



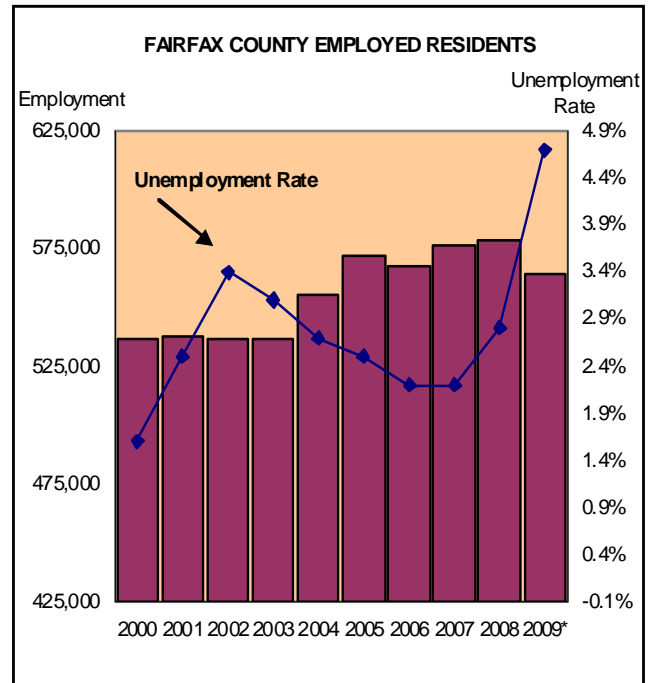
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

APRIL 2009

IN THIS ISSUE:

- The unemployment rate in Fairfax County was 4.7 percent in February, an increase of 2.0 percentage points from a year ago. (See page 1)
- April Sales Tax receipts for Fairfax County, which represent retail purchases made in February, were down 10.9 percent compared to April 2008. (See page 2)
- The Consumer Confidence Index, which had increased slightly in March, posted a significant improvement in April. (See page 2)
- The Economic Development Authority reported that the County's Office Vacancy rate rose to 12.1% at the end of 2008, up from 9.2% a year earlier. (See page 3)
- The median price of existing single family homes sold through March 2009 declined 13.7 percent compared to the median price in 2008, while that of existing townhomes dropped 14.7 percent. (See page 3).
- Through March, the volume of existing single family home sales rose 12.4 percent over the same period last year. The volume of existing townhome sales rose 20.2 percent. (See page 3)
- Homes that sold in March 2009 were on the market for an average of 92 days compared to 118 days for homes sold in March 2008. (See page 4)



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

Employment

In February, Fairfax County's unemployment rate was 4.7 percent, up from 4.2 in January, which is the highest for the County since at least 1990. During the last two downturns in 2001 and the mid-1990s, the unemployment rate never exceeded 4.0 percent. The current unemployment rate has risen by more than 2.0 percentage points in the past 12 months.

Virginia's seasonally unadjusted unemployment rate in February rose to 7.0 percent, compared to 6.4 percent in January. Northern Virginia still had the lowest metropolitan area jobless rate in Virginia with unemployment increasing from 4.7 percent in January to 5.2 percent in February.

