



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

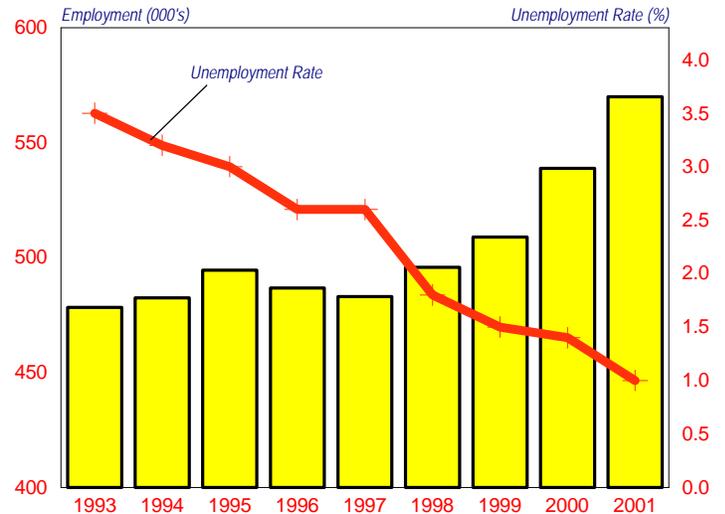
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FEBRUARY 2001

FEBRUARY HIGHLIGHTS

- ❑ The January unemployment rate in Fairfax County remained unchanged at 1.0 percent.
- ❑ New dwelling permits began the year mixed and residential repair and alteration permits are down sharply in January.
- ❑ Home sales data in January show that sales volume was down across all housing categories and that median sales prices were mixed for existing homes but showed moderate to strong growth for new homes.
- ❑ Consumer Confidence fell in February for the fifth consecutive month as consumers continue to be wary of business and employment conditions.
- ❑ In February, the Fairfax County Coincident Index rose while the Leading Index declined. The Leading Index suggests a slowdown is on the horizon, but the Coincident Index's strength demonstrates the economy's continuing ability to generate new jobs and support consumer spending.
- ❑ The Metropolitan Washington Coincident Index and Leading Index both declined in February. For the first time since 1991, the Coincident Index value for December fell below its historical trend line. The Leading Index has also been trending lower, suggesting slower growth well into 2001.

RESIDENTIAL EMPLOYMENT - JANUARY



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

According to the Virginia Employment Commission (VEC), the January unemployment rate in Fairfax County held steady at 1.0 percent for the third month in a row. That rate is 0.4 points lower than the January 2000 rate of 1.4 percent.

Statewide, the January unemployment rate increased 0.3 points to 2.2 percent from 1.9 percent in December. This month's unemployment rate is the lowest figure for any January since the State began keeping records in 1950. The minimal increase was due to the release of extra workers hired for the holidays, the usual wintertime reduction in outside work, and some workers not yet having returned from their year-end furloughs. The January 2000 Virginia rate was 2.6 percent and the January 2001 nationwide rate was 4.7 percent.



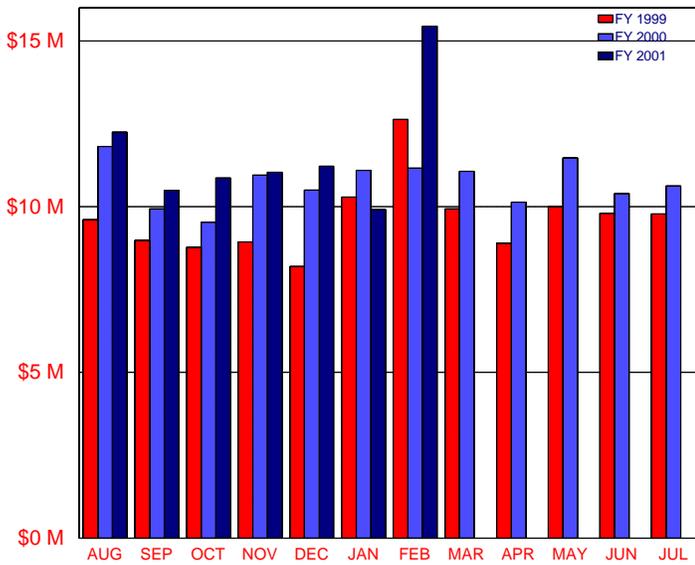
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.co.fairfax.va.us/comm/economic/economic.htm>



