



Market Facts



743K sf

YTD net absorption



1.3 MSF

YTD under construction



836K sf

YTD Deliveries



3.0%

Retail vacancy

With a thriving local economy, increasing population and growing household incomes, Nashville's retailers have reaped the benefits. In the last 10 years alone, the Nashville MSA added an astounding 415,000 people to the area, with projections estimating another 1 million people in the next 20 years. This consistent population growth has further strengthened economic fundamentals in the market and is fueling demand for retail throughout Nashville.

Nashville's retail market remains among the tightest in the nation. Unchanged year-over-year, retail vacancy ended the fourth quarter at 3.0%. Due to a strong economic base and high density, the suburban submarkets of Belle Meade, Green Hills and Mt. Juliet continue to record the lowest vacancies in the market.

While the retail sector is undergoing its most significant structural change in a generation due to the growth of online shopping, Nashville's attractive demographics and notoriety have many celebrity retailers setting up shop in the market. In October, Kate Hudson's popular athletics line,

Fabletics, opened a store in The Mall at Green Hills, and coming soon, Gwyneth Paltrow's clothing and beauty brand, Goop, will open a storefront in the 12 South neighborhood in the Downtown/ Midtown/ Hillsboro Village submarket. **Luxury retailers, such as Golden Goose, Gucci, and Ralph Lauren's luxurious urban western line Double RL have all recently opened stores in the Nashville market as well.**

While suburban markets have maintained their strong dynamics, the growing critical mass of residents and employees in the Downtown area has prompted a resurgence of retail, with several highly anticipated mixed-use development projects underway that will alter the city's skyline. Notable projects include- the Fifth + Broad mixed-use development will host approximately 200,000 sf of retail as well as the National Museum of African American Music and Capitol View, a recently delivered urban mixed-use development featuring the area's first Downtown grocer.

30+

Tower cranes line Nashville's skyline

2.6%

Unemployment

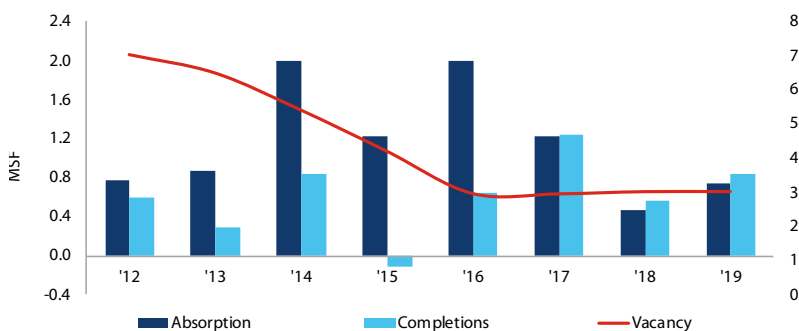
15,500+

jobs announced in the last 18 months

Market Highlights

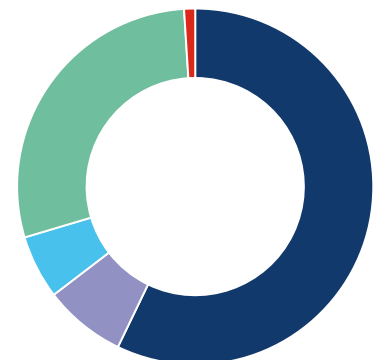
- Nashville is ranked **No. 3** in the nation for overall real estate prospects in 2020, according to the latest Urban Land Institutes and PricewaterhouseCoopers' **Emerging Trends in Real Estate Report**. This marks the fifth consecutive year the city has made the Top 10 market list.
- Nashville Metro approved permits for **\$4.21 billion** of commercial and residential construction during their fiscal year at the end of June, setting a new record for the city. More than 1.3 msf of new retail product is under construction and set to deliver in the next few years.
- Amazon's ever-growing presence in Nashville now includes a storefront in The Mall at Green Hills. **Amazon Books** opened in November, marking the 21st location of the retail concept. The mall saw numerous new retailers open during the year including **Crate & Barrel, Warby Parker** and many others. Recently announced, Spanish retailer **Zara** will also open in the mall.
- Brooklyn Bowl**, a 1,200-capacity music venue and state of the art bowling alley, will open in the coming months in the urban neighborhood of Germantown. This will be the 3rd location for the company, following New York City and Las Vegas.
- YTD retail sales volume totaled **\$262 million**, down 40% from the previous year, due in part to a spike in large suburban grocery anchored shopping centers in 2018. In the largest transaction of the year, MetLife acquired One Bellevue Place, a 360,000-sf regional mall from Branch Properties and Crosland Southeast for \$93 million. The mall is part of a redevelopment of the former Bellevue Center near numerous entertainment venues, hotel rooms, residential units and the training facility for the NHL's Nashville Predators.

Absorption, Deliveries & Vacancy



Retail Inventory

- General Retail
- Power Center
- Specialty Center
- Mall
- Shopping Center



Retail Market Snapshot

Market Inventory



115,166,188 sf

Vacancy Rate



3.0%

Net Absorption



742,539 sf

Construction Pipeline



1,353,508 sf

Deliveries



835,878 sf

*arrows denote year-over-year change



View from Avison Young's office, cranes line the sky all over Nashville.

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Moving into 2020, the above-average disposable incomes in Nashville's suburbs will sustain the much-needed business of big box retailers. Closer to Downtown, Nashville's retail scene is growing, with several mixed-use developments adding a variety of ground-floor storefronts and restaurants. This demand for urban retail will continue to rise as the city's residential base grows.

Market by the Numbers

	Inventory	Vacancy	Net Absorption	Deliveries	Under Construction SF
Submarket					
Antioch	5,512,565	5.4%	49,581	25,402	6,000
Belle Meade	4,479,198	1.4%	46,322	8,000	200,000
Bellevue	2,035,667	2.0%	42,993	13,740	-
Brentwood	2,352,618	2.5%	2,424	30,182	-
Cool Springs/ Franklin	12,291,178	2.5%	42,011	198,825	490,560
Donelson/ Hermitage	6,714,837	2.1%	25,248	14,600	17,500
Downtown/ Midtown/ Hillsboro Village	8,509,554	2.0%	106,308	72,791	-
East Nashville	3,361,131	2.6%	(33,801)	8,750	49,592
Gallatin	3,232,253	3.1%	55,807	49,185	12,850
Green Hills	2,434,327	0.8%	(166)	3,500	-
Hendersonville	5,584,190	2.8%	61,579	48,685	22,988
Lebanon	4,707,009	3.4%	(67,962)	-	5,000
Mt. Juliet	3,807,964	1.4%	101,871	44,618	41,700
Murfreesboro	11,920,111	4.5%	146,790	152,570	60,064
Nolensville Rd/ Airport	7,327,259	2.7%	75,785	19,000	14,000
Rivergate	7,887,888	6.7%	(274,569)	31,502	-
Smyrna/ La Vergne	3,926,134	1.6%	93,732	11,746	6,400
Spring Hill	2,554,146	2.4%	53,835	71,832	14,000
Totals	115,166,188	3.0%	742,539	835,878	1,353,508
General Retail	65,815,100	2.0%	770,257	678,979	836,008
Mall	8,589,351	5.6%	(120,366)	-	480,000
Power Center	6,663,628	2.6%	(31,785)	-	-
Shopping Center	32,944,769	4.1%	225,594	156,899	17,500
Specialty Center	1,153,340	10.3%	(101,161)	-	20,000



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