

## NORTH CAROLINA

### July Summary

Economic conditions in North Carolina improved moderately according to recent reports, as payroll employment rose, the unemployment rate declined and housing market activity generally improved.

**Labor Markets:** Employers in North Carolina added 18,800 jobs in May, which was a 0.4 percent increase. The largest job growth came from the professional and business services industry (9,600 jobs), followed by the construction industry (3,300 jobs). On the downside, both the government sector and the natural resources and mining industry lost jobs during the month, losing 500 jobs and 200 jobs, respectively. North Carolina reported year-over-year employment growth of 1.6 percent, which represents an additional net 69,200 jobs added. Nearly half of the new jobs were added in the business and professional services industry, which created 30,100 net new jobs, increasing employment in the industry by 5.0 percent. Since May 2016, all industries showed growth except for the information industry, which declined 5.7 percent, representing a loss of 4,500 jobs.

**Household Conditions:** North Carolina's unemployment rate declined 0.2 percentage point to 4.5 percent in May, and remained lower than the rate reported last May (5.0 percent). Unemployment rates also improved in May in every MSA and ranged from 3.6 percent in Asheville to 5.7 percent in Fayetteville. In the first quarter of 2017, the share of North Carolina mortgages with payments 90 or more days past due fell 0.3 percentage point to 1.4 percent. Delinquency rates for fixed and adjustable rate conventional loans also declined in the first quarter to 1.1 percent and 2.0 percent, respectively. Also in the first quarter, real personal income in North Carolina rose 0.6 percent and was 2.4 percent higher than in the first quarter of 2016.

**Housing Markets:** North Carolina issued 5,315 new residential permits in May, up 37.1 percent from the prior month and up 9.2 percent from May 2016. At the metro level, permitting activity picked up in every MSA except Fayetteville in May and increased in a majority of MSAs on a year-over-year basis. North Carolina housing starts totaled 51,100 in May, up 10.1 percent from April but down 8.6 percent on a year-over-year basis. According to CoreLogic Information Solutions, North Carolina home values appreciated 0.9 percent in April and 5.7 percent since April 2016. Meanwhile, house prices rose in every MSA except Asheville and Wilmington in April and rose in every metro area on a year-over-year basis.

### A Closer Look at... Gross Domestic Product

#### North Carolina Gross Domestic Product (GSP):

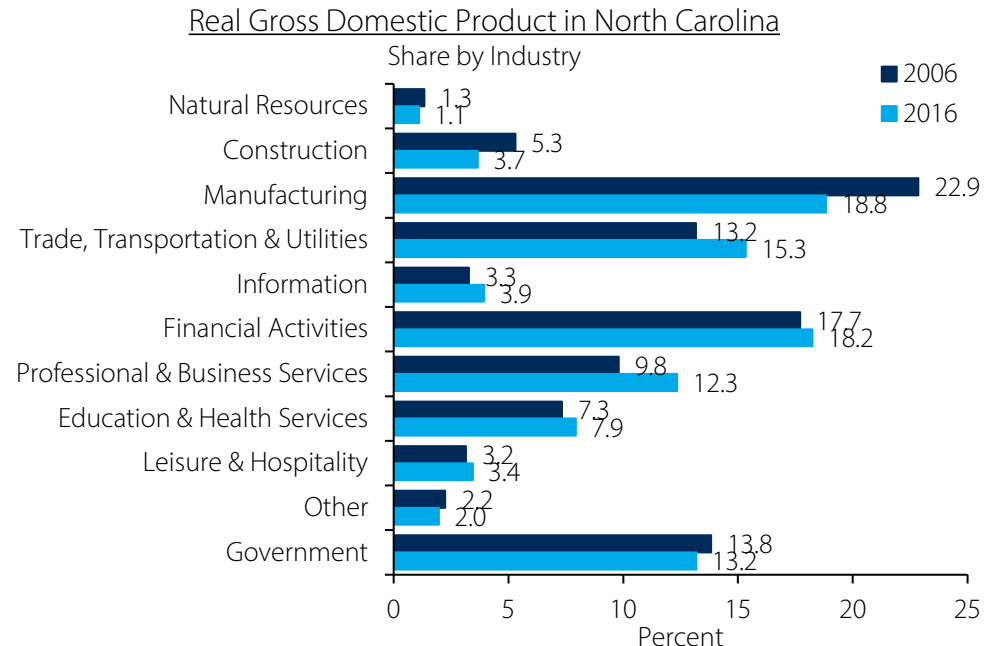
Nominal GDP per capita in 2016: \$51,041

