



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY
JANUARY 2009



THE FEDERAL RESERVE BANK OF RICHMOND
RICHMOND ■ BALTIMORE ■ CHARLOTTE



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FEDERAL RESERVE BANK OF RICHMOND

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FIFTH DISTRICT

January Summary

Recent data indicated continued weakening in the Fifth District economy, amidst general labor and real estate market malaise and lackluster reports from District businesses.

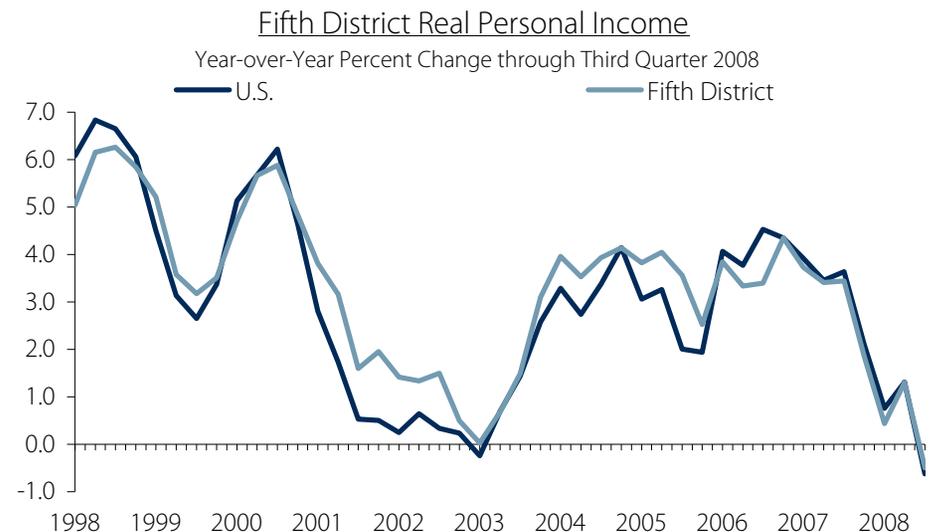
Fifth District firms cut 75,800 jobs (0.5 percent) in November and 93,900 jobs (0.7 percent) over the last twelve months. Almost every sector shed workers in the month and over the year; employment grew only in the education and health services and government sectors. The weakening labor market was also evidenced by the 0.5 percentage point jump in the unemployment rate, which ended November at 6.4 percent. Despite the increase, however, District unemployment was still below the 6.7 percent national rate.

Real estate conditions in the Fifth District softened in recent months. Residential permit levels fell 41.6 percent in November and 59.1 percent over the year, while housing starts dropped 22.8 percent in November and 43.3 percent over the year. Although existing home sales increased 2.6 percent nationally in the third quarter, District sales continued to decline, falling 1.6 percent in the quarter and 14.3 percent since the third quarter of 2007.

Business activity in the Fifth District deteriorated further in December, according to our most recent surveys. The overall index of manufacturing activity fell to another historic low in December, pushed down by further declines in shipments, new orders, and employment. Reports from service sector businesses were also downbeat. Although retail revenues ticked up a bit, the index remained deep in negative territory at -27, and the index for services firms revenues fell from -15 to -33. Service sector hiring activity also contracted. On a more positive note, the expectations of manufacturers and retailers for the next six months improved considerably in December. Our survey measure of prices indicated that retail price growth cooled, but raw materials, services firm, and finished good price growth picked up in December.

A Closer Look at...Personal Income

Residents of the Fifth District have seen real personal income grow at an average annual rate of 3.0 percent over the past decade. In the third quarter of 2008, however, real personal income fell 1.2 percent – steeper than the national decline – as every District jurisdiction posted income losses. On a year-over-year basis, the District performed slightly better than the nation, as income fell 0.5 percent compared to 0.6 percent nationally. Nonetheless, every District jurisdiction except for West Virginia posted year-over-year real personal income losses – some for the first time in over fifteen years.



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FIFTH DISTRICT

Labor Market Conditions

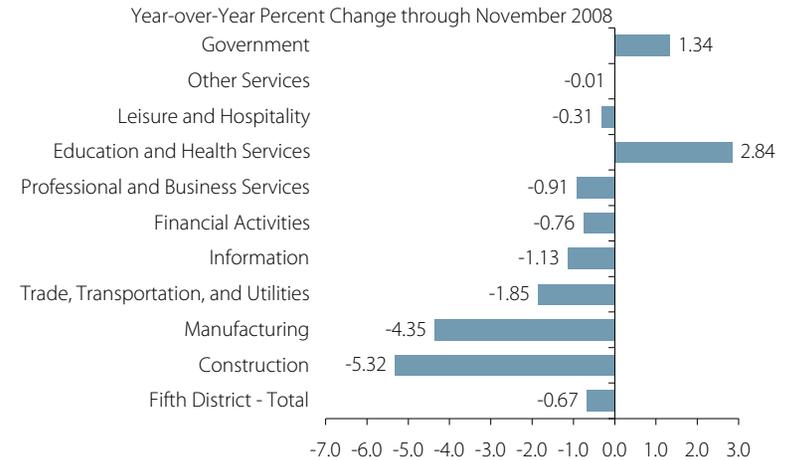
Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	136,167.0	-0.39	-1.35
Fifth District - Total	November	13,883.4	-0.54	-0.67
Construction	November	820.3	-1.45	-5.32
Manufacturing	November	1,197.0	-1.02	-4.35
Trade, Transportation, and Utilities	November	2,428.3	-1.02	-1.85
Information	November	271.6	-0.33	-1.13
Financial Activities	November	720.3	-0.17	-0.76
Professional and Business Services	November	1,979.6	-0.80	-0.91
Education and Health Services	November	1,790.0	0.29	2.84
Leisure and Hospitality	November	1,329.5	-0.57	-0.31
Other Services	November	680.5	-0.69	-0.01
Government	November	2,621.6	0.06	1.34

Unemployment Rate (SA)	November 08	October 08	November 07
United States	6.7	6.5	4.7
Fifth District	6.4	5.9	4.3

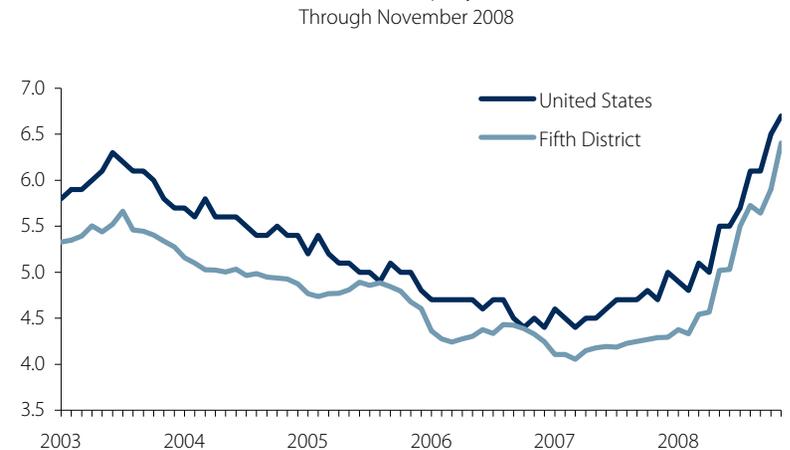
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	154,616	-0.27	0.51
Fifth District	November	15,019	-0.20	0.85

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	2,222,579	9.78	40.88
Fifth District	November	205,036	7.92	42.29

Fifth District Payroll Employment Performance



Fifth District Unemployment Rate



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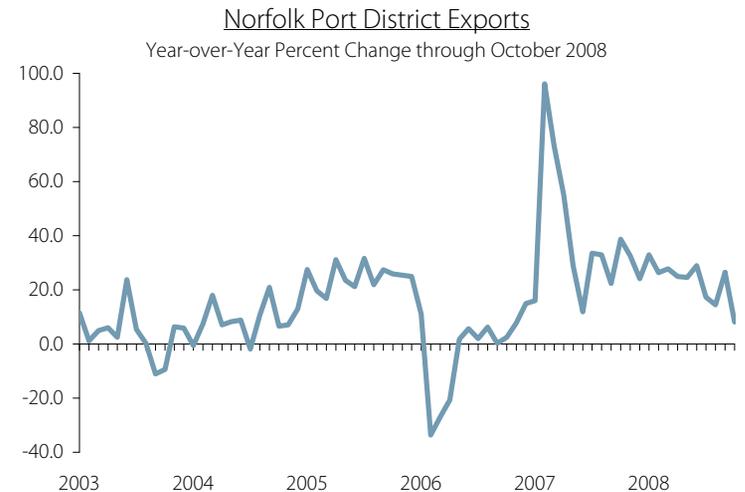
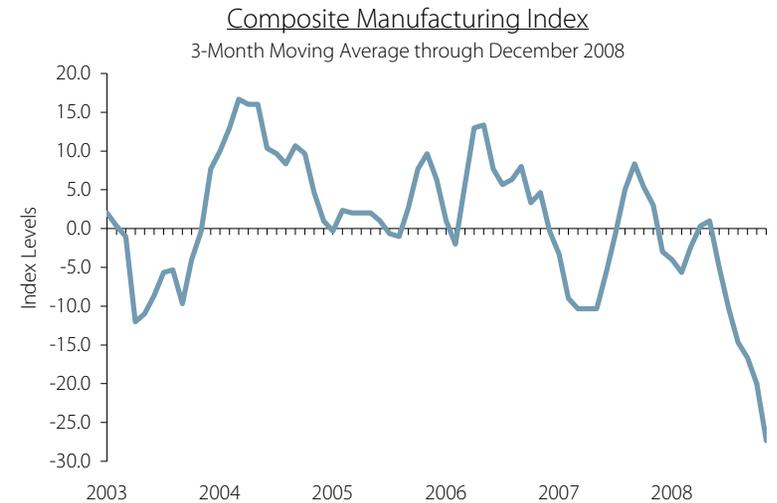
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FEDERAL RESERVE BANK OF RICHMOND

FIFTH DISTRICT Business Conditions

Manufacturing Survey (SA)	December 08	November 08	December 07	
Composite Index	-55	-38	-4	
Shipments	-55	-31	-10	
New Orders	-66	-48	-6	
Number of Employees	-40	-32	5	
Expected Shipments - Six Months	27	12	24	
Raw Materials Prices (SAAR)	2.54	1.51	3.19	
Finished Goods Prices (SAAR)	0.95	-1.19	2.32	
Service Sector Survey (SA)	December 08	November 08	December 07	
Service Sector Employment	-19	-17	-10	
Services Firms Revenues	-33	-15	2	
Retail Revenues	-27	-35	-2	
Big-Ticket Sales	-50	-63	-27	
Expected Retail Demand - Six Months	5	-14	-3	
Services Firm Prices	0.42	0.33	0.64	
Retail Prices	1.40	1.87	1.58	
District Imports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	October	2,415.28	8.0	2.8
Wilmington, North Carolina	October	505.78	-3.6	-14.2
Charleston, South Carolina	October	3,482.37	17.9	-2.8
Norfolk, Virginia	October	3,214.66	7.5	-4.8
District Exports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	October	1,500.23	10.9	29.5
Wilmington, North Carolina	October	314.74	5.9	6.5
Charleston, South Carolina	October	1,857.94	-8.7	-5.4
Norfolk, Virginia	October	2,317.88	2.8	8.1



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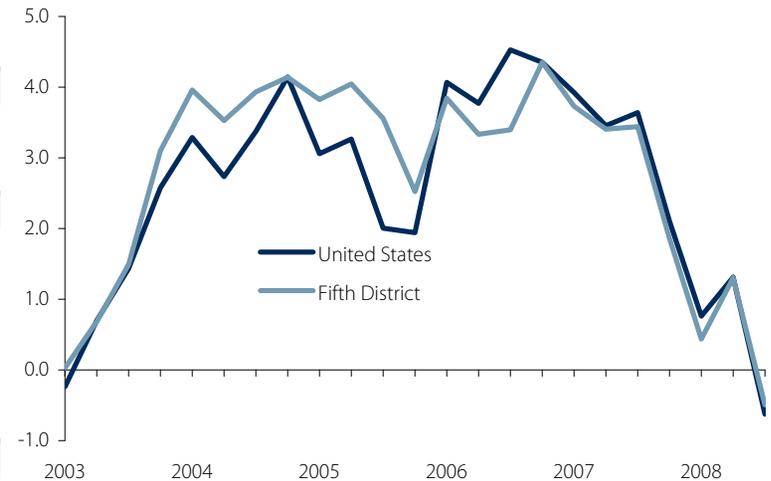
FIFTH DISTRICT Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:08	9,855,509	-0.58	-0.63
Fifth District	3Q:08	944,592	-1.21	-0.50
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

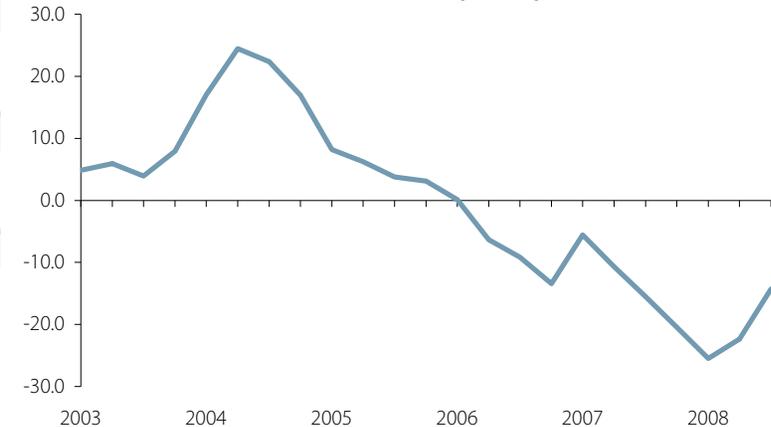
FIFTH DISTRICT Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	40,242	-34.83	-53.27
Fifth District	November	4,856	-41.61	-59.07
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States (SAAR)	November	625	-18.94	-46.99
Fifth District (SAAR)	November	91	-22.78	-43.25
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:08	369	-2.68	-4.00
Fifth District	3Q:08	413	-1.64	-2.50
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	3Q:08	5,037	2.59	-7.70
Fifth District (SAAR)	3Q:08	458	-1.63	-14.29

Fifth District Real Personal Income
Year-over-Year Percent Change through 3Q:08



Fifth District Existing Home Sales
Year-over-Year Percent Change through 3Q:08





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DISTRICT OF COLUMBIA

January Summary

Recent reports on the District of Columbia's economy indicated continued softness in both labor and housing markets.

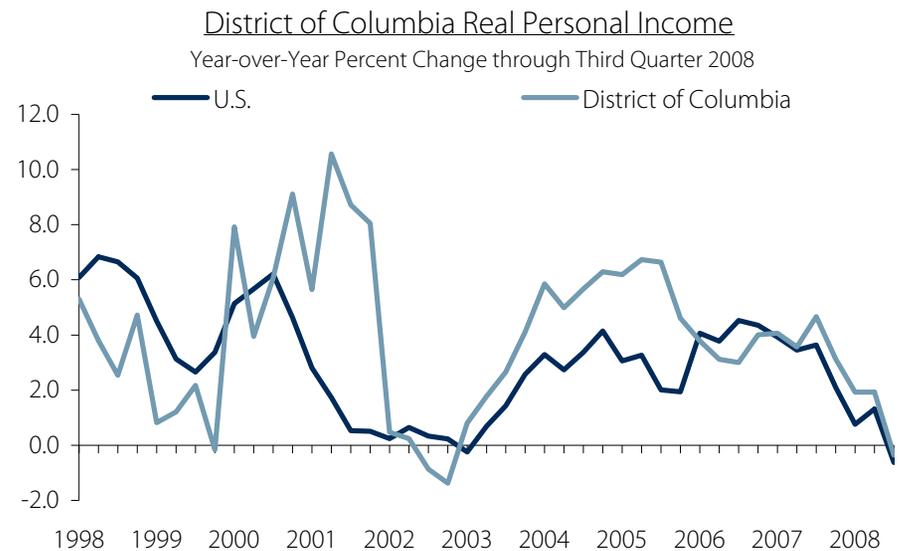
Employers in the District of Columbia cut 4,000 jobs (0.6 percent) in November, but still added 5,100 jobs (0.7 percent) over the year. A sector with notably steady growth over the past few years is the professional and business services sector, which has not seen a year-over-year decline in payrolls since January 2004. Both the professional and business services and leisure and hospitality sectors have grown progressively since the beginning of 2002, while the financial activities sector has been consistently declining over the same period. The Washington, D.C. MSA labor market was even stronger than D.C., adding 7,000 jobs (0.3 percent) in November and 27,000 jobs (1.1 percent) over the year.

