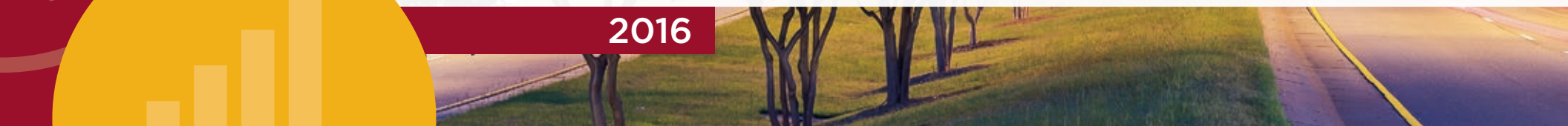
# ECONOMY + BUSINESS

The Chamber
Greater Raleigh Chamber of Commerce

WAKE
Wake County
Economic Development

2016



# CHAIRMAN'S LETTER

> "Looking forward to 2016, our momentum will be sustained as we invest in the tools required to meet the demands of a fast-growing community."

**JILL WELLS HEATH**
President and CEO, Mulkey Engineers & Consultants
2015–2016 Chairman of Greater Raleigh Chamber of Commerce

**2015 was an exceptional year of growth** for our community and region, as the following pages will illustrate. We remain one of the fastest-growing communities in the country, and as such, we must build upon our collaborative strategies to ensure that we are well equipped to continue our prosperity. Economic measures show that we are thriving and still highly competitive with markets much larger than our own.

In 2015, we worked together to ensure that we would have the infrastructure and tools needed to sustain our world-class quality of life and business climate. A few of our accomplishments include:

- Replenishment of the state's Job Development Investment Grant (JDIG) fund, ensuring that NC can remain competitive nationally and globally.
- The announcement of Google Fiber, joining Austin, TX as one out of two communities nationwide to land both AT&T GigaPower and Google Fiber.
- Continued support for a robust Wake Transit process with multiple scenarios endorsed by a bipartisan, broad-based advisory committee.
- The announcement of Delta Air Lines' non-stop service from Raleigh-Durham to Paris, increasing the Triangle's intercontinental reach, due in part to the Regional Transportation Alliance's Air Service Advancement Project (ASAP).
- Passage of a $91.8-million parks and recreation bond for the City of Raleigh.
- The purchase of the Dorothea Dix property by the City of Raleigh to develop Dix Park, a destination park for Raleigh residents.

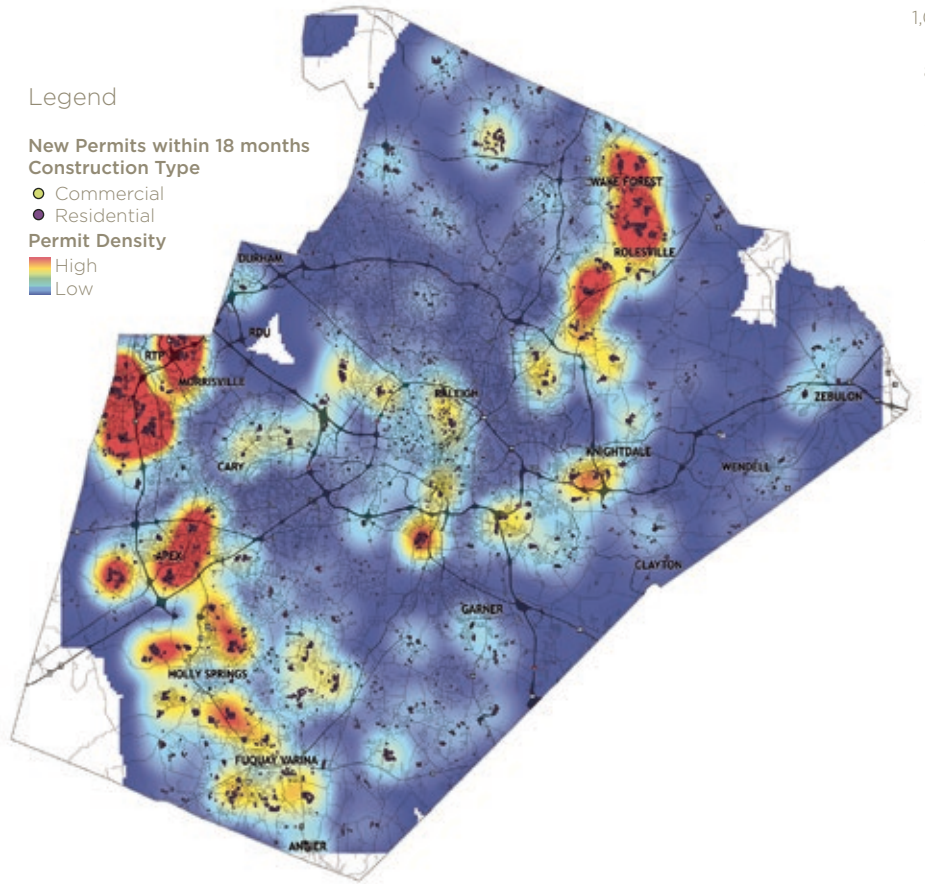
Looking forward to 2016, our momentum will be sustained as we invest in the tools required to meet the demands of a fast-growing community.

We envision our local governments continuing to actively engage the community in the review of our public education and transit strategies and investments, including the development of a consensus regional transit plan for Wake County and the successful passage of the Wake Transit Referendum. These conversations are critical to the continuation of our prosperity.

Raleigh and Wake County's future looks bright, and your Chamber is leading the way. I am honored to be part of this team, and I look forward to working with each of you as we continue along our path to even greater success.

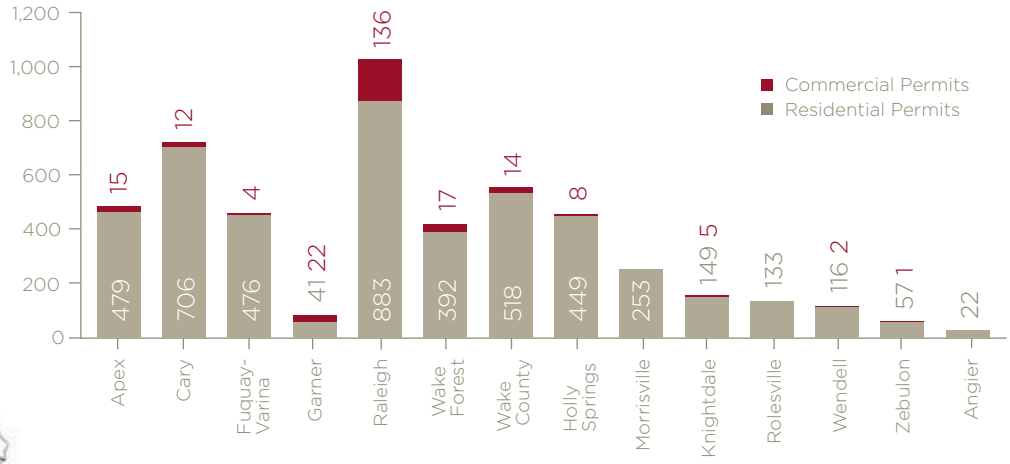
# PLANNING FOR GROWTH

## Residential & Commercial Permit Concentrations
### Wake County: 2014–2015




This map was created by Wake County, Wake County Planning Department.

