



# ALEXANDRIA ECONOMIC DEVELOPMENT PARTNERSHIP, INC.



## LOCAL ECONOMIC INDICATOR REPORT FOURTH QUARTER 2007

|   |                 |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|
| <b>PRIME INTEREST RATE</b>                                  | <u>Mar.08</u>   | <u>Dec.07</u>   | <u>Sept.07</u>  | <u>Jun.07</u>   |
| <i>Source: Federal Reserve Board</i>                        | 5.25%           | 7.50%           | 8.25%           | 8.25%           |
| <b>CONSUMER PRICE INDEX</b>                                 | <u>Dec.07</u>   | <u>Sept.07</u>  | <u>Jul.07</u>   | <u>Mar.07</u>   |
| U.S. City Average   | 210.04%         | 208.49%         | 208.30%         | 205.35%         |
| Washington-Baltimore Metro Area                             | 133.46%         | 134.68%         | 134.44%         | 131.95%         |
| <i>Source: U.S. Department of Labor</i>                     |                 |                 |                 |                 |
| <b>UNEMPLOYMENT RATE</b>                                    | <u>Dec.07</u>   | <u>Sept.07</u>  | <u>Sept.07</u>  | <u>May.07</u>   |
| Alexandria  | 2.40%           | 2.10%           | 2.10%           | 2.10%           |
| Virginia  | 3.30%           | 2.80%           | 2.80%           | 2.80%           |
| U.S.  | 4.80%           | 4.50%           | 4.50%           | 4.30%           |
| <i>Source: Virginia Employment Commission</i>               |                 |                 |                 |                 |
| <b>UNEMPLOYMENT COMPENSATION</b>                            | <u>4 QRT 07</u> | <u>3 QTR 07</u> | <u>2 QRT 07</u> | <u>1 QTR 07</u> |
| Initial Claims Filed  | 2,584           | 2,641           | 2,302           | 2,576           |
| Weekly Benefit Payments                                     | 17,464          | 17,752          | \$18,018        | 18,616          |
| Total Benefit Payments                                      | \$5,334,518     | \$5,330,404     | \$5,333,694     | \$5,550,463     |
| Average Weekly Benefit Payments                             | \$305.46        | \$300.27        | \$296.02        | \$298.16        |
| <i>Source: Virginia Employment Commission</i>               |                 |                 |                 |                 |
| <b>ALEXANDRIA EMPLOYMENT</b>                                | <u>4 QRT 07</u> | <u>3 QRT 07</u> | <u>2 QRT 07</u> | <u>1 QTR 07</u> |
| Construction  | N/A             | 3,539           | 3,527           | 3,841           |
| Manufacturing   | N/A             | 1,483           | 1,460           | 1,478           |
| Transp., Comm., Utilities                                   | N/A             | 2,088           | 2,059           | 2,072           |
| Trade   | N/A             | 10,280          | 10,489          | 10,545          |
| Fin., Insur., Real Estate                                   | N/A             | 6,390           | 6,428           | 6,460           |
| Services  | N/A             | 53,432          | 53,335          | 52,644          |
| Government  | N/A             | 22,740          | 22,414          | 22,508          |
| <i>Local</i>  | N/A             | 7,725           | 7,516           | 7,609           |
| <i>State</i>  | N/A             | 1,090           | 1,120           | 1,066           |
| <i>Federal</i>  | N/A             | 13,925          | 13,778          | 13,833          |
| Total   | N/A             | 99,953          | 99,712          | 99,548          |
| <i>Source: Virginia Employment Commission, USPTO</i>        |                 |                 |                 |                 |
| <b>NEW BUSINESS LICENSES</b>                                | <u>4 QRT 07</u> | <u>3 QRT 07</u> | <u>2 QRT 07</u> | <u>1 QTR 07</u> |
|   | 205             | 209             | 254             | 275             |
| <i>Source: City of Alexandria Department of Finance.</i>    |                 |                 |                 |                 |
| <b>OFFICE MARKET STATISTICS</b>                             | <u>4 QRT 07</u> | <u>3 QRT 07</u> | <u>2 QRT 07</u> | <u>1 QTR 07</u> |
| Vacancy Rates:  |                 |                 |                 |                 |
| Alexandria  | 5.20%           | 6.40%           | 6.30%           | 12.20%          |
| <i>Including Owner-Occupied Buildings</i>                   | 4.73%           | 5.81%           | 5.73%           |                 |
| Northern Virginia   | 12.30%          | 12.60%          | 12.32%          | 12.90%          |
| <i>Including Owner Occupied Buildings</i>                   | 10.70%          | 10.71%          | 10.59%          |                 |
| Washington D.C. Metro Area                                  | 10.70%          | 10.90%          | 10.70%          | 11.10%          |
| Alexandria Net Office Space Absorption (SF)                 | 109,235         | 53,367          | 12,696          | 56,220          |
| Alexandria Advertised Rent — Class A                        | \$36.56         | \$35.27         | \$33.42         | \$33.04         |
| <i>Source: Grubb &amp; Ellis of Metropolitan Washington</i> |                 |                 |                 |                 |
| <b>RETAIL RATE STATISTICS</b>                               | <u>4 QRT 07</u> | <u>3 QRT 07</u> | <u>2 QRT 07</u> | <u>1 QTR 07</u> |
| Alexandria Market Average NNN* Rental Rate                  | \$30.94         | \$26.39         | \$26.02         | \$26.87         |
| Alexandria Market Vacancy Rate                              | 4.90%           | 5.00%           | 7.00%           | 3.90%           |
| *Triple Net   |                 |                 |                 |                 |
| <i>Source: CoStar, Existing Properties</i>                  |                 |                 |                 |                 |
| <b>INDUSTRIAL SPACE STATISTICS</b>                          | <u>4 QRT 07</u> | <u>3 QRT 07</u> | <u>2 QRT 07</u> | <u>1 QTR 07</u> |
| Alexandria Market Average NNN* Rental Rate                  | \$9.99          | \$9.54          | \$9.67          | \$9.83          |
| Alexandria Market Vacancy Rate                              | 5.20%           | 5.40%           | 5.60%           | 5.60%           |
| * Triple Net  |                 |                 |                 |                 |
| <i>Source: CoStar, Existing Properties</i>                  |                 |                 |                 |                 |

