



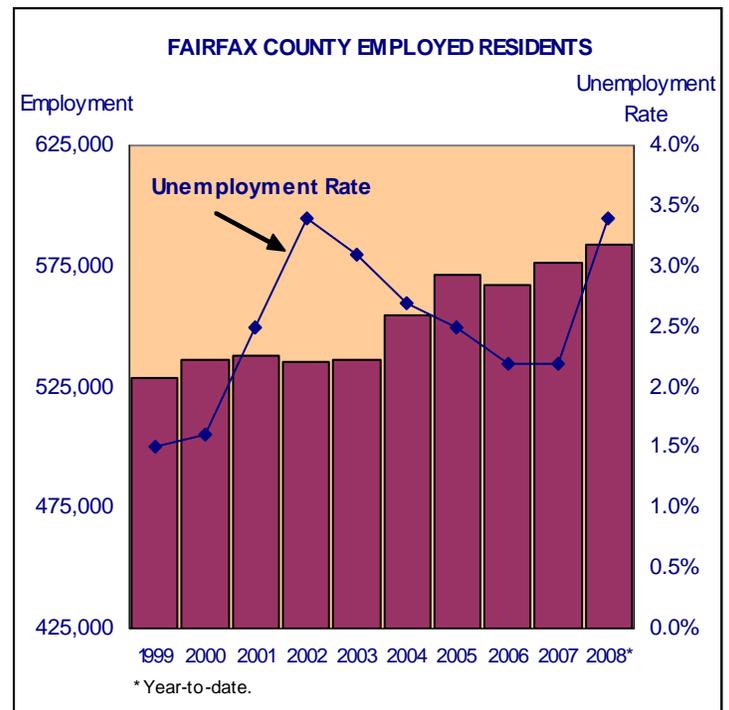
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

OCTOBER 2008

IN THIS ISSUE:

- The unemployment rate in Fairfax County rose to 3.4 percent in August. (See page 1)
- October Sales Tax receipts for Fairfax County which represent retail purchases made in August were up a slight 0.6 percent compared to October 2007. (See page 2)
- In October, the Consumer Confidence Index experienced its third largest decline and now stands at its lowest level in the history of the Index. See page 2)
- The median price of existing single family homes sold during the first nine months of 2008 was \$549,900, a decrease of 11.3 percent compared to the median value of all of 2007. (See pages 3)
- The median price of existing townhomes sold from January through September 2008 dropped 14.6 percent from the median value of existing townhomes that sold during all of 2007. (See pages 3)



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

Employment

Fairfax County's unemployment rate increased to 3.4 percent in August, up from a revised 3.3 percent in July. The unemployment rate in August 2007 was 2.3 percent. The unemployment rate for Northern Virginia as a whole ticked up from 3.4 percent in July to 3.6 percent in August.

Statewide, the unemployment rate rose from 4.5 to 4.6 percent in August. Virginia Employment Commission Chief economist, William Mezger, said that he expects "unemployment will be higher for at least the next several months."

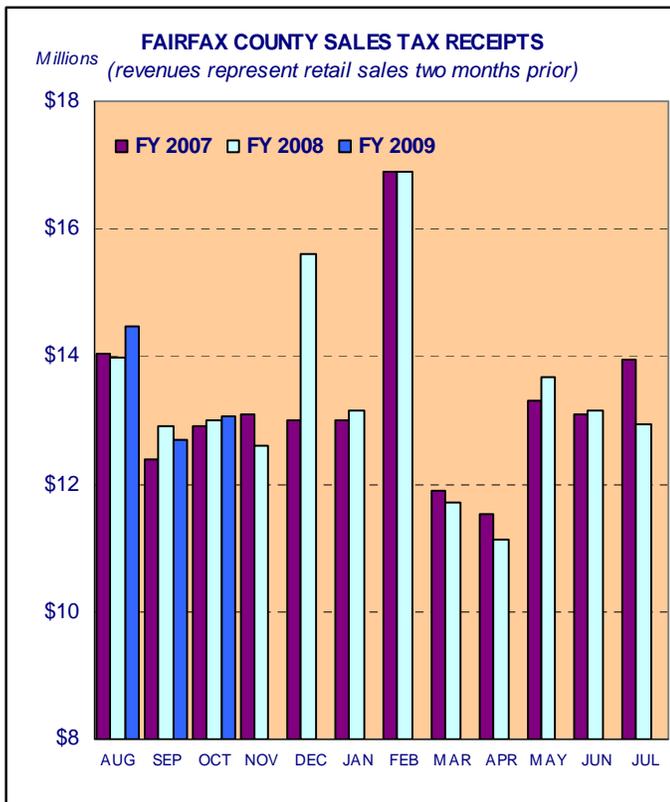
On the national level, the unemployment rate in August was 6.1 percent.



