

NORTH CAROLINA

September Summary

According to recent data, North Carolina's economy continued to improve. Total employment rose and the unemployment rate declined; meanwhile, recent housing market reports were somewhat positive.

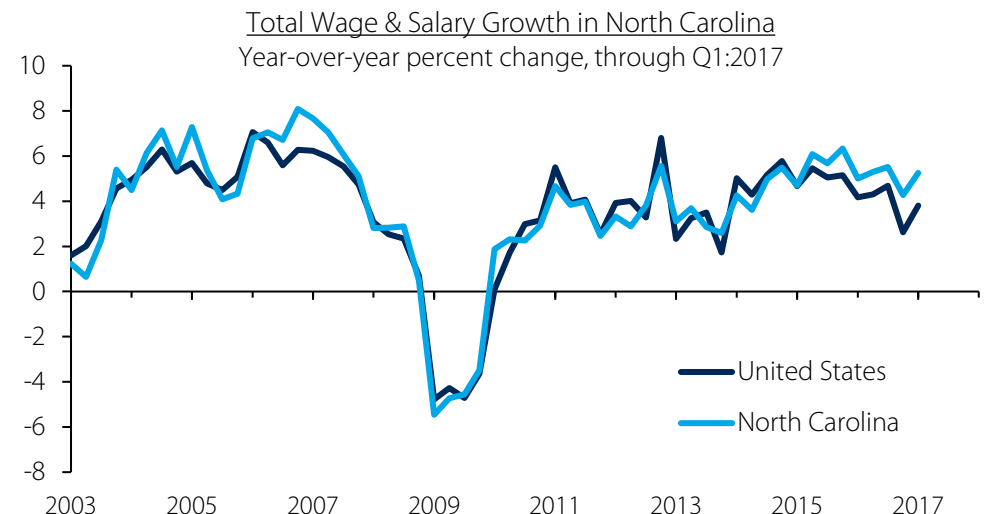
Labor Markets: Payroll employment in North Carolina rose 0.2 percent in July as firms added 8,800 net new jobs in the month. The trade, transportation, and utilities industry added the most jobs in July (3,300 jobs), followed by education and health services (2,700 jobs) and leisure and hospitality (2,500 jobs). Only three industries contracted in the month; the construction industry cut 2,400 jobs while the "other" services industry cut 1,300 jobs and manufacturers trimmed 500 jobs from payrolls. On a year-over-year basis, total employment in North Carolina grew 1.5 percent, which matched the national rate. The professional and business services industry continued to report the largest employment gain, in both absolute (27,600 jobs) and percentage terms (4.5 percent). Three industries cut jobs since last July: construction (2,500 jobs), manufacturing (700 jobs), and information (6,100 jobs).

Household Conditions: North Carolina's unemployment rate fell 0.1 percentage point to 4.1 percent in July. Unemployment rates were unchanged or marginally lower in July in every MSA except Asheville, where the rate ticked up 0.1 percentage point to 3.4 percent. 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 also declined in the second quarter to 1.0 percent and 1.9 percent, respectively. In the first quarter of 2017, 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 6,242 new residential permits in July, up 15.4 percent from the prior month and up 5.4 percent from July 2016. Metro area permitting activity varied in the month and on a year-over-year basis; however, permitting activity picked up over both periods in the Greensboro, Jacksonville, and Winston-Salem MSAs. North Carolina housing starts totaled 65,900 in July, up 37.9 percent from June but down 16.6 percent on a year-over-year basis. According to CoreLogic Information Solutions, North Carolina home values depreciated 0.9 percent in June but appreciated 3.9 percent since June 2016. House price growth in the state's metro areas varied in the month; however, prices rose in every MSA on a year-over-year basis.

