



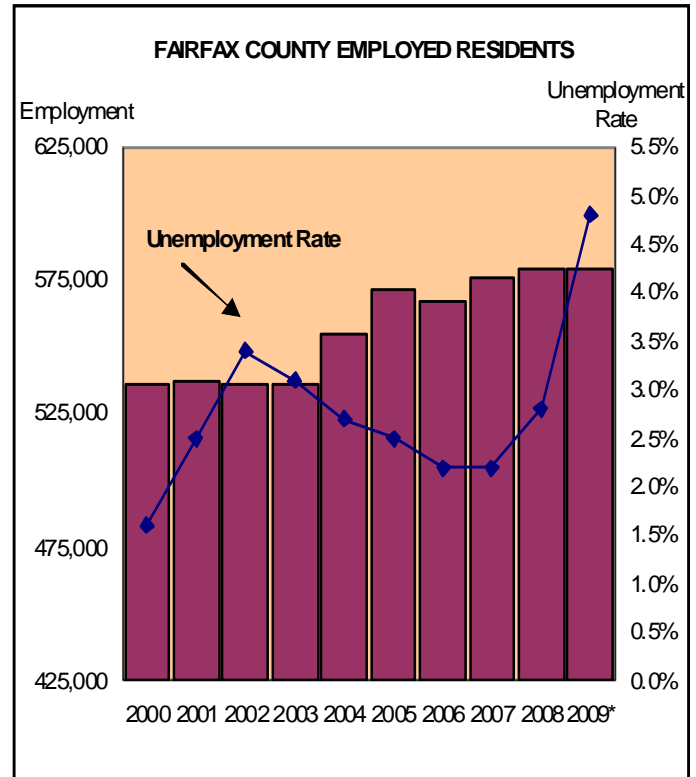
# ECONOMIC INDICATORS®

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

AUGUST 2009

## IN THIS ISSUE:

- The unemployment rate in Fairfax County fell from 5.2 percent in June to 4.8 percent in July.  
(See page 1)
- August Sales Tax receipts for Fairfax County, which represent retail purchases made in June, were down 10.0 percent compared to August 2008.  
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- The Consumer Confidence Index, which had retreated in June, rebounded in July.  
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- The number of properties still owned by lending institutions in Fairfax County at the end of July fell below 1,000 for the first time in 16 months.  
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- The median price of existing single family homes sold through July 2009 declined 3.7 percent compared to the median price in 2008; existing townhomes' median price dropped 2.9 percent.  
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- Through July, the volume of existing single family home sales increased 4.9 percent compared to the same period last year. The volume of existing townhome sales fell 5.5 percent.  
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- Homes that sold in July 2009 were on the market for an average of 61 days compared to 94 days for homes sold in July 2008.  
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- In July, there was a 3.8 month supply of homes for sale in the County, down from the 5.7 month supply a year ago.  
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Source: Virginia Employment Commission. Compiled by the Fairfax County Department of Management and Budget.

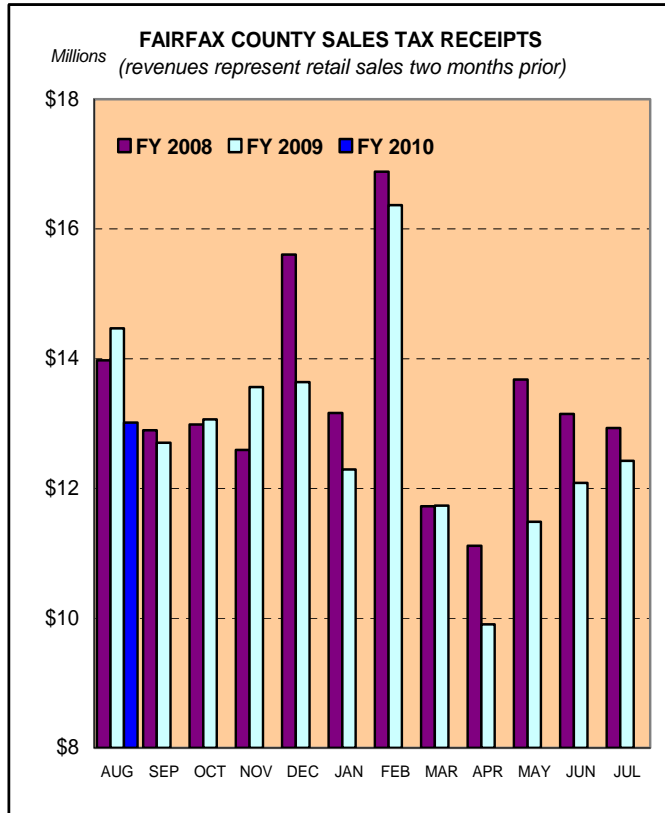
## Employment

Unemployment across Fairfax County fell from 5.2 percent in June to 4.8 percent in July. Compared to a year ago, the County's current unemployment rate has risen by 1.8 percentage points.

