

SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY
FEBRUARY 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 4
Real Estate Market	Virginia 5

West Virginia

Summary	West Virginia 1
Labor Market	West Virginia 2
Household Conditions	West Virginia 4
Real Estate Market	West Virginia 5

Sources

Data Sources	Sources 1
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FIFTH DISTRICT

February Summary

Recent assessments of economic conditions in the Fifth District were generally positive with solid readings on employment and brighter news from the housing sector. Hiring activity at District firms picked up in December, though gains were muted somewhat by job losses in construction, information, and manufacturing payrolls. Taking a longer perspective, District labor markets outperformed the U.S. over the past twelve months with payrolls increasing 1.5 percent compared to a 1.0 percent gain nationally.

Data from the household survey were mixed. Although some District jurisdictions saw increases in unemployment, the region's overall unemployment rate remained below the national rate. Nonetheless, the District's rate edged up four-tenths of a percentage point in December to finish the year at 4.6 percent. Meanwhile, the national mark increased three-tenths of a percentage point in December to finish 2007 at 5.0 percent.

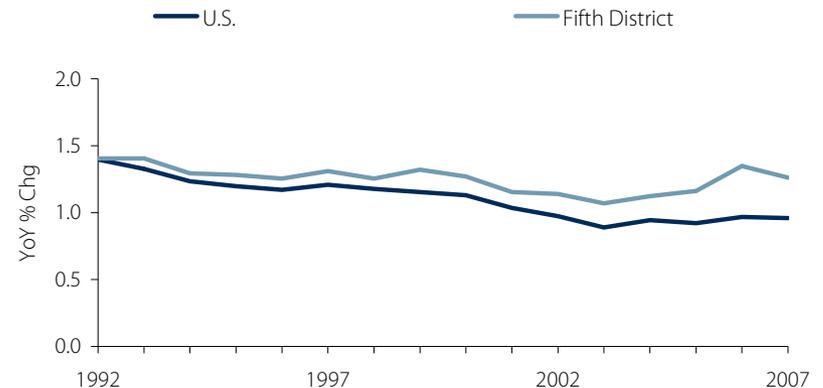
Reports from District businesses were notably softer in recent weeks. Manufacturing activity drifted lower, revenue growth at services firms cooled, and District merchants reported generally lackluster holiday sales. Our survey measures of prices were up across the board in January and above where they were a year ago.

Recent news from the housing market was a bit more encouraging. Although permitting activity was down about 1.2 percent in December, new housing starts were up 8.0 percent. Reports on home sales were generally downbeat, though Realtors in several markets expect some pick up in activity during the spring.

A Closer Look at...Population Growth

According to recent data, the Fifth District's population continued to grow in 2007, though the pace decelerated slightly to an annual rate of 1.3 percent. The District's population has been expanding at a faster pace than the U.S. in recent years, increasing at an average annual rate of 1.2 percent during the last five years compared to an average U.S. rate of 0.9 percent. The District now accounts for 9.7 percent of the nation's population – its highest share in thirty years – despite net population losses in two District jurisdictions (District of Columbia and West Virginia) between 1977 and 2007.

Fifth District Population Growth



FIFTH DISTRICT

Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	December	138,495.0	0.01	0.97
Fifth District - Total	December	13,984.2	0.16	1.47
Construction	December	879.7	-0.08	1.39
Manufacturing	December	1,259.6	-0.17	-1.69
Trade, Transportation, and Utilities	December	2,478.7	0.16	1.00
Information	December	281.0	-0.25	0.93
Financial Activities	December	733.1	0.22	1.44
Professional and Business Services	December	1,999.2	0.33	2.61
Education and Health Services	December	1,723.5	0.17	2.67
Leisure and Hospitality	December	1,323.7	0.21	2.81
Other Services	December	685.3	0.28	1.81
Government	December	2,559.7	0.24	1.18

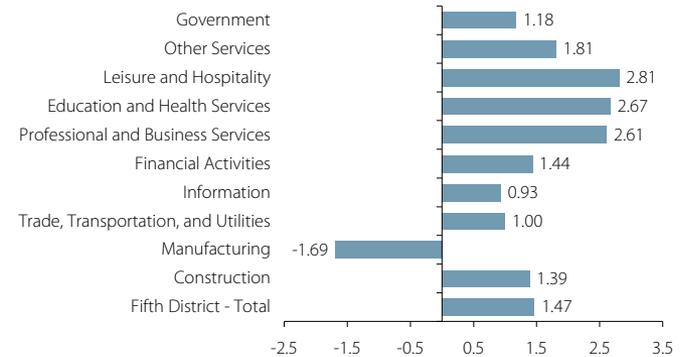
Unemployment Rate (SA)	December 07	November 07	December 06
United States	5.0	4.7	4.4
Fifth District	4.6	4.2	4.4

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	153,866	0.02	0.76
Fifth District	December	14,934	-0.01	0.54

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	December	1,892,191	21.22	7.11
Fifth District	December	144,128	0.02	1.70

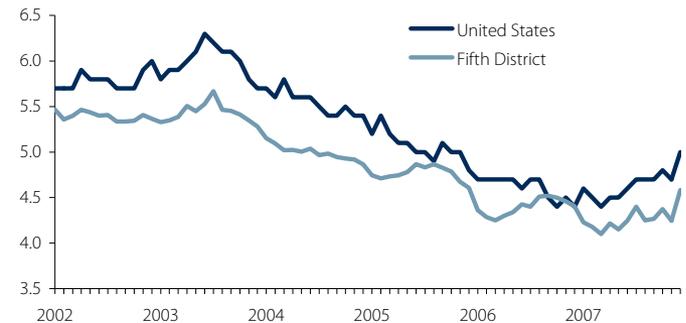
Fifth District Payroll Employment Performance

Year-over-Year Percent Change through December 2007



Fifth District Unemployment Rate

Through December 2007

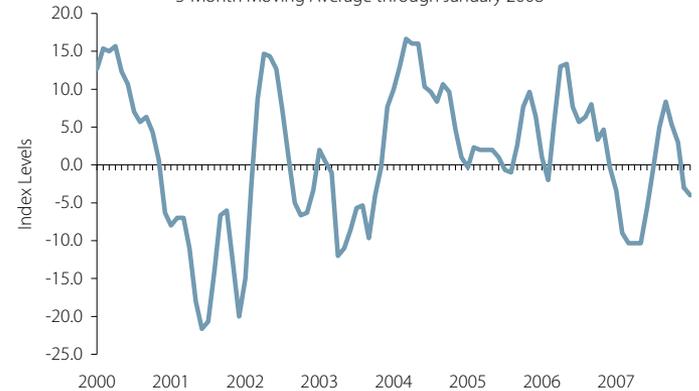


FIFTH DISTRICT
Business Conditions

Manufacturing Survey (SA)	January 2008	December 2007	January 2007	
Composite Index	-8	-4	-11	
Shipments	-17	-10	-13	
New Orders	-3	-6	-12	
Number of Employees	-2	5	-5	
Expected Shipments - Six Months	31	24	45	
Raw Material Prices (SAAR)	4.23	3.19	2.71	
Finished Good Prices (SAAR)	1.76	2.32	2.28	
Service Sector Survey (SA)	January 2008	December 2007	January 2007	
Service Firm Revenues	-1	2	11	
Service Firm Employment	-2	-4	12	
Retail Revenues	-30	-2	-26	
Big-Ticket Sales	-40	-27	-34	
Expected Retail Demand - Six Months	0	-3	10	
Service Firm Prices	0.88	0.64	0.58	
Retail Prices	1.52	1.58	1.64	
District Imports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	December	2,348.25	0.65	-3.98
Wilmington, North Carolina	December	490.03	16.37	-16.62
Charleston, South Carolina	December	3,312.72	-1.04	6.56
Norfolk, Virginia	December	2,717.35	-5.25	2.33
District Exports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	December	1,446.82	22.49	55.35
Wilmington, North Carolina	December	305.01	-7.86	65.39
Charleston, South Carolina	December	1,888.79	-4.17	33.69
Norfolk, Virginia	December	2,110.96	-3.89	24.14

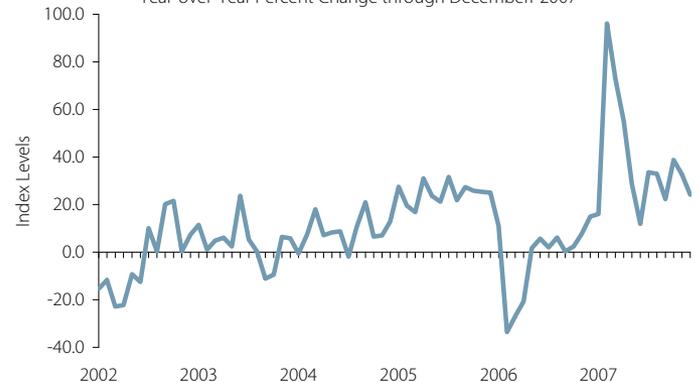
Composite Manufacturing Index

3-Month Moving Average through January 2008



Norfolk Port District Exports

Year-over-Year Percent Change through December 2007



FIFTH DISTRICT

Household Conditions

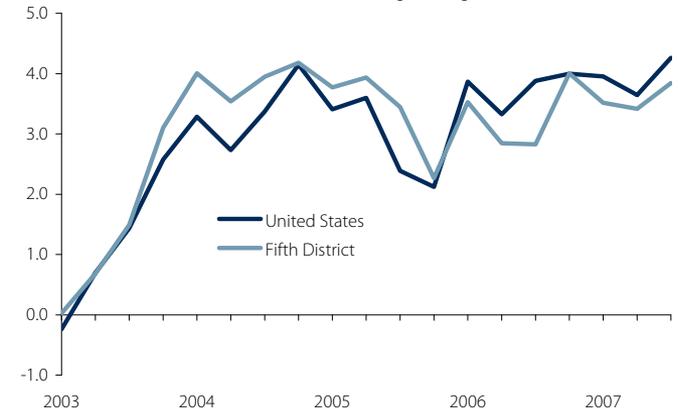
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:07	9,952,389	0.96	4.26
Fifth District	3Q:07	946,869	0.88	3.85
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46

FIFTH DISTRICT

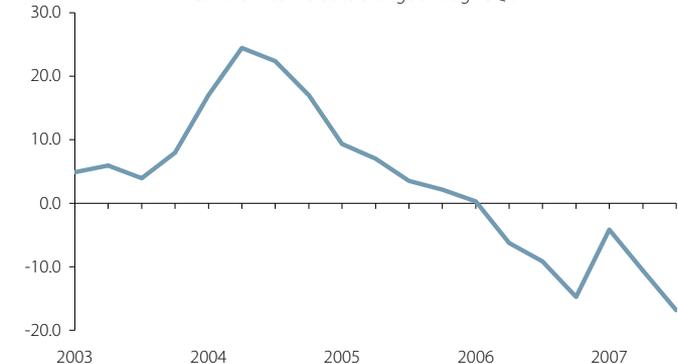
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	December	74,457	-13.53	-34.16
Fifth District	December	11,722	-1.21	-27.21
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States (SAAR)	December	1,006	-14.24	-38.24
Fifth District (SAAR)	December	171	7.97	-21.37
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:07	408	-0.36	1.79
Fifth District	3Q:07	398	0.26	2.92
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	3Q:07	5,423	-8.35	-13.74
Fifth District (SAAR)	3Q:07	526	-13.21	-16.84

Fifth District Real Personal Income
Year-over-Year Percent Change through 3Q:07



Fifth District Existing Home Sales
Year-over-Year Percent Change through 3Q:07



DISTRICT OF COLUMBIA

February Summary

Economic conditions in the District of Columbia and its neighboring suburbs remained strong in December with solid employment growth and some recovery in the housing sector. D.C. firms added 2,400 jobs in December, on the heels of stagnant growth the previous month. Over the past year, employment in the area expanded 1.5 percent, outpacing the U.S. increase of 1.0 percent. Job growth was strong across the Washington, D.C. metro area as well; employment in the MSA was up 0.4 percent from November and 1.4 percent from a year ago. The bulk of D.C.'s payroll growth continued to be in business and financial services, with year-over-year gains of 3.5 and 2.7 percent, respectively. It was a similar story at the metro area level. The Washington D.C. MSA saw sharp twelve-month increases in business and financial services payrolls as well as increased hiring at retail trade firms. Hiring activity has not been equally robust across sectors, however. The pace of job growth in the MSA's government sector, for example, hit a three-year low, increasing just 0.5 percent from a year earlier.

