



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

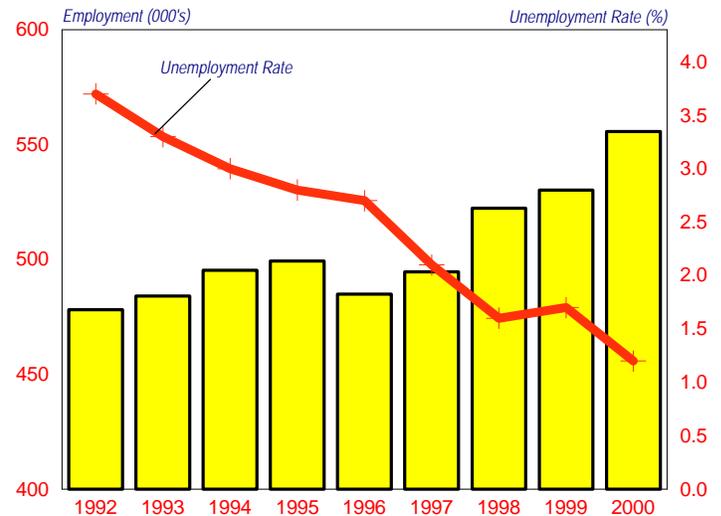
Publication 100

NOVEMBER 2000

◆ ◆ ◆ NOVEMBER HIGHLIGHTS ◆ ◆ ◆

- October unemployment in Fairfax County dropped 0.2 points to 1.2 percent.
- November Sales Tax receipts for Fairfax County are up 0.8 percent over November 1999 and up 5.8 percent since the beginning of the Fiscal Year, July 1, 2000.
- New dwelling permits remain lower than last year's levels, but repair and alteration permits are up significantly.
- Homes sales data through September show that sales volume is down for new homes but up in most categories for existing homes, and median sales prices are rising.
- Consumer Confidence fell again in November, primarily due to uncertainty surrounding the election. However, the Conference Board indicated that this is not expected to impact consumer spending over the holidays.
- In November, both the Fairfax County Coincident Index and Leading Index rose, partially offsetting the previous month's decline. Although the County economy did rebound somewhat, slower growth is expected in the future.
- The November Metropolitan Washington Economic Index had mixed results, suggesting that the area economy is starting to slow. The Coincident Index decreased 0.5 percent while the Leading Index increased 0.4 percent.

RESIDENTIAL EMPLOYMENT - OCTOBER



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

According to the Virginia Employment Commission (VEC), the October unemployment rate in Fairfax County dropped 0.2 points to 1.2 percent, the lowest rate to date in 2000. That rate is 0.5 points lower than the October 1999 rate of 1.7 percent.

Statewide, the October unemployment rate fell 0.3 points to 2.3 percent from 2.6 percent in September. The improvement in the unemployment rate is attributable to schools hiring staff for the semester that began in September and retailers hiring for the fourth quarter sales push. The 2.3 percent rate is the lowest October unemployment figure since the rate hit 2.2 percent 31 years ago in 1969. The October 1999 Virginia rate was 2.7 percent and the October 2000 nationwide rate is 3.6 percent.

Employment should remain high for the remainder of 2000 according to the VEC. The peaking of holiday activities may slightly improve the unemployment rate in November and December.



