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The greater Charlotte economy continues to enjoy solid economic gains. Businesses are on a pace to create at least 25,000 net new jobs this past year, with all of the region's key sectors posting strong gains. The pace of corporate relocations and expansions has also picked up, and residential and retail development remains exceptionally strong.

has increased 2.5 percent over the past year, producing a net gain of nearly 2,000 new jobs.

Charlotte continues to see an influx of investment banking and capital markets operations from the Northeast and Midwest. Firms are being drawn to the region primarily because of its deep pool of talented workers, many of which

Office and industrial development appears poised to strengthen, with vacancy rates recently falling during the first half of this year.

The good news is spreading. Population growth in the greater Charlotte area has topped 50,000 new residents during each of the past two years, which means the region nets around 1,000 new residents each week. Most of those new residents are being drawn by Charlotte's abundant job opportunities and excellent quality of life. Housing remains much more affordable in and around Charlotte than it does for most other similarly sized cities along the eastern seaboard. Moreover, an abundance of lifestyle choices allow newcomers to pick from homes around the lakes, in the suburbs, or in and around Center City.

Even with the continued influx of jobseekers from other parts of the country, Charlotte's unemployment rate has fallen about a half percentage point over the past year and remains roughly in line with the national rate. Hiring is being driven by a diverse group of industries including banking, professional services, health care, construction, and wholesale trade. Retailing also continues to post strong gains, thanks to the opening of another regional shopping mall and all the ancillary shops.

Hiring in commercial and investment banking has been on a roll for the past several years, with most of the gains either occurring at the major banks downtown or at dozens of boutique firms and satellite offices that have sprung up in the SouthPark, Ballantyne, and Lake Norman areas.

Total employment in financial services

have left larger firms to start their own businesses.

While banking and investment banking always seems to be the starting point for any discussion on Charlotte's economy, much more is going on in the Queen City. Large corporate expansions have picked up notably during the past year. The Charlotte Chamber of Commerce's most recent tally of relocations, expansions, and new business startups found a total of 464 announcements through the first half of 2006.

While the total is off a bit from the same period last year, the dollar value of new investment hit a record \$1.7 billion, up from \$922.4 million announced during the first half of last year. Moreover, firms announcing expansions this year plan to lease 9.7 million square feet of commercial space, up from 8.7 million square feet one year ago.

The growth of new businesses has helped drive hiring in traditionally office-type occupations up three percent over the past year, which should translate into close to one million square feet of office absorption. Hiring in transportation and warehousing is also up solidly.

Demand for office and industrial space is clearly improving. Vacancy rates for class A office space have fallen slightly over the past year, with most of the improvement occurring in the Center City. Office vacancy rates in downtown Charlotte are currently just 5.6 percent, which ranks as the lowest of any downtown area in the country. Vacancy rates are higher in the suburbs, averaging 21 percent during the second quarter. That level of vacancy, however, does not appear to be overly problematic. The higher vacancy rate largely results from recent building completions. Demand for office space around SouthPark, Ballantyne, Huntersville and the University areas all remains quite strong, and relatively few large blocks of new vacant space are currently on the market.

Travel and leisure is a growing part of the Charlotte landscape. The convention business seems to get stronger every year. Demand for hotel rooms has been very strong this past year, and a new Ritz Carlton is currently under development on College Street. Another hotel is planned for the nearby EpiCenter.

Economic development in around Charlotte's Center City is the strongest that it has been in decades. Six high-rise and mid-rise condominium projects are currently under construction downtown, and work has begun on a new office tower for Wachovia Corporation on South Tryon Street. That project will include three museums, a performing arts center, retail shops, condominiums and green space. In addition, several other projects are underway just outside of downtown,

including the massive redevelopment of the former Midtown Mall site, which is being redeveloped into a mix of office, retail and residential space.

A number of other major projects are also in the works or in various stages of development, including construction of a light rail system. The first leg will open in about one year and will connect the Pineville area to downtown. Construction of the light rail line has already spurred redevelopment along the line in South End, resulting in several new condominium and office projects. Redevelopment of the Elizabeth commercial district also continues to progress, and the University of North Carolina at Charlotte (UNC Charlotte) has secured funding to construct a building and open a satellite campus in Uptown's First Ward area.

Higher education is a growth industry in Charlotte. The new UNC Charlotte facility joins Johnson & Whales, which continues to build its new campus in the Gateway area of Center City, and ongoing expansion of Central Piedmont Community College in Elizabeth. In addition, Wake Forest University will move its executive MBA program into a new facility on South Tryon Street.

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Planning for the NASCAR Hall of Fame is now in full swing, and construction of the exhibition hall and a new office building will soon be underway. The new facility is expected to be a major tourist draw for Charlotte and is expected to spur new retail and residential development between the Charlotte Convention Center and the Bobcats Arena. In addition, several other condominium projects are expected to be developed in and around Charlotte's Center City, with a least two breaking ground by the end of this year.

The Charlotte region currently has enough projects in the works to guarantee that construction cranes will be a common sight in the Center City for the next few years even if the national and regional economies slow. Overall growth is expected to remain relatively robust, with at least 25,000 new jobs added this year and around 20,000 more in 2007. The region's economy is becoming more diverse, as more businesses relocate to the greater Charlotte area and the area adds amenities such as the new White Water Park along the Catawba River, the NASCAR Hall of Fame and the new package of arts facilities under construction on South Tryon Street.