

SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY
JANUARY 2008



THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE

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FIFTH DISTRICT

January Summary

Recent assessments of economic conditions in the Fifth District were generally positive with solid readings on employment and incomes. Hiring activity at District firms picked up somewhat in November as strong gains in leisure and hospitality, education and health services and retail trade more than offset additional job losses in manufacturing. Taking a longer perspective, District labor markets continued to outperform the U.S. over the past twelve months with payrolls increasing 1.5 percent compared to a 1.1 percent gain nationally.

Reports on District household conditions were also encouraging. The overall District unemployment rate edged down two tenths of a percent in November to finish at 4.2 percent, while the national mark was unchanged at 4.7 percent. Additionally, real personal income growth accelerated in the third quarter with overall District incomes up 0.9 percent since the end of June versus a 0.3 increase in the previous quarter. Income growth was also solid over the past year, though the gap between the District's pace (3.9 percent) and the U.S. mark (4.3 percent) widened a bit during the third quarter.

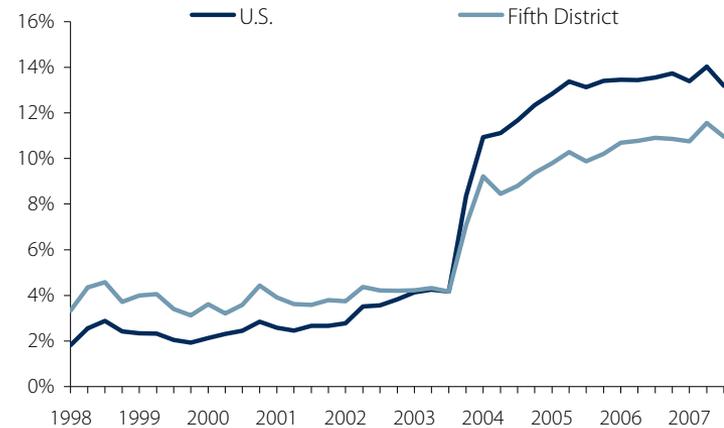
Conditions at District businesses were not as upbeat, however. Both manufacturers and service-providers reported noticeably weaker numbers in our December survey, including the first negative reading on services employment since March of 2004. On the other hand, the drag from District retailers lessened during the early weeks of the holiday season. Our survey measures of prices were up across the board in December, though they were generally below levels reported a year-ago.

District housing market activity remained sluggish in November as residential building permits moved down 2.4 percent, following a slight uptick a month earlier.

A Closer Look at...Home Mortgages

- Subprime mortgages accounted for 11.0 percent of all Fifth District mortgages serviced in the third quarter of 2007, as compared to 13.2 percent nationally.
- The Fifth District's delinquency rate for prime mortgages rose to a record high in the third quarter (3.2 percent), but the District's subprime delinquency rate remained roughly two percentage points below their 18.7 percent peak set in 2001.
- The percentage of seriously delinquent prime mortgages – calculated by adding the percentage of mortgages 90 days past due and the percentage of mortgages in foreclosure – edged up to 2.2 percent, the District's highest mark since the third quarter of 2002.

Fifth District Share of Subprime Mortgages
Percent through 3Q:07



FIFTH DISTRICT Labor Market Conditions

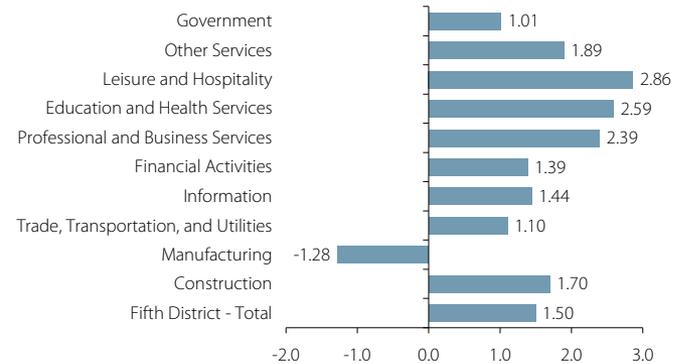
Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	138,467.0	0.07	1.11
Fifth District - Total	November	13,955.8	0.19	1.50
Construction	November	880.3	0.09	1.70
Manufacturing	November	1,263.1	-0.06	-1.28
Trade, Transportation, and Utilities	November	2,472.3	0.27	1.10
Information	November	281.4	0.21	1.44
Financial Activities	November	730.7	0.21	1.39
Professional and Business Services	November	1,989.0	0.04	2.39
Education and Health Services	November	1,719.3	0.29	2.59
Leisure and Hospitality	November	1,321.7	0.57	2.86
Other Services	November	683.5	0.32	1.89
Government	November	2,553.5	0.16	1.01

Unemployment Rate (SA)	November 07	October 07	November 06
United States	4.7	4.8	4.5
Fifth District	4.2	4.4	4.5

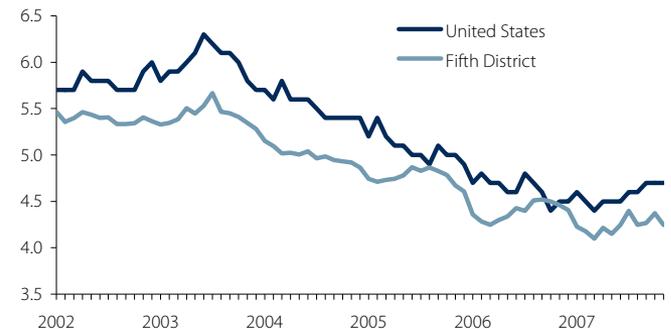
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	153,828	0.34	0.94
Fifth District	November	14,936	0.25	0.60

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	1,560,998	9.78	2.79
Fifth District	November	144,102	13.67	1.18

Fifth District Payroll Employment Performance
Year-over-Year Percent Change through November 2007



Fifth District Unemployment Rate
Through November 2007



FIFTH DISTRICT

Business Conditions

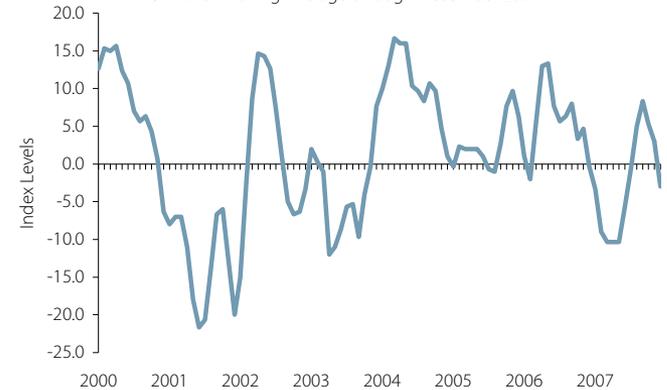
Manufacturing Survey (SA)	December 2007	November 2007	December 2006
Composite Index	-4	0	-6
Shipments	-10	1	-4
New Orders	-6	-1	-8
Number of Employees	5	-1	-5
Expected Shipments - Six Months	24	34	30
Raw Material Prices (SAAR)	3.19	2.00	3.44
Finished Good Prices (SAAR)	2.32	1.11	2.59

Service Sector Survey (SA)	December 2007	November 2007	December 2006
Service Firm Revenues	2	9	14
Service Firm Employment	-4	3	15
Retail Revenues	-2	-19	-3
Big-Ticket Sales	-27	-51	-10
Expected Retail Demand - Six Months	-3	9	-2
Service Firm Prices	0.64	0.54	0.83
Retail Prices	1.58	1.30	1.47

District Imports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	October	2,349.27	12.27	8.42
Wilmington, North Carolina	October	589.62	11.05	53.41
Charleston, South Carolina	October	3,583.93	17.56	7.64
Norfolk, Virginia	October	3,376.24	21.12	12.61
District Exports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	October	1,158.92	6.99	30.18
Wilmington, North Carolina	October	295.53	18.95	50.20
Charleston, South Carolina	October	1,964.87	11.38	40.81
Norfolk, Virginia	October	2,144.01	20.20	38.72

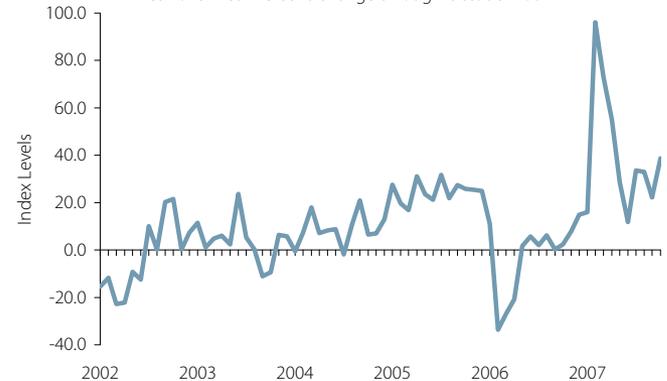
Composite Manufacturing Index

3-Month Moving Average through December 2007



Norfolk Port District Exports

Year-over-Year Percent Change through October 2007



FIFTH DISTRICT

Household Conditions

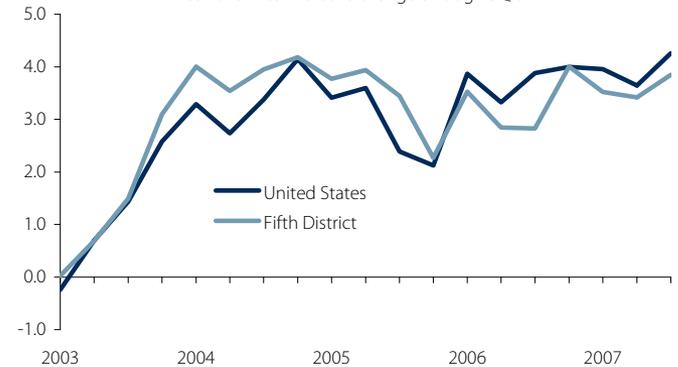
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:07	9,952,389	0.96	4.26
Fifth District	3Q:07	946,869	0.88	3.85
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46

FIFTH DISTRICT

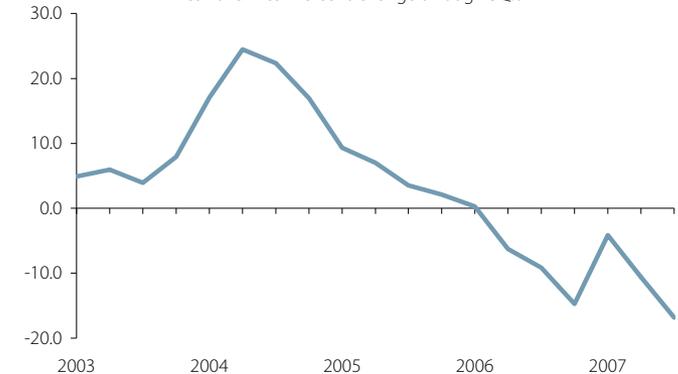
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	86,110	-15.73	-21.98
Fifth District	November	11,865	-2.40	-15.42
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States (SAAR)	November	1,187	-3.65	-24.15
Fifth District (SAAR)	November	164	-0.42	-19.82
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

January Summary

Economic conditions in the District of Columbia and its neighboring suburbs strengthened a bit in November as solid employment and income data overshadowed weak housing numbers. D.C. payrolls were up 0.1 percent in November on the heels of a -0.3 percent decline a month earlier. Over the past year, employment in the area increased 1.4 percent, outpacing the U.S. mark of 1.1 percent. Job growth was also strong across the Washington, D.C. metro area. In November, employment in the MSA was up 0.6 percent from October and 1.4 percent from a year-ago. Job gains in the metro area continued to be particularly pronounced in professional and business services which added over 16,000 workers in the past twelve months. By comparison, the rest of the Fifth District has created just over 30,000 jobs in that sector during the same period. Hiring activity has not been as robust in all sectors, however. The pace of job growth in the Washington D.C. MSA's government sector, for example, fell to a three-year low in November, increasing just 0.3 percent over the past twelve months.

