

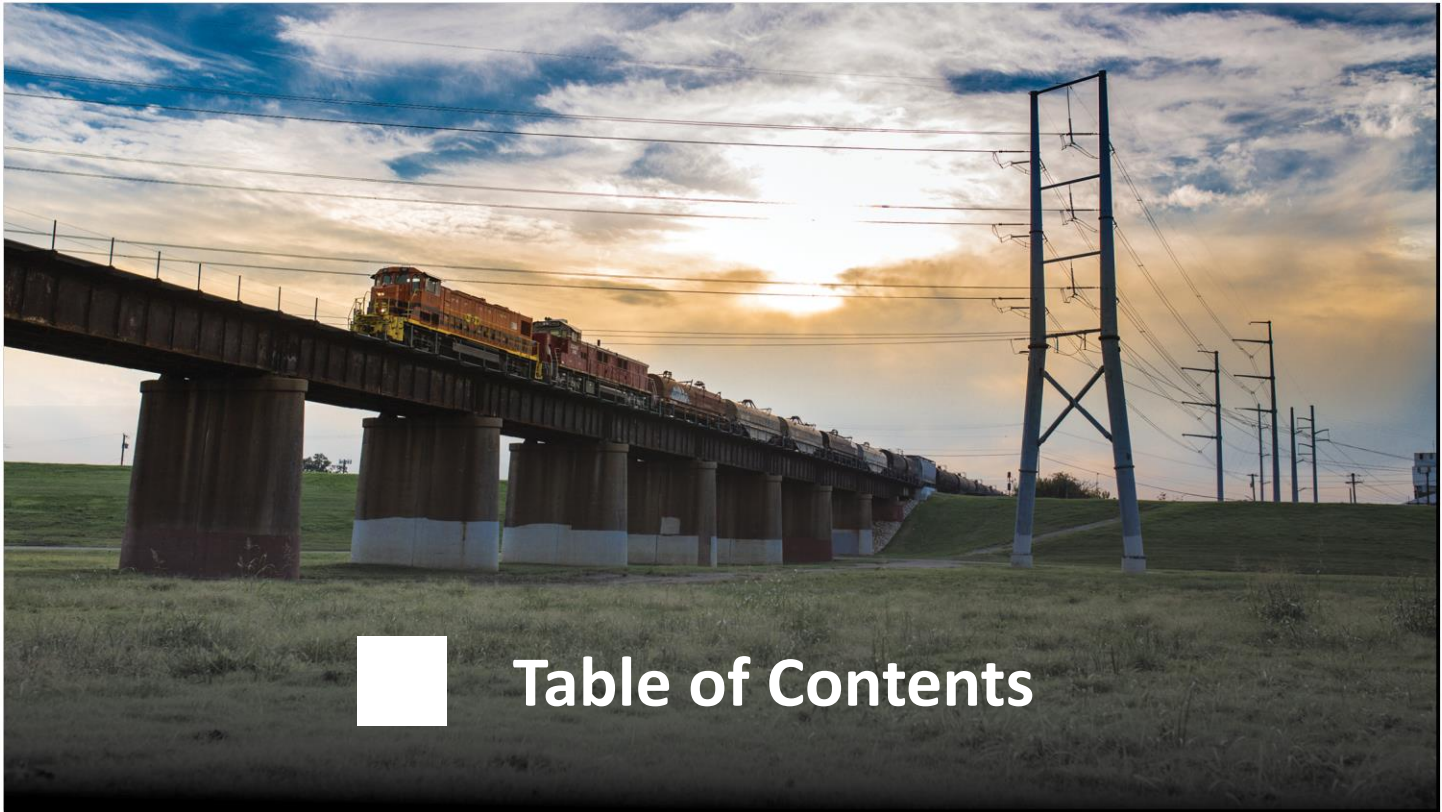
# WHITEBOX

REAL ESTATE

**Q4 2016**  
DFW Industrial  
Market Overview







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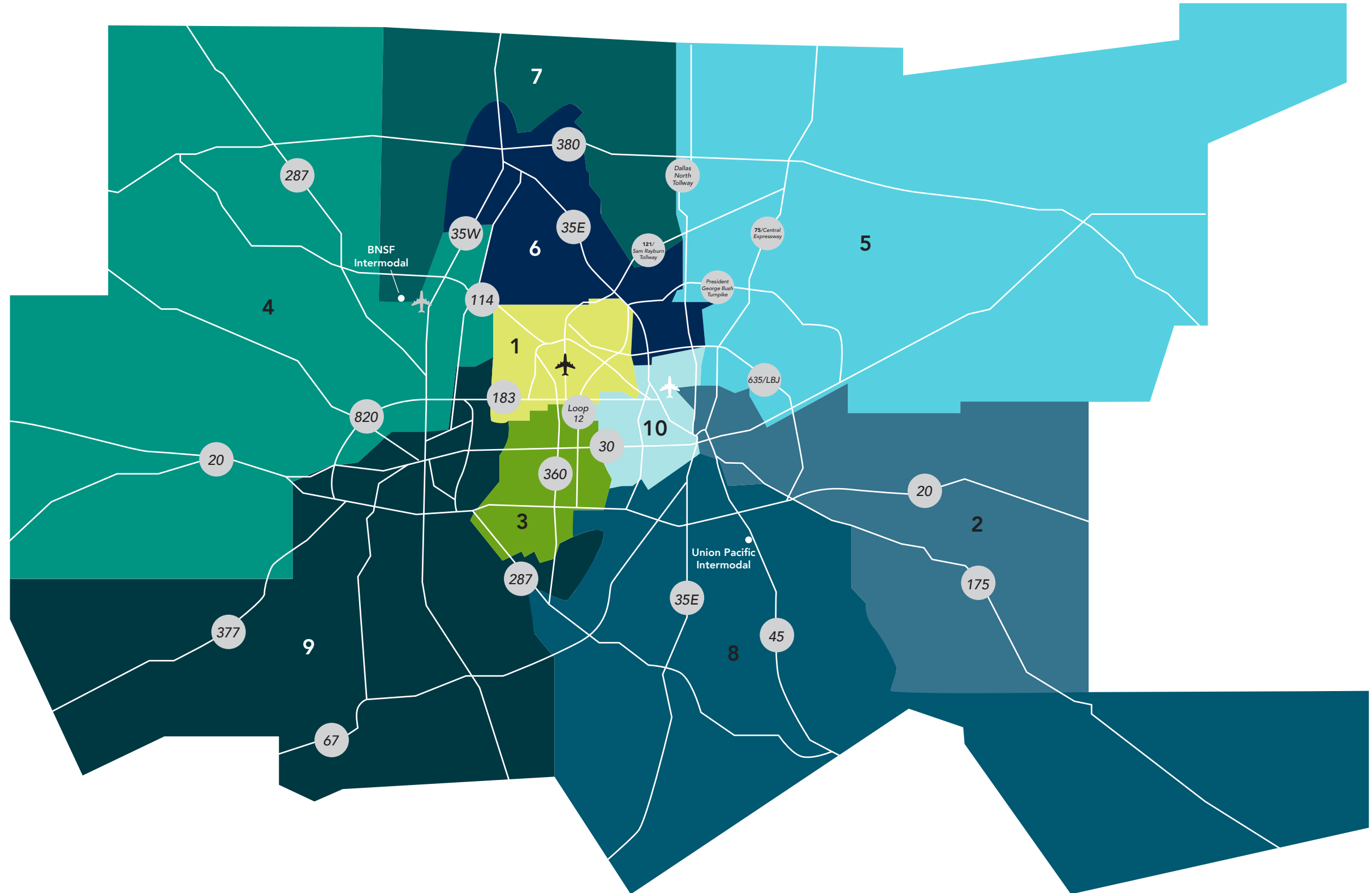
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# DFW Industrial Market Overview



## Legend

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### ECONOMIC OVERVIEW

The Texas economy continues to grow at a moderate pace, and there is renewed hiring activity in the oil industry that has yet to recover from the 2014 crash. Texas ended 2016 with the addition of 210,200 seasonally adjusted jobs since December 2015. Texas has added jobs 20 of the past 21 months, and unemployment continues to remain at 4.6%. Education and Health services recorded the highest employment gains in December according to the Texas Workforce Commission; however, according to the Dallas Federal Reserve's Beige Book there are reports of planned layoffs in the healthcare industry for 2017. While growth continues, the pace of employment growth has continued to level off. The Dallas-Fort Worth (DFW) labor market grew by 3.3% by adding 113,500 non-agricultural jobs over the last 12 months (311 per day). The unemployment rate for DFW increased 0.1% to 3.7%. Of the four major metropolitan areas in the state, only Austin boasts a lower unemployment rate. DFW unemployment is noticeably lower than Texas overall and the United States at 4.6% and 4.5%, respectively. There is a shortage of skilled labor, especially in construction and there is upward pressure on wages. There has been increased activity in almost all non-farm related industries.

### TENANT OUTLOOK

Net absorption for the fourth quarter totaled 4,090,300 SF, for warehouse and flex product combined, 39.9% less than the huge 3<sup>rd</sup> quarter that was greater than the entire years for 2009, 2010, 2011, and 2012. End of the year net absorption for 2016 totaled 23,451,229 SF. Warehouse net absorption totaled a positive 3,717,561 SF for the fourth quarter, slightly higher than all three previous quarters. Warehouse absorption for the year totaled 22,229,542 SF.

The average quoted asking quoted rental rate for Industrial product rose 4.5% from the previous quarter to \$5.61 per square foot per year. Average warehouse rates rose 5.15% to \$4.70 per square foot per year.

The vacancy rate in remained constant at 6.1%, no change from the previous quarter. Warehouse vacancy increase 0.01% from the third quarter to finish the year at 6.0%.

Total Industrial sublease vacancy increased 8.3% from the third quarter to 1,485,655 SF. Warehouse sublease vacancy increased 9.4% to a total of 1,388,217, up almost 74% from the end of the fourth quarter one year ago.

4,459,247 SF of new industrial space was delivered in the fourth quarter of 2016 for a total of 26 buildings. The total number of deliveries for 2016 tallied 19,796,793 SF and a total of 106 buildings. Approximately 37.2% of the new development was comprised of single tenant facilities. 2016 warehouse deliveries comprised 19,614,013 SF of the total industrial new construction for the year end 2016.

24,178,225 SF of new industrial space was under construction by the end of the fourth quarter 2016, of which warehouse new construction comprised 21,748,951 SF. Two notable warehouse speculative developments are the 1,008,176 SF Logistics Center II (East DFW Airport) which landed Amazon for the entire building at 2601 W Bethel Road and the 1,004,400 SF Arlington Commerce Center – Building E (Arlington Industrial) at 2320 E Bardin Road, which had not been leased by the end of 2016.

### AT A GLANCE

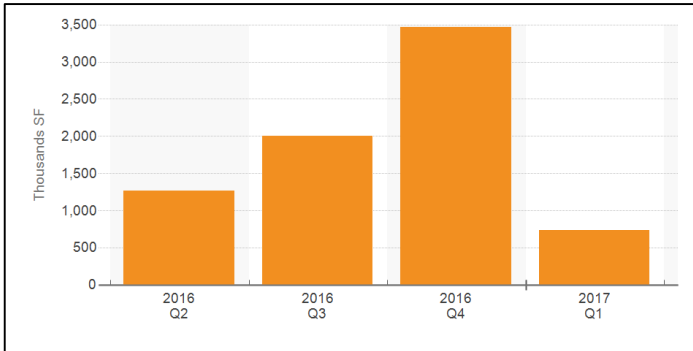
	Q4 2015	Q4 2016	% Change
<b>Overall Vacancy</b>	7.0%	6.1%	-0.9%
<b>Overall Rental Rates</b>	\$5.22	\$5.61	7.5%
<b>YTD Absorption</b>	18,538,656	23,451,229	26.5%

### TOP LARGE LEASES

	TENANT	FOCUS MARKET	SQUARE FEET
<b>Alliance Gateway 60</b>	American Tire Distributors, Inc.	NE Tarrant/Alliance	756,000
<b>Mountain Distribution Center II</b>	Chewy Inc.	Redbird Airport	663,000
<b>Southfield Park 35-Building 2</b>	Pratt Industries	SW Dallas/US 67	294,952
<b>Point West 400</b>	Quaker Sales & Distribution	East DFW Airport/Las Colinas	263,625
<b>1200 N 28<sup>th</sup> Ave</b>	Network Distribution Inc.	East DFW Airport/Las Colinas	263,100
<b>First Arlington Commerce II</b>	RoomsToGo	Arlington	234,100
<b>Majestic Airport Center DFW- Bldg 4</b>	TriMark USA, LLC	Lewisville	211,312