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

http://www.fairfaxcounty.gov/economic/economic_indicators.htm

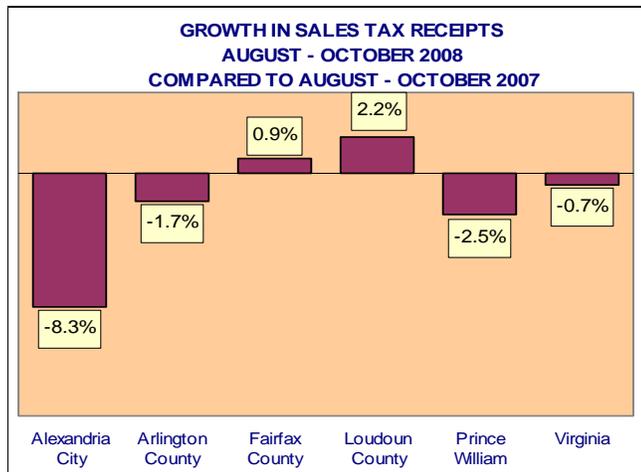
Sales Tax Receipts



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

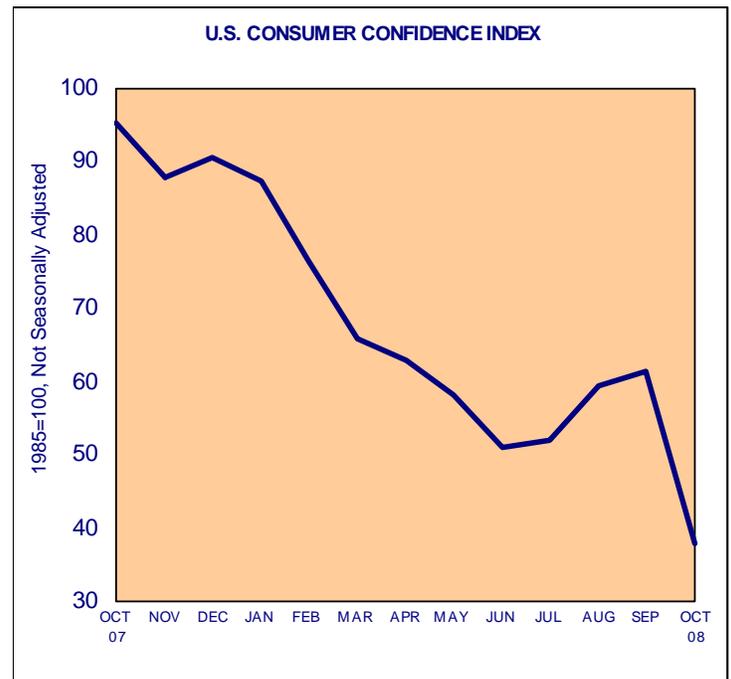
Sales Tax receipts in Fairfax County for October, representing retail purchases made in August, were \$13.1 million, up a slight 0.6 percent over October 2007. Thus far in FY 2009, Sales Tax receipts are up a modest 0.9 percent over the first three months of FY 2008.

The percent change in Sales Tax receipts in surrounding jurisdictions over the past three months is shown below.



Consumer Confidence Index

The Consumer Confidence Index fell to an all time low in October and now stands at 38.0 (1985=100), down from 61.4 in September. The two components, the Present Situation Index and the Expectations Index, both fell in October. Lynn Franco, Director of the Conference Board's Consumer Research Center, said "The impact of the financial crisis over the last several weeks has clearly taken a toll on consumers' confidence. The decline in the Index (-23.4 points) is the third largest in the history of the series and the lowest reading on record." The decline in the index is an ominous sign for retailers as consumer confidence plays a significant role in consumer spending.



