

MARKET CONDITIONS

THIRD QUARTER | 2019

Business

3Q Office Vacancy is 5.3% / Class A vacancy is 7.5%

Total Office Inventory: 15,100,000 SF

Total Class A Inventory: 7,300,000 SF

2.1 million SF of office space under construction



**NASHVILLE
DOWNTOWN
PARTNERSHIP**

Recently Completed:

615 3rd Avenue S	125,000 SF (85% leased)
1201 Demonbreun	285,000 SF (100% leased)
222	362,000 SF (98% leased)
Bridgestone	514,000 SF (100% leased)
Capitol View (Block D - loft office)	40,000 SF / (100% leased)
Capitol View - HealthStream (Block E)	300,000 SF / (54% leased)
LifeWay HQ	250,000 SF (100% leased)
Sarah Cannon/Health Trust HQ	500,000 SF (100% leased)



Under Construction:

Amazon Tower	500,000 SF / (100% leased) Q1 2021
1200 Broadway	66,150 SF / (32.8% leased) 4Q 2019
501 Commerce	385,000 SF (57% leased) 2020
Asurion HQ (11th & Church)	470,000 SF / (100% leased) 2021
Gulch Union (1222 Demonbreun)	325,000 SF / 2020
Peabody Plaza	280,000 SF / (50% leased) 2020
Three Thirty Three	69,000 SF / 2020

Planned:

1001 Church Street	1,000,000 SF / 1Q 2024
One22One	400,000* SF / 2022
200 10th Avenue North	500,000 SF / 3Q 2022
Peabody Union	170,000 SF / 2023

* Square Footage TBD

Business

- There is currently over 2M SF of office space under construction and another 2M planned.
- Two additional businesses have signed leases at developer Eakin Partners' Peabody Plaza office building. Guaranty Home Mortgage Corp. will occupy 47,000 SF, and Tennessee Bank & Trust will occupy 12,000 SF. The property is now 50% leased and set to open June 2020.
- JPMorgan Chase & Co. has filed an application to open a branch in downtown's 20-story ServiceSource Tower.
- Gibson Brands Inc. is moving its existing Nashville headquarters and close to 100 employees to downtown in Cummins Station, expanding to be almost twice the size of the company's existing office near the airport.
- United Talent Agency signed a lease for 15,000 SF in downtown's former Ben West Library, now home to Hastings Architecture Associates, which bought and renovated the building over the past two years. UTA plans to move into the new space in 2020.
- Asurion announced in August that it will move nearly 100 high-paying product development jobs to Nashville from San Mateo, California, in order to help fill its new downtown headquarters, which broke ground in March. Many are expected to make the move by the end of 2019. The company will combine its four local offices and existing 1,600 employees into the new Gulch hub, along with its 400 new hires, making it one of downtown's three largest private employers.



Asurion HQ



Three Thirty Three



Ben West

MARKET CONDITIONS

THIRD QUARTER | 2019

Hotel

8,389

current rooms

3,640

under construction

3,418

planned



Under Construction	Room #	Delivery
Drury Hotel	390	2019
Margaritaville Hotel	217	2019
Hampton Inn & Suites	169	2019
SoBro Hyatt House	217	2019
Marriott TownePlace Suites	204	2020
The Joseph	297	2020
Grand Hyatt	591	2020
Embassy Suites by Hilton/1 Hotel	721	2021
Hyatt Centric	252	2021
W Hotel	346	2021

- Both the Moxy on 3rd Avenue South and the dual brand - Tru by Hilton and Home2Suites on 5th Avenue South - recently opened.
- Columbus, Ohio-based developer Pizzuti Cos. has topped its under-construction boutique hotel The Joseph in SoBro. The 21-story building address is 401 4th Avenue South and will offer over 12,500 SF of ballroom and meeting space, a rooftop pool and spa, and a first-floor restaurant and bar.
- Local restaurateur Chris Hyndman and a group of investors who originally planned a hotel building called Eleventh House have revamped their plans for the boutique hotel - changing both the design and the location. The hotel, now to be called M12, will be where M Street's Whiskey Kitchen is located and could have 88 rooms, an event space for 300 people, and a restaurant/bar with 167 seats.

Residential

By the end of 2019, there will be 13,000 residents.

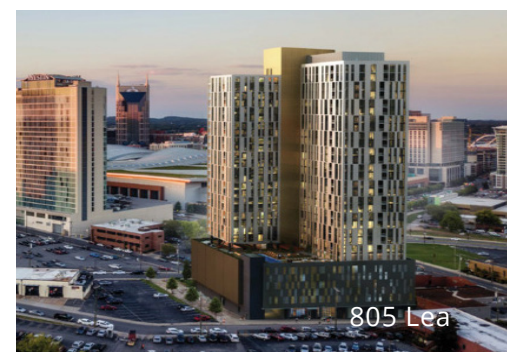
60 resale units available (25 under contract) = 35 **available** (1.4-month supply)

2,691 residential units under construction

85%* occupancy rate 2Q 2019 (95% in established properties)

Under Construction	Units	Rental	Condo	Area	2019	2020	2021	2022
1200 Broadway	313	313		North Gulch	313			
805 Lea	357	357		SoBro			357	
908 Division	300	300		Gulch			300	
Broadstone Stockyard Flats	334	334		North Capitol		334		
Fifth + Broadway	380	380		Core		380		
Four Seasons Residences	143		143	SoBro				143
Haven at The Gulch	299	299		Gulch			299	
LC SoBro	266	266		SoBro		266		
Sixth South	299	299		SoBro			299	
Totals	2,691	2,548	143		313	980	1,255	143

- The Beach Co. of Charleston, South Carolina, received a shell permit for Sixth South, a 12-story residential tower. The project will offer 299 apartment residences and 5,400 SF of ground-level retail space and be completed by summer 2021.
- A permit has been issued for construction of a 29-story mixed-use tower at 805 Lea Avenue. The 29-story project will offer 357 rental units.
- 908 Division - Greystar Real Estate Partners, of Charleston, South Carolina, has secured a \$72.4 million loan from Northwestern Mutual Life Insurance Co. to build a 16-story, 300-unit apartment tower in The Gulch. Construction is underway, and the building will open in 2021.
- MarketStreet Enterprises is planning a 7,000 SF dog park in The Gulch, west of The Turnip Truck Fare at 1218 Pine Street. The park will offer a large-dog area (3,500 SF), a small-dog area (1,500 SF), and a food truck and gathering area (2,000 SF). Construction is planned to begin in October and will last two months.
- There are nine more residential projects planned that could deliver another 2,195 units to downtown by 2023.



805 Lea

*provided by the Greater Nashville Apartment Association