

SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY
MARCH 2008



THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE

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FIFTH DISTRICT

March Summary

Recent assessments of the Fifth District economy were generally downbeat with soft readings on labor markets, mixed reports from District businesses, and continued weakness in housing. On the employment front, District payrolls were up slightly (0.1 percent) in January, though only three jurisdictions – Maryland, North Carolina, and South Carolina – posted job gains. Additionally, the District's unemployment rate edged higher in January, up one-tenth of a percentage point to 4.4 percent – the District's highest mark in fifteen months. Initial unemployment claims in the District surged as well, up 51.7 percent since December.

Turning to real estate, residential permitting activity in the Fifth District increased 5.0 percent in January, following two months of decline. Permitting activity in the District was down 22.9 percent from year-ago levels, however, representing the twentieth consecutive month of year-over-year decline. In addition, District home sales fell 9.3 percent in the fourth quarter, versus a national decline of just 8.5 percent. Furthermore, fourth quarter home prices – as measured by the House Price Index (HPI) – were down by 0.1 percent in the District, while U.S. prices inched up 0.1 percent. Nonetheless, over the past year, District home prices increased by 1.0 percent, slightly above the 0.8 percent increase, nationally.

Reports from District businesses were mixed. Our February surveys indicated that service firm revenues and employment were up since January. Manufacturing activity, on the other hand, continued to drift lower, though the decline was tempered a bit by a moderation in the decline of shipments. Similarly, retail sales activity, particularly big-ticket categories, continued to slump in February. Price pressures were generally elevated in recent weeks. Our survey measures of prices suggested that finished good, service firm, and retail prices edged higher since January. Raw material price growth cooled slightly in February, though contacts continued to voice concerns over rising energy costs.

A Closer Look at... Existing Home Sales

Current Pace: 476,800 units sold in the fourth quarter of 2007

Change from Last Quarter: -9.3 percent

Change from a Year Ago: -19.6 percent

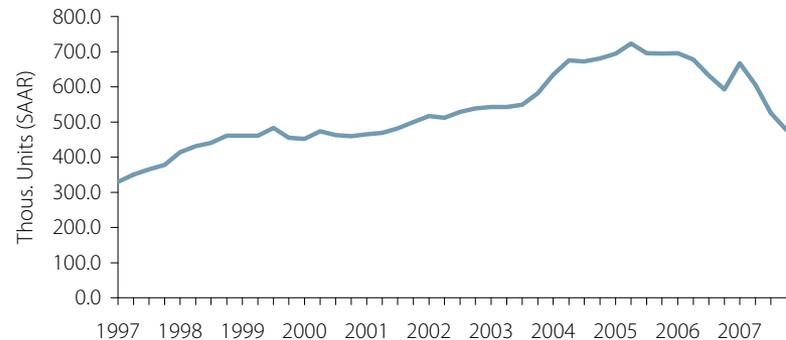
Peak Pace: The second quarter of 2005 when 722,800 units were sold

Change from Peak Pace: -34.0 percent

District Home Sales are at their Slowest Pace Since: The second quarter of 2001 when 468,800 units were sold

**Pace measured as a seasonally adjusted annual rate*

Fifth District Existing Home Sales



FIFTH DISTRICT

Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	January	138,056.0	-0.02	0.69
Fifth District - Total	January	14,012.1	0.05	1.18
Construction	January	864.3	-0.30	-0.46
Manufacturing	January	1,249.8	-0.07	-1.90
Trade, Transportation, and Utilities	January	2,487.0	0.20	0.83
Information	January	272.8	-0.62	-1.09
Financial Activities	January	724.8	-0.32	-0.66
Professional and Business Services	January	2,008.0	0.17	2.53
Education and Health Services	January	1,745.0	-0.05	3.19
Leisure and Hospitality	January	1,332.7	-0.03	1.94
Other Services	January	679.6	-0.42	1.77
Government	January	2,595.8	0.14	1.62

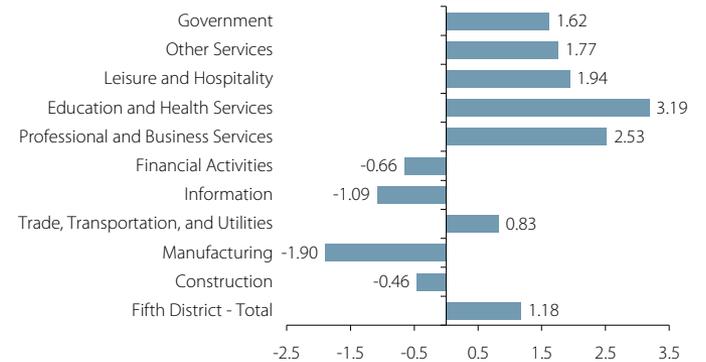
Unemployment Rate (SA)	January 08	December 07	January 07
United States	4.9	5.0	4.6
Fifth District	4.4	4.3	4.1

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	153,824	-0.03	0.57
Fifth District	January	14,917	0.11	1.06

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	January	2,063,842	9.01	5.65
Fifth District	January	218,566	51.65	13.75

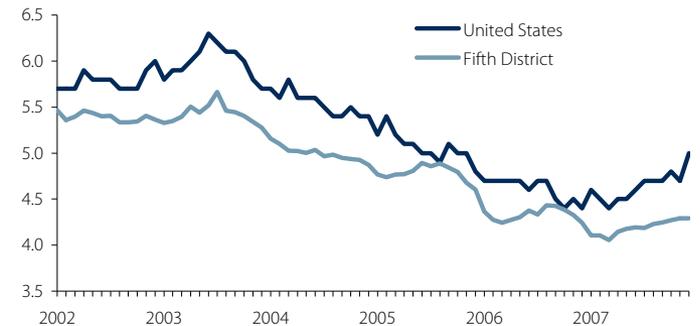
Fifth District Payroll Employment Performance

Year-over-Year Percent Change through January 2008



Fifth District Unemployment Rate

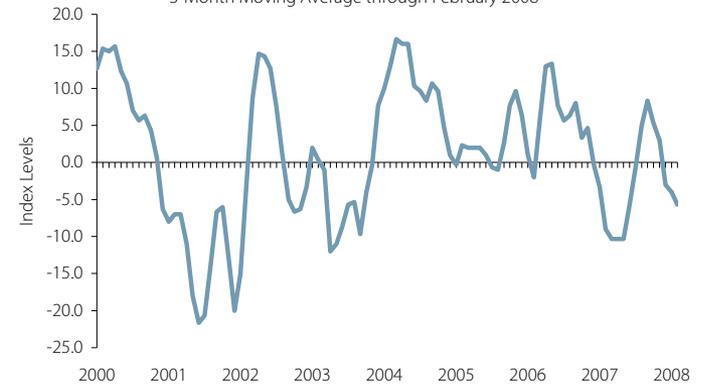
Through January 2008



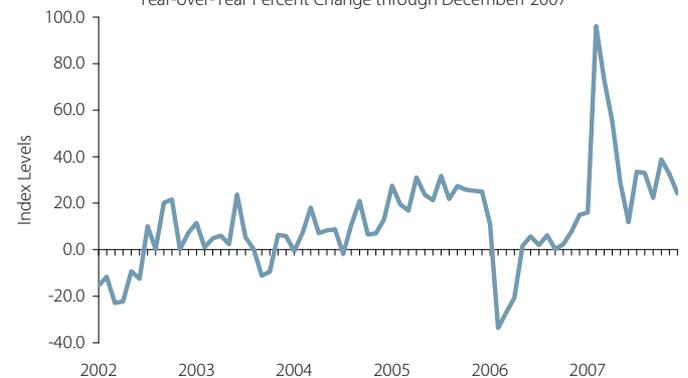
FIFTH DISTRICT
Business Conditions

Manufacturing Survey (SA)	February 2008	January 2008	February 2007	
Composite Index	-5	-8	-10	
Shipments	-4	-17	-15	
New Orders	-5	-3	-4	
Number of Employees	-5	-2	-13	
Expected Shipments - Six Months	23	31	30	
Raw Material Prices (SAAR)	3.23	4.23	3.52	
Finished Good Prices (SAAR)	1.88	1.76	1.58	
Service Sector Survey (SA)	February 2008	January 2008	February 2007	
Service Firm Revenues	9	-1	24	
Service Firm Employment	1	-2	12	
Retail Revenues	-25	-30	-25	
Big-Ticket Sales	-32	-40	-40	
Expected Retail Demand - Six Months	4	0	5	
Service Firm Prices	0.93	0.88	1.14	
Retail Prices	2.26	1.52	1.77	
District Imports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	December	2,348.25	0.65	-3.98
Wilmington, North Carolina	December	490.03	16.37	-16.62
Charleston, South Carolina	December	3,312.72	-1.04	6.56
Norfolk, Virginia	December	2,717.35	-5.25	2.33
District Exports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	December	1,446.82	22.49	55.35
Wilmington, North Carolina	December	305.01	-7.86	65.39
Charleston, South Carolina	December	1,888.79	-4.17	33.69
Norfolk, Virginia	December	2,110.96	-3.89	24.14

Composite Manufacturing Index
3-Month Moving Average through February 2008



Norfolk Port District Exports
Year-over-Year Percent Change through December 2007



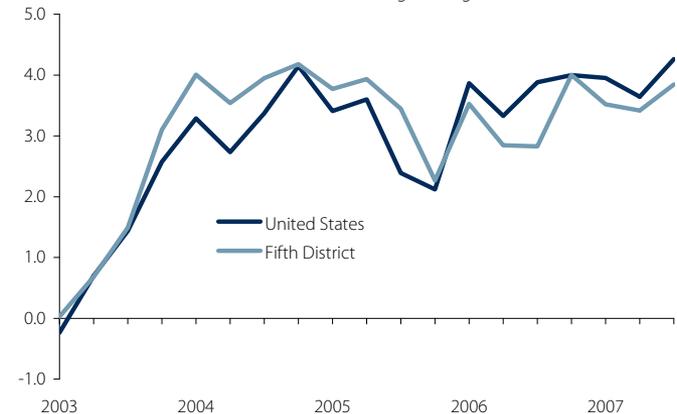
FIFTH DISTRICT
Household Conditions

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

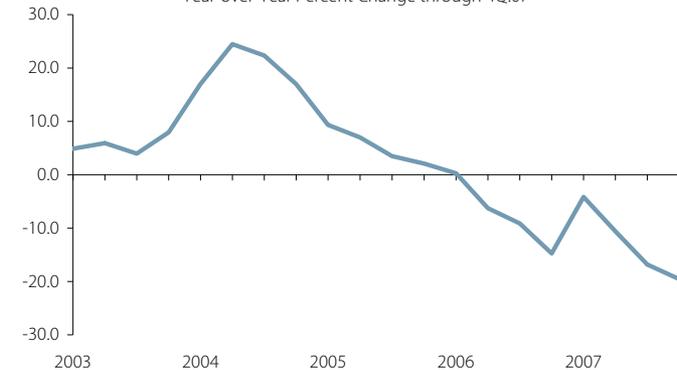
FIFTH DISTRICT
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	January	75,933	1.98	-32.41
Fifth District	January	12,309	5.01	-22.94
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States (SAAR)	January	1,012	0.80	-27.87
Fifth District (SAAR)	January	152	-8.83	-20.95
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	390	0.09	0.84
Fifth District	4Q:07	397	-0.11	1.01
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	4Q:07	4,957	-8.54	-20.85
Fifth District (SAAR)	4Q:07	477	-9.28	-19.57

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



Fifth District Existing Home Sales
Year-over-Year Percent Change through 4Q:07



DISTRICT OF COLUMBIA

March Summary

Recent assessments indicated that the District of Columbia's economy softened somewhat in January and February with losses in employment and further declines in homes sales and permitting activity. In labor markets, D.C. lost 1,100 jobs in January, following three consecutive months of gains. Payroll numbers were down in every sector except for manufacturing and financial activities (both of which were flat), and information (which reported a gain of 200 jobs). There was similar news from the household survey. D.C.'s unemployment rate jumped half a percentage point in January to finish the month at 6.2 percent – the area's highest mark since 2005.

On the real estate front, residential permitting activity in D.C. declined 54.8 percent in January and 83.6 percent over the past twelve months. Home sales activity was lower as well. D.C. experienced a 13.0 percent drop in existing home sales during the fourth quarter as the pace of home sales in the area slipped to its lowest level in a decade. Additionally, home prices in D.C. were down 1.7 percent in the fourth quarter, marking the area's largest quarterly decline in home prices since 1996.

Housing market conditions in the Washington, D.C. MSA were also generally weak. Home inventory levels in the metro area were up 4.1 percent from January and 33.9 percent from a year-ago. In addition, home price data from the National Association of Realtors indicated that the median sales price of existing homes in the area fell 8.6 percent in the fourth quarter, finishing the year at its lowest mark in nearly three years. On a brighter note, residential permitting activity in the D.C. MSA edged up 5.5 percent since January of 2007.