### New Residential & Commercial Permits by Municipality within Wake County




**#4** FASTEST GROWING CITY
(Raleigh, NC) — *Forbes*, January 2015

Wake County is growing by
**63 PEOPLE**
per day

Of the 63 people,

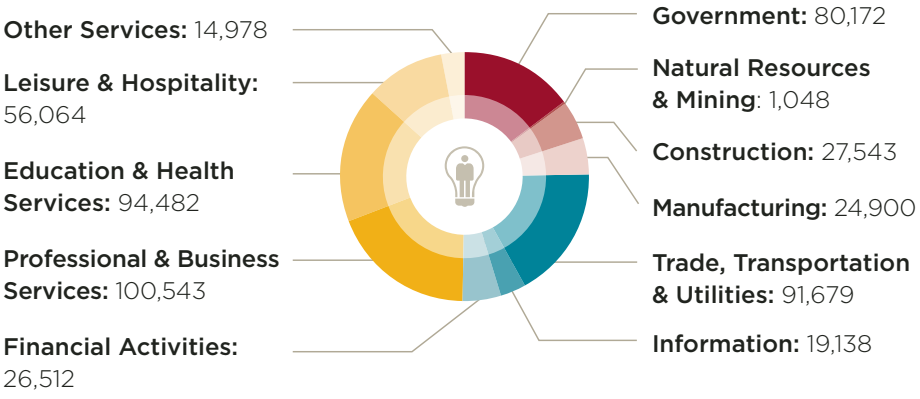
**21** are born here

**42** are moving to Wake County

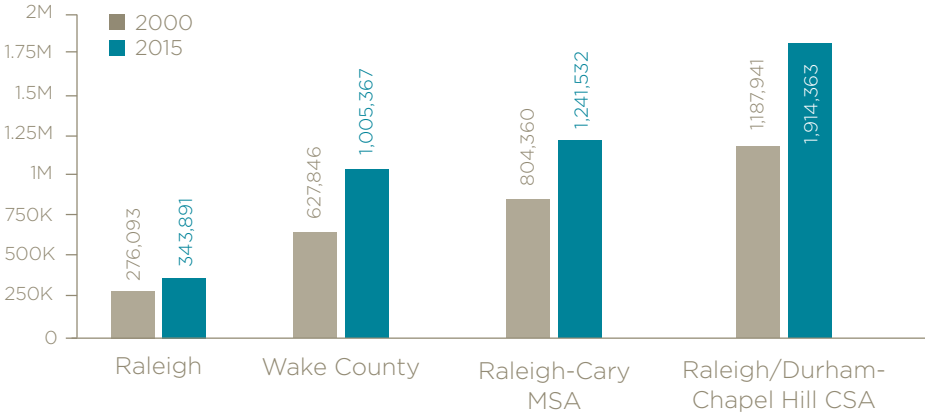
**Recently hitting one million in population (2014), Wake County is projected to reach 2 million residents by 2054 (Wakegov.com) — Source:** http://www.wakeupwakecounty.org/issues/growth

# COMMUNITY STATISTICS

## 2015 Employment by Sector / Total Employment: 537,059




## Population Growth




## Wake County Retail Sales

**$13.296 BILLION**

**#2 BEST CITY FOR BUSINESS AND CAREERS (Raleigh, NC) — *Forbes*, July 2015**

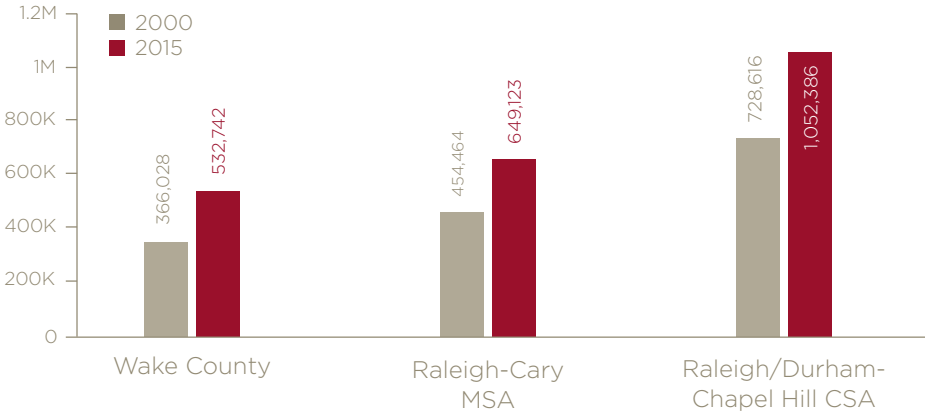
## Wake County Permits

Residential New Construction

**4,674 PERMITS**

**$1.04B PERMIT VALUE**

## Labor Force Growth




**Sources:** Population: NC State Department and ESRI. Labor Force and Employment: NC Department of Commerce and Division of Employment Security. Retail Sales: NC Department of Revenue and U.S. Census Bureau. Building Permits: Wake County Revenue Department.

# 2015 PROJECT HIGHLIGHTS

## Align Technology

**Biotechnology/Pharma | Jobs: 100 | Investment: $4 million**

The creator of the Invisalign teeth straightening device, Align Technology Inc., has chosen Cary for the location of its new U.S. East Coast operation. The expansion project is expected to create more than 100 new jobs in Wake County over the next five years, plus a $4 million investment.

## CBC Americas Corporation

**Headquarters | Jobs: 67 | Investment: $3.5 million**

CBC Americas Corp. announced that it will move its North America headquarters to Cary, NC. CBC Americas is the largest organization of the CBC Group, a global network of manufacturing, import, export, trading and distribution companies.

