

## NORTH CAROLINA

### November Summary

North Carolina's economy improved somewhat, according to recent reports. Payroll employment increased and the unemployment rate remained low; however, recent housing market indicators were mixed.

**Labor Markets:** Payroll employment in North Carolina rose 0.1 percent in September as employers in the state added 2,500 net new jobs. The government sector added the most jobs in the month (5,900 jobs), followed by manufacturing and trade, transportation, and utilities, which added 1,600 jobs, each. On the downside, a sizeable number of jobs were lost in the leisure and hospitality industry (4,600 jobs) and the financial services industry (2,600 jobs). Compared to a year earlier, total payroll employment in North Carolina grew 1.4 percent as jobs were added in every industry except construction, manufacturing, and information. Professional and business services continued to report the largest employment gain (32,500 jobs) and fastest growth (5.3 percent). Education and health services added the second most number of jobs (15,500 jobs) while logging and mining reported the second fastest pace of growth (3.6 percent) compared a year earlier.

**Household Conditions:** North Carolina's unemployment rate was unchanged at 4.1 percent in September. Unemployment rates were also unchanged in August in every MSA and ranged from 3.5 percent in Asheville to 5.2 percent in Fayetteville. In the second quarter of 2017, the share of North Carolina mortgages with payments 90 or more days past due fell 0.1 percentage point to 1.3 percent. Delinquency rates for fixed and adjustable rate conventional loans declined in the second quarter as well, to 1.0 percent and 1.9 percent, respectively. Also in the second quarter of 2017, real personal income in North Carolina rose 0.7 percent and was 2.2 percent higher than in the second quarter of 2016.

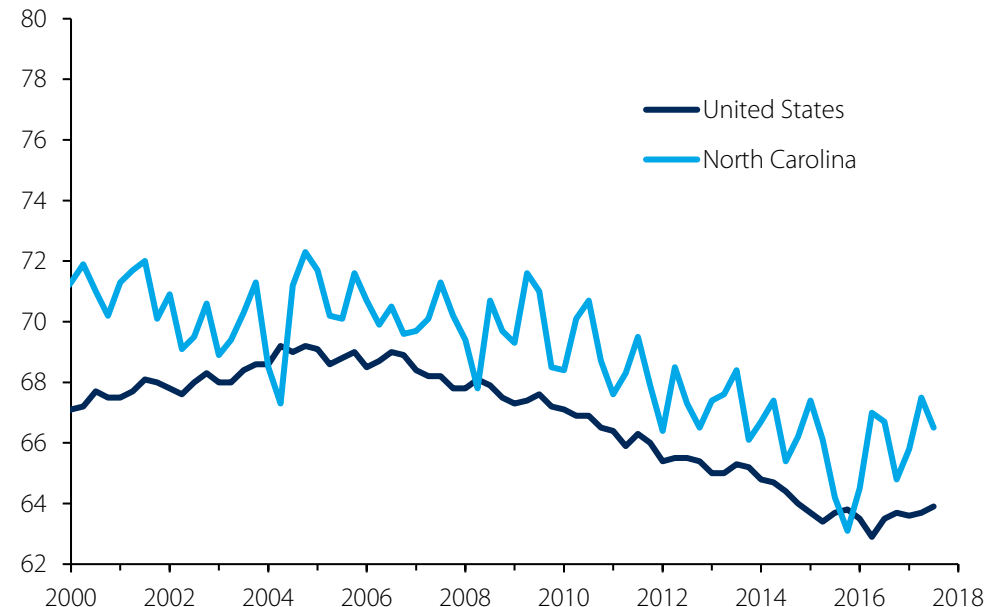
**Housing Markets:** North Carolina issued 5,068 new residential permits in September, down 24.7 percent from the prior month and down 1.1 percent from a year earlier. The Charlotte MSA issued the most permits in September (2,258 permits), which was a decrease of 3.5 percent from the prior month but a 22.6 percent increase compared to a year earlier. North Carolina housing starts totaled 57,400 in September, down 15.8 percent from August but up 3.5 percent on a year-over-year basis. According to CoreLogic Information Solutions, North Carolina home values appreciated 0.5 percent in August and appreciated 5.5 percent since August 2016. House prices rose in a majority of MSAs in the month. On a year-over-year basis, prices increased in every MSA except Greenville, where prices declined 0.5 percent.

