



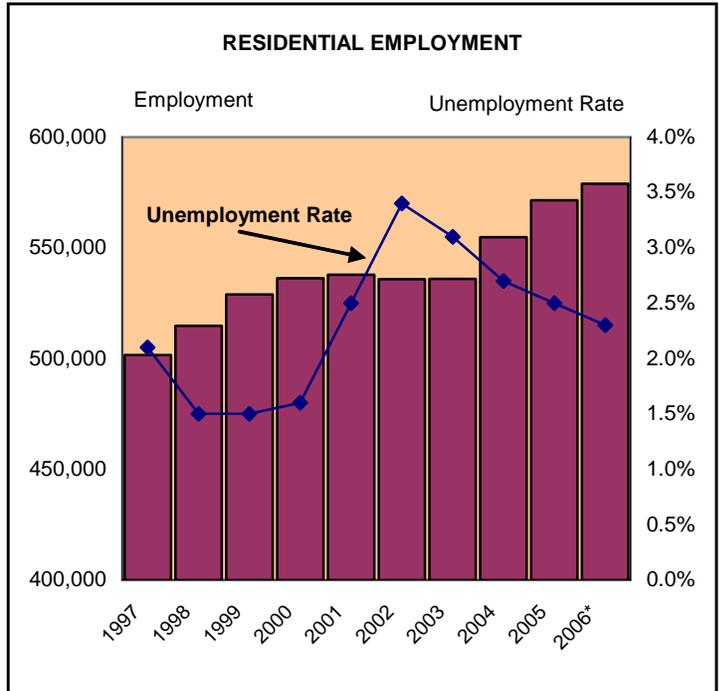
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

APRIL 2006

IN THIS ISSUE:

- The February 2006 unemployment rate in Fairfax County was 2.3 percent, a 0.4 percentage point decrease from the level reported one year ago. (See page 1)
- Fairfax County's April 2006 Sales Tax receipts grew a modest 1.8 percent over April 2005. (See page 2)
- Existing single family homes sold during the first quarter of 2006 fell 1.7 percent from the median value of existing single family homes sold during all of 2005. (See pages 3 and 4)
- The number of new single family homes and townhouses sold through March fell substantially from the same period of 2005. (See page 4)
- The April 2006 Consumer Confidence Index rose to its highest level since May 2002. (See page 4)
- Homes sold in March 2006 had been on the market for an average of 59 days, an increase of 40 days over the level reported one year ago. (See page 5)
- The number of active residential real estate listings reached 6,542 – the highest level in over five years. (See page 5)



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 February 2006 was 578,910, a gain of 19,717 residents, or 3.5 percent, over February 2005. During this period, the unemployment rate in the County fell 0.4 percentage points to 2.3 percent from the 2.7 percent reported one year ago. The February 2006 rate was unchanged from January.

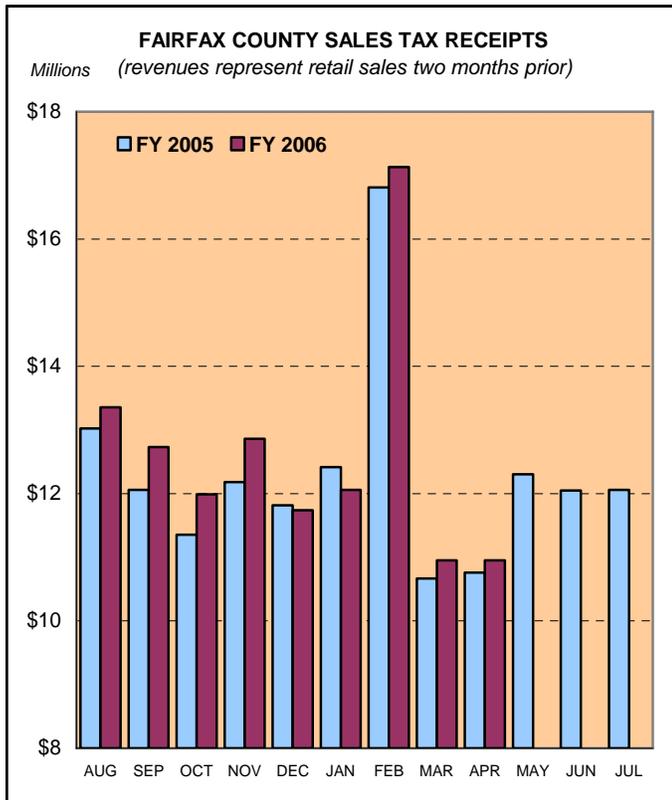
The February 2006 unemployment rate in Virginia was 3.3 percent, a decrease of half a percentage point from the February 2005 level of 3.8 percent. On the national level, the unemployment rate in February was 4.8 percent, down from 5.4 percent one year ago.



