



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

January 2015



Richmond • Baltimore • Charlotte

TABLE OF CONTENTS

Fifth District

| | |
|------------------------|------------|
| Summary | District 1 |
| Labor Conditions | District 2 |
| Business Conditions | District 3 |
| Household Conditions | District 4 |
| Real Estate Conditions | District 4 |

District of Columbia

| | |
|------------------------|--------|
| Summary | D.C. 1 |
| Labor Conditions | D.C. 2 |
| Household Conditions | D.C. 4 |
| Real Estate Conditions | D.C. 5 |

Maryland

| | |
|------------------------|------------|
| Summary | Maryland 1 |
| Labor Conditions | Maryland 2 |
| Household Conditions | Maryland 4 |
| Real Estate Conditions | Maryland 5 |

North Carolina

| | |
|------------------------|------------------|
| Summary | North Carolina 1 |
| Labor Conditions | North Carolina 2 |
| Household Conditions | North Carolina 4 |
| Real Estate Conditions | North Carolina 5 |

South Carolina

| | |
|------------------------|------------------|
| Summary | South Carolina 1 |
| Labor Conditions | South Carolina 2 |
| Household Conditions | South Carolina 4 |
| Real Estate Conditions | South Carolina 5 |

Virginia

| | |
|------------------------|------------|
| Summary | Virginia 1 |
| Labor Conditions | Virginia 2 |
| Household Conditions | Virginia 4 |
| Real Estate Conditions | Virginia 5 |

West Virginia

| | |
|------------------------|-----------------|
| Summary | West Virginia 1 |
| Labor Conditions | West Virginia 2 |
| Household Conditions | West Virginia 4 |
| Real Estate Conditions | West Virginia 5 |

Sources & Notes

| | |
|--------------|-----------|
| Data Sources | Sources 1 |
| Notes | Sources 2 |

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FIFTH DISTRICT

January Summary

Recent reports on the Fifth District economy were generally positive, with strengthening labor markets and stable business conditions but somewhat mixed housing market indicators.

Labor Markets: Total employment in the Fifth District rose 0.3 percent (45,100 jobs) in November as employers in every jurisdiction except West Virginia added jobs. North and South Carolina continued to add the most jobs in the month, accounting for 36.4 percent and 31.5 percent of the total District gain, respectively. After contractions in October, D.C. and Virginia expanded 0.5 percent and 0.4 percent, respectively in November. On a year-over-year basis, employment in the Fifth District grew 1.5 percent; every private sector industry expanded while the government sector contracted 0.1 percent (2,700 jobs). The professional and business services industry had the largest year-over-year growth of 3.0 percent as the industry expanded in every state except Virginia. According to the household survey, the unemployment rate in the Fifth District fell 0.4 percentage point to 5.7 percent in November; rates declined in every state except South Carolina, where the rate was unchanged.

Business Conditions: According to the Fifth District manufacturing survey, the composite diffusion index rose from 4 in November to 7 in December as all three of the component indexes rose slightly: the index for shipments rose from 1 to 5, the index for new orders rose from 1 to 4, and the index for employment rose from 10 to 13. From the service sector survey, the index for revenues in the overall service sector fell from 25 in November to 3 in December as both the retail and non-retail indexes declined. The index for employment in the service sector also declined but remained at a reading of 16 in December. Price growth accelerated somewhat for non-retail services but decelerated slightly for retail services. Meanwhile, the manufacturing survey indicated a slight deceleration of price growth for both raw materials and finished goods.

Housing Markets: Recent reports on housing markets were somewhat mixed. The number of new residential permits issued in the Fifth District declined 23.2 percent in November but was 0.3 percent more than were issued in November 2013. According to CoreLogic Information Solutions, home values depreciated 0.4 percent in October. Since October 2013, home values appreciated 2.4 percent, which is considerably slower than in the U.S. on whole where values appreciated 6.1 percent on a year-over-year basis.

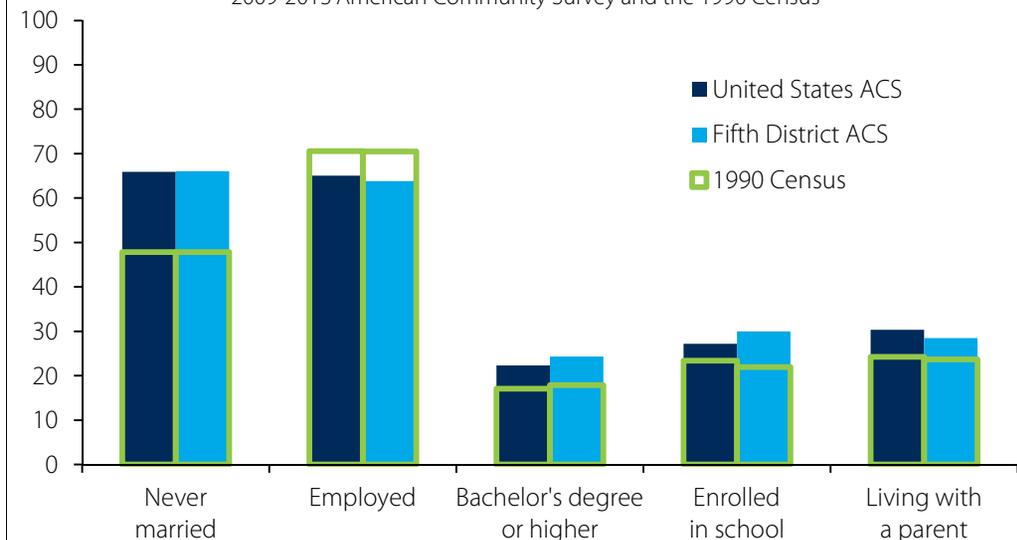
A Closer Look at... Characteristics of Young Adults

According to the 2009-2013 American Community Survey (ACS) from the U.S. Census Bureau, young adults—or persons between the ages of 18 and 34 years old—account for 23.4 percent of the population in both the Fifth District and the nation as a whole.

The chart below compares the young adults at the time of the 2009-2013 ACS (represented by the solid bars) with the young adults at the time of the 1990 Census (represented by the green outline).

In general, young adults today are less likely to be married, less likely to be employed, more likely to be working on or already hold a bachelors degree or higher, and more likely to be living with a parent than they were in the 1990's.

Young Adult Population in the Fifth District
Percentage of the population 18 to 34 years old
2009-2013 American Community Survey and the 1990 Census



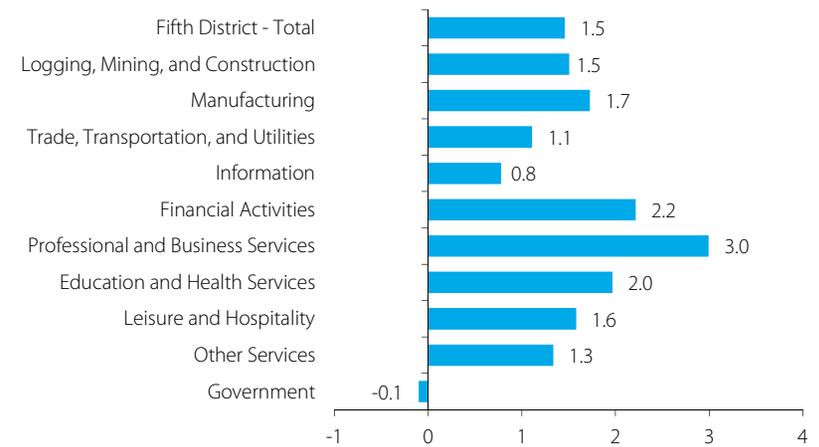
FIFTH DISTRICT

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------------|--------------|--------------|
| United States - Total | November | 140,045.0 | 0.23 | 1.99 |
| Fifth District - Total | November | 14,102.6 | 0.32 | 1.46 |
| Logging, Mining, and Construction | November | 694.5 | -0.27 | 1.51 |
| Manufacturing | November | 1,072.3 | 0.40 | 1.73 |
| Trade, Transportation, and Utilities | November | 2,413.8 | 0.58 | 1.11 |
| Information | November | 232.8 | 0.39 | 0.78 |
| Financial Activities | November | 715.1 | 0.24 | 2.22 |
| Professional and Business Services | November | 2,177.4 | 0.79 | 2.99 |
| Education and Health Services | November | 2,000.6 | -0.24 | 1.97 |
| Leisure and Hospitality | November | 1,459.7 | 0.31 | 1.58 |
| Other Services | November | 660.2 | 0.38 | 1.34 |
| Government | November | 2,676.4 | 0.27 | -0.10 |

Fifth District Payroll Employment Performance

Year-over-Year Percent Change through November 2014



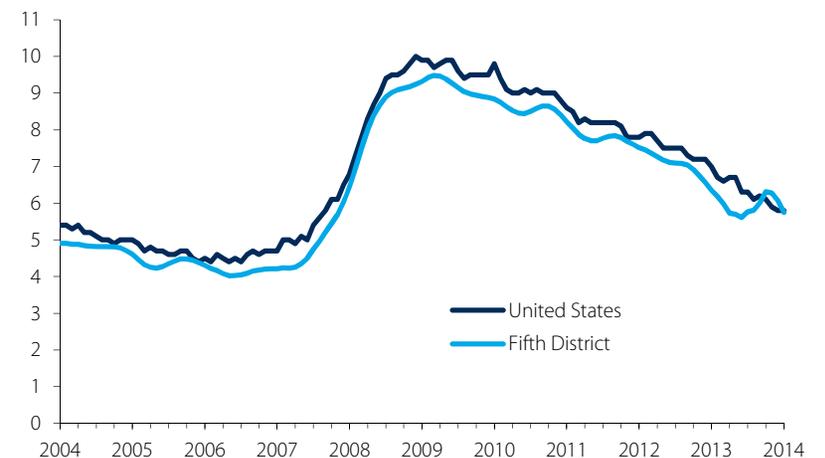
| Unemployment Rate (SA) | November 14 | October 14 | November 13 |
|------------------------|-------------|------------|-------------|
| United States | 5.8 | 5.8 | 7.0 |
| Fifth District | 5.7 | 6.1 | 6.4 |

| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|---------------------------|----------|--------------|--------------|--------------|
| United States | November | 156,397 | 0.08 | 0.72 |
| Fifth District | November | 15,357 | -0.13 | 0.13 |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|----------|-----------|--------------|--------------|
| United States | November | 1,267,175 | 6.75 | -12.03 |
| Fifth District | November | 73,224 | -7.93 | -22.01 |

Fifth District Unemployment Rate

Through November 2014



January 2015

FEDERAL RESERVE BANK OF RICHMOND

FIFTH DISTRICT

Business Conditions

| Manufacturing Survey (SA) | December 14 | November 14 | December 13 |
|-------------------------------------|-------------|-------------|-------------|
| Composite Index | 7 | 4 | 11 |
| Shipments | 5 | 1 | 11 |
| New Orders | 4 | 1 | 9 |
| Number of Employees | 13 | 10 | 14 |
| Expected Shipments - Six Months | 38 | 34 | 32 |
| Raw Materials Prices (SAAR) | 1.26 | 1.57 | 1.14 |
| Finished Goods Prices (SAAR) | 0.83 | 0.90 | 0.82 |
| Service Sector Survey (SA) | December 14 | November 14 | December 13 |
| Service Sector Employment | 16 | 24 | 4 |
| Services Firms Revenues | 2 | 23 | 4 |
| Retail Revenues | 10 | 37 | -11 |
| Big-Ticket Sales | -24 | 19 | 16 |
| Expected Retail Demand - Six Months | -9 | 39 | 4 |
| Services Firm Prices | 1.65 | 1.57 | 1.23 |
| Retail Prices | 1.69 | 1.90 | 1.40 |

| District Imports | Period | Level (\$mil) | MoM % Change | YoY % Change |
|----------------------------|---------|---------------|--------------|--------------|
| Baltimore, Maryland | October | 2,943.14 | 5.4 | 7.0 |
| Wilmington, North Carolina | October | 677.12 | -5.6 | -8.4 |
| Charleston, South Carolina | October | 4,215.92 | 6.8 | 13.8 |
| Norfolk, Virginia | October | 3,882.77 | 12.5 | 3.9 |
| District Exports | Period | Level (\$mil) | MoM % Change | YoY % Change |
| Baltimore, Maryland | October | 1,631.58 | 3.9 | -18.6 |
| Wilmington, North Carolina | October | 437.77 | -1.3 | -5.1 |
| Charleston, South Carolina | October | 3,141.01 | 30.1 | 33.0 |
| Norfolk, Virginia | October | 2,562.00 | 11.7 | -2.3 |

Composite Manufacturing Index
3-Month Moving Average through December 2014



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



FIFTH DISTRICT

Household Conditions

| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q3:14 | 13,552,516 | 0.65 | 2.38 |
| Fifth District | Q3:14 | 1,322,513 | 0.58 | 2.05 |

| 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 |

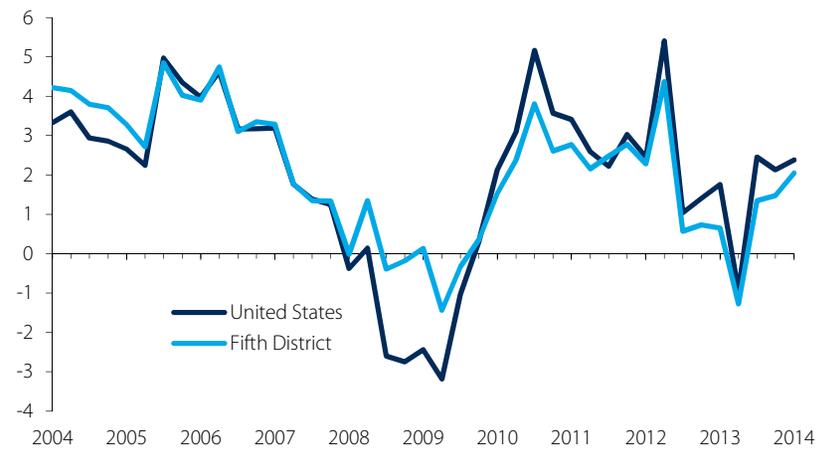
Real Estate Conditions

| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------|--------------|--------------|
| United States | November | 71,250 | -26.06 | -0.66 |
| Fifth District | November | 9,064 | -23.19 | 0.33 |

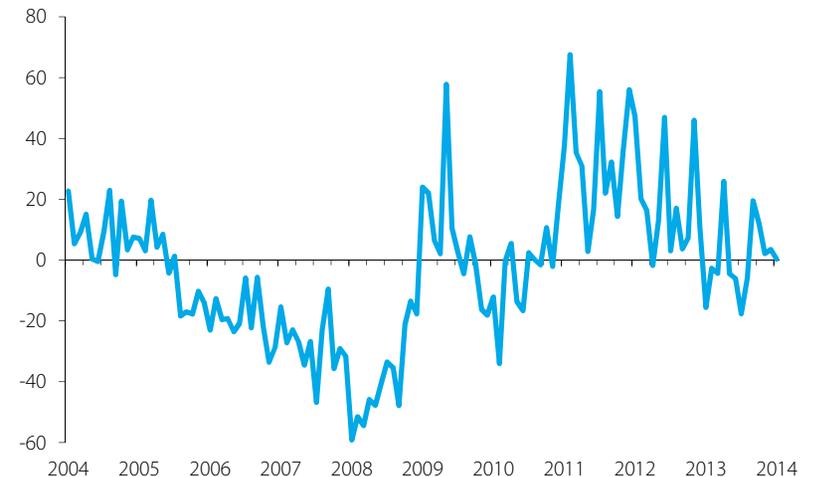
| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|----------|--------------|--------------|--------------|
| United States | November | 1,028 | -1.63 | -6.97 |
| Fifth District | November | 124 | -12.35 | -15.28 |

| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|---------|-------|--------------|--------------|
| United States | October | 174 | 0.51 | 6.05 |
| Fifth District | October | 181 | -0.39 | 2.40 |

Fifth District Real Personal Income
Year-over-Year Percent Change through Q3:14



Fifth District Building Permits
Year-over-Year Percent Change through November 2014



DISTRICT OF COLUMBIA

January Summary

Economic reports on the District of Columbia were upbeat in recent months, with improving labor and household conditions while housing market indicators were mostly positive.

Labor Markets: Total employment in D.C. expanded 0.5 percent in November as firms added 4,000 jobs across most industries. In fact, the only industries to shed jobs in the month were education and health services and leisure and hospitality, which each cut 100 jobs. Three industries (trade, transportation, and utilities, professional and business services, and government) each added 1,000 jobs while “other” services followed closely with 900 jobs. On a year-over-year basis, employment expanded 1.7 percent as every industry except manufacturing reported positive growth. The largest growth was in the trade, transportation, and utilities industry that expanded 7.7 percent since November 2013; however, that industry only accounts for 4.2 percent of D.C.’s total employment. In the greater Washington, D.C. MSA, employers added 17,000 jobs (0.6 percent) in November, which was the largest monthly gain since April 2010. Total employment in the metro area expanded 0.5 percent from November 2013.

Household Conditions: The unemployment rate in D.C. fell 0.2 percentage point to 7.4 percent but remained the highest rate in the nation for the second consecutive month. The decrease in the rate was due to a 2.1 percent decline in the number of unemployed as well as an increase in the civilian labor force. Over the last twelve months, the civilian labor force rose 3.8 percent. In the third quarter of 2014, real personal income in D.C. rose 0.8 percent and increased 2.7 percent since the third quarter of 2013. Also in the third quarter of 2014, the share of mortgages with payments 90 or more days past due fell 0.6 percentage point to 2.2 percent.

Housing Markets: In November, 51 new residential permits were issued in D.C., down from 506 permits in October but up from the 22 permits issued in November 2013. In the Washington, D.C. MSA, 1,194 permits were issued in November, down 51.7 percent in the month and down 6.9 percent from November 2013. According to CoreLogic Information Solutions, home values in D.C. appreciated 0.2 percent in October and 3.3 percent on a year-over-year basis. Home values in the greater Washington, D.C. metro area depreciated 0.1 percent in the month but appreciated 2.5 percent since October 2013.

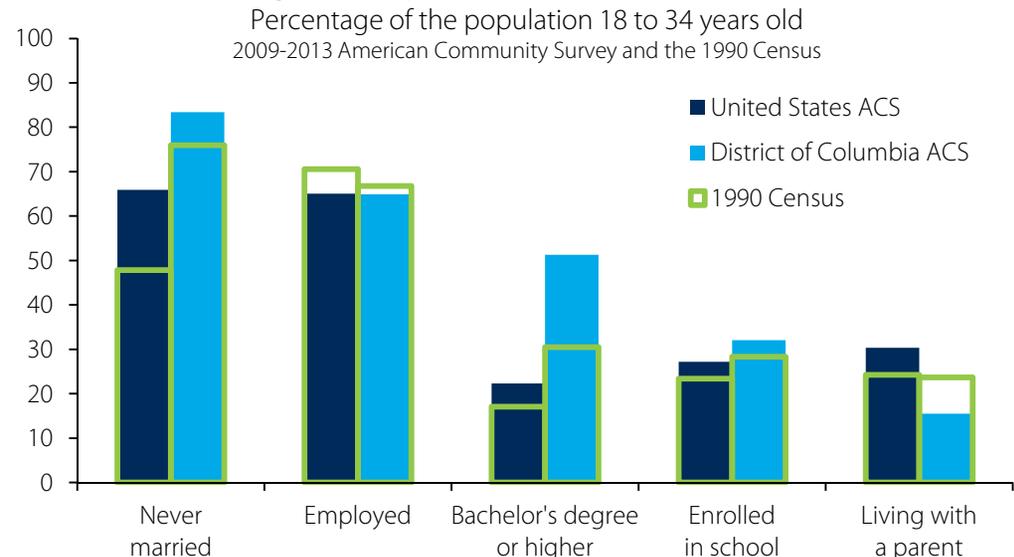
A Closer Look at... Characteristics of Young Adults

According to the 2009-2013 American Community Survey (ACS) from the U.S. Census Bureau, young adults—or persons between the ages of 18 and 34 years old—account for 35.0 percent of the population in the District of Columbia and 23.4 percent in the nation as a whole.

The chart below compares the young adults at the time of the 2009-2013 ACS (represented by the solid bars) with the young adults at the time of the 1990 Census (represented by the green outline).

In the U.S. and the Fifth District as a whole, young adults today are less likely to be married, less likely to be employed, more likely to be working on or already hold a bachelors degree or higher, and more likely to be living with a parent than they were in the 1990's. However, in D.C., young adults are less likely to be living with a parent today than in the 1990 Census.