### A Closer Look at... Homeownership Rates

In the Census Bureau's Housing Vacancies and Homeownership Survey homeownership is defined as the number of owner-occupied housing units divided by the total number of occupied housing units. According to the survey:

- The homeownership rate in North Carolina was 66.5 percent in the third quarter of 2017. This was 2.6 percentage points above the U.S. rate of 63.9 percent.
- In the past 20 years, homeownership in North Carolina peaked in the fourth quarter of 2004 at 72.3 percent.
- The homeownership rate in North Carolina was 4.5 percentage points lower in the third quarter of 2017 than in the third quarter of 2000.
- North Carolina is currently ranked 19th highest homeownership rate among the states.

Homeownership Rates in North Carolina and the U.S.



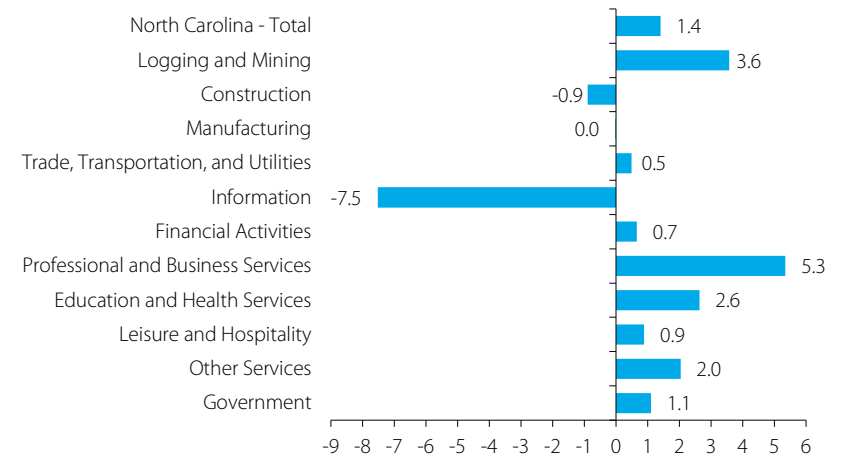
## NORTH CAROLINA

### Labor Market Conditions

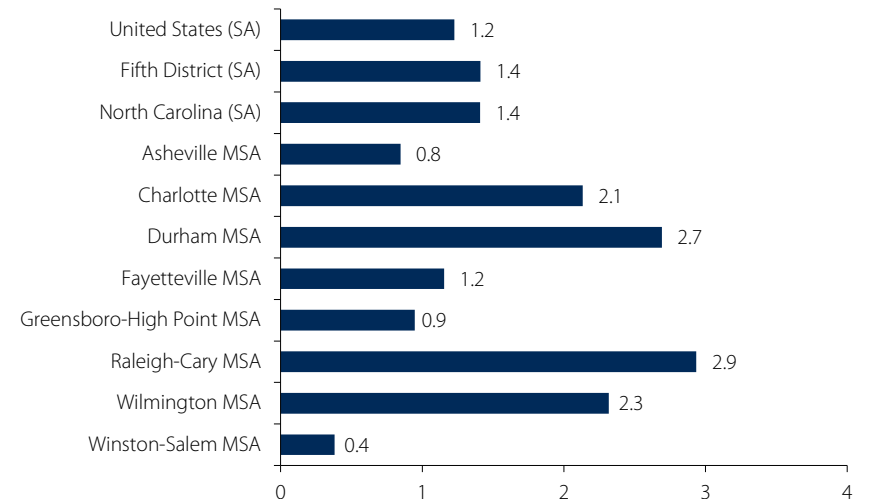
Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	September	146,659.0	-0.02	1.23
Fifth District - Total	September	14,803.0	-0.06	1.41
North Carolina - Total	September	4,422.5	0.06	1.41
Logging and Mining	September	5.8	0.00	3.57
Construction	September	200.3	0.65	-0.89
Manufacturing	September	463.9	0.35	-0.02
Trade, Transportation, and Utilities	September	823.8	0.19	0.49
Information	September	72.6	0.14	-7.52
Financial Activities	September	229.3	-1.12	0.66
Professional and Business Services	September	640.4	0.14	5.35
Education and Health Services	September	603.5	-0.17	2.64
Leisure and Hospitality	September	487.3	-0.94	0.89
Other Services	September	155.1	-0.45	2.04
Government	September	740.5	0.80	1.11

