



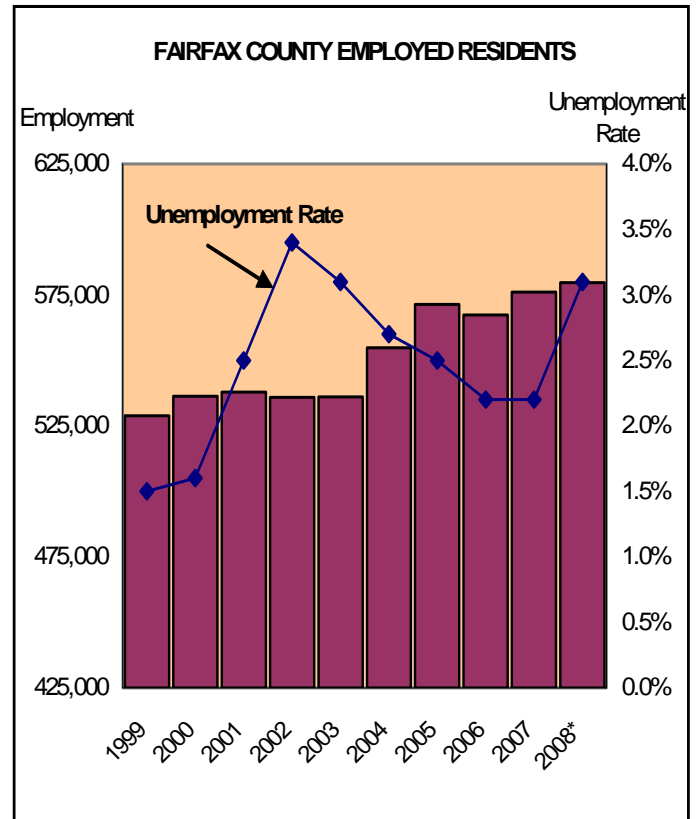
# ECONOMIC INDICATORS®

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

JANUARY 2009

## IN THIS ISSUE:

- The unemployment rate in Fairfax County was 3.1 percent in November. (See page 1)
- January Sales Tax receipts for Fairfax County, which represent retail purchases made in November, were down 6.6 percent compared to January 2008. (See page 2)
- The January Consumer Confidence Index broke the low set in December and is at its lowest level since the Index began in 1967. (See page 2)
- The national economy shrank by a preliminary 3.8 percent in the fourth quarter of 2008, while retail sales dropped 2.7 percent. (See page 2)
- The median price of existing single family homes sold during 2008 was \$535,000, a decrease of 13.7 percent compared to the median value in 2007. (See page 3)
- The median price of existing townhomes sold from January through December 2008 dropped 17.1 percent from the median value of existing townhomes that sold during 2007. (See page 3)
- Homes that sold in December 2008 were on the market for an average of 96 days compared to 112 days for homes sold in December 2007. (See page 4)



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

## Employment

In November, Fairfax County's unemployment rate was 3.1 percent, up from 3.0 in October. While the unemployment rate in Fairfax County remains in the low end of the spectrum across Northern Virginia, it is a full percentage point higher than the unemployment rate of 2.1 percent reported a year ago.

Virginia's seasonally adjusted unemployment rate of 4.8 percent in November was the eleventh-best in the nation, with only ten smaller states being lower. The Northern Virginia unemployment rate in November rose to 3.5 percent, up from 3.2 percent in October.

