

FIGURES | NASHVILLE OFFICE | Q3 2026

Occupancy growth continues as new supply recedes



Note: Arrows indicate change from previous quarter.

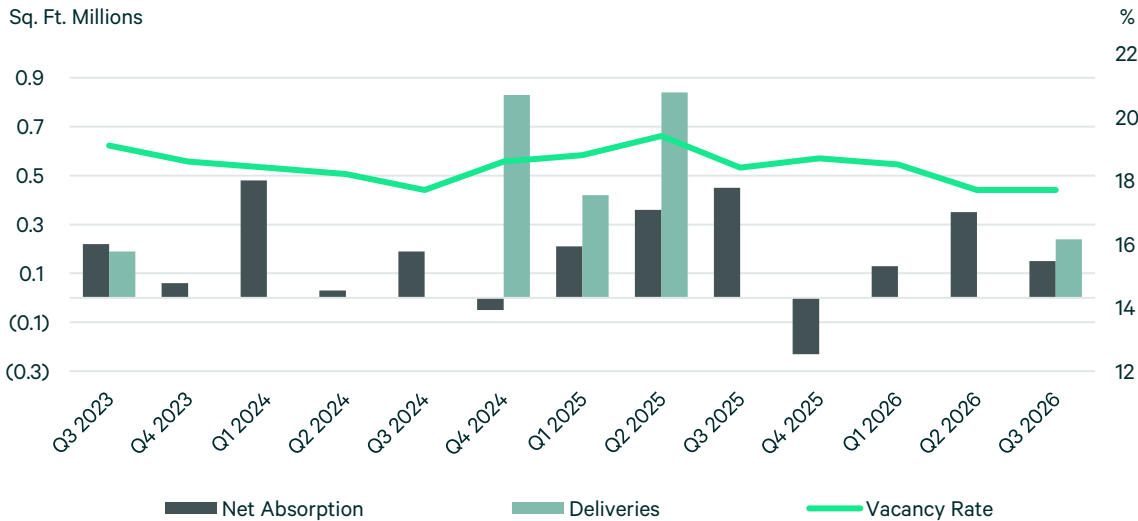
Market Overview

In Q3 2026, the Nashville office market recorded stable occupancy, moderating leasing volume, and a significantly reduced development pipeline. Net absorption totaled 152,000 sq. ft., down from 346,000 sq. ft. in Q2 2026, keeping the total vacancy rate steady at 17.7%. Total availability fell 30 bps quarter-over-quarter to 23.3%. Leasing activity reached 850,000 sq. ft., trailing the 1.46 million sq. ft. recorded in Q2 2026. The average asking rent increased to \$37.30 per sq. ft. Space under construction declined to just 60,000 sq. ft. following 235,000 sq. ft. of deliveries during the quarter.

Over the past three years, the market has absorbed new supply while posting incremental occupancy gains. Total vacancy declined from 19.1% in Q3 2023 to 17.7% in Q3 2026, and availability eased from 24.5% to 23.3%. Net absorption remained positive in most quarters, supporting long-term average asking rent growth from \$33.56 per sq. ft. in Q3 2023.

Macroeconomic conditions continue to support occupier fundamentals, with the U.S. economy positioned to grow by over 2% in 2026 amid a stable labor market. However, elevated interest rates and 5% Treasury yields continue to impact investment activity, with near-term relief dependent on shifting inflation data and geopolitical de-escalation.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



CBRE Research

Vacancy

Vacancy conditions in Q3 2026 showed gradual improvement over the past three years, though differences persisted by property class. Overall Class A vacancy in Q3 2026 stood at 19.8%, increasing 20 basis points quarter-over-quarter but improving 80 basis points year-over-year. Overall Class B vacancy in the quarter was 16.2%, down 50 basis points quarter-over-quarter and 70 basis points year-over-year. Prime vacancy was 23.90%, decreasing 74 basis points quarter-over-quarter and 461 basis points year-over-year. Compared with Q3 2023, Class A overall vacancy decreased 20 basis points from 20.0%, Class B fell 250 basis points from 18.7% to 16.2%, and Prime saw significant tightening, dropping 284 basis points from 29.07%.

Vacancy rates in Q3 2026 varied significantly by submarket, with tight conditions in select submarkets and substantial availability in a few outlying areas. North Nashville recorded the lowest vacancy among active submarkets at 3.3%, followed by Green Hills / 21st Ave / Music Row at 9.1%. At the other end of the spectrum, Airport South posted the highest vacancy rate at 31.4%.

