

NORTH CAROLINA

June Summary

Recent economic reports on North Carolina were mixed as household conditions generally improved; however, payroll employment declined in April and housing market activity slowed somewhat in recent months.

Labor Markets: Employers in North Carolina cut 7,000 jobs (0.2 percent) in April. Jobs were lost from a majority of industries in the month, with the largest decline coming from the government sector (3,800 jobs). The construction industry followed closely as firms gave up 3,600 jobs (1.8 percent) in April after giving up as many jobs in the month prior. On a positive note, the professional and business services industry added 2,000 jobs in April, the "other" services industry added 1,000 jobs, and smaller gains were reported in education and health services, information, and logging and mining. Since April 2016, total employment in North Carolina rose 1.2 percent. The largest absolute job gain, on a year-over-year basis, came from the professional and business services industry (19,100 jobs), while the largest percentage gain came from the logging and mining industry (5.4 percent or 300 jobs). The only industries to contract since last April were information and manufacturing.

Household Conditions: North Carolina's unemployment rate declined 0.2 percentage point to 4.7 percent in April and was slightly lower than the rate reported last April. Unemployment rates improved in March (the most recent data available) in every MSA except Wilmington, where the rate was unchanged at 4.5 percent. 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. In the fourth quarter of 2016, real personal income in North Carolina rose 0.4 percent and was 2.4 percent higher than in the fourth quarter of 2015.

Housing Markets: North Carolina issued 3,877 new residential permits in April, down 41.6 percent from the prior month and down 23.0 percent from April 2016. At the metro level, permitting activity slowed in every MSA except Asheville and Hickory in April and in every MSA except Asheville and Winston-Salem on a year-over-year basis. North Carolina housing starts totaled 47,600 in April, down 47.6 percent from April and down 23.3 percent on a year-over-year basis. According to CoreLogic Information Solutions, North Carolina home values appreciated 1.6 percent in March and 6.0 percent since March 2016. Meanwhile, house prices rose in every MSA except Greensboro and Winston-Salem in March and rose in every metro area on a year-over-year basis.

A Closer Look at... State Tax Revenues

State Tax Collections in Q4-2016: \$6,371 million

Change from Q4-2015: 5.1%

State Tax Collections in Calendar Year 2016: \$26,648 million

Change from 2015: 3.6%

Largest Year-over-Year (Year-to-Date) Changes Since 2003:

Increase: 17.1% in Q2:2015

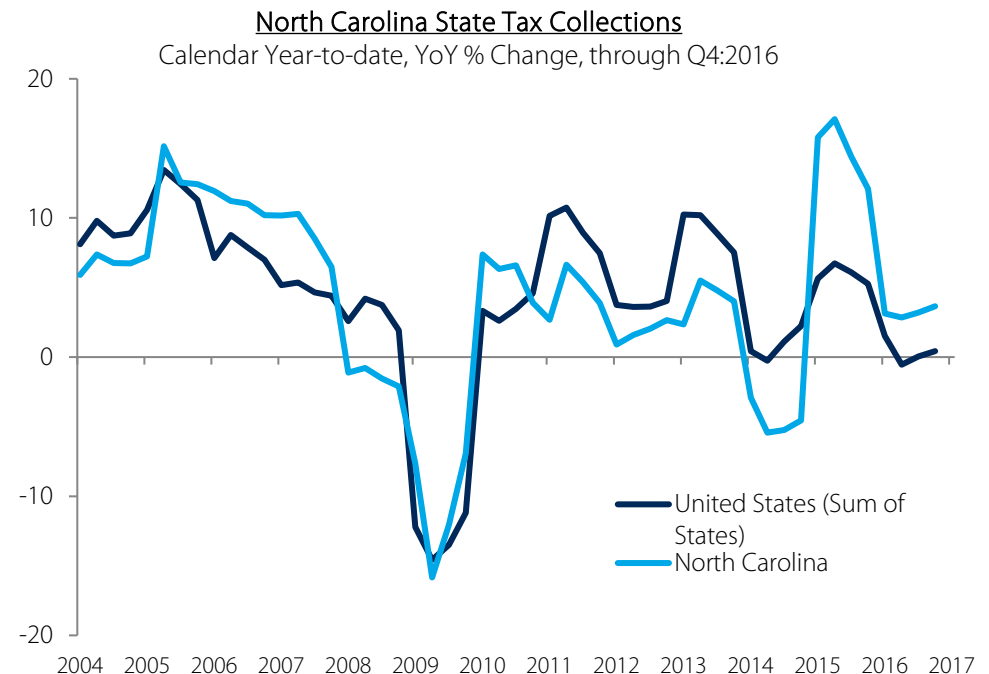
Decrease: -15.8% in Q2:2009

Largest Sources of Tax Revenue - Share of Total (2016):

