

SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY
JULY 2008



THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE

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Contact Information

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

FIFTH DISTRICT

July Summary

Recent assessments of the Fifth District economy remained somewhat downbeat, with sluggishness in the labor market, continued softness in District housing markets, and lackluster reports from District businesses.

On the employment front, District payrolls inched down slightly in May (6,200 jobs) while the region's unemployment rate jumped 0.4 percentage points to 5.0 percent. District unemployment remained below the 5.5 percent national rate, but was the highest jobless rate in the District since August 2004. Nonetheless, Fifth District households were sustained by real personal income growth of 0.2 percent in the first quarter of 2008.

According to recent data, conditions in District real estate markets remained weak. Residential permit levels drifted 8.0 percent lower in May and 46.8 percent over the past twelve months. In addition, District housing starts in May fell 6.2 percent – almost double the 3.3 percent decline in U.S. housing starts. Fifth District house prices also subsided in the first quarter of 2008, although the 0.1 percent decline was less steep than the 0.2 percent national depreciation. Similarly, first quarter home sales remained flat in the Fifth District while home sales nationally declined 0.9 percent.

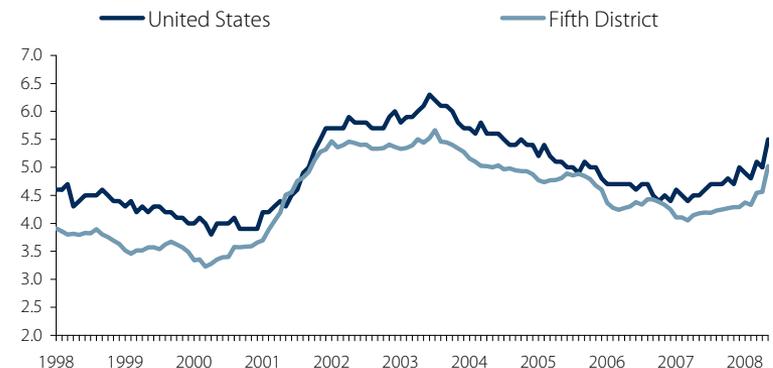
Our latest surveys indicated that business conditions in the Fifth District softened somewhat in recent weeks. The index of overall manufacturing activity declined further in June as factory shipments and new orders dropped sharply. In addition, employment at District factories was down eight points since May. On the services side, revenues at non-retail services firms dipped to -5 after four months of positive readings, and retail revenues dropped further as sales in big-ticket items continued to fall. In addition, hiring activity in the service sector fell further in June. Our survey measure of prices suggested that both prices and the rate of price growth were up across the board.

A Closer Look at... Household Unemployment

The Fifth District unemployment rate rose 0.4 percentage points in May to end at 5.0 percent as 69,600 District residents became jobless – the largest recorded monthly increase in the number of unemployed. Nonetheless, 5.0 percent unemployment was not a record high or low in the District. The highest recorded District jobless rate in the past twenty years was 5.7 percent in July 2003 while the lowest rate was 3.2 percent in March 2000. Back to the most recent data, the District labor force grew by 36,500 people (0.2 percent) in May. Meanwhile, 66.2 percent of the Fifth District population was in the labor force. The highest labor force participation rate in the District since 1988 was 68.2 percent in March 1992. The lowest rate was 65.9 percent in February 2008.

Fifth District Household Unemployment

Unemployment Rate through May 2008



FIFTH DISTRICT

Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	May	137,754.0	-0.04	0.17
Fifth District - Total	May	13,993.7	-0.04	0.73
Construction	May	850.6	-0.53	-1.51
Manufacturing	May	1,233.5	-0.24	-2.03
Trade, Transportation, and Utilities	May	2,465.1	-0.26	-0.24
Information	May	273.6	-0.29	-0.76
Financial Activities	May	725.7	0.08	-0.44
Professional and Business Services	May	2,005.9	0.00	1.44
Education and Health Services	May	1,765.0	0.15	3.11
Leisure and Hospitality	May	1,339.7	0.28	1.99
Other Services	May	685.8	-0.04	1.93
Government	May	2,600.1	-0.09	1.20

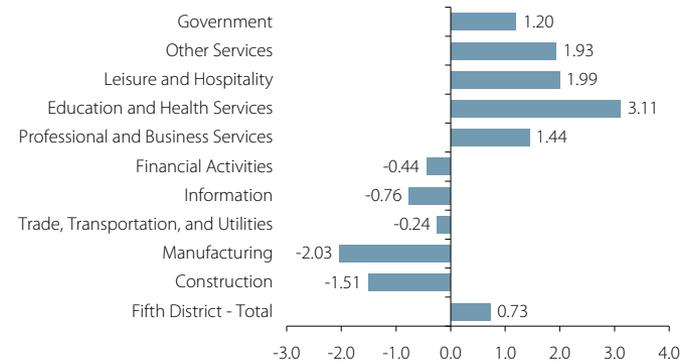
Unemployment Rate (SA)	May 08	April 08	May 07
United States	5.5	5.0	4.5
Fifth District	5.0	4.6	4.2

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	154,534	0.37	1.15
Fifth District	May	15,003	0.24	1.38

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	May	1,396,034	-8.48	14.32
Fifth District	May	125,467	-8.03	12.93

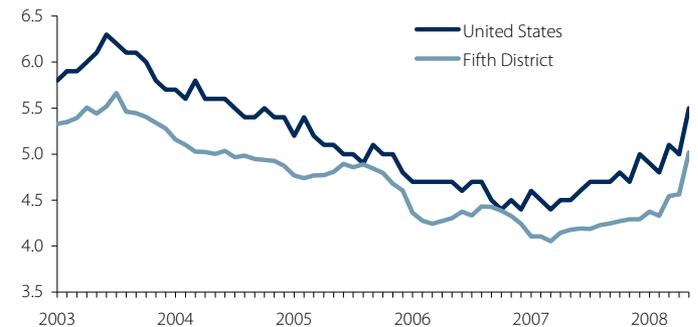
Fifth District Payroll Employment Performance

Year-over-Year Percent Change through May 2008



Fifth District Unemployment Rate

Through May 2008



FIFTH DISTRICT

Business Conditions

Manufacturing Survey (SA)	June 08	May 08	April 08	
Composite Index	-12	-3	4	
Shipments	-11	-1	7	
New Orders	-13	-4	6	
Number of Employees	-12	-4	-3	
Expected Shipments - Six Months	14	15	21	
Raw Material Prices (SAAR)	4.74	3.17	3.29	
Finished Good Prices (SAAR)	3.43	3.17	2.04	
Service Sector Survey (SA)	June 08	May 08	April 08	
Service Sector Employment	-8	-7	0	
Services Firms Revenues	-5	2	16	
Retail Revenues	-33	-28	16	
Big-Ticket Sales	-55	-57	-18	
Expected Retail Demand - Six Months	-12	2	33	
Service Firm Prices	0.64	0.09	0.63	
Retail Prices	2.41	2.06	1.33	
District Imports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	April	2,710.22	1.18	17.11
Wilmington, North Carolina	April	523.45	3.16	-18.01
Charleston, South Carolina	April	3,721.05	-0.75	-4.21
Norfolk, Virginia	April	3,046.28	21.33	22.45
District Exports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	April	1,482.28	-1.31	15.33
Wilmington, North Carolina	April	216.89	-22.54	68.81
Charleston, South Carolina	April	1,938.26	-1.11	24.60
Norfolk, Virginia	April	2,192.23	-4.62	24.89

Composite Manufacturing Index

3-Month Moving Average through June 2008



Norfolk Port District Exports

Year-over-Year Percent Change through April 2008



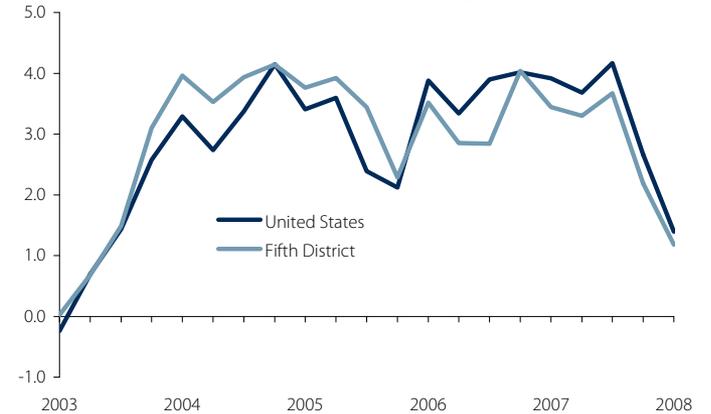
FIFTH DISTRICT
Household Conditions

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

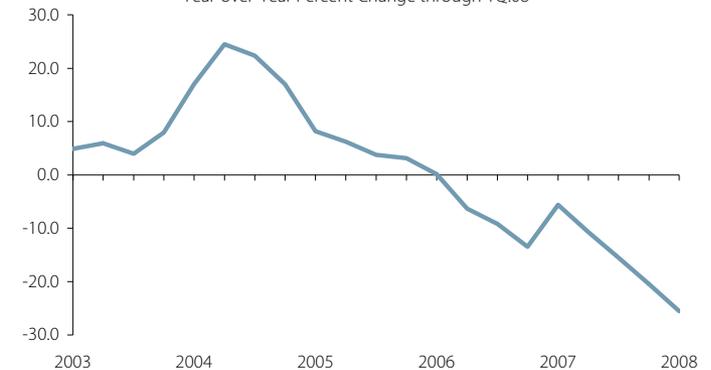
FIFTH DISTRICT
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	May	90,255	0.82	-37.51
Fifth District	May	11,073	-8.03	-46.80
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States (SAAR)	May	975	-3.27	-32.10
Fifth District (SAAR)	May	128	-6.16	-36.93
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-0.14	-0.34
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	1Q:08	4,950	-0.94	-22.21
Fifth District (SAAR)	1Q:08	483	0.00	-25.57

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



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



DISTRICT OF COLUMBIA

July Summary

According to the most recent data, economic conditions in the District of Columbia were mixed, with growth in payrolls and personal income levels, but a jump in the unemployment rate and further softening in the housing market.

On the employment front, payrolls in D.C. grew 0.3 percent in May as the jurisdiction added 2,400 jobs to its economy. Household unemployment data, however, painted a different picture as the jobless rate jumped 0.6 percentage points in May, for the largest single-month increase recorded in the jurisdiction. Unemployment in D.C. is now at 6.6 percent. The number of unemployed rose 10.1 percent – by far the largest increase on record. On the other hand, household balance sheets improved in the first quarter of 2008 as real personal income grew 0.5 percent and total mortgage delinquencies fell to 4.3 percent from 4.7 percent the previous quarter.

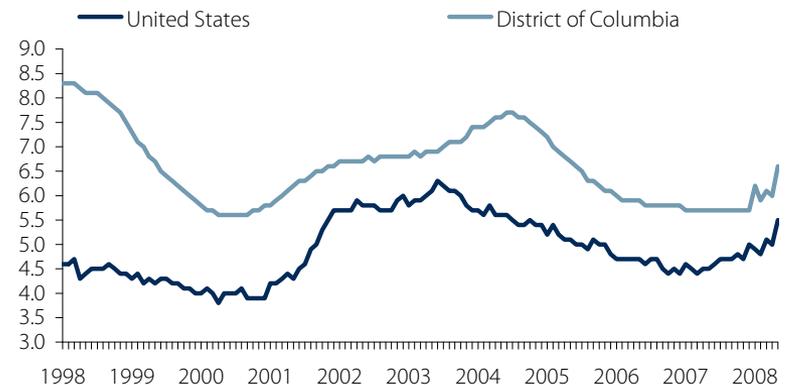
Housing market conditions in the District of Columbia showed signs of further weakening as residential permitting activity and housing starts dropped in May. In the first quarter of 2008, existing home sales were down 5.0 percent and D.C. house prices fell more steeply in a single quarter than they have since 1996, declining 1.8 percent.

Conditions at the metro level largely reflected those in the jurisdiction as a whole. Washington D.C. metro area payroll employment grew 0.5 percent (13,200 jobs) in May for the fourth straight month of payroll gains. Nonetheless, household unemployment rose 0.5 percentage points to 3.7 percent over the month. Turning to real estate, permitting activity was down 4.5 percent for the fifth successive month of decline and first quarter house prices – as measured by the Office of Federal Housing Enterprise Oversight – were 2.3 percent lower. Commercial vacancies in the metro area were also higher in the first quarter, with office vacancies up 0.2 percentage points to 10.9 percent and industrial vacancies up 0.3 percentage points to 14.4 percent.

