



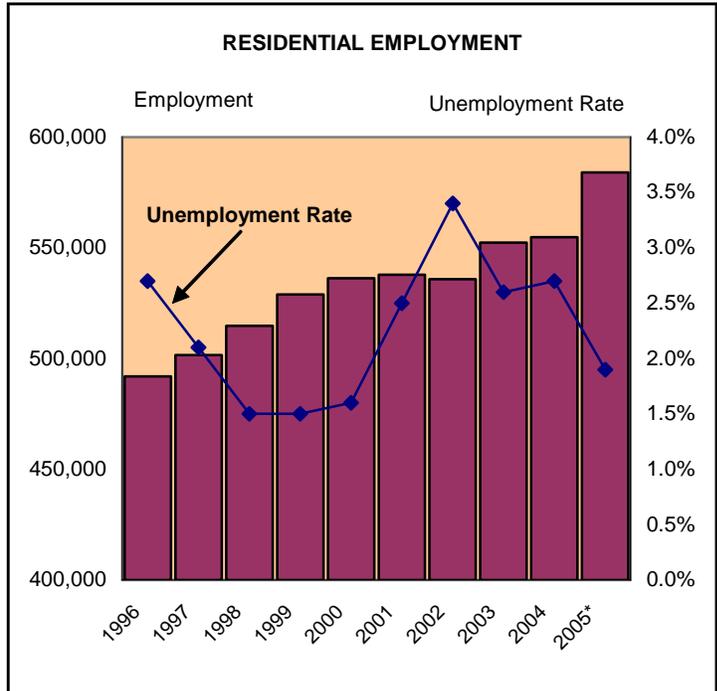
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

FEBRUARY 2006

IN THIS ISSUE:

- The December 2005 unemployment rate in Fairfax County of 2.1 percent fell 0.3 percentage points from the level reported one year ago. The December 2005 unemployment rate is the lowest rate in over four years. (See page 1)
- The number of new single family residential permits increased 9.1 percent in the first month of 2006; while new nonresidential permits decreased 14.3 percent in January. (See page 3)
- The number of existing single family homes sold during calendar year 2005 decreased 9.9 percent; while, the median value of these homes increased 23.0 percent over existing single family homes sold during all of 2004. (See pages 3 and 4)
- The number of new single family homes and townhouses sold through year-end 2005 decreased from the same period of 2004. (See page 4)
- The February 2006 Consumer Confidence Index decreased from the previous month. (See page 6)
- The Office of Federal Housing Enterprise Oversight (OFHEO) reported that average single family home sale prices in the Washington Metropolitan area increased 23.7 percent in the fourth quarter of 2005 compared to the fourth quarter of 2004. (See page 6)



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

Employment

As reported by the Virginia Employment Commission (VEC), the number of Fairfax County residents holding jobs in December 2005 was 584,042, an increase of 24,197 residents, or 4.3 percent, over December 2004. During this period, the unemployment rate in Fairfax County dropped to 2.1 percent from the 2.4 percent reported one year ago. December 2005 marks the lowest monthly unemployment rate since April 2001.