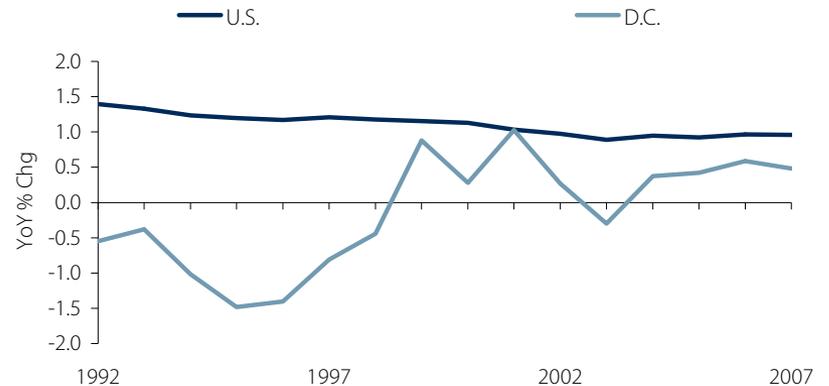
Turning to households, the District of Columbia's unemployment rate edged higher in December to end the year at 5.7 percent. D.C.'s rate was above the national mark of 5.0 percent, but four-tenths of a percentage point below its rate of from a year ago. The Washington, D.C. MSA posted an unemployment rate of 3.2 percent, a 0.2 percentage point increase over the past year.

In real estate markets, although housing sales remain sluggish, the District of Columbia saw an increase in private building permits and private housing starts. Similarly, the Washington D.C. MSA saw a 117.3 percent increase in building permits over the past year, which is the area's largest increase in one year since 1983. The reports on commercial vacancy rates in the D.C. metro area were mixed. Office vacancies increased by seven-tenths of a percentage point from the third to the fourth quarter of 2007, while industrial vacancies decreased by 1.4 percentage points.

A Closer Look at...Population Growth

Recent data from the Bureau of the Census indicates that the District of Columbia's population grew by 0.5 percent in 2007, marking its fourth consecutive year of positive growth. Over the past thirty years, the population in D.C. has declined by 13.1 percent. That trend, however, seems to be undergoing a change. Between 1965 and 1999, the D.C. population declined almost every year (the only exceptions were the years 1984 - 1986). Over this time period, the population declined at an annual rate of 1.0 percent. Since 1999, however, D.C.'s annual growth rates have been almost entirely positive, with an average annual growth rate of 0.4 percent. Since 2002, the D.C. population has increased 1.6 percent.

District of Columbia Population Growth



DISTRICT OF COLUMBIA

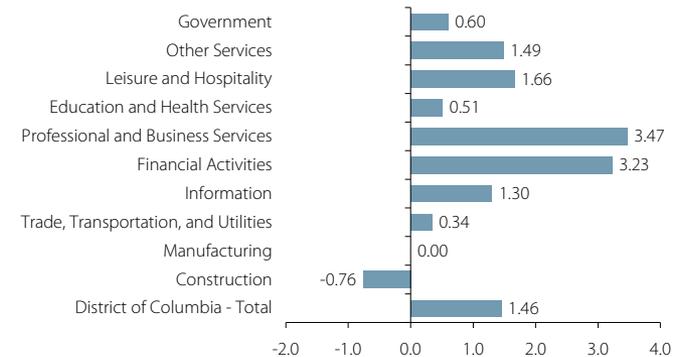
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	December	138,495.0	0.01	0.97
Fifth District - Total	December	13,984.2	0.16	1.47
District of Columbia - Total	December	704.1	0.34	1.46
Construction	December	13.0	0.00	-0.76
Manufacturing	December	1.6	0.00	0.00
Trade, Transportation, and Utilities	December	29.2	2.46	0.34
Information	December	23.3	0.43	1.30
Financial Activities	December	19.2	-0.52	3.23
Professional and Business Services	December	161.1	0.25	3.47
Education and Health Services	December	98.1	-0.71	0.51
Leisure and Hospitality	December	55.0	0.00	1.66
Other Services	December	61.3	0.82	1.49
Government	December	234.2	0.00	0.60
Washington, D.C. MSA - Total	December	2,462.1	0.38	1.44

Unemployment Rate (SA)	December 07	November 07	December 06
United States	5.0	4.7	4.4
Fifth District	4.6	4.2	4.4
District of Columbia	5.7	5.8	6.1
Washington, D.C. MSA	3.2	3.1	3.0

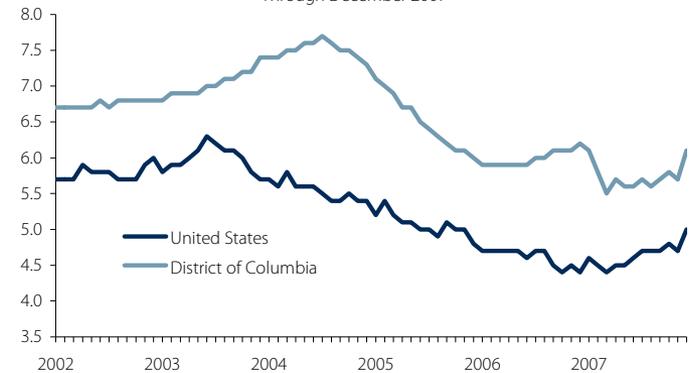
D.C. Payroll Employment Performance

Year-over-Year Percent Change through December 2007



D.C. Unemployment Rate

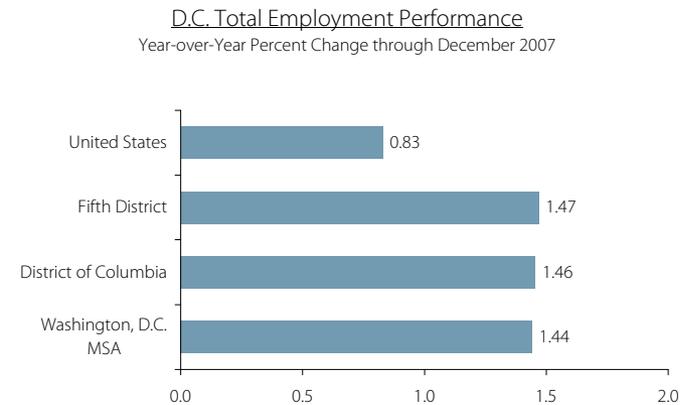
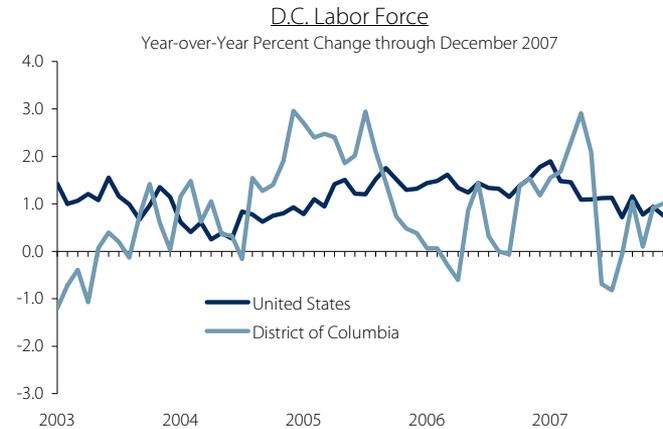
Through December 2007



DISTRICT OF COLUMBIA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	153,866	0.02	0.76
Fifth District	December	14,934	-0.01	0.54
District of Columbia	December	321	0.06	1.01
Washington, D.C. MSA	December	2,352	-0.28	0.40
Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	December	1,892,191	21.22	7.11
Fifth District	December	144,128	0.02	1.70
District of Columbia	December	1,383	21.22	5.49

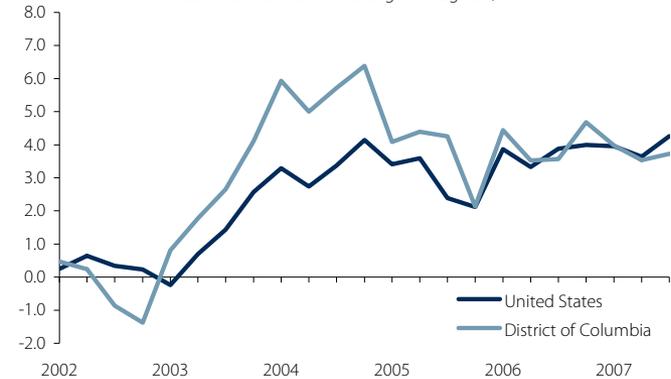


DISTRICT OF COLUMBIA

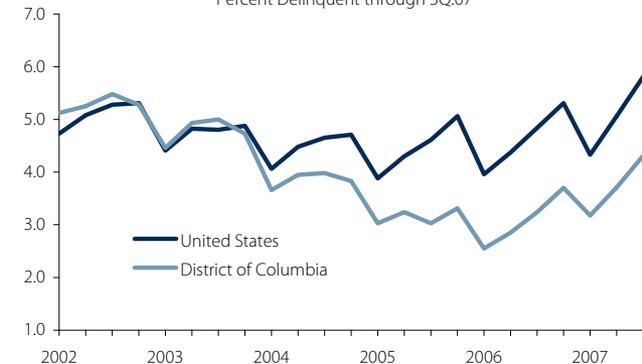
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:07	9,952,389	0.96	4.26
Fifth District	3Q:07	946,869	0.88	3.85
District of Columbia	3Q:07	30,195	0.96	3.72
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	2007	92.6	---	---
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46
District of Columbia	3Q:07	164	3.80	20.59
Mortgage Delinquencies (% Delinquent)	3Q:07	2Q:07	3Q:06	
United States				
All Mortgages	5.81	5.06	4.84	
Conventional	3.25	2.63	2.52	
Subprime	16.68	14.54	12.95	
District of Columbia				
All Mortgages	4.31	3.71	3.24	
Conventional	2.75	2.20	1.91	
Subprime	15.63	13.71	10.29	

D.C. Real Personal Income
Year-over-Year Percent Change through 3Q:07



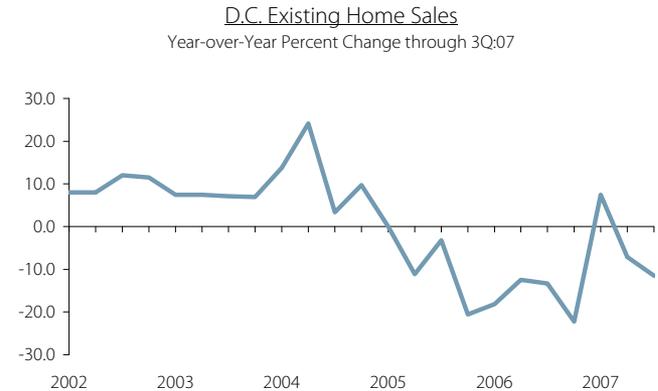
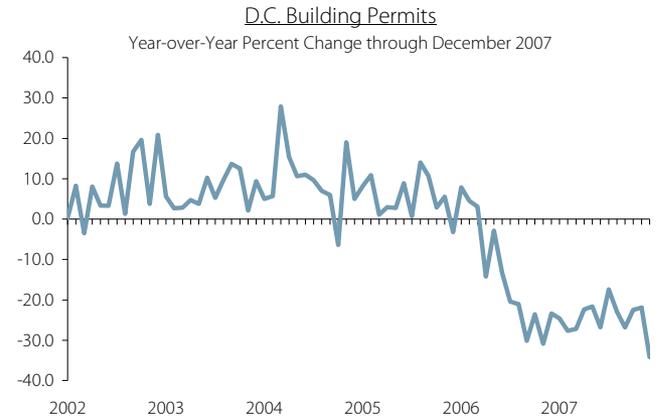
D.C. Mortgage Delinquencies - All
Percent Delinquent through 3Q:07



DISTRICT OF COLUMBIA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	December	74,457	-13.53	-34.16
Fifth District	December	11,722	-1.21	-27.21
District of Columbia	December	146	1,985.71	180.77
Washington, D.C. MSA	December	2,341	109.39	117.36
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	1,006.0	-14.24	-38.24
Fifth District	December	170.8	7.97	-21.37
District of Columbia	December	2.1	2,266.67	204.29
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	3Q:07	5,420.0	-8.40	-13.79
Fifth District (SAAR)	3Q:07	525.6	-13.21	-16.84
District of Columbia (SAAR)	3Q:07	9.2	-11.54	-11.54
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Washington, D.C. MSA	January	35,292	0.21	31.27
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Washington, D.C. MSA	January	362,500	-1.01	-17.49

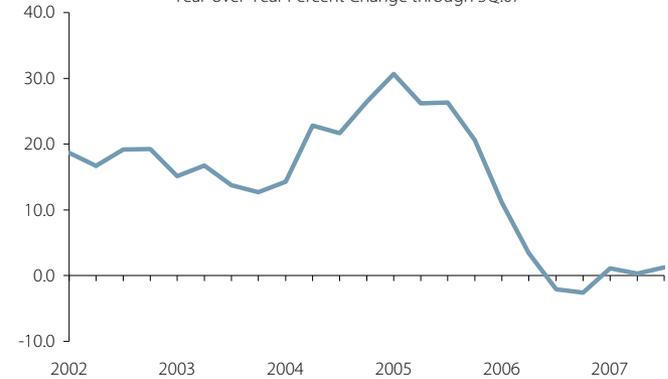


DISTRICT OF COLUMBIA

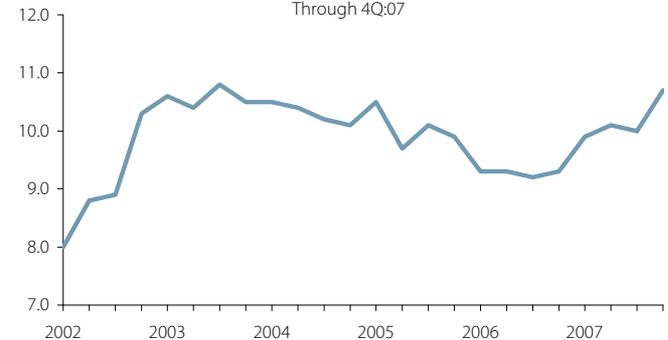
Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	3Q:07	438	-1.73	1.25
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	3Q:07	371	0.27	-11.67
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:07	408	-0.36	1.79
Fifth District	3Q:07	398	0.26	2.92
District of Columbia	3Q:07	674	1.58	5.23
Washington, D.C. MSA (1995=100)	3Q:07	280	-0.87	-0.33
Housing Opportunity Index ² (%)	3Q:07	2Q:07	3Q:06	
Washington, D.C. MSA	35.0	37.8	20.5	
Commercial Vacancy Rates (%)	4Q:07	3Q:07	4Q:06	
Office Vacancies	Washington, D.C. MSA	10.7	10.0	9.3
Industrial Vacancies	Washington, D.C. MSA	14.1	15.5	13.9

D.C. MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 3Q:07



D.C. MSA Office Vacancy Rate
Through 4Q:07



MARYLAND

February Summary

Maryland's economy advanced at a modest pace in December behind solid employment gains and a mild improvement in the state's housing sector. State payrolls increased for the second month in a row in December and Maryland experienced a 1.4 percent increase in payroll employment over the past year. Job growth was not consistent across metro areas, however. The Hagerstown metro area posted a slight reduction in payrolls during the final month of 2007, while the Baltimore, Bethesda, and Cumberland metro areas all added jobs in December and over the past year.

