TRANSWESTERN

NASHVILLE

HEALTHCARE MARKET | Q3 2025

13.5 MSF
Inventory

194,142 SF
Net Absorption

6.4%
Direct Vacancy

8.2%
Total Availability

41,217 SF
Under Construction

$34.62 PSF
Asking Rent

Strong Q3 for Nashville Behind West End Delivery

Market Observations

- Nashville's direct vacancy rate fell 10 basis points in Q3 of 2025 from 6.5% to 6.4%. The market's vacancy rate has held between 5.7% and 6.9% since the end of 2021, even with 1,216,794 SF (8.9% of current inventory) of new deliveries during that period.

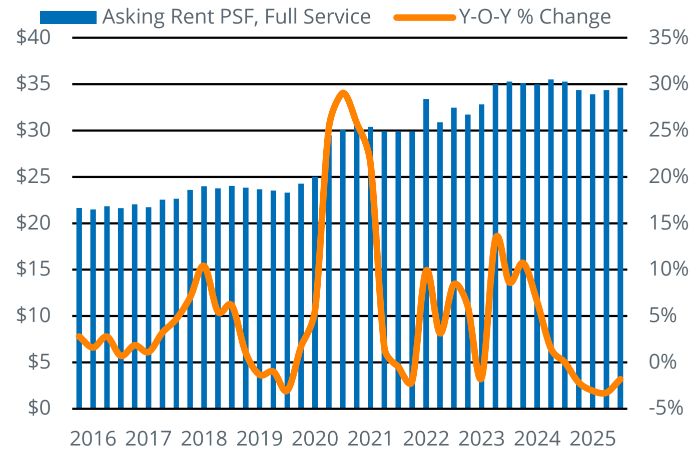
- The largest driver of positive absorption in Q3 came from the fully-leased delivery of the 196,000 SF Tennessee Oncology Center at 322 22nd Ave N in the West End/Green Hills submarket. The 5-story building was developed by Johnson HRE and is the largest medical office building built in Nashville since the 2019 delivery of Williamson Health's Bone and Joint Institute of Tennessee.

- Outside of West End/Green Hills, the top performing submarkets in Q3 of 2025 were Hendersonville and Murfreesboro, both of which have seen positive absorption year-over-year as well.

- 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 four years. The Nashville Metro has added 192,000 people since 2019, a 9.8% growth rate (far outpacing the national average of 4.5%). The MSA is projected to add an additional 180,000 people in the next five years, an 8.4% increase. Nashville has added 2,000 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.

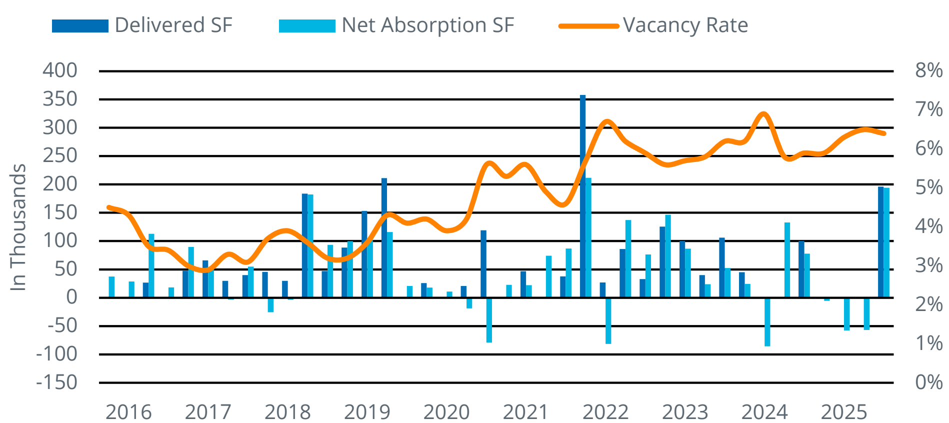
- Nashville saw positive **net absorption** of 194,142 SF in Q3 of 2025, turning both the year-over-year and year-to-date absorption figures positive. The growing market has seen four-consecutive calendar years of positive absorption from 2021-2024, and is on pace for a fifth, pending a solid close to the year in Q4.
- Nashville's **direct vacancy** rate fell 10 basis points in Q3 of 2025 to 6.4%. This sits slightly above the market's average vacancy rate over the last four years of 6.1%.
- Average **asking rents** rose for a second-consecutive quarter but are still down 1.8% year-over-year.
- 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 slated for Q4 2025 and Q1 2026 deliveries, respectively. The lone delivery of 2025 thus far has been the 196,000 SF Tennessee Oncology Center in the West End/Green Hills submarket.

ASKING RENT



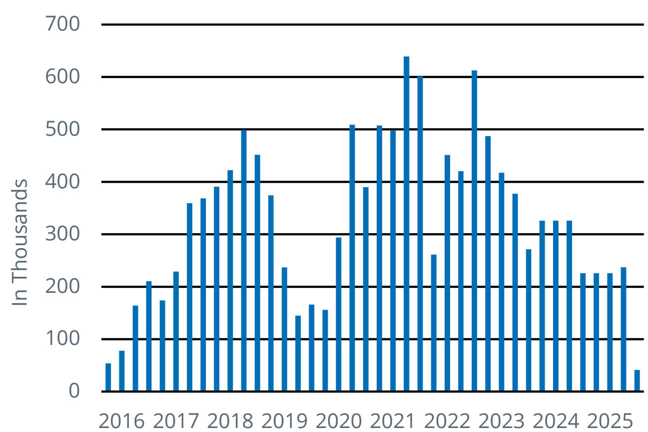
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern

MARKET INDICATORS TABLE

All Classes of Space | Q3 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	541,801	74,284	13.7%	15.1%	0	(2,874)	(17,785)	$26.87
AIRPORT SOUTH	900,424	93,625	10.4%	12.5%	0	3,788	(13,008)	$27.57
BRENTWOOD	692,376	22,370	3.2%	8.6%	0	1,346	3,140	$36.82
CLARKSVILLE	527,805	65,604	12.4%	12.8%	0	0	(26,774)	$29.49
COOL SPRINGS/FRANKLIN	1,479,857	92,260	6.2%	10.5%	0	(14,989)	(61,441)	$34.24
HENDERSONVILLE	1,407,641	51,356	3.6%	5.6%	0	25,986	45,209	$26.96
MT. JULIET/LEBANON	873,360	85,132	9.7%	10.2%	0	(6,931)	(3,411)	$31.88
MURFREESBORO	1,446,628	21,205	1.5%	3.2%	41,217	13,011	17,904	$34.93
SPRING HILL/COLUMBIA	643,923	3,233	0.5%	1.7%	0	0	13,473	$29.61
WEST END/GREEN HILLS	4,618,527	334,972	7.3%	8.6%	0	179,670	111,431	$50.72
WEST NASHVILLE	396,818	15,562	3.9%	3.9%	0	(4,865)	5,588	$28.50
Total	**13,529,160**	**859,603**	**6.4%**	**8.2%**	**41,217**	**194,142**	**74,326**	**$34.62**

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

For more Information

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