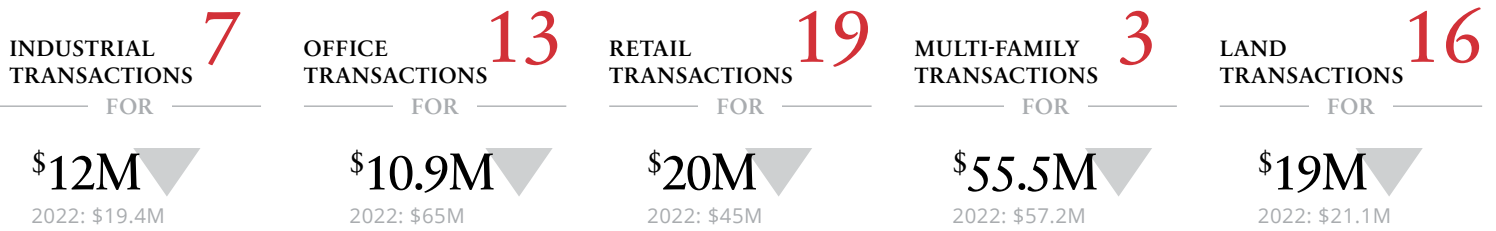


MARKET REPORT

QUARTER ONE **2023**



COMMERCIAL SALES ACTIVITY | QUARTER ONE 2023



PROPERTIES SOLD

COMMERCIAL OUTLOOK

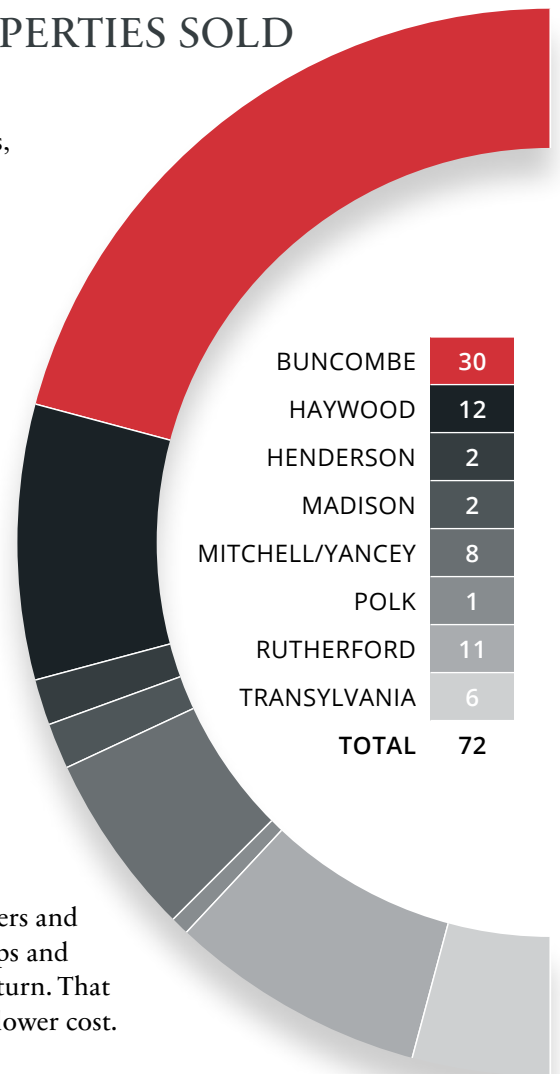
There may be challenges ahead for commercial real estate. Retail is at a crossroads, and the future of office space is unclear. Plus, supply chain concerns persist, and inflation is near a 40-year high, prompting the FED to steadily increase interest rates. But there are a few bright spots. Locally, multi-family properties continue to perform well, and the hot streak for industrial properties remains.

Global supply chain disruptions that peaked in the early months of the pandemic persist, but showed further signs of easing in Q1, according to CoStar data. As e-commerce increases, so does the need for warehouses and industrial space. “Last mile” distribution facilities are critical to achieving speedy turnaround delivery times and are helping to drive the sector.

“E-commerce will likely serve as a tailwind for the logistics industry—and industrial warehouse and distribution properties—for at least 10 years,” said Victor Calanog, Head of Commercial Real Estate Economics at Moody’s Analytics. “The industry has begun to respond and deliver record amounts of new warehouses.”

