

SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY
AUGUST 2008



THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE

TABLE OF CONTENTS

Fifth District

Summary	District 1
Labor Market	District 2
Business Conditions	District 3
Household Conditions	District 4
Real Estate Market	District 4

District of Columbia

Summary	D.C. 1
Labor Market	D.C. 2
Household Conditions	D.C. 4
Real Estate Market	D.C. 5

Maryland

Summary	Maryland 1
Labor Market	Maryland 2
Household Conditions	Maryland 4
Real Estate Market	Maryland 5

North Carolina

Summary	North Carolina 1
Labor Market	North Carolina 2
Household Conditions	North Carolina 4
Real Estate Market	North Carolina 5

South Carolina

Summary	South Carolina 1
Labor Market	South Carolina 2
Household Conditions	South Carolina 4
Real Estate Market	South Carolina 5

Virginia

Summary	Virginia 1
Labor Market	Virginia 2
Household Conditions	Virginia 3
Real Estate Market	Virginia 5

West Virginia

Summary	West Virginia 1
Labor Market	West Virginia 2
Household Conditions	West Virginia 3
Real Estate Market	West Virginia 5

Sources

Data Sources	Sources 1
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Contact Information

Sarah Watt
 (804) 697-8927
Sarah.Watt@rich.frb.org



FIFTH DISTRICT

August Summary

Economic conditions in the Fifth District were mixed in recent months as labor and real estate markets reported some signs of improvement while District businesses continued to deliver lackluster reports.

On the employment front, the Fifth District added 12,400 jobs to its economy in June, for a 0.1 percent rise in payrolls over the month. Net payroll increases were entirely in service-providing industries as manufacturing and construction both shed jobs in June. The District unemployment rate remained stable at 5.0 percent over the month and below the 5.5 percent national mark, which was also unchanged from May to June.

Recent data indicate that Fifth District real estate conditions improved somewhat in recent months. Residential permitting activity in the District was up 15.5 percent in June, reflecting permit gains in all Fifth District jurisdictions except for the District of Columbia. Nonetheless, the Fifth District increase fell short of the 19.8 percent national rise in permit levels. Housing starts in the Fifth District, on the other hand, grew 16.0 percent – 6.9 percentage points faster than the national rate of 9.1 percent. However, both permit levels and housing starts in June remained below year-ago levels.

Our latest surveys indicated that business conditions in the Fifth District softened a bit in recent weeks. The index of overall manufacturing activity continued to decline in July as factory shipments dropped sharply and new orders edged down further. Employment at District factories moved up seven points since June, although the measure remained in negative territory. On the services side, revenues at non-retail firms picked up somewhat, although retail revenues continued to fall, with persistent declines in sales of big-ticket items. Hiring activity in the overall service sector continued to fall in June. Our survey measure of prices indicated an easing of price pressures across District businesses as all survey respondents reported slower price growth in July than in June.

A Closer Look at... Exports

Total Exports in May 2008: \$7,423.5 mil.

Percent of Exports Manufactured Goods: 82.7%

Highest Level since 2001: May 2008

Lowest Level since 2001: \$3,222.9 mil. in December 2002

Percent of Exports Manufactured Goods: 84.5%

Largest Year-over-Year Increase: 29.3% in December 2007

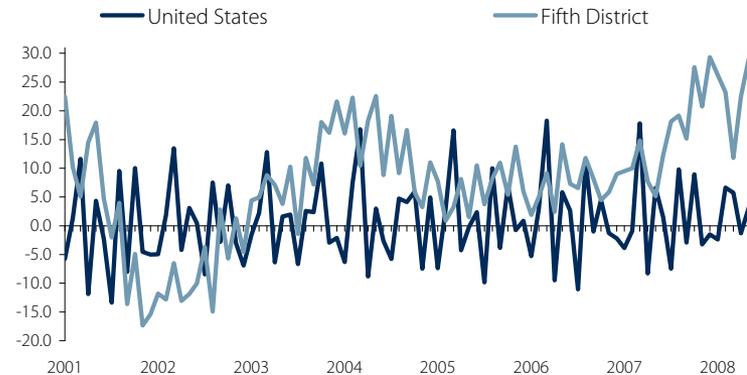
Largest Year-over-Year Decrease: -17.4% in November 2001

Largest Monthly Increase: 21.7% in March 2007

Largest Monthly Decrease: -19.7% in September 2001

Fifth District Exports

Year-over-Year Percent Change through May 2008



FIFTH DISTRICT

Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	June	137,666.0	-0.04	0.03
Fifth District - Total	June	14,013.9	0.09	0.65
Construction	June	845.2	-0.77	-2.49
Manufacturing	June	1,228.1	-0.42	-2.60
Trade, Transportation, and Utilities	June	2,472.3	0.18	-0.13
Information	June	273.6	-0.04	-0.91
Financial Activities	June	726.8	0.14	-0.32
Professional and Business Services	June	2,008.1	0.11	1.20
Education and Health Services	June	1,766.1	0.06	3.06
Leisure and Hospitality	June	1,337.0	-0.27	1.56
Other Services	June	690.2	0.38	2.06
Government	June	2,615.9	0.56	1.64

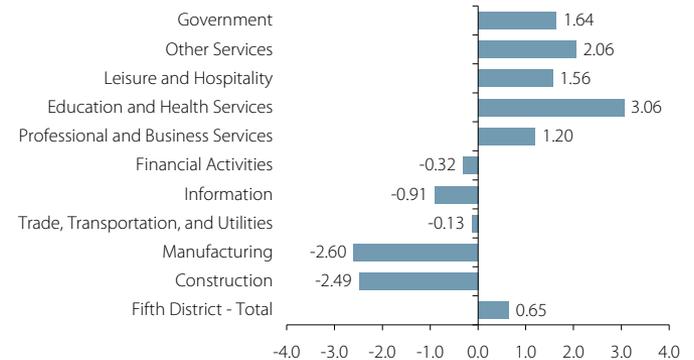
Unemployment Rate (SA)	June 08	May 08	June 07
United States	5.5	5.5	4.6
Fifth District	5.0	5.0	4.2

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	154,390	-0.09	0.85
Fifth District	June	14,985	-0.12	1.12

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	June	1,567,217	12.20	25.31
Fifth District	June	135,755	7.96	28.73

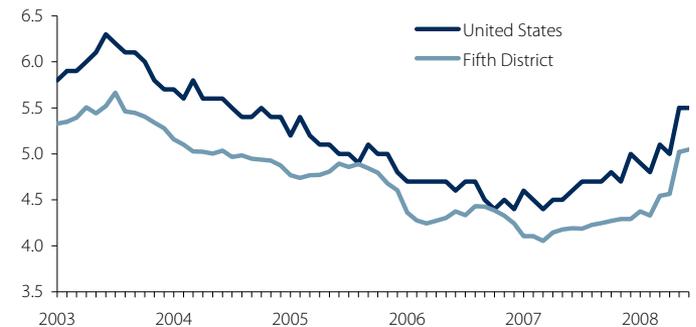
Fifth District Payroll Employment Performance

Year-over-Year Percent Change through June 2008



Fifth District Unemployment Rate

Through June 2008



FIFTH DISTRICT

Business Conditions

Manufacturing Survey (SA)	July 08	June 08	July 07	
Composite Index	-16	-12	4	
Shipments	-23	-11	5	
New Orders	-17	-13	8	
Number of Employees	-5	-12	-3	
Expected Shipments - Six Months	-4	14	25	
Raw Material Prices (SAAR)	4.41	4.74	3.27	
Finished Good Prices (SAAR)	3.34	3.43	2.16	
Service Sector Survey (SA)	July 08	June 08	July 07	
Service Sector Employment	-13	-8	7	
Services Firms Revenues	-1	-5	9	
Retail Revenues	-43	-33	3	
Big-Ticket Sales	-59	-55	-43	
Expected Retail Demand - Six Months	1	-12	29	
Service Firm Prices	0.54	0.64	0.71	
Retail Prices	2.17	2.41	1.89	
District Imports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	May	2,584.12	-4.7	9.9
Wilmington, North Carolina	May	507.09	-3.1	-20.6
Charleston, South Carolina	May	3,812.77	2.5	5.3
Norfolk, Virginia	May	2,932.66	-3.7	19.3
District Exports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	May	1,497.31	1.0	11.5
Wilmington, North Carolina	May	271.56	25.2	32.5
Charleston, South Carolina	May	2,060.32	6.3	37.1
Norfolk, Virginia	May	2,199.33	0.3	24.6

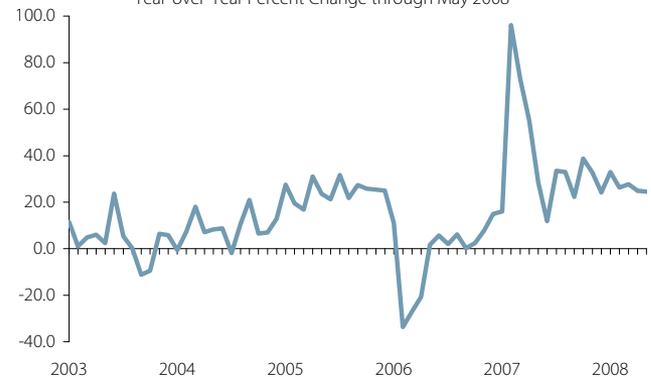
Composite Manufacturing Index

3-Month Moving Average through July 2008



Norfolk Port District Exports

Year-over-Year Percent Change through May 2008



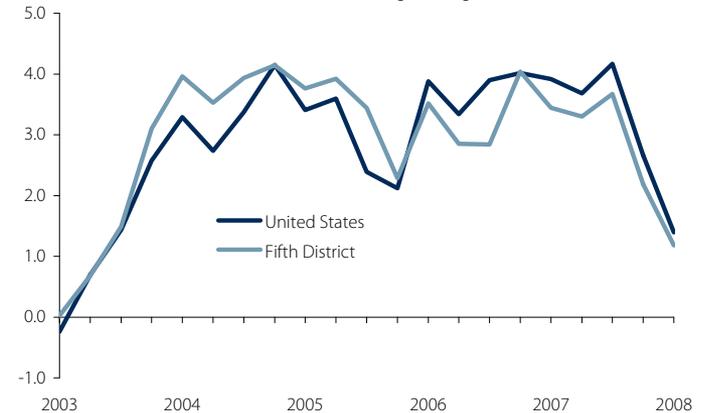
FIFTH DISTRICT
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	1Q:08	9,998,852	0.45	1.39
Fifth District	1Q:08	949,038	0.24	1.18
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	236,982	8.49	26.48
Fifth District	1Q:08	18,897	9.97	26.06

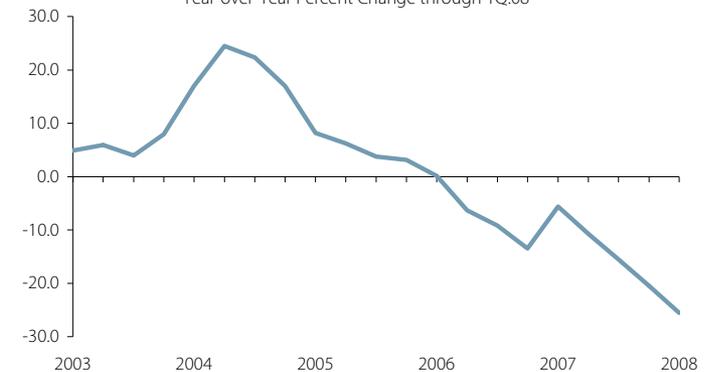
FIFTH DISTRICT
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	June	108,093	19.76	-18.05
Fifth District	June	12,793	15.53	-22.93
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States (SAAR)	June	1,066	9.11	-26.89
Fifth District (SAAR)	June	154	15.95	-20.09
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-0.14	-0.34
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	1Q:08	4,950	-0.94	-22.21
Fifth District (SAAR)	1Q:08	483	0.00	-25.57

Fifth District Real Personal Income
Year-over-Year Percent Change through 1Q:08



Fifth District Existing Home Sales
Year-over-Year Percent Change through 1Q:08



DISTRICT OF COLUMBIA

August Summary

According to recent data, economic conditions in the District of Columbia varied in recent months, with moderate growth in the labor market, but continued weakness in housing activity.

Payroll employment in the District of Columbia grew 0.3 percent in June, an addition of 2,100 jobs to the economy and the third consecutive month of growth. The household unemployment rate in D.C. edged down 0.2 percentage point in June, to end the month at 6.4 percent. Despite the decline, the rate remained well above the year-ago level of 5.7 percent unemployment.

The D.C. housing market remained soft, according to recent indicators. Residential permitting activity fell further in June, with only eight units authorized in the month – down from 15 units in May and 166 units in April. Nonetheless, permit levels were on par with year-ago levels. Housing starts were also down in June, and at the lowest level in 2008, although they, too, were in line with levels from one year ago.

Conditions at the metro level were mixed. The Washington D.C. metro area – which includes parts of Maryland and Virginia – added 10,600 jobs to its economy in June, an increase of 0.4 percent over the month and 1.0 percent over the year. The largest payroll additions were in the professional and business services and leisure and hospitality sectors. Nevertheless, growth in the labor force – and subsequent growth in the number of unemployed – pushed the Washington D.C. MSA unemployment rate up 0.3 percentage point to 4.0 percent in June. Turning to real estate, residential permitting activity in the metro area increased 10.0 percent in June. Second quarter commercial vacancies in the Washington D.C. metro area were also up; office vacancies edged up 0.4 percentage point to end at 11.3 percent and industrial vacancies moved up 1.0 percentage point to 15.4 percent.

A Closer Look at...Exports

Total Exports in May 2008: \$61.8 mil.

