

# ECONOMIC INDICATORS

CITY OF CHARLOTTE  
OFFICE OF STRATEGY AND BUDGET

November 11, 2022

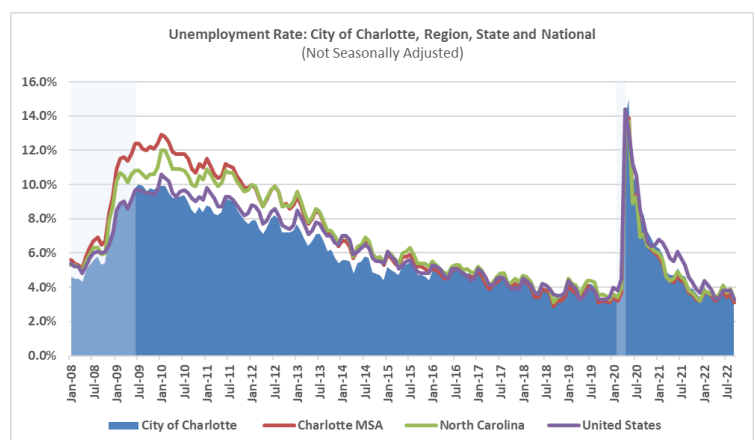
## About the Report and Highlights

This report provides latest economic data on the national, state and the Charlotte region (Charlotte Metropolitan Statistical Area). Economic indicators presented include; unemployment, employment, housing and residential construction, sales tax revenues, consumer and small business confidence, real gross domestic product, and consumer price index. Some key highlights of the report include:

- The city of Charlotte's unemployment rate in September 2022 was 3.3 percent
- The Charlotte MSA nonfarm employment increased in September 2022 by 5.9 percent which represents about 35.4 percent of the state total job growth over the previous 12 months
- City of Charlotte's average home sales price increased by 19.2 percent and number of homes sold decreased by 34.1 percent in October 2022 compared to October 2021
- The number of housing units permitted in the city of Charlotte in the first nine months of 2022 increased by 16.7 percent compared to the same time period last year increasing from 9,395 units permitted in the first nine months of 2021 to 10,968 units
- General Fund Sales tax revenue grew by 14.3 percent in the first two months of FY 2023 compared to same time period last fiscal year
- Consumer confidence and small business optimism have fallen over the past few months due to inflationary concerns consumers and businesses have
- Between 2019 and 2020, Charlotte MSA GDP declined by 2.1 percent; a decline better than that of the nation's which declined at 3.4 percent and that of the state of North Carolina which declined by 2.9 percent over the same period
- Compared to October 2021, consumer price index increased by 7.7 percent in October 2022, not seasonally adjusted. The energy component of the index grew by an overwhelming 17.6 percent

## Unemployment

The City of Charlotte's unemployment rate (not seasonally adjusted) stood at 3.3 percent in September 2022, falling by 60 basis points from 3.9 percent in September 2021. The chart on the right shows month-over-month unemployment rate, not seasonally adjusted. Charlotte region's unemployment rate stood at 3.1 percent, a rate slightly lower than that of the City.



Source: Bureau of Labor Statistics and North Carolina Department of Commerce  
September 2022 numbers are preliminary estimates and subject to revision

The national unemployment rate was 3.3 percent, down from 4.6 percent in September 2021. Charlotte region's unemployment rate continues to be lower than the national rate and the state's.

Since March 2022, the national unemployment rate has been in a narrow range of 3.5 percent to 3.7 percent.

Unemployment Rate: Charlotte Region and Comparison Areas			
	Sep-22	Sep-21	Change
Charlotte MSA	3.1%	4.0%	-0.9%
Raleigh MSA	2.8%	3.4%	-0.6%
Winston-Salem MSA	3.3%	4.1%	-0.8%
Atlanta MSA	2.5%	3.3%	-0.8%
North Carolina	3.3%	3.8%	-0.5%
United States	3.3%	4.6%	-1.3%

Source: Bureau of Labor Statistics and North Carolina Department of Commerce  
September 2022 numbers are preliminary estimates and subject to revision

## Jobs/Employment

Statewide nonagricultural employment (seasonally unadjusted) increased year-over-year in September 2022 by 4.5 percent (adding 208,200 jobs) to 4.81 million jobs from about 4.6 million jobs in September 2021. The Charlotte MSA area nonfarm employment increased year-over-year in September 2022 by 5.9 percent (adding 73,800 jobs) to 1.32 million jobs from 1.24 million jobs in September 2021. These

