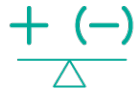


NASHVILLE

HEALTHCARE MARKET | Q1 2025



13.2 MSF
Inventory



(62,548) SF
Net Absorption



6.3%
Direct Vacancy



7.7%
Total Availability



30,000 SF
Under Construction



\$33.86 PSF
Asking Rent

Outlook positive for Nashville despite negative Q1

Market Observations

- Nashville's direct vacancy rate rose 40 basis points in Q1 of 2025 from 5.9% to 6.3%. The market's vacancy rate has held between 5.6% and 6.9% since the end of 2021, even with 980,000 SF (7.4% of current inventory) of new deliveries during that period.
- Net absorption totaled negative 62,548 SF during Q1 of 2025 but is positive 153,059 SF year-over-year. Cool Springs/Franklin and Airport South suffered the largest losses, while West Nashville and Hendersonville were the best-performing submarkets in Q1. Over the last 12 months, Murfreesboro has been the top submarket, with 105,281 SF of positive absorption (7.2% of existing inventory).
- Average asking rents declined during the quarter, decreasing 130 basis points to \$33.86 PSF in March 2025.
- The long-term outlook for Nashville remains strong thanks to a combination of population growth, medical job growth, and solid leasing activity over the past three years. The Nashville Metro has added 178,000 people since 2019, a 9.1% growth rate (far outpacing the national average of 4.5%). The MSA is projected to add an additional 163,000 people in the next five years, a 7.6% increase. Nashville has added 2,000 jobs in the health services industry over the past 12 months, continuing the boom of medical office job growth the city has seen over the past 10 years.

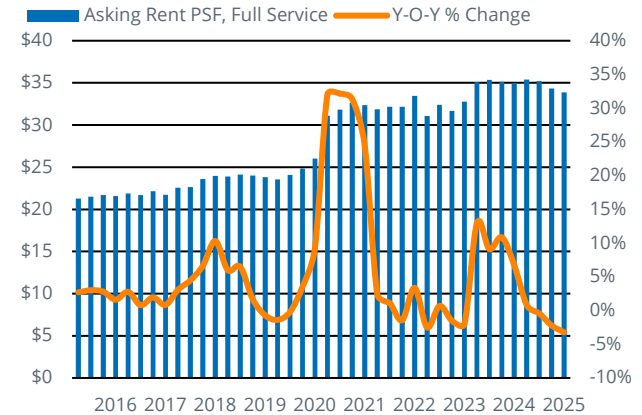




NASHVILLE HEALTHCARE MARKET | Q1 2025

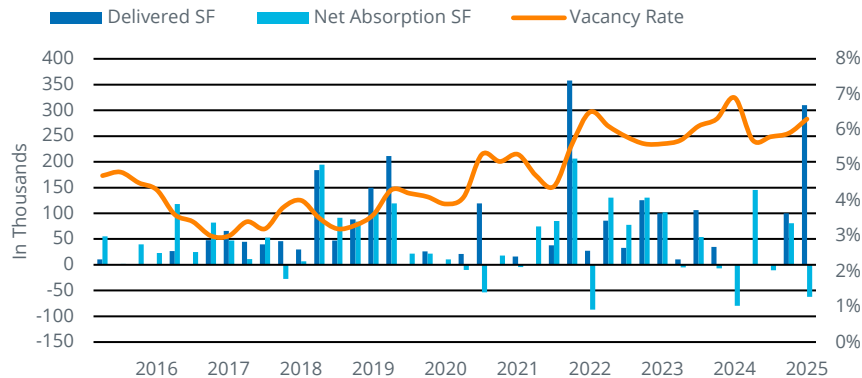
- Net absorption** totaled negative 62,548 SF during the first quarter of 2025, with year-over-year totaling positive 153,059 SF. Nashville has seen four-consecutive calendar years of positive absorption from 2021-2024.
- Nashville's **direct vacancy** rate rose 40 basis points in Q1 2025 to 6.3%. Year-over-year, the direct vacancy rate has fallen 60 basis points from 6.9%.
- Average **asking rents** have seen a gradual decline since Q3 of 2023, which had been increasing rapidly since 2019. In Q1 of 2025, rents fell 1.4% from \$34.33 to \$33.86.
- There is currently 30,000 sf **under construction** in the Nashville market after the 301,097 SF Tennessee Oncology Midtown building in the West End/Green Hills submarket delivered in Q1. The one property underway is a 2-story building in Murfreesboro owned by Murfreesboro Medical Clinic, set to deliver in Q4 of 2025.