## Deutsche Bank Global Technology

**Financial Services | Jobs: 250 | Investment: $9 million**

DB Global Technology, Inc. will undertake a 250-job expansion over the next two years at its software application development center in Wake County. The company plans to invest $9 million through the end of 2016.

## Overland Contracting Inc.

**Engineering | Jobs: 89 | Investment: $8.4 million**

Overland Contracting Inc. is investing $8.4 million in its new corporate headquarters. The facility, which is being built in Garner, will house more than 90 people.

## Schmalz

**Advanced Manufacturing | Jobs: 15 | Investment: $7 million**

Schmalz, a German vacuum technology manufacturer, has announced its expansion to a new six-acre campus on Oak Forest Drive. The new facility will allow the firm to grow to 100 employees in the next ten years.

## Wake County Economic Development New and Expanding Announcements

**77** announcements

**2K+** new jobs

**$434M+** investment

# NEW & EXPANDING ANNOUNCEMENTS (as of 12.1.2015)

| Company Name | Industry Cluster | New Jobs | Investment |
|---|---|---|---|
| **Acorn Applications** | Software/Information Technology | 5 | TBD |
| **Aimet Technologies** | Engineering Services | TBD | TBD |
| **Align Technology** | Advanced Medical Technologies | 100 | $4,000,000 |
| **Aloft Hotels** | Hospitality | TBD | TBD |
| **Aviator Brewing** | Brewery | TBD | TBD |
| **Biogen** | Biotechnology/ Pharmaceuticals | 100 | TBD |
| **Biologics, Inc.** | Biotechnology/ Pharmaceuticals | 300 | TBD |
| **Bond Brothers Beer Company** | Brewery | TBD | TBD |
| **BrewPublik** | Start-Up | TBD | TBD |
| **C&F Mortgage Corporation** | Financial Services | TBD | TBD |
| **Carusele** | Marketing | 9 | TBD |
| **CBC America** | Distribution/Warehouse | 67 | $3,500,000 |
| **Cofounders Capital** | Coworking Space | TBD | TBD |
| **Compass Rose Brewery** | Brewery | 10 | TBD |
| **Comstar Supply** | Advanced Manufacturing | 3 | TBD |
| **Courtyard & Residence Inn** | Hospitality | TBD | TBD |
| **Credit Suisse** | Financial Services | 400 | TBD |
| **Deutsche Bank Global Technology** | Financial Services | 250 | $9,000,000 |
| **Deutsche Bank Global Technology** | Financial Services | TBD | TBD |
| **Distil Networks** | Software/Information Technology | 12 | $21,000,000 |
| **DTZ** | Real Estate | TBD | TBD |

| Company Name | Industry Cluster | New Jobs | Investment |
|---|---|---|---|
| **Expion** | Software/Information Technology | 15 | TBD |
| **Fainting Goat Brewery** | Brewery | TBD | TBD |
| **FavR, Inc** | App Services | TBD | TBD |
| **First Carolina Bank** | Financial Services | TBD | TBD |
| **Four Oaks Bank** | Financial Services | TBD | TBD |
| **GlaxoSmithKline** | Biotechnology/ Pharmaceuticals | 140 | TBD |
| **GrapeCity** | Software/Information Technology | 13 | TBD |
| **Graybar** | Distribution/Warehouse | TBD | $1,200,000 |
| **Guidebook** | Software/Information Technology | 20 | TBD |
| **Hilton Garden Inn Raleigh-Crabtree** | Hospitality | TBD | TBD |
| **HQ Raleigh** | Coworking Space | TBD | TBD |
| **INC Research** | Clinical Research Organization | 190 | TBD |
| **Industrious** | Coworking Space | TBD | TBD |
| **Intelligent Office** | Coworking Space | 3 | TBD |
| **Ipreo** | Software/Information Technology | 50 | TBD |
| **Iron Yard Academy** | Software/Information Technology,Other | TBD | TBD |
| **Kadro Solultions** | Software/Information Technology | 10 | TBD |
| **Kimley-Horn & Associates** | Engineering Services | TBD | TBD |
| **KnowledgeTree** | Software/Information Technology | 3 | TBD |
| **Legacy Flooring** | Flooring | 33 | TBD |

| Company Name | Industry Cluster | New Jobs | Investment |
|---|---|---|---|
| **Lincoln Brewing** | Brewery | TBD | TBD |
| **Linker Logic Technologies** | Interactive Digital Media/ Gaming, Software/ Information Technology | 4 | TBD |
| **Marriott Hotel** | Hospitality | TBD | TBD |
| **Mattress Firm** | Distribution/Warehouse | TBD | TBD |
| **Netsertive** | Software/Information Technology | 50 | $15,000,000 |
| **Novella Clinical Inc.** | Biotechnology/ Pharmaceuticals | 90 | TBD |
| **Oak City Brewing** | Brewery | TBD | TBD |
| **Peak 10 Inc.** | Data/Call Centers | TBD | TBD |
| **Personify** | Recruitment | 30 | TBD |
| **Pivot Physical Therapy** | Healthcare | TBD | TBD |
| **Polsinelli** | Healthcare, Other | TBD | TBD |
| **Practichem** | Advanced Medical Technologies | 11 | TBD |
| **Proto Labs, Inc.** | Advanced Manufacturing | 170 | $25,000,000 |
| **Qlik Technologies** | Software/Information Technology | 50 | TBD |
| **Resource Environmental Solutions** | Environmental Services | TBD | TBD |
| **Rex Healthcare** | Healthcare | TBD | $220,000,000 |
| **RoviSys** | Software/Information Technology | 135 | TBD |
| **Samanage** | Software/Information Technology | 50 | $16,000,000 |
| **SAS Institute** | Software/Information Technology | TBD | TBD |
| **Schmalz** | Advanced Manufacturing | 66 | $7,000,000 |
| **Sequenom** | Advanced Medical Technologies | TBD | TBD |

| Company Name | Industry Cluster | New Jobs | Investment |
|---|---|---|---|
| **SFW** | Marketing | TBD | TBD |
| **SimpliVity** | Software/Information Technology | 60 | TBD |
| **Sprout Pharmaceuticals** | Biotechnology/ Pharmaceuticals | 166 | TBD |
| **StateView Hotel** | Education | TBD | TBD |
| **SVN Hotels** | Real Estate | TBD | TBD |
| **Syska Hennessy Group, Inc.** | Consulting | TBD | TBD |
| **Triangle Springs** | Healthcare | TBD | $15,800,000 |
| **Wake Health Services** | Healthcare | TBD | $13,000,000 |
| **WakeMed Women's Hospital** | Healthcare | TBD | $67,000,000 |
| **WaterWalk Hotel Apartments** | Hospitality | TBD | $17,000,000 |
| **WHR Architects** | Healthcare Architecture | TBD | TBD |
| **Winwood Hospitality Group, Inc.** | Hospitality | TBD | TBD |
| **Xellia Pharmaceuticals** | Biotechnology/ Pharmaceuticals | TBD | TBD |
| **Yadkin Bank** | Financial Services | TBD | TBD |

