

# SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY  
MAY 2008



THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE

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## FIFTH DISTRICT

### May Summary

Recent assessments of the Fifth District economy were generally downbeat, with lower payroll employment, continued softness in District housing markets, and weaker reports, on balance, from District businesses. On the employment front, District payrolls edged down 0.1 percent in March (14,700 jobs) while the region's unemployment rate inched up 0.2 percentage points to 4.5 percent. Even with the increase, the unemployment rate remained below the 5.1 percent national rate, but reached the highest level in the District since 2005.

According to recent data, conditions in District real estate markets continued to soften. Residential permits rose 7.2 percent in March, but fell 34.5 percent from a year earlier – the twenty-second consecutive month of year-over-year decline. Nonetheless, the Fifth District fared better than the nation, which saw both a smaller increase in March (5.5 percent), as well as a larger drop (-44.4 percent) over the year. Turning to housing starts, activity across the District decreased 12.6 percent in March, marking the eighteenth straight month of year-over-year decline.

District manufacturing activity also remained weak, with the index of overall activity flatlining in April after a slight uptick the previous month. Hiring activity at District factories contracted further, as growth in factory shipments and new orders tapered off. On the services side, the pace of revenue growth continued to cool as retail revenues remained soft, and sales of big-ticket items continued to drop sharply, albeit at a slower pace than the month before. Our survey measure of prices suggested that raw material, service firm, and retail prices edged lower in April, while finished good prices increased.

### A Closer Look at... Payroll Employment

**Nonfarm Employment (in thousands):** 13,993.0

**Percent in Service-Providing Industries:** 63.3%

**Percent in Goods-producing Industries:** 15.2%

**Percent in Government:** 18.6%

**Change in Non-Farm Employment since Last Month:** -0.1%

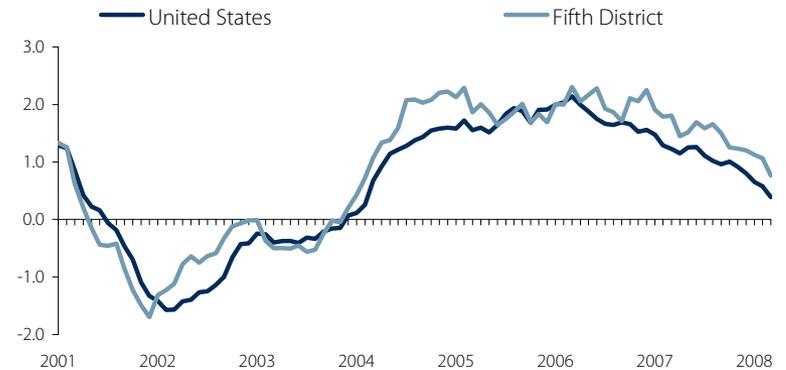
**Change in Non-Farm Employment since Last Year:** 0.8%

**Largest Year-over-Year Increase:** 2.9% in June 2000

**Largest Year-over-Year Decrease:** -1.7% in December 2001

### Fifth District Payroll Employment

Year-over-Year Percent Change through March 2008



**FIFTH DISTRICT**

Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	March	137,838.0	-0.06	0.38
Fifth District - Total	March	13,993.0	-0.10	0.76
Construction	March	856.5	-0.57	-1.37
Manufacturing	March	1,238.1	-0.56	-2.51
Trade, Transportation, and Utilities	March	2,475.6	-0.12	0.16
Information	March	274.8	0.18	0.04
Financial Activities	March	724.8	0.07	-0.83
Professional and Business Services	March	2,001.0	-0.29	1.57
Education and Health Services	March	1,755.8	0.24	2.80
Leisure and Hospitality	March	1,335.5	-0.12	1.78
Other Services	March	685.7	0.32	2.13
Government	March	2,598.8	0.09	1.45

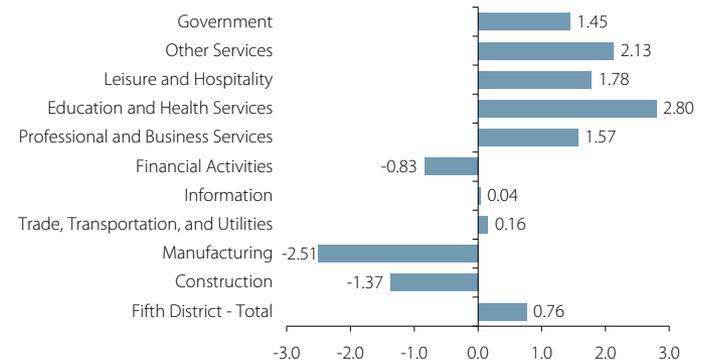
Unemployment Rate (SA)	March 08	February 08	March 07
United States	5.1	4.8	4.4
Fifth District	4.5	4.3	4.1

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	March	153,784	0.27	0.59
Fifth District	March	14,945	0.38	1.11

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	April	1,338,468	-5.86	3.59
Fifth District	April	110,454	-12.29	-2.26

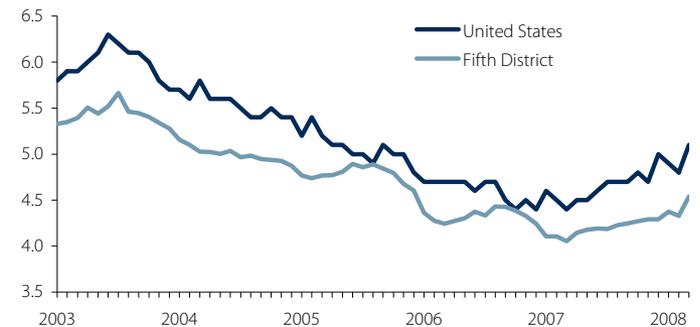
Fifth District Payroll Employment Performance

Year-over-Year Percent Change through March 2008



Fifth District Unemployment Rate

Through March 2008



**FIFTH DISTRICT**

Business Conditions

Manufacturing Survey (SA)	April 08	March 08	April 07	
Composite Index	0	6	-11	
Shipments	6	13	-15	
New Orders	2	7	-11	
Number of Employees	-12	-5	-6	
Expected Shipments - Six Months	15	14	19	
Raw Material Prices (SAAR)	4.63	4.97	2.23	
Finished Good Prices (SAAR)	2.55	1.98	0.94	
Service Sector Survey (SA)	April 08	March 08	April 07	
Service Firm Revenues	2	4	8	
Service Firm Employment	6	5	14	
Retail Revenues	-10	-30	-1	
Big-Ticket Sales	-38	-55	5	
Expected Retail Demand - Six Months	1	-8	31	
Service Firm Prices	0.62	0.66	0.53	
Retail Prices	1.70	2.29	1.67	
District Imports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	February	2,262.78	-4.20	6.51
Wilmington, North Carolina	February	280.86	-36.34	-38.69
Charleston, South Carolina	February	3,358.54	8.65	10.97
Norfolk, Virginia	February	2,684.91	-6.24	16.82
District Exports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	February	1,139.71	-5.13	24.27
Wilmington, North Carolina	February	214.65	1.99	-10.91
Charleston, South Carolina	February	1,827.18	26.61	27.16
Norfolk, Virginia	February	2,082.69	-1.95	26.30

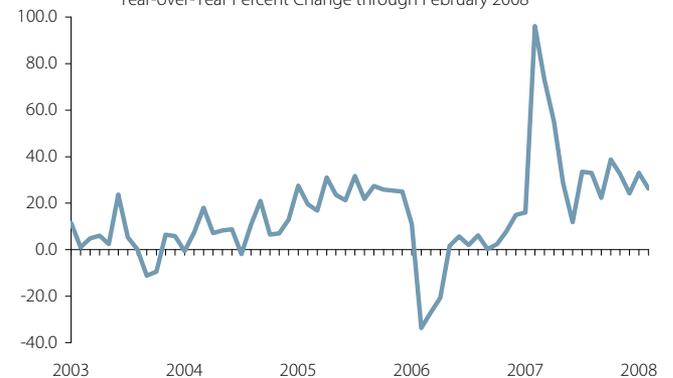
Composite Manufacturing Index

3-Month Moving Average through April 2008



Norfolk Port District Exports

Year-over-Year Percent Change through February 2008



**FIFTH DISTRICT**

Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	4Q:07	9,944,623	-0.18	2.40
Fifth District	4Q:07	945,875	-0.02	2.09

Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	218,428	3.16	26.98
Fifth District	4Q:07	17,183	6.08	24.34

**FIFTH DISTRICT**

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	March	77,385	5.45	-44.42
Fifth District	March	12,304	7.21	-34.49

Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States (SAAR)	March	947	-11.91	-36.49
Fifth District (SAAR)	March	142	-12.57	-31.13

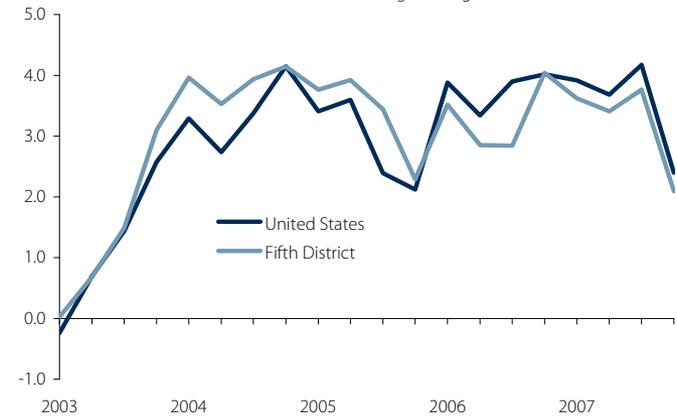
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	390	0.09	0.84
Fifth District	4Q:07	397	-0.11	1.01

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

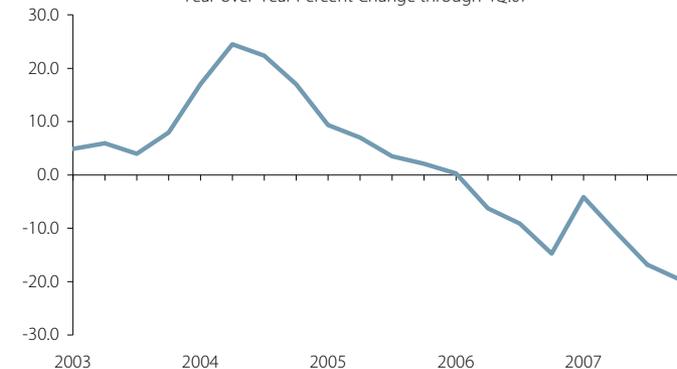
Fifth District Real Personal Income

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



Fifth District Existing Home Sales

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



## DISTRICT OF COLUMBIA

### May Summary

Economic conditions in the District of Columbia continued to weaken in recent months, with losses in employment and continued sluggishness in the housing market. In March, the District of Columbia shed 2,400 jobs – the largest reduction in both absolute and percentage terms since 2004. Although jobs were cut across the major sectors of the economy – mining and construction shaved 200 jobs and government shed 500 jobs – the service sector accounted for the majority of the losses. Despite the employment reductions in March, D.C. has added 6,500 jobs (0.9 percent growth) over the past twelve months, marking more than four years of year-over-year employment growth.

Household employment data in D.C. was consistent with payroll data. The unemployment rate in the region jumped up 0.3 percentage points to end at 6.2 percent in March, reversing the 0.3 percentage point decrease in February. Although D.C.'s unemployment rate is above both the Fifth District and national rates, it remains below the 6.3 to 7.7 percent range that prevailed from 2001 through most of 2005.

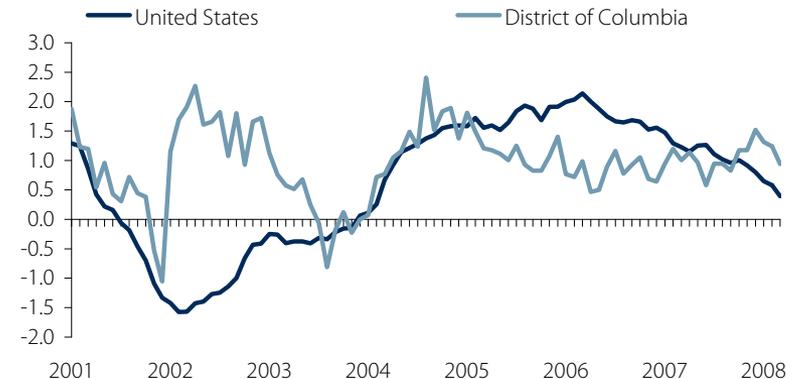
On the real estate front, conditions remained sluggish. Residential permitting activity decreased for the third consecutive month in March, and was down 59.7 percent from its year-ago level. In addition, the number of private housing starts fell 63.5 percent from March 2007.

