



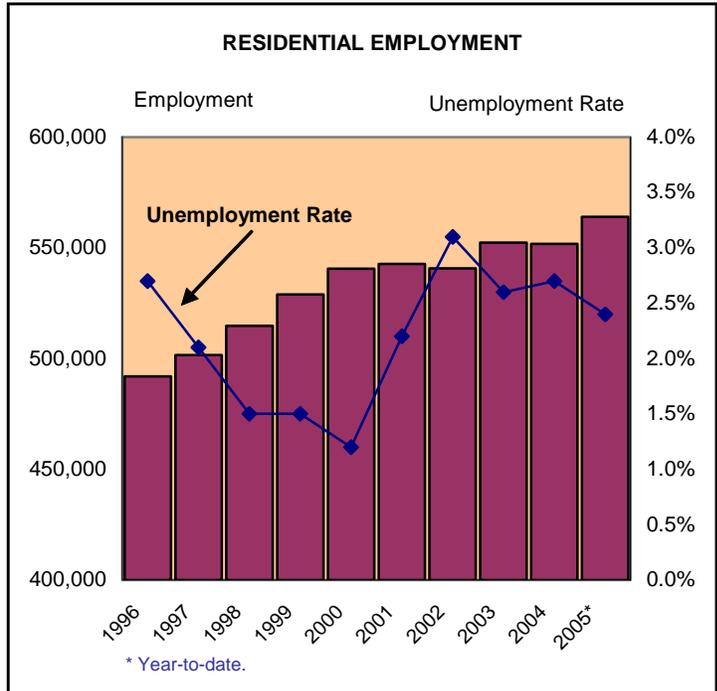
# ECONOMIC INDICATORS®

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

MAY 2005

## IN THIS ISSUE:

- The unemployment rate in Fairfax County for March 2005 decreased to 2.4 percent from the revised level of 2.5 percent in February. The number of employed County residents has increased 18,005 since March 2004. (See page 1)
- May 2005 Sales Tax receipts for Fairfax County are \$12.3 million, a decrease of 2.3 percent from May 2004. Sales Tax receipts are up 5.1 percent, fiscal year-to-date. (See page 2)
- The number of new single family residential permits issued in April 2005 decreased 35.2 percent while new nonresidential permits increased 20.8 percent over April 2004. (See page 3)
- The number of existing single family homes sold rose 13.0 percent in the first quarter of 2005 and the median value of these homes increased 10 percent over existing single family homes sold during 2004. (See pages 4 and 5)
- While the number of new single family homes sold decreased 17.7 percent during the first three months of 2005, the median sales price of these homes increased 6.5 percent over single family homes sold during 2004. (See pages 4 and 5)
- The Fairfax County Coincident Index decreased in March 2005, while the Fairfax County Leading Index increased. (See pages 6 and 7)



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

## Employment

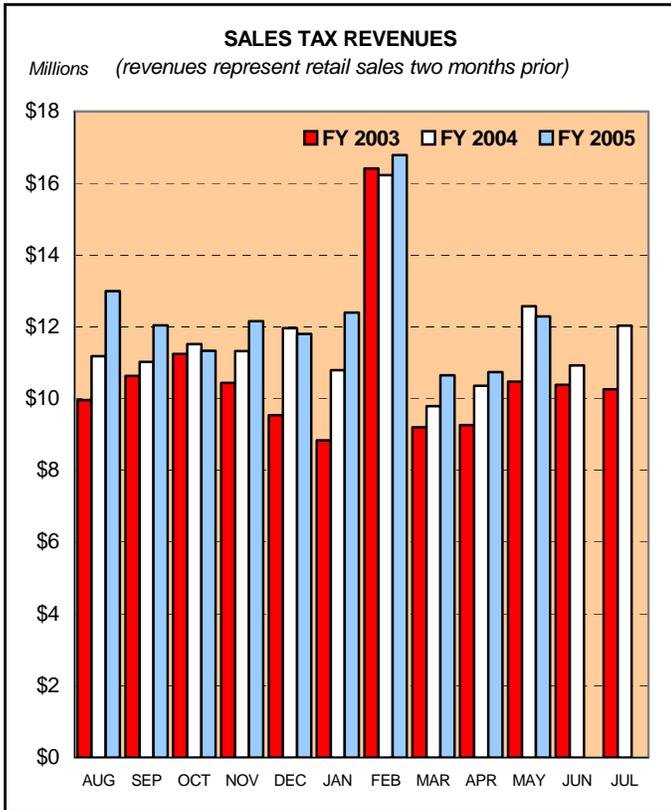
The March 2005 unemployment rate in Fairfax County decreased to 2.4 percent from a revised 2.5 percent in February 2005. In addition, the number of employed persons has risen from one year ago. As reported by the Virginia Employment Commission (VEC), the number of employed Fairfax County residents was 563,987 in March 2005, an increase of 18,005 or 3.3 percent over March 2004. During this period, the unemployment rate in Fairfax County decreased 0.5 percentage points from 2.9 in March 2004 to 2.4 in March 2005.

