

Nashville

Office market snapshot | Q1 2024

Recognized by the Urban Land Institute as the top city for real estate and investment activity for a third year in a row, Nashville has been a major growth market in the Southeast for years. As the office market repositions, finding its balance between hybrid working, flight to quality and smaller average lease sizes, Nashville continues to show signs of strength moving into 2024.

640k sf

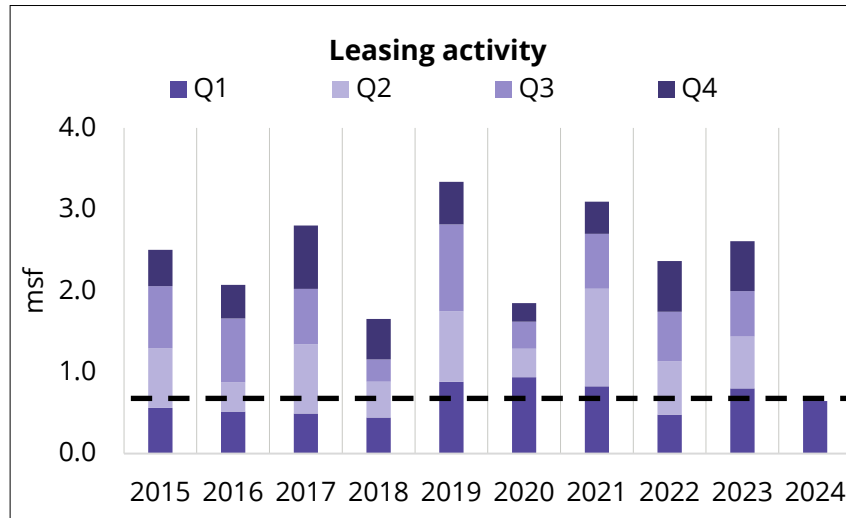
Class A and trophy space make up majority of Q1 2024 office leasing transactions, as the quarter total falls just short of the 10-year average.

-155k sf

Although net absorption started the year negative, numerous **large lease commencements throughout the year** are expected to bring up year-end totals.

\$235 psf

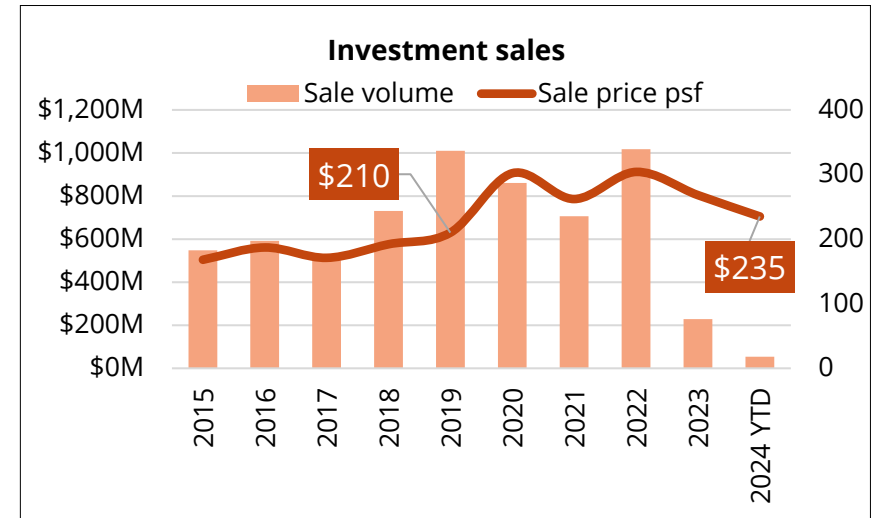
Psf pricing continues to fall but can be viewed as a **correction in value** after record low interest rates spurred an overheated investment market.



Nashville office demand continued at a steady pace during the first quarter with trophy and class A space making up 80% of the demand activity.

Note: Leasing activity includes relocations, renewals, expansions and subleases.

Source: AVANT by Avison Young, CoStar

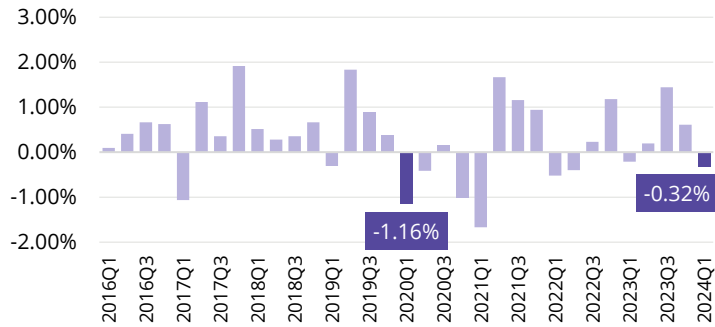


Nashville's office market recorded over \$50 million in investment sales during the quarter. Even as asset pricing continues to fall, year-to-date these psf rates are a 11.9% increase from pre-pandemic pricing.