On the commercial side, reports on vacancy rates were mixed. Office vacancies in the D.C. metro area surged to a four-year high in the fourth quarter, while industrial rates drifted lower.

A Closer Look at... Existing Home Sales

Current Pace: 8,000 units sold in the fourth quarter of 2007

Change from Last Quarter: -13.0 percent

Change from a Year Ago: -4.8 percent

Peak Pace: The second quarter of 2004 when 14,000 units were sold

Change from Peak Pace: -44.4 percent

D.C. Home Sales are at their Slowest Pace Since: The fourth quarter of 1997 when 8,000 units were sold

**Pace measured as a seasonally adjusted annual rate*

District of Columbia Existing Home Sales



DISTRICT OF COLUMBIA

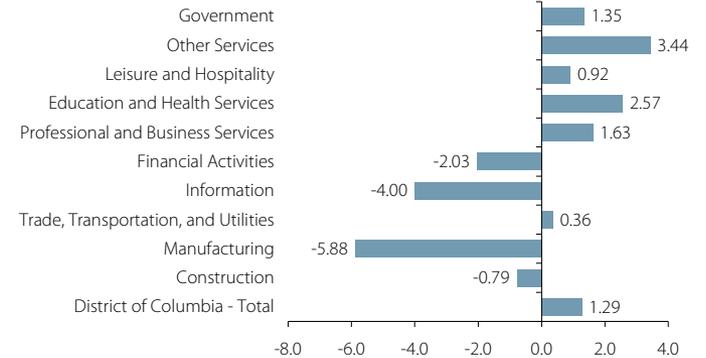
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	January	138,056.0	-0.02	0.69
Fifth District - Total	January	14,012.1	0.05	1.18
District of Columbia - Total	January	700.4	-0.16	1.29
Construction	January	12.6	-1.56	-0.79
Manufacturing	January	1.6	0.00	-5.88
Trade, Transportation, and Utilities	January	27.6	-2.13	0.36
Information	January	21.6	0.93	-4.00
Financial Activities	January	29.0	0.00	-2.03
Professional and Business Services	January	156.1	-0.13	1.63
Education and Health Services	January	99.8	-3.29	2.57
Leisure and Hospitality	January	54.6	-1.27	0.92
Other Services	January	63.1	-2.02	3.44
Government	January	233.2	-0.30	1.35
Washington, D.C. MSA - Total	January	2,403.0	-1.67	1.21

Unemployment Rate (SA)	January 08	December 07	January 07
United States	4.9	5.0	4.6
Fifth District	4.4	4.3	4.1
District of Columbia	6.2	5.7	5.7
Washington, D.C. MSA	--	3.2	3.4

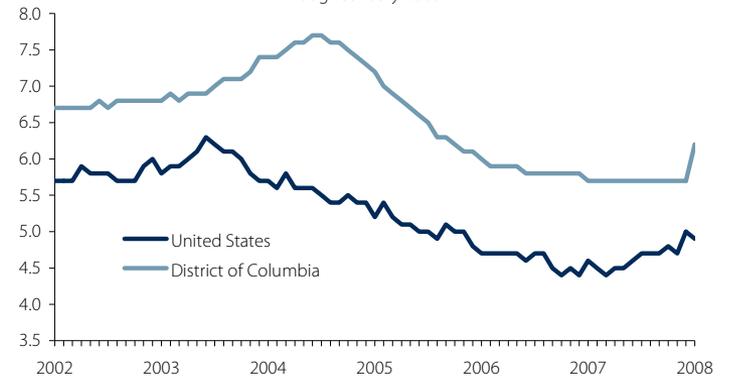
D.C. Payroll Employment Performance

Year-over-Year Percent Change through January 2008



D.C. Unemployment Rate

Through January 2008

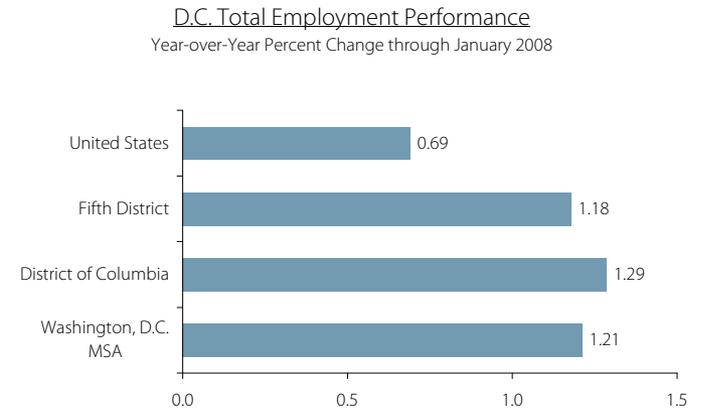
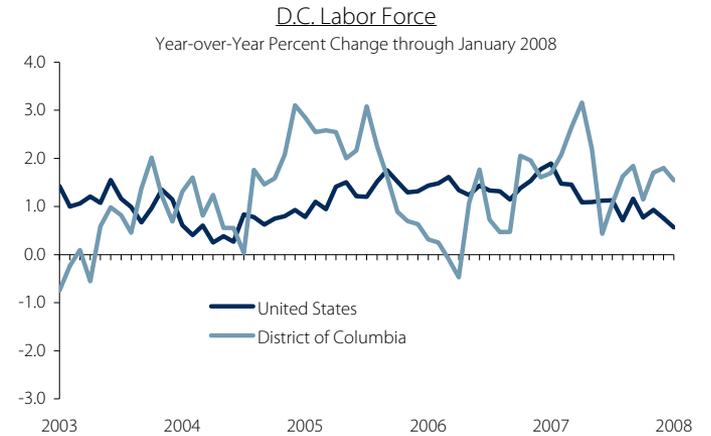


DISTRICT OF COLUMBIA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	153,824	-0.03	0.57
Fifth District	January	14,917	0.11	1.06
District of Columbia	January	329	0.18	1.54
Washington, D.C. MSA	December	2,352	-0.28	0.40

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	January	2,063,842	9.01	5.65
Fifth District	January	218,566	51.65	13.75
District of Columbia	January	1,639	18.51	15.67

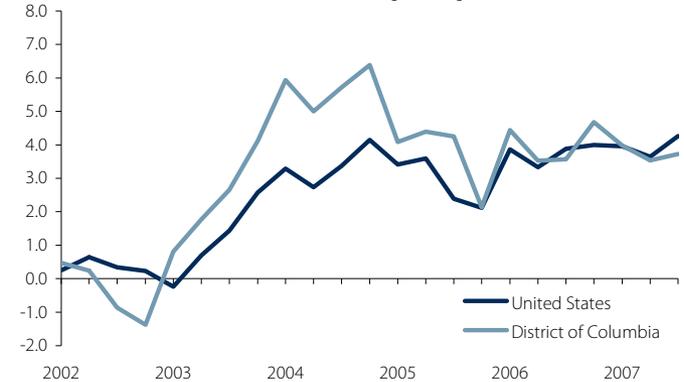


DISTRICT OF COLUMBIA

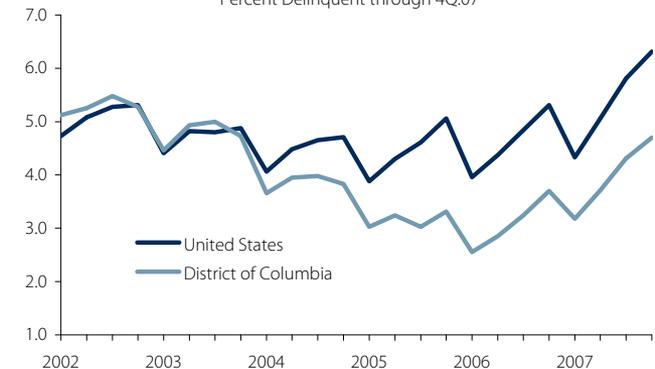
Household Conditions

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)	4Q:07	3Q:07	4Q:06	
United States				
All Mortgages		6.31	5.81	5.31
Conventional		3.55	3.25	2.79
Subprime		18.82	16.68	14.27
District of Columbia				
All Mortgages		4.70	4.31	3.70
Conventional		2.85	2.75	2.33
Subprime		18.34	15.63	11.23

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



D.C. Mortgage Delinquencies - All
Percent Delinquent through 4Q:07



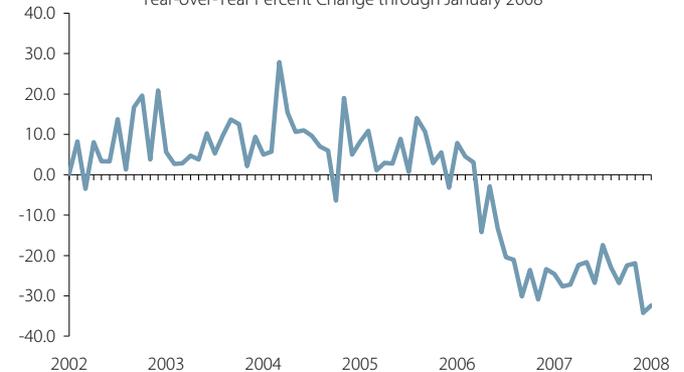
DISTRICT OF COLUMBIA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	January	75,933	1.98	-32.41
Fifth District	January	12,309	5.01	-22.94
District of Columbia	January	66	-54.79	-83.58
Washington, D.C. MSA	January	1,621	-30.76	5.53
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	1,012.0	0.80	-27.87
Fifth District	January	151.8	-8.83	-20.95
District of Columbia	January	0.8	-60.87	-83.23
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	4Q:07	4,957.0	-8.54	-20.85
Fifth District (SAAR)	4Q:07	476.8	-9.28	-19.57
District of Columbia (SAAR)	4Q:07	8.0	-13.04	-4.76
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Washington, D.C. MSA	February	37,676	4.08	33.93
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Washington, D.C. MSA	February	357,000	-0.96	-18.85

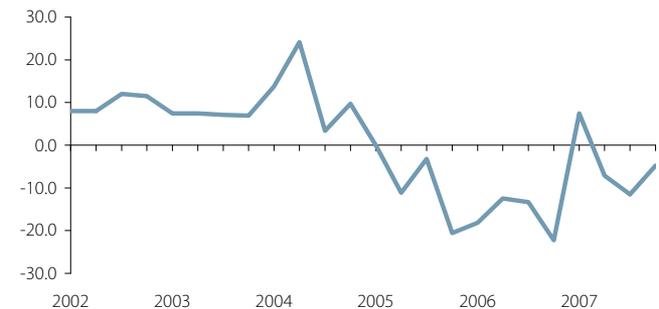
D.C. Building Permits

Year-over-Year Percent Change through January 2008



D.C. Existing Home Sales

Year-over-Year Percent Change through 4Q:07



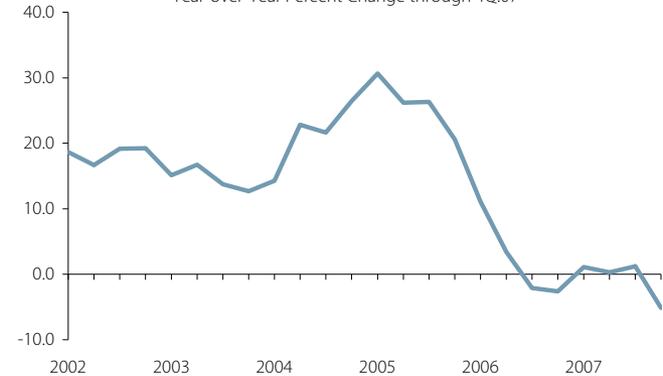
DISTRICT OF COLUMBIA

Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	4Q:07	400	-8.57	-5.10
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	4Q:07	360	-2.96	-11.11
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	390	0.09	0.84
Fifth District	4Q:07	397	-0.11	1.01
District of Columbia	4Q:07	670	-1.67	1.87
Washington, D.C. MSA (1995=100)	4Q:07	275	-1.91	-2.87
Housing Opportunity Index ² (%)	4Q:07	3Q:07	4Q:06	
Washington, D.C. MSA	41.3	35.0	24.0	
Commercial Vacancy Rates (%)	4Q:07	3Q:07	4Q:06	
Office Vacancies	Washington, D.C. MSA	10.7	10.0	9.3
Industrial Vacancies	Washington, D.C. MSA	14.1	15.5	13.9

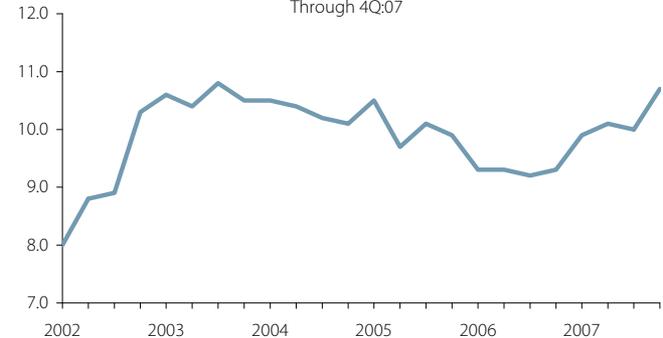
D.C. MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through 4Q:07



D.C. MSA Office Vacancy Rate

Through 4Q:07



MARYLAND

March Summary

Recent readings on Maryland's economy were somewhat weak behind a lackluster jobs report and a further softening in real estate conditions. In labor markets, Maryland added only 900 jobs in January compared to an increase of 4,000 jobs in the same month a year earlier. The increase marked the state's smallest gain since September of 2007. On the other hand, Maryland's unemployment rate edged down one-tenth of a percentage point in January, to end at 3.5 percent.

