



DEVELOPMENT UPDATE BUSINESS

1Q Office Vacancy is 6.9% / Class A Vacancy is 6.8%

Recently Completed:

615 3rd Avenue S.....	125,000 SF (69% leased)
1201 Demonbreun	285,000 SF (100% leased)
222	362,000 SF (78% 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:

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

Planned:

One KVB	475,000 SF	Peabody Union.....	170,000 SF/2023
12th & Demonbreun ..	325,000 SF	1000 Church St	749,000 SF/2021
915 Division St.....	76,637 SF	1001 Church St	225,000 SF
Asurion HQ	479,000 SF	200 10th Ave N	525,000 SF
Eakin Class A.....	260,000 SF/2021		

- **Asurion**, a Nashville-based tech solutions company, will create 400 information technology jobs as it consolidates its headquarters downtown at the current site of the Tennessean. Developer Highwoods Properties plans to spend \$252 million redeveloping the property into a 479,000 SF office project that includes two structures. Completion is slated for 3Q 2021.
- Nashville-based revenue management company **ServiceSource** is planning a major workforce expansion, with 60 immediate opening, and over 100 more job openings in coming months. The company currently employs 661 people.

- Construction will begin in August on a 20-story office building in The Gulch – the first of three towers that Austin-based **Endeavor Real Estate Group** is proposing for the site at Demonbreun and 13th Avenue. The 325,000 SF office tower is slated to open in May 2020. The building would offer 10-11 floors of office space, 5,000 SF of retail, indoor lounge, common conference rooms, fitness center with showers and lockers, and an outdoor terrace.
- Nashville, TN-based Hensler Development Group and South Florida-based Stiles will co-develop **Peabody Union**, a mixed-use, luxury commercial and residential project on approximately five acres

along the Cumberland River on the northern bluff of Rolling Mill Hill. This project will add 105,000 SF of retail, 170,000 SF of Class A office and 350,000 SF of luxury high-rise residential.

- Los Angeles-based **AEG** acquired a 3.9-acre Nashville Yards site at March 29 for \$44 million. AEG is planning entertainment venues to include a nine-screen Regal Cinemas, 4,000 seat concert venue, small club accommodating about 800 patrons, a 240-room boutique hotel, a bowling club and various restaurants and bars.

* 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 6,299 hotel rooms

Under Construction	# of Rooms	Delivery
The Bobby.....	135	2018
Drury Hotel	390	2018
Dream Hotel	169	2018
Hampton Inn Expansion	50	2018
JW Marriott.....	533	2018
Moxy Hotel.....	168	2018
Tri-branded Marriott	468	2018
Broadway Lofts	40	2019
Margaritaville Hotel	217	2019
Hampton Inn & Suites	168	2019
Holiday Inn & Suites	228	2019
SoBro Hyatt House	217	2019
Tru by Hilton/Home2Suites	233	2019
Hyatt Regency.....	591	2020

Total # of Rooms: 3,607

- There are 10 hotels with owner/developers actively planning - representing over 2,971 additional rooms.
- Boutique hotel The Fairlane opened March 1 at 401 Union Street. The 81-room hotel was developed by Nashville-based Oliver Hospitality, and features floor-to-ceiling windows and semi-transparent peekaboo showers crafted from custom walnut. A 4,000-square-foot penthouse, rooftop neon sign and lobby with a vintage bar cart serving local spirits and bottled Coca Cola are other distinct elements.
- Mountain Shore Properties received a roughly \$22 million permit in March to build its Hyatt House hotel in SoBro. The Charleston, South Carolina-based hotel development company has enlisted the Nashville office of Memphis-based McMurry Construction Co., Inc. to serve as general contractor, and LLW Architects Inc. of Memphis to handle the design work. The hotel is slated to open in fall 2019.
- Real Estate Investor, Frank May along with The Parent Company, Inc., has secured a \$17 million loan to fund construction of a six-story building to include restaurants, event space and hotel rooms. The project will be called Broadway Lofts and be located at 120 Second Avenue South.