Percent of Exports Manufactured Goods: 76.5%

Highest Level since 2001: \$256.6 mil in July 2001

Percent of Exports Manufactured Goods: 54.09%

Lowest Level since 2001: \$17.7 mil. in November 2001

Percent of Exports Manufactured Goods: 76.3%

Largest Year-over-Year Increase: 461.1% in March 2002

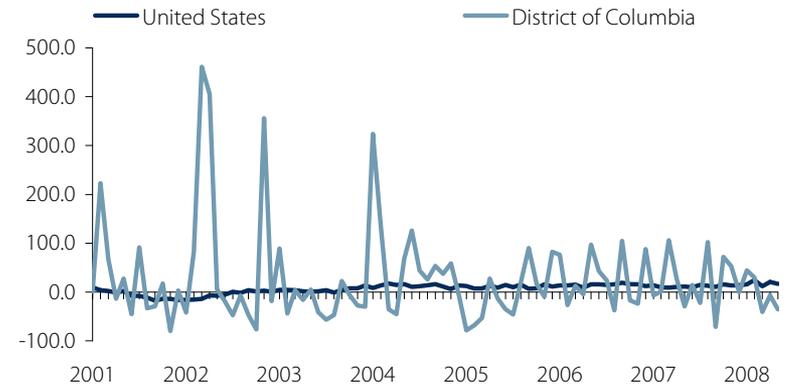
Largest Year-over-Year Decrease: -79.5% in November 2001

Largest Monthly Increase: 550.2% in February 2002

Largest Monthly Decrease: -91.1 in November 2001

District of Columbia Exports

Year-over-Year Percent Change through May 2008



DISTRICT OF COLUMBIA

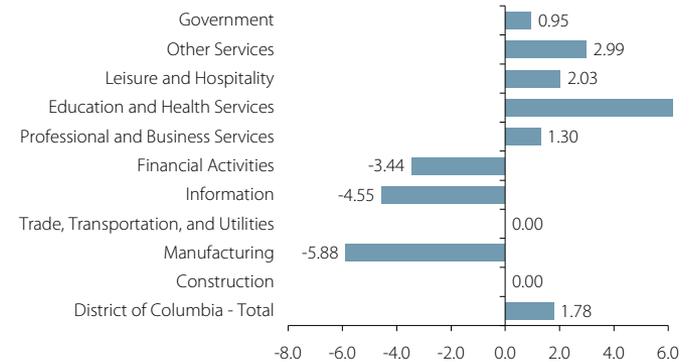
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	June	137,666.0	-0.04	0.03
Fifth District - Total	June	14,013.9	0.09	0.65
District of Columbia - Total	June	704.4	0.30	1.78
Construction	June	12.6	0.00	0.00
Manufacturing	June	1.6	0.00	-5.88
Trade, Transportation, and Utilities	June	28.0	0.72	0.00
Information	June	21.0	-1.41	-4.55
Financial Activities	June	28.1	0.00	-3.44
Professional and Business Services	June	156.1	0.39	1.30
Education and Health Services	June	98.1	-4.29	6.51
Leisure and Hospitality	June	55.3	0.91	2.03
Other Services	June	65.5	1.55	2.99
Government	June	233.2	-0.09	0.95
Washington, D.C. MSA - Total	June	2,457.1	0.43	0.97

Unemployment Rate (SA)	June 08	May 08	June 07
United States	5.5	5.5	4.6
Fifth District	5.0	5.0	4.2
District of Columbia	6.4	6.6	5.7
Washington, D.C. MSA	4.0	3.7	3.3

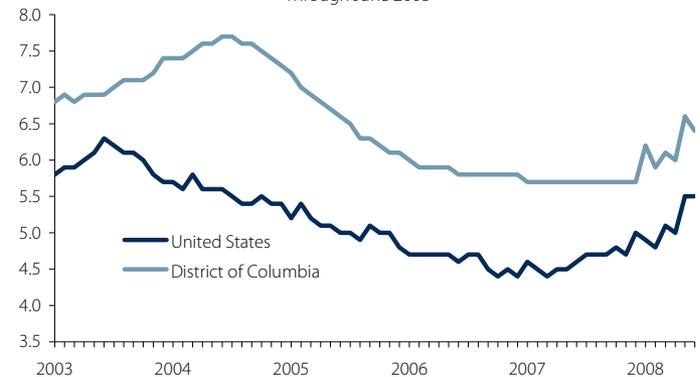
D.C. Payroll Employment Performance

Year-over-Year Percent Change through June 2008



D.C. Unemployment Rate

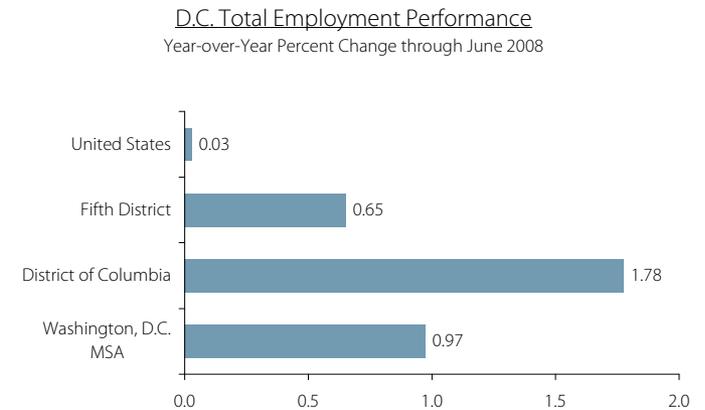
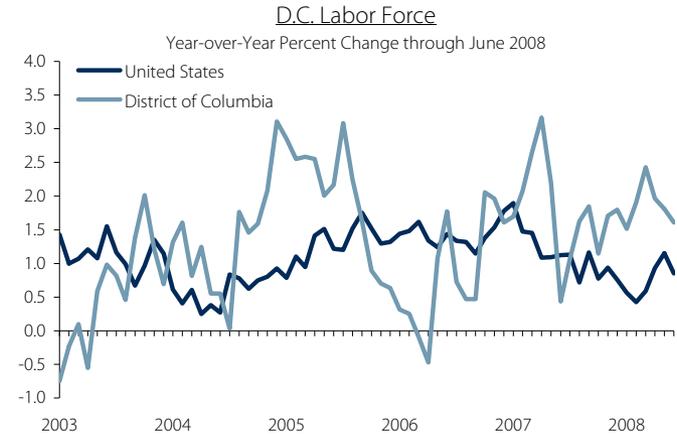
Through June 2008



DISTRICT OF COLUMBIA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	154,390	-0.09	0.85
Fifth District	June	14,985	-0.12	1.12
District of Columbia	June	329	-0.99	1.61
Washington, D.C. MSA	June	2,399	0.67	1.63
Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	June	1,567,217	12.20	25.31
Fifth District	June	135,755	7.96	28.73
District of Columbia	June	1,880	27.63	29.30

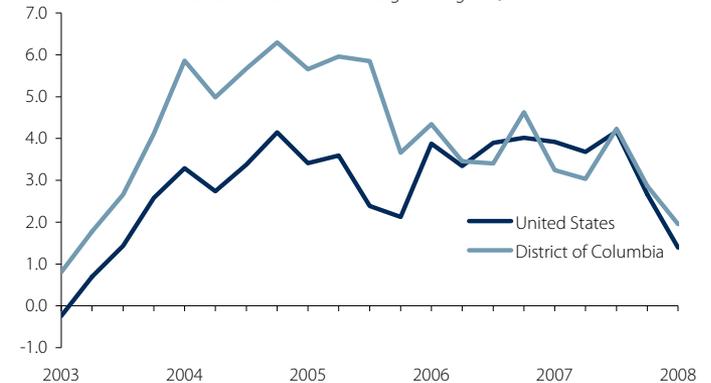


DISTRICT OF COLUMBIA

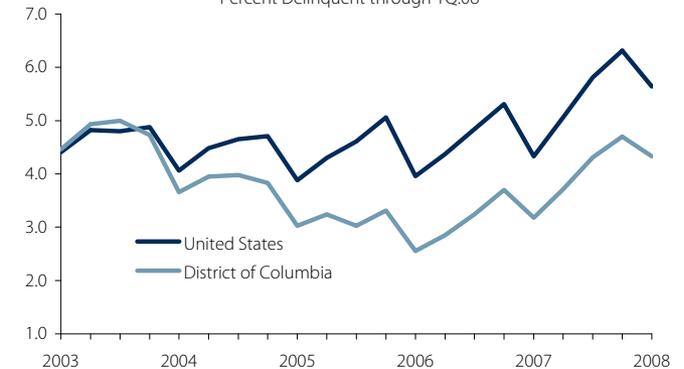
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	1Q:08	9,998,852	0.45	1.39
Fifth District	1Q:08	949,038	0.24	1.18
District of Columbia	1Q:08	30,834	0.45	1.95
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	2008	97.2	---	4.97
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	236,982	8.49	26.48
Fifth District	1Q:08	18,897	9.97	26.06
District of Columbia	1Q:08	205	4.59	28.93
Mortgage Delinquencies (% Delinquent)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	5.64	6.31	4.33
All Mortgages		3.30	3.55	2.31
Subprime		17.05	18.82	12.45
District of Columbia	1Q:08	4.33	4.70	3.18
All Mortgages		2.77	2.85	1.95
Subprime		16.74	18.34	11.12

D.C. Real Personal Income
Year-over-Year Percent Change through 1Q:08



D.C. Mortgage Delinquencies - All
Percent Delinquent through 1Q:08

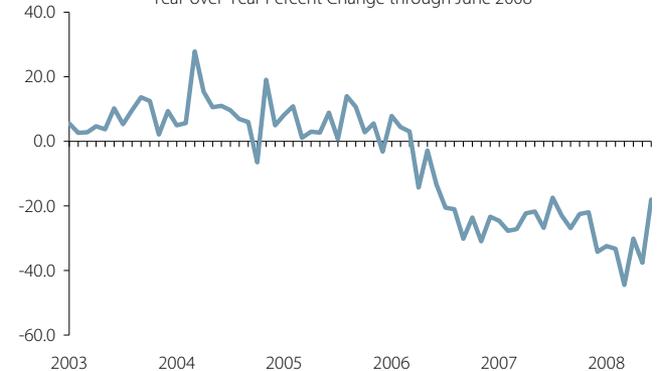


DISTRICT OF COLUMBIA

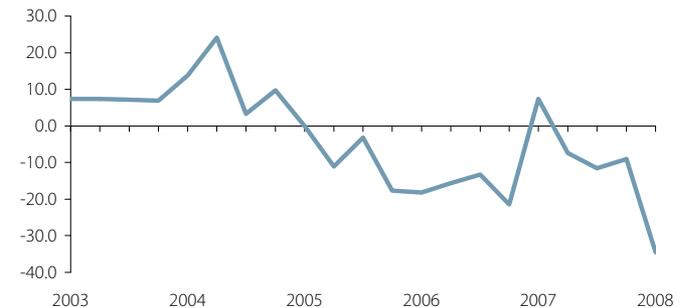
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	June	108,093	19.76	-18.05
Fifth District	June	12,793	15.53	-22.93
District of Columbia	June	8	-46.67	-11.11
Washington, D.C. MSA	June	1,295	10.03	-33.21
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	1,066.0	9.11	-26.89
Fifth District	June	153.5	15.95	-20.09
District of Columbia	June	0.1	-44.44	0.00
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	1Q:08	4,950.0	-0.94	-22.21
Fifth District (SAAR)	1Q:08	483.2	0.00	-25.57
District of Columbia (SAAR)	1Q:08	7.6	-5.00	-34.48
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Washington, D.C. MSA	July	40,201	1.00	0.34
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Washington, D.C. MSA	July	330,000	-2.47	-18.47

D.C. Building Permits
Year-over-Year Percent Change through June 2008



D.C. Existing Home Sales
Year-over-Year Percent Change through 1Q:08

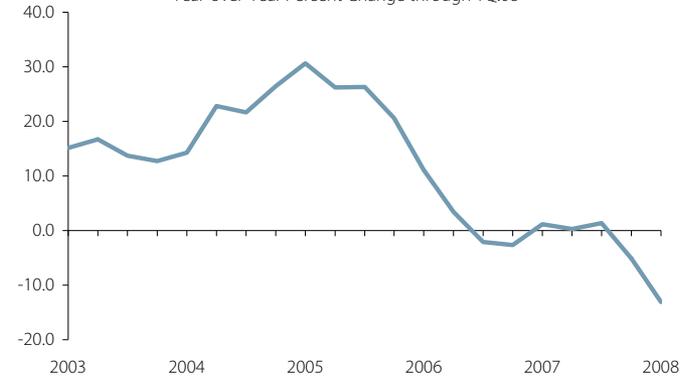


DISTRICT OF COLUMBIA

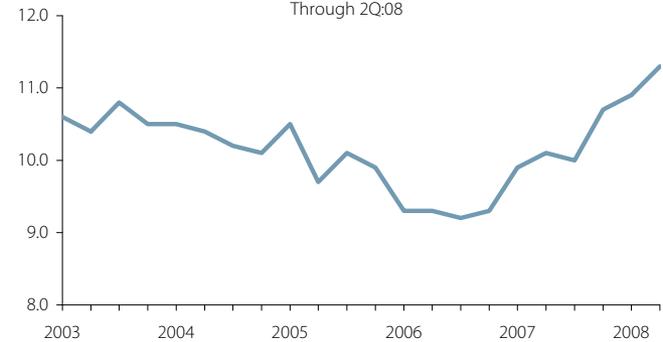
Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	1Q:08	372	-7.07	-13.09
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	1Q:08	332	-7.78	-10.27
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-0.14	-0.34
District of Columbia	1Q:08	652	-1.78	-1.51
Washington, D.C. MSA (1995=100)	1Q:08	267	-2.28	-5.12
Housing Opportunity Index ² (%)	1Q:08	4Q:07	1Q:07	
Washington, D.C. MSA	57.1	41.3	37.7	
Commercial Vacancy Rates (%)	2Q:08	1Q:08	2Q:07	
Office Vacancies	Washington, D.C. MSA	11.3	10.9	10.1
Industrial Vacancies	Washington, D.C. MSA	15.4	14.4	14.4

D.C. MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 1Q:08



D.C. MSA Office Vacancy Rate
Through 2Q:08



MARYLAND

August Summary

Maryland's economy grew modestly in recent months, with increases in payroll employment and some improvement in the housing sector.

