



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY



November 2014



Richmond • Baltimore • Charlotte

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Contact Information

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FIFTH DISTRICT

November Summary

Recent reports on the Fifth District economy were generally positive, with expanding employment and generally improving business conditions and housing markets.

Labor Markets: Total employment in the Fifth District rose 0.3 percent in September as employers added 36,400 net new jobs. The monthly gains were widespread as every state except Virginia increased employment. Additionally, every industry except logging, mining, and construction, leisure and hospitality, and "other" services added jobs in the month. The largest absolute gain was reported in the government sector, which expanded 0.5 percent by adding 13,900 positions in September. However, on a year-over-year basis, the government sector is the only industry in the Fifth District to report a contraction. According to the household survey, the unemployment rate in the Fifth District was unchanged at 6.3 percent in September as the jobless rate fell in Maryland and North Carolina, rose in South Carolina, and was unchanged in the remaining jurisdictions.

Business Conditions: According to the Fifth District manufacturing survey, the composite diffusion index rose from 14 in September to 20 in October as the indexes for shipments and new orders rose while the index for number of employees fell slightly from 17 to 14 in the month. From the service sector survey, the index for revenues in the overall sector increased from 21 in September to 27 in October due to an increase in the non-retail subsector index from 18 to 28 that more than offset a decline in the index in the retail subsector from 37 to 21. The index for number of employees in the service sector rose 1 point to 14 in October. Lastly, price growth accelerated slightly for retail services but was unchanged for non-retail services. The manufacturing survey indicated a marginal acceleration of price growth for both raw materials and finished goods.

Housing Markets: Reports on housing markets were generally positive in recent months. The number of new residential permits issued in the Fifth District rose 5.7 percent in September and was 2.1 percent more than were issued in September 2013. Similarly, the number of housing starts increased 15.7 percent in the month and increased 15.5 percent on a year-over-year basis. According to CoreLogic Information Solutions, home values depreciated 0.7 percent in September but appreciated 2.9 percent since September 2013.

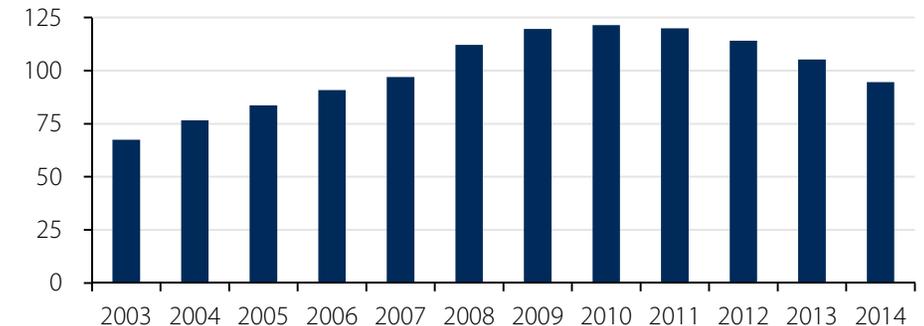
A Closer Look at...Federal Contract Spending

Fiscal Year: 2014

Total dollars: \$94,563,713,718

The amount of contract spending in the Fifth District is 25.1% of all federal contract dollars for the fiscal year. The Department of the Navy is the number one contracting agency in the District, with 25.8 percent of all Navy contract dollars spent in Fifth District jurisdictions.

Federal Government Contract Spending in the Fifth District
Billion (\$) in Fiscal Year



Top 5 Contracting Agencies

- | | |
|--------------------------------------|----------------|
| 1. Department of the Navy | \$17.2 billion |
| 2. Department of the Army | \$10.2 billion |
| 3. Centers for Medicare and Medicaid | \$3.9 billion |
| 4. Defense Logistics Agency | \$3.8 billion |
| 5. Department of Veterans Affairs | \$3.7 billion |

Top 5 Products or Services

- | | |
|---------------------------------------|---------------|
| 1. IT and Telecommunication Services | \$8.4 billion |
| 2. Professional Services | \$8.2 billion |
| 3. Engineering and Technical Services | \$5.1 billion |
| 4. Program Management Services | \$3.9 billion |
| 5. ADP Software | \$2.8 billion |

FIFTH DISTRICT

Labor Market Conditions

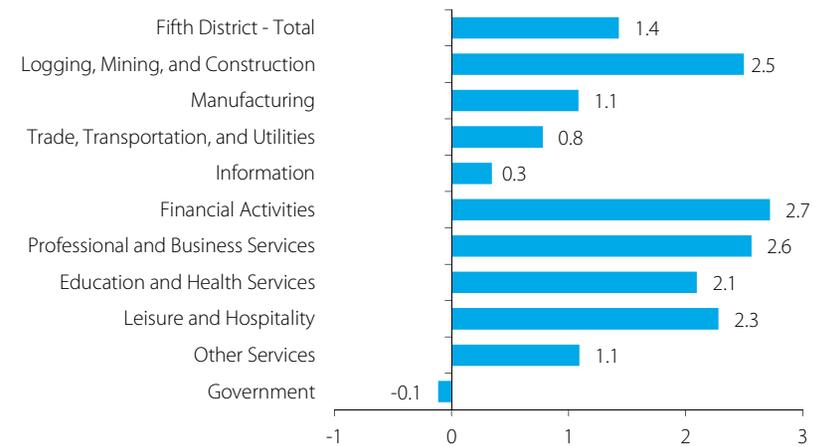
| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------------|--------------|--------------|
| United States - Total | September | 139,435.0 | 0.18 | 1.93 |
| Fifth District - Total | September | 14,038.8 | 0.26 | 1.43 |
| Logging, Mining, and Construction | September | 694.1 | -0.16 | 2.50 |
| Manufacturing | September | 1,064.6 | 0.44 | 1.08 |
| Trade, Transportation, and Utilities | September | 2,396.1 | 0.01 | 0.78 |
| Information | September | 233.1 | 0.17 | 0.34 |
| Financial Activities | September | 717.6 | 1.01 | 2.72 |
| Professional and Business Services | September | 2,162.9 | 0.51 | 2.56 |
| Education and Health Services | September | 1,992.7 | 0.18 | 2.10 |
| Leisure and Hospitality | September | 1,448.8 | -0.06 | 2.28 |
| Other Services | September | 658.2 | -0.33 | 1.09 |
| Government | September | 2,670.8 | 0.52 | -0.12 |

| Unemployment Rate (SA) | September 14 | August 14 | September 13 |
|------------------------|--------------|-----------|--------------|
| United States | 5.9 | 6.1 | 7.2 |
| Fifth District | 6.3 | 6.3 | 6.7 |

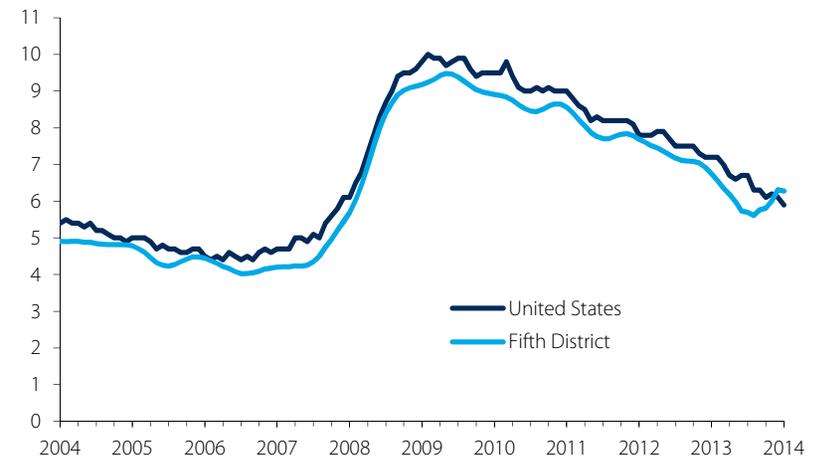
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|---------------------------|-----------|--------------|--------------|--------------|
| United States | September | 155,862 | -0.06 | 0.25 |
| Fifth District | September | 15,368 | -0.09 | -0.01 |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|-----------|-----------|--------------|--------------|
| United States | September | 1,037,921 | -2.40 | -3.53 |
| Fifth District | September | 69,527 | -2.22 | -21.92 |

Fifth District Payroll Employment Performance
Year-over-Year Percent Change through September 2014



Fifth District Unemployment Rate
Through September 2014



FIFTH DISTRICT

Business Conditions

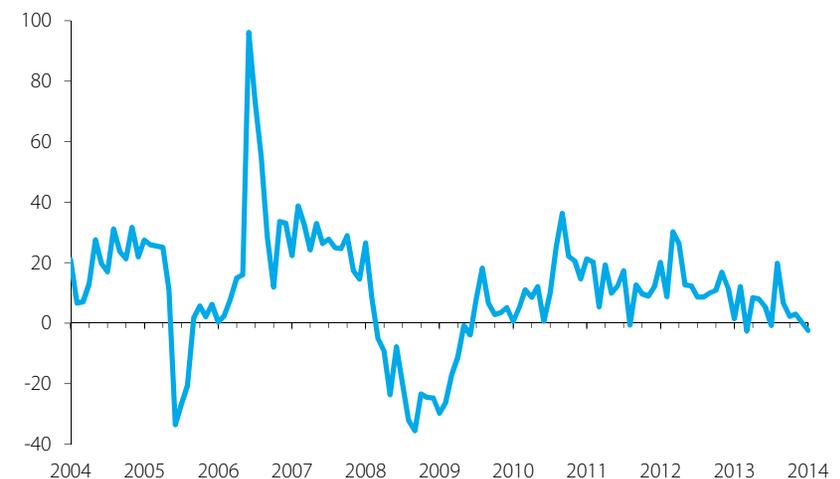
| Manufacturing Survey (SA) | October 14 | September 14 | October 13 |
|-------------------------------------|------------|--------------|------------|
| Composite Index | 20 | 14 | 2 |
| Shipments | 23 | 11 | 1 |
| New Orders | 22 | 14 | 2 |
| Number of Employees | 14 | 17 | 4 |
| Expected Shipments - Six Months | 43 | 41 | 31 |
| Raw Materials Prices (SAAR) | 2.22 | 2.10 | 1.79 |
| Finished Goods Prices (SAAR) | 1.23 | 1.17 | 0.87 |
| Service Sector Survey (SA) | October 14 | September 14 | October 13 |
| Service Sector Employment | 14 | 13 | 6 |
| Services Firms Revenues | 28 | 18 | 9 |
| Retail Revenues | 21 | 37 | -4 |
| Big-Ticket Sales | 7 | 19 | -16 |
| Expected Retail Demand - Six Months | 11 | 30 | -3 |
| Services Firm Prices | 1.52 | 1.50 | 1.36 |
| Retail Prices | 2.05 | 1.98 | 1.25 |

| District Imports | Period | Level (\$mil) | MoM % Change | YoY % Change |
|----------------------------|-----------|---------------|--------------|--------------|
| Baltimore, Maryland | September | 2,793.62 | -1.5 | -0.5 |
| Wilmington, North Carolina | September | 717.50 | 4.9 | 11.3 |
| Charleston, South Carolina | September | 3,945.96 | -3.6 | 19.1 |
| Norfolk, Virginia | September | 3,450.48 | -6.0 | 5.3 |
| District Exports | Period | Level (\$mil) | MoM % Change | YoY % Change |
| Baltimore, Maryland | September | 1,570.26 | 3.0 | 0.3 |
| Wilmington, North Carolina | September | 443.33 | -29.6 | 15.9 |
| Charleston, South Carolina | September | 2,413.61 | -24.6 | 14.1 |
| Norfolk, Virginia | September | 2,293.68 | -7.3 | -2.4 |

Composite Manufacturing Index
3-Month Moving Average through October 2014



Norfolk Port District Exports
Year-over-Year Percent Change through September 2014



FIFTH DISTRICT

Household Conditions

| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q2:14 | 13,502,802 | 0.96 | 2.42 |
| Fifth District | Q2:14 | 1,315,790 | 0.82 | 1.54 |

| Non-Business Bankruptcies | Period | Level | QoQ % Change | YoY % Change |
|---------------------------|--------|---------|--------------|--------------|
| United States | Q3:14 | 225,386 | -8.96 | -13.26 |
| Fifth District | Q3:14 | 17,458 | -7.48 | -9.94 |

Real Estate Conditions

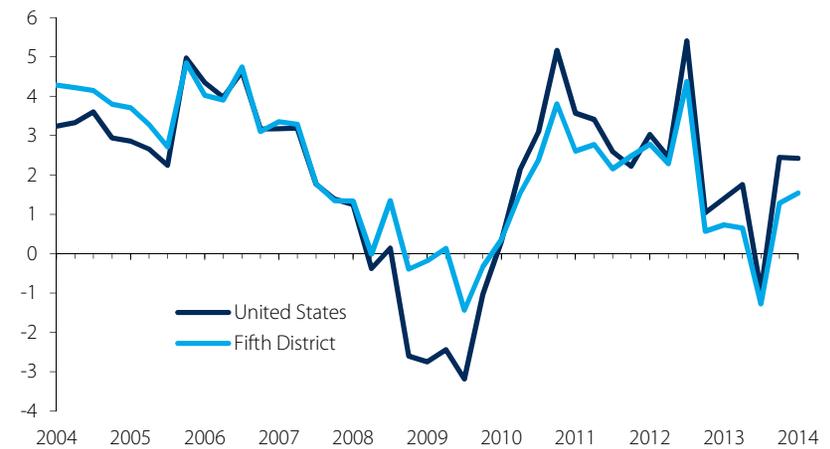
| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------|--------------|--------------|
| United States | September | 90,696 | 4.05 | 11.51 |
| Fifth District | September | 12,212 | 5.69 | 2.09 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|-----------|--------------|--------------|--------------|
| United States | September | 1,017 | 6.27 | 17.84 |
| Fifth District | September | 142 | 15.70 | 15.52 |

| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|-----------|-------|--------------|--------------|
| United States | September | 174 | -0.06 | 5.64 |
| Fifth District | September | 182 | -0.69 | 2.94 |

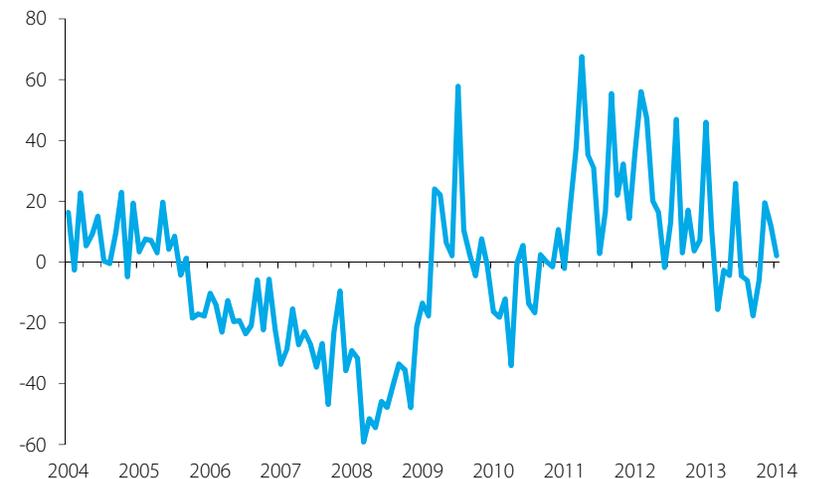
Fifth District Real Personal Income

Year-over-Year Percent Change through Q2:14



Fifth District Building Permits

Year-over-Year Percent Change through September 2014



DISTRICT OF COLUMBIA

November Summary

Reports on the District of Columbia economy were somewhat mixed in recent months, with employment gains and some improvement in household conditions, but mixed housing market indicators.

Labor Markets: Total employment in D.C. rose 1.1 percent in September as employers added 8,000 net new jobs. The job gain was due to an 8,700 job increase (3.8 percent) in government sector employment as the private sector cut 700 positions, on net. The government sector expansion, however, was primarily due to gains in local government as federal government employment only increased 500 positions. Within the private sector, only the logging, mining, and construction, information, and education and health services industries added jobs in September. On a year-over-year basis, firms in D.C. added 5,900 new jobs (0.8 percent) while the only industries to cut jobs since last September were manufacturing, financial activities, "other" services, and government. Firms in the greater Washington, D.C. MSA added 3,300 jobs (0.1 percent) in September and 15,000 jobs (0.5 percent) since September 2013.

Household Conditions: The unemployment rate in D.C. was unchanged at 7.7 percent in September; however, the civilian labor force grew 0.9 percent, which drove the participation rate up 0.5 percentage point to 68.4 percent. Likewise, the unemployment rate in the greater Washington, D.C. MSA was unchanged at 5.2 percent in September. In the second quarter of 2014, real personal income in D.C. rose 0.7 percent and increased 1.9 percent since the second quarter of 2013. Also in the second quarter of 2014, the share of mortgages with payments 90 or more days past due fell 0.1 percentage point to 2.9 percent. The prime delinquency rate edged down 0.1 percentage point to 1.8 percent while the subprime delinquency rate fell from 13.5 to 12.1 percent in the quarter.

Housing Markets: Recent reports on housing markets were somewhat mixed. In September, 394 new residential permits were issued in D.C., down 49.4 percent from the previous month and 17.6 percent fewer than were issued in August 2013. Similarly, housing starts totaled 4,600 in September, down 44.6 percent from August and down 6.7 percent since September of last year. According to CoreLogic Information Solutions, home values in D.C. depreciated 1.6 percent in September but appreciated 4.4 percent on a year-over-year basis. Home values in the greater Washington, D.C. metro area depreciated 0.7 percent in the month but appreciated 3.0 percent since September 2013.

A Closer Look at...Federal Contract Spending

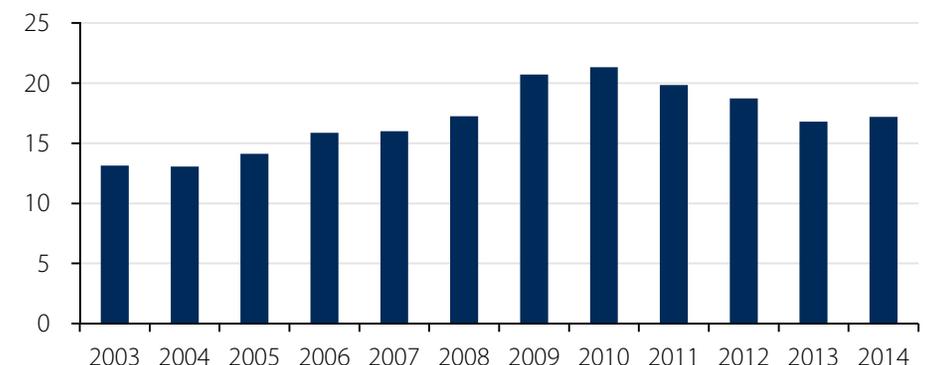
Fiscal Year: 2014

Total dollars: \$17,200,603,721

The amount of contract spending in the District of Columbia is 4.6 percent of all federal contract dollars for the fiscal year.

The District of Columbia is ranked 5 of all states for federal contract spending.

