



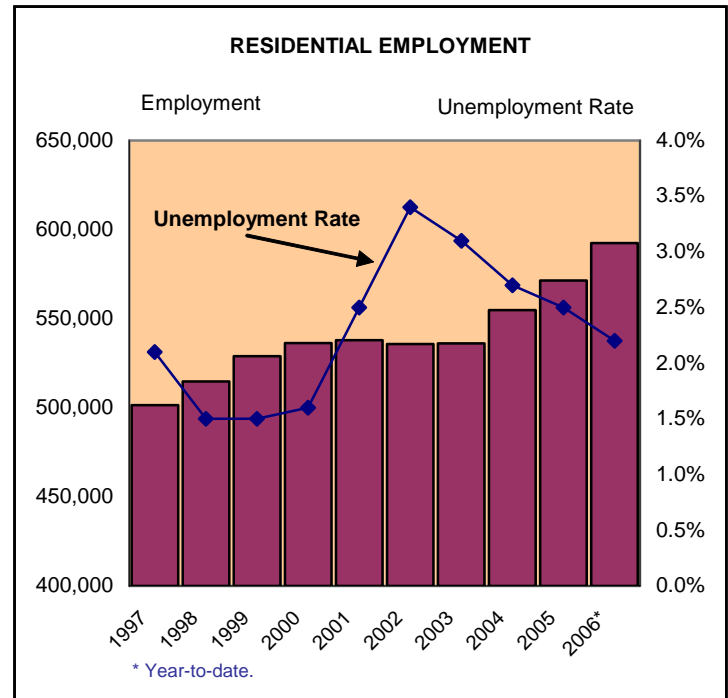
# ECONOMIC INDICATORS®

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

NOVEMBER 2006

## IN THIS ISSUE:

- The September 2006 unemployment rate in Fairfax County of 2.2 percent represents a drop of 0.3 percentage points from the level reported one year ago. Over the last year, the number of employed County residents has increased 18,604.  
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- Sales Tax receipts in Fairfax County for the first four months of FY 2007 grew an estimated 4.1 percent over the same period of FY 2006 to \$52.4 million.  
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- The Consumer Confidence Index fell for the second consecutive month in November 2006.  
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- The median value of existing single family homes in the County sold through October 2006 increased 1.6 percent over those sold during all of 2005.  
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- The number of existing single family homes sold in the 10 months of 2006 fell 32.1 percent from the same period of 2005.  
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- Through October 2006, the number of new single family homes and townhouses sold decreased 57.8 percent and 62.3 percent, respectively.  
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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 employed Fairfax County residents increased 3.2 percent to 592,348 in September 2006, representing growth of 18,604 over September 2005. During this period, the unemployment rate in Fairfax County fell 0.3 percentage points to 2.2 percent in September 2006.

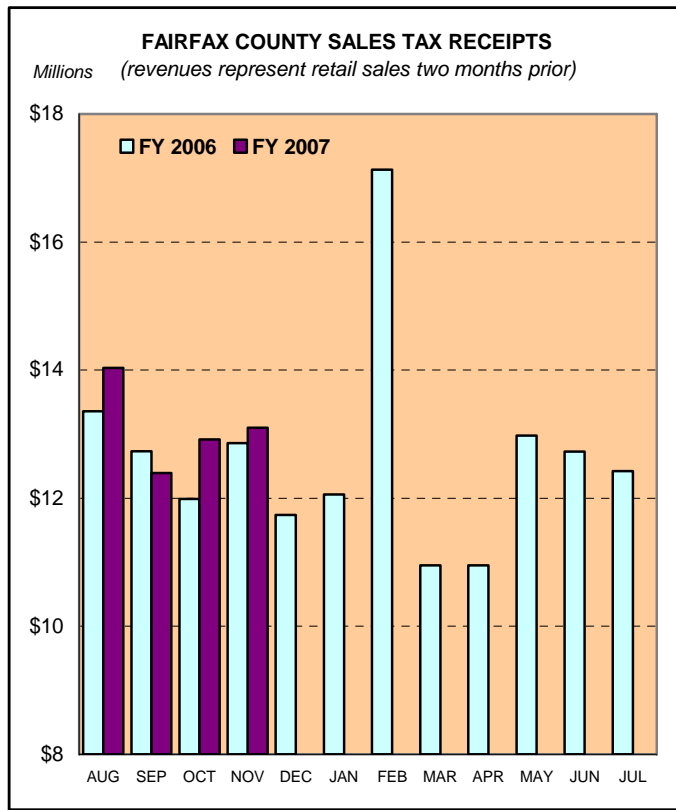
The September 2006 unemployment rate in Virginia improved 0.4 percentage points to 3.1 percent from the September 2005 level of 3.5 percent. On the national level, the unemployment rate in September declined half a percentage point from the prior year to 4.6 percent.



