



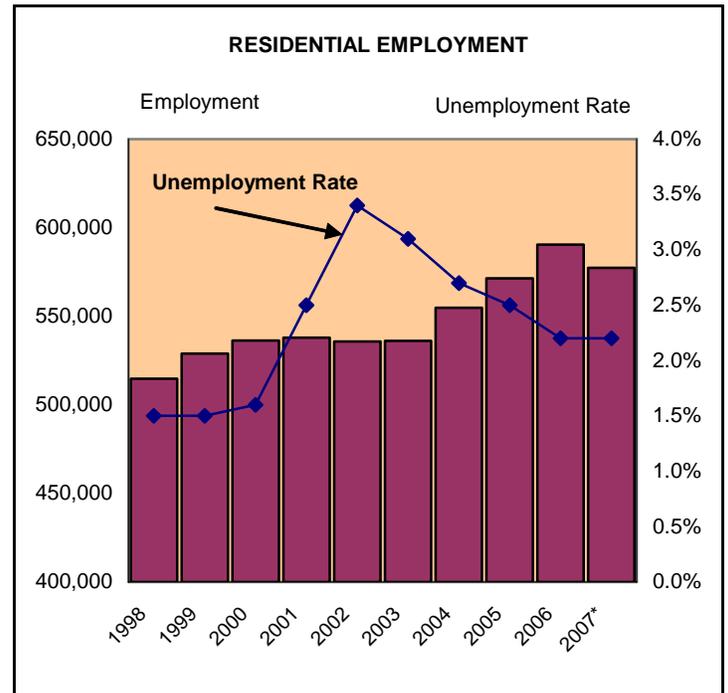
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

MARCH 2007

IN THIS ISSUE:

- The unemployment rate in Fairfax County for January 2007 dropped to 2.2 percent from the January 2006 level of 2.3 percent. (See page 1)
- March 2007 Sales Tax receipts for Fairfax County grew 8.6 percent over the March 2006 level to \$11.9 million. Fiscal year-to-date, Sales Tax receipts are up 4.3 percent. (See page 2)
- Existing single family homes sold during the first two months of 2007 fell 7.0 percent from the median value of existing single family homes sold during all of 2006. (See pages 3)
- The number of new single family homes sold through February increased slightly over the same period of 2006, while the number of townhouses sold fell substantially. (See page 4)
- The March 2007 Consumer Confidence Index fell 4.0 points from the previous month. (See page 5)
- The Fairfax County Economic Development Authority reported that the office market improved for the fourth successive year as the direct office vacancy rate decreased 0.1 percentage point to 7.7 percent as of year-end 2006. (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 January 2007 decreased 1,912 residents, or 0.3 percent, to 577,289. The net drop in the number of employed residents reflects the layoff of temporary holiday workers. During this period, the unemployment rate in Fairfax County declined from 2.3 percent to 2.2 percent.

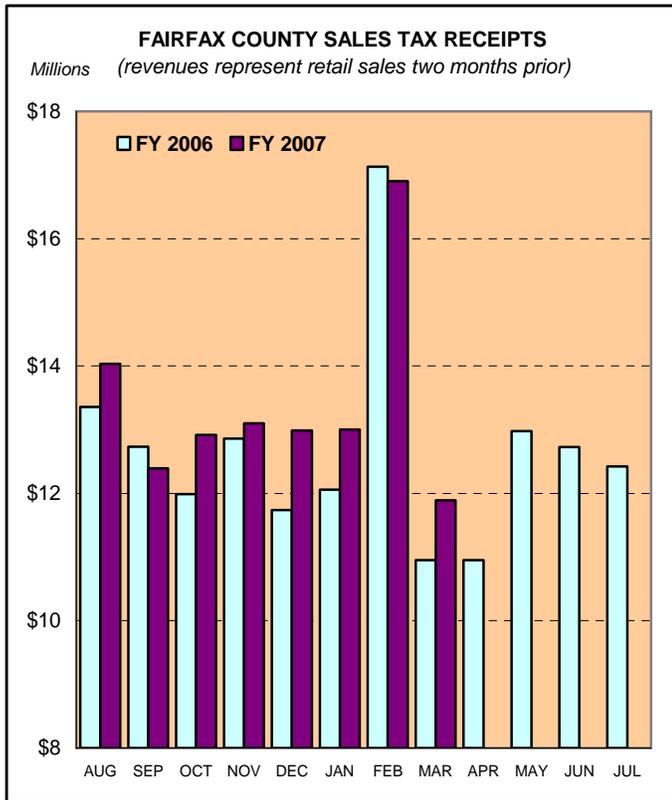
The January 2007 unemployment rate in Virginia fell 0.1 percentage point from its January 2006 level to 3.2 percent. On the national level, the unemployment rate in January 2007 was 4.6 percent, a slight improvement from the January 2006 rate of 4.7 percent.