A Closer Look at... Total Wages and Salaries

Total Wages and Salaries by Industry	YoY% Change Q1:2017	Average Annual % Change Since Q1:2012
Total	5.2	4.5
Natural Resources	1.5	4.0
Construction	8.0	7.1
Manufacturing	3.1	3.1
Trade, Transportation & Utilities	3.7	4.3
Information	7.5	7.1
Financial Activities	8.8	7.7
Professional & Business Services	5.3	5.7
Education & Health Services	3.1	3.9
Leisure & Hospitality	3.6	5.4
Other	8.1	4.9
Government	6.8	2.3



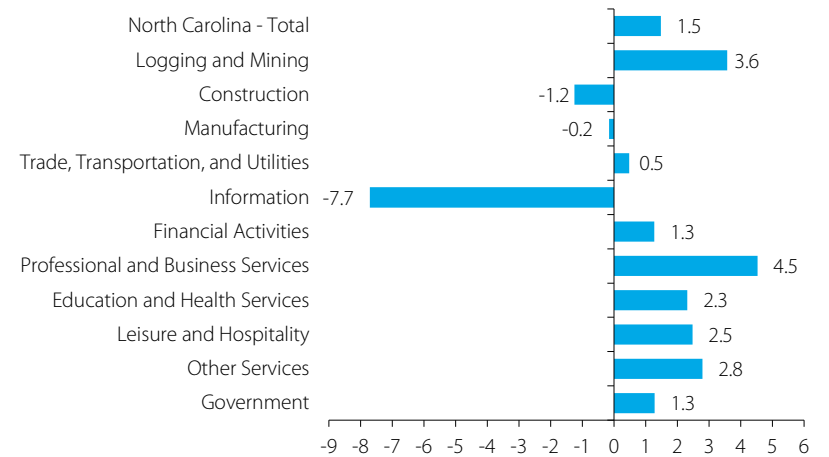
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Labor Market Conditions

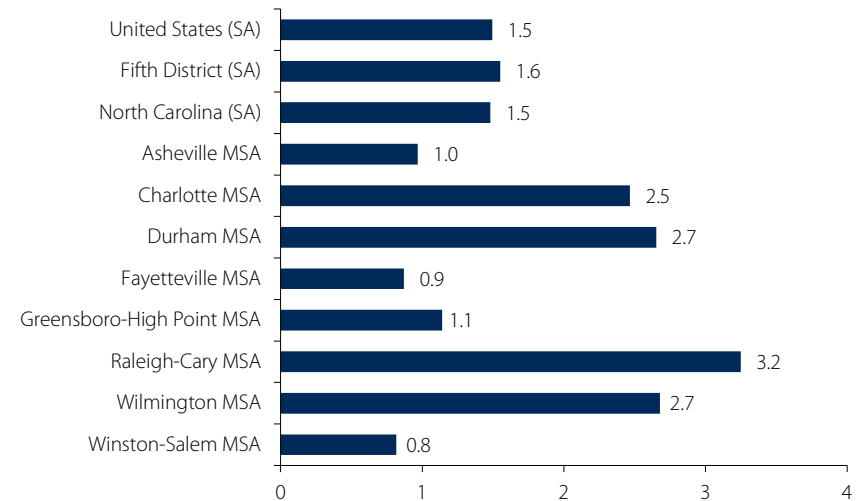
Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	July	146,615.0	0.14	1.49
Fifth District - Total	July	14,788.0	0.21	1.55
North Carolina - Total	July	4,414.4	0.20	1.48
Logging and Mining	July	5.8	0.00	3.57
Construction	July	198.1	-1.20	-1.25
Manufacturing	July	464.1	-0.11	-0.15
Trade, Transportation, and Utilities	July	819.8	0.40	0.48
Information	July	73.1	0.41	-7.70
Financial Activities	July	230.2	0.39	1.28
Professional and Business Services	July	636.5	0.22	4.53
Education and Health Services	July	600.4	0.45	2.32
Leisure and Hospitality	July	492.1	0.51	2.48
Other Services	July	154.7	-0.83	2.79
Government	July	739.6	0.26	1.29

Metro Payroll Employment (NSA)	Period	Level (000s)	YoY % Change
Asheville MSA - Total	July	187.5	0.97
Charlotte MSA - Total	July	1,162.9	2.47
Durham MSA - Total	July	305.8	2.65
Fayetteville MSA - Total	July	127.3	0.87
Greensboro-High Point MSA - Total	July	354.9	1.14
Raleigh-Cary MSA - Total	July	619.9	3.25
Wilmington MSA - Total	July	126.5	2.68
Winston-Salem MSA - Total	July	258.8	0.82

