



MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.1% Vacancy Rate	▬	▲
1.9M YTD Net Absorption, SF	▼	▲
\$9.19 Asking Rent, PSF (Overall, Net Asking Rent)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.2M Nashville Employment	▲	▲
2.9% Nashville Unemployment Rate	▼	▲
4.2% U.S. Unemployment Rate Source: BLS	▼	▲

ECONOMY

Nashville's economy maintained steady growth, with employment rising 0.8% year-over-year (YOY) to more than 1.2 million jobs. The metro's unemployment rate remained low at 2.9%, 130 basis points (bps) below the national rate of 4.2%. Manufacturing employment increased 0.6% YOY to 88,700 jobs in August, supporting the region's industrial economy. Tennessee ranked third in Area Development's 2026 Top States for Doing Business, driven by strengths in site readiness, industrial space availability, energy capacity, and logistics infrastructure, positioning Nashville for continued industrial success.

SUPPLY AND CONSTRUCTION

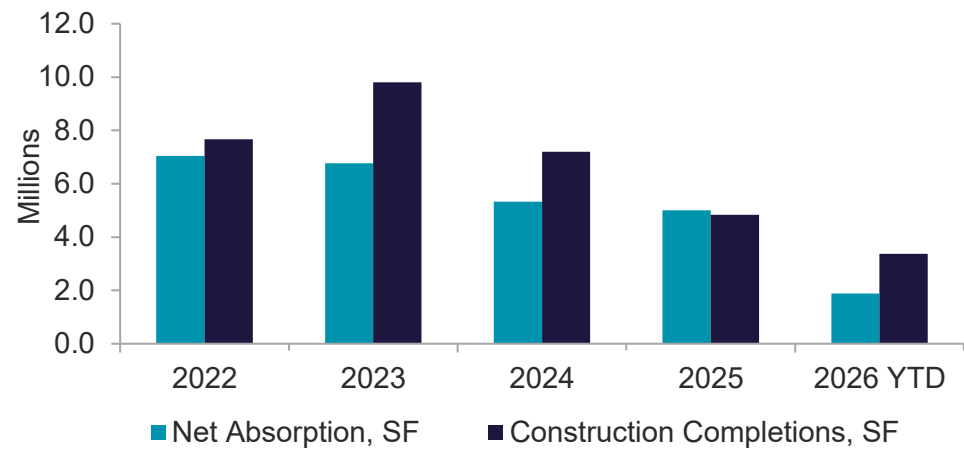
With net absorption of 999,261 sf largely offsetting new supply, Nashville's overall vacancy rate held steady at 5.1%, unchanged quarter-over-quarter (QOQ) and up 52 bps YOY. Vacancy decreased most significantly in the East, falling from 8.9% to 8.1% QOQ, supported by the market's strongest occupancy gains.

Nashville delivered 1.1 million square feet (msf) of new industrial space in Q3, the second consecutive quarter of more than 1.0 msf of new supply, bringing year-to-date completions to nearly 3.4 msf. Five of the quarter's six new deliveries were in the Southeast submarket. The smallest of the six, CO-OP Business Park – Building 1 (79,380 sf), was preleased in full by four smaller tenants.

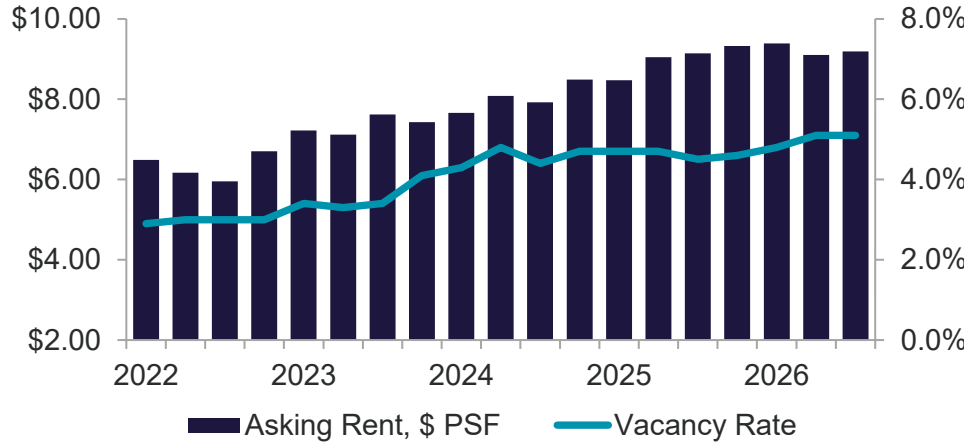
The active construction pipeline expanded from 5.8 msf to 7.5 msf in Q3. The East submarket accounted for the largest share of the pipeline at 3.7 msf, nearly half of Nashville's total, including 2.1 msf across Central Pike Logistics Center and The Cubes at I-40. The Industrial Central Business District (ICBD) pipeline also more than doubled QOQ to 1.5 msf as five buildings exceeding 100,000 sf each broke ground during the quarter. Of the 7.5 msf underway, about 4.9 msf is slated to deliver in Q4. Build-to-suit projects account for 1.1 msf of the pipeline, led by Northpark Logistics Building 5 (530,880 sf), and 0.6 msf of the speculative space underway is already preleased.