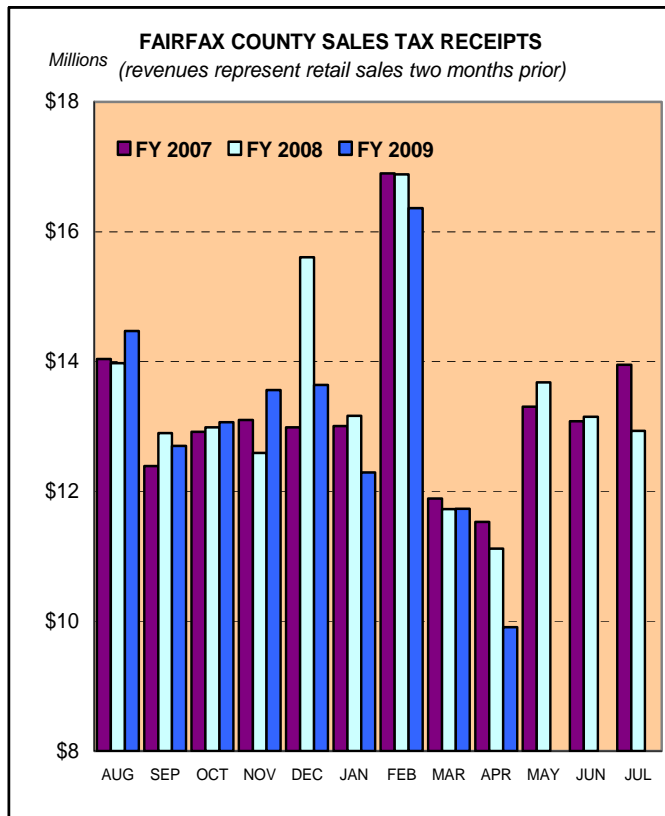
The U.S. unemployment rate in February rose to 8.1 percent from 7.6 percent in January. Nonfarm payroll employment in February fell by 651,000 over the month. Over the past 12 months, the number of unemployed persons nationwide has increased by 5 million, of which 2.6 million became unemployed in the last 4 months.



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

http://www.fairfaxcounty.gov/economic/economic_indicators.htm

Sales Tax Receipts



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

Sales Tax receipts distributed to Fairfax County in April, were \$9.9 million, down 10.9 percent from April 2008. This level of receipts is after adjustments for transfers between Fairfax County and other local jurisdictions to rectify incorrect filings by retailers over the past three years. A net increase of approximately \$2.2 million has been distributed to Fairfax County during FY 2009 as a result of these adjustments. The April distribution is the first month this fiscal year that the net adjustment was a net reduction. Without the adjustment, April receipts, representing retail purchases made in February, would have been \$10.2 million, a decrease of 8.0 percent from April 2008.

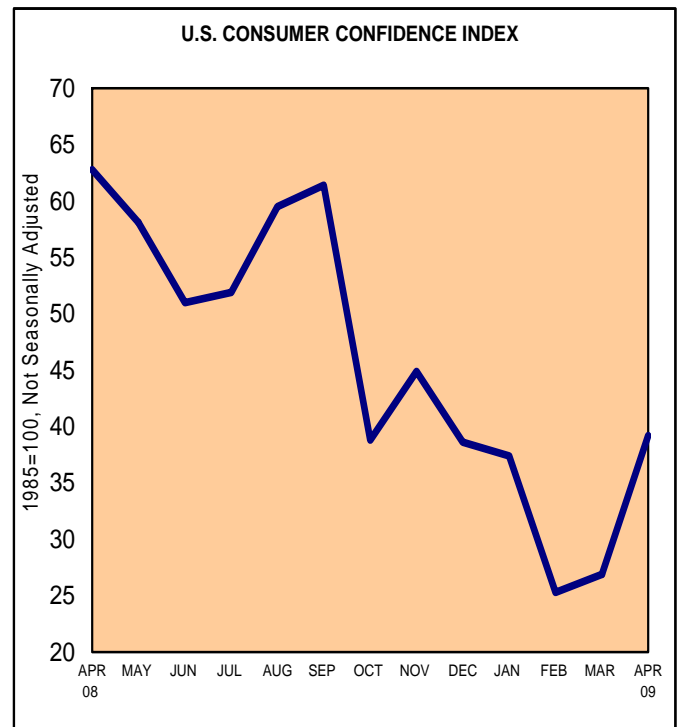
For the first eight months of FY 2009, actual Sales Tax distributions are down 2.7 percent from the same period last year. Absent the net increase of \$2.2 million from locality transfers, Sales Tax receipts would be down 4.8 percent from the same period of FY 2008.

National Economic Indicators

- Real gross domestic product (GDP) decreased at an annual rate of 6.1 percent in the first quarter of 2009, according to advance estimates released by the Bureau of Economic Analysis. In the fourth quarter of 2008, real GDP decreased 6.3 percent.

