



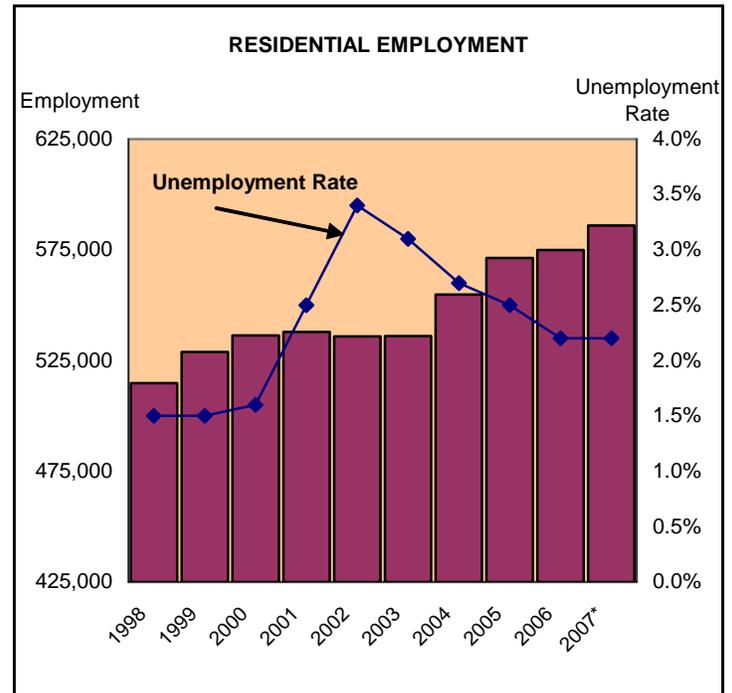
ECONOMIC INDICATORS[®]

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

FEBRUARY 2008

IN THIS ISSUE:

- The unemployment rate in Fairfax County for December 2007 rose to 2.2 percent up from 1.9 percent in December 2006. **(See page 1)**
- February 2008 Sales Tax receipts for Fairfax County, which represent retail purchases made during the December holiday sales period, fell a slight 0.1 percent from the February 2007 level to \$16.9 million. Fiscal year-to-date, Sales Tax receipts are up 2.9 percent. **(See page 2)**
- The Consumer Confidence Index has fallen to its lowest level in nearly 15 years, with the exception of the Iraqi War in 2003. **See page 2)**
- Existing single family homes sold during the first month of 2008 fell 12.9 percent from the median value of existing single family homes sold during all of 2007. **(See page 3)**
- The number of new single family homes and townhouses sold in the County posted sharp decreases of 41.7 percent and 53.9 percent, respectively, in January 2008. **(See page 4)**
- As reported by Freddie Mac, interest rates on conventional 30-year fixed rate mortgages increased to 5.92 percent in February 2008. **(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 4,046 to 585,939 in December 2007 from 581,893 in December 2006. The Virginia Employment Commission (VEC) reported that the unemployment rate in Fairfax County was 2.2 percent in December 2007, up from the 1.9 percent recorded in December 2006.

