



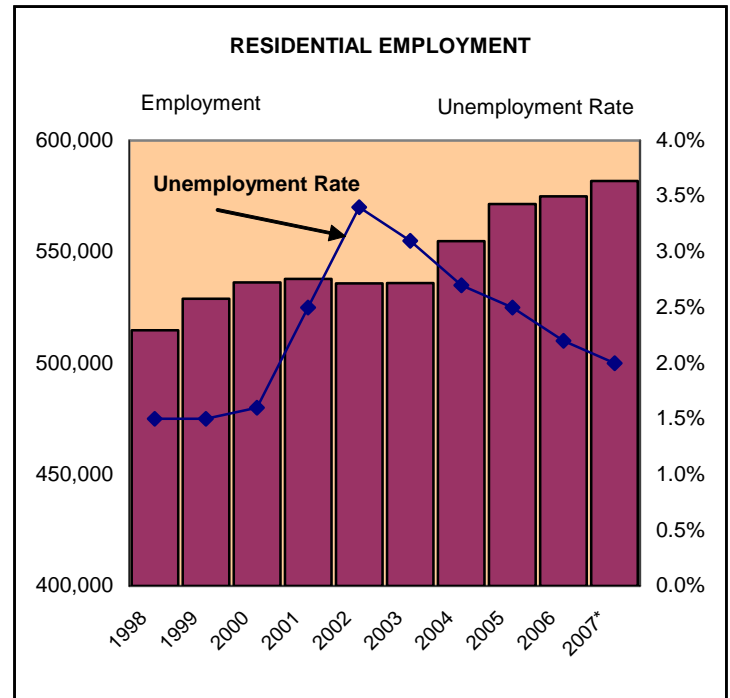
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

JUNE 2007

IN THIS ISSUE:

- Between April 2006 and April 2007, the number of employed County residents has increased 12,693.
(See page 1)
- June 2007 Sales Tax receipts for Fairfax County were \$13.1 million, an increase of 2.8 percent over June 2006. Sales Tax receipts are up 4.1 percent, fiscal year-to-date.
(See page 2)
- The number of existing single family homes sold rose 4.5 percent in the first five months of 2007; while the median value of these homes fell 4.0 percent from existing single family homes sold during 2006.
(See pages 3 and 4)
- Through May 2007, the median sales price of new single family homes decreased 4.1 percent from single family homes sold during 2006. In addition, the number of new single family homes sold declined 29.8 percent in the first five months of 2007.
(See pages 3 and 4)
- June 2007 marks the third month in the last four that the Consumer Confidence Index has posted a monthly decrease.
(See page 5)
- The 30-year fixed rate mortgage rose in May 2007 for the second month in a row and now stands at 6.26 percent.
(See page 5)



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 April 2007 increased by 2.2 percent or 12,693 residents, over the April 2006 level to 581,788. During this period, the unemployment rate in Fairfax County fell 0.1 percentage point to 2.0 percent.

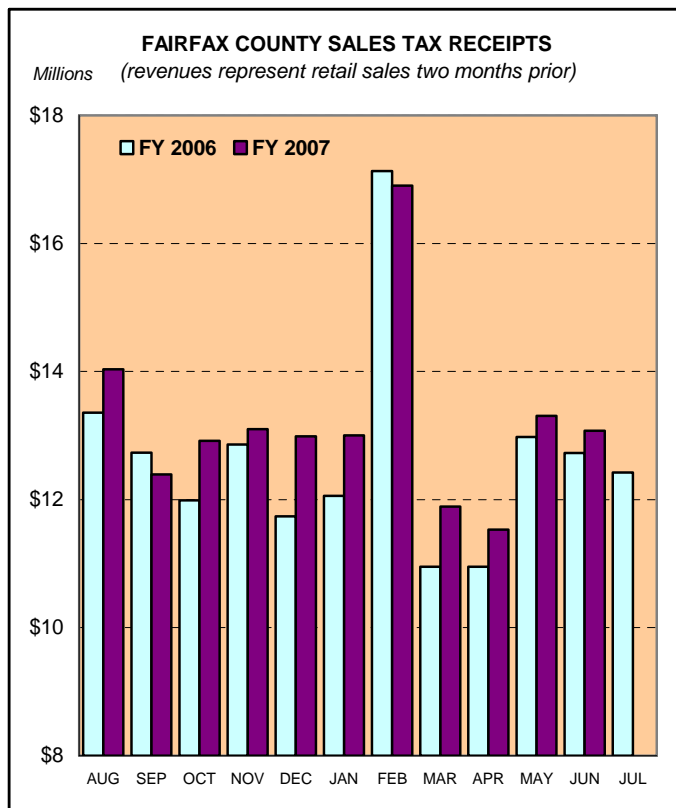
The April 2007 unemployment rate in Virginia was 2.9 percent, 0.1 percentage point higher than in April 2006. On the national level, the April 2007 unemployment rate was 4.5 percent.



