



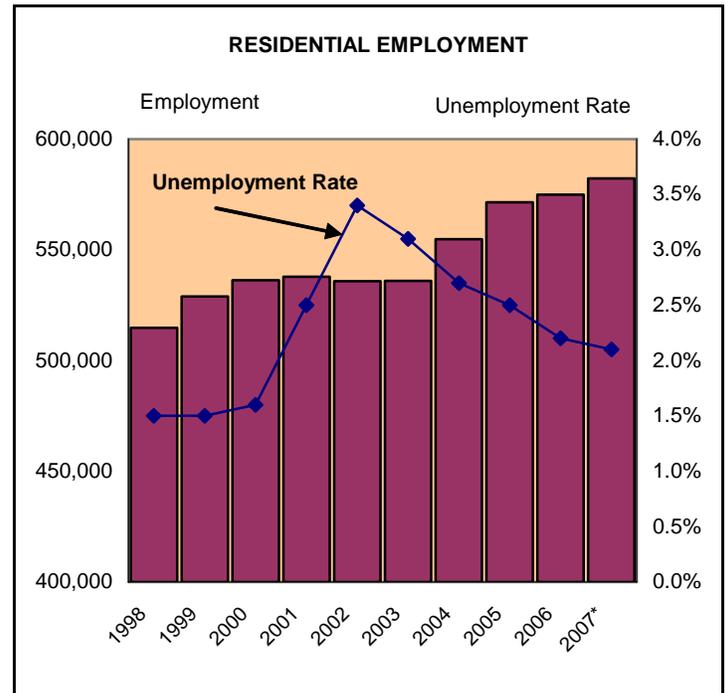
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

MAY 2007

IN THIS ISSUE:

- The March unemployment rate in Fairfax County remained unchanged from the March 2006 level of 2.1 percent. (See page 1)
- May 2007 Sales Tax receipts for Fairfax County were \$13.3 million, an increase of 2.5 percent over May 2006. Sales Tax receipts are up 4.2 percent, fiscal year-to-date. (See page 2)
- The median value of single family homes sold during the first four months of 2007 fell 4.8 percent from existing single family homes sold during 2006; while, the number of existing single family homes sold increased 13.4 percent in the first four months of 2007. (See pages 3 and 4)
- The median price of new single family homes sold through April 2007 declined 6.9 percent from single family homes sold during 2006. In addition, the number of new single family homes sold fell 21.5 percent during the first third of 2007. (See pages 3 and 4)
- Homes that sold in April 2007 in Fairfax County were on the market for an average of 84 days compared to 55 day for homes sold in April 2006. (See page 5)
- The number of active residential real estate listings in Fairfax County fell 7.9 percent in the last twelve months. (See page 5)
- The April 2007 Consumer Confidence Index increased for the first time in three months. (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 March 2007 expanded by 13,309 residents, or 2.3 percent, over the March 2006 level to 582,209. During this period, the unemployment rate in Fairfax County remained unchanged at 2.1 percent.