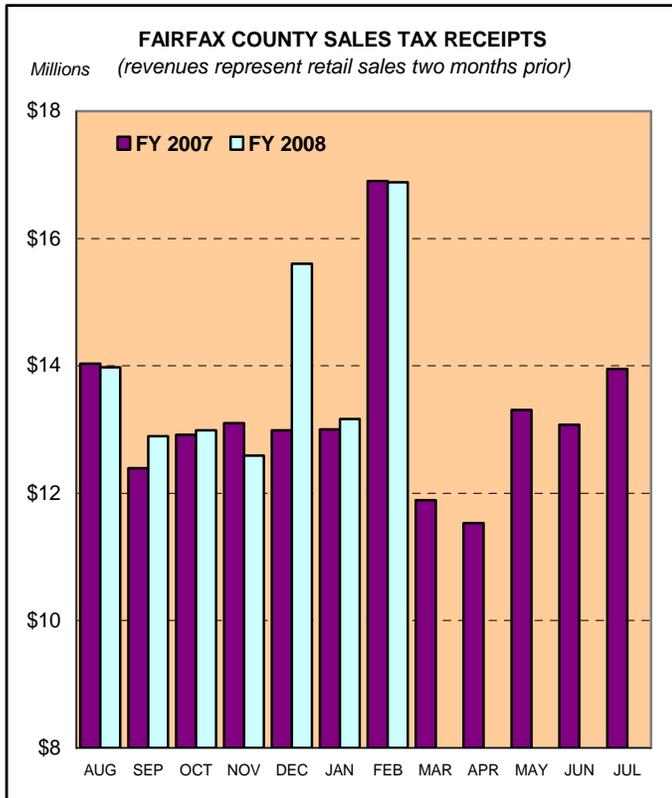
The December unemployment rate in Virginia was 3.3 percent, 0.6 percentage points higher than in December 2006. The December 2007 national unemployment rate was 5.0 percent.



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

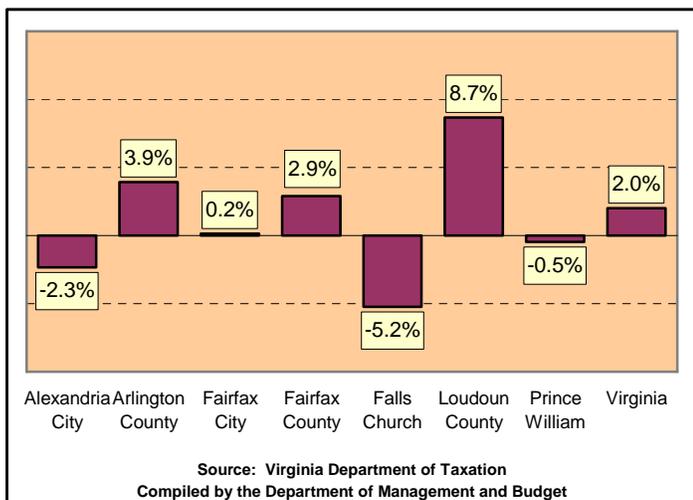


Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

Fairfax County Sales Tax Receipts

February 2008 Sales Tax receipts for Fairfax County, representing retail purchases made in December fell a slight 0.1 percent from the February 2007 level to \$16.9 million. Fairfax County Sales Tax collections for the first seven months of FY 2008 total \$98.1 million, representing a gain of 2.9 percent over the same period of FY 2007.

Growth in Sales Tax receipts for August through February in other jurisdictions is shown below.

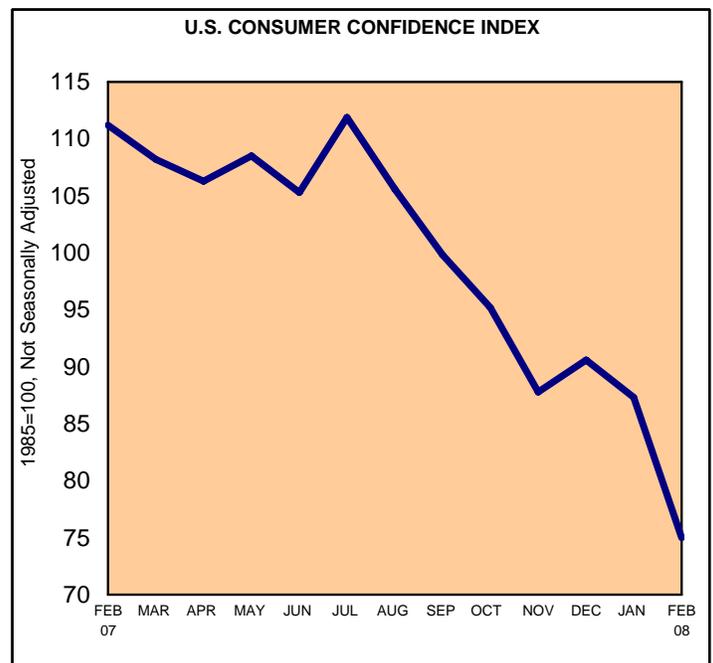


Consumer Confidence Index

The Consumer Confidence Index fell a sharp 12.3 points in February 2008, dropping to 75.0. According to the Conference Board, the Consumer Confidence Index is at its lowest level in nearly 15 years, with the exception of the Iraqi War in 2003.

