

# U.S. 401 CORRIDOR STUDY

Wake County / Fuquay-Varina  
Harnett County / Lillington



## Appendix D: Market Analysis



## US 401 CORRIDOR STUDY

MARKET ANALYSIS  
JULY 2021

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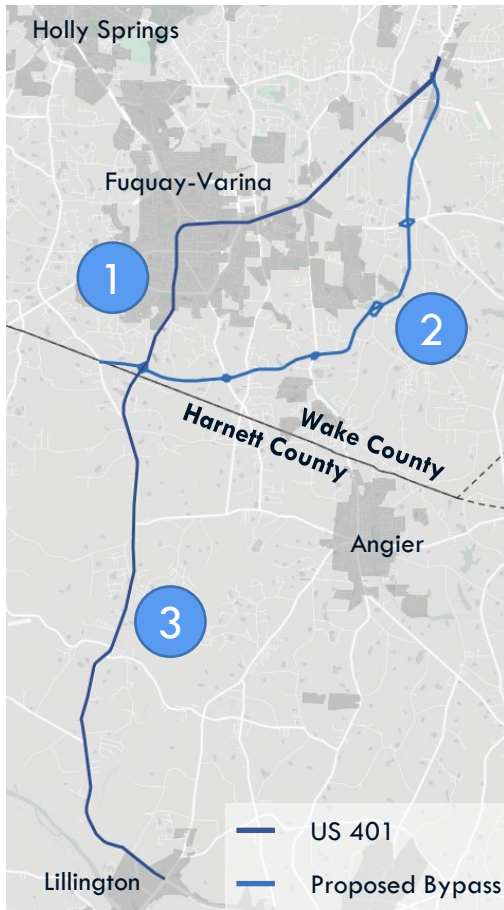
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# EXECUTIVE SUMMARY

# Executive Summary | Market Analysis Findings

## US 401 Corridor Study Area



The market assessment evaluates the real estate market opportunity for three study areas and identifies potential opportunities for development.

- 1 The section of US 401 that runs through downtown Fuquay-Varina:

  - **Multifamily residential, small-scale office development, convenience retail, and entertainment** are likely to be the most feasible development types. This may include **support mixed-use development**.
  - There may be opportunities to **redevelop older flex and industrial sites**.
- 2 The area around the proposed bypass to in southeastern Wake County:

  - **Continued population growth is likely to drive an increased demand for housing**, including new housing types like multifamily; new multifamily and single-family housing, as well as convenience retail, are likely to be feasible.
  - The area is **unlikely to become a major center for retail or office** development in the next five to ten years, but may be suitable for a **moderate amount of industrial and flex development**.
- 3 The section of US 401 in northern Harnett County from the county line to Lillington:

  - Due to ongoing population growth in the area, it is **likely that the area will see additional residential development**, primarily single-family subdivisions. There is a **potential demand for new apartments**, though no apartments currently exist outside of incorporated towns.
  - Industrial trends in Wake and Harnett counties may indicate an opportunity to support **new industrial and flex centers along US 401**.

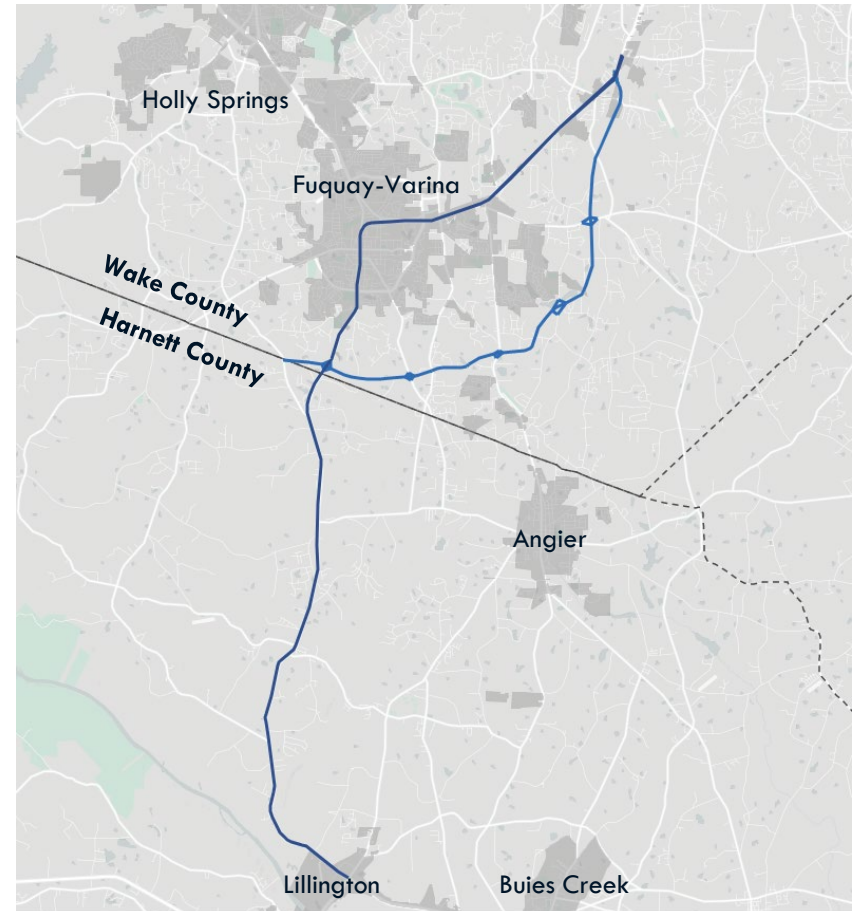
# INTRODUCTION

# Introduction | US 401 Corridor Study Overview

As part of a team led by WSP to develop a corridor plan for US 401 in southern Wake and northern Harnett Counties, HR&A has conducted a market assessment to evaluate the real estate market potential for new development along the corridor and a proposed bypass. This analysis included a study of demographic, economic, and real estate trends near the US 401 corridor. The market assessment will complement other parts of the corridor study, including analysis of land use patterns and traffic, to inform the development of a vision and plan for growth in the area.

The analysis draws upon a synthesis of third party socioeconomic and real estate data for the corridor and the surrounding areas, including CoStar commercial listing service, data from the U.S. Census Bureau including the American Community Survey, and population and employment projections for area Traffic Analysis Zones (TAZ) prepared by CAMPO.

## US 401 Corridor Study Area



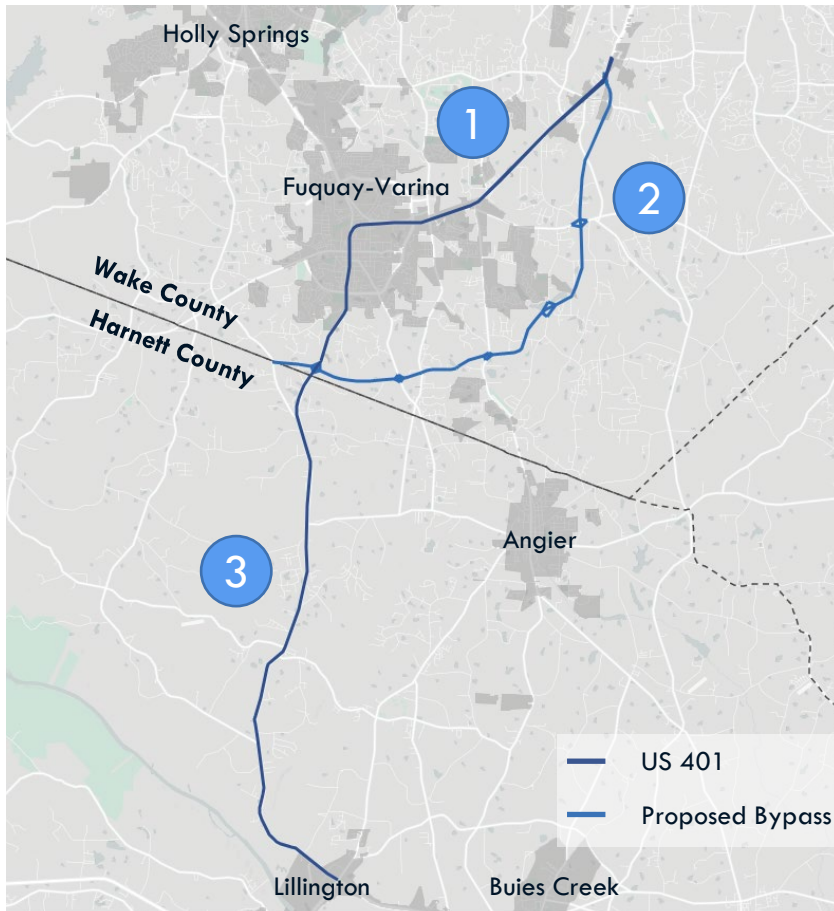
Source: ESRI, WSP

HR&A Advisors, Inc.

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# Introduction | Study Areas

## US 401 Corridor Study Area



The market assessment evaluates the real estate market opportunity for three study areas:

- 1 The section of US 401 in southern Wake County that runs through downtown Fuquay-Varina.
- 2 The proposed bypass to the south and east of Fuquay-Varina in Wake County.
- 3 The section of US 401 in northern Harnett County that runs from the county line south to Lillington.

The assessment uses demographic data for Fuquay-Varina and for census tracts that align with Study Areas 2 and 3, as well as market data for the combined Fuquay-Varina and southeastern Wake County market area and for northern Harnett County.

# MARKET ANALYSIS

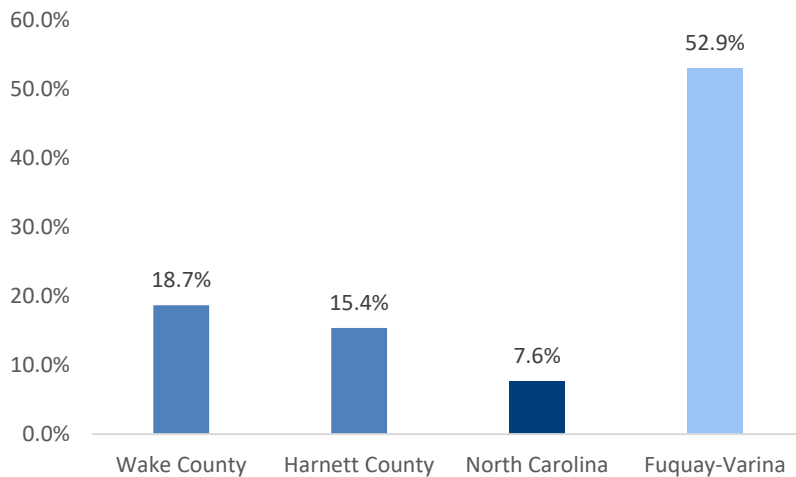
## POPULATION GROWTH OVERVIEW



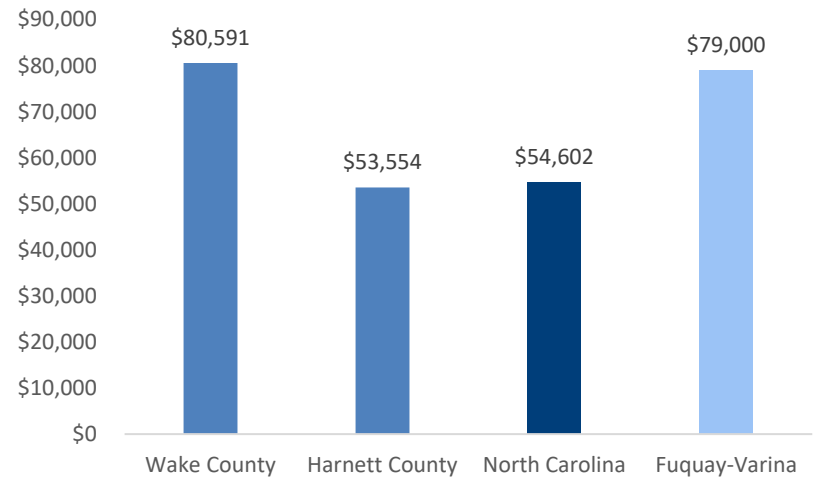
# Demographic Overview

Wake and Harnett Counties have both seen strong population growth in the past decade.