A Closer Look at...Household Unemployment

The District of Columbia's unemployment rate jumped 0.6 percentage points to end at 6.6 percent in May. Although this is the highest unemployment rate since June 2005, D.C. joblessness hit 7.7 percent in 2004 and ranged between 7.9 and 8.8 percent from August 1991 through September 1998. The lowest unemployment rate in the past twenty years was 4.8 percent in 1988. Two thousand D.C. residents became unemployed in May – a series high. Although 400 people left the D.C. labor force in May, it has grown 1.9 percent over the last year. In May, 69.2 percent of the population of D.C. was part of the labor force. The highest labor force participation rate in the past twenty years was 71.4 percent in July 1988 while the lowest rate was 62.6 percent in June 1997.

District of Columbia Household Unemployment
Unemployment Rate through May 2008



DISTRICT OF COLUMBIA

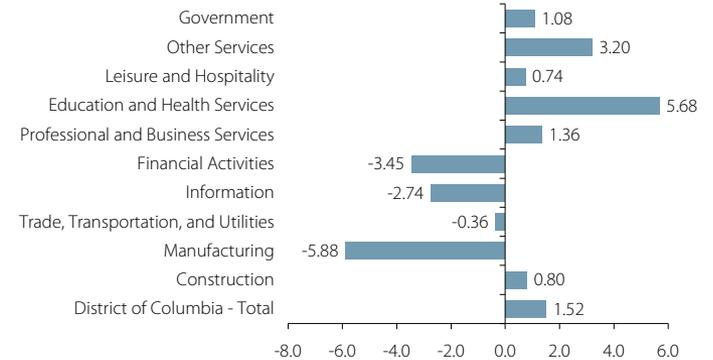
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	May	137,754.0	-0.04	0.17
Fifth District - Total	May	13,993.7	-0.04	0.73
District of Columbia - Total	May	702.9	0.34	1.52
Construction	May	12.6	0.80	0.80
Manufacturing	May	1.6	0.00	-5.88
Trade, Transportation, and Utilities	May	27.8	0.00	-0.36
Information	May	21.3	0.47	-2.74
Financial Activities	May	28.0	-1.06	-3.45
Professional and Business Services	May	156.3	0.77	1.36
Education and Health Services	May	102.3	-2.76	5.68
Leisure and Hospitality	May	54.8	0.18	0.74
Other Services	May	64.5	0.47	3.20
Government	May	233.5	0.13	1.08
Washington, D.C. MSA - Total	May	2,446.0	0.54	1.15

Unemployment Rate (SA)	May 08	April 08	May 07
United States	5.5	5.0	4.5
Fifth District	5.0	4.6	4.2
District of Columbia	6.6	6.0	5.7
Washington, D.C. MSA	3.7	3.2	2.9

D.C. Payroll Employment Performance

Year-over-Year Percent Change through May 2008



D.C. Unemployment Rate

Through May 2008

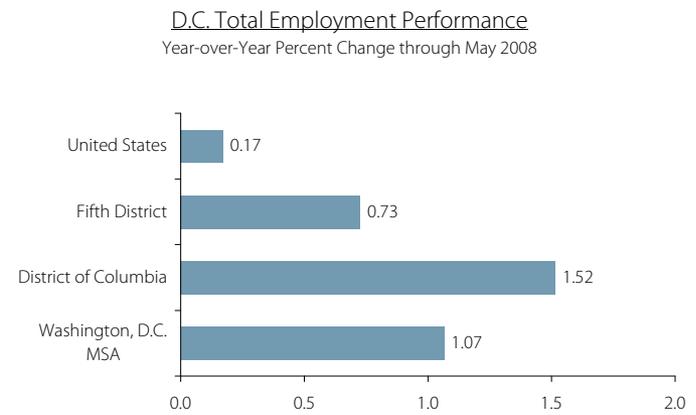
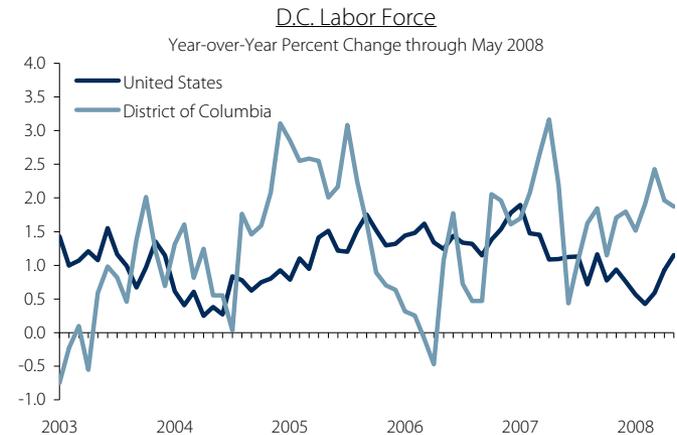


DISTRICT OF COLUMBIA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	154,534	0.37	1.15
Fifth District	May	15,003	0.24	1.38
District of Columbia	May	332	-0.12	1.87
Washington, D.C. MSA	May	2,382	0.60	1.73

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	May	1,396,034	-8.48	14.32
Fifth District	May	125,467	-8.03	12.93
District of Columbia	May	1,193	-15.51	-18.79

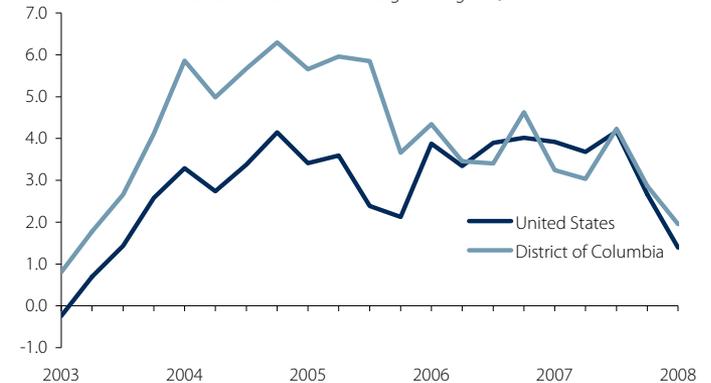


DISTRICT OF COLUMBIA

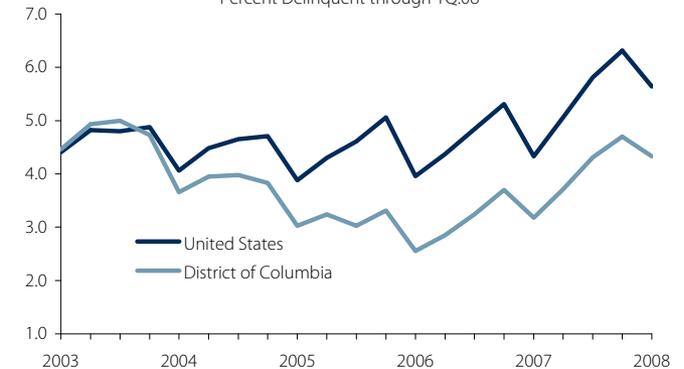
Household Conditions

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

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



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

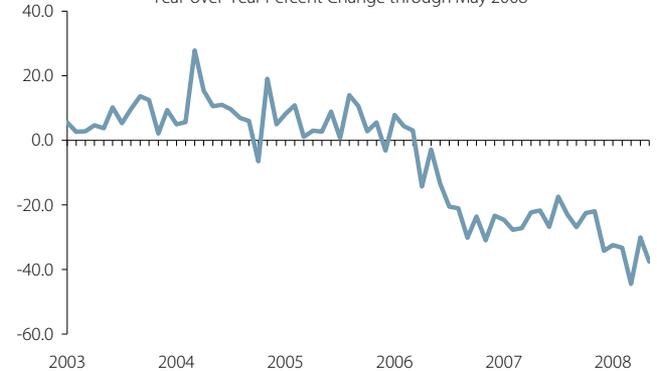


DISTRICT OF COLUMBIA

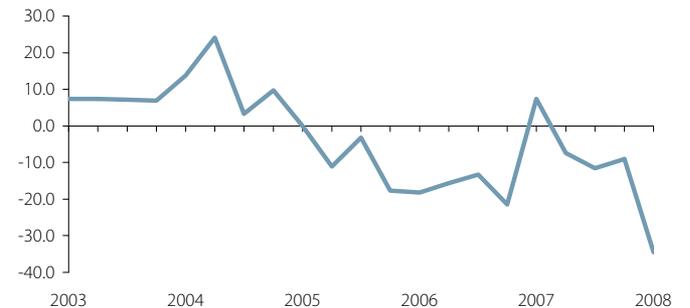
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	May	90,255	0.82	-37.51
Fifth District	May	11,073	-8.03	-46.80
District of Columbia	May	15	-90.96	-96.78
Washington, D.C. MSA	May	1,177	-4.54	-66.19
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	975.0	-3.27	-32.10
Fifth District	May	127.6	-6.16	-36.93
District of Columbia	May	0.2	-90.91	-96.25
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	1Q:08	4,950.0	-0.94	-22.21
Fifth District (SAAR)	1Q:08	483.2	0.00	-25.57
District of Columbia (SAAR)	1Q:08	7.6	-5.00	-34.48
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Washington, D.C. MSA	June	39,453	-4.34	-2.12
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Washington, D.C. MSA	June	339,999	-2.23	-18.90

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



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

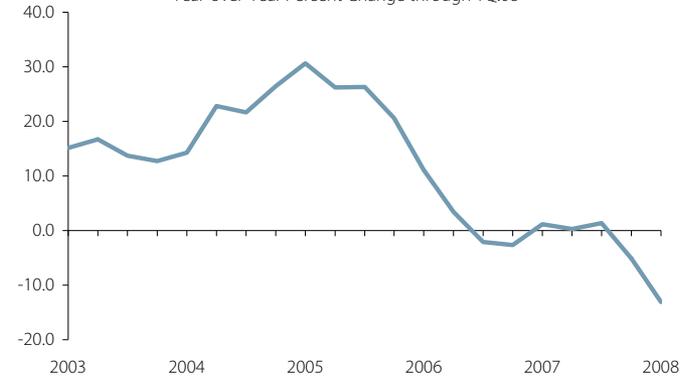


DISTRICT OF COLUMBIA

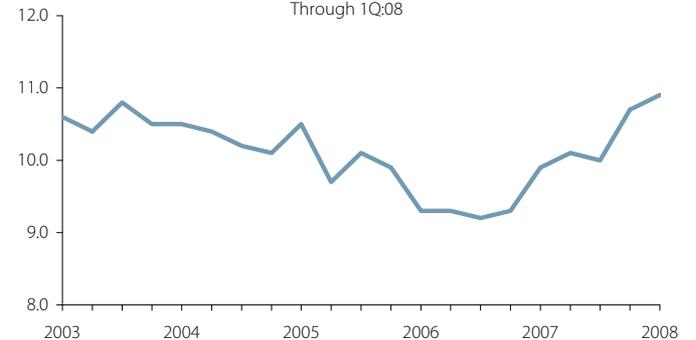
Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	1Q:08	372	-7.07	-13.09
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	1Q:08	332	-7.78	-10.27
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-0.14	-0.34
District of Columbia	1Q:08	652	-1.78	-1.51
Washington, D.C. MSA (1995=100)	1Q:08	267	-2.28	-5.12
Housing Opportunity Index ² (%)	Period	Level	QoQ % Change	YoY % Change
Washington, D.C. MSA	1Q:08	57.1	41.3	37.7
Commercial Vacancy Rates (%)	Period	Level	QoQ % Change	YoY % Change
Office Vacancies				
Washington, D.C. MSA	1Q:08	10.9	10.7	9.9
Industrial Vacancies				
Washington, D.C. MSA	1Q:08	14.4	14.1	15.2

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



D.C. MSA Office Vacancy Rate
Through 1Q:08



MARYLAND

July Summary

Maryland's economy grew moderately in recent months, with flat growth in payrolls, but steady growth in income levels and some improvement in the housing sector.

Payroll employment in Maryland remained rather flat in May, although the state added 1,100 jobs to its payrolls. Household unemployment data also indicated a slowdown in the pace of employment growth as state joblessness edged up 0.4 percentage points to 4.0 percent – the highest unemployment rate in the state since November 2005. On a more positive note, the first quarter of 2008 marked almost five years of consecutive quarterly growth in real personal income levels.

