

# Nashville

## Industrial 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 continues to be a major growth market in the Southeast. Strong tenant demand for newly delivered, quality properties are driving market activity, with Nashville's development pipeline remaining one of the most active in the Southeast region.

## 1.7 msf

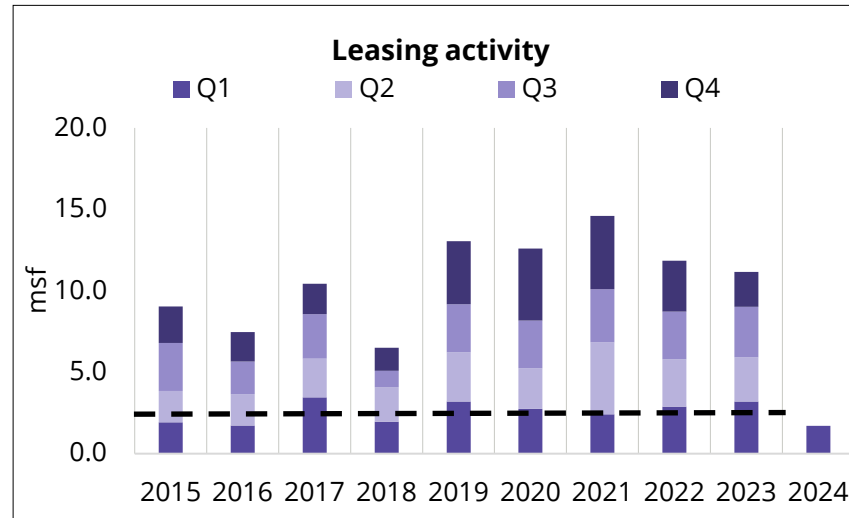
**Industrial demand remains unwavering**, despite slowing leasing volume. **Flight to quality and new construction continues to trend.**

## 5.1%

**Vacancy has risen 100 basis points** year-over-year, with the **increase in sublease space** accounting for most of this growth.

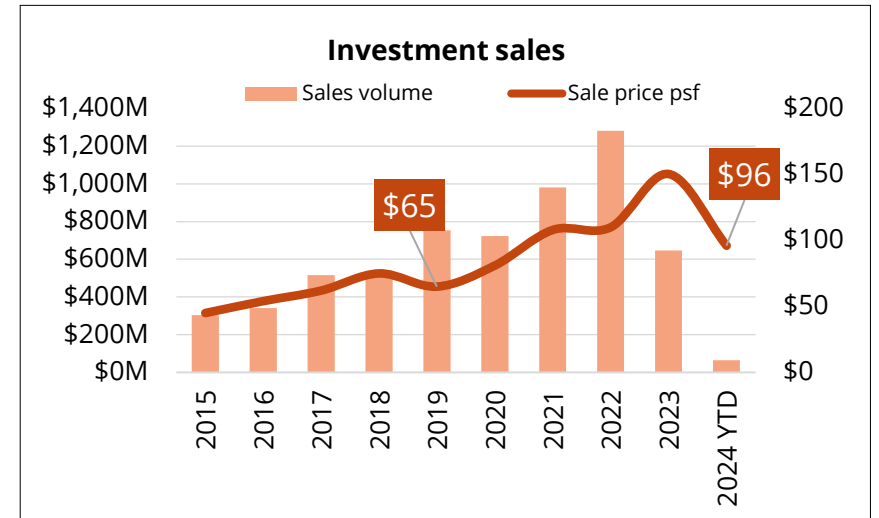
## \$96 psf

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



Tenant interest in the industrial market remains strong even as overall leasing volume was down at the end of the first quarter when compared to the 10-year average. Smaller average lease sizes can be attributed to some of this slowing in overall leasing volume.

Note: Leasing activity includes relocations, renewals, expansions and subleases.  
Source: AVANT by Avison Young, CoStar

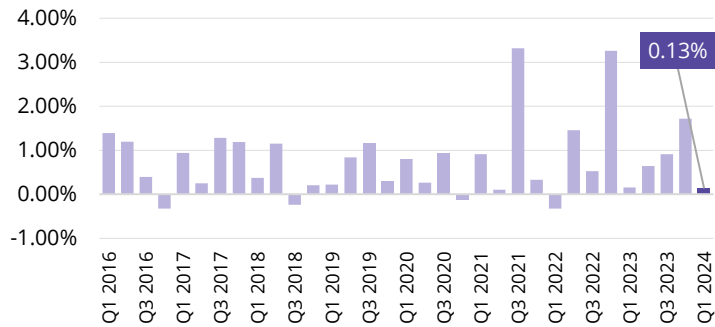


Nashville's industrial investment sales totaled \$63 million during the first quarter. While asset pricing began to fall for the first time since the onset of the pandemic, year-to-date these psf rates are a 48% increase from pre-pandemic pricing.