Federal Government Contract Spending in the District of Columbia
Billion (\$) in Fiscal Year



Top 5 Contracting Agencies

- | | |
|-------------------------------------|---------------|
| 1. Department of the Navy | \$1.7 billion |
| 2. Department of State | \$1.3 billion |
| 3. Office of Procurement Operations | \$878 million |
| 4. Boards and Divisions Offices | \$759 million |
| 5. Public Buildings Service | \$755 million |

Top 5 Products or Services

- | | |
|---------------------------------------|---------------|
| 1. Other Professional Services | \$2.1 billion |
| 2. IT and Telecommunications Services | \$1.7 billion |
| 3. Program Management Services | \$1.3 billion |
| 4. ADP Software | \$869 million |
| 5. Engineering and Technical Services | \$696 million |

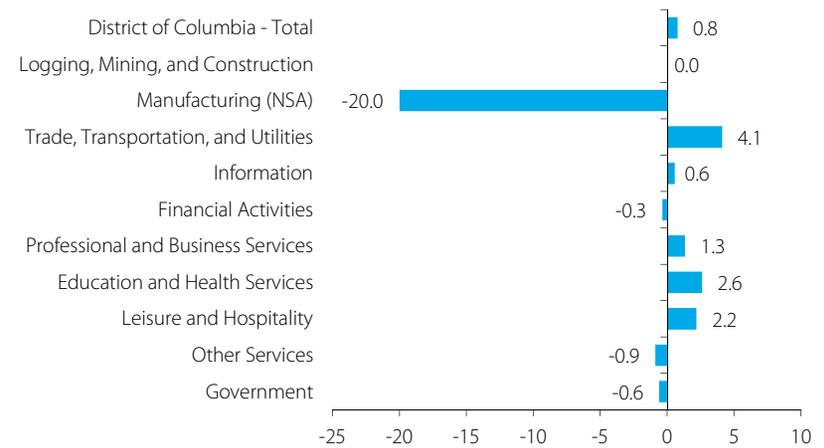
DISTRICT OF COLUMBIA

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------------|--------------|--------------|
| United States - Total | September | 139,435.0 | 0.18 | 1.93 |
| Fifth District - Total | September | 14,038.8 | 0.26 | 1.43 |
| District of Columbia - Total | September | 757.7 | 1.07 | 0.78 |
| Logging, Mining, and Construction | September | 14.0 | 0.72 | 0.00 |
| Manufacturing (NSA) | September | 0.8 | -11.11 | -20.00 |
| Trade, Transportation, and Utilities | September | 30.3 | -2.26 | 4.12 |
| Information | September | 17.2 | 1.18 | 0.58 |
| Financial Activities | September | 28.7 | 0.00 | -0.35 |
| Professional and Business Services | September | 158.3 | -0.31 | 1.34 |
| Education and Health Services | September | 129.2 | 0.62 | 2.62 |
| Leisure and Hospitality | September | 69.7 | -0.14 | 2.20 |
| Other Services | September | 69.0 | -0.58 | -0.86 |
| Government | September | 240.5 | 3.75 | -0.58 |
| Washington, D.C. MSA | September | 3,095.6 | 0.11 | 0.49 |

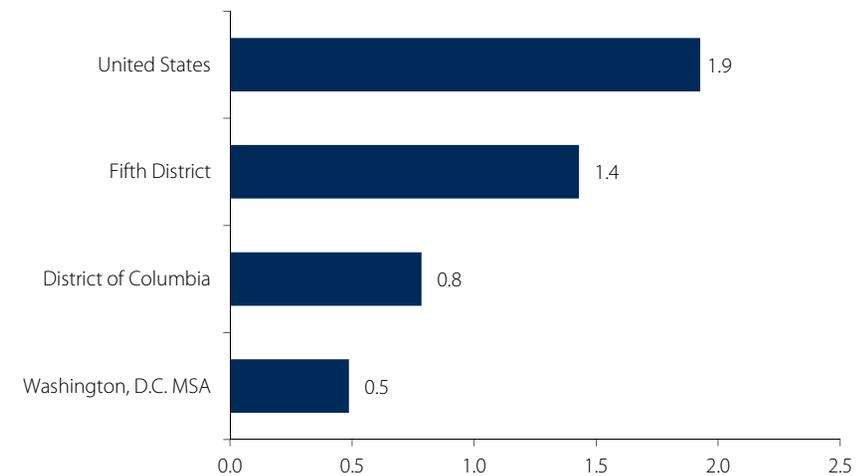
District of Columbia Payroll Employment Performance

Year-over-Year Percent Change through September 2014



District of Columbia Total Employment Performance

Year-over-Year Percent Change through September 2014



DISTRICT OF COLUMBIA

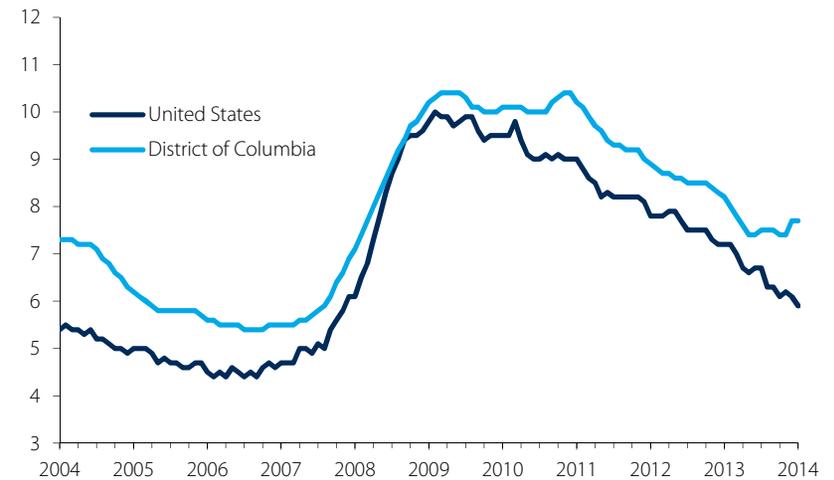
Labor Market Conditions

| Unemployment Rate (SA) | September 14 | August 14 | September 13 |
|------------------------|--------------|-----------|--------------|
| United States | 5.9 | 6.1 | 7.2 |
| Fifth District | 6.3 | 6.3 | 6.7 |
| District of Columbia | 7.7 | 7.7 | 8.2 |
| Washington, D.C. MSA | 5.2 | 5.2 | 5.3 |

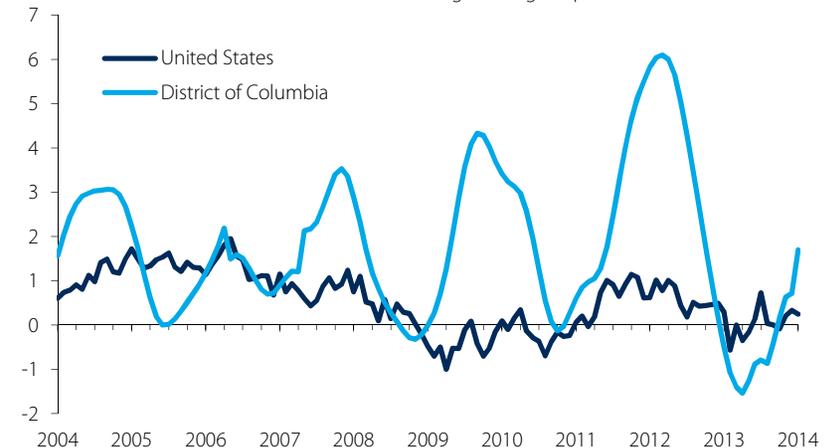
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|---------------------------|-----------|--------------|--------------|--------------|
| United States | September | 155,862 | -0.06 | 0.25 |
| Fifth District | September | 15,368 | -0.09 | -0.01 |
| District of Columbia | September | 374 | 0.88 | 1.70 |
| Washington, D.C. MSA | September | 3,222 | -0.07 | 0.62 |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|-----------|-----------|--------------|--------------|
| United States | September | 1,037,921 | -2.40 | -3.53 |
| Fifth District | September | 69,527 | -2.22 | -21.92 |
| District of Columbia | September | 1,471 | -12.07 | -19.22 |

District of Columbia Unemployment Rate
Through September 2014



District of Columbia Labor Force
Year-over-Year Percent Change through September 2014



DISTRICT OF COLUMBIA

Household Conditions

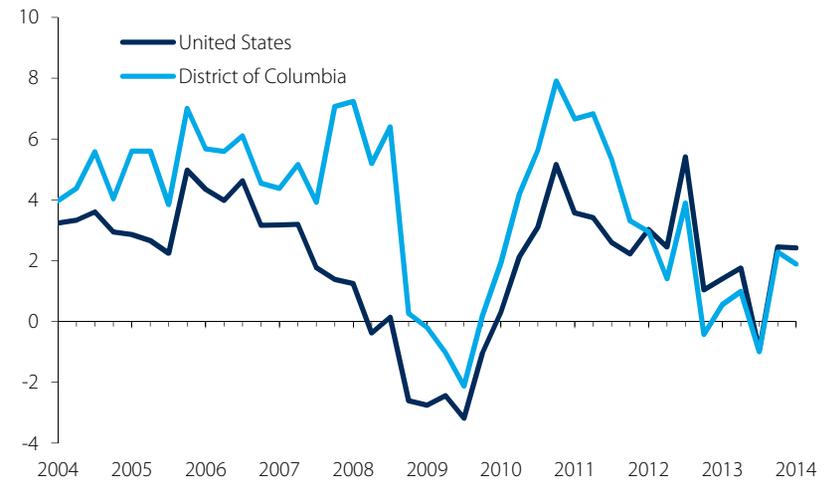
| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q2:14 | 13,502,802 | 0.96 | 2.42 |
| Fifth District | Q2:14 | 1,315,790 | 0.82 | 1.54 |
| District of Columbia | Q2:14 | 46,360 | 0.69 | 1.89 |

| Median Family Income | Period | Level (000s) | QoQ % Change | YoY % Change |
|----------------------|--------|--------------|--------------|--------------|
| Washington, D.C. MSA | 2014 | 105.1 | --- | -0.76 |

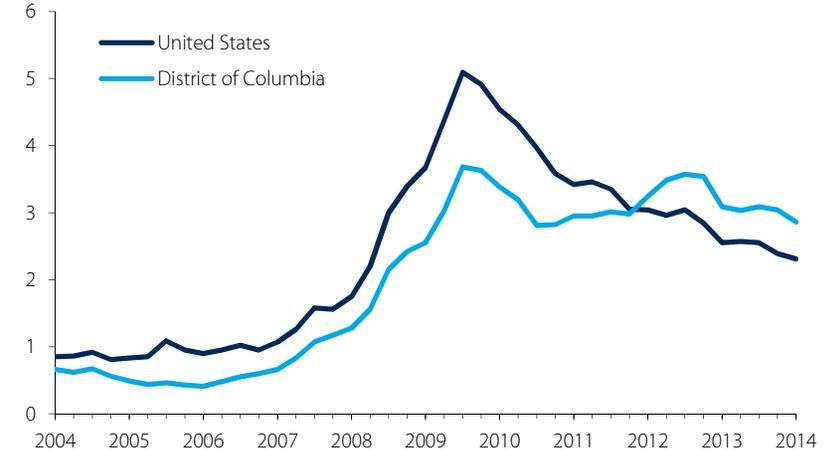
| Non-Business Bankruptcies | Period | Level | QoQ % Change | YoY % Change |
|---------------------------|--------|---------|--------------|--------------|
| United States | Q3:14 | 225,386 | -8.96 | -13.26 |
| Fifth District | Q3:14 | 17,458 | -7.48 | -9.94 |
| District of Columbia | Q3:14 | 193 | 7.22 | -4.93 |

| Mortgage Delinquencies (% 90+ Days Delinquent) | Q2:14 | Q1:14 | Q2:13 |
|--|-------|-------|-------|
| United States | | | |
| All Mortgages | 2.31 | 2.39 | 2.55 |
| Prime | 1.28 | 1.28 | 1.46 |
| Subprime | 8.68 | 8.90 | 9.10 |
| District of Columbia | | | |
| All Mortgages | 2.86 | 3.04 | 3.09 |
| Prime | 1.84 | 1.88 | 2.02 |
| Subprime | 12.13 | 13.46 | 14.48 |

District of Columbia Real Personal Income
Year-over-Year Percent Change through Q2:14



District of Columbia Mortgage Delinquencies
Percent 90+ Days Delinquent through Q2:14



DISTRICT OF COLUMBIA

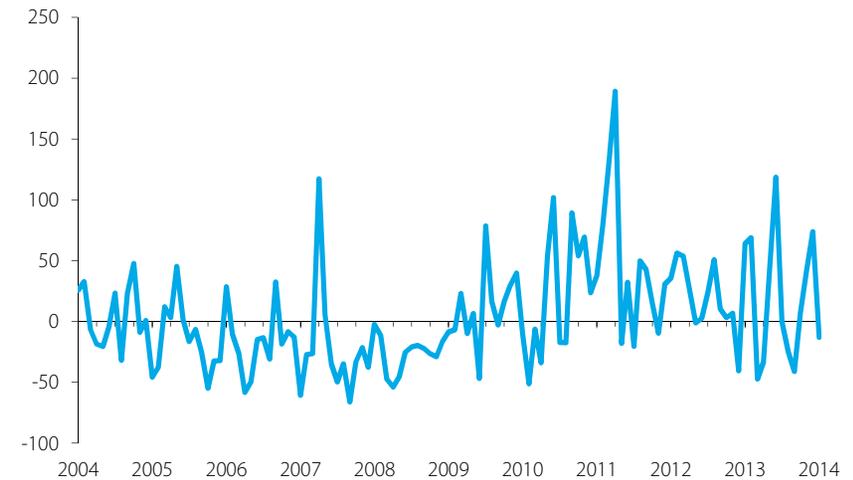
Real Estate Conditions

| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------|--------------|--------------|
| United States | September | 90,696 | 4.05 | 11.51 |
| Fifth District | September | 12,212 | 5.69 | 2.09 |
| District of Columbia | September | 394 | -49.42 | -17.57 |
| Washington, D.C. MSA | September | 2,162 | -3.05 | -13.10 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|-----------|--------------|--------------|--------------|
| United States | September | 1,017 | 6.27 | 17.84 |
| Fifth District | September | 142 | 15.70 | 15.52 |
| District of Columbia | September | 4.6 | -44.63 | -6.71 |

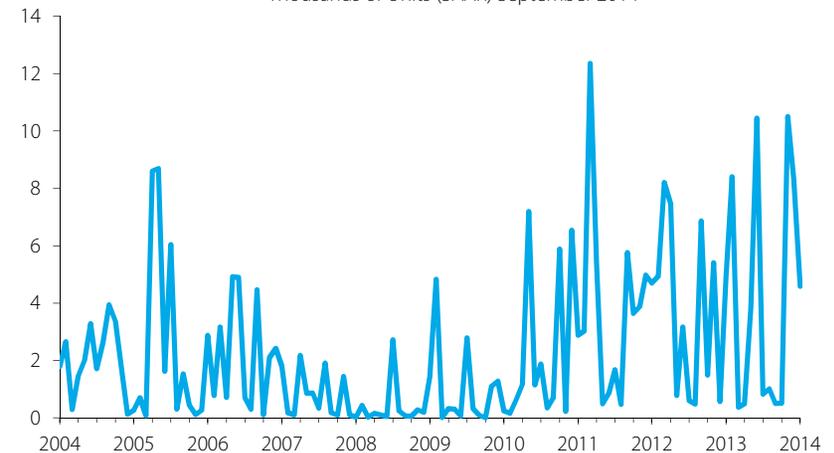
Washington, D.C. MSA Building Permits

Year-over-Year Percent Change through September 2014



District of Columbia Housing Starts

Thousands of Units (SAAR) September 2014



DISTRICT OF COLUMBIA

Real Estate Conditions

| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|-----------|-------|--------------|--------------|
| United States | September | 174 | -0.06 | 5.64 |
| Fifth District | September | 182 | -0.69 | 2.94 |
| District of Columbia | September | 286 | -1.56 | 4.42 |
| Washington, D.C. MSA | September | 223 | -0.74 | 3.01 |

| Median Home Sales Price - NAR (NSA) | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|-------------------------------------|--------|----------------|--------------|--------------|
| Washington, D.C. MSA | Q2:14 | 404 | 12.45 | 0.15 |

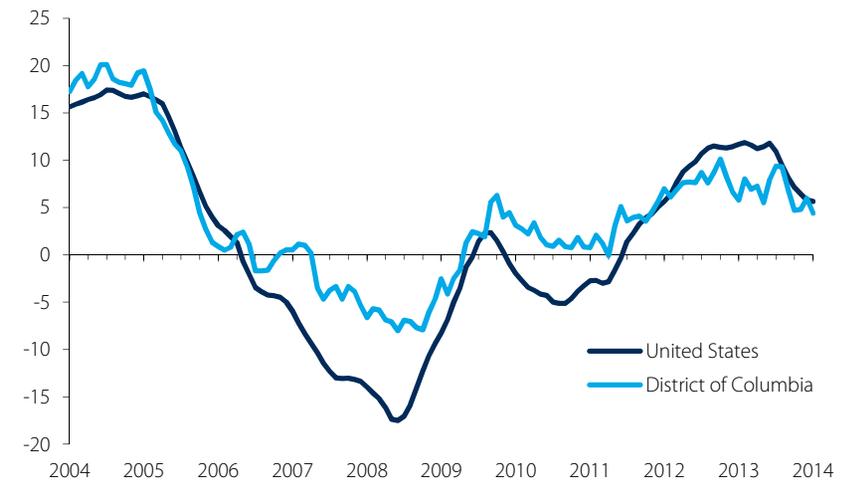
| Median Home Sales Price - NAHB | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|--------------------------------|--------|----------------|--------------|--------------|
| Washington, D.C. MSA | Q2:14 | 360 | 9.09 | -1.37 |

| Housing Opportunity Index (%) | Q2:14 | Q1:14 | Q2:13 |
|-------------------------------|-------|-------|-------|
| Washington, D.C. MSA | 65.1 | 69.1 | 70.1 |

| Commercial Vacancy Rates (%) | Q3:14 | Q2:14 | Q3:13 |
|------------------------------|-------|-------|-------|
| Office Vacancies | | | |
| Washington, D.C. MSA | 16.1 | 15.7 | 15.2 |
| Industrial Vacancies | | | |
| Washington, D.C. MSA | 13.3 | 13.5 | 14.0 |
| Retail Vacancies | | | |
| Washington, D.C. MSA | --- | 5.6 | 6.0 |

District of Columbia House Price Index (CoreLogic)

Year-over-Year Percent Change through September 2014



Washington, D.C. MSA Office Vacancy Rate

Through Q3:14



MARYLAND

November Summary

Maryland's economy generally improved in recent months, with reported employment gains and improving household conditions, but somewhat mixed housing indicators.

Labor Markets: Total employment in Maryland expanded 0.1 percent in September as 2,800 net new jobs were added in the month. The monthly job gain was due to increased employment in the government sector as the private sector contracted by 500 jobs, on net. Within the government sector, state and local agencies added 2,100 jobs and 300 jobs, respectively, while the federal government added 900 new positions. The majority of private sector industries shed jobs in September; the only industries to add jobs in the month were manufacturing, financial activities, and professional and business services. On a year-over-year basis, payrolls in the state expanded 0.5 percent. In the state's metro areas, employment was unchanged in September in the Bethesda, Cumberland, and Salisbury MSAs while employment expanded in Baltimore and contracted in Hagerstown. On a year-over-year basis, every MSA except Hagerstown reported employment growth.

Household Conditions: Maryland's unemployment rate fell 0.1 percentage point to 6.3 percent in September. At the metro level, unemployment rates also declined in September in every MSA except Cumberland, where the rate was unchanged at 7.0 percent. In the second quarter of 2014, real personal income in Maryland rose 0.7 percent and increased 1.0 percent since the second quarter of 2013. Also in the second quarter, the share of mortgages with payments 90 or more days overdue fell 0.2 percentage point to 3.1 percent. The improvement in the total delinquency rate was due to a 0.6 percentage point decline in the FHA rate as the prime and VA delinquency rates were practically unchanged and the subprime rate edged up.

Housing Markets: Housing market reports were somewhat mixed in recent months. Maryland issued 1,966 new residential permits in September, up 46.2 percent from July but 15.3 percent fewer than in September 2013. Housing starts totaled 22,900 in September, up 60.0 percent from the prior month but a 4.2 percent decrease from September 2013. According to CoreLogic Information Solutions, home values in Maryland depreciated 0.9 percent in September but appreciated 1.4 percent since September of last year. Home values in the state's metro areas depreciated in every MSA in September except Salisbury. On a year-over-year basis, home values depreciated in the Hagerstown and Salisbury MSAs, but appreciated in the Baltimore and Cumberland MSAs.

A Closer Look at...Federal Contract Spending

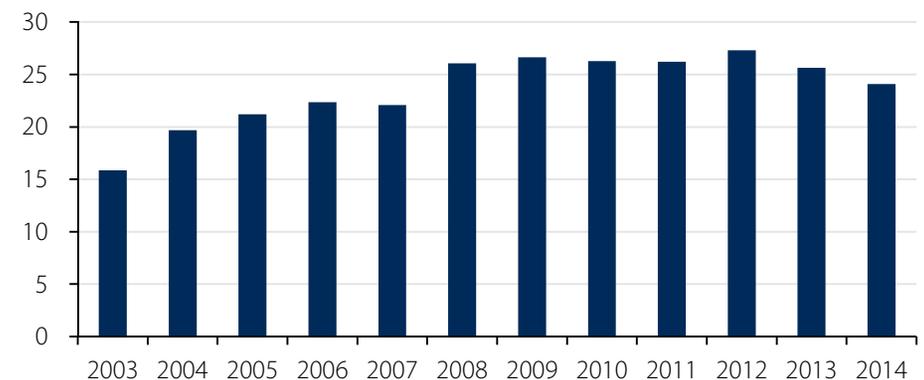
Fiscal Year: 2014

Total dollars: \$24,092,815,845

The amount of contract spending in Maryland is 6.4 percent of all federal contract dollars for the fiscal year.

