

FIGURES | NASHVILLE OFFICE | Q2 2026

Positive Absorption and Limited Supply Support Nashville Office Recovery

▼ 17.5%

Vacancy Rate

▲ 350,633

SF Net Absorption

▶ 0

SF Construction Delivered

▲ 295,000

SF Under Construction

▼ \$37.16

FSG/YR Direct Lease Rate

▼ \$58.16

FSG/YR Prime Asking Rate

Note: Arrows indicate change from previous quarter.

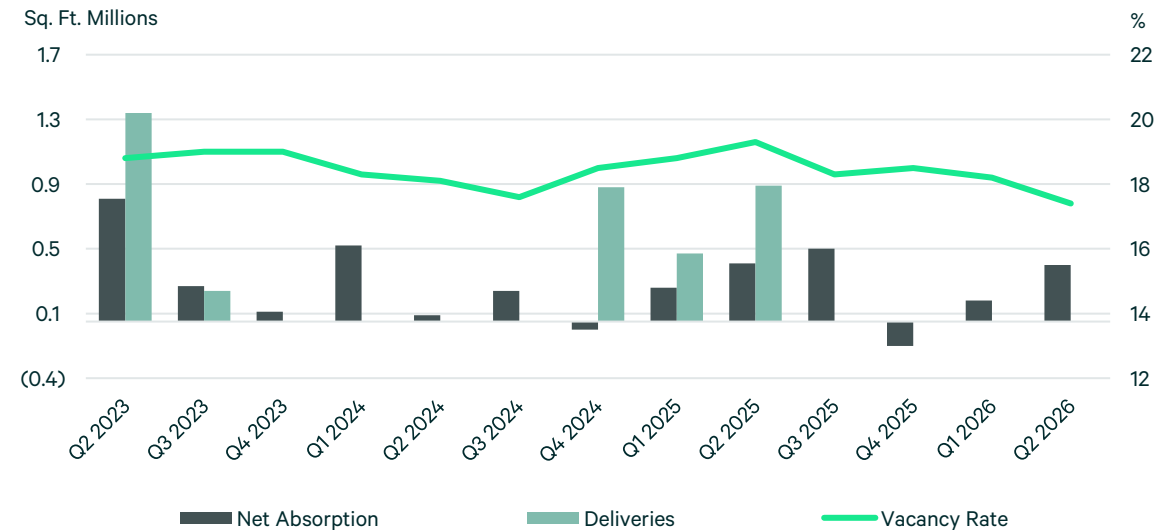
Market Overview

From Q2 2023 through Q2 2026, Nashville’s office market continued to show signs of stabilization, with vacancy moving lower from 18.8% to 17.5% while average direct asking rents remained meaningfully above earlier-cycle levels, increasing from \$32.17 to \$37.16 per sq. ft. Although conditions have improved, demand remains selective, with leasing and absorption concentrated in higher-quality assets and core submarkets rather than evenly distributed across the metro.

In Q2 2026, net absorption totaled 351,000 sq. ft., bringing year-to-date absorption to 476,000 sq. ft. Vacancy declined to 17.5%, while overall availability tightened to 23.5%. Average direct asking rents softened to \$37.16 per sq. ft., reflecting some near-term pricing adjustment even as occupancy fundamentals improved. Construction activity remained limited, with 295,000 sq. ft. underway and no new office deliveries during the quarter.

The U.S. economy entered mid-2026 growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, supported in part by continued AI-related business investment. However, geopolitical uncertainty, elevated energy prices, inflation at 4.2%, and Treasury yields above 4% continue to complicate the broader real estate environment, even as the prospect of easing tensions and normalized trade flows could improve CRE sentiment.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy

Total market vacancy declined to 17.5% in Q2 2026, reflecting continued stabilization as positive absorption and limited new supply supported tighter conditions. Class A vacancy improved to 19.5%, while Class B eased to 16.2% and Class C remained the tightest segment at 6.9%. Availability also continued to moderate, with total market availability at 23.5%, including 20.6% direct availability and 2.9% sublease availability. Within the larger property classes, Class A reported 23.8% total availability, while Class B remained slightly higher at 24.9%, underscoring that available space remains meaningful even as vacancy trends improved.

