

NAR Commercial Real Estate Metro Market Report | 2021.Q4

Asheville, NC

Core-Based Statistical Area Code: 11700

The Asheville, NC commercial real estate market is stronger compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 52.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is stronger than nationally.
 The office property market is stronger than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Asheville, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	190	188	187	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	3	4	(14)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	1.7%	2.2%	-6.9%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	3.4%	3.8%	5.7%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$885	\$913	\$883	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	0.1%	6.1%	13.5%	4.8%	4.5%	6.7%	<i>Wages are rising at a slower pace than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-5.1%	3.6%	3.9%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$57,428	\$52,410	\$50,015	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	4.2	4.2	5.2	0	0	0	<i>Area is experiencing net domestic in-migration</i>
Population ('000)	467	464	460	331,501	328,330	326,838	
Population growth (%)	0.67%	0.75%	0.99%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>

II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	5.0%	4.8%	4.9%	4.6%	4.6%	6.6%	<i>The area has a higher vacancy rate than nationally</i>
Absorption of units over the quarter	210	295	287	78,063	189,629	94,740	
Absorption of units in past 12 months	1,471	1,548	1,531	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	8.2%	8.7%	9.3%	4.2%	4.3%	2.3%	<i>The area has stronger absorption than nationally</i>
Market asking rent per unit	\$1,477	\$1,464	\$1,247	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	18.4%	19.6%	4.5%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,470	\$1,459	\$1,231	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	19.4%	21.6%	3.9%	12.2%	11.6%	-0.1%	<i>Rents are rising faster than nationally</i>
Rent as a percent of 2-person annual wage income	19.1%	18.4%	16.0%	16.3%	16.3%	15.2%	<i>Renting is less affordable than nationally</i>
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	17,945	17,735	16,477	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	1,568	1,429	1,070	369,993	387,542	434,591	
Net delivered units, as % of inventory	8.7%	8.1%	6.5%	2.2%	2.3%	2.6%	
Units under construction	482	744	1,780	681,402	692,701	687,551	
Units under construction, as % of inventory	2.7%	4.2%	10.8%	4.0%	4.1%	4.2%	<i>Construction is weaker than nationally</i>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	2.0	2.9	(12.9)	16.2	14.7	(21.3)	<i>Fewer jobs per delivered units than nationally</i>
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$49	\$122	\$5	\$86,764	\$63,211	\$47,522	<i>Sales transactions are rising faster than nationally</i>
Transaction sales price per unit	\$208,043	\$247,566	\$121,976	\$235,199	\$231,697	\$212,033	<i>Prices are rising faster nationally</i>
Market cap rate	4.9%	4.9%	5.1%	5.2%	5.2%	5.3%	<i>Cap rates are lower than nationally</i>

III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	3.3%	3.2%	3.4%	12.2%	3.2%	3.4%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(11,309)	(9,443)	(8,768)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	20,941	23,482	(63,968)	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	0.2%	0.2%	-0.5%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$22.8	\$22.7	\$22.1	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.9%	2.9%	1.1%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	0.4	0.2	0.6	1,134	1,092	(870)	<i>Stronger office job creation than nationally</i>
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	12,885,136	12,896,445	12,864,195	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	6,887	14,076	16,091	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	0.1%	0.1%	0.1%	0.8%	0.8%	0.6%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	37,000	25,000	6,887	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.3%	0.2%	0.1%	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$22	\$48	\$13	\$28,031	\$29,974	\$21,646	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$193	\$261	\$178	\$305	\$306	\$301	<i>Prices are rising faster nationally</i>
Market cap rate	8.0%	8.0%	8.2%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

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Asheville, NC

Core-Based Statistical Area Code: 11700

IV. Industrial

	Asheville, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	2.8%	2.4%	4.3%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(127,037)	517,515	(294,636)	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	537,116	369,517	100,355	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	1.6%	1.1%	0.3%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$7.5	\$7.3	\$6.8	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	10.2%	8.1%	4.7%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	32,770,496	32,897,532	32,233,380	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	27,640	5,500	421,400	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	0.1%	0.0%	1.3%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	830,320	732,860	301,500	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	2.5%	2.2%	0.9%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$38	\$76	\$5	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$103	\$42	\$74	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	7.4%	7.4%	7.5%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Asheville, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	2.5%	2.8%	2.7%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	92,022	54,102	27,662	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	126,751	62,391	(60,559)	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.4%	0.2%	-0.2%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$16.8	\$16.7	\$16.3	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.4%	3.3%	1.9%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	(0.20)	0.00	(1.00)	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	30,995,888	30,903,868	30,869,138	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	71,588	127,821	103,116	21,047,385	28,105,270	41,736,234	<i>Relatively more units delivered than nationally</i>
Net delivered units, as % of inventory	0.2%	0.4%	0.3%	0.2%	0.3%	0.4%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	18,432	18,432	82,432	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.1%	0.1%	0.3%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$72	\$75	\$46	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$203	\$130	\$181	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.8%	7.8%	7.8%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Asheville, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	26.0	26.7	23.6	15,362	15,397	12,896	
Y/Y change ('000)	1.7	2.7	(7.1)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	13.7%	14.2%	12.6%	10.2%	10.4%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



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Burlington, NC

Core-Based Statistical Area Code: 15500

The Burlington, NC commercial real estate market is stronger compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 60.0

Overall economic conditions are stronger than nationally.
 The apartment property market is stronger than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is stronger than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

	Burlington, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Economic							
Total non-farm employment ('000)	64	63	63	150,098	147,650	143,602	
Y/Y chg. in nonfarm payroll employment ('000)	2	2	(3)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	2.9%	3.8%	-4.0%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	4.0%	4.3%	6.3%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$768	\$751	\$731	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	6.3%	2.4%	-0.5%	4.8%	4.5%	6.7%	<i>Wages are rising faster than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-2.8%	2.9%	0.7%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$58,490	\$49,979	\$45,150	\$87,470	\$84,423	\$81,284	
Demographic							
Net domestic migration ('000)	2.1	2.5	2.8	0	0	0	<i>Area is experiencing net domestic in-migration</i>
Population ('000)	171	169	167	331,501	328,330	326,838	
Population growth (%)	1.28%	1.60%	1.95%	0.97%	0.46%	0.53%	<i>Population is growing faster than nationally</i>
II. Multifamily							
Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	3.7%	2.9%	7.3%	4.6%	4.6%	6.6%	<i>The area has a lower vacancy rate than nationally</i>
Absorption of units over the quarter	32	188	140	78,063	189,629	94,740	
Absorption of units in past 12 months	652	760	517	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	7.4%	8.7%	6.3%	4.2%	4.3%	2.3%	<i>The area has stronger absorption than nationally</i>
Market asking rent per unit	\$1,145	\$1,131	\$982	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	16.7%	16.8%	6.0%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,141	\$1,128	\$978	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	16.7%	17.5%	6.5%	12.2%	11.6%	-0.1%	<i>Rents are rising faster than nationally</i>
Rent as a percent of 2-person annual wage income	17.1%	17.3%	15.4%	16.3%	16.3%	15.2%	<i>Renting is less affordable than nationally</i>
Supply indicators							
Inventory	8,796	8,763	8,144	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	348	528	463	369,993	387,542	434,591	
Net delivered units, as % of inventory	4.0%	6.0%	5.7%	2.2%	2.3%	2.6%	
Units under construction	949	877	831	681,402	692,701	687,551	
Units under construction, as % of inventory	10.8%	10.0%	10.2%	4.0%	4.1%	4.2%	<i>Construction is stronger than nationally</i>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	5.2	4.4	(5.6)	16.2	14.7	(21.3)	<i>Fewer jobs per delivered units than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$77	\$48	\$35	\$86,764	\$63,211	\$47,522	<i>Sales transactions are rising faster than nationally</i>
Transaction sales price per unit	\$163,070	\$107,696	\$77,861	\$235,199	\$231,697	\$212,033	<i>Prices are rising faster nationally</i>
Market cap rate	5.5%	5.6%	5.7%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>
III. Office							
Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	1.3%	2.0%	3.5%	12.2%	2.0%	3.5%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	24,770	11,938	(712)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	72,849	47,367	(18,367)	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	2.2%	1.5%	-0.6%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$17.5	\$17.5	\$17.0	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.9%	4.2%	1.7%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg. in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	0.4	0.5	0.2	1,134	1,092	(870)	<i>Stronger office job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	3,284,726	3,259,956	3,211,877	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	-	-	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.6%	
Under construction in sq.ft.	18,000	18,000	-	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.5%	0.6%	-	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$1	\$10	\$13	\$28,031	\$29,974	\$21,646	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$92	\$158	\$246	\$305	\$306	\$301	<i>Prices are not rising as fast than nationally</i>
Market cap rate	8.3%	8.3%	8.4%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

NAR Commercial Real Estate Metro Market Report | 2021.Q4

Burlington, NC

Core-Based Statistical Area Code: 15500

IV. Industrial

	Burlington, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	4.3%	4.1%	3.2%	4.2%	4.6%	5.5%	<i>The area has higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(54,472)	(83,412)	100,951	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	(27,133)	128,290	(384,526)	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	-0.1%	0.5%	-1.4%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$4.6	\$4.4	\$4.2	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	10.1%	7.8%	5.1%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	27,918,616	27,973,088	27,945,748	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	297,675	297,675	36,822	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	1.1%	1.1%	0.1%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	297,675	297,675	595,350	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	1.1%	1.1%	2.1%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$6	\$11	\$5	\$34,773	\$30,151	\$29,578	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$39	\$48	\$38	\$144	\$127	\$110	<i>Prices are not rising as fast as nationally</i>
Market cap rate	7.6%	7.6%	7.9%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Burlington, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	3.3%	3.8%	4.1%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	152,286	132,211	(1,281)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	202,149	48,582	122,384	76,321,048	48,774,088	(28,079,124)	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.7%	0.4%	1.0%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$13.8	\$13.6	\$13.3	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.9%	3.4%	2.0%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.10	0.70	0.30	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	12,075,358	11,917,072	11,867,209	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	98,794	4,161	7,766	21,047,385	28,105,270	41,736,234	<i>Relatively more units delivered than nationally</i>
Net delivered units, as % of inventory	0.8%	0.0%	0.1%	0.2%	0.3%	0.4%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	-	95,134	75,934	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	-	0.8%	0.6%	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$17	\$14	\$7	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$230	\$169	\$168	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	8.3%	8.3%	8.2%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Burlington, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	7.3	7.2	7.3	15,362	15,397	12,896	
Y/Y change ('000)	-	0.1	(1.0)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	11.4%	11.4%	11.7%	10.2%	10.4%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

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NAR Commercial Real Estate Metro Market Report | 2021.Q4

Charlotte-Concord-Gastonia, NC-SC

Core-Based Statistical Area Code: 16740

The Charlotte-Concord-Gastonia, NC-SC commercial real estate market is stronger compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 60.0

Overall economic conditions are stronger than nationally.
 The apartment property market is stronger than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is stronger than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Charlotte-Concord-Gastonia, NC-SC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	1,248	1,224	1,217	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	34	39	(43)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	2.8%	3.3%	-3.4%	4.1%	4.0%	-6.0%	Job creation is weaker than nationally
Unemployment rate (%)	3.8%	4.1%	6.2%	4.2%	4.7%	6.7%	Unemployment rate is lower than nationally
Average weekly wages	\$1,122	\$1,079	\$1,150	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	-2.7%	-3.6%	6.5%	4.8%	4.5%	6.7%	Wages are rising at a slower pace than nationally