## Population Growth, 2010-2019



## Median Household Income, 2019



In recent decades, Wake County has been one of the fastest growing counties in the country. Since 2010, population growth has continued to exceed state growth in both Wake and Harnett counties. Fuquay-Varina's population growth has also been significant; it increased from a population just under 18,000 in 2010 to over 27,000 in 2019.

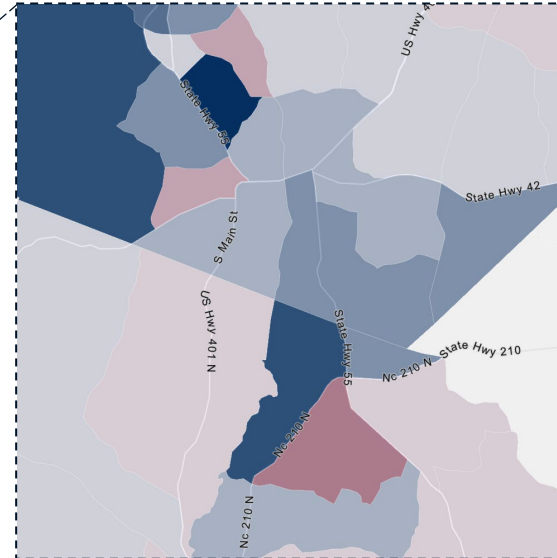
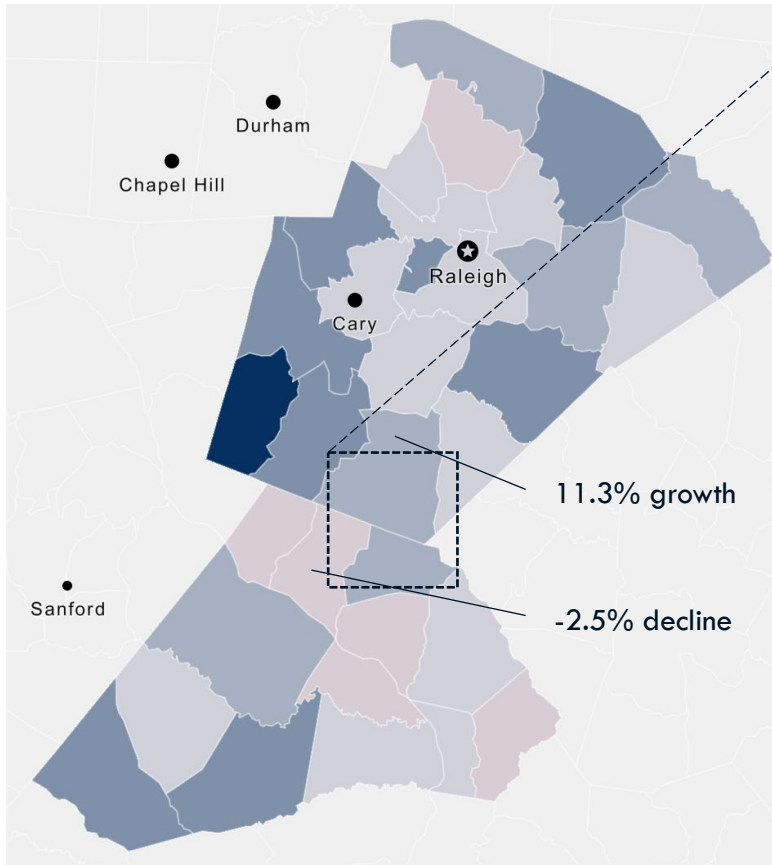
Incomes are particularly high in Wake County, including in Fuquay-Varina. Median income in Harnett County is close to the statewide median.

Source: American Community Survey 5-Year Estimates (2019) and Decennial Census (2010)

# Demographic Overview

However, population growth trends in the past five years have varied across the Corridor Study Area.

## Population Growth, 2014-2019

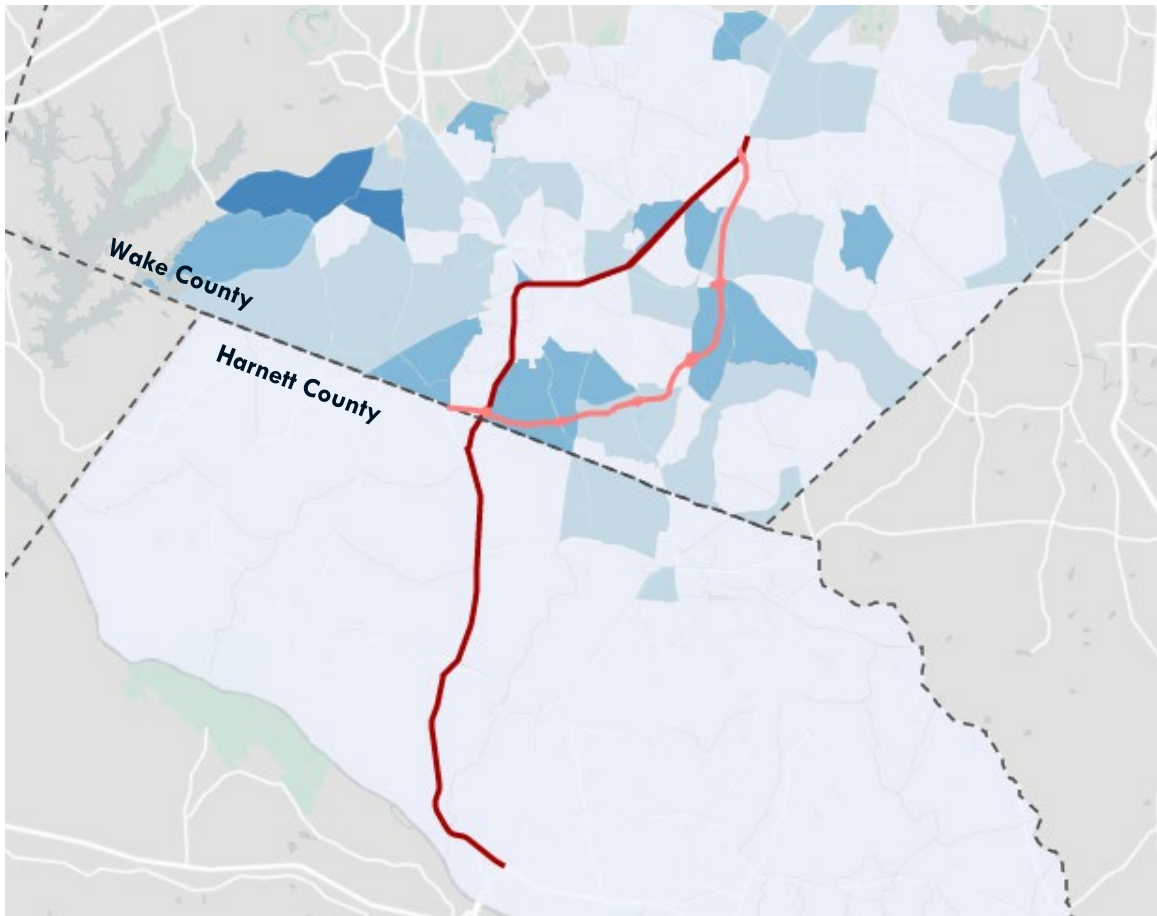


Though population growth has continued in both Wake and Harnett counties, northern Harnett County around US 401 experienced a slight decrease in population between 2014 and 2019. Population grew by over 40% around Angier in northern Harnett, but surrounding rural areas have not shared in this growth. Population in Fuquay-Varina has continued between 10 and 15%, while population to the east in unincorporated Wake County has been significantly higher.

Source: American Community Survey 5-Year Estimates (2019 and 2014), Social Explorer

# Demographic Overview

## Population Growth Projections, 2016-2045



CAMPO's population projections for 2016-2045 show population growth along the corridor in Wake County, though most of this growth is outside of downtown Fuquay-Varina, and more limited growth in northern Harnett County outside of Angier. The highest population growth projections in the Study Area are along the proposed bypass.

Migration changes due to COVID-19 may increase the rate of growth in the near term, and Wake and Harnett Counties are likely to continue to rank among North Carolina's fastest-growing.

Source: CAMPO TAZ Analysis, 2016, ESRI, WSP

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# MARKET ANALYSIS

## 1. FUQUAY-VARINA SECTION

# Study Area 1 | Fuquay-Varina Overview and Market Opportunity

## Overview

The US 401 Corridor in and around downtown Fuquay-Varina has an existing density of uses, including shopping centers, dining and entertainment, older office and industrial, and apartments. Portions of the corridor are less dense, with auto-oriented retail and low-density residential.

## Summary of Findings

- **Demographic** Fuquay-Varina has a growing population and diverse incomes, though high-income residents make up a large percent of the total population.
- **Residential** Most residential is single-family and owner-occupied, and new single-family development continues, but the multifamily market in Fuquay-Varina has grown significantly in recent years, and may have room for additional new development.
- **Office** Though Fuquay-Varina is not a major office center, the market for small class B office space appears to be healthy near downtown.
- **Retail** US 401 is a major retail corridor in Fuquay-Varina, and low vacancy coupled with growing population may indicate a demand for additional retail.
- **Industrial** Industrial space in Fuquay-Varina is relatively old but appears to be performing well, but new opportunities for development are likely to be limited.

**3.8%**

*Projected compound annual population growth*

**1,000**

*New multifamily units delivered since 2017*

**1.6%**

*Retail Vacancy Rate*

## Implications for Development

- **Multifamily residential, small-scale office development, convenience retail, and entertainment** are likely to be the most feasible development types along and near the US 401 corridor in Fuquay-Varina. This may include **support mixed-use development** with apartments above ground floor retail and office.
- There may be opportunities to **redevelop older flex and industrial sites along the corridor.**

