

# Nashville, Tennessee

Tenant's Guide ■ North American Markets ■ Second Quarter 2010

## Overview

The Economic Development office of the Nashville Chamber continues its string of successes this quarter with the announcement of Loew's (36,000 SF), OmniCell (25,000 SF), Jackson National Life Insurance (150,000 SF), and Advanced BioHealing (5,000 SF) all relocating to Nashville. Additionally, the Chamber reports that its pipeline of activity is as robust as ever. The 500-year flood that caused \$2.5 billion in damage at the beginning of May has had the effect of increasing construction costs.

## Market Trends

- Businesses continue to be cautious in their real estate spending.
- Retail continues to be a bright spot; Nordstrom is under construction in Green Hills.
- Some businesses have sustained losses from the flood that may take them under for good or cause them to relocate to other states.
- Uncertainty of real estate values continues to slow sales.

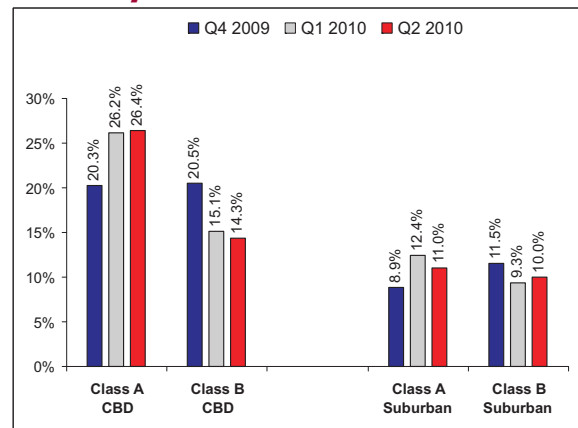
## Tenant's Perspective

Unlike other recessions, this one has landlords holding out for 2007-2008 prices while tenants remain on the sidelines waiting for bargains. The West End and Brentwood submarkets are very tight, while the Cool Springs, Airport, and Metro Center submarkets are at equilibrium. The CBD has the largest blocks of contiguous class A space available in the city, as well as the largest amount of available space.

## Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
Loews	36,000	Office	Lease
Nashville Bus. Journal	9,000	Office	Lease
HealthStream	32,000	Office	Lease
Omnicell	25,000	Office	Lease
Malham Leverage Group	30,000	Office	Lease
Jackson National Life	150,000	Office	Lease
MedSolutions	100,000	Office	Lease
Griffin Technology	40,000	Office	Lease
MedQuist	44,000	Office	Lease
Alfa Vision Insurance	33,000	Office	Lease

## Vacancy Rate



## Average Rental Rates

	Q4 2009	Q1 2010	Q2 2010
<b>CBD</b>			
Class A Office	\$22.40	\$20.90	\$20.85
Class B Office	\$16.56	\$15.93	\$16.13
<b>Suburban</b>			
Class A Office	\$21.28	\$21.96	\$22.13
Class B Office	\$17.33	\$17.98	\$17.87

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