GDP growth (%)	2020	2019	2018	2020	2019	2018	
	-1.3%	2.3%	1.4%	-3.4%	2.3%	2.9%	

Median household income	2019	2018	2017	2019	2018	2017	
	\$66,399	\$62,068	\$61,156	\$87,470	\$84,423	\$81,284	

Demographic	2020	2019	2018	2020	2019	2018	
	Net domestic migration ('000)	30.4	27.1	26.0	0	0	

Population growth (%)	2020	2019	2018	2020	2019	2018	
	1.67%	1.69%	1.70%	0.97%	0.46%	0.53%	

II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	Vacancy rate	6.4%	6.4%	8.4%	4.6%	4.6%	

Absorption of units over the quarter	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	1,334	5,033	1,746	78,063	189,629	94,740	

Absorption in past 12 months as % of inventory	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	12,937	13,349	7,562	714,672	731,349	376,273	

Market asking rent per unit	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	\$1,464	\$1,442	\$1,245	\$1,543	\$1,532	\$1,387	

Effective rent per unit	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	\$1,454	\$1,432	\$1,222	\$1,534	\$1,523	\$1,367	

Rent as a percent of 2-person annual wage income	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	14.9%	15.3%	12.2%	16.3%	16.3%	15.2%	

Supply indicators

Inventory	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	181,117	179,783	168,190	17,112,020	17,034,566	16,401,950	

Net delivered units in past 12 months	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	10,064	11,254	9,707	369,993	387,542	434,591	

Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	3.4	3.5	(4.4)	16.2	14.7	(21.3)	

Sales transactions

Total investment acquisitions (in million \$)	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	\$2,159	\$1,479	\$1,758	\$86,764	\$63,211	\$47,522	

Market cap rate	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	4.5%	4.6%	4.8%	5.2%	5.2%	5.3%	

III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	Vacancy rate	11.8%	11.9%	8.5%	12.2%	11.9%	

Absorption in sq.ft. over the quarter	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	971,233	(196,514)	(603,450)	14,567,728	5,676,582	(34,912,824)	

Market rent per sq.ft.	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	\$29.7	\$29.6	\$29.2	\$34.4	\$34.3	\$34.3	

Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	12.5	13.3	(2.5)	1,134	1,092	(870)	

Supply indicators

Inventory in sq. ft.	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	113,932,280	112,961,040	113,534,384	7,237,517,312	7,222,925,312	7,276,806,144	

Net delivered space relative to inventory than nationally	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	4.5%	3.8%	0.4%	0.8%	0.8%	0.6%	

Under construction, as % of inventory	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	4.4%	3.5%	5.9%	2.0%	2.0%	2.1%	

Sales transactions

Total investment acquisitions (in million \$)	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	\$796	\$1,524	\$501	\$28,031	\$29,974	\$21,646	

Market cap rate	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	6.7%	6.7%	6.7%	7.0%	7.0%	7.0%	

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Charlotte-Concord-Gastonia, NC-SC

Core-Based Statistical Area Code: 16740

IV. Industrial

	Charlotte-Concord-Gastonia, NC-SC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	5.7%	6.1%	6.5%	4.2%	4.6%	5.5%	<i>The area has higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	2,208,512	3,404,677	2,653,361	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	4,808,904	5,253,753	6,497,529	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	1.5%	1.6%	2.0%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$7.1	\$6.9	\$6.4	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	10.0%	8.0%	5.5%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	324,163,360	321,954,848	319,354,464	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	2,261,198	3,260,347	8,298,277	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	0.7%	1.0%	2.6%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	10,894,794	8,173,359	3,377,809	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	3.4%	2.5%	1.1%	3.0%	2.8%	2.1%	<i>More delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$903	\$418	\$704	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$103	\$102	\$85	\$144	\$127	\$110	<i>Prices are not rising as fast than nationally</i>
Market cap rate	6.6%	6.6%	6.7%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Charlotte-Concord-Gastonia, NC-SC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	4.0%	4.1%	4.4%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	179,619	489,774	578,774	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	1,183,000	1,582,155	322,339	76,321,048	48,774,088	(28,079,124)	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.8%	1.1%	0.2%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$20.8	\$20.4	\$19.9	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	4.6%	3.6%	3.4%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	(0.60)	(1.00)	(4.20)	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	143,558,752	143,379,120	142,375,744	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	582,902	903,691	1,252,061	21,047,385	28,105,270	41,736,234	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	0.4%	0.6%	0.9%	0.2%	0.3%	0.4%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	279,755	307,071	739,481	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.2%	0.2%	0.5%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$536	\$248	\$279	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$262	\$202	\$194	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	7.1%	7.2%	7.2%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Charlotte-Concord-Gastonia, NC-SC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	126.4	125.9	114.4	15,362	15,397	12,896	
Y/Y change ('000)	10.0	12.3	(28.4)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	10.1%	10.3%	9.4%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

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(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

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Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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NAR Commercial Real Estate Metro Market Report | 2021.Q4

Durham-Chapel Hill, NC

Core-Based Statistical Area Code: 20500

The Durham-Chapel Hill, NC commercial real estate market is stronger compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 76.0

Overall economic conditions are stronger than nationally.
 The apartment property market is stronger than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is stronger than nationally.
 The hotel/lodging property market is stronger than nationally.

I. Economic and Demographic

Economic	Durham-Chapel Hill, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	336	327	320	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	17	15	(13)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	5.3%	4.7%	-3.9%	4.1%	4.0%	-6.0%	Job creation is stronger than nationally
Unemployment rate (%)	3.3%	3.5%	5.5%	4.2%	4.7%	6.7%	Unemployment rate is lower than nationally
Average weekly wages	\$1,066	\$1,046	\$990	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	6.2%	6.3%	3.0%	4.8%	4.5%	6.7%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	0.5%	4.3%	4.4%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$65,303	\$62,114	\$61,271	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	3.7	2.9	7.6	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	653	646	638	331,501	328,330	326,838	
Population growth (%)	1.08%	1.14%	1.93%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	4.5%	4.7%	9.5%	4.6%	4.6%	6.6%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	116	1,601	76	78,063	189,629	94,740	
Absorption of units in past 12 months	2,883	2,843	1,045	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	5.7%	5.6%	2.2%	4.2%	4.3%	2.3%	The area has stronger absorption than nationally
Market asking rent per unit	\$1,406	\$1,384	\$1,195	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	17.7%	15.9%	1.8%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,400	\$1,376	\$1,173	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	19.3%	17.2%	0.7%	12.2%	11.6%	-0.1%	Rents are rising faster than nationally
Rent as a percent of 2-person annual wage income	15.1%	15.1%	13.6%	16.3%	16.3%	15.2%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	50,485	50,369	47,603	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	276	899	2,139	369,993	387,542	434,591	
Net delivered units, as % of inventory	0.5%	1.8%	4.5%	2.2%	2.3%	2.6%	
Units under construction	3,438	3,024	2,285	681,402	692,701	687,551	
Units under construction, as % of inventory	6.8%	6.0%	4.8%	4.0%	4.1%	4.2%	Construction is stronger than nationally
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	61.6	16.5	(6.0)	16.2	14.7	(21.3)	More jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$766	\$623	\$93	\$86,764	\$63,211	\$47,522	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$220,867	\$218,927	\$149,737	\$235,199	\$231,697	\$212,033	Prices are rising faster nationally
Market cap rate	4.6%	4.7%	4.9%	5.2%	5.2%	5.3%	Cap rates are lower than nationally

III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	9.4%	9.3%	9.5%	12.2%	9.3%	9.5%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(26,182)	142,880	184,787	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	558,799	769,768	556,791	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	1.7%	2.4%	1.8%	-0.5%	-1.2%	-1.0%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$25.4	\$25.4	\$25.2	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	0.8%	0.7%	5.5%	0.1%	-0.3%	-1.5%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	5.2	6.5	3.5	1,134	1,092	(870)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	32,051,400	32,077,580	31,492,600	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	579,388	784,490	837,278	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	1.8%	2.4%	2.7%	0.8%	0.8%	0.6%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	797,642	789,732	1,084,129	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	2.5%	2.5%	3.4%	2.0%	2.0%	2.1%	Construction activity is more robust than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$280	\$74	\$178	\$28,031	\$29,974	\$21,646	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$331	\$262	\$284	\$305	\$306	\$301	Prices are rising faster nationally
Market cap rate	7.0%	7.1%	7.2%	7.0%	7.0%	7.0%	Cap rates are lower than nationally

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Durham-Chapel Hill, NC

Core-Based Statistical Area Code: 20500

IV. Industrial

	Durham-Chapel Hill, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	4.9%	4.6%	4.6%	4.2%	4.6%	5.5%	<i>The area has higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	79,271	31,244	495,913	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	855,737	1,272,379	1,238,189	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	2.0%	3.0%	2.9%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$9.3	\$9.0	\$8.5	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	9.3%	7.6%	4.7%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	43,203,800	43,124,528	42,348,064	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	1,049,112	1,191,824	1,117,202	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	2.4%	2.8%	2.6%	1.7%	1.8%	1.9%	<i>More deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	5,025,717	2,023,700	1,043,240	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	11.6%	4.7%	2.5%	3.0%	2.8%	2.1%	<i>More delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$187	\$230	\$106	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$166	\$247	\$104	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	6.7%	6.7%	6.8%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Durham-Chapel Hill, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	3.3%	3.2%	3.5%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(7,152)	209,531	49,896	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	285,961	343,009	(15,623)	76,321,048	48,774,088	(28,079,124)	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.1%	1.3%	-0.1%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$20.7	\$20.4	\$20.0	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.4%	2.7%	2.1%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	1.80	1.70	(1.10)	372.10	387.70	(473.90)	<i>The area has weaker retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	26,666,732	26,673,884	26,384,034	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	216,308	257,535	152,652	21,047,385	28,105,270	41,736,234	<i>Relatively more units delivered than nationally</i>
Net delivered units, as % of inventory	0.8%	1.0%	0.6%	0.2%	0.3%	0.4%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	330,276	339,376	350,585	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	1.2%	1.3%	1.3%	0.5%	0.5%	0.5%	<i>Construction activity is more robust than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$60	\$37	\$97	\$24,585	\$21,801	\$18,723	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$246	\$117	\$308	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	8.3%	8.3%	8.3%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Durham-Chapel Hill, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	24.1	22.9	19.9	15,362	15,397	12,896	
Y/Y change ('000)	3.7	3.1	(8.5)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	7.2%	7.0%	6.2%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



NAR Commercial Real Estate Metro Market Report | 2021.Q4

Fayetteville, NC

Core-Based Statistical Area Code: 22180

The Fayetteville, NC commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 40.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is about the same than nationally.
 The office property market is stronger than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is stronger than nationally.
 The hotel/lodging property market is not as strong than nationally.