The February 2005 unemployment rate in Virginia was 3.4 percent, 0.2 percentage points lower than in February 2005 and 0.5 percentage points lower than March 2004 unemployment rate of 3.9 percent. The March 2005 national unemployment rate was 5.2 percent.



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

<http://www.fairfaxcounty.gov/comm/economic/economic.htm>



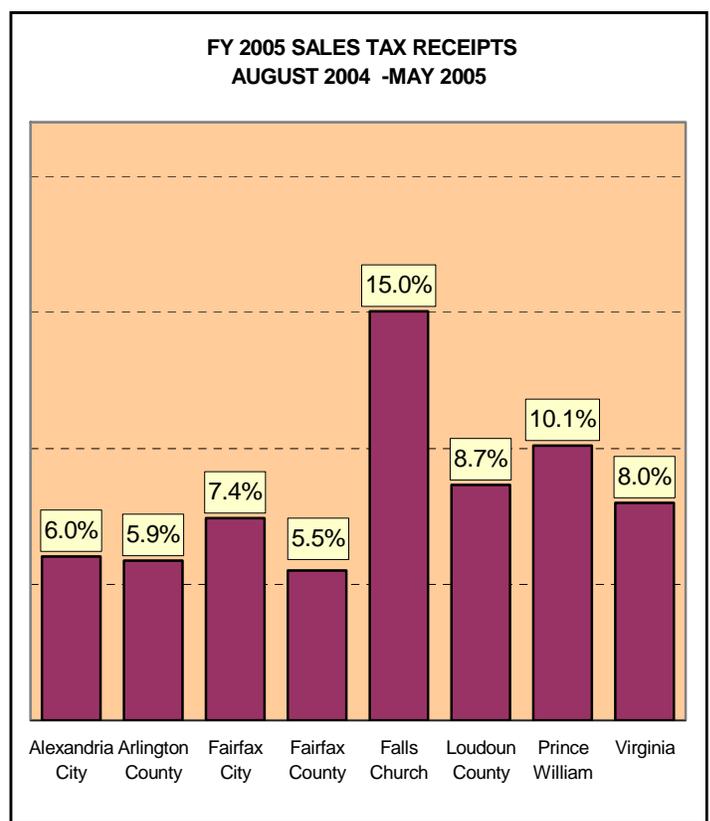
Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

### Fairfax County Sales Tax Receipts

May Sales Tax receipts for Fairfax County, representing retail purchases made in March, are \$12.3 million, a decrease of 2.3 percent from May 2004. May 2005 marks the first month in the last five that Sales Tax receipts declined on a monthly over-the-year basis. Through the first 10 months of FY 2005, Sales Tax receipts are up 5.5 percent over the same period in FY 2004.

### National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary March 2005 retail sales estimates for the U.S. increased 0.3 percent over the previous month and increased 5.8 percent over March 2004. Compared to last year, gasoline station sales are up 17.8 percent; electronics and appliance stores increased 6.8 percent, and food services and drinking places increased 5.9 percent.



