

# ECONOMIC INDICATORS

CITY OF CHARLOTTE  
OFFICE OF STRATEGY AND BUDGET

October 22, 2024

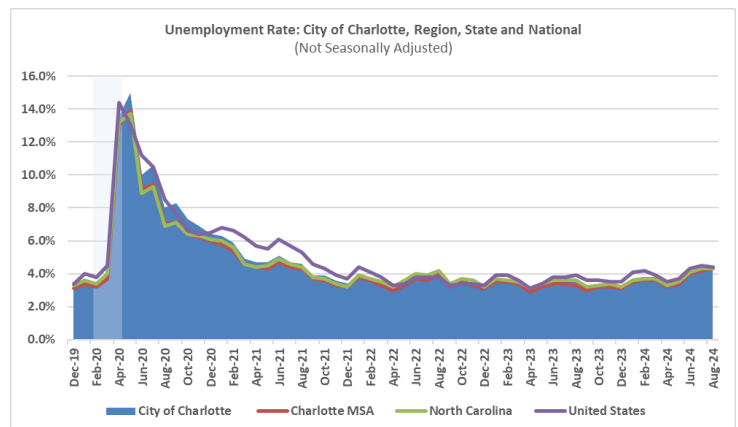
## About the Report and Highlights

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 August 2024 was 4.3 percent
- The Charlotte MSA nonfarm employment increased in August 2024 by 1.8 percent which represents about 32.6 percent of the state total job growth over the last 12 months
- City of Charlotte’s median home sales price increased by 0.2 percent and number of homes sold decreased by 9.0 percent in August 2024 compared to August 2023
- The number of housing units permitted in the city of Charlotte from the start of the year through September decreased by 13.1 percent to 13,009 units from 14,968 units permitted over the same period in 2023
- General Fund Sales tax revenue fell by 1.6 percent in July 2024 compared to same time period last year
- Consumer confidence declined in September 2024 as consumers had a pessimistic view of the economy and jobs and small business optimism also declined as the uncertainty index rose to its highest reading ever recorded
- Between 2021 and 2022, Charlotte MSA GDP grew by 2.0 percent; a growth rate lower than that of the state and nation which grew at 3.2 percent and 2.5 percent respectively
- Compared to September 2023, consumer price index increased by 2.4 percent in September 2024, not seasonally adjusted. The food component of the index grew by 2.3 percent, the energy component fell by 6.8 percent and “all items less food and energy” grew by 3.3 percent

## Unemployment

The city of Charlotte’s unemployment rate (not seasonally adjusted) stood at 4.3 percent in August 2024, rising by 80 basis points from 3.5 percent in August 2023. The chart on the right shows monthly unemployment rate, not seasonally adjusted. The State’s and Charlotte region’s unemployment rate stood at 4.3 percent,



Source: Bureau of Labor Statistics and North Carolina Department of Commerce  
August 2024 numbers are preliminary estimates and subject to revision

a rate the same as the city's but slightly lower than the nation's which stood at 4.4 percent.

The national unemployment rate was 4.4 percent, up from 3.9 percent in August 2023. The broadest measure of underemployment (also known as the U-6 unemployment rate) which includes workers who are out of the labor force but would take a job if offered and workers who are working part-time but would prefer full-time work increased from 7.1 percent in August 2023 to 7.9 percent in August 2024.

Unemployment Rate: Charlotte Region and Comparison Areas			
	Aug-24	Aug-23	Change
Charlotte MSA	4.3%	3.3%	+1.0%
Raleigh MSA	3.8%	3.3%	+0.5%
Winston-Salem MSA	4.3%	3.7%	+0.6%
Atlanta MSA	4.0%	3.5%	+0.5%
North Carolina	4.3%	3.6%	+0.7%
United States	4.4%	3.9%	+0.5%

Source: Bureau of Labor Statistics and North Carolina Department of Commerce  
August 2024 numbers are preliminary estimates and subject to revision

## Jobs/Employment

Statewide nonagricultural employment (seasonally unadjusted) increased year-over-year in August 2024 by 1.5 percent (adding 74,300 jobs) to 5.03 million jobs from about 5.0 million jobs in August 2023. The Charlotte MSA area nonfarm employment increased year-over-year in August 2024 by 1.8 percent

