



Nashville Industrial 24Q4

Key Takeaways

- Industrial absorption exceeded positive 1.2M square feet for Q4 2024, bringing the YTD total to 4.2M square feet.
- Market vacancy increased by 40 basis points to 4.1% in Q4, due to an influx of new supply.
- Nashville development remains elevated, with nearly 4.0M square feet currently under construction.



Nashville Industrial Market Highlights of 2024

According to Oxford Economics, Nashville experienced moderate job gains in 2024 with a rate of 0.9%. Though decelerated from the 2023 pace of 3.2%, job growth is forecasted to be 1.3% in 2025 and average an annual growth of 0.8% from 2026 through 2029. Looking at job performance by industrial-space users, Nashville's trade, transportation, and utilities sector employment increased by 0.47% from December 2023 to December 2024 while manufacturing grew 2.2% in the same time frame. Investor confidence in Nashville's commercial real estate market is evidenced in ULI's *Emerging Trends Report*, as the metro ranked the #5 Market to Watch in 2025, placing the metro among the top 10 markets since 2015. Of note, Nashville's 2024 industrial sales volume exceeded \$1.4B in 2024, marking a 37% increase year-over-year. At the close of 2024, Nashville's industrial market recorded 4,257,937 SF in positive net absorption and 4.0M square feet in new deliveries, the latter resulting in a slight uptick in market vacancy. Nashville remained a top location for relocating and expanding industrial space occupiers in 2024, as industrial space-using companies represented 79% of all announcements, reported by the Nashville Area Chamber of Commerce. These projects represent a combined 3,309 expected jobs for the region.

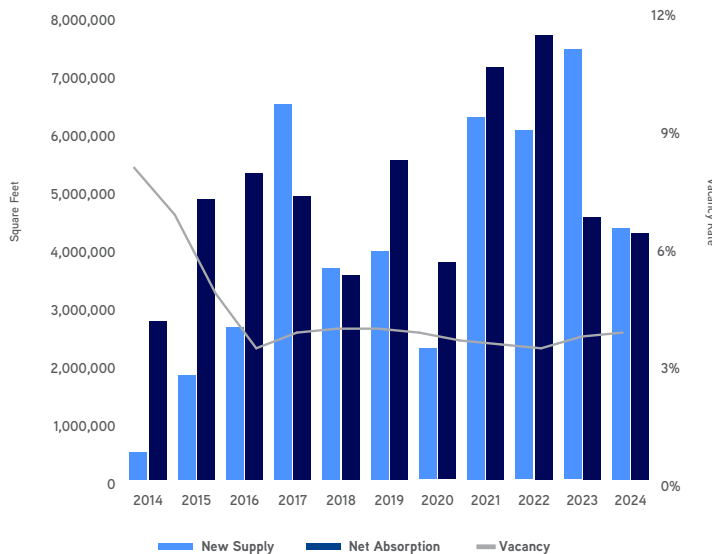
Market Indicators



Historic Comparison

	24Q2	24Q3	24Q4
Total Inventory SF	226.0M	226.1M	227.6
Net Absorption SF	1.8M	1.2M	1.2M
Overall Vacancy	3.4%	3.7%	4.1%
Under Construction SF	6.4M	5.5M	4.1M
Overall Asking Rates (NNN)	\$9.61	\$9.90	\$9.94