Virginia's seasonally unadjusted unemployment rate was 6.9 percent in July, down from 7.3 percent in June. Northern Virginia had the state's lowest metropolitan area jobless rate, with unemployment falling from 5.5 percent in June to 5.0 percent in July.

The U.S. unemployment rate decreased slightly from 9.5 percent in June to 9.4 percent in July. Nonfarm payroll employment in July fell by 247,000 over the month. According to the Bureau of Labor Statistics, since the recession started in December 2007, 6.7 million jobs have been lost.

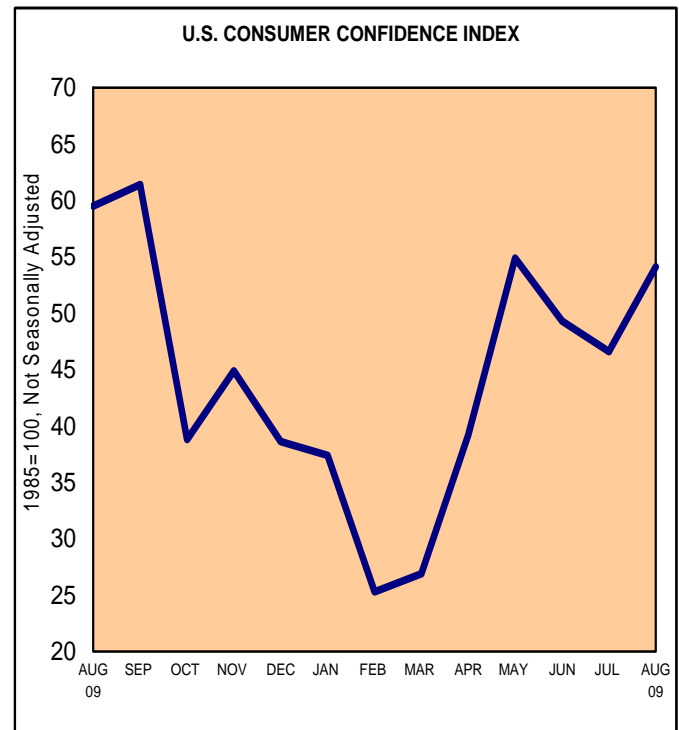
## Sales Tax Receipts



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

Sales Tax receipts distributed to Fairfax County in August, which represent retail purchases made in June, were \$13.0 million, down 10.0 percent from August 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. Without the adjustment, August receipts would have decreased 7.8 percent from August 2008. August receipts represent the first month of the County's 2010 fiscal year.

## Consumer Confidence Index



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

The Consumer Confidence Index climbed in August after retreating in July. The Index stands at 54.1 (1985=100), up from 47.4 in July. The Present Situation Index increased modestly to 24.9 from 23.3 last month, while the Expectations Index rebounded from 63.4 in July to 73.5 in August. Lynn Franco, Director of the Conference Board's Consumer Research Center, said that "Consumers were more upbeat in their short-term outlook for both the economy and the job market in August, but only slightly more upbeat in their income expectations," which is likely to weigh down on consumer spending in the months to come.