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

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

Retail Sales



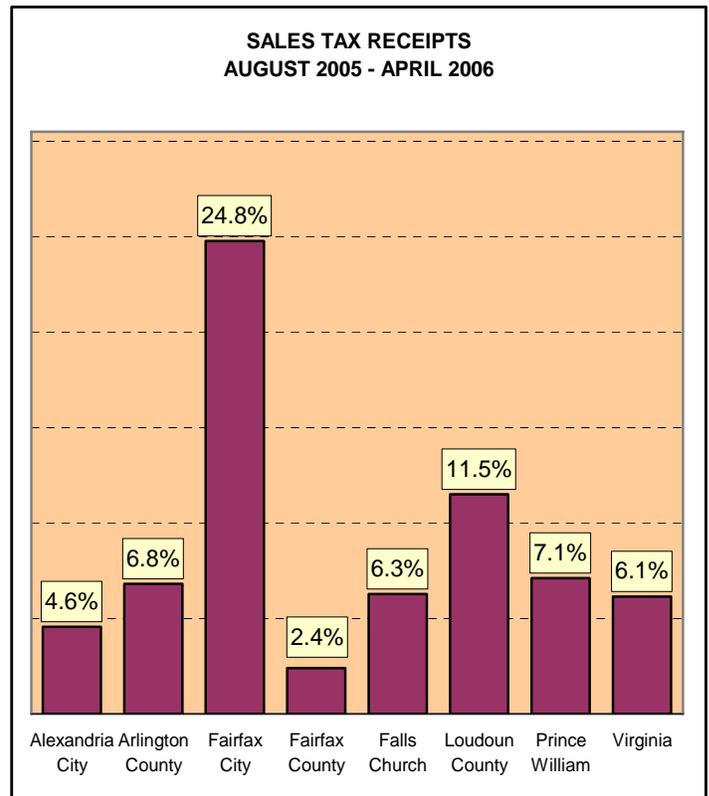
Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget. Note: Sales Tax distributions to localities were based on estimates from September through November 2005 (FY 2006) with an adjustment made in December; therefore, receipts for September through December in FY 2006 should not be used to determine an actual trend.

Fairfax County Sales Tax Receipts

April Sales Tax receipts for Fairfax County, representing retail purchases made in February, are \$10.9 million, an increase of 1.8 percent over February 2005. Fiscal year-to-date, Sales Tax receipts are \$113.8 million, up 2.4 percent over the same period in FY 2005.

National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary February 2006 retail sales for the U.S. fell 1.3 percent from the previous month but gained 6.7 percent over February 2005. Compared to last year, sales of building material and garden equipment and supplies were up 20.5 percent while gasoline stations sales grew 17.7 percent. Conversely, auto and other motor vehicle sales fell 1.4 percent compared to the prior year.