- Home prices in 20 U.S. cities, as measured by the S&P Case-Shiller Index, fell 18.6 percent in February from the same month last year, after declining 19.0 percent in January.
- Housing starts in March posted a significant decline, after rebounding in the previous month. Starts dropped 10.8 percent in March, following a 17.2 percent increase in February. Building permits declined 9.0 percent in March, after a rebound of 6.2 percent in February.

Consumer Confidence Index



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

The Consumer Confidence Index, which had increased slightly in March, posted a significant improvement in April. The Index now stands at 39.2 (1985=100), the highest level since November, and compares to 26.9 in March. The Present Situation Index increased moderately to 23.7 from 21.9 last month, suggesting that economic conditions have not deteriorated further. The Expectations Index increased considerably from 30.2 to 49.5. Lynn Franco, Director of the Conference Board's Consumer Research Center, said that "The sharp increase in the Expectations Index suggests that consumers believe the economy is nearing a bottom, however, this index still remains well below levels associated with strong economic growth."

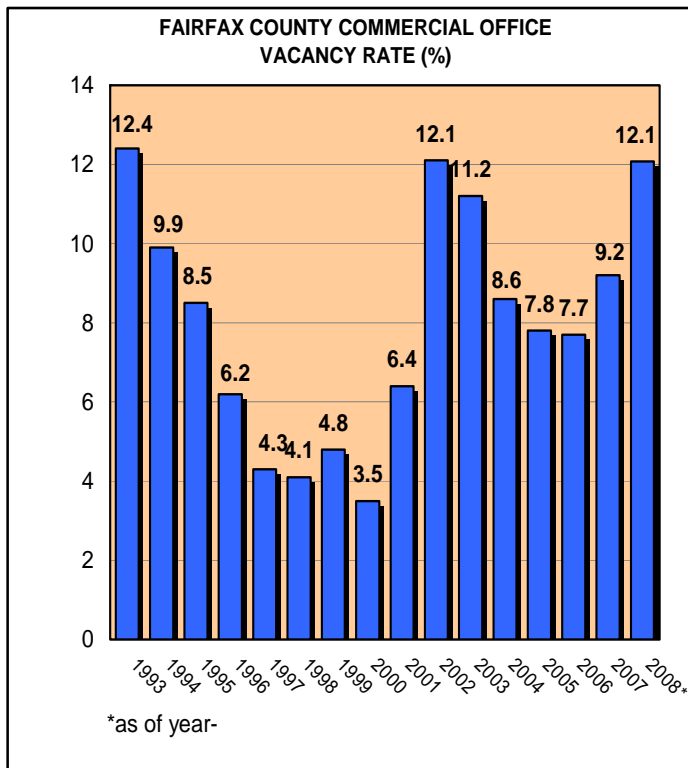
Consumer Price Index

The U.S. Consumer Price Index for All Urban consumers (CPI-U) decreased 0.1 percent in March after rising 0.4 percent in February. The index has decreased 0.4 percent over the last year, the first 12-month decline since August 1955. In March, the Washington Area CPI-U rose 0.4 percent over the same period last year.

Commercial Office Market

The Fairfax County Economic Development Authority (FCEDA) reports that 4.0 million square feet of net new office space were added in the County during the first half of 2008. The total office inventory now stands at 111.2 million square feet.

The direct office vacancy rate in the County was 12.1 percent as of year-end 2008, up from 9.2 percent at year-end 2007. The overall vacancy rate, including sublet space vacancies, was 14.5 percent, up from 10.9 percent at year-end 2007.