Labor markets in Maryland remained stable as payrolls grew and unemployment remained unchanged. Maryland added 4,000 jobs (0.2 percent) to its payrolls in June, even though the state shed jobs in manufacturing and three service-providing industries: professional and business services, education and health services, and leisure and hospitality. The June household unemployment rate remained at 4.0 percent, matching Virginia for the lowest jobless rate of all jurisdictions in the Fifth District.

Maryland real estate conditions improved somewhat in June. Residential permitting activity in the state was up 44.5 percent over the month, although the number of permits issued was still 11.2 percent lower than year-ago levels. Housing starts also increased (45.0 percent) in June, for the largest monthly rise since October 2007. Nonetheless, June marked the eleventh straight month of year-over-year decline in permitting activity and the eighth month of decline in housing starts for the state.

Conditions in Maryland's metro areas differed somewhat from those in the state overall. As at the state level, most major metro areas added jobs in June, with only the Salisbury MSA trimming payrolls (200 jobs). Unlike at the state level, however, all major metro areas saw increases in household unemployment. Unemployment in the Baltimore-Towson MSA moved up 0.4 percentage point to 4.5 percent – its highest mark since July 2005 – while joblessness in the Hagerstown MSA (5.6 percent) was at its highest level since February 2003. Turning to real estate, the Baltimore and Hagerstown MSAs saw June increases in residential permitting activity, while activity in Cumberland fell 33.3 percent. Second quarter commercial vacancy rates in Baltimore remained largely stagnant, with office vacancies unchanged at 12.4 percent and industrial vacancies inching up 0.2 percentage point to 15.5 percent.

A Closer Look at... Exports

Total Exports in May 2008: \$998.5 mil.

Percent of Exports Manufactured Goods: 81.8%

Highest Level since 2001: \$1,034.9 mil. in December 2007

Percent of Exports Manufactured Goods: 80.5%

Lowest Level since 2001: \$326.5 mil. in September 2002

Percent of Exports Manufactured Goods: 85.9%

Largest Year-over-Year Increase: 60.1% in January 2007

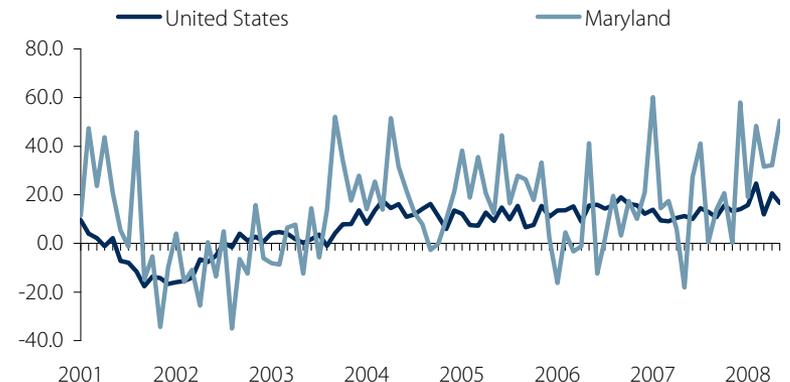
Largest Year-over-Year Decrease: -35.0% in August 2002

Largest Monthly Increase: 52.0% in August 2001

Largest Monthly Decrease: -41.0% in September 2001

Maryland Exports

Year-over-Year Percent Change through May 2008



MARYLAND

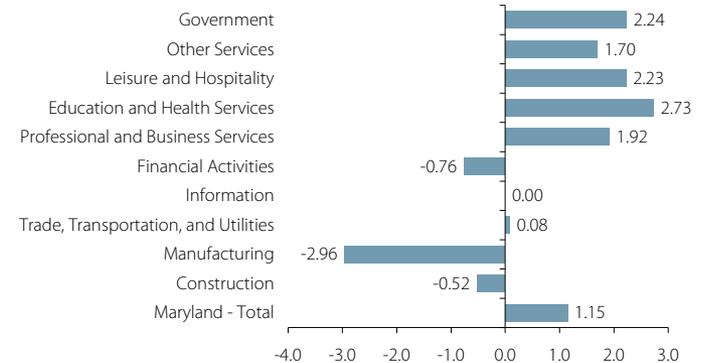
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	June	137,666.0	-0.04	0.03
Fifth District - Total	June	14,013.9	0.09	0.65
Maryland - Total	June	2,637.4	0.15	1.15
Construction	June	189.9	0.42	-0.52
Manufacturing	June	128.0	-0.47	-2.96
Trade, Transportation, and Utilities	June	477.7	0.00	0.08
Information	June	51.1	0.59	0.00
Financial Activities	June	156.4	0.26	-0.76
Professional and Business Services	June	403.2	-0.22	1.92
Education and Health Services	June	383.7	-0.03	2.73
Leisure and Hospitality	June	238.9	-0.08	2.23
Other Services	June	119.5	-0.17	1.70
Government	June	489.0	0.93	2.24
Baltimore-Towson MSA - Total	June	1,337.7	0.28	0.54
Bethesda-Frederick MSA - Total	June	585.2	0.98	0.27
Hagerstown MSA - Total	June	103.6	0.68	0.58
Salisbury MSA - Total	June	56.4	-0.35	0.00

Unemployment Rate (SA)	June 08	May 08	June 07
United States	5.5	5.5	4.6
Fifth District	5.0	5.0	4.2
Maryland	4.0	4.0	3.6
Baltimore-Towson MSA	4.5	4.0	3.9
Bethesda-Frederick MSA	3.3	3.0	3.0
Hagerstown MSA	5.6	5.3	4.4
Salisbury MSA	4.9	4.6	4.1

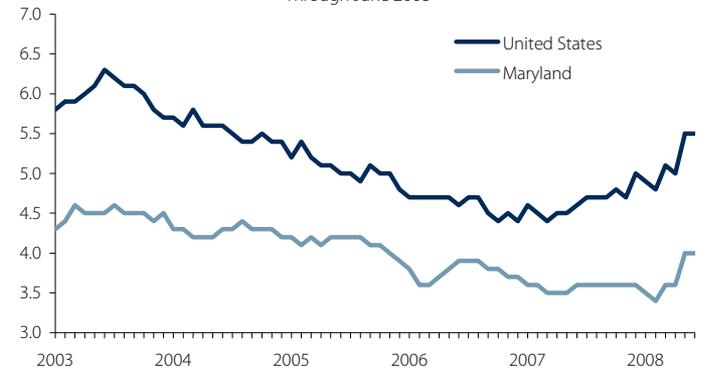
Maryland Payroll Employment Performance

Year-over-Year Percent Change through June 2008



Maryland Unemployment Rate

Through June 2008



MARYLAND

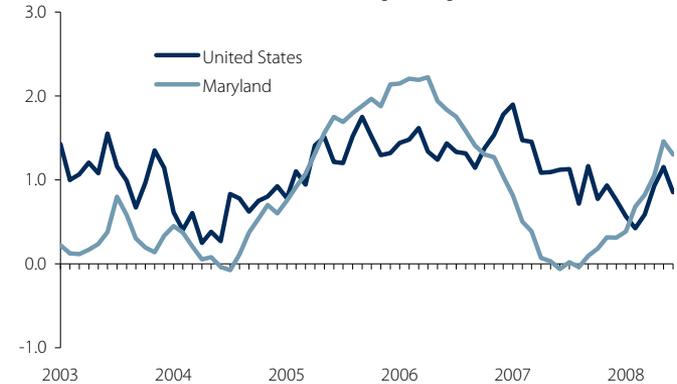
Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	154,390	-0.09	0.85
Fifth District	June	14,985	-0.12	1.12
Maryland	June	3,014	-0.10	1.30
Baltimore-Towson MSA	June	1,425	0.82	1.48
Bethesda-Frederick MSA	June	647	1.13	1.09
Hagerstown MSA	June	125	1.79	2.20
Salisbury MSA	June	67	2.61	2.14

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	June	1,567,217	12.20	25.31
Fifth District	June	135,755	7.96	28.73
Maryland	June	23,434	28.67	26.99

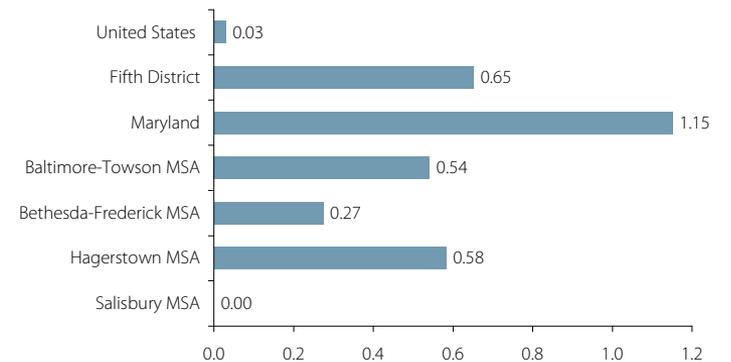
Maryland Labor Force

Year-over-Year Percent Change through June 2008



Maryland Total Employment Performance

Year-over-Year Percent Change through June 2008



MARYLAND

Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	1Q:08	9,998,852	0.45	1.39
Fifth District	1Q:08	949,038	0.24	1.18
Maryland	1Q:08	221,699	0.38	1.20

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	2008	78.2	---	3.17
Bethesda-Frederick MSA	2008	104.4	---	3.26
Cumberland MSA	2008	50.1	---	7.51
Hagerstown MSA	2008	62.6	---	8.12

Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	236,982	8.49	26.48
Fifth District	1Q:08	18,897	9.97	26.06
Maryland	1Q:08	4,457	17.41	52.01

Mortgage Delinquencies (% Delinquent)	1Q:08	4Q:07	1Q:07
United States			
All Mortgages	5.64	6.31	4.33
Conventional	3.30	3.55	2.31
Subprime	17.05	18.82	12.45
Maryland			
All Mortgages	5.17	5.67	3.48
Conventional	2.90	3.07	1.77
Subprime	18.40	19.79	11.24

Maryland Real Personal Income
Year-over-Year Percent Change through 1Q:08



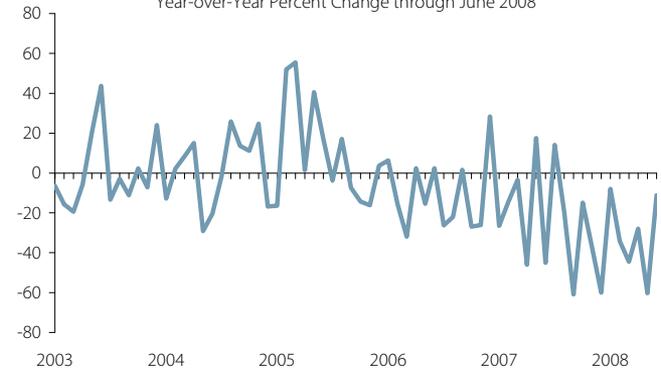
Maryland Mortgage Delinquencies - All
Percent Delinquent through 1Q:08



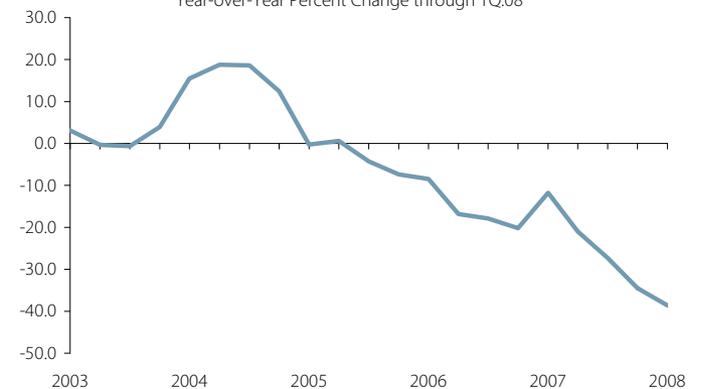
MARYLAND
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	June	108,093	19.76	-18.05
Fifth District	June	12,793	15.53	-22.93
Maryland	June	1,654	44.45	-11.17
Baltimore-Towson MSA	June	526	60.37	-17.55
Cumberland MSA	June	4	-33.33	-69.23
Hagerstown	June	119	38.37	-16.78
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	1,066.0	9.11	-26.89
Fifth District	June	153.5	15.95	-20.09
Maryland	June	19.9	45.00	-7.89
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	1Q:08	4,950.0	-0.94	-22.21
Fifth District	1Q:08	483.2	0.00	-25.57
Maryland	1Q:08	68.0	-0.58	-38.63
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Baltimore-Towson MSA	July	18,145	2.68	3.92
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Baltimore-Towson MSA	July	289,599	-1.15	-8.68
Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	1Q:08	271	-1.67	-2.98
Cumberland MSA	1Q:08	95	-18.52	-5.00
Hagerstown MSA	1Q:08	193	0.31	-7.89

Maryland Building Permits
Year-over-Year Percent Change through June 2008



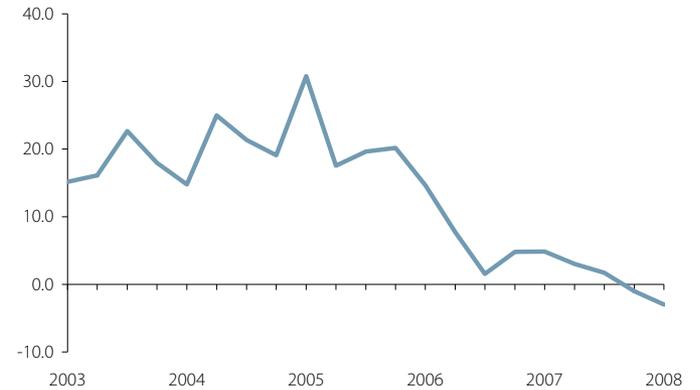
Maryland Existing Home Sales
Year-over-Year Percent Change through 1Q:08



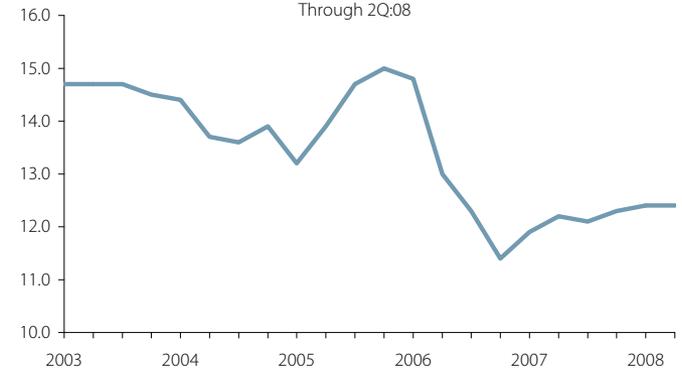
MARYLAND
Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	1Q:08	250	-6.02	-0.79
Bethesda-Frederick MSA	1Q:08	---	---	---
Cumberland MSA	1Q:08	70	-30.00	-13.58
Hagerstown MSA	1Q:08	200	-2.44	-9.09
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	15.95	-0.34
Maryland	1Q:08	532	-1.24	-1.28
Baltimore-Towson MSA (1995=100)	1Q:08	257	-0.78	0.23
Bethesda-Frederick MSA (1995=100)	1Q:08	253	-1.71	-3.89
Cumberland MSA (1995=100)	1Q:08	182	-3.52	5.24
Hagerstown MSA (1995=100)	1Q:08	235	-1.07	-4.64
Housing Opportunity Index ² (%)	1Q:08	4Q:07	1Q:07	
Baltimore-Towson MSA	57.2	45.4	51.7	
Bethesda-Frederick Metro Division	53.1	44.0	40.2	
Cumberland MSA	93.7	80.7	86.8	
Hagerstown MSA	61.9	49.0	43.1	
Commercial Vacancy Rates (%)	2Q:08	1Q:08	2Q:07	
Office Vacancies	Baltimore	12.4	12.4	12.2
Industrial Vacancies	Baltimore	15.5	15.3	13.5

Baltimore-Towson MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 1Q:08



Baltimore-Towson MSA Office Vacancy Rate
Through 2Q:08



NORTH CAROLINA

August Summary

Economic conditions in North Carolina generally improved in recent months as firms added jobs and the housing market exhibited some signs of firming.

