

NAI Beverly-Hanks
Commercial Real Estate Services, Worldwide.

MARKET REPORT

YEAR END 2024



INDUSTRIAL TRANSACTIONS **11**

FOR
\$28.3M ▲
2023: \$16.8M

OFFICE TRANSACTIONS **9**

FOR
\$15M ▼
2023: \$21.7M

RETAIL TRANSACTIONS **28**

FOR
\$41.8M ▼
2023: \$105M

MULTI-FAMILY TRANSACTIONS **10**

FOR
\$41.9M ▲
2023: \$33M

LAND TRANSACTIONS **9**

FOR
\$23.2M ▲
2023: \$21.8M

INDUSTRIAL LEASES **23** ▼
2023: 25

VACANCY RATE **3.2%** ◀▶
2023: 3.2%

OFFICE LEASES **35** ▼
2023: 37

VACANCY RATE **2.5%** ▼
2023: 2.6%

RETAIL LEASES **33** ▼
2023: 40

VACANCY RATE **1.5%** ▼
2023: 1.6%

COMMERCIAL INSIGHTS

As we predicted, 2024 was certainly a year of change and growth across Asheville MSA's commercial real estate market. The first quarter saw the opening of several boutique hotels in historic buildings, as well as strides toward additional affordable development. By the middle of the year, our local multi-family sector was soaring. The retail market emerged as the top-performing asset class in the country, a trend reflected in a number of new Asheville restaurants slated to open in the fall.

However, this time last year, it was impossible to predict the degree of changes brought about by Hurricane Helene in late September. Tourism was a \$3 billion industry in Buncombe County, amounting to 20% of the county's GDP. In fact, visitors supported \$1 billion in local wages in 2023. During the last quarter of 2024, a significant portion of that revenue dried up.

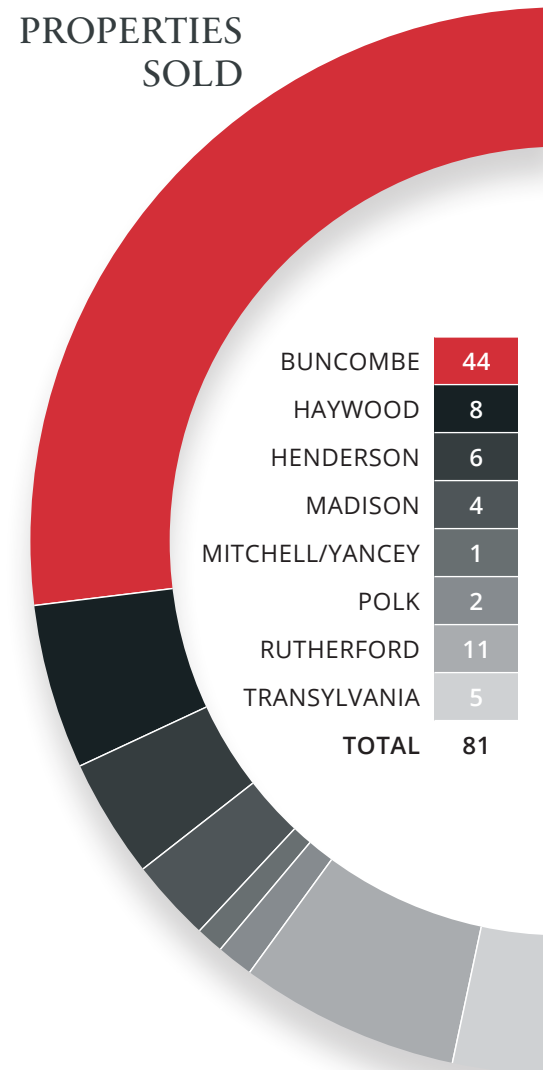
According to state officials, the storm damaged more than 73,000 homes and caused nearly \$2.4 billion in damage to commercial and nonprofit buildings—not to mention damage to infrastructure and farm land. Up to 80% of the buildings in Asheville's bustling River Arts District were damaged. This caused immediate catastrophic effects to the local economy. Even though many neighborhoods have been bouncing back in recent weeks, those effects are far from resolved. Local businesses are projected to lose \$585 million in visitor spending alone during the first quarter of 2025.