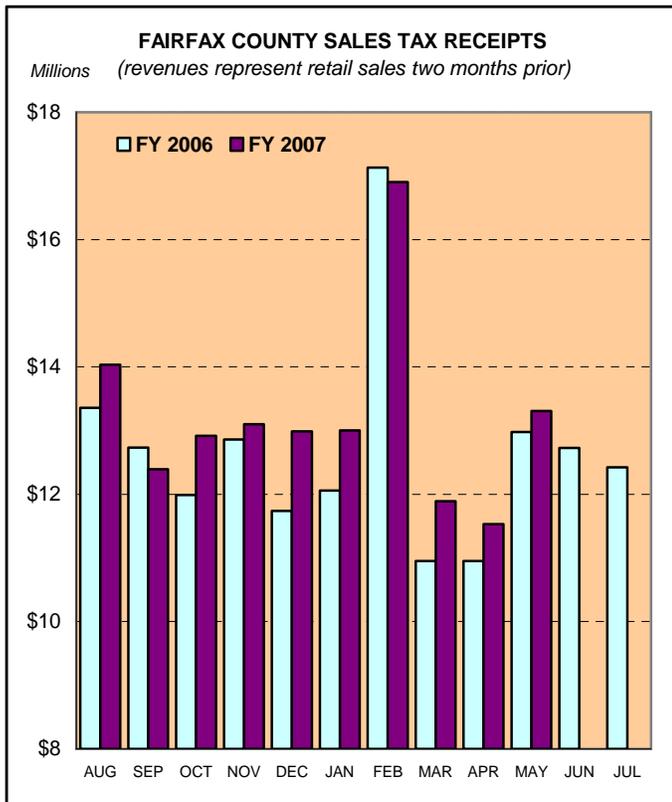
The March 2007 unemployment rate in Virginia was 3.1 percent, an increase of 0.1 percentage point over the March 2006 level. On the national level, the unemployment rate in March was 4.4 percent, down from 4.7 percent one year ago.



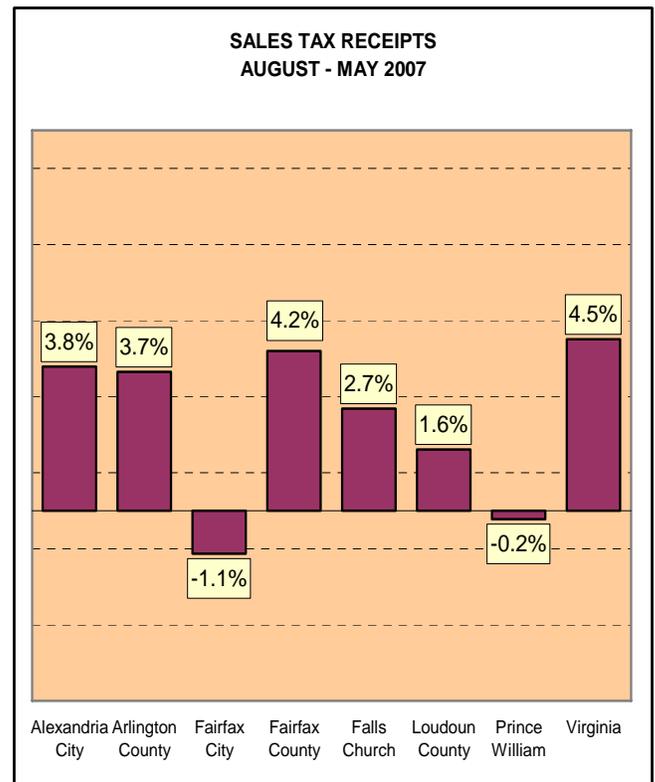
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<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

May Sales Tax receipts for Fairfax County, representing retail purchases made in March, were \$13.3 million, a gain of 2.5 percent over May 2006. May 2006 marks the eighth month in the last 10 that Sales Tax receipts increased on a monthly over-the-year basis. Through the first 10 months of FY 2007, Sales Tax receipts are up 4.2 percent over the same period in FY 2006.