On the employment front, payrolls in North Carolina grew 0.1 percent (5,600 jobs) in June. Although the Tarheel state added 25,700 jobs to its economy since June 2007, this number represents the smallest year-over-year growth in payrolls since April 2004. Net job gains in June were entirely in the service sector; manufacturing shed 3,100 jobs, for its twenty-sixth straight month of payroll cuts and construction shed 3,900 jobs, for its largest monthly decline on record. Despite overall payroll growth, household unemployment inched up 0.1 percentage point to 6.0 percent in June. This is the highest unemployment rate North Carolina has seen since December 2003.

In housing markets, permitting activity was up 11.5 percent in June after three consecutive months of decline. Housing starts also rose (11.8 percent) although both permit levels and housing starts were down since June 2007.

Conditions at the metro area level were similar to state-level conditions. The Durham, Greensboro-High Point, and Raleigh-Cary MSAs all added jobs to their economies in June, with Durham's 0.6 percent payroll growth (1,700 jobs) leading the group. On the other hand, the Charlotte metro area shed 1,700 jobs in June. All four MSAs saw increases of 0.4 percentage point in unemployment, leaving each with its highest jobless rate in over four years. Turning to real estate, all of the major metro areas posted growth in residential permitting activity. In addition, second quarter office vacancies were up 0.7 percentage point in Raleigh-Durham and 1.2 percentage points in Charlotte to end at 14.6 percent and 12.1 percent, respectively. Industrial vacancies were up 1.2 percentage points in Raleigh-Durham (to 16.1 percent), but inched down 0.1 percentage point in Charlotte to end the quarter at 9.9 percent.

A Closer Look at... Exports

Total Exports in May 2008: \$2,398.0 mil.

Percent of Exports Manufactured Goods: 86.2%

Highest Level since 2001: May 2008

Lowest Level since 2001: \$1,123.2 mil. in December 2002

Percent of Exports Manufactured Goods: 84.9%

Largest Year-over-Year Increase: 30.2% in February 2004

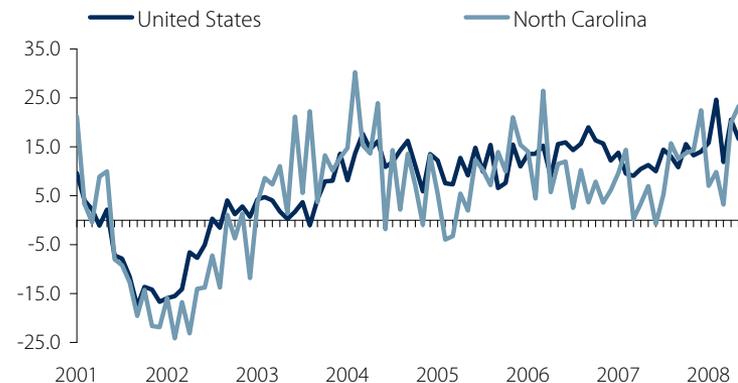
Largest Year-over-Year Decrease: -24.1% in February 2002

Largest Monthly Increase: 30.6% in March 2006

Largest Monthly Decrease: -19.8% in July 2003 and April 2006

North Carolina Exports

Year-over-Year Percent Change through May 2008



NORTH CAROLINA

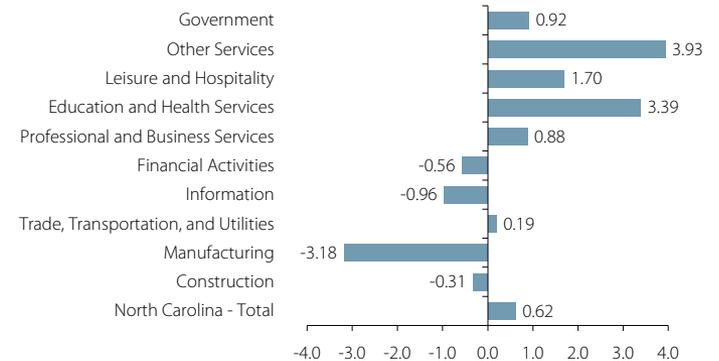
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	June	137,666.0	-0.04	0.03
Fifth District - Total	June	14,013.9	0.09	0.65
North Carolina - Total	June	4,177.1	0.13	0.62
Construction	June	254.7	-1.51	-0.31
Manufacturing	June	520.8	-0.59	-3.18
Trade, Transportation, and Utilities	June	780.4	0.19	0.19
Information	June	72.3	-0.28	-0.96
Financial Activities	June	211.4	0.28	-0.56
Professional and Business Services	June	506.1	0.36	0.88
Education and Health Services	June	533.0	0.43	3.39
Leisure and Hospitality	June	401.9	0.17	1.70
Other Services	June	185.0	-0.22	3.93
Government	June	704.6	0.92	0.92
Charlotte MSA - Total	June	877.1	-0.19	2.07
Durham MSA - Total	June	294.5	0.58	2.19
Greensboro-High Point MSA - Total	June	379.4	0.24	1.58
Raleigh-Cary MSA - Total	June	532.5	0.06	2.66

Unemployment Rate (SA)	June 08	May 08	June 07
United States	5.5	5.5	4.6
Fifth District	5.0	5.0	4.2
North Carolina	6.0	5.9	4.7
Charlotte MSA	6.3	5.9	4.9
Durham MSA	5.1	4.7	4.2
Greensboro-High Point MSA	6.4	6.0	5.2
Raleigh-Cary MSA	5.0	4.6	3.8

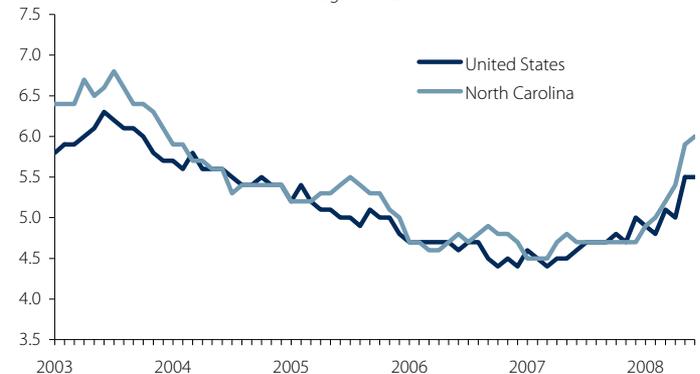
North Carolina Payroll Employment Performance

Year-over-Year Percent Change through June 2008



North Carolina Unemployment Rate

Through June 2008



NORTH CAROLINA

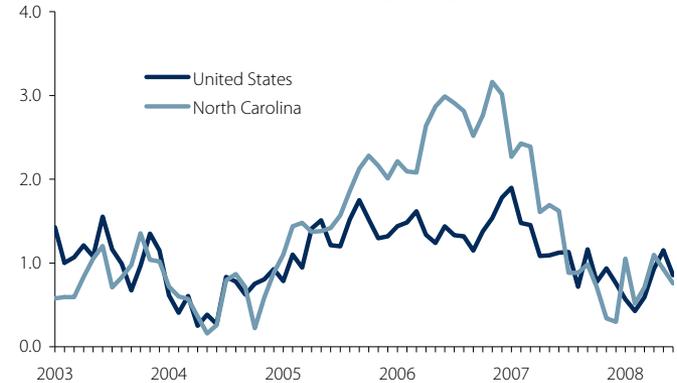
Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	154,390	-0.09	0.85
Fifth District	June	14,985	-0.12	1.12
North Carolina	June	4,561	-0.02	0.75
Charlotte MSA	June	854	0.53	1.55
Durham MSA	June	259	1.17	1.05
Greensboro-High Point MSA	June	368	0.82	0.71
Raleigh-Cary MSA	June	553	0.67	1.62

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	June	1,567,217	12.20	25.31
Fifth District	June	135,755	7.96	28.73
North Carolina	June	55,310	-0.22	32.36

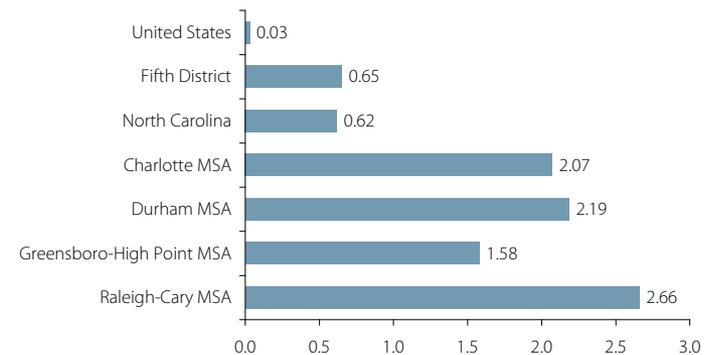
North Carolina Labor Force

Year-over-Year Percent Change through June 2008



North Carolina Total Employment Performance

Year-over-Year Percent Change through June 2008



NORTH CAROLINA

Household Conditions

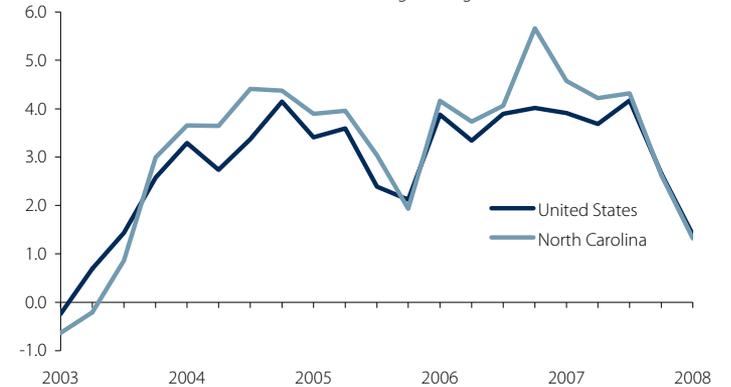
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	1Q:08	9,998,852	0.45	1.39
Fifth District	1Q:08	949,038	0.24	1.18
North Carolina	1Q:08	261,262	0.03	1.32

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Charlotte MSA	2008	64.3	---	6.81
Durham MSA	2008	62.1	---	3.33
Greensboro-High Point MSA	2008	56.1	---	4.66
Raleigh-Cary MSA	2008	74.9	---	7.31

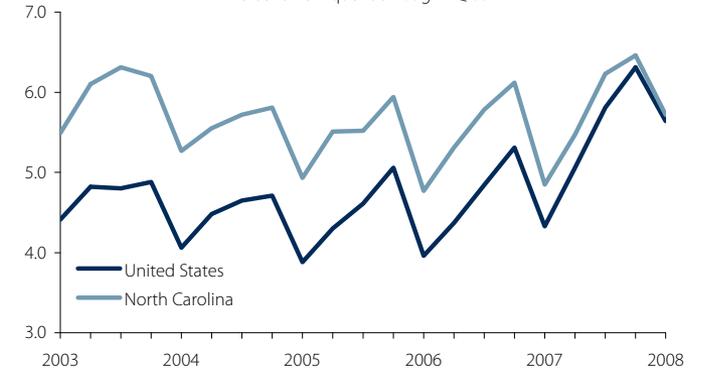
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	236,982	8.49	26.48
Fifth District	1Q:08	18,897	9.97	26.06
North Carolina	1Q:08	5,072	3.38	6.42

Mortgage Delinquencies (% Delinquent)	1Q:08	4Q:07	1Q:07
United States			
All Mortgages	5.64	6.31	4.33
Conventional	3.30	3.55	2.31
Subprime	17.05	18.82	12.45
North Carolina			
All Mortgages	5.72	6.46	4.85
Conventional	3.30	3.63	2.77
Subprime	17.24	19.19	13.38

