



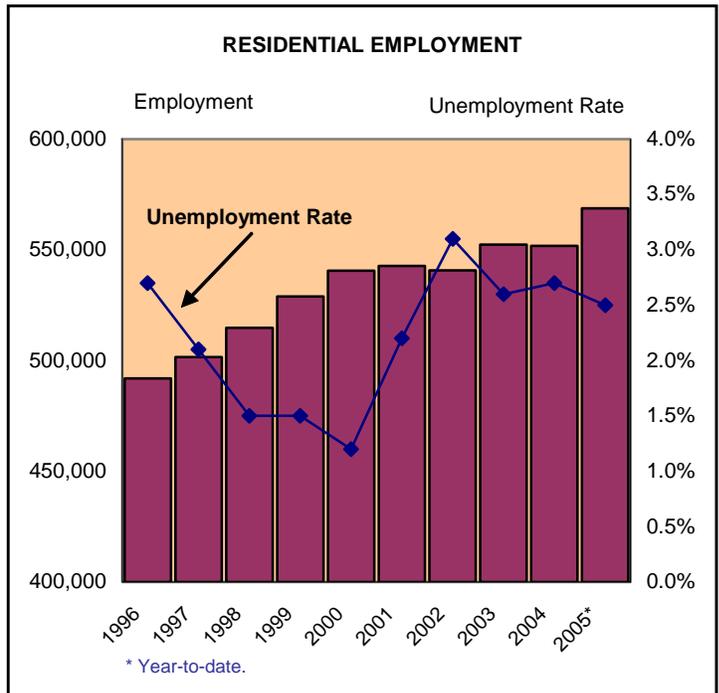
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

JUNE 2005

IN THIS ISSUE:

- The number of employed Fairfax County residents rose to an all-time high of 568,733 in April 2005. (See page 1)
- June 2005 Sales Tax receipts for Fairfax County are \$12.0 million, an increase of 10.1 percent over June 2004. Sales Tax receipts are up 5.9 percent, fiscal year-to-date. (See page 2)
- The number of new single family residential permits issued in May 2005 increased 47.6 percent; while the number of new nonresidential permits issued declined 27.6 percent from May 2004. (See page 3)
- The number of existing single family homes sold in the first four months of 2005 rose 3.3 percent and the median value of these homes increased 12.6 percent over existing single family homes sold during all of 2004. (See pages 4 and 5)
- While the number of new single family homes sold decreased 18.0 percent during the first four months of 2005, the median sales price of these homes increased 7.5 percent over single family homes sold during calendar year 2004. (See pages 4 and 5)
- Both the Fairfax County Coincident and Leading Indices decreased in April 2005 from March, but are up from one year ago. (See pages 6 and 7)



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

Employment

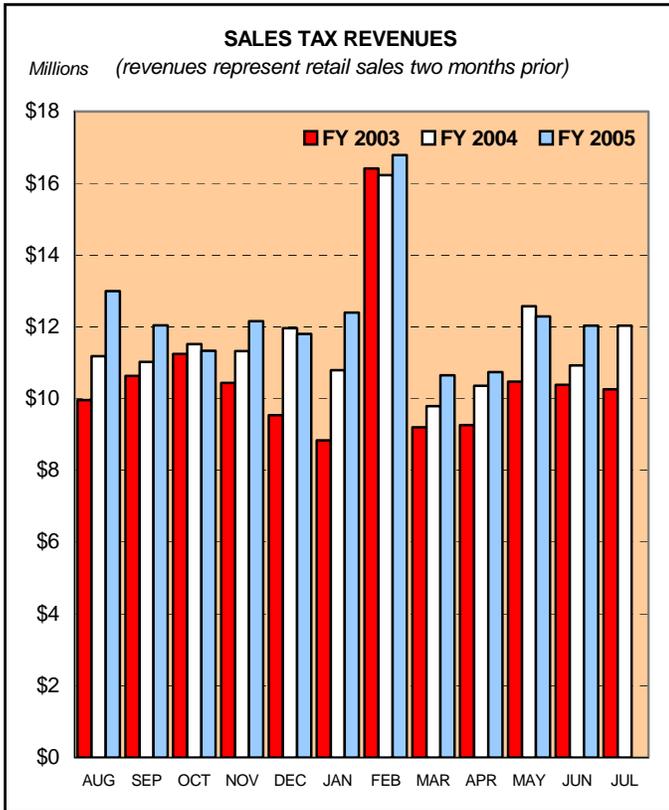
In April 2005, the number of employed Fairfax County residents rose to an all-time high. As reported by the Virginia Employment Commission (VEC), the number of Fairfax County residents holding jobs was 568,733 in April 2005, an increase of 21,854 residents, or 4.0 percent, over April 2004. During this period, the unemployment rate in Fairfax County decreased 0.1 percentage points from 2.6 in April 2004 to 2.5 in April 2005.