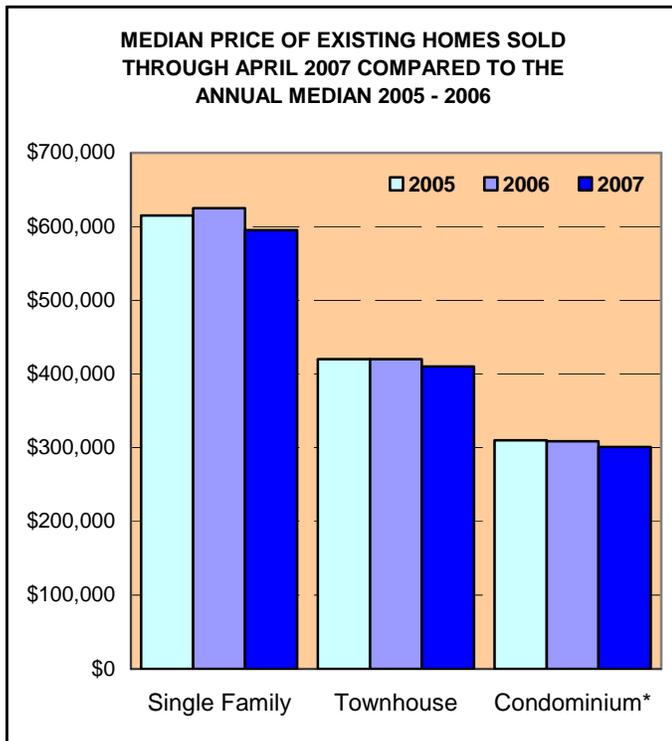
Neighboring Jurisdictions

During the period August 2006 through May 2007, Sales Tax receipts rose 3.8 percent in Alexandria; and 3.7 percent in Arlington County. Growth was more modest in both Falls Church and Loudoun County, with gains of 2.7 percent and 1.6 percent, respectively. During this same period, Sales Tax receipts fell 1.1 percent in Fairfax City and 0.2 percent in Prince William County. During the first 10 months of FY 2007, statewide Sales Tax receipts rose 4.5 percent over the same period a year ago.

National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary April 2007 retail sales for the U.S. increased 3.2 percent over April 2006. Compared to last year, grocery store sales rose 6.6 percent and retail trade sales gained 3.0 percent. However, building material and garden equipment dealer sales fell 6.0 percent from last year.

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

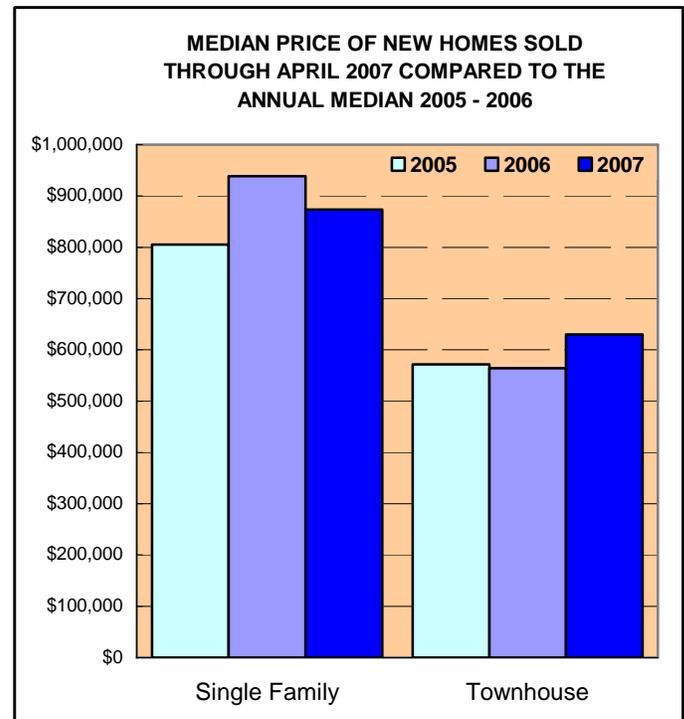
The 2007 median sales price of both existing (previously owned) single family homes and townhouses in Fairfax County dropped through April 2007 compared to the 2006 median price. The median sales price of existing single family homes sold through the first four months decreased 4.8 percent to \$595,000 from the 2006 median price of \$625,000. The median sales price of existing townhouses sold during the first third of 2007 was \$410,000, a 2.4 percent decline from the 2006 median price of \$420,000.

The median sales price of all condominiums sold, existing and new, during the first four months of 2007 fell 2.6 percent to \$301,110 from the 2006 median of \$309,000.

