



### MARKET OVERVIEW

The Nashville Office market is steadily fighting its way to more positive figures as the effects of the pandemic start to wane. Due to slower leasing activity and speculative deliveries coming online, vacancy rates have been pushed up. Rent growth has also flattened out, going down 1% over the last quarter. The saturation of sublease availability and additional speculative supply will keep rental rates down for the near term. There are still large blocks of space available in many of the metro's recently delivered projects, and about 35% of the under-construction pipeline remains unleased. Investors drawn by the bargain in terms of yields and pricing have continued to push sales volume with over \$600 million in assets trading hands in 2021. Average sales price per foot has been volatile, with Q4 posting \$281, up from \$266 in Q3.

### ABSORPTION

In a breakout quarter, despite the pandemic, the Nashville Office market is continuing to grow as net absorption increased from (68,321) SF in Q3-21 to 405,102 SF in Q4-21. This leap was largely due to Asurion moving into 1100 Broadway, resulting in 551,000 SF of positive absorption.

### VACANCY

With new product hitting the market unoccupied, the overall vacancy rate has increased ten basis points from Q3-21 to Q4-21 and is now 2% higher than at the end of 2020.

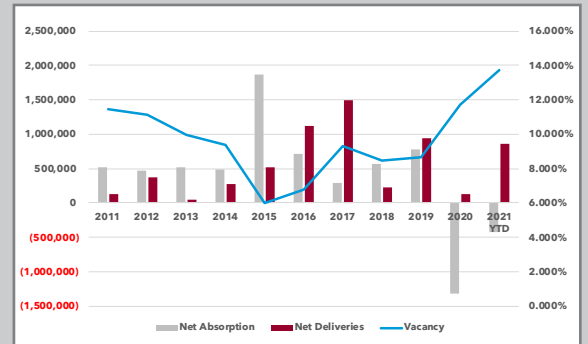
### RENTAL RATES

Average asking rental rates have reflected this increase in vacancy as they have decreased from \$29.19/SF in Q3-21 to \$28.89/SF in Q4-21.

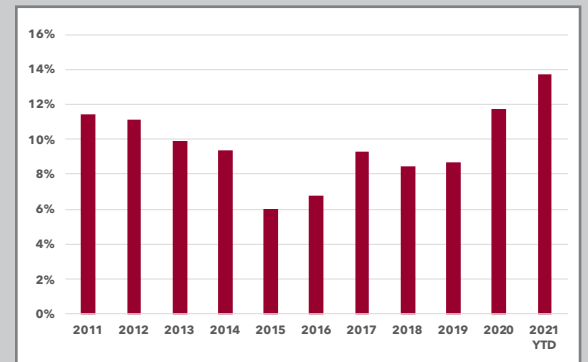
### DEVELOPMENT

Under-construction activity has held about the same from last year as the square feet under-construction amounted to 2.9 MSF in Q4-21, which is about 40,000 SF less than Q4-20. The influx of Amazon and Oracle is causing a positive impact on the under-construction pipeline in Nashville.