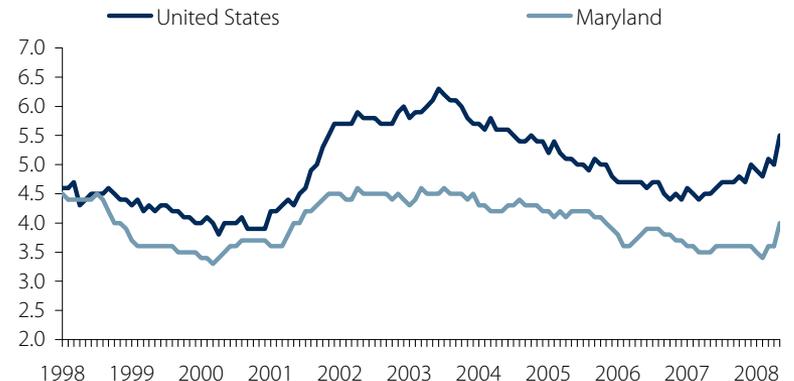
Real estate conditions in Maryland improved somewhat since our last reporting period. Although house prices and home sales both dropped in the first quarter (1.2 percent and 0.6 percent, respectively), residential permitting activity in Maryland grew 3.2 percent in May after a 15.3 percent drop in April. In addition, housing starts were up 5.3 percent in Maryland after two months of decline. Nonetheless, the state saw its tenth and seventh straight months of year-over-year decline in permit levels and housing starts, respectively.

Labor market conditions at the metro level were mixed. The Baltimore, Bethesda, and Hagerstown MSAs all experienced employment growth between 0.6 and 0.8 percent, and in Salisbury, payrolls grew 0.2 percent. As at the state level, unemployment rates moved higher in most of the major metro areas. The Baltimore MSA rate jumped 0.6 percentage points to 4.1 percent while the Bethesda and Hagerstown MSA marks moved up 0.4 percentage points to 3.0 and 5.4 percent, respectively. Residential permitting activity was down in both the Baltimore and Hagerstown metro areas, although levels in the Cumberland area were steady. First quarter house prices fell in all major metro areas.

A Closer Look at... Household Unemployment

Maryland's unemployment rate rose 0.4 percentage points in May to 4.0 percent. Although this is the state's highest jobless rate since 2005, unemployment reached 6.9 percent in March 1992. At the other end, the lowest rate in the past twenty years was 3.3 percent in March 2000. In May, 11,700 people became unemployed in the state – the largest recorded monthly increase. Meanwhile, the civilian labor force grew 0.4 percent (13,400 people) over the month and 1.5 percent over the year. Maryland's labor force participation rate was 69.3 percent in May. Over the past twenty years, the participation rate reached a high of 71.6 percent in June 1997 and a low of 68.2 percent most recently in February 2005.

Maryland Household Unemployment
Unemployment Rate through May 2008



MARYLAND

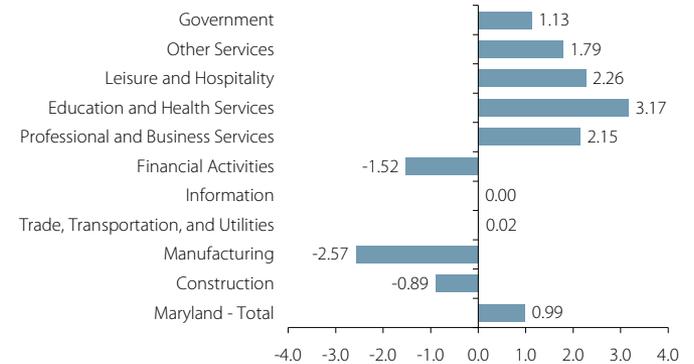
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	May	137,754.0	-0.04	0.17
Fifth District - Total	May	13,993.7	-0.04	0.73
Maryland - Total	May	2,632.5	0.04	0.99
Construction	May	189.0	-0.21	-0.89
Manufacturing	May	128.7	-0.54	-2.57
Trade, Transportation, and Utilities	May	477.7	0.02	0.02
Information	May	50.8	-0.39	0.00
Financial Activities	May	155.7	-0.26	-1.52
Professional and Business Services	May	403.6	0.27	2.15
Education and Health Services	May	384.1	0.31	3.17
Leisure and Hospitality	May	239.4	0.25	2.26
Other Services	May	119.5	-0.08	1.79
Government	May	484.0	-0.02	1.13
Baltimore-Towson MSA - Total	May	1,333.6	0.62	0.60
Bethesda-Frederick MSA - Total	May	579.4	0.78	0.12
Hagerstown MSA - Total	May	102.7	0.59	0.00
Salisbury MSA - Total	May	56.6	0.18	0.18

Unemployment Rate (SA)	May 08	April 08	May 07
United States	5.5	5.0	4.5
Fifth District	5.0	4.6	4.2
Maryland	4.0	3.6	3.5
Baltimore-Towson MSA	4.1	3.5	3.4
Bethesda-Frederick MSA	3.0	2.6	2.6
Hagerstown MSA	5.4	5.0	4.1
Salisbury MSA	4.6	4.4	3.8

Maryland Payroll Employment Performance

Year-over-Year Percent Change through May 2008



Maryland Unemployment Rate

Through May 2008



MARYLAND

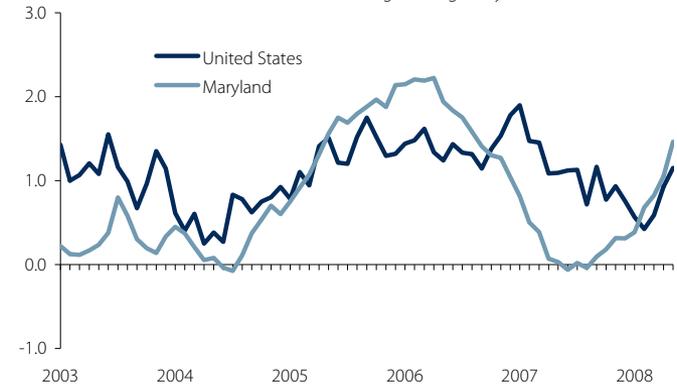
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United States	May	154,534	0.37	1.15
Fifth District	May	15,003	0.24	1.38
Maryland	May	3,017	0.45	1.46
Baltimore-Towson MSA	May	1,415	1.12	1.67
Bethesda-Frederick MSA	May	640	1.03	1.22
Hagerstown MSA	May	123	1.07	1.24
Salisbury MSA	May	65	1.88	1.40

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	May	1,396,034	-8.48	14.32
Fifth District	May	125,467	-8.03	12.93
Maryland	May	18,213	-9.15	19.65

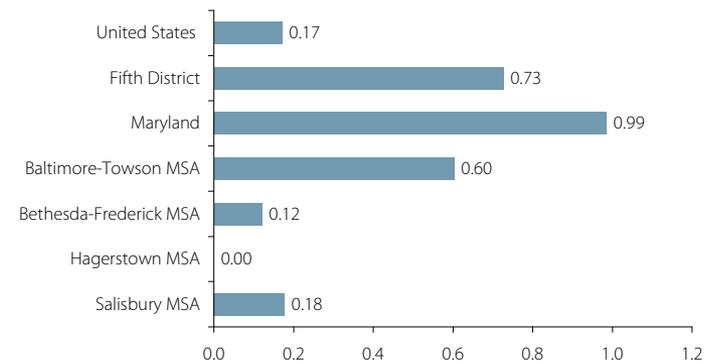
Maryland Labor Force

Year-over-Year Percent Change through May 2008



Maryland Total Employment Performance

Year-over-Year Percent Change through May 2008



MARYLAND

Household Conditions

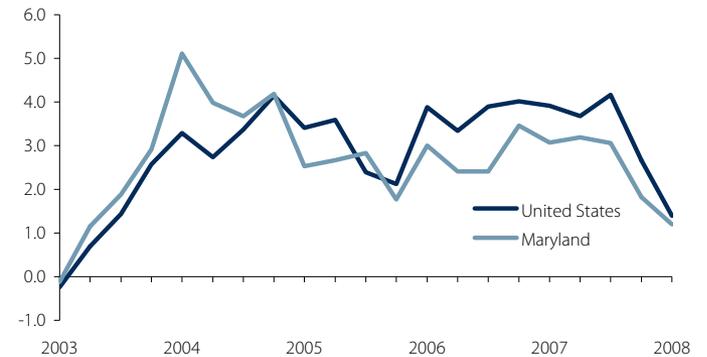
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	1Q:08	9,998,852	0.45	1.39
Fifth District	1Q:08	949,038	0.24	1.18
Maryland	1Q:08	221,699	0.38	1.20

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

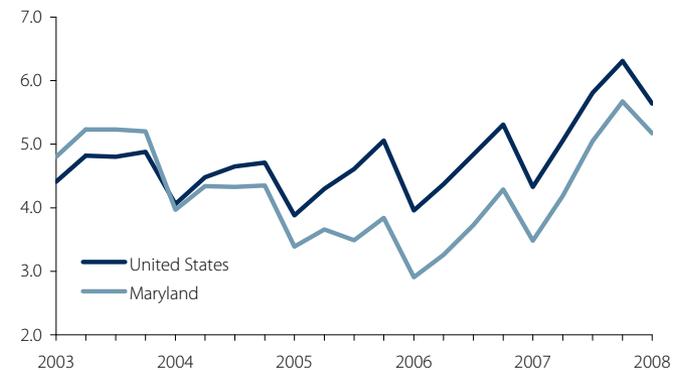
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	236,982	8.49	26.48
Fifth District	1Q:08	18,897	9.97	26.06
Maryland	1Q:08	4,457	17.41	52.01

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

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



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

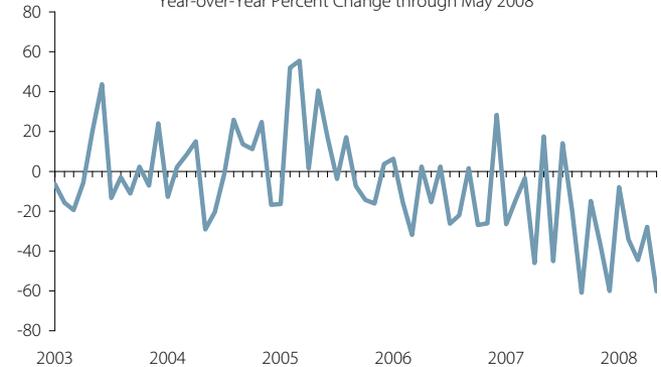


MARYLAND

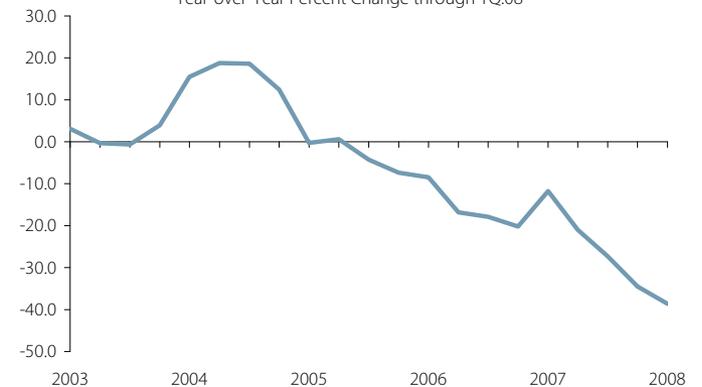
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	May	90,255	0.82	-37.51
Fifth District	May	11,073	-8.03	-46.80
Maryland	May	1,145	3.15	-60.23
Baltimore-Towson MSA	May	328	-17.59	-43.45
Cumberland MSA	May	6	0.00	-57.14
Hagerstown	May	86	-24.56	-45.91
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	975.0	-3.27	-32.10
Fifth District	May	127.6	-6.16	-36.93
Maryland	May	13.2	5.26	-52.84
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	1Q:08	4,950.0	-0.94	-22.21
Fifth District	1Q:08	483.2	0.00	-25.57
Maryland	1Q:08	68.0	-0.58	-38.63
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Baltimore-Towson MSA	June	17,443	-1.17	1.86
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Baltimore-Towson MSA	June	297,000	-0.81	-8.55
Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	1Q:08	271	-1.67	-2.98
Cumberland MSA	1Q:08	95	-18.52	-5.00
Hagerstown MSA	1Q:08	193	0.31	-7.89

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



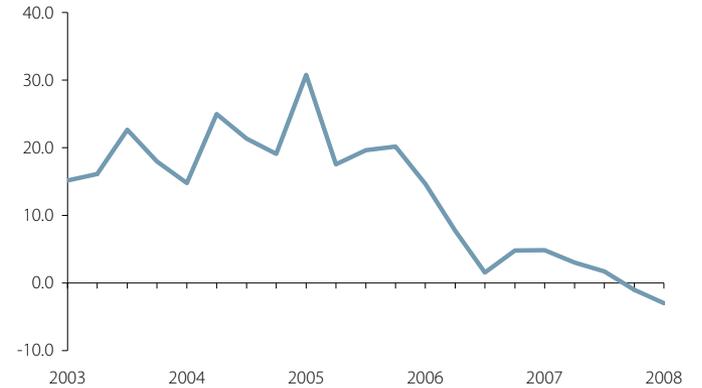
Maryland Existing Home Sales
Year-over-Year Percent Change through 1Q:08