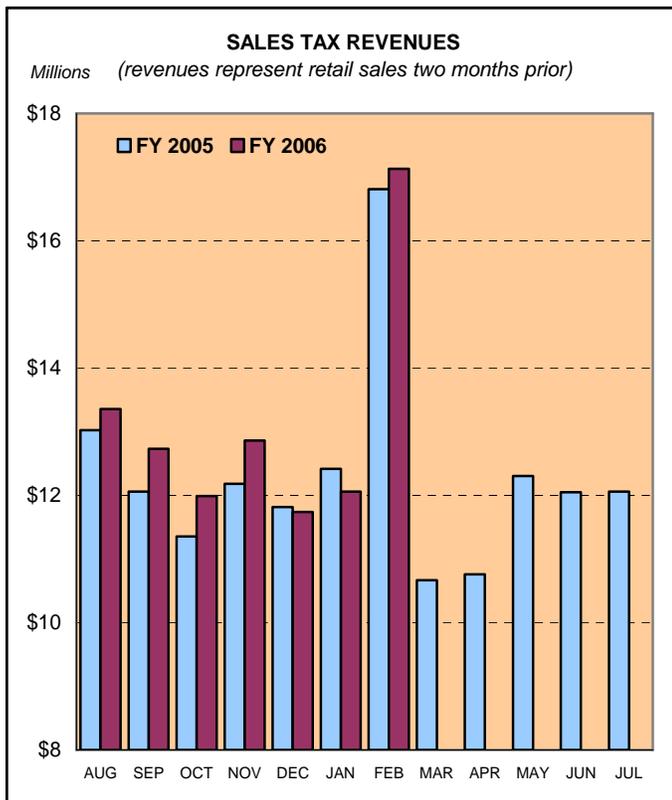
The December 2005 unemployment rate in Virginia was 3.0 percent, a decrease of 0.4 percentage points from the December 2004 level of 3.4 percent. On the national level, the unemployment rate in December was 4.9 percent, down from 5.4 percent one year ago.



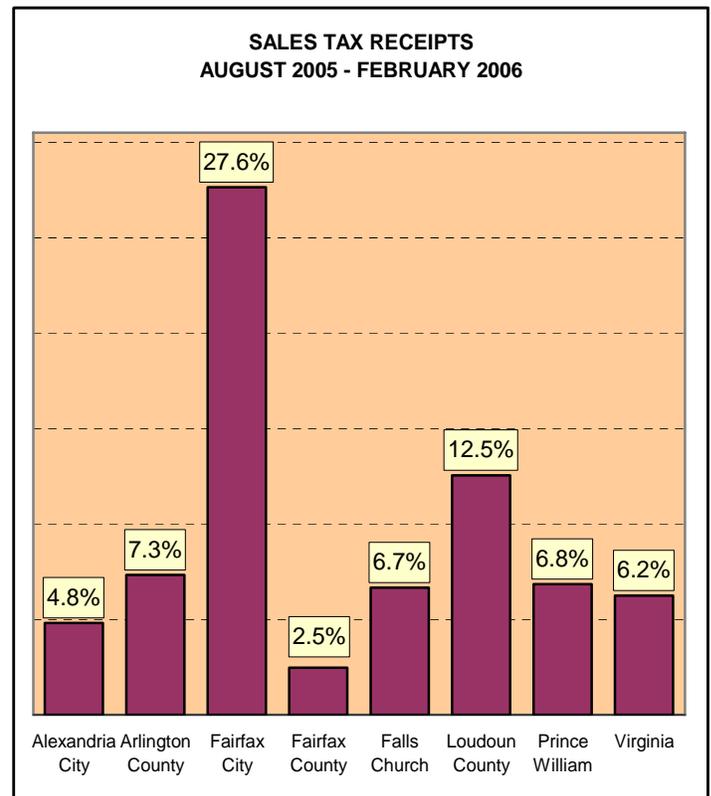
The Fairfax County Economic Indicators is on the Web and can be accessed at:

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

Retail Sales



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



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

Fairfax County Sales Tax Receipts

February Sales Tax receipts for Fairfax County, representing retail purchases made in December, are \$17.1 million, an increase of 1.9 percent over February 2005. Fiscal year-to-date, Sales Tax receipts are \$91.9 million and are up 2.5 percent over the same period in FY 2005.

It should be noted that during a computer system change at the State level, Sales tax receipts distributed to localities for the months of September through November 2005 were estimated at 5.5 percent growth over the same month in 2004. The December distribution to localities was adjusted to reflect actual receipts during those months. While year-to-date information is assumed to be correct, the month over month comparison for September through December shown in the above chart should not be used to determine an actual trend.

National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary December 2005 retail sales for the U.S. increased slightly, gaining 0.7 percent over the November level. The December 2005 national retail sales estimate represents 6.4 percent retail growth over November 2004. In addition, total retail sales for all of 2005 were up 7.3 percent over 2004.

