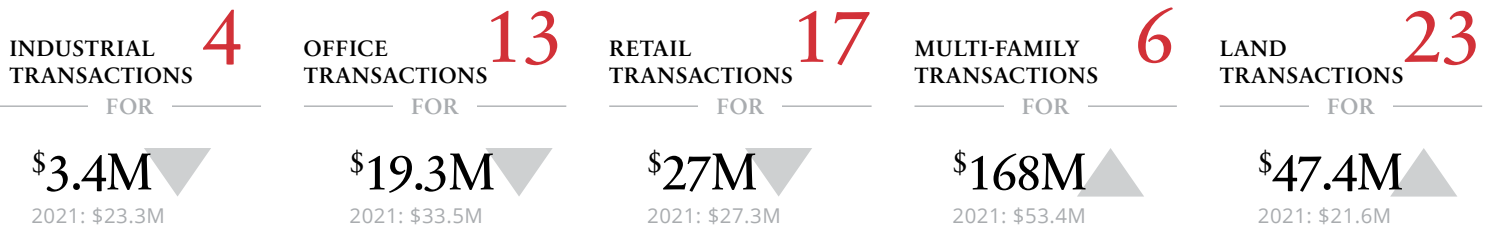


NAI Beverly-Hanks
Commercial Real Estate Services, Worldwide.

MARKET REPORT

QUARTER TWO 2022





PROPERTIES SOLD

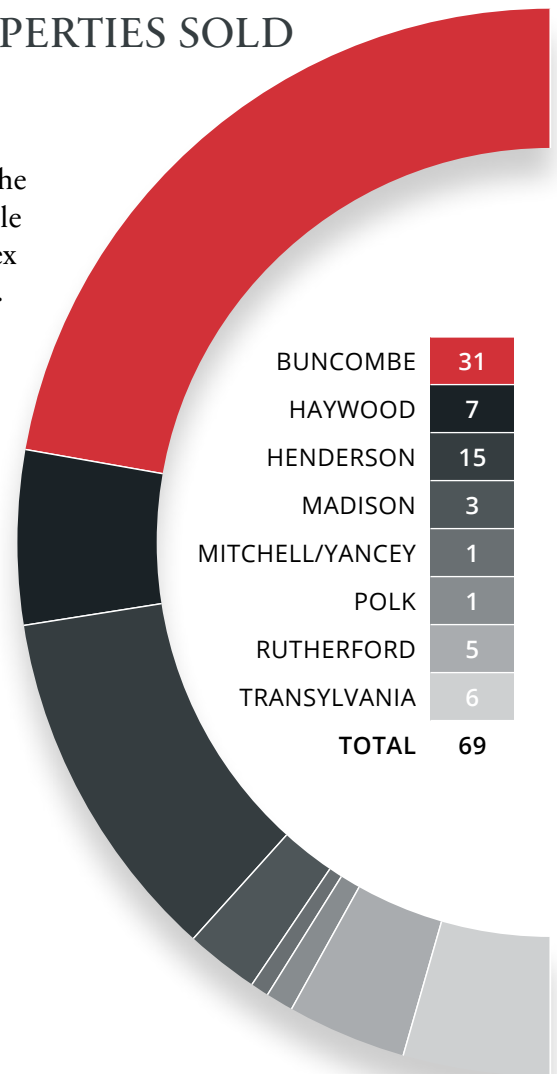
COMMERCIAL FORECAST

The Asheville metro area received top marks at the start of the second quarter in an analysis of economic and commercial market health across the country. The National Association of REALTORS® (NAR) ranked Asheville as one of the nation’s “Top 16 Commercial Real Estate Markets” in an index citing office, industrial, and retail vacancy well below the national average.

NAR's Commercial Real Estate Market Conditions Index is calculated using 25 variables pertaining to the metro area's economic, demographic, and commercial market conditions for multi-family, office, industrial, and retail property sectors, as well as employment conditions in the tourism industry.

Noting the stellar index performance, commercial market analysts are also eyeing inflation rates, which have rocketed to their highest point since the early 1980s. Analysts report that “commercial real estate investments can serve as a hedge against inflation,” according to the Realized Commercial Real Estate Market Analysis Report. The report further explains that “depending on the type of commercial property an investor owns, there may be potential to raise rental rates with rising inflation rates, allowing investment property owners to potentially seek income that keeps pace with prices in the market.”

With commercial vacancy at 2.8% (down from 3.0% for the first quarter), 28 buildings under construction, and more than \$330 million in sales, the Asheville commercial real estate market remains active and a stable investment against the current volatility of the financial markets.



Featured Listing

56 Scates Street

\$6,200,000

MLS: 3799828

80,000+ SF of pristine industrial space with production, warehouse, and office square footage. With ample space and four 8x10 dock doors, two 10x10 dock doors, and one 10x12 drive-in door, this prime industrial property is move-in ready. Strategically located between Asheville NC, Greenville SC, and Knoxville TN, and less than 1 mile to HWY US 74.