Young Adult Population in the District of Columbia



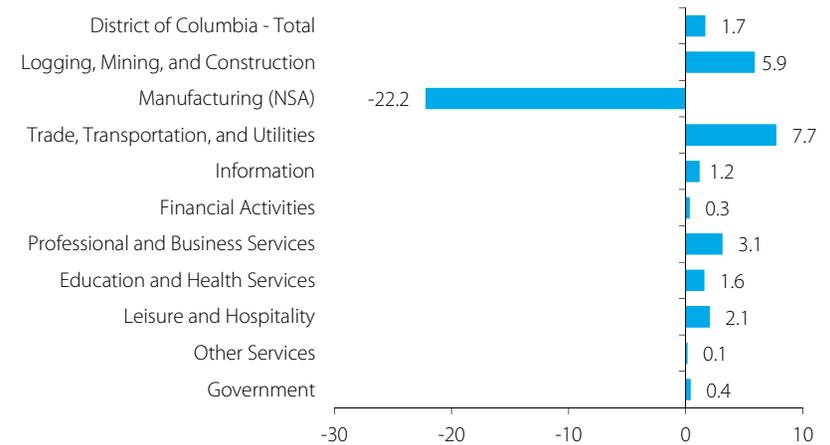
DISTRICT OF COLUMBIA

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------------|--------------|--------------|
| United States - Total | November | 140,045.0 | 0.23 | 1.99 |
| Fifth District - Total | November | 14,102.6 | 0.32 | 1.46 |
| District of Columbia - Total | November | 760.4 | 0.53 | 1.68 |
| Logging, Mining, and Construction | November | 14.4 | 0.70 | 5.88 |
| Manufacturing (NSA) | November | 0.7 | 0.00 | -22.22 |
| Trade, Transportation, and Utilities | November | 32.0 | 3.23 | 7.74 |
| Information | November | 17.2 | 0.58 | 1.18 |
| Financial Activities | November | 29.0 | 0.35 | 0.35 |
| Professional and Business Services | November | 161.0 | 0.63 | 3.14 |
| Education and Health Services | November | 127.8 | -0.08 | 1.59 |
| Leisure and Hospitality | November | 69.4 | -0.14 | 2.06 |
| Other Services | November | 69.0 | 1.32 | 0.15 |
| Government | November | 239.9 | 0.42 | 0.42 |
| Washington, D.C. MSA | November | 3,106.0 | 0.55 | 0.49 |

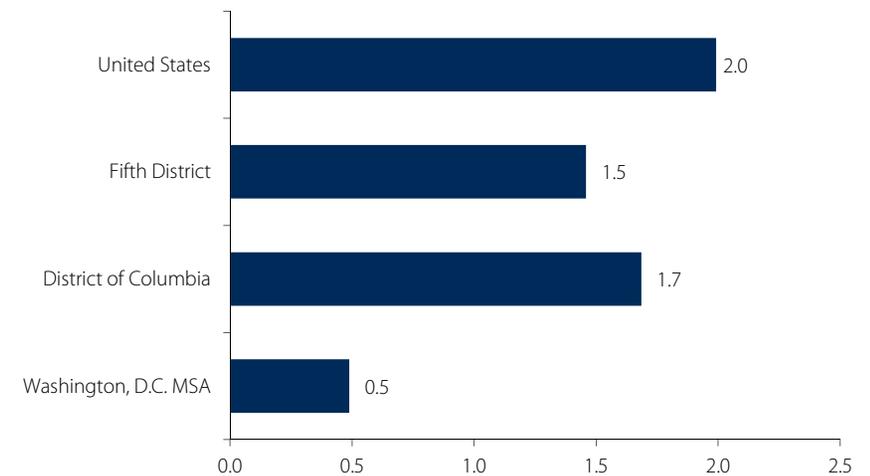
District of Columbia Payroll Employment Performance

Year-over-Year Percent Change through November 2014



District of Columbia Total Employment Performance

Year-over-Year Percent Change through November 2014



DISTRICT OF COLUMBIA

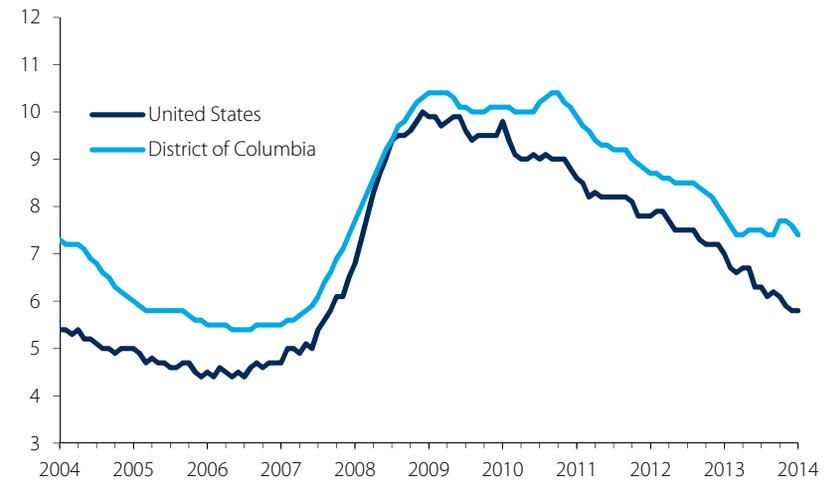
Labor Market Conditions

| Unemployment Rate (SA) | November 14 | October 14 | November 13 |
|------------------------|-------------|------------|-------------|
| United States | 5.8 | 5.8 | 7.0 |
| Fifth District | 5.7 | 6.1 | 6.4 |
| District of Columbia | 7.4 | 7.6 | 7.8 |
| Washington, D.C. MSA | --- | 5.1 | 5.1 |

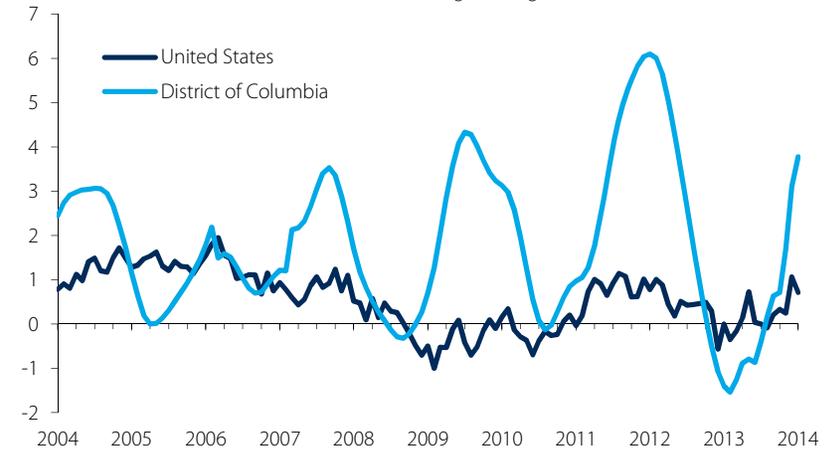
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|---------------------------|----------|--------------|--------------|--------------|
| United States | November | 156,397 | 0.08 | 0.72 |
| Fifth District | November | 15,357 | -0.13 | 0.13 |
| District of Columbia | November | 382 | 0.73 | 3.78 |
| Washington, D.C. MSA | November | --- | --- | --- |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|----------|-----------|--------------|--------------|
| United States | November | 1,267,175 | 6.75 | -12.03 |
| Fifth District | November | 73,224 | -7.93 | -22.01 |
| District of Columbia | November | 1,479 | -20.78 | -9.43 |

District of Columbia Unemployment Rate
Through November 2014



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



DISTRICT OF COLUMBIA

Household Conditions

Real Personal Income (SA)

| | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|----------------------|--------|---------------|--------------|--------------|
| United States | Q3:14 | 13,552,516 | 0.65 | 2.38 |
| Fifth District | Q3:14 | 1,322,513 | 0.58 | 2.05 |
| District of Columbia | Q3:14 | 46,651 | 0.79 | 2.69 |

Median Family Income

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

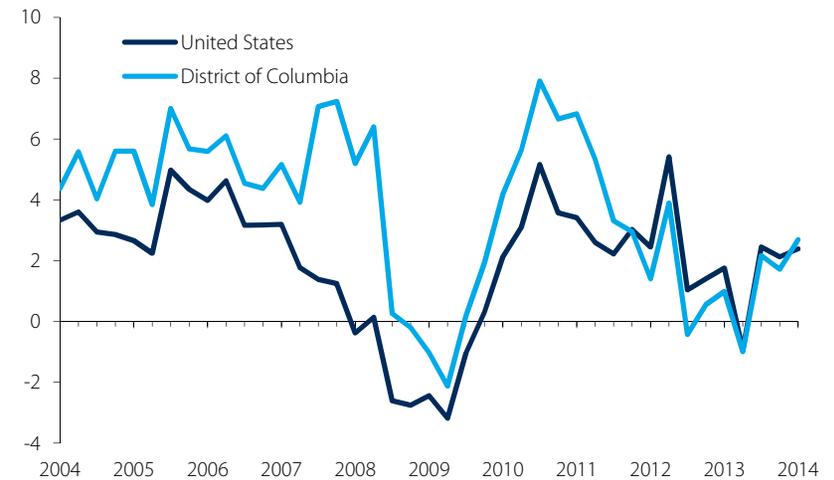
Non-Business Bankruptcies

| | 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 |

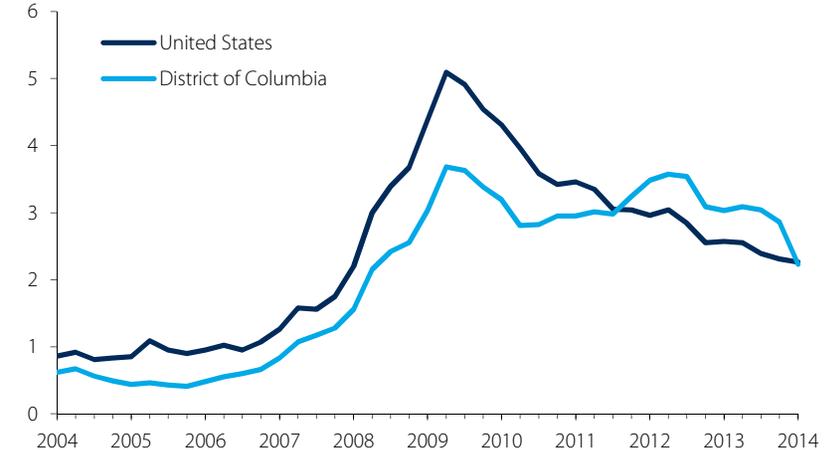
Mortgage Delinquencies (% 90+ Days Delinquent)

| | Q3:14 | Q2:14 | Q3:13 |
|----------------------|-------|-------|-------|
| United States | | | |
| All Mortgages | 2.26 | 2.31 | 2.57 |
| Prime | 1.22 | 1.28 | 1.39 |
| Subprime | 8.48 | 8.68 | 9.24 |
| District of Columbia | | | |
| All Mortgages | 2.23 | 2.86 | 3.03 |
| Prime | 1.32 | 1.84 | 1.86 |
| Subprime | 10.14 | 12.13 | 13.57 |

District of Columbia Real Personal Income
Year-over-Year Percent Change through Q3:14



District of Columbia Mortgage Delinquencies
Percent 90+ Days Delinquent through Q3:14



January 2015

FEDERAL RESERVE BANK OF RICHMOND

DISTRICT OF COLUMBIA

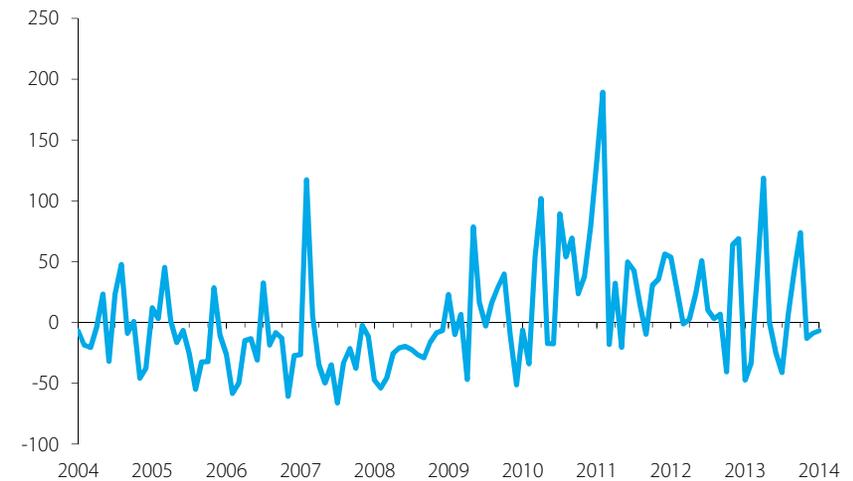
Real Estate Conditions

| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------|--------------|--------------|
| United States | November | 71,250 | -26.06 | -0.66 |
| Fifth District | November | 9,064 | -23.19 | 0.33 |
| District of Columbia | November | 51 | -89.92 | 131.82 |
| Washington, D.C. MSA | November | 1,194 | -51.70 | -6.86 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|----------|--------------|--------------|--------------|
| United States | November | 1,028 | -1.63 | -6.97 |
| Fifth District | November | 124 | -12.35 | -15.28 |
| District of Columbia | November | 0.7 | -88.47 | 94.44 |

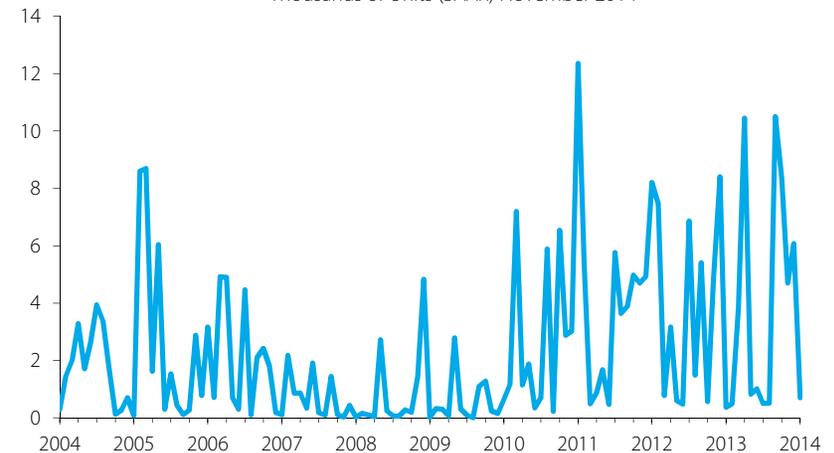
Washington, D.C. MSA Building Permits

Year-over-Year Percent Change through November 2014



District of Columbia Housing Starts

Thousands of Units (SAAR) November 2014



DISTRICT OF COLUMBIA

Real Estate Conditions

| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|---------|-------|--------------|--------------|
| United States | October | 174 | 0.51 | 6.05 |
| Fifth District | October | 181 | -0.39 | 2.40 |
| District of Columbia | October | 288 | 0.16 | 3.28 |
| Washington, D.C. MSA | October | 222 | -0.15 | 2.47 |

| Median Home Sales Price - NAR (NSA) | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|-------------------------------------|--------|----------------|--------------|--------------|
| Washington, D.C. MSA | Q3:14 | 389 | -3.59 | -0.87 |

| Median Home Sales Price - NAHB | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|--------------------------------|--------|----------------|--------------|--------------|
| Washington, D.C. MSA | Q3:14 | 375 | 4.17 | 2.74 |

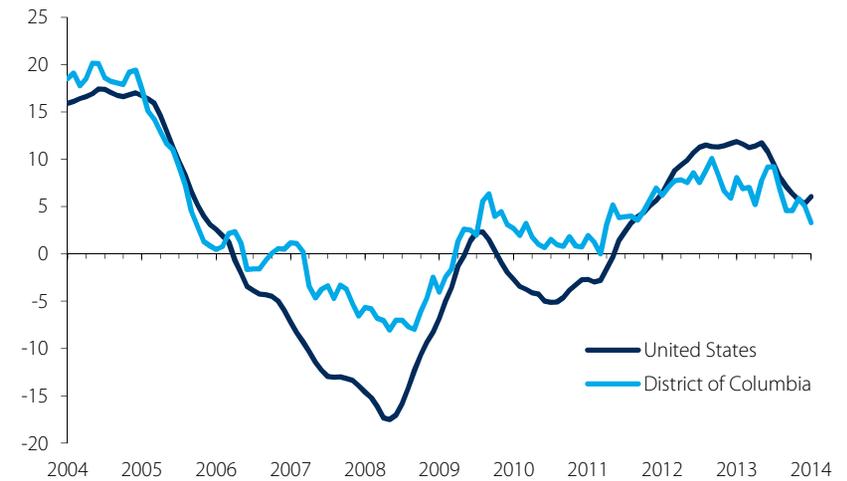
| Housing Opportunity Index (%) | Q3:14 | Q2:14 | Q3:13 |
|-------------------------------|-------|-------|-------|
| Washington, D.C. MSA | 63.8 | 65.1 | 66.4 |

| Commercial Vacancy Rates (%) | Q3:14 | Q2:14 | Q3:13 |
|------------------------------|-------|-------|-------|
|------------------------------|-------|-------|-------|

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

District of Columbia House Price Index (CoreLogic)

Year-over-Year Percent Change through October 2014



Washington, D.C. MSA Office Vacancy Rate

Through Q3:14



MARYLAND

January Summary

Recent reports on Maryland's economy were generally positive, with improving labor and household conditions, but somewhat mixed housing market indicators.

Labor Markets: Total employment in Maryland expanded 0.1 percent as firms added 3,800 jobs in November. The monthly job gain was primarily due to increases in trade, transportation, and utilities, professional and business services, and government of 2,600 jobs, 1,200 jobs, and 1,000 jobs, respectively. Three industries contracted (manufacturing, education and health services, and leisure and hospitality). Since November 2013, total employment in Maryland grew 0.5 percent, led by the financial services industry that grew 2.1 percent. The greatest decline was in the information industry that contracted 7.3 percent, although that industry is also the smallest (by employment) in the state. The state's largest employer, the government sector, contracted 0.5 percent in the last twelve months. At the metro level, only the Baltimore-Towson and Bethesda-Frederick metro areas added jobs in November; however, every MSA except Hagerstown expanded on a year-over-year basis.

Household Conditions: The unemployment rate in Maryland fell 0.4 percentage point to 5.6 percent in November as the number of unemployed fell 5.5 percent. In the third quarter of 2014, real personal income in Maryland rose 0.6 percent and increased 2.2 percent since the third quarter of 2013. Also in the third quarter, the share of mortgages with payments 90 or more days overdue remained unchanged at 3.1 percent. The steadiness of the overall delinquency rate masked slight improvements in the prime, subprime, and FHA delinquency rates, as those decreases were offset by a 0.1 percentage point increase in the VA delinquency rate.

Housing Markets: Maryland issued 1,547 new residential permits in November, which was 33.0 percent more than issued in October and 6.3 percent more than in November 2013. In the state's metro areas, every MSA except Cumberland issued more permits in November than in the prior year. According to CoreLogic Information Solutions, home values in Maryland depreciated 0.6 percent in October but appreciated 0.8 percent since October of last year. Home values in the state's metro areas depreciated in every MSA in October except Salisbury. On a year-over-year basis, home values depreciated in every MSA except Baltimore, where homes appreciated 0.1 percent since October 2013.

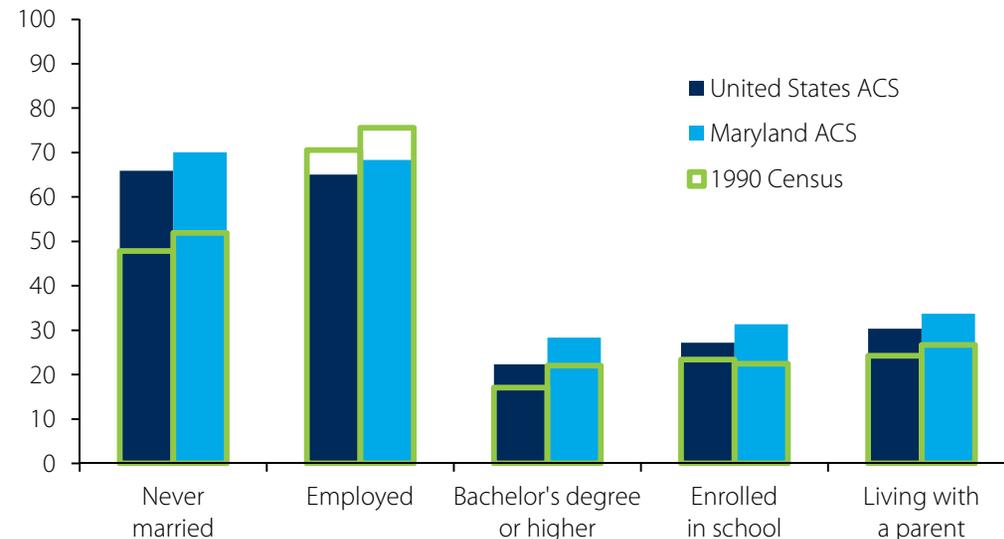
A Closer Look at... Characteristics of Young Adults

According to the 2009-2013 American Community Survey (ACS) from the U.S. Census Bureau, young adults—or persons between the ages of 18 and 34 years old—account for 23.1 percent of the population in Maryland and 23.4 percent in the nation as a whole.

