IN THIS ISSUE:

- The unemployment rate in Fairfax County was 5.2 percent in June, up from 4.9 percent in May.  
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- July Sales Tax receipts for Fairfax County, which represent retail purchases made in May, were down 3.9 percent compared to July 2008.  
  (See page 2)

- Federal procurement spending in fiscal year 2008 in Fairfax County increased 24.2 percent.  
  (See page 3)

- The seasonally adjusted number of pending home sales in Fairfax County at the end of June was at its highest monthly level in over three years.  
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- The median price of existing single family homes sold through June 2009 declined 5.6 percent compared to the median price in 2008; existing townhomes’ median price dropped 4.4 percent.  
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- Through June, the volume of existing single family home sales increased 2.4 percent compared to the same period last year. The volume of existing townhome sales fell 4.7 percent.  
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- Homes that sold in June 2009 were on the market for an average of 74 days compared to 87 days for homes sold in June 2008.  
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- In June, there was a 3.5 month supply of homes for sale in the County, down from the 5.7 month supply a year ago.  
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FAIRFAX COUNTY EMPLOYED RESIDENTS

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

Employment

Unemployment across Fairfax County increased from 4.9 percent in May to 5.2 percent in June. This is the first time since at least 1990 that the unemployment rate has risen above 5.0 percent. Compared to a year ago, the current unemployment rate has risen by 2.3 percentage points.

Virginia’s seasonally unadjusted unemployment rate, while still below the national average, was 7.3 percent in June, up from 7.0 in May. Northern Virginia continued to claim the state’s lowest metropolitan area jobless rate, with unemployment going up from 5.3 percent in May to 5.5 percent in June.

The U.S. unemployment rate increased slightly from 9.4 percent in May to 9.5 percent in June. Nonfarm payroll employment in June fell by 467,000 over the month. According to the Bureau of Labor Statistics, since the recession started in December 2007, 7.2 million jobs have been lost.
Sales Tax Receipts

Sales Tax receipts distributed to Fairfax County in July, which represent retail purchases made in May, were $12.4 million, down 3.9 percent from July 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 July distribution to the County was a slight net reduction. Without the adjustment, July receipts would have decreased 3.6 percent from July 2008.

July represents the last monthly collection of the County’s FY 2009 Sales Tax. In FY 2009, actual Sales Tax receipts were $153.7 million, down 4.3 percent from FY 2008 receipts of $160.7 million. Absent the net increase of $2.2 million from locality transfers, Sales Tax receipts would have been down 5.7 percent in FY 2009 compared to FY 2008.

National Economic Indicators

- The U.S. Consumer Price Index for All Urban consumers (CPI-U) increased 0.7 percent in June after rebounding 0.5 percent in May. However, after discounting for gasoline and motor vehicles sales, retail sales were sluggish and declined 0.2 percent in June. On a monthly over-the-year basis, retail sales in June were down 9.0 percent, improving from down 9.8 percent in May.

- Housing starts in June continued the gain from a month ago, increasing 3.6 percent after surging 17.3 percent in May, which is an indication that the bottom in housing may have passed. Building permits also posted a gain, increasing 8.7 percent in June, after rising 4.0 percent the month before. However, the June pace for permits on an annualized basis is down 52.0 percent from a year ago.

The Consumer Confidence Index retreated further in July. The Index stands at 46.6 (1985=100), down from 49.3 in June. The Present Situation Index decreased to 23.4 from 25.0 last month, while the Expectations Index declined from 65.5 in June to 62.0 in July. Lynn Franco, Director of the Conference Board’s Consumer Research Center, said that “...more consumers are pessimistic about their income expectations, which does not bode well for spending in the months ahead.”
According to data released in July by the U.S. Census Bureau, federal procurement spending in Fairfax County in fiscal year 2008 was $17.0 billion, up $3.3 billion, or 24.2 percent, over fiscal year 2007. The procurement outlays by the Department of Defense, which account for 70.6 percent of the total, increased 19.2 percent from the previous fiscal year, while non-defense procurement contract awards surged 38.3 percent. This level of federal procurement spending equates to $16,691 per capita for the County compared to $1,619 per capita for the nation, and is a significant factor in the County economy’s resilience during the economic downturn.