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

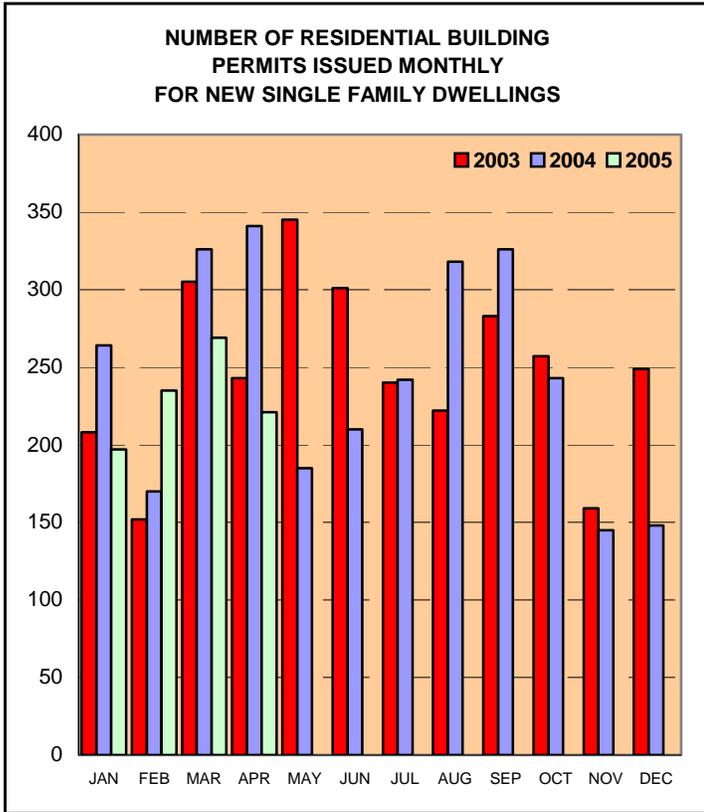
### Neighboring Jurisdictions

Every one of the Northern Virginia localities have experienced a rise in Sales Tax receipts during the first ten months of FY 2005. Sales Tax receipts are up 15.0 percent in Falls Church; 10.1 percent in Prince William County; 8.7 percent in Loudoun County; 7.4 percent in Fairfax City; 6.0 percent in Alexandria; 5.9 percent in Arlington County and 5.5 percent in Fairfax County. Statewide Sales Tax receipts are also up. For the period August 2004 through May 2005, statewide sales tax receipts have increased 8.0 percent over the same period a year ago.

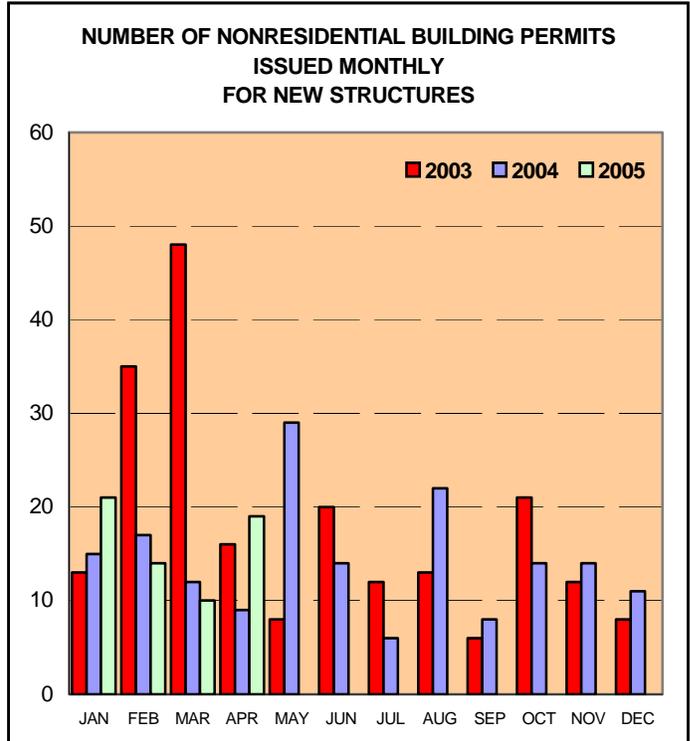
## Residential Building Permits

The total number of new single family residential building permits issued in April 2005 is 221, a reduction of 120 permits, or 35.2 percent, from April 2004. New single family permits issued in the first four months of 2005 total 922 permits, a decrease of 16.3 percent from the 922 issued through April 2004.

In April 2005, 1,196 residential repair and alteration permits were issued, an increase of 868 permits or 264.6 percent over April 2004. Year-to-date, 3,950 residential repair and alteration permits have been issued, an increase of 218.3 percent over the same period last year.