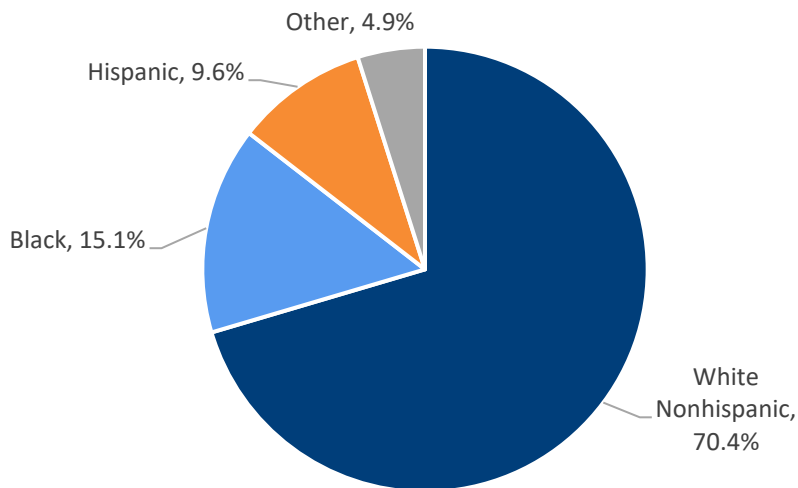
# Study Area 1 | Demographic Trends

## 27,400

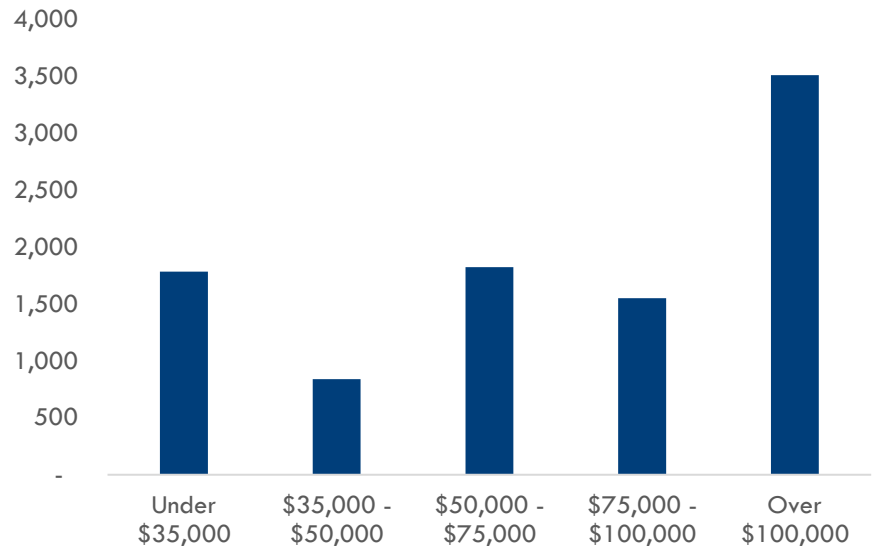
Population of Fuquay-Varina

**Fuquay-Varina has a growing population and diverse incomes, though high-income residents make up a large percent of the total population.** The population in Fuquay-Varina is primarily white and non-Hispanic, and over one third of households have incomes over \$100,000, though there are also a large number of low- and moderate-income households. CAMPO's population growth projections by TAZ in the area surrounding Fuquay-Varina indicate a relatively high annual growth rate of 3.8% through 2045, or a 46% increase from 2020 to 2030, however the majority of this growth may be on Fuquay-Varina's edges and in adjacent unincorporated areas, rather than along the corridor.

### Population by Race and Ethnicity



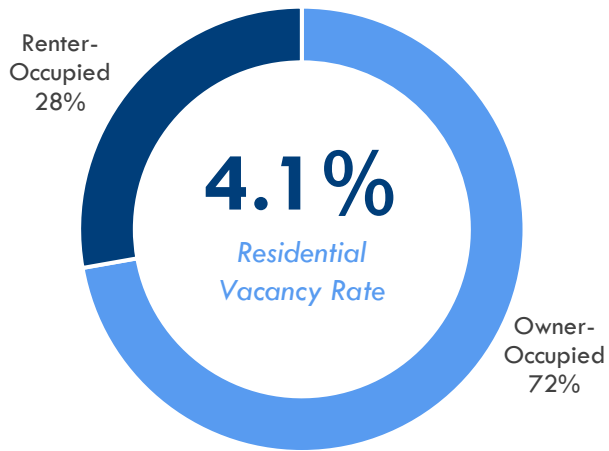
### Households by Income



Source: American Community Survey 5-Year Estimates (2019), CAMPO TAZ Analysis

# Study Area 1 | Residential Trends

## Housing Tenure



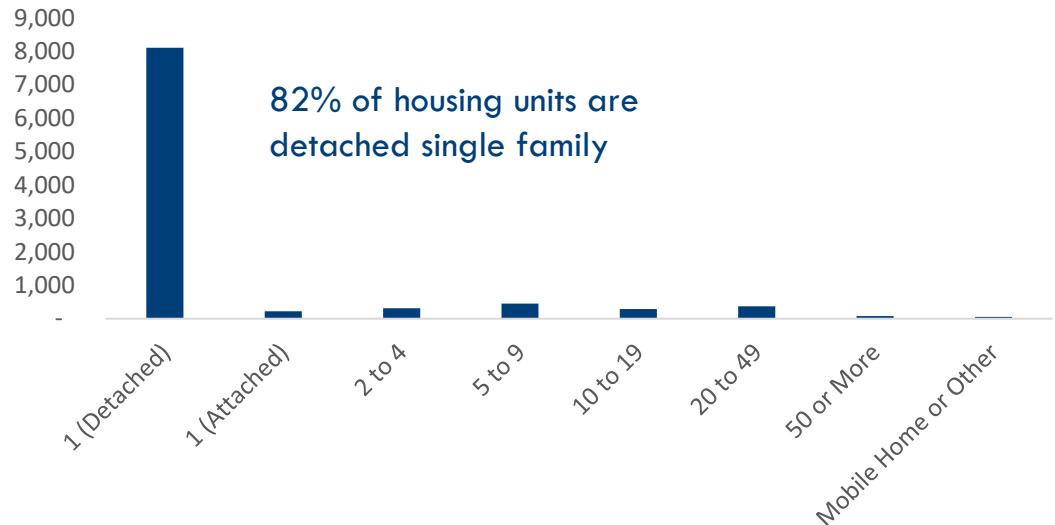
**14.6%**

*Of housing built since 2014*

**29.4%**

*Of housing built since 2010*

## Housing Units by Type

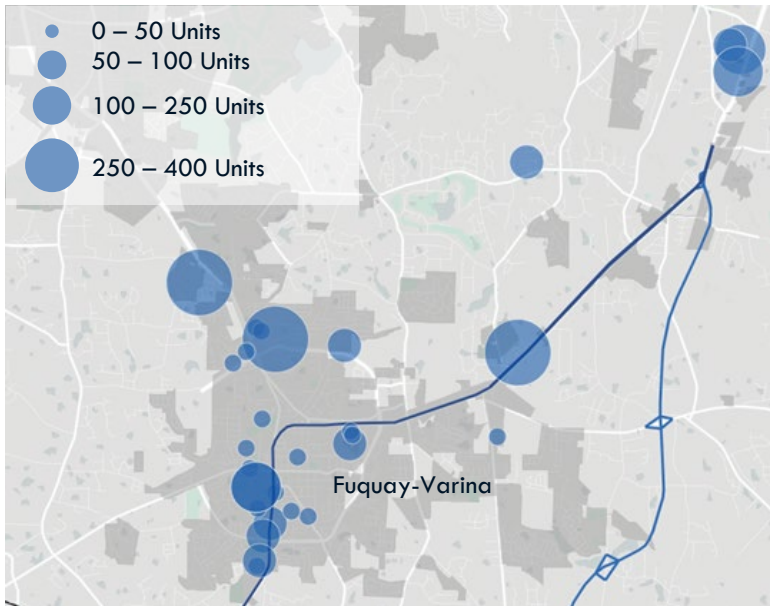


Most homes in Fuquay-Varina are owner-occupied. Rental units make up about 28% of total housing units, however there are fewer than 1,000 units in small to medium multifamily developments. A large percentage of housing in Fuquay-Varina is newly-built; almost 30% of housing was built from 2010-2019, and half of that was built from 2014-2019, indicating that **the Study Area is adding between 250 and 300 units per year, almost entirely driven by new single-family development.** Despite this new development, residential vacancy remains low around 4%.

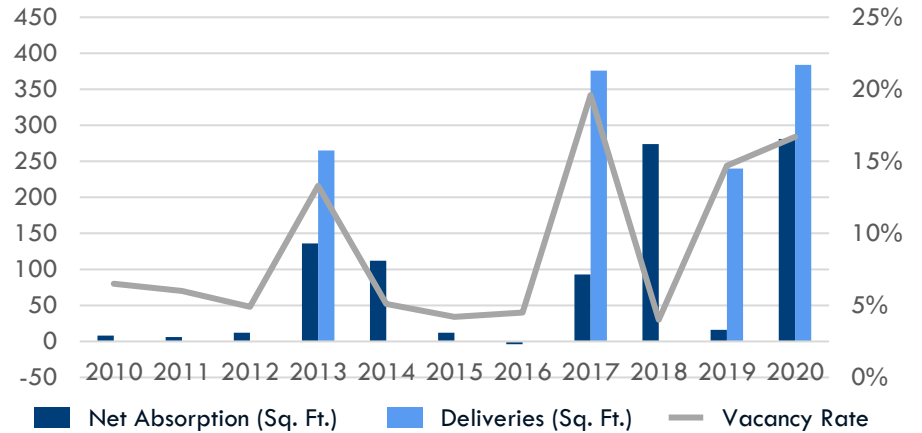
Source: American Community Survey 5-Year Estimates (2019)

# Study Area 1 | Residential Trends

## Multifamily Development



## Multifamily Deliveries, Vacancy, and Absorption\*



**\$1.15**

Multifamily Rent per Square Foot (2020)

**16.7%**

Multifamily Vacancy Rate (2020)

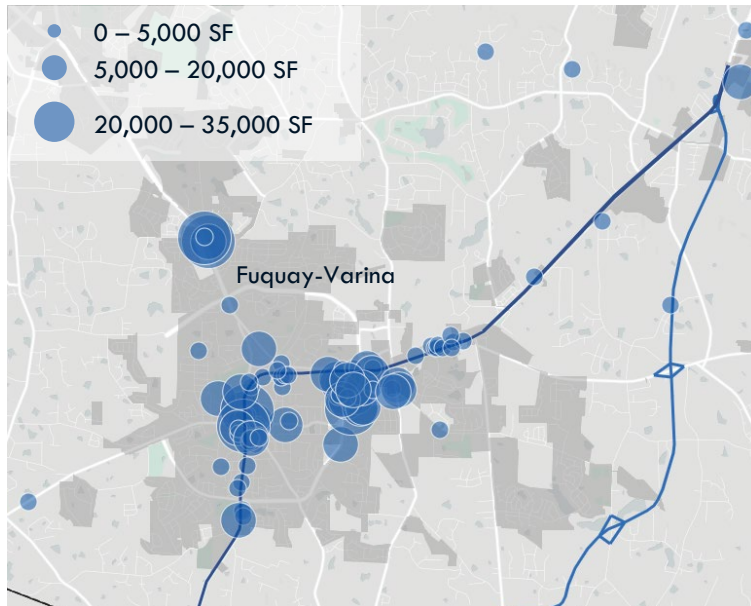
The multifamily market in Fuquay-Varina has grown significantly in recent years, and with only a single pipeline project may have room for additional new development. In 2020 a new 384-unit development opened just in north Fuquay-Varina, bringing the market’s first Class A apartments. The town has several existing multifamily developments over 50 units, and several that have been proposed or are under construction. Vacancy is relatively high in 2020 following several large deliveries, but high absorption indicates that this number will likely fall. During this period asking rent per square foot increased at a compound annual rate of 2.4%, from \$0.91 in 2010 (an average of \$877 per unit) to \$1.15 in 2020 (\$1,101 per unit).