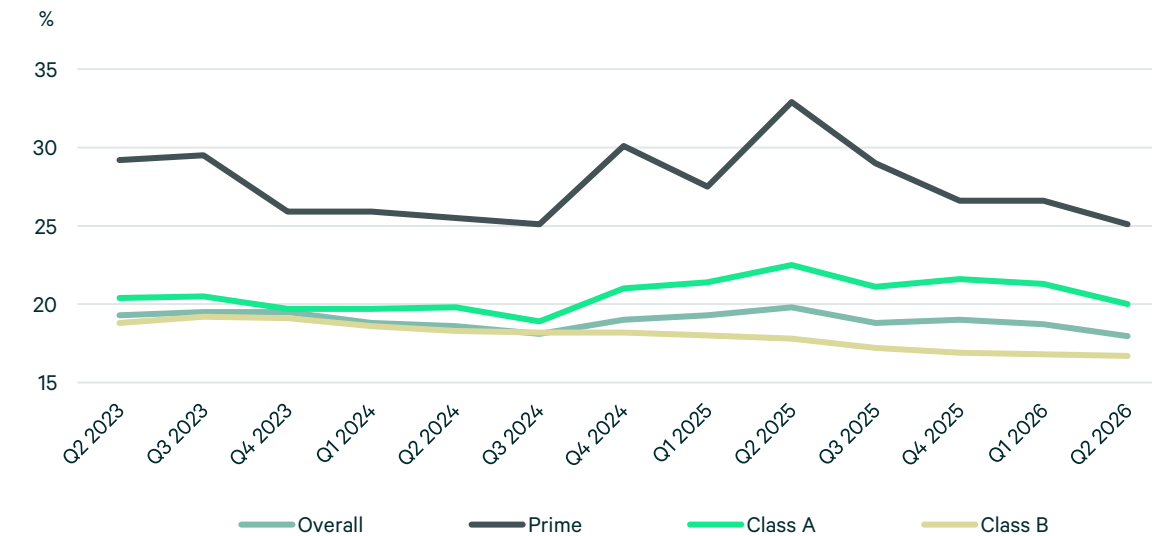
At the submarket level, North Nashville recorded the lowest vacancy at 3.3%, followed by Green Hills / 21st Ave / Music Row at 9.4%, while Airport South remained the most elevated at 27.1%. Sublease availability was most pronounced in Metrocenter at 5.6% and Cool Springs at 4.5%, while Green Hills / 21st Ave / Music Row remained comparatively tight at 0.8%.

Asking Rent

The overall average direct asking rate ended Q2 2026 at \$37.16 per sq. ft., below the prior quarter but still well above the level shown at the start of the Q2 report's historical series. Class A asking rents softened to \$42.56 per sq. ft., while Class B rates increased to \$29.75 per sq. ft., narrowing the spread between top-tier and more price-sensitive space. Prime space remained the market's highest-priced segment at \$58.16 per sq. ft., reflecting continued rent premiums for the highest-quality inventory. Pricing also varied meaningfully between urban and suburban locations, with the urban market averaging \$43.60 per sq. ft. compared with \$34.03 per sq. ft. in the suburban market.