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



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



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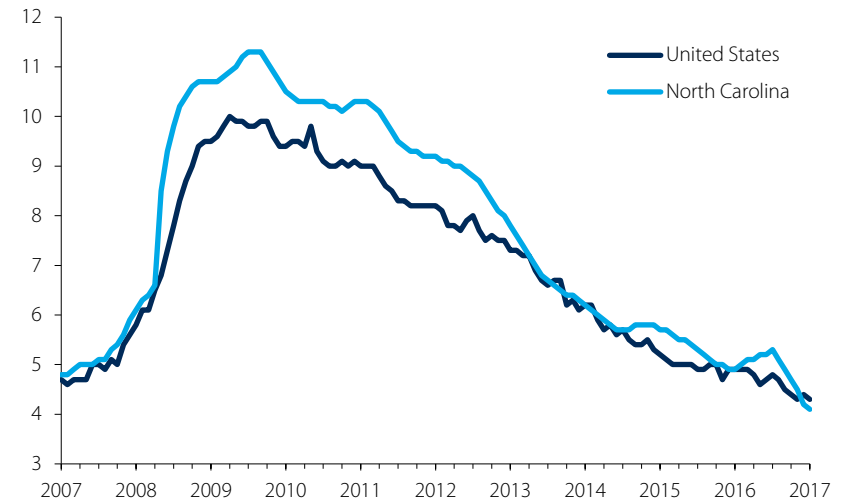
Labor Market Conditions

Unemployment Rate (SA)	July 17	June 17	July 16
United States	4.3	4.4	4.9
Fifth District	4.1	4.1	4.6
North Carolina	4.1	4.2	4.9
Asheville MSA	3.4	3.3	4.0
Charlotte MSA	3.8	3.9	4.6
Durham MSA	3.6	3.7	4.3
Fayetteville MSA	5.1	5.2	6.1
Greensboro-High Point MSA	4.3	4.3	5.0
Raleigh-Cary MSA	3.6	3.6	4.2
Wilmington MSA	3.9	3.9	4.6
Winston-Salem MSA	3.9	4.0	4.7

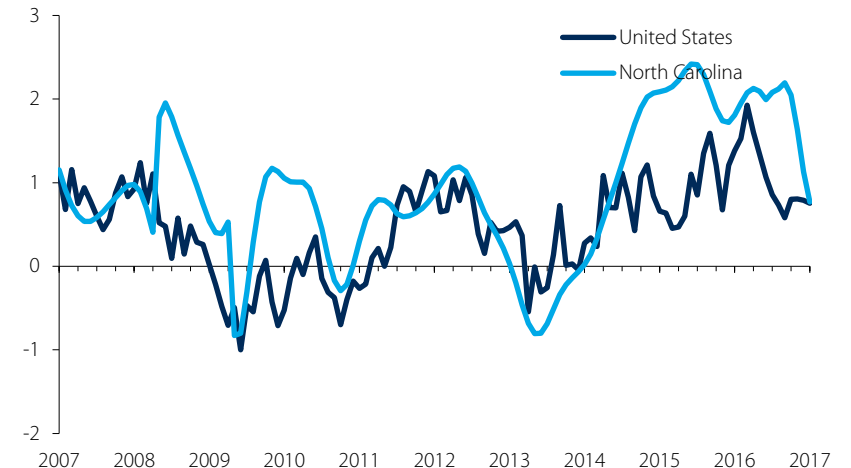
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	July	160,494	0.22	0.75
Fifth District	July	15,960	0.01	1.42
North Carolina	July	4,901	-0.16	0.77
Asheville MSA	July	226	-0.22	0.53
Charlotte MSA	July	1,308	0.22	1.94
Durham MSA	July	295	0.51	2.19
Fayetteville MSA	July	147	0.62	-0.20
Greensboro-High Point MSA	July	367	-0.08	0.38
Raleigh-Cary MSA	July	698	0.65	2.69
Wilmington MSA	July	146	0.69	1.46
Winston-Salem MSA	July	322	0.28	0.16

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	July	1,020,042	-0.74	-5.03
Fifth District	July	63,451	-0.12	-5.58
North Carolina	July	12,536	-9.70	-19.40

