

Nashville

Office market snapshot | Q1 2025

Nashville remains a major growth market across the Southeast. The city's strong labor market, growing population and high quality of life continue to bolster the office market. While an influx of new development has temporarily elevated availability across the market, the absorption of these spaces by a steady stream of tenants seeking quality office space speaks to the resiliency of Nashville's office market.

26.8%

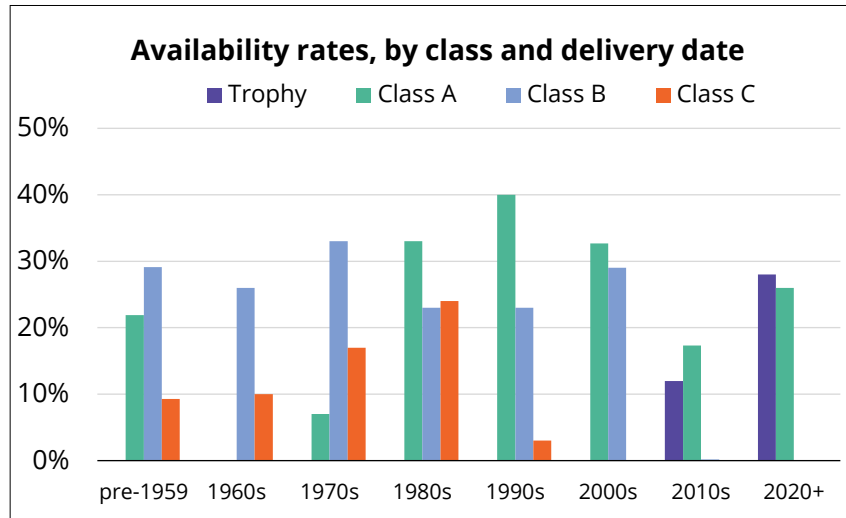
Class A properties saw the highest increase in availability during Q1 as **tenants relocated to newer, amenity-rich trophy properties.**

\$61.91 psf

Propelled by rising trophy rents, **Nashville's office asking rents have surpassed those in several Southern peer cities.**

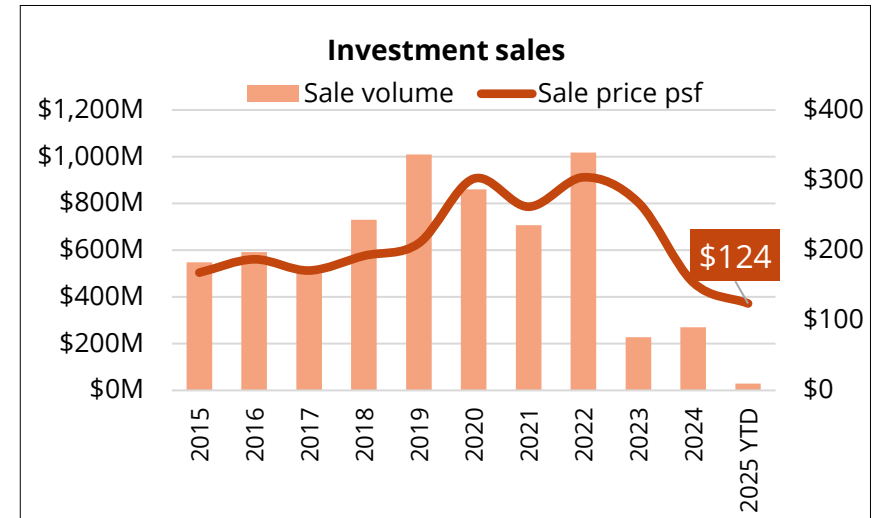
\$124 psf

Distressed office property sale brought down psf pricing as Nashville office remains the most challenged asset class.



As "flight to quality" continues to drive the narrative, older office properties across the market are experiencing a rise in availability. Many landlords are taking note, looking at how they can upgrade their buildings in order to compete with newer properties in the market.

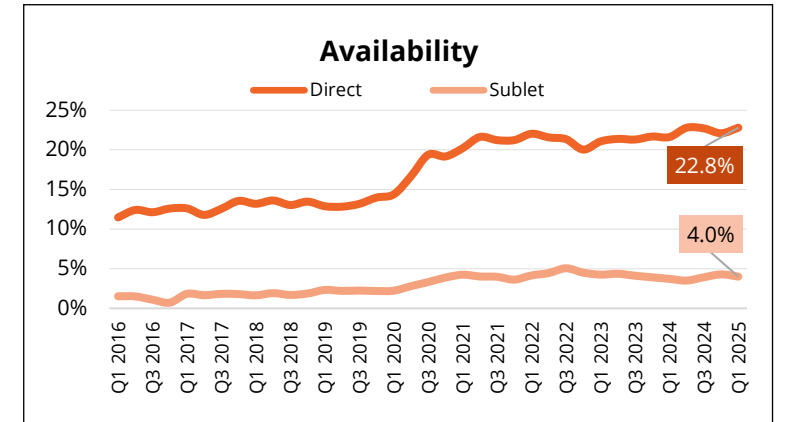
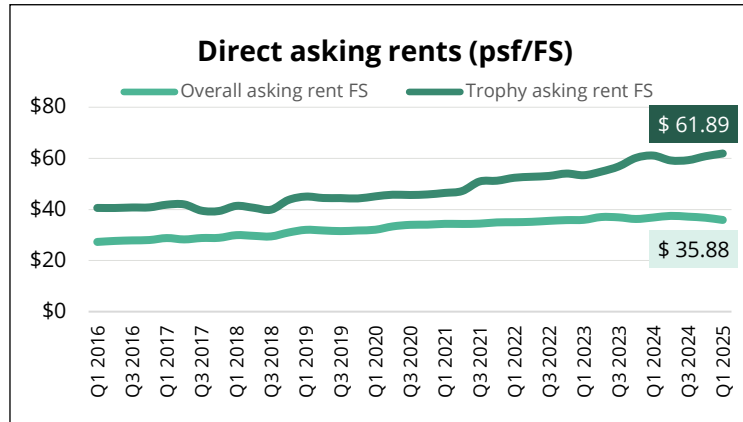
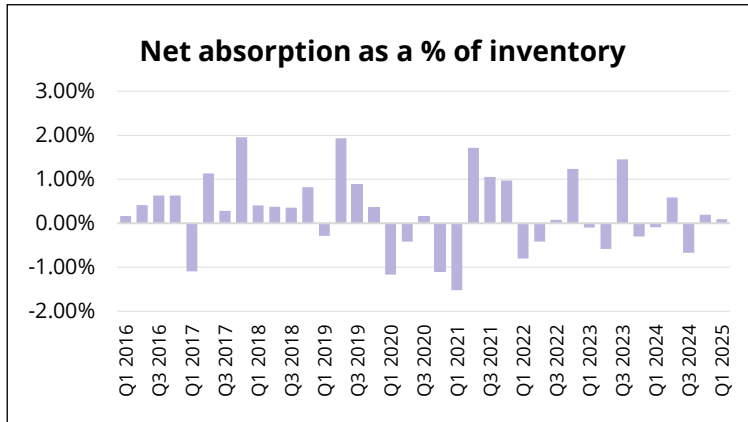
Source: Avison Young Market Intelligence, CoStar



