

Colliers

INDUSTRIAL

Q3 2026



Strong absorption and tightening vacancy defined Nashville's industrial market in Q3, as tenant demand kept pace with new supply and positioned the market for continued growth heading into 2027.

Industrial Demand Accelerates Amid Growing Pipeline

OVERALL VACANCY RATE
5.6% ▲ YOY ▼ Forecast

NET ABSORPTION (SF)
4.94M ▲ YOY ▲ Forecast

UNDER CONSTRUCTION (SF)
8.1M ▲ YOY ▼ Forecast

OVERALL ASKING LEASE RATES (NNN)
$11.17/SF ▲ YOY — Forecast

MARKET TRENDS

- Nearly 4.9 million square feet of positive net absorption was recorded in Q3, bringing year-to-date absorption to approximately 5.8 million square feet, with warehouse/distribution and manufacturing space driving most of the quarter's gains.

  Construction activity accelerated to 8.1 million square feet underway, concentrated primarily in the East and Southeast submarkets, with additional development in Northwest. Year-to-date deliveries totaled 5.3 million square feet, while total industrial inventory expanded to approximately 259.4 million square feet.

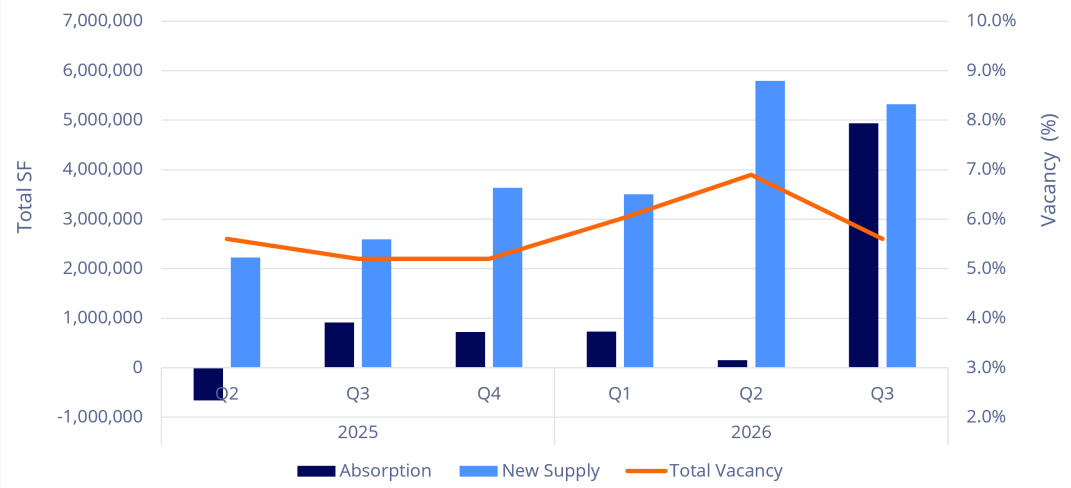
  Average asking lease rates increased to $11.17 per square foot (NNN), up from $10.29 one year ago, with office/service space commanding the highest average rate at $16.86 per square foot.

  Market fundamentals remain healthy despite an expanding supply pipeline, with overall availability at 8.2% and vacancy at 5.6%. Strong Q3 absorption helped offset new deliveries, while the 8.1 million square feet currently under construction will be an important factor to watch as new space enters the market.

HISTORIC COMPARISON

	Q3 2026	Q2 2026	Q3 2025
Total Inventory (in millions of SF)	259.3	255.2	250.2
Deliveries YTD (in thousands of SF)	5,318.1	5,790.0	2,589.0
Net Absorption (in millions of SF)	4.94	0.15	0.91
Overall Vacancy Rate	5.6%	6.9%	5.2%
Under Construction (in millions of SF)	8.1	6.1	10.6
Overall Asking Lease Rates (NNN)	$11.17	$11.00	$10.29

