



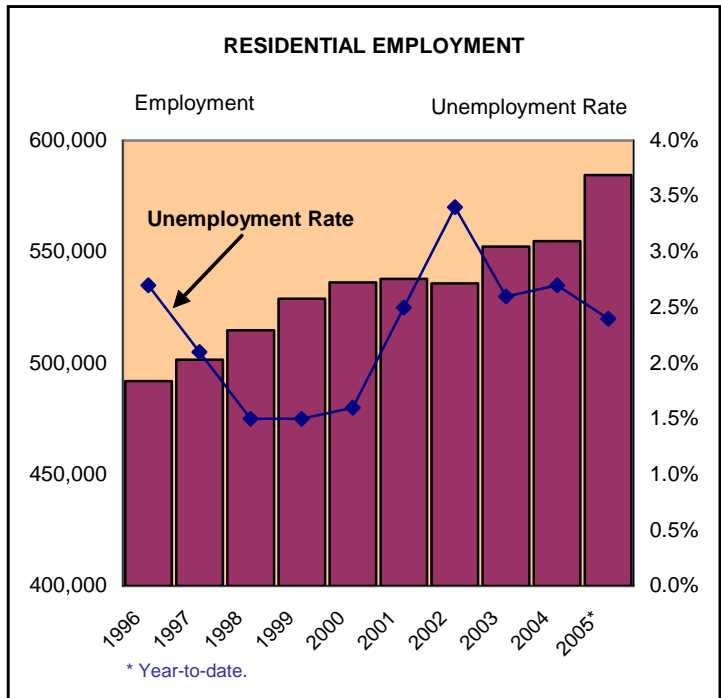
# ECONOMIC INDICATORS®

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

DECEMBER 2005

## IN THIS ISSUE:

- The October 2005 unemployment rate in Fairfax County of 2.4 percent remained unchanged from the level reported one year ago. Since October 2004, the number of employed County residents increased 25,034.  
(See page 1)
- The number of new single family residential permits rose 4.1 percent in November; while new nonresidential permits increased 7.1 percent.  
(See page 2)
- The number of existing single family homes sold in the first 10 months of 2005 decreased 7.3 percent; while, the median value of these homes increased 23.0 percent over existing single family homes sold during all of 2004.  
(See pages 3 and 4)
- Median sales prices of new single family homes and townhomes have risen robustly during the first 10 months of 2005; while the median price of new condominiums sold has decreased 6.6 percent.  
(See page 3)
- The Fairfax County Coincident Index expanded in October 2005 while the Leading Index decreased slightly.  
(See pages 5 and 6)
- In December 2005, the Conference Board's Consumer Confidence Index increased for a second consecutive month.  
(See page 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 number of Fairfax County residents holding jobs in October 2005 was 584,445, an increase of 25,034 residents, or 4.5 percent, over October 2004. During this period, the unemployment rate in Fairfax County remained unchanged at 2.4 percent.

The October 2005 unemployment rate in Virginia was 3.2 percent. This rate represents a decrease of 0.1 percentage point from the October 2004 level of 3.3 percent. On the national level, the unemployment rate in October was 5.0 percent, down from 5.5 percent the year before.



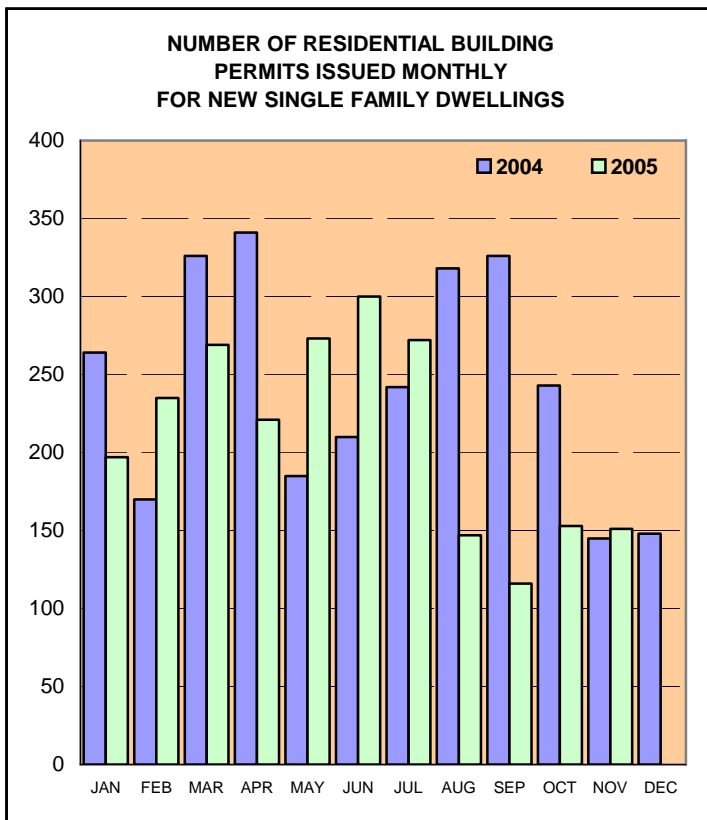
**The Fairfax County Economic Indicators is on the Web and can be accessed at:**