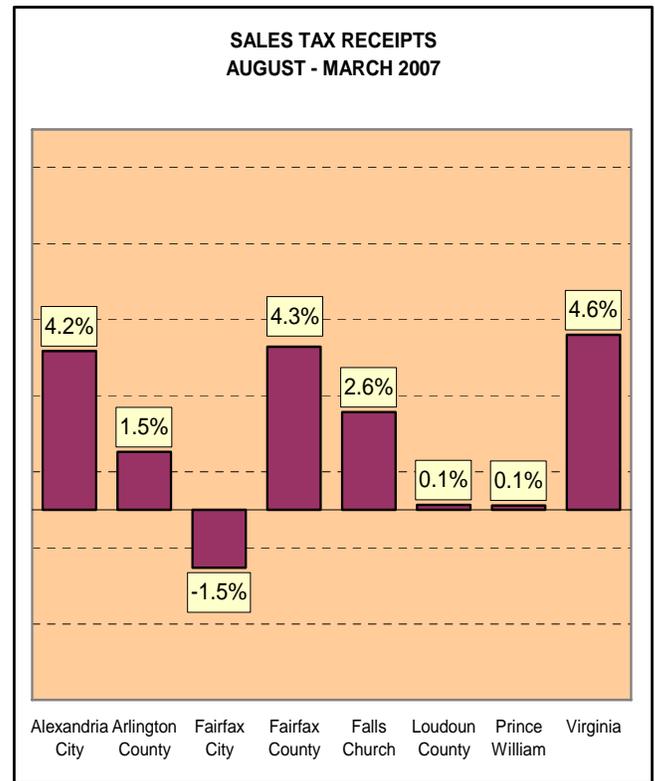
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<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

March 2007 Sales Tax receipts for Fairfax County, representing retail purchases made in January, were \$11.9 million, a gain of 8.6 percent over March 2006. Fairfax County Sales Tax collections for the first eight months of FY 2007 total \$107.2 million, representing growth of 4.3 percent over the same period of FY 2006.