The chart below compares the young adults at the time of the 2009-2013 ACS (represented by the solid bars) with the young adults at the time of the 1990 Census (represented by the green outline).

In general, young adults today are less likely to be married, less likely to be employed, more likely to be working on or already hold a bachelors degree or higher, and more likely to be living with a parent than they were in the 1990's.

Young Adult Population in Maryland
Percentage of the population 18 to 34 years old
2009-2013 American Community Survey and the 1990 Census



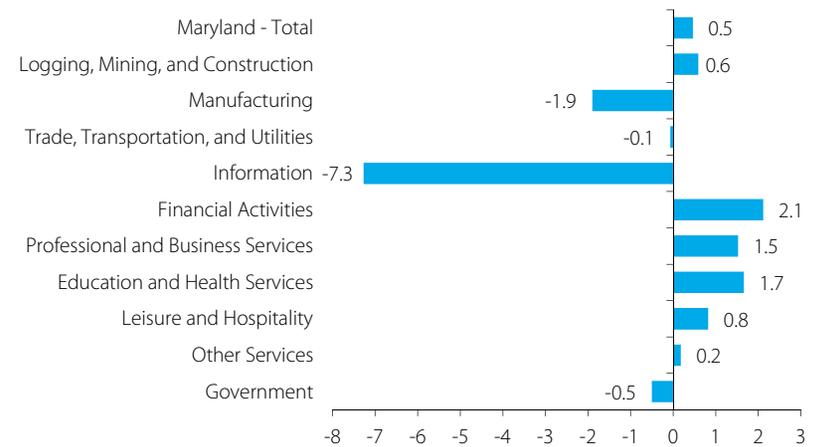
MARYLAND

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|---------------------------------------|----------|--------------|--------------|--------------|
| United States - Total | November | 140,045.0 | 0.23 | 1.99 |
| Fifth District - Total | November | 14,102.6 | 0.32 | 1.46 |
| Maryland - Total | November | 2,617.1 | 0.15 | 0.46 |
| Logging, Mining, and Construction | November | 152.8 | 0.20 | 0.59 |
| Manufacturing | November | 103.3 | -0.19 | -1.90 |
| Trade, Transportation, and Utilities | November | 451.4 | 0.58 | -0.07 |
| Information | November | 35.7 | 0.00 | -7.27 |
| Financial Activities | November | 149.6 | 0.00 | 2.12 |
| Professional and Business Services | November | 426.0 | 0.28 | 1.53 |
| Education and Health Services | November | 428.7 | -0.05 | 1.66 |
| Leisure and Hospitality | November | 258.1 | -0.65 | 0.82 |
| Other Services | November | 111.0 | 0.73 | 0.18 |
| Government | November | 500.5 | 0.20 | -0.50 |
| Baltimore-Towson MSA - Total | November | 1,356.8 | 0.36 | 1.04 |
| Bethesda-Frederick Metro Div. - Total | November | 577.0 | 0.33 | 0.56 |
| Cumberland MSA - Total | November | 39.7 | 0.00 | 0.76 |
| Hagerstown MSA - Total | November | 103.5 | -0.48 | -0.48 |
| Salisbury MSA - Total | November | 53.3 | 0.00 | 1.72 |

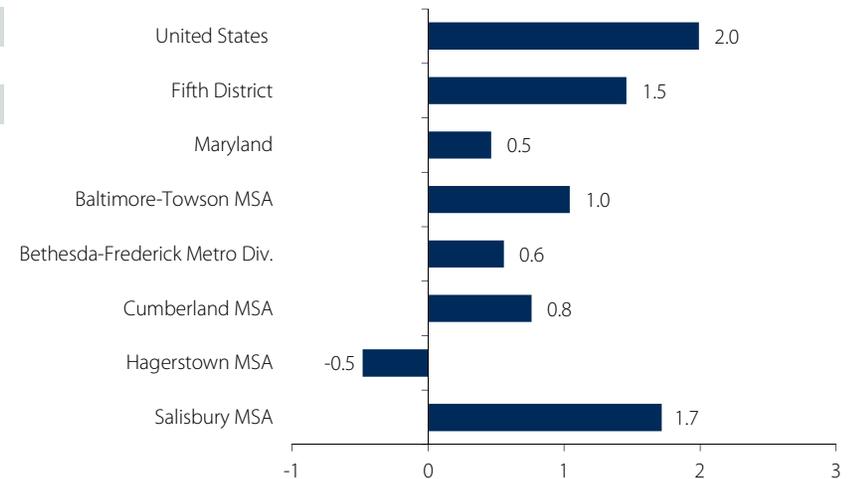
Maryland Payroll Employment Performance

Year-over-Year Percent Change through November 2014



Maryland Total Employment Performance

Year-over-Year Percent Change through November 2014



MARYLAND

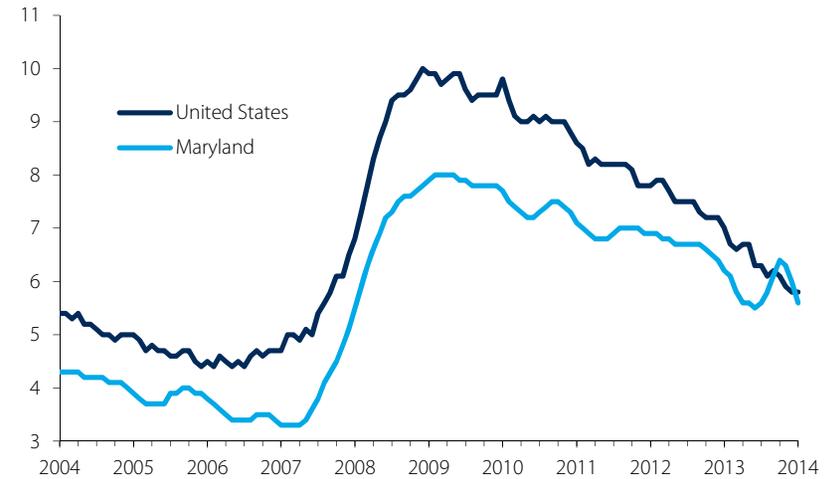
Labor Market Conditions

| Unemployment Rate (SA) | November 14 | October 14 | November 13 |
|-------------------------------|-------------|------------|-------------|
| United States | 5.8 | 5.8 | 7.0 |
| Fifth District | 5.7 | 6.1 | 6.4 |
| Maryland | 5.6 | 6.0 | 6.2 |
| Baltimore-Towson MSA | --- | 6.1 | 6.4 |
| Bethesda-Frederick Metro Div. | --- | 4.6 | 4.9 |
| Cumberland MSA | --- | 6.8 | 7.0 |
| Hagerstown MSA | --- | 6.6 | 6.7 |
| Salisbury MSA | --- | 7.5 | 7.9 |

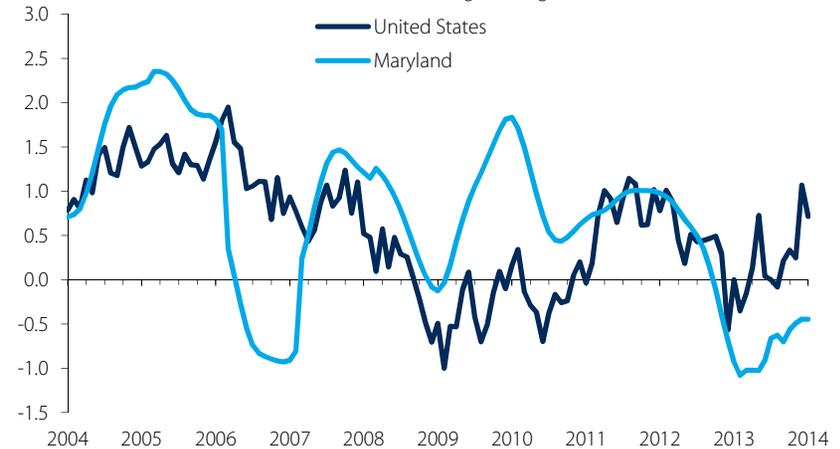
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------|----------|--------------|--------------|--------------|
| United States | November | 156,397 | 0.08 | 0.72 |
| Fifth District | November | 15,357 | -0.13 | 0.13 |
| Maryland | November | 3,096 | -0.13 | -0.44 |
| Baltimore-Towson MSA | November | --- | --- | --- |
| Bethesda-Frederick Metro Div. | November | --- | --- | --- |
| Cumberland MSA | November | --- | --- | --- |
| Hagerstown MSA | November | --- | --- | --- |
| Salisbury MSA | November | --- | --- | --- |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|----------|-----------|--------------|--------------|
| United States | November | 1,267,175 | 6.75 | -12.03 |
| Fifth District | November | 73,224 | -7.93 | -22.01 |
| Maryland | November | 17,353 | -4.16 | -18.75 |

Maryland Unemployment Rate
Through November 2014



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



MARYLAND

Household Conditions

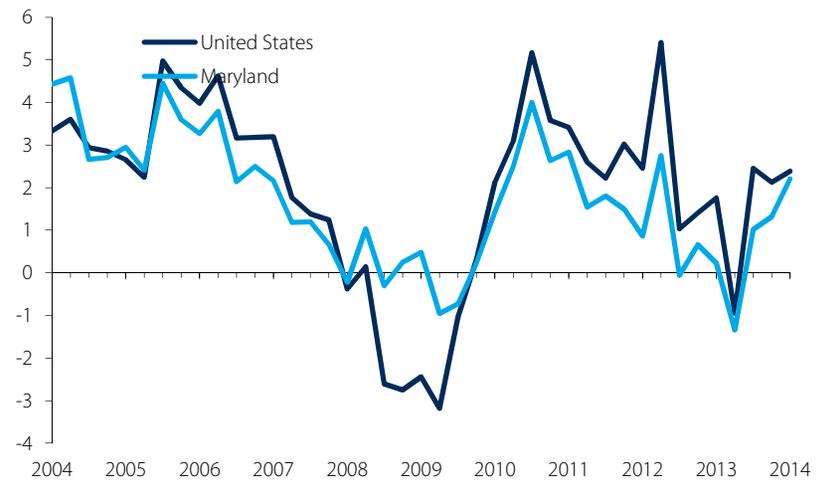
| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q3:14 | 13,552,516 | 0.65 | 2.38 |
| Fifth District | Q3:14 | 1,322,513 | 0.58 | 2.05 |
| Maryland | Q3:14 | 303,835 | 0.57 | 2.21 |

| 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 |

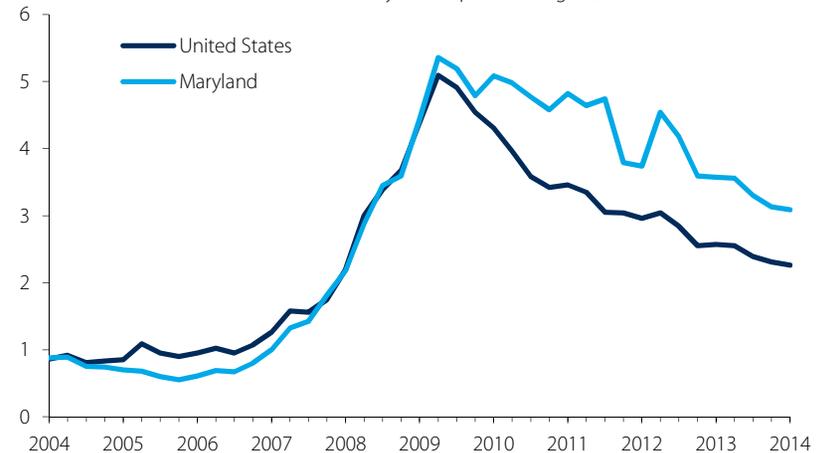
| Non-Business Bankruptcies | Period | Level | QoQ % Change | YoY % Change |
|---------------------------|--------|---------|--------------|--------------|
| United States | Q3:14 | 225,386 | -8.96 | -13.26 |
| Fifth District | Q3:14 | 17,458 | -7.48 | -9.94 |
| Maryland | Q3:14 | 4,818 | -11.74 | -15.38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

| Mortgage Delinquencies (% 90+ Days Delinquent) | Q3:14 | Q2:14 | Q3:13 |
|--|-------|-------|-------|
| United States | | | |
| All Mortgages | 2.26 | 2.31 | 2.57 |
| Prime | 1.22 | 1.28 | 1.39 |
| Subprime | 8.48 | 8.68 | 9.24 |
| Maryland | | | |
| All Mortgages | 3.09 | 3.13 | 3.57 |
| Prime | 1.62 | 1.74 | 1.84 |
| Subprime | 11.81 | 11.94 | 12.74 |

Maryland Real Personal Income
Year-over-Year Percent Change through Q3:14



Maryland Mortgage Delinquencies
Percent 90+ Days Delinquent through Q3:14



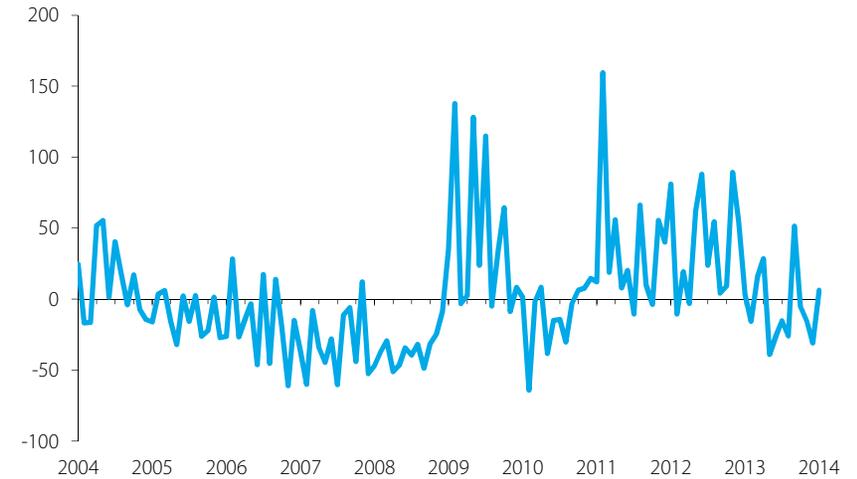
MARYLAND

Real Estate Conditions

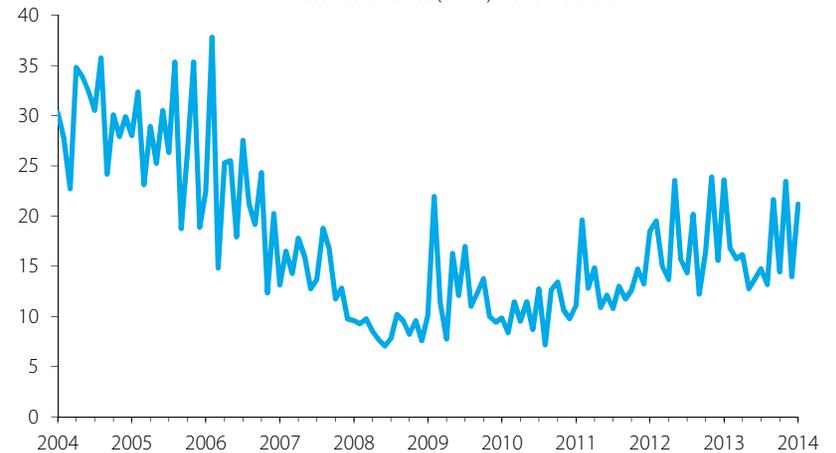
| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------|--------------|--------------|
| United States | November | 71,250 | -26.06 | -0.66 |
| Fifth District | November | 9,064 | -23.19 | 0.33 |
| Maryland | November | 1,547 | 33.02 | 6.32 |
| Baltimore-Towson MSA | November | 463 | -20.31 | 19.02 |
| Cumberland MSA | November | 1 | 0.00 | -50.00 |
| Hagerstown MSA | November | 171 | 87.91 | 43.70 |
| Salisbury MSA | November | 174 | -55.27 | 656.52 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|----------|--------------|--------------|--------------|
| United States | November | 1,028 | -1.63 | -6.97 |
| Fifth District | November | 124 | -12.35 | -15.28 |
| Maryland | November | 21.2 | 51.86 | -10.17 |

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



Maryland Housing Starts
Thousands of Units (SAAR) November 2014



MARYLAND

Real Estate Conditions

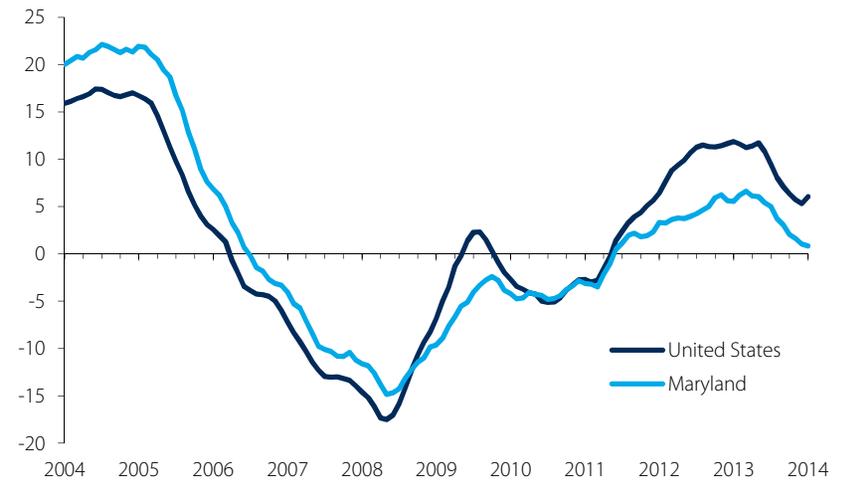
| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|---------|-------|--------------|--------------|
| United States | October | 174 | 0.51 | 6.05 |
| Fifth District | October | 181 | -0.39 | 2.40 |
| Maryland | October | 189 | -0.65 | 0.83 |
| Baltimore-Towson MSA | October | 186 | -0.56 | 0.05 |
| Cumberland MSA | October | 177 | -0.65 | -0.85 |
| Hagerstown MSA | October | 141 | -1.20 | -4.80 |
| Salisbury MSA | October | 200 | 0.30 | -3.29 |

| Median Home Sales Price - NAR (NSA) | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|-------------------------------------|--------|----------------|--------------|--------------|
| Baltimore-Towson MSA | Q3:14 | 256 | 0.08 | -4.02 |
| Cumberland MSA | Q3:14 | 93 | -6.24 | -15.20 |
| Hagerstown MSA | Q3:14 | 157 | 2.62 | -1.13 |

| Median Home Sales Price - NAHB | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|--------------------------------|--------|----------------|--------------|--------------|
| Baltimore-Towson MSA | Q3:14 | 252 | 5.00 | -3.82 |
| Bethesda-Frederick Metro Div. | Q3:14 | 372 | 3.33 | -1.59 |
| Cumberland MSA | Q3:14 | 89 | -2.20 | -15.24 |
| Hagerstown MSA | Q3:14 | 160 | 5.26 | -8.57 |
| Salisbury MSA | Q3:14 | 135 | 12.50 | -3.57 |

Maryland House Price Index (CoreLogic)

Year-over-Year Percent Change through October 2014



Baltimore-Towson MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through Q3:14



MARYLAND

Real Estate Conditions

| Housing Opportunity Index (%) | Q3:14 | Q2:14 | Q3:13 |
|-------------------------------|-------|-------|-------|
| Baltimore-Towson MSA | 69.9 | 71.4 | 69.9 |
| Bethesda-Frederick Metro Div. | 66.6 | 67.6 | 65.4 |
| Cumberland MSA | 94.8 | 97.2 | 90.0 |
| Hagerstown MSA | 85.6 | 87.2 | 85.0 |
| Salisbury MSA | 89.3 | 90.5 | 90.4 |

| 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 | 6.5 | 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

January Summary

Economic conditions in North Carolina generally improved, according to the most recent data, with continued employment growth and improving household conditions, while housing market indicators were somewhat mixed.