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

	Existing Sales	New Sales
Single Family	(4.8)	(6.9)
Townhouse	(2.4)	11.6
Condominium*	(2.6)	

*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.

New Home Sales Prices

The change in sales price of new homes that sold in Fairfax County through April 2007 differed by type of home. The median sales price of new single-family homes that sold in the first four months of 2007 fell 6.9 percent to \$873,754 from the 2006 median of \$938,768. In contrast, the median sales price for new townhouses sold through April 2007 increased 11.6 percent to \$630,132 over the 2006 median of \$564,440.

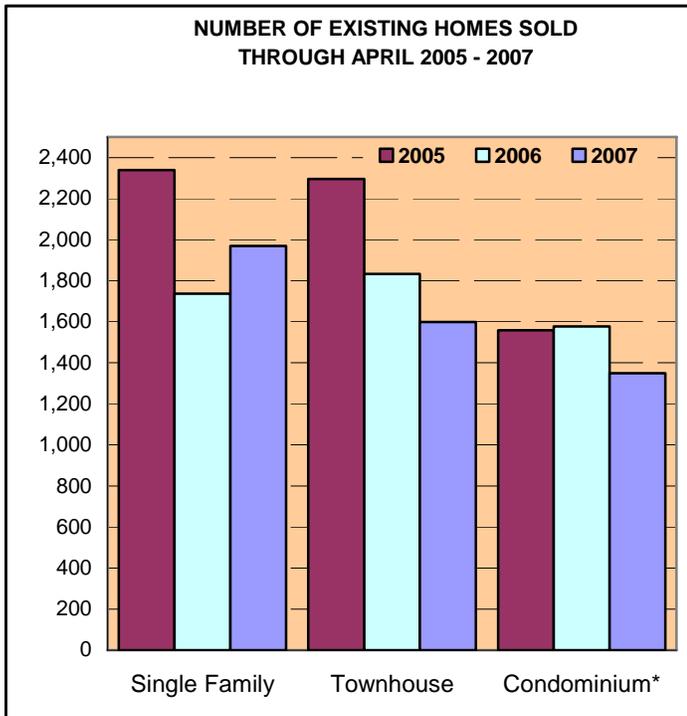
The increase in the median price of new townhouses can be impacted by the mix of homes sold this year compared to last year. The impact of the change in the mix of homes sold is magnified as the number of new townhouses sold through April 2007 has fallen nearly 74 percent from the same period last year. Changes in the sales price of existing homes is a better gauge of the overall residential housing market. For data regarding all condominium sales prices, refer to the "Existing Home Sales Volume" section.

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:

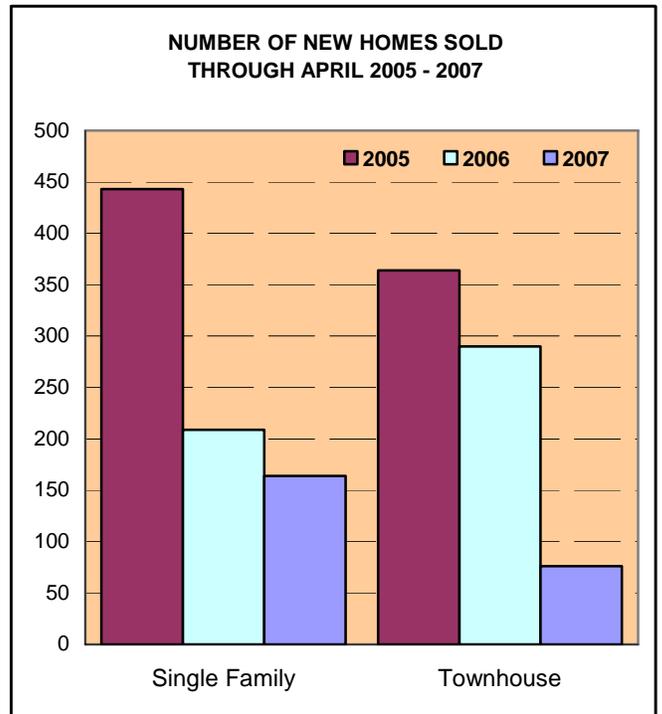
www.fairfaxcounty.gov/dta/tax_assessment.htm