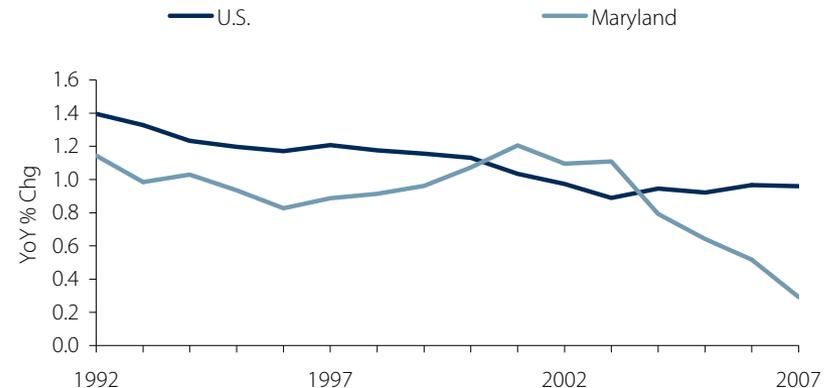
On the household side, Maryland's unemployment rate inched up one-tenth of a percentage point, finishing the year at 3.8 percent. However, Maryland's rate was still below last December's mark of 3.9 percent. Unemployment, like job growth, was not uniform across metro areas. In the Baltimore-Towson MSA and the Bethesda-Frederick MSA, unemployment remained relatively steady, while rates in the Cumberland and Hagerstown metro areas edged higher.

Turning to real estate, conditions in the state's housing market improved somewhat in December, but remain generally weak. Permitting activity in the state picked up in December, but permit levels were still down 60.0 percent from a year earlier, marking Maryland's largest year-over-year decline since 1993. Permitting activity varied by metro area. The Baltimore-Towson MSA saw its largest one-month increase in building permits since 1992, while the Hagerstown MSA experienced its largest one-month decrease on record. Maryland also saw a 36.5 percent drop in housing starts since November and a 42.4 percent decline in housing starts over the past year.

A Closer Look at...Population Growth

The population of Maryland grew 0.3 percent in 2007, marking its smallest annual increase since 1979. In recent years, the pace of population growth in Maryland has decelerated, edging lower each of the last seven years and tracking under both the national and District rates the past four years. Nevertheless, growth in the state remains positive and the state's population has increased 3.4 percent between 2002 and 2007.

Maryland Population Growth



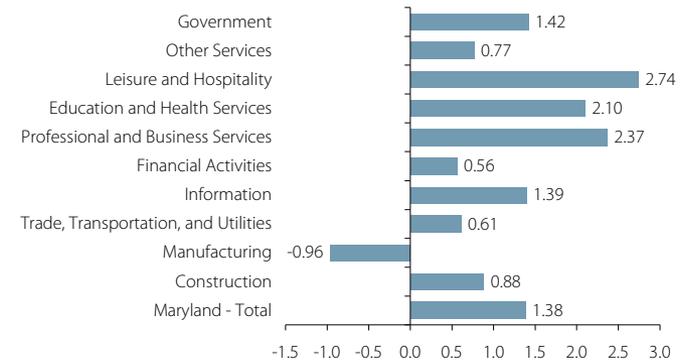
MARYLAND
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	December	138,119.0	0.06	0.83
Fifth District - Total	December	13,984.2	0.16	1.47
Maryland - Total	December	2,636.1	0.17	1.38
Construction	December	194.6	-0.05	0.88
Manufacturing	December	133.8	0.07	-0.96
Trade, Transportation, and Utilities	December	478.0	0.19	0.61
Information	December	50.9	-0.39	1.39
Financial Activities	December	161.1	0.06	0.56
Professional and Business Services	December	406.8	0.30	2.37
Education and Health Services	December	373.9	0.38	2.10
Leisure and Hospitality	December	239.9	0.13	2.74
Other Services	December	118.5	0.25	0.77
Government	December	478.6	0.13	1.42
Baltimore-Towson MSA - Total	December	1,338.0	0.20	1.23
Bethesda-Frederick MSA - Total	December	591.5	0.36	1.02
Cumberland MSA - Total	December	40.5	0.25	0.75
Hagerstown MSA - Total	December	104.1	-0.29	0.97

Unemployment Rate (SA)	December 07	November 07	December 06
United States	5.0	4.7	4.4
Fifth District	4.6	4.2	4.4
Maryland	3.8	3.7	3.9
Baltimore-Towson MSA	3.6	3.6	3.7
Bethesda-Frederick MSA	2.5	2.6	2.7
Cumberland MSA	4.9	4.4	5.4
Hagerstown MSA	4.2	4.0	4.0

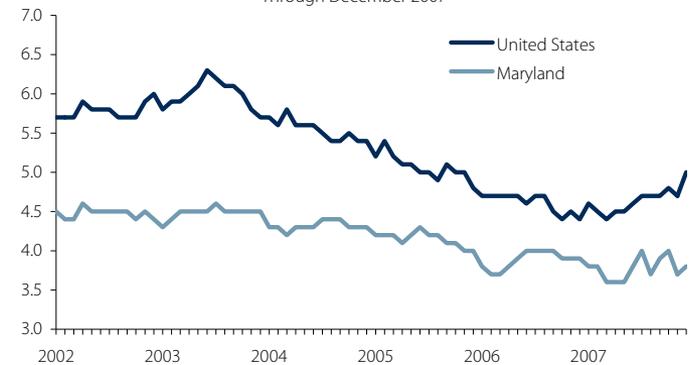
Maryland Payroll Employment Performance

Year-over-Year Percent Change through December 2007



Maryland Unemployment Rate

Through December 2007



MARYLAND

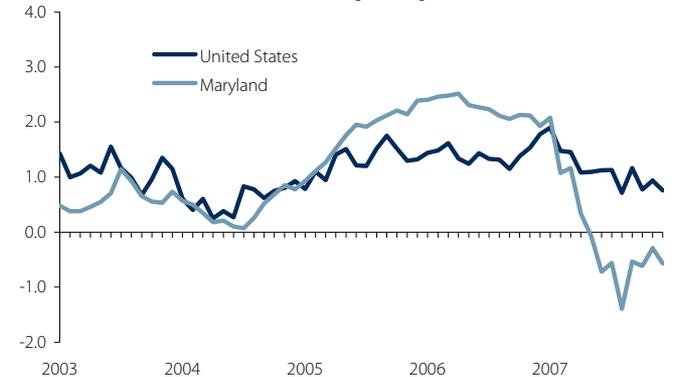
Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	153,866	0.02	0.76
Fifth District	December	14,934	-0.01	0.54
Maryland	December	3,016	-0.20	-0.57
Baltimore-Towson MSA	December	1,403	-0.60	-1.09
Bethesda-Frederick MSA	December	642	-0.65	-1.29
Cumberland MSA	December	49	0.20	-1.21
Hagerstown MSA	December	122	-0.08	-0.24

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	December	1,892,191	21.22	7.11
Fifth District	December	144,128	0.02	1.70
Maryland	December	25,843	26.57	12.04

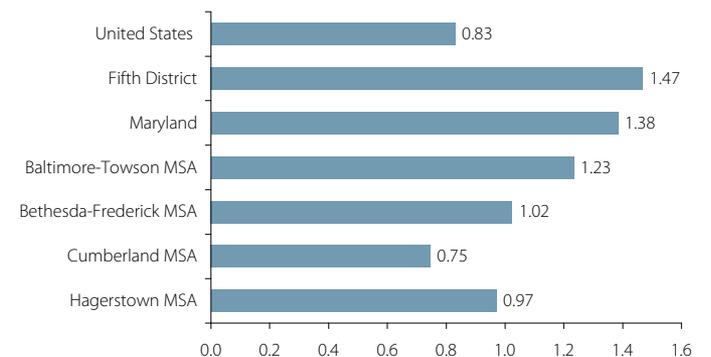
Maryland Labor Force

Year-over-Year Percent Change through December 2007



Maryland Total Employment Performance

Year-over-Year Percent Change through December 2007



MARYLAND

Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:07	9,952,389	0.96	4.26
Fifth District	3Q:07	946,869	0.88	3.85
Maryland	3Q:07	221,332	0.66	3.45
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	2007	75.8	---	---
Bethesda-Frederick MSA	2007	101.1	---	---
Cumberland MSA	2007	46.6	---	---
Hagerstown MSA	2007	57.9	---	---
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46
Maryland	3Q:07	3,544	15.44	45.07
Mortgage Delinquencies (% Delinquent)	3Q:07	2Q:07	3Q:06	
United States				
All Mortgages	5.81	5.06	4.84	
Conventional	3.25	2.63	2.52	
Subprime	16.68	14.54	12.95	
Maryland				
All Mortgages	5.05	4.19	3.73	
Conventional	2.64	2.06	1.80	
Subprime	16.96	13.76	10.54	

Maryland Real Personal Income
Year-over-Year Percent Change through 3Q:07



Maryland Mortgage Delinquencies - All
Percent Delinquent through 3Q:07



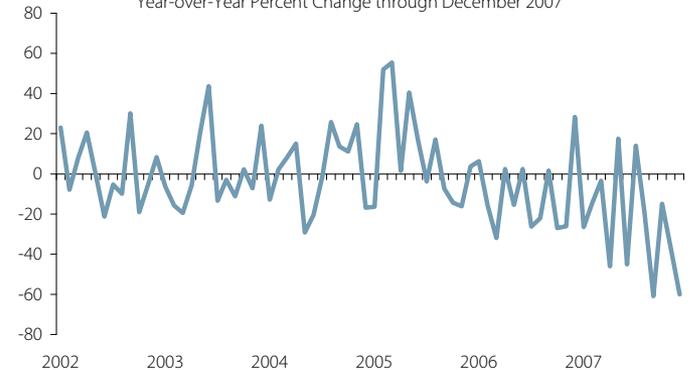
MARYLAND

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	December	74,457	-13.53	-34.16
Fifth District	December	11,722	-1.21	-27.21
Maryland	December	1,111	16.46	-60.04
Baltimore-Towson MSA	December	616	91.90	-19.27
Cumberland MSA	December	10	66.67	233.33
Hagerstown	December	74	-74.57	-70.75
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	1,006.0	-14.24	-38.24
Fifth District	December	170.8	7.97	-21.37
Maryland	December	12.7	-36.50	-42.37
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:07	5,420.0	-8.40	-13.79
Fifth District	3Q:07	525.6	-13.21	-16.84
Maryland	3Q:07	78.0	-15.95	-28.57
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Baltimore-Towson MSA	January	15,437	-0.75	25.72
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Baltimore-Towson MSA	January	295,990	-0.08	-8.93
Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	3Q:07	291	-0.78	1.71
Cumberland MSA	3Q:07	108	-1.46	6.74
Hagerstown MSA	3Q:07	208	-4.71	-7.95

