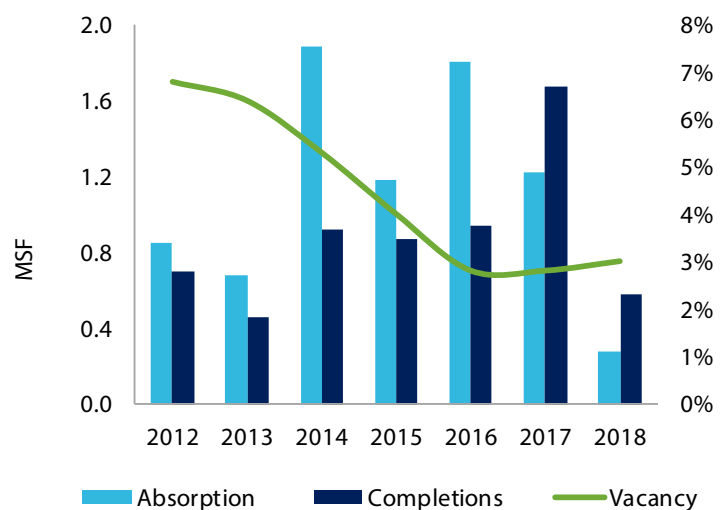


# Nashville

## Retail Market 4Q 2018

A significant rise in population coupled with economic diversity have played pivotal roles in the success of Nashville's commercial real estate sector in recent years, a trend that is expected to persist into 2019. The demographic makeup of Nashville's population has contributed to a tight, rapidly growing labor market that, in turn, has drawn employers, investors and developers to the region and prompted growth in all commercial real estate sectors. While housing affordability will be closely watched in the coming years, Nashville's overall outlook is positive, with the city placing in the top five overall real estate prospects in Urban Land Institute's latest Emerging Real Estate Trends report.

## Absorption, Deliveries, & Vacancy





STK Interior

## Retail Overview

Nashville continues to be a healthy environment for retail as the booming tourism industry, low unemployment rate and increased income are all driving consumer demand. A rapid increase in multifamily and office construction in the urban submarkets have caused retail operations to grow exponentially, while suburban communities are implementing a strong retail presence in their mixed-use developments, creating live-work-play environments that will compete with the city. Retail vacancy ended the year at 3.0%, up 20 basis points (bps) year-over-year. Due to a strong economic base and high-density retail remains tight, particularly in the Green Hills/ Belle Meade, Brentwood, and Vanderbilt/ West End submarkets. Nashville continues to attract new brands with recent tenants in the market including the national retailer Crate & Barrel and upscale steakhouse STK. After scouting the market for years, Tanger Outlets is also entering the market, recently cementing a land deal within the Century Farms development in the southeast Nashville community of Antioch.

### Key Restaurant Openings of 2018

Nashville placed in the **Top Five Overall Real Estate Prospects** in **Urban Land Institute's** latest *Emerging Trends in Real Estate* report.



## Top Lists of 2018

### Top Construction Completions

Property	Square Feet	Submarket	Major Tenant	Completion Quarter
Restoration Hardware	70,000	Green Hills - Belle Meade	Restoration Hardware	2Q18
Capitol View Block D (Retail)	60,000	Downtown	Publix	4Q18
Honda of Murfreesboro	51,084	Rutherford County	Honda	1Q18

### Top Under Construction

Property	Square Feet	Submarket	Major Tenant	Completion Quarter
Fifth + Broadway	180,000	Downtown	Food Hall Co. / H&M	4Q19
Marketplace at Savannah Ridge	124,950	Rutherford County	-	1Q19
1200 Broadway	41,500	Downtown	Whole Foods	3Q19

### Top Sale Transactions

Property	Price	Price/ SF	Sale Date	Submarket	Buyer	Seller
305 - 311 Broadway	\$32,000,000	\$800	March-18	Downtown	TC Restaurant Group	The Ardent Companies
Maples Shopping Center	\$29,050,000	\$337	April-18	Cool Springs/ Franklin	Black Equities Group, Ltd	Brookside Properties
Providence Commons	\$28,200,000	\$256	January-18	Mt Juliet/ Lebanon	TA Realty	Boyle Investment Co.
Oakwood Commons	\$24,400,000	\$88	January-18	Donelson/ Hermitage	Big V Property Group	Brixmor Property Group
Mallory Corners	\$14,420,000	\$206	August-18	Cool Springs/ Franklin	Longpoint Realty Partners	Ackerman & Co.



Restoration Hardware Green Hills



Honda of Murfreesboro

	Inventory	Vacancy	Absorption	Deliveries	Under Construction
<b>Submarket</b>					
Bellevue/ West Nashville	6,887,451	2.2%	25,242	1,610	21,686
Brentwood	3,292,385	1.1%	(7,014)	4,138	31,790
Columbia	5,369,936	2.8%	(63,823)	15,637	0
Cool Springs/ Franklin	12,603,826	1.7%	100,781	72,658	117,596
Donelson/ Hermitage	6,737,826	5.3%	(78,017)	0	28,600
Downtown	3,753,281	4.1%	65,904	107,042	294,466
Green Hills/ Belle Meade	3,931,502	1.7%	61,398	86,309	0
Hendersonville/ Gallatin	9,059,132	4.7%	(139,234)	58,682	0
Mt. Juliet/ Lebanon	8,462,878	2.6%	(80,856)	19,000	28,273
North Nashville	11,746,843	2.6%	175,685	23,767	15,150
Rutherford County	16,030,428	3.6%	217,217	123,132	224,412
Southeast Corridor	12,659,317	3.9%	34,747	14,421	5,283
Vanderbilt/ West End	3,789,542	1.6%	10,300	30,000	0
<b>General Retail</b>					
General Retail	63,393,165	2.1%	412,697	402,776	729,130
Mall	7,189,327	4.3%	(5,812)	0	0
Power Center	7,353,523	2.5%	(86,433)	0	0
Shopping Center	33,400,141	4.4%	(13,257)	105,212	40,381
Specialty Center	828,054	14.3%	(24,580)	0	0
<b>TOTAL</b>	<b>112,164,210</b>	<b>3.2%</b>	<b>282,615</b>	<b>507,988</b>	<b>769,511</b>

## 5,600 New Jobs Announced... All Before Lunch

Nashville continues to experience solid economic momentum, demonstrated by steady tenant demand and vigorous job growth. In its November 13th announcement, Amazon reported that the company plans to make Nashville the home of their new East Coast operations hub, which will house the tech and management functions of the company's Retail Operations division. The Amazon hub is now the largest job announcement in the history of the state of Tennessee, and will bring an estimated 5,000 new jobs to Nashville.

Within hours of the Amazon announcement, news of EY, formerly called Ernst & Young, opening a 600-person office near Music Row was reported from multiple news outlets. The office will serve as EY's Exceptional Delivery Growth Engine Center and will specialize in tech-enabled tax-managed services, software development, as well as design and testing. EY and Amazon join the ranks of numerous major corporations who have reaffirmed their confidence in Nashville, including AllianceBernstein and GlockStore.com who are also in the process of relocating their corporate headquarters to Nashville.



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