



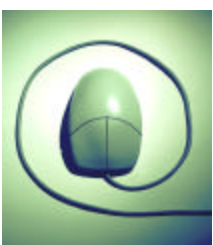
ECONOMIC INDICATORS[®]

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

JANUARY 2004

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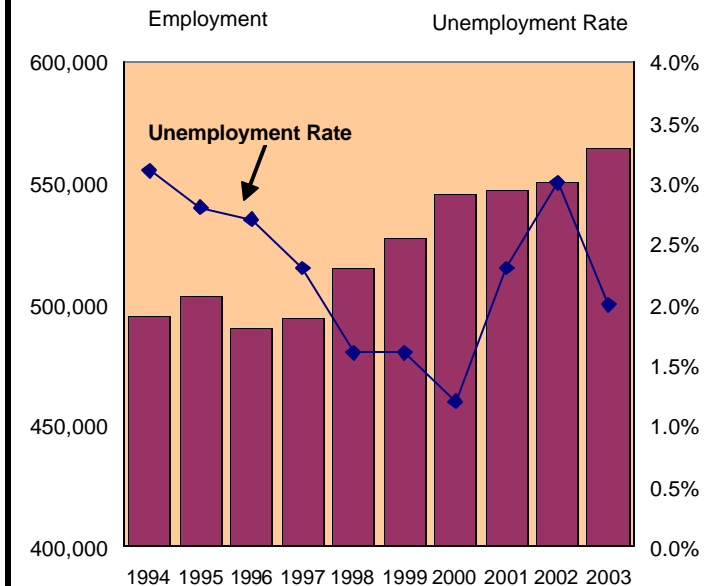
- The unemployment rate in Fairfax County for November 2003 declined to 2.0 percent from 2.1 percent in October. (See page 1)
- Sales Tax receipts for Fairfax County, representing retail purchases made from June through November 2003, have increased 11.7 percent over the same period of 2002. (See page 2)
- The overall growth rate of new residential permits declined 34.9 percent while non-residential building permits increased 39.7 percent in calendar year 2003. (See page 3)
- Sales volume increased for all existing (previously owned) home types, with existing single family homes experiencing growth of 10.9 percent, calendar year-to-date. Sales volume has declined for all new home types through the first eleven months of 2004. (See page 4)
- In November, both the Fairfax County and Metropolitan Washington Coincident Indices increased compared to October 2003. (See page 7)
- The Fairfax County Leading Index declined in November 2003 while the Metropolitan Washington Leading Index registered a gain. The level of each index is above that of one year ago. (See page 8)



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

<http://www.fairfaxcounty.gov/comm/economic/economic.htm>

RESIDENTIAL EMPLOYMENT - NOVEMBER

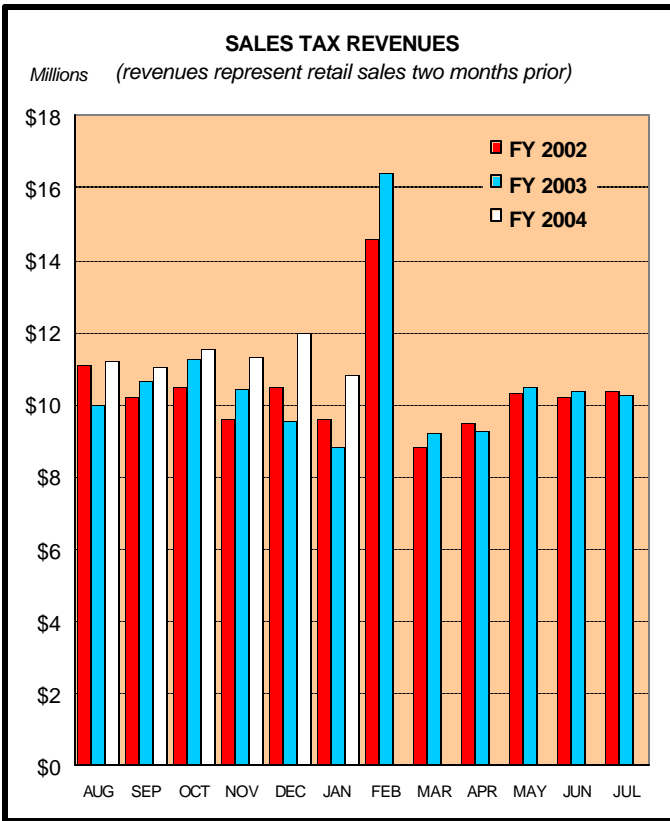


Source: Virginia Employment Commission.
Compiled by the Fairfax County Department of Management and Budget.

Employment

The November 2003 unemployment rate in Fairfax County declined to 2.0 percent from 2.1 percent in October. As reported by the Virginia Employment Commission (VEC), the number of employed Fairfax County residents was 564,371 in November 2003, an increase of 14,193, or 2.6 percent over November 2002. During this period, unemployment in Fairfax County fell 0.5 percentage points from 2.5 percent in November 2002 to 2.0 percent in November 2003.