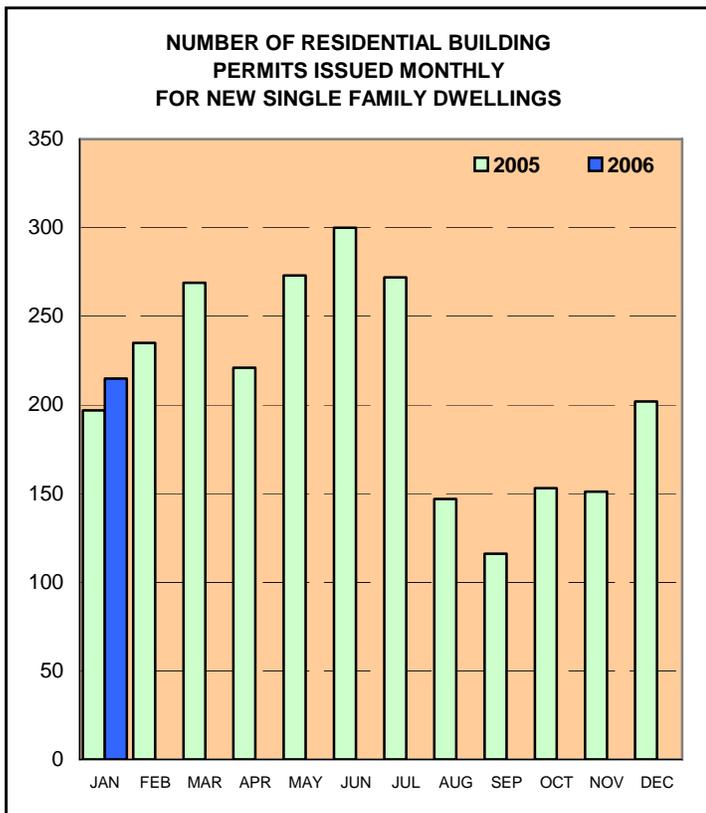
Neighboring Jurisdictions

Based on information provided by the Virginia Department of Taxation, Northern Virginia localities experienced varied growth in Sales Tax receipts during the period August 2005 through February 2006 (the period that coincides with Fairfax County's fiscal year 2006.) Sales Tax receipts are up substantially in Fairfax City at 27.6 percent and Loudoun County at 12.5 percent. The remaining Northern Virginia jurisdictions are also experiencing healthy but more moderate growth rates. Sales Tax receipts in Arlington and Prince William are up 7.3 percent and 6.8 percent, respectively. At the same time, Sales Tax receipts for Falls Church are rising 6.7 percent, while those occurring in Alexandria are up 5.5 percent. Fairfax County sales tax receipts are increasing a slight 2.5 percent through February. Statewide Sales Tax receipts increased 6.2 percent from August through February over the same period of 2004.

