



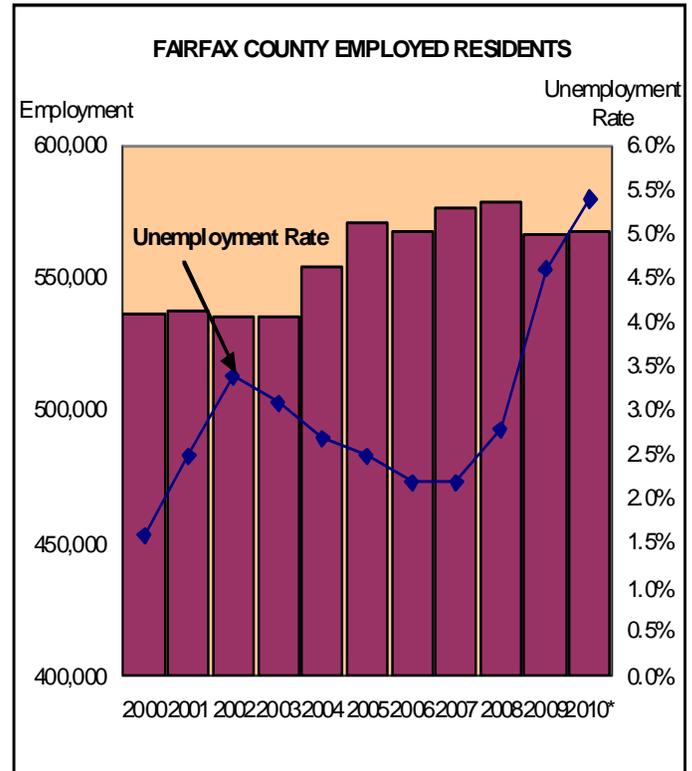
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

FEBRUARY 2010

IN THIS ISSUE:

- The unemployment rate in Fairfax County increased to 5.4 percent in January from 4.6 percent in December, surpassing the June 2009 record high of 5.2 percent. (See page 1)
- February Sales Tax receipts for Fairfax County, which represent retail purchases made in December, were down 7.4 percent compared to February 2009. For the first seven months of FY 2010, Sales Tax receipts are down 5.1 percent. (See page 2)
- The Consumer Confidence Index, which has been improving gradually each month since October, fell sharply in February. (See page 2)
- The median price of existing single family homes sold in January 2010 increased 2.7 percent compared to the median price in 2009; existing townhomes' median price declined 0.9 percent. (See page 3)
- In January 2010, the number of existing single family home sales increased 7.6 percent compared to January 2009. The volume of existing townhome sales rose 23.4 percent. (See page 4)
- In each month of 2009, the average days it took to sell a home declined from the same month the prior year. In 2009, it took, on average, 71 days to sell a house, compared to 98 days in 2008. (See page 4)



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

Employment

Unemployment across Fairfax County increased to 5.4 percent in January from 4.6 percent in December, surpassing the June 2009 record high of 5.2 percent. The increase in January is due in part to a loss of temporary retail jobs after the holidays. Compared to a year ago, the County's current unemployment rate has risen by 1.1 percentage points.

Virginia's unemployment rate increased in January to 7.6 percent, up from 6.7 percent in December. The January 2010 rate was 1.4 percentage points higher than the January 2009 rate and the highest since an 8.1 percent rate in February 1983.

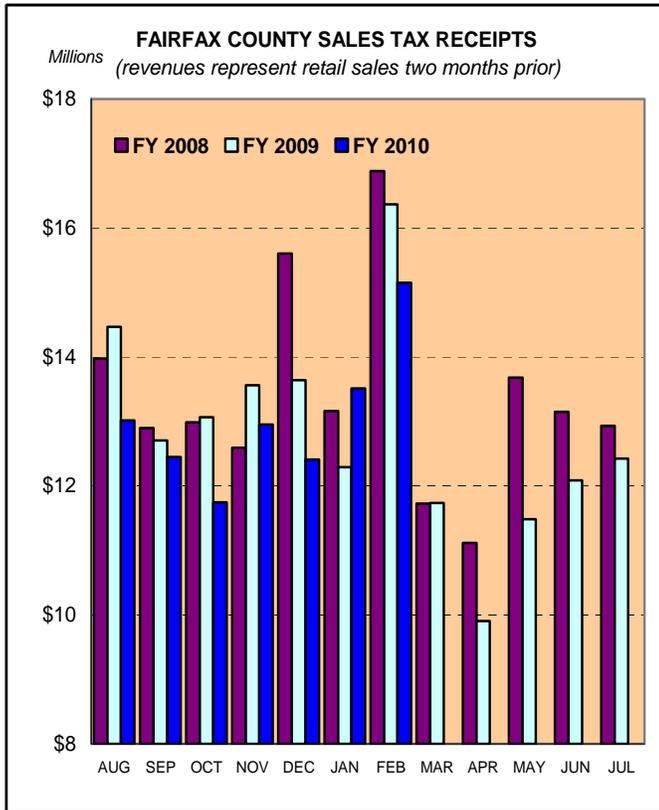
The U.S. unemployment rate dropped from 10.0 percent in December to 9.7 percent in January. Nonfarm payroll employment fell by 20,000 over the month. According to the Bureau of Labor Statistics, there were 14.8 million unemployed persons. Since the start of the recession in December 2007, a net of 8.4 million jobs have been lost.