DEVELOPMENT UPDATE

RESIDENTIAL

- Downtown has 10,000+ residents
- 100 resale units available (28 under contract) = 72 available (3.9 month supply)
- 1,708 residential units under construction
- 87% occupancy rate (4Q 2017)*

UNDER CONSTRUCTION	Units	Rental	Condo	Area	2017	2018	2019	
5th + Broadway	350.....	350.....		Core.....			350	
10th & Jefferson	54.....	54.....		North Capitol		54		
Broadstone Gulch	238.....	238.....		Gulch.....		238		
Residences at Capitol View	378.....	378.....		North Gulch		378		
City Lights.....	71.....		71	Rutledge Hill.....		71		
Olmsted SoBro	328.....	328.....		SoBro.....	164	164		
Solis North Gulch	271.....	271.....		North Gulch		271		
Studio 154 Luxury Lofts	18.....	18.....		Core.....		18		
Total units.....					1,708	1,637	71	164
						1,194	350	

- There are 11 more residential projects that are planned that could deliver another 2,359 units to downtown by 2021.
- A site plan for a mixed-use project at the former property home to Stock-Yard Restaurant was approved by Metropolitan Development and Housing Agency Design Review Committee in February. Phoenix-based development company Alliance Residential Co. is calling the project Broadstone Stockyard, which will include 350 apartments, and potentially some condos.
- The developer for River House Condominiums, Dennis Devine, received a permit to begin work on a high-end seven-story condominium building at 700 First Avenue North, on the west bank of the Cumberland River. The project will include 35 residences.

* Occupancy rates are from Greater Nashville Apartment Association quarterly reports



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
- Gerlie's Bar
- Emmy Squared

COMING SOON

- Ole Red
- Café Intermezzo
- Sunda
- Bourbon Steak
- Harry O's Steakhouse
- Redneck Riviera
- Craft Bar and Bistro
- Watermark
- Corner Pub
- The Chef and I
- H&M
- The Blue Parrot
- Yee-Haw Brewing Co.
- Merle's Meat + Three Saloon
- Merle Haggard Museum
- Liberty Common
- Subway
- TRUE
- Ellington's
- Union Teller
- TENN
- Bar TENN
- TENN on Top
- House of Cards
- Uncommon James
- The Rutledge
- Little Prints

NEW RETAILERS

- **Woolworth on 5th**, a restaurant and live music venue opened at 221 5th Ave N. The restaurant pays homage to Nashville's civil rights history. "It's where Nashville goes to get its funk," says owner Tom Morales.
- **Dierks Bentley's Whiskey Row** opened at 400 Broadway. This is Bentley's third location and features three stages for live music, plus a rooftop deck.
- **M. L. Rose Craft Beer & Burgers** has opened its third Nashville location inside Capital View. The restaurant is 4750 sf and seats 222 people including an outdoor patio.
- **Rooted**, a new sneaker boutique, opened at 62 Hermitage Avenue in Rolling Mill Hill. The boutique is geared toward "today's young fashion focused consumer with an affinity for high-end footwear and modern apparel."
- **Kona Espresso Bar** opened at 1201 Demonbreun St. in the Gulch. Kona offers a rotating selection of locally roasted coffee, tea, smoothies, juices, as well as healthy breakfast, lunch and snack options.

COMING SOON

- **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.
- **Liberty Common** will open mid-2018 in the ground floor of office tower 222 in Sobro. The owner is Nashville based restaurateur Terry Raley, also known for developing Butchertown Hall in Germantown and The Pharmacy Burger Parlor in East Nashville.
- **Cambria Hotel & Suites** in Sobro announced they will have a 300 capacity music venue called TRUE on their 5th floor. The venue hopes to "showcase countless different kinds of music, from national artists to intimate singer-songwriter showcases to full band events and everything in-between."
- Award winning "**Sunda**", a Chicago based Asian fusion restaurant, will locate on the ground floor of the Icon in the Gulch. The restaurant is taking over the 8,000-sf space formally occupied by Cantina Laredo. The restaurant will feature a large bar, a sushi bar and a private dining room with overall seating for 250 guests.
- Bill Miller, owner of The Johnny Cash Museum and several other businesses, announced that he plans to open the **Merle Haggard Museum** and **Merle's Meat+Three Saloon**. The museum will feature instruments, clothing, memorabilia, awards and other artifacts that belonged to Haggard who passed away in 2016.

DOWNTOWN NASHVILLE HAS:

268 Dining Options

107 Shopping Options

105 Nightlife Options

Retail Vacancy Rate: 4.1%

Total Retail Downtown SF: 3,091,757

So far in 2018:

33 restaurants, 4 shopping options & 4 nightlife options have opened or announced