Individual Income Tax: 45.9%

General Sales Tax: 28.0%

Motor Fuel Sales Tax: 7.2%



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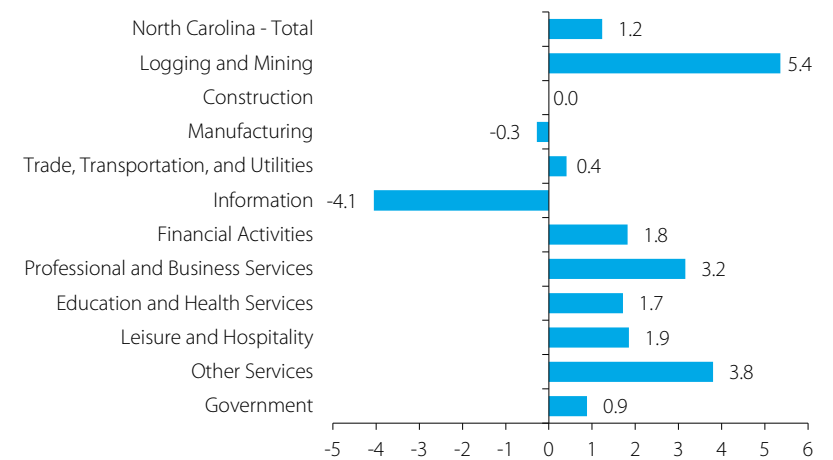
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	April	146,063.0	0.14	1.56
Fifth District - Total	April	14,694.4	-0.02	1.19
North Carolina - Total	April	4,380.5	-0.16	1.23
Logging and Mining	April	5.9	1.72	5.36
Construction	April	199.2	-1.78	0.00
Manufacturing	April	463.3	-0.15	-0.28
Trade, Transportation, and Utilities	April	816.2	-0.24	0.41
Information	April	75.8	0.26	-4.05
Financial Activities	April	229.4	-0.61	1.82
Professional and Business Services	April	623.6	0.32	3.16
Education and Health Services	April	593.3	0.22	1.71
Leisure and Hospitality	April	488.9	-0.02	1.85
Other Services	April	155.7	0.65	3.80
Government	April	729.2	-0.52	0.89

Metro Payroll Employment (NSA)	Period	Level (000s)	YoY % Change
Asheville MSA - Total	April	191.2	2.03
Charlotte MSA - Total	April	1,173.4	2.40
Durham MSA - Total	April	309.8	2.04
Fayetteville MSA - Total	April	129.9	-0.99
Greensboro-High Point MSA - Total	April	362.4	0.92
Raleigh-Cary MSA - Total	April	613.4	2.58
Wilmington MSA - Total	April	127.1	2.67
Winston-Salem MSA - Total	April	261.3	-0.19

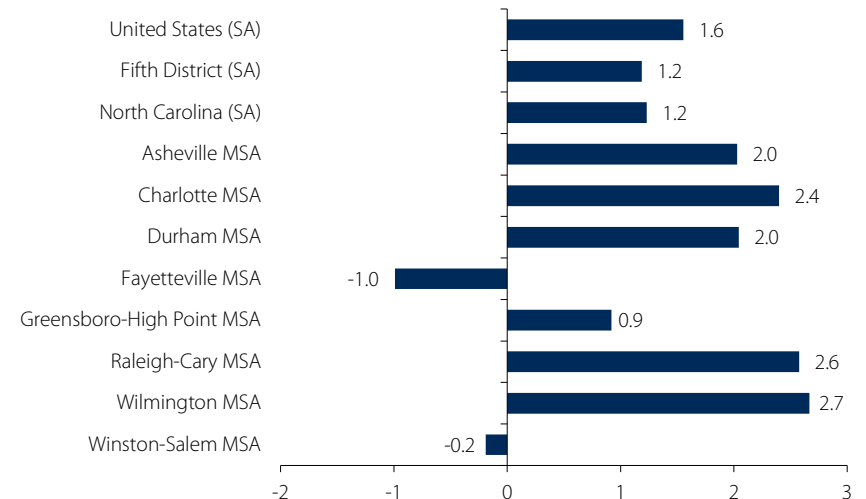
North Carolina Payroll Employment Performance