Labor Markets: Employers in North Carolina added 16,400 jobs (0.4 percent) to the economy in November. In the month, jobs were added in every industry except financial services and education and health services, which shed 300 jobs and 2,600 jobs, respectively. The largest absolute job gain came from the professional and business services industry that added 6,200 jobs (1.0 percent) in November followed by trade, transportation, and utilities, which added 4,200 jobs (0.5 percent). Since November 2013, North Carolina's total employment grew 2.6 percent as every private sector industry expanded while the government sector contracted 0.6 percent. In the state's metro areas, every MSA except Asheville and Winston-Salem added jobs in November; on a year-over-year basis, every MSA expanded, ranging from 0.1 percent in Fayetteville to 3.5 percent in both Asheville and Raleigh-Cary.

Household Conditions: North Carolina's unemployment rate fell 0.5 percentage point to 5.8 percent in November. The steep decline in the unemployment rate was driven by an 8.0 percent drop in the number of unemployed in the state. In the third quarter of 2014, real personal income in North Carolina rose 0.6 percent and was 2.2 percent higher than the third quarter of 2013. Also in the third quarter, the share of mortgages with payments 90 or more days past due fell 0.1 percentage point to 2.2 percent. The decrease reflects minor improvements to prime and subprime delinquency rates, as both FHA and VA rates rose in the quarter.

Housing Markets: Jurisdictions in North Carolina issued 3,807 new residential permits in November, down 16.1 percent from October but up 4.4 percent from November 2013. Metro area permitting activity varied in November; only the Raleigh-Cary MSA issued more permits in the month and on a year-over-year basis. According to CoreLogic Information Solutions, North Carolina home values depreciated 0.2 percent in October but appreciated 2.7 percent on a year-over-year basis. Home values in the state's metro areas depreciated in every MSA except Greenville, Hickory, and Raleigh-Cary in October. Since October 2013, home values appreciated in most of metro areas, led by Asheville, where values appreciated 4.3 percent.

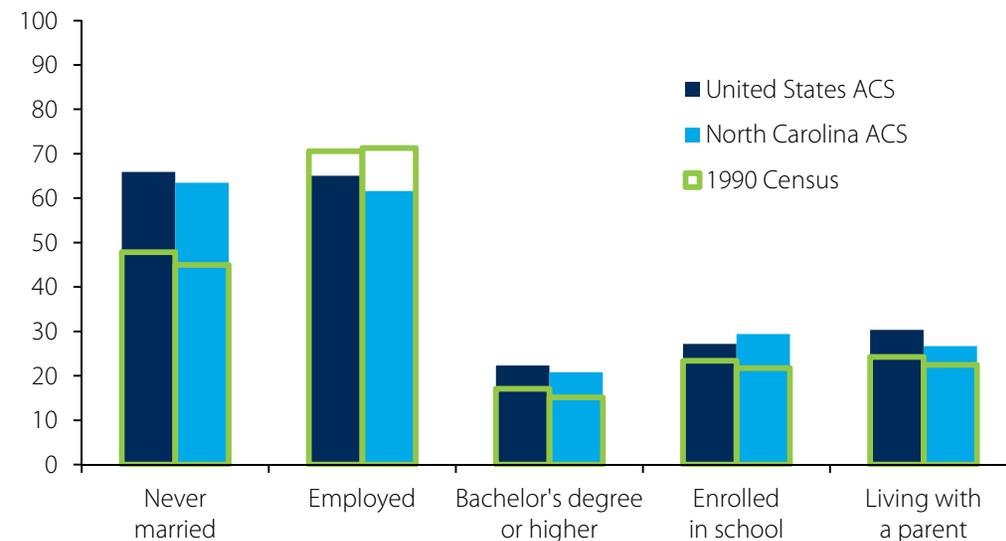
A Closer Look at... Characteristics of Young Adults

According to the 2009-2013 American Community Survey (ACS) from the U.S. Census Bureau, young adults—or persons between the ages of 18 and 34 years old—account for 23.0 percent of the population in North Carolina and 23.4 percent in the nation as a whole.

The chart below compares the young adults at the time of the 2009-2013 ACS (represented by the solid bars) with the young adults at the time of the 1990 Census (represented by the green outline).

In general, young adults today are less likely to be married, less likely to be employed, more likely to be working on or already hold a bachelors degree or higher, and more likely to be living with a parent than they were in the 1990's.

Young Adult Population in North Carolina
Percentage of the population 18 to 34 years old
2009-2013 American Community Survey and the 1990 Census



January 2015

FEDERAL RESERVE BANK OF RICHMOND

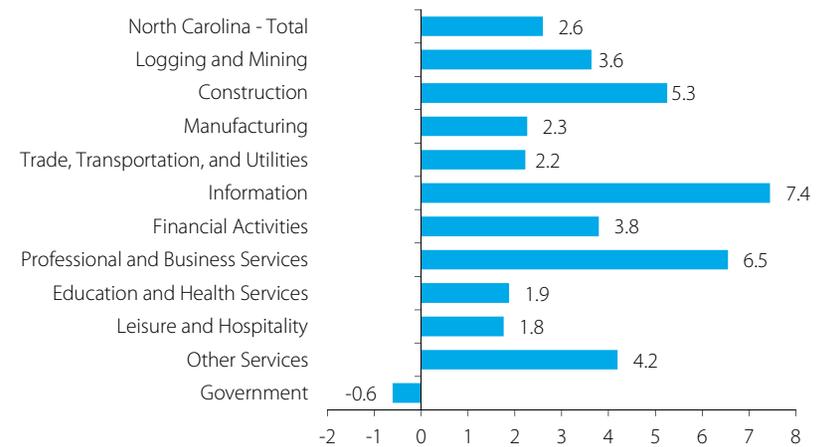
NORTH CAROLINA

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------------|--------------|--------------|
| United States - Total | November | 140,045.0 | 0.23 | 1.99 |
| Fifth District - Total | November | 14,102.6 | 0.32 | 1.46 |
| North Carolina - Total | November | 4,202.9 | 0.39 | 2.60 |
| Logging and Mining | November | 5.7 | 1.79 | 3.64 |
| Construction | November | 182.3 | 1.00 | 5.25 |
| Manufacturing | November | 452.1 | 0.69 | 2.26 |
| Trade, Transportation, and Utilities | November | 781.5 | 0.54 | 2.22 |
| Information | November | 75.0 | 1.08 | 7.45 |
| Financial Activities | November | 213.6 | -0.14 | 3.79 |
| Professional and Business Services | November | 600.3 | 1.04 | 6.55 |
| Education and Health Services | November | 575.6 | -0.45 | 1.88 |
| Leisure and Hospitality | November | 445.1 | 0.20 | 1.76 |
| Other Services | November | 156.4 | 0.32 | 4.20 |
| Government | November | 715.3 | 0.24 | -0.61 |
| Asheville MSA - Total | November | 182.0 | -0.11 | 3.53 |
| Charlotte MSA - Total | November | 911.4 | 0.50 | 3.10 |
| Durham MSA - Total | November | 291.7 | 0.38 | 1.36 |
| Fayetteville MSA - Total | November | 131.7 | 0.08 | 0.08 |
| Greensboro-High Point MSA - Total | November | 352.8 | 0.48 | 1.29 |
| Raleigh-Cary MSA - Total | November | 570.4 | 0.48 | 3.54 |
| Wilmington MSA - Total | November | 147.2 | 0.68 | 2.87 |
| Winston-Salem MSA - Total | November | 210.5 | -0.80 | 0.57 |

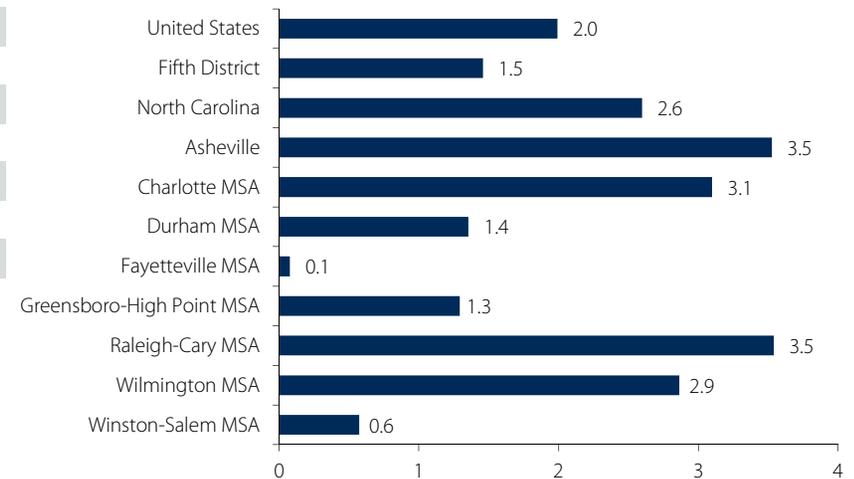
North Carolina Payroll Employment Performance

Year-over-Year Percent Change through November 2014



North Carolina Total Employment Performance

Year-over-Year Percent Change through November 2014



NORTH CAROLINA

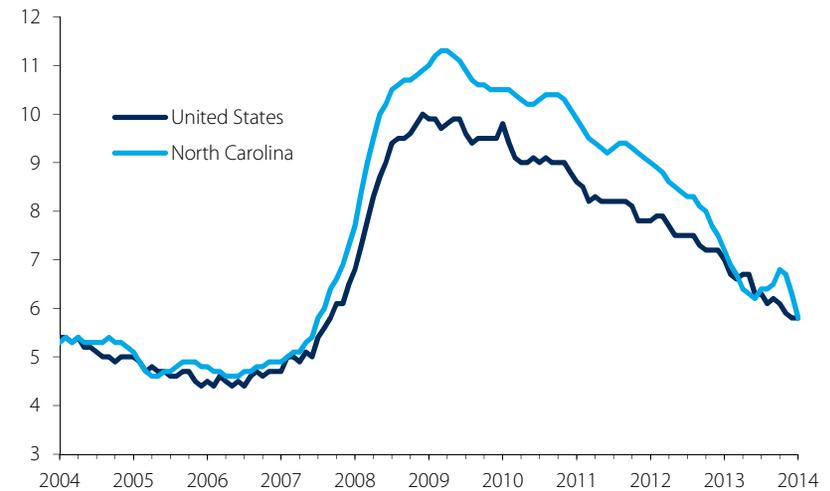
Labor Market Conditions

| Unemployment Rate (SA) | November 14 | October 14 | November 13 |
|---------------------------|-------------|------------|-------------|
| United States | 5.8 | 5.8 | 7.0 |
| Fifth District | 5.7 | 6.1 | 6.4 |
| North Carolina | 5.8 | 6.3 | 7.2 |
| Asheville MSA | --- | 4.8 | 5.5 |
| Charlotte MSA | --- | 6.2 | 7.2 |
| Durham MSA | --- | 5.0 | 5.5 |
| Fayetteville MSA | --- | 7.2 | 8.3 |
| Greensboro-High Point MSA | --- | 6.4 | 7.5 |
| Raleigh-Cary MSA | --- | 5.0 | 5.7 |
| Wilmington MSA | --- | 6.3 | 7.3 |
| Winston-Salem MSA | --- | 5.7 | 6.6 |

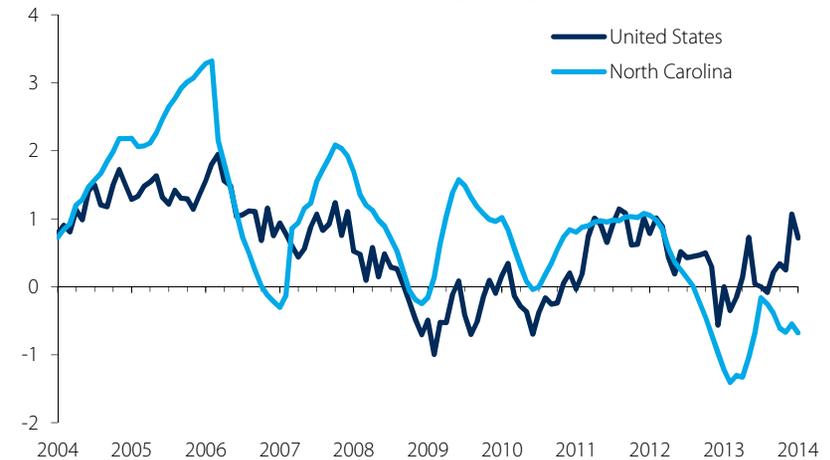
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|---------------------------|----------|--------------|--------------|--------------|
| United States | November | 156,397 | 0.08 | 0.72 |
| Fifth District | November | 15,357 | -0.13 | 0.13 |
| North Carolina | November | 4,633 | -0.29 | -0.68 |
| Asheville MSA | November | --- | --- | --- |
| Charlotte MSA | November | --- | --- | --- |
| Durham MSA | November | --- | --- | --- |
| Fayetteville MSA | November | --- | --- | --- |
| Greensboro-High Point MSA | November | --- | --- | --- |
| Raleigh-Cary MSA | November | --- | --- | --- |
| Wilmington MSA | November | --- | --- | --- |
| Winston-Salem MSA | November | --- | --- | --- |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|----------|-----------|--------------|--------------|
| United States | November | 1,267,175 | 6.75 | -12.03 |
| Fifth District | November | 73,224 | -7.93 | -22.01 |
| North Carolina | November | 20,011 | -12.34 | -23.83 |

North Carolina Unemployment Rate
Through November 2014



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



NORTH CAROLINA

Household Conditions

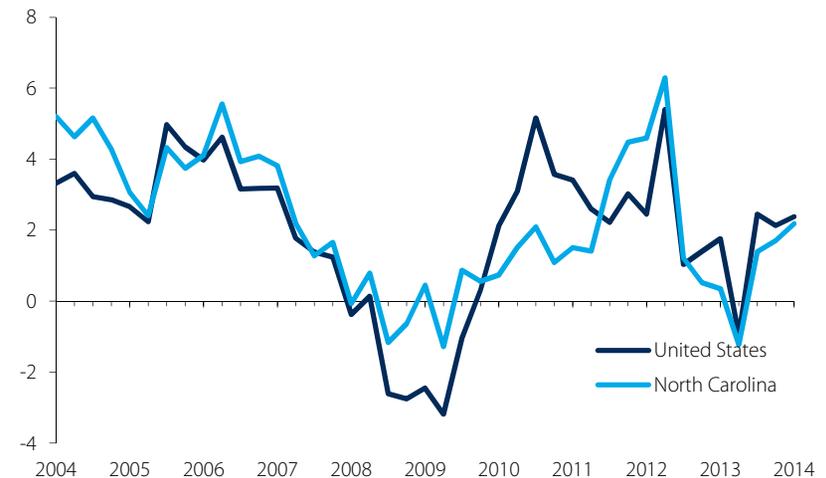
| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q3:14 | 13,552,516 | 0.65 | 2.38 |
| Fifth District | Q3:14 | 1,322,513 | 0.58 | 2.05 |
| North Carolina | Q3:14 | 362,952 | 0.61 | 2.18 |

| 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 |

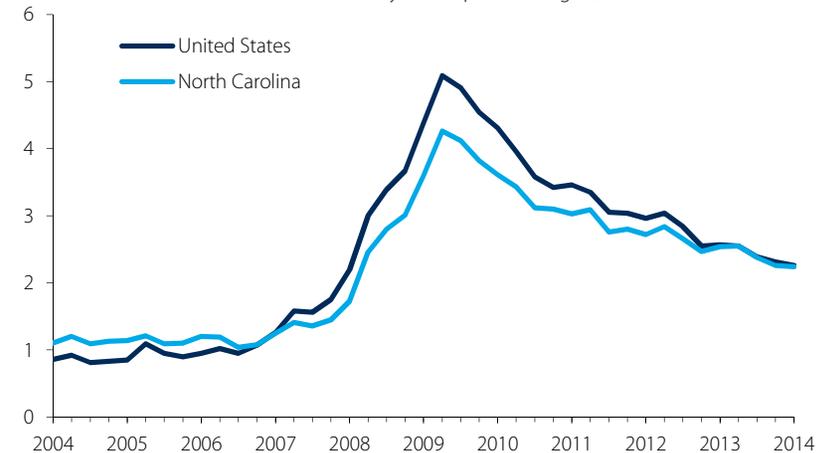
| Non-Business Bankruptcies | Period | Level | QoQ % Change | YoY % Change |
|---------------------------|--------|---------|--------------|--------------|
| United States | Q3:14 | 225,386 | -8.96 | -13.26 |
| Fifth District | Q3:14 | 17,458 | -7.48 | -9.94 |
| North Carolina | Q3:14 | 4,115 | -2.72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

| Mortgage Delinquencies (% 90+ Days Delinquent) | Q3:14 | Q2:14 | Q3:13 |
|--|-------|-------|-------|
| United States | | | |
| All Mortgages | 2.26 | 2.31 | 2.57 |
| Prime | 1.22 | 1.28 | 1.39 |
| Subprime | 8.48 | 8.68 | 9.24 |
| North Carolina | | | |
| All Mortgages | 2.24 | 2.26 | 2.54 |
| Prime | 1.08 | 1.14 | 1.22 |
| Subprime | 9.71 | 9.76 | 10.07 |

North Carolina Real Personal Income
Year-over-Year Percent Change through Q3:14



North Carolina Mortgage Delinquencies
Percent 90+ Days Delinquent through Q3:14



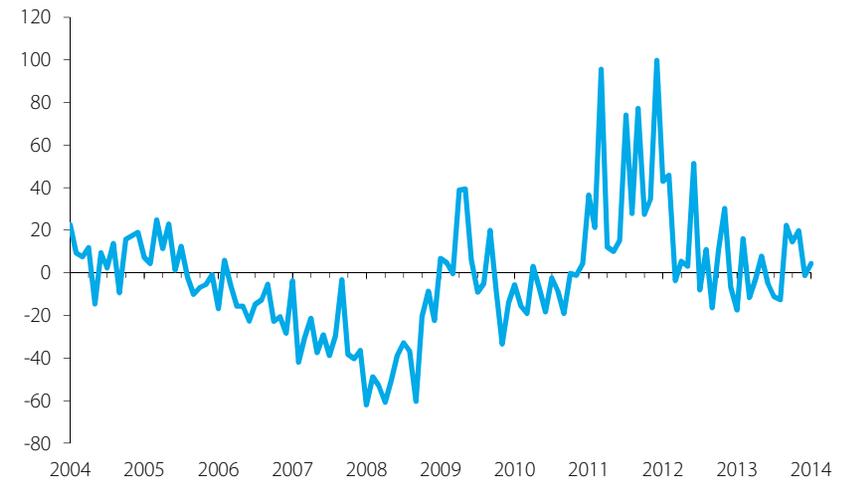
NORTH CAROLINA

Real Estate Conditions

| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------|--------------|--------------|
| United States | November | 71,250 | -26.06 | -0.66 |
| Fifth District | November | 9,064 | -23.19 | 0.33 |
| North Carolina | November | 3,807 | -16.11 | 4.44 |
| Asheville MSA | November | 97 | -23.62 | -41.21 |
| Charlotte MSA | November | 1,072 | -35.81 | -11.11 |
| Durham MSA | November | 344 | 64.59 | -3.91 |
| Fayetteville MSA | November | 57 | -28.75 | -22.97 |
| Greensboro-High Point MSA | November | 173 | -24.78 | 40.65 |
| Greenville MSA | November | 124 | 0.00 | 463.64 |
| Hickory MSA | November | 34 | -20.93 | -5.56 |
| Jacksonville MSA | November | 50 | -64.03 | 31.58 |
| Raleigh-Cary MSA | November | 1,090 | 30.07 | 28.24 |
| Wilmington MSA | November | 159 | -34.84 | -37.15 |
| Winston-Salem MSA | November | 77 | -45.00 | 24.19 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|----------|--------------|--------------|--------------|
| United States | November | 1,028 | -1.63 | -6.97 |
| Fifth District | November | 124 | -12.35 | -15.28 |
| North Carolina | November | 52.2 | -4.26 | -11.79 |