Both component of the Consumer Confidence Index fell in February. In February 2008, the Present Situation Index worsened to 57.9 from the 69.3 reported in January. In addition, the Expectations Index decreased 13.7 points to 100.6 in February.

According to Lynn Franco, Director of the Conference Board's Consumer Research Center, "With so few consumers expecting conditions to turnaround in the months ahead, the outlook for the economy continues to worsen and the risk of a recession continues to increase."

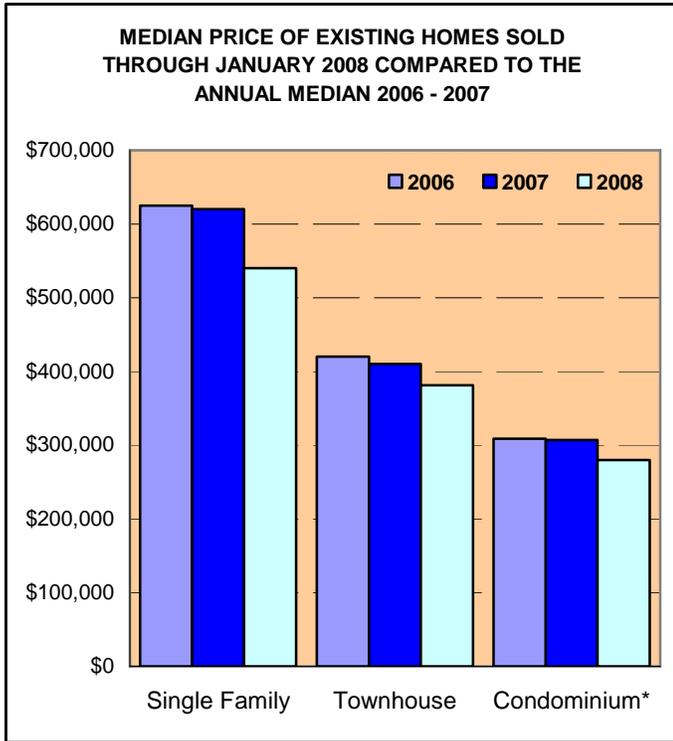


Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget

National Retail Sales

According to the Commerce Department, seasonally adjusted advance January 2008 retail sales for the U.S. increased 3.9 percent over the prior year. Compared to the previous year, gasoline station sales rose 23.0 percent in January 2008 while sales from department stores and building supply stores both decreased 4.8 percent.

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

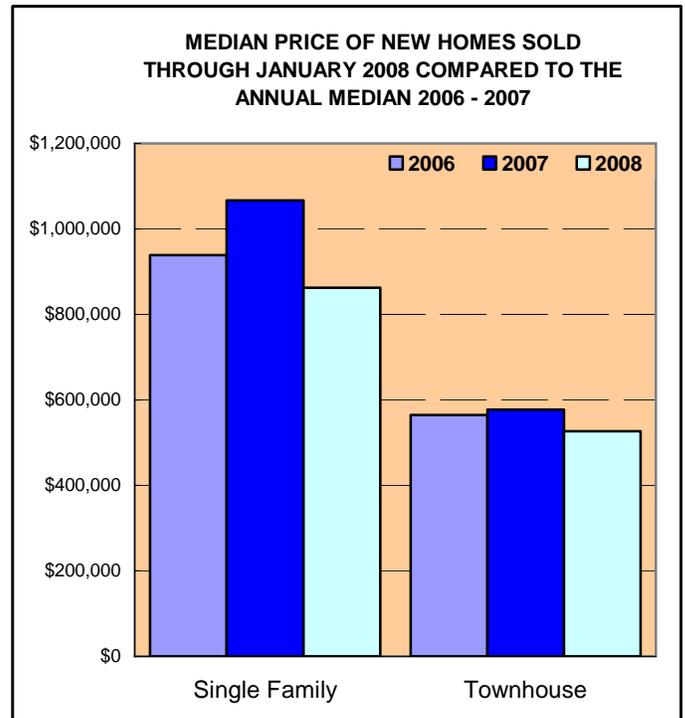
Both existing (previously owned) single family homes and townhouses in Fairfax County experienced declines in median sales price in the first month of 2008 compared to the 2007 median sales price. For existing single family homes, the median sales price fell 12.9 percent to \$540,000, as compared to the 2006 median price of \$620,000. The median sales price for existing townhouses sold during January 2008 decreased to \$381,250 from the 2007 median of \$410,000 reflecting a loss of 7.0 percent.

