



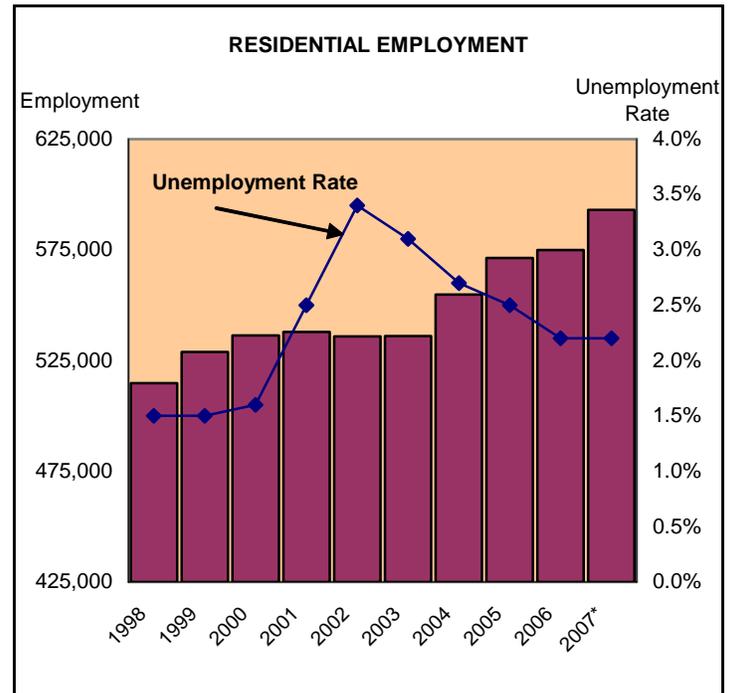
# ECONOMIC INDICATORS®

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

SEPTEMBER 2007

## IN THIS ISSUE:

- The unemployment rate in Fairfax County was 2.2 percent, the lowest rate recorded in July since 2000. (See page 1)
- Fairfax County's Sales Tax receipts in September rose 4.1 percent and are up 1.7 percent for the first two months of FY 2008. (See page 2)
- The median value of existing single family homes and townhouses sold in the County through August 2007 fell 0.8 percent and 1.2 percent, respectively, from the median for all of 2006. (See page 3)
- The Consumer Confidence Index fell for the second consecutive month in September and is at its lowest level in two years. (See page 5)
- 30-year fixed rate mortgages fell to 6.38 percent in September, down from 6.57 percent the month before. (See page 5)



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

## Employment

The number of employed Fairfax County residents rose 11,000 to 593,200 in July 2007 from 582,200 in July 2006. The Virginia Employment Commission (VEC) reported that the unemployment rate in Fairfax County declined to 2.2 percent in July from the 2.3 percent recorded in June and in July 2006. This was the lowest rate for the month of July in seven years since the unemployment rate was 1.6 percent in July 2000.

The unemployment rate in Virginia fell 0.1 points to 3.1 percent in July 2007, also the lowest July rate since 2000. Initial claims for unemployment in Virginia fell to 22,600 from 23,938 last year.

