

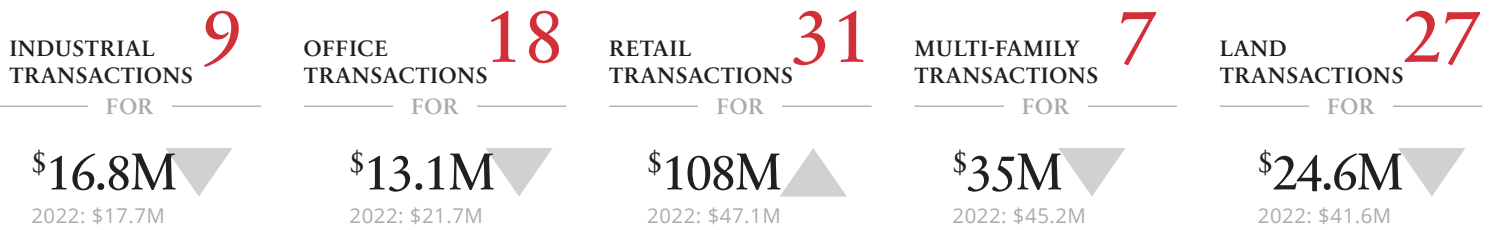
NAI Beverly-Hanks
Commercial Real Estate Services, Worldwide.

MARKET REPORT

YEAR END **2023**



COMMERCIAL SALES ACTIVITY | QUARTER FOUR 2023



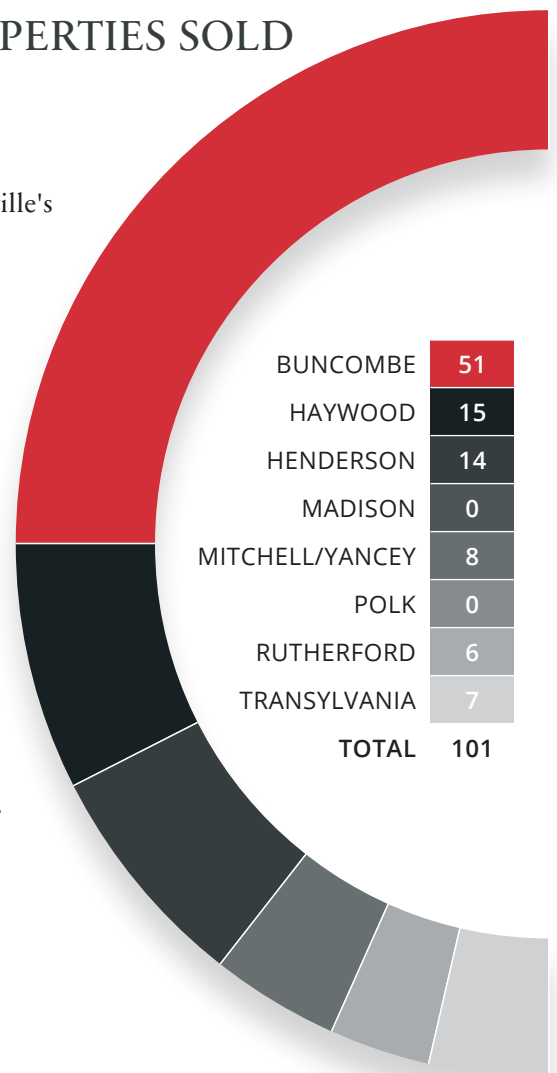
COMMERCIAL RECAP/FORECAST

As we wrap up 2023, we reflect on a year of dynamic change and growth in Asheville's business landscape. We've seen the flourishing of new ventures, the closure of beloved establishments, and the continued evolution of our city's real estate and development scene. In the River Arts District, the Radical Hotel made its grand debut in October, boasting thoughtfully designed rooms and three dining options. The city also welcomed a host of new watering holes, including Terra Nova Beer Co, Voodoo Brewing, and the Low Down. However, we also said goodbye to local favorites like Buxton Hall BBQ and Archetype's South Slope location, both of which closed their doors this fall.

