



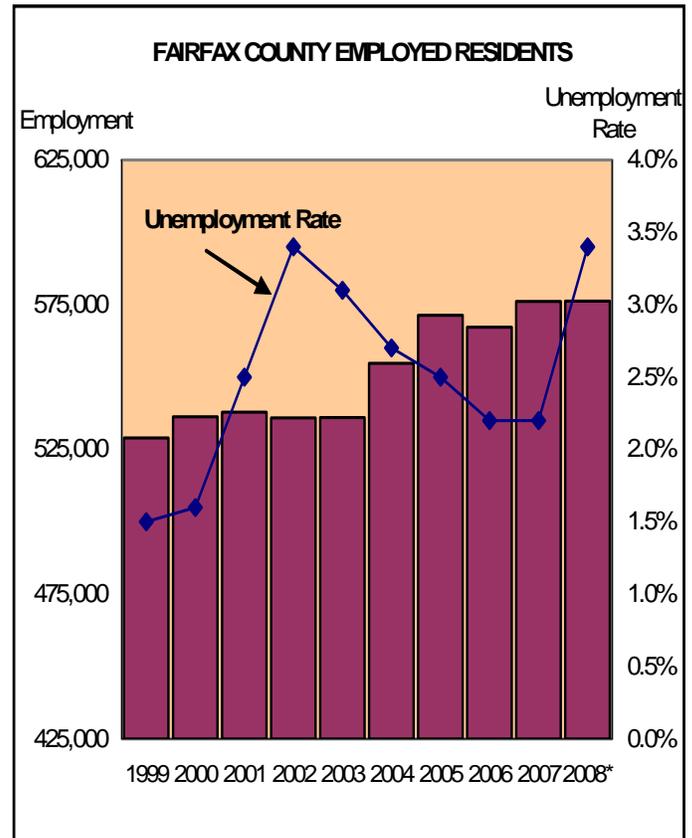
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

FEBRUARY 2009

IN THIS ISSUE:

- The unemployment rate in Fairfax County was 3.4 percent in December.
(See page 1)
- February Sales Tax receipts for Fairfax County, which represent retail purchases made in December, were down 3.1 percent compared to February 2008.
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- The Consumer Confidence Index declined again in February, reaching yet another all-time low since the Index began in 1967.
(See page 2)
- The median price of existing single family homes sold in January 2009 was \$439,900, a decrease of 17.8 percent compared to the median value in 2008. The median price of existing townhomes sold in January 2009 dropped 14.7 percent from the median value in 2008.
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- Homes that sold in January 2009 were on the market for an average of 102 days compared to 132 days for homes sold in January 2008.
(See page 4)
- Based on the January 2009 listings and the current sales rate, there is a 7.3 supply of home for sale in the County.
(See page 5)
- The interest rate on conventional 30-year fixed rate mortgages, as reported by Freddie Mac, fell to 5.05 percent in January 2009, which is a record low since at least 1971.
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Source: Virginia Employment Commission. Compiled by the Fairfax County Department of Management and Budget.

Employment

In December, Fairfax County's unemployment rate was 3.4 percent, up from 3.1 in November. Even with the jump, the unemployment rate in Fairfax County remains in the low end of the spectrum across Northern Virginia. Still, it is more than a percentage point higher than the unemployment rate of 2.2 percent reported a year ago.

As the recession caught up with Virginia, the state's seasonally unadjusted unemployment rate rose 0.6 percentage point from 4.6 percent in November to 5.2 percent in December. The Northern Virginia unemployment rate in December rose to 3.9 percent, up from 3.5 percent in November.

