



September 14, 2011

Economic Highlights

Consumer Spending

Retail Sales 1

Real Estate

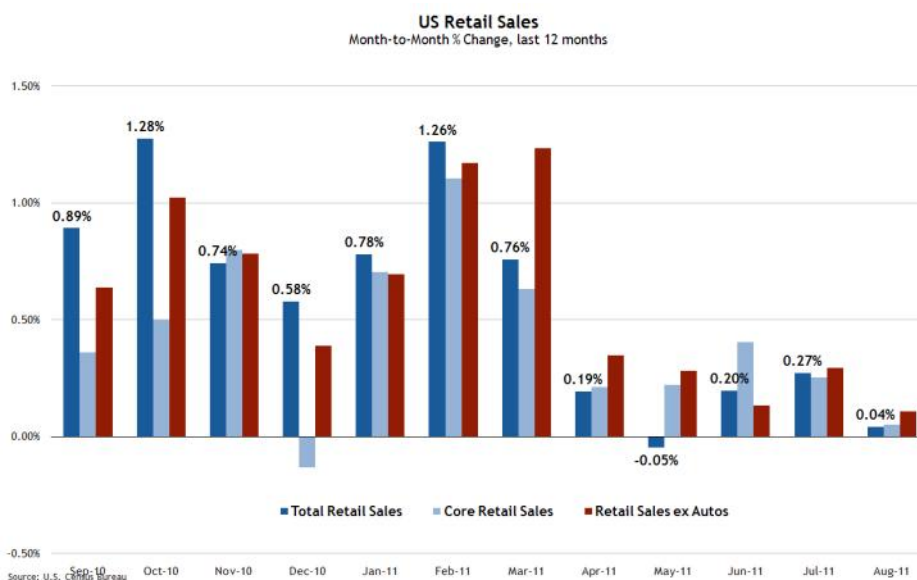
Negative Equity Share 2

FRB Atlanta Monthly Real Estate Survey Results 3-4

Consumer Spending

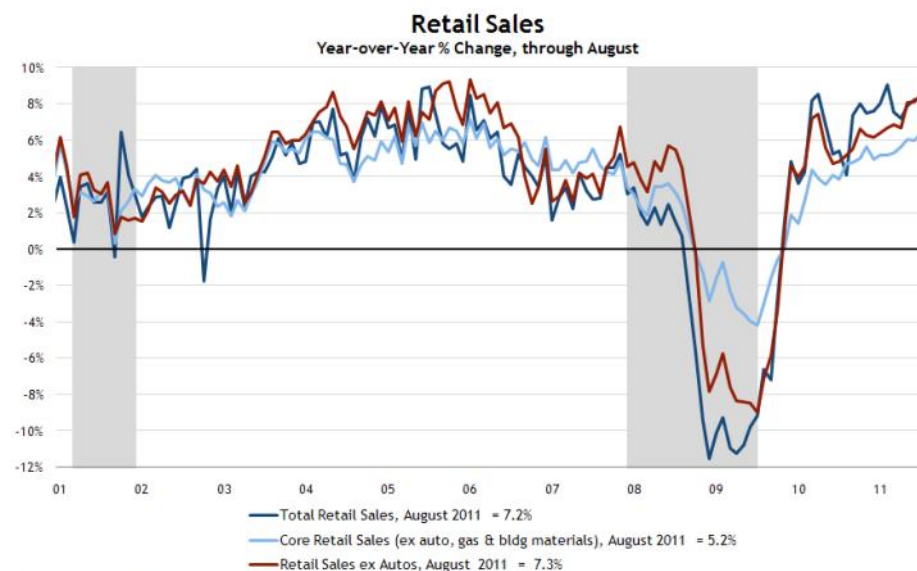
Summary

The U.S. Census Bureau announced that advance estimates of retail sales in August were just 0.04 percent greater than July's level. July's monthly change was revised downward from a 0.50 percent increase to a smaller gain of 0.27 percent.



