

NORTH CAROLINA

December Summary

North Carolina's economy improved slightly in recent months as total employment rose and housing market indicators were mostly positive; however, the unemployment rate edged slightly higher.

Labor Markets: Payroll employment in North Carolina rose 0.1 percent in October as employers added 5,700 jobs. The most jobs were added to the professional and business services industry (5,500 jobs) in the month, followed by the leisure and hospitality industry (3,600 jobs). Jobs were also added to the financial services (400 jobs), construction (1,900 jobs), and logging and mining (100 jobs) industries. The remaining industries in the state reported job cuts in October, with the largest job loss coming from the "other" services industry, which cut 2,200 jobs (1.4 percent). On a year-over-year basis, total employment in the Tar Heel State rose 2.0 percent as jobs were added in every industry except information and logging and mining. The largest growth, in absolute and percentage terms, came from the professional and business services industry that added 27,400 jobs (4.6 percent). In absolute terms, the trade, transportation, and utilities industry followed with 19,600 jobs while, in percentage terms, the construction industry trailed slightly with 4.3 percent growth.

Household Conditions: North Carolina's unemployment rate ticked up 0.2 percentage point to 4.9 percent in October. In the third quarter of 2016, the share of mortgages with payments 90 or more days past due declined 0.1 percentage point to 1.4 percent. The prime delinquency rate was unchanged at 0.7 percent in the quarter while the subprime rate declined 0.6 percentage point to 6.1 percent. In the second quarter of 2016, real personal income in North Carolina rose 0.6 percent and was 3.3 percent higher than in the second quarter of 2015.

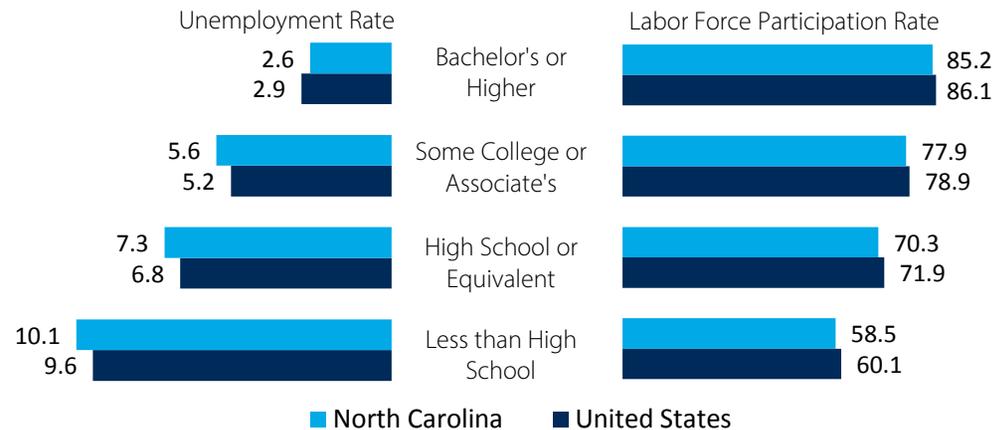
Housing Markets: North Carolina issued 4,786 new residential permits in October, down 6.0 percent from the prior month but up 2.6 percent from October 2015. Permitting activity varied at the metro level with only the Greenville, Hickory, and Jacksonville MSAs issuing more permits over both periods. North Carolina housing starts totaled 63,500 in October, up 17.3 percent from September and up 30.9 percent on a year-over-year basis. According to CoreLogic Information Solutions, home values appreciated 0.5 percent in September and 5.1 percent since September 2015. House prices grew in September in every MSA except Jacksonville and Winston-Salem; prices rose in every metro area on a year-over-year basis, led by the Asheville MSA with 7.4 percent growth.

A Closer Look at... Educational Attainment

According to the Census Bureau's 2015 American Community Survey, for the population 25 years or older in North Carolina:

- 10.6 percent had a graduate or professional degree, with median earnings of \$59,243.
- 18.9 percent had a bachelor's degree, with median earnings of \$46,171.
- 30.7 percent had an associate's degree or some college, with median earnings of \$31,060.
- 26.4 percent had a high school diploma or equivalent, with median earnings of \$26,632.
- 13.4 percent had less than a high school diploma, with median earnings of \$20,359.

