



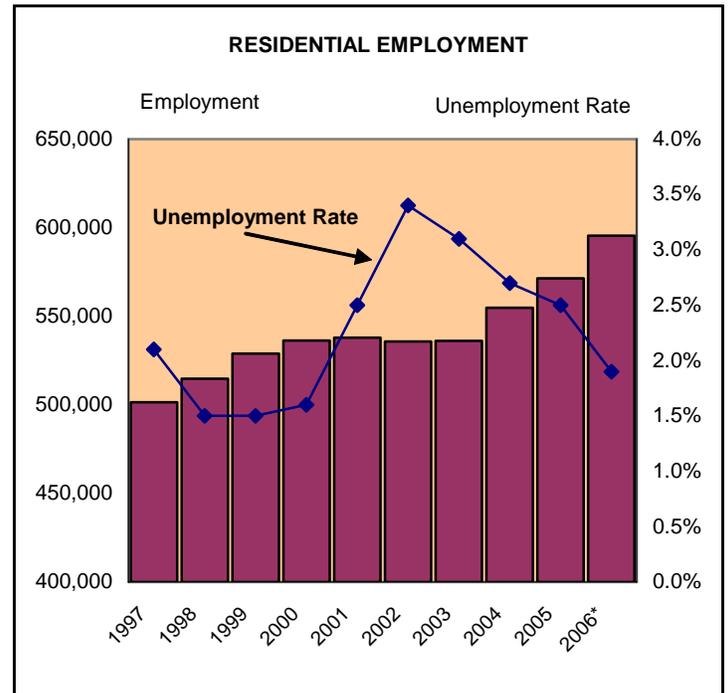
# ECONOMIC INDICATORS®

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

DECEMBER 2006

## IN THIS ISSUE:

- The unemployment rate in Fairfax County for October decreased to 1.9 percent from the level of 2.3 percent in October 2005. In addition, the number of employed County residents has increased 17,602 in the last twelve months. (See page 1)
- Sales Tax receipts in Fairfax County for the first five months of FY 2007 rose 4.4 percent over the prior fiscal year. (See page 2)
- The number of existing single family homes sold through November 2006 decreased 33.7 percent; while, the median value of these homes grew a slight 1.6 percent over existing single family homes sold during all of 2005. (See page 3)
- The number of new single family homes and townhouses sold through the first 11 months of 2006 fell severely from the same period of 2005. (See page 4)
- Homes that sold in November 2006 in Fairfax County were on the market for an average of 91 days compared to 36 days for homes sold in November 2005. (See page 5)
- The number of active residential real estate listings in Fairfax County has increased 31.8 percent in the last twelve months. (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 October 2006 was 595,570, an increase of 17,602 residents, or 3.0 percent, over October 2005. During this period, the unemployment rate in Fairfax County fell 0.4 percentage points to 1.9 percent.

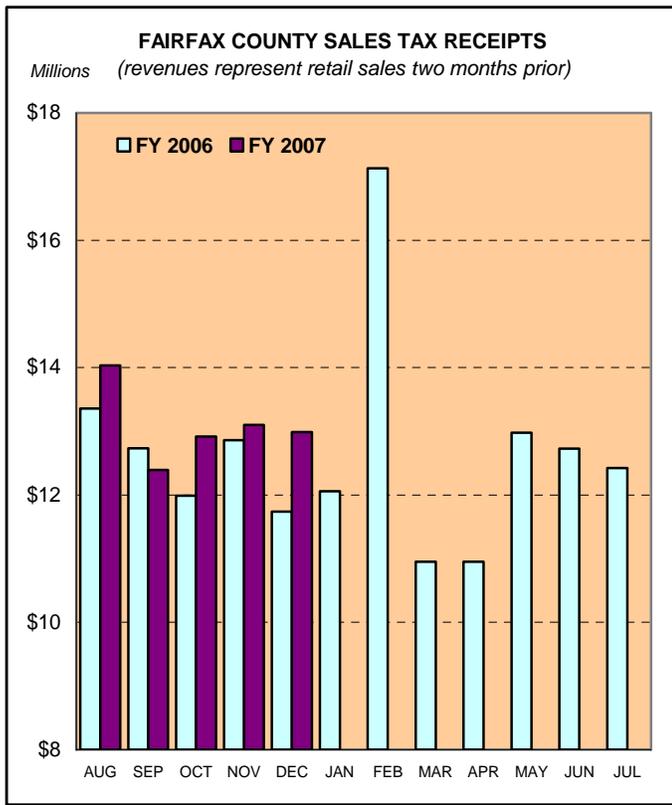
The October 2006 unemployment rate in Virginia was 2.7 percent. This rate represents a decrease of 0.3 percentage points from the October 2005 level of 3.1 percent. On the national level, the unemployment rate in October was 4.4 percent, down half a percentage point from the year before.