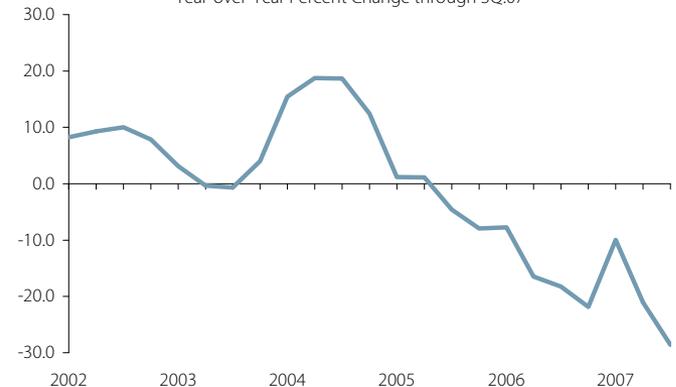
Maryland Building Permits

Year-over-Year Percent Change through December 2007



Maryland Existing Home Sales

Year-over-Year Percent Change through 3Q:07

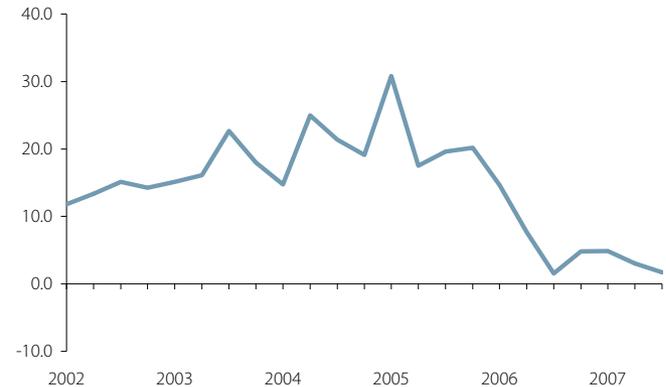


MARYLAND

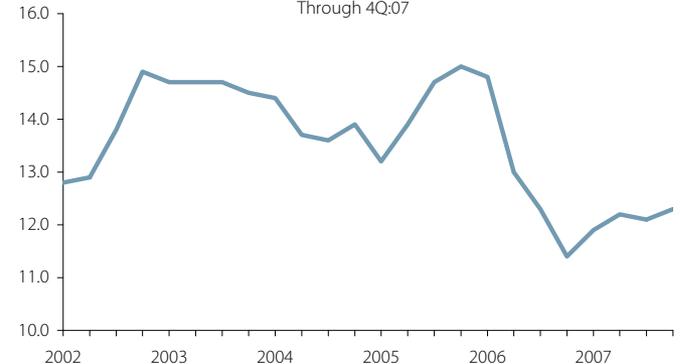
Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	3Q:07	269	3.07	-2.18
Bethesda-Frederick MSA	3Q:07	---	---	---
Cumberland MSA	3Q:07	95	4.40	5.56
Hagerstown MSA	3Q:07	229	4.09	-3.38
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:07	408	-0.36	1.79
Fifth District	3Q:07	398	7.97	2.92
Maryland	3Q:07	544	-0.45	2.51
Baltimore-Towson MSA (1995=100)	3Q:07	261	-0.16	3.41
Bethesda-Frederick MSA (1995=100)	3Q:07	262	-0.71	-0.66
Cumberland MSA (1995=100)	3Q:07	199	1.35	12.83
Hagerstown MSA (1995=100)	3Q:07	238	-3.30	-1.73
Housing Opportunity Index ² (%)	3Q:07	2Q:07	3Q:06	
Baltimore-Towson MSA	45.4	49.0	41.5	
Bethesda-Frederick Metro Division	31.4	37.6	30.4	
Cumberland MSA	82.5	85.2	81.8	
Hagerstown MSA	37.1	41.9	35.5	
Commercial Vacancy Rates (%)	4Q:07	3Q:07	4Q:06	
Office Vacancies	Baltimore	12.3	12.1	11.4
Industrial Vacancies	Baltimore	14.4	14.6	12.3

Baltimore-Towson MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 3Q:07



Baltimore-Towson MSA Office Vacancy Rate
Through 4Q:07



NORTH CAROLINA

February Summary

Recent assessments of North Carolina's economy were mixed with strong employment data, but softer readings from the state's housing market. North Carolina businesses continued to hire at a healthy clip in December, adding 9,600 jobs during the month. Over the past twelve months, payrolls were up 1.7 percent, outpacing the District and the nation. Recent job gains in the state have become increasingly concentrated. Over seventy percent of North Carolina's payroll additions during the past year occurred in just three sectors: professional and business services, educational and health services, and leisure and hospitality.

Data from the household survey was less positive. North Carolina's unemployment rate edged up three-tenths of a percentage point in December to end the year at 5.0 percent. North Carolina's rate was also up from its year-ago mark of 4.9 percent, but remained in line with the national average. More locally, conditions were a bit stronger. Raleigh's unemployment rate was unchanged at 3.5 percent, marking the area's seventeenth straight month of unemployment below 4.0 percent.

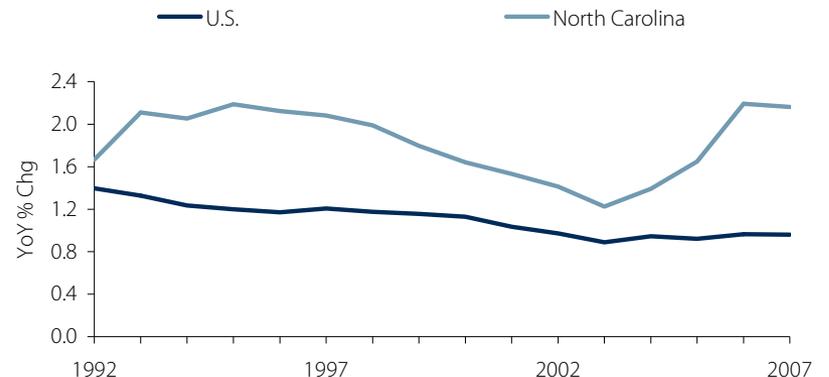
After posting a slight improvement last month, North Carolina's housing market lost some traction in December. Permitting activity was down 25.4 percent from a month earlier – the largest single monthly decline since January of 2003. Permitting activity was down sharply in the state's major metro areas as well. Permit levels in the Charlotte, Durham, Greensboro and Raleigh MSAs were all down at least fifty percent from a year earlier.

On the commercial side, reports on vacancy rates were mixed. Office vacancies were up by half of a percentage point in the Raleigh metro area during the fourth quarter, while industrial vacancies edged lower. In the Charlotte metro area, office vacancies fell to their lowest level since the second quarter of 2001.

A Closer Look at... Population Growth

According to recent data from the Bureau of the Census, North Carolina's population grew 2.2 percent in 2007, the highest rate in the District. Population growth in North Carolina has consistently outpaced the nation, although there was a period in the late 1990s when the gap between the two began to narrow. Since 2003, the population in the state has resumed its fast clip and now tracks over one percentage point above the national trend. Since 1992, North Carolina has seen a 31.4 percent total growth in population, as compared to a national increase of 17.6 percent. In addition, the population of North Carolina grew more than any other jurisdiction in the District over the past 15 years.

North Carolina Population Growth



NORTH CAROLINA

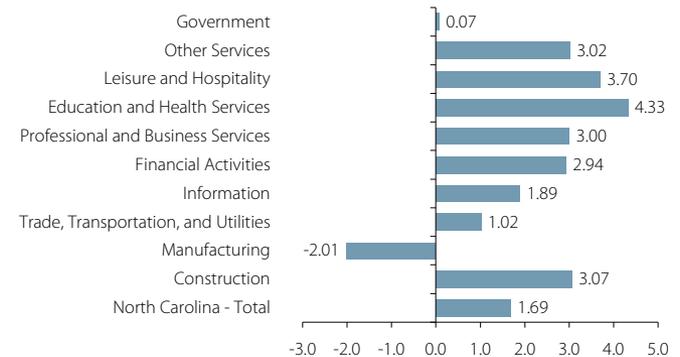
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	December	138,119.0	0.06	0.83
Fifth District - Total	December	13,984.2	0.16	1.47
North Carolina - Total	December	4,133.1	0.23	1.69
Construction	December	255.5	0.31	3.07
Manufacturing	December	540.0	-0.26	-2.01
Trade, Transportation, and Utilities	December	770.5	0.20	1.02
Information	December	75.4	0.20	1.89
Financial Activities	December	217.4	0.51	2.94
Professional and Business Services	December	497.5	0.53	3.00
Education and Health Services	December	516.1	0.17	4.33
Leisure and Hospitality	December	392.7	0.64	3.70
Other Services	December	184.4	0.88	3.02
Government	December	676.8	0.07	0.07
Charlotte MSA - Total	December	854.8	0.09	2.13
Durham MSA - Total	December	291.6	0.21	1.92
Greensboro-High Point MSA - Total	December	375.9	0.19	0.75
Raleigh-Cary MSA - Total	December	504.6	0.12	1.84

Unemployment Rate (SA)	December 07	November 07	December 06
United States	5.0	4.7	4.4
Fifth District	4.6	4.2	4.4
North Carolina	5.0	4.7	4.9
Charlotte MSA	4.8	4.7	4.6
Durham MSA	---	---	---
Greensboro-High Point MSA	4.7	4.7	4.7
Raleigh-Cary MSA	3.5	3.5	3.5

North Carolina Payroll Employment Performance

Year-over-Year Percent Change through December 2007



North Carolina Unemployment Rate

Through December 2007



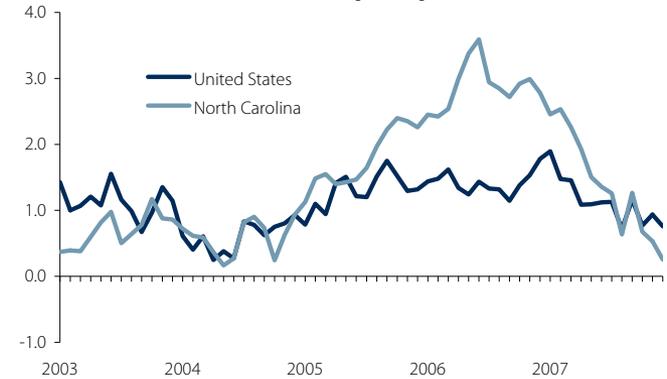
NORTH CAROLINA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	153,866	0.02	0.76
Fifth District	December	14,934	-0.01	0.54
North Carolina	December	4,526	-0.25	0.25
Charlotte MSA	December	842	-0.67	0.37
Durham MSA	December	---	---	---
Greensboro-High Point MSA	December	370	-0.70	-1.36
Raleigh-Cary MSA	December	535	-0.85	-0.28

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	December	1,892,191	21.22	7.11
Fifth District	December	144,128	0.02	1.70
North Carolina	December	56,514	-8.87	10.33

North Carolina Labor Force
Year-over-Year Percent Change through December 2007



North Carolina Total Employment Performance

Year-over-Year Percent Change through December 2007



NORTH CAROLINA

Household Conditions

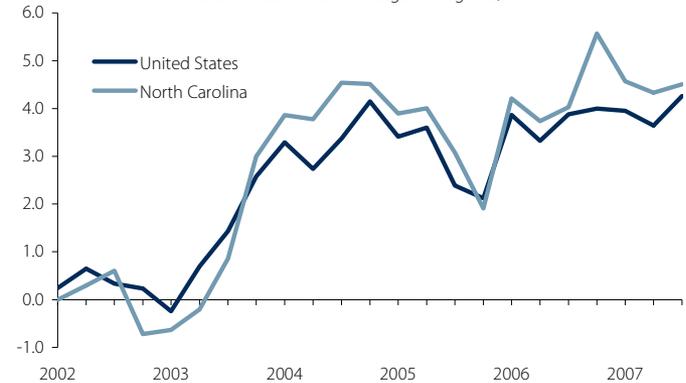
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:07	9,952,389	0.96	4.26
Fifth District	3Q:07	946,869	0.88	3.85
North Carolina	3Q:07	260,814	0.93	4.51

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Charlotte MSA	2007	60.2	---	---
Durham MSA	2007	60.1	---	---
Greensboro-High Point MSA	2007	53.6	---	---
Raleigh-Cary MSA	2007	69.8	---	---

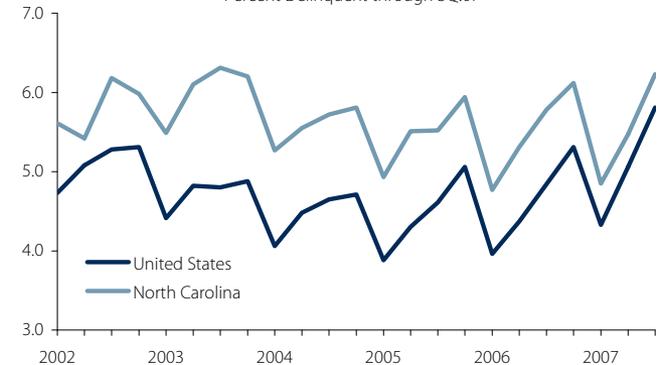
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46
North Carolina	3Q:07	4,827	4.37	9.43

Mortgage Delinquencies (% Delinquent)	3Q:07	2Q:07	3Q:06
United States			
All Mortgages	5.81	5.06	4.84
Conventional	3.25	2.63	2.52
Subprime	16.68	14.54	12.95
North Carolina			
All Mortgages	6.23	5.47	5.78
Conventional	3.60	2.97	3.22
Subprime	17.49	15.49	15.32