Metro Payroll Employment (NSA)	Period	Level (000s)	YoY % Change
Asheville MSA - Total	September	190.6	0.85
Charlotte MSA - Total	September	1,182.7	2.13
Durham MSA - Total	September	312.8	2.69
Fayetteville MSA - Total	September	131.4	1.15
Greensboro-High Point MSA - Total	September	362.5	0.95
Raleigh-Cary MSA - Total	September	624.2	2.94
Wilmington MSA - Total	September	128.0	2.32
Winston-Salem MSA - Total	September	263.3	0.38

North Carolina Payroll Employment Performance  
Year-over-Year Percent Change in September 2017



North Carolina Total Employment Performance  
Year-over-Year Percent Change in September 2017



**NORTH CAROLINA**

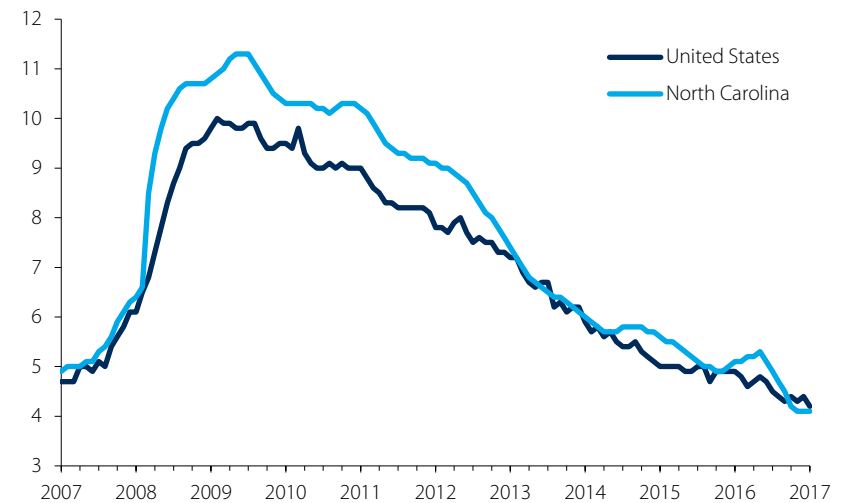
Labor Market Conditions

Unemployment Rate (SA)	September 17	August 17	September 16
United States	4.2	4.4	4.9
Fifth District	4.0	4.1	4.6
North Carolina	4.1	4.1	5.1
Asheville MSA	3.5	3.5	4.2
Charlotte MSA	3.9	3.9	4.8
Durham MSA	3.7	3.7	4.5
Fayetteville MSA	5.2	5.2	6.4
Greensboro-High Point MSA	4.4	4.4	5.3
Raleigh-Cary MSA	3.6	3.6	4.4
Wilmington MSA	3.9	3.9	4.9
Winston-Salem MSA	4.0	4.0	4.9