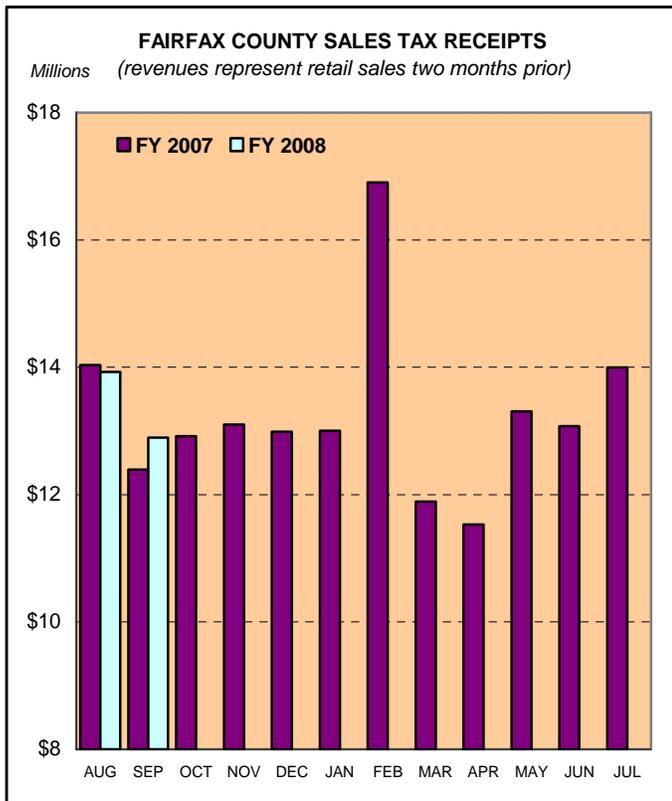
On the national level, the July 2007 unemployment rate was 4.6 percent, a 0.1 percentage point decline from last July.

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

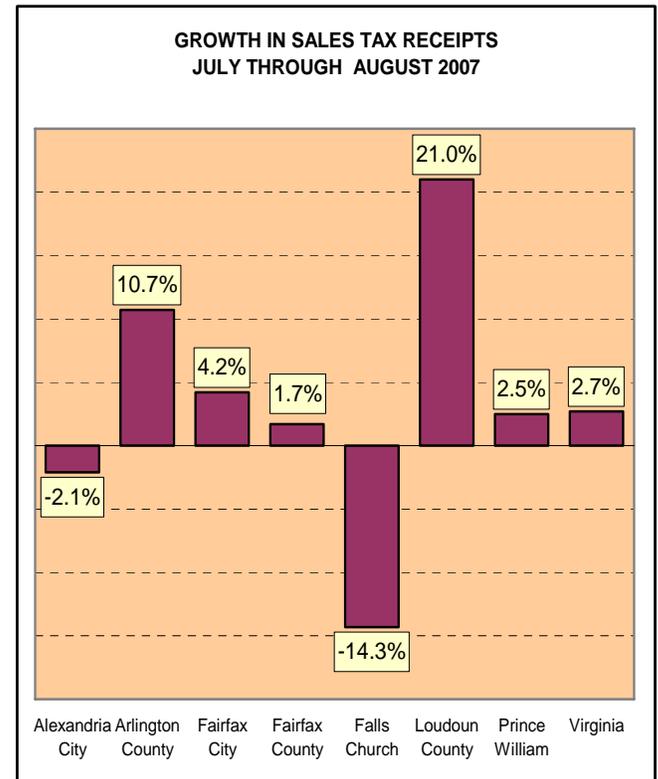
<http://www.fairfaxcounty.gov/comm/economic/economic.htm>



## 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

September Sales Tax receipts in Fairfax County, reflecting retail purchases made in July, were \$12.9 million, an increase of 4.1 percent over September 2006. For the first two months of fiscal year 2008, Fairfax County's Sales Tax receipts total \$26.9 million, a 1.7 percent increase over the same period of FY 2007.