Despite the year-over-year payroll additions, the District of Columbia's unemployment rate jumped 2.3 percentage points over the last twelve months, and 0.7 percentage point in November alone. D.C. posted a jobless rate of 8.0 percent in November – the highest joblessness in the jurisdiction since August 1998. While the civilian labor force fell 0.3 percent in November, the number of unemployed in D.C. rose 8.7 percent for the largest recorded rise in the number of unemployed. The number of unemployed D.C. residents increased 41.4 percent since November 2007.

In residential real estate, conditions still looked gloomy. Although existing home sales in D.C. flattened in the third quarter, sales have fallen 21.7 percent over the year. New residential construction was also sluggish. Only one residential permit in D.C. was issued in November, after seven were issued in November 2007 and 213 in November 2006. In addition, housing starts fell over the month and over the preceding year. Conditions in the Washington, D.C. metro area were similarly downbeat as residential permitting activity fell 53.4 percent in November and 47.4 percent over the year.

A Closer Look at...Personal Income

Real personal income in the District of Columbia rose steadily over the last decade, increasing at an average annual rate of 3.7 percent. However, the measure fell 0.6 percent in the third quarter of 2008 and 0.4 percent over the year – the largest declines for each since 2002. Real personal income in D.C. has only declined on a year-over-year basis four times in the past decade: 0.9 percent and 1.4 percent in the third and fourth quarters of 2002, respectively, and 0.2 percent in the fourth quarter of 1999. Real per capita personal income also fell (0.7 percent) in the third quarter. However, at the end of the third quarter, nominal per capital income in D.C. was still the highest in the District at \$64,367.



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DISTRICT OF COLUMBIA

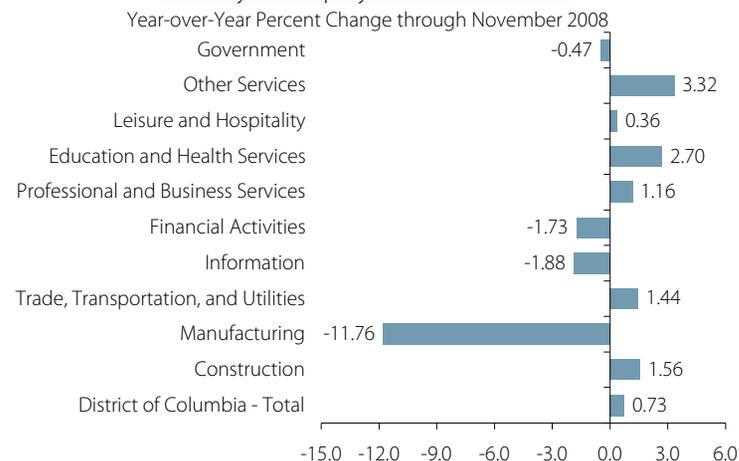
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	136,167.0	-0.39	-1.35
Fifth District - Total	November	13,883.4	-0.54	-0.67
District of Columbia - Total	November	703.8	-0.57	0.73
Construction	November	13.0	0.00	1.56
Manufacturing	November	1.5	-6.25	-11.76
Trade, Transportation, and Utilities	November	28.2	0.36	1.44
Information	November	20.9	0.00	-1.88
Financial Activities	November	28.4	0.00	-1.73
Professional and Business Services	November	157.6	0.19	1.16
Education and Health Services	November	106.5	0.66	2.70
Leisure and Hospitality	November	55.5	0.00	0.36
Other Services	November	65.4	-0.61	3.32
Government	November	232.3	-0.60	-0.47

Washington, D.C. MSA - Total	Period	Level (000s)	MoM % Change	YoY % Change
Washington, D.C. MSA - Total	November	2,464.5	0.28	1.11

Unemployment Rate (SA)	November 08	October 08	November 07
United States	6.7	6.5	4.7
Fifth District	6.4	5.9	4.3
District of Columbia	8.0	7.3	5.7
Washington, D.C. MSA	4.5	4.2	3.1

D.C. Payroll Employment Performance



D.C. Unemployment Rate





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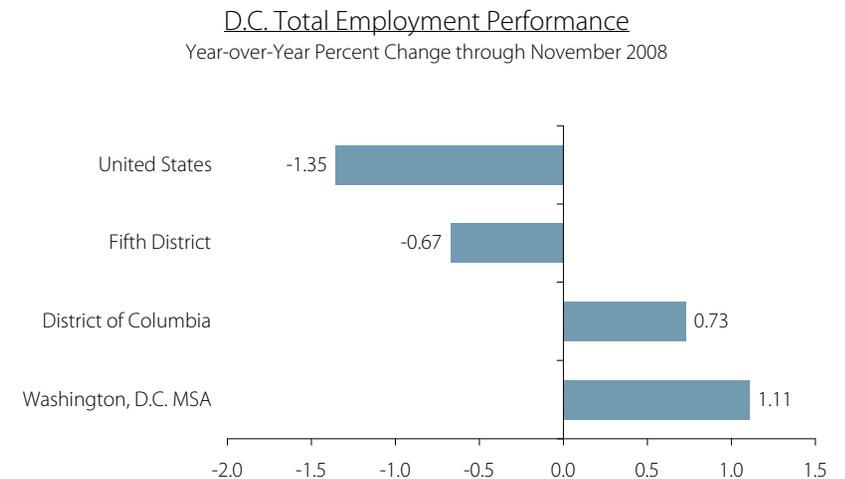
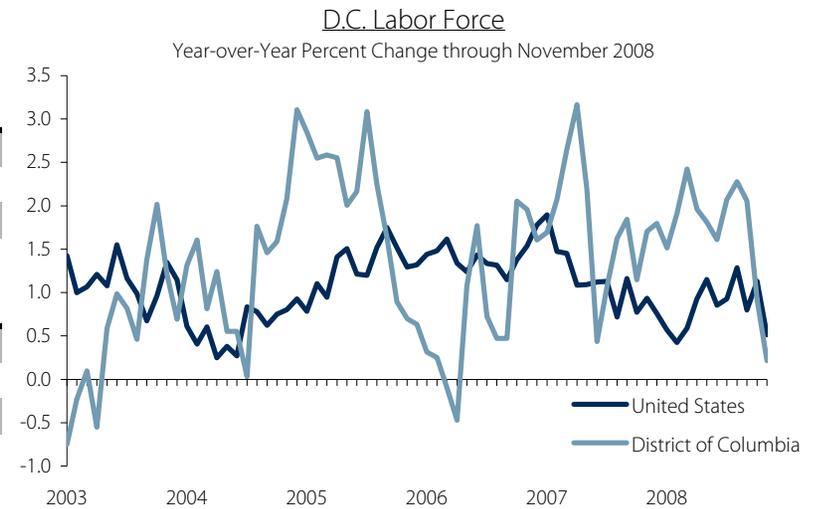
FEDERAL RESERVE BANK OF RICHMOND

DISTRICT OF COLUMBIA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	154,616	-0.27	0.51
Fifth District	November	15,019	-0.20	0.85
District of Columbia	November	329	-0.27	0.21
Washington, D.C. MSA	November	2,380	-0.31	1.08

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	2,222,579	9.78	40.88
Fifth District	November	205,036	7.92	42.29
District of Columbia	November	1,976	-2.80	42.67



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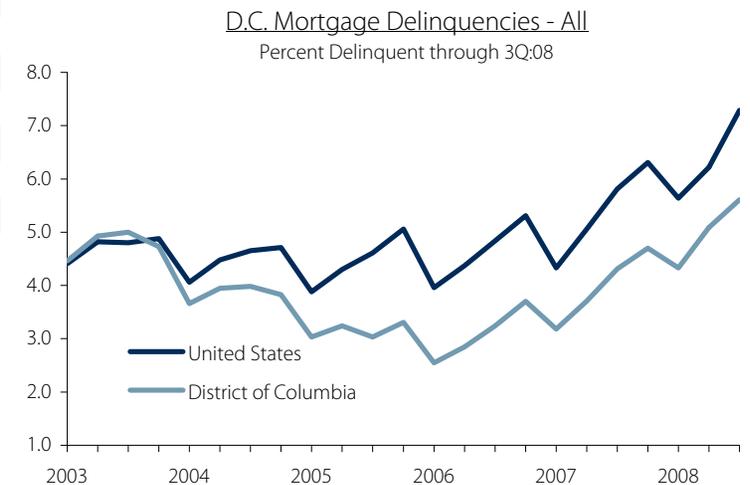
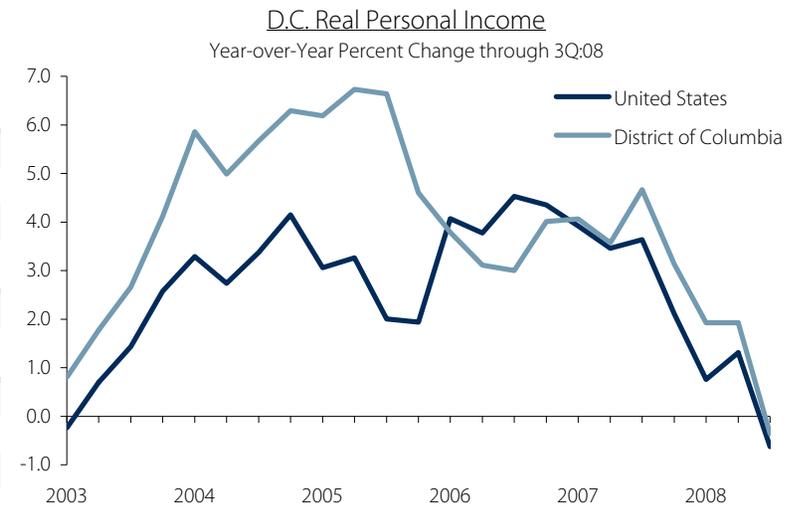
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FEDERAL RESERVE BANK OF RICHMOND

DISTRICT OF COLUMBIA

Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:08	9,855,509	-0.58	-0.63
Fifth District	3Q:08	944,592	-1.21	-0.50
District of Columbia	3Q:08	30,868	-0.58	-0.36
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)	3Q:08	2Q:08	3Q:07	
United States				
All Mortgages	7.29	6.22	5.81	
Conventional	4.54	3.73	3.25	
Subprime	20.47	18.21	16.68	
District of Columbia				
All Mortgages	5.61	5.09	4.31	
Conventional	3.87	3.39	2.75	
Subprime	18.60	18.85	15.63	



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DISTRICT OF COLUMBIA

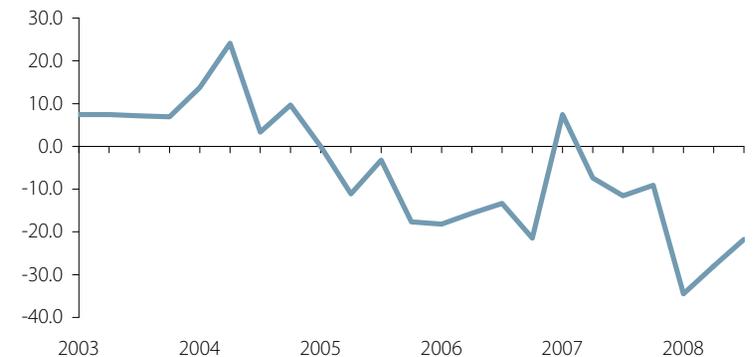
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	40,242	-34.83	-53.27
Fifth District	November	4,856	-41.61	-59.07
District of Columbia	November	1	-96.67	-85.71
Washington, D.C. MSA	November	588	-53.41	-47.41
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	625.0	-18.94	-46.99
Fifth District	November	91.0	-22.78	-43.25
District of Columbia	November	0.0	-95.35	-77.78
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States (SAAR)	3Q:08	5,037.0	2.59	-7.70
Fifth District (SAAR)	3Q:08	458.4	-1.63	-14.29
District of Columbia (SAAR)	3Q:08	7.2	0.00	-21.74
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Washington, D.C. MSA	November	32,504	-5.51	-12.78
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Washington, D.C. MSA	November	310,000	-1.20	-17.54

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



D.C. Existing Home Sales
Year-over-Year Percent Change through 3Q:08





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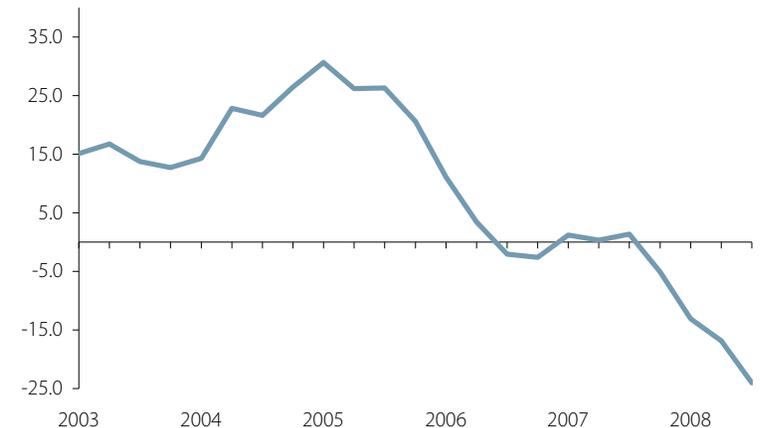
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DISTRICT OF COLUMBIA

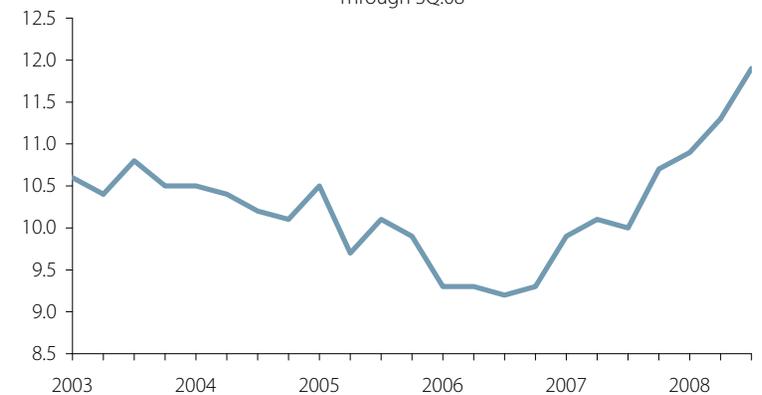
Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	3Q:08	333	-10.15	-24.04
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Washington, D.C. MSA	3Q:08	297	-8.05	-19.95
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:08	369	-2.68	-4.00
Fifth District	3Q:08	413	-1.64	-2.50
District of Columbia	3Q:08	622	-1.70	-5.89
Washington, D.C. MSA (1995=100)	3Q:08	241	-4.75	-12.52
Housing Opportunity Index ² (%)	3Q:08	2Q:08	3Q:07	
Washington, D.C. MSA	62.0	58.9	35.0	
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 3Q:08



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



MARYLAND

January Summary

The Maryland economy slowed in recent months, with labor and housing market reports remaining downbeat.

