

all are welcome
Raleigh
NC

ECONOMY & BUSINESS

2019



CHAIRMAN'S LETTER

BY THE NUMBERS



7,958
new jobs



\$271M
investment

It is an exciting time to live and work in Raleigh and Wake County. Together with the Raleigh Chamber we are charting our future, leading innovation, and creating a region that is prosperous for everyone.

As the voice for business, in the past year, we:

- Announced nearly 8,000 jobs and \$271 million in investments
- Made important strides in talent recruitment and pipeline development
- Launched the equitable economic development program with the support of the Wake County Board of Commissioners
- Moved transportation forward in our region by accelerating 540
- Successfully advocated for the 2017 Raleigh Transportation Bond referendum
- Began a new partnership with Innovate Raleigh

Forbes has recognized our region's success as well as our potential once again. Raleigh has been ranked as the no. 2 Best Places for Business and Careers in the nation and North Carolina named the Best State for Business in 2018.

Our region is growing. Now is the opportunity to plan for our future.

Let's get to work!



"Together with the Raleigh Chamber we are charting our future, leading innovation, and creating a region that is prosperous for everyone. Let's get to work!"

JIM HANSEN

Regional President, PNC
Board Chair, Greater Raleigh Chamber of Commerce

"We are attracting more talent to our area by encouraging and facilitating the promotion of diversity, equity, and inclusivity within the business community."

ADRIENNE COLE

President and CEO, Greater Raleigh Chamber of Commerce



RALEIGH CHAMBER

As the lead business organization for our region, the Raleigh Chamber ensures economic prosperity for all. Our area is driven by innovation and collaboration. From supporting infrastructure and business creation to recruiting new businesses and jobs and developing our region's talent pipeline, our fundamentals are strong.

With as many as 60 active projects at one time, companies are relocating and expanding here. Nearly three-quarters of the 500 businesses we surveyed in our Regional Workforce Skills Analysis indicated they had plans to grow within the next three years. Additionally, there are more than 700 foreign-owned companies in the Research Triangle region. Our foreign direct investment strategy attracts foreign companies ranging from healthcare and banking to IT and manufacturing.

We are attracting more talent to our area by encouraging and facilitating the promotion of diversity, equity, and inclusivity within the business community. Through the implementation of the Triangle Diversity, Equity, and Inclusivity (DEI) Initiative, we are leading the effort of business and community leaders to implement best practices for DEI within our region.

We are providing resources and programs to support our business community. We are bringing together business and legislative leaders and offering you the opportunity to provide input to shape our area. Our collaboration with all of our partners makes certain our community remains a great place to live and do business.

BY THE NUMBERS



60

active relocation/expansion projects at any one time



700

foreign-owned companies in region



350

attended first-ever Raleigh Chamber DEI Conference

Greater Raleigh
Chamber of Commerce

TRIANGLE STATISTICS

WAKE COUNTY BY THE NUMBERS



\$18.273B
in county-wide retail sales



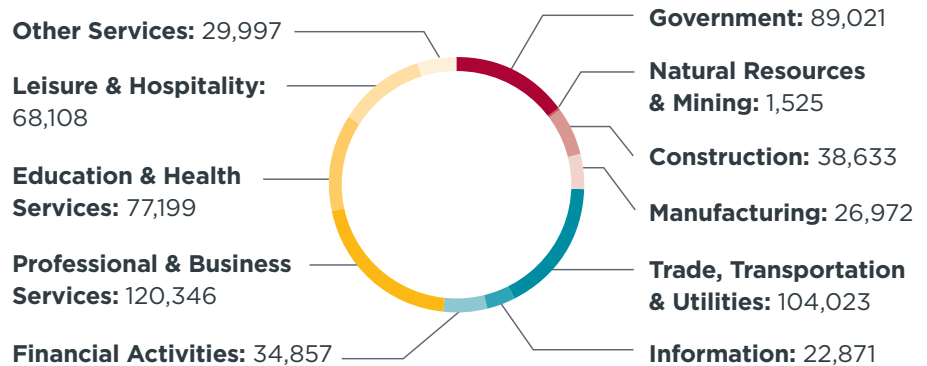
5,955
residential permits issued



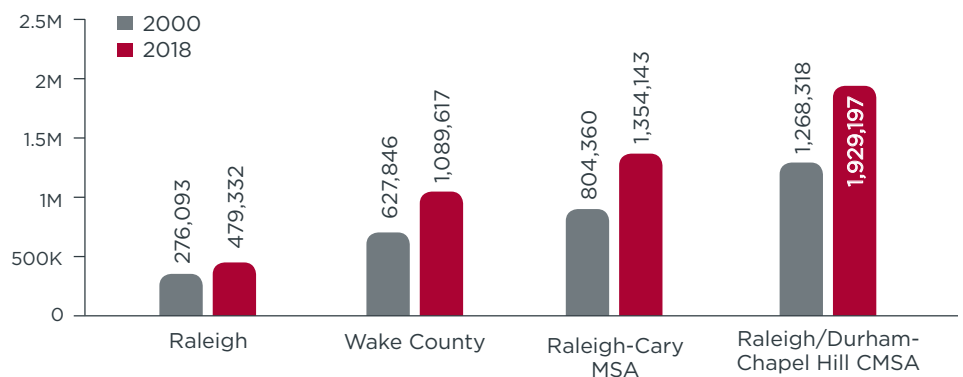
330
non-residential permits issued

Wake County Employment by Sector 2018

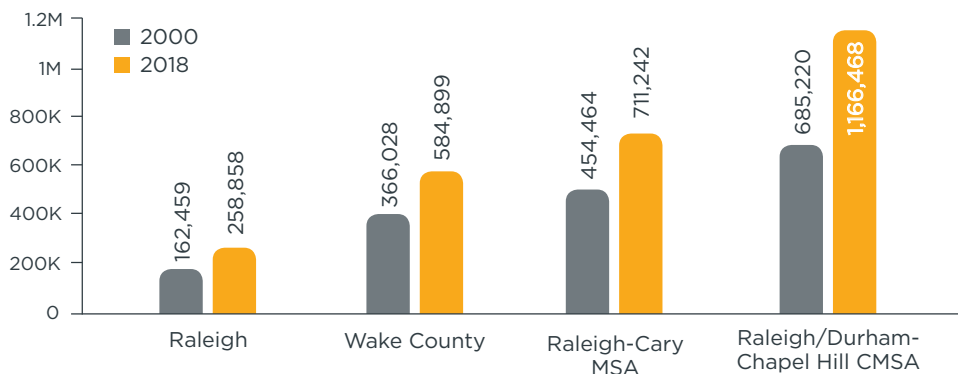
Total Employment: 613,552



Population Growth



Labor Force Growth



Source: NC State Department and ESRI



“The Triangle region is known nationally and internationally for our strong workforce, outstanding universities and community colleges, and highly livable communities. Those strengths plus our rapidly growing clusters will continue to attract companies and show the world that the Triangle region is open for business.”

