



NAI Beverly-Hanks
Commercial Real Estate Services, Worldwide.

MARKET REPORT

QUARTER ONE **2021**

COMMERCIAL SALES ACTIVITY | QUARTER ONE 2021

INDUSTRIAL TRANSACTIONS FOR	7	OFFICE TRANSACTIONS FOR	10	RETAIL TRANSACTIONS FOR	17	MULTI-FAMILY TRANSACTIONS FOR	4	LAND TRANSACTIONS FOR	46
\$5.1M		\$8.8M		\$10.9M		\$4.4M		\$30.4M	
2020: \$5.7M		2020: \$14.7M		2020: \$45.1M		2020: \$75.1M		2020: \$27M	

PROPERTIES SOLD

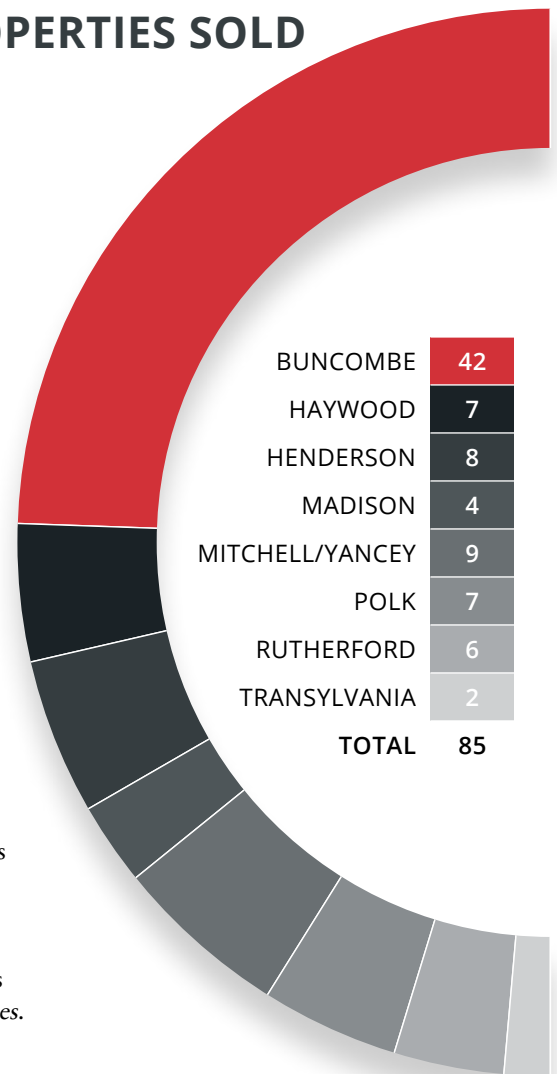
COMMERCIAL FORECAST

Commercial real estate experts are encouraged by the industry's ongoing recovery from the pandemic. As retail providers continue to pivot to meet online demands, shift their strategy to a proactive have-it-to-send-it model, and keep shelves stocked, warehouse space, fulfillment centers, data centers, and logistics needs are flourishing. In-person retail stores are gaining unexpected traction, though experts warn this may be short-lived as travel opportunities increase and consumers shift their spending habits. Malls and similar shopping centers are experiencing a climbing vacancy rate across the country, a trend witnessed before the pandemic and likely exacerbated by COVID restrictions. Some retailers are shifting from a purchase-based storefront to an activity-based space.

The multi-family sector and hotels have the attention of industry experts. Distressed sales may become more prominent towards the end of the year, most especially in large cities where listing prices are not reflective of the lowered rental rates and consequential low performance reports. Whereas, secondary markets are seeing a surge in both hotels and apartments as smaller cities and towns become more popular and offer stable investment opportunities.

Office leasing opportunities are abundant as a result of ongoing remote work environments. High occupancy offices brimming with employees in the near term are unlikely, research suggests. In a report by CoStar Group, a record-breaking 42 million square feet of office space came on the market by corporate tenants during the second and third quarters of 2020.

Overall, investors are following property performance and job growth, and industry experts are optimistic about the future of commercial real estate. Locally, the commercial real estate sectors are following national trends, with apartments and warehouses on the rise. In the instance of a proposed expansion of an automated warehouse facility in Buncombe County, company CEO Stefano Vitale is quoted as saying, "We are exactly where business is growing, and this is what you're doing in Arden," as reported by *The Asheville Citizen-Times*.



