

SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY
NOVEMBER 2008



THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE

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FIFTH DISTRICT

November Summary

The Fifth District economy weakened in recent months, as labor markets softened, business conditions slowed, and real estate conditions remained sluggish.

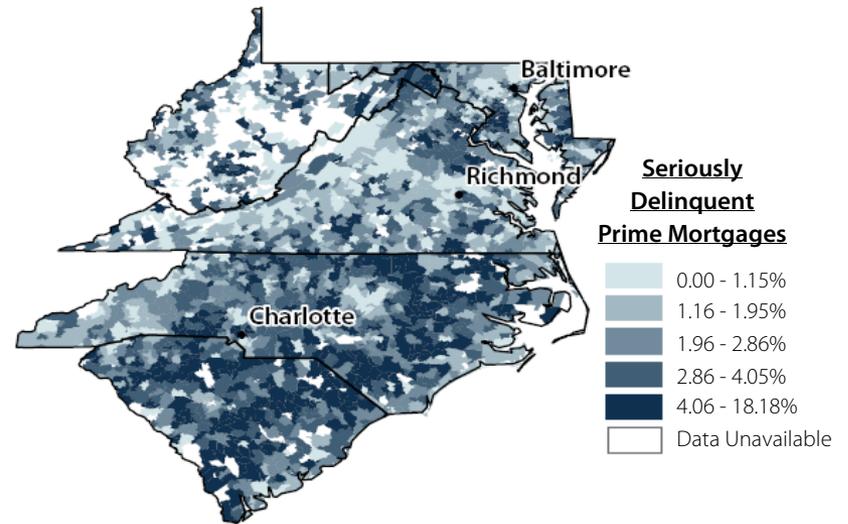
Fifth District labor markets lost some traction in September as District firms shed 28,900 jobs for a 0.2 percent decline in employment. September payroll losses in the District were starker than those in the U.S., which fell 0.1 percent. However, District payrolls outperformed the nation over the year, growing 0.3 percent compared to a fall of 0.4 percent nationally. Meanwhile, both District and national unemployment rates held steady in September at 5.7 percent and 6.1 percent, respectively.

Recent data suggests that real estate conditions in the Fifth District remained soft. Residential permit levels fell 13.2 percent in September and 29.1 percent over the year – about on par with the 29.6 percent year-over-year drop in national permitting activity. District housing starts rose 0.4 percent in September, compared to a national decrease of 1.4 percent. Nonetheless, District housing starts declined 33.3 percent since September 2007, compared to a 31.1 percent drop nationally.

Fifth District business conditions weakened in October, according to our most recent surveys. The overall index of manufacturing declined further as shipments, new orders, and employment all moved deeper into negative territory. In the service sector, declines in both retail and services firm revenues moderated slightly, but remained negative, and hiring activity contracted further. Looking ahead, retailers' expectations for product demand over the next six months improved, although manufacturers' expectations of shipments deteriorated a bit. Our survey measure of prices indicated that raw materials, service firm, and retail price growth cooled, although finished goods price growth picked up a bit.

A Closer Look at...Prime Mortgage Performance

Using August data from Lender Processing Services, Inc. (LPS) Applied Analytics, 2.55 percent of prime mortgages in the Fifth District were estimated to have payments more than 90 days past due, be in foreclosure, or be Real-Estate Owned (referred to as "seriously delinquent"), as compared to 3.33 percent of national loans. Among the District's jurisdictions, West Virginia ranked the highest in serious delinquencies among prime borrowers (2.92 percent), while the District of Columbia ranked the lowest (1.94 percent). The MSA with the highest rate of seriously delinquent mortgages, however, was Rocky Mount, N.C. (4.23 percent) while the lowest-rated MSA was Harrisonburg, Va. (0.81 percent).



FIFTH DISTRICT

Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	September	137,318.0	-0.12	-0.38
Fifth District - Total	September	13,996.0	-0.21	0.32
Construction	September	840.8	-0.24	-2.74
Manufacturing	September	1,215.0	-0.49	-3.01
Trade, Transportation, and Utilities	September	2,462.2	-0.09	-0.51
Information	September	272.8	0.29	-0.87
Financial Activities	September	723.9	-0.15	-0.44
Professional and Business Services	September	2,000.6	-0.09	0.54
Education and Health Services	September	1,784.1	0.31	3.16
Leisure and Hospitality	September	1,342.8	-0.07	1.51
Other Services	September	687.2	-0.12	1.10
Government	September	2,615.8	-0.68	1.28

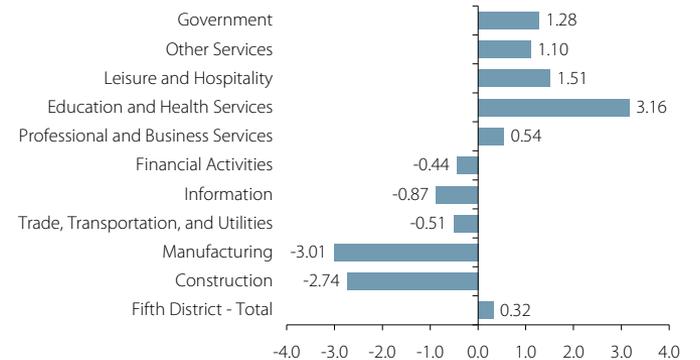
Unemployment Rate (SA)	September 08	August 08	September 07
United States	6.1	6.1	4.7
Fifth District	5.7	5.7	4.2

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	154,732	-0.08	0.80
Fifth District	September	15,028	-0.02	1.14

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	September	1,512,898	-18.75	26.01
Fifth District	September	141,125	-23.69	30.95

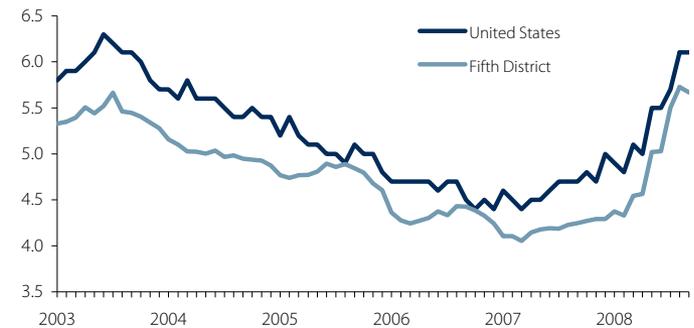
Fifth District Payroll Employment Performance

Year-over-Year Percent Change through September 2008



Fifth District Unemployment Rate

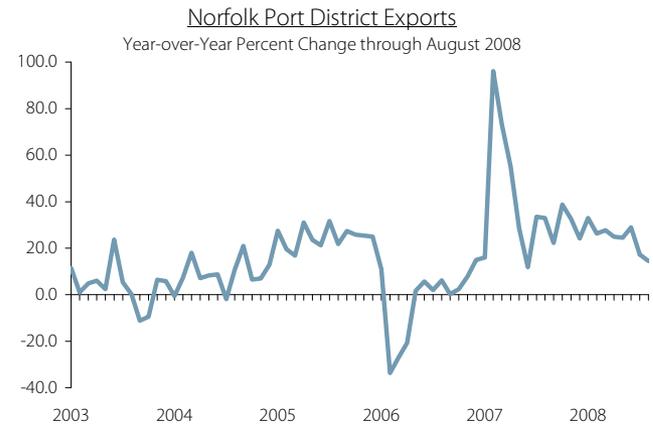
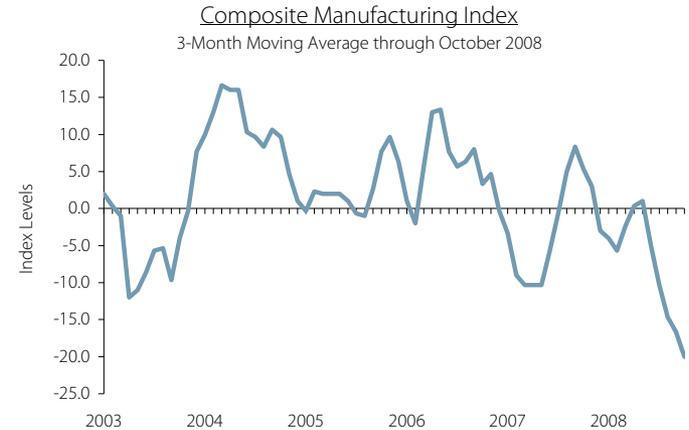
Through September 2008



FIFTH DISTRICT

Business Conditions

Manufacturing Survey (SA)	October 08	September 08	October 07	
Composite Index	-26	-18	-5	
Shipments	-24	-16	-5	
New Orders	-35	-23	-8	
Number of Employees	-15	-13	0	
Expected Shipments - Six Months	6	11	36	
Raw Materials Prices (SAAR)	3.66	3.85	2.90	
Finished Good Prices (SAAR)	2.06	1.68	1.68	
Service Sector Survey (SA)	October 08	September 08	October 07	
Service Sector Employment	-15	-9	-3	
Services Firms Revenues	-8	-12	10	
Retail Revenues	-18	-30	-11	
Big-Ticket Sales	-36	-43	-40	
Expected Retail Demand - Six Months	25	14	4	
Services Firm Prices	0.72	0.85	0.59	
Retail Prices	1.87	2.17	1.26	
District Imports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	August	2,498.96	-18.6	-3.3
Wilmington, North Carolina	August	446.68	-10.9	-9.3
Charleston, South Carolina	August	3,497.87	-5.2	-5.0
Norfolk, Virginia	August	3,235.45	2.2	6.7
District Exports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	August	1,179.99	-21.3	0.6
Wilmington, North Carolina	August	289.95	-6.4	19.6
Charleston, South Carolina	August	2,058.16	0.5	17.6
Norfolk, Virginia	August	2,179.44	6.8	14.5



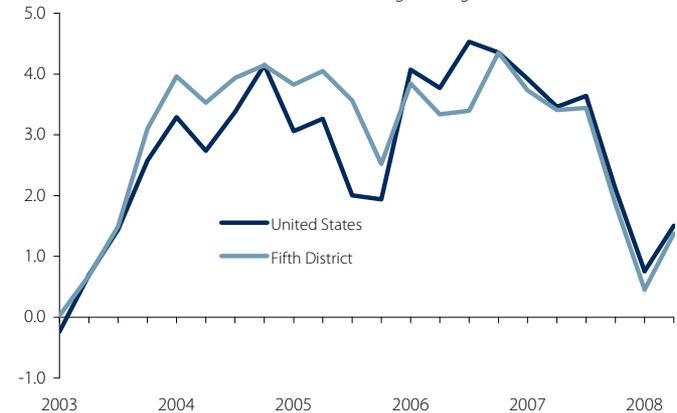
FIFTH DISTRICT
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	2Q:08	9,995,013	0.39	1.50
Fifth District	2Q:08	956,877	0.90	1.38
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	266,767	12.57	30.93
Fifth District	2Q:08	19,682	4.15	29.96

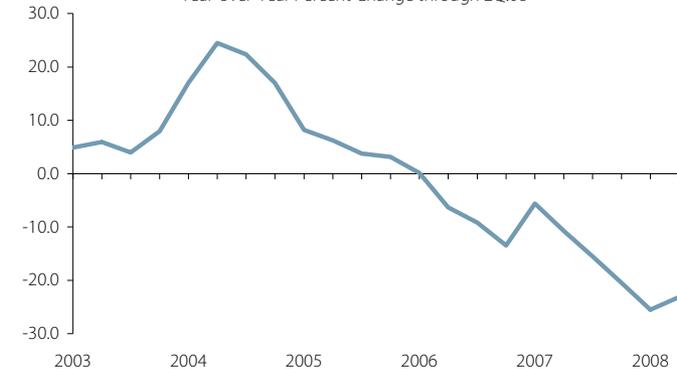
FIFTH DISTRICT
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	September	68,790	-6.91	-29.61
Fifth District	September	8,488	-13.17	-29.11
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States (SAAR)	September	817	-6.31	-31.05
Fifth District (SAAR)	September	103	0.40	-33.35
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	381	-1.44	-1.71
Fifth District	2Q:08	395	0.47	0.53
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	2Q:08	4,913	-0.81	-16.30
Fifth District (SAAR)	2Q:08	461	-4.63	-23.13

Fifth District Real Personal Income
Year-over-Year Percent Change through 2Q:08



Fifth District Existing Home Sales
Year-over-Year Percent Change through 2Q:08



DISTRICT OF COLUMBIA

November Summary

The District of Columbia's economy softened in recent months as labor markets weakened and real estate activity remained sluggish.

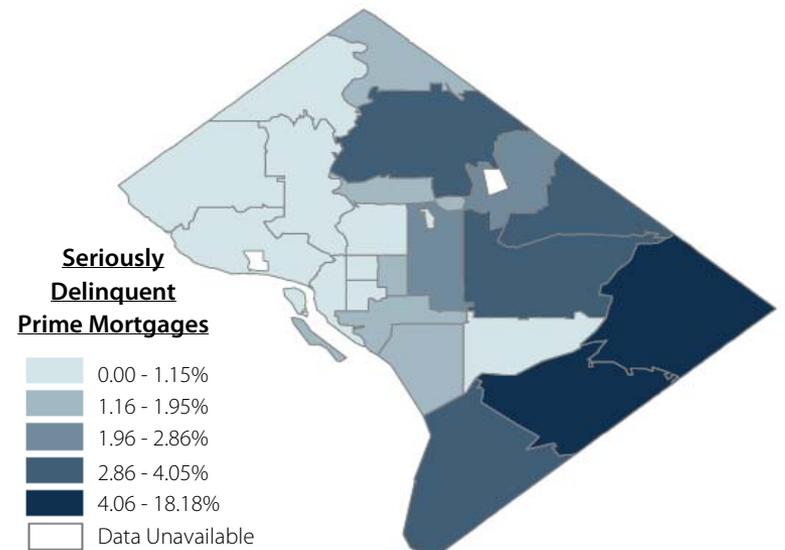
D.C. labor markets struggled in September as payroll employment fell 1.2 percent. Firms shed 8,500 jobs for the largest monthly decrease in the jurisdiction since April 1996. Hiring activity slowed across industries, but job losses were most pronounced in the government sector, which cut 5,800 jobs (2.4 percent). Nonetheless, D.C. firms expanded payrolls 2.0 percent (13,800 jobs) since last September. The unemployment rate rose for the third consecutive month to end September at 7.0 percent – the highest jobless rate in D.C. since February 2005.

