



DEVELOPMENT UPDATE BUSINESS

3Q Office Vacancy is 5.8 % / Class A Vacancy is 5.6 %

Recently Completed:

615 3rd Avenue S:	125,000 SF (73.7% leased)
1201 Demonbreun:	285,000 SF (100% leased)
222:	362,000 SF (95% 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:

501 Commerce	385,000 SF / 2020
Capitol View (Block D - loft office)	40,000 SF / 4Q 2018
Capitol View (Block E)	300,000 SF (34% leased) / 1Q 2019
Gulch Union.....	325,000 SF / 2020
Peabody Plaza.....	280,000 SF / 2021
1200 Broadway.....	66,150 SF (27.8% leased) / 2Q 2019

Planned:

One KVB	425,000 SF / 2020
Asurion HQ	470,000 SF / 2021
915 Division St.....	76,637 SF / 2022
1000 Church Street.....	500,000 SF / 2022
1001 Church Street.....	600,000 SF / 2021
200 10th Avenue N	600,000 SF / 2023
Three Thirty Three	69,000 SF / 2020
Peabody Union	170,000 SF / 2023

- San Francisco based **KeepTruckin Inc.**, a transportation technology company, will create 385 jobs in Nashville during the next three years. KeepTruckin, a Google Ventures-backed startup founded in 2013, develops trucking fleet management solutions that improve operational efficiency safety. Since it began, the company has built a network of more than 500,000 connected drivers. The company is housed in the L&C Tower.

- **One Nashville Place**, the 24-story tower that bears WeWork and Regions Bank logos, sold to Unico Properties, a Seattle-based real-estate investment firm, for \$139.5 million.

- The **UBS Tower**, which is 602,000 SF, is on the market as well as the Nashville City Center, with more than 480,000 SF and 27-stories. Also, the 20-story building located at 414 Union Street with 430,000 SF is on the market. In the last nine months, five of downtown's eight largest office towers have either sold or been marketed for sale.

- **MarketStreet Enterprises** released plans for a five-story neo-traditional mixed-use building to be located at 333 11th Avenue South. Three Thirty-Three will have approximately 69,000 SF of office space, 11,000 SF of ground level retail space and will include a small public green space. A late 2019 opening is scheduled.

- **Endeavor Real Estate** broke ground on a 20-story office building at 1222 Demonbreun Street, which will contain 324,000 SF of office space and ground floor retail. Slated opening of the building is June 2020.

- The nation's fifth-largest accounting firm, **RSM**, plans to have a large presence in downtown Nashville and employee at least 125 people by 2022, with the goal of having 200 people overall. The current team of 25 is working out of a coworking space within SoBro's 222 2nd Avenue South tower.

- **AllianceBernstein**, announced that it had commitments from 120 employees to come to Nashville over the next year as a part of its first wave of relocations. Fifteen employees have already relocated. The company is slated to create 1,050 jobs downtown, and the majority will be in finance, IT, operations, compliance and auditing. AllianceBernstein has signed a lease to occupy space in 501 Commerce, a 25-story tower that is part of the Fifth + Broadway.

- Coworking spaces in downtown Nashville make up 2% of the downtown office inventory, yet they are the 2nd largest employer, behind the State of TN. There are currently 14 coworking office spaces in downtown, with 2,982 employees and 820 businesses.

* 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 7,186 hotel rooms

Under Construction	# of Rooms	Delivery
Tri-branded Marriott	468	2019
Drury Hotel	390	2019
Margaritaville Hotel	217	2019
Hampton Inn & Suites	169	2019
Holiday Inn & Suites	228	2019
Moxy Hotel.....	168	2019
SoBro Hyatt House	217	2019
Tru by Hilton/Home2Suites	232	2019
The Joseph	297	2020
Hyatt Regency.....	591	2020
W Hotel Nashville.....	346	2020

Total # of Rooms Under Construction: 3,323

- There are 12 hotels with owner/developers actively planning - representing over 2,826 additional rooms.
- Rutledge Hill-based hotel Bode Nashville opened in what was formerly Howell Park condominiums at 401 2nd Avenue South. Bode features single rooms and apartment-style suites, offering 70 units. This is the first Bode, with additional sister operations slated for Chattanooga (March 2019 opening), Palm Springs, CA; Indian Wells, CA; and Orange County, CA.
- New dual-and triple-branded hotels are transforming the hospitality landscape across the nation. By sharing the same footprint, back of house operations, amenities, and in some cases even employees, they offer financial and operational synergies. Marriott's triple-branded hotel (to include AC hotel, a Residence Inn and Spring Hill Suites) is slated to open in January 2019, and Tru by Hilton and Home2Suites plans to open by the second quarter of 2019.
- A second quarter groundbreaking is planned for The Printing House – A Tapestry Collection Hotel by Hilton to be located at Rutledge Hill by Indianapolis based developer, Sun Development and Management Corp. The development will sit on the former Johnstone Supply building at 501 Third Avenue South.
- Full financing is in place for the 14-story W Hotel which will have 346 rooms and open later in 2020. The hotel, which is a Marriott brand, will feature rooftop amenities and a pair of restaurants from a James Beard-award winning chef.
- Hyatt plans to open one of its upscale Centric hotels at 217 2nd Avenue South, and have 252 rooms, a 120-seat restaurant and another 4,000 SF of retail space.
- Charlotte-based Tara Investments group plans a Canopy by Hilton hotel at 910 Division Street, where Yazoo Brewing Co. taproom currently sits. The 10-story hotel will have 175 rooms at least, will have no less than 5,000 SF of meeting space and a rooftop bar. The development group would like to incorporate Yazoo tap room into the hotel design. Construction should begin in early 2020.