Year-over-Year Job Change and Growth in Select Industries, September 2022 (Not Seasonally Adjusted)				
Industry Sector	Charlotte MSA		North Carolina	
	Change	Growth	Change	Growth
Construction of Buildings	200	1.4%	2,800	5.3%
Manufacturing	1,600	1.5%	11,200	2.4%
Trade, Transportation & Utilities	14,000	5.4%	16,300	1.8%
Information	400	1.6%	3,900	5.0%
Financial Activities	5,400	4.7%	9,200	3.3%
Professional & Business Services	18,800	8.7%	58,600	8.6%
Management of Companies & Enterprises	1,500	3.6%	1,600	2.1%
Education & Health Services	10,400	8.2%	31,600	5.1%
Leisure & Hospitality	15,600	12.3%	52,500	11.2%
Other Services	3,600	8.0%	8,500	5.2%
Government	1,200	0.8%	4,700	0.6%
Federal	(300)	-2.8%	200	0.3%
State Government	(400)	-2.1%	(5,200)	-2.6%
Local Government	1,900	1.5%	9,700	2.2%
<b>Total Nonfarm</b>	<b>73,800</b>	<b>5.9%</b>	<b>208,200</b>	<b>4.5%</b>

Source: US Bureau of Labor Statistics

73,800 added jobs represent about 35.4 percent of the state's total job gain over the period.

The Charlotte MSA is adding jobs at a faster pace than the state and the nation. Employment increased by 3.8 percent at the national level, a rate lower than that of the Charlotte MSA which increased by 5.9 percent over the same period.

In the Charlotte region, job gains were recorded in every sector except

the Federal and State Government sectors. The table above provides a breakdown of year-over-year job change and growth in select industry sectors between September 2022 and September 2021.

Federal employment fell by 2.8 percent losing 300 jobs and State Government employment fell by 2.1 percent losing 400 jobs. Trade, Transportation and Utilities, Professional and Business Services, Education and Health Services, Leisure and Hospitality, and Other Services all grew by at least five percent over the period. At the state level, Construction of Buildings, Information, Professional and Business Services, Education and Health Services, Leisure and Hospitality, and Other Services saw a growth of at least five period over the one-year period.

### Firm Relocations and Expansions, Second Quarter 2022

The Charlotte Regional Alliance publishes the Growth Report every quarter which tracks announced openings, hiring, investments and expansions of private sector businesses in the Charlotte region. This report captures only major gross increases in jobs (including announcements); it does not account for smaller new or expanded businesses, firm closures, or workforce reductions.

In the second quarter of 2022, the Charlotte Regional Alliance reported the addition of almost 1,000 jobs by 14 projects making \$303 million in capital investments in the Charlotte region.

In sum, there was a total of 81 projects/companies representing over 9,500 net new jobs with capital

investments totaling almost \$4.4 billion over the last four quarters. The chart to the right provides a breakdown of these jobs and investment by quarter since the third quarter of 2021.

Quarter	Projects	Jobs Announced	Capital Investment Announced (\$M)
Q3 2021	25	2,231	\$1,562.9
Q4 2021	26	1,640	\$364.9
Q1 2022	16	4,680	\$2,181.6
Q2 2022	14	985	\$303.1
4-quarter total	81	9,536	\$4,412.5

Source: The Growth Report, Charlotte Regional Alliance, November 2022

## Charlotte Area Housing Market

### Home Sales Activity

The city of Charlotte's year-over-year home sales increased by 34.1 percent from 1,590 homes sold in October 2021 to 1,048 homes sold in October 2022. For the entire Charlotte region, that rate fell by 29.9 percent over the same period. The average sales price of homes sold in the city of Charlotte rose by 19.2 percent in October 2022 to \$498,230 from \$418,136 the same time last year. For the Charlotte region, average sales price increased by 18.1 percent. The number of days a home stays on the market until sale increased from 17 days to 27 days in the city of Charlotte. Properties in the region stay a little longer in the market than in the City and the number of days has increased from 17 to 28 days. The inventory of homes available for sale increased from 1,531 units available in October 2021 to 2,112 homes available in October 2022, an increase of about 37.9 percent. For the entire Charlotte region, its months' of supply in inventory and days on market until sale has grown even than the city's.