The real estate market in D.C. was similarly sluggish. Residential permitting activity fell in September, with only two new private housing units authorized, compared to ten in August and 138 in September 2007. September posted the fewest housing units issued in a month since February 2002. Housing starts in D.C. also dropped over September, and over the preceding year.

Conditions at the metro level were somewhat brighter. The Washington, D.C. metro area added 6,800 jobs (0.3 percent) to its economy in September after two months of job losses. In addition, the unemployment rate in the metro area inched down 0.2 percentage point to 4.1 percent. Housing activity remained slow in September as residential permitting activity in the Washington, D.C. MSA fell 13.0 percent over the month and 2.3 percent over the year. In commercial real estate, office vacancies in the metro area rose 0.6 percentage point to 11.9 percent in the third quarter, while the industrial vacancy rate moved 0.4 percentage point lower to 15.0 percent. The third quarter marked the highest office vacancy rate in the Washington D.C. metro area since the third quarter of 1993.

A Closer Look at...Prime Mortgage Performance

At 1.94 percent, the District of Columbia posted the lowest rate of seriously delinquent prime mortgages (prime loans with payments more than 90 days past due, in foreclosure, or Real-Estate Owned) of all Fifth District jurisdictions in August. Drilling down to the metro level, the estimation for the Washington, D.C., MSA – which includes parts of Maryland, Virginia, and West Virginia – was 3.17 percent. Comparing the District of Columbia rate to that of the metro area implies seriously delinquent prime mortgages were notably higher in the surrounding areas of D.C. proper.



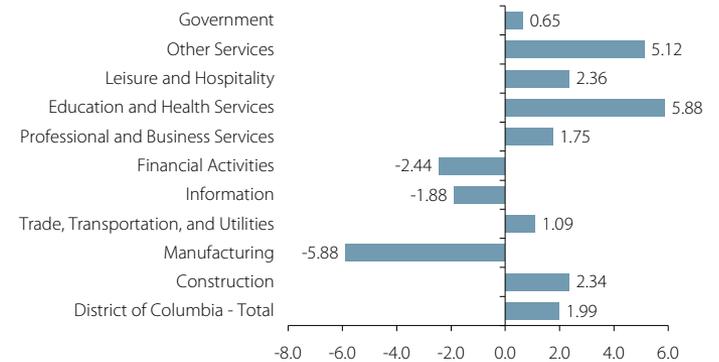
DISTRICT OF COLUMBIA

Labor Market Conditions

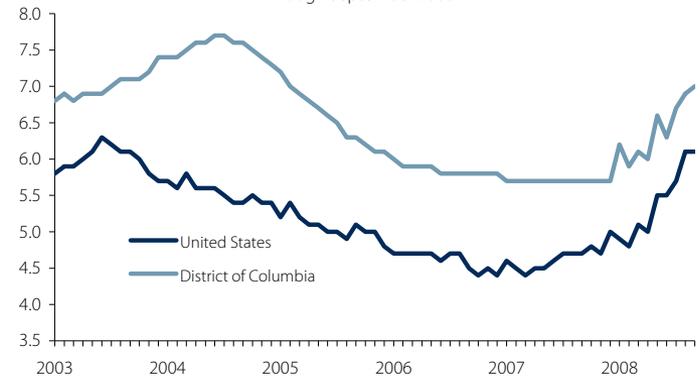
Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	September	137,318.0	-0.12	-0.38
Fifth District - Total	September	13,996.0	-0.21	0.32
District of Columbia - Total	September	707.8	-1.19	1.99
Construction	September	13.1	1.55	2.34
Manufacturing	September	1.6	0.00	-5.88
Trade, Transportation, and Utilities	September	27.7	0.36	1.09
Information	September	20.9	0.48	-1.88
Financial Activities	September	28.0	-1.06	-2.44
Professional and Business Services	September	156.8	-0.57	1.75
Education and Health Services	September	102.7	3.22	5.88
Leisure and Hospitality	September	56.4	-0.18	2.36
Other Services	September	65.7	0.61	5.12
Government	September	233.1	-2.43	0.65
Washington, D.C. MSA - Total	September	2,450.3	0.28	1.47

Unemployment Rate (SA)	September 08	August 08	September 07
United States	6.1	6.1	4.7
Fifth District	5.7	5.7	4.2
District of Columbia	7.0	6.9	5.7
Washington, D.C. MSA	4.1	4.3	3.1

D.C. Payroll Employment Performance
Year-over-Year Percent Change through September 2008



D.C. Unemployment Rate
Through September 2008

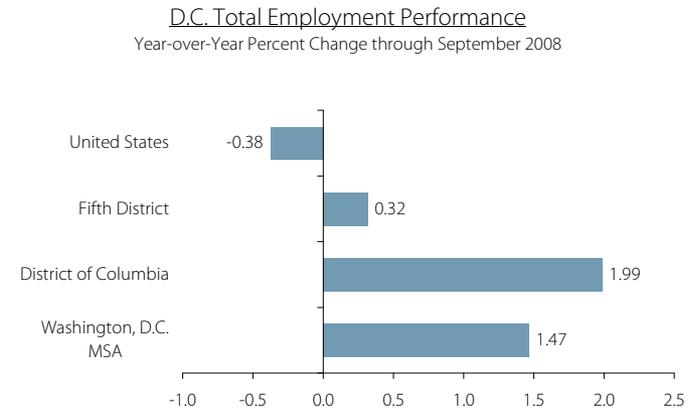
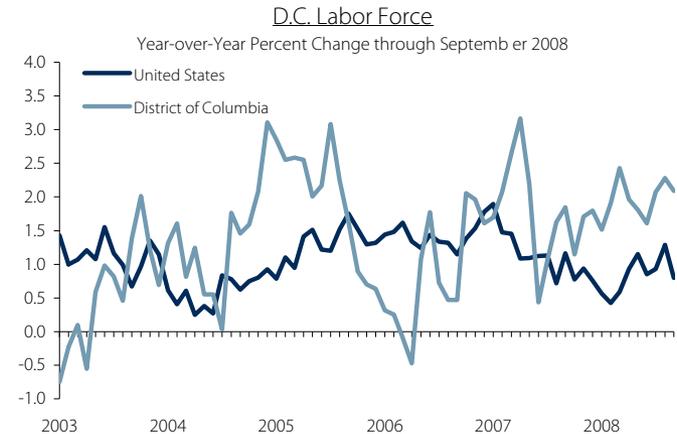


DISTRICT OF COLUMBIA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	154,732	-0.08	0.80
Fifth District	September	15,028	-0.02	1.14
District of Columbia	September	332	0.00	2.09
Washington, D.C. MSA	September	2,379	-1.26	1.30

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	September	1,512,898	-18.75	26.01
Fifth District	September	141,125	-23.69	30.95
District of Columbia	September	1,626	-3.04	41.02

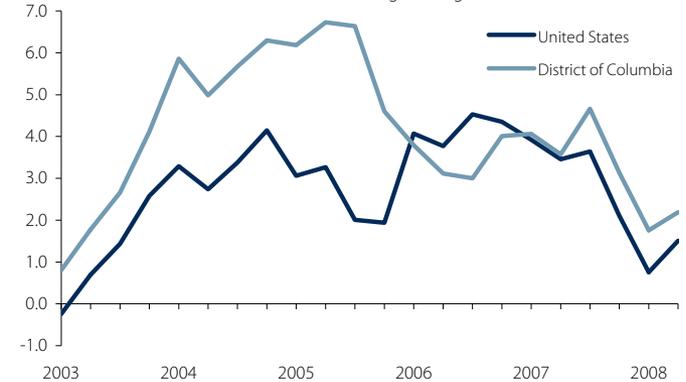


DISTRICT OF COLUMBIA

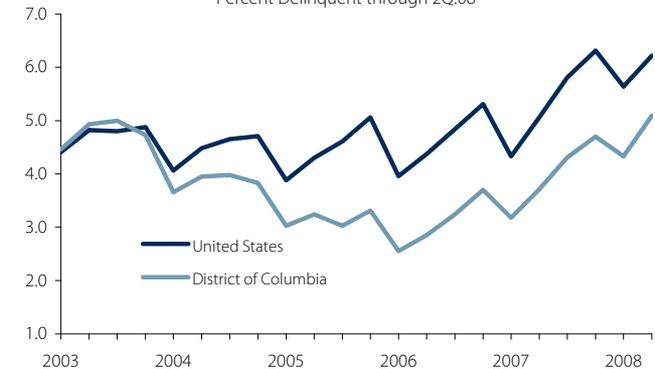
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	2Q:08	9,995,013	0.39	1.50
Fifth District	2Q:08	956,877	0.90	1.38
District of Columbia	2Q:08	31,130	0.39	2.19
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	2008	97.2	---	4.97
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	266,767	12.57	30.93
Fifth District	2Q:08	19,682	4.15	29.96
District of Columbia	2Q:08	220	7.32	39.24
Mortgage Delinquencies (% Delinquent)	2Q:08	1Q:08	2Q:07	
United States				
All Mortgages	6.22	5.64	5.06	
Conventional	3.73	3.30	2.63	
Subprime	18.21	17.05	14.54	
District of Columbia				
All Mortgages	5.09	4.33	3.71	
Conventional	3.39	2.77	2.20	
Subprime	18.85	16.74	13.71	

D.C. Real Personal Income
Year-over-Year Percent Change through 2Q:08



D.C. Mortgage Delinquencies - All
Percent Delinquent through 2Q:08



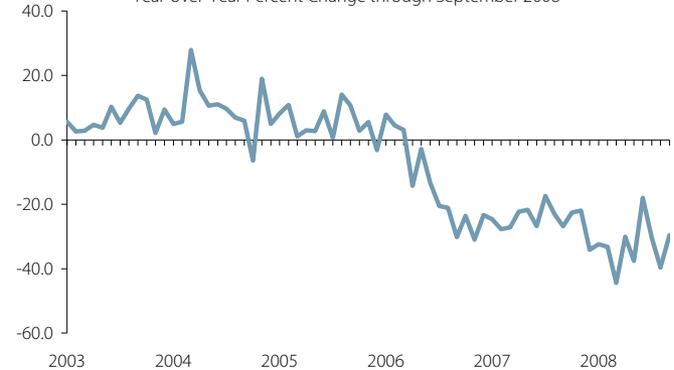
DISTRICT OF COLUMBIA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	September	68,790	-6.91	-29.61
Fifth District	September	8,488	-13.17	-29.11
District of Columbia	September	2	-80.00	-98.55
Washington, D.C. MSA	September	995	-12.95	-2.26
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	817.0	-6.31	-31.05
Fifth District	September	103.5	0.40	-33.35
District of Columbia	September	0.0	-81.82	-98.90
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	2Q:08	4,913.0	-0.81	-16.30
Fifth District (SAAR)	2Q:08	461.2	-4.63	-23.13
District of Columbia (SAAR)	2Q:08	7.2	-5.26	-28.00
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Washington, D.C. MSA	October	34,224	-6.33	-13.09
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Washington, D.C. MSA	October	315,000	-2.27	-18.46

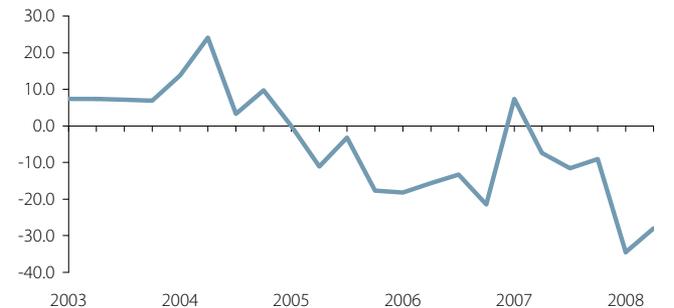
D.C. Building Permits

Year-over-Year Percent Change through September 2008



D.C. Existing Home Sales

Year-over-Year Percent Change through 2Q:08

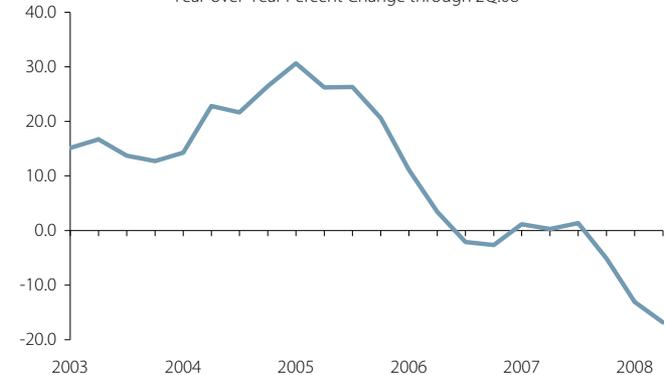


DISTRICT OF COLUMBIA

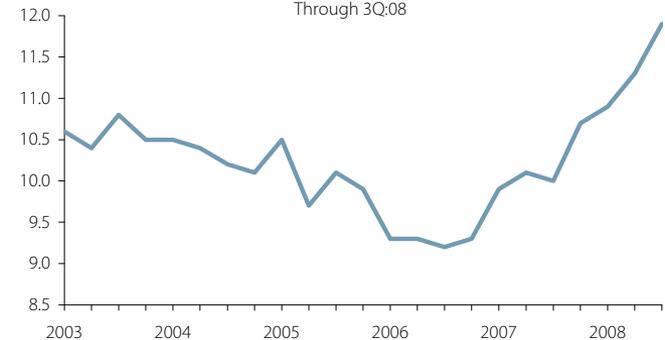
Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	2Q:08	370	-0.40	-16.84
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	2Q:08	323	-2.71	-12.70
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	381	-1.44	-1.71
Fifth District	2Q:08	395	0.47	0.53
District of Columbia	2Q:08	634	-1.77	-3.38
Washington, D.C. MSA (1995=100)	2Q:08	255	-4.38	-9.14
Housing Opportunity Index ² (%)	2Q:08	1Q:08	2Q:07	
Washington, D.C. MSA	58.9	57.1	37.8	
Commercial Vacancy Rates (%)	3Q:08	2Q:08	3Q:07	
Office Vacancies	Washington, D.C. MSA	11.9	11.3	10.0
Industrial Vacancies	Washington, D.C. MSA	15.0	15.4	15.5

D.C. MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 2Q:08



D.C. MSA Office Vacancy Rate
Through 3Q:08



MARYLAND

November Summary

Recent data indicates that the Maryland economy remained sluggish in September, with stagnant labor markets and mixed reports in real estate.

