



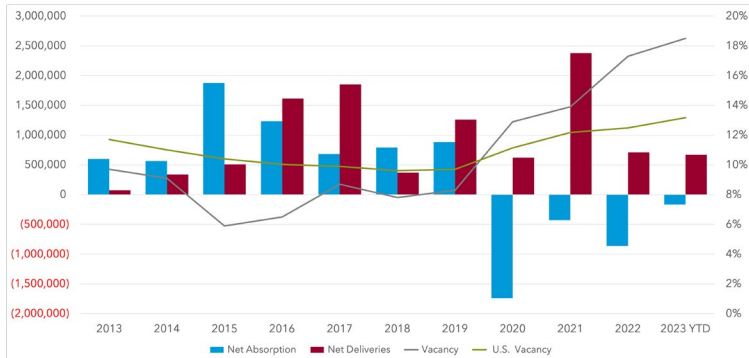
### OFFICE MARKET OVERVIEW

KYLE NEVEAU, Associate

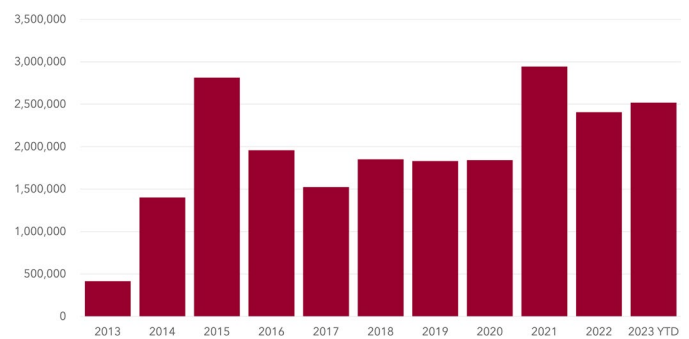
Office demand turned positive in Q2 with net absorption of 36,006 SF, bringing the year-to-date total to (165,827) SF. The net occupancy losses to date illustrate a broader trend within office space as occupiers adopt hybrid work models, and in many cases, reduce footprints. Overall vacancy stands at 18.5%, an increase of 50 basis points since Q1 of 2023. New construction activity remains elevated at 2.5 MSF, with the vast majority of this space 2.1 MSF, located Downtown. Investment activity increased in Q2 to more than \$144.5 million, bringing the rolling 12-month sales volume to more than \$1.0 billion.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▲ 12 Mo. Net Absorption SF	(148,135)	(663,358)	(862,380)	(640,140)	(1,067,212)
▲ Vacancy Rate	18.5%	18.0%	17.3%	16.8%	15.9%
▼ Avg NNN Asking Rate PSF	\$28.01	\$28.08	\$27.89	\$27.96	\$28.02
▲ SF Under Construction	2,518,101	2,232,734	2,406,488	2,532,034	2,805,937
▼ Inventory SF	52,963,692	53,090,393	51,846,157	51,634,621	51,724,623

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2100 West End Avenue Nashville, TN	130,931 SF	\$37,000,000 \$282.59 PSF	The University Financing Fnd, Inc. Stoltz Real Estate Partners	Class A
205 Miller Springs Court* Franklin, TN	50,000 SF	\$15,319,226 \$306.38 PSF	Oak Street Real Estate Capital Pinnacle Financial Partners	Class B
1569 Mallory Lane** Brentwood, TN	28,675 SF	\$8,376,794 \$292.13 PSF	Elmington Capital Group Southeast Venture LLC	Class A

\*Sale Leaseback, Part of Portfolio; \*\*Part of a Portfolio

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
601 11th Avenue N Nashville, TN	25,324 SF	Rubicon Equities	Covenant Physician Partners	Healthcare
827 19th Avenue Nashville, TN	11,824 SF	Portman Holdings	Barnes & Thornburg	Legal
1131 4th Avenue Nashville, TN	11,220 SF	AJ Capital Partners	Hensel Phelps Construction	Construction

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