**Photo Credit:** Sarah Logan Photography

# **WAKE COUNTY** MUNICIPALITIES

**#1** **BEST PLACE TO LIVE IN AMERICA**
(Apex, NC) — *Time/Money Magazine*, 2015

**#1** **BEST CITY IN NC TO GET A JOB**
(Cary, NC) — Zippia, June 2015

> **"Wake County continues to be recognized on a global scale as a top place to do business, live and work. Our diverse, knowledge-based innovation economy is driving our upward momentum."**

**ADRIENNE COLE**
Executive Director,
Wake County
Economic Development

## Apex

The Town of Apex was named the #1 Best Place to Live in America by *Money Magazine* for 2015 due to its top-ranked schools, proximity to high-wage jobs, and vibrant quality of life. Apex is developing its first ever certified industrial site, encouraged by the steady growth of existing industry, including ATI Industrial Automation.

## Fuquay-Varina

The Town received approval from its citizens to issue $26-million in bonds to fund roadway, utility and infrastructure improvements that will be used to leverage private sector investment. The Town also conducted a branding campaign resulting in a new brand that demonstrates the community's strong business climate.

## Cary

The Town of Cary experienced growth from existing industry and in new jobs and investment. Major announcements included Align Technologies, CBC Americas, and CoFounder's Capital. Existing companies, including DB Global Technology, Biologics, HCL Technologies, and SAS, all announced major expansions.

## Garner

The Town of Garner continues to see economic growth, including welcoming Overland Contracting to the community in 2015. The global engineering firm, providing power, telecommunications and water services, will create 89 jobs and invest $8.4 million over the next three years.

## Holly Springs

The $21 million North Main Athletic Complex in Holly Springs was completed in May in time for the first pitch for the Holly Springs Salamanders, a Coastal Plain League franchise team. Other uses at NMAC include soccer, football, tennis, lacrosse, concerts, and private rentals.

## Morrisville

In Morrisville, the Park West Village is adding 217,000 square feet of mixed-use space. The Wake Competition Center, a new ice skating facility and athletic complex, is slated to open in 2017. And Wake Technical Community College will be opening its new technology campus in Morrisville in the fall of 2017.

## Rolesville

The Town of Rolesville has been the fastest growing municipality in the State of North Carolina (percentage wise) for over five years. The foundation of that growth comes from an inviting small town atmosphere. The newly opened 401 Bypass will aid in economic development, further broadening access to the community.

## Wendell

In 2015, the Town of Wendell implemented free Public Wi-Fi in its historic business district. Plans are already underway to expand the Wi-Fi network into Wendell Park. This most recent initiative represents Wendell's continued commitment to supporting local business through the creation of a strong and vibrant downtown core.

## Knightdale

Hinton Oaks Business Park is under construction near I-540 in Knightdale. It will include just under half a million square feet of new industrial space. Architectural Granite & Marble opened recently, and a 120,000 square-foot speculative flex space building is under construction. Future phases are available to meet client demand.

## Raleigh

The City of Raleigh has made a major investment in a 308 acre site known as the Dorthea Dix Campus. The site is envisioned as a destination park on the southern edge of downtown Raleigh. This area is adjacent to the City's Southern Gateway, a major corridor that brings people into downtown.

## Wake Forest

The Advanced Technology cluster in Wake Forest continues to grow, adding more than 100 employees in 2015. The Wireless Center (WRC) is now one of only seven Verizon certified test labs. The WRC created the NC RIoT (Regional Internet of Things), a 1200+ member community with the mission of marketing the Triangle as a hub for IoT.

## Zebulon

In Zebulon, development has begun at Triangle East Business Park. The park has plans to construct over 200,000 sq. ft. of warehouse and manufacturing space to serve the Triangle and eastern North Carolina. The first building in the park was delivered in 2015 and additional construction is anticipated in 2016.

# CENTENNIAL CAMPUS

**$400M** sponsored research conducted at NC State in 2015.

NC State's Centennial Campus, **home to more than 70 corporate and governmental partners**, continues to prove that the Live-Work-Play-and-LEARN model attracts research partners large and small. **The past year was record-setting, with more than $400 million dollars in sponsored research coming to the university**, including two large federal government grants totaling $140 million and $60 million respectively — one with the Department of Energy and the other with the Department of Defense. Research on Centennial also continues to push the envelope in smart grid research and self-powered human monitoring, both funded by the National Science Foundation (NSF).

The footprint of Centennial continues to grow as well. With one corporate office building (Alliance) now complete, campus leaders have turned their attention to completing another facility, which will house the internationally recognized Nonwovens Center. Also under development is the Executive Conference Center and Hotel, which will be a Marriott Signature facility and be called the "State View."

Centennial is not resting on its laurels either. Now that a strategic vision is in place for the campus's direction in the next 20 years (called VISION 2034), university leaders have turned their attention towards making those plans become reality, including using the campus as a proving ground for all kinds of technologies and innovations that benefit the citizens of North Carolina and beyond. It's an exciting time for one of North America's premier "innovation destinations."

> **"Centennial's strategic vision for the next 20 years, VISION 2034, will utilize the campus as a proving ground for new technologies and innovations. It's an exciting time for one of North America's premier innovation destinations."**

**DENNIS KEKAS**
Associate Vice Chancellor of Partnerships,
Centennial Campus, North Carolina State University

**70** corporate and governmental partners

# RESEARCH TRIANGLE PARK

Nearly 60 years ago Research Triangle Park was an idea dreamed up by an eclectic group of enterprising North Carolinians. While our founders had backgrounds in education, government and private business, they all agreed it was time for the state to diversify and grow its local economy. RTP was their brainchild, and today it serves as a thriving economic hub for the entire Triangle region and North Carolina. Now it's time to refresh RTP's original concept.

**RTP is currently home to more than 200 companies that employ upwards of 45,000 people**. The 7,000 acres that our founders had the foresight to purchase have turned out to be the perfect location for life science, biotechnology, and IT companies of varying sizes. **In 2015, about 69% of companies employed 25 or less people**. **This trend of smaller companies has prompted us to really start thinking about the new ways people work**.

