

Why Nashville



2021



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More than Music City

Nashville comes by its 'Music City' nickname honestly, boasting four times as many music industry workers than any other city in the nation. But before 'Music City,' Nashville's many higher education institutions fueled the city's reputation as the 'Athens of the South.' Recent growth in healthcare management, corporate and professional services, information technology, manufacturing and distribution have once again raised up Nashville as a hub for knowledge and innovation. These diverse industries are supported by an increasingly youthful labor pool drawn to Nashville's unique and fun culture.

Median age

36.7

in the MSA vs. the U.S. average of 38.1

Population growth

1.93M

residents, a 22.2% increase since 2009

Age 20-29 share of population

14.3%

a growth rate of 17.5% since 2010

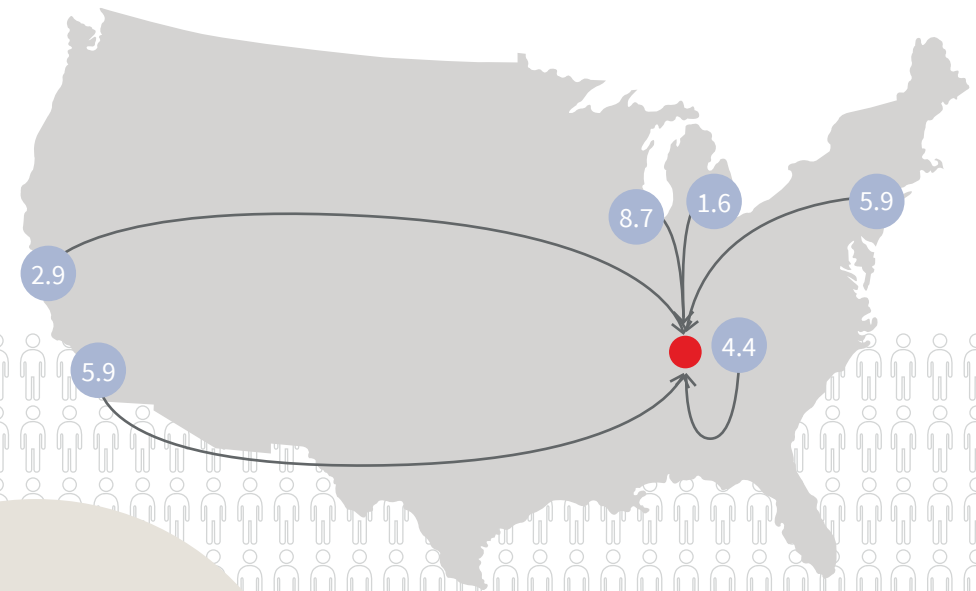
The Nashville metro continues to densify, with a **7.2% growth rate** from 2015 – 2019

Migration

The Nashville-Davidson-Murfreesboro-Franklin MSA has experienced one of the most rapid growth rates in the nation over the past several years. This explosion in population growth is driven by the city's cultural scene, a cost of living just above the national average and the third lowest tax burden of any state in the country.