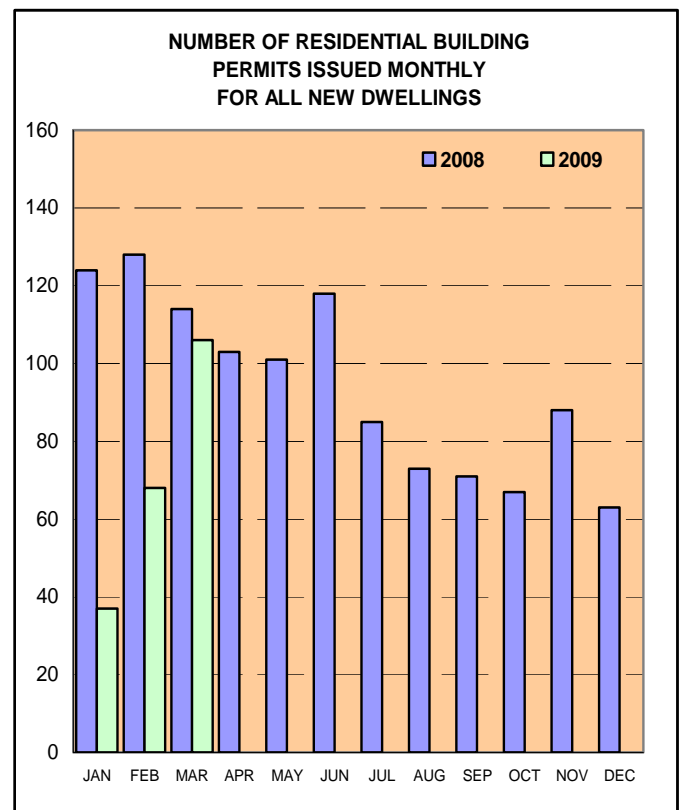


owner), partially offset by 244 additional properties added to the foreclosure list. On average through March, properties that have been re-sold were in active foreclosure status (i.e., deed in the name of the lender) for about 4 months.

Residential Building Permits

A total of 106 new single family residential building permits were issued in March 2009, compared to the 114 issued in the same month last year. New single family permits issued in the first quarter of 2009 total 211, a decrease of 42.3 percent from the 366 permits issued in the first three months of 2008.

In March 2009, 815 residential repair and alteration permits were issued, a slight increase of 5.4 percent over March 2008, when 773 permits were issued. Year-to-date, 1,671 residential repair and alteration permits have been issued, a decrease of 16.0 percent over the same period last year.



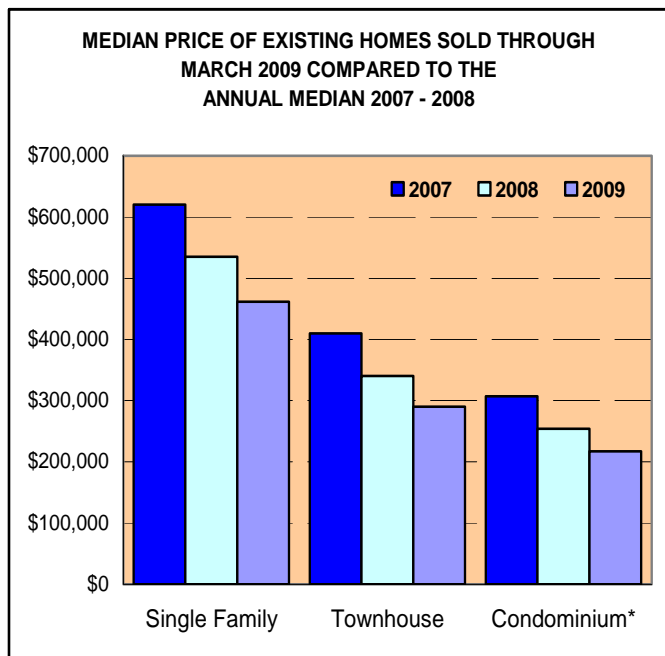
Source: Fairfax County Department of Public Works and Environmental Services. Compiled by the Department of Management and Budget.

Foreclosures in Fairfax County

Based on data from the Department of Tax Administration, the number of county-wide net remaining foreclosures in Fairfax County through March has dropped once again to a net total of 1,566. In February, a total of 1,723 properties were still owned by lending institutions. Though still elevated well beyond prior years, this marks the sixth consecutive monthly decline. The net change in March is comprised of 401 properties coming out of foreclosure (i.e., re-sold by the lender to a new

HOUSING MARKET

Existing Home Sales Prices



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.