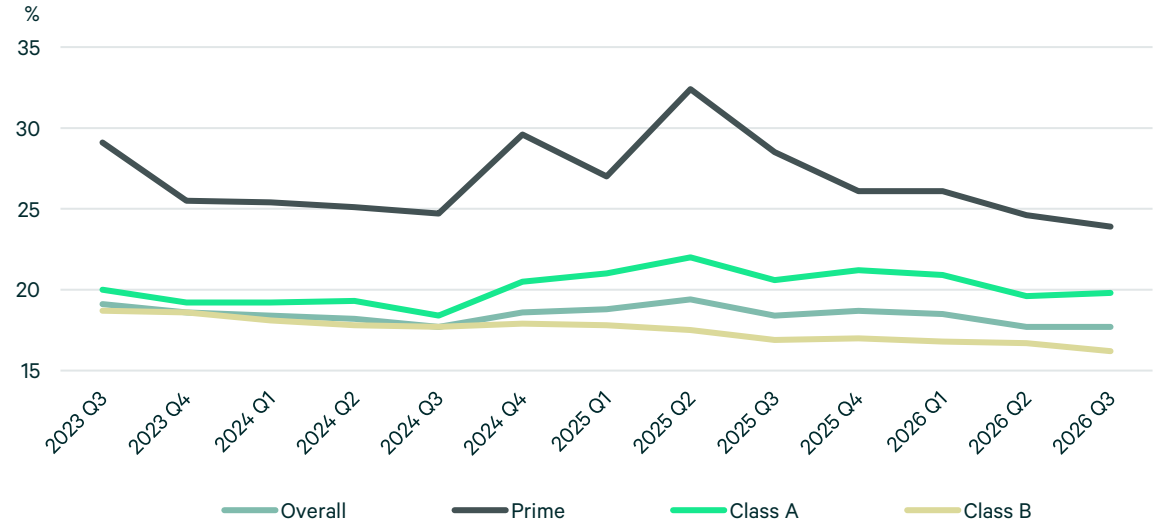
Sublease space remained a secondary but meaningful component of the market in Q3 2026. Sublease vacancy across all submarkets totaled 665,000 sq. ft. By class, sublease availability stood at 2.0% for Class A, 4.3% for Class B, and 1.8% for Prime space.

Asking Rent

In Q3 2026, the overall market average asking rent was \$37.30 per sq. ft., increasing quarter-over-quarter from \$37.09 per sq. ft. but remaining 3.4% lower year-over-year compared with \$38.62 per sq. ft. in Q3 2025. Since Q3 2023, the overall average asking rent has increased 11.1% from \$33.56 per sq. ft. Class A average asking rent was \$43.07 per sq. ft. in Q3 2026, rising quarter-over-quarter from \$42.57 per sq. ft. but trailing the Q3 2025 level of \$44.09 per sq. ft. by 2.3%. Prime average asking rent commanded a significant premium at \$62.10 per sq. ft. in Q3 2026, up 7.7% quarter-over-quarter from \$58.16 per sq. ft. and 6.0% year-over-year from \$59.14 per sq. ft., representing a 30.2% gain over the three-year period from \$48.12 per sq. ft. in Q3 2023.