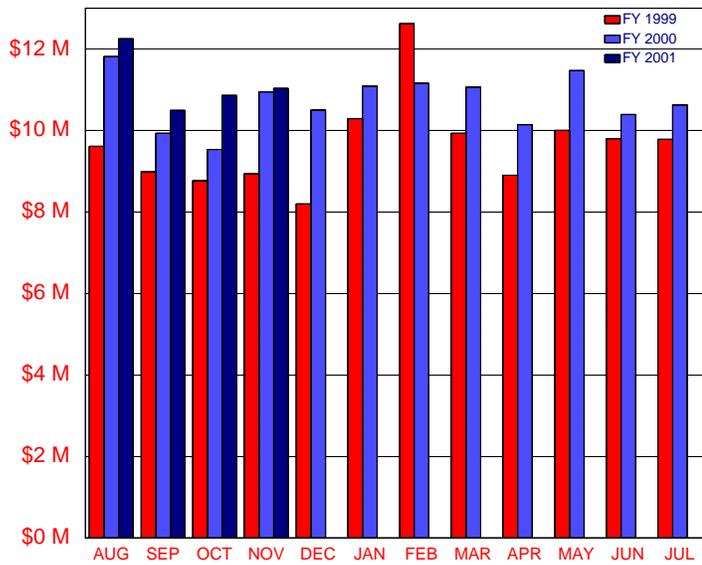
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.co.fairfax.va.us/comm/economic/economic.htm>



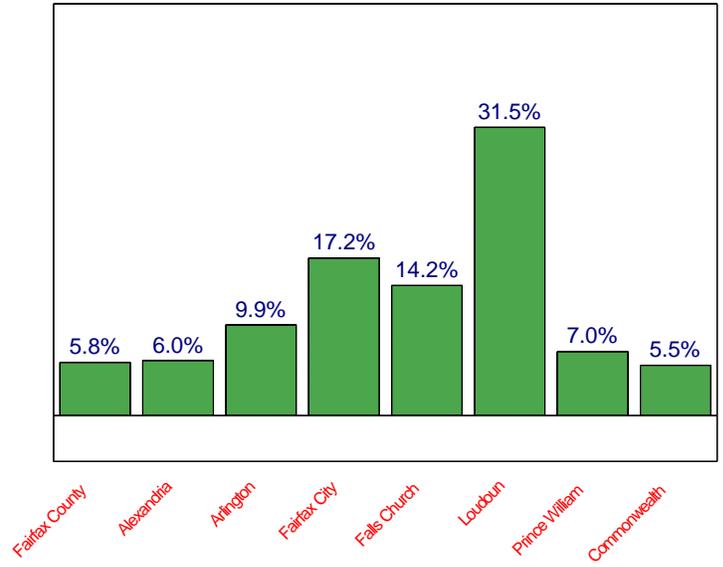
SALES TAX REVENUES

(revenues represent retail sales two months prior)



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

FY 2001 SALES TAX RECEIPTS THROUGH NOVEMBER



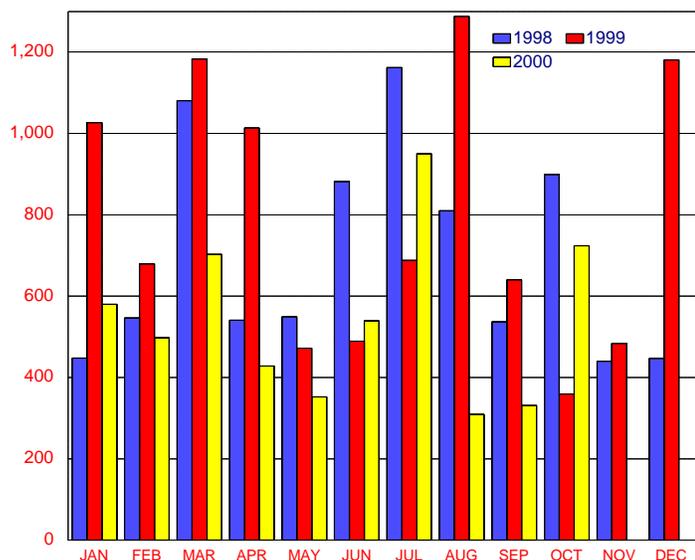
Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

November sales tax receipts for Fairfax County, representing retail purchases made in September, rose a slight 0.8 percent over November 1999. Year-to-date, sales tax receipts are up 5.8 percent over the same period last year.

In November, seasonally adjusted advance retail sales estimates for the U.S. are down 0.4 percent from October, but up 5.2 percent over November 1999, according to the Commerce Department. Durable goods sales decreased 1.1 percent from October, but are up 0.9 percent over November last year. Furniture sales rose 6.3 percent over November 1999. November nondurable goods increased 0.1 percent over October and 8.4 percent over November 1999. Gasoline sales are up 15.1 percent from November a year ago, and drug stores sales are up 10.3 percent from last year.