Maryland is ranked 4 of all states for federal contract spending.

Federal Government Contract Spending in Maryland
Billion (\$) in Fiscal Year



Top 5 Contracting Agencies

| | |
|--------------------------------------|---------------|
| 1. Department of the Navy | \$3.7 billion |
| 2. Department of the Army | \$3.0 billion |
| 3. National Institutes of Health | \$2.4 billion |
| 4. Centers for Medicare and Medicaid | \$1.9 billion |
| 5. NASA | \$1.6 billion |

Top 5 Products or Services

| | |
|---------------------------------------|---------------|
| 1. IT and Telecommunication Services | \$2.4 billion |
| 2. Engineering and Technical Services | \$1.9 billion |
| 3. Professional Services | \$1.2 billion |
| 4. Combat Ships and Landing Vessels | \$749 million |
| 5. Program Management Services | \$669 million |

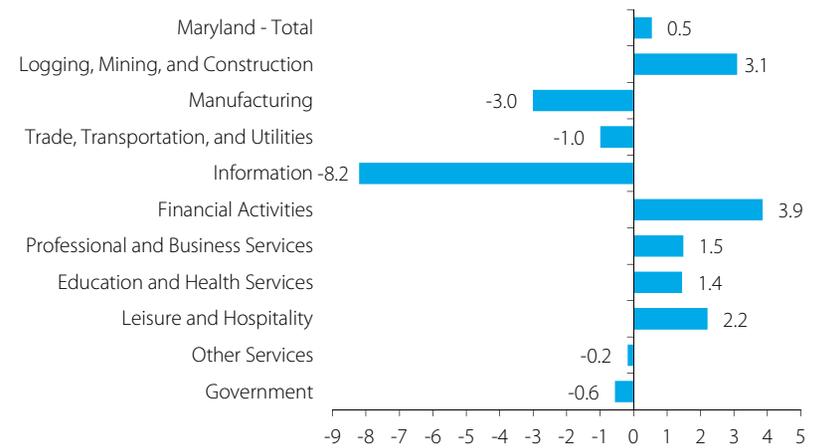
MARYLAND

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|---------------------------------------|-----------|--------------|--------------|--------------|
| United States - Total | September | 139,435.0 | 0.18 | 1.93 |
| Fifth District - Total | September | 14,038.8 | 0.26 | 1.43 |
| Maryland - Total | September | 2,611.7 | 0.11 | 0.55 |
| Logging, Mining, and Construction | September | 153.3 | -0.90 | 3.09 |
| Manufacturing | September | 103.0 | 1.08 | -3.01 |
| Trade, Transportation, and Utilities | September | 447.0 | -0.16 | -1.00 |
| Information | September | 35.8 | -0.56 | -8.21 |
| Financial Activities | September | 150.8 | 0.20 | 3.86 |
| Professional and Business Services | September | 423.0 | 0.81 | 1.49 |
| Education and Health Services | September | 427.2 | -0.28 | 1.45 |
| Leisure and Hospitality | September | 258.9 | -0.58 | 2.21 |
| Other Services | September | 110.5 | -0.27 | -0.18 |
| Government | September | 502.2 | 0.66 | -0.55 |
| Baltimore-Towson MSA - Total | September | 1,357.8 | 0.21 | 1.76 |
| Bethesda-Frederick Metro Div. - Total | September | 573.9 | 0.00 | 0.38 |
| Cumberland MSA - Total | September | 40.2 | 0.00 | 2.29 |
| Hagerstown MSA - Total | September | 103.6 | -0.58 | -0.86 |
| Salisbury MSA - Total | September | 53.3 | 0.00 | 1.72 |

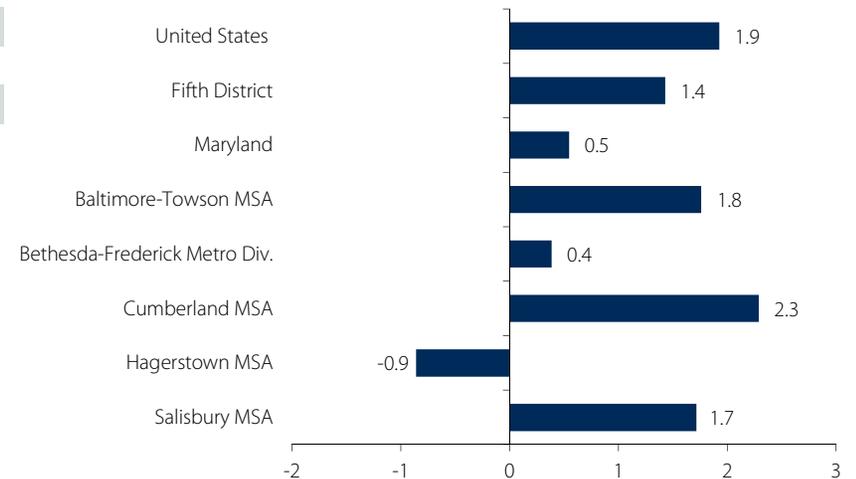
Maryland Payroll Employment Performance

Year-over-Year Percent Change through September 2014



Maryland Total Employment Performance

Year-over-Year Percent Change through September 2014



MARYLAND

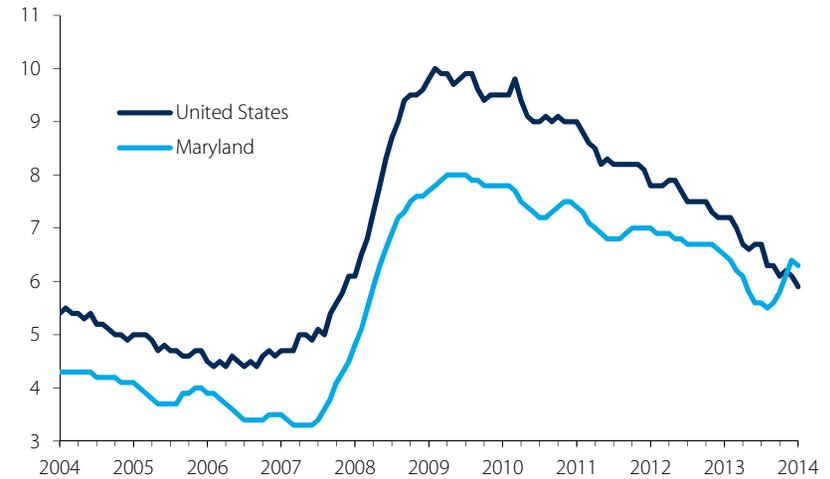
Labor Market Conditions

| Unemployment Rate (SA) | September 14 | August 14 | September 13 |
|-------------------------------|--------------|-----------|--------------|
| United States | 5.9 | 6.1 | 7.2 |
| Fifth District | 6.3 | 6.3 | 6.7 |
| Maryland | 6.3 | 6.4 | 6.5 |
| Baltimore-Towson MSA | 6.3 | 6.4 | 6.6 |
| Bethesda-Frederick Metro Div. | 4.8 | 4.9 | 5.1 |
| Cumberland MSA | 7.0 | 7.0 | 7.2 |
| Hagerstown MSA | 6.8 | 6.8 | 6.9 |
| Salisbury MSA | 7.8 | 8.0 | 8.1 |

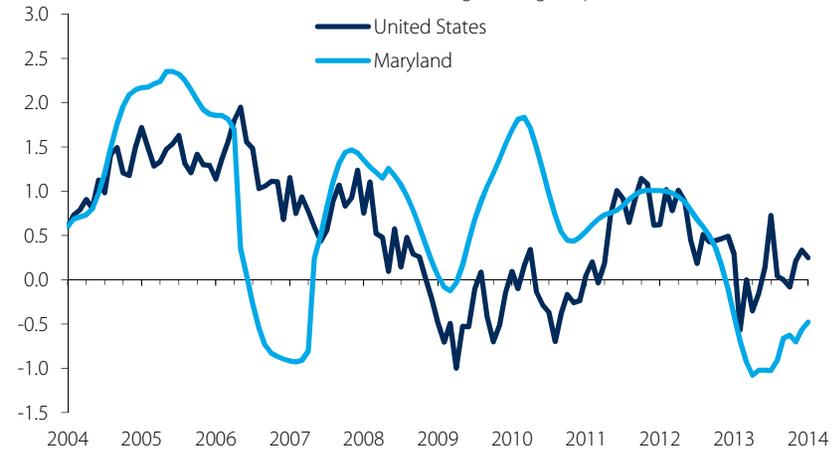
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------|-----------|--------------|--------------|--------------|
| United States | September | 155,862 | -0.06 | 0.25 |
| Fifth District | September | 15,368 | -0.09 | -0.01 |
| Maryland | September | 3,103 | -0.08 | -0.48 |
| Baltimore-Towson MSA | September | 1,475 | -0.09 | 0.12 |
| Bethesda-Frederick Metro Div. | September | 656 | -0.06 | -1.00 |
| Cumberland MSA | September | 50 | 0.00 | 0.20 |
| Hagerstown MSA | September | 124 | -0.24 | -1.43 |
| Salisbury MSA | September | 62 | -0.16 | -1.58 |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|-----------|-----------|--------------|--------------|
| United States | September | 1,037,921 | -2.40 | -3.53 |
| Fifth District | September | 69,527 | -2.22 | -21.92 |
| Maryland | September | 15,063 | 0.39 | -25.56 |

Maryland Unemployment Rate Through September 2014



Maryland Labor Force Year-over-Year Percent Change through September 2014



MARYLAND

Household Conditions

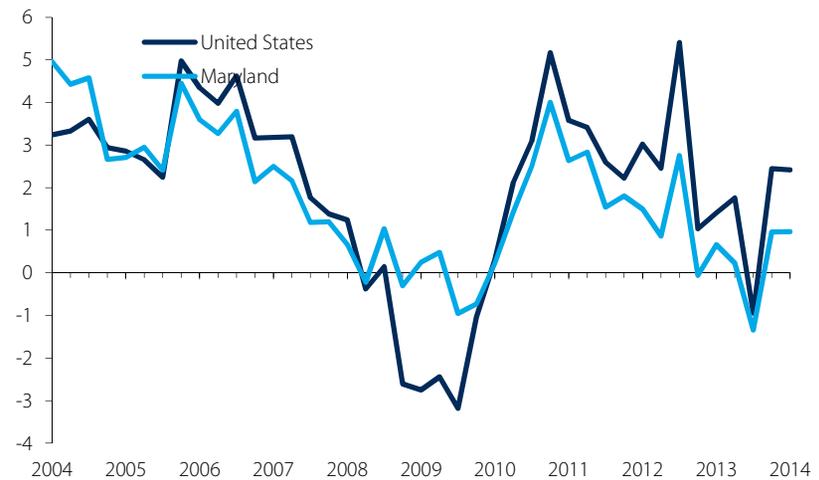
| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q2:14 | 13,502,802 | 0.96 | 2.42 |
| Fifth District | Q2:14 | 1,315,790 | 0.82 | 1.54 |
| Maryland | Q2:14 | 301,097 | 0.65 | 0.97 |

| Median Family Income | Period | Level (000s) | QoQ % Change | YoY % Change |
|-------------------------------|--------|--------------|--------------|--------------|
| Baltimore-Towson MSA | 2014 | 83.5 | --- | -2.45 |
| Bethesda-Frederick Metro Div. | 2014 | 111.3 | --- | -0.80 |
| Cumberland MSA | 2014 | 54.1 | --- | 1.50 |
| Hagerstown MSA | 2014 | 67.6 | --- | -2.73 |
| Salisbury MSA | 2014 | 53.5 | --- | -9.78 |

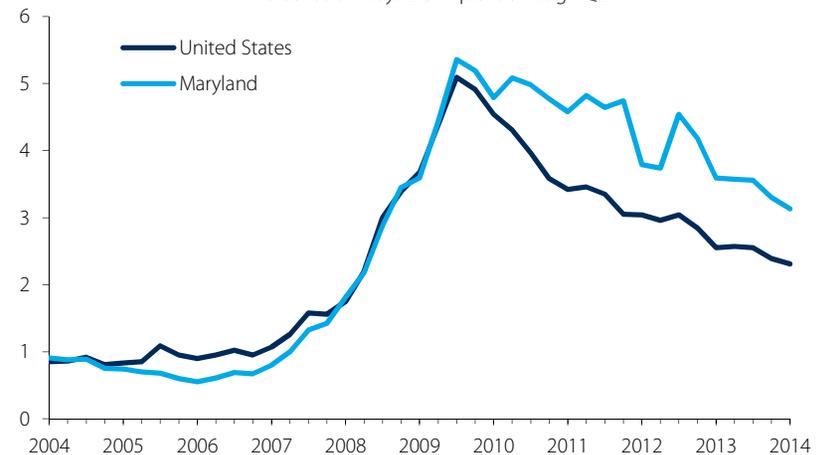
| Non-Business Bankruptcies | Period | Level | QoQ % Change | YoY % Change |
|---------------------------|--------|---------|--------------|--------------|
| United States | Q3:14 | 225,386 | -8.96 | -13.26 |
| Fifth District | Q3:14 | 17,458 | -7.48 | -9.94 |
| Maryland | Q3:14 | 4,818 | -11.74 | -15.38 |

| Mortgage Delinquencies (% 90+ Days Delinquent) | Q2:14 | Q1:14 | Q2:13 |
|--|-------|-------|-------|
| United States | | | |
| All Mortgages | 2.31 | 2.39 | 2.55 |
| Prime | 1.28 | 1.28 | 1.46 |
| Subprime | 8.68 | 8.90 | 9.10 |
| Maryland | | | |
| All Mortgages | 3.13 | 3.30 | 3.59 |
| Prime | 1.74 | 1.75 | 2.04 |
| Subprime | 11.94 | 11.35 | 11.33 |

Maryland Real Personal Income
Year-over-Year Percent Change through Q2:14



Maryland Mortgage Delinquencies
Percent 90+ Days Delinquent through Q2:14



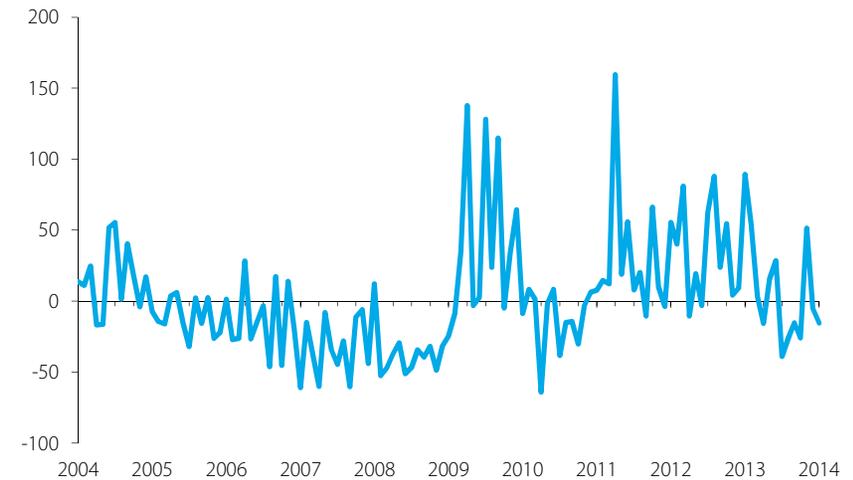
MARYLAND

Real Estate Conditions

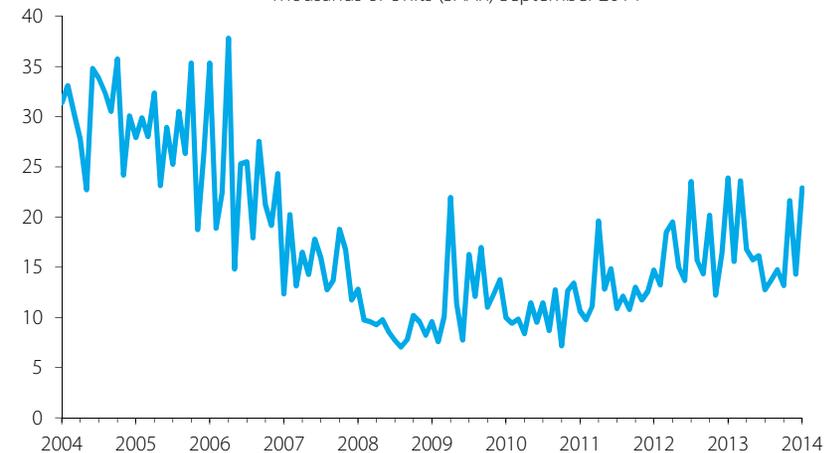
| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------|--------------|--------------|
| United States | September | 90,696 | 4.05 | 11.51 |
| Fifth District | September | 12,212 | 5.69 | 2.09 |
| Maryland | September | 1,966 | 46.17 | -15.30 |
| Baltimore-Towson MSA | September | 938 | 58.71 | 2.63 |
| Cumberland MSA | September | 2 | -66.67 | -66.67 |
| Hagerstown MSA | September | 78 | -15.22 | 32.20 |
| Salisbury MSA | September | 291 | 19.75 | 903.45 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|-----------|--------------|--------------|--------------|
| United States | September | 1,017 | 6.27 | 17.84 |
| Fifth District | September | 142 | 15.70 | 15.52 |
| Maryland | September | 22.9 | 59.96 | -4.19 |

Maryland Building Permits
Year-over-Year Percent Change through September 2014



Maryland Housing Starts
Thousands of Units (SAAR) September 2014



MARYLAND

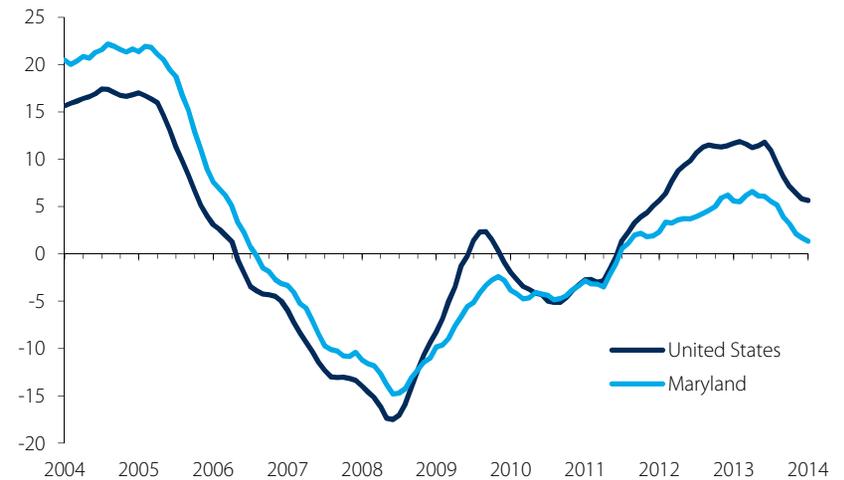
Real Estate Conditions

| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|-----------|-------|--------------|--------------|
| United States | September | 174 | -0.06 | 5.64 |
| Fifth District | September | 182 | -0.69 | 2.94 |
| Maryland | September | 191 | -0.88 | 1.35 |
| Baltimore-Towson MSA | September | 188 | -0.85 | 0.42 |
| Cumberland MSA | September | 181 | -0.88 | 2.06 |
| Hagerstown MSA | September | 142 | -1.79 | -3.93 |
| Salisbury MSA | September | 205 | 0.00 | -2.04 |

| Median Home Sales Price - NAR (NSA) | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|-------------------------------------|--------|----------------|--------------|--------------|
| Baltimore-Towson MSA | Q2:14 | 256 | 13.85 | -2.70 |
| Cumberland MSA | Q2:14 | 99 | 22.11 | -3.21 |
| Hagerstown MSA | Q2:14 | 153 | 7.98 | 3.59 |

| Median Home Sales Price - NAHB | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|--------------------------------|--------|----------------|--------------|--------------|
| Baltimore-Towson MSA | Q2:14 | 240 | 5.73 | 0.00 |
| Bethesda-Frederick Metro Div. | Q2:14 | 360 | 5.57 | 0.56 |
| Cumberland MSA | Q2:14 | 91 | 18.18 | -4.21 |
| Hagerstown MSA | Q2:14 | 152 | -1.94 | -1.94 |
| Salisbury MSA | Q2:14 | 120 | -13.04 | -11.11 |

Maryland House Price Index (CoreLogic)
Year-over-Year Percent Change through September 2014



Baltimore-Towson MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through Q2:14



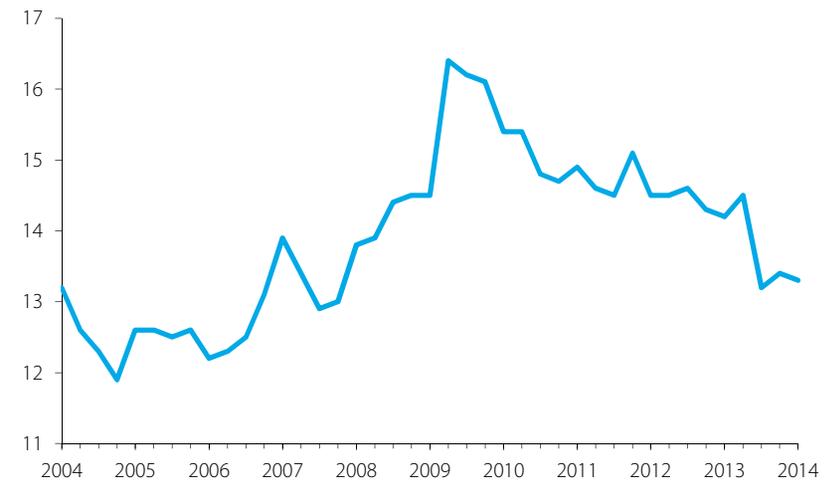
MARYLAND

Real Estate Conditions

| Housing Opportunity Index (%) | Q2:14 | Q1:14 | Q2:13 |
|-------------------------------|-------|-------|-------|
| Baltimore-Towson MSA | 71.4 | 73.6 | 77.5 |
| Bethesda-Frederick Metro Div. | 67.6 | 69.2 | 73.4 |
| Cumberland MSA | 97.2 | 96.3 | 94.7 |
| Hagerstown MSA | 87.2 | 88.6 | 89.8 |
| Salisbury MSA | 90.5 | 77.9 | 88.0 |

| Commercial Vacancy Rates (%) | Q3:14 | Q2:14 | Q3:13 |
|--|-------|-------|-------|
| Office Vacancies | | | |
| Baltimore-Towson MSA | 13.3 | 13.4 | 14.2 |
| Retail Vacancies | | | |
| Baltimore-Towson MSA | --- | 6.7 | 7.2 |
| Industrial Vacancies | | | |
| Baltimore-Towson MSA | 14.7 | 14.5 | 14.7 |
| Suburban Maryland (Washington, D.C. MSA) | 14.8 | 15.4 | 14.6 |

Baltimore-Towson MSA Office Vacancy Rate
Through Q3:14



Baltimore-Towson MSA Industrial Vacancy Rate
Through Q3:14



NORTH CAROLINA

November Summary

Recent reports on economic conditions in North Carolina were mainly positive as employment expanded, household conditions improved, and housing market indicators were somewhat positive.