The median sales price of all condominiums sold, existing and new, during January 2008 declined 8.8 percent to \$279,900 from the 2007 median of \$307,000.

PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD DURING 2007 COMPARED TO SALES THROUGH JANUARY 2008

	Existing Sales	New Sales
Single Family	(12.9)	(19.2)
Townhouse	(7.0)	(8.7)
Condominium*	(8.8)	

*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

New homes in Fairfax County posted losses in median sales price during January 2008. The January 2008 median sales price for single-family homes fell to \$862,000 from the 2007 median of \$1,067,000, a steep decrease of 19.2 percent. The January 2008 median sales price for townhouses declined 8.7 percent, from \$577,044 in 2007 to \$526,889.

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

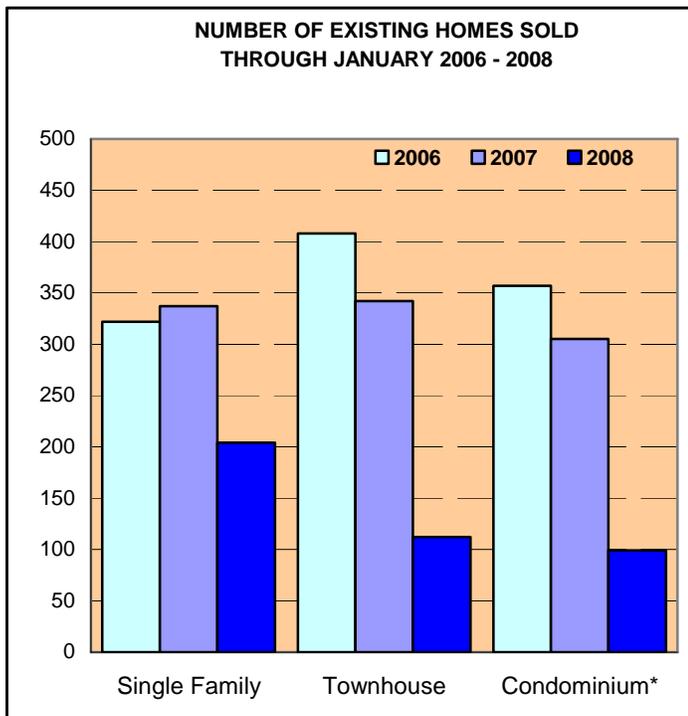
Changes in selling prices, coupled with the volume of sales, are generally considered reasonable indicators of the County's real estate market. Median selling price increases do not translate directly into assessment adjustments, however, since the mix of homes sold is not necessarily reflective of the 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