Virginia's November 2003 unemployment rate was 3.3 percent, 0.1 percentage point below the 3.4 percent recorded in October. Compared nationally, Virginia's rate was well below the U.S. November 2003 unemployment rate of 5.6 percent.



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

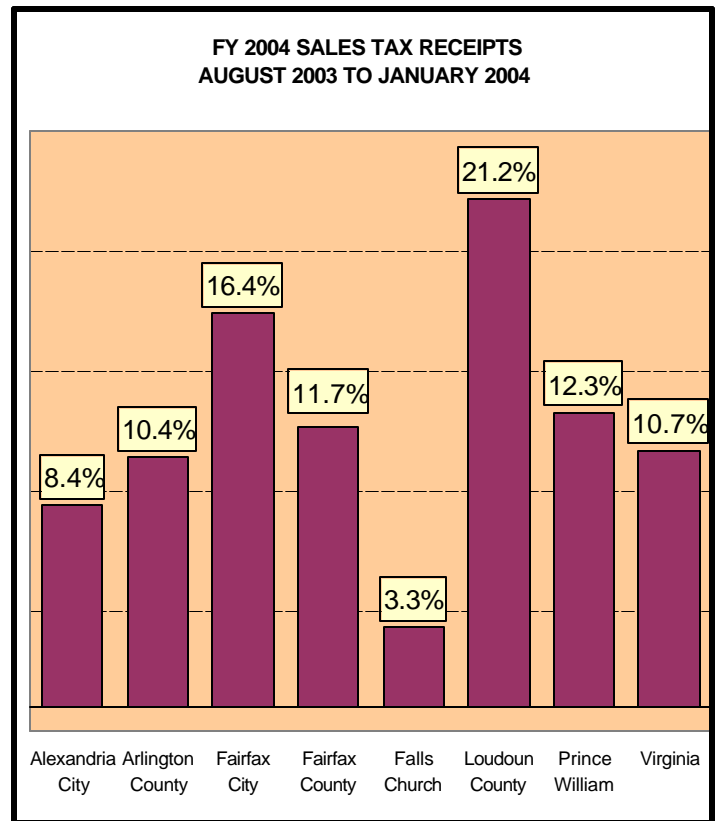
Fairfax County Sales Tax Receipts

January Sales Tax receipts for Fairfax County, representing retail purchases made in November, are \$10.8 million, an increase of 22.1 percent over January 2003. Through the first six months of FY 2004, Sales Tax receipts are up 11.7 percent over the same period in FY 2003.

Sales Tax receipts have been positive for each of the six months of FY 2004; however, sales during the holidays will have a significant impact on the overall growth rate. It will not be until February that Sales Tax receipts from purchases made in December are known.

National Sales Tax Receipts

According to the Commerce Department, seasonally adjusted preliminary December retail sales estimates for the U.S. increased 0.5 percent from the previous month and increased 6.7 percent over December 2002. Compared to last year, health and personal care store sales were up 6.3 percent, building materials and garden equipment sales were up 7.1 percent, and gasoline station sales were up 9.3 percent; Department store sales, however, were down 3.6 percent.



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

Neighboring Jurisdictions

Sales Tax receipt growth during the period of August 2003 through January 2004 is positive for all of the Northern Virginia localities. These receipts correspond to retail purchases from June through November.