Top sources for inbound population migration

Migration data represents population gain per 10,000 LinkedIn members



Nashville/Davidson County proper population

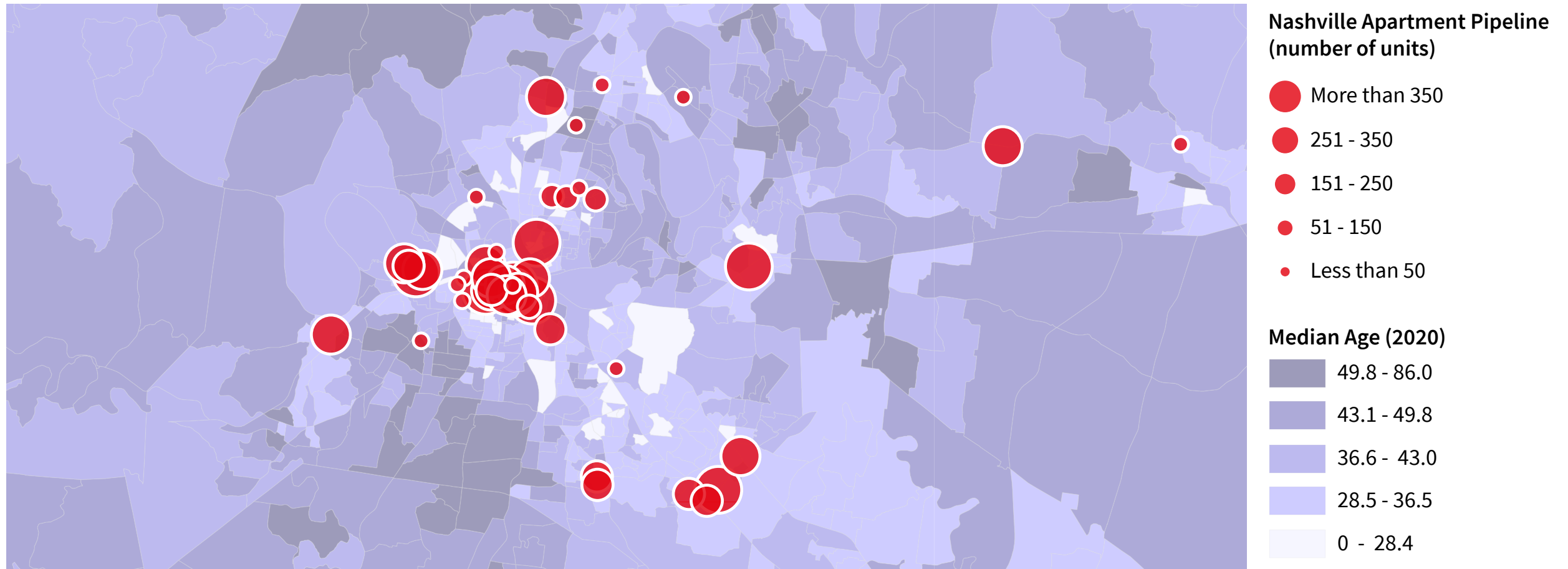
692,587

an increase of 12.5% since 2009

Urban growth: Millennials & Gen-Z

Nashville both attracts and retains young, educated residents, shown by the median ages of 33.9 in the city limits and 36.7 in the broader MSA. Trends indicate this median age will continue to fall below the national average of 38.1, especially in the urban core of Davidson County.

These younger employees act as a beacon for companies wanting to hire them, evidenced by an increase in technology-focused firms choosing to locate in downtown office towers. The past decade has seen a substantial increase in quality multi-family product built in and around the urban core to house these young Nashville residents.



Education

At the 1897 Centennial Exposition to commemorate the founding of Tennessee, the City of Nashville constructed a full-scale replica of the ancient Greek Parthenon, celebrating the city's many institutes of higher education and symbolizing Nashville's status as the 'Athens of the South.' Over the past 120 years, use of the moniker has waned, but the colleges and universities remain.

The crown jewel of these institutions is Vanderbilt University, the 14th-ranked university in the United States according to U.S. News & World Report. Nashville is also the proud home of two leading Historically Black Colleges and Universities (HBCUs): Fisk University and Tennessee State University. Other notable institutions include Belmont University, Lipscomb University and Middle Tennessee State University, located 45 minutes southeast of Nashville in Murfreesboro.



With more than 20 four-year colleges and universities to its credit - as well as six community colleges and 11 vocational and technical schools - the Nashville area is a hub for higher education.



Nashville accolades



Top 10

“Best cities to live in after the pandemic” - The Today Show



#1

Economic strength rankings 2019 & 2020 - Policom



#2

Best cities for job seekers - Wall Street Journal (2020)



Five best

U.S. destinations to visit in 2021 - The Independent



#8

Best cities in America 2021 - Condé Nast



#4

South's best food cities - Southern Living



Hotel Noelle #6
21c Museum Hotel #16
Bobby Hotel #20

Top 20 hotels in the South - Condé Nast



Top 10

Best cities for family travel - Forbes



#7

Top 50 meeting destinations in the US - CVENT



#5 & #6

Overall for job creation and net business creation - Surge Cities



#4

City for growing start-ups - Kauffman (2018)



#2

Hottest U.S. job market - Wall Street Journal (2020)



Cost of living

Despite rising housing and rental costs in the Nashville MSA, the metro's cost of living remains just above the national average. Nashvillians also benefit from living in one of nine states in the nation without a state or local income tax. This lack of income tax contributes to Tennessee having the third lowest per capita tax burden* in the country. The low cost of living, plus a higher-than-average net take-home pay, entices talent to live and remain in Nashville.