Assessments of real estate conditions in the state were weaker in recent weeks. Residential permitting activity in Maryland was up 0.2 percent in January, but down 7.9 percent over the past year. Additionally, home sales activity in Maryland decreased 13.3 percent in the final quarter of 2007 and 33.5 percent over the past twelve months as the pace of home sales in the state tumbled to its slowest pace in a decade. Home prices drifted lower in recent weeks as well. Maryland's House Price Index indicated that prices slipped 0.2 percent in the fourth quarter, marking the state's second straight quarterly decline in home prices following nine years of consecutive increases.

Housing market conditions were uneven across the state's major metro areas. The Cumberland MSA saw a 30.0 decrease in residential permitting activity, while the Baltimore and Hagerstown MSAs posted increases of 3.3 and 101.4 percent, respectively. Data on home prices were also mixed. The House Price Index indicated that fourth quarter prices in the Bethesda and Cumberland metro areas drifted lower whereas home prices in the Baltimore and Hagerstown MSAs inched higher.

Commercial real estate conditions varied. Office vacancies in the Baltimore area blipped up from 12.1 to 12.3 percent, while industrial vacancies edged lower from 14.6 to 14.4 percent.

A Closer Look at... Existing Home Sales

Current Pace: 67,600 units sold in the fourth quarter of 2007

Change from Last Quarter: -13.3 percent

Change from a Year Ago: -33.5 percent

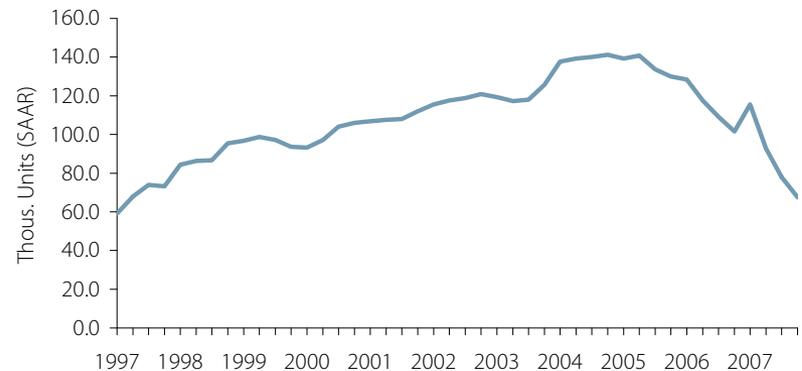
Peak Pace: The fourth quarter of 2004 when 141,200 units were sold

Change from Peak Pace: -52.1 percent

Maryland Home Sales are at their Slowest Pace Since: The first quarter of 1997 when 59,100 units were sold

**Pace measured as a seasonally adjusted annual rate*

Maryland Existing Home Sales



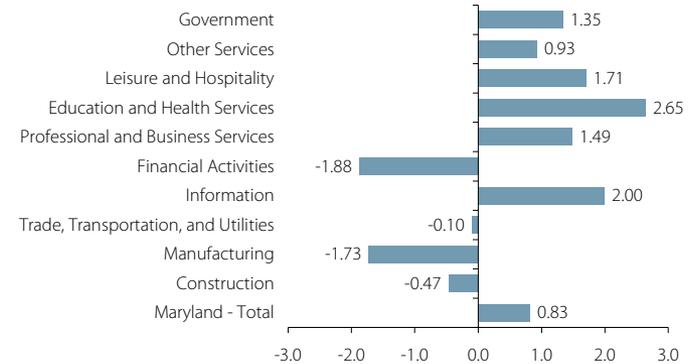
MARYLAND

Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	January	138,056.0	-0.02	0.69
Fifth District - Total	January	14,012.1	0.05	1.18
Maryland - Total	January	2,626.3	0.03	0.83
Construction	January	190.1	-0.16	-0.47
Manufacturing	January	131.0	-0.15	-1.73
Trade, Transportation, and Utilities	January	479.2	0.55	-0.10
Information	January	51.0	-0.78	2.00
Financial Activities	January	156.3	-0.51	-1.88
Professional and Business Services	January	401.1	-0.20	1.49
Education and Health Services	January	379.5	0.13	2.65
Leisure and Hospitality	January	237.8	0.17	1.71
Other Services	January	119.0	-0.08	0.93
Government	January	481.3	0.00	1.35
Baltimore-Towson MSA - Total	January	1,300.5	-2.81	0.60
Bethesda-Frederick MSA - Total	January	567.8	-2.79	-0.21
Cumberland MSA - Total	January	--	--	--
Hagerstown MSA - Total	January	101.0	-1.94	-0.10
Unemployment Rate (SA)				
		January 08	December 07	January 07
United States		4.9	5.0	4.6
Fifth District		4.4	4.3	4.1
Maryland		3.5	3.6	3.6
Baltimore-Towson MSA		--	3.6	4.5
Bethesda-Frederick MSA		--	2.5	3.3
Cumberland MSA		--	4.9	6.7
Hagerstown MSA		--	4.2	4.7

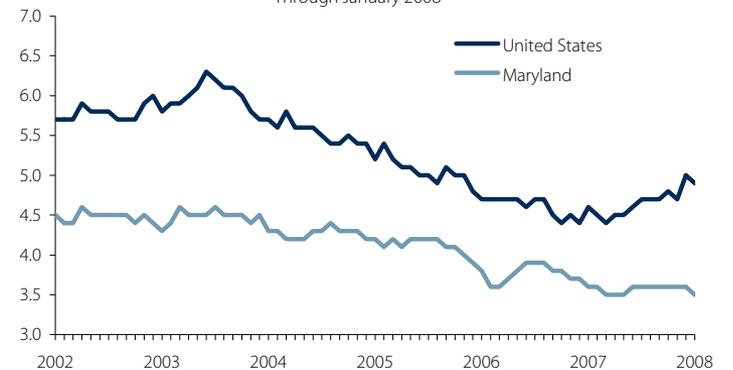
Maryland Payroll Employment Performance

Year-over-Year Percent Change through January 2008



Maryland Unemployment Rate

Through January 2008



MARYLAND

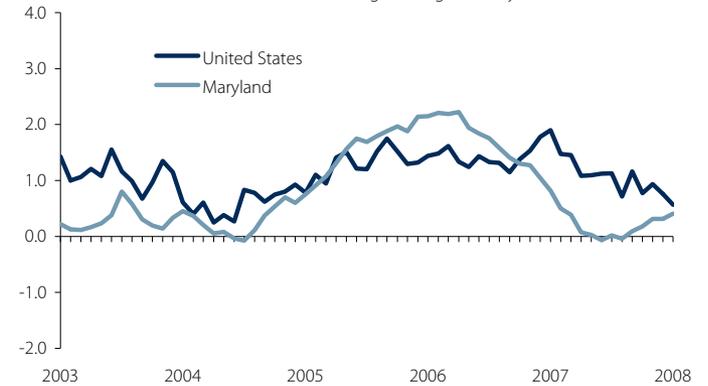
Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	153,824	-0.03	0.57
Fifth District	January	14,917	0.11	1.06
Maryland	January	2,990	-0.04	0.41
Baltimore-Towson MSA	December	1,403	-0.60	-1.09
Bethesda-Frederick MSA	December	642	-0.65	-1.29
Cumberland MSA	December	49	0.20	-1.21
Hagerstown MSA	December	122	-0.08	-0.24

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	January	2,063,842	9.01	5.65
Fifth District	January	218,566	51.65	13.75
Maryland	January	27,476	6.32	10.55

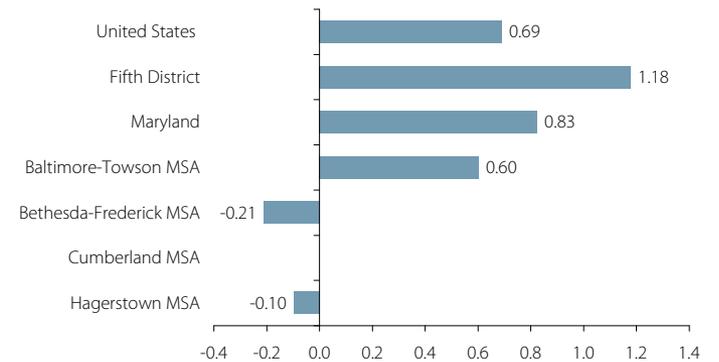
Maryland Labor Force

Year-over-Year Percent Change through January 2008



Maryland Total Employment Performance

Year-over-Year Percent Change through January 2008



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)	4Q:07	3Q:07	4Q:06
United States			
All Mortgages	6.31	5.81	5.31
Conventional	3.55	3.25	2.79
Subprime	18.82	16.68	14.27
Maryland			
All Mortgages	5.67	5.05	4.29
Conventional	3.07	2.64	2.20
Subprime	19.79	16.96	12.39

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



Maryland Mortgage Delinquencies - All
Percent Delinquent through 4Q:07



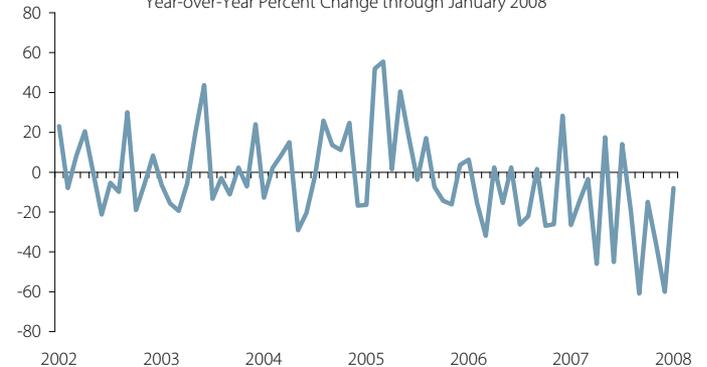
MARYLAND

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	January	75,933	1.98	-32.41
Fifth District	January	12,309	5.01	-22.94
Maryland	January	1,113	0.18	-7.94
Baltimore-Towson MSA	January	636	3.25	16.91
Cumberland MSA	January	7	-30.00	40.00
Hagerstown	January	149	101.35	10.37
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	1,012.0	0.80	-27.87
Fifth District	January	151.8	-8.83	-20.95
Maryland	January	13.7	-12.99	-5.57
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	4Q:07	4,957.0	-8.54	-20.85
Fifth District	4Q:07	476.8	-9.28	-19.57
Maryland	4Q:07	67.6	-13.33	-33.46
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Baltimore-Towson MSA	February	15,931	2.13	27.22
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Baltimore-Towson MSA	February	296,900	-0.19	-9.94
Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	4Q:07	275	-5.59	-1.01
Cumberland MSA	4Q:07	117	8.26	18.98
Hagerstown MSA	4Q:07	192	-7.82	-10.19