| <b>RESIDENTIAL RENTAL STATISTICS</b>   | <b>4 QRT 07</b>       | <b>3 QRT 07</b>      | <b>2 QRT 07</b>      | <b>1 QTR 07</b>      |
|--|-----------------------|----------------------|----------------------|----------------------|
| Alexandria Market Effective Rental Rate  | \$1,342               | \$1,359              | \$1,326              | \$1,308              |
| Alexandria Market Vacancy Rates  | 3.97%                 | 2.67%                | 2.32%                | 2.89%                |
| <i>Source: Delta Associates</i>  |                       |                      |                      |                      |
| <b>CONSTRUCTION</b>  | <b>4 QRT 07</b>       | <b>3 QRT 07</b>      | <b>2 QRT 07</b>      | <b>1 QTR 07</b>      |
| Residential Starts (# of units)  | 27                    | 21                   | 57                   | 69                   |
| Commercial Starts  | 1                     | 0                    | 4                    | 0                    |
| Residential Starts Value   | \$24,984,303          | \$3,790,308          | \$5,393,017          | \$7,619,459          |
| Commercial Starts Value  | \$11,000,000          | 0                    | \$56,995,873         | \$0                  |
| Commercial Square Feet   | 34,593                | 0                    | 519,889              | 0                    |
| <i>Source: Alexandria Fire Department, Code Enforcement Division</i>                     |                       |                      |                      |                      |
| <b>RETAIL SALES</b>  | <b>4 QRT 07</b>       | <b>3 QRT 07</b>      | <b>2 QRT 07</b>      | <b>1 QTR 07</b>      |
| Alexandria   | \$ 655,316,320        | \$ 608,212,627       | \$ 625,151,422       | \$ 601,895,559       |
| Virginia   | \$ 22,921,787,153     | \$ 23,267,350,502    | \$ 22,777,406,119    | \$ 22,751,642,053    |
| <i>Source: City of Alexandria Department of Finance; Virginia Department of Taxation</i> |                       |                      |                      |                      |
| <b>MEALS TAX</b>   | <b>4 QRT 07</b>       | <b>3 QRT 07</b>      | <b>2 QRT 07</b>      | <b>1 QTR 07</b>      |
|  | \$2,605,791           | \$2,593,582          | \$2,741,522          | \$2,505,502          |
| <i>Source: City of Alexandria Department of Finance</i>                                  |                       |                      |                      |                      |
| <b>LODGING TAX</b>   | <b>4 QRT 07</b>       | <b>3 QRT 07</b>      | <b>2 QRT 07</b>      | <b>1 QTR 07</b>      |
|  | \$ 1,701,903          | \$ 1,640,072         | \$ 1,984,124         | \$ 1,797,927         |
| <i>Source: City of Alexandria Department of Finance</i>                                  |                       |                      |                      |                      |
| <b>HOTEL OCCUPANCY</b>   | <b>Dec.07</b>         | <b>Sept.07</b>       | <b>Jun.07</b>        | <b>Mar.07</b>        |
| Occupancy Rate   | 47.80%                | 66.60%               | 80.20%               | 74.80%               |
| Average Daily Rate   | \$159.06              | \$135.36             | \$129.66             | \$132.76             |
| <i>Source: Alexandria Convention &amp; Visitors Association</i>                          |                       |                      |                      |                      |
| <b>METRO RIDERSHIP</b>   | <b>Dec.07</b>         | <b>Sept.07</b>       | <b>Jun.07</b>        | <b>Mar.07</b>        |
| Braddock Road  | 3,935                 | 4,262                | 4,544                | 4,365                |
| King Street  | 7,674                 | 8,849                | 9,440                | 8,868                |
| Eisenhower Avenue  | 1,760                 | 1,872                | 2,190                | 1,992                |
| Van Dorn Street  | <u>3,302</u>          | <u>3,681</u>         | <u>4,180</u>         | <u>3,775</u>         |
| ALEXANDRIA TOTAL   | 16,671                | 18,664               | 20,354               | 19,000               |
| Systemwide   | 645,918               | 725,780              | 772,755              | 725,191              |
| <i>Source: Washington Metropolitan Area Transit Authority</i>                            |                       |                      |                      |                      |
| <b>VRE RIDERSHIP – Alexandria Station</b>  | <b>Dec. 07</b>        | <b>Sept.07</b>       | <b>Jun.07</b>        | <b>Mar.07</b>        |
| Northbound Off   | 398                   | 458                  | 465                  | 445                  |
| Northbound On  | 25                    | 28                   | 25                   | 25                   |
| Southbound On  | 598                   | 704                  | 703                  | 709                  |
| Southbound Off   | 27                    | 31                   | 31                   | 30                   |
| <i>Source: Virginia Railway Express</i>  |                       |                      |                      |                      |
| <b>ALEXANDRIA POPULATION ESTIMATES</b>   | <b>2009</b>           | <b>2008</b>          | <b>2007</b>          | <b>2006</b>          |
|  | n/a                   | n/a                  | n/a                  | 136,974              |
| <i>Source: U.S. Census Bureau</i>  |                       |                      |                      |                      |
| <b><u>REGIONAL-NORTHERN VIRGINIA</u></b>   |                       |                      |                      |                      |
| <b>HOUSING (Includes SF/TH/Condo)</b>  | <b>Dec. 07</b>        | <b>Sept.07</b>       | <b>Jun.07</b>        | <b>Mar.07</b>        |
| Total Units Sold   | 1,199                 | 1,072                | 2,001                | 1,752                |
| Total Units Sold Year to Date  | 18,042                | 14,665               | 10,011               | 4,563                |
| Average Sale Price — Reporting Month   | \$543,970             | \$529,278            | \$569,826            | \$532,517            |
| Total Active MLS Listings  | 8,733                 | 10,721               | 10,639               | 8,077                |
| <i>Source: Northern Virginia Association of Realtors</i>                                 |                       |                      |                      |                      |
| <b>AIRPORT PASSENGERS</b>  | <b>12mo.Thru12/07</b> | <b>12mo.Thru9/07</b> | <b>12mo.Thru6/07</b> | <b>12mo.Thru4/07</b> |
| Ronald Reagan Washington National  | 18,679,343            | 18,768,486           | 18,541,280           | 18,516,747           |
| Washington Dulles International  | 24,737,528            | 24,825,543           | 24,285,827           | 23,882,486           |
| <i>Source: Metropolitan Washington Airports Authority</i>                                |                       |                      |                      |                      |

