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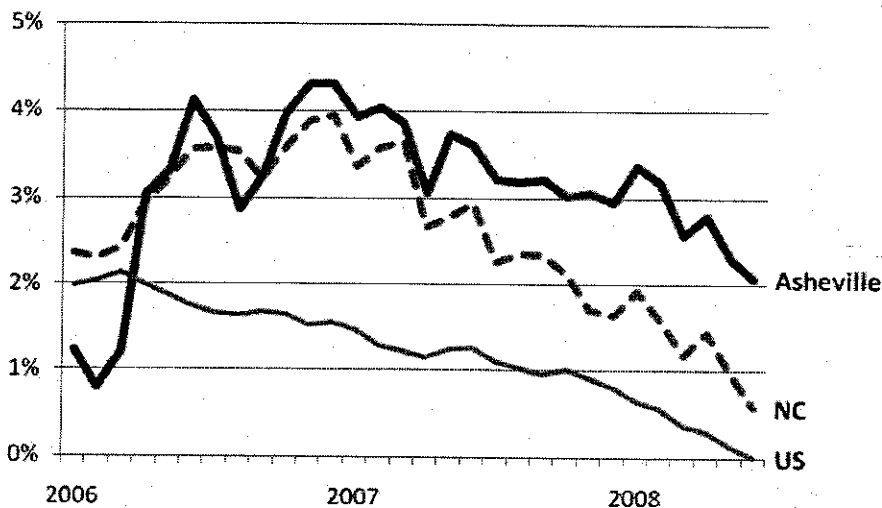
## 2008 ASHEVILLE METRO ECONOMY OUTLOOK

### *Diversified Economic Growth Outpaces State & Nation*

Tom Tveidt, director, Asheville Metro Business Research Center  
Asheville Area Chamber of Commerce  
Wednesday, July 23, 2008

#### Current Overview

EMPLOYMENT PERCENT CHANGE YEAR-TO-YEAR



The Asheville metro is continuing to experience a period of sustained economic growth. A balance of forces, centered on the area's quality of life amenities continues to support this durable pattern.

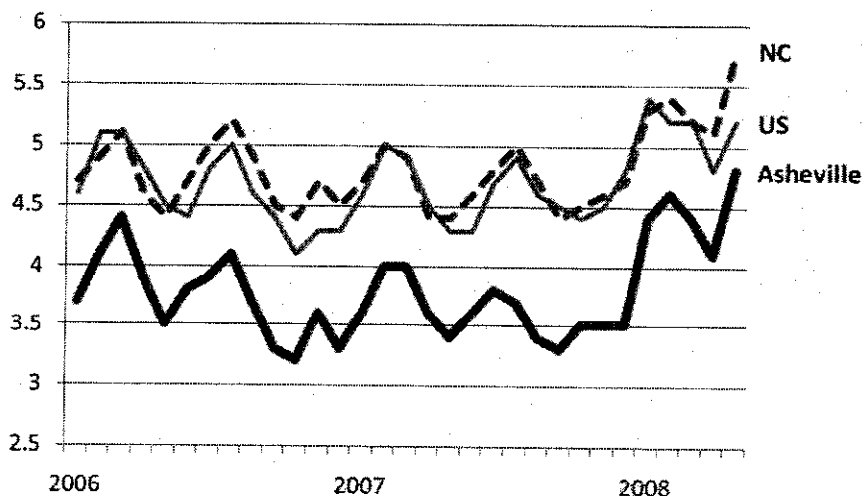
Through the first half of 2008, the Asheville metro has participated in 51 straight months of record-setting job growth. Over the year, 3,700 net new jobs have been added. With current total employment of 181,900 and a growth rate of 2.7 percent through the half of 2008, Asheville is outpacing the rate of growth in the state and nation.

At 4.8 percent, Asheville's unemployment rate has risen through 2008, but still holds well below the state, the nation, and all but two of North Carolina's 13 other metro areas.

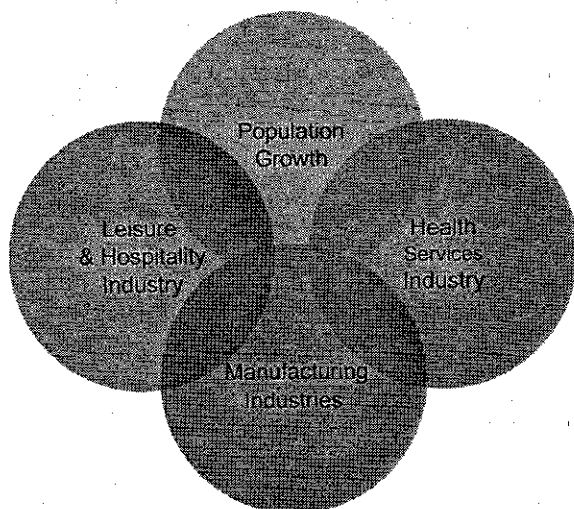
Economic strength of the Asheville metro is being led by:

- Specialized healthcare industry
- Resilient tourism industry
- Stable professional-technical services sector
- Re-structured manufacturing sector
- Attraction to the baby-boomer market

UNEMPLOYMENT RATE



## Keys To Asheville's Economic Outlook

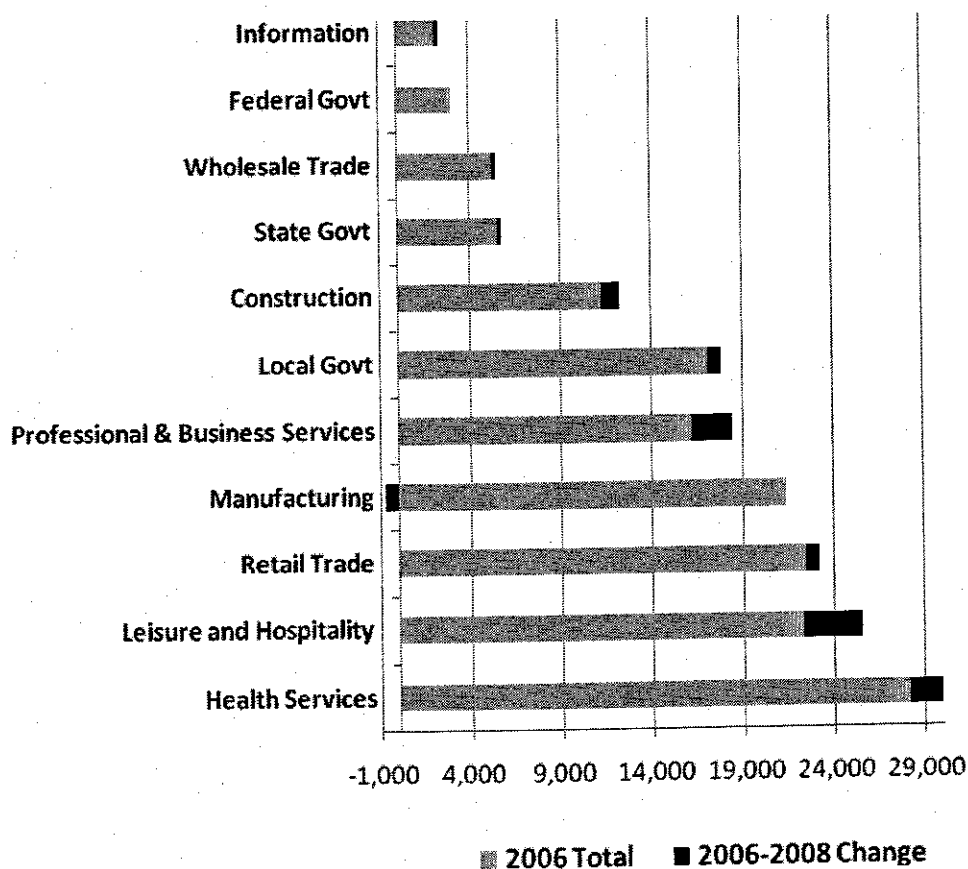


The Asheville metro has developed a unique and balanced economy. Traditionally, four major economic activities have characterized the core strengths of the area. Together, these drivers have underpinned Asheville's unique economic position and foretold its direction.

An emerging fourth strength, *Professional & Business Services*, has grown over the last several years, adding more diversity and balance to Asheville's economy.

## Major Industry Sectors Expanding

EMPLOYMENT TOTAL & CHANGE BY INDUSTRY ENDING IN JUNE



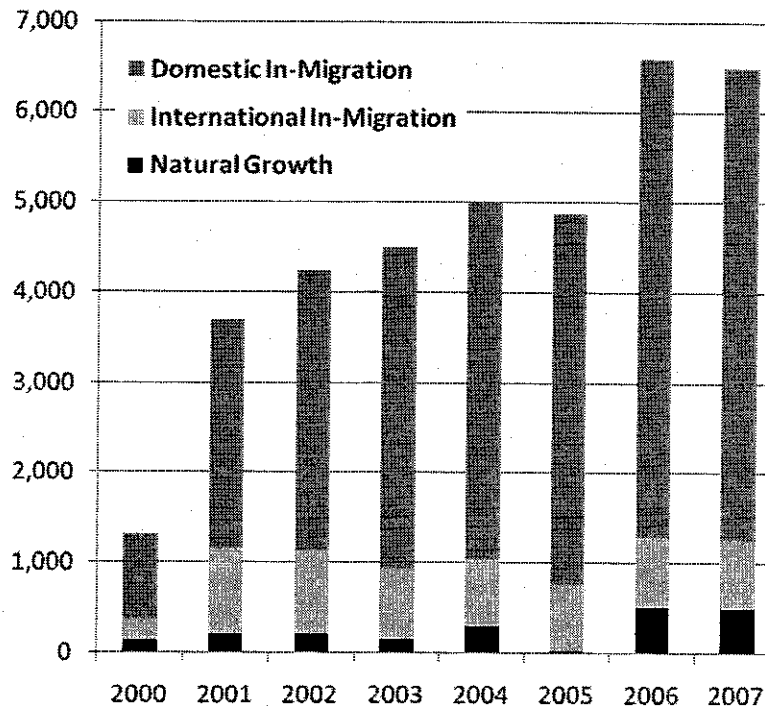
Over the last two years, significant employment growth has been generated from two of Asheville's traditional core drivers; *Health Services* and *Leisure & Hospitality*. Together these two sectors have accounted for over half of all net new jobs. Growth in *Professional & Business Services*, an emerging source for new jobs has added nearly 25 percent of all net new jobs since 2006.