Rank of nominal GDP per capita among U.S. states: 31

Real GDP growth from 2015 - 2016: 1.6 percent

Annualized real GDP growth from 2006 - 2016: 0.8 percent

Share of U.S. GDP in 2016: 2.8 percent



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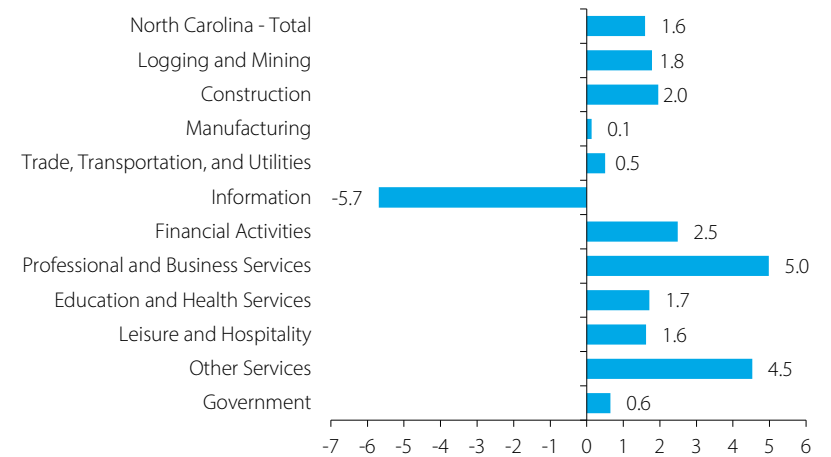
### Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	May	146,135.0	0.09	1.58
Fifth District - Total	May	14,710.1	0.17	1.33
North Carolina - Total	May	4,397.9	0.43	1.60
Logging and Mining	May	5.7	-3.39	1.79
Construction	May	203.0	1.65	1.96
Manufacturing	May	464.7	0.41	0.13
Trade, Transportation, and Utilities	May	817.6	0.18	0.50
Information	May	74.6	0.13	-5.69
Financial Activities	May	231.0	0.57	2.48
Professional and Business Services	May	634.4	1.54	4.98
Education and Health Services	May	593.8	0.10	1.71
Leisure and Hospitality	May	487.4	0.02	1.63
Other Services	May	157.0	0.71	4.53
Government	May	728.7	-0.07	0.65

Metro Payroll Employment (NSA)	Period	Level (000s)	YoY % Change
Asheville MSA - Total	May	192.1	1.80
Charlotte MSA - Total	May	1,187.0	3.10
Durham MSA - Total	May	309.5	1.84
Fayetteville MSA - Total	May	130.6	-0.46
Greensboro-High Point MSA - Total	May	363.3	1.25
Raleigh-Cary MSA - Total	May	616.8	2.61
Wilmington MSA - Total	May	128.0	2.15
Winston-Salem MSA - Total	May	262.4	-0.15