I. Economic and Demographic

Economic	Fayetteville, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	129	127	128	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	2	2	(6)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	1.7%	1.4%	-4.8%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	5.8%	6.1%	8.4%	4.2%	4.7%	6.7%	<i>Unemployment rate is higher than nationally</i>
Average weekly wages	\$760	\$776	\$748	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	-0.6%	6.0%	13.9%	4.8%	4.5%	6.7%	<i>Wages are rising at a slower pace than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-1.4%	2.4%	1.0%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$47,597	\$46,679	\$44,757	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Net domestic migration ('000)	(2.9)	(0.5)	0.5	0	0	0	<i>Area is experiencing net domestic out-migration</i>
Population ('000)	529	528	524	331,501	328,330	326,838	
Population growth (%)	0.26%	0.77%	1.02%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>

II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	4.0%	4.1%	3.2%	4.6%	4.6%	6.6%	<i>The area has a lower vacancy rate than nationally</i>
Absorption of units over the quarter	(56)	(172)	373	78,063	189,629	94,740	
Absorption of units in past 12 months	(65)	364	842	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	-0.3%	1.7%	3.8%	4.2%	4.3%	2.3%	<i>The area has lower absorption than nationally</i>
Market asking rent per unit	\$1,038	\$1,046	\$921	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	12.7%	15.2%	9.1%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,035	\$1,043	\$918	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	12.7%	15.1%	9.5%	12.2%	11.6%	-0.1%	<i>Rents are rising faster than nationally</i>
Rent as a percent of 2-person annual wage income	15.7%	15.5%	14.1%	16.3%	16.3%	15.2%	<i>Renting is more affordable than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory	21,860	21,916	21,925	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	131	210	96	369,993	387,542	434,591	
Net delivered units, as % of inventory	0.6%	1.0%	0.4%	2.2%	2.3%	2.6%	
Units under construction	-	-	210	681,402	692,701	687,551	
Units under construction, as % of inventory	-	-	1.0%	4.0%	4.1%	4.2%	
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	16.0	8.1	(67.7)	16.2	14.7	(21.3)	<i>Fewer jobs per delivered units than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$160	\$153	\$144	\$86,764	\$63,211	\$47,522	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sales price per unit	\$114,109	\$155,290	\$99,619	\$235,199	\$231,697	\$212,033	<i>Prices are rising faster nationally</i>
Market cap rate	5.8%	5.8%	6.3%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>

III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	6.2%	6.3%	5.7%	12.2%	6.3%	5.7%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	11,672	79,879	27,836	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	(35,933)	(19,769)	85,020	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	-0.5%	-0.3%	1.1%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$20.7	\$20.7	\$20.2	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.5%	3.3%	2.3%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	0.1	(0.3)	(1.1)	1,134	1,092	(870)	<i>Stronger office job creation than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory in sq. ft.	7,477,959	7,466,287	7,513,892	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	(2,239)	5,383	7,622	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	0.0%	0.1%	0.1%	0.8%	0.8%	0.6%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	120,000	120,000	3,000	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	1.6%	1.6%	0.0%	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$6	\$8	\$15	\$28,031	\$29,974	\$21,646	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$186	\$111	\$109	\$305	\$306	\$301	<i>Prices are rising faster nationally</i>
Market cap rate	8.2%	8.2%	8.3%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

NAR Commercial Real Estate Metro Market Report | 2021.Q4

Fayetteville, NC

Core-Based Statistical Area Code: 22180

IV. Industrial

	Fayetteville, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	4.8%	7.2%	6.1%	4.2%	4.6%	5.5%	<i>The area has higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	394,781	77,448	402,148	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	552,102	559,469	627,404	502,819,872	454,349,376	223,162,272	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	3.5%	3.6%	4.1%	3.0%	2.7%	1.4%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$6.0	\$5.8	\$5.5	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	10.0%	7.9%	4.6%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	15,780,848	15,386,067	15,228,746	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	356,400	368,400	20,000	283,714,234	297,459,785	307,128,078	<i>More deliveries relative to inventory than nationally</i>
Net delivered units, as % of inventory	2.3%	2.4%	0.1%	1.7%	1.8%	1.9%	<i>More deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	412,400	139,500	356,400	508,025,152	466,780,896	340,499,936	<i>Less delivered space relative to inventory than nationally</i>
Under construction, as % of inventory	2.6%	0.9%	2.3%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$15	\$6	\$16	\$34,773	\$30,151	\$29,578	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$36	\$41	\$50	\$144	\$127	\$110	<i>Prices are not rising as fast as nationally</i>
Market cap rate	7.7%	7.6%	7.6%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Fayetteville, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	3.6%	4.1%	5.2%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	105,515	98,062	126,195	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	362,723	383,403	(75,789)	76,321,048	48,774,088	(28,079,124)	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.7%	1.8%	-0.4%	0.7%	0.4%	-0.3%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$15.2	\$15.1	\$14.7	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.5%	3.1%	1.8%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	(0.60)	(0.30)	0.10	372.10	387.70	(473.90)	<i>The area has weaker retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	21,237,412	21,131,896	20,874,688	11,209,097,216	11,180,823,552	11,132,858,368	<i>Relatively fewer units delivered than nationally</i>
Net delivered over 12 months, in sq.ft.	24,541	72,653	-92,048	21,047,385	28,105,270	41,736,234	<i>Less delivered space relative to inventory than nationally</i>
Net delivered units, as % of inventory	0.1%	0.3%	-0.4%	0.2%	0.3%	0.4%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	127,570	127,570	39,374	50,577,712	53,660,692	52,556,572	<i>Construction activity is more robust than nationally</i>
Under construction, as % of inventory	0.6%	0.6%	0.2%	0.5%	0.5%	0.5%	<i>Construction activity is more robust than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$26	\$26	\$14	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$139	\$172	\$101	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	8.3%	8.2%	7.9%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Fayetteville, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	16.7	16.7	14.8	15,362	15,397	12,896	
Y/Y change ('000)	2.4	2.3	(2.1)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is weaker than nationally</i>
% share to nonfarm payroll employment	12.9%	13.2%	11.6%	10.2%	10.4%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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NAR Commercial Real Estate Metro Market Report | 2021.Q4

Goldsboro, NC

Core-Based Statistical Area Code: 24140

The Goldsboro, NC commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 38.1

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is stronger than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is about the same than nationally.

I. Economic and Demographic

	Goldsboro, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Economic							
Total non-farm employment ('000)	41	40	40	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	1	(0)	(2)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	2.3%	-0.3%	-3.8%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	4.2%	4.6%	6.1%	4.2%	4.7%	6.7%	<i>Unemployment rate is higher than nationally</i>
Average weekly wages	\$814	\$847	\$789	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	4.4%	9.6%	12.9%	4.8%	4.5%	6.7%	<i>Wages are rising at a slower pace than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-3.4%	0.7%	0.5%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$44,596	\$40,791	\$44,347	\$87,470	\$84,423	\$81,284	
Demographic							
Net domestic migration ('000)	(0.2)	(0.1)	(0.3)	0	0	0	<i>Area is experiencing net domestic out-migration</i>
Population ('000)	124	124	123	331,501	328,330	326,838	
Population growth (%)	0.05%	0.34%	0.23%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>
II. Multifamily							
Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	2.1%	2.3%	2.7%	4.6%	4.6%	6.6%	<i>The area has a lower vacancy rate than nationally</i>
Absorption of units over the quarter	4	68	5	78,063	189,629	94,740	
Absorption of units in past 12 months	82	83	17	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	4.1%	4.2%	0.9%	4.2%	4.3%	2.3%	<i>The area has lower absorption than nationally</i>
Market asking rent per unit	\$954	\$953	\$902	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	5.9%	6.8%	4.1%	11.3%	10.6%	0.5%	
Effective rent per unit	\$953	\$951	\$899	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	6.0%	6.9%	3.9%	12.2%	11.6%	-0.1%	<i>Rents are rising more slowly than nationally</i>
Rent as a percent of 2-person annual wage income	13.5%	12.9%	13.1%	16.3%	16.3%	15.2%	<i>Renting is more affordable than nationally</i>
Supply indicators							
Inventory	1,992	1,989	1,911	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	72	72	-	369,993	387,542	434,591	
Net delivered units, as % of inventory	3.6%	3.6%	-	2.2%	2.3%	2.6%	
Units under construction	-	-	72	681,402	692,701	687,551	
Units under construction, as % of inventory	-	-	3.8%	4.0%	4.1%	4.2%	
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	12.5	(1.4)	-	16.2	14.7	(21.3)	<i>Fewer jobs per delivered units than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	-	-	\$39	\$86,764	\$63,211	\$47,522	
Transaction sales price per unit	-	-	\$133,681	\$235,199	\$231,697	\$212,033	
Market cap rate	6.0%	6.0%	6.0%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>
III. Office							
Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	4.1%	4.1%	3.7%	12.2%	4.1%	3.7%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(120)	661	(401)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	(5,093)	(5,374)	260	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	-0.4%	-0.5%	0.0%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$18.4	\$18.3	\$17.8	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.9%	4.0%	1.6%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	-	-	-	1,134	1,092	(870)	
Supply indicators							
Inventory in sq. ft.	1,168,845	1,168,965	1,173,938	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	-	(1,224)	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	-	-0.1%	0.8%	0.8%	0.6%	
Under construction in sq.ft.	-	-	-	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
Sales transactions							
Total investment acquisitions (in million \$)	\$1	\$4	\$1	\$28,031	\$29,974	\$21,646	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$85	\$197	\$36	\$305	\$306	\$301	<i>Prices are rising faster nationally</i>
Market cap rate	9.1%	9.0%	9.2%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

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Goldsboro, NC

Core-Based Statistical Area Code: 24140

IV. Industrial

	Goldsboro, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	8.0%	10.1%	11.0%	4.2%	4.6%	5.5%	<i>The area has higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	175,500	(12,554)	(215,357)	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	253,021	(137,836)	(431,065)	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	3.4%	-1.9%	-5.9%	3.0%	2.7%	1.4%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$4.7	\$4.5	\$4.2	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	12.1%	9.0%	5.3%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	7,544,029	7,368,529	7,291,008	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	-	-	50,000	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	-	-	0.7%	1.7%	1.8%	1.9%	
Under construction in sq.ft.	-	-	-	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	-	-	-	3.0%	2.8%	2.1%	
Sales transactions							
Total investment acquisitions (in million \$)	\$8	\$18	\$7	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$36	\$37	\$18	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	7.7%	7.8%	8.6%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Goldsboro, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	4.4%	4.0%	4.5%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(32,213)	32,330	(6,313)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	6,562	32,462	(57,647)	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.1%	0.5%	-0.9%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$14.5	\$14.3	\$13.9	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.9%	3.6%	1.9%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	-	-	-	372.10	387.70	(473.90)	
Supply indicators							
Inventory in sq. ft.	6,426,041	6,458,254	6,419,479	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	-	-	16,332	21,047,385	28,105,270	41,736,234	
Net delivered units, as % of inventory	-	-	0.3%	0.2%	0.3%	0.4%	
Under construction in sq.ft.	-	-	-	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	-	-	-	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$3	\$7	\$3	\$24,585	\$21,801	\$18,723	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$537	\$208	\$47	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	8.3%	8.3%	8.4%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)
Leisure and hospitality payroll workers ('000)	-	-	-	15,362	15,397	12,896
Y/Y change ('000)	-	-	-	2,533.0	1,841.0	(3,541.0)
% share to nonfarm payroll employment	-	-	-	10.2%	10.4%	9.0%

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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NAR Commercial Real Estate Metro Market Report | 2021.Q4

Greensboro-High Point, NC

Core-Based Statistical Area Code: 24660

The Greensboro-High Point, NC commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 36.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is about the same than nationally.
 The office property market is not as strong than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Greensboro-High Point, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	354	348	346	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	9	5	(23)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	2.5%	1.6%	-6.1%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	4.5%	4.8%	7.1%	4.2%	4.7%	6.7%	<i>Unemployment rate is higher than nationally</i>
Average weekly wages	\$951	\$921	\$868	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	8.7%	8.7%	-0.8%	4.8%	4.5%	6.7%	<i>Wages are rising faster than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.1%	-0.2%	0.0%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$51,770	\$50,026	\$50,285	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	2.4	3.1	2.0	0	0	0	<i>Area is experiencing net domestic in-migration</i>
Population ('000)	776	772	767	331,501	328,330	326,838	
Population growth (%)	0.50%	0.70%	0.61%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>

