

NORTH CAROLINA

October Summary

Reports on the North Carolina economy varied in recent months, with a slight increase in payroll employment and mixed conditions in residential real estate.

Labor Markets: Employment in North Carolina expanded slightly—1,100 jobs (0.0 percent)—in August. Despite declines in four of the past six months, firms in the state added 27,800 jobs (0.7 percent) since August 2011. In August, the government sector accounted for the increase with an additional 8,400 jobs (1.2 percent). Over the year, the trade, transportation, and utilities industry and the education and health services industry saw the sharpest growth, adding 12,600 jobs (1.7 percent) and 10,400 jobs (1.9 percent), respectively. Employment activity varied by metro area both in August and over the preceding year.

Household Conditions: The unemployment rate in North Carolina increased to 9.7 percent in August from 9.6 percent in July for a second straight month of increase. On the one hand, this increase reflected an expansion in the ranks of the unemployed by almost 6,000 workers. On the other hand, the civilian labor force also increased (by about 150 workers) for the first time since February. Real personal income in North Carolina grew 0.8 percent in the second quarter and 1.8 percent since the second quarter of 2011, marking two years of consecutive year-over-year growth in income. In the second quarter, the share of mortgages with payments 90 or more days past due changed little, remaining at 2.8 percent. The prime and subprime 90+ day delinquency rates both rose slightly, while the rate for FHA mortgages fell slightly.

Housing Markets: Although residential permit levels in North Carolina were down 15.4 percent in August, they rose 27.4 percent since August 2011 for an eleventh consecutive month of year-over-year increase. Housing starts were also down in the month (19.3 percent), but rose 19.9 percent since August 2011. Meanwhile, the CoreLogic July house price index indicated a 0.8 percent increase in North Carolina home values in the month and 1.4 percent over the year, marking a third straight month of year-over-year appreciation after more than four years of consecutive decline. Although a few metro areas reported house price declines, prices grew in most metro areas in July. Only the Fayetteville MSA reported both monthly and year-over-year house price decline. Permitting activity varied across MSAs in the state.

A Closer Look at... State Tax Collections

State Tax Collections in Q2-2012: \$6,382,169,000

Year-to-Date State Tax Collections in Q2-2012: \$11,600,663,000

Change from Q2-2011: 1.6 percent (\$181,363,000)

State Tax Collections in 2011: \$22,501,444,000

Change from 2010: 3.9 percent (\$843,104,000)

Largest Year-over-Year (Year-to-Date) Increase: 15.2 percent in Q2:2005

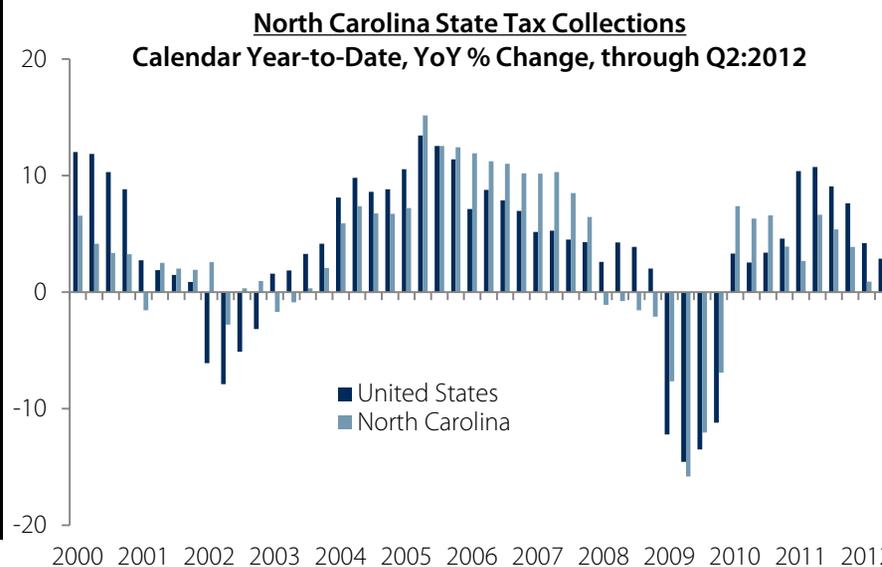
Largest Year-over-Year (Year-to-Date) Decrease: -15.8 percent in Q2:2009