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

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

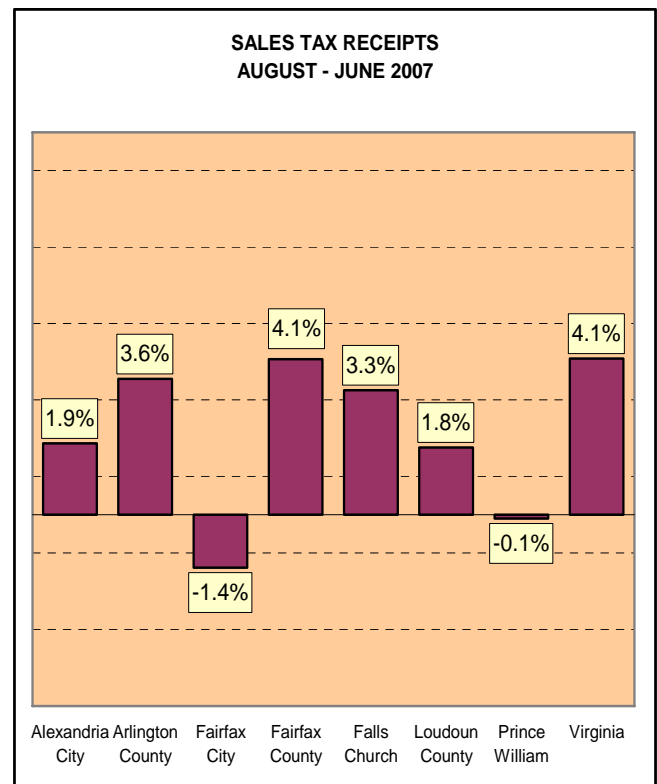
Retail Sales



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

Fairfax County Sales Tax Receipts

June 2007 Sales Tax receipts for Fairfax County, representing retail purchases made in April, grew 2.8 percent over the June 2006 level to \$13.1 million. June 2007 marks the fourth consecutive month Sales Tax receipts increased on a monthly over-the-year basis. Through the first 11 months of FY 2007, Sales Tax receipts have risen 4.1 percent over the same period in FY 2006.