II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	3.8%	3.7%	5.4%	4.6%	4.6%	6.6%	<i>The area has a lower vacancy rate than nationally</i>
Absorption of units over the quarter	(64)	348	151	78,063	189,629	94,740	
Absorption of units in past 12 months	1,188	1,403	1,589	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	2.6%	3.1%	3.6%	4.2%	4.3%	2.3%	<i>The area has lower absorption than nationally</i>
Market asking rent per unit	\$1,052	\$1,043	\$915	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	14.9%	15.1%	6.1%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,048	\$1,041	\$909	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	15.2%	15.2%	6.0%	12.2%	11.6%	-0.1%	<i>Rents are rising faster than nationally</i>
Rent as a percent of 2-person annual wage income	12.7%	13.0%	12.1%	16.3%	16.3%	15.2%	<i>Renting is more affordable than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory	45,328	45,393	44,143	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	478	959	911	369,993	387,542	434,591	
Net delivered units, as % of inventory	1.1%	2.1%	2.1%	2.2%	2.3%	2.6%	
Units under construction	821	821	1,031	681,402	692,701	687,551	
Units under construction, as % of inventory	1.8%	1.8%	2.3%	4.0%	4.1%	4.2%	<i>Construction is weaker than nationally</i>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	18.2	5.6	(24.7)	16.2	14.7	(21.3)	<i>More jobs per delivered units than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$331	\$257	\$171	\$86,764	\$63,211	\$47,522	<i>Sales transactions are rising faster than nationally</i>
Transaction sales price per unit	\$104,782	\$107,911	\$98,950	\$235,199	\$231,697	\$212,033	<i>Prices are not rising as fast than nationally</i>
Market cap rate	5.4%	5.5%	5.6%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>

III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	10.5%	10.3%	8.1%	12.2%	10.3%	8.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(10,674)	(95,688)	(200,494)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	(583,081)	(772,901)	219,681	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	-2.0%	-2.7%	0.8%	-0.5%	-1.2%	-1.0%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$17.3	\$17.3	\$17.1	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	1.0%	1.6%	1.3%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	1.0	(0.2)	(2.5)	1,134	1,092	(870)	<i>Stronger office job creation than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory in sq. ft.	28,629,290	28,639,964	29,212,372	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	172,500	114,000	(6,320)	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	0.6%	0.4%	0.0%	0.8%	0.8%	0.6%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	88,800	123,300	119,000	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.3%	0.4%	0.4%	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$130	\$24	\$177	\$28,031	\$29,974	\$21,646	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$132	\$120	\$98	\$305	\$306	\$301	<i>Prices are rising faster nationally</i>
Market cap rate	8.1%	8.0%	8.0%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

NAR Commercial Real Estate Metro Market Report | 2021.Q4

Greensboro-High Point, NC

Core-Based Statistical Area Code: 24660

IV. Industrial

	Greensboro-High Point, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	3.2%	3.5%	2.7%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	777,484	(116,276)	779,174	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	1,283,309	1,284,999	3,409,161	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	0.8%	0.8%	2.2%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$5.5	\$5.3	\$5.0	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	10.5%	8.1%	4.9%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	158,958,368	158,180,896	157,675,072	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	2,228,796	2,058,796	1,886,796	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	1.4%	1.3%	1.2%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	3,064,739	2,225,866	2,226,202	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	1.9%	1.4%	1.4%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$226	\$199	\$53	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$67	\$61	\$24	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	7.3%	7.4%	7.4%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Greensboro-High Point, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	4.9%	4.9%	4.9%	4.6%	4.8%	5.1%	<i>The area has a higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	4,258	223,919	176,004	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	149,639	321,385	130,907	76,321,048	48,774,088	(28,079,124)	
Absorption in past 12 months as % of inventory	0.3%	0.6%	0.3%	0.7%	0.4%	-0.3%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$13.7	\$13.3	\$13.4	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	2.0%	-1.8%	-1.0%	2.8%	2.1%	0.8%	<i>Rent growth is slower than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) <i>(as of latest available month of the quarter)</i>	0.90	1.00	(1.30)	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	50,164,116	50,159,856	50,014,476	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	166,156	24,746	78,191	21,047,385	28,105,270	41,736,234	<i>Relatively more units delivered than nationally</i>
Net delivered units, as % of inventory	0.3%	0.0%	0.2%	0.2%	0.3%	0.4%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	91,632	138,385	143,250	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.2%	0.3%	0.3%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$152	\$102	\$93	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$127	\$115	\$119	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.9%	8.0%	8.0%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Greensboro-High Point, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	32.2	31.6	29.7	15,362	15,397	12,896	
Y/Y change ('000)	2.0	1.4	(7.6)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	9.1%	9.1%	8.6%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

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(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

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NAR Commercial Real Estate Metro Market Report | 2021.Q4 Greenville, NC

Core-Based Statistical Area Code: 24780

The Greenville, NC commercial real estate market is stronger compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 56.0

Overall economic conditions are stronger than nationally.
The apartment property market is about the same than nationally.
The office property market is stronger than nationally.
The industrial property market is about the same than nationally.
The retail property market is not as strong than nationally.
The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

	Greenville, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Economic							
Total non-farm employment ('000)	84	83	81	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	4	5	(2)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	5.5%	6.2%	-1.9%	4.1%	4.0%	-6.0%	<i>Job creation is stronger than nationally</i>
Unemployment rate (%)	4.0%	4.2%	6.5%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$981	\$944	\$903	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	8.6%	10.7%	4.6%	4.8%	4.5%	6.7%	<i>Wages are rising faster than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.5%	0.0%	-2.4%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$53,401	\$42,481	\$45,849	\$87,470	\$84,423	\$81,284	
Demographic	2020	2019	2018	2020	2019	2018	
Net domestic migration ('000)	1.1	0.7	0.1	0	0	0	<i>Area is experiencing net domestic in-migration</i>
Population ('000)	183	181	180	331,501	328,330	326,838	
Population growth (%)	0.92%	0.88%	0.57%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>
II. Multifamily							
Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	3.2%	2.2%	3.1%	4.6%	4.6%	6.6%	<i>The area has a lower vacancy rate than nationally</i>
Absorption of units over the quarter	16	75	169	78,063	189,629	94,740	
Absorption of units in past 12 months	195	348	635	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	1.5%	2.7%	4.9%	4.2%	4.3%	2.3%	<i>The area has lower absorption than nationally</i>
Market asking rent per unit	\$886	\$841	\$773	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	14.6%	10.2%	3.7%	11.3%	10.6%	0.5%	
Effective rent per unit	\$884	\$840	\$769	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	15.0%	10.6%	4.2%	12.2%	11.6%	-0.1%	<i>Rents are rising faster than nationally</i>
Rent as a percent of 2-person annual wage income	10.4%	10.2%	9.8%	16.3%	16.3%	15.2%	<i>Renting is more affordable than nationally</i>
Supply indicators							
Inventory	13,141	13,125	12,947	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	206	122	60	369,993	387,542	434,591	
Net delivered units, as % of inventory	1.6%	0.9%	0.5%	2.2%	2.3%	2.6%	
Units under construction	393	537	302	681,402	692,701	687,551	
Units under construction, as % of inventory	3.0%	4.1%	2.3%	4.0%	4.1%	4.2%	<i>Construction is weaker than nationally</i>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	21.4	40.2	(26.7)	16.2	14.7	(21.3)	<i>More jobs per delivered units than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$32	\$48	-	\$86,764	\$63,211	\$47,522	
Transaction sales price per unit	\$102,946	\$90,822	-	\$235,199	\$231,697	\$212,033	
Market cap rate	6.6%	6.7%	6.5%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>
III. Office							
Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	6.6%	6.6%	6.7%	12.2%	6.6%	6.7%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	1,033	(107,578)	(31,576)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	3,511	(29,098)	(1,584)	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	0.1%	-0.9%	0.0%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$18.5	\$18.5	\$18.1	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.5%	3.3%	1.5%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	1.2	1.5	0.9	1,134	1,092	(870)	<i>Stronger office job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	3,294,197	3,293,164	3,290,686	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	8,300	8,300	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	0.3%	0.3%	0.8%	0.8%	0.6%	
Under construction in sq.ft.	5,000	5,000	-	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.2%	0.2%	-	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$4	\$2	\$8	\$28,031	\$29,974	\$21,646	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$102	\$62	\$150	\$305	\$306	\$301	<i>Prices are not rising as fast than nationally</i>
Market cap rate	8.6%	8.6%	8.7%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

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Greenville, NC

Core-Based Statistical Area Code: 24780

IV. Industrial

	Greenville, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	2.4%	3.4%	1.7%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	117,548	(287,170)	(22,509)	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	(76,814)	(216,871)	(35,920)	502,819,872	454,349,376	223,162,272	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	-0.7%	-2.0%	-0.3%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$5.3	\$5.1	\$4.8	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	10.1%	8.0%	5.1%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	10,826,608	10,709,060	10,903,422	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	-	-	-	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	-	-	-	1.7%	1.8%	1.9%	
Under construction in sq.ft.	19,000	19,000	-	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	0.2%	0.2%	-	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$5	\$2	\$2	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$99	\$55	\$173	\$144	\$127	\$110	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.5%	7.6%	7.6%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Greenville, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	4.2%	4.4%	4.4%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	20,962	38,873	25,141	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	19,717	23,896	2,098	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.2%	0.3%	0.0%	0.7%	0.4%	-0.3%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$16.2	\$16.1	\$15.6	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.9%	3.6%	2.0%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) <i>(as of latest available month of the quarter)</i>	0.20	0.30	(0.10)	372.10	387.70	(473.90)	<i>The area has weaker retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	8,827,954	8,806,992	8,808,237	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	3,500	3,500	12,000	21,047,385	28,105,270	41,736,234	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	0.0%	0.0%	0.1%	0.2%	0.3%	0.4%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	-	-	3,500	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	-	-	0.0%	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$24	\$14	\$5	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$100	\$223	\$128	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.2%	7.1%	7.4%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Greenville, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	9.2	8.7	8.1	15,362	15,397	12,896	
Y/Y change ('000)	0.9	0.5	(1.6)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	10.9%	10.4%	10.0%	10.2%	10.4%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



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Hickory-Lenoir-Morganton, NC

Core-Based Statistical Area Code: 25860

The Hickory-Lenoir-Morganton, NC commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 48.0

Overall economic conditions are stronger than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is stronger than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is stronger than nationally.
 The hotel/lodging property market is not as strong than nationally.

