

# ULI NASHVILLE INDUSTRIAL MARKET OVERVIEW



PANATTONI®

# WHY NASHVILLE

## ACCOLADES

#1 City  
Creating the  
Most White  
Collar Jobs

Forbes

Top 15 Cities  
in the U.S.

TRAVEL+  
LEISURE

#1 Metro for  
Advanced  
Industry Job  
Growth

BROOKINGS

Best  
Performing  
Cities

MILKEN INSTITUTE

#3 U.S.  
Markets  
to Watch

pwc

#4 Place  
to Start a  
Business in  
America

Inc.

Best Places  
for Business  
and Careers

Forbes

15th Best  
Place to Live  
in the U.S.

U.S. News

Top Cities  
Americans are  
Moving To

realtor.com

# NASHVILLE ECONOMIC STRENGTH

**3.4%**

NASHVILLE MSA  
UNEMPLOYMENT RATE  
JULY 2019

**3.2%**

DAVIDSON COUNTY  
UNEMPLOYMENT RATE  
JULY 2019

**1,930,961**

NASHVILLE MSA  
POPULATION  
JULY 2018



**15,000 JOBS**

ANNOUNCED LAST FISCAL YEAR  
IN THE NASHVILLE REGION

**83**

NEW PEOPLE  
PER DAY  
ON AVERAGE  
IN 2018



**692,587**

DAVIDSON  
COUNTY  
POPULATION  
JULY 2018

SOURCE: TENNESSEE LABOR MARKET REPORT JULY 2019

SOURCE: CENSUS BUREAU ANNUAL  
ESTIMATES OF THE RESIDENT POPULATION 2018

# NASHVILLE ECONOMIC STRENGTH



Nashville ranks as the third best place for investment and development in 2020, out of 80 U.S. markets.

## U.S. MARKETS TO WATCH

1. AUSTIN
2. RALEIGH/  
DURHAM
- 3. NASHVILLE**
4. CHARLOTTE
5. BOSTON

*A benchmark national survey has found that the real estate industry and its financial backers has never been more confident about Nashville than right now. Thoughts and opinions of 2,200 investors, developers, lenders, brokers, lawyers, architects and others involved in commercial and residential real estate.*

# LOGISTICALLY SPEAKING

**12 MILLION**  
PEOPLE LIVE WITHIN A  
**2.5 HOUR**  
DRIVE

**75% OF**  
U.S. MARKET  
IS WITHIN A  
**2-HOUR FLIGHT**

**2-DAY**  
TRUCKING DISTANCE

**THREE MAJOR INTERSTATES**  
CONVERGE IN NASHVILLE

Truck Transit from Nashville to anywhere in the U.S.



Air Travel from Nashville to major U.S. destinations



NASHVILLE

# MARKET OVERVIEW

## Market Statistics by Use – Year-over-year comparison

Use	# of Buildings	Inventory	Net Absorption YTD	Vacancy Rate	Vacancy Rate Change
		Q3 2019	Q3 2019	Q3 2019	(in basis points)
Bulk - Class A	132	55,493,971	4,125,901	9.1%	140
Bulk - Class B	107	27,028,592	-71,017	4.8%	(150)
Warehouse	1,817	70,344,543	652,337	0.7%	(200)
Manufacturing	343	55,094,714	1,254,431	2.1%	(30)
Flex/R&D	218	10,006,019	-52,177	3.6%	150
<b>Nashville Total</b>	<b>2,617</b>	<b>217,967,911</b>	<b>5,909,475</b>	<b>4.2%</b>	<b>30</b>

