



# DEPARTMENT OF MANAGEMENT AND BUDGET

## FAIRFAX COUNTY ECONOMIC INDICATORS ©

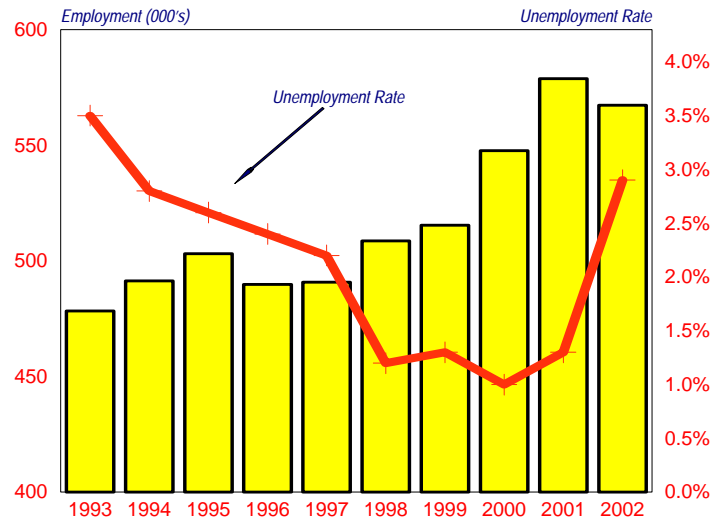
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### JUNE HIGHLIGHTS

- The April unemployment rate in Fairfax County stayed at 2.9 percent—no change from March.
- June Sales Tax receipts for Fairfax County are 2.0 percent lower than June 2001, and fiscal year-to-date growth is down 6.2 percent.
- The overall growth rate of new residential permits has decreased by 9.2 percent year-to-date. Through May, multifamily permits are down 10.4 percent and single family permits are down 8.2 percent.
- According to homes sales data through April, sales volume was up for existing homes and down for new homes, except for new townhomes which were up 23.8 percent. Median sales prices showed growth for both existing and new home sales.
- Consumer Confidence, which improved in May, declined in June. Consumers' assessment of business conditions and employment are less optimistic than last month.
- In April, both the Fairfax County Coincident Index and the Metropolitan Washington Coincident Index decreased, reflecting a slowing of the national and regional economies and unusually strong gains in the Index in March.
- Both the Fairfax County and Metropolitan Washington Leading Indices decreased in April. Despite the decrease in the leading indices, both are tracking above their 12-month moving average trend lines. This indicates continued economic growth in the Washington Metropolitan area and Fairfax County in 2002.

### RESIDENTIAL EMPLOYMENT - APRIL



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

According to the Virginia Employment Commission (VEC), the April unemployment rate in Fairfax County stayed at 2.9 percent—no change from March. The April 2002 rate was 1.6 points higher than the April 2001 rate of 1.3 percent.

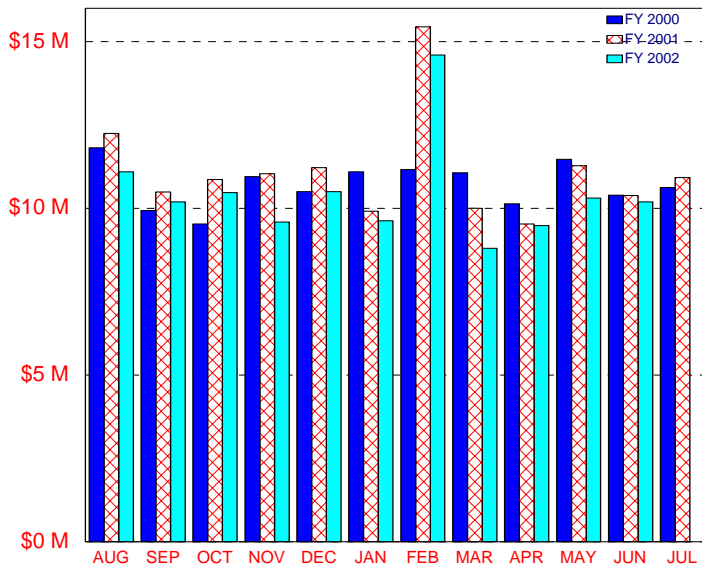
Statewide, the unemployment rate decreased 0.2 points to 3.9 percent in April. This was the lowest joblessness level in eight months, but still above the April 2001 rate of 2.5 percent. The decrease in joblessness was attributed to the surge of spring tourism activities. Government employment also increased as public parks and recreation facilities opened for the season and the building industry increased construction projects.