I. Economic and Demographic

Economic	Hickory-Lenoir-Morganton, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	157	154	152	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	6	6	(5)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	4.0%	3.8%	-3.4%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	3.7%	4.1%	5.7%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$820	\$807	\$792	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	6.0%	5.5%	1.1%	4.8%	4.5%	6.7%	<i>Wages are rising faster than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.1%	-1.3%	-1.4%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$50,631	\$47,544	\$48,079	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Net domestic migration ('000)	1.3	1.3	1.5	0	0	0	<i>Area is experiencing net domestic in-migration</i>
Population ('000)	370	369	368	331,501	328,330	326,838	
Population growth (%)	0.21%	0.34%	0.32%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>

II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	Vacancy rate	5.3%	7.6%	4.5%	4.6%	4.6%	
Absorption of units over the quarter	194	101	58	78,063	189,629	94,740	
Absorption of units in past 12 months	525	389	218	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	8.4%	6.5%	3.8%	4.2%	4.3%	2.3%	<i>The area has stronger absorption than nationally</i>
Market asking rent per unit	\$1,031	\$1,005	\$929	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	11.0%	9.3%	3.9%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,026	\$1,002	\$924	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	11.1%	9.5%	4.9%	12.2%	11.6%	-0.1%	<i>Rents are rising more slowly than nationally</i>
Rent as a percent of 2-person annual wage income	14.4%	14.3%	13.4%	16.3%	16.3%	15.2%	<i>Renting is more affordable than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory	6,222	6,028	5,697	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	603	557	212	369,993	387,542	434,591	
Net delivered units, as % of inventory	9.7%	9.2%	3.7%	2.2%	2.3%	2.6%	
Units under construction	20	66	603	681,402	692,701	687,551	
Units under construction, as % of inventory	0.3%	1.1%	10.6%	4.0%	4.1%	4.2%	<i>Construction is weaker than nationally</i>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	10.1	10.2	(25.0)	16.2	14.7	(21.3)	<i>Fewer jobs per delivered units than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$22	\$3	\$1	\$86,764	\$63,211	\$47,522	<i>Sales transactions are rising faster than nationally</i>
Transaction sales price per unit	\$140,063	\$126,923	\$66,667	\$235,199	\$231,697	\$212,033	<i>Prices are rising faster nationally</i>
Market cap rate	6.2%	6.4%	6.6%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>

III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	Vacancy rate	1.8%	2.2%	5.6%	12.2%	2.2%	
Absorption in sq.ft. over the quarter	32,573	16,608	18,327	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	301,203	286,957	81,061	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	3.9%	3.7%	1.1%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$15.2	\$15.2	\$14.8	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.8%	3.7%	1.5%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	0.0	0.0	0.0	1,134	1,092	(870)	
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory in sq. ft.	7,777,501	7,744,928	7,476,298	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	-	53,600	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	-	0.7%	0.8%	0.8%	0.6%	
Under construction in sq.ft.	50,000	50,000	50,000	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.6%	0.6%	0.7%	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$6	\$8	\$3	\$28,031	\$29,974	\$21,646	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$24	\$151	\$105	\$305	\$306	\$301	<i>Prices are not rising as fast than nationally</i>
Market cap rate	8.6%	8.6%	8.8%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

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Hickory-Lenoir-Morganton, NC

Core-Based Statistical Area Code: 25860

IV. Industrial

	Hickory-Lenoir-Morganton, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	3.5%	2.3%	2.9%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(702,464)	302,732	537,508	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	730,113	1,970,085	680,701	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	1.2%	3.3%	1.2%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$3.9	\$3.8	\$3.6	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	10.3%	7.8%	4.8%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	58,543,152	59,245,616	57,813,040	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	1,112,859	1,111,359	447,935	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	1.9%	1.9%	0.8%	1.7%	1.8%	1.9%	<i>More deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	12,000	13,500	1,186,310	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	0.0%	0.0%	2.1%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$13	\$9	\$23	\$34,773	\$30,151	\$29,578	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$16	\$21	\$37	\$144	\$127	\$110	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.9%	8.0%	7.8%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Hickory-Lenoir-Morganton, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	3.9%	3.8%	4.5%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(30,356)	210,473	33,033	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	161,174	224,563	(84,298)	76,321,048	48,774,088	(28,079,124)	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.7%	1.0%	-0.4%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$12.6	\$12.5	\$12.1	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.7%	3.6%	2.0%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.20	0.00	0.10	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	21,722,828	21,753,184	21,562,290	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	33,367	73,689	94,126	21,047,385	28,105,270	41,736,234	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	0.2%	0.3%	0.4%	0.2%	0.3%	0.4%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	13,475	13,955	26,637	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.1%	0.1%	0.1%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$42	\$46	\$46	\$24,585	\$21,801	\$18,723	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$102	\$97	\$95	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	8.4%	8.3%	8.3%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Hickory-Lenoir-Morganton, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	13.6	13.8	13.1	15,362	15,397	12,896	
Y/Y change ('000)	0.8	1.5	(0.9)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is weaker than nationally</i>
% share to nonfarm payroll employment	8.7%	9.0%	8.6%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

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NAR Commercial Real Estate Metro Market Report | 2021.Q4

Jacksonville, NC

Core-Based Statistical Area Code: 27340

The Jacksonville, NC commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 47.6

Overall economic conditions are not as strong than nationally.
 The apartment property market is about the same than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is stronger than nationally.

I. Economic and Demographic

Economic	Jacksonville, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	51	50	50	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	0	1	(0)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	0.8%	1.2%	-0.4%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	4.4%	4.7%	6.2%	4.2%	4.7%	6.7%	<i>Unemployment rate is higher than nationally</i>
Average weekly wages	\$680	\$656	\$662	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	6.2%	11.4%	16.7%	4.8%	4.5%	6.7%	<i>Wages are rising faster than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-2.1%	1.3%	-0.1%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$49,544	\$50,639	\$49,883	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(1.4)	3.1	(0.3)	0	0	0	<i>Area is experiencing net domestic out-migration</i>
Population ('000)	204	203	197	331,501	328,330	326,838	
Population growth (%)	0.57%	2.91%	0.89%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>

II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	Vacancy rate	3.5%	2.4%	9.1%	4.6%	4.6%	
Absorption of units over the quarter	(73)	24	(88)	78,063	189,629	94,740	
Absorption of units in past 12 months	361	346	151	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	5.7%	5.4%	2.5%	4.2%	4.3%	2.3%	<i>The area has stronger absorption than nationally</i>
Market asking rent per unit	\$992	\$990	\$895	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	10.8%	12.0%	3.8%	11.3%	10.6%	0.5%	
Effective rent per unit	\$989	\$987	\$891	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	11.0%	12.3%	4.1%	12.2%	11.6%	-0.1%	<i>Rents are rising more slowly than nationally</i>
Rent as a percent of 2-person annual wage income	16.7%	17.3%	15.5%	16.3%	16.3%	15.2%	<i>Renting is less affordable than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory	6,295	6,368	5,934	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	-	-	56	369,993	387,542	434,591	
Net delivered units, as % of inventory	-	-	0.9%	2.2%	2.3%	2.6%	
Units under construction	-	-	-	681,402	692,701	687,551	
Units under construction, as % of inventory	-	-	-	4.0%	4.1%	4.2%	
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	-	-	(3.6)	16.2	14.7	(21.3)	
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	-	\$18	\$2	\$86,764	\$63,211	\$47,522	
Transaction sales price per unit	-	\$120,578	\$53,571	\$235,199	\$231,697	\$212,033	
Market cap rate	5.9%	5.9%	6.1%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>

III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	Vacancy rate	0.4%	0.6%	1.7%	12.2%	0.6%	
Absorption in sq.ft. over the quarter	5,250	11,046	(11,590)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	35,625	18,785	11,856	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	1.3%	0.7%	0.5%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$18.0	\$17.9	\$17.5	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.8%	3.8%	1.6%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	-	-	-	1,134	1,092	(870)	
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory in sq. ft.	2,658,652	2,653,402	2,623,027	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	-	-	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.6%	
Under construction in sq.ft.	-	-	-	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$7	\$2	\$3	\$28,031	\$29,974	\$21,646	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$93	\$148	\$112	\$305	\$306	\$301	<i>Prices are not rising as fast than nationally</i>
Market cap rate	8.5%	8.5%	8.6%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

NAR Commercial Real Estate Metro Market Report | 2021.Q4

Jacksonville, NC

Core-Based Statistical Area Code: 27340

IV. Industrial

	Jacksonville, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	6.5%	6.4%	3.6%	4.2%	4.6%	5.5%	<i>The area has higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(2,436)	(96,041)	(22,448)	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	(55,257)	(75,269)	(32,100)	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	-2.7%	-3.6%	-1.5%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$9.2	\$8.9	\$8.4	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	8.7%	7.2%	4.9%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	2,064,613	2,067,049	2,119,870	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	9,000	9,000	7,500	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	0.4%	0.4%	0.4%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	-	-	9,000	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	-	-	0.4%	3.0%	2.8%	2.1%	
Sales transactions							
Total investment acquisitions (in million \$)	\$0	\$0	\$4	\$34,773	\$30,151	\$29,578	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$42	\$110	\$79	\$144	\$127	\$110	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.6%	7.7%	7.7%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Jacksonville, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	1.9%	2.0%	2.2%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(1,426)	(35,091)	77,158	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	29,982	108,566	179,471	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.3%	1.0%	1.7%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$14.5	\$14.4	\$14.0	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.8%	3.5%	1.9%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	-	-	-	372.10	387.70	(473.90)	
Supply indicators							
Inventory in sq. ft.	10,575,665	10,577,091	10,545,683	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	6,650	104,992	135,875	21,047,385	28,105,270	41,736,234	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	0.1%	1.0%	1.3%	0.2%	0.3%	0.4%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	12,240	12,240	23,890	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.1%	0.1%	0.2%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$16	\$16	\$11	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$278	\$276	\$191	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	6.7%	6.8%	6.8%	7.0%	7.0%	7.0%	<i>Cap rates are lower than nationally</i>

VI. Hotel/Lodging

	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)
Leisure and hospitality payroll workers ('000)	-	-	-	15,362	15,397	12,896
Y/Y change ('000)	-	-	-	2,533.0	1,841.0	(3,541.0)
% share to nonfarm payroll employment	-	-	-	10.2%	10.4%	9.0%

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

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(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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NAR Commercial Real Estate Metro Market Report | 2021.Q4

New Bern, NC

Core-Based Statistical Area Code: 35100

The New Bern, NC commercial real estate market is stronger compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 52.4

Overall economic conditions are not as strong than nationally.
 The apartment property market is about the same than nationally.
 The office property market is about the same than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is stronger than nationally.