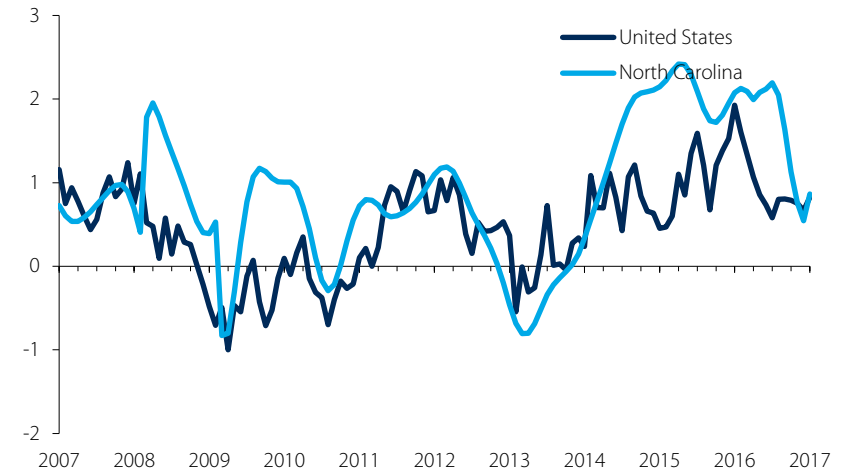
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	161,146	0.36	0.82
Fifth District	September	16,031	0.41	1.53
North Carolina	September	4,931	0.59	0.86
Asheville MSA	September	228	0.88	0.80
Charlotte MSA	September	1,315	0.91	1.74
Durham MSA	September	297	0.61	2.45
Fayetteville MSA	September	149	0.61	0.41
Greensboro-High Point MSA	September	371	1.06	0.92
Raleigh-Cary MSA	September	703	0.67	2.72
Wilmington MSA	September	147	0.75	1.80
Winston-Salem MSA	September	324	0.75	0.09

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	September	914,837	-3.17	7.14
Fifth District	September	58,852	4.96	7.83
North Carolina	September	11,225	2.74	-15.53

North Carolina Unemployment Rate  
Through September 2017



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



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Household Conditions

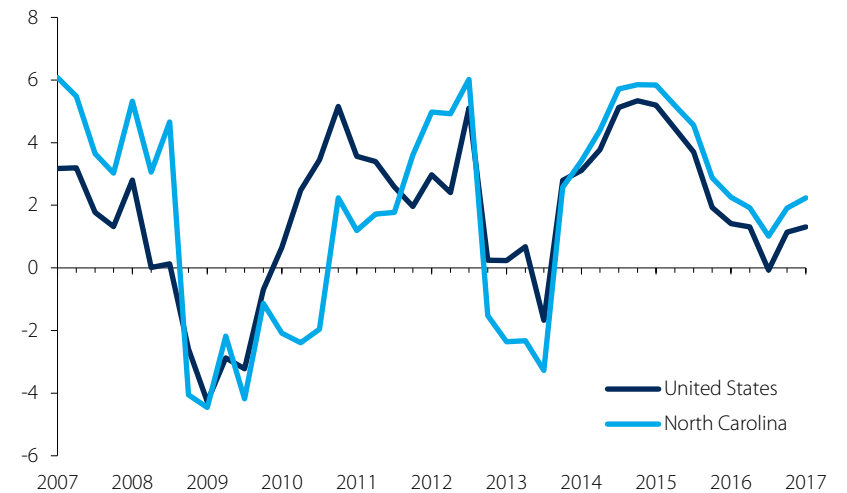
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q2:17	14,565,583	0.65	1.30
Fifth District	Q2:17	1,412,311	0.67	1.70
North Carolina	Q2:17	395,542	0.73	2.24

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

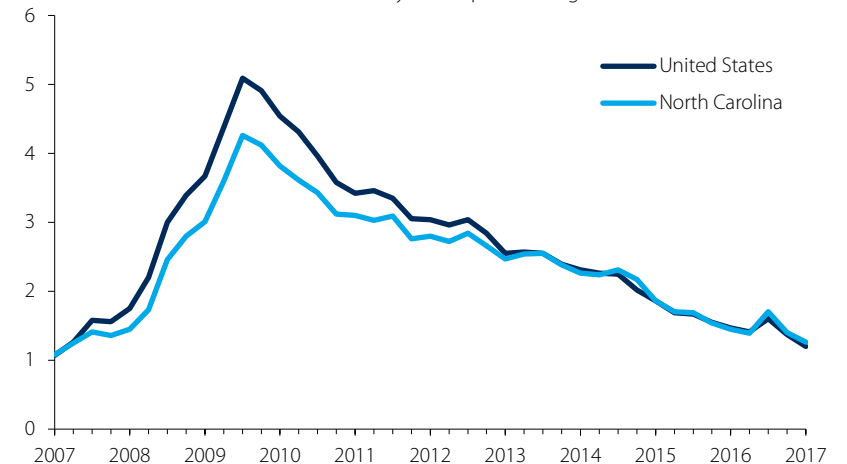
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q3:17	189,540	-7.08	-2.21
Fifth District	Q3:17	15,410	-7.45	-1.86
North Carolina	Q3:17	3,445	-5.93	-7.19

