



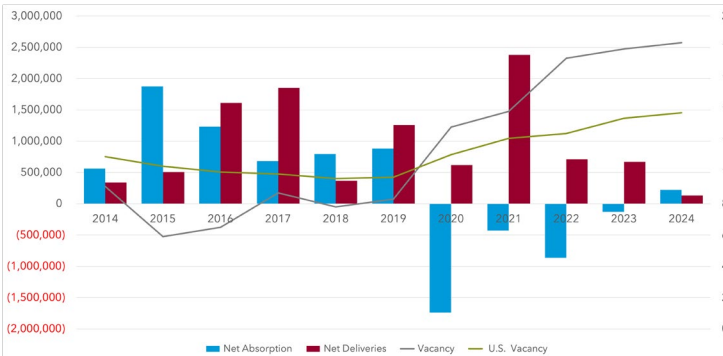
OFFICE MARKET OVERVIEW

KYLE NEVEAU, *Director*

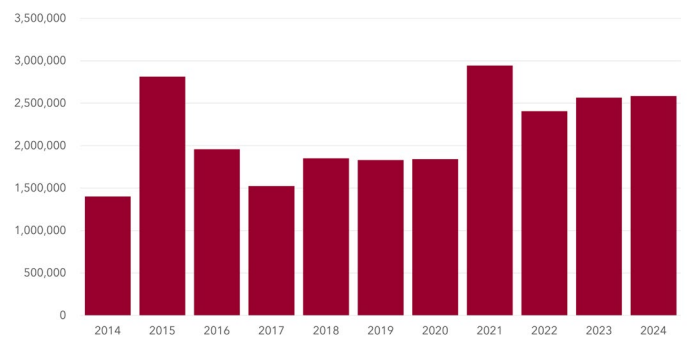
Nashville’s office market showed signs of improvement in Q3 2024. The vacancy rate dropped slightly to 18.29%, though it remains elevated. Asking rates decreased to \$30.48 per square foot. Despite these improvements, Nashville continues to face challenges within the office landscape, with over 2.5 million square feet under construction, which could exert upward pressure on vacancy rates. However, the city’s resilience and appeal as a business destination remain strong, contributing to long-term recovery prospects.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▲ 12 Mo. Net Absorption SF	390,713	279,693	(293,271)	(127,970)	(636,227)
▼ Vacancy Rate	18.29%	18.57%	19.50%	17.90%	18.70%
▼ Avg NNN Asking Rate PSF	\$30.48	\$30.61	\$29.92	\$29.41	\$29.67
◀ ▶ Sale Price PSF	\$221.00	\$221.00	\$224.00	\$226.00	\$228.00
◀ ▶ Cap Rate	8.1%	8.1%	8.1%	8.0%	7.9%
▲ Under Construction SF	2,584,818	2,562,957	2,740,059	2,565,114	2,565,114
▼ Inventory SF	53,637,865	54,021,376	54,186,663	53,056,998	53,204,483

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
25 Lindsley Avenue Nashville, TN	8,496 SF	\$5,750,000 \$676.79 PSF	Sonic Automotive, Inc. Civic Engineering & IT, Inc.	Class C
9015 Overlook Boulevard Brentwood, TN	12,658 SF	\$4,985,000 \$393.82 PSF	Private Individual Private Individual	Class C
810 Royal Parkway Nashville, TN	28,909 SF	\$4,350,000 \$150.47 PSF	Private Individual Hillmann Family Trust	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3040 Sidco Drive Nashville, TN	94,031 SF	Forstone Capital	Undisclosed	Undisclosed
490 Metroplex Drive Nashville, TN	84,620 SF	Aventura Community School	Undisclosed	Undisclosed
500 11th Avenue N Nashville, TN	69,200 SF	Boyle Investment Company	HealthStream	Health Care and Social Assistance

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