

NORTH CAROLINA

January Summary

Recent reports on North Carolina's economy were generally positive as total employment increased, the unemployment rate was unchanged, and housing market indicators were somewhat upbeat.

Labor Markets: Total payroll employment in North Carolina increased 0.1 percent in November as employers added 3,400 net new jobs. Job gains were evident in a majority of industries in the month, with the largest increase coming from trade, transportation, and utilities (4,800 jobs or 0.6 percent). The only three industries to report job cuts in the month were professional and business services (1,700 jobs), construction (1,500 jobs), and "other" services (400 jobs). Since November 2017, total employment in North Carolina grew 2.3 percent (or 100,700 jobs), which outpaced the Fifth District and national growth rates. The bulk of the net jobs added since last November were in the trade, transportation, and utilities and the professional and business services industries, which added 25,600 and 23,300 jobs, respectively. Meanwhile, the fastest percent growth came from the information sector (4.1 percent or 3,300 jobs). The only industries to contract over the last twelve months were "other" services and mining and logging, which each lost 300 jobs.

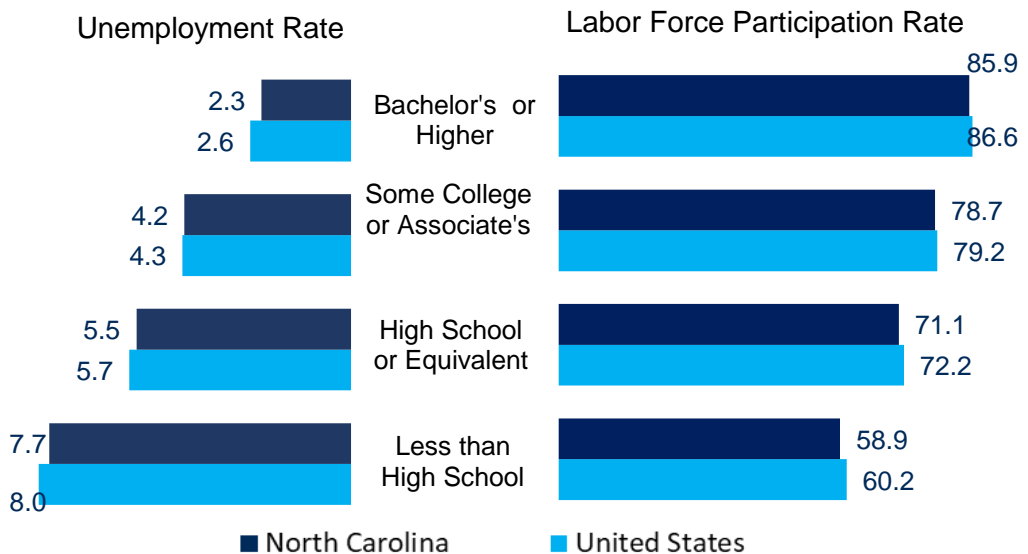
Household Conditions: The unemployment rate in North Carolina remained at 3.6 percent in November, but decreased 0.9 percent point from November 2017. In the third quarter of 2018, the share of North Carolina mortgages with payments 90 or more days past due edged up to 1.2 percent. Delinquency rates for fixed and adjustable rate loans increased in the third quarter to 0.9 percent and 1.8 percent, respectively. In the third quarter of 2018, real personal income in North Carolina rose 0.3 percent and was up 2.6 percent since the third quarter of 2017.

Housing Markets: North Carolina issued 5,022 new residential permits in October, up 18.3 percent from the prior month but down 14.9 percent from October 2017. The Charlotte MSA issued the most permits in August (1,666 permits) while the Wilmington MSA reported the largest percentage increase in the month by issuing 353 permits—more than seven times the number of permits issued in the prior month. North Carolina housing starts totaled 54,700 in October, up 13.8 percent from the prior month but down 19.0 percent on a year-over-year basis. According to CoreLogic Information Solutions, North Carolina home values appreciated 0.3 percent in October and appreciated 5.2 percent since October 2017. Home prices increased in every MSA except Fayetteville in the month and rose in every MSA on a year-over-year basis.