Year-over-Year Job Change and Growth in Select Industries, August 2024 (Not Seasonally Adjusted)				
Industry Sector	Charlotte MSA		North Carolina	
	Change	Growth	Change	Growth
Construction of Buildings	800	4.9%	5,000	8.2%
Manufacturing	(100)	-0.1%	(2,500)	-0.5%
Trade, Transportation & Utilities	(2,600)	-0.9%	(2,900)	-0.3%
Information	(300)	-1.2%	(1,100)	-1.3%
Financial Activities	1,800	1.5%	4,900	1.6%
Professional & Business Services	1,400	0.6%	6,600	0.9%
Management of Companies & Enterprises	(800)	-1.8%	(3,700)	-4.3%
Education & Health Services	5,400	3.8%	18,900	2.8%
Leisure & Hospitality	7,000	4.5%	19,600	3.6%
Other Services	1,000	1.8%	3,700	1.9%
Government	7,900	4.9%	16,800	2.3%
Federal	800	7.4%	3,400	4.3%
State Government	400	1.7%	2,900	1.4%
Local Government	6,700	5.2%	10,500	2.4%
Total Nonfarm	24,200	1.8%	74,300	1.5%

Source: US Bureau of Labor Statistics

that of the Charlotte MSA which increased by 1.8 percent over the same period.

In the Charlotte region, job gains were recorded in almost every sector except in the Manufacturing, Trade, Transportation and Utilities, Information, and Management of Companies and Enterprises

(adding 24,200 jobs) to 1.38 million jobs from 1.36 million jobs in August 2023. These 24,200 added jobs represent about 32.6 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. Total nonfarm employment increased by 1.5 percent at the national level, a rate lower than

sectors. The table above provides a breakdown of year-over-year job change and growth in select industry sectors between August 2024 and August 2023. Manufacturing employment fell by 0.1 percent losing 100 jobs, Trade, Transportation and Utilities employment fell by 0.9 percent, Information employment fell by 1.2 percent, and Management of Companies and Enterprises employment fell by 1.8 percent losing 800 jobs. Construction of Buildings, Leisure and Hospitality, Federal and Local Governments all grew by at least four percent over the period. At the state level, Construction of Buildings, Leisure and Hospitality, and Federal Government sectors saw a growth of at least three period over the one-year period.

## Charlotte Area Housing Market

### Home Sales Activity

The city of Charlotte’s year-over-year home sales decreased by 9.0 percent from 1,038 homes sold in September 2023 to 968 homes sold in September 2024. For the entire Charlotte region, that rate fell by 7.3 percent over the same period. The average sales price of homes sold in the city of Charlotte rose by 5.1 percent in September 2024 to \$569,581 from \$542,053 the same time last year. For the Charlotte region, average sales price increased by 7.1 percent. The number of days a home stays on the market until sale increased from 24 days to 38 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 31 to 42 days. The inventory of homes available for sale increased from 1,627 homes available in September 2023 to 2,437 homes available in September 2024, an increase of about 49.8 percent.

**City of Charlotte Housing Market Activity**

	City of Charlotte			Charlotte Region		
	Sep-23	Sep-24	Percent Change	Sep-23	Sep-24	Percent Change
New Listings	1,238	1,379	+11.4%	4,360	4,688	+7.5%
Pending Sales	866	968	+11.8%	3,106	3,552	+14.4%
Closed Sales	1,038	945	-9.0%	3,465	3,211	-7.3%
Median Sales Price	\$409,313	\$410,000	+0.2%	\$380,000	\$395,000	+3.9%
Average Sales Price	\$542,053	\$569,581	+5.1%	\$469,419	\$502,717	+7.1%
Percent of Original List Price Received	98.5%	97.2%	-1.3%	97.6%	96.3%	-1.3%
List to Close	77	86	+11.7%	80	86	+7.5%
Days on Market Until Sale (Cumulative)	24	38	+58.3%	31	42	+35.5%
Inventory of Homes for Sale	1,627	2,437	+49.8%	6,660	9,454	+42.0%
Months’ Supply of Inventory	1.6	2.4	+50.0%	1.9	2.7	+42.1%