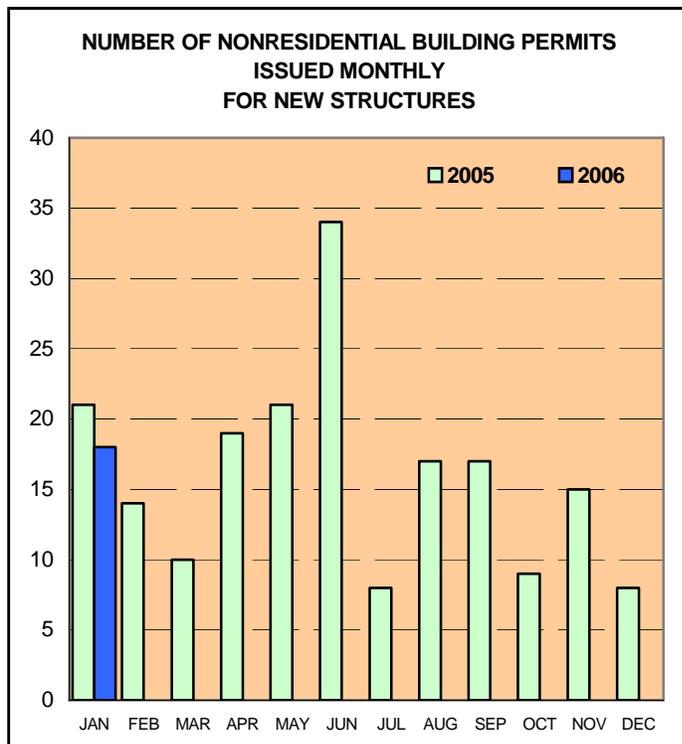
Residential Building Permits

The issuance of new single family residential building permits in January 2006 was 215, an increase of 18 permits, or 9.1 percent, over January 2005.

Residential repair and alteration permits issued in January 2006 were 856, a gain of 61 permits or 7.7 percent over the 795 permits produced one year ago.



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



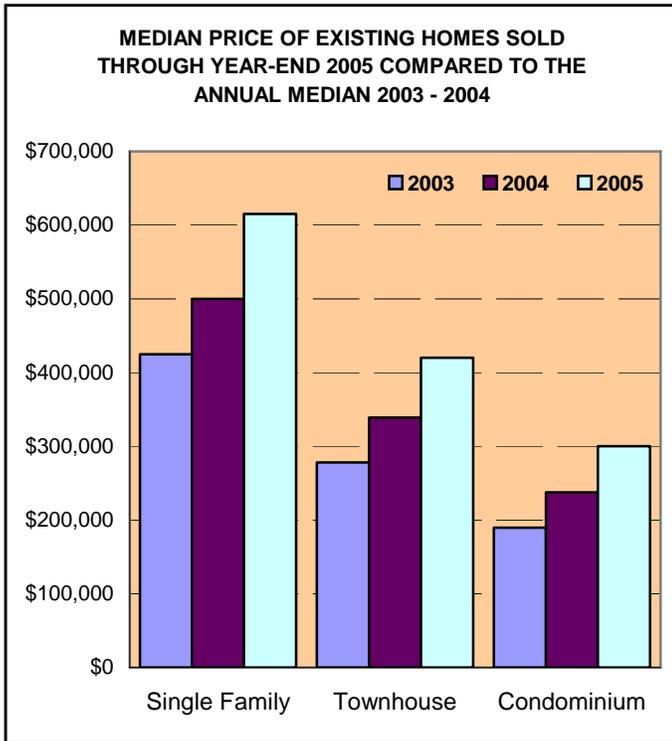
Source: Fairfax County Department of Public Works and Environmental Services. Compiled by the Fairfax County Department of Management and Budget.

Nonresidential Building Permits

New nonresidential building permits issued in January 2006 decreased from the number issued in January 2005. In the first month of CY 2006, 18 new nonresidential building permits were issued, a decline of 14.3 percent or 3 permits from the January 2005 total of 21 permits.

Nonresidential repair and alterations permits issued in January 2006 were 276, a drop of 6.8 percent or 20 permits from one year ago.

