



Office Market Report

Asheville - NC USA

PREPARED BY

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OFFICE MARKET REPORT

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12 Mo Deliveries in SF

32K

12 Mo Net Absorption in SF

38K

Vacancy Rate

2.3%

Market Asking Rent Growth

1.7%

The Asheville office market has a vacancy rate of 2.3% as of the third quarter of 2025. Over the past year, the market's vacancy rate has changed by -0.07%, a result of no net delivered space and 38,000 SF of net absorption.

Asheville's vacancy rate of 2.3% compares to the market's five-year average of 2.8% and the 10-year average of 2.9%.

The Asheville office market has roughly 460,000 SF of space listed as available, for an availability rate of 3.3%. As of the third quarter of 2025, there is no office space under construction in Asheville. In comparison, the market has averaged 21,000 SF of under construction inventory over the past 10 years.

The Asheville office market contains roughly 14.0 million SF of inventory. The market has approximately 130,000 SF of 4 & 5 Star inventory, 6.1 million SF of 3 Star inventory, and 7.8 million SF of 1 & 2 Star inventory.

Market rents in Asheville are \$27.00/SF. Rents average around \$35.00/SF for 4 & 5 Star buildings, \$31.00/SF for 3 Star properties, and \$24.00/SF for 1 & 2 Star assets.

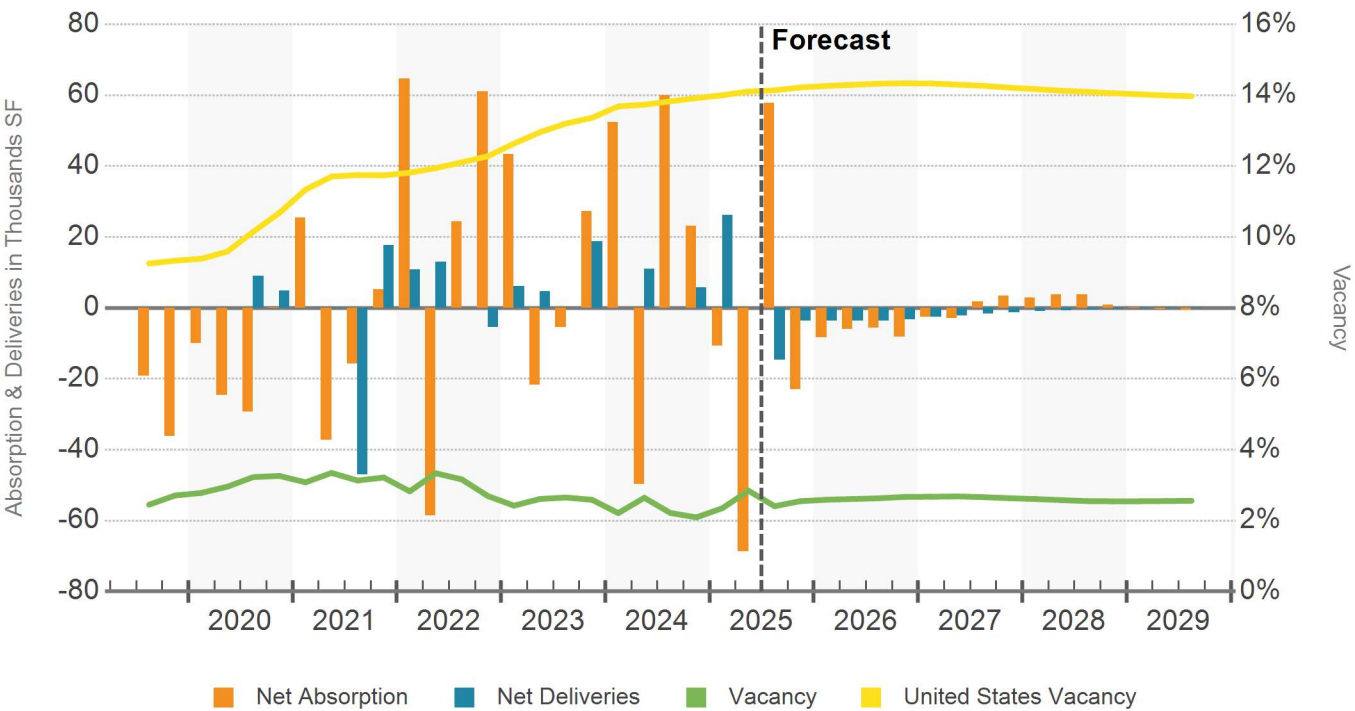
Rents have changed by 1.7% year over year in Asheville, compared to a change of 0.8% nationally. Market rents have changed by -3.5% in 4 & 5 Star buildings year over year, 2.0% in 3 Star buildings, and 1.5% in 1 & 2 Star buildings. In Asheville, five-year average annual rent growth is 4.2% and 10-year average annual rent growth is 3.5%.

KEY INDICATORS

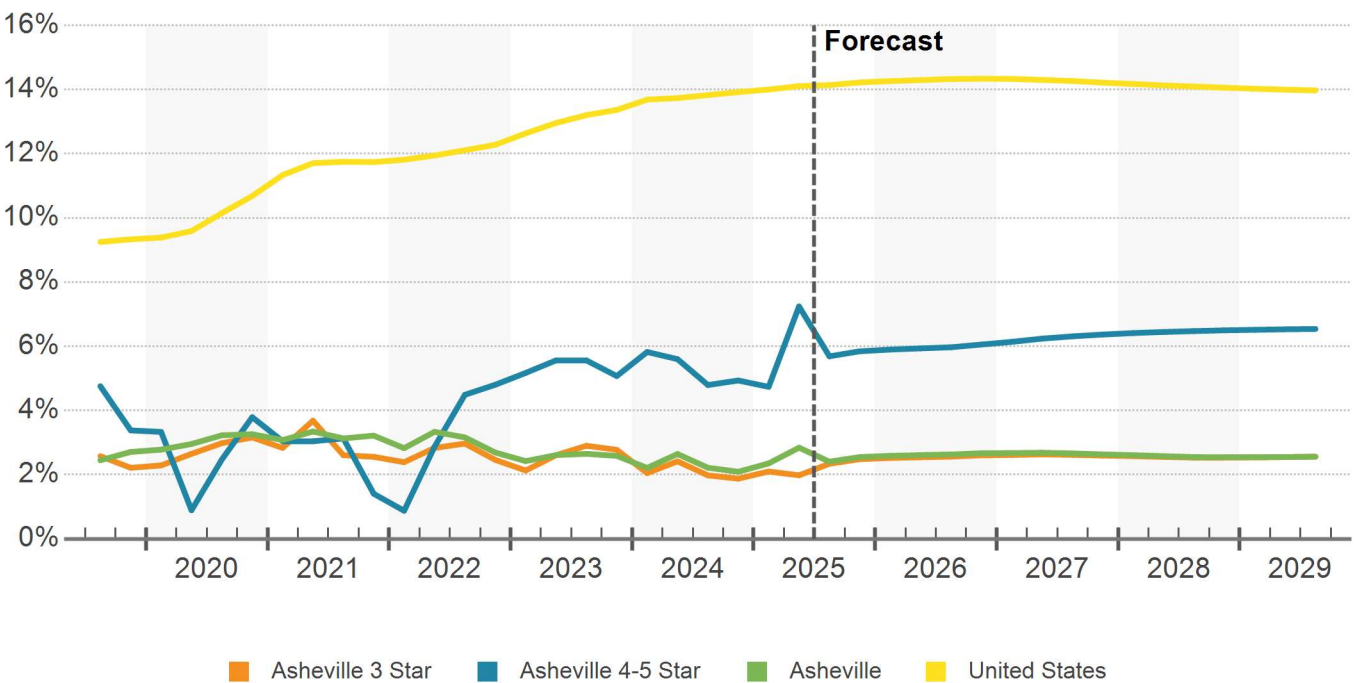
Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	130,428	5.5%	\$34.91	8.3%	2,241	0	0
3 Star	6,118,149	2.3%	\$30.54	3.4%	(22,050)	0	0
1 & 2 Star	7,774,657	2.3%	\$23.97	3.1%	87,552	0	0
Market	14,023,234	2.3%	\$26.94	3.3%	67,743	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	-0.1% (YOY)	5.1%	2.6%	9.6%	2010 Q3	1.9%	2018 Q3
Net Absorption SF	38K	112,635	(7,192)	560,795	2008 Q4	(148,760)	2007 Q4
Deliveries SF	32K	91,231	10,142	371,189	2010 Q1	0	2020 Q2
Market Asking Rent Growth	1.7%	1.5%	1.4%	10.3%	2021 Q4	-7.5%	2010 Q2
Sales Volume	\$75.7M	\$61.7M	N/A	\$161.7M	2022 Q2	\$8.6M	2010 Q2

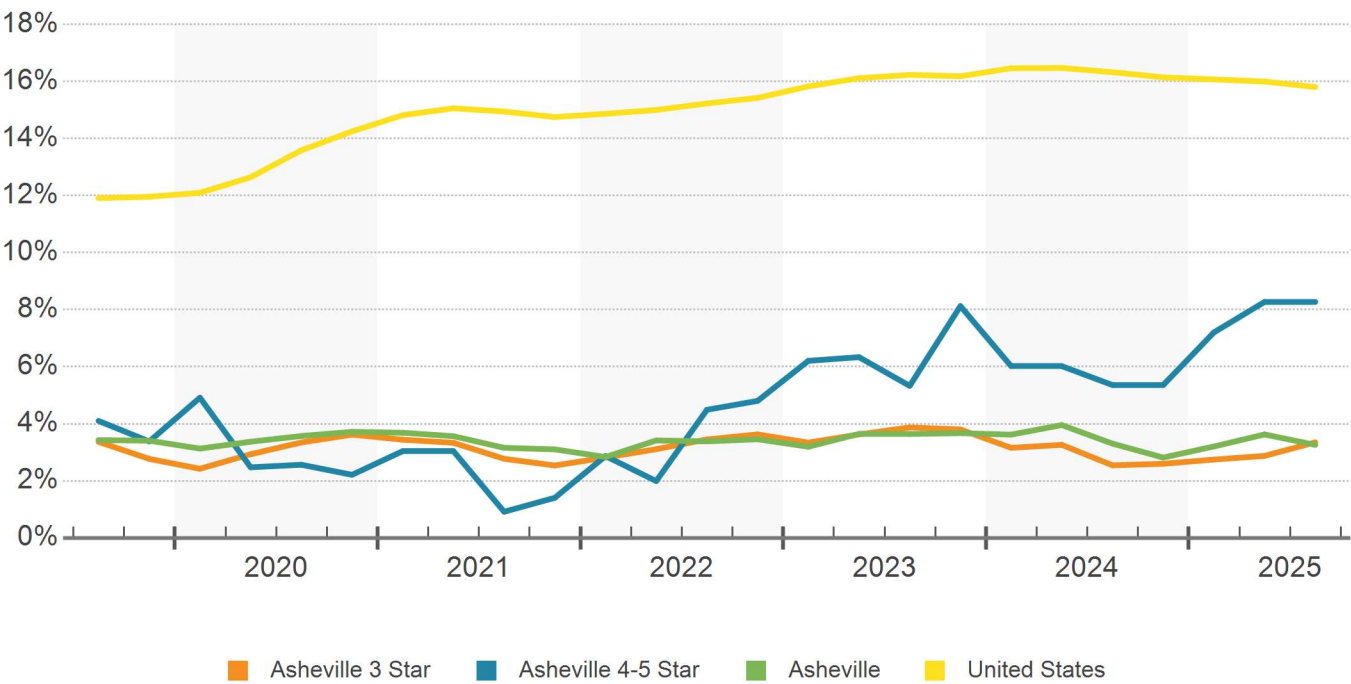
NET ABSORPTION, NET DELIVERIES & VACANCY