## National Economic Indicators

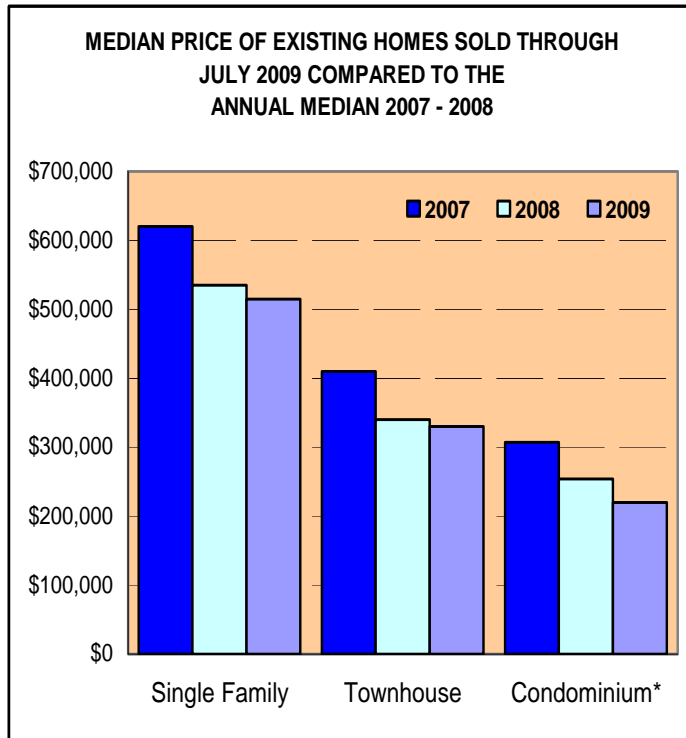
- The S&P/Case-Shiller home price index, showed improvement for the first time in three years. In the second quarter of 2009, the Index rose 2.9 percent compared to the first quarter. However, compared to a year ago, the index is down 14.9 percent. David M. Blitzer, Chairman of the Index Committee at S&P, said that the uptick over the first quarter suggests "...there are hints of an upward turn from a bottom."
- Real gross domestic product (GDP) decreased at an annual rate of 1.0 percent in the second quarter of 2009, according to the revised estimate released by the Bureau of Economic Analysis. In the first quarter, real GDP decreased 6.4 percent.

## HOUSING MARKET

### Foreclosures in Fairfax County

Based on data from the Department of Tax Administration, the number of county-wide net remaining foreclosures in Fairfax County continued to decline in July. A total of 921 properties were still owned by lending institutions at the end of July, marking the first time in 16 months that this number has dropped below 1,000. Though still elevated well beyond prior years, this marks the tenth consecutive monthly decline since September 2008. On average through July, properties that have been re-sold were in active foreclosure status (i.e., deed in the name of the lender) for about 4.6 months.

## 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.

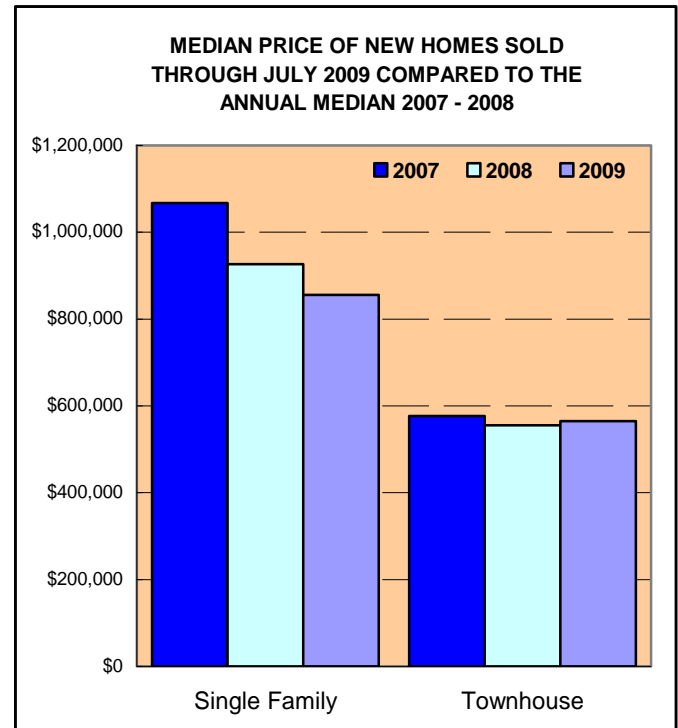
In July, the median sales price of existing (previously owned) single family homes was \$515,000, a 3.7 percent decline from the 2008 median sales price of \$535,000. The median sales price for existing townhouses sold through July fell 2.9 percent to \$330,000 from the 2008 median of \$340,000.

The median sales price of all condominiums, existing and new, that sold through July fell 13.4 percent to \$220,000 from the 2008 median of \$254,000.

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](http://www.fairfaxcounty.gov/dta/tax_assessment.htm)

## New Home Sales Prices

The median sales price of new single-family homes that sold through July decreased 7.7 percent to \$855,299 from the 2008 median of \$926,498. The median sales price for new townhouses during July increased to \$565,138, a 1.8 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.