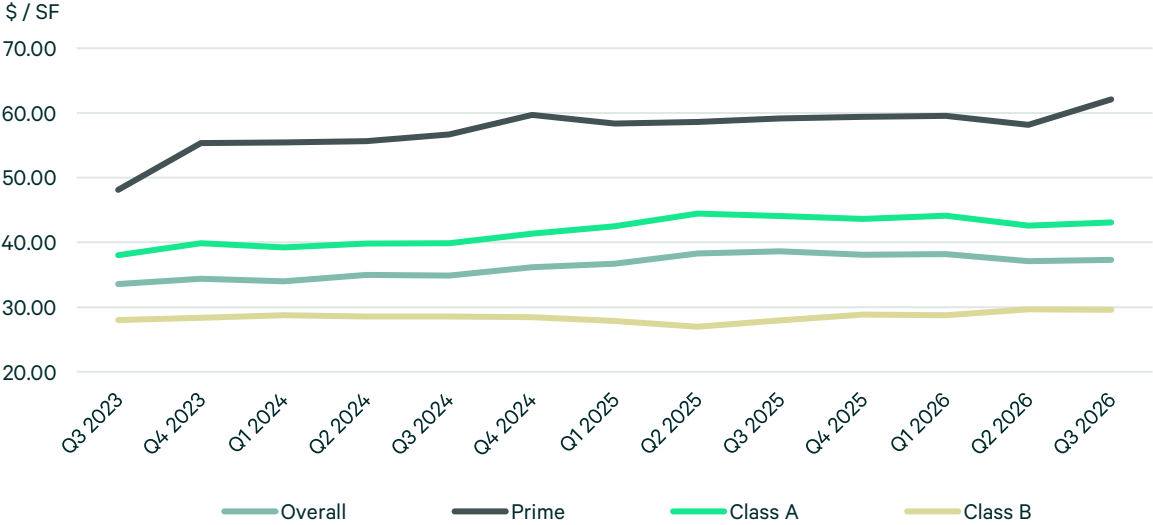
Submarket pricing varied significantly across the market. West End / Belle Meade and Downtown posted the highest average asking rents at \$46.18 per sq. ft. and \$44.25 per sq. ft., respectively, followed by Green Hills / 21st Ave / Music Row at \$43.41 per sq. ft. Conversely, submarkets such as Airport North (\$27.16 per sq. ft.) and Metrocenter (\$27.65 per sq. ft.) offered more moderate pricing.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q3 2026

Net Absorption

In Q3 2026, the market posted positive net absorption, though at a more moderate pace than in recent quarters. Total net absorption reached 152,000 sq. ft., falling below the 346,000 sq. ft. recorded in Q2 2026 and the 452,000 sq. ft. achieved in Q3 2025. Demand remained concentrated in higher-quality and value segments. Occupiers absorbed 42,000 sq. ft. of Class A space, which included 30,000 sq. ft. of Prime space—down from 107,000 sq. ft. of Prime absorption in Q2 2026 and 292,000 sq. ft. of Prime absorption in Q3 2025—and 112,000 sq. ft. of Class B space.

By submarket, occupancy gains in Q3 2026 were led by Cool Springs, which recorded the highest net absorption at 102,000 sq. ft. Downtown and Brentwood also posted solid growth, with net absorption totaling 24,000 sq. ft. and 12,000 sq. ft., respectively. New direct leases that counted toward these positive absorption totals included Creative Artists Agency moving into 19,539 sq. ft. at Aspen Grove Office Center II in Cool Springs and Ryan Tax occupying 16,135 sq. ft. at Symphony Place Downtown. Other submarkets reporting positive absorption included Green Hills / 21st Ave / Music Row with 7,000 sq. ft., West End / Belle Meade with 5,000 sq. ft., and Airport South with 2,000 sq. ft. Airport North, Metrocenter, and North Nashville recorded flat net absorption in the quarter.

Construction Activity

Construction activity in Q3 2026 shifted toward a significantly smaller pipeline following a wave of new completions. The quarter's 235,000 sq. ft. of deliveries came entirely from the Wedgewood Village development, comprising three buildings: 507 Houston St., 439 Humphreys St., and 424 Chestnut St. Developed by AJ Capital, the project features preleased space from tenants such as Sony and Flood Bumstead. As a result of these completions, the market's construction pipeline declined to 60,000 sq. ft., compared with 295,000 sq. ft. in the previous quarter and 235,000 sq. ft. a year earlier.

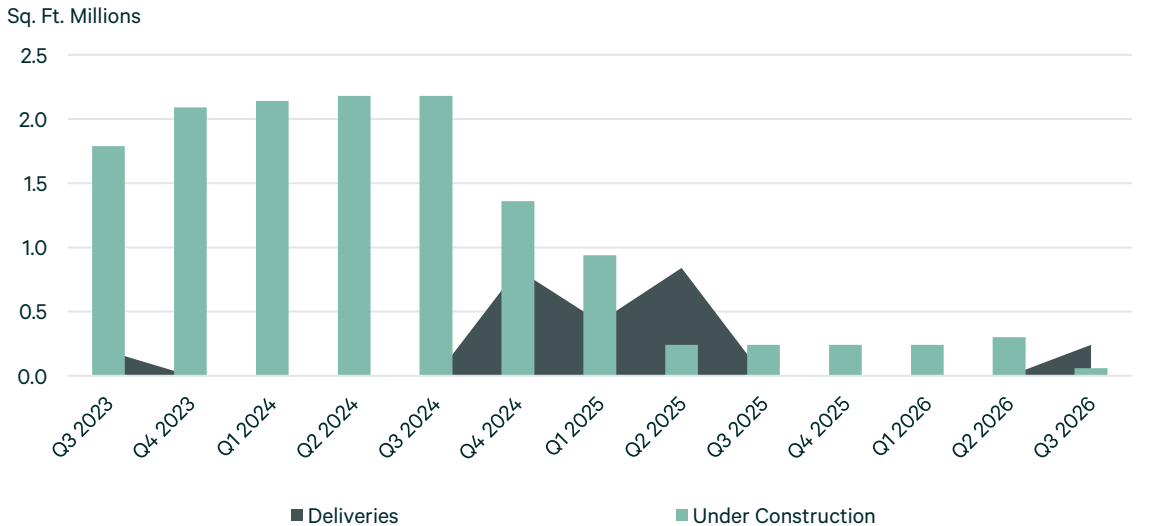
With all other projects completed following Q3 deliveries, the 60,000-sq.-ft. Voce development at 1717 Hayes St. is now the sole office project under construction in the Nashville market. Located in the West End/Belle Meade submarket, the speculative building has not yet secured preleasing. Delivery is currently anticipated in late 2027.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity



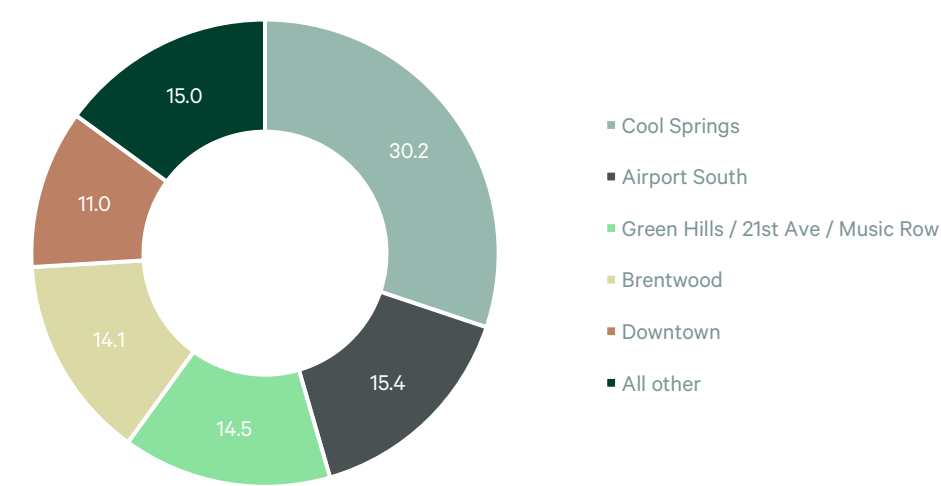
Source: CBRE Research, Q3 2026

Leasing Activity

Leasing activity remained healthy in Q3 2026, continuing to outpace year-ago levels. Total leasing volume reached 850,000 sq. ft., representing an 8.7% increase year-over-year from 782,000 sq. ft. in Q3 2025. While this quarter's volume normalized following an exceptionally strong Q2 2026—when tenants committed to 1.46 million sq. ft.—activity remains fundamentally sound. For historical context, calendar year 2025 volume totaled 3.21 million sq. ft.

Leasing activity during Q3 2026 was concentrated in the Cool Springs, Airport South, Green Hills/21st Ave/Music Row, Brentwood, and Downtown submarkets. Leasing momentum in Cool Springs was supported by several sizable commitments, including Wesley Financial Group's 49,700-sq.-ft. renewal at 9009 Carothers Pkwy, a 28,200-sq.-ft. sublease by Washco Companies at 4068 Rural Plains Cir, and a 23,100-sq.-ft. expansion by EISpaces Cool Springs at 840 Crescent Centre Dr. Airport South activity was anchored by the Metropolitan Government of Nashville & Davidson County's 63,100-sq.-ft. new lease at 1281-1283 Murfreesboro Rd. Downtown leasing was highlighted by a 38,800-sq.-ft. expansion at 1101 Church St, along with continued activity at several trophy assets, including Nashville Yards and Gulch Union.