City of Charlotte Housing Market Activity						
	City of Charlotte			Charlotte Region		
	Oct-21	Oct-22	Percent Change	Oct-21	Oct-22	Percent Change
New Listings	1,666	1,243	-25.4%	5,484	4,224	-23.0%
Pending Sales	1,557	942	-39.5%	5,097	3,369	-33.9%
Closed Sales	1,590	1,048	-34.1%	5,093	3,568	-29.9%
Median Sales Price	\$350,000	\$405,000	+15.7%	\$335,000	\$379,450	+13.3%
Average Sales Price	\$418,136	\$498,230	+19.2%	\$388,430	\$458,563	+18.1%
Percent of Original List Price Received	101.2%	97.0%	-4.2%	100.5%	96.6%	-3.9%
List to Close	76	81	+6.6%	72	83	+15.3%
Days on Market Until Sale (Cumulative)	17	27	+58.8%	17	28	+64.7%
Inventory of Homes for Sale	1,531	2,112	+37.9%	5,286	7,511	+42.1%
Months' Supply of Inventory	1.0	1.6	+60.0%	1.1	1.8	+63.6%

Source: The Charlotte Regional Realtor Association, Local Market Update for November 2022

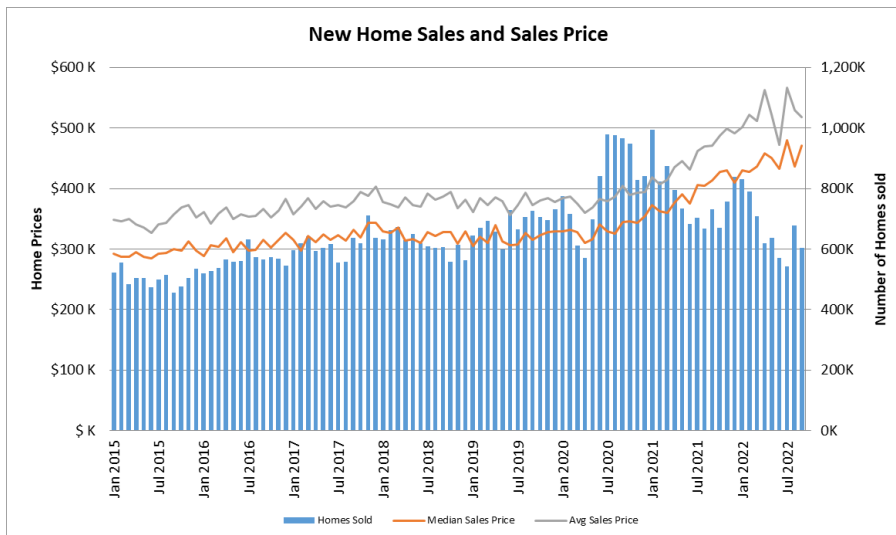
Data from the Charlotte Regional Realtor Association (CRRA) shows that in October 2022, number of homes sold declined in nine of the ten selected cities in the Charlotte region for which data is readily available compared to October 2021. Average sales price increased in all of the ten cities over the same period. The cities of Davidson, Huntersville, Matthews, Mooresville and Waxhaw are averaging home sale prices greater than the City of Charlotte's. See the table in the next page showing number of homes sold in these cities coupled with their average sale prices.

Select Cities Housing Activity						
City	Number of Homes Sold			Average Sale Price		
	Oct-21	Oct-22	Percent Change	Oct-21	Oct-22	Percent Change
Charlotte	1,590	1,048	-34.1%	\$418,136	\$498,230	+19.2%
Concord	211	107	-49.3%	\$328,182	\$359,051	+9.4%
Davidson	44	25	-43.2%	\$612,928	\$770,937	+25.8%
Gastonia	181	151	-16.6%	\$274,115	\$288,978	+5.4%
Huntersville	126	138	+9.5%	\$474,256	\$579,288	+22.1%
Matthews	102	82	-19.6%	\$456,805	\$487,803	+6.8%
Monroe	175	106	-39.4%	\$333,569	\$395,269	+18.5%
Mooresville	208	135	-35.1%	\$551,653	\$755,537	+37.0%
Statesville	125	75	-40.0%	\$279,645	\$286,610	+2.5%
Waxhaw	92	69	-25.0%	\$585,276	\$884,324	+51.1%

Source: The Charlotte Regional Realtor Association, Local Market Update for November 2022