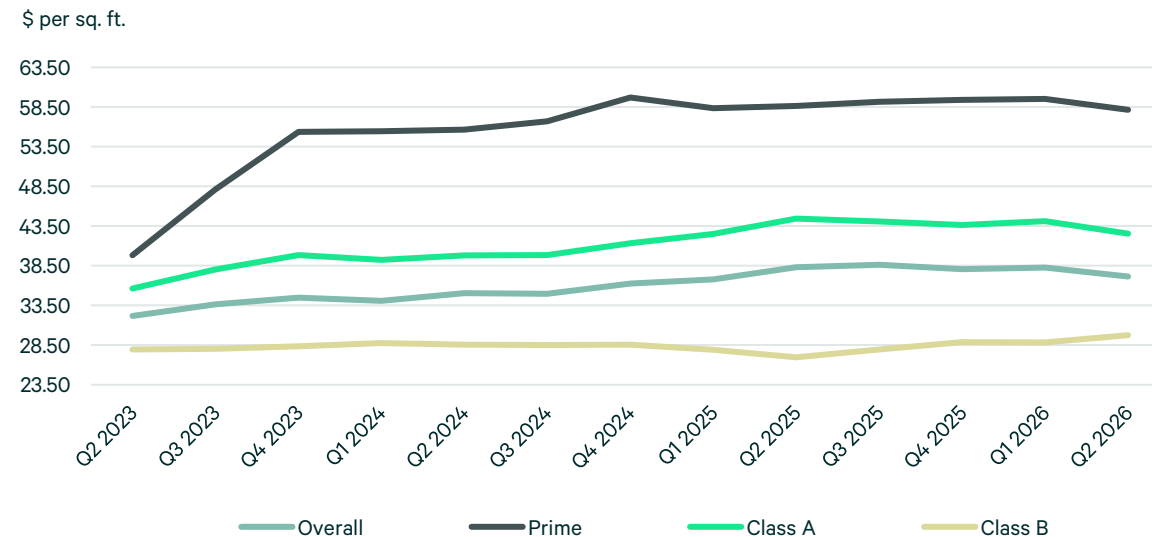
At the submarket level, Class A pricing remained highest in established urban and amenity-rich locations, led by Green Hills / 21st Ave / Music Row at \$50.94 per sq. ft., followed by West End / Belle Meade at \$48.83 and Downtown at \$48.49. More moderate Class A pricing persisted in suburban and value-oriented submarkets, including Brentwood, Airport North, Metrocenter, and North Nashville.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q2 2026

