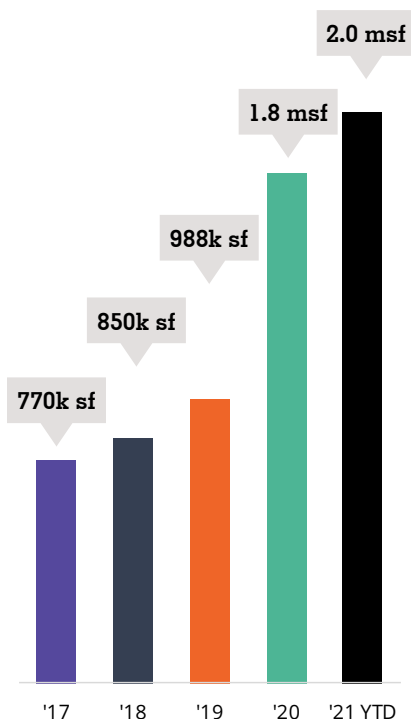


# Nashville

Nashville Sublease Availability



Driven by many companies decision to work from home for the foreseeable future, Nashville's sublet availability is at an all-time high.



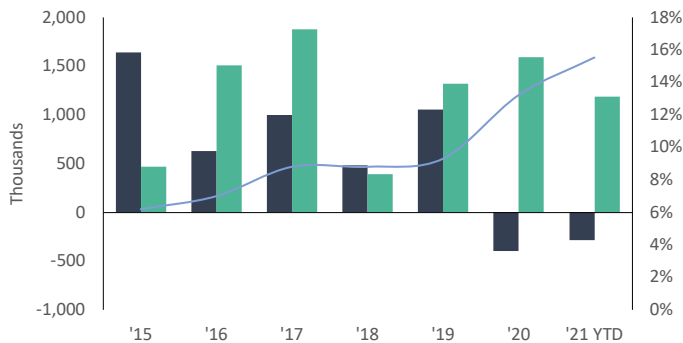
## Deal activity beginning to pick up even as vacancies across the market continue to rise

- Nashville's vacant office space has increased by over 2.8 msf since the beginning of 2020, causing the vacancy rate to rise to 15.5% at the end of the first quarter. Sublease space has also seen a dramatic increase with Nashville ranking among the top large metropolitan cities with rising sublet availabilities. Nashville's sublease availability is currently two times higher than the high reported during the 2009 Great Recession, with the majority seen in the suburban Brentwood and Cool Springs submarkets.
- Signed during the quarter, in one of the CBD's first sizable job deals since the start of the pandemic, the U.S. wing of Tokyo based NTT Data Services subleased the 34,000-sf former Bridge Connector space in Capitol View Block E.
- Even as available space continues to rise across the market, the overall average asking rate continued to level off during the first quarter, recording a 0.2% decrease from the previous quarter but up 1.7% year-over-year.
- At the end of the first quarter, the Nashville office market had 2.3 msf under construction, of which 35% was preleased. The urban core continues to see the most development activity, with numerous additional proposed projects in the CBD and Midtown expected to break ground in coming months, potentially adding an estimated 500,000 sf to current construction totals in the area.
- Construction completions in the first quarter totaled 1.2 msf, with the highly anticipated first Amazon BTS high-rise among the projects delivered.
- Nashville's office sales totaled \$53.2 million in the first quarter of 2021, a sharp 89% drop from first quarter 2020 totals before COVID-19 lockdowns stifled investment activity across the market. In the largest sale YTD, 211 Commerce Street (formerly known as Baker Donelson Center) in the CBD sold to the joint venture partnership of Lincoln Property Co and Velocis for \$50 million (\$215 psf). Velocis is planning to put \$13 million into refurbishing the property with construction to wrap up by year's end.
- Another upcoming urban sale: Capitol View's Lifeway Building is under contract- deal terms not disclosed. Lifeway has reduced its office space significantly and shifted to a more remote workforce.

### Market by the numbers

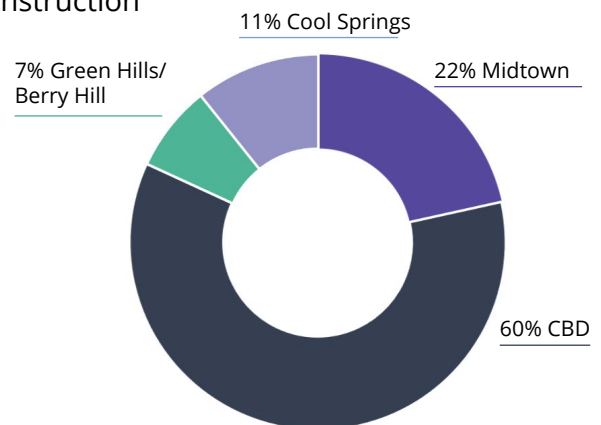
Submarket	Inventory	Vacancy	Under Construction	Year-to-Date		Average Asking Rate	
				Absorption	Deliveries	All Classes	Class A
Airport North	3,995,165	12.7%	0	(20,770)	0	\$23.58	\$25.06
Airport South	3,317,384	24.8%	0	(147,402)	0	\$21.29	-
Brentwood	6,453,335	13.6%	0	40,850	0	\$28.60	\$30.00
Cool Springs	7,698,910	21.5%	242,578	(158,495)	54,200	\$31.70	\$32.33
CBD	12,109,235	13.5%	1,367,000	36,448	614,000	\$33.33	\$34.44
Green Hills/Berry Hill	3,644,750	10.2%	167,988	(11,504)	0	\$33.10	\$34.94
MetroCenter	1,796,291	17.6%	0	6,541	0	\$27.20	\$30.76
Midtown	5,330,233	14.7%	487,953	(12,480)	520,420	\$37.33	\$39.38
North	1,204,218	8.5%	0	(16,475)	0	\$21.82	\$22.81
<b>Market Totals</b>							
Class A	23,614,267	16.1%	2,265,519	(66,791)	1,188,620	\$33.44	
Class B	18,479,758	15.5%	0	(194,295)	0	\$27.07	
Class C	3,455,496	11.6%	0	(22,201)	0	\$23.68	
Totals	45,549,521	15.5%	2,265,519	(283,287)	1,188,620	\$30.79	

### Absorption Deliveries Vacancy



Vacancy continues to see upward movement as construction deliveries and significant tenant moveouts occur across the market.

### Construction



Development activity remains focused in the urban core. Of the 1.4 msf expected to deliver in the remainder of 2021, 54% of the space is released.

**Get more market information**

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