Labor Markets: Total employment in North Carolina rose 0.3 percent (14,000 jobs) in September, the third straight month with net gains in excess of ten thousand jobs. The majority of industries expanded in the month, with only the construction, leisure and hospitality, and government sector reporting job declines. The largest absolute gain was in the professional and business services industry that added 7,400 jobs (1.3 percent), while the largest percentage gain was in the financial services industry, which grew 1.9 percent (4,000 jobs) in September. On a year-over-year basis, every industry except the government sector expanded, with the largest gain, in absolute and percentage terms, occurring in the professional and business services industry. In the state's metro areas, changes in employment were mixed in the month; on a year-over-year basis, every MSA reported an expansion except Fayetteville.

Household Conditions: North Carolina's unemployment rate fell 0.1 percentage point to 6.7 percent in September, which was 1.0 percentage point lower than in September 2013. In the state's metro areas, the Asheville and Durham MSAs reported the lowest unemployment rate of 5.1 percent while Fayetteville had the highest rate of 7.4 percent in September. In the second quarter of 2014, real personal income in North Carolina rose 1.0 percent and was 2.2 percent higher than the second quarter of 2013. Also in the second quarter, the share of mortgages with payments 90 or more days past due edged down 0.1 percentage point to 2.3 percent. The subprime delinquency rate fell from 10.4 percent to 9.8 percent in the quarter and the prime rate was unchanged.

Housing Markets: In recent months, housing market reports were somewhat positive. Jurisdictions in North Carolina issued 4,669 new residential permits in September, down 5.2 percent from August but 19.8 percent more than were issued in September 2013. Housing starts totaled 54,400 in September, which was a 3.7 percent increase from August and a 35.5 percent increase over September 2013. According to CoreLogic Information Solutions, home values depreciated 0.6 percent in September but appreciated 3.3 percent on a year-over-year basis. Changes in home values in the state's metro areas varied in the month but appreciated since September 2013 in every MSA except Durham, Hickory, and Jacksonville.

A Closer Look at...Federal Contract Spending

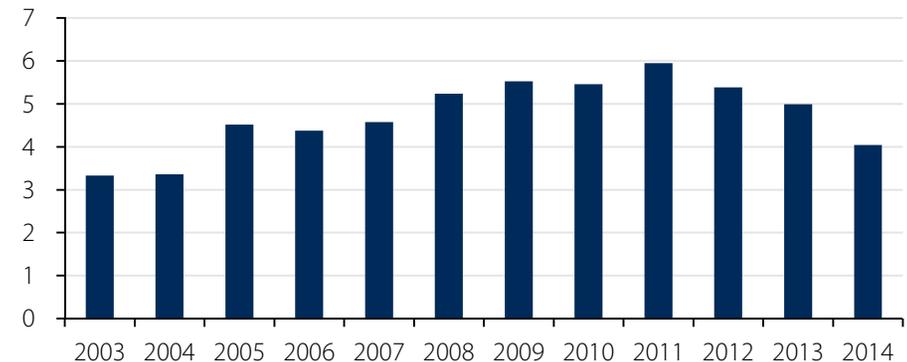
Fiscal Year: 2014

Total dollars: \$4,046,159,588

The amount of contract spending in North Carolina is 1.1 percent of all federal contract dollars for the fiscal year.

North Carolina is ranked 26 of all states for federal contract spending.

Federal Government Contract Spending in North Carolina
Billion (\$) in Fiscal Year



Top 5 Contracting Agencies

| | |
|-----------------------------------|---------------|
| 1. Centers for Disease Control | \$647 million |
| 2. Department of the Navy | \$599 million |
| 3. Department of the Army | \$574 million |
| 4. Department of Veterans Affairs | \$441 million |
| 5. National Institutes of Health | \$233 million |

Top 5 Products or Services

| | |
|---------------------------------|---------------|
| 1. Drugs and Biologicals | \$760 million |
| 2. Professional Services | \$185 million |
| 3. Food Services | \$134 million |
| 4. IT Strategy and Architecture | \$80 million |
| 5. Logistic Support Services | \$75 million |

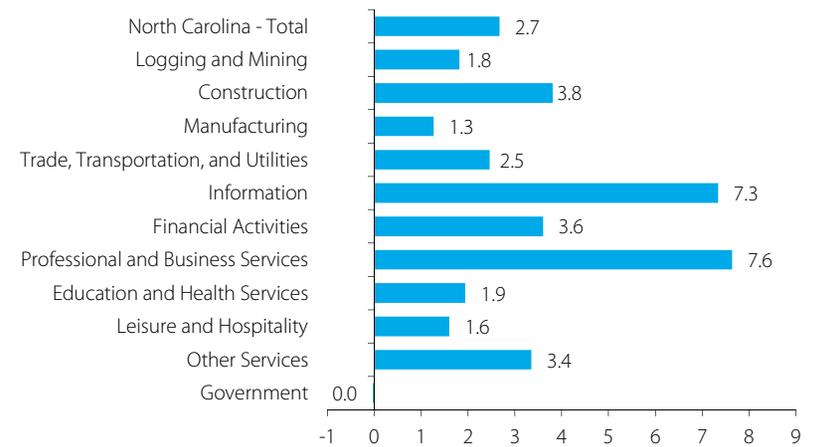
NORTH CAROLINA

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------------|--------------|--------------|
| United States - Total | September | 139,435.0 | 0.18 | 1.93 |
| Fifth District - Total | September | 14,038.8 | 0.26 | 1.43 |
| North Carolina - Total | September | 4,170.0 | 0.34 | 2.67 |
| Logging and Mining | September | 5.6 | 0.00 | 1.82 |
| Construction | September | 180.0 | -0.06 | 3.81 |
| Manufacturing | September | 447.3 | 0.45 | 1.27 |
| Trade, Transportation, and Utilities | September | 777.7 | 0.06 | 2.46 |
| Information | September | 74.6 | 0.95 | 7.34 |
| Financial Activities | September | 215.6 | 1.89 | 3.60 |
| Professional and Business Services | September | 596.2 | 1.26 | 7.64 |
| Education and Health Services | September | 571.8 | 0.83 | 1.94 |
| Leisure and Hospitality | September | 437.3 | -0.61 | 1.60 |
| Other Services | September | 154.2 | 0.13 | 3.35 |
| Government | September | 709.7 | -0.38 | -0.03 |
| Asheville MSA - Total | September | 179.7 | 0.34 | 2.98 |
| Charlotte MSA - Total | September | 896.0 | 0.08 | 2.14 |
| Durham MSA - Total | September | 291.3 | 0.41 | 1.96 |
| Fayetteville MSA - Total | September | 130.6 | -0.46 | -0.15 |
| Greensboro-High Point MSA - Total | September | 350.2 | -0.03 | 0.89 |
| Raleigh-Cary MSA - Total | September | 566.6 | -0.11 | 3.60 |
| Wilmington MSA - Total | September | 146.2 | -0.14 | 3.10 |
| Winston-Salem MSA - Total | September | 211.3 | 0.86 | 0.91 |

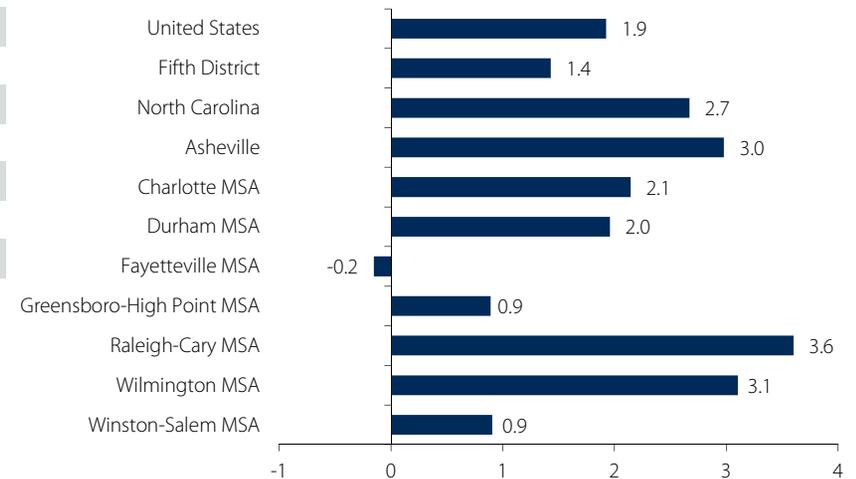
North Carolina Payroll Employment Performance

Year-over-Year Percent Change through September 2014



North Carolina Total Employment Performance

Year-over-Year Percent Change through September 2014



NORTH CAROLINA

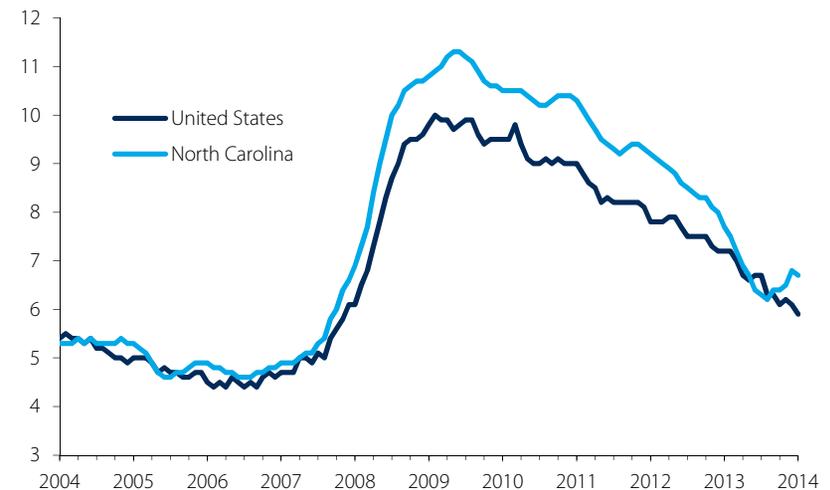
Labor Market Conditions

| Unemployment Rate (SA) | September 14 | August 14 | September 13 |
|---------------------------|--------------|-----------|--------------|
| United States | 5.9 | 6.1 | 7.2 |
| Fifth District | 6.3 | 6.3 | 6.7 |
| North Carolina | 6.7 | 6.8 | 7.7 |
| Asheville MSA | 5.1 | 5.1 | 5.9 |
| Charlotte MSA | 6.5 | 6.5 | 7.7 |
| Durham MSA | 5.1 | 5.1 | 5.8 |
| Fayetteville MSA | 7.4 | 7.5 | 8.6 |
| Greensboro-High Point MSA | 6.7 | 6.8 | 8.0 |
| Raleigh-Cary MSA | 5.2 | 5.2 | 6.0 |
| Wilmington MSA | 6.5 | 6.6 | 7.8 |
| Winston-Salem MSA | 5.9 | 6.0 | 7.0 |

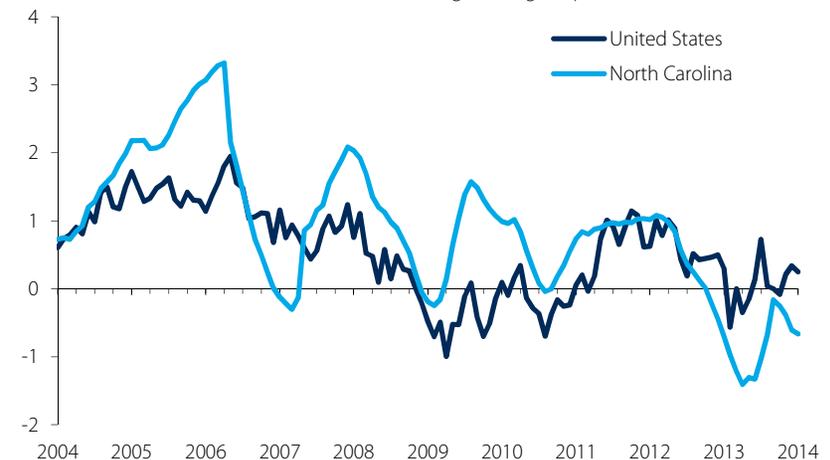
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|---------------------------|-----------|--------------|--------------|--------------|
| United States | September | 155,862 | -0.06 | 0.25 |
| Fifth District | September | 15,368 | -0.09 | -0.01 |
| North Carolina | September | 4,646 | -0.22 | -0.66 |
| Asheville MSA | September | 217 | 0.19 | -0.18 |
| Charlotte MSA | September | 927 | -0.22 | 0.32 |
| Durham MSA | September | 273 | -0.07 | 0.18 |
| Fayetteville MSA | September | 161 | -0.43 | -2.07 |
| Greensboro-High Point MSA | September | 364 | -0.38 | -1.25 |
| Raleigh-Cary MSA | September | 621 | -0.18 | 1.60 |
| Wilmington MSA | September | 185 | -0.11 | 0.38 |
| Winston-Salem MSA | September | 239 | -0.29 | -1.08 |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|-----------|-----------|--------------|--------------|
| United States | September | 1,037,921 | -2.40 | -3.53 |
| Fifth District | September | 69,527 | -2.22 | -21.92 |
| North Carolina | September | 21,023 | 3.67 | -19.30 |

North Carolina Unemployment Rate
Through September 2014



North Carolina Labor Force
Year-over-Year Percent Change through September 2014



NORTH CAROLINA

Household Conditions

| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q2:14 | 13,502,802 | 0.96 | 2.42 |
| Fifth District | Q2:14 | 1,315,790 | 0.82 | 1.54 |
| North Carolina | Q2:14 | 362,466 | 1.02 | 2.19 |

| Median Family Income | Period | Level (000s) | QoQ % Change | YoY % Change |
|---------------------------|--------|--------------|--------------|--------------|
| Asheville MSA | 2014 | 56.0 | --- | 3.90 |
| Charlotte MSA | 2014 | 64.2 | --- | 0.16 |
| Durham MSA | 2014 | 65.7 | --- | -2.95 |
| Fayetteville MSA | 2014 | 52.8 | --- | 1.54 |
| Greensboro-High Point MSA | 2014 | 55.1 | --- | 1.10 |
| Raleigh-Cary MSA | 2014 | 75.8 | --- | 0.66 |
| Winston-Salem MSA | 2014 | 56.0 | --- | -5.88 |

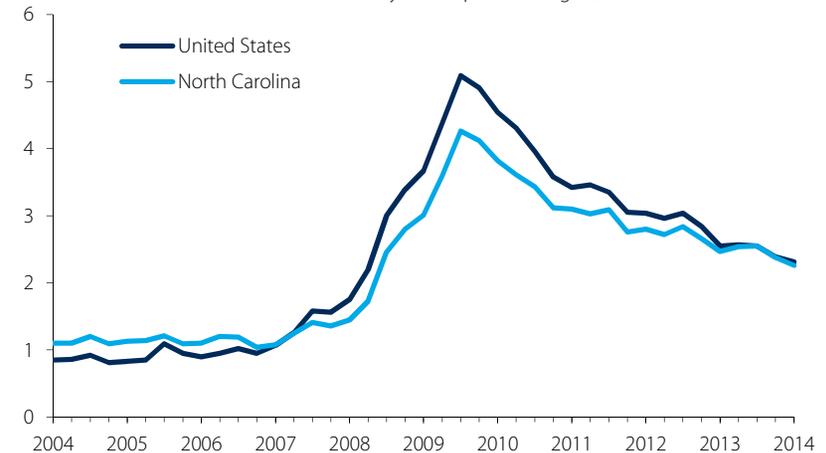
| Non-Business Bankruptcies | Period | Level | QoQ % Change | YoY % Change |
|---------------------------|--------|---------|--------------|--------------|
| United States | Q3:14 | 225,386 | -8.96 | -13.26 |
| Fifth District | Q3:14 | 17,458 | -7.48 | -9.94 |
| North Carolina | Q3:14 | 4,115 | -2.72 | -8.74 |

| Mortgage Delinquencies (% 90+ Days Delinquent) | Q2:14 | Q1:14 | Q2:13 |
|--|-------|-------|-------|
| United States | | | |
| All Mortgages | 2.31 | 2.39 | 2.55 |
| Prime | 1.28 | 1.28 | 1.46 |
| Subprime | 8.68 | 8.90 | 9.10 |
| North Carolina | | | |
| All Mortgages | 2.26 | 2.38 | 2.47 |
| Prime | 1.14 | 1.14 | 1.22 |
| Subprime | 9.76 | 10.37 | 9.86 |

