

FIGURES | NASHVILLE INDUSTRIAL | Q2 2026

Strong Absorption Supports Nashville Industrial Fundamentals

▶ 4.8%

Vacancy Rate

▲ 1.8M

SF Net Absorption

▲ 2.0M

SF Construction Delivered

▼ 8.6M

SF Under Construction

▼ \$10.14

NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

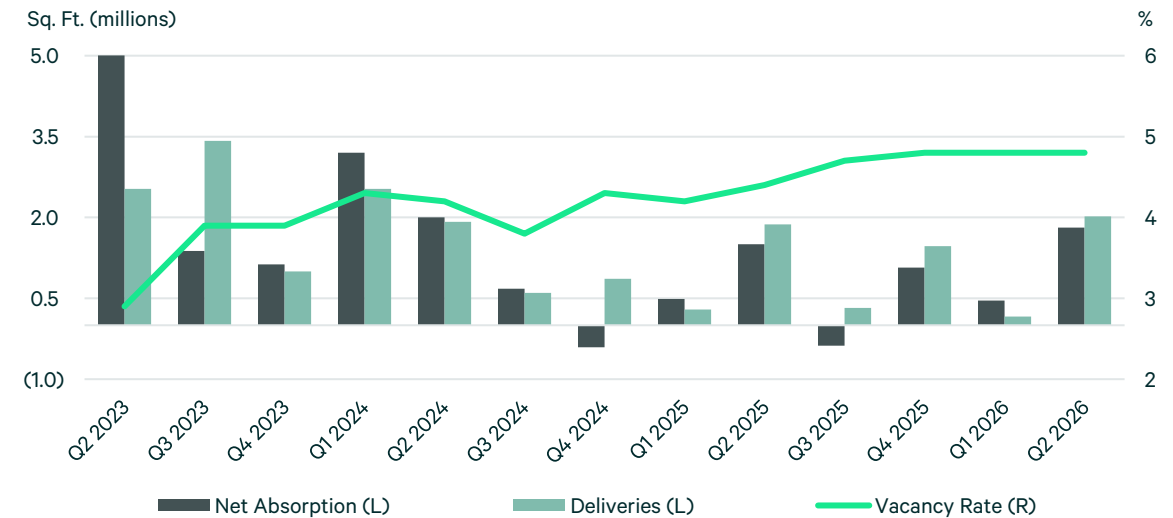
Market Overview

The Nashville industrial market posted stronger demand in Q2 2026, with net absorption totaling 1.8 million sq. ft. Vacancy held steady at 4.8%, while availability increased modestly to 8.1%, reflecting continued normalization in market conditions. Asking rents averaged \$10.14 per sq. ft., down slightly from the prior quarter but still above year-ago levels.

Construction activity remained elevated during the quarter, with 8.6 million sq. ft. under construction across 26 properties. Deliveries totaled 2.0 million sq. ft., marking a significant increase from Q1 2026 and slightly exceeding Q2 2025 levels. While the construction pipeline declined from the prior quarter, it remained well above year-ago levels, underscoring continued development activity across the market.

The U.S. economy entered mid-2026 navigating crosscurrents but continued to grow at a healthy pace, with CBRE projecting GDP growth to average 2.2%, broadly in line with 2025. AI-related business investment remains a key driver of expansion, though geopolitical conflict, energy prices, inflation, and elevated Treasury yields continue to complicate the commercial real estate environment.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Availability Rate

The market availability rate increased to 8.1% in Q2 2026, up from 7.9% in Q1 2026 and 7.1% one year earlier. Direct availability rose to 7.2%, while sublease availability held steady at 0.9%, indicating that the increase in available space was primarily driven by direct space rather than sublease inventory. Compared with Q2 2023, overall and direct availability have each risen meaningfully, reflecting a more competitive environment for available space than the market experienced earlier in the cycle.

Availability varied by submarket, with the I-65 South Corridor recording the lowest overall availability rate at 4.8%, followed by East Clarksville at 6.7%. I-40 East/I-840 reported the highest availability rate at 12.2%, reflecting its concentration of larger-format industrial product. Sublease availability totaled 2.1 million sq. ft. market-wide, with overall sublease availability unchanged quarter-over-quarter. While availability has continued to rise, current conditions remain differentiated by geography, with tighter infill and corridor-oriented submarkets contrasting against larger bulk distribution nodes.