A Closer Look at...Educational Attainment

According to the Census Bureau's 2017 American Community Survey, for the population 25 years or older in the North Carolina:

- 11.2 percent had a graduate or professional degree, with median earnings of \$61,504.
- 20.1 percent had a bachelor's degree, with median earnings of \$50,105.
- 30.7 percent had an associate's degree or some college, with median earnings of \$32,357.
- 25.8 percent had a high school diploma or equivalent, with median earnings of \$27,936.
- 12.2 percent had less than a high school diploma, with median



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Labor Market Conditions

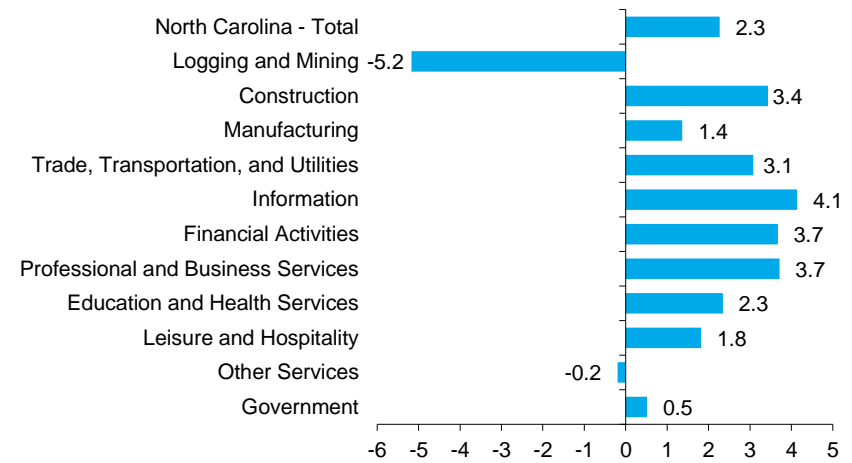
Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	149,893.0	0.10	1.66
Fifth District - Total	November	15,018.7	0.13	1.71
North Carolina - Total	November	4,537.9	0.07	2.27
Logging and Mining	November	5.5	0.00	-5.17
Construction	November	216.7	-0.69	3.44
Manufacturing	November	473.9	0.02	1.37
Trade, Transportation, and Utilities	November	857.0	0.56	3.08
Information	November	83.0	0.85	4.14
Financial Activities	November	242.8	0.25	3.67
Professional and Business Services	November	650.5	-0.26	3.71
Education and Health Services	November	615.9	0.03	2.34
Leisure and Hospitality	November	503.8	0.06	1.82
Other Services	November	150.5	-0.27	-0.20
Government	November	738.3	0.04	0.52

Metro Payroll Employment (NSA)

Period	Level (000s)	YoY % Change
Asheville MSA - Total	194.0	-0.31
Charlotte MSA - Total	1,233.1	2.26
Durham MSA - Total	320.7	2.00
Fayetteville MSA - Total	133.7	1.83
Greensboro-High Point MSA - Total	370.8	1.90
Raleigh-Cary MSA - Total	645.8	2.75
Wilmington MSA - Total	127.9	0.47
Winston-Salem MSA - Total	272.6	2.33

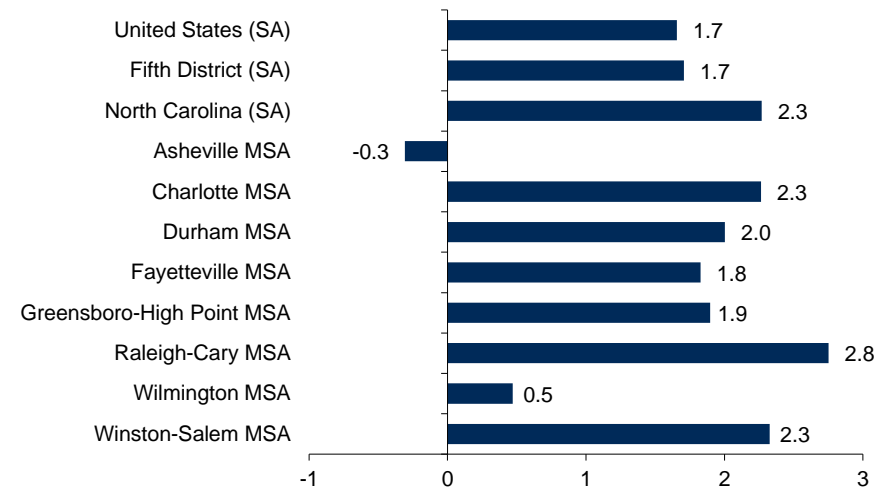
North Carolina Payroll Employment Performance