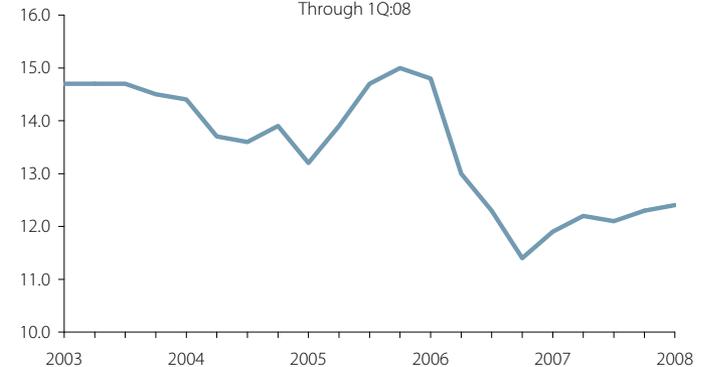
MARYLAND
Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	1Q:08	250	-6.02	-0.79
Bethesda-Frederick MSA	1Q:08	---	---	---
Cumberland MSA	1Q:08	70	-30.00	-13.58
Hagerstown MSA	1Q:08	200	-2.44	-9.09
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-6.16	-0.34
Maryland	1Q:08	532	-1.24	-1.28
Baltimore-Towson MSA (1995=100)	1Q:08	257	-0.78	0.23
Bethesda-Frederick MSA (1995=100)	1Q:08	253	-1.71	-3.89
Cumberland MSA (1995=100)	1Q:08	182	-3.52	5.24
Hagerstown MSA (1995=100)	1Q:08	235	-1.07	-4.64
Housing Opportunity Index ² (%)	1Q:08	4Q:07	1Q:07	
Baltimore-Towson MSA	57.2	45.4	51.7	
Bethesda-Frederick Metro Division	53.1	44.0	40.2	
Cumberland MSA	93.7	80.7	86.8	
Hagerstown MSA	61.9	49.0	43.1	
Commercial Vacancy Rates (%)	1Q:08	4Q:07	1Q:07	
Office Vacancies				
Baltimore	12.4	12.3	11.9	
Industrial Vacancies				
Baltimore	15.3	14.4	12.4	

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



Baltimore-Towson MSA Office Vacancy Rate
Through 1Q:08



NORTH CAROLINA

July Summary

Economic conditions in North Carolina weakened somewhat in recent months as labor markets softened and the housing sector remained sluggish.

In employment, North Carolina shed 3,800 jobs in May for the fourth consecutive month of job losses. The biggest losses were in the state government sector, which declined 3.1 percent (6,200 jobs); however, the goods-producing sector also saw some reduction in payrolls. The household employment survey reported similar conditions as the state unemployment rate jumped up 0.4 percentage points to 5.8 percent in May – the highest mark in the state since early 2004. In addition to softer labor markets, households faced a leveling-off in real income and a 0.4 percent decline in per capita real income in the first quarter.

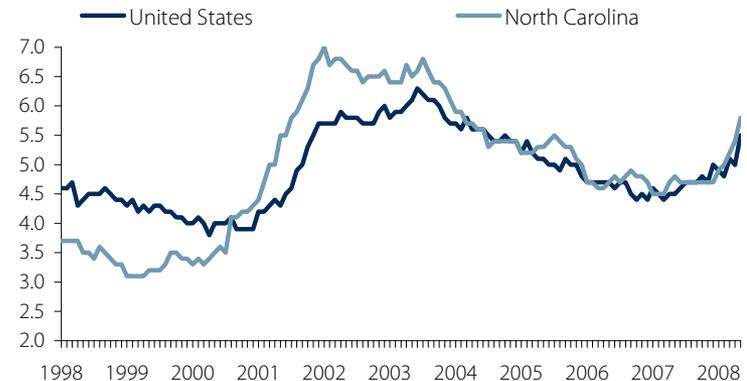
Real estate conditions in North Carolina also softened according to recent data. Residential permitting activity in the state edged down 2.1 percent in May for the third successive month of decline. Housing starts also saw three straight months of decline in the state, ending in a 0.1 percent reduction in May. Home sales dipped 2.2 percent over the first three months of 2008, marking the fourth consecutive quarter of decline. Although first quarter house prices were up, the increase of 0.8 percent was the smallest appreciation rate since early 2003.

Metro-level economic conditions in North Carolina were similar to those at the state level. The biggest difference at the metro level was that payroll employment grew in all of the major metro areas, with Durham posting the largest percentage growth (0.8 percent or 2,400 jobs) and Charlotte posting the largest number of jobs added (0.7 percent or 5,900 jobs). Household unemployment rates, however, jumped 0.6 or 0.7 percentage points in May across all major metro areas. The Charlotte, Durham, Greensboro, and Raleigh MSAs all saw the highest unemployment rates in over three years. In real estate, only the Charlotte MSA saw an increase in residential permitting activity; permit levels fell in Durham, Greensboro, and Raleigh.

A Closer Look at...Household Unemployment

North Carolina's unemployment rate rose 0.4 percentage points to 5.8 percent in May. Although this is relatively high joblessness for the state, the highest unemployment rate since 1988 was in January of 2002 (7.0 percent). Unemployment in the state hit a low in January-April 1999 when the rate was 3.1 percent. While 20,900 North Carolina residents became unemployed in May, the civilian labor force grew by only 2,600 people (0.1 percent). Over the past year, the labor force has grown 0.9 percent. The labor force participation rate in North Carolina has fallen steadily in recent years – May's rate of 65.0 percent was close to the series low of 64.9 percent in February of this year. The highest participation rate in the past twenty years was 69.3 percent in December 1989.

North Carolina Household Unemployment
Unemployment Rate through May 2008



NORTH CAROLINA

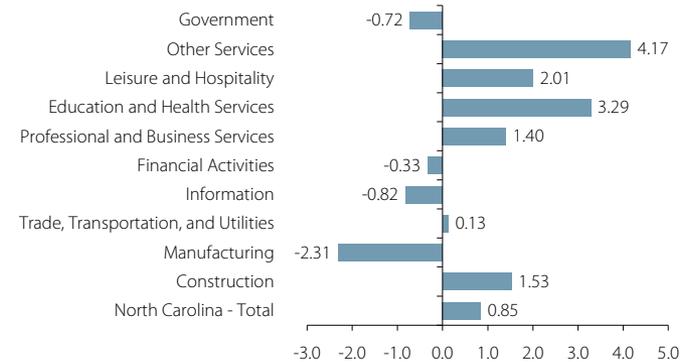
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	May	137,754.0	-0.04	0.17
Fifth District - Total	May	13,993.7	-0.04	0.73
North Carolina - Total	May	4,172.7	-0.09	0.85
Construction	May	258.2	-0.08	1.53
Manufacturing	May	524.1	-0.23	-2.31
Trade, Transportation, and Utilities	May	779.1	-0.38	0.13
Information	May	72.4	-0.38	-0.82
Financial Activities	May	211.0	0.62	-0.33
Professional and Business Services	May	505.3	0.40	1.40
Education and Health Services	May	530.7	0.34	3.29
Leisure and Hospitality	May	401.5	0.45	2.01
Other Services	May	184.9	-0.48	4.17
Government	May	698.5	-0.72	-0.72
Charlotte MSA - Total	May	879.3	0.68	1.66
Durham MSA - Total	May	295.8	0.82	3.25
Greensboro-High Point MSA - Total	May	378.1	0.13	0.88
Raleigh-Cary MSA - Total	May	531.5	0.49	3.12

Unemployment Rate (SA)	May 08	April 08	May 07
United States	5.5	5.0	4.5
Fifth District	5.0	4.6	4.2
North Carolina	5.8	5.4	4.8
Charlotte MSA	5.8	5.2	4.6
Durham MSA	4.7	4.1	3.8
Greensboro-High Point MSA	6.0	5.3	4.8
Raleigh-Cary MSA	4.6	4.0	3.5

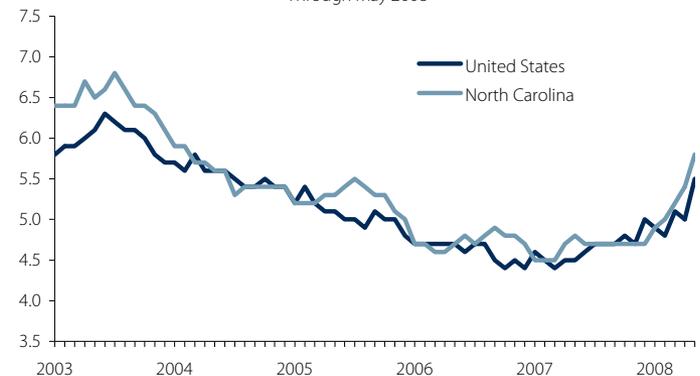
North Carolina Payroll Employment Performance

Year-over-Year Percent Change through May 2008



North Carolina Unemployment Rate

Through May 2008



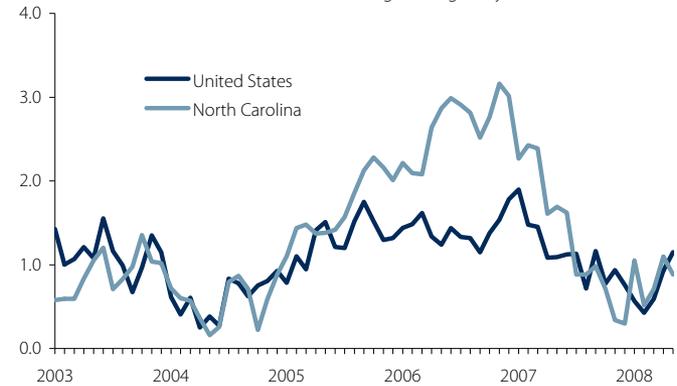
NORTH CAROLINA

Labor Market Conditions

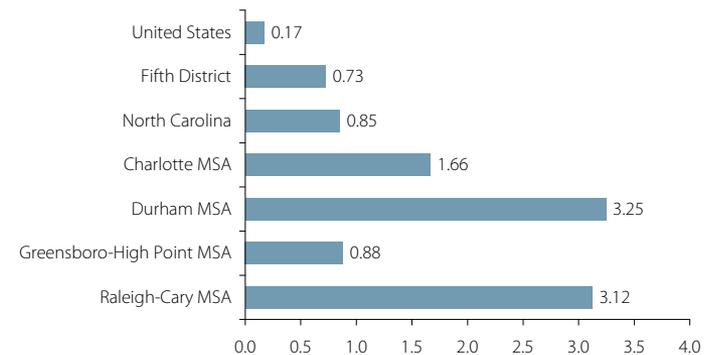
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	154,534	0.37	1.15
Fifth District	May	15,003	0.24	1.38
North Carolina	May	4,560	0.06	0.88
Charlotte MSA	May	849	0.70	1.19
Durham MSA	May	---	---	---
Greensboro-High Point MSA	May	365	0.05	0.19
Raleigh-Cary MSA	May	549	0.37	2.24

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	May	1,396,034	-8.48	14.32
Fifth District	May	125,467	-8.03	12.93
North Carolina	May	55,433	-7.78	10.36

North Carolina Labor Force
Year-over-Year Percent Change through May 2008



North Carolina Total Employment Performance
Year-over-Year Percent Change through May 2008



NORTH CAROLINA

Household Conditions

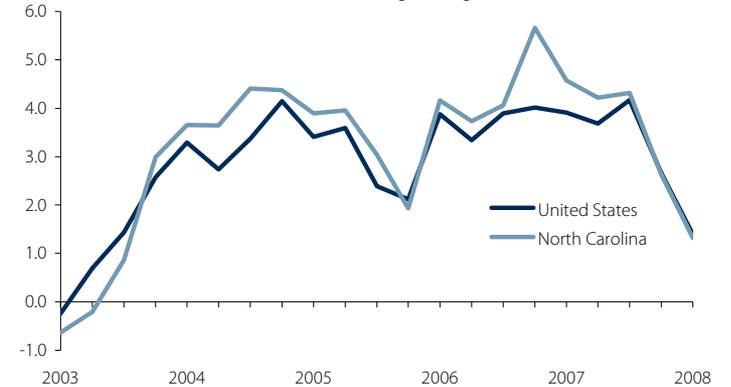
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	1Q:08	9,998,852	0.45	1.39
Fifth District	1Q:08	949,038	0.24	1.18
North Carolina	1Q:08	261,262	0.03	1.32