Housing Market



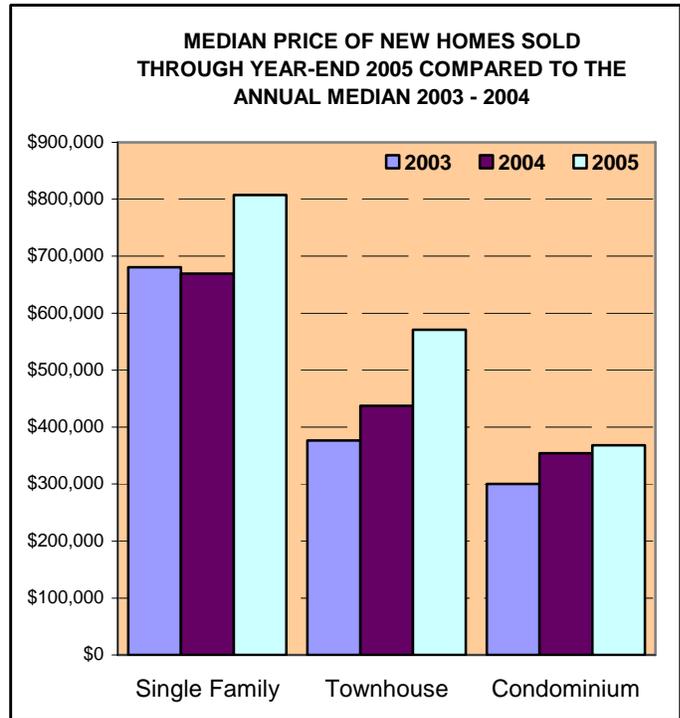
Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Existing Home Sales Prices

All types of existing (previously owned) homes in Fairfax County experienced brisk growth in median sales prices during calendar year 2005. For existing single family homes, the median sales price of homes sold during 2005 increased 23.0 percent to \$615,000 compared to the 2004 median price of \$500,000. Compared to the 2003 median sales price of \$424,900, the 2005 price for an existing single family home has risen nearly 45 percent.

The median sales price for existing townhouses sold during 2005 rose 23.9 percent from \$339,000 in 2004 to \$420,000 in 2005. The 2005 median represents an increase of 50.9 percent over the 2003 median sales price of \$278,350 for a previously owned townhouse.

In addition, the median sales price of existing condominiums rose to \$300,000 in 2005 from \$237,500 in 2004, an increase of 26.3 percent. In two years, the median sales price of an existing condominium rose 58.0 percent from \$189,900 in 2003.



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 single family homes and townhouses experienced significant growth in 2005, while the median sales price for new condominiums grew more modestly as compared to the median sales price in 2004.

The 2005 median sales for newly constructed townhouses increased the sharpest, rising 30.5 percent to \$570,640 over the 2004 median sales price of \$437,240. Since 2003, the price for a new townhouse has increased 51.6 percent.

The median sales price of new single family homes in 2005 increased \$137,809 to \$807,266 or 20.6 percent over the 2004 median of 669,457.

The median sales price for new condominiums increased at a more moderate rate in 2005. The median sales price for new condominiums increased to \$368,334 or 3.9 percent over the 2004 median of \$354,450. However, since 2003, the median sales price of a new condo has increased 22.6 percent.

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

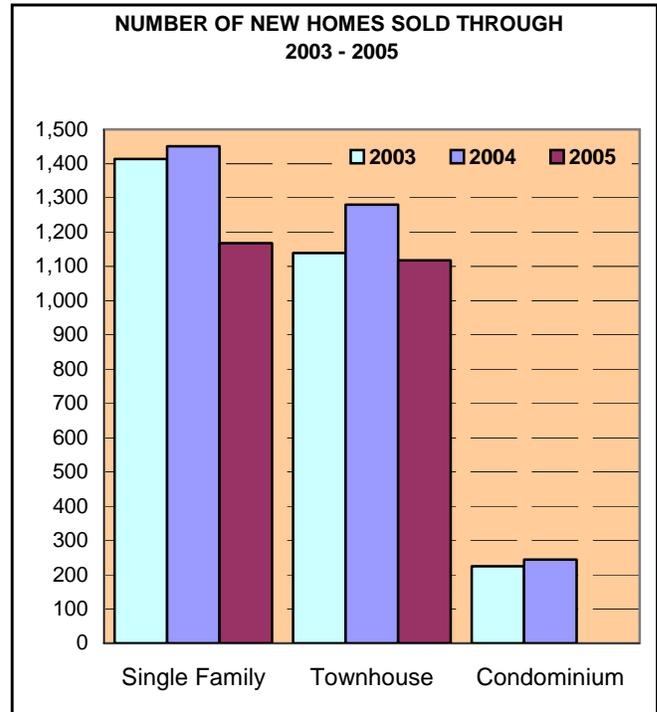
	Existing Sales	New Sales
Single Family	23.0	20.6
Townhouse	23.9	30.5
Condominium	26.3	3.9