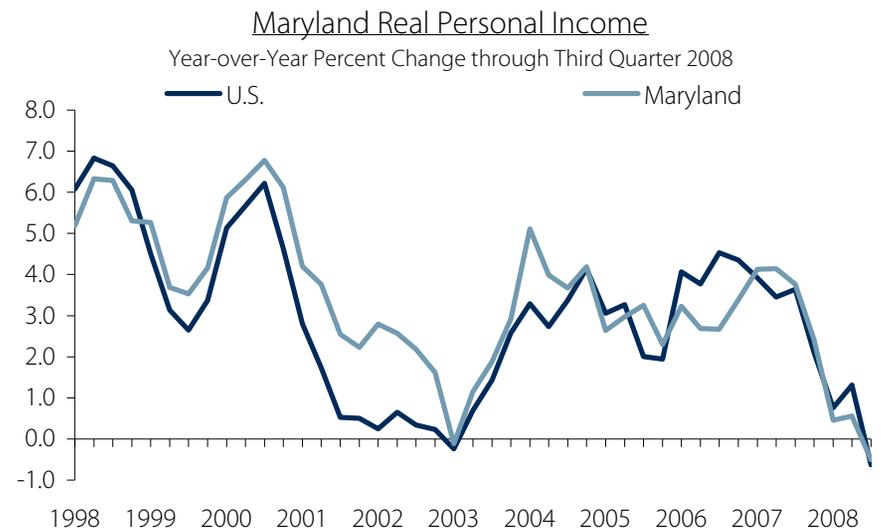
The labor market in Maryland weakened in November as firms cut 4,900 jobs (0.2 percent). Although Maryland employers added 12,700 jobs (0.5 percent) to the state's economy over the year, November 's figure was the smallest year-over-year payroll addition since August 2003. Mirroring conditions across the nation, manufacturing employers in Maryland have shed payrolls on a year-over-year basis continually since November 2000. Other noteworthy employment trends were in the natural resources, mining, and construction sector, which has been steadily cutting jobs for about a year, and in the financial activities sector, which has experienced consecutive year-over-year payroll losses since the beginning of 2007. Labor markets in the state's major metro areas appeared stronger as the Baltimore, Bethesda, Hagerstown, and Salisbury MSAs all posted net employment gains in November and over the year.

Following payroll trends, the November unemployment rate in the state rose 0.4 percentage point higher to 5.3 percent – Maryland's highest jobless rate since March 1994. The number of unemployed Maryland residents grew 6.3 percent in November.

Turning to housing markets, third quarter existing home sales rose 1.9 percent for only the second quarter of growth since the middle of 2005. Although a positive sign for the Maryland housing market, existing home sales still fell 18.0 percent since the third quarter of 2007 – the thirteenth consecutive quarter of year-over-year decline. In addition, new residential construction struggled as permitting activity and housing starts were down 47.0 percent and 26.5 percent, respectively, since November 2007. At the metro level, the Baltimore and Hagerstown MSAs both posted declines in residential permitting activity in November, and although house prices in the Cumberland MSA rose in the third quarter, prices depreciated in the Baltimore, Bethesda, and Hagerstown metro areas.

A Closer Look at...Personal Income

After more than 16 years of year-over-year growth in real personal income, Maryland posted a year-over-year decline of 0.5 percent in the third quarter of 2008. In other words, this quarter marked the first notable sign of income decline in the state in almost two decades. Real personal income also fell 0.9 percent in the third quarter – the largest single period drop since the first quarter of 1993. Real per capita income fell even more starkly, declining 1.0 percent in the quarter and 0.8 percent over the year. Maryland residents ended the quarter with a nominal per capita income of \$48,468.



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FEDERAL RESERVE BANK OF RICHMOND

MARYLAND

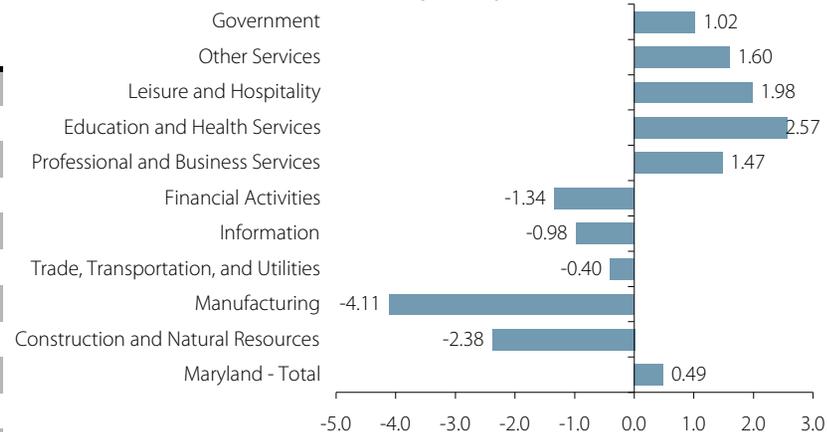
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Fifth District - Total	November	13,883.4	-0.54	-0.67
Maryland - Total	November	2,630.0	-0.19	0.49
Construction and Natural Resources	November	184.5	-0.65	-2.38
Manufacturing	November	126.0	-0.16	-4.11
Trade, Transportation, and Utilities	November	473.1	-0.61	-0.40
Information	November	50.7	-0.39	-0.98
Financial Activities	November	154.6	-0.13	-1.34
Professional and Business Services	November	406.2	-0.12	1.47
Education and Health Services	November	387.5	0.26	2.57
Leisure and Hospitality	November	241.7	-0.04	1.98
Other Services	November	121.0	-0.58	1.60
Government	November	484.7	0.02	1.02
Baltimore-Towson MSA - Total	November	1,336.1	0.09	0.09
Bethesda-Frederick MSA - Total	November	586.0	0.46	0.70
Hagerstown MSA - Total	November	103.8	0.10	0.97
Salisbury MSA - Total	November	57.0	0.71	0.53

Unemployment Rate (SA)	November 08	October 08	November 07
United States	6.7	6.5	4.7
Fifth District	6.4	5.9	4.3
Maryland	5.3	4.9	3.6
Baltimore-Towson MSA	5.4	5.1	3.5
Bethesda-Frederick MSA	3.8	3.7	2.6
Hagerstown MSA	6.1	5.6	4.0
Salisbury MSA	7.0	6.1	4.1

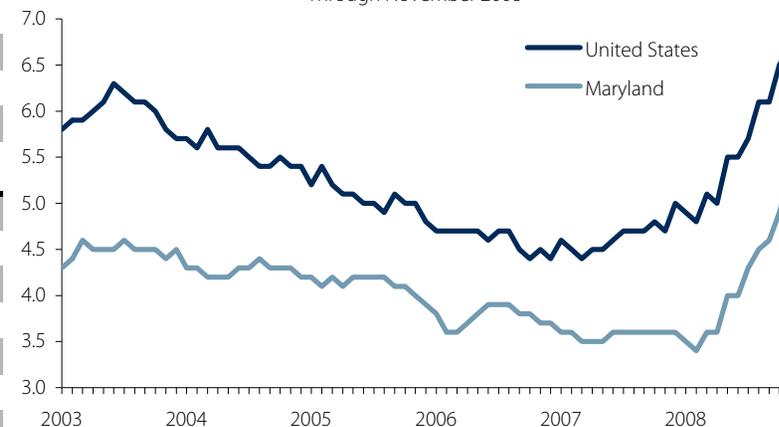
Maryland Payroll Employment Performance

Year-over-Year Percent Change through November 2008



Maryland Unemployment Rate

Through November 2008





SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

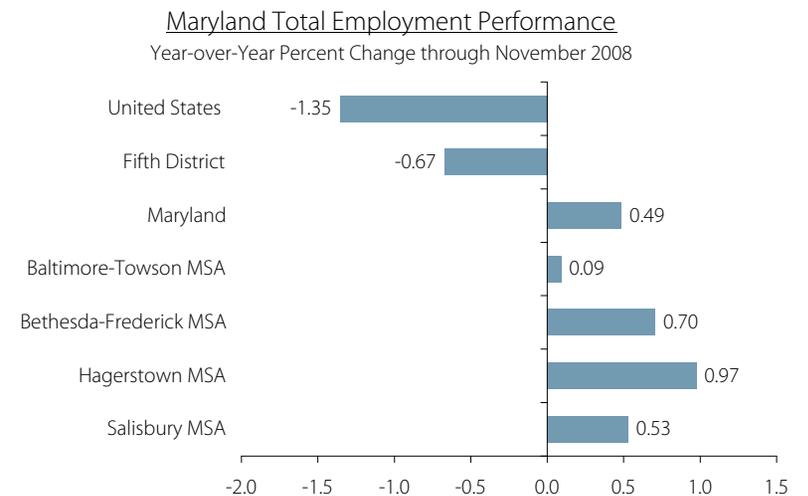
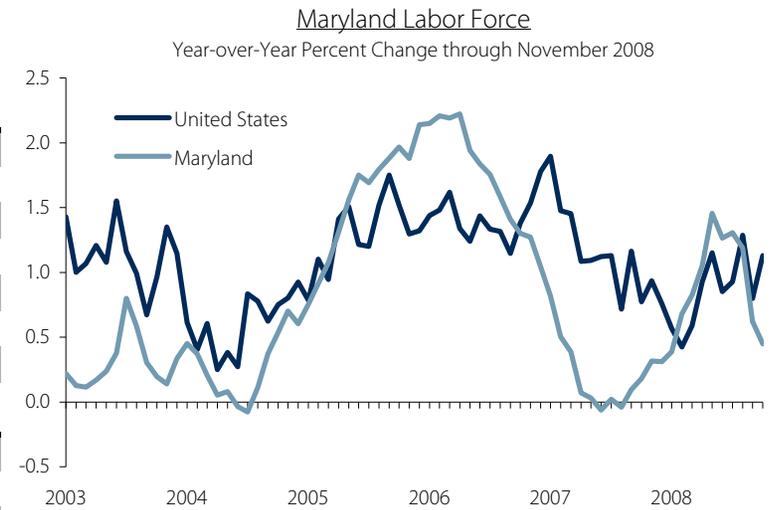
FEDERAL RESERVE BANK OF RICHMOND

MARYLAND

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	154,616	-0.27	0.51
Fifth District	November	15,019	-0.20	0.85
Maryland	November	2,996	-0.18	0.15
Baltimore-Towson MSA	November	1,402	-0.48	-0.11
Bethesda-Frederick MSA	November	634	-0.66	-0.39
Hagerstown MSA	November	122	-0.08	1.66
Salisbury MSA	November	65	0.47	1.90

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	2,222,579	9.78	40.88
Fifth District	November	205,036	7.92	42.29
Maryland	November	30,046	2.82	47.15



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

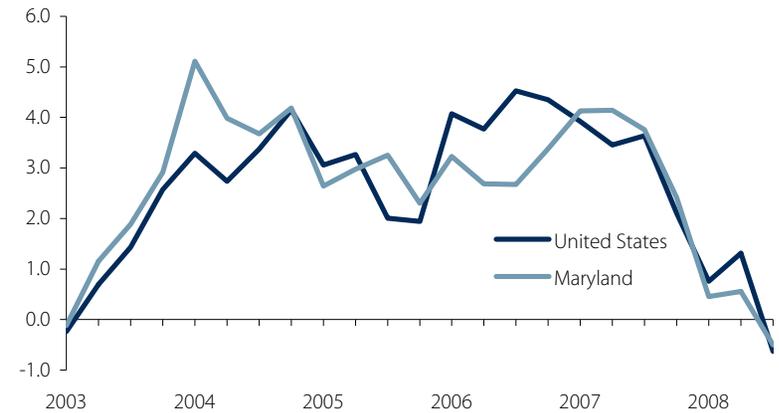
FEDERAL RESERVE BANK OF RICHMOND

MARYLAND

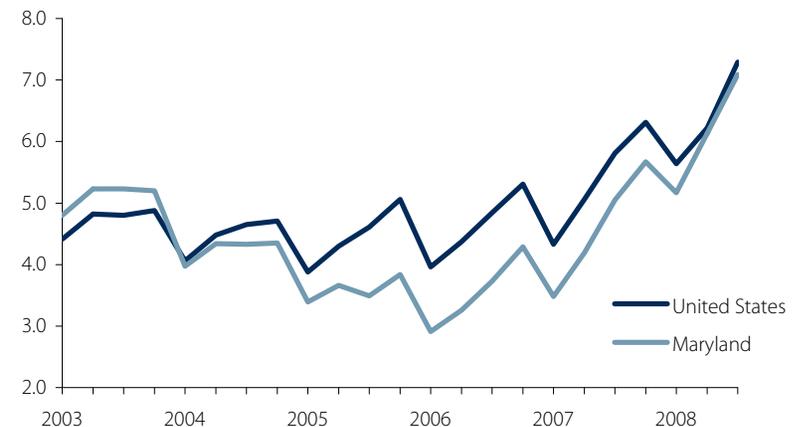
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:08	9,855,509	-0.58	-0.63
Fifth District	3Q:08	944,592	-1.21	-0.50
Maryland	3Q:08	221,949	-0.89	-0.50
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)	3Q:08	2Q:08	3Q:07	
United States				
All Mortgages	7.29	6.22	5.81	
Conventional	4.54	3.73	3.25	
Subprime	20.47	18.21	16.68	
Maryland				
All Mortgages	7.09	6.13	5.05	
Conventional	4.34	3.60	2.64	
Subprime	22.19	20.88	16.96	

Maryland Real Personal Income
Year-over-Year Percent Change through 3Q:08



Maryland Mortgage Delinquencies - All
Percent Delinquent through 3Q:08



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

MARYLAND

Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	40,242	-34.83	-53.27
Fifth District	November	4,856	-41.61	-59.07
Maryland	November	506	-25.81	-46.96
Baltimore-Towson MSA	November	202	-24.63	-37.07
Cumberland MSA	November	6	0.00	0.00
Hagerstown	November	45	-51.09	-84.54

Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	625.0	-18.94	-46.99
Fifth District	November	91.0	-22.78	-43.25
Maryland	November	9.5	-1.96	-26.51

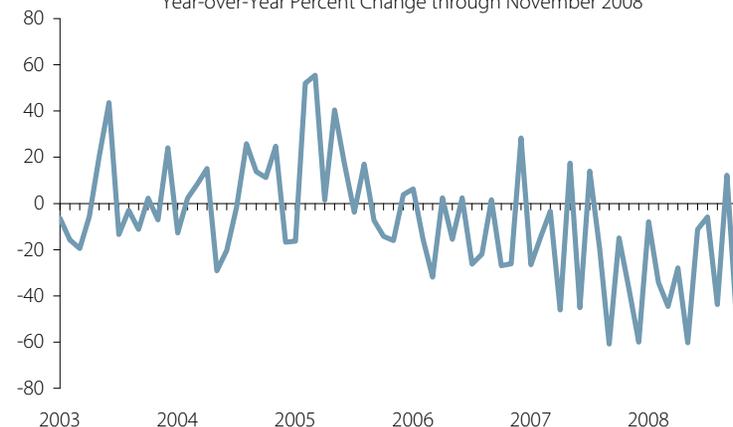
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:08	5,037.0	2.59	-7.70
Fifth District	3Q:08	458.4	-1.63	-14.29
Maryland	3Q:08	65.6	1.86	-18.00

Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Baltimore-Towson MSA	November	15,503	-4.87	-5.58

