

A scenic view of rolling green hills under a cloudy sky at dusk or dawn. The hills are covered in dense green forest, and the sky is filled with soft, white and grey clouds, with a hint of orange light near the horizon.

Rising Land Prices in Asheville North Carolina

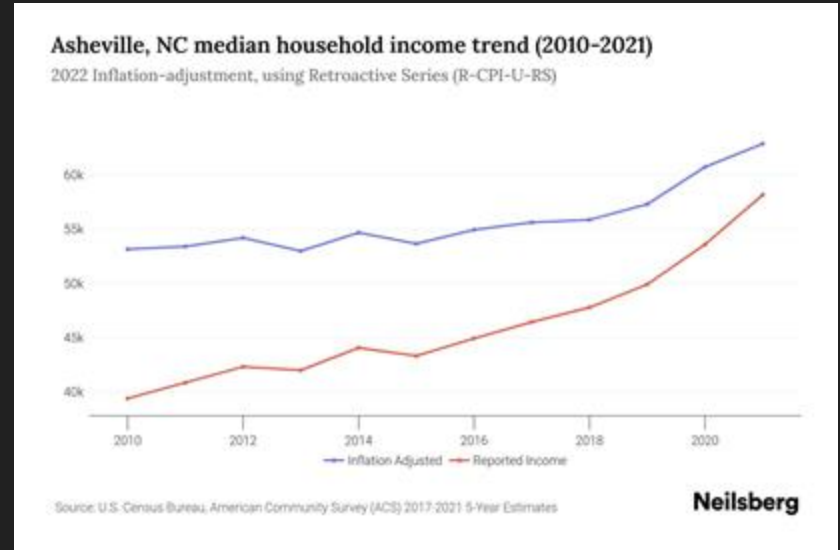
Cesar Llamas, ECO-251-1B

Introduction

- Land prices have risen over the last decade
- High demand
- Limited supply

- Buyers are still buying land at higher prices
- Strong market pressure

- Focus of presentation
- Supply and demand
- Inelasticity
- Externalities



Research Question & Hypothesis

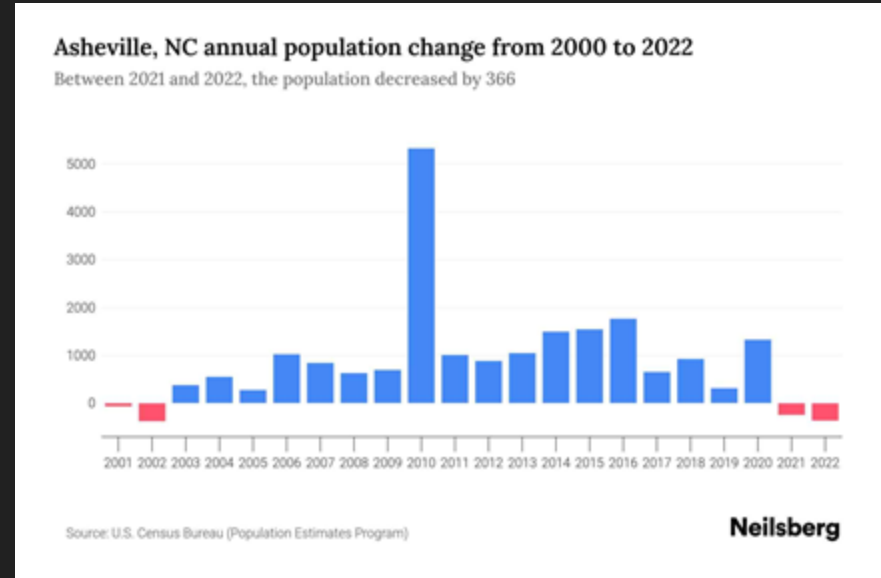
Research Question: How have supply and demand, elasticity and externalities influenced rising land prices in Asheville over the past decade?

Hypothesis:

- Limited supply and increasing demand
 - Prices sky rocket
- Inelastic demand
 - Buyers continue purchasing
- External factors - Tourism impact