Year-over-Year Percent Change in November 2018



North Carolina Total Employment Performance

Year-over-Year Percent Change in November 2018



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

January 2019

FEDERAL RESERVE BANK OF RICHMOND

NORTH CAROLINA

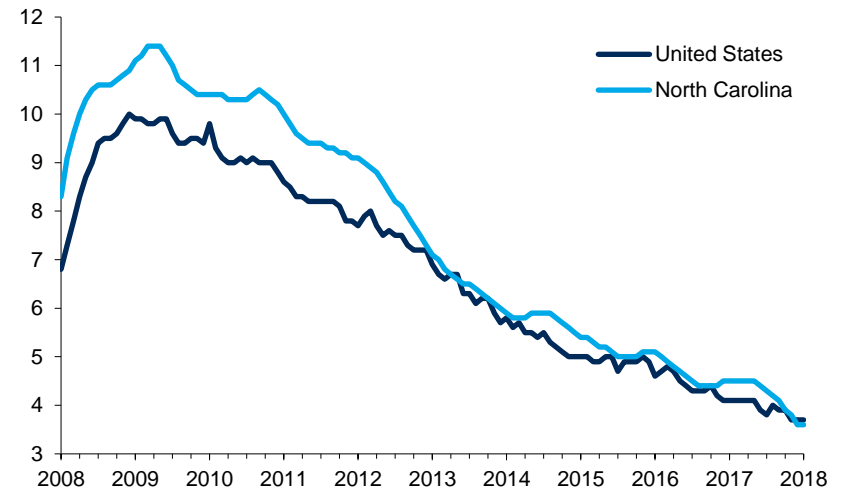
Labor Market Conditions

Unemployment Rate (SA)	November 18	October 18	November 17
United States	3.7	3.7	4.1
Fifth District	3.5	3.6	4.2
North Carolina	3.6	3.6	4.5
Asheville MSA	2.9	2.9	3.7
Charlotte MSA	3.2	3.2	4.2
Durham MSA	3.1	3.1	4.0
Fayetteville MSA	4.6	4.6	5.7
Greensboro-High Point MSA	3.7	3.6	4.8
Raleigh-Cary MSA	3.0	3.0	4.0
Wilmington MSA	3.6	3.8	4.3
Winston-Salem MSA	3.4	3.3	4.3

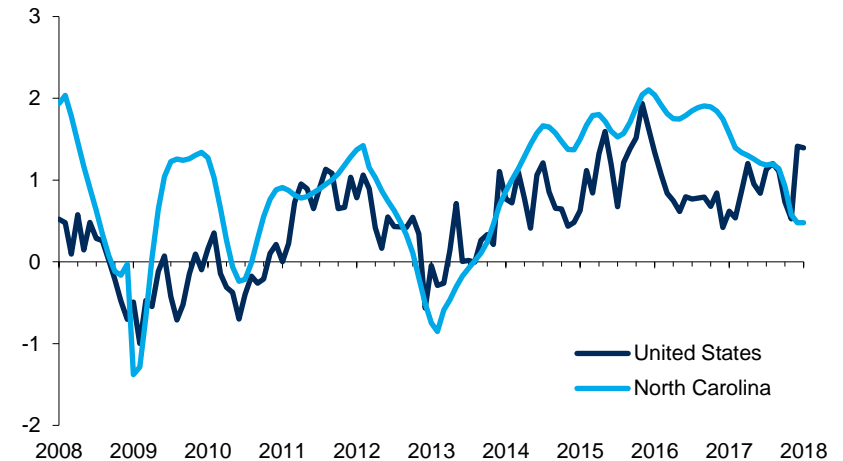
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	162,770	0.08	1.39
Fifth District	November	16,070	0.02	0.37
North Carolina	November	4,991	-0.02	0.48
Asheville MSA	November	229	-0.22	-0.86
Charlotte MSA	November	1,344	-0.01	1.01
Durham MSA	November	301	0.03	1.45
Fayetteville MSA	November	148	0.47	0.34
Greensboro-High Point MSA	November	373	0.32	0.92
Raleigh-Cary MSA	November	716	-0.01	1.95
Wilmington MSA	November	146	1.46	-0.14
Winston-Salem MSA	November	329	0.21	1.08