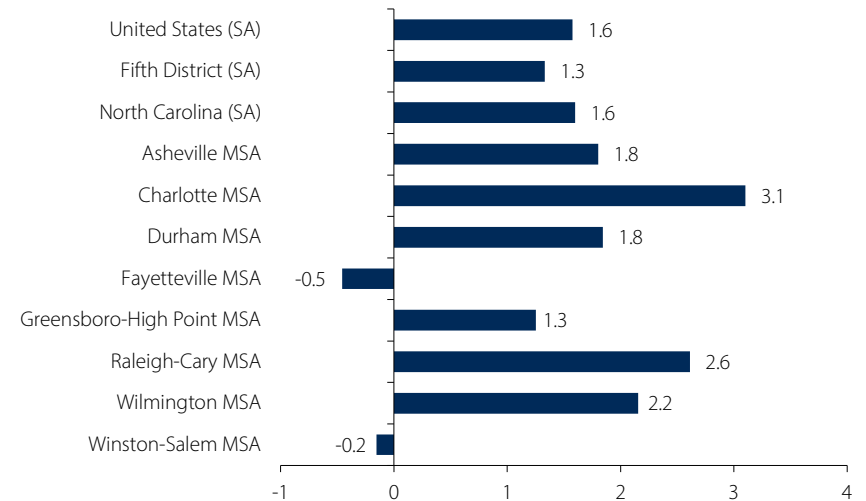
North Carolina Payroll Employment Performance

Year-over-Year Percent Change in May 2017



North Carolina Total Employment Performance

Year-over-Year Percent Change in May 2017



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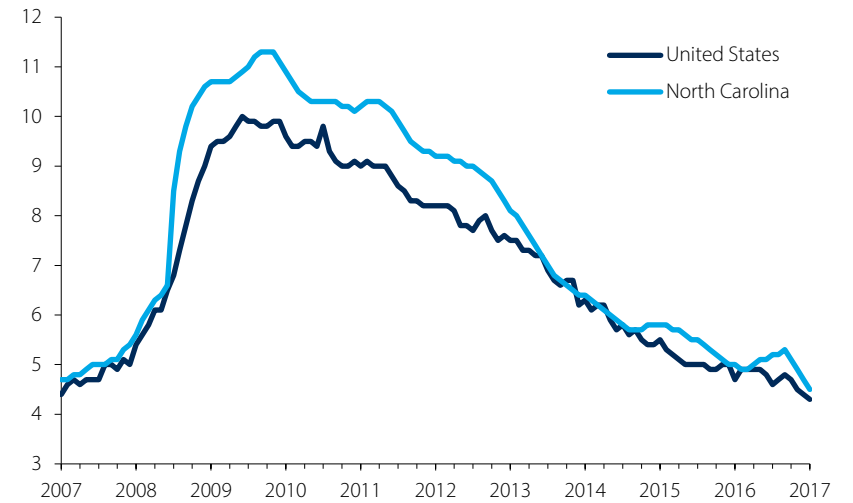
Labor Market Conditions

Unemployment Rate (SA)	May 17	April 17	May 16
United States	4.3	4.4	4.7
Fifth District	4.2	4.4	4.7
North Carolina	4.5	4.7	5.0
Asheville MSA	3.6	3.7	3.9
Charlotte MSA	4.2	4.4	4.7
Durham MSA	4.0	4.2	4.3
Fayetteville MSA	5.7	6.0	6.2
Greensboro-High Point MSA	4.7	5.0	5.1
Raleigh-Cary MSA	3.9	4.1	4.2
Wilmington MSA	4.2	4.4	4.7
Winston-Salem MSA	4.3	4.5	4.7

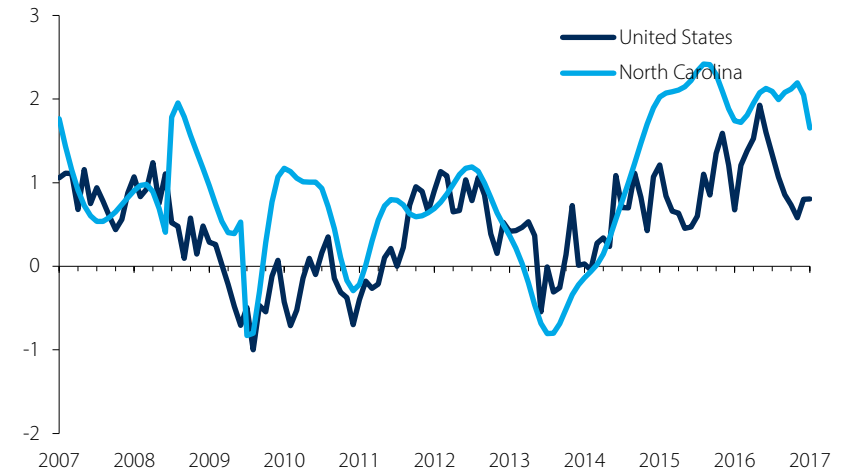
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	159,784	-0.27	0.80
Fifth District	May	15,974	-0.10	1.73
North Carolina	May	4,928	-0.34	1.65
Asheville MSA	May	228	-0.74	1.65
Charlotte MSA	May	1,307	0.06	2.71
Durham MSA	May	291	-0.48	1.46
Fayetteville MSA	May	146	-0.34	-0.88
Greensboro-High Point MSA	May	368	-0.49	1.04
Raleigh-Cary MSA	May	691	-0.26	2.30
Wilmington MSA	May	145	-0.82	1.33
Winston-Salem MSA	May	322	-0.31	0.34

