

The State of Nashville Commercial Real Estate. Nashville, the capital of Tennessee, is known for its dynamic economy, cultural richness, and rapid growth. In fact, the Urban Land Institute/PwC Emerging Trends in Real Estate report ranks Nashville as the #1 real estate market to watch in 2024.

The Nashville Commercial Real Estate Market

Markets



<https://www.crexi.com/blog/nashville-commercial-real-estate-market>

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Nashville is one of the fastest-growing economic centers in the United States and represents a hotbed of promising development and commercial real estate investment opportunities.

Crexi connects parties interested in [Nashville commercial real estate](#) to hundreds of viable properties and the tools needed to research, analyze, and acquire the perfect fit.

Brokers in Nashville and those representing Nashville property for sale also rely on Crexi to manage leads, list assets, and navigate more deals to closing, all while saving time. As of this writing, Crexi's [commercial real estate tools](#) have assisted brokers in closing more than \$615 billion in property value and marketing over \$7 trillion in overall assets.

Crexi proudly supports Nashville, Franklin, Murfreesboro, Hendersonville, Lebanon, and the surrounding areas as the market's fastest-growing online CRE platform.



The State of Nashville Commercial Real Estate

Nashville, the capital of Tennessee, is known for its dynamic economy, cultural richness, and rapid growth. In fact, the Urban Land Institute/PwC [Emerging Trends in Real Estate](#) report ranks Nashville as the #1 real estate market to watch in 2024.

Located in the heart of the state, Nashville is the largest city in Tennessee and the core of the state's most populous metropolitan area. The city's skyline, marked by prominent buildings like the AT&T Building and Bridgestone Arena, reflects its blend of historical charm and modern development.

As a key hub for music, healthcare, and education, Nashville houses renowned institutions such as Vanderbilt University. It is also famously dubbed "[Music City](#)" for its deep-rooted influence on the music industry, particularly country music.

Nashville is experiencing significant economic and population growth, attracting new residents and businesses alike. The city's diverse economy is supported by thriving industries such as healthcare, technology, finance, and manufacturing.

Nashville's [commercial real estate market](#) is equally dynamic, with major residential, mixed-use developments, and commercial projects transforming the urban area.

Nashville Regional Breakdown

Nashville has consistently seen robust population growth, driven by its diverse economy and vibrant cultural scene. This upward trend is fueled by an influx of young professionals and families attracted to the area's job opportunities and [quality of life](#). The city's ability to attract and retain residents illustrates its strong economic fundamentals and potential for sustained growth and development.

- More than 2 million reside in the Nashville-Davidson-Murfreesboro-Franklin metropolitan area.
- Population has increased by nearly 15% since 2010, according to the [United States Census Bureau](#).
- Over the past year alone, the population of Nashville grew by [more than 1.5%](#).
- The median age is 37.1, a little less than the figure in the US, according to data from [CensusReporter.org](#).
- The per capita income is \$43,886, and the median household income is \$80,034, which are both figures that are higher than the amounts in the US.



Nashville Job Market

Nashville's economy is supported by key industries such as healthcare, technology, finance, and manufacturing. Major employers like HCA Healthcare, Nissan North America, and [Amazon](#) have a significant presence, contributing to robust job growth and economic resilience.

The city has also seen an [influx of tech startups](#) and creative enterprises, further diversifying its economic base. Government initiatives, such as tax incentives and infrastructure investments, are also crucial in attracting new businesses and supporting expansion efforts.

