**DEVELOPMENT UPDATE**

### BUSINESS

**3Q Office Vacancy is 5.8% / Class A Vacancy is 5.6%**

**Recently Completed:**
- 615 3rd Avenue S: 125,000 SF (73.7% leased)
- 1201 Demonbreun: 285,000 SF (100% leased)
- 222: 362,000 SF (95% 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: 385,000 SF / 2020
- Capitol View (Block D - loft office): 40,000 SF / 4Q 2018
- Capitol View (Block E): 300,000 SF (34% leased) / 1Q 2019
- Gulch Union: 324,000 SF / 2020
- Peabody Plaza: 280,000 SF / 2021
- 1200 Broadway: 66,150 SF (27.8% leased) / 2Q 2019

**Planned:**
- One KVB: 425,000 SF / 2020
- Asurion HQ: 470,000 SF / 2021
- 1000 Church Street: 750,000 SF / 2022
- 1001 Church Street: 225,000 SF / 2021
- 200 10th Avenue N: 470,000 SF / 2023
- Three Thirty Three: 69,000 SF / 2020
- Peabody Union: 170,000 SF / 2023

• **One Nashville Place**, the 24-story tower that bears WeWork and Regions Bank logos, sold to Unico Properties, a Seattle-based real-estate investment firm, for $139.5 million.

• **The UBS Tower**, which is 602,000 SF, is on the market as well as the Nashville City Center, with more than 480,000 SF and 27-stories. Also, the 20-story building located at 414 Union Street with 430,000 SF is on the market. In the last nine months, five of downtown's eight largest office towers have either sold or been marketed for sale.

• **MarketStreet Enterprises** released plans for a five-story neo-traditional mixed-use building to be located at 333 11th Avenue South. Three Thirty-Three will have approximately 69,000 SF of office space, 11,000 SF of ground level retail space and will include a small public green space. A late 2019 opening is scheduled.

• **Endeavor Real Estate** broke ground on a 20-story office building at 1222 Demonbreun Street, which will contain 324,000 SF of office space and ground floor retail. Slated opening of the building is June 2020.

• The nation's fifth-largest accounting firm, **RSM**, plans to have a large presence in downtown Nashville and employee at least 125 people by 2022, with the goal of having 200 people overall. The current team of 25 is working out of a coworking space within SoBro's 222 2nd Avenue South tower.

• **AllianceBernstein**, announced that it had commitments from 120 employees to come to Nashville over the next year as a part of its first wave of relocations. Fifteen employees have already relocated. The company is slated to create 1,050 jobs downtown, and the majority will be in finance, IT, operations, compliance and auditing. AllianceBernstein has signed a lease to occupy space in 501 Commerce, a 25-story tower that is part of the Fifth + Broadway.

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*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 7,017 hotel rooms

<table>
<thead>
<tr>
<th>Under Construction</th>
<th># of Rooms</th>
<th>Delivery</th>
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<tr>
<td>Dream Hotel</td>
<td>169</td>
<td>2018</td>
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<td>Tri-branded Marriott</td>
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<td>2018</td>
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<tr>
<td>Drury Hotel</td>
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<td>Margaritaville Hotel</td>
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<td>2019</td>
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<tr>
<td>Hampton Inn &amp; Suites</td>
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<td>Holiday Inn &amp; Suites</td>
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<td>SoBro Hyatt House</td>
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<tr>
<td>Tru by Hilton/Home2Suites</td>
<td>232</td>
<td>2019</td>
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<tr>
<td>The Joseph</td>
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<td>Hyatt Regency</td>
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<td>2020</td>
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</table>

Total # of Rooms: 3,147

- There are 13 hotels with owner/developers actively planning - representing over 3,166 additional rooms.

- Tru by Hilton and Home2 Suites announced their “topping off” in late August. The dual-brand hotel will open by the second quarter of 2019 at 500 5th Avenue South, will be 10-stories and have 232 total rooms.

- Full financing is in place for the 14-story W Hotel which will have 346 rooms and open later in 2020. The hotel, which is a Marriott brand, will feature rooftop amenities and a pair of restaurants from a James Beard-award winning chef.

- Hyatt plans to open one of its upscale Centric hotels at 217 2nd Avenue South, and have 252 rooms, a 120-seat restaurant and another 4,000 SF of retail space.