### HOUSING MARKET

#### Residential Building Permits

A total of 57 new single family residential building permits were issued by Fairfax County in June 2009, compared to the 118 issued in the same month last year. New single family permits issued in the first six months of 2009 total 442, a decrease of 35.8 percent from the 688 permits issued in the first half of 2008.

In June 2009, 848 residential repair and alteration permits were issued, a slight decrease of less than one percent over June 2008, when 854 permits were issued. Year-to-date, 7,891 residential repair and alteration permits have been issued, a decrease of 16.2 percent over the same period last year.

### Pending Home Sales

The smoothed seasonally adjusted number of pending home sales in Fairfax County at the end of June was at its highest monthly level in over three years. There were 1604 properties that were marked as pending, up 21.5 percent from a year ago, when there were 1320 pending home sales.
**Existing Home Sales Prices**

In June, the median sales price of existing (previously owned) single family homes was $505,000, a 5.6 percent decline from the 2008 median sales price of $535,000. The median sales price for existing townhouses sold through June fell 4.4 percent to $324,990 from the 2008 median of $340,000.

The median sales price of all condominiums, existing and new, that sold through June fell 11.4 percent to $225,000 from the 2008 median of $254,000.

**New Home Sales Prices**

The median sales price of new single-family homes that sold through June decreased 4.6 percent to $883,696 from the 2008 median of $926,498. The median sales price for new townhouses during June decreased to $534,000, a 3.8 percent decline compared to the 2008 median of $555,288. 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. 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)
Existing Home Sales Volume

Sales of existing single family homes during the first half of 2009 were 2,459, an increase of 2.4 percent compared to the 2,401 homes sold during the same period of 2008. Compared to June 2008, the number of townhouses sold in the first six months of 2009 decreased from 1,884 to 1,795, or 4.7 percent. In addition, the total number of existing and new condominiums sold through June increased to 1,007 from the 906 units sold through June 2008, an 11.2 percent increase.

New Home Sales Volume

During the first half of 2009, the number of new single family homes sold fell to 123, a decline of 29.7 percent compared to the 175 homes that sold in the first six months of 2008. Year-to-date through June, the volume of new townhome sales declined 12.3 percent to 71 from the 81 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.

Average Days on the Market in Fairfax County

In June, the homes that sold in Fairfax County stayed on the market for an average of 74 days, a decrease of 13 days compared to the 87-day average in June 2008. This marks the eight 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.
Inventory of Homes for Sale in Fairfax County

In June 2009, the number of active listings in the County was 5,721, a drop of 30.5 percent over the 8,235 listed in June 2008. Based on the June 2009 listings and the current sales rate, there is a 3.5 month supply of homes for sale in the County, a significant improvement over the 5.7 month supply from a year ago.

### ACTIVE RESIDENTIAL REAL ESTATE LISTINGS IN FAIRFAX COUNTY

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Source: Metropolitan Regional Information Systems, Inc.

### 30-Year Fixed-Rate Mortgage

Borrowing costs which went up in June and threatened to stall the Fed’s efforts to revive the housing market, declined slightly in July. The interest rate on conventional 30-year fixed rate mortgages, as reported by Freddie Mac, was 5.2 percent, down from 5.4 percent in June, but still higher than the levels in March through May, when rates were below 5.0 percent.

### GO GREEN!

To receive this publication electronically each month, send your e-mail address to: lynda.pham@fairfaxcounty.gov or call 703-324-2391

The Fairfax County Economic Indicators is on the Web and can be accessed at: http://www.fairfaxcounty.gov/economic/economic_indicators.htm

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