- Nashville is ranked as the 6th best performing city in the US by the [Milken Institute](#), based on factors such as labor market performance, high-tech impact, and access to economic opportunities.
- Unemployment rate is 2.3% ([as of May 2024](#)), while the employed population has grown by nearly [2% year-over-year](#).
- According to data from the [St. Louis Fed](#), the metropolitan area's GDP is almost \$188 billion, increasing by 45% over the past 10 years.
- The [Nashville Chamber of Commerce](#) notes Nashville is ranked as the #1 hottest job market in the US, #6 in net migration among Generation Z, and #15 for the most self-employed.
- [Target industries in Nashville](#) include health care, music and entertainment, advanced manufacturing, corporate operations, distribution and logistics, and technology.
- Top 5 employers in Nashville are Vanderbilt University Medical Center and Monroe Carell Jr. Children's Hospital at Vanderbilt, HCA Healthcare, State of Tennessee, U.S. Government, and Nissan Americas, according to the [Nashville Business Journal](#).
- One of the most notable commercial real estate projects is the completion of the Pinnacle Tower at [Nashville Yards](#), which will feature a 4,500-capacity event space.
- [Major mixed-use developments](#) like Paseo South Gulch and the River North project are set to redefine urban living and commercial spaces in the city.

- The successful relocation of a manufacturing facility has also paved the way for [new infill development in East Nashville](#), highlighting the ongoing transformation of various neighborhoods.
- More than 41% of residents hold a bachelor's or postgraduate degree, a rate about 20% higher than in the US.
- The three largest universities in Nashville are [Vanderbilt University](#), Tennessee State University ([TSU](#)), and [Belmont University](#). Each offers a diverse range of academic programs.
- Nashville is within a 2-day drive of 70% of the US population, and its transportation infrastructure includes major interstates I-40, I-65, and I-24 and the Nashville International Airport ([BNA](#)).
- The metro area's strategic central location places it within a two-day ground delivery reach of 72% of the U.S. population, making it a prime hub for logistics and distribution.



Nashville Industrial Market

The [Nashville industrial market](#) is experiencing strong momentum. Significant occupancy gains in key submarkets are driving positive absorption. Leasing activity remains robust, marked by an increase in new transactions and a surge in large-

scale deals. At the same time, asking rents continue to rise, reflecting high demand and new speculative developments.

Market overview ([Cushman & Wakefield Q1 2024 Nashville Industrial Report](#))

- Inventory: 250,874,195 SF
- Vacancy rate: 3.9%
- Under construction: 9,887,020 SF
- Deliveries: 682,590 SF
- Net absorption: 978,584 SF (Q1 2024)
- Leasing activity: 2,219,919 SF
- Key leases by tenant: Shoals Technologies Group, Schneider Electric, UPS, Logochair
- Largest submarkets: Southeast, East, Industrial CBD, North

Crexi Insights

These are the most recent Nashville industrial lease and sales trends from Crexi Insights (as of July 2024):

For Lease (active)

- Asking rate/SqFt (median): \$14 per year
- Median SqFt/listing: 26,000
- Days on market: 147
- Total listings on Crexi: 86 spaces

For Sale (active)

- Median asking price: \$3.62 million
- Price/SqFt: \$243
- Days on market: 363
- Total listings on Crexi: 18

Sales Comps (past 12 months)

- Median sold price: \$2.35 million

- Sold price/SqFt: \$162
- Total sales volume: \$147 million
- Sold cap rate: 6.6%
- Median SqFt sold/transaction: 8,233
- Total SqFt sold: 749,000
- Days on market (median): 302



Nashville Office Market

[Nashville's office market](#) continues to show resilience, maintaining positive absorption for the fourth consecutive quarter. The overall vacancy rate has decreased slightly, while sublease availability has followed a downward trend. Without any new inventory added recently, the market remains dynamic with high rental rates, with ongoing construction meeting the demand for flexible, amenity-rich office spaces.