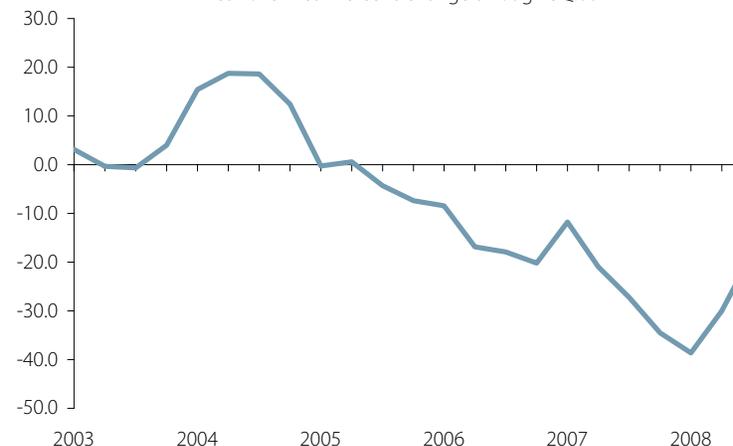
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Baltimore-Towson MSA	November	264,900	-1.69	-11.43

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	3Q:08	279	-0.46	-4.19
Cumberland MSA	3Q:08	103	0.99	-4.83
Hagerstown MSA	3Q:08	182	-6.01	-12.91

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



Maryland Existing Home Sales
Year-over-Year Percent Change through 3Q:08



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

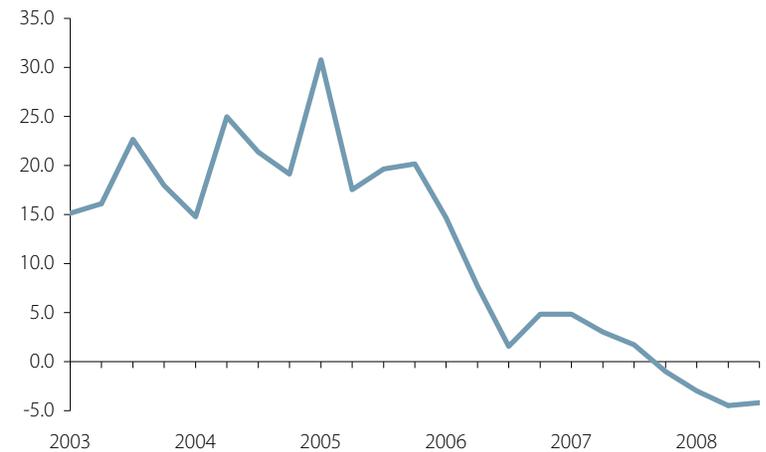
FEDERAL RESERVE BANK OF RICHMOND

MARYLAND

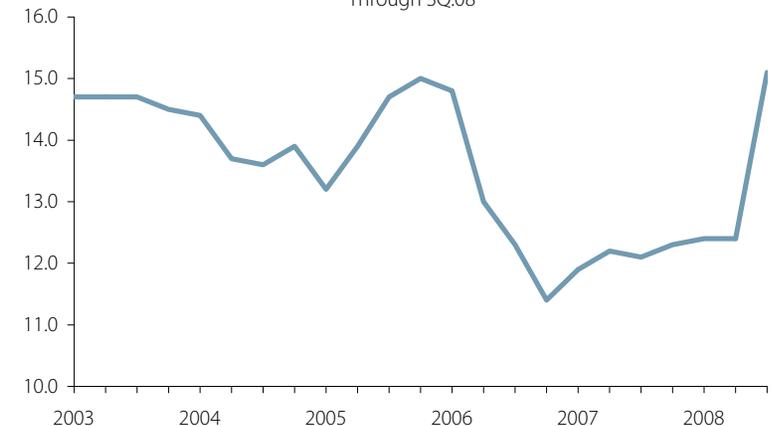
Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	3Q:08	265	3.92	-1.49
Bethesda-Frederick MSA	3Q:08	355	-2.74	-18.58
Cumberland MSA	3Q:08	90	4.65	-5.26
Hagerstown MSA	3Q:08	190	-5.00	-17.03
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:08	369	-2.68	-4.00
Fifth District	3Q:08	413	-22.78	-2.50
Maryland	3Q:08	503	-2.75	-6.06
Baltimore-Towson MSA (1995=100)	3Q:08	247	-1.93	-3.82
Bethesda-Frederick MSA (1995=100)	3Q:08	235	-4.11	-8.57
Cumberland MSA (1995=100)	3Q:08	191	0.26	2.62
Hagerstown MSA (1995=100)	3Q:08	223	-3.98	-5.61
Housing Opportunity Index ² (%)	3Q:08	2Q:08	3Q:07	
Baltimore-Towson MSA	50.6	55.5	45.4	
Bethesda-Frederick Metro Division	53.3	52.7	31.4	
Cumberland MSA	91.5	89.3	82.5	
Hagerstown MSA	63.0	62.3	37.1	
Commercial Vacancy Rates (%)	3Q:08	2Q:08	3Q:07	
Office Vacancies	Baltimore	15.1	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 3Q:08



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





SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

NORTH CAROLINA

January Summary

Economic activity in North Carolina weakened in recent months as housing markets deteriorated further and firms continued to shed payrolls.

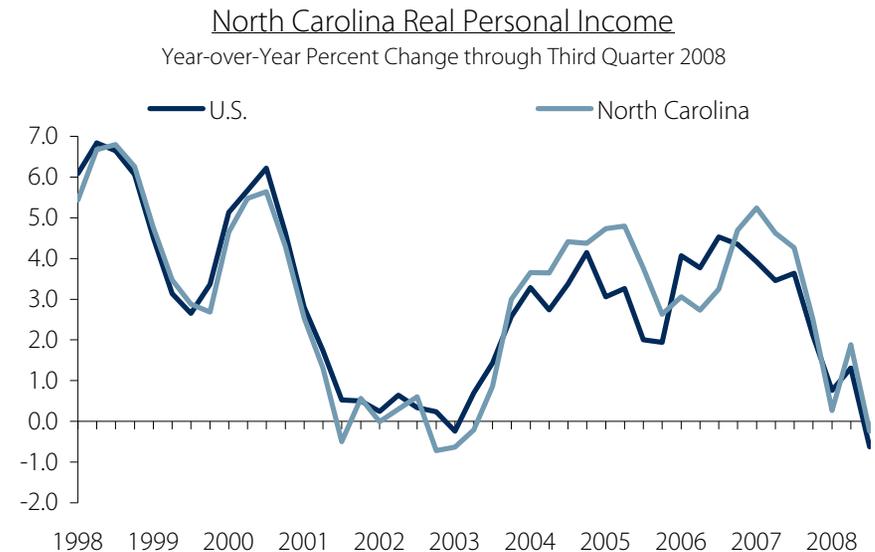
Employers in North Carolina cut 46,000 jobs (1.1 percent) in November for the largest monthly payroll reduction in over thirty years. Since the third quarter of 2007, employment in the state has fallen 1.7 percent (71,900 jobs) – the third straight month of year-over-year losses. Payroll cuts have varied across sectors, however. The manufacturing sector has seen year-over-year drops in employment for over ten years, while the past few months of year-over-year losses in the financial activities sector are the first since recording began in 1998. Employment activity in the major metro areas was a bit stronger, as only the Charlotte MSA saw a notable decline in payrolls (0.5 percent) in November and the Charlotte, Durham, Greensboro-High Point, and Raleigh-Cary metro areas all posted employment growth over the year.

The unemployment rate in North Carolina jumped 0.8 percentage point in November to 7.9 percent – the state's highest mark since October 1983. The total number of unemployed, 359,300 people, is at a record high for the state.

Housing market conditions in North Carolina weakened further as existing home sales fell 9.0 percent in the third quarter for the sixth straight quarter of decline. Year-over-year home sales in North Carolina have been slowing since the end of 2006 and fell 24.3 percent further over the past year. Meanwhile, house prices decreased in the third quarter (0.6 percent) for the first quarterly loss in almost twenty years, although they still rose 2.0 percent over the year. The weakness in the North Carolina housing market continued to manifest itself in new residential construction as building permits fell 36.7 percent in November and 62.0 percent over the year, while housing starts fell 16.3 percent in November and 47.4 percent over the year. Metro-level housing markets were equally downbeat as residential permitting activity fell both in November and over the year in the Charlotte, Durham, Greensboro-High Point, and Raleigh-Cary MSAs.

A Closer Look at...Personal Income

Although real personal income in North Carolina has grown at an average annual rate of 2.8 percent over the last decade, households in the Tarheel state struggled in the third quarter of 2008 as real personal income fell 1.6 percent – the state's largest quarterly drop since the fourth quarter of 1990. Furthermore, real per capita personal income dropped 2.2 percent in the third quarter, for its largest recorded drop since the first quarter of 1957. Year-over-year total and per capita real personal income also fell in the third quarter, declining 0.2 percent and 2.3 percent, respectively. North Carolinians ended the quarter with a nominal per capita personal income of \$34,337.



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

NORTH CAROLINA

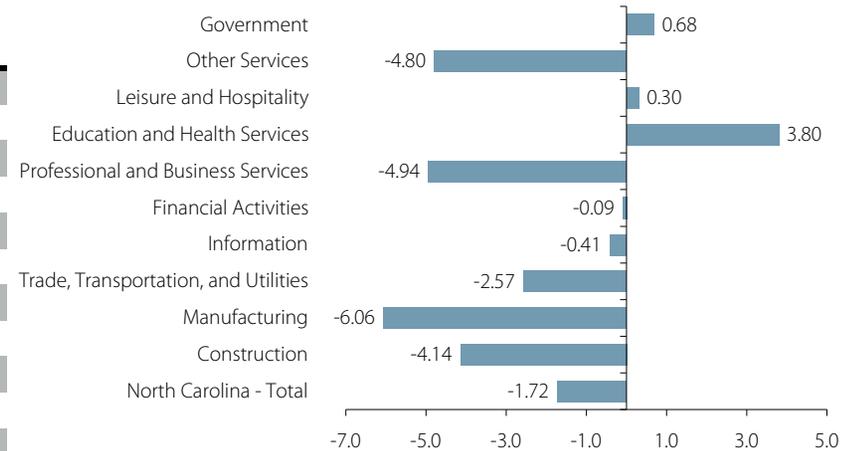
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	136,167.0	-0.39	-1.35
Fifth District - Total	November	13,883.4	-0.54	-0.67
North Carolina - Total	November	4,104.9	-1.11	-1.72
Construction	November	245.2	-2.85	-4.14
Manufacturing	November	503.4	-1.55	-6.06
Trade, Transportation, and Utilities	November	760.5	-1.69	-2.57
Information	November	72.3	-0.55	-0.41
Financial Activities	November	210.5	-0.09	-0.09
Professional and Business Services	November	482.9	-2.80	-4.94
Education and Health Services	November	541.4	0.35	3.80
Leisure and Hospitality	November	399.5	-0.72	0.30
Other Services	November	174.7	-1.85	-4.80
Government	November	707.6	0.14	0.68
Charlotte MSA - Total	November	873.9	-0.46	0.06
Durham MSA - Total	November	295.6	0.27	1.13
Greensboro-High Point MSA - Total	November	377.7	-0.03	0.21
Raleigh-Cary MSA - Total	November	533.5	-0.02	1.04

Unemployment Rate (SA)	November 08	October 08	November 07
United States	6.7	6.5	4.7
Fifth District	6.4	5.9	4.3
North Carolina	7.9	7.1	4.7
Charlotte MSA	8.1	7.2	4.8
Durham MSA	5.8	5.1	3.7
Greensboro-High Point MSA	8.1	7.0	4.8
Raleigh-Cary MSA	6.1	5.3	3.5

North Carolina Payroll Employment Performance

Year-over-Year Percent Change through November 2008



North Carolina Unemployment Rate

Through November 2008





SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

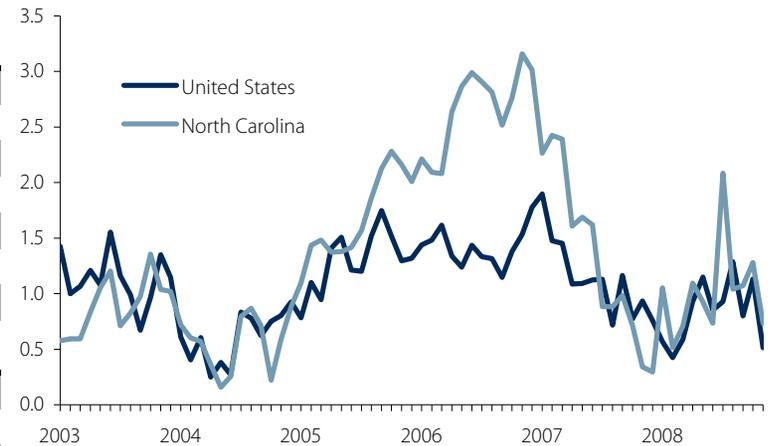
NORTH CAROLINA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	154,616	-0.27	0.51
Fifth District	November	15,019	-0.20	0.85
North Carolina	November	4,566	-0.50	0.73
Charlotte MSA	November	852	-1.15	1.10
Durham MSA	November	256	-0.85	0.39
Greensboro-High Point MSA	November	367	-0.70	0.83
Raleigh-Cary MSA	November	550	-1.03	0.90

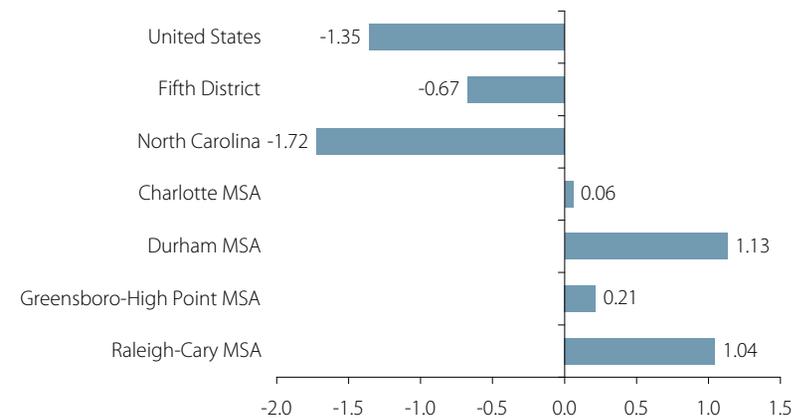
Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	2,222,579	9.78	40.88
Fifth District	November	205,036	7.92	42.29
North Carolina	November	88,690	10.28	43.01

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



North Carolina Total Employment Performance

Year-over-Year Percent Change through November 2008





SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

NORTH CAROLINA

Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:08	9,855,509	-0.58	-0.63
Fifth District	3Q:08	944,592	-1.21	-0.50
North Carolina	3Q:08	259,030	-1.55	-0.24

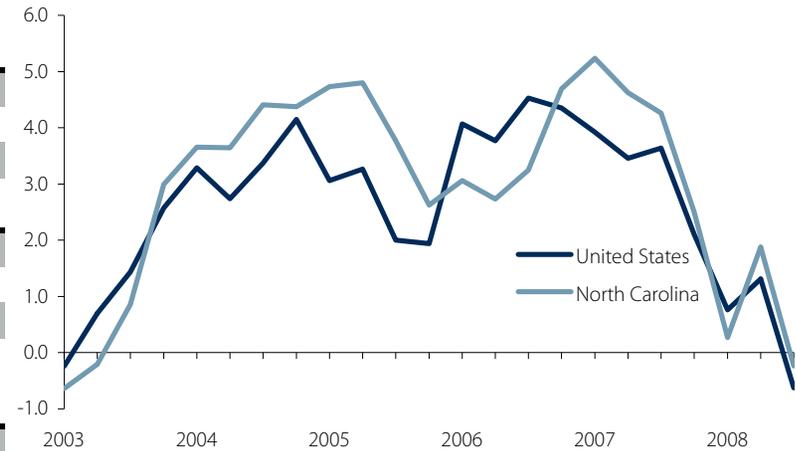
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Charlotte MSA	2008	64.3	---	6.81
Durham MSA	2008	62.1	---	3.33
Greensboro-High Point MSA	2008	56.1	---	4.66
Raleigh-Cary MSA	2008	74.9	---	7.31