Featured Listing

290 Lance Road

\$3,349,500

MLS: 3719640

Barkwells is a dog-centric, short term vacation rental business with eight stand-alone cottages near beautiful Asheville, NC. The 17-year-old business has been designed for clients wishing to vacation with their dogs. It has experienced consistent revenue growth since its inception in 2004, close to 80% occupancy rates, and an Average Daily Rate (ADR) of \$370. This turnkey business provides potential owners a strong net operating income and a peaceful, fulfilling lifestyle.



COMMERCIAL LEASE ACTIVITY | QUARTER ONE 2021

**INDUSTRIAL
LEASES**

13 ▼

2020: 16

VACANCY RATE (Q1)

2020: 4.7%

4.1% ▼

**OFFICE
LEASES**

38 ▲

2020: 30

VACANCY RATE (Q1)

2020: 3.0%

3.1% ▲

**RETAIL
LEASES**

32 ▼

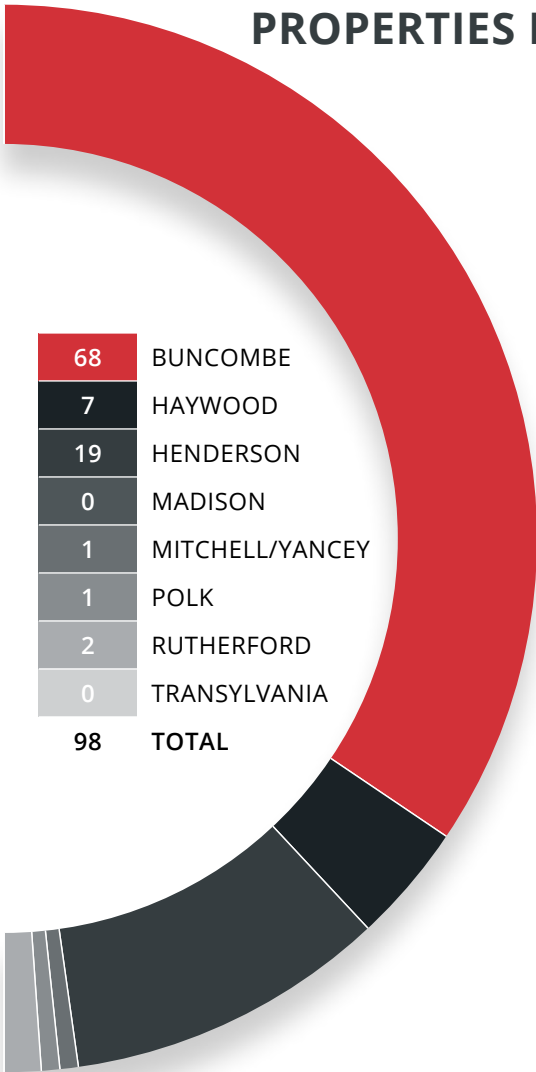
2020: 41

VACANCY RATE (Q1)

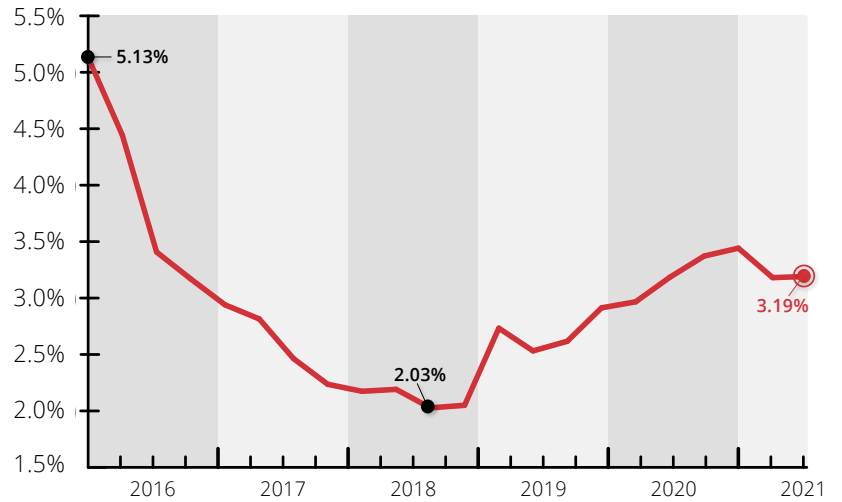
2020: 2.3%

2.8% ▲

PROPERTIES LEASED



VACANCY RATES (Through Q2, QTD)



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All chart information represents 2021 data as provided by CoStar for the 9-county region.