Source: The Charlotte Regional Realtor Association, Local Market Update for September 2024

Data from the Charlotte Regional Realtor Association (CRRA) shows that in September 2024, number of homes sold declined in seven of the ten selected cities in the Charlotte region for which data is readily available compared to September 2023. Average sales price increased in six of the ten cities over the same period. The cities of Davidson, Huntersville, Matthews, Mooresville, and Waxhaw are averaging

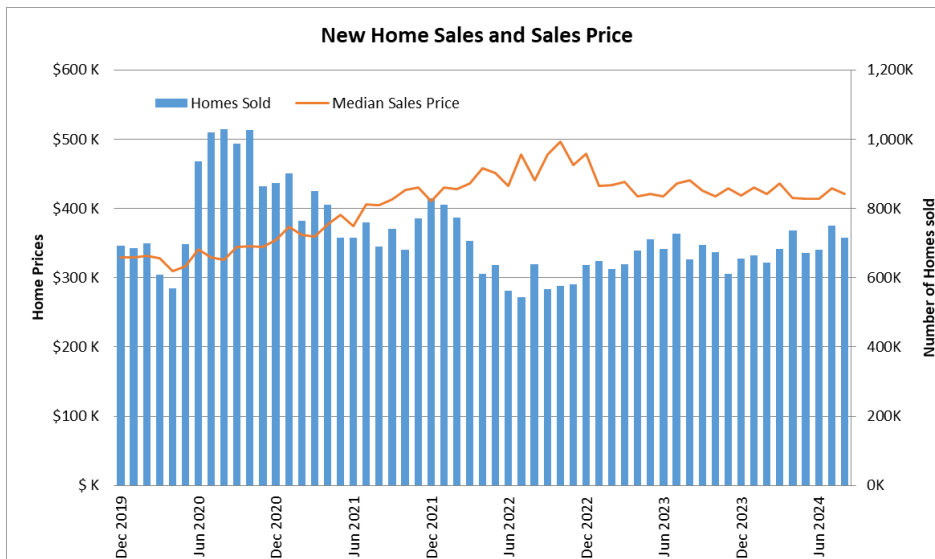
home sale prices greater than the City of Charlotte's. See the table in the next page showing number of homes sold in these cities coupled with their average sale prices.

Select Cities Housing Activity						
City	Number of Homes Sold			Average Sale Price		
	Sep-23	Sep-24	Percent Change	Sep-23	Sep-24	Percent Change
Charlotte	1,038	945	-9.0%	\$542,053	\$569,581	+5.1%
Concord	103	125	+21.4%	\$399,477	\$433,120	+8.4%
Davidson	43	30	-30.2%	\$782,701	\$771,091	-1.5%
Gastonia	126	113	-10.3%	\$298,144	\$299,396	+0.4%
Huntersville	70	88	+25.7%	\$599,860	\$576,828	-3.8%
Matthews	74	62	-16.2%	\$610,643	\$596,947	-2.2%
Monroe	96	94	-2.1%	\$409,279	\$416,035	+1.7%
Mooresville	124	122	-1.6%	\$691,093	\$846,664	+22.5%
Statesville	99	72	-27.3%	\$316,355	\$365,343	+15.5%
Waxhaw	46	57	+23.9%	\$796,835	\$672,972	-15.5%

Source: The Charlotte Regional Realtor Association, Local Market Update for September 2024

### National Housing Market

Sales of new single-family homes in August 2024 were at a seasonally adjusted rate of 716,000 compared to 652,000 in August 2023, an increase of 9.8 percent. Compared to July 2024, the number of