North Carolina Real Personal Income
Year-over-Year Percent Change through 1Q:08



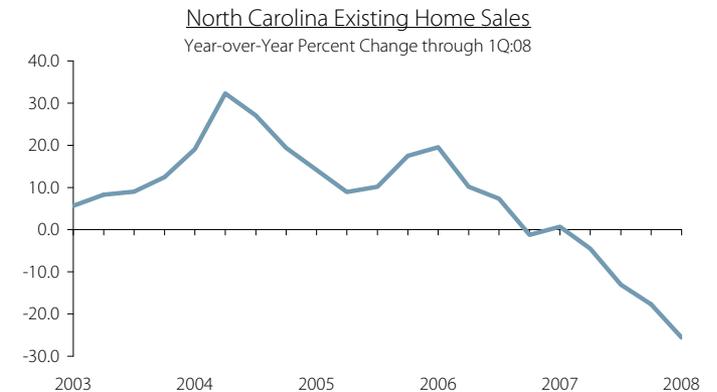
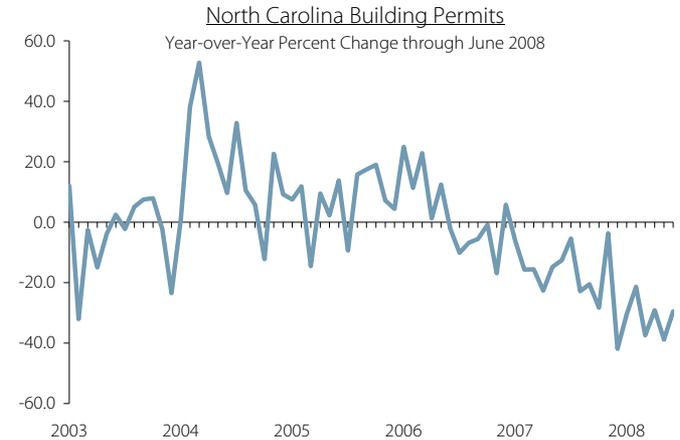
North Carolina Mortgage Delinquencies - All
Percent Delinquent through 1Q:08



NORTH CAROLINA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	June	108,093	19.76	-18.05
Fifth District	June	12,793	15.53	-22.93
North Carolina	June	5,530	11.45	-29.50
Charlotte MSA	June	1,609	5.16	-32.39
Durham MSA	June	207	4.02	-47.06
Greensboro-High Point MSA	June	378	47.66	-21.41
Raleigh-Cary MSA	June	925	30.65	-24.12
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	1,066.0	9.11	-26.89
Fifth District	June	153.5	15.95	-20.09
North Carolina	June	66.4	11.85	-26.91
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	1Q:08	4,950.0	-0.94	-22.21
Fifth District	1Q:08	483.2	0.00	-25.57
North Carolina	1Q:08	181.6	-2.16	-25.57
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Raleigh-Cary MSA	July	12,439	1.83	24.34
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Raleigh-Cary MSA	July	256,845	-0.76	1.77
Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	1Q:08	193	-5.86	3.83
Durham MSA	1Q:08	178	0.06	0.51
Greensboro-High Point MSA	1Q:08	142	-5.57	-1.93
Raleigh-Cary MSA	1Q:08	228	-3.18	2.42

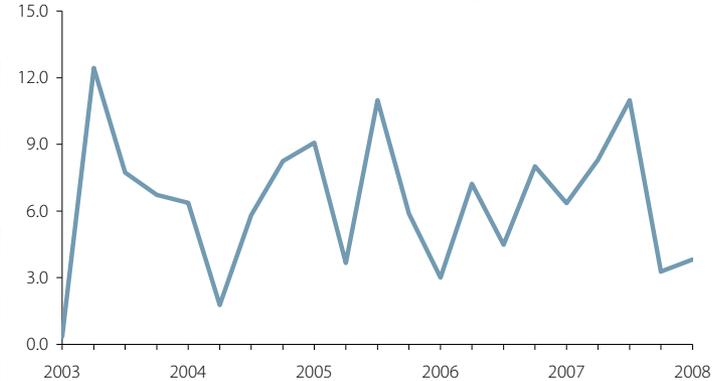


NORTH CAROLINA

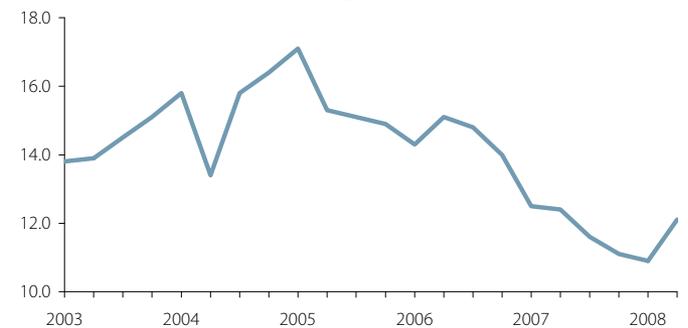
Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	1Q:08	172	-2.27	2.38
Durham MSA	1Q:08	180	1.12	6.51
Greensboro-High Point MSA	1Q:08	145	2.11	2.84
Raleigh-Cary MSA	1Q:08	211	-1.86	-6.22
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-0.14	-0.34
North Carolina	1Q:08	346	0.84	4.03
Charlotte MSA (1995=100)	1Q:08	183	1.24	6.16
Durham MSA (1995=100)	1Q:08	178	0.77	3.92
Greensboro-High Point MSA (1995=100)	1Q:08	159	0.67	2.77
Raleigh-Cary MSA (1995=100)	1Q:08	170	0.76	4.93
Housing Opportunity Index ² (%)	1Q:08	4Q:07	1Q:07	
Charlotte MSA	68.7	62.9	63.8	
Durham MSA	66.0	59.9	61.6	
Greensboro-High Point MSA	74.3	69.8	71.1	
Raleigh-Cary MSA	65.6	60.2	61.5	
Commercial Vacancy Rates (%)	2Q:08	1Q:08	2Q:07	
Office Vacancies				
Raleigh/Durham	14.6	13.9	13.7	
Charlotte	12.1	10.9	12.4	
Industrial Vacancies				
Raleigh/Durham	16.1	15	15.7	
Charlotte	9.9	10	13.2	

Charlotte MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 1Q:08



Charlotte MSA Office Vacancy Rate
Through 2Q:08



SOUTH CAROLINA

August Summary

Recent assessments of South Carolina's economy indicated generally steady conditions, as payroll employment remained flat and the real estate sector improved slightly.

In South Carolina labor markets, payroll levels were unchanged in June, with losses in manufacturing, construction, professional and business services, and leisure and hospitality offset by gains in other industries. Meanwhile, the state unemployment rate inched down 0.3 percentage point to end June at 6.2 percent. Despite the slight decrease in unemployment, however, the Palmetto state still recorded the highest jobless rate of all Fifth District jurisdictions.

Real estate conditions in South Carolina picked up somewhat, according to recent data. Residential permitting activity grew 5.3 percent in June after a 17.4 percent decline in May. Although permitting activity fell 19.3 percent over the year, June marked the smallest year-over-year drop in permit levels in 2008. Housing starts in the state also picked up slightly (5.7 percent), and saw its smallest year-over-year decline since the end of 2007.

Conditions in South Carolina's metro areas generally softened in June, as all major metro areas shed jobs over the month. The Columbia MSA shed 2,000 jobs (0.5 percent decline) for the largest net loss among metro areas, although Spartanburg's decline of 0.6 percent (800 jobs) was the sharpest percentage drop. In addition, all of the major metro areas reported increases in household unemployment, with the steepest rise being Spartanburg's 0.8-percentage-point jump to 7.0 percent joblessness. Meanwhile, metro-level real estate conditions were mixed. Charleston and Greenville posted growth in residential permitting activity, while Columbia and Spartanburg showed declines. Second quarter commercial vacancy rates varied, with office and industrial vacancies in the Charleston MSA inching up, but vacancy rates in Greenville declining. Office vacancies in Columbia fell from 16.4 percent to 15.5 percent.

A Closer Look at...Exports

Total Exports in May 2008: \$1,763.2 mil.

Percent of Exports Manufactured Goods: 92.8%

Highest Level since 2001: May 2008

Lowest Level since 2001: \$729.7 mil.

Percent of Exports Manufactured Goods: 94.0%

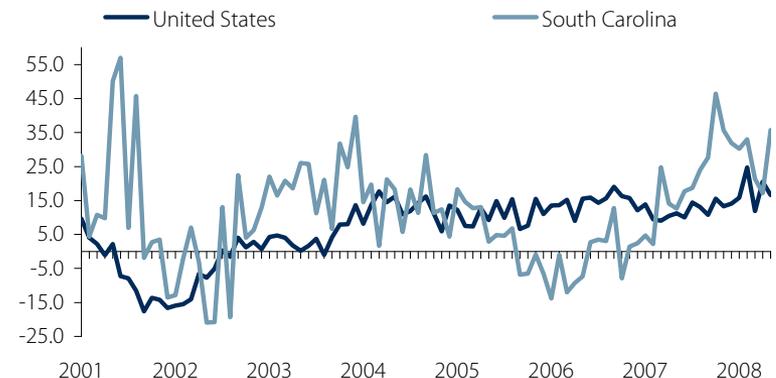
Largest Year-over-Year Increase: 57.0% in June 2001

Largest Year-over-Year Decrease: -20.9 in May 2002

Largest Monthly Increase: 40.4% in August 2001

Largest Monthly Decrease: -32.5 in September 2001

South Carolina Exports
Year-over-Year Percent Change through May 2008



SOUTH CAROLINA

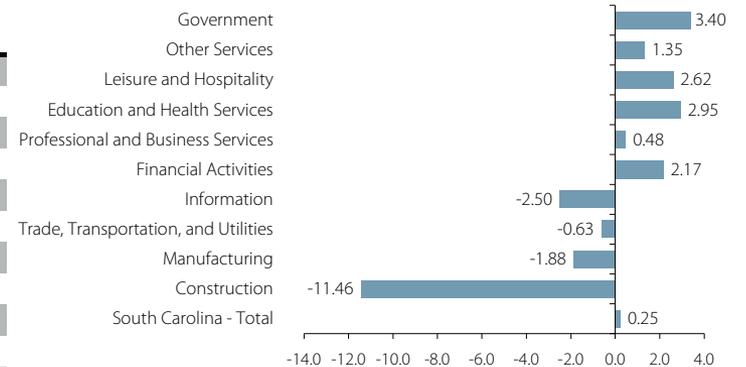
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	June	137,666.0	-0.04	0.03
Fifth District - Total	June	14,013.9	0.09	0.65
South Carolina - Total	June	1,957.8	0.02	0.25
Construction	June	112.8	-3.09	-11.46
Manufacturing	June	245.5	-0.20	-1.88
Trade, Transportation, and Utilities	June	377.3	0.21	-0.63
Information	June	27.3	0.00	-2.50
Financial Activities	June	108.3	0.46	2.17
Professional and Business Services	June	228.5	-0.52	0.48
Education and Health Services	June	206.2	0.15	2.95
Leisure and Hospitality	June	222.9	-0.76	2.62
Other Services	June	75.3	0.67	1.35
Government	June	349.3	1.57	3.40
Charleston MSA - Total	June	304.0	-0.13	0.73
Columbia MSA - Total	June	369.3	-0.54	0.11
Greenville MSA - Total	June	325.4	-0.37	1.91
Spartanburg MSA - Total	June	126.5	-0.63	0.80

Unemployment Rate (SA)	June 08	May 08	June 07
United States	5.5	5.5	4.6
Fifth District	5.0	5.0	4.2
South Carolina	6.2	6.5	5.7
Charleston MSA	5.4	4.8	4.6
Columbia MSA	5.8	5.4	5.2
Greenville MSA	5.5	5.2	5.2
Spartanburg MSA	7.0	6.2	6.2

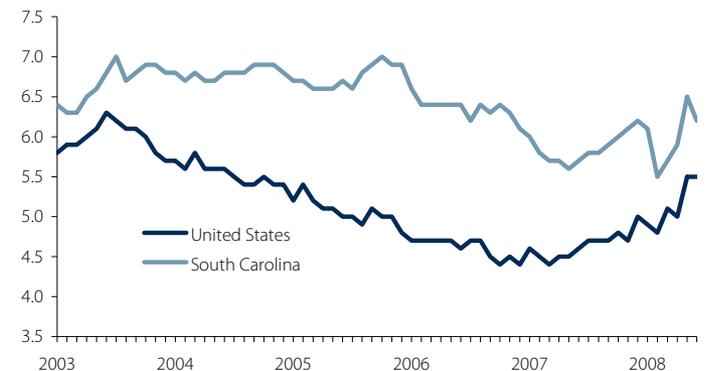
South Carolina Payroll Employment Performance

Year-over-Year Percent Change through June 2008



South Carolina Unemployment Rate

Through June 2008



SOUTH CAROLINA

Labor Market Conditions

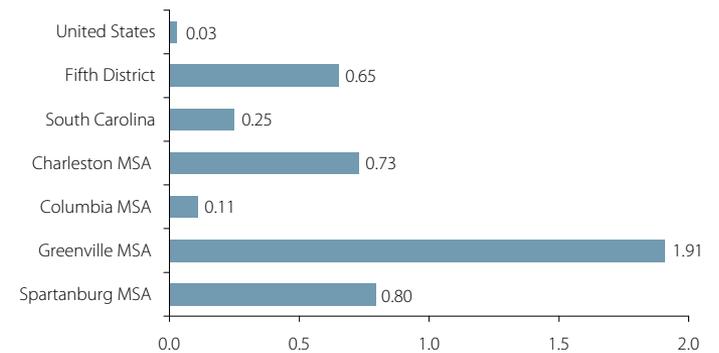
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	154,390	-0.09	0.85
Fifth District	June	14,985	-0.12	1.12
South Carolina	June	2,143	-0.36	0.44
Charleston MSA	June	323	1.48	1.16
Columbia MSA	June	374	0.78	0.29
Greenville-Spartanburg MSA	June	322	0.82	1.68

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	June	1,567,217	12.20	25.31
Fifth District	June	135,755	7.96	28.73
South Carolina	June	28,616	18.43	32.00

South Carolina Labor Force
Year-over-Year Percent Change through June 2008



South Carolina Total Employment Performance
Year-over-Year Percent Change through June 2008

