

Nashville

Retail market snapshot | Q4 2024

Recognized by the Urban Land Institute as the top city for real estate and investment activity for a third year in a row, Nashville continues to be a major growth market in the Southeast. Nashville's above average economic growth and booming tourism industry continue to fuel retail demand and development.

550k sf

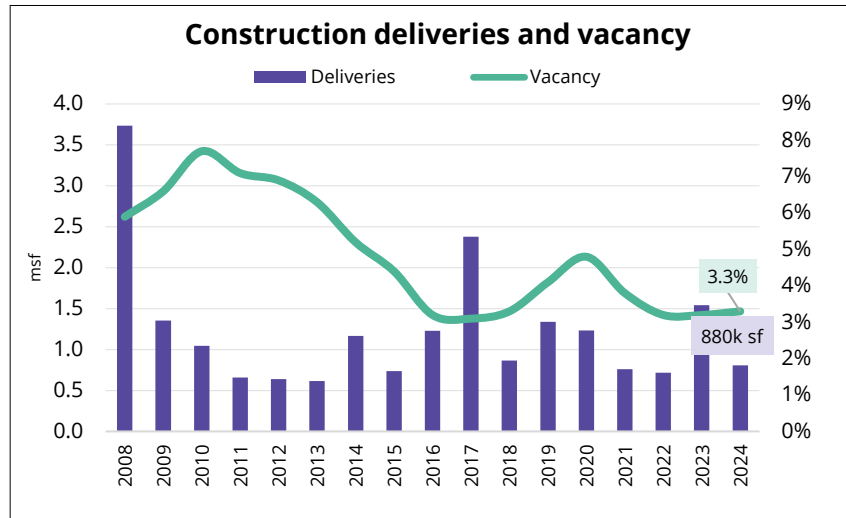
Strong market dynamics continue to foster unwavering tenant demand, marking the **16th consecutive quarter of positive absorption.**

3.1%

Nashville's retail vacancy remains among the **tightest in the nation**, seeing minimal change year-over-year.

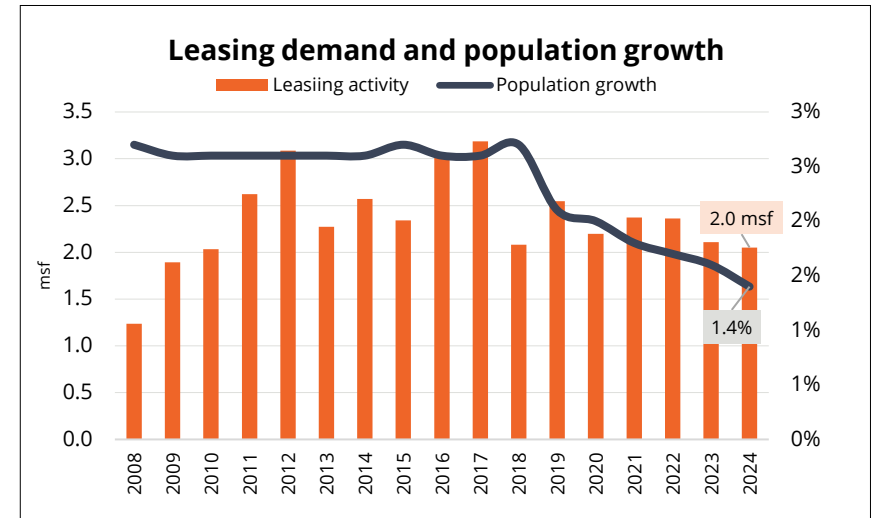
\$600M

Institutional buyer activity remained low during the year with **smaller transactions making up the majority of activity.**



A significant, recent factor behind tight market conditions in Nashville has been the slowing construction pipeline. Nashville's retail market is one of the tightest in the nation, with retail vacancy remaining below 5% for the last 10 years. In 2024, over 800,000 sf of new retail space delivered, led by build-to-suit projects for large users.

Source: AY research, CoStar

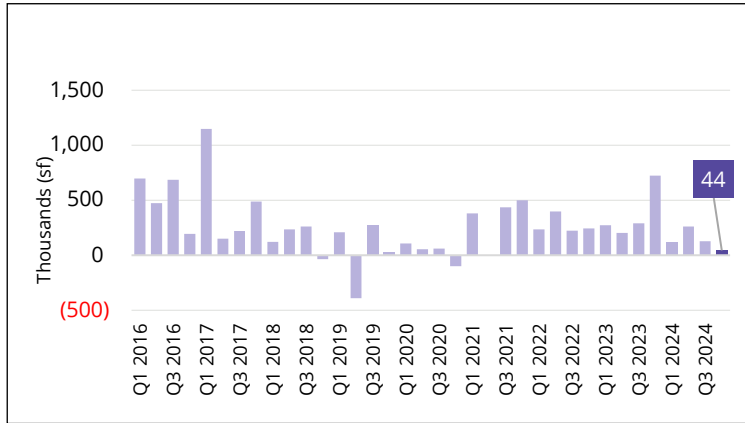


Retail tenants in Nashville have been active in order to be a part of one of the fastest growing metros in the country. During 2024, some significant leases signed included BJ's Wholesale (100,000 sf) in Rutherford County, The Picklr (55,000 sf) in Southeast Corridor, and Nordstrom Rack (24,000 sf) in Cool Springs/Franklin.