North Carolina Real Personal Income
Year-over-Year Percent Change through 3Q:07



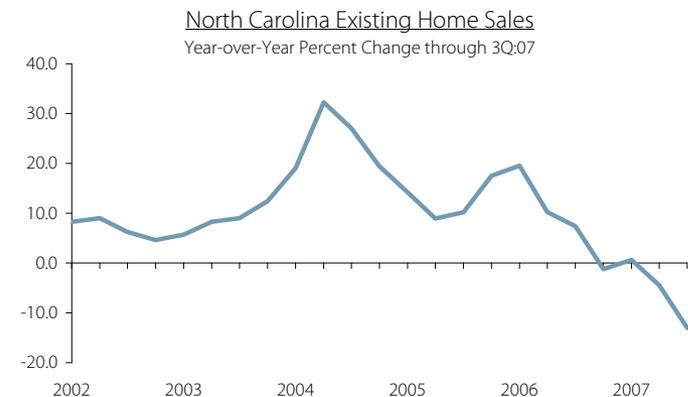
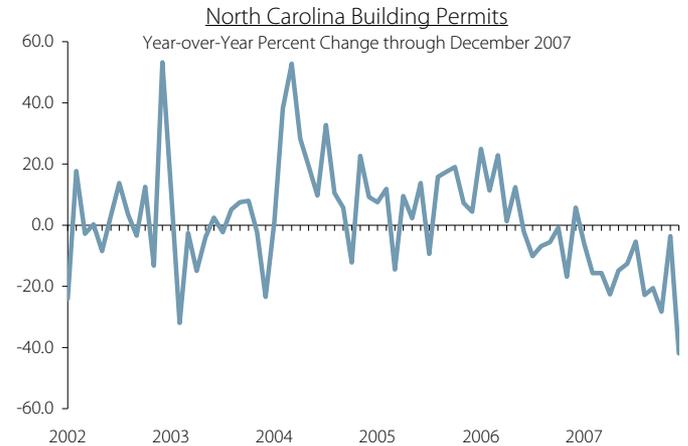
North Carolina Mortgage Delinquencies - All
Percent Delinquent through 3Q:07



NORTH CAROLINA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	December	74,457	-13.53	-34.16
Fifth District	December	11,722	-1.21	-27.21
North Carolina	December	4,419	-25.35	-41.92
Charlotte MSA	December	821	-47.81	-66.76
Durham MSA	December	195	-16.31	-52.44
Greensboro-High Point MSA	December	202	-57.65	-49.37
Raleigh-Cary MSA	December	638	-34.90	-47.10
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	1,006.0	-14.24	-38.24
Fifth District	December	170.8	7.97	-21.37
North Carolina	December	64.4	-18.43	-37.27
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:07	5,420.0	-8.40	-13.79
Fifth District	3Q:07	525.6	-13.21	-16.84
North Carolina	3Q:07	202.8	-12.28	-13.04
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Raleigh-Cary MSA	January	10,739	2.06	25.88
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Raleigh-Cary MSA	January	250,000	-0.52	1.86
Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	3Q:07	220	6.17	10.99
Durham MSA	3Q:07	187	3.78	6.19
Greensboro-High Point MSA	3Q:07	156	-0.51	2.37
Raleigh-Cary MSA	3Q:07	230	1.95	7.49

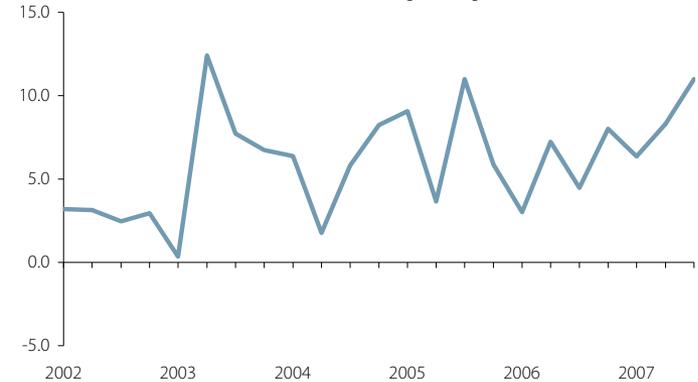


NORTH CAROLINA

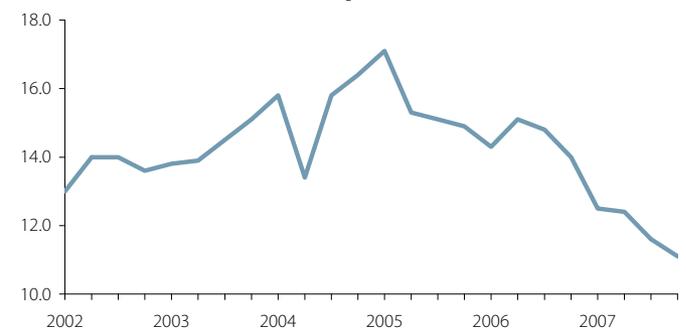
Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	3Q:07	176	0.57	0.57
Durham MSA	3Q:07	178	-3.78	2.30
Greensboro-High Point MSA	3Q:07	142	4.41	0.00
Raleigh-Cary MSA	3Q:07	215	-8.51	4.37
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:07	408	-0.36	1.79
Fifth District	3Q:07	398	0.26	2.92
North Carolina	3Q:07	345	1.01	6.51
Charlotte MSA (1995=100)	3Q:07	180	1.92	8.10
Durham MSA (1995=100)	3Q:07	178	2.26	7.79
Greensboro-High Point MSA (1995=100)	3Q:07	156	0.20	2.00
Raleigh-Cary MSA (1995=100)	3Q:07	167	1.37	7.17
Housing Opportunity Index ² (%)	3Q:07	2Q:07	3Q:06	
Charlotte MSA	59.5	61.5	63.6	
Durham MSA	59.1	57.7	63.0	
Greensboro-High Point MSA	66.9	74.4	71.4	
Raleigh-Cary MSA	57.6	52.6	61.2	
Commercial Vacancy Rates (%)	4Q:07	3Q:07	4Q:06	
Office Vacancies				
Raleigh/Durham	14.7	14.2	15.1	
Charlotte	11.1	11.6	14	
Industrial Vacancies				
Raleigh/Durham	14	14.1	14.1	
Charlotte	10.2	9.4	10.7	

Charlotte MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 3Q:07



Charlotte MSA Office Vacancy Rate
Through 4Q:07



SOUTH CAROLINA

February Summary

Economic conditions in South Carolina were mixed in December. Readings from South Carolina's housing sector were a bit brighter, while conditions in the state's labor markets deteriorated somewhat. Following a gain of 8,300 jobs last month, South Carolina firms trimmed 5,800 jobs from their payrolls in December. Nearly every sector of the state's economy trimmed payrolls in the year's final month except for educational and health services and government which added 200 and 1,300 jobs, respectively. Over the past year, state employment totals rose by a modest 1.0 percent. During that time solid gains in services were diluted by layoffs in construction and manufacturing.

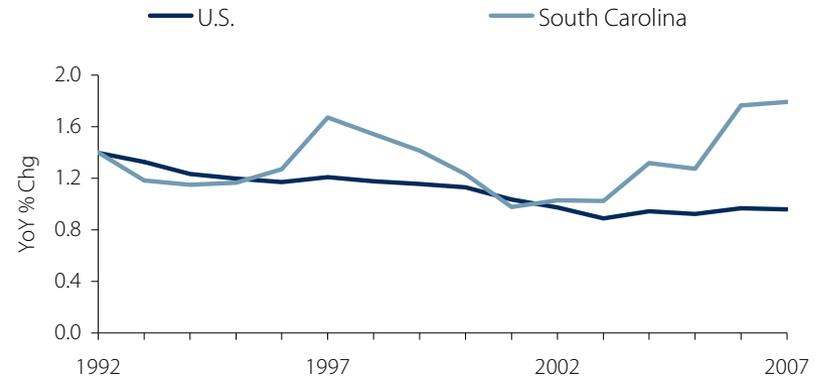
Turning to households, South Carolina's unemployment rate surged upward seven-tenths of a percent to 6.6 percentage point – the highest mark in the District. The state's unemployment rate finished the year 1.6 percentage points higher than the national average, 2.0 percentage points higher than the Fifth District mark, and one-tenth of a percentage point higher than the state's 6.5 percent rate from a year earlier. The major metro areas of Charleston, Columbia, Greenville, and Spartanburg all saw an increase in unemployment during December and over the past year.

Recent indicators from the state's housing sector were more promising, however. Residential permitting activity grew for the second month in a row, with permit levels up 2.3 percent since November. Permitting activity at the metro area level was mixed. The Greenville metro area posted a 72.4 percent jump in permits in December, while permitting activity in Columbia and Spartanburg fell by 51.3 percent and 14.1 percent, respectively. Housing starts also increased in December; state totals were up 11.7 percent compared to a 14.2 percent decline nationally.

A Closer Look at... Population Growth

Population growth in South Carolina accelerated in 2007, increasing 1.8 percent – the state's highest rate in more than fifteen years. Over the past five years, South Carolina's population growth has outpaced the nation, increasing at an average annual pace of 1.4 percent compared to 0.9 percent nationally. Although the state's population has been growing faster than the District's in recent years, South Carolina's overall growth of 21.7 percent over the last fifteen years is on par with the District's increase of 20.3 percent.

South Carolina Population Growth



SOUTH CAROLINA

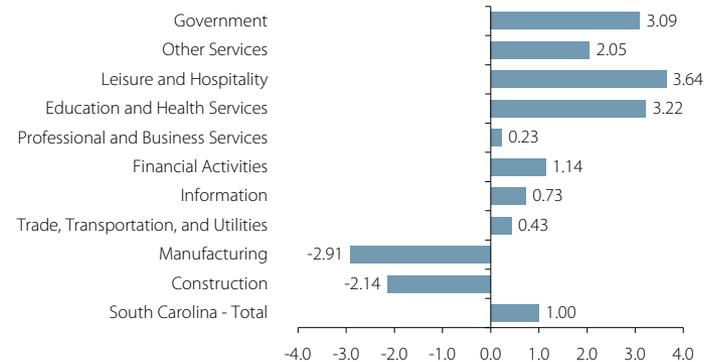
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	December	138,119.0	0.06	0.83
Fifth District - Total	December	13,984.2	0.16	1.47
South Carolina - Total	December	1,938.5	-0.30	1.00
Construction	December	123.3	-1.83	-2.14
Manufacturing	December	240.1	-0.08	-2.91
Trade, Transportation, and Utilities	December	375.1	-0.61	0.43
Information	December	27.7	-1.07	0.73
Financial Activities	December	106.4	-0.19	1.14
Professional and Business Services	December	220.3	-0.23	0.23
Education and Health Services	December	205.2	0.10	3.22
Leisure and Hospitality	December	216.2	-0.32	3.64
Other Services	December	79.5	-1.00	2.05
Government	December	339.9	0.35	3.09
Charleston MSA - Total	December	296.0	-0.24	1.86
Columbia MSA - Total	December	371.2	-0.03	0.92
Greenville MSA - Total	December	319.1	-0.22	1.62
Spartanburg MSA - Total	December	126.1	0.08	-0.86

Unemployment Rate (SA)	December 07	November 07	December 06
United States	5.0	4.7	4.4
Fifth District	4.6	4.2	4.4
South Carolina	6.6	5.9	6.5
Charleston MSA	5.0	4.6	4.8
Columbia MSA	5.4	5.0	5.3
Greenville MSA	5.5	5.1	5.4
Spartanburg MSA	6.4	5.7	6.3

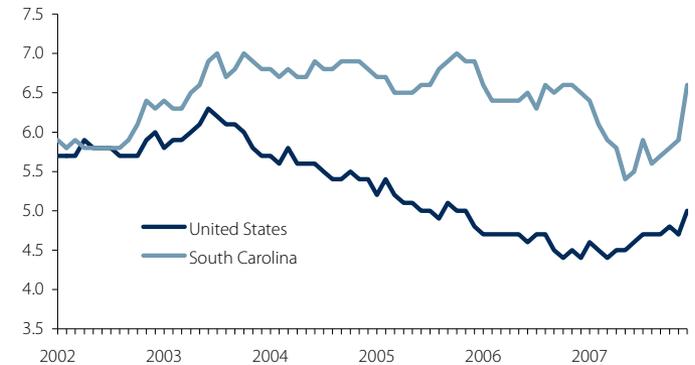
South Carolina Payroll Employment Performance