North Carolina Unemployment Rate
Through July 2017



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



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Household Conditions

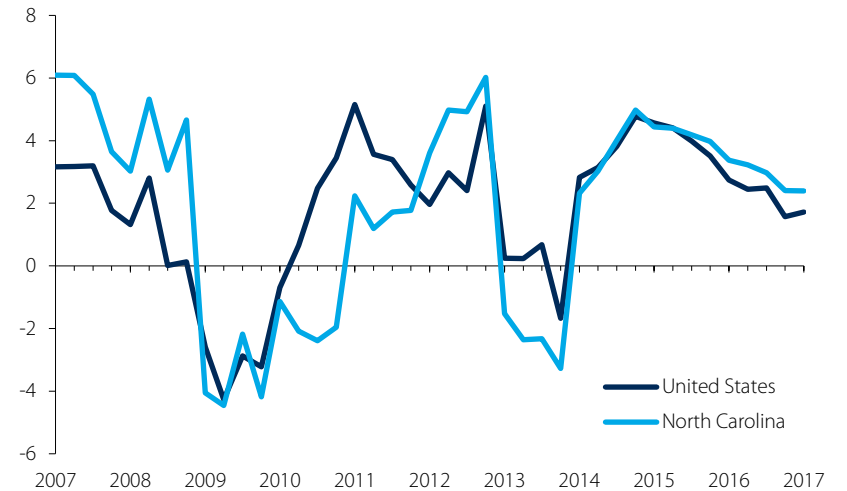
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q1:17	14,566,707	0.42	1.72
Fifth District	Q1:17	1,411,126	0.55	2.36
North Carolina	Q1:17	390,224	0.56	2.40

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

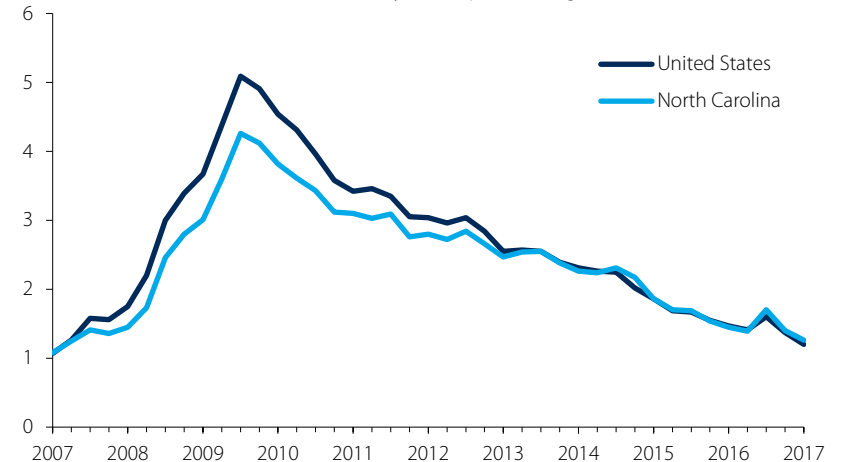
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q2:17	203,976	4.33	0.81
Fifth District	Q2:17	16,650	0.08	-0.93
North Carolina	Q2:17	3,662	2.46	-3.53

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 Q1:17



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



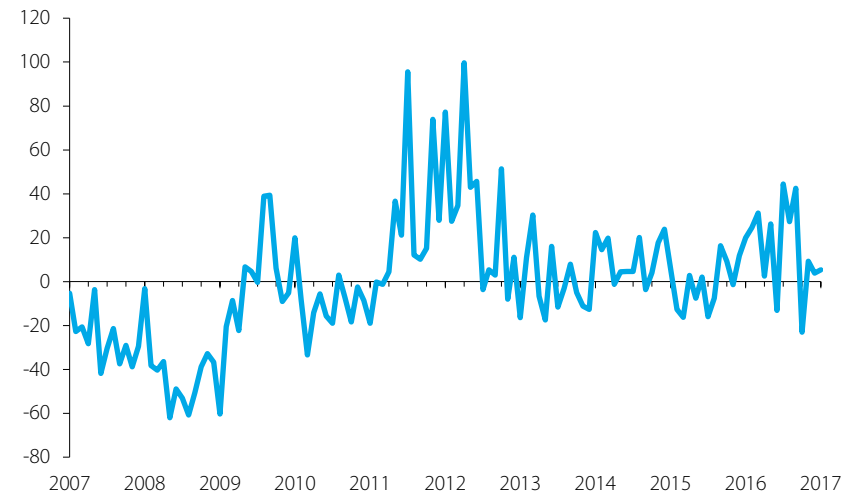
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Real Estate Conditions

