

QUARTERLY MARKET REPORT



QUARTER THREE **2026**

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COMMERCIAL INSIGHTS

The third quarter of 2026 reflected a Western North Carolina commercial real estate market defined by curated property selections, strategic long-term positioning, and resilient underlying fundamentals. While regional transaction volume adjusted from previous years, occupancy and demand across core sectors show sustained momentum. Marking the two-year milestone since Hurricane Helene, the quarter's overarching narrative continues to shift away from recovery on to responsible redevelopment, adaptive reuse, and future-driven investment across the surrounding Western North Carolina mountain communities.

Retail remains the foundation of our regional market strength, maintaining an exceptionally tight 1.3% vacancy rate. Despite fewer lease signings and lower sales volume across 30 closed transactions, high-demand commercial corridors continue to absorb quality second-generation space. Biltmore Village provides a clear indicator of this vitality, with approximately 70% of storefronts and office spaces reoccupied after Hurricane Helene. Kara Irani, director of the Historic Biltmore Village Association, recently commented, "It feels like Biltmore Village is in its comeback era." This enduring demand is anchored by Western North Carolina's reputation for food, beverage, art, and outdoor culture.

The regional office sector demonstrated steady local demand. While wider macroeconomic conditions and financing costs continue to temper large-scale national institutional transactions, Western North Carolina's office

landscape remains insulated by the practical business needs of regional employers, healthcare providers, and professional service firms. Rather than pursuing speculative expansions, local businesses are focusing on location-driven, flexible office environments that provide stability and long-term convenience for employees and clients alike.

Industrial activity moved toward broader rebalancing, ending the quarter with a 6.1% vacancy rate across 7 lease transactions and 6 property sales totaling \$6.3M. In contrast, land transactions grew, generating \$20.9M in sales volume. This increase in land acquisition highlights a shift toward selective site selection and creative land-use planning. Notably, in the River Arts District, groups like the RADA Foundation are advancing plans for a 36,000-square-foot creative campus situated uphill and outside the floodplain. Coupled with recent municipal land-use updates that allow duplexes and accessory dwelling units, regional developers are actively laying the groundwork for sustainable growth.

As Western North Carolina moves into the final quarter of 2026, the commercial real estate environment continues to reward disciplined decision-making and deep local market perspective. With vacancy tight in essential retail corridors, strategic land development underway, and a shared regional commitment to resilient design, property owners, tenants, and investors remain well-positioned for evolving market opportunities.

**6 INDUSTRIAL
TRANSACTIONS**

FOR

\$6.3M ▼

2025: \$35.2M

**11 OFFICE
TRANSACTIONS**

FOR

\$8.2M ▼

2025: \$20.5M

**30 RETAIL
TRANSACTIONS**

FOR

\$36.3M ▼

2025: \$84.0M

**3 MULTI-FAMILY
TRANSACTIONS**

FOR

\$4.6M ▼

2025: \$126.1M

**9 LAND
TRANSACTIONS**

FOR

\$20.9M ▲

2025: \$15.5M



FEATURED LISTING

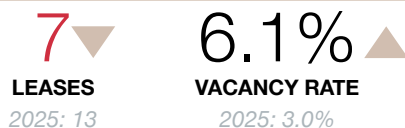
26 LODGE STREET, ASHEVILLE | \$1,795,000 | MLS#: 4427853

Listed by Rick Tisdale

26 Lodge Street offers a rare opportunity to acquire one of Biltmore Village's most distinctive commercial properties. Originally constructed as the Biltmore-Oteen Bank, the building is listed on the National Register of Historic Places. Its scale, architectural presence, and established identity give the property a character that would be difficult to reproduce in modern construction. Its location in the heart of Biltmore Village, near the Biltmore Estate, which welcomes approximately 1.4 million visitors annually, further strengthens this opportunity. 26 Lodge Street benefits from a destination setting surrounded by established retailers, restaurants, and historic architecture.