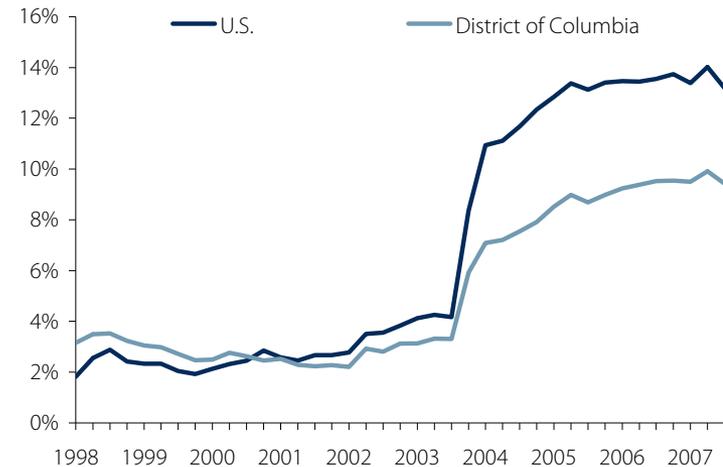
Reports from D.C. households were also generally positive. The District of Columbia's unemployment rate edged lower to 5.7 percent in November, down one tenth of a percent from October and four tenths from a year ago. Additionally, real income growth in D.C. accelerated during the third quarter – total personal income was up 0.9 percent since the end of June, matching the U.S. mark over the period.

Turning to real estate conditions, the health of the housing sector in the Washington, D.C. MSA continued to weaken in November. Permitting activity dwindled further, inventory levels remained elevated, and prices continued to soften.

A Closer Look at...Home Mortgages

- Subprime mortgages comprised 9.4 percent of all mortgages serviced in the District of Columbia during the third quarter – the lowest share among Fifth District jurisdictions.
- Delinquency rates in the District of Columbia remained below both national and District levels, though D.C.'s delinquency rate on subprime mortgages rose to a new high of 15.6 percent in the third quarter.
- D.C.'s percentage of subprime mortgages considered to be seriously delinquent mortgages rose to 1.6 percent in the third quarter, though it remained well below its peak rate of 3.1 percent set in 1999.

District of Columbia Share of Subprime Mortgages
Percent through 3Q:07



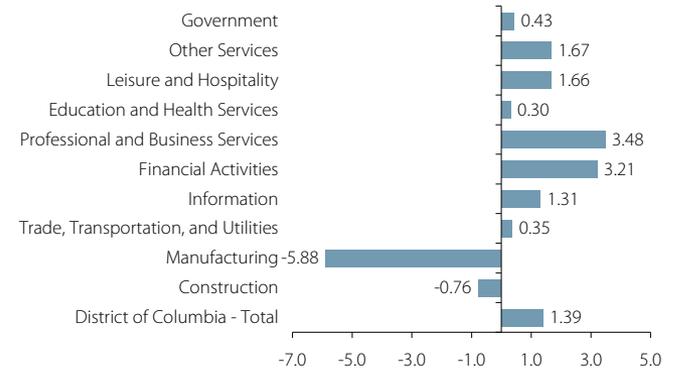
DISTRICT OF COLUMBIA

Labor Market Conditions

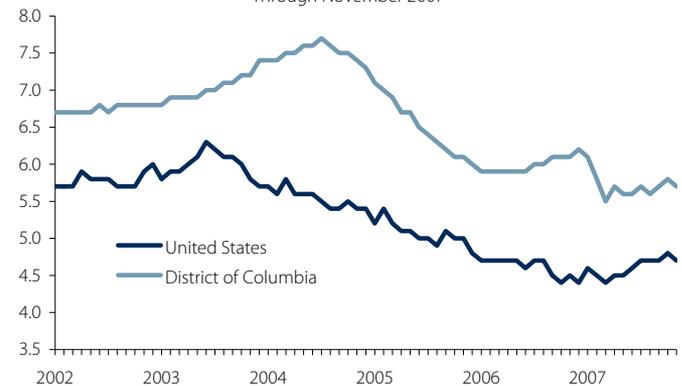
Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	138,467.0	0.07	1.11
Fifth District - Total	November	13,955.8	0.19	1.50
District of Columbia - Total	November	701.9	0.06	1.39
Construction	November	13.0	0.00	-0.76
Manufacturing	November	1.6	0.00	-5.88
Trade, Transportation, and Utilities	November	28.5	1.06	0.35
Information	November	23.2	0.43	1.31
Financial Activities	November	19.3	1.05	3.21
Professional and Business Services	November	160.7	0.19	3.48
Education and Health Services	November	98.9	2.70	0.30
Leisure and Hospitality	November	55.0	0.55	1.66
Other Services	November	60.8	0.66	1.67
Government	November	234.2	-0.43	0.43
Washington, D.C. MSA - Total	November	2,450.8	0.56	1.37

Unemployment Rate (SA)	November 07	October 07	November 06
United States	4.7	4.8	4.5
Fifth District	4.2	4.4	4.5
District of Columbia	5.7	5.8	6.1
Washington, D.C. MSA	---	3.1	3.1

D.C. Payroll Employment Performance
Year-over-Year Percent Change through November 2007



D.C. Unemployment Rate
Through November 2007

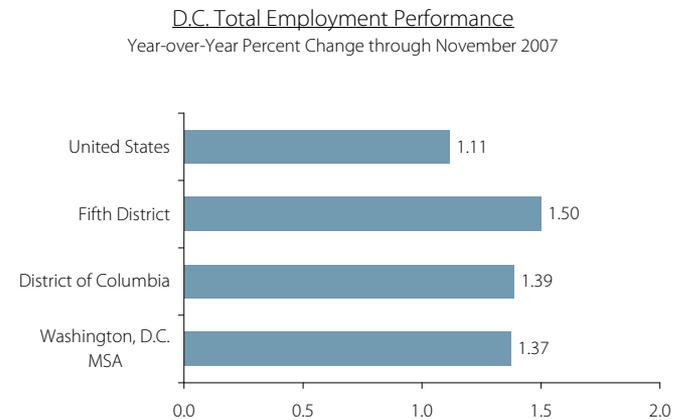
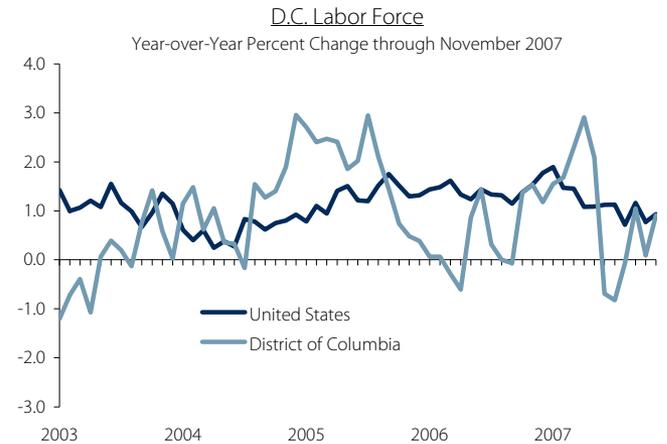


DISTRICT OF COLUMBIA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	153,828	0.34	0.94
Fifth District	November	14,936	0.25	0.60
District of Columbia	November	321	0.85	0.91
Washington, D.C. MSA	October	2,348	0.27	0.52

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	1,560,998	9.78	2.79
Fifth District	November	144,102	13.67	1.18
District of Columbia	November	1,385	9.78	10.18

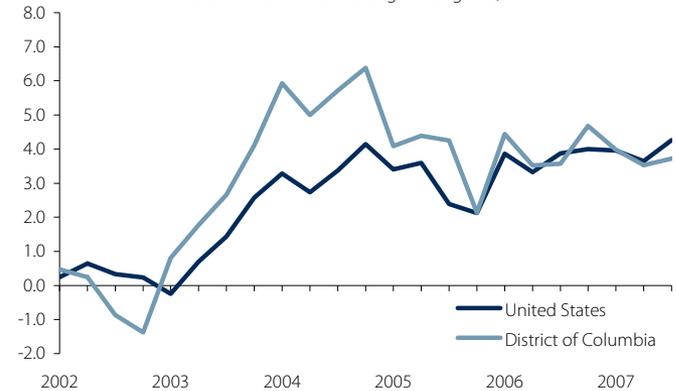


DISTRICT OF COLUMBIA

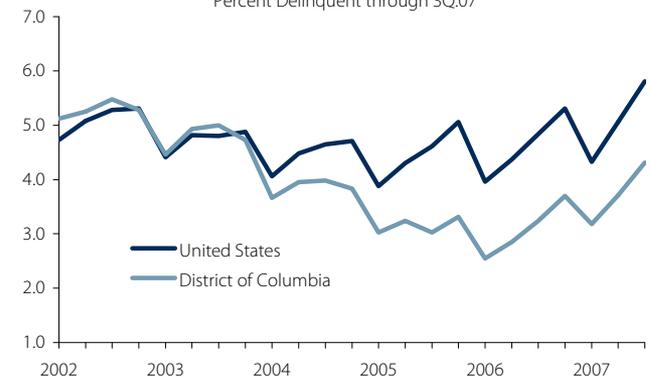
Household Conditions

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



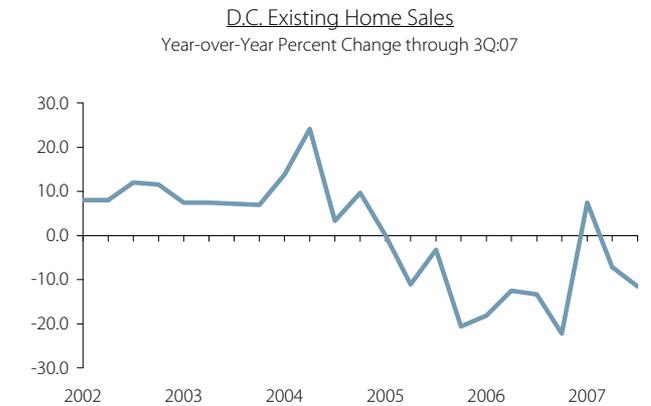
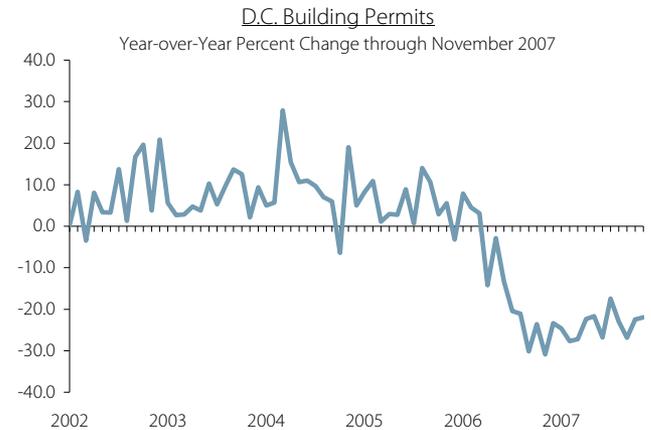
D.C. Mortgage Delinquencies - All
Percent Delinquent through 3Q:07



DISTRICT OF COLUMBIA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	86,110	-15.73	-21.98
Fifth District	November	11,865	-2.40	-15.42
District of Columbia	November	7	-46.15	-96.71
Washington, D.C. MSA	November	1,118	-21.49	-26.35
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	1,187.0	-3.65	-24.15
Fifth District	November	164.2	-0.42	-19.82
District of Columbia	November	0.1	-44.44	-96.78
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	3Q:07	5,423.0	-8.35	-13.74
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	December	36,348	-2.46	36.06
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Washington, D.C. MSA	December	369,900	-1.61	-15.81