The April 2005 Virginia unemployment rate of 3.4 percent remained unchanged from the previous month and matches the April 2004 rate. On the national level, the April 2005 unemployment rate was 5.2 percent.



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

<http://www.fairfaxcounty.gov/comm/economic/economic.htm>



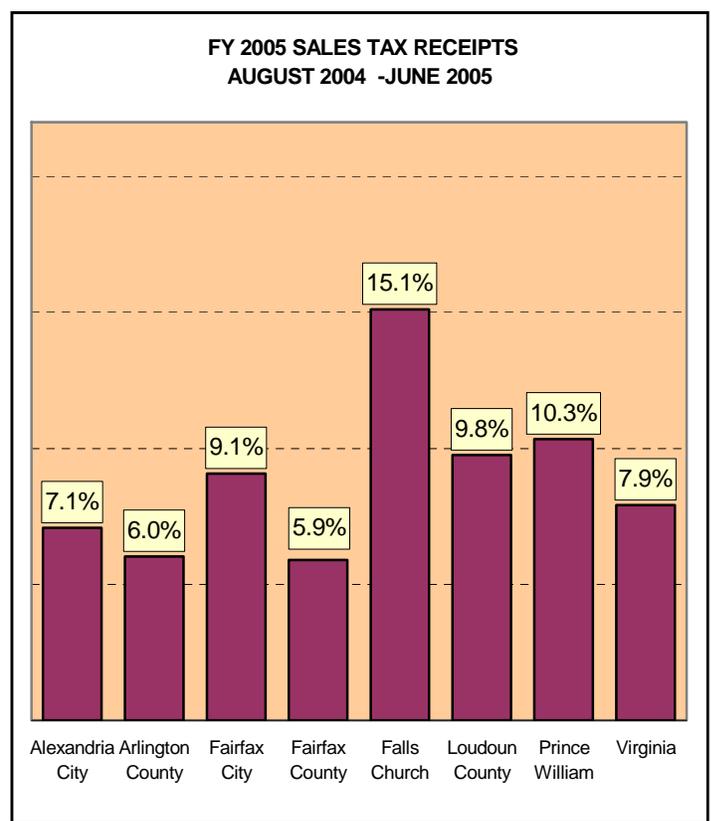
Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

Fairfax County Sales Tax Receipts

June Sales Tax receipts for Fairfax County, representing retail purchases made in April, are \$12.0 million, an increase of 10.1 percent from June 2004. June 2005 marks the fifth month out of the last six that Sales Tax receipts increased on a monthly over-the-year basis. Through the first 11 months of FY 2005, Sales Tax receipts are up 5.9 percent over the same period in FY 2004.

National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary April 2005 retail sales estimates for the U.S. were robust, increasing 1.4 percent over the previous month and 8.6 percent over April 2004. Compared to last year, gasoline station sales are up 19.8 percent; automobile and other motor vehicle dealers increased 10.1 percent; and clothing stores increased 7.9 percent.