Source of data for all above charts: Fairfax County Department of Public Works and Environmental Services. Compiled by the Department of Management and Budget.

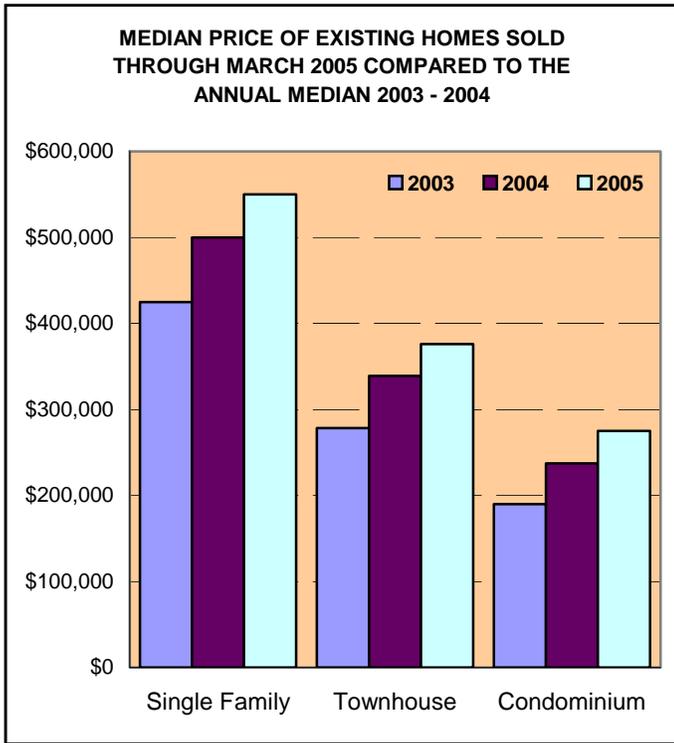


Source: Fairfax County Department of Public Works and Environmental Services. Compiled by the Fairfax County Department of Management and Budget.

## Nonresidential Building Permits

New nonresidential building permits issued in April 2005 rose after declining for two consecutive months. In April 2005, 19 new nonresidential building permits were issued, an increase of 111.1 percent, or 10 permits over April 2004. New nonresidential permits issued in the first four months of 2005 are up 20.8 percent over the same period last year. The issuance of nonresidential repair and alterations permits decreased in April. In April 2005, 313 nonresidential repair and alteration permits were issued, down 26.7 percent, or 114 permits from the April 2004 total of 427. Conversely, year-to-date, nonresidential repair and alterations are up 1.3 percent.

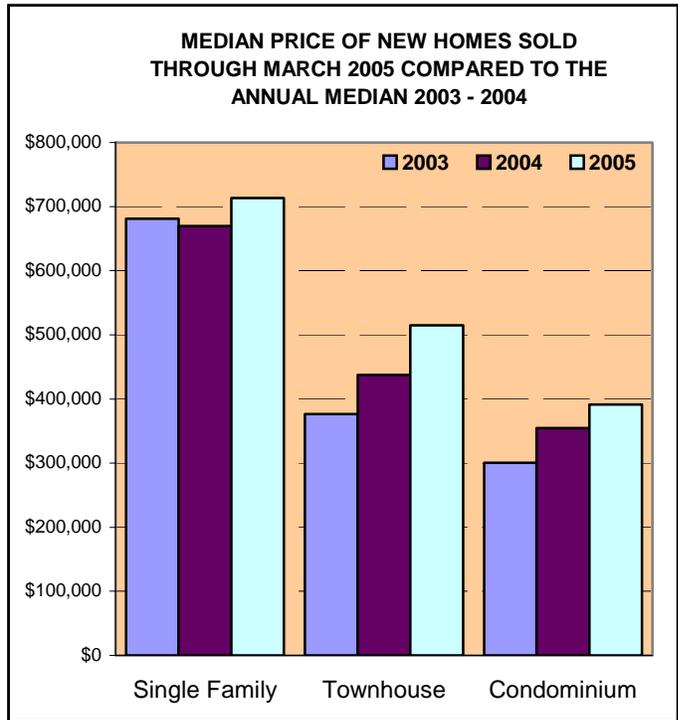
# Housing Market



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

## Existing Home Sales Prices

All types of existing (previously owned) homes in Fairfax County experienced strong gains in median sales price from January through March 2005. For existing single family homes, the median sales price of homes sold increased 10.0 percent to \$550,000, as compared to the 2004 median of \$500,000. The median sales price for existing townhomes sold during the first three months of 2005 rose to \$376,000 from the 2004 median of \$339,000, reflecting growth of 10.9 percent. The median sales price for condominiums increased to \$275,000 through March 2005 from \$237,500 in 2004, representing growth of 15.8 percent.