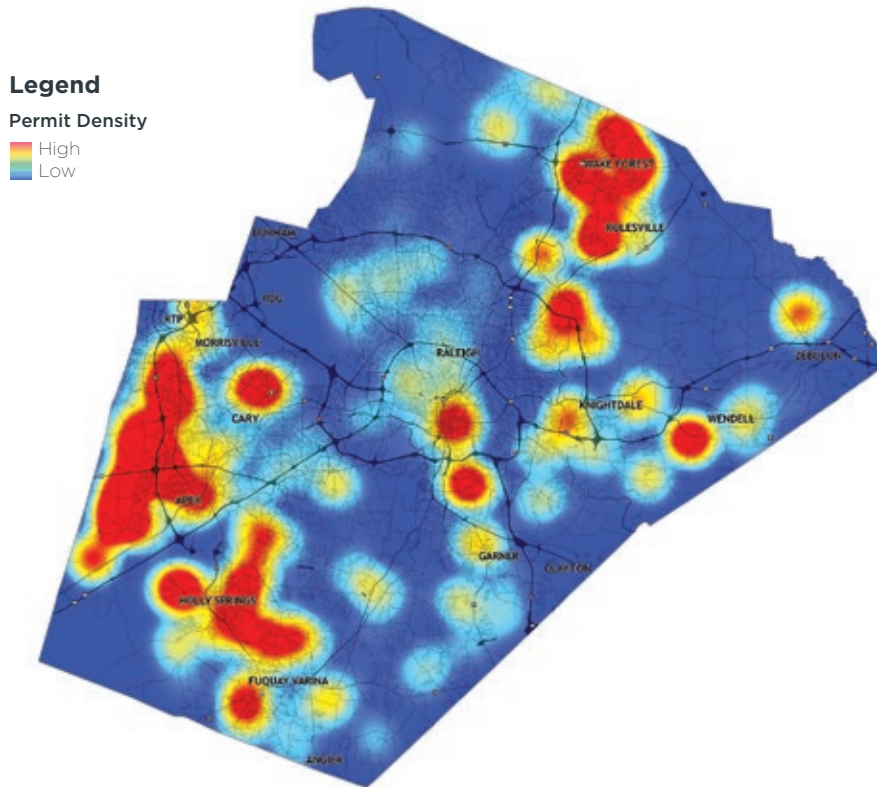
RYAN COMBS

Executive Director, Research Triangle Regional Partnership

PLANNING FOR GROWTH

Residential & Commercial Permit Concentrations

Wake County: 2017-2018



WAKE COUNTY BY THE NUMBERS

NO. 2

**Best Performing Large
Metro Areas (Raleigh)**

Milken Institute, 2018



63 people

added to population per day



21

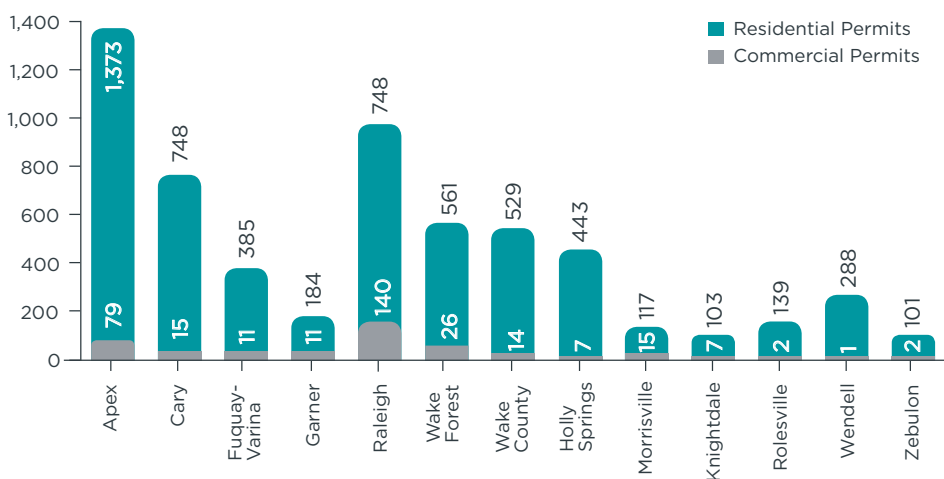
are born here



42

move here

New Residential & Commercial Permits by Municipality



Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates

“Wake County continues to experience tremendous growth throughout the county. It remains imperative that we focus on inclusive growth for residents, and have a plan to adapt our infrastructure, transit options, housing, and education for the 63 people per day that move to Wake County.”

JESSICA HOLMES

Chairwoman, Wake County Board of Commissioners



WAKE COUNTY MUNICIPALITIES

Apex



Apex continued to experience development success in 2018. Cash Corporate Center, a 121-acre industrial site, was designated as an NC Certified Site. Business recruitment increased with the location of Pentair, PLC, an innovator in smart, sustainable water solutions, occupying a new 50,000-square-foot Innovation Center. Small business development also thrived with the start of LaunchAPEX, an entrepreneurial training program, which graduated the first cohort of business owners.

Fuquay-Varina



Fuquay-Varina Town Board purchased 35 acres of industrial land to become the town's newest industrial business park. The park will be NC Site Certified and shovel ready for the recruitment of new, advanced manufacturing companies committed to creating high-paying jobs and increasing tax base.

Holly Springs



After decades, Main Street Holly Springs is seeing a dramatic transformation. In 2019, Holly Springs will realize 100,000 square feet of mixed-use space in their downtown. The new development will offer retail, restaurant, and office spaces, bringing many new businesses, creating nearly 500 jobs, and making a \$50 million annual economic impact. Alongside the private development, the town is investing \$10 million in public infrastructure that supports private developments.