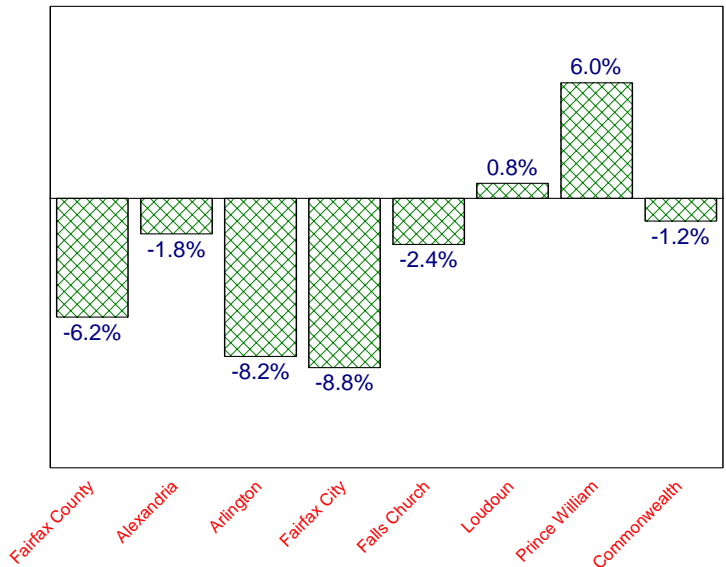
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<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 JUNE**

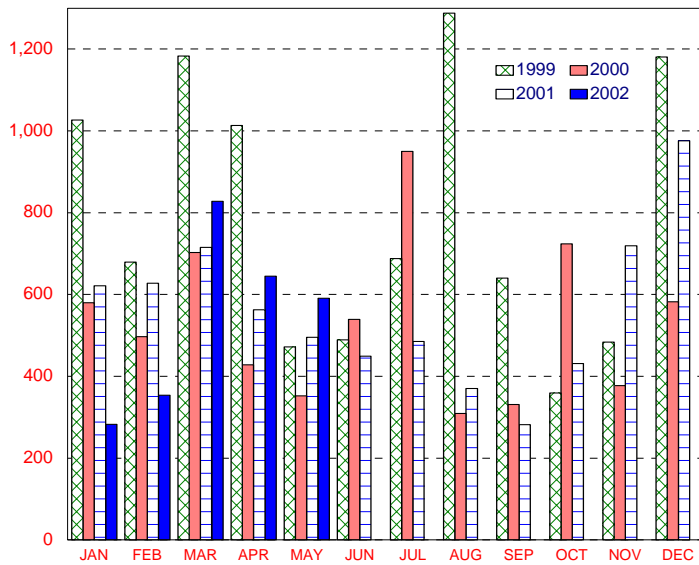
Source: Virginia Department of Taxation  
 Compiled by the Fairfax County Dept. of Management and Budget

June Sales Tax receipts for Fairfax County, representing retail purchases made in April, are \$10.2 million—2.0 percent lower than June 2001. Fiscal year-to-date, Sales Tax receipts are 6.2 percent lower than the same period last year.

According to the Commerce Department, seasonally adjusted preliminary retail sales estimates for the U.S. in May decreased 0.9 percent from April, but were up 2.2 percent from May 2001. Compared to last year, health and personal care store sales were up 9.0 percent and building materials and garden equipment sales were up 4.2 percent, while gasoline station sales were down 10.3 percent and motor vehicle and parts dealers were down 1.4 percent.