MARKET GRAPH



Source: Colliers Nashville

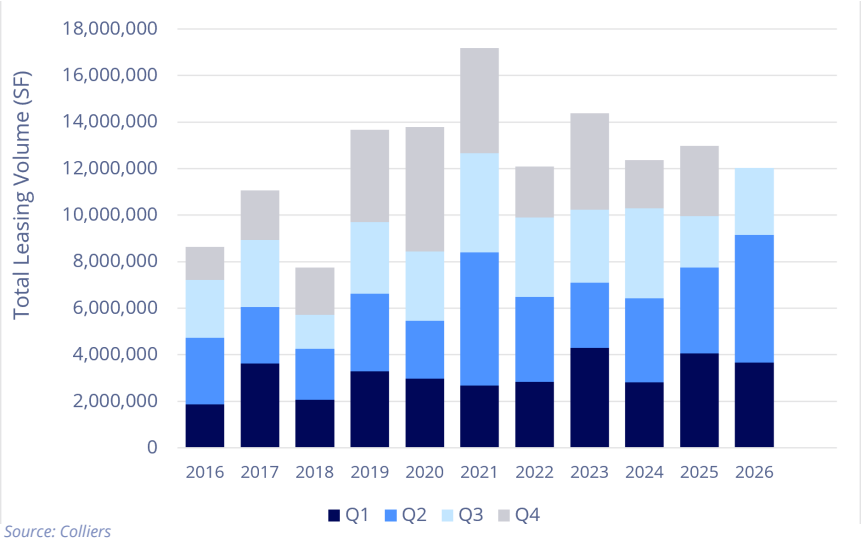
Q3 Market Activity

HISTORICAL LEASING

Nashville's industrial leasing market normalized following the record-setting pace of the pandemic years, but activity remains healthy by historical standards. Through the first three quarters of 2026, leasing activity has reached approximately 12.0M square feet, already about 93% of 2025's full-year total (13.0M SF) and roughly 2.1M SF ahead of where 2025 stood at this point. Leasing velocity has moderated from the exceptional levels of 2021, but demand remains well above most pre-pandemic levels. 2026 YTD volume has already exceeded the full-year totals for 2016 through 2018.

Q3 2026 leasing totaled nearly 2.9 million square feet, up roughly 29% from Q3 2025 but below the unusually strong Q2. The quarter's story was less about volume and more about who was moving. Among the largest deals, tenants mostly stayed put: two of the three leases of 200,000 square feet or more were renewals. The growth came from the middle of the market, where eight of the ten leases between 50,000 and 200,000 SF were new leases from tenants expanding into new space.

Historical Leasing Volume



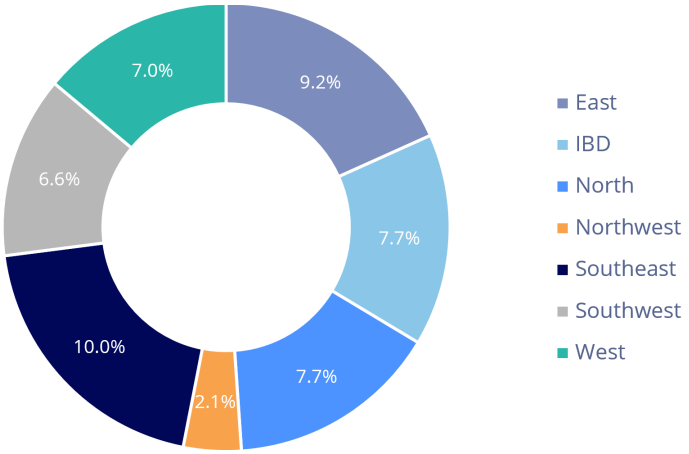
Source: Colliers

VACANCY + AVAILABILITY

The Nashville industrial market continues to demonstrate solid fundamentals, with total availability at 8.2% and vacancy at 5.6%. Leasing and occupancy gains remained concentrated in warehouse/distribution and manufacturing space, contributing to nearly 4.9 million square feet of positive net absorption during the third quarter and 5.8 million square feet year-to-date. The market also has approximately 8.1 million square feet under construction, indicating that continued demand will be important as the development pipeline delivers.

Among the major submarkets, Northwest recorded the strongest third-quarter performance, generating nearly 3.3 million square feet of positive net absorption while maintaining the region's lowest availability rate at 2.1%. Southeast continues to have the highest availability among the primary submarkets at 10.0%, with vacancy at 6.2%. The submarket recorded approximately 719,000 square feet of positive absorption during the quarter, but year-to-date absorption remains essentially flat as recently delivered and available space continues to be absorbed.