In contrast, the future of office buildings remains up in the air as knowledge workers continue to prefer working from home. In some cases, the right location with the right amenities—think optimized floor plans for collaboration, private outdoor space, and onsite services—may bring employees back to the office. It is, however, important to note that no U.S. regions have seen vacancy rates dip below their pre-pandemic, Q4 2019 levels.

There’s nothing new about commercial real estate’s cyclical nature. Property owners and investors with strong balance sheets understand how to take advantage of these ups and downs. There are often overleveraged building owners during an economic downturn. That presents well-prepared investors with an opportunity to grow their portfolio at a lower cost.



Featured Listing

323 Broadway Street

\$2,890,000

MLS: 4014115

Mixed-use income producing property in the vibrant Five Points neighborhood. This newly constructed property (2020) consists of two commercial shells with street visibility that can be customized to suit the needs of the tenant/owner; four professionally managed and fully furnished vacation rentals, each with two bedrooms, two bathrooms, high-end finishes, and private balconies; and 10 parking stalls.



COMMERCIAL LEASE ACTIVITY | QUARTER ONE 2023

INDUSTRIAL LEASES

13▲

2022: 12

OFFICE LEASES

44▲

2022: 25

RETAIL LEASES

27▼

2022: 37

VACANCY RATE

2022: 4.0%

4.2%▲

VACANCY RATE

2022: 3.2%

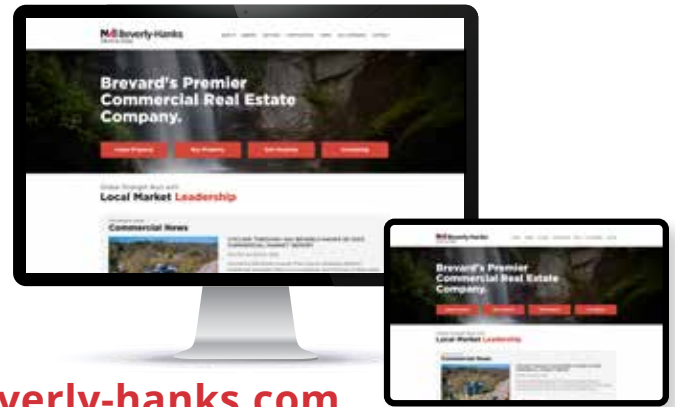
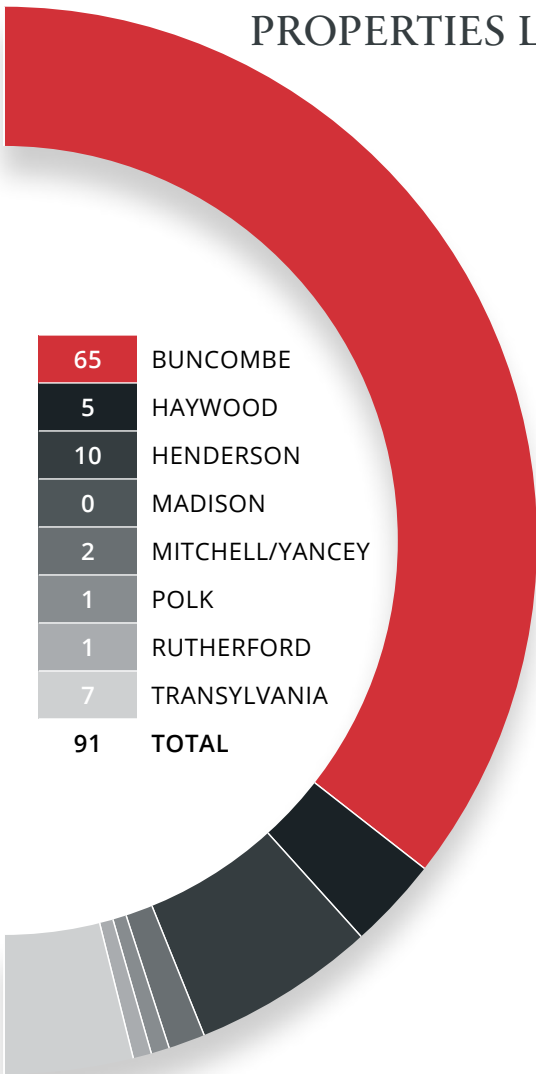
3.0%▼

VACANCY RATE

2022: 2.3%

1.5%▼

PROPERTIES LEASED



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NAI Beverly-Hanks

Commercial Real Estate Services, Worldwide.