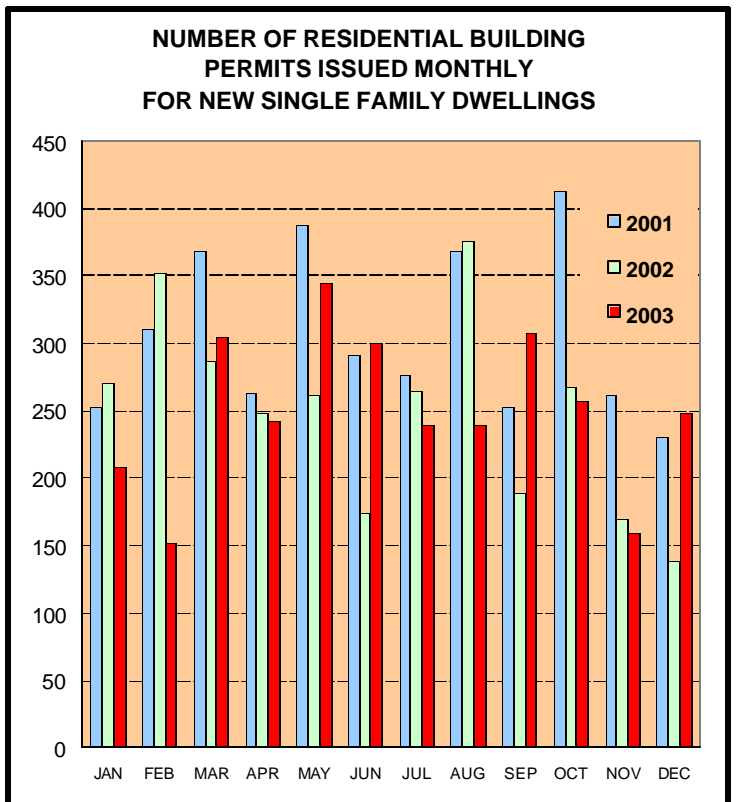
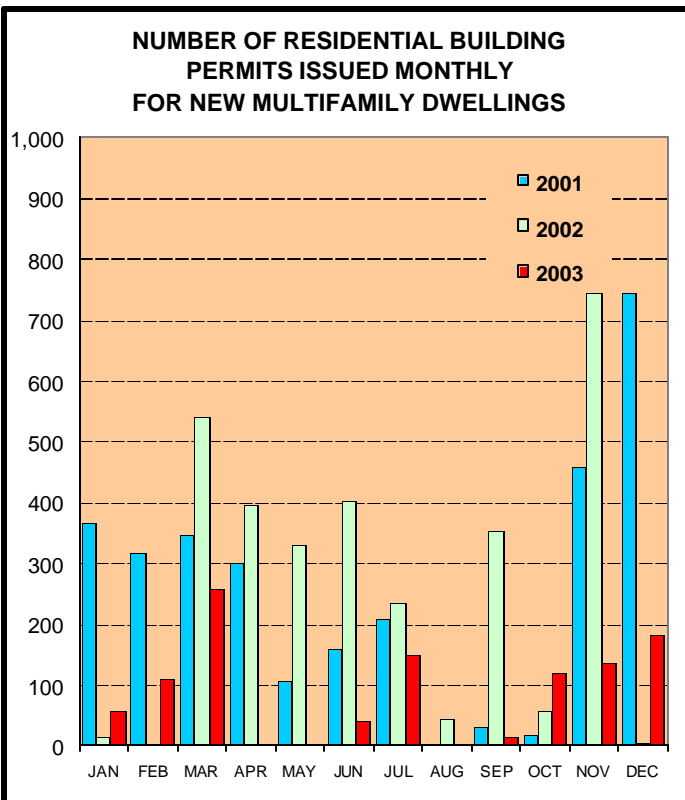
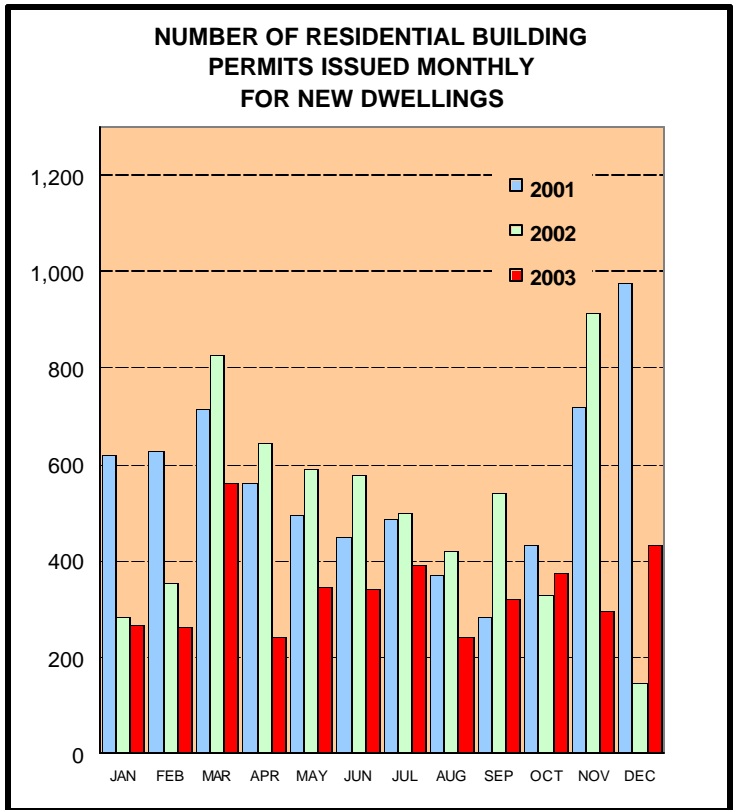
During this period, Sales Tax receipts are up double digits in Fairfax City at 16.4 percent, Arlington at 10.4 percent, Prince William County at 12.3 percent and Loudoun County at 21.2 percent. Sales Tax receipts in Alexandria are up 8.4 percent, while receipts in Falls Church are experiencing more modest growth of 3.3 percent.

During the 6-month period of August 2003 through January 2004, Statewide Sales Tax receipts are increasing at a rate of 10.7 percent. The Northern Virginia localities mentioned above and Fairfax County comprised 32.5 percent of statewide Sales Tax receipts. Excluding Northern Virginia, growth of statewide Sales Tax receipts has been 9.8 percent over the same 6-month period.