If everything slated to complete in Q4 delivers on time, 2026 would finish with roughly 8.3 msf of new supply, up 71.0% from 2025 and about 7.5% above the five-year average of 7.7 msf.

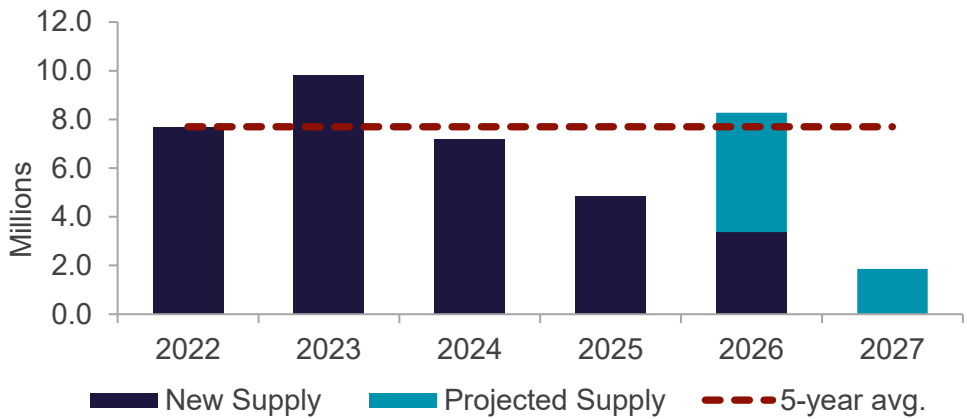
SPACE DEMAND / DELIVERIES



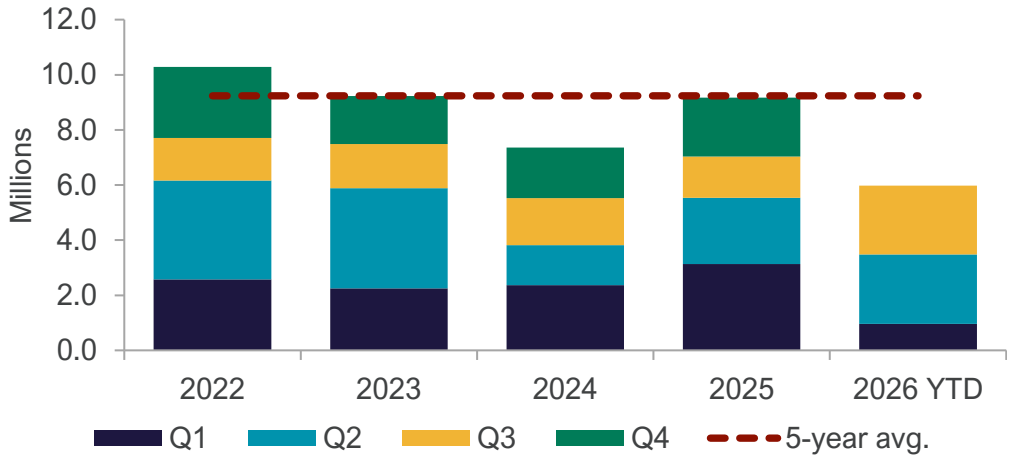
OVERALL VACANCY & ASKING RENT



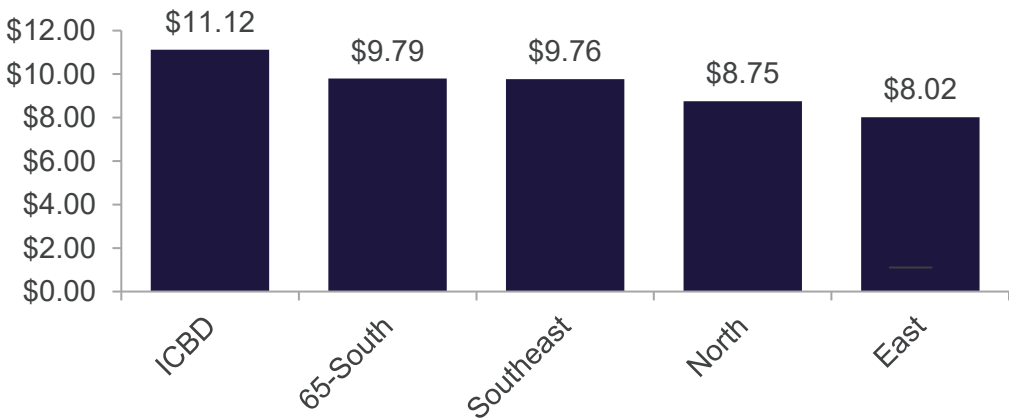
NEW SUPPLY



NEW LEASING ACTIVITY



OVERALL RENT BY SUBMARKET (\$PSF, NNN)



PRICING

Overall asking rents across Nashville remained relatively stable, increasing a modest 0.9% QOQ and 0.5% YOY to \$9.19 per square foot (psf). The ICBD remained Nashville’s highest priced submarket, with overall rents of \$11.12 psf and direct rents—which exclude sublease space offerings—of \$11.24 psf.