## STRONG POSITIVE ABSORPTION

**5.9 MSF**

OF POSITIVE NET ABSORPTION  
IN Q3 2019  
5.2 MSF IN 2018

**27.3 MSF**

OF POSITIVE NET ABSORPTION  
SINCE 2011

**POSITIVE NET  
ABSORPTION**

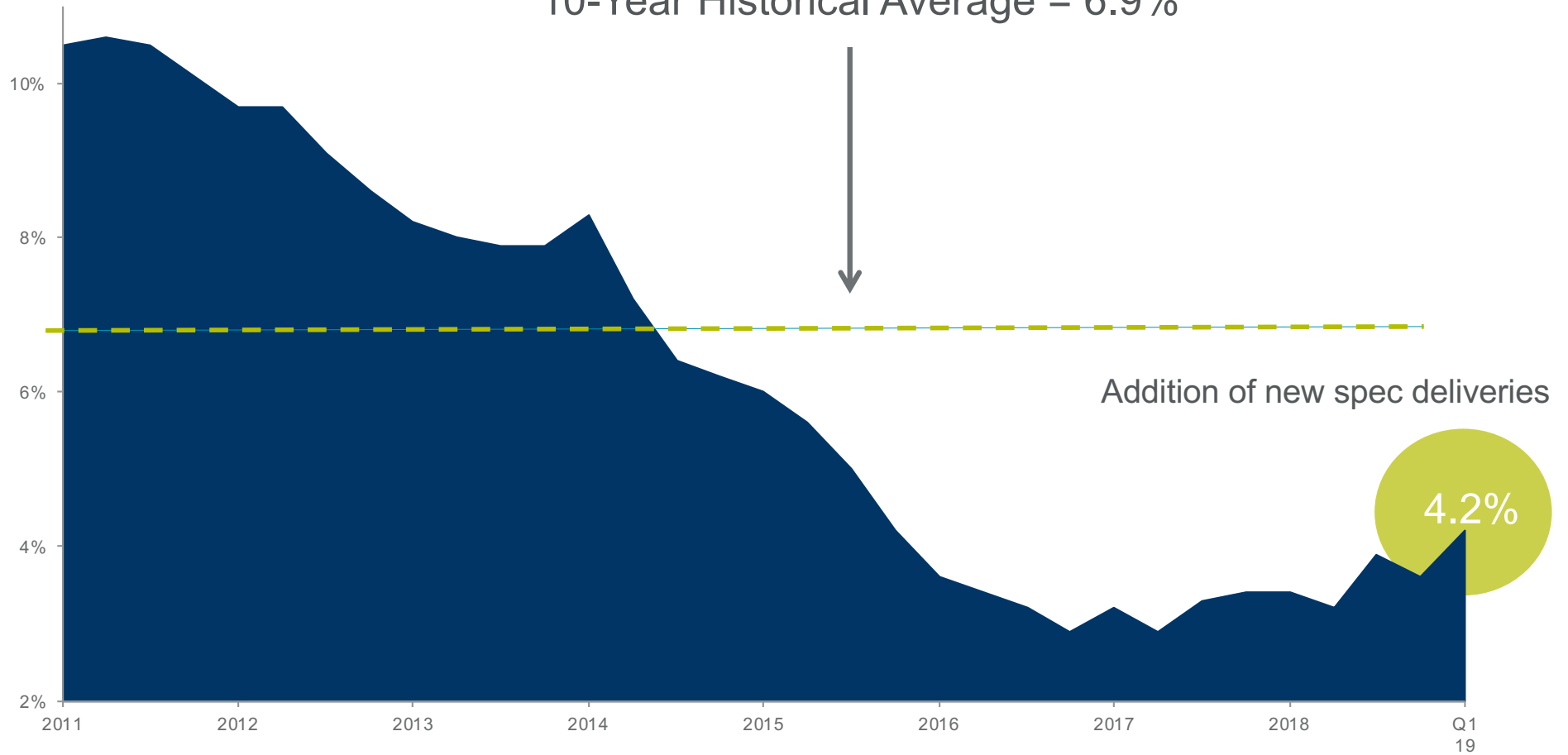
IN 13 OF THE PAST  
15 YEARS

**CONSISTENT PIPELINE OF  
INDUSTRIAL REQUIREMENTS**