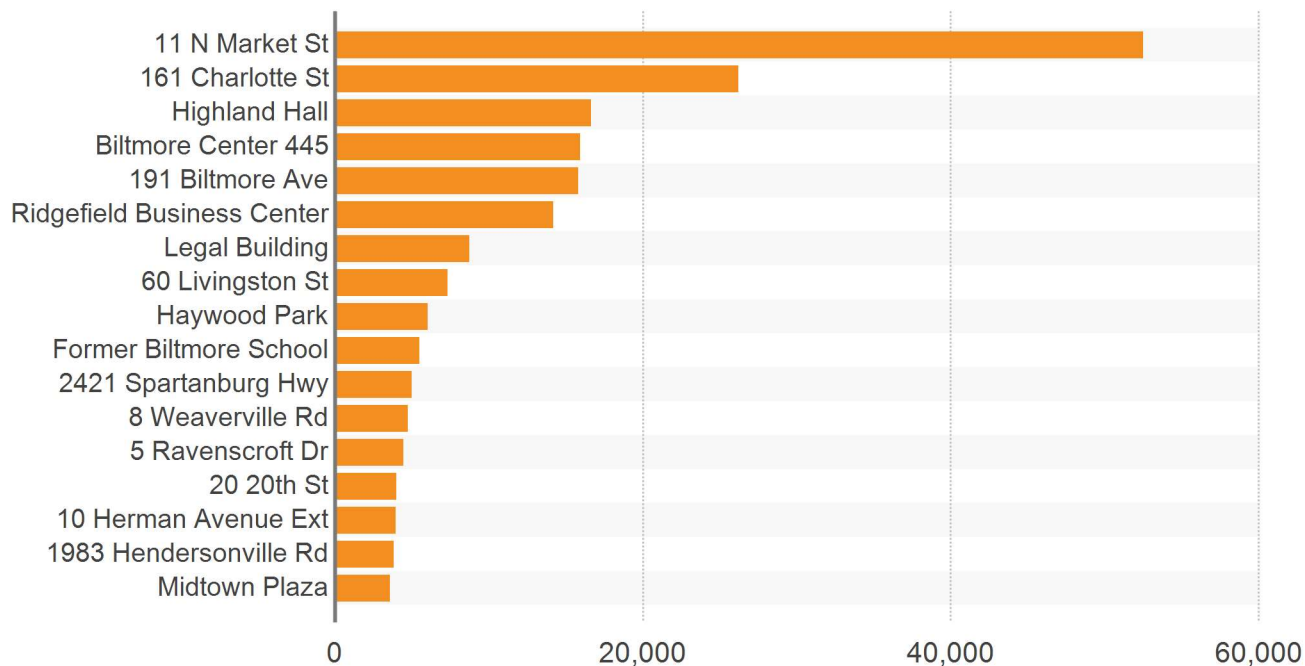
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



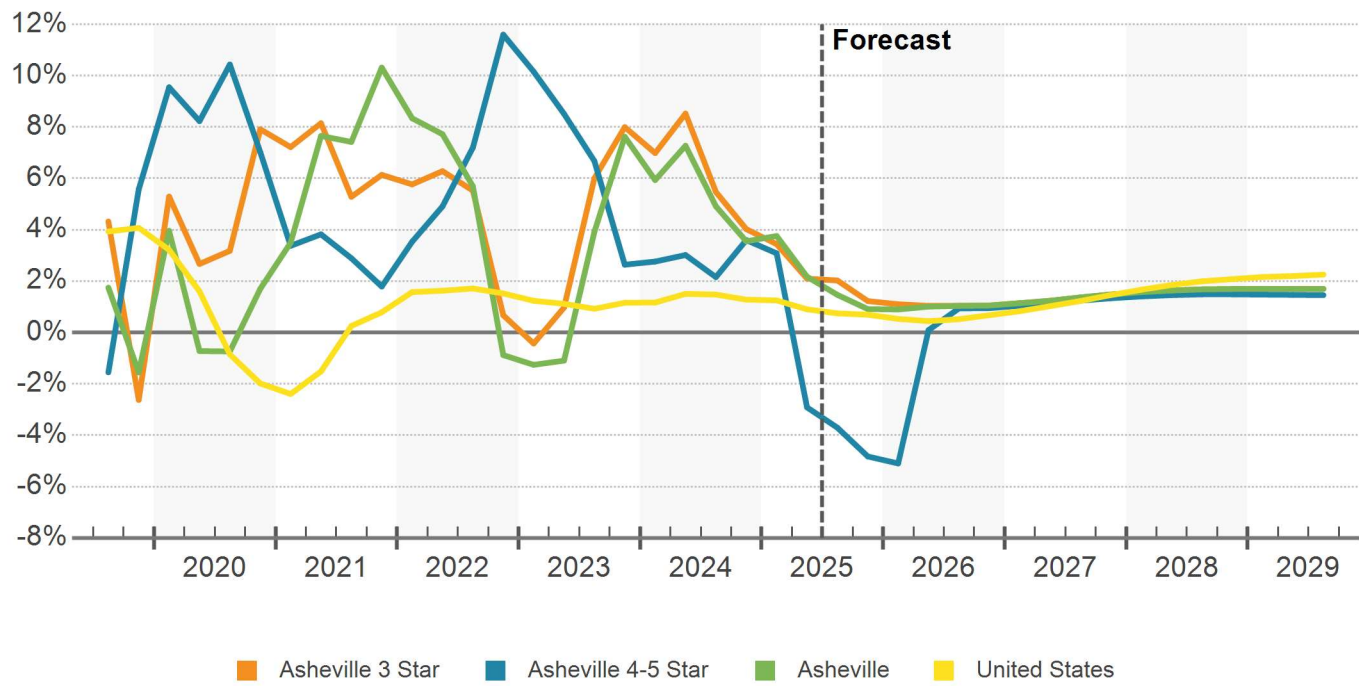
Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
11 N Market St	Downtown Asheville	52,505	0	0	0	52,505	0	52,505
161 Charlotte St	Central Asheville	26,196	0	26,196	0	0	0	26,196
Highland Hall	Central Asheville	16,636	0	0	0	0	0	16,636
Biltmore Center 445	Central Asheville	125,000	0	11,099	0	0	0	15,934
191 Biltmore Ave	Central Asheville	26,125	0	15,808	0	0	0	15,808
Ridgefield Business Center	Buncombe County	63,726	0	0	0	0	0	14,179
Legal Building	Downtown Asheville	31,110	549	0	0	0	0	8,733
60 Livingston St	Central Asheville	15,820	0	0	0	0	0	7,326
Haywood Park	Downtown Asheville	68,226	760	(89)	(412)	357	0	6,013
Former Biltmore School	S Asheville/Royal Pi...	55,575	0	0	0	5,483	0	5,483
2421 Spartanburg Hwy	Henderson County	12,246	0	0	0	0	0	5,012
8 Weaverville Rd	Buncombe County	5,800	1,075	0	0	0	0	4,725
5 Ravenscroft Dr	Central Asheville	12,981	0	0	0	0	0	4,435
20 20th St	West Asheville	8,942	0	0	0	0	0	3,985
10 Herman Avenue Ext	S Asheville/Royal Pi...	7,114	0	0	0	0	0	3,944
1983 Hendersonville Rd	S Asheville/Royal Pi...	8,542	0	0	0	0	0	3,807
Midtown Plaza	Central Asheville	21,900	0	0	3,746	0	0	3,562
Subtotal Primary Competitors		558,444	2,384	53,014	3,334	58,345	0	198,283
Remaining Asheville Market		13,464,790	326,028	(63,823)	(72,031)	9,398	0	(160,258)
Total Asheville Market		14,023,234	328,412	(10,809)	(68,697)	67,743	0	38,025

TOP OFFICE LEASES PAST 12 MONTHS

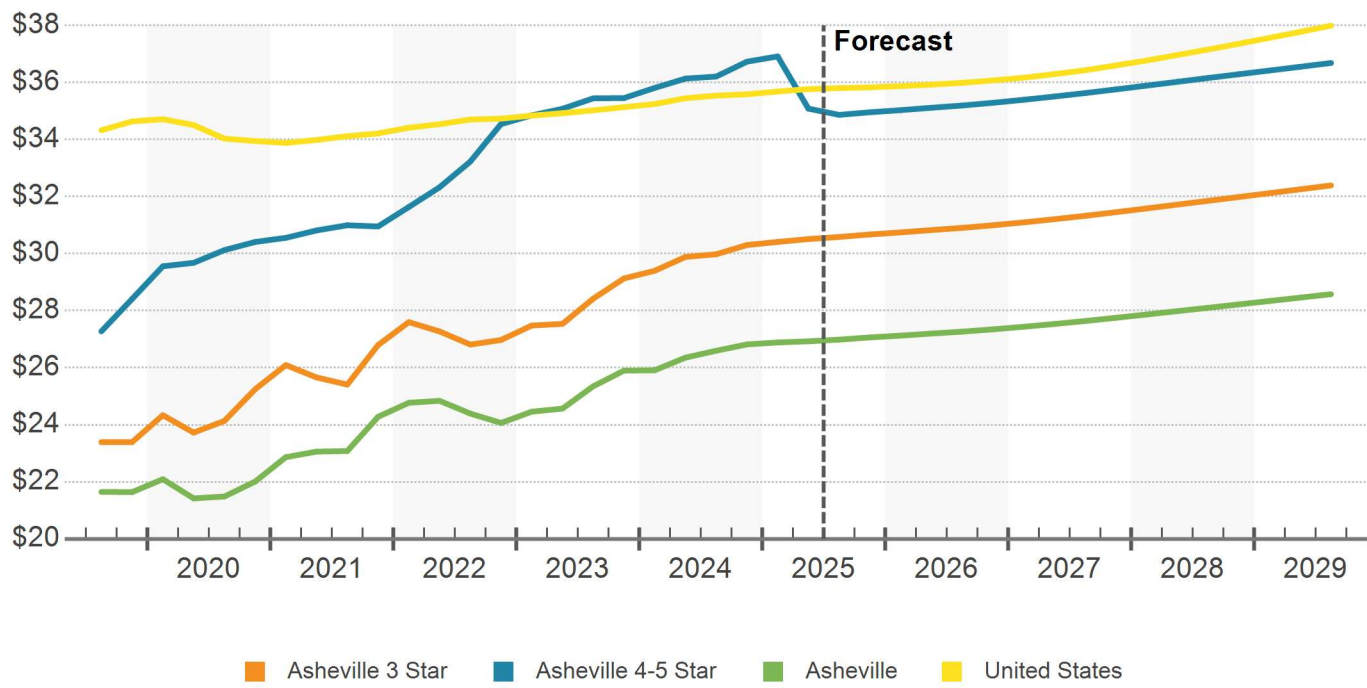
Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Biltmore Park Town Square	S Asheville/Royal Pines	55,450	Q4 24	-	-	Dewey Property Advisors
Ridgefield Business Center *	Buncombe County	33,271	Q1 25	Vaya Health	Whitney Commercial...	Whitney Commercial R...
Biltmore Center 445	Central Asheville	20,000	Q3 24	Biltmore Avenue Family D...	-	Spake Real Estate
115 Reems Creek Rd	Buncombe County	16,347	Q3 24	Mind Weaver LLC	-	Tessier Associates
86 Asheland Ave	Central Asheville	13,047	Q4 24	Duke Energy Progress, LLC	-	Likewise Commercial R...
3121 Sweeten Creek Rd	S Asheville/Royal Pines	12,160	Q3 24	Fcc Environmental Servic...	-	-
108 Asheville Commerce Pky	West Asheville	12,000	Q1 25	JT Engineering	-	Pulliam Properties
530 Hendersonville Rd	S Asheville/Royal Pines	11,200	Q1 25	Lindsay Law	-	-
Ridgefield Business Center *	Buncombe County	10,490	Q1 25	Ed Holmes & Associates...	Whitney Commercial...	Whitney Commercial R...
Building 1	Central Asheville	10,000	Q3 24	CDG	Dewey Property Adv...	-
Legal Building	Downtown Asheville	8,733	Q3 24	City of Asheville	Dewey Property Adv...	Whitney Commercial R...
950 Hendersonville Rd	S Asheville/Royal Pines	7,500	Q4 24	Novant Health, Inc	Pulliam Properties	Pulliam Properties
Biltmore Center 445 *	Central Asheville	6,617	Q3 24	Biltmore Avenue Family D...	G/M Property Group	Spake Real Estate
160 & 164 Broadway	North Asheville	6,000	Q4 24	Withers Ravenel, Inc.	-	NAI Beverly-Hanks
72-74 Patton Ave	Central Asheville	5,939	Q2 25	Coffield Heedy Kilgore, P...	Likewise Commercia...	Whitney Commercial R...
72-74 Patton Ave	Central Asheville	5,939	Q4 24	Walmart Stores East LP	-	Whitney Commercial R...
53 S French Broad Ave *	Central Asheville	5,572	Q1 25	-	Whitney Commercial...	Whitney Commercial R...
Ridgefield Business Center	Buncombe County	5,234	Q3 25	Edward Jones	-	Whitney Commercial R...
Ridgefield Business Center	Buncombe County	5,234	Q1 25	Benchmark Auto Sales	Whitney Commercial...	Whitney Commercial R...
22 S Pack Sq	Downtown Asheville	5,018	Q3 24	The City of Asheville	Whitney Commercial...	Whitney Commercial R...
Ridgefield Business Center	Buncombe County	4,794	Q4 24	Young Office Supply	NAI Beverly-Hanks	Whitney Commercial R...
290 Haywood Rd *	West Asheville	4,653	Q4 24	Open Doors Of Ashville	-	-
Park 108	Buncombe County	4,177	Q4 24	Buncombe County	-	Dewey Property Advisors
30 London Rd	Central Asheville	4,080	Q4 24	Burial Beer	-	Pulliam Properties
Midtown Plaza	Central Asheville	3,746	Q1 25	City of Asheville	-	NAI Beverly-Hanks
Park 108	Buncombe County	3,612	Q4 24	-	-	Dewey Property Advisors
325 Aiken Rd	Buncombe County	3,600	Q4 24	Suburban Propane, LP	Whitney Commercial...	Dewey Property Advisors
Biltmore Park Town Square	S Asheville/Royal Pines	3,581	Q1 25	RHA Health Services	-	Biltmore Farms
Orange St Professional Park	North Asheville	3,543	Q2 25	Flourish Asheville	NAI Beverly-Hanks	NAI Beverly-Hanks
29 College Pl	Central Asheville	3,422	Q2 25	-	-	Lewis Real Estate
Gennett Bldg	Downtown Asheville	3,338	Q4 24	-	-	Dewey Property Advisors
Park Terrace Center	West Asheville	3,336	Q1 25	Best Choice Roofing	-	Whitney Commercial R...
230 Hilliard Ave	Central Asheville	3,324	Q1 25	Movement Mortgage	Savills	NAI Beverly-Hanks
Legal Building	Downtown Asheville	3,314	Q3 24	Novus Architects	Whitney Commercial...	Whitney Commercial R...
333 Merrimon Ave	North Asheville	3,287	Q4 24	-	-	Likewise Commercial R...
Park 108 *	Buncombe County	3,200	Q1 25	Bill Ramsey & Associates	-	Dewey Property Advisors
373 Biltmore Ave	Central Asheville	3,182	Q4 24	FedEx	-	Likewise Commercial R...
261 Asheland Ave	Central Asheville	3,169	Q2 25	-	-	RBI Commercial Prope...
Ridgefield Business Center *	Buncombe County	2,995	Q1 25	Bayada Home Health Care	CBRE, Inc.	Whitney Commercial R...
Biltmore Park Town Square	S Asheville/Royal Pines	2,945	Q1 25	-	-	Biltmore Farms

