



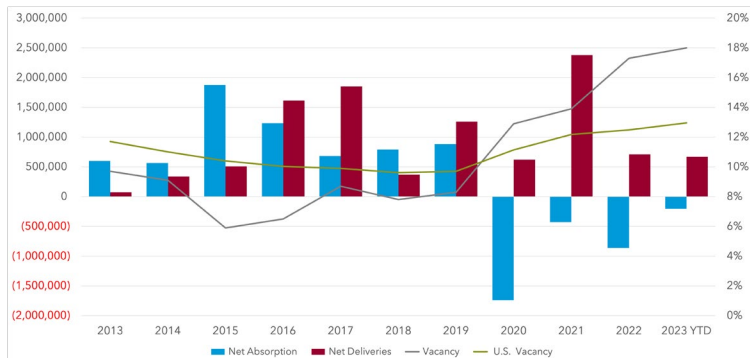
OFFICE MARKET OVERVIEW

KYLE NEVEAU, Associate

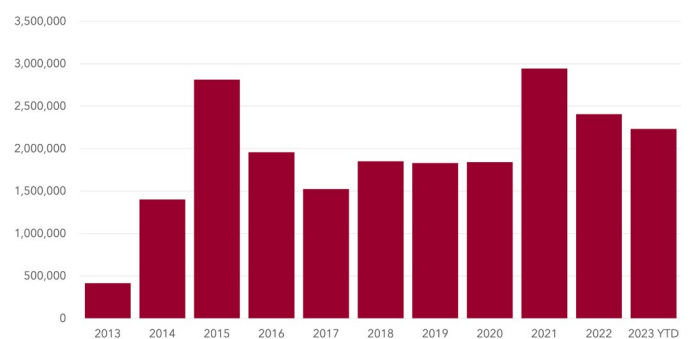
Office demand remained negative in Q1 with a net absorption deficit of 201,833 SF, bringing the last 12-month total to (663,358) SF. The net occupancy losses illustrate a broader trend within office space as occupiers continue to adapt space needs to employee preferences and worker responsibilities within the organization. Overall vacancy stands at 18.0%, an increase of 70 basis points since Q4 of 2022 and 310 basis points year-over-year. New construction activity remains elevated (2.2 MSF), with the vast majority of this space (2.1 MSF) located Downtown. Slowing tenant demand and rising vacancies are impacting investment activity, as rolling 12-month sales volume fell by more than 15% quarter-over-quarter.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▲ 12 Mo. Net Absorption SF	(663,358)	(862,380)	(640,140)	(1,067,212)	142,958
▲ Vacancy Rate	18.0%	17.3%	16.8%	15.9%	14.9%
▲ Avg NNN Asking Rate PSF	\$29.77	\$29.61	\$29.33	\$29.13	\$28.94
▼ SF Under Construction	2,232,734	2,406,488	2,532,034	2,805,937	2,805,937
▲ Inventory SF	53,090,393	51,846,157	51,634,621	51,724,623	51,519,881

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2409 21st Avenue S Nashville, TN	11,981 SF	\$9,062,670 \$229.43 PSF	Applegate Apts of Murfreesboro, et al Elmington Capital Group	Class C
360 Cool Springs Boulevard Nashville, TN	7,131 SF	\$2,900,000 \$406.68 PSF	Michael Nathaniel Green Robeson Real Estate	Class C
2123 8th Avenue S Nashville, TN	3,600 SF	\$2,000,000 \$555.56 PSF	Michael J. Corcoran Tennessee Chiropractic Association	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
21 Platform Way S Nashville, TN	280,000 SF	Southwest Value Partners	Bass, Berry, & Sims PLC	Legal
22 Platform Way S Franklin, TN	140,000 SF	Southwest Value Partners	Pinnacle	Sporting & Athletic Equipment
1600 W End Drive Nashville, TN	32,000 SF	Propst Properties	Sherrard Roe Voigt & Harbison	Professional, Scientific, and Technical Services

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