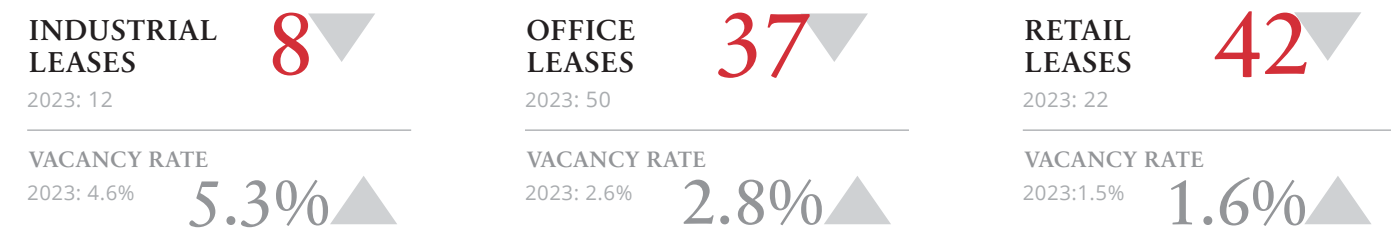
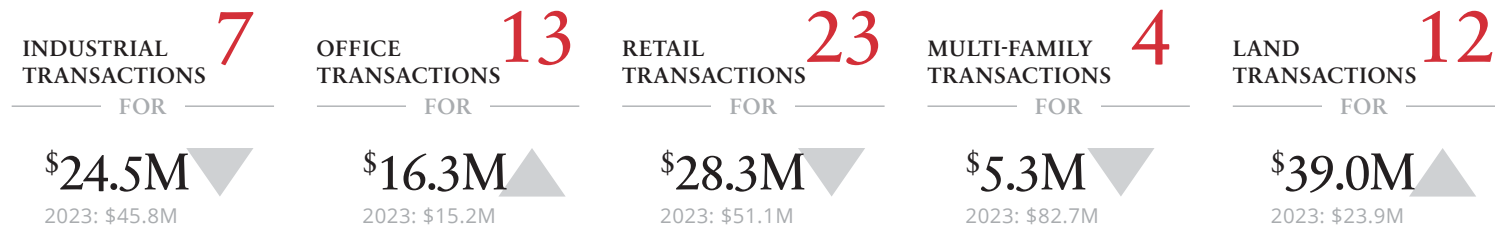


NAI Beverly-Hanks
Commercial Real Estate Services, Worldwide.

MARKET REPORT

QUARTER TWO 2024





COMMERCIAL INSIGHTS

The commercial real estate market in Asheville, North Carolina, is experiencing significant growth and transformation, particularly in the multi-family sector. The apartment pipeline in Asheville has reached new heights, with nearly 3,000 units currently under construction, according to CoStar data. This marks a substantial increase from the previous decade's average of 1,200 units annually, with the past four years seeing a 45% jump to an average of 1,700 units under construction. Central Asheville, including Downtown and West Asheville, has been the primary focus of new developments. The surge in construction activity is indicating a robust pipeline for the coming 6–12 months.

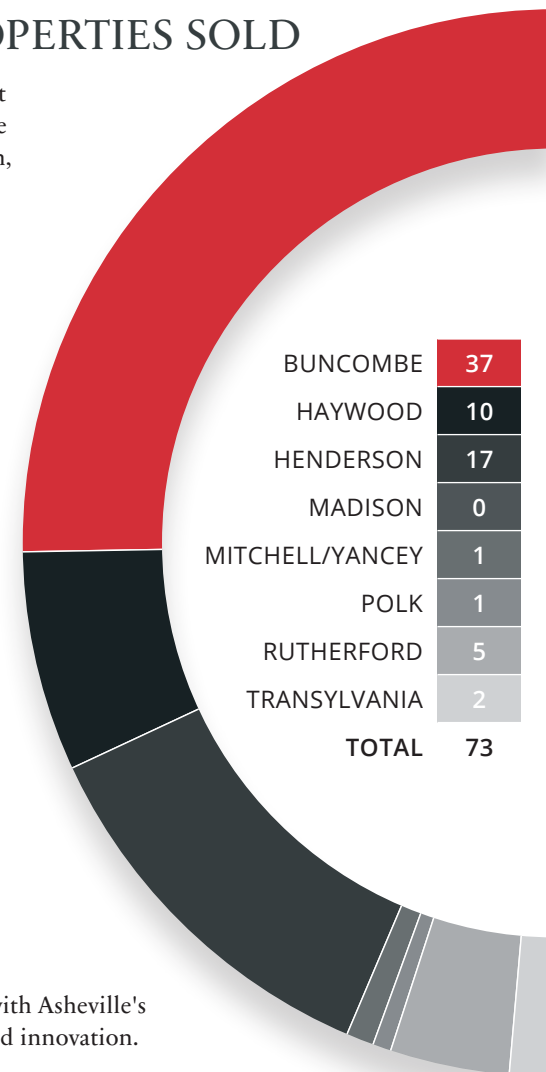
This boom in apartment construction is driven by increased demand for housing in the Southeast since 2020, with Asheville benefiting from favorable demographic trends and population growth outpacing the national average. According to CoStar forecasts, more than 800 units are expected to be completed this year, with nearly 1,600 units slated for completion in 2025. A slowdown in completions is anticipated after 2025, which may lead to more stable market conditions.