*Renewal

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Asheville	\$0.50	\$0.88	\$0.35	\$1.33	\$6.58	\$9.64
Buncombe County	\$0.51	\$1.24	\$0.18	\$0.21	\$6.15	\$8.29
Central Asheville	\$0.51	\$1.24	\$0.18	\$1.85	\$6.15	\$9.93
Downtown Asheville	\$0.58	\$0.53	\$0.59	\$1.55	\$9.07	\$12.32
S Asheville/Royal Pines	\$0.42	\$0.53	\$0.45	\$1.72	\$4.96	\$8.08

Expenses are estimated using CMBS, NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Asheville	\$0.49	\$0.53	\$0.52	\$1.57	\$5.80	\$8.91
Buncombe County	\$0.52	\$0.53	\$0.55	\$1.56	\$6.09	\$9.25
Central Asheville	\$0.50	\$0.54	\$0.52	\$1.92	\$5.86	\$9.34
Downtown Asheville	\$0.48	\$0.53	\$0.50	\$1.41	\$7.39	\$10.31
East Asheville	\$0.48	\$0.53	\$0.51	\$2.02	\$5.63	\$9.17
Haywood County	\$0.49	\$0.53	\$0.52	\$1.05	\$5.73	\$8.32
Henderson County	\$0.45	\$0.53	\$0.51	\$1.51	\$5.20	\$8.20
Madison County	\$0.48	\$0.53	\$0.52	\$0.33	\$5.72	\$7.58
North Asheville	\$0.49	\$0.53	\$0.52	\$1.72	\$5.83	\$9.09
S Asheville/Royal Pines	\$0.50	\$0.54	\$0.53	\$1.56	\$5.95	\$9.08
West Asheville	\$0.47	\$0.53	\$0.50	\$2.01	\$5.57	\$9.08

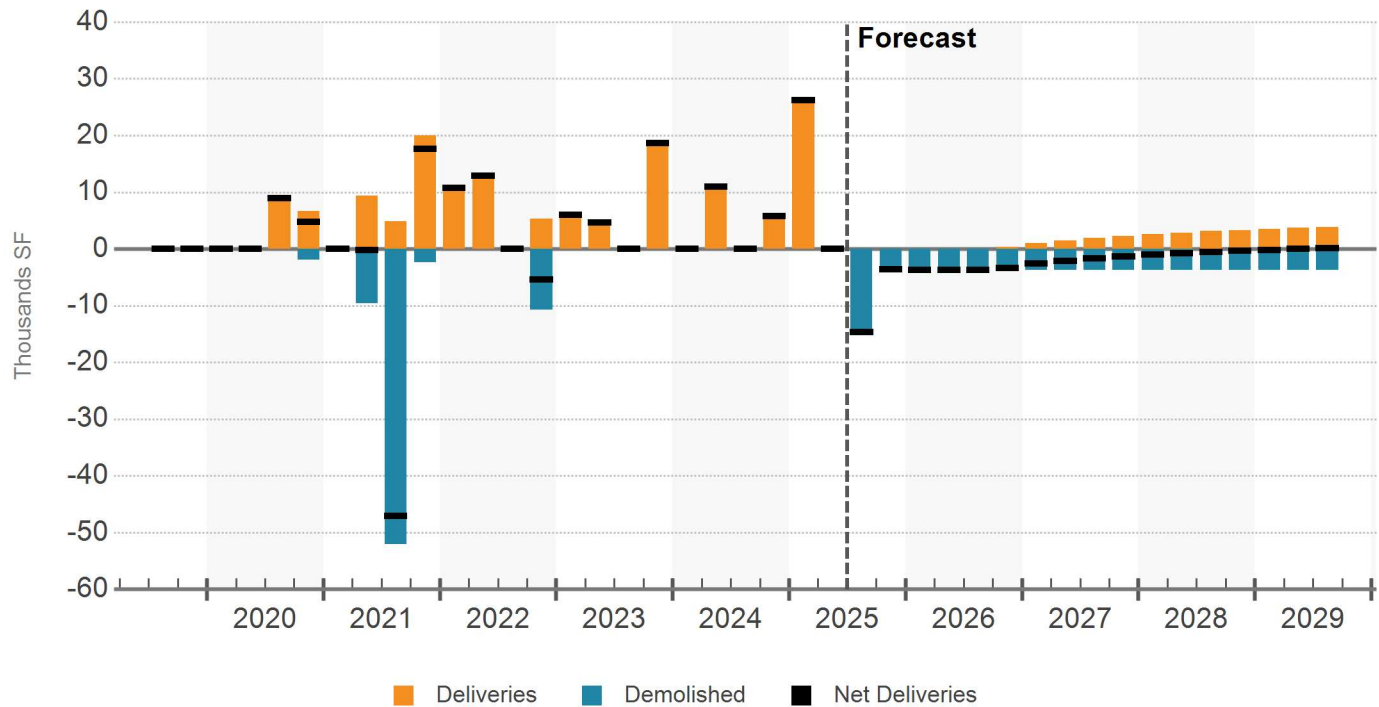
Expenses are estimated using CMBS, NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Asheville	\$0.39	\$0.54	\$0.41	\$1.37	\$4.64	\$7.35
Buncombe County	\$0.43	\$0.54	\$0.45	\$1.28	\$5	\$7.70
Central Asheville	\$0.42	\$0.53	\$0.45	\$1.73	\$4.94	\$8.07
Downtown Asheville	\$0.44	\$0.53	\$0.45	\$1.54	\$6.90	\$9.86
East Asheville	\$0.42	\$0.53	\$0.45	\$1.21	\$4.94	\$7.55
Haywood County	\$0.37	\$0.53	\$0.39	\$0.92	\$4.39	\$6.60
Henderson County	\$0.31	\$0.54	\$0.32	\$1.25	\$3.61	\$6.03
Madison County	\$0.40	\$0.53	\$0.42	\$0.49	\$4.71	\$6.55
North Asheville	\$0.42	\$0.55	\$0.44	\$1.64	\$4.93	\$7.98
S Asheville/Royal Pines	\$0.37	\$0.56	\$0.37	\$1.30	\$4.27	\$6.87
West Asheville	\$0.45	\$0.54	\$0.48	\$1.44	\$5.31	\$8.22

Expenses are estimated using CMBS, NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

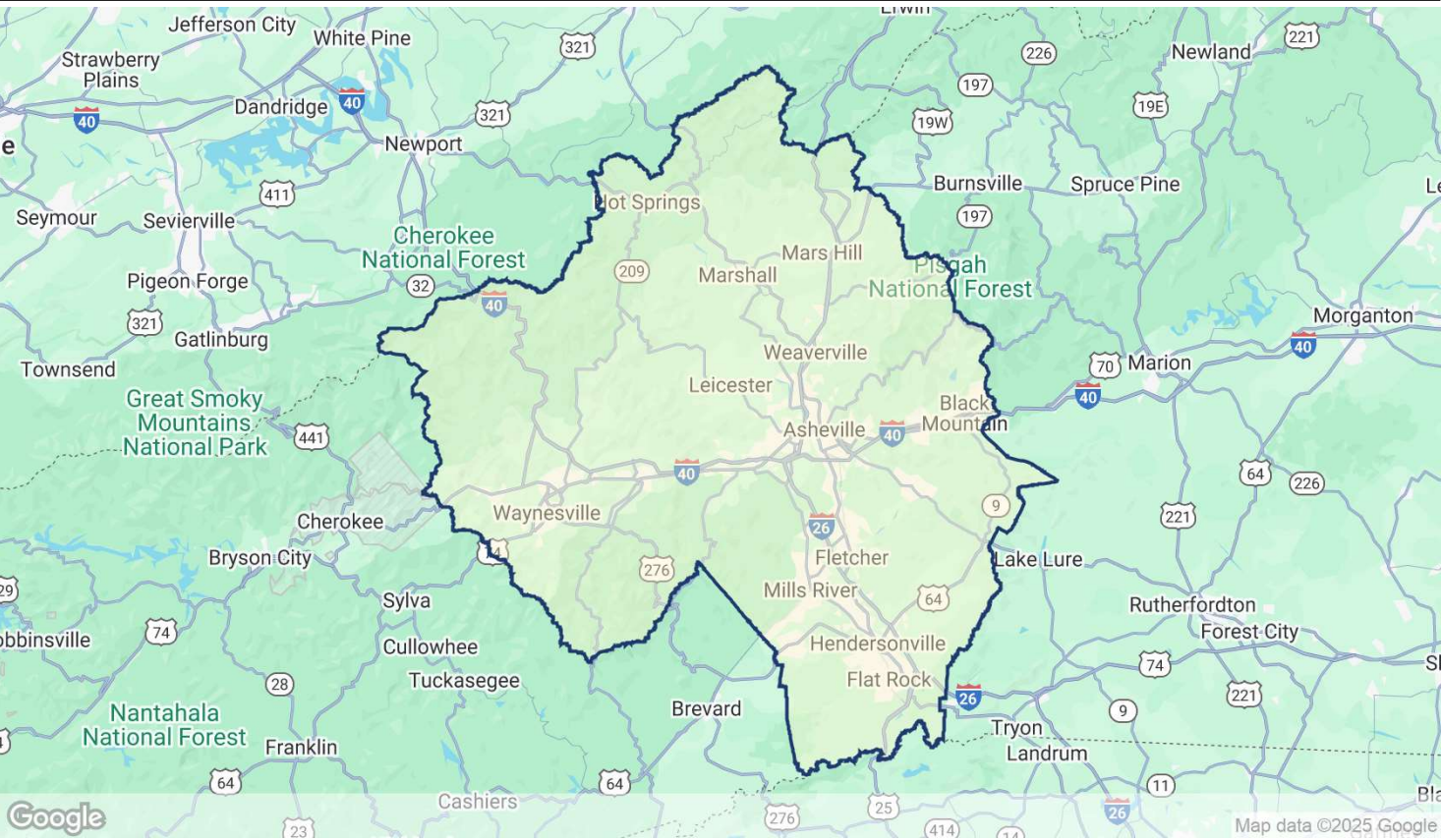
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Buncombe County	0	0	0	-	-	6,734	-	-
2	Central Asheville	0	0	0	-	-	11,783	-	-
3	Downtown Asheville	0	0	0	-	-	24,680	-	-
4	East Asheville	0	0	0	-	-	5,505	-	-
5	Haywood County	0	0	0	-	-	5,692	-	-
6	Henderson County	0	0	0	-	-	6,978	-	-
7	Madison County	0	0	0	-	-	5,259	-	-
8	North Asheville	0	0	0	-	-	6,045	-	-
9	S Asheville/Royal Pines	0	0	0	-	-	13,934	-	-
10	West Asheville	0	0	0	-	-	6,210	-	-
Totals		0	0	0	-		9,059	-	