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)	3Q:08	2Q:08	3Q:07
United States			
All Mortgages	7.29	6.22	5.81
Conventional	4.54	3.73	3.25
Subprime	20.47	18.21	16.68
North Carolina			
All Mortgages	7.13	6.22	6.23
Conventional	4.24	3.62	3.60
Subprime	20.73	18.78	17.49

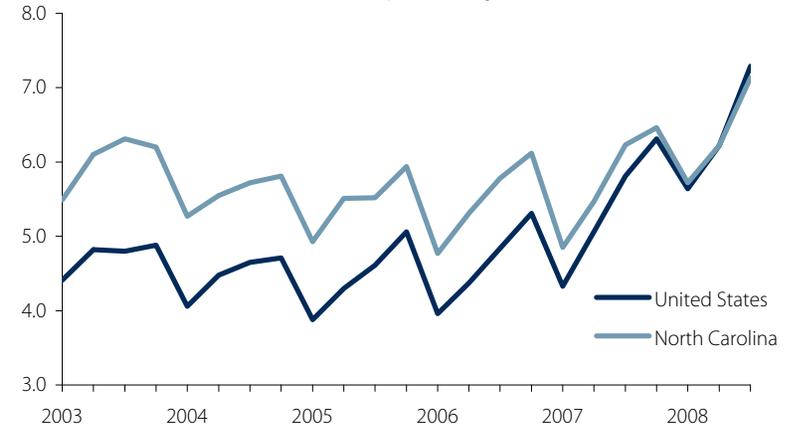
North Carolina Real Personal Income

Year-over-Year Percent Change through 3Q:08



North Carolina Mortgage Delinquencies - All

Percent Delinquent through 3Q:08



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

NORTH CAROLINA Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	40,242	-34.83	-53.27
Fifth District	November	4,856	-41.61	-59.07
North Carolina	November	2,247	-36.72	-62.04
Charlotte MSA	November	505	-38.79	-67.90
Durham MSA	November	98	-22.83	-57.94
Greensboro-High Point MSA	November	115	-63.84	-75.89
Raleigh-Cary MSA	November	395	-39.04	-59.69

Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	625.0	-18.94	-46.99
Fifth District	November	91.0	-22.78	-43.25
North Carolina	November	42.1	-16.31	-47.37

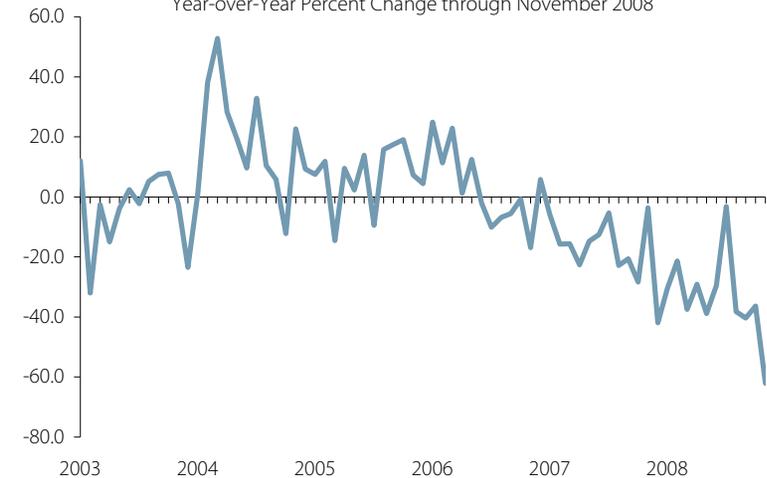
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:08	5,037.0	2.59	-7.70
Fifth District	3Q:08	458.4	-1.63	-14.29
North Carolina	3Q:08	153.6	-9.00	-24.26

Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Raleigh-Cary MSA	November	11,391	-6.68	6.69

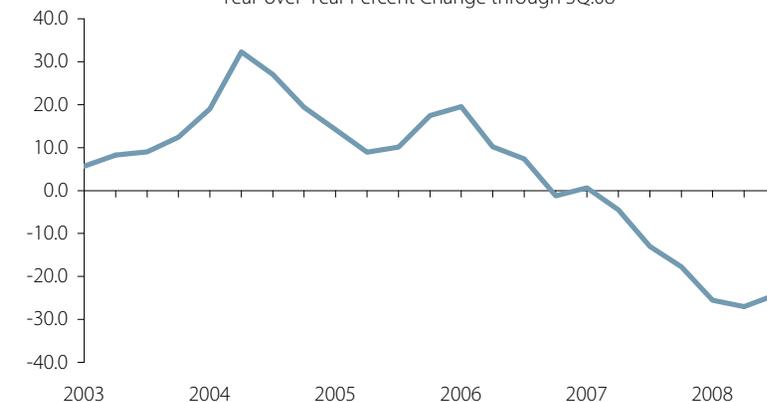
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Raleigh-Cary MSA	November	259,900	3.46	3.99

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	3Q:08	211	4.77	-4.18
Durham MSA	3Q:08	178	-4.30	-4.82
Greensboro-High Point MSA	3Q:08	146	-4.96	-6.37
Raleigh-Cary MSA	3Q:08	222	4.08	-3.31

North Carolina Building Permits
Year-over-Year Percent Change through November 2008



North Carolina Existing Home Sales
Year-over-Year Percent Change through 3Q:08



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

NORTH CAROLINA

Real Estate Conditions

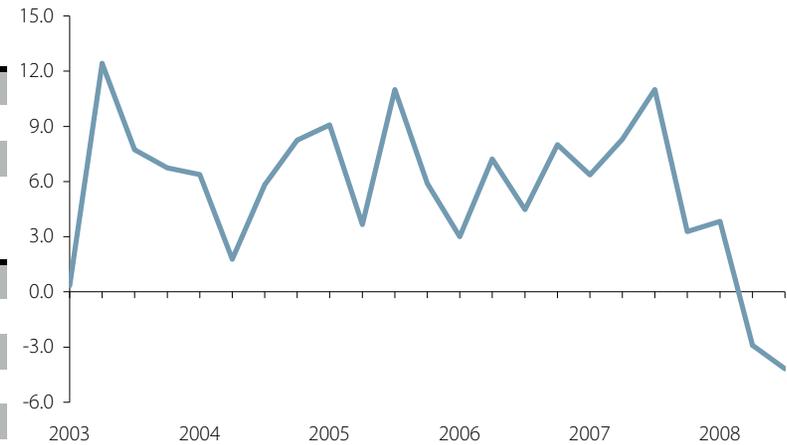
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	3Q:08	162	-4.71	-7.95
Durham MSA	3Q:08	174	-3.87	-2.25
Greensboro-High Point MSA	3Q:08	140	1.45	-1.41
Raleigh-Cary MSA	3Q:08	210	0.96	-2.33

House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:08	369	-2.68	-4.00
Fifth District	3Q:08	413	-1.64	-2.50
North Carolina	3Q:08	346	-0.63	1.99
Charlotte MSA (1995=100)	3Q:08	181	-1.70	1.58
Durham MSA (1995=100)	3Q:08	177	-1.59	1.53
Greensboro-High Point MSA (1995=100)	3Q:08	158	-0.06	2.63
Raleigh-Cary MSA (1995=100)	3Q:08	173	0.41	3.84

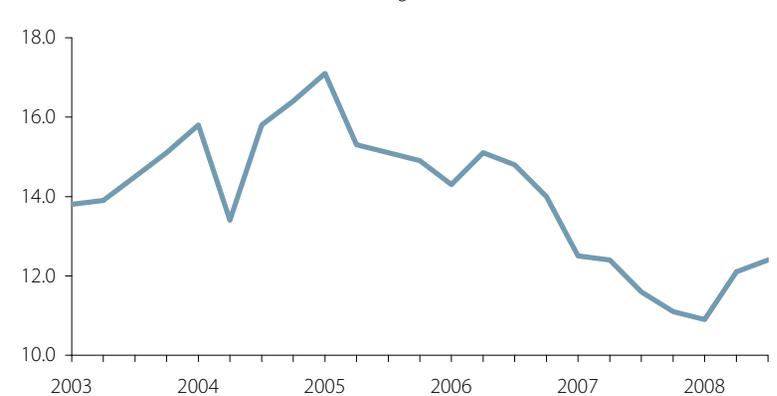
Housing Opportunity Index ² (%)	3Q:08	2Q:08	3Q:07
Charlotte MSA	68.4	66.4	59.5
Durham MSA	65.6	63.6	59.1
Greensboro-High Point MSA	72.5	74.1	66.9
Raleigh-Cary MSA	64.8	66.8	57.6

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 3Q:08



Charlotte MSA Office Vacancy Rate
Through 3Q:08





SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

SOUTH CAROLINA

January Summary

Economic conditions in South Carolina deteriorated further in recent months, as both labor and housing markets continued to soften.

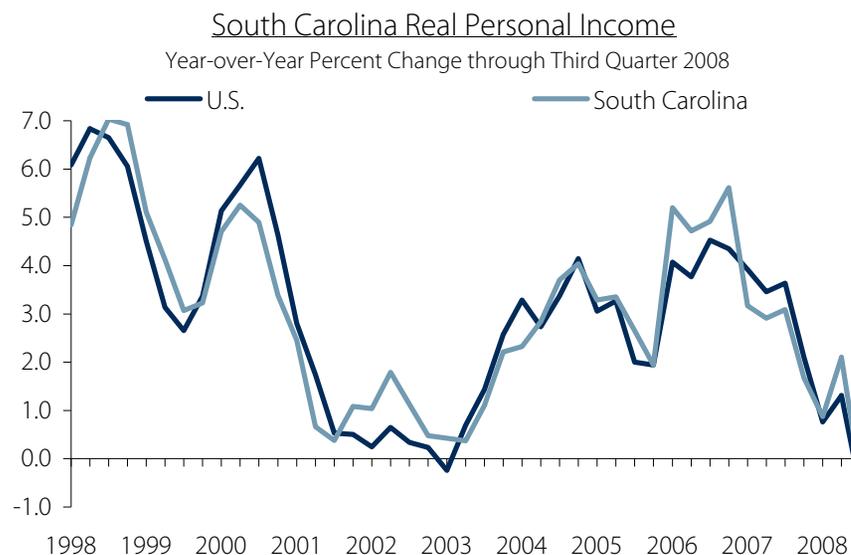
South Carolina firms shed 11,100 jobs (0.6 percent) in November for a third straight month of payroll cuts and the largest year-over-year decline (2.2 percent) since February 2002. As they have been for a number of years, South Carolina manufacturing firms continued to trim jobs in November. In addition, year-over-year employment in the construction sector fell (17.0 percent) for the tenth straight month, marking the biggest year-over-year decline on record. Other industries in the state have also been contracting; in the past four months, professional and business services has seen its first year-over-year losses on record and in the past two months, the leisure and hospitality sector has shed jobs on a year-over-year basis for the first time since 2001. Job cuts were more moderate in the state's major metro areas. Although the Charleston, Columbia, and Greenville MSAs saw payrolls trimmed, none of the declines over the year were as sharp as those in the state as a whole.

Illustrating further weakness in the South Carolina labor market, the state unemployment rate jumped 0.5 percentage point in November to 8.4 percent. This is the highest joblessness in the Palmetto state since September 1983.

The South Carolina housing sector also struggled in recent months, as new residential construction continued its downward trajectory. Residential permit levels in the state were down 40.1 percent in November and 62.2 percent over the year – the largest year-over-year decline on record for the state. Housing starts were also down 47.5 percent over the year for the largest decline since 1982. Finally, existing homes sales continued along their nine-month decline, falling 22.4 percent over the past year, while South Carolina house prices depreciated in the third quarter (0.5 percent) for the first time since the second quarter of 1989.

A Closer Look at...Personal Income

South Carolina residents saw real personal income contract in the third quarter as the figure fell 1.7 percent – the state's largest drop since the first quarter of 1975. This is only the fifth quarter of decline in the past decade – a decade over which real personal income in the Palmetto state grew at an average annual rate of 2.8 percent. The third quarter also marked the first year-over-year decline in the state since the third quarter of 1991. Real per capita personal income also fell (2.2 percent) in the third quarter and dropped 2.1 percent over the year – the largest year-over-year drop in real per capita personal income since the third quarter of 1991. The state ended the quarter with a nominal per capita income of \$31,823.



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

SOUTH CAROLINA

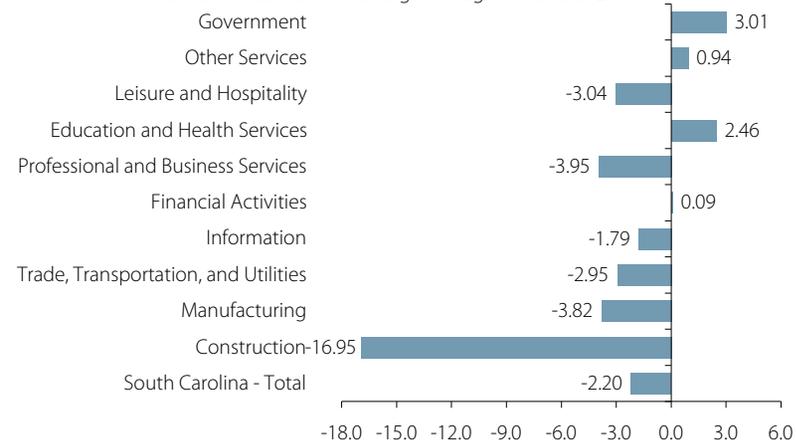
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	136,167.0	-0.39	-1.35
Fifth District - Total	November	13,883.4	-0.54	-0.67
South Carolina - Total	November	1,919.6	-0.57	-2.20
Construction	November	107.8	-1.82	-16.95
Manufacturing	November	239.2	-0.37	-3.82
Trade, Transportation, and Utilities	November	369.1	-0.78	-2.95
Information	November	27.4	0.00	-1.79
Financial Activities	November	107.5	-0.37	0.09
Professional and Business Services	November	218.6	-1.04	-3.95
Education and Health Services	November	207.9	0.24	2.46
Leisure and Hospitality	November	214.0	-2.10	-3.04
Other Services	November	75.0	0.13	0.94
Government	November	348.8	0.43	3.01
Charleston MSA - Total	November	297.3	-0.50	-1.26
Columbia MSA - Total	November	368.6	0.38	-1.21
Greenville MSA - Total	November	323.0	-0.22	-0.31
Spartanburg MSA - Total	November	126.8	-0.70	0.16

Unemployment Rate (SA)	November 08	October 08	November 07
United States	6.7	6.5	4.7
Fifth District	6.4	5.9	4.3
South Carolina	8.4	7.9	6.1
Charleston MSA	6.8	6.4	4.6
Columbia MSA	7.0	6.8	5.1
Greenville MSA	7.2	6.8	5.2
Spartanburg MSA	8.4	7.9	5.9

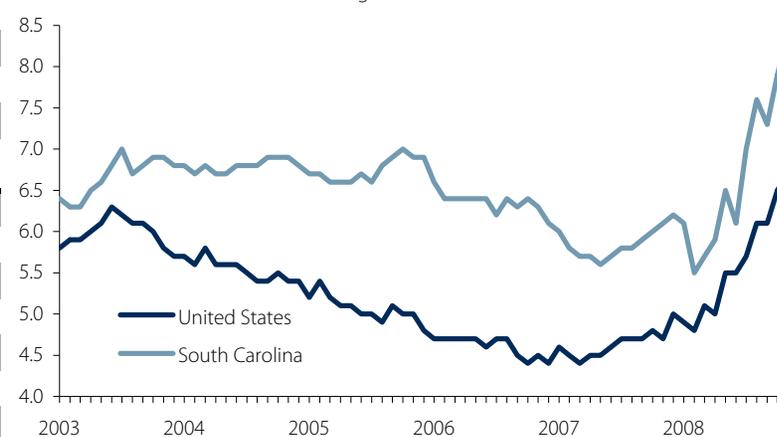
South Carolina Payroll Employment Performance