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

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

## Retail Sales



Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget. Note: Sales Tax distributions to localities were based on estimates from September through November 2005 (FY 2006) with an adjustment made in December; therefore, receipts for September through December in FY 2006 should not be used to determine an actual trend.

## Fairfax County Sales Tax Receipts

November 2006 Sales Tax receipts for Fairfax County, representing retail purchases made in September, were \$13.1 million, an estimated increase of 3.4 percent over November 2005. Sales Tax receipts for the first four months of FY 2007 were \$52.4 million, an estimated gain of 4.1 percent year-to-date.

Due to computer system changes that occurred at the state level during the latter part of calendar year 2005, sales tax receipts distributed to localities were estimated for the months of September through November 2005. Once the system changes were completed, the state reconciled estimated distributions to actual Sales Tax for the period and made adjustments in December 2005 distributions. County staff have smoothed the 2005 receipts from September through December to more accurately reflect the outcome of the reconciliation.

Sales Tax receipts for other Northern Virginia localities will not be reported until December when the year-to-date comparison of Sales Tax receipts to 2005 will be reflective of the State's reconciliation.

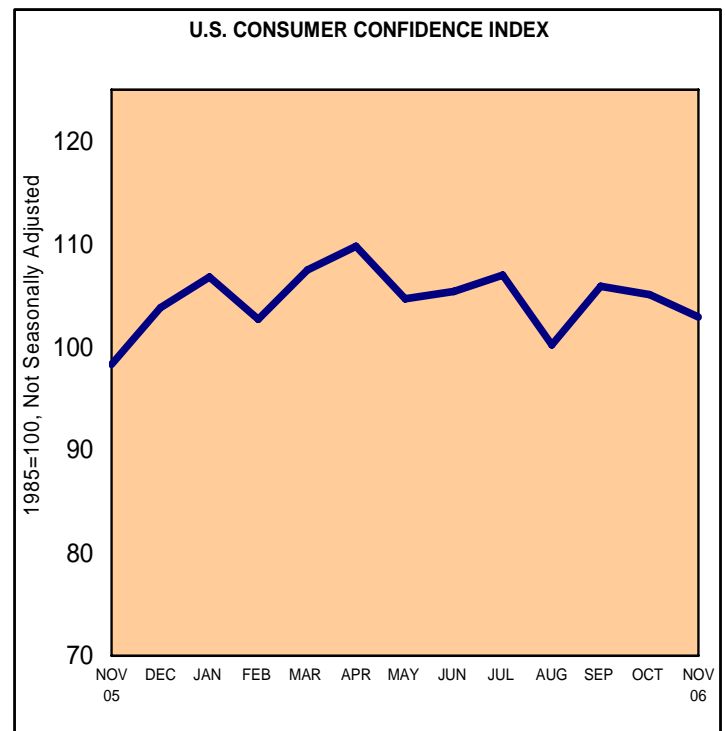
## National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary September 2006 retail sales for the U.S. rose 5.5 percent since September 2005. Compared to the prior year, food service and drinking place sales and retail trade sales grew 8.3 percent and 5.2 percent, respectively. Conversely, gasoline station sales dropped 6.3 percent.

