

NAI Beverly-Hanks
Commercial Real Estate Services, Worldwide.

MARKET REPORT

QUARTER ONE **2022**



COMMERCIAL SALES ACTIVITY | QUARTER ONE 2022

INDUSTRIAL
TRANSACTIONS **10**
FOR

\$19.4M ▲
2021: \$5.9M

OFFICE
TRANSACTIONS **18**
FOR

\$65M ▲
2021: \$10.1M

RETAIL
TRANSACTIONS **38**
FOR

\$45M ▲
2021: \$27.3M

MULTI-FAMILY
TRANSACTIONS **8**
FOR

\$57.2M ▲
2021: \$4.3M

LAND
TRANSACTIONS **28**
FOR

\$21.1M ▼
2021: \$37.7M

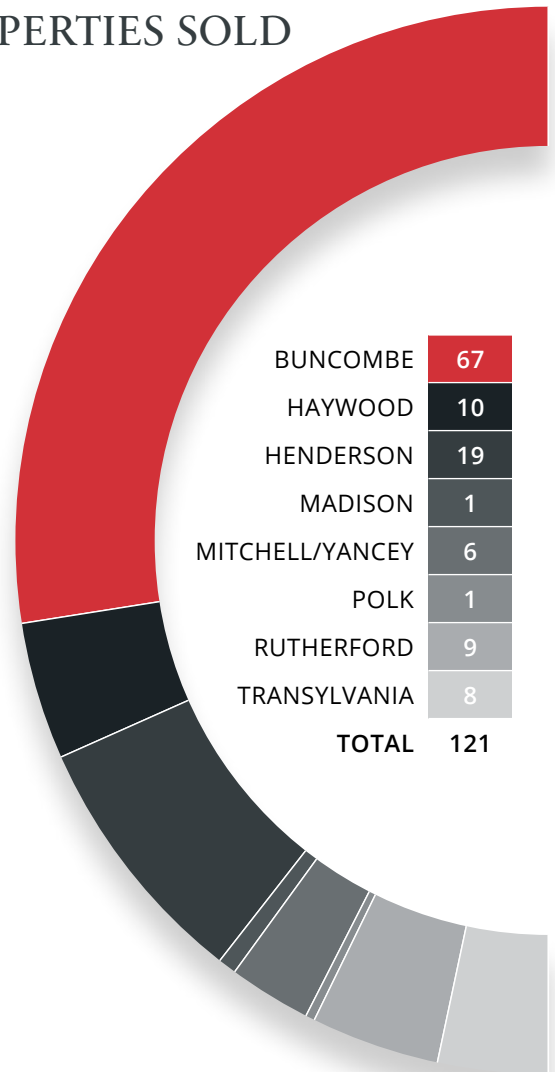
PROPERTIES SOLD

COMMERCIAL FORECAST

A strong economy generally benefits real estate, and 2021 proved just that. With the U.S. economy growing at a 5.6% pace during 2021, Annual CRE sales volume crossed \$600 billion for the first time ever through November. While optimistic about the economic outlook going forward in 2022, inflation and a rising interest rate environment present unique circumstances for a real estate industry that raised significant capital and gained momentum through 2021.

According to Forbes, seven trends will be prominent for the remainder of 2022: Significant capital and available debt will contribute to another year of growth, secondary markets will outgrow the country's major cities, the housing hot streak will (most likely) continue, offices will change, but they won't shutter, real estate will welcome more quants to the mix, more partnerships and deals between proptechs and managers will likely occur, and construction costs will rise, benefiting existing assets.

With these trends in mind, another strong year for the commercial real estate industry is to be expected. Locally, that is ringing true. Rental properties are in very high demand, new apartment complexes and businesses are opening frequently, and according to Tom Tveidt, an economist and founder of Syneva Economics, an Asheville economic research firm, the population has been on the rise: "We have one thing about us that's unique — we grow every year, and we've been doing that every year for the past 40 years". This combination creates a hot spot for commercial real estate to continue to thrive.



Featured Listing

602 & 600 W State Street

\$3,700,000

MLS: 3820185

An amazing redevelopment opportunity! Two hotels situated on 4.22 acres with 580' frontage on US Hwy 70. This is an ideal location for large box retail, grocery, QSR, or national credit tenants. The combined lands will be sold as a package. With available utilities, highway level access, and multiple curb cuts, the opportunities with this property are endless.



COMMERCIAL LEASE ACTIVITY | QUARTER ONE 2022

**INDUSTRIAL
LEASES**

12 ▼

2021: 18

VACANCY RATE (Q1)

2021: 5.2%

4.0% ▼

**OFFICE
LEASES**

25 ▼

2021: 44

VACANCY RATE (Q1)