Cary



Cary continues to see strong growth from existing companies and relocations. SAS and Verdesian Life Sciences expanded their Cary operations, while fintech company, Trill A.I. relocated their headquarters from Silicon Valley. MetLife also launched a startup accelerator that pulled in 10 companies from around the world for its first session. Additionally, Cary was ranked as one of the best places to live in America by HomeSnacks (no. 6) and Money Magazine (no. 5).

Garner



The Town of Garner announced Amazon will be placing a 2.6-million-square-foot robotic sorting facility at the Garner Technology Center site. The \$200 million project will create 1,500 new jobs and inject \$45 million in annual payroll in to the local community. The project is expected to be completed in the fall of 2019.

Knightdale



The Town of Knightdale recently entered into a public-private partnership to develop Knightdale Station Village, a two-acre mixed-use project along N. First Avenue in direct proximity to Knightdale Station Park. The project exemplifies Knightdale's commitment to mixed-use development and to the redevelopment of the downtown area. Knightdale Station Park has already shown great success with its civic, cultural, and sporting events.



“Our region benefits greatly from the collaboration and partnerships between the 12 municipalities in Wake County. Wake County continues to offer its residents and businesses world-class amenities, globally known higher education, a diverse business ecosystem, and access to the best and brightest talent.”

MICHAEL HALEY

Executive Director, Wake County Economic Development
Senior Vice President, Greater Raleigh Chamber of Commerce

Morrisville



Wake Technical Community College's Research Triangle Park campus opened its first building in 2018. This 94-acre campus features a next-generation learning environment dedicated to the needs of individuals and corporations. Plans call for nine structural buildings and a capacity to serve up to 7,000 students. Additionally, the community opened a new Town Center to welcome all newcomers to the area.

Rolesville



With the adoption and implementation of a dynamic Economic Development Strategic Plan and Main Street Vision Plan, Rolesville continues to grow in a positive and smart manner. As a community that tops lists in North Carolina as one of the fastest growing, safest, and most family friendly, Rolesville is a proud, forward-looking community full of great opportunity.

Wendell



Wendell continues to experience steady growth in both residential and commercial sectors. This year, Kioti began a nearly \$7 million expansion to their existing facility to add 265,000 square feet of warehouse and assembly space. Meanwhile, Wendell Falls leads all residential development in Wendell, with 500 homes sold to date as part of a master planned community entitled to 4,000 dwelling units and 2 million square feet of commercial space.

Raleigh



The City of Raleigh completed the year with an impressive list of new or expanding companies. Ipreo announced an expansion creating 250 jobs and Arch Capital moved into The Dillon creating 365 jobs. The city awarded 22 grants, totaling \$332,000, to support job creation and property upfit needs among small businesses. Union Station, Raleigh's multimodal transit hub, opened in 2018. The city continues to pursue a visionary master plan for Dorothea Dix Park and anticipates the planning process to be completed in early 2019.

Wake Forest



With its big city energy and small town charm, Wake Forest Business & Industry Partnership has launched an entirely new marketing platform focusing on the Town of Wake Forest's strengths in Wireless & Defense Technologies, Engineering, Advanced Manufacturing, and Life Sciences. We invite you to discover Wake Forest at DiscoverWakeForest.org.

Zebulon



Zebulon had another year of growth and change in both the local community and business community. Vinventions continues to serve wineries across the globe. They've seen tremendous growth with their sugarcane-based, zero carbon footprint Nomacorc Green Line wine closure. Tethis just opened its pilot plant in Zebulon and is creating samples of its starch-based polymer. The Town of Zebulon also approved construction for 1,800 residential units, and is growing at the rate of more than one person per day.



NO. 1

**Fastest-Growing Suburb
in America (Apex)**
Realtor.com, 2018



NO. 5

**Best Place to Live in
America (Cary)**
Money Magazine, 2018



NO. 1

**Safest City in North
Carolina (Holly Springs)**
Safewise, 2018



2018 ANNOUNCEMENTS

Amazon Distribution Center

1,500 Jobs, Distribution Center, \$200 million investment

Amazon, the world's largest internet retailer, selected Garner for a four-story, 2.6-million-square-foot, high-tech fulfillment center across nearly 88 acres once occupied by a ConAgra plant. The fulfillment center means 1,500 jobs for the town of Garner, \$200 million investment, and a roughly \$45 million payroll.

Pendo

590 Jobs, Corporate HQ, Software Engineers, Product Managers, Marketing, \$34.5 million investment

Pendo, a Cloud Software technology company and a Raleigh startup, announced the official designation of the Raleigh location as its corporate headquarters. Pendo will add 590 jobs over the next five years and will invest \$34.5 million.

Advance Auto Parts

435 Jobs, Corporate HQ, Data/Analytics, IT, E-Commerce, \$5.5 million investment

Advance Auto Parts, an automotive parts supplier, announced 435 new jobs over the next five years and will invest \$5.5 million. Advance Auto Parts will also officially call the Raleigh location its corporate headquarters. With this designation, Wake County now has its first Fortune 500 Company.

Arch Capital Group Ltd.

365 Jobs, Financial Services, Software/IT, \$12.9 million investment

Arch Capital, a globally diversified financial services group providing insurance, reinsurance, and mortgage insurance, opened a headquarter location in Raleigh. Arch Capital will create 365 new jobs over four years and will invest \$12.9 million in Wake County by the end of 2019.

Ipreo

250 Jobs, Software/IT, \$2.1 million investment

Ipreo, a New York-based firm and leading global provider of workflow solutions and market intelligence to financial services and corporate professionals, announced the expansion of its downtown Raleigh office. Ipreo plans to add 250 jobs over the next four years to its existing workforce of 320 employees and invest \$2.1 million.

NEW & EXPANDING ANNOUNCEMENTS

Industry	Announcements	Jobs Added	Investment	SF Added	% of Announcements
Software/IT	53	5,383	\$224,500,000	3,232,105	48%
Life Sciences	14	310	\$14,000,000	282,000	13%
Advanced Manufacturing	10	290	\$8,500,000	341,000	9%
Cleantech	4	237	\$11,300,000	61,000	4%
Professional Services	19	1,474	\$13,000,000	283,951	17%
Hospitality/Retail	6	119	N/A	13,000	5%
Healthcare	4	145	N/A	148,000	4%
Total	110	7,958	\$271,300,000	4,361,056	100%

WAKE COUNTY BY THE NUMBERS



110

announcements



7,958

new jobs



4.3M

square feet added



\$271M

investment





NO. 2

Most Educated City
(Raleigh, NC)
Forbes, 2017

TALENT AND EDUCATION

A main driver of economic success in Wake County is the region's knowledge-based economy, diverse talent pool, and top-notch education pipeline. Highly educated talent is continuously a differentiator for Wake County, and often times the number one reason why companies select Wake County for relocation, expansion, or establishing a new headquarters.

