

VIRGINIA

October Summary

Recent data suggest that economic conditions in Virginia weakened somewhat in August, with declining employment and mixed conditions in the residential real estate market.

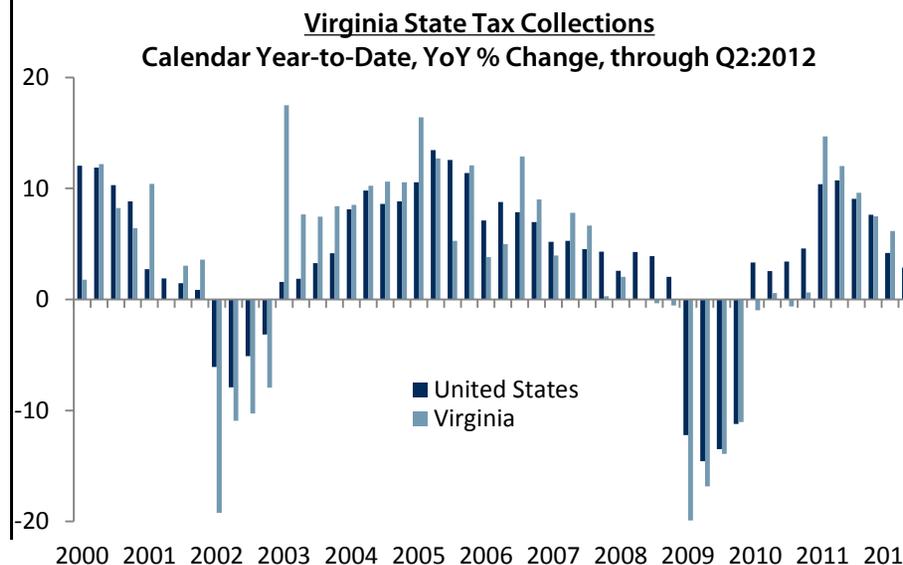
Labor Markets: Employment in Virginia contracted 0.3 percent (12,400 jobs) over the month of August—the largest monthly decline since February 2010. Firms cut jobs in almost all private sector industries, with leisure and hospitality posting the largest declines in August—both in absolute terms (6,300 jobs) and percentage terms (1.7 percent). The only industries to add jobs over the month were financial activities (100 jobs) and government (4,200 jobs). Over the year, however, total employment in Virginia grew 0.8 percent (30,900 jobs). All service providing industries reported gains over the year, while the construction and manufacturing industries both reported declines. Labor market conditions were mixed among Virginia metro areas.

Household Conditions: The unemployment rate in Virginia remained steady at 5.9 percent in August, although the labor force declined 0.3 percent—its largest drop since January 2007. Virginia household balance sheets were strengthened by 0.9 percent growth in real personal income in the second quarter—the largest quarterly increase since the first quarter of 2011. Income grew 1.7 percent from second quarter of 2011. The share of Virginia mortgages with payments 90 days or more past due in the second quarter remained steady at 2.2 percent, reflecting no change in the prime delinquency rate and a slight uptick in the subprime rate.

Housing Markets: Although new residential permit levels in Virginia fell 10.3 percent in August, they rose 19.5 percent since August 2011. Similarly, housing starts in the state fell 14.5 percent in August but gained 12.4 percent over the year. Meanwhile, according to CoreLogic Information Solutions, house prices in Virginia rose 1.3 percent in July and 4.4 percent since July 2011. The month marked a fifth straight month of year-over-year appreciation after more than a year of consecutive year-over-year depreciation. At the metro level, only the Virginia Beach MSA posted depreciation in July, while no MSA posted year-over-year declines in house prices. Metro-level residential permitting activity was mixed.

A Closer Look at... State Tax Collections

- State Tax Collections in Q2-2012:** \$5,590,504
- Year-to-Date State Tax Collections in Q2-2012:** \$9,515,308,000
- Change from Q2-2011:** 5.5 percent (\$499,527,000)
- State Tax Collections in 2011:** \$17,539,782,000
- Change from 2010:** 7.5 percent (\$1,222,514,000)
- Largest Year-over-Year (Year-to-Date) Increase:** 17.5 percent in Q1:2003
- Largest Year-over-Year (Year-to-Date) Decrease:** -19.9 percent in Q1:2009
- Largest Sources of Tax Collections (2011):**
 - Individual Income Tax--55.9 percent
 - General Sales Tax--19.8 percent
 - Motor Fuels Sales Tax--4.8 percent



