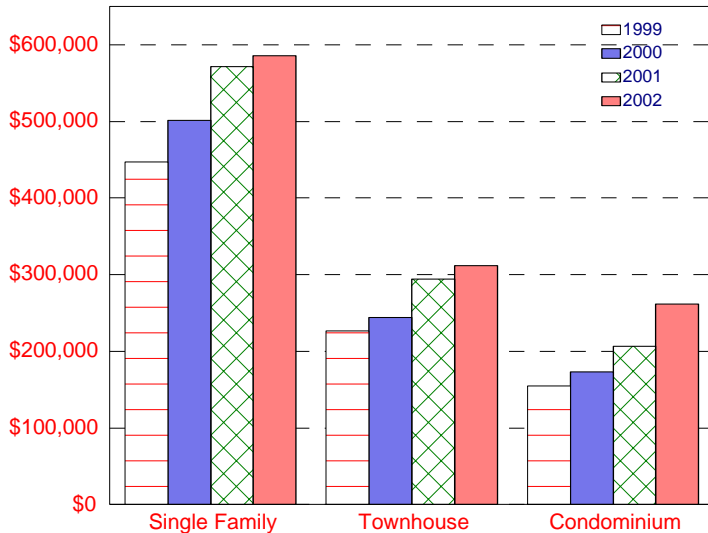
Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Nonresidential building permits issued through March are down 35.7 percent, or 25 permits, from the same period in 2001. Nonresidential repair and alterations permits are down 6.1 percent, or 57 permits, year-to-date.

According to home sales data through February 2002, existing homes in Fairfax County experienced positive growth in median sales prices. For existing single family homes, the median sales price was \$335,000 compared to the 2001 median of \$330,500—growth of 1.4 percent. The median for townhomes grew 5.5 percent from \$199,000 in 2001 to \$210,000 and the median for condominiums increased from \$119,000 to \$126,000 representing growth of 5.9 percent.



**MEDIAN PRICE OF NEW HOMES SOLD
JANUARY - FEBRUARY 2002 COMPARED TO
ANNUAL MEDIAN PRICES 1999 - 2001**

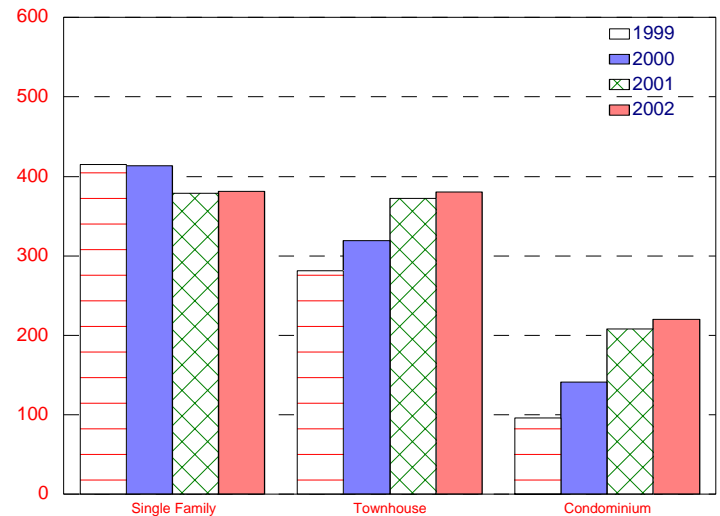


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Through February 2002, the median sales price for a new single family home was \$585,511, an increase of 2.7 percent, or \$15,089, over the 2001 median. New townhomes increased 5.7 percent, from \$294,928 to \$311,835. While the median for new condominiums increased 26.2 percent from \$207,650 to \$262,000, it should be noted that the 2002 median price represents the sale of only 5 new condominiums through February.

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.

