TRANSWESTERN

NASHVILLE

HEALTHCARE MARKET | Q2 2025

13.2 MSF
Inventory

(56,667) SF
Net Absorption

6.6%
Direct Vacancy

8.2%
Total Availability

41,217 SF
Under Construction

$34.22 PSF
Asking Rent

Strong Fundamentals for Nashville Despite Slow Start to 2025

Market Observations

- Nashville's direct vacancy rate rose 30 basis points in Q2 of 2025 from 6.3% to 6.6%. The market's vacancy rate has held between 5.7% and 7.0% since the end of 2021, even with 1,020,794 SF (7.7% of current inventory) of new deliveries during that period.

- Net absorption totaled negative 56,667 SF during Q2 of 2025 and is at negative 32,838 SF year-over-year. West End/Green Hills and Cool Springs/Franklin suffered the largest losses this quarter, while Clarksville and Spring Hill/Columbia were the best-performing submarkets. The outlying submarkets have led the way recently for Nashville, as Murfreesboro has been the top submarket over the last 12 months, with 89,269 SF of positive absorption (6.5% of existing inventory).

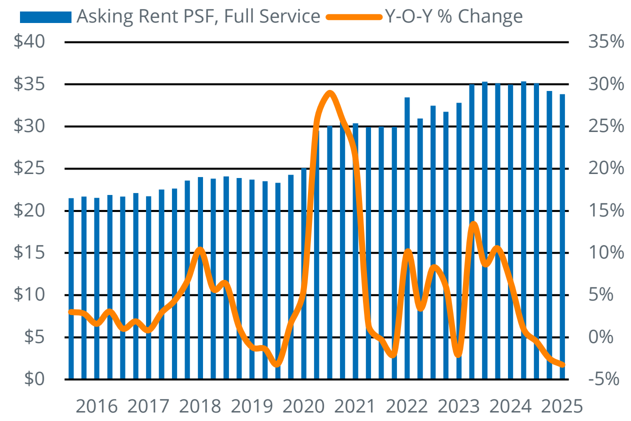
- Average asking rents rose during Q2, increasing $0.40 (1.2%) to $34.22. This is the first quarter with an increase in asking rents since Q2 of 2024.

- 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 3,300 jobs in the health services industry over the past 12 months, continuing the boom of medical job growth the city has seen over the past 10 years.

NASHVILLE HEALTHCARE MARKET | Q2 2025

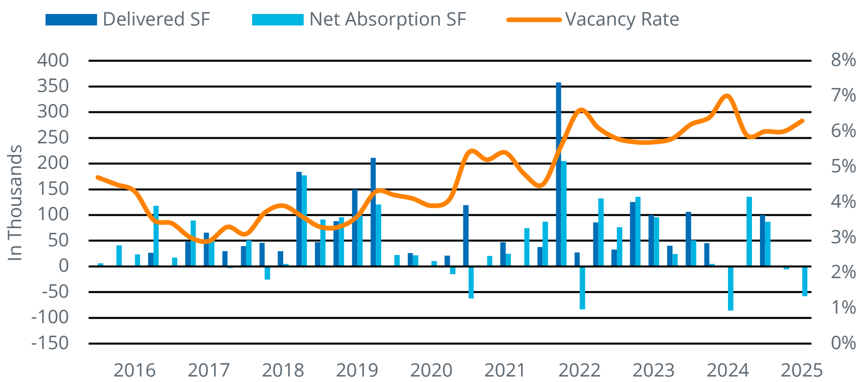
- **Net absorption** totaled negative 56,667 SF during the second quarter of 2025. Nashville has seen four consecutive calendar years of positive absorption from 2021-2024, with some ground to make up in the latter half of 2025 to keep the streak going.
- Nashville's **direct vacancy** rate has risen 70 basis points year-over-year from 5.9% to 6.6%. This is slightly above the market's average direct vacancy rate since the start of 2022, which is 6.2%.
- Average **asking rents** ticked higher in Q2 of 2025 but are still $1.08 short of Nashville's high-water mark of $35.37 from Q2 of 2024.
- There is currently 41,217 SF **under construction** in the Nashville market, all in the Murfreesboro submarket. The Murfreesboro Medical Clinic (30,000 SF) and 819 Medical Park (11,217 SF) are both set to deliver in the second half of 2025. Nashville saw an influx of new space in Q1 when the 301,097 SF Tennessee Oncology Midtown building in the West End/Green Hills submarket delivered.