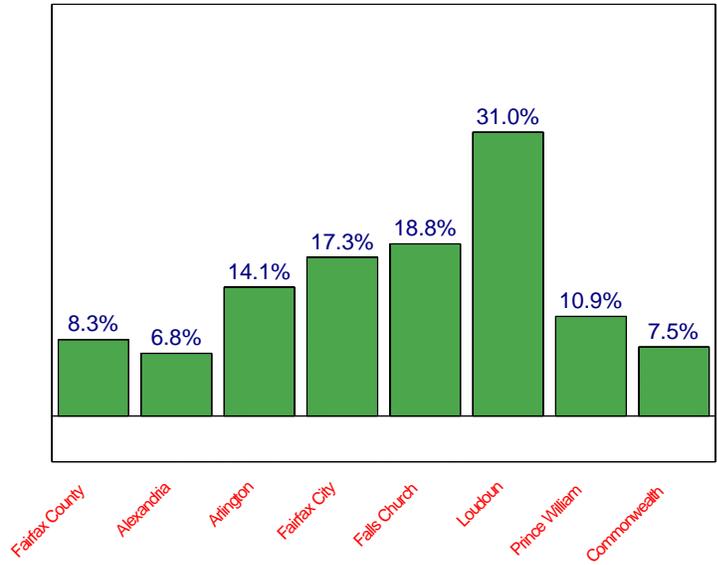
SALES TAX REVENUES

(revenues represent retail sales two months prior)



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

FY 2001 SALES TAX RECEIPTS THROUGH FEBRUARY



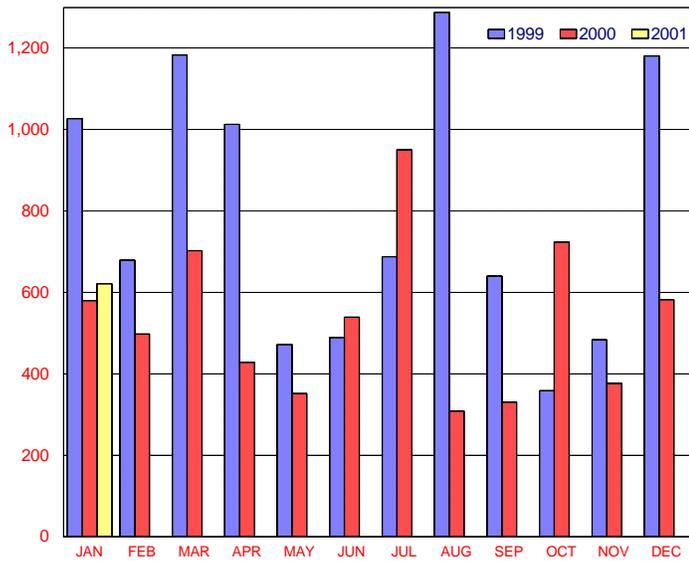
Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

February sales tax receipts for Fairfax County, representing retail purchases made in December, were 38.4 percent higher than February 2000. This increase is partially attributable to understated February 2000 revenues as a result of a delay in the filings of several large retailers. Furthermore, the State experienced a delay in the filings of several large retailers again in January 2001, causing taxes from some November retail purchases to be included with December taxes. This discrepancy further inflated Fairfax County's February receipts. Fiscal year-to-date, sales tax receipts are up 8.3 percent over the same period last year. The year-to-date growth rate is somewhat inflated due to the unusual February growth rate. The March year-to-date growth will give a more accurate picture of sales tax growth in Fairfax County.