**AVISON
YOUNG**

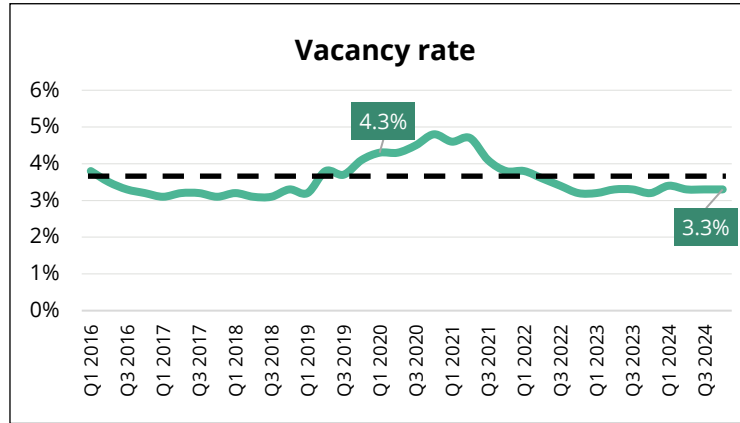
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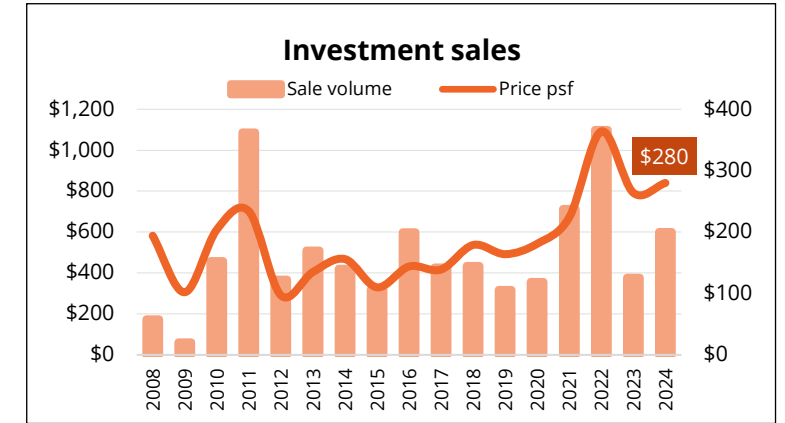
A quick note on absorption

Disciplined and slowing construction activity throughout Nashville and consistent tenant demand has contributed to strong market activity. In 2024, Nashville's retail net absorption reached 550,000 sf, marking the 16th consecutive quarter of positive absorption in the market.



A quick note on vacancy

Nashville's retail vacancy remains among the tightest in the nation, ending the fourth quarter at 3.3%. Vacancy remains below the nine-year average of 3.6%, seeing minimal change year-over-year. The city's retail market has benefited from above average economic and population growth in the region despite increased borrowing costs and rising inflation, as slowing construction activity has kept availability low.



A quick note on investment sales

Nashville's retail investment volume increased throughout 2024 reaching over \$600 million at year-end. Retail asset pricing climbed to \$280 psf bolstered by some well-located urban retail properties trading for a premium during the fourth quarter. Institutional buyer activity remained low during the year with smaller transactions, making up the majority of activity.

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| | Existing inventory sf | Deliveries sf (YTD) | Under development sf | Vacancy rate | Total vacancy change (YoY) | Net absorption (QTD) | Net absorption % of inventory (YTD) |
|--------------------------|-----------------------|---------------------|----------------------|--------------|----------------------------|----------------------|-------------------------------------|
| Bellevue/ West Nashville | 7,543,230 | 125,381 | 0 | 2.1% | 0.8% | 70,537 | 1.2% |
| Brentwood | 3,734,485 | 4,900 | 0 | 1.9% | 1.0% | 11,345 | (0.7%) |
| Columbia | 6,226,486 | 13,541 | 34,100 | 4.3% | (0.2%) | (14,291) | 0.2% |
| Cool Springs/ Franklin | 12,943,893 | 36,155 | 58,648 | 1.6% | (0.3%) | (14,821) | 0.6% |
| Donelson/ Hermitage | 6,792,395 | 665 | 22,015 | 2.3% | (0.7%) | 6,120 | 1.5% |
| Downtown | 4,288,698 | 44,382 | 128,597 | 4.6% | 1.0% | (2,105) | (0.3%) |
| Green Hills/ Belle Meade | 3,829,782 | 0 | 0 | 2.2% | 0.2% | 610 | (0.1%) |
| Hendersonville/ Gallatin | 10,397,483 | 63,186 | 12,786 | 1.4% | (0.4%) | 46,393 | 0.7% |
| Mt Juliet/ Lebanon | 10,173,540 | 141,685 | 123,912 | 1.0% | 0.7% | (1,559) | 0.6% |
| North Nashville | 13,562,697 | 20,203 | 23,750 | 7.0% | 0.1% | 23,982 | (0.1%) |
| Rutherford County | 18,826,254 | 139,563 | 190,558 | 1.8% | (0.1%) | (53,949) | 0.9% |
| Southeast Corridor | 13,653,163 | 51,835 | 72,534 | 6.9% | (0.1%) | (30,132) | 0.1% |
| Vanderbilt/ West End | 3,844,332 | 54,343 | 10,158 | 4.6% | 1.3% | 9,052 | (1.3%) |

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|-----------------|-----------------------|---------------------|----------------------|--------------|----------------------------|----------------------|-------------------------------------|
| General retail | 69,237,328 | 709,071 | 617,246 | 1.8% | 0.1% | 80,370 | 0.7% |
| Mall | 7,174,388 | 0 | 0 | 21.7% | (0.6%) | - | 0.6% |
| Power center | 6,801,791 | 0 | 0 | 1.2% | (1.1%) | 44,229 | 1.1% |
| Shopping center | 33,127,480 | 97,940 | 68,287 | 2.4% | 0.6% | (80,598) | (0.2%) |
| Market total | 116,340,987 | 807,011 | 685,533 | 3.3% | 0.1% | 44,001 | 0.5% |

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Get in touch

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