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



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



NORTH CAROLINA

Real Estate Conditions

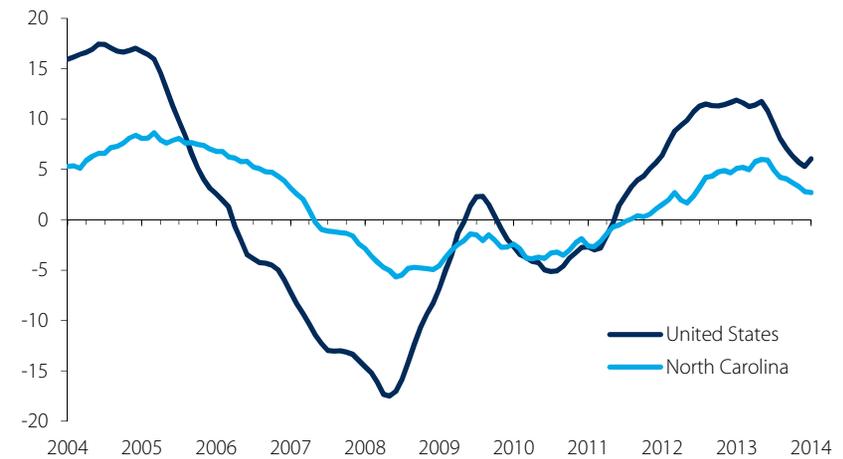
| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|---------|-------|--------------|--------------|
| United States | October | 174 | 0.51 | 6.05 |
| Fifth District | October | 181 | -0.39 | 2.40 |
| North Carolina | October | 137 | -0.22 | 2.69 |
| Asheville MSA | October | 171 | -0.68 | 4.34 |
| Charlotte MSA | October | 144 | -0.21 | 3.68 |
| Durham MSA | October | 137 | -0.80 | -0.85 |
| Fayetteville MSA | October | 119 | -1.53 | 0.25 |
| Greensboro-High Point MSA | October | 113 | -1.11 | -0.60 |
| Greenville MSA | October | 123 | 0.90 | 3.57 |
| Hickory MSA | October | 108 | 1.53 | -2.97 |
| Jacksonville MSA | October | 148 | -1.20 | -1.61 |
| Raleigh-Cary MSA | October | 133 | 0.36 | 4.02 |
| Wilmington MSA | October | 145 | -0.08 | 1.60 |
| Winston-Salem MSA | October | 127 | -0.63 | -0.09 |

| Median Home Sales Price - NAR (NSA) | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|-------------------------------------|--------|----------------|--------------|--------------|
| Charlotte MSA | Q3:14 | 202 | -1.03 | 9.63 |
| Durham MSA | Q3:14 | 203 | -0.59 | 5.74 |
| Greensboro-High Point MSA | Q3:14 | 143 | 3.71 | 4.70 |
| Raleigh-Cary MSA | Q3:14 | 213 | 0.43 | 4.83 |

| Median Home Sales Price - NAHB | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|--------------------------------|--------|----------------|--------------|--------------|
| Asheville MSA | Q3:14 | 195 | -2.99 | 0.00 |
| Charlotte MSA | Q3:14 | 189 | 3.28 | 6.18 |
| Durham MSA | Q3:14 | 188 | -3.09 | 2.17 |
| Fayetteville MSA | Q3:14 | 124 | 4.20 | -5.34 |
| Greensboro-High Point MSA | Q3:14 | 145 | 2.84 | 3.57 |
| Raleigh-Cary MSA | Q3:14 | 236 | 2.61 | 7.27 |
| Winston-Salem MSA | Q3:14 | 132 | -8.97 | 3.13 |

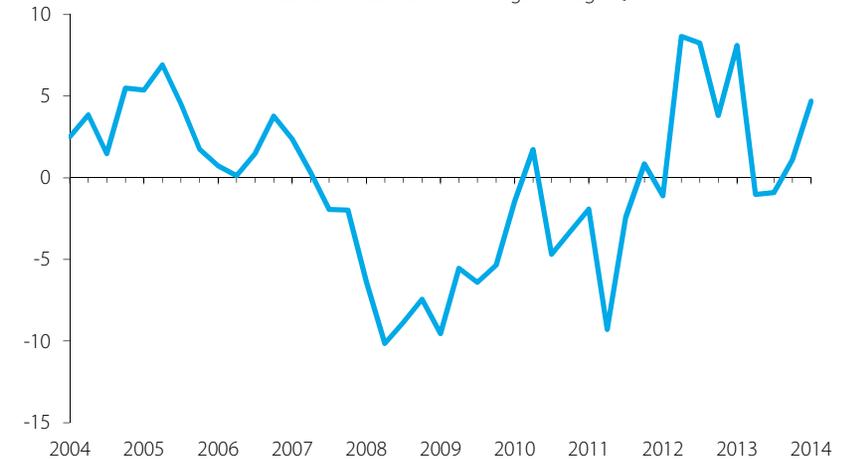
North Carolina House Price Index (CoreLogic)

Year-over-Year Percent Change through October 2014



Greensboro MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through Q3:14



NORTH CAROLINA

Real Estate Conditions

| Housing Opportunity Index (%) | Q3:14 | Q2:14 | Q3:13 |
|-------------------------------|-------|-------|-------|
| Asheville MSA | 65.2 | 62.3 | 61.4 |
| Charlotte MSA | 67.2 | 68.9 | 70.7 |
| Durham MSA | 71.2 | 71.1 | 73.2 |
| Fayetteville MSA | 78.8 | 79.0 | 79.4 |
| Greensboro-High Point MSA | 75.3 | 76.4 | 74.1 |
| Raleigh-Cary MSA | 69.9 | 70.2 | 73.5 |
| Winston-Salem MSA | 80.6 | 77.1 | 84.0 |

| 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 | 6.6 | 6.7 | 7.2 |
| Charlotte | 8.3 | 8.2 | 8.9 |
| Industrial Vacancies | | | |
| Raleigh/Durham | 11.5 | 13.1 | 13.2 |
| Charlotte | 8.8 | 9.5 | 9.9 |

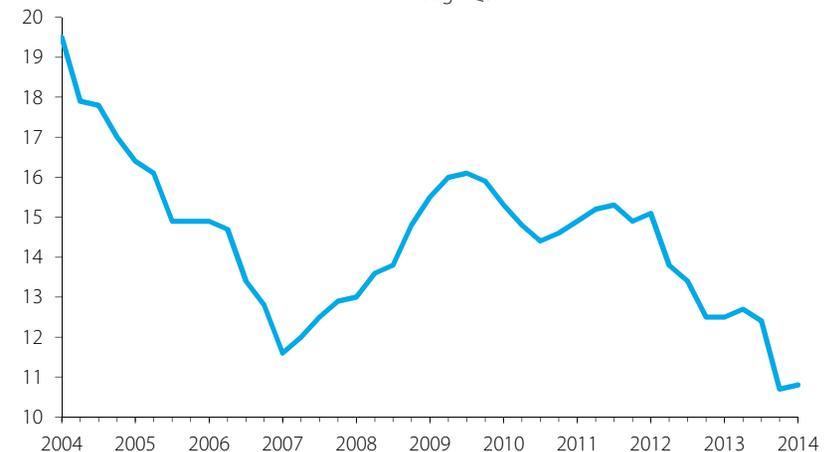
Charlotte MSA Office Vacancy Rate

Through Q3:14



Raleigh/Durham CSA Industrial Vacancy Rate

Through Q3:14



SOUTH CAROLINA

January Summary

The South Carolina economy generally expanded in recent months, despite mixed conditions in housing, with strong employment growth and somewhat improving household conditions.

Labor Markets: Firms in South Carolina added 14,200 jobs (0.7 percent) to the economy in November—the largest monthly job gain, in absolute terms, since October 2006. The job gains were widespread as virtually every industry added jobs in the month and only construction and education and health services contracted slightly (200 jobs and 700 jobs, respectively). The professional and business services industry added 4,500 jobs in the month, the largest absolute gain of any industry, which brought its year-over-year growth to 7.0 percent in November. Employment in North Carolina on whole grew 2.6 percent since November 2013 as every industry added jobs except logging and mining and “other” services. At the metro level, the Charleston MSA was the only metro area to shed jobs in November; however, on a year-over-year basis, employment expanded in every MSA in the state.

Household Conditions: The unemployment rate in South Carolina was unchanged at 6.7 percent in November; the number of unemployed fell slightly while the labor force rose for the fifth consecutive month. In the third quarter of 2014, real personal income rose 0.7 percent and increased 2.8 percent since the third quarter of 2013, outpacing the national year-over-year growth rate of 2.4 percent. Also in the third quarter, the share of mortgages with payments 90 or more days overdue fell 0.1 percentage point to 2.1 percent as marginal improvements were made in prime and subprime delinquency rates while FHA and VA rates edged up slightly.

Housing Markets: South Carolina issued 1,634 new residential permits in November, down 37.3 percent from the prior month and 7.7 percent from November 2013. Metro area permitting activity varied in the month but increased in most MSAs on a year-over-year basis. Home values in South Carolina, according to CoreLogic Information Solutions, depreciated 0.6 percent in October but appreciated 5.3 percent since October 2013. Home values in the state’s metro areas appreciated in every MSA except Sumter on a year-over-year basis, led by the Spartanburg MSA, where home prices grew 6.7 percent since October 2013.

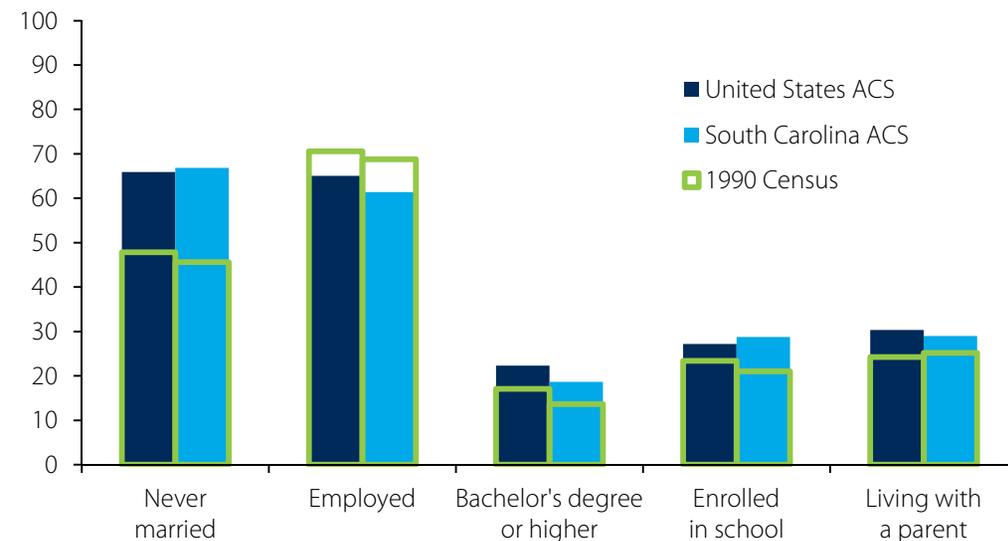
A Closer Look at...Characteristics of Young Adults

According to the 2009-2013 American Community Survey (ACS) from the U.S. Census Bureau, young adults—or persons between the ages of 18 and 34 years old—account for 23.1 percent of the population in South Carolina and 23.4 percent in the nation as a whole.

The chart below compares the young adults at the time of the 2009-2013 ACS (represented by the solid bars) with the young adults at the time of the 1990 Census (represented by the green outline).

In general, young adults today are less likely to be married, less likely to be employed, more likely to be working on or already hold a bachelors degree or higher, and more likely to be living with a parent than they were in the 1990's.

Young Adult Population in South Carolina
Percentage of the population 18 to 34 years old
2009-2013 American Community Survey and the 1990 Census



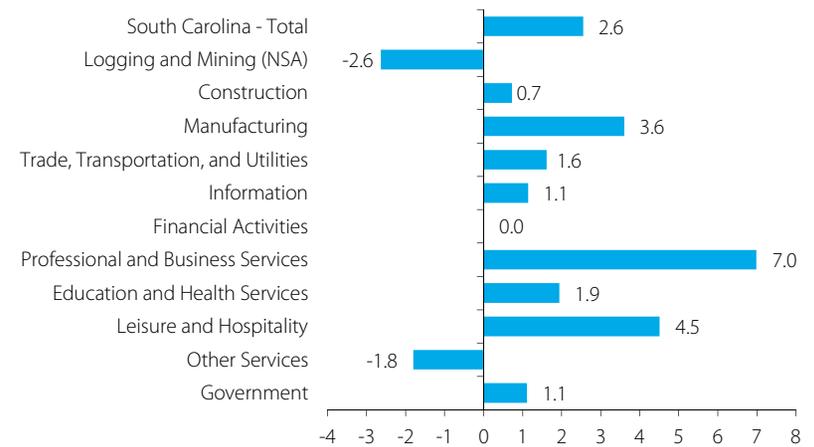
SOUTH CAROLINA

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------------|--------------|--------------|
| United States - Total | November | 140,045.0 | 0.23 | 1.99 |
| Fifth District - Total | November | 14,102.6 | 0.32 | 1.46 |
| South Carolina - Total | November | 1,965.4 | 0.73 | 2.55 |
| Logging and Mining (NSA) | November | 3.7 | 0.00 | -2.63 |
| Construction | November | 83.0 | -0.24 | 0.73 |
| Manufacturing | November | 235.9 | 0.47 | 3.60 |
| Trade, Transportation, and Utilities | November | 371.2 | 0.54 | 1.62 |
| Information | November | 26.6 | 2.70 | 1.14 |
| Financial Activities | November | 95.8 | 1.05 | 0.00 |
| Professional and Business Services | November | 257.2 | 1.78 | 6.99 |
| Education and Health Services | November | 226.0 | -0.31 | 1.94 |
| Leisure and Hospitality | November | 238.6 | 1.36 | 4.51 |
| Other Services | November | 70.8 | 0.71 | -1.80 |
| Government | November | 356.6 | 0.59 | 1.11 |
| Anderson MSA - Total | November | 67.8 | 1.19 | 1.95 |
| Charleston MSA - Total | November | 318.4 | -0.16 | 1.99 |
| Columbia MSA - Total | November | 368.7 | 0.38 | 1.24 |
| Florence MSA - Total | November | 87.0 | 0.35 | 1.99 |
| Greenville MSA - Total | November | 324.8 | 0.34 | 3.08 |
| Myrtle Beach MSA - Total | November | 124.4 | 0.57 | 3.93 |
| Spartanburg MSA - Total | November | 133.0 | 0.99 | 2.07 |
| Sumter MSA - Total | November | 38.8 | 0.78 | 1.31 |

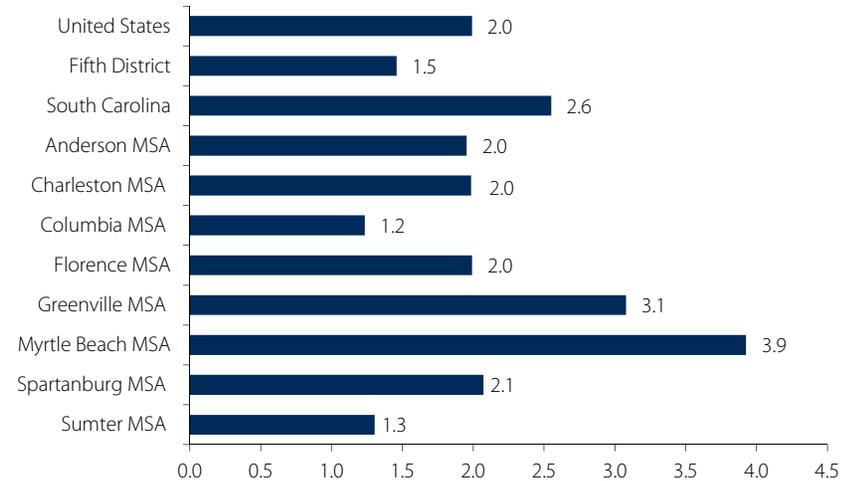
South Carolina Payroll Employment Performance

Year-over-Year Percent Change through November 2014



South Carolina Total Employment Performance

Year-over-Year Percent Change through November 2014



SOUTH CAROLINA

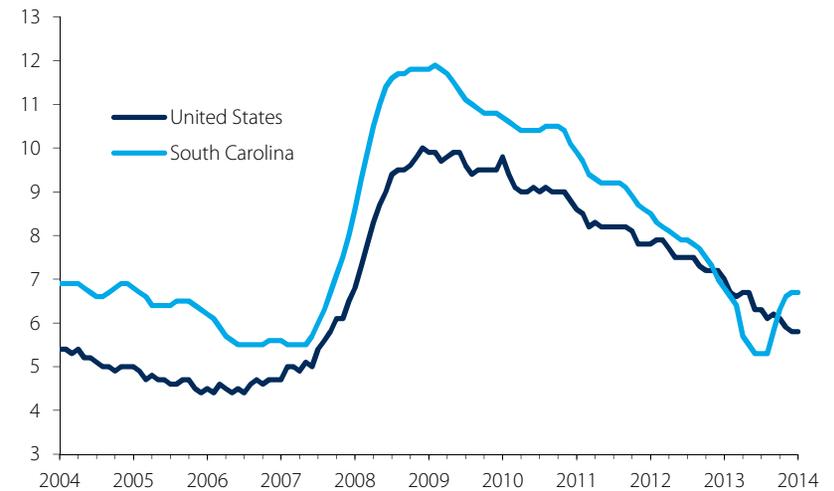
Labor Market Conditions

| Unemployment Rate (SA) | November 14 | October 14 | November 13 |
|------------------------|-------------|------------|-------------|
| United States | 5.8 | 5.8 | 7.0 |
| Fifth District | 5.7 | 6.1 | 6.4 |
| South Carolina | 6.7 | 6.7 | 6.8 |
| Anderson MSA | --- | 5.9 | 5.9 |
| Charleston MSA | --- | 5.7 | 5.7 |
| Columbia MSA | --- | 6.0 | 6.1 |
| Florence MSA | --- | 7.7 | 8.0 |
| Greenville MSA | --- | 5.7 | 5.6 |
| Myrtle Beach MSA | --- | 7.2 | 7.5 |
| Spartanburg MSA | --- | 6.2 | 6.5 |
| Sumter MSA | --- | 7.3 | 7.6 |

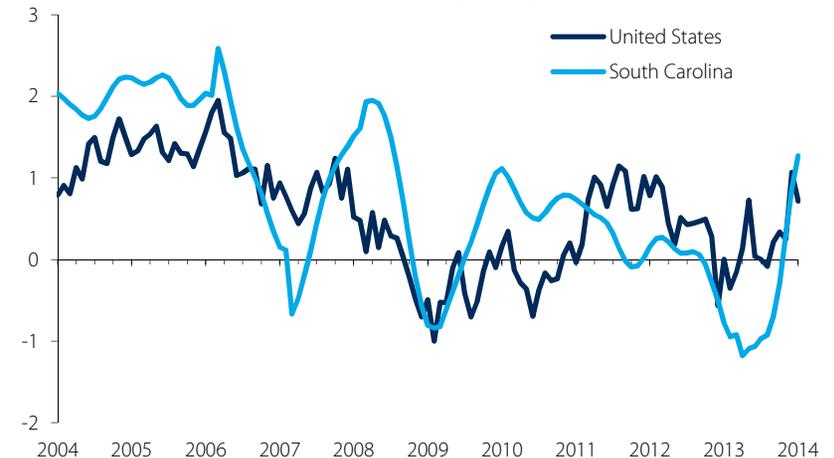
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|---------------------------|----------|--------------|--------------|--------------|
| United States | November | 156,397 | 0.08 | 0.72 |
| Fifth District | November | 15,357 | -0.13 | 0.13 |
| South Carolina | November | 2,198 | 0.25 | 1.27 |
| Anderson MSA | November | --- | --- | --- |
| Charleston MSA | November | --- | --- | --- |
| Columbia MSA | November | --- | --- | --- |
| Florence MSA | November | --- | --- | --- |
| Greenville MSA | November | --- | --- | --- |
| Myrtle Beach MSA | November | --- | --- | --- |
| Spartanburg MSA | November | --- | --- | --- |
| Sumter MSA | November | --- | --- | --- |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|----------|-----------|--------------|--------------|
| United States | November | 1,267,175 | 6.75 | -12.03 |
| Fifth District | November | 73,224 | -7.93 | -22.01 |
| South Carolina | November | 12,645 | -8.86 | -25.69 |