Building Permits

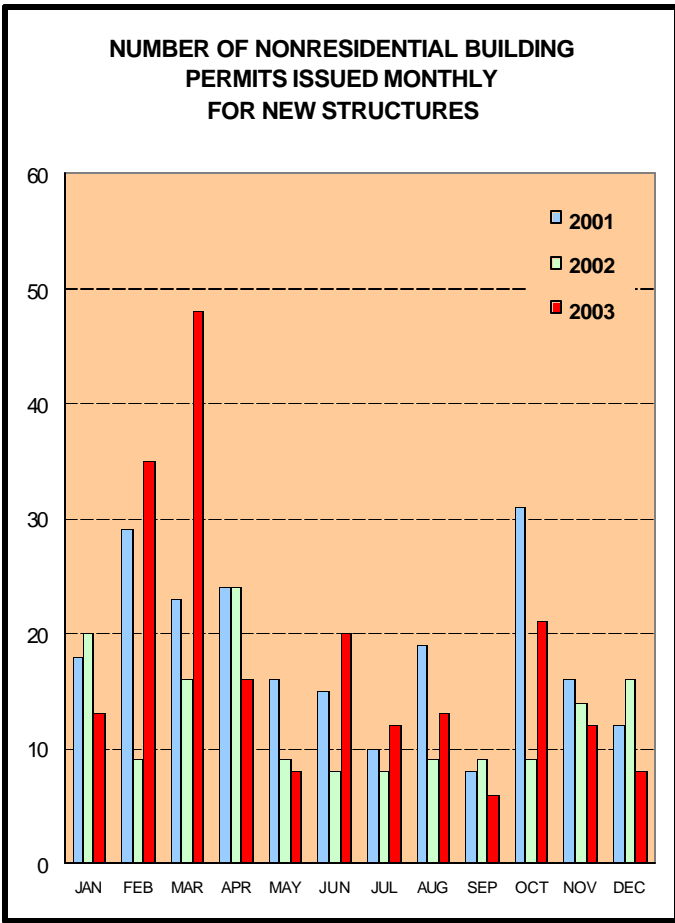
The overall growth rate of new residential permit categories declined in 2003. In calendar year 2003, 3,987 new residential dwelling permits were issued, a decrease of 2,136 permits or 34.9 percent. Multifamily permits issued totaled 1,051, falling short of calendar year 2002's total by 66.4 percent or 2,073 permits. Single family permits issued in calendar year 2003 totaled 2,936, down 2.1 percent, or 63 permits, from calendar year 2002.

Residential repair and alteration permits issued in calendar year 2003 declined 882 permits or 7.7 percent to 10,512, from calendar year 2002.



NOTE: In August 2001 and 2003, only one multifamily permit was issued and in February 2002, only two permits were issued; in April 2003, no permits were issued; therefore, the bars are too small to discern.

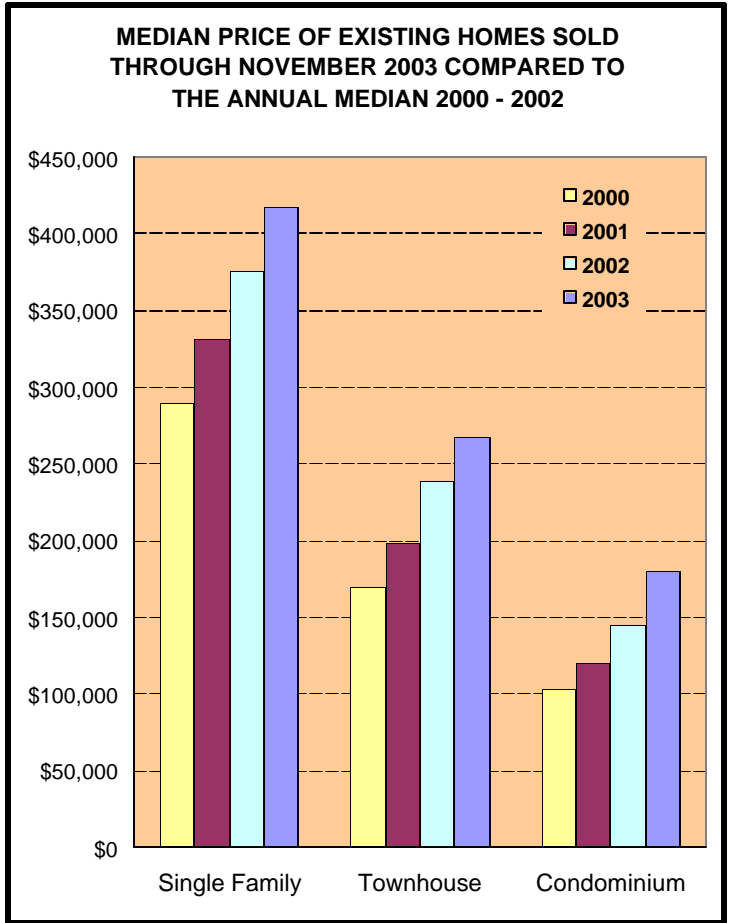
Source of data for all above charts: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.



Source: Fairfax County Department of Public Works and Environmental Services. Compiled by the Fairfax County Department of Management and Budget.

