



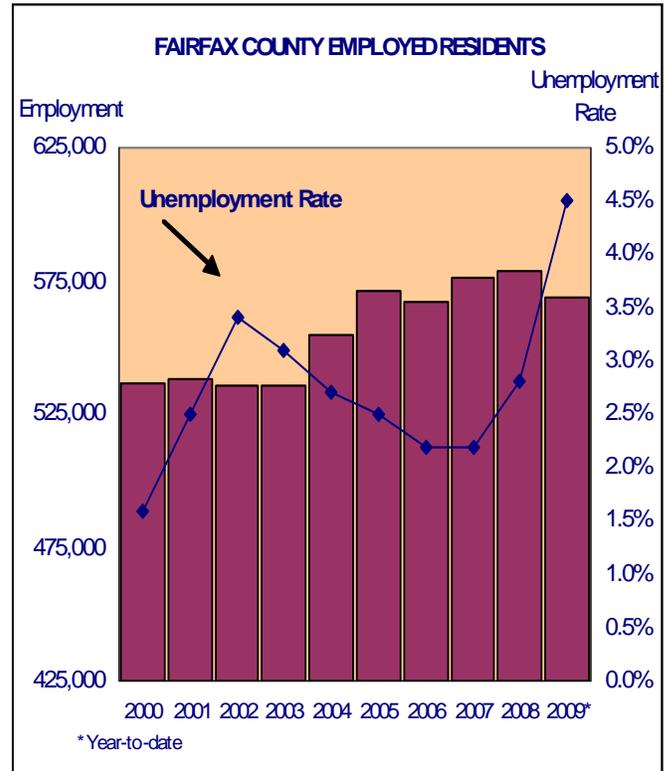
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

JUNE 2009

IN THIS ISSUE:

- The unemployment rate in Fairfax County was 4.5 percent in April, down from 4.7 percent in March. (See page 1)
- June Sales Tax receipts for Fairfax County, which represent retail purchases made in April, were down 8.1 percent compared to June 2008. (See page 2)
- The Consumer Confidence Index, which had soared in May, retreated in June. (See page 2)
- The median price of existing single family homes sold through May 2009 declined 8.5 percent compared to the median price in 2008; existing townhomes' median price dropped 7.4 percent. (See page 3)
- Through May, the volume of existing single family home sales was level with the same period last year. The volume of existing townhome sales fell 5.0 percent. (See page 3)
- Homes that sold in May 2009 were on the market for an average of 77 days compared to 93 days for homes sold in May 2008. (See page 4)
- There is a 4.5 month supply of homes for sale in the County, down from the 6.7 month supply a year ago. (See page 5)



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

Employment

Unemployment across Fairfax County declined from 4.7 percent in March to 4.5 percent in April. Compared to a year ago, the current unemployment rate has risen by more than 2.0 percentage points.

The drop in the April unemployment rate in Fairfax County was part of a general decline throughout Virginia. Virginia's seasonally unadjusted unemployment rate in April was 6.9 percent, down from 7.0 in March. Northern Virginia continued to claim the state's lowest metropolitan area jobless rate, with an unemployment rate of 4.9 percent in April down from 5.1 percent in March.