Year-over-Year Percent Change through November 2008



South Carolina Unemployment Rate

Through November 2008





SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

SOUTH CAROLINA

Labor Market Conditions

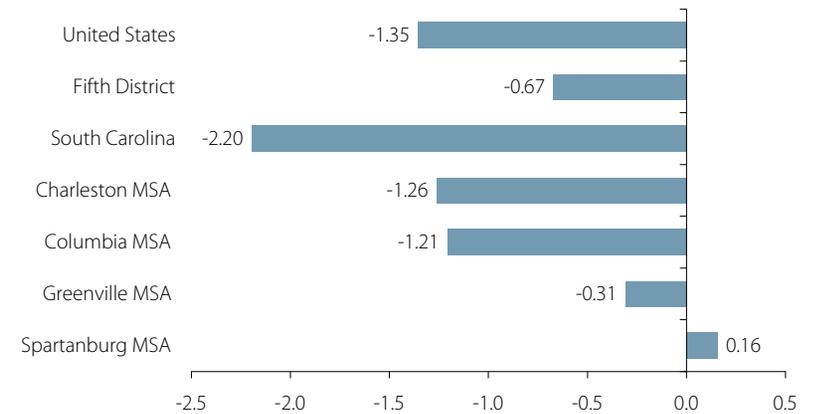
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	154,616	-0.27	0.51
Fifth District	November	15,019	-0.20	0.85
South Carolina	November	2,171	0.07	1.08
Charleston MSA	November	316	-0.57	1.18
Columbia MSA	November	374	0.13	0.89
Greenville-Spartanburg MSA	November	321	-0.22	1.81

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	2,222,579	9.78	40.88
Fifth District	November	205,036	7.92	42.29
South Carolina	November	40,608	5.93	46.08

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



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



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

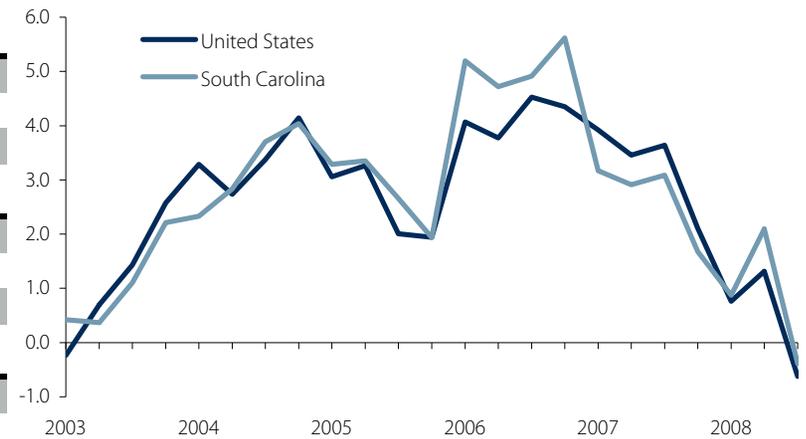
SOUTH CAROLINA

Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:08	9,855,509	-0.58	-0.63
Fifth District	3Q:08	944,592	-1.21	-0.50
South Carolina	3Q:08	116,320	-1.69	-0.39
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	1,907	2.80	8.91
Mortgage Delinquencies (% Delinquent)	3Q:08	2Q:08	3Q:07	
United States				
All Mortgages	7.29	6.22	5.81	
Conventional	4.54	3.73	3.25	
Subprime	20.47	18.21	16.68	
South Carolina				
All Mortgages	7.37	6.43	6.46	
Conventional	4.66	3.99	4.04	
Subprime	21.48	19.22	17.28	

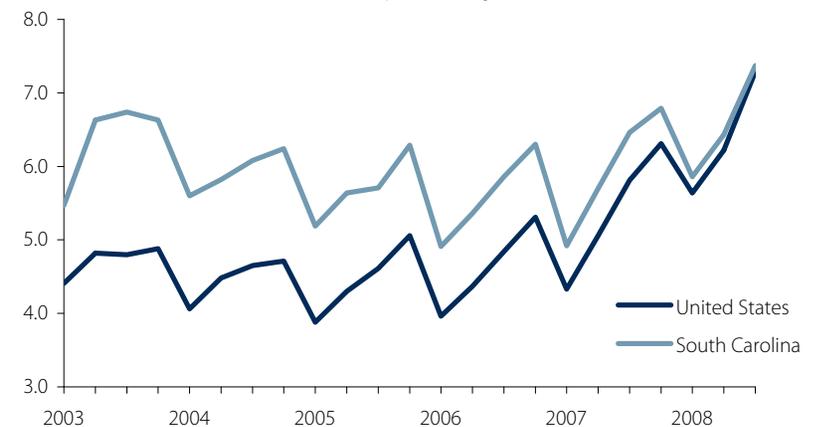
South Carolina Real Personal Income

Year-over-Year Percent Change through 3Q:08



South Carolina Mortgage Delinquencies - All

Percent Delinquent through 3Q:08



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

SOUTH CAROLINA Real Estate Conditions

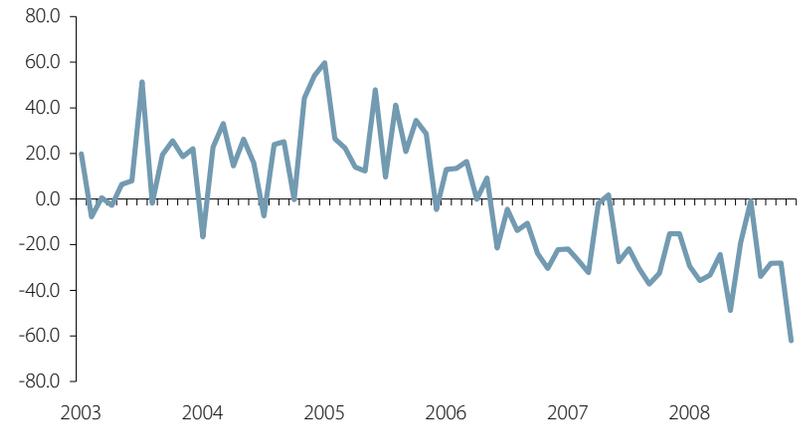
Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	40,242	-34.83	-53.27
Fifth District	November	4,856	-41.61	-59.07
South Carolina	November	959	-40.06	-62.17
Charleston MSA	November	180	-59.18	-49.72
Columbia MSA	November	216	0.47	-60.29
Greenville MSA	November	82	-43.06	-71.33
Spartanburg MSA	November	49	-10.91	-37.18

Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	625.0	-18.94	-46.99
Fifth District	November	91.0	-22.78	-43.25
South Carolina	November	18.0	-20.72	-47.53

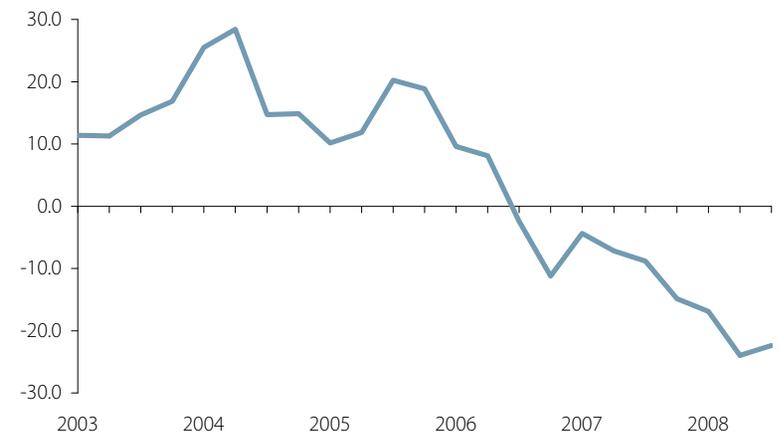
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:08	5,037.0	2.59	-7.70
Fifth District	3Q:08	458.4	-1.63	-14.29
South Carolina	3Q:08	80.4	-6.94	-22.39

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charleston MSA	3Q:08	211	-1.95	-0.66
Columbia MSA	3Q:08	148	-1.34	-1.34
Greenville MSA	3Q:08	157	-2.25	-1.82
Spartanburg MSA	3Q:08	127.7	-1.92	-4.99

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



South Carolina Existing Home Sales
Year-over-Year Percent Change through 3Q:08



SNAPSHOT

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JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

SOUTH CAROLINA

Real Estate Conditions

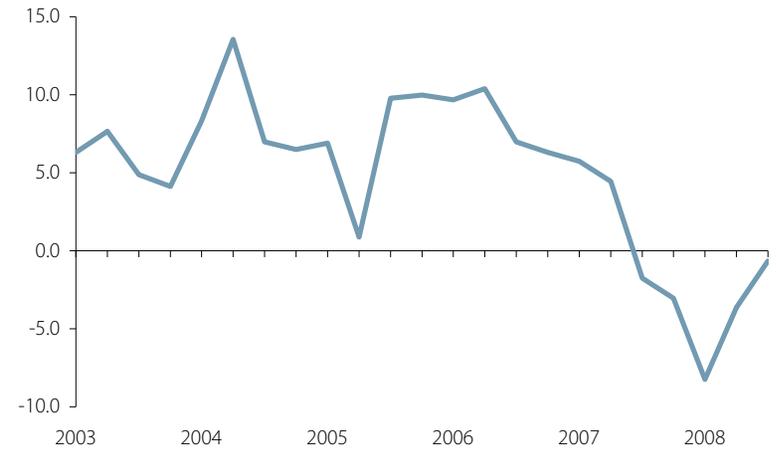
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charleston MSA	3Q:08	196	-4.39	-6.67
Columbia MSA	3Q:08	154	4.05	---
Greenville MSA	3Q:08	150	-2.60	-3.23

House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:08	369	-2.68	-4.00
Fifth District	3Q:08	413	-1.64	-2.50
South Carolina	3Q:08	327	-0.45	2.42
Charleston MSA (1995=100)	3Q:08	273	-0.30	1.37
Columbia MSA (1995=100)	3Q:08	177	-0.05	2.92
Greenville MSA (1995=100)	3Q:08	172	-0.61	4.55
Spartanburg MSA (1995=100)	3Q:08	162	2.20	2.20

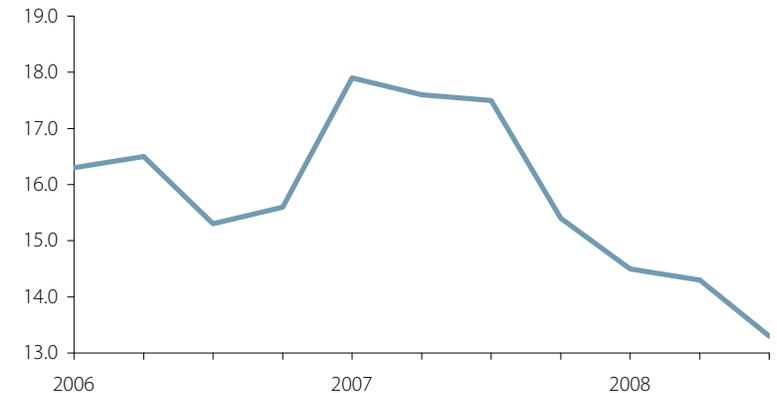
Housing Opportunity Index ² (%)	3Q:08	2Q:08	3Q:07
Charleston MSA	56.5	53.8	43.9
Columbia MSA	69.9	71.7	---
Greenville MSA	69.2	69.1	62.5

Commercial Vacancy Rates (%)	3Q:08	2Q:08	3Q:07
Office Vacancies			
Charleston	17.7	17.9	14.8
Columbia	---	15.5	16.2
Greenville	13.3	14.3	17.5
Industrial Vacancies			
Charleston	13.2	13.4	10.6
Greenville	8.9	8.8	10.4

Charleston MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 3Q:08



Greenville MSA Office Vacancy Rate
Through 3Q:08





SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

VIRGINIA

January Summary

The Virginia economy weakened further according to recent data as reports from both labor and housing markets remained downbeat.

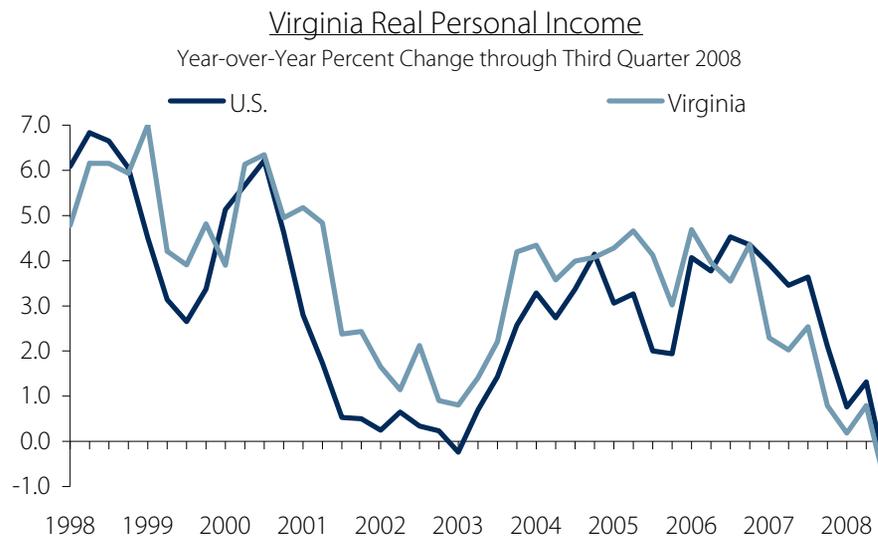
Employment activity in Virginia slowed in recent months. Firms across the state cut 10,000 jobs in November for a 0.3 percent reduction in payrolls. Although the state continued its five-year streak of year-over-year payroll growth, the 3,600 jobs added since November 2007 was the smallest addition since July 2003. Job losses continued in the construction industry, which has lost a total of 18,300 jobs in the state since October 2006, and manufacturing, which has not seen notable employment growth for almost a decade. More recently, however, other sectors have trimmed jobs: the financial activities sector has seen steady year-over-year decreases since June 2007, the trade, transportation, and utilities sector has been in decline since February 2008, and the leisure and hospitality sector has posted successive year-over-year job losses in the past five months. Virginia's metro areas performed slightly better than the state level as November payrolls rose in the Lynchburg, Richmond, Roanoke, and Virginia Beach MSAs.

The unemployment rate in the Commonwealth reflected payroll figures as joblessness jumped to 4.8 percent in November – its highest mark since June 1994 – while the number of unemployed residents climbed to a 16-year high of 198,400.

The Virginia housing market exhibited a positive sign in in the third quarter as existing home sales rose 12.9 percent over the year – the first twelve-month increase since the second quarter of 2005. Nonetheless, housing activity in the state remained weak overall. New residential construction continued to slow as permit levels fell 54.7 percent and housing starts fell 40.1 percent. In addition, house prices declined 1.8 percent in the third quarter. Activity in the state's major metro areas was similarly bleak as residential permitting activity slowed across the state's MSAs and third quarter house prices depreciated in the Lynchburg, Richmond, and Virginia Beach metro areas.

A Closer Look at... Personal Income

The third quarter of 2008 marked the largest drop in real personal income – 1.0 percent – in Virginia since the second quarter of 1981. Total income also fell 1.0 percent over the year – the first year-over-year decline since the third quarter of 1991 and the largest decline on record. In addition, real per capita income decreased 1.9 percent in the third quarter for the steepest decline in the Commonwealth since the second quarter of 1958. Virginia residents ended the third quarter with a nominal per capita income of \$42,784.