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



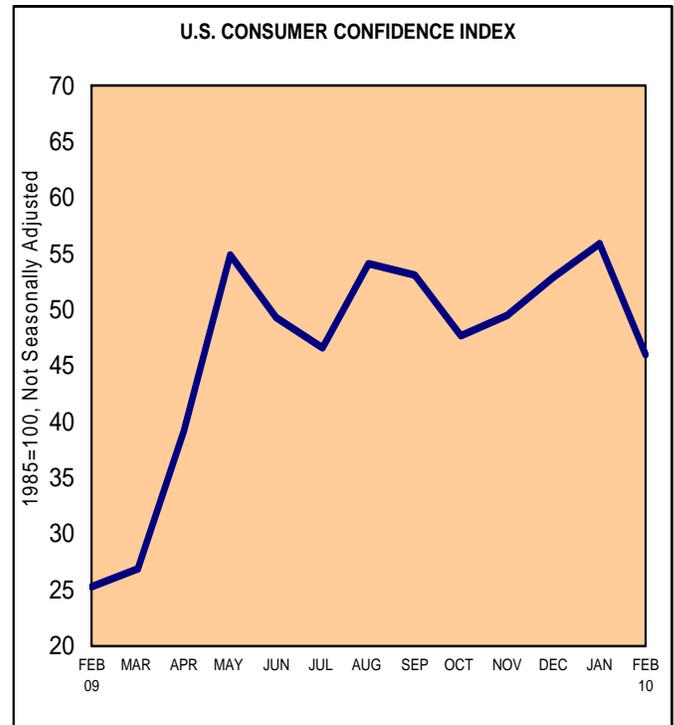
Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

Sales Tax receipts distributed to Fairfax County in February, which represent retail purchases made during the holiday season in December, were \$15.2 million, down 7.4 percent from February 2009. Year-to-date in FY 2010, Sales Tax receipts are down 5.1 percent compared to the first seven months of FY 2009.

Gross Domestic Product

According to the revised estimate released by the Bureau of Economic Analysis, the national economy grew at an annual rate of 5.9 percent in the fourth quarter of 2009, the quickest growth rate in more than six years. In the "advance" estimate from last month, the increase in real gross domestic product (GDP) was 5.7 percent. The growth in the fourth quarter of 2009 was significantly above the third quarter real GDP growth of 2.2 percent.

Consumer Confidence Index



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

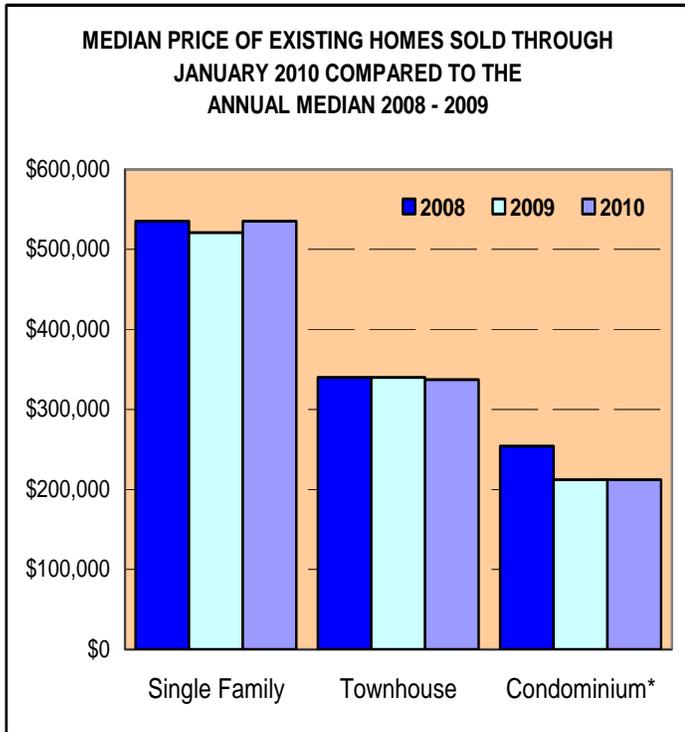
The Consumer Confidence Index, which has been improving gradually each month since October, fell sharply in February. The Index stands at 46.0 (1985=100), down from 56.5 in January. The Present Situation Index decreased to 19.4 in February from 25.2 in January, which is the lowest level in 27 years. The Expectations Index dropped to 63.8 from 77.3 a month ago. Lynn Franco, Director of the Conference Board's Consumer Research Center, said that consumers "remain extremely pessimistic about their income prospects" and that the "combination of earnings and job anxieties is likely to curb spending."