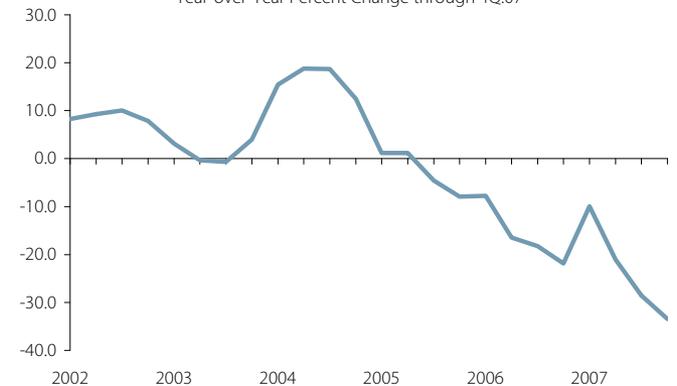
Maryland Building Permits

Year-over-Year Percent Change through January 2008



Maryland Existing Home Sales

Year-over-Year Percent Change through 4Q:07

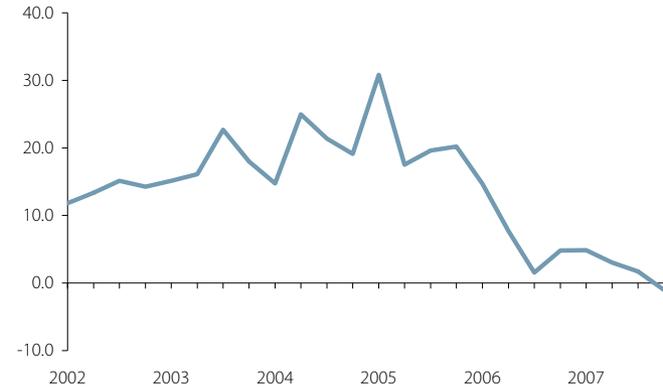


MARYLAND

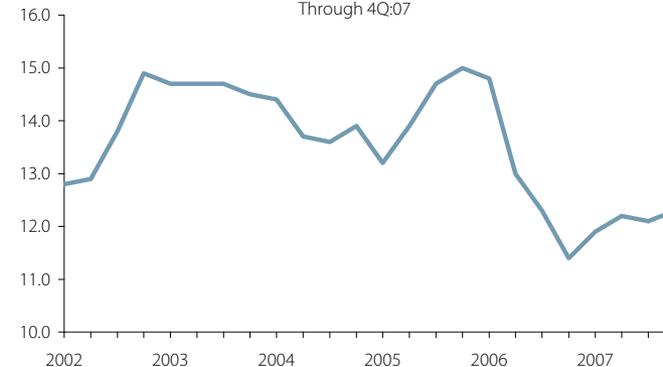
Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	4Q:07	266	-1.12	-1.12
Bethesda-Frederick MSA	4Q:07	---	---	---
Cumberland MSA	4Q:07	100	5.26	11.11
Hagerstown MSA	4Q:07	205	-10.48	-13.14
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	390	0.09	0.84
Fifth District	4Q:07	397	-8.83	1.01
Maryland	4Q:07	542	-0.18	0.80
Baltimore-Towson MSA (1995=100)	4Q:07	261	0.14	1.97
Bethesda-Frederick MSA (1995=100)	4Q:07	260	-0.53	-2.65
Cumberland MSA (1995=100)	4Q:07	190	-0.59	9.62
Hagerstown MSA (1995=100)	4Q:07	237	0.06	-1.93
Housing Opportunity Index ² (%)	4Q:07	3Q:07	4Q:06	
Baltimore-Towson MSA	47.8	45.4	44.1	
Bethesda-Frederick Metro Division	44.0	31.4	37.6	
Cumberland MSA	80.7	82.5	86.0	
Hagerstown MSA	49.0	37.1	38.7	
Commercial Vacancy Rates (%)	4Q:07	3Q:07	4Q:06	
Office Vacancies	Baltimore	12.3	12.1	11.4
Industrial Vacancies	Baltimore	14.4	14.6	12.3

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



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



NORTH CAROLINA

March Summary

North Carolina's economy advanced at a modest pace in January, with solid employment gains and encouraging signs in the state's housing sector. On the employment front, North Carolina added 1,100 jobs in January as solid gains in retail trade and business services offset losses in government and manufacturing. Despite the job gains, North Carolina's unemployment rate edged higher in January due to strong growth in the state's labor force.

Turning to real estate, recent data suggested some improvement in the state's housing markets. Residential permitting activity in North Carolina was up 21.6 percent in January, though permit levels in the state were down 30.5 percent from a year earlier. Reports on home prices were also generally positive. While District-wide home prices softened in the fourth quarter, North Carolina saw modest appreciation. Home prices in the state were up 0.9 percent in the quarter compared to a 0.1 percent decrease in the District. And over the past twelve months, home prices in North Carolina were up 6.6 percent versus a District-wide increase of only 1.0 percent. On the other hand, existing home sales in the state declined both in the fourth quarter (8.5 percent) and over the past year (17.7 percent).

Residential real estate conditions by metro area were largely consistent with the state. The Charlotte, Durham, Greensboro, and Raleigh MSAs all posted gains in permitting activity in January, but experienced declines over the past year. Additionally, home prices in North Carolina's major metro areas were up in the fourth quarter and over the past twelve months, led by a 6.1 increase in the Charlotte MSA.

Assessments of commercial real estate conditions in the final quarter of 2007 yielded mixed results. Office vacancies in the Raleigh area were up 0.5 percentage points, while vacancy rates in the Charlotte market edged lower by the same margin. Nonetheless, rates in both markets were below their marks from the fourth quarter of 2006.

A Closer Look at... Existing Home Sales

Current Pace: 185,000 units sold in the fourth quarter of 2007

Change from Last Quarter: -8.5 percent

Change from a Year Ago: -17.7 percent

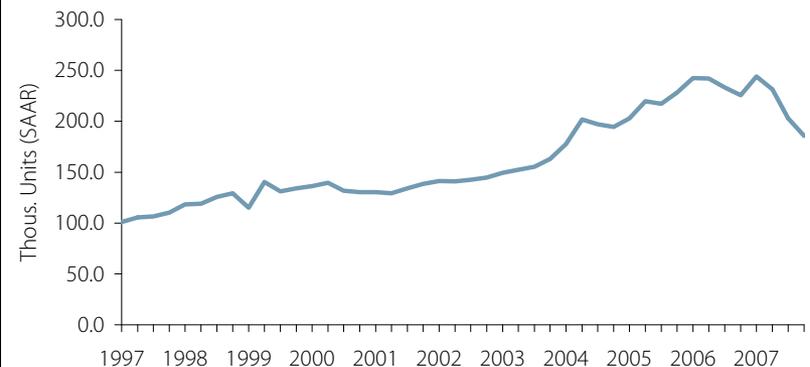
Peak Pace: The first quarter of 2007 when 244,000 units were sold

Change from Peak Pace: -23.9 percent

North Carolina Home Sales are at their Slowest Pace Since: The first quarter of 2004 when 177,600 units were sold

**Pace measured as a seasonally adjusted annual rate*

North Carolina Existing Home Sales



NORTH CAROLINA

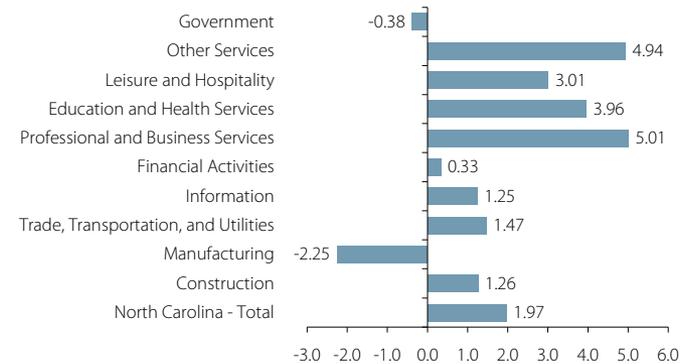
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	January	138,056.0	-0.02	0.69
Fifth District - Total	January	14,012.1	0.05	1.18
North Carolina - Total	January	4,188.8	0.03	1.97
Construction	January	256.7	-0.04	1.26
Manufacturing	January	534.8	-0.13	-2.25
Trade, Transportation, and Utilities	January	786.7	0.40	1.47
Information	January	73.0	0.40	1.25
Financial Activities	January	210.9	0.00	0.33
Professional and Business Services	January	511.6	0.25	5.01
Education and Health Services	January	522.7	-0.02	3.96
Leisure and Hospitality	January	399.6	-0.10	3.01
Other Services	January	184.9	0.27	4.94
Government	January	700.9	-0.38	-0.38
Charlotte MSA - Total	January	857.5	-1.74	2.23
Durham MSA - Total	January	289.5	-1.43	3.10
Greensboro-High Point MSA - Total	January	372.6	-1.32	1.58
Raleigh-Cary MSA - Total	January	521.4	-1.49	4.41

Unemployment Rate (SA)	January 08	December 07	January 07
United States	4.9	5.0	4.6
Fifth District	4.4	4.3	4.1
North Carolina	4.9	4.7	4.5
Charlotte MSA	--	4.8	4.8
Durham MSA	---	---	---
Greensboro-High Point MSA	--	4.7	5.1
Raleigh-Cary MSA	--	3.5	3.7

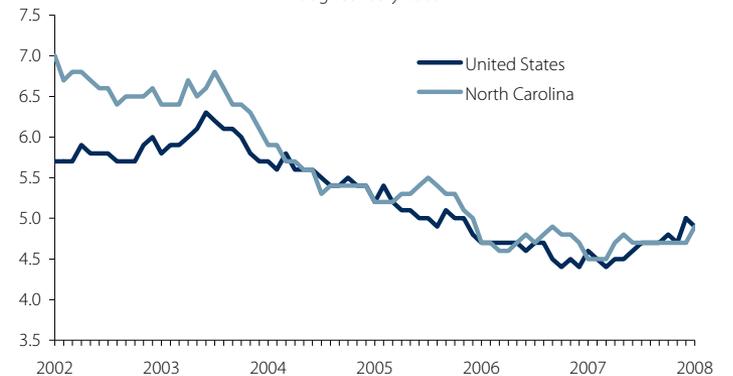
North Carolina Payroll Employment Performance

Year-over-Year Percent Change through January 2008



North Carolina Unemployment Rate

Through January 2008



NORTH CAROLINA

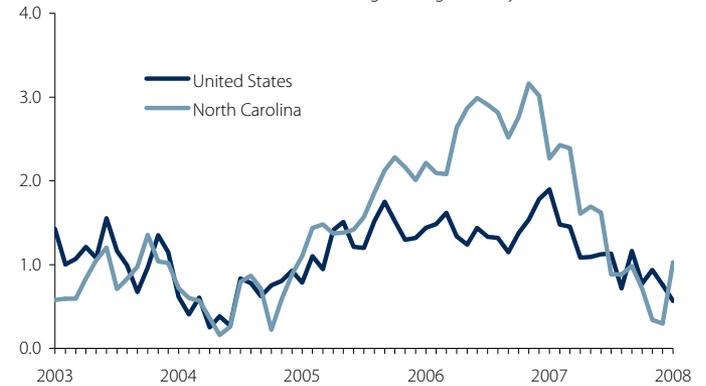
Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	153,824	-0.03	0.57
Fifth District	January	14,917	0.11	1.06
North Carolina	January	4,546	0.32	1.03
Charlotte MSA	December	842	-0.67	0.37
Durham MSA	December	---	---	---
Greensboro-High Point MSA	December	370	-0.70	-1.36
Raleigh-Cary MSA	December	535	-0.85	-0.28

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	January	2,063,842	9.01	5.65
Fifth District	January	218,566	51.65	13.75
North Carolina	January	98,062	73.52	17.50

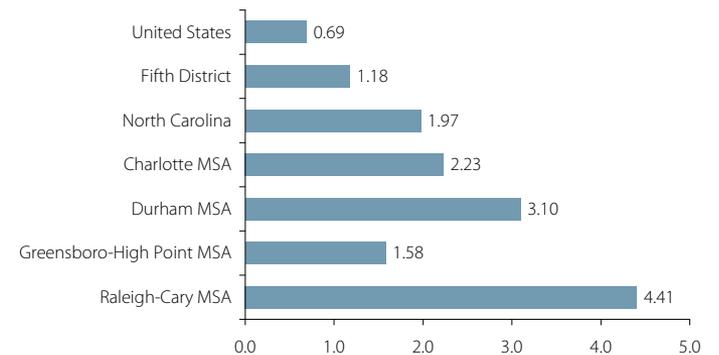
North Carolina Labor Force

Year-over-Year Percent Change through January 2008



North Carolina Total Employment Performance

Year-over-Year Percent Change through January 2008



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	---	---

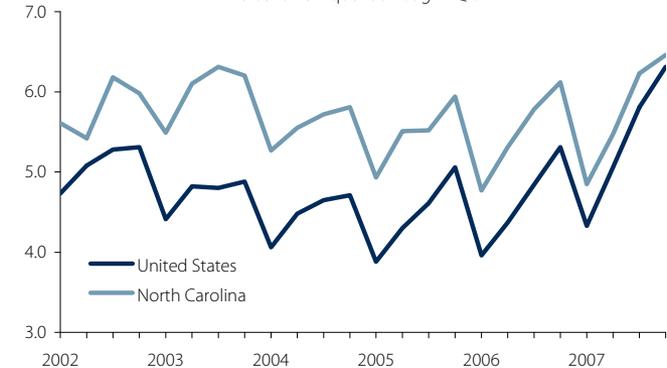
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46
North Carolina	3Q:07	4,827	4.37	9.43

Mortgage Delinquencies (% Delinquent)	4Q:07	3Q:07	4Q:06
United States			
All Mortgages	6.31	5.81	5.31
Conventional	3.55	3.25	2.79
Subprime	18.82	16.68	14.27
North Carolina			
All Mortgages	6.46	6.23	6.12
Conventional	3.63	3.60	3.46
Subprime	19.19	17.49	15.97