Largest Sources of Tax Collections (2011):

Individual Income Tax--45.1 percent

General Sales Tax--26.2 percent

Motor Fuels Sales Tax--7.7 percent



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

October 2012

FEDERAL RESERVE BANK OF RICHMOND

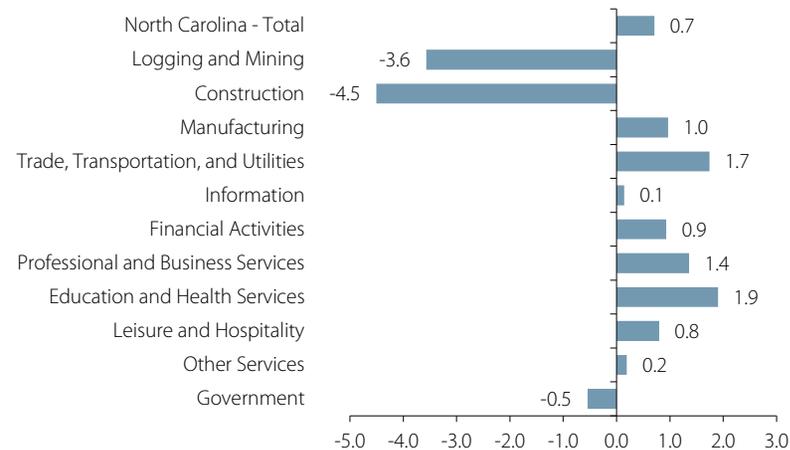
NORTH CAROLINA

Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	August	133,300.0	0.07	1.37
Fifth District - Total	August	13,558.4	-0.22	0.74
North Carolina - Total	August	3,953.4	0.03	0.71
Logging and Mining	August	5.4	0.00	-3.57
Construction	August	167.5	-1.99	-4.50
Manufacturing	August	438.8	-0.52	0.97
Trade, Transportation, and Utilities	August	736.4	-0.34	1.74
Information	August	69.3	0.43	0.14
Financial Activities	August	205.7	-0.48	0.93
Professional and Business Services	August	520.9	0.15	1.36
Education and Health Services	August	556.8	0.11	1.90
Leisure and Hospitality	August	403.9	-0.25	0.80
Other Services	August	155.3	0.78	0.19
Government	August	693.4	1.23	-0.55
Asheville MSA - Total	August	171.1	0.47	1.48
Charlotte MSA - Total	August	839.5	0.72	1.43
Durham MSA - Total	August	280.9	1.63	2.63
Fayetteville MSA - Total	August	130.4	-0.15	-1.14
Greensboro-High Point MSA - Total	August	346.2	-0.66	1.73
Raleigh-Cary MSA - Total	August	523.6	-0.17	3.09
Wilmington MSA - Total	August	134.7	0.75	-1.82
Winston-Salem MSA - Total	August	202.5	-0.69	-1.94

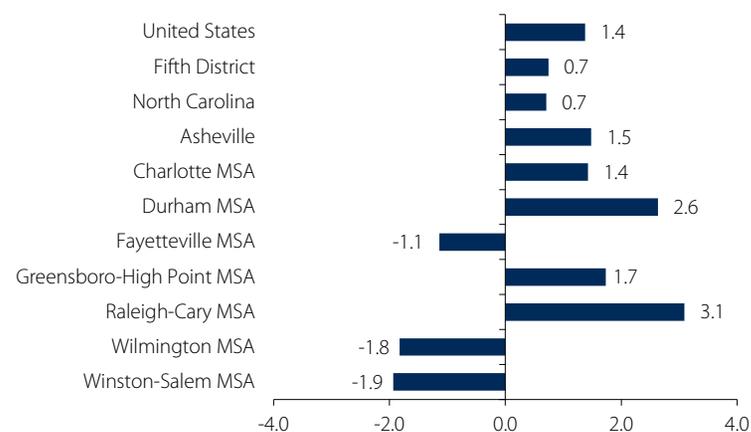
North Carolina Payroll Employment Performance