Year-over-Year Percent Change through December 2007



South Carolina Unemployment Rate

Through December 2007



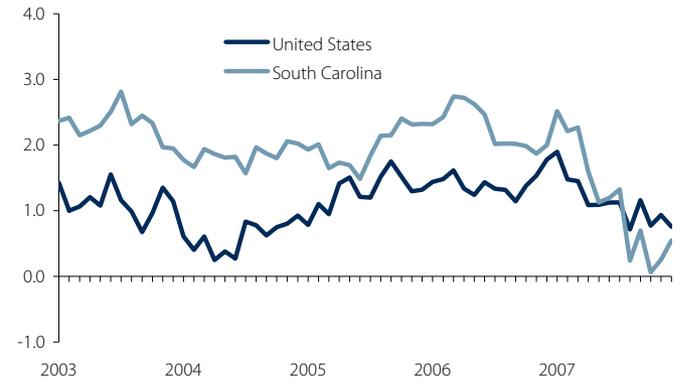
SOUTH CAROLINA

Labor Market Conditions

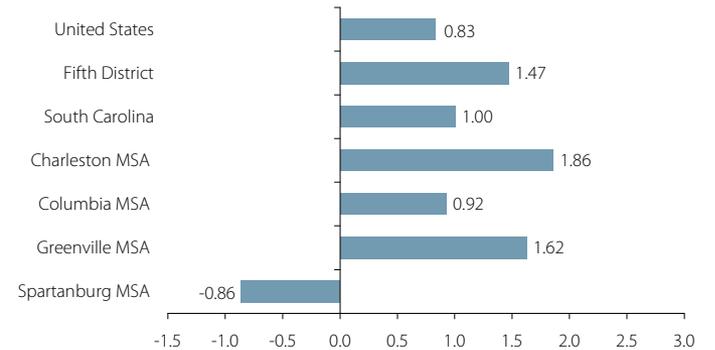
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	153,866	0.02	0.76
Fifth District	December	14,934	-0.01	0.54
South Carolina	December	2,159	0.44	0.55
Charleston MSA	December	312	-0.13	0.97
Columbia MSA	December	374	-0.24	0.05
Greenville-Spartanburg MSA	December	316	-0.50	0.57

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	December	1,892,191	21.22	7.11
Fifth District	December	144,128	0.02	1.70
South Carolina	December	27,258	-1.95	-8.11

South Carolina Labor Force
Year-over-Year Percent Change through December 2007



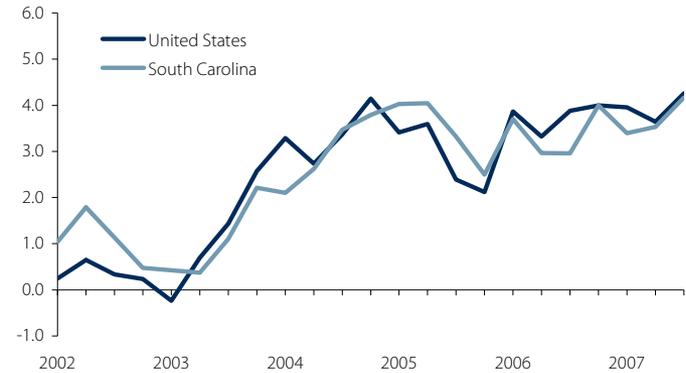
South Carolina Total Employment Performance
Year-over-Year Percent Change through December 2007



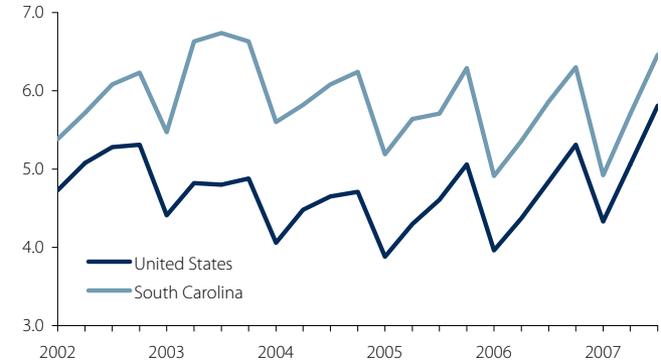
SOUTH CAROLINA
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:07	9,952,389	0.96	4.26
Fifth District	3Q:07	946,869	0.88	3.85
South Carolina	3Q:07	116,291	0.99	4.17
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Charleston MSA	2007	55.4	---	---
Columbia MSA	2007	58.2	---	---
Greenville MSA	2007	52.9	---	---
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46
South Carolina	3Q:07	1818	3.83	15.36
Mortgage Delinquencies (% Delinquent)	3Q:07	2Q:07	3Q:06	
United States				
All Mortgages	5.81	5.06	4.84	
Conventional	3.25	2.63	2.52	
Subprime	16.68	14.54	12.95	
South Carolina				
All Mortgages	6.46	5.70	5.86	
Conventional	4.04	3.33	3.51	
Subprime	17.28	15.57	15.44	

South Carolina Real Personal Income
Year-over-Year Percent Change through 3Q:07



South Carolina Mortgage Delinquencies - All
Percent Delinquent through 3Q:07



SOUTH CAROLINA

Real Estate Conditions

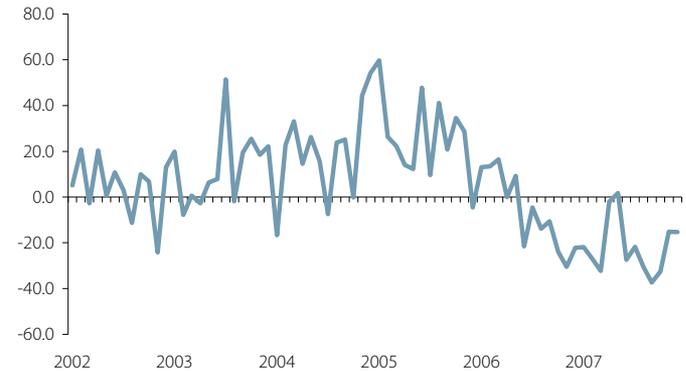
Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	December	74,457	-13.53	-34.16
Fifth District	December	11,722	-1.21	-27.21
South Carolina	December	2,592	2.25	-15.24
Charleston MSA	December	540	50.84	-29.87
Columbia MSA	December	265	-51.29	-33.08
Greenville MSA	December	493	72.38	97.20
Spartanburg MSA	December	67	-14.10	-27.96

Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	1,006.0	-14.24	-38.24
Fifth District	December	170.8	7.97	-21.37
South Carolina	December	37.8	11.75	-8.44

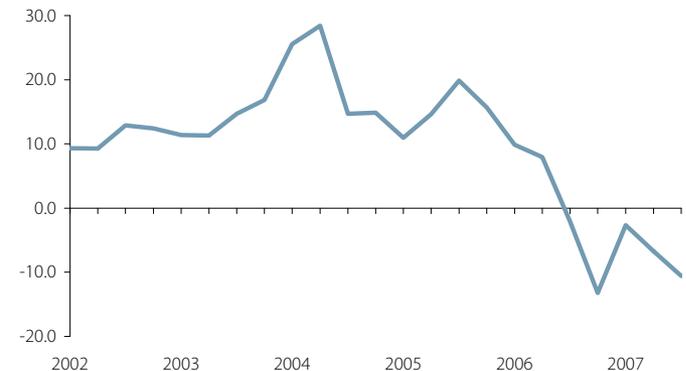
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:07	5,420.0	-8.40	-13.79
Fifth District	3Q:07	525.6	-13.21	-16.84
South Carolina	3Q:07	101.6	-13.01	-10.56

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charleston MSA	3Q:07	212	1.69	4.45
Columbia MSA	3Q:07	150	4.07	2.21
Greenville MSA	3Q:07	160	4.67	0.20
Spartanburg MSA	3Q:07	134.4	0.90	5.08

South Carolina Building Permits
Year-over-Year Percent Change through December 2007



South Carolina Existing Home Sales
Year-over-Year Percent Change through 3Q:07

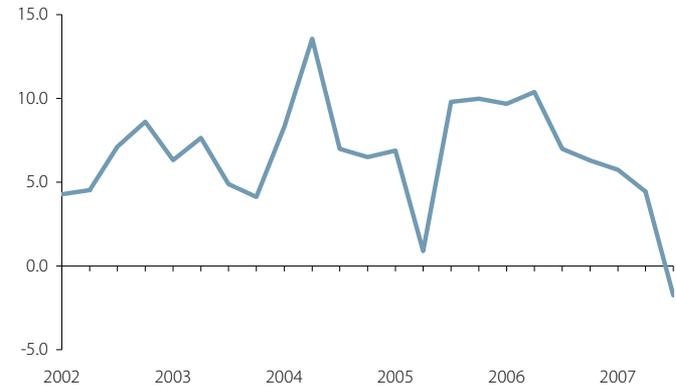


SOUTH CAROLINA

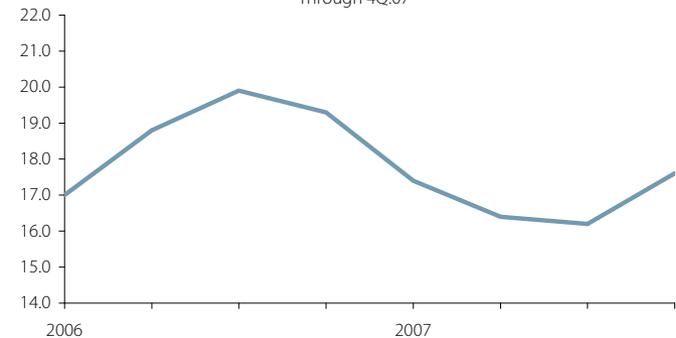
Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charleston MSA	3Q:07	210	-6.67	-2.33
Columbia MSA	3Q:07	---	---	---
Greenville MSA	3Q:07	155	3.33	6.90
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:07	408	-0.36	1.79
Fifth District	3Q:07	398	0.26	2.92
South Carolina	3Q:07	325	0.35	5.14
Charleston MSA (1995=100)	3Q:07	277	0.01	4.10
Columbia MSA (1995=100)	3Q:07	176	0.82	6.39
Greenville MSA (1995=100)	3Q:07	167	1.11	6.20
Spartanburg MSA (1995=100)	3Q:07	157	0.21	0.21
Housing Opportunity Index ² (%)	3Q:07	2Q:07	3Q:06	
Charleston MSA	43.9	41.5	43.6	
Columbia MSA	---	73.7	72.7	
Greenville MSA	62.5	66.5	72.0	
Commercial Vacancy Rates (%)	4Q:07	3Q:07	4Q:06	
Office Vacancies	Charleston	14.9	14.8	----
Columbia	17.6	16.2	19.3	
Greenville	---	17.5	15.6	
Industrial Vacancies	Charleston	8.4	10.6	---
Greenville	---	10.4	11.1	
Retail Vacancies	Greenville	---	10.8	10.8

Charleston MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 3Q:07



Columbia MSA Office Vacancy Rate
Through 4Q:07



VIRGINIA

February Summary

Economic conditions in Virginia strengthened according to recent data as strong job growth and improvements in the housing sector outweighed an uptick in the state's unemployment rate. Virginia added 10,200 jobs in December, an increase of 0.3 percent. Over the past year, Virginia posted the largest employment increase among Fifth District jurisdictions with payrolls up 1.7 percent. By sector, growth continues to be focused on the services side of the economy, particularly in business services and leisure and hospitality. More locally, the Blacksburg and Charlottesville metro areas saw mild job losses in December. Richmond and Virginia Beach posted moderate gains, while the strongest job growth continued to occur in the northern Virginia suburbs.

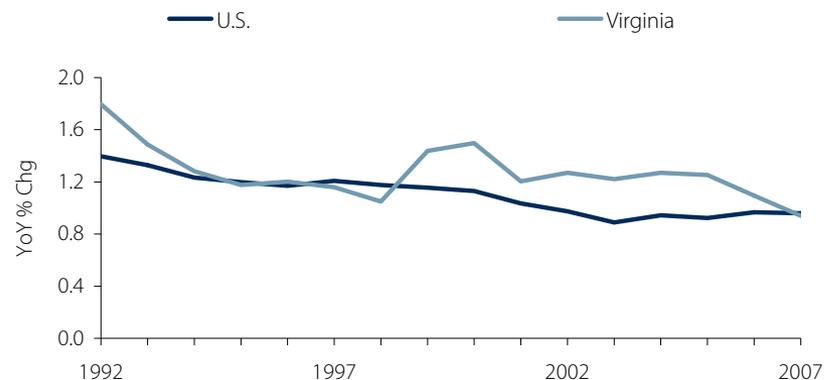
Turning to households, Virginia's unemployment rate inched higher in December, settling at 3.5 percent. While this represents the state's highest mark in over two years, Virginia's rate was still 1.5 percentage points below the national mark of 5.0 percent. Unemployment rates in the state's major metro areas were generally in line with the state. There were a few exceptions, however. The Danville MSA rate was close to double the state mark, while the Harrisonburg metro area had an unemployment rate well below the state average at 2.5 percent.

News from Virginia's housing sector was generally upbeat. Residential permitting activity increased by 49.5 percent since November. Virginia also saw a 63.4 percent increase in new housing starts in December. The increase in permitting activity was the largest monthly increase since early 2002 and the state's first year-over-year increase in almost two years. Drilling down, permitting activity was up in the Richmond market, both from last month and last year, though the Roanoke, Lynchburg, and Virginia Beach areas all saw their permit totals drift lower from their year-ago levels.

