

QUARTERLY MARKET REPORT



QUARTER ONE **2026**

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COMMERCIAL INSIGHTS

The first quarter of 2026 has begun to validate what we were hoping for at the close of last year: a gradual but meaningful return to “business as usual.” While the phrase may seem unassuming, in today’s market, it shows a steadying of activity across our commercial real estate landscape.

After a prolonged period where many transactions were driven by displacement and recovery needs following Hurricane Helene and subsequent disruptions, we are now seeing a more typical mix of tenant expansion, new business formation, and planned relocations. Local and regional clients and investors are once again trending toward making forward-looking decisions rather than reactive ones.

Retail and restaurant users continue to lead much of the momentum. We’ve seen Gemelli, a popular Italian eatery, has moved from its location in Westgate Plaza to the former home of Aandaz in Biltmore Village. Baba Nahm has expanded to a second location in the S&W Cafeteria, and most recently, The Scheffer Group, the culinary group behind Vinnie’s, Jettie Rae’s Oyster House, and Gan Shan, is launching a new Chinese-American eatery on Merrimon Avenue called The Majestic.

The reopening and reshuffling that characterized much of 2025 have given way to more stable occupancy patterns, with several second-generation

spaces being absorbed more quickly than in previous quarters. This is a positive signal for those who weathered extended vacancies last year.

We are also seeing encouraging movement in the small-to-mid industrial segment. Local businesses—many of which adapted operations during the past year—are now seeking more efficient or permanent space solutions. While larger institutional activity remains hampered by broader financial and economic conditions, the backbone of the WNC market—locally driven enterprise—continues to show resilience and progression.

While noting this stream of new concepts and businesses entering the market early this year, there have been some consolidations as investors and businesses improve their footprints. This balance is typical of a stabilizing market and shows a healthier overall environment.

Tourism, while not fully normalized, has shown early signs of improvement compared to the same period last year. This has had a direct impact on downtown foot traffic and leasing confidence, both of which are critical to our market.

In short, Q1 2026 has not been without challenges—but it has reintroduced a sense of rhythm to the market. For many in commercial real estate, a return to predictability is very welcome. It signals a positive outlook as we enter the warmer months and peak tourist season for our region.

6 INDUSTRIAL
TRANSACTIONS
FOR

\$11.8M ▼

2025: \$15.4M

20 OFFICE
TRANSACTIONS
FOR

\$12.9M ▼

2025: \$22.3M

29 RETAIL
TRANSACTIONS
FOR

\$59M ▲

2025: \$43.2M

6 MULTI-FAMILY
TRANSACTIONS
FOR

\$13.3M ▲

2025: \$3.5M

9 LAND
TRANSACTIONS
FOR

\$20.5M ▼

2025: \$41.2M



FEATURED LISTING

615 BILTMORE AVENUE, ASHEVILLE | \$1,850,000 | MLS# 4366733

Listed by Karl Nelson, CCIM & Jane Brody

A rare 8-unit investment opportunity in the sought-after Beverly Condominiums. This portfolio includes six 1BR/1BA units and two 2BR/2BA units, providing a strong unit mix to support consistent rental demand. Ideally located with excellent walkability to shopping, dining, and Mission Hospital, and just minutes to downtown Asheville and Biltmore Village. The community is quiet and well-maintained, appealing to long-term tenants seeking a peaceful residential setting. Each unit offers a low-maintenance, lock-and-go lifestyle, making ownership streamlined and efficient. A compelling opportunity to acquire scale in a proven Asheville location with enduring rental appeal.



INDUSTRIAL



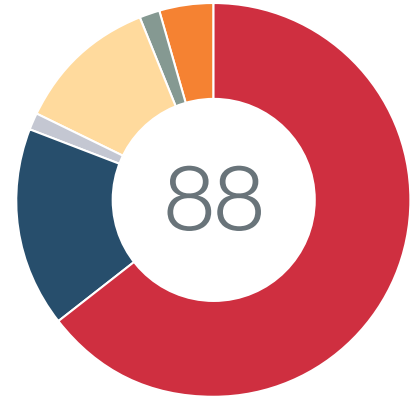
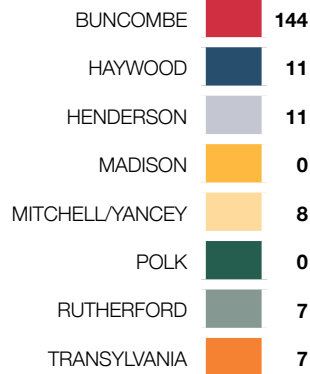
OFFICE