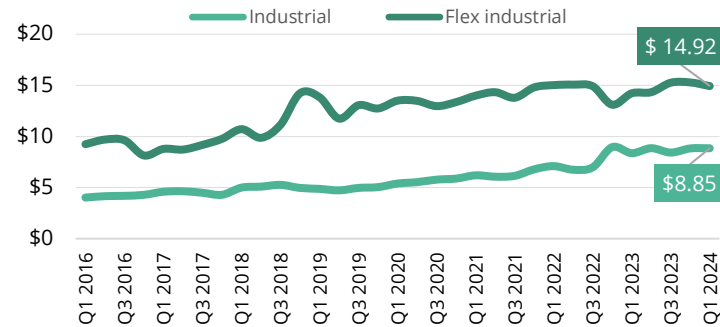
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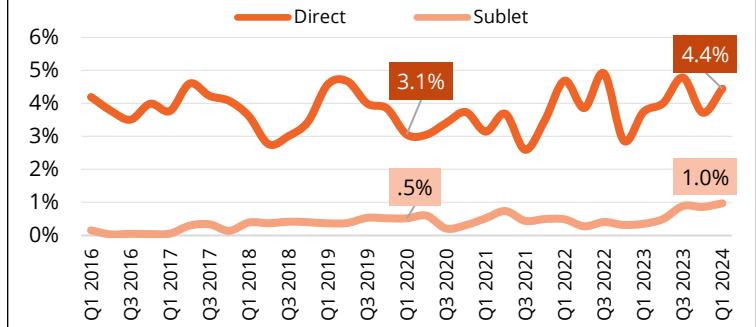
Net absorption as a % of inventory



Direct asking rents (psf/NNN)



Vacancy



Recent leasing activity

Tenant	Property name/ address	Size (sf)	Transaction type	Lease type
Shoals	Shoals Way Industrial	638,330	New	Direct
Schneider Electric	First Rockdale IV	500,240	New	Direct
UPS	CentrePointe Dist. Park Building 2	412,480	Renewal	Direct
JPW Industries	MidSouth Logistics Center	301,110	Renewal	Direct

Recent sales activity

Buyer	Property name/ address	Sale price	Sale price psf	Seller
Welcome Group	1800 Joe B Jackson Parkway	\$13,500,000	\$147	Dexter Stamping
Infinity Hospitality Group	Willow Trace 2 Buildings D&E	\$9,685,000	\$144	FPA Multifamily
Hamilton Creek Partners	2931 Elm Hill Pike	\$7,950,000	\$91	Modiv
Stonelake Capital Partners	300 Old Stone Bridge	\$7,850,000	\$174	Gorney Realty Company

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### Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf NNN
East	16,941,922	0	0	1.8%	0.0%	1.8%	0.9%	(116,868)	(0.7%)	\$10.46
IBD	11,223,627	30,000	0	1.6%	2.1%	3.7%	2.9%	35,300	0.3%	\$19.83
North	33,678,819	225,000	20,025	5.3%	1.8%	7.1%	5.1%	(372,830)	(1.1%)	\$9.59
Southeast	71,321,719	0	792,692	3.6%	0.5%	4.1%	0.6%	154,418	0.2%	\$8.52
Southwest	12,725,771	0	0	2.1%	0.1%	2.2%	0.9%	(193,337)	(1.5%)	\$12.19
West	6,517,856	0	1,699,240	1.3%	2.0%	3.3%	(0.6%)	(119,494)	(1.8%)	\$13.47
Wilson County	45,894,234	997,516	2,289,135	6.4%	1.3%	7.7%	(2.2%)	874,880	1.9%	\$9.61
Market total	198,303,948	1,252,516	4,801,092	4.1%	1.0%	5.1%	1.0%	262,069	0.1%	\$9.16

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Total vacancy	Total vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf NNN
Flex industrial	9,346,221	0	0	3.7%	1.5%	5.2%	1.9%	(101,119)	(1.1%)	\$14.92
Warehouse	69,359,293	477,544	375,525	4.0%	1.6%	5.6%	(0.3%)	339,970	0.5%	\$8.87
Distribution	79,038,239	774,972	4,425,567	5.6%	0.8%	6.4%	1.7%	481,488	0.6%	\$8.46
Manufacturing	40,560,195	0	0	1.6%	0.0%	1.6%	1.5%	(458,270)	(1.1%)	\$11.89
Market total	198,303,948	1,252,516	4,801,092	4.1%	1.0%	5.1%	1.0%	262,069	0.1%	\$9.16