South Carolina Unemployment Rate
Through November 2014



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



SOUTH CAROLINA

Household Conditions

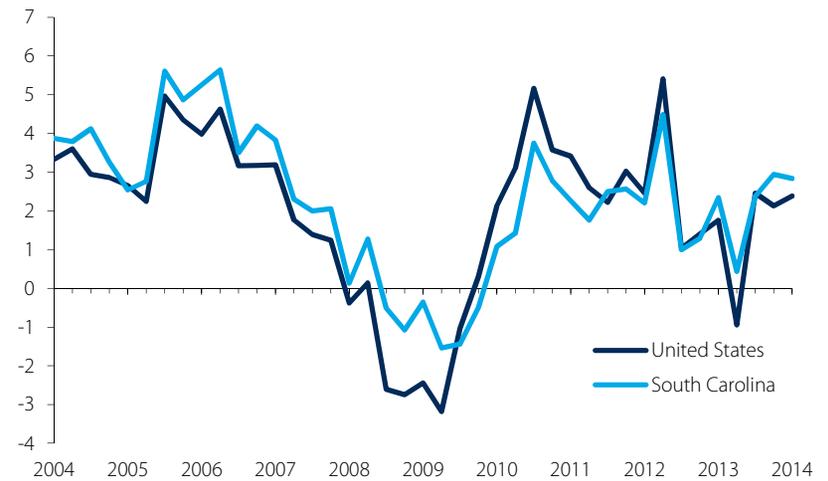
| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q3:14 | 13,552,516 | 0.65 | 2.38 |
| Fifth District | Q3:14 | 1,322,513 | 0.58 | 2.05 |
| South Carolina | Q3:14 | 164,797 | 0.69 | 2.84 |

| 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 |

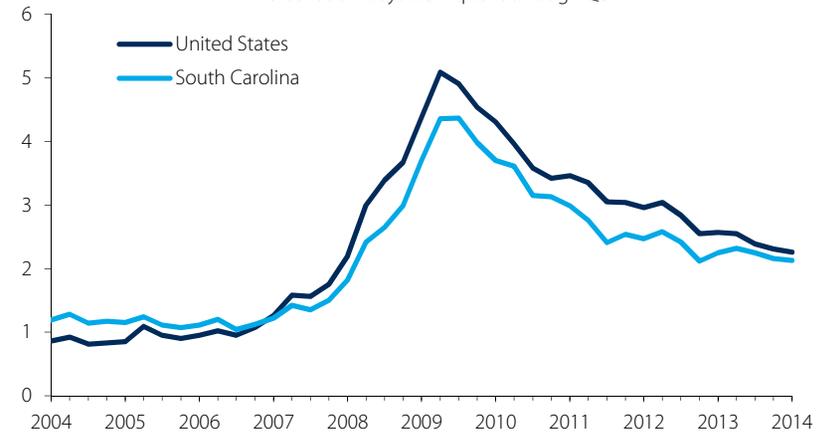
| Non-Business Bankruptcies | Period | Level | QoQ % Change | YoY % Change |
|---------------------------|--------|---------|--------------|--------------|
| United States | Q3:14 | 225,386 | -8.96 | -13.26 |
| Fifth District | Q3:14 | 17,458 | -7.48 | -9.94 |
| South Carolina | Q3:14 | 1,752 | -5.14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

| Mortgage Delinquencies (% 90+ Days Delinquent) | Q3:14 | Q2:14 | Q3:13 |
|--|-------|-------|-------|
| United States | | | |
| All Mortgages | 2.26 | 2.31 | 2.57 |
| Prime | 1.22 | 1.28 | 1.39 |
| Subprime | 8.48 | 8.68 | 9.24 |
| South Carolina | | | |
| All Mortgages | 2.13 | 2.16 | 2.25 |
| Prime | 1.19 | 1.24 | 1.18 |
| Subprime | 7.80 | 7.84 | 7.85 |

South Carolina Real Personal Income
Year-over-Year Percent Change through Q3:14



South Carolina Mortgage Delinquencies
Percent 90+ Days Delinquent through Q3:14



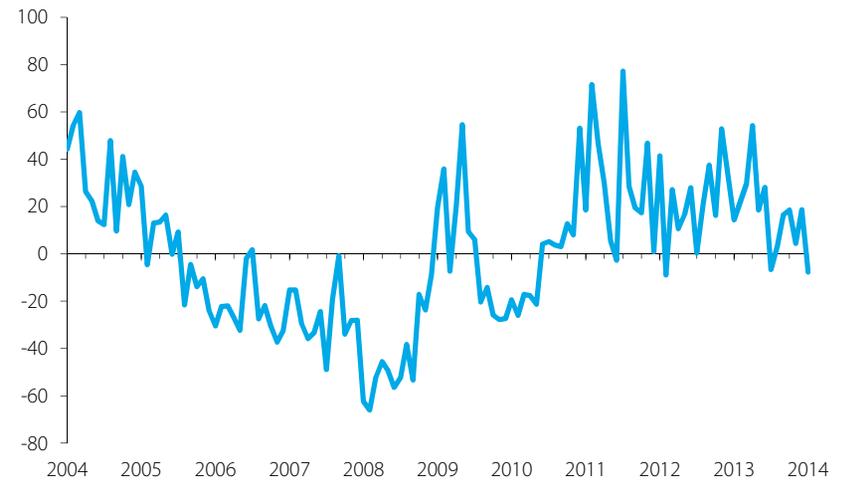
SOUTH CAROLINA

Real Estate Conditions

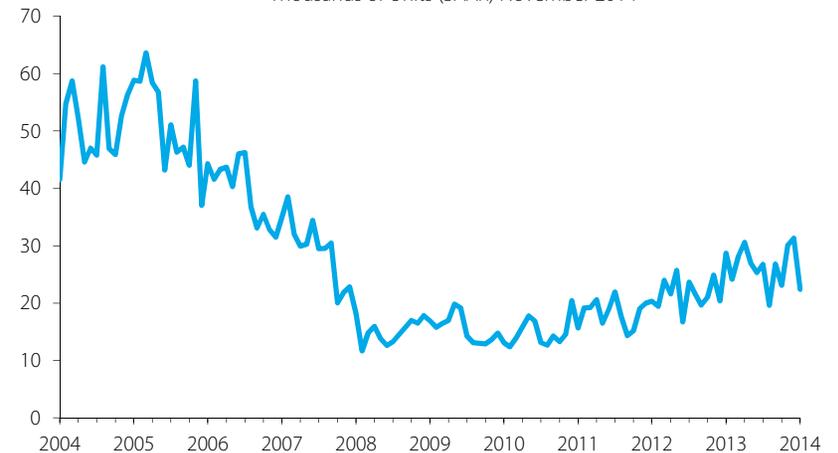
| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------|--------------|--------------|
| United States | November | 71,250 | -26.06 | -0.66 |
| Fifth District | November | 9,064 | -23.19 | 0.33 |
| South Carolina | November | 1,634 | -37.30 | -7.68 |
| Charleston MSA | November | 266 | -64.86 | -6.01 |
| Columbia MSA | November | 247 | -26.05 | -10.83 |
| Florence MSA | November | 17 | -46.88 | -29.17 |
| Greenville MSA | November | 321 | -17.27 | 40.79 |
| Myrtle Beach MSA | November | 378 | -24.70 | 65.07 |
| Spartanburg MSA | November | 80 | -20.00 | 48.15 |
| Sumter MSA | November | 40 | 150.00 | 90.48 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|----------|--------------|--------------|--------------|
| United States | November | 1,028 | -1.63 | -6.97 |
| Fifth District | November | 124 | -12.35 | -15.28 |
| South Carolina | November | 22.4 | -28.44 | -22.01 |

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



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



SOUTH CAROLINA

Real Estate Conditions

House Price Index (2000=100) Period Level MoM % Change YoY % Change

| | | | | |
|------------------|---------|-----|-------|-------|
| United States | October | 174 | 0.51 | 6.05 |
| Fifth District | October | 181 | -0.39 | 2.40 |
| South Carolina | October | 152 | -0.56 | 5.28 |
| Charleston MSA | October | 179 | -0.90 | 2.76 |
| Columbia MSA | October | 125 | 0.10 | 1.94 |
| Florence MSA | October | 150 | -0.90 | 2.33 |
| Greenville MSA | October | 143 | 0.44 | 4.12 |
| Myrtle Beach MSA | October | 159 | 0.02 | 5.81 |
| Spartanburg MSA | October | 118 | 0.07 | 6.71 |
| Sumter MSA | October | 112 | -1.50 | -4.43 |

Median Home Sales Price - NAR (NSA) Period Level (\$000s) QoQ % Change YoY % Change

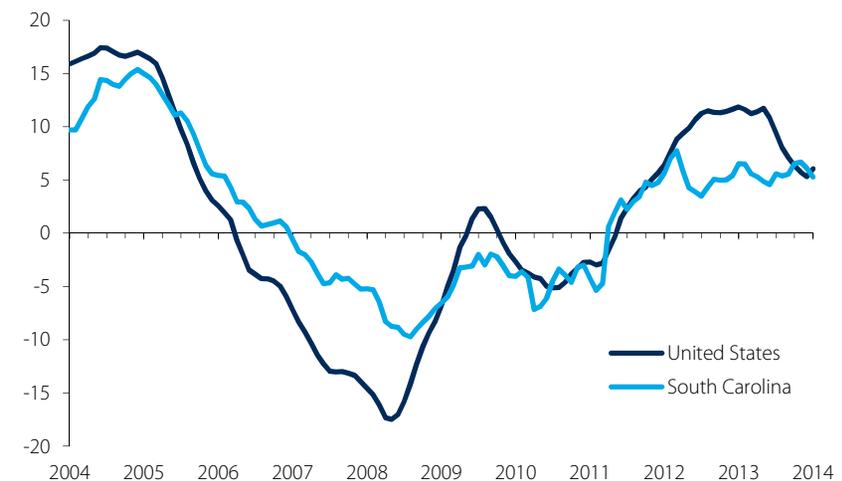
| | | | | |
|-----------------|-------|-----|-------|------|
| Charleston MSA | Q3:14 | 234 | -0.09 | 2.59 |
| Columbia MSA | Q3:14 | 153 | -2.49 | 3.17 |
| Greenville MSA | Q3:14 | 170 | 2.78 | 2.60 |
| Spartanburg MSA | Q3:14 | 136 | 5.75 | 1.72 |

Median Home Sales Price - NAHB Period Level (\$000s) QoQ % Change YoY % Change

| | | | | |
|----------------|-------|-----|-------|-------|
| Charleston MSA | Q3:14 | 210 | 0.00 | -0.94 |
| Columbia MSA | Q3:14 | --- | --- | --- |
| Greenville MSA | Q3:14 | 163 | -1.21 | 2.52 |

South Carolina House Price Index (CoreLogic)

Year-over-Year Percent Change through October 2014



Charleston MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through Q3:14



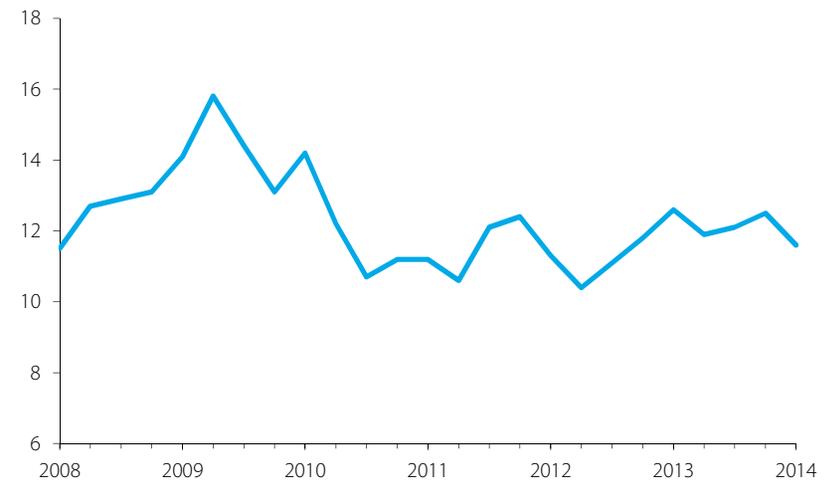
SOUTH CAROLINA

Real Estate Conditions

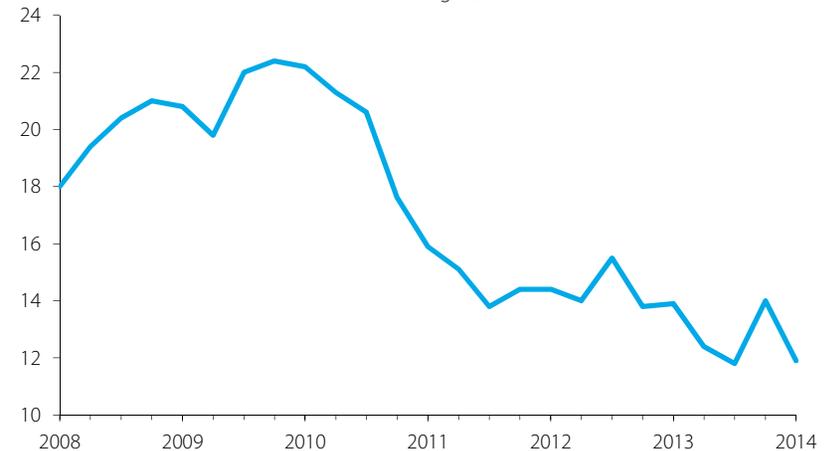
| Housing Opportunity Index (%) | Q3:14 | Q2:14 | Q3:13 |
|-------------------------------|-------|-------|-------|
| Charleston MSA | 63.6 | 62.9 | 62.2 |
| Columbia MSA | --- | --- | --- |
| Greenville MSA | 78.0 | 73.4 | 78.6 |

| Commercial Vacancy Rates (%) | Q3:14 | Q2:14 | Q3:13 |
|------------------------------|-------|-------|-------|
| Office Vacancies | | | |
| Charleston | 11.6 | 12.5 | 12.6 |
| Industrial Vacancies | | | |
| Charleston | 11.9 | 14.0 | 13.9 |

Charleston MSA Office Vacancy Rate
Through Q3:14



Charleston MSA Industrial Vacancy Rate
Through Q3:14



VIRGINIA

January Summary

Virginia's economy improved somewhat, according to the most recent data, with strong employment growth and improving household conditions, while housing market indicators were somewhat mixed.

Labor Markets: Employment in Virginia expanded 0.4 percent in November as firms added 11,500 jobs to the economy. The majority of jobs were added in the private sector as government only added 400 jobs (0.1 percent) in the month. The professional and business services industry added 5,300 jobs in November (the largest absolute gain of any industry); however, the industry still falls short of its year-ago level by 0.9 percent. The education and health services industry, on the other hand, shed 1,200 jobs in November but still had the largest year-over-year percentage gain of 2.4 percent. Employment in the state on whole grew 0.4 percent since November 2013 as every industry except logging and mining, information, professional and business services, and government expanded payrolls. In the state's metro areas, employment expanded in November in every MSA while, on a year-over-year basis, every MSA except Lynchburg and Roanoke added jobs.

Household Conditions: The unemployment rate in Virginia declined 0.3 percentage point to 5.0 percent in November as the number of unemployed fell sharply in the month. The civilian labor force contracted in November for the sixth straight month but grew 0.5 percent since November 2013. In the third quarter of 2014, real personal income in Virginia rose 0.5 percent and increased 1.5 percent since the second quarter of 2013. Also in the third quarter, the share of mortgages with payments 90 or more days past due remained at 1.8 percent; the subprime delinquency rate declined 0.2 percentage point to 9.1 percent but was offset by increases in the FHA and VA rates.

Housing Markets: Virginia issued 1,831 new residential permits in November, down 34.9 percent from the prior month and 8.0 percent since November 2013. Metro area permitting activity varied, but increased in the month and on a year-over-year basis only in the Virginia Beach-Norfolk MSA. According to CoreLogic Information Solutions, home values depreciated 0.4 percent in October but appreciated 1.7 percent since October of last year. At the metro level, home values depreciated in the month in every MSA except Roanoke and Virginia Beach; however, values appreciated in every MSA except Danville, Harrisonburg, and Lynchburg on a year-over-year basis.

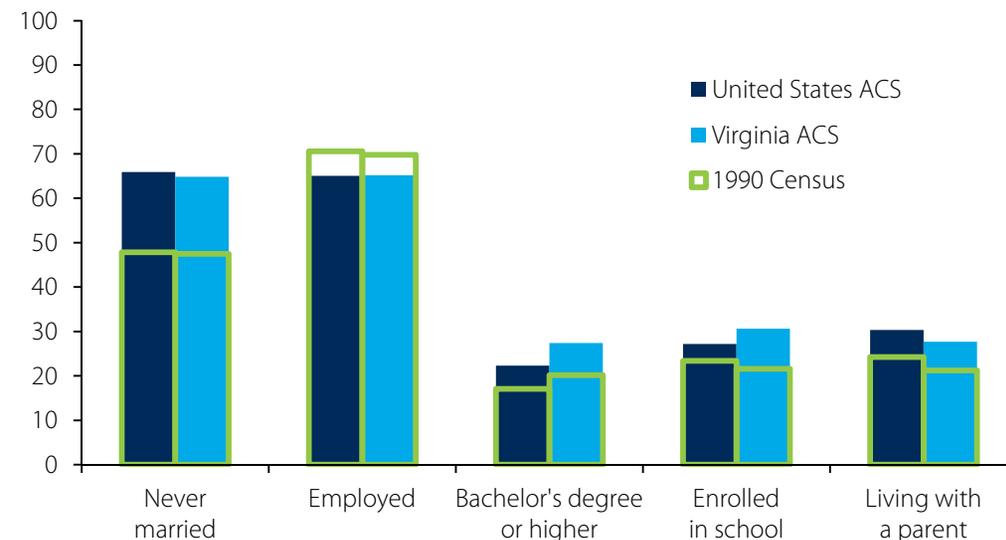
A Closer Look at... Characteristics of Young Adults

According to the 2009-2013 American Community Survey (ACS) from the U.S. Census Bureau, young adults—or persons between the ages of 18 and 34 years old—account for 23.8 percent of the population in Virginia and 23.4 percent in the nation as a whole.

The chart below compares the young adults at the time of the 2009-2013 ACS (represented by the solid bars) with the young adults at the time of the 1990 Census (represented by the green outline).

In general, young adults today are less likely to be married, less likely to be employed, more likely to be working on or already hold a bachelors degree or higher, and more likely to be living with a parent than they were in the 1990's.

Young Adult Population in Virginia
Percentage of the population 18 to 34 years old
2009-2013 American Community Survey and the 1990 Census



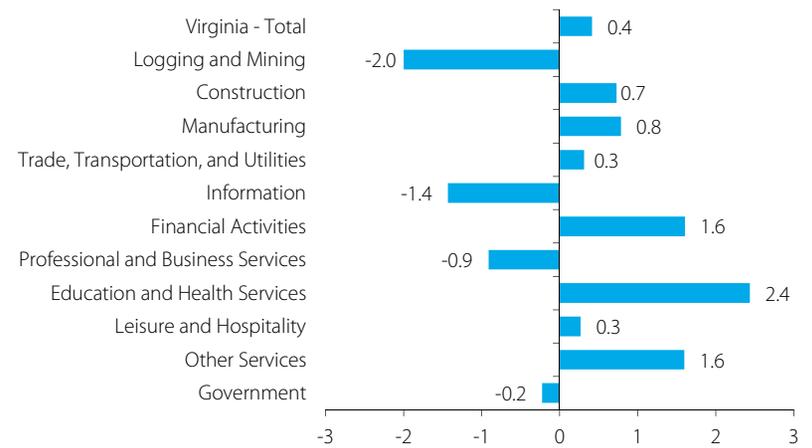
VIRGINIA

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------------|--------------|--------------|
| United States - Total | November | 140,045.0 | 0.23 | 1.99 |
| Fifth District - Total | November | 14,102.6 | 0.32 | 1.46 |
| Virginia - Total | November | 3,784.8 | 0.32 | 0.41 |
| Logging and Mining | November | 9.8 | -1.01 | -2.00 |
| Construction | November | 179.9 | -0.88 | 0.73 |
| Manufacturing | November | 231.3 | 0.30 | 0.78 |
| Trade, Transportation, and Utilities | November | 643.0 | 0.69 | 0.31 |
| Information | November | 68.8 | -1.01 | -1.43 |
| Financial Activities | November | 196.2 | 0.31 | 1.61 |
| Professional and Business Services | November | 663.0 | 0.81 | -0.91 |
| Education and Health Services | November | 513.1 | -0.23 | 2.44 |
| Leisure and Hospitality | November | 374.2 | 1.22 | 0.27 |
| Other Services | November | 197.2 | -0.20 | 1.60 |
| Government | November | 708.3 | 0.06 | -0.23 |
| Blacksburg MSA - Total | November | 74.1 | 0.41 | 0.54 |
| Charlottesville MSA - Total | November | 106.6 | 0.47 | 1.62 |
| Lynchburg MSA - Total | November | 101.6 | 0.69 | -1.07 |
| Northern Virginia - Total | November | 1,382.3 | 0.60 | 0.57 |
| Richmond MSA - Total | November | 651.2 | 0.45 | 2.18 |
| Roanoke MSA - Total | November | 157.9 | 0.64 | -1.00 |
| Virginia Beach-Norfolk MSA - Total | November | 761.2 | 0.58 | 1.17 |
| Winchester MSA - Total | November | 60.6 | 0.83 | 2.02 |