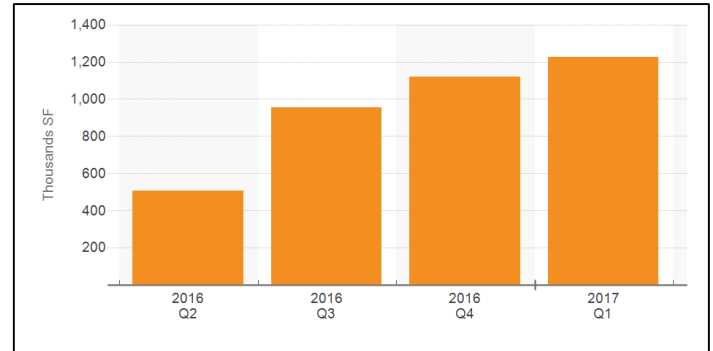


### LEASING ACTIVITY



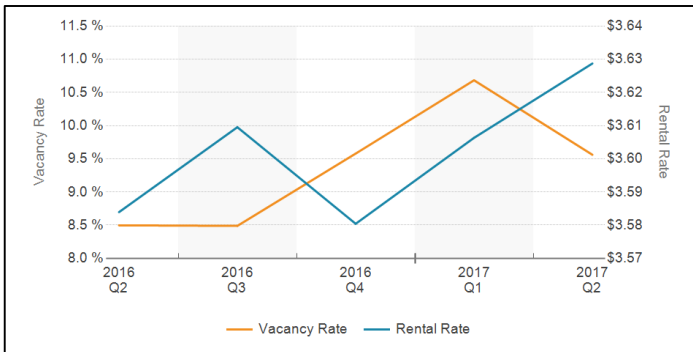
\*figures based on industrial product over 100,000 total RSF

### NET ABSORPTION



\*figures based on industrial product over 100,000 total RSF

### VACANCY VS RENTAL RATES



\*figures based on industrial product over 100,000 total RSF

### OUTLOOK FOR THE FUTURE

The later part of 2016 was no doubt impacted by the effects of a U.S. Presidential Election. There was a general strategy to “see how the election plays out,” prior to making any decisions. Deferred real estate and hiring decisions should increase in the new year of 2017. Overall, most indicators were positive for 2016, but they were not at the same rates as previous months. The outlook for 2017 is very positive, though, and the sentiment was shared by the Dallas Federal Reserve.

### INVESTOR OUTLOOK

Industrial building sales activity for 2016 fell from 2015 volumes. The first nine months of 2016 resulted in 33 industrial sales totaling \$305,783,885 at an average price of \$74.28 per square foot. The volume was down from 46 transactions in the same period in 2015 for a total of \$522,331,479. However, the price per square foot increase from the \$66.02 per SF average for 2015. Cap rates increase in 2016, averaging 8.54% for the first nine months of 2016 compared to 8.08% in 2015. One of the largest industrial sale transactions was the third quarter sale of Jackson-Shaw's 446,420 SF Parc North in Fort Worth to EastGroup Properties for \$32,000,000 or \$71.68/SF, at a 6.5% cap rate.

# INDUSTRIAL MARKET SNAPSHOT

## Q4 2016

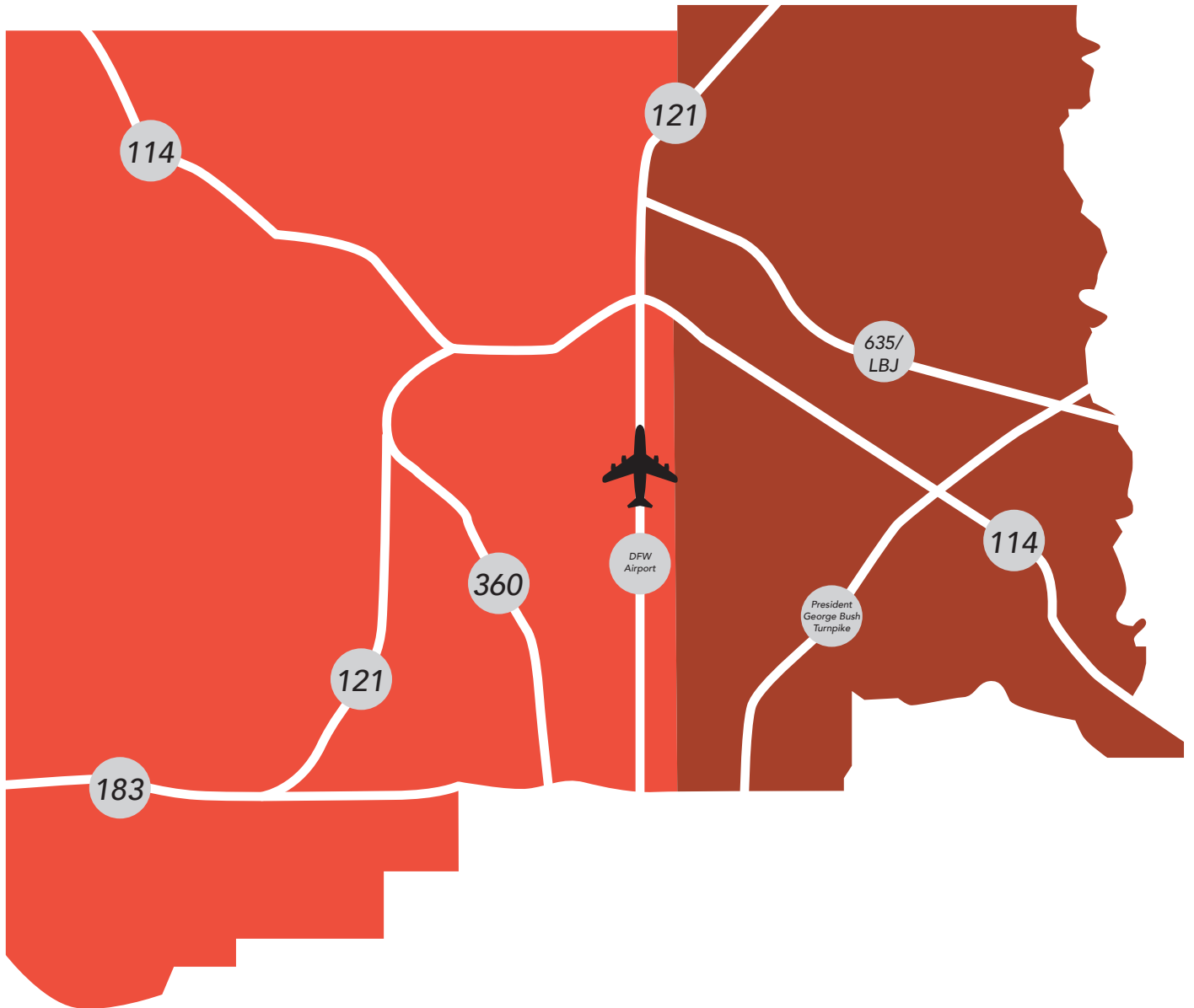
### Dallas-Fort Worth, TX

WAREHOUSE MARKET	TOTAL BLDGS	INVENTORY	DIRECT VACANT	TOTAL VACANT	OVERALL VACANCY RATE	YTD NET ABSORPTION	YTD DELIVERIES	UNDER CNSTR	AVERAGE ASKING RENT
DFW Airport Ind.	547	62,513,187	3,464,906	3,484,706	5.6%	2,106,861	1,072,478	2,826,679	\$4.63
East Dallas Ind.	1,308	41,860,032	1,827,542	1,837,542	4.4%	(390,412)	5,000	351,860	\$3.64
Great SW/Arlington Ind.	1,270	92,214,593	5,350,294	5,672,423	6.2%	1,639,508	4,154,841	5,937,646	\$4.09
North Ft. Worth Ind.	1,154	81,121,726	5,955,765	6,027,053	7.4%	6,666,466	4,453,232	3,057,066	\$4.16
Northeast Dallas Ind.	1,710	83,256,553	3,566,887	4,223,309	5.1%	1,463,815	449,995	1,650,697	\$5.61
Northwest Dallas Ind.	1,272	86,611,356	4,423,014	4,602,514	5.3%	2,781,961	2,227,537	1,951,529	\$4.93
South Dallas Ind.	1,362	86,235,512	6,970,407	6,970,407	8.1%	5,897,757	6,261,686	5,237,233	\$3.69
South Fort Worth Ind.	2,388	75,013,826	2,574,978	2,606,468	3.5%	1,332,476	419,119	218,000	\$4.44
South Stemmons Ind.	2,919	104,814,389	7,090,046	7,187,634	6.9%	731,110	570,125	518,241	\$5.77
<b>DFW TOTAL</b>	<b>13,930</b>	<b>713,641,174</b>	<b>41,223,839</b>	<b>42,612,056</b>	<b>6.0%</b>	<b>22,229,542</b>	<b>19,614,013</b>	<b>21,748,951</b>	<b>\$4.70</b>

FLEX MARKET	TOTAL BLDGS	INVENTORY	DIRECT VACANT	TOTAL VACANT	OVERALL VACANCY RATE	YTD NET ABSORPTION	YTD DELIVERIES	UNDER CNSTR	AVERAGE ASKING RENT
DFW Airport Ind.	346	9,596,219	1,191,717	1,198,148	12.5%	20,544	0	6,600	\$9.30
East Dallas Ind.	654	8,565,406	1,005,902	1,013,957	11.8%	17,750	25,755	0	\$9.18
Great SW/Arlington Ind.	503	10,730,739	1,085,499	1,092,879	10.2%	217,888	56,195	11,000	\$8.90
North Ft. Worth Ind.	291	5,751,657	315,119	315,119	5.5%	5,175	0	250,000	\$9.24
Northeast Dallas Ind.	1,284	29,705,013	1,827,342	1,854,223	6.2%	441,034	94,180	1,656,220	\$9.45
Northwest Dallas Ind.	748	21,204,576	1,864,092	1,877,976	8.9%	417,601	6,650	484,993	\$10.09
South Dallas Ind.	406	4,520,449	90,273	90,273	2.0%	31,737	0	15,000	\$7.79
South Fort Worth Ind.	910	13,411,990	473,781	479,081	3.6%	128,829	0	0	\$8.23
South Stemmons Ind.	1,811	28,479,046	1,259,456	1,288,963	4.5%	(58,871)	0	5,461	\$10.67
<b>DFW TOTAL</b>	<b>6,953</b>	<b>131,965,095</b>	<b>9,113,181</b>	<b>9,210,619</b>	<b>7.0%</b>	<b>1,221,687</b>	<b>182,780</b>	<b>2,429,274</b>	<b>\$9.61</b>



# DFW Airport Industrial Market



## Legend

- W DFW Airport  
Grapevine Ind
- E DFW Airport  
Las Colinas Ind



# MARKETBEAT

## Industrial Submarket Report

### Western DFW Airport/Grapevine Industrial

Q4 2016

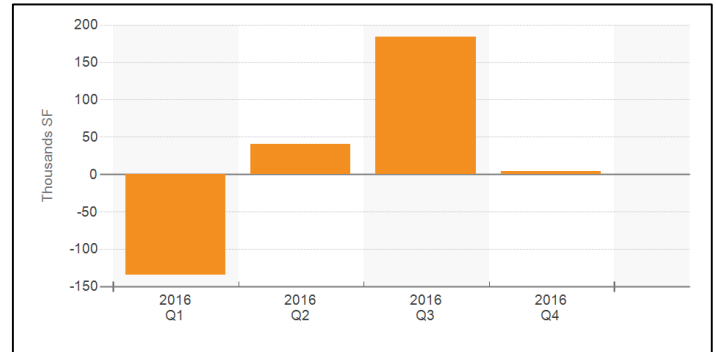
The Western DFW Airport/Grapevine Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 6.1%. The vacancy rate stayed relatively flat from the previous quarter of 6.0% with 93,038 square feet of net positive absorption for the last quarter to finish the year at 101,156 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$6.30/SF, increasing from \$6.08/SF in the previous quarter. There were 60,000 SF YTD new construction deliveries and currently 238,742 SF of industrial space under construction.