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

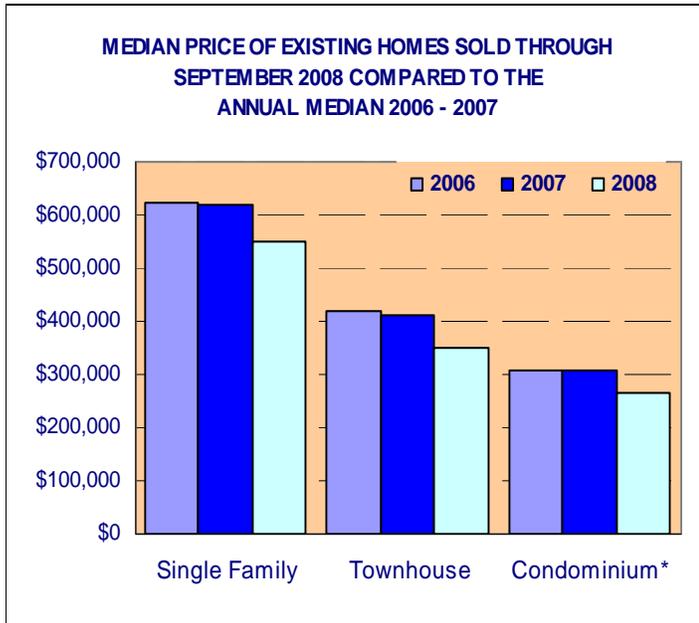
Consumer Spending

Nationwide, consumer spending declined 0.3 percent in September compared to August. A significant portion of the drop in overall spending was due to a decline in big-ticket items such as automobiles.

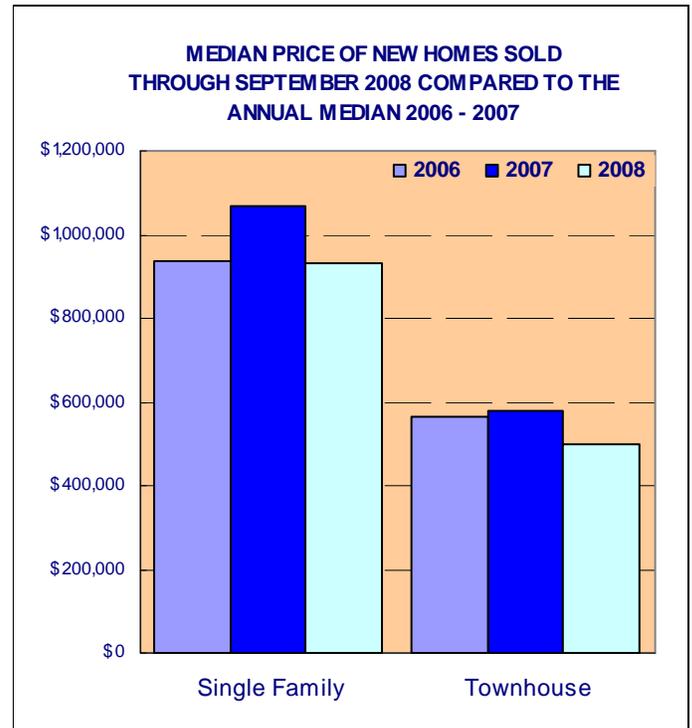
U.S. Economic Growth

The national economy contracted during the third quarter of 2008 as Gross Domestic Product fell at a 0.3 percent annual rate. Declines in personal consumption expenditures for durable and nondurable goods contributed to the decrease.

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.



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

Existing Home Sales Prices

During the first nine months of calendar year 2008, the median sales price of existing (previously owned) single family homes was \$549,900, an 11.3 percent decline from the 2007 median sales price of \$620,000. The median sales price for existing townhouses sold during this period fell 14.6 percent to \$350,000 from the 2007 median of \$410,000.