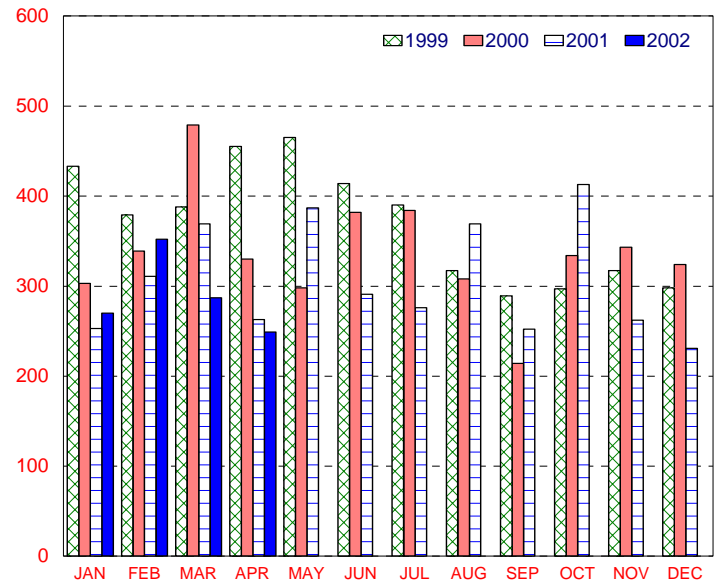
Fiscal Year Sales Tax receipt growth through June 2002 has been negative among all the Northern Virginia localities except for Prince William and Loudoun Counties. These receipts correspond to retail purchases from June 2001 through April 2002. Sales Tax receipts are down 8.8 percent in Fairfax City, 8.2 percent in Arlington, 6.2 percent in Fairfax County, 1.8 percent in Alexandria, and 2.4 percent in Falls Church, fiscal-year-to-date. Both Prince William County and Loudoun County have experienced positive growth to-date at 6.0 percent and 0.8 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



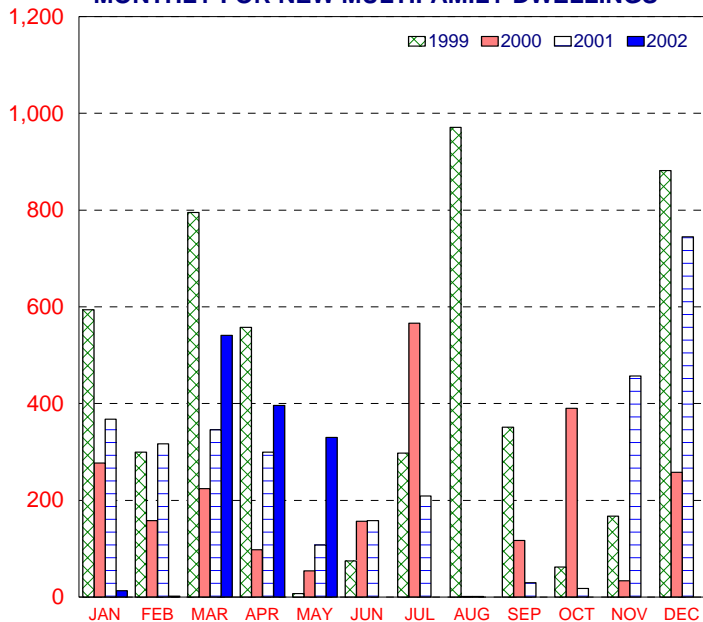
Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