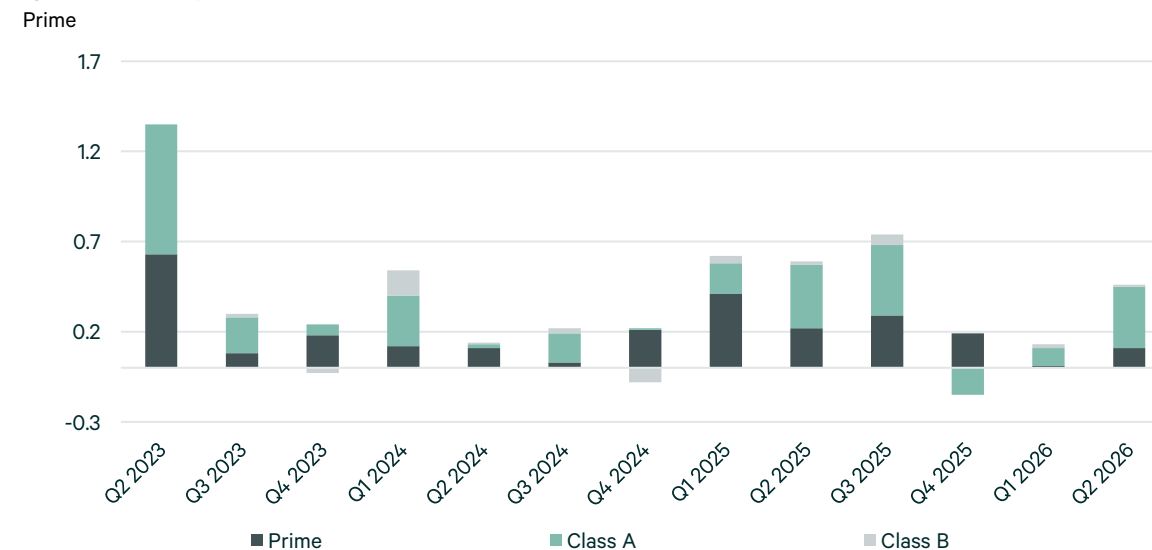
Net Absorption

Net absorption totaled 351,000 sq. ft. in Q2 2026, bringing year-to-date absorption to 476,000 sq. ft. Class A properties accounted for the majority of quarterly demand, with 341,000 sq. ft. absorbed, while Class B added 8,000 sq. ft. and Class C contributed 2,000 sq. ft. Prime assets contributed 107,000 sq. ft. of quarterly absorption, while Other Class A space accounted for 234,000 sq. ft., reinforcing that higher-quality inventory continued to drive most occupancy gains. Absorption was split between the urban and suburban portions of the market, with 192,000 sq. ft. recorded in the urban market and 158,000 sq. ft. in the suburban market. Downtown led all submarkets with 192,000 sq. ft. of positive absorption, followed by West End / Belle Meade at 52,000 sq. ft. and Airport South at 38,000 sq. ft. Green Hills / 21st Ave / Music Row, Brentwood, Metrocenter, Airport North, and Cool Springs also posted positive movement, underscoring broad improvement in occupancy while demand remained concentrated in select locations.

Construction Activity

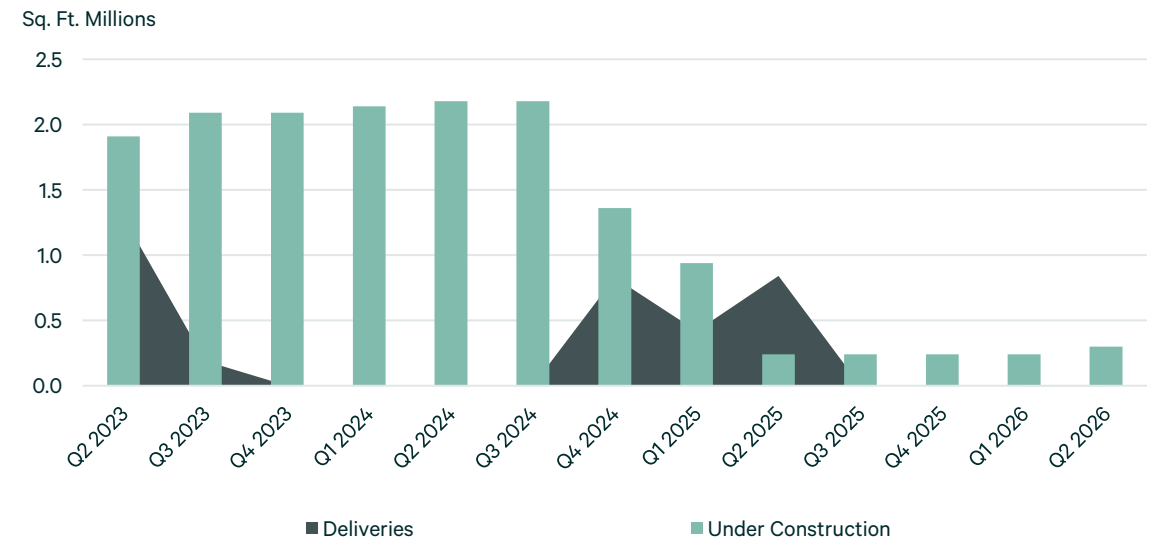
Construction activity remained limited in Q2 2026, with 295,000 sq. ft. under construction and no new deliveries during the quarter. The pipeline has narrowed significantly from the peak shown in the Q2 historical construction chart, reducing near-term supply pressure across the market. All active construction is Class A, with 295,000 sq. ft. underway in that segment and no Class B or Class C construction reported. Current construction is concentrated in two submarkets: Airport South, where the 235,000 sq. ft. Wedgewood Village project is currently underway, and West End / Belle Meade, where the 60,000 sq. ft. Voce office project is under construction. Airport South accounts for the majority of the active pipeline, while West End / Belle Meade represents the only other submarket with office space underway. No other submarkets reported active office construction.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