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

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

# Retail Sales

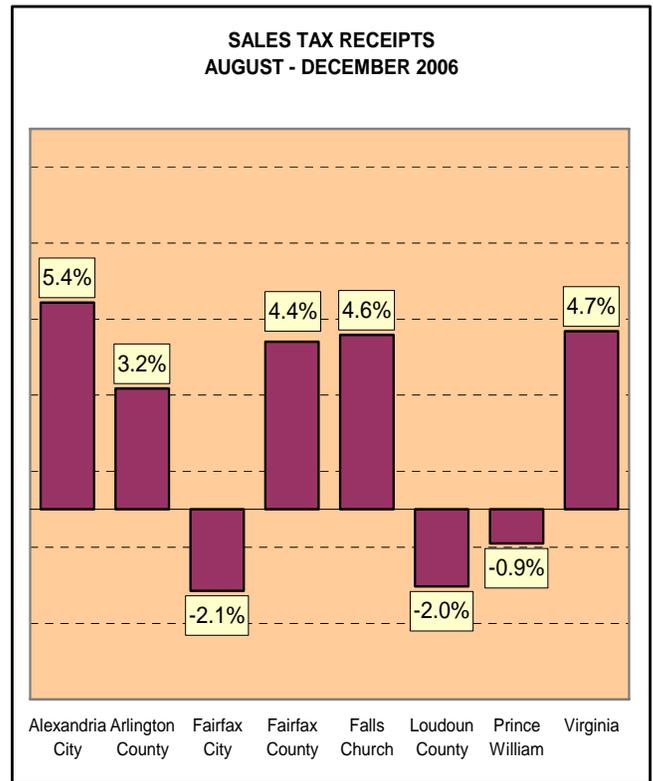


Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget. Note: Sales Tax distributions to localities were based on estimates from September through November 2005 (FY 2006) with an adjustment made in December; therefore, receipts for September through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

## Fairfax County Sales Tax Receipts

December 2006 Sales Tax receipts for Fairfax County, representing retail purchases made in October, were \$13.0 million, an estimated increase of 5.6 percent over December 2005. Fairfax County Sales Tax collections for the period August 2006 through December 2006 total \$65.4 million, representing an increase of 4.4 percent over the same period of FY 2006.

Due to computer system changes that occurred at the state level during the latter part of calendar year 2005, sales tax receipts distributed to localities were estimated for the months of September through November 2005. Once the system changes were completed, the state reconciled estimated distributions to actual Sales Tax for the period and made adjustments to December 2005 distributions. The month-to-month changes for September through December shown in the chart above have been estimated; however, as of December 2006, year-to-date Sales Tax collections for FY 2007 are accurate.