HOUSING MARKET

Foreclosures in Fairfax County

The number of net foreclosures in Fairfax County continued to decline. Based on data from the Department of Tax Administration, the number of county-wide net remaining foreclosures was 725 in January, down from 796 in December, reflecting 136 properties coming out of foreclosure, partially offset by 65 additional properties added to the foreclosure list. Compared to a year ago, net remaining foreclosures were down 96.2 percent. On average through January, properties that have been re-sold were in active foreclosure status for 4.5 months.

Existing Home Sales Prices



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.

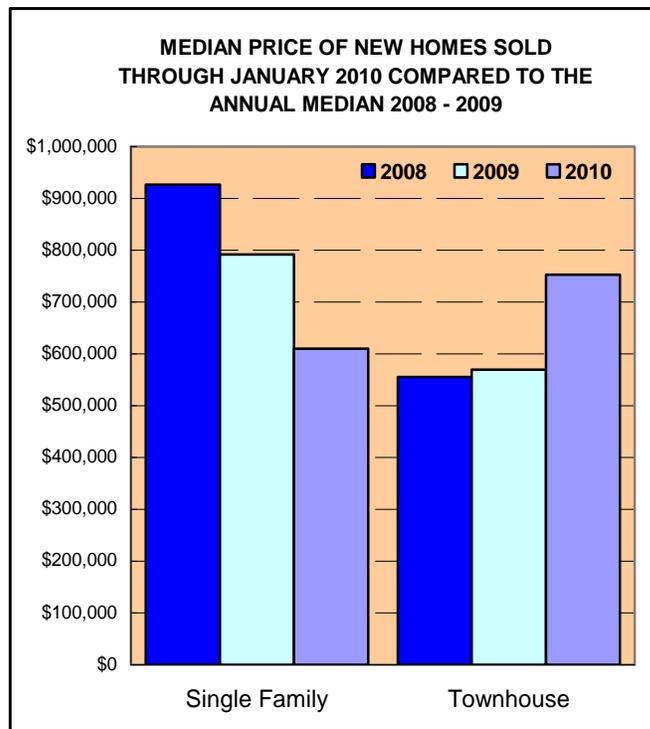
In January, the median sales price of existing (previously owned) single family homes was \$535,000, a 2.7 percent increase over the 2009 median sales price of \$521,050. The median sales price for existing townhouses sold in January fell 0.9 percent to \$337,000 from the 2009 median of \$340,000.

The median sales price of all condominiums, existing and new, that sold in January increased a slight 0.1 percent to \$212,300 from the 2009 median of \$212,000.

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. To read more about Fairfax County tax assessments, please visit: www.fairfaxcounty.gov/dta/tax_assessment.htm

New Home Sales Prices

The median sales price of new single-family homes that sold in January decreased 23.0 percent to \$609,990 from the 2009 median of \$791,984. The median sales price for new townhouses during January increased to \$752,964, a 32.2 percent increase compared to the 2009 median of \$569,775. It should be noted that these sales figures represent just one month of data and do not represent a trend. For information regarding all condominium sales prices, 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.

