

## NORTH CAROLINA

### February Summary

Economic conditions in North Carolina varied in recent months with continued mixed reports on labor markets and sluggish activity in area housing markets.

**Labor Markets:** Payroll employment in North Carolina contracted 0.1 percent (4,400 jobs) after two months of expansion. Losses were distributed across industries, but the biggest decline was in the professional and business services industry, which shed 3,900 jobs in the month. Nonetheless, the state still reported a net gain of 19,600 jobs (0.5 percent) since December 2010. This year-over-year increase was entirely in the private sector as the number of government employees fell by 9,800 over the year—losses that were concentrated in the state and local government sectors. Employment activity in the state’s major MSAs was mixed in December, though most metro areas reported growth over the year.

**Household Conditions:** Employment activity among North Carolina households improved slightly in December as the unemployment rate in the state inched down 0.1 percentage point to 9.9 percent. However, third quarter real personal income fell 0.5 percent for the first decline since the last quarter of 2009. Despite the decline, income grew 0.8 percent since the third quarter of 2010, marking a seventh straight quarter of year-over-year income growth. Meanwhile, the share of North Carolina mortgages with payments more than 90 days past due inched down to 3.0 percent in the third quarter as both the prime and subprime delinquency rates declined.

**Housing Markets:** New residential permit levels in North Carolina were down 21.8 percent in December, but still up 21.2 percent since December 2010, for a third straight month of year-over-year growth in permit levels. Housing starts were also down in December, but up over the year. Although third quarter existing home sales declined for the second consecutive quarter (4.7 percent), the number of houses sold increased on a year-over-year basis in the third quarter (18.3 percent). Meanwhile, according to FHFA, North Carolina house prices increased by 0.6 percent in the third quarter—the first increase in four quarters— but still declined 3.9 percent over the year. At the metro level, new permitting activity varied on a monthly and year-over-year basis, while house prices generally declined since the third quarter of 2010.

### A Closer Look at...Exports

**Total North Carolina Exports in 2010:** \$24,817,402,000

**Top Importers of North Carolina Goods and Services in 2010:**

**Canada:** \$5,412,691,000 (21.8 percent)

**China:** \$2,236,230,000 (9.0 percent)

**Mexico:** \$1,828,135,000 (7.4 percent)

**Japan:** \$1,715,523,000 (6.9 percent)

**France:** \$1,084,760,000 (4.4 percent)

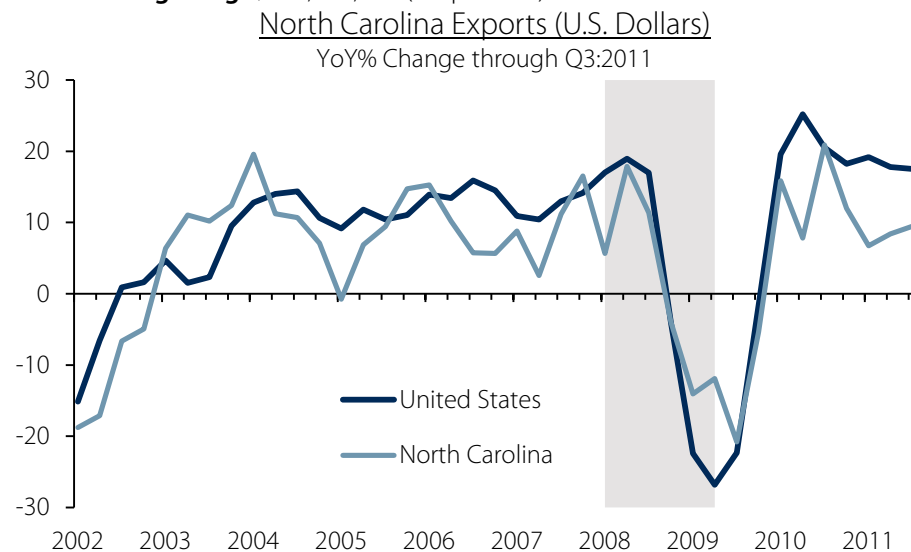
**United Kingdom:** \$932,563,000 (3.8 percent)