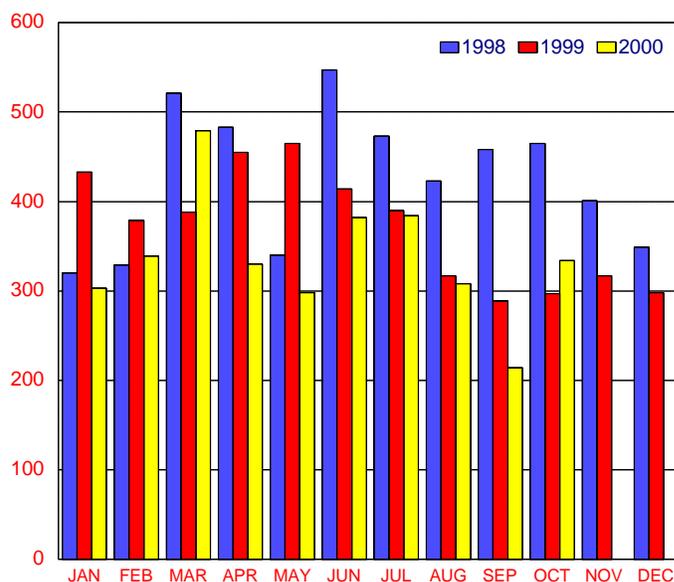
Through the first four months of FY 2001, Sales Tax receipts have shown moderate to strong growth. Loudoun County continues to show the strongest growth—up 31.5 percent over the same period last year. Fairfax City and Falls Church are the only other jurisdictions in double digits with 17.2 and 14.2 percent growth year-to-date. Sales Tax receipts through November are up 9.9 percent in Arlington, 7.0 percent in Prince William, 6.0 percent in Alexandria, and 5.8 percent in Fairfax County. Sales Tax receipts are up 5.5 percent Statewide over the same period last year.

**NUMBER OF RESIDENTIAL BUILDING PERMITS
NEW DWELLINGS**



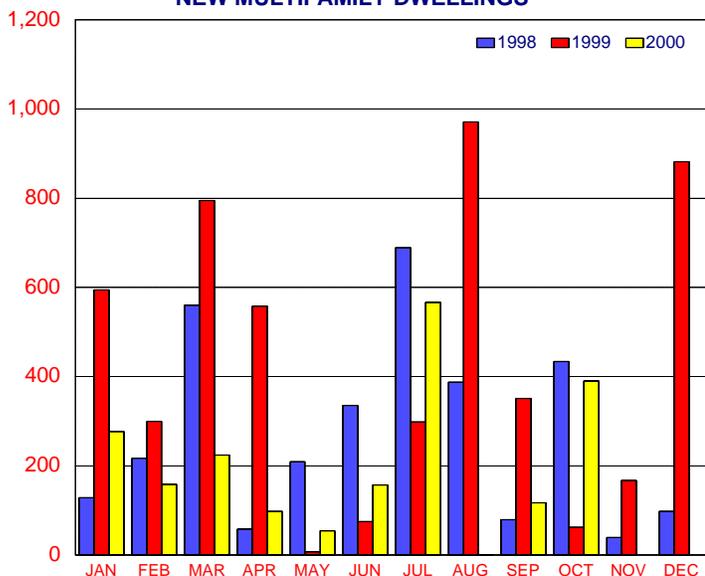
Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