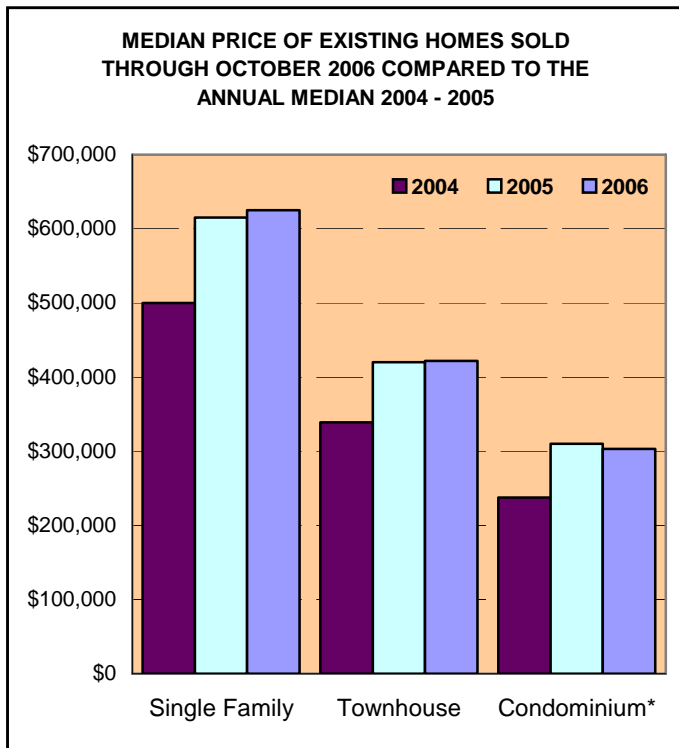
## Consumer Confidence Index

The Conference Board reports that the Consumer Confidence Index registered its second consecutive monthly decline in November. The Index's November 2006 level decreased to 102.9 compared to 105.1 in October. The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In November, the Present Situation Index dropped 1.5 points to 123.6. In addition, the Expectations Index retreated in November, falling to 89.2 or 2.7 points lower than the October level.

According to Lynn Franco, Director of the Conference Board's Consumer Research Center, "A tighter labor market and a more guarded short-term outlook have combined to curb consumers' confidence in November."



## Housing Market

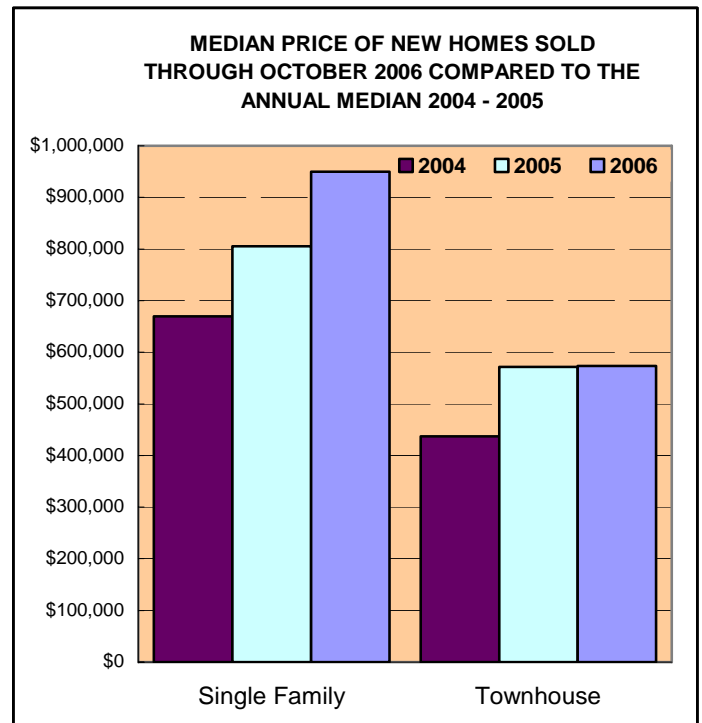


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget. \*Condominium data include sales of existing and new units.

### Existing Home Sales Prices

The median sales price of existing (previously owned) single family homes and townhouses in Fairfax County posted modest gains during the first ten months of calendar year 2006 compared to the 2005 median price. The median sales price of existing single family homes sold through October 2006 was \$625,000, a 1.6 percent increase over the 2005 median price of \$615,000. The median sales price for existing townhouses sold through October 2006 rose 0.5 percent to \$422,000 over the 2005 median of \$420,000.

The median sales price of all condominiums sold, existing and new, through October 2006 decreased 2.3 percent to \$303,000 from the 2005 median of \$310,000.



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

### New Home Sales Prices

Through October 2006, the median sales price for new single family homes grew to \$950,000, representing an 18.0 percent gain over the 2005 median of \$805,250. The increase in the median price of new homes can be impacted by the mix of homes sold this year compared to last year. The impact of the change in the mix of homes sold is magnified as the number of new single family homes sold through October 2006 has plummeted nearly 58 percent from the same period last year. In addition, the increase in the prices of new single family homes is a reflection of construction costs. Therefore, changes in the sales price of existing single family homes is a better gauge of the overall residential housing market.

Through the first 10 months of 2006, the median sales price for new townhouses registered a negligible increase of 0.3 percent, rising to \$573,495 over the 2005 median of \$571,600.