DEVELOPMENT UPDATE

RESIDENTIAL

- Downtown has 8,256 residential units, with 560 vacation rentals
- Downtown has 11,000+ residents
- 85 resale units available (22 under contract) = 63 available (2.78 month supply)
- 1,742 residential units under construction
- 90.52% occupancy rate (3Q 2018)*

Under Construction							
	Units	Rental	Condo	Area	2018	2019	2020
5 th + Broadway.....	380.....	380.....		Core.....			380
LC SoBro	266.....	266.....		SoBro.....			266
Endeavor Mixed-Use Tower.....	313.....	313.....		North Gulch		313	
Residences at Capitol View	378.....	378.....		North Gulch	378		
City Lights.....	71.....		71	Rutledge Hill.....		71	
Broadstone Stockyard Flats.....	334.....	334.....		North Capitol			334
Total units	1,742	1,671	71		378	384	980

- There are 11 more residential projects that are planned that could deliver another 2,411 units to downtown by 2023.

* Occupancy rates are from Greater Nashville Apartment Association quarterly reports



RETAIL

2018 NEW RETAIL

- Dierks Bentley's Whiskey Row
- Geist
- Woolworth on 5th
- M. L. Rose
- Starbucks
- Rooted
- Mile End Deli
- Cork & Barrel Wine and Spirits
- Kona Coffee
- Tiff's Treats
- Your Pie
- Gertie's Bar
- House of Cards
- Uncommon James
- TENN
- Bar TENN
- TENN on Top
- Sunda
- TRUE
- The Chef and I on Ninth
- Emmy Squared
- Ole Red
- Tavern at Bobby
- Rooftop Lounge at Bobby
- Bobby's Garage
- Café at Bobby
- Jason Aldean's Kitchen + Rooftop Bar
- Design Within Reach
- Redneck Riviera
- Red Perch
- Luke's 32 Bridge Food + Drink
- Vintage Creek Boutique
- Neighbors Germantown
- Legendary Milkshake Bar
- Ellington's Mid Way Bar & Grill
- Union Teller Coffee Counter
- Bourbon Steak
- Bourbon Sky
- Stompin Grounds
- Stompin Grounds Market
- Cumberland Bar
- The Green Pheasant
- Rise
- Corner Pub
- Café Intermezzo
- Stock & Barrel
- Papa's Gourmet Stuffed Potatoes
- Kim Barry Studio
- Nashhouse Southern Spoon & Saloon
- Kid Rock's Big Honk Tonk Steakhouse
- Aunt Pam's Cookies
- Pet Wants Nashville South
- Farm City Coffee
- Simply Balanced Pilates
- Subway
- Craft Bar and Bistro

OPENING FIRST QUARTER 2019

- Liberty Common
- Gino's East
- Valerie Boutique
- Central BBQ
- Clean Juice
- J'on Alan Aveda Salon

At the end of the 4th Quarter in 2018:

47 restaurants, 6 shopping options & 3 nightlife options have opened or announced

NEW RETAILERS!

- **Corner Pub** restaurant opened inside the MDHA garage on 5th Avenue taking 6,000 sf. This is Corner Pub's 5th location.
- **Rise Biscuits Donuts** opened its first Nashville franchise in the Avenue of the Arts Garage on 5th Avenue at 147 5th Avenue N. Rise prides itself on "gourmet biscuits and donuts" as well as sandwiches served on a biscuit or potato roll with additional salads options.
- **The Green Pheasant** opened inside 222 in SoBro. Nashville based Seed Hospitality Group is behind this Japanese cuisine influenced restaurant and will have 184 seats for dining.
- The JW Marriot Nashville opened with six food and beverage offerings; **Bourbon Steak** a fine dining eatery by Michael Mina; **Bourbon Sky**, rooftop bar and lounge; **Stompin Grounds**, a sit down American café; **Stompin Grounds Market**, selling baked goods and takeout items; **Cumberland Bar**, the lobby bar; and **Cabana Club**, a bar and eatery for the pool and patio.
- **NashHouse Southern Spoon** opened inside the Cambria hotel in Sobro. The restaurant occupies 8,000 sf facing 8th Avenue and McGavock Street.
- Knoxville based restaurant, **Stock & Barrel**, opened at 901 Gleaves St. in the Gulch. The restaurant offers 20 signature burger combinations and was named one of Trip Advisor's best burgers in America in 2015.

COMING SOON!

- **Hattie B's Hot Chicken** and **Slim & Huskey's Pizza Beeria** announced they will be opening in Fifth + Broadway. Hattie B's will occupy 2,800 sf and Slim & Huskey's will occupy 3,000 sf. The project is set to open in 2020.
- **Liberty Common** will open soon in the ground floor of office tower 222 in Sobro. The owner is Nashville based restaurateur Terry Raley, also known for developing Butchertown Hall in Germantown and The Pharmacy Burger Parlor in East Nashville.
- **STK Nashville**, a high-end steakhouse, will open at 700 12th Ave. S. inside the Terrazzo condo building in the Gulch. STK has 20 locations worldwide including Dubai and London.

DOWNTOWN NASHVILLE HAS:

288 Dining Options

107 Shopping Options

120 Nightlife Options

Retail Vacancy Rate: 4.1%

Total Retail Downtown: 3,265,669 SF