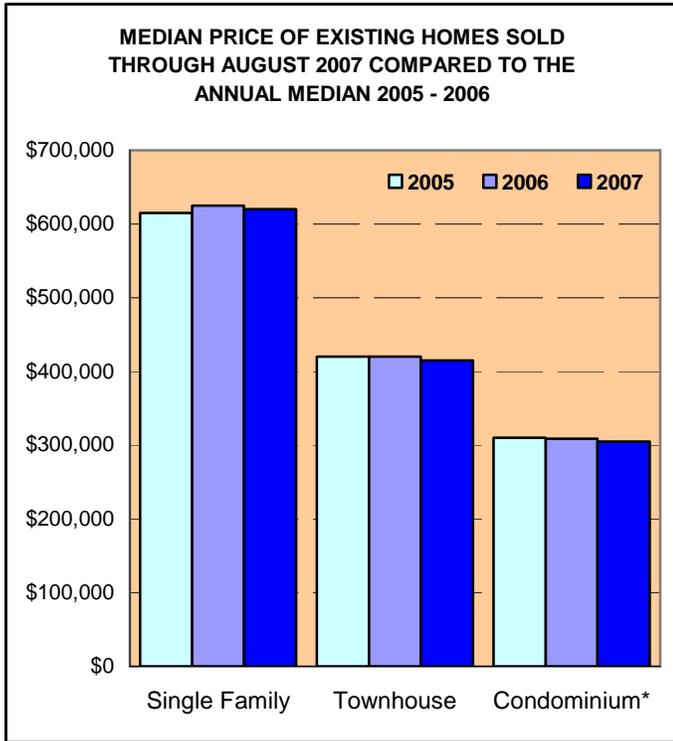
### Neighboring Jurisdictions

For the first two months of FY 2008, Sales Tax receipts have increased 21.0 percent in Loudoun County; 10.7 percent in Arlington County; 4.2 percent in Fairfax City; and 2.5 percent in Prince William County. During this same period, Sales Tax receipts decreased 2.1 percent in Alexandria and 14.3 percent Falls Church. Statewide local Sales Tax receipts rose 2.7 percent in the first two months of 2008 compared to the same period of FY 2007.

### National Retail Sales

According to the Commerce Department, seasonally adjusted Advance August 2007 retail sales for the U.S. rose 3.7 percent over August 2006. Sales at clothing stores rose 6.4 percent while food service sales increased 5.7 percent over last year. Retail sales at gasoline stations fell 2.7 percent, reflecting recent declines in gas prices.

# 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

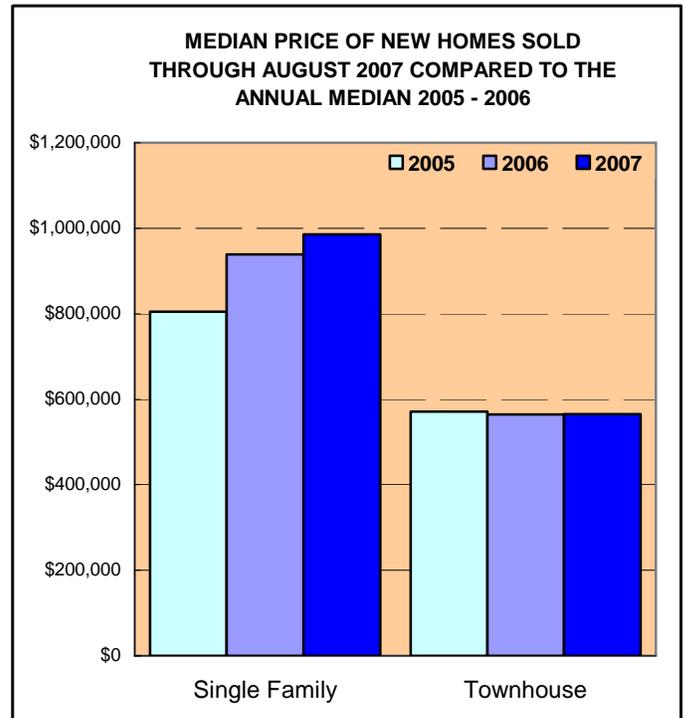
Both existing (previously owned) single family homes and townhouses in Fairfax County experienced a decline in median sales price from January through August 2007 compared to the 2006 median sales price. For existing single family homes, the median sales price decreased 0.8 percent to \$620,000, as compared to the 2006 median price of \$625,000. The median sales price for existing townhomes sold during the first eight months of 2007 fell to \$415,000 from the 2006 median of \$420,000 reflecting a loss of 1.2 percent.