I. Economic and Demographic

	New Bern, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Economic							
Total non-farm employment ('000)	45	44	44	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	0	0	(2)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	0.9%	0.5%	-3.3%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	3.9%	4.2%	5.7%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$928	\$900	\$782	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	20.2%	25.5%	11.5%	4.8%	4.5%	6.7%	<i>Wages are rising faster than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-2.3%	4.5%	-2.0%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$52,355	\$48,557	\$50,977	\$87,470	\$84,423	\$81,284	
Demographic							
Net domestic migration ('000)	(0.9)	(1.0)	(0.1)	0	0	0	<i>Area is experiencing net domestic out-migration</i>
Population ('000)	123	124	125	331,501	328,330	326,838	
Population growth (%)	-0.66%	-0.64%	-0.08%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>

II. Multifamily

	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	12.6%	1.3%	4.5%	4.6%	4.6%	6.6%	<i>The area has a higher vacancy rate than nationally</i>
Absorption of units over the quarter	6	15	(3)	78,063	189,629	94,740	
Absorption of units in past 12 months	125	116	50	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	7.5%	7.0%	3.2%	4.2%	4.3%	2.3%	<i>The area has stronger absorption than nationally</i>
Market asking rent per unit	\$1,038	\$1,043	\$911	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	13.9%	15.2%	9.8%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,021	\$1,041	\$910	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	12.3%	15.5%	11.4%	12.2%	11.6%	-0.1%	<i>Rents are rising faster than nationally</i>
Rent as a percent of 2-person annual wage income	12.7%	13.3%	13.4%	16.3%	16.3%	15.2%	<i>Renting is more affordable than nationally</i>
Supply indicators							
Inventory	1,675	1,669	1,550	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	292	68	-	369,993	387,542	434,591	
Net delivered units, as % of inventory	17.4%	4.1%	-	2.2%	2.3%	2.6%	
Units under construction	-	224	292	681,402	692,701	687,551	
Units under construction, as % of inventory	-	13.4%	18.8%	4.0%	4.1%	4.2%	
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	1.4	2.9	-	16.2	14.7	(21.3)	<i>Fewer jobs per delivered units than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$35	-	-	\$86,764	\$63,211	\$47,522	
Transaction sales price per unit	\$155,502	-	-	\$235,199	\$231,697	\$212,033	
Market cap rate	6.1%	6.0%	6.3%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>

III. Office

	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	6.3%	5.5%	5.6%	12.2%	5.5%	5.6%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(9,990)	900	(234)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	(9,940)	(184)	(2,421)	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	-0.8%	0.0%	-0.2%	-0.5%	-1.2%	-1.0%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$15.5	\$15.5	\$15.1	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.9%	3.8%	1.4%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	-	-	-	1,134	1,092	(870)	
Supply indicators							
Inventory in sq. ft.	1,174,605	1,184,595	1,184,545	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	-	-	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.6%	
Under construction in sq.ft.	-	-	-	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
Sales transactions							
Total investment acquisitions (in million \$)	\$7	\$1	\$0	\$28,031	\$29,974	\$21,646	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$202	\$121	\$49	\$305	\$306	\$301	<i>Prices are rising faster nationally</i>
Market cap rate	9.0%	9.0%	8.6%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

NAR Commercial Real Estate Metro Market Report | 2021.Q4

New Bern, NC

Core-Based Statistical Area Code: 35100

IV. Industrial

	New Bern, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	0.8%	0.7%	1.8%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(5,000)	26,289	0	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	36,730	41,730	(56,130)	502,819,872	454,349,376	223,162,272	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.0%	1.2%	-1.6%	3.0%	2.7%	1.4%	
Market rent per sq.ft.	\$7.3	\$7.1	\$6.7	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	9.7%	7.6%	4.7%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	3,536,472	3,541,472	3,499,742	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	-	-	-	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	-	-	-	1.7%	1.8%	1.9%	
Under construction in sq.ft.	-	-	-	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	-	-	-	3.0%	2.8%	2.1%	
Sales transactions							
Total investment acquisitions (in million \$)	\$0	-	\$0	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$39	-	\$88	\$144	\$127	\$110	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.6%	7.6%	7.6%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	New Bern, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	2.4%	2.7%	3.4%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	18,644	10,737	(80,114)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	61,557	(37,201)	(70,387)	76,321,048	48,774,088	(28,079,124)	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.0%	-0.6%	-1.1%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$13.1	\$13.0	\$12.6	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.7%	3.6%	2.0%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	-	-	-	372.10	387.70	(473.90)	
Supply indicators							
Inventory in sq. ft.	6,475,455	6,456,811	6,413,898	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	-	-	25,514	21,047,385	28,105,270	41,736,234	
Net delivered units, as % of inventory	-	-	0.4%	0.2%	0.3%	0.4%	
Under construction in sq.ft.	-	-	-	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	-	-	-	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$13	\$15	\$1	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$52	\$116	\$208	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	8.2%	8.2%	8.1%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)
Leisure and hospitality payroll workers ('000)	-	-	-	15,362	15,397	12,896
Y/Y change ('000)	-	-	-	2,533.0	1,841.0	(3,541.0)
% share to nonfarm payroll employment	-	-	-	10.2%	10.4%	9.0%

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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NAR Commercial Real Estate Metro Market Report | 2021.Q4

Virginia Beach-Norfolk-Newport News, VA-NC

Core-Based Statistical Area Code: 47260

The Virginia Beach-Norfolk-Newport News, VA-NC commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 36.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is stronger than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Virginia Beach-Norfolk-Newport News, VA-NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	770	763	763	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	6	8	(40)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	0.7%	1.1%	-5.0%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	4.0%	4.4%	6.9%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$888	\$863	\$829	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	4.8%	2.3%	2.0%	4.8%	4.5%	6.7%	<i>Wages are rising faster than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-3.9%	1.2%	-0.8%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$69,329	\$65,604	\$64,255	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Net domestic migration ('000)	(1.2)	(2.5)	(5.0)	0	0	0	<i>Area is experiencing net domestic out-migration</i>
Population ('000)	1,780	1,774	1,767	331,501	328,330	326,838	
Population growth (%)	0.35%	0.38%	0.20%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>
II. Multifamily							
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	3.3%	3.1%	4.0%	4.6%	4.6%	6.6%	<i>The area has a lower vacancy rate than nationally</i>
Absorption of units over the quarter	(97)	221	526	78,063	189,629	94,740	
Absorption of units in past 12 months	2,104	2,727	4,495	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	1.9%	2.4%	4.0%	4.2%	4.3%	2.3%	<i>The area has lower absorption than nationally</i>
Market asking rent per unit	\$1,307	\$1,309	\$1,171	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	11.5%	12.1%	5.4%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,301	\$1,305	\$1,166	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	11.6%	12.2%	5.5%	12.2%	11.6%	-0.1%	<i>Rents are rising more slowly than nationally</i>
Rent as a percent of 2-person annual wage income	16.9%	17.4%	16.2%	16.3%	16.3%	15.2%	<i>Renting is less affordable than nationally</i>
Supply indicators							
Inventory	113,157	113,254	111,063	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	1,378	1,335	2,041	369,993	387,542	434,591	
Net delivered units, as % of inventory	1.2%	1.2%	1.8%	2.2%	2.3%	2.6%	
Units under construction	2,125	2,344	2,052	681,402	692,701	687,551	
Units under construction, as % of inventory	1.9%	2.1%	1.8%	4.0%	4.1%	4.2%	<i>Construction is weaker than nationally</i>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	4.0	6.1	(19.7)	16.2	14.7	(21.3)	<i>Fewer jobs per delivered units than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$357	\$275	\$264	\$86,764	\$63,211	\$47,522	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sales price per unit	\$160,240	\$166,757	\$115,860	\$235,199	\$231,697	\$212,033	<i>Prices are rising faster nationally</i>
Market cap rate	5.7%	5.7%	5.8%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>
III. Office							
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	7.8%	8.0%	8.1%	12.2%	8.0%	8.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	101,026	201,698	33,595	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	278,851	211,420	257,628	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	0.5%	0.4%	0.5%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$20.4	\$20.4	\$20.1	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	1.5%	0.7%	0.9%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	1.4	2.8	(3.2)	1,134	1,092	(870)	<i>Stronger office job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	51,108,884	51,007,860	50,830,032	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	88,983	301,644	732,431	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	0.2%	0.6%	1.4%	0.8%	0.8%	0.6%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	201,314	183,591	307,517	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.4%	0.4%	0.6%	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$226	\$75	\$41	\$28,031	\$29,974	\$21,646	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$157	\$125	\$119	\$305	\$306	\$301	<i>Prices are rising faster nationally</i>
Market cap rate	8.9%	8.8%	8.8%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

NAR Commercial Real Estate Metro Market Report | 2021.Q4

Virginia Beach-Norfolk-Newport News, VA-NC

Core-Based Statistical Area Code: 47260

IV. Industrial

	Virginia Beach-Norfolk-Newport News, VA-NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	1.9%	2.2%	3.0%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	1,344,716	411,730	(263,195)	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	2,701,063	1,093,152	523,866	502,819,872	454,349,376	223,162,272	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	2.3%	0.9%	0.4%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$8.5	\$8.3	\$7.8	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	8.6%	7.6%	5.2%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	119,486,016	118,141,296	116,784,952	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	1,335,068	364,541	776,084	283,714,234	297,459,785	307,128,078	<i>Less deliveries relative to inventory than nationally</i>
Net delivered units, as % of inventory	1.1%	0.3%	0.7%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	5,391,942	5,496,269	5,655,213	508,025,152	466,780,896	340,499,936	<i>More delivered space relative to inventory than nationally</i>
Under construction, as % of inventory	4.5%	4.7%	4.8%	3.0%	2.8%	2.1%	<i>More delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$256	\$80	\$66	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$118	\$78	\$66	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	7.6%	7.5%	7.4%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Virginia Beach-Norfolk-Newport News, VA-NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	5.3%	5.3%	5.6%	4.6%	4.8%	5.1%	<i>The area has a higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	5,286	186,335	(10,522)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	241,807	225,999	(83,028)	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.2%	0.2%	-0.1%	0.7%	0.4%	-0.3%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$18.0	\$18.0	\$17.5	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	2.7%	4.3%	2.5%	2.8%	2.1%	0.8%	<i>Rent growth is slower than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	2.10	1.90	(1.90)	372.10	387.70	(473.90)	<i>The area has weaker retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	101,499,304	101,494,024	101,257,496	11,209,097,216	11,180,823,552	11,132,858,368	<i>Relatively fewer units delivered than nationally</i>
Net delivered over 12 months, in sq.ft.	-104,307	-88,979	370,091	21,047,385	28,105,270	41,736,234	<i>Less delivered space relative to inventory than nationally</i>
Net delivered units, as % of inventory	-0.1%	-0.1%	0.4%	0.2%	0.3%	0.4%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	115,452	125,421	143,640	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.1%	0.1%	0.1%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$125	\$141	\$145	\$24,585	\$21,801	\$18,723	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$159	\$151	\$136	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.5%	7.5%	7.6%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Virginia Beach-Norfolk-Newport News, VA-NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	80.8	82.2	77.0	15,362	15,397	12,896	
Y/Y change ('000)	3.2	4.4	(15.1)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	10.5%	10.8%	10.1%	10.2%	10.4%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

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NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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NAR Commercial Real Estate Metro Market Report | 2021.Q4

Raleigh, NC

Core-Based Statistical Area Code: 39580

The Raleigh, NC commercial real estate market is stronger compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 62.5

Overall economic conditions are about the same than nationally.
 The apartment property market is stronger than nationally.
 The office property market is stronger than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is stronger than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Raleigh, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	665	654	642	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	26	30	(16)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	4.1%	4.7%	-2.4%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	3.3%	3.6%	5.5%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$1,099	\$1,082	\$1,049	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	3.6%	4.6%	4.6%	4.8%	4.5%	6.7%	<i>Wages are rising at a slower pace than nationally</i>

	2020	2019	2018	2020	2019	2018
GDP growth (%)	-3.0%	3.0%	5.8%	-3.4%	2.3%	2.9%

	2019	2018	2017	2019	2018	2017
Median household income	\$80,096	\$75,165	\$72,576	\$87,470	\$84,423	\$81,284

Demographic	2020	2019	2018	2020	2019	2018
Net domestic migration ('000)	#N/A	18.5	16.0	0	0	0
Population ('000)	1,420	1,392	1,363	331,501	328,330	326,838
Population growth (%)	2.01%	2.16%	2.07%	0.97%	0.46%	0.53%

Population is growing faster than nationally

II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
Vacancy rate	5.1%	4.8%	8.1%	4.6%	4.6%	6.6%
Absorption of units over the quarter	161	1,280	526	78,063	189,629	94,740
Absorption of units in past 12 months	5,031	5,396	3,815	714,672	731,349	376,273
Absorption in past 12 months as % of inventory	4.9%	5.2%	3.9%	4.2%	4.3%	2.3%
Market asking rent per unit	\$1,439	\$1,438	\$1,194	\$1,543	\$1,532	\$1,387
Market asking rent per unit, y/y % chg	20.5%	20.2%	1.6%	11.3%	10.6%	0.5%
Effective rent per unit	\$1,430	\$1,431	\$1,176	\$1,534	\$1,523	\$1,367
Effective rent per unit, y/y % chg	21.6%	21.1%	1.0%	12.2%	11.6%	-0.1%
Rent as a percent of 2-person annual wage income	15.0%	15.2%	12.9%	16.3%	16.3%	15.2%