**NUMBER OF RESIDENTIAL BUILDING PERMITS
NEW SINGLE FAMILY DWELLINGS**



Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

**NUMBER OF RESIDENTIAL BUILDING PERMITS
NEW MULTIFAMILY DWELLINGS**

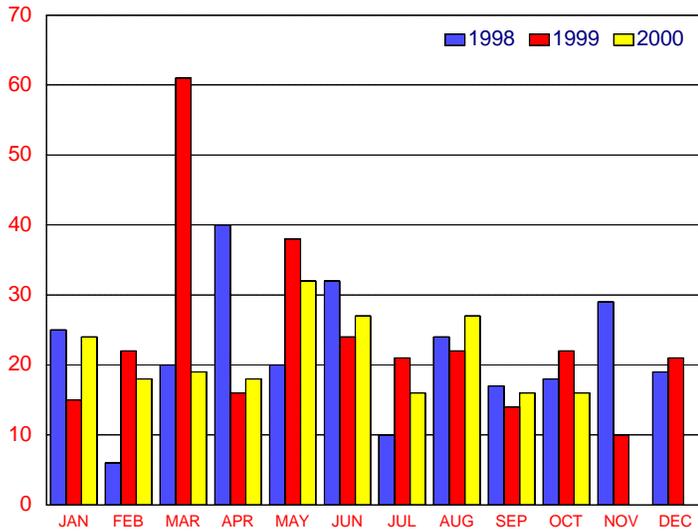


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Year-to-date growth is negative across all new residential permit categories. In total, new residential dwelling permits are down 30.9 percent, or 2,425 permits, through October. Multifamily permits are down 49.1 percent, or 1,969 permits, while single family permits are down 11.9 percent, or 456 permits, over the same period.

However, residential repair and alteration permits continue to show strong year-to-date growth. Through October, issues of residential repair and alteration permits have increased 34.2 percent, or 4,068 permits, over October 1999.

**NUMBER OF NONRESIDENTIAL BUILDING PERMITS
NEW STRUCTURES**

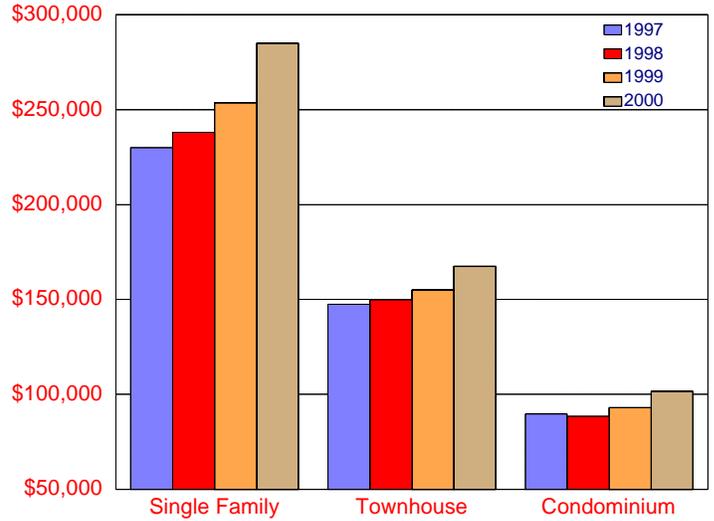


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Nonresidential building permits issued through October are down 16.5 percent, or 42 permits, from the same period in 1999. Nonresidential repair and alterations permits, however, are up 14.1 percent, or 488 permits, year-to-date.

HOME SALES IN FAIRFAX COUNTY

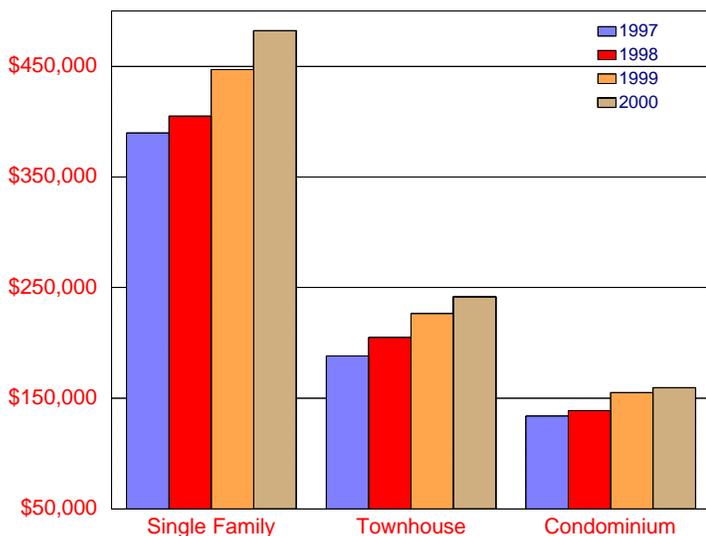
**MEDIAN PRICE OF EXISTING HOMES SOLD
JANUARY-OCTOBER 2000 COMPARED TO
ANNUAL MEDIAN PRICES 1997 - 1999**



