



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

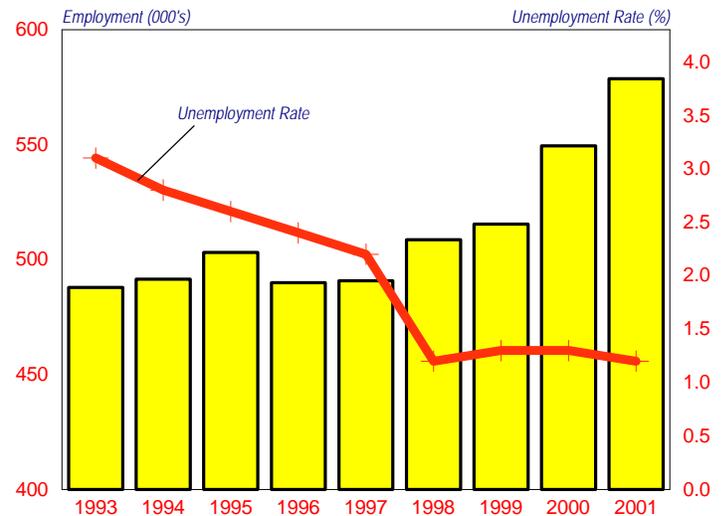
Publication 106

MAY 2001

MAY HIGHLIGHTS

- ❑ The April unemployment rate in Fairfax County remained unchanged at 1.2 percent.
- ❑ May Sales Tax receipts for Fairfax County were 1.7 percent lower than May 2000, and fiscal year-to-date growth was 4.1 percent.
- ❑ Growth in new dwelling permits continued to be mixed while residential repair and alteration permits were down sharply through April.
- ❑ Homes sales data through April show that sales volume was up for existing homes but down for new homes, and that median sales prices were showing moderate to strong growth for both categories.
- ❑ The Consumer Confidence Index rebounded in May because consumers were optimistic about the labor market outlook.
- ❑ In March, the Fairfax County Coincident Index increased while the Leading Index declined. The trend of continuing job growth in Fairfax County demonstrates the strength of the County economy. Fairfax County's job growth from March 2000 to 2001 accounted for 42 percent of the job growth in the Washington metro area. The Leading Index does show signs of softening in the economy as layoffs have increased slightly and consumer spending has begun to slow.
- ❑ The Metropolitan Washington Coincident and Leading Indices both increased in March. The positive performance of both Indices points to the underlying strength and resilience of the economy, but it is too early to tell whether this is the beginning of a positive trend.

RESIDENTIAL EMPLOYMENT - APRIL



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

According to the Virginia Employment Commission (VEC), the April unemployment rate in Fairfax County remained unchanged from March at 1.2 percent. That rate was 0.1 points lower than the April 2000 rate of 1.3 percent.

Statewide, the April unemployment rate fell 0.2 points to 2.2 percent. While this rate was almost half the April 2001 national jobless rate of 4.2 percent, it was still higher than the record low April 2000 Virginia unemployment rate of 1.8 percent. According to the VEC, the 0.2 point improvement was due to expansions by the state's tourist attractions and a record high employment level in the construction industry. Over the last several years April has recorded the lowest unemployment rate of the year according to the VEC. Traditionally, April has enjoyed the seasonal benefits of high levels of construction employment and a large number of tourists who visit Virginia. However, May and June usually have higher unemployment levels due to graduating students entering the job market.



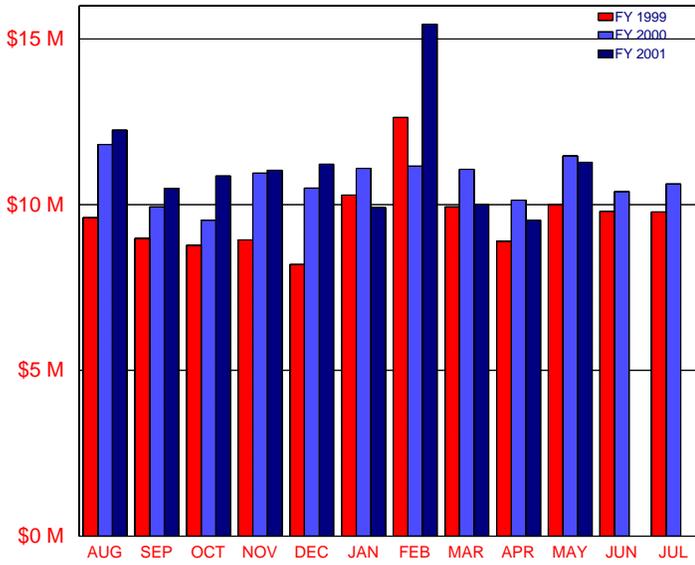
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