Labor Market Measures by Educational Attainment in 2015



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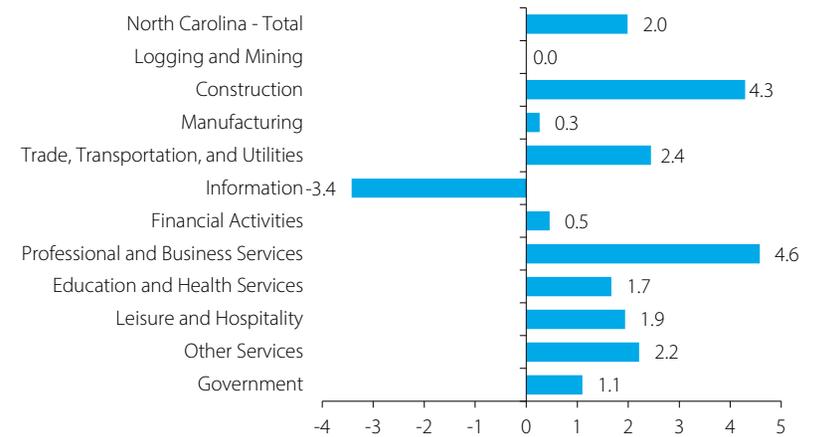
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	October	144,952.0	0.11	1.65
Fifth District - Total	October	14,609.5	0.00	1.68
North Carolina - Total	October	4,344.4	0.13	1.99
Logging and Mining	October	5.6	1.82	0.00
Construction	October	201.6	0.95	4.29
Manufacturing	October	460.3	-0.02	0.26
Trade, Transportation, and Utilities	October	821.8	-0.11	2.44
Information	October	73.3	-1.08	-3.43
Financial Activities	October	219.7	0.18	0.46
Professional and Business Services	October	625.8	0.89	4.58
Education and Health Services	October	583.9	-0.21	1.67
Leisure and Hospitality	October	468.7	0.77	1.94
Other Services	October	156.8	-1.38	2.22
Government	October	726.9	-0.08	1.10

Metro Payroll Employment (NSA)	Period	Level (000s)	YoY % Change
Asheville MSA - Total	October	189.1	2.38
Charlotte MSA - Total	October	1,149.5	2.49
Durham MSA - Total	October	305.7	2.76
Fayetteville MSA - Total	October	129.5	0.70
Greensboro-High Point MSA - Total	October	367.3	2.06
Raleigh-Cary MSA - Total	October	603.8	2.32
Wilmington MSA - Total	October	122.8	1.49
Winston-Salem MSA - Total	October	261.6	1.08

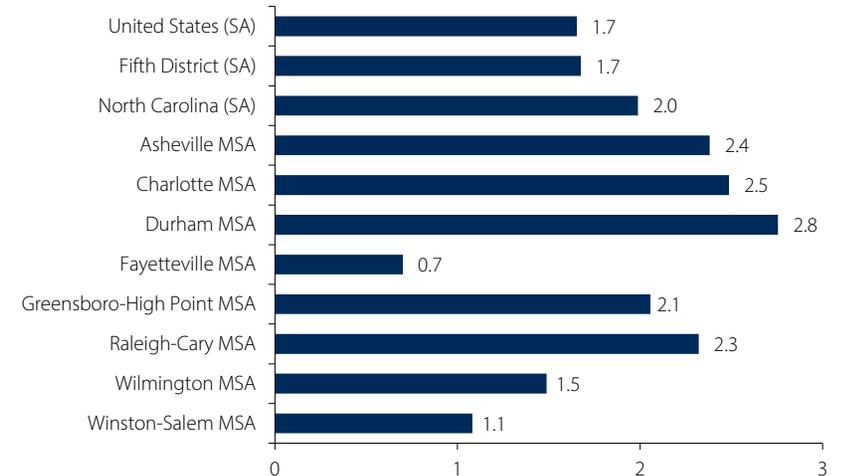
North Carolina Payroll Employment Performance

