



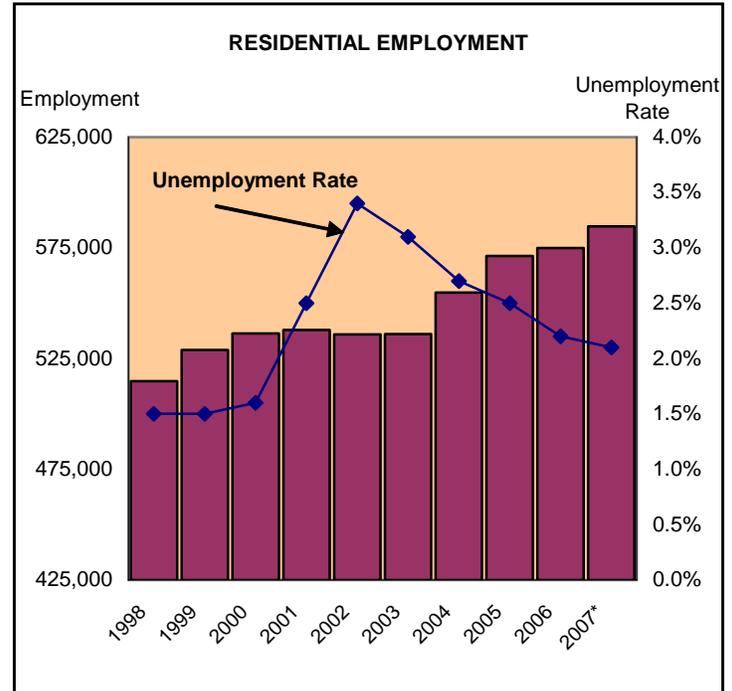
ECONOMIC INDICATORS[®]

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

DECEMBER 2007

IN THIS ISSUE:

- The unemployment rate in Fairfax County increased to 2.1 percent in October 2007 from 1.9 percent a year ago. (See page 1)
- Fairfax County's Sales Tax receipts during the first five months of FY 2008 are up 4.0 percent over the same period of FY 2007. (See page 2)
- The number of existing single family homes sold from January through November 2007 decreased 10.6 percent; while, the median sales price of these homes fell 1.1 percent from the 2006 median sales price. (See page 3)
- The number of new single family homes and townhouses sold through November 2007 fell sharply from the same period of 2006. (See page 4)
- The November 2007 Consumer Confidence Index plunged nearly 8 percentage points to its lowest level in over two years. (See page 5)
- The Fairfax County Economic Development Authority reported that the office vacancy rate rose to 8.5 percent as of mid-year 2007. (See page 5)

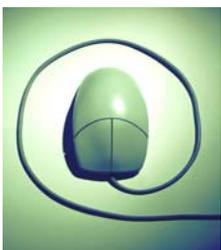


Source: Virginia Employment Commission. Compiled by the Fairfax County Department of Management and Budget.

Employment

As reported by the Virginia Employment Commission (VEC), the number of Fairfax County residents holding jobs in October 2007 was 584,722, an increase of 5,658 residents, or 1.0 percent, over October 2006. During this period, the unemployment rate in Fairfax County rose 0.2 percentage points to 2.1 percent.

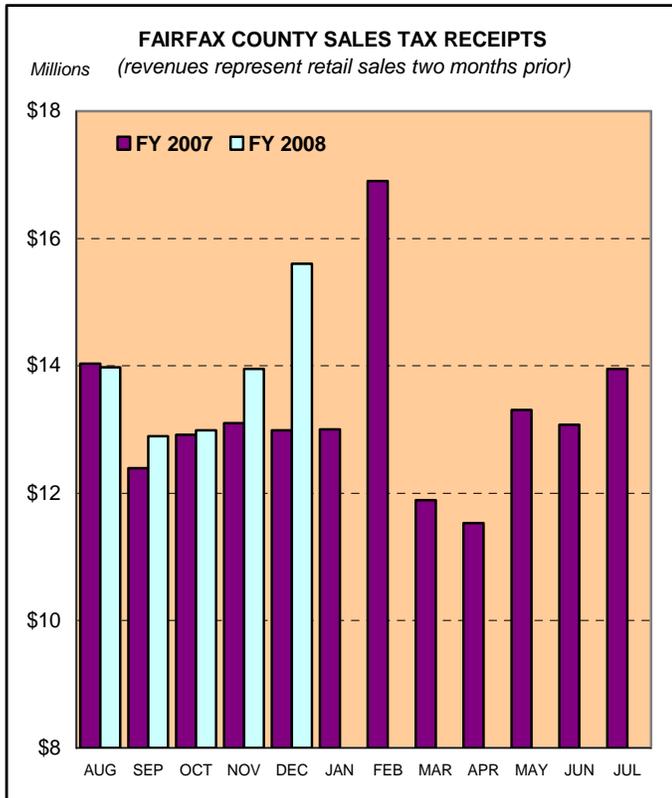
The October 2007 unemployment rate in Virginia was 2.9 percent. This rate represents a gain of 0.2 percentage points over the October 2006 level of 2.7 percent. On the national level, the unemployment rate in October was 4.7 percent – 0.3 percentage points higher than the year before.