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



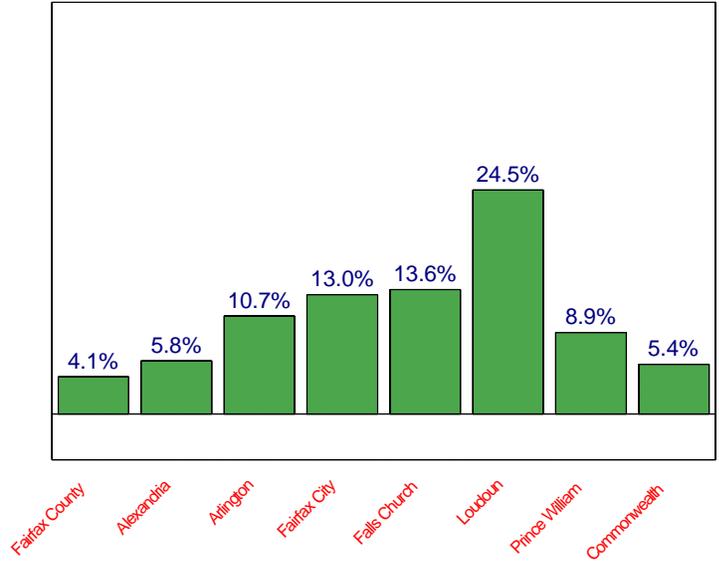
SALES TAX REVENUES

(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 MAY



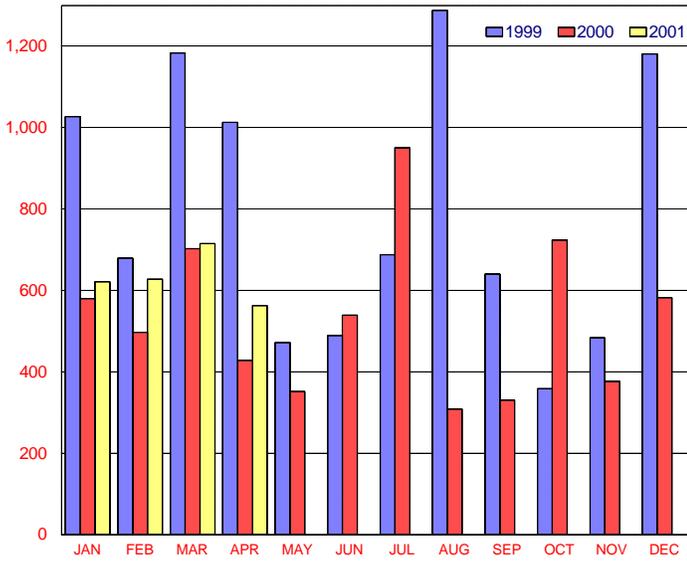
Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

May Sales Tax receipts for Fairfax County, representing retail purchases made in March, were \$11.3 million—1.7 percent lower than May 2000. Fiscal year-to-date, Sales Tax receipts were 4.1 percent above the same period last year.

In April, seasonally adjusted preliminary retail sales estimates for the U.S. increased 1.4 percent from March and were 4.0 percent above April 2000 according to the Commerce Department. Sales at computer and software stores were down 13.7 percent, but pharmacy and drug store sales were up 10.0 percent over the same period last year. Building materials and garden equipment stores experienced a 9.2 percent increase in sales over April 2000.