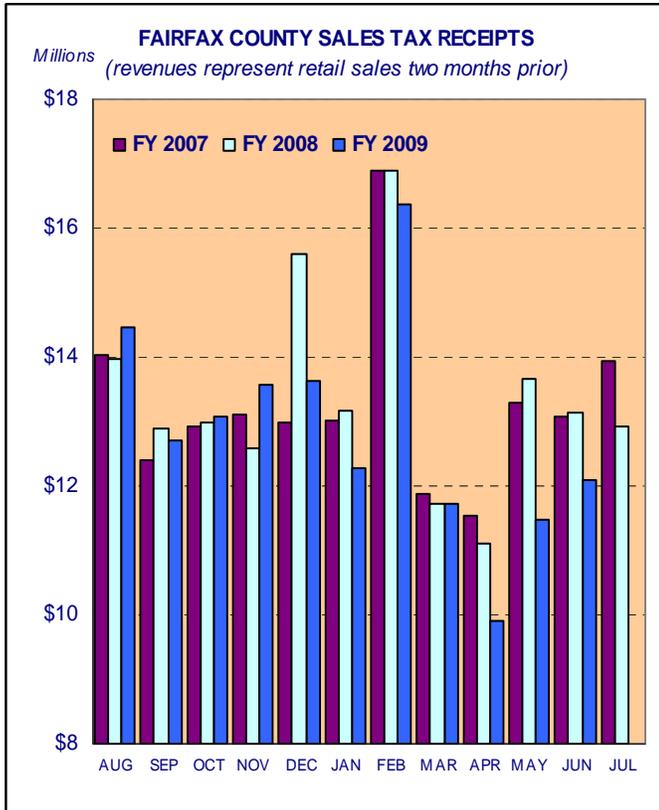
The U.S. unemployment rate continued to rise from 8.5 percent in March to 8.9 percent in April. Nonfarm payroll employment in April fell by 539,000 over the month. According to the Bureau of Labor Statistics, since the recession started in December 2007, 5.7 million jobs have been lost.



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 distributed to Fairfax County in June, which represent retail purchases made in April, were \$12.1 million, down 8.1 percent from June 2008. This level of receipts includes transfers between Fairfax County and other local jurisdictions to rectify incorrect filings by retailers over the past three years. After errors in filing are discovered the Virginia Department of Taxation adjusts the monthly receipts of the respective localities over a six month period. A net increase of approximately \$2.2 million has been distributed to Fairfax County during FY 2009 as a result of these corrections. Without the adjustment, June receipts would have decreased 8.6 percent from June 2008.

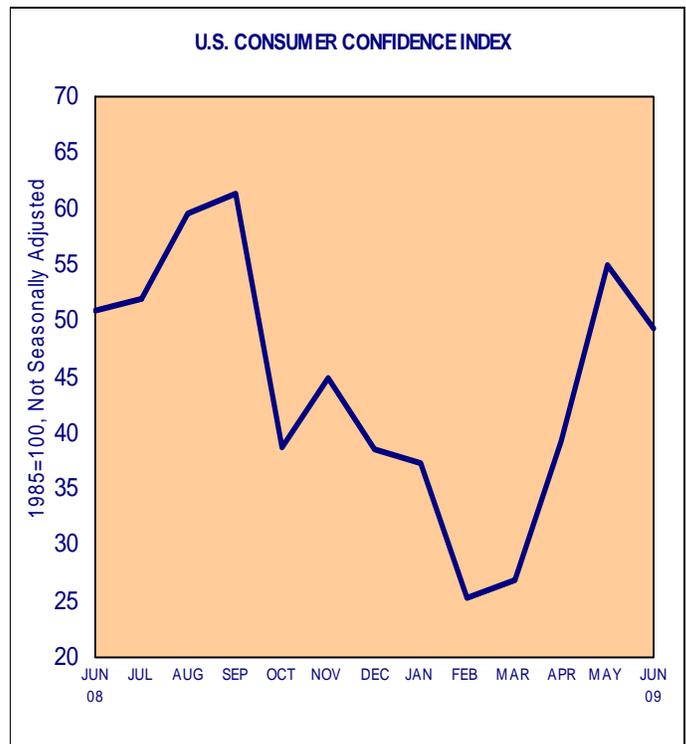
Year-to-date in FY 2009, actual Sales Tax distributions are down 4.4 percent from the same period last year. Absent the net increase of \$2.2 million from locality transfers, Sales Tax receipts would be down 5.9 percent from the same period of FY 2008.

National Economic Indicators

- Real gross domestic product (GDP) decreased at an annual rate of 5.5 percent in the first quarter of 2009, according to the final revision released by the Bureau of Economic Analysis.