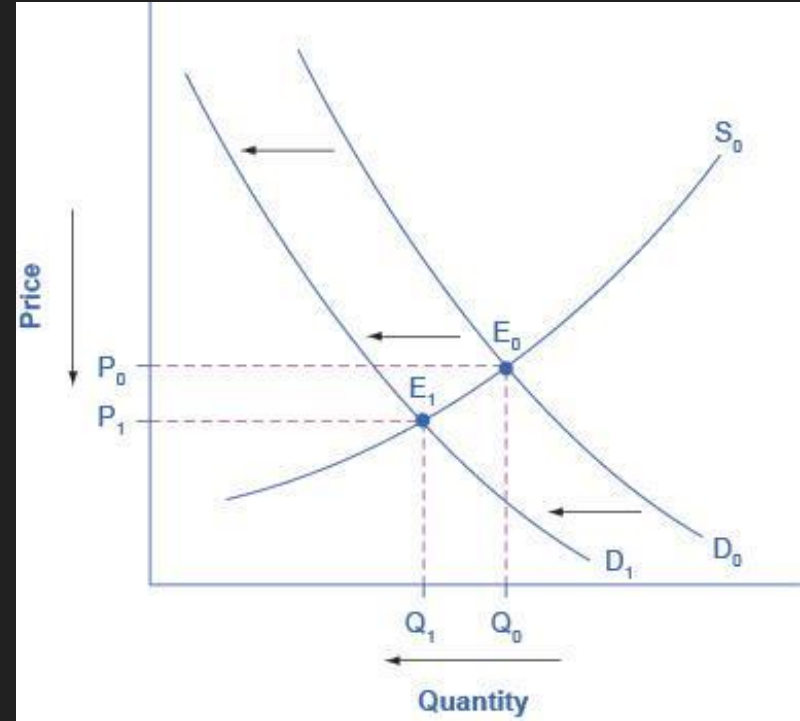
Real World Context (Asheville Market)

- Population growth in Asheville
 - more people moving in
- Increase in tourism
 - vacation destination - highly desirable
 - Airbnb expansion - profit is to be made
- Limited land availability
 - mountains, and zoning regulations - more pressure



Supply and Demand (Chapter 3)

- High demand for housing increases prices
- Population and tourism
- Limited supply of land
- Physical constraints
- Market equilibrium shifts
- Higher price level



Elasticity (Chapter 6)

- Demand is inelastic
- As price rises, demand stays

- Buyers keep purchasing
- Must-have location

- Desirable location reduces price sensitivity
- Lifestyle appeal
- Scenic area

Market Failures Caused By Externalities (Chapter 4)

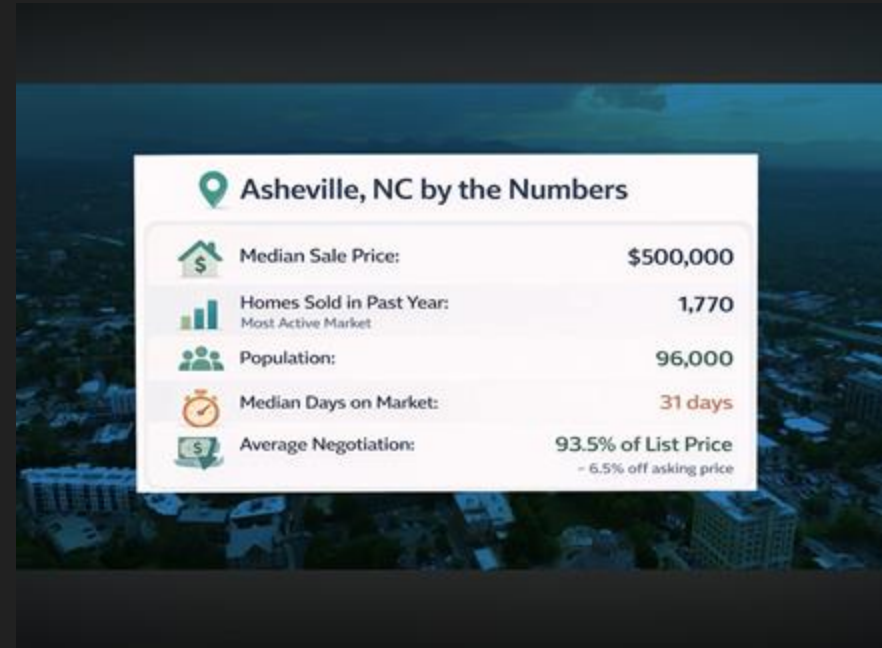
- Tourism increases housing demand
 - More short-term visitors

- Short-term rentals reduce housing availability
 - Airbnb listings
 - Apartments in peoples backyards

- Locals face higher costs and reduced access
 - Higher rent
 - Less availability

Conclusion - (why land prices have risen)

- Supply and demand limitations
 - High demand, low supply
- Inelastic demand
 - Prices remain high favoring those wealthy
- External pressures
 - Tourism
 - Short-term rentals



References (APA)

Kaizen Homes. (2025, October 7). *How much does an acre of land cost in Asheville, NC?* [How Much Does an Acre of Land Cost in Asheville, NC?](#)

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