



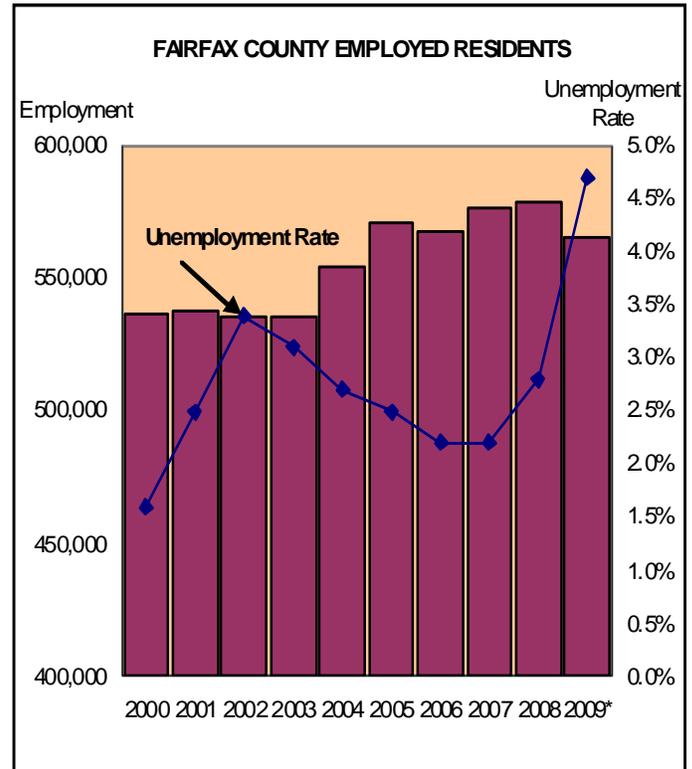
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

OCTOBER 2009

IN THIS ISSUE:

- The unemployment rate in Fairfax County increased from 4.5 percent in August to 4.7 percent in September. (See page 1)
- October Sales Tax receipts for Fairfax County, which represent retail purchases made in August, were down 10.1 percent compared to October 2008. (See page 2)
- The County's direct office vacancy rate rose to 12.7 percent as of mid-year 2009, up from 12.1 percent at the end of 2008. (See page 3)
- The median price of existing single family homes sold through September 2009 declined 2.6 percent compared to the median price in 2008; existing townhomes' median price dropped 0.6 percent. (See page 3)
- Through September, the volume of existing single family home sales increased 5.0 percent compared to the same period last year. The volume of existing townhome sales fell 9.8 percent. (See page 4)
- Homes that sold in September 2009 were on the market for an average of 62 days compared to 96 days for homes sold in September 2008. (See page 5)
- In September, there was a 4.0 month supply of homes for sale in the County, down from the 5.7 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 increased from 4.5 percent in August to 4.7 percent in September. Compared to a year ago, the County's current unemployment rate has risen by 1.8 percentage points.

Virginia's unemployment rate increased to 6.6 percent in September, up slightly from 6.5 percent in August after two consecutive months of declines. Virginia's unemployment rate is still the fifth-lowest in the nation. Northern Virginia again had the state's lowest metropolitan area jobless rate at 4.9 percent, up from 4.8 percent in August.