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	May	948,714	3.49	-11.28
Fifth District	May	---	---	---
North Carolina	May	13,073	5.59	-22.52

North Carolina Unemployment Rate  
Through May 2017



North Carolina Labor Force  
Year-over-Year Percent Change through May 2017



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Household Conditions

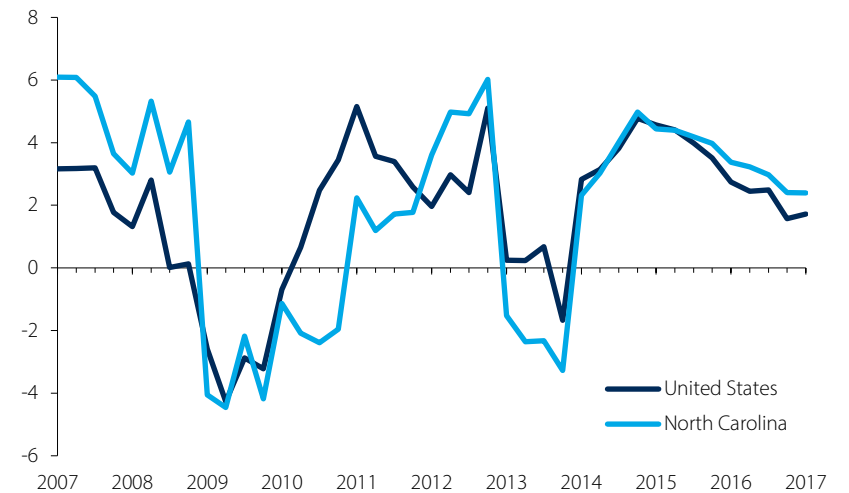
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q1:17	14,566,707	0.42	1.72
Fifth District	Q1:17	1,411,126	0.55	2.36
North Carolina	Q1:17	390,224	0.56	2.40

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Asheville MSA	2017	61.3	---	5.87
Charlotte MSA	2017	70.7	---	5.52
Durham MSA	2017	73.3	---	-2.14
Fayetteville MSA	2017	52.3	---	0.19
Greensboro-High Point MSA	2017	57.2	---	0.00
Raleigh-Cary MSA	2017	80.2	---	4.70
Winston-Salem MSA	2017	56.9	---	-2.74

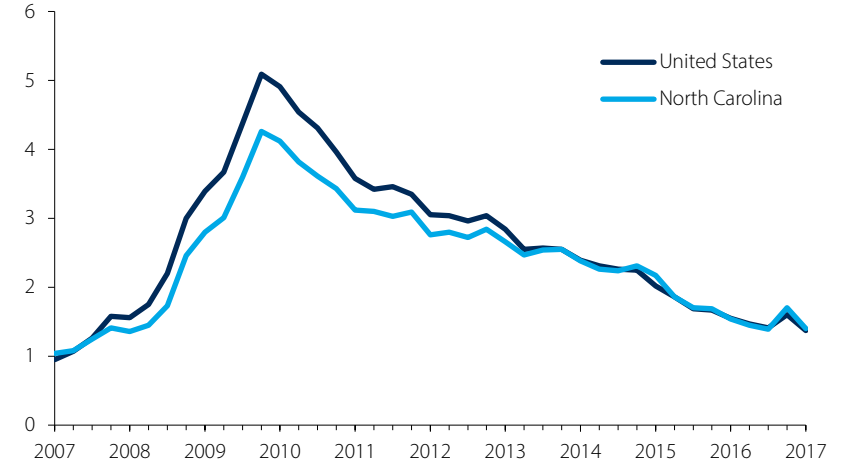
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q1:17	195,516	9.62	-0.08
Fifth District	Q1:17	16,637	13.33	2.50
North Carolina	Q1:17	3,574	7.42	-1.24