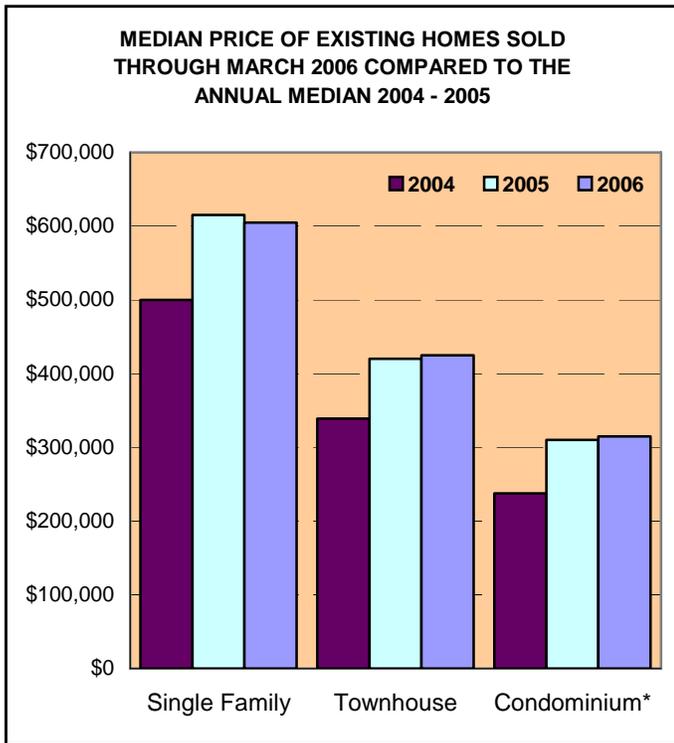


Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

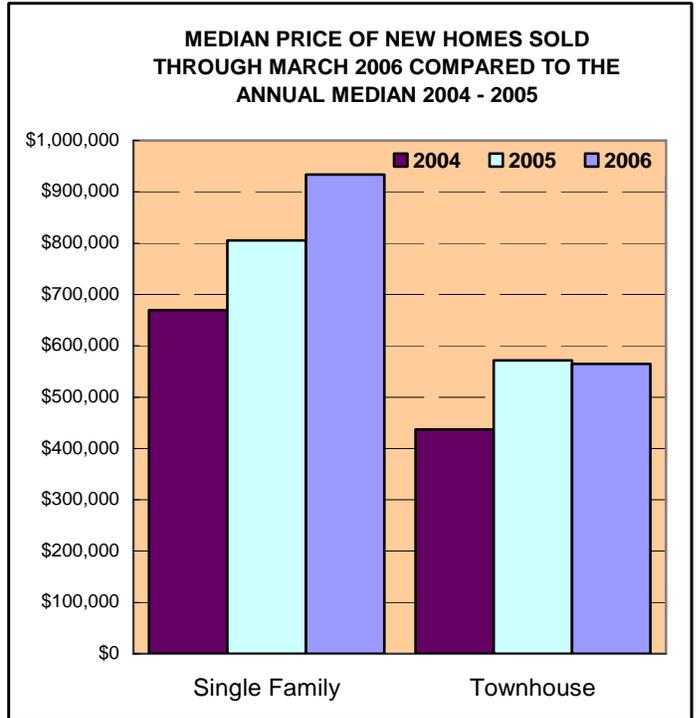
Neighboring Jurisdictions

Based on information provided by the Virginia Department of Taxation, Northern Virginia localities have experienced varying levels of growth in Sales Tax receipts during the period August 2005 through April 2006 (the period that coincides with Fairfax County's fiscal year 2006.) Sales Tax receipts are up substantially in Fairfax City at 24.8 percent and in Loudoun County at 11.5 percent. Other Northern Virginia jurisdictions are experiencing more moderate levels of growth. Sales Tax receipts in Prince William and Arlington are up 7.1 percent and 6.8 percent, respectively. Sales Tax receipts in Falls Church are up 6.3 percent, while in Alexandria receipts are increasing 4.6 percent. In contrast, Fairfax County Sales Tax receipts are growing 2.4 percent during the same period. Statewide Sales Tax receipts have increased 6.1 percent during the first three quarters of FY 2006 over the same period of FY 2005.

Housing Market



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget. *Condominium data include sales of existing and new units.



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

Existing Home Sales Prices

Sales prices of existing (previously owned) single family homes in Fairfax County sold during the first quarter of 2006 fell 1.7 percent to \$604,500 compared to the 2005 median single family home sales price of \$615,000. The median sales price for existing townhouses sold through March 2006 increased to \$425,000, representing a slight 1.2 percent gain over the 2005 median sales price of \$420,000.