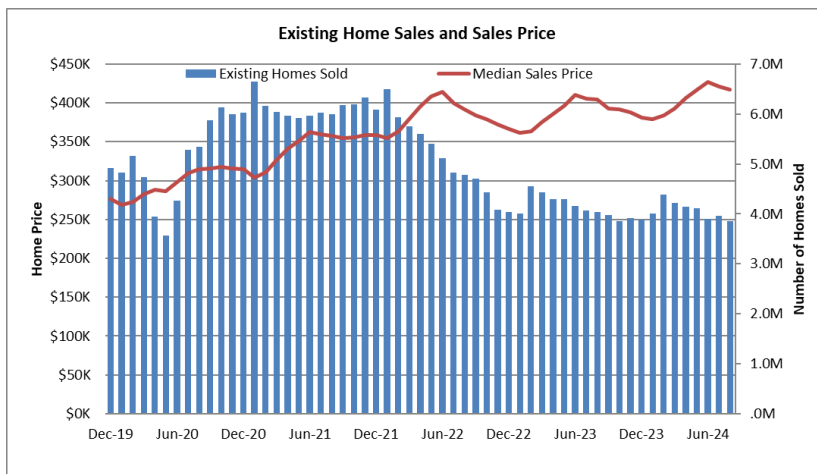
Source: U.S. Census Bureau, HUD, September 25, 2024

homes sold decreased by 4.7 percent. Median sales price of new homes sold decreased from \$440,900 in August 2023 to \$420,600 in August 2024, a decrease of about 4.6 percent. Average sales price fell by 7.1 percent over the same period.

The seasonally adjusted months' supply at current sales rate (number of months) of new homes available for sale decreased

from 7.9 months to 7.8 months over the same period. New housing stock or inventory that's available for sale increased from 428,000 to 467,000 units over the same period. See the chart above of new home sales and sales price at the national level since December 2019.

Existing home sales decreased in August 2024 compared to same period last year at the national level. Sales of existing homes in August 2024 were at a seasonally adjusted rate of 3.86 million homes



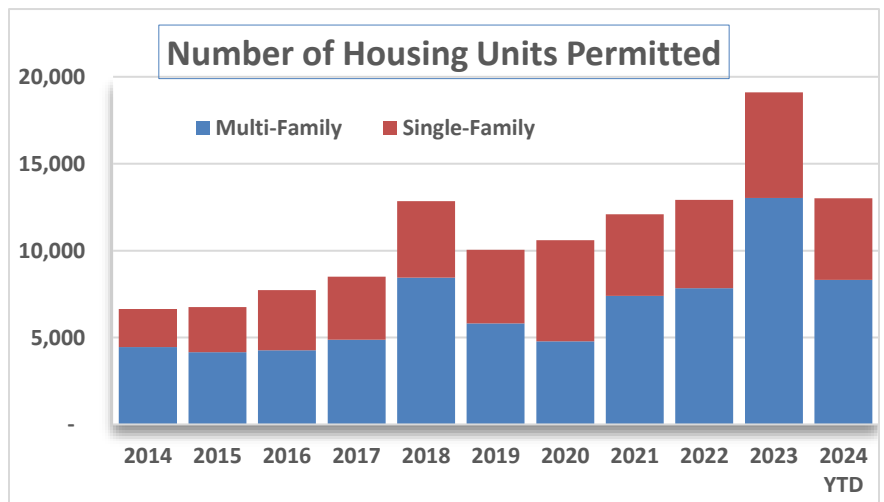
Source: National Association of Realtors (NAR)

compared to 4.03 million homes sold same time in the previous year. This represents a decrease in the number of existing homes sold by 4.2 percent. With the relatively high mortgage rates and the high home prices, buyers are still holding out. About 17.9 percent of people buying homes are buying homes in the price range of \$100,000 to \$250,000 and 34.6 percent of home buyers are buying homes \$500,000 and above.

Median existing-home sales price in August 2024 was \$416,700, which is 3.1 percent higher than the August 2023 price of \$404,200 – the 14th consecutive month of year-over-year price increases. Existing unsold housing inventory at the end of August 2024 stood at 1.35 million units which represents an increase from 1.1 million units a year ago. In terms of days on market until sale, properties stayed on the market for 26 days in August 2024 up from 20 days a year ago. The chart above provides a visual on existing home sales activity and median sale price at the national level.