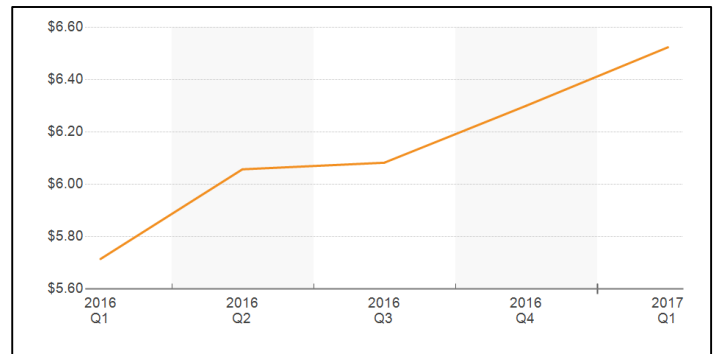
Significant leases signed this quarter included those by KW International and Schneider Logistics. Sale transactions included a two-building portfolio sale of 11160 & 1200 Mustang Drive for a total of 263,390 SF.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
Heritage Business Park	KW International	Industrial	204,556
620 Westport	Schneider Logistics	Industrial	104,490
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
1160 Mustang Dr.	Undisclosed	Undisclosed	143,320
1200 Mustang Dr.	Undisclosed	Undisclosed	120,070
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
1255 Mustang Dr	Ascendant Commercial	Q3 2017	158,466
1215 Metroplace Dr	Ascendant Commercial	Q2 2017	80,276

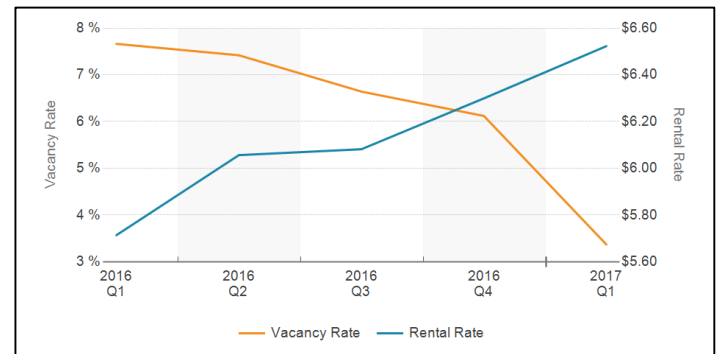
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Western DFW Air/Grapevine Ind	16,472,727	1,002,686	6.1%	101,156	60,000	238,742	\$6.30
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year



# MARKETBEAT

## Industrial Submarket Report

### East DFW Airport/Las Colinas Industrial

Q4 2016

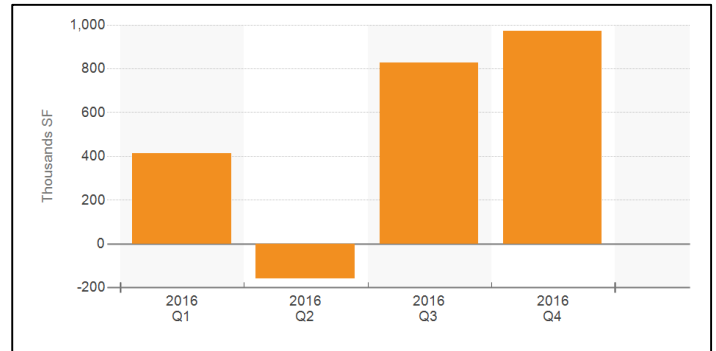
The East DFW Airport/Las Colinas Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 5.4%. The vacancy rate decreased from the previous quarter of 7.2% with 1,000,842 square feet of net positive absorption for the last quarter to finish the year at 2,005,705 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$4.32/SF, increasing from \$4.17/SF in the previous quarter. YTD new construction deliveries increased to 1,012,478 SF. There is currently 2,826,679 SF of industrial space under construction.

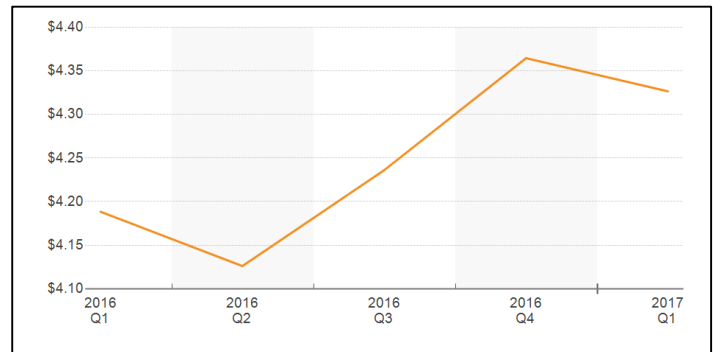
Significant leases included 1,008,176 SF at 2601 W Bethel Rd to an undisclosed Tenant. Colony Capital acquired Parc 114, a portfolio of seven properties totaling 568,272 SF at a purchase price of \$61,500,000.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
2601 W Bethel Rd.	Unknown	Industrial	1,008,176
PointWest 400	Quaker Sales & Distribution	Industrial	263,625
1200 N 28 <sup>th</sup> Ave. (renewal)	Network Distribution	Industrial	263,100
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Parc 114 (Seven Properties)	Colony Capital	\$61,500,000	568,272
DFW Airport I	Gramercy Property Trust	\$33,000,000	527,100
Campus Circle	The Blackstone Group	Undisclosed	210,000
8701 Sterling St	Colony Capital	Undisclosed	168,005
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
2601 W Bethel Rd.	Perot Development	Q4 2017	1,008,176
Prologis Park 121	Prologis	Q2 2017	424,080

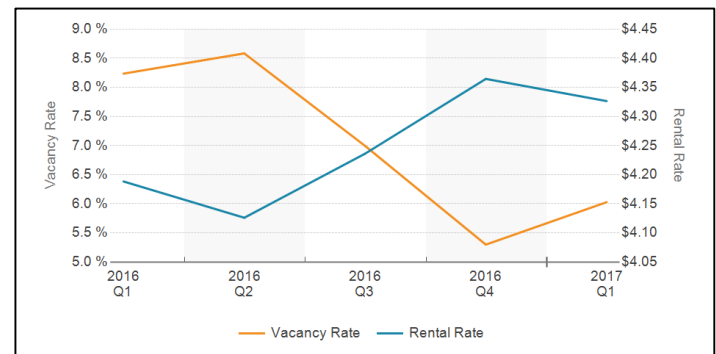
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate

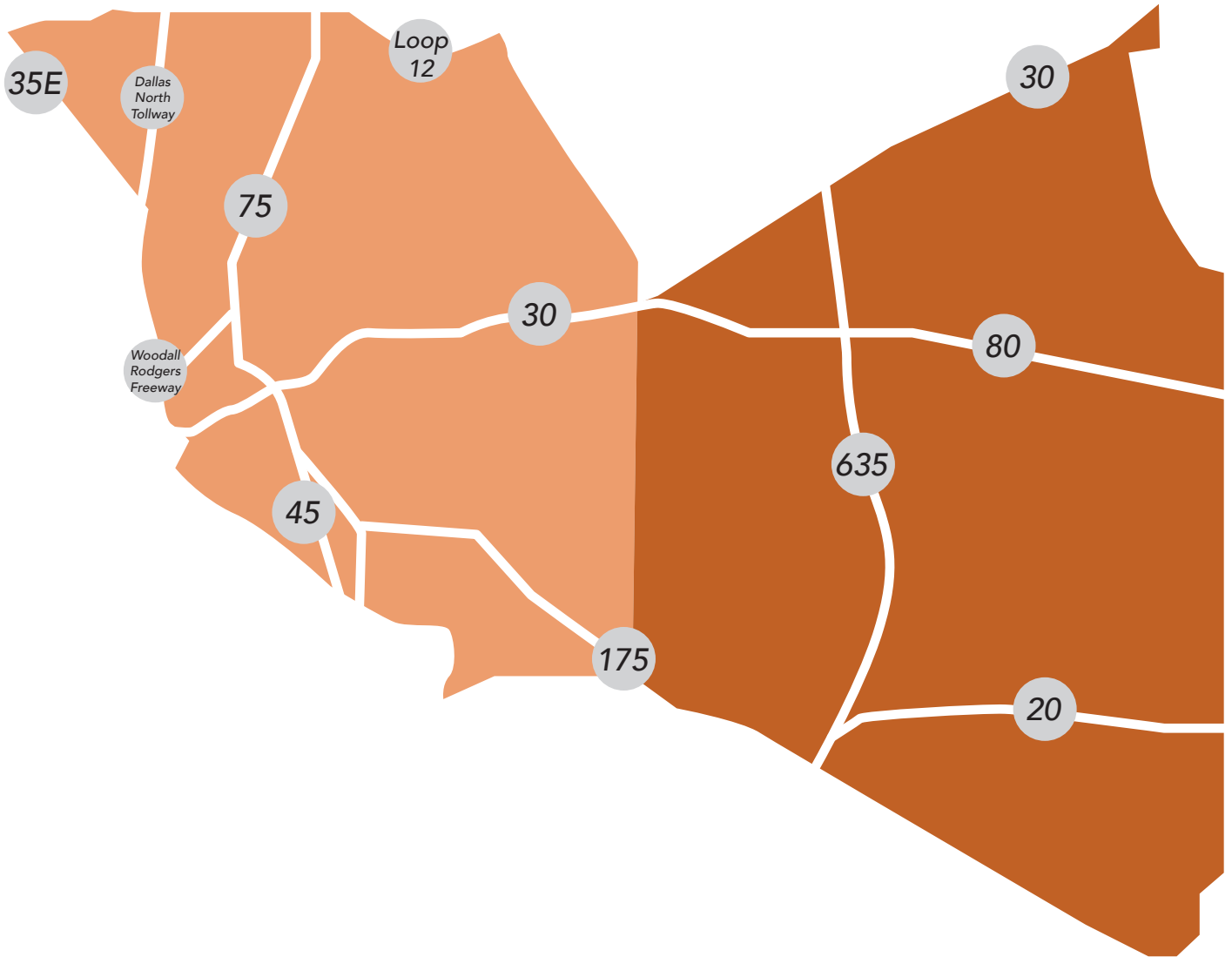


	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
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East DFW Airport/Las Colinas Industrial	46,040,460	2,482,020	5.4%	2,005,705	1,012,478	2,826,679	\$4.32
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# East Dallas Industrial Market



## Legend

- Central East Dallas Ind
- East Dallas Mesquite Ind





# MARKETBEAT

## Industrial Submarket Report

### Central East Dallas Industrial

Q4 2016

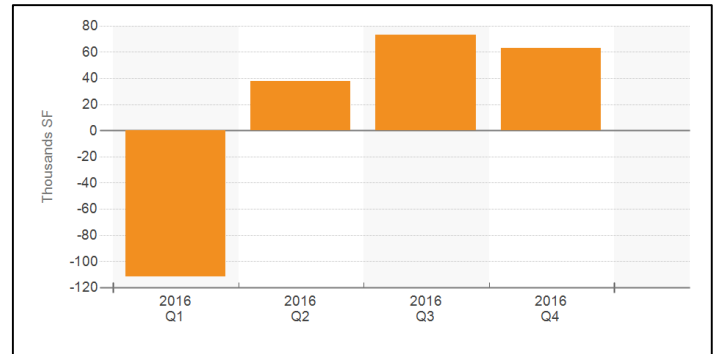
The Central East Dallas Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 2.2%. The vacancy rate decreased 0.9% from the previous quarter of 3.1% with 73,203 square feet of net positive absorption for the last quarter to finish the year at 75,518 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$3.90/SF, decreasing from \$5.03/SF in the previous quarter. YTD new construction deliveries and construction projects remained zero.

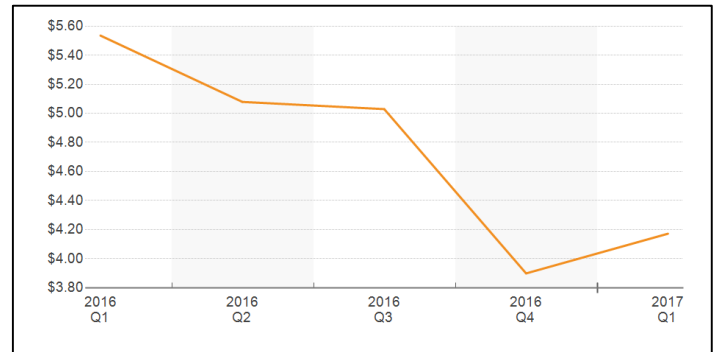
Iron Mountain sold a portfolio at 1101-1115 Alma St, 1114 Alma St, and 1700-1720 Cockrell Ave at an undisclosed price totaling 295,622 SF.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
725 3 <sup>rd</sup> Ave	Unknown	Industrial	25,000
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Iron Mountain Portfolio Sale (3 properties)	Undisclosed	Undisclosed	295,622
1819 S Lamar St.	Iron Mountain Mortgage Finance	Undisclosed	135,000
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

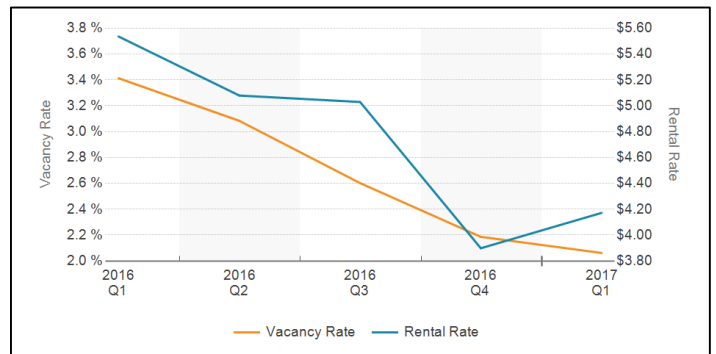
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Central East Dallas Industrial	15,210,093	322,273	2.2%	75,518	0	0	\$3.90
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# MARKETBEAT

## Industrial Submarket Report

### East Dallas/Mesquite Industrial

Q4 2016

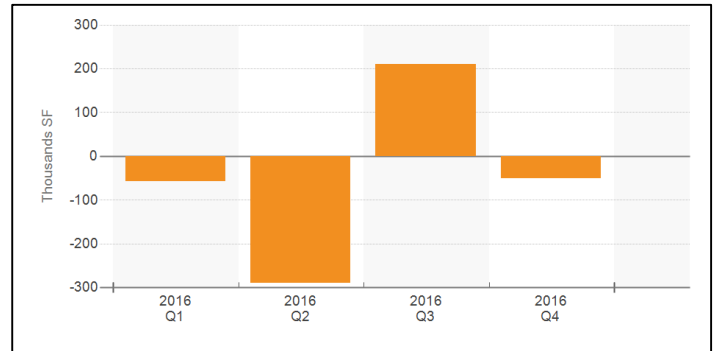
The East Dallas/Mesquite Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 5.7%. The vacancy rate increased 0.6% from the previous quarter of 5.1% with 111,887 square feet of net negative absorption for the last quarter to finish the year at -178,949 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$3.52/SF, increasing from \$3.41/SF in the previous quarter. YTD new construction deliveries remained at 0 SF and there were 351,860 SF total in construction projects in the submarket.