The Triangle alone boasts 12 colleges and universities including three tier-one research universities that are catalyzing global innovation. In Wake County, the percentage of the population with a bachelor's degree or higher is nearly double the state and national average. Out of the 176,000* students currently enrolled in higher education, the Research Triangle region produces more than 46,600* graduates with bachelor's degrees or higher, annually.

The K-12 talent pipeline remains strong with Wake County Public School System at the center. WCPSS has begun implementing its strategic plan, Vision 2020, to develop well-rounded students who are prepared for a complex and changing future. The plan is defined by a curriculum that will graduate students who are prepared with the right skills to be successful in the workplace.

Talent pipeline development continues to be a critical priority for both Wake County educators and business leaders. Assessing the needs of the workforce, identifying the skill gaps, and anticipating trends in industry are all important factors to explore as part of the effort to build a strong sustainable talent pipeline.

*Source: NCES, IPEDS. Completions/Awards/degrees conferred by program (CIP), award level, race/ethnicity, and gender: July 1, 2016 to June 30, 2017

BY THE NUMBERS

3

tier-one research universities
(Duke, UNC, NCSU)

12

college and universities

3

historically black
colleges & universities

47%

of residents have a
bachelor's degree or higher

74,000

students enrolled at
Wake Tech Community College



"Our mission is to graduate students who are collaborative, creative, effective communicators and critical thinkers. By engaging in relevant and rigorous learning each day, they are building skills that will last a lifetime."

CATHY MOORE

Superintendent, Wake County Public School System

“The robust partnerships we have developed with our employers ensures that our students achieve economic mobility by securing the critical skills needed to support tomorrow’s workforce requirements. Seamless workforce development and collaboration across all facets of education and commerce sets our region apart.”

TOM LOONEY

CSO, Trill A.I.
Chair, Wake Technical Community College Board of Trustees



Regional Workforce Skills Analysis

Wake County Economic Development, the City of Raleigh, and Capital Area Workforce Development Board partnered to conduct a workforce skills analysis survey with the help of RTI International. The goal of the survey was to capture the critical skill needs of businesses over the next three years. In order to fully understand the current state of the Research Triangle region’s workforce, the survey was created and deployed to more than 4,000 contacts across 15 counties.

The data collected from the survey told a story that is overall positive for the region. **Growth was a consistent theme among the results, with 73 percent of respondents noting they expect to grow in the next three years and hire for up to 36,000 new jobs.** High growth among target industries like IT, Software, Life Sciences, and Construction and Skilled Trades reported projected growth which indicates that the current cluster strategy for focus areas is working.

The survey also showed the importance of a traditional degree and technical education. Respondents reported that a four-year degree is valued but there is variation across industries. Some industries reported a higher value on technical training. Education institutions like Wake County Public Schools and Wake Technical Community College focus on preparing future students for the workforce and report that **soft skills such as thinking critically and taking initiative are important qualities to teach and reinforce in training.** Data on soft skill ability showed room for improvement per feedback from respondents, and this will continue to be a focus point in training programs, classrooms, and internship/apprenticeships.

Overall, Wake County is well-suited to proactively build and educate the incoming and current workforce. Not only is a dedicated team of community partners focused on ensuring our talent is the best in the U.S., but access to some of the best higher education institutions, and a strong business ecosystem, positions Wake County to remain competitive when it comes to sourcing the best talent.

“The Triangle’s economy is strong thanks in part to access to quality talent. CAWD will always focus on training and retraining as technology and other influences continue to reshape the kind of skills needed by our business community.”

PAT STURDIVANT

Executive Director, Capital Area Workforce Development Board

BY THE NUMBERS

73%

of companies surveyed expect to grow in the next three years

36,000

projected new jobs to be created over the next three years



INNOVATION AND ENTREPRENEURSHIP



Raleigh-based startups
have raised over

\$340M

in venture capital
(in last 12 months)

NO. 4

**Up-and-Coming
Tech Hotspots
(Raleigh-Durham, NC)**
Livability, 2018

In 2018, Raleigh entrepreneurs and companies were highlighted and celebrated in a vast array of national media channels including live interviews with BloombergTV, Cheddar, and Fox Business; articles in Forbes and GeekWire, Inc.; and being recognized on exclusive lists such as Entrepreneur's 50 Brilliant Companies, LinkedIn's Top 50 Disruptive Startups, and Forbes Cloud Top 100. Raleigh's thriving innovation ecosystem includes a diverse mix of critical infrastructure including top-tier talent, world-class university partners, homegrown startups, and a growing trend of expansion offices for global venture-backed tech companies.

Coworking

Coworking and shared workspace continues with explosive growth in Raleigh with

- More than 150,000 square feet under construction
- Adding 75 percent to the existing supply of more than 200,000 square feet of workspace

Resources

While we continue to see a rise in resources to support companies rooted in software, internet, and cloud-based technologies, we are also seeing growth in services to assist hardware, IoT, and consumer product startups. Examples of these efforts include:

- **RIoT Accelerator Program and RIoT Labs**, a hardware, wireless and software prototyping lab
- **One Better Ventures**, an incubator, operator, and investor in mission-driven CPG ventures

"Raleigh is well on its way to becoming one of the top innovation hubs in the U.S. Our city has many differentiators, but our secret sauce is our desirable quality of life which attracts highly skilled talent."

BRIDGET HARRINGTON

Executive Director, Innovate Raleigh

“I have a bullish outlook on growth for the innovation and entrepreneurship community in Raleigh and the Triangle. Growth will be fueled by a steady influx of top talent, out of market startups expanding in the region; robust launch and acceleration for our homegrown companies; and an increased sophistication and density in our entrepreneurial ecosystem.”

