



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

MARCH 2010

FEDERAL RESERVE BANK OF RICHMOND

VIRGINIA

March Summary

The Virginia economy remained sluggish in recent months, with some scattered improvement in labor markets, but continued weakness in housing activity.

Labor Markets: Virginia payroll activity improved recently as employment increased 0.3 percent (9,500 jobs) in December. Although the Commonwealth shed 54,700 jobs since December 2008, this was the smallest year-over-year decline in 2009. Employment contracted across the major metro areas in December and in most metro areas over the year.

Household Conditions: Despite the payroll gains, Virginia's unemployment rate edged up 0.3 percentage point to 6.9 percent in December – the highest jobless rate since March 1983. Joblessness also rose in every state MSA in December. Real personal income contraction hurt Virginia's households in the third quarter – income contracted 0.4 percent in the quarter and 2.0 percent over the preceding year. In addition, the share of mortgages with payments more than 90 days past due rose to a record 3.6 percent in the fourth quarter. Prime and subprime 90+ day delinquency rates both climbed to unprecedented levels of 2.6 percent and 14.3 percent, respectively, in the fourth quarter.

Housing Markets: Residential permit levels were 10.6 percent below December levels, though they were 44.1 percent above their year-ago mark. Housing starts were also down (1.8 percent) in January, but up 65.6 percent since January 2009 – the sharpest year-over-year increase since January 1989. Existing home sales fell 8.5 percent in the fourth quarter after rising 14.5 percent in the third quarter. The quarterly decline was the sharpest since the fourth quarter of 2008. Although partly due to the low level of existing home sales in the fourth quarter of 2008, sales were up 12.5 percent over the year. House prices in Virginia fell another 0.7 percent in the fourth quarter, resulting in a year-over-year depreciation of 4.5 percent – the sharpest year-over-year depreciation in 2009. Drilling down, January permitting activity was mixed across the state's metro areas, though most MSAs continued to see house prices decline on a year-over-year basis.

A Closer Look at...Foreclosure

Foreclosure Starts (as a percentage of all mortgages) 4Q:09: 0.77%

Prime Mortgages: 0.58%

Subprime Mortgages: 2.95%

Foreclosure Starts (as a percentage of all mortgages) 4Q:08: 0.78%

Prime Mortgages: 0.52%

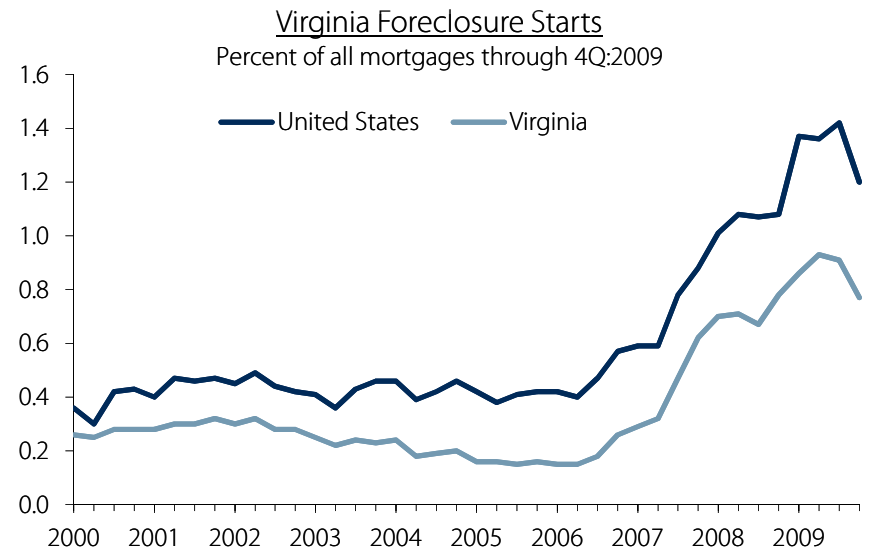
Subprime Mortgages: 3.59%

Foreclosure Inventory (as a percentage of all mortgages) 4Q:09: 2.13%

Prime Mortgages: 1.57%

Subprime Mortgages: 9.44%

Trends: The rate of foreclosure starts fell 0.14 percentage point in the fourth quarter, the steepest quarterly decline since the series began in 1979.