Absorption, New Supply & Vacancy



Recent Transactions



Renewal
Rutherford Business Ctr.
Southeast | 644,078 SF



New Lease
800 Maddox Simpson Pkwy.
East | 541,500 SF



New Lease
1850 Vaughn Pkwy.
North | 306,280 SF



Sale
2003 Oakland Pkwy.
Southwest | \$20.0M



Sale
Central Pike Business Ctr.
East | \$14.5M

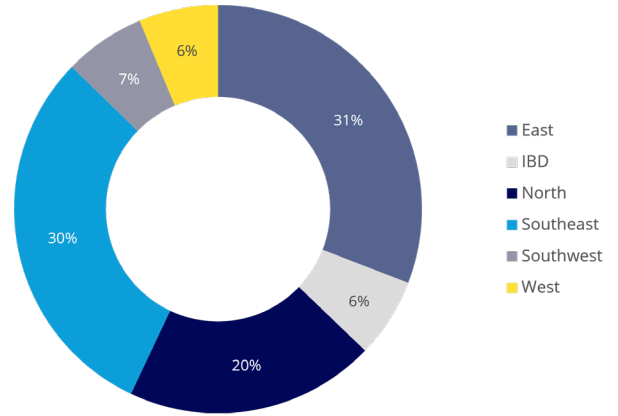


Sale
1631 Corporate Pl.
Southeast | \$6.5M

Leasing + Availability

Industrial leasing activity for the metro reached over 3M square feet at the close of Q4—surpassing Q3’s leasing volume by 29%— bringing the year to date total to over 11.8M square feet. Despite a slowdown compared to the all-time high in 2021 at 17M square feet, this recent slowing in leasing remains above pre-pandemic norms for Middle Tennessee. New supply outpaced occupancy in 2024 as Nashville’s industrial vacancy rate increased slightly to 4.1%, up from 3.7% in Q3. Of the high demand submarkets with industrial inventories exceeding 40M SF, the East submarket holds the lowest vacancy, closing Q4 at 3.4%. Nashville’s direct availability rate for warehouse/distribution space stands at 4.8%, with sublease availability at 1.2%.

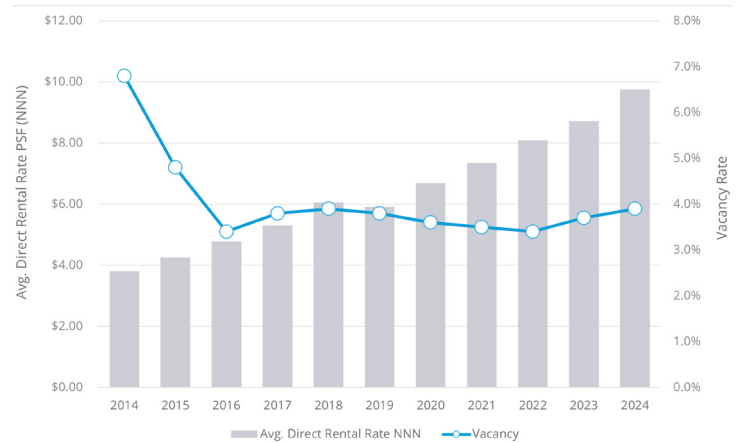
2024 Leasing Volume
By Submarket



Rental Rates

Despite the moderate slowdown in leasing activity and wave of new industrial deliveries to the market, average rents continued to climb throughout 2024. Nashville’s average rental rate reached \$9.94 per square foot at the end of Q4. This rate includes flex, warehouse/distribution, and manufacturing properties over 10,000 square feet across Middle Tennessee. The metro’s four-quarter trailing rent growth of 5.6% outpaces the national average by more than 200 basis points as Nashville continues to experience tighter conditions compared to the rest of the country. The metro’s growth may rebound in the second half of 2025, coinciding with an expected slowdown in construction compared to previous years.

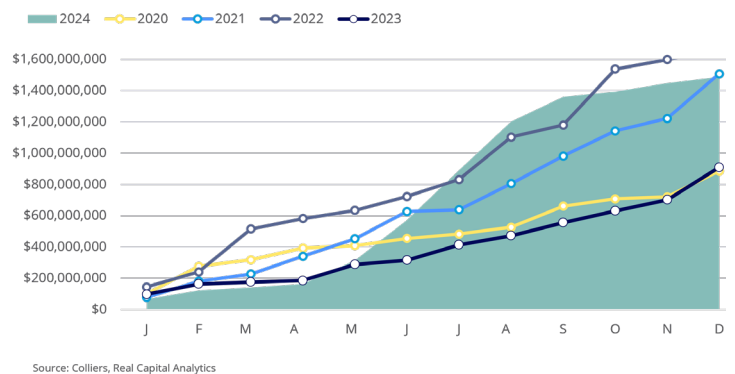
Rental Rates + Market Vacancy
10-Year Historic Trend