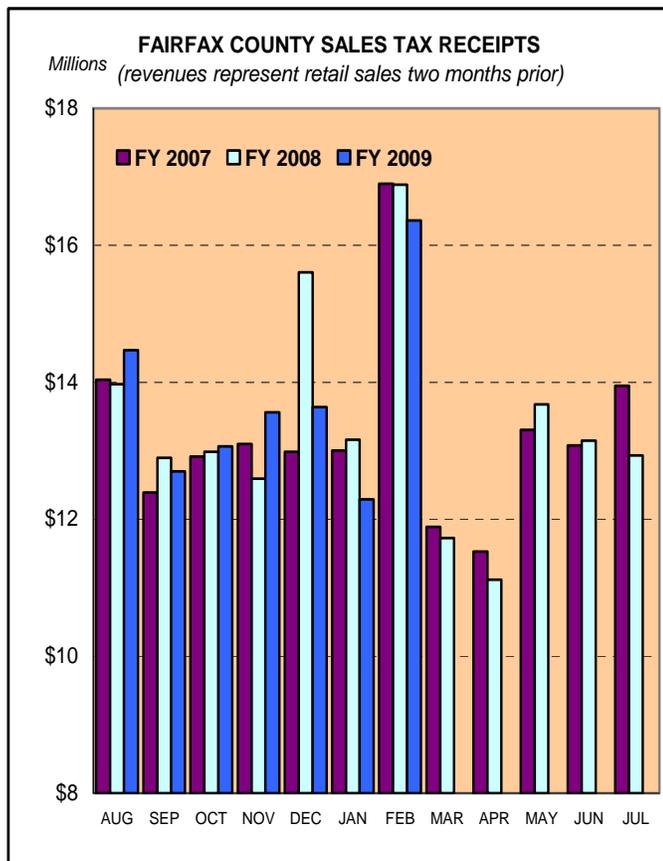
The U.S. unemployment rate in December rose to 7.2 percent from 6.8 percent in November. Nonfarm payroll employment in December fell by 524,000 over the month. Over the past four months, payroll employment has fallen by 1.9 million.



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

http://www.fairfaxcounty.gov/economic/economic_indicators.htm

Sales Tax Receipts

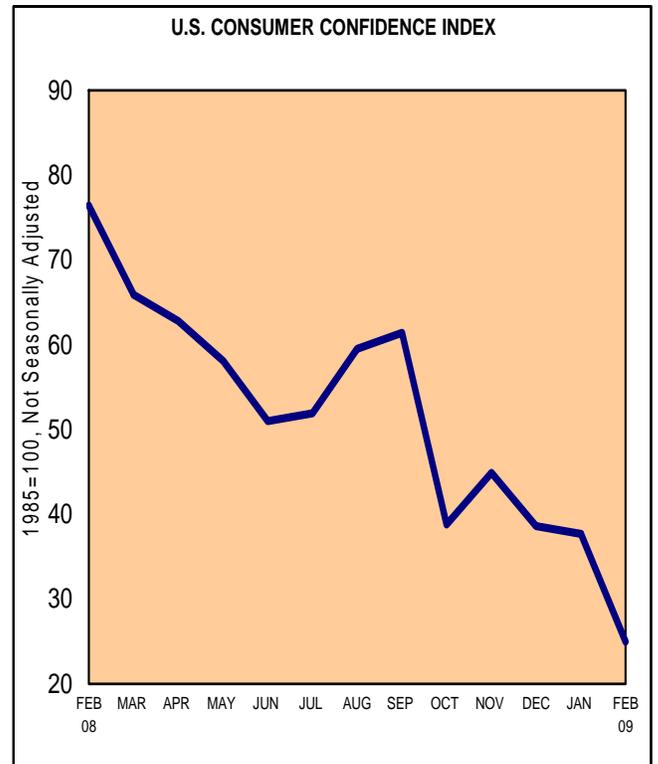


Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

Sales Tax receipts in Fairfax County for February, representing retail purchases made in December, were \$16.4 million, down 3.1 percent over February 2008. For the first seven months of FY 2009, Sales Tax receipts are down 2.1 percent from the same period last year.