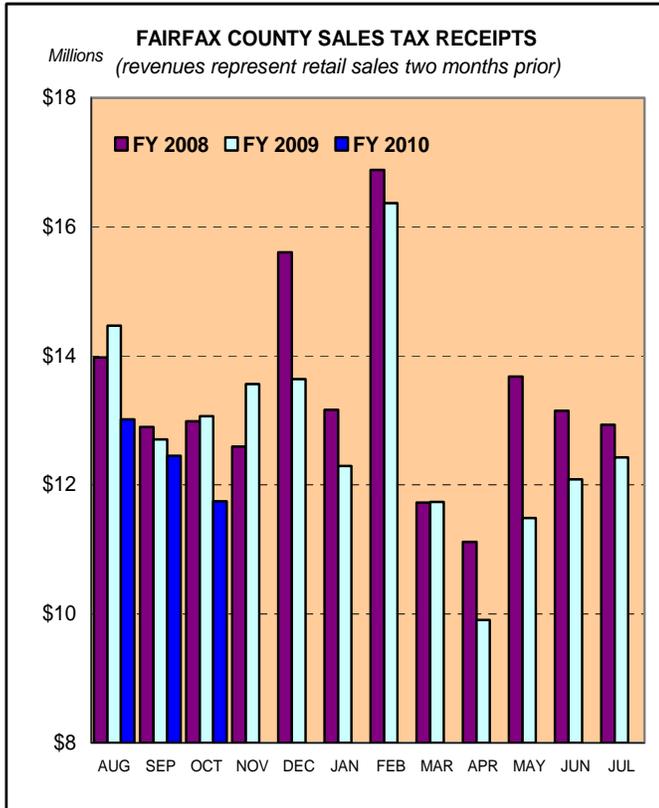
The U.S. unemployment rate increased from 9.7 percent in August to 9.8 percent in September. Nonfarm payroll employment in September fell by 263,000 over the month. According to the Bureau of Labor Statistics, since the recession started in December 2007, the number of unemployed has increased by 7.6 million, and the unemployment rate has doubled.



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.

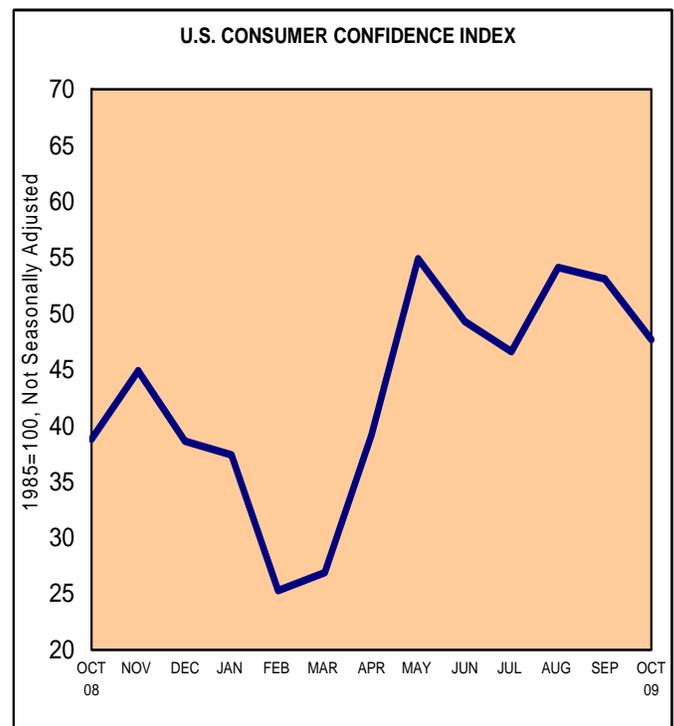
Sales Tax receipts distributed to Fairfax County in October, which represent retail purchases made in August, were \$11.7 million, down 10.1 percent from October 2008. This level of receipts is after adjustments for transfers between Fairfax County and other local jurisdictions to rectify incorrect filings by retailers over the past three years. Year-to-date in FY 2010, Sales Tax receipts are down 7.5 percent compared to the first three months of FY 2009.

National Economic Indicators

➤ Data through August 2009 show that the S&P/Case-Shiller home price index, the leading measure of U.S. home prices, rose 1.3 percent compared to the previous month. Compared to a year ago, the index is down 10.6 percent. Average home prices across the United States are at similar levels to where they were in the fall of 2003. From the peak in the second quarter of 2006 through the trough in April 2009, the Index is down 33.5 percent. The Index has been showing steady improvement in recent months, but David M. Blitzer, Chairman of the Index Committee at S&P, cautioned that anticipated higher unemployment rates through year-end may dampen home prices.