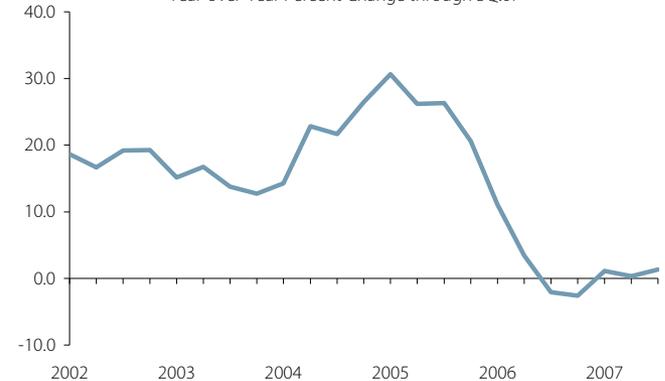


DISTRICT OF COLUMBIA

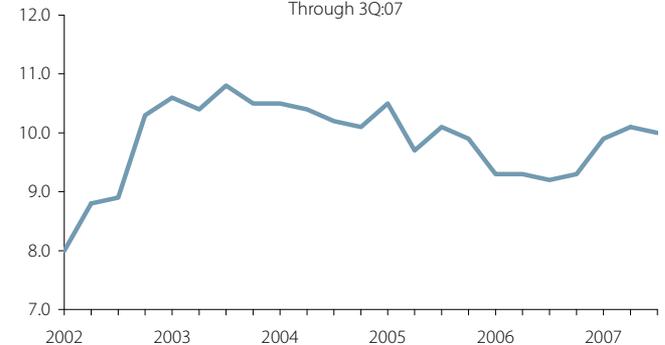
Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	3Q:07	438	-1.64	1.34
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 (%)	3Q:07	2Q:07	3Q:06	
Office Vacancies	Washington, D.C. MSA	10.0	10.1	9.2
Industrial Vacancies	Washington, D.C. MSA	15.5	14.4	13.6

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



D.C. MSA Office Vacancy Rate
Through 3Q:07



MARYLAND

January Summary

Recent readings on Maryland's economy were mixed. On the plus side, labor market conditions improved in November as Maryland businesses added workers, following two months of job cuts. Maryland's leisure and hospitality sector posted the strongest gains during November, accounting for approximately a quarter of the state's payroll additions. Leisure and hospitality has also been the state's best performing sector over the past twelve months with employment up 3.2 percent since November of 2006. Job growth by metro area varied. Hiring activity in Hagerstown continued to outperform the state over the past year, Bethesda was on par with the state, while payroll growth in the Cumberland MSA remained sluggish. Job growth in the Baltimore area trailed the state pace a bit, though November marked the MSA's largest twelve-month increase (16,300 jobs) since mid-2006, propelled by brisk hiring at finance and health care firms.

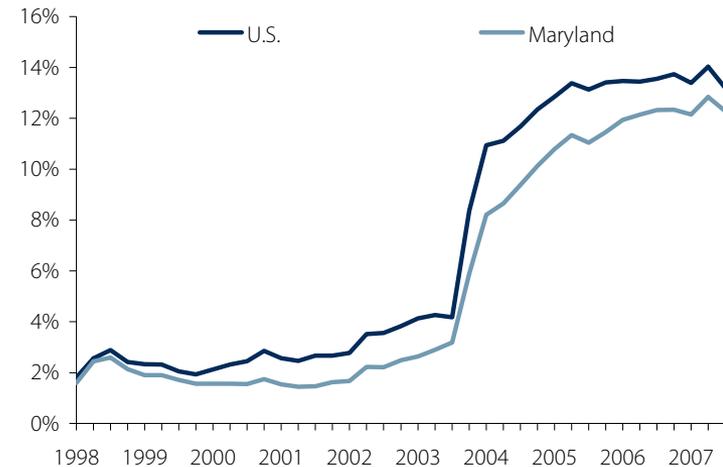
Turning to households, Maryland's unemployment rate edged lower to 3.7 percent in November. Income growth in the state picked up a bit in the third quarter, though Maryland posted the smallest percentage increase among Fifth District jurisdictions.

On the real estate front, housing market conditions in Maryland deteriorated further in November. While a number of its District peers experienced an uptick in permitting activity, Maryland saw permit levels fall to their lowest mark since November of 1981. Conditions were also weaker in most of the state's major metro areas. Home inventories continued to build in December; inventories in the Baltimore area were up 30.1 percent from year-ago levels. In addition, median asking prices in the Baltimore market continued to soften during the final month of 2007, down 8.9 percent over the past twelve months.

A Closer Look at...Home Mortgages

- Subprime mortgages accounted for 12.3 percent of all mortgages initiated in Maryland during the third quarter, a slight dip from the previous quarter's rate of 12.8 percent.
- Maryland's delinquency rate for prime mortgages jumped 0.5 percentage points to finish the quarter at 2.6 percent, while the state's subprime delinquency rate surged to 17.0 percent – a new record high.
- The percentage of seriously delinquent mortgages in Maryland crept up 0.4 percentage points to finish at 1.9 percent, the state's highest mark since the first quarter of 2004.

Maryland Share of Subprime Mortgages
Percent through 3Q:07



MARYLAND

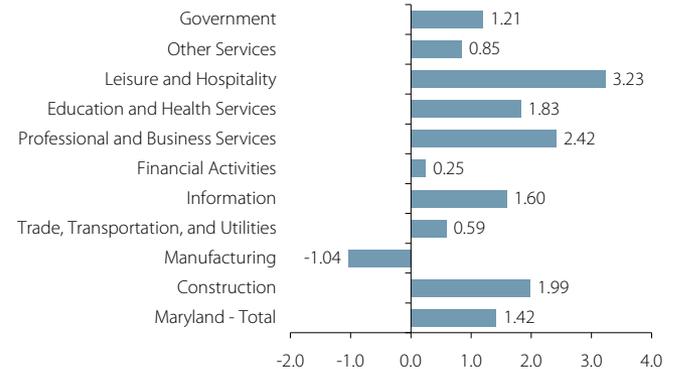
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	138,467.0	0.07	1.11
Fifth District - Total	November	13,955.8	0.19	1.50
Maryland - Total	November	2,630.4	0.35	1.42
Construction	November	195.1	0.46	1.99
Manufacturing	November	133.8	0.15	-1.04
Trade, Transportation, and Utilities	November	476.3	0.15	0.59
Information	November	50.9	0.20	1.60
Financial Activities	November	160.5	0.12	0.25
Professional and Business Services	November	406.1	0.27	2.42
Education and Health Services	November	372.3	0.13	1.83
Leisure and Hospitality	November	239.4	0.88	3.23
Other Services	November	118.3	0.25	0.85
Government	November	477.7	0.65	1.21
Baltimore-Towson MSA - Total	November	1,334.2	0.57	1.24
Bethesda-Frederick MSA - Total	November	589.6	0.51	1.25
Cumberland MSA - Total	November	40.4	0.50	0.25
Hagerstown MSA - Total	November	104.3	0.10	2.05

Unemployment Rate (SA)	November 07	October 07	November 06
United States	4.7	4.8	4.5
Fifth District	4.2	4.4	4.5
Maryland	3.7	4.0	3.9
Baltimore-Towson MSA	---	4.0	4.0
Bethesda-Frederick MSA	---	2.9	3.0
Cumberland MSA	---	4.8	5.2
Hagerstown MSA	---	4.3	4.3

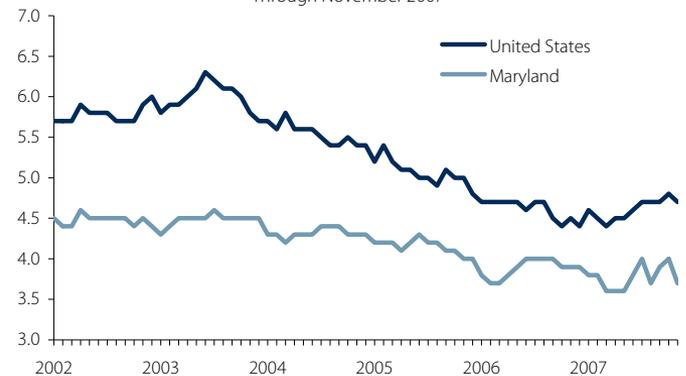
Maryland Payroll Employment Performance

Year-over-Year Percent Change through November 2007



Maryland Unemployment Rate

Through November 2007



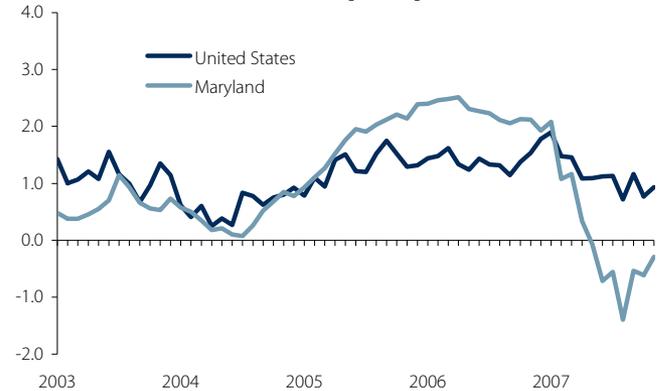
MARYLAND

Labor Market Conditions

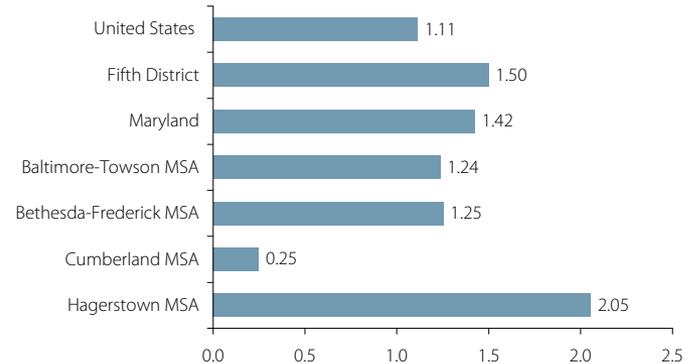
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United States	November	153,828	0.34	0.94
Fifth District	November	14,936	0.25	0.60
Maryland	November	3,022	0.39	-0.29
Baltimore-Towson MSA	October	1,410	0.76	-0.75
Bethesda-Frederick MSA	October	647	0.57	-0.46
Cumberland MSA	October	49	0.00	-0.81
Hagerstown MSA	October	123	0.57	0.82

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	1,560,998	9.78	2.79
Fifth District	November	144,102	13.67	1.18
Maryland	November	20,418	2.46	10.59

Maryland Labor Force
Year-over-Year Percent Change through November 2007



Maryland Total Employment Performance
Year-over-Year Percent Change through November 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	---	---

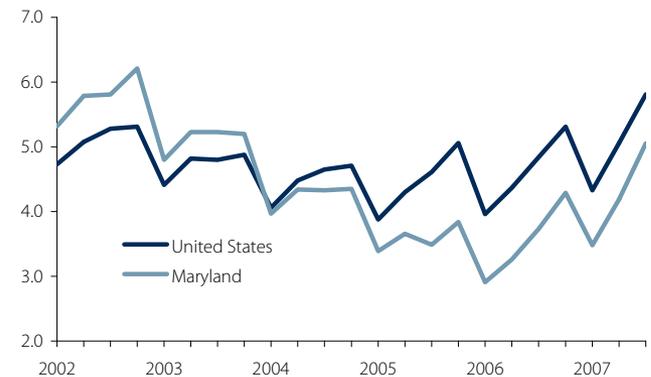
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46
Maryland	3Q:07	3,544	15.44	45.07

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

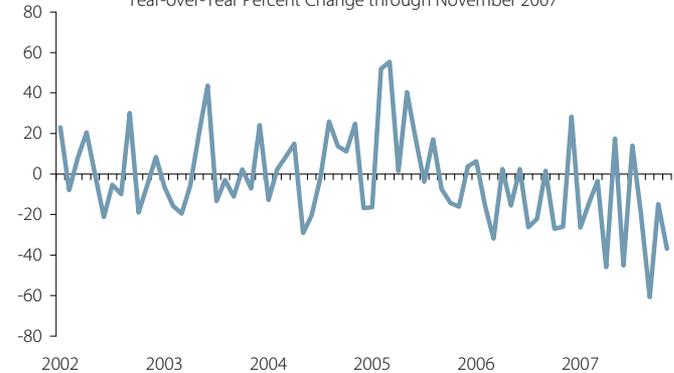


MARYLAND

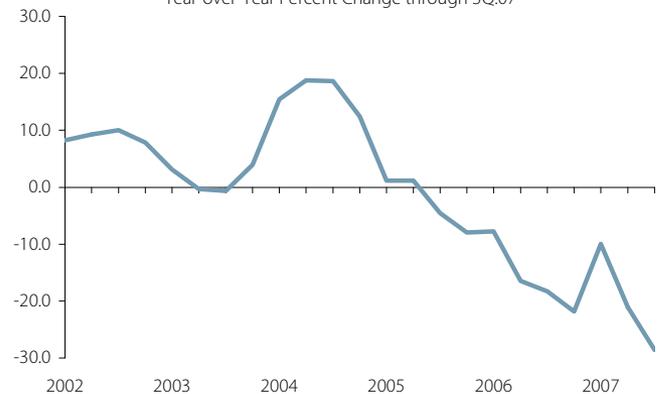
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	86,110	-15.73	-21.98
Fifth District	November	11,865	-2.40	-15.42
Maryland	November	954	-33.24	-36.90
Baltimore-Towson MSA	November	321	-20.54	-38.27
Cumberland MSA	November	6	20.00	-33.33
Hagerstown	November	291	162.16	46.23
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	1,187.0	-3.65	-24.15
Fifth District	November	164.2	-0.42	-19.82
Maryland	November	13.2	-31.89	-40.19
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:07	5,423.0	-8.35	-13.74
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	December	15,971	-2.73	30.13
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Baltimore-Towson MSA	December	295,950	-1.05	-8.94
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 November 2007