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

According to home sales data through the end of October 2000, existing homes in Fairfax County have experienced moderate to strong growth in median sales prices. For existing single family homes, the median is \$285,000 compared to the 1999 median of \$253,625—growth of 12.4 percent. The median sales price for townhomes grew 8.1 percent from \$155,000 in 1999 to \$167,500 through October 2000. The median for condominiums increased from \$93,000 to \$101,500, representing growth of 9.1 percent.

**MEDIAN PRICE OF NEW HOMES SOLD
JANUARY-OCTOBER 2000 COMPARED TO
ANNUAL MEDIAN PRICES 1997 - 1999**

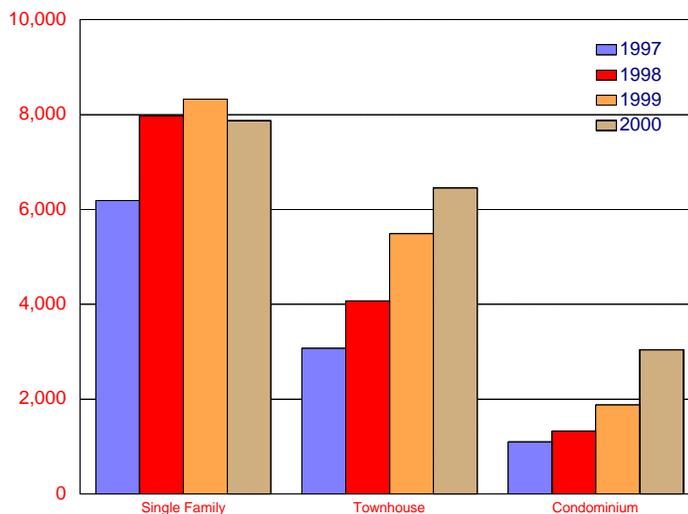


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Changes in selling prices, coupled with the volume of sales, are generally considered to be 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 the selling prices within neighborhoods.

Growth in median sales prices for new homes is moderate according to sales data through October. The median sales price for a new single family home is \$482,157, an increase of 7.9 percent, or \$35,210, over the 1999 median. New townhomes have increased 6.7 percent, from \$226,520 to \$241,708, while condominiums have grown from \$155,155 to \$159,575, or 2.9 percent, over the same period.

**NUMBER OF EXISTING HOMES SOLD
JANUARY-OCTOBER 1997-2000**



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

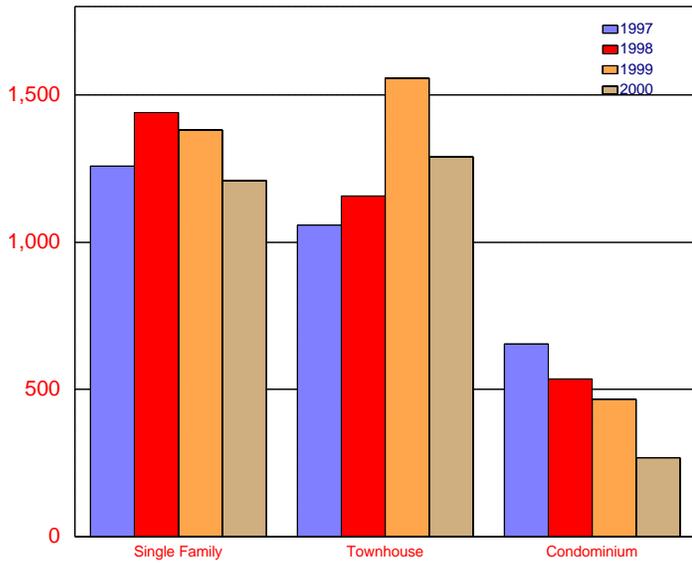
**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD
YEAR-END 1999 COMPARED TO 2000 THROUGH OCTOBER**