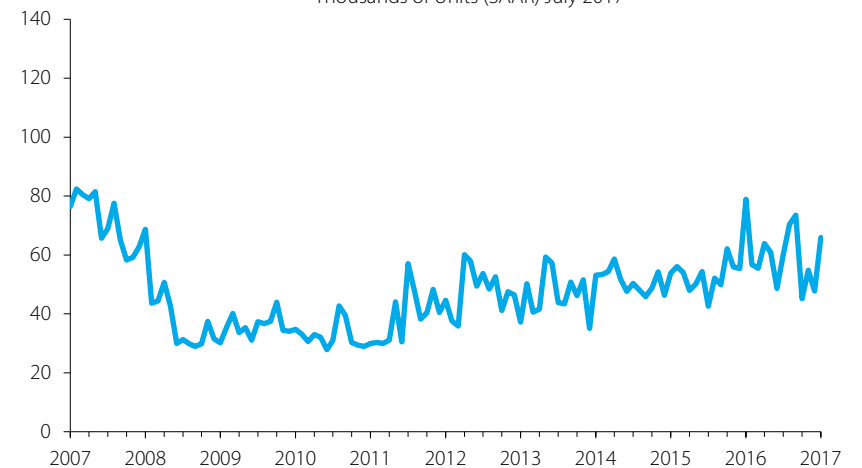
Permits: New Private Housing Units (NSA)	Period	Level	MoM % Change	YoY % Change
United States	July	101,005	-21.01	6.18
Fifth District	July	14,160	-0.07	12.63
North Carolina	July	6,242	15.38	5.40
Asheville MSA	July	259	-15.36	57.93
Charlotte MSA	July	2,054	37.12	-12.48
Durham MSA	July	371	-11.46	5.70
Fayetteville MSA	July	63	-25.88	28.57
Greensboro-High Point MSA	July	357	6.25	128.85
Greenville MSA	July	37	-13.95	-75.66
Hickory MSA	July	0	25.00	---
Jacksonville MSA	July	88	18.92	15.79
Raleigh-Cary MSA	July	1,140	-11.70	-31.57
Wilmington MSA	July	118	-32.95	51.28
Winston-Salem MSA	July	398	75.33	379.52

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	July	1,155	-4.78	-5.56
Fifth District	July	149	19.43	-10.83
North Carolina	July	65.9	37.90	-16.55

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



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



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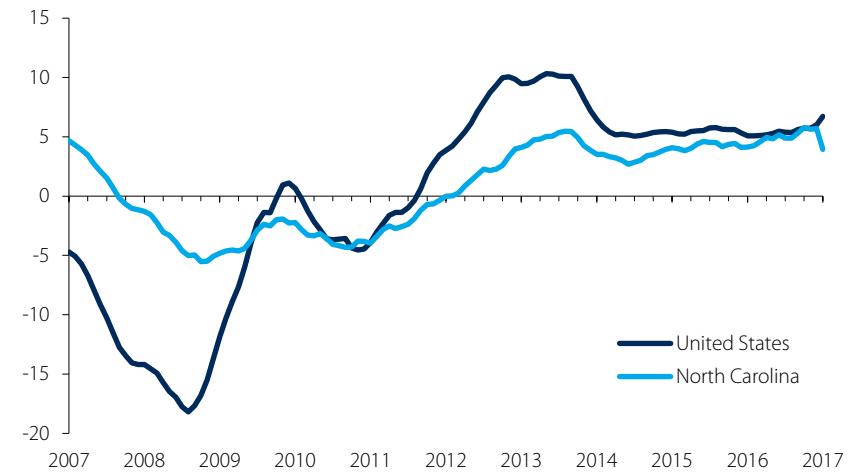
Real Estate Conditions