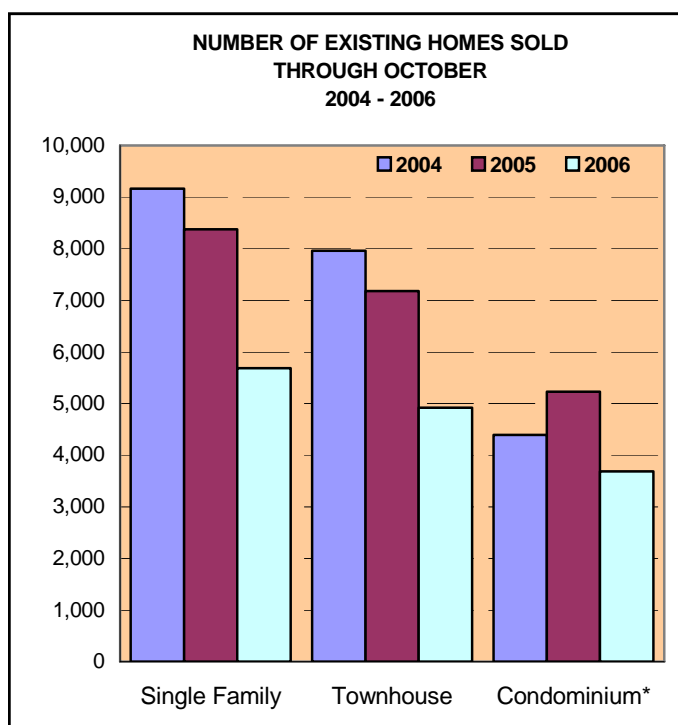
#### PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD DURING 2005 COMPARED TO SALES THROUGH OCTOBER 2006

	Existing Sales	New Sales
Single Family	1.6	18.0
Townhouse	0.5	0.3
Condominium*	(2.3)	

\*Condominium data include sales of existing and new units.

A note on tax assessments and home sales: 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, 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)



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget. \*Condominium data include the sales volume of existing and new units.

Inquiries should be directed to:

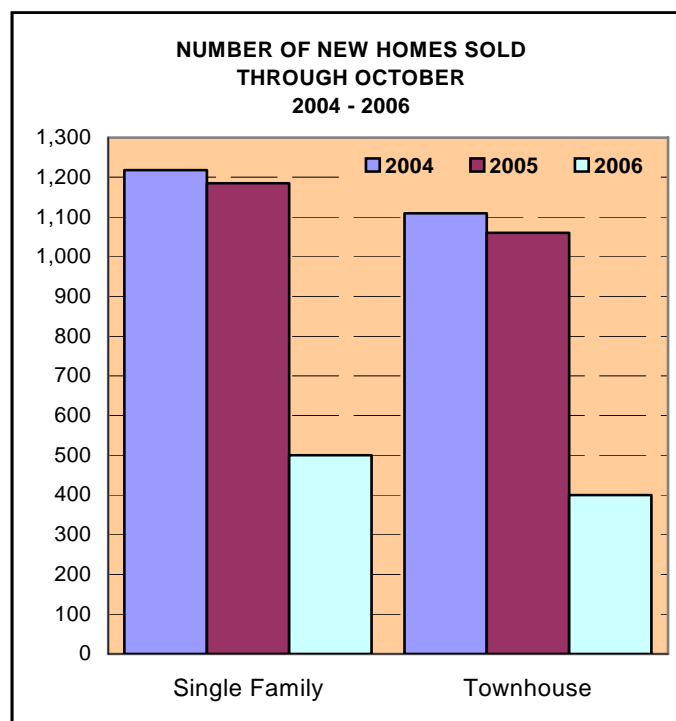
**The Department of Management and Budget**  
**12000 Government Center Parkway, Suite 561**  
**Fairfax, Virginia 22035-0074**  
**(703) 324-2391 or 1-800-828-1120 (TDD)**

Staff: Susan Datta, Director; Marcia Wilds and John Garneski, analysts.

## Existing Home Sales Volume

Both the number of existing single family and townhouses sold through October 2006 decreased in excess of 31 percent compared to the first 10 months of 2005. Sales of existing single family homes dropped to 5,690 from 8,379, signifying a loss of 32.1 percent from the first 10 months of 2005. The sales volume of existing townhouses through October 2006 fell to 4,921 from 7,180, a decrease of 31.5 percent.

Condominium sales (existing and new) through October 2006 declined 29.5 percent, falling to 3,685 from the 5,229 sales occurring over the same period of 2005.



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

## New Home Sales Volume

The number of new single family homes sold through October 2006 has fallen nearly 58 percent. During the first 10 months of 2006, 500 new single family homes were sold compared to the 1,185 sold during the same period of 2005. Sales volume of new townhouses also declined considerably, dropping 62.3 percent during this same period from 1,060 to 400 units. For data regarding all condominium sales volume, refer to the "Existing Home Sales Volume" section.