Cost of living index

101.4

vs. national average of 100.0

Source: BestPlaces.net

3rd lowest

per capita tax burden* in the country

Median home sale price

\$339,677

in 2020

Source: National Association of Realtors

Per capita income

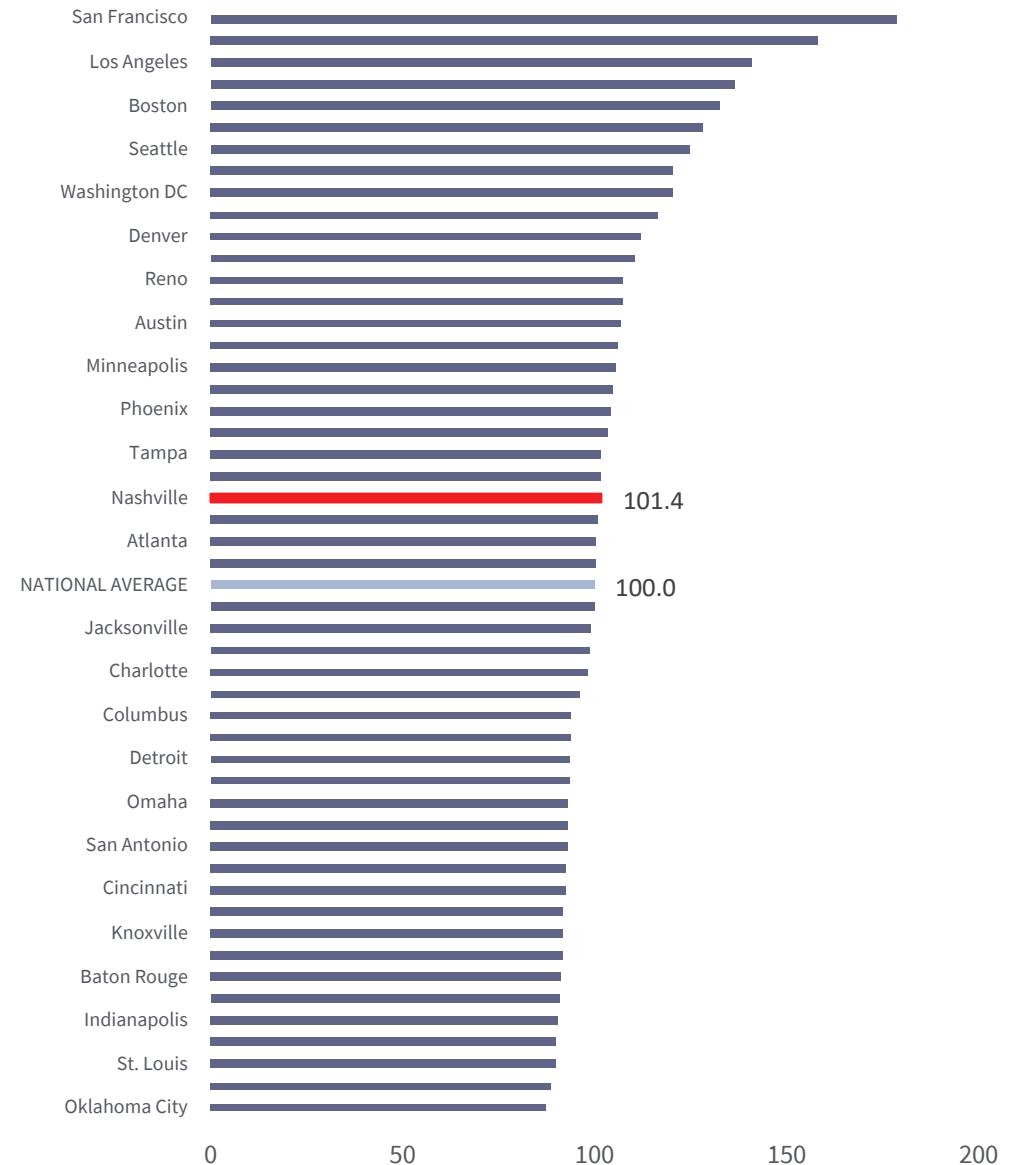
\$60,480

an increase of 51.9% since 2009

Source: Bureau of Labor Statistics

*A metric that incorporates sales tax, property tax, income tax and other miscellaneous taxes to compare tax burden in various states.

