

Nashville

Office market snapshot | Q1 2026

Nashville remains a major growth market across the Southeast. The city's strong labor market, sustained population growth, and high quality of life continue to reinforce tenant demand. With continued leasing activity and economic fundamentals remaining strong, the outlook moving further into the year is optimistic, particularly for well-located properties positioned to meet evolving tenant preferences.

18.8%

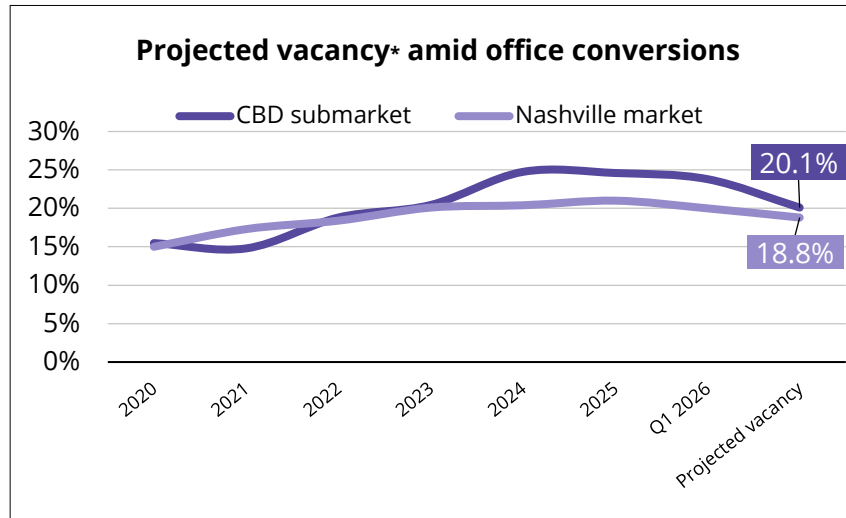
When **removing the vacant space in planned office-to-hotel conversions**, current market vacancy falls 120 basis points to 18.8%

\$35.3M

Made up of mostly class B building sales, office investment sales totaled \$35.3M during Q1, with psf asset pricing reaching \$204 psf.

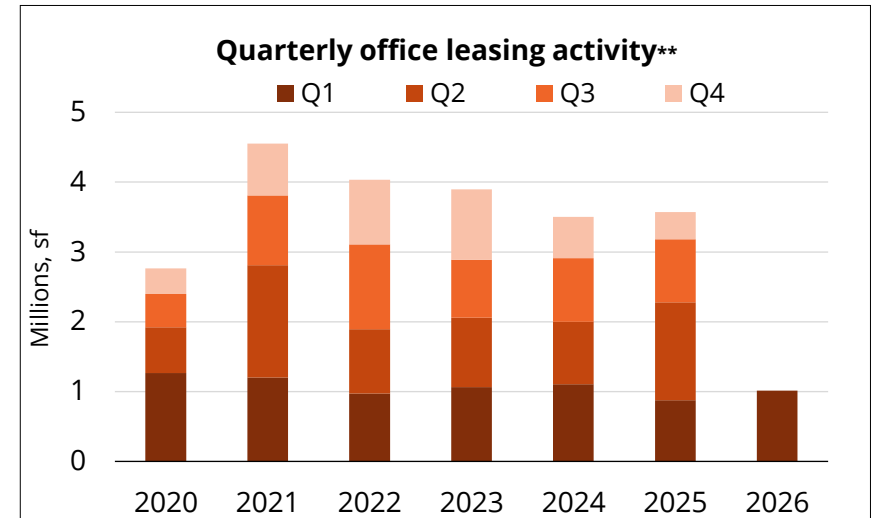
+125%

Office leasing reached 1.0 msf in Q1, led by 125% YOY surge in Class A activity driven by flight to quality amidst tightening trophy availability.



Planned office-to-hotel conversions remain in current market inventory until construction officially begins, leaving vacancy artificially elevated. When removing the current vacant space in those buildings, CBD vacancy falls over 350 basis points to 20.1% and Nashville overall drops 120 basis points to 18.8%.