Total Availability by Submarket



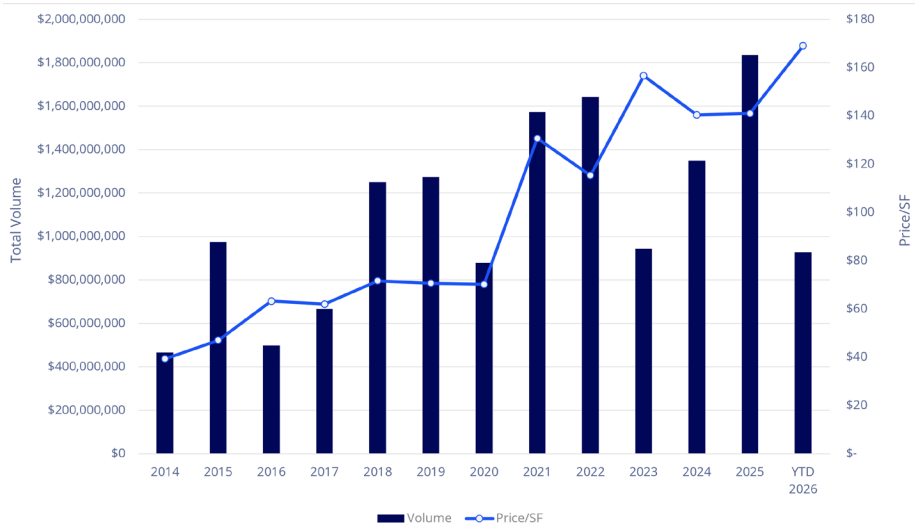
Source: Colliers

Q3 Market Activity

INDUSTRIAL INVESTMENT VOLUME

The combination of strong rent growth, relatively low vacancy, and above-average population growth continues to attract a broad range of investors, including REITs, institutional capital, and private equity groups to the Nashville market. Investment activity has remained healthy, with transaction volume over the past 12 months continuing to exceed the market's historical average. Pricing varies by property type, particularly among modern distribution facilities, although overall values have continued to appreciate. While the rapid price gains experienced in 2021 have moderated, average industrial pricing has increased by roughly $25 per square foot since then, reaching more than $160 per square foot. Q3 included several sizable transactions, led by DWS Group Americas' $81.75 million acquisition of Creekside Logistics, or approximately $220 per square foot, underscoring continued investor demand for modern industrial product in Nashville.

Annual Volume + Price Per Square Foot



Source: RCA Analytics

NASHVILLE ECONOMY

Nashville's job market is outperforming the nation, supported by gains in manufacturing, even as some white-collar sectors soften. Year-to-date job growth of 0.6% exceeds the U.S. rate of 0.4%, led by employment services, restaurants, and manufacturing. Auto manufacturing and tech are adding jobs while finance is shrinking. Looking ahead, we forecast average annual job growth of 0.6% from 2027 through 2030. Year-to-date GDP growth of 1.9% also tops the U.S. rate of 1.6%, led by professional and technical services and real estate, and we forecast average annual GDP growth of 3.2% from 2027 through 2030. Continued in-migration is also supporting the region's economic expansion. Net in-migration is estimated at 0.5% in 2026, contributing to overall population growth of 1%, with average annual growth of 0.8% forecast from 2027 through 2030. Growth in manufacturing employment and the region's expanding consumer base reinforce demand for industrial space, from production and distribution facilities to the logistics operations that serve Middle Tennessee. With employment, economic output, and demographic growth all expected to continue through 2030, Nashville's fundamentals point to sustained industrial demand in the years ahead.

Industrial Demographics - Nashville MSA

3.3M Total Population	**+6.92%** 5 Yr Proj. Pop Growth	**209,445** Industrial Workers	**+23.1K** Change last 5 Yrs
69% Labor Force Participation Rate		**209,926** Industrial Jobs	**+24.4K** Change last 5 Yrs
7.6% Manufacturing	**6.2%** Transportation/WHS	**26%** High School Graduate	**25%** Some College / **42%** Bachelor's/Grad /Prof Degree

Source: Colliers Atlas, Nashville Area Chamber of Commerce

Nashville Industrial Development Pipeline: +100,000 SF

SELECTED DELIVERIES OVER 100,000 SF:

Q4 2026
1.7M SF

2027
4.1M SF



Jetway Logistics
411,600 SF
East



Constellation Goodlettsville 65
352,620 SF
Northwest



Hermitage Logistics Hub
213,840 SF
East



Station24 Commerce Ctr - Bldg III
104,960 SF
Southeast



INDUS Commerce Center @ 840 - Bldg II
507,000 SF



Northside Logistics: 200, 300, 500
283,323 SF
Northwest



Co-Op Business Park: Phase II - Bldgs IV, V, VI
442,200 SF
Southeast



Prologis Mountain View: Phase I - Bldgs I, II, III
1,076,280 SF
East



Airpark West
388,215 SF
IBD



Station24 Commerce Ctr - Bldgs I + II
180,114 SF
Southeast



NorthPark Logistics III
131,220 SF
Northwest



Logistics Way Exchange - Bldgs I, II, III
285,886 SF
Northwest



Airpark East - Bldgs II + III
318,250 SF
Southeast



Cornerstone Business Park - Bldgs I, II, III, IV
491,772 SF
Southeast



Cubes at Sparta Pike - Bldg D
280,000 SF
East



North Thompson Business Park - Bldgs I + II
303,460 SF
Southeast

Q4 2026

2027

Significant Lease Activity

TENANT	PROPERTY	LEASE TYPE	SIZE (SF)	SUBMARKET
CTDI	Eastgate Distribution Center I	Renewal	403,750	East
Confidential	700 Airpark Commerce Drive	New Lease	252,000	Southeast
Sims Lifecycle Services	Mid South Logistic IV	Renewal	200,000	Southeast
Confidential	485 Craighead Street	New Lease	191,475	IBD
CE Rental, Inc.	City View Building I - 500 Skyline Drive	New Lease	149,520	West
Christie Lites Enterprises USA, LLC	Cedar Creek - 5600 E. Division Street	Renewal	141,032	East

Significant Sales Activity

PROPERTY	SIZE (SF)	PRICE	PRICE/SF	BUYER	SUBMARKET
Creekside Logistics - 8120 Tridon Drive	370,809	$81,750,000	$220	DWS Group Americas	Southeast
Park 109 - 1770 Callis Road	374,946	$78,100,000	$208	Lincoln Property Co	East
Eastgate Distribution Center II	403,750	$53,250,000	$132	TA Realty	East
Prinova - 4637 Port Royal Road	330,484	$51,000,000	$154	PCCP LLC, Distribution Realty	Southeast
1256 Antioch Pike	222,225	$39,500,000	$178	Investcorp	Southeast