The retail sector saw significant activity, with Tanger acquiring the Asheville Outlets in a \$70M deal. The shopping center, which was 95% leased at the time of the transaction, will be rebranded as Tanger Outlets Asheville in early January 2024. Despite a 3.3% decline in brick-and-mortar retail stores in the Asheville metro area, the city's retail industry remains vibrant, characterized by a strong presence of small businesses. In fact, a 2023 study revealed that Buncombe County ranked third for small business income and eighth for small business returns in North Carolina—proving that Asheville's unique retail community, filled with eclectic small businesses, continues to thrive.

The city has seen growth in taxable retail sales and a surge in demand for retail stores, with a mix of larger retail developments and a thriving small business community shaping the retail landscape. As we look ahead to 2024, we anticipate continued growth and evolution in Asheville's business landscape. We remain committed to supporting the local businesses that make Asheville unique and look forward to seeing more success stories in the coming year.

PROPERTIES SOLD



Featured Listing

101 Fair Oaks Road
\$3,700,000

A 26,364 square foot light industrial property ideally located near major traffic routes. This facility boasts 3-phase electrical service, approximately 2,600 square feet of office space with a luxurious reception area, and a vast 23,750-square-foot warehouse with ceiling heights ranging from 11.5 to 15.5 feet. Additional features include 1 dock high and 3 drive-in/roll-up doors, 2 overhead cranes, fully conditioned areas, 5 bathrooms, 2 breakrooms, 61 parking stalls, and a 16-camera security system. As an added bonus, there is an option to acquire a 1,250-square-foot, 3 bedroom, 2.5 bathroom single-family home with a full basement for an additional \$427,000.



COMMERCIAL LEASE ACTIVITY | QUARTER FOUR 2023

INDUSTRIAL LEASES **22**▲

2022: 12

VACANCY RATE
2022: 3.2% **3.3%**▲

OFFICE LEASES **32**▼

2022: 45

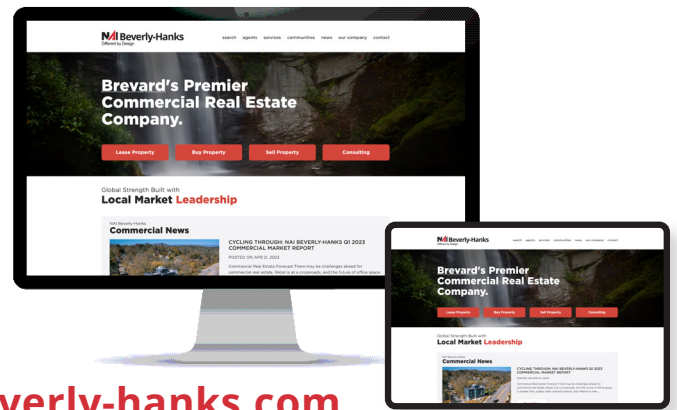
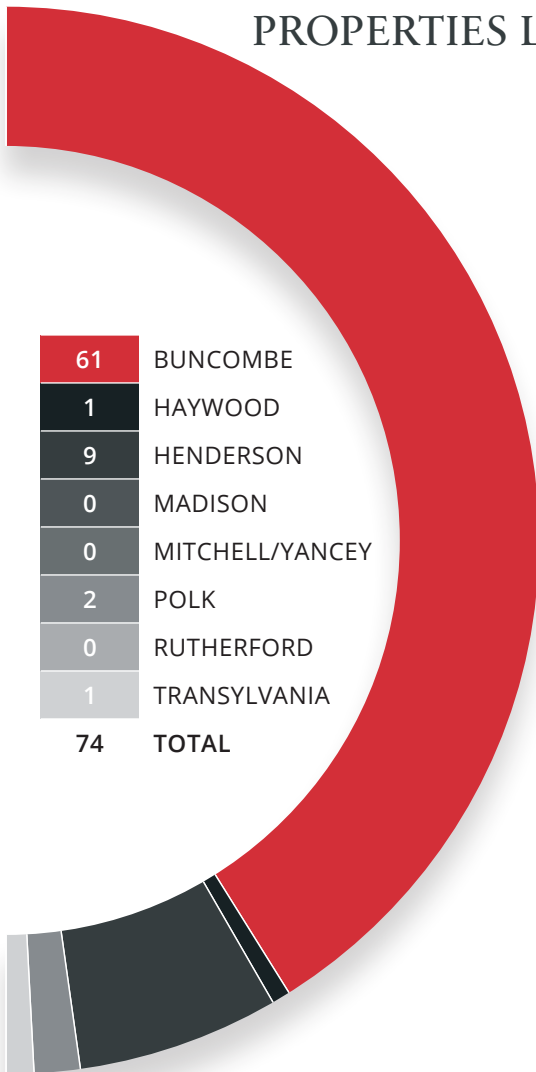
VACANCY RATE
2022: 2.7% **2.5%**▼

