



Nashville is Bracing for Change

According to the Latest Findings of the Colliers Nashville Vitality Index

NASHVILLE, Tenn. (August 3, 2022) – Key drivers indicate Nashville’s commercial real estate sector is bracing for change, according to the latest findings of Colliers Nashville’s proprietary Commercial Real Estate Vitality Index. The Mid-Year 2022 results show the Index stands at 1-point lower than the Year-End 2021 results and is only 3-points lower than where the Index stood pre-covid.

The Colliers Index, 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 local & regional budgets, rent escalations, de-escalations, job growth, vacancies, population growth, gross domestic product, market sentiment, investment, and other factors. The combined 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.

Key drivers affecting Nashville’s commercial real estate environment are at both macro and local levels. Indicators of the macro-level drivers include inflation and interest rates, the Russia-Ukraine conflict, the pandemic, and supply chain disruptions. Key contributing local level drivers include:

- **Solid Investment** – Capital continues to flow into Middle Tennessee as investment remains at a significant \$5.45B, a drop since 2021 but considerably higher than pre-pandemic figures.
- **Job Growth/Unemployment** – Unemployment has dropped dramatically from 16% in April 2020 to 2.7% in May 2022. The office sector continued to grow and was up 9% at the end of Q2 2022, compared to Q1 2020.
- **Remote Work Spurs Disruption in the Market** – Sublease space available in the market currently stands at 2.5M square feet of the 61.1M inventory. The increase in sublease office availability is due to the shift from the in-office work model to the hybrid work model. Data indicates that before the COVID-19 pandemic, workers reporting to the office stood at 78%. Since then, employers have transitioned their work model to include hybrid reporting, decreasing office reporting by 67% post-pandemic.

Colliers Nashville hosted an in-person event at Geodis Park, Nashville, on Tuesday, August 2, 2022, where the company presented the Colliers Index Mid-Year 2022 findings. A discussion on the economy was also held with Federal Reserve Bank of Atlanta’s Laurel Graefe, Regional Executive and Senior Officer, and Colliers Nashville’s Bert Mathews, Executive Vice President, and Partner.

About Colliers International

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 62 countries, our 17,000 enterprising professionals work collaboratively to provide expert real estate and investment advice to clients. For more than 27 years, our experienced leadership with significant inside ownership has delivered compound annual investment returns of 20% for shareholders. With annual revenues of \$4.3 billion and \$77 billion of assets under management,

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About Colliers Nashville

Colliers International Nashville, LLC is a leading commercial real estate services firm in the Nashville area and Middle Tennessee. With over 80 years of experience and 70 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 6.2 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.

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