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

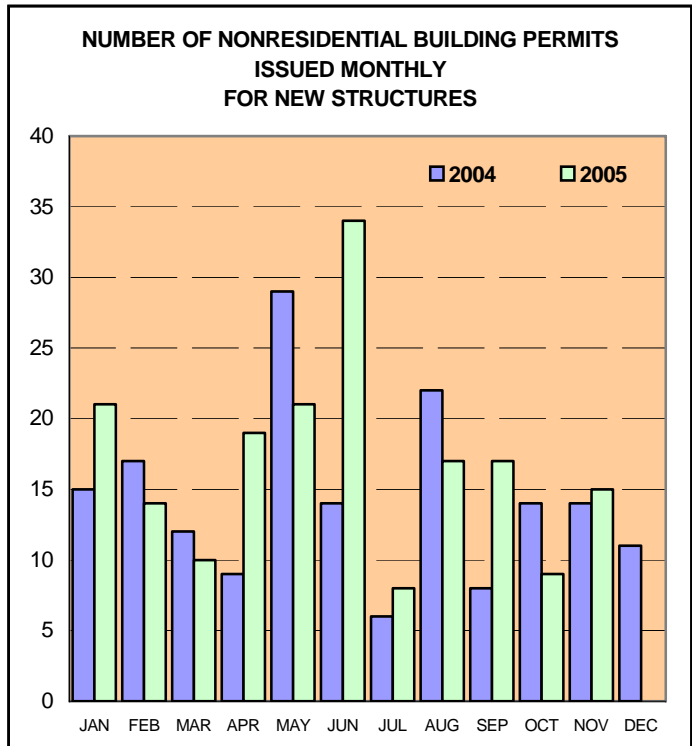
## Residential Building Permits

The total number of new single family residential building permits issued in November 2005 was 151, an increase of 6 permits, or 4.1 percent, over November 2004. November's rise represents the first monthly over the year gain in four months. New single family permits issued in the first eleven months of 2005 totaled 2,334 permits, a decrease of 15.7 percent or 436 permits from the 2,770 issued during the same period last year.

In November 2005, 1,068 residential repair and alteration permits were issued, a decrease of 65 permits, or 5.7 percent, from November 2004. Year-to-date, however, the number of residential repair and alteration permits has risen from 8,820 to 13,029, an increase of 47.7 percent.



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



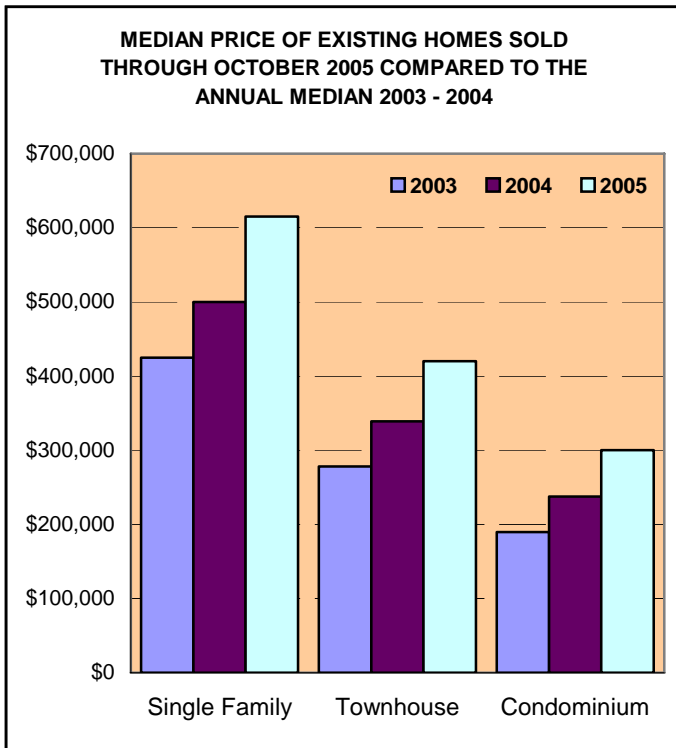
Source: Fairfax County Department of Public Works and Environmental Services. Compiled by the Fairfax County Department of Management and Budget.