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

Existing Home Sales Volume

The number of all types of existing (previously owned) homes sold fell during calendar year 2005. Existing single family homes sold through December totaled 9,633, a 9.9 percent decline from the 10,687 sold during 2004. In addition, sales volume of existing townhomes dropped 14.2 percent from 9,503 to 8,155. The number of existing condominiums sold from January through December 2005 fell 9.1 percent to 4,661 from the 5,129 units sold during the same period of 2004.

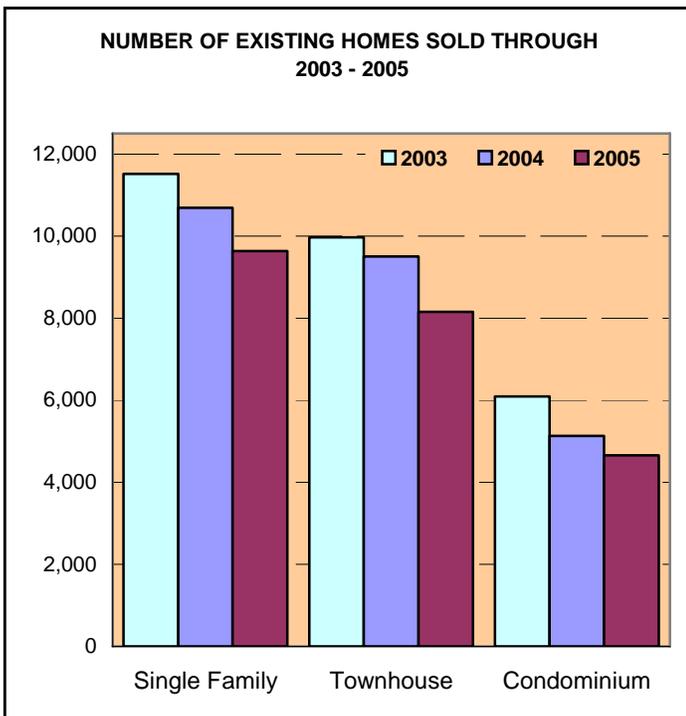


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

New Home Sales Volume

During 2005, the number of newly constructed homes also fell. Sales volume of new single family homes declined a steep 19.5 percent from the 1,451, homes sold in 2004 to 1,168 purchased during 2005. The number of new townhouses sold fell 12.7 percent from the 1,280 units sold during 2004 to 1,118 units sold in 2005. The number of new condominiums sold during 2005 is not available due to computer system reporting problem.