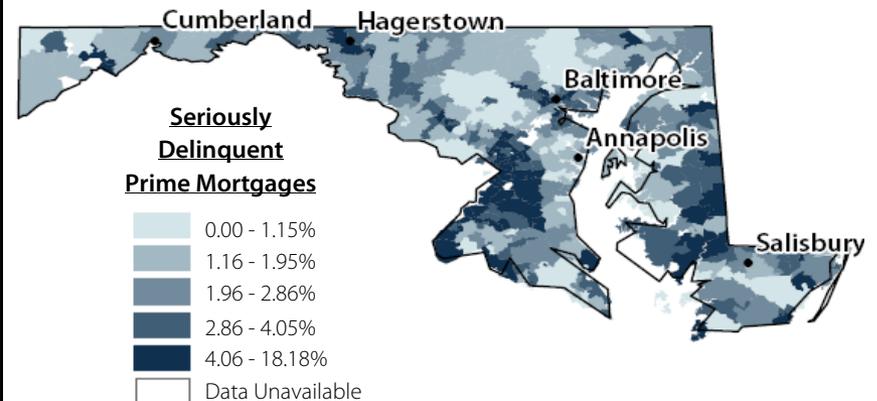
On the employment front, payroll employment in September remained flat for the second month in a row as small job gains in the service sector offset losses in the goods-producing and government sectors. The government sector led the state in payroll reductions (3,500 jobs) over the month, spurred by record losses (3,600 jobs) at the local government level. Meanwhile, the household survey indicated a 0.1 percentage point uptick in the unemployment rate, which ended September at 4.6 percent – its highest mark since April 2002.

Looking at housing markets, residential permitting activity fell 5.4 percent in September for the third straight month of decline. Nonetheless, permit levels rose 12.1 percent from a year ago – the first year-over-year increase since July 2007. In addition, housing starts were up 9.4 percent in September after two months of contraction. Maryland housing starts increased 4.2 percent since September 2007.

Drilling down further, payroll employment grew across the state's major metro areas as the Baltimore-Towson MSA added 3,900 jobs (0.3 percent), the Bethesda-Frederick metro division added 500 jobs (0.1 percent), the Hagerstown MSA added 700 jobs (0.7 percent), and the Salisbury MSA added 800 jobs (1.4 percent). Metro-level unemployment reports were more mixed, although relatively stable. The steepest change in unemployment was a 0.3 percentage point increase to 5.4 percent in Salisbury – the highest rate of the four major metro areas. In real estate markets, residential permitting activity pulled back in the Cumberland and Hagerstown MSAs, but picked up slightly in the Baltimore-Towson MSA. Commercial vacancy rates in Baltimore jumped up in the third quarter as office vacancies rose 1.2 percentage points to 13.6 percent and industrial vacancies rose 1.9 percentage points to 17.4 percent.

A Closer Look at...Prime Mortgage Performance

Seriously delinquent mortgages in Maryland (those more than 90 days past due, in foreclosure, or Real-Estate Owned) accounted for 2.66 percent of the state's prime mortgage pool in August. The state's rate registered slightly higher than the Fifth District (2.55 percent), but below the national mark of 3.33 percent. The Hagerstown metro area had the highest rate among Maryland's major MSAs – 3.68 percent – while the Baltimore-Towson MSA posted the lowest (2.21 percent). The Easton market fared best among the state's micropolitan areas with seriously delinquent mortgages accounting for 1.38 percent of the prime mortgage pool. On the flip side, the percentage of seriously delinquent prime mortgages in the Cambridge micropolitan area was estimated to be the highest in the state at 3.88 percent.



MARYLAND

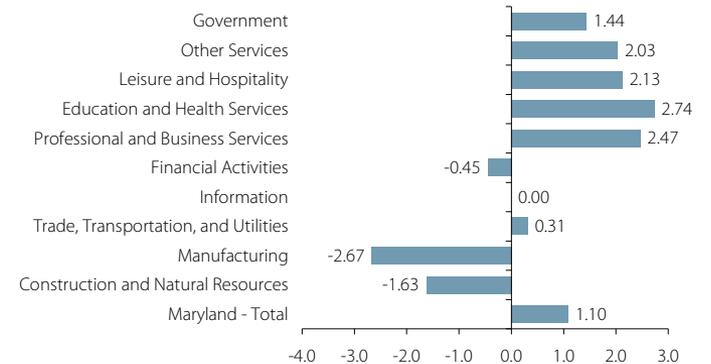
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	September	137,318.0	-0.12	-0.38
Fifth District - Total	September	13,996.0	-0.21	0.32
Maryland - Total	September	2,639.6	-0.04	1.10
Construction and Natural Resources	September	187.4	-0.53	-1.63
Manufacturing	September	127.5	-0.23	-2.67
Trade, Transportation, and Utilities	September	478.4	0.02	0.31
Information	September	51.0	0.20	0.00
Financial Activities	September	155.7	0.19	-0.45
Professional and Business Services	September	406.8	0.32	2.47
Education and Health Services	September	386.4	0.34	2.74
Leisure and Hospitality	September	239.9	0.00	2.13
Other Services	September	120.4	0.58	2.03
Government	September	486.1	-0.71	1.44
Baltimore-Towson MSA - Total	September	1,330.4	0.29	0.64
Bethesda-Frederick MSA - Total	September	582.7	0.09	0.92
Hagerstown MSA - Total	September	103.3	0.68	0.78
Salisbury MSA - Total	September	56.3	1.44	0.36

Unemployment Rate (SA)	September 08	August 08	September 07
United States	6.1	6.1	4.7
Fifth District	5.7	5.7	4.2
Maryland	4.6	4.5	3.6
Baltimore-Towson MSA	4.7	4.8	3.6
Bethesda-Frederick MSA	3.4	3.3	2.7
Hagerstown MSA	5.0	5.1	4.1
Salisbury MSA	5.4	5.1	3.8

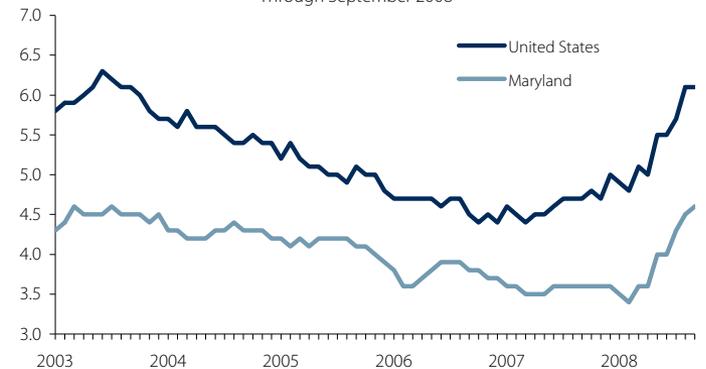
Maryland Payroll Employment Performance

Year-over-Year Percent Change through September 2008



Maryland Unemployment Rate

Through September 2008



MARYLAND

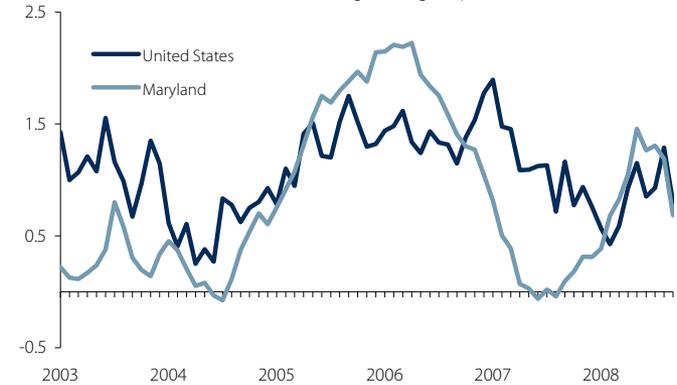
Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	154,732	-0.08	0.80
Fifth District	September	15,028	-0.02	1.14
Maryland	September	3,004	-0.41	0.68
Baltimore-Towson MSA	September	1,400	-1.26	0.26
Bethesda-Frederick MSA	September	636	-1.47	0.27
Hagerstown MSA	September	122	-0.73	1.00
Salisbury MSA	September	65	-1.22	1.88

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	September	1,512,898	-18.75	26.01
Fifth District	September	141,125	-23.69	30.95
Maryland	September	22,640	10.13	61.90

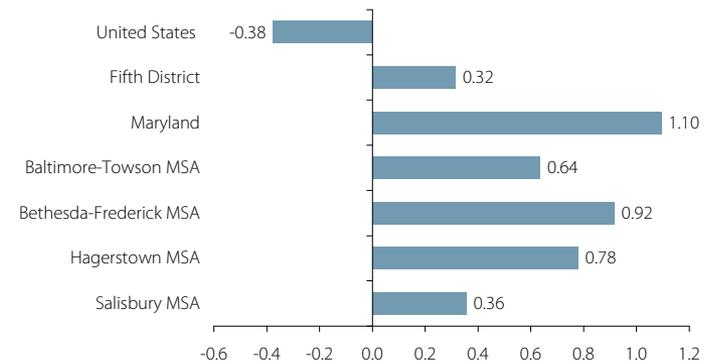
Maryland Labor Force

Year-over-Year Percent Change through September 2008



Maryland Total Employment Performance

Year-over-Year Percent Change through September 2008



MARYLAND

Household Conditions

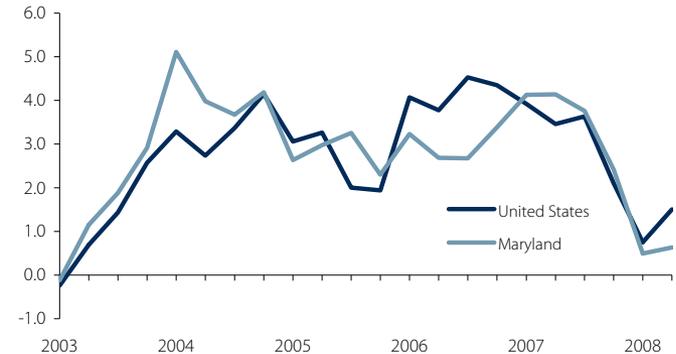
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	2Q:08	9,995,013	0.39	1.50
Fifth District	2Q:08	95,877	0.90	1.38
Maryland	2Q:08	224,104	0.44	0.63

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

Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	266,767	12.57	30.93
Fifth District	2Q:08	19,682	4.15	29.96
Maryland	2Q:08	4,135	-7.22	34.69

Mortgage Delinquencies (% Delinquent)	2Q:08	1Q:08	2Q:07
United States			
All Mortgages	6.22	5.64	5.06
Conventional	3.73	3.30	2.63
Subprime	18.21	17.05	14.54
Maryland			
All Mortgages	6.13	5.17	4.19
Conventional	3.60	2.90	2.06
Subprime	20.88	18.40	13.76

Maryland Real Personal Income
Year-over-Year Percent Change through 2Q:08



Maryland Mortgage Delinquencies - All
Percent Delinquent through 2Q:08



MARYLAND

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	September	68,790	-6.91	-29.61
Fifth District	September	8,488	-13.17	-29.11
Maryland	September	1,063	-5.43	12.13
Baltimore-Towson MSA	September	439	4.77	23.66
Cumberland MSA	September	9	-43.75	12.50
Hagerstown	September	70	-29.29	-40.17

Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	817.0	-6.31	-31.05
Fifth District	September	103.5	0.40	-33.35
Maryland	September	13.0	9.37	4.18

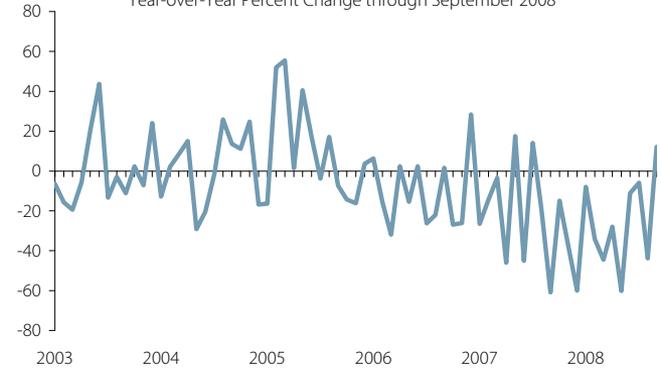
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	2Q:08	4,913.0	-0.81	-16.30
Fifth District	2Q:08	461.2	-4.63	-23.13
Maryland	2Q:08	64.4	-5.29	-30.00

Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Baltimore-Towson MSA	October	16,703	-5.09	-3.83