Through the first seven months of FY 2001, Sales Tax receipts in the Northern Virginia area have shown strong to moderate growth. Loudoun County continues to lead the group—up 31.0 percent over the same period last year. Falls Church and Fairfax City have also shown robust year-to-date growth at 18.8 and 17.3 percent respectively. Several other area jurisdictions have experienced double digit growth through January, including Arlington at 14.1 percent and Prince William at 10.9 percent. Fairfax County and Alexandria have shown more moderate growth at 8.3 percent and 6.8 percent respectively. Sales Tax receipts are up 7.5 percent Statewide over the same period last year.

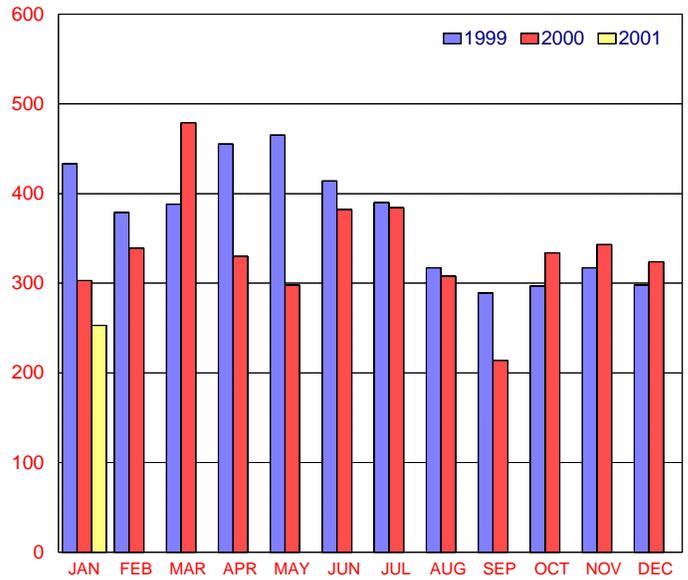
In January, seasonally adjusted advance retail sales estimates for the U.S. rose 0.7 percent over December, and are up 3.5 percent over January 2000 according to the Commerce Department. Durable goods sales increased 0.8 percent over December, but were down 0.5 percent from January a year ago. Furniture sales were up 1.2 percent over January 2000. January nondurable goods were up 0.7 percent over December and were 6.4 percent above January 2000. Drug stores sales were up 11.1 percent from last year while gasoline sales were up 9.8 percent from January 2000.

**NUMBER OF RESIDENTIAL BUILDING PERMITS
NEW DWELLINGS**



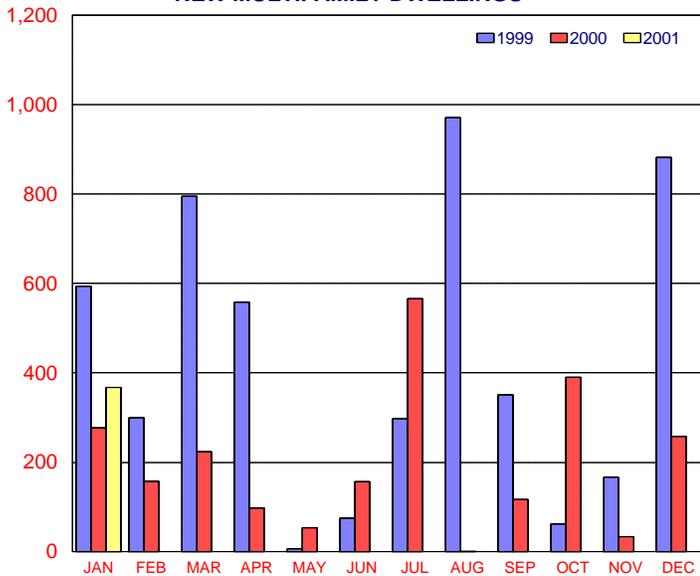
Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