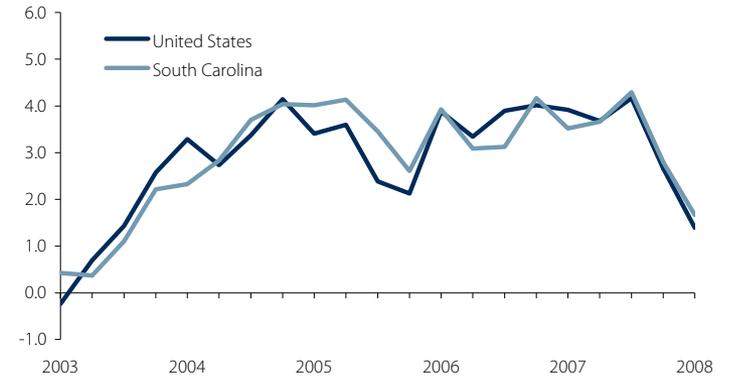


SOUTH CAROLINA

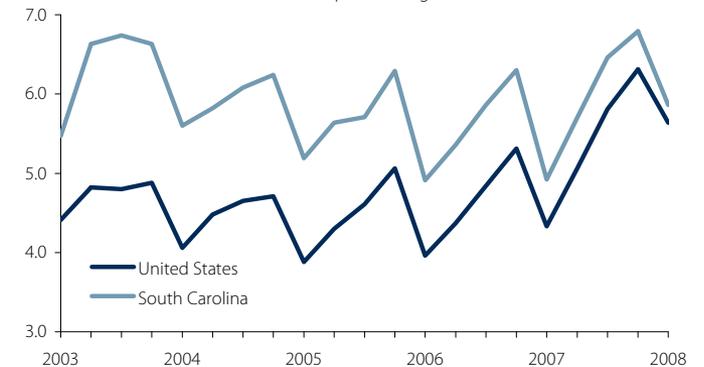
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	1Q:08	9,998,852	0.45	1.39
Fifth District	1Q:08	949,038	0.24	1.18
South Carolina	1Q:08	117,412	0.09	1.67
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Charleston MSA	2008	58.4	---	5.42
Columbia MSA	2008	59.2	---	1.72
Greenville MSA	2008	55.1	---	4.16
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	236,982	8.49	26.48
Fifth District	1Q:08	18,897	9.97	26.06
South Carolina	1Q:08	1855	1.03	6.49
Mortgage Delinquencies (% Delinquent)	1Q:08	4Q:07	1Q:07	
United States				
All Mortgages	5.64	6.31	4.33	
Conventional	3.30	3.55	2.31	
Subprime	17.05	18.82	12.45	
South Carolina				
All Mortgages	5.86	6.79	4.92	
Conventional	3.60	4.07	2.98	
Subprime	17.48	19.64	13.66	

South Carolina Real Personal Income
Year-over-Year Percent Change through 1Q:08



South Carolina Mortgage Delinquencies - All
Percent Delinquent through 1Q:08

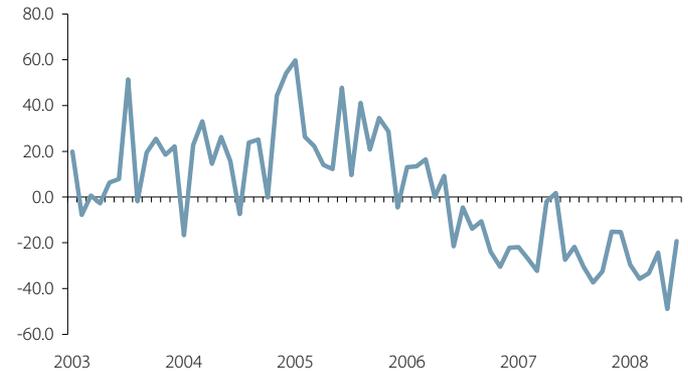


SOUTH CAROLINA

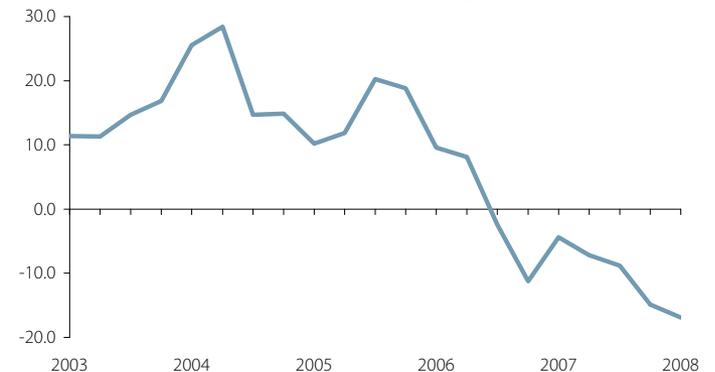
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	June	108,093	19.76	-18.05
Fifth District	June	12,793	15.53	-22.93
South Carolina	June	2,602	5.30	-19.29
Charleston MSA	June	475	34.94	-5.38
Columbia MSA	June	389	-6.49	-27.56
Greenville MSA	June	298	13.74	-27.14
Spartanburg MSA	June	106	-7.02	-37.65
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	1,066.0	9.11	-26.89
Fifth District	June	153.5	15.95	-20.09
South Carolina	June	31.2	5.69	-16.32
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	1Q:08	4,950.0	-0.94	-22.21
Fifth District	1Q:08	483.2	0.00	-25.57
South Carolina	1Q:08	94.4	3.06	-16.90
Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charleston MSA	1Q:08	201	-1.52	-8.25
Columbia MSA	1Q:08	142	-2.28	-0.63
Greenville MSA	1Q:08	155	-0.58	6.04
Spartanburg MSA	1Q:08	130.3	6.98	10.05

South Carolina Building Permits
Year-over-Year Percent Change through June 2008



South Carolina Existing Home Sales
Year-over-Year Percent Change through 1Q:08

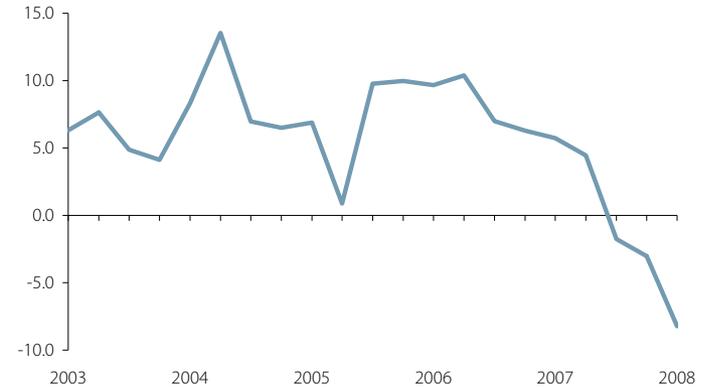


SOUTH CAROLINA

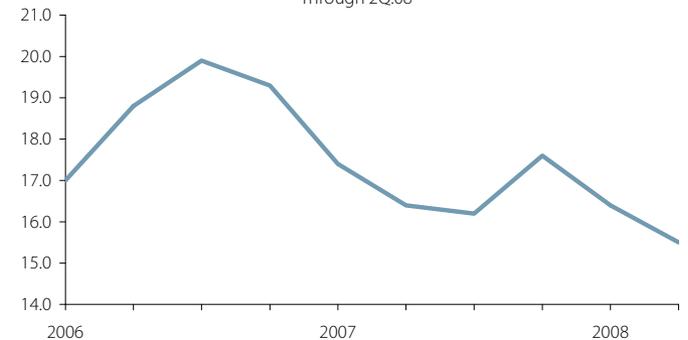
Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charleston MSA	1Q:08	197	-5.74	-6.19
Columbia MSA	1Q:08	137	-9.27	-0.72
Greenville MSA	1Q:08	144	-4.64	0.00
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-0.14	-0.34
South Carolina	1Q:08	328	0.92	3.82
Charleston MSA (1995=100)	1Q:08	275	0.61	1.54
Columbia MSA (1995=100)	1Q:08	178	1.18	5.30
Greenville MSA (1995=100)	1Q:08	172	1.67	5.67
Spartanburg MSA (1995=100)	1Q:08	159	-0.69	-0.69
Housing Opportunity Index ² (%)	1Q:08	4Q:07	4Q:06	
Charleston MSA	57.8	46.2	45.5	
Columbia MSA	77.2	72.1	74.3	
Greenville MSA	73.7	65.6	73.3	
Commercial Vacancy Rates (%)	2Q:08	1Q:08	2Q:07	
Office Vacancies				
Charleston	17.9	17.7	12.2	
Columbia	15.5	16.4	17.4	
Greenville	14.3	14.5	17.9	
Industrial Vacancies				
Charleston	13.4	13.0	8.5	
Greenville	8.8	9.5	10.9	

Charleston MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 1Q:08



Columbia MSA Office Vacancy Rate
Through 2Q:08



VIRGINIA

August Summary

Economic conditions in Virginia remained rather flat in recent months as labor markets stagnated and real estate conditions improved slightly.

On the employment front, Virginia shed 1,500 jobs (0.0 percent change) in June. Gains in some service sector industries offset losses in the goods-producing sector and cuts in financial activities, leisure and hospitality, and government. Household unemployment in the Commonwealth inched up 0.1 percentage point to 4.0 percent in June, although the state's jobless rate remained below the national 5.5 percent mark. The rate is tied with Maryland for the lowest unemployment of all Fifth District jurisdictions.

Real estate conditions in Virginia improved somewhat in June. Residential permitting activity grew 18.9 percent over the month after two months of decline, and housing starts grew 19.3 percent after weak growth in May (0.6 percent) and declines in January through April. Nonetheless, building permits and housing starts both marked their fifth consecutive months of year-over-year decline.

Drilling down further, payrolls grew across the state's major metro areas in June. Increases in Virginia metro areas were led by growth in the Virginia Beach-Norfolk MSA, which added 8,600 jobs (1.1 percent growth). The bulk of the job growth in the metro area was in the leisure and hospitality industry, which added 4,300 jobs. Although payrolls in the major metro areas grew at a faster pace than at the state level, the metro areas also saw steeper increases in unemployment. The Lynchburg, Richmond, and Virginia Beach MSAs all saw their jobless rates increase 0.5 percentage point, while Roanoke's unemployment grew 0.3 percentage point. Turning to real estate, residential permitting activity declined in the Richmond, Roanoke, and Virginia Beach-Norfolk metro areas, although it rose slightly in the Lynchburg MSA. Second quarter commercial vacancy rates in Richmond, however, were mixed as office vacancies jumped 1.3 percentage points to 13.4 percent and industrial vacancies edged down 0.3 percentage point to 7.1 percent.

A Closer Look at... Exports

Total Exports in May 2008: \$1,630.6 mil.

Percent of Exports Manufactured Goods: 76.5%

Highest Level since 2001: May 2008

Lowest Level since 2001: \$765.4 mil. in December 2002

Percent of Exports Manufactured Goods: 79.1%

Largest Year-over-Year Increase: 32.0% in October 2007

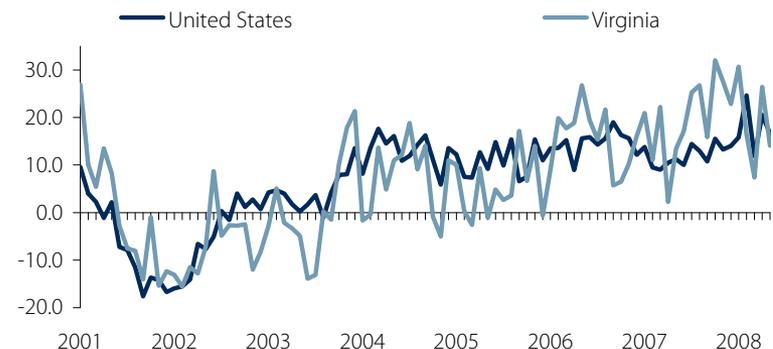
Largest Year-over-Year Decrease: -15.6% in February 2002

Largest Monthly Increase: 25.4% in March 2007

Largest Monthly Decrease: -17.9% in April 2007

Virginia Exports

Year-over-Year Percent Change through May 2008



VIRGINIA

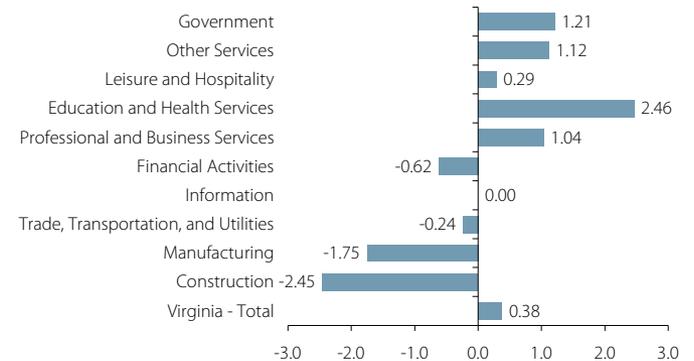
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	June	137,666.0	-0.04	0.03
Fifth District - Total	June	14,013.9	0.09	0.65
Virginia - Total	June	3,775.8	-0.04	0.38
Construction	June	234.9	-0.13	-2.45
Manufacturing	June	275.0	-0.29	-1.75
Trade, Transportation, and Utilities	June	667.0	0.24	-0.24
Information	June	90.5	0.11	0.00
Financial Activities	June	192.9	-0.31	-0.62
Professional and Business Services	June	651.4	0.23	1.04
Education and Health Services	June	428.5	0.59	2.46
Leisure and Hospitality	June	345.6	-0.80	0.29
Other Services	June	189.4	0.74	1.12
Government	June	693.5	-0.22	1.21
Lynchburg MSA - Total	June	111.0	0.36	2.30
Richmond MSA - Total	June	644.9	0.69	0.61
Roanoke MSA - Total	June	166.6	1.15	0.54
Virginia Beach-Norfolk MSA - Total	June	799.8	1.09	1.32

Unemployment Rate (SA)	June 08	May 08	June 07
United States	5.5	5.5	4.6
Fifth District	5.0	5.0	4.2
Virginia	4.0	3.9	3.0
Lynchburg MSA	4.5	4.0	3.7
Richmond MSA	4.5	4.0	3.2
Roanoke MSA	4.1	3.8	3.2
Virginia Beach-Norfolk MSA	4.4	3.9	3.3