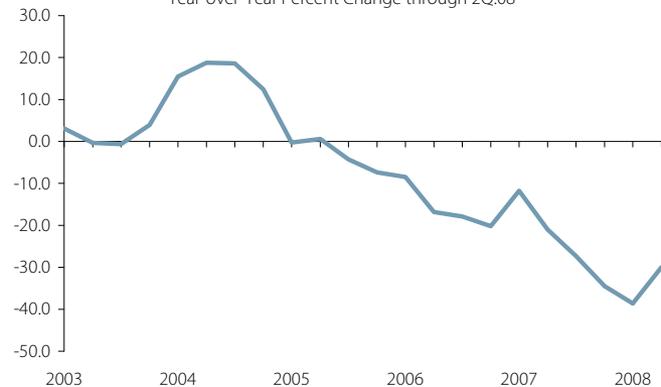
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Baltimore-Towson MSA	October	273,900	-0.39	-8.67

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	2Q:08	281	3.70	-4.49
Cumberland MSA	2Q:08	102	6.95	-7.14
Hagerstown MSA	2Q:08	193	0.21	-11.71

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



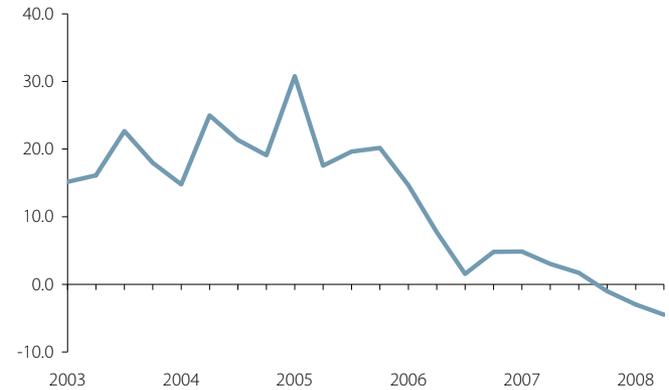
Maryland Existing Home Sales
Year-over-Year Percent Change through 2Q:08



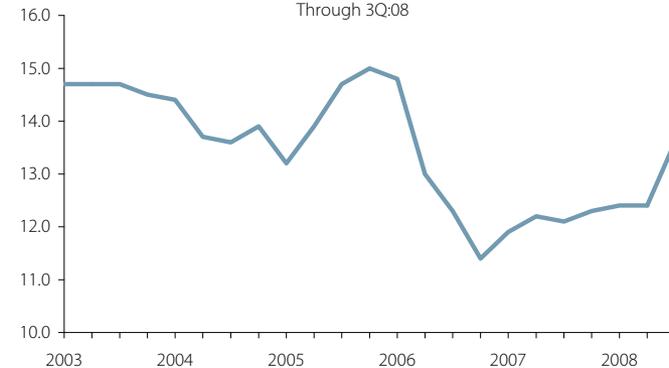
MARYLAND
Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	2Q:08	255	2.00	-2.30
Bethesda-Frederick MSA	2Q:08	365	-1.35	-12.05
Cumberland MSA	2Q:08	86	22.86	-5.49
Hagerstown MSA	2Q:08	200	0.00	-9.09
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	381	-1.44	-1.71
Fifth District	2Q:08	395	0.40	0.53
Maryland	2Q:08	518	-2.15	-4.02
Baltimore-Towson MSA (1995=100)	2Q:08	253	-1.42	-2.11
Bethesda-Frederick MSA (1995=100)	2Q:08	245	-2.96	-5.75
Cumberland MSA (1995=100)	2Q:08	188	3.06	0.77
Hagerstown MSA (1995=100)	2Q:08	232	-1.05	-4.77
Housing Opportunity Index ² (%)	2Q:08	1Q:08	2Q:07	
Baltimore-Towson MSA	55.5	57.2	49.0	
Bethesda-Frederick Metro Division	52.7	53.1	37.6	
Cumberland MSA	89.3	93.7	85.2	
Hagerstown MSA	62.3	61.9	41.9	
Commercial Vacancy Rates (%)	3Q:08	2Q:08	3Q:07	
Office Vacancies				
Baltimore	13.6	12.4	12.1	
Industrial Vacancies				
Baltimore	17.4	15.5	14.6	

Baltimore-Towson MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 2Q:08



Baltimore-Towson MSA Office Vacancy Rate
Through 3Q:08



NORTH CAROLINA

November Summary

The North Carolina economy softened in September as payroll employment declined and real estate activity slowed a bit further.

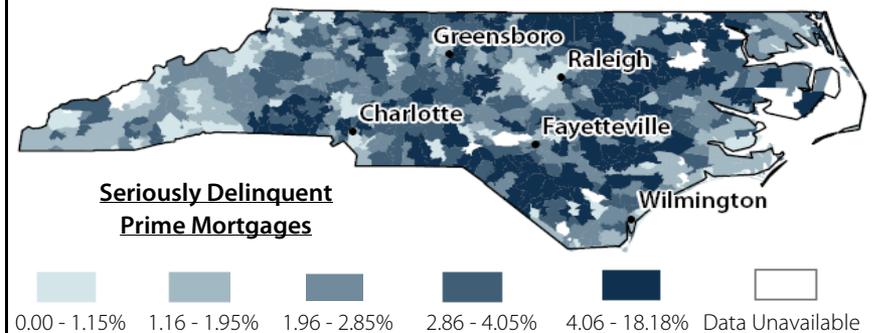
North Carolina labor markets weakened in September. The state shed 7,400 jobs (0.2 percent) over the month and 3,500 jobs (0.1 percent) over the year for the first year-over-year payroll decline since February 2004. Only the information services and education and health services industries saw measurable payroll gains (0.1 percent and 0.3 percent, respectively) in September. Although employment in various service sector industries declined over the month, the largest cuts came from the manufacturing industry (3,500 jobs), the construction industry (300 jobs), and the government sector (3,900 jobs). Additionally, the state unemployment rate inched up 0.1 percentage point to 7.0 percent in September – the highest joblessness in the state since January 2002.

In real estate markets, residential permit levels decreased for the second straight month, falling 11.7 percent in September. In addition, North Carolina has seen almost two years of consecutive year-over-year decline in permitting activity, with September marking the largest fall in 2008. Housing starts rose 2.2 percent in September after last month's decline of 37.2 percent, but were down 44.5 percent since September 2007.

North Carolina's metro areas fared a bit better than the overall state in recent months. Payroll employment grew in the Charlotte, Durham, and Greensboro-High Point metro areas, but fell in the Raleigh-Cary MSA. The unemployment rate fell in all four metro areas. September residential permitting activity was down across the board in the state's major metro areas, with the Raleigh-Cary MSA posting the largest drop of 51.9 percent. Meanwhile, office vacancies in Charlotte rose 0.3 percentage point to end the third quarter at 12.4 percent, while the industrial vacancy rate fell 0.5 percentage point to 9.4 percent.

A Closer Look at...Prime Mortgage Performance

The percentage of North Carolina prime mortgages that were seriously delinquent (more than 90 days past due, in foreclosure, or Real-Estate Owned) reached 2.42 percent in August – below both the 2.55 percent District mark and the 3.33 percent national mark. Looking across the state, the highest seriously delinquent prime mortgage rate among North Carolina's metropolitan and micropolitan areas was 7.26 percent in Henderson; the lowest was Boone, estimated at 1.02 percent. Among the major metro areas, the percentage of serious delinquencies in the Raleigh-Cary and Durham MSAs were below the state's rate in August, at 1.65 percent and 2.32 percent, respectively, and the Charlotte and Greensboro MSAs posted marks above North Carolina's at 2.58 percent and 2.71 percent, respectively. Twelve micro and metro areas recorded lower rates than the North Carolina rate; 28 recorded marks that were higher.



NORTH CAROLINA

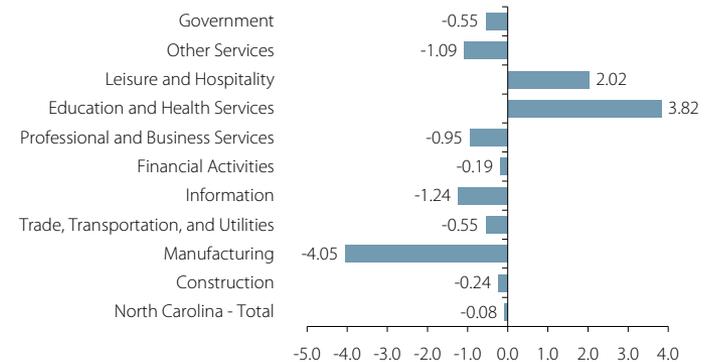
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	September	137,318.0	-0.12	-0.38
Fifth District - Total	September	13,996.0	-0.21	0.32
North Carolina - Total	September	4,160.8	-0.18	-0.08
Construction	September	254.2	-0.12	-0.24
Manufacturing	September	513.9	-0.68	-4.05
Trade, Transportation, and Utilities	September	775.8	-0.05	-0.55
Information	September	71.9	0.14	-1.24
Financial Activities	September	211.2	-0.24	-0.19
Professional and Business Services	September	499.5	-0.12	-0.95
Education and Health Services	September	537.6	0.30	3.82
Leisure and Hospitality	September	403.4	0.05	2.02
Other Services	September	182.3	-0.05	-1.09
Government	September	704.1	-0.55	-0.55
Charlotte MSA - Total	September	878.2	0.37	1.56
Durham MSA - Total	September	293.8	0.44	0.93
Greensboro-High Point MSA - Total	September	376.0	0.16	0.59
Raleigh-Cary MSA - Total	September	531.7	-0.17	1.86

Unemployment Rate (SA)	September 08	August 08	September 07
United States	6.1	6.1	4.7
Fifth District	5.7	5.7	4.2
North Carolina	7.0	6.9	4.7
Charlotte MSA	6.8	7.1	4.6
Durham MSA	5.2	5.4	3.6
Greensboro-High Point MSA	6.9	7.1	4.5
Raleigh-Cary MSA	5.3	5.4	3.4

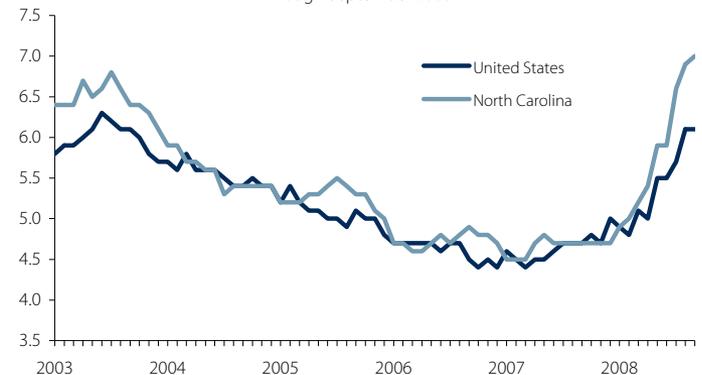
North Carolina Payroll Employment Performance

Year-over-Year Percent Change through September 2008



North Carolina Unemployment Rate

Through September 2008



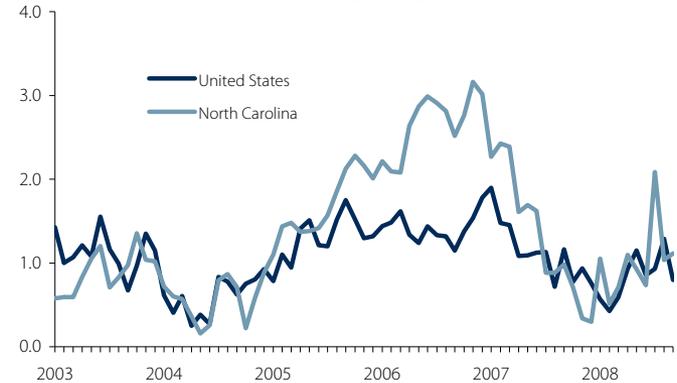
NORTH CAROLINA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	154,732	-0.08	0.80
Fifth District	September	15,028	-0.02	1.14
North Carolina	September	4,579	0.23	1.11
Charlotte MSA	September	854	-0.35	1.57
Durham MSA	September	257	-0.23	0.08
Greensboro-High Point MSA	September	365	-0.57	0.39
Raleigh-Cary MSA	September	550	-0.65	0.99

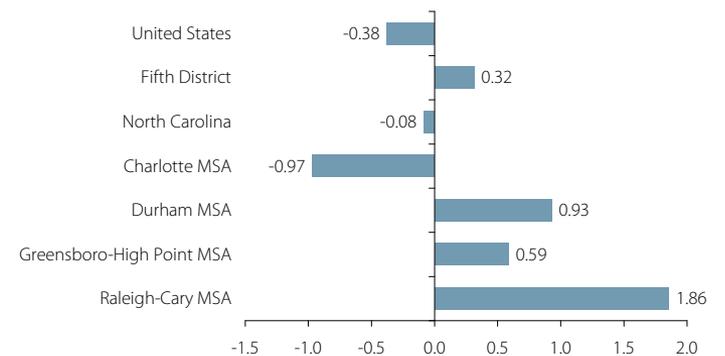
Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	September	1,512,898	-18.75	26.01
Fifth District	September	141,125	-23.69	30.95
North Carolina	September	69,597	9.06	73.35

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



North Carolina Total Employment Performance

Year-over-Year Percent Change through September 2008



NORTH CAROLINA

Household Conditions

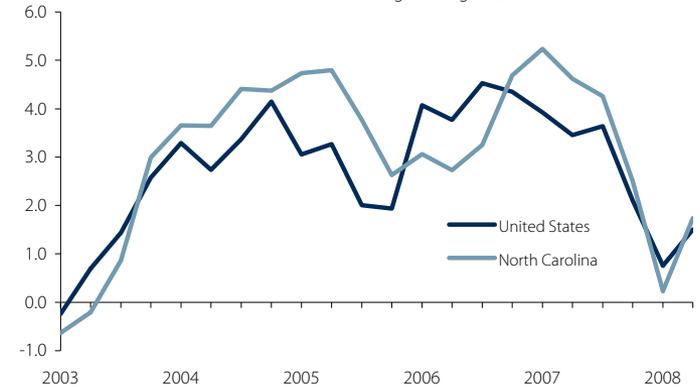
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	2Q:08	9,995,013	0.39	1.50
Fifth District	2Q:08	956,877	0.90	1.38
North Carolina	2Q:08	262,754	1.29	1.74