Distinguishing between new and existing condominiums has become problematic due to significant rental apartment conversions to condominiums; therefore, new and existing condominium sales have been aggregated in the chart above. The median sales price of all condominiums rose a modest 1.6 percent to \$315,000 during the first three months of 2006 over the 2005 median of \$301,200.

New Home Sales Prices

Through March 2006, the median sales price for new single-family homes grew a robust 15.9 percent to \$933,429 over the 2005 median of \$805,250. However, the median sales price for townhouses decreased 1.2 percent, from \$571,600 in 2005 to \$564,670 through the first quarter of 2006.

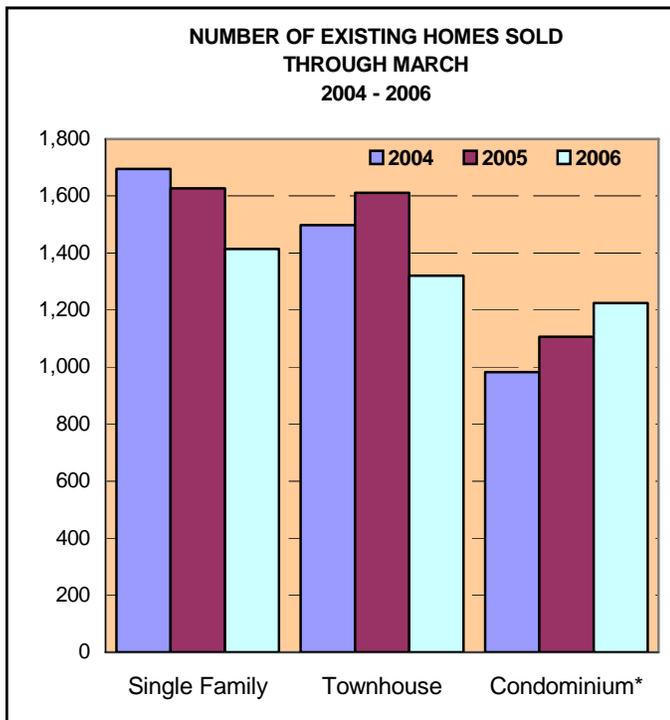
PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD YEAR-END 2005 COMPARED TO SALES THROUGH MARCH 2006

	Existing Sales	New Sales
Single Family	(1.7)	15.9
Townhouse	1.2	(1.2)
Condominium*	1.6	

*Condominium data include sales of existing and new units.

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:

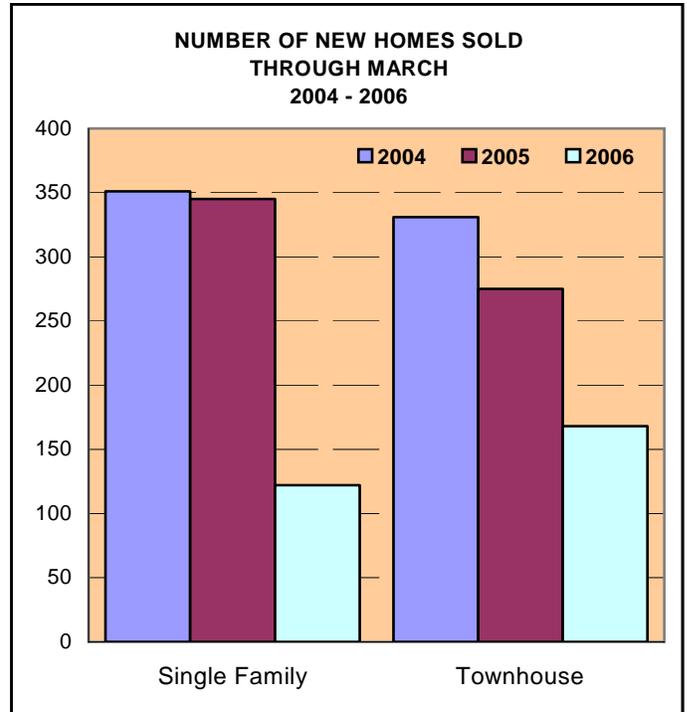
www.co.fairfax.va.us/dta/tax_assessment.htm



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget. *Condominium data include the sales volume of existing and new units.