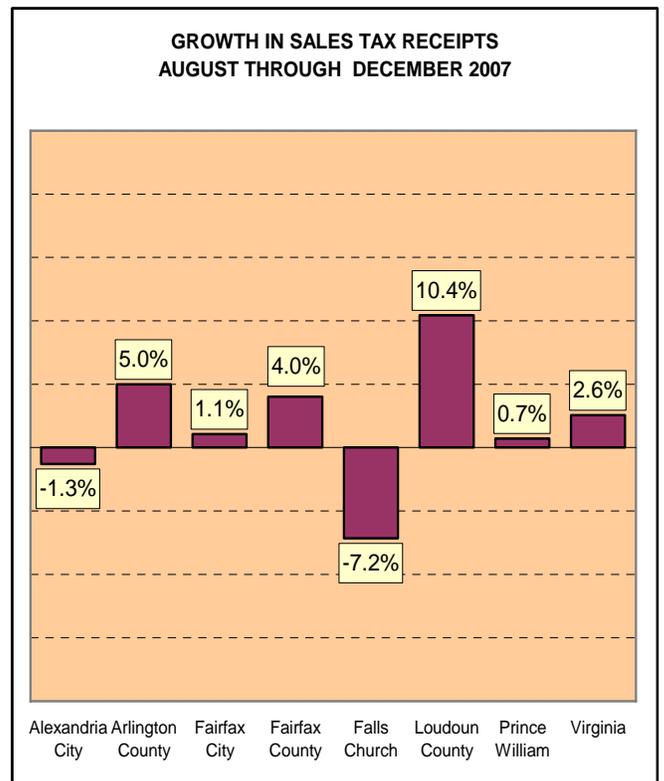
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<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.



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

Fairfax County Sales Tax Receipts

December 2007 Sales Tax receipts for Fairfax County, representing retail purchases made in October, were \$15.6 million, an increase of 20.1 percent over December 2006. Fairfax County Sales Tax collections for the period August 2007 through December 2007 total \$68.1 million, signifying growth of 4.0 percent over the same period of FY 2007.