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



MARYLAND

Real Estate Conditions

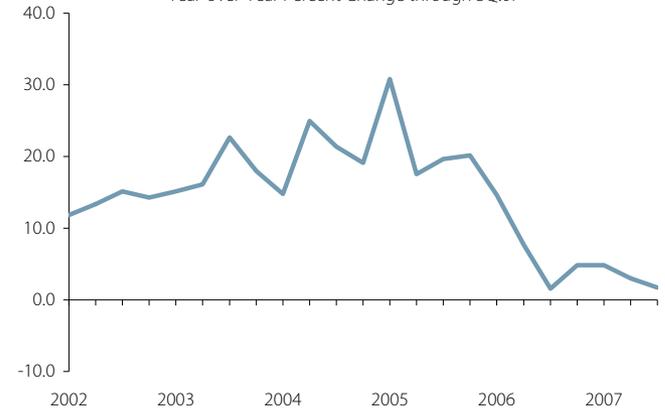
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	3Q:07	269	3.07	-2.18
Bethesda-Frederick MSA	3Q:07	---	---	---
Cumberland MSA	3Q:07	95	4.40	5.56
Hagerstown MSA	3Q:07	229	4.09	-3.38

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	-0.42	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

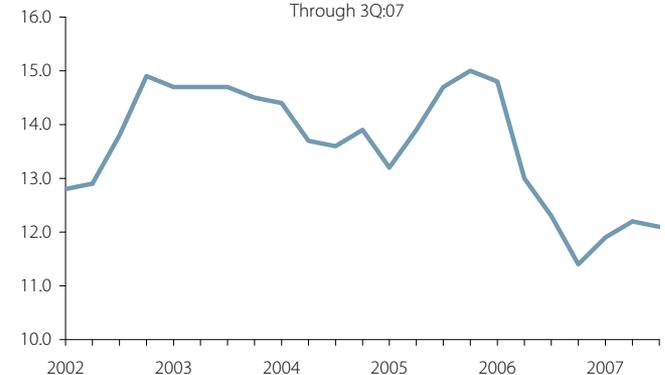
Housing Opportunity Index ² (%)	3Q:07	2Q:07	3Q:06
Baltimore-Towson MSA	45.4	49.0	41.5
Bethesda-Frederick Metro Division	31.4	37.6	30.4
Cumberland MSA	82.5	85.2	81.8
Hagerstown MSA	37.1	41.9	35.5

Commercial Vacancy Rates (%)	3Q:07	2Q:07	3Q:06
Office Vacancies			
Baltimore	12.1	12.2	12.3
Industrial Vacancies			
Baltimore	14.6	13.5	12

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



Baltimore-Towson MSA Office Vacancy Rate
Through 3Q:07



NORTH CAROLINA

January Summary

Economic conditions in North Carolina improved in November, boosted by solid job growth and stronger readings from the state's housing sector. Hiring activity at North Carolina firms remained brisk in November. Total employment in the state was up 1.7 percent from a year-ago, compared to the national mark of 1.1 percent over the same period. Overall gains in November were constrained somewhat, however, by reductions in construction, manufacturing, and government payrolls. Conditions by metro area remained in line with previous months' readings. The Charlotte, Durham, and Raleigh MSAs continued to outperform the state, while job growth in the Greensboro market remained sluggish. Payroll growth was particularly robust in the Durham area – up 0.6 percent from October and 2.2 percent from a year earlier – which has posted year-over-year gains in factory employment in eleven straight months.

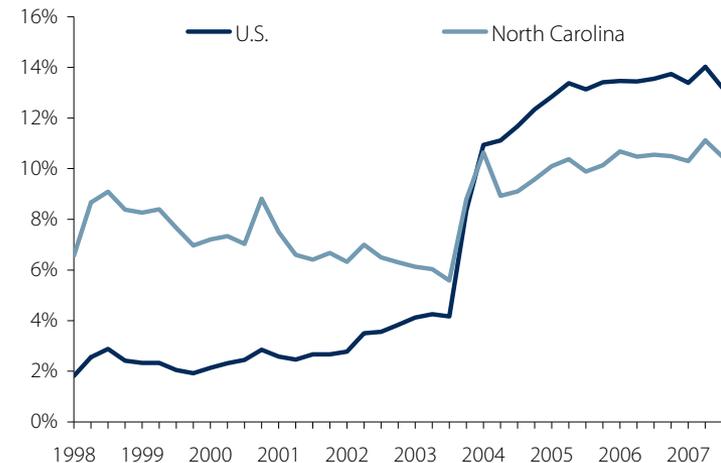
Recent data from households in the state were also positive. North Carolina's unemployment rate edged down a tenth of a percent to 4.7 percent, bringing the state and national rates in line for the first time since February. Additionally, household incomes increased 4.5 percent from the third quarter of last year – the largest year-over-year gain in the Fifth District.

On the housing front, news was also upbeat. In November, residential permitting activity picked up for the first time in five months. Permits were still down from year-ago levels, though the gain of 3.7 percent paled in comparison to the 28.3 percent decrease recorded last month. Much of the improvement can be attributed to increased activity in the state's major metro markets. Permit levels were up by eight percent or better in Charlotte, Durham, Greensboro, and Raleigh compared to November of 2006. In addition, median asking prices in the Raleigh MSA increased 1.6 percent in December and inventory levels in the area were down 4.6 percent during the month.

A Closer Look at...Home Mortgages

- Subprime mortgages accounted for 10.5 percent of all mortgages in North Carolina during the third quarter – a lower share than the District and the nation which posted rates of 11.0 and 13.2 percent, respectively.
- Delinquency rates climbed higher in recent months, with prime mortgage delinquencies up 0.6 percentage points to 3.6 percent and subprime mortgage delinquencies up 2.0 percentage points to 17.5 percent.
- The percent of seriously delinquent mortgages in North Carolina rose to 2.3 percent, but remained well below the national rate of 3.0 percent.

North Carolina Share of Subprime Mortgages
Percent through 3Q:07



NORTH CAROLINA

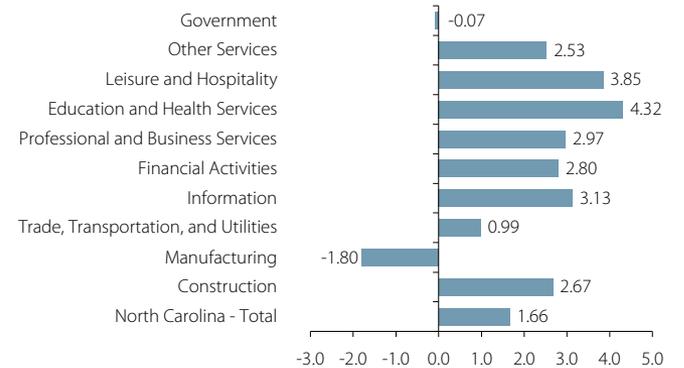
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	138,467.0	0.07	1.11
Fifth District - Total	November	13,955.8	0.19	1.50
North Carolina - Total	November	4,121.8	0.13	1.66
Construction	November	253.8	-0.31	2.67
Manufacturing	November	541.4	-0.15	-1.80
Trade, Transportation, and Utilities	November	768.8	0.16	0.99
Information	November	75.8	0.16	3.13
Financial Activities	November	216.3	0.42	2.80
Professional and Business Services	November	495.0	0.14	2.97
Education and Health Services	November	514.9	0.18	4.32
Leisure and Hospitality	November	391.2	0.75	3.85
Other Services	November	182.5	0.22	2.53
Government	November	675.3	-0.07	-0.07
Charlotte MSA - Total	November	853.7	0.07	1.84
Durham MSA - Total	November	290.9	0.55	2.21
Greensboro-High Point MSA - Total	November	374.8	0.11	0.94
Raleigh-Cary MSA - Total	November	504.1	0.34	2.00

Unemployment Rate (SA)	November 07	October 07	November 06
United States	4.7	4.8	4.5
Fifth District	4.2	4.4	4.5
North Carolina	4.7	4.8	4.9
Charlotte MSA	---	4.7	4.8
Durham MSA	---	---	---
Greensboro-High Point MSA	---	4.6	5.0
Raleigh-Cary MSA	---	3.5	3.8

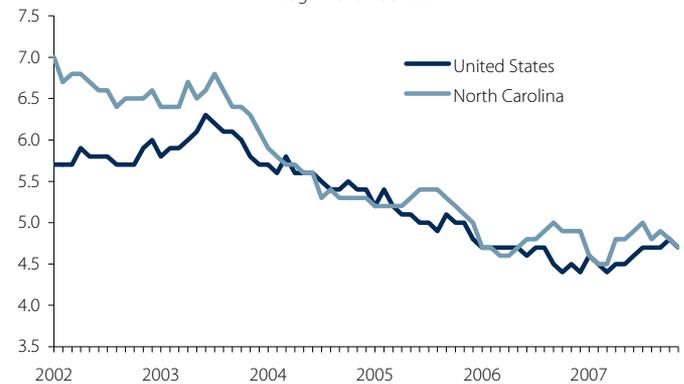
North Carolina Payroll Employment Performance

Year-over-Year Percent Change through November 2007



North Carolina Unemployment Rate

Through November 2007



NORTH CAROLINA

Labor Market Conditions

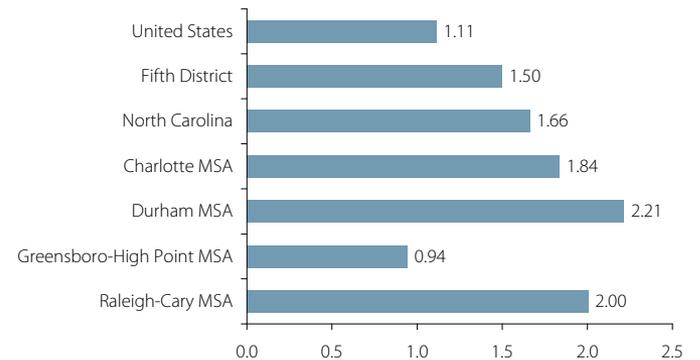
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	153,828	0.34	0.94
Fifth District	November	14,936	0.25	0.60
North Carolina	November	4,537	0.07	0.53
Charlotte MSA	October	849	-0.27	0.94
Durham MSA	October	---	---	---
Greensboro-High Point MSA	October	373	0.43	-0.05
Raleigh-Cary MSA	October	541	-0.15	0.86

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	1,560,998	9.78	2.79
Fifth District	November	144,102	13.67	1.18
North Carolina	November	62,016	17.55	2.14

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



North Carolina Total Employment Performance
Year-over-Year Percent Change through November 2007



NORTH CAROLINA

Household Conditions

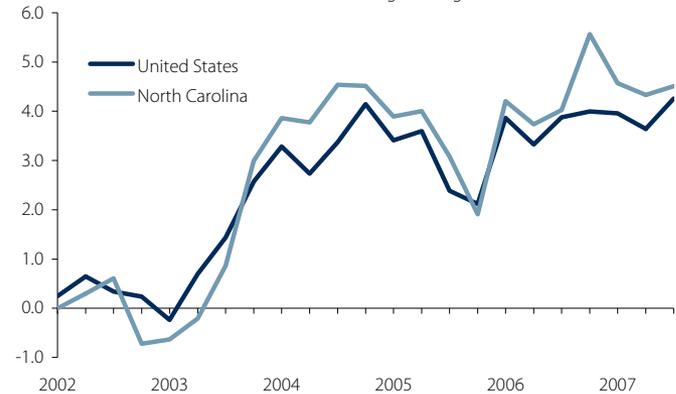
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:07	9,952,389	0.96	4.26
Fifth District	3Q:07	946,869	0.88	3.85
North Carolina	3Q:07	260,814	0.93	4.51