- Real gross domestic product (GDP) increased at an annual rate of 3.5 percent in the third quarter of 2009, according to the advance estimate released by the Bureau of Economic Analysis, ending a four-quarter string of declines. Households accounted for much of the strength as personal consumption expenditures grew 3.4 percent, the most in more than two years. Boosted by the “cash-for-clunkers” program, consumer purchases of durable goods soared 22.3 percent in the third quarter, the best performance since the fourth quarter of 2001.
- Overall retail sales dropped 1.5 percent in September after spiking 2.2 percent in August due mostly to a post “cash-for-clunkers” drop in automobile sales. However, after discounting for motor vehicles sales, retail sales were up 0.5 percent, following a 1.0 percent increase in August. On a monthly over-the-year basis, retail sales in September were down 5.7 percent.

Consumer Confidence Index



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

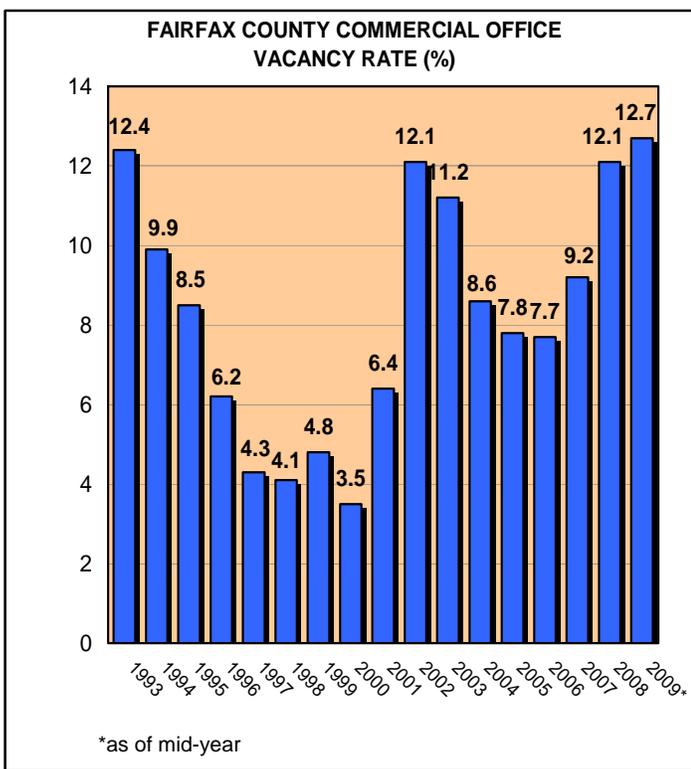
The Consumer Confidence Index declined further in October. The Index stands at 47.7 (1985=100), down from 53.4 in September. The Present Situation Index decreased to 20.7 from 23.0 last month, which is the lowest reading in 26 years. The Expectations Index declined from 73.7 in September to 65.7 in October. Lynn Franco, Director of the Conference Board’s Consumer Research Center, said that “Consumers also remain quite pessimistic about their future earnings, a sentiment that will likely constrain spending during the holidays.”

Commercial Office Market

The Fairfax County Economic Development Authority (FCEDA) reports that nearly 341,000 square feet of net new office space were added in the County during the first half of 2009. The total office inventory now stands at 111.5 million square feet.

The direct office vacancy rate in the County increased to 12.7 percent as of mid-year 2009, up from 12.1 percent at year-end 2008, and now stands at the highest level since mid-year 1993. The overall vacancy rate, including sublet space vacancies, was 15.4 percent, up from 14.5 percent at year-end 2008, and is the highest on record since year-end 2003.

Both the direct and overall vacancy rates have increased for each of the past six reporting periods. According to FCEDA, this trend will continue, but should slow to a few tenths of a percentage point by year-end 2009 as a result of limited building deliveries in the pipeline.



Source: Fairfax County Economic Development Authority. Compiled by the Fairfax County Department of Management and Budget.