\*Deliveries, vacancy, absorption, and rent data provided for combined Study Area 1 and 2, inclusive of Fuquay-Varina and southeastern Wake County

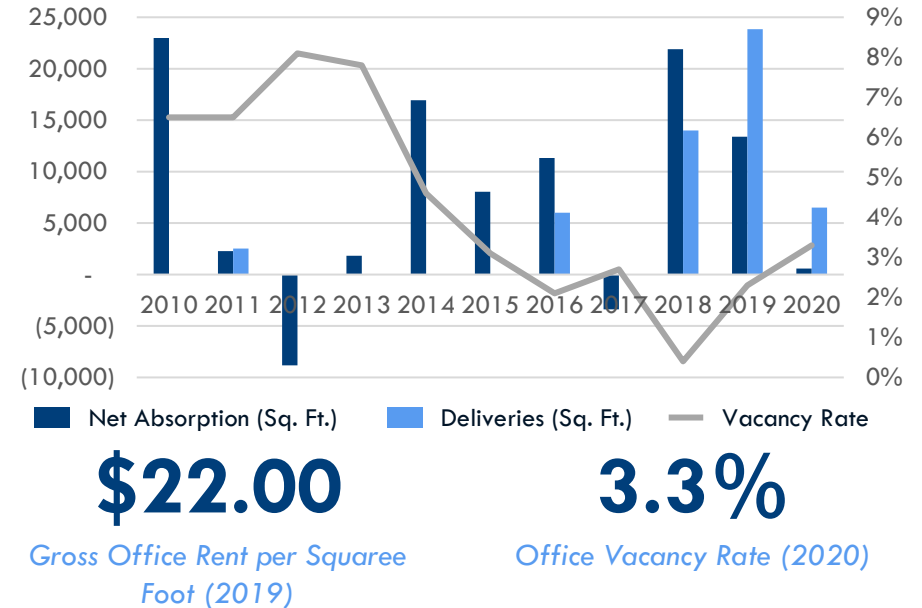


# Study Area 1 | Office Trends

## Office Development



## Office Deliveries, Vacancy, and Absorption\*

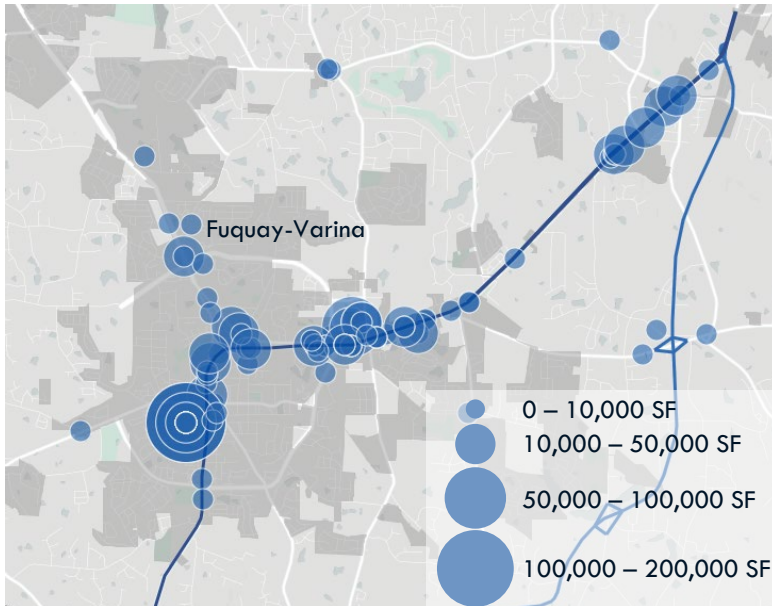


**Though Fuquay-Varina is not a major office center the market for small class B office space appears to be healthy near downtown.** There is a significant inventory of small and medium class B and C office development along the US 401 corridor and near downtown Fuquay-Varina. North and west of downtown a new proposed office development at the Lane Professional Park will bring an additional 60,000 square feet of office in the next few years. Office vacancy rates in Study Areas 1 and 2 have generally been falling since 2012 and currently are very low at 3.3%, despite the delivery of several small new developments in recent years. Office asking rent reached a high of \$22.00 in 2019, possibly driven by this new development. Prior to 2019 rents were between \$14.50 and \$16.50 per square foot for several years. This may indicate an unmet demand for office space in the area.

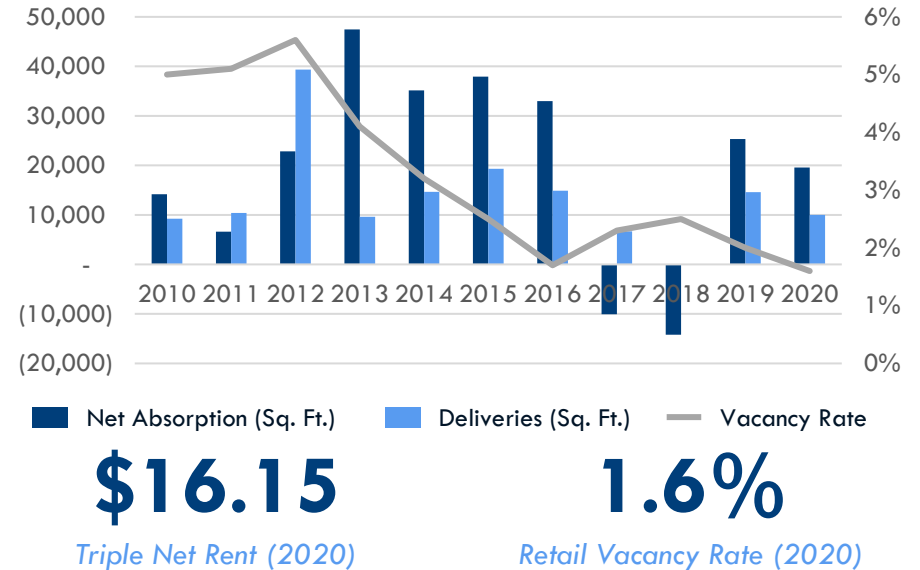
\*Deliveries, vacancy, absorption, and rent data provided for combined Study Area 1 and 2, inclusive of Fuquay-Varina and southeastern Wake County

# Study Area 1 | Retail Trends

## Retail Development



## Retail Deliveries, Vacancy, and Absorption\*



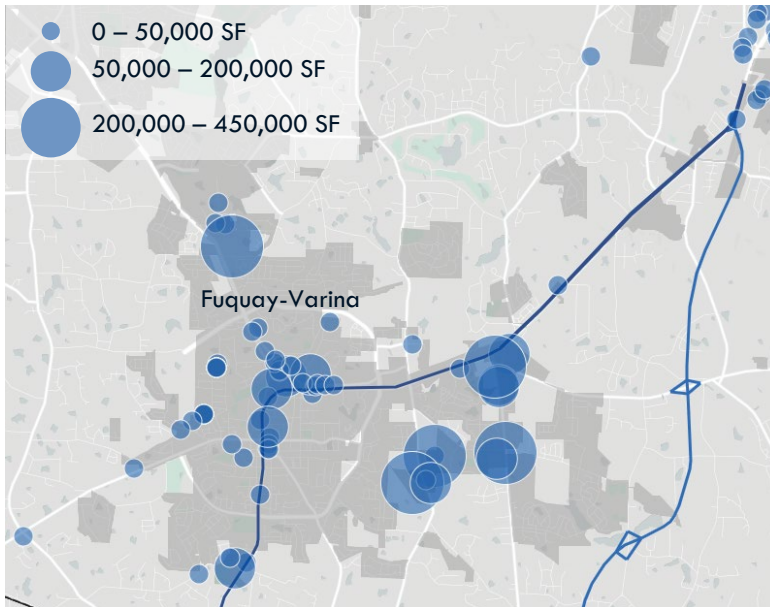
**US 401 is a major retail corridor in Fuquay-Varina, and low vacancy coupled with growing population may indicate a future demand for additional retail.** Retail centers along the corridor include a major power center with a Walmart Supercenter and a Home Depot, a neighborhood center with a Food Lion grocery store, and downtown retail and dining. Retail rents have been largely stable since 2010, fluctuating between \$13 and \$17 per square foot. Study Areas 1 and 2 have seen consistent small deliveries of new retail space over the past decade, averaging about 13,000 square feet per year. Vacancy has fallen since 2012 from a relatively stable 5.6% to a very low 1.6% as absorption has exceeded delivery. In August 2020, the Town entered into an agreement with a developer that plans to build a new 800,000 square foot retail center, called Bellchase, along US 401. The project will include some office space and is expected to be built over several phases. These trends may indicate potential for continued small-scale or larger-scale retail development, though there may be limited developable sites along existing retail corridors.

\*Deliveries, vacancy, absorption, and rent data provided for combined Study Area 1 and 2, inclusive of Fuquay-Varina and southeastern Wake County

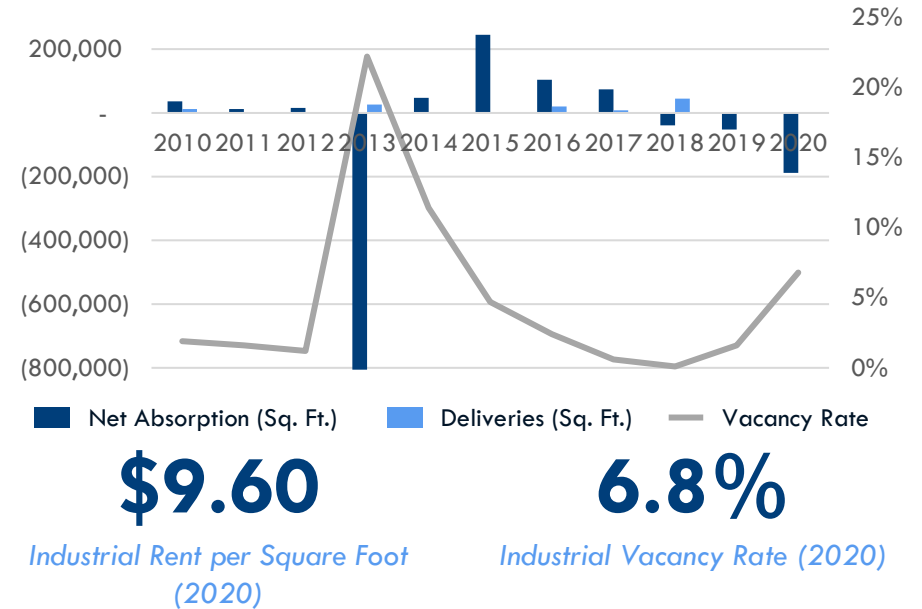
Source: Costar, ESRI, WSP

# Study Area 1 | Industrial Trends

## Industrial and Flex Development



## Industrial and Flex Deliveries, Vacancy, and Absorption\*



**Industrial space in Fuquay-Varina is relatively old but appears to be performing well, but new opportunities for development are likely to be limited along US 401.** There is a cluster of small industrial and flex development along US 401 in Fuquay-Varina, as well as a few large industrial developments northwest of downtown and on the town's edges between US 401 and the proposed bypass. Small industrial and flex development is scattered throughout the surrounding area. Much of this space was built in the 1960s and 1970s. Industrial market performance for Study Areas 1 and 2 shows some increases in vacancy over the past few years due to the negative absorption of almost 280,000 square feet of industrial and flex space. There have been some small deliveries in recent years. Rents have increased to \$9.60 per square foot in 2020 from \$3.28 in 2016.

\*Deliveries, vacancy, absorption, and rent data provided for combined Study Area 1 and 2, inclusive of Fuquay-Varina and southeastern Wake County

Source: Costar, ESRI, WSP

# MARKET ANALYSIS

## 2. PROPOSED BYPASS

# Study Area 2 | Wake County Overview and Market Opportunity

## Overview

**Southeastern Wake County around the proposed bypass has very low density uses**, including rural residential and vacant land. Population in this area is projected to continue a high rate of growth.

## Summary of Findings

- **Demographic** Demographic trends including high incomes and growing population mirror trends in Fuquay-Varina.
- **Residential** The multifamily market does not yet exist in southeastern Wake County outside of Fuquay-Varina.
- **Office & Retail** There is very limited office development in southeastern Wake County. There is some scattered retail, but Fuquay-Varina appears to meet the retail needs of the population in southeastern Wake County.
- **Industrial** There is limited industrial development around the proposed bypass, and major industrial centers are closer to downtown Fuquay-Varina. Rising industrial rents in Study Areas 1 and 2 may indicate the need for more industrial space in lower-cost areas outside of Fuquay-Varina.

**3.7%**

*Projected compound annual population growth*

**0**

*Multifamily housing units in Study Area 2*

**193%**

*Increase in industrial rents in Study Areas 1 and 2 since 2016*

## Implications for Development

- The area around the proposed bypass is unlikely to become a major center for either retail or office development in the next five to ten years. However, continued population growth is likely to drive an increased demand for housing, including new housing types like multifamily, into southeastern Wake County, and the bypass may be a suitable destination for new renters. **New multifamily and single-family housing, as well as convenience retail to serve the growing population**, are likely to be feasible.
- The proposed bypass may be suitable for a **moderate amount of new industrial and flex development**, particularly if space in Fuquay-Varina becomes too expensive or is redeveloped to accommodate new uses.