## Nonresidential Building Permits

New nonresidential building permits issued in November 2005 increased for the sixth time this year as compared to the corresponding month last year. In November, 15 new nonresidential building permits were issued, an increase of 7.1 percent, or one permit, over November 2004. New nonresidential permits issued during the first eleven months of 2005 total 185, a gain of 25 permits, or 15.6 percent, over the same period last year.

The issuance of nonresidential repair and alterations permits declined 23 permits in November to 269 from the 292 permits issued in November 2004, a loss of 7.9 percent. Year-to-date, the number of nonresidential repair and alterations permits issued has been 3,478, a reduction of 2.3 percent, or 83 permits from the first eleven months of 2004.

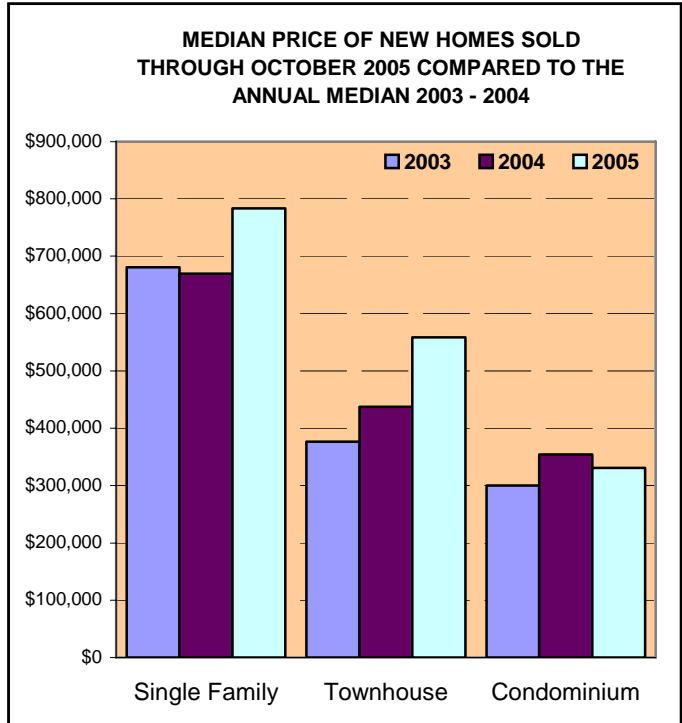
# Housing Market



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

## Existing Home Sales Prices

The median sales price of all types of existing (previously owned) homes in Fairfax County experienced robust growth during the first 10 months of calendar year 2005 compared to the 2004 median price. For existing single family homes, the median sales price increased 23.0 percent to \$615,000, as compared to the 2004 median price of \$500,000. The median sales price for existing townhomes sold through October 2005 rose to \$420,000 from the 2004 median of \$339,000, reflecting growth of 23.9 percent. The median sales price of existing condominiums increased to \$300,000 from January through October 2005 from \$237,500 in 2004, representing growth of 26.3 percent.



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

## New Home Sales Prices

Through October, the median sales prices for new single family homes and townhomes have risen while the median sales price of condominiums has declined. The 2005 median price for new single-family homes sold during the first 10 months of 2005 rose to \$783,350, an increase of 17.0 percent over the 2004 median of \$669,457. The median sales price of new townhomes sold from January through October 2005 increased 27.7 percent, from \$437,240 in 2004 to \$558,514. Conversely, the median sales price for new condominiums decreased 6.6 percent during the first 10 months of 2005, from \$354,450 in 2004 to \$330,890.