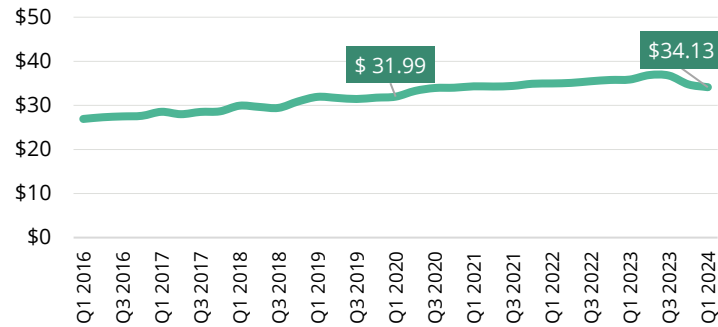
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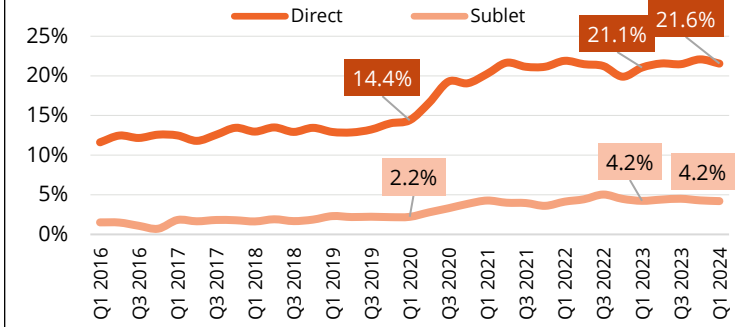
Net absorption as a % of inventory



Direct asking rents (psf/FS)



Availability



Recent leasing activity

Tenant	Property name	Size (sf)	Transaction type	Lease type
TikTok	The Moore Building	143,610	New	Direct
KIMC	Perimeter Park 2	45,060	Renewal	Direct
Butler Snow	Neuhoff Building	32,621	New	Direct
PriceWaterhouseCoopers	Nashville Yards Pinnacle Tower	30,119	New	Direct

Recent sales activity

Buyer	Property name	Sale price	Sale price psf	Seller
Boyle	McEwen Building	\$48,750,000	\$266	KBS Realty Advisors
Steven Park	Elm Hill Professional Building	\$4,817,500	\$111	Martin Ventures

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Get in touch

Brennan Forster
Senior Insight Analyst
brennan.forster@avisonyoung.com

Warren Smith
Managing Director
warren.smith@avisonyoung.com

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Total availability change (YoY)	Net absorption (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
Airport North	4,112,981	0	0	22.7%	3.3%	26.0%	(6.5%)	(25,420)	(0.6%)	\$25.75
Airport South	3,161,391	0	0	26.8%	4.1%	30.9%	(1.7%)	102,106	3.2%	\$25.77
Brentwood	6,419,595	0	0	14.4%	2.7%	17.1%	1.9%	(97,773)	(1.5%)	\$30.90
CBD	13,913,076	0	1,275,793	23.6%	4.3%	27.9%	2.8%	(102,425)	(0.7%)	\$43.07
Cool Springs	7,985,951	0	268,021	21.9%	8.5%	30.4%	2.6%	(108,836)	(1.4%)	\$32.60
Green Hills/ Berry Hill	3,742,811	0	0	19.8%	2.8%	22.6%	1.8%	11,308	0.3%	\$35.44
MetroCenter	1,707,972	0	0	29.4%	6.0%	35.4%	(1.6%)	(8,732)	(0.5%)	\$32.31
Midtown	5,683,756	0	492,013	22.4%	1.1%	23.5%	0.9%	70,266	1.2%	\$48.42
North Nashville	1,209,129	0	0	3.4%	0.0%	3.4%	(2.5%)	4,280	0.4%	\$28.97
Market total	47,936,662	0	2,035,827	21.6%	4.1%	25.7%	1.0%	(155,226)	(0.3%)	\$34.13

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Trophy	5,604,217	0	1,542,072	29.7%	1.1%	30.8%	1.8%	49,571	0.9%	\$56.65
Class A	20,959,663	0	493,755	21.0%	5.6%	26.6%	1.2%	(226,009)	(1.1%)	\$35.47
Class B	17,501,320	0	0	20.4%	4.4%	24.8%	0.2%	37,081	0.2%	\$30.48
Class C	3,871,462	0	0	15.1%	0.3%	15.4%	1.6%	(15,869)	(0.4%)	\$24.18
Market total	47,936,662	0	2,035,827	21.6%	4.1%	25.7%	1.0%	(155,226)	(0.3%)	\$34.13