- U.S. retail sales grew 0.04 percent over the month of August. July's monthly gain was revised downward from a 0.50 percent increase to a gain of 0.27 percent.
- Core retail sales, which exclude autos, gasoline, and building materials, grew 0.05 percent over the month. Retail sales excluding autos added 0.11 percent in August.
- For the first quarter of 2011, the average growth rate in total retail sales was 0.93 percent per month; for the second quarter, the average growth rate was 0.11 percent per month. Two months into the third quarter, the average growth rate is 0.16 percent per month.
- By category, retail sales at sporting goods, hobby, book, and music stores had the largest percentage gain of 2.4 percent. Miscellaneous store retailers had the largest percentage drop in retail sales, dropping 2.2 percent from July to August.

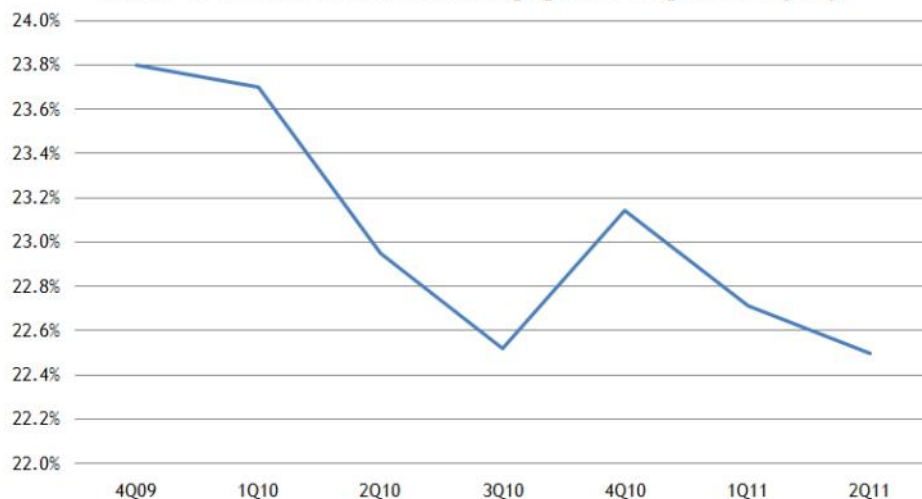
In August, total retail sales were 7.2 percent higher than their level in August 2010. Core retail sales were 5.2 percent than their year-ago level, while retail sales excluding autos were up 7.3 percent compared with the same month last year.



Summary

CoreLogic reported that the share of U.S. residential mortgages that were in negative equity (also referred to as “underwater” or “upside down”) edged down slightly from 22.7 percent in the first quarter of 2011 to 22.5 percent in the second quarter of 2011.

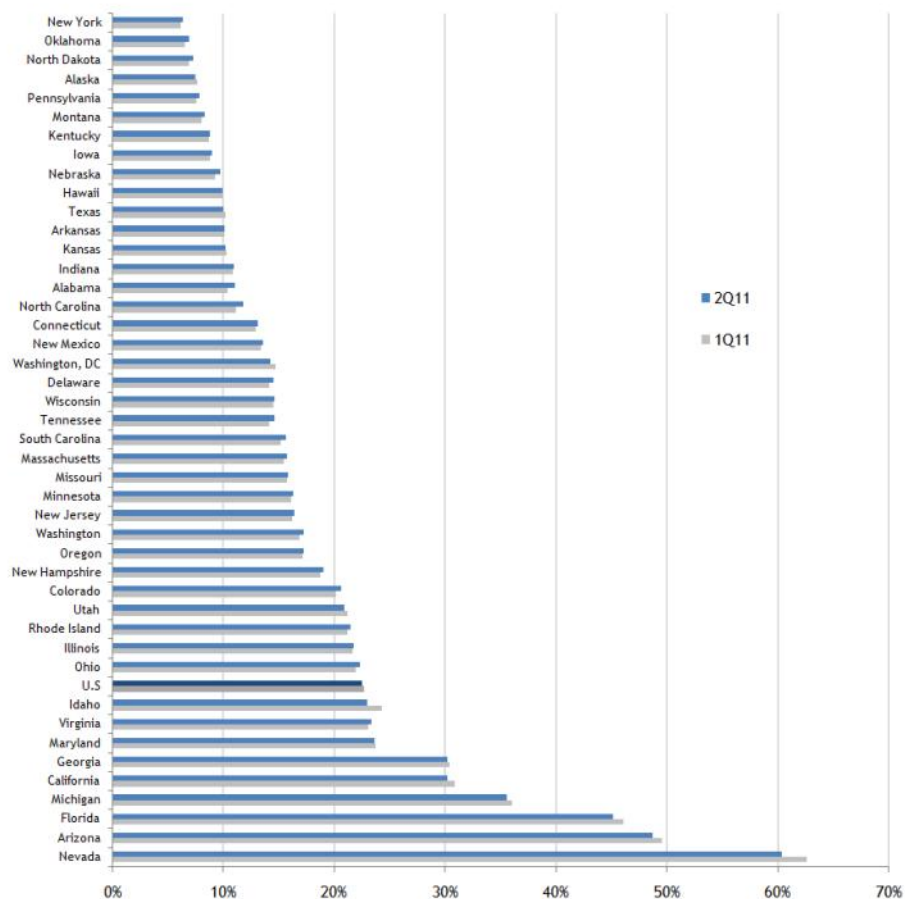
Share of U.S. Residential Mortgages in Negative Equity