Economic conditions at the metro level differed somewhat from D.C. proper. Labor markets in the Washington D.C. metro area – which includes parts of Maryland and Virginia – added almost 17,000 jobs in March. Nonetheless, unemployment in the metro area inched up 0.1 percentage points to 3.6 percent. Real estate conditions in the metro area were less positive. Permitting activity in the Washington D.C. MSA fell for the third consecutive month, and was down 49.7 percent over the year. Additionally, office and industrial vacancy rates in the metro area edged slightly higher in the first quarter of 2008, to finish at 11.4 percent and 14.4 percent, respectively.

### A Closer Look at... Payroll Employment

**Nonfarm Employment (in thousands):** 699.5  
**Percent in Service-Providing Industries:** 61.2%  
**Percent in Goods-producing Industries:** 1.8%  
**Percent in Government:** 33.3%  
**Change in Non-Farm Employment since Last Month:** -0.3%  
**Change in Non-Farm Employment since Last Year:** 0.9%  
**Largest Year-over-Year Increase:** 4.5% in November 1999  
**Largest Year-over-Year Decrease:** -1.1% in December 2001

District of Columbia Payroll Employment  
 Year-over-Year Percent Change through March 2008



## DISTRICT OF COLUMBIA

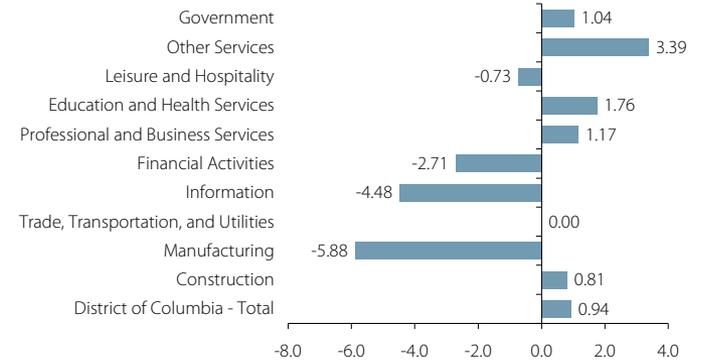
### Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	March	137,838.0	-0.06	0.38
Fifth District - Total	March	13,993.0	-0.10	0.76
District of Columbia - Total	March	699.5	-0.34	0.94
Construction	March	12.4	-1.59	0.81
Manufacturing	March	1.6	0.00	-5.88
Trade, Transportation, and Utilities	March	27.4	0.37	0.00
Information	March	21.3	-0.93	-4.48
Financial Activities	March	28.7	0.00	-2.71
Professional and Business Services	March	155.4	-0.64	1.17
Education and Health Services	March	104.2	0.29	1.76
Leisure and Hospitality	March	54.3	-1.27	-0.73
Other Services	March	64.0	0.47	3.39
Government	March	233.1	-0.21	1.04
Washington, D.C. MSA - Total	March	2,424.5	0.69	1.00

Unemployment Rate (SA)	March 08	February 08	March 07
United States	5.1	4.8	4.4
Fifth District	4.5	4.3	4.1
District of Columbia	6.2	5.9	5.7
Washington, D.C. MSA	3.6	3.5	3.0

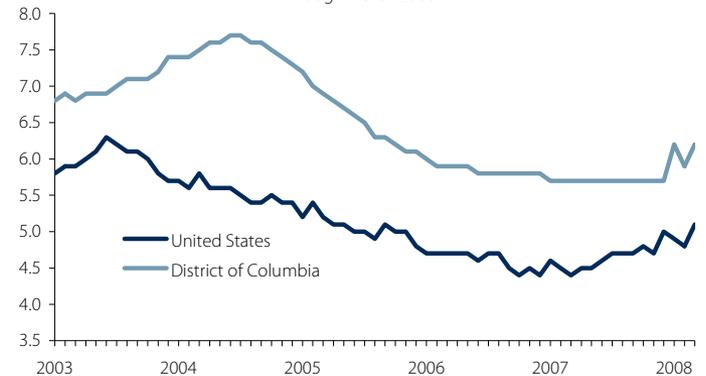
### D.C. Payroll Employment Performance

Year-over-Year Percent Change through March 2008



### D.C. Unemployment Rate

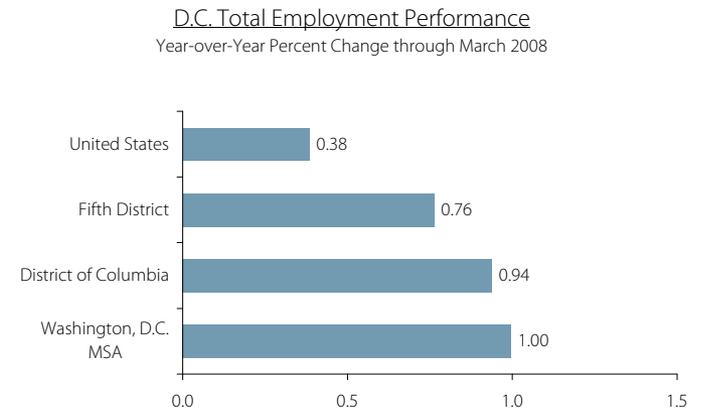
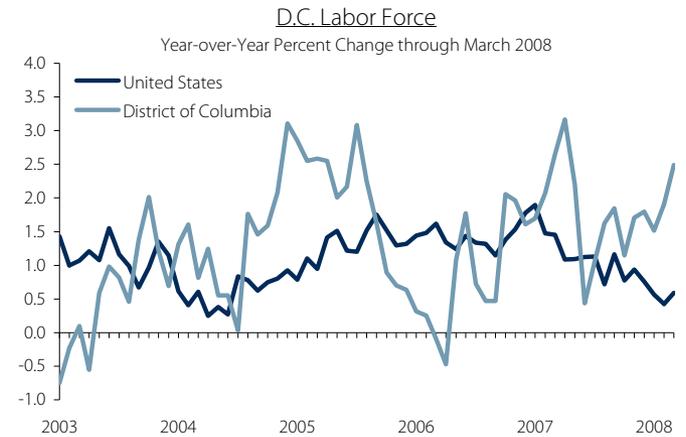
Through March 2008



## DISTRICT OF COLUMBIA

### Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	March	153,784	0.27	0.59
Fifth District	March	14,945	0.38	1.11
District of Columbia	March	334	0.66	2.49
Washington, D.C. MSA	March	2,371	0.77	1.53
Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	April	1,338,468	-5.86	3.59
Fifth District	April	110,454	-12.29	-2.26
District of Columbia	April	1,042	-17.17	-7.30

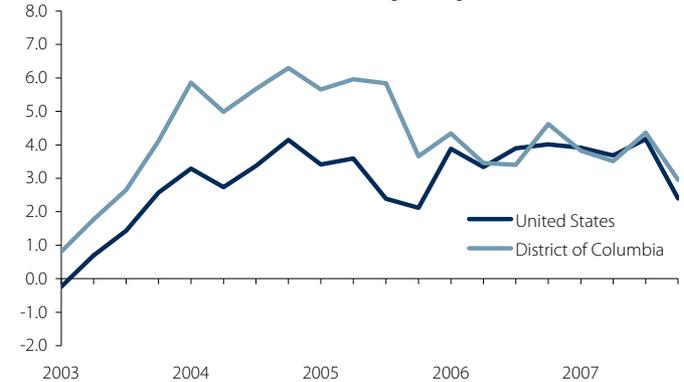


## DISTRICT OF COLUMBIA

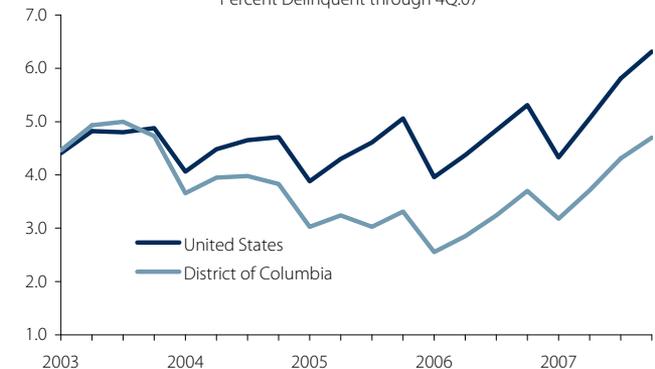
### Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	4Q:07	9,944,623	-0.18	2.40
Fifth District	4Q:07	945,875	-0.02	2.09
District of Columbia	4Q:07	30,725	-0.18	2.96
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	2007	92.6	---	---
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	218,428	3.16	26.98
Fifth District	4Q:07	17,183	6.08	24.34
District of Columbia	4Q:07	196	19.51	25.64
Mortgage Delinquencies (% Delinquent)	4Q:07	3Q:07	4Q:06	
<b>United States</b>				
All Mortgages	6.31	5.81	5.31	
Conventional	3.55	3.25	2.79	
Subprime	18.82	16.68	14.27	
<b>District of Columbia</b>				
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 4Q: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	March	77,385	5.45	-44.42
Fifth District	March	12,304	7.21	-34.49
District of Columbia	March	27	-55.00	-59.70
Washington, D.C. MSA	March	1,336	-6.64	-49.68
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	March	947.0	-11.91	-36.49
Fifth District	March	142.0	-12.57	-31.13
District of Columbia	March	0.3	-63.53	-55.71
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	April	41,603	2.91	14.38
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Washington, D.C. MSA	April	350,000	-0.21	-19.28

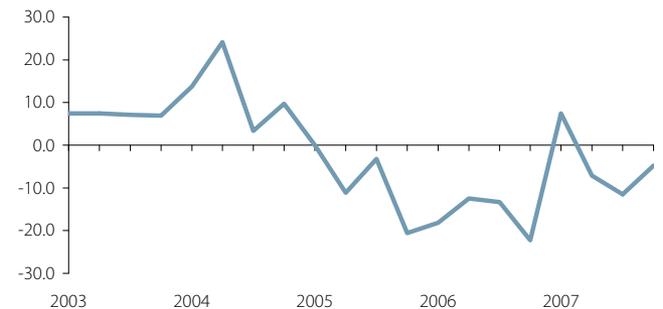
D.C. Building Permits

Year-over-Year Percent Change through March 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 <sup>2</sup> (%)	4Q:07	3Q:07	4Q:06	
Washington, D.C. MSA	41.3	35.0	24.0	
Commercial Vacancy Rates (%)	1Q:08	4Q:07	1Q:07	
Office Vacancies	Washington, D.C. MSA	10.9	10.7	9.9
Industrial Vacancies	Washington, D.C. MSA	14.4	14.1	15.2

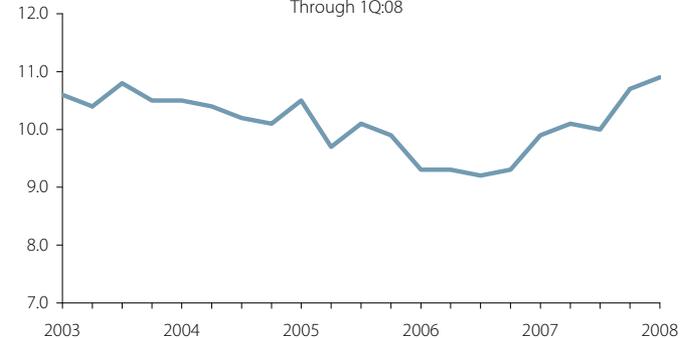
D.C. MSA Median Home Sales Price (NAR)

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



D.C. MSA Office Vacancy Rate

Through 1Q:08



## MARYLAND

### May Summary

Recent assessments of economic conditions in Maryland varied, with gains in employment, but mixed signals in the housing sector. In labor markets, Maryland added 3,600 jobs (0.1 percent growth) in March – its sixth consecutive month of increases. Growth was driven by job gains in the services and government sectors, which offset losses in construction, manufacturing, and financial activities.