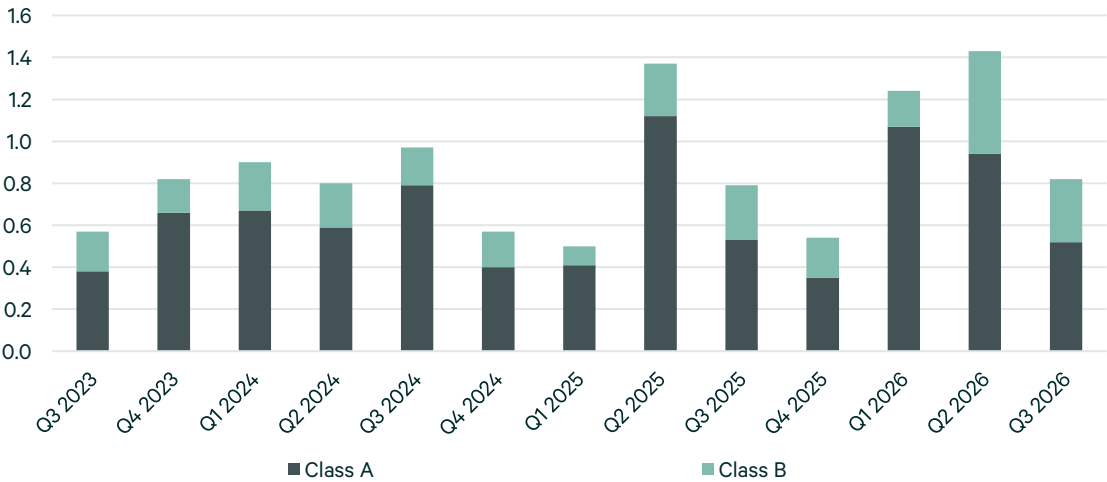
Figure 7: Leasing by Submarket (% of Total Activity)



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity Trend

Sq. Ft. Millions



Source: CBRE Research, Q3 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Metropolitan Government of Nashville & Davidson County	63,000	New Lease	1281-1283 Murfreesboro Rd	Airport South
Confidential Tenant	51,000	New Lease	801 Royal Pkwy	Airport North
Wesley Financial Group	50,000	Renewal	9009 Carothers Pkwy	Cool Springs
Confidential Tenant	39,000	Expansion	1101 Church St	Downtown
Surgery Partners	30,000	New Lease	340 7 Springs Way	Brentwood
Washco Companies	28,000	New Lease	4068 Rural Plains Cir	Cool Springs
EISpaces	23,000	Expansion	840 Crescent Centre Dr	Cool Springs
Resound Credit Union	20,000	New Lease	535 Marriott Dr	Airport North

Source: CBRE Research, Q3 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	27.80M	19.8	23.3	21.3	2.0	43.07	42,000	483,000	235,000	60,000
Prime	7.42M	23.9	16.2	14.4	1.8	62.10	30,000	148,000	-	-
Other Class A	20.38M	18.3	25.9	23.9	2.0	38.78	12,000	336,000	235,000	60,000
Class B	18.03M	16.2	25.1	20.9	4.3	29.60	112,000	143,000	-	-
Class C	3.12M	7.0	12.7	12.6	0.1	24.39	(2,000)	-	-	-
Total	48.96M	17.7	23.3	20.6	2.7	37.30	152,000	626,000	235,000	60,000

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	18.4	22.3	20.0	2.3	49.88	6,000	198,000	-	-
Prime	5.04M	19.9	11.1	8.6	2.5	69.37	24,000	88,000	-	-
Other Class A	5.51M	17.0	32.5	30.4	2.1	44.82	(18,000)	111,000	-	-
Class B	3.05M	23.9	35.3	29.5	5.8	32.74	17,000	15,000	-	-
Class C	684,000	4.9	17.0	17.0	-	28.24	-	-	-	-
Total	14.29M	18.9	24.8	21.9	2.9	44.25	24,000	213,000	-	-

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	17.25M	20.7	23.9	22.2	1.8	39.19	36,000	285,000	235,000	60,000
Prime	2.37M	32.3	27.1	26.7	0.4	57.12	6,000	60,000	-	-
Other Class A	14.87M	18.8	23.4	21.4	2.0	35.49	30,000	225,000	235,000	60,000
Class B	14.96M	14.6	23.1	19.1	4.0	28.62	95,000	127,000	-	-
Class C	2.44M	7.5	11.5	11.3	0.2	23.09	(2,000)	-	-	-
Total	34.65M	17.2	22.7	20.1	2.6	34.14	129,000	413,000	235,000	60,000