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

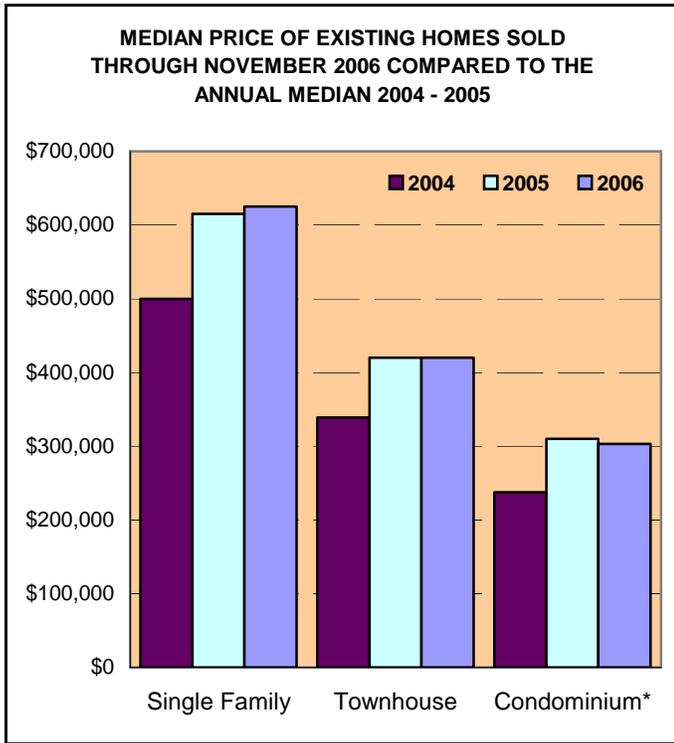
## Neighboring Jurisdictions

Based on information provided by the Virginia Department of Taxation, Sales Tax receipts in Northern Virginia localities are experiencing changes in Sales Tax receipts ranging from -2.1 percent to 5.4 percent during the period August 2006 through December 2006. Sales Tax receipts are up 5.4 percent in Alexandria; 4.6 percent in Falls Church; 4.4 percent in Fairfax County; and 3.2 percent in Arlington. However, Sales Tax receipts have fallen 2.1 percent in Fairfax City, 2.0 percent in Loudoun and 0.9 percent in Prince William. For the period August 2006 through December 2006, statewide sales tax receipts grew 4.7 percent over the same period a year ago.

## National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary October 2006 retail sales for the U.S. were up 4.5 percent over October 2005. Compared to the prior year, retail trade sales increased 4.2 percent while gasoline station sales fell 12.5 percent.

# Housing Market

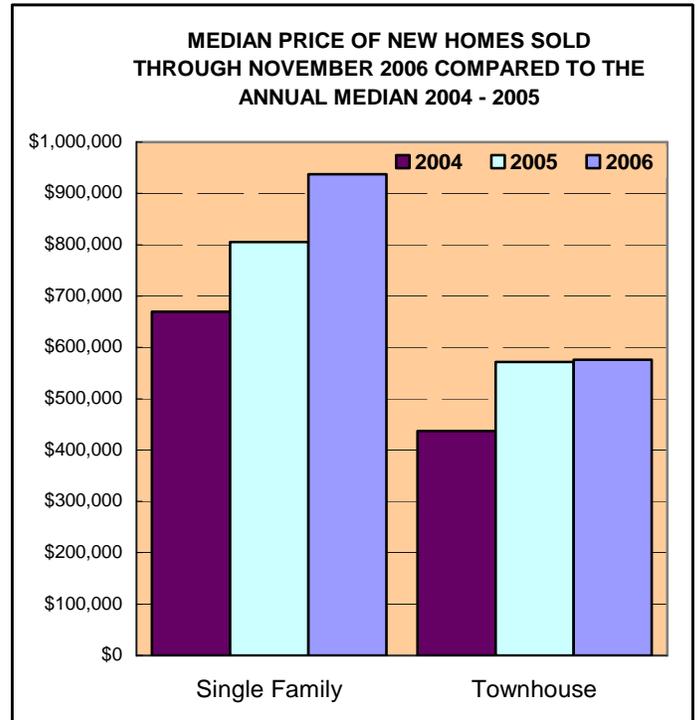


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget. \*Condominium data include sales of existing and new units.

## Existing Home Sales Prices

The median sales price of existing (previously owned) single family homes and townhouses in Fairfax County registered modest changes during the first eleven months of calendar year 2006 compared to the 2005 median price. The median sales price for existing single family homes sold through November 2006 increased 1.6 percent to \$625,000 over the 2005 median of \$615,000. The median sales price of existing townhouses sold through November 2006 was \$420,000, no change from the 2005 median price.

The median sales price of all condominiums sold, existing and new, through November 2006 fell 2.3 percent to \$303,000 from the 2005 median of \$310,000.



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 for new single family homes increased 16.4 from the 2005 median of \$805,250 to a median sales price of \$937,536 through November. The increase in the median price of new homes can be impacted by the mix of homes sold this year compared to last year. The impact of the change in the mix of homes sold is magnified as the number of new single family homes sold through November 2006 has dropped over 57 percent from the same period last year. In addition, the increase in the prices of new single family homes is a reflection of construction costs. Therefore, changes in the sales price of existing single family homes is a better gauge of the overall residential housing market.

The median sales price for new townhouses posted a slight increase of 0.7 percent through the first 11 months of 2006, growing to \$575,675 over the 2005 median of \$571,600.