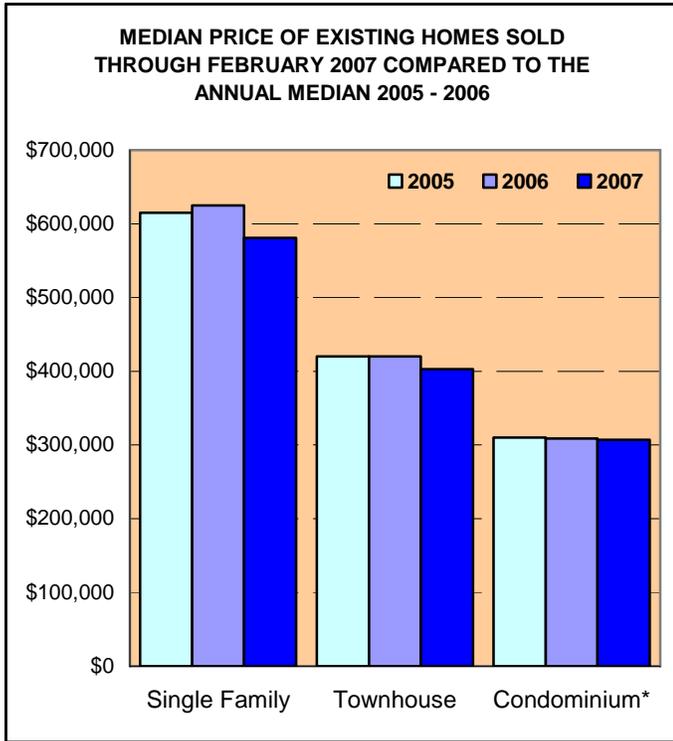
Neighboring Jurisdictions

Based on information provided by the Virginia Department of Taxation, growth in Sales Tax receipts in Northern Virginia localities was wide-ranging during the first two-thirds of FY 2007. Sales Tax receipts increased 4.3 percent in Fairfax County, 4.2 percent in Alexandria; 2.6 percent in Fall Church; and 1.5 percent in Arlington County. Sales Tax receipts were relatively flat during the first eight months of FY 2007 in Prince William and Loudoun Counties, which both experienced negligible growth of 0.1 percent. In contrast, during the same period, Fairfax City Sales Tax receipts fell 1.5 percent. For the period August 2006 through March 2007, statewide Sales Tax receipts rose 4.6 percent over the same period a year ago.

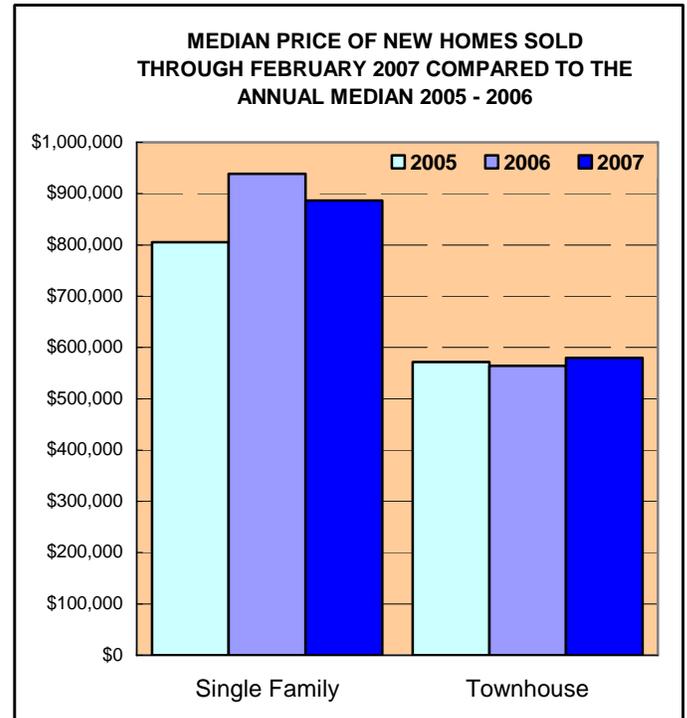
National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary January 2007 retail sales for the U.S. grew a modest 2.3 percent over January 2006. Compared to the prior year, sales from grocery stores increased 6.0 percent while sales from gasoline stations and motor vehicle dealers fell 2.9 percent and 1.7 percent, respectively.

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

The median sales price of both existing (previously owned) single family homes and townhouses in Fairfax County declined during the first two months of calendar year 2007 compared to the 2006 median price. The median sales price of existing single family homes sold through February 2007 was \$581,000, a 7.0 percent decrease from the 2006 median price of \$625,000. The median sales price for existing townhouses sold in the first two months of 2007 dropped 4.0 percent to \$403,000 from the 2006 median of \$420,000.

The median sales price of all condominiums sold, existing and new, through February 2007 decreased 0.6 percent to \$307,064 from the 2006 median of \$309,000.

New Home Sales Prices

The change in sales price of new homes that sold in Fairfax County during the first two months of 2007 has varied by type of home. The median sales price of new single-family homes that sold in January and February 2007 fell to \$886,818 from the 2006 median of \$938,768, a loss of 5.5 percent. Conversely, the median sales price for townhouses sold in the first two months of 2007 increased 2.7 percent to \$579,442 from the 2006 median of \$564,440. For data regarding all condominium sales prices, refer to the "Existing Home Sales Volume" section.

PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD DURING 2006 COMPARED TO SALES THROUGH FEBRUARY 2007

	Existing Sales	New Sales
Single Family	(7.0)	(5.5)
Townhouse	(4.0)	2.7
Condominium*	(0.6)	

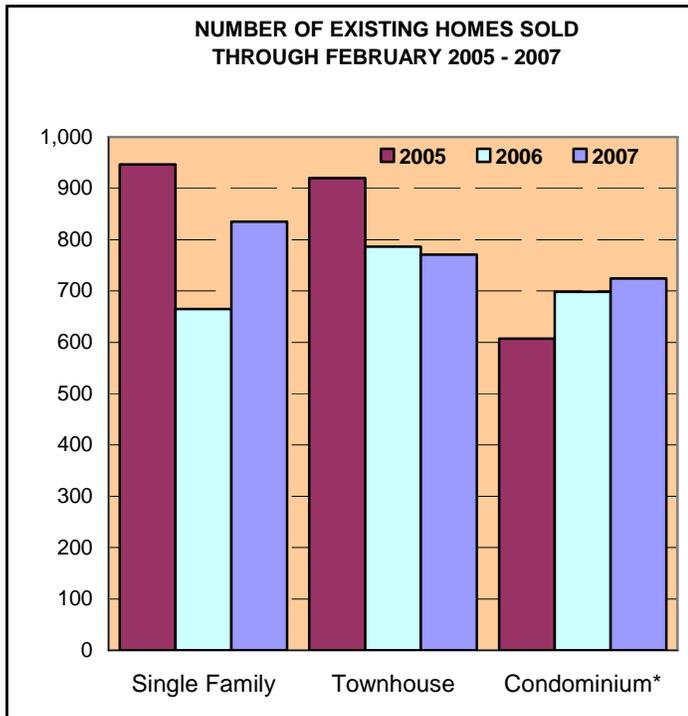
*Condominium data include sales of existing and new units.

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:

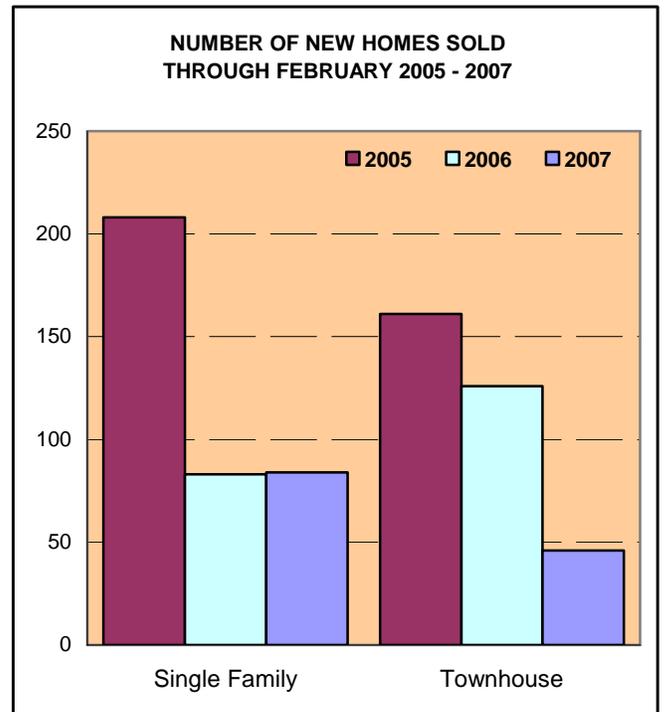
www.fairfaxcounty.gov/dta/tax_assessment.htm

New Home Sales Volume

During the first two months of FY 2007, the number of new single family homes sold increased slightly while the number of townhouses sold fell precipitously. The number of new single family homes sold rose from 83 to 84 through February 2007, reflecting a gain of one home sold or 1.2 percent. In contrast, sales volume of new townhouses posted a steep decline, falling 63.5 percent during this period from 126 to 46 units. For data regarding 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 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 Volume

