



ECONOMIC INDICATORS 2025

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Joe Furman, *Watauga Economic Development*
David Jackson, *Boone Area Chamber of Commerce*
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Q4 ECONOMIC INDICATORS 2025



While visitation has returned, visitor spending remains closely tied to the discretionary spending patterns we are seeing across the country.

*David Jackson
President/CEO, Boone Area
Chamber of Commerce*

WATAUGA COUNTY'S CURRENT ECONOMIC CONDITIONS



Residential Home Sales

High Country
Q4 2025
451

High Country
Q4 2024
336

Watauga %
Q4 2025
46% (209)



New Single-Family Home Permits

Q4 2025
47

Q4 2024
47



Unemployment Rates

November 2025
3.8% 4.1% 4.6%
Watauga NC US

November 2024
3.8% 3.7% 4.2%
Watauga NC US

October 2025
N/A due to government shutdown.



Occupancy Tax

October 2025
\$995,928.78

November 2025
\$703,112.04

October 2024
\$522,890.21



Net Sales Tax Collections

October 2025
\$3,125,100.10

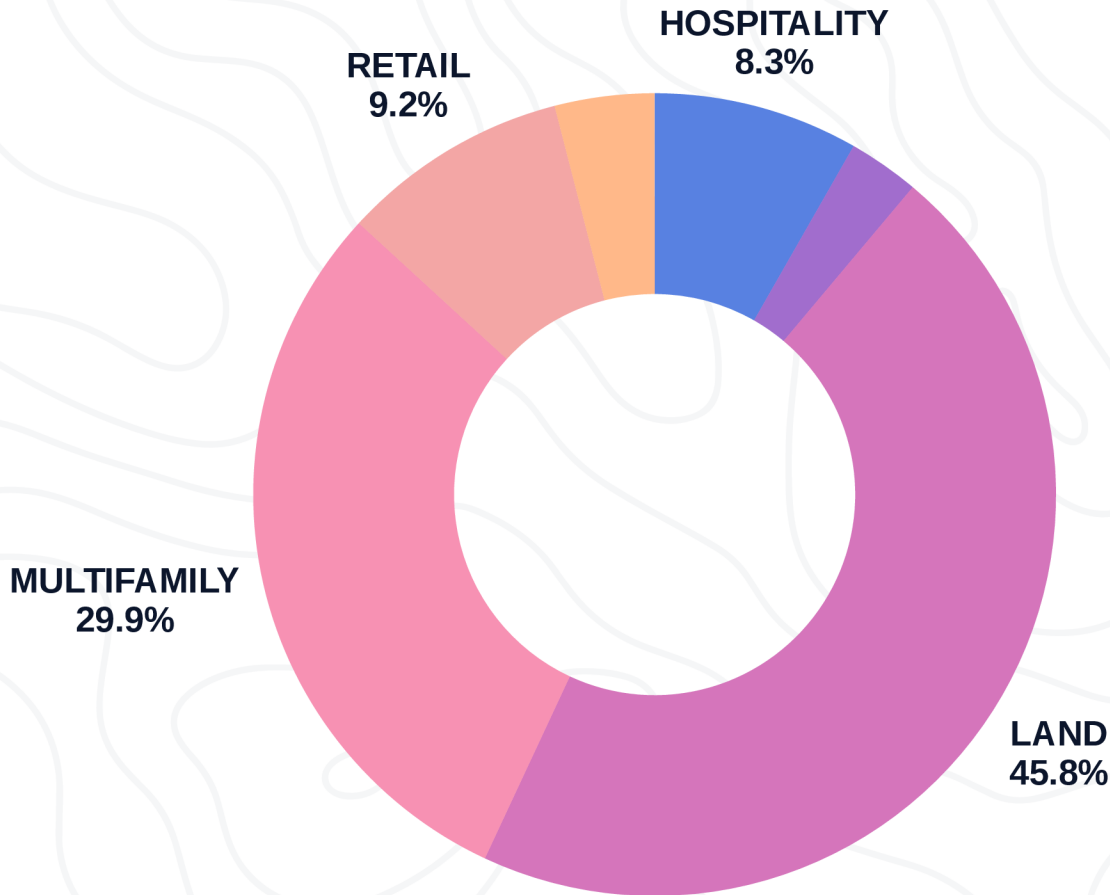
November 2025
\$3,053,276.26

October 2024
\$2,960,771.86



Q4 ECONOMIC INDICATORS 2025

COMMERCIAL REAL ESTATE SALES



JAMES MILNER, CCIM

The quarter saw a strong mix of activity across asset classes, with land transactions leading the way as 2025 came to a close. The year ended with transactional activity higher, with 31 transactions (28 in 2024) and a 5.02% increase in the total dollar amount**. Including all sales, the year ended down 49.71% as compared to 2024.

