IN THIS ISSUE:

- The June 2008 unemployment rate rose for the second consecutive month and at 3.1 percent is the highest in four years. (See page 1)

- Sales Tax receipts for Fairfax County during FY 2008 were up a modest 1.0 percent compared to FY 2007. In August 2008, the first month of FY 2009, Sales Tax receipts rose 3.5 percent over August 2007 receipts. (See page 2)

- After falling for six consecutive months, the Consumer Confidence Index rose slightly in July. (See page 2)

- The Washington Metropolitan Area Consumer Price Index rose 5.7 percent in July. (See page 2)

- The price of existing single family homes sold during the first half of 2008 was $560,000, down 9.7 percent compared to the median value during all of 2007. (See pages 3)

- The price of existing townhomes sold during the first six months of 2008 fell 5.6 percent from the median value of existing townhomes that sold during all of 2007. (See pages 3)

FAIRFAX COUNTY EMPLOYED RESIDENTS

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

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

Employment

Fairfax County’s unemployment rate worsened during the last two months. In May, the unemployment rate was 2.7 percent, up from 2.4 percent in April. In June, the rate rose to 3.1 percent, the highest monthly rate since June 2004 when the rate was also 3.1 percent. A year ago, the County’s unemployment rate was 2.3 percent.

The unemployment rate statewide of 4.2 percent in June was also the highest in over four years. The Virginia Employment Commission attributed this boost in the unemployment rate to students seeking summer work and new graduates entering the labor market.

On the national level, the unemployment rate in July was 5.7 percent, up 0.2 percentage points over June and a full percentage point over July 2007.
Sales Tax Receipts

FAIRFAX COUNTY SALES TAX RECEIPTS
(revenues represent retail sales two months prior)

<table>
<thead>
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<th>Millions</th>
<th>FY 2007</th>
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Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

Fairfax County Sales Tax Receipts

July 2008 Sales Tax receipts in Fairfax County, representing retail purchases made in May were $12.9 million, down 7.3 percent from July 2007. July represents the last monthly collection of the County’s FY 2008 Sales Tax. In FY 2008, Sales Tax receipts were $160.9 million, a modest 1.0 percent increase over FY 2007 receipts of $159.2 million.

Growth in Sales Tax receipts in other jurisdictions for the period corresponding to Fairfax County’s fiscal year 2008 is shown in the following chart.

August 2008 Sales Tax receipts for Fairfax County, representing retail purchases made in June, rose 3.5 percent over the August 2007 level to $14.5 million. August represents the first month of fiscal year 2009 for the County.

Tax Rebates

The U.S. Treasury distributed approximately $70 billion in tax rebates nationwide during May and June. Survey information reported by the National Retail Federation indicates that about 40 percent of the tax rebates would be spent; however, over half would be spent on gas or necessities such as groceries rather than general merchandise.

Consumer Confidence Index

The Consumer Confidence Index, which had fallen for sixth consecutive months through June, rose slightly in July. The Index now stands at 51.9 (1985=100), up from 51.0 in June. The Consumer Confidence Index is composed of two separate indices: the Present Situation Index which was virtually unchanged in July and the Expectations Index which increased moderately. According to Lynn Franco, Director of the Conference Board’s Consumer Research Center, “Looking ahead, while consumers remain extremely grim about short-term prospects, the modest improvement in expectations, often a harbinger of economic times to come, bears careful watching over the next few months.”

Consumer Price Index

The U.S. Consumer Price Index for All Urban consumers (CPI-U) in July 2008 was 5.6 percent higher than July 2007. The Washington Area CPI-U rose 5.7 percent in July 2008.
Housing Market

Existing Home Sales Prices

During the first half of calendar year 2008, the median sales price of existing (previously owned) single family homes was $560,000, a 9.7 percent decline from the 2007 median sales price of $620,000. The median sales price for existing townhouses sold during the first half of 2008 fell 5.1 percent to $389,000 from the 2007 median of $410,000.

The median sales price of all condominiums sold, existing and new, through June 2008 decreased 10.4 percent to $275,000 from the 2007 median of $307,000.

New Home Sales Prices

The median sales price of new single-family homes that sold during the first half of 2008 fell to $970,489, from the 2007 median of $1,067,000, a loss of 9.0 percent. The median sales price for new townhouses has experienced a more modest decline. Through June 2008, the median sales price for townhouses was $567,500, a decline of 1.7 percent compared to the 2007 median of $577,044. For data regarding all condominium sales prices, refer to the “Existing Home Sales Volume” section.
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. 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

New Home Sales Volume

During the first half of 2008, the number of new single family homes sold fell to 172, a decline of 27.7 percent compared to the 238 homes that sold in the first six months of 2007. The sales volume of new townhouses has recorded a steep decline of 72.1 percent during this period with only 41 new townhomes sold during the first six month of 2008 compared to 147 units sold during the same period last year.

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

Existing Home Sales Volume

Sales of existing single family homes during the first half of 2008 were 2,224, a loss of 24.0 percent compared to the 2,928 homes sold during the same period of 2007. Through the first six months of 2008, the number of sales of existing townhouses decreased 49.8 percent to 1,271 from the 2,530 homes sold during the first half of 2007. In addition, the total number of existing and new condominiums sold from January through June declined 56.1 percent to 838 from the 1,911 sold during the same period of 2007.

Inquiries regarding this publication 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 and Economic Analysis Coordinator.