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

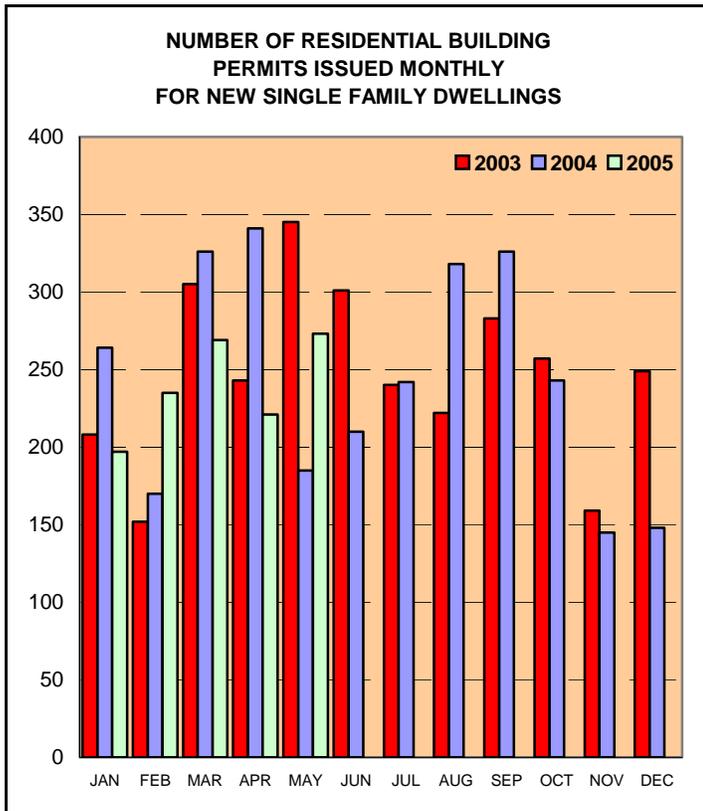
Neighboring Jurisdictions

All Northern Virginia localities have experienced a rise in Sales Tax receipts during the first eleven months of FY 2005. Sales Tax receipts are up 15.1 percent in Falls Church; 10.3 percent in Prince William County; 9.8 percent in Loudoun County; 9.1 percent in Fairfax City; 7.1 percent in Alexandria; 6.0 percent in Arlington County and 5.9 percent in Fairfax County. Statewide Sales Tax receipts are also up. For the period August 2004 through June 2005, statewide sales tax receipts have increased 7.9 percent over the same period a year ago.

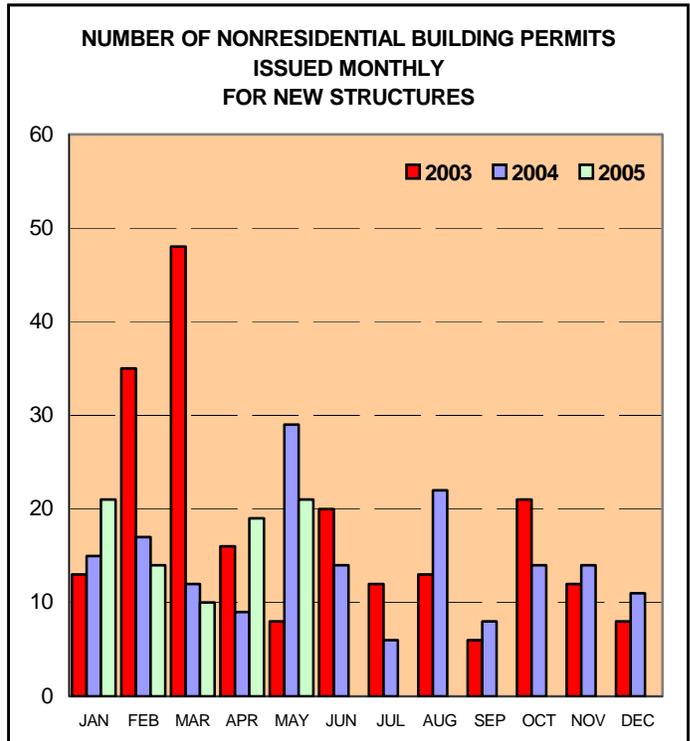
Residential Building Permits

The total number of new single family residential building permits issued in May 2005 is 273, an increase of 88 permits, or 47.6 percent, over May 2004. New single family permits issued in the first five months of 2005 total 1,195 permits, a decrease of 7.1 percent from the 1,286 issued through May 2004.

In May 2005, 1,801 residential repair and alteration permits were issued, an increase of 1,365 permits, or 313.1 percent, over May 2004. Year-to-date, 5,751 residential repair and alteration permits have been issued, an increase of 242.9 percent over the same period last year.