DERRICK MINOR

Innovation and Entrepreneurship Manager, City of Raleigh, Economic Development



Accelerators

Corporate involvement in the Triangle innovation and entrepreneurship community took a giant leap forward this year with the launch of two corporate accelerator programs:

- **Metlife Digital Accelerator**, focuses on innovating in the \$4.5 trillion insurance industry
- **LexisNexis Legal Tech Accelerator**, designed to assist startups in the rapidly expanding legal tech industry

Venture Capital

Our university partners also recently made a commitment to create greater access to capital by forming the Triangle Venture Alliance, a network of alumni angel groups from the three tier-one universities. Along with the Wolfpack Investor Network, NC State has launched several initiatives to support the growth and graduation of startups including Andrews Launch Accelerator, the Miller Fellowship, and the Chancellor's Innovation Fund.

Diversity, Equity & Inclusivity

Diversity and inclusion continues to be a core focus of the local innovation and business community. One example is Launch Raleigh's creation of the "LaunchMyCity" initiative, expanding the Launch Raleigh program to cities across the Triangle. In addition, key conferences such as Black Entrepreneurship Week, Innovate Raleigh Summit, and the Raleigh Chamber's inaugural Diversity, Equity, and Inclusivity Conference—also helped raise the profile of the **Triangle's intentionality toward inclusive innovation and equitable economic development.**

“We love competing with tech companies from all over the world, and winning—from right here in Raleigh, North Carolina. It's a special place and has been an incredible home for Bandwidth and our families.”

DAVID MORKEN

CEO, Bandwidth



Silicon Valley-based startups with a regional headquarters in Raleigh raised over

\$210M

in venture capital with the intention of growth in the region



“The Frontier has been a fabulous place for freelancers, entrepreneurs, and small businesses to meet, collaborate, and work. We want to continue to grow, providing additional affordable and creative office and wet lab spaces, so that companies, no matter what size, can be part of the RTP community.”

SCOTT LEVITAN

President and CEO, Research Triangle Foundation, Research Triangle Park

RESEARCH TRIANGLE PARK

BY THE NUMBERS

#1

largest research park
in the country

280

businesses call RTP home

50,000

employed by RTP businesses

For 60 years, the **Research Triangle Park** has supported collaboration and advancement among universities, companies, and citizens of North Carolina. Over the next 60 years, the Park will be looking to leverage assets for the 280 companies that employ 50,000 workers within 7,000 acres.

In 2019, construction will commence on **Park Center**: a 100-acre parcel in the center of the community that will offer new first-class office space, housing, retail, and hospitality uses within an active campus environment. Phase one will include 120,000 square feet of retail on the new Main Street and 450 units of new housing—the **first-ever residences within the Park**.

In 2018, **The Frontier** building expanded into a campus. Six vacant and dated buildings were turned into 200,000 square feet of affordable lab and office space, specifically designed with startups and emerging companies in mind. Today, 80 of the Park’s 280 companies make their home at The Frontier, and its free co-working and meeting spaces host over 100 visitors a day. In 2018, almost 1,000 events and meetings were hosted there.

The roster of companies and expansions has been active in 2018. Frontier 600 welcomed Devada, Zaloni, and CED to RTP, and 14 new and expanding life science companies now occupy Frontier 400. Credit Suisse announced an additional 1,200 jobs in RTP, and Rho’s new building is almost complete.

RTP continues to attract new leaders across industries and will continue to build a thriving community that caters to the needs of businesses of all sizes. The RTP team looks forward to continuing the tradition of innovation alongside the vibrant companies who share that vision.





NCSU CENTENNIAL CAMPUS

NC State's Centennial Campus is a proving ground for how we "Think and Do," working alongside our public and private partners—across industries and around the world—to solve problems that benefit society and generate economic prosperity. Unique among North American research campuses, Centennial offers a mix of corporate and university buildings, housing and dining options, and outdoor amenities, such as a championship golf course, walking and biking trails, a hotel and conference center, and public lake. Private development of office, lab, hotel, and residential space comprises one-third of the nearly five million square feet of developed space.

Corporate, government, and nonprofit partners on Centennial Campus benefit from direct access to some of the nation's top university programs in engineering, textiles, and veterinary science, in addition to numerous other departments, institutes, and laboratories. The daily population across the 1,260-acre campus averages 15,000 to 8,000 students, 2,000 faculty and staff, 600 private residents, and 4,400 workers employed by more than 70 companies, ranging from multinationals listed on Forbes' Global 1000 to early-stage startups. **This density of knowledge fosters creative thinking that translates into new ideas, products, and companies.**

A year of advancement and opportunity for NC State's Centennial Campus was presented in 2018. We grew existing alliances and celebrated new collaborations between our students, faculty, and industry and government partners. Building on a 30-year partnership with IBM, NC State was selected as the first university IBM

Quantum Computing Hub in North America. The IBM Q Hub at NC State, operating from Centennial Campus, joins a worldwide network of leading Fortune 500 companies, startups, national research labs, and academic institutions working together to advance quantum computing in order to solve problems currently unsolvable with classical computing.

NC State also broke ground on a 250,000-square-foot, \$154 million state-of-the-art engineering facility, providing critical infrastructure to meet a rising demand. NC State produces more than 2,500 engineers and computer scientists each year, among the highest in the nation. In the past 10 years, engineering undergraduate enrollment has grown by 22 percent, and graduate enrollment has more than doubled.

Three decades ago, Centennial Campus was envisioned by bipartisan state leaders and developed to capitalize on NC State's land-grant mission to advance Raleigh, the Triangle, and all North Carolina. Today, Centennial Campus has grown to be one of the top research campuses in the nation—and we're not finished. Through the continued strategic growth of the campus, NC State supports an innovation ecosystem that contributes to a future-ready workforce and vibrant economy in North Carolina and beyond. **We look forward to 2019 being another year of thinking and doing the extraordinary.**

"On Centennial Campus, proximity to world-leading researchers and career-ready students enables innovative thinking, real-world problem solving, and groundbreaking research and development."

RANDY WOODSON

Chancellor of North Carolina State University





TRANSPORTATION AND MOBILITY

“The 540 outer loop will provide connectivity, mobility, and accessibility for our extended region for generations to come. Accelerating 540 to I-40 will remain a top transportation priority of the business community until it is completed.”