Cost of Living Index



Quality of life

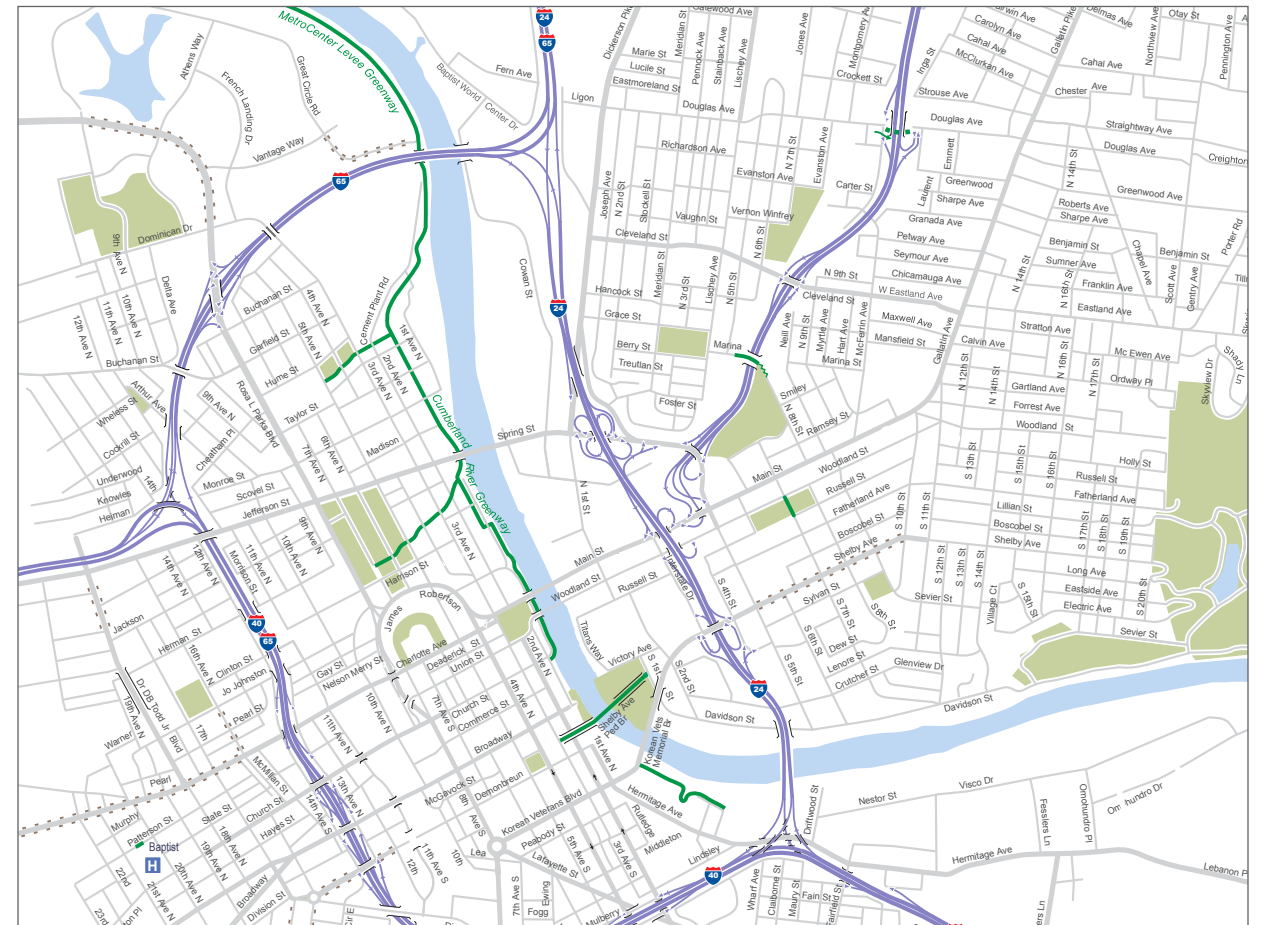
Culture

Nashville, known around the world as Music City, boasts the highest concentration of music industry workers in the country. Home to more than 120 live music venues, live music can be found 365 days a year in the city. This musical identity has no doubt contributed to Nashville's explosive growth in recent years as music fans from around the country—and the world—want to be in the center of an entertainment mecca.