A Closer Look at...Population Growth

According to recently released data from the Bureau of the Census, Virginia's population increased by 0.9 percent in 2007, only slightly lower than the national increase of 1.0 percent. This was the first year since 1982 that the Commonwealth's annual growth rate dipped below 1.0 percent. Still, Virginia's annual population growth rates have been roughly similar to—if not slightly above—recent national rates. Overall, Virginia's population has expanded by an average annual growth rate of 1.2 percent since 1992.

Virginia Population Growth



VIRGINIA

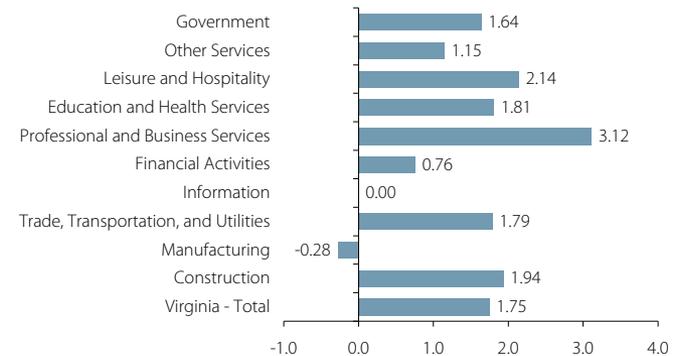
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	December	138,119.0	0.06	0.83
Fifth District - Total	December	13,984.2	0.16	1.47
Virginia - Total	December	3,809.6	0.27	1.75
Construction	December	252.3	0.32	1.94
Manufacturing	December	285.5	-0.21	-0.28
Trade, Transportation, and Utilities	December	681.9	0.35	1.79
Information	December	92.0	0.22	0.00
Financial Activities	December	199.0	0.25	0.76
Professional and Business Services	December	652.1	0.46	3.12
Education and Health Services	December	415.4	0.10	1.81
Leisure and Hospitality	December	348.0	0.17	2.14
Other Services	December	184.7	0.11	1.15
Government	December	686.0	0.57	1.64
Lynchburg MSA - Total	December	112.3	0.00	1.91
Richmond MSA - Total	December	636.8	0.20	0.17
Roanoke MSA - Total	December	166.5	0.06	0.91
Virginia Beach-Norfolk MSA - Total	December	789.6	0.23	2.06

Unemployment Rate (SA)	December 07	November 07	December 06
United States	5.0	4.7	4.4
Fifth District	4.6	4.2	4.4
Virginia	3.5	3.2	2.9
Lynchburg MSA	3.5	3.2	3.0
Richmond MSA	3.5	3.2	2.8
Roanoke MSA	3.4	3.1	2.7
Virginia Beach-Norfolk MSA	3.5	3.2	3.0

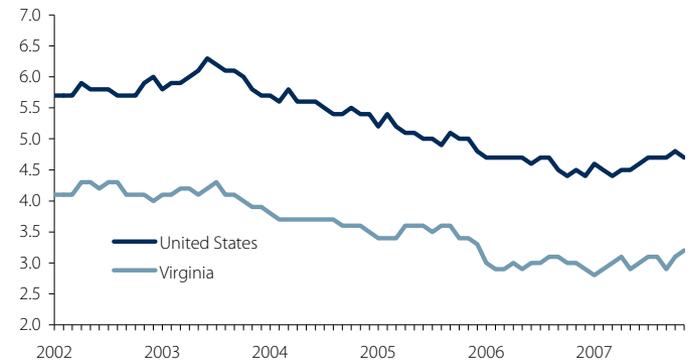
Virginia Payroll Employment Performance

Year-over-Year Percent Change through December 2007



Virginia Unemployment Rate

Through December 2007



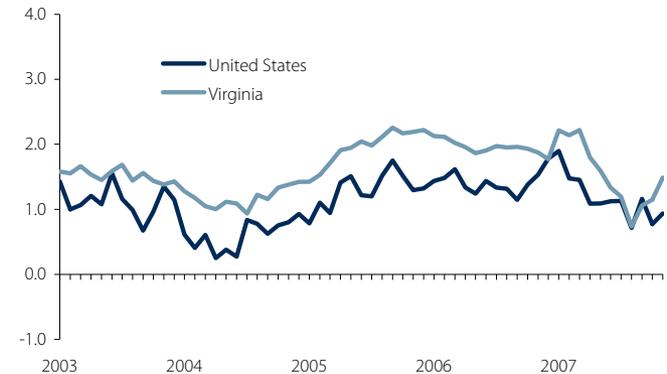
VIRGINIA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	153,866	0.02	0.76
Fifth District	December	14,934	-0.01	0.54
Virginia	December	4,094	0.12	1.56
Lynchburg MSA	December	124	-0.16	1.56
Richmond MSA	December	637	-0.06	0.13
Roanoke MSA	December	157	-0.25	0.84
Virginia Beach-Norfolk MSA	December	820	-0.09	1.82

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	December	1,892,191	21.22	7.11
Fifth District	December	144,128	0.02	1.70
Virginia	December	25,720	2.40	-9.11

Virginia Labor Force
Year-over-Year Percent Change through December 2007



Virginia Total Employment Performance
Year-over-Year Percent Change through December 2007



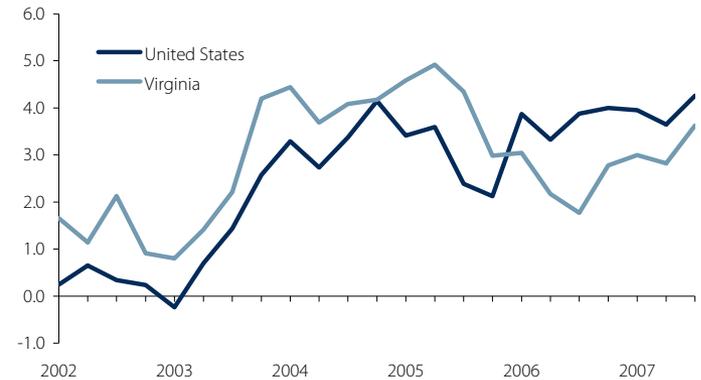
VIRGINIA

Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:07	9,952,389	0.96	4.26
Fifth District	3Q:07	946,869	0.88	3.85
Virginia	3Q:07	272,609	0.98	3.62
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Richmond MSA	2007	68.7	---	---
Roanoke MSA	2007	56.3	---	---
Virginia Beach-Norfolk MSA	2007	64.1	---	---
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46
Virginia	3Q:07	4,774	8.01	39.80
Mortgage Delinquencies (% Delinquent)	3Q:07	2Q:07	3Q:06	
United States				
All Mortgages	5.81	5.06	4.84	
Conventional	3.25	2.63	2.52	
Subprime	16.68	14.54	12.95	
Virginia				
All Mortgages	4.41	3.69	3.23	
Conventional	2.50	1.89	1.65	
Subprime	15.77	13.40	10.29	

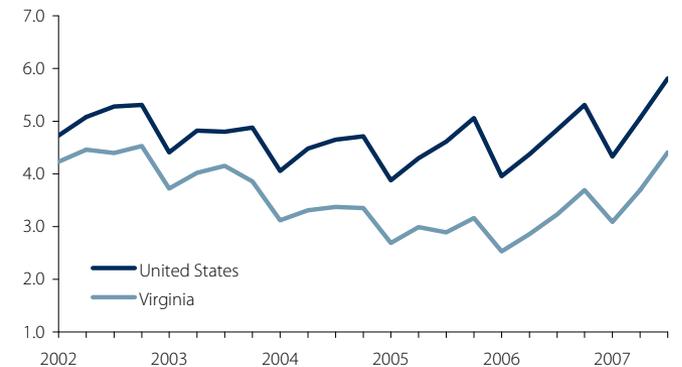
Virginia Real Personal Income

Year-over-Year Percent Change through 3Q:07



Virginia Mortgage Delinquencies - All

Percent Delinquent through 3Q:07



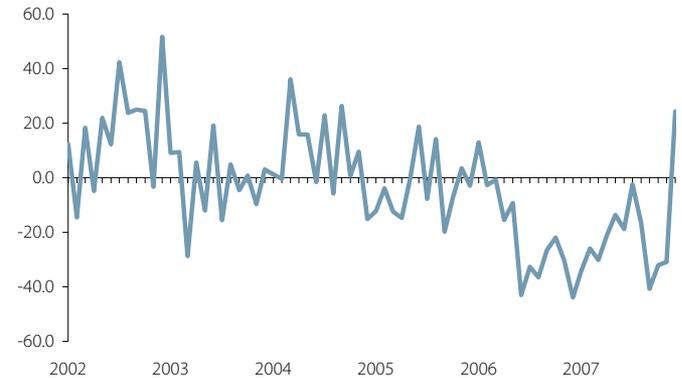
VIRGINIA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	December	74,457	-13.53	-34.16
Fifth District	December	11,722	-1.21	-27.21
Virginia	December	2,956	49.52	24.31
Lynchburg MSA	December	90	-50.00	-14.29
Richmond MSA	December	478	34.65	12.21
Roanoke MSA	December	41	-29.31	-61.68
Virginia Beach-Norfolk MSA	December	278	-12.58	-46.64
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	1,006.0	-14.24	-38.24
Fifth District	December	170.8	7.97	-21.37
Virginia	December	43.1	63.39	34.26
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:07	5,420.0	-8.40	-13.79
Fifth District	3Q:07	525.6	-13.21	-16.84
Virginia	3Q:07	108.4	-12.58	-19.10
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	January	13,404	3.58	31.97
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	January	318,620	-0.32	-8.70

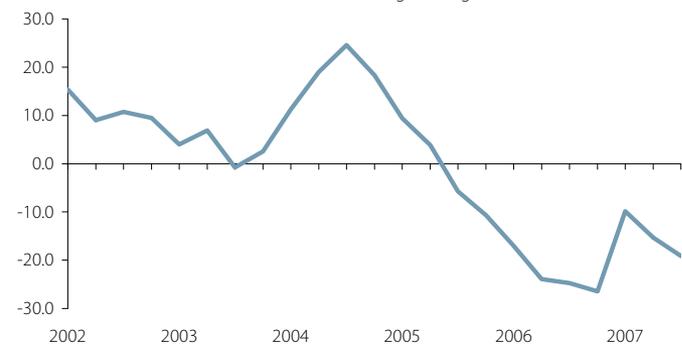
Virginia Building Permits

Year-over-Year Percent Change through December 2007



Virginia Existing Home Sales

Year-over-Year Percent Change through 3Q:07



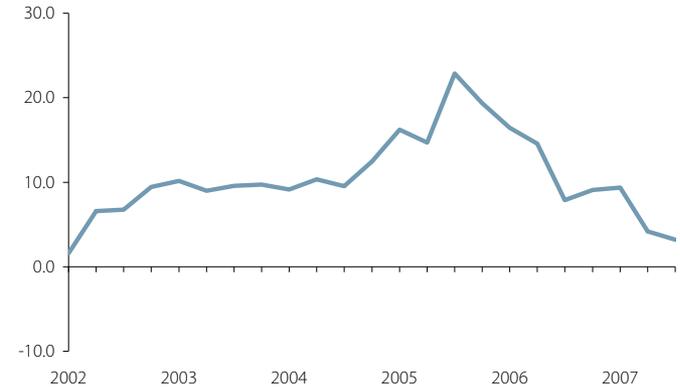
VIRGINIA

Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	3Q:07	239	0.84	3.20
Virginia Beach-Norfolk MSA	3Q:07	255	1.67	4.59
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	3Q:07	235	0.00	4.44
Roanoke MSA	3Q:07	200	-3.38	5.26
Virginia Beach-Norfolk MSA	3Q:07	225	0.00	-0.88
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:07	408	-0.36	1.79
Fifth District	3Q:07	398	0.26	2.92
Virginia	3Q:07	477	0.04	2.86
Lynchburg MSA (1995=100)	3Q:07	192	-0.58	6.17
Richmond MSA (1995=100)	3Q:07	227	0.86	6.16
Roanoke MSA (1995=100)	3Q:07	196	-0.28	5.79
Virginia Beach-Norfolk MSA (1995=100)	3Q:07	261	0.55	4.42
Housing Opportunity Index ² (%)	3Q:07	2Q:07	3Q:06	
Richmond MSA	50.5	53.1	52.1	
Roanoke MSA	45.8	46.7	54.0	
Virginia Beach-Norfolk MSA	46.7	48.5	40.3	
Commercial Vacancy Rates (%)	4Q:07	3Q:07	4Q:06	
Office Vacancies	Richmond	12.9	12.2	15.0
Industrial Vacancies	Richmond	7.8	7.3	9.2
Retail Vacancies	Richmond	0.0	7.2	5.2

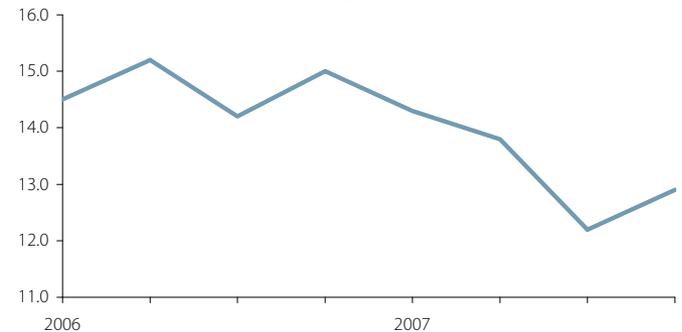
Richmond MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through 3Q:07



Richmond MSA Office Vacancy Rate

Through 4Q:07



WEST VIRGINIA

February Summary

According to recent data, economic activity in West Virginia advanced at a fairly modest pace in December. State payrolls expanded for the fifth straight month in December with 1,300 jobs added since November. Over the past year, job growth in the state has been positive, but limited, as solid job gains in service industries such as business and health care services continue to be diluted by losses in manufacturing and government payrolls. Job growth was not uniform across metro areas, however. The Huntington MSA saw a slight decrease in payrolls over the past year, while hiring in Morgantown outpaced the state and the nation. Total employment in the Morgantown metro area was up 1.8 percent from a year ago compared to a statewide increase of only 0.4 percent and a national increase of 1.5 percent.