Reports from households indicated that despite the solid payroll numbers, Maryland's unemployment rate inched up 0.2 percentage points in March, to end at 3.6 percent. Nonetheless, Maryland's jobless rate was still below the District-wide rate of 4.5 percent and the national rate of 5.1 percent, and was the lowest unemployment rate in the Fifth District.

Turning to real estate, Maryland was one of three Fifth District jurisdictions to see a rise in residential permitting activity in March (5.9 percent). However, despite four consecutive months of growth in permit issuance, activity remained 44.6 percent below its year-ago level. Additionally, total private housing starts in the state were down 41.8 percent for the twelve-month period ending in March – a steeper decline than that in the Fifth District (31.1 percent) or the nation (36.5 percent).

Economic conditions in Maryland's metro areas were broadly consistent with those seen in the state as a whole. The Baltimore-Towson MSA added 12,200 jobs to its economy (0.9 percent growth) in March, of which 11,000 were in the service sector. Gains in Bethesda and Hagerstown were more modest, but both experienced employment growth of approximately 0.6 percent over the month. Not surprisingly, unemployment rates in all of the major metro areas were either unchanged or inched down slightly in March, however, all rates remained above their year-ago levels. Permitting activity was also up across the state's major metro areas in March. Meanwhile, both industrial and office vacancy rates in Baltimore edged up in the first quarter of 2008.

### A Closer Look at... Payroll Employment

**Nonfarm Employment (in thousands):** 2,634.5

**Percent in Service-Providing Industries:** 69.5%

**Percent in Goods-Producing Industries:** 12.2%

**Percent in Government:** 18.4%

**Change in Non-Farm Employment since Last Month:** 0.1%

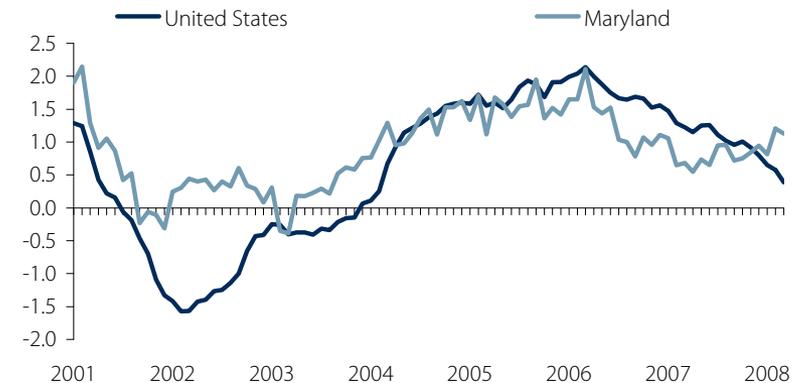
**Change in Non-Farm Employment since Last Year:** 1.1%

**Largest Year-over-Year Increase:** 3.2% in July 1999

**Largest Year-over-Year Decrease:** -0.4% in March 2003

### Maryland Payroll Employment

Year-over-Year Percent Change through March 2008



## MARYLAND

### Labor Market Conditions

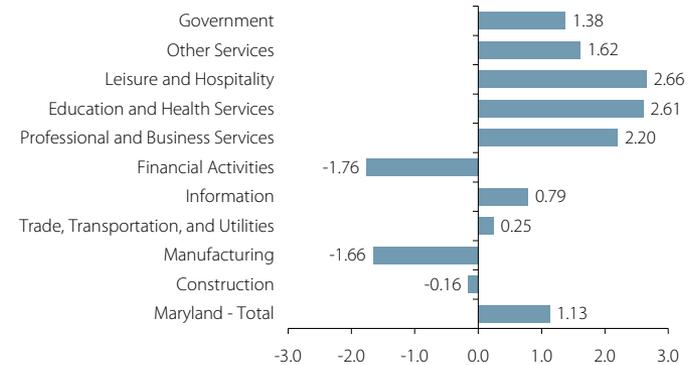
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Fifth District - Total	March	13,993.0	-0.10	0.76
Maryland - Total	March	2,634.5	0.14	1.13
Construction	March	190.2	-0.37	-0.16
Manufacturing	March	130.4	-0.53	-1.66
Trade, Transportation, and Utilities	March	479.2	0.19	0.25
Information	March	51.0	0.00	0.79
Financial Activities	March	156.1	-0.06	-1.76
Professional and Business Services	March	403.7	0.30	2.20
Education and Health Services	March	381.1	0.26	2.61
Leisure and Hospitality	March	239.5	0.34	2.66
Other Services	March	119.5	0.08	1.62
Government	March	483.8	0.23	1.38
Baltimore-Towson MSA - Total	March	1,317.9	0.93	0.68
Bethesda-Frederick MSA - Total	March	570.9	0.55	-0.24
Cumberland MSA - Total	March	--	--	--
Hagerstown MSA - Total	March	101.4	0.60	0.00

Unemployment Rate (SA)	March 08	February 08	March 07
United States	5.1	4.8	4.4
Fifth District	4.5	4.3	4.1
Maryland	3.6	3.4	3.5
Baltimore-Towson MSA	3.8	3.8	3.5
Bethesda-Frederick MSA	2.7	2.8	2.6
Cumberland MSA	5.8	6.0	5.4
Hagerstown MSA	5.2	5.3	4.7

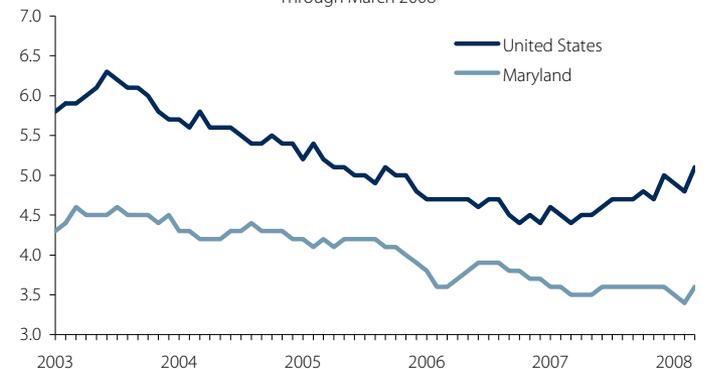
### Maryland Payroll Employment Performance

Year-over-Year Percent Change through March 2008



### Maryland Unemployment Rate

Through March 2008



## MARYLAND

### Labor Market Conditions

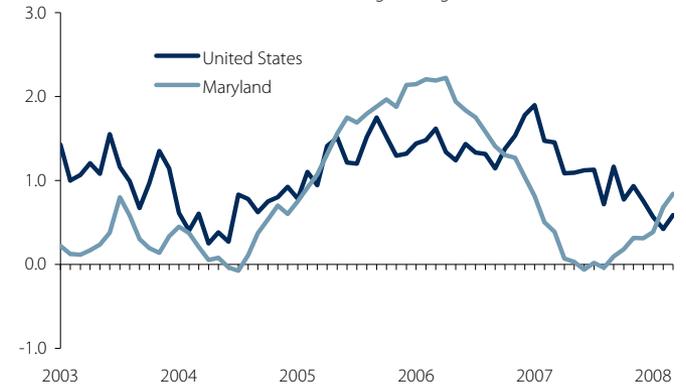
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United States	March	153,784	0.27	0.59
Fifth District	March	14,945	0.38	1.11
Maryland	March	2,999	0.18	0.84
Baltimore-Towson MSA	March	1,401	0.63	0.69
Bethesda-Frederick MSA	March	632	0.16	-0.14
Cumberland MSA	March	49	0.00	1.66
Hagerstown MSA	March	121	0.17	0.58

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	April	1,338,468	-5.86	3.59
Fifth District	April	110,454	-12.29	-2.26
Maryland	April	16,995	-14.50	4.52

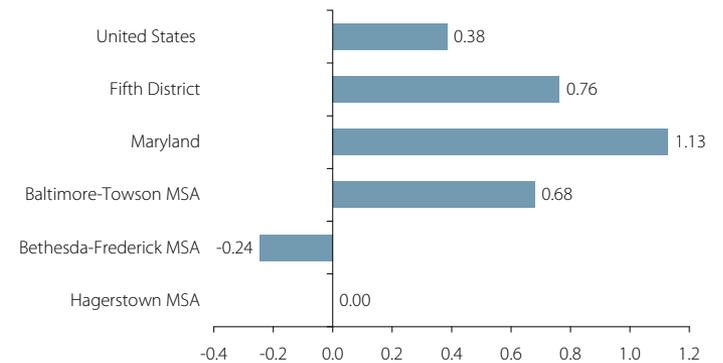
Maryland Labor Force

Year-over-Year Percent Change through March 2008



Maryland Total Employment Performance

Year-over-Year Percent Change through March 2008



## MARYLAND

### Household Conditions

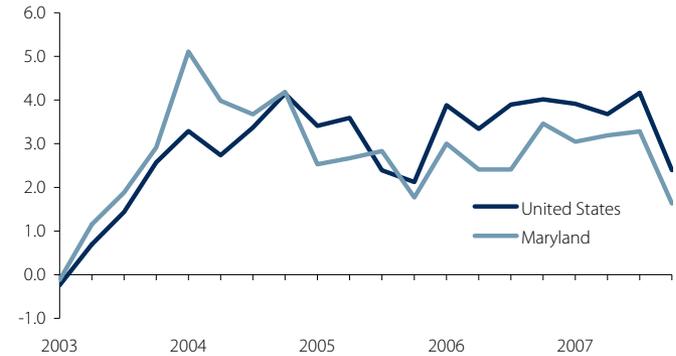
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	4Q:07	9,944,623	-0.18	2.40
Fifth District	4Q:07	945,875	-0.02	2.09
Maryland	4Q:07	220,451	-0.05	1.63

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	QoQ % Change	YoY % Change
United States	4Q:07	218,428	3.16	26.98
Fifth District	4Q:07	17,183	6.08	24.34
Maryland	4Q:07	3,544	7.11	47.70

Mortgage Delinquencies (% Delinquent)	4Q:07	3Q:07	4Q:06
<b>United States</b>			
All Mortgages	6.31	5.81	5.31
Conventional	3.55	3.25	2.79
Subprime	18.82	16.68	14.27
<b>Maryland</b>			
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 4Q:07



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



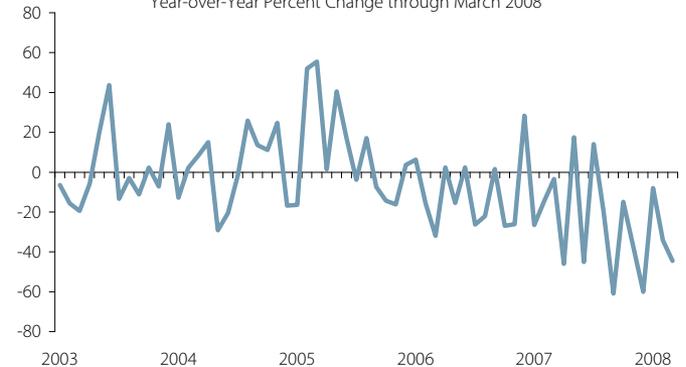
## MARYLAND

### Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	March	77,385	5.45	-44.42
Fifth District	March	12,304	7.21	-34.49
Maryland	March	1,311	5.90	-44.59
Baltimore-Towson MSA	March	316	12.86	-51.90
Cumberland MSA	March	7	16.67	-56.25
Hagerstown	March	125	5.04	19.05
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	March	947.0	-11.91	-36.49
Fifth District	March	142.0	-12.57	-31.13
Maryland	March	15.1	-13.64	-41.81
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	April	17,264	2.54	13.82
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Baltimore-Towson MSA	April	299,900	0.00	-10.06
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