Year-over-Year Percent Change in April 2017



North Carolina Total Employment Performance

Year-over-Year Percent Change in April 2017



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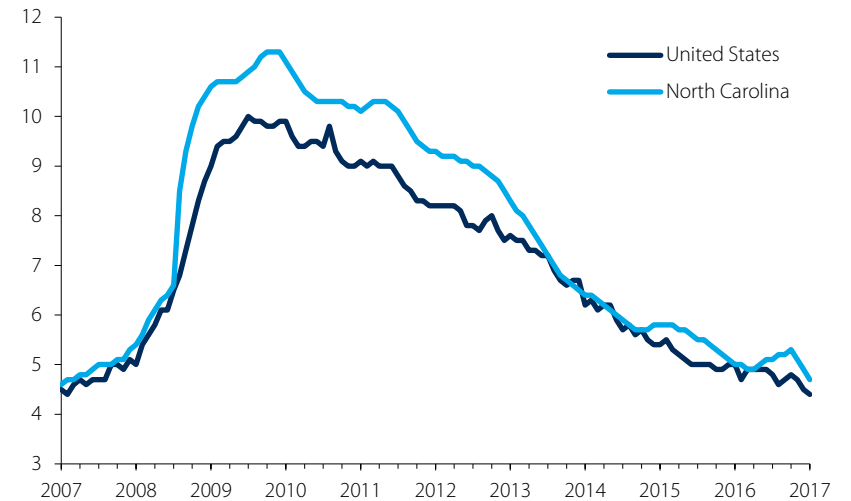
Labor Market Conditions

Unemployment Rate (SA)	April 17	March 17	April 16
United States	4.4	4.5	5.0
Fifth District	4.4	4.4	4.7
North Carolina	4.7	4.9	5.0
Asheville MSA	---	3.8	4.0
Charlotte MSA	---	4.5	4.8
Durham MSA	---	4.3	4.5
Fayetteville MSA	---	6.1	6.4
Greensboro-High Point MSA	---	5.0	5.2
Raleigh-Cary MSA	---	4.2	4.3
Wilmington MSA	---	4.5	4.8
Winston-Salem MSA	---	4.6	4.8

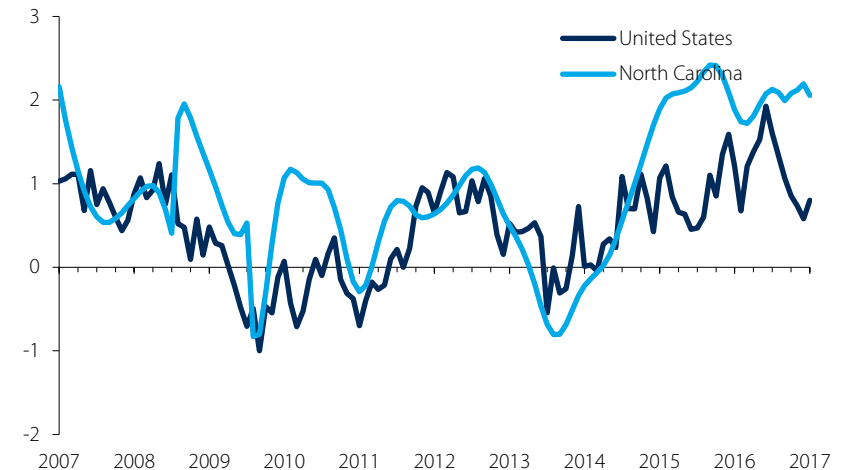
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	April	160,213	0.01	0.80
Fifth District	April	15,991	0.12	1.87
North Carolina	April	4,946	-0.11	2.06
Asheville MSA	April	---	---	---
Charlotte MSA	April	---	---	---
Durham MSA	April	---	---	---
Fayetteville MSA	April	---	---	---
Greensboro-High Point MSA	April	---	---	---
Raleigh-Cary MSA	April	---	---	---
Wilmington MSA	April	---	---	---
Winston-Salem MSA	April	---	---	---

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	April	916,080	-5.84	-11.54
Fifth District	April	52,944	-8.01	-14.89
North Carolina	April	12,381	-9.30	-17.05