* Projected vacancy removed office space/ vacancy from all announced/known office building conversions and a major *expected* upcoming lease from current Q1 vacancy
Source: Avison Young Market Intelligence, CoStar



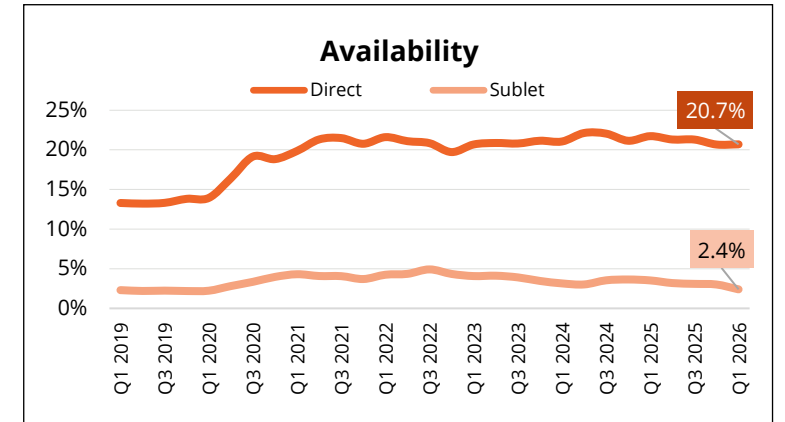
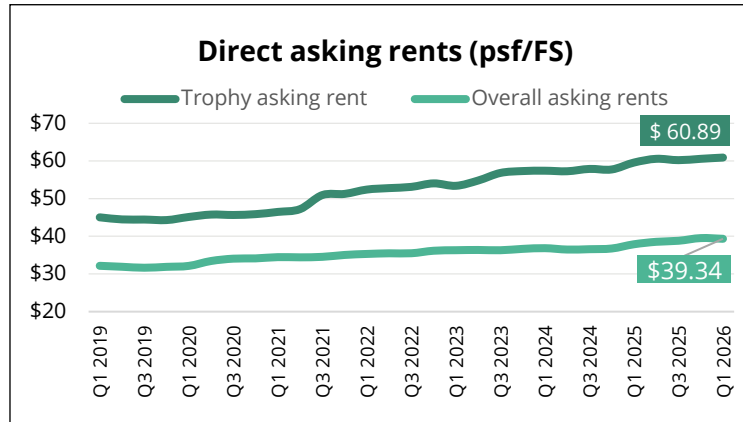
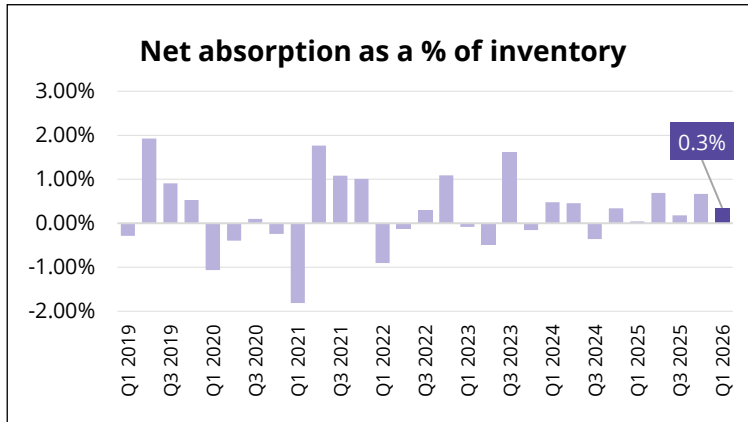
Nashville office leasing activity reached 1.0 msf at the end of the first quarter, reflecting steady tenant demand across the market. Class A properties led leasing volume during the quarter, with activity increasing 125% year-over-year, driven by continued flight-to-quality and tightening availability within trophy/A+ properties.

** Leasing activity includes new, renewals, expansions and sublease transactions

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A quick note on absorption

Suburban movement lead the office market during the first quarter, highlighted by Sentry Insurance’s 104,000-sf relocation to its new office in the Airport North submarket. This momentum contributed to 166,000 sf of positive absorption across the overall market by quarter-end.