NUMBER OF EXISTING HOMES SOLD THROUGH 2003 - 2005



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

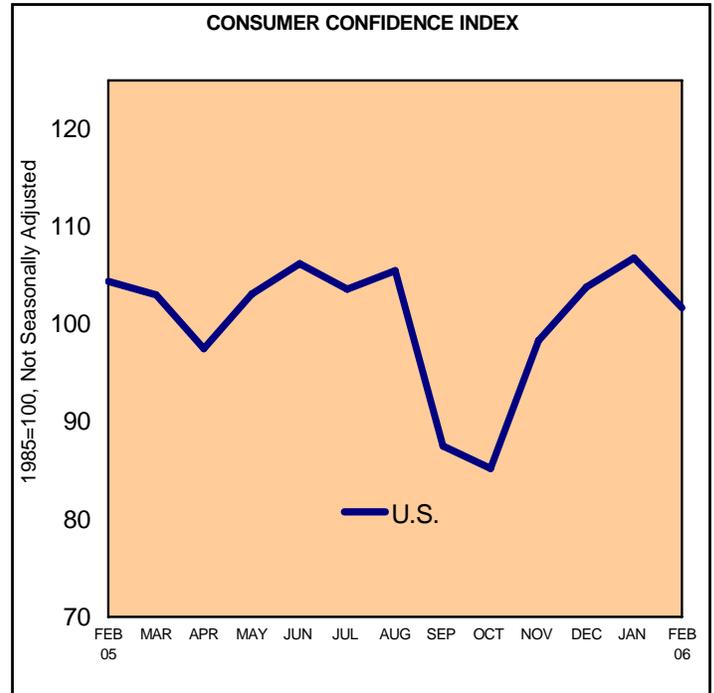
House Price Index

The Office of Federal Housing Enterprise Oversight (OFHEO) reported that the average U.S. single family home sales prices increased 13.0 percent from the fourth quarter of 2004 through the fourth quarter of 2005.

The three states with the highest appreciation rates were Arizona (34.9 percent), Florida (26.8 percent) and Hawaii (23.9 percent). Appreciation rates in Virginia, Maryland and Washington, DC were at their highest levels over the 30-year history of the OFHEO House Price Index. D.C. homes increased 22.0 percent and Maryland rose 21.5 percent, ranking 4th and 5th, respectively. Home price appreciation in Virginia ranked 7th rising 19.7 percent from the fourth quarter of 2004 to the fourth quarter of 2005.

In the Washington Metropolitan Area, house prices rose 23.7 percent from the fourth quarter 2004 to the fourth quarter of 2005. The rate of increase decelerated sharply; however, from the third quarter to the fourth, rising just 4.8 percent.

OFHEO's House Price Index is published quarterly and tracks average house price changes in repeat sales or refinancings of the same single-family properties.



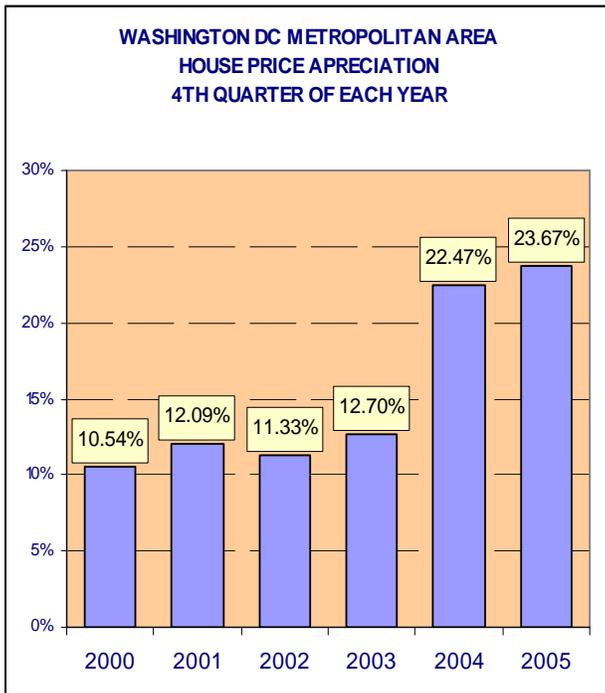
Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget.

Consumer Confidence Index

The February Consumer Confidence Index lost 5.1 points and fell to 101.7 after reaching a three-year high in January 2006. According to the Conference Board, "consumers are growing increasingly concerned about the short-term health of the economy and, in turn, about job prospects."

The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In February 2005, the Present Situation Index was 129.3, posting a modest increase of 0.5 points over January. However, the Expectations Index fell again in February, decreasing to 83.3 from the 92.1 reported in January.

According to Lynn Franco, Director of the Conference Board's Consumer Research Center, "The expectations Index is now at its lowest level in three years excluding the two months following Hurricane Katrina. If expectations continue to lose ground, the outlook for the remainder of 2006 could deteriorate"



Source: Office of Federal Housing Enterprise Oversight House Price Index. Compiled by the Fairfax County Department of Management and Budget.

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, Director; Marcia Wilds and John Garneski, analysts.