In 2016 we will begin the first major redevelopment effort in RTP's history at a place called Park Center. For the first time in the Park, there will be restaurants and coffee shops alongside emerging technology companies and cutting edge artists. Park Center will also include public spaces built to encourage collaboration and engagement amongst nature.

Since the Park Center development is in its early stages, **we've started testing ideas and theories at a place called The Frontier. Launched in January 2015, we have transformed a 1980s IBM building into a 142,000 square foot testing ground**. The Frontier includes free meeting and collaboration areas that are open to anyone, affordable private space for smaller companies, and larger build to suit opportunities for mid-sized companies. So far, more than 25,000 people have come through The Frontier to attend community events, food truck rodeos or to view art exhibits.

The lessons we learn at The Frontier through the convergence of so many different ideas and programs, will greatly influence the development of Park Center's 100 acres.

> **"In 2016 we will begin the first major redevelopment effort in RTP's history at a place called Park Center. For the first time in the Park, there will be restaurants and coffee shops alongside emerging technology companies and cutting edge artists."**

**BOB** GEOLAS
President & CEO,
Research Triangle Foundation

**200 companies**
that employ 45,000+ people in RTP.

# **RDU** INTERNATIONAL AIRPORT

> "With new, non-stop service to Paris and a master planning program in process, RDU is poised for the future."

**MICHAEL** LANDGUTH, A.A.E.
President & CEO,
Raleigh-Durham Airport Authority

**45** non-stop destinations

**7** major carriers

It was an exciting year for Raleigh-Durham International Airport. In the fall of 2015, Delta Air Lines announced it would begin **daily, non-stop service between RDU and Paris' Charles-DeGaulle International Airport**. The service begins on May 12, 2016.

The announcement of the flight came as the result of a public/private partnership that was formed between local governments and the business community to illustrate support for the service. The partnership committed $1.1 million to support the flight.

**Each year, more than 1.5 million people travel between RDU and international destinations**. With the addition of nonstop service to Paris, RDU passengers will have daily access to two transatlantic flights. American Airlines has offered nonstop service to London for more than 20 years.

In 2015, **RDU also welcomed Alaska Airlines to our region**. The airline offers daily, nonstop service to Seattle, a popular business and leisure destination. The service further strengthens RDU's service to the West Coast.

In addition, the number of passengers traveling through RDU continued to grow compared to 2014. The increase in passengers is attributed to air service additions and larger aircraft used by airlines.

In 2015, the Airport Authority also launched Vision2040, its master planning program. The 18-month program will identify the airport's short and long-term development projects over the next 25 years. The process will assess expected growth in airport activity and in the region, gauge existing facilities' ability to meet future demand and identify development solutions. The public will be engaged throughout the process, providing input on development alternatives.

**More than 9 million** people traveled through RDU in 2015.

# **TOURISM** DEVELOPMENT

Travel and tourism has an incredible impact on Wake County's economy. The numbers tell the story of how the Greater Raleigh Convention and Visitors Bureau's destination marketing efforts coupled with convention and sports event attendees and tourists generate new business sales, sustain local jobs and increase local tax revenues.

I**n 2014, we welcomed 14.4 million visitors to Wake County and reaped a record $2.2 billion in direct visitor spending, generating $219 million in state and local tax revenues**. Tourism also means jobs for locals. Throughout Wake County, more than 24,400 workers have jobs sustained solely by visitation to our area, and they earn a payroll of $656 million.

In other hospitality measures, Wake County's 2014 hotel occupancy tax collections increased by 13 percent over 2013 collections and totaled $20.26 million. **Prepared food and beverage (PFB) tax collections in 2014 were up nine percent over 2013 collections, totaling $23 million—the highest PFB tax collections ever on record**. Also, the estimated direct economic impact of GRCVB-assisted conventions, meetings and sporting events held in Wake County reached $138 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 Greater Raleigh CVB.

The tourism product in Wake County continues to grow. **As of November 2015 four hotels have opened adding 540 rooms to the market** and in 2016, three hotels are projected to open including downtown Cary's 45-room Mayton Inn which will become the county's only boutique hotel.

2016 will be another exciting year for tourism. We will welcome the NCAA Men's Basketball Tournament back to PNC Arena, IBMA's World of Bluegrass will return for the fourth year and the prestigious Society of American Travel Writers will bring more than 75 national travel writers to Raleigh. Data4Decisions will also return to the Raleigh Convention Center, helping to solidify our region's reputation as a data analytics hub.

*Photo Credit: The Umstead Hotel & Spa*

**14.4 million** visitors were welcomed to Wake County in 2014.

**$2.2 billion** spent by visitors in Wake County in 2014.

**"2016 will be another exciting year for tourism as we welcome the NCAA Men's Basketball Tournament, IBMA's World of Bluegrass, the Society of American Travel Writers, and Data4Decisions."**

**DENNIS** EDWARDS
President & CEO,
Greater Raleigh Convention
and Visitors Bureau

# **DOWNTOWN** RALEIGH

> **"Downtown Raleigh's bold and visionary master plan will serve as the blueprint for Raleigh's growth and success over the next 10 years."**

**DAVID** DIAZ
President & CEO,
Downtown Raleigh Alliance

**1 billion dollars** in public and private investments are expected from the 10-year master plan for Downtown Raleigh.

On September 15, 2015, Raleigh Mayor McFarlane and Members of City Council unanimously adopted a 10-year master plan for Raleigh's downtown. We believe this plan will attract over $1 billion in public and private investments. It is truly a bold and visionary plan that will serve as the blueprint for Raleigh's growth and success over the next 10 years.

The plan identified five catalytic project areas that will guide the implementation of this plan.

**Gateway Center**: Create a bold urban design plan for a cultural/entertainment district that encompasses the Convention Center, Red Hat Amphitheater, and the Duke Energy Center for the Performing Arts, transforming it into a large-scale convention, tourism, employment, and entertainment destination. Adding hotel infrastructure to make the south end of downtown the ideal location for civic and destination uses that welcome large numbers of visitors.

**North End**: Completing an urban neighborhood. In contrast to the large-scale redevelopment contemplated on the South End, the vision for the North End fills the gaps between existing assets to create a complete neighborhood that combines new housing options with unique local retail and dining along North Person Street and in Seaboard Station.

**Moore Square**: Moore Square's assets, already unique in the city, will grow even stronger after the square is renovated. The north side of the square is already among the top destinations in the Triangle for families. And plans are in place for projects that will result in many positive changes to adjacent properties to the east, west and south.