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

## New Home Sales Prices

The median sales price of new homes sold during the first quarter of 2005 has varied considerably by type. The 2005 median sales price for new single-family homes sold through the first three months of 2005 grew to \$713,225 from the 2004 median of \$669,457, an increase of 6.5 percent. The median sales price of new townhomes sold through March 2005 increased 17.8 percent, from \$437,240 in 2004 to \$514,928, while the median sales price for condominiums increased 10.4 percent, from \$354,450 in 2004 to \$391,370.

**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD YEAR-END 2004 COMPARED TO SALES THROUGH MARCH 2005**

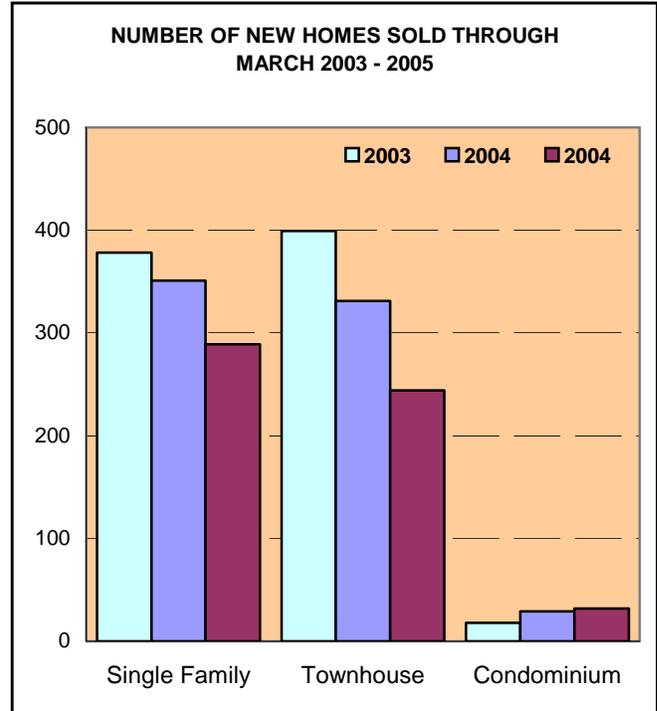
	Existing Sales	New Sales
Single Family	10.0	6.5
Townhouse	10.9	17.8
Condominium	15.8	10.4

Changes in selling prices, coupled with the volume of sales, are generally considered 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 selling prices within neighborhoods. To read more about Fairfax County tax assessments, please visit:

[www.co.fairfax.va.us/dta/tax\\_assessment.htm](http://www.co.fairfax.va.us/dta/tax_assessment.htm)

**Existing Home Sales Volume**

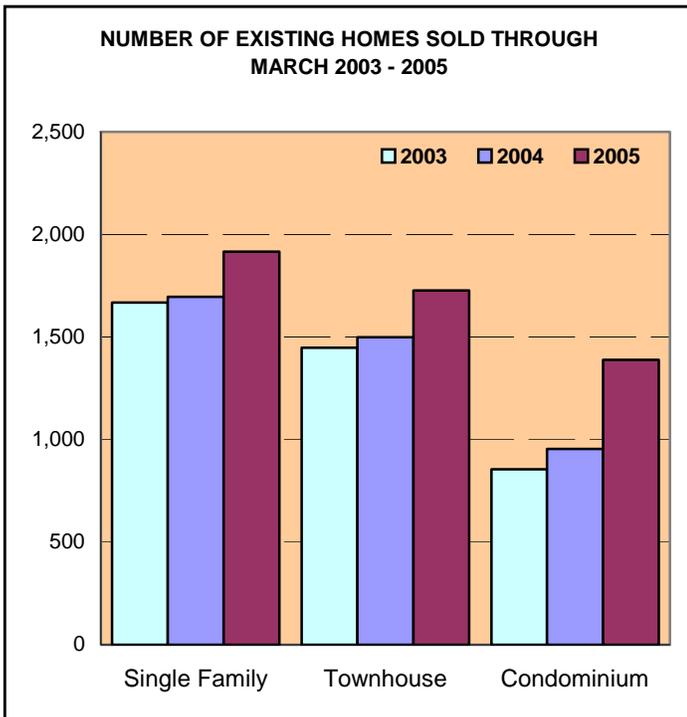
Sales volume for existing (previously owned) homes increased for all home types through March 2005. Sales of existing single family homes rose from 1,695 to 1,916, reflecting growth of 13.0 percent over the first quarter of 2004. Sales volume of existing townhomes gained in the first three months of 2005 to 1,727 from 1,498, reflecting growth of 15.3 percent over the same period of 2004. The number of existing condominium sales reported through March 2005 grew 45.5 percent from 954 to 1,388 over the same period of 2004.