**NUMBER OF RESIDENTIAL BUILDING PERMITS
NEW SINGLE FAMILY DWELLINGS**



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

**NUMBER OF RESIDENTIAL BUILDING PERMITS
NEW MULTIFAMILY DWELLINGS**

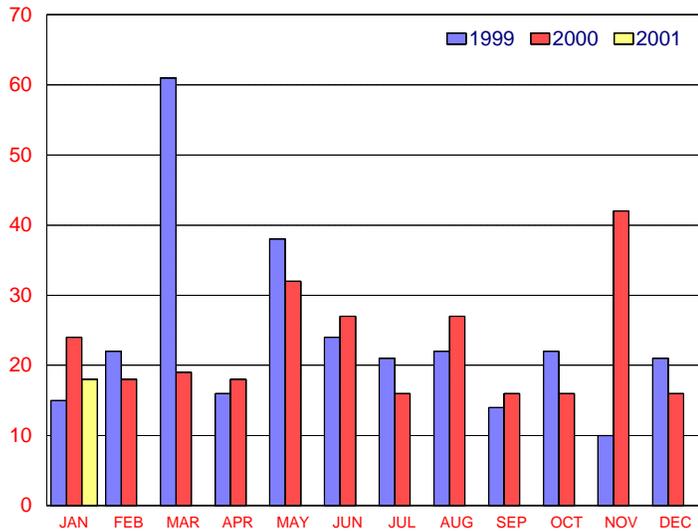


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Year-to-date, growth in new residential permit categories has been mixed. In total, new residential dwelling permits are up 7.1 percent, or 41 permits, in January. Multifamily permits are up 32.9 percent, or 91 permits, while single family permits are down 16.5 percent, or 50 permits, over the same month last year.

Residential repair and alteration permits, however, are down sharply year-to-date. In January, issues of residential repair and alteration permits decreased 46.3 percent, or 631 permits, from January 2000.

**NUMBER OF NONRESIDENTIAL BUILDING PERMITS
NEW STRUCTURES**

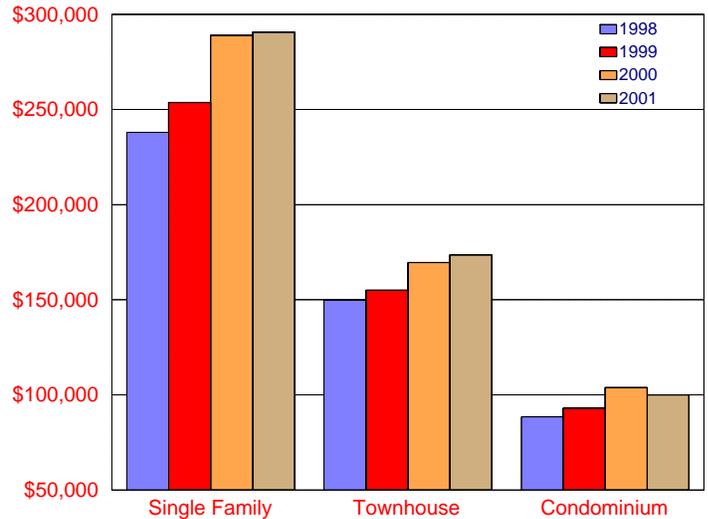


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Nonresidential building permits issued in January were down 25.0 percent, or 6 permits, from January 2000. Nonresidential repair and alterations permits were down 16.7 percent, or 56 permits, in January.

