



# Carolinas Retail Update



## Asheville, North Carolina



**T**he unique demographics in Asheville, North Carolina, translate into strong retail, according to Kenny Jackson, a senior advisor with Sperry Van Ness - Whitney Commercial Real Estate in Asheville. "Our MSA is right at 400,000 people in five counties," he explains. "These demographics usually don't match up to high-end retailers. But with the second- and third-home communities as well as the tourism, a certain kind of retail is expected."

High-end retailers, like White House | Black Market and Williams-Sonoma, are planning to enter the market this year.

The area also supports two malls: Asheville Mall and Biltmore Square, which was

purchased by a group of local investors in November 2006 for \$20 million.

There is a wide variety of retail development underway in Asheville, North Carolina, Jackson notes. "A lot is happening," he says. "There are big mixed-use projects like Biltmore Park Town Square and small 25,000-square-foot strip centers."

In south Asheville, Biltmore Farms has partnered with Charlotte, North Carolina-based Crosland to develop Biltmore Park Town Square, which will feature 283,000 square feet of retail, 184,000 square feet of office, 275 residential units and a 165-room Hilton hotel. New-to-market retailers include REI and P.F. Chang's China Bistro. Consolidated Theatres also is opening a 15-screen theater at the project; it will be the first stadium-seating theater in Asheville.

Asheville-based FIRC Group is developing two mixed-use projects. Main Street at Enka Village, located in west Asheville, will feature 120,000 square feet of retail space, 37,400 square feet of office space, 261 for-sale residential condos, 199 rental apartments, 22 townhomes and five live/work units.

Retail at this project will serve the established Enka and Candler neighborhoods as well as the new residential developments at nearby Biltmore Lake. At buildout, there will be approximately 650 single-family residences and 150 multifamily units at Biltmore Lake. Biltmore Farms Inc. is developing the residential space and has sold 500 homes.

"There is a great need for everyday neighborhood services," says Wes Reinhardt, director of marketing for FIRC Group. He notes that the project will also have four to six restaurants.

FIRC Group also is revitalizing the former West Gate Shopping Center, 1 mile west of downtown. FIRC began managing the property in 1988 and purchased it in 2002. Currently, the project contains 100,000 square feet of retail. The project, rebranded West Gate, will have 130,000 square feet of retail, a 42,000-square-foot office building and 123 for-sale residential condos. Earth Fare, an organic grocer, anchors the retail with a 26,000-square-foot store.

On Brook Street in the Biltmore Village area, Hill Partners is developing a project that will have 35,000 square feet of retail topped by 35,000 square feet of office space. New-to-market retailers will include Williams-Sonoma, White House | Black Market and Coldwater Creek.

Market Street Development is developing 60 North Market. The downtown residential project will have street-level retail and will open this fall. "Downtown has been hot for a while, and the south side has always been a growing residential market," says Jackson. "We're now seeing retail developments fill in smaller submarkets."

The retail vacancy in Asheville has averaged 6 to 8 percent in the last few years. "It may spike because we have so much currently under construction, but it will quickly stabilize," Jackson says.

As for the current predictions of a down economy in 2008, Jackson says, "We're a pretty insulated resort, retirement and tourism area. We don't see the typical fluctuations. Retail in Asheville is strong and we don't anticipate many negative effects."

— Jaime Lackey

### Main Street at Enka Village

#### By the Numbers:

**120,000** square feet of retail

**37,400** square feet of office

**261** residential condos

**199** rental apartments

**22** townhomes

**5** live/work units

### Main Street at Enka Village