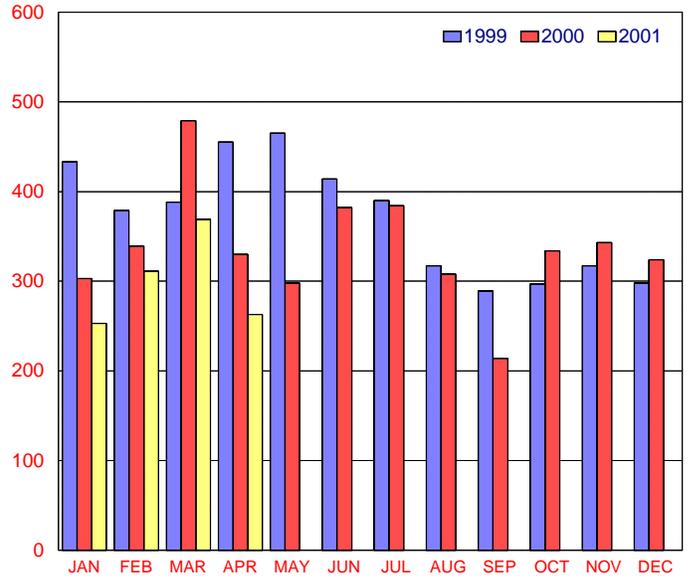
Through the first ten months of FY 2001, Sales Tax receipts in the Northern Virginia area have shown strong to moderate growth. Loudoun County continues to lead the pack—up 24.5 percent over the same period last year. Falls Church and Fairfax City have also shown strong year-to-date growth at 13.6 and 13.0 percent respectively. Arlington County experienced double-digit growth of 10.7 percent. Prince William County was 8.9 percent above the same period last year, Alexandria has grown 5.8 percent, and Fairfax County was 4.1 percent higher than last year. Sales Tax receipts were up 5.4 percent Statewide over the same period.

**NUMBER OF RESIDENTIAL BUILDING PERMITS
NEW DWELLINGS**



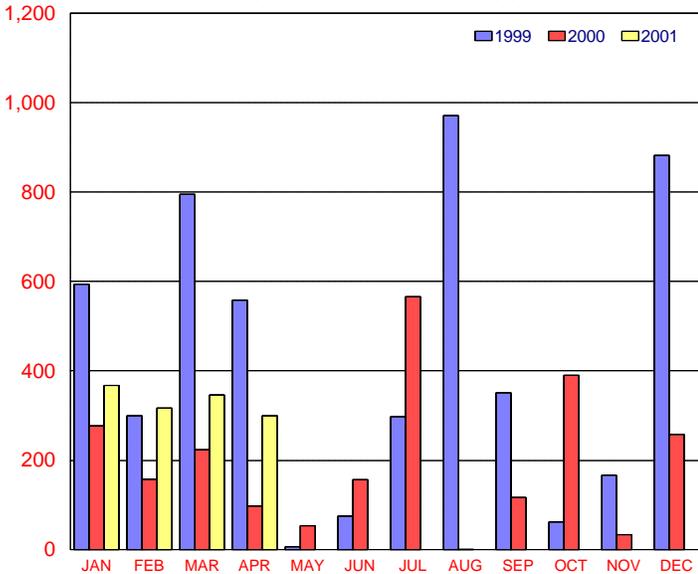
Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

**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**

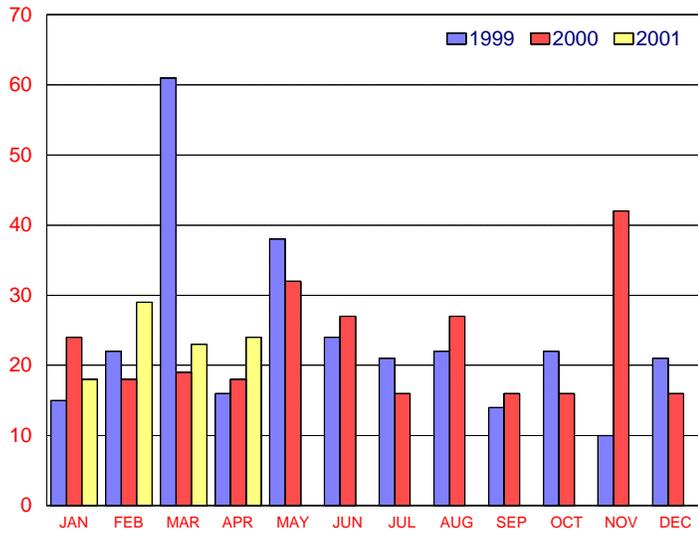


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Year-to-date, growth in new residential permit categories has been mixed. In total, new residential dwelling permits were up 14.5 percent, or 319 permits, through April. Multifamily permits were up 75.8 percent, or 574 permits, while single family permits were down 17.6 percent, or 255 permits, over the same period.

Residential repair and alteration permits, however, are down sharply year-to-date. Through April, issues of residential repair and alteration permits have decreased 54.8 percent, or 3,942 permits, from the same period last year.