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	---	---

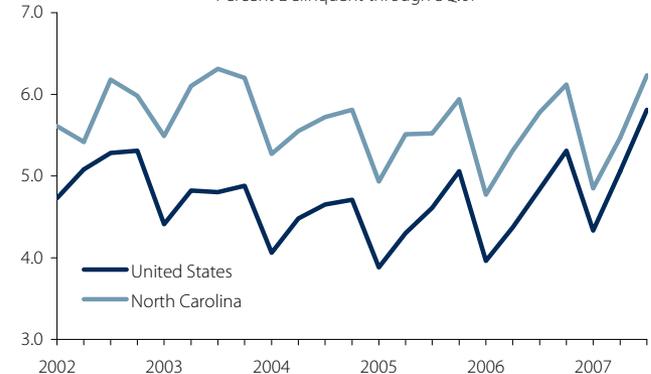
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46
North Carolina	3Q:07	4,827	4.37	9.43

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



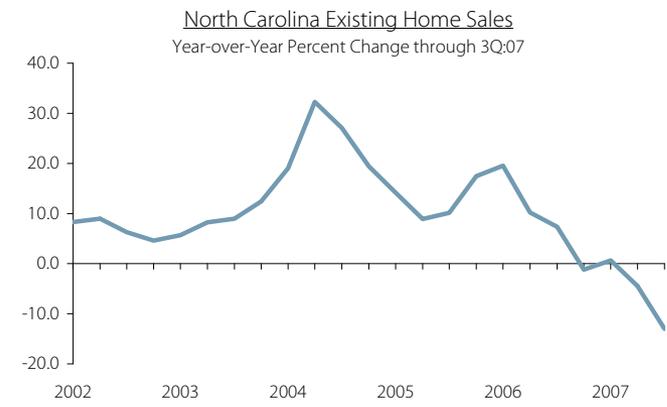
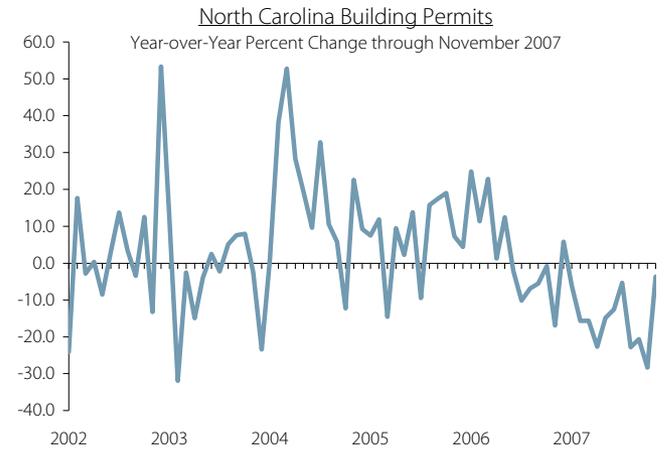
North Carolina Mortgage Delinquencies - All
Percent Delinquent through 3Q:07



NORTH CAROLINA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	86,110	-15.73	-21.98
Fifth District	November	11,865	-2.40	-15.42
North Carolina	November	5,920	5.94	-3.66
Charlotte MSA	November	1,573	11.09	8.18
Durham MSA	November	233	62.94	16.50
Greensboro-High Point MSA	November	477	65.05	8.16
Raleigh-Cary MSA	November	980	-21.47	15.02
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	1,187.0	-3.65	-24.15
Fifth District	November	164.2	-0.42	-19.82
North Carolina	November	81.9	8.10	-8.67
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:07	5,423.0	-8.35	-13.74
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	December	10,189	-4.57	23.58
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Raleigh-Cary MSA	December	253,900	1.59	5.44
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

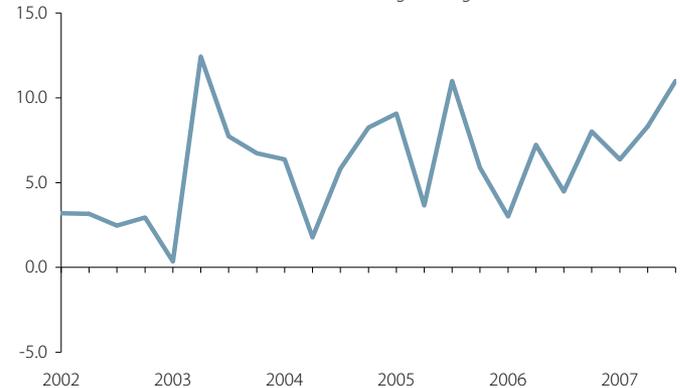
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	3Q:07	176	0.57	0.57
Durham MSA	3Q:07	178	-3.78	2.30
Greensboro-High Point MSA	3Q:07	142	4.41	0.00
Raleigh-Cary MSA	3Q:07	215	-8.51	4.37

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

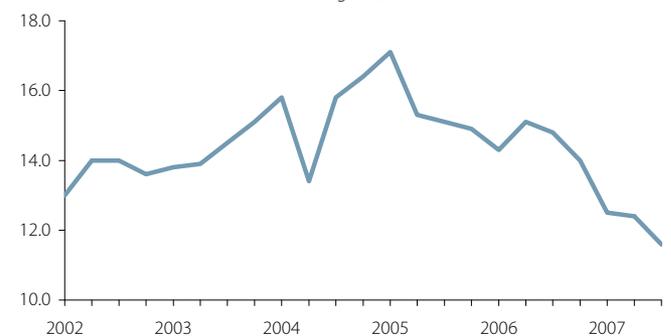
Housing Opportunity Index ² (%)	3Q:07	2Q:07	3Q:06
Charlotte MSA	59.5	61.5	63.6
Durham MSA	59.1	57.7	63.0
Greensboro-High Point MSA	66.9	74.4	71.4
Raleigh-Cary MSA	57.6	52.6	61.2

Commercial Vacancy Rates (%)	3Q:07	2Q:07	3Q:06
Office Vacancies			
Raleigh/Durham	14.2	13.7	15.6
Charlotte	11.6	12.4	14.8
Industrial Vacancies			
Raleigh/Durham	14.1	15.7	15.5
Charlotte	9.4	13.2	10.9

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



Charlotte MSA Office Vacancy Rate
Through 3Q:07



SOUTH CAROLINA

January Summary

South Carolina's economy gained a bit of traction according to recent data. The pace of hiring in South Carolina accelerated in November as firms added 5,300 jobs, following a gain of only 400 workers last month. Job growth in the state was also solid over the past twelve months. South Carolina payrolls have expanded 1.3 percent since November of last year, outpacing both the Fifth District and the U.S. Hiring remained somewhat uneven across metro areas, however. The Charleston, Columbia, and Greenville MSAs continued to add workers at a healthy clip. Payrolls in the Columbia market, for example, were up 2.6 percent over the past twelve months – the area's largest year-over-year gain since June of 2006. On the other hand, job growth in Spartanburg continued to be hampered by persistent weakness in manufacturing.

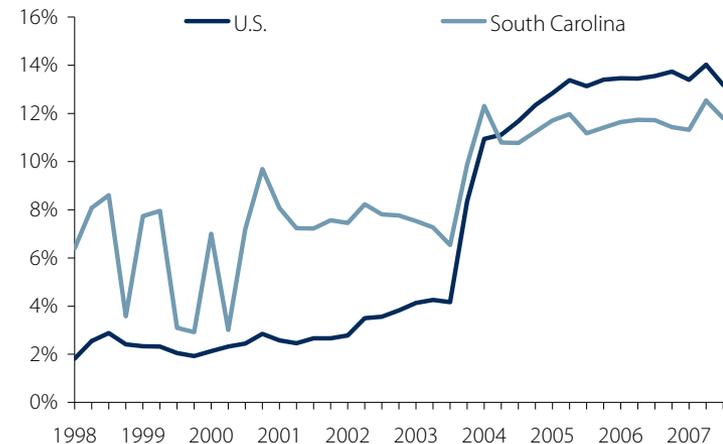
Despite the encouraging job numbers, South Carolina's unemployment rate edged higher for the third straight month in November. The state's mark moved up one tenth of a percent to 5.9 percent, though it remained below the year-ago rate of 6.6 percent. On a more upbeat note, real income growth in South Carolina picked up during the third quarter. Household incomes in the state rose 4.2 percent over the past year, nearly matching U.S. growth during the period.

On the real estate front, readings were mixed. Statewide residential permitting activity increased in November, but levels were lower than year-ago totals. Conditions varied by metro area. Permit numbers in the Charleston, Greenville, and Spartanburg MSAs continued to drift lower, while the Columbia market posted a modest gain in building permits.

A Closer Look at...Home Mortgages

- Subprime mortgages in the Palmetto state accounted for 11.5 percent of all mortgages serviced in the third quarter, compared to 13.2 percent nationally.
- South Carolina's delinquency rate for prime mortgages matched the series-high of 4.0 percent set in late 2002. On the other hand, the state's subprime delinquency rate – 17.3 percent in the third quarter – remained well below the series-peak level of 25.1 percent set in the fourth quarter of 2001.
- The state's percentage of seriously delinquent mortgages rose to 2.9 percent in the third quarter – the highest rate in the Fifth District.

South Carolina Share of Subprime Mortgages
Percent through 3Q:07



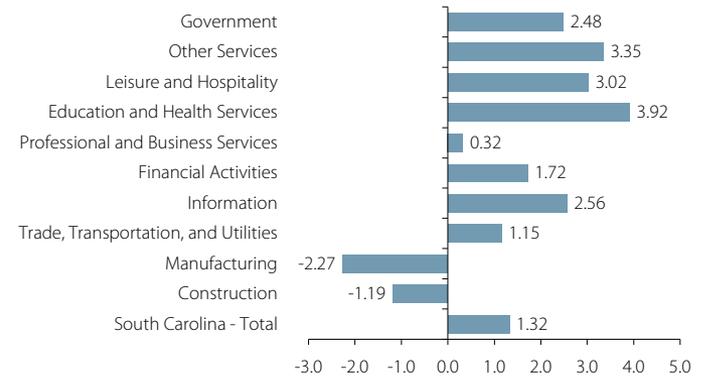
SOUTH CAROLINA

Labor Market Conditions

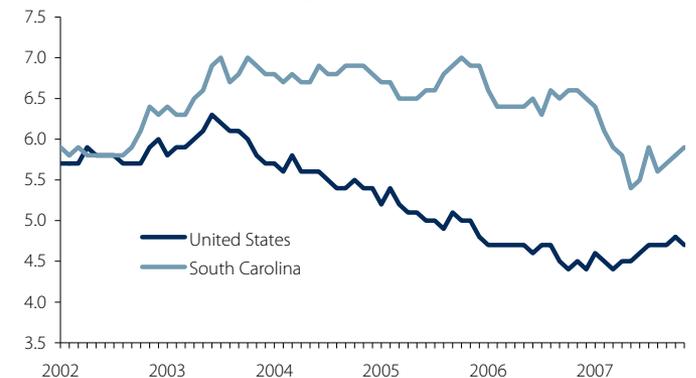
Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	138,467.0	0.07	1.11
Fifth District - Total	November	13,955.8	0.19	1.50
South Carolina - Total	November	1,941.3	0.27	1.32
Construction	November	125.0	-0.79	-1.19
Manufacturing	November	241.4	0.33	-2.27
Trade, Transportation, and Utilities	November	376.6	0.72	1.15
Information	November	28.0	-0.36	2.56
Financial Activities	November	106.4	1.14	1.72
Professional and Business Services	November	217.9	-0.23	0.32
Education and Health Services	November	204.3	0.05	3.92
Leisure and Hospitality	November	218.1	0.51	3.02
Other Services	November	80.3	0.88	3.35
Government	November	338.5	0.06	2.48
Charleston MSA - Total	November	296.5	-0.03	2.42
Columbia MSA - Total	November	372.2	0.73	1.58
Greenville MSA - Total	November	320.7	0.56	2.62
Spartanburg MSA - Total	November	125.9	0.72	-0.94