Nonresidential Building Permits

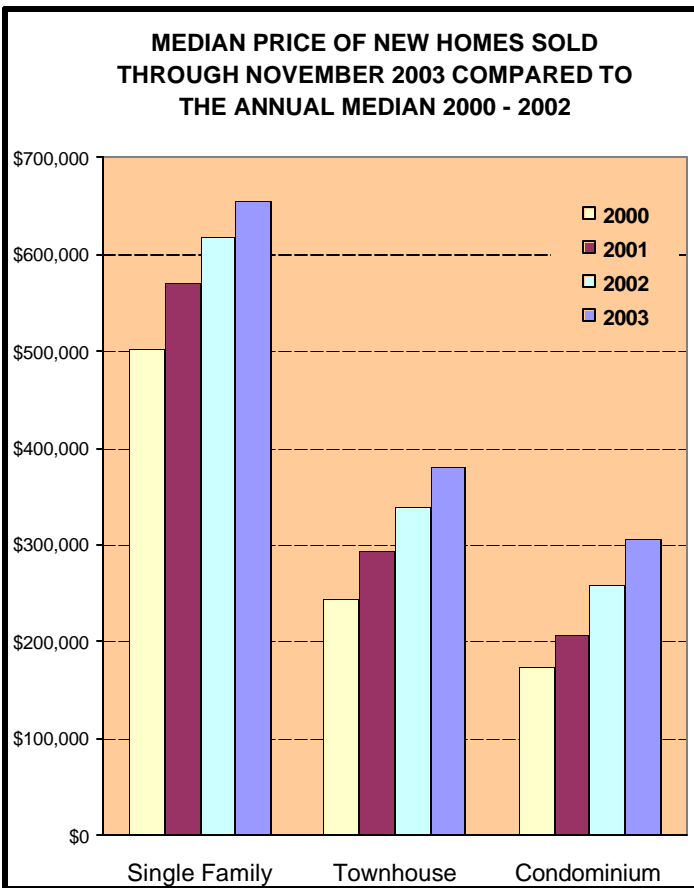
Nonresidential building permits issued in calendar year 2003 were 211, up 39.7 percent, or 60 permits, over calendar year 2002. Nonresidential repair and alterations permits issued in calendar year 2003 were 3,659, an increase of 7.8 percent or 264 permits, over calendar year 2002.



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

Sales Prices for Existing Homes

Home sales data through November indicate that the 2003 median sales price of existing (previously owned) single family homes is \$417,000 compared to the 2002 median of \$376,000, representing growth of 10.9 percent. The median for townhomes has grown 12.5 percent from \$238,265 in 2002 to \$268,000. The median sales price for condominiums has increased from \$145,000 to \$179,900, representing growth of 24.1 percent.

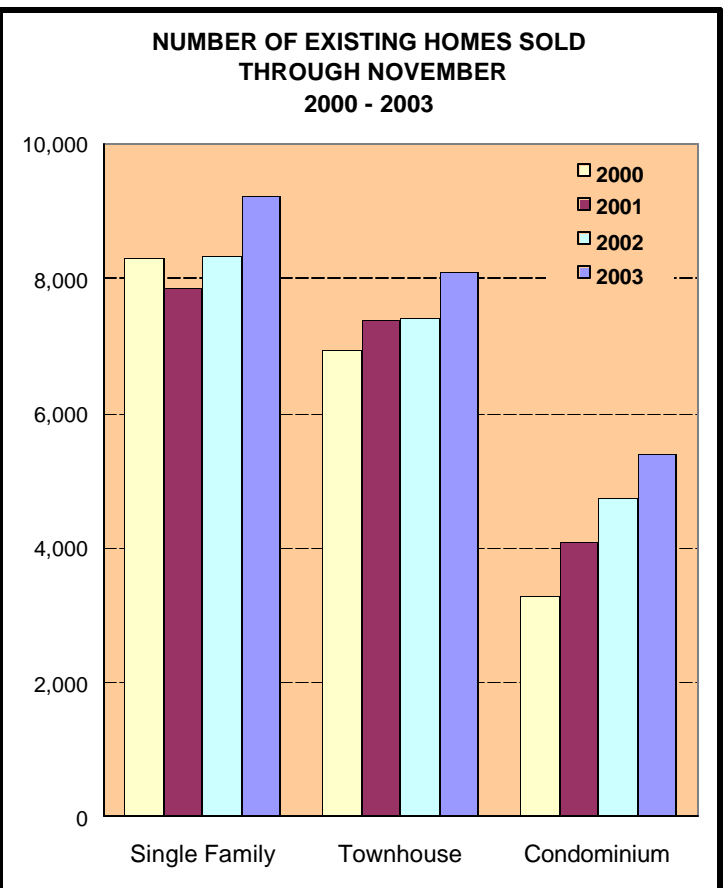


Changes in selling prices, coupled with the volume of sales, are generally considered reasonable indicators of the County's real estate market. Median selling price increases do not translate directly into assessment adjustments, however, since the mix of homes sold is not necessarily reflective of the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

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

Sales Prices for New Homes

New home sales data through November 2003 indicate that the median sales price for a new single family home is \$655,127, an increase of 6.0 percent over the 2002 median price of \$618,131. The median for new townhomes has increased 12.1 percent, from \$338,875 to \$379,838. The median sales price for condominiums has increased 18.2 percent, from \$259,830 in 2002 to \$307,049 through November 2003.