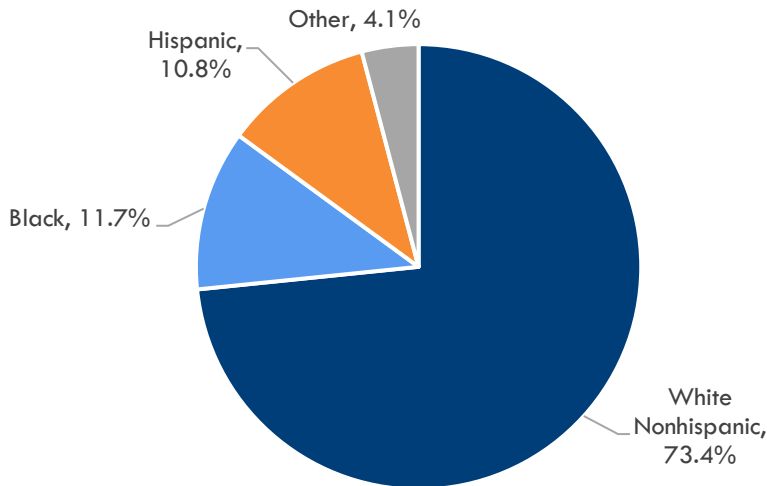
# Study Area 2 | Demographic Trends

## 45,300

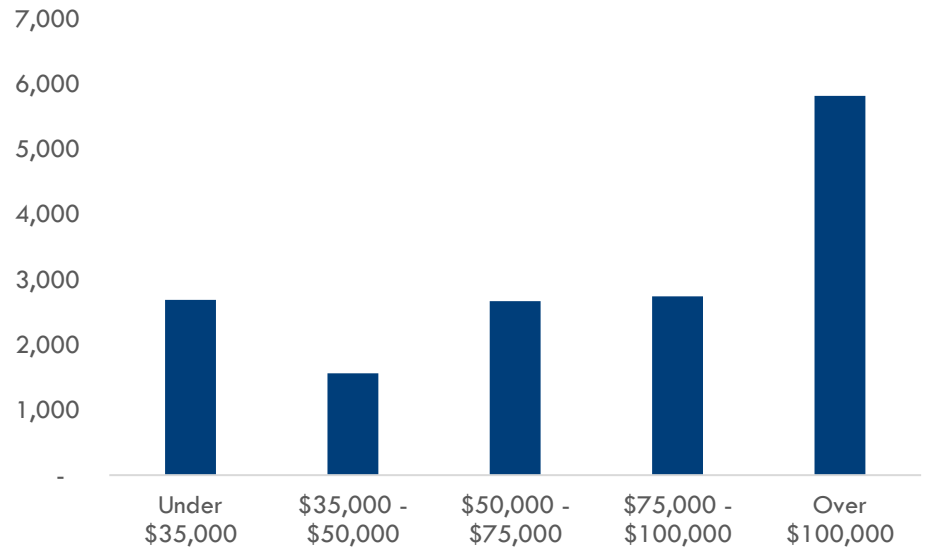
Population of southeastern Wake County

Population trends in Study Area 2 closely track trends in Study Area 1. The population in Study Area 2, defined by census tracts incorporating eastern Fuquay-Varina and extending south and east to the edge of Wake County, is relatively high, with similar income and race characteristics to Fuquay-Varina, though the proportion of white non-Hispanic residents is slightly higher. CAMPO's population growth projections by TAZ in the area indicate a relatively high annual growth rate of 3.7% through 2045, or a 44% increase from 2020 to 2030.

### Population by Race and Ethnicity



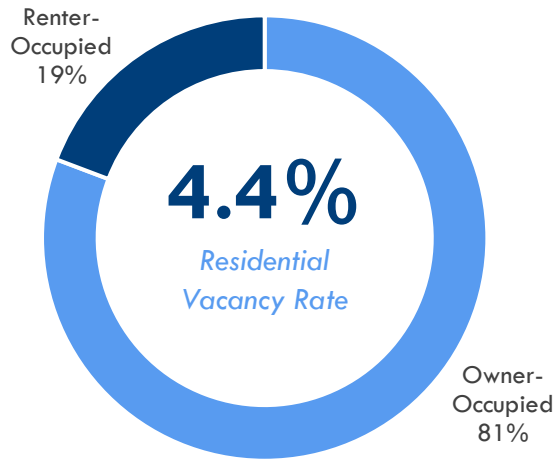
### Households by Income



Source: American Community Survey 5-Year Estimates (2019), CAMPO TAZ Analysis

# Study Area 2 | Residential Trends

### Housing Tenure



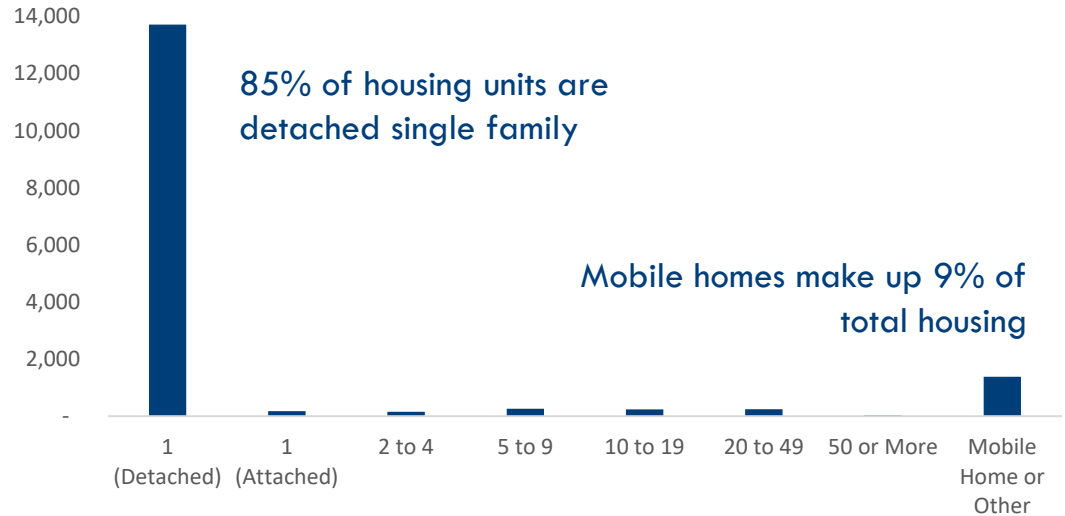
**10.0%**

*Of housing built since 2014*

**24.2%**

*Of housing built since 2010*

### Housing Units by Type

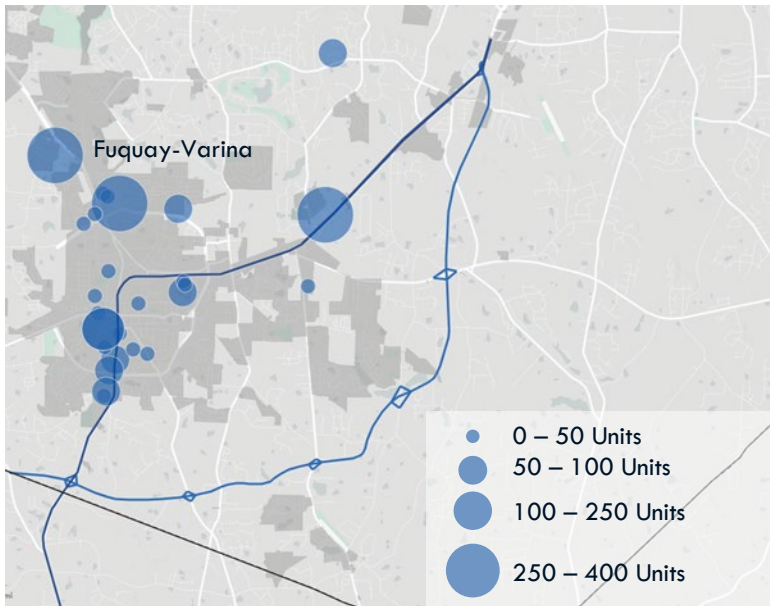


Most homes in the Study Area are owner-occupied. Almost all of the housing in this area is detached single family or mobile homes (of which there are over 1,300); there are about 1,000 attached single family or small multifamily units, accounting for less than 7% of total housing. Residential new development has been slower than in Study Area 1, but the area has still added almost 1,000 units since 2014. **As population growth reaches into unincorporated Wake County, residential growth may continue.**

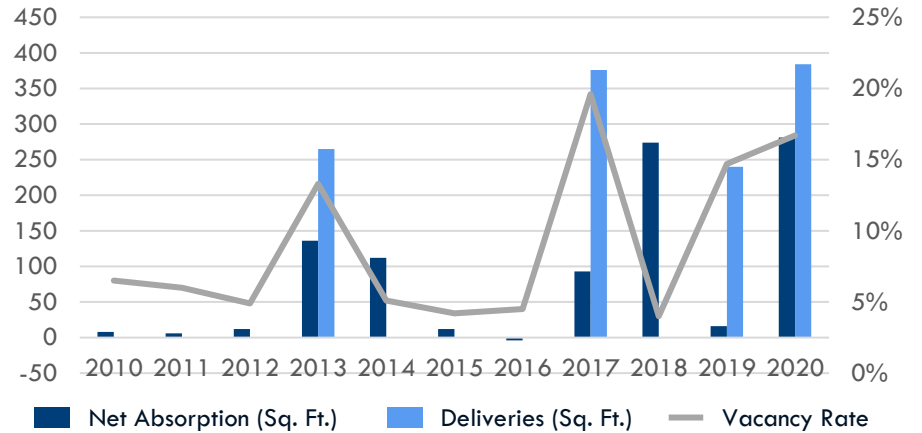
Source: American Community Survey 5-Year Estimates (2019)

# Study Area 2 | Residential Trends

## Multifamily Development



## Multifamily Deliveries, Vacancy, and Absorption\*



**\$1.15**

Multifamily Rent per Square Foot (2020)

**16.7%**

Multifamily Vacancy Rate (2020)

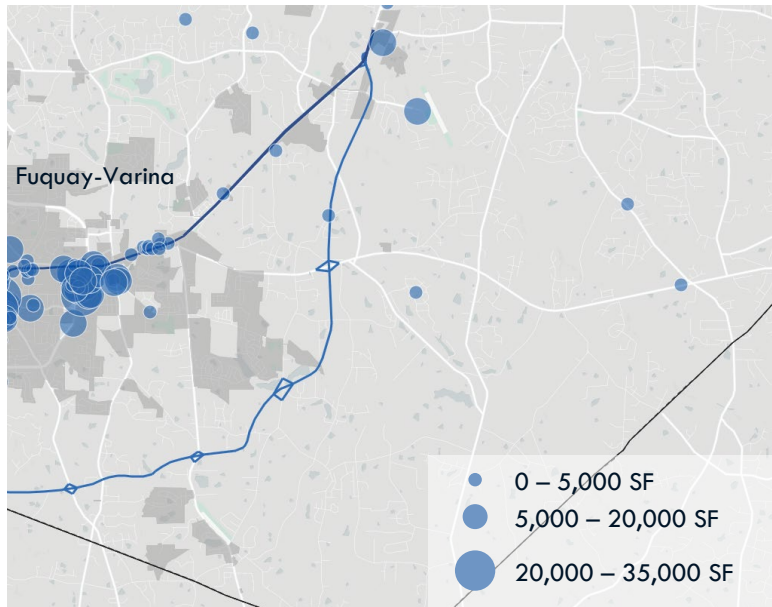
The multifamily market does not yet exist in southeastern Wake County outside of Fuquay-Varina. There is effectively no multifamily development in this area. For the combined Study Area 1 and Study Area 2 multifamily market, vacancy is relatively high in 2020 following several large deliveries, but high absorption indicates that this number will likely fall. During this period asking rent per square foot increased at a compound annual rate of 2.4%, from \$0.91 in 2010 (an average of \$877 per unit) to \$1.15 in 2020 (\$1,101 per unit).