**NUMBER OF NONRESIDENTIAL BUILDING PERMITS
NEW STRUCTURES**

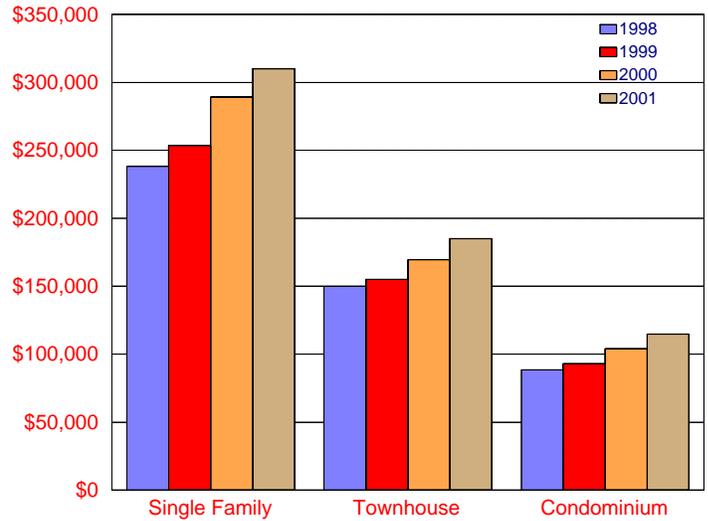


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Nonresidential building permits issued through April were up 19.0 percent, or 15 permits, from the same period in 2000. Nonresidential repair and alterations permits, however, were down 17.7 percent, or 274 permits, year-to-date.

HOME SALES IN FAIRFAX COUNTY

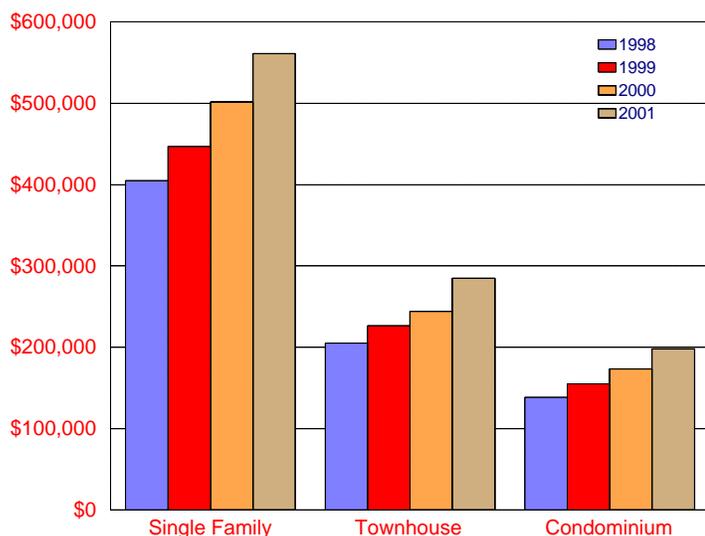
**MEDIAN PRICE OF EXISTING HOMES SOLD
APRIL 2001 COMPARED TO
ANNUAL MEDIAN PRICES 1998 - 2000**



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

According to home sales data through the end of April 2001, existing homes in Fairfax County have experienced moderate to strong growth in median sales prices. For existing single family homes, the median was \$310,000 compared to the 2000 median of \$289,000—growth of 7.3 percent. The median sales price for townhomes grew 9.1 percent from \$169,500 in 2000 to \$185,000 through April 2001. The median for condominiums increased from \$103,945 to \$114,900, representing growth of 10.5 percent.