ASKING RENT



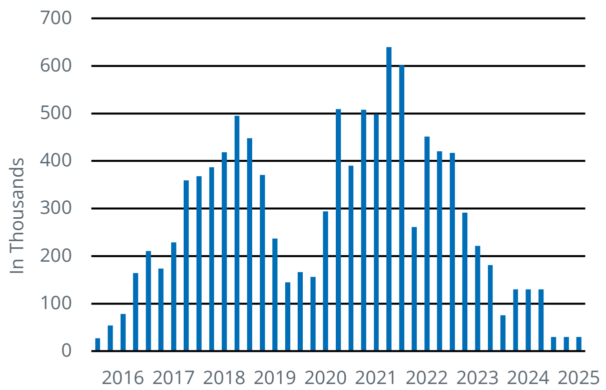
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern

MARKET INDICATORS TABLE

All Classes of Space | Q2 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	517,815	71,410	13.8%	15.4%	0	0	(8,917)	$27.20
AIRPORT SOUTH	900,424	91,750	10.2%	14.1%	0	(862)	(18,096)	$25.75
BRENTWOOD	692,376	23,716	3.4%	6.6%	0	(9,203)	10,743	$36.58
CLARKSVILLE	527,805	65,604	12.4%	12.8%	0	8,056	(26,774)	$29.23
COOL SPRINGS/FRANKLIN	1,517,571	114,721	7.6%	8.8%	0	(18,157)	(55,175)	$34.04
HENDERSONVILLE	1,396,531	77,342	5.5%	5.1%	0	2,833	27,097	$27.76
MT. JULIET/LEBANON	873,360	78,201	9.0%	9.8%	0	3,585	10,106	$31.99
MURFREESBORO	1,446,628	30,816	2.1%	4.2%	41,217	(4,581)	89,269	$33.87
SPRING HILL/COLUMBIA	642,765	3,233	0.5%	1.7%	0	5,257	2,641	$29.86
WEST END/GREEN HILLS	4,352,482	303,023	7.0%	9.1%	0	(43,595)	(65,842)	$46.43
WEST NASHVILLE	396,818	10,697	2.7%	3.4%	0	0	2,110	$28.50
Total	**13,264,575**	**870,213**	**6.6%**	**8.2%**	**41,217**	**(56,667)**	**(32,838)**	**$34.22**

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

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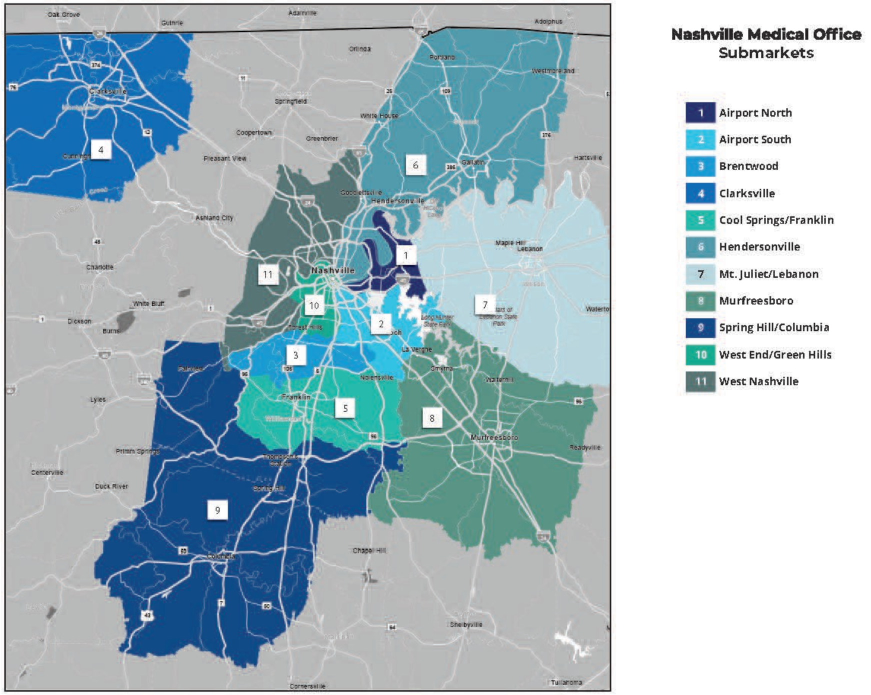

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