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

October 2012

FEDERAL RESERVE BANK OF RICHMOND

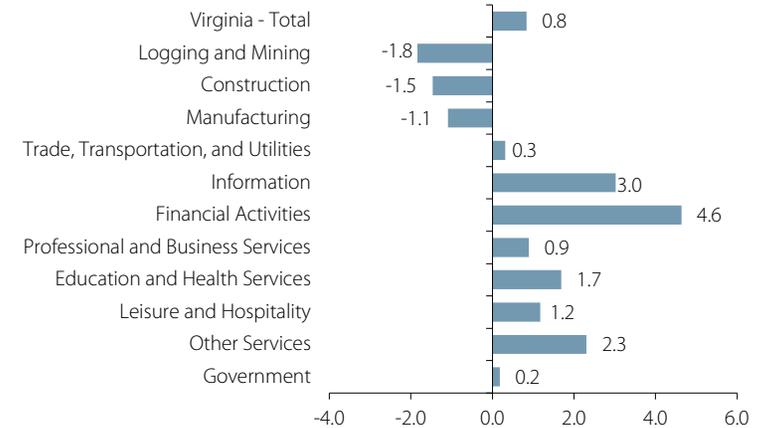
VIRGINIA

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
Virginia - Total	August	3,711.4	-0.33	0.84
Logging and Mining	August	10.7	-0.93	-1.83
Construction	August	175.0	-1.46	-1.46
Manufacturing	August	226.6	-0.92	-1.09
Trade, Transportation, and Utilities	August	635.2	-0.39	0.32
Information	August	71.6	-0.56	3.02
Financial Activities	August	191.9	0.05	4.63
Professional and Business Services	August	665.4	-0.30	0.89
Education and Health Services	August	481.8	-0.45	1.69
Leisure and Hospitality	August	354.2	-1.75	1.17
Other Services	August	190.6	0.79	2.31
Government	August	708.4	0.60	0.18
Blacksburg MSA - Total	August	75.5	0.67	3.57
Charlottesville MSA - Total	August	101.8	-0.49	0.59
Lynchburg MSA - Total	August	104.6	0.77	1.16
Northern Virginia - Total	August	1,362.0	0.16	2.33
Richmond MSA - Total	August	617.8	0.15	1.40
Roanoke MSA - Total	August	155.8	-0.45	-0.76
Virginia Beach-Norfolk MSA - Total	August	740.2	-0.98	0.34
Winchester MSA - Total	August	56.1	0.54	-0.18

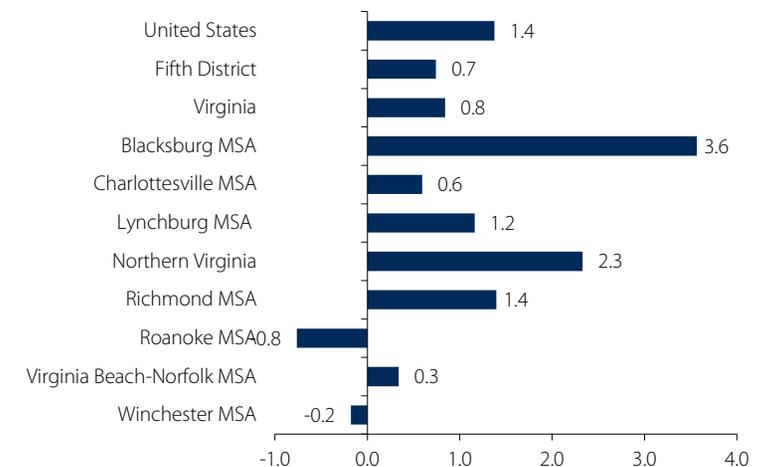
Virginia Payroll Employment Performance

Year-over-Year Percent Change through August 2012



Virginia Total Employment Performance

Year-over-Year Percent Change through August 2012



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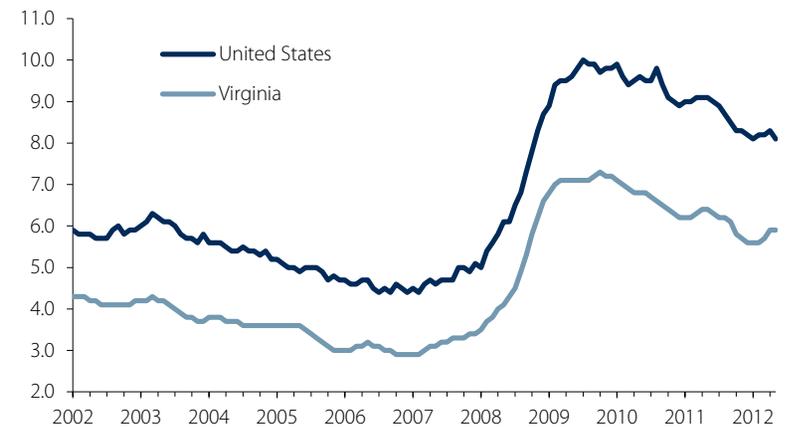
Labor Market Conditions