**Germany:** \$890,531,000 (3.6 percent)

**Honduras:** \$783,915,000 (3.2 percent)

**Brazil:** \$681,853,000 (2.7 percent)

**Hong Kong:** \$631,890,000 (2.5 percent)



# SNAPSHOT

## A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

FEBRUARY 2012

FEDERAL RESERVE BANK OF RICHMOND

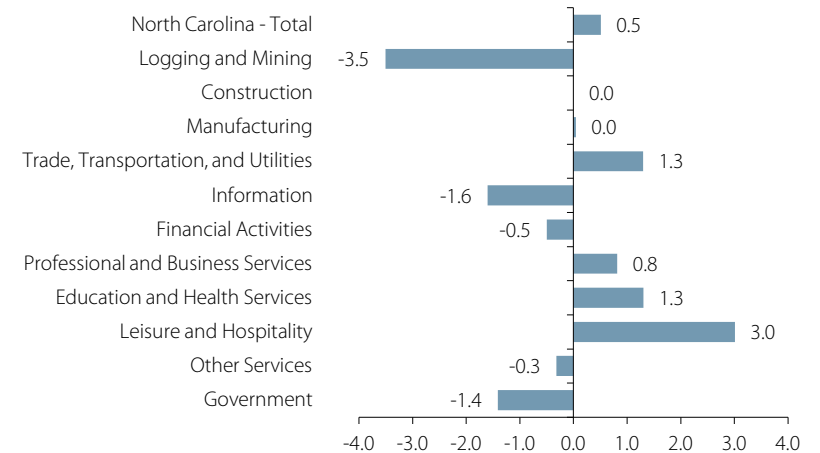
### NORTH CAROLINA

#### Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	December	131,900.0	0.15	1.26
Fifth District - Total	December	13,386.1	0.07	0.89
North Carolina - Total	December	3,876.5	-0.11	0.51
Logging and Mining	December	5.5	-1.79	-3.51
Construction	December	170.9	-0.23	0.00
Manufacturing	December	431.9	0.12	0.05
Trade, Transportation, and Utilities	December	717.7	-0.25	1.30
Information	December	67.5	-0.15	-1.60
Financial Activities	December	200.0	-0.15	-0.50
Professional and Business Services	December	494.0	-0.78	0.82
Education and Health Services	December	543.9	0.00	1.30
Leisure and Hospitality	December	403.7	0.07	3.01
Other Services	December	157.0	-0.06	-0.32
Government	December	684.4	0.22	-1.41
Asheville MSA - Total	December	167.3	-0.12	0.06
Charlotte MSA - Total	December	803.7	-0.12	0.19
Durham MSA - Total	December	282.2	0.39	0.53
Fayetteville MSA - Total	December	131.5	0.77	3.14
Greensboro-High Point MSA - Total	December	344.4	0.12	2.47
Raleigh-Cary MSA - Total	December	506.2	0.00	1.52
Wilmington MSA - Total	December	133	-0.30	-2.56
Winston-Salem MSA - Total	December	207.3	-0.81	2.12

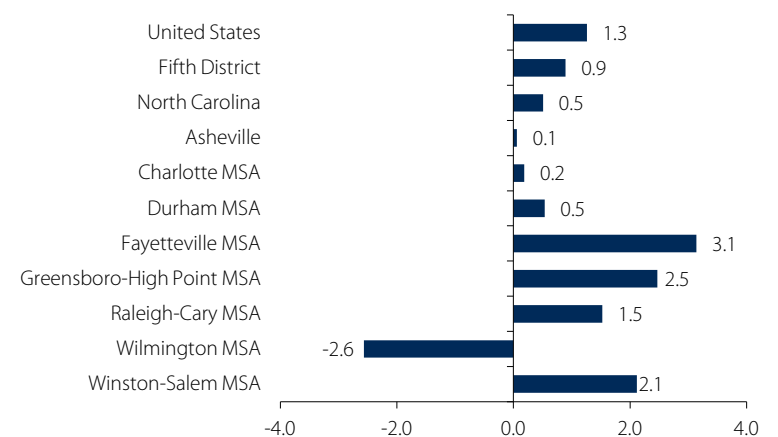
#### North Carolina Payroll Employment Performance