Mortgage Delinquencies (% 90+ Days Delinquent)	Q2:17	Q1:17	Q2:16
United States			
All Mortgages	1.20	1.37	1.47
Conventional - Fixed Rate	0.92	1.11	1.10
Conventional - Adjustable Rate	2.12	2.39	2.68
North Carolina - All Mortgages			
All Mortgages	1.26	1.40	1.45
Conventional - Fixed Rate	0.95	1.10	1.05
Conventional - Adjustable Rate	1.90	2.03	2.32

North Carolina Real Personal Income  
Year-over-Year Percent Change through Q2:17



North Carolina Mortgage Delinquencies  
Percent 90+ Days Delinquent through Q2:17





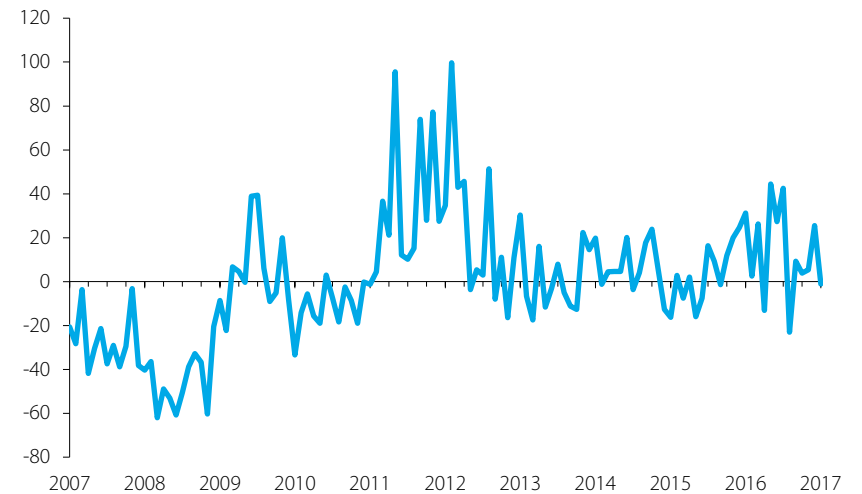
NORTH CAROLINA

Real Estate Conditions

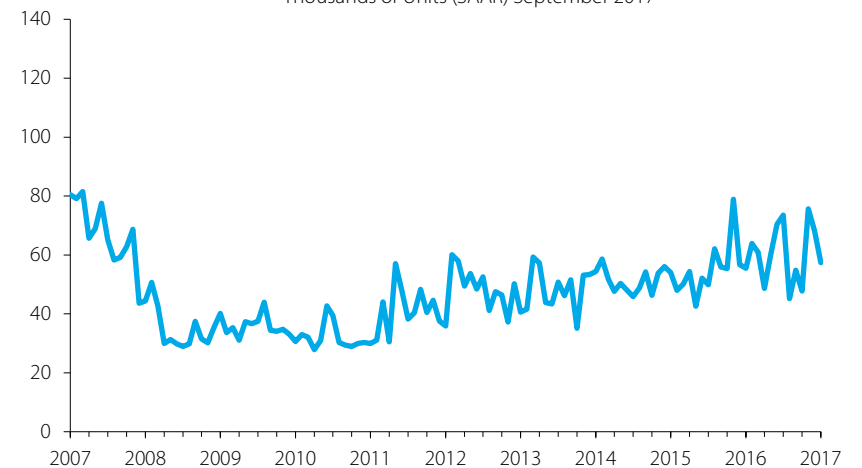
Permits: New Private Housing Units (NSA)	Period	Level	MoM % Change	YoY % Change
United States	September	101,400	-15.21	-5.87
Fifth District	September	12,790	-14.61	-0.92
North Carolina	September	5,068	-24.70	-1.09
Asheville MSA	September	213	-39.83	29.88
Charlotte MSA	September	2,258	-3.46	22.58
Durham MSA	September	335	-21.73	-23.52
Fayetteville MSA	September	83	12.16	-27.83
Greensboro-High Point MSA	September	121	-54.85	-68.73
Greenville MSA	September	29	-90.65	107.14
Hickory MSA	September	1	25.00	---
Jacksonville MSA	September	94	6.82	67.86
Raleigh-Cary MSA	September	842	-36.50	-21.01
Wilmington MSA	September	143	-33.80	68.24
Winston-Salem MSA	September	273	-53.96	145.95