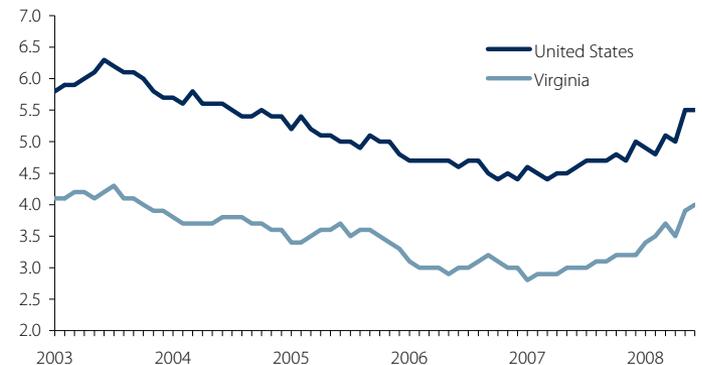
Virginia Payroll Employment Performance

Year-over-Year Percent Change through June 2008



Virginia Unemployment Rate

Through June 2008



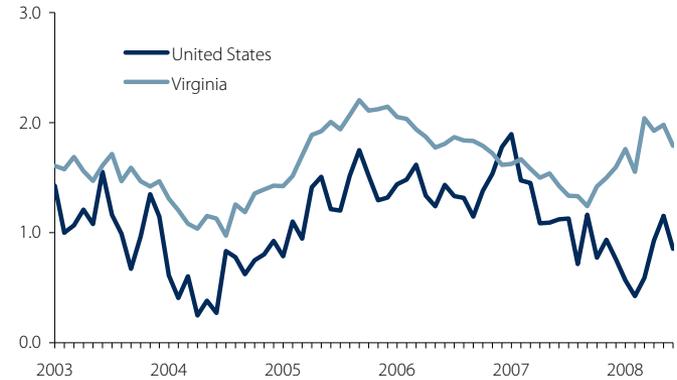
VIRGINIA

Labor Market Conditions

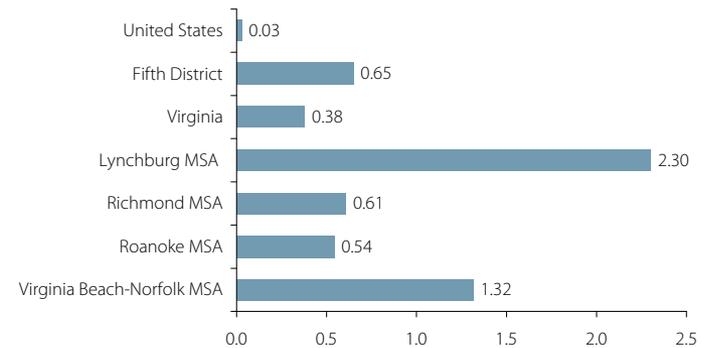
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	154,390	-0.09	0.85
Fifth District	June	14,985	-0.12	1.12
Virginia	June	4,124	-0.03	1.79
Lynchburg MSA	June	125	0.72	2.96
Richmond MSA	June	659	0.63	2.03
Roanoke MSA	June	160	0.95	1.66
Virginia Beach-Norfolk MSA	June	847	1.11	2.48

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	June	1,567,217	12.20	25.31
Fifth District	June	135,755	7.96	28.73
Virginia	June	21,516	-0.19	21.95

Virginia Labor Force
Year-over-Year Percent Change through June 2008



Virginia Total Employment Performance
Year-over-Year Percent Change through June 2008

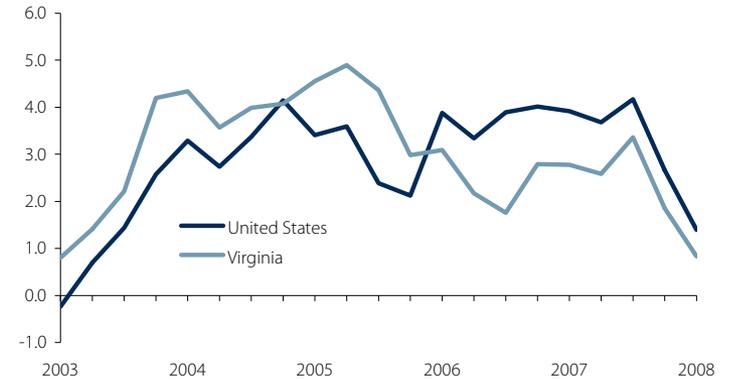


VIRGINIA

Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	1Q:08	9,998,852	0.45	1.39
Fifth District	1Q:08	949,038	0.24	1.18
Virginia	1Q:08	272,117	0.40	0.83
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Richmond MSA	2008	69.3	---	0.87
Roanoke MSA	2007	56.3	---	---
Virginia Beach-Norfolk MSA	2008	65.1	---	1.56
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	236,982	8.49	26.48
Fifth District	1Q:08	18,897	9.97	26.06
Virginia	1Q:08	6,136	14.33	41.87
Mortgage Delinquencies (% Delinquent)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	4.43	4.78	3.09
All Mortgages		5.64	6.31	4.33
Conventional		3.30	3.55	2.31
Subprime		17.05	18.82	12.45
Virginia	1Q:08	4.43	4.78	3.09
All Mortgages		4.43	4.78	3.09
Conventional		2.61	2.70	1.67
Subprime		17.07	18.15	11.02

Virginia Real Personal Income
Year-over-Year Percent Change through 1Q:08



Virginia Mortgage Delinquencies - All
Percent Delinquent through 1Q:08



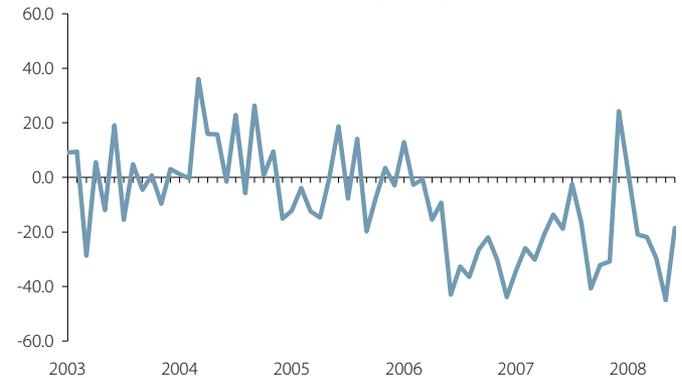
VIRGINIA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	June	108,093	19.76	-18.05
Fifth District	June	12,793	15.53	-22.93
Virginia	June	2,699	18.90	-18.51
Lynchburg MSA	June	78	2.63	-1.27
Richmond MSA	June	377	-6.22	-35.78
Roanoke MSA	June	59	-13.24	-32.95
Virginia Beach-Norfolk MSA	June	953	152.79	102.77
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	1,066.0	9.11	-26.89
Fifth District	June	153.5	15.95	-20.09
Virginia	June	32.4	19.30	-15.52
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	1Q:08	4,950.0	-0.94	-22.21
Fifth District	1Q:08	483.2	0.00	-25.57
Virginia	1Q:08	102.0	0.00	-24.78
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	July	15,248	0.39	5.84
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	July	299,900	-0.84	-9.03

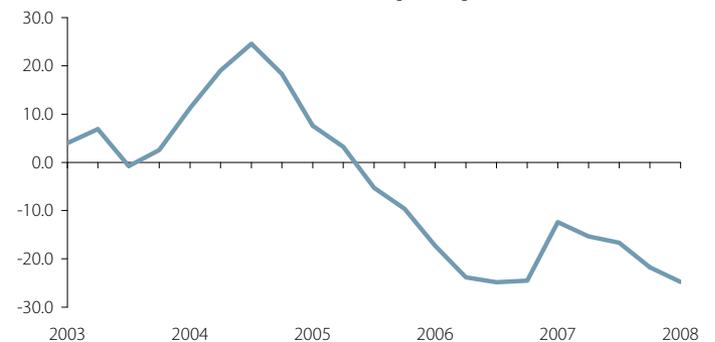
Virginia Building Permits

Year-over-Year Percent Change through June 2008



Virginia Existing Home Sales

Year-over-Year Percent Change through 1Q:08

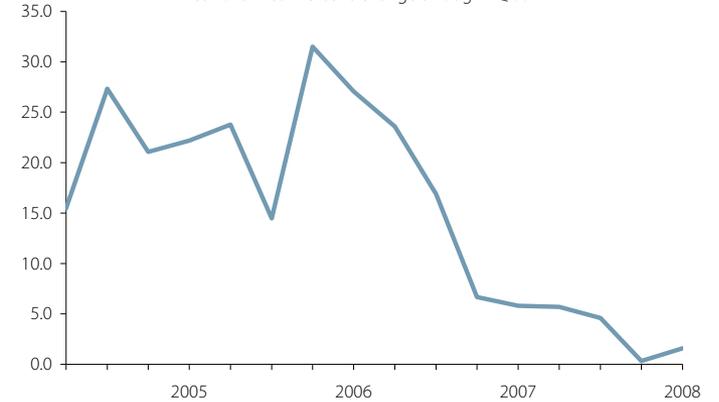


VIRGINIA

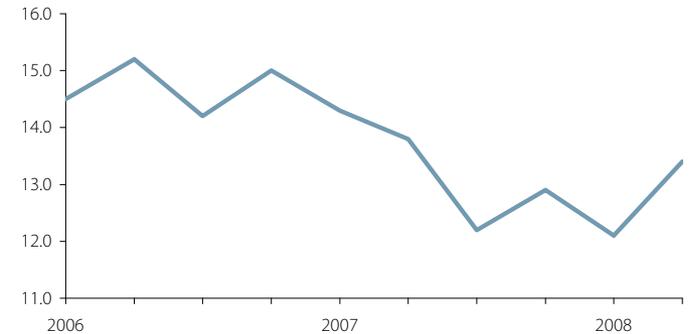
Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	1Q:08	---	---	---
Virginia Beach-Norfolk MSA	1Q:08	238	0.68	1.58
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	1Q:08	224	-2.61	0.45
Roanoke MSA	1Q:08	---	---	---
Virginia Beach-Norfolk MSA	1Q:08	217	-1.36	-2.69
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-0.14	-0.34
Virginia	1Q:08	471	-0.23	-0.06
Lynchburg MSA (1995=100)	1Q:08	197	0.12	4.12
Richmond MSA (1995=100)	1Q:08	225	0.04	2.36
Roanoke MSA (1995=100)	1Q:08	200	2.51	4.46
Virginia Beach-Norfolk MSA (1995=100)	1Q:08	260	-0.45	1.49
Housing Opportunity Index ² (%)	1Q:08	4Q:07	1Q:07	
Richmond MSA	59.7	54.6	56.5	
Roanoke MSA	---	59.1	58.2	
Virginia Beach-Norfolk MSA	56.5	50.1	49.5	
Commercial Vacancy Rates (%)	2Q:08	1Q:08	2Q:07	
Office Vacancies	Richmond	13.4	12.1	13.8
Industrial Vacancies	Richmond	7.1	7.4	8.0

Virginia Beach-Norfolk MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 1Q:08



Richmond MSA Office Vacancy Rate
Through 2Q:08



WEST VIRGINIA

August Summary

The West Virginia economy improved somewhat in recent months, as payroll employment increased slightly and the housing market exhibited some encouraging signs.

Labor markets in West Virginia strengthened a bit in June, as the state added 1,800 jobs (0.2 percent) after two months of losses. The manufacturing sector, which shed 200 jobs for its third straight month of payroll declines, was the only goods-producing industry to reduce employment in June. On the service-providing side, all industries added jobs except for leisure and hospitality, and government, which shed 100 jobs each. Household unemployment in June was flat at 5.3 percent from May, remaining 0.2 percentage point below the national rate.

Turning to real estate markets, residential permitting activity in West Virginia was up 42.9 percent in June – the largest monthly increase since January 2006. Nonetheless, permit levels were down 13.8 percent over the year, for the sixth successive month of year-over-year decline. Housing starts were also up 43.4 percent in June after a 32.9 percent decline in May.

Metro-level conditions in West Virginia were mixed, although somewhat more downbeat than in the state as a whole. Two out of four major metro areas shed jobs in June; the Charleston metro area gained 1,400 jobs and the Parkersburg area added 100 jobs, while the Huntington and Morgantown MSAs shed 400 and 2,000 jobs, respectively. In addition, the unemployment rate of every major metro area inched higher. The smallest increase was from 4.4 percent in Charleston to 4.8 percent in June. The largest jump was in the Parkersburg MSA that reported 5.9 percent unemployment in June – a 0.7 percentage-point increase from May. In real estate, only the Charleston MSA saw a drop in residential permitting activity; the Huntington, Morgantown, and Parkersburg MSAs all saw permit level increases in June.

A Closer Look at...Exports

Total Exports in May 2008: \$571.4 mil.