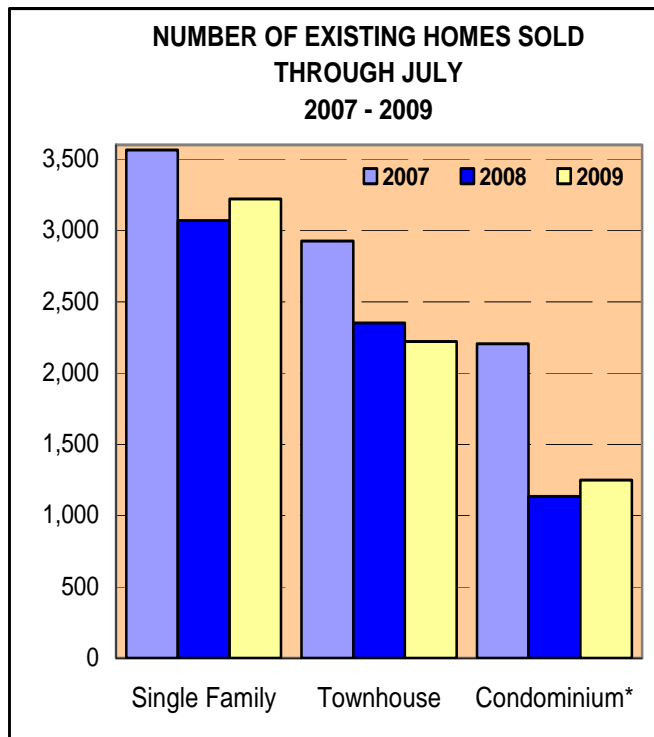
### PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD THROUGH JULY 2009 COMPARED TO SALES IN 2008

	Existing Sales	New Sales
Single Family	(3.7)	(7.7)
Townhouse	(2.9)	1.8
Condominium*	(13.4)	

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

## Existing Home Sales Volume

Sales of existing single family homes through July were 3,219, an increase of 4.9 percent compared to the 3,070 homes sold during the same period of 2008. Compared to July 2008, the number of townhouses sold in the first seven months of 2009 decreased from 2,350 to 2,221, or 5.5 percent. In addition, the total number of existing and new condominiums sold through July increased to 1,250 from the 1,134 units sold through July 2008, a 10.2 percent increase.

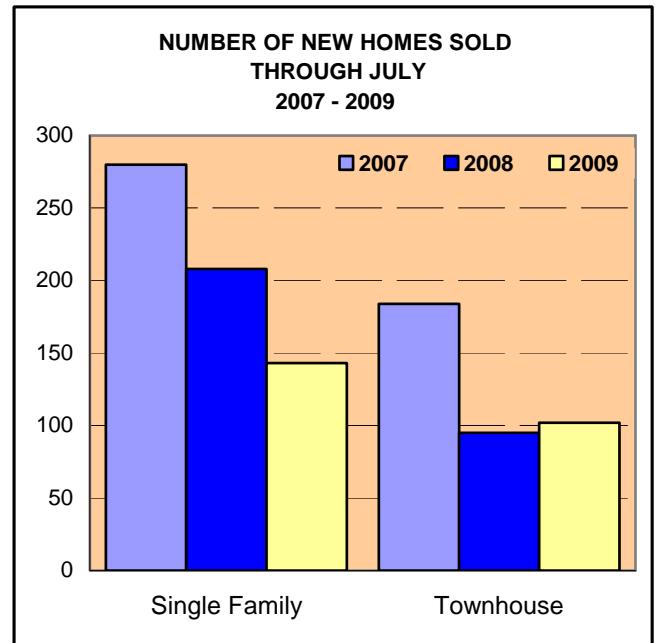


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget. \*Condominium data include sales of existing and new units.

## New Home Sales Volume

During the first seven months of 2009, the number of new single family homes sold fell to 143, a decline of 31.3 percent compared to the 208 homes that sold in the same period a year ago. From January to July, the volume of new townhome sales increased 7.4 percent to 102 from the 95 homes sold in Fairfax County in the same period last year.