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



North Carolina Mortgage Delinquencies - All
Percent Delinquent through 4Q:07



NORTH CAROLINA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	January	75,933	1.98	-32.41
Fifth District	January	12,309	5.01	-22.94
North Carolina	January	5,375	21.63	-30.47
Charlotte MSA	January	1,525	85.75	-36.59
Durham MSA	January	230	17.95	-2.54
Greensboro-High Point MSA	January	216	6.93	-38.11
Raleigh-Cary MSA	January	940	47.34	-7.39

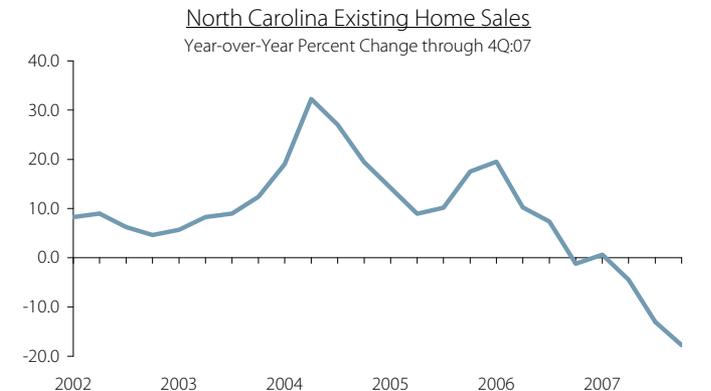
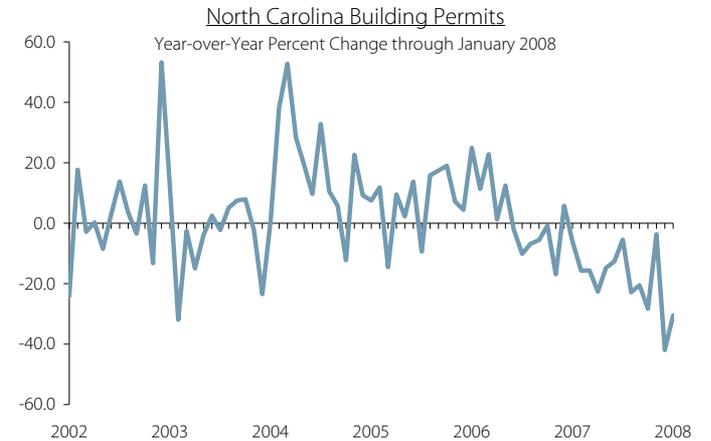
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	1,012.0	0.80	-27.87
Fifth District	January	151.8	-8.83	-20.95
North Carolina	January	66.3	5.61	-28.68

Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	4Q:07	4,957.0	-8.54	-20.85
Fifth District	4Q:07	476.8	-9.28	-19.57
North Carolina	4Q:07	185.6	-8.48	-17.73

Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Raleigh-Cary MSA	February	11,215	2.98	28.51

Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Raleigh-Cary MSA	February	250,000	0.01	0.36

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	4Q:07	205	-7.00	3.28
Durham MSA	4Q:07	178	-4.71	5.63
Greensboro-High Point MSA	4Q:07	151	-3.09	0.33
Raleigh-Cary MSA	4Q:07	236	2.66	3.97

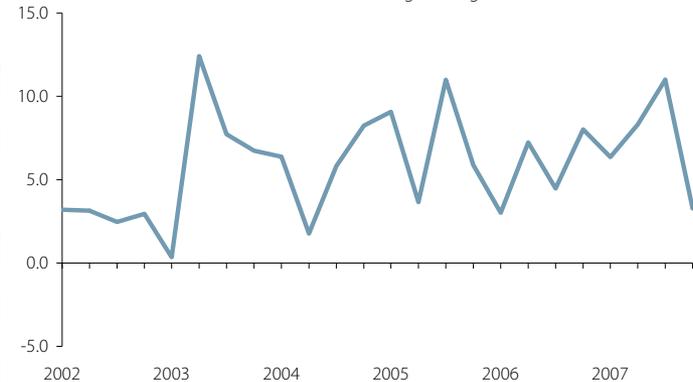


NORTH CAROLINA

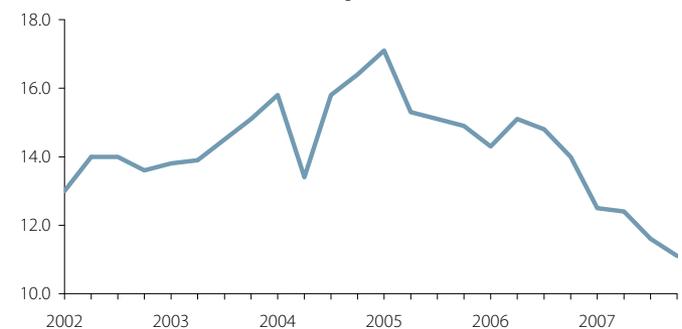
Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	4Q:07	172	-2.27	2.38
Durham MSA	4Q:07	180	1.12	6.51
Greensboro-High Point MSA	4Q:07	145	2.11	2.84
Raleigh-Cary MSA	4Q:07	211	-1.86	-6.22
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	390	0.09	0.84
Fifth District	4Q:07	397	-0.11	1.01
North Carolina	4Q:07	348	0.92	6.58
Charlotte MSA (1995=100)	4Q:07	180	0.06	6.09
Durham MSA (1995=100)	4Q:07	176	0.19	4.67
Greensboro-High Point MSA (1995=100)	4Q:07	159	1.63	3.85
Raleigh-Cary MSA (1995=100)	4Q:07	169	0.73	6.04
Housing Opportunity Index ² (%)	4Q:07	3Q:07	4Q:06	
Charlotte MSA	62.9	59.5	66.2	
Durham MSA	59.9	59.1	65.0	
Greensboro-High Point MSA	69.8	66.9	71.0	
Raleigh-Cary MSA	60.2	57.6	56.5	
Commercial Vacancy Rates (%)	4Q:07	3Q:07	4Q:06	
Office Vacancies				
Raleigh/Durham	14.7	14.2	15.1	
Charlotte	11.1	11.6	14	
Industrial Vacancies				
Raleigh/Durham	14	14.1	14.1	
Charlotte	10.2	9.4	10.7	

Charlotte MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 4Q:07



Charlotte MSA Office Vacancy Rate
Through 4Q:07



SOUTH CAROLINA

March Summary

Recent data on South Carolina's economy were mixed with strong job numbers, but indications of further softening in the state's housing markets. On the employment front, South Carolina had its second consecutive month of payroll gains, adding 8,800 jobs to its economy in January. Job losses in construction, manufacturing, information services, and financial activities were overshadowed by significant employment gains in business services and, to a lesser extent, education and health services, and leisure and hospitality. Meanwhile, the unemployment rate in the state inched down one-tenth of a percentage point to end the month at 6.1 percent.

Turning to real estate, residential permitting activity in the state was down 3.9 percent in January and nearly 30.0 percent over the previous twelve months. In addition, fourth quarter existing home sales in the state slipped for the second consecutive quarter. Home sales in South Carolina were down 14.1 percent since the final quarter of 2006, marking the state's largest year-over-year decline in sales activity since early 1991. The news on home prices was a bit more encouraging. Fourth quarter House Price Index figures indicated that South Carolina home prices increased 1.6 percent in the quarter and 3.8 percent over the past year.

Housing market conditions were not uniform across metropolitan areas, however. Residential permitting activity seemed to rebound a bit in the Columbia and Spartanburg areas, continued at a solid pace in Greenville, and declined sharply in Charleston. Similarly, House Price Index data for the metro areas showed that only the Charleston MSA experienced a decrease in fourth quarter home prices, while Columbia, Greenville and Spartanburg all posted modest gains. Nonetheless, all four areas saw home prices increase since the fourth quarter of 2006.

A Closer Look at...Existing Home Sales

Current Pace: 88,000 units sold in the fourth quarter of 2007

Change from Last Quarter: -13.4 percent

Change from a Year Ago: -14.1 percent

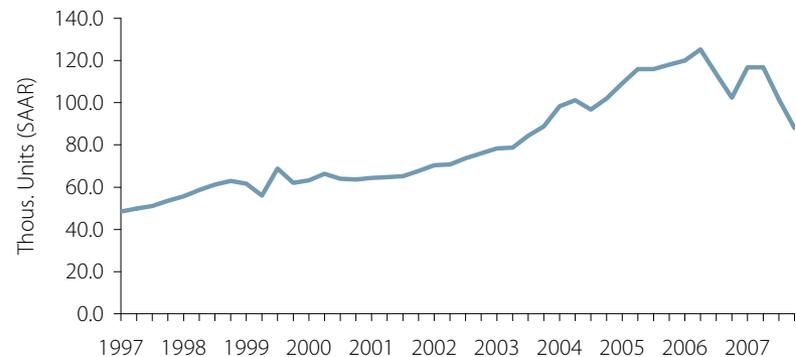
Peak Pace: The first quarter of 2005 when 125,200 units were sold

Change from Peak Pace: -29.7 percent

South Carolina Home Sales are at their Slowest Pace Since: The third quarter of 2003 when 84,400 units were sold

**Pace measured as a seasonally adjusted annual rate*

South Carolina Existing Home Sales



SOUTH CAROLINA

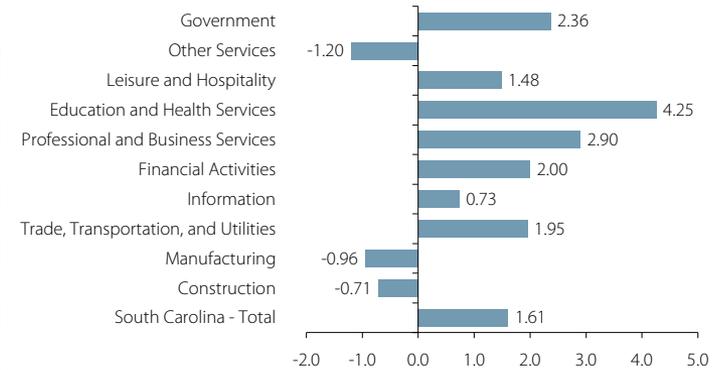
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	January	138,056.0	-0.02	0.69
Fifth District - Total	January	14,012.1	0.05	1.18
South Carolina - Total	January	1,966.9	0.45	1.61
Construction	January	125.8	-0.94	-0.71
Manufacturing	January	248.8	-0.08	-0.96
Trade, Transportation, and Utilities	January	381.5	0.37	1.95
Information	January	27.6	-0.72	0.73
Financial Activities	January	107.3	-0.37	2.00
Professional and Business Services	January	230.8	2.08	2.90
Education and Health Services	January	205.9	0.59	4.25
Leisure and Hospitality	January	218.8	0.60	1.48
Other Services	January	73.8	0.00	-1.20
Government	January	342.1	0.68	2.36
Charleston MSA - Total	January	297.4	-0.87	2.80
Columbia MSA - Total	January	368.5	-1.34	2.53
Greenville MSA - Total	January	320.0	-1.33	3.36
Spartanburg MSA - Total	January	125.7	-0.95	1.53

Unemployment Rate (SA)	January 08	December 07	January 07
United States	4.9	5.0	4.6
Fifth District	4.4	4.3	4.1
South Carolina	6.1	6.2	6.0
Charleston MSA	--	5.0	5.1
Columbia MSA	--	5.4	5.8
Greenville MSA	--	5.5	5.9
Spartanburg MSA	--	6.4	6.8

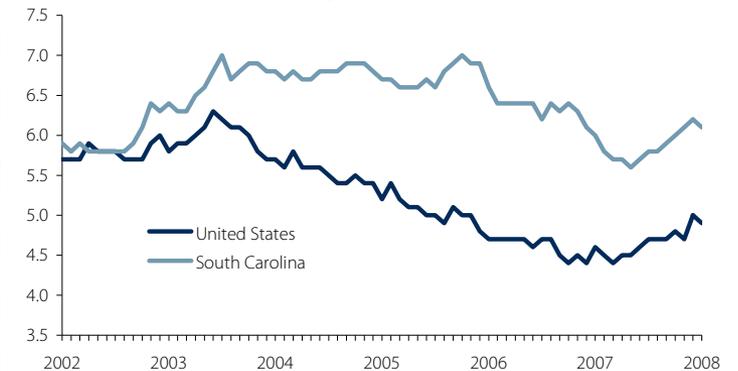
South Carolina Payroll Employment Performance