Investment Volume

Real Capital Analytics ranked Nashville the 17th most active market in 2024, ahead of Boston, Philadelphia, and Jacksonville, among others. Outperforming the other commercial real estate sectors, Nashville’s industrial deal volume climbed in 2024, topping over \$1.4B. This represents a remarkable 37% increase year-over-year, outpacing the U.S. average of 5%. Of note, overall Nashville’s industrial investment activity stood higher in 2024 than the average across five years before the pandemic. Following a record price per square foot of \$156 in 2023, Nashville’s investment market closed 2024 at \$143 per square foot, yet exceeded the U.S.’s average at \$134 per square foot.

Industrial Investment
Cumulative Monthly Value (\$)



Source: Colliers, Real Capital Analytics

Leasing Activity

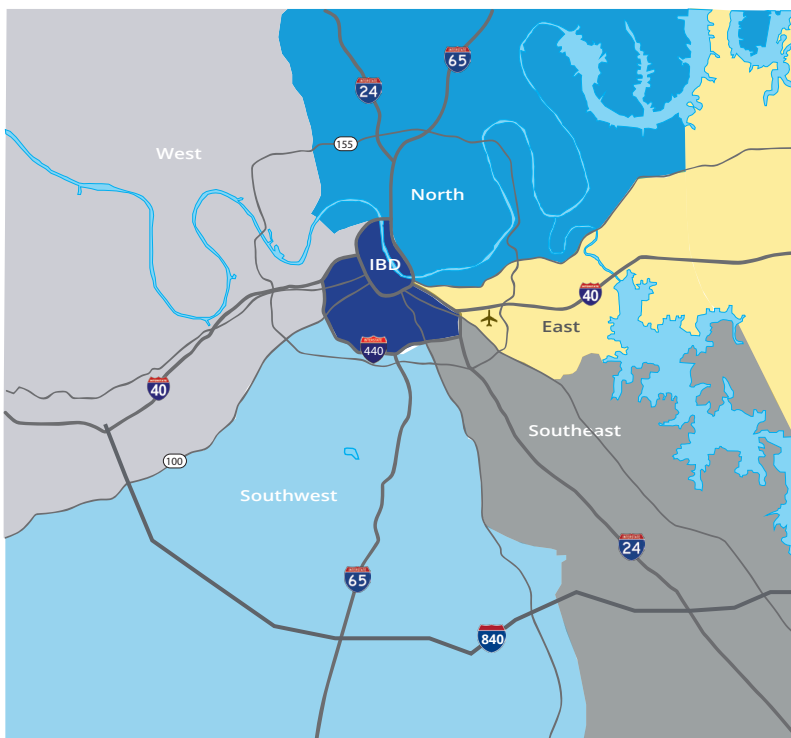
Industrial

Property	Tenant	Lease Type	SF	Submarket
800 Middle Tennessee Blvd.	Store Opening Solutions LLC	Renewal	644,078	Southeast
800 Maddox Road	Schneider Electric	New Lease	541,500	East
1850 Vaughn Parkway	Troax INC	New Lease	306,280	North
1900 Midway Lane	Nissan	Renewal	233,200	Southeast
648 Couchville Pike	Denso	Renewal	165,980	East
413 Salyers Drive	U.S. Venture	New Lease	121,500	Southeast
3258 Ezell Pike	Access Information Mgmt. of GA	Renewal	106,710	Southeast

Investment Activity

Industrial

Property	SF	Price	Price/SF	Buyer	Submarket
2003 Oakland Parkway	184,025	\$20,000,000	\$109	JC Ford Company	Southwest
Central Pike Business Center	68,450	\$14,514,500	\$212	The Freeman Group	East
1046 Avondale Road	105,236	\$10,500,000	\$100	Todd Blanton	North
Airport South Business Center	61,254	\$7,825,000	\$128	Scott Porter	Southeast
388 North Belvedere Drive	92,500	\$7,750,000	\$84	Woodstone Enterprises LP	North
1631 Corporate Place	27,429	\$6,500,000	\$237	Elbon Properties LLC	Southeast



Definitions

Colliers Inventory - All industrial and flex properties of more than 10,000 SF including owner-occupied. Research subject to revisions due to discrepancies in past reporting.