Unemployment Rate (SA)	November 07	October 07	November 06
United States	4.7	4.8	4.5
Fifth District	4.2	4.4	4.5
South Carolina	5.9	5.8	6.6
Charleston MSA	---	4.7	5.1
Columbia MSA	---	5.2	5.5
Greenville MSA	---	5.3	5.7
Spartanburg MSA	---	6.0	6.4

South Carolina Payroll Employment Performance
Year-over-Year Percent Change through November 2007



South Carolina Unemployment Rate
Through November 2007



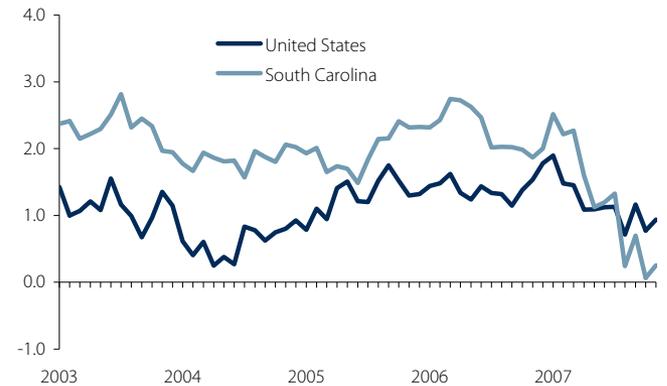
SOUTH CAROLINA

Labor Market Conditions

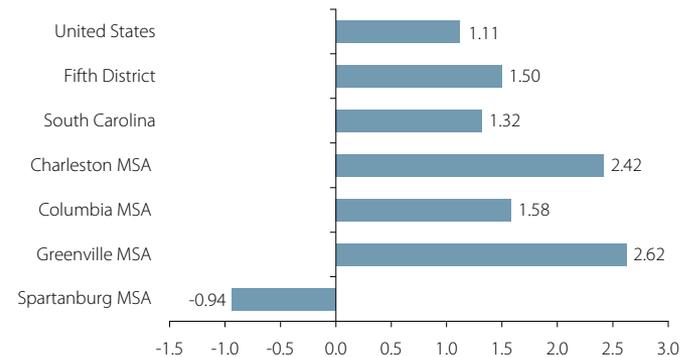
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	153,828	0.34	0.94
Fifth District	November	14,936	0.25	0.60
South Carolina	November	2,150	0.24	0.25
Charleston MSA	October	313	-0.35	0.80
Columbia MSA	October	374	0.46	-0.13
Greenville-Spartanburg MSA	October	317	0.00	0.99

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	1,560,998	9.78	2.79
Fifth District	November	144,102	13.67	1.18
South Carolina	November	27,799	7.04	-6.98

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



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



SOUTH CAROLINA

Household Conditions

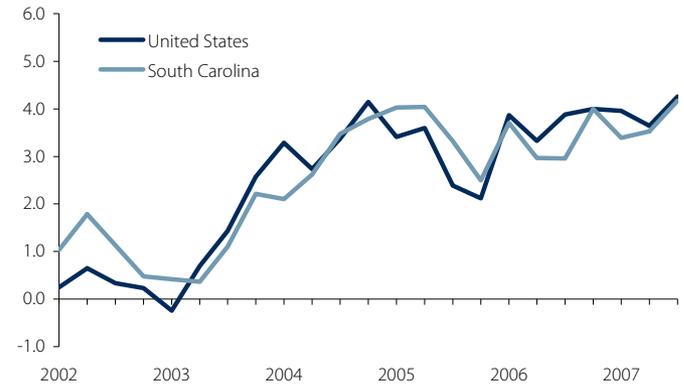
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:07	9,952,389	0.96	4.26
Fifth District	3Q:07	946,869	0.88	3.85
South Carolina	3Q:07	116,291	0.99	4.17

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

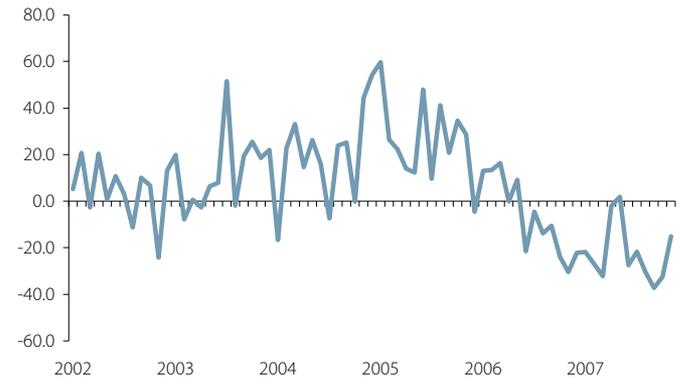
Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	86,110	-15.73	-21.98
Fifth District	November	11,865	-2.40	-15.42
South Carolina	November	2,535	14.04	-15.19
Charleston MSA	November	358	6.23	-25.26
Columbia MSA	November	544	58.60	7.30
Greenville MSA	November	286	-23.94	-20.56
Spartanburg MSA	November	78	-17.89	-19.59

Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	1,187.0	-3.65	-24.15
Fifth District	November	164.2	-0.42	-19.82
South Carolina	November	35.1	16.35	-19.59

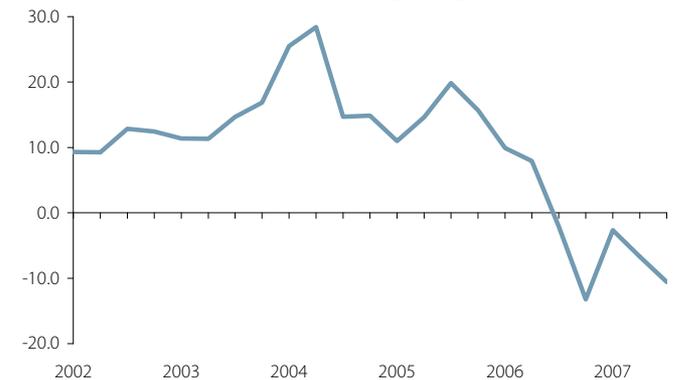
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:07	5,423.0	-8.35	-13.74
Fifth District	3Q:07	525.6	-13.21	-16.84
South Carolina	3Q:07	101.6	-13.01	-10.56

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 November 2007



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

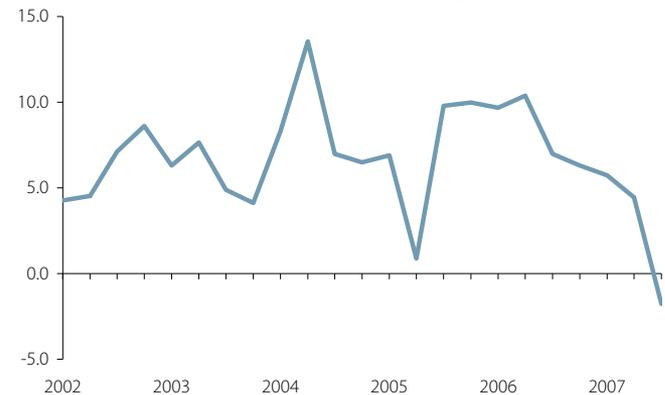


SOUTH CAROLINA

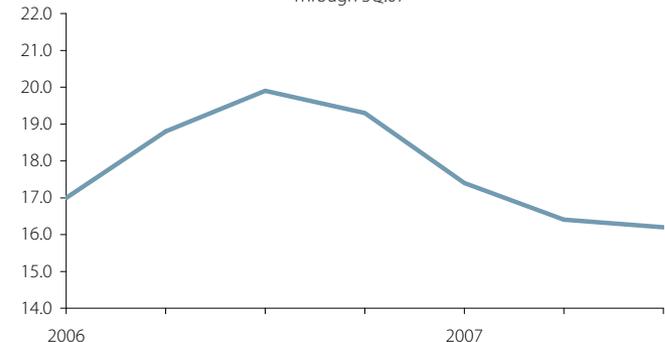
Real Estate Conditions

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 (%)	3Q:07	2Q:07	3Q:06	
Office Vacancies				
Charleston	14.8	14.8	---	
Columbia	16.2	16.4	19.9	
Greenville	17.5	17.6	15.3	
Industrial Vacancies				
Charleston	10.6	8.5	---	
Greenville	10.4	10.4	11.8	
Retail Vacancies				
Greenville	10.8	10.8	11.1	

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



Columbia MSA Office Vacancy Rate
Through 3Q:07



VIRGINIA

January Summary

Economic conditions in Virginia strengthened somewhat according to recent data as strong job growth outweighed further softness in housing. Virginia added 5,200 new jobs in November after shedding 3,400 workers the previous month. Job growth was also solid compared to November of 2006. Total employment in the state expanded 1.7 percent over the past twelve months – the largest year-over-year increase among Fifth District jurisdictions. Gains continued to be centered in service industries, especially business services and leisure and hospitality. Labor market performance was a bit uneven across metro areas, however. Lynchburg, Virginia Beach and the northern Virginia suburbs posted strong employment gains, while job growth in the Roanoke area was more modest. The Richmond MSA, on the other hand, experienced essentially no change in payrolls over the past twelve months. Virginia’s capital city saw solid gains in business services and construction jobs offset by sizable losses in manufacturing, health care, retail trade, financial services, and government.

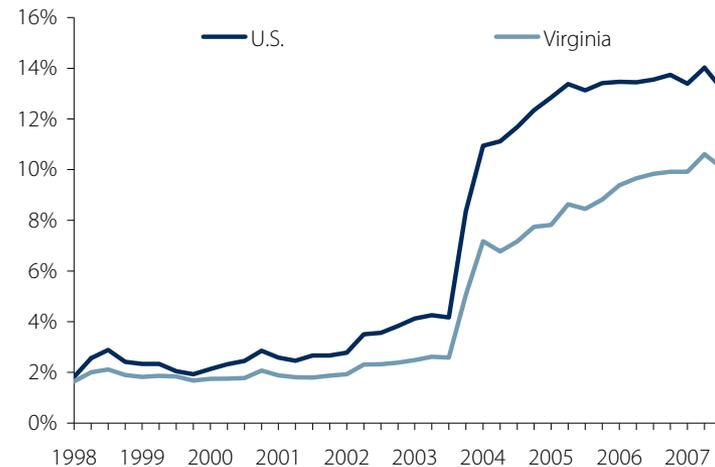
Turning to households, Virginia’s unemployment rate inched higher in November to 3.2 percent. While this represented the state’s highest mark in nearly two years, Virginia’s rate was still one and half percentage points below the national mark of 4.7 percent. Household incomes in Virginia rose a solid 1.0 percent according to third quarter data, though growth in the state lagged the U.S. over the past year.

News from Virginia’s housing sector was less encouraging. Permitting activity in the state pulled back in November, following a slight uptick a month earlier. Permit levels were off 24.7 percent from October and 30.8 percent from a year-ago. Local conditions were generally in line with the state. Permit levels were down in Richmond, Roanoke, and especially Virginia Beach, which experienced its largest year-over-year drop since March of 2003. On the other hand, home inventories in the Virginia Beach MSA were down 7.1 percent in December.

A Closer Look at...Home Mortgages

- Subprime mortgages comprised 10.1 percent of all mortgages serviced in Virginia during the third quarter, as compared to 11.0 percent in the Fifth District.
- Virginia’s delinquency rate for prime mortgages climbed to a new high of 2.5 percent, while the state’s subprime delinquency rate came in at 15.8 percent, just under its high watermark of 16.1 percent set in late 2004.
- The percentage of Virginia mortgages considered seriously delinquent rose to 1.6 percent in the third quarter, but the state’s level was the lowest among Fifth District jurisdictions during the period.