Year-over-Year Percent Change through January 2008



South Carolina Unemployment Rate

Through January 2008



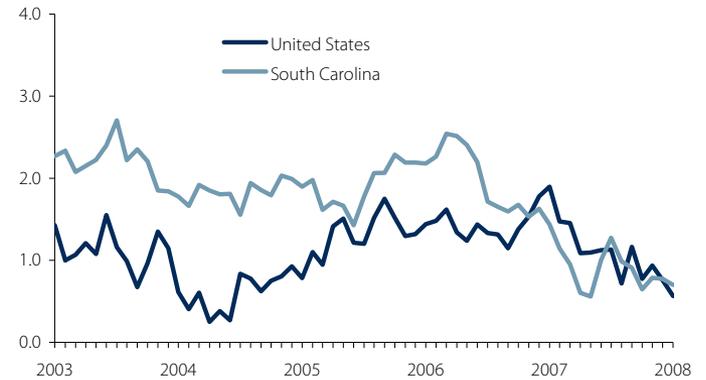
SOUTH CAROLINA

Labor Market Conditions

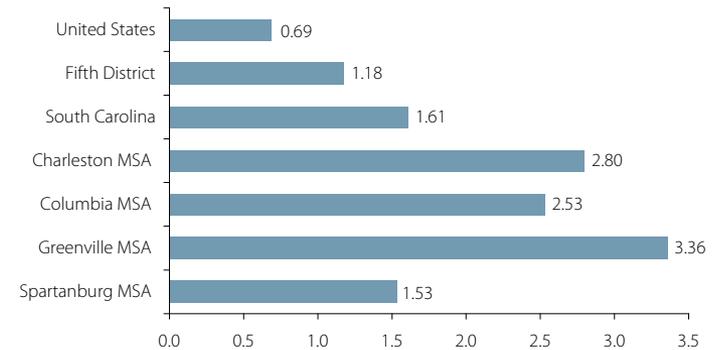
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	153,824	-0.03	0.57
Fifth District	January	14,917	0.11	1.06
South Carolina	January	2,146	-0.20	0.70
Charleston MSA	December	312	-0.13	0.97
Columbia MSA	December	374	-0.24	0.05
Greenville-Spartanburg MSA	December	316	-0.50	0.57

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	January	2,063,842	9.01	5.65
Fifth District	January	218,566	51.65	13.75
South Carolina	January	41,865	53.59	10.43

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



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



SOUTH CAROLINA

Household Conditions

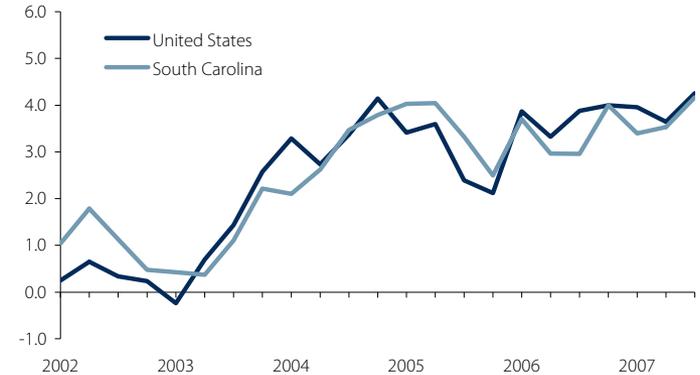
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:07	9,952,389	0.96	4.26
Fifth District	3Q:07	946,869	0.88	3.85
South Carolina	3Q:07	116,291	0.99	4.17

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	---	---

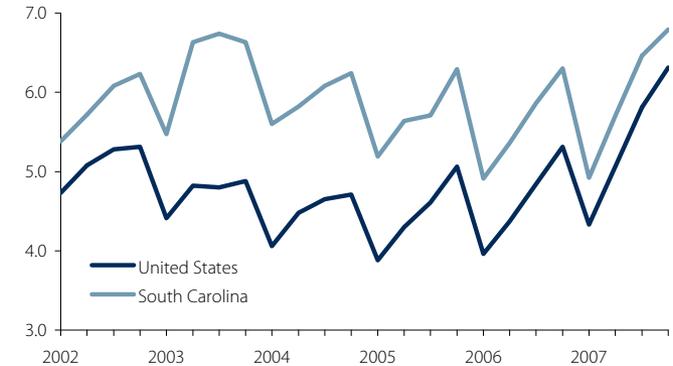
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46
South Carolina	3Q:07	1818	3.83	15.36

Mortgage Delinquencies (% Delinquent)	4Q:07	3Q:07	4Q:06
United States			
All Mortgages	6.31	5.81	5.31
Conventional	3.55	3.25	2.79
Subprime	18.82	16.68	14.27
South Carolina			
All Mortgages	6.79	6.46	6.30
Conventional	4.07	4.04	3.83
Subprime	19.64	17.28	16.61

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



South Carolina Mortgage Delinquencies - All
Percent Delinquent through 4Q:07



SOUTH CAROLINA

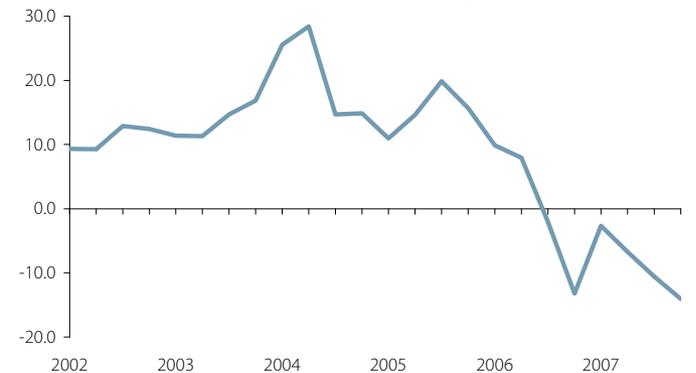
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	January	75,933	1.98	-32.41
Fifth District	January	12,309	5.01	-22.94
South Carolina	January	2,492	-3.86	-29.52
Charleston MSA	January	349	-35.37	-2.51
Columbia MSA	January	344	29.81	-39.97
Greenville MSA	January	553	12.17	26.54
Spartanburg MSA	January	95	41.79	-37.91
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	1,012.0	0.80	-27.87
Fifth District	January	151.8	-8.83	-20.95
South Carolina	January	30.7	-16.51	-27.70
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	4Q:07	4,957.0	-8.54	-20.85
Fifth District	4Q:07	476.8	-9.28	-19.57
South Carolina	4Q:07	88.0	-13.39	-14.06
Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charleston MSA	4Q:07	205	-3.67	-3.03
Columbia MSA	4Q:07	145	-3.08	#N/A
Greenville MSA	4Q:07	155	-2.63	3.60
Spartanburg MSA	4Q:07	121.8	-9.38	0.41

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



South Carolina Existing Home Sales
Year-over-Year Percent Change through 4Q:07



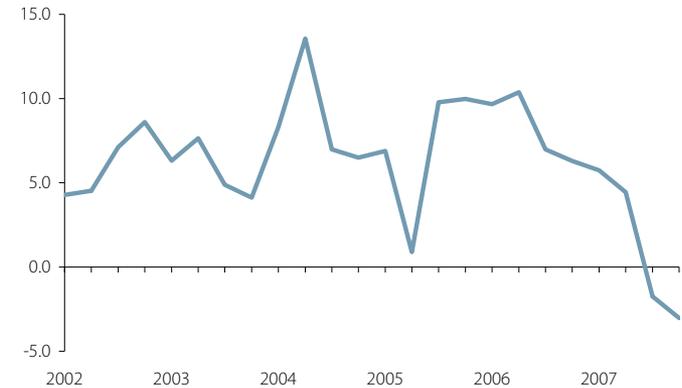
SOUTH CAROLINA

Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charleston MSA	4Q:07	209	-0.48	3.47
Columbia MSA	4Q:07	---	---	---
Greenville MSA	4Q:07	151	-2.58	5.59
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	390	0.09	0.84
Fifth District	4Q:07	397	-0.11	1.01
South Carolina	4Q:07	322	1.59	3.77
Charleston MSA (1995=100)	4Q:07	274	-0.03	1.99
Columbia MSA (1995=100)	4Q:07	176	0.84	2.91
Greenville MSA (1995=100)	4Q:07	169	1.16	5.25
Spartanburg MSA (1995=100)	4Q:07	161	3.45	3.45
Housing Opportunity Index ² (%)	4Q:07	3Q:07	4Q:06	
Charleston MSA	46.2	43.9	49.5	
Columbia MSA	72.1	---	---	
Greenville MSA	65.6	62.5	73.3	
Commercial Vacancy Rates (%)	4Q:07	3Q:07	4Q:06	
Office Vacancies				
Charleston	14.9	14.8	----	
Columbia	17.6	16.2	19.3	
Greenville	---	17.5	15.6	
Industrial Vacancies				
Charleston	8.4	10.6	---	
Greenville	---	10.4	11.1	
Retail Vacancies				
Greenville	---	10.8	10.8	

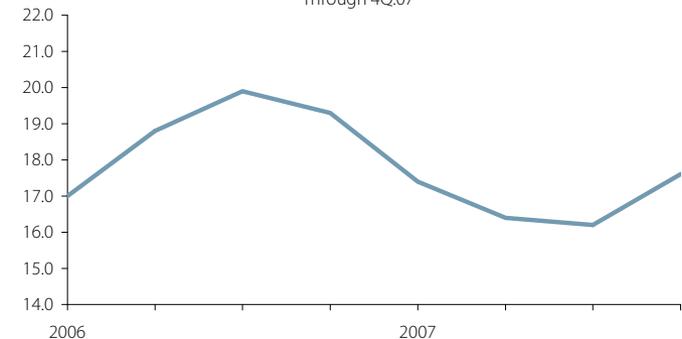
Charleston MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through 4Q:07



Columbia MSA Office Vacancy Rate

Through 4Q:07



VIRGINIA

March Summary

According to recent data, Virginia's economy showed additional signs of softening in January, with losses in employment and continued weakness in the state's housing sector. On the employment front, Virginia posted a loss of 200 jobs in January, as sharp losses at information services and real estate firms offset gains in government, education and health services, and manufacturing. Adding to the downbeat report, Virginia's unemployment rate increased to 3.4 percent in January – the state's highest rate since 2005.

Turning to real estate, housing market conditions remained generally weak. Residential permitting activity in Virginia was down 1.2 percent in January and housing starts declined 14.2 percent. Meanwhile, existing home sales in the state fell by 7.4 percent in the fourth quarter of 2007 – a sizeable drop, but significantly less than the 13.0 percent decrease experienced in each of the previous two quarters. It was a similar story with home prices. According to recent House Price Index data, home prices in Virginia fell 0.6 percent in the final quarter of 2007. And although home prices in Virginia were up slightly (0.8 percent) over the past year, the gain was the state's smallest twelve month increase since 1997.

Housing activity varied by metro area. The Lynchburg and Richmond metro areas posted declines in residential permitting activity in January, while Roanoke and Virginia Beach experienced strong increases of 168.3 and 98.2 percent, respectively. Fourth quarter home prices were down slightly in Roanoke, up slightly in Richmond and Virginia Beach, and up strongly in Lynchburg. Nonetheless, all four major metro areas posted positive price growth since the fourth quarter of 2006, led by a 5.4 percent increase in the Lynchburg area.