**Nash Square/Raleigh Union Station**: The Warehouse District is emerging as downtown's innovation hub, driven by entrepreneurs and artists operating at all scales. It will be bookended by two major civic amenities. Nash Square, the other historic downtown square, will evoke the stately poise of historic Raleigh, while Raleigh Union Station will change the landscape of the Warehouse District.

**Glenwood Green**: Downtown's first well-known district gains connections. The thriving Glenwood South district is mostly clustered on Glenwood Avenue, and the commercial uses are heavily tilted towards nightlife. Reaching across the tracks to West and Harrington Street, this area is ideal to accommodate significant new residential development.

# MIDTOWN RALEIGH

It is hard to imagine a year that can rival the momentum and growth of 2015, but all predictions indicate 2016 to be even more robust. Bank of America, along with Merrill Lynch and US Trust will be moving their operations to the new 300,000 sq. ft. 18-story tower in the North Hills Park District. An additional tower will also go under construction in 2016 with 74% of the space spoken for by medical software giant Allscripts.

**Making intentional investments**

In 2016, with the addition of the 135-room AC Hotel by Marriott, there will be $.5 billion of construction investment underway in the North Hills Park district. The highly anticipated European styled luxury hotel will feature the area's first rooftop terrace and bar. Midtown's 2000+ and growing number of hotel rooms continue to meet the demands of Convention Center visitors and other business travelers.

The coming year will see more residential units available in Midtown with The 104 Dartmouth offering 171 units in a parking-enclosed 5 floor structure, plus the exciting new mid- and high-rise rental units available in the mixed use Midtown Plaza.

With the world class healthcare associated with the Duke Raleigh Hospital campus, it's easy to see why Kisco is developing a state-of-the-art 225 unit Senior Living Facility offering independent, assisted and memory care as well as skilled nursing.

**Planning for the future**

Google Fiber selected and constructed one of the area's first huts in Midtown. An extensive Corridor Study that fully envisions one of Midtown's main thoroughfares was undertaken and is in progress. In collaboration with the Wake County transit planners, community leaders are bringing their visions of transit enhancements to serve Midtown and visitors.

Midtown boasts over 160 dining options, 15 grocery stores, 8 department stores and an additional 35,000 sq. ft. of retail planned for the new Midtown Plaza. Events provided at multiple venues for music lovers, art lovers, fitness lovers, food lovers, and more, leave residents and visitors with no shortage of activities to fit their taste and lifestyle.

**"It's hard to imagine a year that can rival 2015, but all predictions indicate 2016 to be even more robust."**

**TARA ROBBINS**
Executive Director,
Midtown Raleigh Alliance

**18-story "Tower Two"**
**will welcome Bank of America and several other major companies to Midtown in 2016.**

# **RESIDENTIAL** REAL ESTATE

> **"The forecast for 2016 shows continuing appreciation, competitive interest rates and strong corporate relocation growth. We can be assured that our popularity will remain, and 2016 will be a strong year."**

**NANCY** HARNER, SCRP

Senior Vice President of Relocation/Corporate Services,
Coldwell Banker Howard Perry and Walston

The Wake County real estate market is among the most envied in the country. In addition, Corporate America continues to look at our area as a great place to expand and establish new facilities, bringing with them new jobs and career opportunities.

Raleigh and the surrounding communities are recognized as some of the very best in the nation receiving accolades as the top places to live, work and play.

From a high quality of life and strong economic development to moderately priced homes and commuting ease, we can be assured that our popularity will remain and 2016 will be a strong year.

**Wake County has seen 4.7 percent increase in average sales price and significant appreciation over the past 12 months**. The area real estate inventory shortage continues, prompting multiple offers within certain price points and neighborhoods. Our market also saw a significant decrease in the average number of days homes were listed and marketed in Wake County.

**New construction home sales activity continues to grow, posting a strong 7.7 percent increase over the past 12 months, with an average sales price increase of 4.3%.** As expected, there has been a decline in foreclosure activity in Wake County and the number of institutional investors purchasing homes in our area has also decreased. The rental market is thriving with an occupancy rate of 94.3 percent and we continue to see many new luxury apartment communities being built.

The forecast for next year shows continuing appreciation, competitive interest rates and strong corporate relocation growth. With that in mind, it is no wonder Wake County will be one of the fastest growing, hottest markets for years to come.

**$285K** average sale price on residential properties in 2015.

**15,500** properties sold in Wake County, as of October 2015.

**15%** decrease in number of days on market in 2015.

# **COMMERCIAL** REAL ESTATE

The commercial real estate market in Wake County continued its strong performance in 2015 in all product types, building on momentum created over the past few years. Our market continues to grow, so while new development has occurred in essentially every submarket, the commercial real estate market should remain healthy for the foreseeable future.

**Retail:** Our retail market remained extremely strong with heavy demand and a diminishing supply. Vacancy rates dropped to below 6% in late 2015. Institutional retail investors have landed in our area because of our attractive metrics compared to traditional major markets, and cap rates have compressed as a result.

**Warehouse:** We have not seen absorption rates like we did in 2015 in many years. Vacancy, once over 20% across our market, has dipped into the lower teens. Warehouse rental rates have risen sharply and a lack of shovel ready industrial sites in Wake County suitable for distribution centers will continue this trend into 2016 and beyond.

**Office:** Strong market dynamics were still in play in 2015, and our office demand continued to grow faster than new products were being delivered. Some large new additions to the office inventory, such as the new tower at North Hills and Charter Square in Downtown Raleigh, highlight development activity in 2015.

**Flex:** Flex space and single story office product fundamentals mirrored the other sectors in our market in 2015 with vacancy rates decreasing slightly and rental rates creeping up. A lack of new space being delivered in 2016 will tighten this market even more in 2016.

**Wake County has landed squarely in the bullseye of institutional investors from around the world thanks to consistent recognition as being one of the best places to work, live, and do business in the U.S.** For example, $720 million dollars of commercial real estate investment sales occurred in the 3rd Quarter of 2015. A strong market in all sectors will continue to attract outside investment in our market.

**$720M** in commercial real estate investment sales in Q3 2015

**<6%** vacancy rate for Wake County's retail market

"Wake County has landed squarely in the bullseye of institutional investors from around the world. A strong market in all sectors will continue to attract outside investment to our area."

**GEORGE** YORK
President,
York Properties

# TALENT AND EDUCATION

> "Wake County's talented workforce has been a strategic differentiator for attracting leading organizations to our region. We need to continue to invest to maintain that strategic advantage."