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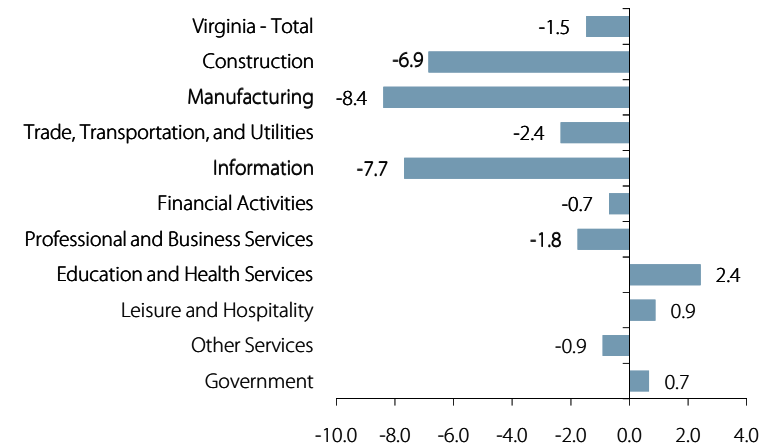
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	December	129,547.0	-0.12	-3.56
Fifth District - Total	December	13,400.3	-0.05	-2.00
Virginia - Total	December	3,656.5	0.26	-1.47
Construction	December	195.6	1.09	-6.86
Manufacturing	December	235.7	-0.17	-8.39
Trade, Transportation, and Utilities	December	627.4	-0.48	-2.35
Information	December	78.1	-1.01	-7.68
Financial Activities	December	186.4	-0.37	-0.69
Professional and Business Services	December	638.4	0.79	-1.77
Education and Health Services	December	452.4	0.44	2.42
Leisure and Hospitality	December	342.8	-0.03	0.88
Other Services	December	184.9	2.32	-0.91
Government	December	702.3	-0.27	0.67
Lynchburg MSA - Total	December	110.6	-0.27	0.73
Richmond MSA - Total	December	607.5	-0.02	-2.10
Roanoke MSA - Total	December	159.9	-0.19	-0.93
Virginia Beach-Norfolk MSA - Total	December	763.1	-0.13	-0.21

Unemployment Rate (SA)	Dec 09	Nov 09	Dec 08
United States	10.0	10.0	7.4
Fifth District	9.4	9.0	6.6
Virginia	6.9	6.6	5.0
Lynchburg MSA	7.2	6.6	5.3
Richmond MSA	7.8	7.5	5.6
Roanoke MSA	7.3	7.0	5.1
Virginia Beach-Norfolk MSA	6.9	6.6	5.4