North Carolina Real Personal Income
Year-over-Year Percent Change through Q2:14



North Carolina Mortgage Delinquencies
Percent 90+ Days Delinquent through Q2:14



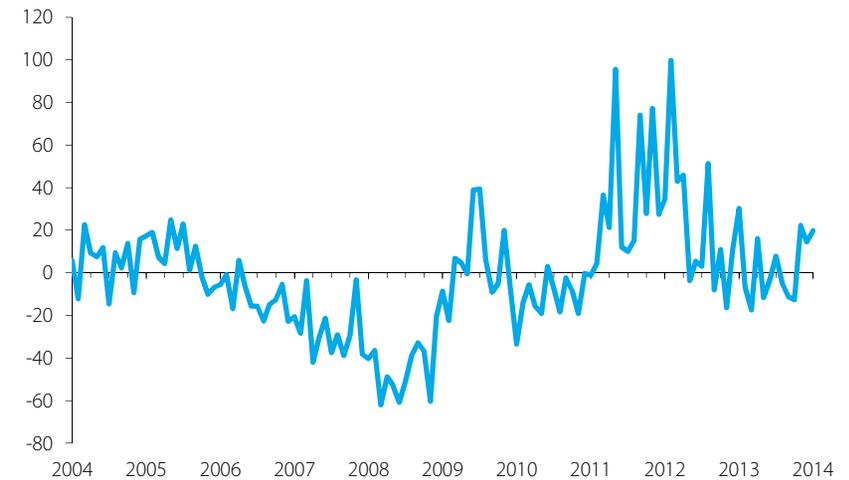
NORTH CAROLINA

Real Estate Conditions

| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------|--------------|--------------|
| United States | September | 90,696 | 4.05 | 11.51 |
| Fifth District | September | 12,212 | 5.69 | 2.09 |
| North Carolina | September | 4,669 | -5.20 | 19.84 |
| Asheville MSA | September | 115 | -12.88 | -17.27 |
| Charlotte MSA | September | 1,999 | 33.18 | 61.47 |
| Durham MSA | September | 477 | 127.14 | 44.98 |
| Fayetteville MSA | September | 105 | 22.09 | -33.54 |
| Greensboro-High Point MSA | September | 163 | -6.86 | 0.00 |
| Greenville MSA | September | 34 | 13.33 | -20.93 |
| Hickory MSA | September | 46 | 4.55 | -16.36 |
| Jacksonville MSA | September | 66 | -4.35 | -24.14 |
| Raleigh-Cary MSA | September | 755 | -45.72 | -2.45 |
| Wilmington MSA | September | 208 | -6.73 | -34.80 |
| Winston-Salem MSA | September | 114 | -72.79 | 7.55 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|-----------|--------------|--------------|--------------|
| United States | September | 1,017 | 6.27 | 17.84 |
| Fifth District | September | 142 | 15.70 | 15.52 |
| North Carolina | September | 54.4 | 3.74 | 35.53 |

North Carolina Building Permits
Year-over-Year Percent Change through September 2014



North Carolina Housing Starts
Thousands of Units (SAAR) September 2014



NORTH CAROLINA

Real Estate Conditions

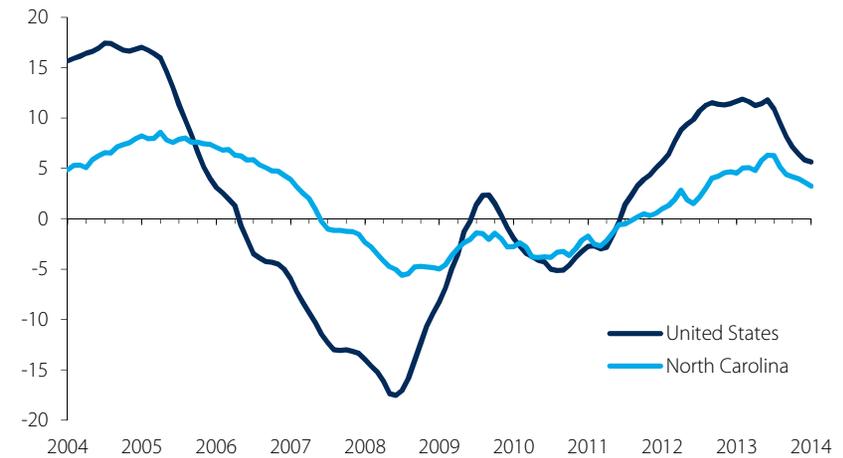
| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|-----------|-------|--------------|--------------|
| United States | September | 174 | -0.06 | 5.64 |
| Fifth District | September | 182 | -0.69 | 2.94 |
| North Carolina | September | 137 | -0.56 | 3.25 |
| Asheville MSA | September | 173 | 0.50 | 4.24 |
| Charlotte MSA | September | 145 | -0.69 | 4.28 |
| Durham MSA | September | 138 | -0.35 | -1.02 |
| Fayetteville MSA | September | 121 | 0.38 | 0.56 |
| Greensboro-High Point MSA | September | 116 | -0.22 | 0.32 |
| Greenville MSA | September | 121 | 0.60 | 0.04 |
| Hickory MSA | September | 110 | 0.82 | -3.97 |
| Jacksonville MSA | September | 146 | -0.55 | -0.03 |
| Raleigh-Cary MSA | September | 132 | -0.13 | 3.70 |
| Wilmington MSA | September | 148 | 0.09 | 2.57 |
| Winston-Salem MSA | September | 127 | -0.70 | 0.44 |

| Median Home Sales Price - NAR (NSA) | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|-------------------------------------|--------|----------------|--------------|--------------|
| Charlotte MSA | Q2:14 | 204 | 21.55 | 13.05 |
| Durham MSA | Q2:14 | 204 | 11.98 | -0.92 |
| Greensboro-High Point MSA | Q2:14 | 137 | 13.46 | 1.10 |
| Raleigh-Cary MSA | Q2:14 | 212 | 9.52 | 6.44 |

| Median Home Sales Price - NAHB | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|--------------------------------|--------|----------------|--------------|--------------|
| Asheville MSA | Q2:14 | 201 | 15.52 | 8.65 |
| Charlotte MSA | Q2:14 | 183 | 10.91 | 5.78 |
| Durham MSA | Q2:14 | 194 | 7.78 | -0.51 |
| Fayetteville MSA | Q2:14 | 119 | -1.65 | -5.56 |
| Greensboro-High Point MSA | Q2:14 | 141 | 11.02 | 2.92 |
| Raleigh-Cary MSA | Q2:14 | 230 | 6.98 | 5.99 |
| Winston-Salem MSA | Q2:14 | 145 | 11.54 | 5.07 |

North Carolina House Price Index (CoreLogic)

Year-over-Year Percent Change through September 2014



Greensboro MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through Q2:14



NORTH CAROLINA

Real Estate Conditions

| Housing Opportunity Index (%) | Q2:14 | Q1:14 | Q2:13 |
|-------------------------------|-------|-------|-------|
| Asheville MSA | 62.3 | 68.6 | 68.3 |
| Charlotte MSA | 68.9 | 74.2 | 74.1 |
| Durham MSA | 71.1 | 73.7 | 75.2 |
| Fayetteville MSA | 79.0 | 82.8 | 80.8 |
| Greensboro-High Point MSA | 76.4 | 78.9 | 79.6 |
| Raleigh-Cary MSA | 70.2 | 72.4 | 77.9 |
| Winston-Salem MSA | 77.1 | 80.8 | 84.8 |

| Commercial Vacancy Rates (%) | Q3:14 | Q2:14 | Q3:13 |
|------------------------------|-------|-------|-------|
| Office Vacancies | | | |
| Raleigh/Durham | 10.8 | 10.7 | 12.5 |
| Charlotte | 12.6 | 12.9 | 14.0 |
| Retail Vacancies | | | |
| Raleigh/Durham | --- | 6.7 | 7.3 |
| Charlotte | --- | 8.2 | 8.9 |
| Industrial Vacancies | | | |
| Raleigh/Durham | 11.5 | 13.1 | 13.2 |
| Charlotte | 8.8 | 9.5 | 9.9 |

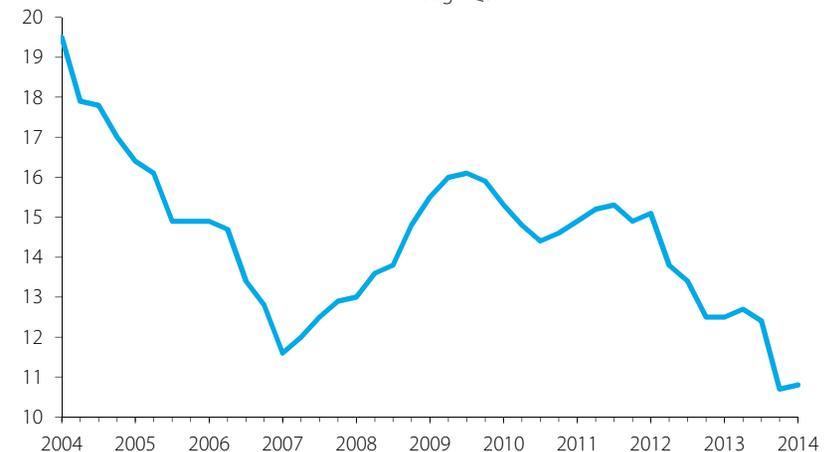
Charlotte MSA Office Vacancy Rate

Through Q3:14



Raleigh/Durham CSA Industrial Vacancy Rate

Through Q3:14



SOUTH CAROLINA

November Summary

Reports on South Carolina’s economy were mostly positive in recent months as employment expanded, housing market indicators improved somewhat, and household conditions were slightly mixed.

Labor Markets: Firms in South Carolina added 13,000 jobs (0.7 percent) to the economy in September; the most jobs added in one month since October 2006. In the month, every industry in the state except information and “other” services expanded payrolls—information and “other” services were both unchanged. The leisure and hospitality industry added 3,700 jobs (1.6 percent) in September for the largest increase in absolute terms; meanwhile, the largest percentage gain occurred in the construction industry, which expanded 2.2 percent (1,800 jobs) in the month. On a year-over-year basis, total employment in South Carolina rose 2.3 percent, which is the largest percentage gain in the Fifth District and outpaces the 1.9 percent expansion in the U.S. economy overall. Every MSA except Myrtle Beach added jobs in September while every MSA reported an expansion over the preceding year.

Household Conditions: South Carolina’s unemployment rate increased for the third consecutive month to 6.6 percent in September. Similarly, every MSA in the state reported unemployment rate increases; however, the majority of metro areas had rates lower than the state on whole—only the Florence, Myrtle Beach, and Sumter MSAs had higher rates. In the second quarter of 2014, real personal income rose 0.9 percent and increased 2.5 percent since the second quarter of 2013, outpacing the national year-over-year growth rate of 2.4 percent. Meanwhile, the share of mortgages with payments 90 or more days overdue fell 0.1 percentage point to 2.2 percent as the subprime and FHA delinquency rates improved while the prime and VA rates were virtually unchanged.

Housing Markets: Housing market reports were somewhat positive in recent months. South Carolina issued 2,524 new residential permits in September, up 17.3 percent from the prior month and 4.4 percent more than were issued in September 2013. Similarly, housing starts totaled 29,400 in September, which was 28.4 percent more than August and 18.0 percent more than September of last year. Home values, according to CoreLogic Information Solutions, depreciated 0.9 percent in September but appreciated 6.0 percent on a year-over-year basis. Home values in the state’s metro areas depreciated in every MSA except Spartanburg in September but appreciated in every MSA except Sumter over the year.

A Closer Look at...Federal Contract Spending

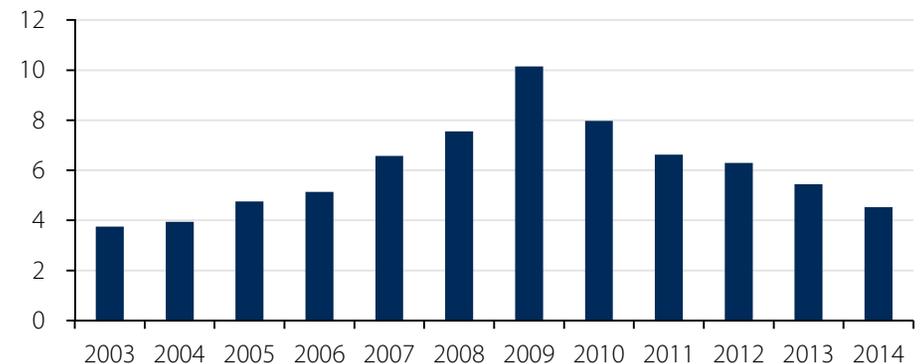
Fiscal Year: 2014

Total dollars: \$4,529,556,341

The amount of contract spending in South Carolina is 1.2 percent of all federal contract dollars for the fiscal year.

South Carolina is ranked 23 of all states for federal contract spending.

Federal Government Contract Spending in South Carolina
Billion (\$) in Fiscal Year



Top 5 Contracting Agencies

- | | |
|--------------------------------------|---------------|
| 1. Department of Energy | \$2.0 billion |
| 2. Department of the Navy | \$1.1 billion |
| 3. Department of the Army | \$278 million |
| 4. Department of Veterans Affairs | \$214 million |
| 5. Centers for Medicare and Medicaid | \$169 million |

Top 5 Products or Services

- | | |
|---|---------------|
| 1. Operation of Gov.-Owned Buildings | \$941 million |
| 2. Construction of Production Buildings | \$429 million |
| 3. Waste Treatment and Storage Facilities | \$420 million |
| 4. Equipment Maintenance and Repair | \$267 million |
| 5. Professional Services | \$118 million |

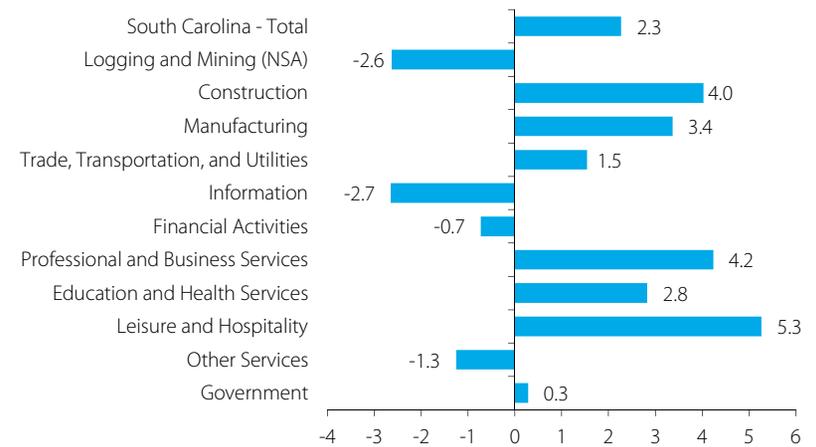
SOUTH CAROLINA

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------------|--------------|--------------|
| United States - Total | September | 139,435.0 | 0.18 | 1.93 |
| Fifth District - Total | September | 14,038.8 | 0.26 | 1.43 |
| South Carolina - Total | September | 1,946.2 | 0.67 | 2.27 |
| Logging and Mining (NSA) | September | 3.7 | 0.00 | -2.63 |
| Construction | September | 82.6 | 2.23 | 4.03 |
| Manufacturing | September | 233.2 | 0.60 | 3.37 |
| Trade, Transportation, and Utilities | September | 368.6 | 0.30 | 1.54 |
| Information | September | 25.7 | 0.00 | -2.65 |
| Financial Activities | September | 95.3 | 0.42 | -0.73 |
| Professional and Business Services | September | 251.0 | 1.17 | 4.24 |
| Education and Health Services | September | 225.4 | 0.13 | 2.83 |
| Leisure and Hospitality | September | 235.8 | 1.59 | 5.27 |
| Other Services | September | 70.9 | 0.00 | -1.25 |
| Government | September | 354.0 | 0.40 | 0.28 |
| Anderson MSA - Total | September | 67.2 | 0.45 | 2.75 |
| Charleston MSA - Total | September | 316.1 | 1.05 | 0.89 |
| Columbia MSA - Total | September | 369.4 | 1.40 | 1.60 |
| Florence MSA - Total | September | 86.6 | 0.81 | 2.97 |
| Greenville MSA - Total | September | 321.7 | 0.41 | 2.58 |
| Myrtle Beach MSA - Total | September | 124.8 | -0.32 | 5.23 |
| Spartanburg MSA - Total | September | 131.2 | 0.69 | 1.55 |
| Sumter MSA - Total | September | 38.3 | 0.26 | 1.32 |

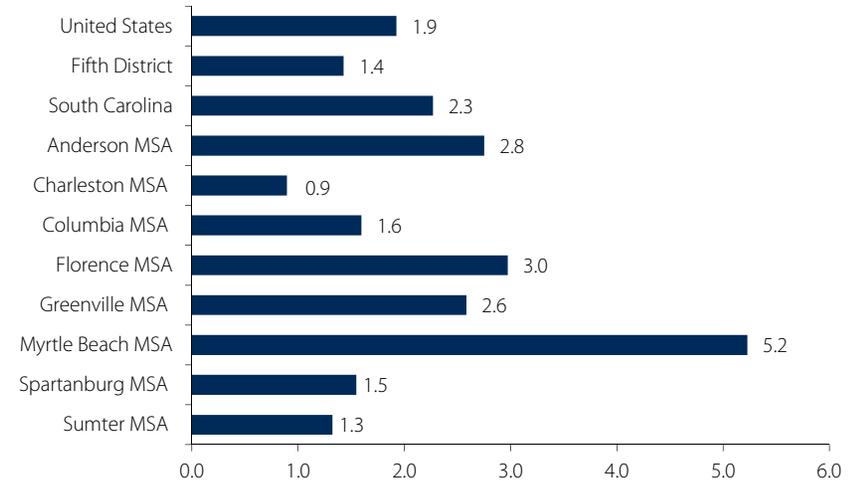
South Carolina Payroll Employment Performance

Year-over-Year Percent Change through September 2014



South Carolina Total Employment Performance

Year-over-Year Percent Change through September 2014



SOUTH CAROLINA

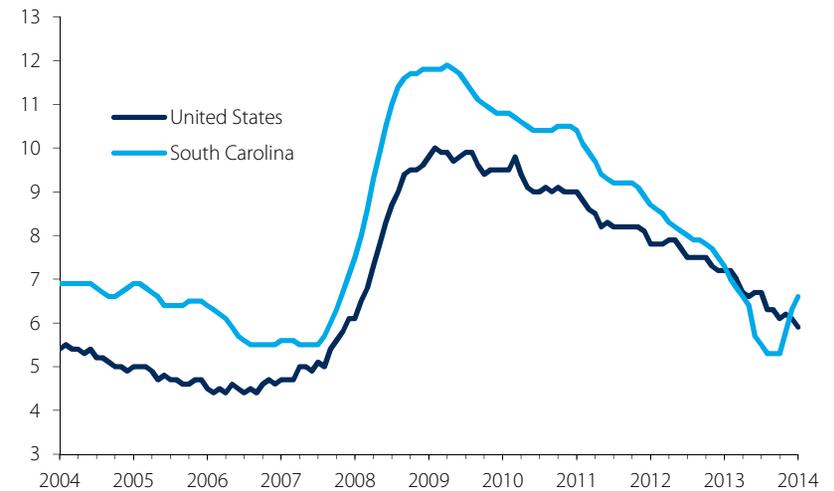
Labor Market Conditions

| Unemployment Rate (SA) | September 14 | August 14 | September 13 |
|------------------------|--------------|-----------|--------------|
| United States | 5.9 | 6.1 | 7.2 |
| Fifth District | 6.3 | 6.3 | 6.7 |
| South Carolina | 6.6 | 6.3 | 7.3 |
| Anderson MSA | 5.8 | 5.6 | 6.5 |
| Charleston MSA | 5.6 | 5.3 | 6.1 |
| Columbia MSA | 5.9 | 5.6 | 6.5 |
| Florence MSA | 7.5 | 7.1 | 8.5 |
| Greenville MSA | 5.5 | 5.3 | 6.1 |
| Myrtle Beach MSA | 7.1 | 6.8 | 8.2 |
| Spartanburg MSA | 6.1 | 5.8 | 7.0 |
| Sumter MSA | 7.3 | 7.0 | 8.2 |

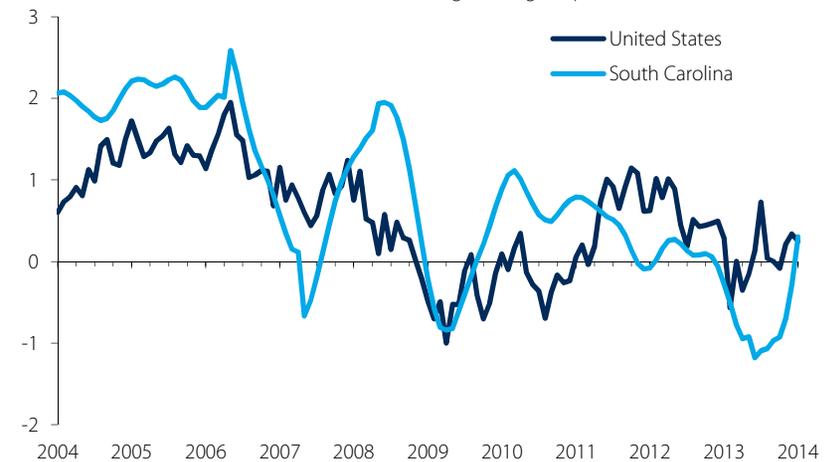
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|---------------------------|-----------|--------------|--------------|--------------|
| United States | September | 155,862 | -0.06 | 0.25 |
| Fifth District | September | 15,368 | -0.09 | -0.01 |
| South Carolina | September | 2,183 | 0.41 | 0.31 |
| Anderson MSA | September | 88 | 0.00 | 0.46 |
| Charleston MSA | September | 335 | 0.45 | -0.27 |
| Columbia MSA | September | 374 | 0.40 | -0.11 |
| Florence MSA | September | 94 | 0.64 | 0.75 |
| Greenville MSA | September | 319 | 0.41 | 0.63 |
| Myrtle Beach MSA | September | 133 | 0.30 | 2.39 |
| Spartanburg MSA | September | 139 | 0.14 | 0.00 |
| Sumter MSA | September | 44 | 0.23 | 0.00 |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|-----------|-----------|--------------|--------------|
| United States | September | 1,037,921 | -2.40 | -3.53 |
| Fifth District | September | 69,527 | -2.22 | -21.92 |
| South Carolina | September | 12,457 | -9.16 | -27.53 |