ASKING RENT



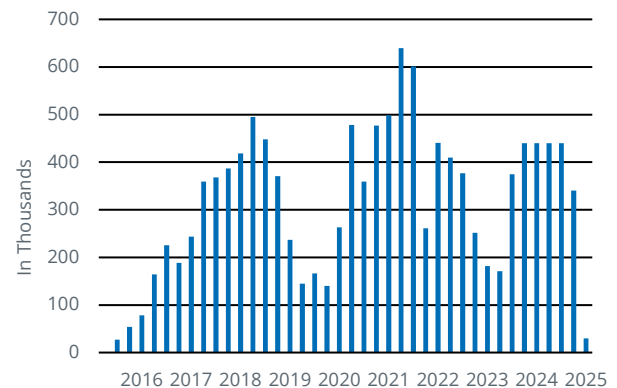
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



NASHVILLE HEALTHCARE MARKET | Q1 2025

MARKET INDICATORS TABLE

All Classes of Space | Q1 2025

| SUBMARKET | INVENTORY SF | DIRECT VACANT SF | DIRECT VACANCY RATE | OVERALL AVAILABILITY RATE | UNDER CONSTRUCTION SF | NET ABSORPTION SF | Y-O-Y NET ABSORPTION SF | ASKING RENT PSF, FULL SERVICE |
|-----------------------|-------------------|------------------|---------------------|---------------------------|-----------------------|-------------------|-------------------------|-------------------------------|
| AIRPORT NORTH | 497,865 | 71,410 | 14.2% | 16.0% | 0 | 0 | (162) | \$27.20 |
| AIRPORT SOUTH | 1,297,934 | 90,888 | 7.0% | 11.0% | 0 | (18,205) | (1,785) | \$25.51 |
| BRENTWOOD | 682,282 | 12,095 | 1.8% | 2.0% | 0 | (1,346) | 21,900 | \$40.95 |
| CLARKSVILLE | 487,783 | 73,660 | 15.1% | 15.1% | 0 | (4,678) | (32,878) | \$29.23 |
| COOL SPRINGS/FRANKLIN | 1,501,493 | 96,807 | 6.4% | 8.5% | 0 | (31,205) | (14,704) | \$34.17 |
| HENDERSONVILLE | 1,052,310 | 72,728 | 6.9% | 7.9% | 0 | 7,759 | 13,016 | \$27.80 |
| MT. JULIET/LEBANON | 867,387 | 79,286 | 9.1% | 9.5% | 0 | (13,946) | 9,112 | \$28.73 |
| MURFREESBORO | 1,460,995 | 29,962 | 2.1% | 3.6% | 30,000 | (1,422) | 105,281 | \$34.89 |
| SPRING HILL/COLUMBIA | 634,245 | 9,720 | 1.5% | 1.9% | 0 | 4,431 | 6,336 | \$25.20 |
| WEST END/GREEN HILLS | 4,301,830 | 279,707 | 6.5% | 7.7% | 0 | (16,989) | 4,833 | \$46.00 |
| WEST NASHVILLE | 396,818 | 10,697 | 2.7% | 2.7% | 0 | 13,143 | 42,110 | \$26.25 |
| Total | 13,180,942 | 826,960 | 6.3% | 7.7% | 30,000 | (62,548) | 153,059 | \$33.86 |

Source: CoStar, Transwestern



Research Methodology

The information in this report is the result of a compilation of information on medical office properties located in the Nashville metro area. This report includes single tenant, multi-tenant and owner-user properties 10,000 SF and larger, excluding properties owned by a government agency

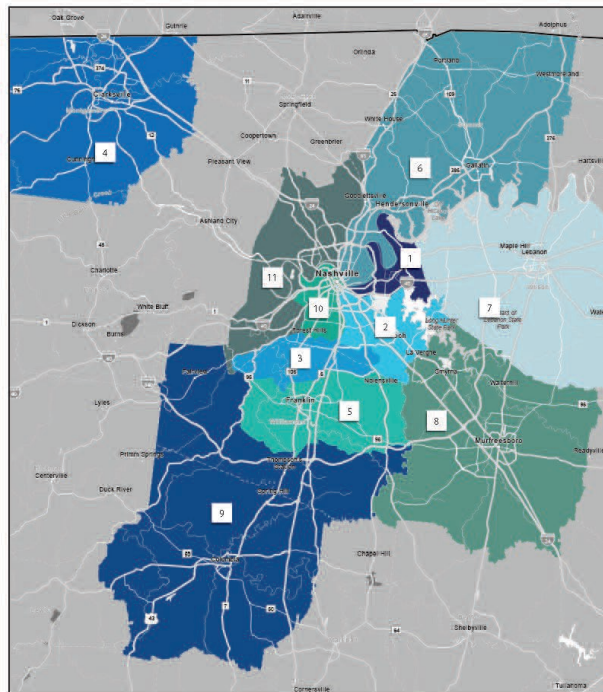
About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and [@Transwestern](https://twitter.com/Transwestern)

For more Information

Spencer Papciak

Director of Research – Southeast
Spencer.Papciak@transwestern.com
404.842.6585



Nashville Medical Office Submarkets

- 1 Airport North
- 2 Airport South
- 3 Brentwood
- 4 Clarksville
- 5 Cool Springs/Franklin
- 6 Hendersonville
- 7 Mt. Juliet/Lebanon
- 8 Murfreesboro
- 9 Spring Hill/Columbia
- 10 West End/Green Hills
- 11 West Nashville

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