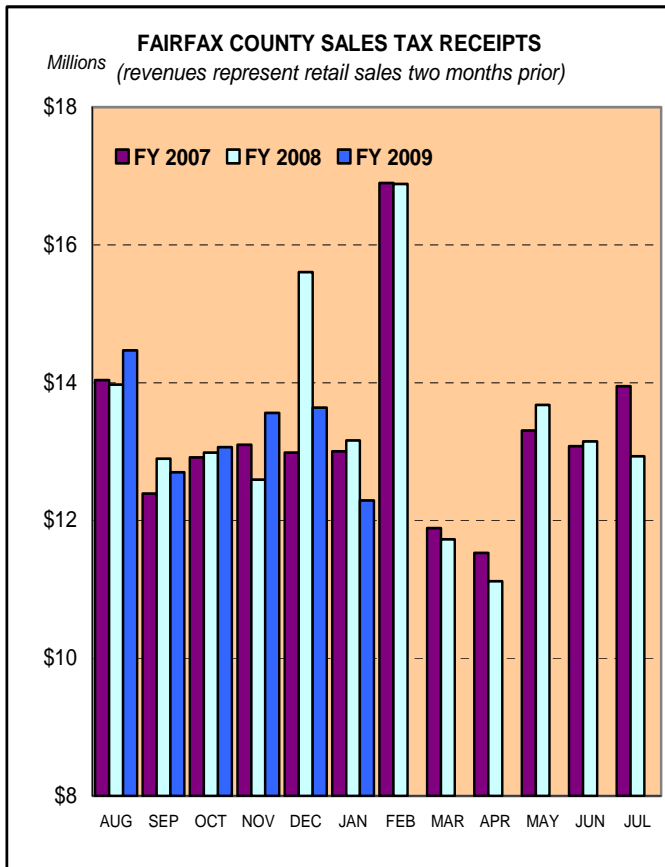
The U.S. unemployment rate in November rose to 6.7 percent from 6.5 percent in October. Nonfarm payroll employment in November plunged 533,000, following a fall of 320,000 in October. The November drop was the worst since December 1974.



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

[http://www.fairfaxcounty.gov/economic/economic\\_indicators.htm](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 January, representing retail purchases made in November, were \$12.3 million, down 6.6 percent over January 2008. For the first six months of FY 2009, Sales Tax receipts are down 1.8 percent from the same period last year.

## Consumer Confidence Index

The Consumer Confidence Index, which had fallen to a record low in December, dropped further in January. The Index now stands at 37.70 (1985=100), down from 38.6 in December. The January level represents a new historic low since the Index began in 1967. The Present Situation Index decreased slightly to 29.9 from 30.2 last month. The Expectations Index declined moderately from 44.2 to 43.0. Lynn Franco, Director of the Conference Board's Consumer Research Center, said that "...until we begin to see considerable improvements in the Expectations Index, we can't say that the worst of times are behind us."



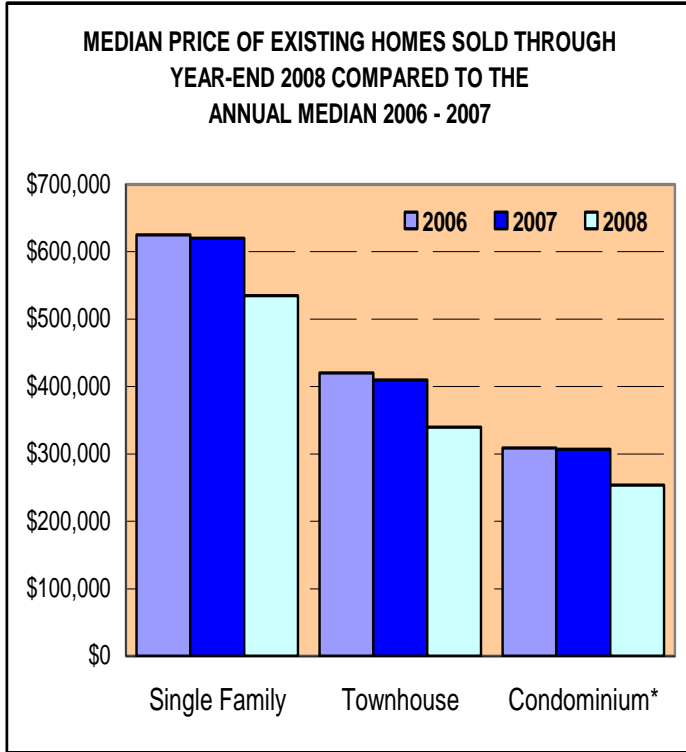
Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget.