IN A VARIETY OF SIZE RANGES

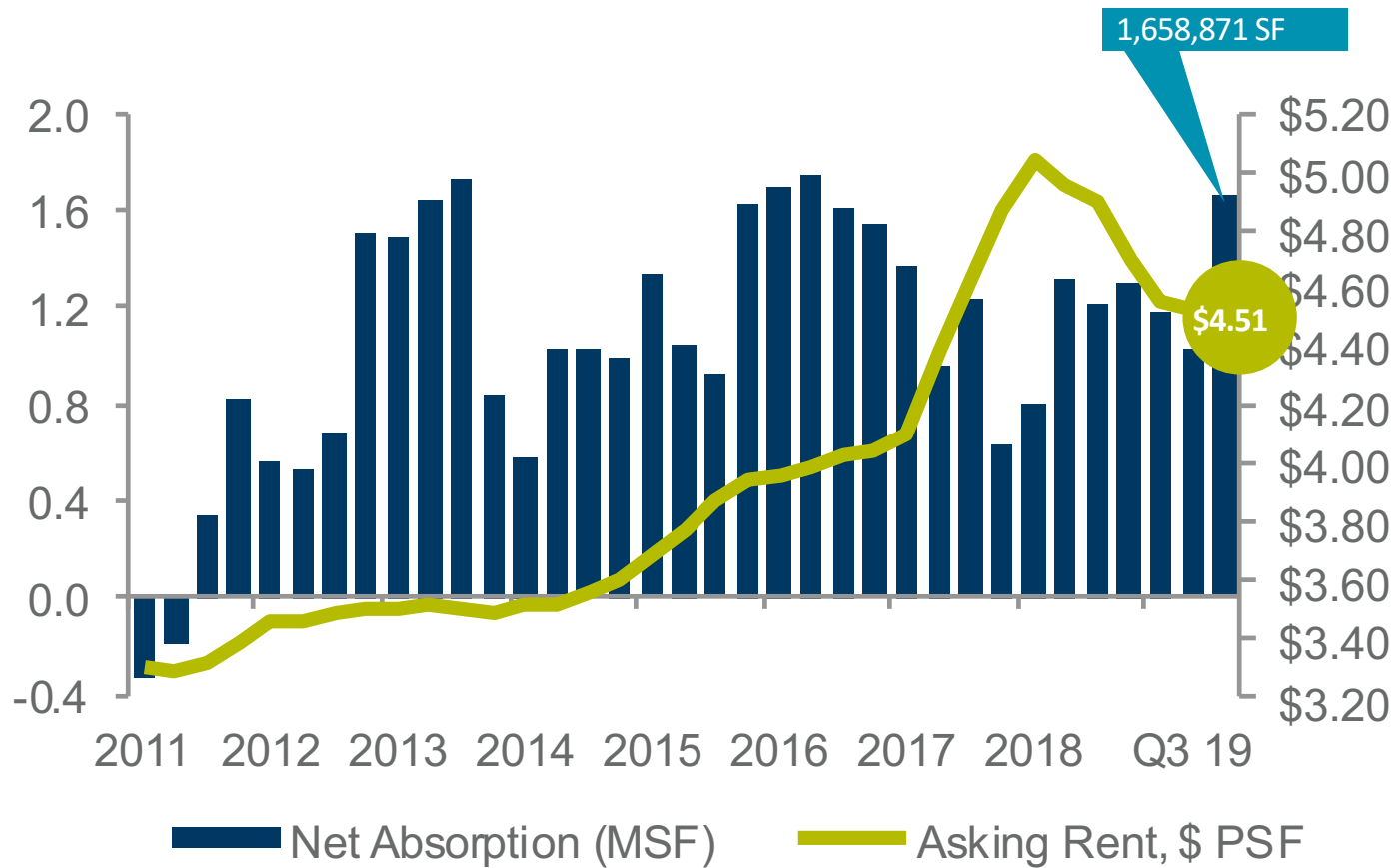
# VACANCY RATE HISTORY

10-Year Historical Average = 6.9%



## OVERALL NET ABSORPTION &

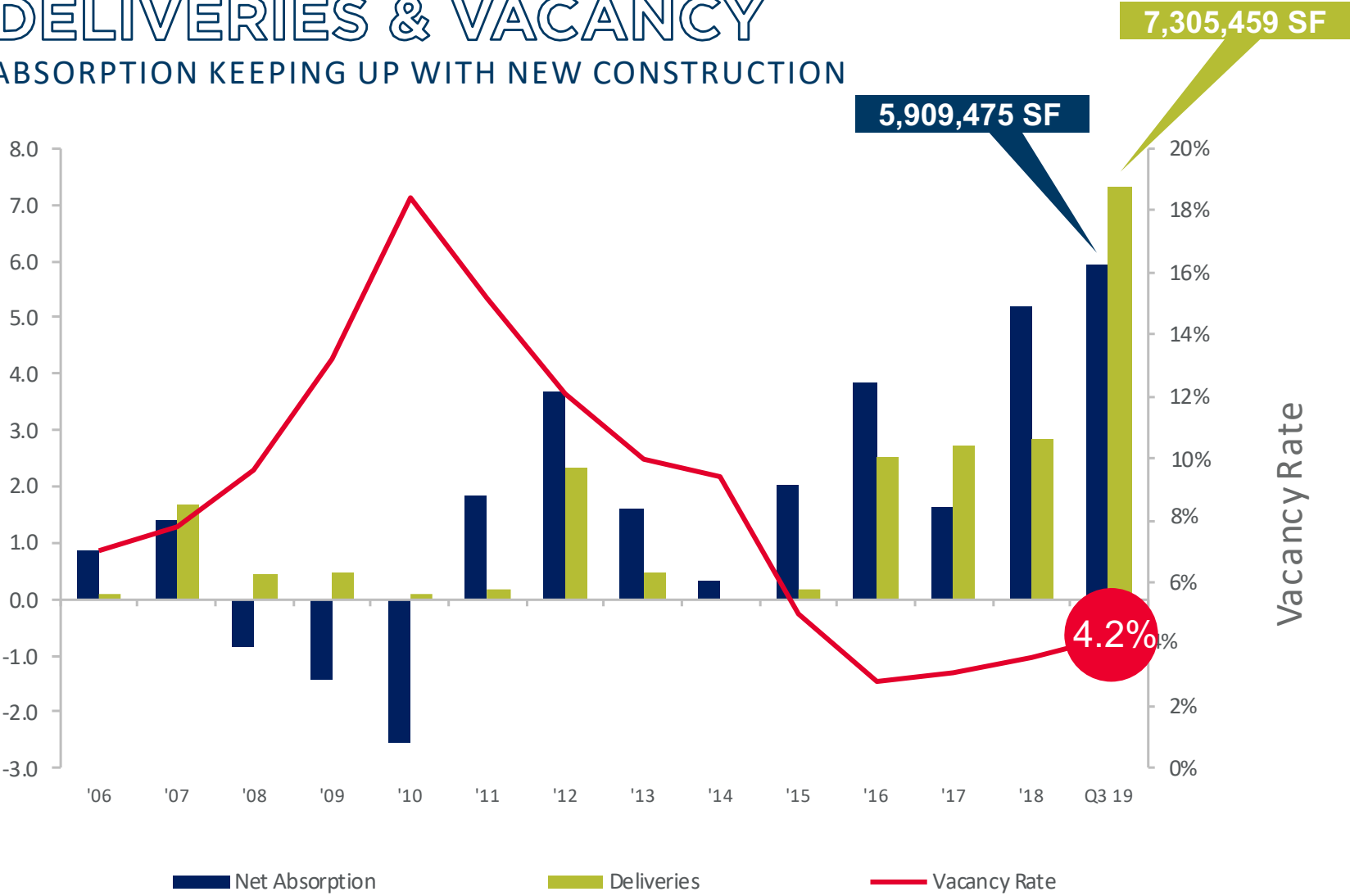
# ASKING RENT 4-QTR TRAILING AVERAGE





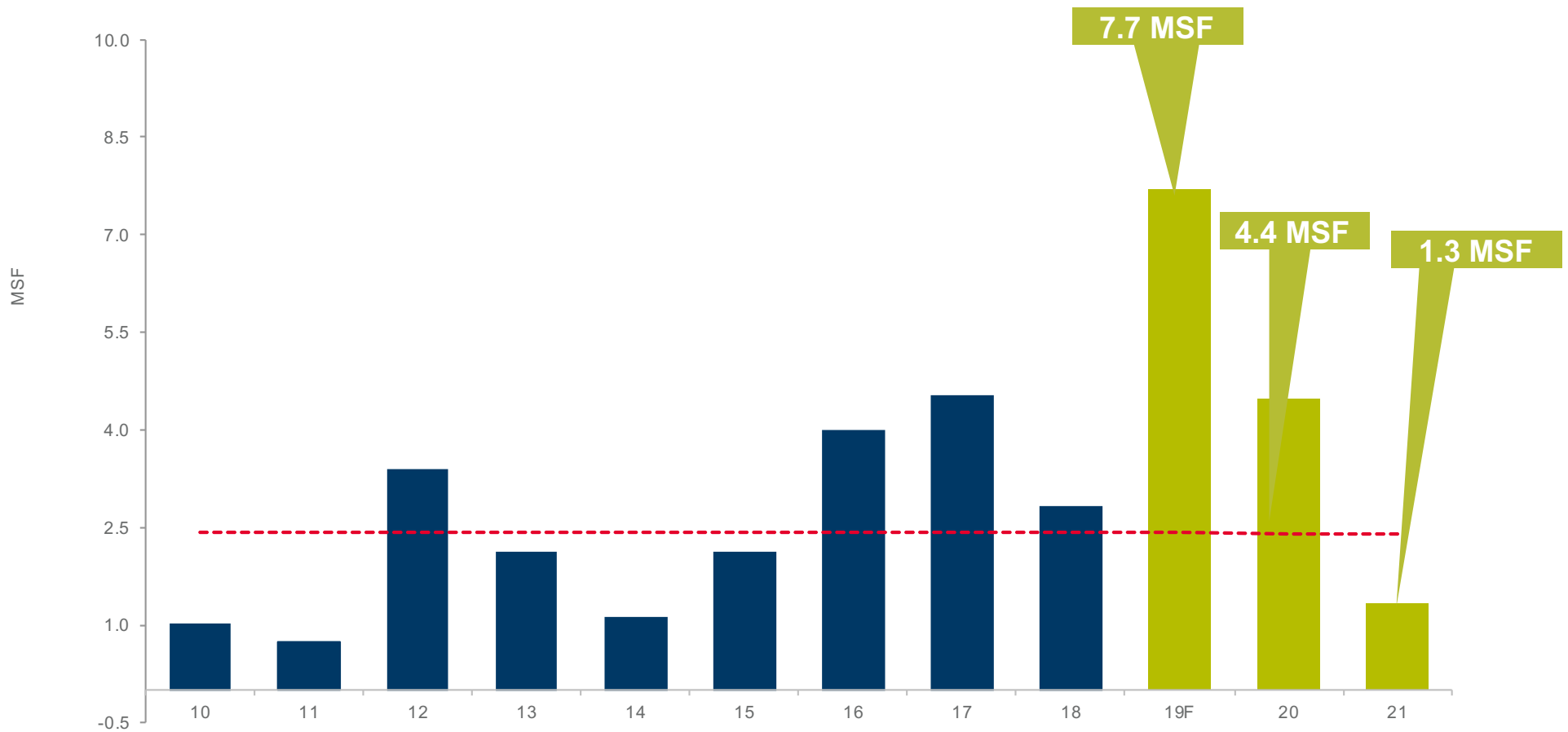
# NET ABSORPTION, DELIVERIES & VACANCY

ABSORPTION KEEPING UP WITH NEW CONSTRUCTION



# NEW SUPPLY

FORECASTED TO HIT RECORD HIGHS IN 2019



# NASHVILLE OUTLOOK/TRENDS

## VELOCITY



At a time when industrial markets are expecting a slow-down, Nashville's industrial market continues to boom and set new milestones.

## SMALLER BUILDINGS



Strong tenant demand, particularly for space in the 50K to 150K range are expected to keep Nashville's vacancy rate low.

## AMAZON EFFECT



Larger eCommerce and warehouse/distribution users will continue to focus on Nashville due to its gateway location to the Southeast.