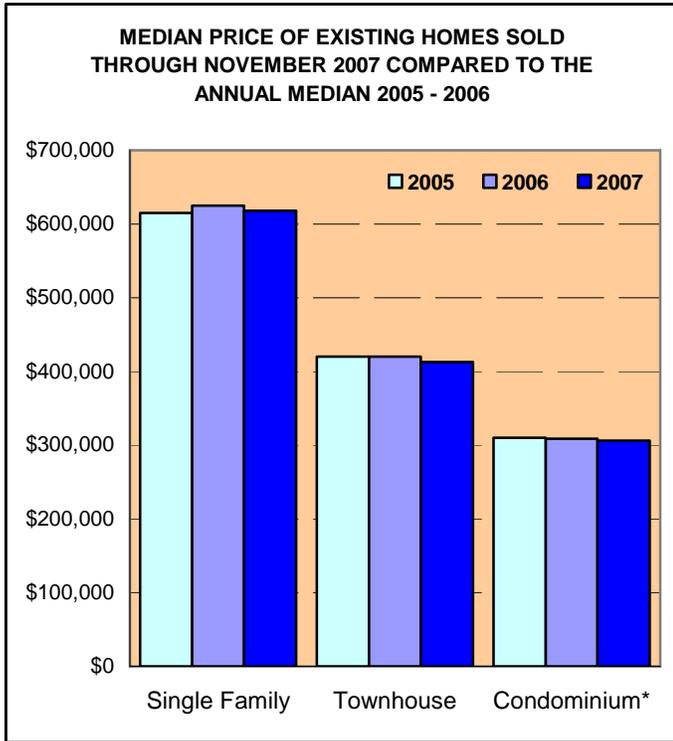
Neighboring Jurisdictions

Based on information provided by the Virginia Department of Taxation, growth in Sales Tax receipts in Northern Virginia localities was wide-ranging during the period August through December 2007. Sales Tax receipts increased 10.4 percent in Loudoun County, 5.0 percent in Arlington County; and 1.1 percent in Fairfax City. FY 2008 Sales Tax receipts were relatively flat through December in Prince William County, which experienced negligible growth of 0.7 percent. In contrast, during the same period, Alexandria and Falls Church Sales Tax receipts fell 1.3 percent and 7.2 percent, respectively. For the period August 2007 through December 2007, statewide Sales Tax receipts rose 2.6 percent over the same period a year ago.

National Retail Sales

According to the Commerce Department, seasonally adjusted Advance November 2007 retail sales for the U.S. rose 6.3 percent over the previous year. Compared to last year, gasoline station sales increased 25.0 percent while sales from department stores decreased 0.4 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

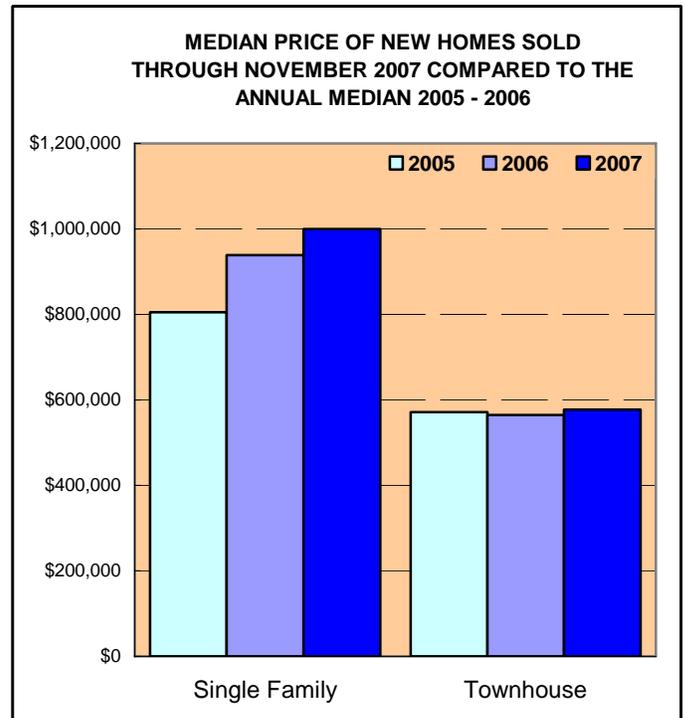
The median sales price of both existing (previously owned) single family homes and townhouses in Fairfax County experienced declines through November 2007 compared to the 2006 median price. For existing single family homes, the median sales price fell 1.1 percent to \$618,000, as compared to the 2006 median price of \$625,000. The median sales price of existing townhouses sold during the first 11 months of 2007 dropped 1.7 percent from the 2006 median price of \$420,000 to \$412,789.

The 2007 median sales price of all condominiums sold through November, existing and new, declined 0.9 from the 2006 median of \$309,000 to \$306,086.

PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD DURING 2006 COMPARED TO YTD SALES (JANUARY THROUGH NOVEMBER 2007)

| | Existing Sales | New Sales |
|---------------|----------------|-----------|
| Single Family | (1.1) | 6.5 |
| Townhouse | (1.7) | 2.3 |
| Condominium* | (0.9) | |

*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

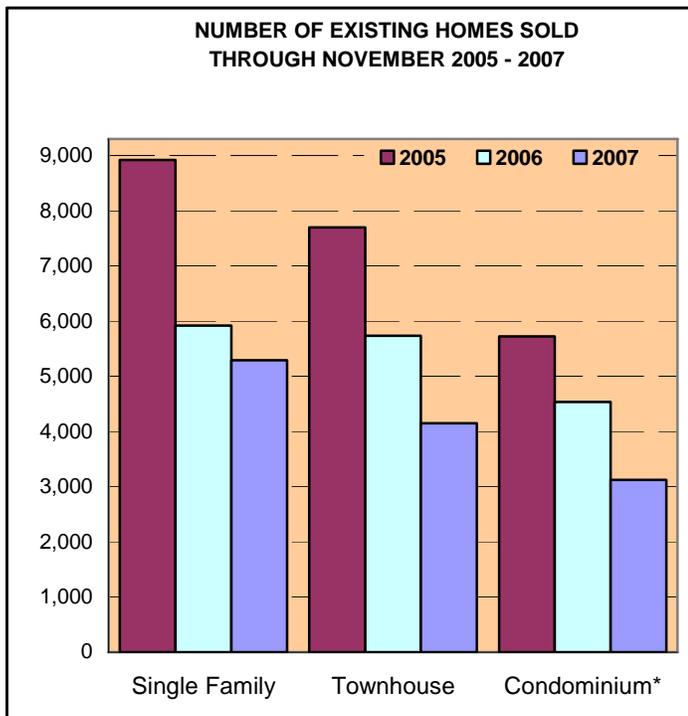
The median sales price of new single family homes sold from January through November 2007 rose 6.5 percent to \$1,000,000 compared to the 2006 median of \$938,768. In addition, the median sales price for new townhouses sold through the first 11 months of 2007 increased to \$577,447, or 2.3 percent over the 2006 median of \$564,440. 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:

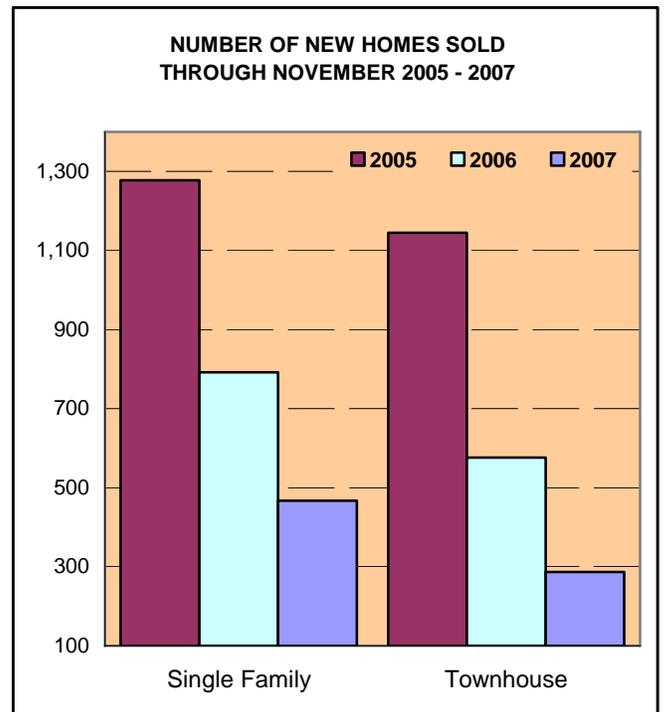
www.fairfaxcounty.gov/dta/tax_assessment.htm

New Home Sales Volume

Through November 2007, the sales volume of new single family homes sold in Fairfax County decreased 41.4 percent to 467 units from 792 the previous year. The number of new townhouses sold plunged 50.2 percent from the 576 units reported for the first 11 months of 2006 to 287 units in 2007. 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.