## Other National Economic Indicators

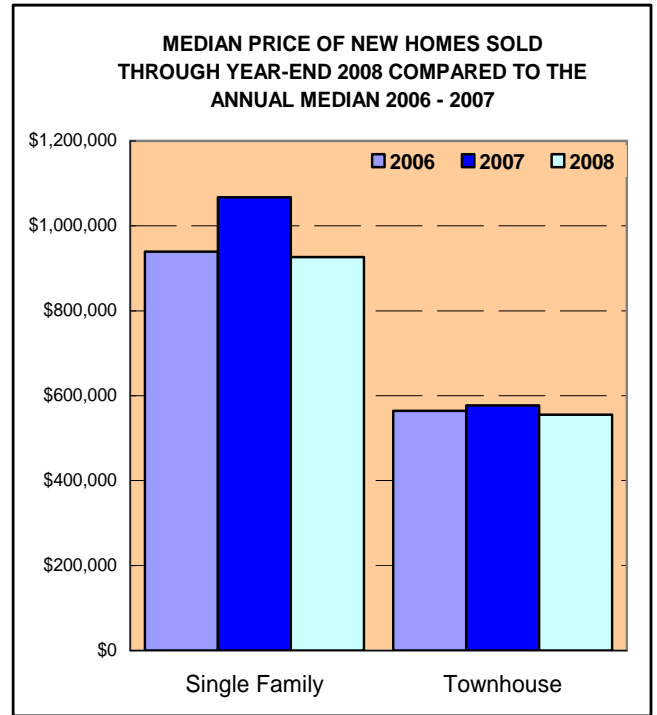
The national economy was declared to have been in recession since December 2007. Currently in its 13th month, the present recession is already longer than the downturns experienced in 1990-91 and 2001, which lasted 8 months each. Economic indicators point to a deepening recession.

- The national economy shrank by a preliminary 3.8 percent in the fourth quarter of 2008, the worst contraction since 1982.
- Retail sales dropped 2.7 percent in December, confirming retailers' reports of the worst holiday shopping season since at least 1969.
- Housing starts fell 16 percent in December to the lowest level since government started compiling statistics in 1959.
- Single-family home starts fell 40.5 percent in 2008, a record annual drop.
- Building permits, an indicator of future projects, were also at a record low, falling 11 percent in December.

# 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 calendar year 2008 the median sales price of existing (previously owned) single family homes was \$535,000, a 13.7 percent decline from the 2007 median sales price of \$620,000. The median sales price for existing townhouses sold during the year fell 17.1 percent to \$340,000 from the 2007 median of \$410,000.

The median sales price of all condominiums, existing and new, that sold from January through December 2008 fell 17.3 percent to \$254,000 from the 2007 median of \$307,000.

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

	Existing Sales	New Sales
Single Family	(13.7)	(13.2)
Townhouse	(17.1)	(3.8)
Condominium*	(17.3)	

\*Condominium data include sales of existing and new units.

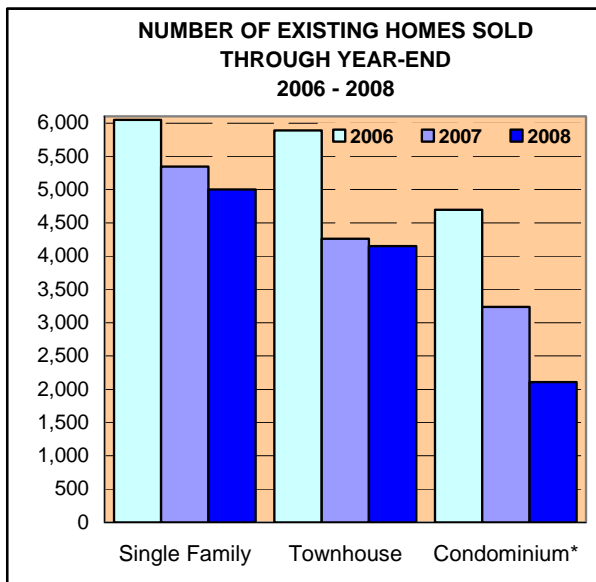
## New Home Sales Prices

The median sales price of new single-family homes that sold in calendar year 2008 dropped 13.2 percent to \$926,498 from the 2007 median of \$1,067,000. The median sales price for new townhouses during 2008 fell to \$555,288, a 3.8 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.