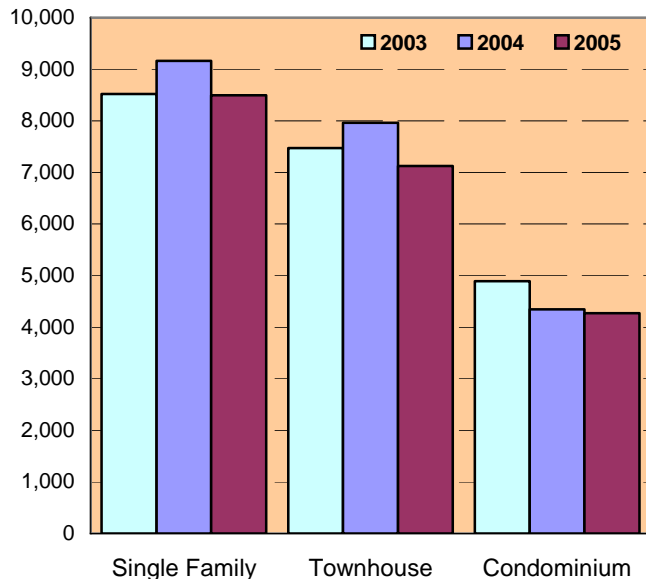
**PERCENTAGE CHANGE IN MEDIAN PRICE OF  
HOMES SOLD YEAR-END 2004 COMPARED TO  
SALES THROUGH OCTOBER 2005**

	Existing Sales	New Sales
<b>Single Family</b>	<b>23.0</b>	<b>17.0</b>
<b>Townhouse</b>	<b>23.9</b>	<b>27.7</b>
<b>Condominium</b>	<b>26.3</b>	<b>(6.6)</b>

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](http://www.co.fairfax.va.us/dta/tax_assessment.htm)

**NUMBER OF EXISTING HOMES SOLD THROUGH  
OCTOBER 2003 - 2005**

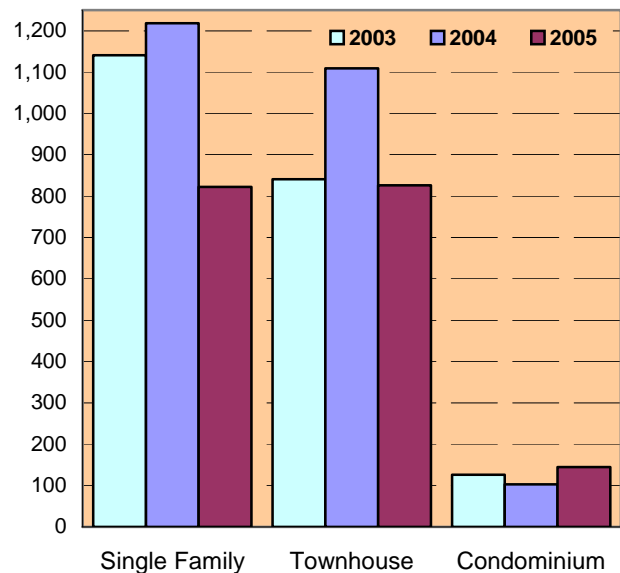


Source: Fairfax County Department of Tax Administration.  
Compiled by the Fairfax County Department of Management and Budget.

## Existing Home Sales Volume

The number of all types of existing (previously owned) homes sold dropped during the first 10 months of 2005. Existing single family homes sold through October totaled 8,494, a 7.3 percent decline from the 9,165 sold during the same period of 2004. Likewise, sales volume of existing townhomes decreased 10.5 percent from 7,960 to 7,124. In addition, the number of existing condominiums sold from January through October 2005 fell 1.6 percent to 4,273 from the 4,343 units sold during the same period of 2004.

**NUMBER OF NEW HOMES SOLD THROUGH  
OCTOBER 2003 - 2005**



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

## New Home Sales Volume

Through October 2005, the number of newly constructed condominiums sold rose to 145, reflecting a sharp increase of 40.8 percent, or 42 new units, over the 103 units sold during the first 10 months of 2004. However, both the sales volume of new single family homes and new townhomes decreased in excess of 25 percent. Sales volume of new single family homes declined 32.5 percent from the 1,218 homes sold in January through October 2004 to 822 purchased during the same period this year. In addition, the number of new townhouses sold declined 25.5 percent from the 1,109 units sold during the first 10 months of 2004 to 826 units sold thus far in 2005.