QUICK STATS

| | |
|--------------|--------------------|
| 11 | TOTAL # OF SALES |
| \$17,457,000 | TOTAL SALES |
| \$6,900,000 | LARGEST SALE |
| \$500,000 | SMALLEST SALE |
| 1.3% ▲ | Q4 2025 VS Q4 2024 |
| 67.9%* ▲ | Q4 2025 VS Q3 2025 |

*This is based on removing the \$68,500,000 Mountaineer Village sale as previously reported.

**Removes the sale noted above from the analysis. See below.

Q4 ECONOMIC INDICATORS 2025

JAMES MILNER, CCIM, APPALACHIAN COMMERCIAL REAL ESTATE

In the 4th Quarter 2025, there were 11 transactions totalling \$17,457,000. Compared to all sales from the previous quarter, this was down 77.87%; however, removing the Mountaineer Village sale from Q325, this quarter was up 67.86%, which is typical of end of year transactions. Compared to a year ago in the 4th Quarter 2024, we are essentially flat with a slight increase by 1.3%. The driving force this quarter was land, with not only the Retreat at Boone purchasing its site for \$6.9MM, but also the sale of the land above Pinnacle Storage for senior housing for \$1.1MM. I am hesitant to assure anyone that the market is overall rebounding, although positive signs are materializing.



From a permitting standpoint within the Town of Boone, not much activity of note occurred in the 4th Quarter 2025. High Country Lanes applied for a permit to expand its space, with a project cost of \$340,000. Amorem applied for a permit to renovate its patient care facility, with a project cost of \$170,000, and Watauga Village applied for a permit for exterior renovations, with a project cost of \$563,230.

The annualized data for 2025 shows a glimmer of promise, and, as with most things, there is good news and bad. The bad news is that, based on a final number of \$122,309,400 (2025), we are down 49.71% from the previous year's total of \$243,196,278. This includes all sales, including large student housing complexes. The good news is that when you separate out these larger student housing sales and look at core commercial real estate sales (again, greater than \$500,000), we see a slight 5.02% year-over-year uptick. Without the one student housing sale (Mountaineer Village), the year ends with total sales of \$53,809,400. While I spent most of the year stating that transactional activity was down, the data said otherwise: 28 transactions in 2024 and 31 in 2025. In 2024, two large student housing complexes traded, while only one did in 2025.

What sums up 2025 is a review of the annual planning information presented to the Town Council. Only one new multifamily permit was pulled, for the App 105 project, and only five new single-family building permits. Indicating a pause in new construction in 2025, again a testament to the interest rate and construction cost environment, but that's not all; there has to be an acknowledgement of the policy impacts.

What's ahead? Well, there is still much-needed downward pressure on interest rates and construction costs to make new projects economically viable. There is still policy pressure to make changes to the Unified Development Ordinance that align with the vision of Boone Next (Comprehensive Plan). There are still infrastructure issues, whether that be roads or utilities. While some new development may occur, transactional volume will more than likely remain stable. Pricing is what will ultimately be tested in the year ahead.

REFERENCES

- The data used in this analysis is sourced from CoStar, HCAR MLS, and public records.
- 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%) or an internal transfer.
- 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.
- The data used in the permitting section of this report is from the Town of Boone Planning and Inspections office, application for a building or zoning permit does not imply that the project will occur.

Q4 ECONOMIC INDICATORS 2025

STACIE PINEDA, STACIE PINEDA REAL ESTATE GROUP

RESIDENTIAL REAL ESTATE



Watauga County's residential real estate market rebounded in 2025, with overall sales volume up 11.73% year-over-year from 2024. This increase was largely driven by the \$800,000+ segment, where sales volume rose 27.93%—continuing the shift toward second-home and luxury properties that has been evident for several years. The mid-range market of \$599,000 to \$799,000 saw year-over-year sales volume increase 9.26% compared to 2024, while the \$0–\$599,000 range decreased 9.56% in overall sales volume year-over-year.

The \$0–\$799,000 segment remains the heart of the market for locals, families, entry-level and relocation buyers, and sellers in Watauga County. It offers strong availability, with 65% of current active listings (~183 out of 280 total residential) in this range—roughly twice the inventory of the \$800,000+ tier. Within this price category, there is ample supply, with a median days on market of 91 (up 23% year-over-year). Homes sold at 6% below original list price and 4% below final list price.

All of this continues to create opportunities for buyers in this price segment. For sellers, the abundance of inventory underscores the need to price realistically from the start and invest in key infrastructure and aesthetic improvements to give their property a competitive edge. The Watauga County market as a whole recorded 280 residential sales in Q4 2025, equating to approximately 3 months of inventory today. Among those Q4 closings, the median sale price was \$591,000, the median price per square foot was \$330, and the median days on market stood at 91. Price distribution showed 50.36% of unit sales in the \$0–\$599,000 range (26.66% of sales volume), \$599,000–\$799,000 accounted for 21.07% of the market (19.19% of sales volume), and the \$800,000+ market 28.57% of the overall units (54.15% of sales volume).