Existing Home Sales Volume

The number of existing single family and townhouses sold during the first three months of 2006 has fallen significantly. Sales of existing single family homes decreased from 1,627 to 1,414, reflecting a drop of 13.1 percent from the first quarter of 2005. In addition, sales volume of existing townhouses fell to 1,321 from 1,611, reflecting a decrease of 18.0 percent. Due to the previously noted issue concerning condominiums, the number of new and existing units sold has been combined in the chart above. The number of all condominium sales reported during the first three months of 2006 increased 10.7 percent from 1,106 to 1,224 over the same period of 2005.



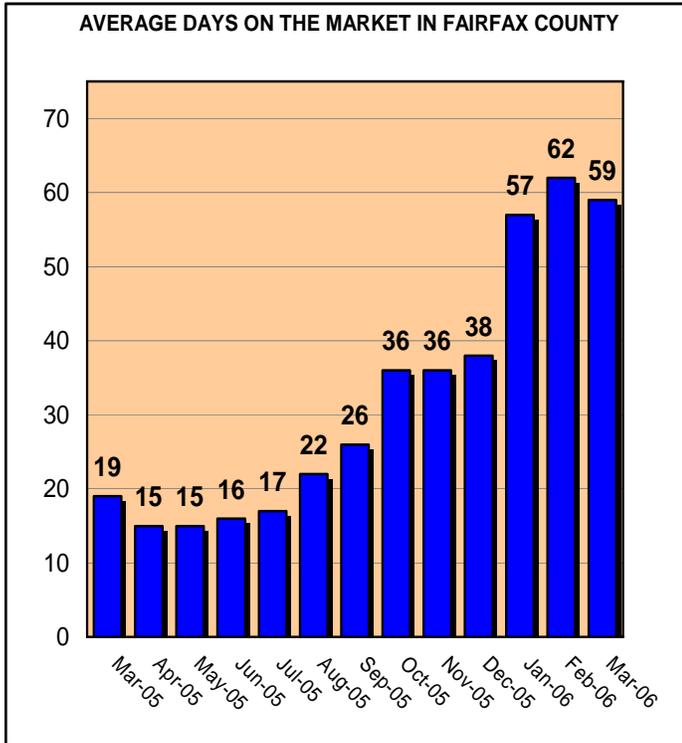
Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

New Home Sales Volume

The number of new single family homes and townhouses sold both fell substantially during the first quarter of 2006. The number of new single family homes sold decreased from 345 to 122 in March 2006, representing a decline of 64.6 percent. Sales volume of new townhouses dropped 38.9 percent during this same period from 275 to 168 units. For data concerning all condominium sales volume, refer to the "Existing Home Sales Volume" section.

Average Days on the Market in Fairfax County

Over the past year, the average number of days that a house is on the market before being sold has increased three-fold. The Metropolitan Regional Information Systems Inc., reported that the average days on the market for active residential real estate listings was 59 days in March 2006, an increase of 40 days over the March 2005 level of 19 days. March 2006 is the 10th consecutive month that the average days on the market have increased over the same month of the prior year.