Asking Rent

Average asking rents declined modestly to \$10.14 per sq. ft. in Q2 2026, down from \$10.26 in Q1 2026. Despite the quarterly decline, rents remained above year-ago levels and continued to reflect the market’s broader rent growth over the past several years. Since Q2 2023, the market-wide average asking rent has increased from \$7.92 per sq. ft., underscoring the longer-term pricing gains that have occurred even as near-term conditions have loosened.

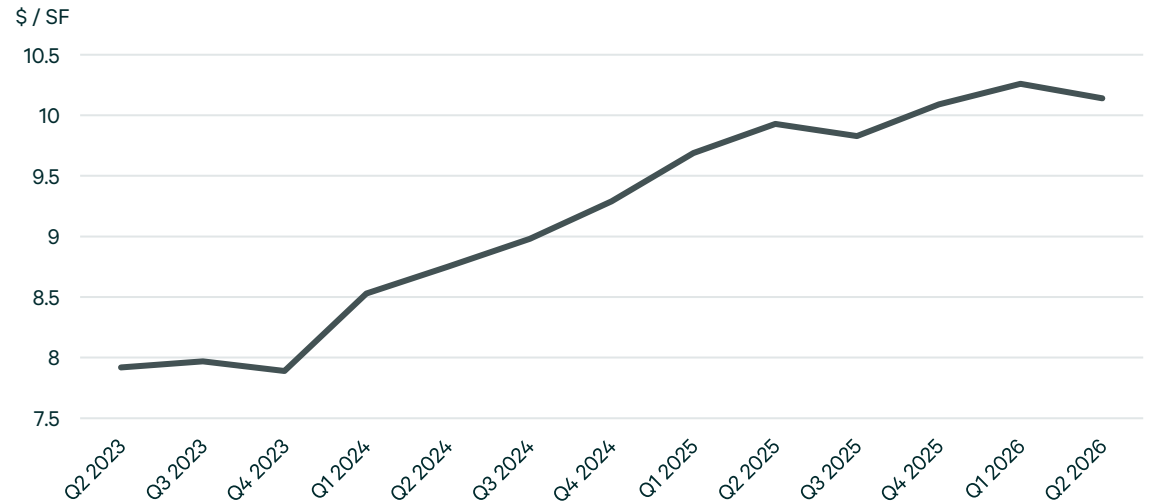
Rent levels continued to vary by submarket. The CBD reported the highest average asking rent at \$12.55 per sq. ft., followed by I-65 South Corridor, Interchange City, Northeast / I-65N Corridor, and East Clarksville. I-40 East/I-840 recorded the lowest average asking rent at \$8.27 per sq. ft., reflecting its larger concentration of bulk distribution product. The range in pricing highlights the continued premium for infill and smaller-format locations, while larger outer-ring distribution submarkets remain more cost competitive.

Figure 2: Availability Rates



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q2 2026

Net Absorption

The Nashville industrial market recorded 1.8 million sq. ft. of positive net absorption in Q2 2026, a notable increase from the prior quarter and year-ago period. The quarter reflected broad-based occupancy gains across the market, with no submarkets reporting negative net absorption. The rolling four-quarter average also improved during the quarter, pointing to a steadier demand environment following several uneven periods of absorption.

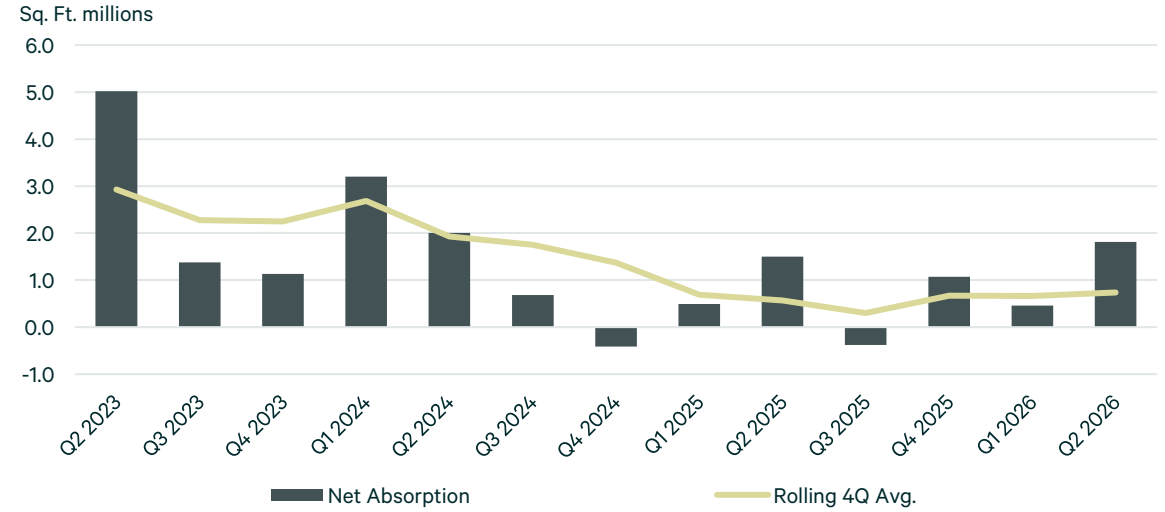
East Clarksville led the market with 739,000 sq. ft. of positive net absorption, followed by meaningful gains in the CBD, I-40 East/I-840, and Interchange City. Additional positive absorption was recorded in the Northeast / I-65N Corridor and Columbia Corridor, underscoring continued demand across multiple submarkets. The broad distribution of positive absorption suggests that demand was not isolated to one corridor but instead reflected activity across both established infill locations and larger industrial growth areas.