## Charlotte Residential Building Permits

The adjacent chart presents building permits activity data in Charlotte since 2014. From beginning of 2024 until date (September 2024), total number of housing units permitted fell by 13.1 percent to 13,009 units from 14,968 units permitted over the same period in 2023. Multi-family units permitted decreased by 17.7 percent from 10,114 units to 8,320 units and for single-family; it fell by 3.4 percent from 4,854 units to 4,689 units over the period. Comparing



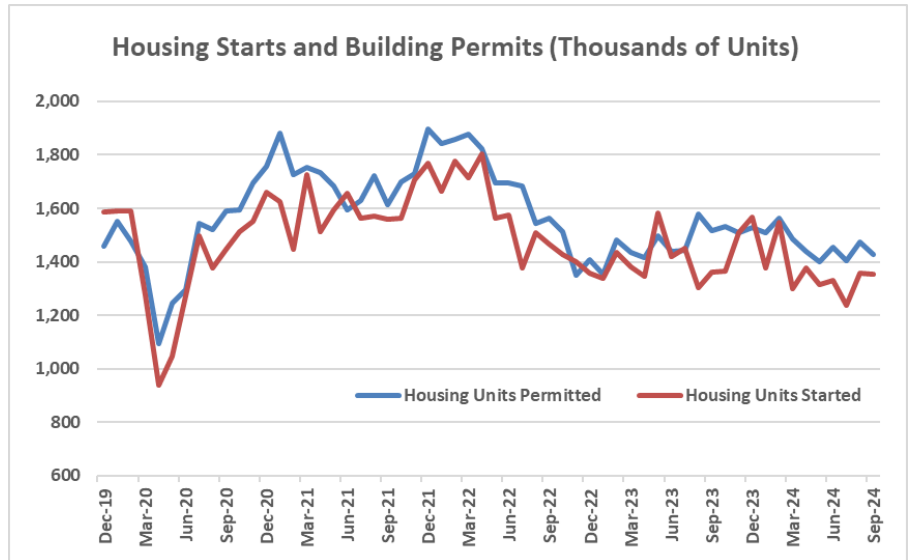
Source: Mecklenburg County's Land Use & Environmental Services Agency

2014 to 2023 annual figures, building permits issued increased by 187.4 percent representing an annual growth rate of about 18.7 percent. Single-family units permitted grew an annual rate of 17.6 percent while multi-family units permitted grew at an annual rate of 19.3 percent over the 10-year period.

## National New Residential Construction

Privately-owned housing units authorized by building permits in September 2024 were at a seasonally adjusted annual rate of 1.43 million, a 5.7 percent decrease compared to the September 2023 rate of 1.52 million.

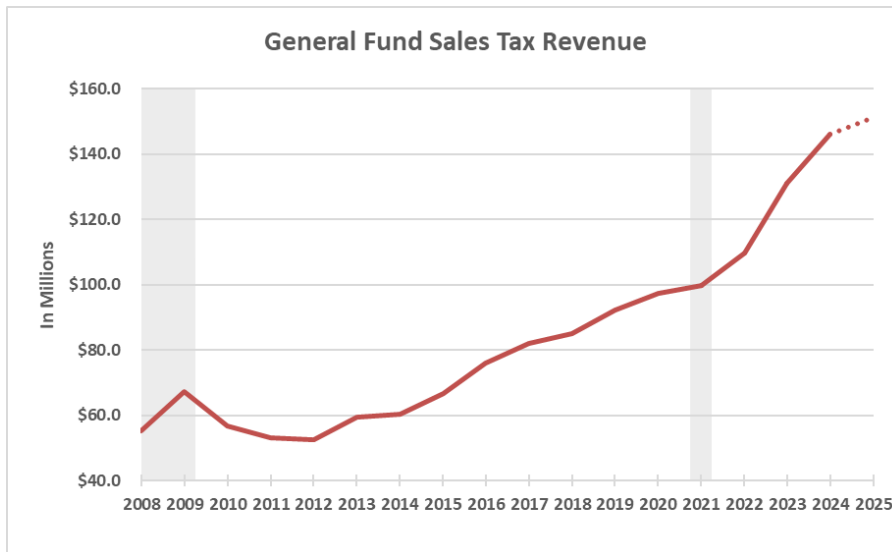
In September 2024, housing units started were at a seasonally adjusted annual rate of 1.35 million which represents a 0.6 percent decrease compared to the September 2023 rate of 1.36 million. See the right chart showing housing units permitted and started since December 2018. Single-family housing starts were at a rate of 1,027,000 and for units in buildings with five units or more, the rate was 317,000. The Census Bureau defines the start of construction when excavation begins for the footings or foundation of a building.