House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	June	192	1.11	6.73
Fifth District	June	193	0.42	3.79
North Carolina	June	149	-0.93	3.94
Asheville MSA	June	202	-0.55	7.08
Charlotte MSA	June	154	-0.14	6.00
Durham MSA	June	155	-0.72	4.68
Fayetteville MSA	June	122	-0.24	0.98
Greensboro-High Point MSA	June	126	0.82	4.22
Greenville MSA	June	126	-0.94	1.71
Hickory MSA	June	141	0.61	5.21
Jacksonville MSA	June	142	0.84	0.57
Raleigh-Cary MSA	June	148	0.16	4.88
Wilmington MSA	June	174	0.22	3.53
Winston-Salem MSA	June	138	1.15	5.15

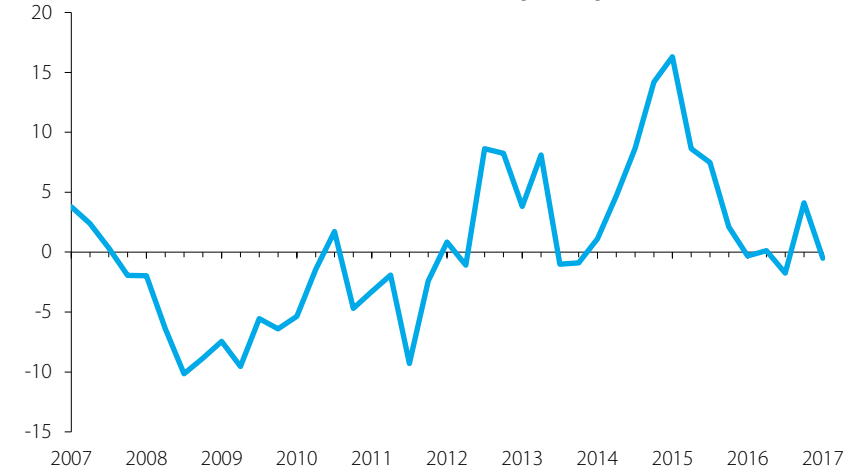
Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	Q2:17	234	11.78	7.43
Durham MSA	Q2:17	264	15.25	7.33
Greensboro-High Point MSA	Q2:17	159	7.82	-0.50
Raleigh-Cary MSA	Q2:17	278	11.19	7.53

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 June 2017



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



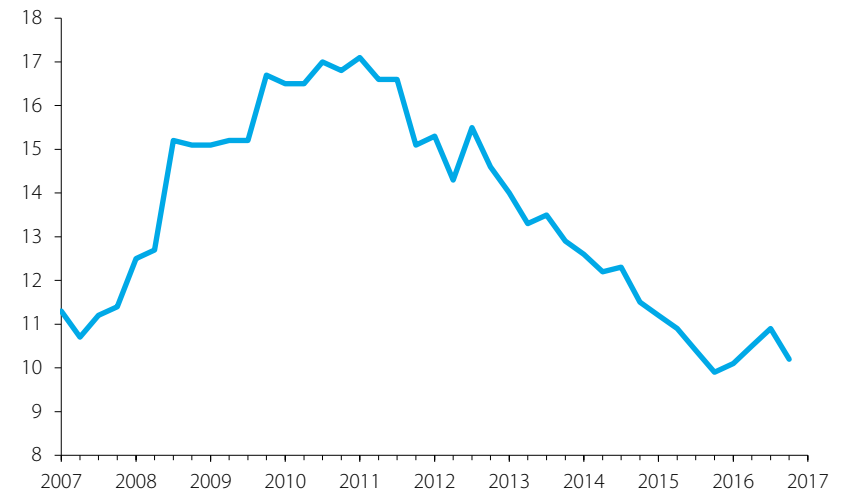
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Real Estate Conditions

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 (%)	Q2:17	Q1:17	Q2:16
Office Vacancies			
Raleigh/Durham	7.1	7.0	9.2
Charlotte	10.2	10.9	9.9
Retail Vacancies			
Raleigh/Durham	5.2	5.2	5.1
Charlotte	6.0	6.3	6.9
Industrial Vacancies			
Raleigh/Durham	7.8	8.9	9.5
Charlotte	7.1	6.5	7.0

Charlotte MSA Office Vacancy Rate
Through Q2:17



Raleigh/Durham CSA Industrial Vacancy Rate
Through Q2:17