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

VIRGINIA

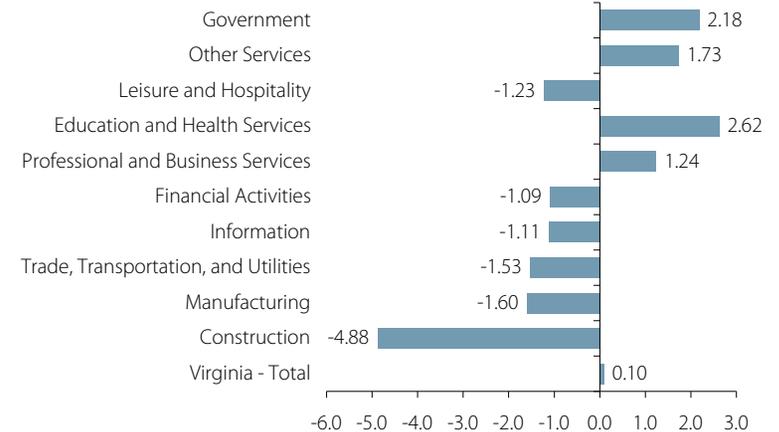
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	136,167.0	-0.39	-1.35
Fifth District - Total	November	13,883.4	-0.54	-0.67
Virginia - Total	November	3,767.2	-0.26	0.10
Construction	November	227.9	-0.83	-4.88
Manufacturing	November	270.7	-1.06	-1.60
Trade, Transportation, and Utilities	November	657.2	-0.90	-1.53
Information	November	89.1	-0.45	-1.11
Financial Activities	November	190.3	-0.10	-1.09
Professional and Business Services	November	653.4	0.05	1.24
Education and Health Services	November	430.5	0.19	2.62
Leisure and Hospitality	November	346.2	-0.06	-1.23
Other Services	November	187.9	-0.21	1.73
Government	November	702.0	0.04	2.18
Lynchburg MSA - Total	November	112.7	0.36	1.62
Richmond MSA - Total	November	634.3	0.05	-0.63
Roanoke MSA - Total	November	165.0	0.30	0.36
Virginia Beach-Norfolk MSA - Total	November	792.5	0.15	1.46

Unemployment Rate (SA)	November 08	October 08	November 07
United States	6.7	6.5	4.7
Fifth District	6.4	5.9	4.3
Virginia	4.8	4.4	3.2
Lynchburg MSA	4.6	4.3	3.2
Richmond MSA	5.0	4.5	3.2
Roanoke MSA	4.6	4.1	3.2
Virginia Beach-Norfolk MSA	4.8	4.4	3.2

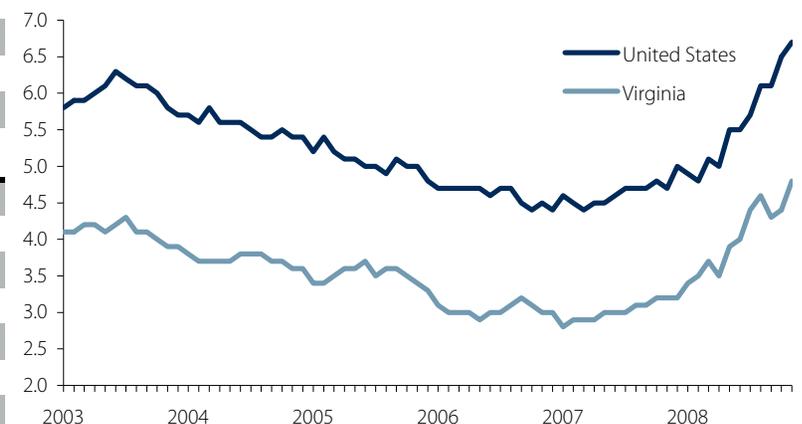
Virginia Payroll Employment Performance

Year-over-Year Percent Change through November 2008



Virginia Unemployment Rate

Through November 2008





SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

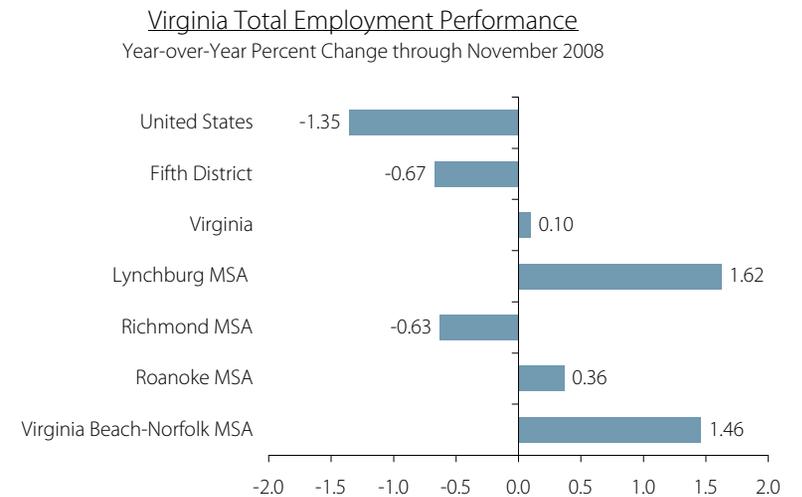
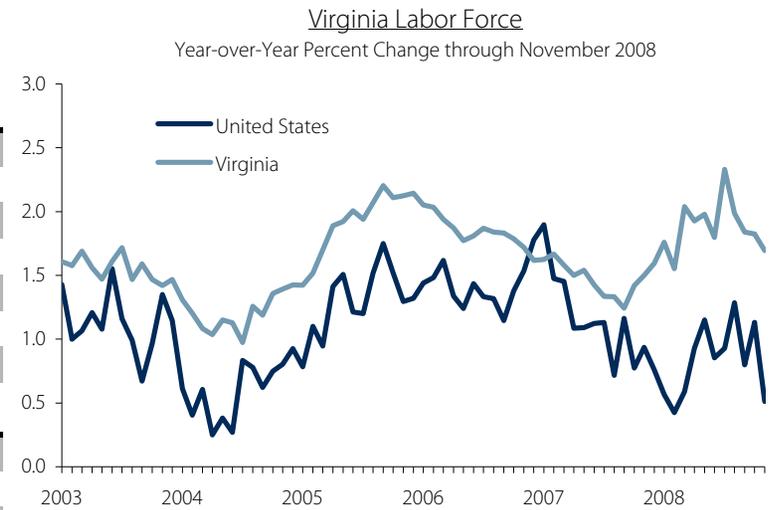
FEDERAL RESERVE BANK OF RICHMOND

VIRGINIA

Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	154,616	-0.27	0.51
Fifth District	November	15,019	-0.20	0.85
Virginia	November	4,152	0.02	1.70
Lynchburg MSA	November	126	0.24	2.27
Richmond MSA	November	649	-0.14	0.96
Roanoke MSA	November	158	0.00	1.35
Virginia Beach-Norfolk MSA	November	839	-0.15	2.82

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	2,222,579	9.78	40.88
Fifth District	November	205,036	7.92	42.29
Virginia	November	36,691	8.44	46.09



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

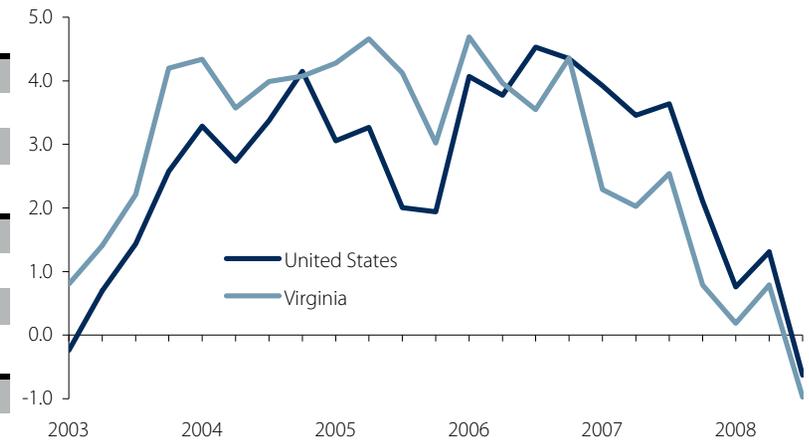
FEDERAL RESERVE BANK OF RICHMOND

VIRGINIA

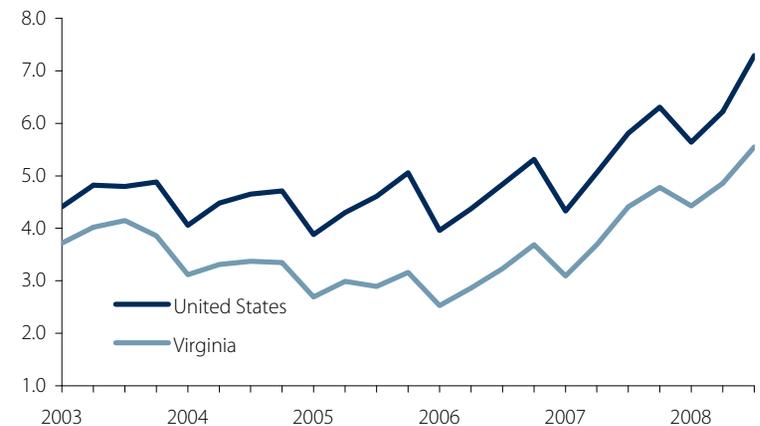
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:08	9,855,509	-0.58	-0.63
Fifth District	3Q:08	944,592	-1.21	-0.50
Virginia	3Q:08	270,974	-1.02	-0.97
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)	3Q:08	2Q:08	3Q:07	
United States				
All Mortgages	7.29	6.22	5.81	
Conventional	4.54	3.73	3.25	
Subprime	20.47	18.21	16.68	
Virginia				
All Mortgages	5.55	4.86	4.41	
Conventional	3.46	2.92	2.50	
Subprime	19.96	18.15	15.77	

Virginia Real Personal Income
Year-over-Year Percent Change through 3Q:08



Virginia Mortgage Delinquencies - All
Percent Delinquent through 3Q:08



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

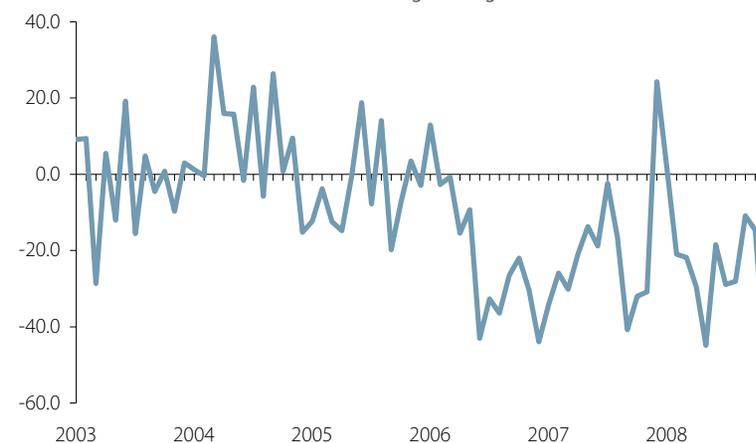
FEDERAL RESERVE BANK OF RICHMOND

VIRGINIA

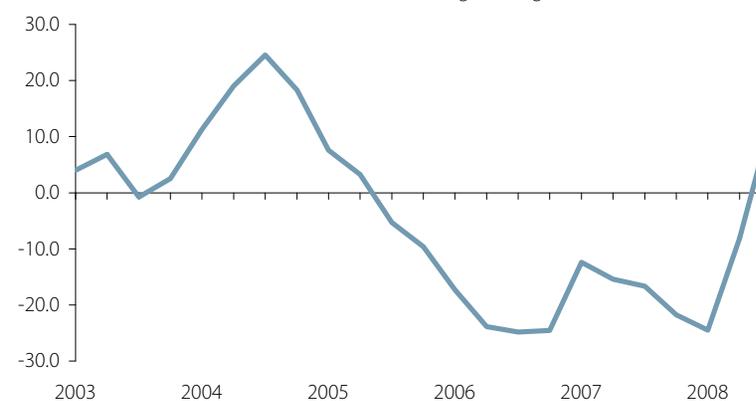
Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	40,242	-34.83	-53.27
Fifth District	November	4,856	-41.61	-59.07
Virginia	November	1,014	-54.73	-48.71
Lynchburg MSA	November	31	-29.55	-82.78
Richmond MSA	November	161	-51.65	-54.65
Roanoke MSA	November	25	-39.02	-56.90
Virginia Beach-Norfolk MSA	November	158	-54.73	-50.31
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	625.0	-18.94	-46.99
Fifth District	November	91.0	-22.78	-43.25
Virginia	November	19.0	-40.13	-28.88
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:08	5,037.0	2.59	-7.70
Fifth District	3Q:08	458.4	-1.63	-14.29
Virginia	3Q:08	126.4	11.66	12.86
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	November	13,693	-3.43	0.74
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	November	299,900	0.00	-6.39

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



Virginia Existing Home Sales
Year-over-Year Percent Change through 3Q:08



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

VIRGINIA

Real Estate Conditions

Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	3Q:08	218	-8.94	-8.75
Virginia Beach-Norfolk MSA	3Q:08	242	1.04	-5.02
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	3Q:08	224	0.00	-4.68
Virginia Beach-Norfolk MSA	3Q:08	225	3.69	0.00
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:08	369	-2.68	-4.00
Fifth District	3Q:08	413	-1.64	-2.50
Virginia	3Q:08	453	-1.78	-3.94
Lynchburg MSA (1995=100)	3Q:08	195	-1.30	1.81
Richmond MSA (1995=100)	3Q:08	221	-0.62	-0.83
Roanoke MSA (1995=100)	3Q:08	198	0.37	2.65
Virginia Beach-Norfolk MSA (1995=100)	3Q:08	253	-1.02	-1.97
Housing Opportunity Index ² (%)	3Q:08	2Q:08	3Q:07	
Richmond MSA	59.2	60.6	50.5	
Roanoke MSA	---	---	45.8	
Virginia Beach-Norfolk MSA	50.4	51.7	46.7	
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

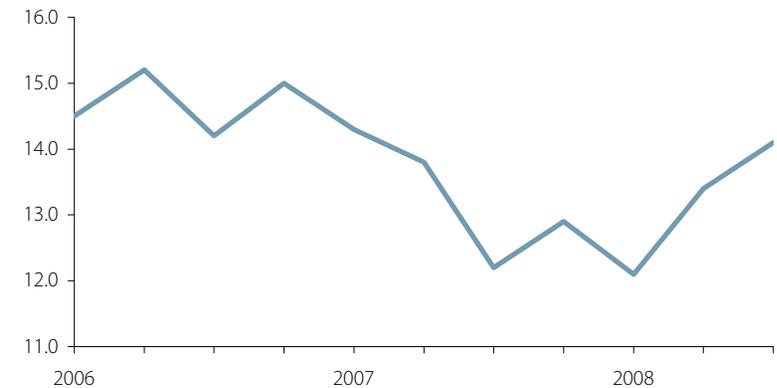
Richmond MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through 3Q:08



Richmond MSA Office Vacancy Rate

Through 3Q:08





SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

WEST VIRGINIA

January Summary

Indicators of West Virginia's economy reflected somewhat stagnant activity in recent months, with little change in employment, and further weakening in the real estate market.