Source: CoreLogic®

Negative equity remained most pronounced in Nevada, followed by Arizona, Florida, Michigan, and California, respectively.

CoreLogic® Negative Equity Share



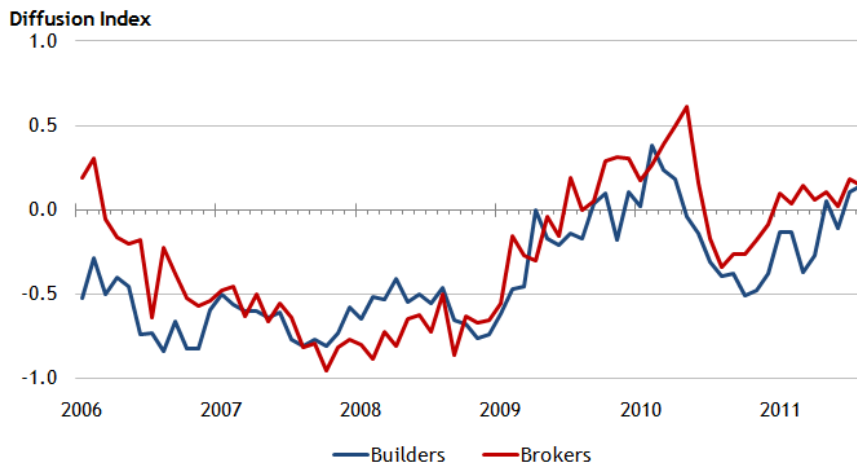
Source: CoreLogic®

Summary

Southeast residential brokers and homebuilders indicated that August home sales remained slightly ahead of weak levels a year earlier.

Note: The housing poll's diffusion indexes are calculated as the percentage of total respondents reporting increases minus the percentage reporting declines. Positive values in the index indicate increased activity while negative values indicate decreased activity.

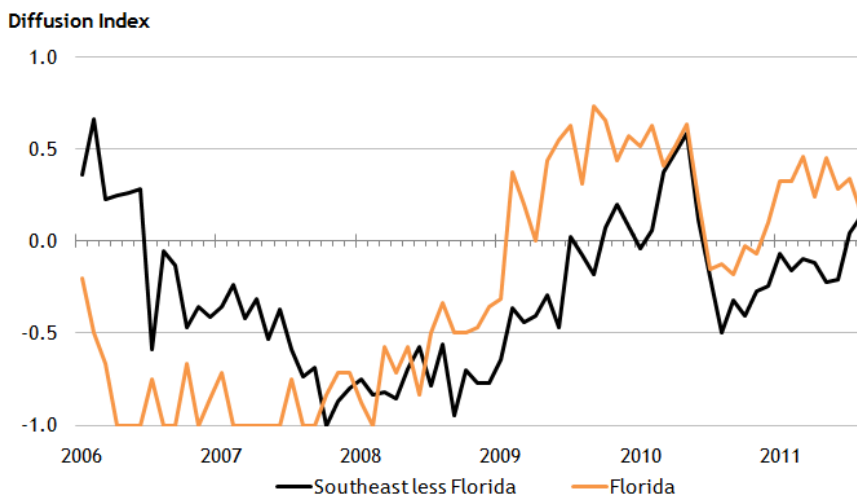
August 2011 Southeast Home Sales vs. a Year Earlier