Source: U.S. Census Bureau, HUD, October 18, 2024

## 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 July



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

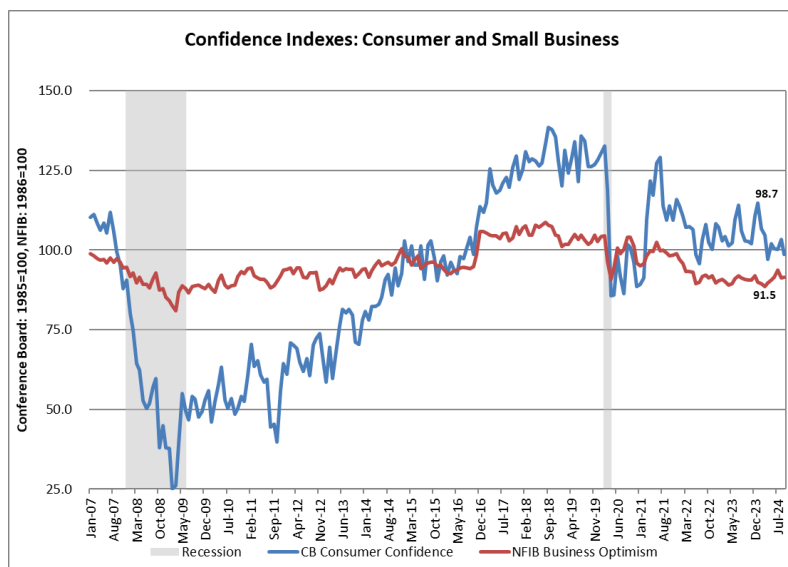
2024 to July 2023, the general fund portion of sales tax revenue declined by 1.6 percent. Although consumer spending has continued to stay afloat, its growth has been slow. A key variable affecting the amount of sales tax distributed is sales tax refunds to nonprofit entities that make purchases in the City. While it is hard to predict refunds as they are processed in a non-technical fashion, slowing consumer demand and fall in prices will negatively impact

sales tax revenue growth in the short term. With the expectation of a soft-landing in the economy, sales tax is expected to grow but at a slower rate than previous years.

## 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 fell in September 2024 to 98.7, down from 105.6 in August 2024.

Consumers' assessment of present-day business conditions and employment situation declined due to consumers' less favorable view of the economy and jobs. Consumer expectations about future conditions also fell based on a more pessimistic view for future business conditions, future labor market conditions and future income prospects. The proportion of consumers anticipating a recession remained low. However, the proportion of consumers planning to make big ticket purchases such as homes, automobiles, and other major appliances over the next six months slightly improved.



Source: The Conference Board and National Federation of Independent

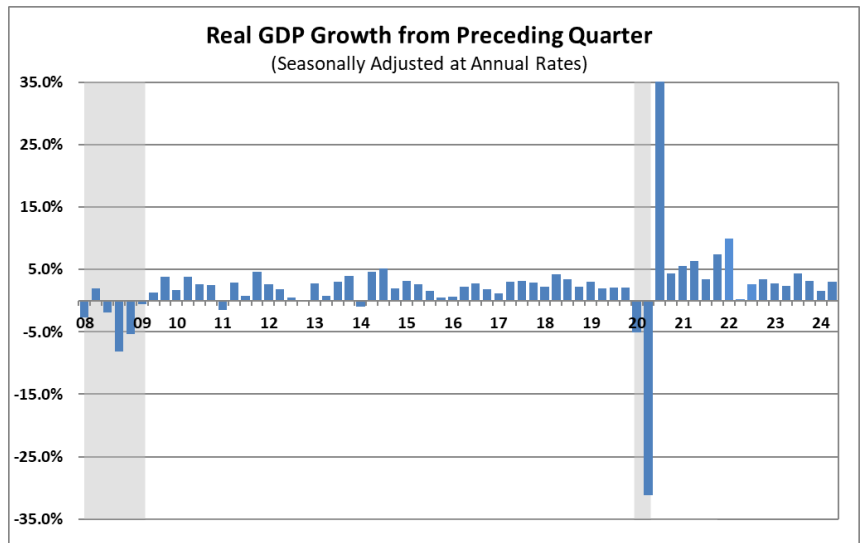
The small business optimism index is a composite of ten seasonally adjusted components that provide an indication of the health of small businesses. In September 2024, the index increased to 91.5 marking the 33<sup>rd</sup> consecutive month below the 50-year average of 98. The September 2024 survey report showed that the index increased to 91.5, up 0.3 points from August 2024. The September report showed that the uncertainty index rose by 11 points to 103, the highest reading ever recorded since the survey's inception. Five of the index components increased, three decreased while two remained unchanged. The percent of small businesses planning capital expenditures fell by 5 percent to 19 percent, the lowest reading since April 2023. The average interest rate on loans reported by responding small businesses rose above 10 percent – a rate this high was lastly seen in February 2001. A net 32 percent of owners still say inflation remains their single most important business problem replacing labor quality as the top concern. 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 2021 and 2022, real GDP for Charlotte MSA increased by 2.0 percent; a growth rate lower than that of