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

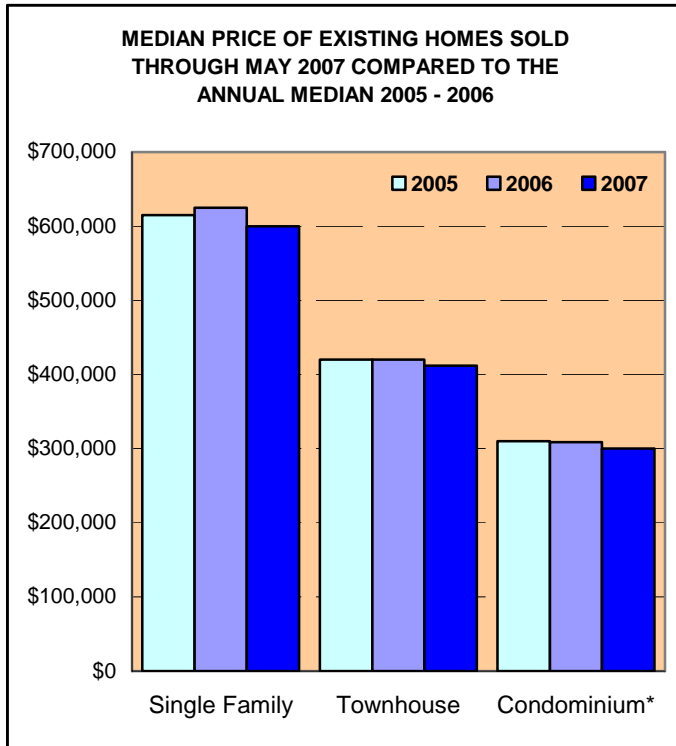
Neighboring Jurisdictions

During the period August 2006 through June 2007, Sales Tax receipts increased 3.6 percent in Arlington County and 3.3 percent in Falls Church. During this same period, Sales Tax receipts grew a scant 1.9 percent in Alexandria and 1.8 percent in Loudoun County. Conversely, over the last 12 months, Sales Tax receipts in Prince William County and Fairfax City posted declines of 0.1 percent and 1.4 percent, respectively. During the first 11 months of FY 2007, statewide Sales Tax receipts improved 4.1 percent over the same period a year ago.

National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary May 2007 retail sales for the U.S. expanded a healthy 5.0 percent over May 2006. Compared to last year, automobile dealer sales increased 6.8 percent while sales from electronic and appliance stores grew 4.7 percent. Conversely, building material and garden equipment dealer sales decreased 1.7 percent from last year.

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

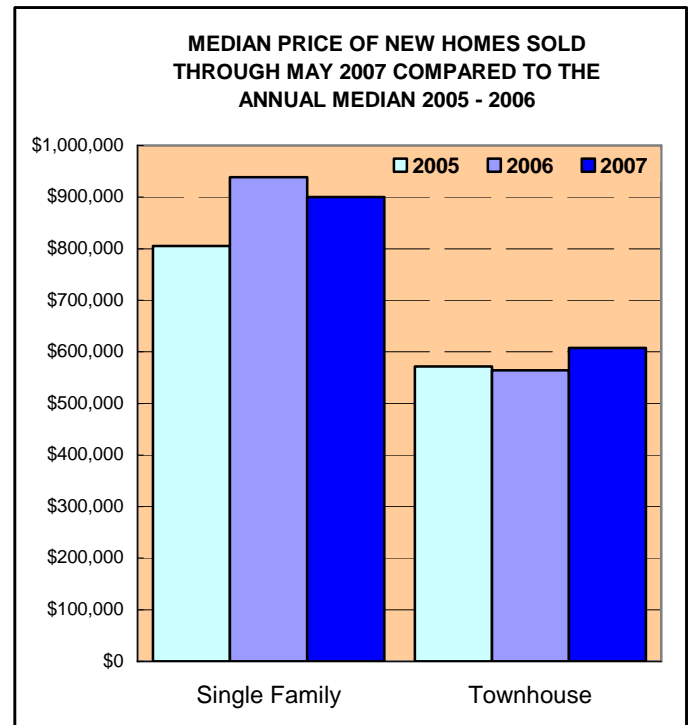
The median sales price of both existing (previously owned) single family homes and townhouses in Fairfax County fell during the first five months of 2007 compared to the 2006 median price. The median sales price of existing single family homes sold through May 2007 was \$600,000, a 4.0 percent decrease from the 2006 median price of \$625,000. The median sales price of existing townhouses sold during the first five months of 2007 dropped 1.9 percent from the 2006 median price of \$420,000 to \$412,000.

The 2007 median sales price of all condominiums sold through May, existing and new, declined 2.9 to \$300,000 from the 2006 median of \$309,000.

PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD DURING 2006 COMPARED TO SALES THROUGH MAY 2007

	Existing Sales	New Sales
Single Family	(4.0)	(4.1)
Townhouse	(1.9)	7.6
Condominium*	(2.9)	

*Condominium data include sales of existing and new units.