Year-over-Year Percent Change through October 2016



North Carolina Total Employment Performance

Year-over-Year Percent Change through October 2016



NORTH CAROLINA

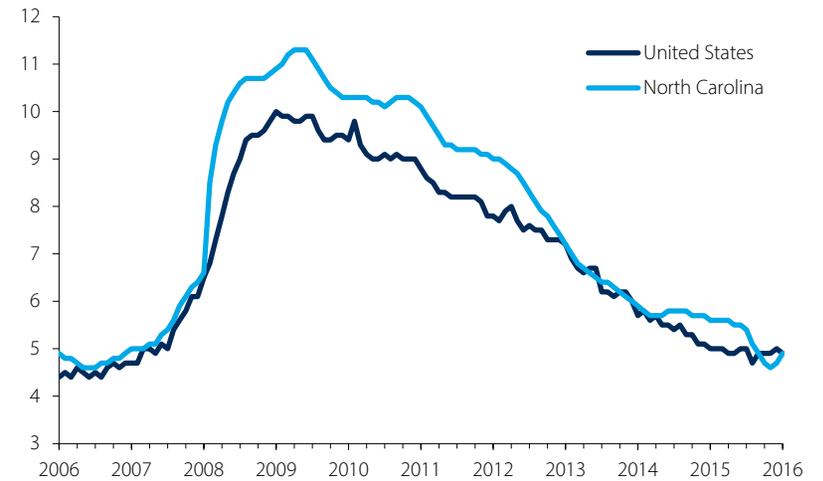
Labor Market Conditions

Unemployment Rate (SA)	October 16	September 16	October 15
United States	4.9	5.0	5.0
Fifth District	4.6	4.5	5.2
North Carolina	4.9	4.7	5.6
Asheville MSA	4.1	4.1	4.6
Charlotte MSA	4.7	4.7	5.3
Durham MSA	4.3	4.3	5.0
Fayetteville MSA	6.3	6.1	7.3
Greensboro-High Point MSA	5.0	5.1	5.9
Raleigh-Cary MSA	4.2	4.2	4.8
Wilmington MSA	4.8	4.8	5.5
Winston-Salem MSA	4.7	4.7	5.4

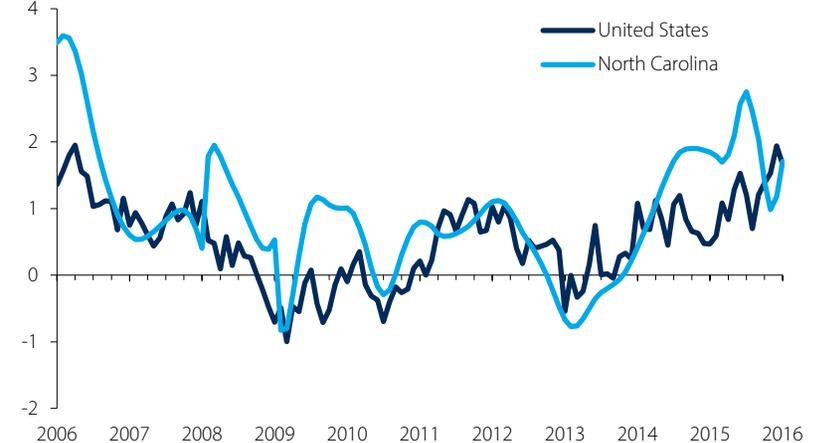
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	October	159,712	-0.12	1.67
Fifth District	October	15,772	0.48	1.16
North Carolina	October	4,854	0.63	1.71
Asheville MSA	October	225	0.67	2.74
Charlotte MSA	October	1,274	0.97	2.79
Durham MSA	October	290	0.76	3.38
Fayetteville MSA	October	148	0.20	1.30
Greensboro-High Point MSA	October	374	0.84	2.47
Raleigh-Cary MSA	October	681	0.65	2.96
Wilmington MSA	October	142	0.35	1.87
Winston-Salem MSA	October	323	0.50	1.57