GEOFF LANG

Vice President and General Manager, MetLife Global Technology and Operations, 2019 Regional Transportation Alliance Chair

Transportation and mobility continues to be an asset for Wake County and the growing Triangle region as a result of ongoing regional investments in multimodal infrastructure and leadership by the regional business community. In 2018, the Regional Transportation Alliance—the voice of the ongoing regional business community on transportation—led or supported the following efforts to advance key priorities:

Accelerating 540

RTA organized a regional support campaign among elected officials and key partners to keep focus on the project. The final environmental document (Record of Decision) was signed several months early, and NCDOT remains focused on advancing 540 to construction.

Accelerating bus rapid transit

The City of Raleigh is pursuing an accelerated completion timeline of 2023 for Wake County's first bus rapid transit corridor. RTA also introduced and successfully lobbied for a funded “RED transit lanes” study by the Capital Area MPO to advance additional dedicated bus lanes for frequent transit.

Accelerating innovation

NCDOT is piloting the installation of variable number of left turn lanes—a new concept conceived of and advocated for by RTA to reduce delay at signalized intersections. This mobility innovation is the first of its kind in the nation.

In 2019, the RTA business coalition will also focus on **supporting RDU International Airport** and their master plan objectives, including identifying sustainable funding sources. In addition, RTA will **advance congestion relief** opportunities such as accelerating express shoulder lanes and minimizing the impacts of upcoming I-40 and I-440 construction projects on the overall freeway network.



“We all want to get to work and home faster even as our region grows. With continued investment and focus from elected and transportation leaders in concert with leadership from the business community, we will make that future a reality for our region.”

JOE MILAZZO II

Executive Director, Regional Transportation Alliance

"This is an incredibly exciting time for the airport and the region. To keep pace with passenger and community growth we need to invest in critical projects that will position RDU now and for decades to come."

MICHAEL LANDGUTH, A.A.E.

President and CEO, Raleigh-Durham Airport Authority



RDU INTERNATIONAL AIRPORT

It was another year of growth in 2018 at Raleigh-Durham International Airport. It was the busiest year on record at RDU, with 12 million passengers traveling through the airport. RDU also celebrated its 75th anniversary of commercial airline service.

During the year, Frontier Airlines launched new nonstop service to San Diego among many other destinations. San Diego is an important west coast connection for the region with many business, leisure, and military ties and it was formerly the largest market without a nonstop flight. **RDU is proud to see airlines invest in the Triangle and increase service domestically and internationally.** RDU also kicked off a multi-year strategy to secure a nonstop flight to China. It will take the entire community's support to make this important route a reality.

It may be hard to believe, but Terminal 2 is now 10 years old! As with all things worth preserving, **RDU kicked off campus-wide improvements to refresh and improve facilities, roadways, and parking products.** In addition, beta testing for booking parking online has started, which guarantees entrance into any ParkRDU product—Premier, Central, and ParkEconomy 3 and 4. Customers can schedule and pre-pay for parking in any ParkRDU facility (reservations must be made at least 24 hours in advance), and then exit lots hassle free.

Inside Terminal 2, passengers are enjoying the arrival of 15 new retail concepts. Stores like the WRAL Travel Store, Swarovski, Vineyard Vines, and Root & Branch, which will offer exclusively local offerings from merchants and artisans. Popeyes Louisiana Kitchen and Dale Earnhardt's Whisky River are two new eateries that have been passenger favorites.

Additionally, Vision 2040 projects are moving from paper to execution. In 2018 alone, RDU will invest more than \$90 million in critical infrastructure to keep pace with growing passenger demand. Vision 2040 includes longer runways, new terminal gates, ground transportation, and general aviation improvements.

What's next? The Airport Authority will create a sustainability plan, begin the environmental assessments for multiple airfield and landside projects, and move forward with planning for a Consolidated Rental Car Facility. New passenger amenities and enhancements are also in the works.

BY THE NUMBERS

61

nonstop domestic and international destinations

9

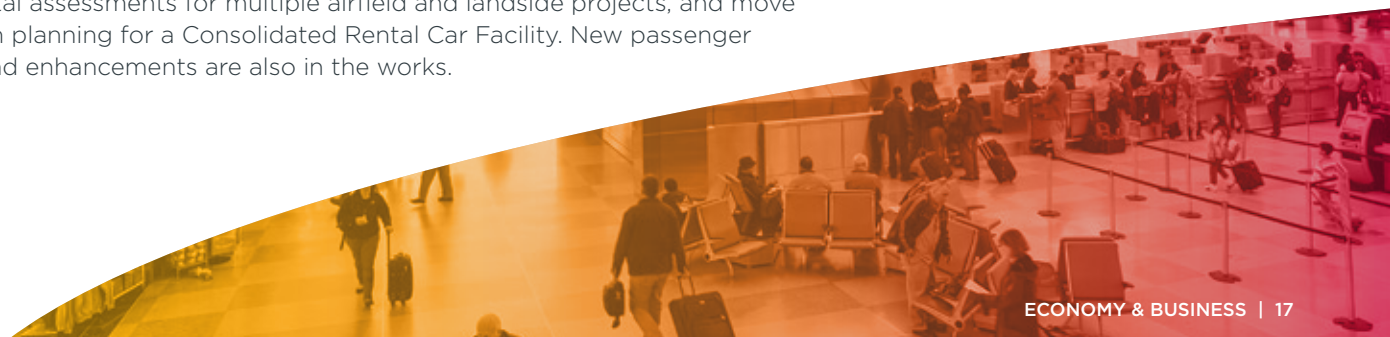
airlines

12M

projected passengers in 2018

400+

daily flights





"Tourism is at an all-time high here in Wake County. However, if we want to remain competitive and continue the current rate of growth, it's essential that we leverage the county's full potential as a tourism destination."

DENNIS EDWARDS

President and CEO, Greater Raleigh Convention and Visitors Bureau (Visit Raleigh)

TOURISM DEVELOPMENT

BY THE NUMBERS

\$2.5B

spent by visitors in
Wake County in 2017

26,170

workers are industry-supported
in Wake County

476

new hotel rooms across
6 new hotels

3

new hotels opening in 2019

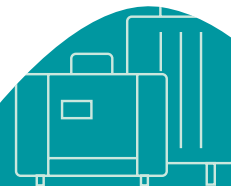
Travel and tourism has an incredible impact on Wake County's economy. The numbers tell the story of how destination marketing and sales efforts to attract leisure tourism, conventions, and sporting events generate new business sales, increases local tax revenue, and creates jobs. We saw a record year in 2017 for tourism in Wake County with both visitation numbers and visitor spending hitting all-time-highs. Wake County's tourism industry welcomed 16.45 million visitors in 2017, an increase of 5.3 percent over 2016. These visitors generated \$2.5 billion in direct spending, an increase of 4 percent over 2016 and \$250 million in state and local tax revenues while here.