Construction Activity

New construction deliveries totaled 2.0 million sq. ft. in Q2 2026, increasing sharply from Q1 2026 and slightly exceeding the level delivered one year earlier. The quarter marked a meaningful increase in completed space following a slower start to the year. Delivery activity remained an important driver of market movement, particularly as new supply continued to shape vacancy and availability trends across select submarkets.

Under construction space totaled 8.6 million sq. ft. in Q2 2026, down from the prior quarter but higher year-over-year. Construction activity was concentrated in I-40 East/I-840, with 3.9 million sq. ft., followed by East Clarksville with 2.2 million sq. ft. While the pipeline moderated from Q1 2026, the amount of space under construction remained elevated, reinforcing the continued role of new development in Nashville’s near-term industrial supply outlook.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



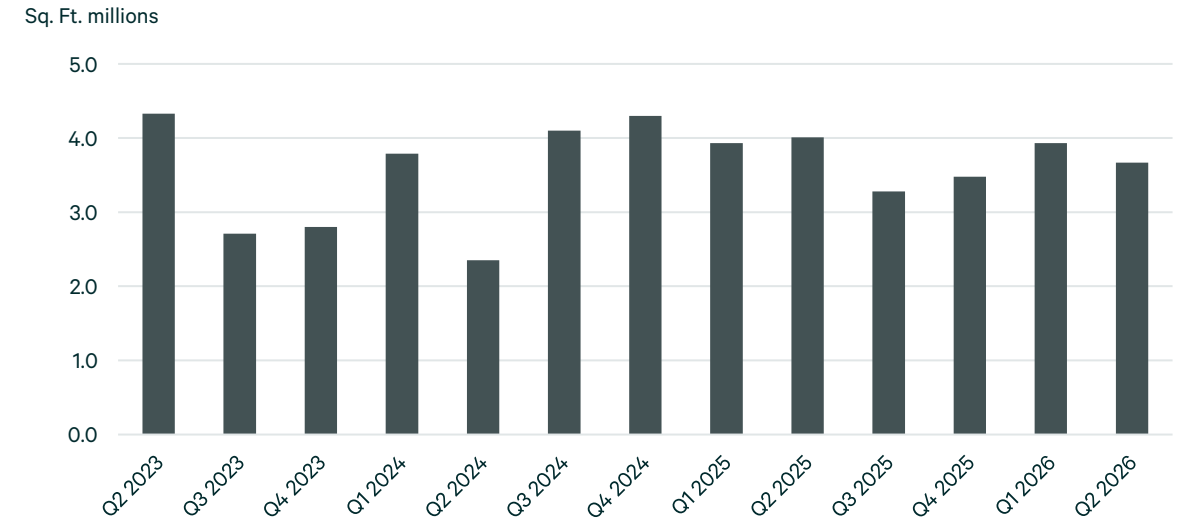
Source: CBRE Research, Q2 2026

Leasing Activity

Leasing activity totaled approximately 3.7 million sq. ft. in Q2 2026, moderating from both the prior quarter and year-ago period but remaining active across several of Nashville’s largest industrial submarkets. Activity was led by the CBD with 1.2 million sq. ft., representing 31.7% of total leasing, followed by I-40 East/I-840 with 1.1 million sq. ft. and 29.4% of total activity. Interchange City recorded 841,736 sq. ft., while East Clarksville totaled 538,880 sq. ft., accounting for 22.9% and 14.7% of quarterly leasing, respectively.