Under Construction Properties

Asheville Office

Properties	Square Feet	Percent of Inventory	Released
0	0	-	-

UNDER CONSTRUCTION PROPERTIES



Sales activity in the Asheville office market has picked up in recent quarters despite the region's continuing recovery from flooding in the fall of 2024 from Hurricane Helene. As of 25Q2, transaction volume in Asheville has totaled \$75.7 million over the past 12 months, which is above the market's historical annual average of \$86.3 million.

The relatively robust sales activity in Asheville is a stark contrast to the national office market which has experienced far below-average investment activity as high interest rates and concerns over the long-term demand for office space have made investors cautious.

While dollar volume has been above its historical average, the number of sales has been slightly below normal. There have been 78 office property sales in Asheville over the past year, compared to the market's 10-year annual average of 89 deals.

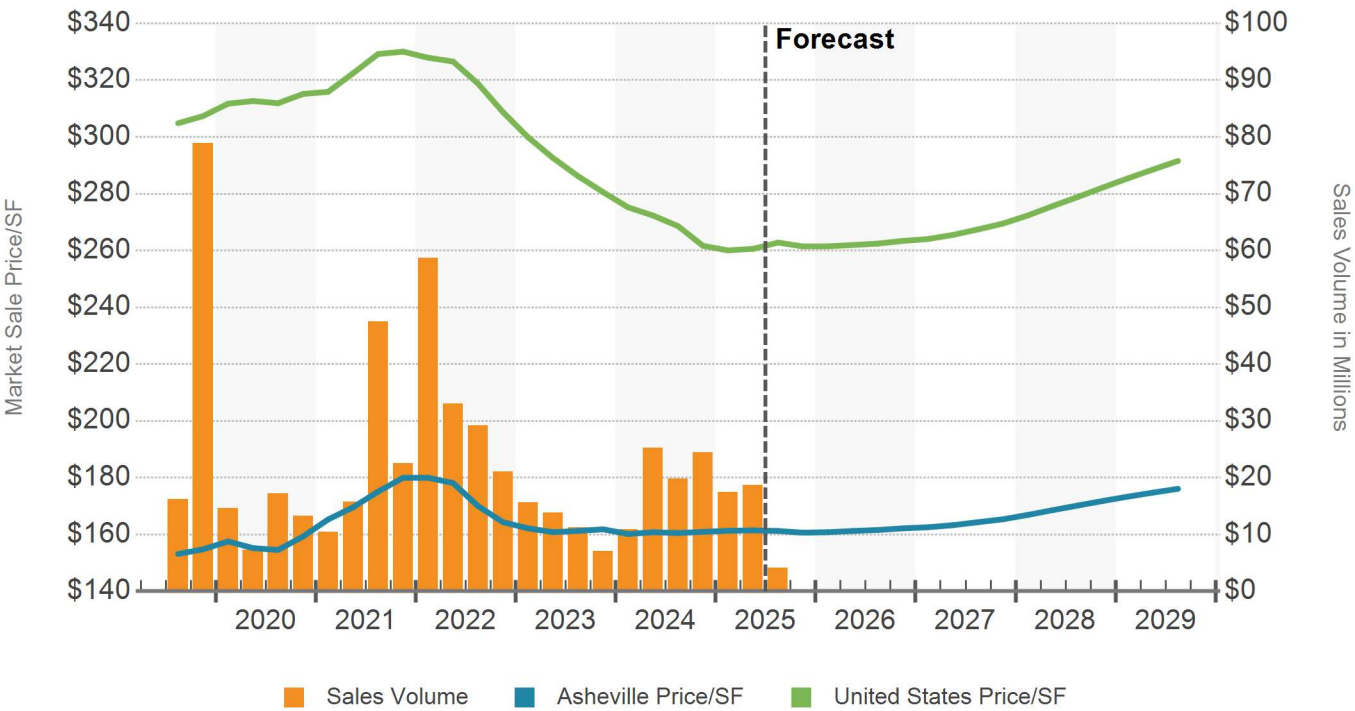
There are few large institutional assets in the Asheville region. This, combined with a more difficult lending environment, makes debt financing less obtainable and

keeps the average deal size in Asheville relatively small. The average transaction size for an office sale in Asheville has been \$1.6 million over the past 12 months. Deals in Asheville have traded at an average price of \$154/SF, which is in line with the national average of \$196/SF. The most common buyers are private investors.

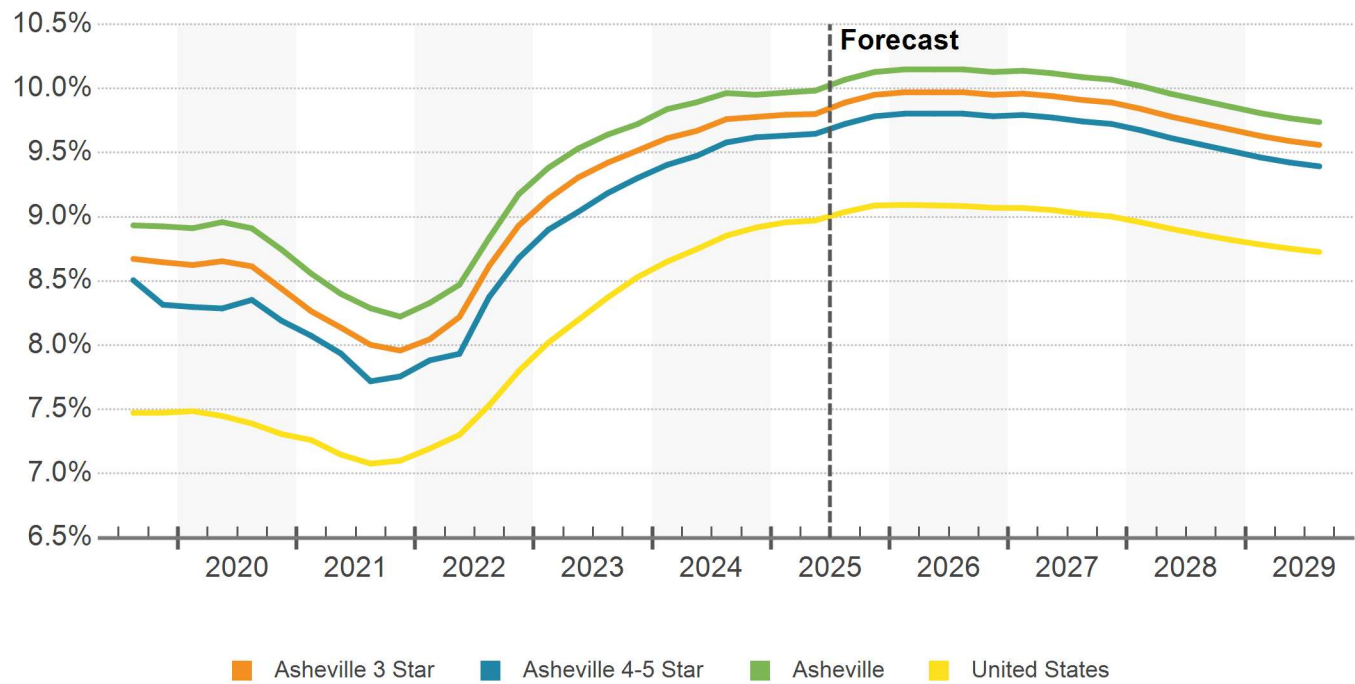
Several recent sales have involved medical office buildings. For example, in February 2025, a locally based private individual purchased an 11,600-SF medical office building from another individual for \$2.7 million, or \$232/SF, at a 7.67% cap rate. The property was built in 2008 and was fully leased to a variety of mostly medical tenants.

When larger sales occur, they are often 1031 exchanges or large medical office deals. A Charlotte-based developer purchased a 26,100 SF medical office for \$6.8 million, or \$260/SF, in January 2025. The property was built in 1991 and was fully leased at the time of sale. The property was originally asking \$7.8 million.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE

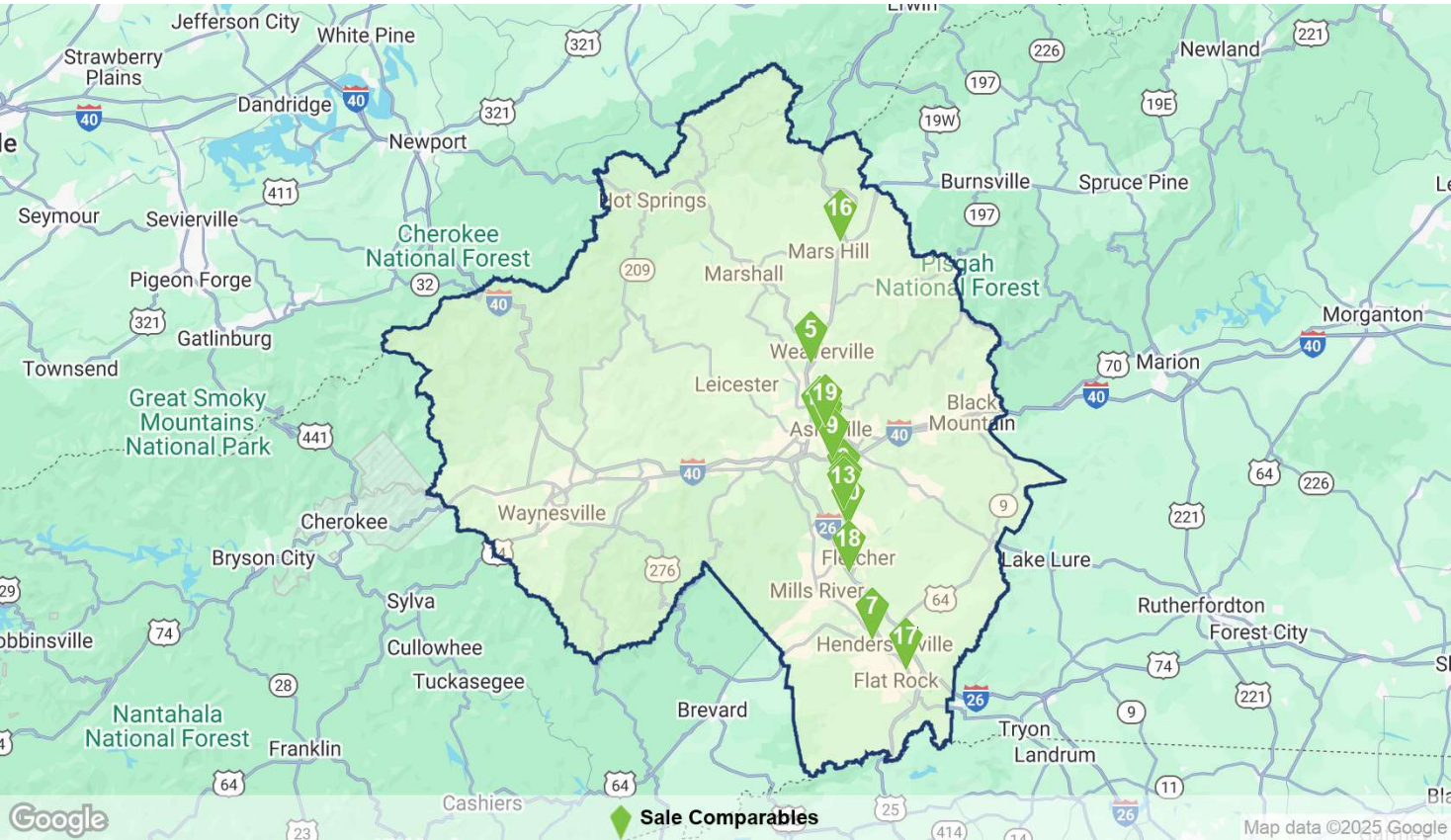


Sales Past 12 Months

Asheville Office

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
82	7.1%	\$158	3.2%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$150,000	\$1,086,324	\$694,500	\$6,795,000
Price/SF	\$8.60	\$158	\$210	\$840
Cap Rate	5.7%	7.1%	7.3%	8.0%
Time Since Sale in Months	0.2	6.2	5.9	12.0
Property Attributes	Low	Average	Median	High
Building SF	690	8,636	5,148	54,128
Stories	1	2	1	5
Typical Floor SF	690	5,978	3,787	45,000
Vacancy Rate At Sale	0%	3.2%	0%	62.7%
Year Built	1880	1964	1966	2010
Star Rating	★★★★★	★★★★★ 2.3	★★★★★	★★★★★