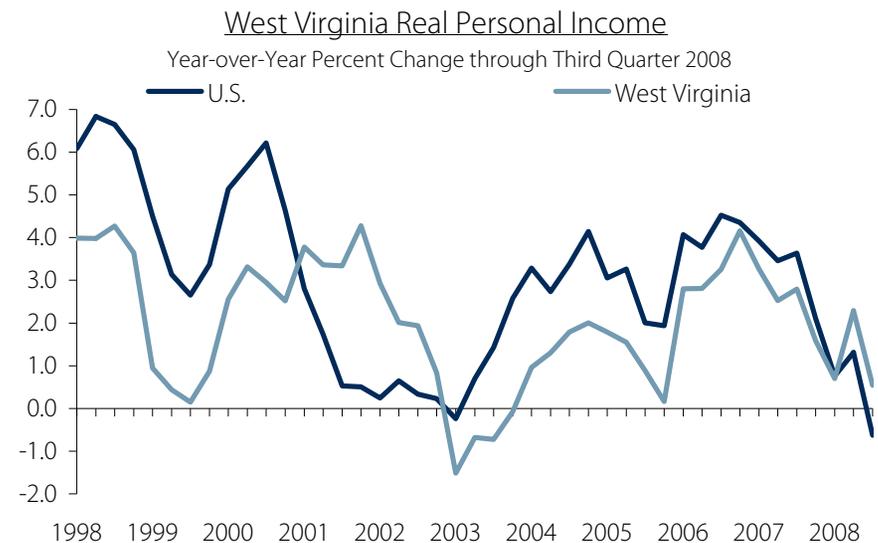
Employment growth in West Virginia was virtually flat in recent months as the state added 200 jobs (0.0 percent) in November and shed 300 jobs (0.0 percent) over the year. As in other parts of the District and the nation, the manufacturing sector has struggled in recent years, with year-over-year payroll declines in all but two months since November 1998. The 4.1 percent reduction in the past year is the largest since December 2003. Also mirroring national trends, the construction sector has seen year-over-year losses every month since April 2007. Meanwhile, the natural resources and mining industry in West Virginia has added a significant number of jobs in recent months, with firms adding 200 jobs (0.6 percent) in November and 2,500 jobs (8.7 percent) over the year. In addition, the industry has seen consecutive year-over-year payroll gains for almost five years. Employment activity in West Virginia's metro areas was mixed; however, other than the Charleston MSA, all metro areas posted positive payroll growth in November.

West Virginia's unemployment rate remained steady at 4.6 percent in November – the lowest joblessness in the District, and a historically low rate for the state.

Housing markets in West Virginia softened somewhat according to recent data. Existing home sales fell 3.1 percent in the third quarter and 7.4 percent over the year for the twelfth consecutive quarter of year-over-year decline. House prices fell 2.4 percent in the third quarter, bringing the House Price Index back to its year-ago level. New residential construction was also sluggish as residential permitting activity fell 39.7 percent in November and housing starts fell 20.1 percent. Permit levels in the Mountain state dropped 72.7 percent over the past year – the steepest year-over-year drop since February 1982.

A Closer Look at...Personal Income

West Virginia households experienced a decrease in real personal income of 1.2 percent in the third quarter of 2008, but an increase of 0.5 percent over the year. The Mountain state was the only jurisdiction in the Fifth District to see a year-over-year expansion of real personal income in the third quarter. However, income in West Virginia has risen at an average annual pace of 1.8 percent over the past decade – by far the slowest rate of all Fifth District jurisdictions. In addition, real per capita personal income also fell 1.2 percent in the third quarter, but grew at 0.4 percent over the year. West Virginians ended the quarter with a nominal per capita income of \$30,816, the lowest of all Fifth District jurisdictions.



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

WEST VIRGINIA

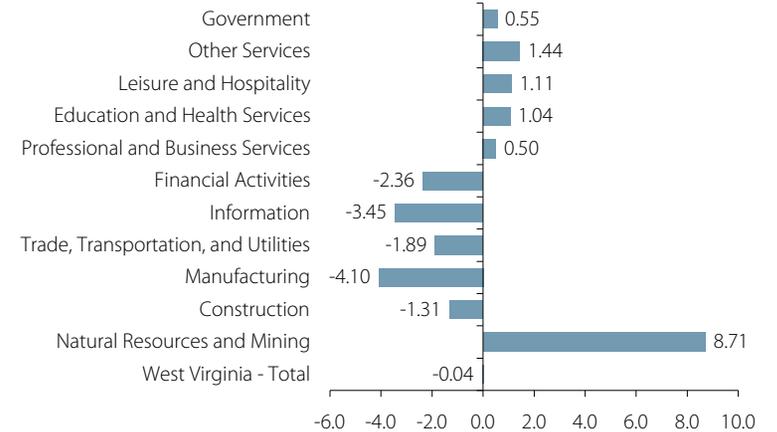
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	136,167.0	-0.39	-1.35
Fifth District - Total	November	13,883.4	-0.54	-0.67
West Virginia - Total	November	757.9	0.03	-0.04
Natural Resources and Mining	November	31.2	0.65	8.71
Construction	November	37.7	-0.26	-1.31
Manufacturing	November	56.2	-0.53	-4.10
Trade, Transportation, and Utilities	November	140.2	-0.14	-1.89
Information	November	11.2	0.90	-3.45
Financial Activities	November	29.0	-0.68	-2.36
Professional and Business Services	November	60.9	0.16	0.50
Education and Health Services	November	116.2	0.17	1.04
Leisure and Hospitality	November	72.6	0.28	1.11
Other Services	November	56.5	0.00	1.44
Government	November	146.2	0.14	0.55
Charleston MSA - Total	November	151.0	-0.07	0.40
Huntington MSA - Total	November	121.6	0.58	-0.73
Morgantown MSA - Total	November	64.1	0.31	1.10
Parkersburg MSA - Total	November	74.9	0.81	-1.83

Unemployment Rate (SA)	November 08	October 08	November 07
United States	6.7	6.5	4.7
Fifth District	6.4	5.9	4.3
West Virginia	4.6	4.6	4.6
Charleston MSA	3.4	3.3	3.7
Huntington MSA	4.8	4.7	4.3
Morgantown MSA	2.8	2.7	2.9
Parkersburg MSA	5.0	4.7	4.3

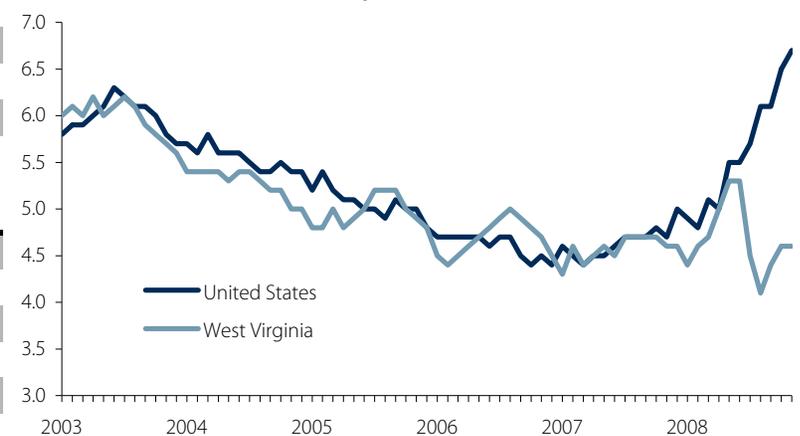
West Virginia Payroll Employment Performance

Year-over-Year Percent Change through November 2008



West Virginia Unemployment Rate

Through November 2008





SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

WEST VIRGINIA

Labor Market Conditions

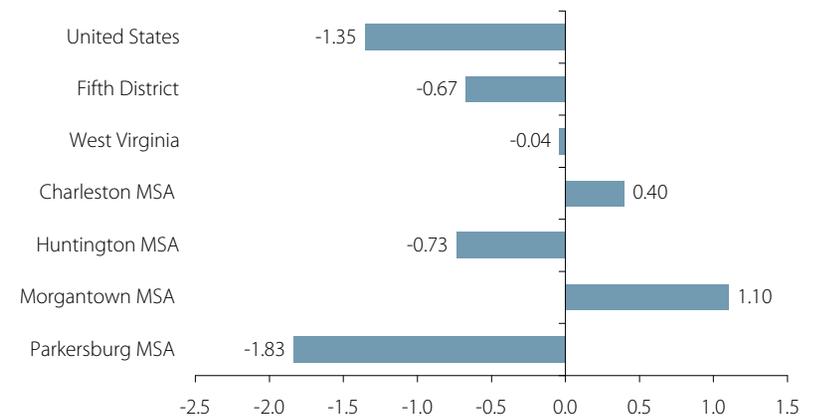
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	154,616	-0.27	0.51
Fifth District	November	15,019	-0.20	0.85
West Virginia	November	806	-0.54	-0.53
Charleston MSA	November	137	-1.15	-0.65
Huntington MSA	November	133	0.00	-1.19
Morgantown MSA	November	64	-0.78	0.16
Parkersburg MSA	November	81	0.12	-1.95

Initial Unemployment Claims (NSA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	2,222,579	9.78	40.88
Fifth District	November	205,036	7.92	42.29
West Virginia	November	7,025	14.51	-4.66

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



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



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FEDERAL RESERVE BANK OF RICHMOND

WEST VIRGINIA

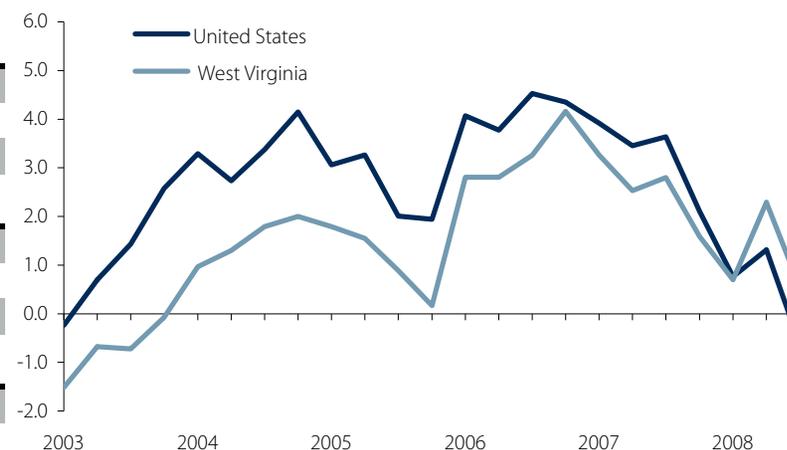
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:08	9,855,509	-0.58	-0.63
Fifth District	3Q:08	944,592	-1.21	-0.50
West Virginia	3Q:08	45,451	-1.17	0.54

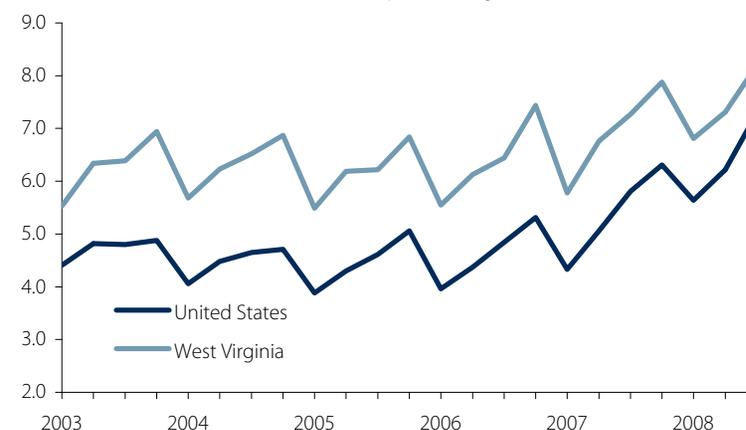
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	2Q:08	266,767	12.57	30.93
Fifth District	2Q:08	19,682	4.15	29.96
West Virginia	2Q:08	1,369	16.81	22.12

Mortgage Delinquencies (% Delinquent)	3Q:08	2Q:08	3Q:07
United States			
All Mortgages	7.29	6.22	5.81
Conventional	4.54	3.73	3.25
Subprime	20.47	18.21	16.68
West Virginia			
All Mortgages	8.20	7.31	7.27
Conventional	5.53	4.83	5.06
Subprime	23.15	21.32	19.23

West Virginia Real Personal Income
Year-over-Year Percent Change through 3Q:08



West Virginia Mortgage Delinquencies - All
Percent Delinquent through 3Q:08



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FEDERAL RESERVE BANK OF RICHMOND

WEST VIRGINIA Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	November	40,242	-34.83	-53.27
Fifth District	November	4,856	-41.61	-59.07
West Virginia	November	129	-39.72	-72.67
Charleston MSA	November	14	-60.00	27.27
Huntington MSA	November	1	-66.67	-93.33
Morgantown MSA	November	9	50.00	-74.29
Parkersburg MSA	November	5	-16.67	-37.50

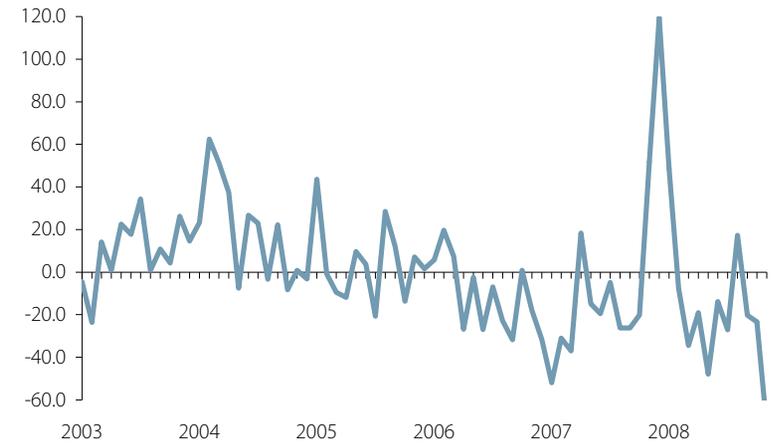
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	625.0	-18.94	-46.99
Fifth District	November	91.0	-22.78	-43.25
West Virginia	November	2.4	-20.13	-62.07

Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	3Q:08	5,037.0	2.59	-7.70
Fifth District	3Q:08	458.4	-1.63	-14.29
West Virginia	3Q:08	25.2	-3.08	-7.35

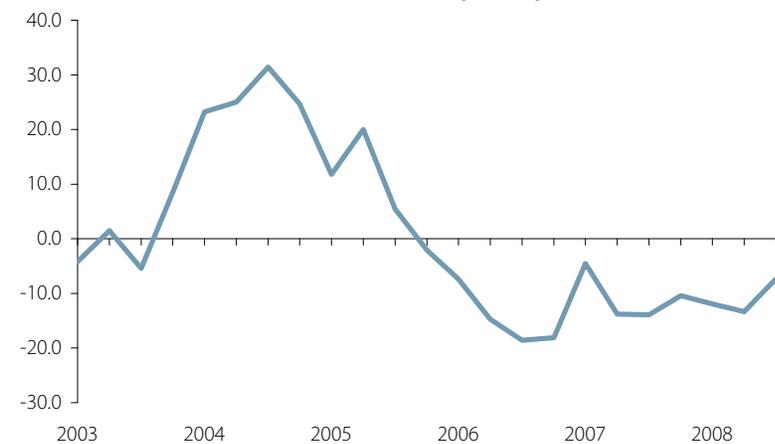
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	3Q:08	369	-2.68	-4.00
Fifth District	3Q:08	413	-1.64	-2.50
West Virginia	3Q:08	230	-2.37	0.01
Charleston MSA (1995=100)	3Q:08	157	-2.94	1.71
Huntington MSA (1995=100)	3Q:08	172	-0.38	1.44
Morgantown MSA (1995=100)	3Q:08	177	0.05	1.72
Parkersburg MSA (1995=100)	3Q:08	167	4.20	5.90

Median Home Sales Price - NAR	Period	Level (\$ 000s)	QoQ % Change	YoY % Change
Charleston MSA	3Q:08	128	-6.52	3.48

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



West Virginia Existing Home Sales
Year-over-Year Percent Change through 3Q:08





SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

JANUARY 2009

FEDERAL RESERVE BANK OF RICHMOND

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 Richard Ellis and Grub & Ellis
Haver Analytics
<http://www.cbre.com> and <http://www.grubb-ellis.com>

Home Inventory / Asking Price

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

NOTES

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

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

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