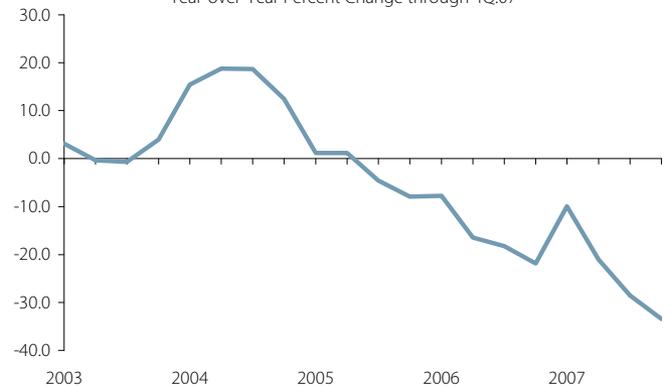
Maryland Building Permits

Year-over-Year Percent Change through March 2008



Maryland Existing Home Sales

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

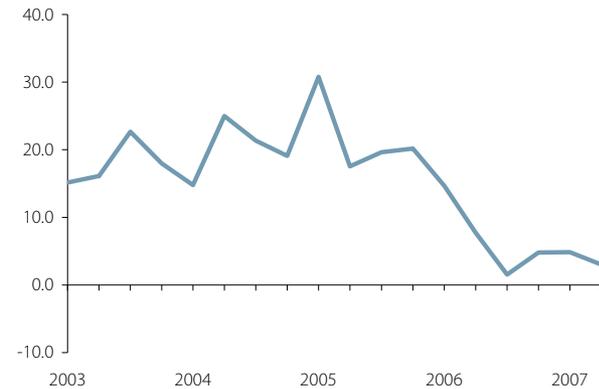


**MARYLAND**

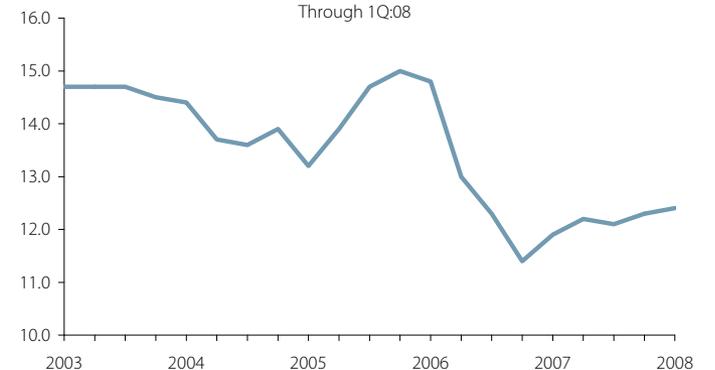
Real Estate Conditions

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	-12.57	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 <sup>2</sup> (%)	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 (%)	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 4Q:07



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



## NORTH CAROLINA

### May Summary

North Carolina's economy continued to weaken in recent months as the state shed jobs, unemployment edged up, and housing market activity remained sluggish. On the employment front, North Carolina lost 8,400 jobs in March, the second consecutive month of decline. Payrolls were down across a number of sectors, with the largest cutbacks in the professional and business services sector, which shed 6,600 jobs. Other losses occurred in the manufacturing sector (3,100 jobs) and the construction sector (2,400 jobs).

The household survey painted a similar picture as the payroll survey. North Carolina's unemployment rate edged up 0.2 percentage points to 5.2 percent in March – the state's highest mark since 2005 – and surpassed the Fifth District rate of 4.5 percent and the national rate of 5.1 percent.

Turning to housing, residential permitting activity in North Carolina fell 0.9 percent in March after two months of increases. Similar to other Fifth District jurisdictions, North Carolina has had fairly steady year-over-year declines in permitting activity since the middle of 2006. In addition, North Carolina experienced a 19.1 percent decline in housing starts in March – the largest decline among Fifth District jurisdictions.

Economic conditions were generally stronger in the state's metro areas. Despite lower employment statewide, March hiring remained brisk in metro areas. Jobs were added in both the goods-producing and service-providing sectors, though the services sector provided the bulk of the gains. Furthermore, unemployment rates inched down 0.2 percentage points in each of the major metro areas. Permitting activity at the MSA level, however, was mixed. The Durham, Greensboro, and Raleigh metro areas reported increases in March, while the Charlotte area reported a 31.9 percent drop. On a more positive note, office and industrial vacancy rates in the Charlotte MSA edged 0.2 percentage points lower in the first quarter and in Raleigh, the office vacancy rate dropped 0.8 percentage points.

### A Closer Look at... Payroll Employment

**Nonfarm Employment (in thousands):** 4,180.6

**Percent in Service-Providing Industries:** 64.2%

**Percent in Goods-Producing Industries:** 18.8%

**Percent in Government:** 16.8%

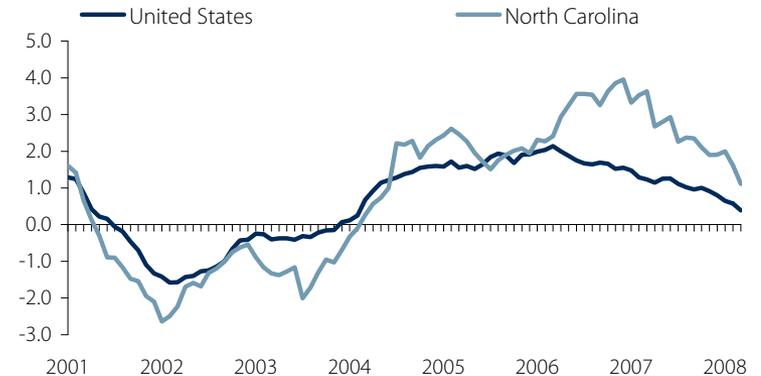
**Change in Non-Farm Employment since Last Month:** -0.2%

**Change in Non-Farm Employment since Last Year:** 1.1%

**Largest Year-over-Year Increase:** 4.0% in December 2006

**Largest Year-over-Year Decrease:** -2.6% in January 2002

North Carolina Payroll Employment  
Year-over-Year Percent Change through March 2008



**NORTH CAROLINA**

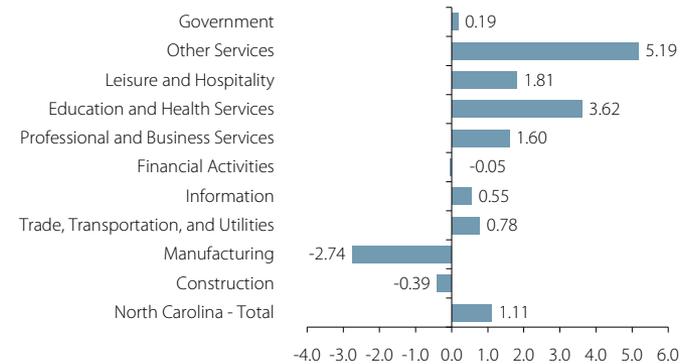
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	March	137,838.0	-0.06	0.38
Fifth District - Total	March	13,993.0	-0.10	0.76
North Carolina - Total	March	4,180.6	-0.20	1.11
Construction	March	255.1	-0.93	-0.39
Manufacturing	March	529.1	-0.58	-2.74
Trade, Transportation, and Utilities	March	785.6	0.06	0.78
Information	March	72.8	0.06	0.55
Financial Activities	March	211.1	0.24	-0.05
Professional and Business Services	March	502.8	-1.30	1.60
Education and Health Services	March	527.2	0.42	3.62
Leisure and Hospitality	March	399.5	-0.35	1.81
Other Services	March	186.5	0.38	5.19
Government	March	703.8	0.19	0.19
Charlotte MSA - Total	March	867.8	0.84	1.70
Durham MSA - Total	March	292.2	0.62	2.31
Greensboro-High Point MSA - Total	March	376.0	0.78	1.18
Raleigh-Cary MSA - Total	March	525.5	0.42	3.57

Unemployment Rate (SA)	March 08	February 08	March 07
United States	5.1	4.8	4.4
Fifth District	4.5	4.3	4.1
North Carolina	5.2	5.0	4.5
Charlotte MSA	5.2	5.4	4.3
Durham MSA	---	---	---
Greensboro-High Point MSA	5.3	5.5	4.6
Raleigh-Cary MSA	4.0	4.2	3.4

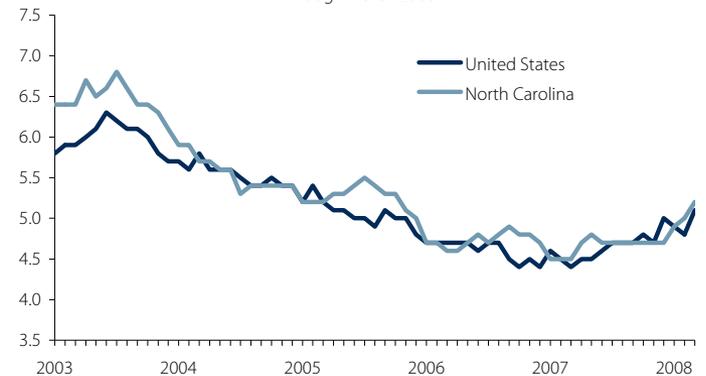
North Carolina Payroll Employment Performance

Year-over-Year Percent Change through March 2008



North Carolina Unemployment Rate

Through March 2008



## NORTH CAROLINA

### Labor Market Conditions

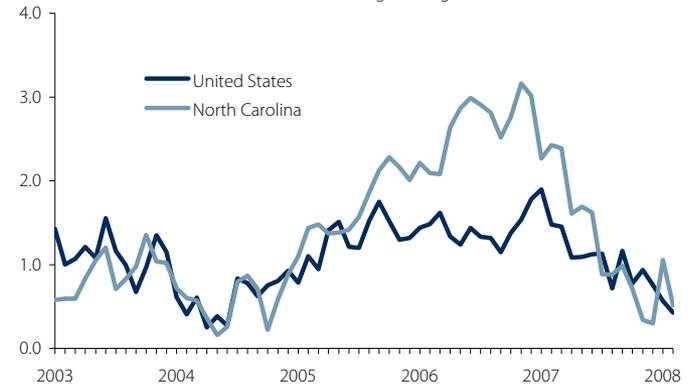
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	March	153,784	0.27	0.59
Fifth District	March	14,945	0.38	1.11
North Carolina	March	4,541	0.17	0.51
Charlotte MSA	March	840	0.48	0.66
Durham MSA	March	---	---	---
Greensboro-High Point MSA	March	363	0.28	-0.22
Raleigh-Cary MSA	March	544	0.02	1.87

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	April	1,338,468	-5.86	3.59
Fifth District	April	110,454	-12.29	-2.26
North Carolina	April	47,699	-12.57	-1.33

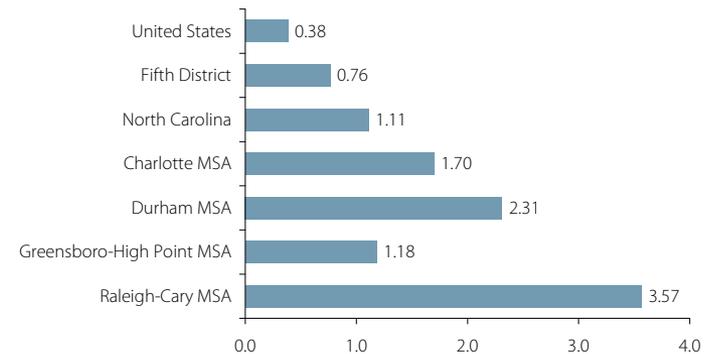
North Carolina Labor Force

Year-over-Year Percent Change through March 2008



North Carolina Total Employment Performance

Year-over-Year Percent Change through March 2008



## NORTH CAROLINA

### Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	4Q:07	9,944,623	-0.18	2.40
Fifth District	4Q:07	945,875	-0.02	2.09
North Carolina	4Q:07	260,285	0.13	2.27

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	---	---

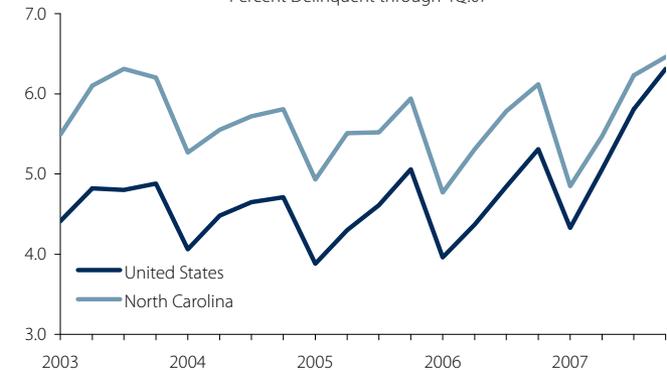
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	218,428	3.16	26.98
Fifth District	4Q:07	17,183	6.08	24.34
North Carolina	4Q:07	4,906	1.64	4.69