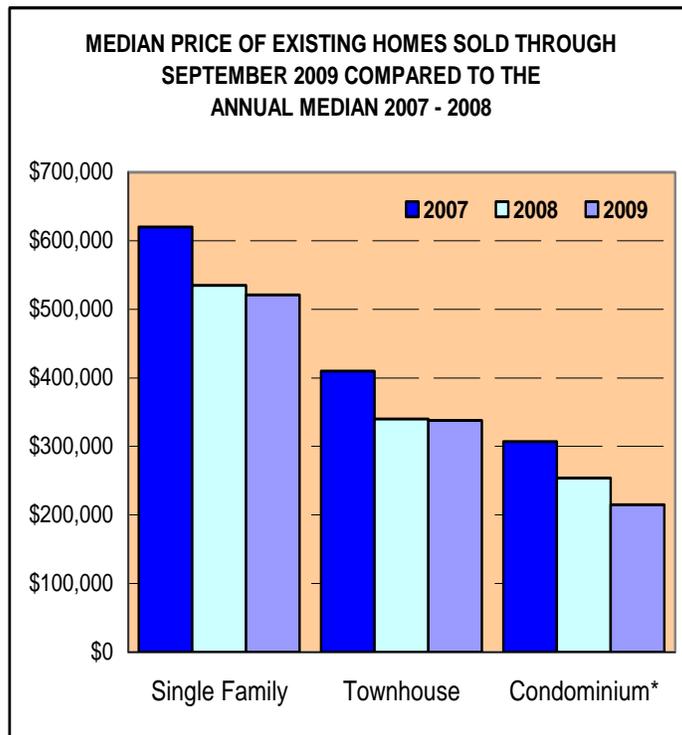
HOUSING MARKET

Foreclosures in Fairfax County

Based on data from the Department of Tax Administration, the number of county-wide net remaining foreclosures in Fairfax County stayed below 1,000 in September. A total of 981 properties were owned by lending institutions at the end of September, up from 969 in August. While this marks the second consecutive month in which the number of

foreclosures has increased, the September figure is substantially below last September's peak of 2,257.

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.

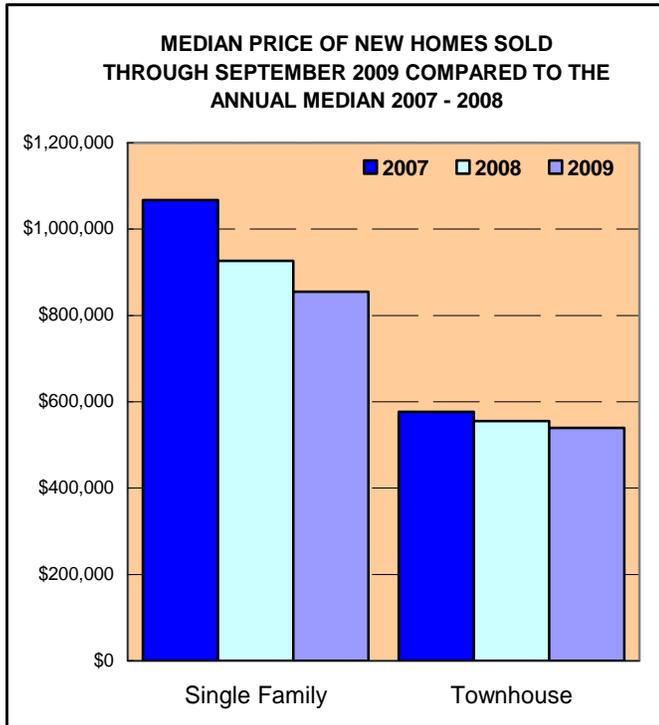
In September, the median sales price of existing (previously owned) single family homes was \$521,000, a 2.6 percent decline from the 2008 median sales price of \$535,000. The median sales price for existing townhouses sold through September fell 0.6 percent to \$338,000 from the 2008 median of \$340,000.

The median sales price of all condominiums, existing and new, that sold through September fell 15.4 percent to \$215,000 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 September decreased 7.7 percent to \$854,986 from the 2008 median of \$926,498. The median sales price for new townhouses during September decreased 2.8 percent to \$540,000 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.