\*Deliveries, vacancy, absorption, and rent data provided for combined Study Area 1 and 2, inclusive of Fuquay-Varina and southeastern Wake County

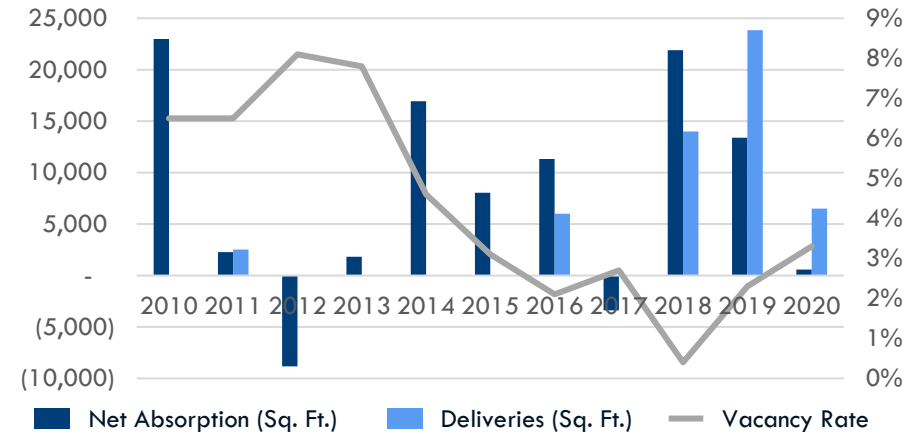


# Study Area 2 | Office Trends

## Office Development



## Office Deliveries, Vacancy, and Absorption\*



**\$22.00**

Gross Office Rent per Square Foot (2019)

**3.3%**

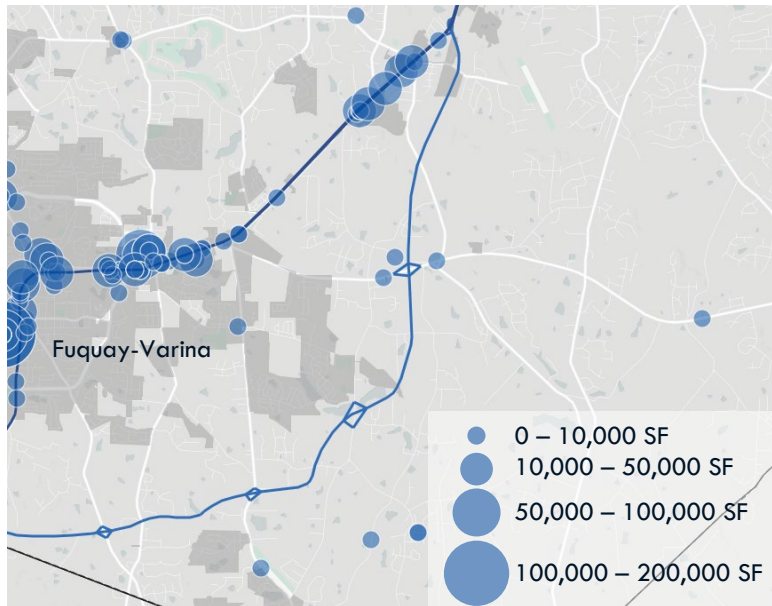
Office Vacancy Rate (2020)

**The office market does not exist in southeastern Wake County outside of Fuquay-Varina.** There is almost no office development in this area. For the combined Study Area 1 and Study Area 2 multifamily market, office vacancy rates in Study Areas 1 and 2 have generally been falling since 2012 and currently are very low at 3.3%, despite the delivery of several small new developments in recent years. Office asking rent reached a high of \$22.00 in 2019, possibly driven by this new development. Prior to 2019 rents were between \$14.50 and \$16.50 per square foot for several years. This may indicate an unmet demand for office space in the area.

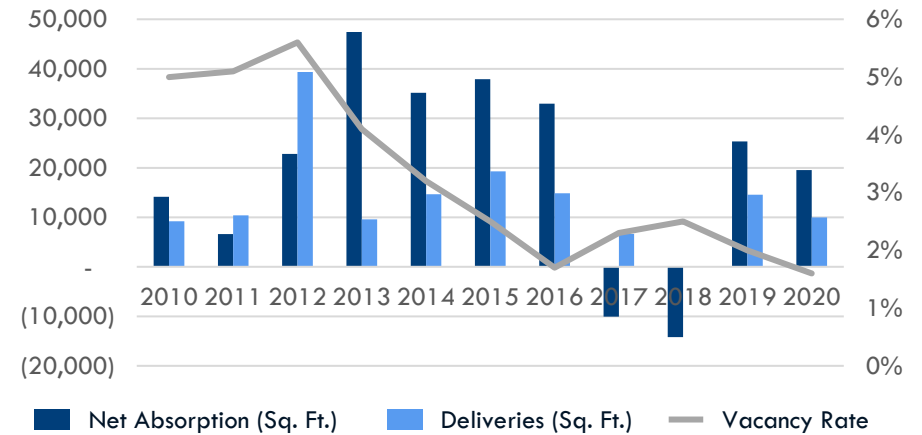
\*Deliveries, vacancy, absorption, and rent data provided for combined Study Area 1 and 2, inclusive of Fuquay-Varina and southeastern Wake County

# Study Area 2 | Retail Trends

## Retail Development



## Retail Deliveries, Vacancy, and Absorption\*



**\$16.15**

Triple Net Rent (2020)

**1.6%**

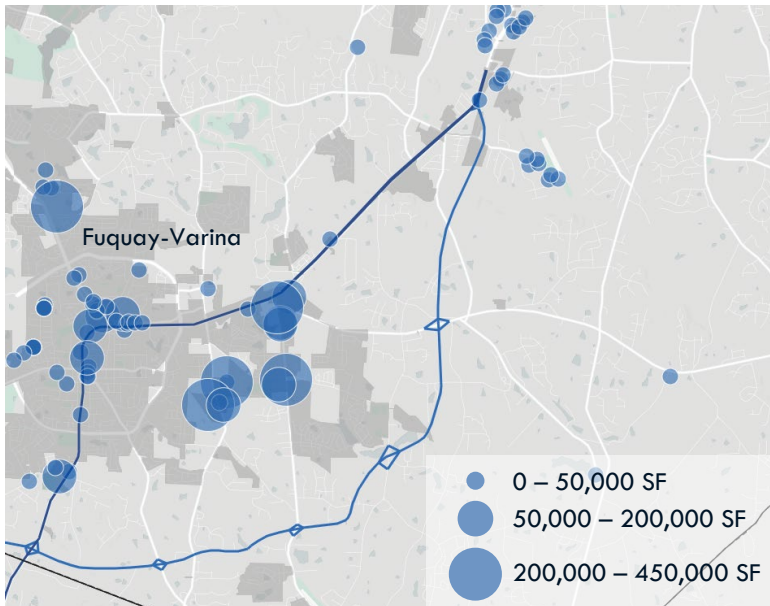
Retail Vacancy Rate (2020)

**There is some scattered retail throughout the Study Area, but Fuquay-Varina appears to meet the retail needs of the population.** Though there are no major retail centers in the area, there are a number of small retail developments in the area, including around a major junction of the proposed bypass, though these are very small convenience and service retailers. Retail rents have been largely stable since 2010, fluctuating between \$13 and \$17 per square foot. Study Areas 1 and 2 have seen consistent small deliveries of new retail space over the past decade, averaging about 13,000 square feet per year. Vacancy has fallen since 2012 from a relatively stable 5.6% to a very low 1.6% as absorption has exceeded delivery. This may indicate potential for continued small-scale or larger-scale retail development.

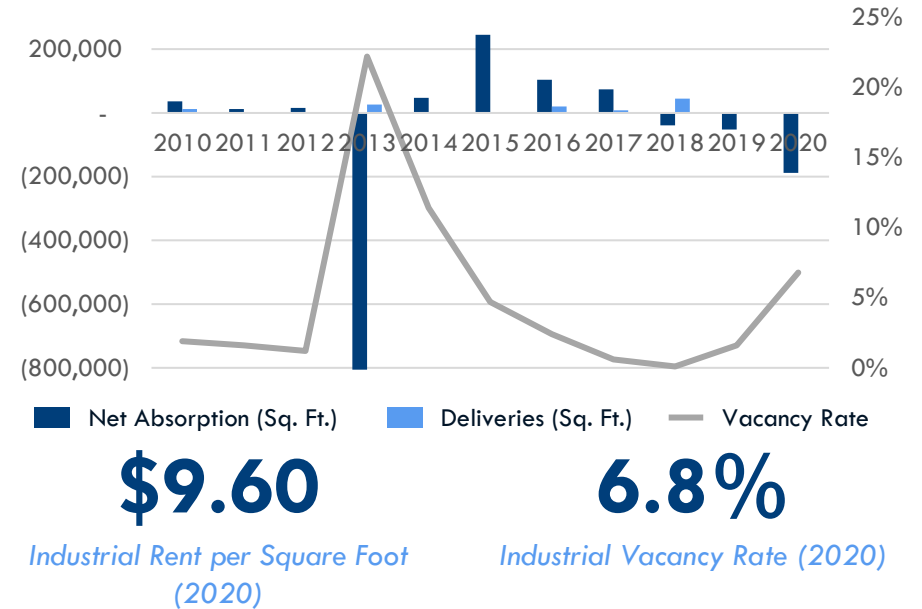
\*Deliveries, vacancy, absorption, and rent data provided for combined Study Area 1 and 2, inclusive of Fuquay-Varina and southeastern Wake County

# Study Area 2 | Industrial Trends

## Industrial Development



## Industrial and Flex Deliveries, Vacancy, and Absorption\*



There is limited industrial development around the proposed bypass, and major industrial centers are closer to downtown Fuquay-Varina. Industrial market performance for Study Areas 1 and 2 shows some increases in vacancy over the past few years due to the negative absorption of almost 280,000 square feet of industrial and flex space. There have been some small deliveries in recent years. Rents have increased to \$9.60 per square foot in 2020 from \$3.28 in 2016.

\*Deliveries, vacancy, absorption, and rent data provided for combined Study Area 1 and 2, inclusive of Fuquay-Varina and southeastern Wake County

# MARKET ANALYSIS

## 3. HARNETT COUNTY SECTION

# Study Area 3 | Harnett County Overview and Market Opportunity

## Overview

**Harnett County is more rural and less densely populated than Wake County, but is the thirteenth fastest-growing county in the state.** Land uses along the US 401 corridor are primarily agricultural, vacant, and rural or single family residential. There are industrial and commercial nodes along the corridor near the county line. Larger commercial centers are concentrated in Lillington and Angier.

## Summary of Findings

- **Demographic** Compared to southeastern Wake County, northern Harnett County has lower incomes on average and lower residential density, though population is also growing quickly.
- **Residential** Housing in the area is almost entirely single-family homes and mobile home parks. A number of recently-approved residential subdivisions will bring more single-family development to the US 401 corridor. Multifamily development has been primarily within incorporated towns.
- **Office & Retail** There is limited office along the corridor, and though office vacancy is low new development is likely to continue to be concentrated in Lillington and Angier.
- **Industrial** Vacancy is near zero and the Study Area has several clusters of industrial development, indicating opportunities for increased industrial development.