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

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

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

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



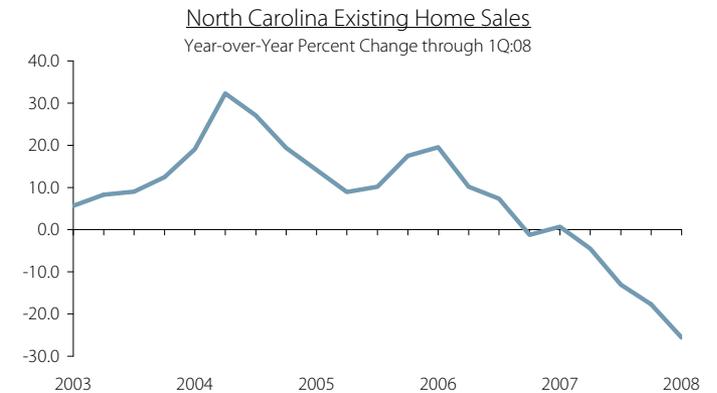
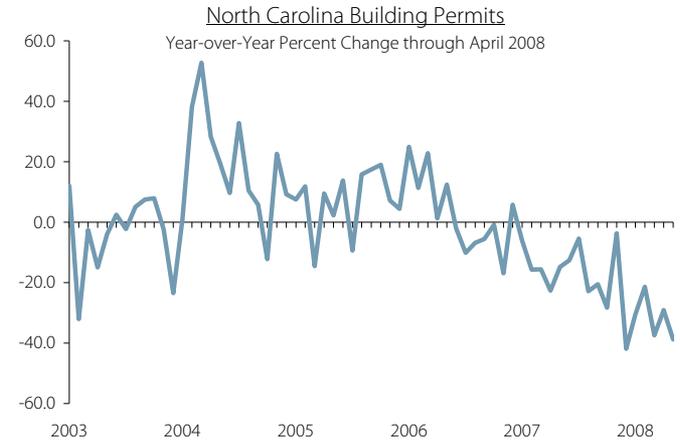
North Carolina Mortgage Delinquencies - All
Percent Delinquent through 1Q:08



NORTH CAROLINA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	May	90,255	0.82	-37.51
Fifth District	May	11,073	-8.03	-46.80
North Carolina	May	4,962	-2.07	-38.82
Charlotte MSA	May	1,530	101.85	-29.95
Durham MSA	May	199	-15.32	-60.52
Greensboro-High Point MSA	May	256	-11.11	-58.17
Raleigh-Cary MSA	May	708	-53.94	-48.40
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	975.0	-3.27	-32.10
Fifth District	May	127.6	-6.16	-36.93
North Carolina	May	57.2	-0.07	-27.48
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	1Q:08	4,950.0	-0.94	-22.21
Fifth District	1Q:08	483.2	0.00	-25.57
North Carolina	1Q:08	181.6	-2.16	-25.57
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Raleigh-Cary MSA	June	12,431	1.11	28.94
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Raleigh-Cary MSA	June	258,500	-0.46	2.70
Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	1Q:08	193	-5.86	3.83
Durham MSA	1Q:08	178	0.06	0.51
Greensboro-High Point MSA	1Q:08	142	-5.57	-1.93
Raleigh-Cary MSA	1Q:08	228	-3.18	2.42

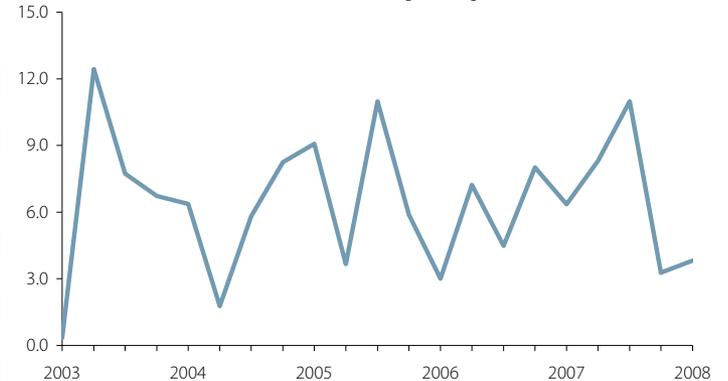


NORTH CAROLINA

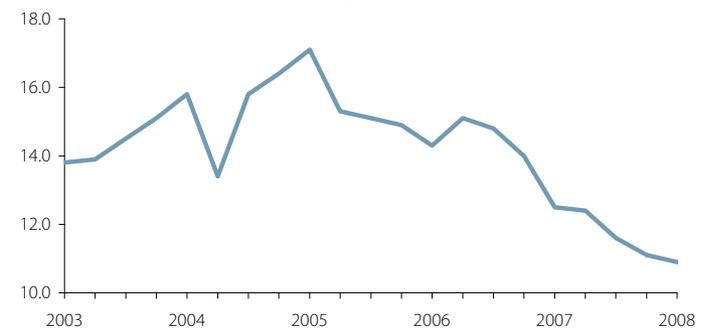
Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	1Q:08	172	-2.27	2.38
Durham MSA	1Q:08	180	1.12	6.51
Greensboro-High Point MSA	1Q:08	145	2.11	2.84
Raleigh-Cary MSA	1Q:08	211	-1.86	-6.22
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-0.14	-0.34
North Carolina	1Q:08	346	0.84	4.03
Charlotte MSA (1995=100)	1Q:08	183	1.24	6.16
Durham MSA (1995=100)	1Q:08	178	0.77	3.92
Greensboro-High Point MSA (1995=100)	1Q:08	159	0.67	2.77
Raleigh-Cary MSA (1995=100)	1Q:08	170	0.76	4.93
Housing Opportunity Index ² (%)	1Q:08	4Q:07	1Q:07	
Charlotte MSA	68.7	62.9	63.8	
Durham MSA	66.0	59.9	61.6	
Greensboro-High Point MSA	74.3	69.8	71.1	
Raleigh-Cary MSA	65.6	60.2	61.5	
Commercial Vacancy Rates (%)	1Q:08	4Q:07	1Q:07	
Office Vacancies				
Raleigh/Durham	13.9	14.7	13.6	
Charlotte	10.9	11.1	12.5	
Industrial Vacancies				
Raleigh/Durham	15.0	14	17.3	
Charlotte	10.0	10.2	11.1	

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



Charlotte MSA Office Vacancy Rate
Through 1Q:08



SOUTH CAROLINA

July Summary

Economic conditions in South Carolina softened a bit in recent weeks as payroll employment fell, unemployment grew, and real estate conditions weakened.

In labor markets, South Carolina shed 3,100 jobs (-0.2 percent) in May after 0.3 percent payroll growth in April. Losses were felt across most of the economy; only the leisure and hospitality and government sectors saw payroll growth in May. The construction industry marked its largest year-over-year decline in payrolls since 1992, falling 7.3 percent.

Reflecting similar conditions, the unemployment rate in South Carolina jumped 0.6 percentage points in May to end at 6.5 percent. This marks the highest unemployment in the state in more than two years and the largest single-period jump since 1991. Unemployment in the state was well above the Fifth District (5.0 percent) and national (5.5 percent) marks. In addition, although real personal income grew 0.1 percent in the first quarter of 2008, per capita real personal income in the state fell 0.3 percent over the period.

The real estate market showed signs of slowing in recent weeks. Residential permitting activity fell 17.4 percent in May for the largest year-over-year drop in permit levels since 1991. Housing starts were also down 15.8 percent. Nonetheless, house prices in the state continued to grow in the first quarter of 2008, although the 3.8 percent gain over the preceding year was the smallest year-over-year appreciation since 2004.

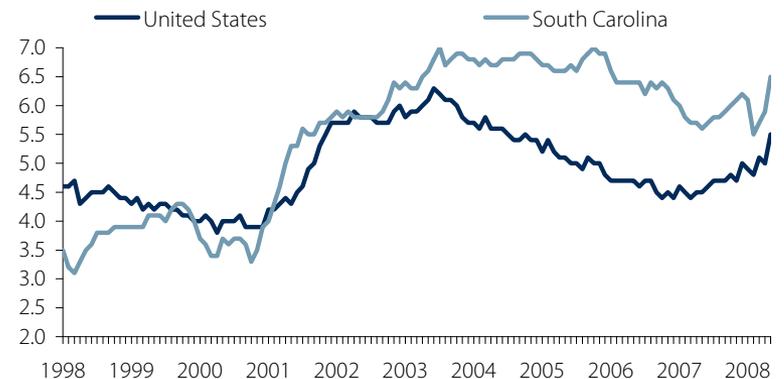
Conditions at the metro level fared better than those in the state as a whole. Jobs were added in the Charleston, Greenville, and Spartanburg MSAs, although employment fell in the Columbia MSA (0.1 percent). Still, household unemployment rates jumped across metro areas. In real estate activity, permit levels were down in all major metro areas except for Spartanburg.

A Closer Look at...Household Unemployment

Unemployment in South Carolina jumped to 6.5 percent in May, a 0.6 percentage-point increase. Although this is a high unemployment rate for recent years, state joblessness reached 7.7 percent in April 1993. On the other hand, March 1998 marked the lowest jobless rate at 3.1 percent. South Carolina added 15,200 people to the ranks of the unemployed in May – a record increase. Meanwhile, the labor force in the state grew by 13,400 people, or 0.6 percent. Over the past year, the South Carolina labor force grew 1.2 percent. The labor force participation rate in South Carolina has been falling recently. The highest labor force participation rate in the past twenty years was 66.9 percent last recorded in 1993 while the lowest rate was 62.4 in February of this year. In May, 62.9 percent of South Carolinians were counted in the labor force.

South Carolina Household Unemployment

Unemployment Rate through May 2008



SOUTH CAROLINA

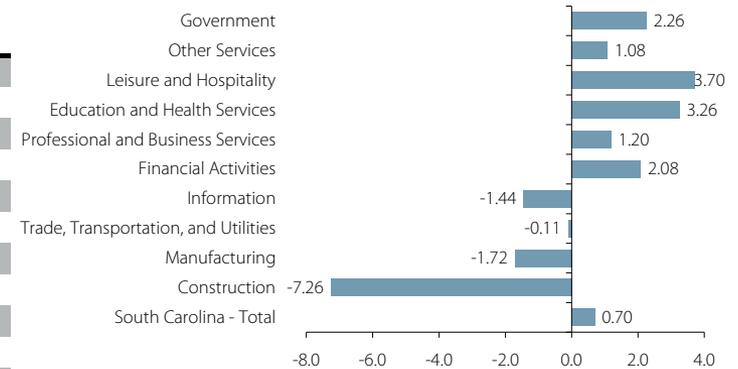
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	May	137,754.0	-0.04	0.17
Fifth District - Total	May	13,993.7	-0.04	0.73
South Carolina - Total	May	1,954.7	-0.16	0.70
Construction	May	116.2	-1.27	-7.26
Manufacturing	May	245.7	-0.20	-1.72
Trade, Transportation, and Utilities	May	376.3	-0.37	-0.11
Information	May	27.3	-1.80	-1.44
Financial Activities	May	107.9	-0.55	2.08
Professional and Business Services	May	228.2	-0.78	1.20
Education and Health Services	May	206.0	-0.05	3.26
Leisure and Hospitality	May	224.2	0.63	3.70
Other Services	May	74.7	0.81	1.08
Government	May	343.7	0.38	2.26
Charleston MSA - Total	May	304.5	1.16	1.00
Columbia MSA - Total	May	371.6	-0.11	0.87
Greenville MSA - Total	May	327.0	0.06	2.51
Spartanburg MSA - Total	May	127.6	0.24	1.43

Unemployment Rate (SA)	May 08	April 08	May 07
United States	5.5	5.0	4.5
Fifth District	5.0	4.6	4.2
South Carolina	6.5	5.9	5.6
Charleston MSA	4.9	4.3	3.8
Columbia MSA	5.5	4.6	4.5
Greenville MSA	5.2	4.6	4.6
Spartanburg MSA	6.2	5.6	5.1

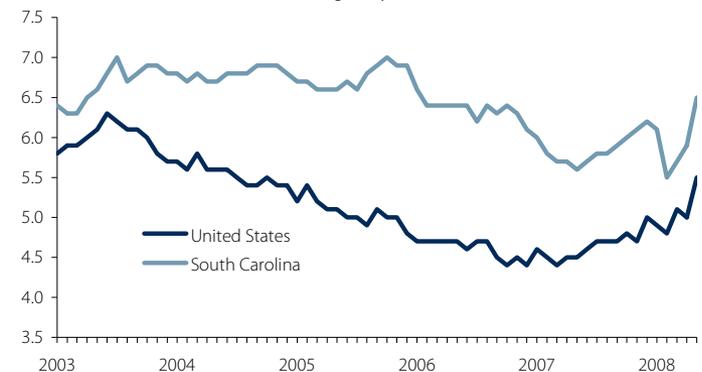
South Carolina Payroll Employment Performance