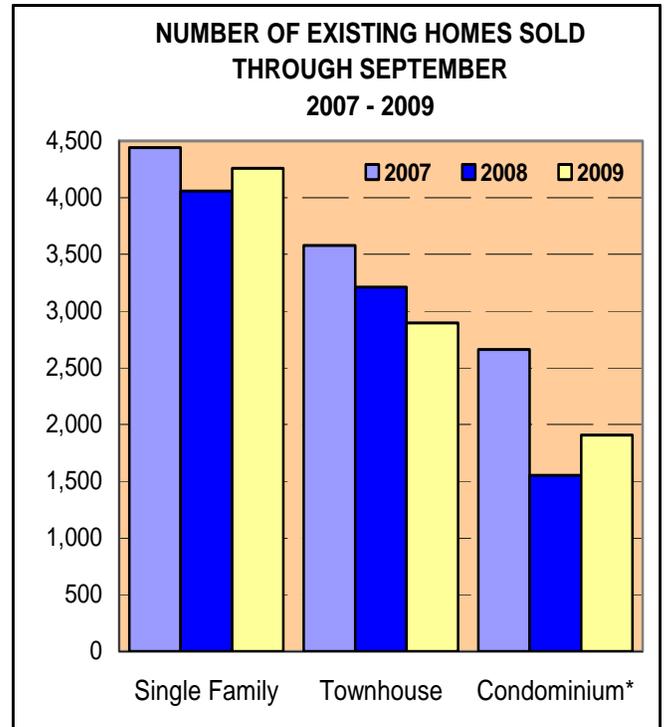
PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD THROUGH SEPTEMBER 2009 COMPARED TO SALES IN 2008

	Existing Sales	New Sales
Single Family	(2.6)	(7.7)
Townhouse	(0.6)	(2.8)
Condominium*	(15.4)	

*Condominium data include sales of existing and new units.

Existing Home Sales Volume

Sales of existing single family homes through September were 4,260, an increase of 5.0 percent compared to the 4,056 homes sold during the same period of 2008. Compared to September 2008, the number of townhouses sold in the first nine months of 2009 decreased from 3,211 to 2,897, or 9.8 percent. In addition, the total number of existing and new condominiums sold through September increased to 1,907 from the 1,553 units sold through September 2008, a 22.8 percent increase.

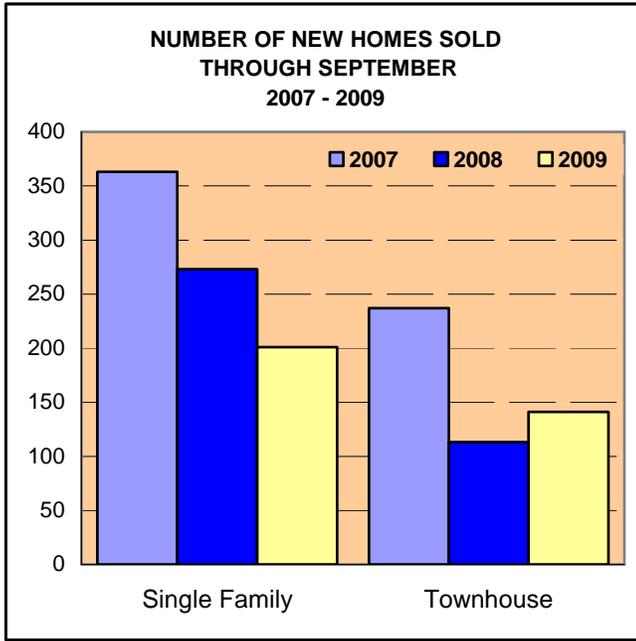


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget. *Condominium data include sales of existing and new units.

New Home Sales Volume

During the first nine months of 2009, the number of new single family homes sold fell to 201, a decline of 26.4 percent compared to the 273 homes that sold in the same period a year ago. From January to September, the volume of new townhome sales increased 24.8 percent to 141 from the 113 homes sold in Fairfax County in the same period last year.