### 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



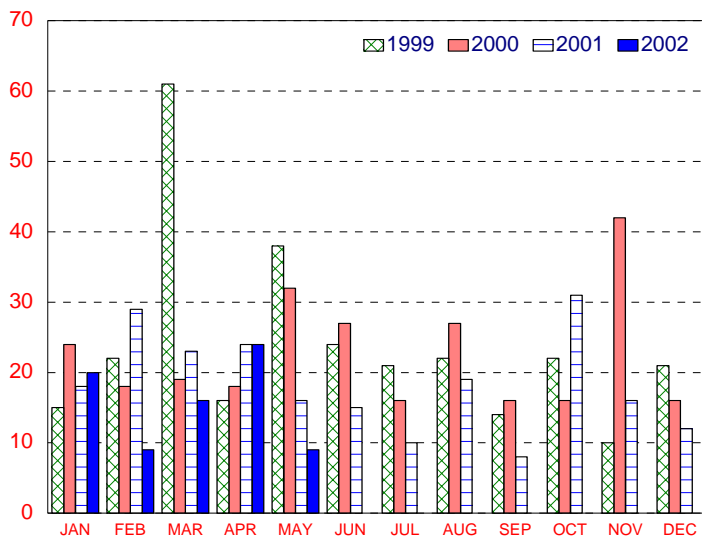
Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

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 has decreased, year-to-date. Through May, new residential dwelling permits are down 9.2 percent, or 275 permits. Multifamily permits are down 10.4 percent, or 149 permits, year-to-date, while single family permits are down 8.2 percent, or 126 permits, over the same period.

Residential repair and alteration permits are up year-to-date. Through May, issues of residential repair and alteration permits have increased by 7.4 percent, or 334 permits, from the same period last year.

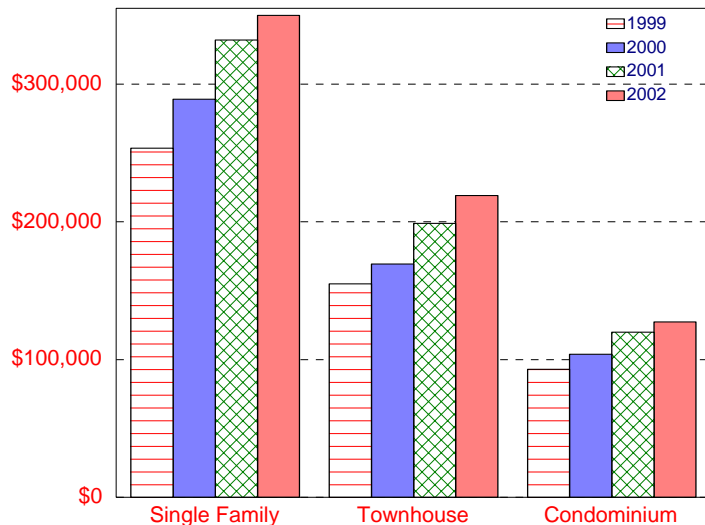
### NUMBER OF NONRESIDENTIAL BUILDING PERMITS ISSUED MONTHLY FOR NEW STRUCTURES



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 - APRIL 2002 COMPARED TO ANNUAL MEDIAN PRICES 1999 - 2001



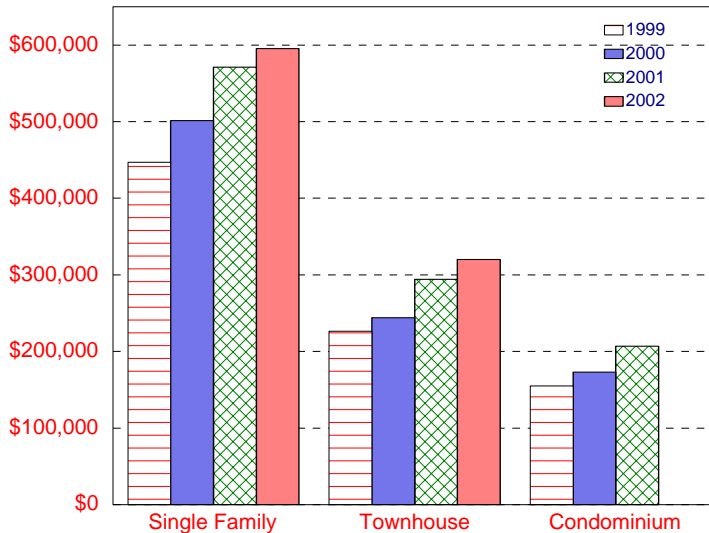
Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

Nonresidential building permits issued through May are down 29.1 percent, or 32 permits, from the same period in 2001. Nonresidential repair and alterations permits are down 10.4 percent, or 171 permits, year-to-date.