Notable Transaction

30 Lookout Road
\$685,000
MLS: 3701992



This quaint 1925 B&B includes nine bedrooms, 10 full bathrooms, and three apartments on the lower levels, all facing a gorgeous long-range view of mountains and downtown Asheville. Formerly the Bridal Path Inn, it was designed and built by O.D. Revell. The three apartments have tenants and serve as a steady income for the owner, with their own private parking and separate entrances.

ASHEVILLE METROPOLITAN STATISTICS

(Buncombe, Haywood, Henderson, and Madison Counties)

EMPLOYMENT DISTRIBUTION BY INDUSTRY:

Population

463,122



Labor Force

225,200



Average Commute

17.9min



Average Household Income

\$65,633



NC Individual Income Tax Rate

5.25%



Current Sales & Use Tax by County

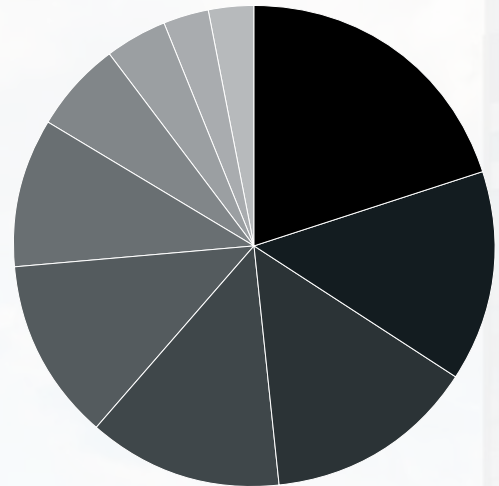
Buncombe 7% Haywood 7%
Henderson 6.75% Madison 6.75%

Cost of Living Index

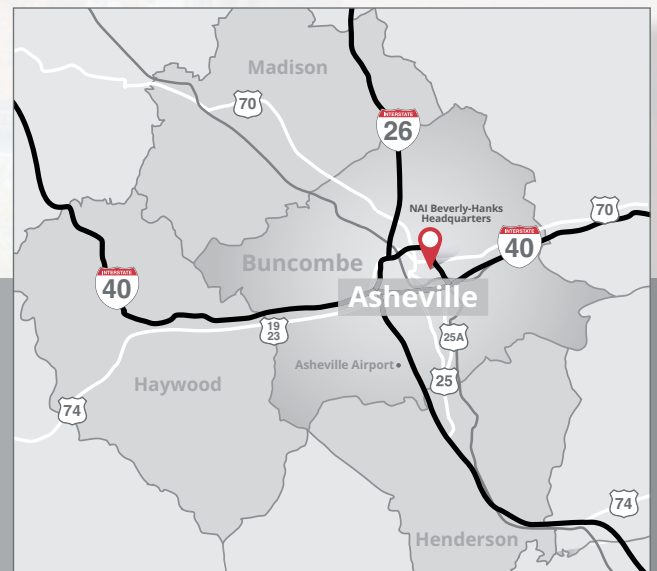
Buncombe, Haywood, Henderson, and Madison Counties

100.5

Data Provided by NC Commerce, US Bureau of Labor Statistics, and The Asheville Chamber Of Commerce



Health Services and Education	20%
Government (federal, state, & local)	14%
Retail Trade	14%
Leisure and Hospitality	13%
Manufacturing	12%
Professional and Business Services	10%
Construction, Mining, and Logging	6%
Financial Activities	4%
Transportation and Utilities	3%
Wholesale Trade	3%
Information	1%



Rankings

Asheville #6 of the “Top 100 Best Places to Live in the U.S.” — Livability.com, 2020

Asheville #9 among “Top 15 Cities in the United States” — TravelandLeisure.com, 2020

Asheville ranked 5th among “Top 50 America’s Best Small Cities” — BestCities.org, 2020