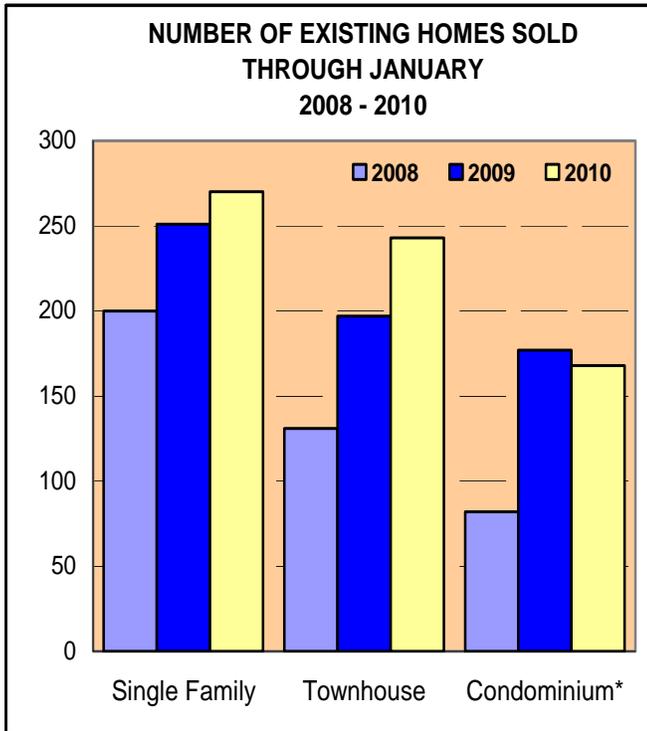
PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD THROUGH JANUARY 2010 COMPARED TO SALES IN 2009

	Existing Sales	New Sales
Single Family	2.7	(23.0)
Townhouse	(0.9)	32.2
Condominium*	0.1	

*Condominium data include sales of existing and new units.

Existing Home Sales Volume

During January, the volume of existing single family home sales rose 7.6 percent to 270 from the 251 homes sold during the same month last year. Compared to January 2009, the number of townhouses sold in the first month of 2010 increased from 197 to 243, or 23.4 percent. However, the total number of existing and new condominiums sold in January decreased to 168 from the 177 units sold during January 2009, a 5.1 percent decrease.

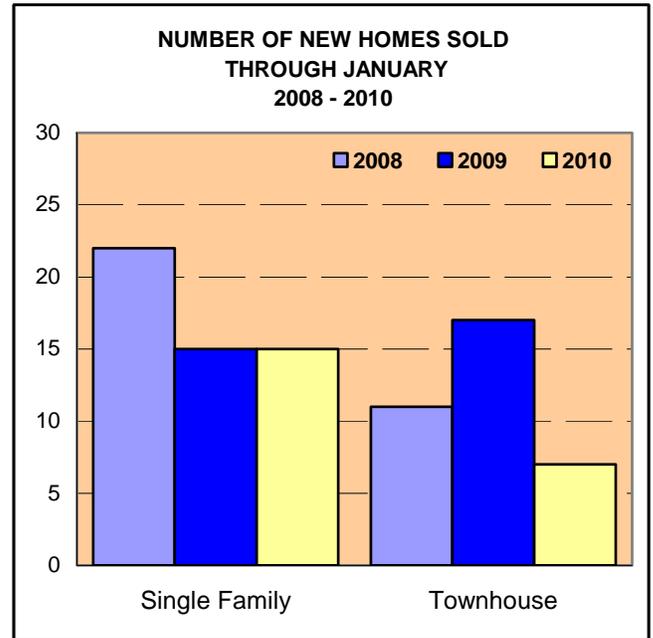


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget. *Condominium data include sales of existing and new units.

New Home Sales Volume

During January 2010, 15 new single family homes sold, the same number as in the first month of last year. In January, the volume of new townhome sales decreased 58.8 percent to 7 from the 17 homes sold in Fairfax County in the same month last year.

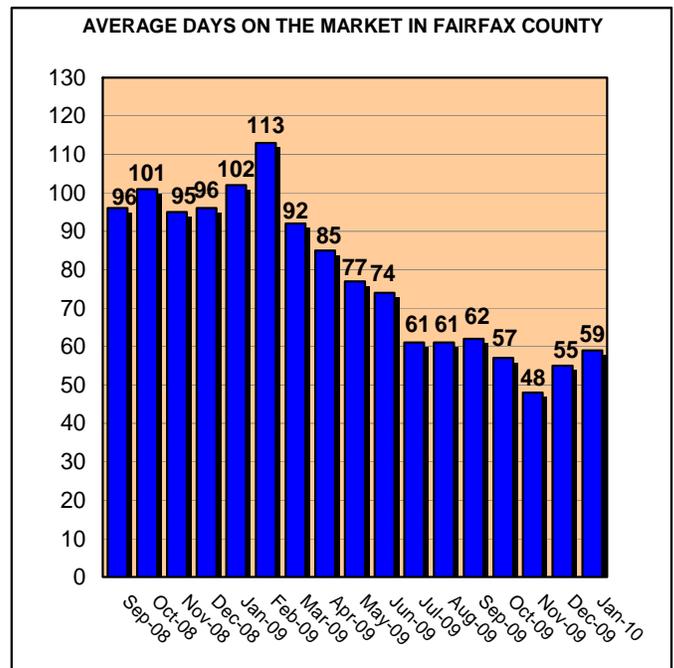
For data regarding all condominium sales volume, refer to the "Existing Home Sales Volume" section.