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	October	1,019,719	19.28	-4.03
Fifth District	October	71,834	31.62	-4.21
North Carolina	October	23,789	79.01	42.28

North Carolina Unemployment Rate
Through October 2016



North Carolina Labor Force
Year-over-Year Percent Change through October 2016



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

December 2016

FEDERAL RESERVE BANK OF RICHMOND

NORTH CAROLINA

Household Conditions

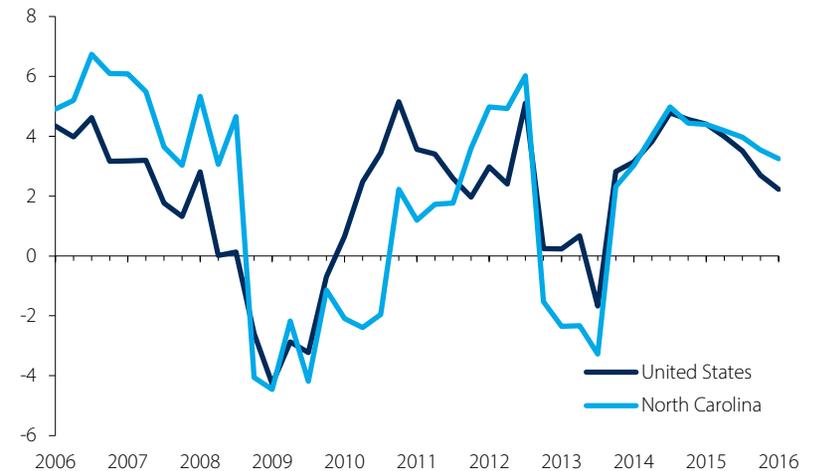
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q2:16	14,387,983	0.52	2.23
Fifth District	Q2:16	1,386,886	0.54	2.56
North Carolina	Q2:16	383,874	0.57	3.25

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Asheville MSA	2016	57.9	---	3.58
Charlotte MSA	2016	67.0	---	-0.30
Durham MSA	2016	74.9	---	11.13
Fayetteville MSA	2016	52.2	---	-3.87
Greensboro-High Point MSA	2016	57.2	---	5.93
Raleigh-Cary MSA	2016	76.6	---	-2.79
Winston-Salem MSA	2016	58.5	---	4.28

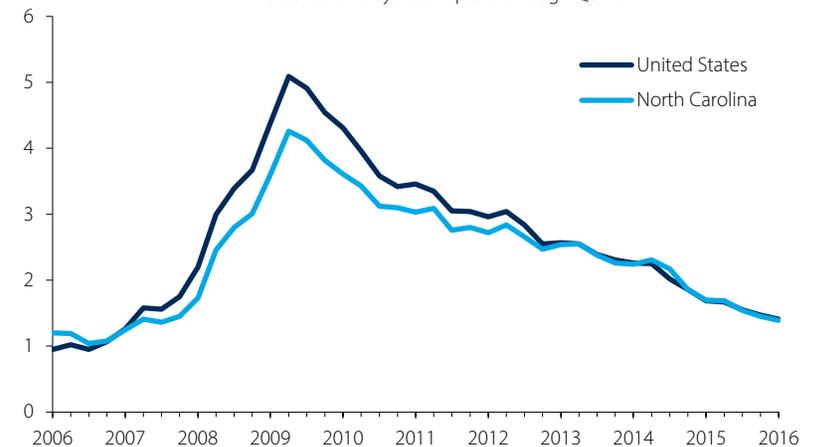
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q3:16	193,820	-4.21	-6.17
Fifth District	Q3:16	15,702	-6.57	-4.91
North Carolina	Q3:16	3,712	-2.21	-2.55

Mortgage Delinquencies (% 90+ Days Delinquent)	Q3:16	Q2:16	Q3:15
United States			
All Mortgages	1.41	1.47	1.69
Prime	0.80	0.83	0.97
Subprime	5.51	5.82	6.42
North Carolina			
All Mortgages	1.39	1.45	1.70
Prime	0.68	0.70	0.84
Subprime	6.12	6.66	7.18