Source: CBRE Research, Q3 2026

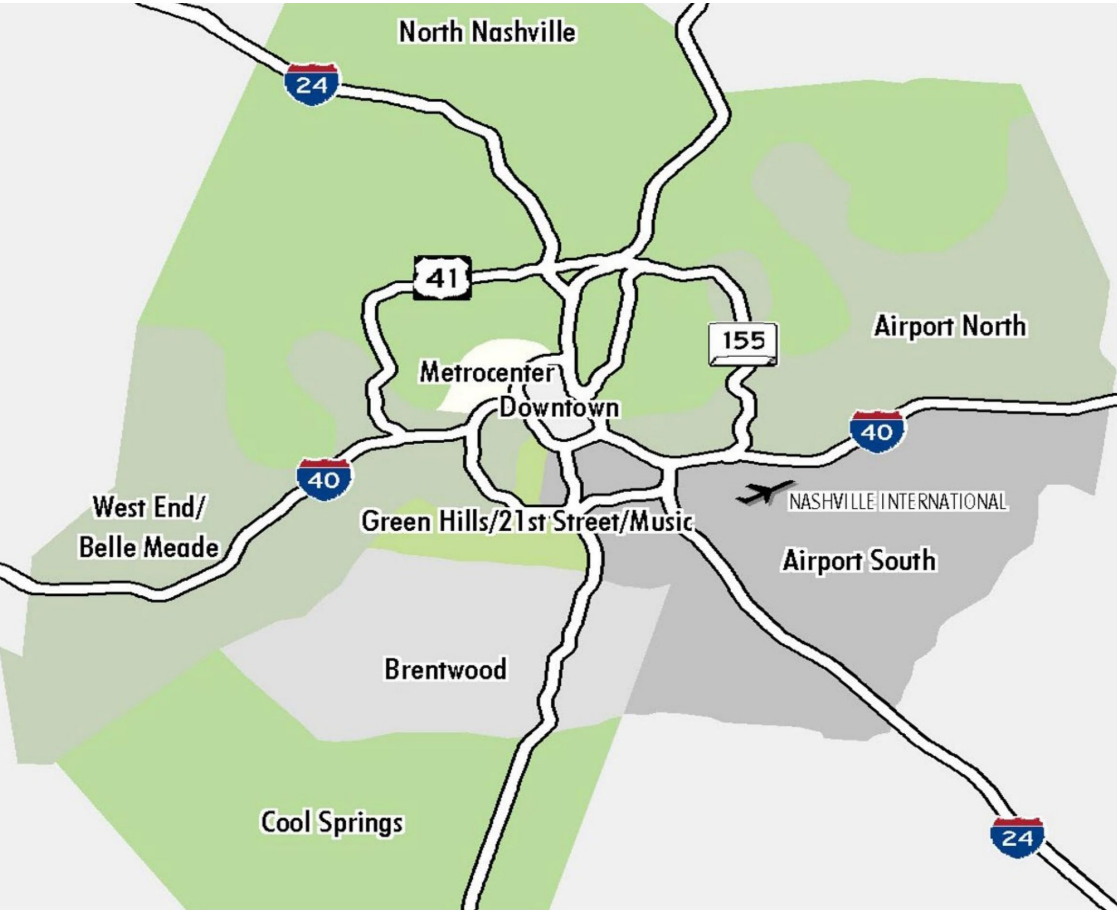
Market Statistics by Submarket

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	3.75M	13.5	28.8	26.2	2.6	27.16	31.68	-	(4,000)	-	-
Airport South	5.40M	31.4	27.5	24.4	3.2	32.42	40.45	2,000	63,000	235,000	-
Brentwood	6.25M	12.5	19.6	16.5	3.1	32.31	34.37	12,000	42,000	-	-
Cool Springs	8.39M	19.9	26.6	23.8	2.8	34.30	35.77	102,000	197,000	-	-
Downtown	14.29M	18.9	24.8	21.9	2.9	44.25	49.88	24,000	213,000	-	-
Green Hills / 21st Ave / Music Row	3.20M	9.1	12.0	11.5	0.5	43.41	52.25	7,000	36,000	-	-
Metrocenter	1.93M	12.0	25.9	20.3	5.6	27.65	30.29	-	21,000	-	-
North Nashville	833,000	3.3	7.9	5.9	1.9	30.99	40.32	-	(3,000)	-	-
West End / Belle Meade	4.90M	15.1	18.2	16.8	1.4	46.18	49.37	5,000	62,000	-	60,000
Total	48.96M	17.7	23.3	20.6	2.7	37.30	43.07	152,000	626,000	235,000	60,000

Source: CBRE Research, Q3 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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