Mortgage Delinquencies (% Delinquent)	4Q:07	3Q:07	4Q:06
<b>United States</b>			
All Mortgages	6.31	5.81	5.31
Conventional	3.55	3.25	2.79
Subprime	18.82	16.68	14.27
<b>North Carolina</b>			
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 4Q: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	March	77,385	5.45	-44.42
Fifth District	March	12,304	7.21	-34.49
North Carolina	March	5,348	-0.89	-37.48
Charlotte MSA	March	834	-31.86	-48.68
Durham MSA	March	257	24.15	0.00
Greensboro-High Point MSA	March	431	14.63	-39.21
Raleigh-Cary MSA	March	1,094	1.02	-43.35

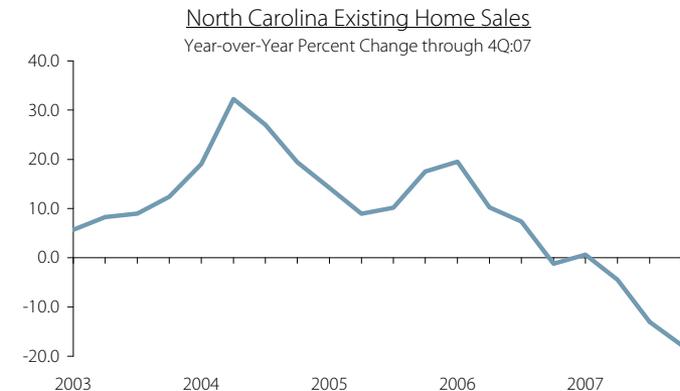
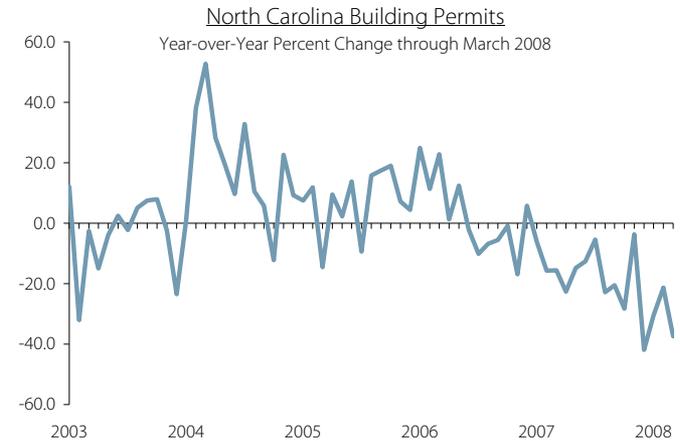
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	March	947.0	-11.91	-36.49
Fifth District	March	142.0	-12.57	-31.13
North Carolina	March	61.7	-19.17	-34.26

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	April	11,805	0.79	27.18

Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Raleigh-Cary MSA	April	259,900	0.51	1.96

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



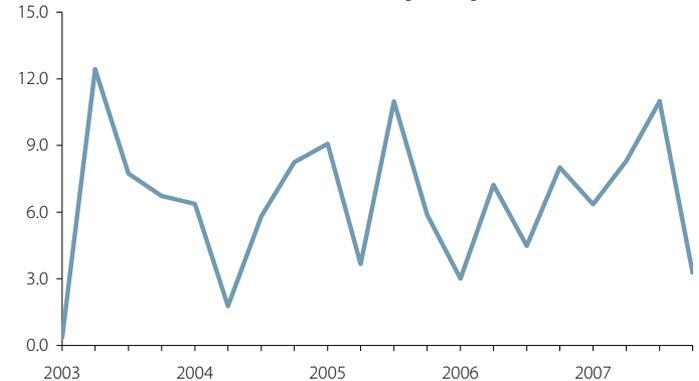
## NORTH CAROLINA

### 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 <sup>2</sup> (%)	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 (%)	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	

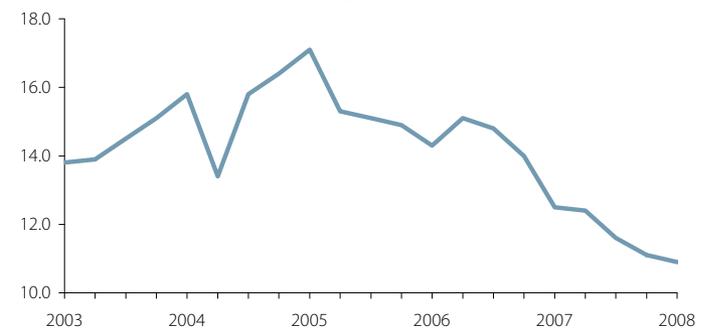
Charlotte MSA Median Home Sales Price (NAR)

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



Charlotte MSA Office Vacancy Rate

Through 1Q:08



## SOUTH CAROLINA

### May Summary

Economic conditions in South Carolina remained sluggish in recent months, with losses in employment, and continued softness in the housing market. In the labor market, South Carolina trimmed payrolls for a second successive month. The state shed 5,400 jobs (0.3 percent) in March, most of which were in construction (2,100 jobs), manufacturing (1,800 jobs), and trade, transportation, and utilities (2,000 jobs). Although payroll employment grew 0.5 percent over the year, the increase marks the smallest year-over-year gain in the state since early 2004.

Turning to households, the unemployment rate edged higher 0.2 percentage points to end the month at 5.7 percent – above the national and Fifth District unemployment rates, but on par with the state jobless rate in March of 2007.

Housing activity in the state remained weak. Although the number of residential permits issued increased 19.5 percent over the month, March still marked the tenth consecutive month of year-over-year decline in state permitting activity. In addition, housing starts declined for the third straight month, although the pullback slowed to a 2.5 percent pace.

Economic conditions at the metro level were somewhat better than those at the state level. Hiring in the major metro areas remained solid in March. The Spartanburg MSA led the way with 0.7 percent growth in payrolls, but Charleston, Columbia, and Greenville also experienced increases. Unemployment rates edged down between 0.1 and 0.3 percentage points across the major metro areas. Housing market conditions were mixed, with increases in permitting activity in Charleston and Columbia but decreases in Greenville and Spartanburg. Commercial vacancy rates spiked in Charleston in the first quarter of 2008, with a 2.8 percentage point and 4.6 percentage point jump in office vacancies and industrial vacancies, respectively. Vacancy rates in other metro areas edged slightly lower over the same period.

### A Closer Look at... Payroll Employment

**Nonfarm Employment (in thousands):** 1950.5

**Percent in Service-Providing Industries:** 63.4%

**Percent in Goods-Producing Industries:** 18.9%

**Percent in Government:** 17.5%

**Change in Non-Farm Employment since Last Month:** -0.3%

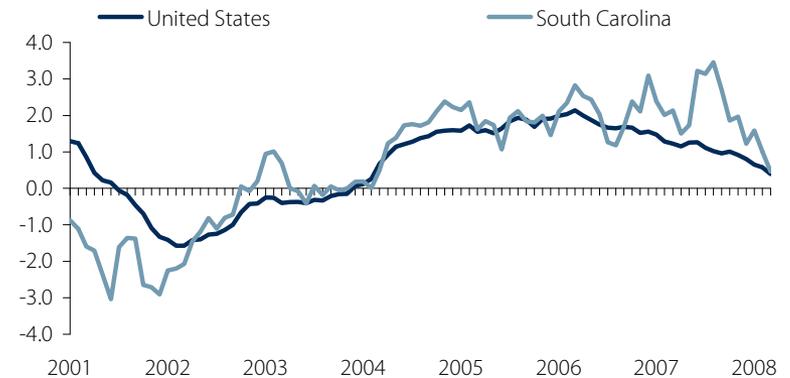
**Change in Non-Farm Employment since Last Year:** 0.5%

**Largest Year-over-Year Increase:** 3.5% in August 2007

**Largest Year-over-Year Decrease:** -3.0% in June 2001

#### South Carolina Payroll Employment

Year-over-Year Percent Change through March 2008



## SOUTH CAROLINA

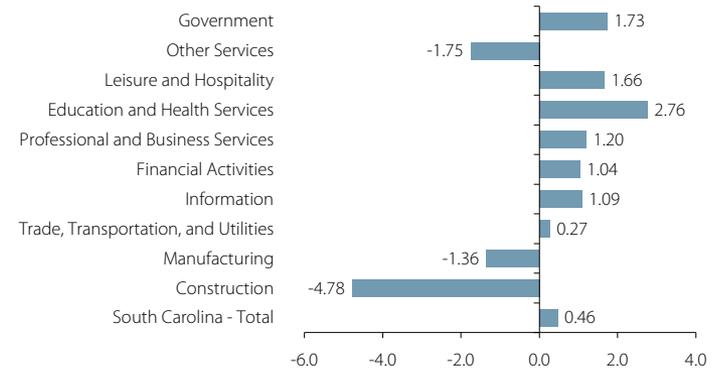
### Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	March	137,838.0	-0.06	0.38
Fifth District - Total	March	13,993.0	-0.10	0.76
South Carolina - Total	March	1,950.5	-0.28	0.46
Construction	March	121.4	-1.70	-4.78
Manufacturing	March	247.4	-0.72	-1.36
Trade, Transportation, and Utilities	March	376.1	-0.53	0.27
Information	March	27.8	0.00	1.09
Financial Activities	March	107.0	0.38	1.04
Professional and Business Services	March	227.8	-0.18	1.20
Education and Health Services	March	204.5	-0.24	2.76
Leisure and Hospitality	March	220.0	0.36	1.66
Other Services	March	73.0	0.14	-1.75
Government	March	341.0	0.03	1.73
Charleston MSA - Total	March	298.9	0.37	1.18
Columbia MSA - Total	March	369.6	0.24	1.62
Greenville MSA - Total	March	323.3	0.56	2.63
Spartanburg MSA - Total	March	126.8	0.71	0.71

Unemployment Rate (SA)	March 08	February 08	March 07
United States	5.1	4.8	4.4
Fifth District	4.5	4.3	4.1
South Carolina	5.7	5.5	5.7
Charleston MSA	4.5	4.6	4.2
Columbia MSA	4.8	4.9	4.9
Greenville MSA	4.7	4.9	4.8
Spartanburg MSA	5.4	5.7	5.4

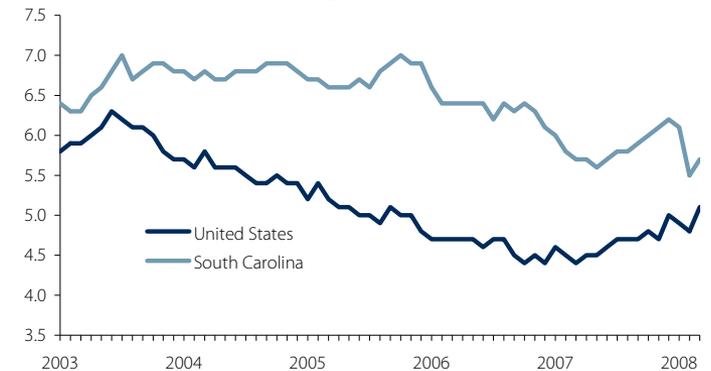
South Carolina Payroll Employment Performance

