

MARKETING

INSIDER BRIEFS

Flight-to-quality trend persists as companies compete for prime offices *Nashville Business Journal*

Nearly five years after the Covid-19 outbreak, companies are regaining confidence in their real estate decisions, spurring a rebound in office leasing—even as overall activity remains below pre-pandemic levels. Industries absent since 2019 are reemerging, and the average size of new leases in 2024 rose slightly to 29,774 square feet, with the top 100 deals growing 8% year-over-year. The tech sector, after a sluggish period, now accounts for 17% of office leasing, up from 12% in 2023, though renewals still dominate about 40% of deals as firms opt to avoid the high costs of relocating. Demand for high-quality space has driven rental rates to record highs, yet the supply of top-tier office buildings remains limited—office construction dropped from 161.1 million to 40.1 million square feet since 2019—which may eventually prompt new projects in markets like Miami and Nashville. Additionally, while mixed-use neighborhoods, comprising just 31% of the national inventory, attracted 60% of the top leases, traditional business districts still captured 40% of major deals despite holding 66% of the total space. Tenant concessions such as free-rent periods and improvement allowances have reached record levels, with some signs that landlords in lower-demand areas might soon cut rental rates, even as most companies maintain steady office-use patterns despite ongoing debates over return-to-office mandates.

AUTOMOTIVE NEWS **AN** Tariff waiting game: Carmakers strategize *AUTOMOTIVE NEWS*

The delay of 25 percent U.S. tariffs on Canadian and Mexican imports provided temporary relief to automakers and suppliers, who feared increased costs and supply chain disruptions. However, uncertainty around trade policy continues to paralyze major investment decisions in the auto industry. Many compa-

nies are holding off on capital commitments while they await clarity on future tariff policies and the broader framework of North American trade agreements. Firms are running simulations, exploring alternative sourcing, and preparing for a range of outcomes—from no tariffs to long-term trade disruptions. This persistent ambiguity, combined with potential changes in emissions standards and EV incentives, is hampering the industry's ability to plan for the future.

Honda, Nissan formally end plans for megamerger

Honda, Nissan, and Mitsubishi have officially scrapped plans for a megamerger that could have created the world's third-largest auto group. Talks fell apart after Honda proposed taking full control of Nissan to speed integration—an idea Nissan's board rejected over concerns about autonomy and lack of clear benefits. The companies will instead continue with a strategic partnership focused on electrification and intelligent vehicles. The merger aimed to boost competitiveness amid rising pressure from Chinese EV makers like BYD. However, differences over management control, limited synergies, and contrasting corporate cultures derailed the deal. With the collapse, both companies are now reassessing their strategies. Honda faces renewed questions about how it will scale its EV ambitions alone, while Nissan continues to lean on its existing alliance with Renault and explore new tech partnerships, including potential cooperation with Foxconn.

Former Michigan official hired as CEO of Louisville Economic Development Alliance *Louisville Business First*

After a stress-related health scare in 2022, Trevor Pawl, Michigan's former chief mobility officer, took a global sabbatical with his family to reset. Now refreshed, he's returning to public service as the first permanent CEO of the Louisville Economic Development Alliance. Though leaving Michigan is bittersweet, Pawl credits his experience there for paving the way to this new opportunity.



Humana CEO talks about company leaving iconic downtown Louisville tower *USA TODAY*

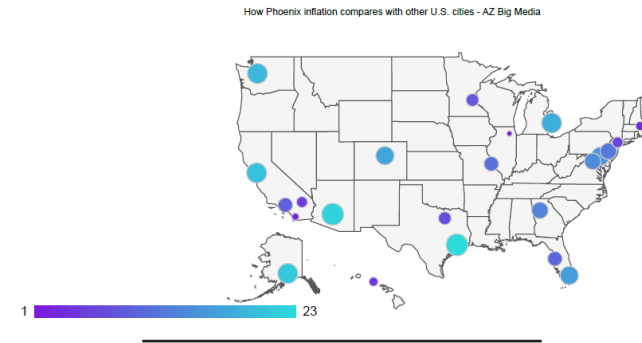
Humana is putting its iconic pink granite tower in downtown Louisville up for sale as it consolidates its 10,000 local employees into one campus at Humana Waterside, about a mile away. The move supports the company's hybrid work model and aims to bring teams together in a single location. While the tower will be vacated, Humana leadership emphasized the company is staying downtown and is working with city officials to ensure a productive future use for the building.