## The Alexandria Economic Development Partnership, Inc.

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# ALEXANDRIA ECONOMIC DEVELOPMENT PARTNERSHIP, INC.



## LOCAL ECONOMIC INDICATOR REPORT FOURTH QUARTER 2007

**PRIME INTEREST RATE:** The interest rate charged by banks to their most creditworthy customers.

**CONSUMER PRICE INDEX:** The measure of the average change in prices over time of goods and services purchased by households, including "All Urban Consumers."

**NEW BUSINESSES LICENSES:** Transfers in ownership are reflected in new license numbers. Some businesses that obtain licenses may never begin operations.

**OFFICE MARKET STATISTICS:** Owner-occupied buildings are included in this report due to the frequency of owner occupier trading and activity in the Washington, D.C. market.

**RETAIL RATE STATISTICS:** Includes only existing properties, total available space, and total average rate.

**INDUSTRIAL SPACE STATISTICS:** Includes only existing properties, total available space, and total average rate.

**RESIDENTIAL RENTAL STATISTICS:** Excludes Class A Rental Garden Apartments.

- **Effective Rent** = shows deductions of any concessions or rent specials for any unit type offered at a surveyed project.
- **Stabilized Vacancy** = includes properties that have reached 95% occupancy at one time; therefore excluding new, unrented units in initial lease-up, as well as "economically vacant" units.
  - "Economically vacant" = units occupied by dead-beat tenants, employee units, and model apartments.

**CONSTRUCTION (4 QRT 07):**

- **Residential Starts** = Including number of *multi-family buildings*
  - 900 North Columbus Street – 57 residential units
  - 800 John Carlyle – 280 residential unitsAnd new *single family residences*
  - 25 residences
- **Commercial Starts** = Including *commercial buildings*
  - 901 Wythe Street, Charles Houston Recreation Center

**RETAIL SALES:** Taxable sales as reflected by deposits of sales tax revenue made during the respective time period. Reflects actual sales by quarter.

**MEALS TAX:** Reflects actual meals sales tax by quarter.

**LODGING TAX:** Reflects actual lodging sales tax by quarter.

**METRO RIDERSHIP:** Average weekday boardings for the respective month reported.

**VRE RIDERSHIP:** Average weekday ridership for the respective month reported.