



DEVELOPMENT UPDATE

BUSINESS

2Q Office Vacancy is 5.4% / Class A Vacancy is 5.1%

Recently Completed:

615 3rd Avenue S:	125,000 SF (73.7% leased)
1201 Demonbreun:	285,000 SF (100% leased)
222:	362,000 SF (88.5% leased)
Bridgestone:	514,000 SF (100% leased)
Lifeway HQ:.....	250,000 SF (100% leased)
Sarah Cannon/Health Trust HQ:	500,000 SF (100% leased)

Under Construction:

501 Commerce	380,000 SF / 2019
Capitol View (Block D - loft office).....	40,000 SF / 4Q 2018
Capitol View (Block E)	300,000 SF / (34% leased) / 1Q 2019
Peabody Plaza.....	260,000 SF/2020
1200 Broadway.....	66,150 SF / 2Q 2019

Planned:

One KVB	425,000 SF/2020	1000 Church Street.....	749,000 SF/2021
12th & Demonbreun.....	329,000 SF/2020	1001 Church Street.....	225,000 SF/2021
915 Division St.....	76,637 SF/2022	200 10th Avenue N	525,000 SF/2021
Asurion HQ	479,000 SF/2021		

- **AllianceBernstein Holding LP** announced in May that it will bring its headquarters and 1,050 high-paying jobs to the central business district in Nashville. A small group of employees will arrive this summer, the headcount will reach about 300 people by mid-2020, and the rest of the jobs filled by the end of 2022. The company will office at WeWork for the short-term.

- The local office of **Baker Donelson Bearman Caldwell & Berkowitz** will be the lead tenant in the One KVB Circle skyscraper planned for SoBro. The firm will take about 91,900 SF, roughly 22 percent, of the planned 30-story tower. The Mainland Companies is the developer.

- **Cherry Bekaert**, which last year bought Frazier Dean & Howard to enter the Nashville market, signed a long-term lease to take a large section of the 12th floor of 222 2nd Avenue South. The firm plans to relocate the team from West End Avenue in October.

- **Stoltz Real Estate Partners** closed on the 20-story ServiceSource Tower located at the corner of Church Street and Fourth Avenue North on May 30. More than 90% of the space in the building is leased.

- Austin-based **Endeavor Real Estate Group**, in a joint effort with Dallas-based Granite Properties, plans to break ground on a 20-story office tower component of Gulch Union in August. Financing is in place, and the target completion date is May 2020. Two buildings in future phases will include retail space, luxury rental units and a boutique hotel.

* As of December 2017, all office and retail statistics are from CoStar commercial real estate database. Numbers may vary from previous quarterly reports.

Downtown currently has 6,484 hotel rooms

<i>Under Construction</i>	<i># of Rooms</i>	<i>Delivery</i>
Drury Hotel	390	2018
Dream Hotel	169	2018
JW Marriott.....	533	2018
Moxy Hotel.....	168	2019
Tri-branded Marriott	468	2018
Hampton Inn & Suites	169	2019
Holiday Inn & Suites	228	2019
SoBro Hyatt House	217	2019
Tru by Hilton/Home2Suites	233	2019
Hyatt Regency.....	591	2020
The Joseph	297	2020
Margaritaville Hotel	217	2020

Total # of Rooms: 3,680

- There are 11 hotels with owner/developers actively planning - representing over 2,700 additional rooms.
- A groundbreaking for The Joseph was held on June 21. This 21-story hotel will be part of Marriott’s high-end The Luxury Collection brand, and will rise at the southwest corner of the intersection of Fourth Avenue South and Korean Veterans Boulevard. It will offer more than 12,500 square feet of ballroom and meeting space, a rooftop pool and spa, and a first-floor restaurant and bar. The developer is Columbus, Ohio-based Pizzuti Cos.
- Construction has started on the Hampton Inn & Suites Capitol View, and delivery is planned for fall 2019. The hotel will rise 10 stories and offer 169 rooms. The development team is Franklin-based Chartwell Hospitality, and Ohio-based Rockbridge, an investment firm that focuses on hotels.
- Chris Hyndman, owner of M Street Entertainment Group, plans a boutique hotel with a gastro pub, restaurant, wine cellar and spaces for art and music, in the Gulch at the T-intersection of 11th Avenue South and McGavock Street. The 11-story future hotel building will be called Eleventh House and is slated to offer what is billed as a “private members’ lifestyle club. Groundbreaking is slated for 4Q 2018, and completion in summer of 2020.



