

## Nashville economic outlook remains strong

### Office vacancy rates, new construction outpace nation

With nearly 4 million square feet of office and industrial commercial space absorbed, 2007 was another banner year for the Nashville region.

Vacancy rates for both commercial offices and industrial space were lower than those of peer cities such as Austin, Indianapolis and Raleigh. The Nashville market continues to thrive, due in large part to the region's diverse economy, steady job growth and favorable business climate.

Regional highlights include new headquarter facilities for Community Health Systems and Mars Petcare, totaling more than 270,000 square feet of Class A office space; national and regional headquarter buildings for Nissan, Healthways and Verizon, totaling 885,000 square feet; and industrial leases and purchases for Ricoh, Logi Warehousing, Wilson Sporting Goods, B and G Foods and Megacolor, totaling more than 1.6 million square feet.

### NASHVILLE RANKED SECOND AMONG ITS PEER CITIES IN COMMERCIAL SPACE ABSORPTION IN 2007.

| CITY             | OFFICE ABSORBED  | INDUSTRIAL ABSORBED | COMMERCIAL ABSORBED |
|------------------|------------------|---------------------|---------------------|
| Charlotte        | 1,994,231        | 2,824,898           | 4,819,129           |
| <b>Nashville</b> | <b>1,286,000</b> | <b>2,447,000</b>    | <b>3,733,000</b>    |
| Raleigh          | 1,415,456        | 1,212,125           | 2,627,581           |
| Austin           | 628,075          | 1,792,693           | 2,420,768           |
| Indianapolis     | 371,000          | 1,222,000           | 1,593,000           |

Sources: Colliers Turley Martin Tucker and NAI from 2007 Annual Real Estate Reports

## NATIONAL RANKINGS

### 2007 Competitiveness Award

Tennessee is the most competitive state in terms of attracting economic development, according to an annual ranking made by *Site Selection* magazine, which rates the states on their actual success in attracting new jobs and industry. The magazine presented its 2007 Competitiveness Award to Gov. Phil Bredesen and Economic Development Commissioner Matt Kisber during a ceremony in May. The rankings were determined by an index based on completed economic development deals. This marks the second time the state has won this award since 2003.

*Site Selection*, May 2008

### Best Places for Business and Careers

The Nashville-Davidson-Murfreesboro MSA ranked 15th in *Forbes* magazine's study of Best Places for Business and Careers. To determine the ranking, *Forbes* examined overall job growth, educational attainment and cost of doing business for 200 U.S. metro areas.

*Forbes*, March 2008

### America's Fun Cities

Music City ranked third behind New York City and San Francisco in the "cultural" category of a Bizjournals.com survey of America's "most fun" cities. The study examined the number and concentration of entertainment-related businesses such as retail stores, restaurants, recreation centers and cultural facilities. Also rated: factors such as food and drink, movie theaters, spectator sports, amusement parks and recreational sports facilities.

Bizjournals.com, January 2008

## Nashville region sees headquarters construction boom

Five new headquarters buildings are nearing completion in the Nashville region, representing industries as diverse as automotive, health care and telecommunications. The construction, which followed a string of headquarter relocation and expansion announcements in 2006 and 2007, totals more than 1 million square feet of new facility space.

- **Healthways** – The new \$60 million Healthways headquarters is a 255,000-square-foot facility in the Cool Springs area south of Nashville. Employees moved to the facility in early May.



Healthways headquarters

- **Nissan** – Nissan's 10-story, 450,000-square-foot headquarters facility will house more than 1,300 employees. The S-shaped, environmentally friendly building is scheduled for a mid-summer 2008 completion.
- **Community Health Systems** – Community Health Systems has opened new company headquarters in a seven-story, 175,000-square-foot building in Franklin, Tenn. CHS, which owns, leases or operates 77 hospitals in 22 states, has approximately 708 employees.
- **Mars Petcare** – Mars Petcare U.S., maker of brands that include Pedigree, Sheba and Cesar selected space for its national headquarters in Franklin, Tenn. The company will move into the 121,000-square-foot development this summer.
- **Verizon Wireless** – The company is developing a new , 180,000-square-foot regional headquarters in the Cool Springs area south of Nashville. The new facility will employ as many as 1,300 by the time it is fully operational later this year .

## Health Care REIT (health care)

Health Care REIT, Inc. (NYSE: HCN) is an equity real estate investment trust that invests across the full spectrum of senior housing and health care real estate, including continuing care retirement communities, independent living, assisted living, skilled nursing, hospitals, long-term acute care hospitals and medical office buildings. The company will move approximately 80 employees to Nashville from Indianapolis.

Williamson County

## George P. Johnson (distribution)

Auburn Hills, Mich.-based George P. Johnson, a marketing company with connections to Nissan, has leased 300,000 square feet in La Vergne, Tenn.'s Centre Pointe industrial park in what is predicted to be one of the largest industrial leases of the year.

Rutherford County

## ServiceSource (customer care/back office)

ServiceSource, a San Francisco-based sales company with such clients as AT&T and GE Healthcare, will add 125 jobs and lease 30,000 square feet. The Nashville office will focus on staffing the company's blue-chip client list with trained sales professionals.

Davidson County

## Kroll Inc. (corporate office)

Kroll Inc. announced plans to move its background screening division to a newly leased 90,000-square-foot facility that will house 360 employees.

Davidson County

## Zeledyne (manufacturing)

Zeledyne announced in April their purchase of Ford Motor Company's Automotive Components Holdings glass business, including a Nashville plant and a Lebanon warehouse. The company plans to expand its product offerings, which include both automotive and architectural glass.

Davidson & Wilson counties

## For more information on the Nashville region, contact:

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