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	September	1,127	-4.73	6.12
Fifth District	September	145	-4.48	3.64
North Carolina	September	57.4	-15.76	3.46

North Carolina New Housing Units  
Year-over-Year Percent Change through September 2017



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



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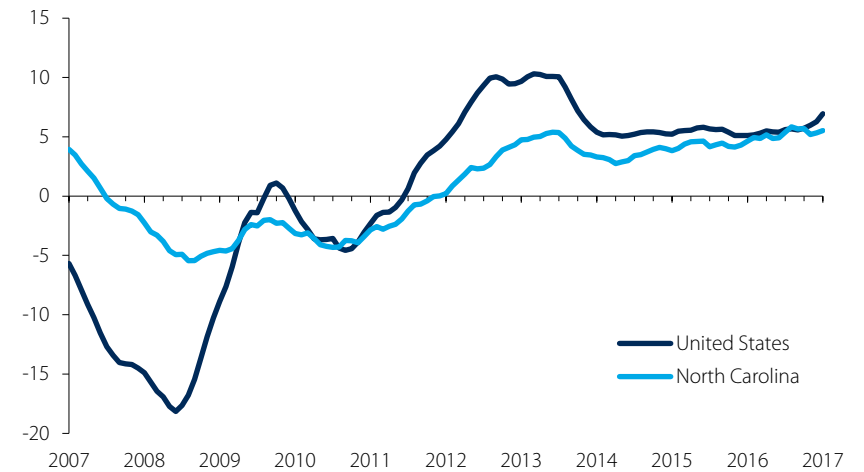
Real Estate Conditions

House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	August	194	0.94	6.94
Fifth District	August	195	0.33	4.18
North Carolina	August	152	0.53	5.52
Asheville MSA	August	214	3.63	12.51
Charlotte MSA	August	157	0.78	7.33
Durham MSA	August	158	0.63	4.78
Fayetteville MSA	August	123	0.61	0.29
Greensboro-High Point MSA	August	126	0.32	4.30
Greenville MSA	August	126	-0.05	-0.47
Hickory MSA	August	144	-1.11	4.88
Jacksonville MSA	August	143	-0.07	2.06
Raleigh-Cary MSA	August	150	0.35	4.87
Wilmington MSA	August	173	-0.38	4.01
Winston-Salem MSA	August	138	0.31	5.51

