



# WHAT YOU SHOULD KNOW ABOUT COMMERCIAL REAL ESTATE

LOTSAR LUNCH & LEARN  
DECEMBER, 2023



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# About Us

We are WNC's only female-owned and majority operated commercial real estate firm, since going independent in 2019. Our goal is to provide all of our clients with top-notch real estate advice and solutions, whether they are a small start-up or a major land developer.



# Our Team



**Carla Barnard**  
Owner & BIC



**Stacy Wheeler**  
Broker



**Jessica Auge**  
Broker



**Darrell Metcalf**  
Broker



**Abigail Griffin**  
Broker



**Britni McCollum**  
Listing Director



**Frankie Keller**  
Executive Assistant

# Residential vs. Commercial Real Estate

## What makes a property “commercial”?

- Income and investment potential
- Zoning
- Current use

## What makes a commercial transaction different?

- Different types of commercial transactions (sales vs. leasing)
- Larger number of asset classes
- Longer Due Diligence and inspection periods
- Higher barrier to entry
- Lending and rates
- Restrictions and requirements that must be met, depending on zoning and use, and any change of use!



# Leasing

- **Different types of commercial leases**
  - NNN
  - Modified gross
  - Full service
- **New businesses and start-ups** - what will a landlord be expecting to see? How much \$ do clients realistically need?
- **National tenants** - spec sheets, specific requirements, out-of-state/in-house brokers, non-standard leases, etc.
- **How do brokers get paid on lease deals?** The importance of establishing compensation agreements with listing agents and landlords and outlining the payment schedule.
- **Vetting tenants for landlord clients** - personal guaranties, background checks, credit checks, proof of funds, etc.



# Development

- **What are developers looking for in land?**

- Water/sewer/septic access
- Appropriate zoning and density requirements
- Local governments willing to permit on a project of their scale/type
- Large flat land - with some exceptions for builders that are willing to work with crawl spaces instead of slab designs
- Easy access & egress to the property

- **Possible roadblocks to consider:**

- Resistance from local communities & residents
- Lack of, or issues within, existing infrastructure (ex: City of Asheville water crisis last Christmas)
- Parking, greenery, buffer, & set-back requirements
- Affordability



# AVL Market Update



**Lending Stats**  
Commercial Bank Loans = 6.97%-  
6.62% on average from 5 to 10 year  
terms.



**Vacancy Rates**  
Industrial = 3.1%  
Office = 2.5%  
Retail = 1.6%



**Construction**  
Contractor backlogs remain at 9+  
months, due to shortage of  
skilled trades and labor.



**National Stats**  
Vacancy Rates: Industrial = 6.7%,  
Office = 9.3%, Retail = 6.9%



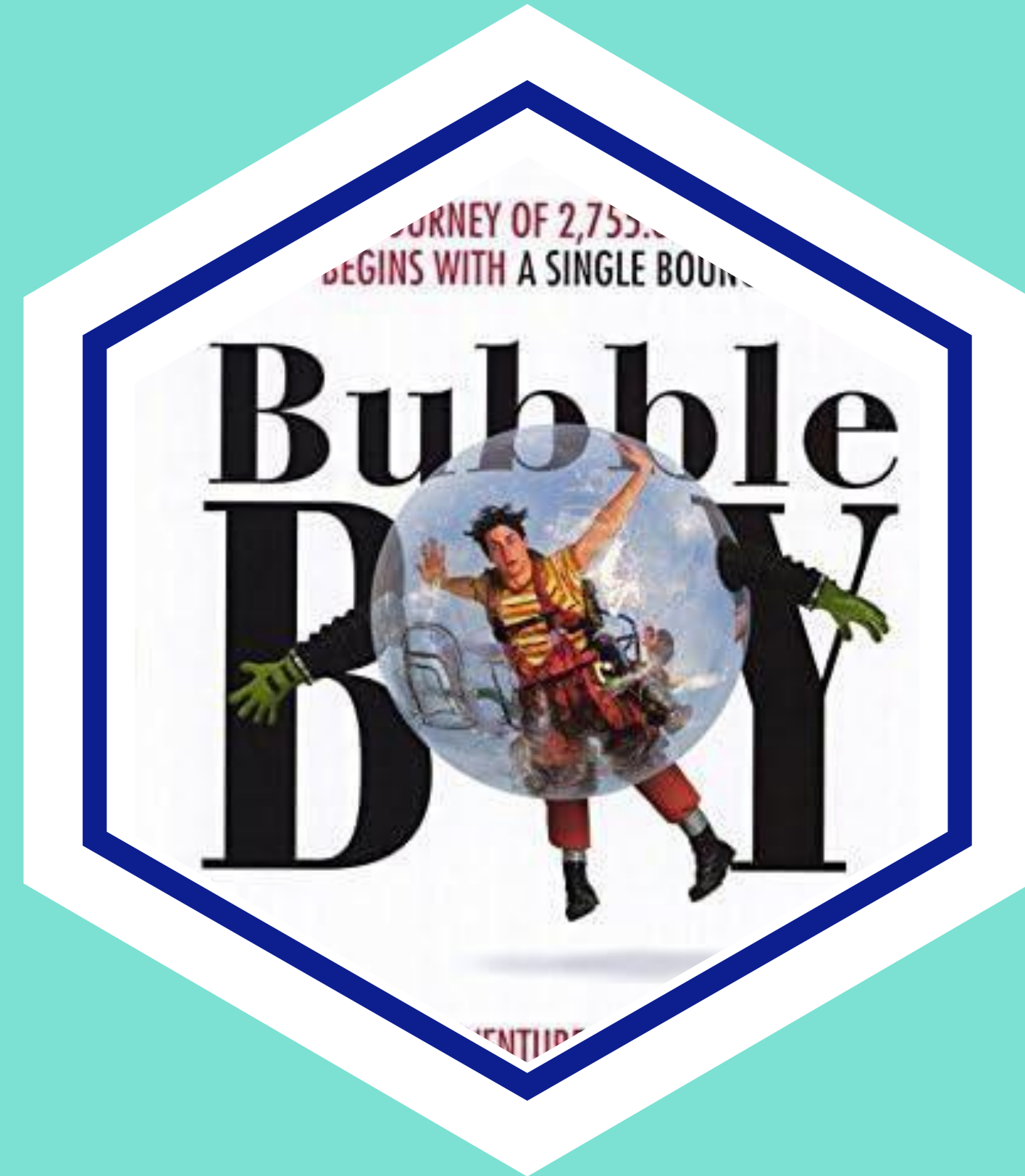
# 2023 In Review

- **Notable Transactions**
- **Team Wins**
- **Difficult economic headwinds**
- **Buyers are wary!**



# Looking Forward

- **Projections**
- **Rates & Inflation**
- **Election Year**
- **Demand**
- **Asheville - insulated “bubble” market?**





# Questions

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**THANK  
YOU**

**& HAPPY HOLIDAYS!**