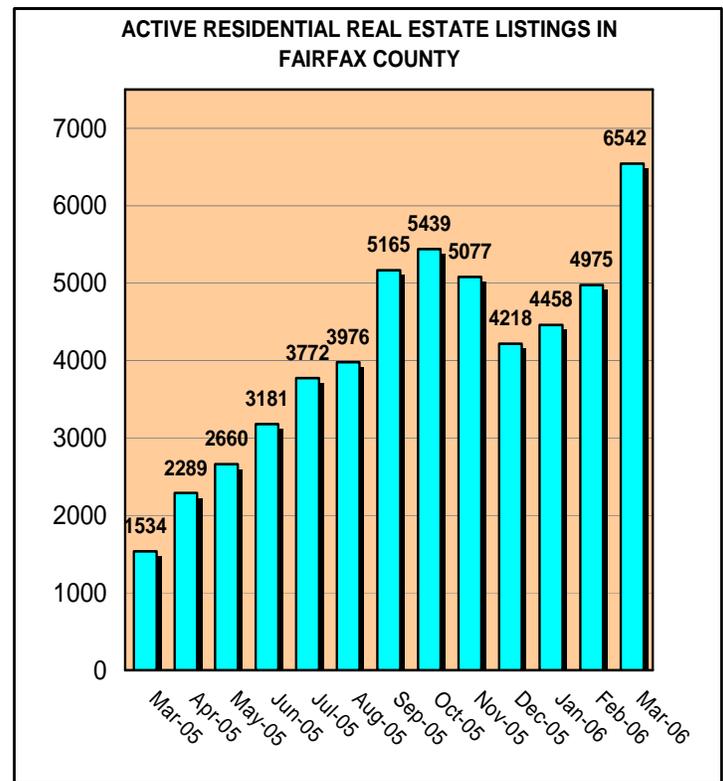


Source: Metropolitan Regional Information Systems, Inc. Compiled by the Fairfax County Department of Management and Budget.

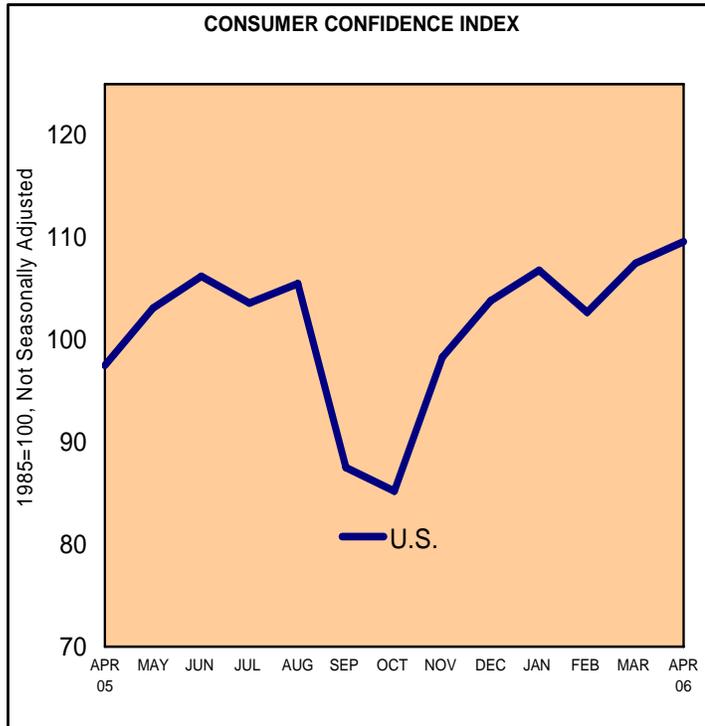
The increase in the number of days represents a significant shift from the experience of recent years. For calendar years 2004 and 2005 the average days on the market was 20 days and 21 days, respectively. In addition, average days on the market for the County have not exceeded 50 days since 1999 when the days on the market for active residential real estate listings averaged 64 days.

Inventory of Homes for Sale in Fairfax County

In addition to the increase in the days on the market, the inventory of homes for sale has risen considerably. There are four times as many homes for sale in March 2006 than there were a year ago. Buyers have more choices and no longer have to quickly make an offer in fear of losing a contract. As reported by MRIS, the number of active residential listings for March 2006 was 6,542, representing an increase of 5,008 listings or 326 percent over the March 2005 level. For the last twelve months, the inventory of homes for sale has been trending upward as demonstrated in the chart below. Active residential real estate listings have not been in excess of 6,000 in the last five years.



Source: Metropolitan Regional Information Systems, Inc. Compiled by the Fairfax County Department of Management and Budget.



Consumer Confidence Index

The Consumer Confidence Index gained 2.1 points in April 2006, increasing to 109.6. According to the Conference Board, the Consumer Confidence Index is at its "highest level since May 2002 (110.3)."

The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In April 2006, the Present Situation Index was 136.2, registering a sharp increase of 3.1 points over the previous month. In addition, the Expectations Index gained in April, increasing to 91.9 over the 90.3 reported in March.

According to Lynn Franco, Director of the Conference Board's Consumer Research Center, "recent improvements in the labor market have been a major driver behind the rise in confidence in early 2006."

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