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

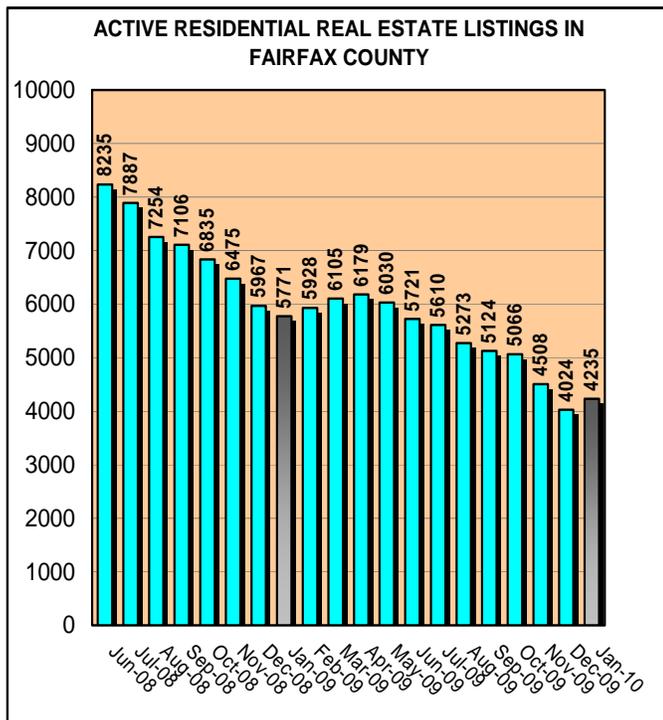
In each month of 2009, the average days it took to sell a home declined from the same month the prior year. In 2009, it took, on average, 71 days to sell a house, compared to 98 days in 2008. This trend has continued into 2010. In January, the homes that sold in Fairfax County stayed on the market for an average of 59 days, a decrease of 43 days compared to the 102-day average in January 2009.



Source: Metropolitan Regional Information Systems, Inc.

Inventory of Homes for Sale in Fairfax County

In January 2010, the number of active listings in the County was 4,235, a drop of 26.6 percent over the 5,771 listed in January 2009. This indicator has been steadily improving since the high of 8,530 active listings reached in May 2008. Based on the January 2010 listings and the current sales rate, there is a 5.7 month supply of homes for sale in the County.



Source: Metropolitan Regional Information Systems, Inc.

Negative Equity Report

According to the latest data from First American CoreLogic, in the fourth quarter of 2009 24.3 percent of all properties with a mortgage in Virginia were in negative equity. Including those that were near negative equity, the figure was 30.0 percent. Negative equity, also referred to as "underwater", is a situation in which the borrower owes more on their mortgage than the home is worth. Near negative equity is defined as mortgages within 5.0 percent of being "underwater". The top three states with the highest number of underwater mortgaged properties were Nevada with 70 percent, Arizona (51 percent), and Florida (48 percent). In the Washington Metropolitan area, 31.4 percent of all properties with a mortgage were in negative equity. Together with those that were near negative equity, the figure was 36.4 percent. Mark Fleming, chief economist for First American CoreLogic said that "negative equity will remain the dominant issue in the housing and mortgage markets for some time to come."

Mortgage Delinquency Survey

Based on data released by the Mortgage Bankers Association (MBA), the delinquency rate of mortgage loans decreased slightly to a seasonally adjusted rate of 9.5 percent of all loans outstanding as of the end of the fourth quarter of 2009. The definition of delinquent loan is at least one payment past due but not in foreclosure.

Jay Brinkmann, MBA's chief economist said that, "We are likely seeing the beginning of the end of the unprecedented wave of mortgage delinquencies and foreclosures that started with the subprime defaults in early 2007, continued with the meltdown of the California and Florida housing markets due to overbuilding and the weak loan underwriting that supported that overbuilding, and culminated with a recession that saw 8.5 million people lose their jobs."

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