2021: 3.1%

3.2% ▲

**RETAIL
LEASES**

37 ▼

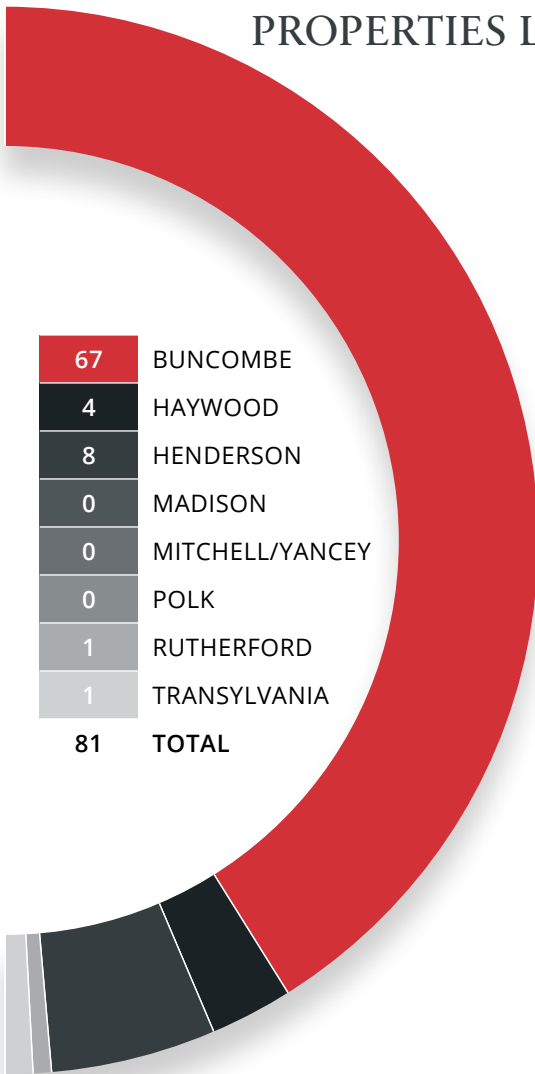
2021: 52

VACANCY RATE (Q1)

2021: 3.0%

2.3% ▼

PROPERTIES LEASED



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

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Notable Transaction

521 Amboy Road
\$1,200,000

MLS: 3661560

A special use property with flexible river zoning, over 575 feet of river frontage, over 580 feet of Amboy Rd, and French Broad River Greenway frontage. The previous owners had originated and operated their outdoor kayaking business here for over 30 years and this land is an ideal location for an outdoor venue, taproom, outdoor sports center, food truck park, RV park, etc.



ASHEVILLE METROPOLITAN STATISTICS

(Buncombe, Haywood, Henderson, and Madison Counties)

EMPLOYMENT DISTRIBUTION BY INDUSTRY:

Population 469,015



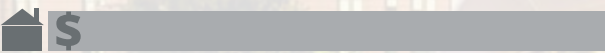
Labor Force 228,657



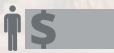
Average Commute 23.4 min



Average Household Income \$76,845



NC Individual Income Tax Rate 5.25%



Current Sales & Use Tax by County

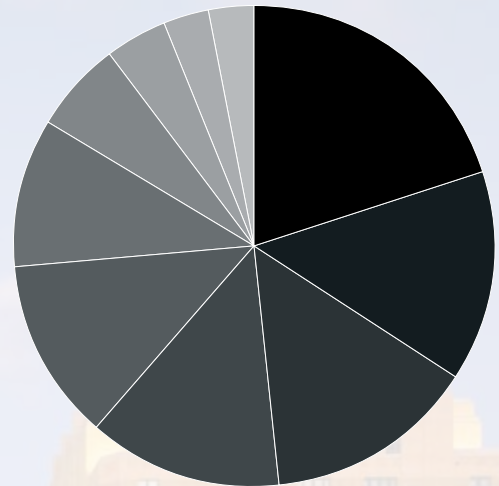
Buncombe 7% Haywood 6.75%
Henderson 7% Madison 7%

Cost of Living Index

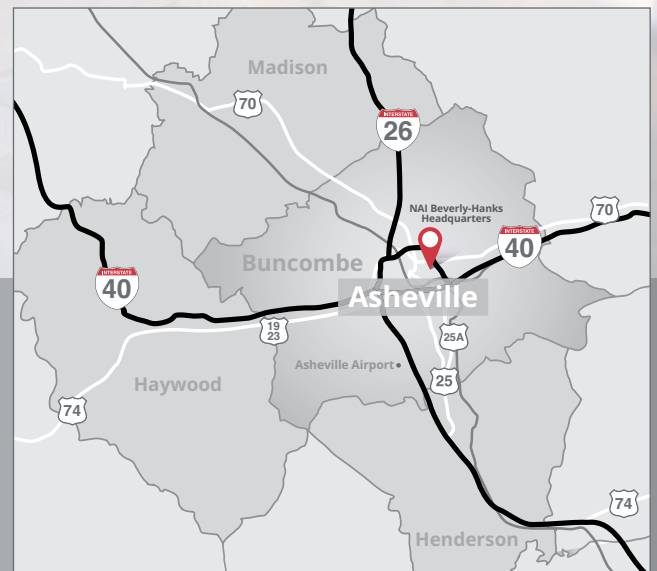
Buncombe, Haywood, Henderson, and Madison Counties



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



Health Services and Education	19%
Government (federal, state, & local)	15%
Retail Trade	14%
Leisure and Hospitality	14%
Manufacturing	12%
Professional and Business Services	10%
Construction, Mining, and Logging	5%
Financial Activities	4%
Transportation and Utilities	3%
Wholesale Trade	3%
Information	1%



Rankings

Asheville ranked one of “The Best Places to Retire in 2021” — Forbes.com, 2021

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

North Carolina ranked as the #1 “Best States For Business” for 4th year in a row — BestCities.org, 2020