Mortgage Delinquencies (% 90+ Days Delinquent)	Q1:17	Q4:16	Q1:16
United States			
All Mortgages	1.37	1.60	1.55
Conventional - Fixed Rate	1.11	1.25	1.17
Conventional - Adjustable Rate	2.39	2.90	2.77
North Carolina - All Mortgages			
All Mortgages	1.40	1.70	1.54
Conventional - Fixed Rate	1.10	1.27	1.12
Conventional - Adjustable Rate	2.03	2.79	2.37

North Carolina Real Personal Income  
Year-over-Year Percent Change through Q1:17



North Carolina Mortgage Delinquencies  
Percent 90+ Days Delinquent through Q1:17





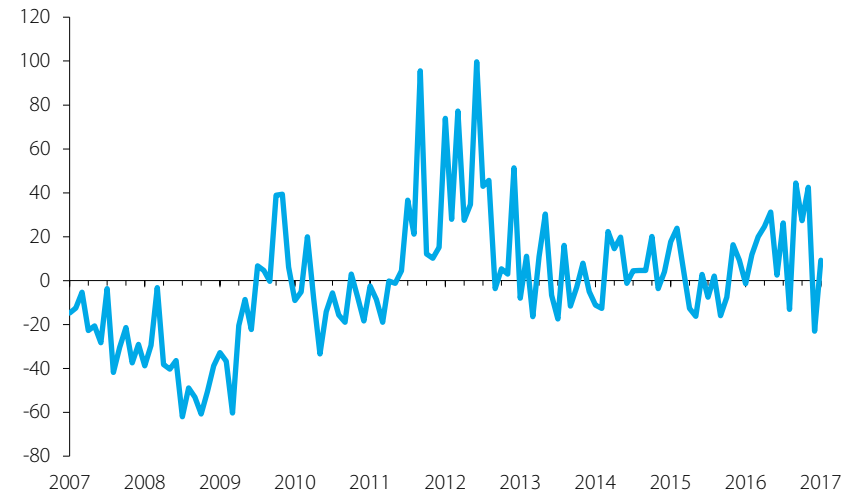
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Real Estate Conditions

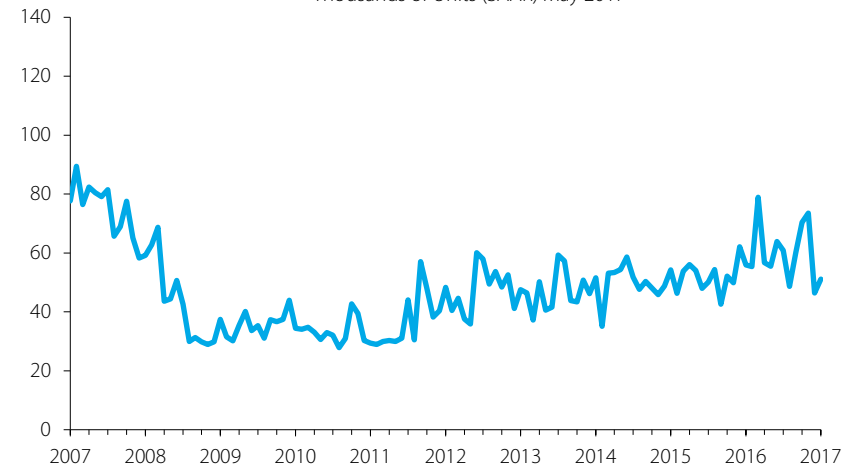
Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	May	112,996	10.10	4.94
Fifth District	May	13,353	23.94	-2.95
North Carolina	May	5,315	37.09	9.20
Asheville MSA	May	255	16.44	59.38
Charlotte MSA	May	1,549	32.05	32.62
Durham MSA	May	411	13.85	12.91
Fayetteville MSA	May	65	-1.52	-23.53
Greensboro-High Point MSA	May	310	86.75	20.16
Greenville MSA	May	33	135.71	10.00
Hickory MSA	May	8	25.00	---
Jacksonville MSA	May	60	27.66	-28.57
Raleigh-Cary MSA	May	1,407	45.05	-7.07
Wilmington MSA	May	191	31.72	24.84
Winston-Salem MSA	May	202	10.99	-12.17