North Carolina Unemployment Rate
Through April 2017



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



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Household Conditions

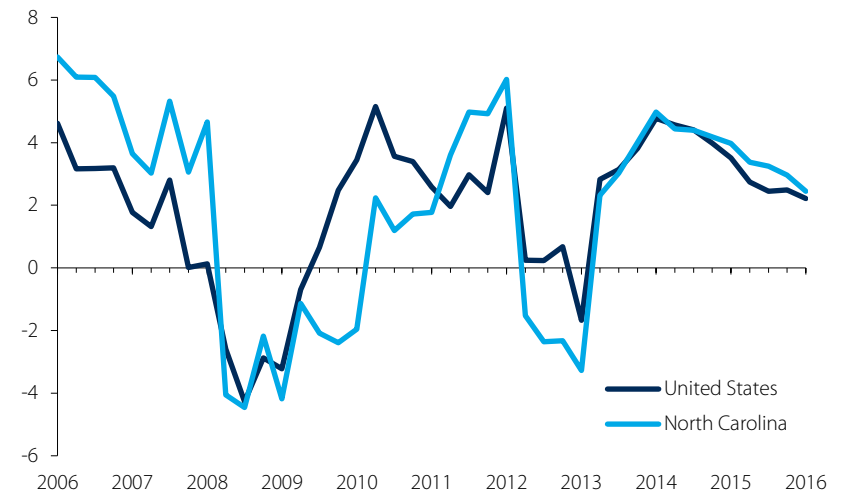
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q4:16	14,598,119	0.47	2.22
Fifth District	Q4:16	1,405,811	0.49	2.30
North Carolina	Q4:16	388,212	0.43	2.44

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

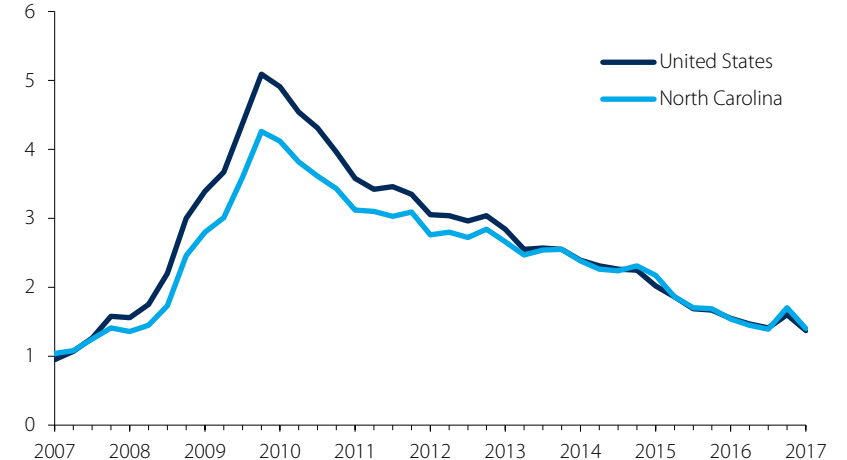
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q4:16	178,353	-7.98	-5.62
Fifth District	Q4:16	14,680	-6.51	-6.40
North Carolina	Q4:16	3,327	-10.37	-4.64

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

North Carolina Real Personal Income
Year-over-Year Percent Change through Q4:16



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



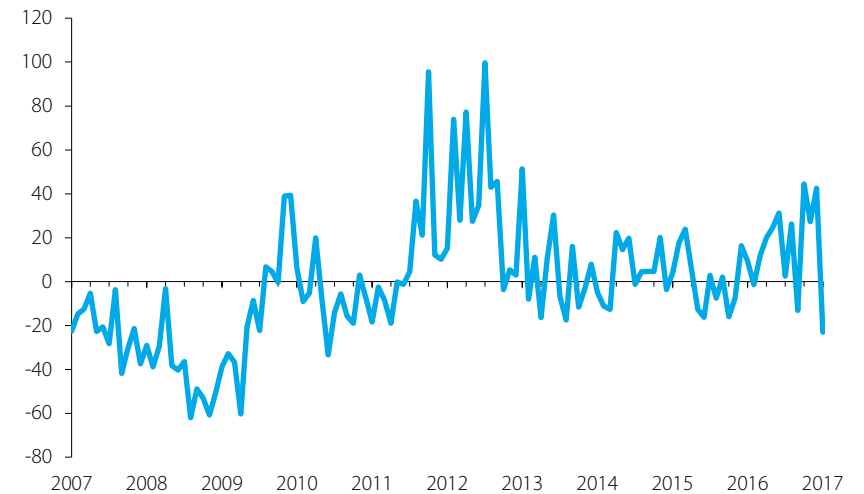
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Real Estate Conditions