Year-over-Year Percent Change through May 2008



South Carolina Unemployment Rate

Through May 2008



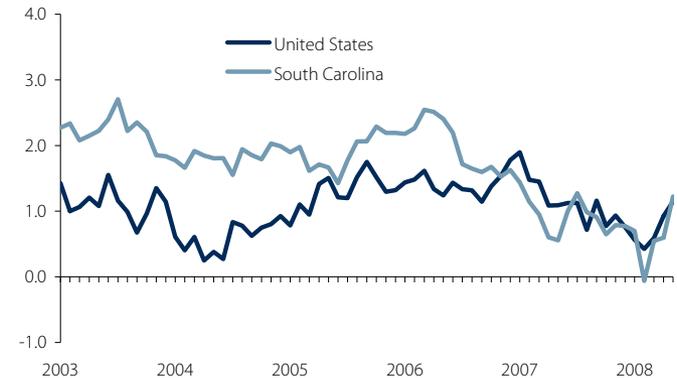
SOUTH CAROLINA

Labor Market Conditions

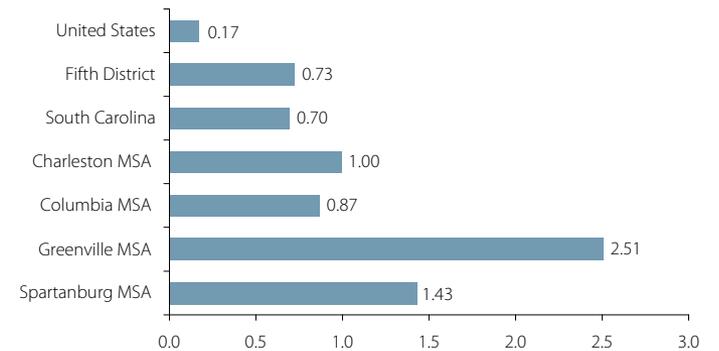
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	154,534	0.37	1.15
Fifth District	May	15,003	0.24	1.38
South Carolina	May	2,152	0.63	1.22
Charleston MSA	May	319	1.76	1.50
Columbia MSA	May	372	0.84	1.20
Greenville-Spartanburg MSA	May	320	0.79	2.53

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	May	1,396,034	-8.48	14.32
Fifth District	May	125,467	-8.03	12.93
South Carolina	May	24,162	-14.33	16.91

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



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



SOUTH CAROLINA

Household Conditions

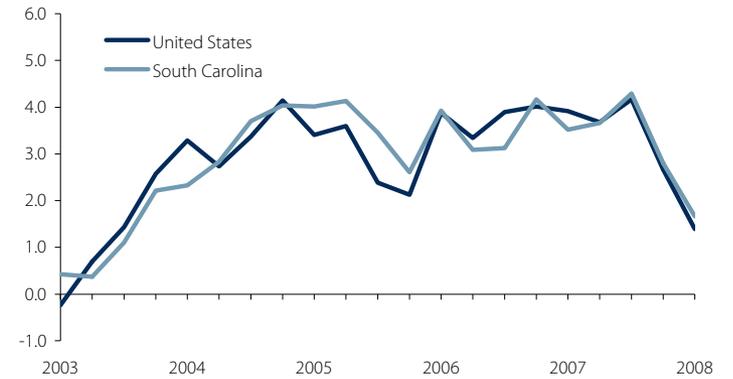
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	1Q:08	9,998,852	0.45	1.39
Fifth District	1Q:08	949,038	0.24	1.18
South Carolina	1Q:08	117,412	0.09	1.67

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Charleston MSA	2008	58.4	---	5.42
Columbia MSA	2008	59.2	---	1.72
Greenville MSA	2008	55.1	---	4.16

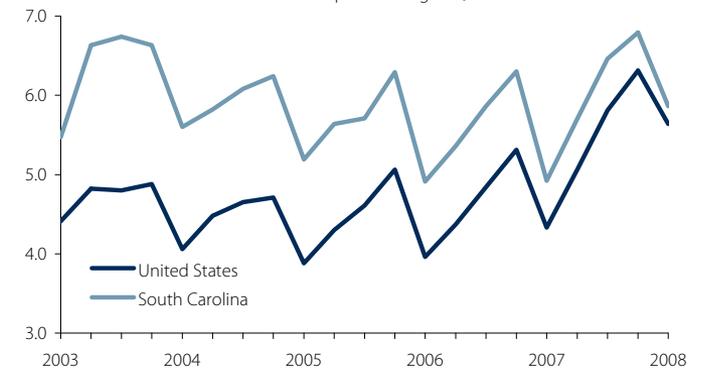
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	236,982	8.49	26.48
Fifth District	1Q:08	18,897	9.97	26.06
South Carolina	1Q:08	1855	1.03	6.49

Mortgage Delinquencies (% Delinquent)	1Q:08	4Q:07	1Q:07
United States			
All Mortgages	5.64	6.31	4.33
Conventional	3.30	3.55	2.31
Subprime	17.05	18.82	12.45
South Carolina			
All Mortgages	5.86	6.79	4.92
Conventional	3.60	4.07	2.98
Subprime	17.48	19.64	13.66

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



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



SOUTH CAROLINA

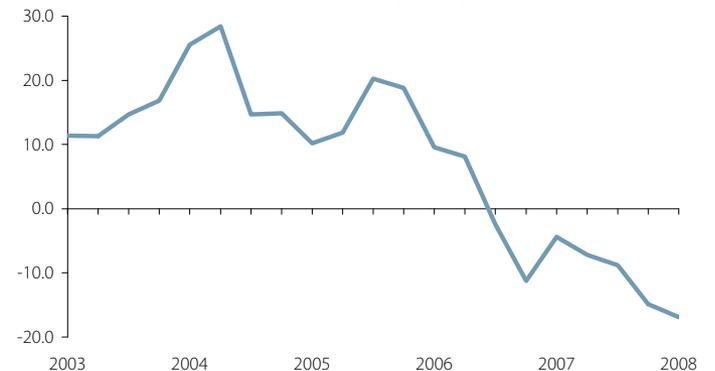
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	May	90,255	0.82	-37.51
Fifth District	May	11,073	-8.03	-46.80
South Carolina	May	2,471	-17.44	-48.89
Charleston MSA	May	352	-26.97	-58.44
Columbia MSA	May	416	-6.94	-47.93
Greenville MSA	May	262	-52.28	-63.10
Spartanburg MSA	May	114	16.33	-21.92
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	975.0	-3.27	-32.10
Fifth District	May	127.6	-6.16	-36.93
South Carolina	May	28.5	-15.76	-39.42
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	1Q:08	4,950.0	-0.94	-22.21
Fifth District	1Q:08	483.2	0.00	-25.57
South Carolina	1Q:08	94.4	3.06	-16.90
Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charleston MSA	1Q:08	201	-1.52	-8.25
Columbia MSA	1Q:08	142	-2.28	-0.63
Greenville MSA	1Q:08	155	-0.58	6.04
Spartanburg MSA	1Q:08	130.3	6.98	10.05

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



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



SOUTH CAROLINA

Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charleston MSA	1Q:08	197	-5.74	-6.19
Columbia MSA	1Q:08	137	-9.27	-0.72
Greenville MSA	1Q:08	144	-4.64	0.00

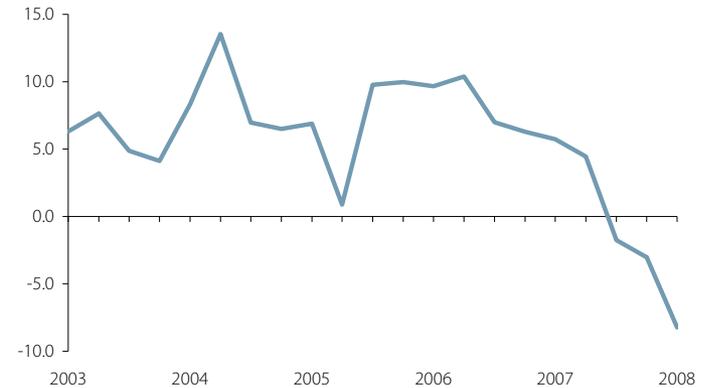
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-0.14	-0.34
South Carolina	1Q:08	328	0.92	3.82
Charleston MSA (1995=100)	1Q:08	275	0.61	1.54
Columbia MSA (1995=100)	1Q:08	178	1.18	5.30
Greenville MSA (1995=100)	1Q:08	172	1.67	5.67
Spartanburg MSA (1995=100)	1Q:08	159	-0.69	-0.69

Housing Opportunity Index ² (%)	1Q:08	4Q:07	4Q:06
Charleston MSA	57.8	46.2	45.5
Columbia MSA	77.2	72.1	74.3
Greenville MSA	73.7	65.6	73.3

Commercial Vacancy Rates (%)	1Q:08	4Q:07	1Q:07
Office Vacancies			
Charleston	17.7	14.9	---
Columbia	16.4	17.6	17.4
Greenville	14.5	15.4	17.9
Industrial Vacancies			
Charleston	13.0	8.4	---
Greenville	9.5	9.7	10.9

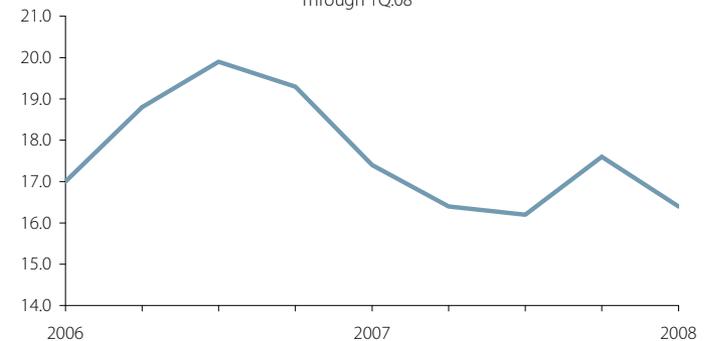
Charleston MSA Median Home Sales Price (NAR)

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



Columbia MSA Office Vacancy Rate

Through 1Q:08



VIRGINIA

July Summary

According to recent data, the Virginia economy remained sluggish in May, with softening labor conditions and continued weakness in the housing market.

On the employment front, Virginia shed 1,200 net jobs in May, with the biggest losses in construction (2,400 jobs), trade, transportation, and utilities (1,800 jobs), and professional and business services (2,500 jobs). Nonetheless, employment has grown 0.4 percent since May 2007.

The household unemployment survey also indicated lethargy in labor markets, with an increase of 0.4 percentage points in Virginia's unemployment rate. Although the 3.9 percent jobless rate in May was the highest the Commonwealth has seen since November 2003, it was still the lowest unemployment rate of all jurisdictions in the Fifth District. In addition, real personal income in the state grew over the first quarter of 2008, buttressing household balance sheets.

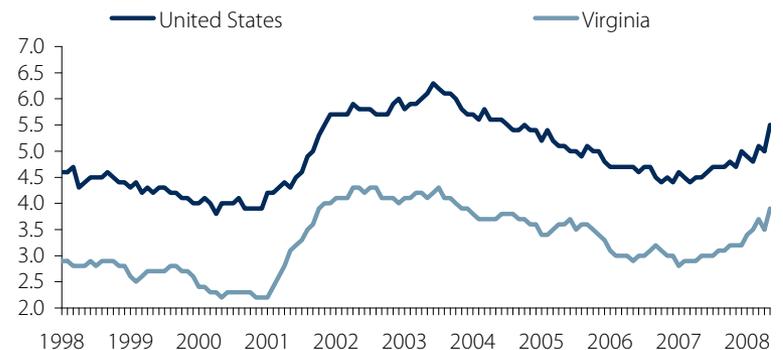
Turning to real estate, residential permitting activity declined 4.4 percent further in May after an 18.1 percent decrease the previous month. May marked the largest year-over-year fall in permitting activity since early 1991. Housing starts were also down 2.5 percent in May for the fifth consecutive month of decline. Additionally, house prices in Virginia fell over the first quarter of 2008, and Virginia experienced its first quarter of year-over-year decline in house prices since 1995.

Drilling down, conditions in Virginia's major metro areas were stronger than those in the state as a whole. All major metro areas experienced payroll growth in May. The strongest growth was in the Norfolk-Virginia Beach MSA, which added 8,800 jobs to its economy for 1.1 percent employment growth. Nonetheless, unemployment rates grew between 0.4 and 0.6 percentage points in all major metro areas. In real estate, May residential permit levels fell across the major metro areas except for Roanoke, which saw an increase in permitting activity of 9.7 percent over the month.