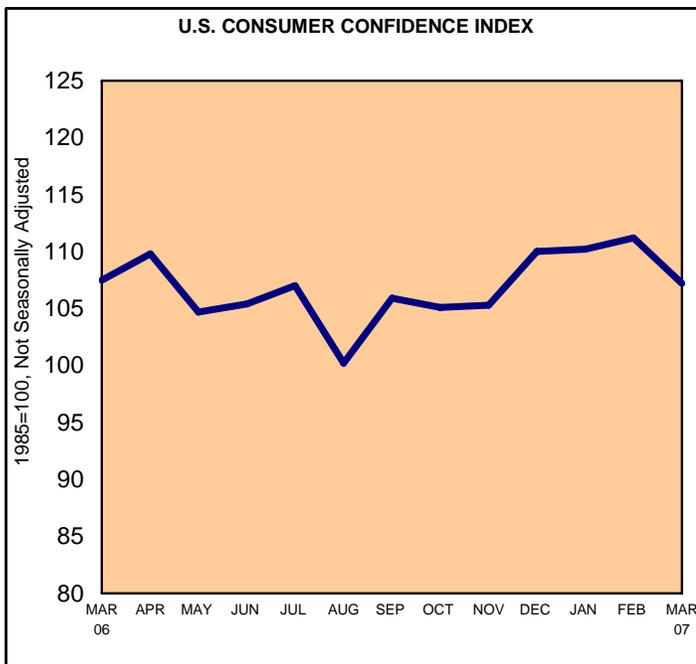
Sales of existing single family homes during January and February 2007 increased to 835, reflecting a gain of 170 homes, or 25.6 percent, over the same period of 2006. Through February 2007, the number of sales of existing townhouses decreased 1.9 percent to 771 from the 786 units sold during the first two months of 2006. In addition, the total number of existing and new condominiums sold during the first two months of 2007 rose 3.7 percent to 724 from the 698 sold during the same period of 2006.

Consumer Confidence Index

The Conference Board reports that the Consumer Confidence Index fell 4.0 points in March 2007. In March, the Index was 107.2 compared to the revised February level of 111.2.

The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In March 2007, the Present Situation Index increased slightly to 137.6 points, a half point gain over last month. The Expectations Index; however, decreased to 86.9 from 93.8 for the previous month.

According to Lynn Franco, Director of the Conference Board's Consumer Research Center, "The recent turmoil in financial markets coupled with the run-up in gasoline prices may have contributed to consumers' heightened sense of uncertainty and concern."



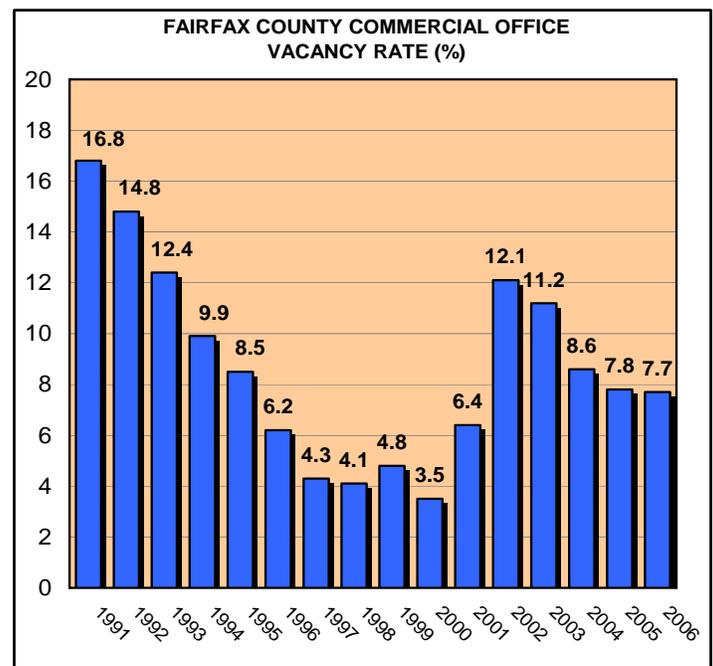
Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget

Commercial Office Market

The Fairfax County Economic Development Authority (EDA) reports that the commercial office market strengthened for the fourth year in a row. During 2006, the countywide office inventory expanded nearly 1.7 million square feet to 105.2 million square feet. Leasing activity for 2006 totaled 10.8 million square feet – the third highest total recorded by EDA.

At year-end 2006, the direct office vacancy rate in the County was 7.7 percent; a drop of 0.1 percentage point from the rate of 7.8 percent reported at year-end 2005. The overall vacancy rate, which includes space available through subleases, was 9.2 percent, a decline of half a percentage point from the 9.7 percent registered at the end of 2005. Over the last four years, the County's direct office vacancy rate has steadily improved since reaching a rate of 12.1 percent in 2002.

According to EDA, the vacancy rate is projected to experience a slight up-tick primarily due to an additional 6.0 million square feet of office space scheduled to be added to the office market over the next 18 months.



Source: The Fairfax County Economic Development Authority. 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.