	Existing Sales	New Sales
Single Family	12.4	7.9
Townhouse	8.1	6.7
Condominium	9.1	2.9

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

Existing condominiums and townhomes have shown strong growth in sales volume through October 2000. Condominium sales were up 61.7 percent from 1,881 to 3,042, while townhome sales were up by 17.6 percent from 5,486 to 6,453. Existing single family home sales through October 2000 fell 459 units, or 5.5 percent, from 8,326 to 7,867.

**NUMBER OF NEW HOMES SOLD
JANUARY-OCTOBER 1997-2000**

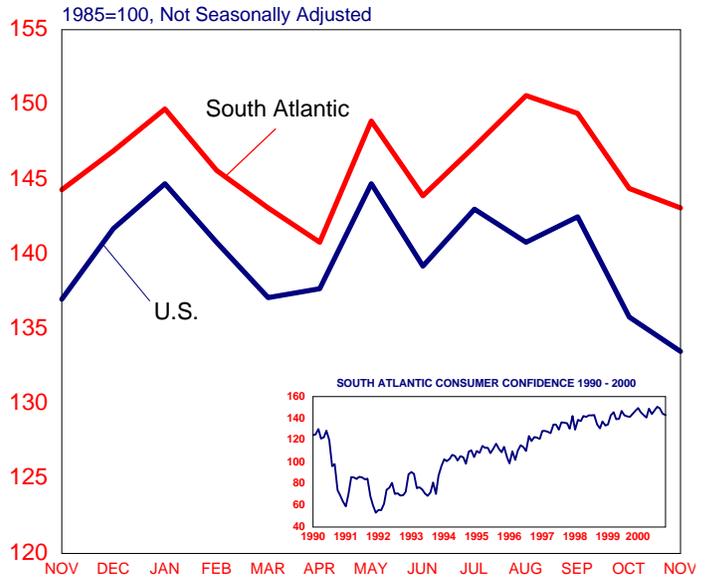


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

New home sales volume through October is down across all housing categories compared to the same period last year. New condominium sales have fallen from 467 in 1999 to 268 in 2000—a decline of 42.6 percent. Townhome sales have fallen 17.2 percent, from 1,557 to 1,290. New single family home sales declined 12.5 percent from 1,381 to 1,209.

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDEX

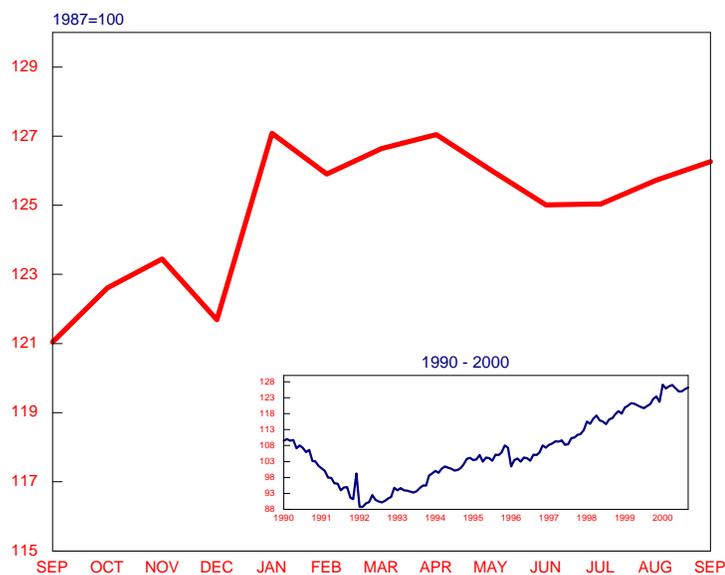


Source: Conference Board
Compiled by the Fairfax County Dept. of Management and Budget