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

**New Home Sales Volume**

Sales volume for new condominiums was up through March 2005, while sales for new single family homes and townhouses decreased. The number of new condominiums sold during the first quarter of 2005 increased from 29 to 32, reflecting an increase of 10.3 percent. Sales volume of new single family homes decreased 17.7 percent through March 2005, to 289 units from 351 for the previous year. The number of new townhouses sold decreased 26.3 percent from the 331 units reported for the first quarter 2004 to 244 units in 2005.



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

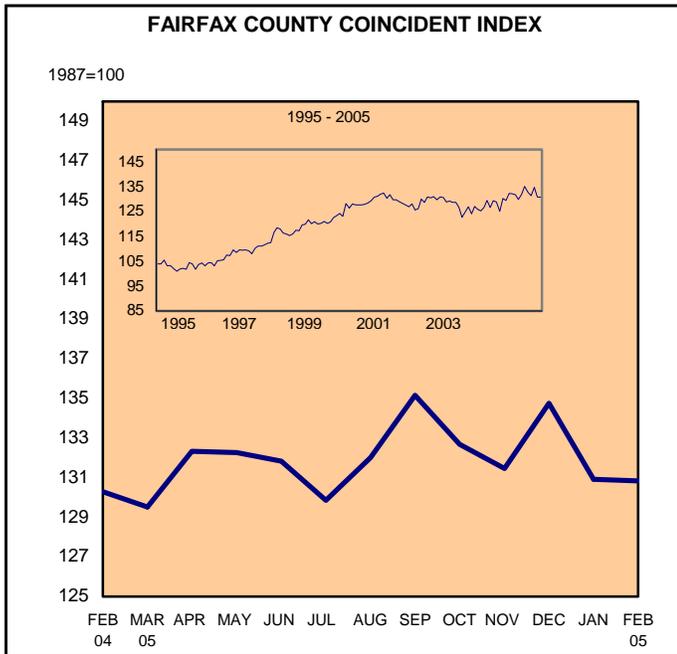
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in the coming months for the respective economies. Fairfax County's Indices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

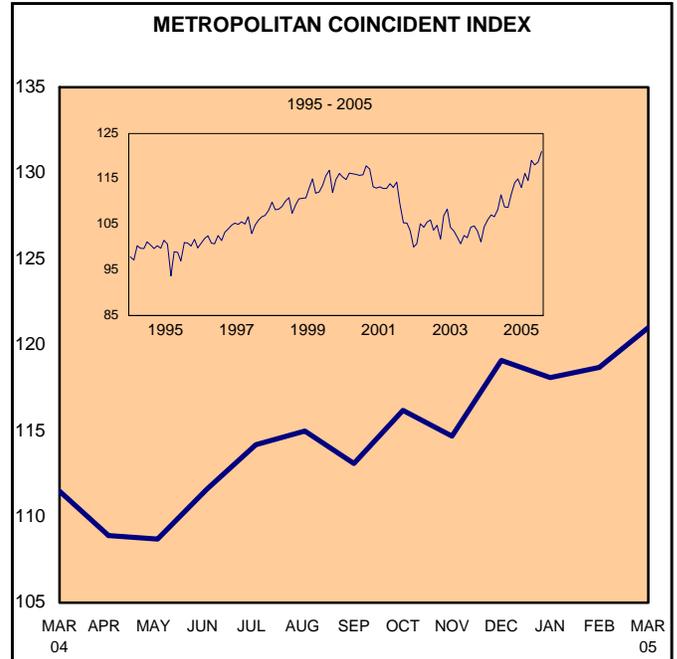


The Fairfax County Coincident Index, which represents the current state of the County's economy, dropped to 130.9 in March 2005, a 0.1 percent decrease from February 2005. Despite the decrease, the Index has increased sixteen consecutive months over last year's same-month value and is currently 0.4 percent above its March 2005 level.

