



**Colliers Nashville Issues Commercial Real Estate Vitality Q4 Index:
30-Year International Leadership Expert Delivers Critical Future Workplace Insight**

NASHVILLE, Tenn. (March 3, 2021) – The COVID-19 pandemic, a tornado that swept through Middle Tennessee, and a bomb explosion on 2nd Avenue North have all had a significant impact on Nashville’s commercial real estate market. Today, Colliers Nashville issued their 2020 Commercial Real Estate Vitality Fourth Quarter Index findings, reporting the impact these tremendous hindrances have had on the market.

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.

Index numbers have dropped significantly from 2019’s 197 points to 168 points at year-end 2020. Key contributing factors include:

- **Q1 2020** – Tornado sweeps through Middle Tennessee causing significant damage to residential, multifamily, retail, and with +3.5 million square feet of industrial space flattened. Total damages are valued at \$1.1 billion. The first confirmed case of COVID-19 is reported in Tennessee on March 5th and “Safer at Home” ordinances go into effect on March 30th.
- **Q2 2020** – Due to the COVID-19 pandemic and “Safer at Home” ordinances, business begin to shut down, unemployment begins to hit all time highs, and 1.08 million square feet of sublease office space begins to hit the market, equating to 3.2% of the market’s total inventory.
- **Q3 2020** – Businesses slowly begin to open their doors at a moderate pace and unemployment rates begin to decrease, dropping from 15.7% in April to 8.4%. Demand for product in the Nashville industrial market begins to climb. Restaurants see surge in online ordering services that provide contactless carryout or curbside pickup.
- **Q4 2020** – Bomb explosion on 2nd Avenue North causes severe damage to historical buildings and prime commercial real estate in downtown Nashville. The COVID-19 pandemic continues to wreak havoc as the number of cases continue to climb during the holiday season.

Despite the effects from an unprecedented year, developers have continued to move forward with their planned projects. Over 2.9 million square feet of office and 6.7 million square feet of industrial space is under construction throughout Nashville, with the majority scheduled to deliver in 2021. Unemployment rates have continued to decrease, and with the introduction of a vaccine, the number of COVID-19 cases has begun to drop. We feel optimistic about a third quarter recovery in the Index.

“Nashville, dubbed the Magnet Market, ranked as the #3 market to watch in 2021 by Urban Land Institute,” said Bert Mathews, partner of Colliers Nashville. “The economy is strong as the population continues to grow, the job market continues to climb, and Nashville is attracting international attention. With a great pipeline of 5.2 million square feet of new construction and 2 million square feet of construction planned for 2021 versus 2018, we have not begun to experience the full effects these new and planned projects will have on the region.”

Colliers Nashville hosted a webinar on Tuesday, March 2, 2021, to present the Colliers Index findings and deliver critical insights on the future of the workplace post COVID-19. Keith Perske, Senior Vice President of Colliers International | U.S. Workplace Advisory Group discussed global trends, original research, and guidance for the workplace return and reinvention strategies.

Perske said, “before COVID-19, the workplace was challenged. Employees experienced a pent-up desire to work from home due to stress, chronic illness, and fatigue caused by working in a traditional workplace setting. What COVID did was accelerate our movement into the future, tremendously. Data shows that 48% of productivity is higher when employees can work from home and 67% of employees would like to continue working from home at least 2 days a week. Studies indicate that while employees enjoy the benefits of working from home and have proven to be more productive, people still want to come to the office for what the environment has to offer – they are missing the social aspect of what the traditional office settings has to offer. When it comes to workplace environment, position for evolution. Don’t design the workplace, design the experience.”

Panelists included:

- Katie Lester, Director of Research, Colliers Nashville
- Bert Mathews, Partner, Colliers Nashville
- Jody Moody, Vice President, The Mathews Company

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

About Colliers International

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 67 countries, our more than 15,000 enterprising professionals work collaboratively to provide expert advice to real estate occupiers, owners, and investors. For more than 25 years, our experienced leadership with significant insider ownership has delivered compound annual

investment returns of almost 20% for shareholders. With annualized revenues of \$3.0 billion (\$3.3 billion including affiliates) and \$40 billion of assets under management, we maximize the potential of property and accelerate the success of our clients and our people. Learn more at corporate.colliers.com, Twitter [@Colliers](https://twitter.com/Colliers) or [LinkedIn](https://www.linkedin.com/company/colliers).

About Colliers Nashville

Colliers 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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