Sales Past 12 Months

Asheville Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 Biltmore Center 445 1 Hospital Dr	★★★★★	1982	20,000	8.9%	12/13/2024	\$7,450,000	\$373	-
2 191 Biltmore Ave	★★★★★	1991	26,125	0%	1/9/2025	\$6,795,000	\$260	-
3 Class A Medical Suite in... 76 Peachtree Rd	★★★★★	2003	4,822	0%	5/8/2025	\$4,050,000	\$840	-
4 120 College St	★★★★★	1925	8,690	0%	10/30/2024	\$4,000,000	\$460	-
5 DaVita Kidney Care 329 Merrimon Ave	★★★★★	1999	9,920	0%	4/14/2025	\$3,245,000	\$327	8.0%
6 3121 Sweeten Creek Rd	★★★★★	1950	24,321	0%	9/4/2024	\$2,950,000	\$121	-
7 1216 W 6th Ave	★★★★★	2008	11,600	0%	2/20/2025	\$2,700,000	\$233	7.7%
8 275 Mcdowell St	★★★★★	1996	11,425	0%	9/3/2024	\$2,625,000	\$230	-
1 Biltmore Center 445 1 Hospital Dr	★★★★★	1982	21,106	8.9%	12/13/2024	\$2,450,000	\$116	-
9 Former Biltmore School 4 Vanderbilt Park Dr	★★★★★	1927	5,483	0%	7/8/2025	\$1,875,000	\$342	-
10 3859 Sweeten Creek Rd	★★★★★	1985	19,003	0%	6/17/2025	\$1,582,056	\$83	-
11 231 Haywood St	★★★★★	1964	5,649	0%	8/22/2024	\$1,550,000	\$274	-
12 10 Herman Avenue Ext	★★★★★	2001	7,114	0%	11/5/2024	\$1,500,000	\$211	-
13 10 Herman Ave	★★★★★	2001	7,114	0%	11/5/2024	\$1,500,000	\$211	-
14 306 W Haywood St	★★★★★	1923	9,750	0%	12/18/2024	\$1,456,000	\$149	-
15 49 Broadway St	★★★★★	1928	5,383	6.8%	9/6/2024	\$1,455,000	\$270	-
16 275 Manor Rd	★★★★★	2008	6,220	0%	3/25/2025	\$1,425,000	\$229	-
17 2421 Spartanburg Hwy	★★★★★	1950	12,246	0%	12/19/2024	\$1,350,000	\$110	-
18 5515 Hendersonville Rd	★★★★★	2004	5,501	0%	1/27/2025	\$1,286,000	\$234	-
19 53 N Market St	★★★★★	1928	17,000	0%	4/9/2025	\$1,280,000	\$75	5.7%

Asheville is western North Carolina's largest urban area. The city has a population of about 95,000 people, while the larger market's population is over 420,000. The metro is the key hub for economic activity, health care services, and tourism for a largely rural region. Hospitality is a crucial industry here and contributes about 15% of the metropolitan area's jobs, making it the area's third-largest sector for employment. The city's historic downtown, with its highly rated restaurants and art galleries, the historic Biltmore Estate, the area's mountains and hiking trails, and the Blue Ridge Parkway, draw tourists from throughout the country and world to Asheville.

Asheville and other areas in western North Carolina experienced severe flooding from Hurricane Helene in the fall of 2024. The floods caused substantial infrastructure and real estate damage, impacting all aspects of the local economy. The hospitality sector was especially hard hit as the flooding severely restricted visitor access to the area during the peak autumn tourism season. Tourism revenues are likely to continue to lag historical norms in the near to medium term, and full recovery is likely to take several more quarters.

Manufacturing employment is likely to recover more quickly than tourism. Manufacturers account for about

10% of jobs in the area, and the market is amid a shift from traditional manufacturing industries to more advanced sectors such as aviation. In Canton, a small town in Haywood County, Pactiv Evergreen closed its papermill in 2023 after more than 100 years of operation. On the other hand, aviation and aerospace-related companies such as Pratt and Whitney, BorgWarner Turbos, and GE Aviation have announced jobs here in recent years.

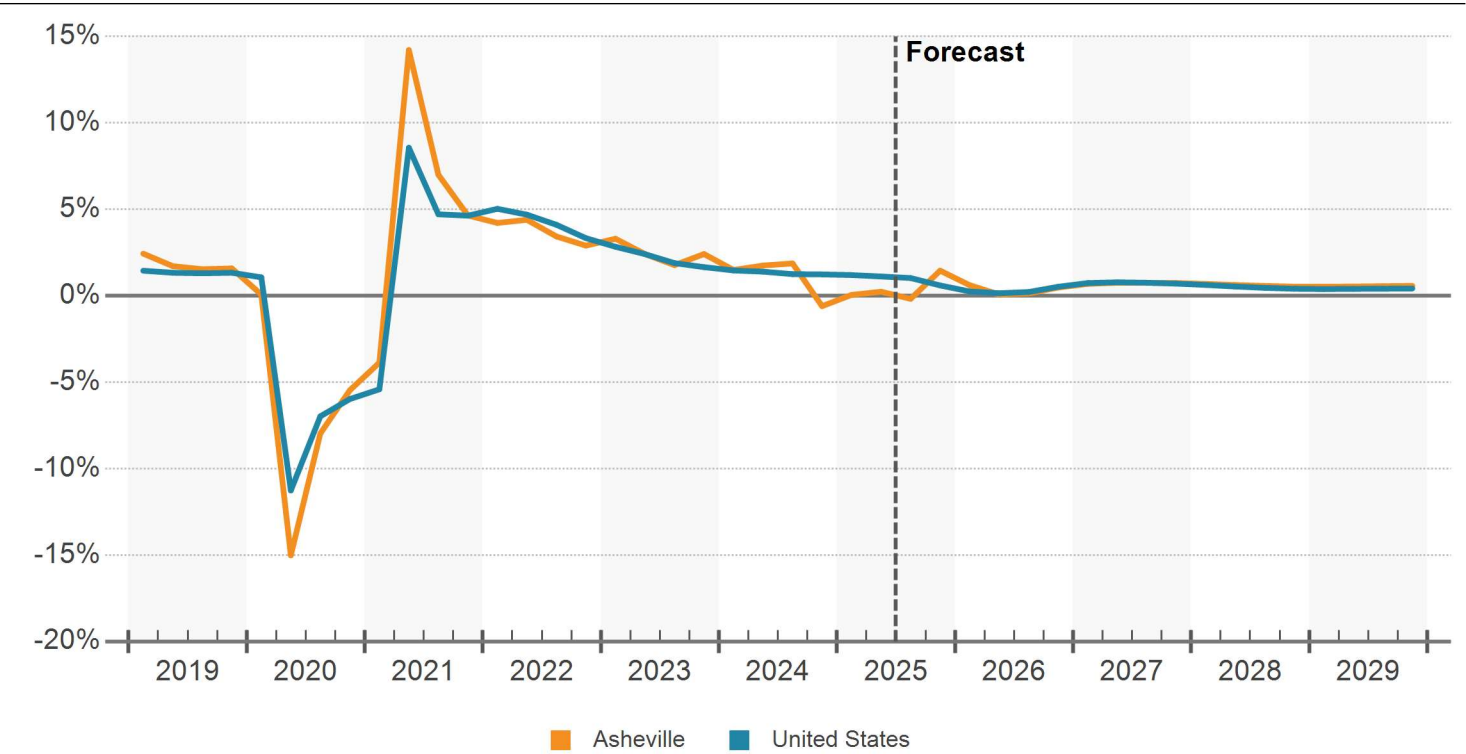
Many of the factors that make Asheville a popular tourist destination also make it an attractive area to live in, and the population growth rate here exceeds the national average. Over the past five years, the population of Asheville has increased 3.9%, compared to 3.1% growth nationally. However, topographical and policy barriers to entry are high. That has made the area one of the most expensive in North Carolina. Population growth has been disproportionately retirees, as housing costs and a job market dominated by lower-paying service-sector jobs have led to a longer-term labor shortage. Thus, while population growth has continued to spur housing growth in the market, development remains constrained even in the best of times, and the long-term recovery process from the impact of Hurricane Helene is likely to slow in-migration through at least the end of 2025.

ASHEVILLE EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	20	1.2	-1.80%	-0.78%	0.48%	0.33%	-0.05%	0.06%
Trade, Transportation and Utilities	40	1.0	-0.66%	0.62%	1.62%	0.84%	0.28%	0.24%
Retail Trade	27	1.3	-0.66%	0.41%	0.82%	0.02%	0.32%	0.18%
Financial Activities	8	0.7	0.19%	0.97%	2.52%	1.31%	0.58%	0.29%
Government	27	0.9	1.19%	0.88%	1.24%	0.68%	0.14%	0.21%
Natural Resources, Mining and Construction	11	0.9	0.87%	1.23%	3.52%	2.10%	0.64%	0.60%
Education and Health Services	40	1.1	3.66%	3.39%	1.29%	2.21%	0.62%	0.75%
Professional and Business Services	22	0.7	0.90%	-0.06%	1.90%	1.34%	0.73%	0.66%
Information	3	0.7	-0.89%	0.04%	3.45%	0.67%	0.47%	0.35%
Leisure and Hospitality	29	1.3	-5.24%	1.43%	0.98%	1.18%	1.02%	0.80%
Other Services	11	1.4	2.04%	1.19%	2.85%	0.73%	1.02%	0.23%
Total Employment	210	1.0	0.00%	1.06%	1.53%	1.19%	0.52%	0.45%