- Charlotte-based Tara Investments group plans a Canopy by Hilton hotel at 910 Division Street, where Yazoo Brewing Co. taproom currently sits. The 10-story hotel will have 175 rooms at least, will have no less than 5,000 SF of meeting space and a rooftop bar. The development group would like to incorporate Yazoo tap room into the hotel design. Construction should begin in early 2020.
• Downtown has 10,000+ residents
• 85 resale units available (22 under contract) = 63 available (2.78 month supply)
• 1,664 residential units under construction
• 86% occupancy rate (2Q 2018)*

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<tr>
<th>UNDER CONSTRUCTION</th>
<th>Units</th>
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</table>

Total units: 1,664 | 1,593 | 71 | 634 | 384 | 646

• There are 12 more residential projects that are planned that could deliver another 2,756 units to downtown by 2021.

* Occupancy rates are from Greater Nashville Apartment Association quarterly reports
DEVELOPMENT UPDATE

RETAIL

2018 NEW RETAIL

• Dierks Bentley’s Whiskey Row
• Geist
• Woolworth on 5th
• M. L. Rose
• Starbucks
• Roasted
• Mile End Deli
• Cork & Barrel Wine and Spirits
• Kona Coffee
• Tiff’s Treats
• Your Pie
• Gerlie’s Bar
• House of Cards
• Uncommon James
• TENN
• Bar TENN
• TENN on Top
• Subway
• 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
• Red Perch
• Luke’s 32 Bridge Food + Drink
• Vintage Creek Boutique
• Neighbors Germantown
• Legendarily Milkshake Bar
• Ellington’s Mid Way Bar & Grill
• Union Teller Coffee Counter
• Little Fib
• JW Marriott Nashville
• Bourbon Steak
• Bourbon Sky
• Stompin Grounds
• Stompin Grounds Market
• Cumberland Bar

COMING SOON!

• 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
• The Rutledge
• Little Prints
• Nashhouse Southern Spoon & Saloon
• Farm City Coffee
• Rise
• The Green Pheasant
• Café Intermezzo
• Duluth Trading Men’s and Women’s Gear
• Music City Chicken Co.
• Gino’s East
• Valerie Boutique

NEW RETAILERS!

• Luke Bryan’s restaurant, Luke’s 32 Bridge Food + Drink, has opened its doors at 301 Broadway. The six-story restaurant features eight bars, four stages and two restaurants, including a rooftop sushi bar.
• Design Within Reach recently opened an 8,000-sf store at 303 11th Ave. S. in the Gulch. The modernist furniture and home accessories retailer operates 33 stores across 14 states.
• The JW Marriott Nashville opened with six food and beverage offerings; Bourbon Steak a fine dining eatery by Michael Mina; Bourbon Sky, rooftop bar and lounge; Stompin Grounds, a sit down American café; Stompin Grounds Market, selling baked goods and takeout items; Cumberland Bar, the lobby bar; and Cabana Club, a bar and eatery for the pool and patio.
• Little Fib has opened, the new lobby eatery at the Renaissance Nashville Hotel. The restaurant serves southern cuisine and will have live music.

COMING SOON!

• The owners of Nashville Underground are planning a two-level bowling alley on the 3rd and 4th floor of their building at 105 Broadway. The space will be called Broadway Bowl and Bull.
• The Hampton Social, a Chicago-based restaurant, will occupy 16,000 sf of space at 222 2nd Ave. S, including at 2,000 sf patio. The restaurant will occupy 3 floors and will have “coastal fare”.
• Chicago based pizza chain, Gino’s East, is planning to open in early 2019 in the SoBro building formally home to Sole Mio at 311 3rd Ave. S. The building will feature a walk-up window from which patrons can buy pizza by the slice.
• Valerie Boutique will open in December in Capitol View near M.L. Rose and HCA’s Parallon offices. This is the second location for this women’s clothing store which offers 45 brands, private shopping parties and complimentary in store stylists.
• Corner Pub restaurant will open late September inside the MDHA garage on 5th Avenue taking 6,000 sf. This is Corner Pub’s 5th location.

NEW BUSINESS!

• Nashville Downtown Partnership has announced FirstBank as the primary sponsor for First Saturday Art Crawl Downtown! The new name is “FirstBank First Saturday Art Crawl Downtown” and will elevate the art community downtown.

DOWNTOWN NASHVILLE HAS:

284 Dining Options
107 Shopping Options
115 Nightlife Options

Retail Vacancy Rate: 2.4%
Total Retail Downtown SF: 3,153,776

So far in 2018:
52 restaurants, 8 shopping options & 3 nightlife options have opened or announced