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

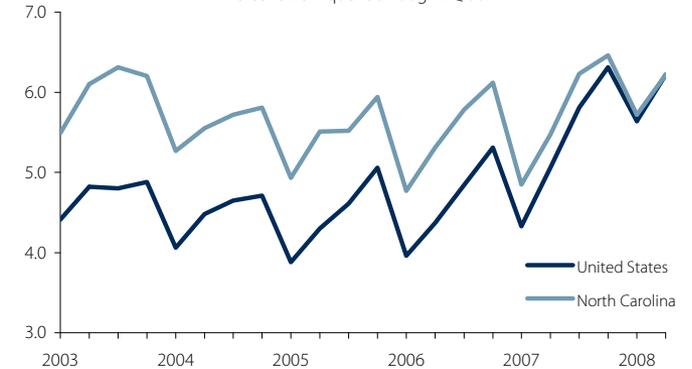
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	266,767	12.57	30.93
Fifth District	2Q:08	19,682	4.15	29.96
North Carolina	2Q:08	5,246	3.43	13.43

Mortgage Delinquencies (% Delinquent)	2Q:08	1Q:08	2Q:07
United States			
All Mortgages	6.22	5.64	5.06
Conventional	3.73	3.30	2.63
Subprime	18.21	17.05	14.54
North Carolina			
All Mortgages	6.22	5.72	5.47
Conventional	3.62	3.30	2.97
Subprime	18.78	17.24	15.49

North Carolina Real Personal Income
Year-over-Year Percent Change through 2Q:08



North Carolina Mortgage Delinquencies - All
Percent Delinquent through 2Q:08



NORTH CAROLINA

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	September	68,790	-6.91	-29.61
Fifth District	September	8,488	-13.17	-29.11
North Carolina	September	3,692	-11.65	-40.31
Charlotte MSA	September	558	-48.76	-64.05
Durham MSA	September	147	-9.26	-26.50
Greensboro-High Point MSA	September	159	-20.90	-58.38
Raleigh-Cary MSA	September	376	-51.86	-77.10

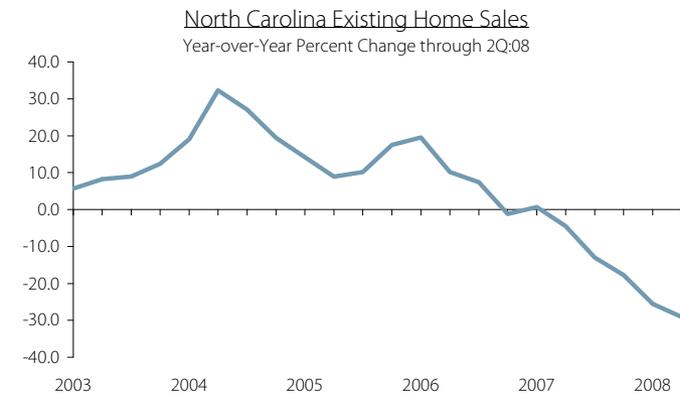
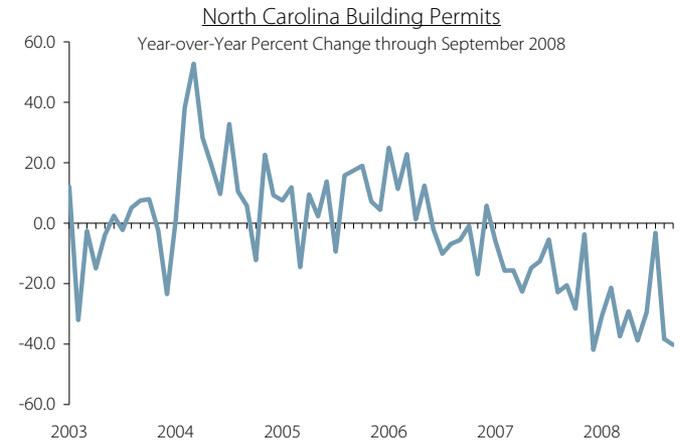
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	817.0	-6.31	-31.05
Fifth District	September	103.5	0.40	-33.35
North Carolina	September	45.0	2.16	-44.52

Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	2Q:08	4,913.0	-0.81	-16.30
Fifth District	2Q:08	461.2	-4.63	-23.13
North Carolina	2Q:08	164.0	-9.69	-29.07

Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Raleigh-Cary MSA	October	12,552	1.41	17.64

Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Raleigh-Cary MSA	October	249,900	-0.62	-0.17

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	2Q:08	201	4.46	-2.89
Durham MSA	2Q:08	186	4.32	3.22
Greensboro-High Point MSA	2Q:08	153	7.66	-1.98
Raleigh-Cary MSA	2Q:08	213	-6.53	-5.29



NORTH CAROLINA

Real Estate Conditions

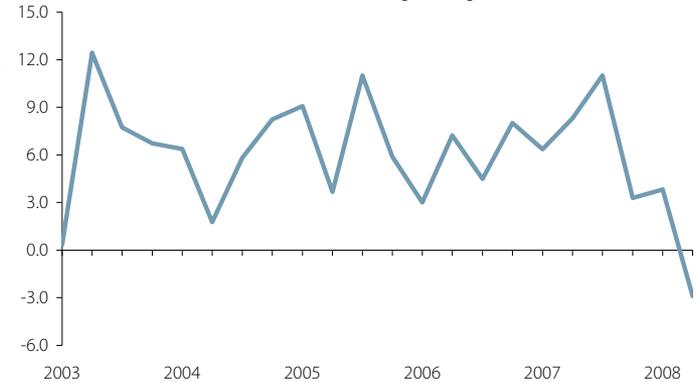
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	2Q:08	170	1.80	-2.86
Durham MSA	2Q:08	181	3.43	-2.16
Greensboro-High Point MSA	2Q:08	138	-1.43	1.47
Raleigh-Cary MSA	2Q:08	208	-0.95	-11.49

House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	381	-1.44	-1.71
Fifth District	2Q:08	395	0.47	0.53
North Carolina	2Q:08	349	0.63	3.59
Charlotte MSA (1995=100)	2Q:08	185	1.20	5.24
Durham MSA (1995=100)	2Q:08	180	1.58	4.09
Greensboro-High Point MSA (1995=100)	2Q:08	159	-0.04	2.81
Raleigh-Cary MSA (1995=100)	2Q:08	172	1.24	4.85

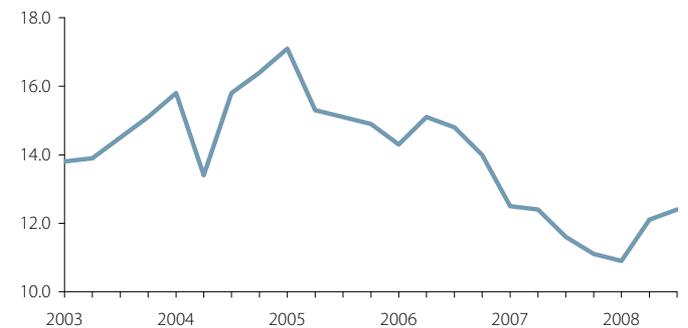
Housing Opportunity Index ² (%)	2Q:08	1Q:08	2Q:07
Charlotte MSA	66.4	68.7	61.5
Durham MSA	63.6	66.0	57.7
Greensboro-High Point MSA	74.1	74.3	74.4
Raleigh-Cary MSA	66.8	65.6	52.6

Commercial Vacancy Rates (%)	3Q:08	2Q:08	3Q:07
Office Vacancies			
Raleigh/Durham	14.6	14.6	13.7
Charlotte	12.4	12.1	12.4
Industrial Vacancies			
Raleigh/Durham	---	16.1	15.7
Charlotte	9.4	9.9	13.2

Charlotte MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 2Q:08



Charlotte MSA Office Vacancy Rate
Through 3Q:08



SOUTH CAROLINA

November Summary

Economic conditions in South Carolina were mixed, according to recent data, as both labor and real estate market indicators varied.

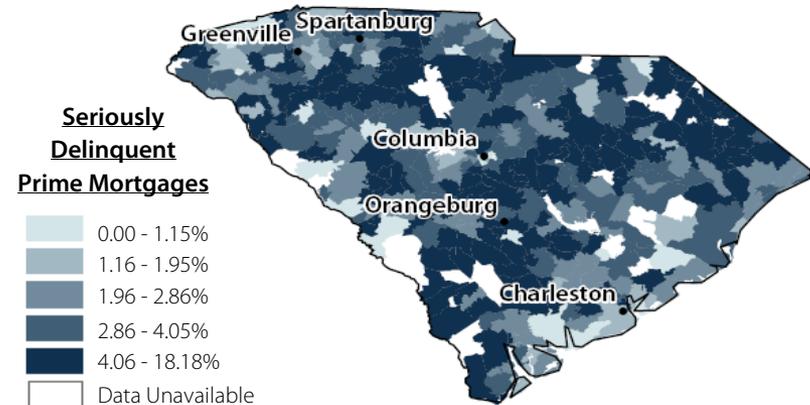
In labor markets, payroll employment fell 0.8 percent in September as firms shed 14,800 jobs for the largest monthly loss in South Carolina since June 2006. Year-over-year employment in the state also declined (0.7 percent), for the second straight month. Only the information, financial activities, and education and health services industries added payrolls over the month; all other sectors posted losses, led by the government sector, which shed 5,300 jobs (1.5 percent). The household survey, however, reported a 0.3 percentage point fall in the unemployment rate, which ended September at 7.3 percent – still the highest unemployment rate of all jurisdictions in the Fifth District, and a 1.4 percentage point increase since September 2007.

On the housing front, residential permitting activity in South Carolina fell 5.7 percent in September for the second month of decline. Housing starts rose 9.0 percent after last month's decline of 34.9 percent. September marked the sixteenth and seventeenth straight month of year-over-year decline in permit levels and housing starts, respectively.

Metro-level conditions in South Carolina were also mixed. Payroll employment fell in the Charleston (0.9 percent) and Columbia (0.5 percent) MSAs, but grew in the Greenville (0.6 percent) and Spartanburg (0.4 percent) MSAs. September unemployment rates dropped at least 0.3 percentage point in all four metro areas. As at the state level, residential permit levels were down in the four major metro areas of South Carolina, with the sharpest pullback in the Columbia MSA (43.9 percent). On the other hand, commercial vacancy rates were down across the board in the third quarter, with the office and industrial vacancy rates in Charleston each edging down 0.2 percentage point, and industrial vacancies in Greenville falling a full percentage point.

A Closer Look at... Prime Mortgage Performance

In August, 2.85 percent of prime mortgages in South Carolina had payments more than 90 days past due, were in foreclosure, or were Real-Estate Owned, and were thus considered "seriously delinquent". At the metro level seriously delinquent estimates were mixed. The Charleston MSA registered markedly below the state's rate at 2.36 percent, the Greenville MSA fared slightly better than the state at 2.68 percent, and the Columbia and Spartanburg MSAs experienced higher rates of 3.08 percent and 3.20 percent, respectively. South Carolina's micropolitan areas generally saw higher shares of seriously delinquent mortgages than metropolitan areas – seven of the state's thirteen micropolitan areas were estimated to have rates above four percent, while the highest seriously delinquent rate of the state's ten metropolitan areas was 3.96 percent in the Sumter MSA.



SOUTH CAROLINA

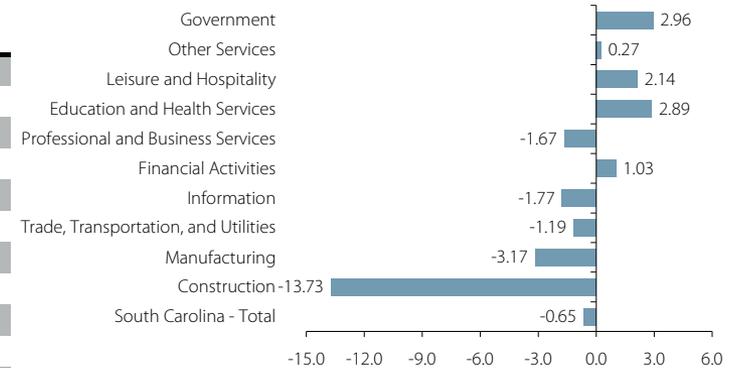
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	September	137,318.0	-0.12	-0.38
Fifth District - Total	September	13,996.0	-0.21	0.32
South Carolina - Total	September	1,946.0	-0.75	-0.65
Construction	September	111.2	-0.18	-13.73
Manufacturing	September	241.4	-0.90	-3.17
Trade, Transportation, and Utilities	September	372.6	-0.72	-1.19
Information	September	27.7	0.73	-1.77
Financial Activities	September	108.3	0.28	1.03
Professional and Business Services	September	223.8	-0.36	-1.67
Education and Health Services	September	210.0	0.19	2.89
Leisure and Hospitality	September	224.2	-1.45	2.14
Other Services	September	74.7	-1.58	0.27
Government	September	347.7	-1.50	2.96
Charleston MSA - Total	September	298.4	-0.93	-0.10
Columbia MSA - Total	September	365.2	-0.54	-0.33
Greenville MSA - Total	September	324.2	0.59	1.80
Spartanburg MSA - Total	September	128.0	0.39	2.33