Market overview ([Colliers Nashville Office Market Report Q1 2024](#))

- Inventory: 61,067,759 SF
- Vacancy rate: 15.9%

- Net absorption: 145,510 SF (Q1 2024)
- Deliveries: 0 SF
- Under construction: 1,910,301 SF
- Key lease transactions by tenant: KIMC, PriceWaterhouseCoopers (PwC), e | spaces
- Largest submarkets: Cool Springs, Brentwood, Airport South, West End

Crexi Insights

If you're in search of the freshest data on Nashville's office market, turn to Crexi Insights as your first choice. The platform provides up-to-date data on the city's commercial real estate market, including lease trends, sale listings, comparables. Here are the latest stats and trends as of July 2024:

For Lease (active)

- Asking rate/SqFt (median): \$28 per year
- Median SqFt/listing: 1,921 SF
- Days on market: 336
- Total listings on Crexi: 376 spaces

For Sale (active)

- Median asking price: \$2 million
- Price/SqFt: \$364
- Asking cap rate: 6.7%
- Days on market: 224
- Total listings on Crexi: 40

Sales Comps (past 12 months)

- Median sold price: \$1.2 million
- Sold price/SqFt: \$305
- Total sales volume: \$413 million
- Sold cap rate: 6.0%
- Median SqFt sold/transaction: 3,987 SF

- Days on market (median): 142



Nashville Retail Market

The [retail market in Nashville](#) remains robust, driven by a large millennial and Gen Z population and a thriving tourism industry. Despite a slowdown in investment activity due to elevated interest rates and economic uncertainty, retail rents have steadily increased, supported by low vacancy and moderated supply. Strong tenant demand and disciplined development, primarily through build-to-suit projects and mixed-use developments, continue to shape the market, especially in high-growth submarkets.

Market overview ([Avison Young Nashville Retail Market Snapshot Q4 2023](#))

- Inventory: 122,830,606 SF
- Vacancy rate: 3.2%
- Under development: 1,163,925 SF
- Deliveries: 1,044,805 SF (2023)
- Net absorption: 1,138,675 SF
- Submarkets with the most absorption: Antioch, Hendersonville, Mt. Juliet

- Largest submarkets (by inventory): Murfreesboro, Cool Springs/Franklin, Downtown/Midtown/Hillsboro Village, Rivergate

Crexi Insights

Nashville retail lease and sales trends from Crexi Insights (as of July 2024):

For Lease (active)

- Asking rate/SqFt (median): \$30 per year
- Median SqFt/listing: 2,430 SF
- Days on market: 282
- Total listings on Crexi: 255 spaces

For Sale (active)

- Median asking price: \$2.07 million
- Price/SqFt: \$375
- Asking cap rate: 5.5%
- Days on market: 145
- Total listings on Crexi: 56

Sales Comps (past 12 months)

- Median sold price: \$1.5 million
- Sold price/SqFt: \$325
- Total sales volume: \$429 million
- Sold cap rate: 5.4%
- Median SqFt sold/transaction: 3,289 SF
- Days on market (median): 166



Nashville Multifamily Market

[Nashville's multifamily market](#) continues to expand, supported by [steady job growth](#) that surpasses the national average. [Permits for multifamily units are increasing](#), ensuring a continued supply to meet the demand driven by the city's economic vitality. This growth trend is expected to persist, with a stable pace of job additions and ongoing development activity in the multifamily sector.

Market overview ([Colliers Nashville Multifamily Market Report Q1 2024](#))

- Total housing units: 889,476
- Multi-unit inventory: 22,369 units
- Vacancy rate: 6.2%
- Average effective rent: \$1,603
- Deliveries: 3,120 units
- Net absorption: 10,026
- Under construction: 12,763 units in 40 projects (+100 units)
- Top submarkets for construction: Central Nashville 10,547 units, Franklin/Brentwood 4,287 units, Hermitage/Mount Juliet/Lebanon 2,754 units

- Recent sales: The Everly at Historic Franklin \$66.5 million, The Fitzroy at Lebanon Marketplace \$49.5 million, Priest Lake Apartment Homes \$45.2 million

Crexi Insights

Here are the most recent insights from Crexi on the Nashville multifamily market (as of July 2024):

For Sale (active)

- Median asking price: \$1.35 million
- Price/SqFt: \$303
- Price/Unit: \$297,000
- Asking cap rate: 5.7%
- Days on market: 158
- Total listings on Crexi: 27