Source: FRBA business contact poll

Reports from Florida residential brokers indicated that sales growth weakened somewhat during August on a year-over-year basis while elsewhere in the region, sales growth improved.

August 2011 Broker Home Sales vs. a Year Earlier



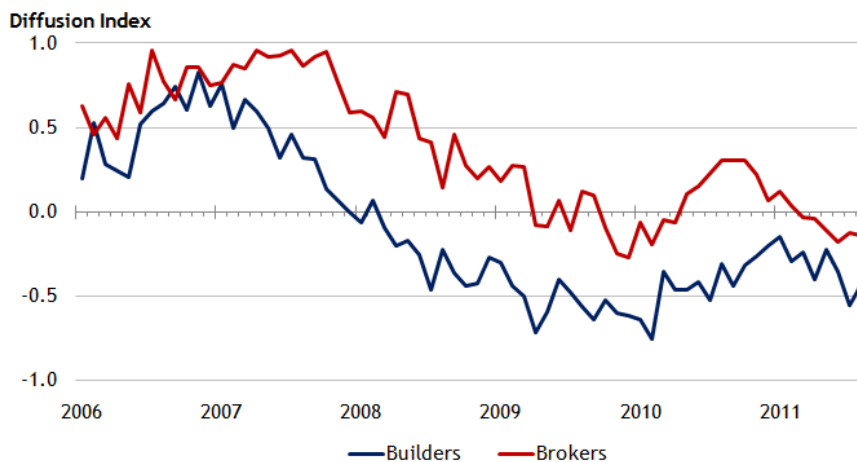
Source: FRBA business contact poll

Note: August poll preliminary results are based on responses from 77 residential brokers and 44 homebuilders and were collected September 6-14, 2011.

Summary

More than half of Southeast builders reported that home inventories in August were below the year-earlier level, while close to half of brokers reported declines.

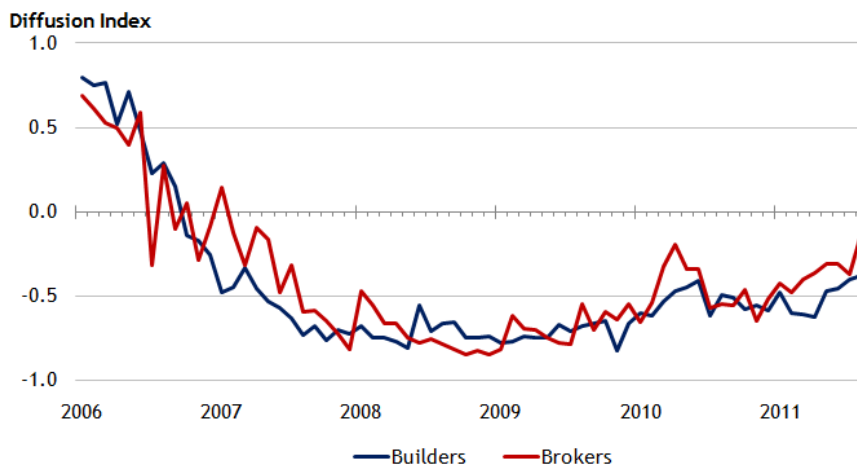
August 2011 Southeast Home Inventory vs. a Year Earlier



Source: FRBA business contact poll

Just over half of southeastern builders continued to report declining home prices in August, while fewer brokers reported declines than in recent months.

August 2011 Home Price vs. a Year-ago



Source: FRBA business contact poll

Note: August poll preliminary results are based on responses from 77 residential brokers and 44 homebuilders and were collected September 6-14, 2011.