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

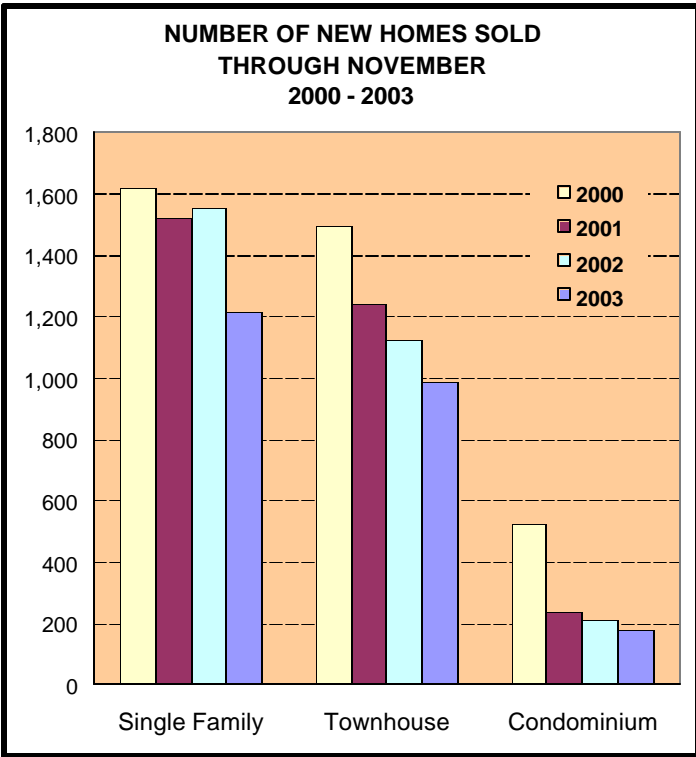
PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD YEAR-END 2002 COMPARED TO SALES THROUGH NOVEMBER 2003

	Existing Sales	New Sales
Single Family	10.9	6.0
Townhouse	12.5	12.1
Condominium	24.1	18.2

Sales Volume for Existing Homes

Sales volume for existing (previously owned) homes is up for all home types through November 2003. Sales of existing townhomes have increased 9.3 percent from 7,400 to 8,086 and condominium sales are up 13.9 percent from 4,723 to 5,381, calendar year-to-date. Single family homes sales have increased 10.9 percent through the first eleven months of calendar year 2003, from 8,319 to 9,229.

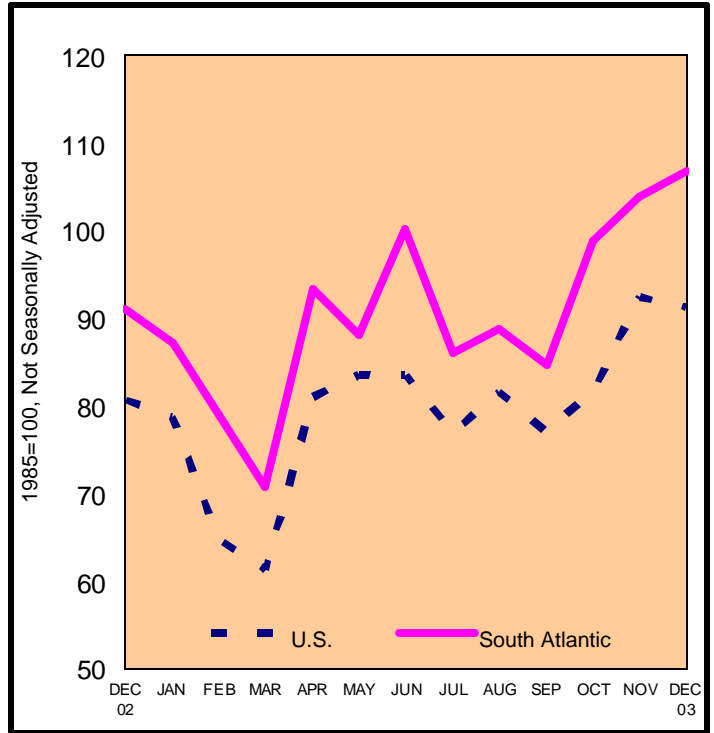
ADDITIONAL INDICATORS



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

Sales Volume for New Homes

Sales volume is down for all new home types through November 2003. Sales of new townhomes have decreased 11.9 percent, from 1,122 to 988, while single family home sales have fallen 21.7 percent, from 1,552 to 1,216, calendar year-to-date. New condominium sales have dropped 16.0 percent from 213 during the first eleven months of calendar year 2002 to 179 during the same period of 2003.



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

Consumer Confidence Index

The Conference Board reports that the Consumer Confidence Index declined 1.2 points in December 2003. The Index now stands at 91.3, compared to 92.5 in November. The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. The Present Situation Index measures consumers' confidence in current business and employment conditions, while the Expectations Index measures consumers' confidence in business, employment, and family income prospects six months hence. The two indices are averaged to form the composite Consumer Confidence Index.