- The U.S. Consumer Price Index for All Urban Consumers (CPI-U) increased 0.1 percent in May after being unchanged in April. The index has dropped 1.3 percent over the last 12 months, which is the largest decline since April 1950, and is due primarily to the sharp decline in energy prices. In May, the Washington Area CPI-U declined 0.2 percent from the same period last year.
- Housing starts in May rebounded 17.2 percent following a sharp decline of 12.8 percent in April, which was a record low going back to 1959. Building permits also rebounded, gaining 4.0 percent in May, after a decline of 2.5 percent the month before.

Consumer Confidence Index

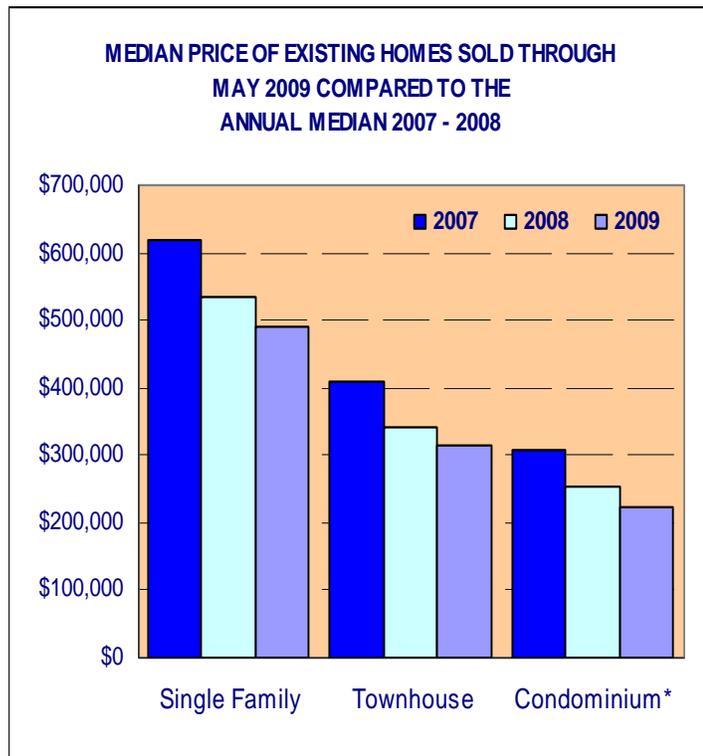


Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget.

The Consumer Confidence Index, which soared in May, declined in June. The Index stands at 49.3 (1985=100), down from a revised 54.8 in May. The Present Situation Index decreased to 24.8 from 29.7 last month, while the Expectations Index declined from 71.5 in May to 65.5 in June. Lynn Franco, Director of the Conference Board's Consumer Research Center, said that "...economic conditions, while not as weak as earlier this year, are nonetheless weak."

HOUSING MARKET

Existing Home Sales Prices



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.

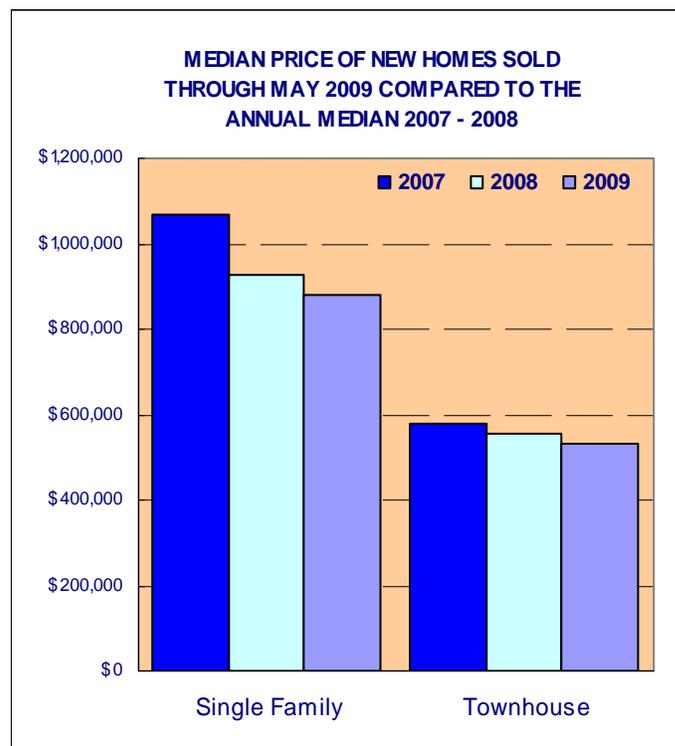
In May, the median sales price of existing (previously owned) single family homes was \$489,500, an 8.5 percent decline from the 2008 median sales price of \$535,000. The median sales price for existing townhouses sold through May fell 7.4 percent to \$315,000 from the 2008 median of \$340,000.