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

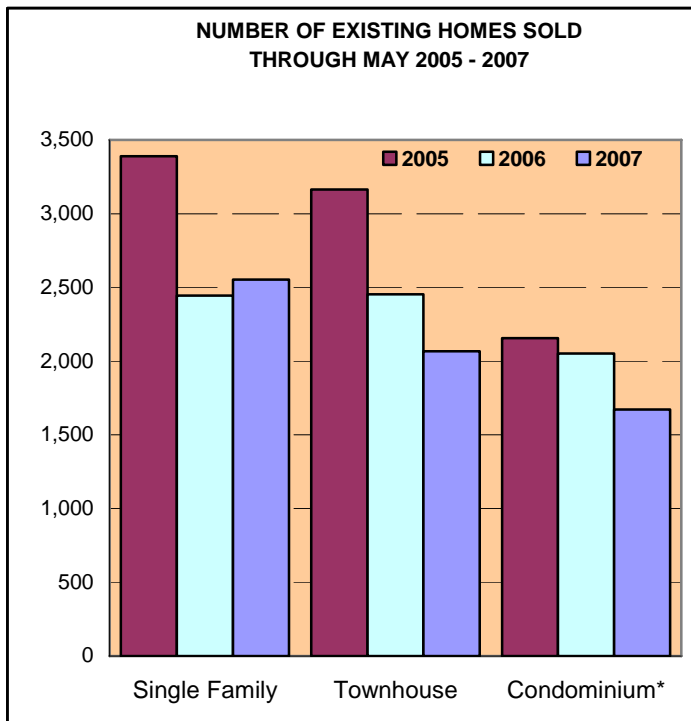
New Home Sales Prices

The median sales price of new single family homes sold from January through May 2007 fell 4.1 percent, from \$938,768 in 2006 to \$900,000. In contrast, the median sales price for new townhouses sold through the first five months of 2007 rose 7.6 percent to \$607,497 over the 2006 median of \$564,440. For data regarding all condominium sales prices, refer to the "Existing Home Sales Volume" section.

The increase in the median price of new townhouses 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 amplified as the number of new townhouses sold through May 2007 has decreased almost 74 percent from the same period last year. Changes in the sales price of existing homes is a better measure of the overall residential housing market.

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.fairfaxcounty.gov/dta/tax_assessment.htm



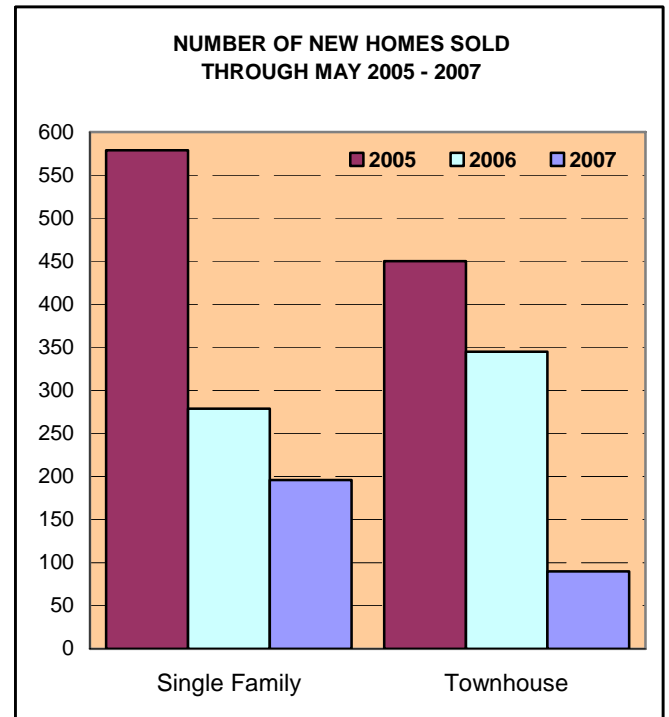
Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget. *Condominium data include sales of existing and new units.

Existing Home Sales Volume

The number of existing single family homes sold through May 2007 grew 4.5 percent to 2,552 over the 2,443 units sold during same period of 2006. Through the first five months of 2007, the number of sales of existing townhouses decreased to 2,067 units, representing a 15.7 percent decline from the 2,452 units sold during the corresponding period of 2006. In addition, the total number of existing and new condominiums sold from January through May 2007 fell 18.4 percent from the 2,051 sold during the same period of 2006 to 1,673.

New Home Sales Volume

Through May 2007, the sales volume of new single family homes sold in Fairfax County decreased 29.8 percent to 196 units from 279 for the previous year. The number of new townhouses sold fell a steep 73.9 percent from the 345 units reported for the first five months of 2006 to 90 units in 2007. For data regarding condominium sales volume, refer to the "Existing Home Sales Volume" section.