**1.7%**

*Projected compound annual population growth*

**2,200+**

*Approved single-family subdivision lots within 2 miles of the corridor*

**\$3.30**

*Industrial and flex rent per square foot, (\$9.60 in Study Area 1)*

## Implications for Development

- Due to ongoing population growth in the area, it is **likely that the area will continue to see demand for new residential development**, primarily single-family subdivisions. Rising multifamily rents and falling vacancy indicate a **potential demand for new apartments**, though existing multifamily development is within incorporated towns. **Roadway improvements that reduce travel times may enhance the marketability** of residential development along the corridor.
- Rising industrial costs and redevelopment pressures in southeastern Wake County, compared with low rents, low vacancy, and available land in Harnett County, may indicate an opportunity to support **new industrial and flex centers along US 401, particularly as planned roadway improvements may enhance accessibility of these sites.**

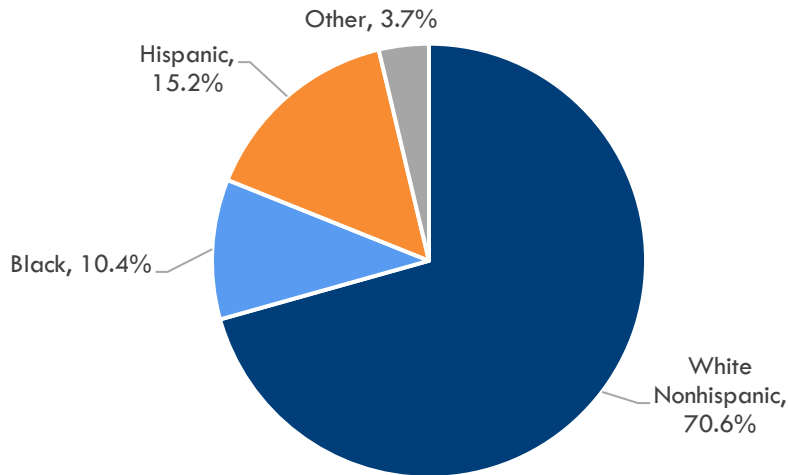
# Study Area 3 | Demographic Trends

## 15,300

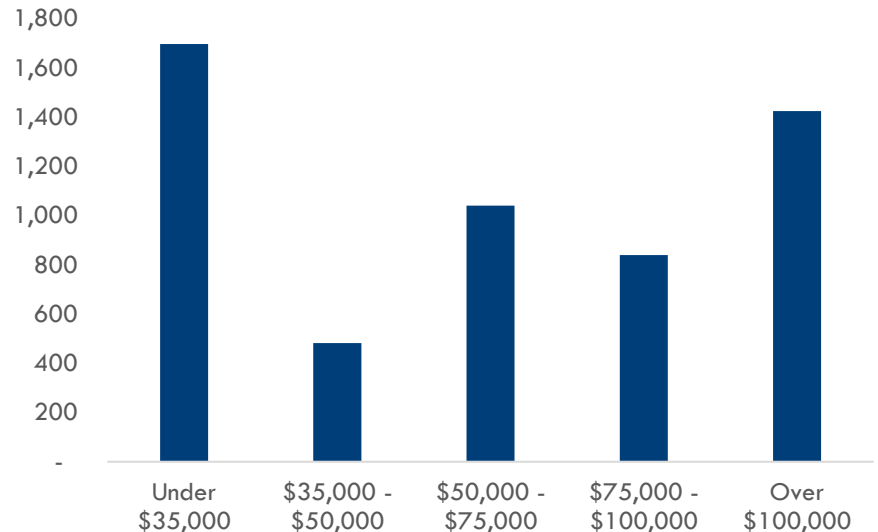
Population of northern Harnett County

The population in northern Harnett County, similar to the other study areas, is approximately 70% white non-Hispanic. Excluding Angier, diversity is even lower, with Black residents making up only 6.6% of the population and Hispanic residents making up only 13.3%. **Compared to Wake County, Study Area 3 has lower incomes on average, and over 30% of households have incomes below \$35,000.** CAMPO's population growth projections by TAZ in the area indicate a more moderate annual growth rate of 1.7% through 2045, or an 18% increase from 2020 to 2030.

### Population by Race and Ethnicity



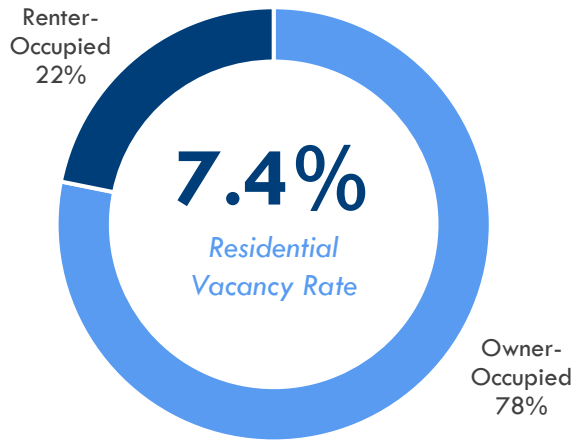
### Households by Income



Source: American Community Survey 5-Year Estimates (2019), CAMPO TAZ Analysis

# Study Area 3 | Residential Trends

## Housing Tenure



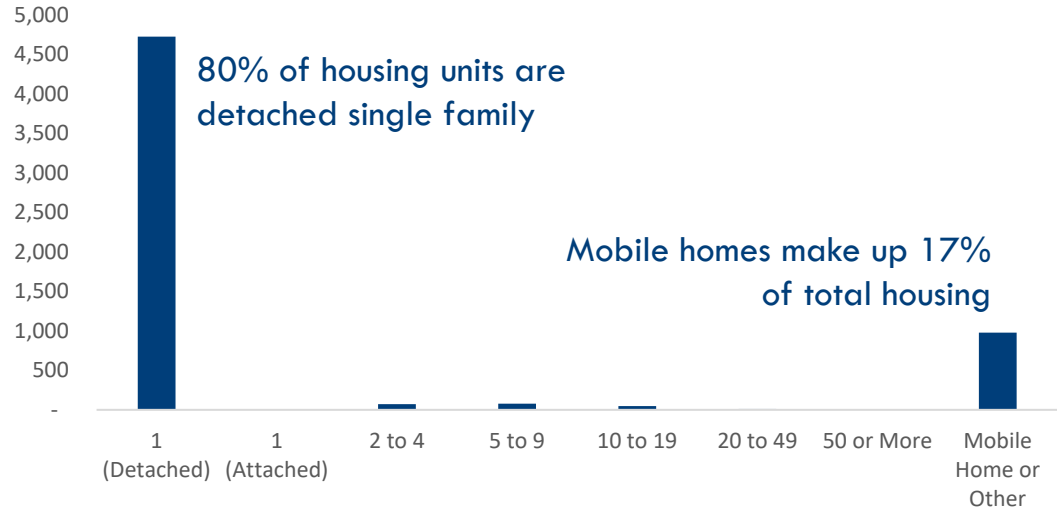
**3.1%**

*Of housing built since 2014*

**6.7%**

*Of housing built since 2010*

## Housing Units by Type

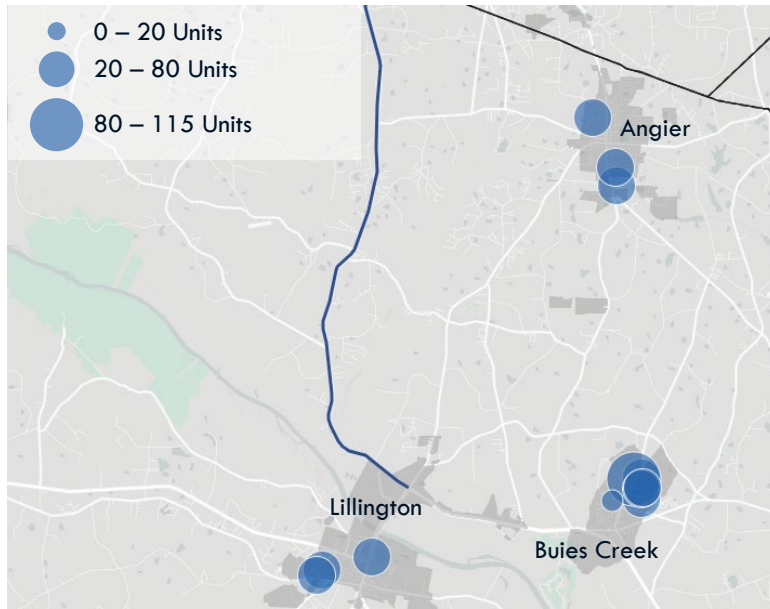


Similar to Study Area 2, housing in Study Area 3 is primarily owner-occupied and almost entirely detached single family and mobile homes. Outside of Angier, there are fewer than 100 units of attached single family or multifamily housing. Residential vacancy is higher than in Wake County at 7.4%, and outside of Angier vacancy is higher at 8.1%. The rate of new housing development has also been slower, and over 90% of housing units are more than 10 years old. Recently, several new residential subdivisions have been approved that will add over 2,000 units of single-family within 2 miles of the US 401 Corridor. In northern Harnett County there are a total of 45 new subdivision projects in review or development, representing over 5,500 lots and supporting close to 14,000 new residents.

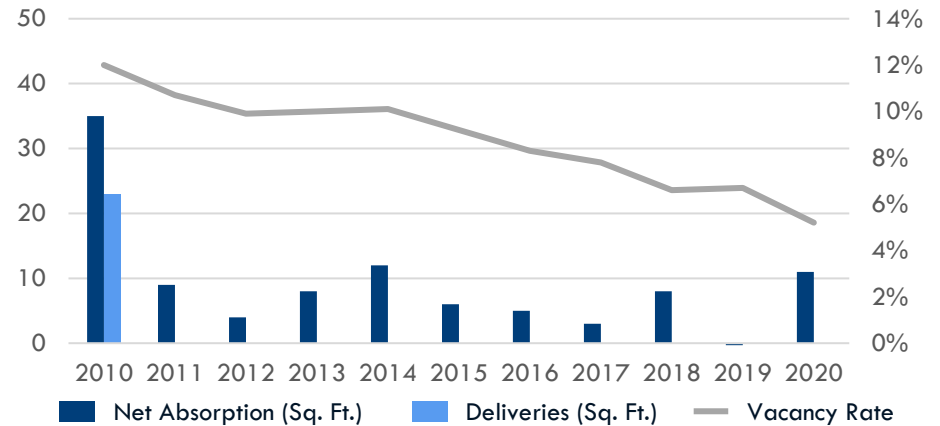
Source: American Community Survey 5-Year Estimates (2019), Stewart

# Study Area 3 | Residential Trends

## Multifamily Development\*



## Multifamily Deliveries, Vacancy, and Absorption\*



**\$0.63**

Multifamily Rent per Square Foot (2020)

**5.2%**

Multifamily Vacancy Rate (2020)

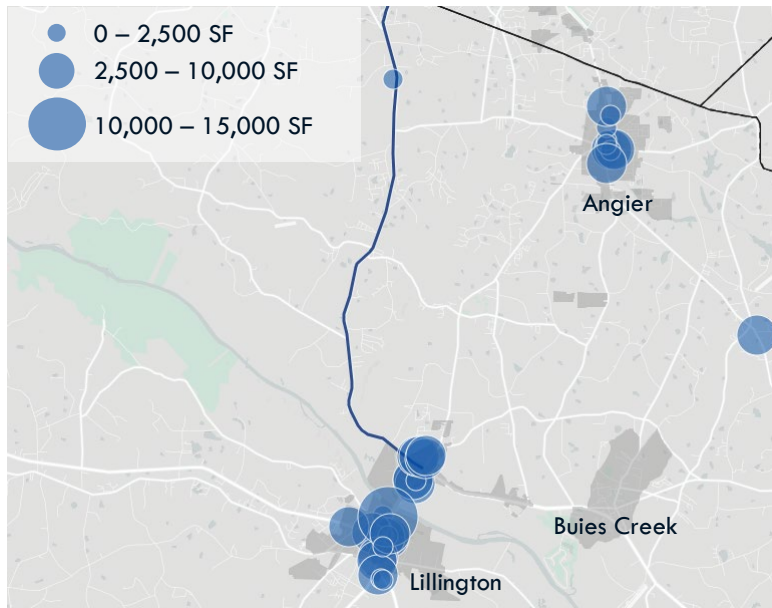
**There is no multifamily development currently located along the US 401 Corridor in Harnett County.** Multifamily developments are primarily small (between 20 and 50 units) class B and C low-rise apartments located within incorporated areas. Most of the new multifamily development in recent years has been concentrated in Buies Creek. Three small apartments in Lillington, with a total of 105 units, were built from 2008 to 2009, but many of the moderately-sized apartments in Lillington, Buies Creek, and Angier were built in the 1980s and 1990s. Steady but low absorption in recent years has resulted in declining vacancy rates from a relatively high 12.0% in 2010 following the delivery of new units to a healthy 5.2%. During this period asking rent per square foot increased at a compound annual rate of 1.9%, from \$0.52 in 2010 (an average of \$566 per unit) to \$0.63 in 2020 (\$677 per unit). However, early data from 2021 indicate that residential rents may have risen more than 16% over 2020 rates, indicating **an increased demand for multifamily rental housing**. There are several proposed developments in the pipeline, including 80 units proposed in Lillington near the Corridor and two planned projects in Buies Creek.