The Conference Board's Consumer Confidence Index, which had declined in October, fell again in November from 135.8 to 133.5. Consumers' confidence in current economic conditions actually increased 1.1 percent over October, but their short-term outlook declined 4.6 percent. According to Lynn Franco, Director of The Conference Board's Consumer Research Center, the decline in short-term outlook may have been related to the uncertainty surrounding the election in November. However, the rise in the Present Situation Index suggests that consumers do not foresee an end to the economic growth and that they should remain upbeat through the holidays. The South Atlantic Consumer Confidence Index is 143.1 in November, a 0.9 percent decrease from October.

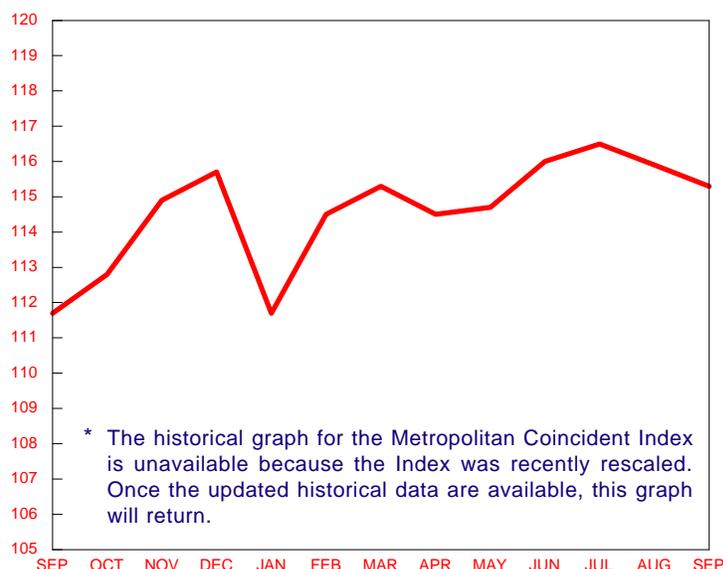
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

FAIRFAX COUNTY COINCIDENT INDEX



Sources: Mason Enterprise Center, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

METROPOLITAN COINCIDENT INDEX*

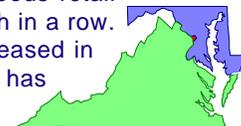


Source: Mason Enterprise Center, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

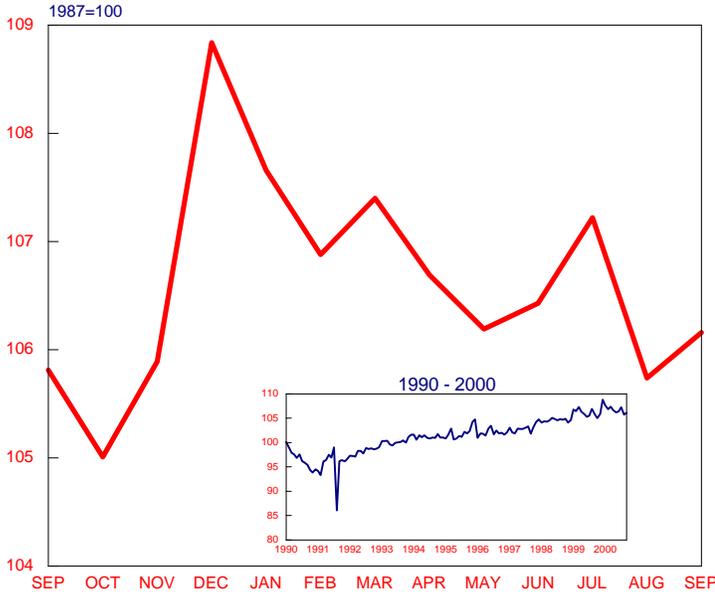
The Fairfax County Coincident Index, which represents the current state of the County's economy, increased in September to 126.3—a 0.4 percent increase over August. This is the third monthly increase in a row and the Index is now up 4.3 percent over September 1999. Two of the index's four components were positive this month. Total employment grew in September for a third month and for the seventh time this year, and transient occupancy tax collections, adjusted for inflation and seasonal variation, increased after declining for four months. However, sales tax collections, adjusted for inflation and seasonal variation, declined for the second time in three months, and consumer confidence slipped for a second consecutive month.