The area has a higher vacancy rate than nationally

The area has stronger absorption than nationally

Rents are rising faster than nationally

Renting is more affordable than nationally

Supply indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
Inventory	103,547	103,386	98,519	17,112,020	17,034,566	16,401,950
Net delivered units in past 12 months	1,928	2,398	4,839	369,993	387,542	434,591
Net delivered units, as % of inventory	1.9%	2.3%	4.9%	2.2%	2.3%	2.6%
Units under construction	8,151	6,957	5,616	681,402	692,701	687,551
Units under construction, as % of inventory	7.9%	6.7%	5.7%	4.0%	4.1%	4.2%
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	13.6	12.3	(3.3)	16.2	14.7	(21.3)

Construction is stronger than nationally

Fewer jobs per delivered units than nationally

Sales transactions	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
Total investment acquisitions (in million \$)	\$1,445	\$1,192	\$823	\$86,764	\$63,211	\$47,522
Transaction sales price per unit	\$228,589	\$225,944	\$202,261	\$235,199	\$231,697	\$212,033
Market cap rate	4.5%	4.6%	4.8%	5.2%	5.2%	5.3%

Sales transactions are not rising as fast than nationally

Prices are rising faster nationally

Cap rates are lower than nationally

III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
Vacancy rate	8.3%	8.7%	7.5%	12.2%	8.7%	7.5%
Absorption in sq.ft. over the quarter	687,011	(450,874)	(45,852)	14,567,728	5,676,582	(34,912,824)
Absorption in sq.ft. over 12 months	848,096	115,233	(374,626)	(39,446,204)	(88,926,760)	(74,605,520)
Absorption in past 12 months as % of inventory	1.2%	0.2%	-0.5%	-0.5%	-1.2%	-1.0%
Market rent per sq.ft.	\$27.7	\$27.7	\$27.0	\$34.4	\$34.3	\$34.3
Market rent growth, y/y % chg.	2.6%	3.1%	3.5%	0.1%	-0.3%	-1.5%
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	4.6	6.3	6.7	1,134	1,092	(870)

The area has a lower vacancy rate than nationally

The area has stronger absorption than nationally

Rents are rising faster than nationally

Stronger office job creation than nationally

Supply indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
Inventory in sq. ft.	70,474,384	69,787,368	69,626,288	7,237,517,312	7,222,925,312	7,276,806,144
Net delivered over 12 months, in sq.ft.	1,518,598	1,750,591	1,220,654	59,502,409	57,367,205	45,533,641
Net delivered units, as % of inventory	2.2%	2.5%	1.8%	0.8%	0.8%	0.6%
Under construction in sq.ft.	2,023,598	1,796,338	2,070,171	142,297,840	141,203,264	155,258,080
Under construction, as % of inventory	2.9%	2.6%	3.0%	2.0%	2.0%	2.1%

More delivered space relative to inventory than nationally

Construction activity is more robust than nationally

Sales transactions	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
Total investment acquisitions (in million \$)	\$805	\$485	\$443	\$28,031	\$29,974	\$21,646
Transaction sale price per sq.ft.	\$331	\$243	\$248	\$305	\$306	\$301
Market cap rate	6.9%	7.1%	7.2%	7.0%	7.0%	7.0%

Sales transactions are rising faster than nationally

Prices are rising faster nationally

Cap rates are lower than nationally

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Raleigh, NC

Core-Based Statistical Area Code: 39580

IV. Industrial

	Raleigh, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	2.4%	2.9%	3.4%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	655,391	312,736	934,522	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	1,569,048	1,848,179	2,922,129	502,819,872	454,349,376	223,162,272	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.7%	2.0%	3.3%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$9.5	\$9.3	\$8.7	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	9.5%	7.7%	4.9%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	91,133,088	90,477,696	89,564,032	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	650,410	1,051,287	4,197,520	283,714,234	297,459,785	307,128,078	<i>Less deliveries relative to inventory than nationally</i>
Net delivered units, as % of inventory	0.7%	1.2%	4.7%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	3,186,711	1,945,864	745,234	508,025,152	466,780,896	340,499,936	<i>More delivered space relative to inventory than nationally</i>
Under construction, as % of inventory	3.5%	2.2%	0.8%	3.0%	2.8%	2.1%	<i>More delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$279	\$259	\$257	\$34,773	\$30,151	\$29,578	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$120	\$123	\$122	\$144	\$127	\$110	<i>Prices are not rising as fast as nationally</i>
Market cap rate	6.7%	6.8%	6.8%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Raleigh, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	3.2%	3.4%	3.6%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	512,482	99,079	(126,389)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	1,014,661	375,790	(390,862)	76,321,048	48,774,088	(28,079,124)	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.4%	0.5%	-0.5%	0.7%	0.4%	-0.3%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$21.6	\$21.4	\$21.0	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	2.8%	3.3%	5.4%	2.8%	2.1%	0.8%	<i>Rent growth is slower than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	1.90	2.10	1.10	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	72,826,888	72,314,408	71,812,224	11,209,097,216	11,180,823,552	11,132,858,368	<i>Relatively more units delivered than nationally</i>
Net delivered over 12 months, in sq.ft.	701,589	503,253	294,366	21,047,385	28,105,270	41,736,234	<i>More delivered space relative to inventory than nationally</i>
Net delivered units, as % of inventory	1.0%	0.7%	0.4%	0.2%	0.3%	0.4%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	354,641	690,619	635,832	50,577,712	53,660,692	52,556,572	<i>Construction activity is more robust than nationally</i>
Under construction, as % of inventory	0.5%	1.0%	0.9%	0.5%	0.5%	0.5%	<i>Construction activity is more robust than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$353	\$164	\$192	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$159	\$202	\$130	\$237	\$204	\$192	<i>Prices are not rising as fast as nationally</i>
Market cap rate	6.9%	7.0%	7.0%	7.0%	7.0%	7.0%	<i>Cap rates are lower than nationally</i>

VI. Hotel/Lodging

	Raleigh, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	67.0	65.4	57.8	15,362	15,397	12,896	
Y/Y change ('000)	9.0	10.0	(15.3)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	10.1%	10.0%	9.0%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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NAR Commercial Real Estate Metro Market Report | 2021.Q4

Rocky Mount, NC

Core-Based Statistical Area Code: 40580

The Rocky Mount, NC commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 40.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is stronger than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

	Rocky Mount, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Economic							
Total non-farm employment ('000)	55	54	55	150,098	147,650	143,602	
Y/Y chg. in nonfarm payroll employment ('000)	1	1	(3)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	2.6%	2.5%	-4.7%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	6.1%	6.3%	9.0%	4.2%	4.7%	6.7%	<i>Unemployment rate is higher than nationally</i>
Average weekly wages	\$785	\$761	\$680	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	9.5%	10.0%	-10.5%	4.8%	4.5%	6.7%	<i>Wages are rising faster than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.0%	-3.3%	-6.7%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$46,466	\$46,733	\$42,784	\$87,470	\$84,423	\$81,284	
Demographic							
Net domestic migration ('000)	0.2	(0.3)	(0.7)	0	0	0	<i>Area is experiencing net domestic in-migration</i>
Population ('000)	146	146	146	331,501	328,330	326,838	
Population growth (%)	0.00%	-0.33%	-0.48%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>
II. Multifamily							
Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	2.1%	2.0%	3.1%	4.6%	4.6%	6.6%	<i>The area has a lower vacancy rate than nationally</i>
Absorption of units over the quarter	(3)	11	4	78,063	189,629	94,740	
Absorption of units in past 12 months	27	34	43	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	0.9%	1.2%	1.5%	4.2%	4.3%	2.3%	<i>The area has lower absorption than nationally</i>
Market asking rent per unit	\$803	\$787	\$755	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	6.4%	4.7%	6.5%	11.3%	10.6%	0.5%	
Effective rent per unit	\$800	\$785	\$752	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	6.4%	4.7%	6.6%	12.2%	11.6%	-0.1%	<i>Rents are rising more slowly than nationally</i>
Rent as a percent of 2-person annual wage income	11.7%	11.9%	12.7%	16.3%	16.3%	15.2%	<i>Renting is more affordable than nationally</i>
Supply indicators							
Inventory	2,864	2,867	2,836	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	-	-	-	369,993	387,542	434,591	
Net delivered units, as % of inventory	-	-	-	2.2%	2.3%	2.6%	
Units under construction	-	-	-	681,402	692,701	687,551	
Units under construction, as % of inventory	-	-	-	4.0%	4.1%	4.2%	
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	-	-	-	16.2	14.7	(21.3)	
Sales transactions							
Total investment acquisitions (in million \$)	-	-	-	\$86,764	\$63,211	\$47,522	
Transaction sales price per unit	-	-	-	\$235,199	\$231,697	\$212,033	
Market cap rate	6.4%	6.4%	6.5%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>
III. Office							
Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	3.4%	3.9%	5.4%	12.2%	3.9%	5.4%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	13,175	33,778	37,313	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	56,921	81,059	82,938	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	2.0%	2.9%	3.0%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$14.7	\$14.7	\$14.3	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.5%	3.4%	1.1%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg. in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	0.2	0.2	(0.2)	1,134	1,092	(870)	<i>Stronger office job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	2,824,124	2,810,949	2,767,203	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	-	-	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.6%	
Under construction in sq.ft.	-	-	-	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
Sales transactions							
Total investment acquisitions (in million \$)	\$9	\$3	\$2	\$28,031	\$29,974	\$21,646	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$165	\$60	\$102	\$305	\$306	\$301	<i>Prices are rising faster nationally</i>
Market cap rate	8.5%	8.6%	8.7%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

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Rocky Mount, NC

Core-Based Statistical Area Code: 40580

IV. Industrial

	Rocky Mount, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	1.3%	2.1%	3.3%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	156,800	(24,154)	6,698	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	474,405	324,303	765,164	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	2.3%	1.6%	3.9%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$3.4	\$3.2	\$3.0	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	11.0%	8.5%	5.0%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	20,268,502	20,111,702	19,794,096	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	75,000	75,000	780,168	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	0.4%	0.4%	3.9%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	10,000	10,000	65,000	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	0.0%	0.0%	0.3%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$2	\$45	\$3	\$34,773	\$30,151	\$29,578	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$21	\$80	\$12	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	7.7%	7.7%	7.7%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Rocky Mount, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	6.0%	5.5%	5.8%	4.6%	4.8%	5.1%	<i>The area has a higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(41,799)	30,735	(88,986)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	(13,880)	(61,067)	(70,971)	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	-0.2%	-0.8%	-0.9%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$11.6	\$11.6	\$11.2	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.7%	3.6%	1.9%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) <i>(as of latest available month of the quarter)</i>	0.30	0.30	(0.20)	372.10	387.70	(473.90)	<i>The area has weaker retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	7,498,574	7,540,373	7,512,454	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	1,425	1,425	9,014	21,047,385	28,105,270	41,736,234	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	0.0%	0.0%	0.1%	0.2%	0.3%	0.4%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	-	-	-	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	-	-	-	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$8	\$19	\$6	\$24,585	\$21,801	\$18,723	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$75	\$249	\$209	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.7%	7.7%	7.7%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Rocky Mount, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	5.2	5.1	4.7	15,362	15,397	12,896	
Y/Y change ('000)	0.5	0.5	(0.7)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	9.4%	9.5%	8.6%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