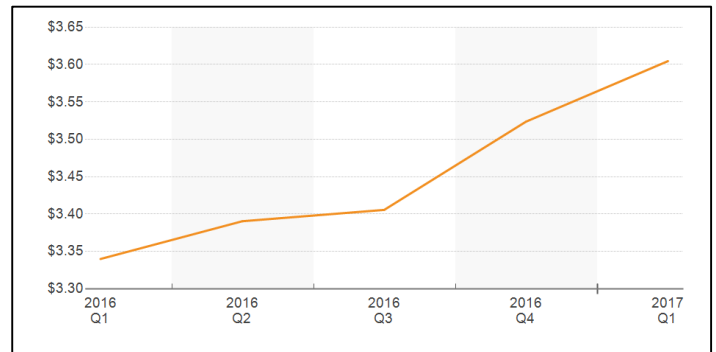
Significant leases included CHEP USA's 199,750 SF renewal at 1201 Big Town Boulevard. Cabot Properties acquired a two property portfolio at Skyline Building Park for \$48,873,000.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
1201 Big Town Blvd (renewal)	CHEP USA	Industrial	199,750
951 S Town East Blvd	Hayes Retail Group	Industrial	156,793
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Skyline Building Park (2 properties)	Cabot Properties	\$48,873,000	930,100
227 S Town East Blvd	First Coil Properties	Undisclosed	189,492
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
FedEx Ground Distribution Facility	42 Real Estate	Q2 2017	344,000

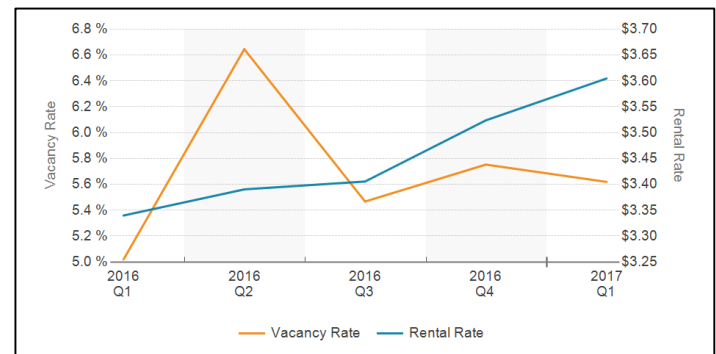
Net Absorption



Asking Rent Per SF



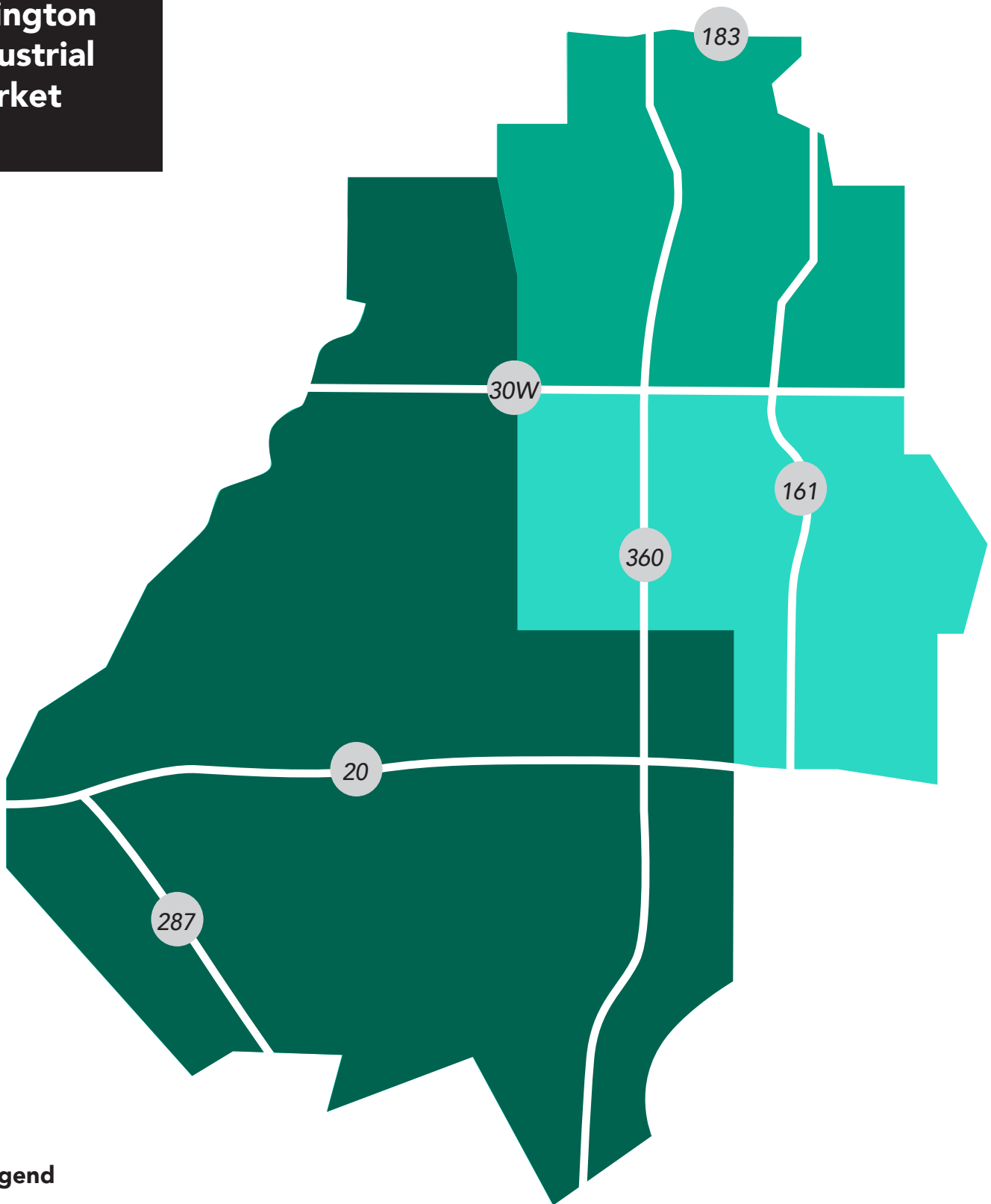
Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
East Dallas/Mesquite Industrial	17,813,841	1,016,358	5.7%	(178,949)	0	351,860	\$3.52
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# Great SW Arlington Industrial Market



## Legend

- Lower Great Southwest Ind
- Upper Great Southwest Ind
- Arlington Ind



# MARKETBEAT

## Industrial Submarket Report

### Lower Great Southwest Industrial

Q4 2016

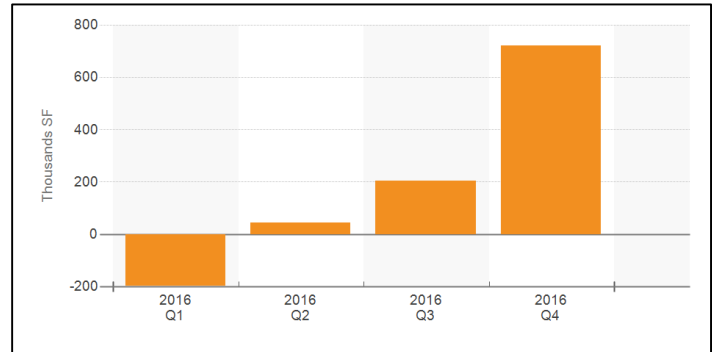
The Lower Great Southwest Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 3.2%. The vacancy rate increased slightly from the previous quarter of 3.0% with 60,434 square feet of net negative absorption for the last quarter to finish the year at 36,949 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$3.82/SF, decreasing from \$3.83/SF in the previous quarter. There were 356,093 SF YTD new construction deliveries and currently 775,094 SF of industrial space under construction.

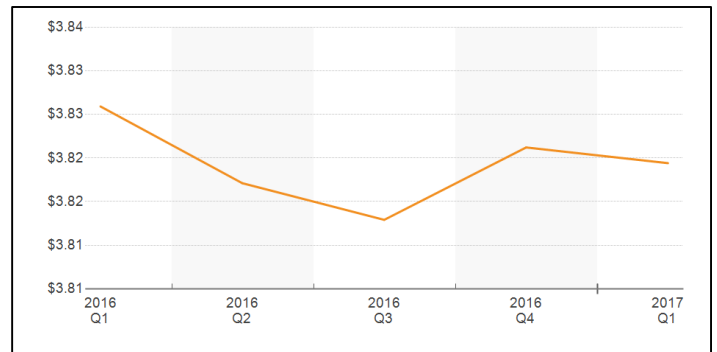
Significant leases included Special Logistics Dallas's 89,544 SF lease at 600 109<sup>th</sup> Street. Gupta Properties Texas acquired 200,825 SF at 3001 E. Pioneer Parkway for \$11,000,000.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
600 109 <sup>th</sup> Street	Special Logistics Dallas	Industrial	89,544
3709 E. Randol Mill Road	Undisclosed	Industrial	80,255
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
3001 E Pioneer Parkway	Gupta Properties Texas	\$11,000,000	200,825
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

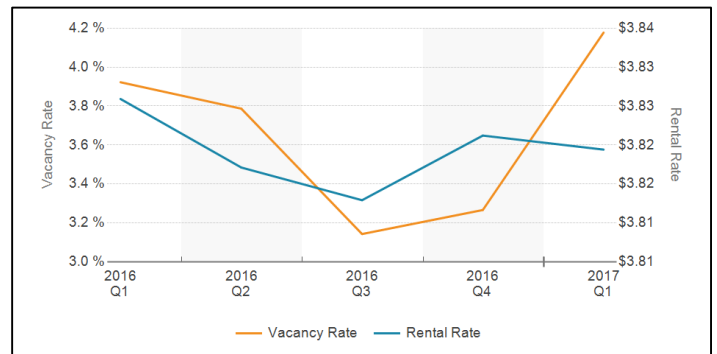
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Lower Great Southwest Industrial	31,747,500	1,019,594	3.2%	36,949	356,093	775,904	\$3.82
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year



# MARKETBEAT

## Industrial Submarket Report

### Upper Great Southwest Industrial

Q4 2016

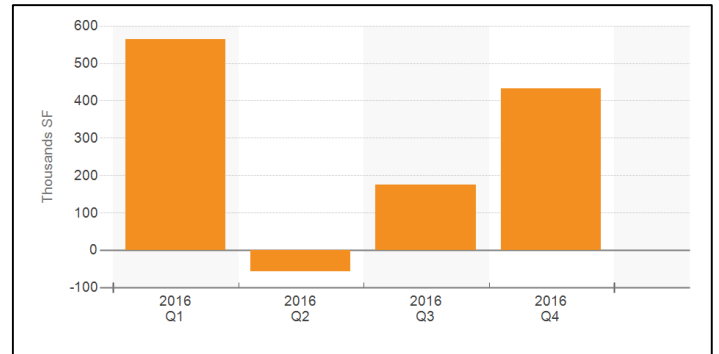
The Upper Great Southwest Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 6.5%. The vacancy rate decreased 0.4% from the previous quarter of 6.9% with 395,869 square feet of net positive absorption for the last quarter to finish the year at 1,098,768 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$4.15/SF, increasing from \$4.10/SF in the previous quarter. There was 2,011,714 SF YTD new construction deliveries and currently 4,158,152 SF of industrial space under construction.