## National Housing Market

Sales of new single-family houses in September 2022 were at a seasonally adjusted rate of 603,000 compared to 732,000 in September 2021, a decrease of 17.6 percent. Compared to August 2022, the

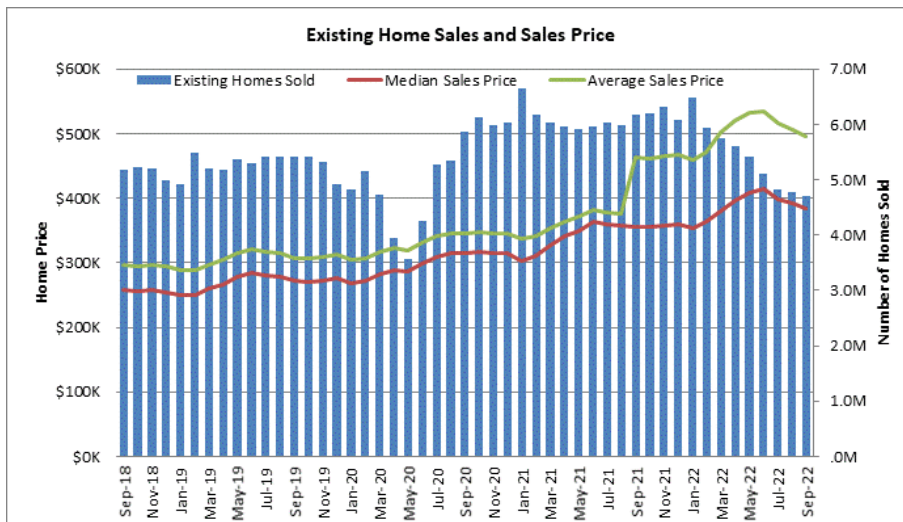


Source: U.S. Census Bureau. HUD. October 26, 2022

number of homes sold decreased by 10.9 percent. Median sales price of new homes sold increased from \$413,200 in September 2021 to \$470,600 in September 2022, an increase of about 13.9 percent. Average sales price rose by 10 percent over the same period.

The seasonally adjusted months' supply at current sales rate (number of months) of new homes available for sale increased from 6.1 months to 9.2 months over the same period. New housing stock or inventory that's available for sale increased from 375,000 to 462,000 units over the same period. See the chart above of new home sales and sales price at the national level since January 2015.

Existing home sales decreased in September 2022 compared to same period last year at the national level. Sales of existing homes in September 2022 were at a seasonally adjusted rate of 4.71 million



homes compared to 6.18 million homes sold same time last year. This represents a decrease in the number of existing homes sold by 23.8 percent. With the continuous increase in interest rate by the Federal Reserve and the relatively high home prices, buyers are likely holding out. About 22.2 percent of people buying homes are buying homes in the price range of

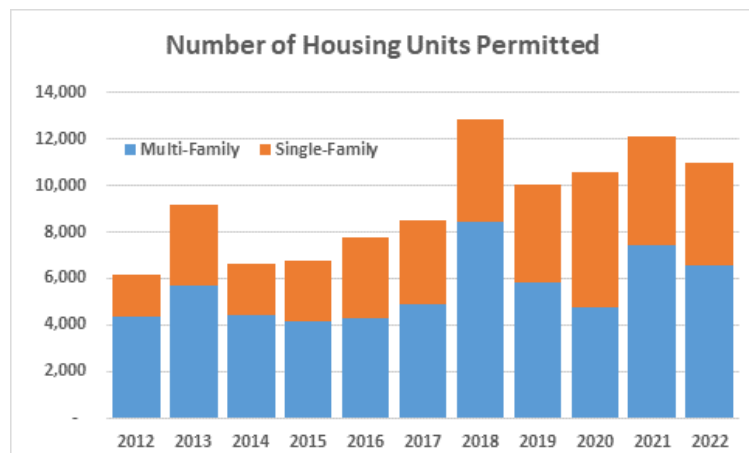
Source: National Association of Realtors (NAR)

\$100,000 to \$250,000 and 29.9 percent of home buyers are buying homes \$500,000 and above.