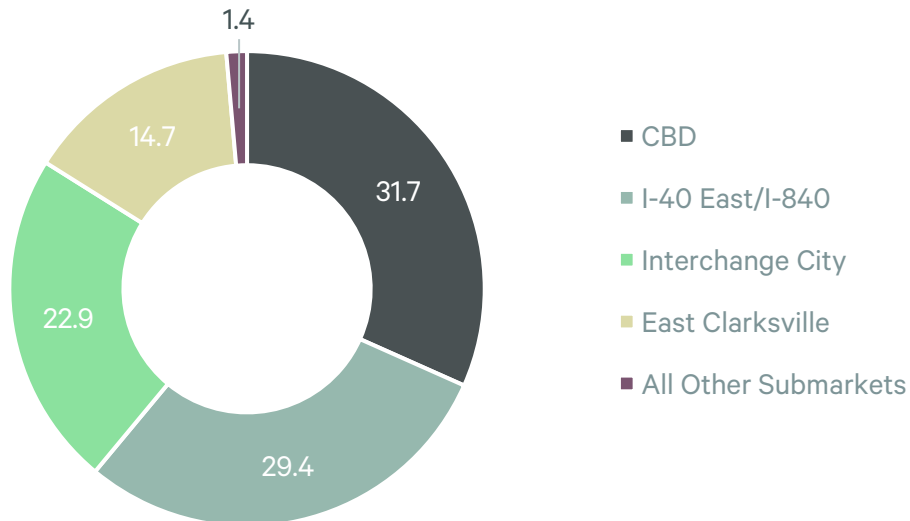
Additional activity was recorded in the Northeast / I-65N Corridor, Columbia Corridor, and I-65 South Corridor, which collectively represented a limited share of total leasing volume. While activity eased from recent highs, the quarter continued to reflect steady occupier engagement across both infill locations and larger distribution corridors.

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q2 2026

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



Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Geodis	552,000	Renewal	578 Aldi Blvd	I-40 East/I-840
Confidential Tenant	531,000	New Lease	4051 Guthrie Hwy	East Clarksville
Crane Worldwide Logistics	270,000	New Lease	549 Aldi Blvd	I-40 East/I-840
Confidential Tenant	191,000	New Lease	455 Industrial Blvd	Interchange City
DormCo	148,000	New Lease	3438-3444 Briley Park Blvd N	CBD
Noteworthy Warehousing	146,000	New Lease	660 Massman Dr	CBD
Sealed Air	139,000	Renewal	1253 Heil Quaker Blvd	Interchange City
Wausau	125,000	New Lease	606 Butler Dr	Interchange City

Source: CBRE Research, Q2 2026

Market Statistics by Product Type

Figure 9

Product Type	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	145.27M	7.2	10.8	9.5	1.3	9.79	1.34M	1.87M	2.02M	5.87M
Manufacturing - General	76.50M	0.9	3.2	2.9	0.3	10.46	435,000	306,000	-	2.70M
R&D/Flex	11.37M	2.3	6.1	5.8	0.3	15.79	40,000	92,000	-	-
Other Industrial	2.33M	1.1	11.3	11.3	-	11.11	-	-	-	-
Total	235.47M	4.8	8.1	7.2	0.9	10.14	1.81M	2.27M	2.02M	8.57M

Source: CBRE Research, Q2 2026

Market Statistics by Size

Figure 10

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	27.36M	1.3	3.6	3.3	0.4	15.38	37,000	124,000	-	15,000
50K-99,999 SF	24.75M	3.1	6.7	5.9	0.8	13.14	54,000	262,000	-	493,000
100K-249,999 SF	58.15M	6.9	11.3	10.4	0.9	11.39	873,000	885,000	338,000	1.60M
250K-499,999 SF	40.07M	7.2	11.6	10.7	0.9	8.32	171,000	320,000	-	1.36M
500K-749,999 SF	33.57M	3.3	6.6	3.9	2.7	7.95	679,000	679,000	531,000	2.91M
750,000 SF +	51.57M	4.4	5.8	5.8	-	7.48	-	-	1.15M	2.20M
Total	235.47M	4.8	8.1	7.2	0.9	10.14	1.81M	2.27M	2.02M	8.57M