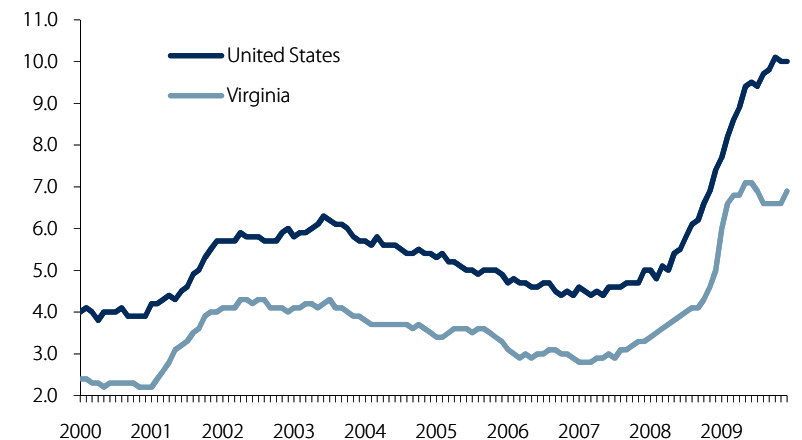
Virginia Payroll Employment Performance

Year-over-Year Percent Change through December 2009



Virginia Unemployment Rate

Through December 2009





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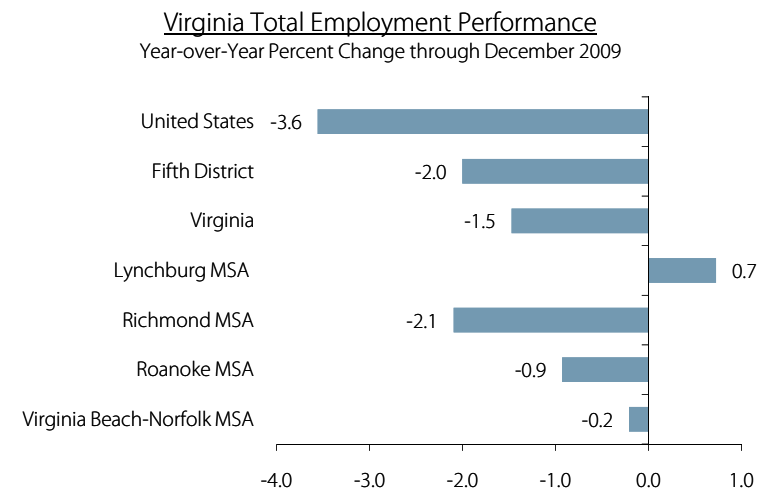
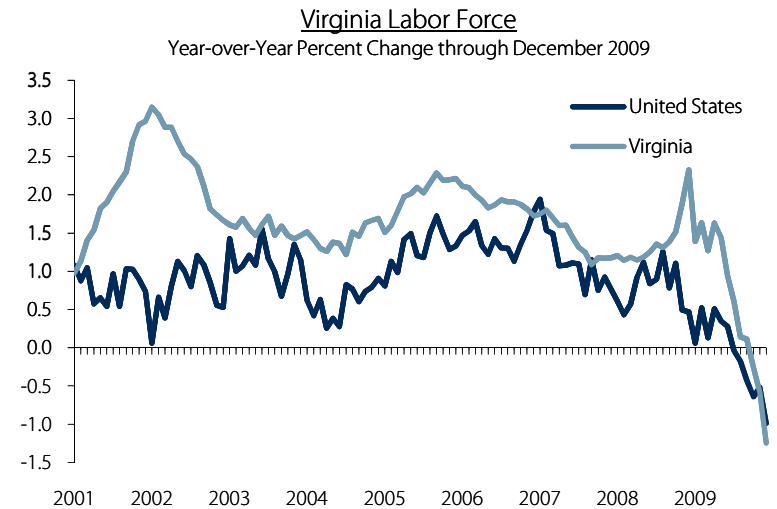
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Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	153,059	-0.43	-0.99
Fifth District	December	14,875	-0.27	-1.52
Virginia	December	4,131	-0.20	-1.25
Lynchburg MSA	December	127	-0.31	1.52
Richmond MSA	December	639	-0.37	-0.85
Roanoke MSA	December	157	-0.63	0.13
Virginia Beach-Norfolk MSA	December	824	-0.50	0.11

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	January	2,534,570	-8.72	-21.20
Fifth District	January	258,255	-1.62	-27.61
Virginia	January	48,627	-0.72	-17.52