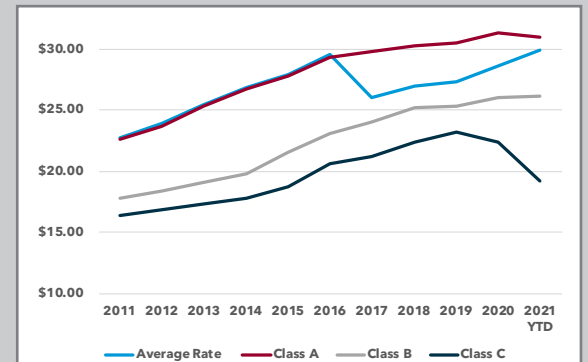
ABSORPTION & DELIVERIES



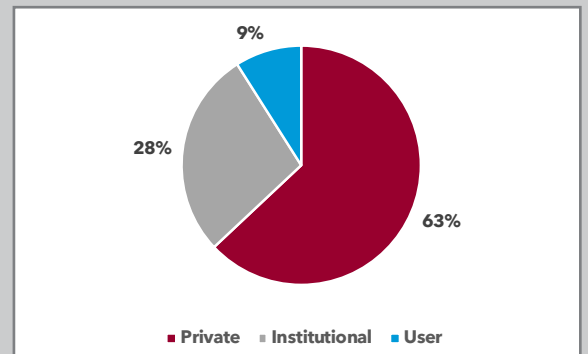
YEARLY VACANCY COMPARISON



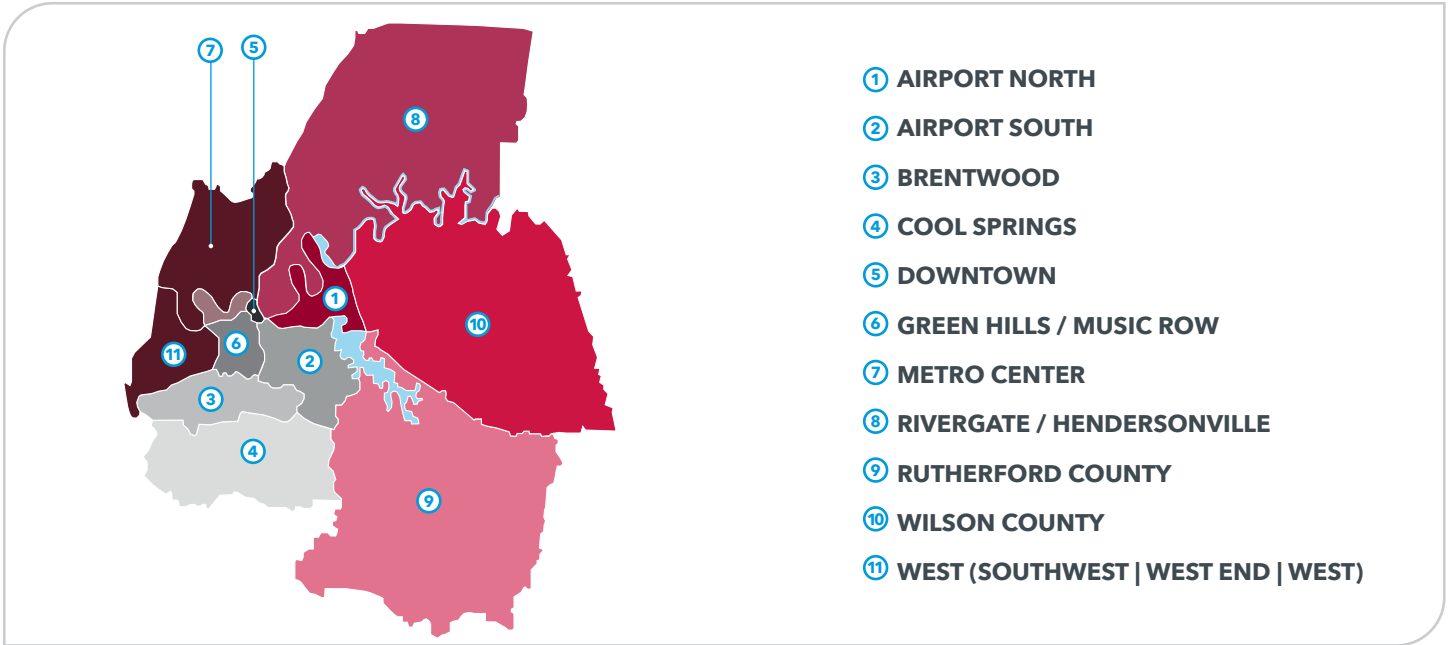
RENTAL RATES



NASHVILLE BUYER TYPE



### SUBMARKET MAP



### SUBMARKET BREAKDOWN

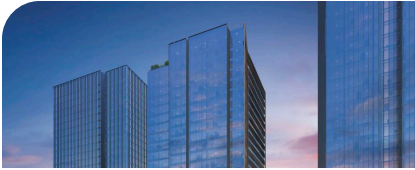
SUBMARKET	EXISTING INVENTORY		VACANCY		YTD NET ABSORPTION	UNDER CONST SF	QUOTED RATES
	Total RBA	Total SF	Vac %				
Airport North	4,287,839	629,126	14.7%		(211,993)	-	\$19.15
Airport South	5,634,303	978,903	17.4%		(98,278)	253,800	\$22.04
Brentwood	6,463,261	1,054,057	16.3%		(258,400)	-	\$24.39
Cool Springs	8,010,189	1,629,354	20.3%		(83,736)	17,173	\$26.18
Downtown	13,309,700	1,556,994	11.7%		231,809	2,155,426	\$24.54
Green Hills	3,190,146	245,665	7.7%		(3,067)	517,354	\$29.43
Metro Center	2,011,593	300,146	14.9%		52,902	-	\$17.00
Rivergate	1,411,371	43,803	3.1%		56,186	-	\$17.63
Rutherford Co.	1,623,080	75,608	4.7%		(31,195)	-	\$21.84
Wilson Co.	323,338	20,968	6.5%		(15,078)	-	\$21.19
West (Southwest   West End   West)	4,510,716	444,240	9.8%		(67,171)	-	\$24.36
<b>TOTAL</b>	<b>50,775,536</b>	<b>6,978,864</b>	<b>13.7%</b>		<b>(428,021)</b>	<b>2,943,753</b>	<b>\$28.89</b>

CLASS	EXISTING INVENTORY		VACANCY		YTD NET ABSORPTION	UNDER CONST SF	QUOTED RATES
	Total RBA	Total SF	Vac %				
A	22,615,073	3,183,507	14.1%		(143,095)	2,700,780	\$30.89
B	22,898,394	3,263,386	14.3%		(204,918)	242,973	\$26.09
C	5,262,069	531,971	10.1%		(80,008)	-	\$19.17
<b>TOTALS</b>	<b>50,775,536</b>	<b>6,978,864</b>	<b>13.7%</b>		<b>(428,021)</b>	<b>2,943,753</b>	<b>\$28.89</b>