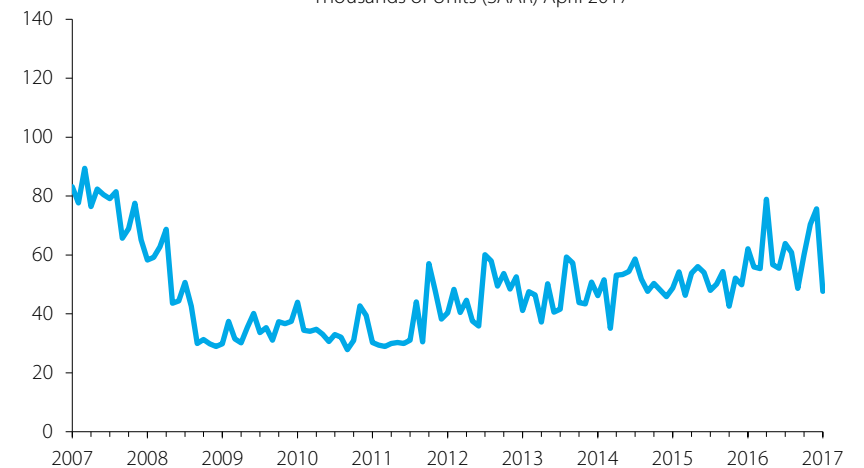
Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	April	102,633	-8.77	2.95
Fifth District	April	10,774	-28.06	-13.43
North Carolina	April	3,877	-41.62	-23.03
Asheville MSA	April	219	28.82	30.36
Charlotte MSA	April	1,173	-36.28	-30.84
Durham MSA	April	361	-9.52	-3.22
Fayetteville MSA	April	66	-37.74	-4.35
Greensboro-High Point MSA	April	166	-69.98	-58.19
Greenville MSA	April	14	-92.96	0.00
Hickory MSA	April	1	25.00	---
Jacksonville MSA	April	47	-47.78	-30.88
Raleigh-Cary MSA	April	970	-25.84	-25.90
Wilmington MSA	April	145	-21.62	-40.33
Winston-Salem MSA	April	182	-29.18	61.06

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	April	1,172	-2.58	0.69
Fifth District	April	132	-22.44	-13.77
North Carolina	April	47.6	-37.05	-23.32

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



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



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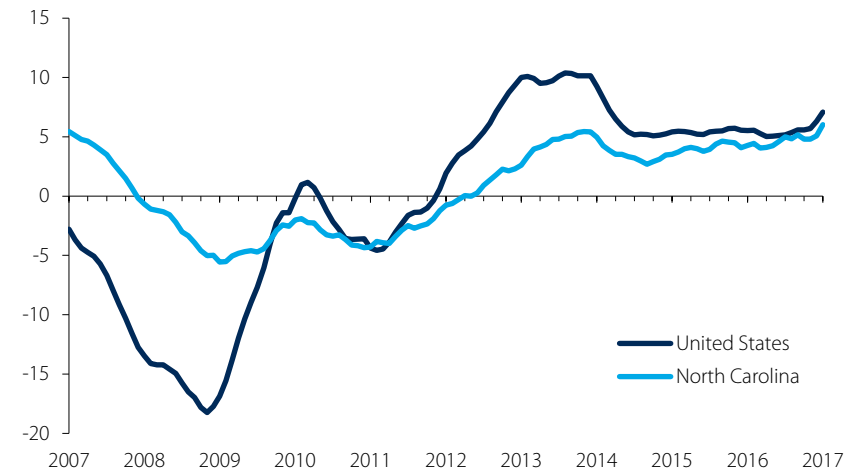
Real Estate Conditions

House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	March	188	1.65	7.08
Fifth District	March	189	0.89	4.53
North Carolina	March	147	1.59	6.02
Asheville MSA	March	203	3.38	11.12
Charlotte MSA	March	152	1.80	7.82
Durham MSA	March	151	1.00	2.55
Fayetteville MSA	March	122	0.84	1.75
Greensboro-High Point MSA	March	121	-0.16	3.33
Greenville MSA	March	123	0.50	1.18
Hickory MSA	March	142	1.59	7.86
Jacksonville MSA	March	138	0.20	0.01
Raleigh-Cary MSA	March	146	0.99	5.99
Wilmington MSA	March	171	1.08	4.80
Winston-Salem MSA	March	132	-0.50	4.80

