



DEVELOPMENT UPDATE
BUSINESS

4Q Office Vacancy is 6% / Class A vacancy is 7.2%

Recently Completed:

615 3rd Avenue S.....	125,000 sf (69% leased)
1201 Demonbreun	285,000 sf (91% leased)
222	362,000 sf (70% leased)
Bridgestone	514,000 sf (100% leased)
Lifeway HQ.....	250,000 sf (100% leased)
Sarah Cannon/Health Trust HQ	500,000 sf (100% leased)

Under Construction:

Capitol View (Block E)	300,000 sf / (34% leased) / 1Q 2019
Capitol View (Block D - loft office)	40,000 sf / 4Q 2018
1200 Broadway	66,150 sf / 2Q 2019

Planned:

One KVB	475,000 sf
501 Commerce	380,000 sf
915 Division St.....	76,637 sf
Rolling Mill Hill.....	280,000 sf

- **Philips** has taken 45,000 sf of temporary space in the Nashville City Center, and is looking for 100,000 sf of space in downtown for its Global Business Center. They plan to eventually hire 800 employees and would like to have the Philips name on a building downtown. Philips intends to announce its long-term office space 2Q 2018.
- Barge Waggoner moved into the new building, 615 Third in SoBro and rebranded itself as **Barge Design Solutions Inc.** In a partnership with The Mathews Company, RC Mathews Contractor and Colliers International, Barge Design Solutions has retained 50 percent of the property.

- **The Division Street extension bridge** is open as of November 28. The extension runs from 8th Avenue South to 2nd Avenue South, connecting The Gulch to SoBro. The bridge has buffered lanes to separate pedestrians and cyclists from cars. It also has landscaping to help filter storm water runoff and LED lighting to save electricity, and features a pedestrian plaza with wide sidewalks.

**As of December 2017, all office and retail statistics are from CoStar commercial real estate database. Numbers may vary from previous quarterly reports.*



Downtown currently has 5,963 hotel rooms

<i>Under Construction</i>	<i># of Rooms</i>	<i>Delivery</i>
The Bobby.....	135.....	2018
Cambria Hotel & Suites	255	2018
Drury Hotel	390	2018
Dream Hotel	169	2018
The Fairlane	81	2018
Hampton Inn Expansion	50	2018
JW Marriott.....	533	2018
Moxy Hotel.....	168	2018
Tri-branded Marriott	468	2018
Margaritaville Hotel	217	2019
Tru by Hilton/Home2Suites	233	2019
Holiday Inn & Suites	228	2019

Total # of Rooms: 2,927

- There are 14 hotels with owner/developers actively planning - representing over 4,563 additional rooms.
- Rockbridge opened the Noelle, a 224-room hotel housed in the former Noel Place building on the corner of 4th & Church, on December 21, 2017. The property features on-site amenities and engaging social spaces including a restaurant, rooftop bar, coffee shop, fitness center, free Wi-Fi, retail store, and a working print shop.
- Financing has been secured for the Marriott Moxy hotel – a millennial-focused hotel brand - that will have 168 rooms right off lower Broadway on Third Avenue South. The hotel will feature four food-and-beverage concepts, and wrap around the three-story Harry O’s Steakhouse under construction at the corner of Broadway and Third. Delivery is planned for year-end 2018.
- MDHA approved a 40-story tower located at 151 1st Avenue North to accommodate both hotel and high end condominiums. The development team named Second Avenue Partners is made up of Grand-Rapids, Michigan-based Northern Capital Investments, The Congress Group and LA-based AECOM Capital Real Estate.
- Knoxville-based Safe Harbor Development broke ground on its 12-story Margaritaville Hotel project on December 5. The hotel is fully financed, will offer 217 rooms, 52 of which will be timeshare units that will be owned by Margaritaville Vacation Club by Wyndham Inc. The \$82 million project will be open to the public the summer of 2019.



DEVELOPMENT UPDATE

RESIDENTIAL

- Downtown now has 10,000 residents
- 64 resale units available (13 under contract) = **51 available** (3 month supply)
- **2,501** residential units under construction
- **88.9%** occupancy rate (3Q)*

UNDER CONSTRUCTION	Units	Rental	Condo	Area	2017	2018	2019
505	417.....	224.....	193.....	Core.....	100	317	
5th + Broadway	350.....	350.....		Core			350
10th & Jefferson	54.....	54.....		North Capitol		54	
Broadstone Gulch	238	238.....		Gulch.....		238	
Residences at Capitol View	378	378.....		North Gulch		378	
City Lights.....	71		71	Rutledge Hill.....		71	
The Gossett on Church.....	376	376.....		North Gulch	188	188	
Olmsted SoBro	328.....	328.....		SoBro.....	164	164	
Solis North Gulch	271.....	271.....		North Gulch		271	
Studio 154 Luxury Lofts	18.....	18.....		Core.....		18	
Total units	2,501	2,237	264		452	1699	350