Consumer Confidence Index

The Consumer Confidence Index, which had fallen to a record low in January, collapsed in February, reaching yet another all-time low since the Index began in 1967. The Index now stands at 25.0 (1985=100), down from 37.4 in January (revised from 37.7). The Present Situation Index decreased to 21.2 from 29.7 last month, driven by worsening business conditions and rapidly deteriorating job market. The Expectations Index declined from 42.5 to 27.5. This 15-point drop in the expectations component, which had been holding steady, points to a new phase of consumer doubts. Lynn Franco, Director of the Conference Board's Consumer Research Center, said that "...not only do consumers feel overall economic conditions have grown more dire, but just as disconcerting, they anticipate no improvement in conditions over the next six months."



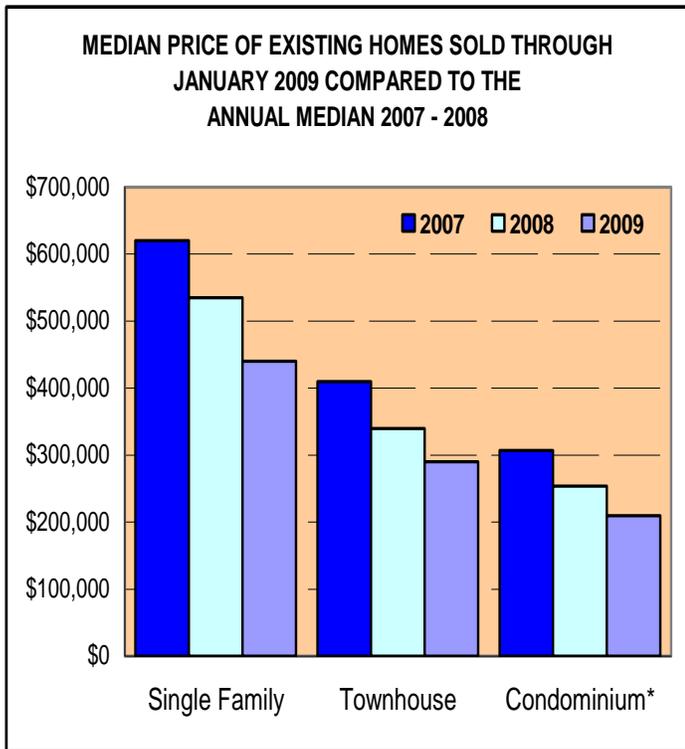
Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget.

Other National Economic Indicators

Economic indicators point to a deepening recession:

- Home prices in 20 U.S. cities, as measured by the S&P Case-Shiller Index, declined 18.5 percent in December from a year earlier, the fastest drop on record, as foreclosures climbed and sales sank. The 20-city index is down 27 percent from its 2006 peak.
- According to the Commerce Department, homebuilders broke ground on the fewest houses on record in January.
- Building permits, an indicator of future projects, also showed no signs of stabilizing, posting a 4.8 percent decrease in January, after falling 11 percent in December.
- Retail sales actually surprised on the upside in January with a rebound of 1.0 percent, after a 2.7 percent drop in December. Prior to January's increase, sales had fallen in each of the previous six months.