The median sales price of all condominiums, existing and new, that sold through May fell 12.2 percent to \$223,000 from the 2008 median of \$254,000.

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. To read more about Fairfax County tax assessments, please visit:
www.fairfaxcounty.gov/dta/tax_assessment.htm

New Home Sales Prices

The median sales price of new single-family homes that sold through May decreased 5.1 percent to \$879,348 from the 2008 median of \$926,498. The median sales price for new townhouses during May decreased to \$534,000, a 3.8 percent decline compared to the 2008 median of \$555,288. For data regarding all condominium sales prices, 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.

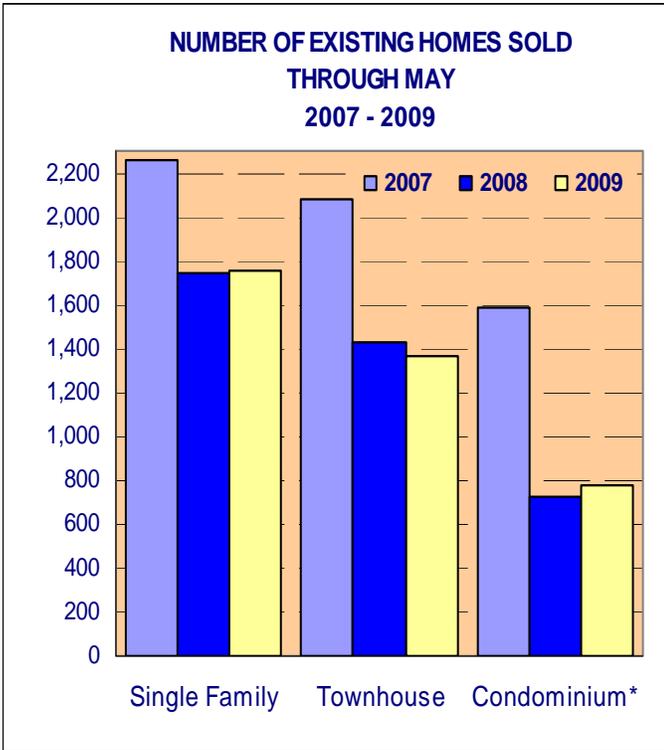
PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD THROUGH MAY 2009 COMPARED TO SALES IN 2008

	Existing Sales	New Sales
Single Family	(8.5)	(5.1)
Townhouse	(7.4)	(3.8)
Condominium*	(12.2)	

*Condominium data include sales of existing and new units.

Existing Home Sales Volume

The number of existing single family homes sold through May was 1,752, which was essentially level (a 0.2 percent increase) with the 1,748 homes that sold through the same month last year. Compared to May 2008, the number of townhouses sold in the first five months of 2009 decreased from 1,433 to 1,362, or 5.0 percent. The total number of existing and new condominiums sold through May increased to 774 from the 726 units sold through May 2008, a 6.6 percent increase.

