



Nashville

Industrial  
25Q2

## Key Takeaways

- Q2 2025 saw nearly 1.5M square feet of industrial absorption, bringing the year-to-date total to over 2.6M square feet.
- Market vacancy increased marginally by 1.1% in Q2 due to the addition of 2.46M square feet in new deliveries.
- Transactions totaled \$731M through June, marking a 30% year-over-year increase and surpassing mid-year volumes recorded in 2021, 2023, and 2024.



## Healthy Demand + Active Investment at Mid-Year 2025

Nashville's year-to-date job growth rate of 0.6% is on par with the national average, according to Oxford Economics. The firm projects job growth will reach 0.9% in 2025 and maintain that pace annually through 2029. Within key industrial-using sectors, trade, transportation, and utilities employment grew by 1.3% from June 2023 to June 2025, while manufacturing employment declined by 1.7% over the same period. Nashville's industrial market strengthened in Q2 2025, with nearly 1.5 million square feet of move-ins and leasing activity totaling over 5.2 million square feet. Industrial investment also remained robust, with \$418 million in transactions during the quarter—bringing year-to-date volume to \$731 million. Since mid-2024, 12 industrial companies have expanded in the region, announcing a combined 2,512 new jobs, according to the Nashville Area Chamber of Commerce. Notably, 75% of all announced relocations and expansions during this period have come from the industrial sector. With sustained leasing activity, steady investment, and continued tenant demand, Nashville's industrial market remains on solid footing—well-positioned to continue as a leading asset class in the region's commercial real estate landscape.

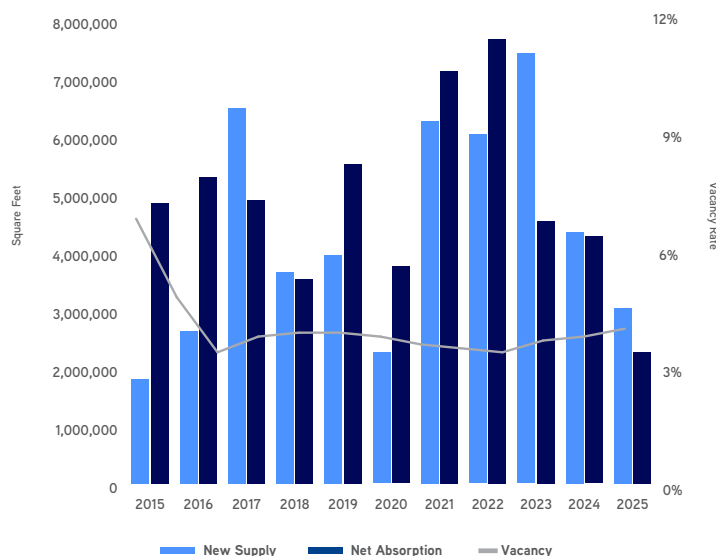
## Market Indicators



## Historic Comparison

	24Q4	25Q1	25Q2
Total Inventory SF	227.6M	228.1M	230.4M
Net Absorption SF	1.2M	813K	1.48M
Overall Vacancy	4.1%	3.8%	4.9%
Under Construction SF	4.1M	3.1M	4.3M
Overall Asking Rates (NNN)	\$9.94	\$9.86	\$9.92

## Absorption, New Supply &amp; Vacancy



## Recent Transactions



**Sublease**  
1171 Vaughn Parkway  
North | 750,000 SF



**Renewal**  
1000 Hixson Blvd.  
East | 558,600 SF



**New Lease**  
575 Maddox Simpson  
East | 205,747 SF



**Sale**  
1301 Richard Petty Way  
East | \$116.0M



**Sale**  
1329 Gateway Drive  
North | \$19.2M



**Sale**  
1205 3<sup>rd</sup> Ave N  
IBD | \$13.0M

## Leasing + Availability

Nashville's industrial market recorded 1,489,108 square feet of new occupancies in Q2, bringing the year-to-date net absorption total to 2,646,302 square feet. Nashville's leasing activity totaled over 5.2M square feet in Q2, with the average deal in the 61,000 square foot range. Nashville's industrial market is tracking at 6.6% for direct available space, with the majority located in the North submarket. However, bulk warehouse options remain limited, as there are eight properties that can accommodate an occupier looking for more than 250,000 SF. The Southeast submarket has the highest availability across all size ranges, including 17 blocks of 100K+ SF and 8 blocks over 200K SF, making it the most active submarket for large users.