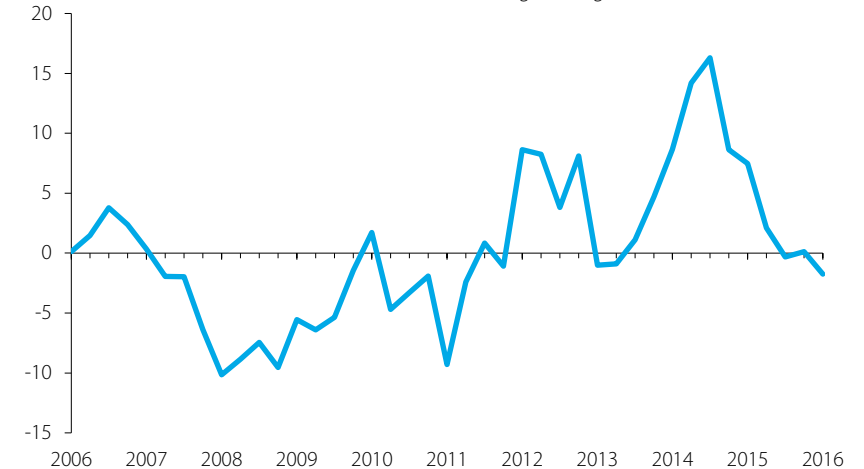
Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	Q4:16	206	-4.68	10.29
Durham MSA	Q4:16	233	-4.62	4.48
Greensboro-High Point MSA	Q4:16	146	-6.06	-1.75
Raleigh-Cary MSA	Q4:16	244	-2.48	3.43

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Asheville MSA	Q4:16	226	-4.64	7.11
Charlotte MSA	Q4:16	213	1.43	12.70
Durham MSA	Q4:16	232	0.87	10.48
Fayetteville MSA	Q4:16	130	-2.99	4.00
Greensboro-High Point MSA	Q4:16	141	-6.62	0.71
Raleigh-Cary MSA	Q4:16	253	-4.89	1.20
Winston-Salem MSA	Q4:16	143	-3.38	5.93

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



Greensboro MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through Q4:16



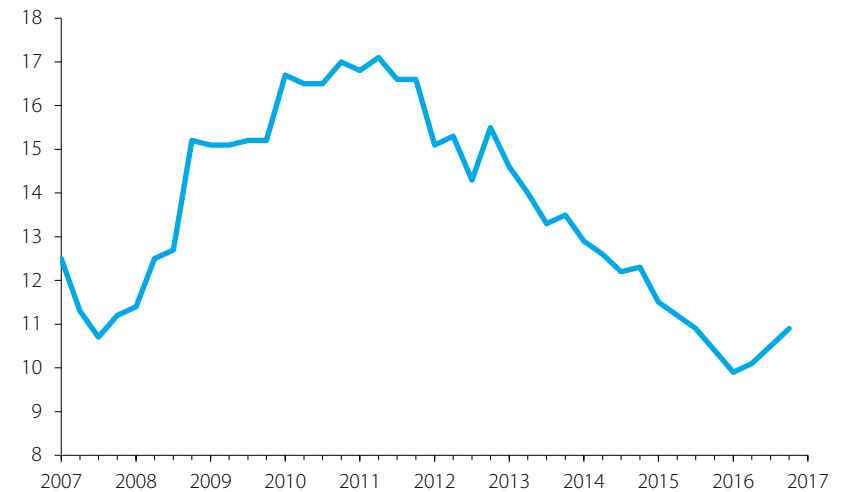
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Real Estate Conditions

Housing Opportunity Index (%)	Q4:16	Q3:16	Q4:15
Asheville MSA	62.0	59.3	64.2
Charlotte MSA	69.3	69.7	73.1
Durham MSA	70.1	72.4	69.6
Fayetteville MSA	78.8	77.4	81.5
Greensboro-High Point MSA	80.4	77.6	76.3
Raleigh-Cary MSA	70.5	67.2	71.4
Winston-Salem MSA	83.1	83.2	81.9

Commercial Vacancy Rates (%)	Q1:17	Q4:16	Q1:16
Office Vacancies			
Raleigh/Durham	7.0	7.2	8.8
Charlotte	10.9	10.5	10.4
Retail Vacancies			
Raleigh/Durham	5.2	5.0	5.3
Charlotte	6.3	6.4	7.2
Industrial Vacancies			
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