In December, the Present Situation Index declined to 73.9 from 81.0 points, a 7.1 point loss from last month. According to Lynn Franco, Director of the Conference Board's Consumer Research Center, "Consumers' lackluster assessment of current conditions reflects continuing anxiety about labor market conditions."

Consumers continued to remain upbeat about the short-term economic outlook. The Expectations Index increased to 102.9 from 100.1 for a 2.8 point gain. Franco said, "Until a significant turnaround takes place, consumers' optimism about current-day conditions will continue to lag behind their expectations."

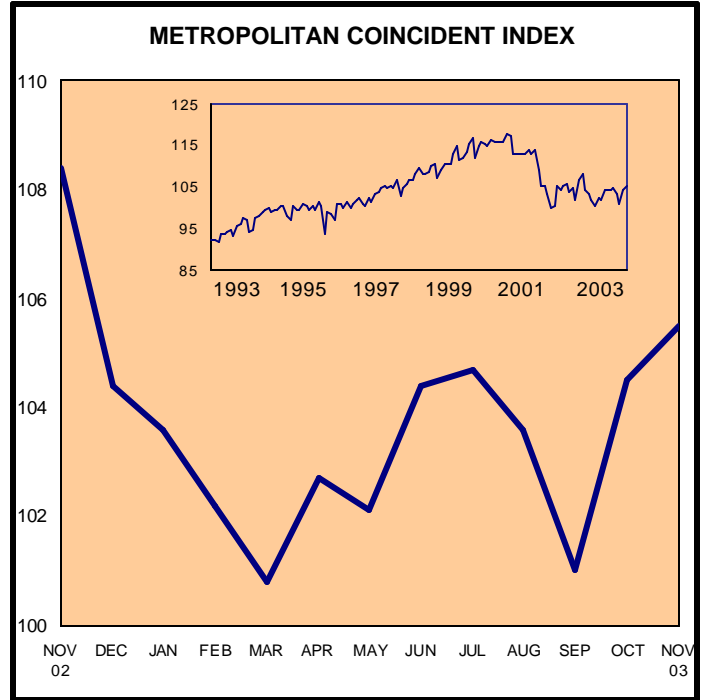
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in the coming months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

Fairfax County Coincident Index

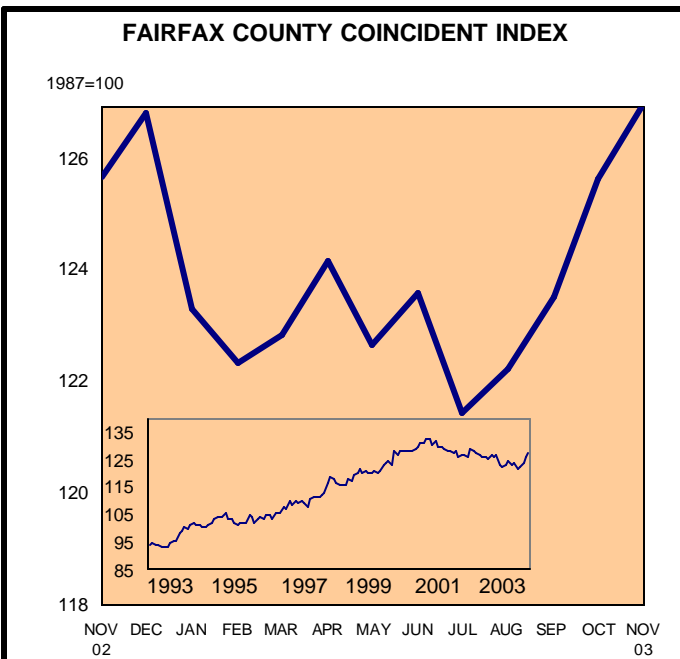


The Fairfax County Coincident Index, which represents the current state of the County's economy, increased to 127.0 in November 2003, a 1.1 percent gain over October. With the increase in November, the Index has been positive for four consecutive months and is currently 1.1 percent above its November 2002 value.

In November, two of the Index's four components were positive. Consumer confidence (in the present) increased for the third month in a row; transient occupancy tax collections, adjusted for inflation and seasonal variation, registered its third monthly gain in four months. Total employment registered a marginal decline (-0.01 percent) for its first monthly decrease in ten months; and sales tax collections, adjusted for inflation and seasonal variation, declined for the second time in three months.



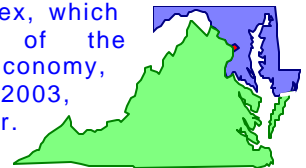
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and budget.