In more inspiring news, the storm encouraged locals across WNC to reinvest in community and infrastructure. In Asheville, voters approved \$80 million in General Obligation Bond Referendums for various improvements, including \$20 million for affordable housing. The funds will be prioritized to make investments in affordable homes, support homeownership through home repair grants and/or downpayment assistance, and purchase land and existing homes for future affordable housing.

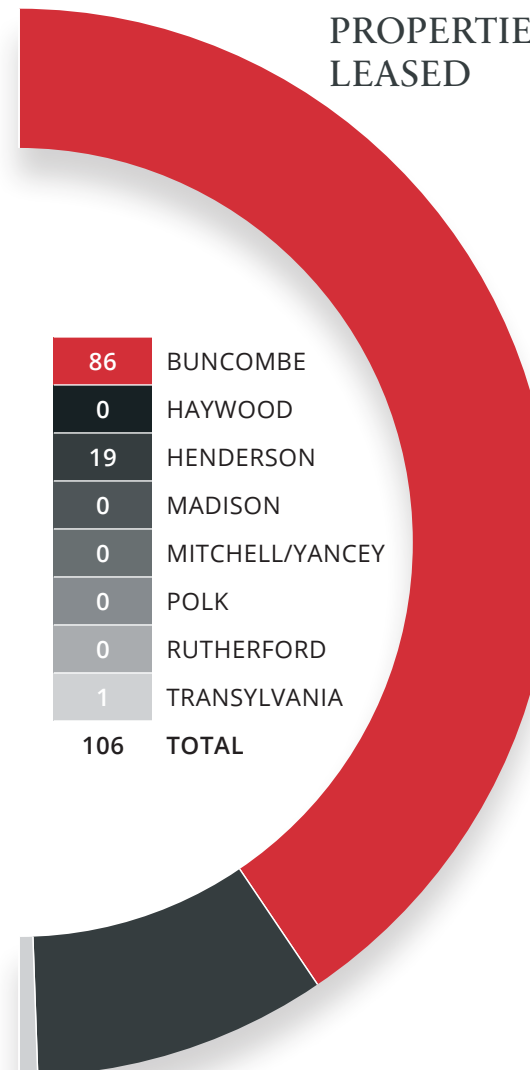
Prior to the storm, demand for commercial real estate remained high across all space types, indicating a strong business community and continued growth. We expect these trends to continue, albeit with a few stops and spurts. 2025 will certainly be a challenging year for many small businesses, particularly those who rely on tourism income.

With the effects of the storm still fresh in many minds, it remains to be seen how long it will take our economy to recover to pre-storm vitality. One thing we do know: Despite the storm's devastating impact, our region's resilience shines through. Our economy will rebuild, powered by the unwavering spirit of our hard-working community.

PROPERTIES SOLD



PROPERTIES LEASED



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



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Explore listings, market insights, and access to our experienced team of commercial agents.

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Featured Listing

3100 NC Highway 226 Highway S, Marion, NC \$1,950,000

Listed by Karl Nelson and Mark Morris

Discover a prime investment opportunity: a strategically located industrial property with two tenants, anchored by a credit tenant, offering reliable cash flow. Situated at Exit 86 on I-40, this 24,800 sq. ft. flex space sits on 2.94 acres with 710 feet of road frontage along Highway 226. The property features 2,000 sq. ft. of office space, dock and drive-in access, 6 roll-up doors, 16 ft. ceilings, and a new TPO roof. Located in a high-traffic area with 32,000 daily vehicles, the property is surrounded by national credit tenants and major employers like Baxter and Smurfit Westrock.