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

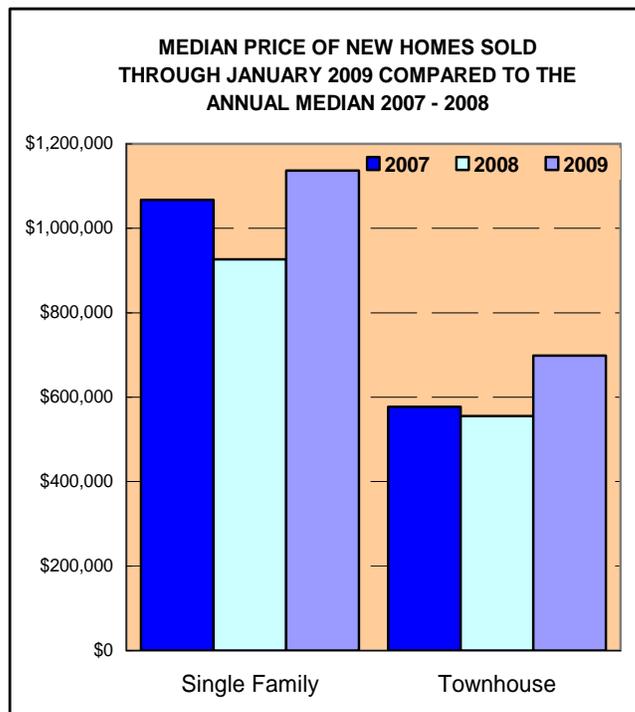
In January, the median sales price of existing (previously owned) single family homes was \$439,900, a 17.8 percent decline from the 2008 median sales price of \$535,000. The median sales price for existing townhouses sold in January fell 14.7 percent to \$290,000 from the 2008 median of \$340,000.

The median sales price of all condominiums, existing and new, that sold in January fell 17.3 percent to \$210,000 from the 2008 median of \$254,000.

PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD DURING JANUARY 2009 COMPARED TO SALES IN 2008

	Existing Sales	New Sales
Single Family	(17.8)	22.7
Townhouse	(14.7)	25.8
Condominium*	(17.3)	

*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.

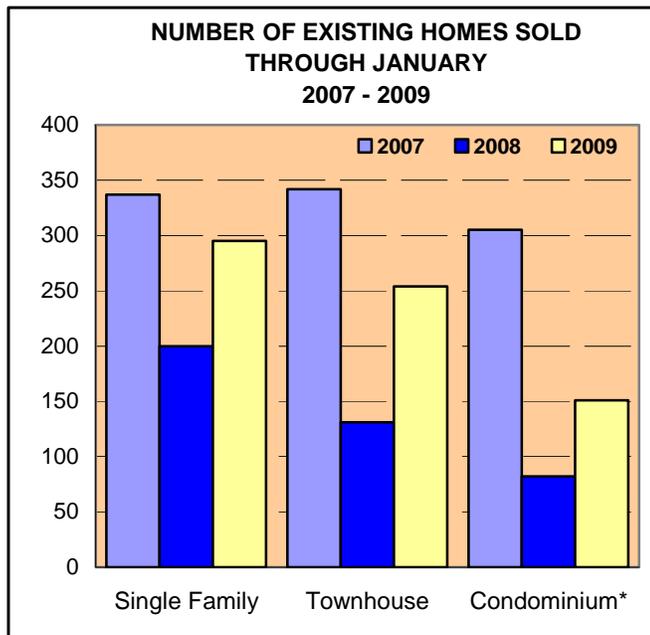
New Home Sales Prices

The median sales price of new single-family homes that sold in January increased 22.7 percent to \$1,136,820 from the 2008 median of \$926,498. The median sales price for new townhouses during January increased to \$698,488, a 25.8 percent increase compared to the 2008 median of \$555,288. For data regarding all condominium sales prices, refer to the "Existing Home Sales Volume" section.

Changes in selling prices and the volume of sales are presented as indicators of the County's real estate market. Median selling price changes do not translate directly into assessment adjustments, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. 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