DATA  
SEARCHING  
VERIFICATION  
CODING  
SENDING

# MARKET SNAPSHOT

## Q3 2019

### NASHVILLE OVERALL

218,064,193 SF

INVENTORY

9,078,659

OVERALL VACANT

4.2%

OVERALL VACANCY RATE

5,909,475 SF

YTD OVERALL NET ABSORPTION

3,276,271 SF

UNDER CONSTRUCTION

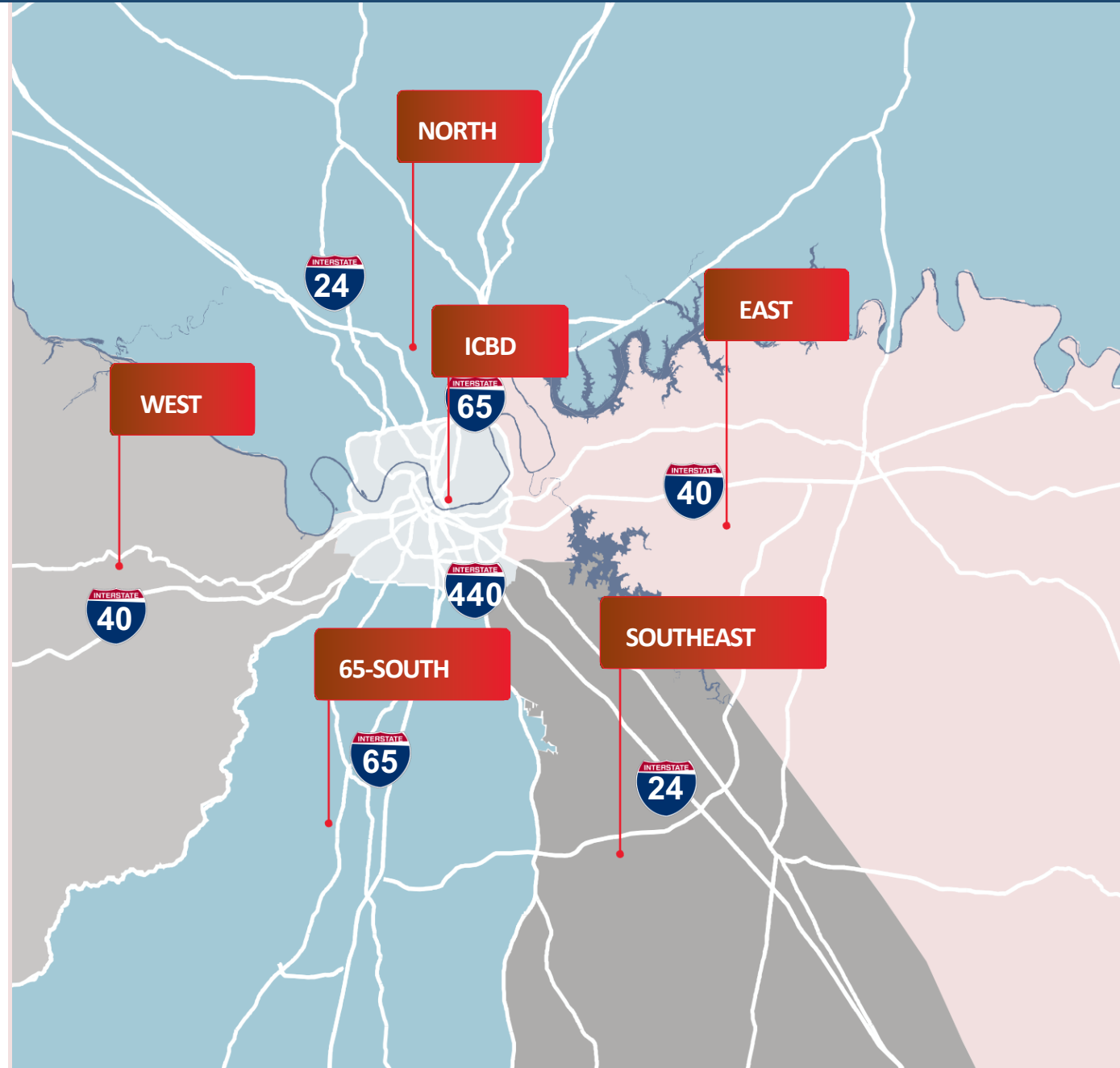
2,046,179 SF

Q3 2019 DELIVERIES

\$4.71 PSF

OVERALL WEIGHTED

AVERAGE NET RENT





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