Year-over-Year Percent Change through August 2012



North Carolina Total Employment Performance

Year-over-Year Percent Change through August 2012



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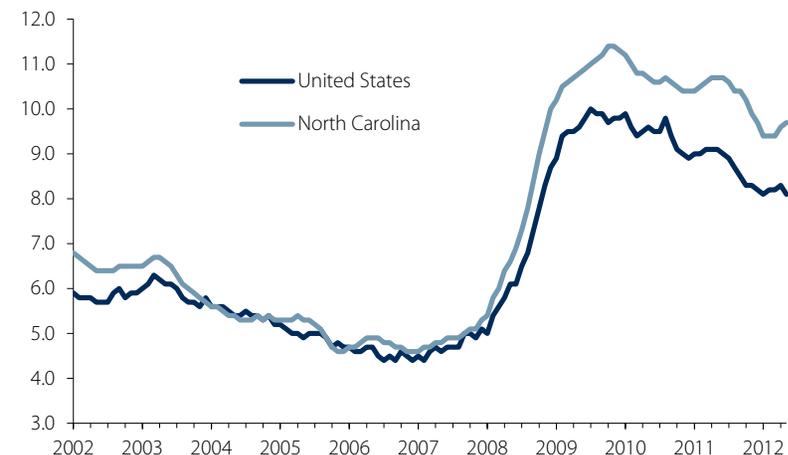
Labor Market Conditions

Unemployment Rate (SA)	August 12	July 12	August 11
United States	8.1	8.3	9.1
Fifth District	8.0	7.9	8.6
North Carolina	9.7	9.6	10.7
Asheville MSA	7.8	7.8	8.5
Charlotte MSA	9.7	9.7	11.0
Durham MSA	7.5	7.6	8.2
Fayetteville MSA	10.4	10.1	10.3
Greensboro-High Point MSA	9.9	9.9	11.1
Raleigh-Cary MSA	7.7	7.7	8.8
Wilmington MSA	10.0	10.0	10.9
Winston-Salem MSA	9.1	9.1	9.9

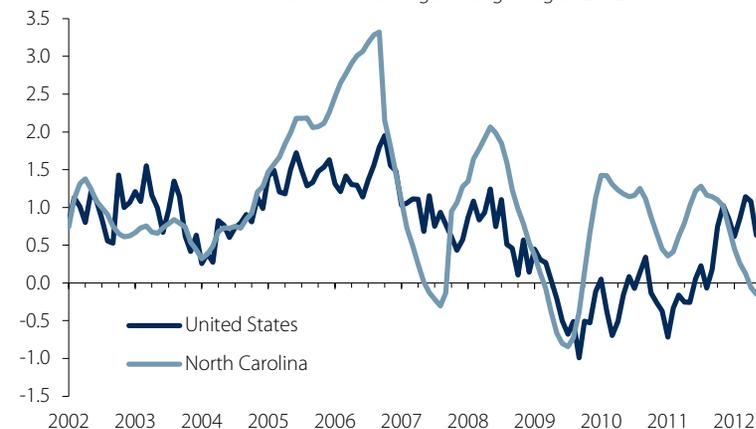
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	August	154,645	-0.24	0.63
Fifth District	August	15,325	-0.22	-0.07
North Carolina	August	4,648	0.00	-0.15
Asheville MSA	August	216	0.05	0.14
Charlotte MSA	August	900	0.18	0.20
Durham MSA	August	269	0.37	1.58
Fayetteville MSA	August	167	0.36	0.54
Greensboro-High Point MSA	August	376	0.00	1.10
Raleigh-Cary MSA	August	596	0.39	2.23
Wilmington MSA	August	177	0.00	-2.74
Winston-Salem MSA	August	242	-0.25	-0.82

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	August	1,368,004	-18.97	-14.08
Fifth District	August	128,338	-16.84	-8.36
North Carolina	August	51,446	-19.88	-2.60