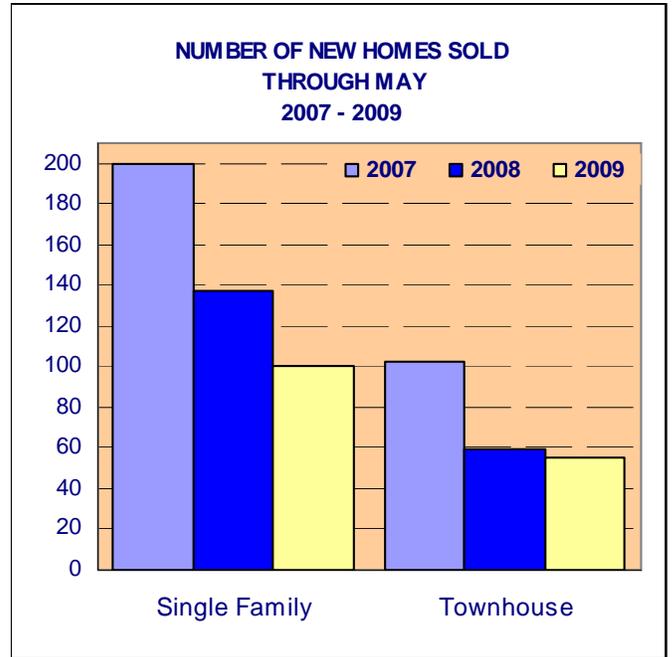


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget. *Condominium data include sales of existing and new units.

New Home Sales Volume

Through May 2009, 100 new single family homes sold, a decline of 27.0 percent from the 137 units sold through the same month last year. Year-to-date through May, the volume of new townhome sales declined 6.8 percent to 55 from the 59 homes sold in Fairfax County in the same period last year.

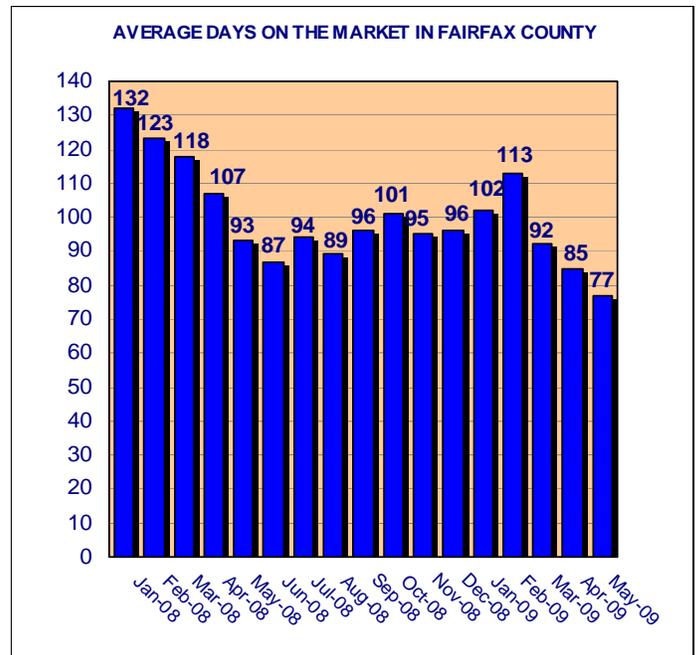
For data regarding all condominium sales volume, refer to the "Existing Home Sales Volume" section.