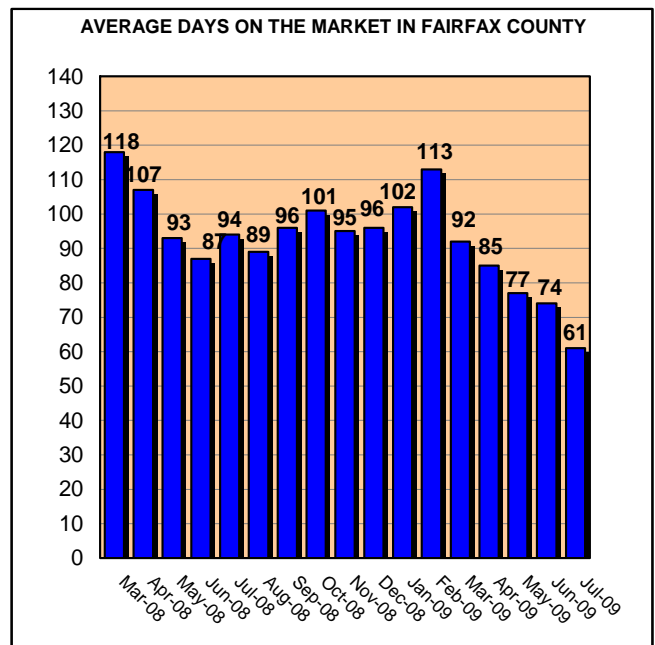
For data regarding all condominium sales volume, refer to the "Existing Home Sales Volume" section.



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

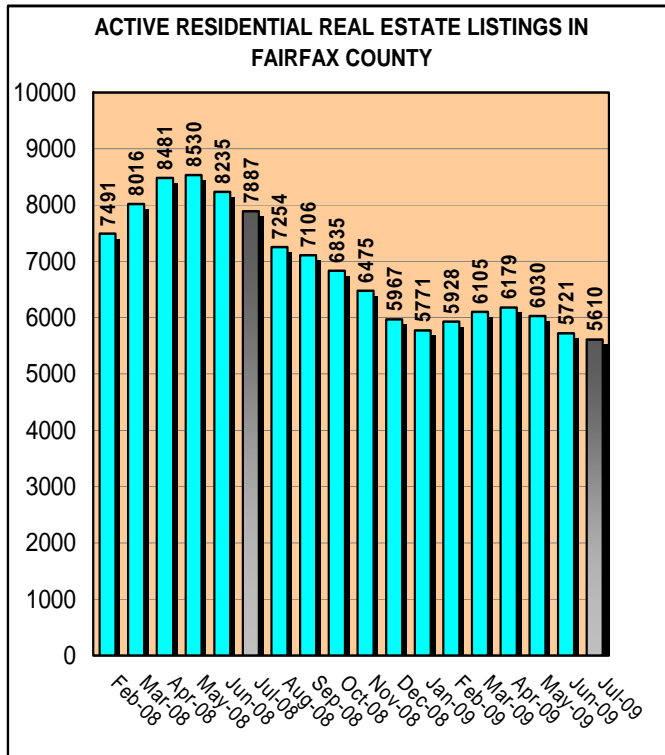
In July, the homes that sold in Fairfax County stayed on the market for an average of 61 days, a decrease of 33 days compared to the 94-day average in July 2008. This indicator has improved significantly in the last few months after 41 consecutive months in which it took longer to sell a home compared to the corresponding month the prior year.



Source: Metropolitan Regional Information Systems, Inc.

## Inventory of Homes for Sale in Fairfax County

In July 2009, the number of active listings in the County was 5,610, a drop of 28.9 percent over the 7,887 listed in July 2008. Based on the July 2009 listings and the current sales rate, there is a 3.8 month supply of homes for sale in the County, down from the 5.7 month supply a year ago.



Source: Metropolitan Regional Information Systems, Inc.

## Negative Equity Report

According to newly released data from First American CoreLogic, 34.2 percent of all properties with a mortgage in the Washington Metropolitan area are in negative equity. Including those that are near negative equity, the figure is 38.9 percent. Negative equity, also referred to as "underwater", is a situation in which the borrower owes more on their mortgage than the home is worth. Near negative equity is defined as mortgages within 5.0 percent of being "underwater". Mark Fleming, chief economist for First American CoreLogic said that "until negative equity recedes and unemployment declines, mortgage risk will continue to be very elevated."

## Mortgage Delinquency Survey

Based on data released by the Mortgage Bankers Association (MBA), the delinquency rate of mortgage loans increased to a seasonally adjusted rate of 9.2 percent of all loans outstanding as of the end of the second quarter of 2009, which is the highest rate since the MBA began the survey in 1972. The definition of delinquent loan is at least one payment past due but not in foreclosure.

According to the latest available data from the Federal Reserve Bank of New York, the percentage of mortgage loans delinquent for 90+ days in Fairfax County at the end of the first quarter of 2009 was 2.79 percent, up from 2.29 percent in the last quarter of 2008, and more than a percentage point higher than a year ago.

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

[http://www.fairfaxcounty.gov/economic/economic\\_indicators.htm](http://www.fairfaxcounty.gov/economic/economic_indicators.htm)