Unemployment Rate (SA)	September 08	August 08	September 07
United States	6.1	6.1	4.7
Fifth District	5.7	5.7	4.2
South Carolina	7.3	7.6	5.9
Charleston MSA	6.1	6.4	4.8
Columbia MSA	6.4	6.8	5.4
Greenville MSA	6.3	6.7	5.4
Spartanburg MSA	7.3	8.1	6.0

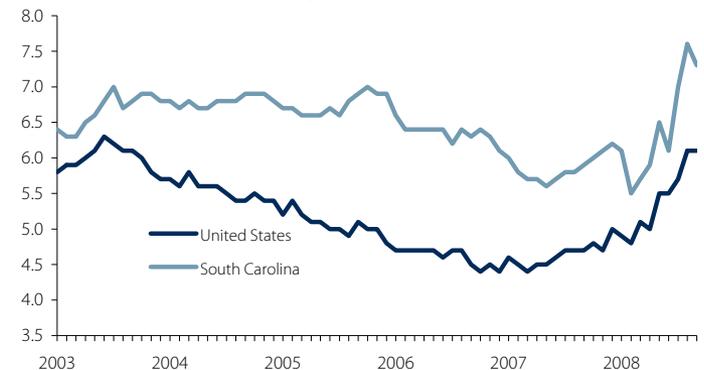
South Carolina Payroll Employment Performance

Year-over-Year Percent Change through September 2008



South Carolina Unemployment Rate

Through September 2008



SOUTH CAROLINA

Labor Market Conditions

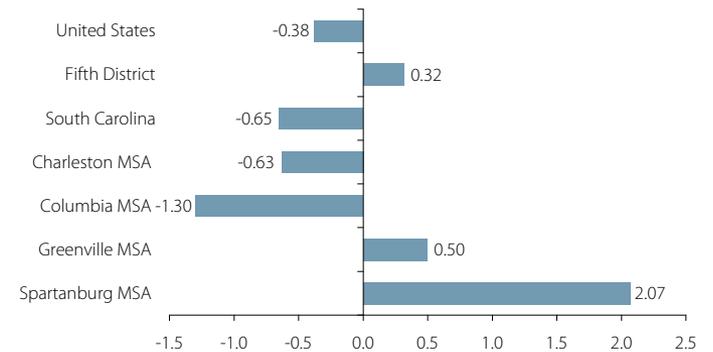
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	154,732	-0.08	0.80
Fifth District	September	15,028	-0.02	1.14
South Carolina	September	2,159	-0.27	0.79
Charleston MSA	September	315	-1.72	0.54
Columbia MSA	September	368	-1.31	-0.32
Greenville-Spartanburg MSA	September	319	-0.34	1.30

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	September	1,512,898	-18.75	26.01
Fifth District	September	141,125	-23.69	30.95
South Carolina	September	32,603	11.78	45.40

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



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



SOUTH CAROLINA

Household Conditions

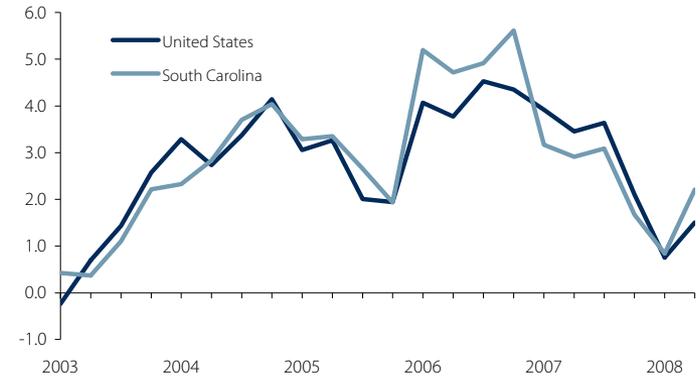
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	2Q:08	9,995,013	0.39	1.50
Fifth District	2Q:08	956,877	0.90	1.38
South Carolina	2Q:08	118,450	1.53	2.21

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

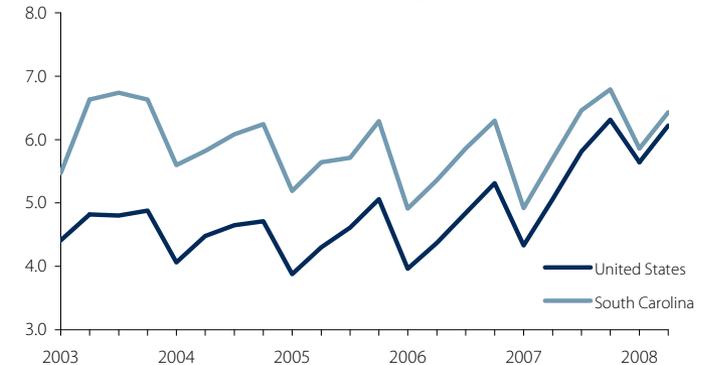
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	266,767	12.57	30.93
Fifth District	2Q:08	19,682	4.15	29.96
South Carolina	2Q:08	1907	2.80	8.91

Mortgage Delinquencies (% Delinquent)	2Q:08	1Q:08	2Q:07
United States			
All Mortgages	6.22	5.64	5.06
Conventional	3.73	3.30	2.63
Subprime	18.21	17.05	14.54
South Carolina			
All Mortgages	6.43	5.86	5.70
Conventional	3.99	3.60	3.33
Subprime	19.22	17.48	15.57

South Carolina Real Personal Income
Year-over-Year Percent Change through 2Q:08



South Carolina Mortgage Delinquencies - All
Percent Delinquent through 2Q:08



SOUTH CAROLINA

Real Estate Conditions

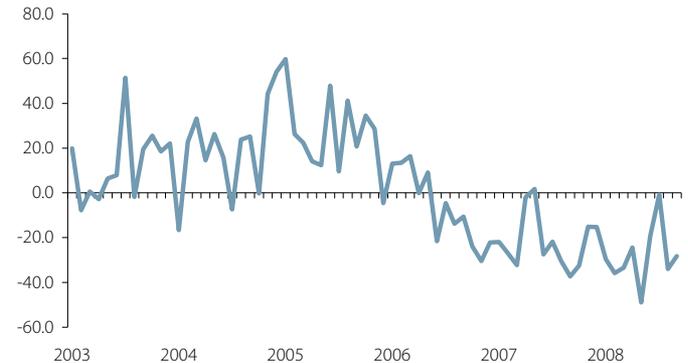
Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	September	68,790	-6.91	-29.61
Fifth District	September	8,488	-13.17	-29.11
South Carolina	September	1,812	-5.72	-28.18
Charleston MSA	September	294	-23.04	-50.92
Columbia MSA	September	288	-43.86	-26.15
Greenville MSA	September	163	-10.44	-43.40
Spartanburg MSA	September	68	-6.85	-28.42

Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	817.0	-6.31	-31.05
Fifth District	September	103.5	0.40	-33.35
South Carolina	September	22.1	8.98	-33.24

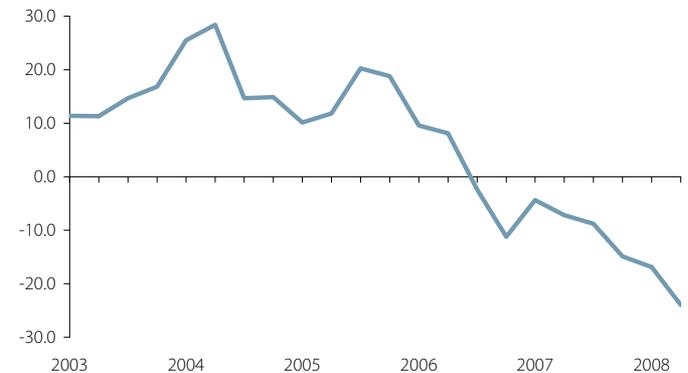
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	2Q:08	4,913.0	-0.81	-16.30
Fifth District	2Q:08	461.2	-4.63	-23.13
South Carolina	2Q:08	86.4	-8.47	-23.94

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charleston MSA	2Q:08	215	6.80	-3.63
Columbia MSA	2Q:08	150	5.58	0.81
Greenville MSA	2Q:08	160	3.75	5.11
Spartanburg MSA	2Q:08	130.2	-0.08	-2.25

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



South Carolina Existing Home Sales
Year-over-Year Percent Change through 2Q:08



SOUTH CAROLINA

Real Estate Conditions

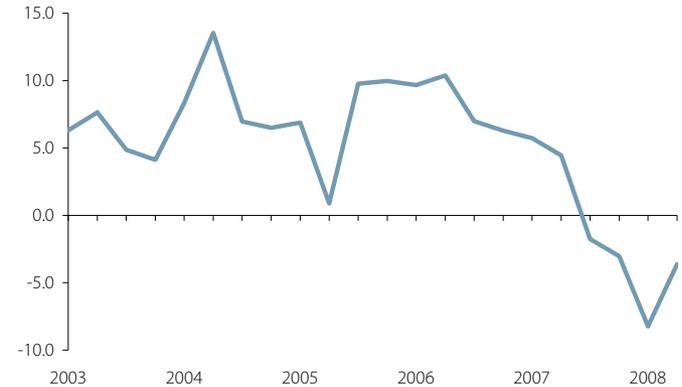
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charleston MSA	2Q:08	205	4.06	-8.89
Columbia MSA	2Q:08	148	8.03	5.71
Greenville MSA	2Q:08	154	6.94	2.67

House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	381	-1.44	-1.71
Fifth District	2Q:08	395	0.47	0.53
South Carolina	2Q:08	330	0.44	3.28
Charleston MSA (1995=100)	2Q:08	275	0.21	1.40
Columbia MSA (1995=100)	2Q:08	179	0.83	3.79
Greenville MSA (1995=100)	2Q:08	174	1.87	5.78
Spartanburg MSA (1995=100)	2Q:08	159	0.25	0.25

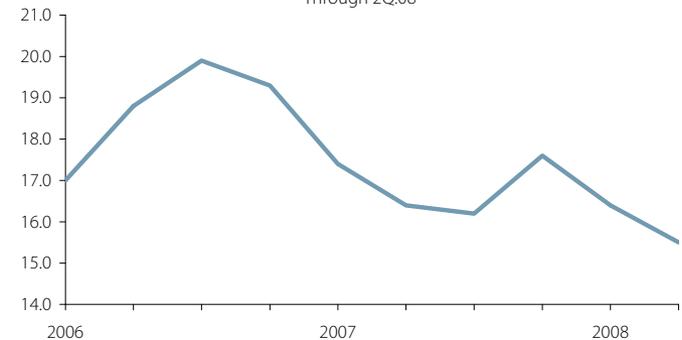
Housing Opportunity Index ² (%)	2Q:08	1Q:08	2Q:07
Charleston MSA	53.8	57.8	41.5
Columbia MSA	71.7	77.2	73.7
Greenville MSA	69.1	73.7	66.5

Commercial Vacancy Rates (%)	3Q:08	2Q:08	3Q:07
Office Vacancies			
Charleston	17.7	17.9	14.8
Columbia	---	15.5	16.2
Greenville	---	9.4	10.6
Industrial Vacancies			
Charleston	13.2	13.4	10.6
Greenville	13.3	14.3	17.5

Charleston MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 2Q:08



Columbia MSA Office Vacancy Rate
Through 2Q:08



VIRGINIA

November Summary

Recent reports on economic conditions in Virginia were somewhat downbeat, as payroll employment stagnated and the housing sector remained weak.

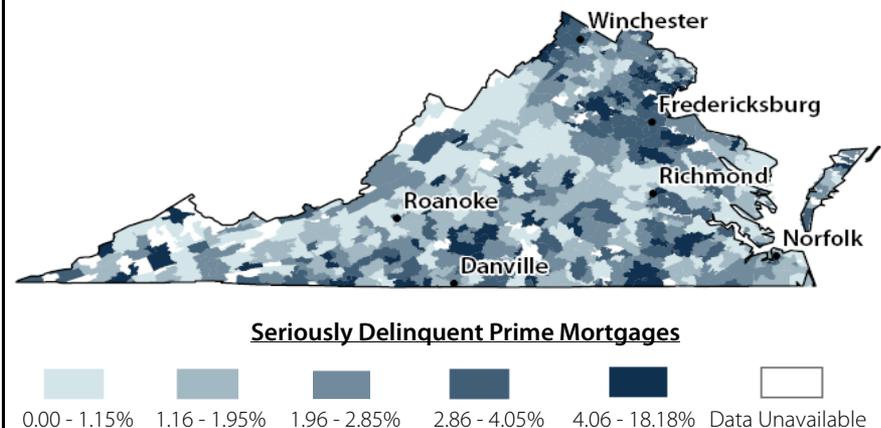
On the employment front, September payrolls in Virginia flatlined for the second month in a row as job losses in construction, financial activities, professional and business services, and education and health services were offset by gains in other sectors of the economy. The Virginia government sector, which added 800 jobs (0.1 percent) over September, was the only government sector in the Fifth District to add payrolls in the month. Meanwhile, the Commonwealth's unemployment rate fell 0.3 percentage point to 4.3 percent in September. Although 1.2 percentage points above its year-ago mark, Virginia posted the lowest unemployment rate of all Fifth District jurisdictions.

Real estate conditions in Virginia softened further in September. Residential permitting activity fell 21.0 percent in the month and 10.8 percent over the year for the third and eighth straight months of decline, respectively. Housing starts were also down, pulling back 8.7 percent in September.

Drilling down, conditions in Virginia's metro areas varied. Payrolls expanded in the Lynchburg and Roanoke MSAs, but stagnated in the Richmond MSA, and declined in the Virginia Beach MSA. The unemployment rate dropped at least 0.4 percentage point in each of the state's major metro areas, although joblessness remained above each area's year-ago level. In real estate, residential permit levels fell in September across the state's major metro areas, with the largest drop in the Virginia Beach-Norfolk MSA (36.0 percent). Turning to commercial vacancy rates, office vacancies in Richmond rose 0.7 percentage point in the third quarter, and the industrial vacancy rate inched up 0.1 percentage point, to 14.1 and 7.2 percent, respectively.