Year-over-Year Percent Change through December 2011



#### North Carolina Total Employment Performance

Year-over-Year Percent Change through December 2011



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## NORTH CAROLINA

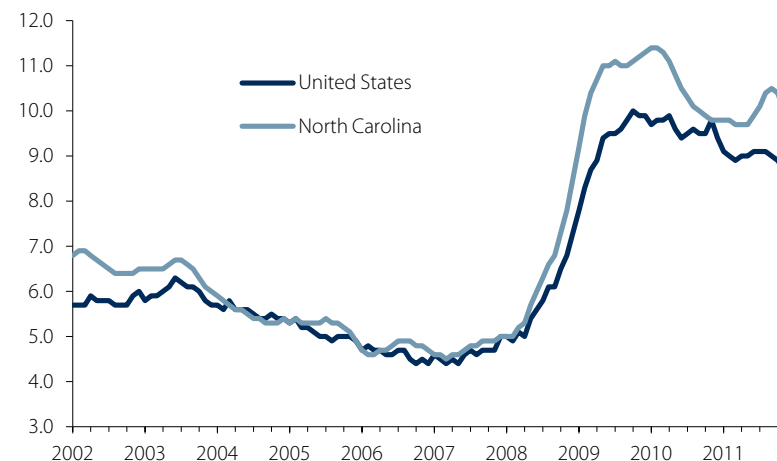
### Labor Market Conditions

Unemployment Rate (SA)	December 11	November 11	December 10
United States	8.5	8.7	9.4
Fifth District	8.1	8.2	8.6
North Carolina	9.9	10.0	9.8
Asheville MSA	8.1	8.2	8.1
Charlotte MSA	10.5	10.7	11.1
Durham MSA	7.7	7.8	7.2
Fayetteville MSA	10.0	10.0	9.3
Greensboro-High Point MSA	10.4	10.6	10.5
Raleigh-Cary MSA	8.3	8.4	8.2
Wilmington MSA	10.4	10.6	9.8
Winston-Salem MSA	9.3	9.5	9.6

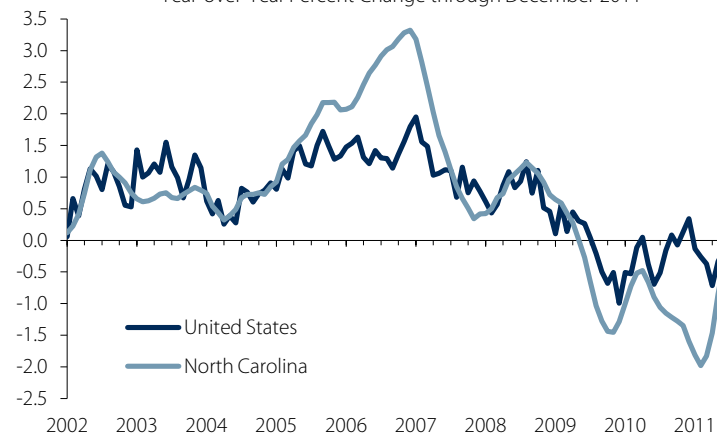
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	153,887	-0.03	0.18
Fifth District	December	15,045	0.10	0.99
North Carolina	December	4,508	0.10	1.03
Asheville MSA	December	207	0.05	-0.19
Charlotte MSA	December	854	-0.20	-0.45
Durham MSA	December	264	0.30	0.69
Fayetteville MSA	December	161	0.06	3.20
Greensboro-High Point MSA	December	364	0.33	1.31
Raleigh-Cary MSA	December	568	0.21	1.27
Wilmington MSA	December	173	-0.23	-2.03
Winston-Salem MSA	December	239	-0.17	1.83

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	December	2,065,313	12.38	-13.23
Fifth District	December	176,560	9.90	-14.80
North Carolina	December	68,396	5.84	-17.95

North Carolina Unemployment Rate  
Through December 2011



North Carolina Labor Force  
Year-over-Year Percent Change through December 2011



# SNAPSHOT

## A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

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FEDERAL RESERVE BANK OF RICHMOND

### NORTH CAROLINA

#### Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q3:11	11,331,149	-0.43	1.22
Fifth District	Q3:11	1,118,907	-0.46	0.86
North Carolina	Q3:11	304,464	-0.47	0.78