Flex - A type of building designed to be versatile, which may be used in combination with office R&D, quasi-retail sales, and industrial warehouse and distribution uses.

Leasing Activity - The square footage that is committed to and signed for under a lease obligation in each quarter, including direct leases, subleases, renewals of existing leases, and pre-leasing activity for buildings under construction or planned.

Absorption (Net) - The net change in occupied space between the current quarter and the previous quarter, calculated by summing all the positive changes and subtracting all the negative changes.

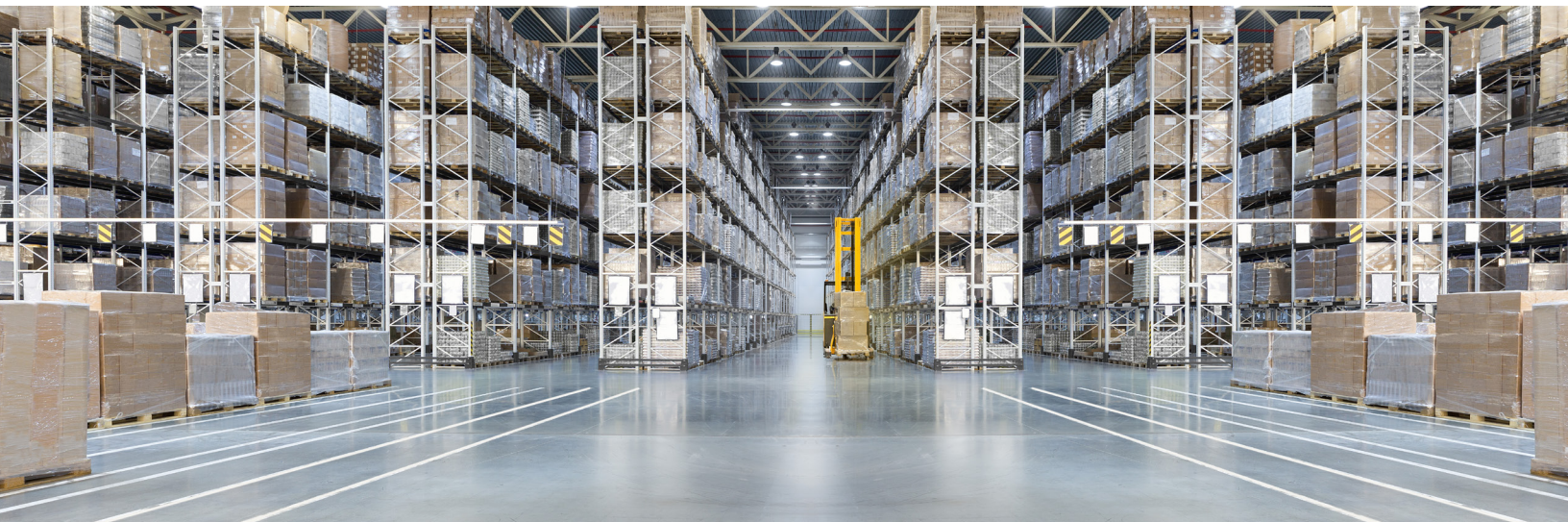
Vacancy Rate - Percentage rate of the total amount of vacant space divided by the total amount of existing inventory.

Build-To-Suit - Property that can be leased or owned by a tenant that was developed specifically for them.

Triple Net Rent (NNN) - Includes rent payable to the landlord and does not include additional expenses such as taxes, insurance, maintenance, janitorial and utilities. All industrial and high-tech/R&D rents in this report are quoted on an annual, triple net per square foot basis in U.S. dollars.

New Construction - Includes completed speculative and build-to-suit construction. New construction quoted on a net basis after any demolitions or conversions.