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

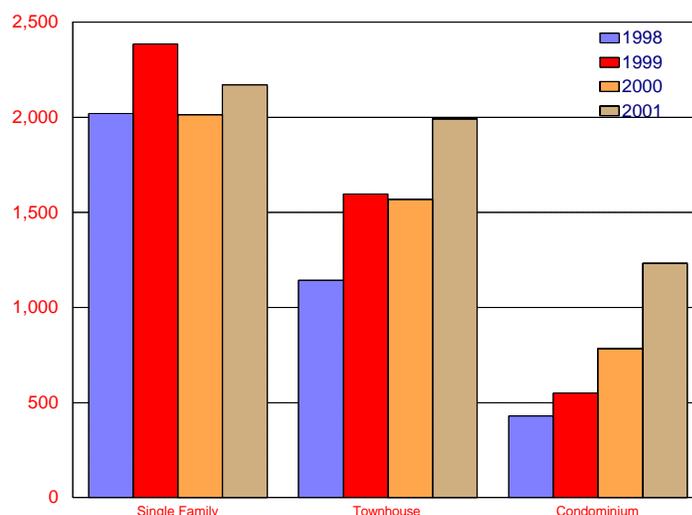


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

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 was strong according to sales data through April 2001. The median sales price for a new single family home was \$560,808, an increase of 11.8 percent, or \$59,388, over the 2000 median. New townhomes have increased 16.7 percent, from \$244,067 to \$284,811, while the median for condominiums grew from \$173,226 to \$198,040, or 14.3 percent, over the same period.

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



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

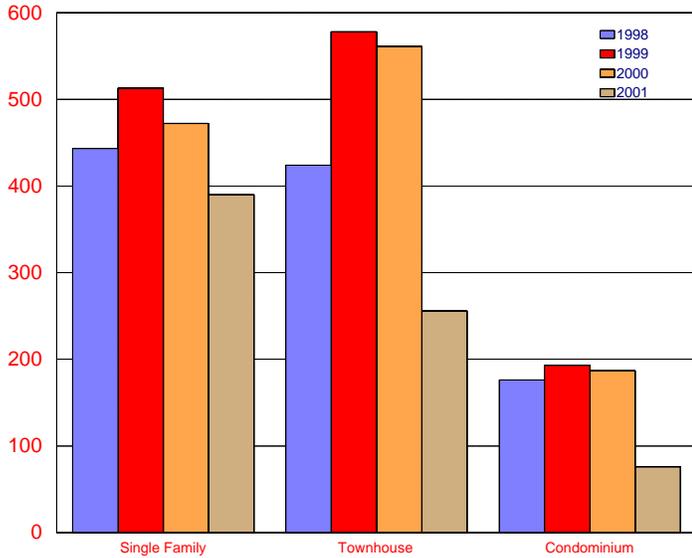
**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD
YEAR-END 2000 COMPARED TO 2001 THROUGH APRIL**

	Existing Sales	New Sales
Single Family	7.3	11.8
Townhouse	9.1	16.7
Condominium	10.5	14.3

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

Existing home sales volume was up sharply for townhomes and condominiums and up moderately for single family homes according to sales data through April 2001. Single family home sales rose 158 units, or 7.9 percent, from 2,013 to 2,171. Townhome sales increased 27.0 percent from 1,568 to 1,992, while condominium sales were up 57.2 percent from 783 to 1,231 year-to-date.

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

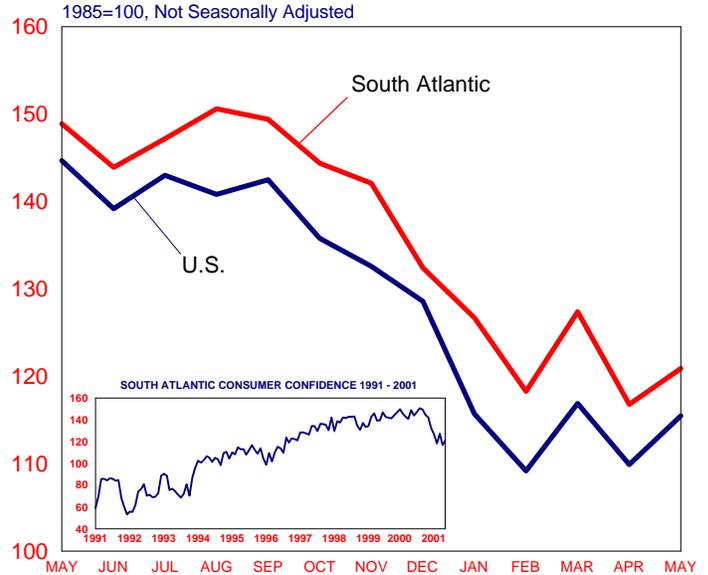


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

New home sales volume through April was down across all housing categories compared to the same period last year. New condominium sales have fallen from 187 in 2000 to 76 in 2001—a decline of 59.4 percent. New townhome sales decreased 54.4 percent, from 561 to 256, while single family home sales have fallen 17.4 percent, from 472 to 390.