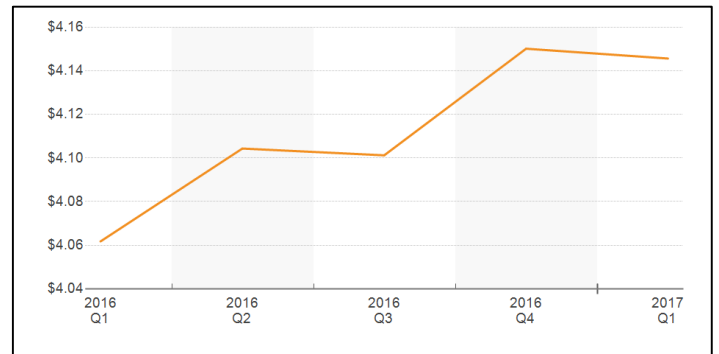
Significant leases included Platinum Press' 150,000 SF lease at 4251 Empire Road. Cabot Properties acquired 145,579 SF at Riverpark 1000 for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
4251 Empire Road	Platinum Press	Industrial	150,000
3125 N. Great Southwest Parkway	Euramax International, Inc.	Industrial	89,578
1213 W. North Carrier Parkway	Overhead Door	Industrial	72,450
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Riverpark 1000	Cabot Properties	Undisclosed	145,579
Riverpark 1100	Checkerprop Texas 3275 Trinity	Undisclosed	130,400
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Wildlife 5	Crow Holdings	Q1 2017	683,646
950 E Avenue K	Bandera Ventures	Q2 2017	487,752
CentrePoint Building	Hillwood	Q2 2017	430,759
GSW Gateway Building V	Hillwood	Q1 2017	315,036

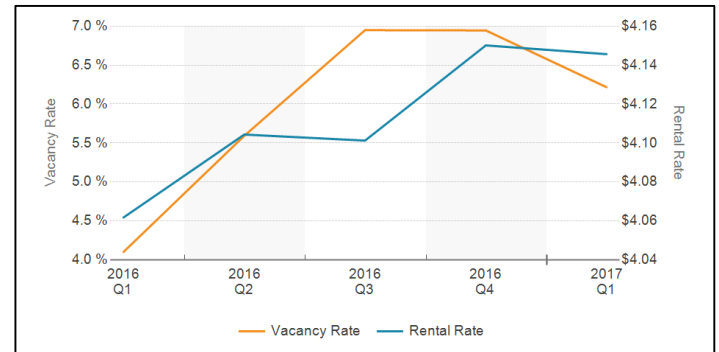
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
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Upper Great Southwest Industrial 43,230,650 2,826,652 6.5% 1,098,768 2,011,714 4,158,152 \$4.15

Dallas/Fort Worth Total 713,641,174 42,612,056 6.0% 22,229,542 19,614,013 21,748,951 \$4.70

\*Rental Rates reflect asking \$psf/year

# MARKETBEAT

## Industrial Submarket Report

### Arlington Industrial

Q4 2016

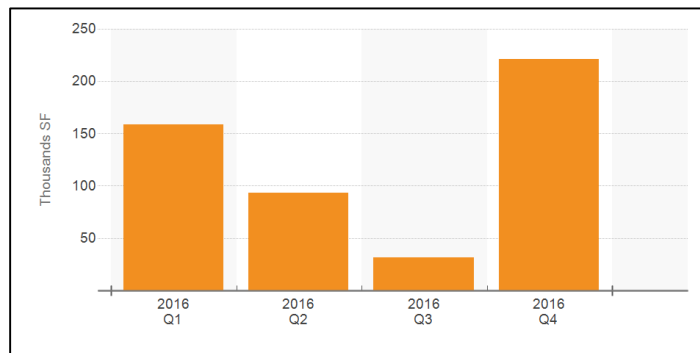
The Arlington Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 10.6%. The vacancy rate increased from the previous quarter of 7.2% with 208,344 square feet of net positive absorption for the last quarter to finish the year at 503,791 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$5.05/SF, increasing from \$4.92/SF in the previous quarter. There were 1,787,034 SF YTD new construction deliveries and currently 1,727,133 SF of industrial space under construction.

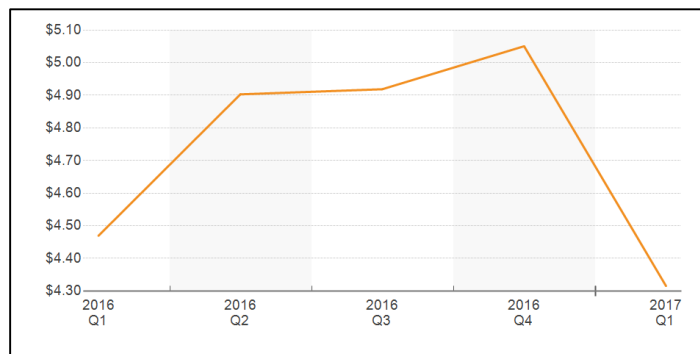
Significant leases included Rooms To Go's 234,100 SF lease at First Arlington Commerce II and Automann Inc.'s 166,941 SF lease at 931 W. Bardin. Fresh Express, Inc. acquired 2370 W. Warrior Trail for \$19.5 million.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
First Arlington Commerce II	Rooms To Go	Industrial	234,100
931 W Bardin	Automann Inc	Industrial	166,941
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
2370 W Warrior Trail	Fresh Express, Inc.	\$19,500,000	113,000
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Arlington Commerce Center- Bldg E	First Industrial Realty Trust	Q2 2017	1,004,400
Park 20/360	Ridge Development	Q4 2017	722,733

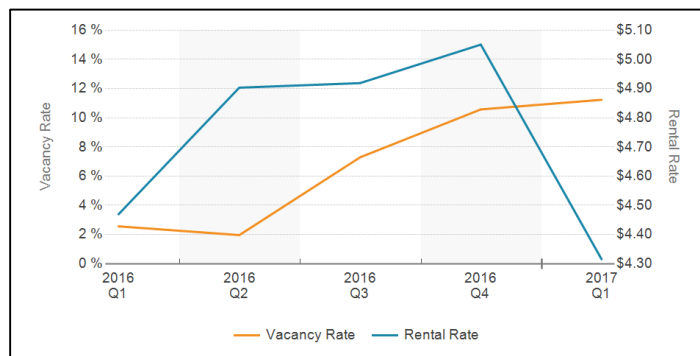
Net Absorption



Asking Rent Per SF



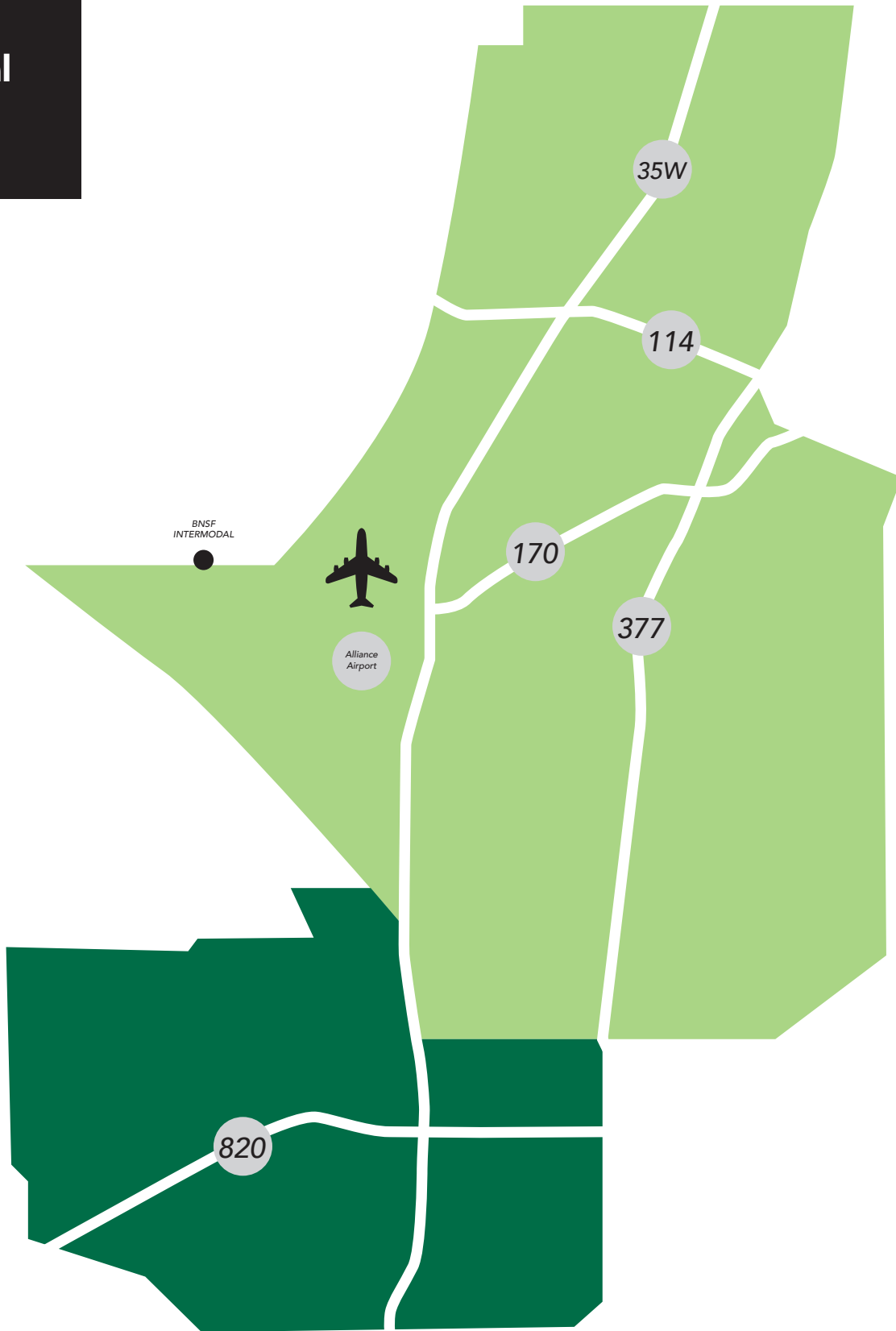
Vacancy Vs. Rental Rate






	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Arlington Industrial	17,236,443	1,826,177	10.6%	503,791	1,787,034	1,727,133	\$5.05
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# N FTW & Alliance Industrial Market



## Legend

	NE Tarrant/Alliance Ind	
	Meacham Fld/Fossil Cr Ind	

# MARKETBEAT

## Industrial Submarket Report

### NE Tarrant/Alliance Industrial

Q4 2016

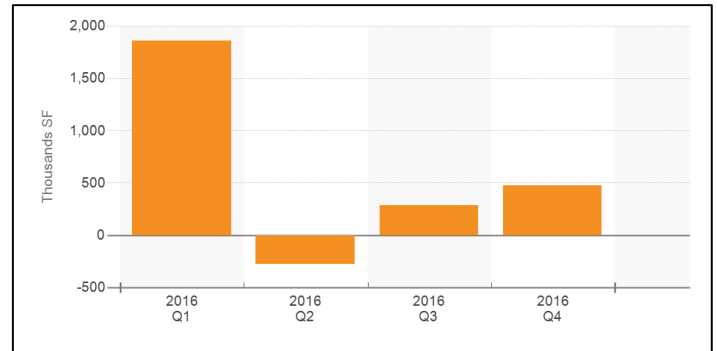
The NE Tarrant/Alliance Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 10.8%. The vacancy rate decreased 1.7% from the previous quarter of 12.5% with 490,882 square feet of net positive absorption for the last quarter to finish the year at 2,332,524 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$3.84/SF, increasing from \$3.83/SF in the previous quarter. YTD new construction deliveries increased to 1,007,803 SF. There is currently 2,393,990 SF of industrial space under construction.