New Home Sales Volume

Through April 2007, both the number of new single family homes and townhouses sold fell substantially. The number of new single family homes sold decreased from 209 to 164 through April 2007, reflecting a loss of 21.5 percent. In addition, sales volume of new townhouses posted a sharp decline, falling 73.8 percent during this period from 290 to 76 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.



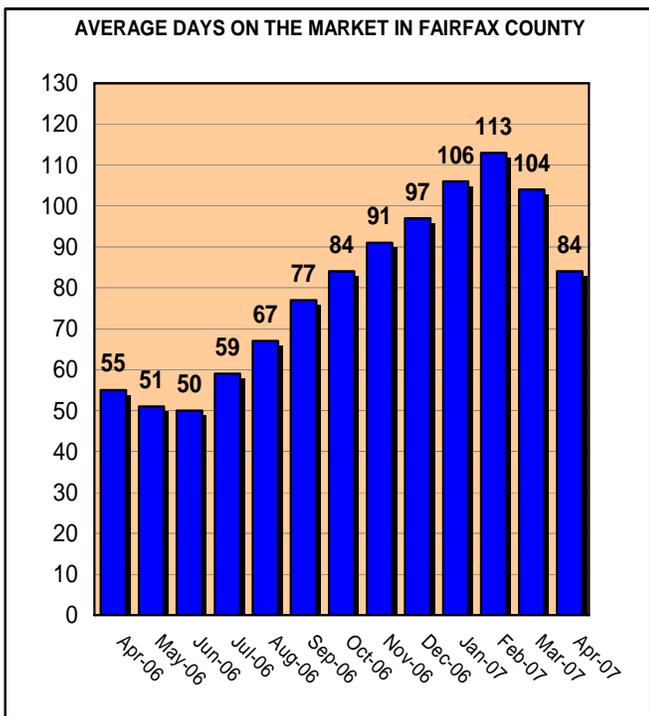
Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Existing Home Sales Volume

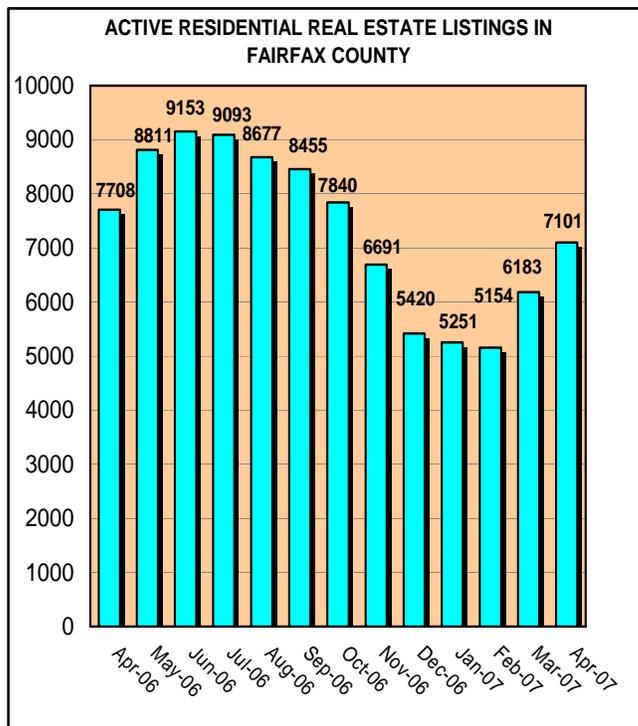
Sales of existing single family homes during the first four months of 2007 increased to 1,969, reflecting a gain of 233 homes, or 13.4 percent, over the same period of 2006. Through April 2007, the number of sales of existing townhouses fell 12.8 percent to 1,598 from the 1,833 units sold during the first four months of 2006. In addition, the total number of existing and new condominiums sold during the first third of 2007 decreased 14.5 percent to 1,349 from the 1,577 sold during the same period of 2006.