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDEX

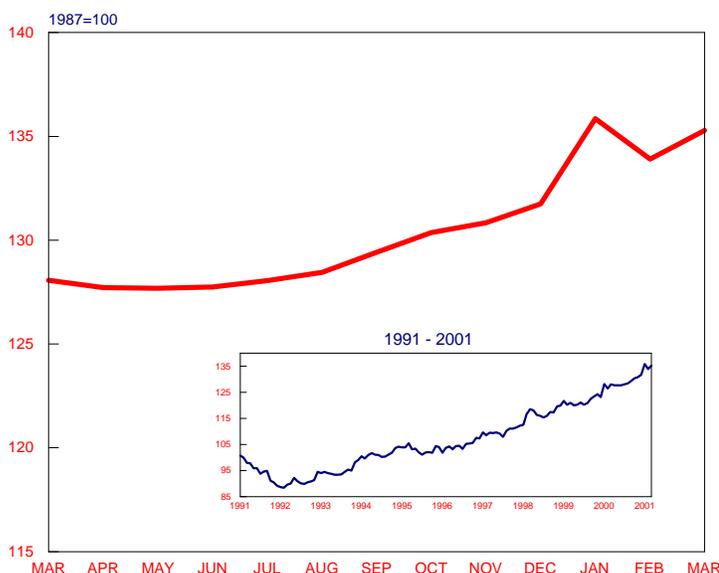


Source: Conference Board
Compiled by the Fairfax County Dept. of Management and Budget

The Conference Board's Consumer Confidence Index rebounded in May after declining in April. The Index now stands at 115.5, up from 109.9 in April. Consumers' confidence in current economic conditions increased 1.7 percent over April, while their short-term outlook increased 9.7 percent. According to Lynn Franco, Director of The Conference Board's Consumer Research Center, consumers were more optimistic about the labor market outlook despite the fact that job market conditions were less favorable than last month. Still, all indicators suggest that consumers will continue to spend and, therefore, the economy will continue to expand. The South Atlantic Consumer Confidence Index was 120.9 in May, a 3.5 percent increase over April.

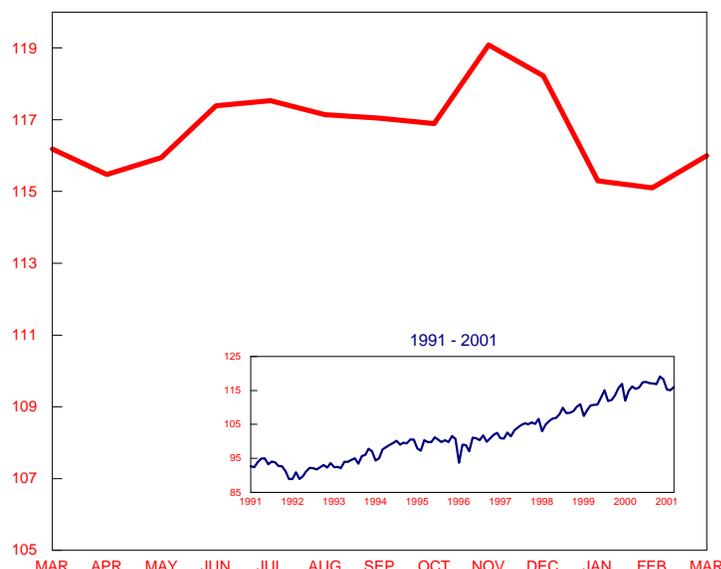
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices 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