A Closer Look at...Prime Mortgage Performance

Seriously delinquent mortgages in Virginia (those more than 90 days past due, in foreclosure, or Real-Estate Owned) accounted for 2.46 percent of the state's prime mortgage pool in August. Looking at the metro level, Virginia is home to two of the three MSAs in the Fifth District that posted seriously delinquent rates on prime mortgages below one percent – Harrisonburg (0.81 percent) and Charlottesville (0.87 percent). On the other hand, the area of northern Virginia included in the Washington D.C., MSA had a notably higher rate than the state as a whole: the portion of prime mortgages that were seriously delinquent in that part of Virginia was 3.07 percent.



VIRGINIA

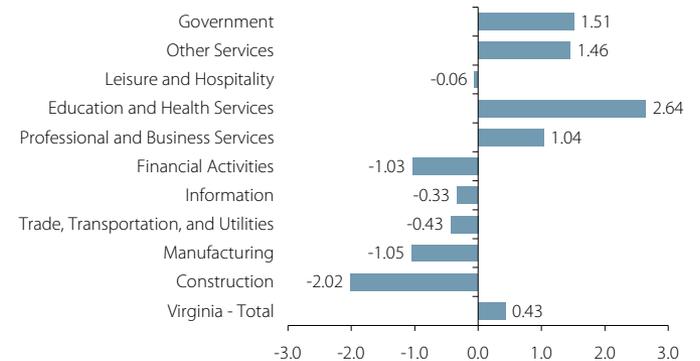
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	September	137,318.0	-0.12	-0.38
Fifth District - Total	September	13,996.0	-0.21	0.32
Virginia - Total	September	3,782.8	0.03	0.43
Construction	September	233.3	-0.55	-2.02
Manufacturing	September	273.8	0.18	-1.05
Trade, Transportation, and Utilities	September	667.2	0.12	-0.43
Information	September	90.1	0.22	-0.33
Financial Activities	September	191.4	-0.42	-1.03
Professional and Business Services	September	652.6	-0.14	1.04
Education and Health Services	September	430.8	-0.21	2.64
Leisure and Hospitality	September	345.9	0.20	-0.06
Other Services	September	187.8	-0.42	1.46
Government	September	699.3	0.11	1.51
Lynchburg MSA - Total	September	111.7	1.36	2.20
Richmond MSA - Total	September	634.7	-0.03	0.25
Roanoke MSA - Total	September	164.2	0.12	0.55
Virginia Beach-Norfolk MSA - Total	September	792.5	-0.19	2.19

Unemployment Rate (SA)	September 08	August 08	September 07
United States	6.1	6.1	4.7
Fifth District	5.7	5.7	4.2
Virginia	4.3	4.6	3.1
Lynchburg MSA	4.3	5.0	3.2
Richmond MSA	4.6	5.0	3.1
Roanoke MSA	4.0	4.5	3.2
Virginia Beach-Norfolk MSA	4.4	4.8	3.3

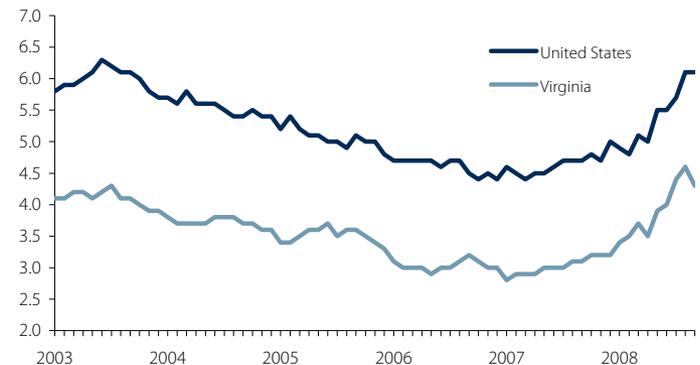
Virginia Payroll Employment Performance

Year-over-Year Percent Change through September 2008



Virginia Unemployment Rate

Through September 2008



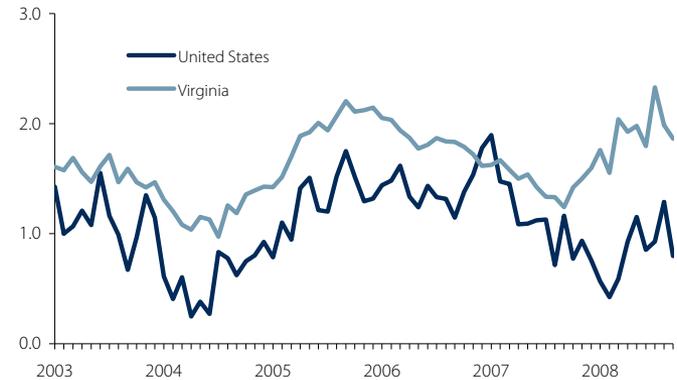
VIRGINIA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	154,732	-0.08	0.80
Fifth District	September	15,028	-0.02	1.14
Virginia	September	4,143	-0.03	1.86
Lynchburg MSA	September	125	-0.64	2.38
Richmond MSA	September	650	-1.26	1.34
Roanoke MSA	September	157	-1.13	1.09
Virginia Beach-Norfolk MSA	September	839	-1.55	2.83

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	September	1,512,898	-18.75	26.01
Fifth District	September	141,125	-23.69	30.95
Virginia	September	26,735	27.45	77.77

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



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



VIRGINIA

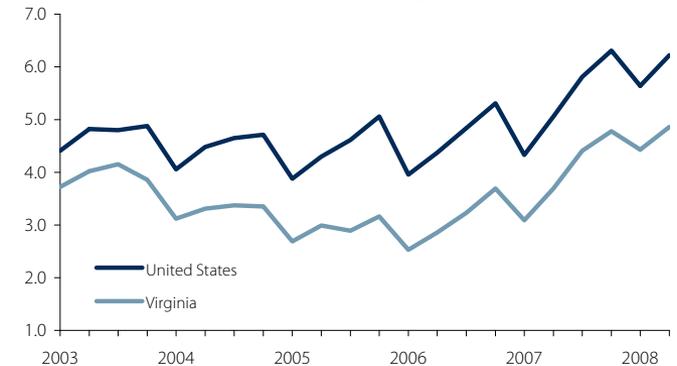
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	2Q:08	9,995,013	0.39	1.50
Fifth District	2Q:08	956,877	0.90	1.38
Virginia	2Q:08	274,495	0.62	1.06
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Richmond MSA	2008	69.3	---	0.87
Roanoke MSA	2007	56.3	---	---
Virginia Beach-Norfolk MSA	2008	65.1	---	1.56
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	266,767	12.57	30.93
Fifth District	2Q:08	19,682	4.15	29.96
Virginia	2Q:08	6,805	10.90	53.96
Mortgage Delinquencies (% Delinquent)	2Q:08	1Q:08	2Q:07	
United States				
All Mortgages	6.22	5.64	5.06	
Conventional	3.73	3.30	2.63	
Subprime	18.21	17.05	14.54	
Virginia				
All Mortgages	4.86	4.43	3.69	
Conventional	2.92	2.61	1.89	
Subprime	18.15	17.07	13.40	

Virginia Real Personal Income
Year-over-Year Percent Change through 2Q:08



Virginia Mortgage Delinquencies - All
Percent Delinquent through 2Q:08

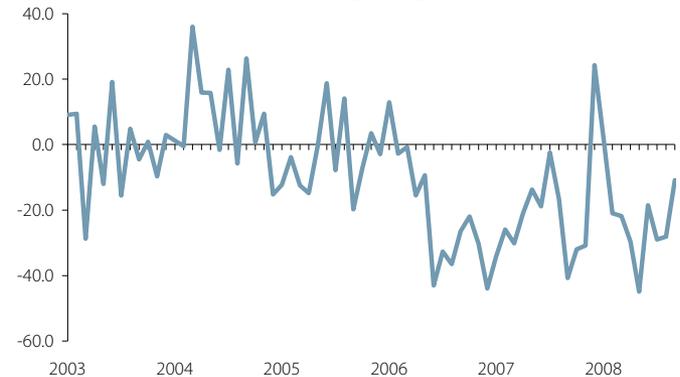


VIRGINIA

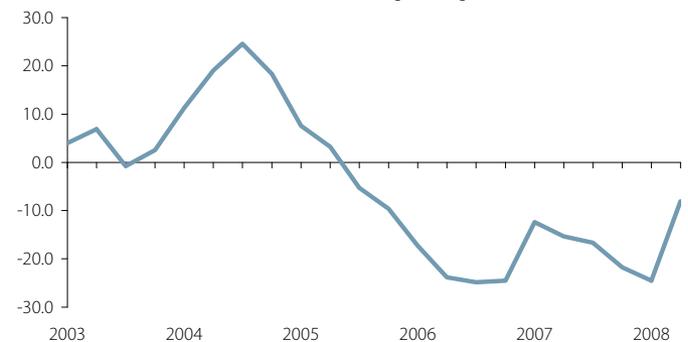
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	September	68,790	-6.91	-29.61
Fifth District	September	8,488	-13.17	-29.11
Virginia	September	1,711	-21.01	-10.84
Lynchburg MSA	September	52	-1.89	-13.33
Richmond MSA	September	324	-9.50	-16.06
Roanoke MSA	September	43	-14.00	-20.37
Virginia Beach-Norfolk MSA	September	373	-36.02	6.27
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	817.0	-6.31	-31.05
Fifth District	September	103.5	0.40	-33.35
Virginia	September	20.9	-8.67	-17.12
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	2Q:08	4,913.0	-0.81	-16.30
Fifth District	2Q:08	461.2	-4.63	-23.13
Virginia	2Q:08	113.2	10.55	-8.12
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	October	14,501	2.36	1.65
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	October	299,900	0.76	-7.51

Virginia Building Permits
Year-over-Year Percent Change through September 2008



Virginia Existing Home Sales
Year-over-Year Percent Change through 2Q:08

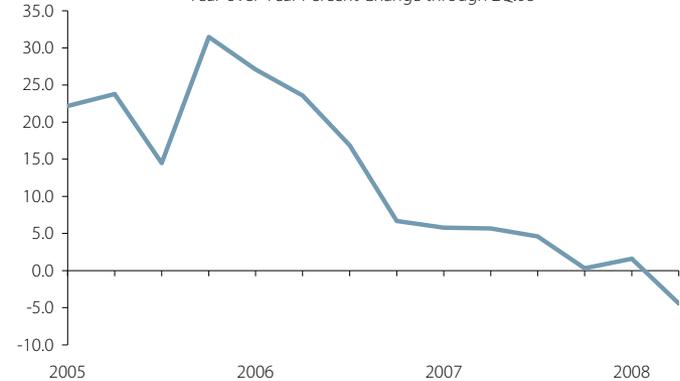


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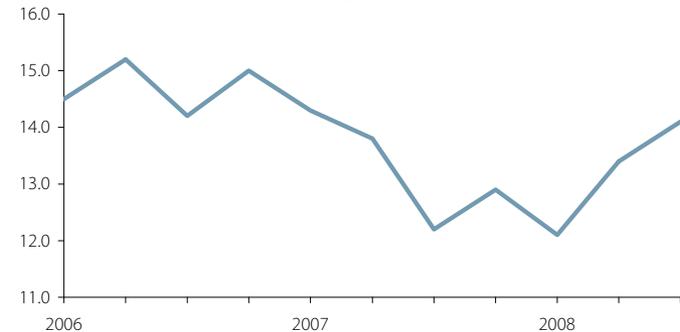
Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	2Q:08	---	---	---
Virginia Beach-Norfolk MSA	2Q:08	240	0.88	-4.43
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	2Q:08	224	-2.61	0.45
Virginia Beach-Norfolk MSA	2Q:08	217	-1.36	-2.69
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	381	-1.44	-1.71
Fifth District	2Q:08	395	0.47	0.53
Virginia	2Q:08	463	-1.91	-2.60
Lynchburg MSA (1995=100)	2Q:08	197	0.46	3.26
Richmond MSA (1995=100)	2Q:08	222	-1.07	-0.39
Roanoke MSA (1995=100)	2Q:08	199	-0.44	2.52
Virginia Beach-Norfolk MSA (1995=100)	2Q:08	255	-1.21	-0.70
Housing Opportunity Index ² (%)	2Q:08	1Q:08	2Q:07	
Richmond MSA	60.6	59.7	53.1	
Roanoke MSA	---	---	46.7	
Virginia Beach-Norfolk MSA	51.7	56.5	48.5	
Commercial Vacancy Rates (%)	3Q:08	2Q:08	3Q:07	
Office Vacancies	Richmond	14.1	13.4	12.2
Industrial Vacancies	Richmond	7.2	7.1	7.3
Retail Vacancies	Richmond	5.8	5.7	5.8

Virginia Beach-Norfolk MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 2Q:08



Richmond MSA Office Vacancy Rate
Through 3Q:08



WEST VIRGINIA

November Summary

Economic conditions in West Virginia were mixed in recent months as labor market conditions varied and real estate indicators showed signs of slowing activity.