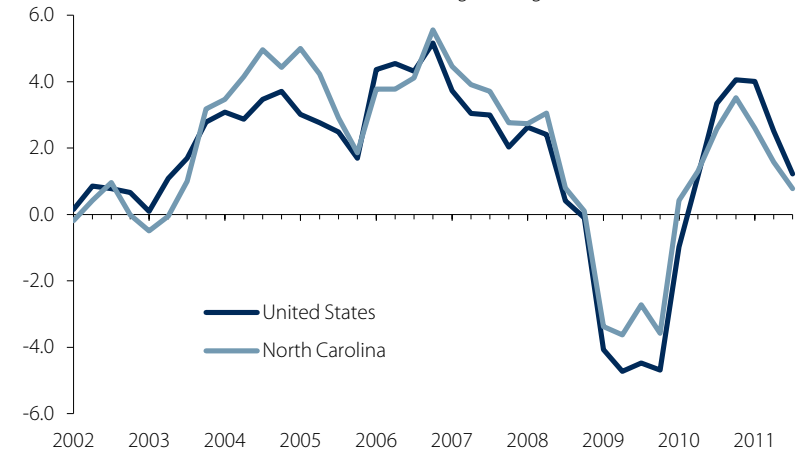
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Asheville MSA	2011	57.6	---	3.97
Charlotte MSA	2011	67.5	---	0.45
Durham MSA	2011	67.8	---	1.95
Fayetteville MSA	2011	52	---	-0.95
Greensboro-High Point MSA	2011	54.6	---	-5.86
Raleigh-Cary MSA	2011	78.8	---	1.42
Winston-Salem MSA	2011	61.2	---	2.34

Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q3:11	336,930	-8.31	-15.43
Fifth District	Q3:11	22,697	-7.78	-16.89
North Carolina	Q3:11	5,526	-5.10	-15.10

Mortgage Delinquencies (% 90+ Days Delinquent)	Q3:11	Q2:11	Q3:10
<b>United States</b>			
All Mortgages	3.46	3.42	4.31
Prime	2.17	2.21	2.97
Subprime	10.85	11.26	13.92
<b>North Carolina</b>			
All Mortgages	3.03	3.10	3.61
Prime	1.55	1.67	2.14
Subprime	10.76	11.65	12.84

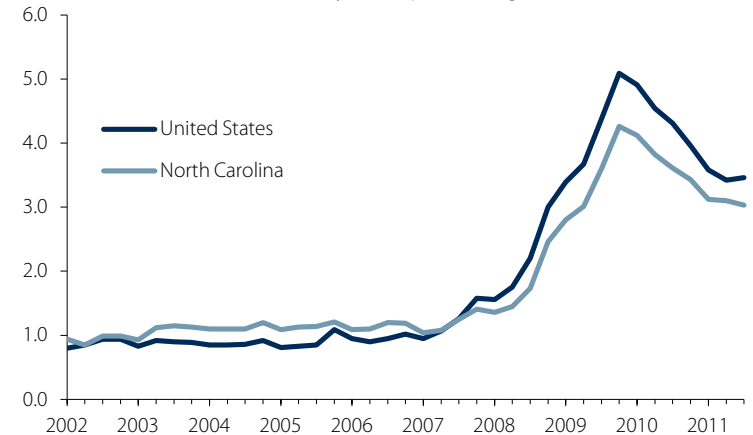
North Carolina Real Personal Income

Year-over-Year Percent Change through Q3:11



North Carolina Mortgage Delinquencies

Percent 90+ Days Delinquent through Q3:11



# SNAPSHOT

## A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

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FEDERAL RESERVE BANK OF RICHMOND

### NORTH CAROLINA

#### Real Estate Conditions

Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	December	49,939	-0.77	6.93
Fifth District	December	7,672	5.50	67.51
North Carolina	December	2,417	-21.75	21.21
Asheville MSA	December	71	-13.41	31.48
Charlotte MSA	December	388	-26.10	11.49
Durham MSA	December	382	152.98	274.51
Fayetteville MSA	December	92	-79.19	-25.81
Greensboro-High Point MSA	December	212	21.14	34.18
Greenville MSA	December	32	68.42	-3.03
Hickory MSA	December	22	-8.33	-12.00
Jacksonville MSA	December	236	51.28	-18.62
Raleigh-Cary MSA	December	444	-53.41	79.03
Wilmington MSA	December	148	15.63	-4.52
Winston-Salem MSA	December	95	106.52	72.73