CLASS



### NOTABLE LEASES



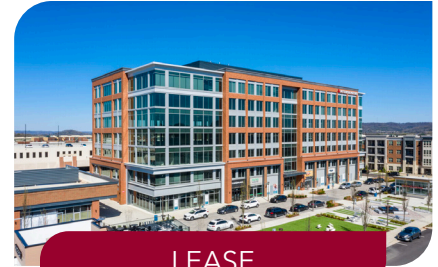
UNDER CONSTRUCTION



**201 PLATFORM WAY SOUTH**  
DOWNTOWN  
**TOTAL SF** 177,492 SF  
**TENANT** Bass, Berry & Sims  
**TYPE** New



**26 CENTURY BLVD.**  
AIRPORT NORTH  
**TOTAL SF** 31,346 SF  
**TENANT** Undisclosed  
**TYPE** New



**4031 ASPEN GROVE DR.**  
COOL SPRINGS  
**TOTAL SF** 30,000 SF  
**TENANT** Undisclosed  
**TYPE** New

### NOTABLE UNDER CONSTRUCTION

#### NASHVILLE YARDS TOWER 3

201 PLATFORM WAY SOUTH  
**TOTAL SF** 682,000 SF  
**DEVELOPER** Southwest Value Partners Enterprises  
**DELIVERY** Q2-2025

#### NASHVILLE YARDS TOWER 2

201 PLATFORM WAY NORTH  
**TOTAL SF** 595,123 SF  
**DEVELOPER** Southwest Value Partners Enterprises  
**DELIVERY** Q3-2023

#### ONE22ONE

1221 BROADWAY  
**TOTAL SF** 390,637 SF  
**DEVELOPER** GBT Realty Corp.  
**DELIVERY** Q2-2022

### NOTABLE SALE TRANSACTIONS

#### 150 -152 2<sup>ND</sup> AVE. NORTH

DOWNTOWN  
**SIZE** 88,170 SF  
**PRICE** \$35,000,000 (\$396.96 PSF)  
**BUYER** Jeffrey Welk  
**SELLER** The Ardent Companies

#### 810 BROADWAY

DOWNTOWN  
**SIZE** 86,000 SF  
**PRICE** \$16,500,000 (\$191.86 PSF)  
**BUYER** Magnolia Investment Partners  
**SELLER** Alliance Partners HSP, LLC

#### 221 4<sup>TH</sup> AVE. NORTH

DOWNTOWN  
**SIZE** 45,344 SF  
**PRICE** \$11,400,000 (\$251.41 PSF)  
**BUYER** Undisclosed  
**SELLER** Tennessee Legal Community Foundation

### CONTACT US



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