**DeLISA ALEXANDER**
Executive Vice President
& Chief People Officer,
Red Hat

The region's knowledge-based economy and strong, diverse talent pool continues to drive our economic success.

**The Triangle alone boasts nine four-year universities including three tier-one research universities that are spurring innovation on a global scale**. In Wake County, the percentage of the population with a bachelor's degree or higher is nearly double the state and national average.

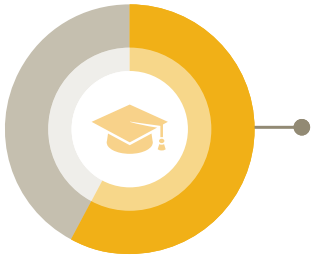
The sixteenth largest school district in the country, the Wake County Public School System (WCPSS) is preparing students for the future, with **more than 80% of WCPSS students going on to post-secondary education**. To accommodate our community's growth, **Wake County residents passed an $810 million bond referendum in 2013 that is being used to build 16 new schools and renovate more than 80 existing schools**. The North Carolina Community College System, Wake Technical Community College being the state's largest, continues to rank as the number one community college system in the country.

In response to the region's growing industry sectors, area workforce development boards, in collaboration with K-12 school systems and community colleges, are spearheading an initiative that will create NC Works-certified career pathways, providing students with early exposure to careers through localized and tailored curriculums. Wake County's growing startup community is meeting the demands of a thriving technology sector, launching two new code schools that will generate highly-skilled software development and design talent.

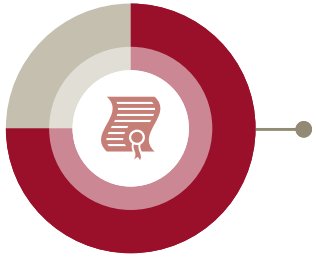
**#2** MOST EDUCATED CITY IN THE U.S.
(Raleigh, NC) — WalletHub, 2015

**As we look to 2016, we need to continue to invest in recruiting and developing talent to ensure a strong and diverse pool for our companies**. A continued and strengthened focus on science, technology, engineering and math (STEM) will position us for the future by providing a competitive advantage over other markets.

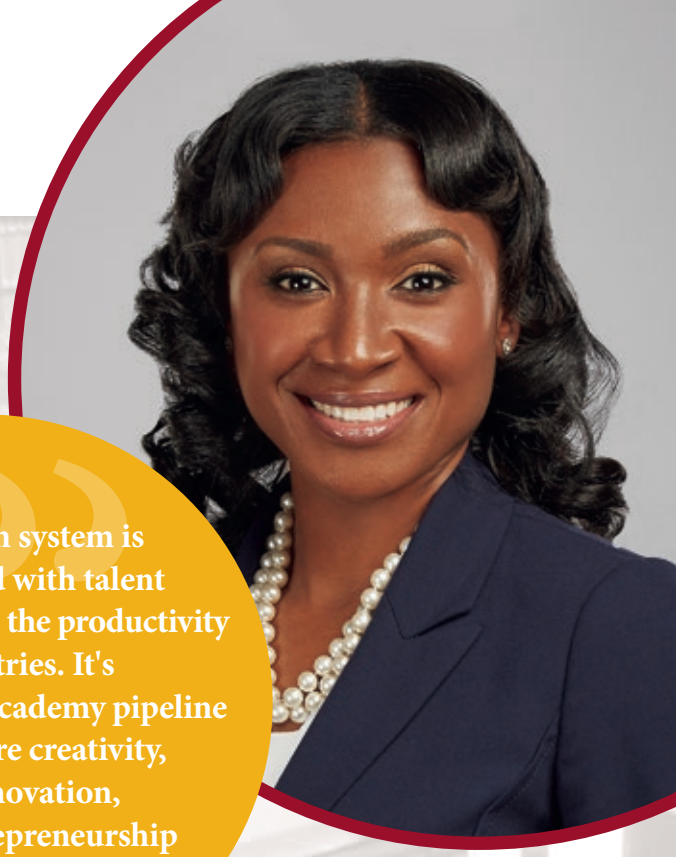
The intersection of our strong education systems, workforce development programs, growing entrepreneurial community and thriving industry sectors will continue to define and fill our talent pipeline, driving our economic prosperity.



**58% of Wake County's population has a bachelor's degree or higher,**
nearly double the national average.



Of the 42 people moving to Wake County each day, **75% of them have a bachelor's degree or higher.**



"The education system is well resourced with talent that augments the productivity of local industries. It's through our academy pipeline that we nurture creativity, encourage innovation, promote entrepreneurship and increase output."

**DR. TASHNI-ANN** DUBROY
President,
Shaw University

# INNOVATION AND ENTREPRENEURSHIP

**#1** HOT SPOT FOR TECH STARTUPS (OUTSIDE SAN FRANCISCO/SILICON VALLEY)
(Raleigh, NC) — SelfStorage.com, March 2015

**#2** CITY CREATING THE MOST TECHNOLOGY JOBS IN 2015
(Raleigh, NC) — *Forbes*, April 2015

> "A growing number of angel investors, incubators and accelerators are emerging to take advantage of our strong startup landscape. The conditions for entrepreneurs in Raleigh have never been better."

**DERRICK** MINOR
Innovation and Entrepreneurship Manager,
City of Raleigh

Topping the *Forbes* magazine list of 10 Up and Coming Cities for Entrepreneurs, Raleigh has a vibrant and flourishing startup ecosystem that includes **more than 450 companies representing over 2,200 jobs in a variety of industries including technology, life sciences, design, and consumer products**. The Raleigh startup community is fueled by top talent emerging from the three tier-one research universities — North Carolina State University, Duke University and the University of North Carolina at Chapel Hill — along with the nine other colleges and universities that call the Triangle home. In addition to our university system, Raleigh is home to two code schools — Tech Talent South and Iron Yard — both of which help generate software development and design talent for our growing technology companies.

In the last 3 years alone, startups in Raleigh have raised over $270 million in Angel & Venture Capital investment. In addition, **over the last 5 years, startup companies in Wake County have generated economic activity of over $1.1 billion from IPOs and over $7.5 billion in acquisitions**.

Raleigh has more than 140,000 square feet of collaborative workspace currently in existence (or under construction) within innovation hubs like HQ Raleigh, ThinkHouse, Tech Incubator on Centennial Campus, Audacity Factory, Loading Dock and Industrious. Included within these numbers is a 50,000 square foot expansion space for HQ Raleigh, which is currently under construction and slated to be completed by fourth quarter of 2016. HQ Raleigh has grown from 3,000 square feet in 2013 to nearly 20,000 square feet today and boasts partnerships with Seventh Generation Ventures, Raleigh Innovators Program, NC State Office of Tech Transfer, Blackstone Entrepreneurs Network, and The Entrepreneurship Collaborative within the Poole College of Management.