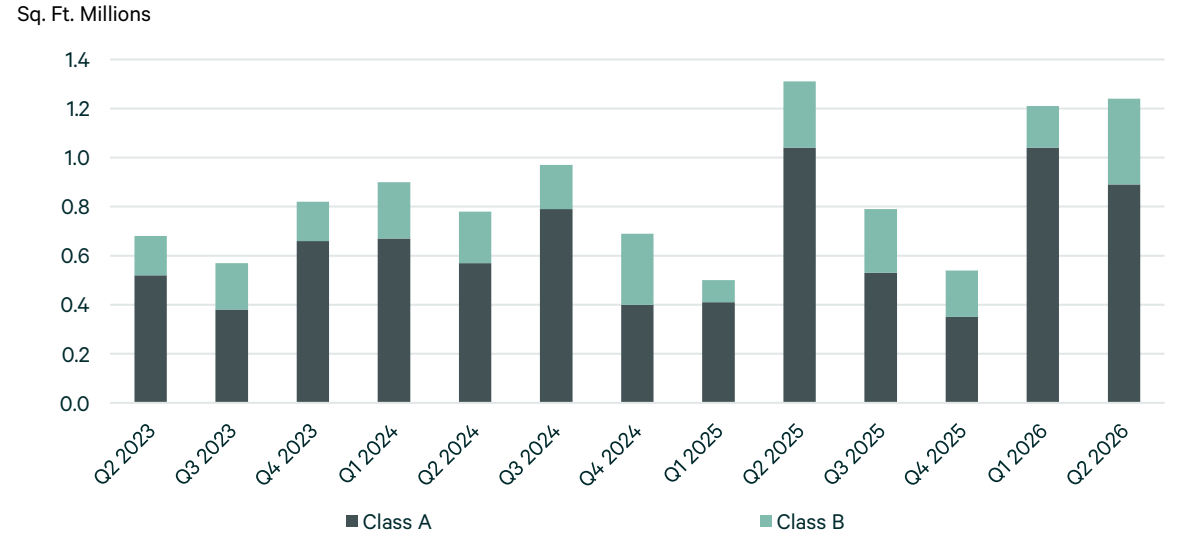
Source: CBRE Research, Q2 2026

Leasing Activity

Leasing activity reached 1.2 million sq. ft. in Q2 2026, bringing the trailing four-quarter total to 3.8 million sq. ft. Class A assets captured 887,000 sq. ft. of quarterly volume, while Class B accounted for 353,000 sq. ft., reinforcing tenant preference for higher-quality space while showing continued engagement across multiple segments of the market.

Downtown led leasing activity with 414,000 sq. ft., followed closely by Brentwood at 388,000 sq. ft. and Cool Springs at 192,000 sq. ft. Activity also extended across Airport North, Airport South, West End / Belle Meade, Green Hills / 21st Ave / Music Row, Metrocenter, and North Nashville, reflecting broad market participation beyond the quarter’s leading submarkets.

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q2 2026

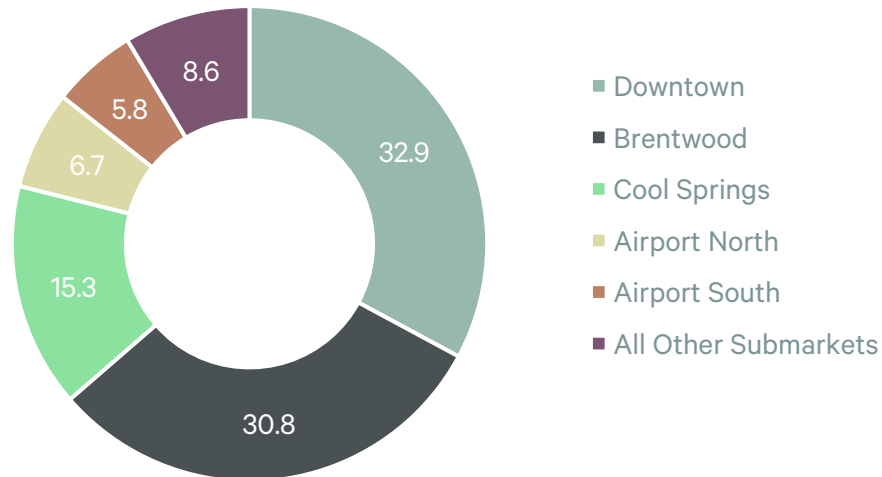
Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Starbucks*	250,000	New Lease	50 Peabody St	Downtown
Starbucks	78,000	Sublease	1101 Church St	Downtown
Confidential - Legal	61,000	New Lease	21 Platform Way S	Downtown
MRP	29,000	Renewal	5209 Linbar Dr	Airport South
Confidential - Medical	26,000	New Lease	955 Church St	Downtown
OTC Management, Inc	24,000	Renewal	100 Centerview Dr	Airport North
National Distribution & Contracting	24,000	Renewal	402 BNA Dr	Airport South
CAPTRUST Financial Advisors	22,000	New Lease	210 Westwood Pl	Brentwood