All chart information represents 2023 data as provided by CoStar for the 9-county region.

Notable Transaction

779 Dogwood Road

\$1,100,000

MLS: 3910636

This bright and modern 5,000 SF office closed after less than 2 months on the market. Features include tractor trailer accessibility, fully fenced, a security system, and two drive ins. The office was totally renovated in 2018 with new EL panel, bathroom, HVAC, siding, and insulation. Ideally located with easy accessibility to I-40 and I-26.



ASHEVILLE METROPOLITAN STATISTICS

(Buncombe, Haywood, Henderson, and Madison Counties)

EMPLOYMENT DISTRIBUTION BY INDUSTRY:

Population 472,341



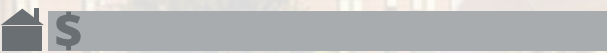
Labor Force 235,197



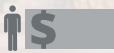
Average Commute 23.3 min



Average Household Income \$75,787



NC Individual Income Tax Rate 4.75%

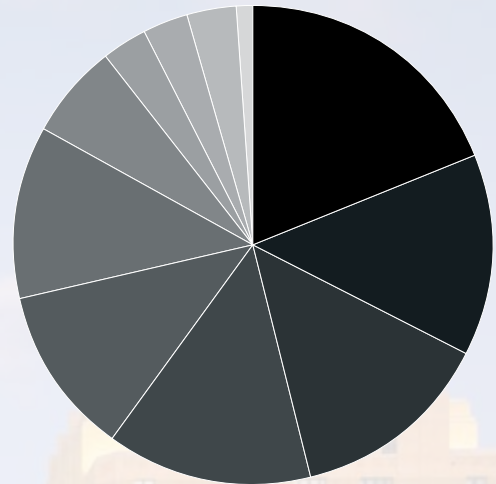


Current Sales & Use Tax by County

Buncombe 7.00% Haywood 7.00%
Henderson 6.75% Madison 7.00%

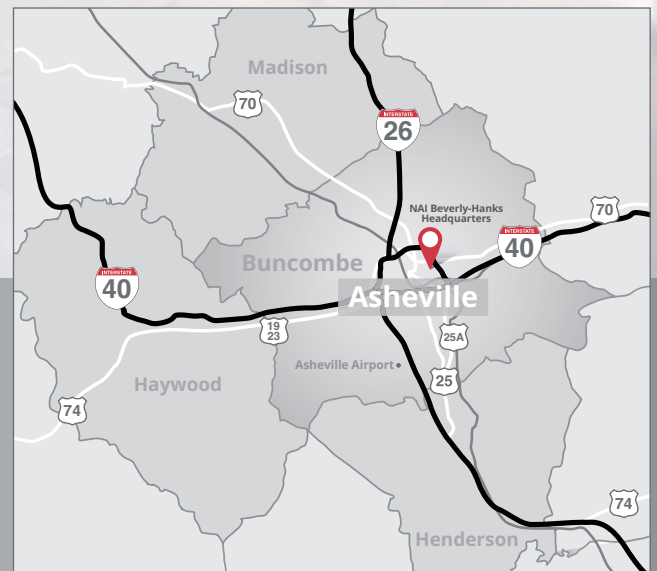
Cost of Living Index

Buncombe, Haywood, Henderson, and Madison Counties



Health Services and Education	18%
Government (federal, state, & local)	13%
Retail Trade	13%
Leisure and Hospitality	13%
Manufacturing	11%
Professional and Business Services	11%
Construction, Mining, and Logging	6%
Financial Activities	3%
Transportation and Utilities	3%
Wholesale Trade	3%
Information	1%

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



Rankings

North Carolina was named Business Facilities' "2022 State of the Year" — Businessfacilities.com, 2023

Asheville is one of the "10 Best Cities to Visit for Art Lovers" — bestlifeonline.com, 2022

Asheville ranked as 7th fastest growing tech hub in the nation — LinkedIn.com, 2022