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	1,052,238	16.94	-5.86
Fifth District	November	59,346	-14.93	5.65
North Carolina	November	14,294	-49.98	44.09

North Carolina Unemployment Rate
Through November 2018



North Carolina Labor Force
Year-over-Year Percent Change through November 2018



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NORTH CAROLINA

Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q3:18	16,250,632	0.60	2.18
Fifth District	Q3:18	1,562,147	0.53	1.74
North Carolina	Q3:18	440,456	0.34	2.59

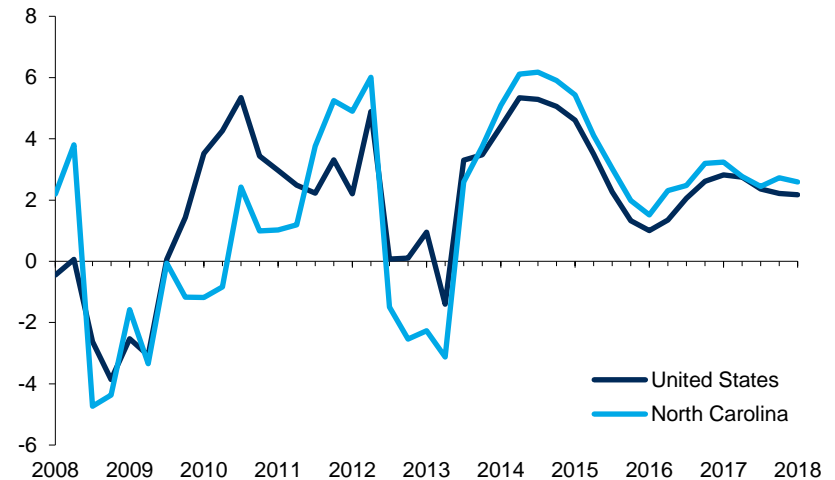
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Asheville MSA	Q3:18	61.3	0.00	0.00
Charlotte MSA	Q3:18	74.1	0.00	4.81
Durham MSA	Q3:18	80.6	0.00	9.96
Fayetteville MSA	Q3:18	53.5	0.00	2.29
Greensboro-High Point MSA	Q3:18	60.5	0.00	5.77
Raleigh-Cary MSA	Q3:18	84.3	0.00	5.11
Winston-Salem MSA	Q3:18	62.5	0.00	9.84

Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q3:18	187,490	-6.33	-1.08
Fifth District	Q3:18	15,279	-8.80	-0.85
North Carolina	Q3:18	3,308	-7.68	-3.98

Mortgage Delinquencies (% 90+ Days Delinquent)	Q3:18	Q2:18	Q3:17
United States			
All Mortgages	1.14	1.25	1.29
Conventional - Fixed Rate	0.83	0.94	0.98
Conventional - Adjustable Rate	1.85	1.97	2.17
North Carolina - All Mortgages			
All Mortgages	1.21	1.15	1.32
Conventional - Fixed Rate	0.89	0.86	0.99
Conventional - Adjustable Rate	1.79	1.67	1.97