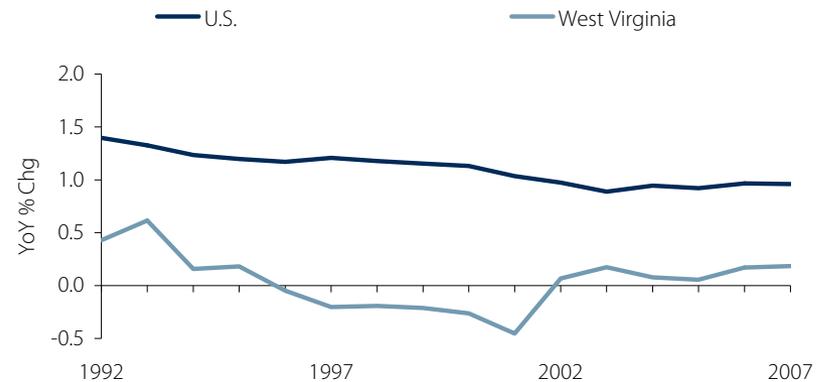
Despite the modest job gains, West Virginia's unemployment rate edged up three-tenths of a percentage point in December to 4.9 percent. Nonetheless, West Virginia's rate finished 2007 below its year-ago mark (5.0 percent) and the national average (5.0 percent).

Like a number of its District peers, conditions in West Virginia's housing market improved a bit in December. Residential permit levels in the state reached their highest mark in almost two years, up 119.4 percent since December of 2006. Over that same period, permitting activity in the Fifth District and the U.S. decreased by 27.2 percent and 34.2 percent, respectively. Adding to the upbeat report, housing starts in West Virginia were up 15.4 percent since November and 137.3 percent over the past year.

A Closer Look at... Population Growth

West Virginia's population grew by just 0.2 percent in 2007 – the lowest rate of increase in the District – according to the Bureau of the Census's most recent data. Population growth in the state has been relatively stagnant in recent years, averaging increases of 0.1 percent between 2002 and 2007 and -0.2 percent between 1997 and 2002. Since 1997, West Virginia's population has declined 0.4 percent, making it the only state in the District to experience negative growth over the last ten years. Looking back further, West Virginia's population has declined 5.0 percent since 1977, decreasing by more than 96,000 residents.

West Virginia Population Growth



WEST VIRGINIA

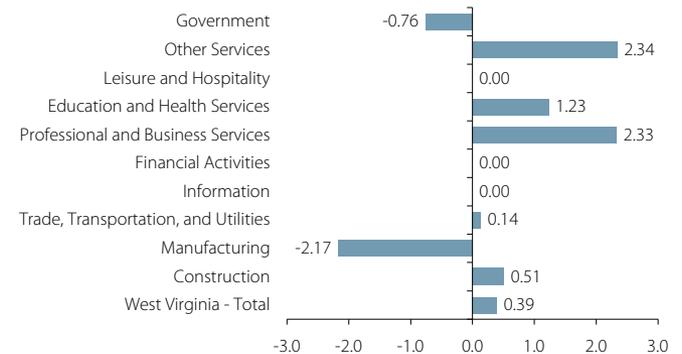
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	December	138,119.0	0.06	0.83
Fifth District - Total	December	13,984.2	0.16	1.47
West Virginia - Total	December	686.0	0.17	0.39
Construction	December	39.6	-1.00	0.51
Manufacturing	December	58.6	-0.17	-2.17
Trade, Transportation, and Utilities	December	144.0	0.49	0.14
Information	December	11.7	0.00	0.00
Financial Activities	December	30.0	0.67	0.00
Professional and Business Services	December	61.4	-0.32	2.33
Education and Health Services	December	114.8	0.70	1.23
Leisure and Hospitality	December	71.9	0.14	0.00
Other Services	December	56.9	0.18	2.34
Government	December	144.2	-0.07	-0.76
Charleston MSA - Total	December	151.8	0.26	0.80
Huntington MSA - Total	December	121.5	-0.41	-0.08
Morgantown MSA - Total	December	62.9	-0.16	1.78
Parkersburg MSA - Total	December	75.0	-1.06	0.67

Unemployment Rate (SA)	December 07	November 07	December 06
United States	5.0	4.7	4.4
Fifth District	4.6	4.2	4.4
West Virginia	4.9	4.6	5.0
Charleston MSA	3.7	3.8	4.1
Huntington MSA	4.5	4.3	4.7
Morgantown MSA	2.9	2.9	3.0
Parkersburg MSA	4.8	4.4	5.0

West Virginia Payroll Employment Performance

Year-over-Year Percent Change through December 2007



West Virginia Unemployment Rate

Through December 2007



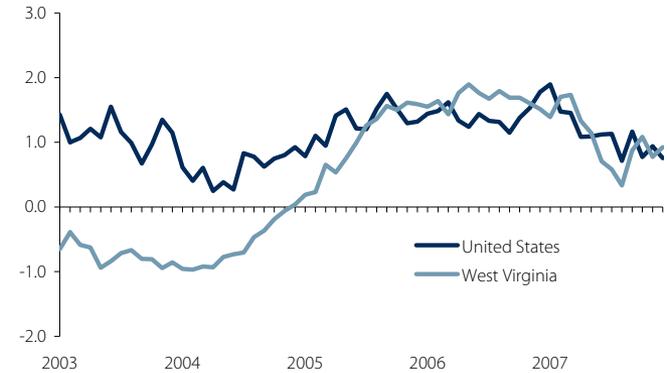
WEST VIRGINIA

Labor Market Conditions

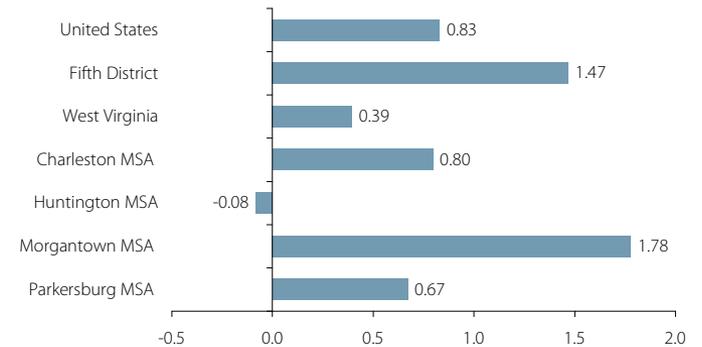
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	153,866	0.02	0.76
Fifth District	December	14,934	-0.01	0.54
West Virginia	December	819	0.10	0.92
Charleston MSA	December	140	-0.50	0.50
Huntington MSA	December	134	-1.11	-0.59
Morgantown MSA	December	63	-0.94	1.60
Parkersburg MSA	December	81	-0.49	0.12

Initial Unemployment Claims (NSA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	1,892,191	21.22	7.11
Fifth District	December	144,128	0.02	1.70
West Virginia	December	7,410	0.57	-9.08

West Virginia Labor Force
Year-over-Year Percent Change through December 2007



West Virginia Total Employment Performance
Year-over-Year Percent Change through December 2007



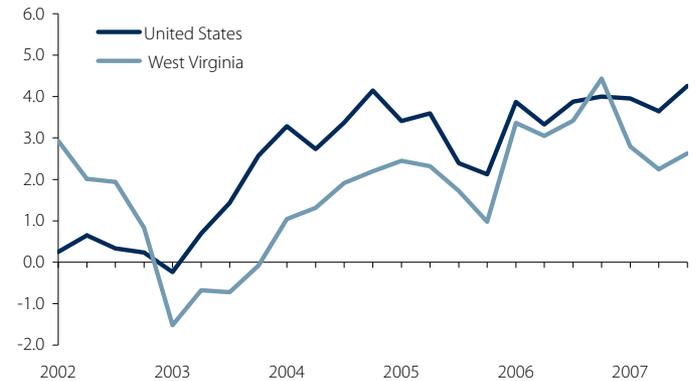
WEST VIRGINIA

Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:07	9,952,389	0.96	4.26
Fifth District	3Q:07	946,869	0.88	3.85
West Virginia	3Q:07	45,629	0.75	2.63
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46
West Virginia	3Q:07	1,071	-4.46	29.35
Mortgage Delinquencies (% Delinquent)	3Q:07	2Q:07	3Q:06	
United States				
All Mortgages	5.81	5.06	4.84	
Conventional	3.25	2.63	2.52	
Subprime	16.68	14.54	12.95	
West Virginia				
All Mortgages	7.27	6.76	6.44	
Conventional	5.06	4.51	4.34	
Subprime	19.23	18.14	16.91	

West Virginia Real Personal Income

Year-over-Year Percent Change through 3Q:07



West Virginia Mortgage Delinquencies - All

Percent Delinquent through 3Q:07

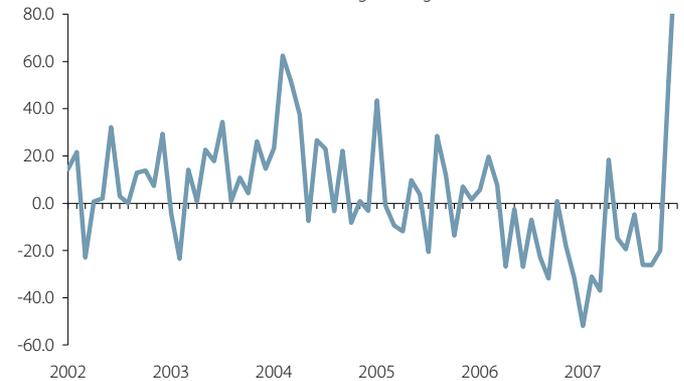


WEST VIRGINIA

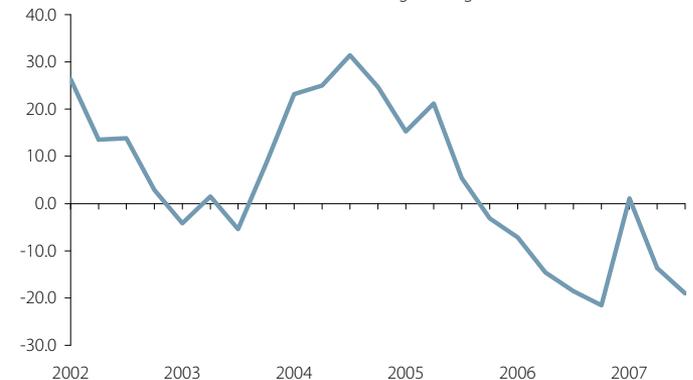
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	December	74,457	-13.53	-34.16
Fifth District	December	11,722	-1.21	-27.21
West Virginia	December	498	5.51	119.38
Charleston MSA	December	11	0.00	-26.67
Huntington MSA	December	9	-40.00	200.00
Morgantown MSA	December	25	-28.57	---
Parkersburg MSA	December	8	0.00	14.29
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	1,006.0	-14.24	-38.24
Fifth District	December	170.8	7.97	-21.37
West Virginia	December	7.3	15.42	137.25
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:07	5,420.0	-8.40	-13.79
Fifth District	3Q:07	525.6	-13.21	-16.84
West Virginia	3Q:07	25.6	-15.79	-18.99
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:07	408	-0.36	1.79
Fifth District	3Q:07	398	0.26	2.92
West Virginia	3Q:07	233	1.22	3.58
Charleston MSA (1995=100)	3Q:07	157	2.13	5.63
Huntington MSA (1995=100)	3Q:07	172	1.87	5.70
Morgantown MSA (1995=100)	3Q:07	176	1.72	4.47
Parkersburg MSA (1995=100)	3Q:07	157	-1.84	0.78
Median Home Sales Price - NAR	Period	Level (\$ 000s)	QoQ % Change	YoY % Change
Charleston MSA	3Q:07	123	-3.29	4.14

West Virginia Building Permits
Year-over-Year Percent Change through December 2007



West Virginia Existing Home Sales
Year-over-Year Percent Change through 3Q:07





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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