**Large Blocks of Available Warehouse Space (# of Properties)**

Submarket	+25,000 SF	+50,000 SF	+75,000 SF	+100,000 SF	+200,000 SF
East	20	17	12	8	4
IBD	4	2	1	1	0
North	22	17	12	8	5
Southeast	29	27	18	17	8
Southwest	6	3	3	3	1
West	5	1	1	0	0

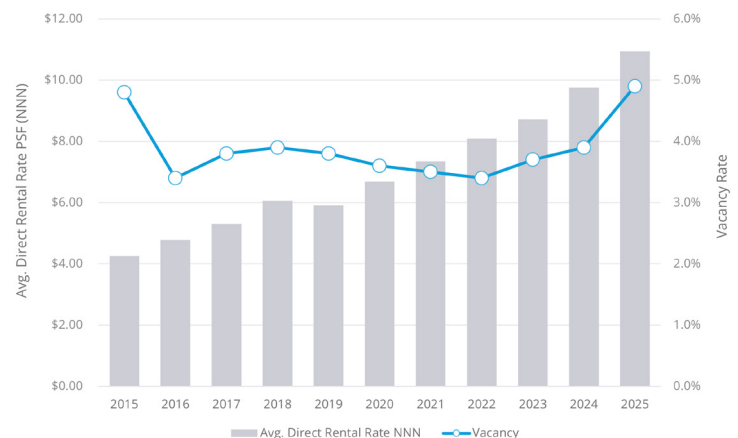
## Rental Rates

Given Nashville's long-standing low vacancy rates, the metro continues to post some of the strongest rent growth nationally—outpacing the U.S. average by more than 350 basis points. Nashville closed Q2 2025 with an average asking rent of \$9.92 per square foot, supported by steady tenant demand and new supply. On a trailing four-quarter basis, rent growth has slowed to 6.0%, underscoring the market's resilience amid broader economic uncertainty.

Warehouse rents remain healthy at \$9.26 per square foot, holding steady from the previous quarter, while newer construction and last-mile distribution facilities are achieving rents well above market averages. With vacancy expected to remain tight and new construction moderating, Nashville's above-average rent growth is likely to hold steady through the second half of 2025.

**Rental Rates + Market Vacancy**

10-Year Historic Trend

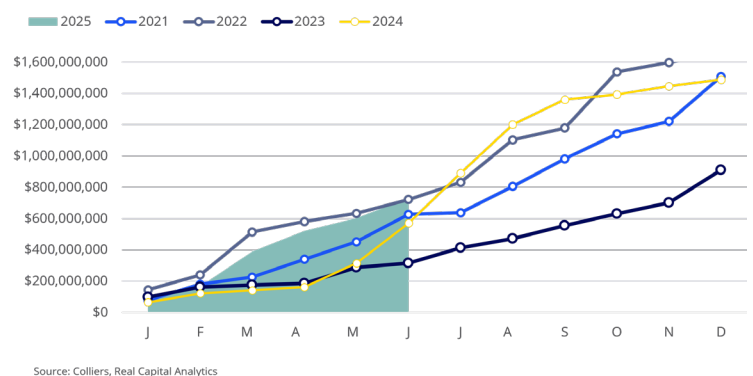


## Investment Volume

Nashville's industrial investment volume outpaced the rest of the commercial property sectors in Q2, as prices grew and deal volume was the highest relative to pre-pandemic norms. Real Capital Analytics identified Nashville in their list of the top 25 most active markets so far in 2025, outpacing Austin, Tampa, and Raleigh, among others. Transactions totaled \$731M through June, marking a 30% year-over-year increase and surpassing mid-year volumes recorded in 2021, 2023, and 2024. Pricing remains highly variable across the market, influenced by differences in product types. Over the past two years, pricing for logistics buildings has fluctuated from around \$85 per square foot in 2023 to as high as \$188 per square foot in 2025.

**Industrial Investment**

Cumulative Monthly Value (\$)