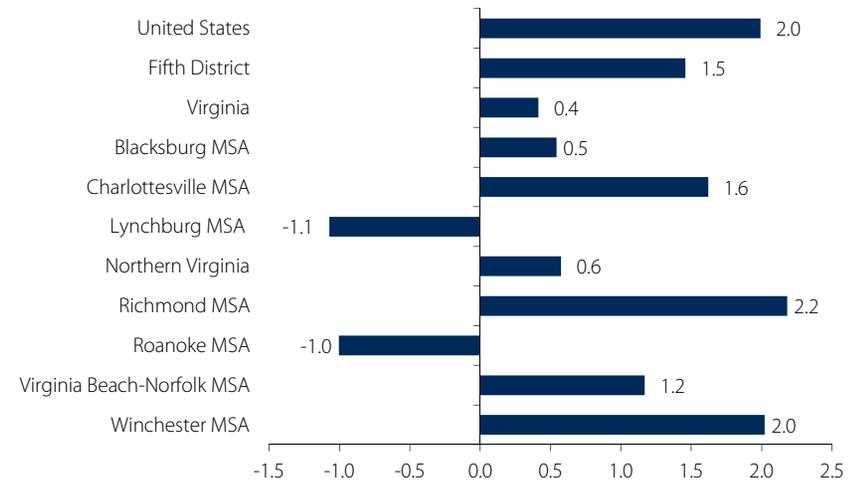
Virginia Payroll Employment Performance

Year-over-Year Percent Change through November 2014



Virginia Total Employment Performance

Year-over-Year Percent Change through November 2014



VIRGINIA

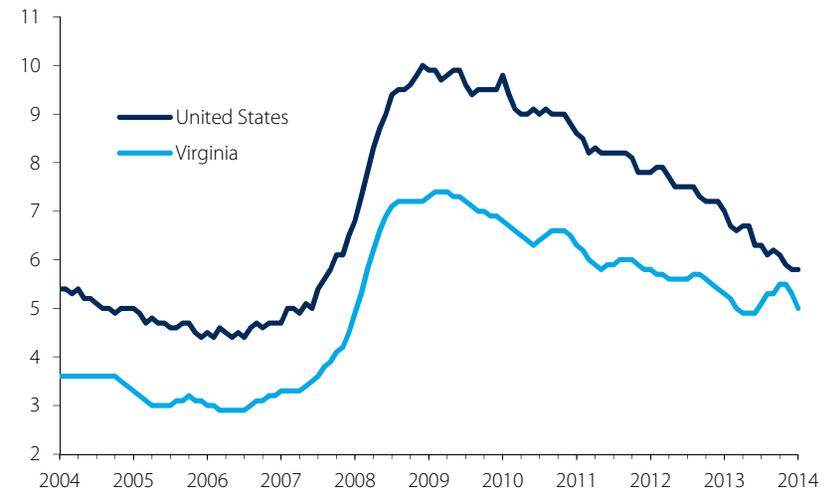
Labor Market Conditions

| Unemployment Rate (SA) | November 14 | October 14 | November 13 |
|----------------------------|-------------|------------|-------------|
| United States | 5.8 | 5.8 | 7.0 |
| Fifth District | 5.7 | 6.1 | 6.4 |
| Virginia | 5.0 | 5.3 | 5.3 |
| Blacksburg MSA | --- | 5.5 | 5.6 |
| Charlottesville MSA | --- | 4.5 | 4.3 |
| Lynchburg MSA | --- | 6.0 | 5.9 |
| Northern Virginia (NSA) | --- | --- | 4.0 |
| Richmond MSA | --- | 5.5 | 5.5 |
| Roanoke MSA | --- | 5.5 | 5.4 |
| Virginia Beach-Norfolk MSA | --- | 5.6 | 5.7 |
| Winchester MSA | --- | 4.8 | 5.0 |

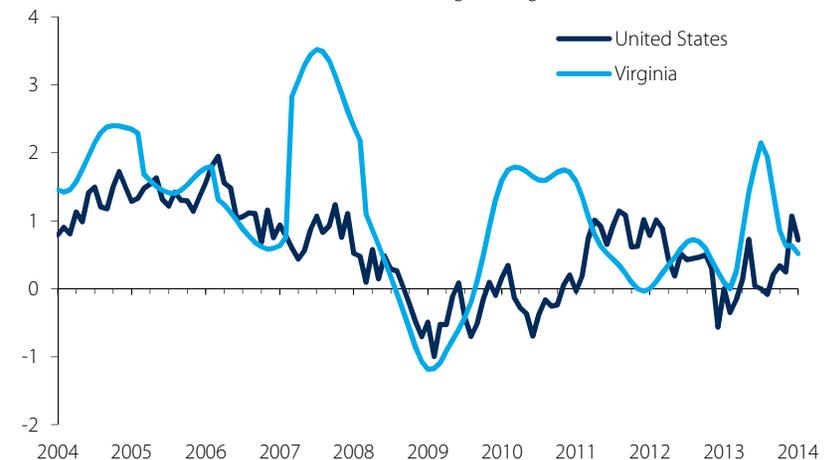
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|----------------------------|----------|--------------|--------------|--------------|
| United States | November | 156,397 | 0.08 | 0.72 |
| Fifth District | November | 15,357 | -0.13 | 0.13 |
| Virginia | November | 4,256 | -0.15 | 0.52 |
| Blacksburg MSA | November | --- | --- | --- |
| Charlottesville MSA | November | --- | --- | --- |
| Lynchburg MSA | November | --- | --- | --- |
| Northern Virginia (NSA) | November | --- | --- | --- |
| Richmond MSA | November | --- | --- | --- |
| Roanoke MSA | November | --- | --- | --- |
| Virginia Beach-Norfolk MSA | November | --- | --- | --- |
| Winchester MSA | November | --- | --- | --- |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|----------|-----------|--------------|--------------|
| United States | November | 1,267,175 | 6.75 | -12.03 |
| Fifth District | November | 73,224 | -7.93 | -22.01 |
| Virginia | November | 15,953 | -7.20 | -22.44 |

Virginia Unemployment Rate
Through November 2014



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



VIRGINIA

Household Conditions

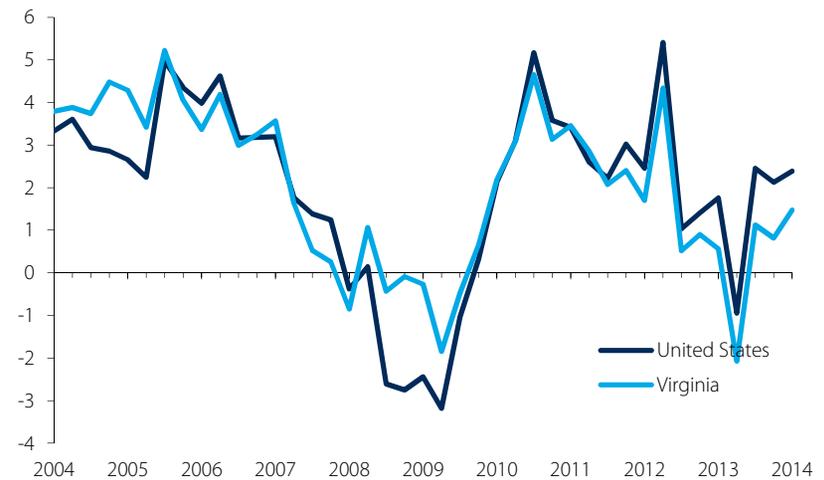
| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q3:14 | 13,552,516 | 0.65 | 2.38 |
| Fifth District | Q3:14 | 1,322,513 | 0.58 | 2.05 |
| Virginia | Q3:14 | 381,872 | 0.52 | 1.47 |

| 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 |

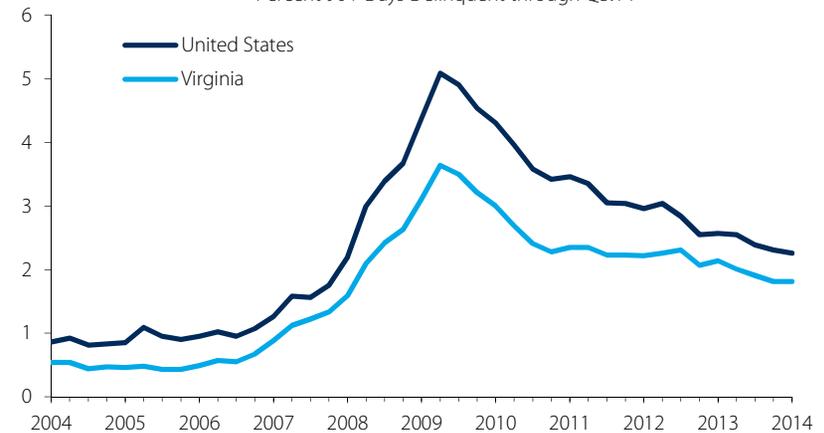
| Non-Business Bankruptcies | Period | Level | QoQ % Change | YoY % Change |
|---------------------------|--------|---------|--------------|--------------|
| United States | Q3:14 | 225,386 | -8.96 | -13.26 |
| Fifth District | Q3:14 | 17,458 | -7.48 | -9.94 |
| Virginia | Q3:14 | 5,802 | -6.83 | -7.55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

| Mortgage Delinquencies (% 90+ Days Delinquent) | Q3:14 | Q2:14 | Q3:13 |
|--|-------|-------|-------|
| United States | | | |
| All Mortgages | 2.26 | 2.31 | 2.57 |
| Prime | 1.22 | 1.28 | 1.39 |
| Subprime | 8.48 | 8.68 | 9.24 |
| Virginia | | | |
| All Mortgages | 1.81 | 1.81 | 2.14 |
| Prime | 0.85 | 0.86 | 1.02 |
| Subprime | 9.07 | 9.26 | 9.87 |

Virginia Real Personal Income
Year-over-Year Percent Change through Q3:14



Virginia Mortgage Delinquencies
Percent 90+ Days Delinquent through Q3:14



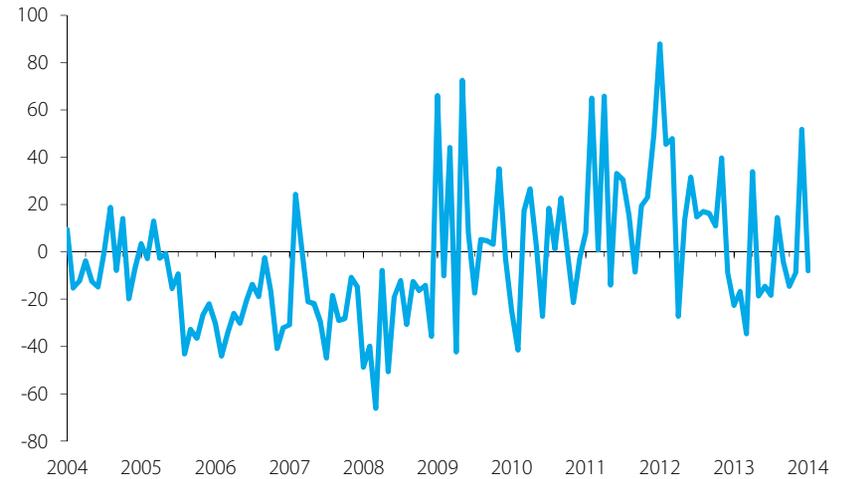
VIRGINIA

Real Estate Conditions

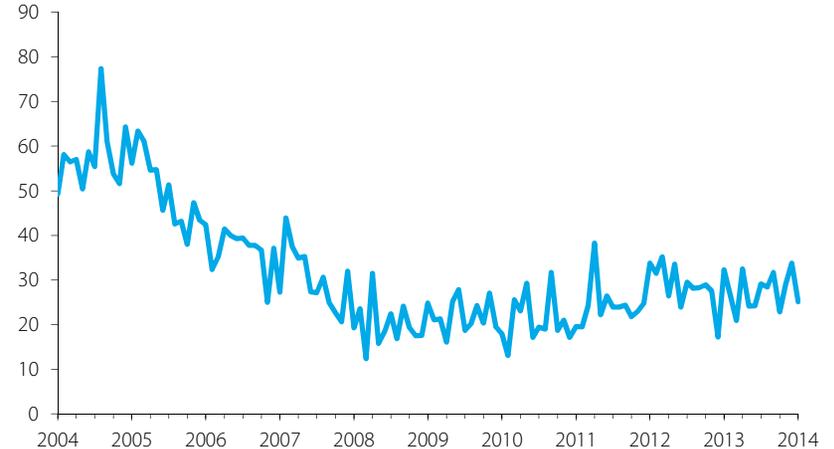
| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------|--------------|--------------|
| United States | November | 71,250 | -26.06 | -0.66 |
| Fifth District | November | 9,064 | -23.19 | 0.33 |
| Virginia | November | 1,831 | -34.89 | -7.99 |
| Charlottesville MSA | November | 39 | -39.06 | 5.41 |
| Harrisonburg MSA | November | 27 | 68.75 | 0.00 |
| Lynchburg MSA | November | 36 | -18.18 | -48.57 |
| Richmond MSA | November | 237 | -19.66 | -43.71 |
| Roanoke MSA | November | 32 | -61.45 | 3.23 |
| Virginia Beach-Norfolk MSA | November | 576 | 85.81 | 79.44 |
| Winchester MSA | November | 25 | -21.88 | -26.47 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|----------|--------------|--------------|--------------|
| United States | November | 1,028 | -1.63 | -6.97 |
| Fifth District | November | 124 | -12.35 | -15.28 |
| Virginia | November | 25.1 | -25.68 | -22.27 |

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



Virginia Housing Starts
Thousands of Units (SAAR) November 2014



VIRGINIA

Real Estate Conditions

| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|---------|-------|--------------|--------------|
| United States | October | 174 | 0.51 | 6.05 |
| Fifth District | October | 181 | -0.39 | 2.40 |
| Virginia | October | 205 | -0.35 | 1.72 |
| Blacksburg MSA | October | 134 | -0.35 | 2.39 |
| Charlottesville MSA | October | 180 | -0.94 | 3.05 |
| Danville MSA | October | 187 | -4.53 | -5.90 |
| Harrisonburg MSA | October | 197 | -0.35 | -2.96 |
| Lynchburg MSA | October | 130 | -0.35 | -0.48 |
| Richmond MSA | October | 160 | -0.26 | 2.90 |
| Roanoke MSA | October | 152 | 0.48 | 5.87 |
| Virginia Beach-Norfolk MSA | October | 187 | 0.03 | 2.52 |
| Winchester MSA | October | 185 | -0.09 | 4.40 |

| Median Home Sales Price - NAR (NSA) | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|-------------------------------------|--------|----------------|--------------|--------------|
| Richmond MSA | Q3:14 | --- | --- | --- |
| Virginia Beach-Norfolk MSA | Q3:14 | 208 | 4.00 | 3.74 |

| Median Home Sales Price - NAHB | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|--------------------------------|--------|----------------|--------------|--------------|
| Richmond MSA | Q3:14 | 208 | 1.46 | 1.46 |
| Virginia Beach-Norfolk MSA | Q3:14 | 195 | 1.56 | 0.00 |

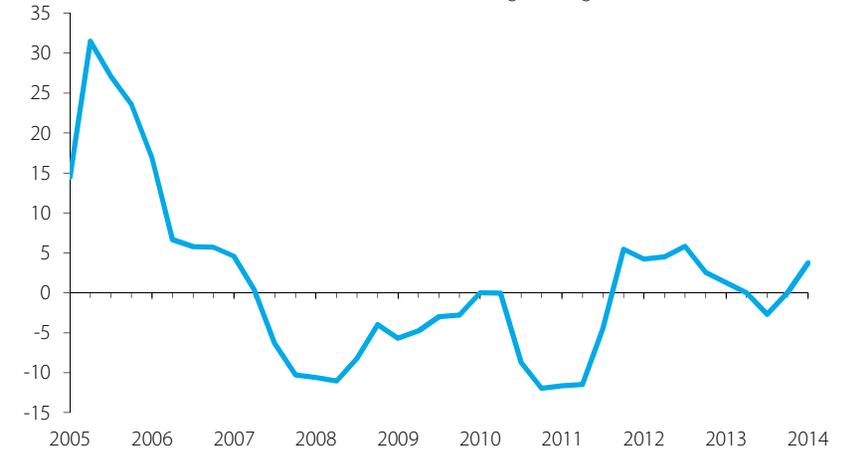
Virginia House Price Index (CoreLogic)

Year-over-Year Percent Change through October 2014



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

Year-over-Year Percent Change through Q3:14



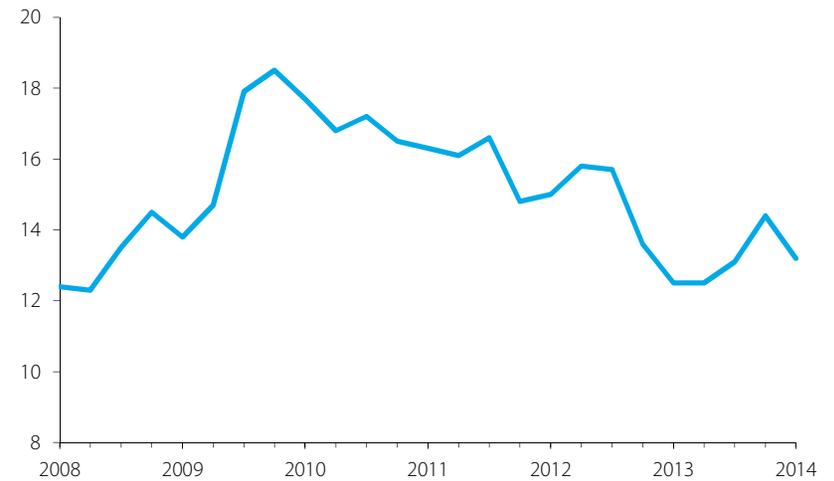
VIRGINIA

Real Estate Conditions

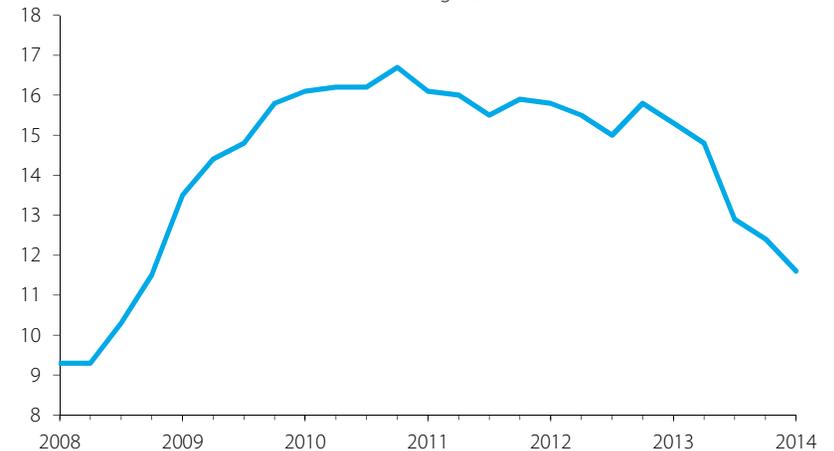
| Housing Opportunity Index (%) | Q3:14 | Q2:14 | Q3:13 |
|-------------------------------|-------|-------|-------|
| Richmond MSA | 75.2 | 75.3 | 75.4 |
| Roanoke MSA | 84.5 | 82.8 | 83.8 |
| Virginia Beach-Norfolk MSA | 76.3 | 78.0 | 78.7 |

| 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 | 11.6 | 12.4 | 15.3 |

Richmond MSA Office Vacancy Rate
Through Q3:14



Richmond MSA Industrial Vacancy Rate
Through Q3:14



WEST VIRGINIA

January Summary

Recent economic reports on West Virginia were mixed, with a contraction in labor markets but some improvements in household conditions and residential real estate.

Labor Markets: Total employment in West Virginia fell 0.7 percent as firms shed 5,200 jobs in November. The job losses were fairly widespread across industries, with only financial services, “other” services, and the government sector expanding payrolls in the month. The largest net job cut came from the leisure and hospitality industry, which shed 2,300 jobs (3.0 percent), closely followed by the construction industry that shed 1,900 jobs (6.0 percent). On a year-over-year basis, total employment expanded 0.9 percent (7,200 jobs) in November as every industry except construction, trade, transportation, and utilities, and information added jobs. The professional and business services industry added the most jobs in both absolute terms (4,400 jobs) and percentage terms (6.7 percent). In the state’s metro areas, employment expanded in every MSA except Charleston since November 2013, led by Morgantown, which grew 2.6 percent.