In other hospitality measures, Wake County lodging tax collections totaled \$25.1 million, up 3.6 percent year-over-year, and prepared food and beverage collections rose 5.3 percent in 2017, amounting to \$28.3 million. **This represents all-time highs for both lodging and PFB tax collections as well.**

The estimated direct economic impact of Visit Raleigh-assisted conventions, meetings, and sporting events held in Wake County reached \$188 million, meaning that Wake County continued to enjoy at least a 26-to-1 return on investment from the inter-local tax dollars invested into the bureau.

Tourism is at an all-time high here in Wake County. However, to remain competitive and continue the current rate of growth, it's essential to leverage the county's full potential as a tourism destination. The Destination 2028 Plan conducted with great input from a broad base of stakeholders will help achieve the **goal of increasing visitation from 16.4 million to 21.7 million visitors annually over the next 10 years.**

It all starts with a visit. The very same things that attract visitors to the area also drive talent recruitment, site selection, and affect the overall quality of life for all residents within Wake County. This is why it's imperative to take ownership of the Destination 2028 Plan as it will drive broader economic development for the region.



16.45M

visitors welcomed in
Wake County in 2017





CITY OF RALEIGH

In 2018, Raleigh continued to grow and thrive with a commitment to equity, fueled by a talent-rich environment, a diverse and robust business community, and great quality of life. Population growth outpaced the nation at a rate nearly 2:1, with unemployment averaging 0.4 percent lower than the prior year. New and expanding business accounted for more than 1,200 new jobs and \$28 million of investment. Development activity remains strong across Raleigh as evidenced by more than \$360 million in new commercial construction. The City of Raleigh adopted a strategic plan in 2015 and has made significant **progress in advancing key priorities, including transportation, parks, and affordable housing, with a focus on prosperity for all.**

In the summer of 2018, **Raleigh Union Station, a landmark multi-modal transit hub, opened**—becoming a major center of activity in the community. This project was a key catalyst for the redevelopment of the Warehouse District which has transformed into a vibrant and active part of Downtown Raleigh. The new mixed-use rail facility and future bus component will enhance transportation options for residents of the region and state.

Raleigh continues to develop **Dorothea Dix Park, a 308-acre greenspace that will enrich the lives of our city's residents and visitors for generations.** Raleigh has engaged in a community driven master planning process to make Dix Park a park for everyone, built by everyone. It is blossoming into a transformative public space for community, health, and celebration. From yoga in the park to moonlight movies to the beautiful SunFest, over 47,000 Raleigh residents and visitors have been able to enjoy what Dix Park already offers.

We continue to make progress toward our **Affordable Housing Goal with the creation of 506 affordable housing units** in fiscal year 2018, a 9 percent increase from fiscal year 2017. In addition, the city, with its partners, has started construction of the Oak City Center, a multi-service center for those who are homeless or at-risk of becoming homeless. Once open, the center will transform how services are provided to the homeless by centralizing services.

It's a great time to be in Raleigh and we look forward to the opportunities that 2019 will bring!

"I am so proud of the great things happening in Raleigh. We are fortunate to have synergy between our local government agencies, businesses, higher education community, and nonprofits that bring an unmatched vibrancy to the city. And, we are dedicated to smart growth, with an emphasis on equality and greater prosperity for all."

NANCY MCFARLANE

Mayor of Raleigh

BY THE NUMBERS

10.98%

population growth, 2013-2018
(431,897 to 479,332)*

\$360M

value of new
commercial construction

506

new affordable housing
units produced

47,366

attendance at Dix Park events

*Source: 2013 American Community Survey 1-Year Estimates





The 2019 forecast for residential real estate in Wake County is very positive.

NO. 3

Top Market for Real Estate Investors in 2019 (Raleigh-Durham, NC)
PwC US, 2018

NO. 4

Most Active Real Estate Markets (Raleigh, NC)
RCLCO, 2018

NO. 3

Biggest Boomtowns in America (Raleigh, NC)
Magnify Money, 2018

RESIDENTIAL REAL ESTATE

To say 2018 was an “active” year for residential real estate in Wake County is a serious understatement. High demand in Wake County—triggered by a healthy economy, steady population growth, strong employment, and still low mortgage interest rates—has led to multiple offers, steady price appreciation, and fewer days on the market for those homes that are for sale. **The average sales price in Wake County (year-over-year) has increased 5 percent to over \$340,000 and the median sales price has moved to above \$300,000. The average number of days on the market has dipped to under 25.**

New companies and people continue to arrive on a daily/weekly basis to Wake County, and that growth spurs residential sales activity even in times of tight inventory. According to Wake County Government, 63 people a day arrive in Wake County, with 42 of those new arrivals due to domestic and international migration. In fact, six of North Carolina’s fastest growing communities are in Wake County, namely Rolesville (No. 1), Fuquay-Varina (No. 4), Holly Springs (No. 7), Morrisville (No. 8), Wake Forest (No. 9), and Knightdale (No. 10). Many of the new arrivals come here to enjoy Wake County’s superior employment climate, excellent public schools, and overall quality of life.

As 2018 closed, the amount of new home inventory was finally starting to increase and ease some of the overall inventory shortages. This will help spur sales in 2019. The seller’s market of the past few years is beginning to return to a more balanced (normal) market. Interest rates will continue on an uptick but shouldn’t dampen demand sufficiently to significantly disrupt the market.

Wake County has a 3.6 percent unemployment rate (well below state and national averages), and employment always drives residential sales, even with rising median and average prices. Wake County is in the center of one of the most robust and economically advantaged areas in the nation, and the pipeline for future economic development is full.

“Wake County is in the center of one of the most robust and economically advantaged areas in the nation, and the pipeline for future economic development is full.”

LEE BRANSCOME

Manager of Corporate Services, Allen Tate Realtors



“As we look into 2019, the positive job and population growth, continued economic development interest, and strong institutional investment confirms our outlook for more robust market activity.”