HOME SALES IN FAIRFAX COUNTY

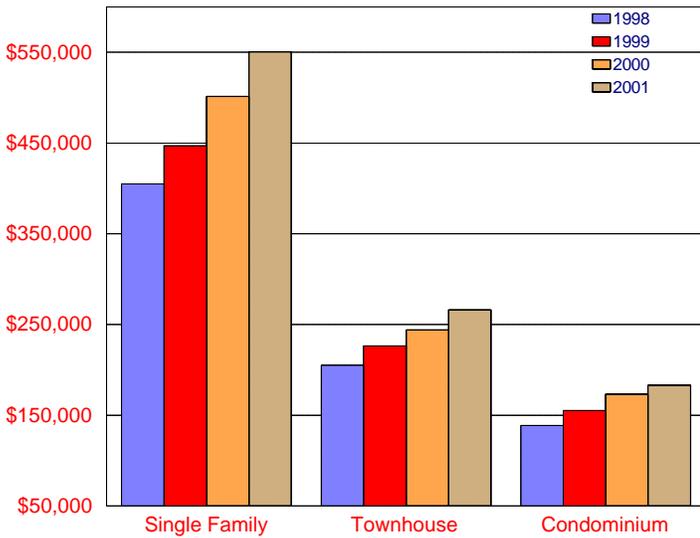
**MEDIAN PRICE OF EXISTING HOMES SOLD
JANUARY 2001 COMPARED TO
ANNUAL MEDIAN PRICES 1998 - 2000**



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

According to home sales data in January 2001, median sales prices for existing homes in Fairfax County have changed little from the year-end 2000 median. For existing single family homes, the median is \$290,625 compared to the 2000 median of \$289,000—growth of 0.6 percent. The median sales price for townhomes grew 2.4 percent from \$169,500 in 2000 to \$173,600 in January 2001. The median for condominiums decreased from \$103,945 to \$100,000, representing a decline of 3.8 percent.

**MEDIAN PRICE OF NEW HOMES SOLD
JANUARY 2001 COMPARED TO
ANNUAL MEDIAN PRICES 1998 - 2000**

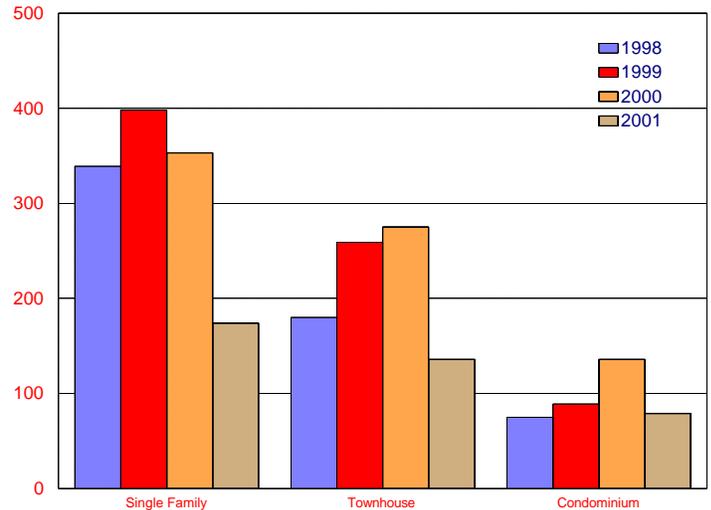


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Changes in selling prices, coupled with the volume of sales, are generally considered to be 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 the selling prices within neighborhoods.

Growth in median sales prices for new homes is moderate to strong according to sales data during January 2001. The median sales price for a new single family home is \$550,403, an increase of 9.8 percent, or \$48,983, over the 2000 year-end median. New townhomes have increased 9.0 percent, from \$244,067 to \$265,940, while condominiums have grown from \$173,226 to \$182,840, or 5.6 percent, over the same period.

**NUMBER OF EXISTING HOMES SOLD
JANUARY 1998-2001**



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

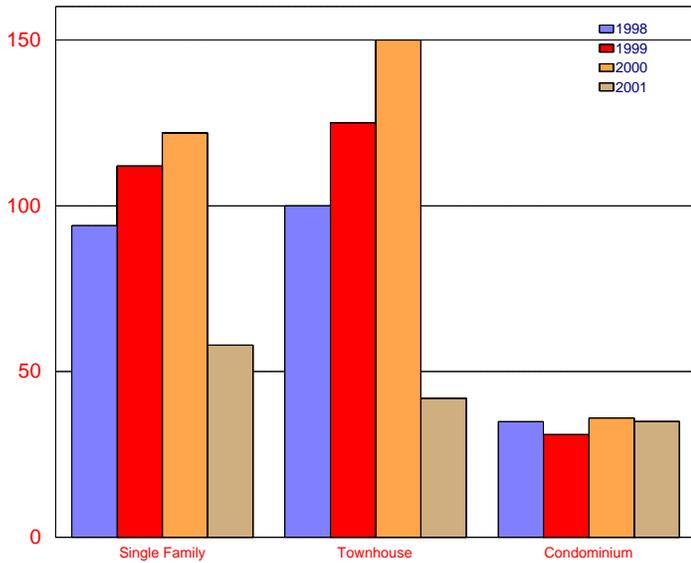
**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD
YEAR-END 2000 COMPARED TO 2001 THROUGH JANUARY**