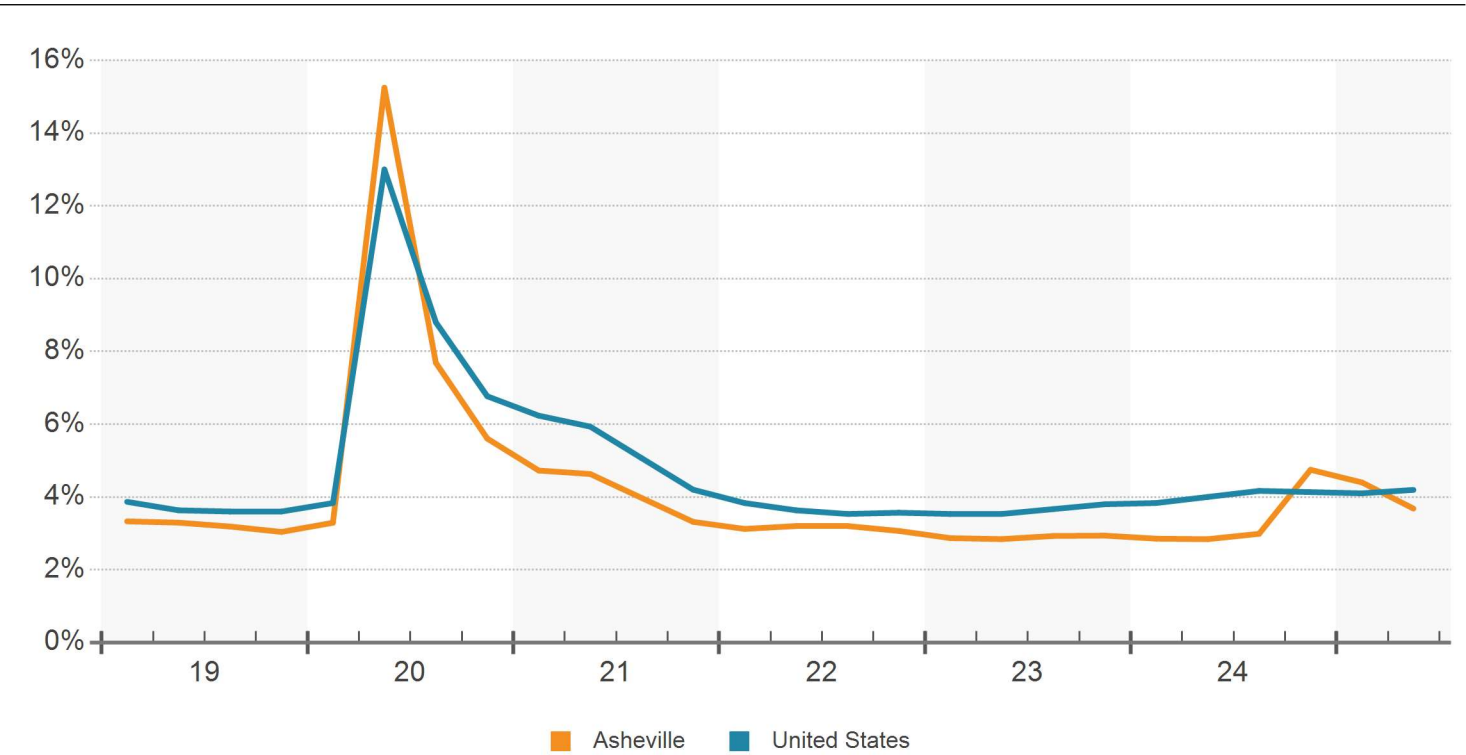
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

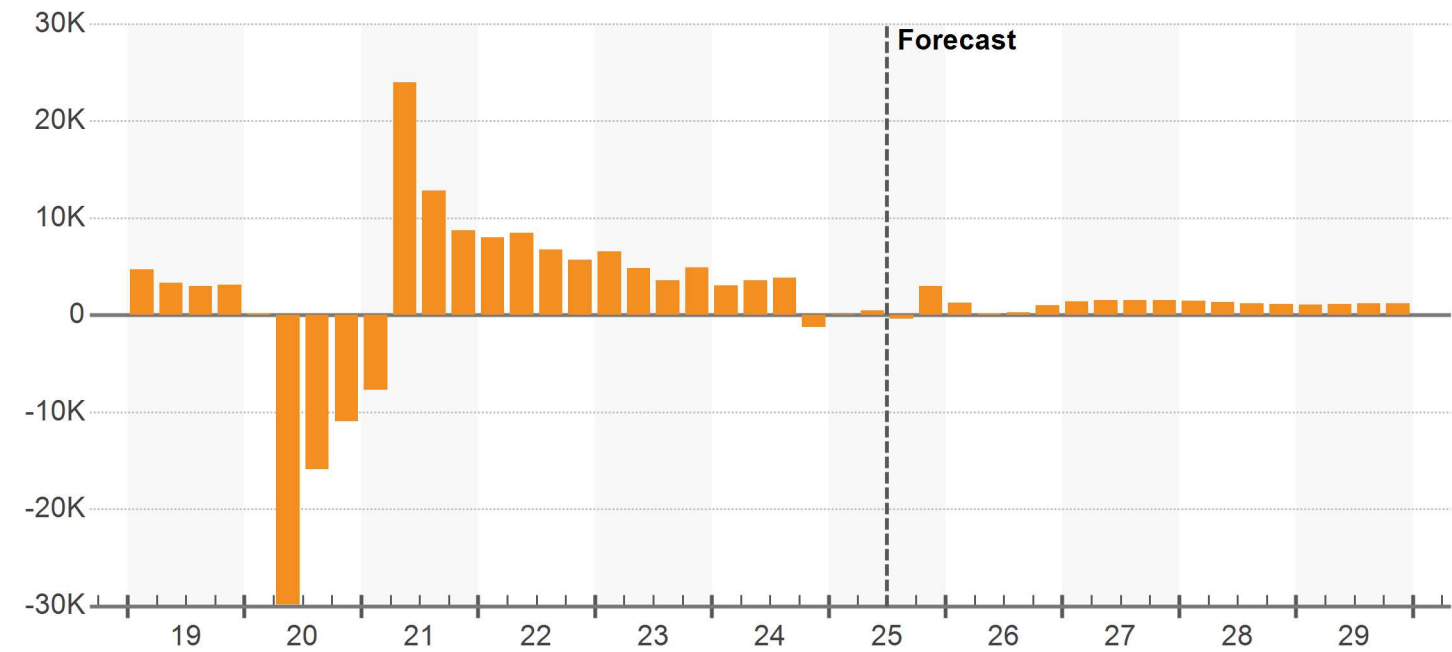


Source: Oxford Economics

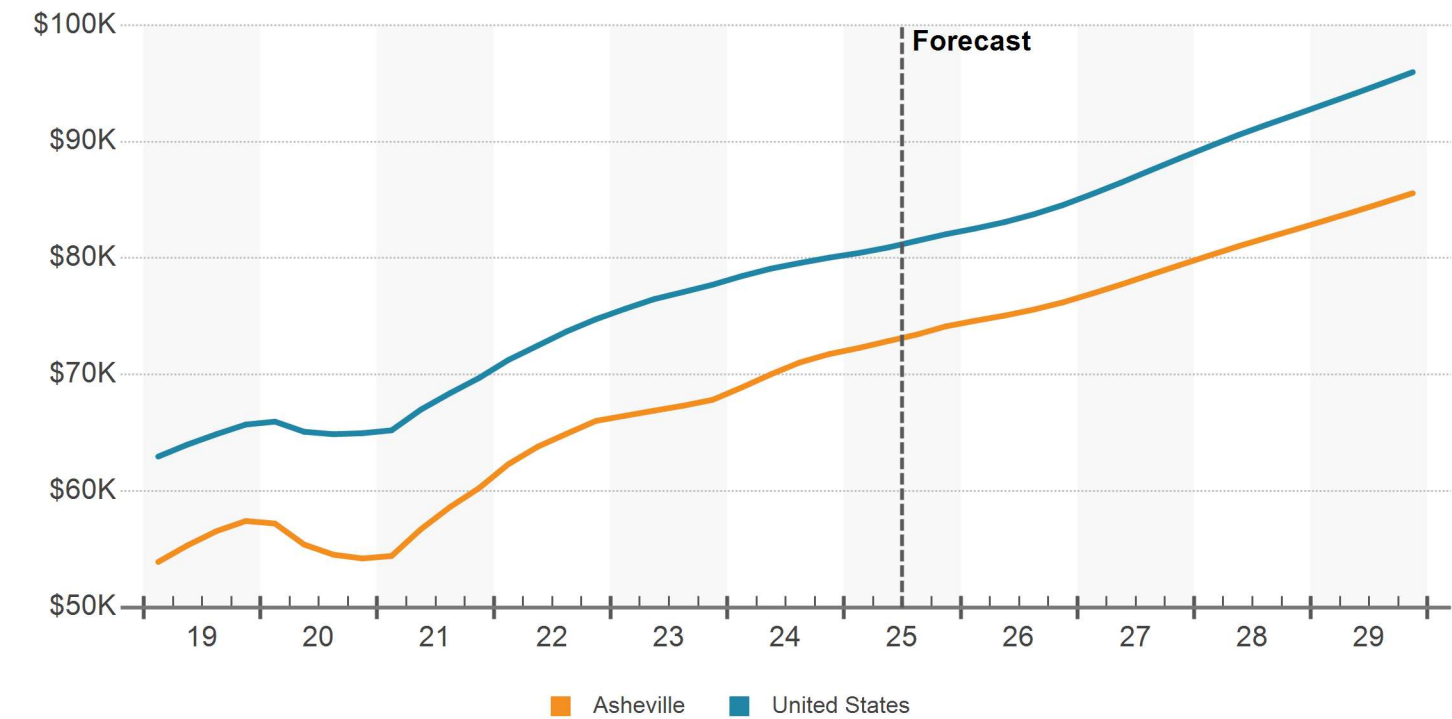
UNEMPLOYMENT RATE (%)



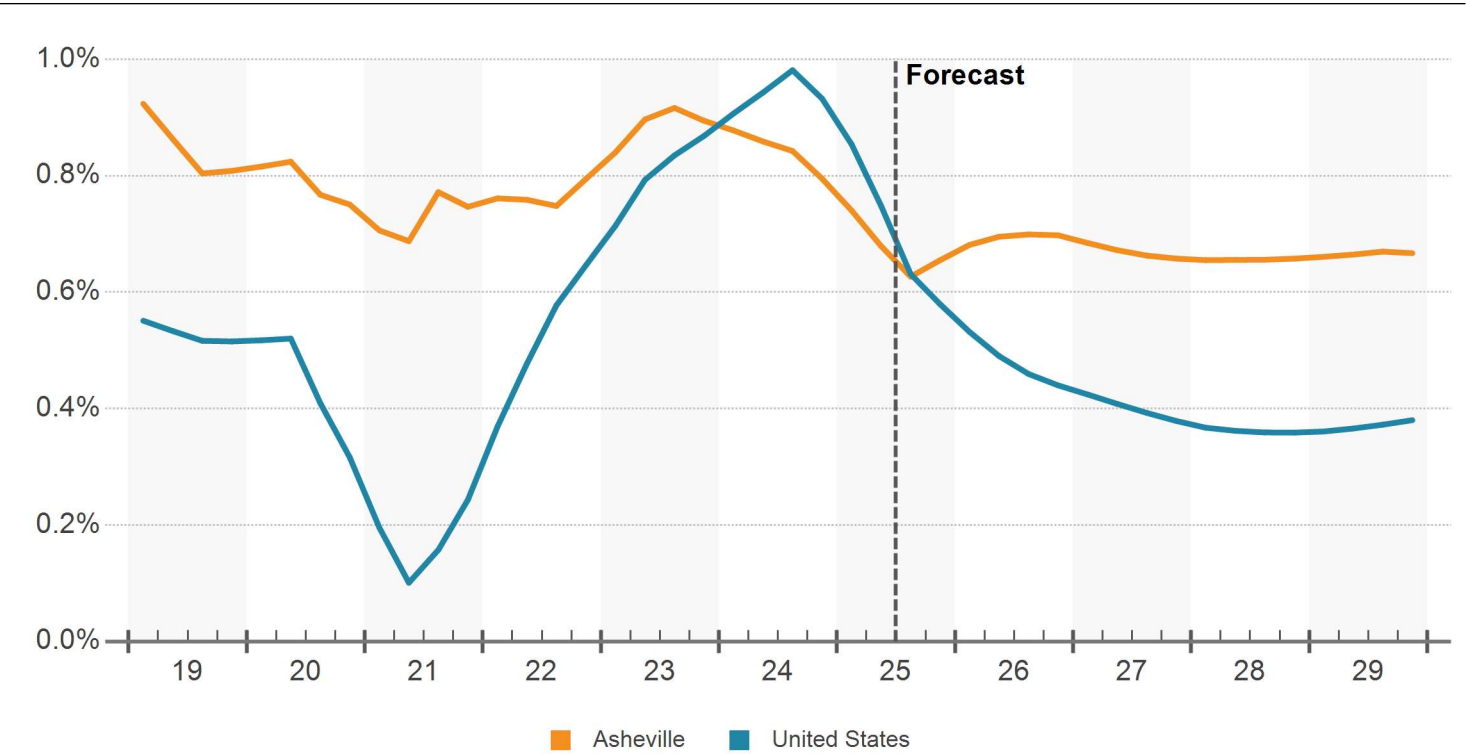
NET EMPLOYMENT CHANGE (YOY)