Median existing-home sales price in September 2022 was \$384,800, which is 8.4 percent higher than the September 2021 price of \$355,100. Average existing-home sales price also increased by 7.0 percent over the same period from \$462,700 to \$495,000. Existing unsold housing inventory at the end of September 2022 stood at 1.25 million which represents a decrease from 1.26 million a year ago. In terms of days on market until sale, properties stayed on the market for 19 days in September 2022 up from 17 days a year ago. The chart above provides a visual on existing home sales activity and sale price at the national level.

### Charlotte Residential Building Permits

The adjacent chart presents building permits activity data in Charlotte since 2012. In the first nine months of 2022, total number of units permitted increased by 16.7 percent from 9,395 units permitted in the first nine months of 2021 to 10,968 units. Multi-family units permitted increased by 15.5 percent and for single-family; it increased by 18.7 percent over the period. Comparing 2012 to 2021 annual figures, building permits issued increased by 90 percent representing an annual growth rate of about nine percent. Single-family units permitted grew an annual rate of 15.8 percent while multi-family units permitted grew at an annual rate of 6.2 percent over the 10-year period.

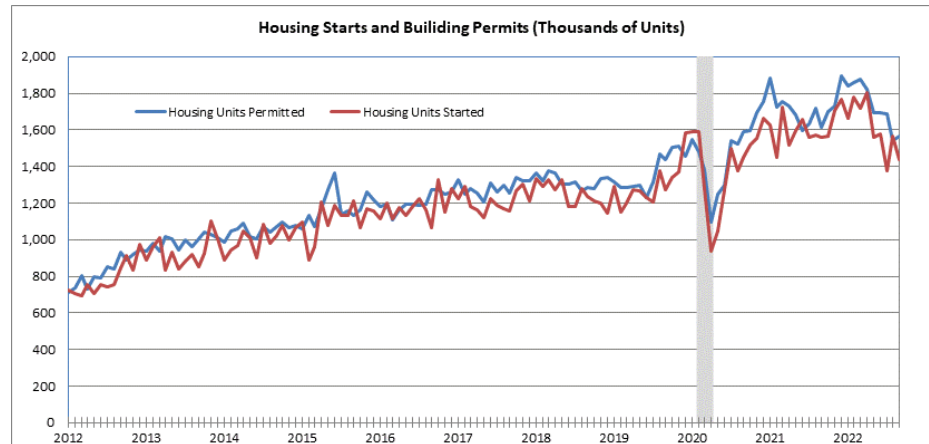


Source: Mecklenburg County's Land Use & Environmental Services Agency

## National New Residential Construction

Privately-owned housing units authorized by building permits in September 2022 were at a seasonally adjusted annual rate of 1.56 million, a 3.2 percent decline compared to the September 2021 rate of 1.62 million.

In September 2022, housing units started were at a seasonally adjusted annual rate of 1.44 million which represents a 7.7 percent decline compared to the September 2021 rate of 1.56 million.

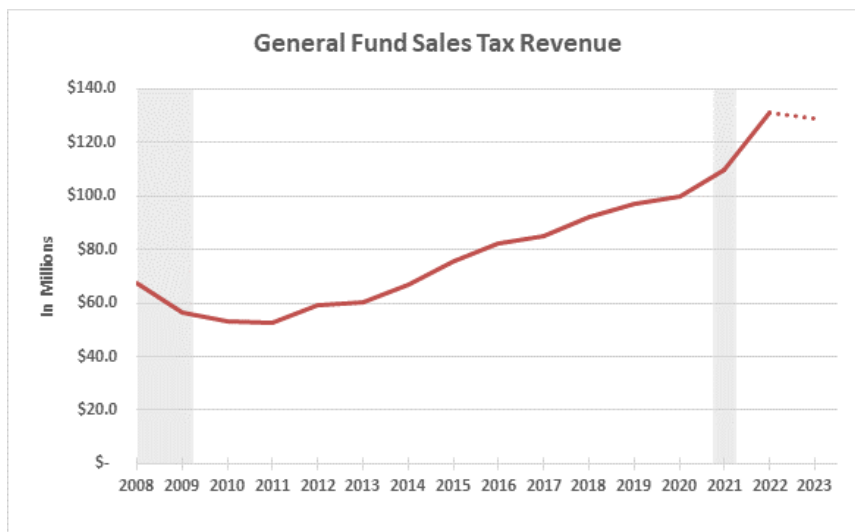


Source: U.S. Census Bureau, HUD, October 19, 2022

See the right chart showing housing units permitted and started since 2012. Single-family housing starts were at a rate of 892,000 and for units in buildings with five units or more, the rate was 530,000. The Census Bureau defines the start of construction when excavation begins for the footings or foundation of a building.

