



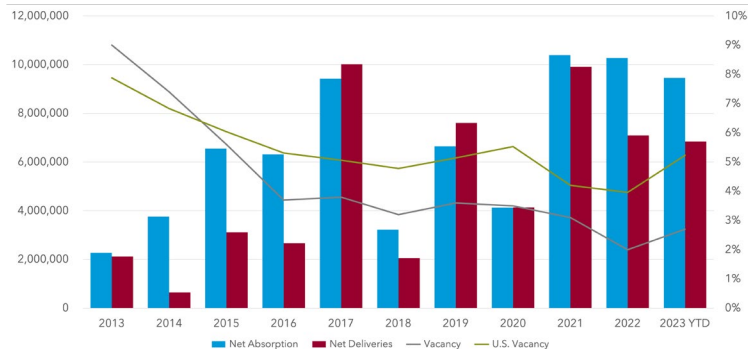
INDUSTRIAL MARKET OVERVIEW

JIM RODRIGUES, SIOR, *President*

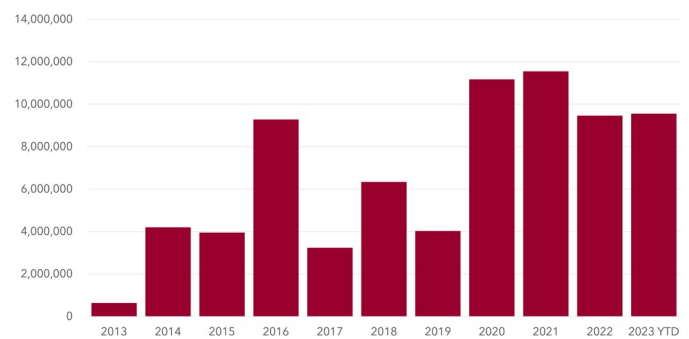
Nashville boasts a geographic region that allows businesses to reach over half of the country's population in a day's drive, which continues to attract various industrial users looking to expand or maintain operations in the region. In the third quarter, Nashville's industrial sector exhibited positive momentum and expansion, resulting in a 2.7% vacancy rate, 1.5M SF of new inventory and a notable net absorption of 3.6M SF. Although leasing activity has started to slow from the all-time highs in 2021, that slowing has still left recent levels of activity above pre-pandemic norms. Currently, there are approximately 9.6M SF under construction, with 7% of that being pre-leased.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	12,333,013	12,954,712	11,771,592	10,273,158	9,485,802
▲ Vacancy Rate	2.7%	2.4%	2.3%	2.0%	2.4%
▼ Avg NNN Asking Rate PSF	\$7.48	\$7.51	\$7.77	\$7.36	\$7.01
▼ SF Under Construction	9,553,208	12,830,559	11,771,364	9,459,843	11,113,261
▲ Inventory SF	260,190,193	257,689,488	254,961,264	249,068,024	248,077,701

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
315 & 303 Alligood Way* Lebanon, TN	410,370 SF	\$54,000,000 \$131.59 PSF	Pealmark Al Neyer	Class A
3650 Trousdale Drive Nashville, TN	165,000 SF	\$14,250,000 \$86.36 PSF	Hamilton Creek Partners Waller Bros Partnership	Class C
1299 Bridgestone Parkway La Vergne, TN	76,500 SF	\$12,400,000 \$162.09 PSF	Waller Brothers Partnership Nausbaum Realty	Class C

*Lee - Nashville Transaction

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
Prologis Southpark - 2020 Midway Ln, Bldg 7, Smyrna, TN	399,940 SF	Prologis	Pepsi	Soft Drink Manufacturing
840 Commerce Ctr - 255 Aldi Blvd Mount Juliet, TN	259,000 SF	Cabot Properties	Assurant	Electrical Repair
Prologis Southpark - 2020 Midway Ln, Bldg 9, Smyrna, TN	166,275 SF	Prologis	AISIN	Automotive Repair and Maintenance

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com