

# Nashville

## Office market snapshot | Q2 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.

## 1.4 msf

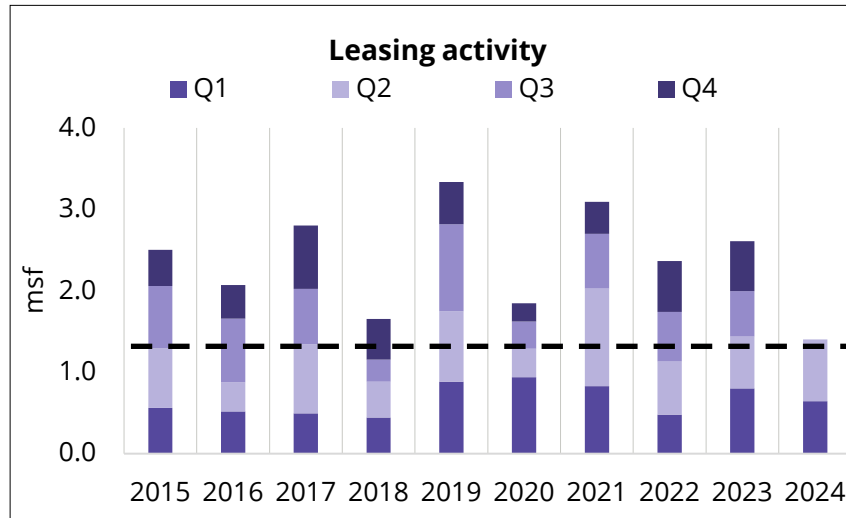
**Class A and trophy space make up majority** of Q2 2024 office leasing transactions, as the first half of 2024 is **slightly above the 10-year average**.

## 186k sf

After starting the year negative, absorption returned to positive in Q2 2024. As strong leasing activity continues, absorption will maintain an upward momentum.

## \$175 psf

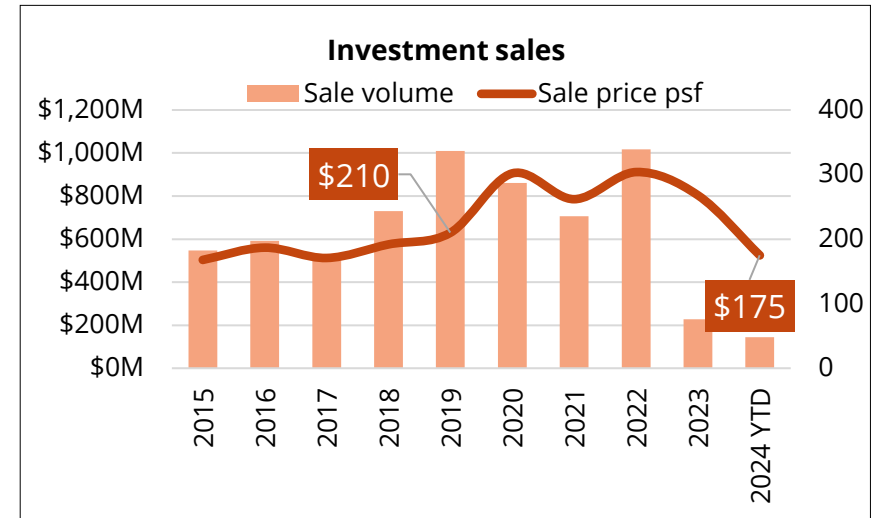
**Psf pricing continues to fall** but can be **viewed as a correction in value** after record low interest rates spurred an overheated investment market.



Nashville office demand continued at a steady pace during the first half of 2024 with 1.4 msf of leasing activity. Class A and trophy assets continue to see most of the activity with 87% of the leases signed in Q2 at these properties.

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

Source: AVANT by Avison Young, CoStar

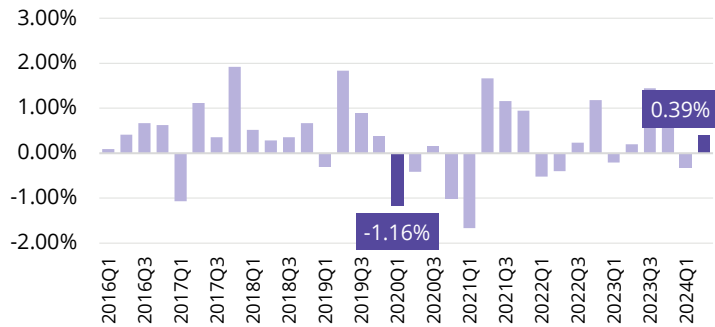


Nashville's office market recorded over \$90 million in investment sales during the quarter. As sales are limited the psf, price is impacted heavily by lower sales prices. As activity increases, the psf price should level out.