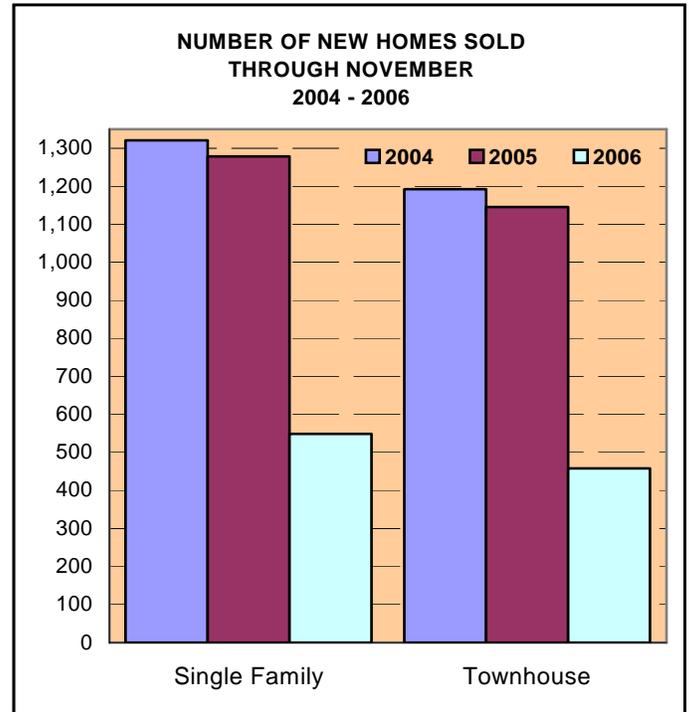
### PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD DURING 2005 COMPARED TO SALES THROUGH NOVEMBER 2006

	Existing Sales	New Sales
Single Family	1.6	16.4
Townhouse	0.0	0.7
Condominium*	(2.3)	

\*Condominium data include sales of existing and new units.

A note on tax assessments and home sales: 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, 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:

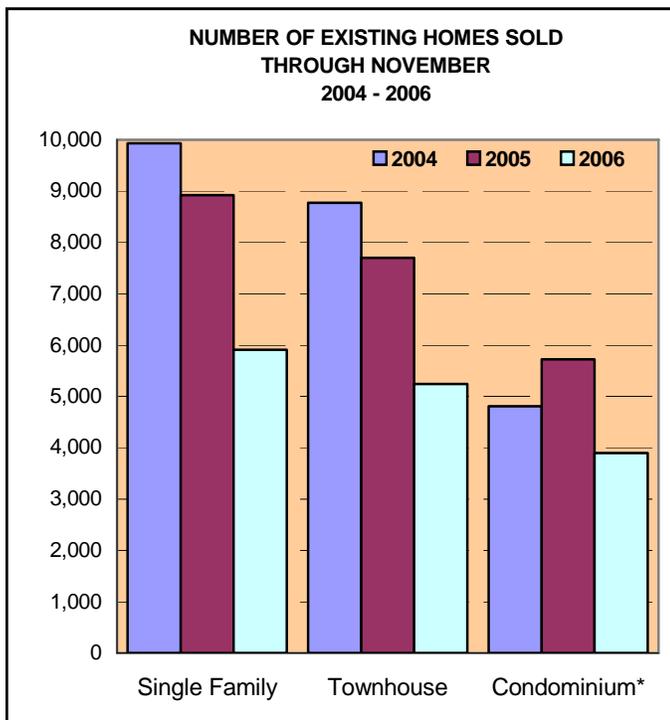
[www.co.fairfax.va.us/dta/tax\\_assessment.htm](http://www.co.fairfax.va.us/dta/tax_assessment.htm)



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

### New Home Sales Volume

Through the first 11 months of 2006, 549 new single family homes were sold compared to the 1,278 sold during the same period of 2005, representing a loss of 57.0 percent. Sales volume of new townhouses also fell dramatically, decreasing 60.0 percent during the same period from 1,145 to 458 units. For data regarding all condominium sales volume, refer to the "Existing Home Sales Volume" section.