According to home sales data through April 2002, existing homes in Fairfax County experienced positive growth in median sales prices. For existing single family homes, the median sales price was \$350,000 compared to the 2001 median of \$330,500—growth of 5.9 percent. The median for townhomes grew 10.1 percent from \$199,000 in 2001 to \$219,144 and the median for condominiums increased from \$119,000 to \$127,500 representing growth of 7.1 percent.



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

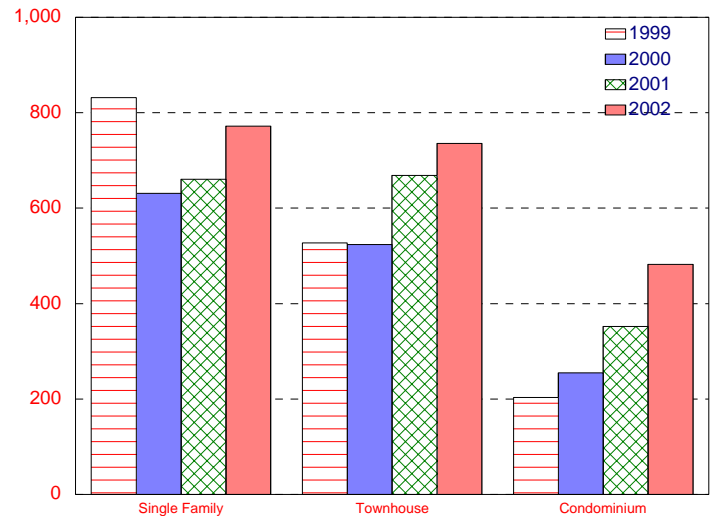


Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

Through April 2002, growth in median sales prices for new homes remained positive. The median sales price for a new single family home was \$595,322, an increase of 4.4 percent, or \$24,900, over the 2001 median. New townhomes increased 8.5 percent, from \$294,928 to \$320,066. It should be noted that the median price for condominiums represents the sale of only 11 new homes through April, so a comparison with the 2001 annual median would not be valid and is not shown in the chart above.

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 APRIL 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 APRIL 2002**

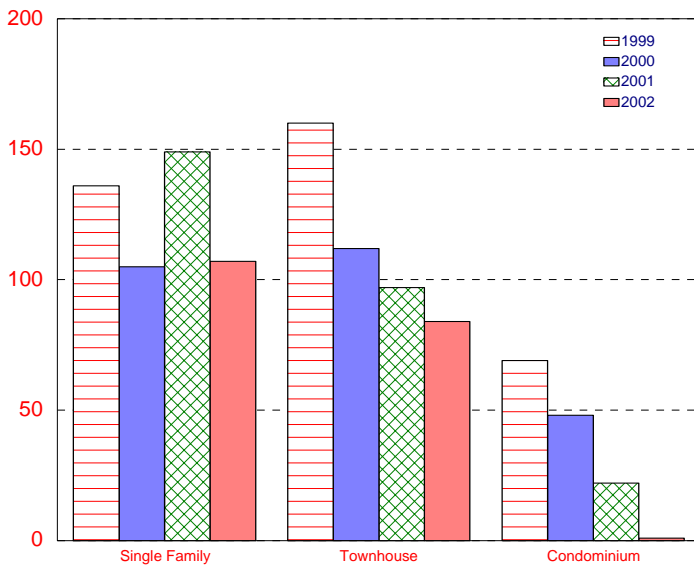
	Existing Sales	New Sales
Single Family	5.9	4.4
Townhouse	10.1	8.5
Condominium	7.1	*

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

\*Only 11 condominiums were sold through April 2002, so comparison to last year's median is not valid.