Through August 2007, the median sales price of all condominiums, existing and new, decreased 1.3 percent to \$305,000 from the 2006 median of \$309,000.

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

|               | Existing Sales | New Sales |
|---------------|----------------|-----------|
| Single Family | (0.8)          | 5.0       |
| Townhouse     | (1.2)          | 0.2       |
| Condominium*  | (1.3)          |           |

\*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 prices of new single family homes sold during the first eight months of 2007 was \$985,450, an increase of 5.0 percent compared to the 2006 median of \$938,768.

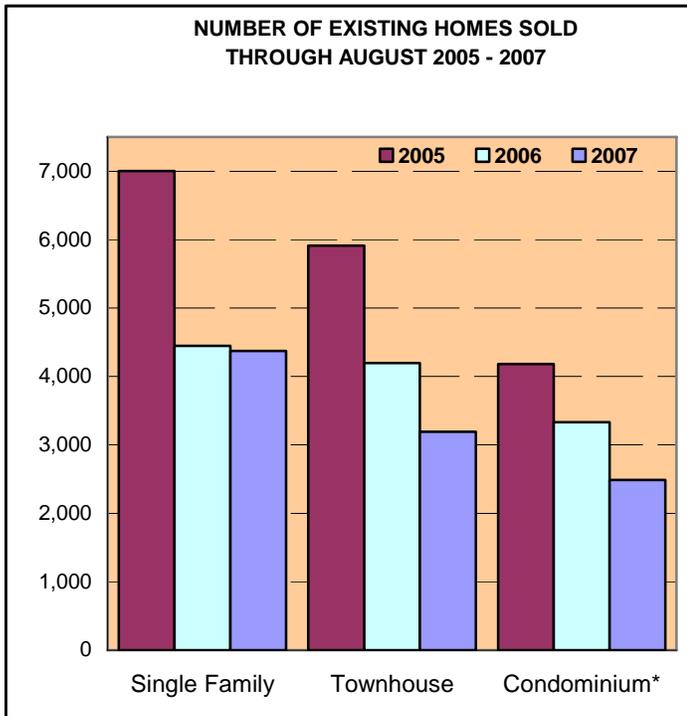
The sales price of new townhomes has remained relatively flat, increasing a slight 0.2 percent to \$565,371 over the 2006 median of \$564,440. For data regarding all condominium sales prices, refer to the "Existing Home Sales Volume" section.

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:

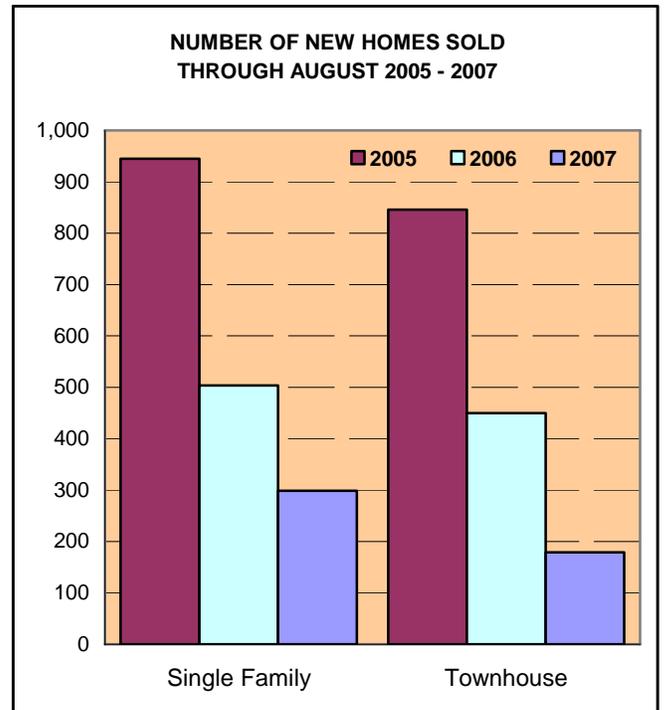
[www.fairfaxcounty.gov/dta/tax\\_assessment.htm](http://www.fairfaxcounty.gov/dta/tax_assessment.htm)