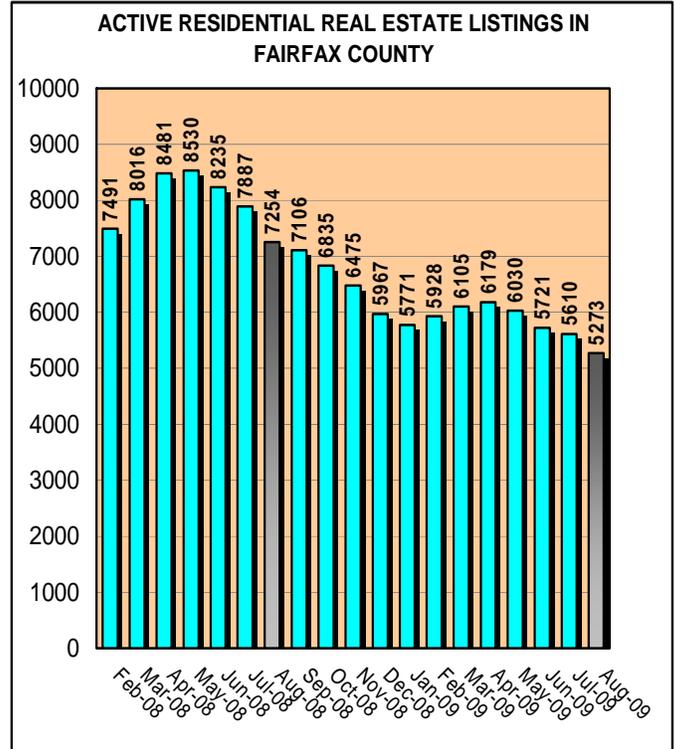
For data regarding all condominium sales volume, refer to the "Existing Home Sales Volume" section.



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

Inventory of Homes for Sale in Fairfax County

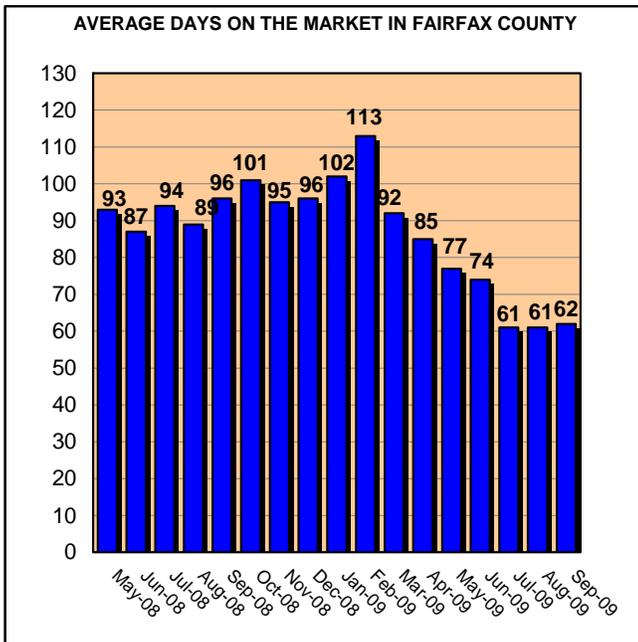
In September 2009, the number of active listings in the County was 5,124, a drop of 27.9 percent over the 7,106 listed in September 2008. Based on the September 2009 listings and the current sales rate, there is a 4.0 month supply of homes for sale in the County, down from the 5.7 month supply a year ago.



Source: Metropolitan Regional Information Systems, Inc.

Average Days on the Market in Fairfax County

In September, the homes that sold in Fairfax County stayed on the market for an average of 62 days, a decrease of 34 days compared to the 96-day average in September 2008. This is the 11th consecutive month that it has taken less time to sell a home compared to the corresponding month the prior year.



Source: Metropolitan Regional Information Systems, Inc.

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