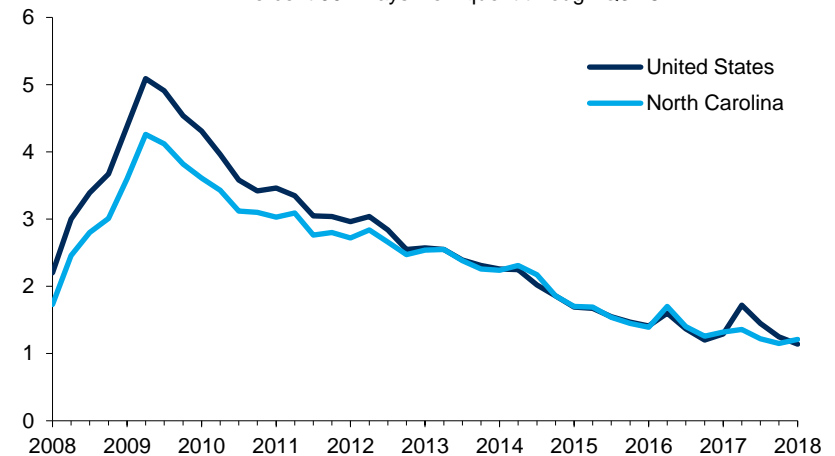
North Carolina Real Personal Income

Year-over-Year Percent Change through Q3:18



North Carolina Mortgage Delinquencies

Percent 90+ Days Delinquent through Q3:18



NORTH CAROLINA

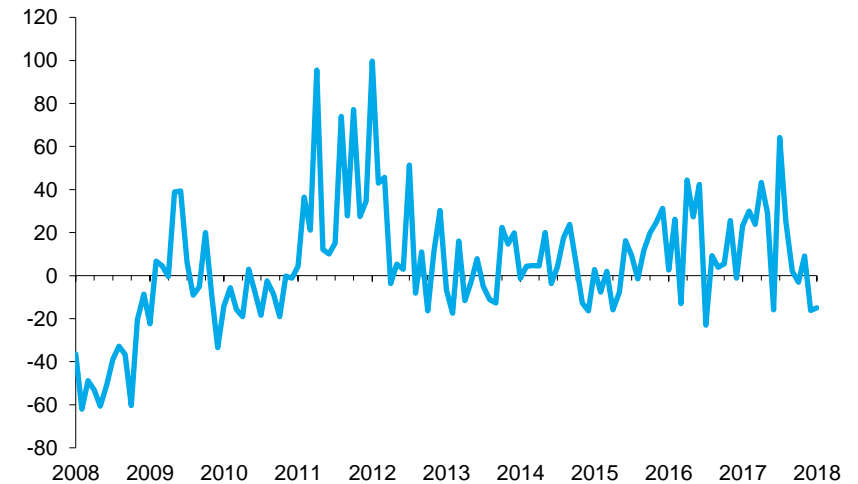
Real Estate Conditions

Permits: New Private Housing Units (NSA)	Period	Level	MoM % Change	YoY % Change
United States	October	112,566	13.27	-1.27
Fifth District	October	12,808	5.12	-10.28
North Carolina	October	5,022	18.25	-14.87
Asheville MSA	October	228	-25.00	-12.64
Charlotte MSA	October	1,666	-4.75	-33.25
Durham MSA	October	400	21.21	-0.25
Fayetteville MSA	October	58	7.41	-27.50
Greensboro-High Point MSA	October	204	60.63	20.00
Greenville MSA	October	16	-61.90	-64.44
Hickory MSA	October	6	25.00	---
Jacksonville MSA	October	111	326.92	48.00
Raleigh-Cary MSA	October	864	1.89	-11.29
Wilmington MSA	October	353	702.27	-21.38
Winston-Salem MSA	October	237	26.74	18.50