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

Average Days on the Market in Fairfax County

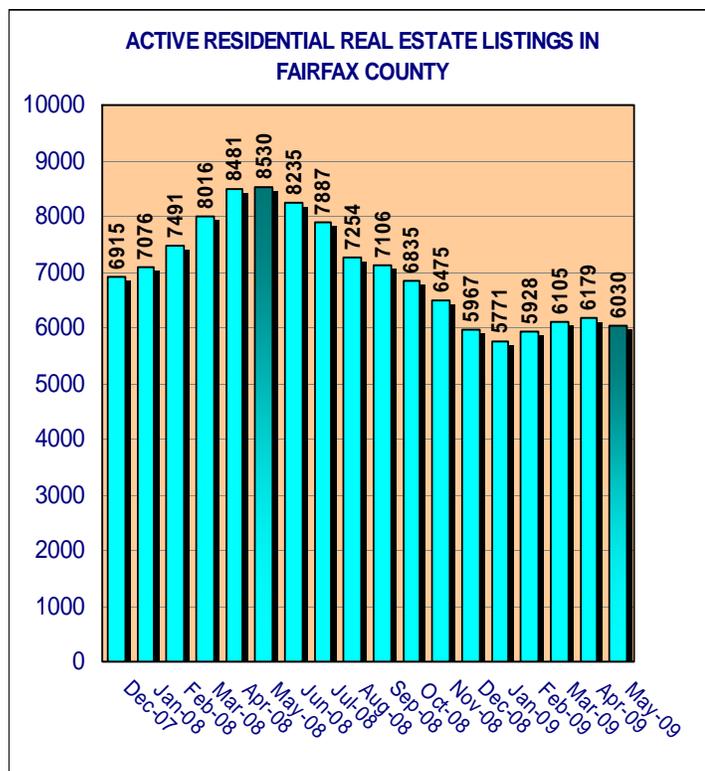
In May, the homes that sold in Fairfax County stayed on the market for an average of 77 days, a decrease of 16 days compared to the 93-day average in May 2008. This marks the seventh consecutive month that this indicator has improved after 41 consecutive months in which it took longer to sell a home compared to the corresponding month the prior year.



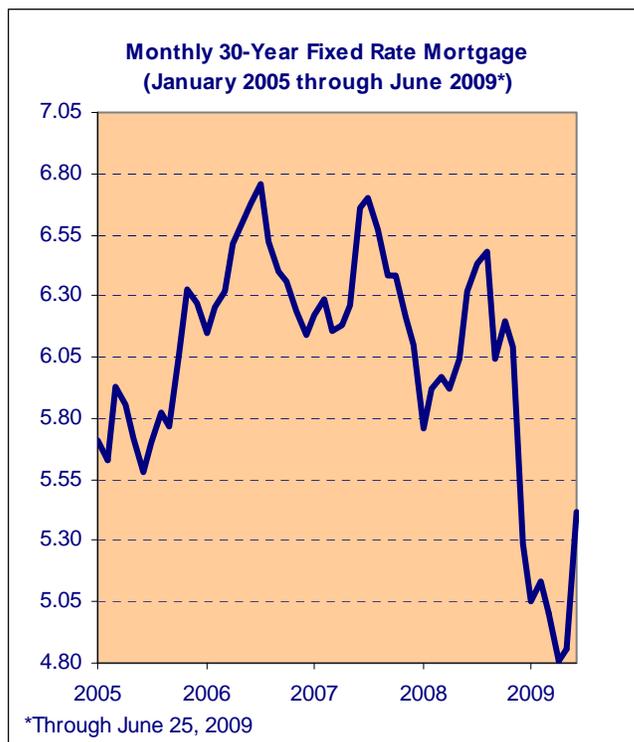
Source: Metropolitan Regional Information Systems, Inc.

Inventory of Homes for Sale in Fairfax County

In May 2009, the number of active listings in the County was 6,030, a drop of 29.3 percent over the 8,530 listed in May 2008. Based on the May 2009 listings and the current sales rate, there is a 4.5 month supply of homes for sale in the County, a significant improvement over the 6.7 month supply from a year ago.



30-Year Fixed-Rate Mortgage



Source: Freddie Mac. Compiled by the Fairfax County Department of Management and Budget

From March through May 2009, the interest rate on conventional 30-year fixed rate mortgages, as reported by Freddie Mac, remained below 5.0 percent. As of mid-June, however, rates had risen to 5.6 percent, bringing borrowing costs up and threatening to stall the Fed's efforts to revive the housing market.

GO GREEN!

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