



**Colliers | Nashville Issues Mid-Year Commercial Real Estate Index:
COVID-19's Impact is Significant; Long-Term Outlook Remains Strong**

NASHVILLE, Tenn. (Aug. 20, 2020) – Colliers International | Nashville today issued their mid-year 2020 Commercial Real Estate Vitality Index, and as expected, the COVID-19 pandemic has had a significant impact on the health of the industry in Nashville. The Colliers Index, which was launched in January of 2019, uses key economic indicators to track the health and vitality of Middle Tennessee's commercial real estate sector from 2001 to the present. Those indicators include job growth, population growth, building permit activity, rental rate variances, net absorption of space, vacancies, consumer sentiment, and other factors. Combined, the variables factor into a weighted algorithm that creates an accurate measurement tool to monitor the relative health of Nashville's commercial real estate sector over time.

The performance of the Index for the first half of 2020 showed an Index decline of 11 points (6 percent), dropping from an all-time high of 197 points at the end of 2019 to 186 points at the end of the second quarter of 2020. Key contributing factors include a sharp increase in unemployment, an uptick of office sublease space, and decreased investment volume across multiple asset classes. Factors that helped to offset the Index decline this year include a continued increase in the value of new construction permits and stable rental rates.

“The decline in the performance of the Colliers Index in the first six months of the year was expected. The 2020 trend continues the unfolding of the twenty-year story of Nashville, which is that while we are not immune to uncontrollable external forces, the fundamentals that make this city a great long-term investment and place to run a business remain strong and true”, said Janet Miller, Colliers CEO and Market Leader.

Details on the Index Q2 findings:

- The Index logged a 1-point uptick in the first quarter showing that the region's economy was still expanding before the Covid19 shutdown.
- The spike in the region's unemployment in the second quarter was the overarching factor impacting overall Index performance, with the region's unemployment rate jumping from 3% to 12% virtually overnight. Because of this, office sublease availability increased as companies evaluate their long-term workplace strategies and weigh the safety concerns of their teams.
- In the second quarter, capital sources immediately pulled back on lending flow and took an increasingly conservative stance on where and when to place capital. This trend has eased over the past ninety days.

- Other factors had a positive offsetting impact on the Index performance, including new construction permitting as developers and investors take the long view and proceed with announced and permitted projects. During the first half of 2020, 184 permits were pulled, an 88% increase compared to 2019's first half.

Colliers Nashville hosted a webinar on Wednesday, August 19, 2020, to present the Colliers Index findings, featuring an in-depth discussion on the state of Nashville's commercial real estate market and the impact COVID-19 has had on the industry. An expert industry panel provided data-driven insights about where Nashville's economy stands today and the anticipated trajectory and pace of recovery. Gil Borok, President and CEO of Colliers International | U.S. provided a keynote address followed by a panel discussion including:

- Geren Moor, Chief Financial Officer, GBT Realty
- Whitfield Hamilton, Partner, Panattoni
- Shirley Zeitlin, Chairman, Zeitlin Sotheby's International Realty

Details of the Index and yesterday's presentation can be found at www.colliersindexnashville.com.

About Colliers International

(NASDAQ, TSX: CIGI) is a leading real estate professional services and investment management company. With operations in 68 countries, our more than 15,000 enterprising professionals work collaboratively to provide expert advice to maximize the value of property for real estate occupiers, owners and investors. For more than 25 years, our experienced leadership, owning approximately 40% of our equity, has delivered compound annual investment returns of almost 20% for shareholders. In 2019, corporate revenues were more than \$3.0 billion (\$3.5 billion including affiliates), with \$33 billion of assets under management in our investment management segment. Learn more about how we accelerate success at corporate.colliers.com, Twitter [@Colliers](https://twitter.com/Colliers) or [LinkedIn](https://www.linkedin.com/company/colliers).

About Colliers International | Nashville

Colliers International | Nashville is a leading commercial real estate services firm in the Nashville area and Middle Tennessee. With over 80 years of experience and 65 professionals, Colliers' experts specialize in providing maximum service for a full range of product lines including landlord and tenant representation, investment sales, finance, property management, and project management. The firm currently leases and manages over 6 million square feet of commercial space and has ranked in the top five commercial real estate firms in the city for the last five years. To learn more about Colliers International | Nashville, follow us on Twitter [@Colliers_Nash](https://twitter.com/Colliers_Nash).

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