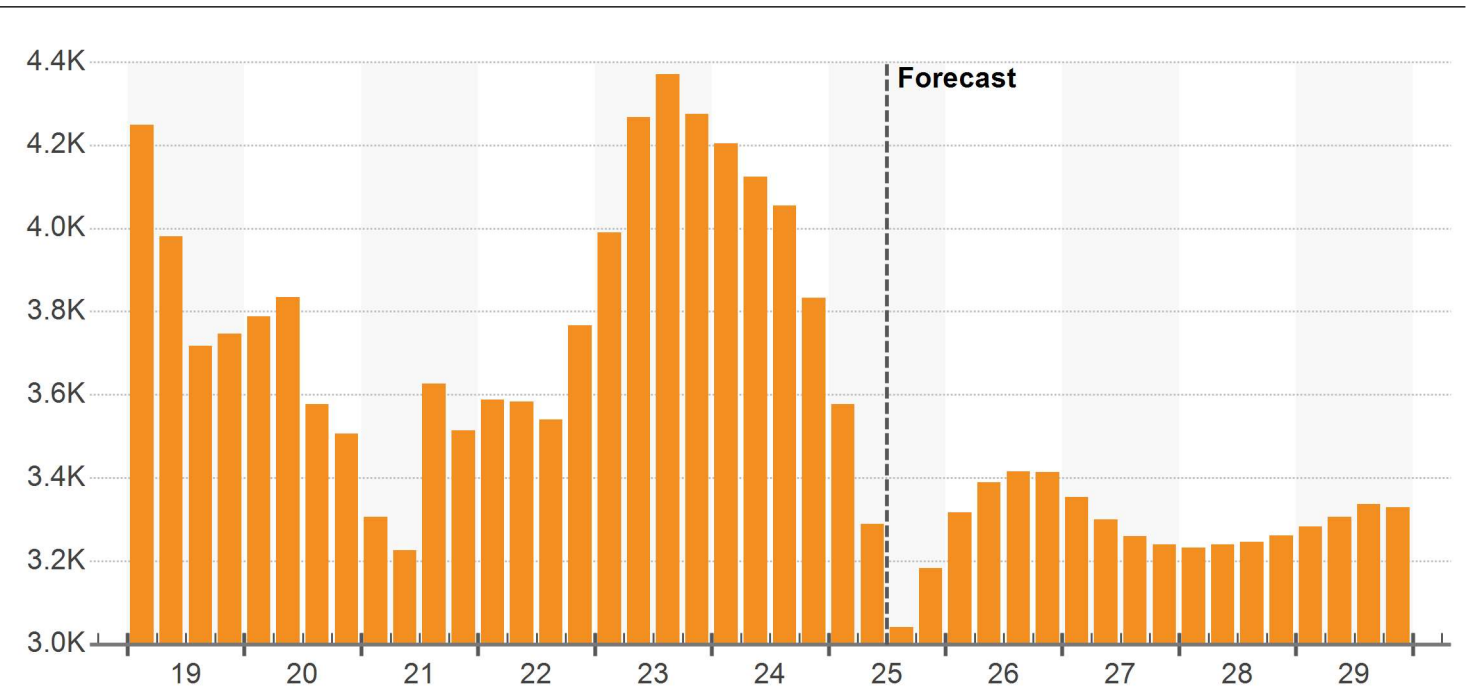
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)



DEMOGRAPHIC TRENDS

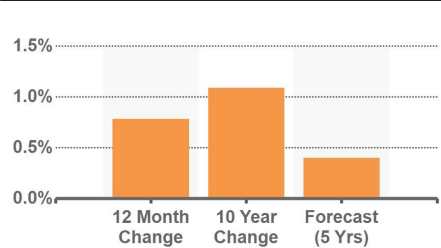
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	488,067	342,052,750	0.6%	0.7%	0.9%	0.6%	0.7%	0.4%
Households	200,819	134,480,875	0.8%	0.8%	0.7%	1.0%	0.7%	0.5%
Median Household Income	\$73,192	\$81,236	3.7%	2.3%	4.9%	4.0%	3.7%	3.9%
Labor Force	241,370	170,814,328	0.8%	1.5%	1.1%	0.8%	0.4%	0.3%
Unemployment	3.7%	4.2%	0.8%	0.1%	-0.1%	-0.1%	-	-

Source: Oxford Economics

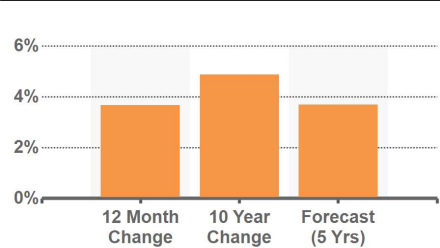
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

[illegible]

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Buncombe County	201	1,353	9.7%	5	1	6	0.4%	2	0	0	0%	-
2	Central Asheville	280	3,299	23.5%	1	1	26	0.8%	1	0	0	0%	-
3	Downtown Asheville	67	1,654	11.8%	4	0	0	0%	-	0	0	0%	-
4	East Asheville	25	138	1.0%	9	0	0	0%	-	0	0	0%	-
5	Haywood County	185	1,053	7.5%	6	0	0	0%	-	0	0	0%	-
6	Henderson County	332	2,317	16.5%	3	0	0	0%	-	0	0	0%	-
7	Madison County	16	84	0.6%	10	0	0	0%	-	0	0	0%	-
8	North Asheville	151	913	6.5%	7	0	0	0%	-	0	0	0%	-
9	S Asheville/Royal Pines	182	2,536	18.1%	2	0	0	0%	-	0	0	0%	-
10	West Asheville	109	677	4.8%	8	0	0	0%	-	0	0	0%	-

SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Buncombe County	\$28.33	2	2.0%	1	0.8%	1
2	Central Asheville	\$27.45	4	1.7%	9	-0.5%	10
3	Downtown Asheville	\$28.97	1	1.8%	7	0.6%	6
4	East Asheville	\$26.59	6	1.8%	6	0.6%	5
5	Haywood County	\$26.18	7	1.9%	2	0.6%	2
6	Henderson County	\$23.33	10	1.9%	3	0.6%	7
7	Madison County	\$25.50	8	1.8%	5	0.6%	4
8	North Asheville	\$27.33	5	1.8%	4	0.6%	3
9	S Asheville/Royal Pines	\$28.18	3	1.3%	10	0.4%	9
10	West Asheville	\$25.30	9	1.7%	8	0.6%	8

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Buncombe County	23,920	1.8%	5	17,637	1.3%	3	0.3
2	Central Asheville	118,155	3.6%	6	18,503	0.6%	2	1.4
3	Downtown Asheville	61,780	3.7%	7	33,595	2.0%	1	-
4	East Asheville	7,000	5.1%	8	(5,634)	-4.1%	8	-
5	Haywood County	14,540	1.4%	4	11,441	1.1%	4	-
6	Henderson County	25,894	1.1%	3	(20,205)	-0.9%	9	-
7	Madison County	-	-	-	0	0%	-	-
8	North Asheville	9,218	1.0%	1	2,983	0.3%	6	-
9	S Asheville/Royal Pines	26,608	1.0%	2	9,686	0.4%	5	-
10	West Asheville	41,297	6.1%	9	(29,981)	-4.4%	10	-

Supply & Demand Trends

Asheville Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	13,982,539	215	0%	(1,482)	0%	-
2028	13,982,324	(2,776)	0%	11,095	0.1%	-
2027	13,985,100	(7,917)	-0.1%	(545)	0%	-
2026	13,993,017	(14,395)	-0.1%	(28,444)	-0.2%	-
2025	14,007,412	7,907	0.1%	(44,735)	-0.3%	-
YTD	14,023,234	23,729	0.2%	(11,763)	-0.1%	-
2024	13,999,505	16,754	0.1%	85,437	0.6%	0.2
2023	13,982,751	29,316	0.2%	43,352	0.3%	0.7
2022	13,953,435	18,209	0.1%	91,485	0.7%	0.2
2021	13,935,226	(29,704)	-0.2%	(22,459)	-0.2%	-
2020	13,964,930	13,640	0.1%	(63,757)	-0.5%	-
2019	13,951,290	0	0%	(98,037)	-0.7%	-
2018	13,951,290	31,885	0.2%	46,194	0.3%	0.7
2017	13,919,405	9,470	0.1%	131,978	0.9%	0.1
2016	13,909,935	124,323	0.9%	367,258	2.6%	0.3
2015	13,785,612	(5,456)	0%	84,568	0.6%	-
2014	13,791,068	131,248	1.0%	209,617	1.5%	0.6
2013	13,659,820	24,227	0.2%	191,695	1.4%	0.1

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	136,115	2,487	1.9%	2,252	1.7%	1.1
2028	133,628	1,992	1.5%	1,689	1.3%	1.2
2027	131,636	1,137	0.9%	657	0.5%	1.7
2026	130,499	71	0.1%	(209)	-0.2%	-
2025	130,428	0	0%	(1,186)	-0.9%	-
YTD	130,428	0	0%	(766)	-0.6%	-
2024	130,428	0	0%	179	0.1%	0
2023	130,428	0	0%	(353)	-0.3%	-
2022	130,428	0	0%	(4,430)	-3.4%	-
2021	130,428	0	0%	3,114	2.4%	0
2020	130,428	0	0%	(538)	-0.4%	-
2019	130,428	0	0%	(1,421)	-1.1%	-
2018	130,428	0	0%	3,933	3.0%	0
2017	130,428	0	0%	2,045	1.6%	0
2016	130,428	0	0%	(1,756)	-1.3%	-
2015	130,428	0	0%	2,985	2.3%	0
2014	130,428	0	0%	(227)	-0.2%	-
2013	130,428	0	0%	782	0.6%	0

Supply & Demand Trends

Asheville Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	6,146,559	12,473	0.2%	9,111	0.1%	1.4
2028	6,134,086	9,975	0.2%	13,190	0.2%	0.8
2027	6,124,111	5,678	0.1%	5,722	0.1%	1.0
2026	6,118,433	284	0%	(7,173)	-0.1%	-
2025	6,118,149	23,729	0.4%	(13,793)	-0.2%	-
YTD	6,118,149	23,729	0.4%	(2,705)	0%	-
2024	6,094,420	15,674	0.3%	69,973	1.1%	0.2
2023	6,078,746	29,316	0.5%	9,521	0.2%	3.1
2022	6,049,430	28,931	0.5%	34,680	0.6%	0.8
2021	6,020,499	(17,691)	-0.3%	19,221	0.3%	-
2020	6,038,190	15,530	0.3%	(41,890)	-0.7%	-
2019	6,022,660	0	0%	(12,944)	-0.2%	-
2018	6,022,660	26,316	0.4%	43,611	0.7%	0.6
2017	5,996,344	12,470	0.2%	31,338	0.5%	0.4
2016	5,983,874	119,217	2.0%	270,247	4.5%	0.4
2015	5,864,657	25,467	0.4%	79,151	1.3%	0.3
2014	5,839,190	142,999	2.5%	135,832	2.3%	1.1
2013	5,696,191	24,227	0.4%	102,660	1.8%	0.2

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	7,699,865	(14,745)	-0.2%	(12,845)	-0.2%	-
2028	7,714,610	(14,743)	-0.2%	(3,784)	0%	-
2027	7,729,353	(14,732)	-0.2%	(6,924)	-0.1%	-
2026	7,744,085	(14,750)	-0.2%	(21,062)	-0.3%	-
2025	7,758,835	(15,822)	-0.2%	(29,756)	-0.4%	-
YTD	7,774,657	0	0%	(8,292)	-0.1%	-
2024	7,774,657	1,080	0%	15,285	0.2%	0.1
2023	7,773,577	0	0%	34,184	0.4%	0
2022	7,773,577	(10,722)	-0.1%	61,235	0.8%	-
2021	7,784,299	(12,013)	-0.2%	(44,794)	-0.6%	-
2020	7,796,312	(1,890)	0%	(21,329)	-0.3%	-
2019	7,798,202	0	0%	(83,672)	-1.1%	-
2018	7,798,202	5,569	0.1%	(1,350)	0%	-
2017	7,792,633	(3,000)	0%	98,595	1.3%	-
2016	7,795,633	5,106	0.1%	98,767	1.3%	0.1
2015	7,790,527	(30,923)	-0.4%	2,432	0%	-
2014	7,821,450	(11,751)	-0.2%	74,012	0.9%	-
2013	7,833,201	0	0%	88,253	1.1%	0