A quick note on asking rents

Nashville’s office market recorded asking rent growth of approximately 5.3% year-over-year, reaching \$39.34 psf/FS at the end of the first quarter, as availability continues to tighten. At the top end of the market, trophy asking rents saw an increase of 2.2% to \$60.89 psf/ FS year-over-year, reflecting continued tenant preference for premium office space.

A quick note on availability

Office availability dropped 220 basis points over the past year to 23.1%, marking the fourth consecutive quarterly decline in availability. Continued interest from both existing tenants and new-to-market entrants is expected to sustain leasing momentum and tighten availability further throughout 2026.

Select top leasing activity

Tenant	Property Name	Size (sf)	Transaction type	Lease type
Oracle	Neuhoff Tower	116,065	New	Direct
State of TN	3325 Perimeter Hill Dr	32,208	New	Direct
360 Privacy	Seven Springs East	31,463	New	Sublease

Select top sales activity

Buyer	Property Name	Sale price	Sale price psf	Seller
Elizabeth Miller	2 Music Sq W	\$9,000,000	\$312	ASCAP
Dollar General	1000 Northchase Dr	\$8,350,000	\$162	ASMBA
3LS Properties	TrustCore Building	\$8,000,000	\$192	Clayton Assoc.

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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)	Net absorption (YTD)	Annual direct asking rent psf FS
Airport North	3,863,866	0	0	16.5%	2.3%	18.8%	22.0%	3.1%	25.1%	95,479	95,479	\$27.00
Airport South	2,488,483	0	0	18.9%	0.1%	19.0%	22.0%	5.5%	27.5%	(3,821)	(3,821)	\$24.14
Brentwood	6,181,896	0	0	13.0%	0.8%	13.8%	19.6%	1.5%	21.1%	(2,132)	(2,132)	\$31.95
CBD	14,215,345	0	0	22.8%	1.0%	23.8%	23.1%	1.3%	24.4%	23,765	23,765	\$48.12
Cool Springs	8,060,287	0	0	20.3%	4.0%	24.3%	22.9%	4.7%	27.6%	(12,525)	(12,525)	\$35.82
Green Hills/ Berry Hill	3,752,207	0	0	12.7%	2.4%	15.1%	17.2%	2.4%	19.6%	7,616	7,616	\$37.75
MetroCenter	1,624,792	0	0	12.1%	1.7%	13.8%	12.1%	5.3%	17.4%	46,176	46,176	\$30.32
Midtown	6,172,902	0	239,000	19.6%	0.7%	20.3%	18.7%	0.9%	19.6%	21,769	21,769	\$51.38
North Nashville	1,097,093	0	0	8.2%	0.0%	8.2%	6.2%	0.9%	7.1%	(1,437)	(1,437)	\$33.29
Market total	47,483,412	0	239,000	18.4%	1.6%	20.0%	20.7%	2.4%	23.1%	166,906	166,906	\$39.34

	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 (YTD)	Annual direct asking rent psf FS
Trophy	7,664,854	0	0	20.3%	0.3%	20.6%	18.9%	0.6%	19.5%	(4.9%)	82,216	\$60.89
Class A+	2,374,888	0	239,000	26.2%	0.1%	26.3%	19.5%	0.4%	19.9%	(17.4%)	(1,408)	\$56.56
Class A	16,760,681	0	0	17.9%	1.6%	19.5%	22.1%	2.0%	24.1%	(2.8%)	77,296	\$34.96
Class B	17,564,971	0	0	18.9%	2.6%	21.5%	22.2%	4.3%	26.5%	2.0%	(51,837)	\$30.39
Class C	3,118,442	0	0	8.8%	0.1%	8.9%	9.7%	0.1%	9.8%	(3.6%)	60,639	\$27.04
Market total	47,483,412	0	239,000	18.4%	1.6%	20.0%	20.7%	2.4%	23.1%	(2.2%)	166,906	\$39.34

Source: Avison Young Market Intelligence, CoStar

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