Existing Home Sales Volume



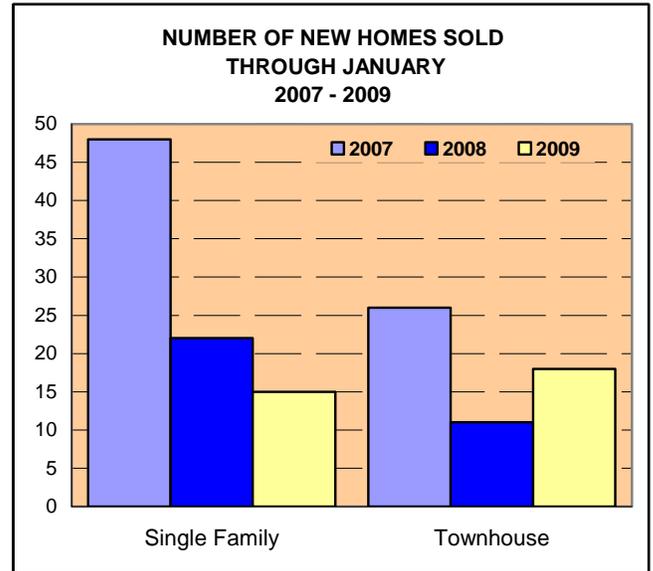
Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget. *Condominium data include sales of existing and new units.

During January, the volume of existing single family home sales rose 47.5 percent to 295 from the 200 homes sold during the same month last year. Compared to January 2008, the number of townhouses sold in the first month of 2009 nearly doubled, increasing from 131 to 254. In addition, the total number of existing and new condominiums sold in January increased to 151 from the 82 units sold during January 2008, an 84.2 percent increase.

New Home Sales Volume

During January 2009, 15 new single family homes sold, a decline of 31.8 percent from the 22 sold during the same month last year. In January, the volume of new townhome sales rose 63.6 percent to 18 from the 11 homes sold in Fairfax County in the same period last year.

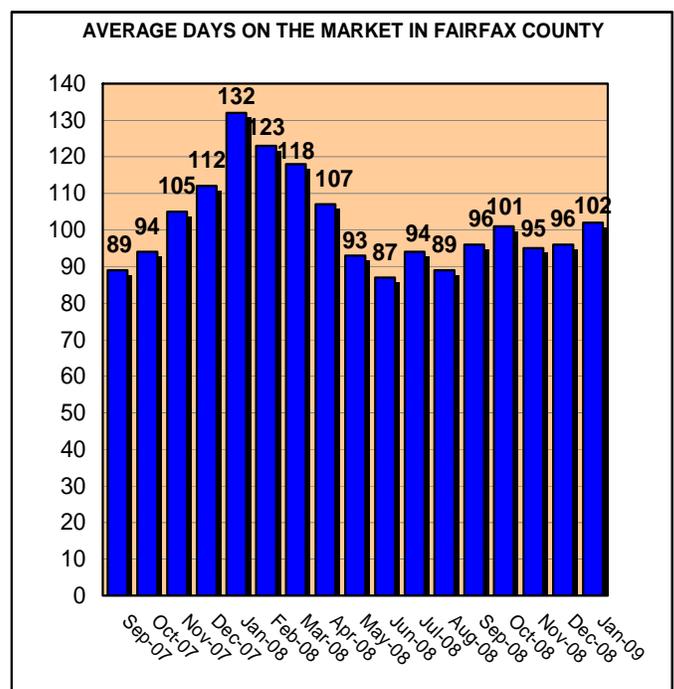
For data regarding all condominium sales volume, refer to the "Existing Home Sales Volume" section.