Parks & recreation

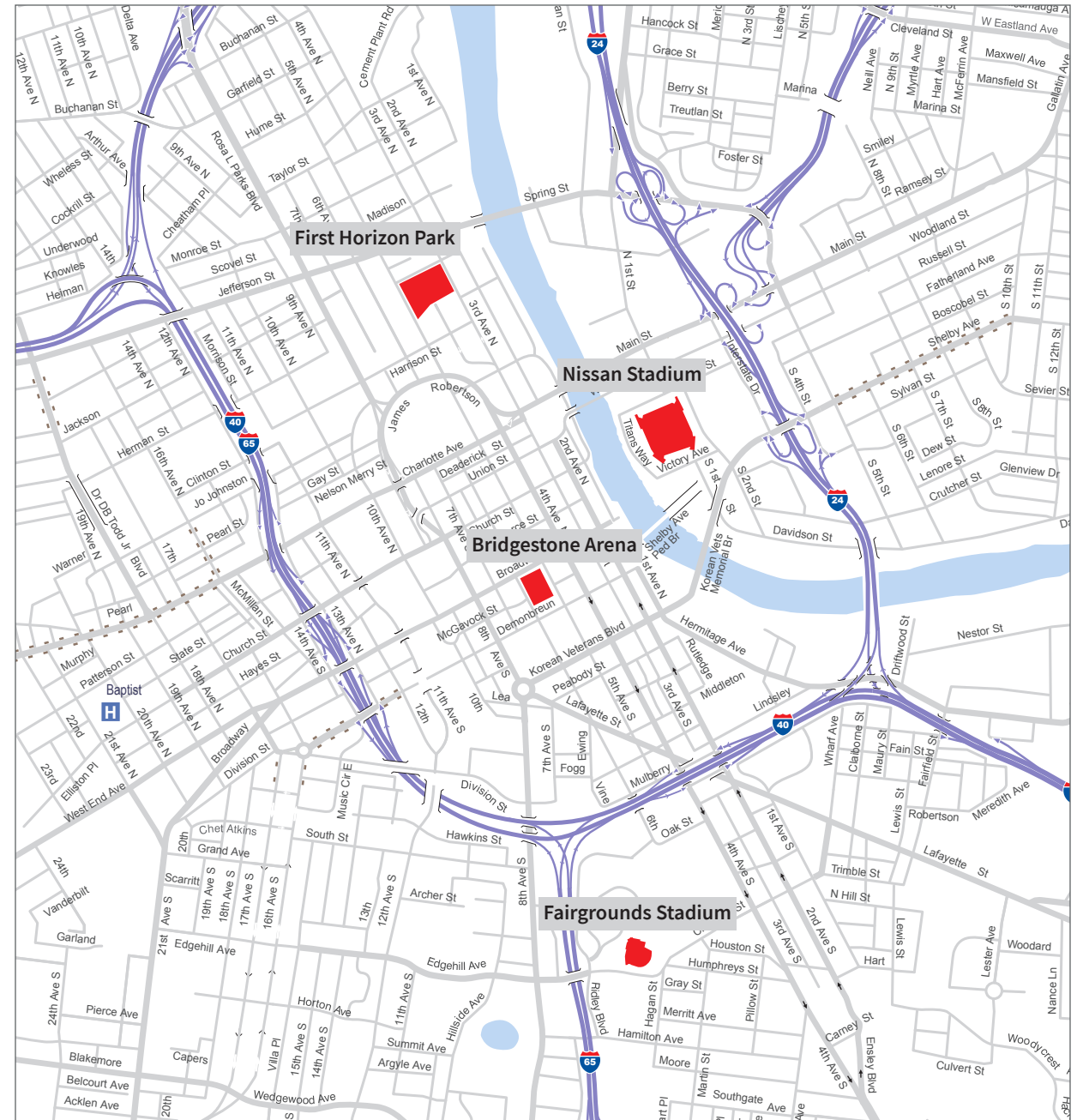
The Metro Parks Department oversees 10,710 acres of greenspace consisting of 100 stand-alone parks, 25 tennis courts and seven municipal golf courses. The department also manages the Centennial Sportsplex with an Olympic-size swimming pool and two skating rinks. Nearly all of Nashville's parks are connected to almost 100 miles of greenways and bike paths, making Nashville the ideal urban environment for lovers of outdoor recreation. In addition to these city-owned properties, residents and visitors can enjoy 50 acres of botanical gardens at Cheekwood Estate & Gardens and 1,368 acres of pristine wilderness at Radnor Lake State Park.