South Carolina Unemployment Rate
Through September 2014



South Carolina Labor Force
Year-over-Year Percent Change through September 2014



SOUTH CAROLINA

Household Conditions

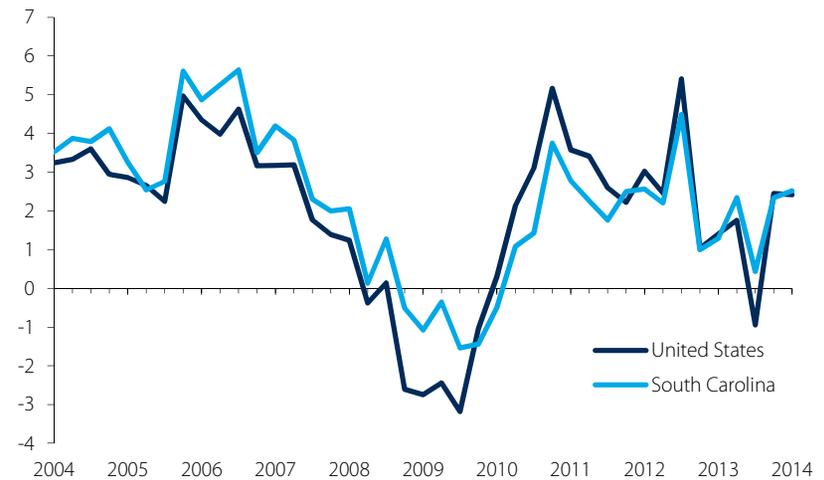
| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q2:14 | 13,502,802 | 0.96 | 2.42 |
| Fifth District | Q2:14 | 1,315,790 | 0.82 | 1.54 |
| South Carolina | Q2:14 | 162,992 | 0.91 | 2.52 |

| Median Family Income | Period | Level (000s) | QoQ % Change | YoY % Change |
|----------------------|--------|--------------|--------------|--------------|
| Charleston MSA | 2014 | 61.9 | --- | 0.98 |
| Columbia MSA | 2014 | --- | --- | --- |
| Greenville MSA | 2014 | 58.2 | --- | 0.34 |

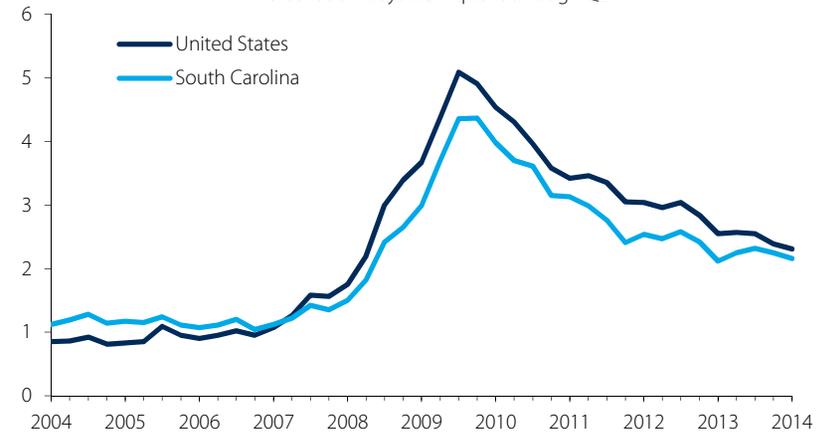
| Non-Business Bankruptcies | Period | Level | QoQ % Change | YoY % Change |
|---------------------------|--------|---------|--------------|--------------|
| United States | Q3:14 | 225,386 | -8.96 | -13.26 |
| Fifth District | Q3:14 | 17,458 | -7.48 | -9.94 |
| South Carolina | Q3:14 | 1,752 | -5.14 | -5.81 |

| Mortgage Delinquencies (% 90+ Days Delinquent) | Q2:14 | Q1:14 | Q2:13 |
|--|-------|-------|-------|
| United States | | | |
| All Mortgages | 2.31 | 2.39 | 2.55 |
| Prime | 1.28 | 1.28 | 1.46 |
| Subprime | 8.68 | 8.90 | 9.10 |
| South Carolina | | | |
| All Mortgages | 2.16 | 2.25 | 2.12 |
| Prime | 1.24 | 1.22 | 1.11 |
| Subprime | 7.84 | 8.33 | 7.88 |

South Carolina Real Personal Income
Year-over-Year Percent Change through Q2:14



South Carolina Mortgage Delinquencies
Percent 90+ Days Delinquent through Q2:14



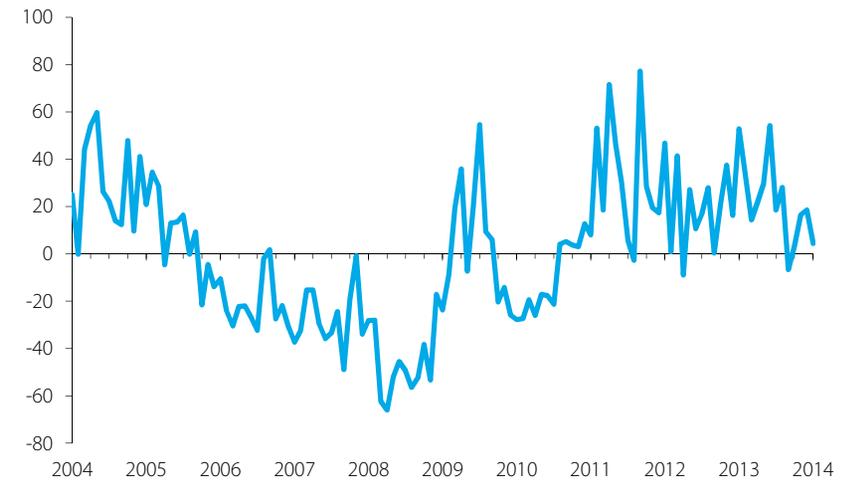
SOUTH CAROLINA

Real Estate Conditions

| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------|--------------|--------------|
| United States | September | 90,696 | 4.05 | 11.51 |
| Fifth District | September | 12,212 | 5.69 | 2.09 |
| South Carolina | September | 2,524 | 17.34 | 4.38 |
| Charleston MSA | September | 411 | -3.07 | 9.31 |
| Columbia MSA | September | 619 | 71.94 | 107.02 |
| Florence MSA | September | 32 | 23.08 | -5.88 |
| Greenville MSA | September | 308 | -21.83 | -13.24 |
| Myrtle Beach MSA | September | 576 | 22.03 | 114.13 |
| Spartanburg MSA | September | 115 | 59.72 | -63.49 |
| Sumter MSA | September | 25 | 8.70 | -10.71 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|-----------|--------------|--------------|--------------|
| United States | September | 1,017 | 6.27 | 17.84 |
| Fifth District | September | 142 | 15.70 | 15.52 |
| South Carolina | September | 29.4 | 28.41 | 18.04 |

South Carolina Building Permits
Year-over-Year Percent Change through September 2014



South Carolina Housing Starts
Thousands of Units (SAAR) September 2014



SOUTH CAROLINA

Real Estate Conditions

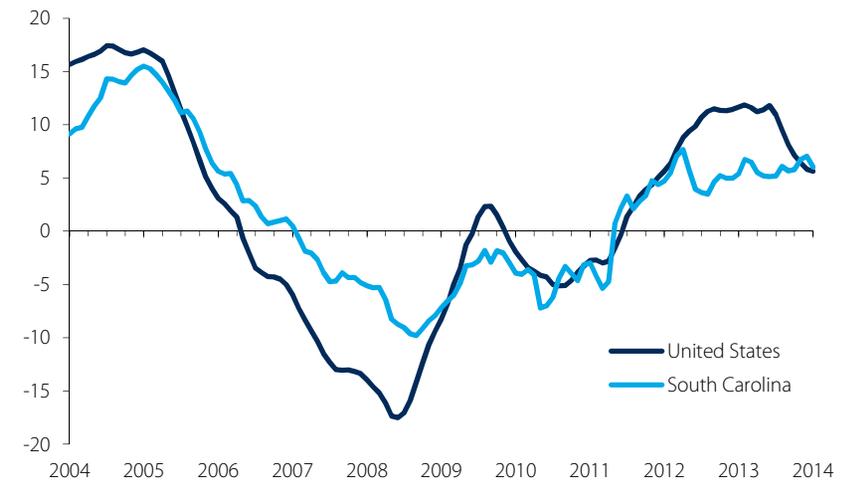
| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|-----------|-------|--------------|--------------|
| United States | September | 174 | -0.06 | 5.64 |
| Fifth District | September | 182 | -0.69 | 2.94 |
| South Carolina | September | 153 | -0.91 | 6.03 |
| Charleston MSA | September | 178 | -2.04 | 2.94 |
| Columbia MSA | September | 124 | -2.67 | 1.61 |
| Florence MSA | September | 146 | -0.61 | 3.83 |
| Greenville MSA | September | 143 | -0.73 | 5.16 |
| Myrtle Beach MSA | September | 159 | -1.22 | 7.45 |
| Spartanburg MSA | September | 134 | 1.74 | 6.87 |
| Sumter MSA | September | 120 | -0.92 | -5.43 |

| Median Home Sales Price - NAR (NSA) | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|-------------------------------------|--------|----------------|--------------|--------------|
| Charleston MSA | Q2:14 | 234 | 2.01 | 4.33 |
| Columbia MSA | Q2:14 | 157 | 12.01 | 5.74 |
| Greenville MSA | Q2:14 | 165 | 5.36 | 3.51 |
| Spartanburg MSA | Q2:14 | 129 | 8.88 | 1.42 |

| Median Home Sales Price - NAHB | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|--------------------------------|--------|----------------|--------------|--------------|
| Charleston MSA | Q2:14 | 210 | 7.69 | 0.48 |
| Columbia MSA | Q2:14 | --- | --- | --- |
| Greenville MSA | Q2:14 | 165 | 10.00 | 3.13 |

South Carolina House Price Index (CoreLogic)

Year-over-Year Percent Change through September 2014



Charleston MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through Q2:14



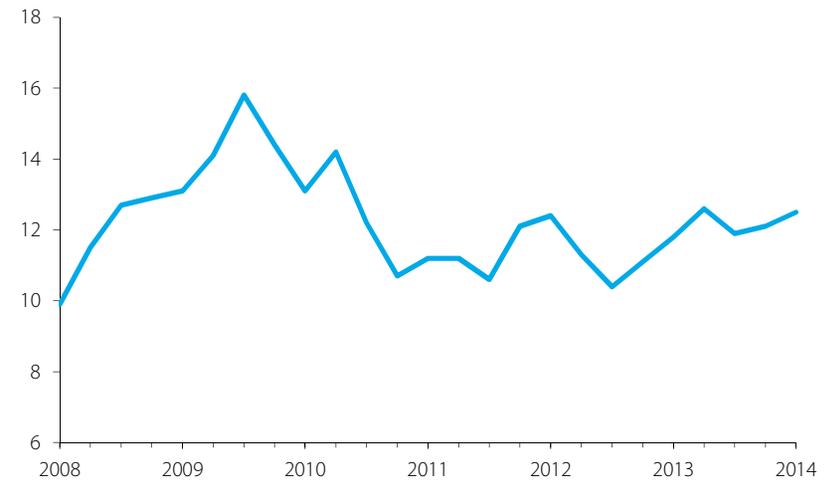
SOUTH CAROLINA

Real Estate Conditions

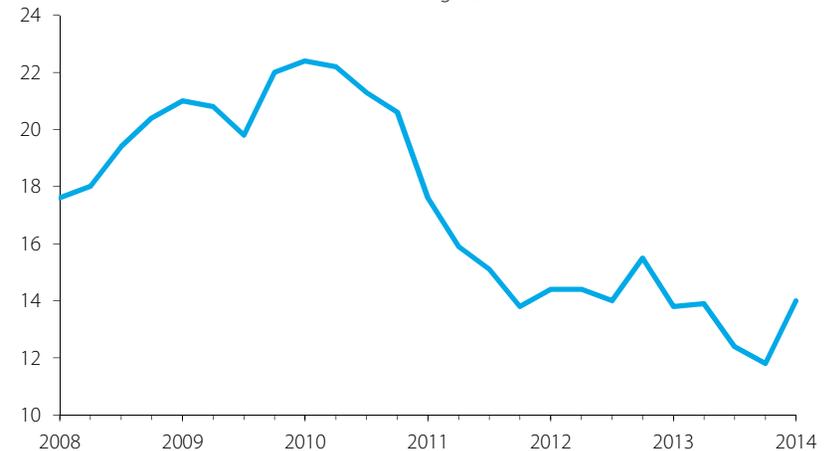
| Housing Opportunity Index (%) | Q2:14 | Q1:14 | Q2:13 |
|-------------------------------|-------|-------|-------|
| Charleston MSA | 62.9 | 66.3 | 62.4 |
| Columbia MSA | --- | --- | --- |
| Greenville MSA | 73.4 | 79.8 | 78.4 |

| Commercial Vacancy Rates (%) | Q2:14 | Q1:14 | Q2:13 |
|------------------------------|-------|-------|-------|
| Office Vacancies | | | |
| Charleston | 12.5 | 12.1 | 11.8 |
| Industrial Vacancies | | | |
| Charleston | 14.0 | 11.8 | 13.8 |

Charleston MSA Office Vacancy Rate
Through Q2:14



Charleston MSA Industrial Vacancy Rate
Through Q2:14



VIRGINIA

November Summary

Economic reports on Virginia were mixed as employment fell for a second month and household conditions were somewhat mixed, but housing market indicators showed signs of improvement.

Labor Markets: Total employment in Virginia fell for the second month as firms cut 7,400 jobs (0.2 percent) in September. The job losses were fairly widespread as the only industries to add jobs in the month were trade, transportation, and utilities and financial activities, which added 300 jobs and 2,100 jobs, respectively. On a year-over-year basis, the financial activities industry reported the largest employment growth of 2.4 percent while the education and health services industry added the most jobs (11,300) in absolute terms. In the state's metro areas, total employment increased in the Blacksburg, Roanoke, Virginia Beach, and Winchester MSAs and declined in the Charlottesville, Northern Virginia, and Richmond MSAs in September. The Blacksburg MSA reported the largest growth in Virginia in the month and over the year by expanding 1.0 percent and 2.6 percent, respectively.

Household Conditions: The unemployment rate in Virginia was unchanged at 5.5 percent in September, which was also the rate reported in September 2013. At the metro level, unemployment rates were unchanged except in the Charlottesville MSA, where the rate increased 0.1 percentage point to 4.6 percent and in the Virginia Beach MSA where the rate fell 0.1 percentage point to 5.7 percent. In the second quarter of 2014, real personal income in Virginia rose 0.7 percent and increased 1.1 percent since the second quarter of 2013. Additionally, the share of mortgages with payments 90 or more days past due fell from 1.9 percent to 1.8 percent as the subprime and FHA delinquency rates declined while the prime and VA rates held steady.

Housing Markets: Recent reports on housing markets were somewhat positive. Virginia issued 2,442 new residential permits in September, up 14.9 percent over the prior month but 8.7 percent fewer than issued in September 2013. Housing starts totaled 28,400 in September, which was an increase of 25.8 percent from August and a year-over-year increase of 3.2 percent. According to CoreLogic Information Solutions, home values depreciated 0.5 percent in September but appreciated 2.0 percent since September of last year. In the state's metro areas, home values depreciated in the month in every MSA except Roanoke and Winchester. On a year-over-year basis, home values depreciated in only two MSAs—Harrisonburg and Lynchburg.

A Closer Look at...Federal Contract Spending

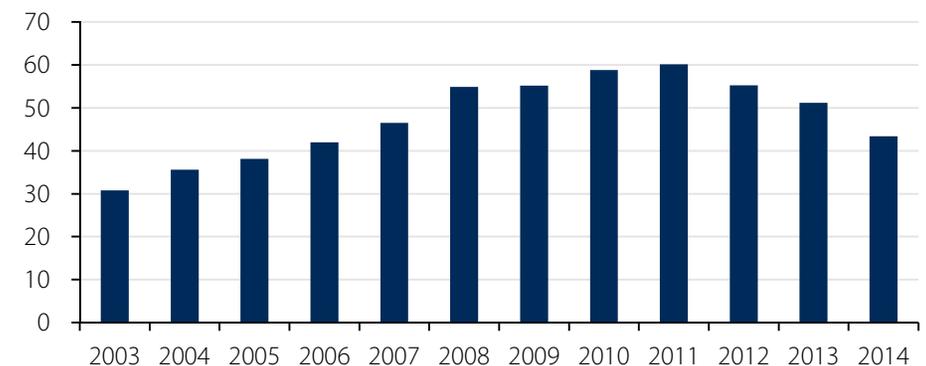
Fiscal Year: 2014

Total dollars: \$43,410,425,918

The amount of contract spending in Virginia is 11.5 percent of all federal contract dollars for the fiscal year.

Virginia is ranked number 1 of all states for federal contract spending.