*Deal signed late Q1 2026, not included in Q2 2026 total lease transaction volume

Source: CBRE Research, Q2 2026

Figure 7: Leasing by Submarket (% of Total Activity)



Source: CBRE Research, Q2 2026

Market Statistics by Class

Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	27.56M	19.5	23.8	21.5	2.3	42.56	341,000	441,000	-	295,000
Prime	7.41M	24.6	17.2	16.4	0.7	58.16	107,000	118,000	-	-
Other Class A	20.15M	17.6	26.2	23.4	2.8	38.51	234,000	323,000	-	295,000
Class B	17.96M	16.2	24.9	20.7	4.3	29.75	8,000	33,000	-	-
Class C	3.21M	6.9	12.9	12.8	0.1	23.76	2,000	2,000	-	-
Total	48.64M	17.5	23.5	20.6	2.9	37.16	351,000	476,000	-	295,000

Figure 10: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	10.55M	18.7	22.7	21.2	1.5	48.49	192,000	192,000	-	-
Prime	5.04M	20.9	12.0	11.1	0.8	60.90	58,000	63,000	-	-
Other Class A	5.51M	16.7	32.5	30.4	2.0	44.33	134,000	128,000	-	-
Class B	3.05M	24.5	35.5	29.7	5.8	33.14	-	(2,000)	-	-
Class C	0.68M	4.87	16.9	16.9	-	28.24	-	-	-	-
Total	14.29M	19.3	25.1	22.8	2.3	43.60	192,000	190,000	-	-

Figure 11: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	17.01M	20.0	24.5	21.7	2.8	38.95	148,000	249,000	-	295,000
Prime	2.37M	32.5	28.3	27.7	0.6	55.81	49,000	55,000	-	-
Other Class A	14.64M	17.9	23.8	20.7	3.1	35.27	100,000	195,000	-	295,000
Class B	14.90M	14.5	22.7	18.8	3.9	28.62	8,000	34,000	-	-
Class C	2.44M	7.5	11.8	11.6	0.2	22.28	2,000	2,000	-	-
Total	34.35M	16.7	22.8	19.7	3.1	34.03	158,000	286,000	-	295,000

