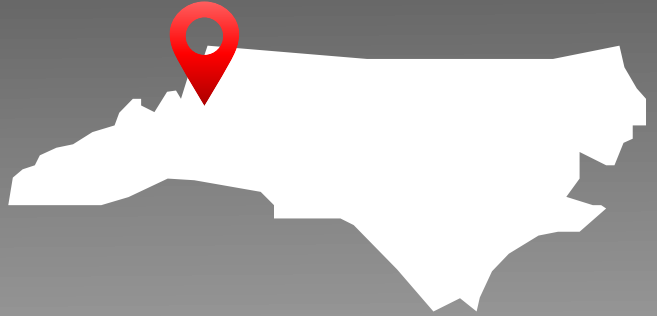


Watauga County's Current Economic Conditions

April, 2022

*Data references found on page 2.



RESIDENTIAL HOME SALES

504 | **689** | **47%**
(HC 1Q 2022) | (HC 1Q 2021) | (% 1Q '22 Wat. CO)

NET SALES TAX COLLECTIONS

\$2,305,498.86 | **\$3,042,673.79** | **\$2,196,215.66**
FEB 2022 | JAN 2022 | JAN 2021

UNEMPLOYMENT RATES

2.7%	3.7%	3.8%	2.7%	3.8%	4.0%	4.4%	5.8%	6.2%
<small>(Watauga)</small>	<small>(NC)</small>	<small>(U.S)</small>	<small>(Watauga)</small>	<small>(NC)</small>	<small>(U.S)</small>	<small>(Watauga)</small>	<small>(NC)</small>	<small>(U.S)</small>
FEB 2022			JAN 2022			FEB 2021		

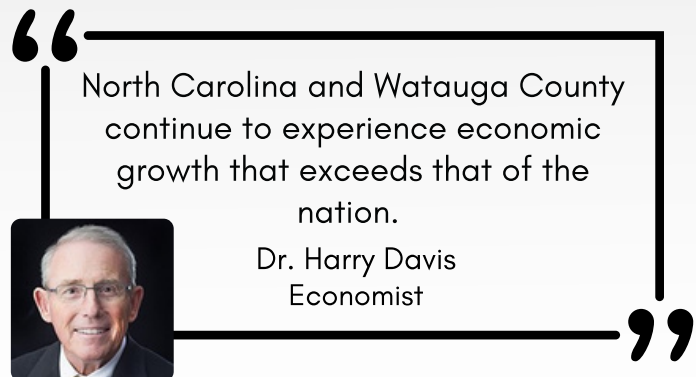
OCCUPANCY TAX COLLECTIONS

\$2,060,820.83 | **\$2,002,975.09**
(DEC '21, JAN, FEB 2022) | (DEC '20, JAN, FEB 2021)
2.89% INCREASE

NEW SINGLE FAMILY HOMES

(APPLICATIONS RECEIVED)

66 | **60** | **10%**
(1Q 2022) | (Q1 2021) | (% Change)



Watauga County's Current Economic Conditions April, 2022


DR. HARRY DAVIS, PHD

NCBA PROFESSOR OF BANKING, ECONOMIST

North Carolina and Watauga County continue to experience economic growth that exceeds that of the nation. While the national unemployment rate for March was 3.6%, the rate for North Carolina was only 3.5%. Watauga County's February rate was 2.7%, which was the second lowest in the state.

The housing market for the county shows mixed results. The record low inventory of unsold homes is hurting home sales. The lack of inventory and the dramatic increase in home prices is restricting first time home buyers. Until housing starts rise significantly affordability will continue to be a problem.

Tourism continues to be a bright spot for the county. Occupancy taxes and sales taxes continue to rise. Consumers still have a high savings rate due to the CARES Act and are ready to spend that money on vacations this summer.

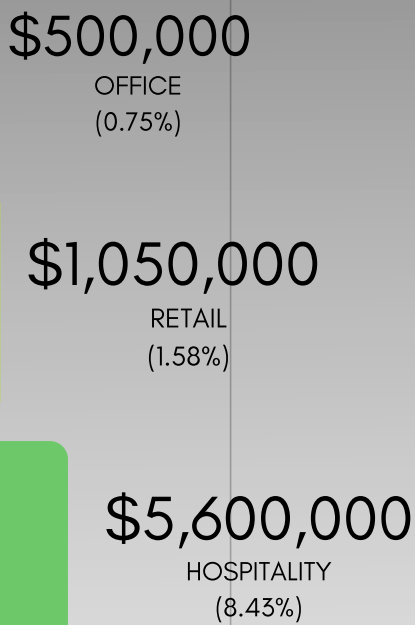
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- Housing sales data provided by the High Country Association of Realtors, HC = Alleghany, Ashe, Avery, & Watauga Counties.
 - Sales Tax data provided by the North Carolina Department of Revenue.
 - Occupancy Tax data provided by the Watauga Co. TDA. Total includes Boone, Blowing Rock, and Watauga County.
 - Unemployment data reported by the NC Department of Commerce.
 - New Single Family Home Application data provided by Watauga County, Town of Beech Mountain, Town of Boone, Town of Blowing Rock, & Town of Seven Devils.



Q1 ECONOMIC INDICATORS | 2022

Watauga County's Current Commercial Real Estate Conditions April, 2022

*Data references found on page 4.



QUICK STATS

5 TOTAL # OF SALES

\$66,450,500 TOTAL SALES

\$59,300,000 LARGEST SALE

\$500,000 SMALLEST SALE

\$59,300,000

MULTI-FAMILY
(89.24%)

“

As the multifamily development sales come to an end it will be interesting to see how the market performs without these larger sales.



James Milner, CCIM

Appalachian Commercial Real Estate, President & Owner

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Watauga County's Current Commercial Real Estate Conditions April, 2022

JAMES MILNER, CCIM

APPALACHIAN COMMERCIAL REAL ESTATE, PRESIDENT & OWNER

The first quarter of the year did not have as much sales activity given our parameters; however, we remain confident that the commercial real estate market continues to stabilize. A review of the permit data shows tenant improvement work occurring within the Town of Boone. The first quarter of each year is typically a slower period of time as the market ramps up for the selling season.

The development sales of multifamily properties appear to be over as the Rivers Walk property sold during the first quarter of 2022. While not included in the fourth quarter of 2021, we have added the sale of The Finmore at 241 to the overall data set after verifying that the sale occurred (no recorded deed transfer). While we acknowledge the housing crisis that our community is facing, we remain fervent in our position on the underlying economics of supply and demand. While projects such as the Skyline Terrace expansion or The Collection will certainly not meet current demand, they will add to the supply. It is only when supply exceeds demand that rents can begin to correct. With focused discussions regarding housing demand, perhaps this will motivate both developers and key partners to bring additional supply.

Lastly, the medical district appears to be gaining some transactional activity with several new listings over the past few months.



- Data used in this analysis is sourced from CoStar and High Country Association of Realtors MLS.
- The data used in this analysis is for sales transactions only in Watauga County of \$500,000 or greater.
- The data used in this analysis excludes any transfer that was a partial interest (less than 100%).
- The data used in this analysis treats any improved properties that were demolished for redevelopment at the time of sale or that the improvements had no contributory value at the time of sale as land sales.