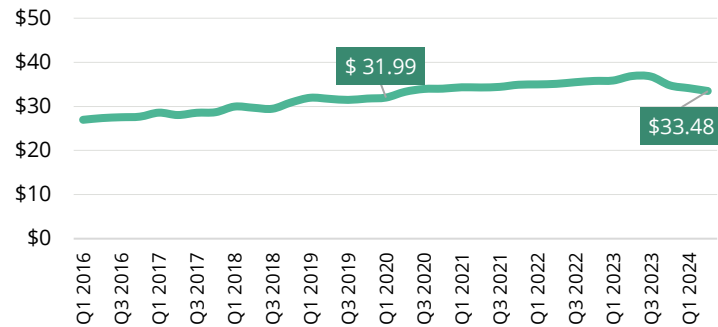
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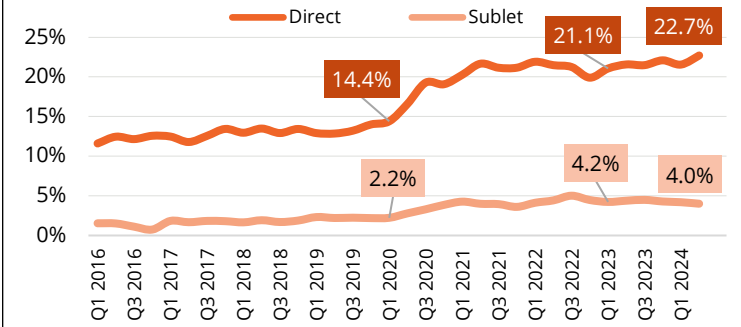
Net absorption as a % of inventory



Direct asking rents (psf/FS)



Availability



Recent leasing activity

Tenant	Property name	Size (sf)	Transaction type	Lease type
Oracle	Radius	121,064	Extension/expansion	Direct
Tik Tok US Data Security	One Nashville Place	52,878	New	Direct
Regions Bank	RoundAbout Plaza	27,152	New	Direct
Barnes & Thornburg	Moore Building	26,000	New	Direct

Recent sales activity

Buyer	Property name	Sale price	Sale price psf	Seller
Menlo Equities	Truist Plaza	\$84,500,000	\$249	Eakin Partners
Clearbrook Holdings	Executive South	\$6,200,000	\$75	Eastman Management Corp
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

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
Airport North	4,112,981	0	0	22.5%	3.3%	25.8%	14,056	(0.28%)	\$25.78
Airport South	3,161,391	0	0	25.8%	4.1%	29.9%	42,700	4.6%	\$25.78
Brentwood	6,419,595	0	0	14.9%	2.4%	17.4%	66,954	(1.1%)	\$31.07
CBD	13,913,076	0	1,275,793	27.7%	4.0%	31.7%	(66,753)	(0.6%)	\$41.33
Cool Springs	7,985,951	0	268,021	22.8%	8.5%	30.9%	33,023	(2;6%)	\$33.18
Green Hills/ Berry Hill	3,775,811	0	0	19.2%	2.7%	21.8%	(12,322)	0.0%	\$35.35
MetroCenter	1,648,470	0	0	28.7%	6.2%	34.9%	10,251	0.1%	\$31.33
Midtown	5,650,756	0	552,020	21.1%	1.2%	22.4%	98,416	1.8%	\$41.21
North Nashville	1,209,129	0	0	3.0%	0.0%	3.0%	56	0.4%	\$28.14
Market total	47,877,160	0	2,095,834	22.7%	4.0%	26.7%	186,381	(0.3%)	\$33.48

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
Trophy	5,604,217	0	1,542,072	30.2%	1.1%	31.3%	(42,449)	(1.0%)	\$48.31
Class A	20,959,663	0	553,762	23.3%	5.3%	28.6%	128,155	0.6%	\$36.79
Class B	17,441,818	0	0	20.7%	4.4%	25.0%	76,675	0.2%	\$30.60
Class C	3,871,462	0	0	14.2%	0.3%	14.5%	24,000	(0.5%)	\$23.92
Market total	47,877,160	0	2,095,834	22.7%	4.0%	26.7%	186,381	(0.3%)	\$33.48