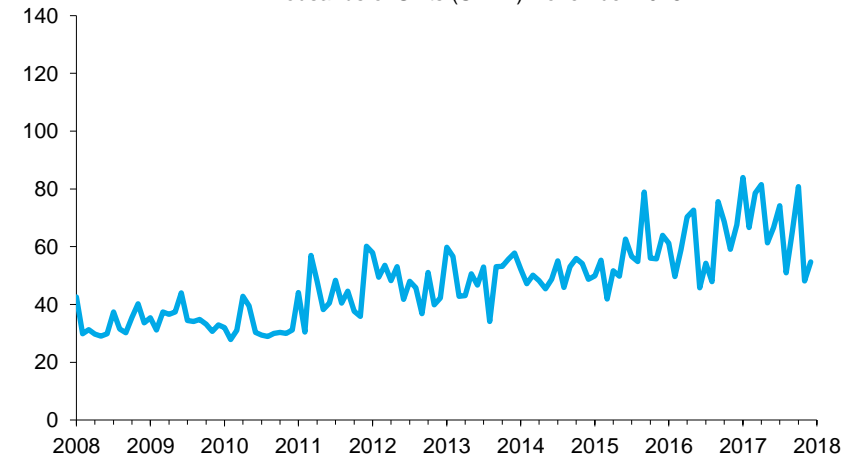
Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	October	1,217	-1.62	-3.79
Fifth District	October	140	1.17	-14.62
North Carolina	October	54.7	13.81	-18.99

Note: November 2018 data was not released for the following data series: Permits, New Private Housing Units (NSA) and Total Private Housing Starts (SAAR)

North Carolina New Housing Units
Year-over-Year Percent Change through October 2018



North Carolina Housing Starts
Thousands of Units (SAAR) November 2018



NORTH CAROLINA

Real Estate Conditions

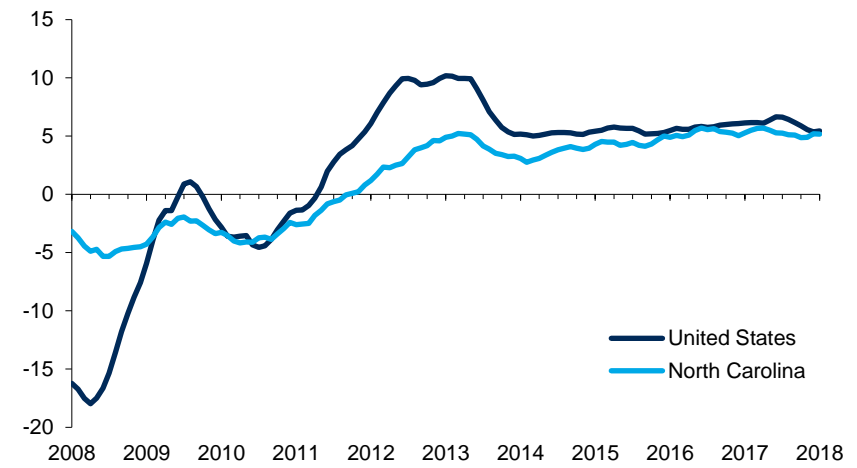
House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	October	205	0.47	5.44
Fifth District	October	203	0.06	3.93
North Carolina	October	161	0.33	5.18
Asheville MSA	October	221	0.70	6.16
Charlotte MSA	October	167	0.21	5.66
Durham MSA	October	169	0.20	5.59
Fayetteville MSA	October	127	-0.04	2.34
Greensboro-High Point MSA	October	134	0.87	5.80
Greenville MSA	October	132	0.50	4.46
Hickory MSA	October	148	0.09	6.21
Jacksonville MSA	October	148	0.35	2.97
Raleigh-Cary MSA	October	159	0.42	4.61
Wilmington MSA	October	186	0.78	3.57
Winston-Salem MSA	October	149	0.23	6.16

Median Home Sales Price - NAR (N:)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	Q3:18	245	-2.93	5.06
Durham MSA	Q3:18	282	-2.18	7.63
Greensboro-High Point MSA	Q3:18	171	2.58	4.40
Raleigh-Cary MSA	Q3:18	288	-0.96	7.59

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Asheville MSA	Q3:18	264	1.15	5.18
Charlotte MSA	Q3:18	240	-2.04	5.73
Durham MSA	Q3:18	260	0.78	10.64
Fayetteville MSA	Q3:18	133	-0.75	0.00
Greensboro-High Point MSA	Q3:18	161	0.00	0.63
Raleigh-Cary MSA	Q3:18	300	0.33	7.14
Winston-Salem MSA	Q3:18	160	-1.23	6.67