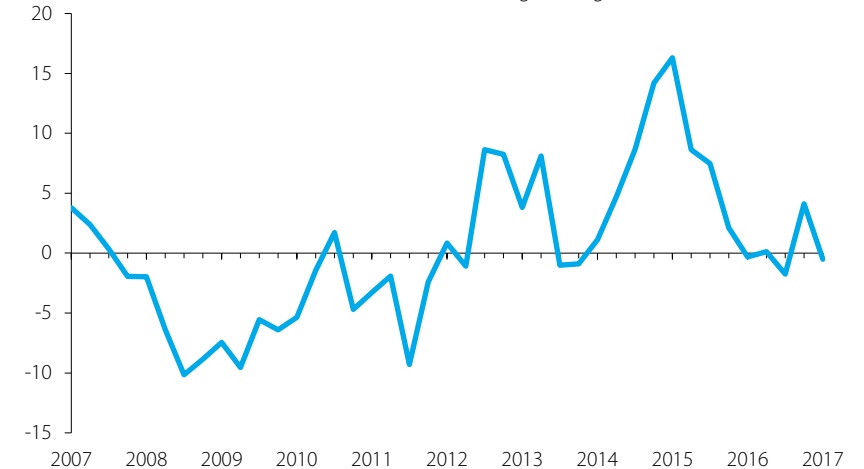
Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	Q2:17	234	11.78	7.43
Durham MSA	Q2:17	264	15.25	7.33
Greensboro-High Point MSA	Q2:17	159	7.82	-0.50
Raleigh-Cary MSA	Q2:17	278	11.19	7.53

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Asheville MSA	Q2:17	248	7.83	5.98
Charlotte MSA	Q2:17	236	11.85	13.46
Durham MSA	Q2:17	244	11.42	8.44
Fayetteville MSA	Q2:17	129	4.88	-0.77
Greensboro-High Point MSA	Q2:17	154	6.94	2.67
Raleigh-Cary MSA	Q2:17	283	5.99	8.85
Winston-Salem MSA	Q2:17	160	12.68	3.90

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



Greensboro MSA Median Home Sales Price (NAR)  
Year-over-Year Percent Change through Q2:17



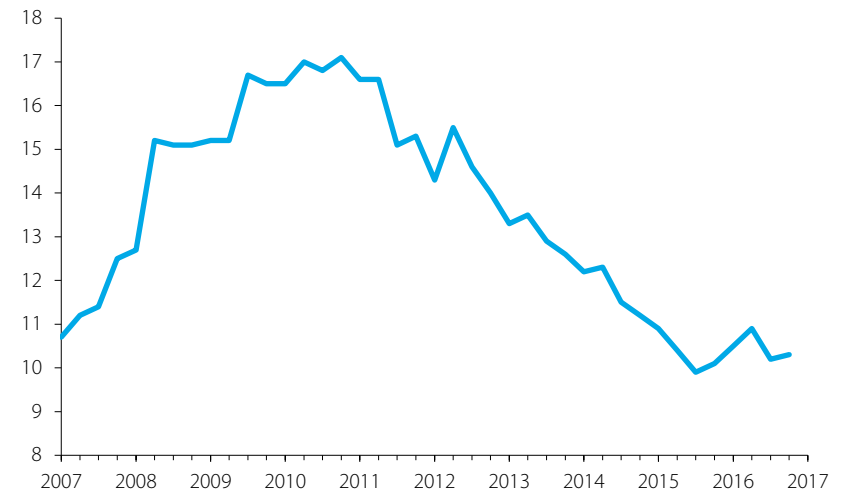
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Real Estate Conditions

Housing Opportunity Index (%)	Q2:17	Q1:17	Q2:16
Asheville MSA	57.7	61.4	60.0
Charlotte MSA	66.4	70.1	70.0
Durham MSA	66.8	71.7	73.7
Fayetteville MSA	75.7	77.2	79.5
Greensboro-High Point MSA	74.4	77.3	76.7
Raleigh-Cary MSA	64.3	66.9	69.0
Winston-Salem MSA	75.6	83.2	79.8

Commercial Vacancy Rates (%)	Q3:17	Q2:17	Q3:16
<b>Office Vacancies</b>			
Raleigh/Durham	8.7	7.2	8.0
Charlotte	10.3	10.2	10.1
<b>Retail Vacancies</b>			
Raleigh/Durham	5.2	5.2	5.1
Charlotte	5.7	5.9	6.5
<b>Industrial Vacancies</b>			
Raleigh/Durham	7.8	7.8	9.3
Charlotte	7.2	7.1	6.5

Charlotte MSA Office Vacancy Rate  
Through Q3:17



Raleigh/Durham CSA Industrial Vacancy Rate  
Through Q3:17