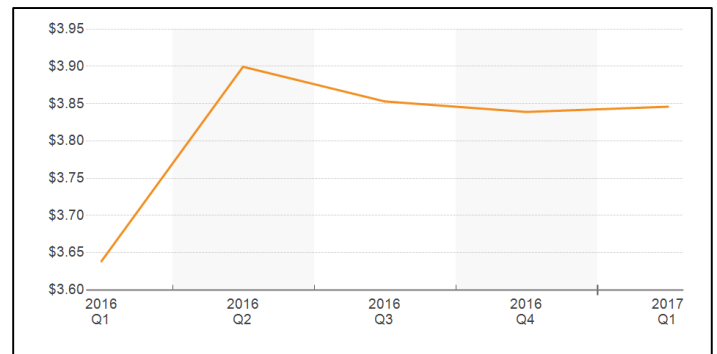
Significant leases included American Tire Distributors, Inc.'s 756,000 SF lease at Alliance Gateway 60. Heitman acquired a two property portfolio of 1,590,374 SF at Trammell Crow at 35 Eagle for \$106,500,000.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
Alliance Gateway 60	American Tire Distributors, Inc.	Industrial	756,000
13550 Park Vista Boulevard	Undisclosed	Industrial	40,932
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Trammell Crow at 35 Eagle (2 Property Portfolio)	Heitman	\$106,500,000	1,590,374
301 Freedom Drive (Part of 100 Property Portfolio)	The Blackstone Group	Undisclosed	404,500
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Alliance Center North 15	Hillwood Properties	Q2 2017	588,262
1101 Interstate 35W	Ironwood Realty Partners	Q4 2017	496,782
Alliance Westport 19	Hillwood	Q1 2017	360,000

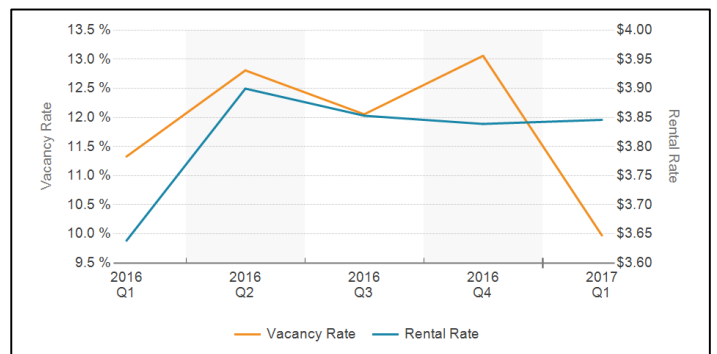
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
NE Tarrant/Alliance Industrial	35,340,696	3,813,180	10.8%	2,332,524	1,007,803	2,393,990	\$3.84
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year



# MARKETBEAT

## Industrial Submarket Report

### Meacham Field/Fossil Creek

Q4 2016

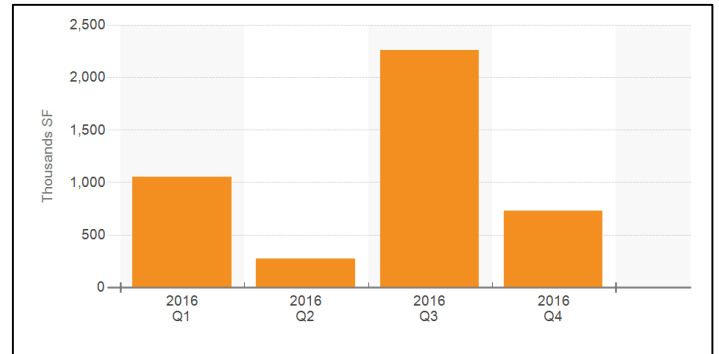
The Meacham Field/Fossil Creek Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 5.0%. The vacancy rate increased from the previous quarter of 4.9% with 1,046,796 square feet of net positive absorption for the last quarter to finish the year at 4,310,787 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$3.94/SF, increasing from \$3.72/SF in the previous quarter. YTD new construction deliveries increased to 3,423,429 SF. There is currently 646,826 SF of industrial space under construction.

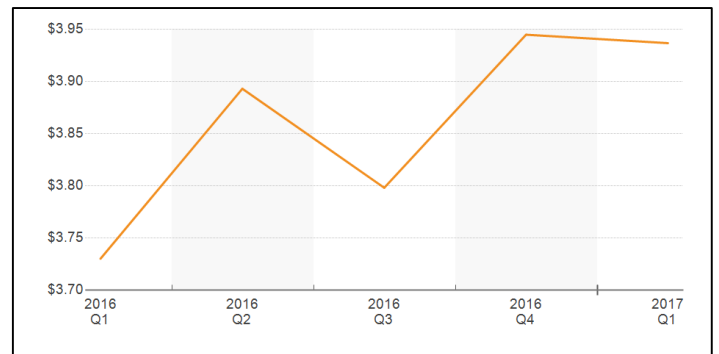
Significant leases included Dunavant Trans Gulf Transportation's 148,500 SF lease at 900 Terminal Road. EastGroup Properties acquired 446,420 SF at Parc North for \$32,000,000.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
900 Terminal Rd.	Dunavant Trans Gulf Transportation	Industrial	148,500
3001 Northern Cross Boulevard	Global Packaging	Industrial	92,800
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Parc North	EastGroup Properties	\$32,000,000	446,420
Mercantile Center	Kysor Panel Systems	Undisclosed	183,000
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
4800 N Sylvania	Hunt Southwest	Q3 2017	646,826
3737 Meacham Boulevard	TTI Inc.	Q4 2017	600,000

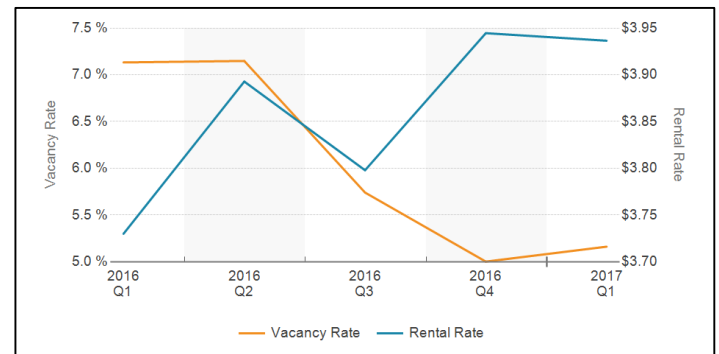
Net Absorption



Asking Rent Per SF



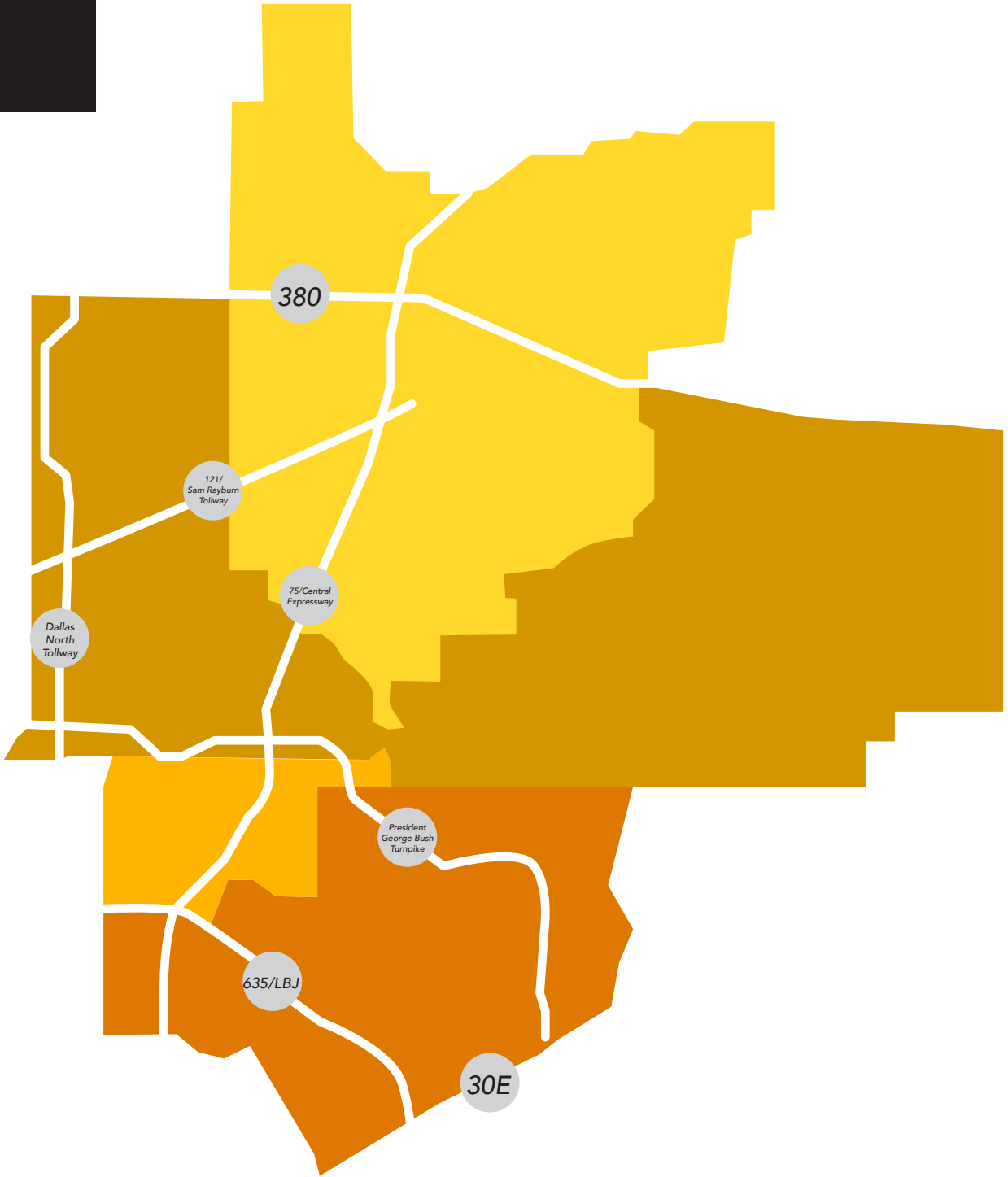
Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Meacham Field/Fossil Creek	37,588,896	1,881,524	5.0%	4,310,787	3,423,429	646,826	\$3.94
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# Northeast Dallas Industrial Market



## Legend

- Allen/McKinney Ind
- Plano Ind
- Richardson Ind
- NE Dallas/Garland Ind



# MARKETBEAT

## Industrial Submarket Report

### Allen/McKinney Industrial

Q4 2016

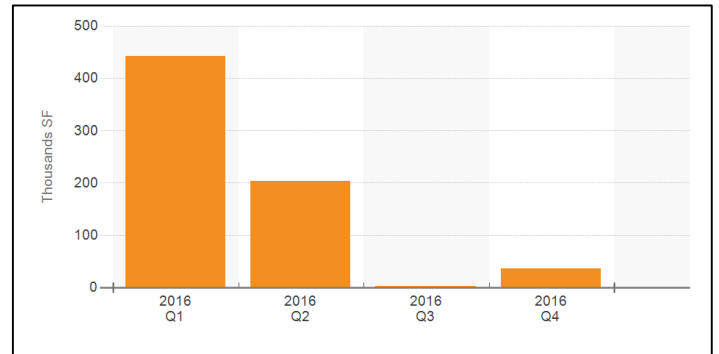
The Allen/McKinney Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 1.5%. The vacancy rate increased 0.5% from the previous quarter of 1.0% with 57,651 square feet of net negative absorption for the last quarter to finish the year at 590,202 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$7.63/SF, increasing from \$4.80/SF in the previous quarter. YTD new construction deliveries remained flat at 268,745 SF. There is currently 139,331 SF under construction.

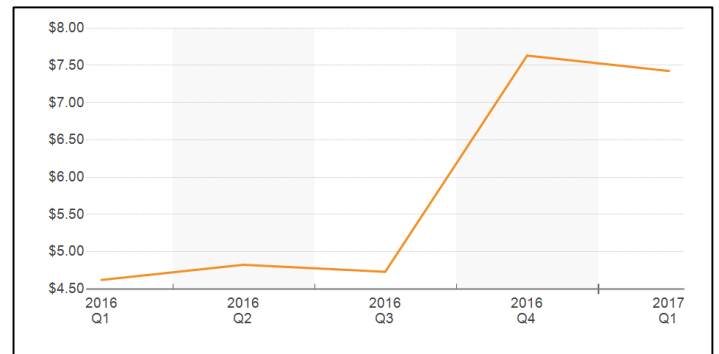
Significant leases included Popular Ink's 63,000 SF lease at McKinney Central Business Park II. Virtuwave Holdings acquired 1720 Bray Central Dr. for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
McKinney Central Business Park II	Popular Ink	Industrial	63,000
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
1720 Bray Central Dr.	Virtuwave Holdings, Inc.	Undisclosed	70,200
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
11 Prestige Cir	Stream Realty	Q4 2017	45,120

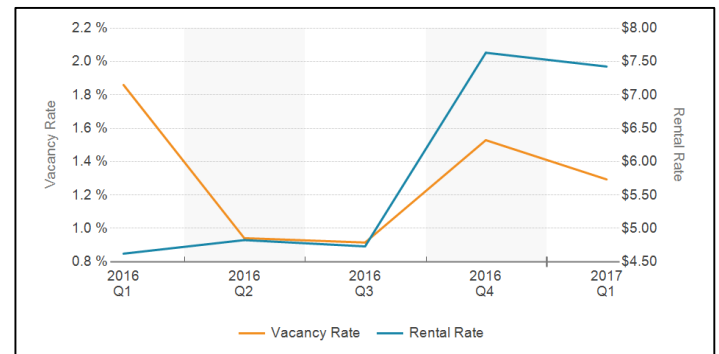
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Allen/McKinney Industrial	9,195,437	141,995	1.5%	590,202	268,745	139,331	\$7.63
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# MARKETBEAT

## Industrial Submarket Report

### Plano Industrial

Q4 2016

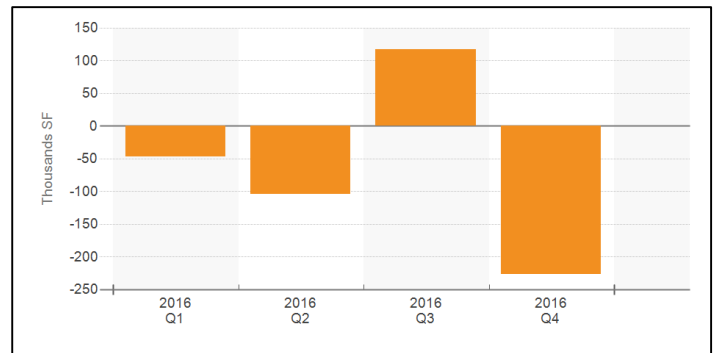
The Plano Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 5.9%. The vacancy rate increased 1.8% from the previous quarter of 4.1% with 224,592 square feet of net negative absorption for the last quarter to finish the year at -260,712 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$7.43/SF, increasing from \$7.36/SF in the previous quarter. YTD new construction deliveries remained at 0 SF and there have been no construction projects in the submarket.