Source of data for all above charts: Fairfax County Department of Public Works and Environmental Services. Compiled by the Department of Management and Budget.



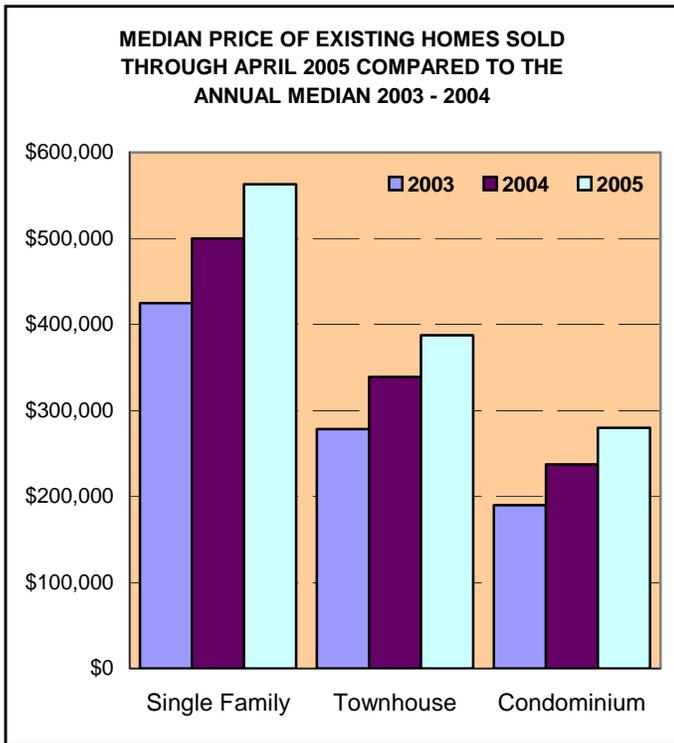
Source: Fairfax County Department of Public Works and Environmental Services. Compiled by the Fairfax County Department of Management and Budget.

Nonresidential Building Permits

New nonresidential building permits issued in May 2005 decreased for the third time in the last four months compared to the corresponding month last year. In May 2005, 21 new nonresidential building permits were issued, a decrease of 27.6 percent, or 8 permits, from May 2004. New nonresidential permits issued during the first five months of 2005 total 85, an increase of 3 permits, or 3.7 percent, over the same period last year.

The issuance of nonresidential repair and alterations permits increased in May to 307 from 275 in May 2004, representing an additional 32 permits. Year-to-date, the number of nonresidential repair and alterations permits issued is 1,620, an increase of 3.1 percent, or 49 permits.

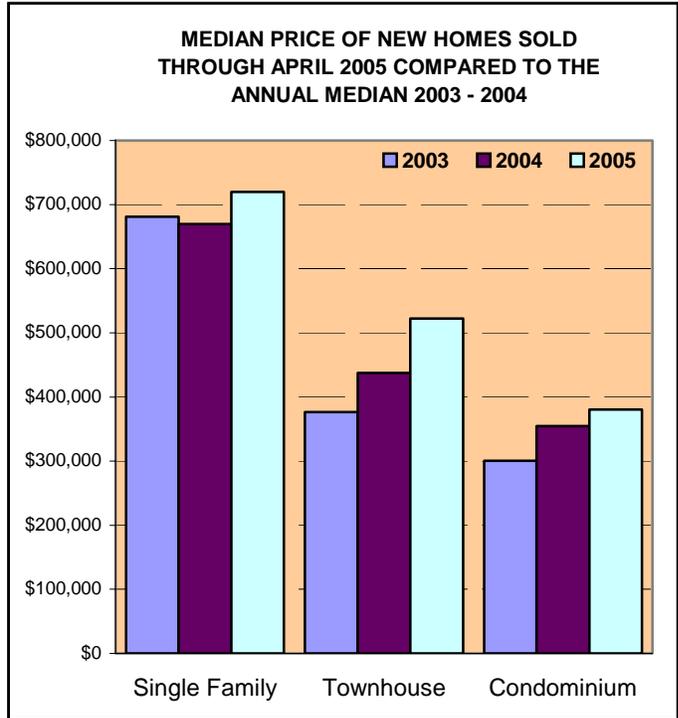
Housing Market



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

Existing Home Sales Prices

All types of existing (previously owned) homes in Fairfax County experienced strong gains in median sales price from January through April 2005. For existing single family homes, the median sales price increased 12.6 percent to \$563,000, as compared to the 2004 median price of \$500,000. The median sales price for existing townhomes sold during the first four months of 2005 rose to \$387,450 from the 2004 median of \$339,000, reflecting growth of 14.3 percent. The median sales price for condominiums increased to \$280,000 through April 2005 from \$237,500 in 2004, representing growth of 17.9 percent.