	Existing Sales	New Sales
Single Family	0.6	9.8
Townhouse	2.4	9.0
Condominium	-3.8	5.6

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

January existing home sales volume is down sharply in all categories compared to the first month of 2000. Single family home sales fell 179 units, or 50.7 percent, from 353 to 174. Townhome sales were down 50.6 percent from 275 to 136, while condominium sales were down 41.9 percent from 136 to 79 year-to-date.

**NUMBER OF NEW HOMES SOLD
JANUARY 1998-2001**

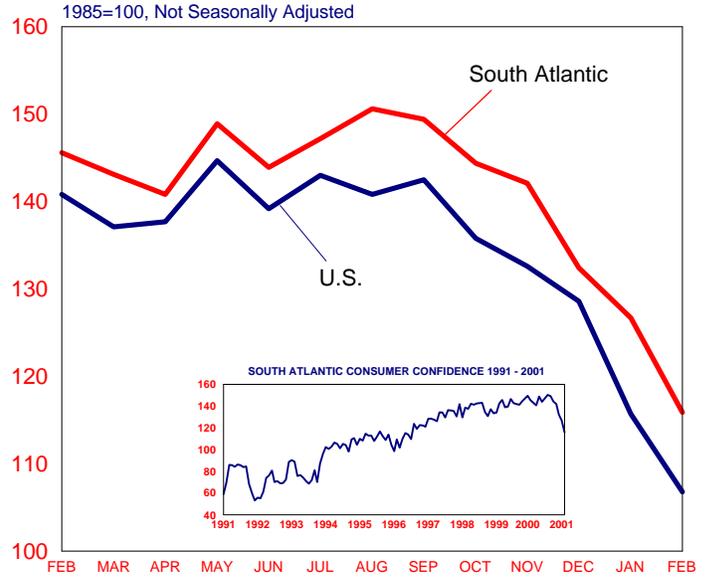


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

New home sales volume in January is down across all housing categories compared to January 2000. New townhome sales have fallen from 150 in 2000 to 42 in 2001—a decline of 72.0 percent. New single family home sales decreased 52.5 percent from 122 to 58. Condominium sales dropped by only one unit, from 36 to 35.

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDEX

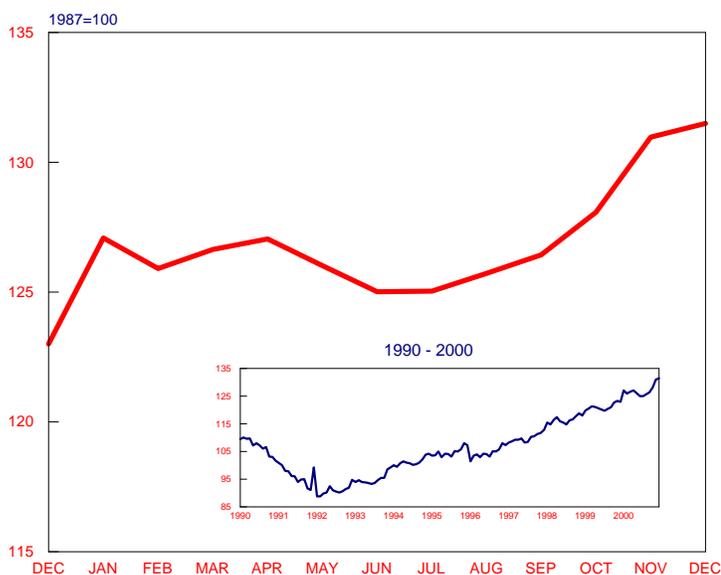


Source: Conference Board
Compiled by the Fairfax County Dept. of Management and Budget