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$28.70	136	1.7%	7.0%	359,238	2.6%	0%
2028	\$28.22	133	1.7%	5.2%	355,860	2.5%	-0.1%
2027	\$27.75	131	1.5%	3.5%	368,235	2.6%	0%
2026	\$27.34	129	1.0%	2.0%	373,603	2.7%	0.1%
2025	\$27.06	128	0.9%	0.9%	357,163	2.5%	0.5%
YTD	\$26.94	127	1.7%	0.5%	328,412	2.3%	0.2%
2024	\$26.82	127	3.5%	0%	292,920	2.1%	-0.5%
2023	\$25.90	122	7.6%	-3.4%	361,603	2.6%	-0.1%
2022	\$24.06	114	-0.9%	-10.3%	375,639	2.7%	-0.5%
2021	\$24.28	115	10.3%	-9.5%	448,195	3.2%	0%
2020	\$22.01	104	1.7%	-17.9%	455,440	3.3%	0.6%
2019	\$21.64	102	-1.6%	-19.3%	378,043	2.7%	0.7%
2018	\$21.98	104	8.6%	-18.0%	280,006	2.0%	-0.1%
2017	\$20.24	96	1.0%	-24.5%	294,315	2.1%	-0.9%
2016	\$20.04	95	1.6%	-25.3%	416,823	3.0%	-1.8%
2015	\$19.73	93	5.8%	-26.4%	664,238	4.8%	-0.7%
2014	\$18.64	88	-0.1%	-30.5%	754,262	5.5%	-0.6%
2013	\$18.66	88	1.1%	-30.4%	832,631	6.1%	-1.2%

4 & 5 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$36.81	147	1.5%	0.2%	8,916	6.6%	0.1%
2028	\$36.28	145	1.5%	-1.2%	8,682	6.5%	0.1%
2027	\$35.75	143	1.3%	-2.6%	8,381	6.4%	0.3%
2026	\$35.28	141	0.9%	-3.9%	7,902	6.1%	0.2%
2025	\$34.95	139	-4.8%	-4.8%	7,623	5.8%	0.9%
YTD	\$34.91	139	-3.5%	-4.9%	7,203	5.5%	0.6%
2024	\$36.73	147	3.6%	0%	6,437	4.9%	-0.1%
2023	\$35.45	141	2.6%	-3.5%	6,616	5.1%	0.3%
2022	\$34.54	138	11.6%	-6.0%	6,263	4.8%	3.4%
2021	\$30.95	123	1.8%	-15.7%	1,833	1.4%	-2.4%
2020	\$30.41	121	7.0%	-17.2%	4,947	3.8%	0.4%
2019	\$28.41	113	5.6%	-22.6%	4,409	3.4%	1.1%
2018	\$26.91	107	1.1%	-26.7%	2,988	2.3%	-3.0%
2017	\$26.62	106	3.2%	-27.5%	6,921	5.3%	-1.6%
2016	\$25.79	103	2.6%	-29.8%	8,966	6.9%	1.3%
2015	\$25.13	100	2.4%	-31.6%	7,210	5.5%	-2.3%
2014	\$24.55	98	0.3%	-33.2%	10,195	7.8%	0.2%
2013	\$24.47	98	-0.8%	-33.4%	9,968	7.6%	-0.6%

3 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$32.52	138	1.7%	7.3%	158,419	2.6%	0%
2028	\$31.98	136	1.7%	5.6%	155,436	2.5%	-0.1%
2027	\$31.45	134	1.5%	3.8%	158,986	2.6%	0%
2026	\$30.99	132	1.0%	2.3%	159,355	2.6%	0.1%
2025	\$30.67	131	1.2%	1.2%	151,950	2.5%	0.6%
YTD	\$30.54	130	2.0%	0.8%	140,861	2.3%	0.4%
2024	\$30.30	129	4.0%	0%	114,427	1.9%	-0.9%
2023	\$29.13	124	8.0%	-3.9%	168,726	2.8%	0.3%
2022	\$26.97	115	0.7%	-11.0%	148,931	2.5%	-0.1%
2021	\$26.79	114	6.1%	-11.6%	153,960	2.6%	-0.6%
2020	\$25.24	107	7.9%	-16.7%	190,872	3.2%	0.9%
2019	\$23.39	100	-2.6%	-22.8%	133,452	2.2%	0.2%
2018	\$24.02	102	8.5%	-20.7%	120,508	2.0%	-0.3%
2017	\$22.15	94	-0.1%	-26.9%	137,803	2.3%	-0.3%
2016	\$22.17	94	-1.8%	-26.8%	156,671	2.6%	-2.6%
2015	\$22.58	96	3.5%	-25.5%	307,701	5.2%	-0.9%
2014	\$21.81	93	4.9%	-28.0%	361,385	6.2%	0%
2013	\$20.79	88	4.5%	-31.4%	354,218	6.2%	-1.4%

1 & 2 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$25.54	133	1.7%	6.9%	191,903	2.5%	0%
2028	\$25.12	131	1.7%	5.1%	191,742	2.5%	-0.1%
2027	\$24.70	128	1.5%	3.3%	200,868	2.6%	-0.1%
2026	\$24.34	126	1.0%	1.8%	206,346	2.7%	0.1%
2025	\$24.08	125	0.7%	0.7%	197,590	2.5%	0.3%
YTD	\$23.97	125	1.5%	0.3%	180,348	2.3%	0.1%
2024	\$23.91	124	3.1%	0%	172,056	2.2%	-0.2%
2023	\$23.19	121	7.4%	-3.0%	186,261	2.4%	-0.4%
2022	\$21.60	112	-2.7%	-9.7%	220,445	2.8%	-0.9%
2021	\$22.18	115	14.8%	-7.2%	292,402	3.8%	0.4%
2020	\$19.32	100	-4.1%	-19.2%	259,621	3.3%	0.3%
2019	\$20.15	105	-0.7%	-15.7%	240,182	3.1%	1.1%
2018	\$20.29	105	8.9%	-15.1%	156,510	2.0%	0.1%
2017	\$18.63	97	2.0%	-22.1%	149,591	1.9%	-1.3%
2016	\$18.26	95	5.0%	-23.6%	251,186	3.2%	-1.3%
2015	\$17.39	90	8.4%	-27.2%	349,327	4.5%	-0.4%
2014	\$16.05	83	-5.0%	-32.9%	382,682	4.9%	-1.1%
2013	\$16.89	88	-2.0%	-29.3%	468,445	6.0%	-1.1%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2029	-	-	-	-	-	-	\$177.35	149	9.7%
2028	-	-	-	-	-	-	\$171.83	144	9.9%
2027	-	-	-	-	-	-	\$165.37	139	10.1%
2026	-	-	-	-	-	-	\$162.19	136	10.1%
2025	-	-	-	-	-	-	\$160.65	135	10.1%
YTD	52	\$40.2M	3.3%	\$1,005,734	\$129.22	7.1%	\$161.68	136	10.0%
2024	67	\$80.3M	3.0%	\$1,460,678	\$213.42	6.7%	\$160.95	135	10.0%
2023	75	\$47.7M	2.1%	\$867,223	\$203.77	6.9%	\$161.85	136	9.7%
2022	96	\$142M	5.6%	\$1,944,624	\$219.45	7.2%	\$164.33	138	9.2%
2021	92	\$96.2M	5.8%	\$1,414,285	\$191.70	7.7%	\$180.01	151	8.2%
2020	78	\$52.3M	3.1%	\$1,005,382	\$149.28	6.3%	\$159.33	134	8.7%
2019	123	\$148.9M	7.9%	\$1,672,824	\$258.08	7.5%	\$154.81	130	8.9%
2018	90	\$111.6M	6.0%	\$1,487,976	\$150.06	7.6%	\$155.22	131	8.6%
2017	97	\$86.1M	5.4%	\$1,118,566	\$130.95	6.7%	\$148.25	125	8.5%
2016	77	\$37.6M	3.0%	\$696,160	\$106.45	8.7%	\$151.30	127	8.1%
2015	86	\$64.6M	3.6%	\$922,830	\$141.30	8.0%	\$148.76	125	8.0%
2014	70	\$47M	3.2%	\$839,258	\$117.07	-	\$144.73	122	8.0%

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3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2029	-	-	-	-	-	-	\$208.40	147	9.5%
2028	-	-	-	-	-	-	\$201.87	143	9.7%
2027	-	-	-	-	-	-	\$194.22	137	9.9%
2026	-	-	-	-	-	-	\$190.47	135	10.0%
2025	-	-	-	-	-	-	\$188.65	133	10.0%
YTD	16	\$19.8M	1.5%	\$1,646,492	\$241.91	8.0%	\$189.79	134	9.9%
2024	27	\$41.2M	3.0%	\$1,718,081	\$234.20	5.9%	\$188.56	133	9.8%
2023	24	\$14.5M	1.5%	\$852,941	\$191.64	4.2%	\$190.79	135	9.5%
2022	33	\$79.4M	5.5%	\$3,307,869	\$276.95	-	\$195.51	138	8.9%
2021	31	\$55.3M	6.8%	\$2,304,851	\$254.14	7.4%	\$216.64	153	8.0%
2020	25	\$31.7M	2.9%	\$1,511,553	\$191.49	7.4%	\$192.76	136	8.4%
2019	69	\$74.1M	12.5%	\$1,425,599	\$237.22	7.2%	\$186.23	132	8.6%
2018	36	\$69.8M	5.5%	\$2,325,271	\$234.73	6.5%	\$185.80	131	8.4%
2017	49	\$58.4M	7.7%	\$1,459,613	\$136.39	6.0%	\$177.90	126	8.2%
2016	31	\$11.1M	2.2%	\$555,850	\$104.55	12.0%	\$181.51	128	7.8%
2015	29	\$37M	2.9%	\$1,610,783	\$261.47	7.1%	\$179.61	127	7.7%
2014	20	\$26M	1.9%	\$1,370,302	\$247.56	-	\$176.17	125	7.7%

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1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2029	-	-	-	-	-	-	\$152.04	151	9.9%
2028	-	-	-	-	-	-	\$147.33	147	10.0%
2027	-	-	-	-	-	-	\$141.83	141	10.2%
2026	-	-	-	-	-	-	\$139.12	138	10.3%
2025	-	-	-	-	-	-	\$137.80	137	10.3%
YTD	36	\$20.5M	4.7%	\$731,124	\$89.14	6.7%	\$138.76	138	10.2%
2024	40	\$39.1M	3.1%	\$1,261,399	\$195.16	7.0%	\$138.40	138	10.1%
2023	51	\$33.2M	2.6%	\$873,612	\$209.56	7.8%	\$138.17	138	9.9%
2022	63	\$62.6M	5.8%	\$1,276,912	\$173.69	7.2%	\$138.79	138	9.4%
2021	61	\$40.9M	5.2%	\$928,522	\$143.84	7.9%	\$150.02	149	8.4%
2020	53	\$20.5M	3.3%	\$662,491	\$111.34	5.2%	\$131.95	131	9.0%
2019	54	\$74.8M	4.5%	\$2,020,275	\$282.74	7.8%	\$128.98	128	9.2%
2018	54	\$41.8M	6.6%	\$929,779	\$93.71	7.9%	\$130.19	130	8.8%
2017	48	\$27.7M	3.7%	\$749,866	\$120.81	7.6%	\$123.92	123	8.7%
2016	46	\$26.5M	3.7%	\$778,695	\$107.27	7.6%	\$126.59	126	8.3%
2015	57	\$27.6M	4.3%	\$586,172	\$87.33	9.8%	\$123.58	123	8.2%
2014	50	\$21M	4.3%	\$566,560	\$70.75	-	\$118.90	118	8.2%

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