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

New Home Sales Prices

The growth in median sales price of new homes sold during January through April 2005 has varied widely by type of home. The 2005 median sales price for new single-family homes sold through the first four months of 2005 grew to \$719,900 from the 2004 median of \$669,457, an increase of 7.5 percent. The median sales price of new townhomes sold through April 2005 increased 19.5 percent, from \$437,240 in 2004 to \$522,409, while the median sales price for condominiums increased 7.3 percent, from \$354,450 in 2004 to \$380,350.

PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD YEAR-END 2004 COMPARED TO SALES THROUGH APRIL 2005

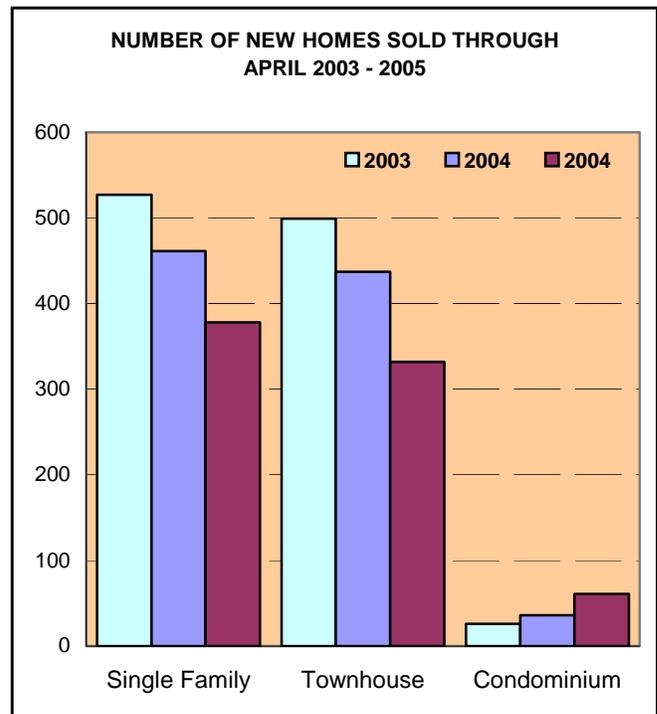
	Existing Sales	New Sales
Single Family	12.6	7.5
Townhouse	14.3	19.5
Condominium	17.9	7.3

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.co.fairfax.va.us/dta/tax_assessment.htm

Existing Home Sales Volume

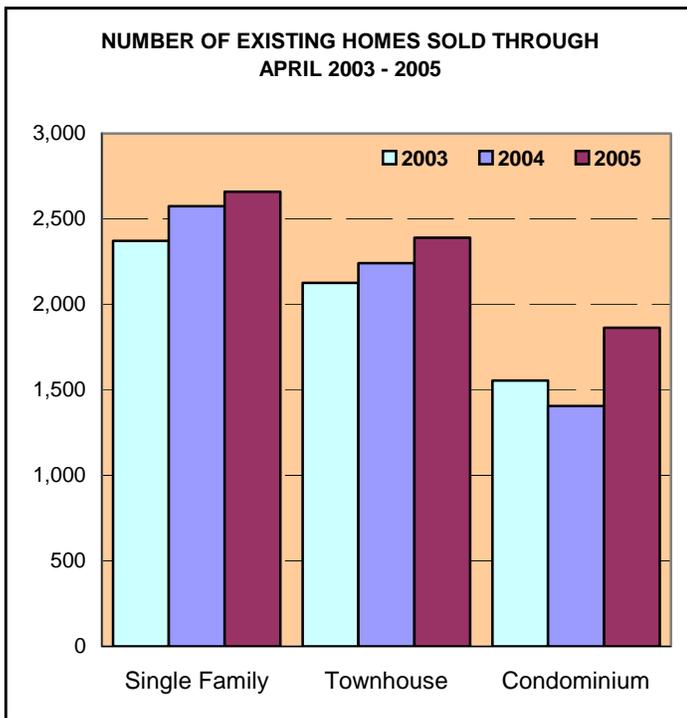
Sales volume for existing (previously owned) homes increased for all home types from January through April 2005. Sales of existing single family homes rose from 2,574 to 2,659, reflecting growth of 3.3 percent over the first four months of 2004. Sales volume of existing townhouses gained through April of 2005 to 2,390 from 2,241, reflecting growth of 6.7 percent over the same period of 2004. The number of existing condominium sold through April 2005 grew 32.5 percent from 1,407 to 1,864 over the same period of 2004.