RETAIL LEASES **36**▼

2022: 34

VACANCY RATE
2022: 1.6% **1.5%**▼

PROPERTIES LEASED



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

Notable Transaction

3732 Soco Road
\$900,000



Exceptional commercial building offering a myriad of possibilities, set on 1.45 acres in Maggie Valley in the beautiful Great Smoky Mountains. The main level spans approximately 9,000 square feet and was formerly a thriving distillery, presenting a unique opportunity for various business ventures. The space features a welcoming retail/lobby area, ADA-compliant restrooms, three upper-level offices, expansive storage areas, an impressive entertainment stage, a reinforced concrete foundation with a prefab roof truss system, an 800-gallon distillery, and over 66 parking spaces.

ASHEVILLE METROPOLITAN STATISTICS

(Buncombe, Haywood, Henderson, and Madison Counties)

EMPLOYMENT DISTRIBUTION BY INDUSTRY:

Population 476,072



Labor Force 244,142



Average Commute 23.3 min



Average Household Income \$81,132



NC Individual Income Tax Rate 4.75%



Current Sales & Use Tax by County

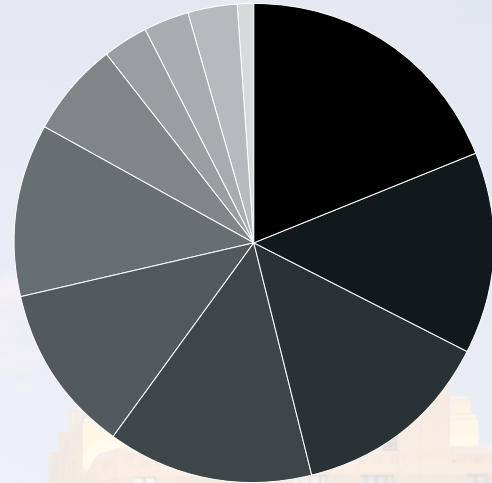
Buncombe 7.00% Haywood 7.00%
Henderson 6.75% Madison 7.00%

Cost of Living Index

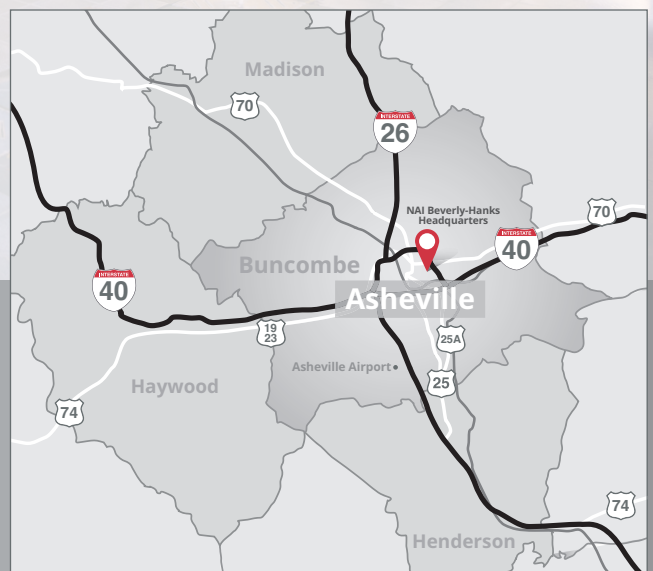
Buncombe, Haywood, Henderson,
and Madison Counties



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



Health Services and Education	18%
Government (federal, state, & local)	12%
Retail Trade	13%
Leisure and Hospitality	16%
Manufacturing	11%
Professional and Business Services	10%
Construction, Mining, and Logging	5%
Financial Activities	3%
Transportation and Utilities	3%
Wholesale Trade	3%
Information	1%



Rankings

Asheville ranked #3 on “The South’s Best Cities” — Southernliving.com, 2023

Asheville ranked #10 on the list of “Best Food Destinations in the U.S.” — Tripadvisor.com, 2023

Asheville named one of the Top 50 Small Cities to Start a Business — WalletHub.com, 2023