Source: CBRE Research, Q2 2026

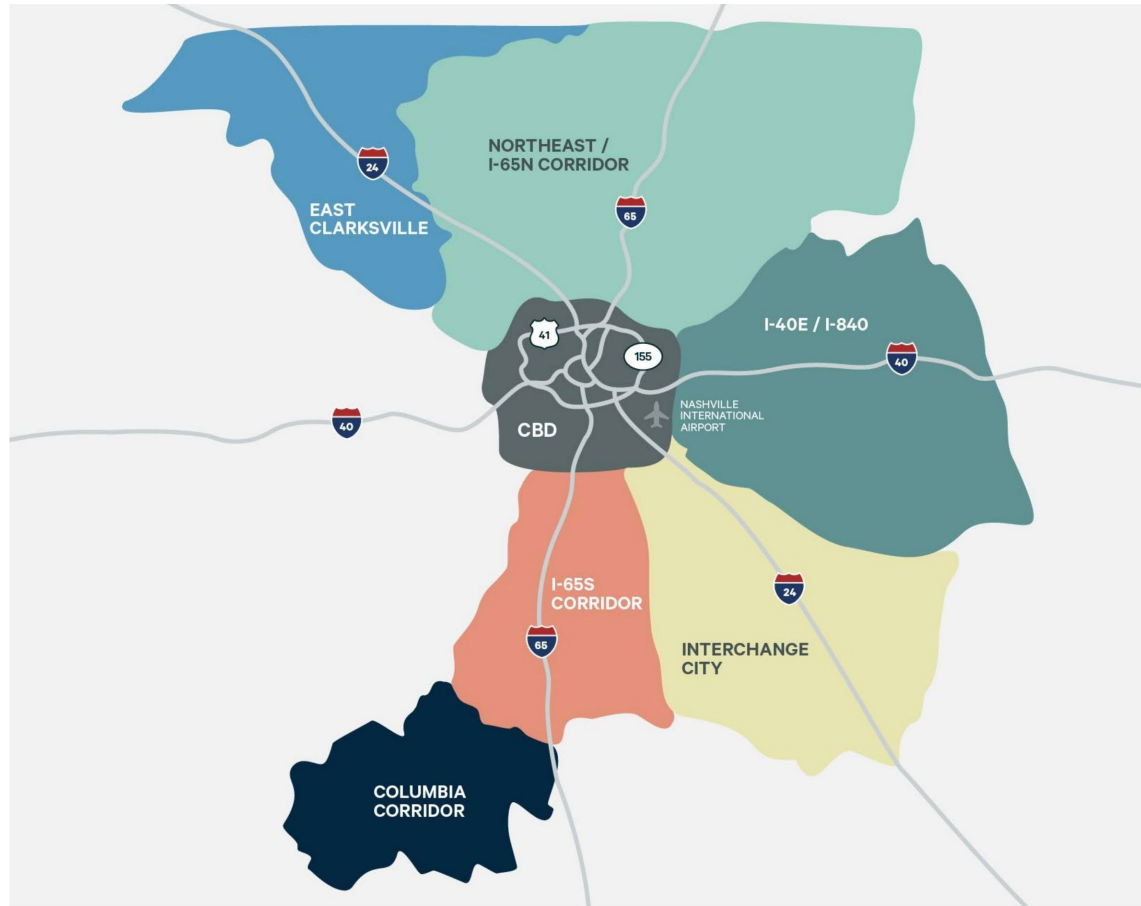
Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
CBD	63.47M	3.6	6.9	6.5	0.4	12.55	603,000	723,000	-	602,000
Columbia Corridor	5.78M	4.6	10.2	10.2	-	9.12	2,000	21,000	-	-
East Clarksville	5.79M	4.6	6.7	5.2	1.6	10.09	739,000	666,000	869,000	2.20M
I-40 East/I-840	48.23M	9.6	12.2	10.2	2.0	8.27	308,000	568,000	1.15M	3.91M
I-65 South Corridor	18.27M	4.1	4.8	3.3	1.5	10.76	-	12,000	-	-
Interchange City	60.05M	3.5	6.9	6.2	0.8	10.25	140,000	316,321	-	638,000
Northeast / I-65N Corridor	33.88M	3.4	8.4	8.1	0.3	10.14	21,000	(37,000)	-	1.22M
Total	235.47M	4.8	8.1	7.2	0.9	10.14	1.81M	2.27M	2.02M	8.57M

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. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all classes of competitive Distribution/Logistics, Manufacturing, and R&D/Flex properties larger than 10,000 sq. ft. within the geographic submarket boundaries defined in the “Market Area Overview.”

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