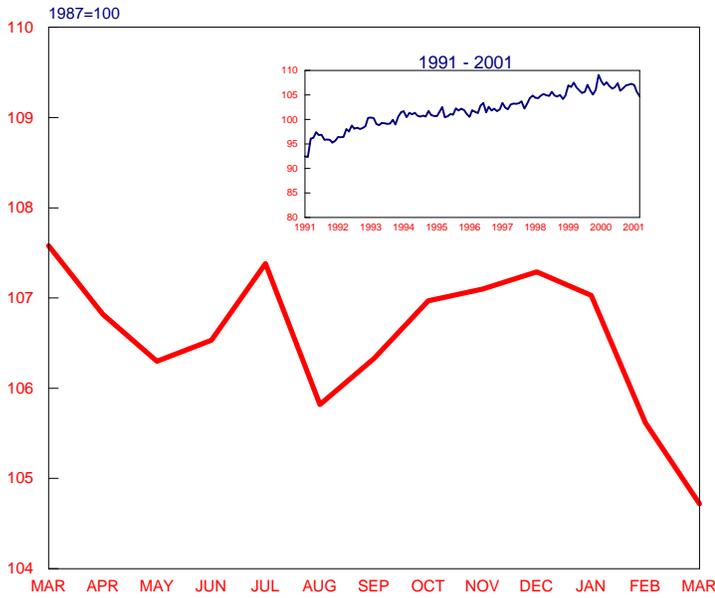
The Fairfax County Coincident Index, which represents the current state of the County's economy, increased to 135.3 in March—a 1.0 percent increase over February. This gain reversed the Index's decline in February and extended its upward trend that dates back to mid-1996. The Index has increased 5.6 percent over the last 12 months. In March, two of the Index's four components were positive. Total employment extended its streak of consecutive seasonally adjusted month-to-month growth to 62 months dating back to January 1996. Sales tax collections, adjusted for inflation and seasonal variation, were up sharply and more than offset February's decline. However, transient occupancy tax collections, adjusted for inflation and seasonal variation, were down for a second month in a row, and consumer confidence decreased for the fourth consecutive month.



The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, increased to 116.0 in March—an increase of 0.7 percent over February. March's increase partially offsets decreases in the Index in six of the last seven months. Despite this downward trend, the Index is just 0.2 percent below March 2000. In March, three of the Index's four components were positive. Total wage and salary employment increased for the sixth time in seven months, and domestic passenger volume at Dulles and Reagan Airports increased following February's sharp decline. Nondurable goods retail sales were also up sharply following three monthly declines. Consumer confidence, however, continued to erode in March, dropping for the sixth time in eight months.

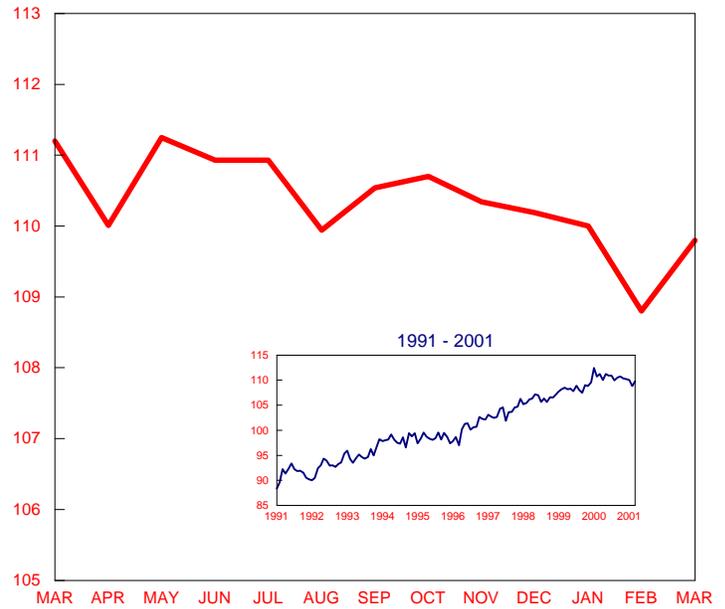


FAIRFAX COUNTY LEADING INDEX



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, declined to 104.7 in March—a 0.9 percent decrease from February. The March decrease extended its downward trend to three consecutive months and the Index is now down 2.7 percent from March 2000. In March, four of the Index's five components contributed to its decline. Initial claims for unemployment insurance increased (worsened) for the third time in four months, and new automobile registrations declined for the second consecutive month. In addition, residential building permits decreased for the second month in a row and the total value of residential building permits decreased for the second time in three months. However, consumer expectations (consumer confidence six months hence) increased after declining in five of the last six months.



The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, increased to 109.5 in March for a gain of 0.9 percent. This increase followed four monthly decreases. Since January 2000, the Index has trended lower and it has dropped 1.3 percent from March 2000. In March, two of the index's five components were responsible for its gain. Consumer expectations (consumer confidence six months hence) increased sharply following two substantial monthly declines, and initial claims for unemployment insurance decreased (improved) for the second time in three months. Total residential building permits, however, declined for the fourth time in five months. The Help Wanted Index also declined in March for the second month in a row, and durable goods retail sales decreased after gaining in January and February.



Inquiries 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, Assistant Director; Marcia Wilds, Matt Roylance, analysts; and Frann Shurnitski, technical support.

Printed on recycled paper.