In March, the median sales price of existing (previously owned) single family homes was \$461,500, a 13.7 percent decline from the 2008 median sales price of \$535,000. The median sales price for existing townhouses sold through March fell 14.7 percent to \$290,000 from the 2008 median of \$340,000.

The median sales price of all condominiums, existing and new, that sold through March fell 14.6 percent to \$216,950 from the 2008 median of \$254,000.

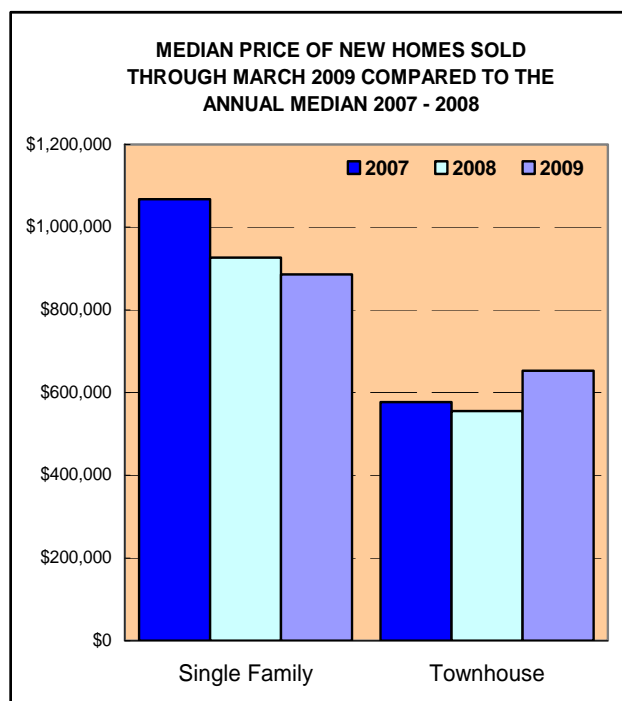
PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD THROUGH MARCH 2009 COMPARED TO SALES IN 2008

	Existing Sales	New Sales
Single Family	(13.7)	(4.4)
Townhouse	(14.7)	17.6
Condominium*	(14.6)	

*Condominium data include sales of existing and new units.

New Home Sales Prices

The median sales price of new single-family homes that sold through March decreased 4.4 percent to \$885,400 from the 2008 median of \$926,498. The median sales price for new townhouses during March increased to \$653,000, a 17.6 percent increase compared to the 2008 median of \$555,288. For data regarding all condominium sales prices, refer to the "Existing Home Sales Volume" section.

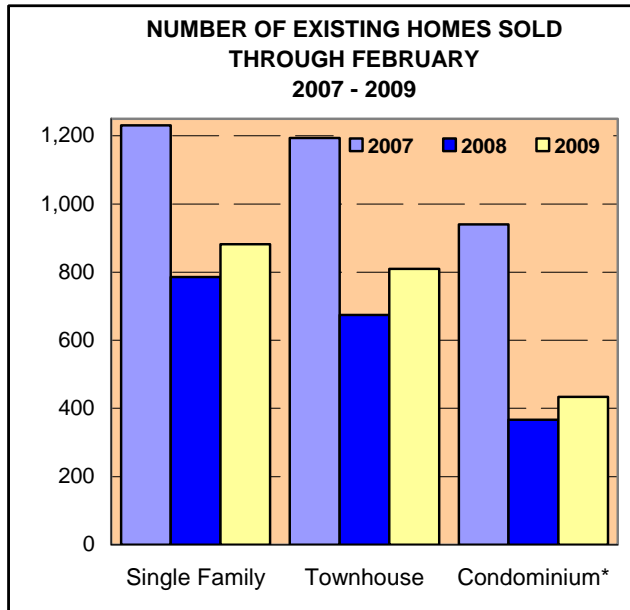


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Median selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. To read more about Fairfax County tax assessments, please visit:

www.fairfaxcounty.gov/dta/tax_assessment.htm

Existing Home Sales Volume



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.