**#2** UP-AND-COMING CITY FOR TECH JOBS
(Raleigh/Cary, NC) — Zip Recruiter, July 2015

The region's startup community continues to focus on inclusivity as a key theme, resulting from the 2015 Innovate Raleigh Summit's key takeaways. A core leadership competency in today's increasingly diverse, global and interconnected economy, inclusivity is central to the success of businesses and entrepreneurs. Working effectively across differences leads to a more productive, innovative corporate culture and encourages a stronger foundation for startups.

The support community of entrepreneurs, top talent, university assets, service providers, corporate partners, non-profits and governmental agencies rallies around our startups, enabling founders to quickly integrate into the entrepreneurial environment with an unprecedented range of resources. A growing number of angel investors, incubators and accelerators are also emerging to take advantage of the fertile startup landscape.

The conditions for startups in Raleigh, the hotbed of innovation that gave life to industry leaders like Sharefile (now Citrix), Hosted Solutions (Windstream), PeopleClick (now PeopleFluent), Sprout Pharmaceuticals (now Valeant), Carquest (now Advanced Auto), Highwoods Properties, Stock Building Supply, First Citizens Bank, Golden Corral, and many others, have never been better.

**450+** companies represent the startup ecosystem

**2K+** combined jobs in technology, life sciences, design and consumer products

**$7.5B+** in startup companies' acquisitions in the last 5 years

**"The region's startup community continues to focus on inclusivity as a key theme. Working effectively across differences leads to a more productive, innovative corporate culture and encourages a stronger foundation for startups."**

**JENNY** HWA
Executive Director,
Innovate Raleigh

# 2016 ECONOMIC FORECAST

> **"With world-class universities, a steady stream of college graduates and 'cutting-edge' thinking and innovations, the Triangle is the perfect region for companies to find talent and ideas."**

## About Dr. Michael L. Walden

Walden is a William Neal Reynolds Distinguished Professor at North Carolina State University. For 37 years he has taught, researched, and spoken about the North Carolina and Triangle economies. The author of nine books and 300 articles and reports, Walden broadcasts a daily radio program, writes a biweekly column, formulates a monthly leading index for the state, develops biannual economic forecasts, and does scores of annual meetings and presentations across the state. Among his awards are the North Carolina Board of Governors Award for Excellence in Public Service, the *Order of the Long Leaf Pine*, and the Holladay Medal for Excellence from North Carolina State University.

The Triangle region continued to be one of the most dynamic and expanding areas in the entire country in 2015. Year-over-year from September 2014 to September 2015, **the region's payroll jobs increased 2.5%, compared to 2% for the nation**. Building permits for new residential housing — widely considered to be an important barometer of long-run growth — also saw the Triangle outpacing the nation. Annual numbers through September show permits rising 16% in the Triangle region compared to a 14% improvement for the nation.

The fundamental reason why the Triangle continues to be one of the premier regions for growth in the nation is its economic structure. It is not an overstatement to say the Triangle is one of the few areas in the country that has a genuine "21st Century economy." Over the last three decades the nature of economic activity has dramatically changed. Simply put, the world has moved from a "brawn-based" economy built around physical work to a "brain-based" economy using cognitive skills.

With its world-class universities, steady stream of college graduates, and "cutting-edge" thinking and innovations inspired in labs and workshops, **the Triangle is the perfect region for existing and emerging companies in technology, health care, financial services, and engineering to find talent and ideas**. Add the region's attractive climate, recreational opportunities, and room to grow and it is easy to understand why the Triangle is at the top of most lists for continued growth and more influence on both the national and world economies. Evidence of the region's growing international ties came with the announcement of a new non-stop international flight from RDU International Airport to Paris beginning in 2016.

Although the economy is now six years past the end of the Great Recession, there are strong expectations growth will continue in 2016 both at the national level and in the Triangle. Employers are still adding jobs and the jobless rate is trending downward. This means households will have more money to spend, which sparks the virtuous cycle of businesses continuing to expand operations. The relative size of household debt is at a 30-year low, and interest rates are almost at historically low levels. Households therefore have room to increase borrowing and generate new spending from the loans.

Inflation is low and — very importantly — there's more talk about energy prices going down than going up.

There are two other factors to add to the positive economic mix for the Triangle. Along with businesses, households still want to move to the region, and forecasts suggest they will continue to do just that. **Young people from both in-state and out-of-state come to the Triangle for a college education, and they end up staying for the jobs and amenities**. At the opposite end of the age spectrum, older retired households — especially from the Northeast and Midwest — like the Triangle's vitality, health care, reasonable housing costs, and mild winters. With 70 million people expected to retire in the upcoming decades, the relocation of retirees will become even larger. This is why demographers forecast the Triangle region could almost double its population by 2050.

**Optimism about the long-run growth prospects for the Triangle is evidenced by several sizable projects that will continue to be developed in 2016**. Among them are the Chatham Park project, the expansion of the Research Triangle Park, the Mid-Town project at North Hills in Raleigh, and on-going downtown developments in Raleigh, Durham, Chapel Hill, and Cary. These projects will add opportunities and amenities reinforcing the Triangle's attractiveness for both households and businesses.

Of course, there are always challenges and unknowns in any economic forecast. Locally, the region's fast-paced growth will put upward pressure on real estate prices and added congestion to the roadways. Nationally, if the long-awaited increase in interest rates managed by the Federal Reserve does happen in 2016, then there could be some adverse consequences for financial markets. Internationally, there always numerous trouble-spots that may spark conflicts and disruptions in economic markets. Among these for 2016 are the Middle East, Eastern Europe, the South China Sea, and adversarial relations with Russia. And last, don't forget the election of a new president in 2016 and all the uncertainties that accompany that decision.

So, the economic future is always murky and potentially rocky. But the degree of clear vision is much better in the Triangle than in most other areas. Fortunately, this vision is one of growth, prosperity, and excitement!

**#5** **MOST PRO-BUSINESS CITY IN AMERICA** (Raleigh, NC) – Market Watch, May 2015

**#3** **COMMUNITY IN THE U.S. FOR OVERALL WELL-BEING** (Raleigh, NC) – Gallup-Healthways Well-Being Index, April 2015

**The Triangle is one of the few areas in the country that has a true "21st century economy."**

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