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

New Home Sales Volume

Sales volume for new condominiums was up during the first four months of 2005, while sales for new single family homes and townhouses decreased. The number of new condominiums sold through April 2005 increased from 36 to 61, reflecting an increase of 69.4 percent. Sales volume of new single family homes decreased 18.0 percent through April 2005, to 378 units from 461 for the previous year. The number of new townhouses sold decreased 24.0 percent from the 437 units reported for the first four months of 2004 to 332 units in 2005.



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

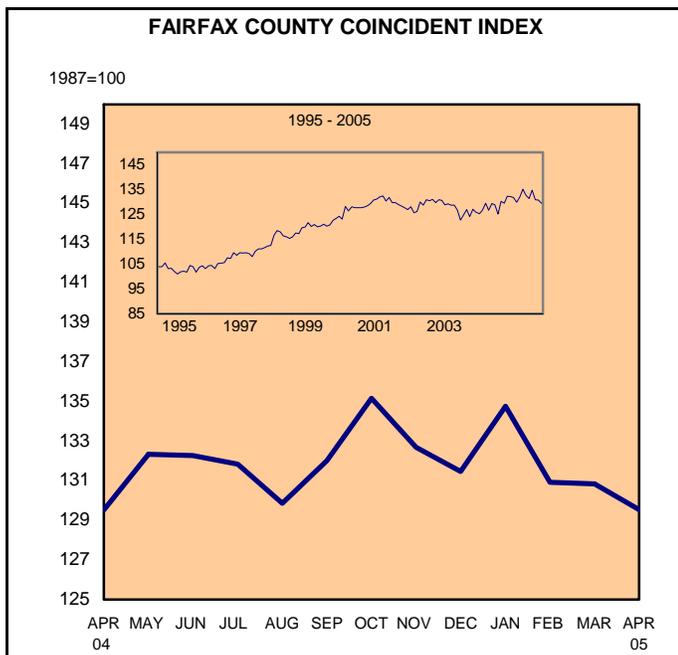
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in the coming months for the respective economies. Fairfax County's Indices 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

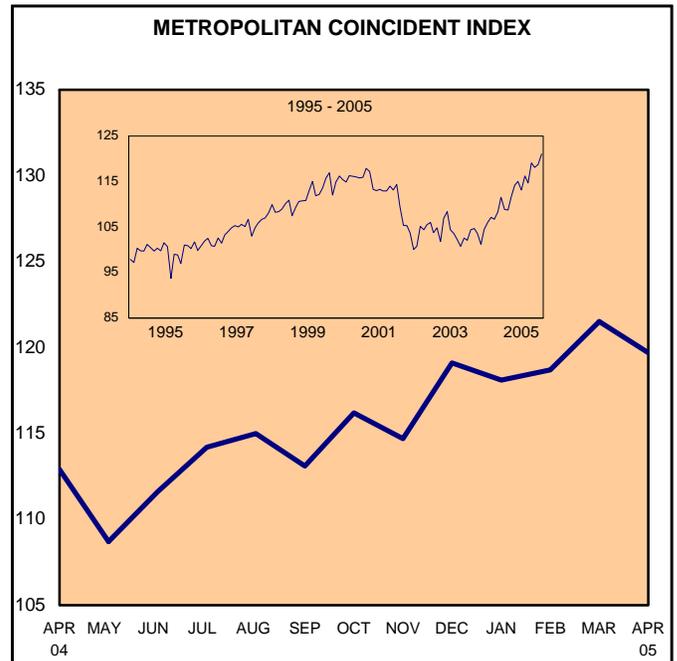


The Fairfax County Coincident Index, which represents the current state of the County's economy, dropped to 129.5 in April 2005, a 1.0 percent decrease from March 2005. The Coincident Index has now decreased for a third month. Despite the decrease from March, the Index has increased seventeen consecutive months over last year's same-month value and is currently 0.01 percent above its April 2005 level.