Virginia Subprime Mortgages Serviced
Percent through 3Q:07



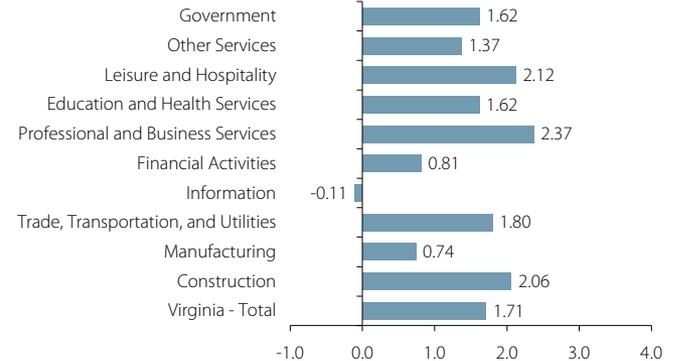
VIRGINIA

Labor Market Conditions

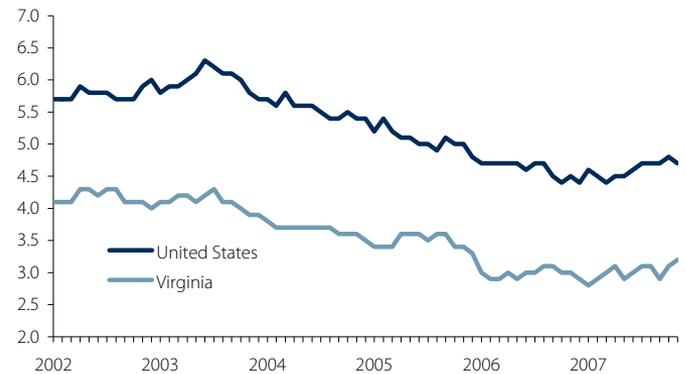
Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	138,467.0	0.07	1.11
Fifth District - Total	November	13,955.8	0.19	1.50
Virginia - Total	November	3,798.8	0.14	1.71
Construction	November	252.6	0.68	2.06
Manufacturing	November	286.2	-0.24	0.74
Trade, Transportation, and Utilities	November	678.8	0.24	1.80
Information	November	91.9	0.11	-0.11
Financial Activities	November	198.4	-0.40	0.81
Professional and Business Services	November	647.7	-0.15	2.37
Education and Health Services	November	414.9	0.14	1.62
Leisure and Hospitality	November	346.2	0.38	2.12
Other Services	November	184.8	0.16	1.37
Government	November	683.4	0.23	1.62
Lynchburg MSA - Total	November	112.3	0.63	1.91
Richmond MSA - Total	November	634.8	-0.17	0.05
Roanoke MSA - Total	November	166.4	0.67	1.16
Virginia Beach-Norfolk MSA - Total	November	787.6	0.50	2.03

Unemployment Rate (SA)	November 07	October 07	November 06
United States	4.7	4.8	4.5
Fifth District	4.2	4.4	4.5
Virginia	3.2	3.1	3.0
Lynchburg MSA	---	3.0	3.1
Richmond MSA	---	3.0	2.9
Roanoke MSA	---	2.9	2.8
Virginia Beach-Norfolk MSA	---	3.1	3.2

Virginia Payroll Employment Performance
Year-over-Year Percent Change through November 2007



Virginia Unemployment Rate
Through November 2007



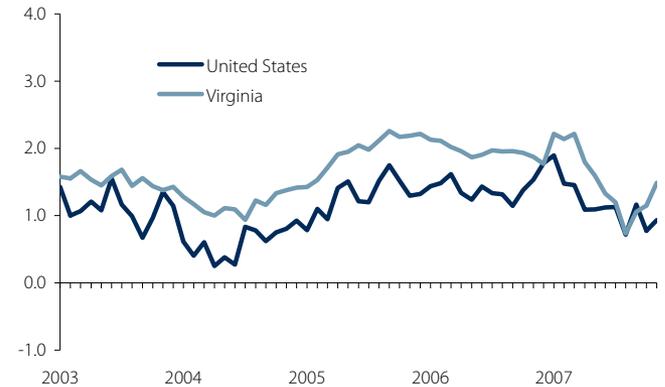
VIRGINIA

Labor Market Conditions

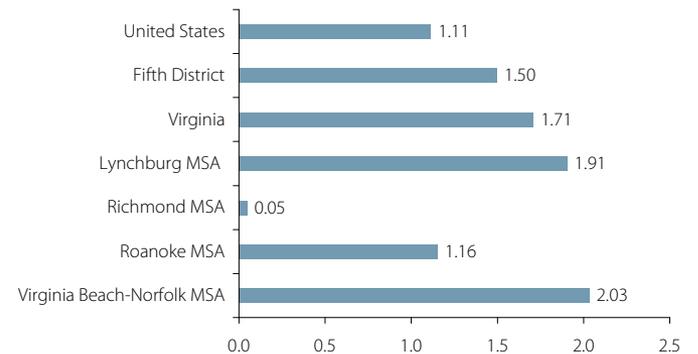
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	153,828	0.34	0.94
Fifth District	November	14,936	0.25	0.60
Virginia	November	4,089	0.42	1.49
Lynchburg MSA	October	123	0.33	1.57
Richmond MSA	October	639	0.31	-0.06
Roanoke MSA	October	157	0.13	1.29
Virginia Beach-Norfolk MSA	October	818	-0.23	1.26

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	1,560,998	9.78	2.79
Fifth District	November	144,102	13.67	1.18
Virginia	November	25,116	17.31	-2.01

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



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

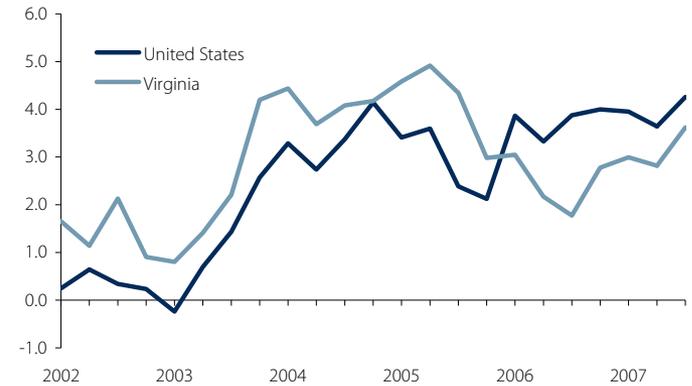


VIRGINIA

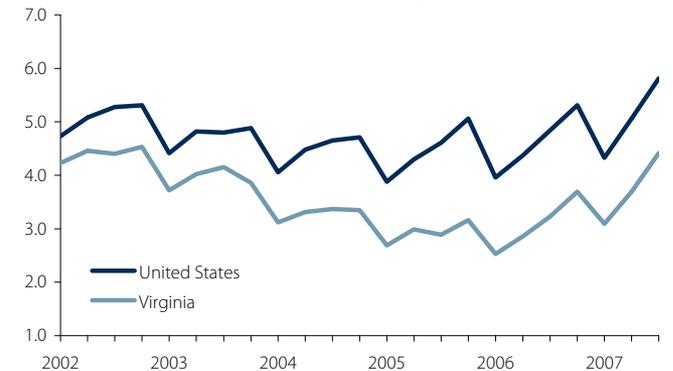
Household Conditions

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

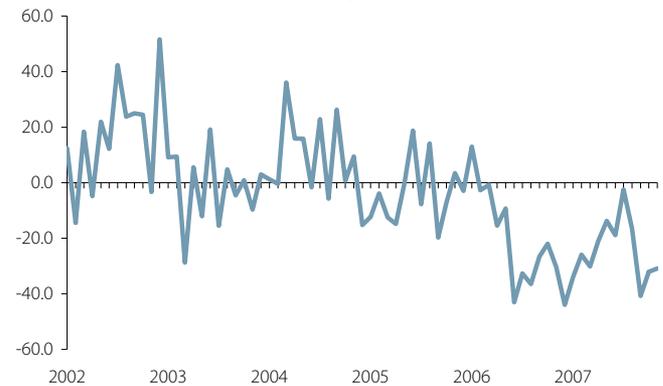


VIRGINIA

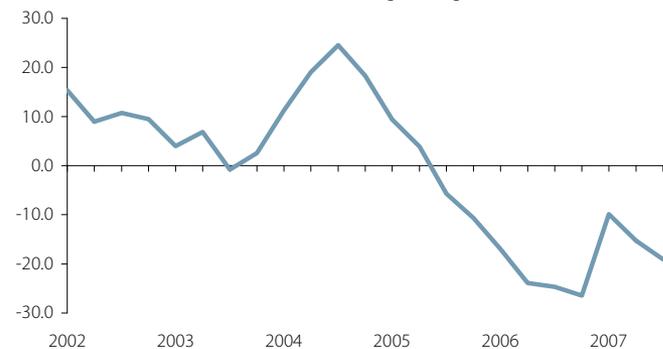
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	86,110	-15.73	-21.98
Fifth District	November	11,865	-2.40	-15.42
Virginia	November	1,977	-24.69	-30.83
Lynchburg MSA	November	180	150.00	176.92
Richmond MSA	November	355	-24.15	-23.16
Roanoke MSA	November	58	-26.58	-10.77
Virginia Beach-Norfolk MSA	November	318	-50.00	-50.62
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	1,187.0	-3.65	-24.15
Fifth District	November	164.2	-0.42	-19.82
Virginia	November	27.4	-23.17	-34.44
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:07	5,423.0	-8.35	-13.74
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	December	12,630	-7.08	34.88
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	December	319,900	-0.15	-7.30

Virginia Building Permits
Year-over-Year Percent Change through November 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
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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
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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
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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

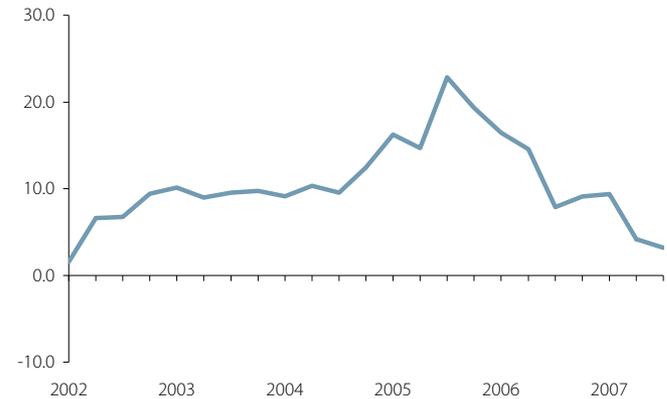
Housing Opportunity Index ² (%)	3Q:07	2Q:07	3Q:06
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Richmond MSA	50.5	53.1	52.1
Roanoke MSA	45.8	46.7	54.0
Virginia Beach-Norfolk MSA	46.7	48.5	40.3

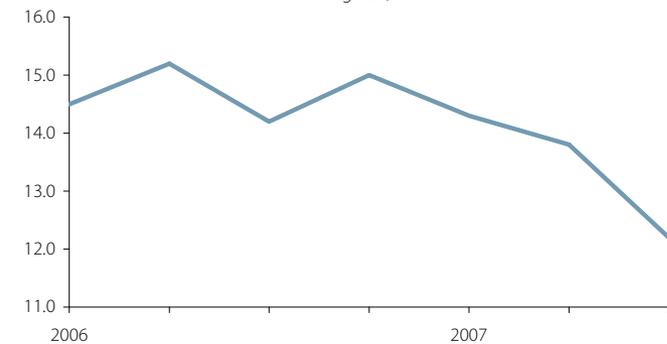
Commercial Vacancy Rates (%)	3Q:07	2Q:07	3Q:06
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Office Vacancies			
Richmond	12.2	13.8	14.2
Industrial Vacancies			
Richmond	7.3	8.0	7.7
Retail Vacancies			
Richmond	7.2	5.7	5.1

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



Richmond MSA Office Vacancy Rate
Through 3Q:07



WEST VIRGINIA

January Summary

Economic activity in West Virginia advanced at a measured pace according to recent data. State payrolls expanded for the fourth straight month in November, though the most recent gain was a modest 700 jobs. Job growth has been limited over the past twelve months as well. Solid gains in business services and natural resources employment have been diluted by losses in manufacturing and government payrolls. Hiring activity by metro area was similar to the state with the exception of Morgantown. Payroll growth was sluggish in the Charleston, Huntington, and Parkersburg MSAs, while Morgantown continued to add workers at a healthy clip. Total employment in the Morgantown metro area was up 1.9 percent from a year-ago compared a statewide increase of only 0.4 percent.