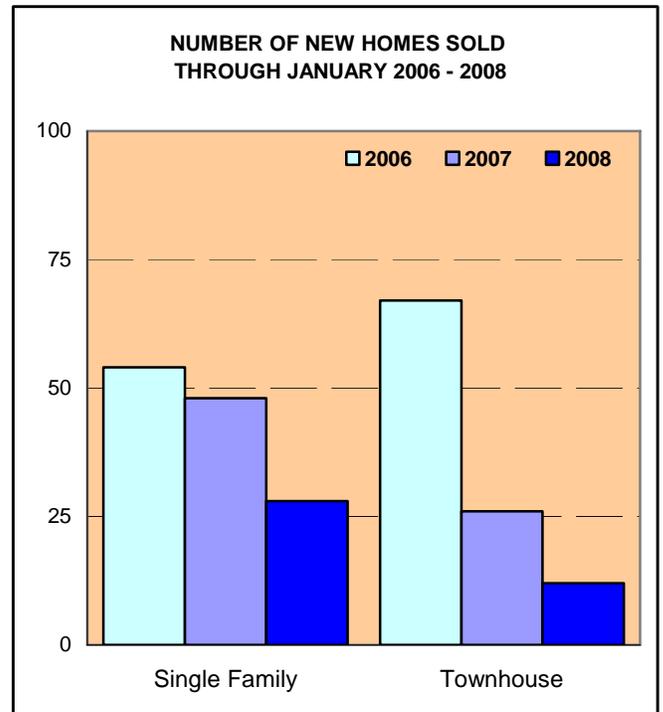
New Home Sales Volume

The sales volume of newly constructed single family homes and townhouses fell significantly during January 2008. Sales of new single family homes in January 2008 total 28, a decline of 41.7 percent from the 48 sold during January 2007. In addition, the number of new townhouses sold dropped 53.9 percent from the 26 units sold during the first month of 2007 to 12 units sold in January 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.

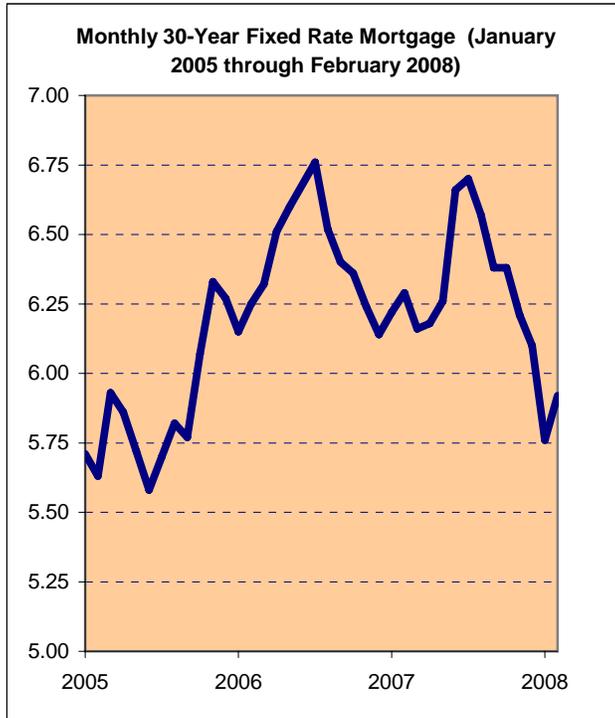


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Existing Home Sales Volume

The number of existing single family homes sold in January 2008 total 204, down 39.5 percent from the 337 sold during the first month of 2007. The sales volume of existing townhouses fell a sharp 67.3 percent to 112, from the 342 sold during January 2007. The number of all (existing and new) condominiums sold during the first month of 2008 declined nearly 68 percent to 99 from 305 last January.

30-Year Fixed-Rate Mortgages



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, rose to an average of 5.96 in February 2008 after reaching their lowest level in over two years in January. The increase in the February 30-year fixed rate mortgages is attributable to investor concerns over recent increases in inflation and the impact higher inflation may have on long-term bond yields.

In 2007, the annual average interest rate on conventional 30-year fixed rate mortgages was 6.34 percent, a small decrease from the 2006 average of 6.41 percent. From 2003 through 2005, interest rates on conventional 30-year fixed rate mortgages hovered around 5.8 percent.

According to Frank Nothaft, chief economist at Freddie Mac, "the rise in mortgage rates would probably put a damper on the recent surge in mortgage refinancings, which in January hit a 12-month high as homeowners sought to lock in falling mortgage rates and lower their monthly payments."

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