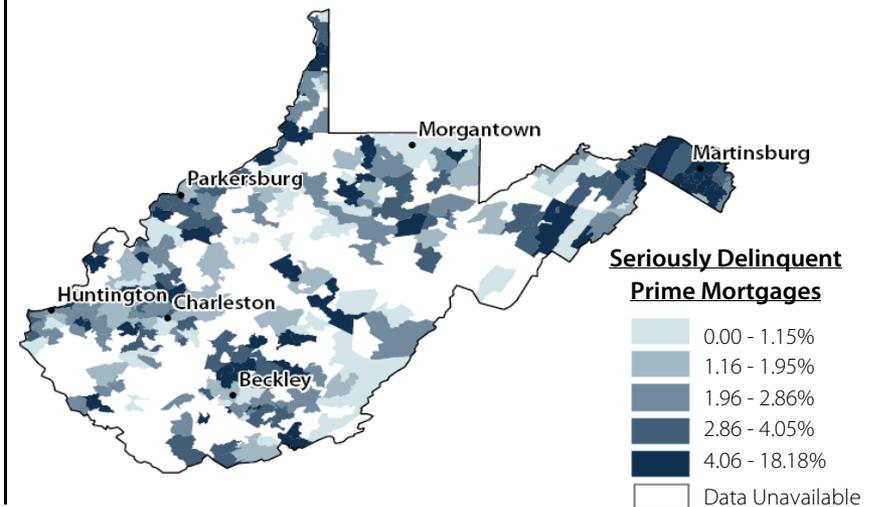
Payroll employment in West Virginia gained some traction in recent months. After two months of payroll cuts, firms added 1,500 jobs (0.2 percent) to the economy in September – the largest monthly increase in the state since October 1993. Hiring activity was most pronounced in the natural resources and mining industry (2.0 percent) and in the leisure and hospitality industry (2.1 percent). Despite the payroll growth, West Virginia’s unemployment rate rose 0.4 percentage point to 4.5 percent in September, reversing its 0.4 percentage point fall in August. With a 0.2 percentage point drop in the unemployment rate since September 2007, however, West Virginia was the only jurisdiction in the Fifth District to see a year-over-year decrease in joblessness.

In housing, residential permitting activity in West Virginia fell 44.4 percent in September for the steepest monthly decline in permitting activity since December 1999. Permit levels decreased 20.3 percent over the past year. Housing starts were also down in September and over the year (35.5 percent and 25.7 percent, respectively).

Conditions at the metro level were generally more upbeat. All four of the state’s major metro areas added payrolls in September, led by the Morgantown MSA, which added 2,400 jobs for an increase of 3.9 percent. Additionally, unemployment rates inched down across the major metro areas in September, although the rates in the Huntington and Parkersburg MSAs remained above their year-ago levels. Real estate activity was mixed. Residential permit levels in the Charleston and Parkersburg MSAs fell over the month, while permitting activity in the Huntington metro area was mostly flat, and activity in the Morgantown MSA increased 20.0 percent.

A Closer Look at...Prime Mortgage Performance

At 2.92 percent, West Virginia posted the highest rate of seriously delinquent prime mortgages (loans with payments more than 90 days past due, in foreclosure, or Real-Estate Owned) of all Fifth District jurisdictions in August. Still, West Virginia’s rate was below the national mark of 3.33 percent. At the metro level, seriously delinquent prime mortgages in the Charleston MSA were 2.30 percent of the prime mortgage pool, while the Morgantown metro area was one of three Fifth District MSAs to have a serious delinquency rate below one percent. In total, six out of fourteen micropolitan and metropolitan areas reported seriously delinquent rates above the overall state average.



WEST VIRGINIA

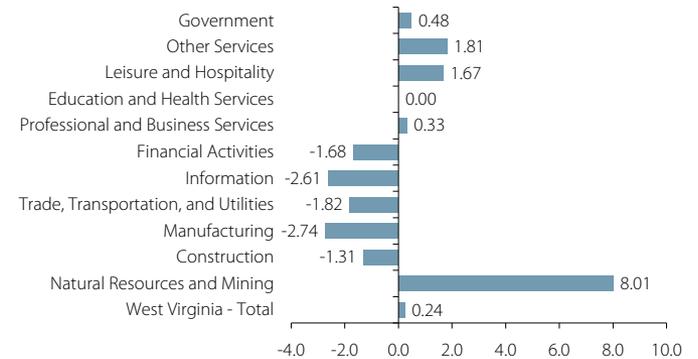
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	September	137,318.0	-0.12	-0.38
Fifth District - Total	September	13,996.0	-0.21	0.32
West Virginia - Total	September	759.0	0.20	0.24
Natural Resources and Mining	September	31.0	1.97	8.01
Construction	September	37.7	0.27	-1.31
Manufacturing	September	56.8	-0.87	-2.74
Trade, Transportation, and Utilities	September	140.5	-0.14	-1.82
Information	September	11.2	0.90	-2.61
Financial Activities	September	29.3	-0.34	-1.68
Professional and Business Services	September	61.1	0.16	0.33
Education and Health Services	September	116.6	0.00	0.00
Leisure and Hospitality	September	73.0	2.10	1.67
Other Services	September	56.3	0.36	1.81
Government	September	145.5	-0.21	0.48
Charleston MSA - Total	September	151.4	0.07	0.07
Huntington MSA - Total	September	121.0	1.00	-0.25
Morgantown MSA - Total	September	64.2	3.88	3.55
Parkersburg MSA - Total	September	73.2	0.41	-1.21

Unemployment Rate (SA)	September 08	August 08	September 07
United States	6.1	6.1	4.7
Fifth District	5.7	5.7	4.2
West Virginia	4.5	4.1	4.7
Charleston MSA	3.2	3.4	3.7
Huntington MSA	5.0	5.1	4.4
Morgantown MSA	2.6	2.7	3.1
Parkersburg MSA	4.9	5.0	4.4

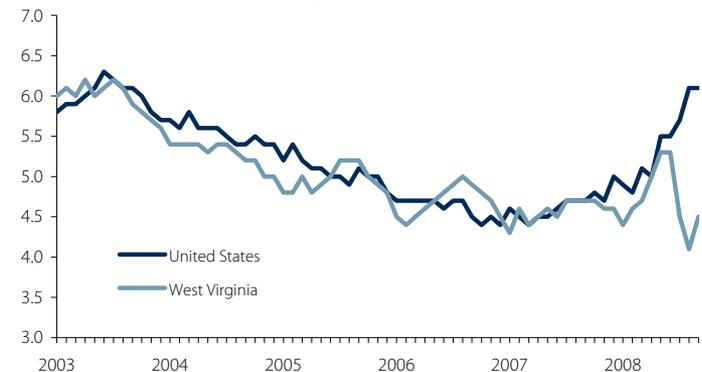
West Virginia Payroll Employment Performance

Year-over-Year Percent Change through September 2008



West Virginia Unemployment Rate

Through September 2008



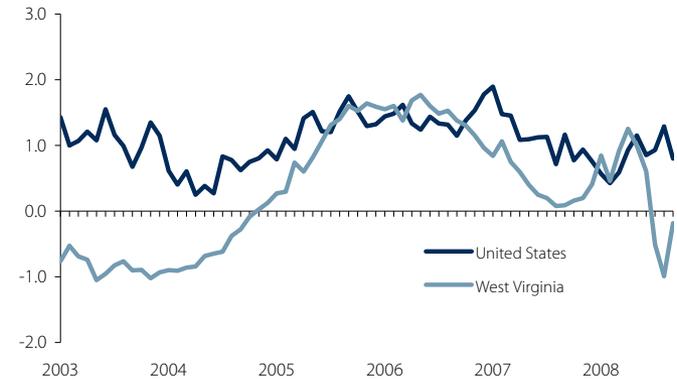
WEST VIRGINIA

Labor Market Conditions

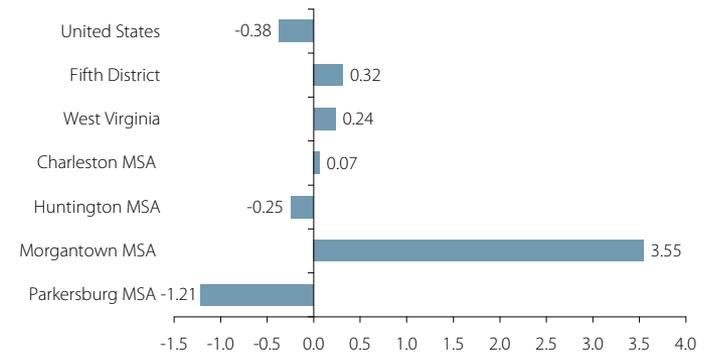
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	154,732	-0.08	0.80
Fifth District	September	15,028	-0.02	1.14
West Virginia	September	809	0.81	-0.19
Charleston MSA	September	139	-0.50	-1.00
Huntington MSA	September	134	0.53	-0.30
Morgantown MSA	September	65	3.04	2.38
Parkersburg MSA	September	79	-0.13	-1.12

Initial Unemployment Claims (NSA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	1,512,898	-18.75	26.01
Fifth District	September	141,125	-23.69	30.95
West Virginia	September	4,422	-10.32	26.02

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



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



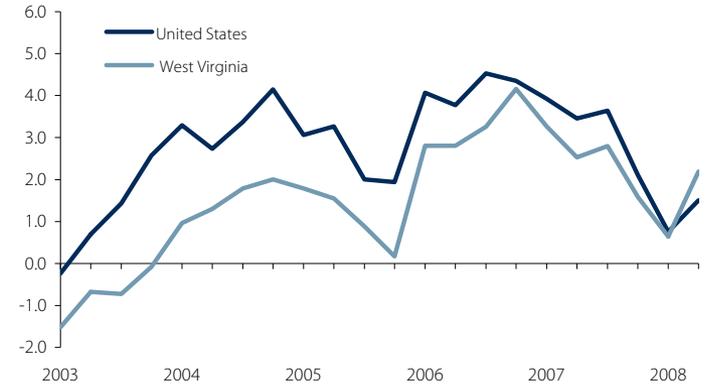
WEST VIRGINIA

Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	2Q:08	9,995,013	0.39	1.50
Fifth District	2Q:08	956,877	0.90	1.38
West Virginia	2Q:08	45,943	1.34	2.19
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	266,767	12.57	30.93
Fifth District	2Q:08	19,682	4.15	29.96
West Virginia	2Q:08	1,369	16.81	22.12
Mortgage Delinquencies (% Delinquent)	2Q:08	1Q:08	2Q:07	
United States				
All Mortgages	6.22	5.64	5.06	
Conventional	3.73	3.30	2.63	
Subprime	18.21	17.05	14.54	
West Virginia				
All Mortgages	7.31	6.81	6.76	
Conventional	4.83	4.42	4.51	
Subprime	21.32	20.21	18.14	

West Virginia Real Personal Income

Year-over-Year Percent Change through 2Q:08



West Virginia Mortgage Delinquencies - All

Percent Delinquent through 2Q:08

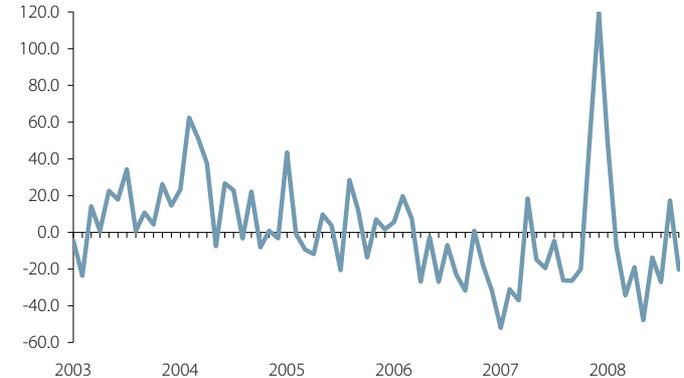


WEST VIRGINIA

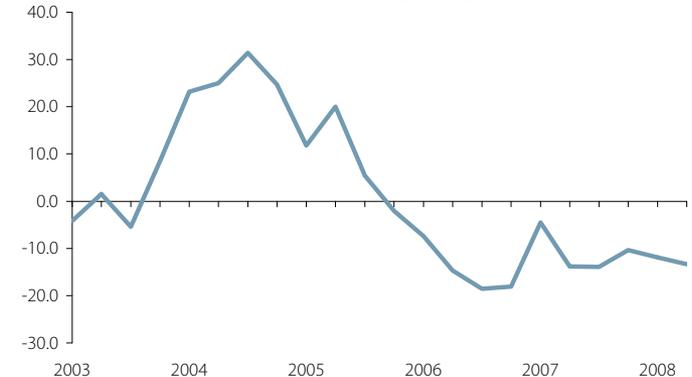
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	September	68,790	-6.91	-29.61
Fifth District	September	8,488	-13.17	-29.11
West Virginia	September	208	-44.39	-20.31
Charleston MSA	September	23	-78.50	35.29
Huntington MSA	September	3	0.00	-57.14
Morgantown MSA	September	30	20.00	76.47
Parkersburg MSA	September	11	-31.25	10.00
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	817.0	-6.31	-31.05
Fifth District	September	103.5	0.40	-33.35
West Virginia	September	2.5	-35.53	-25.73
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	2Q:08	4,913.0	-0.81	-16.30
Fifth District	2Q:08	461.2	-4.63	-23.13
West Virginia	2Q:08	26.0	-12.16	-13.33
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	381	-1.44	-1.71
Fifth District	2Q:08	395	0.47	0.53
West Virginia	2Q:08	238	0.73	3.44
Charleston MSA (1995=100)	2Q:08	162	2.98	5.99
Huntington MSA (1995=100)	2Q:08	172	-0.54	3.54
Morgantown MSA (1995=100)	2Q:08	185	0.33	3.72
Parkersburg MSA (1995=100)	2Q:08	161	-0.86	2.19
Median Home Sales Price - NAR	Period	Level (\$ 000s)	QoQ % Change	YoY % Change
Charleston MSA	2Q:08	137	16.95	7.05

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



West Virginia Existing Home Sales
Year-over-Year Percent Change through 2Q:08



Payroll Employment / Unemployment

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

Civilian Labor Force

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

Unemployment Insurance Claims

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

District Imports / Exports

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

Personal Income

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

Median Family Income

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

Bankruptcy Filings

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

Mortgage Delinquencies

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>

House Price Index

Federal Housing Finance Agency
 Haver Analytics
<http://www.ofheo.gov>

Months' Supply of Home / Pending Home Sales Index

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>

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/>

Seriously Delinquent Prime Mortgages

Lender Processing Service, Inc.
 Applied Analytics

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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