The pace of *Construction* employment growth has lessened in early 2008, after strong expansion in 2002-2007.

Manufacturing, although down slightly overall, has experienced pockets of growth in machinery, plastics and electronics.

## Population Growth

SOURCES OF POPULATION GROWTH

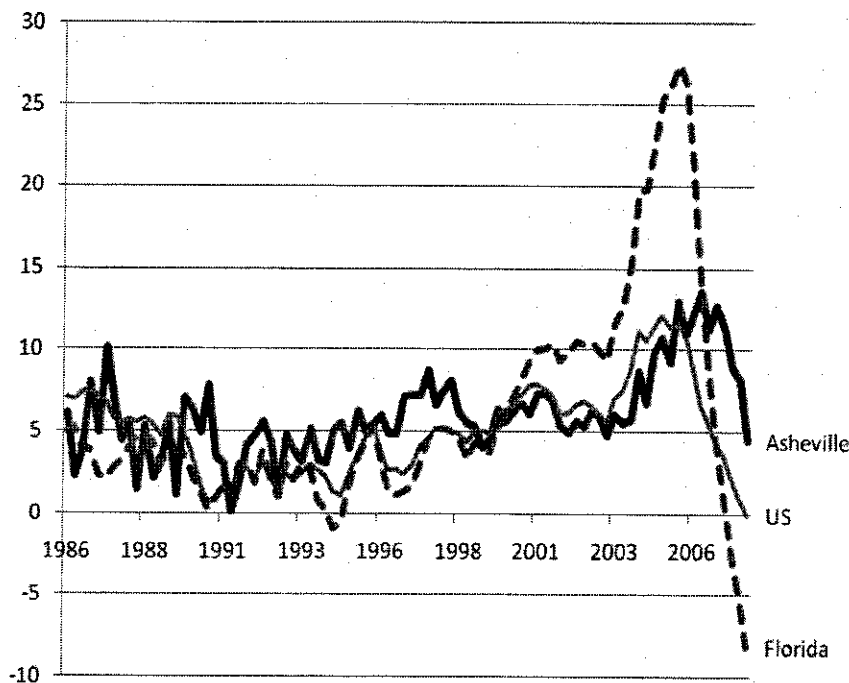


Population growth remains an important contributor to the metro economy. At no time within the last four decades has population declined. Estimates indicate moderate growth will continue between 1.5-2.0 percent per year. In 2007 the rate of population growth stood at 1.7 percent.

The Asheville metro is distinct in that about 95 percent of local population growth is from in-migration, the remaining from births over deaths. Surrounding North Carolina communities supply about 40 percent of the in-migrants. Florida tops the states with the highest number of out-of-state in-migrants, accounting for about 12 percent of the total.

## Home Appreciation

ANNUAL SAME-HOME APPRECIATION RATES



Changes in the national real estate market, particularly in metro areas which supply new residents to Asheville, has led to a decline in local home sales and new residential construction.

Unlike other metro areas, Asheville has not experienced significant declines in home appreciation rates. As of the first quarter of 2008, annual appreciation rates in Asheville were 4.5 percent, easily topping the national decline of -0.03 percent.

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### Outlook Summary

The economic diversity of the Asheville metro continues to support growth in the face of a national economic slowdown. A balance of economic drivers, centered on the area's quality of life amenities and major demographic trends, continues to support this durable pattern. Over the last year, 3,700 net new jobs have been added. Besides growth from the traditional economic drivers of *Health Services* and *Leisure & Hospitality*, an emerging *Professional and Business Services* sector has joined as a major job creator.

A decline in home sales and residential construction, due to the changes in outside markets, has been tempered by relatively strong home appreciation rates. As outside markets correct, Asheville should expect a return to healthy residential activity, fueled by the retiring baby-boom generation.

The Asheville Metro Business Research Center is a service of the Asheville Area Chamber of Commerce. The role of the Center is to provide accurate and objective information and analysis of economic and demographics trends in the Asheville area. The goal of the Asheville Metro Business Research Center is to enable better decisions by business, community, and public organizations, leading to enhanced economic vitality for the region.

For further information, or if you wish to receive our monthly e-newsletter covering current economic and demographic trends in the Asheville area, call (828) 258-6137 or e-mail at [econdev@ashevillechamber.org](mailto:econdev@ashevillechamber.org).



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