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
Virginia	5.9	5.9	6.4
Blacksburg MSA	6.3	6.4	6.9
Charlottesville MSA	4.8	4.9	5.3
Lynchburg MSA	6.6	6.7	7.1
Northern Virginia (NSA)	4.3	4.5	4.8
Richmond MSA	6.4	6.5	7.0
Roanoke MSA	6.1	6.2	6.6
Virginia Beach-Norfolk MSA	6.6	6.6	7.1
Winchester MSA	6.0	6.0	6.6

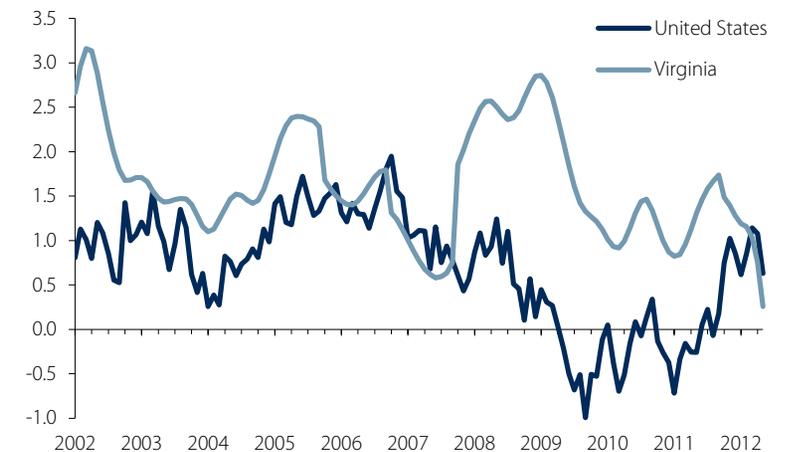
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	August	154,645	-0.24	0.63
Fifth District	August	15,325	-0.22	-0.07
Virginia	August	4,321	-0.28	0.26
Blacksburg MSA	August	88	-0.11	4.25
Charlottesville MSA	August	114	-0.70	0.98
Lynchburg MSA	August	126	0.32	-0.63
Northern Virginia (NSA)	August	1,583	-1.16	1.32
Richmond MSA	August	678	0.04	0.10
Roanoke MSA	August	160	0.00	-1.84
Virginia Beach-Norfolk MSA	August	848	-0.27	-0.14
Winchester MSA	August	68	-0.44	-0.88

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
Virginia	August	22,492	-14.92	-16.91

Virginia Unemployment Rate
Through August 2012



Virginia Labor Force
Year-over-Year Percent Change through August 2012



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Household Conditions

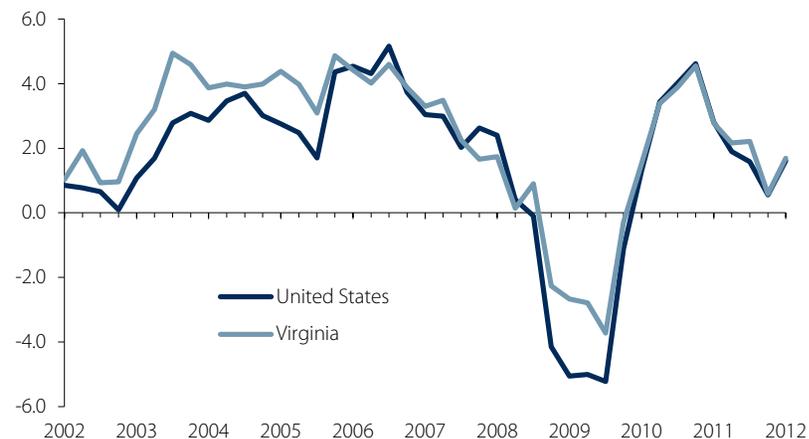
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q2:12	11,574,853	0.83	1.61
Fifth District	Q2:12	1,145,462	0.81	1.76
Virginia	Q2:12	333,313	0.86	1.69