In April, three of the Index's four components were negative. Transient occupancy tax collections, adjusted for inflation and seasonal variation, decreased for the third month in a row. Mid-Atlantic Consumer Confidence (in the present) decreased after posting gains for two consecutive months. In addition, sales tax collections, adjusted for inflation and seasonal variation decreased in April after registering strong growth in March. On the other hand, total employment, after re-benchmarking for 2003 and 2004, gained in April 2005.



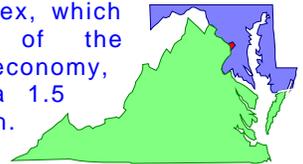
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.



Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.

Metropolitan Coincident Index

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, fell to 119.7 in April 2005, a 1.5 percent loss from March. However, the Index is up 6.0 percent over its April 2004 level.

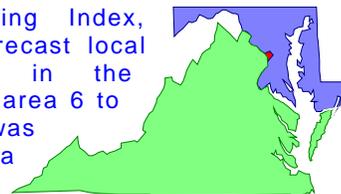


The Index has exceeded its same-month value from last year for eighteen consecutive months.

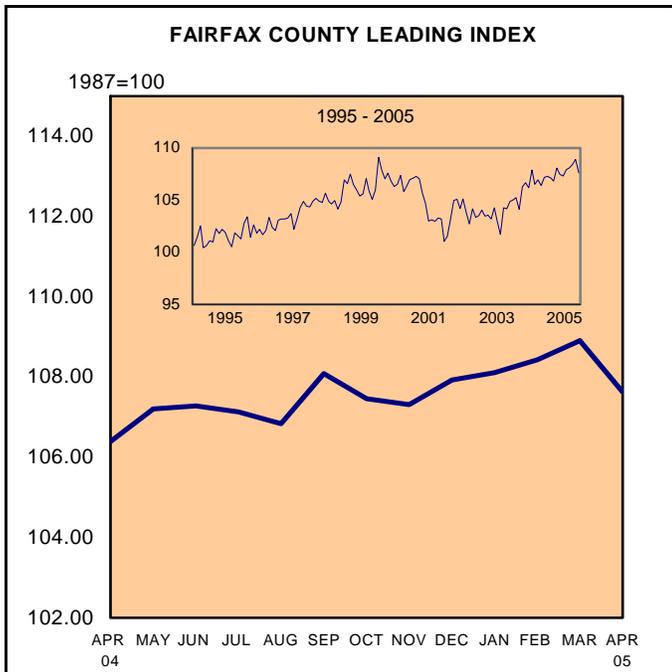
In April, three of the Index's four components were negative. Nondurable goods retail sales decreased following gains for the two previous months. Domestic passenger volume at Reagan National and Dulles airports decreased in April after experiencing growth for the prior four months. In addition, Consumer Confidence (in the present) fell in April after gaining in March. The one positive component, wage and salary employment, increased in April 2005 for the seventh time in eight months.

Metropolitan Leading Index

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 6 to 8 months in advance, was 109.0 in April 2005, a decrease of 0.8 percent from March. In addition, the Index's April posting fell below its April 2004 value, ending a streak of twenty three consecutive monthly-over-the-year increases.



In April, three of the Index's five components contributed to its decrease. Consumer expectations (consumer confidence six months hence) decreased for the third time in four months. Total residential building permits decreased sharply in April and the Help Wanted Index decreased for a fourth consecutive month. Conversely, initial claims for unemployment insurance declined (improved) following a weak showing in March. In addition, durable goods retail sales increased for the fourth time five months.