**NUMBER OF EXISTING HOMES SOLD
THROUGH FEBRUARY 1999-2002**



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

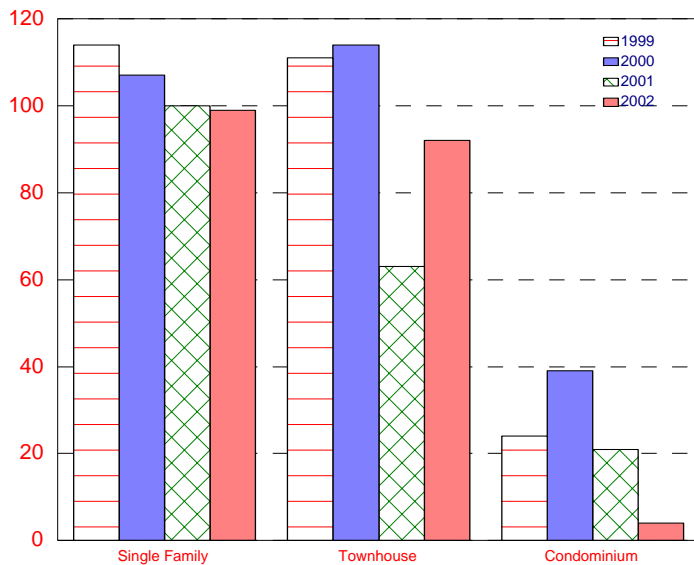
**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD
YEAR-END 2001 COMPARED TO SALES THROUGH
FEBRUARY 2002**

	Existing Sales	New Sales
Single Family	1.4	2.7
Townhouse	5.5	5.7
Condominium	5.9	26.2

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

Existing home sales volume was up sharply for all homes through February 2002. Single family home sales increased by 331 units, or 41.5 percent, from 797 to 1,128. Townhome sales increased 34.7 percent from 749 to 1,009 while existing condominium sales were up 79.7 percent from 379 to 681 year-to-date.

NUMBER OF NEW HOMES SOLD THROUGH FEBRUARY 1999-2002

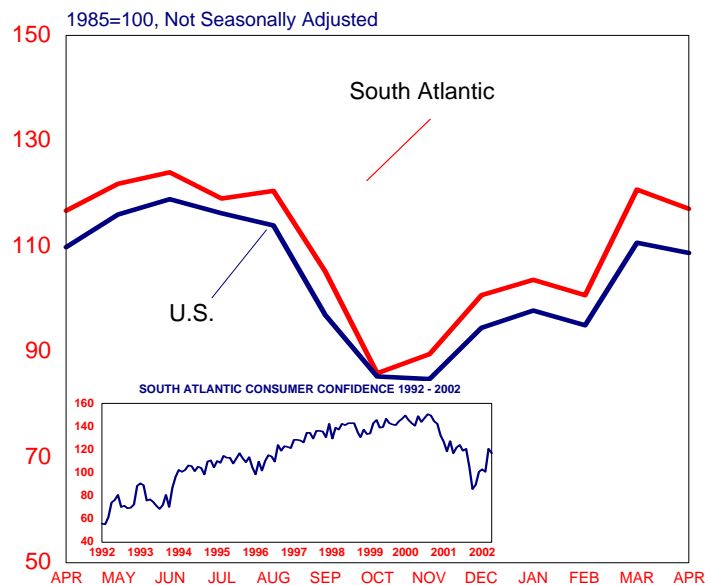


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

New home sales volume was down for single family and condominiums but up sharply for townhomes through February 2002. New condominium sales fell from 54 in 2001 to 5 in 2002—a decline of 90.7 percent. New townhome sales increased 63.4 percent, from 153 to 250, while single family home sales fell 4.2 percent, from 241 to 231 year-to-date.

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDEX



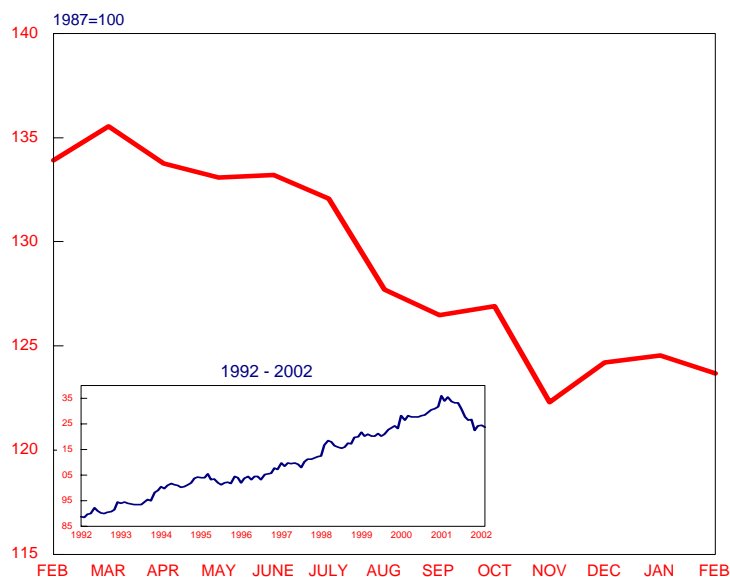
Source: Conference Board
Compiled by the Fairfax County Dept. of Management and Budget