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

Average Days on the Market in Fairfax County

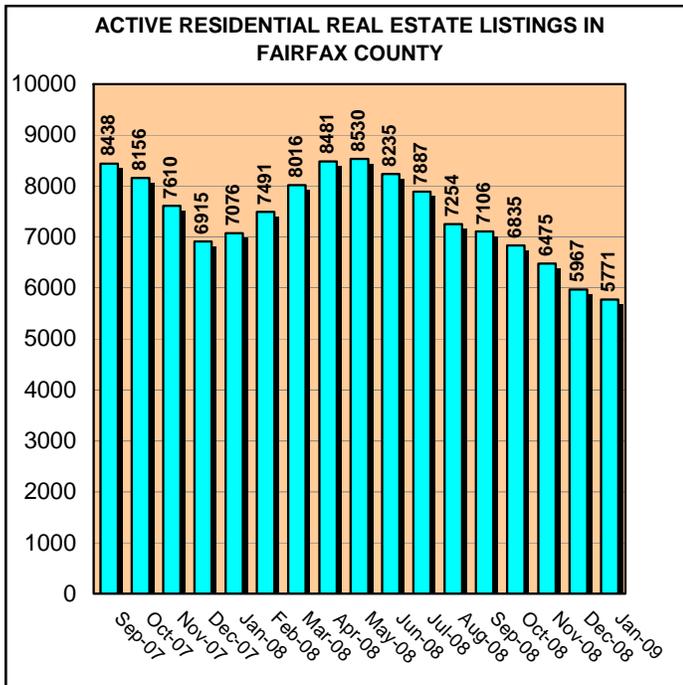
In January, the homes that sold in Fairfax County stayed on the market for an average of 102 days, a decrease of 30 days compared to the 132-day average in January 2008. This marks the third consecutive month that this indicator has improved after 41 consecutive months in which it took longer to sell a home compared to the corresponding month the prior year.



Source: Metropolitan Regional Information Systems, Inc.

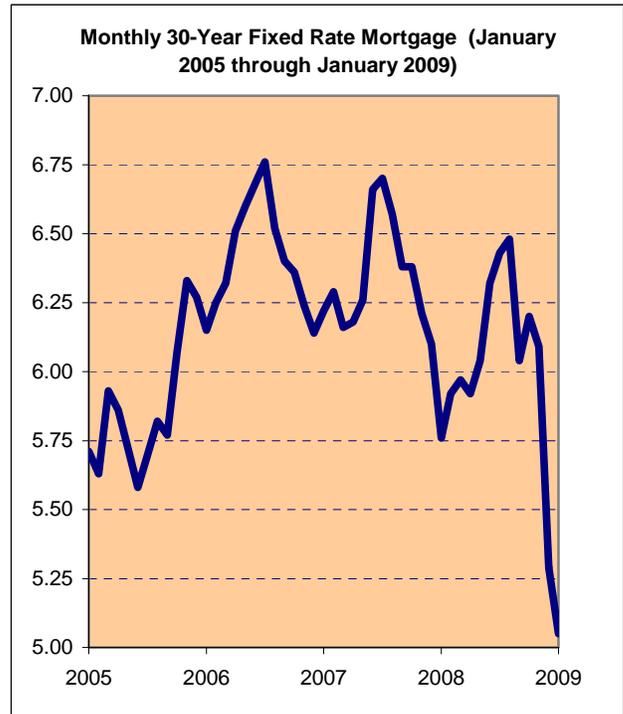
Inventory of Homes for Sale in Fairfax County

In January 2009, the number of active listings in the County was 5,771, a drop of 18.4 percent over the 7,076 listed in January 2008. In each of the last nine months, the number of active listings has been decreasing, bringing the inventory of homes for sale down from the high of 8,530 reached in May 2008. Based on the January 2009 listings and the current sales rate, there is a 7.3 month supply of homes for sale in the County.



Source: Metropolitan Regional Information Systems, Inc.

30-Year Fixed-Rate Mortgage



Source: Freddie Mac. Compiled by the Fairfax County Department of Management and Budget

The interest rate on conventional 30-year fixed rate mortgages, as reported by Freddie Mac, fell to 5.05 percent in January 2009, which is a record low since at least 1971. Subsequent to 1971, the lowest level had been in January 2003 when the interest rate on conventional 30-year fixed rate mortgages was 5.23 percent. Coupled with the precipitous declines in home prices, the record low mortgage interest rate might spur home purchasing in the County, as indicated in the increase of number of home sales in January 2009.

During the twelve months of 2008, mortgage interest rates fluctuated, with values ranging from a high of 6.48 percent posted in August 2008 to a low of 5.29 percent reached in December 2008.

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