How Phoenix inflation compares with other U.S. cities *AZ Big Media*

WalletHub's latest report finds Phoenix has the second-lowest inflation among major U.S. cities. While the national year-over-year inflation rate is at 3%—

still above the 2% target—it has cooled from post-pandemic highs, thanks in part to Federal Reserve rate hikes. WalletHub compared 23 major metro

areas using Consumer Price Index data to assess both short- and long-term inflation trends across the country.



Lebanon planning board to review designs for Lilly's \$4.5B foundry at LEAP District *Indiana Business First*

Eli Lilly is investing \$4.5 billion in its 200-acre Lilly Medicine Foundry at the LEAP Research and Innovation District in Lebanon, Indiana—part of a broader \$13 billion investment at the site. The facility will create 400 high-skilled jobs and focus on scaling up manufacturing for clinical trials. This is the fourth major investment at the LEAP site since 2022, where Lilly plans 20 buildings across 800 acres. Construction began in spring 2023, and Lilly remains the only tenant actively developing the area, along with Meta Platforms. Earlier investments have already transformed the site into a large industrial complex. for 12 seconds. The Lebanon Plan Commission will soon review designs for Eli Lilly's \$4.5 billion advanced manufacturing center at the LEAP District. Announced in October, the 200-acre Lilly Medicine Foundry—part of Lilly's over \$13 billion investment in the site, one of Indiana's largest capital projects—will create 400 high-skilled jobs and feature a seven-building, 1.2-million-square-foot campus designed to develop new production methods for clinical trial medicines. This is Lilly's fourth major investment since 2022, complementing previous commitments of \$2.1 billion, \$1.6 billion, and \$5.3 billion. Located along I 65 between Purdue University and Indianapolis, the LEAP District also hosts Meta's planned \$4.8 billion data center, with Lilly's foundry scheduled to open in late 2027.

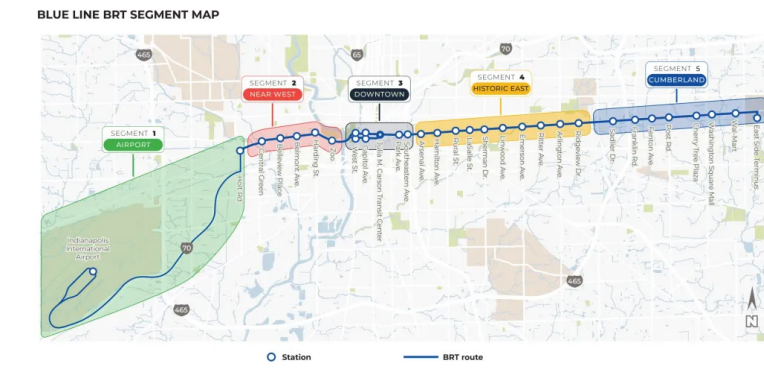


IndyGo opens survey ahead of Blue Line construction *Mirror Indy*

IndyGo has launched a survey to gather input on how people plan to use the upcoming Blue Line, the final of three planned bus rapid transit routes in Indianapolis. The 24-mile route will run from the Indianapolis International

Airport to Cumberland via downtown. Residents, employees, and employers within a half-mile of the line are encouraged to participate in the survey, which is open through March 22. Respondents can enter to win a \$25 gift card.

Construction on the \$387 million project begins this spring, with completion expected in 2028.



Purdue to launch new model of construction management technology program in Indianapolis – *PURDUE.EDU*

Indianapolis, a city constantly evolving with new construction across its skyline, sports arenas, and industrial developments, faces a growing demand for skilled leadership in the construction sector. To meet this need, Purdue University has officially launched a reimagined construction management technology program through the Purdue Polytechnic Institute in Indianapolis. Designed to equip students with the expertise to lead in a high-tech, fast-paced construction environment, the program will cover everything from budgeting and operations to project completion. Backed by a partnership with the Indiana Department of Workforce Development, the initiative emphasizes hands-on, industry-relevant education aimed at producing graduates ready to take on real-world challenges.

Strategically located near Indianapolis-based companies, the program also plans to introduce one of the first registered apprenticeships in construction management, allowing students to earn while they learn through supervised, paid on-the-job training. Additional plans include launching pre-apprenticeship opportunities in local high schools to build pathways for future students. With a focus on leadership roles such as project managers, safety officials, and site organizers, Purdue aims to build a pipeline of qualified talent for the region's booming construction industry. The revamped program will reopen in fall 2025 for current students, with its first full freshman cohort expected in the 2026-27 academic year.



Smart thinking for **INNOVATIVE** solutions