## Sales Tax Revenues

The North Carolina Department of Revenue which administers the sales tax, reports local government sales and use tax distributions every month typically around the 10<sup>th</sup> of each month. Comparing the first



Source: NC Department of Revenue, Local Government Sales & Use Tax Distribution

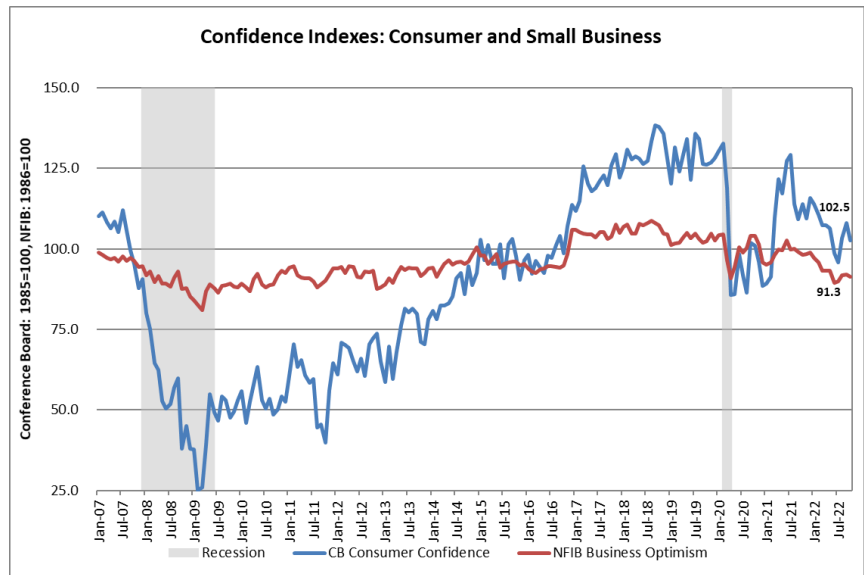
two months of collection in FY 2023 to the same time period in the last fiscal year, the general fund portion of sales tax revenue increased by 14.3 percent. Consumer spending coupled with high prices of goods and services is helping boost sales tax revenue collections. A key variable affecting the amount of sales tax distributed is sales tax refunds to nonprofit entities that make purchases in the City. While it is hard to

predict refunds as they are processed in a non-technical fashion, the relatively strong consumer demand and higher prices is positively impacting sales tax revenue growth in the short term.

## Consumer and Small Business Confidence

The consumer confidence index published by the Conference Board measures the degree of optimism that consumers feel about the economy and their personal financial situation. The index decreased in October 2022 after increasing in the past two months. The index decreased from 108.0 in September 2022 to 102.5 in October 2022.

Consumers' assessment of present-day conditions declined sharply; a sign that the economy slowed. Consumer expectations about future conditions worsened based on a more pessimistic view for income, business and labor market conditions. Concerns about inflation picked up again however, the proportion of consumers planning to make big ticket purchases such as homes, automobiles and other major appliances over the next six months increased.



Source: The Conference Board and National Federation of Independent Business

In May 2018, small business optimism reached its third-highest level ever in the index's 45-year history rising by three points to 107.8. In March 2020, the index fell 8.1 points to 96.4, the largest month-over-month decrease in the survey's 46-year history due to the COVID-19 outbreak. In September 2020, the index increased to 104. The index is a composite of ten seasonally adjusted components that provide an indication of the health of small businesses. The October 2022 survey report showed that the index decreased slightly to 91.3, down 0.8 points from September 2022. The October report showed that two of the index components improved, seven of the ten index components declined, while one remained unchanged. A net 50 percent of small business owners reported raising compensation. Thirty-three percent of owners reported that inflation remains their single most important business problem. The chart above shows the month-to-month fluctuations in both the consumer and small business confidences since 2007 including recession time periods.