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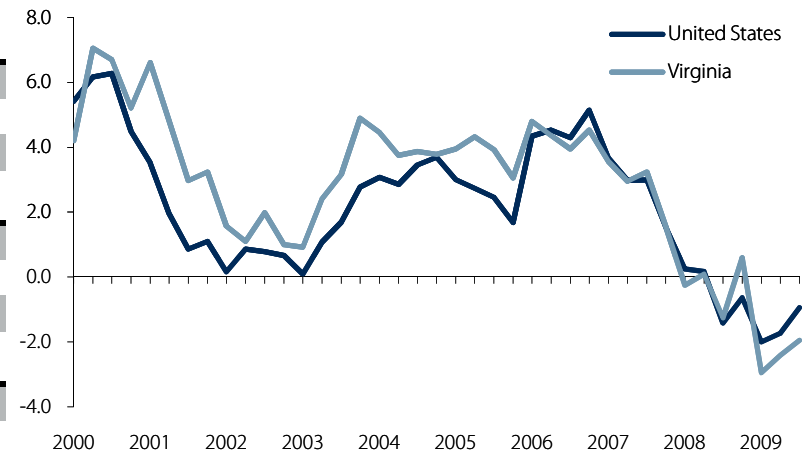
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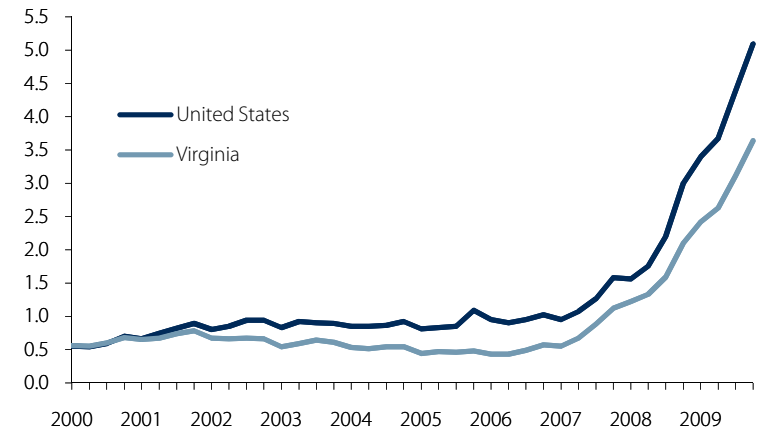
Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	3Q:09	11,024,972	-0.35	-0.95
Fifth District	3Q:09	1,069,311	-0.36	-0.85
Virginia	3Q:09	306,913	-0.35	-1.95
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Richmond MSA	2009	73.2	---	5.63
Roanoke MSA	2009	---	---	---
Virginia Beach-Norfolk MSA	2009	67.9	---	4.30
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	4Q:09	357,183	-4.32	23.84
Fifth District	4Q:09	26,393	-2.17	19.65
Virginia	4Q:09	8,610	-6.27	15.11
Mortgage Delinquencies (% 90+ Days Delinquent)	4Q:09	3Q:09	4Q:08	
United States				
All Mortgages	5.09	4.38	3.00	
Conventional	3.70	3.06	1.86	
Subprime	14.98	13.33	9.40	
Virginia				
All Mortgages	3.64	3.11	2.10	
Conventional	2.58	2.12	1.28	
Subprime	14.29	12.51	8.70	

Virginia Real Personal Income
Year-over-Year Percent Change through 3Q:09



Virginia Mortgage Delinquencies
Percent 90+ Days Delinquent through 4Q:09



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Real Estate Conditions

Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	January	39,479	-16.67	8.91
Fifth District	January	5,958	-14.21	6.28
Virginia	January	1,429	-10.63	44.05
Lynchburg MSA	January	30	-25.00	20.00
Richmond MSA	January	167	1.83	17.61
Roanoke MSA	January	27	28.57	-10.00
Virginia Beach-Norfolk MSA	January	267	-39.73	62.80

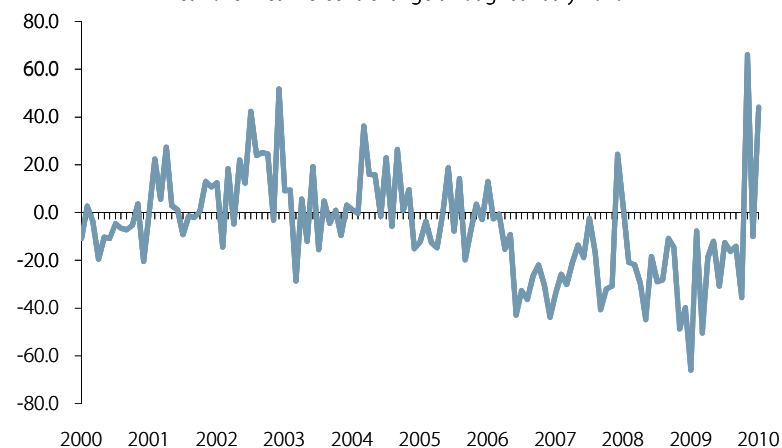
Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	January	591.0	2.78	21.11
Fifth District	January	85.1	-5.76	22.13
Virginia	January	20.4	-1.83	65.58