DEVELOPMENT UPDATE

RESIDENTIAL

- Downtown has 10,000+ residents
- 95 resale units available (30 under contract) = 65 available (3.25 month supply)
- 1,935 residential units under construction
- 86% occupancy rate (1Q 2018)*

UNDER CONSTRUCTION	Units	Rental	Condo	Area	2018	2019	2020
5th + Broadway	380	380		Core			380
LC SoBro	266	266		SoBro			266
Broadstone Gulch	238	238			238		
Endeavor Mixed-Use Tower	313	313		North Gulch		313	
Residences at Capitol View	378	378		North Gulch	378		
City Lights	71		71	Rutledge Hill		71	
Studio 154 Luxury Lofts	18	18		Core	18		
Solis North Gulch	271	271		North Gulch	271		
Total units	1,935	1,864	71		905	384	646

- There are 11 more residential projects that are planned that could deliver another 2,372 units to downtown by 2023.
- An Ohio developer, Lifestyle Communities, broke ground on a two-building apartment project in SoBro in late May, eyeing a 2020 completion. Both buildings will be seven stories and together will deliver 266 rental units, with first floor retail and office space.

* Occupancy rates are from Greater Nashville Apartment Association quarterly reports



RETAIL

2018 NEW RETAIL

- Dierks Bentley's Whiskey Row
- Geist
- Woolworth on 5th
- M. L. Rose
- Starbucks
- Rooted
- Mile End Deli
- Cork & Barrel Wine and Spirits
- Kona Coffee
- Tiff's Treats
- Your Pie
- Gertie's Bar
- House of Cards
- Uncommon James
- TENN
- Bar TENN
- TENN on Top
- Sunda
- TRUE
- The Chef and I on Ninth
- Emmy Squared
- Ole Red
- Tavern at Bobby
- Rooftop Lounge at Bobby
- Bobby's Garage
- Café at Bobby
- Jason Aldean's Kitchen + Rooftop Bar
- Design Within Reach
- Redneck Riviera
- Union Teller Coffee Counter

COMING SOON

- Bourbon Steak
- Harry O's Steakhouse
- Craft Bar and Bistro
- Watermark
- Corner Pub
- H&M
- The Blue Parrot
- Yee-Haw Brewing Co.
- Merle's Meat + Three Saloon
- Merle Haggard Museum
- Liberty Common
- Subway
- Ellington's
- The Rutledge
- Little Prints
- Nashhouse Southern Spoon & Saloon
- Farm City Coffee
- Rise
- The Green Pheasant
- Legendairy Milkshake Bar
- Café Intermezzo

NEW RETAILERS!

- **Jason Aldean's Kitchen + Rooftop Bar** is open for business at 311 Broadway. The 30,000-sf venue has 250 seats for dining, as well as six bars.
- **The Bobby Hotel** has opened along with 4 bars/restaurants at 230 4th Avenue N: Tavern at Bobby, Bobby's Classic Café, Bobby's Garage Bar and Rooftop lounge.
- **Union Teller Coffee Counter** has opened in the Fairlane Hotel at 401 Union Street. The café serves Portland based Stumptown coffee, along with bagels and pastries.
- A **Wrangler** pop-up retail store has opened in SoBro at 217 Second Ave. S. in a building formerly home to The Listening Room. The store was open during CMA Fest and plans to remain open until the end of the year.
- **Blake Shelton** has partnered with Ryman Hospitality and the Grand Ole Opry to open a new bar, food and live music venue called "**Ole Red**". The venue occupies 26,000-sf on the corner of 3rd and Broadway, formally home to Opry Originals.

COMING SOON!

- **The Green Pheasant** will open this fall inside 222 in SoBro. Nashville based Seed Hospitality Group is behind this Japanese cuisine influenced restaurant and will have 184 seats for dining.
- **Rise Biscuits Donuts** will open its first Nashville franchise in the Avenue of the Arts Garage at 147 5th Avenue N.
- **Ellington's** will open soon on the 4th Floor of The Fairlane Hotel at 401 Union St. Ellington's will be a 4500-sf American grill with a retro-modern vibe and a wraparound terrace.
- Dallas based **Front Burner Restaurants** has signed a lease for nearly 100,000-sf of space in Fifth + Broadway to be occupied by a food hall. The space will include dozens of culinary options, a brewery and a music venue.

NEW BUSINESS!

- MDHA has approved plans for a two-story retail building adjacent to First Tennessee Park facing 3rd Avenue North. The 60,000-sf building opening will coincide with the 2019 baseball season start.

DOWNTOWN NASHVILLE HAS:

278 Dining Options

105 Shopping Options

113 Nightlife Options

Retail Vacancy Rate: 3.3%**Total Retail Downtown SF: 3,141,501***So far in 2018:*

43 restaurants, 5 shopping options & 3 nightlife options have opened or announced