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	May	1,092	-5.54	-2.41
Fifth District	May	128	-0.45	-18.78
North Carolina	May	51.1	10.11	-8.62

North Carolina Building Permits  
Year-over-Year Percent Change through May 2017



North Carolina Housing Starts  
Thousands of Units (SAAR) May 2017



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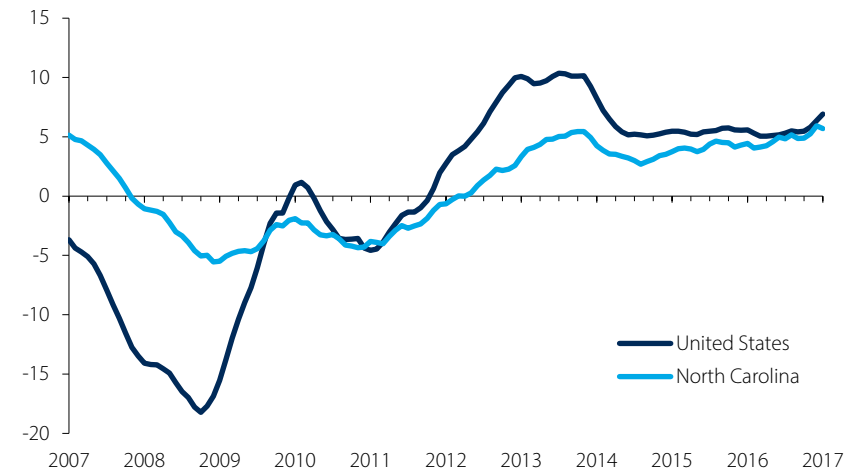
Real Estate Conditions

House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	April	190	1.60	6.92
Fifth District	April	191	1.04	4.31
North Carolina	April	149	0.91	5.69
Asheville MSA	April	201	-0.52	8.80
Charlotte MSA	April	154	1.08	7.54
Durham MSA	April	153	1.14	3.96
Fayetteville MSA	April	122	0.30	1.88
Greensboro-High Point MSA	April	122	0.50	2.07
Greenville MSA	April	127	1.01	2.39
Hickory MSA	April	140	1.35	6.71
Jacksonville MSA	April	138	0.54	0.82
Raleigh-Cary MSA	April	147	0.65	5.86
Wilmington MSA	April	171	-0.51	3.24
Winston-Salem MSA	April	135	1.99	5.19

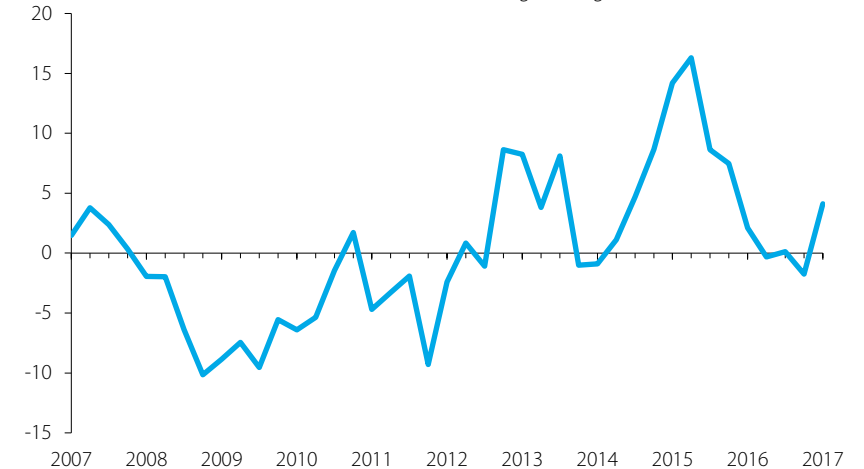
Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	Q1:17	210	1.85	13.42
Durham MSA	Q1:17	229	-1.84	1.78
Greensboro-High Point MSA	Q1:17	147	0.96	4.11
Raleigh-Cary MSA	Q1:17	250	2.58	7.24