The median sales price of all condominiums, existing and new, that sold from January through September 2008 fell 13.7 percent to \$265,000 from the 2007 median of \$307,000.

New Home Sales Prices

The median sales price of new single-family homes that sold through September 2008 dropped 12.5 percent to \$933,715 from the 2007 median of \$1,067,000. The median sales price for new townhouses during this period has fallen to \$499,815, a 13.4 percent decline compared to the 2007 median of \$577,044. For data regarding all condominium sales prices, refer to the "Existing Home Sales Volume" section.

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

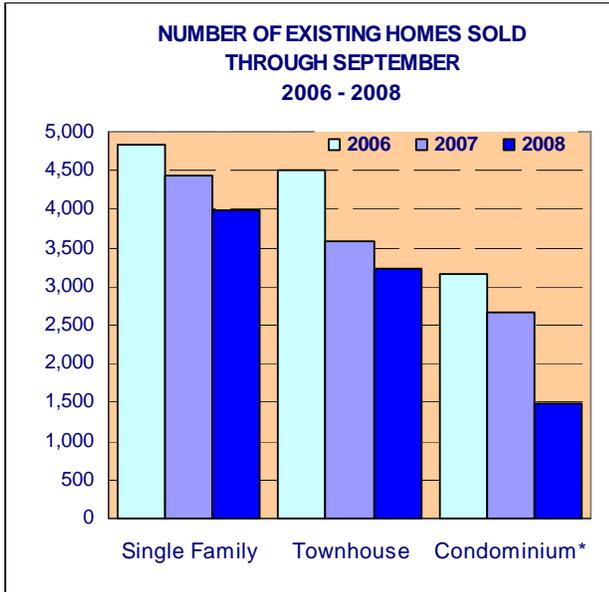
| | Existing Sales | New Sales |
|---------------|----------------|-----------|
| Single Family | (11.3) | (12.5) |
| Townhouse | (14.6) | (13.4) |
| Condominium* | (13.7) | |

*Condominium data include sales of existing and new units.

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. 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

Existing Home Sales Volume



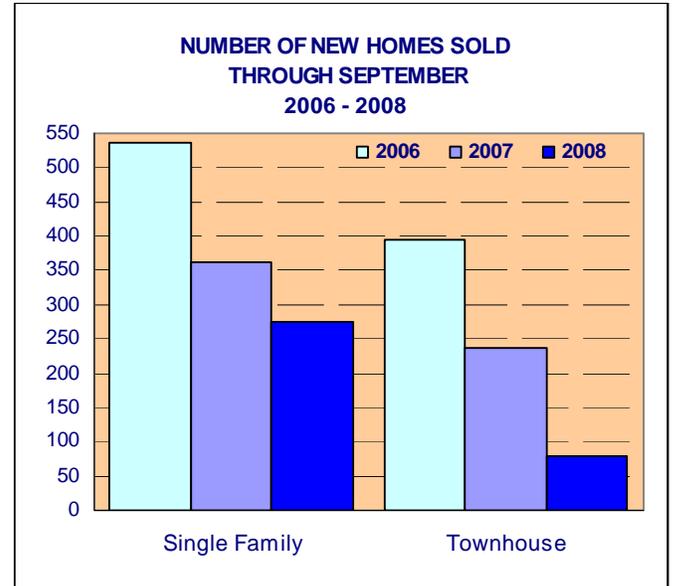
Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget. *Condominium data include sales of existing and new units.

Through September, the volume of existing single family home sales has fallen 10.5 percent to 3,975 from the 4,442 homes sold in 2007 during this period of 2007. The number of townhouses sold during the first nine months of 2008 has dropped 9.8 percent from 3,578 to 3,229. In addition, the total number of existing and new condominiums sold from January through September declined 44.5 percent to 1,477 from the 2,663 units sold during the same period of 2007.

New Home Sales Volume

During the first nine months of 2008, 276 new single family homes have sold; a decline of 24.0 percent from the 363 sold during the same period of 2007. Sales of new townhouses have dropped precipitously. Only 78 new townhomes were sold in Fairfax County during the first nine months of 2008, compared to 237 townhomes sold during the same period in 2007.