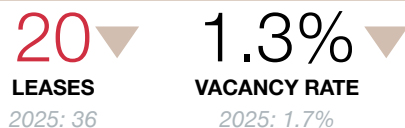
INDUSTRIAL



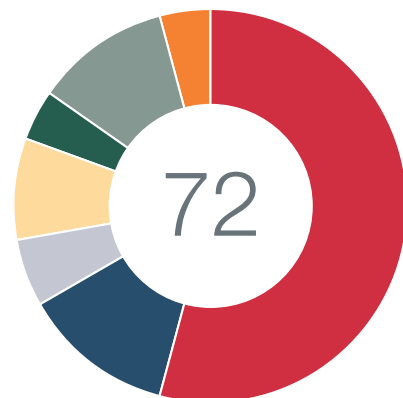
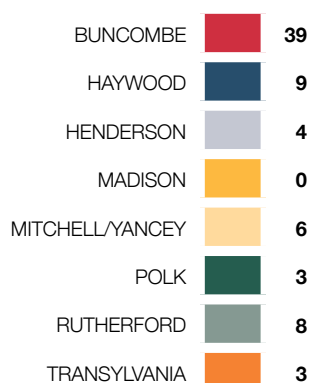
OFFICE



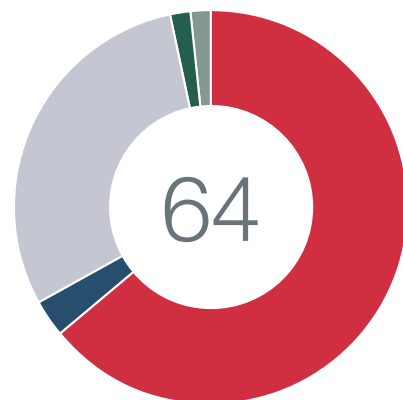
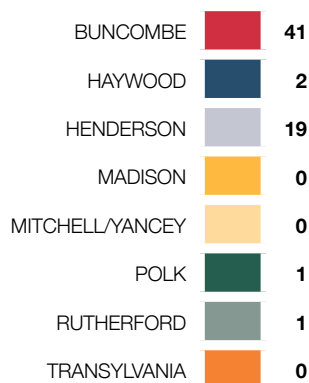
RETAIL



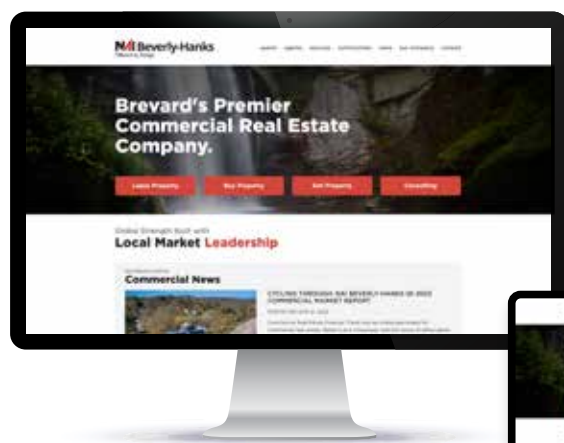
PROPERTIES SOLD



PROPERTIES LEASED



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



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NOTABLE TRANSACTION

220 CONTINUUM DRIVE, FLETCHER | CLOSED FOR \$6,300,000

Sold by Mark Morris, CCIM

This 31,620 SF corporate facility sold with extensive renovations and infrastructure designed to support a range of business operations. The single-level building features a climate-controlled server room with high-speed fiber connectivity and redundant backup generators, plus three loading docks, automated lighting, and multi-zone HVAC. Private, partitioned offices provided a flexible workplace layout, with additional amenities including a staff dining area, fitness room, showers, executive boardrooms, and multiple conference rooms. The property's layout and technology infrastructure offered potential for corporate offices, research and development, medical operations, or coworking conversion.



Population 422,345



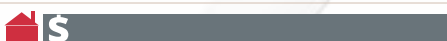
Labor Force 202,335



Average Commute 23.6 min



Average Household Income \$81,604



NC Individual Income Tax Rate 4.50%

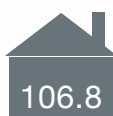


Sales & Use Tax by County

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

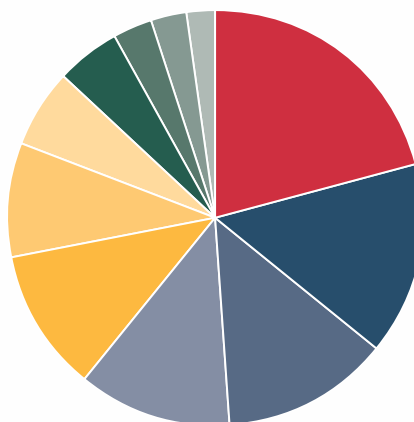
Cost of Living Index

Buncombe, Haywood, Henderson, and Madison Counties



106.8

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%

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 MSA STATISTICS

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

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