Federal Government Contract Spending in Virginia
Billion (\$) in Fiscal Year



Top 5 Contracting Agencies

- | | |
|---------------------------------------|----------------|
| 1. Department of the Army | \$13.3 billion |
| 2. Department of the Navy | \$11.9 billion |
| 3. Department of the Air Force | \$3.2 billion |
| 4. Defense Information Systems Agency | \$2.7 billion |
| 5. Defense Logistics Agency | \$2.1 billion |

Top 5 Products or Services

- | | |
|---------------------------------------|---------------|
| 1. Professional Services | \$4.4 billion |
| 2. IT and Telecommunication Services | \$4.2 billion |
| 3. Engineering and Technical Services | \$2.3 billion |
| 4. Program Management Services | \$2.0 billion |
| 5. Combat Ships and Landing Vessels | \$1.5 billion |



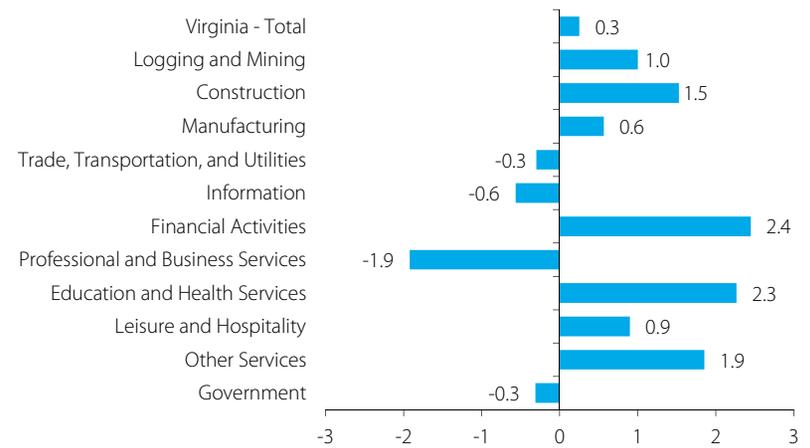
VIRGINIA

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------------|--------------|--------------|
| United States - Total | September | 139,435.0 | 0.18 | 1.93 |
| Fifth District - Total | September | 14,038.8 | 0.26 | 1.43 |
| Virginia - Total | September | 3,775.8 | -0.20 | 0.25 |
| Logging and Mining | September | 10.1 | 0.00 | 1.00 |
| Construction | September | 179.6 | -0.83 | 1.53 |
| Manufacturing | September | 231.3 | 0.00 | 0.57 |
| Trade, Transportation, and Utilities | September | 638.0 | 0.05 | -0.30 |
| Information | September | 70.4 | -0.14 | -0.56 |
| Financial Activities | September | 196.7 | 1.08 | 2.45 |
| Professional and Business Services | September | 663.2 | -0.38 | -1.92 |
| Education and Health Services | September | 510.2 | -0.53 | 2.26 |
| Leisure and Hospitality | September | 370.0 | 0.00 | 0.90 |
| Other Services | September | 197.9 | -1.05 | 1.85 |
| Government | September | 708.4 | -0.13 | -0.31 |
| Blacksburg MSA - Total | September | 74.1 | 0.95 | 2.63 |
| Charlottesville MSA - Total | September | 103.7 | -0.10 | -0.58 |
| Lynchburg MSA - Total | September | 100.5 | 0.00 | -1.08 |
| Northern Virginia - Total | September | 1,374.6 | -0.23 | 0.40 |
| Richmond MSA - Total | September | 643.4 | -0.02 | 1.32 |
| Roanoke MSA - Total | September | 157.7 | 0.83 | -0.57 |
| Virginia Beach-Norfolk MSA - Total | September | 756.7 | 0.20 | 0.30 |
| Winchester MSA - Total | September | 59.8 | 0.67 | 1.53 |

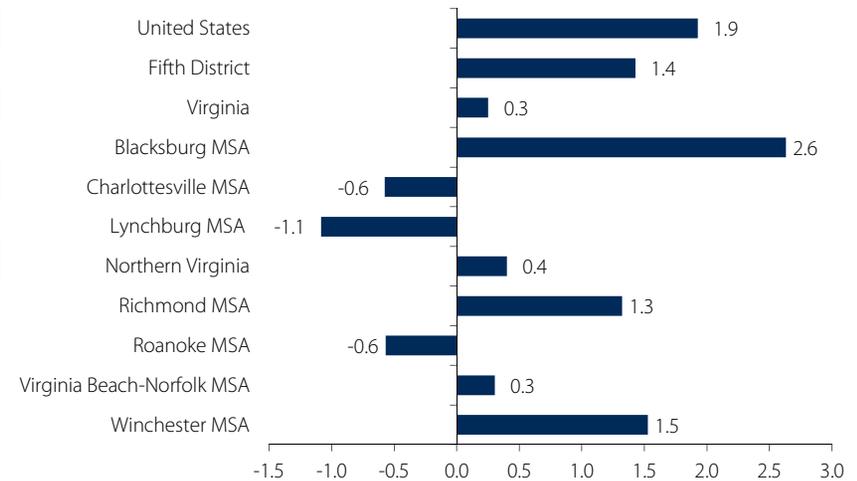
Virginia Payroll Employment Performance

Year-over-Year Percent Change through September 2014



Virginia Total Employment Performance

Year-over-Year Percent Change through September 2014



VIRGINIA

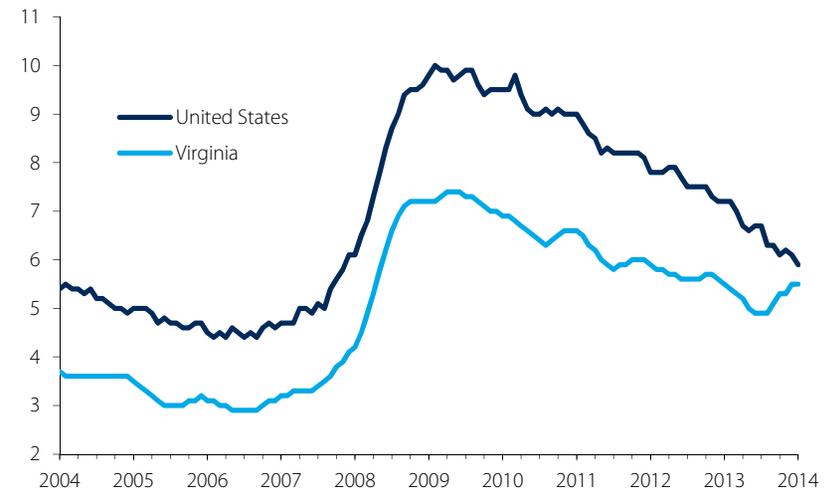
Labor Market Conditions

| Unemployment Rate (SA) | September 14 | August 14 | September 13 |
|----------------------------|--------------|-----------|--------------|
| United States | 5.9 | 6.1 | 7.2 |
| Fifth District | 6.3 | 6.3 | 6.7 |
| Virginia | 5.5 | 5.5 | 5.5 |
| Blacksburg MSA | 5.6 | 5.6 | 5.8 |
| Charlottesville MSA | 4.6 | 4.5 | 4.5 |
| Lynchburg MSA | 6.1 | 6.1 | 6.2 |
| Northern Virginia (NSA) | 4.3 | 4.7 | 4.4 |
| Richmond MSA | 5.6 | 5.6 | 5.7 |
| Roanoke MSA | 5.6 | 5.6 | 5.7 |
| Virginia Beach-Norfolk MSA | 5.7 | 5.8 | 5.9 |
| Winchester MSA | 4.9 | 4.9 | 5.2 |

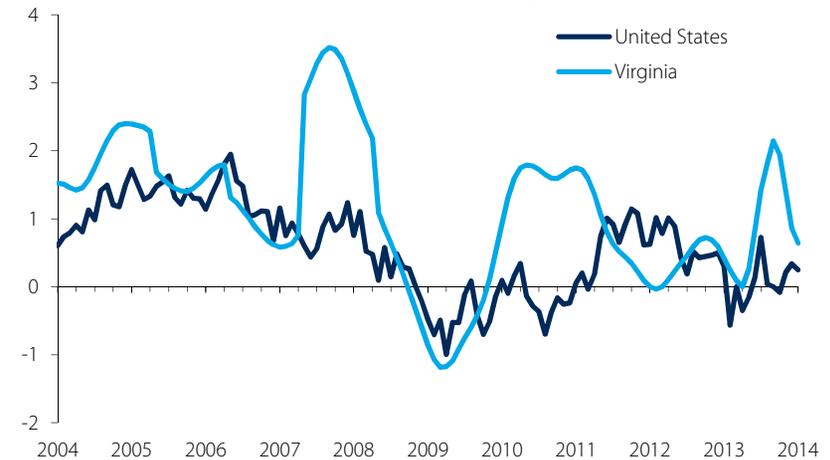
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|----------------------------|-----------|--------------|--------------|--------------|
| United States | September | 155,862 | -0.06 | 0.25 |
| Fifth District | September | 15,368 | -0.09 | -0.01 |
| Virginia | September | 4,265 | -0.28 | 0.64 |
| Blacksburg MSA | September | 84 | -0.24 | 1.45 |
| Charlottesville MSA | September | 111 | -0.09 | 0.36 |
| Lynchburg MSA | September | 120 | -0.25 | -0.83 |
| Northern Virginia (NSA) | September | 1,562 | -0.70 | 0.51 |
| Richmond MSA | September | 687 | -0.38 | 1.82 |
| Roanoke MSA | September | 157 | -0.25 | -0.76 |
| Virginia Beach-Norfolk MSA | September | 839 | -0.14 | 0.78 |
| Winchester MSA | September | 69 | -0.29 | 1.02 |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|-----------|-----------|--------------|--------------|
| United States | September | 1,037,921 | -2.40 | -3.53 |
| Fifth District | September | 69,527 | -2.22 | -21.92 |
| Virginia | September | 15,513 | -4.87 | -17.64 |

Virginia Unemployment Rate
Through September 2014



Virginia Labor Force
Year-over-Year Percent Change through September 2014



VIRGINIA

Household Conditions

| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q2:14 | 13,502,802 | 0.96 | 2.42 |
| Fifth District | Q2:14 | 1,315,790 | 0.82 | 1.54 |
| Virginia | Q2:14 | 380,848 | 0.72 | 1.06 |

| Median Family Income | Period | Level (000s) | QoQ % Change | YoY % Change |
|----------------------------|--------|--------------|--------------|--------------|
| Richmond MSA | 2014 | 72.9 | --- | -1.35 |
| Roanoke MSA | 2014 | 62.9 | --- | --- |
| Virginia Beach-Norfolk MSA | 2014 | 70.6 | --- | -3.68 |

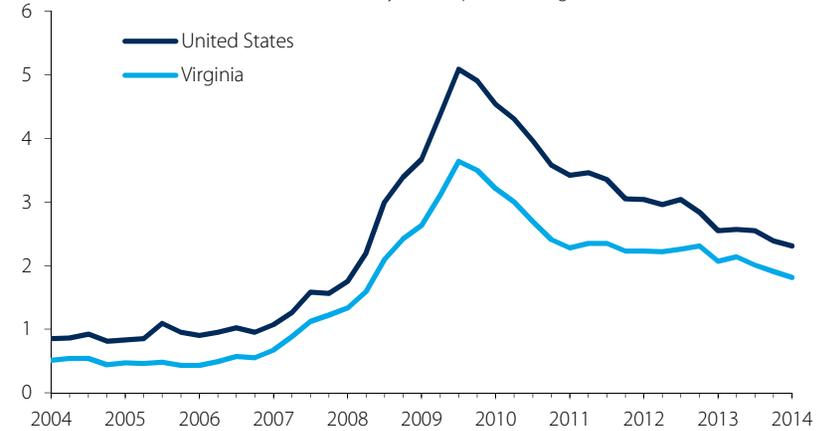
| Non-Business Bankruptcies | Period | Level | QoQ % Change | YoY % Change |
|---------------------------|--------|---------|--------------|--------------|
| United States | Q3:14 | 225,386 | -8.96 | -13.26 |
| Fifth District | Q3:14 | 17,458 | -7.48 | -9.94 |
| Virginia | Q3:14 | 5,802 | -6.83 | -7.55 |

| Mortgage Delinquencies (% 90+ Days Delinquent) | Q2:14 | Q1:14 | Q2:13 |
|--|-------|-------|-------|
| United States | | | |
| All Mortgages | 2.31 | 2.39 | 2.55 |
| Prime | 1.28 | 1.28 | 1.46 |
| Subprime | 8.68 | 8.90 | 9.10 |
| Virginia | | | |
| All Mortgages | 1.81 | 1.91 | 2.07 |
| Prime | 0.86 | 0.88 | 1.03 |
| Subprime | 9.26 | 9.58 | 10.06 |

Virginia Real Personal Income
Year-over-Year Percent Change through Q2:14



Virginia Mortgage Delinquencies
Percent 90+ Days Delinquent through Q2:14



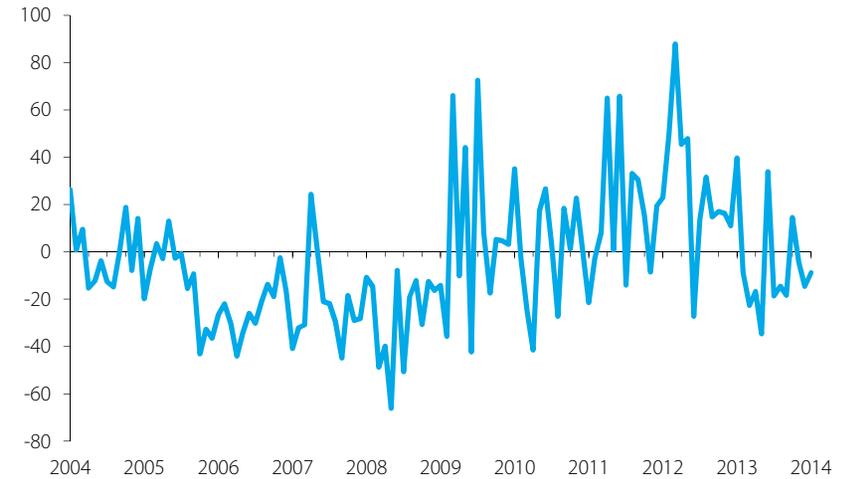
VIRGINIA

Real Estate Conditions

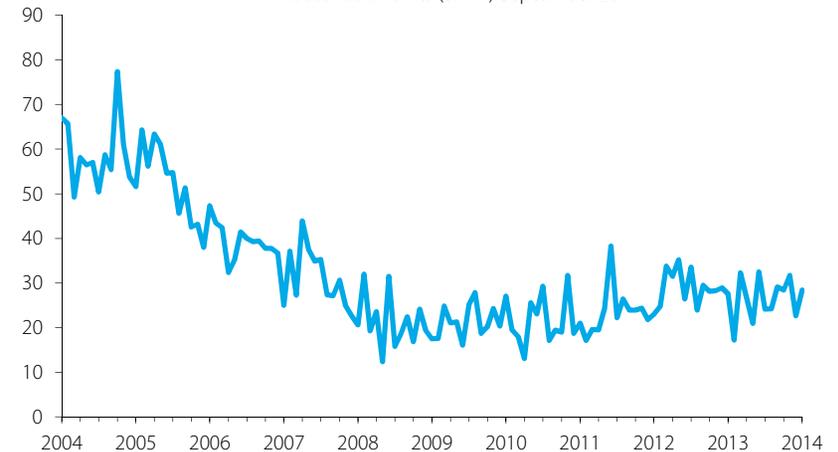
| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------|--------------|--------------|
| United States | September | 90,696 | 4.05 | 11.51 |
| Fifth District | September | 12,212 | 5.69 | 2.09 |
| Virginia | September | 2,442 | 14.92 | -8.71 |
| Charlottesville MSA | September | 78 | 81.40 | 52.94 |
| Harrisonburg MSA | September | 34 | 41.67 | 17.24 |
| Lynchburg MSA | September | 75 | 167.86 | 53.06 |
| Richmond MSA | September | 528 | 26.01 | -44.24 |
| Roanoke MSA | September | 30 | -18.92 | -11.76 |
| Virginia Beach-Norfolk MSA | September | 498 | 58.10 | -16.58 |
| Winchester MSA | September | 75 | 38.89 | 150.00 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|-----------|--------------|--------------|--------------|
| United States | September | 1,017 | 6.27 | 17.84 |
| Fifth District | September | 142 | 15.70 | 15.52 |
| Virginia | September | 28.4 | 25.74 | 3.23 |

Virginia Building Permits
Year-over-Year Percent Change through September 2014



Virginia Housing Starts
Thousands of Units (SAAR) September 2014



VIRGINIA

Real Estate Conditions

| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|-----------|-------|--------------|--------------|
| United States | September | 174 | -0.06 | 5.64 |
| Fifth District | September | 182 | -0.69 | 2.94 |
| Virginia | September | 206 | -0.52 | 2.01 |
| Blacksburg MSA | September | 134 | -0.52 | 2.41 |
| Charlottesville MSA | September | 178 | -1.07 | 1.57 |
| Danville MSA | September | 231 | -0.52 | 0.81 |
| Harrisonburg MSA | September | 205 | -4.41 | -6.37 |
| Lynchburg MSA | September | 129 | -1.98 | -0.16 |
| Richmond MSA | September | 161 | -0.60 | 3.21 |
| Roanoke MSA | September | 145 | 1.71 | 5.04 |
| Virginia Beach-Norfolk MSA | September | 187 | -0.40 | 1.64 |
| Winchester MSA | September | 183 | 1.02 | 4.59 |

| Median Home Sales Price - NAR (NSA) | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|-------------------------------------|--------|----------------|--------------|--------------|
| Richmond MSA | Q2:14 | --- | --- | --- |
| Virginia Beach-Norfolk MSA | Q2:14 | 200 | 14.29 | 0.00 |

| Median Home Sales Price - NAHB | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|--------------------------------|--------|----------------|--------------|--------------|
| Richmond MSA | Q2:14 | 205 | 15.17 | 2.50 |
| Virginia Beach-Norfolk MSA | Q2:14 | 192 | 10.34 | -3.03 |

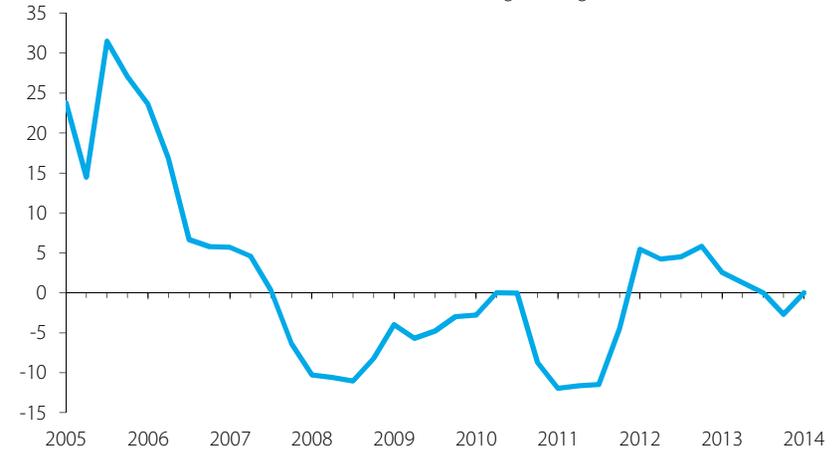
Virginia House Price Index (CoreLogic)

Year-over-Year Percent Change through September 2014



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

Year-over-Year Percent Change through Q2:14



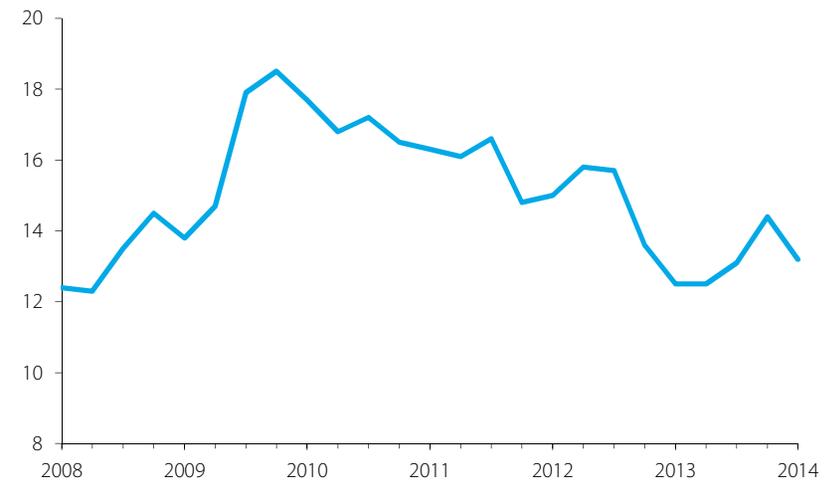
VIRGINIA

Real Estate Conditions

| Housing Opportunity Index (%) | Q2:14 | Q1:14 | Q2:13 |
|-------------------------------|-------|-------|-------|
| Richmond MSA | 75.3 | 80.1 | 80.4 |
| Roanoke MSA | 82.8 | 86.4 | 87.3 |
| Virginia Beach-Norfolk MSA | 78.0 | 81.6 | 81.6 |

| Commercial Vacancy Rates (%) | Q3:14 | Q2:14 | Q3:13 |
|------------------------------|-------|-------|-------|
| Office Vacancies | | | |
| Norfolk | 12.4 | 12.4 | 13.3 |
| Richmond | 13.2 | 14.4 | 12.5 |
| Industrial Vacancies | | | |
| Northern Virginia | 14.1 | 14.2 | 14.9 |
| Richmond | --- | 12.4 | 15.3 |

Richmond MSA Office Vacancy Rate
Through Q3:14



Richmond MSA Industrial Vacancy Rate
Through Q2:14



WEST VIRGINIA

November Summary

Recent reports on West Virginia's economy were mostly positive as employment rose significantly and housing market indicators were somewhat positive, while household conditions were slightly mixed.

Labor Markets: Payroll employment in West Virginia rose 0.8 percent in September as firms added 6,000 net new jobs. The largest job gain in the month was reported in the government sector which grew 2.7 percent by adding 4,100 jobs. The state's second largest industry, trade, transportation, and utilities, contracted 0.2 percent in September; the third largest industry, education and health services, expanded 1.3 percent. On a year-over-year basis, total employment rose 2.2 percent in the Mountain State. Furthermore, every industry except construction, trade, transportation, and utilities, and information expanded payrolls. In the state's metro areas, every MSA reported employment increases in both the month and on a year-over-year basis. The largest growth, over both periods, occurred in Morgantown, which grew 1.3 percent and 3.2 percent, respectively.

Household Conditions: West Virginia's unemployment rate was unchanged at 6.6 percent in September and was 0.2 percentage point higher than the rate reported in September 2013. In the state's metro areas, unemployment rates increased in September in the Morgantown and Parkersburg MSAs, declined in the Huntington MSA, and was unchanged in the Charleston MSA. In the second quarter of 2014, real personal income in West Virginia rose 1.0 percent but increased at a slightly lower rate, 0.7 percent, since the second quarter of 2013. Also in the second quarter, the share of mortgages with payments 90 or more days overdue edged up 0.1 percentage point to 2.0 percent. Increases in the prime and FHA delinquency rates offset declines in the subprime and VA delinquency rates.