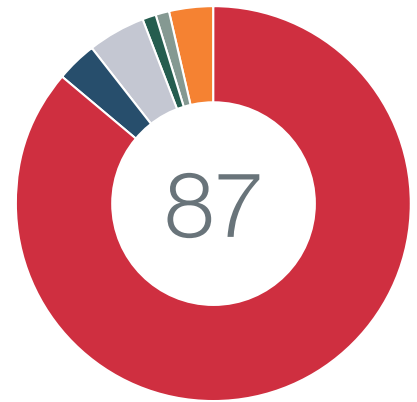
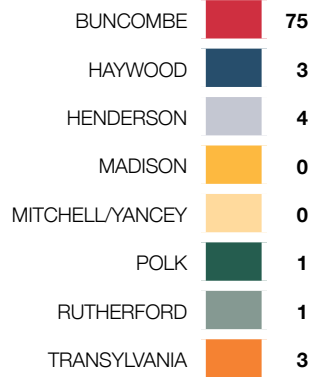
RETAIL



PROPERTIES SOLD



PROPERTIES LEASED



All chart information represents 2026 data as provided by CoStar for the 9-county region.



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NOTABLE TRANSACTION

99999 BROADWAY ST, ASHEVILLE | CLOSED FOR \$9,000,000 | MLS# 4219218

Listed by Jim Davis, SIOR
 Sold by Chris Mansfield, Member Associate, Society of Industrial and Office Realtors®

A portfolio of nine parcels and seven buildings totaling 53,909 square feet was a rare large-scale vacancy in downtown Asheville's urban core. Formerly home to Moog Music operations until the company's relocation in 2023, this 1.77-acre property in Asheville became home to businesses displaced by Hurricane Helene, including an art studio and gallery housing more than 30 artists, as well as multiple other local businesses. NAI Beverly-Hanks agents represented both sides of the transaction on this investment opportunity.



Population 422,345



Labor Force 202,335



Average Commute 23.6 min



Average Household Income \$81,604



NC Individual Income Tax Rate 4.50%

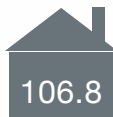


Sales & Use Tax by County

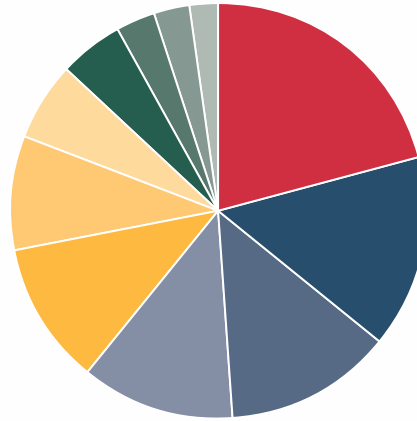
- Buncombe 7.00%
- Haywood 7.00%
- Henderson 6.75%
- Madison 7.00%

Cost of Living Index

Buncombe, Haywood, Henderson, and Madison Counties



Employment Distribution



Health Services and Education	21%
Leisure and Hospitality	15%
Government (federal, state, & local)	13%
Retail Trade	12%
Professional and Business Services	11%
Manufacturing	9%
Construction, Mining, and Logging	6%
Financial Activities	5%
Transportation and Utilities	3%
Wholesale Trade	3%
Information	2%

ASHEVILLE MSA STATISTICS

Data Provided by Census Reporter, US Bureau of Labor Statistics, The Asheville Chamber Of Commerce, and NC Department of Revenue (For Buncombe, Haywood, Henderson, and Madison Counties).

Asheville's River Arts District awarded the #1 Best Arts District in the U.S.

— USA Today, 2026

Asheville placed 4th on the list of "The 10 Best U.S. Mountain Towns to Live in Year-round."

— Travel + Leisure, 2026

Asheville topped the list of "The Top Small US Cities for Food and Drink"

— Food & Wine, 2025

NAI Beverly-Hanks

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