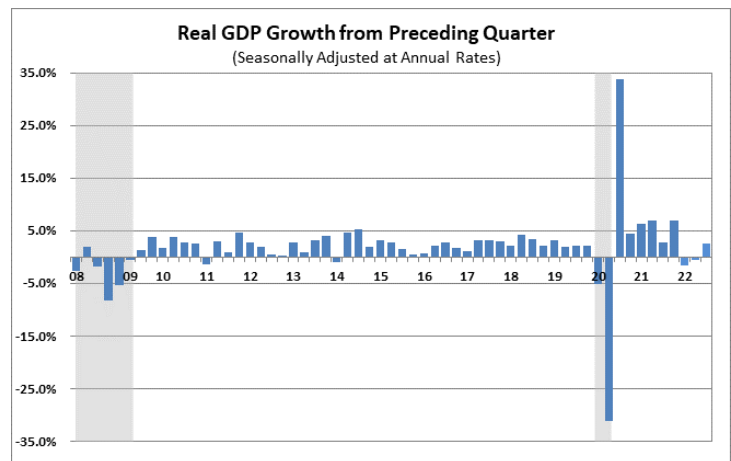
## Real Gross Domestic Product

The U.S. Bureau of Economic Analysis publishes real Gross Domestic Product (GDP) at the metropolitan statistical area (MSA) level. GDP measures the total value of all goods and services produced within a given area in a particular period of time. Real GDP by MSA is an inflation-adjusted measure of each MSA's gross product that is based on national prices for the goods and services produced within the MSA. Data for MSAs are published annually while data for the nation is published quarterly. Between 2019 and 2020, Charlotte MSA declined by 2.1 percent; a growth rate higher than that of the nation



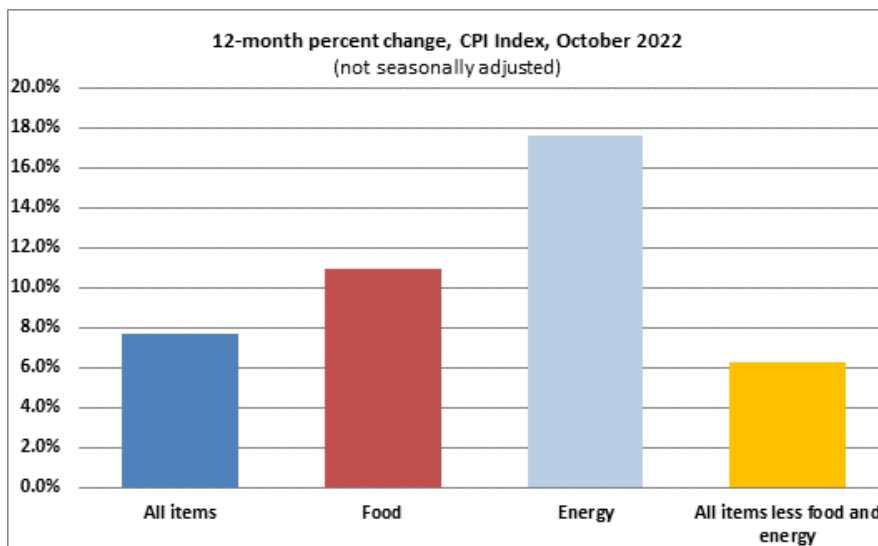
which declined by 3.4 percent and the state of North Carolina which declined by 2.9 percent over the same period.

At the national level, the Bureau of Economic Analysis reported real GDP increased at an annual rate of 2.6 percent in the third quarter of 2022 according to their “advance” estimate after decreasing the first and second quarters. The increase in real GDP was because of positive contributions from personal consumption expenditures (PCE), nonresidential fixed investment, federal government spending, and state and local government spending and an upturn in exports. Those increases were partly offset by decreases in residential fixed investment and private inventory investment. Imports also decreased



## Consumer Price Index

The Bureau of Labor Statistics defines the Consumer Price Index (CPI) as the average change over time in prices paid by urban consumers for a market basket of consumer goods and services. The BLS publishes



Source: US Bureau of Labor Statistics

this data monthly on a seasonally-adjusted and not seasonally adjusted basis. From one month to the next basis, in October 2022, CPI for All Urban Consumers (CPI-U) increased by 0.4 percent on a seasonally adjusted basis after increasing by 0.4 percent in September 2022. Compared to October 2021, CPI-U increased by 7.7 percent not seasonally adjusted.

Among the major expenditure categories, energy increased by 17.6 percent over the 12-month period primarily due to rise in price in energy commodities such as fuel oil and motor fuel. The food expenditure category grew by 10.9 percent and the ‘all items less food and energy’ category grew by 6.3 percent over the same period with notable increases in new and used cars and trucks, rents and airline fares.