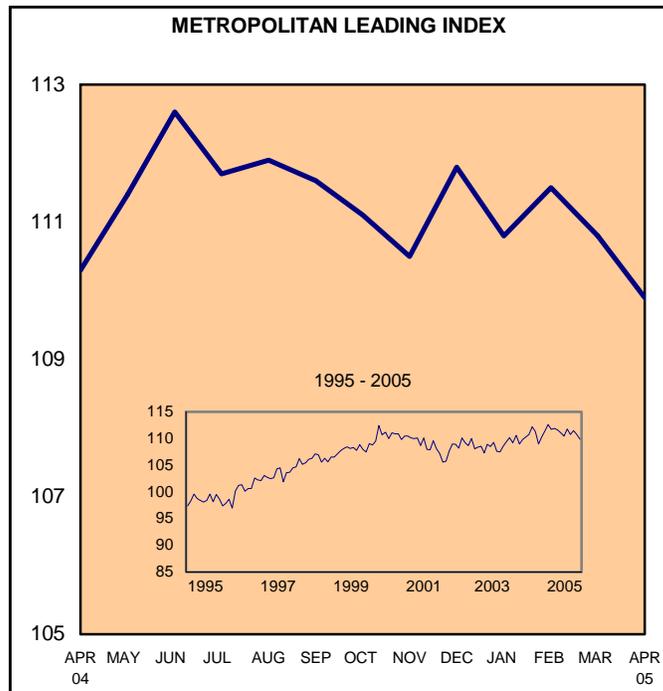
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.

Fairfax County Leading Index



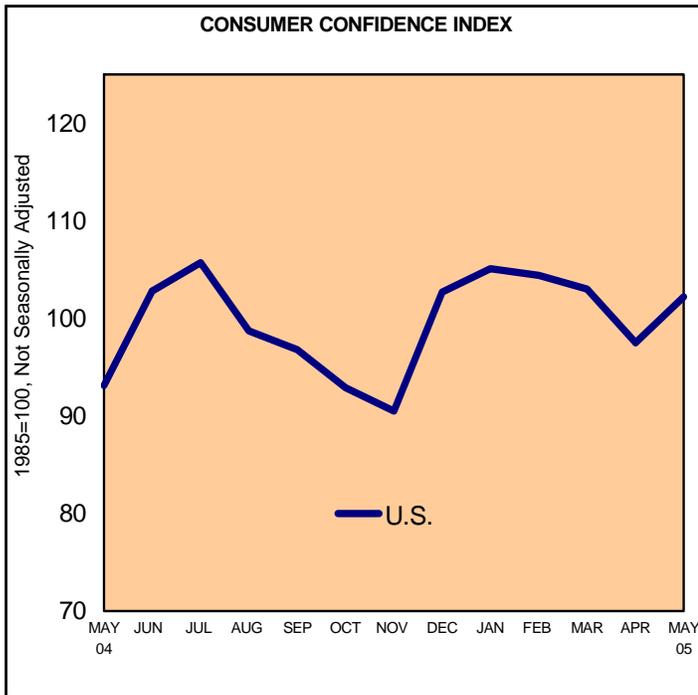
The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, decreased to 107.6 in April 2005, a 1.2 percent loss from March. The Index is currently up 1.2 percent over its April 2004 level. The Index has increased twenty five consecutive months over last year's same-month value.

In April, all of the Index's three components contributed to its loss. New automobile registrations declined for the second time in three months. Initial claims for unemployment increased (worsened) following three consecutive months of improvement. Consumer expectations (consumer confidence six months in advance) decreased in April 2005 for a third time in four months.



Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.

OTHER INDICATORS



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

Consumer Confidence Index

The Conference Board reports that the national Consumer Confidence Index increased 4.7 points in May 2005. The Index is 102.2, compared to the revised level of 97.5 reported in April 2005. This is the first increase in four months.

The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In May 2005, the Present Situation Index increased to 116.7 from 113.8, a gain of 2.9 points over last month. Similarly, the Expectations Index increased to 92.5 over the 86.7 reported in April.

Consumer's six-month outlook in May was upbeat, with an increase in both the percentage of consumers expecting business conditions to improve and the percentage of consumers expecting more jobs to become available.

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