A Closer Look at... Existing Home Sales

Current Pace: 104,000 units sold in the fourth quarter of 2007

Change from Last Quarter: -7.4 percent

Change from a Year Ago: -20.1 percent

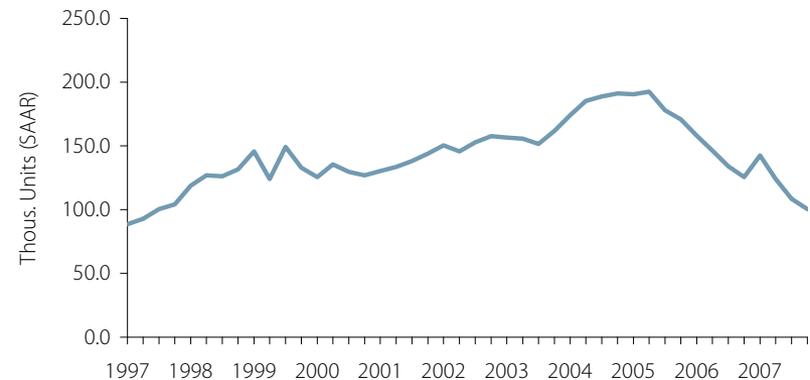
Peak Pace: The second quarter of 2005 when 192,400 units were sold

Change from Peak Pace: -47.8 percent

Virginia Home Sales are at their Slowest Pace Since: The second quarter of 1997 when 92,900 units were sold

**Pace measured as a seasonally adjusted annual rate*

Virginia Existing Home Sales



VIRGINIA

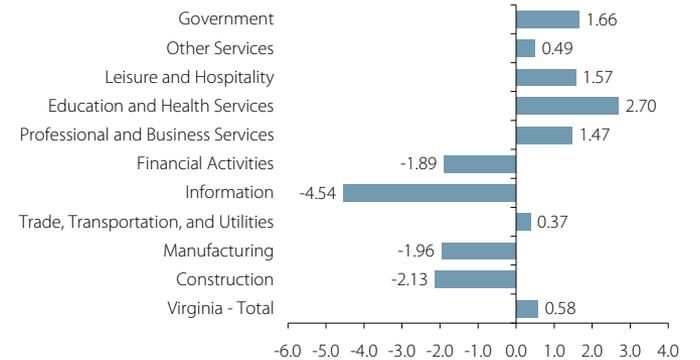
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	January	138,056.0	-0.02	0.69
Fifth District - Total	January	14,012.1	0.05	1.18
Virginia - Total	January	3,774.5	-0.01	0.58
Construction	January	239.5	-0.37	-2.13
Manufacturing	January	275.5	0.25	-1.96
Trade, Transportation, and Utilities	January	669.4	-0.09	0.37
Information	January	88.3	-1.45	-4.54
Financial Activities	January	191.8	-0.47	-1.89
Professional and Business Services	January	647.7	-0.28	1.47
Education and Health Services	January	422.7	0.43	2.70
Leisure and Hospitality	January	350.3	-0.28	1.57
Other Services	January	183.0	-1.08	0.49
Government	January	693.3	0.73	1.66
Lynchburg MSA - Total	January	108.4	-2.25	1.78
Richmond MSA - Total	January	628.6	-1.77	0.69
Roanoke MSA - Total	January	161.7	-1.64	0.12
Virginia Beach-Norfolk MSA - Total	January	763.4	-2.25	0.70

Unemployment Rate (SA)	January 08	December 07	January 07
United States	4.9	5.0	4.6
Fifth District	4.4	4.3	4.1
Virginia	3.4	3.2	2.8
Lynchburg MSA	--	3.5	3.6
Richmond MSA	--	3.5	3.2
Roanoke MSA	--	3.4	3.1
Virginia Beach-Norfolk MSA	--	3.5	3.4

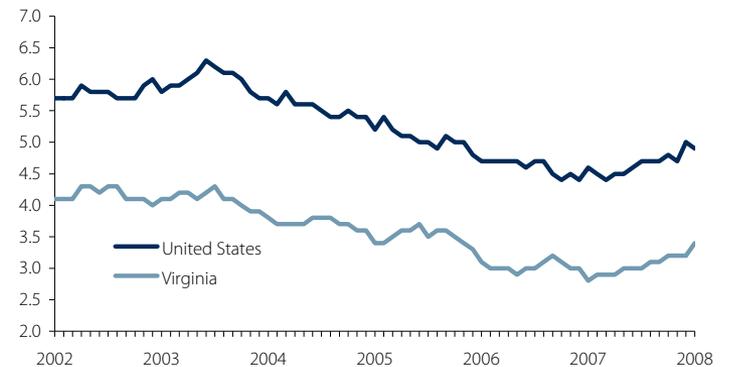
Virginia Payroll Employment Performance

Year-over-Year Percent Change through January 2008



Virginia Unemployment Rate

Through January 2008



VIRGINIA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	153,824	-0.03	0.57
Fifth District	January	14,917	0.11	1.06
Virginia	January	4,093	0.14	1.77
Lynchburg MSA	December	124	-0.16	1.56
Richmond MSA	December	637	-0.06	0.13
Roanoke MSA	December	157	-0.25	0.84
Virginia Beach-Norfolk MSA	December	820	-0.09	1.82

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	January	2,063,842	9.01	5.65
Fifth District	January	218,566	51.65	13.75
Virginia	January	38,063	47.99	13.32

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



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



VIRGINIA

Household Conditions

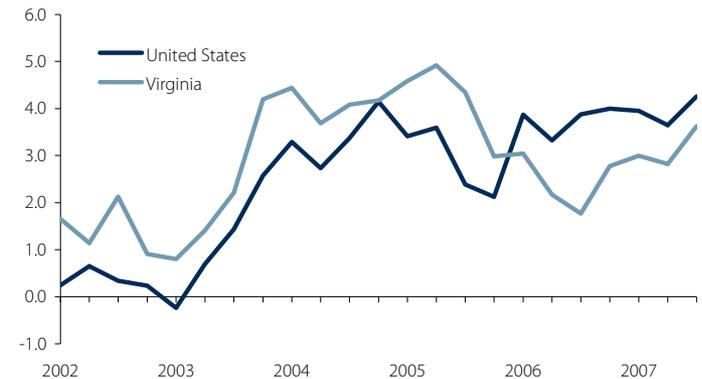
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:07	9,952,389	0.96	4.26
Fifth District	3Q:07	946,869	0.88	3.85
Virginia	3Q:07	272,609	0.98	3.62

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	---	---

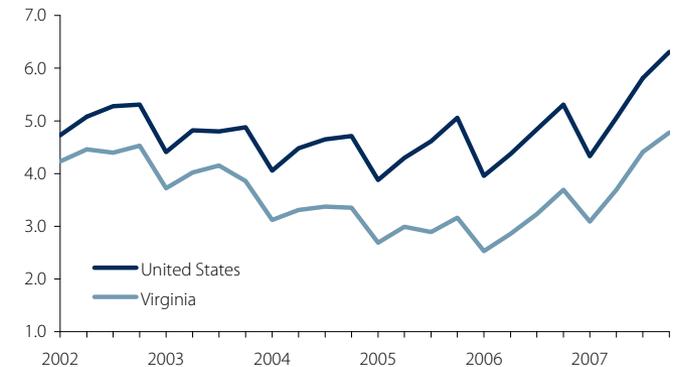
Non-Business Bankruptcies	Period	Level	MoM % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46
Virginia	3Q:07	4,774	8.01	39.80

Mortgage Delinquencies (% Delinquent)	4Q:07	3Q:07	4Q:06
United States			
All Mortgages	6.31	5.81	5.31
Conventional	3.55	3.25	2.79
Subprime	18.82	16.68	14.27
Virginia			
All Mortgages	4.78	4.41	3.69
Conventional	2.70	2.50	1.95
Subprime	18.15	15.77	12.14

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



Virginia Mortgage Delinquencies - All
Percent Delinquent through 4Q:07



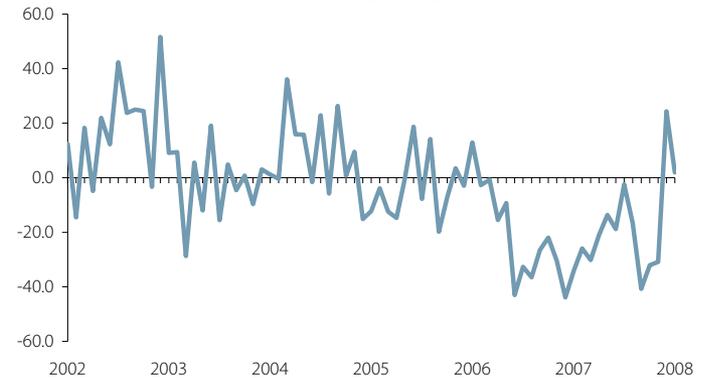
VIRGINIA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	January	75,933	1.98	-32.41
Fifth District	January	12,309	5.01	-22.94
Virginia	January	2,920	-1.22	1.92
Lynchburg MSA	January	58	-35.56	-45.79
Richmond MSA	January	360	-24.69	-29.41
Roanoke MSA	January	110	168.29	59.42
Virginia Beach-Norfolk MSA	January	551	98.20	-28.99
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	1,012.0	0.80	-27.87
Fifth District	January	151.8	-8.83	-20.95
Virginia	January	36.0	-14.24	4.56
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	4Q:07	4,957.0	-8.54	-20.85
Fifth District	4Q:07	476.8	-9.28	-19.57
Virginia	4Q:07	100.4	-7.38	-20.06
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	February	13,892	2.95	24.84
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	February	319,000	0.06	-8.72

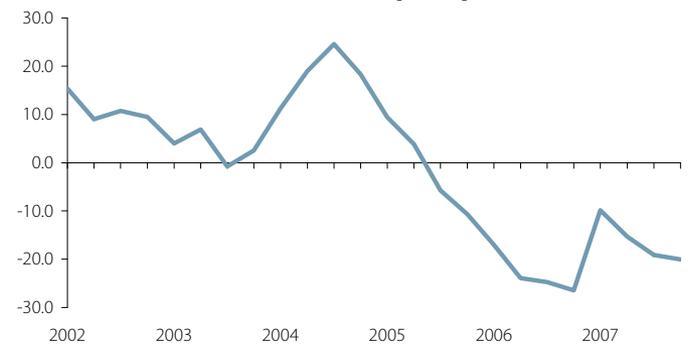
Virginia Building Permits

Year-over-Year Percent Change through January 2008



Virginia Existing Home Sales

Year-over-Year Percent Change through 4Q:07



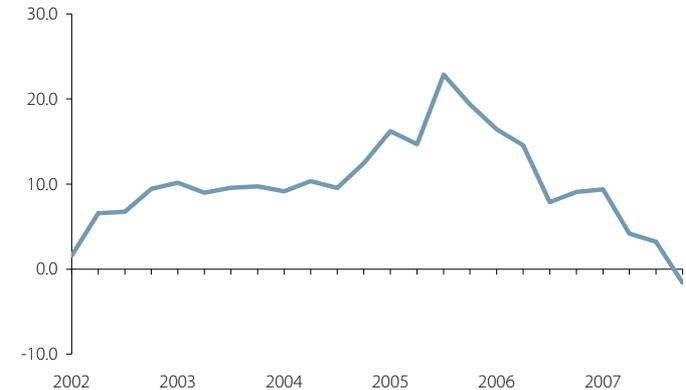
VIRGINIA

Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	4Q:07	226	-5.49	-1.61
Virginia Beach-Norfolk MSA	4Q:07	236	-7.45	0.34
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	4Q:07	230	-2.13	2.22
Roanoke MSA	4Q:07	184	-8.00	-5.64
Virginia Beach-Norfolk MSA	4Q:07	220	-2.22	2.33
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	390	0.09	0.84
Fifth District	4Q:07	397	-0.11	1.01
Virginia	4Q:07	478	-0.58	0.81
Lynchburg MSA (1995=100)	4Q:07	195	1.37	5.36
Richmond MSA (1995=100)	4Q:07	227	0.19	3.75
Roanoke MSA (1995=100)	4Q:07	194	-0.46	2.96
Virginia Beach-Norfolk MSA (1995=100)	4Q:07	262	0.44	3.05
Housing Opportunity Index ² (%)	4Q:07	3Q:07	4Q:06	
Richmond MSA	54.6	50.5	54.3	
Roanoke MSA	59.1	45.8	52.9	
Virginia Beach-Norfolk MSA	50.1	46.7	46.0	
Commercial Vacancy Rates (%)	4Q:07	3Q:07	4Q:06	
Office Vacancies	Richmond	12.9	12.2	15.0
Industrial Vacancies	Richmond	7.8	7.3	9.2
Retail Vacancies	Richmond	0.0	7.2	5.2

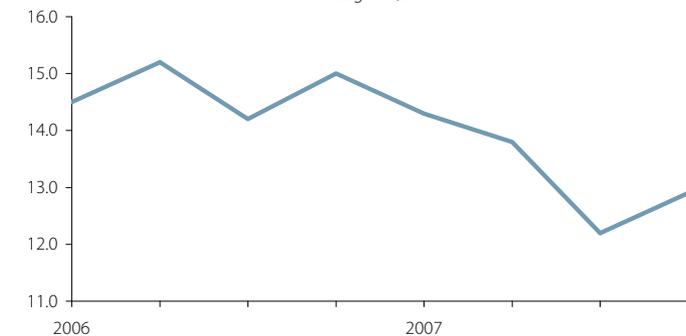
Richmond MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through 4Q:07



Richmond MSA Office Vacancy Rate

Through 4Q:07



WEST VIRGINIA

March Summary

Recent assessments of West Virginia's economy were a bit uneven with weaker reports on employment, but stronger readings on real estate conditions. In labor markets, West Virginia payrolls were down 0.4 percent (2,900 jobs) in January, marking the largest payroll reduction of the District jurisdictions, in both level and percentage terms. The job losses were spread across all sectors of the economy, except for slight gains in business services. Still, household unemployment in West Virginia edged down two-tenths of a percentage point to end at 4.4 percent – the state's lowest rate in nine months.

On the real estate front, residential permitting activity declined in January, down 31.1 percent from the previous month. Over the past year, however, building permit totals in the state increased 48.5 percent, marking the fourth consecutive month of year-over-year increases. In addition, West Virginia was the only state in the District to record positive growth in home sales during the final quarter of 2007. The pace of existing home sales in the state was up 6.3 percent since the third quarter following two consecutive quarters of declining sales activity. Moreover, the latest House Price Index data indicated that West Virginia homes prices were up 0.3 percent over the final three months of 2007, compared to a 0.1 decrease in home prices District-wide. Home prices in the state were also up (3.0 percent) over the previous twelve months.