Source: CBRE Research, Q2 2026

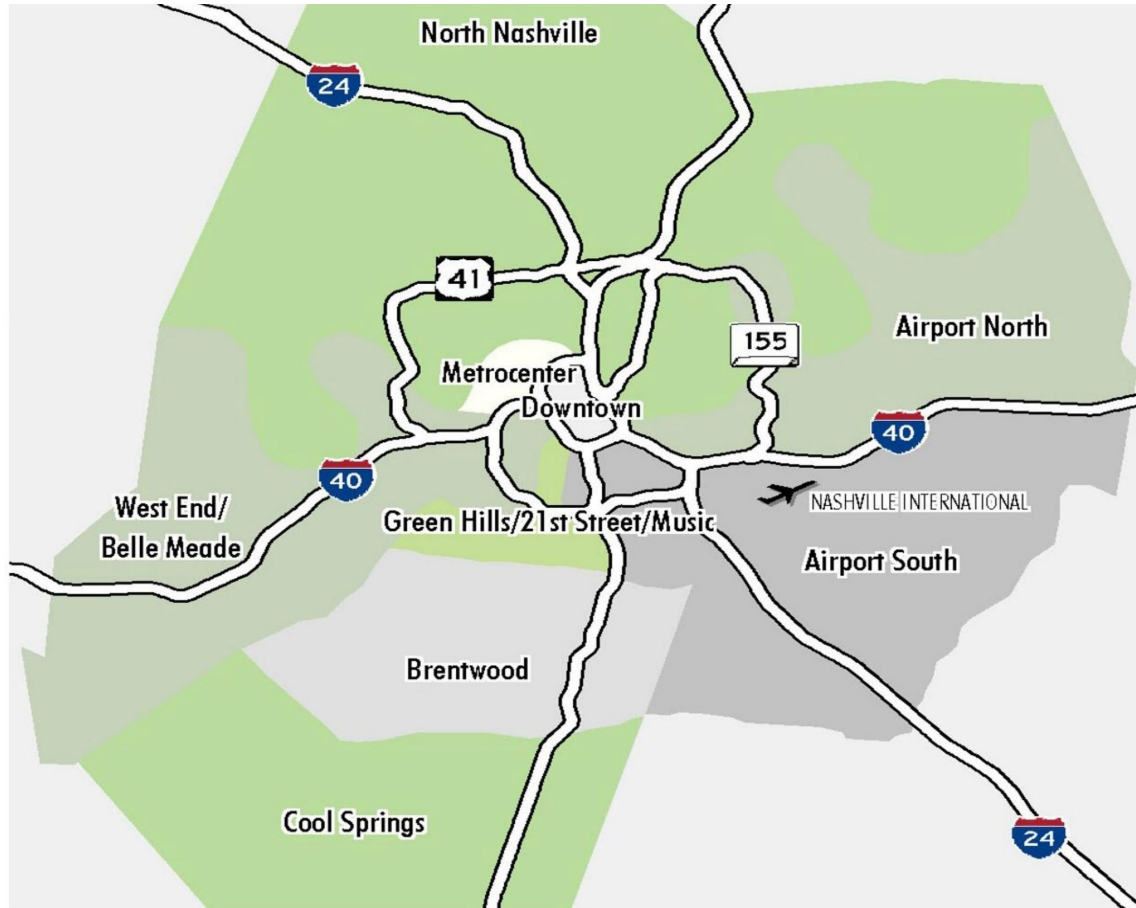
Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Class A Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport North	3.67M	12.4	26.2	23.2	3.1	27.61	31.68	9,000	(4,000)	-	-
Airport South	5.13M	27.1	30.1	26.7	3.4	30.92	38.80	38,000	61,000	-	235,000
Brentwood	6.25M	12.4	19.6	16.7	2.8	32.21	33.97	19,000	26,000	-	-
Cool Springs	8.39M	21.2	27.7	23.2	4.5	35.14	36.69	2,000	95,000	-	-
Downtown	14.29M	19.3	25.1	22.8	2.3	43.60	48.49	192,000	190,000	-	-
Green Hills / 21st Ave / Music Row	3.26M	9.4	11.6	10.8	0.8	43.63	50.94	24,000	27,000	-	-
Metrocenter	1.93M	12.0	24.4	18.7	5.6	27.49	30.78	15,000	21,000	-	-
North Nashville	0.85M	3.3	7.9	6.0	1.9	27.77	29.18	-	(3,000)	-	-
West End / Belle Meade	4.87M	15.9	17.8	16.4	1.4	45.13	48.83	52,000	63,000	-	60,000
Total	48.64M	17.5	23.5	20.6	2.9	37.16	42.56	351,000	476,000	-	295,000

Source: CBRE Research, Q2 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days.

Survey Criteria

Includes all classes of competitive single and multi-tenant, non-owner-occupied office properties larger than 10,000 sq. ft. within the geographic submarket boundaries defined in the “Market Area Overview.” Excludes government and medical office buildings.

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