North Carolina Real Personal Income
Year-over-Year Percent Change through Q2:16



North Carolina Mortgage Delinquencies
Percent 90+ Days Delinquent through Q3:16



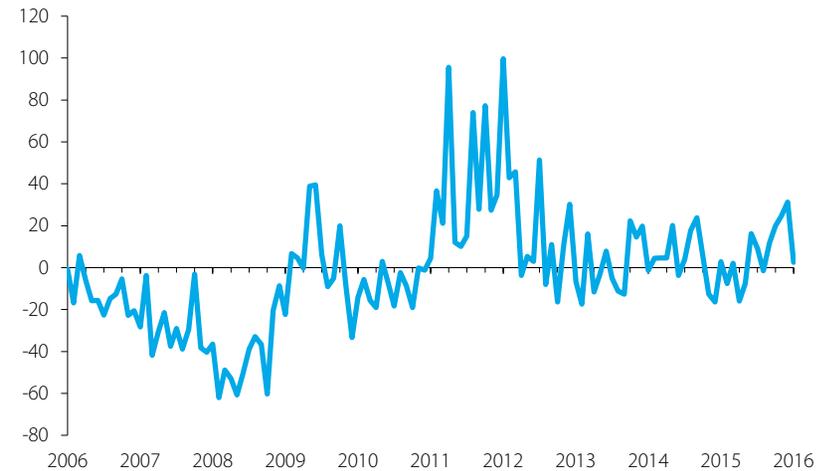
NORTH CAROLINA

Real Estate Conditions

Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	October	100,702	-6.52	2.53
Fifth District	October	10,668	-17.36	-10.09
North Carolina	October	4,786	-6.60	2.55
Asheville MSA	October	160	-2.44	-6.98
Charlotte MSA	October	1,800	-2.28	-18.22
Durham MSA	October	338	-22.83	46.32
Fayetteville MSA	October	61	-46.96	-3.17
Greensboro-High Point MSA	October	183	-52.71	0.55
Greenville MSA	October	37	164.29	362.50
Hickory MSA	October	9	12.50	800.00
Jacksonville MSA	October	79	41.07	68.09
Raleigh-Cary MSA	October	1,016	-4.69	34.39
Wilmington MSA	October	137	61.18	-13.29
Winston-Salem MSA	October	72	-35.14	-15.29

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	October	1,323	25.52	23.30
Fifth District	October	142	3.82	14.76
North Carolina	October	63.5	17.34	30.91

North Carolina Building Permits
Year-over-Year Percent Change through October 2016



North Carolina Housing Starts
Thousands of Units (SAAR) October 2016



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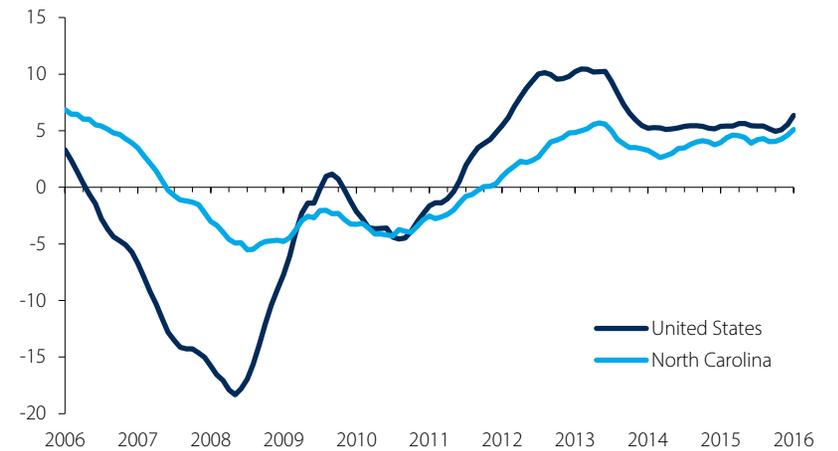
Real Estate Conditions