Source: Colliers, Real Capital Analytics

## Leasing Activity

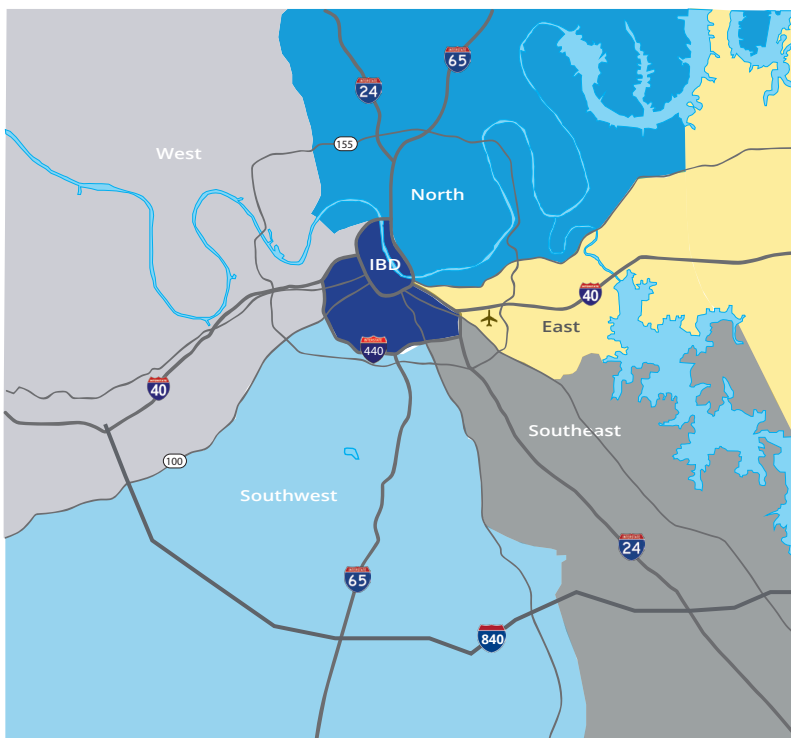
### Industrial

Property	Tenant	Lease Type	SF	Submarket
1171 Vaughn Parkway	ServeOne America	Sublease	750,000	North
1000 Hixson Boulevard	FedEx	Renewal	558,600	East
575 Maddox Simpson Parkway	True Up Companies	New Lease	205,747	East
2910 Old Franklin Road	Hypercountry Entertainment	New Lease	142,400	Southeast
400 Brick Church Park Drive	AllParts Medical	Renewal	77,453	North
8000 CentrePointe Drive	EWS Acquisition	New Lease	71,138	Southeast

## Investment Activity

### Industrial

Property	SF	Price	Price/SF	Buyer	Submarket
1301 Richard Petty Way	618,900	\$116,062,576	\$188	Amazon	East
1329 Gateway Drive	200,000	\$19,200,000	\$96	Accelerated Christian Education Inc	North
1205 3rd Avenue North	40,800	\$13,007,123	\$319	Trimark Builders LLC	IBD
658 Murfreesboro Pike	36,944	\$5,500,000	\$149	Undisclosed	IBD
6614 Robertson Avenue	19,631	\$5,500,000	\$280	Pine Bluff Materials Co LLC	West



### 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.

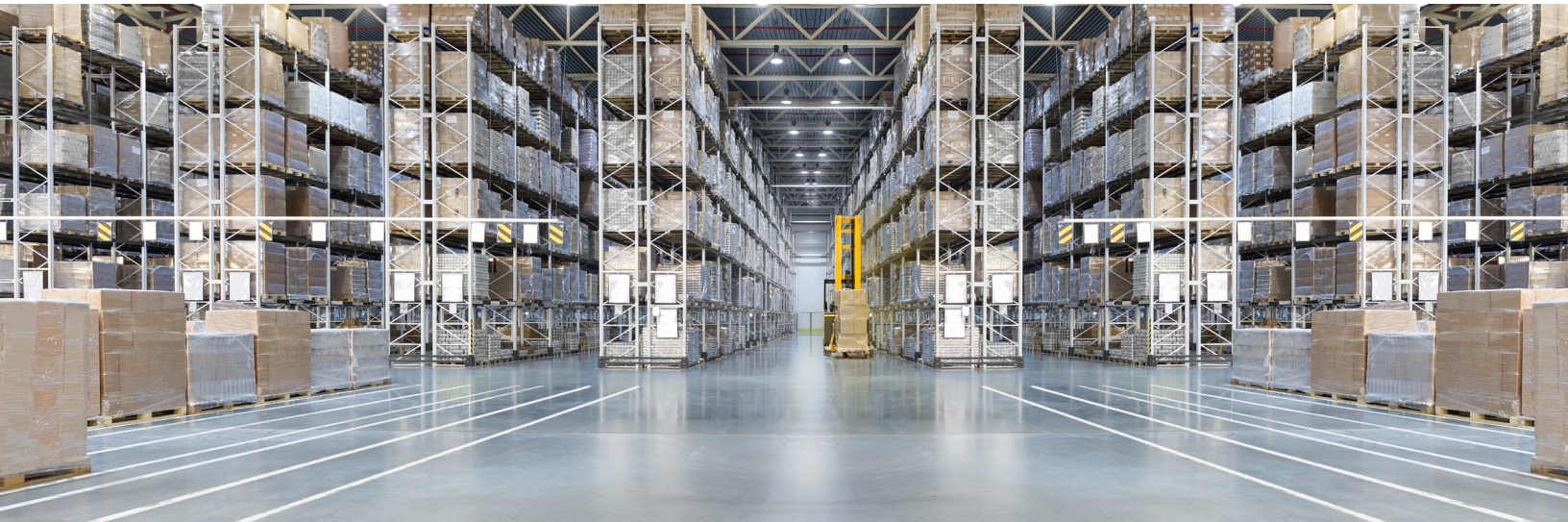
**Vacancy Rate** – Percentage rate of the total amount of vacant space divided by the total amount of existing inventory.