In the retail sector, Asheville continues to attract new businesses, including plant-based options. Romeo's Vegan Burgers, a popular vegan burger chain, is coming to Asheville and is set to open its third location at 640 Merrimon Avenue, Ste. 203, in Asheville. This addition will further diversify the city's culinary scene and cater to the growing demand for plant-based dining options.

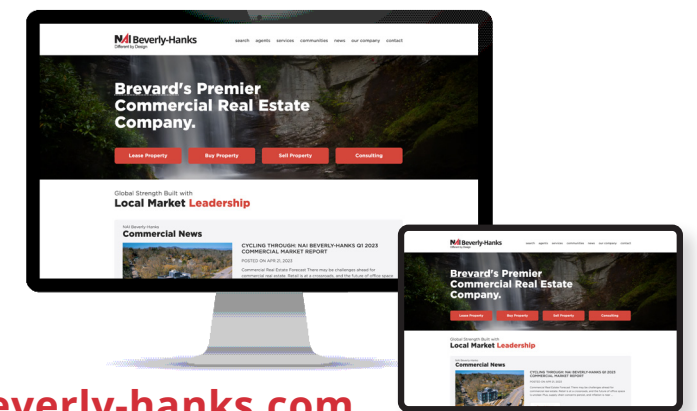
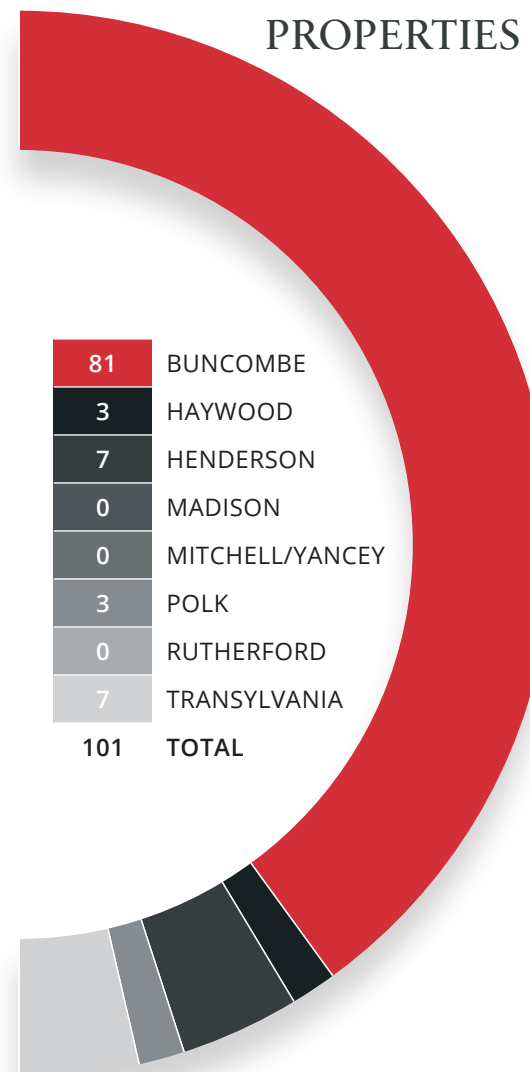
On a broader scale, the retail market has emerged as the top-performing asset class among the four leading property types, according to Marcus & Millichap's first-quarter analysis. Multi-tenant retail space absorption reached 1.4 million square feet in the first quarter, with positive absorption observed in more than half of the major markets across the nation. The industrial real estate sector, while experiencing robust demand driven by e-commerce growth and supply chain needs, faces challenges in keeping pace with development. Factors such as rising construction costs and limited warehouse space are contributing to the gap between supply and demand in this sector.