Despite the tepid growth, West Virginia's unemployment rate fell four tenths of a percent in November to finish at a five-month low of 4.6 percent. At least a portion of the apparent discrepancy can be explained by November's sizable reduction (3,000 workers) in the state's labor force. In other household news, income growth in the state slowed in the third quarter. Real incomes were up 2.6 percent since September of 2006, the smallest year-over-year percentage gain among Fifth District jurisdictions.

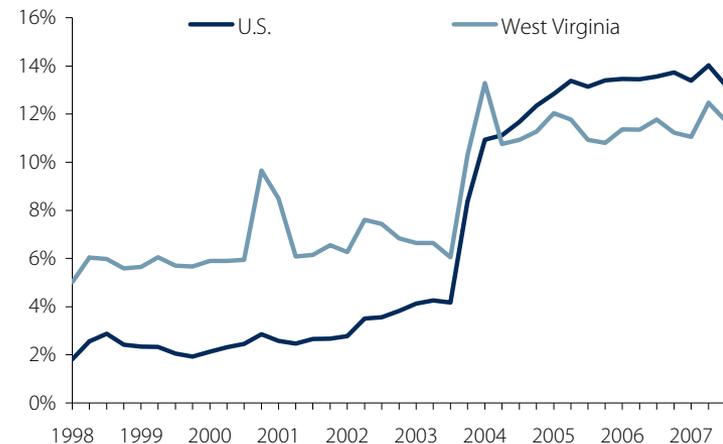
Assessments from the state's real estate market were more encouraging in November. Residential permit levels in the state reached their highest mark in eighteen months, up nearly seventy percent from October. Home prices in the state continued to appreciate modestly, though sales activity softened further.

A Closer Look at...Home Mortgages

- Subprime mortgages accounted for 11.7 percent of all mortgages initiated in West Virginia during the third quarter, a slight drop from the previous quarter's rate of 12.5 percent.
- Delinquency rates climbed higher in recent months, with prime mortgage delinquencies up 0.6 percentage points to 5.1 percent and subprime mortgage delinquencies up 1.1 percentage points to a District-high 19.2 percent.
- West Virginia's percentage of seriously delinquent mortgages increased to 2.7 percent in the third quarter, finishing above the District's rate of 2.2 percent, but lower than the national rate of 3.0 percent.

West Virginia Share of Subprime Mortgages

Percent through 3Q:07



WEST VIRGINIA

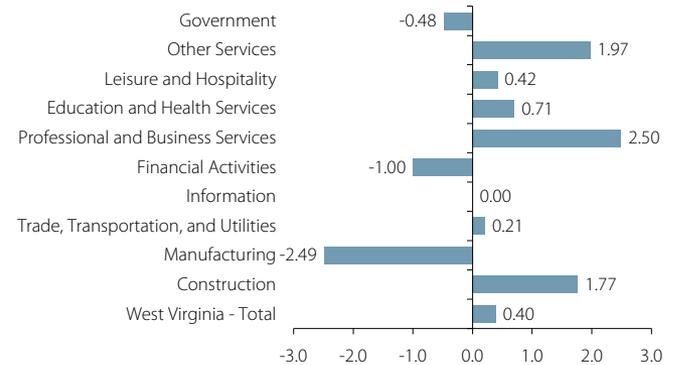
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	138,467.0	0.07	1.11
Fifth District - Total	November	13,955.8	0.19	1.50
West Virginia - Total	November	683.4	0.09	0.40
Construction	November	40.2	-0.25	1.77
Manufacturing	November	58.7	-0.51	-2.49
Trade, Transportation, and Utilities	November	143.3	0.14	0.21
Information	November	11.6	0.87	0.00
Financial Activities	November	29.8	-0.67	-1.00
Professional and Business Services	November	61.6	0.33	2.50
Education and Health Services	November	114.0	0.18	0.71
Leisure and Hospitality	November	71.8	-0.28	0.42
Other Services	November	56.8	0.18	1.97
Government	November	144.4	0.49	-0.48
Charleston MSA - Total	November	151.9	0.20	0.80
Huntington MSA - Total	November	122.3	1.16	0.41
Morgantown MSA - Total	November	63.3	0.80	1.93
Parkersburg MSA - Total	November	75.3	1.07	0.80

Unemployment Rate (SA)	November 07	October 07	November 06
United States	4.7	4.8	4.5
Fifth District	4.2	4.4	4.5
West Virginia	4.6	5.0	5.1
Charleston MSA	---	4.0	4.3
Huntington MSA	---	4.4	4.9
Morgantown MSA	---	3.3	3.2
Parkersburg MSA	---	4.5	4.9

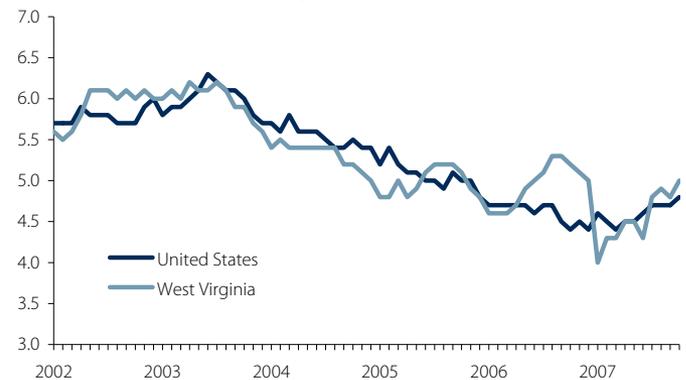
West Virginia Payroll Employment Performance

Year-over-Year Percent Change through November 2007



West Virginia Unemployment Rate

Through November 2007



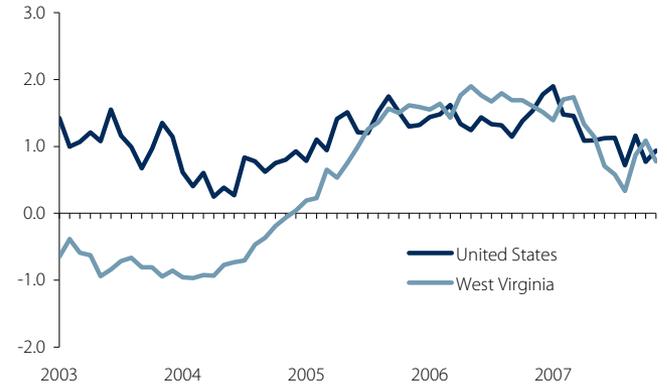
WEST VIRGINIA

Labor Market Conditions

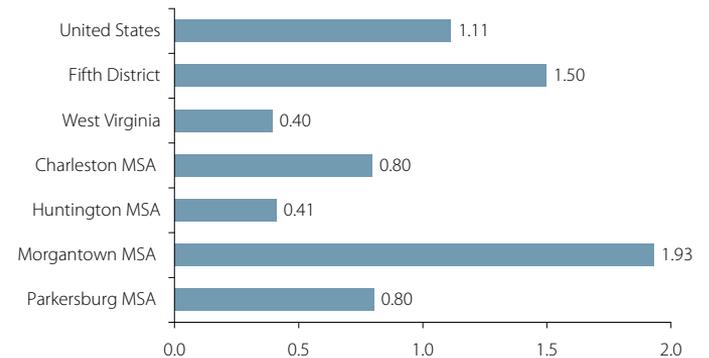
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	153,828	0.34	0.94
Fifth District	November	14,936	0.25	0.60
West Virginia	November	818	-0.35	0.78
Charleston MSA	October	142	0.07	1.36
Huntington MSA	October	134	-0.15	0.22
Morgantown MSA	October	65	1.57	3.35
Parkersburg MSA	October	81	-0.37	0.12

Initial Unemployment Claims (NSA)	Period	Level (000s)	YoY % Change
United States	November	1,560,998	2.79
Fifth District	November	144,102	1.18
West Virginia	November	7,368	13.84

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



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



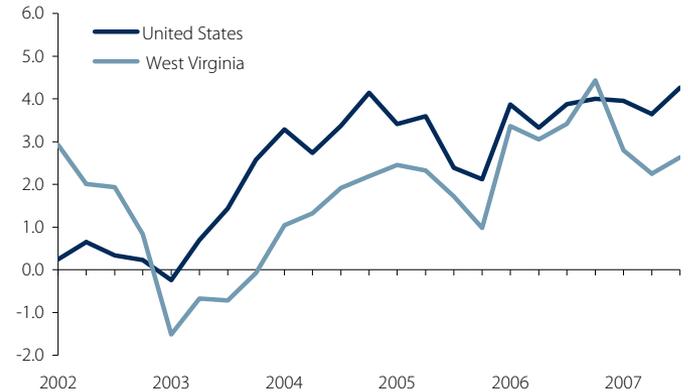
WEST VIRGINIA

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	

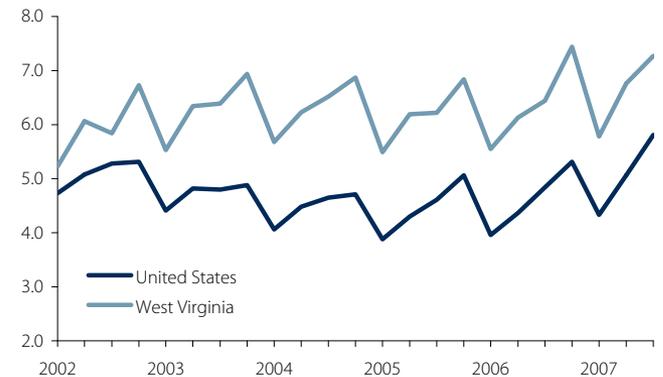
West Virginia Real Personal Income

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	November	86,110	-15.73	-21.98
Fifth District	November	11,865	-2.40	-15.42
West Virginia	November	472	69.18	51.77
Charleston MSA	November	11	-26.67	-31.25
Huntington MSA	November	15	200.00	400.00
Morgantown MSA	November	35	1650.00	3400.00
Parkersburg MSA	November	8	-57.89	-46.67

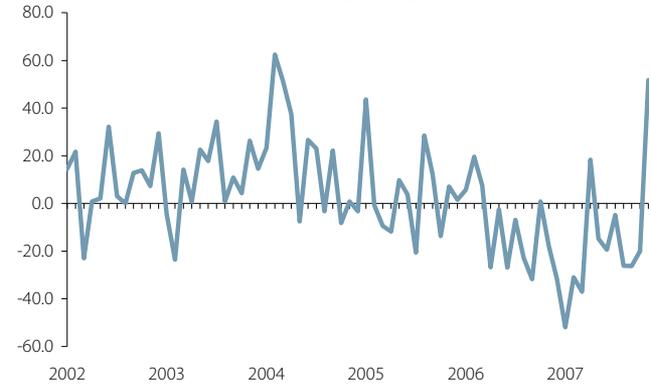
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	1,187.0	-3.65	-24.15
Fifth District	November	164.2	-0.42	-19.82
West Virginia	November	6.5	72.75	43.83

Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:07	5,423.0	-8.35	-13.74
Fifth District	3Q:07	525.6	-13.21	-16.84
West Virginia	3Q:07	25.6	-15.79	-18.99

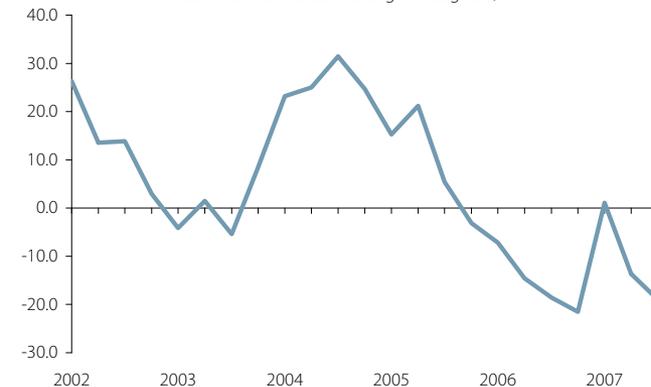
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:07	408	-0.36	1.79
Fifth District	3Q:07	398	0.26	2.92
West Virginia	3Q:07	233	1.22	3.58
Charleston MSA (1995=100)	3Q:07	157	2.13	5.63
Huntington MSA (1995=100)	3Q:07	172	1.87	5.70
Morgantown MSA (1995=100)	3Q:07	176	1.72	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 November 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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