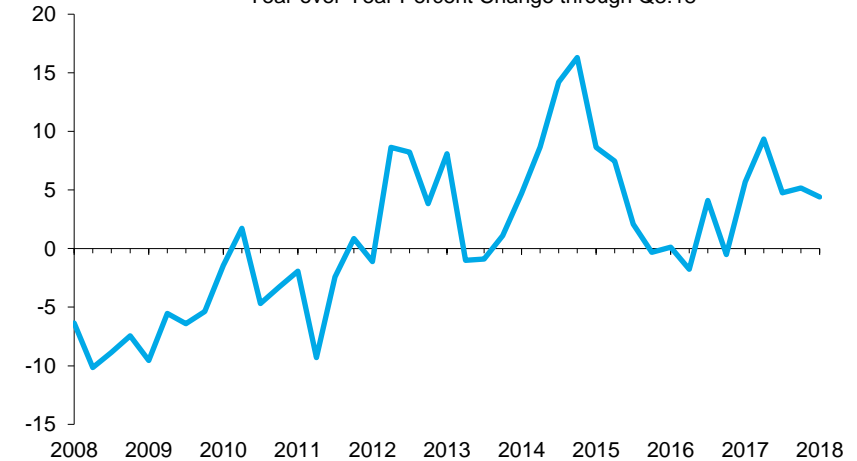
North Carolina House Price Index (CoreLogic)

Year-over-Year Percent Change through October 2018



Greensboro MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through Q3:18



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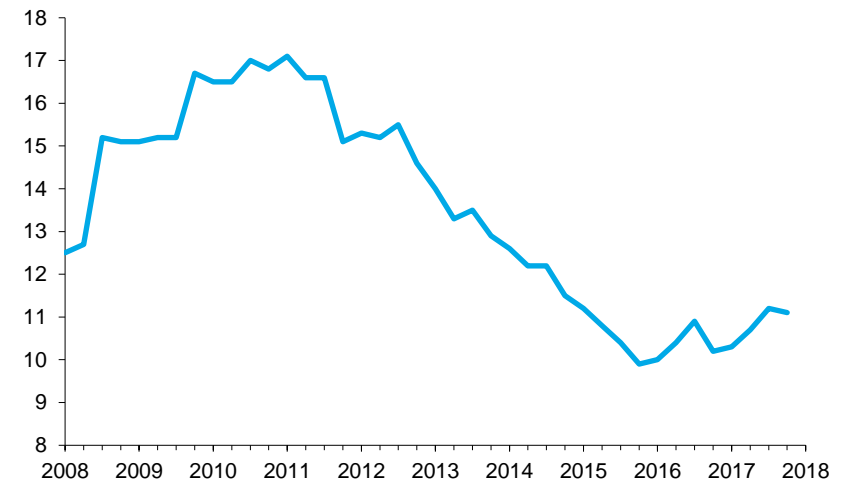
NORTH CAROLINA

Real Estate Conditions

Housing Opportunity Index (%)	Q3:18	Q2:18	Q3:17
Asheville MSA	49.3	50.0	58.4
Charlotte MSA	65.2	64.6	70.2
Durham MSA	66.9	65.7	68.2
Fayetteville MSA	74.4	73.0	75.3
Greensboro-High Point MSA	72.6	72.6	74.9
Raleigh-Cary MSA	60.7	61.9	65.9
Winston-Salem MSA	79.8	76.0	78.6

Commercial Vacancy Rates (%)	Q2:18	Q1:18	Q2:17
Office Vacancies			
Raleigh/Durham	7.7	8.3	7.2
Charlotte	11.1	11.2	10.2
Retail Vacancies			
Raleigh/Durham	4.4	4.9	4.9
Charlotte	5.1	5.1	5.4
Industrial Vacancies			
Raleigh/Durham	7.0	7.1	7.0
Charlotte	7.4	7.7	7.0

Charlotte MSA Office Vacancy Rate
Through Q2:18



Raleigh/Durham CSA Industrial Vacancy Rate
Through Q2:18