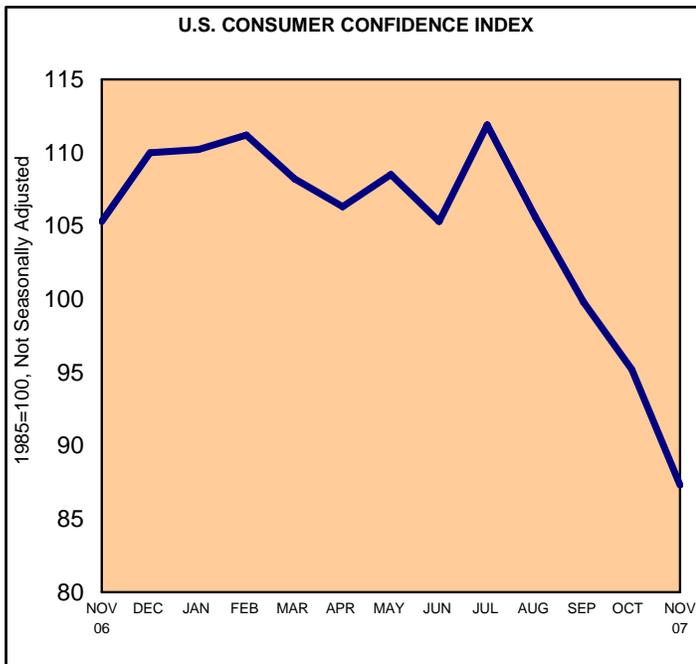
Existing Home Sales Volume

The number of existing single family homes sold through November 2007 declined 10.6 percent to 5,289 from the 5,916 units sold during same period of 2006. Through the first 11 months of 2007, the sales volume of existing townhouses decreased to 4,147 units, representing a 27.7 percent drop from the 5,734 units sold during the corresponding period of 2006. In addition, the total number of existing and new condominiums sold from January through November 2007 fell 31.2 percent to 3,122 from the 4,537 sold during the same period of 2006.

Consumer Confidence Index

The Conference Board reports that the Consumer Confidence Index fell nearly 8 percentage points in November 2007, it's fourth consecutive monthly decline. The Index currently stands at 87.3, down from 95.2 in October. According to Lynn Franco, Director of the Conference Board's Consumer Research Center, "Consumers' apprehension about the short-term outlook is being fueled by volatility in financial markets, rising prices at the pump and the likelihood of larger home heating bills this winter."

The Consumer Confidence Index is comprised of two separate indices: the Present Situation Index and the Expectations Index. Both indices fell in November 2007. The Present Situation Index decreased to 115.4 from the 118.0 recorded in October. Similarly, the Expectations Index lost 11.3 points from its October 2007 level to 68.7 in June.



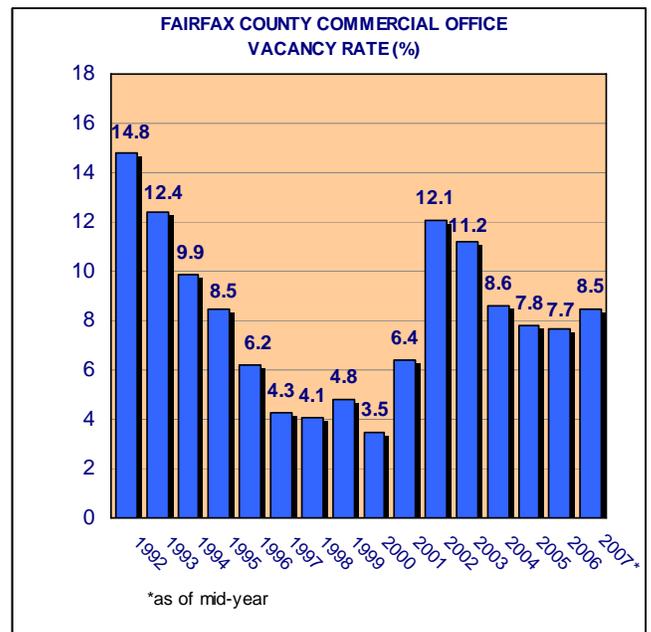
Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget

Commercial Office Market

The Fairfax County Economic Development Authority (EDA) reports that 1.3 million square feet of net new office space was added in the County during the first half of 2007. The total office inventory now stands at 106.3 million square feet. As of mid-year 2007, there were 25 buildings with an additional 4.7 million square feet of space under construction.

The direct office vacancy rate in the County was 8.5 percent as of mid-year 2007, an increase of 0.8 percentage point over the 7.7 percent rate reported at year-end 2006. The overall vacancy rate, which includes space available through sublease, was 10.2 percent, a rise of one percentage point from the 9.2 percent registered at the end of 2006.

EDA indicated that the vacancy rate is likely to stabilize in the second half of 2008 as 22 of the 25 buildings currently under construction will deliver by mid-2008.



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