The Conference Board reports that the Consumer Confidence Index declined moderately in April after increasing dramatically in March. The Index now stands at 108.8, down 1.9 points from last month. The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. The Present Situation Index measures consumers' confidence in current business and employment conditions, while the Expectations Index measures consumers' confidence in business, employment, and family income prospects six months hence. The two indices are averaged to form the composite Consumer Confidence Index.

In April, the Present Situation Index is at 107.0, down 4.5 points from last month. The decrease indicates that consumers are less optimistic about current economic conditions, such as job availability and income expectations, than last month. The Expectations Index is also down in April from 110.2 to 110.0, but the small decrease suggests that consumers' outlook for the next six months is only slightly less optimistic than last month. Lynn Franco, Director of the Conference Board's Consumer Research Center notes that while assessments of the current economic conditions have softened, consumers' expectations of continued expansion in the months to come have remained virtually unchanged. The South Atlantic Consumer Confidence Index has decreased 3.7 points from last month to 117.1.

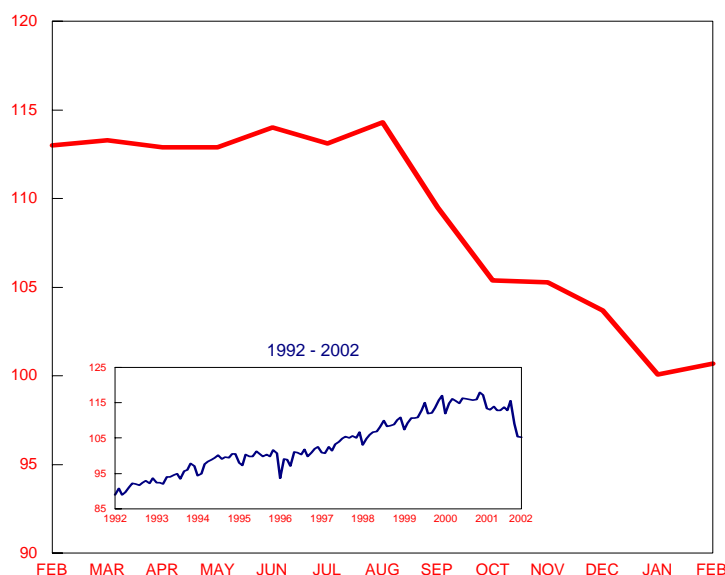
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. 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