Through March, the volume of existing single family home sales rose 12.4 percent to 882 from the 785 homes sold through the same month last year. Compared to March 2008, the number of townhouses sold in the first three months of 2009 increased from 674 to 810, or 20.2 percent. In addition, the total number of existing and new condominiums sold through March increased to 434 from the 367 units sold through March 2008, an 18.3 percent increase.

New Home Sales Volume

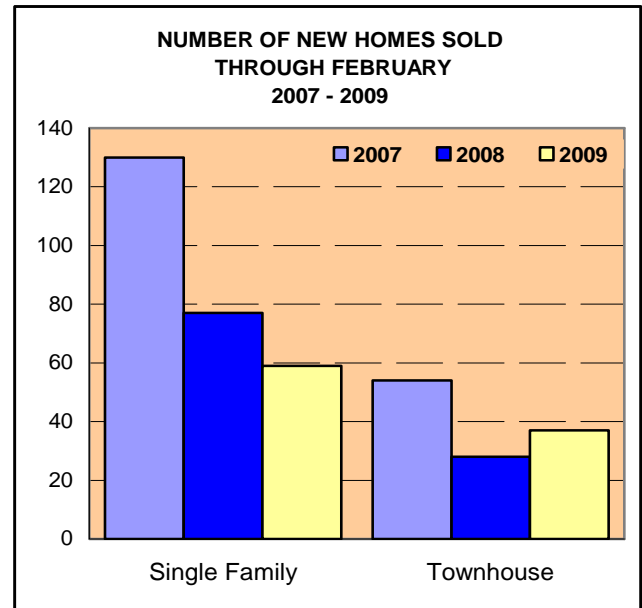
Through March 2009, 59 new single family homes sold, a decline of 23.4 percent from the 77 units sold during the same month last year. Through March, the volume of new townhome sales rose 32.1 percent to 37 from the 28 homes sold in Fairfax County in the same period last year.

For data regarding all condominium sales volume, refer to the "Existing Home Sales Volume" section.

Inquiries regarding this publication should be directed to:

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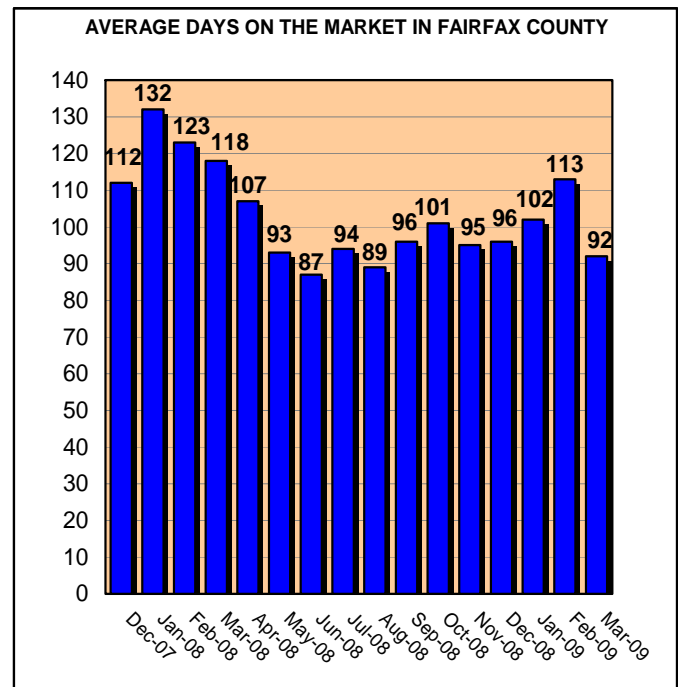
Staff: Susan Datta, Director; Marcia Wilds, Revenue and Economic Analysis Coordinator, Alben Assenova, Budget Analyst.



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

Average Days on the Market in Fairfax County

In March, the homes that sold in Fairfax County stayed on the market for an average of 92 days, a decrease of 26 days compared to the 118-day average in March 2008. This marks the fifth consecutive month that this indicator has improved after 41 consecutive months in which it took longer to sell a home compared to the corresponding month the prior year.



Source: Metropolitan Regional Information Systems, Inc.