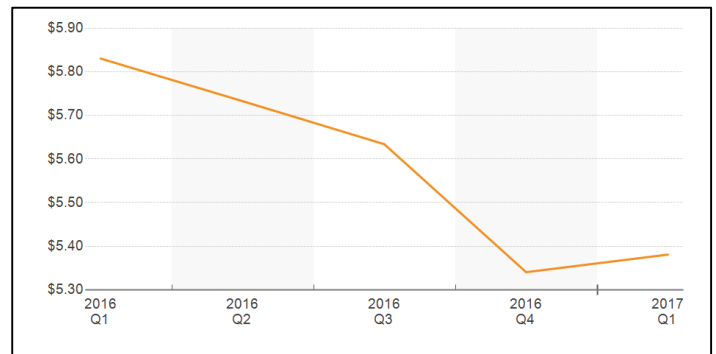
Significant leases included PACCAR's 58,442 SF lease at 3100 Technology Drive and Kathrein USA's 34,974 SF lease at 3101 Summit Avenue. Steven P. Hsu acquired 46,368 SF at the Garages of Texas at Willow Bend and Skyline Sports LLC acquired 38,974 SF at 3101 Summit Avenue.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
3100 Technology Drive	PACCAR	Industrial	58,442
3101 Summit Avenue	Kathrein USA	Industrial	34,974
1701 10 <sup>th</sup> Street	InnerWorkings, Inc.	Industrial	33,700
1901 10 <sup>th</sup> Street-Building E	MCI Communciations Service	Industrial	33,000
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Garages of Texas at Willow Bend	Steven P. Hsu	Undisclosed	46,368
900 Stewart Avenue	Skyline Sports LLC	Undisclosed	38,946
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Dominion Parkway Stream Ready to Fit Data Center	Stream Data Centers	Q4 2017	145,000

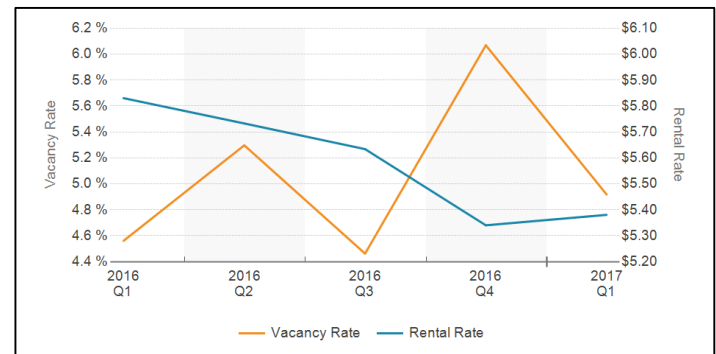
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Plano Industrial	14,511,994	854,279	5.9%	(260,712)	0	0	\$7.43
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year



# MARKETBEAT

## Industrial Submarket Report

### Richardson Industrial

Q4 2016

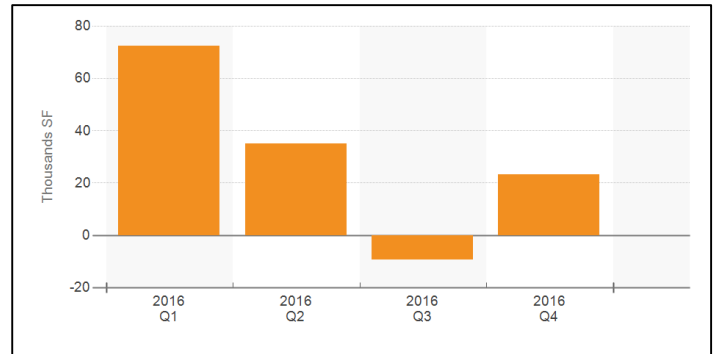
The Richardson Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 1.3%. The vacancy rate decreased 0.3% from the previous quarter of 1.6% with 22,844 square feet of net positive absorption for the last quarter to finish the year at 120,250 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$5.66/SF, decreasing from \$5.79/SF in the previous quarter. YTD new construction remained at 0 SF and there have been no construction projects in the submarket during the quarter

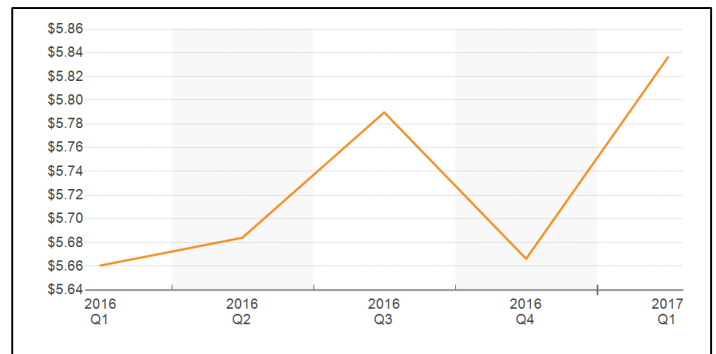
Significant leases included InnerWireless' 30,778 SF lease of Cardinal Park 5.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
Cardinal Park 5	InnerWireless	Industrial	30,778
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
-	-	-	-
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

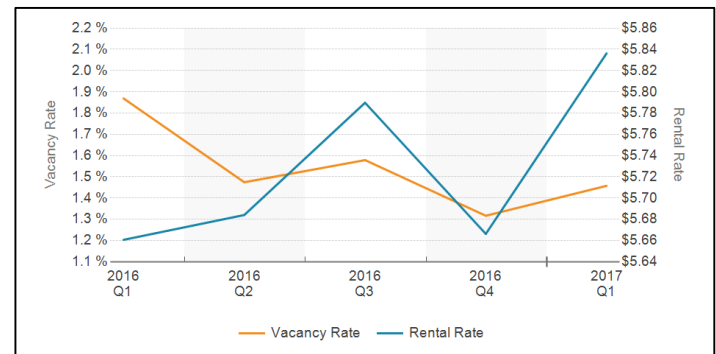
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Richardson Industrial	8,834,595	114,802	1.3%	120,250	0	0	\$5.66
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# MARKETBEAT

## Industrial Submarket Report

### NE Dallas/Garland Industrial

Q4 2016

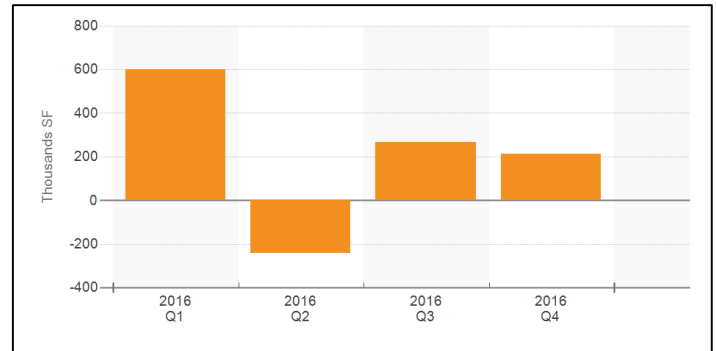
The NE Dallas/Garland Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 6.5%. The vacancy rate decreased 0.7% from the previous quarter of 7.2% with 213,801 square feet of net positive absorption for the last quarter to finish the year at 837,080 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$3.85/SF, increasing from \$3.83/SF in the previous quarter. There were no YTD new construction deliveries and currently 1,171,366 SF of industrial space under construction.

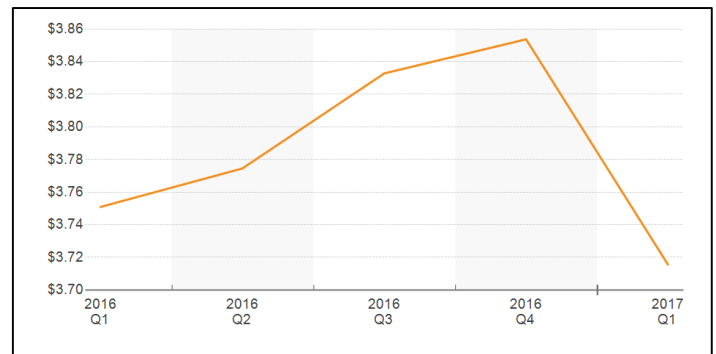
Significant leases included University Flooring's 227,023 SF lease of 2149 S. Jupiter Road and the 135,353 SF lease of 3800 Regency Crest to an undisclosed tenant. LBA Realty acquired 517,500 SF at Gateway East Business park for \$33,400,000.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
2149 S. Jupiter Road	University Flooring	Industrial	227,023
3800 Regency Crest	Undisclosed Tenant	Industrial	135,353
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Gateway East Business Park	LBA Realty	\$33,400,000	517,500
1111 S Shiloh Rd.	Copier Exporter Inc.	Undisclosed	225,000
3838 W Miller Road (Part of a 17 Property Portfolio)	GLP US Management	\$12,700,000	200,000
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
3600 Lean Rd.	IDI Gazeley	Q3 2017	494,000
DCT Miller Rd.	DCT Industrial	Q2 2017	270,016

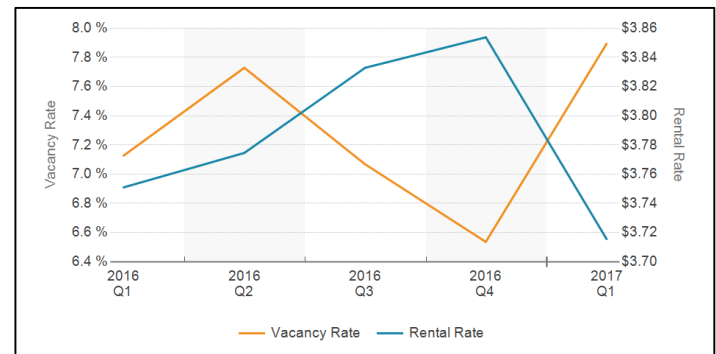
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate






	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
NE Dallas/Garland Industrial	40,183,133	2,627,819	6.5%	837,080	0	1,171,366	\$3.85
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70


\*Rental Rates reflect asking \$psf/year

# Valwood/ Lewisville Industrial Market



## Legend

-  Lewisville Ind
-  N Stemmons/Valwood Ind
-  Metropolitan/Addison Ind



# MARKETBEAT

## Industrial Submarket Report

### Lewisville Industrial

Q4 2016

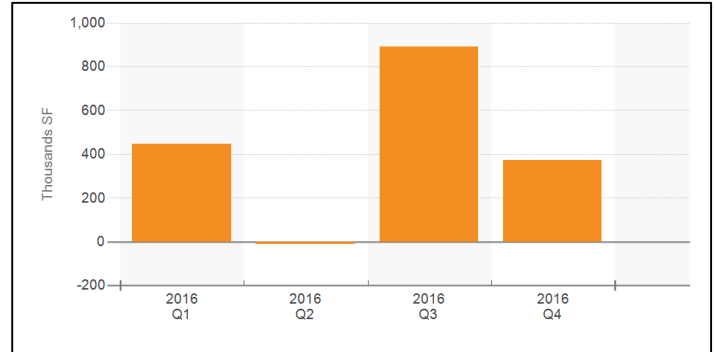
The Lewisville Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 8.9%. The vacancy rate decreased 0.4% from the previous quarter of 9.3% with 388,366 square feet of net negative absorption for the last quarter to finish the year at 1,700,012 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$5.26/SF, increasing from \$4.48/SF in the previous quarter. There was 1,295,338 SF in YTD new construction deliveries and 484,011 SF in construction projects in the submarket.