Percent of Exports Manufactured Goods: 56.1%

Highest Level since 2001: May 2008

Lowest Level since 2001: \$165.9 mil. in March 2003

Percent of Exports Manufactured Goods: 89.0%

Largest Year-over-Year Increase: 79.7% in May 2008

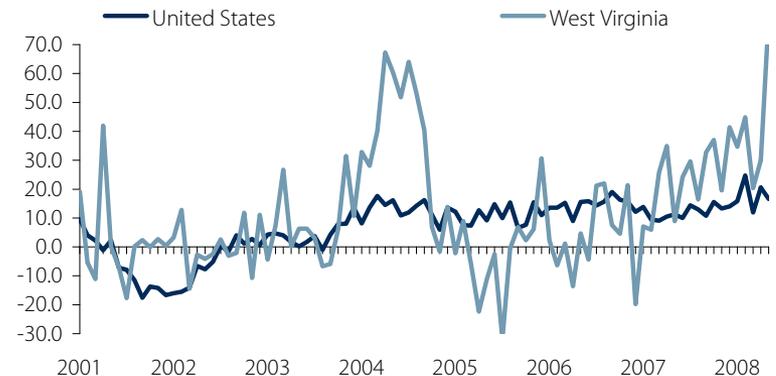
Largest Year-over-Year Decrease: -31.9% in July 2005

Largest Monthly Increase: 39.7% in May 2008

Largest Monthly Decrease: -28.1% in July 2005

West Virginia Exports

Year-over-Year Percent Change through May 2008



WEST VIRGINIA

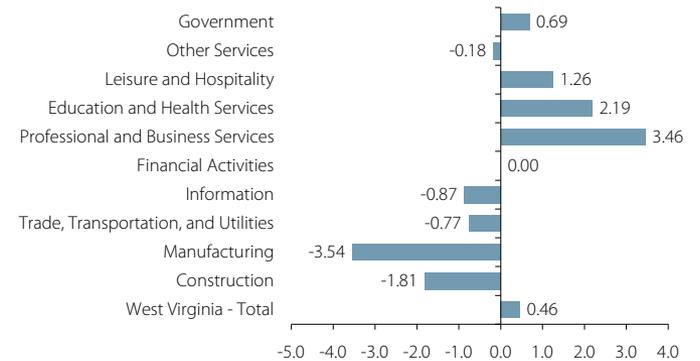
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	June	137,666.0	-0.04	0.03
Fifth District - Total	June	14,013.9	0.09	0.65
West Virginia - Total	June	761.4	0.24	0.46
Construction	June	37.9	0.00	-1.81
Manufacturing	June	57.2	-0.35	-3.54
Trade, Transportation, and Utilities	June	141.9	0.21	-0.77
Information	June	11.4	0.00	-0.87
Financial Activities	June	29.7	0.34	0.00
Professional and Business Services	June	62.8	0.80	3.46
Education and Health Services	June	116.6	0.43	2.19
Leisure and Hospitality	June	72.4	-0.14	1.26
Other Services	June	55.5	0.54	-0.18
Government	June	146.3	-0.07	0.69
Charleston MSA - Total	June	152.1	0.93	-0.65
Huntington MSA - Total	June	120.5	-0.33	0.17
Morgantown MSA - Total	June	61.3	-3.16	3.03
Parkersburg MSA - Total	June	73.2	0.14	-0.41

Unemployment Rate (SA)	June 08	May 08	June 07
United States	5.5	5.5	4.6
Fifth District	5.0	5.0	4.2
West Virginia	5.3	5.3	4.5
Charleston MSA	4.8	4.4	4.2
Huntington MSA	5.8	5.2	5.1
Morgantown MSA	4.1	3.5	3.5
Parkersburg MSA	5.9	5.2	5.1

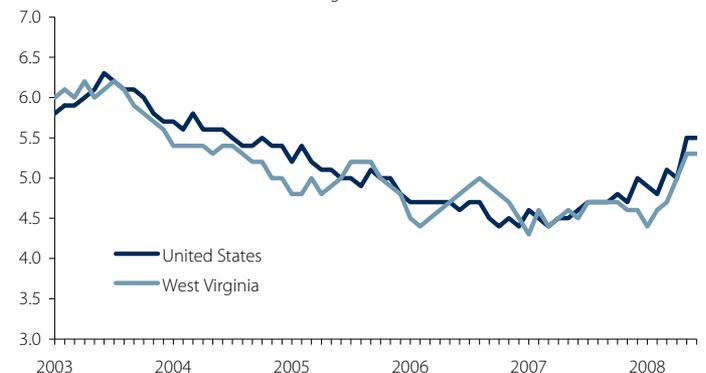
West Virginia Payroll Employment Performance

Year-over-Year Percent Change through June 2008



West Virginia Unemployment Rate

Through June 2008



WEST VIRGINIA

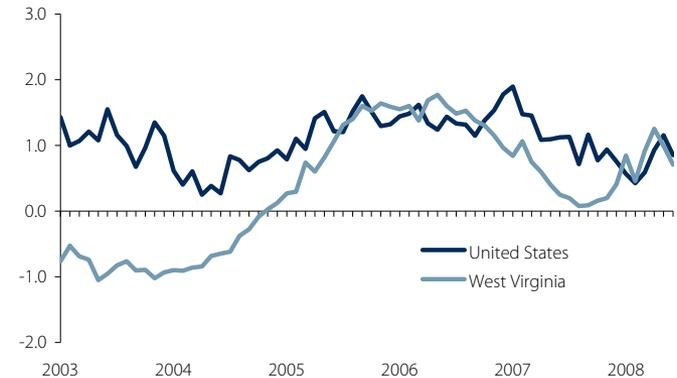
Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	154,390	-0.09	0.85
Fifth District	June	14,985	-0.12	1.12
West Virginia	June	814	-0.28	0.71
Charleston MSA	June	143	2.28	-0.07
Huntington MSA	June	136	0.97	0.67
Morgantown MSA	June	64	-1.24	3.42
Parkersburg MSA	June	81	1.38	0.50

Initial Unemployment Claims (NSA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	1,567,217	12.20	25.31
Fifth District	June	135,755	7.96	28.73
West Virginia	June	4,999	1.81	12.62

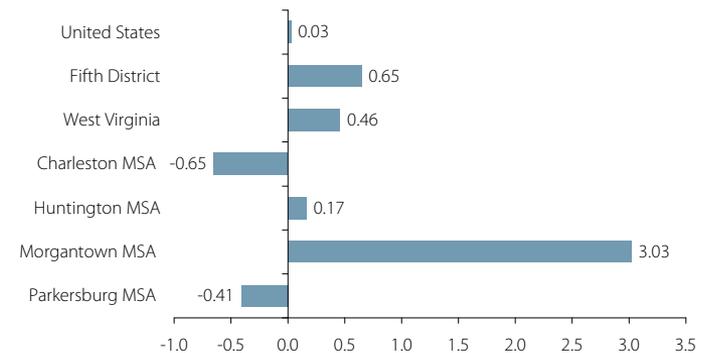
West Virginia Labor Force

Year-over-Year Percent Change through June 2008



West Virginia Total Employment Performance

Year-over-Year Percent Change through June 2008

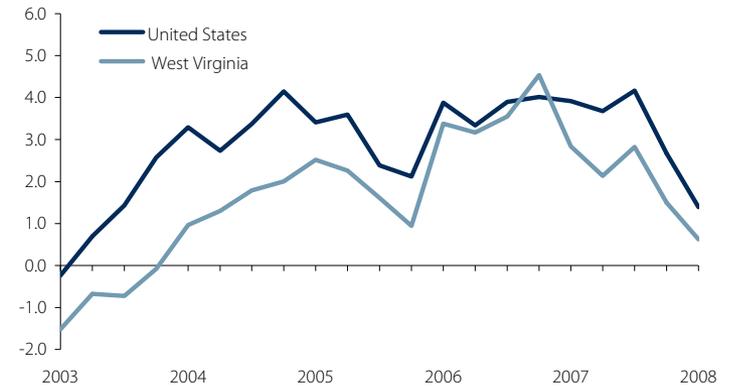


WEST VIRGINIA

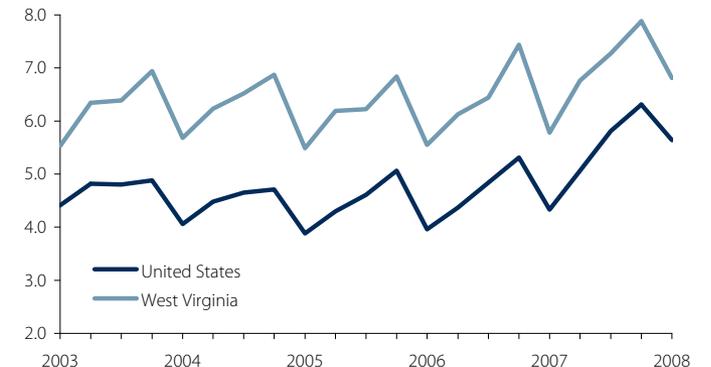
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	1Q:08	9,998,852	0.45	1.39
Fifth District	1Q:08	949,038	0.24	1.18
West Virginia	1Q:08	45,715	0.00	0.62
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	236,982	8.49	26.48
Fifth District	1Q:08	18,897	9.97	26.06
West Virginia	1Q:08	1,172	8.32	9.84
Mortgage Delinquencies (% Delinquent)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	5.64	6.31	4.33
All Mortgages		5.64	6.31	4.33
Conventional		3.30	3.55	2.31
Subprime		17.05	18.82	12.45
West Virginia	1Q:08	6.81	7.88	5.78
All Mortgages		6.81	7.88	5.78
Conventional		4.42	5.16	4.03
Subprime		20.21	22.22	15.83

West Virginia Real Personal Income
Year-over-Year Percent Change through 1Q:08



West Virginia Mortgage Delinquencies - All
Percent Delinquent through 1Q:08

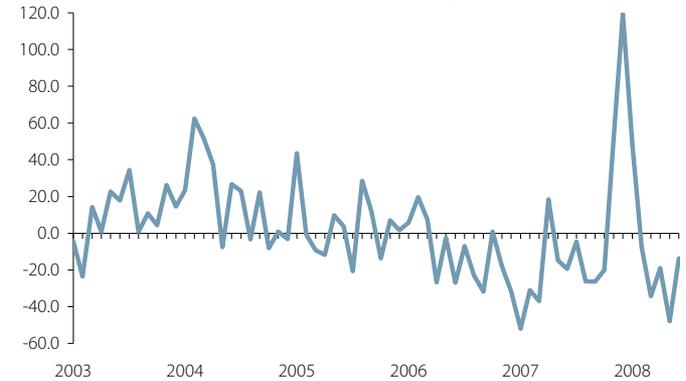


WEST VIRGINIA

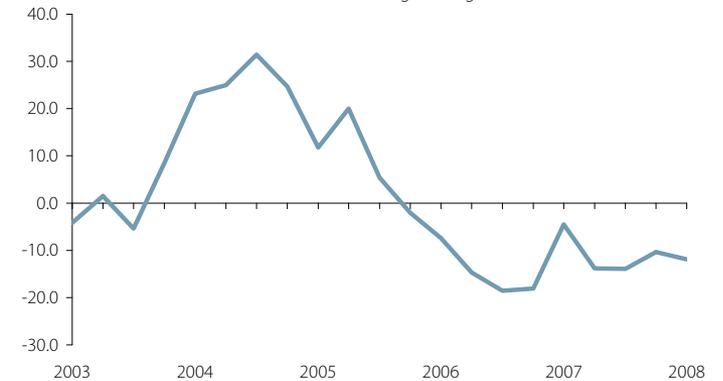
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	June	108,093	19.76	-18.05
Fifth District	June	12,793	15.53	-22.93
West Virginia	June	300	42.86	-13.79
Charleston MSA	June	10	-61.54	-64.29
Huntington MSA	June	5	66.67	-61.54
Morgantown MSA	June	30	328.57	2900.00
Parkersburg MSA	June	8	60.00	-63.64
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	June	1,066.0	9.11	-26.89
Fifth District	June	153.5	15.95	-20.09
West Virginia	June	3.6	43.43	-10.67
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	1Q:08	4,950.0	-0.94	-22.21
Fifth District	1Q:08	483.2	0.00	-25.57
West Virginia	1Q:08	29.6	7.25	-11.90
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-0.14	-0.34
West Virginia	1Q:08	236	0.83	2.47
Charleston MSA (1995=100)	1Q:08	157	-0.54	2.88
Huntington MSA (1995=100)	1Q:08	174	1.24	3.82
Morgantown MSA (1995=100)	1Q:08	184	-0.01	1.52
Parkersburg MSA (1995=100)	1Q:08	162	0.28	4.40
Median Home Sales Price - NAR	Period	Level (\$ 000s)	QoQ % Change	YoY % Change
Charleston MSA	1Q:08	117	-4.96	1.39

West Virginia Building Permits
Year-over-Year Percent Change through June 2008



West Virginia Existing Home Sales
Year-over-Year Percent Change through 1Q:08



Payroll Employment / Unemployment

Bureau of Labor Statistics
 Haver Analytics
<http://www.bls.gov>

Civilian Labor Force

Bureau of Labor Statistics
 Haver Analytics
<http://www.bls.gov/cps>

Unemployment Insurance Claims

U.S. Department of Labor
 Haver Analytics
<http://www.dol.gov>

District Imports / Exports

U.S. Census Bureau
 Haver Analytics
<http://www.census.gov>

Personal Income

Bureau of Economic Analysis
 Haver Analytics
<http://www.bea.gov>

Median Family Income

National Association of Home Builders/Wells Fargo
 Haver Analytics
<http://www.nahb.org>

Bankruptcy Filings

Administrative Office of the U.S. Courts
 Haver Analytics
<http://www.uscourts.gov/library.html>

Mortgage Loans Past Due

Mortgage Bankers Association of America
 Haver Analytics
<http://www.mortgagebankers.org>

Private Building Permits

U.S. Census Bureau
 Haver Analytics
<http://www.census.gov>

Private Housing Starts

Bank of Tokyo-Mitsubishi
 Haver Analytics
<http://www.bk.mufg.jp/english/index.html>

Existing Home Sales

National Association of Realtors
 Haver Analytics
<http://www.realtor.org>

Pending Home Sales Index

National Association of Realtors
 Haver Analytics
<http://www.realtor.org>

Months' Supply of Home

National Association of Realtors
 Haver Analytics
<http://www.realtor.org>

Median Home Sales Price - NAR

National Association of Realtors
 Haver Analytics
<http://www.realtor.org>

Median Home Sales Price - NAHB

National Association of Home Builders/Wells Fargo
 Haver Analytics
<http://www.nahb.org>

House Price Index

Office of Federal Housing Enterprise Oversight
 Haver Analytics
<http://www.ofheo.gov>

Housing Opportunity Index

National Association of Home Builders/Wells Fargo
 Haver Analytics
<http://www.nahb.org>

Commercial Vacancy Rates

CB Commercial Real Estate Group, Inc.
 Haver Analytics
<http://www.cbre.com>

Home Inventory / Asking Price

Housing Tracker.Net
<http://www.housingtracker.net/>

NOTES

¹ Pending Home Sales Index: Measure of signed real estate contracts for existing single-family homes, condos, and co-ops

² Housing Opportunity Index: Share of homes sold considered to be affordable to a family earning the area's median income

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