



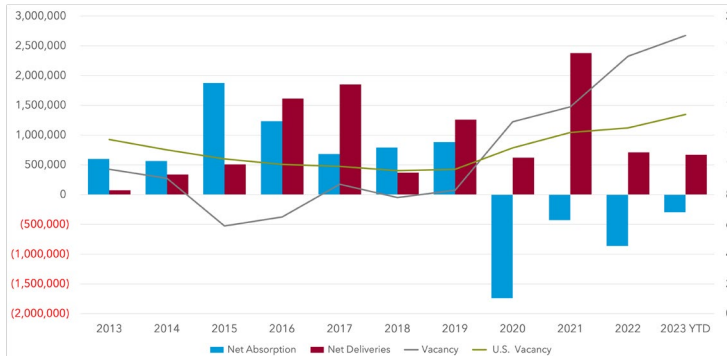
OFFICE MARKET OVERVIEW

KYLE NEVEAU, Associate

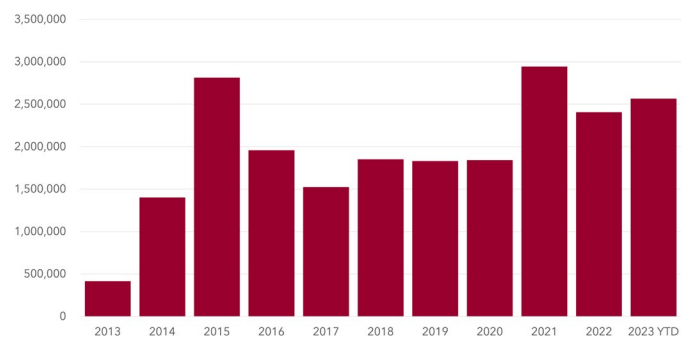
In the third quarter of the year, the Nashville office market experienced a negative net absorption of -129,341 square feet. This decline reflects the prevailing trend in office spaces, where occupiers are embracing hybrid work models and, in many instances, downsizing their footprints. Overall vacancy has surged to 18.7%, an almost 10% increase in just the past 4 quarters. New construction activity remains robust at 2.6 million square feet, with 2.1 million square feet concentrated in Downtown areas. Additionally, rental rates have seen a moderate uptick, rising by \$1.66 per square foot from \$28.01 in the second quarter of 2023 to \$29.67 in the third quarter.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	(636,227)	(148,135)	(663,358)	(862,380)	(640,140)
▲ Vacancy Rate	18.7%	18.5%	18.0%	17.3%	16.8%
▲ Avg NNN Asking Rate PSF	\$29.67	\$28.01	\$28.08	\$27.89	\$27.96
▲ SF Under Construction	2,565,114	2,518,101	2,232,734	2,406,488	2,532,034
▲ Inventory SF	53,204,483	52,963,692	53,090,393	51,846,157	51,634,621

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2207 Crestmoor Road Nashville, TN	23,994 SF	\$7,250,000 \$302.16 PSF	Crestmoor MF, Inc. Gaston Realty Company	Class B
2319 Crestmoor Road Nashville, TN	6,195 SF	\$3,800,000 \$613.40 PSF	Howard & Mobley PLLC Private Owner	Class B
513 3rd Avenue Nashville, TN	4,726 SF	\$2,900,000 \$613.63 PSF	Private Buyer Private Owner	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1005 17th Avenue, South Nashville, TN	33,036 SF	Hall Emery	e spaces	Real Estate
2501 McGavock Pike Nashville, TN	22,694 SF	SmartSpace	State of Tennessee	Government
565 Marriott Drive Nashville, TN	18,181 SF	Innovatus Capital Partners LLC	Enbridge	Energy

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