



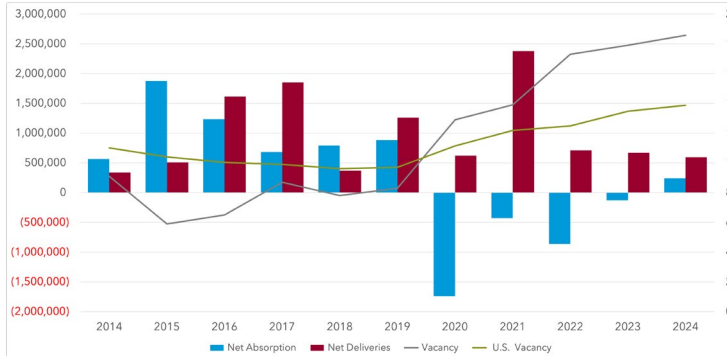
OFFICE MARKET OVERVIEW

KYLE NEVEAU, *Director*

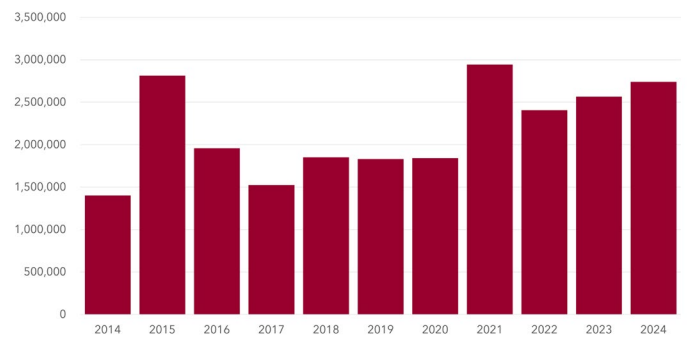
Nashville's office market is showing strong momentum heading into the second half of the year, with the vacancy rate dropping nearly 100 basis points to 18.7% and positive absorption for Q2. Leasing activity is near pre-pandemic levels. However, some tenants are still reassessing their footprints, and elevated sublet availability challenges landlords. Developers have been adding high-quality office space, a trend that started before the pandemic and continues despite changes in office needs. With about 2.6 million square feet under construction, supply pressures will remain for at least the next two years. This ongoing development underscores the market's attractiveness and developers' confidence in its long-term potential.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ 12 Mo. Net Absorption SF	279,693	(293,271)	(127,970)	(636,227)	(148,135)
▼ Vacancy Rate	18.57%	19.50%	17.90%	18.70%	18.50%
▲ Avg NNN Asking Rate PSF	\$30.61	\$29.92	\$29.41	\$29.67	\$28.01
▼ SF Under Construction	2,562,957	2,740,059	2,565,114	2,565,114	2,518,101
▼ Inventory SF	54,021,376	54,186,663	53,056,998	53,204,483	52,963,692

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
501-523 Mainstream Drive Nashville, TN	59,502 SF	\$13,806,116 \$232.03 PSF	Goodwill Industries of Middle TN Continental Capital Partners	Class B
1161 Murfreesboro Road Nashville, TN	83,066 SF	\$6,200,000 \$74.64 PSF	Clearbrook Holdings Eastman Management Corporation	Class C
201 E. Main Street Murfreesboro, TN	60,193 SF	\$5,200,000 \$86.39 PSF	Richard Sandoval Simpson Organization	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
215 Gothic Court Franklin, TN	6,293 SF	Jeremy Bangs	Tennessee Prime Baseball	Baseball Training
6640 Carothers Parkway Franklin, TN	5,511 SF	Pacific Oak Capital Advisors	Truist	Financial
1109 Harpeth Industrial Court Franklin, TN	5,320 SF	Private owner	Shop Neufloga	Apparel

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