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.

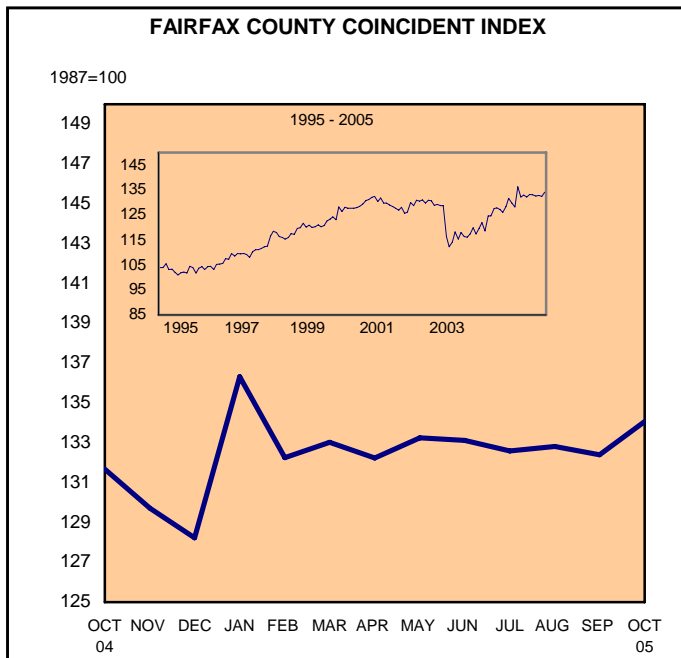
## Fairfax County Coincident Index



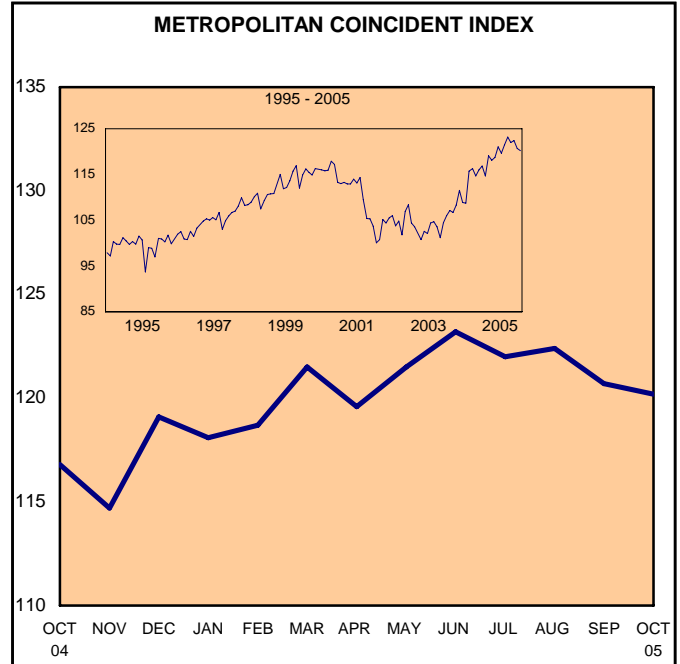
The Fairfax County Coincident Index, which represents the current state of the County's economy, rose to 134.1 in October 2005, a 1.3 percent gain over September 2005. The Index; however; is up 1.8 percent over its October 2004 level.

In October, three of the Index's four components were positive.

Estimated sales tax collections and transient occupancy tax collections, both adjusted for inflation and seasonal variation, increased after experiencing losses during the two previous months. In addition, total employment improved in October 2005 for the third consecutive month. However, Mid-Atlantic Consumer Confidence (in the present) decreased, which represents the third monthly decrease in four months.



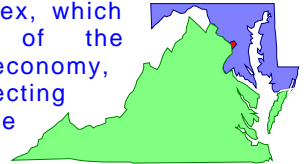
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.