the nation which grew by 2.5 percent and that of the state of North Carolina which grew by 3.2 percent over the same period.

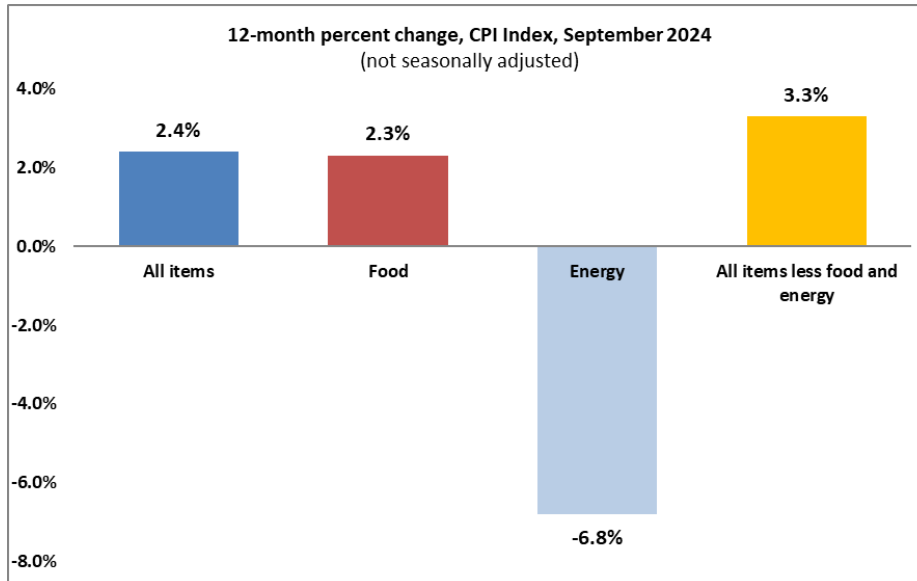
At the national level, the Bureau of Economic Analysis reported real GDP increased at an annual rate of 3.0 percent in the second quarter of 2024 according to their “third” estimate after increasing by 1.6 percent in the first quarter. The increase in real GDP was because of positive contributions from personal consumption expenditures (PCE), inventory investment, and business investment. Imports which affects the measure negatively, increased.



Source: U.S. Bureau of Economic Analysis

## 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 this data monthly on a seasonally-adjusted and seasonally-unadjusted basis. From one month to the



Source: US Bureau of Labor Statistics

next basis, in September 2024, CPI for All Urban Consumers (CPI-U) increased by 0.2 percent on a seasonally adjusted basis, same increase as in July and August. Compared to September 2023, CPI-U increased by 2.4 percent, not seasonally adjusted.

Among the major expenditure categories, energy decreased by 6.8 percent over the 12-

month period primarily due to fall in price of energy commodities. The food expenditure category grew by 2.3 percent and the ‘all items less food and energy’ category grew by 3.3 percent over the same period with notable increases in the indexes for shelter, motor vehicle insurance, medical care, apparel, and airline fares.