The Conference Board's Consumer Confidence Index fell in February for the fifth consecutive month. The Index now stands at 106.8, down from 115.7 in January. Consumers' confidence in current economic conditions declined 3.7 percent from January, while their short-term outlook declined 13.4 percent. According to Lynn Franco, Director of The Conference Board's Consumer Research Center, the erosion in consumer confidence continues to be fueled by weakening expectations regarding business and employment conditions. While the short-term outlook continues to signal an economic downturn, consumer's assessment of current economic conditions suggests we are mired in a period of moderate growth, not a recession. The South Atlantic Consumer Confidence Index is 115.9 in February, an 8.5 percent decrease from January.

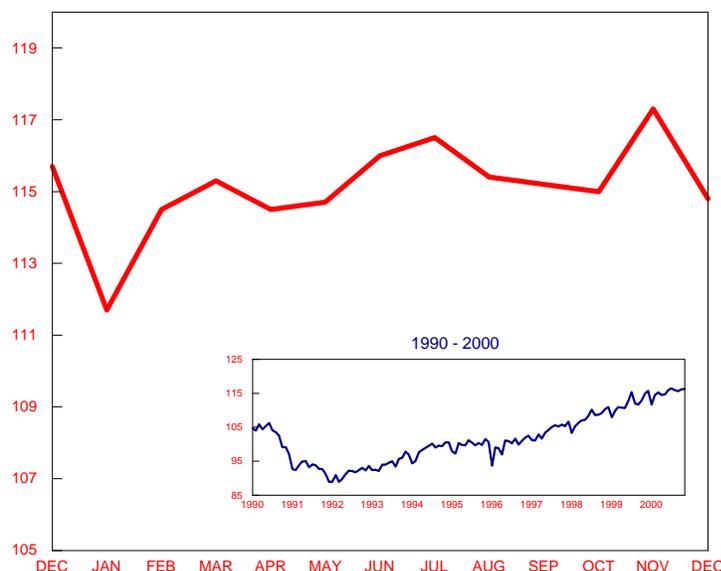
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

FAIRFAX COUNTY COINCIDENT INDEX



Sources: Center for Regional Analysis, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

METROPOLITAN COINCIDENT INDEX



Source: Center for Regional Analysis, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

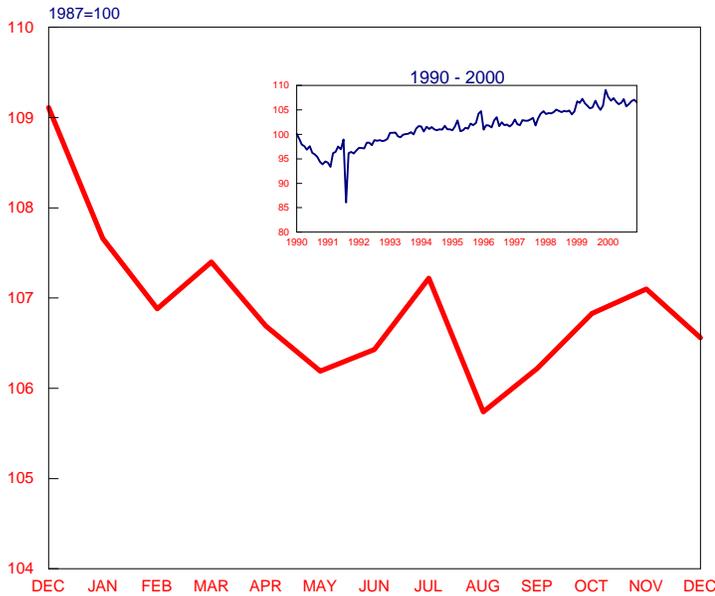
The Fairfax County Coincident Index, which represents the current state of the County's economy, increased to 131.5 in December—a 0.4 percent increase over November. With December's increase, the Coincident Index has been up for five consecutive months following a period of monthly declines in the second quarter, and is up 6.9 percent over December 1999. In December, two of the index's four components were positive. Transient occupancy tax collections, adjusted for inflation and seasonal variation, increased for a second month following a slight decline in October. Sales tax collections, also adjusted for inflation and seasonal variation, rebounded strongly from November's decline. Total employment, however, was down marginally from November after gaining in four consecutive months, and consumer confidence declined for the second time in three months.