Existing home sales volume was up sharply for all homes through April 2002. Single family home sales increased by 561 units, or 27.4 percent, from 2,045 to 2,606. Townhome sales increased 16.6 percent from 1,966 to 2,292 while condominium sales were up 48.3 percent from 1,066 to 1,581 year-to-date.

### NUMBER OF NEW HOMES SOLD THROUGH APRIL 1999-2002



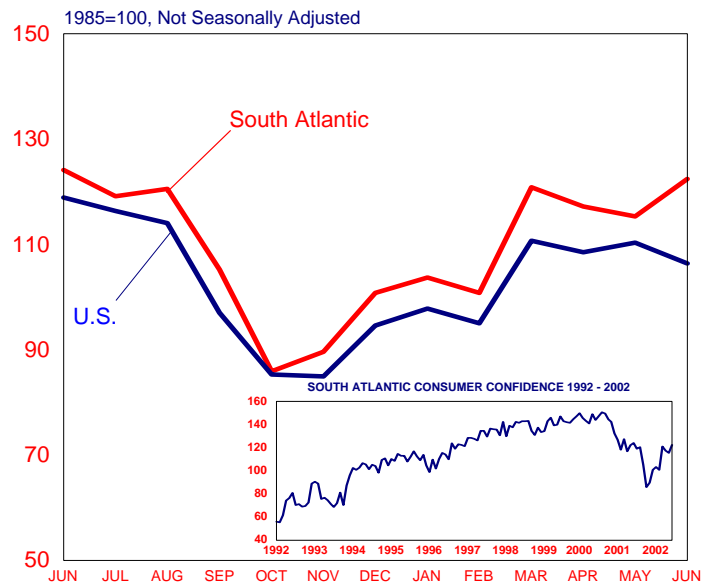
Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

New home sales volume was down for single family homes and condominiums but up sharply for townhomes through March 2002. New condominium sales fell from 88 in 2001 to 11 in 2002—a decline of 87.5 percent. New townhome sales increased 23.8 percent, from 387 to 479, while single family home sales fell 15.1 percent, from 536 to 455 year-to-date.

The Northern Virginia real estate market picked up in September after a quiet summer, suggesting that the current period of record growth is not over according to data from the Virginia Association of Realtors (VAR). September sales volume in Fairfax, Arlington, and Alexandria increased 12 percent from September 1999. Further, homes continued to sell at a fast pace with the average home in those areas being on the market for just 28 days from listing to closing, compared to the statewide average of 117 days. According to VAR figures, strength in the real estate market will continue through the end of the year. Pending home sales, which usually translate into sales within a month or two, were up 18.9 percent statewide over September 1999, and up 18.6 percent in Northern Virginia.

### ADDITIONAL INDICATORS

#### CONSUMER CONFIDENCE INDEX



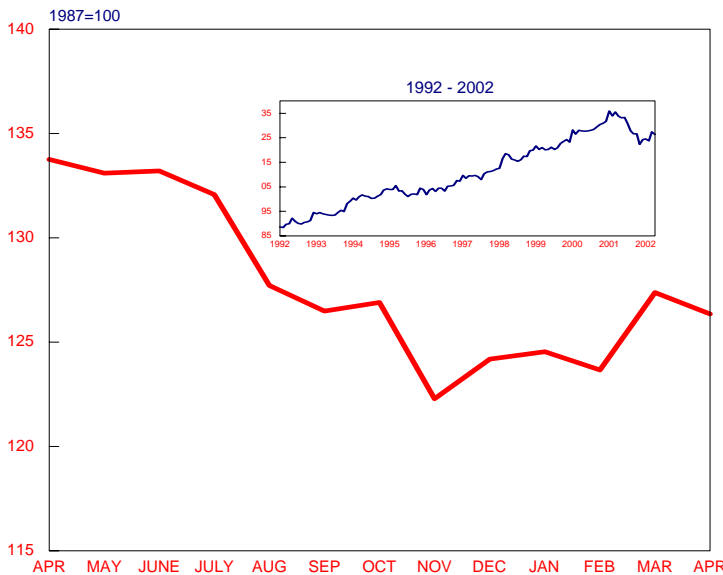
Source: Conference Board  
Compiled by the Fairfax County Dept. of Management and Budget