Total Existing Home Sales (SAAR)	Period	Level (000s)	QoQ % Change	YoY % Change
United States	4Q:09	6,027.0	13.93	27.15
Fifth District	4Q:09	484.8	5.21	28.66
Virginia	4Q:09	115.6	-8.54	12.45

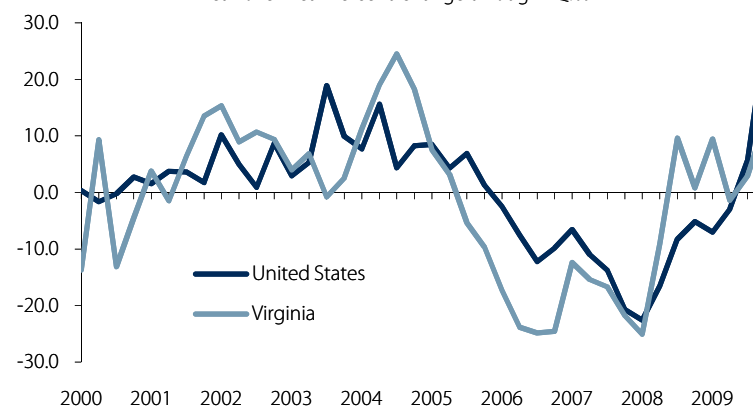
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	February	13,133	3.41	3.26

Median Asking Price	Period	Level (\$000s)	MoM % Change	YoY % Change
Virginia Beach-Norfolk MSA	February	250	-0.07	-9.16

Virginia Building Permits
Year-over-Year Percent Change through January 2010



Virginia Existing Home Sales
Year-over-Year Percent Change through 4Q:09



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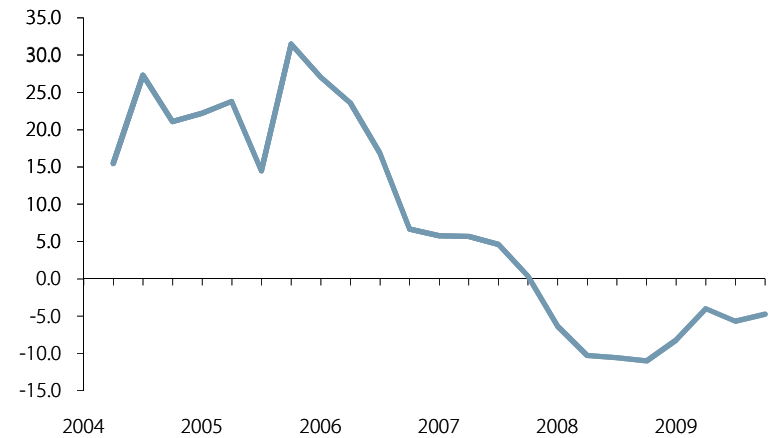
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Real Estate Conditions

Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	4Q:09	---	---	---
Virginia Beach-Norfolk MSA	4Q:09	200	-6.98	-4.76
Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Richmond MSA	4Q:09	194	-0.51	-7.62
Virginia Beach-Norfolk MSA	4Q:09	200	-2.44	0.50
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	4Q:09	347	-0.73	-4.66
Fifth District	4Q:09	385	-1.10	-5.01
Virginia	4Q:09	421	-0.74	-4.52
Lynchburg MSA (1995=100)	4Q:09	193	0.96	-0.15
Richmond MSA (1995=100)	4Q:09	203	-1.01	-6.17
Roanoke MSA (1995=100)	4Q:09	193	-0.62	-1.64
Virginia Beach-Norfolk MSA (1995=100)	4Q:09	234	-1.09	-5.58
Housing Opportunity Index (%)	4Q:09	3Q:09	4Q:08	
Richmond MSA	79.0	77.4	65.3	
Roanoke MSA	---	---	---	
Virginia Beach-Norfolk MSA	72.9	68.4	64.1	
Commercial Vacancy Rates (%)	4Q:09	3Q:09	4Q:08	
Office Vacancies	Richmond	17.0	16.4	13.6
Industrial Vacancies	Richmond	11.4	11.4	7.8
Retail Vacancies	Richmond	---	---	6.2

Virginia Beach-Norfolk MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through 4Q:09



Richmond MSA Office Vacancy Rate
Through 4Q:09