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Richmond MSA	2012	75.6	---	1.34
Roanoke MSA	2012	63.2	---	---
Virginia Beach-Norfolk MSA	2012	70.9	---	1.43

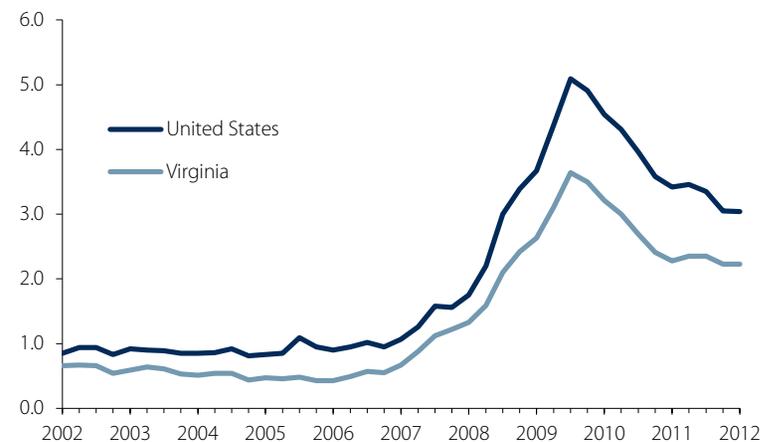
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q2:12	315,319	1.07	-14.55
Fifth District	Q2:12	21,961	-4.43	-10.77
Virginia	Q2:12	7,508	-5.65	-12.15

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
Virginia			
All Mortgages	2.23	2.23	2.28
Prime	1.15	1.14	1.33
Subprime	9.45	9.29	10.66

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



Virginia Mortgage Delinquencies
Percent 90+ Days Delinquent through Q2:12



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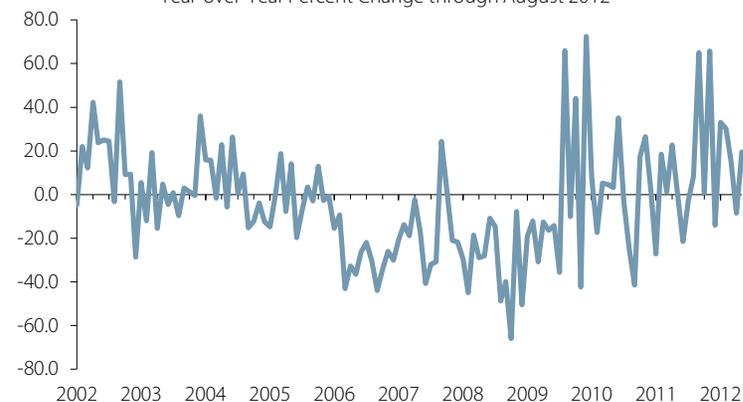
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Real Estate Conditions

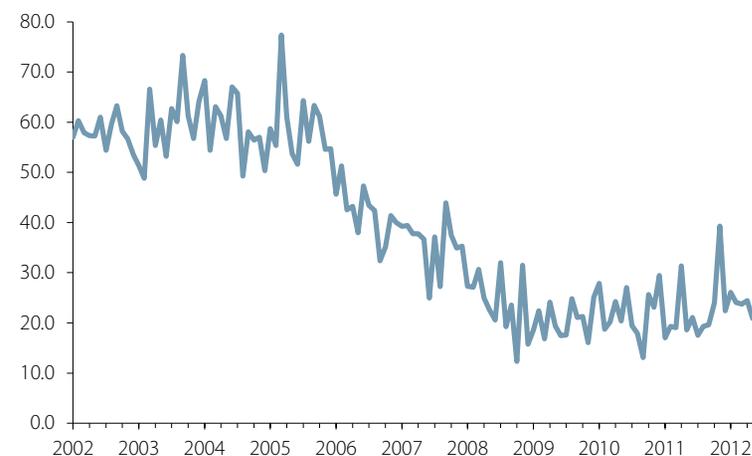
Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	August	77,745	7.90	27.57
Fifth District	August	9,626	-7.08	14.36
Virginia	August	2,241	-10.25	19.46
Charlottesville MSA	August	40	-24.53	2.56
Danville MSA	August	15	-31.82	36.36
Harrisonburg MSA	August	27	17.39	-6.90
Lynchburg MSA	August	42	23.53	-33.33
Richmond MSA	August	314	-52.35	-5.71
Roanoke MSA	August	27	-18.18	-10.00
Virginia Beach-Norfolk MSA	August	605	4.13	35.65
Winchester MSA	August	39	21.88	62.50