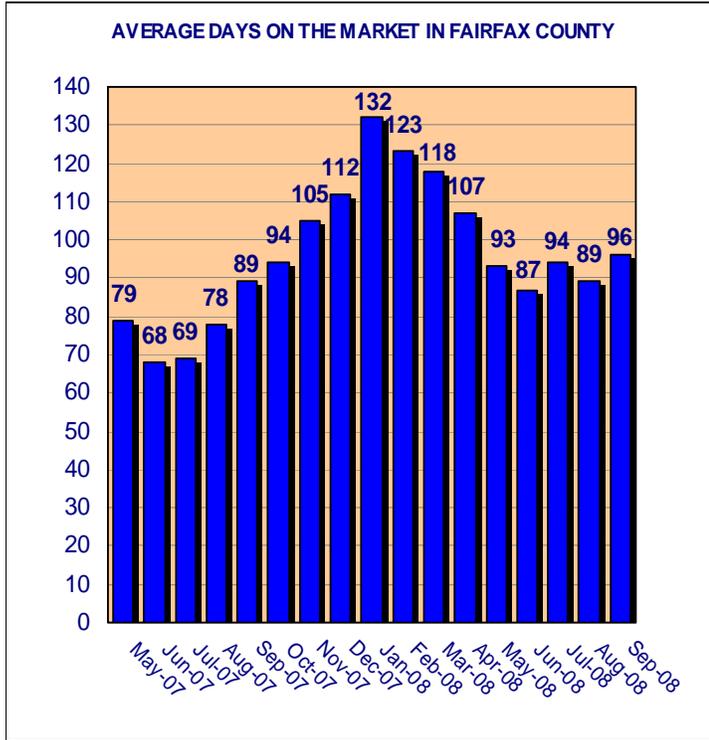
For data regarding all condominium sales volume, refer to the "Existing Home Sales Volume" section.



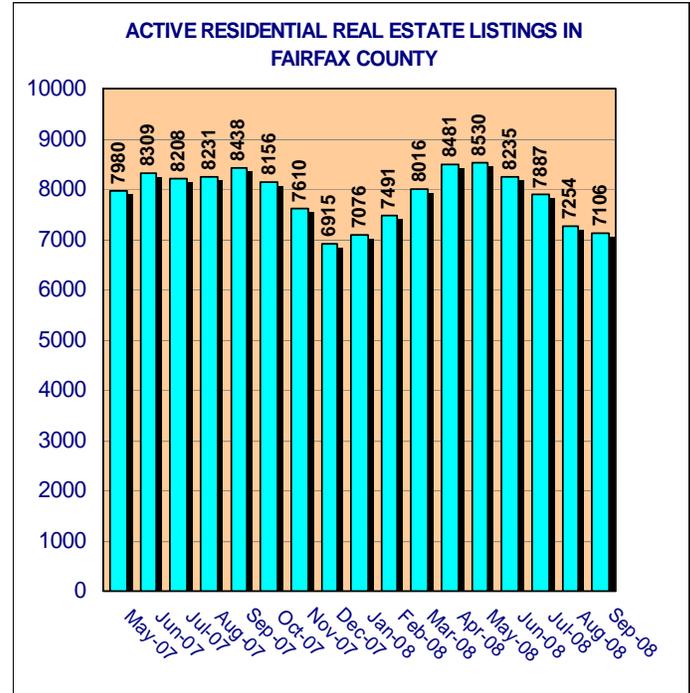
Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Average Days on the Market in Fairfax County

In September, the homes that sold in Fairfax County were on the market for 96 days, an increase of 7 days compared to the 89 day average in September 2007. September 2008 marks the 40th consecutive month that the time it took to sell a home was higher than the corresponding month the prior year.



Source: Metropolitan Regional Information Systems, Inc.



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Inventory of Homes for Sale in Fairfax County

The inventory of homes for sale has declined each month since June. The 7,106 listings in September represent a decrease of 15.8 percent from September 2007 when there were 8,438 homes for sale. Based on the current rate of home sales in September, there is a 5.7 month supply of existing homes available. This statistic has improved since the beginning of the year when there was an 8 to 10 month supply of homes on the market.

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