Submarket/ Subtype	Total Inventory SF	Direct Availability Rate	Sublease Availability Rate	Availability Rate	Vacancy Rate	Net Absorption Current	Net Absorption 2024	Under Construction	Deliveries 2024	Avg Direct Asking Rate (NNN)
East										
Warehouse	50,861,528	5.2%	0.3%	5.5%	3.4%	186,328	1,614,124	2,659,073	1,916,032	\$9.69
Manufacturing	7,516,328	1.3%	0.0%	1.3%	1.3%	-16,510	-105,760	0	0	\$9.00
Flex	1,842,010	11.9%	0.0%	11.9%	10.5%	-43,585	-17,547	0	0	\$15.95
TOTAL	60,219,866	4.9%	0.2%	5.1%	3.4%	126,233	1,490,817	2,659,073	1,916,032	\$11.13
IBD										
Warehouse	7,956,955	7.1%	0.0%	7.1%	6.7%	-257	-60,349	0	0	\$14.52
Manufacturing	2,934,190	1.4%	1.1%	2.5%	0.7%	0	-20,200	0	0	\$9.21
Flex	1,524,515	8.1%	0.0%	8.1%	6.1%	-12,512	-15,985	0	0	\$21.46
TOTAL	12,415,660	5.9%	0.3%	6.2%	5.2%	-12,769	-96,534	0	0	\$15.32
North										
Warehouse	44,288,449	6.5%	2.0%	8.5%	5.4%	233,681	720,565	525,000	1,056,584	\$8.43
Manufacturing	10,770,104	5.4%	0.0%	5.4%	5.1%	222,472	28,792	0	0	\$7.99
Flex	2,894,343	4.4%	0.0%	4.4%	4.2%	71,274	-65,333	0	0	\$17.93
TOTAL	57,952,896	6.0%	1.5%	7.5%	5.4%	527,427	684,024	525,000	1,056,584	\$8.42
Southeast										
Warehouse	53,152,990	6.6%	1.4%	8.0%	5.2%	800,758	1,466,164	368,280	1,361,770	\$9.51
Manufacturing	16,312,937	0.7%	0.0%	0.7%	0.5%	167,774	432,458	0	0	\$7.95
Flex	3,492,596	2.7%	1.2%	3.9%	2.5%	14,471	-9,560	0	0	\$14.58
TOTAL	72,958,523	4.3%	1.0%	5.3%	4.0%	983,003	1,889,062	368,280	1,361,770	\$9.87
Southwest										
Warehouse	8,000,208	6.0%	2.2%	8.2%	5.0%	5,157	-117,834	0	0	\$11.79
Manufacturing	4,563,363	4.1%	1.8%	5.9%	3.3%	-21,048	-3,306	0	0	\$15.00
Flex	2,424,048	2.4%	2.8%	5.2%	2.8%	12,779	367,108	0	0	\$20.04
TOTAL	14,987,619	3.8%	1.6%	5.4%	3.6%	-3,112	245,968	0	0	\$13.19
West										
Warehouse	5,198,607	2.4%	0.4%	2.8%	4.3%	0	50,600	540,000	0	\$12.87
Manufacturing	3,550,515	0.0%	0.0%	0.0%	0.0%	0	0	0	0	\$13.74
Flex	357,129	0.0%	0.0%	0.0%	1.7%	0	-6,000	0	0	\$15.50
TOTAL	9,106,251	1.4%	0.2%	1.6%	2.5%	0	44,600	540,000	0	\$14.93
Total										
Warehouse	169,458,737	4.0%	1.2%	5.2%	4.8%	1,225,667	3,673,270	4,092,353	4,334,386	\$9.27
Manufacturing	45,647,437	1.9%	0.1%	2.0%	3.9%	352,688	331,984	0	0	\$9.46
Flex	12,534,641	4.4%	0.8%	5.2%	2.0%	42,427	252,683	0	0	\$17.58
TOTAL	227,640,815	5.3%	0.9%	6.2%	4.1%	1,209,712	4,257,937	4,092,353	4,334,386	\$9.94



FOR MORE INFORMATION

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