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

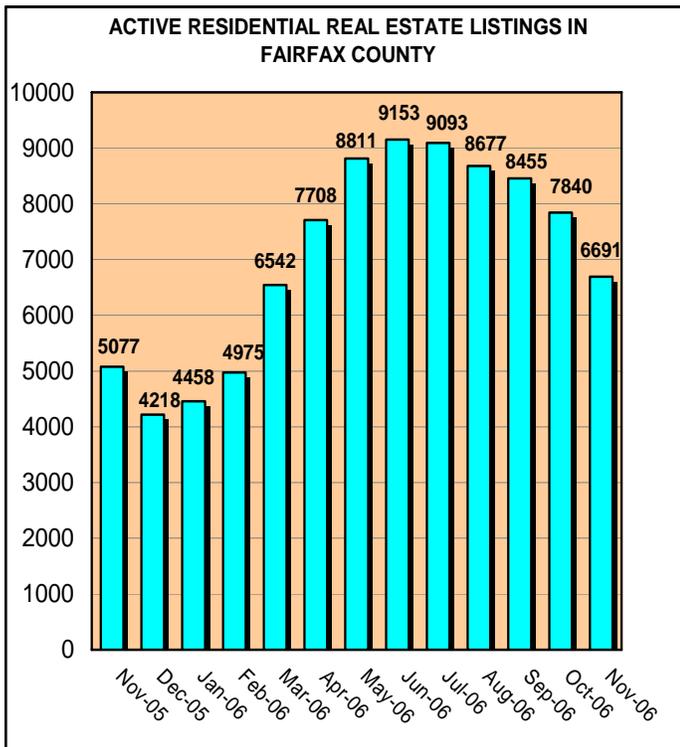
The number of both existing single family and townhouses sold through November 2006 fell significantly compared to the same period of 2005. Sales of existing single family homes decreased to 5,910 from 8,919, representing a decline of 33.7 percent from the first 11 months of 2005. The sales volume of existing townhouses through November dropped 31.9 percent from 7,699 in 2005 to 5,243 in 2006.

Condominium sales (existing and new) through November 2006 fell 31.9 percent to 3,896 from the 5,722 sales occurring during the same period of 2005.

## Additional Housing Market Statistics

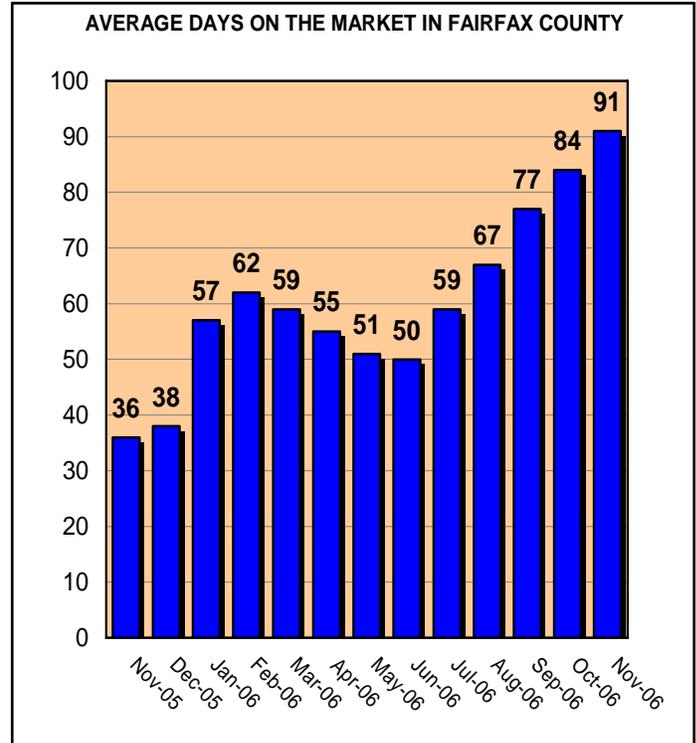
The housing market in Fairfax County has experienced a dramatic cooling in 2006. As shown above, the number of homes sales has declined and sales prices of existing homes have weakened. In addition, the listing of homes for sale has increased considerably and homes are remaining on the market longer.

The number of active listings in Fairfax County was 6,691 in November 2006, up 31.8 percent over November 2005 when 5,077 homes were listed. Generally, the number of homes for sale drops in late summer and continues through the winter months. This pattern can be seen in the chart below. November is the fifth consecutive month that the number of active listings has declined from the previous month. Active listings in the County in November dropped 14.7 from October and 26.9 percent from the recent peak occurring in June 2006.



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

On average, homes that sold in November in Fairfax County were on the market for 91 days. This represents an additional 55 days over the average time it took to sell a home last year when the average was 36 days. November 2006 is the 18th 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.

## National Association of Realtors: National Housing Market to Improve in 2007

In the November 2006 issue of *Real Estate Insights*, the National Association of Realtors' Chief Economist David Lereah reported that indicators point toward an end to the national housing slump early in 2007. Lereah pointed to the stabilization of mortgage purchase applications and to a bottoming out of existing home sales as evidence that the cooling of the residential real estate market is subsiding.

Lereah cautioned, however, that some housing markets will continue to contract even after the national market begins to recover. These are the markets that rose the fastest over the past five years: California, Florida, Washington, DC, New York, Boston, Nevada and Arizona. Lereah expects that most of these markets will recover by the second half of 2007, but some may experience contraction well into 2008.

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.