Nashville office remained the most challenged asset class during the first quarter of 2025, with office investment sales totaling approximately \$30 million.

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A quick note on absorption

Significant movement within the CBD was tied to anchor tenants Bass, Berry & Sims & Pinnacle Bank moving into the Nashville Yards Pinnacle tower, relocating from renamed Symphony Place. This movement made up 90% of the nearly 400,000 sf of positive absorption recorded in trophy properties during the first quarter.

A quick note on asking rents

Nashville office asking rents have experienced significant growth, with average asking rents surpassing those in several Southern peer markets. Rents are projected to see continued growth during the year, supported by sustained demand for trophy properties.

A quick note on availability

Class A office properties experienced a substantial rise in available space as tenants relocate to newer, more amenity-rich buildings. Looking forward, a thinning development pipeline and sustained demand should help to compress availability in the coming year.

Select top leasing activity

Tenant	Property Name	Size (sf)	Transaction type	Lease type
Oracle	Capitol View Block E	65,548	Sublease	New
Oracle	Radius	31,578	Direct	New
Phoenix Consulting Group	Lakeview 2	20,632	Direct	New

Select top sales activity

Buyer	Property Name	Sale price	Sale price psf	Seller
Boyle	3000 Meridian	\$19,500,000	\$195	ProAssurance
Avenue Construction	111 Westwood Pl	\$6,300,000	\$64	Crestview Funds
Mahendrakumar Patel	711 Stewarts Ferry Pike	\$4,050,000	\$98	Innisfree Hotels

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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	Direct availability	Sublet availability	Total availability	Net absorption (QTD)	Annual direct asking rent psf FS
Airport North	4,017,572	0	0	17.8%	2.2%	20.0%	21.3%	4.5%	25.8%	17,814	\$27.42
Airport South	2,976,275	0	0	26.0%	0.3%	26.3%	27.4%	4.7%	32.1%	(11,241)	\$25.25
Brentwood	6,330,382	0	0	12.8%	1.4%	14.2%	16.5%	2.4%	18.9%	110,482	\$31.42
CBD	14,447,476	77,734	548,059	22.1%	2.9%	25.0%	26.2%	4.2%	30.4%	60,399	\$45.98
Cool Springs	7,920,304	0	268,021	21.6%	7.6%	29.2%	25.6%	7.3%	32.9%	(81,758)	\$36.71
Green Hills/ Berry Hill	3,916,398	0	0	17.0%	1.4%	18.4%	16.1%	4.8%	20.9%	3,802	\$33.03
MetroCenter	1,646,960	0	0	22.6%	0.0%	22.6%	18.7%	4.4%	23.1%	(64,044)	\$29.79
Midtown	6,116,001	344,013	251,000	24.1%	0.5%	24.6%	25.0%	0.7%	25.7%	22,377	\$45.88
North Nashville	1,209,129	0	0	4.3%	0.0%	4.3%	4.7%	0.0%	4.7%	(15,259)	\$36.14
Market total	48,580,497	421,747	1,067,080	20.1%	2.7%	22.8%	22.8%	4.0%	26.8%	42,572	\$35.88

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Direct availability	Sublet availability	Total availability	Total availability change (YoY)	Net absorption % of inventory (QTD)	Annual direct asking rent psf FS
Trophy	6,598,230	344,013	548,059	21.6%	2.7%	24.3%	23.4%	3.4%	26.8%	(4.1%)	391,270	\$61.91
Class A	21,777,795	77,734	519,021	22.8%	3.7%	26.5%	26.1%	4.5%	30.6%	4.3%	(300,317)	\$36.79
Class B	16,711,786	0	0	17.7%	1.9%	19.6%	20.1%	4.4%	24.5%	0.5%	(46,866)	\$30.24
Class C	3,492,686	0	0	11.6%	0.2%	11.8%	13.9%	0.2%	14.1%	0.2%	(1,515)	\$23.83
Market total	48,580,497	421,747	1,067,080	20.1%	2.7%	22.8%	22.8%	4.0%	26.8%	1.5%	42,572	\$35.88

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