The Conference Board reports that the Consumer Confidence Index decreased in June after improving in May. The Index now stands at 106.4, down 3.9 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 June, the Present Situation Index is at 105.7, down 5.5 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 June, from 109.7 to 106.9. Despite the retreat in consumers' expectations in June, Lynn Franco, Director of the Conference Board's Consumer Research Center, notes that moderate economic growth is expected as well as continued consumer spending during the summer months. The South Atlantic Consumer Confidence Index has increased 7.1 points from last month to 122.4.

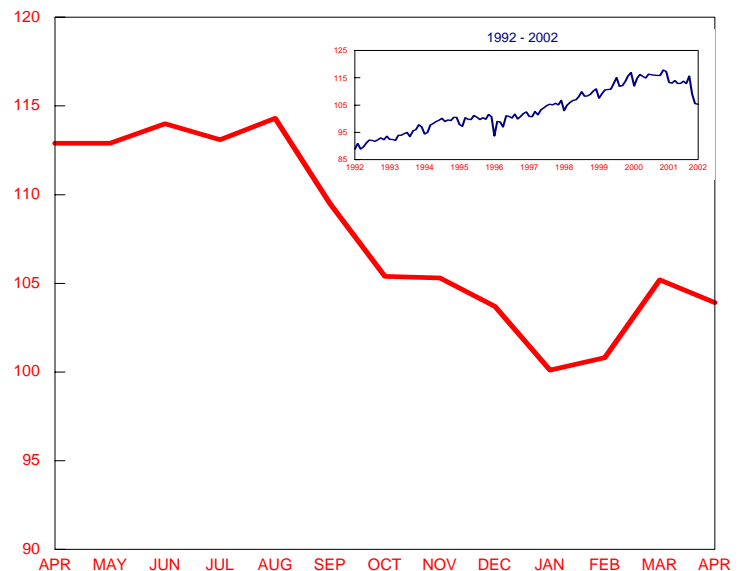
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices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

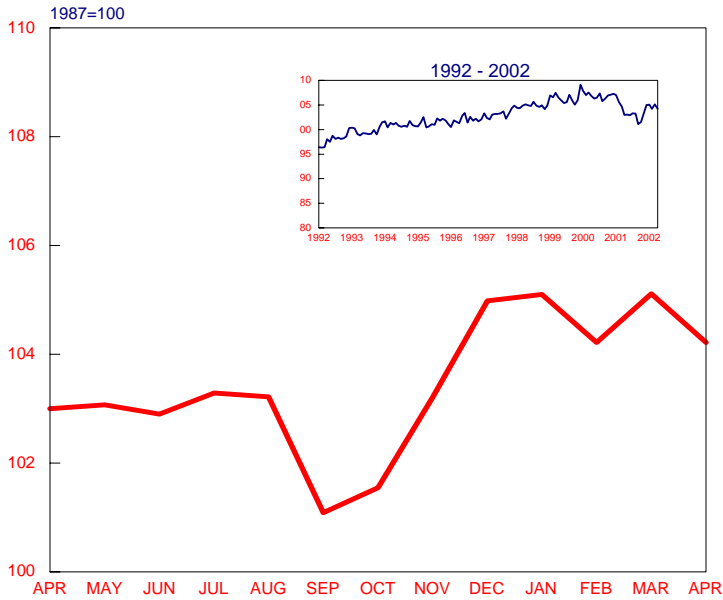
The Fairfax County Coincident Index, which represents the current state of the County's economy, decreased to 126.3 in April—a 0.8 percent decline from March. The Index's decline is a result of a slowing in the regional economy as well as unusually strong gains in the Index in March. Despite this decrease, however, the Coincident Index continues to track above its 12-month moving average. In April, all four of the Index's components contributed to its decrease. Sales tax collections, adjusted for inflation and seasonal variation, decreased after their strong increase in March and consumer confidence fell after increasing 25 percent in March. Total employment also decreased slightly and transient occupancy tax collections, adjusted for inflation and seasonal variation, decreased for the second consecutive month.



