



INDUSTRIAL MARKET OVERVIEW

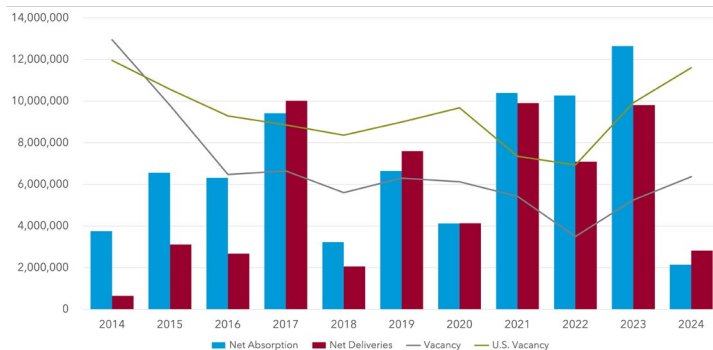
JIM RODRIGUES, SIOR, *President*

Activity slowed at the tail end of Q3 2024 and did not truly pick up until mid-December. We saw a few large deals sign in Q4 with Schneider and Folding Guard both preleasing sites that were in the preconstruction phase of development. Despite the slight slowdown in activity, vacancy dropped to 3.64%, it's lowest level since Q1 2024. Absorption was limited to approximately 600,000 SF as a result of limited supply. Construction starts also slowed due to a lack of entitled development sites served by all utilities. Demand for development sites remains strong in Middle Tennessee, however the entitlement process is taking longer as most municipalities are focused on retail and other uses besides industrial. As barriers to entry continue to increase, and demand for space in Middle Tennessee also increases, we expect vacancy rates to remain relatively low as you move into 2025.

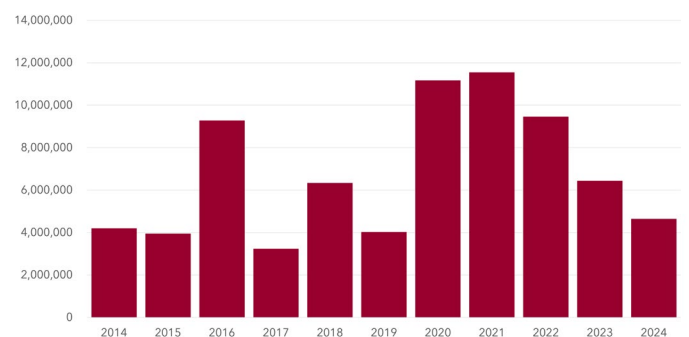
MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	2,146,060	4,737,036	8,080,353	13,801,040	12,647,506
▼ Vacancy Rate	3.64%	3.86%	3.96%	3.3%	3.0%
▼ Avg NNN Asking Rate PSF	\$9.18	\$9.57	\$9.94	\$10.64	\$9.07
◀ ▶ Sale Price PSF	*	*	*	*	*
◀ ▶ Cap Rate	*	*	*	*	*
▼ Under Construction SF	4,642,920	5,061,612	4,875,492	5,213,712	6,446,236
▲ Inventory SF	274,538,669	274,058,652	272,872,241	264,921,078	266,128,523

*Please contact Lee & Associates Nashville for Sale Price and Cap Rate Information

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1044-1052 Avondale Road Hendersonville, TN	102,000 SF	\$10,500,000 \$102.94 PSF	Glenview Partners James McMurray	Class C
1836 Joe B Jackson Parkway Murfreesboro, TN	53,000 SF	\$6,250,000 \$117.92 PSF	Undisclosed NHK Seed	Class B
1631 Corporate Place La Vergne, TN	27,429 SF	\$6,500,000 \$236.98 PSF	Protective Flooring Stonelake Capital Partners	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
000 Maddox Road Mount Juliet, TN	541,000 SF	First Industrial Realty Trust	Schneider Electric	Manufacturing
1850 Vaughn Parkway Portland, TN	306,280 SF	OTN Group	Folding Guard	Manufacturing
648 Couchville Pike Mount Juliet, TN	165,954 SF	Prologis	Denso	Manufacturing

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