- There are 10 more residential projects planned that could deliver another 2,018 units to downtown by 2019 and beyond.
- Ward Brothers Development revealed in mid-December that they were adding Michael Hayes and Brandon Kuvara with C.B Ragland Co., as individual investors in their project located adjacent to First Tennessee Ballpark. The first phase of development will include a building called The Derby and will include 285 apartments. Construction will begin in 3Q 2018, and delivery in 2020.
- The developer of the dual-branded Hilton hotel in SoBro that is already under construction, is adding nine condominiums to the project. The hotel is at the corner of Fifth Avenue South and Peabody Street, and will be home to both Home 2 Suites and Tru by Hilton. WILCA Downtown LLC, the developer, just received approval from the DTC DRC to move forward with the project.
- The Carillon, a 306-unit apartment complex at 1001 Fourth Avenue North across from First Tennessee Park, just sold in December to a real estate investor from New York City for the second highest price ever for an apartment complex in Greater Nashville. Gaia Real Estate Holdings, with offices in Manhattan and Houston, paid \$76.35 million, which amounts to an average of \$249,510 for each of the 306 apartments. (The record-holder is the 2014 sale of the Elliston23 complex in Midtown that sold for \$287,000 per unit). The Carillon was developed by San Antonio-based Embrey Partners Ltd. And opened in 2016.
- Blasting has begun and will continue into mid-January to demolish the former Nelson Mazda dealership at 12th and Broadway and make room for the 26-story mixed-use tower that will include 313 apartments, a Whole Foods store and another 5,000 sf of retail and restaurant space. The developer is Endeavor Real Estate Group out of Austin, TX. The project is slated for delivery in fall of 2019.

* Occupancy rates are from Greater Nashville Apartment Association quarterly reports



RETAIL

2017 NEW RETAIL

- The Diner
- Headquarters Beercade Nashville
- Famous Saloon
- Little Octopus
- Tansuö
- City Tap House
- Mellow Mushroom
- Sea Salt
- The Library
- Fannie Mae's
- Arzelle's Bridal Chic
- Ruckle & Rye
- FGL House
- Gray & Dudley
- Scout's Barbershop
- Rudy's Jazz Room
- Casa de Montecristo
- Night Train Pizza
- The Patsy Cline Museum
- Nashville Boot Co.
- Starbucks
- Oak Steakhouse
- Pancho & Lefty's Cantina
- Clycle Bar
- Fond Object Records
- LuLu
- Southern Vintage Market
- Blush Boutique
- The Bubblery
- Salon J
- From Nashville with Love
- Jus Dawgs
- Mary Hong Gallery
- Milk and Honey
- Deacon's New South
- The Mockingbird
- Daily Juice
- Von Erod's Beer Garden & Sausage House
- Rush Bowls
- SoBro Wines & Premium Spirits
- Dierks Bentley's Whiskey Row
- Black Rabbit
- Gertie's Bar/404 Kitchen
- Drug Store Coffee
- Keep Shop
- Makeready Libations & Liberation
- Luna Llana Taqueria
- Lifeway Christian Store
- 417 BBQ

COMING SOON

- Little Prints
- Ole Red
- Café Intermezzo
- Woolworth on 5th
- Sunda
- M. L. Rose
- Bourbon Steak
- Starbucks
- Harry O's Steakhouse
- Redneck Riviera
- Geist
- Craft Bar and Bistro
- Watermark
- Corner Pub
- The Chef and I
- H&M
- The Blue Parrot
- Yee-Haw Brewing Co.
- Merle's Meat + 3 Saloon
- Merle Haggard Museum
- Liberty Common
- Subway

**At the end of the 4th Quarter in 2017:
44 restaurants, 20 shopping
options & 8 nightlife options
opened or announced**

NEW RETAILERS

- **Black Rabbit**, a new concept from the owner of The Farm House, opened at 218 3rd Avenue N. The 3,800 sf restaurant and bar seats 122 and features creative cocktails and small plates.
- **City Tap House** had their grand opening December 14, 2017. The restaurant occupies 8,500 sf on the ground floor of the SoBro Apartment Tower on the corner of 3rd Avenue S. and Demonbreun and also features a 3,000 sf year-round deck on the 9th floor.
- **Gertie's Bar**, a cocktail-focused section of The 404 Kitchen, opened in November on the ground floor at 507 12th Avenue South in the Gulch.
- **Luna Llana Taqueria** opened at 300 James Robertson Parkway, formally home to The Perch restaurant.
- A new **Lifeway Christian Store** is open at the new corporate headquarters in Capitol View. The 4,429 sf store is the 5th Nashville location for the Lifeway store chain. The bookstore features Bibles, books, reference tools, children's products and Christian music along with other items.
- The **Noelle Hotel**, located at 200 Fourth Avenue N, opened at the end of 2017. The retail offerings include Drug Store Coffee, a street level coffee shop; Keep Shop, a 1,200 sf retail store operated by local designer Libby Callaway; and Little Prints, an art gallery curated by local artist Bryce McCloud of Isle of Printing.

COMING SOON

- Award winning **Sunda**, a Chicago based Asian fusion restaurant, will locate on the ground floor of the Icon in the Gulch in the first quarter of 2018. The restaurant is taking over the 8,000 sf space formally occupied by Cantina Laredo. The restaurant will feature a large bar, a sushi bar and a private dining room with overall seating for 250 guests.
- **Blake Shelton** has partnered with Ryman Hospitality and the Grand Ole Opry to open a new bar, food and live music venue called **Ole Red**. The venue will occupy 26,000 sf on the corner of 3rd and Broadway, formally home to Opry Originals.
- **Woolworth on 5th**, a restaurant and live music venue at 221 5th Ave N, will open in the first quarter of 2018. The restaurant will pay homage to Nashville's civil rights history. "It's where Nashville goes to get its funk," says owner Tom Morales.

DOWNTOWN NASHVILLE HAS:

261 Dining Options

105 Shopping Options

101 Nightlife Options

Retail Vacancy Rate: 3.5%**Total Retail Downtown sf: 3,072,065**