91

Median Days on
the Market

WATAUGA

Comparing Q4 2025 to Q4 2024 highlights the impact of Hurricane Helene, which struck in late September 2024 and disrupted market activity during the final quarter of that year. Residential sales volume rose approximately 52.6% in the fourth quarter of 2025 compared to the fourth quarter of 2024—a remarkable increase that is a clear reflection of the short-term devastation Helene caused in late 2024. Key takeaways include the market's resilience and the role of high-end properties in driving volume growth. It is also a testament to the heart and soul of our Watauga County community, which dug in, fought through the challenges, and recovered with impressive determination.

CITATIONS

Data used is sourced from High Country Association of Realtors MLS.

Q4 ECONOMIC INDICATORS 2025

DAVID JACKSON, BOONE AREA CHAMBER OF COMMERCE

The turn of the calendar to 2026 offers a “line in the sand moment” for many of us. As we reflect on the economic performance of our community, we know that recovery from Hurricane Helene will continue to influence our region for quite some time.

In the 2025 Q3 Economic Indicators Report, we saw clear evidence of the impact of summer tourist traffic during an important period of the year. A similar pattern emerges when examining the month of October. As expected, a significant year-over-year percentage increase stands out because of measuring against an October 2024 that was deeply impacted by Hurricane Helene. That said, it was encouraging to see occupancy tax respond with a 90.7% year-over-year increase, reaching a level consistent with a strong fall tourist season. Sales tax has remained relatively stable over the last several periods, aligning with the anecdotal evidence we continue to gather from local businesses. While visitation has returned to pre-storm performance, visitor spending remains closely tied to the discretionary spending patterns we are seeing across the country.



Over the last year, we are clearly moving in the right direction, but still see week-to-week fluctuations in behavior that leave a measure of uncertainty. This reflects not only the lingering effects of the hurricane, but also the broader economic influences that are impacting communities across the state and nation. We often highlight the importance of October as a key month for tourism, and we have deployed a new tool to help us measure key periods within the month more directly. Through the Chamber's partnership with Placer AI, Watauga County saw an estimated 99.5k non-resident visits passing through the area on October 4, aligning with one of the highest-demand home games for App State Football this season. This data set also accounts for pass through traffic on the Blue Ridge Parkway as well as guests moving through the community to reach other High Country destinations. This data also reflects a renewed marketing emphasis on storm recovery. We are grateful to partners such as Visit NC, Explore Boone, and others who amplified messaging encouraging visitors to return to Western North Carolina during the fall to support our economic recovery.

The second key period measured was the weekend of October 17-19, when the High Country “Super Bowl” of App State Homecoming coincided with the return of the Woolly Worm Festival and Valle Country Fair. Placer AI data shows approximately 125.5k non-resident visits to Watauga County during what many consider annually to be the busiest weekend of the year.

During this period, Banner Elk recorded 46k non-resident visits, while the Downtown Boone area saw 96,3k visits. These numbers underscore both the strength and impact of multiple events occurring simultaneously and serve as a reminder that October is not driven by any single attraction or event. Rather, our patterns reflect a combination of experiences tied to the enjoyment one of the most visually appealing times of the year on the High Country calendar.

Looking ahead, we are excited to continue using Placer AI data to better understand how our community performs around key periods and special events. These insights will help us to inform businesses about impacts to their operations, visitor travel patterns, helping to refine strategies for understanding the habits of those who choose to spend time in our region. We look forward to sharing more about these data points and how our members can benefit from these and other tools as we move forward into the year ahead.

Q4 ECONOMIC INDICATORS 2025

DR. HARRY DAVIS, NC BANKERS ASSOCIATION

The economic situation at the national, state, and local levels is amazingly stable. GDP has actually increased at the national level, and employment and inflation are moving very little. North Carolina continues to be the number one state for business according to CNBC. Our state revenue and employment are very steady. The numbers for Watauga County and the High Country are improving, but at a very steady rate. We will avoid a recession this year as the FED continues to cut rates to stimulate the economy.



Watauga County's unemployment rate was 3.8% in November 2025, which was up slightly since August, but inline with recent trends. Our county rate maintains its consistency with one of the lowest unemployment rates in North Carolina. The state unemployment is 0.5% lower than the national average, which also stands as a proven trend for the last several years.

According to our statistics, residential home sales continue to move in an upward direction. Residential home sales across the High Country grew from 336 units in Q4 2024 to 451 in Q4 2025, or for an increase of 115 units. New single-family home permits stayed flat from in Q4 2024 to Q4 2025, with 47 permits issued during both spans.

Predictably due to the storm, the occupancy tax collection increased to \$955,928.0 in October 2025 from \$522,90.21 in October of last year. The occupancy tax collection stood at \$703,112.04, signaling a strong fall rebound for the tourism sector in relation to the storm. Net sales tax collections also increased from \$2,960,771.6 in October 2024 to \$3,125,100.10 in October 2025.

Expect continued economic growth this year in the High Country. The Triad, Charlotte, and Raleigh metro areas are experiencing some of the strongest economic growth in the nation. That growth will bleed into Watauga County in terms of tourism and the second home market. We are lucky to live in a state with such robust economic growth.

REFERENCES

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