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:

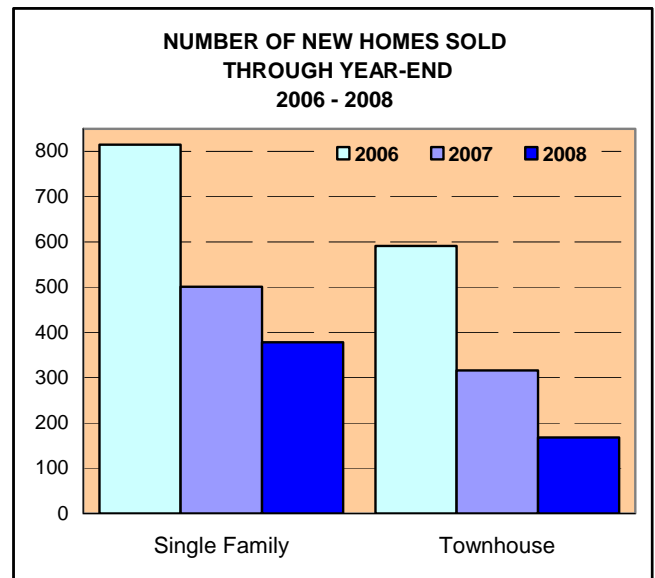
[www.fairfaxcounty.gov/dta/tax\\_assessment.htm](http://www.fairfaxcounty.gov/dta/tax_assessment.htm)

## 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.

During calendar year 2008, the volume of existing single family home sales fell 6.4 percent to 5,003 from the 5,345 homes sold during 2007. The number of townhouses sold during 2008 dropped 2.6 percent from 4,260 to 4,150. In addition, the total number of existing and new condominiums sold from January through December declined precipitously to 2,108 from the 3,239 units sold during 2007, a 38.0 percent drop.



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 December, the homes that sold in Fairfax County stayed on the market for an average of 96 days, a decrease of 16 days compared to the 112-day average in December 2007. This marks the second 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.

## New Home Sales Volume

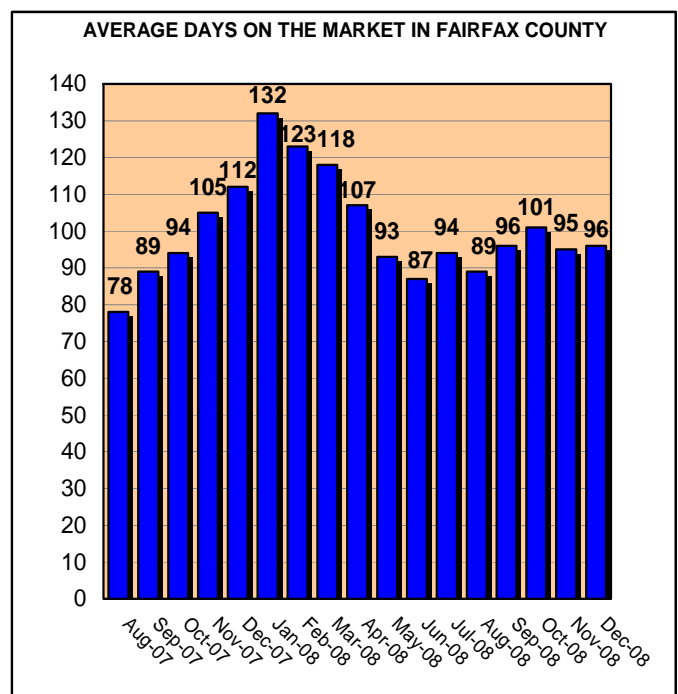
During calendar year 2008, 378 new single family homes sold, a decline of 24.6 percent from the 501 sold during 2007. From January to December 2008, the volume of new townhome sales has fallen 46.8 percent to 168 from the 316 homes sold in Fairfax County during in 2007.

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

Inquiries regarding this publication should be directed to:

**The Department of Management and Budget**  
 12000 Government Center Parkway  
 Suite 561  
 Fairfax, Virginia 22035-0074  
 (703) 324-2391 or 1-800-828-1120 (TDD)

Staff: Susan Datta, Director; Marcia Wilds, Revenue and Economic Analysis Coordinator, Alben Assenova, Budget Analyst



Source: Metropolitan Regional Information Systems, Inc.