House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	September	184	1.08	6.34
Fifth District	September	187	0.24	3.50
North Carolina	September	145	0.52	5.11
Asheville MSA	September	195	1.77	8.16
Charlotte MSA	September	147	0.60	6.05
Durham MSA	September	151	0.16	5.28
Fayetteville MSA	September	122	-0.39	1.15
Greensboro-High Point MSA	September	120	-0.51	2.41
Greenville MSA	September	127	-0.30	5.29
Hickory MSA	September	137	0.71	1.83
Jacksonville MSA	September	142	0.93	0.33
Raleigh-Cary MSA	September	143	0.55	5.48
Wilmington MSA	September	168	-0.75	4.48
Winston-Salem MSA	September	130	-0.19	1.50

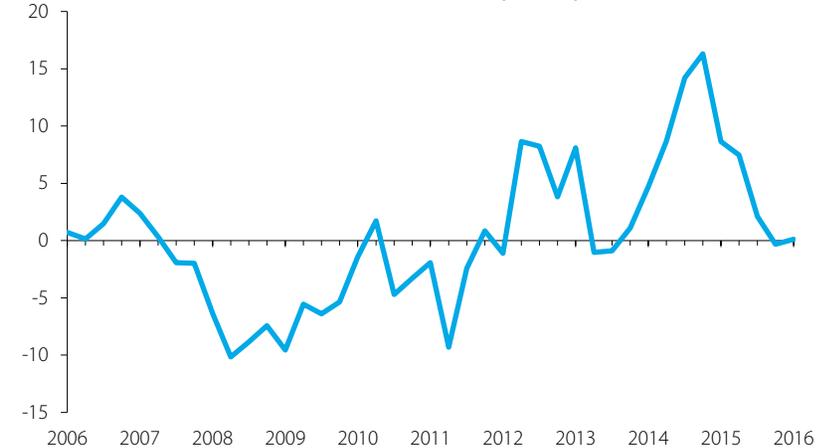
Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	Q3:16	216	-1.01	8.82
Durham MSA	Q3:16	244	-0.53	9.69
Greensboro-High Point MSA	Q3:16	155	-2.70	0.13
Raleigh-Cary MSA	Q3:16	250	-3.32	3.52

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Asheville MSA	Q3:16	237	1.28	10.23
Charlotte MSA	Q3:16	210	0.96	6.06
Durham MSA	Q3:16	230	2.22	12.20
Fayetteville MSA	Q3:16	134	3.08	5.51
Greensboro-High Point MSA	Q3:16	151	0.67	4.86
Raleigh-Cary MSA	Q3:16	266	2.31	7.69
Winston-Salem MSA	Q3:16	148	-3.90	4.96

North Carolina House Price Index (CoreLogic)
Year-over-Year Percent Change through September 2016



Greensboro MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through Q3:16



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Real Estate Conditions

Housing Opportunity Index (%)	Q3:16	Q2:16	Q3:15
Asheville MSA	59.3	60.0	62.9
Charlotte MSA	69.7	70.0	69.5
Durham MSA	72.4	73.7	70.2
Fayetteville MSA	77.4	79.5	80.5
Greensboro-High Point MSA	77.6	76.7	74.1
Raleigh-Cary MSA	67.2	69.0	72.5
Winston-Salem MSA	83.2	79.8	80.8

Commercial Vacancy Rates (%)	Q3:16	Q2:16	Q3:15
<u>Office Vacancies</u>			
Raleigh/Durham	8.0	9.2	10.0
Charlotte	10.1	9.9	11.2
<u>Retail Vacancies</u>			
Raleigh/Durham	5.2	5.6	5.6
Charlotte	6.5	7.4	7.8
<u>Industrial Vacancies</u>			
Raleigh/Durham	9.5	9.8	10.9
Charlotte	6.6	7.2	8.2

Charlotte MSA Office Vacancy Rate
Through Q3:16



Raleigh/Durham CSA Industrial Vacancy Rate
Through Q3:16

