

## Watauga County's Current Economic Conditions July, 2022

\*Data references found on page 2.



### RESIDENTIAL HOME SALES

**610** | **726** | **49%**

(HC 2Q 2022) | (HC 2Q 2021) | (% 2Q '22 Wat. CO)

### NET SALES TAX COLLECTIONS

**\$2,602,991.02** | **\$1,887,160.98** | **\$2,120,854.17**  
MAY 2022 | APR 2022 | MAY 2021

### UNEMPLOYMENT RATES

3.3%	3.6%	3.6%	2.9%	3.4%	3.6%	3.6%	4.5%	5.8%
(Watauga)	(NC)	(U.S)	(Watauga)	(NC)	(U.S)	(Watauga)	(NC)	(U.S)
MAY 2022			APR 2022			MAY 2021		

### OCCUPANCY TAX COLLECTIONS

**\$1,569,697.20** | **\$1,533,170.32**  
(MAR, APR, MAY 2022) | (MAR, APR, MAY 2021)  
**2.38% INCREASE**

### NEW SINGLE FAMILY HOMES

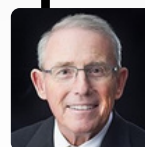
(APPLICATIONS RECEIVED)

**103** | **80** | **+29%**

(2Q 2022) | (2Q 2021) | (% Change)

“

Tourism and restaurant sales are in full swing. Occupancy tax numbers continue to reflect how strong the tourism season remains for the area.



Dr. Harry Davis  
Economist

”

## Watauga County's Current Economic Conditions July, 2022

### **DR. HARRY DAVIS, PHD**


NCBA PROFESSOR OF BANKING, ECONOMIST

In spite of clouds on the horizon nationally, the economic metrics for Watauga County and the High Country remain strong. It's important to keep the context in mind when balancing national narratives against local performance.

Unemployment for Watauga County remains low and in fact, remains one of the lowest rates for counties in the state.

Tourism and restaurant sales are in full swing. Occupancy tax numbers continue to reflect how strong the tourism season remains for the area. Employers in North Carolina and the High Country still face a shortage of workers and that labor force disruption combined with the high cost of goods still only moderately dampens a strong summer.

Real estate sales in the High Country continue to remain strong but off the record pace we saw last year. The activity led to a predictable decline in inventory with fewer homes available to sell. Watauga County continued to represent roughly half of the inventory sold.

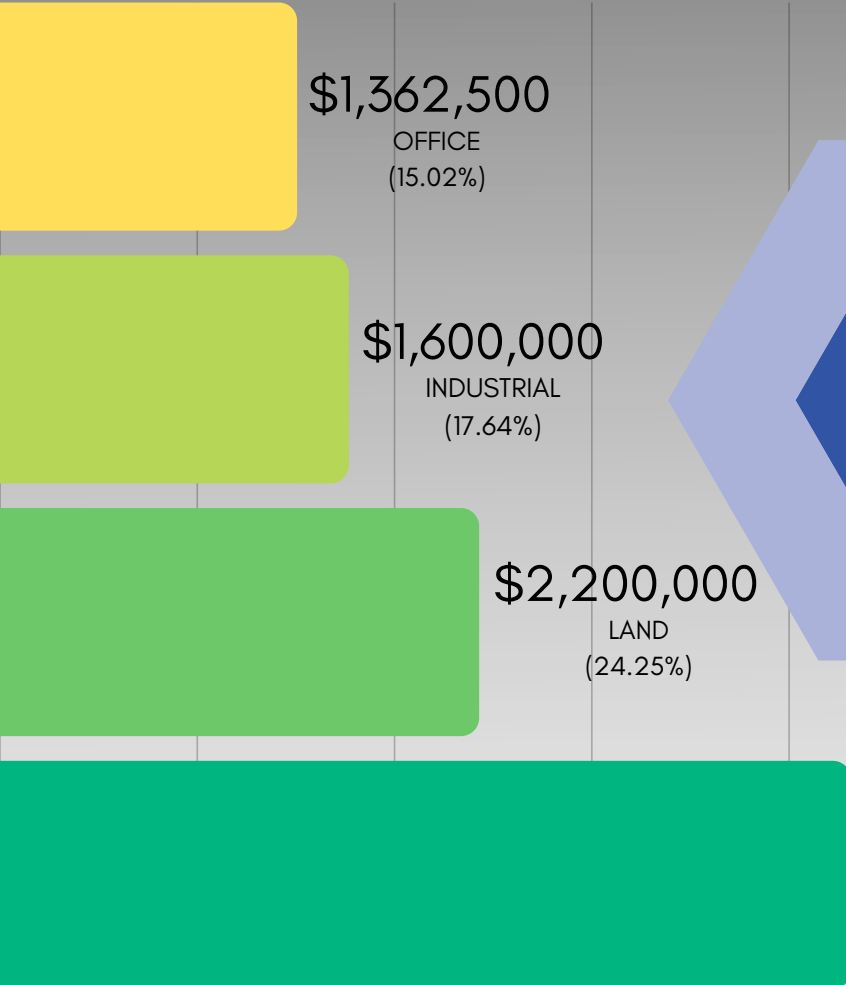
- 
- Housing sales data provided by the High Country Association of Realtors, HC = Alleghany, Ashe, Avery, & Watauga Counties.
  - Sales Tax data provided by the North Carolina Department of Revenue.
  - Occupancy Tax data provided by the Watauga Co. TDA. Total includes Boone, Blowing Rock, and Watauga 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.



# Q2 ECONOMIC INDICATORS | 2022

## Watauga County's Current Commercial Real Estate Conditions July, 2022

\*Data references found on page 4.



### QUICK STATS

7	TOTAL # OF SALES
\$9,072,500	TOTAL SALES
\$1,600,000	LARGEST SALE
\$550,000	SMALLEST SALE

“

The rise of interest rates has not significantly impacted the local commercial real estate market; however, transactional activity continues to remain static while new ground up development increases.

James Milner, CCIM

Appalachian Commercial Real Estate, President & Owner



”

## Watauga County's Current Commercial Real Estate Conditions July, 2022

### JAMES MILNER, CCIM

#### APPALACHIAN COMMERCIAL REAL ESTATE, PRESIDENT & OWNER

The second quarter of the year did not have as much sales activity given our parameters; however, what is interesting is the return of ground-up development around much of the Town of Boone. A review of the permit data shows continued tenant improvement work occurring within the Town of Boone. In addition, a much-anticipated housing project, the Skyline Terrace expansion, has pulled permits for construction. Even with a rise in the cost of capital, commercial activity appears to continue to be showing forward progress.

A good friend and mentor taught me early on that "activity begets activity." This activity is good for the local economy. The economic impact of commercial development can be seen in the sales tax, lodging, restaurants, etc. Commercial general contractors appear to remain extremely busy while getting some reprieve from the cost of materials. Commercial development continues to not only improve our tax base but, in some circumstances, take blighted properties or properties that have reached the end of their economic life and give the site new life. It is important to note that the Town of Boone Unified Development Ordinance (UDO) speaks to permissible uses within a zoning district, not to specific tenants and or users. Much of the development that occurs within the Town of Boone is done by right, meaning if the development meets the requirements of the UDO, then it proceeds.

Leasing activity remains strong with continued limited supply and high demand. Those opportunities that are coming to market, if priced appropriately, are getting leased with quality credit tenants.



- 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.