Year-over-Year Percent Change through March 2008



South Carolina Unemployment Rate

Through March 2008



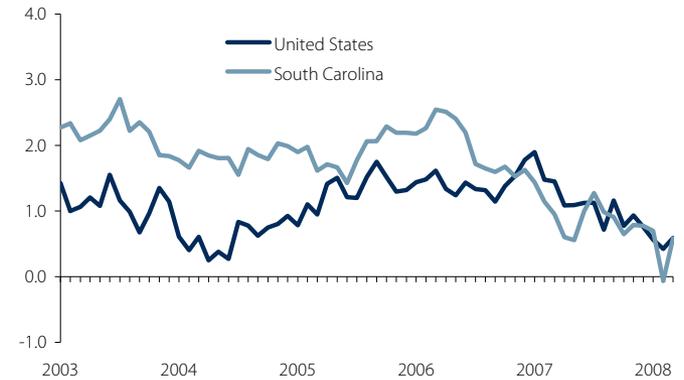
## SOUTH CAROLINA

### Labor Market Conditions

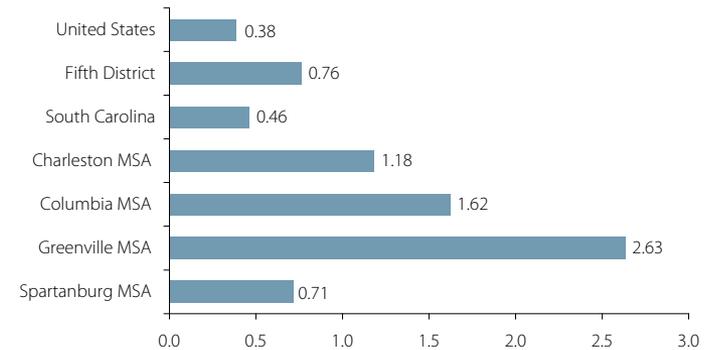
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	March	153,784	0.27	0.59
Fifth District	March	14,945	0.38	1.11
South Carolina	March	2,142	0.66	0.59
Charleston MSA	March	312	0.77	0.61
Columbia MSA	March	369	0.85	0.68
Greenville-Spartanburg MSA	March	315	0.90	1.38

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	April	1,338,468	-5.86	3.59
Fifth District	April	110,454	-12.29	-2.26
South Carolina	April	21,736	-7.89	-7.97

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



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



## SOUTH CAROLINA

### Household Conditions

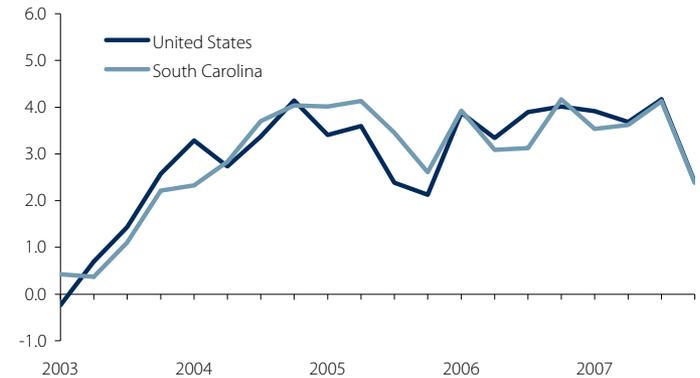
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	4Q:07	9,944,623	-0.18	2.40
Fifth District	4Q:07	945,875	-0.02	2.09
South Carolina	4Q:07	116,840	-0.01	2.39

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	---	---

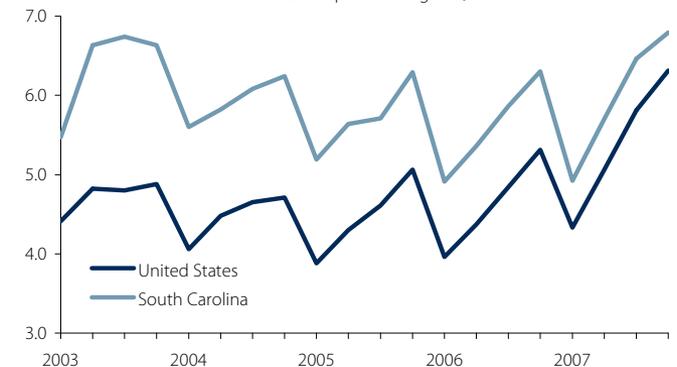
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	218,428	3.16	26.98
Fifth District	4Q:07	17,183	6.08	24.34
South Carolina	4Q:07	1836	0.99	7.56

Mortgage Delinquencies (% Delinquent)	4Q:07	3Q:07	4Q:06
<b>United States</b>			
All Mortgages	6.31	5.81	5.31
Conventional	3.55	3.25	2.79
Subprime	18.82	16.68	14.27
<b>South Carolina</b>			
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 4Q:07



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

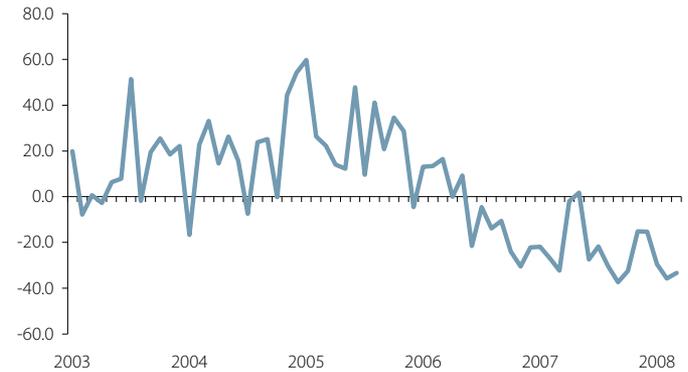


## SOUTH CAROLINA

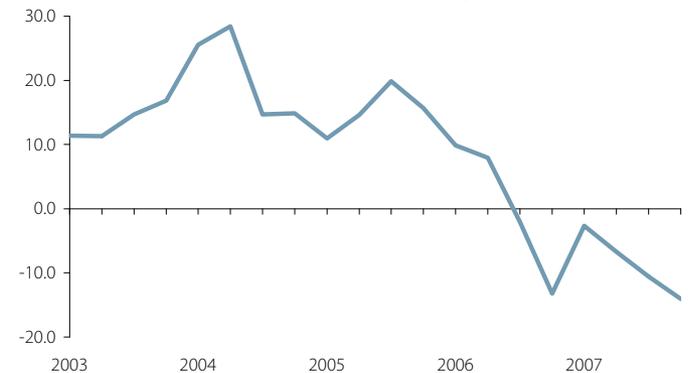
### Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	March	77,385	5.45	-44.42
Fifth District	March	12,304	7.21	-34.49
South Carolina	March	2,487	19.51	-33.36
Charleston MSA	March	667	110.41	17.64
Columbia MSA	March	360	8.43	-38.14
Greenville MSA	March	269	-23.36	-59.61
Spartanburg MSA	March	100	-7.41	-46.24
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	March	947.0	-11.91	-36.49
Fifth District	March	142.0	-12.57	-31.13
South Carolina	March	28.7	-2.51	-29.98
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	---
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 March 2008



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



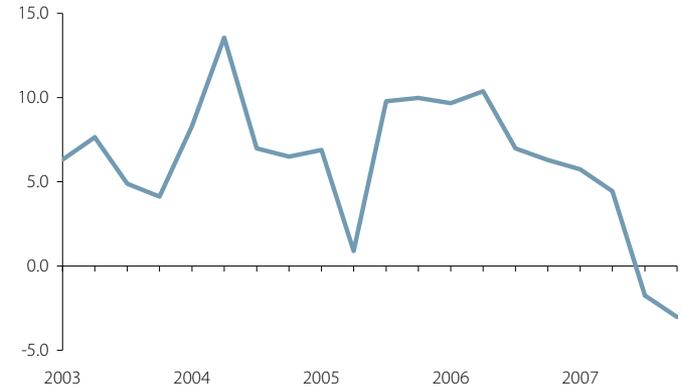
**SOUTH CAROLINA**

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 <sup>2</sup> (%)	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 (%)	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	

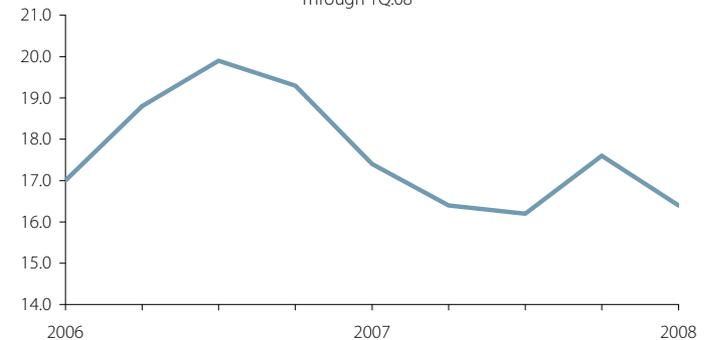
Charleston MSA Median Home Sales Price (NAR)

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



Columbia MSA Office Vacancy Rate

Through 1Q:08



## VIRGINIA

### May Summary

Recent reports on economic conditions in Virginia indicated a downturn in hiring activity and continued signs of weakness in the housing market. Virginia shed 3,800 jobs in March – led by significant losses in trade, transportation, and utilities (2,700 jobs), manufacturing (1,100 jobs), and leisure and hospitality (1,900 jobs). Additionally, the Commonwealth reported a 0.3 percent growth in payrolls since March of 2007 – its smallest twelve-month gain since 2003.

According to the household survey, Virginia's unemployment rate was 3.7 percent in March – up from 3.5 percent in February – marking the highest jobless rate in the state since 2005. However, unemployment in Virginia remains well below the national rate of 5.1 percent.

Turning to real estate, the number of residential permits issued picked up in March after two months of decline. However, activity fell sharply over the past year (21.8 percent), though Virginia had the smallest twelve-month decrease in permitting activity of any District jurisdiction in March. Additionally, housing starts dipped 2.6 percent in March, but the decline was less steep than the previous two months.

Economic conditions in Virginia's major metro areas followed a different pattern from the state in recent months. Despite employment losses in the Commonwealth as a whole, the major metro areas added jobs in March, led by a 1.1 percent payroll increase (8,600 jobs) in the Virginia Beach-Norfolk MSA. Nevertheless, unemployment rates either remained unchanged or inched up slightly in all of the major metro areas. Housing activity also varied at the metro level, with measures generally less upbeat. The Lynchburg, Roanoke, and Virginia Beach-Norfolk MSAs experienced pullbacks in permitting activity in March. Permit issuance in the Richmond metro area rose, however, slightly outperforming the state-wide increases. Adding to the more upbeat tone in Richmond, both office and industrial vacancy rates edged lower in the first quarter of 2008.

### A Closer Look at... Payroll Employment

**Nonfarm Employment (in thousands):** 3,767.3

**Percent in Service-Providing Industries:** 64.6%

**Percent in Goods-Producing Industries:** 13.8%

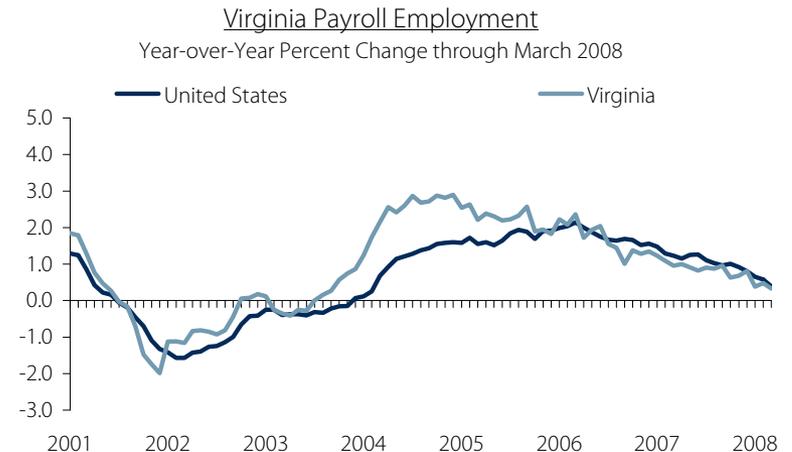
**Percent in Government:** 18.4%

**Change in Non-Farm Employment since Last Month:** -0.1%

**Change in Non-Farm Employment since Last Year:** 0.3%

**Largest Year-over-Year Increase:** 3.4% in July 2000

**Largest Year-over-Year Decrease:** -2.0% in December 2001



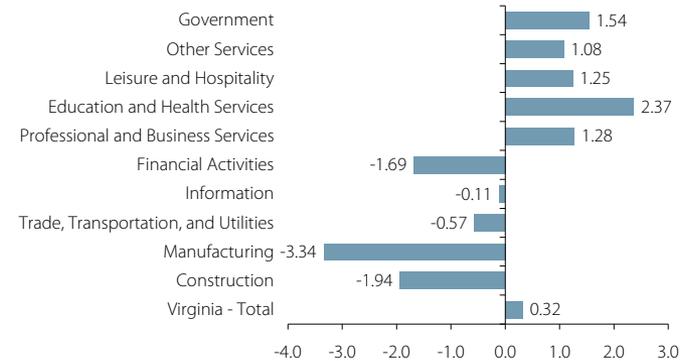
## VIRGINIA

### Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change		
United States - Total	March	137,838.0	-0.06	0.38		
Fifth District - Total	March	13,993.0	-0.10	0.76		
Virginia - Total	March	3,767.3	-0.10	0.32		
Construction	March	237.7	0.13	-1.94		
Manufacturing	March	272.0	-0.40	-3.34		
Trade, Transportation, and Utilities	March	664.0	-0.40	-0.57		
Information	March	90.6	1.00	-0.11		
Financial Activities	March	192.3	-0.16	-1.69		
Professional and Business Services	March	649.3	0.05	1.28		
Education and Health Services	March	423.3	0.28	2.37		
Leisure and Hospitality	March	348.7	-0.54	1.25		
Other Services	March	186.5	0.48	1.08		
Government	March	692.8	0.12	1.54		
Lynchburg MSA - Total	March	109.9	0.83	2.04		
Richmond MSA - Total	March	633.5	0.60	0.52		
Roanoke MSA - Total	March	163.2	0.80	0.31		
Virginia Beach-Norfolk MSA - Total	March	774.7	1.12	0.92		
<b>Unemployment Rate (SA)</b>						
United States	March 08	5.1	February 08	4.8	March 07	4.4
Fifth District	4.5	4.3	4.1			
Virginia	3.7	3.5	2.9			
Lynchburg MSA	4.0	3.9	3.4			
Richmond MSA	4.1	3.9	2.9			
Roanoke MSA	4.0	3.9	3.0			
Virginia Beach-Norfolk MSA	4.1	4.1	3.0			