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Wilmington, NC

Core-Based Statistical Area Code: 48900

The Wilmington, NC commercial real estate market is stronger compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 56.0

Overall economic conditions are stronger than nationally.
 The apartment property market is stronger than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Wilmington, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	136	133	128	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	7	6	(6)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	5.3%	4.4%	-4.4%	4.1%	4.0%	-6.0%	Job creation is stronger than nationally
Unemployment rate (%)	3.5%	3.8%	5.5%	4.2%	4.7%	6.7%	Unemployment rate is lower than nationally
Average weekly wages	\$935	\$893	\$860	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	8.6%	6.7%	10.6%	4.8%	4.5%	6.7%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-1.6%	4.6%	2.7%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$57,667	\$52,756	\$52,416	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	4.0	2.5	4.5	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	301	297	295	331,501	328,330	326,838	
Population growth (%)	1.33%	0.89%	1.74%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	5.3%	4.5%	9.7%	4.6%	4.6%	6.6%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	47	654	227	78,063	189,629	94,740	
Absorption of units in past 12 months	2,107	2,287	1,257	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	10.3%	11.2%	6.9%	4.2%	4.3%	2.3%	The area has stronger absorption than nationally
Market asking rent per unit	\$1,350	\$1,343	\$1,165	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	15.9%	15.1%	2.5%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,340	\$1,332	\$1,143	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	17.2%	15.5%	1.0%	12.2%	11.6%	-0.1%	Rents are rising faster than nationally
Rent as a percent of 2-person annual wage income	16.5%	17.2%	15.3%	16.3%	16.3%	15.2%	Renting is less affordable than nationally
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory	20,421	20,374	18,315	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	1,267	1,617	1,877	369,993	387,542	434,591	
Net delivered units, as % of inventory	6.2%	7.9%	10.2%	2.2%	2.3%	2.6%	
Units under construction	682	905	1,267	681,402	692,701	687,551	
Units under construction, as % of inventory	3.3%	4.4%	6.9%	4.0%	4.1%	4.2%	Construction is weaker than nationally
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	5.4	3.5	(3.1)	16.2	14.7	(21.3)	Fewer jobs per delivered units than nationally
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$297	\$207	\$232	\$86,764	\$63,211	\$47,522	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$247,642	\$248,795	\$129,425	\$235,199	\$231,697	\$212,033	Prices are rising faster nationally
Market cap rate	5.2%	5.2%	5.4%	5.2%	5.2%	5.3%	Cap rates are lower than nationally

III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	2.9%	3.4%	4.3%	12.2%	3.4%	4.3%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	64,784	110,053	8,973	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	210,346	154,535	(96,026)	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	1.7%	1.3%	-0.8%	-0.5%	-1.2%	-1.0%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$21.4	\$21.4	\$20.9	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.4%	3.0%	4.2%	0.1%	-0.3%	-1.5%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	2.4	2.0	0.7	1,134	1,092	(870)	Stronger office job creation than nationally
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory in sq. ft.	12,282,711	12,217,927	12,072,365	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	26,754	38,754	84,928	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	0.2%	0.3%	0.7%	0.8%	0.8%	0.6%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	184,619	118,964	26,754	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	1.5%	1.0%	0.2%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$28	\$29	\$12	\$28,031	\$29,974	\$21,646	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$192	\$262	\$132	\$305	\$306	\$301	Prices are rising faster nationally
Market cap rate	7.9%	7.9%	8.1%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

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Wilmington, NC

Core-Based Statistical Area Code: 48900

IV. Industrial

	Wilmington, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	5.7%	6.2%	7.7%	4.2%	4.6%	5.5%	<i>The area has higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	88,788	81,245	38,258	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	363,260	312,730	(539,481)	502,819,872	454,349,376	223,162,272	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	2.3%	2.0%	-3.5%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$8.1	\$7.8	\$7.5	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	7.9%	6.4%	5.0%	8.6%	7.2%	4.6%	<i>Rent growth is slower than nationally</i>
Supply indicators							
Inventory in sq. ft.	15,855,989	15,767,201	15,492,729	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	22,400	166,956	258,186	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	0.1%	1.1%	1.7%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	278,010	278,010	15,200	508,025,152	466,780,896	340,499,936	<i>Less delivered space relative to inventory than nationally</i>
Under construction, as % of inventory	1.8%	1.8%	0.1%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$28	\$18	\$8	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$93	\$106	\$61	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	7.5%	7.6%	7.5%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Wilmington, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	2.5%	2.7%	2.3%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	31,672	44,708	95,036	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	(70,942)	(7,578)	130,285	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	-0.3%	0.0%	0.6%	0.7%	0.4%	-0.3%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$17.8	\$17.7	\$17.3	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.3%	2.9%	1.8%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	(0.10)	(0.30)	(0.80)	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	21,565,734	21,534,062	21,636,676	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	-13,498	116,525	210,744	21,047,385	28,105,270	41,736,234	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	-0.1%	0.5%	1.0%	0.2%	0.3%	0.4%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	34,370	30,870	35,470	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.2%	0.1%	0.2%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$21	\$42	\$9	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$273	\$164	\$136	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	7.0%	7.0%	7.1%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Wilmington, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	19.4	19.3	16.8	15,362	15,397	12,896	
Y/Y change ('000)	1.8	1.7	(3.2)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	14.3%	14.5%	13.1%	10.2%	10.4%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at
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Winston-Salem, NC

Core-Based Statistical Area Code: 49180

The Winston-Salem, NC commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 48.0

Overall economic conditions are stronger than nationally.
 The apartment property market is about the same than nationally.
 The office property market is not as strong than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Winston-Salem, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	272	266	263	150,098	147,650	143,602	
Y/Y chg. in nonfarm payroll employment ('000)	10	8	(13)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	3.9%	3.1%	-4.7%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	3.8%	4.2%	6.2%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$1,000	\$990	\$915	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	8.6%	12.0%	4.8%	4.8%	4.5%	6.7%	<i>Wages are rising faster than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-9.7%	2.1%	-2.1%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$52,322	\$48,699	\$49,162	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Demographic	3.0	4.0	3.3	0	0	0	<i>Area is experiencing net domestic in-migration</i>
Net domestic migration ('000)	680	676	671	331,501	328,330	326,838	
Population ('000)	0.51%	0.74%	0.65%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>
Population growth (%)							

II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	4.1%	3.9%	5.9%	4.6%	4.6%	6.6%	<i>The area has a lower vacancy rate than nationally</i>
Absorption of units over the quarter	(65)	67	141	78,063	189,629	94,740	
Absorption of units in past 12 months	589	795	788	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	2.0%	2.6%	2.7%	4.2%	4.3%	2.3%	<i>The area has lower absorption than nationally</i>
Market asking rent per unit	\$1,022	\$1,008	\$884	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	15.7%	15.2%	4.9%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,019	\$1,005	\$876	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	16.3%	15.8%	4.9%	12.2%	11.6%	-0.1%	<i>Rents are rising faster than nationally</i>
Rent as a percent of 2-person annual wage income	11.7%	11.7%	11.0%	16.3%	16.3%	15.2%	<i>Renting is more affordable than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators	30,134	30,199	29,545	17,112,020	17,034,566	16,401,950	
Inventory	-	12	268	369,993	387,542	434,591	
Net delivered units in past 12 months	-	0.0%	0.9%	2.2%	2.3%	2.6%	
Net delivered units, as % of inventory	796	796	524	681,402	692,701	687,551	
Units under construction	2.6%	2.6%	1.8%	4.0%	4.1%	4.2%	<i>Construction is weaker than nationally</i>
Units under construction, as % of inventory	-	658.3	(48.1)	16.2	14.7	(21.3)	
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>							
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions	\$119	\$34	\$20	\$86,764	\$63,211	\$47,522	<i>Sales transactions are rising faster than nationally</i>
Total investment acquisitions (in million \$)	\$86,279	\$54,596	\$53,846	\$235,199	\$231,697	\$212,033	<i>Prices are rising faster nationally</i>
Transaction sales price per unit	5.8%	5.9%	6.0%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>
Market cap rate							

III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	7.6%	7.7%	6.8%	12.2%	7.7%	6.8%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	874	(82,600)	181,976	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	(190,081)	(8,979)	104,426	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	-0.9%	0.0%	0.5%	-0.5%	-1.2%	-1.0%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$16.5	\$16.5	\$16.2	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	1.9%	2.1%	0.2%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg. in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	3.0	2.1	(1.5)	1,134	1,092	(870)	<i>Slower office job creation than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators	21,732,998	21,732,124	21,923,080	7,237,517,312	7,222,925,312	7,276,806,144	
Inventory in sq. ft.	3,968	52,712	65,006	59,502,409	57,367,205	45,533,641	
Net delivered over 12 months, in sq.ft.	0.0%	0.2%	0.3%	0.8%	0.8%	0.6%	<i>More delivered space relative to inventory than nationally</i>
Net delivered units, as % of inventory	-	-	17,712	142,297,840	141,203,264	155,258,080	
Under construction in sq.ft.	-	-	0.1%	2.0%	2.0%	2.1%	
Under construction, as % of inventory							
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions	\$21	\$15	\$10	\$28,031	\$29,974	\$21,646	<i>Sales transactions are rising faster than nationally</i>
Total investment acquisitions (in million \$)	\$83	\$133	\$30	\$305	\$306	\$301	<i>Prices are rising faster nationally</i>
Transaction sale price per sq.ft.	8.4%	8.4%	8.5%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>
Market cap rate							

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Winston-Salem, NC

Core-Based Statistical Area Code: 49180

IV. Industrial

	Winston-Salem, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	1.8%	2.9%	4.0%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	1,082,252	852,994	291,220	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	2,183,158	1,392,126	(153,549)	502,819,872	454,349,376	223,162,272	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	2.2%	1.4%	-0.2%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$5.2	\$5.0	\$4.7	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	10.1%	7.9%	4.9%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	98,285,368	97,203,120	96,102,208	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	-	34,000	106,211	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	-	0.0%	0.1%	1.7%	1.8%	1.9%	
Under construction in sq.ft.	2,686,787	1,132,733	250,000	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	2.7%	1.2%	0.3%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$74	\$24	\$14	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$46	\$21	\$39	\$144	\$127	\$110	<i>Prices are not rising as fast than nationally</i>
Market cap rate	8.4%	8.4%	8.6%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Winston-Salem, NC			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	3.9%	4.0%	3.7%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	63,010	126,414	(3,795)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	13,700	(53,105)	(237,196)	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.0%	-0.1%	-0.6%	0.7%	0.4%	-0.3%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$14.5	\$14.3	\$14.0	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.4%	3.2%	2.1%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.00	(0.10)	(0.60)	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	38,981,896	38,918,884	38,959,796	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	84,066	64,651	29,710	21,047,385	28,105,270	41,736,234	<i>Relatively more units delivered than nationally</i>
Net delivered units, as % of inventory	0.2%	0.2%	0.1%	0.2%	0.3%	0.4%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	32,400	57,300	60,974	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.1%	0.1%	0.2%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$47	\$50	\$50	\$24,585	\$21,801	\$18,723	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$153	\$173	\$99	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	7.7%	7.8%	7.7%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Winston-Salem, NC			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	27.3	26.2	24.3	15,362	15,397	12,896	
Y/Y change ('000)	3.1	2.0	(5.0)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	10.0%	9.9%	9.2%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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