



**NAI** Beverly-Hanks  
Commercial Real Estate Services, Worldwide.

# MARKET REPORT

QUARTER THREE **2021**

# COMMERCIAL SALES ACTIVITY | QUARTER THREE 2021

INDUSTRIAL  
TRANSACTIONS **17**  
FOR

**\$71.3M**  
2020: \$6.9M

OFFICE  
TRANSACTIONS **20**  
FOR

**\$48.2M**  
2020: \$11.6M

RETAIL  
TRANSACTIONS **32**  
FOR

**\$81.2M**  
2020: \$31.6M

MULTI-FAMILY  
TRANSACTIONS **9**  
FOR

**\$124M**  
2020: \$11.6M

LAND  
TRANSACTIONS **54**  
FOR

**\$51.4M**  
2020: \$33.5M

## PROPERTIES SOLD

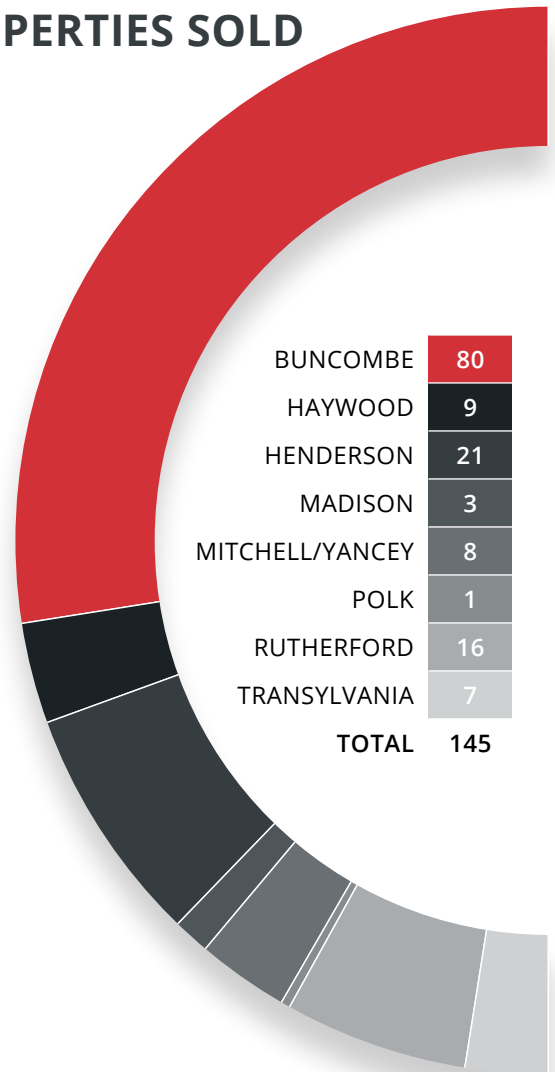
## COMMERCIAL FORECAST

The economy is improving, as are some sectors of commercial real estate. Although we are seeing improvements, it remains uneven across property types and geographic markets. The multifamily, industrial, and retail property markets are coming back strongly, while the recovery has not been as robust in the office and hotel property markets, although the hospitality industry is on an upward trend as travel becomes more frequent.

According to the RER Economic Sentiment Index Report, "...absorption in the multifamily market is at a decade-high level, with asking rents up nearly 11% year over year. In the industrial market, asking rents are up nearly 7%. In the retail market, rents are up by 2% year over year. On the other hand, the office market continues to experience a decline in occupancy, with 144 million square feet of office space released to the market and the average asking rent declining by about half a percent."

U.S. hotel occupancy rates continue to slowly make their way back toward 2019 levels. We can also expect to see more business and convention travel, as executives at both American Airlines and United Airlines recently pointed to stronger demand for business travel in the second half of this year.

Locally, the multi-family industry is booming, as there is a 21.5% rent increase of the average Asheville apartment in the last year, according to *Asheville Citizen-Times*. The newest census also showed us that the Asheville area population was very much on the rise, with Buncombe population increasing 12.9% from 2010. Larger groups of people investing in Western North Carolina's economy keeps us on an upward trajectory.



## Featured Listing

**86 Lily Pad Lane**

**\$5,750,000**

MLS: 3781265

This incredible resort offers a mountain retreat in the heart of historic Flat Rock, NC situated on 25 stunning acres on Highland Lake. 63 bedrooms, an abundance of meeting spaces and reception facilities, and award-winning restaurant, Seasons, complete this spectacular property.



