

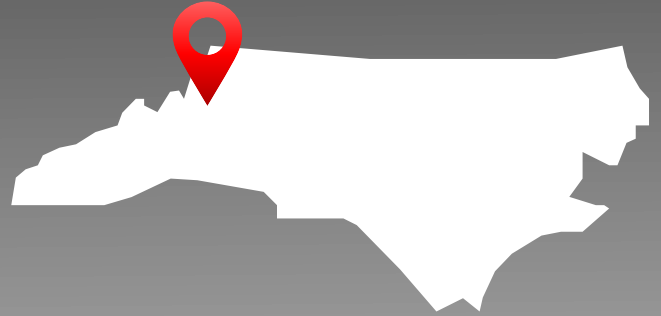


# Q3 ECONOMIC INDICATORS

## Watauga County's Current Economic Conditions

October, 2021

\*Data references found on page 2.



### RESIDENTIAL HOME SALES

**800** | **963** | **45%**  
(HC 3Q 2021) | (HC 3Q 2020) | (% 3Q '21 Wat. CO)

### NET SALES TAX COLLECTIONS

**\$2,837,013.15** | **\$2,688,989.81** | **\$2,296,701.47**  
AUG 2021 | JULY 2021 | AUG 2020

### UNEMPLOYMENT RATES

3.7%	4.4%	5.2%	3.9%	4.6%	5.4%	5.0%	6.9%	10.2%
<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>
<b>AUG 2021</b>			<b>JULY 2021</b>			<b>AUG 2020</b>		

### OCCUPANCY TAX COLLECTIONS

**\$2,315,729.55** | **\$1,773,288.92**  
(JUNE, JULY, AUG 2021) | (JUNE, JULY, AUG 2020)  
**30.6% INCREASE**

### NEW SINGLE FAMILY HOMES

(APPLICATIONS RECEIVED)

**112** | **54** | **107%**  
(3Q 2021) | (3Q 2020) | (% Change)

“ With little inventory, record low interest rates, and buyers with plenty of money, home prices are increasing at over 15% a year. ”

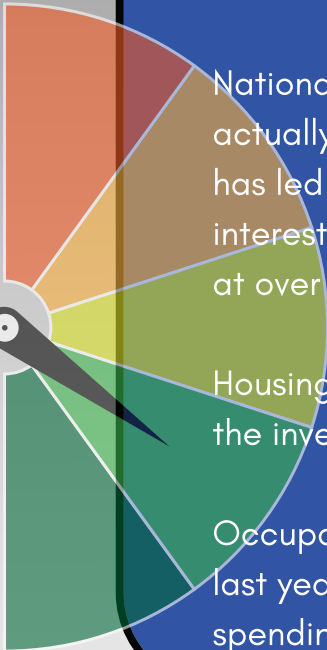


## Watauga County's Current Economic Conditions October, 2021

### DR. HARRY DAVIS, PHD

NCBA PROFESSOR OF BANKING, ECONOMIST


North Carolina and Watauga county continue to experience robust economic growth. The NC unemployment rate at 4.4% is lower than the national rate (September) at 4.8%, and Watauga county's rate is only at 3.7%. Finding workers is a serious problem here and across the country. There are over 11 million unfilled jobs in the United States, which is an all-time record.



Nationally and in Watauga county, home sales remain very strong but are actually slowing. A shortage of building materials and experienced workers has led to record low inventory of housing. With little inventory, record low interest rates, and buyers with plenty of money, home prices are increasing at over 15% a year.

Housing permits are up considerably from last year. Hopefully this will ease the inventory problem as we go forward.

Occupancy tax collections and sales taxes are both running well ahead of last year. Tourists are eschewing flying in favor of driving to Boone and spending plenty of money.

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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.

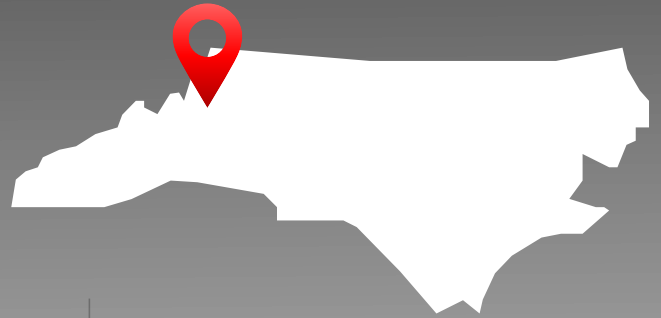


# Q3 ECONOMIC INDICATORS

## Watauga County's Current Commercial Real Estate Conditions

October, 2021

\*Data references found on page 4.



\$1,300,000  
SELF-STORAGE  
(1.41%)

\$2,800,000  
INDUSTRIAL  
(3.04%)

\$3,560,000  
LAND  
(3.86%)

\$7,325,000  
RETAIL  
(7.95%)

\$11,606,500  
HOSPITALITY  
(12.60%)

\$65,534,500  
MULTIFAMILY  
(71.14%)

### QUICK STATS

21 TOTAL # OF SALES

\$92,125,500 TOTAL SALES

\$64,994,000 LARGEST SALE


\$500,000 SMALLEST SALE

“ The word for the third quarter of 2021 was hospitality. This is the formal commercial real estate name for hotels and motels. Not only did the Horton Hotel trade hands but this was in addition to five other properties located in the Blowing Rock market. ”




### JAMES MILNER, CCIM

APPALACHIAN COMMERCIAL REAL ESTATE, PRESIDENT & OWNER



A review of the Town of Boone permits for the quarter included a few new commercial real estate projects. Highlights include a zoning permit being filed for the former A&P at the corner of West King Street and Burrell Street. This project called the Marketplace plans to be a mixed-use development containing 33 multifamily units (75 beds) with 5,000 SF of restaurant space. In addition, the new phase of Hampton Estates has pulled the majority of permits. Hopefully, this will add some much-needed supply to the affordable in-town housing stock. It is important to note that while an owner or developer may apply for a zoning or building permit, the development project itself may or may not materialize.

Overall, we continue to see an imbalance of supply and demand. Demand continues to be strong, however, supply is low, this typically drives up the price (sales price or rent). Sellers continue to be concerned regarding tax consequences and are hesitant to sell because of the lack of opportunities to reinvest. The office segment of the market appears to be strong, again with high demand and very low supply. While we certainly aren't back to a robust commercial market that has been seen in years past, it would appear that the market is pulling away from COVID conditions. New development along Blowing Rock Road is a sign that investors are slowly coming back to our tertiary market.

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- Data used in this analysis is sourced from CoStar, High Country Association of Realtors MLS, and READReport.
  - 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.