JIMMY BARNES

SIOR, President, NAI Carolantic Realty



COMMERCIAL REAL ESTATE

The Wake County commercial real estate market experienced another year of positive absorption, stable vacancy and an abundance of new construction and deliveries. All product types continue to be healthy overall.



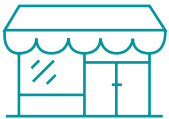
Industrial

The market continues to experience a decrease in vacancy rates as the demand for industrial space has outpaced new construction deliveries. Vacancy in the warehouse sector is approximately 5 percent, driving the construction of close to one million square feet. Rental rates have modestly escalated to historical highs of over \$5.50 per square foot.



Office

Office rents continue an upward climb to record highs due to increasing demand with approximately 300,000 square feet of positive absorption. Tenants are willing to pay higher rents in exchange for high tech work spaces, amenities, and preferred locations. Class A vacancy rates have dropped to approximately 8 percent, compared to 10 percent in 2017. The downtown market continues to outpace suburban areas with rental rates at record highs and over 600,000 square feet of new construction.



Retail

Despite several grocery store closure announcements and pull backs, the retail sector has continued to experience abundant growth in 2018. Over 300,000 square feet of positive absorption, including hardware, restaurants, fitness, and dollar stores, has led to a stable low vacancy rate of 3 percent. Currently, over 500,000 square feet of new construction is underway.



Multi-Family

Coming off a vacancy rate of 5.4 percent for multi-family housing in 2017, 2018 saw a continued low vacancy of 6 percent with strong absorption. Average pricing for new units is approximately \$1,112 per month. It is expected that Triangle vacancy rates will remain steady or increase slightly throughout 2019, as demand attempts to contend with supply.



Land

The land market has experienced a robust amount of change and development in 2018. The confidence in the market has kept land demand high, whether it is for single-family, multi-family, industrial, office, or retail development. All well-located properties have buyers looking with interest. New construction success on land parcels fully depends upon appropriate entitlements. Some land usage such as office and major retail are a “no brainer” for the towns. Single-family residential and multi-family developments in hot areas are in demand. Land pricing over the past year has remained stable and the trend is expected to continue throughout 2019.



"The point is that the Raleigh metropolitan region has 'arrived' on the national and international stages and is now a 'player' for almost any company with the broadest kind of scope."

DR. MICHAEL L. WALDEN, PH.D.

Walden is a Reynolds Distinguished Professor at NC State University. Among his awards are The Order of the Long Leaf Pine, the UNC Board of Governors Award for Excellence in Public Service, and the Holladay Medal for Excellence from North Carolina State University.

"The Raleigh metro's recent economic numbers continue to make the region a leader among metropolitan areas in the nation."

2019 ECONOMIC FORECAST

The Raleigh metropolitan region enjoyed another positive year of economic growth in 2018. Using the latest data for the year August 2017 to August 2018, the region's nonfarm employment rose 3 percent, which translated to almost 19,000 net new jobs. Leading the growth were jobs in the information sector, professional and business services, and leisure/hospitality. Also in 2018, the regional unemployment rate hit a 17-year low of 3.2 percent.

Other indicators confirmed the Raleigh metro economy's strong performance. Building permits, a sign of confidence about the business future, surged 23 percent for the first seven months of 2018 compared to the same period a year earlier. This was better than the 17 percent gain for the state and 7 percent increase for the nation.

The Raleigh metro's recent economic numbers continue to make the region a leader among metropolitan areas in the nation. **The combined Raleigh-Durham metropolitan area unemployment rate in July as the 12th lowest among the 51 metropolitan areas with 1 million or more in population, and it was the 4th lowest among metropolitan areas in the Southeast.**

While the Raleigh metropolitan area continues to benefit from its relatively low cost-of-living compared to other metro regions, its attractive climate and accessibility to vacation sites, and its location in the growing Southeast, the region is now benefiting from broader accolades.

The local restaurant scene – virtually non-existent 40 years ago, has now been recognized as one of the most vibrant and exciting in the country – and some say the world. The region is actively being considered for a major league professional soccer franchise. And, at the time of this writing, the two tech giants Apple and Amazon are actively considering the metro region for expansion. In Amazon's case, the expansion is for the company's second world headquarters.

In air service, which is increasingly important in the 21st century to a region's economic development, the Raleigh-Durham International Airport added a number of new nonstop flights in 2018. But perhaps most noteworthy, RDU International Airport began the multi-year planning for a nonstop flight to China. Achieving such a flight would be a huge plus for the region on a number of levels, including commercial, educational, and tourism.





The point is that the Raleigh metropolitan region has “arrived” on the national and international stages and is now a “player” for almost any company with the broadest kind of scope.

Looking ahead, economic growth and progress is expected to continue in the Raleigh metro market in 2019. I expect nearly 20,000 net new jobs in the region during the year, and I forecast the regional unemployment rate to drop to 2.8 percent. With effective “full employment” now reached, new residents to the metropolitan area will continue to be key to filling the anticipated jobs.

Fortunately, the region’s outstanding educational institutions, competitive cost-of-living, and natural, cultural, and expanding entertainment amenities make it one of the nation’s most attractive places to live.

Of course, despite its many advantages, the Raleigh metropolitan area does not live in a bubble, so it will be impacted by national economic events. If national economic growth continues through next June, the current economic expansion (economic growth since the end of the Great Recession) will be the longest on record. This has led to concerns about when the next pause, or recession, might begin.

The current consensus among economists is that a recession could begin sometime in 2020. However, with no major excesses or misallocations apparent in the economy, the viewpoint is the next recession will be relatively mild, especially compared to the Great Recession. Still, much will depend on the skill of the Federal Reserve in using their policies to contain inflation while also supporting economic expansion. The Fed’s approach to a “soft landing” of the economy will need to be followed closely.

North Carolina has had two major economic successes in the last 70 years. One was expanding its economic base and standard of living to become one of the top 10 states in the country in economic size (GDP, or Gross Domestic Product). The second was remaking its economy as a result of the impacts of automation, globalization, and urbanization.

“The region’s outstanding educational institutions, competitive cost-of-living, and natural, cultural, and expanding entertainment amenities make it one of the nation’s most attractive places to live.”



3.2%

regional unemployment rate

NO. 1

**State for Business
(North Carolina)**

Forbes, 2018



23%

surge in building permits



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