A Closer Look at... Household Unemployment

Virginia's unemployment rate edged up 0.4 percentage points in May to finish the month at 3.9 percent. This is the highest unemployment rate in Virginia since 2003, although the state's twenty-year record was 6.5 percent in February-March 1992. The lowest rate was the 2.2 percent unemployment during the end of 2000 and beginning of 2001. The May unemployment rate hike resulted from an increase in the number of unemployed in the Commonwealth; with 17,300 additional people without jobs, May marked the largest monthly increase in the series since 1977. The labor force rose 0.2 percent (8,700 people) over the same period. Meanwhile, the labor force comprised 69.5 percent of the total Virginia population in May. The highest labor force participation rate in the past twenty years was 70.5 percent in March 1992, while the lowest was 67.1 percent, last recorded in March 1998.

Virginia Household Unemployment
Unemployment Rate through May 2008



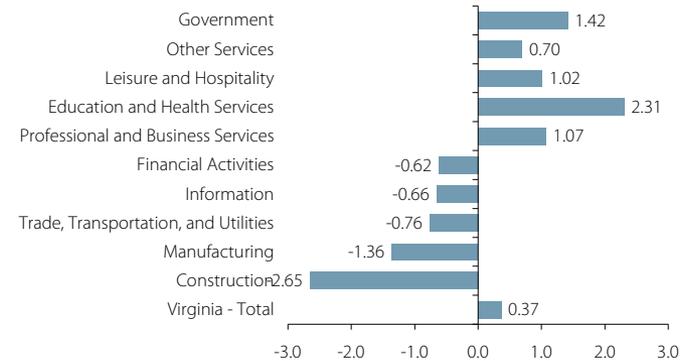
VIRGINIA

Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	May	137,754.0	-0.04	0.17
Fifth District - Total	May	13,993.7	-0.04	0.73
Virginia - Total	May	3,772.1	-0.03	0.37
Construction	May	235.0	-1.01	-2.65
Manufacturing	May	275.8	-0.18	-1.36
Trade, Transportation, and Utilities	May	662.9	-0.27	-0.76
Information	May	90.4	-0.11	-0.66
Financial Activities	May	193.4	0.31	-0.62
Professional and Business Services	May	650.3	-0.38	1.07
Education and Health Services	May	425.8	0.64	2.31
Leisure and Hospitality	May	347.5	0.23	1.02
Other Services	May	187.2	0.16	0.70
Government	May	694.0	0.07	1.42
Lynchburg MSA - Total	May	110.6	0.27	2.03
Richmond MSA - Total	May	641.4	0.63	1.09
Roanoke MSA - Total	May	164.6	0.67	0.30
Virginia Beach-Norfolk MSA - Total	May	790.8	1.13	1.32
Unemployment Rate (SA)		May 08	April 08	May 07
United States		5.5	5.0	4.5
Fifth District		5.0	4.6	4.2
Virginia		3.9	3.5	3.0
Lynchburg MSA		4.0	3.4	3.2
Richmond MSA		4.0	3.5	2.8
Roanoke MSA		3.8	3.3	2.9
Virginia Beach-Norfolk MSA		3.9	3.5	2.9

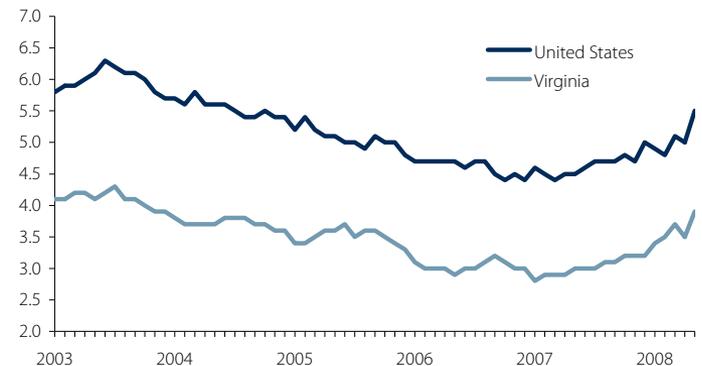
Virginia Payroll Employment Performance

Year-over-Year Percent Change through May 2008



Virginia Unemployment Rate

Through May 2008



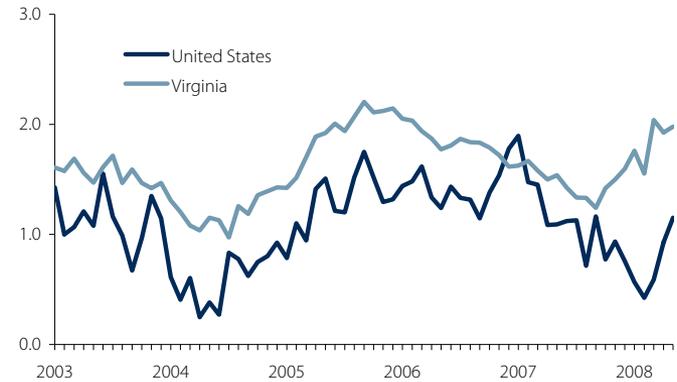
VIRGINIA

Labor Market Conditions

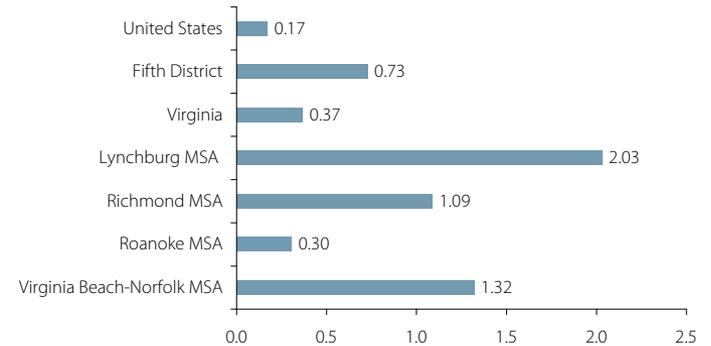
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	154,534	0.37	1.15
Fifth District	May	15,003	0.24	1.38
Virginia	May	4,125	0.21	1.98
Lynchburg MSA	May	124	0.57	2.47
Richmond MSA	May	656	0.83	2.52
Roanoke MSA	May	158	0.89	1.41
Virginia Beach-Norfolk MSA	May	838	1.22	2.48

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	May	1,396,034	-8.48	14.32
Fifth District	May	125,467	-8.03	12.93
Virginia	May	21,556	-0.51	14.60

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



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



VIRGINIA

Household Conditions

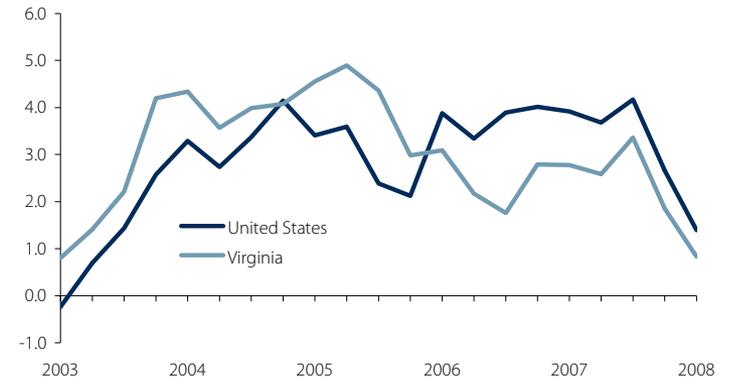
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	1Q:08	9,998,852	0.45	1.39
Fifth District	1Q:08	949,038	0.24	1.18
Virginia	1Q:08	272,117	0.40	0.83

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Richmond MSA	2008	69.3	---	0.87
Roanoke MSA	2007	56.3	---	---
Virginia Beach-Norfolk MSA	2008	65.1	---	1.56

Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	236,982	8.49	26.48
Fifth District	1Q:08	18,897	9.97	26.06
Virginia	1Q:08	6,136	14.33	41.87

Mortgage Delinquencies (% Delinquent)	1Q:08	4Q:07	1Q:07
United States			
All Mortgages	5.64	6.31	4.33
Conventional	3.30	3.55	2.31
Subprime	17.05	18.82	12.45
Virginia			
All Mortgages	4.43	4.78	3.09
Conventional	2.61	2.70	1.67
Subprime	17.07	18.15	11.02

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



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

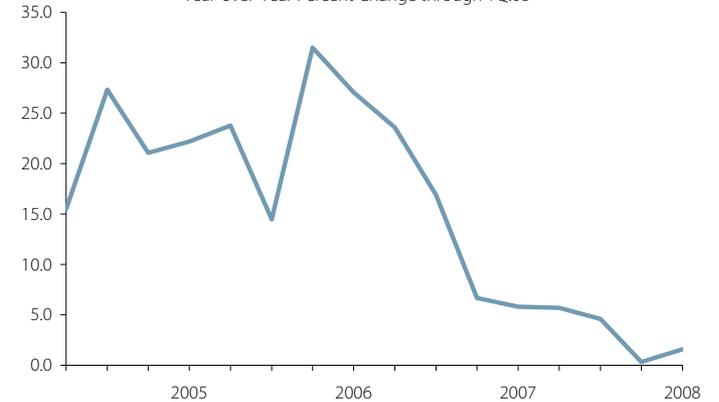


VIRGINIA

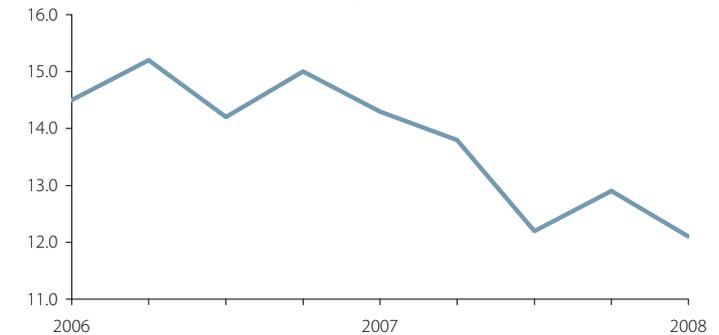
Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	1Q:08	---	---	---
Virginia Beach-Norfolk MSA	1Q:08	238	0.68	1.58
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	1Q:08	224	-2.61	0.45
Roanoke MSA	1Q:08	---	---	---
Virginia Beach-Norfolk MSA	1Q:08	217	-1.36	-2.69
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-0.14	-0.34
Virginia	1Q:08	471	-0.23	-0.06
Lynchburg MSA (1995=100)	1Q:08	197	0.12	4.12
Richmond MSA (1995=100)	1Q:08	225	0.04	2.36
Roanoke MSA (1995=100)	1Q:08	200	2.51	4.46
Virginia Beach-Norfolk MSA (1995=100)	1Q:08	260	-0.45	1.49
Housing Opportunity Index ² (%)	1Q:08	4Q:07	1Q:07	
Richmond MSA	59.7	54.6	56.5	
Roanoke MSA	#N/A	59.1	58.2	
Virginia Beach-Norfolk MSA	56.5	50.1	49.5	
Commercial Vacancy Rates (%)	1Q:08	4Q:07	1Q:07	
Office Vacancies	Richmond	12.1	12.9	14.3
Industrial Vacancies	Richmond	7.4	7.8	8.0

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



Richmond MSA Office Vacancy Rate
Through 1Q:08



WEST VIRGINIA

July Summary

The West Virginia economy showed signs of cooling according to recent data, as both labor markets and real estate markets exhibited sluggishness.

Labor markets in West Virginia weakened as employment in the state fell 0.2 percent (1,600 jobs) in May. Losses were felt across sectors in the state; only the government sector added jobs in May.

Consistent with payroll data, household unemployment in the state grew 0.3 percentage points to end at 5.3 percent unemployment – the highest unemployment in the state since mid-2004. Meanwhile, real personal income levels were basically flat over the first quarter of 2008 after two quarters of weak growth.

Real estate markets softened a bit in West Virginia. Residential permitting activity was down 36.2 percent in May for the fourth straight month of year-over-year decline. Housing starts were also down in May (35.0 percent) for the fourth consecutive month. Although house prices were up 0.8 percent over the first quarter, the state experienced the smallest year-over-year growth in house prices since the third quarter of 2000.