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Asheville MSA	Q1:17	230	1.77	8.49
Charlotte MSA	Q1:17	211	-0.94	9.90
Durham MSA	Q1:17	219	-5.60	4.29
Fayetteville MSA	Q1:17	123	-5.38	-1.60
Greensboro-High Point MSA	Q1:17	144	2.13	5.11
Raleigh-Cary MSA	Q1:17	267	5.53	10.33
Winston-Salem MSA	Q1:17	142	-0.70	9.23

North Carolina House Price Index (CoreLogic)  
Year-over-Year Percent Change through April 2017



Greensboro MSA Median Home Sales Price (NAR)  
Year-over-Year Percent Change through Q1:17



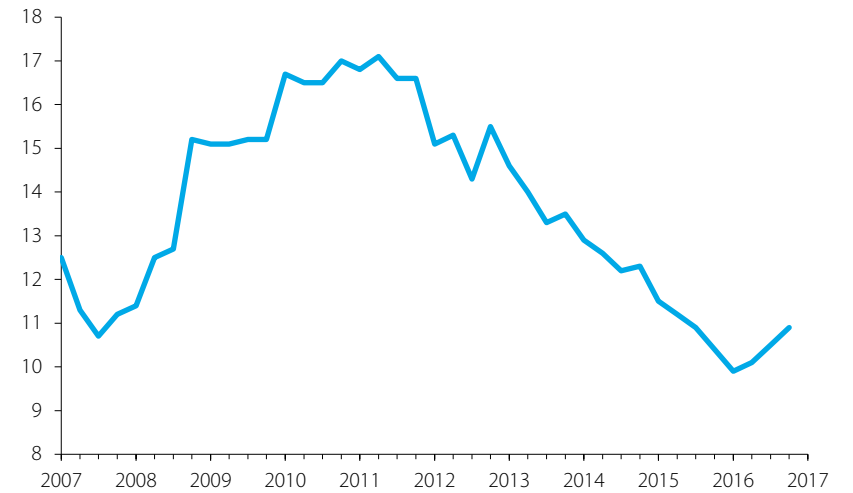
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Real Estate Conditions

Housing Opportunity Index (%)	Q1:17	Q4:16	Q1:16
Asheville MSA	61.4	62.0	64.8
Charlotte MSA	70.1	69.3	70.2
Durham MSA	71.7	70.1	75.5
Fayetteville MSA	77.2	78.8	79.7
Greensboro-High Point MSA	77.3	80.4	79.8
Raleigh-Cary MSA	66.9	70.5	72.7
Winston-Salem MSA	83.2	83.1	86.5

Commercial Vacancy Rates (%)	Q1:17	Q4:16	Q1:16
<b>Office Vacancies</b>			
Raleigh/Durham	7.0	7.2	8.8
Charlotte	10.9	10.5	10.4
<b>Retail Vacancies</b>			
Raleigh/Durham	5.2	5.0	5.3
Charlotte	6.3	6.4	7.2
<b>Industrial Vacancies</b>			
Raleigh/Durham	8.9	9.2	10.3
Charlotte	6.5	6.3	7.5

Charlotte MSA Office Vacancy Rate  
Through Q1:17



Raleigh/Durham CSA Industrial Vacancy Rate  
Through Q1:17