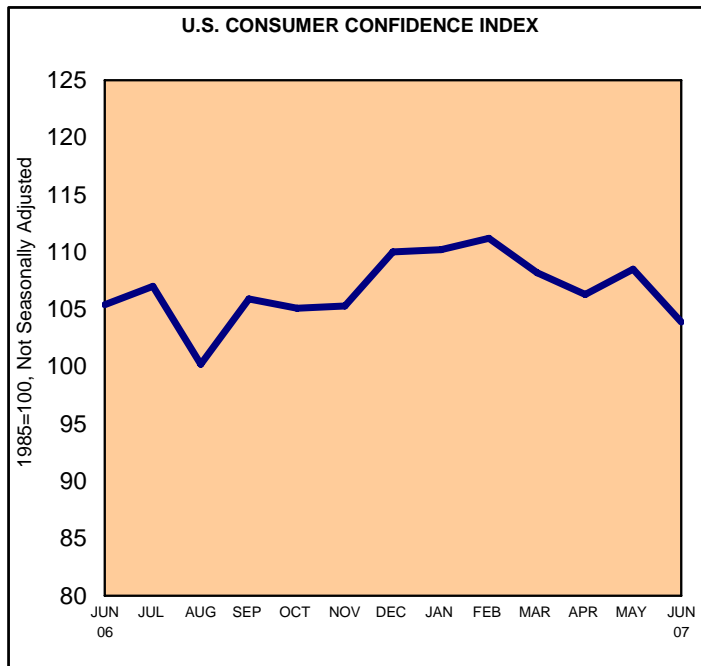
Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Consumer Confidence Index

The Conference Board reports that the Consumer Confidence Index fell in June 2007 after rebounding the previous month. The Index currently stands at 103.9, down from the 108.5 recorded in May. According to Lynn Franco, Director of the Conference Board's Consumer Research Center, "A perceived softening in present-day business and employment conditions are the major reasons behind this month's pull-back in confidence."

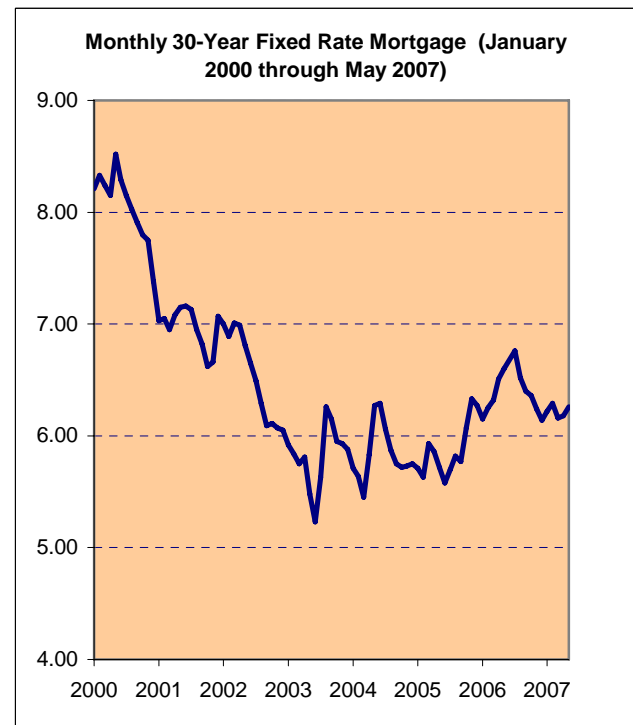
The Consumer Confidence Index is comprised of two separate indices: the Present Situation Index and the Expectations Index. Both indices fell in June 2007. The Present Situation Index decreased to 127.9 from the 136.1 recorded in May. Similarly, the Expectations Index decreased 2.2 points from its May 2007 level to 87.9 in June.

As Franco noted, "Looking ahead, consumers remain rather subdued about short-term economic prospects."



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

30-Year Fixed Rate Mortgages



Source: Freddie Mac. Compiled by the Fairfax County Department of Management and Budget

The interest rate on conventional 30-year fixed rate mortgages, as reported by Freddie Mac, increased to 6.26 percent in May 2007, a gain of 0.08 points over the April level of 6.18. The May 2007 interest rate represents the second consecutive month-to-month increase. During the first five months of 2007, the average monthly 30-year fixed mortgage rate was 6.22.

According to Freddie Mac, concerns about inflation combined with the strength of consumer and business spending are putting upward pressure on bond yields, which results in rising mortgage interest rates.

According to Chief Economist Frank Nothaft, "higher mortgage rates may weigh on the housing market's gradual recovery. While demand appears to have stabilized, inventories of new homes remain high, putting downward pressure on construction and home prices."

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, Revenue Coordinator and John Garneski, analyst.