While challenges exist, the overall outlook for commercial real estate remains optimistic, with Asheville's booming market serving as a microcosm of the broader industry's potential for growth and innovation.

PROPERTIES SOLD



PROPERTIES LEASED



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Featured Listing

38 Battery Park Avenue, Asheville, NC
\$3,800,000

Discover a stunning three-level mixed-use property in the heart of Asheville's vibrant downtown Grove Arcade district. This 13,400 SF concrete and steel building offers versatile space with dual street-level access points. Ideally situated among the city's finest hotels, restaurants, and craft retailers, it's just steps away from the historic Grove Arcade, Cambria Hotel, public parking, and the federal building. Tenant mix includes two retail spaces on Battery Park Avenue, one retail space on Wall Street, a luxurious second-floor apartment overlooking Wall Street, and a third-floor conjoined live/work unit. This gem can easily be converted to single-use or maintained as a multi-use property.



Notable Transaction

220 Merrimon Avenue, Weaverville, NC
\$5,800,000

Our agents Karl and Jim just closed on this 115,000 SF manufacturing space. The property includes a recently resurfaced parking lot and driveway, updated LED lighting on the interior, recently replaced roof, a total of eight dock doors and one drive-in, updated rooftop heating and cooling systems, and numerous overhead crane systems throughout the building. This was not your typical investment property—it was 75% leased, 25% vacant—but they found the perfect buyer ready to use the vacant space and grow on site.



All chart information represents 2024 data as provided by CoStar for the 9-county region.

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

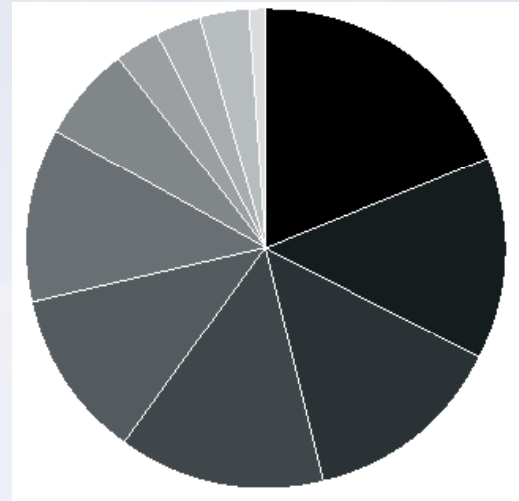
Buncombe 7.00% Haywood 7.00%
Henderson 6.75% Madison 7.00%

Cost of Living Index

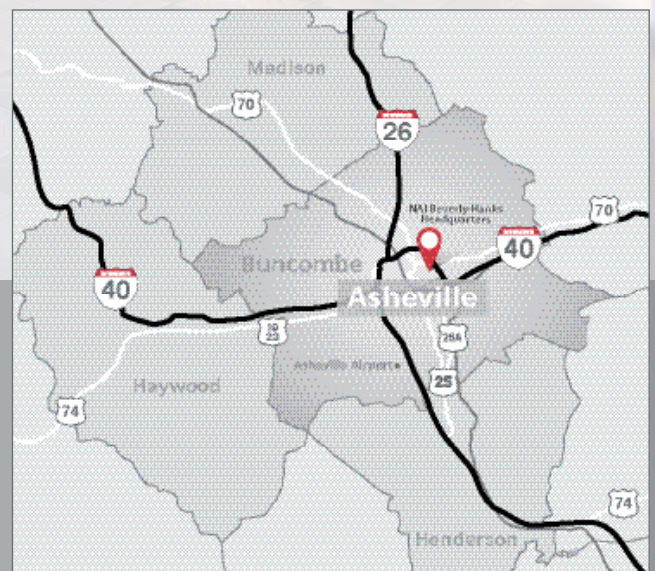
Buncombe, Haywood, Henderson,
and Madison Counties



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