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

METROPOLITAN COINCIDENT INDEX



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

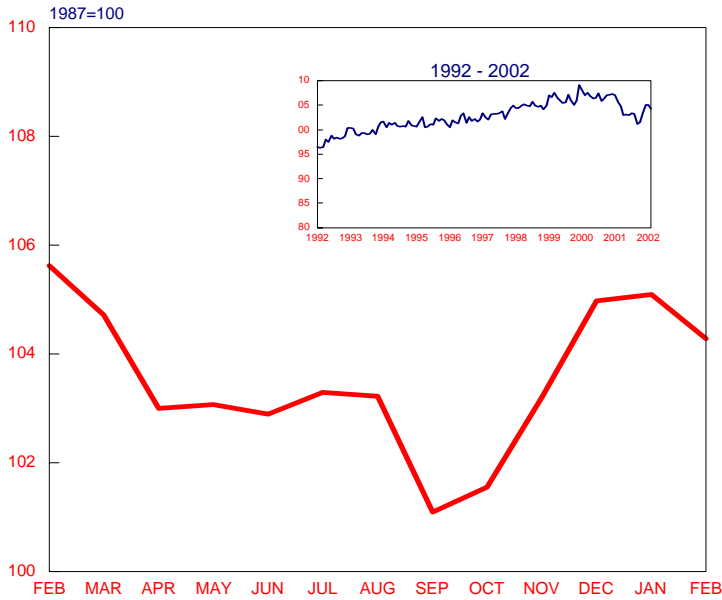
The Fairfax County Coincident Index, which represents the current state of the County's economy, declined to 123.7 in February—a 0.7 percent decrease from January. The Index increased slightly in the previous two months, but has lost 5.1 percent since February 2001. While the economy's slowdown has moderated, the slight loss in February illustrates the continuing uncertainty in the national economy. In February, two of the Index's four components were negative. Sales tax collections, adjusted for inflation and seasonal variation, declined sharply in February after increasing for two months in a row and consumer confidence decreased for the eighth month in a row. Transient occupancy tax collections, adjusted for inflation and seasonal variation, increased for the second time in three months and total employment was up after declining over the past two months.



The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, increased to 100.7 in February—a 0.5 percent gain from January. This was the first gain in the Index since September. The Index has lost 10 percent since February 2001, with much of the decline attributed to the events of September 11. In February, two of the Index's four components contributed to its increase. Total wage and salary employment and domestic passenger volume at Dulles and Reagan Airports improved for the second month in a row. Consumer confidence declined for the eighth month in a row and nondurable goods retail sales fell for the second consecutive month.

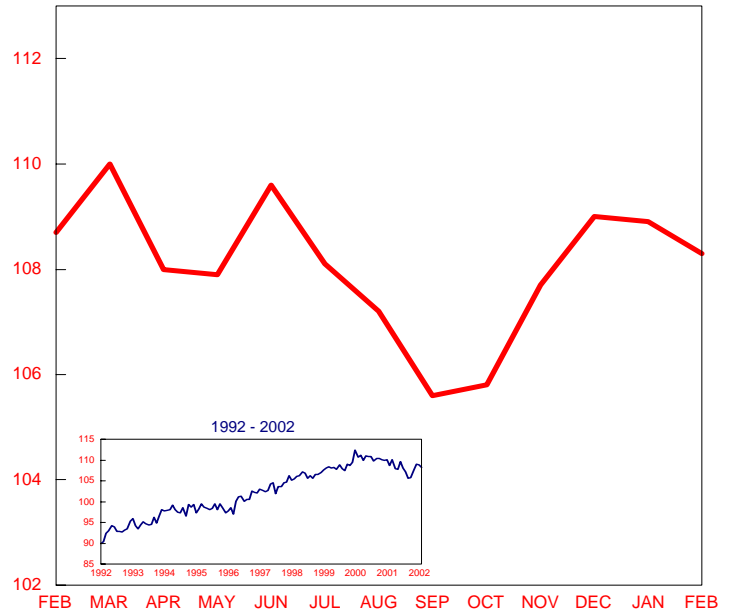


FAIRFAX COUNTY LEADING INDEX



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

METROPOLITAN LEADING INDEX



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

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 104.3 in February—a 0.8 percent loss from January. The Index had increased over the past four months and was tracking above its 12-month moving average. The Index is now 1.3 percent below its February 2001 level. In February, three of the Index's five components contributed to its decline. Consumer expectations fell slightly after three monthly increases, new automobile sales were down sharply and initial claims for unemployment insurance increased (worsened) following three monthly declines. Residential building permits increased following a sharp decrease in January and the total value of residential building permits registered a strong gain.



The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, decreased by 0.5 percent in February to 108.3. The decline in the Index over the past two months reveals a slow start to the expected economic expansion. In February, four of the Index's five components contributed to its decline. Initial claims for unemployment insurance increased (worsened) for the second consecutive month, consumer expectations (consumer confidence six months hence) declined following three monthly increases, total residential building permits declined for the fourth consecutive month and the Help Wanted Index decreased for the third month in a row. On a positive note, durable goods retail sales increased for the second consecutive month.



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