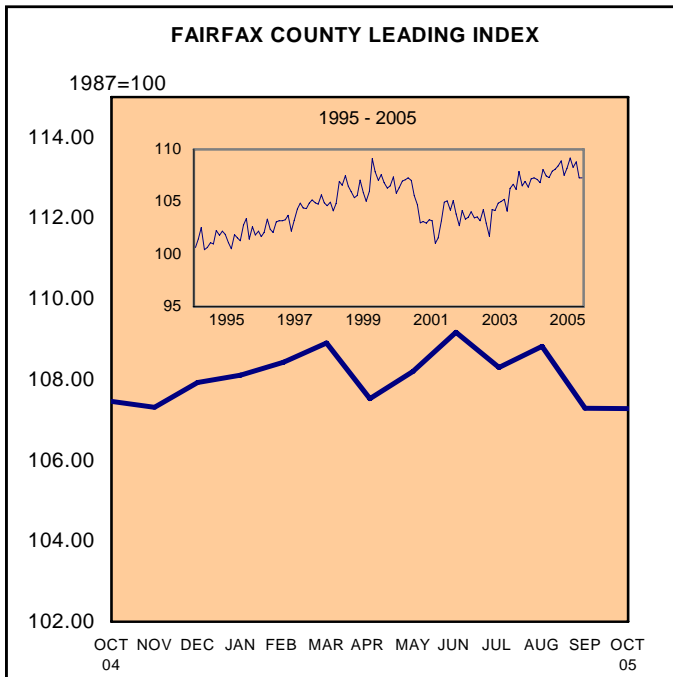
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.

## Metropolitan Coincident Index

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, fell to 120.2 in October 2005 reflecting a 0.4 percent loss from the September level. However, the Index is up 2.9 percent over its October 2004 level and has exceeded its same-month value from the previous year for twenty-four consecutive months.



In October, three of the Index's four components were negative. Mid-Atlantic Consumer Confidence decreased for the third time in four months. Nondurable goods retail sales fell for the third consecutive month. In addition, domestic passenger volume at Reagan National and Dulles airports fell in October for the fourth time in five months. In contrast, wage and salary employment increased in October 2005 gained for a second month in a row.



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

## Fairfax County Leading Index



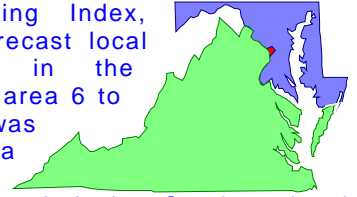
The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, decreased slightly to 107.3 in October 2005, a 0.01 percent decrease from September. Likewise, the Index fell on a monthly over-the-year basis for the second time in 31 months.

In October, two of the three components of the Index were negative. New automobile registrations fell in October for a third time in four months. In addition, initial claims for unemployment increased (worsened) for the second time in three months. However, consumer expectations (consumer confidence six months in advance) increased following losses for the three previous months.

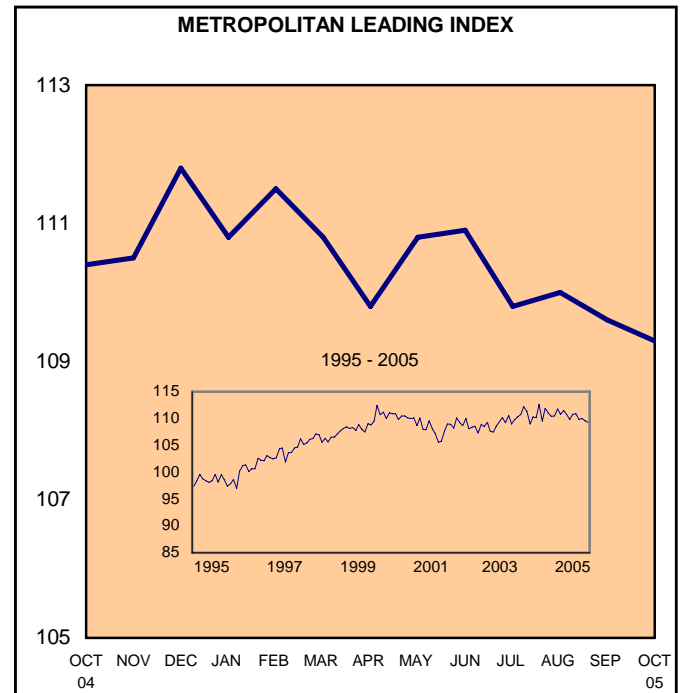
According to Dr. Stephen Fuller of George Mason University, "the leading indicators reveal some accumulating weaknesses potentially pointing to the economy's moderation over the coming year."