Nashville Sports

Nashville also hosts two of the “big four” professional sports leagues: the NFL’s Tennessee Titans and the NHL’s Nashville Predators. Nashville recently became the latest city to join the MLS expansion party when Nashville SC joined the league. The city is also home to a Minor League Baseball team, the Nashville Sounds, an affiliate of the Milwaukee Brewers AAA.

All four of these professional sports teams play their home games in or near downtown Nashville. The Titans play at Nissan Stadium, directly across the river from downtown with a view of the city skyline. The Predators play at Bridgestone Arena on Broadway in the middle of the honky-tonks and live music venues. The Sounds play at First Horizon Park in the Millennial-rich Germantown neighborhood just north of downtown. Nashville SC currently plays at Nissan Stadium while their purpose-built Fairgrounds Stadium goes up in the similarly Millennial-rich neighborhood of Wedgewood-Houston just south of downtown; Fairgrounds Stadium is slated to be the largest soccer-specific stadium in the U.S. These teams and their stadiums provide a way for Nashville’s melting pot of residents moving from all over the country to feel a shared sense of pride in their new city.



Industry drivers: Healthcare

The healthcare sector dominates the Nashville market, directly employing 125,000 people in the region. Nashville's three for-profit healthcare companies, HCA, HAI and GCC, are responsible for a nation-wide shift in the hospital industry where hospitals transformed from clusters of small community systems into a centralized industry.

more than half of beds in for-profit hospitals are managed out of the Nashville region.

17 publicly-traded healthcare companies are headquartered in Middle Tennessee

Healthcare has grown into the **MSA's largest employer**, directly employing **125K people** in the region

\$1.6B of venture capital funding was committed to Nashville-based healthcare companies from 2009-2019