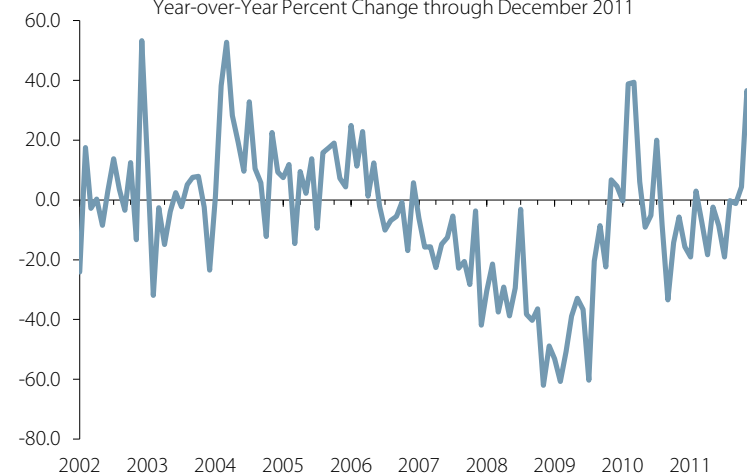
Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	657.0	-4.09	24.90
Fifth District	December	95.0	-3.46	50.55
North Carolina	December	29.9	-28.40	8.99

Existing Home Sales (SAAR)	Period	Level (000s)	QoQ % Change	YoY % Change
United States	Q3:11	4,880.0	-0.06	17.03
Fifth District	Q3:11	410.8	-2.19	12.00
North Carolina	Q3:11	129.2	-4.72	18.32