INDUSTRIAL LEASES **7** ▼

2021: 18

VACANCY RATE (Q2)
2021: 3.9% **2.5%** ▼

OFFICE LEASES **31** ▼

2021: 48

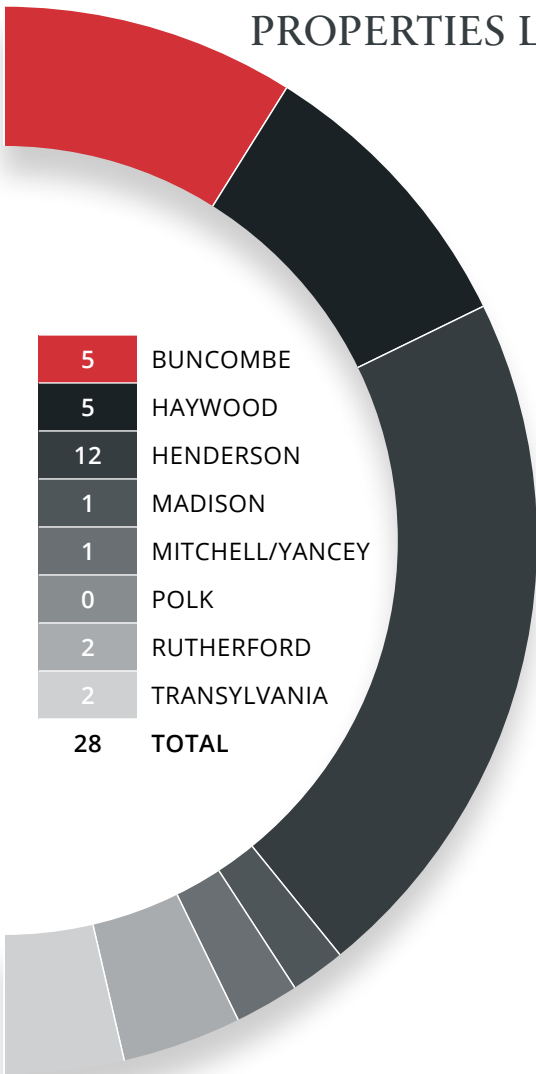
VACANCY RATE (Q2)
2021: 3.0% **3.5%** ▲

RETAIL LEASES **34** ▼

2021: 63

VACANCY RATE (Q2)
2021: 2.9% **1.8%** ▼

PROPERTIES LEASED



NAI Beverly-Hanks
Commercial Real Estate Services, Worldwide.

All chart information represents 2022 data as provided by CoStar for the 9-county region.

Notable Transaction

337 McMurray Road
\$8,731,850

MLS: 3239366

This 65.31-acre tract of land in Flat Rock is set to be developed into an industrial park. The upcoming industrial development represents a significant project for Henderson County; Henderson County Partnership for Economic Development assisted with development studies for this property, and the property was also part of the Duke Energy Site Readiness Program.



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



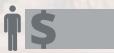
Average Household Income

\$76,845



NC Individual Income Tax Rate

5.25%



Current Sales & Use Tax by County

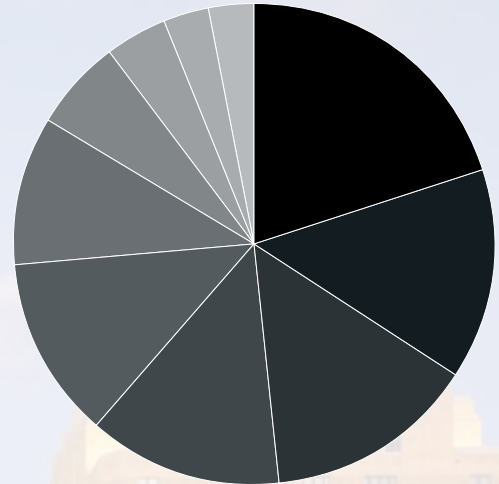
Buncombe 7% Haywood 6.75%
Henderson 7% Madison 7%

Cost of Living Index

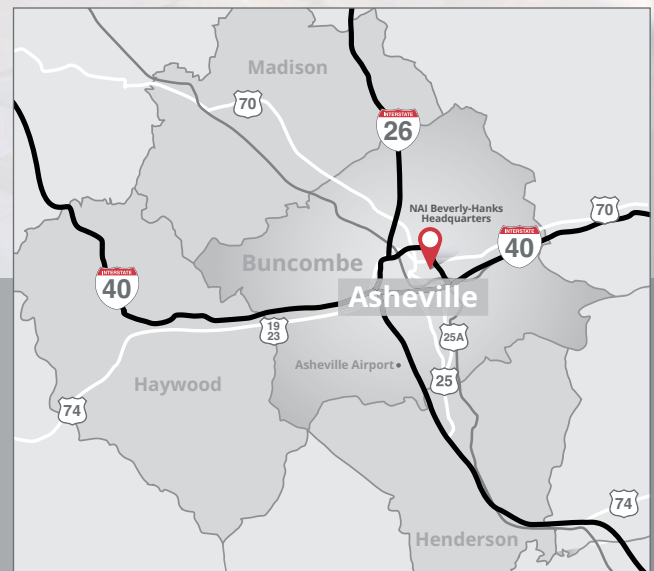
Buncombe, Haywood, Henderson, and Madison Counties

105.7

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