Average Days on the Market in Fairfax County

Homes selling in April 2007, on average, took nearly a month longer to sell than homes that sold in April 2006. The Metropolitan Regional Information Systems Inc. reported that the average days on the market for active residential real estate listings grew from 55 days in April 2006 to 84 days in April 2007, representing an increase of 29 days. Despite the increase in the average days on the market over the prior year, April 2007 marks the largest one month decline in at least six years. In April 2007, the average number of days on market fell 20 days from the March 2007 level 104 days.



Source: Metropolitan Regional Information Systems Inc. (MRIS)



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Inventory of Homes for Sale in Fairfax County

The inventory of homes for sale increased nearly 15 percent in April 2007 over the March 2007 level as the spring home buying season began. However, the number of homes for sale in April was lower than the April 2006 level. The number of active listings in the County was 7,101 in April 2007, down 7.9 percent from the 7,708 listed last year.

In addition, homes sold for an average of 96.0 percent of their asking price, down from 97.2 percent in April 2006, indicating buyers were able to negotiate the final sales price.

Consumer Confidence Index

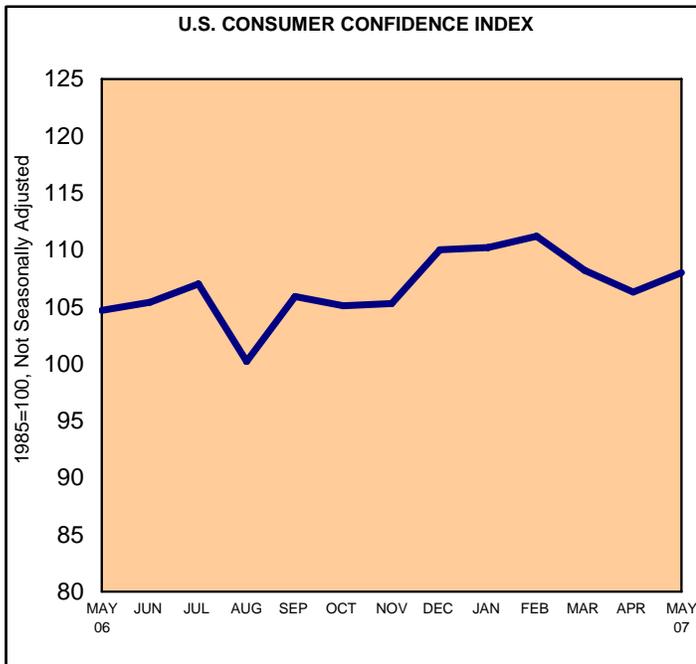
The Conference Board reports that the Consumer Confidence Index gained in May 2007 after posting losses in the two previous months. The Index at present stands at 108.0, up over the 106.3 recorded in April.

The Consumer Confidence Index is comprised of two separate indices: the Present Situation Index and the Expectations Index. In May 2007, the Present Situation Index increased 2.6 points from the previous month to 136.1. In addition, in May the Expectations Index rose slightly to 89.2 over the April 2007 level of 88.2.

According to Lynn Franco, Director of the Conference Board's Consumer Research Center, "The bounce-back in Confidence was due primarily to a more upbeat assessment of present-day business conditions. Consumers' view of the job market, both present and six months from now, was little changed and did not provide a boost in confidence. The short-term outlook remains cautious, and rising gasoline prices are having a negative impact on consumers' inflation expectations. All in all, confidence levels continue to suggest growth, albeit at a slow pace."

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