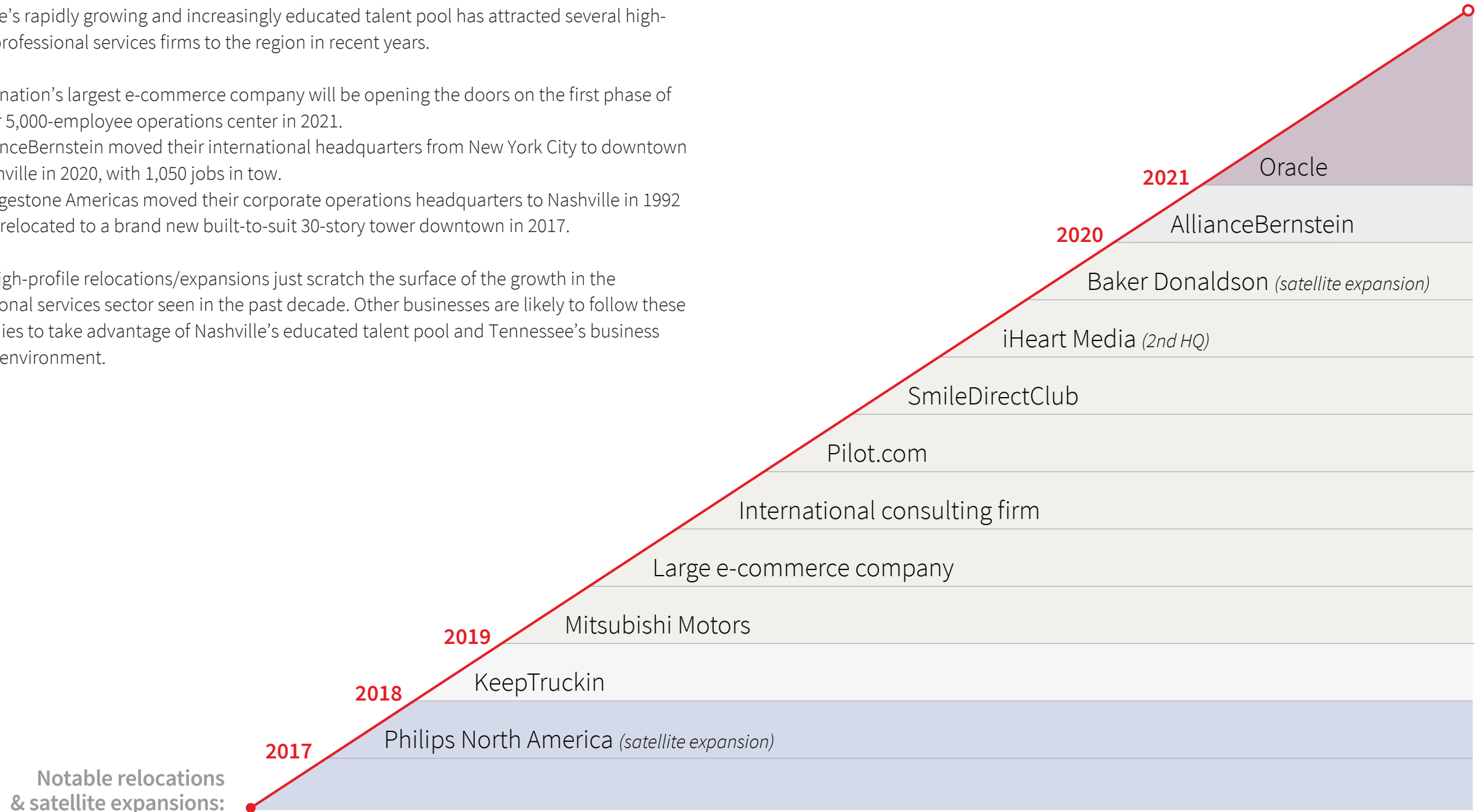


Industry drivers: Professional services

Nashville's rapidly growing and increasingly educated talent pool has attracted several high-profile professional services firms to the region in recent years.

- The nation's largest e-commerce company will be opening the doors on the first phase of their 5,000-employee operations center in 2021.
- AllianceBernstein moved their international headquarters from New York City to downtown Nashville in 2020, with 1,050 jobs in tow.
- Bridgestone Americas moved their corporate operations headquarters to Nashville in 1992 and relocated to a brand new built-to-suit 30-story tower downtown in 2017.

These high-profile relocations/expansions just scratch the surface of the growth in the professional services sector seen in the past decade. Other businesses are likely to follow these companies to take advantage of Nashville's educated talent pool and Tennessee's business friendly environment.



Industry drivers: Technology

Nashville, not known as a traditional tech market, has seen rapid growth in the sector in recent years. Tech companies are attracted to the metro's vibrant culture and young, educated workforce. Nashville's established and robust healthcare industry is also contributing to tech job growth in the region. A 2019 report by MTSU found that one third of the more than 38,000 tech job postings in the region were for healthcare or healthcare-adjacent technology companies.

In April 2021, Oracle announced a \$1.2 billion investment into a Nashville office, creating 8,500 jobs by the end of 2031. The presence of this tech giant will surely lead to ancillary demand for tech jobs.

34% growth

in # of technology jobs
from 2015-2019 vs. overall
regional job growth of
17% and national job
growth of 14%

1/3 of the
38K+ tech job
postings in the region
were for healthcare or
healthcare-adjacent
technology companies

Average tech funding for
start-ups

2009-2014:

\$332M/year

2015-2020:

\$816M/year

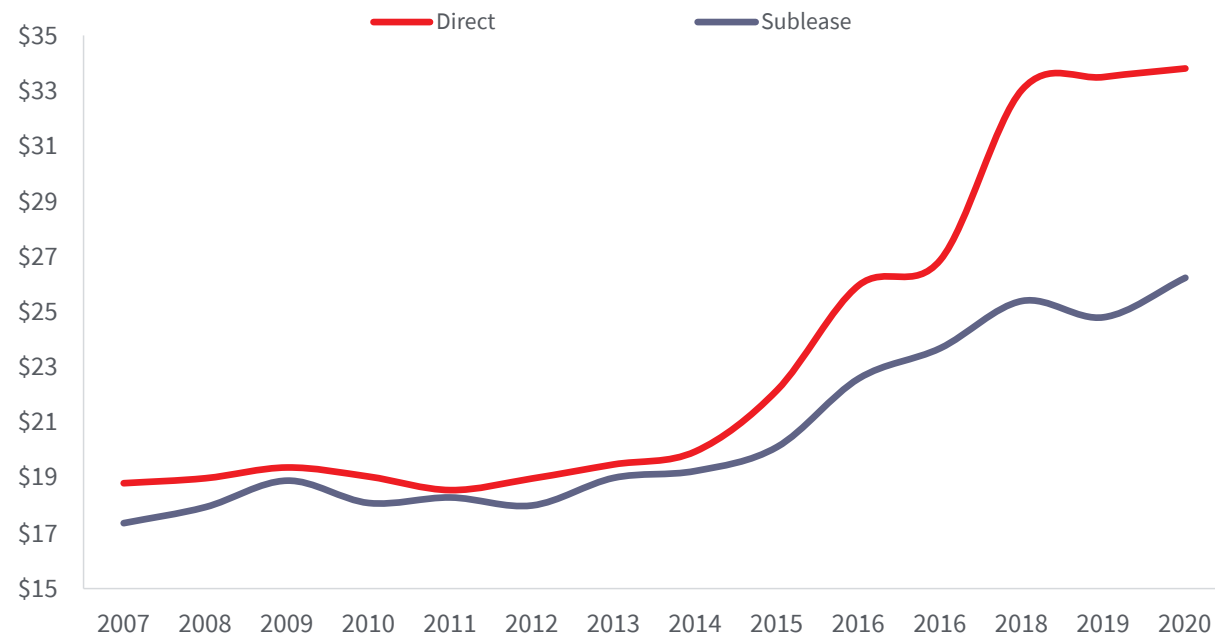


Office development

Nashville added more than 10 million square feet of office space from 2009-2020, split nearly evenly between the CBD and the suburbs, with the CBD development focused almost entirely on the periphery of the downtown core in The Gulch, Midtown, SoBro, Germantown and Wedgewood-Houston. Developers and tenants are attracted to these “periphery” sites due to their distance from the areas with heavy numbers of tourists as well as their proximity to multi-family housing and other amenities.

Direct asking rates rose sharply from 2014-2018, coinciding with the city’s most rapid period of population growth. Rents fell just 0.7% during the COVID-19 pandemic, outperforming the national average during that time.

Average asking rent (\$ p.s.f.)



10M SF
of office space delivered
between 2009-2020

2.7M SF
under development at
the end of 2020, 85% in
urban core

> 52.3%
5-year rent growth
(2015-2020)

> 9.3%
5-year net absorption
(percent of inventory,
2015-2020)

Infrastructure

Occupying a central location, Nashville is located within a 650-mile radius of 65% of the U.S. population.

One of only six U.S. cities with three converging major interstate legs:

- Interstate 40, with connectivity to Knoxville, Raleigh, Memphis, Little Rock and Oklahoma City
- Interstate 24, with connectivity to St. Louis and Atlanta (via Chattanooga)
- Interstate 65, with connectivity to Chicago, Indianapolis, Louisville, Birmingham and Mobile

75%
of the U.S. within a **two-hour flight**

\$8.1B
BNA Airport's total 2019 economic impact, a **131% increase from 2012**

16.1%
passenger traffic growth 2017-2018, **highest airport growth rate in America**

4th fastest
growing airport among **top 50 airports in the U.S.**

Nashville International Airport (BNA)

Vision BNA Plan is a \$1.4B expansion and renovation that includes a new international arrivals facility, new parking facilities, an on-site hotel and runway expansions to accommodate additional traffic. The project is on track to be completed by the end of 2023.

In June of 2019, Delta announced that BNA would be a “focus city” airport for the airline, thus increasing the number of direct origins and destinations possible for Nashville.



Outlook: Three trends to watch

- #1** Nashville's growth and economic success translates into huge demand for office space.
- #2** Downtown tenants are migrating to new construction in the Midtown market and other sites on the downtown "periphery."
- #3** Vacancy rates remain higher in the suburban submarkets, but there are signs of a forthcoming recovery once the COVID-19 pandemic subsides.





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