## New Home Sales Volume

The sales volume of newly constructed single family and townhomes has fallen dramatically during the first eight months of 2007. Sales of new single family homes dropped 40.7 percent through August 2007, to 299 from the 504 new single family homes purchased during the same period of 2006. In addition, the number of new townhouses sold declined 60.2 percent from the 450 units sold during the first eight months of 2006 to 179 units so far this 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. \*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

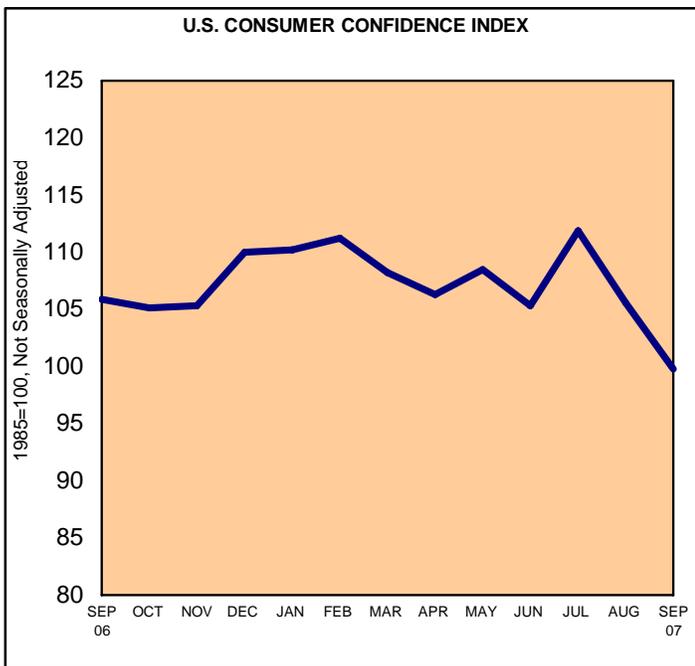
The number of existing single family homes sold through August 2007 total 4,371, down 1.7 percent from the 4,445 sold during the first eight months of 2006. The sales volume of existing townhomes has fallen 23.9 percent to 3,194, from the 4,197 sold during the same period of 2006. The number of all (existing and new) condominium sales reported through the first eight months 2007 declined 25.3 percent to 2,295 from 3,330 last year.

## Consumer Confidence Index

After declining in August, the Conference Board's Consumer Confidence Index decreased further in September. The Index stands at 99.8, its lowest level in two years.

Both components of the overall Consumer Confidence Index fell in September. The Present Situation Index fell to 121.7 in September from 130.1, a sharp loss of 8.4 points from the previous month. Similarly, the Expectations Index decreased to 85.2, a loss of 4 points from August.

According to Lynn Franco, Director of the Conference Board's Consumer Research Center, "Weaker business conditions combined with a less favorable job market continue to cast a cloud over consumers and heighten their sense of uncertainty and concern".



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

## 30-Year Fixed-Rate Mortgages



The interest rate on conventional 30-year fixed rate mortgages, as reported by Freddie Mac, fell to 6.38 percent in September 2007, a decline of 0.19 points from the August level of 6.57 percent. September's decrease represents the second consecutive monthly decline. The rate is similar to last September when the average 30-year fixed rate mortgage was 6.40 percent.

Five-year Treasury-indexed hybrid adjustable-rate mortgages (ARMs) averaged 6.21 percent in September, down from last month when it averaged 6.33 percent. A year ago, the 5-year ARM averaged 6.08 percent. The share of mortgage applications for ARMs versus conventional fixed rate mortgages has been trending downward, and during the last week of September reached its lowest level since March 2003, according to the Mortgage Bankers Association.

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