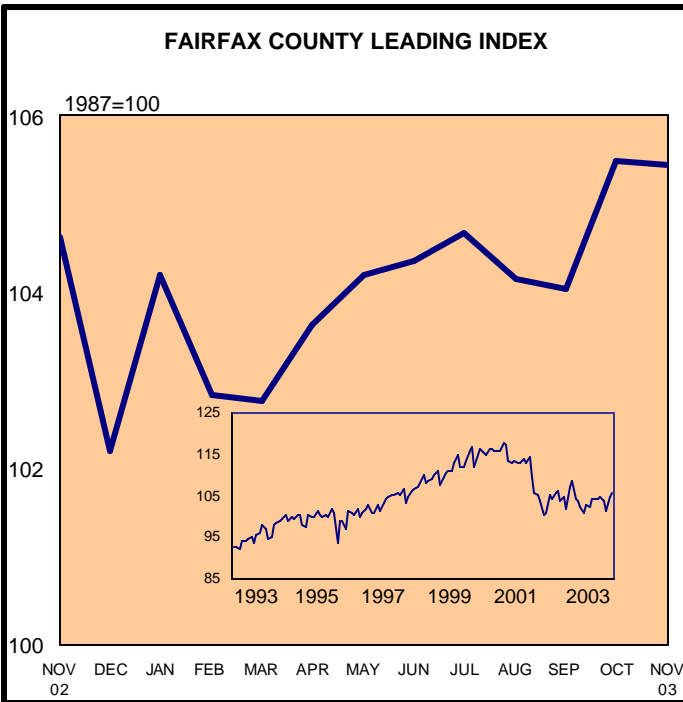
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and budget.

Metropolitan Coincident Index

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, increased to 105.5 in November 2003, a 0.9 percent gain over October. November's increase follows the largest one-month increase in more than a year; however, the Index is still down 2.7 percent below its November 2002 value.



In November, three of the Index's four components were positive. Domestic passenger volume at Reagan National and Dulles Airports increased slightly for a second month; wage and salary employment grew for a third consecutive month; and Consumer Confidence (in the present) registered its second consecutive strong monthly gain, extending its upward trend to a third month. Nondurable goods retail sales declined in November following a strong gain in October.



Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and budget.

Fairfax County Leading Index



The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, registered a marginal decline to 105.5 in October 2003, a 0.03 percent loss over October. The decline in November is the third slight loss in four months, following a strong gain in October. The Index is currently up 0.8 percent over its November 2002 value.

In November, four of the Index's five components contributed to its decline. New automobile registrations fell following a strong gain in October; consumer expectations (consumer confidence six month hence) fell slightly in November after a sharp increase in October; residential building permits issued decreased following two previous monthly gains; and the total value of residential building permits fell for the fifth time in six months. In contrast, initial claims for unemployment insurance decreased (improved) in November for the sixth time in seven months.

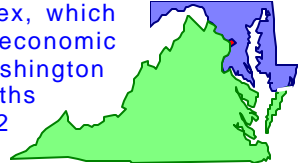
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 12000 Government Center Parkway, Suite 561
 Fairfax, Virginia 22035-0074
 (703) 324-2391 or 1-800-828-1120 (TDD)

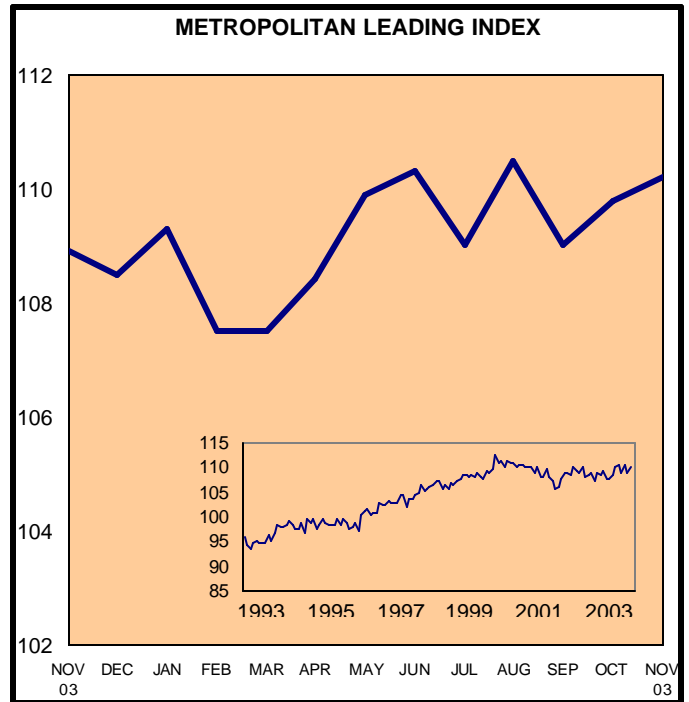
Staff: Susan Datta, Director; Marcia Wilds and Jameson Penn, analysts.

Metropolitan Leading Index

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 6 to 8 months in advance, increased to 110.2 in November 2003, a 0.4 percent gain over October. The Index has registered increases in six of the last eight months and is currently 1.3 percent above its November 2002 level.



In November, three of the Index's five components contributed to its gain. Initial claims for unemployment insurance declined (improved) for the sixth time in seven months; durable goods retail sales recorded its strongest gain since April; and the Help Wanted Index registered its first gain in November since May. Total residential building permits declined for the third consecutive month and Consumer expectations (consumer confidence six months hence) declined slightly in October.



Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and budget.