The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, decreased sharply in December to 114.8—a decline of 2.1 percent from November. This decrease more than erased November's gain and the Index has now been down in four of the last five months. The December 2000 Coincident Index is 0.9 percent lower than the same period last year. In December, three of the Index's four components were negative. Consumer confidence declined sharply in December and has been moving lower since September. Domestic passenger volume at Dulles and Reagan Airports experienced its largest monthly decrease of the year after gaining in October and November, and nondurable goods retail sales declined for the third time in four months. Total wage and salary employment, however, increased in December for the fourth month in a row and for the tenth time this year.

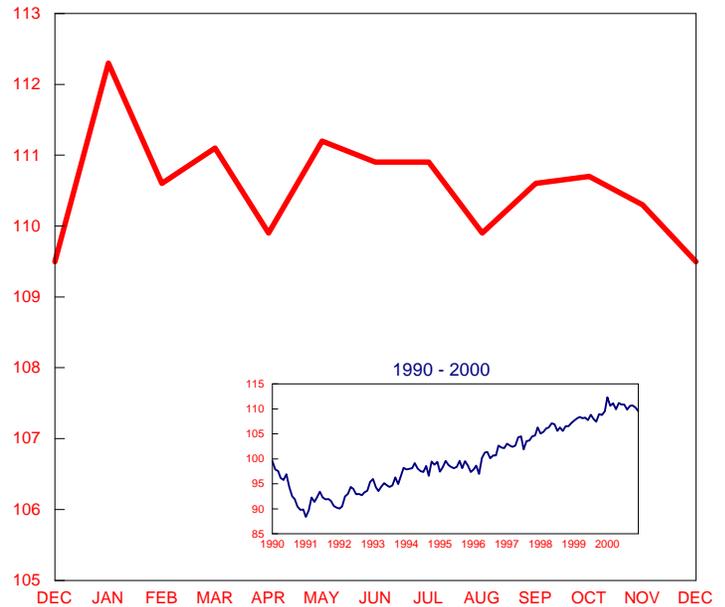


FAIRFAX COUNTY LEADING INDEX



Sources: Center for Regional Analysis, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

METROPOLITAN LEADING INDEX



Source: Center Regional Analysis, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, decreased in December to 106.6 for a decline of 0.5 percent. The Leading Index had been up for three consecutive months before December's decline, but overall the Index is still down 2.3 percent from December 1999. This month, three of the Index's five components contributed to its decline. New automobile registrations declined sharply in December after having increased over the three preceding months. Initial claims for unemployment insurance increased (worsened) for the second time in three months and consumer expectations (consumer confidence six months hence) declined for the fourth consecutive month. Residential building permits, however, increased for the third time in four months, and the total value of residential building permits increased for the third month in a row.



The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, decreased in December to 109.5 for a decline of 0.7 percent. The Index has been down in five of the year's last seven months and has now fallen to its December 1999 value. In December, four of the index's five components contributed to its decline. Total residential building permits declined for a second month and for the fourth time in five months and initial claims for unemployment insurance increased (worsened) for the second month in a row. Consumer expectations (consumer confidence six months hence) declined for the fourth consecutive month and durable goods retail sales decreased following increases in October and November. The Help Wanted Index, however, increased after declining in October and November.



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