## 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 109.3 in October 2005, a decrease of 0.2 percent from September. The Index's October level represents a loss of 1.0 percent from its October 2004 value.



In October, two of the Index's five components contributed to its decline. The magnitude of the two negative components was strong enough to offset gains in the other three components. Durable goods retail sales decreased for the fourth time in five months. In addition, the Help Wanted Index declined for the second time in three months. Conversely, consumer expectations (consumer confidence six months hence) increased after posting losses for the three previous months. Total residential building permits increased in October. Likewise, initial claims for unemployment insurance decreased (improved) in September for a fourth consecutive month.



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

## Fairfax County Sales Tax Receipts

Monthly Sales Tax receipts for Fairfax County and its neighboring jurisdictions have not been reported in this publication for the last several months due to computer systems changes at the state level. For the months of September through November 2005, Sales tax receipts distributed to localities were estimated at 5.5 percent growth over the same month in 2004. The December distribution to localities was adjusted to reflect actual receipts during those months. According to State officials, month-by-month changes cannot be provided; however, year-to-date Sales Tax collections are now accurate.

Based on adjusted receipts, Fairfax County Sales Tax revenue for the period August 2005 through December 2005 totals \$62.7 million, representing an increase of 3.7 percent over the same period of FY 2005.

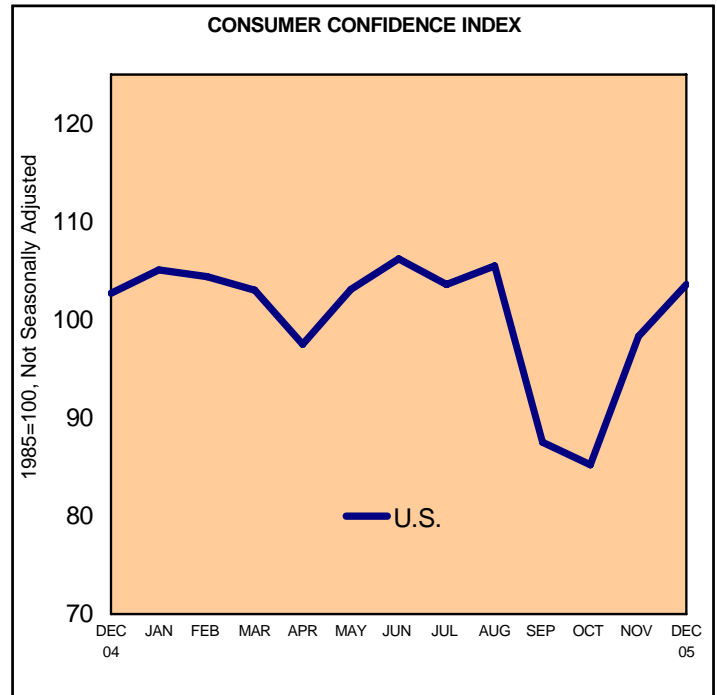
## National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary October 2005 retail sales for the U.S. decreased slightly, falling 0.1 percent from the September level. However, the October 2005 national retail sales estimate represents 5.7 percent growth over October 2004. Compared to last year, gasoline station sales are up 27.1 percent. In addition, sales from building material and garden equipment dealers and retail trade sales increased 13.1 while sales from automobile and other motor vehicle dealers decreased 10.0 percent.

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**Fairfax, Virginia 22035-0074**  
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Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget.

## Consumer Confidence Index

The December Consumer Confidence Index increased 5.3 points to 103.6. According to the Conference Board, the improvement in December is due to recent declines in gasoline prices and job growth.

The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In December 2005, the Present Situation Index was 121.5, which represents a robust improvement of 8.3 points over the level reached in November. The Expectations Index also gained, increasing to 91.6 over the 88.4 reported in November.

According to Lynn Franco, Director of the Conference Board's Consumer Research Center, "the resiliency of the economy, recent declines in prices at the pump, and job growth have consumers feeling more confident at year-end than they felt at the start of 2005."