Household Conditions: The unemployment rate in West Virginia fell 0.2 percentage point to 6.3 percent in November. The improvement was due to a sharp decline in the number of unemployed as the civilian labor force also declined in November for the sixth straight month. The labor force, however, grew 0.3 percent since November 2013. In the third quarter of 2014, real personal income in West Virginia rose 0.3 percent and increased 1.6 percent since the third quarter of 2013. Also in the third quarter, the share of mortgages with payments 90 or more days overdue edged up 0.1 percentage point to 2.1 percent. The prime delinquency rate ticked up 0.1 percentage point to 1.3 percent and the subprime rate rose 0.5 percentage point to 8.8 percent.

Housing Markets: Jurisdictions in West Virginia issued 194 new residential permits in November, up from 175 permits in October and the 152 permits issued in November 2013. Metro level permitting activity, however, declined in every MSA in the month and on a year-over-year basis. According to CoreLogic Information Solutions, home values in West Virginia appreciated 0.9 percent in October and appreciated 6.9 percent since October 2013. In the state’s metro areas, home values appreciated in every MSA except Morgantown both in the month and on year-over-year basis. Home prices in Morgantown declined 1.1 percent since October 2013.

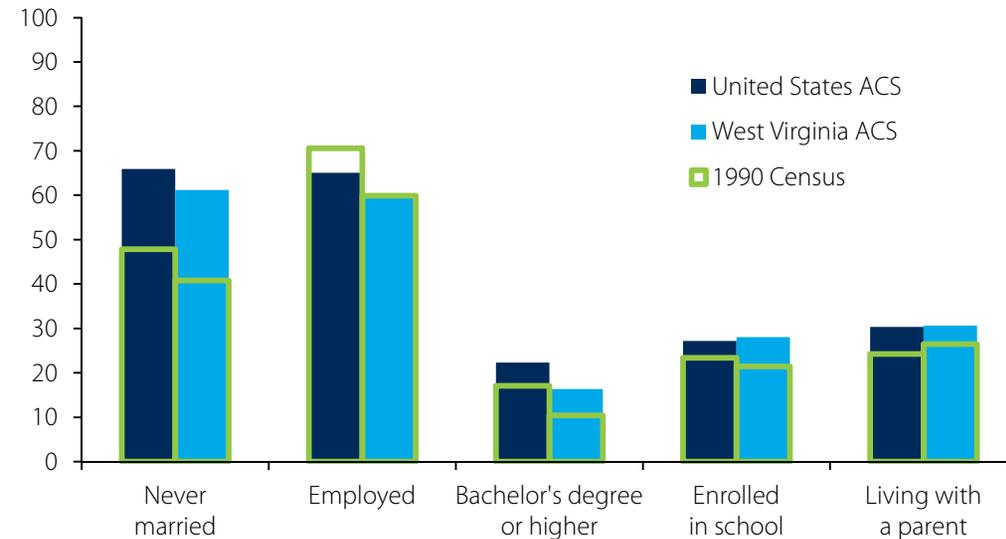
A Closer Look at... Characteristics of Young Adults

According to the 2009-2013 American Community Survey (ACS) from the U.S. Census Bureau, young adults—or persons between the ages of 18 and 34 years old—account for 21.1 percent of the population in West Virginia and 23.4 percent in the nation as a whole.

The chart below compares the young adults at the time of the 2009-2013 ACS (represented by the solid bars) with the young adults at the time of the 1990 Census (represented by the green outline).

In general, young adults today are less likely to be married, less likely to be employed, more likely to be working on or already hold a bachelors degree or higher, and more likely to be living with a parent than they were in the 1990's.

Young Adult Population in West Virginia
Percentage of the population 18 to 34 years old
2009-2013 American Community Survey and the 1990 Census



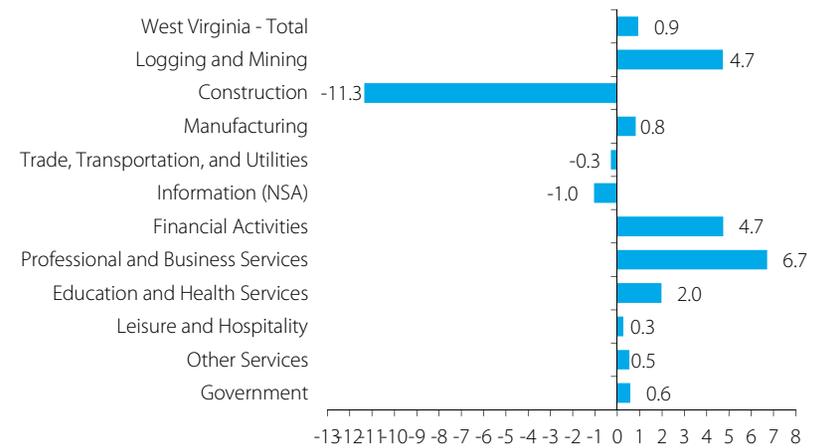
WEST VIRGINIA

Labor Market Conditions

| Payroll Employment (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------------|--------------|--------------|
| United States - Total | November | 140,045.0 | 0.23 | 1.99 |
| Fifth District - Total | November | 14,102.6 | 0.32 | 1.46 |
| West Virginia - Total | November | 772.0 | -0.67 | 0.94 |
| Logging and Mining | November | 33.2 | -1.19 | 4.73 |
| Construction | November | 29.7 | -6.01 | -11.34 |
| Manufacturing | November | 49.0 | -0.81 | 0.82 |
| Trade, Transportation, and Utilities | November | 134.7 | -0.30 | -0.30 |
| Information (NSA) | November | 9.5 | 0.00 | -1.04 |
| Financial Activities | November | 30.9 | 0.98 | 4.75 |
| Professional and Business Services | November | 69.9 | -1.55 | 6.72 |
| Education and Health Services | November | 129.4 | 0.00 | 1.97 |
| Leisure and Hospitality | November | 74.3 | -3.00 | 0.27 |
| Other Services | November | 55.8 | 0.36 | 0.54 |
| Government | November | 155.8 | 0.65 | 0.58 |
| Charleston MSA - Total | November | 145.3 | -0.75 | -0.21 |
| Huntington MSA - Total | November | 114.5 | -0.17 | 0.44 |
| Morgantown MSA - Total | November | 70.6 | 0.43 | 2.62 |
| Parkersburg MSA - Total | November | 70.9 | 0.28 | 1.58 |

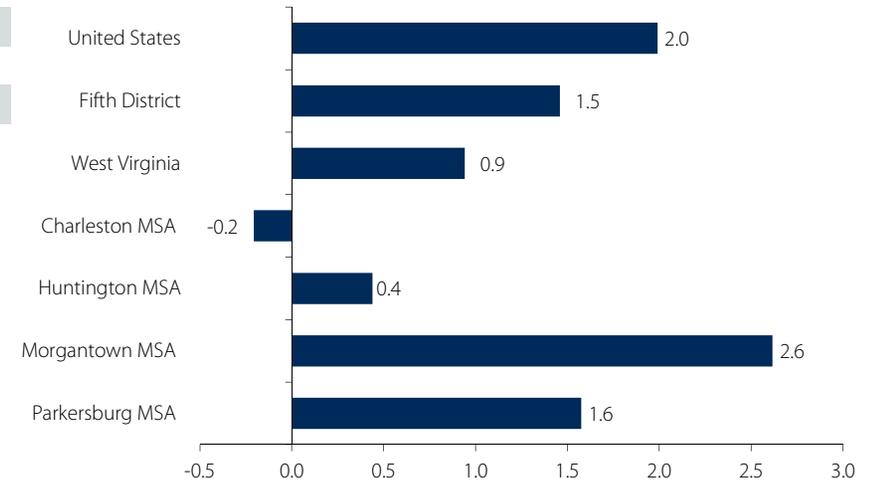
West Virginia Payroll Employment Performance

Year-over-Year Percent Change through November 2014



West Virginia Total Employment Performance

Year-over-Year Percent Change through November 2014



WEST VIRGINIA

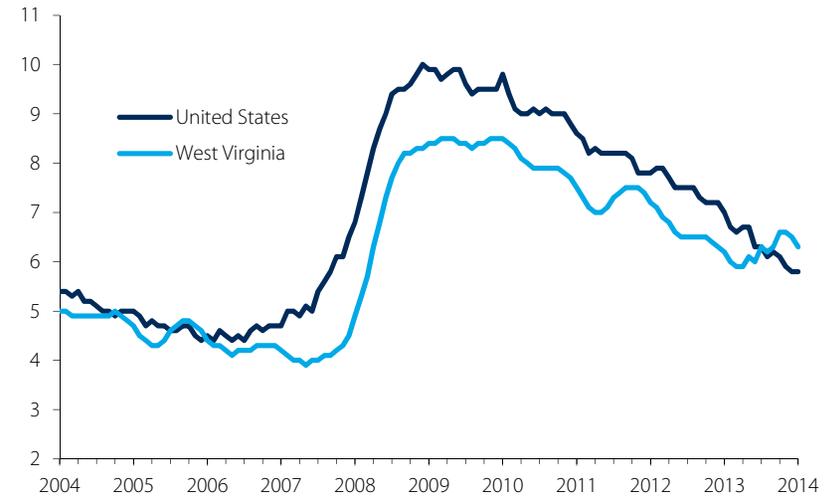
Labor Market Conditions

| Unemployment Rate (SA) | November 14 | October 14 | November 13 |
|------------------------|-------------|------------|-------------|
| United States | 5.8 | 5.8 | 7.0 |
| Fifth District | 5.7 | 6.1 | 6.4 |
| West Virginia | 6.3 | 6.5 | 6.2 |
| Charleston MSA | --- | 5.9 | 5.6 |
| Huntington MSA | --- | 5.8 | 6.7 |
| Morgantown MSA | --- | 4.3 | 4.0 |
| Parkersburg MSA | --- | 5.6 | 6.2 |

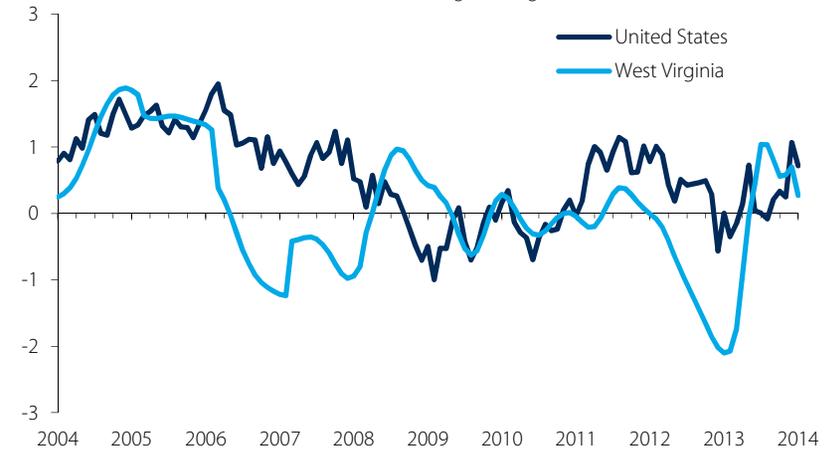
| Civilian Labor Force (SA) | Period | Level (000s) | MoM % Change | YoY % Change |
|---------------------------|----------|--------------|--------------|--------------|
| United States | November | 156,397 | 0.08 | 0.72 |
| Fifth District | November | 15,357 | -0.13 | 0.13 |
| West Virginia | November | 792 | -0.58 | 0.27 |
| Charleston MSA | November | --- | --- | --- |
| Huntington MSA | November | --- | --- | --- |
| Morgantown MSA | November | --- | --- | --- |
| Parkersburg MSA | November | --- | --- | --- |

| Initial Unemployment Claims (NSA) | Period | Level | MoM % Change | YoY % Change |
|-----------------------------------|----------|-----------|--------------|--------------|
| United States | November | 1,267,175 | 6.75 | -12.03 |
| Fifth District | November | 73,224 | -7.93 | -22.01 |
| West Virginia | November | 5,783 | 2.05 | -17.89 |

West Virginia Unemployment Rate
Through November 2014



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



WEST VIRGINIA

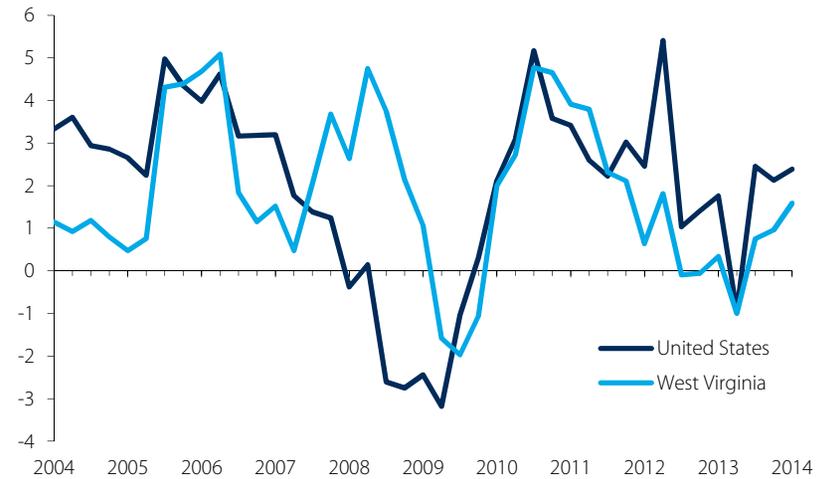
Household Conditions

| Real Personal Income (SA) | Period | Level (\$mil) | QoQ % Change | YoY % Change |
|---------------------------|--------|---------------|--------------|--------------|
| United States | Q3:14 | 13,552,516 | 0.65 | 2.38 |
| Fifth District | Q3:14 | 1,322,513 | 0.58 | 2.05 |
| West Virginia | Q3:14 | 62,405 | 0.33 | 1.59 |

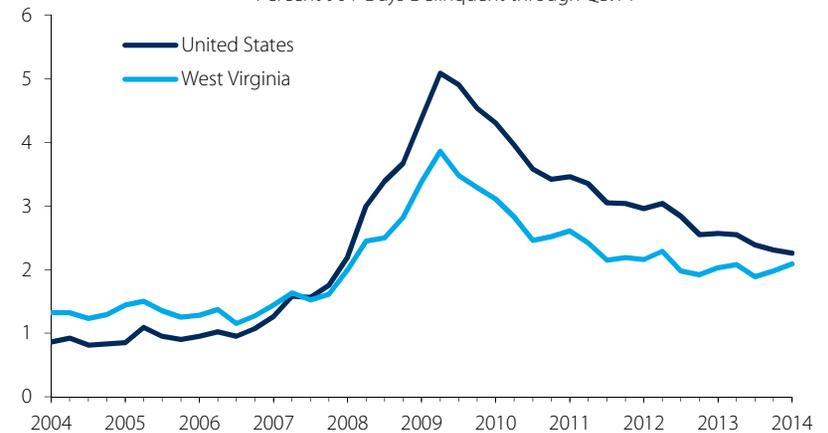
| Non-Business Bankruptcies | Period | Level | QoQ % Change | YoY % Change |
|---------------------------|--------|---------|--------------|--------------|
| United States | Q3:14 | 225,386 | -8.96 | -13.26 |
| Fifth District | Q3:14 | 17,458 | -7.48 | -9.94 |
| West Virginia | Q3:14 | 778 | -15.98 |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

| Mortgage Delinquencies (% 90+ Days Delinquent) | Q3:14 | Q2:14 | Q3:13 |
|--|-------|-------|-------|
| United States | | | |
| All Mortgages | 2.26 | 2.31 | 2.57 |
| Prime | 1.22 | 1.28 | 1.39 |
| Subprime | 8.48 | 8.68 | 9.24 |
| West Virginia | | | |
| All Mortgages | 2.09 | 1.98 | 2.03 |
| Prime | 1.31 | 1.23 | 1.04 |
| Subprime | 8.77 | 8.27 | 9.29 |

West Virginia Real Personal Income
Year-over-Year Percent Change through Q3:14



West Virginia Mortgage Delinquencies
Percent 90+ Days Delinquent through Q3:14



WEST VIRGINIA

Real Estate Conditions

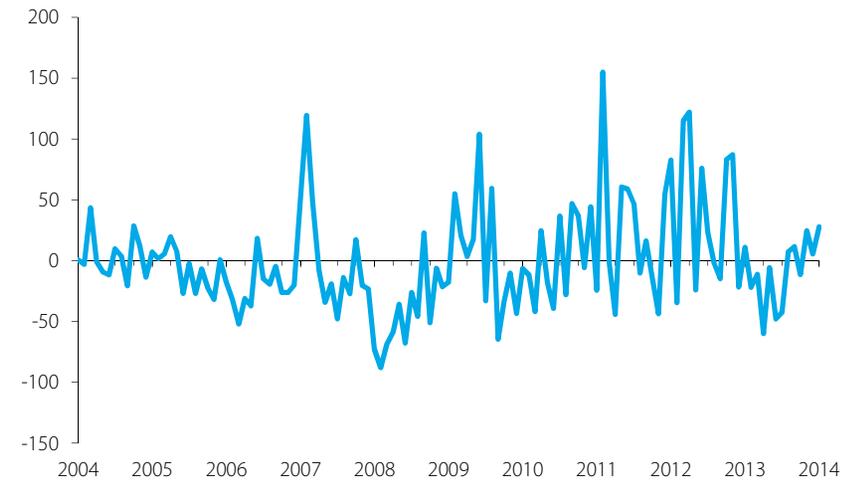
| Total Private Building Permits (NSA) | Period | Level | MoM % Change | YoY % Change |
|--------------------------------------|----------|--------|--------------|--------------|
| United States | November | 71,250 | -26.06 | -0.66 |
| Fifth District | November | 9,064 | -23.19 | 0.33 |
| West Virginia | November | 194 | 10.86 | 27.63 |
| Charleston MSA | November | 1 | -75.00 | -90.91 |
| Huntington MSA | November | 6 | -50.00 | -82.86 |
| Morgantown MSA | November | 0 | -100.00 | -100.00 |
| Parkersburg MSA | November | 3 | -62.50 | -57.14 |

| Total Private Housing Starts (SAAR) | Period | Level (000s) | MoM % Change | YoY % Change |
|-------------------------------------|----------|--------------|--------------|--------------|
| United States | November | 1,028 | -1.63 | -6.97 |
| Fifth District | November | 124 | -12.35 | -15.28 |
| West Virginia | November | 2.7 | 26.67 | 7.69 |

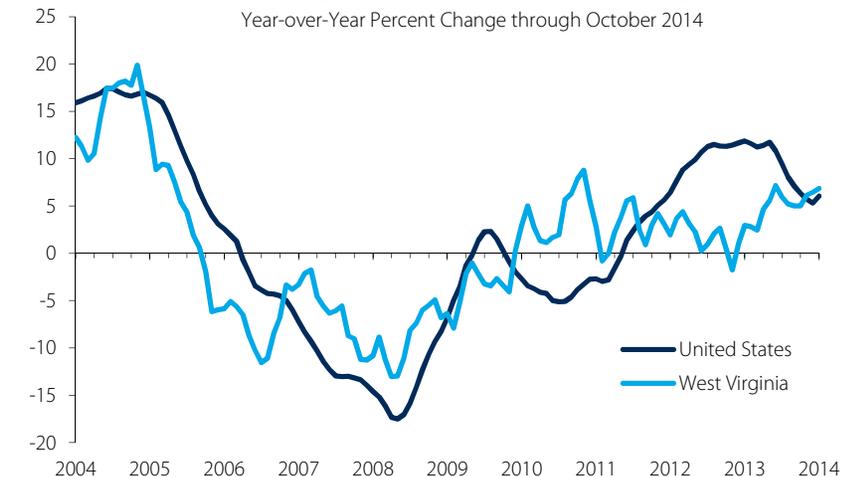
| House Price Index (2000=100) | Period | Level | MoM % Change | YoY % Change |
|------------------------------|---------|-------|--------------|--------------|
| United States | October | 174 | 0.51 | 6.05 |
| Fifth District | October | 181 | -0.39 | 2.40 |
| West Virginia | October | 146 | 0.92 | 6.85 |
| Charleston MSA | October | 144 | 0.92 | 5.81 |
| Huntington MSA | October | 153 | 1.87 | 5.86 |
| Morgantown MSA | October | 136 | -0.34 | -1.10 |
| Parkersburg MSA | October | 129 | 1.11 | 5.82 |

| Median Home Sales Price - NAR (NSA) | Period | Level (\$000s) | QoQ % Change | YoY % Change |
|-------------------------------------|--------|----------------|--------------|--------------|
| Charleston MSA | Q3:14 | 139 | 5.64 | -1.21 |

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



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



January 2015

FEDERAL RESERVE BANK OF RICHMOND

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 Characteristics of Young Adults

U.S. Census Bureau

American Community Survey 2009-2013

1990 Decennial Census

<http://www.census.gov/censusexplorer/censusexplorer-youngadults.html>