Nashville | Q3 2026 | Industrial | Market Statistics

SUBMARKET/ TYPE	TOTAL INVENTORY SF	DIRECT AVAILABILITY RATE	SUBLEASE AVAILABILITY RATE	AVAILABILITY RATE	VACANCY RATE	NET ABSORPTION CURRENT	NET ABSORPTION YTD	UNDER CONSTRUCTION	DELIVERIES YTD	AVG DIRECT ASKING RATE (NNN)
East										
WD	55,698,891	8.9%	1.4%	10.2%	8.0%	422,734	1,168,890	3,137,298	2,048,063	$12.34
OS	1,992,635	7.8%	0.0%	7.8%	6.7%	46,489	(2,820)	0	0	$16.26
MF	6,553,799	0.8%	0.0%	0.8%	0.0%	267,640	118,510	1,608,527	0	-
Total	**64,245,325**	**8.0%**	**1.2%**	**9.2%**	**7.2%**	**736,863**	**1,284,580**	**4,745,825**	**2,048,063**	**$12.69**
IBD										
WD	7,545,529	9.1%	0.5%	9.6%	3.4%	(12,453)	28,719	0	0	$13.01
OS	1,444,585	11.3%	0.0%	11.3%	7.6%	12,677	17,477	0	0	$20.33
MF	3,194,310	1.6%	0.0%	1.6%	0.3%	0	0	0	0	$10.00
Total	**12,184,424**	**7.4%**	**0.3%**	**7.7%**	**3.1%**	**224**	**46,196**	0	0	**$13.23**
North										
WD	47,062,002	8.2%	0.6%	8.7%	5.5%	233,375	1,604,826	0	992,821	$12.18
OS	3,033,136	5.7%	0.0%	5.8%	5.9%	7,160	(17,982)	0	0	$16.12
MF	7,737,519	2.0%	0.0%	2.0%	2.0%	(90,055)	(41,939)	0	0	$8.26
Total	**57,832,657**	**7.2%**	**0.5%**	**7.7%**	**5.1%**	**150,480**	**1,544,905**	0	**992,821**	**$12.08**
Northwest										
WD	7,609,047	3.6%	0.0%	3.6%	6.1%	2,235,380	2,161,380	1,050,908	1,082,690	$10.32
OS	689,607	5.5%	0.0%	5.5%	5.5%	(7,500)	15,000	0	0	$14.44
MF	11,273,818	0.0%	0.8%	0.8%	0.0%	1,034,500	800,000	0	0	-
Total	**19,572,472**	**1.6%**	**0.5%**	**2.1%**	**2.6%**	**3,262,380**	**2,976,380**	**1,050,908**	**1,082,690**	**$11.09**
Southeast										
WD	57,623,686	11.5%	1.2%	12.7%	7.7%	732,291	(118,994)	2,324,516	1,194,550	$9.38
OS	4,178,547	6.6%	0.9%	7.4%	7.2%	(13,119)	57,047	-	-	$17.32
MF	15,700,383	0.7%	0.2%	0.8%	0.5%	-	63,589	-	-	$12.00
Total	**77,502,616**	**9.1%**	**1.0%**	**10.0%**	**6.2%**	**719,172**	**1,642**	**2,324,516**	**1,194,550**	**$10.19**

Nashville | Q3 2026 | Industrial | Market Statistics

SUBMARKET/ TYPE	TOTAL INVENTORY SF	DIRECT AVAILABILITY RATE	SUBLEASE AVAILABILITY RATE	AVAILABILITY RATE	VACANCY RATE	NET ABSORPTION CURRENT	NET ABSORPTION YTD	UNDER CONSTRUCTION	DELIVERIES YTD	AVG DIRECT ASKING RATE (NNN)
Southwest										
WD	9,930,506	10.7%	0.6%	11.3%	8.9%	(7,648)	(108,861)	0	0	$11.86
OS	3,439,706	1.8%	0.3%	2.1%	1.5%	29,393	44,085	0	0	-
MF	4,998,756	0.3%	0.0%	0.3%	0.2%	171,449	(5,560)	0	0	-
Total	**18,368,968**	**6.2%**	**0.4%**	**6.6%**	**5.1%**	**193,194**	**(70,336)**	**0**	**0**	**$11.86**
West										
WD	5,695,594	9.2%	0.8%	10.0%	8.1%	(121,361)	24,080	0	0	$12.50
OS	380,253	2.6%	0.0%	2.6%	0.0%	-	-	0	0	-
MF	3,574,371	2.8%	0.0%	2.8%	0.0%	-	-	0	0	-
Total	**9,650,218**	**6.6%**	**0.5%**	**7.0%**	**4.8%**	**(121,361)**	**24,080**	**0**	**0**	**$12.50**
Total										
WD	191,165,255	9.4%	1.0%	10.4%	7.1%	3,482,318	4,760,040	6,512,722	5,318,124	$10.57
OS	15,158,469	5.8%	0.3%	6.1%	5.4%	75,100	112,807	-	0	$16.86
MF	53,032,956	0.9%	0.2%	1.1%	0.5%	1,383,534	934,600	1,608,527	0	$9.11
Total	**259,356,680**	**7.5%**	**0.8%**	**8.2%**	**5.6%**	**4,940,952**	**5,807,447**	**8,121,249**	**5,318,124**	**$11.17**

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Industrial Disclaimer

Colliers' statistical tracked set for Nashville includes all single and multi-tenant industrial properties above 10,000 square feet. Heavy manufacturing and data center facilities are excluded from the total tracked inventory.

$5.7B+
ANNUAL REVENUE

70
COUNTRIES WE OPERATE IN

$109B+
ASSETS UNDER MANAGEMENT

47,000
LEASE AND SALE TRANSACTIONS

2B
SQUARE FEET MANAGED

24,000
PROFESSIONALS

Number of countries includes affiliates

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