Housing Markets: Housing market reports were somewhat positive in recent months. Jurisdictions in West Virginia issued 217 new residential permits in September, down 5.7 percent from August but 24.7 percent more than were issued in September 2013. Housing starts totaled 2,500 in September, which was a 3.3 percent increase in the month and a 41.3 percent increase from last September. According to CoreLogic Information Solutions, home values in West Virginia depreciated 0.7 percent in September but appreciated 6.2 percent since September 2013. In the state's metro areas, home values also depreciated in every MSA for the month; on a year-over-year basis, home values appreciated in every MSA, ranging from 4.2 percent in Huntington to 6.2 percent in Morgantown.

A Closer Look at...Federal Contract Spending

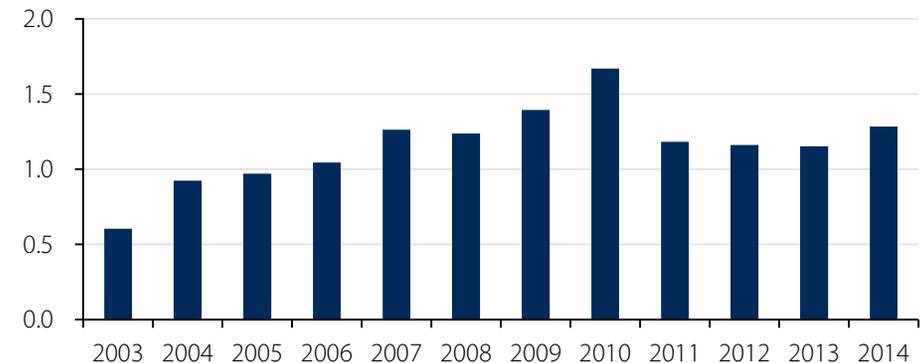
Fiscal Year: 2014

Total dollars: \$1,284,152,305

The amount of contract spending in West Virginia is 0.3 percent of all federal contract dollars for the fiscal year.

West Virginia is ranked 40 of all states for federal contract spending.

Federal Government Contract Spending in West Virginia
Billion (\$) in Fiscal Year



Top 5 Contracting Agencies

| | |
|------------------------------------|---------------|
| 1. Federal Bureau of Investigation | \$343 million |
| 2. Department of Veterans Affairs | \$173 million |
| 2. Department of Energy | \$122 million |
| 3. Department of the Army | \$101 million |
| 4. U.S. Coast Guard | \$96 million |

Top 5 Products or Services

| | |
|---------------------------------------|---------------|
| 1. Professional Services | \$274 million |
| 2. IT and Telecommunications | \$61 million |
| 3. Management Support, Other | \$57 million |
| 4. Engineering and Technical Services | \$56 million |
| 5. Construction of Conference Space | \$52 million |

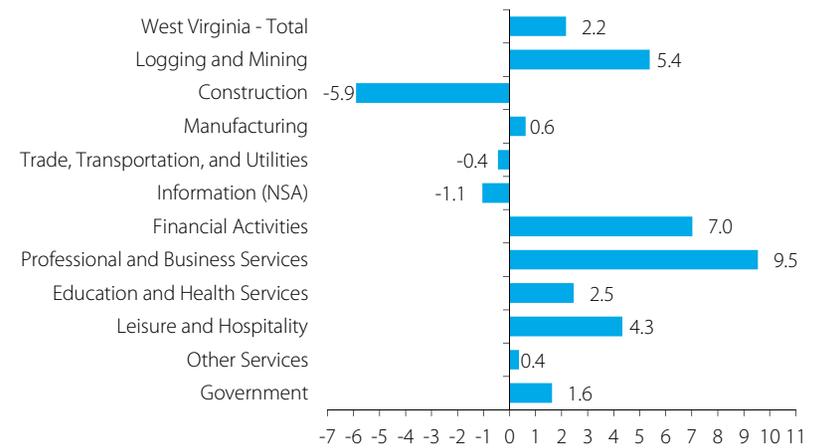
WEST VIRGINIA

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------------|--------------|--------------|
| United States - Total | September | 139,435.0 | 0.18 | 1.93 |
| Fifth District - Total | September | 14,038.8 | 0.26 | 1.43 |
| West Virginia - Total | September | 777.4 | 0.78 | 2.17 |
| Logging and Mining | September | 33.3 | 1.22 | 5.38 |
| Construction | September | 31.9 | -1.24 | -5.90 |
| Manufacturing | September | 49.0 | 0.62 | 0.62 |
| Trade, Transportation, and Utilities | September | 134.5 | -0.22 | -0.44 |
| Information (NSA) | September | 9.4 | -2.08 | -1.05 |
| Financial Activities | September | 30.5 | 1.33 | 7.02 |
| Professional and Business Services | September | 71.2 | 0.28 | 9.54 |
| Education and Health Services | September | 128.9 | 1.26 | 2.46 |
| Leisure and Hospitality | September | 77.1 | -0.39 | 4.33 |
| Other Services | September | 55.7 | 0.72 | 0.36 |
| Government | September | 156.0 | 2.70 | 1.63 |
| Charleston MSA - Total | September | 147.2 | 0.14 | 0.89 |
| Huntington MSA - Total | September | 114.2 | 0.26 | 1.06 |
| Morgantown MSA - Total | September | 70.0 | 1.30 | 3.24 |
| Parkersburg MSA - Total | September | 70.5 | 0.71 | 1.29 |

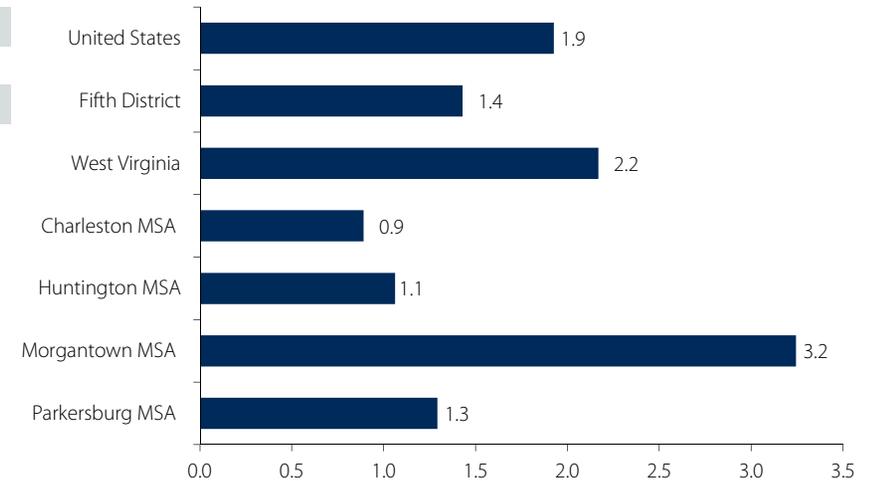
West Virginia Payroll Employment Performance

Year-over-Year Percent Change through September 2014



West Virginia Total Employment Performance

Year-over-Year Percent Change through September 2014



WEST VIRGINIA

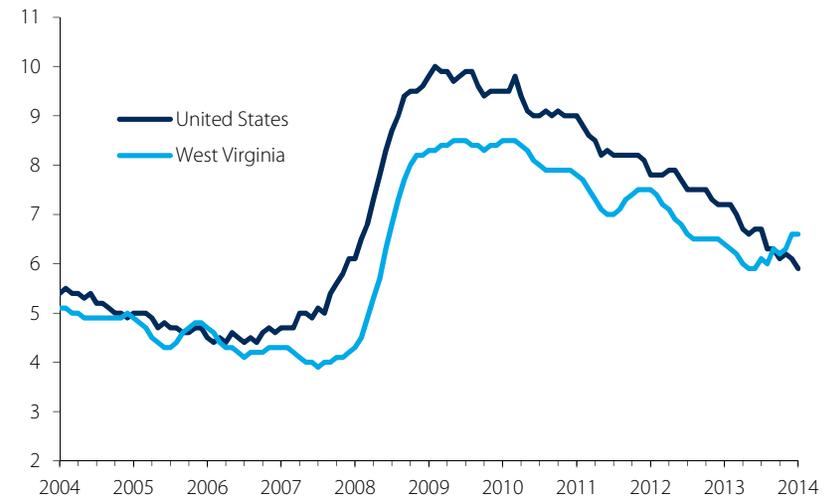
Labor Market Conditions

| Unemployment Rate (SA) | September 14 | August 14 | September 13 |
|------------------------|--------------|-----------|--------------|
| United States | 5.9 | 6.1 | 7.2 |
| Fifth District | 6.3 | 6.3 | 6.7 |
| West Virginia | 6.6 | 6.6 | 6.4 |
| Charleston MSA | 5.9 | 5.9 | 5.7 |
| Huntington MSA | 6.0 | 6.1 | 6.9 |
| Morgantown MSA | 4.4 | 4.3 | 4.2 |
| Parkersburg MSA | 5.7 | 5.6 | 6.4 |

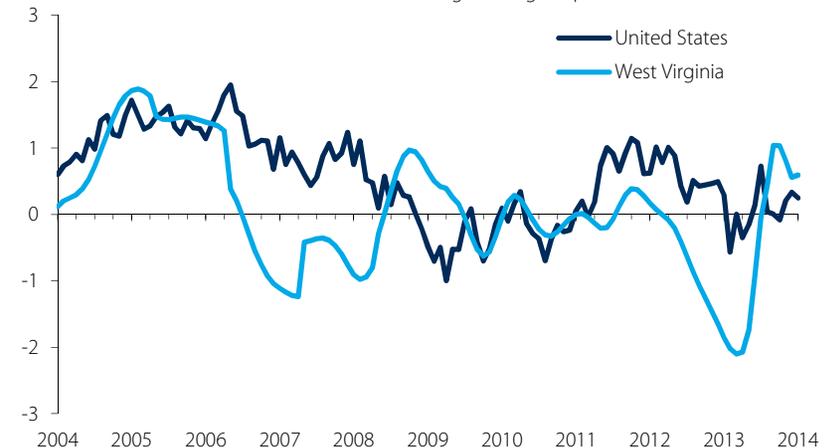
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|---------------------------|-----------|--------------|--------------|--------------|
| United States | September | 155,862 | -0.06 | 0.25 |
| Fifth District | September | 15,368 | -0.09 | -0.01 |
| West Virginia | September | 797 | -0.16 | 0.59 |
| Charleston MSA | September | 136 | -0.15 | 1.50 |
| Huntington MSA | September | 125 | -0.48 | -0.80 |
| Morgantown MSA | September | 69 | 0.00 | 2.82 |
| Parkersburg MSA | September | 76 | 0.00 | 0.80 |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|-----------|-----------|--------------|--------------|
| United States | September | 1,037,921 | -2.40 | -3.53 |
| Fifth District | September | 69,527 | -2.22 | -21.92 |
| West Virginia | September | 4,000 | -3.05 | -18.65 |

West Virginia Unemployment Rate
Through September 2014



West Virginia Labor Force
Year-over-Year Percent Change through September 2014



WEST VIRGINIA

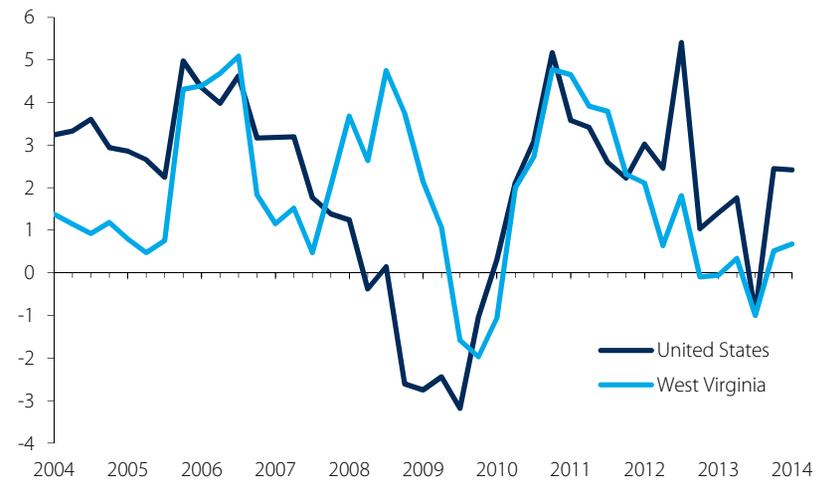
Household Conditions

| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q2:14 | 13,502,802 | 0.96 | 2.42 |
| Fifth District | Q2:14 | 1,315,790 | 0.82 | 1.54 |
| West Virginia | Q2:14 | 62,027 | 0.98 | 0.68 |

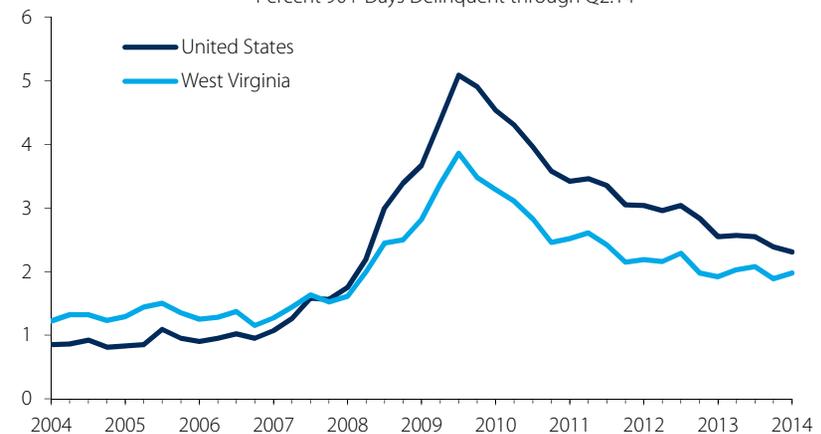
| Non-Business Bankruptcies | Period | Level | QoQ % Change | YoY % Change |
|---------------------------|--------|---------|--------------|--------------|
| United States | Q3:14 | 225,386 | -8.96 | -13.26 |
| Fifth District | Q3:14 | 17,458 | -7.48 | -9.94 |
| West Virginia | Q3:14 | 778 | -15.98 | -7.60 |

| Mortgage Delinquencies (% 90+ Days Delinquent) | Q2:14 | Q1:14 | Q2:13 |
|--|-------|-------|-------|
| United States | | | |
| All Mortgages | 2.31 | 2.39 | 2.55 |
| Prime | 1.28 | 1.28 | 1.46 |
| Subprime | 8.68 | 8.90 | 9.10 |
| West Virginia | | | |
| All Mortgages | 1.98 | 1.89 | 1.92 |
| Prime | 1.23 | 1.05 | 1.03 |
| Subprime | 8.27 | 8.86 | 8.58 |

West Virginia Real Personal Income
Year-over-Year Percent Change through Q2:14



West Virginia Mortgage Delinquencies
Percent 90+ Days Delinquent through Q2:14



WEST VIRGINIA

Real Estate Conditions

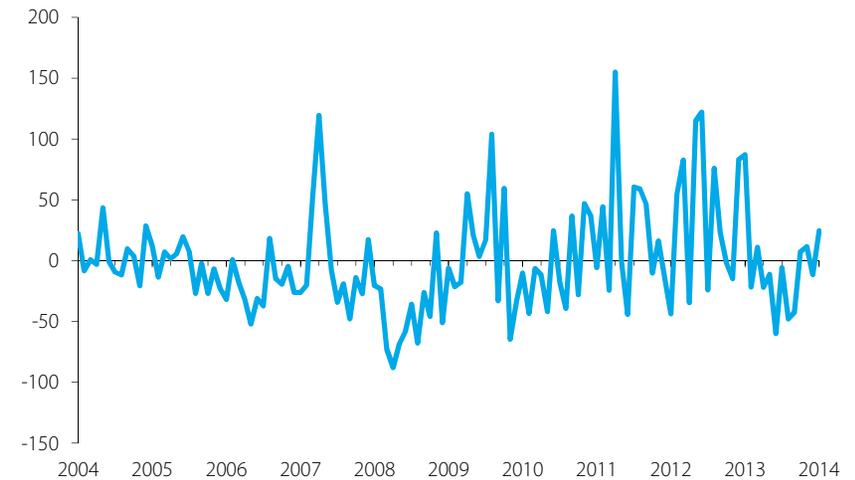
| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|-----------|--------|--------------|--------------|
| United States | September | 90,696 | 4.05 | 11.51 |
| Fifth District | September | 12,212 | 5.69 | 2.09 |
| West Virginia | September | 217 | -5.65 | 24.71 |
| Charleston MSA | September | 3 | 50.00 | -87.50 |
| Huntington MSA | September | 12 | 0.00 | 300.00 |
| Morgantown MSA | September | 0 | --- | -100.00 |
| Parkersburg MSA | September | 12 | 50.00 | 50.00 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|-----------|--------------|--------------|--------------|
| United States | September | 1,017 | 6.27 | 17.84 |
| Fifth District | September | 142 | 15.70 | 15.52 |
| West Virginia | September | 2.5 | 3.27 | 41.34 |

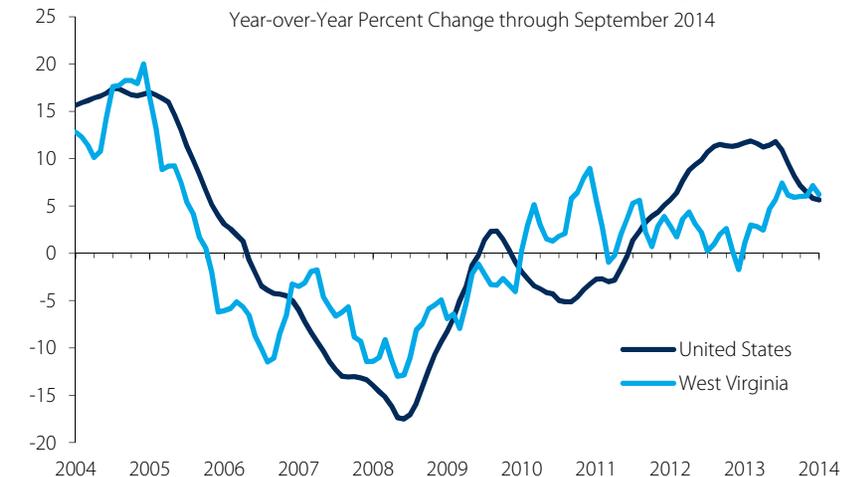
| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|-----------|-------|--------------|--------------|
| United States | September | 174 | -0.06 | 5.64 |
| Fifth District | September | 182 | -0.69 | 2.94 |
| West Virginia | September | 144 | -0.65 | 6.21 |
| Charleston MSA | September | 140 | -0.65 | 5.13 |
| Huntington MSA | September | 154 | -0.65 | 4.15 |
| Morgantown MSA | September | 144 | -0.65 | 6.21 |
| Parkersburg MSA | September | 123 | -0.64 | 5.97 |

| Median Home Sales Price - NAR (NSA) | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|-------------------------------------|--------|----------------|--------------|--------------|
| Charleston MSA | Q2:14 | 131 | 7.20 | -3.32 |

West Virginia Building Permits
Year-over-Year Percent Change through September 2014



West Virginia House Price Index (CoreLogic)
Year-over-Year Percent Change through September 2014



SOURCES

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>

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>

Commercial Vacancy Rates

CB Richard Ellis
 Haver Analytics
<http://www.cbre.com>

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>

House Price Index

CoreLogic Information Solutions
 Federal Reserve Bank of Richmond

NOTES

1 Manufacturing & Service Sector Surveys

Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. All firms surveyed are located within the Fifth Federal Reserve District.

2 Manufacturing Composite Index

The weighted average of the shipments (33 percent), new orders (40 percent) and employment (27 percent) indexes.

3 Mortgage Delinquency Rate

The number of mortgages 90 days past due as a percentage of the total number of mortgages at the end of the period. The delinquency rate does not include loans in the process of foreclosure.

4 Building Permits & Housing Starts

Data on District of Columbia building permits and housing starts are often volatile, leading to disproportionately large percentage changes.

5 Housing Opportunity Index

Share of homes sold considered to be affordable to a family earning the area's median income.

6 House Price Index

Repeat sales index, measuring the average price changes in repeat sales on the same single family properties.

7 Median Home Sales Price - NAR

Single family homes.

8 Median Home Sales Price - NAHB

Total Home Sales.

9 Federal Government Contract Spending

Federal Procurement Data System via USAspending.gov

USAspending.gov

Federal fiscal year 2014 begins on October 1, 2013 and ends September 30, 2014

Data covers federal contracts by place of performance

ADP is Administrative Data Processing

SA - Seasonally Adjusted

NSA - Not Seasonally Adjusted

SAAR - Seasonally Adjusted Annual Rate