In March, half of the Index's four components were negative. Transient occupancy tax collections, adjusted for inflation and seasonal variation, decreased for the fourth time in five months. Total employment, after re-benchmarking for 2003 and 2004, declined for a fifth consecutive month. Conversely, sales tax collections, adjusted for inflation and seasonal variation increased in March after declining in February. Consumer confidence (in the present) increased for the fourth time in five months.



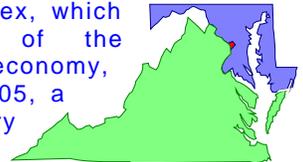
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.



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

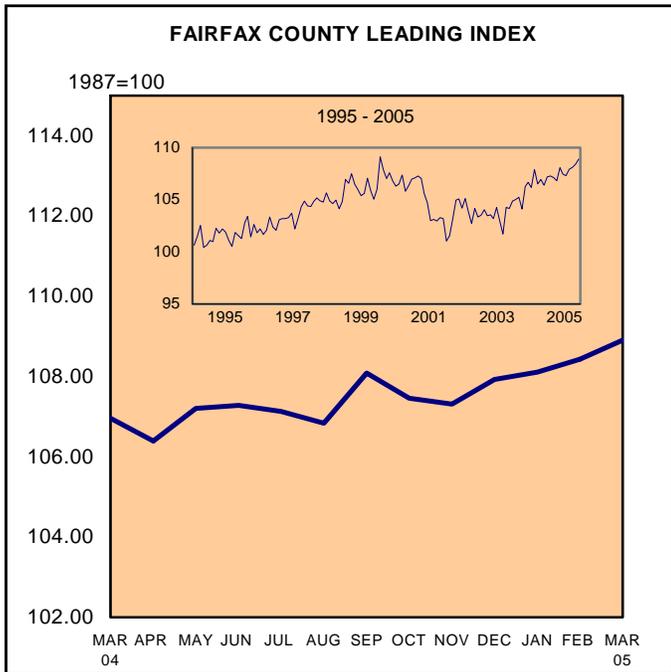
## Metropolitan Coincident Index

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, increased to 121.0 in March 2005, a 1.9 percent gain over February 2005. The Index is up 8.5 percent over its March 2004 level.



The Index has exceeded its same-month value from last year for seventeen consecutive months.

In February, all of the Index's four components were positive for the second month in a row. Wage and salary employment increased in March 2005 for the sixth time in seven months. Consumer confidence (in the present) improved for the fourth time in five months. In addition, nondurable goods retail sales increased in March for the sixth time in seven months. Domestic passenger volume at Reagan National and Dulles airports increased in March for the ninth time in ten months.



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

### Fairfax County Leading Index

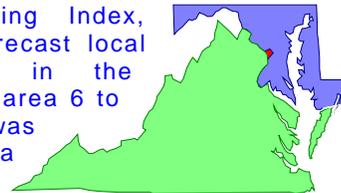


The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, increased to 108.9 in March 2005, a 0.44 percent gain over February. The Index is currently up 1.8 percent over its March 2004 level. The Index has increased twenty four consecutive months over last year's same-month value.