**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 YTD	Under Construction	Deliveries 2025	Avg Direct Asking Rate (NNN)
East										
Warehouse	53,623,601	5.8%	0.3%	6.1%	6.1%	841,214	769,394	3,110,414	1,457,573	\$11.11
Manufacturing	7,916,328	4.3%	0.0%	4.3%	2.6%	-128,333	108,860	0	0	\$8.32
Flex	1,943,490	8.0%	0.5%	8.5%	6.8%	16,223	53,652	0	0	\$16.03
TOTAL	63,483,419	5.9%	0.3%	6.2%	7.0%	729,104	931,906	3,110,414	1,457,573	\$10.82
IBD										
Warehouse	7,856,107	8.6%	0.1%	8.7%	6.2%	-19,633	80,957	0	0	\$13.15
Manufacturing	2,923,690	2.9%	1.1%	4.0%	1.8%	0	-3,048	0	0	\$9.65
Flex	1,524,334	8.8%	0.0%	8.8%	6.7%	-1,900	-9,700	0	0	\$24.45
TOTAL	12,304,131	7.3%	0.3%	7.6%	5.2%	-21,533	68,209	0	0	\$14.07
North										
Warehouse	43,793,351	7.7%	0.3%	8.0%	3.8%	857,823	1,491,804	380,366	1,447,554	\$9.72
Manufacturing	10,632,287	8.7%	0.0%	8.7%	4.2%	-31,830	0	0	0	\$8.15
Flex	2,843,587	5.9%	0.0%	5.9%	5.0%	95,439	-25,516	0	0	\$14.75
TOTAL	57,269,225	7.8%	0.3%	8.1%	3.8%	921,432	1,466,288	380,366	1,447,554	\$9.93
Southeast										
Warehouse	53,252,990	4.8%	2.0%	6.8%	4.7%	100,016	131,876	433,778	1,361,770	\$9.55
Manufacturing	16,468,923	1.7%	0.1%	1.8%	0.5%	-17,935	-17,935	0	0	\$9.95
Flex	3,636,378	6.4%	1.3%	7.7%	3.0%	-42,762	-56,689	0	0	\$17.00
TOTAL	73,358,291	5.4%	1.5%	6.9%	5.7%	39,319	57,252	433,778	1,361,770	\$9.87
Southwest										
Warehouse	7,939,694	8.5%	2.1%	10.6%	5.6%	-127,539	109,084	0	0	\$12.66
Manufacturing	2,645,789	7.7%	0.4%	8.1%	2.1%	0	-8,216	0	0	\$15.60
Flex	2,739,148	1.7%	1.9%	3.6%	2.8%	-41,709	-9,350	0	0	\$21.48
TOTAL	13,324,631	6.1%	1.5%	7.6%	5.1%	-169,248	91,518	0	0	\$13.55
West										
Warehouse	5,879,267	3.0%	1.1%	4.1%	3.5%	90,419	131,514	386,970	616,920	\$13.87
Manufacturing	3,550,515	0.0%	0.0%	0.0%	0.0%	-100,385	-100,385	0	0	\$13.74
Flex	357,129	0.0%	0.0%	0.0%	0.0%	0	0	0	0	\$13.50
TOTAL	9,786,911	2.2%	0.6%	2.8%	2.4%	-9,966	31,129	386,970	0	\$15.07
Total										
Warehouse	173,282,575	7.6%	0.9%	8.5%	5.1%	1,742,300	2,714,629	4,311,528	4,883,817	\$9.26
Manufacturing	44,137,532	4.2%	0.1%	4.3%	5.2%	-278,483	-20,724	0	0	\$8.50
Flex	13,044,066	4.6%	0.8%	5.4%	4.6%	25,291	-47,603	0	0	\$17.96
TOTAL	230,464,173	6.6%	0.8%	7.4%	4.9%	1,489,108	2,646,302	4,311,528	4,883,817	\$9.92



FOR MORE INFORMATION

**Katie Lester, CPRC**  
Principal & EVP  
Director of Research  
Nashville  
615 850 2758  
katie.lester@colliers.com

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