



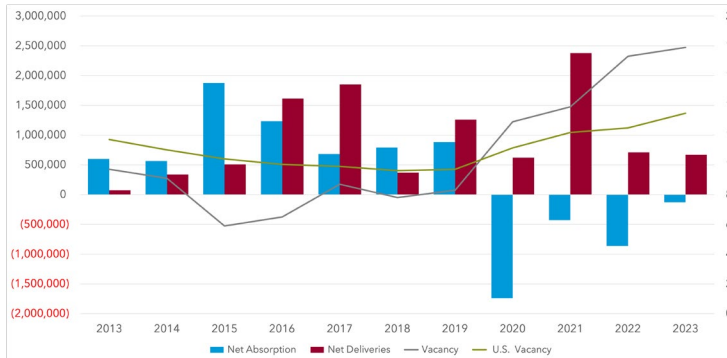
OFFICE MARKET OVERVIEW

KYLE NEVEAU, Associate

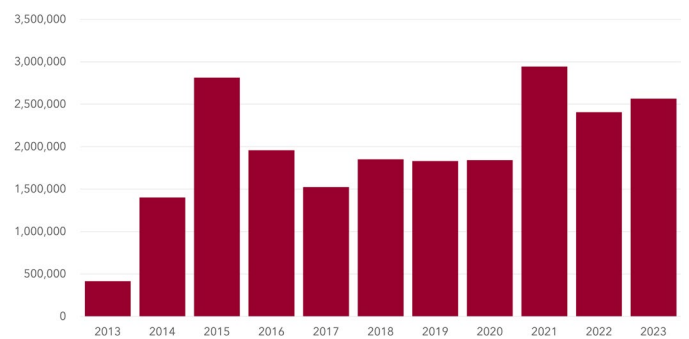
Despite overall economic uncertainty that has been and will continue to take place within the office market locally, Nashville has been one of the fastest-growing office job markets in the country over the past five years. Major corporate relocations and expansions have boosted Nashville's office market. From a leasing standpoint, activity remains within proximity to pre-pandemic levels. Like other major markets in the nation, tenants are still "rightsizing" and have been giving space back, leading to an increase in sublease availability. With vacancies at record highs, additional vacancy expansion is likely in the coming quarters with 2.6 million SF of new office development underway.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	(127,970)	(636,227)	(148,135)	(663,358)	(862,380)
▼ Vacancy Rate	17.90%	18.70%	18.50%	18.00%	17.30%
▼ Avg NNN Asking Rate PSF	\$29.41	\$29.67	\$28.01	\$28.08	\$27.89
◀ ▶ SF Under Construction	2,565,114	2,565,114	2,518,101	2,232,734	2,406,488
▲ Inventory SF	53,056,998	53,204,483	52,963,692	53,090,393	51,846,157

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
211 Commerce Street Nashville, TN	233,314 SF	\$75,000,000 \$321.46 PSF	The Dollywood Company Lincoln Property Company	Class A
5388 Hickory Hollow Parkway Antioch, TN	72,534 SF	\$6,700,000 \$92.37 PSF	Martin Management Group Drake Software	Class A
2303 21st Avenue, South Nashville, TN	14,802 SF	\$58,000,000 \$391.84 PSF	River Hawk Properties LLC Whitehardt Properties LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
955 Church Street Nashville, TN	75,000 SF	Southwest Value Partners	Creative Artists Agency	Arts, Entertainment & Recreation
1 Burton Hills Boulevard Nashville, TN	20,885 SF	Eakin Partners	E I Spaces	Real Estate
525-543 Mainstream Drive Nashville, TN	17,177 SF	Continental Capital Partners	Symspire	Security Systems Services

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