North Carolina Unemployment Rate
Through August 2012



North Carolina Labor Force
Year-over-Year Percent Change through August 2012



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Household Conditions

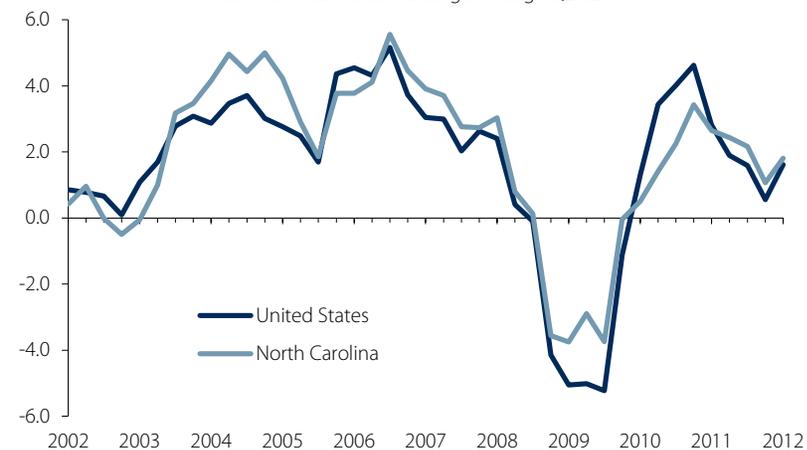
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q2:12	11,574,853	0.83	1.61
Fifth District	Q2:12	1,145,462	0.81	1.76
North Carolina	Q2:12	311,798	0.80	1.81

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Asheville MSA	2012	58.4	---	1.39
Charlotte MSA	2012	68.5	---	1.48
Durham MSA	2012	68.7	---	1.33
Fayetteville MSA	2012	52.7	---	1.35
Greensboro-High Point MSA	2012	55.3	---	1.28
Raleigh-Cary MSA	2012	79.9	---	1.40
Winston-Salem MSA	2012	62	---	1.31

Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q2:12	315,319	1.07	-14.55
Fifth District	Q2:12	21,961	-4.43	-10.77
North Carolina	Q2:12	5,234	-5.15	-10.12

Mortgage Delinquencies (% 90+ Days Delinquent)	Q2:12	Q1:12	Q2:11
United States			
All Mortgages	3.04	3.05	3.42
Prime	1.86	1.83	2.21
Subprime	9.16	9.13	11.26
North Carolina			
All Mortgages	2.80	2.76	3.10
Prime	1.45	1.37	1.67
Subprime	9.29	8.87	11.65

North Carolina Real Personal Income
Year-over-Year Percent Change through Q2:12



North Carolina Mortgage Delinquencies
Percent 90+ Days Delinquent through Q2:12



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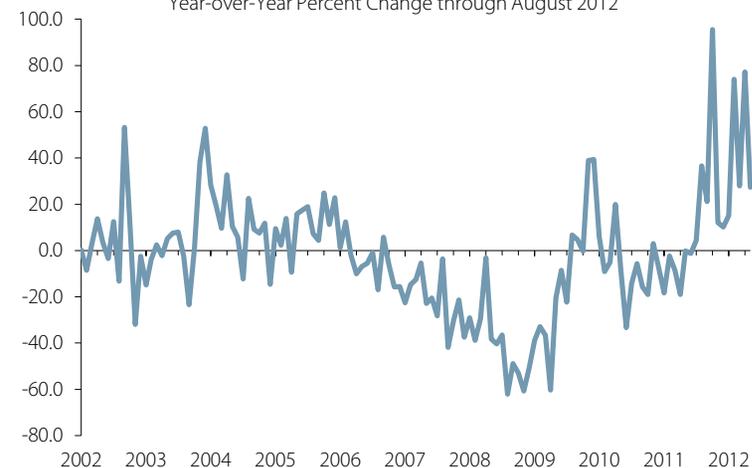
Real Estate Conditions

Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	August	77,745	7.90	27.57
Fifth District	August	9,626	-7.08	14.36
North Carolina	August	3,874	-15.38	27.43
Asheville MSA	August	164	13.89	105.00
Charlotte MSA	August	1,114	-8.91	33.25
Durham MSA	August	179	-76.72	-14.35
Fayetteville MSA	August	207	-56.24	3.50
Greensboro-High Point MSA	August	95	-43.79	-58.52
Greenville MSA	August	28	-30.00	12.00
Hickory MSA	August	29	11.54	16.00
Jacksonville MSA	August	186	6.29	135.44
Raleigh-Cary MSA	August	1,100	69.23	118.25
Wilmington MSA	August	188	-59.04	-18.61
Winston-Salem MSA	August	65	51.16	3.17

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	August	750.0	2.32	29.09
Fifth District	August	89.7	-11.45	7.55
North Carolina	August	36.1	-19.34	19.93

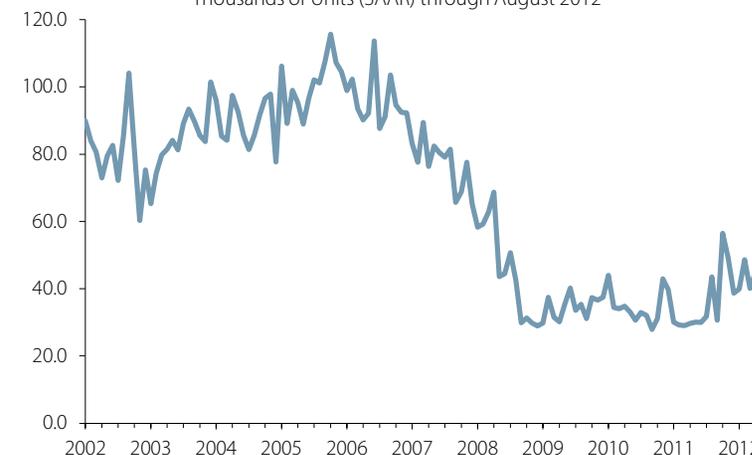
North Carolina Building Permits

Year-over-Year Percent Change through August 2012



North Carolina Housing Starts

Thousands of Units (SAAR) through August 2012



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Real Estate Conditions

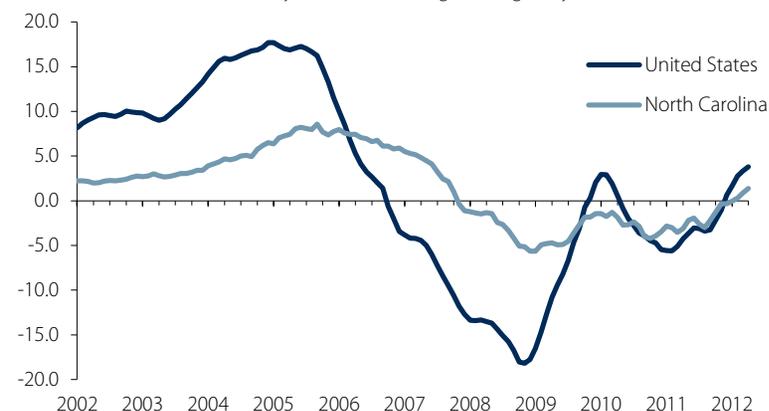
House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	July	146	1.26	3.79
Fifth District	July	170	1.30	3.38
North Carolina	July	128	0.79	1.38
Asheville MSA	July	160	-0.61	2.05
Charlotte MSA	July	122	0.57	1.16
Durham MSA	July	134	0.32	1.03
Fayetteville MSA	July	124	-1.33	-4.23
Greensboro-High Point MSA	July	112	0.45	1.40
Greenville MSA	July	127	0.79	3.33
Hickory MSA	July	117	2.59	2.26
Jacksonville MSA	July	152	0.79	-1.79
Raleigh-Cary MSA	July	122	0.83	1.31
Wilmington MSA	July	141	1.54	2.21
Winston-Salem MSA	July	122	-0.80	2.96

Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	Q2:12	---	---	---
Durham MSA	Q2:12	---	---	---
Greensboro-High Point MSA	Q2:12	128	13.20	-1.54
Raleigh-Cary MSA	Q2:12	---	---	---

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Asheville MSA	Q2:12	183	3.39	-5.18
Charlotte MSA	Q2:12	168	10.53	-8.20
Durham MSA	Q2:12	190	1.60	0.00
Fayetteville MSA	Q2:12	125	-1.57	-10.07
Greensboro-High Point MSA	Q2:12	144	19.01	0.00
Raleigh-Cary MSA	Q2:12	213	9.79	-5.33
Winston-Salem MSA	Q2:12	131	9.17	-4.38

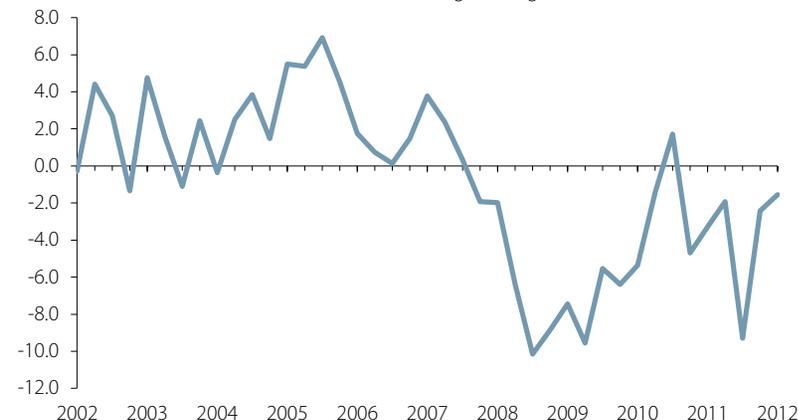
North Carolina House Price Index (CoreLogic)

Year-over-year Percent Change through July 2012



Greensboro MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through Q2:12



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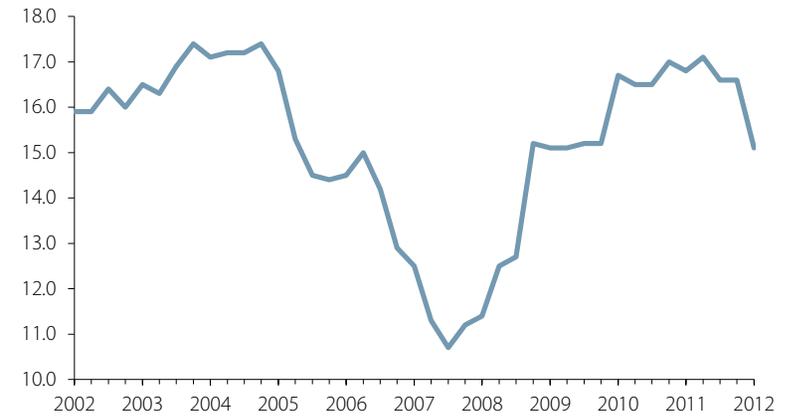
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Real Estate Conditions

Housing Opportunity Index (%)	Q2:12	Q1:12	Q2:11
Asheville MSA	71.8	70.8	61.4
Charlotte MSA	74.2	79.7	65.8
Durham MSA	77.5	70.7	71.7
Fayetteville MSA	80.7	79.3	76.9
Greensboro-High Point MSA	78.5	83.1	71.7
Raleigh-Cary MSA	81.7	84.5	71.2
Winston-Salem MSA	85.1	88.1	82.0
Commercial Vacancy Rates (%)	Q2:12	Q1:12	Q2:11
Office Vacancies			
Raleigh/Durham	14.9	15.3	14.6
Charlotte	15.1	16.6	16.8
Industrial Vacancies			
Raleigh/Durham	14.9	14.8	16.7
Charlotte	14.0	14.1	15.7
Retail Vacancies			
Raleigh/Durham	7.6	7.9	7.9
Charlotte	10.9	11.2	11.1

Charlotte MSA Office Vacancy Rate
Through Q2:12



Raleigh/Durham CSA Office Vacancy Rate
Through Q2:12