Reports on housing market conditions were also encouraging at the metro area level. The Charleston, Huntington, Morgantown, and Parkersburg MSAs all posted increases in permitting activity during January. Additionally, home prices were up in the state's major metro areas during the fourth quarter and over the past twelve months.

A Closer Look at... Existing Home Sales

Current Pace: 27,200 units sold in the fourth quarter of 2007

Change from Last Quarter: 6.8 percent

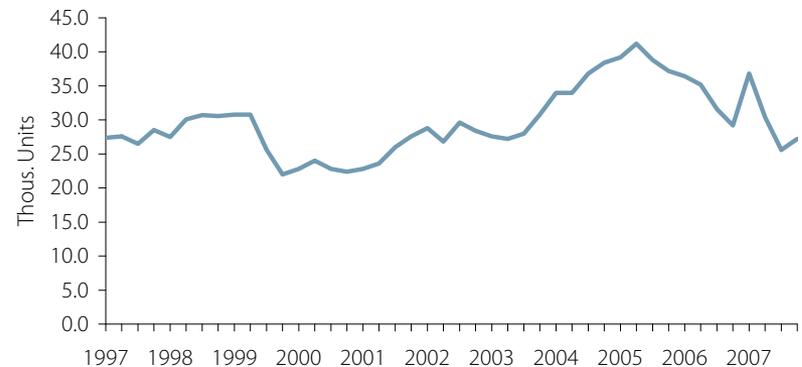
Change from a Year Ago: -6.8 percent

Peak Pace: The second quarter of 2005 when 41,200 units were sold

Change from Peak Pace: -33.9 percent

**Pace measured as a seasonally adjusted annual rate*

West Virginia Existing Home Sales



WEST VIRGINIA

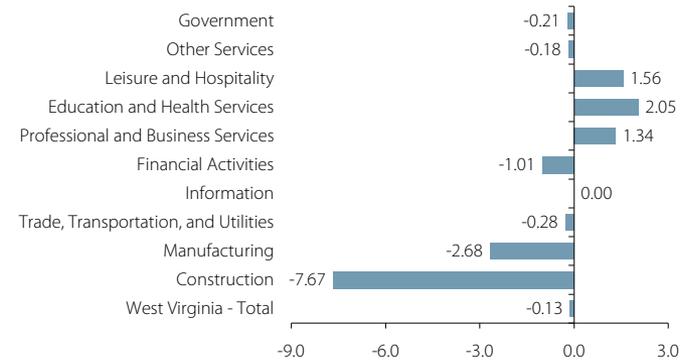
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	January	138,056.0	-0.02	0.69
Fifth District - Total	January	14,012.1	0.05	1.18
West Virginia - Total	January	693.3	-0.38	-0.13
Construction	January	37.3	-0.80	-7.67
Manufacturing	January	58.1	-0.85	-2.68
Trade, Transportation, and Utilities	January	142.6	-0.63	-0.28
Information	January	11.3	-1.74	0.00
Financial Activities	January	29.5	-0.67	-1.01
Professional and Business Services	January	60.7	0.50	1.34
Education and Health Services	January	114.4	-0.69	2.05
Leisure and Hospitality	January	71.6	0.00	1.56
Other Services	January	55.8	0.00	-0.18
Government	January	145.0	-0.28	-0.21
Charleston MSA - Total	January	147.6	-1.99	0.00
Huntington MSA - Total	January	118.5	-2.71	1.46
Morgantown MSA - Total	January	60.0	-5.21	2.92
Parkersburg MSA - Total	January	71.9	-5.02	1.41

Unemployment Rate (SA)	January 08	December 07	January 07
United States	4.9	5.0	4.6
Fifth District	4.4	4.3	4.1
West Virginia	4.4	4.6	4.3
Charleston MSA	--	3.7	4.2
Huntington MSA	--	4.5	5.1
Morgantown MSA	--	2.9	3.1
Parkersburg MSA	--	4.8	5.5

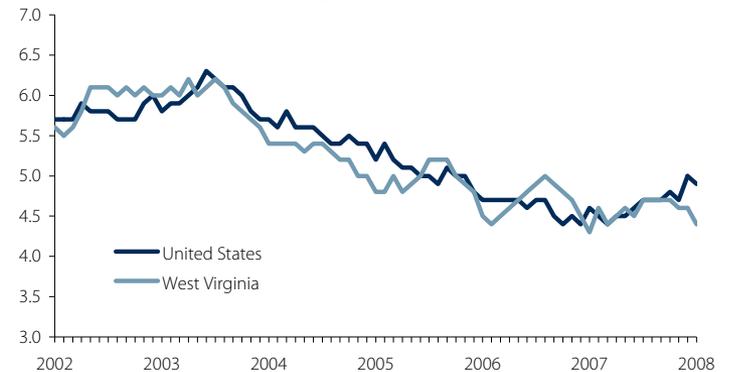
West Virginia Payroll Employment Performance

Year-over-Year Percent Change through January 2008



West Virginia Unemployment Rate

Through January 2008



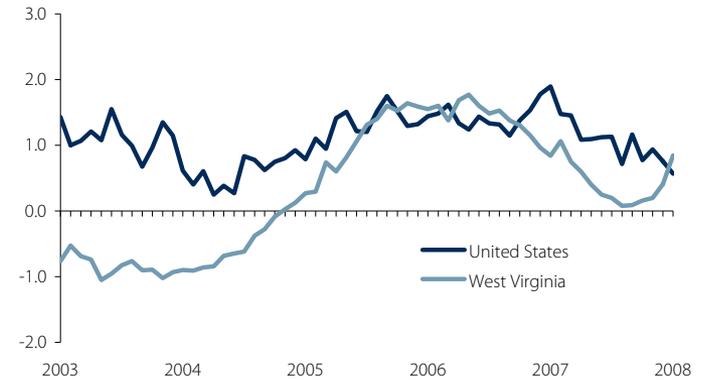
WEST VIRGINIA

Labor Market Conditions

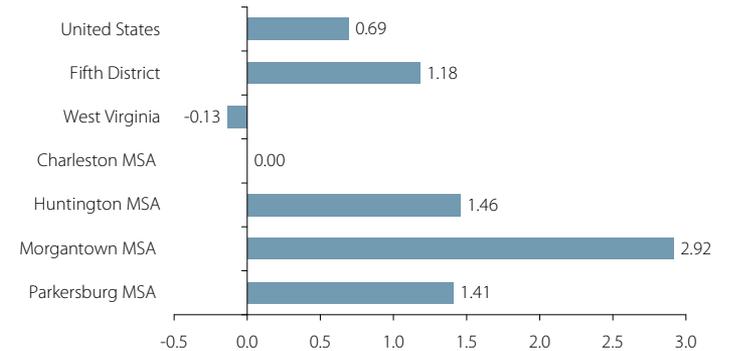
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	153,824	-0.03	0.57
Fifth District	January	14,917	0.11	1.06
West Virginia	January	812	0.22	0.84
Charleston MSA	December	140	-0.50	0.50
Huntington MSA	December	134	-1.11	-0.59
Morgantown MSA	December	63	-0.94	1.60
Parkersburg MSA	December	81	-0.49	0.12

Initial Unemployment Claims (NSA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	2,063,842	9.01	5.65
Fifth District	January	218,566	51.65	13.75
West Virginia	January	11,461	54.67	5.04

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



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



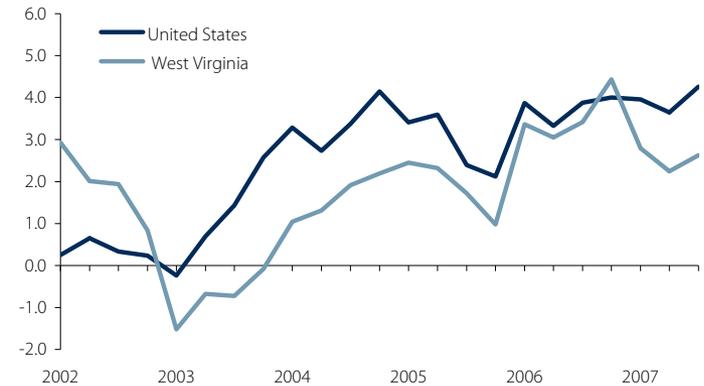
WEST VIRGINIA

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)	4Q:07	3Q:07	4Q:06	
United States				
All Mortgages	6.31	5.81	5.31	
Conventional	3.55	3.25	2.79	
Subprime	18.82	16.68	14.27	
West Virginia				
All Mortgages	7.88	7.27	7.44	
Conventional	5.16	5.06	5.20	
Subprime	22.22	19.23	19.16	

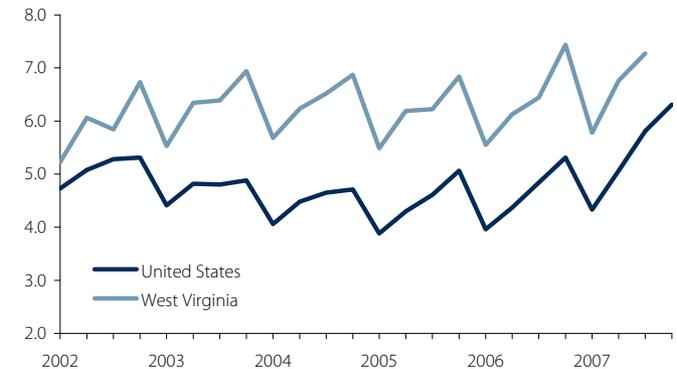
West Virginia Real Personal Income

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



West Virginia Mortgage Delinquencies - All

Percent Delinquent through 4Q:07

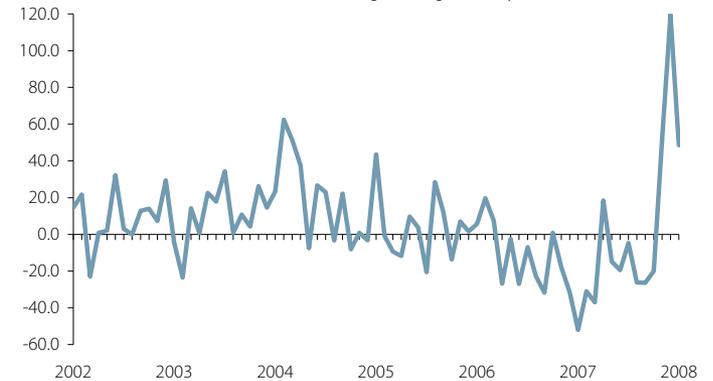


WEST VIRGINIA

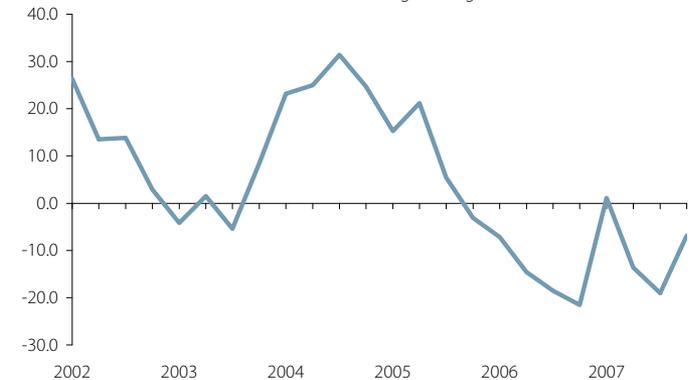
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	January	75,933	1.98	-32.41
Fifth District	January	12,309	5.01	-22.94
West Virginia	January	343	-31.12	48.48
Charleston MSA	January	16	45.45	0.00
Huntington MSA	January	11	22.22	266.67
Morgantown MSA	January	39	56.00	1200.00
Parkersburg MSA	January	10	25.00	150.00
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	1,012.0	0.80	-27.87
Fifth District	January	151.8	-8.83	-20.95
West Virginia	January	4.2	-40.25	52.16
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	4Q:07	4,957.0	-8.54	-20.85
Fifth District	4Q:07	476.8	-9.28	-19.57
West Virginia	4Q:07	27.2	6.25	-6.85
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	390	0.09	0.84
Fifth District	4Q:07	397	-0.11	1.01
West Virginia	4Q:07	236	0.33	3.04
Charleston MSA (1995=100)	4Q:07	160	2.31	4.72
Huntington MSA (1995=100)	4Q:07	172	0.51	4.93
Morgantown MSA (1995=100)	4Q:07	185	0.67	4.85
Parkersburg MSA (1995=100)	4Q:07	162	2.46	4.11
Median Home Sales Price - NAR	Period	Level (\$ 000s)	QoQ % Change	YoY % Change
Charleston MSA	4Q:07	123	-0.41	7.52

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



West Virginia Existing Home Sales
Year-over-Year Percent Change through 4Q: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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