The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, decreased to 115.3 in September—a decline of 0.5 percent from August. This is the second month in a row that the Index has decreased, but it is still 3.2 percent higher than September 1999. This month, three of the Index's four components were negative. Consumer confidence dropped for the second consecutive month after peaking in July, and domestic passenger volume at Dulles and Reagan Airports decreased in September for the second month in a row. Nondurable goods retail sales also declined for the second month in a row. Total wage and salary employment increased in September after declining in August and has been up in seven out of nine months so far this year.

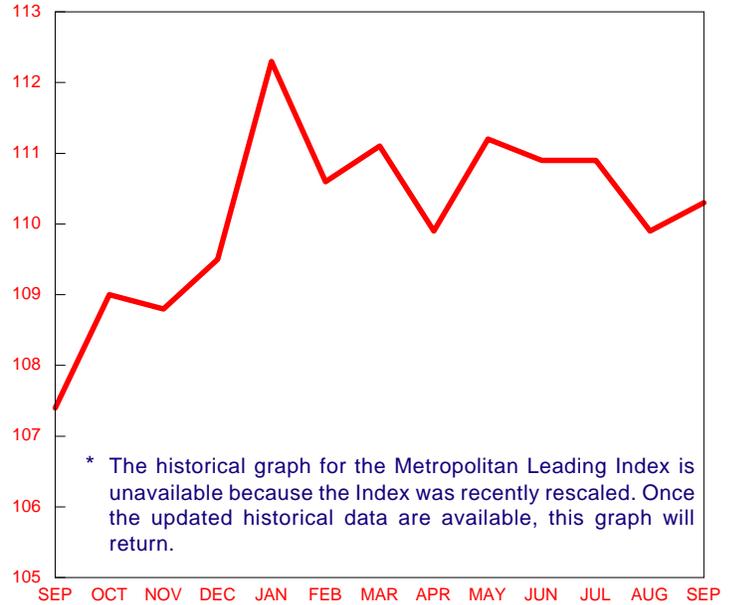


FAIRFAX COUNTY LEADING INDEX



Sources: Mason Enterprise Center, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

METROPOLITAN LEADING INDEX*

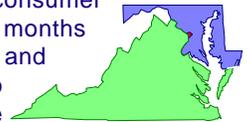


Source: Mason Enterprise Center, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, increased to 106.2 in September for a 0.4 percent gain over its August value. This increase partially offset the large decline in August, but the Leading Index is still down 2.5 percent since January 2000. This month, two of the Index's five components contributed to its gain. Residential building permits increased slightly in September and have now been up in three of the last four months. Initial claims for unemployment insurance registered their largest decrease (improvement) in more than a year following small seasonal gains in July and August. However, consumer expectations (consumer confidence six months hence) dropped after increasing in both of the two preceding months, and new automobile registrations declined for the third time in four months. The total value of residential building permits was also down slightly, dropping for a second month in a row.



The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, increased to 110.3 in September for a gain of 0.4 percent. Overall, the Index has gained 0.7 percent through the first nine months of the year and 2.7 percent over the past twelve months. Two of the index's five components contributed to its gain in September. The Help Wanted Index increased following three monthly declines, and initial claims for unemployment insurance decreased (improved) sharply in September for the third time in four months. However, total residential building permits declined for a second consecutive month in September, and consumer expectations (consumer confidence six months hence) decreased following gains in July and August. Durable goods retail sales also decreased in September for the third time in four months.



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