



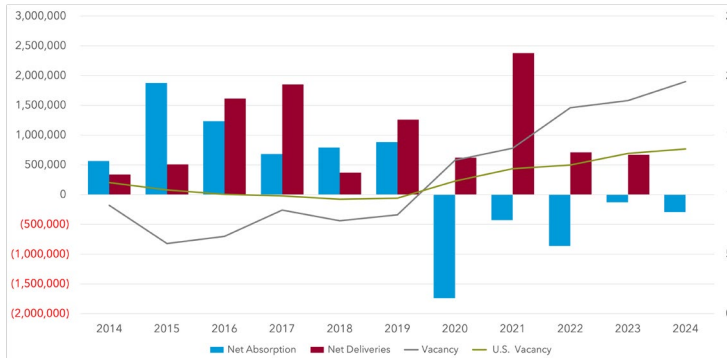
OFFICE MARKET OVERVIEW

KYLE NEVEAU, *Director*

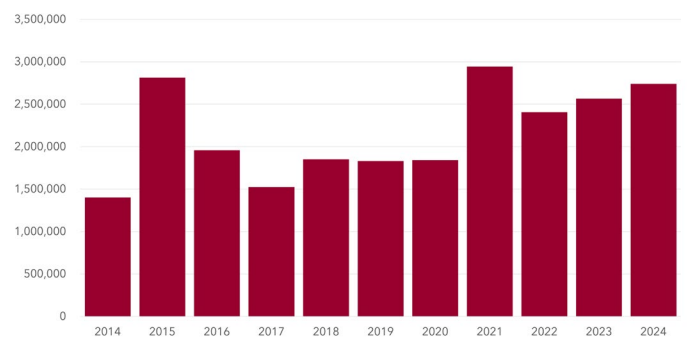
In the first quarter of 2024, Nashville's office sector grapples with the ongoing challenge posed by evolving office-use requirements alongside a surge in speculative supply. This is particularly evident in trailing net absorption figures. Concurrently, new construction projects continue to commence, adding to supply-side pressures. With vacancies and interest rates on the rise over the last 18 months, investor activity has decelerated, as the process of finalizing deals has become more challenging.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▼ 12 Mo. Net Absorption SF	(293,271)	(127,970)	(636,227)	(148,135)	(663,358)
▲ Vacancy Rate	19.5%	17.9%	18.7%	18.5%	18.0%
▲ Avg NNN Asking Rate PSF	\$29.92	\$29.41	\$29.67	\$28.01	\$28.08
▲ SF Under Construction	2,740,059	2,565,114	2,565,114	2,518,101	2,232,734
▲ Inventory SF	54,186,663	53,056,998	53,204,483	52,963,692	53,090,393

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1550 W. McEwen Drive Franklin, TN	175,262 SF	\$48,750,000 \$278.15 PSF	Boyle Investment Company KBS	Class A
2105 Elm Hill Pike Nashville, TN	43,494 SF	\$4,817,500 \$110.76 PSF	Steven Park Martin Ventures	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
21 Platform Way S Nashville, TN	30,119 SF	Southwest Value Partners	Pricewaterhouse Coopers	Services
1 Music Circle N Nashville, TN	27,050 SF	Endeavor Real Estate Group	Regus	Professional, Scientific, and Technical Services
1600 Division Street Nashville, TN	24,807 SF	Eakin Partners	Undisclosed	Undisclosed