# COMMERCIAL LEASE ACTIVITY | QUARTER THREE 2021

## INDUSTRIAL LEASES

9 ▼

2020: 24

### VACANCY RATE (Q3)

2020: 4.5%

4.1% ▼

## OFFICE LEASES

38 ▲

2020: 23

### VACANCY RATE (Q3)

2020: 3.4%

3.4% ◀▶

## RETAIL LEASES

51 ▲

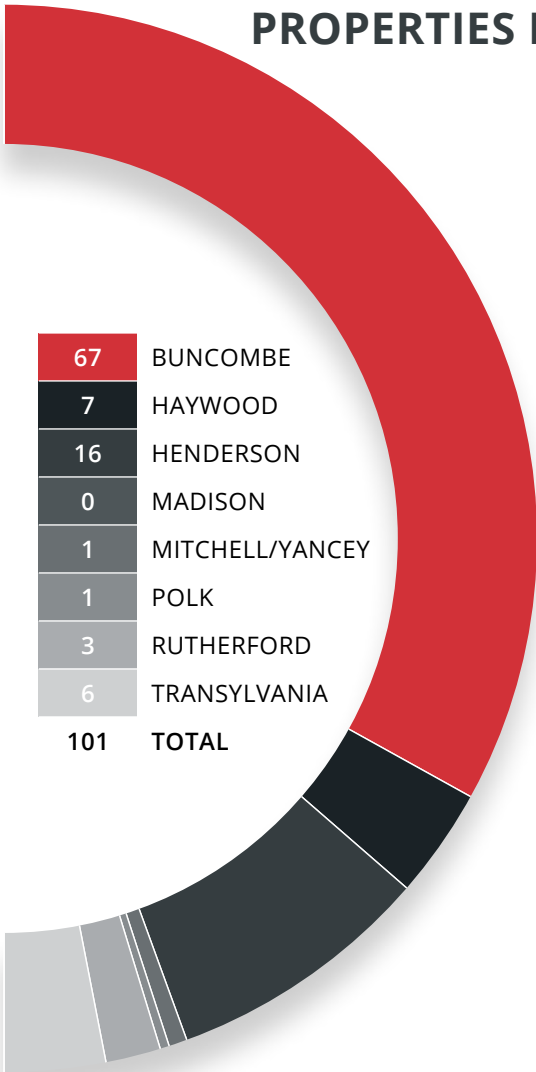
2020: 46

### VACANCY RATE (Q3)

2020: 2.7%

3.0% ▲

## PROPERTIES LEASED



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

## Notable Transaction

122 College Street

\$1,800,000

MLS: 3658928



11,000 SF building located on College Street in the heart of downtown Asheville, NC located across from Pack Square. A restaurant set-up is located on the second level while the first, third, and fourth have amazing potential. High foot traffic and amazing views abound in this urban setting.



# 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

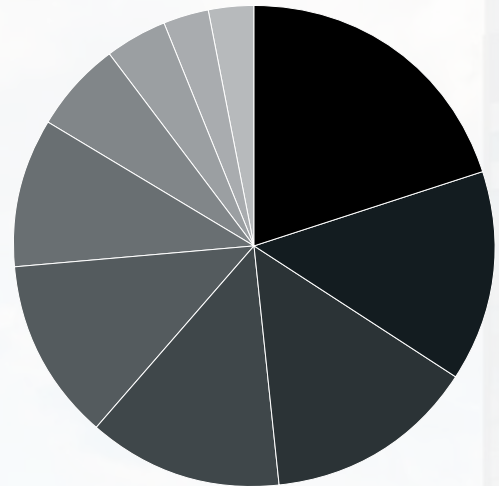
Buncombe 7% Haywood 7%  
Henderson 6.75% Madison 6.75%

## Cost of Living Index

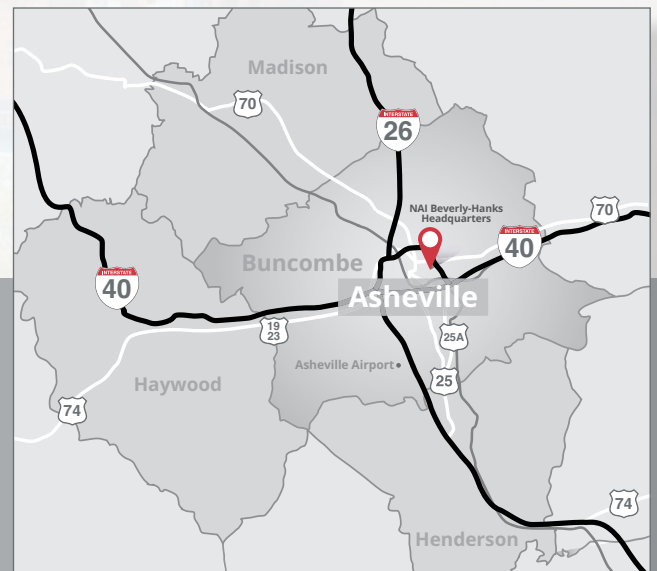
Buncombe, Haywood, Henderson, and Madison Counties

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