The Southeast recorded the strongest quarterly rent growth, with overall asking rates increasing 6.0% to \$9.76 psf. The increase reflected a shift in available vacant inventory, as higher-priced space returned to the market following tenant move-outs while leasing reduced lower-priced options. Asking rents also increased in 65-South, rising 1.3% to \$9.79 psf. The North’s asking rents edged down 1.3% to \$8.75 psf, while East rates remained essentially unchanged at \$8.02 psf.

DEMAND

Nashville recorded 2.5 msf of new leasing activity in the third quarter, on par with Q2 and exceeding four of the last five quarterly totals. Leasing was up 65.6% from Q3 2025, though year-to-date leasing remains 15.1% below the same point in 2025. The East led all submarkets with 1.4 msf across six deals, followed by the ICBD (548,350 sf) and the Southeast (438,054 sf). Two East transactions—Modular Power Solutions’ 600,285-sf lease at Cedar Farms II and Lagrand’s 400,064-sf lease at Speedway Industrial Park Building 15—accounted for 40.2% of Nashville’s new leasing.

Renewal activity totaled 740,863 sf, down 81.9% QOQ following an unusually strong Q2 with 4.1 msf driven by East and Southeast renewals. The largest Q3 renewals were Christie Lites’ 141,032 sf at Cedar Creek and Sunrise Medical’s 134,640 sf at Beckwith Farms – Building 1, both in the East submarket.

Net absorption totaled nearly 1.0 msf in Q3, bringing year-to-date occupancy gains to 1.9 msf. The East (473,785 sf) and the Southeast (369,538 sf) accounted for 84.4% of quarterly absorption. Major move-ins included Modular Power Solutions at 135 Logistics Drive (600,285 sf) in the East submarket and Bay Logistics at Rutherford Business Center (226,938 sf) and Connectiv at MidSouth Logistic I (199,799 sf) in the Southeast submarket.

OUTLOOK

- With 7.5 msf under construction and roughly half of the space in the East, new deliveries are likely to keep upward pressure on vacancy in the submarket in the near term.
- Leases signed in Q3 are expected to translate into additional move-ins in the coming quarters, supporting continued occupancy gains.
- Large-block demand was evident in Q3, with four leases above 200,000 sf signed, which is likely to continue supporting leasing of both existing and newly delivered space.

MARKET STATISTICS**

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT (TOTAL)*
65-South	12,014,867	897,092	7.5%	69,414	-7,898	223,767	0	0	\$9.79	\$9.79
East	53,840,751	4,341,407	8.1%	473,785	1,131,650	2,005,316	3,692,721	1,151,585	\$8.01	\$8.02
Industrial CBD	73,401,902	2,894,523	3.9%	86,524	423,405	1,936,816	1,499,041	0	\$10.58	\$11.12
North	49,935,336	2,070,347	4.2%	0	95,062	310,283	1,217,362	860,441	\$8.75	\$8.75
Southeast	65,553,092	3,047,881	4.6%	369,538	275,197	1,495,868	1,041,796	1,356,024	\$9.80	\$9.76
West	7,843,645	38,400	0.5%	0	-38,400	0	0	0	N/A	\$6.00
NASHVILLE TOTALS	262,589,593	13,289,650	5.1%	999,261	1,879,016	5,972,050	7,450,920	3,368,050	\$9.05	\$9.19

*Rental rates reflect weighted net asking \$psf/year

**Statistics not reflective of U.S. MarketBeat

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Cedar Farms II	East	Modular Power Solutions	600,285	New
Speedway Industrial Park – Building 15	East	Lagrand	400,064	New
Beckwith Farms – Building 10	East	Fluence	237,450	New
Rutherford Business Center	Southeast	Bay Logistics	226,938	New
485 Craighead St.	Industrial CBD	Construction Resources	192,240	New
City View – Building 1	Industrial CBD	Curated Events	149,520	New
Cedar Creek	East	Christie Lites Enterprises USA	141,032	Renewal*
Beckwith Farms – Building 1	East	Sunrise Medical	134,640	Renewal*
1975 Joe B Jackson Pkwy	Southeast	Saunders Electric	109,807	New
Provident Music Group Distribution	Industrial CBD	Advanced Composites	100,000	Renewal*

*Renewals not included in leasing statistics

KEY PROJECTS UNDER CONSTRUCTION Q3 2026

PROPERTY	SUBMARKET	CONSTRUCTION TYPE	SF	OWNER DEVELOPER
Central Pike Logistics Center – Building B	East	Speculative	724,146	Stream Development
Northpark Logistics – Building 5	North	Build-To-Suit	530,880	Hamilton Development
The Cubes at I-40 – Building B	East	Speculative	520,000	CRG
The Cubes at I-40 – Building D	East	Speculative	504,400	CRG
Central Pike Logistics Center – Building A	East	Speculative	355,982	Stream Development

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