Source: Costar, ESRI, WSP; \*Data reflects properties listed on CoStar Commercial Listing Service and may be incomplete

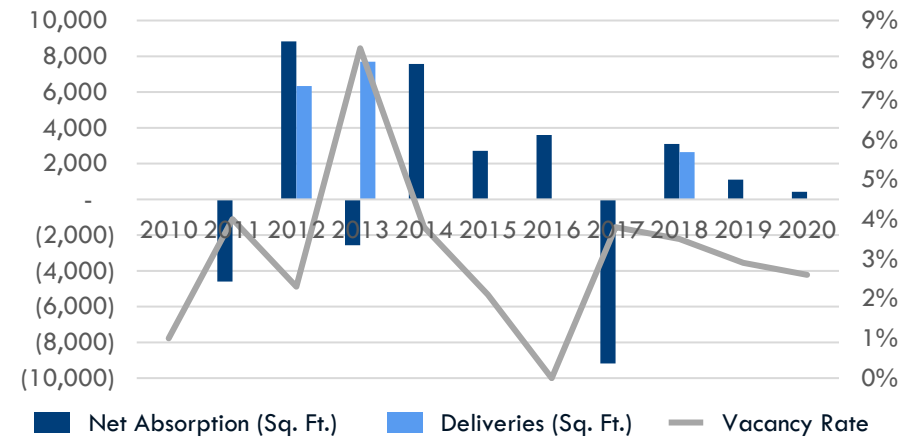


# Study Area 3 | Office Trends

## Office Development



## Office Deliveries, Vacancy, and Absorption



**\$13.25**

Gross Rent per Square Foot  
(2020)

**2.6%**

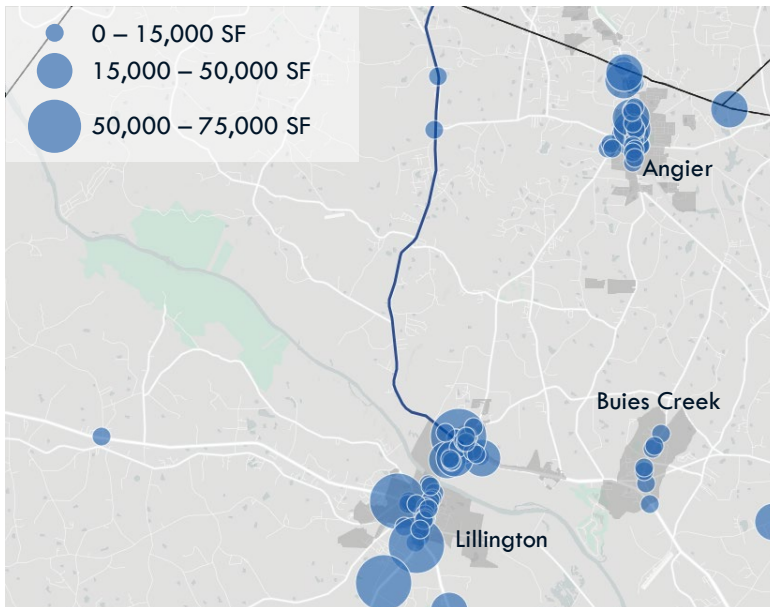
Office Vacancy Rate (2020)

**There is virtually no office development along the corridor, and though office vacancy is low new development is likely to continue to be concentrated in Lillington and Angier.** Office development in Study Area 3 is entirely composed of small standalone buildings. Over 60% of these offices are Class C, and none are Class A. The average year built is 1964. There is a small office development along the US 401 corridor in an industrial park, but the majority of office is located in Lillington and Angier. The only new development in the past five years was a 2,600 square foot office in Lillington built in 2018 that is home to a small pediatric practice. The market has a total of less than 170,000 square feet of office space overall, and office vacancy is low, around 2.6%, despite negative absorption of 10,000 square feet in 2017.

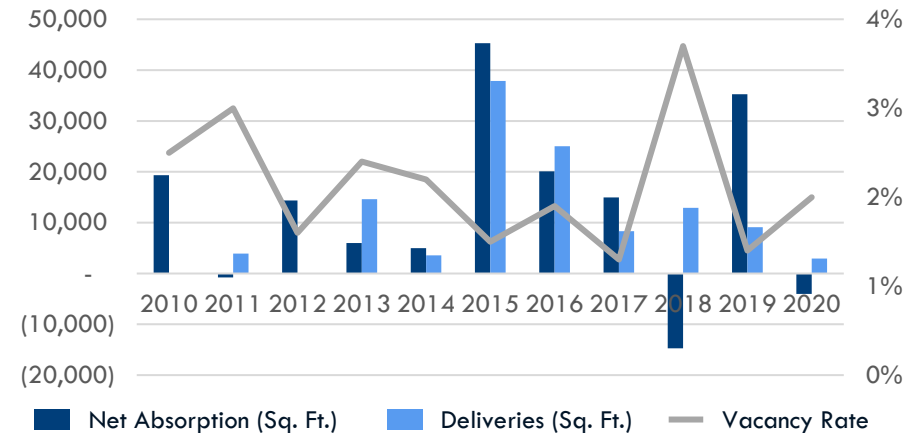
Source: Costar, ESRI, WSP

# Study Area 3 | Retail Trends

## Retail Development



## Retail Deliveries, Vacancy, and Absorption



**\$7.50**

Triple Net Rent per Square Foot (2020)

**2.0%**

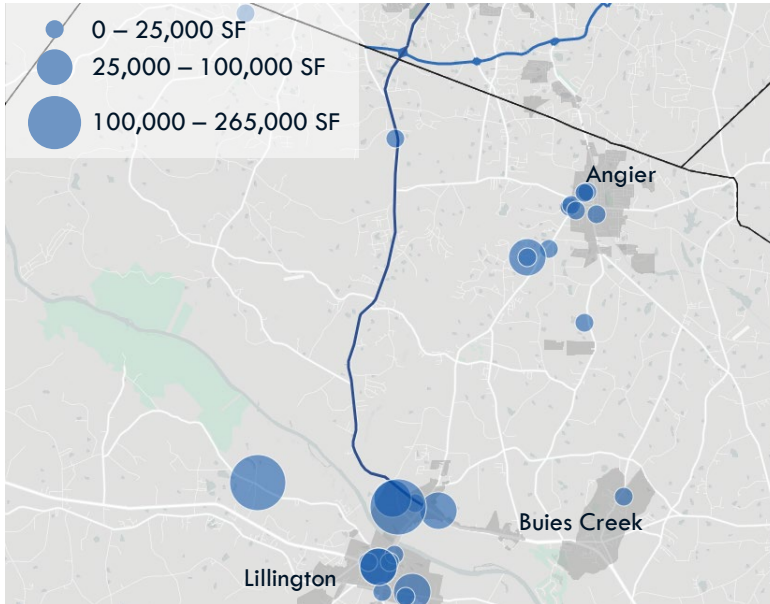
Retail Vacancy Rate (2020)

Retail development is clustered in Angier and Lillington, though there is a Dollar General store located along the US 401 Corridor and some convenience retail located at the edge of the corridor in Lillington, including a Shell gas station and several fast food establishments. Retail in Lillington and Angier primarily consists of neighborhood shopping centers and small standalone convenience retail including fast food and gas stations. A few small standalone retail building have been built in the past five years, including the Dollar General along US 401 and several standalone developments north of Angier near the county line. Vacancy has varied slightly in recent years but remained low, between 1% and 4%. Absorption has tracked closely with new deliveries indicating that much new retail development may be built-to-suit. Similar to vacancy, rents have fluctuated between \$7 and \$11 per square foot.

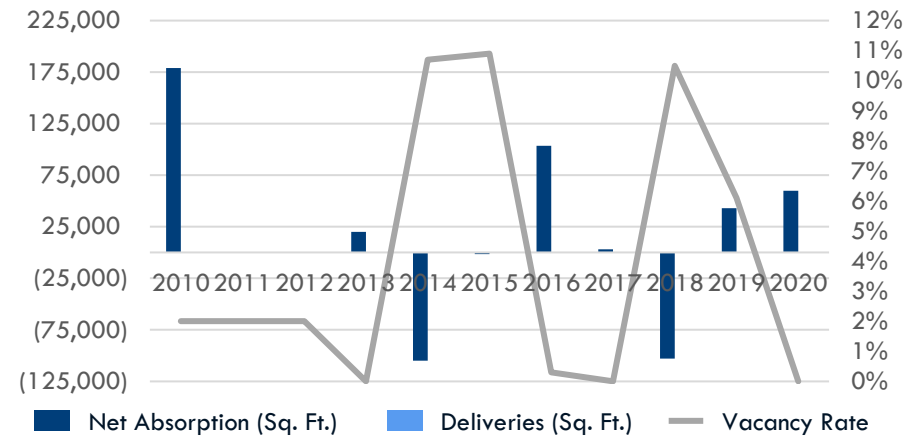
Source: Costar, ESRI, WSP

# Study Area 3 | Industrial Trends

## Industrial and Flex Development\*



## Industrial and Flex Deliveries, Vacancy, and Absorption\*



**\$3.00**

Industrial and Flex Rent per Square Foot

**0.0%**

Industrial Vacancy Rate (2020)

**There are several industrial centers near the US 401 corridor that are performing well, and industrial trends in Wake County may indicate an opportunity for additional industrial development along US 401 in Harnett County.** The largest industrial cluster in the area is in Lillington including some development around US 401. There is a small industrial development along the US 401 corridor just south of the county line, and several industrial parks or developments outside of Angier. There have been several new small to moderate-scale industrial and flex developments in the area since 2010, including new auto-oriented and construction facilities along the corridor, and two planned developments. Vacancy has fluctuated with absorption, but is currently near 0% as available space has been absorbed in recent years. Industrial and flex rents are low at \$3.00 per square foot, particularly compared with rents in southeastern Wake County. **Industrial uses typically locate where costs are low and transportation accessibility is high. Low vacancy, low rent, and the planned roadway improvements indicate potential demand for new industrial space.**

Source: Costar, ESRI, WSP; \*Data reflects properties listed on CoStar Commercial Listing Service and may be incomplete



NC Capital Area Metropolitan Planning Organization



Analyze. Advise. Act.



# US 401 CORRIDOR STUDY

MARKET ANALYSIS

JULY 2021

**DRAFT**