Notable Transaction

1366 S Main Street, Waynesville, NC \$790,000

Listed and sold by Catherine Proben

A historic Waynesville property designed by renowned architect Richard Sharp Smith, known for his work on the Biltmore Estate. This meticulously renovated 5-bedroom, 5.5-bath residence seamlessly blends charm with modern amenities. This property features original oak wainscoting, wood floors, and built-ins, complemented by high ceilings and abundant natural light. Updates include a custom kitchen with granite countertops and a coffee bar. Offering seasonal mountain and city views, this centrally located and versatile property combines the allure of a convenient escape with proximity to local attractions.

ASHEVILLE METROPOLITAN STATISTICS

(Buncombe, Haywood, Henderson, and Madison Counties)

EMPLOYMENT DISTRIBUTION BY INDUSTRY:

Population 469,484



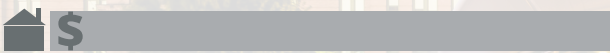
Labor Force 243,600



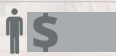
Average Commute 21.2 min



Average Household Income \$89,513



NC Individual Income Tax Rate 4.50%



Current Sales & Use Tax by County

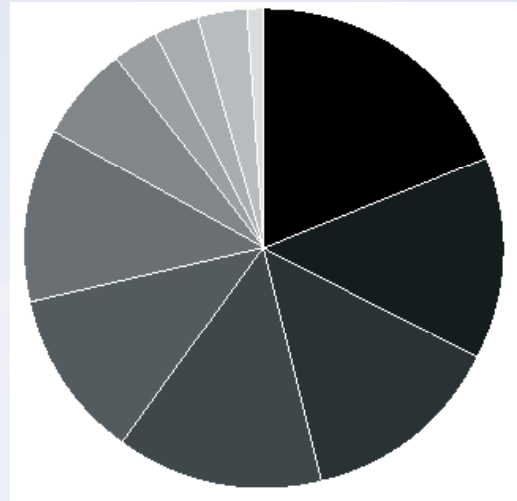
Buncombe 7.00% Haywood 7.00%
Henderson 6.75% Madison 7.00%

Cost of Living Index

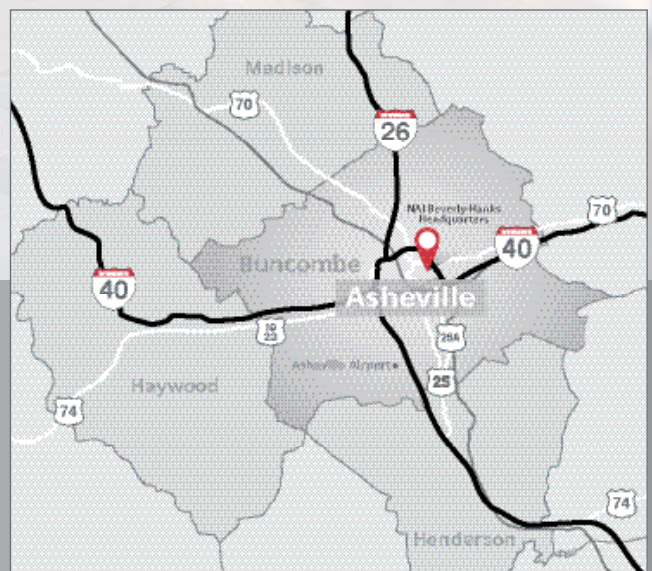
Buncombe, Haywood, Henderson,
and Madison Counties



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



Health Services and Education	19%
Government (federal, state, & local)	13%
Retail Trade	13%
Leisure and Hospitality	14%
Manufacturing	10%
Professional and Business Services	10%
Construction, Mining, and Logging	5%
Financial Activities	4%
Transportation and Utilities	3%
Wholesale Trade	3%
Information	1%



Rankings

Asheville ranked #1 on “The Top 100 Cities for a Career Switch” — CareerMinds.com, 2024

Asheville ranked #17 on the “Top 25 Places to Live in the U.S. in 2024-2025” — U.S. News and World Report, 2024

Asheville ranked #5 on “The South’s Best Cities” — Southern Living, 2024

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