The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, decreased to 103.9 in April—a 1.2 percent decline from March. This decrease follows the Index's gain in March, which was its strongest monthly gain in over a year. Despite last month's gain, the Index is still 6.5 percent lower than its March 2001 level, with much of the decline due to the events of September 11. In March, two of the Index's four components contributed to its decline. Consumer confidence decreased after its 25 percent gain in March. Nondurable goods retail sales also decreased after a strong gain in March. Total wage and salary employment improved for the third consecutive month and domestic passenger volume at Dulles and Reagan Airports increased for the fourth month in a row.

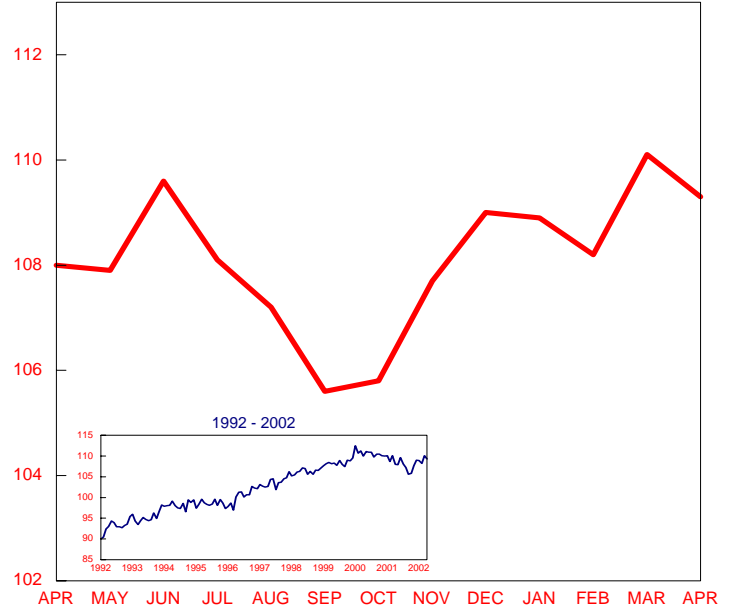


## FAIRFAX COUNTY LEADING INDEX



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 104.2 in April—a 0.9 percent decrease from March. The slight decrease in the Index is due to the unusually strong gains in the March Index. The Leading Index is still higher than the April 2001 level and continues to exceed its 12-month moving average. In April, four of the Index's five components contributed to its decline. Initial claims for unemployment insurance increased (worsened) sharply after declining in four of the five previous months. Residential building permits and consumer expectations decreased after both increased sharply in March. The total value of residential building permits decreased and have been down in three out of the last four months. New automobile sales were up slightly after declining in the last two months.



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 0.8 percent in April to 109.3. The decrease in the Index followed a moderate gain in March, so the Index is still tracking above its 12-month moving average. The Index also exceeded its April 2001 level by 1.1 percent. In April, three of the Index's five components contributed to its decline. Consumer expectations declined following a 16 percent gain in March. Initial claims for unemployment insurance increased (worsened) for the third time in four months. Total residential building permits decreased in April after a sharp gain in March. The Help Wanted Index increased for the second month in a row. Durable goods retail sales increased following two consecutive monthly decreases.



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