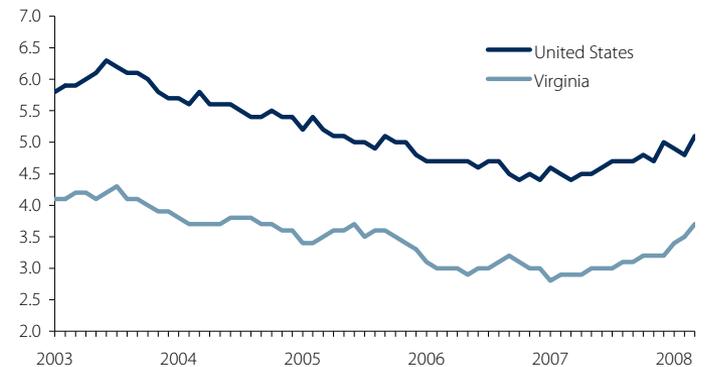
### Virginia Payroll Employment Performance

Year-over-Year Percent Change through March 2008



### Virginia Unemployment Rate

Through March 2008



## VIRGINIA

### Labor Market Conditions

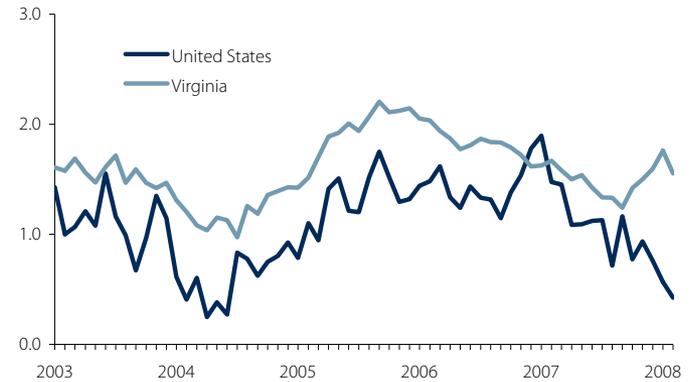
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	March	153,784	0.27	0.59
Fifth District	March	14,945	0.38	1.11
Virginia	March	4,115	0.60	2.05
Lynchburg MSA	March	124	1.06	2.81
Richmond MSA	March	651	1.01	1.80
Roanoke MSA	March	158	1.28	1.48
Virginia Beach-Norfolk MSA	March	826	1.37	2.09

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	April	1,338,468	-5.86	3.59
Fifth District	April	110,454	-12.29	-2.26
Virginia	April	17,831	-17.17	-3.00

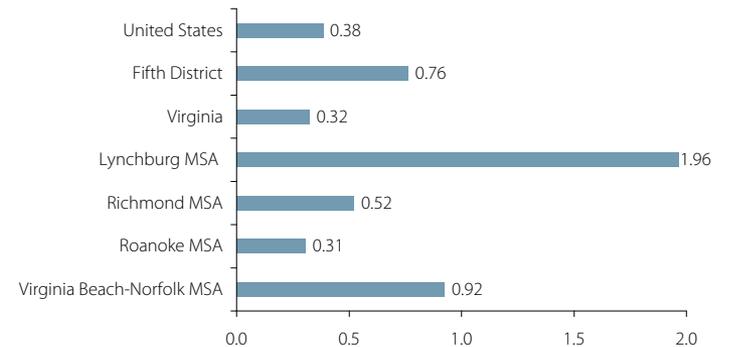
Virginia Labor Force

Year-over-Year Percent Change through March 2008



Virginia Total Employment Performance

Year-over-Year Percent Change through March 2008



## VIRGINIA

### Household Conditions

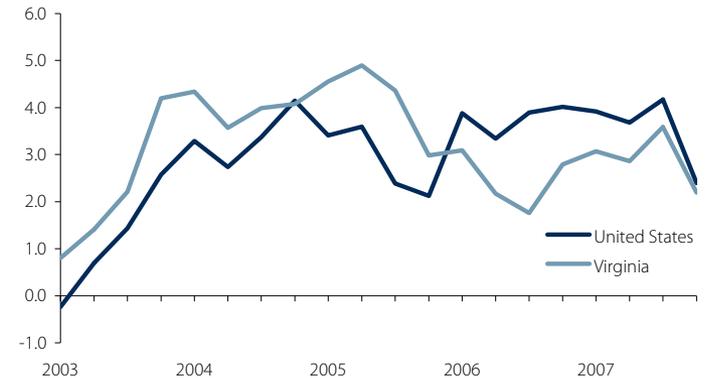
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	4Q:07	9,944,623	-0.18	2.40
Fifth District	4Q:07	945,875	-0.02	2.09
Virginia	4Q:07	271,922	-0.13	2.19

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	---	---

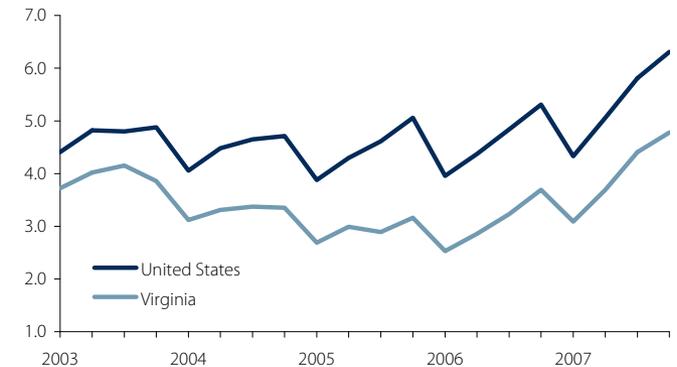
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	218,428	3.16	26.98
Fifth District	4Q:07	17,183	6.08	24.34
Virginia	4Q:07	5,367	12.42	38.83

Mortgage Delinquencies (% Delinquent)	4Q:07	3Q:07	4Q:06
<b>United States</b>			
All Mortgages	6.31	5.81	5.31
Conventional	3.55	3.25	2.79
Subprime	18.82	16.68	14.27
<b>Virginia</b>			
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 4Q:07



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



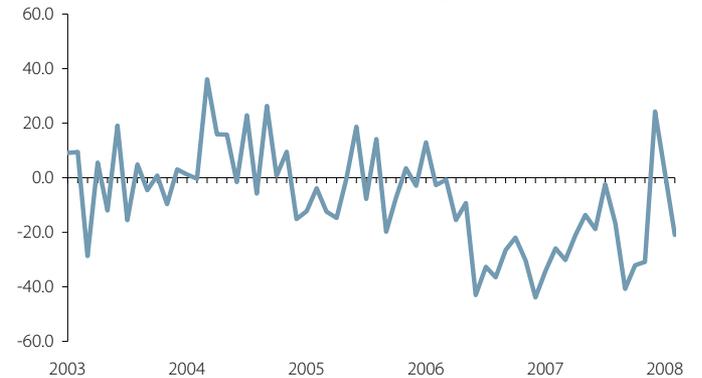
**VIRGINIA**

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	March	77,385	5.45	-44.42
Fifth District	March	12,304	7.21	-34.49
Virginia	March	2,900	19.49	-21.83
Lynchburg MSA	March	54	-40.66	-46.53
Richmond MSA	March	714	19.60	-7.03
Roanoke MSA	March	58	-40.21	-38.30
Virginia Beach-Norfolk MSA	March	405	-0.49	-37.01
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	March	947.0	-11.91	-36.49
Fifth District	March	142.0	-12.57	-31.13
Virginia	March	33.5	-2.56	-17.76
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	April	14,988	3.14	13.89
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	April	312,500	-0.94	-9.12

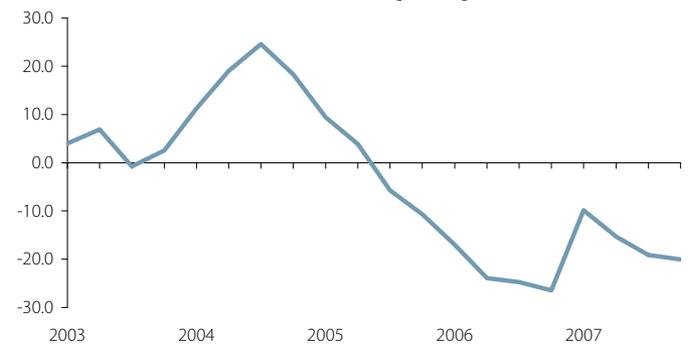
Virginia Building Permits

Year-over-Year Percent Change through March 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 <sup>2</sup> (%)	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 (%)	1Q:08	4Q:07	1Q:07	
Office Vacancies	Richmond	12.1	12.9	14.3
Industrial Vacancies	Richmond	7.4	7.8	8.0

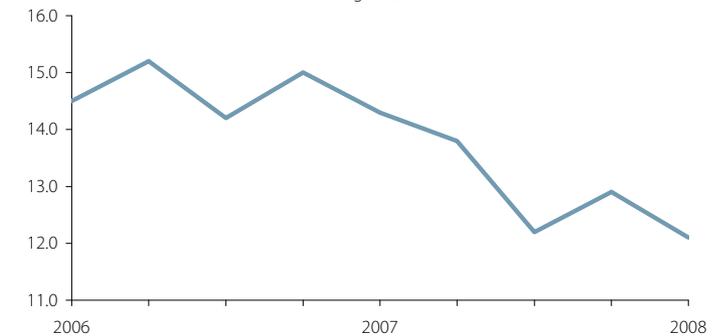
Richmond MSA Median Home Sales Price (NAR)

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



Richmond MSA Office Vacancy Rate

Through 1Q:08



## WEST VIRGINIA

### May Summary

Recent gauges of economic conditions in West Virginia were mixed, with solid growth in payroll employment, but continued softness in the housing market. On the employment front, West Virginia was one of two jurisdictions in the Fifth District to experience payroll growth in March, adding 1,700 jobs. Payrolls increased across nearly all sectors, with only the manufacturing and government sectors experiencing net job losses over the month, falling 0.52 percent and 0.28 percent, respectively. Over the year, employment grew 0.4 percent as the Mountain state added 2,900 jobs to its economy.