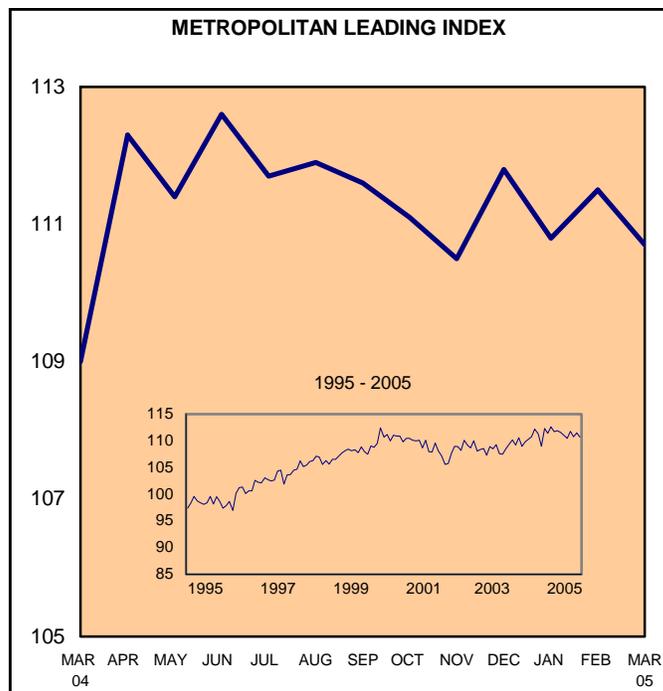
In March, two of the Index's three components contributed to its gain. New automobile registrations increased for the third time in four months. In addition, Initial claims for unemployment decreased (improved) for the fourth time in five months. Consumer expectations (consumer confidence six months in advance) decreased in March 2005 for a third time in five months. Due to a reporting change, the number of building permits and their value has temporarily been removed from the Fairfax County Leading Index. The Index will be revised once the data becomes available.

### Metropolitan Leading Index

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 6 to 8 months in advance, was 110.7 in March 2005, a decrease of 0.8 percent from February. However, even with a decline in March, the Index has exceeded its same-month value from last year for twenty-three consecutive months.

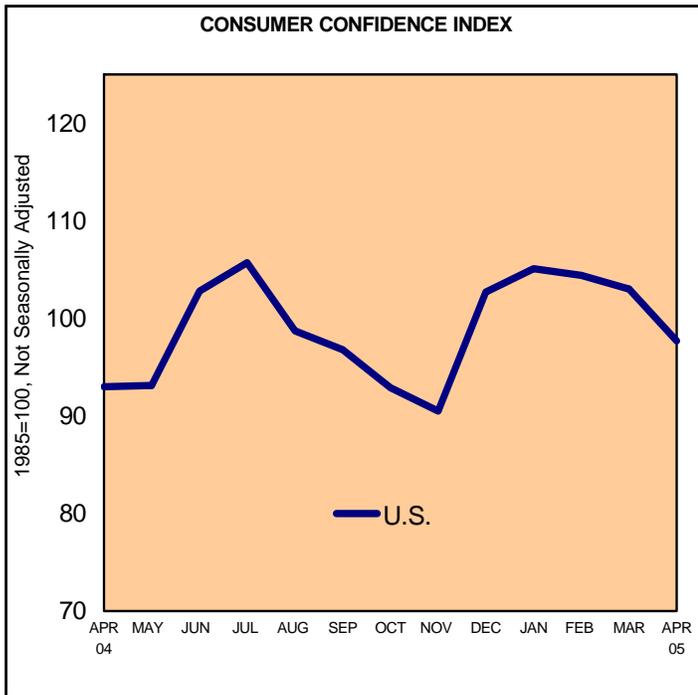


In March, four of the Index's five components contributed to its decrease. Consumer expectations (consumer confidence six months hence) decreased for the third time in five months. Initial claims for unemployment insurance increased (worsened) in March after improving in February. The Help Wanted Index decreased for a third consecutive month. Durable goods retail sales decreased after gaining for three consecutive months. The only positive component, total residential building permits, increased robustly in March.



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

**OTHER INDICATORS**



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

**Consumer Confidence Index**

The Conference Board reports that the Consumer Confidence Index decreased 5.3 points in April 2005. The Index is 97.7, compared to the revised level of 103.0 reported in March 2005. The Index has now declined for three consecutive months.

The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In April 2005, the Present Situation Index decreased to 113.6 from 117.0, a drop of 3.2 points from last month. Likewise, the Expectations Index decreased to 87.2 from 93.7 in March.

Consumer's six-month outlook in April was cautious, with an increase in both the percentage of consumers expecting business conditions to worsen and the percentage of consumers expecting fewer jobs to become available. The number of consumers expecting fewer jobs rose 2.2 percentage points to 18.0 percent in April 2005.

Inquiries should be directed to:  
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