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
Virginia	August	20.9	-14.46	12.43

Virginia Building Permits
Year-over-Year Percent Change through August 2012



Virginia Housing Starts
Thousands of Units (SAAR) through August 2012



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VIRGINIA

Real Estate Conditions

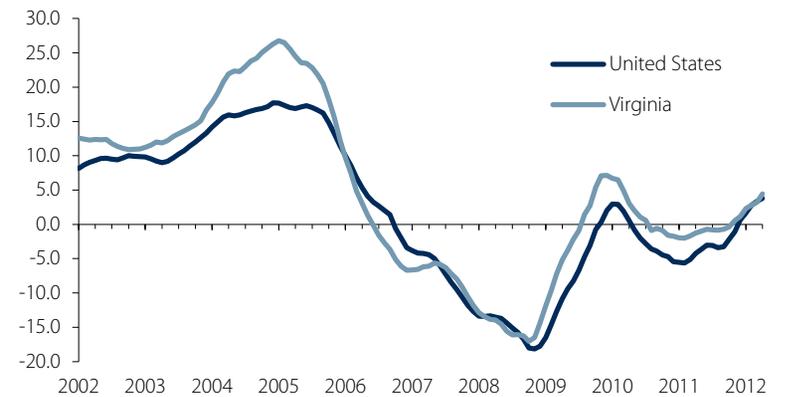
House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	July	146	1.26	3.79
Fifth District	July	170	1.30	3.38
Virginia	July	193	1.28	4.42
Blacksburg MSA	July	145	1.28	4.41
Charlottesville MSA	July	182	1.28	7.70
Danville MSA	July	193	1.28	4.42
Harrisonburg MSA	July	159	1.28	1.91
Lynchburg MSA	July	153	1.28	9.44
Richmond MSA	July	149	0.63	1.14
Roanoke MSA	July	141	0.50	1.42
Virginia Beach-Norfolk MSA	July	177	-0.46	0.88
Winchester MSA	July	164	1.97	1.77

Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	Q2:12	---	---	---
Virginia Beach-Norfolk MSA	Q2:12	195	14.71	5.46

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	Q2:12	186	11.38	4.49
Virginia Beach-Norfolk MSA	Q2:12	189	10.53	5.00

Virginia House Price Index (CoreLogic)

Year-over-year Percent Change through July 2012



Virginia Beach-Norfolk MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through Q2:12



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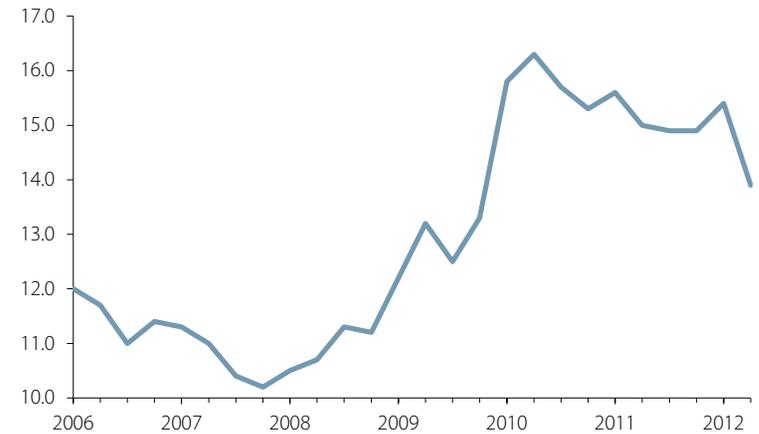
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Real Estate Conditions

Housing Opportunity Index (%)	Q2:12	Q1:12	Q2:11
Richmond MSA	83.5	83.7	81.3
Roanoke MSA	88.1	89.0	77.9
Virginia Beach-Norfolk MSA	83.1	84.5	80.1
Commercial Vacancy Rates (%)	Q2:12	Q1:12	Q2:11
Office Vacancies			
Norfolk	13.6	14.8	14.3
Richmond	13.9	15.4	15.0
Industrial Vacancies			
Northern Virginia	15.3	14.7	15.9
Richmond	15.9	15.5	16.7

Richmond MSA Office Vacancy Rate
Through Q2:12



Richmond MSA Industrial Vacancy Rate
Through Q2:12