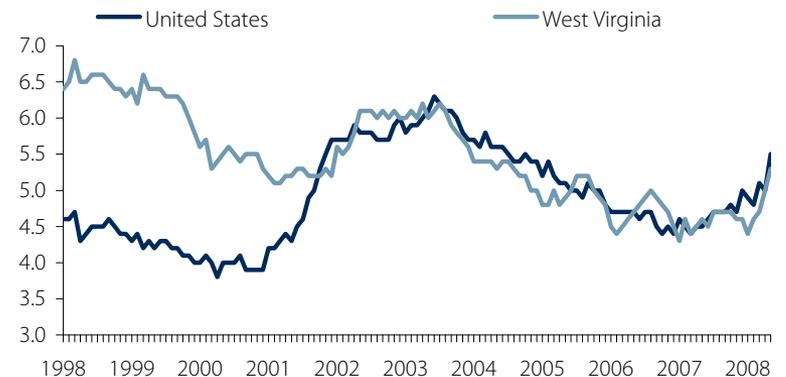
Metro area conditions were stronger than those of the state as a whole. Payroll employment grew across the major metro areas in May, with the strongest growth in the Charleston MSA where a 0.5 percent increase added 800 jobs to the economy. In addition, unemployment rates were mostly flat in metro areas. Only the Huntington MSA unemployment rate, which increased 0.4 percentage points in May, saw an increase greater than 0.1 percentage points. Real estate conditions varied. The Huntington, Morgantown, and Parkersburg metro areas saw residential permitting activity decrease in May, while permit levels grew in the Charleston MSA. In addition, while Huntington and Parkersburg house prices grew in the first quarter of 2008, the Charleston and Morgantown MSAs saw house prices decline.

A Closer Look at... Household Unemployment

Unemployment in West Virginia rose 0.3 percentage points to 5.3 percent in May. The series has been quite volatile in the state over the past twenty years; unemployment in West Virginia rose to a high of 11.5 percent in 1992 and fell to a 4.3 percent low in January 2007. Approximately 2,500 people became unemployed in May – a 6.1 percent increase in the number of unemployed since April. Meanwhile, the labor force fell by 1,200 people (0.1 percent) in the same period and 1.0 percent over the past year. West Virginia's labor force participation rate is the lowest among Fifth District jurisdictions. In May, 56.3 percent of the state population was in the labor force. The highest participation rate in the past twenty years was 56.9 percent in June 1999; the lowest was 51.4 percent in January 1988.

West Virginia Household Unemployment

Unemployment Rate through May 2008



WEST VIRGINIA

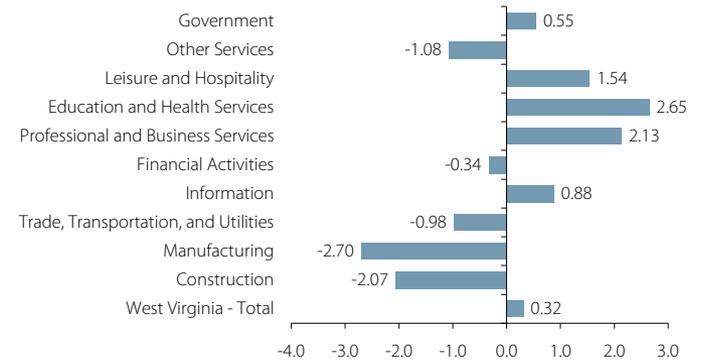
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	May	137,754.0	-0.04	0.17
Fifth District - Total	May	13,993.7	-0.04	0.73
West Virginia - Total	May	758.8	-0.21	0.32
Construction	May	37.9	-1.04	-2.07
Manufacturing	May	57.6	-0.17	-2.70
Trade, Transportation, and Utilities	May	141.3	-0.21	-0.98
Information	May	11.4	0.88	0.88
Financial Activities	May	29.7	0.00	-0.34
Professional and Business Services	May	62.2	0.00	2.13
Education and Health Services	May	116.1	0.00	2.65
Leisure and Hospitality	May	72.3	-1.36	1.54
Other Services	May	55.0	-0.90	-1.08
Government	May	146.4	0.48	0.55
Charleston MSA - Total	May	152.2	0.53	0.59
Huntington MSA - Total	May	120.9	0.25	0.75
Morgantown MSA - Total	May	62.6	0.16	2.29
Parkersburg MSA - Total	May	73.5	0.27	-0.14

Unemployment Rate (SA)	May 08	April 08	May 07
United States	5.5	5.0	4.5
Fifth District	5.0	4.6	4.2
West Virginia	5.3	5.0	4.6
Charleston MSA	4.4	4.4	3.9
Huntington MSA	5.2	4.8	4.6
Morgantown MSA	3.6	3.5	3.2
Parkersburg MSA	5.2	5.1	4.6

West Virginia Payroll Employment Performance

Year-over-Year Percent Change through May 2008



West Virginia Unemployment Rate

Through May 2008



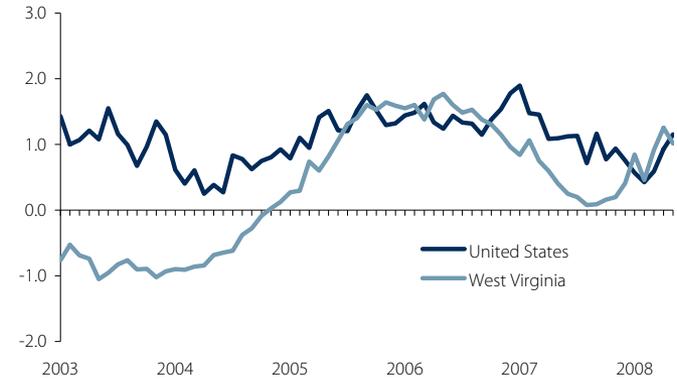
WEST VIRGINIA

Labor Market Conditions

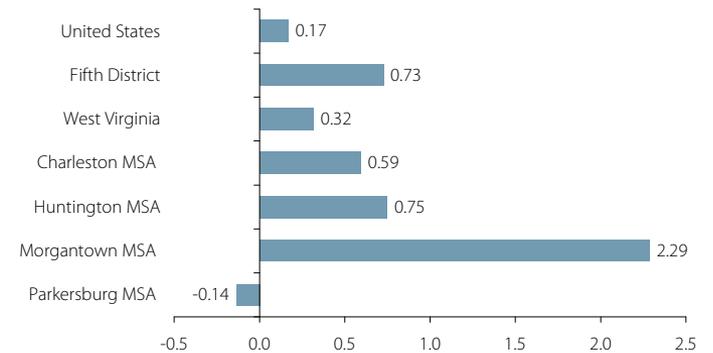
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	154,534	0.37	1.15
Fifth District	May	15,003	0.24	1.38
West Virginia	May	817	-0.15	1.25
Charleston MSA	May	142	0.28	0.86
Huntington MSA	May	134	0.37	1.21
Morgantown MSA	May	64	0.31	2.25
Parkersburg MSA	May	80	0.00	0.63

Initial Unemployment Claims (NSA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	1,396,034	-8.48	14.32
Fifth District	May	125,467	-8.03	12.93
West Virginia	May	4,910	-1.45	4.40

West Virginia Labor Force
Year-over-Year Percent Change through May 2008



West Virginia Total Employment Performance
Year-over-Year Percent Change through May 2008

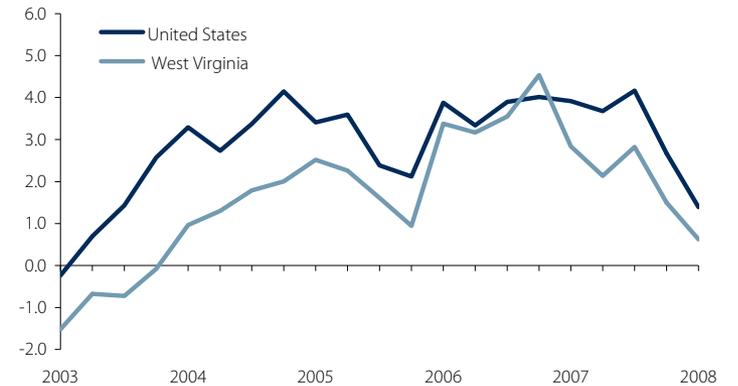


WEST VIRGINIA

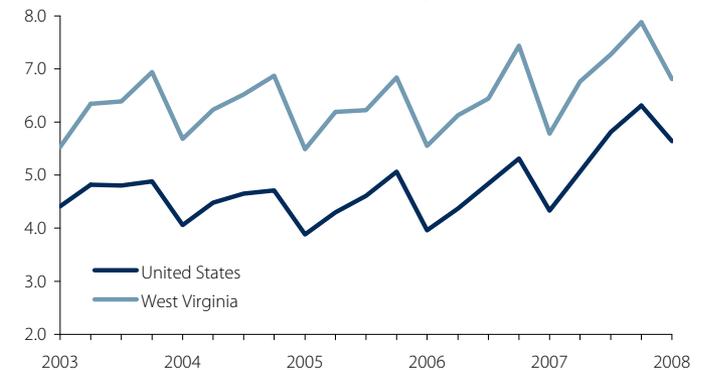
Household Conditions

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

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



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

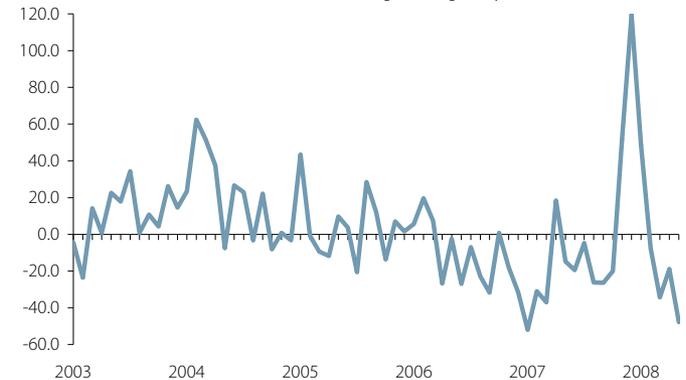


WEST VIRGINIA

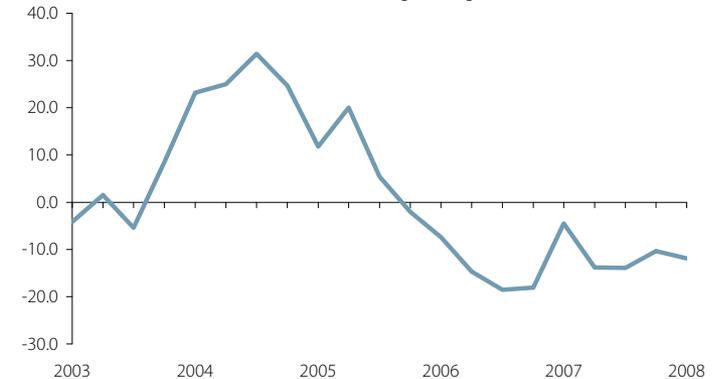
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	May	90,255	0.82	-37.51
Fifth District	May	11,073	-8.03	-46.80
West Virginia	May	210	-36.17	-47.89
Charleston MSA	May	26	30.00	13.04
Huntington MSA	May	3	-25.00	-66.67
Morgantown MSA	May	7	-78.79	75.00
Parkersburg MSA	May	5	-72.22	-81.48
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	975.0	-3.27	-32.10
Fifth District	May	127.6	-6.16	-36.93
West Virginia	May	2.4	-34.95	-38.27
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	1Q:08	4,950.0	-0.94	-22.21
Fifth District	1Q:08	483.2	0.00	-25.57
West Virginia	1Q:08	29.6	7.25	-11.90
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	1Q:08	388	-0.23	-0.03
Fifth District	1Q:08	393	-0.14	-0.34
West Virginia	1Q:08	236	0.83	2.47
Charleston MSA (1995=100)	1Q:08	157	-0.54	2.88
Huntington MSA (1995=100)	1Q:08	174	1.24	3.82
Morgantown MSA (1995=100)	1Q:08	184	-0.01	1.52
Parkersburg MSA (1995=100)	1Q:08	162	0.28	4.40
Median Home Sales Price - NAR	Period	Level (\$ 000s)	QoQ % Change	YoY % Change
Charleston MSA	1Q:08	117	-4.96	1.39

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



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



Payroll Employment / Unemployment

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

Civilian Labor Force

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

Unemployment Insurance Claims

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

District Imports / Exports

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

Personal Income

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

Median Family Income

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

Bankruptcy Filings

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

Mortgage Loans Past Due

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

Private Building Permits

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

Private Housing Starts

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

Existing Home Sales

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

Pending Home Sales Index

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

Months' Supply of Home

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

Median Home Sales Price - NAR

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

Median Home Sales Price - NAHB

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

House Price Index

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

Housing Opportunity Index

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

Commercial Vacancy Rates

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

Home Inventory / Asking Price

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

NOTES

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

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

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