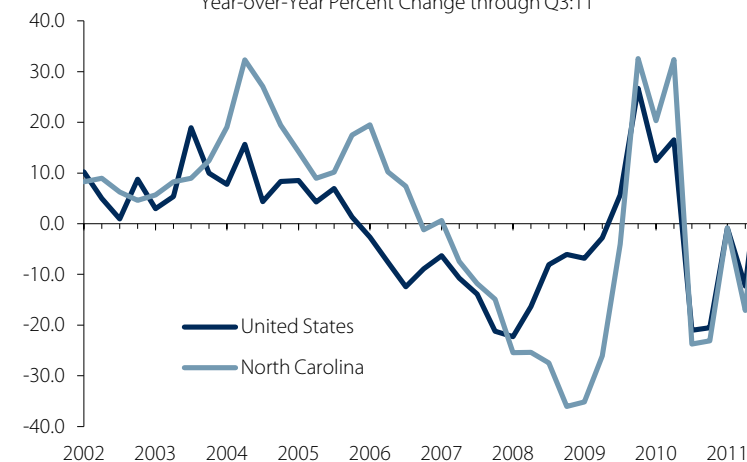
North Carolina Building Permits

Year-over-Year Percent Change through December 2011



North Carolina Existing Home Sales

Year-over-Year Percent Change through Q3:11



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FEBRUARY 2012

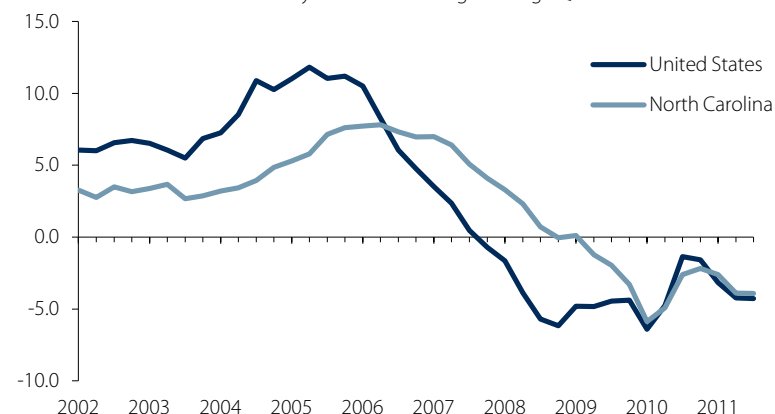
FEDERAL RESERVE BANK OF RICHMOND

## NORTH CAROLINA

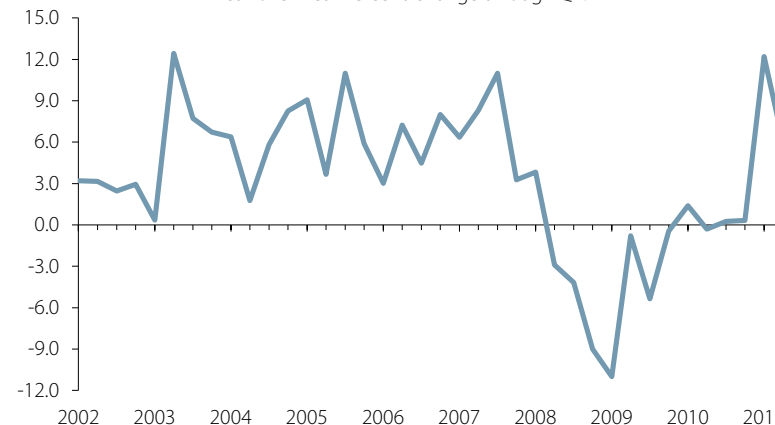
### Real Estate Conditions

House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	Q3:11	319	0.94	-4.28
Fifth District	Q3:11	363	0.84	-3.83
North Carolina	Q3:11	308	0.56	-3.93
Asheville MSA (1995=100)	Q3:11	212	-1.01	-5.33
Charlotte MSA (1995=100)	Q3:11	158	0.55	-5.18
Durham MSA (1995=100)	Q3:11	168	0.12	-2.88
Fayetteville MSA (1995=100)	Q3:11	155	-0.26	-0.02
Greensboro-High Point MSA (1995=100)	Q3:11	145	-0.30	-4.75
Greenville MSA (1995=100)	Q3:11	154	-0.08	-0.81
Hickory MSA(1995=100)	Q3:11	161	1.59	-3.31
Jacksonville MSA (1995=100)	Q3:11	204	-3.20	-5.97
Raleigh-Cary MSA (1995=100)	Q3:11	158	1.03	-2.27
Wilmington MSA (1995=100)	Q3:11	191	1.69	-5.28
Winston-Salem MSA (1995=100)	Q3:11	150	0.57	-2.17
Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	Q3:11	---	---	---
Durham MSA	Q3:11	167	-5.22	-9.73
Greensboro-High Point MSA	Q3:11	127	-1.93	-1.93
Raleigh-Cary MSA	Q3:11	224	-8.26	7.27
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Asheville MSA	Q3:11	175	-9.33	-2.78
Charlotte MSA	Q3:11	178	-2.73	12.66
Durham MSA	Q3:11	177	-6.84	-2.75
Fayetteville MSA	Q3:11	140	0.72	0.00
Greensboro-High Point MSA	Q3:11	139	-3.47	0.72
Raleigh-Cary MSA	Q3:11	215	-4.44	2.38
Winston-Salem MSA	Q3:11	130	-5.11	-2.99

North Carolina House Price Index  
Year-over-year Percent Change through Q3:11



Charlotte MSA Median Home Sales Price (NAR)  
Year-over-Year Percent Change through Q2:11



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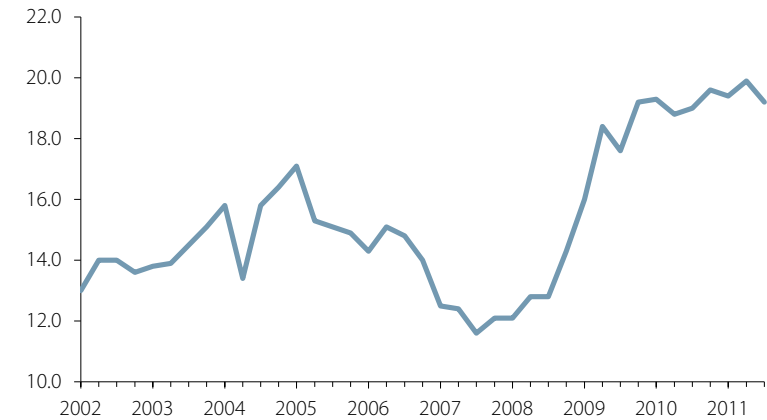
FEDERAL RESERVE BANK OF RICHMOND

### NORTH CAROLINA

#### Real Estate Conditions

Housing Opportunity Index (%)	Q3:11	Q2:11	Q3:10
Asheville MSA	70.6	61.4	64.4
Charlotte MSA	68.5	65.8	76.1
Durham MSA	77.1	71.7	71.3
Fayetteville MSA	74.0	76.9	76.4
Greensboro-High Point MSA	75.8	71.7	78.1
Raleigh-Cary MSA	73.6	71.2	73.1
Winston-Salem MSA	83.2	82.0	80.1
Commercial Vacancy Rates (%)	Q4:11	Q3:11	Q4:10
<b>Office Vacancies</b>			
Raleigh/Durham	19.7	20.3	20.5
Charlotte	---	19.2	19.6
<b>Industrial Vacancies</b>			
Raleigh/Durham	19.7	---	20.1

Charlotte MSA Office Vacancy Rate  
Through Q3:11



Raleigh/Durham CSA Office Vacancy Rate  
Through Q4:11