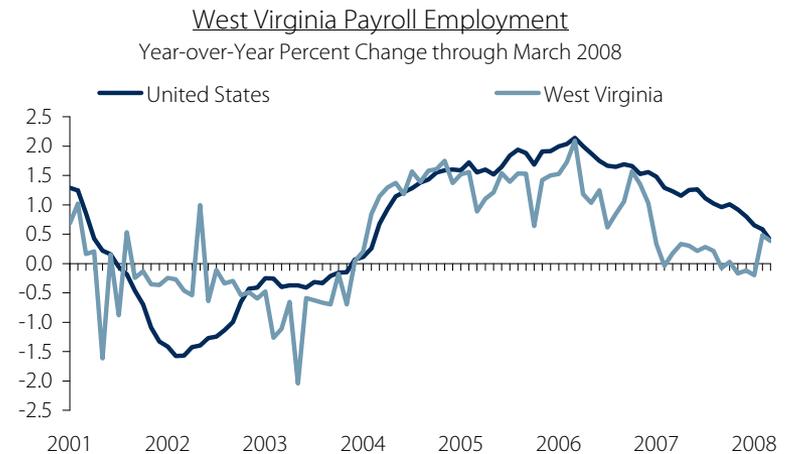
The household survey indicated that despite solid payroll figures, the unemployment rate in West Virginia inched up 0.1 percentage points to 4.7 percent – still below the national mark of 5.1 percent, but above the District-wide rate of 4.5 percent.

Turning to real estate, residential permits issued in the state decreased 16.0 percent in March, marking the third consecutive month of decline. Total private housing starts in the state were also down 31.4 percent in March – a steeper drop than that experienced by the nation (11.9 percent) or the Fifth District (12.6 percent) over the same period.

Drilling down, economic conditions were varied across metro areas. All of West Virginia's major metro areas experienced strong payroll growth, with Charleston, Huntington, and Morgantown increasing payroll employment by more than one percent in March. In addition, unemployment rates dropped between 0.2 and 0.5 percentage points across the major metro areas. Permitting activity was mixed, however, with the Huntington, Morgantown, and Parkersburg metro areas experiencing steep declines in permitting activity, but a jump in construction activity in the Charleston MSA.

### A Closer Look at... Payroll Employment

- Nonfarm Employment (in thousands):** 760.6
- Percent in Service-Providing Industries:** 63.1%
- Percent in Goods-Producing Industries:** 16.4%
- Percent in Government:** 19.0%
- Change in Non-Farm Employment since Last Month:** 0.2%
- Change in Non-Farm Employment since Last Year:** 0.4%
- Largest Year-over-Year Increase:** 2.1% in March 2006
- Largest Year-over-Year Decrease:** -2.1% in May 2003



## WEST VIRGINIA

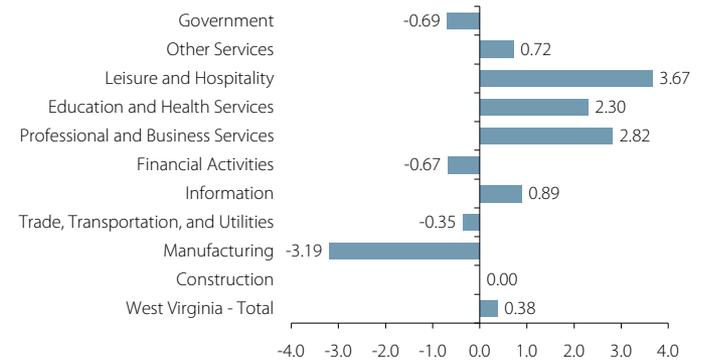
### Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	March	137,838.0	-0.06	0.38
Fifth District - Total	March	13,993.0	-0.10	0.76
West Virginia - Total	March	760.6	0.22	0.38
Construction	March	38.4	1.05	0.00
Manufacturing	March	57.6	-0.52	-3.19
Trade, Transportation, and Utilities	March	143.3	0.21	-0.35
Information	March	11.3	0.00	0.89
Financial Activities	March	29.6	0.00	-0.67
Professional and Business Services	March	62.0	1.14	2.82
Education and Health Services	March	115.5	0.00	2.30
Leisure and Hospitality	March	73.5	1.10	3.67
Other Services	March	56.2	0.18	0.72
Government	March	144.3	-0.28	-0.69
Charleston MSA - Total	March	150.6	1.21	0.27
Huntington MSA - Total	March	120.3	1.18	0.67
Morgantown MSA - Total	March	61.9	1.14	1.98
Parkersburg MSA - Total	March	73.2	0.97	0.97

Unemployment Rate (SA)	March 08	February 08	March 07
United States	5.1	4.8	4.4
Fifth District	4.5	4.3	4.1
West Virginia	4.7	4.6	4.4
Charleston MSA	4.6	4.9	4.5
Huntington MSA	5.1	5.4	5.1
Morgantown MSA	3.8	4.0	3.8
Parkersburg MSA	5.6	6.1	5.2

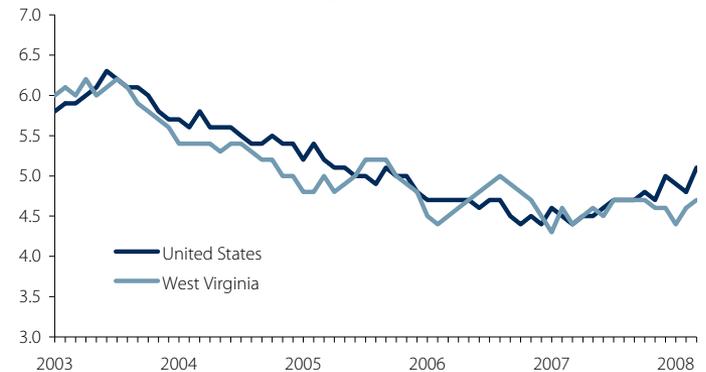
West Virginia Payroll Employment Performance

Year-over-Year Percent Change through March 2008



West Virginia Unemployment Rate

Through March 2008



## WEST VIRGINIA

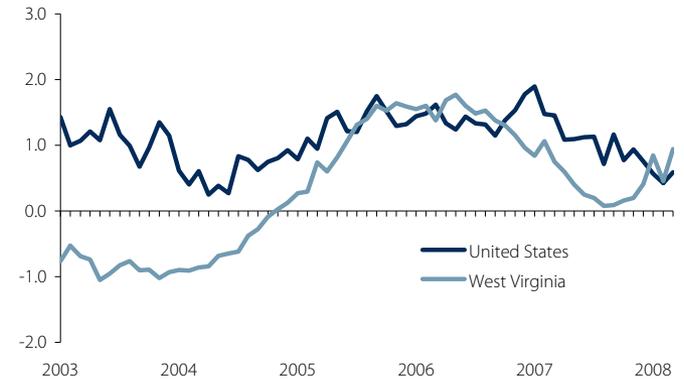
### Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	March	153,784	0.27	0.59
Fifth District	March	14,945	0.38	1.11
West Virginia	March	815	0.34	0.94
Charleston MSA	March	139	0.80	0.14
Huntington MSA	March	133	0.83	0.08
Morgantown MSA	March	62	0.81	1.46
Parkersburg MSA	March	80	0.38	1.01

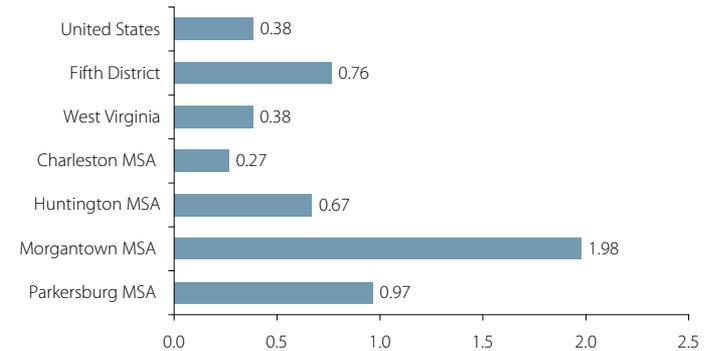
  

Initial Unemployment Claims (NSA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	April	1,338,468	-5.86	3.59
Fifth District	April	110,454	-12.29	-2.26
West Virginia	April	5,151	0.74	-2.42

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



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

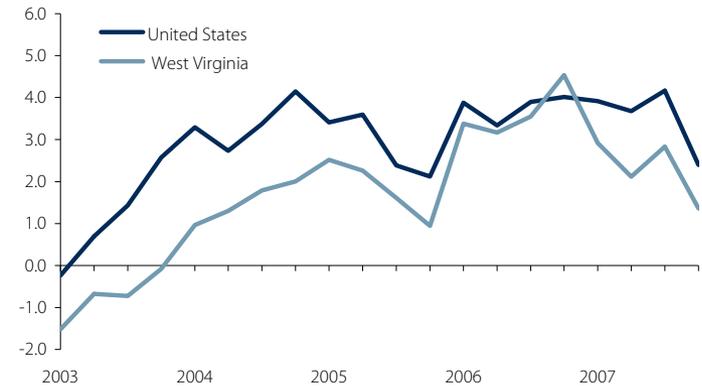


## WEST VIRGINIA

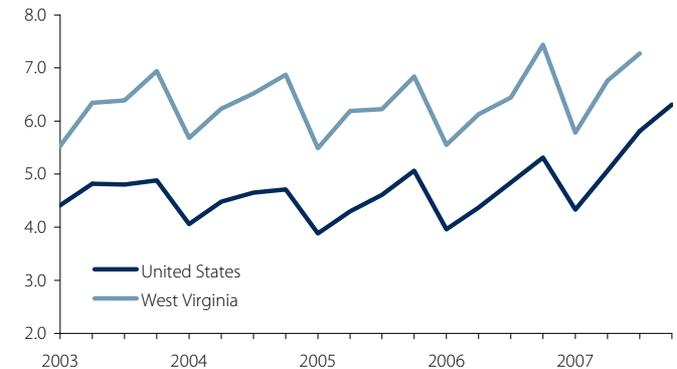
### Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	4Q:07	9,944,623	-0.18	2.40
Fifth District	4Q:07	945,875	-0.02	2.09
West Virginia	4Q:07	45,653	-0.04	1.36
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	218,428	3.16	26.98
Fifth District	4Q:07	17,183	6.08	24.34
West Virginia	4Q:07	1,082	1.03	29.74
Mortgage Delinquencies (% Delinquent)	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07		3Q:07	4Q:06
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 4Q:07



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

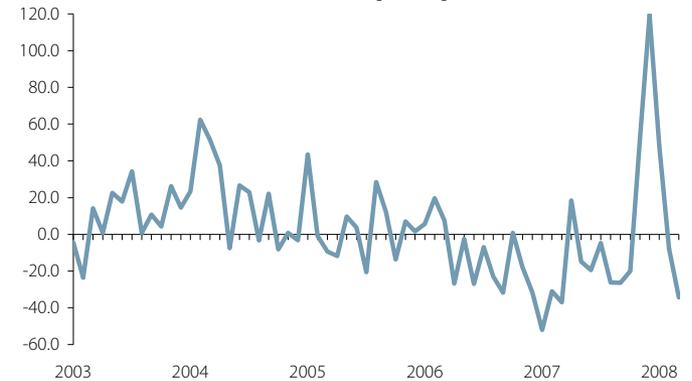


**WEST VIRGINIA**

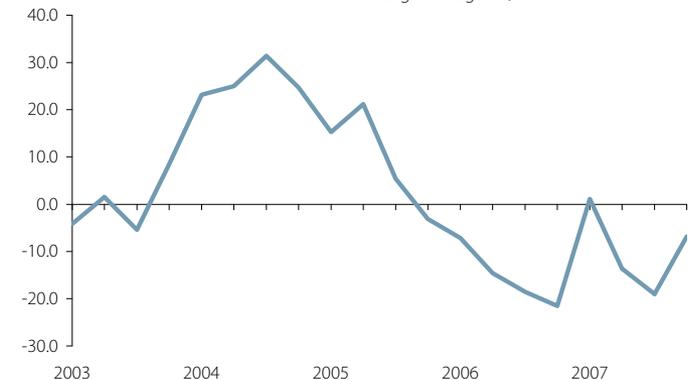
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	March	77,385	5.45	-44.42
Fifth District	March	12,304	7.21	-34.49
West Virginia	March	231	-16.00	-34.38
Charleston MSA	March	13	30.00	-63.89
Huntington MSA	March	5	-50.00	25.00
Morgantown MSA	March	2	-96.67	100.00
Parkersburg MSA	March	8	-20.00	-52.94
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	March	947.0	-11.91	-36.49
Fifth District	March	142.0	-12.57	-31.13
West Virginia	March	2.7	-31.36	-31.54
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 March 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

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

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

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