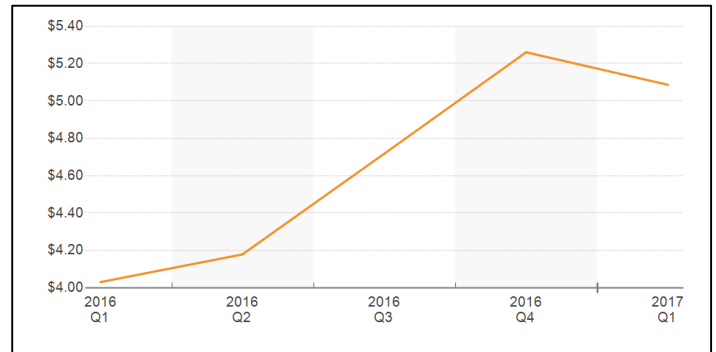
Significant leases included TriMark USA's 211,312 SF lease of Majestic Airport Center DFW and Multiquip Inc.'s 201,000 SF renewal at Waters Ridge. Cabot Properties acquired 401,600 SF at 1900 Lakeside Parkway for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
Majestic Airport Center DFW Building 4	TriMark USA, LLC	Industrial	211,312
Waters Ridge III (renewal)	Multiquip Inc.	Industrial	201,000
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
1900 Lakeside Parkway- DFW Airport I	Cabot Properties, Inc.	Undisclosed	401,600
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Lincoln Ridge	Lincoln Property Company	Q2 2017	130,400
301 Leora Lane- Buildings 1 and 2	EastGroup Properties, Inc.	Q2 2017	192,581

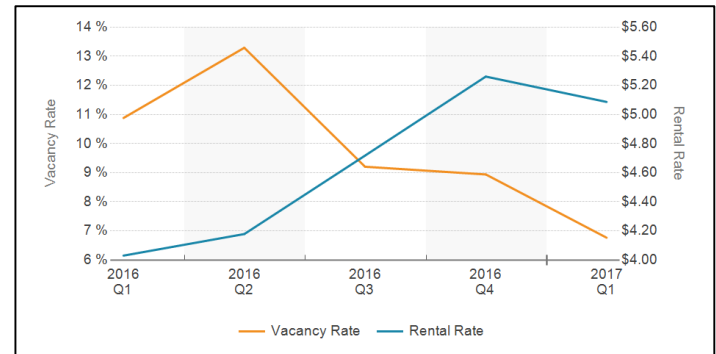
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Lewisville Industrial	22,154,039	1,977,372	8.9%	1,700,012	1,295,338	484,011	\$5.26
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year



# MARKETBEAT

## Industrial Submarket Report

### N Stemmons/Valwood Industrial

Q4 2016

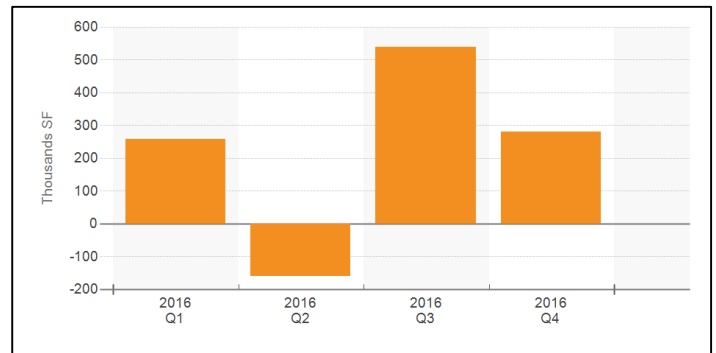
The N Stemmons/Valwood Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 4.5%. The vacancy rate decreased 0.5% from the previous quarter of 5.0% with 304,950 square feet of net positive absorption for the last quarter to finish the year at 848,865 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$4.39/SF, increasing from \$4.36/SF in the previous quarter. There was 542,355 SF in YTD new construction deliveries and 617,518 SF in construction projects in the submarket.

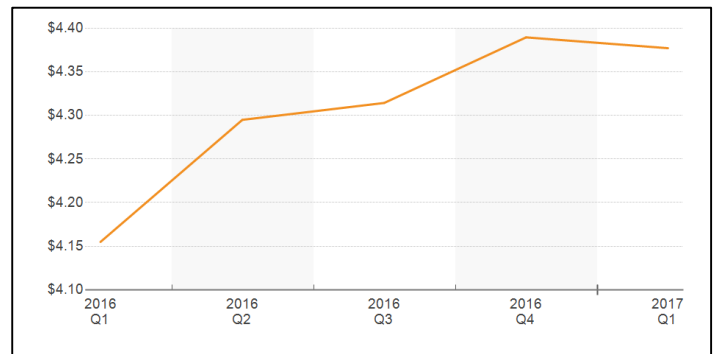
Significant leases included Moore Supply's 105,800 SF lease at Mercer Business Park and LinkEx's 83,440 SF lease at 1310 Electronics Drive. Colony Capital purchased 252,000 SF at 1701 Vantage Drive as part of an 18 property portfolio sale for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
Mercer Business Park Building 4	Moore Supply	Industrial	105,800
1310 Electronics Drive	LinkEx	Industrial	83,440
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
1800 Columbian Club	Iron Mountain Mort. Finance	Undisclosed	288,000
1701 Vantage Drive Building 1 (Part of 18 Property Portfolio Sale)	Colony Capital, LLC	Undisclosed	252,000
Diplomat Office Center	Feizy Properties	Undisclosed	224,000
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
1310 Electronics Drive- Building 3	Prologis	Q3 2017	282,614
1310 Electronics Drive- Building 4	Prologis	Q3 2017	234,904

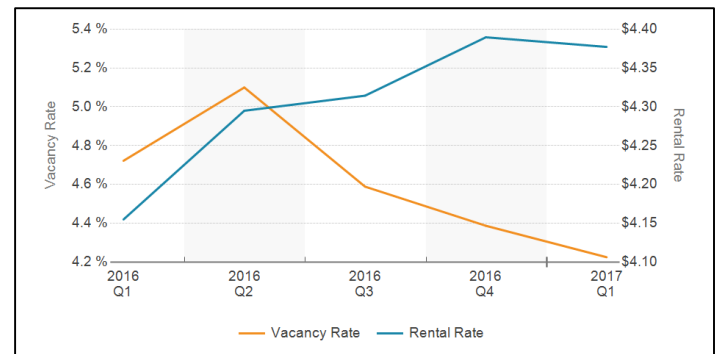
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
N Stemmons/Valwood Industrial	42,999,040	1,955,582	4.5%	848,865	542,355	617,518	\$4.39
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# MARKETBEAT

## Industrial Submarket Report

### Metropolitan/Addison Industrial

Q4 2016

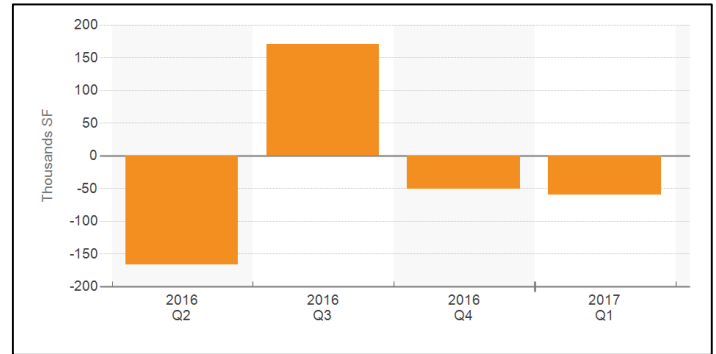
The Metropolitan/Addison Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 3.4%. The vacancy rate increased 0.4% from the previous quarter of 3.0% with 50,551 square feet of net negative absorption for the last quarter to finish the year at -118,275 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$5.86/SF, increasing from \$5.75/SF in the previous quarter. YTD new construction deliveries remained at 0 SF. There is currently 0 SF of industrial space under construction.

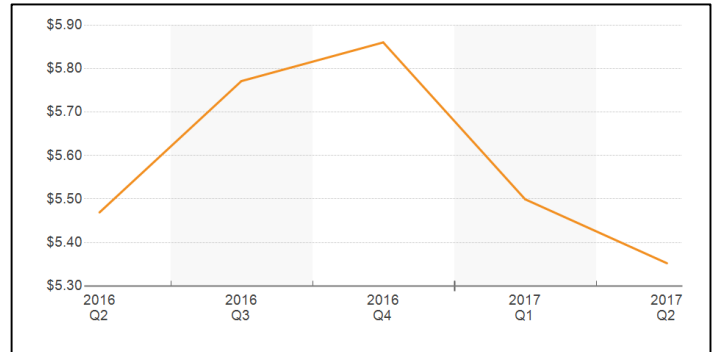
Significant leases included a 130,174 SF lease at 4250 McEwan Rd. The Blackstone Group acquired 14001 Inwood Rd. at 110,906 SF in a portfolio sale for approximately \$7,291,340.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
4250 McEwan	Unknown	Industrial	130,174
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
14001 Inwood	The Blackstone Group	\$7,291,340	110,906
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

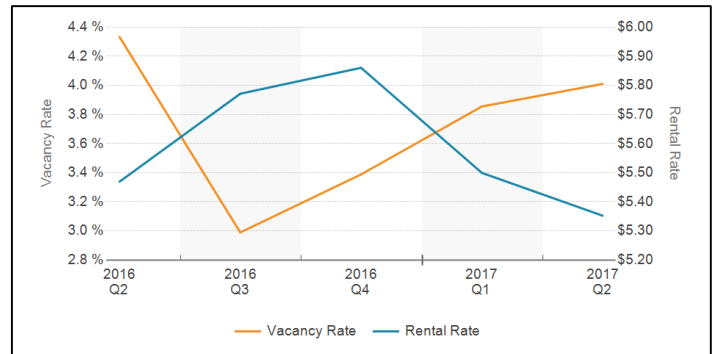
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Metropolitan/Addison	12,741,454	429,829	3.4%	(118,275)	0	0	\$5.86
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# South Dallas Industrial Market



## Legend

-  Redbird Airport Ind
  -  SW Dallas/US 67 Ind
  -  SE Dallas/I-45 Ind
  -  Outlying Ellis County Ind
- 

### Redbird Airport Industrial

### Q4 2016

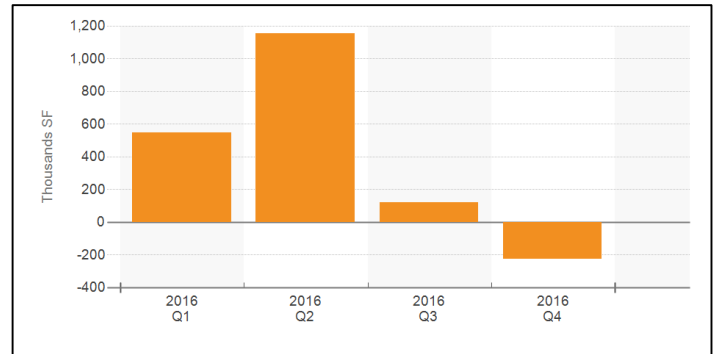
The Redbird Airport Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 5.6%. The vacancy rate increased 0.9% from the previous quarter of 4.7% with 158,045 square feet of net negative absorption for the last quarter to finish the year at 1,666,183 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$3.97/SF across all classes, decreasing from \$3.76/SF in the previous quarter. YTD new construction deliveries remained at 1,343,608 SF. There is currently 663,000 SF of industrial space under construction.

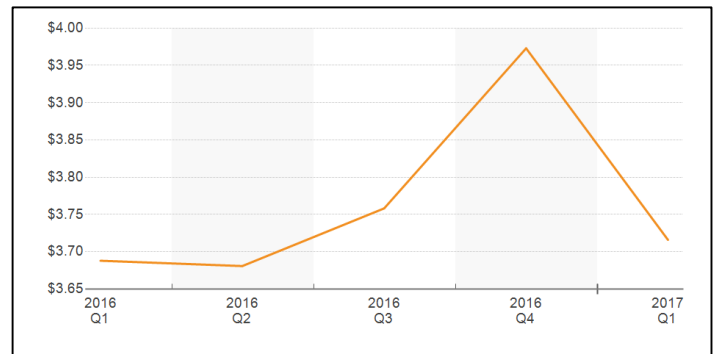
Significant leases included Chewy Inc.'s 663,000 SF lease at 7243 Grady Niblo Road, CarbonLITE Recycling's 230,664 SF lease at 4685 Mountain Creek Parkway, and Pratt Industries' 145,538 SF lease at 3700 Eagle Place Drive

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
7243 Grady Niblo Road	Chewy Inc.	Industrial	663,000
4685 Mountain Creek Parkway	CarbonLITE Recycling	Industrial	230,664
3700 Eagle Place Drive	Pratt Industries	Industrial	145,538
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
4203 Shilling Way	Team Consultants Inc.	Undisclosed	3,600
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

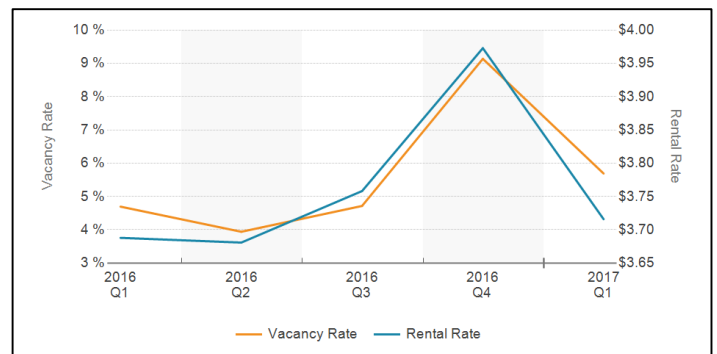
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Redbird Airport Industrial	18,673,239	1,038,493	5.6%	1,666,183	1,343,608	663,000	\$3.97
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# MARKETBEAT

## Industrial Submarket Report

### Southwest Dallas/US 67 Industrial

Q4 2016

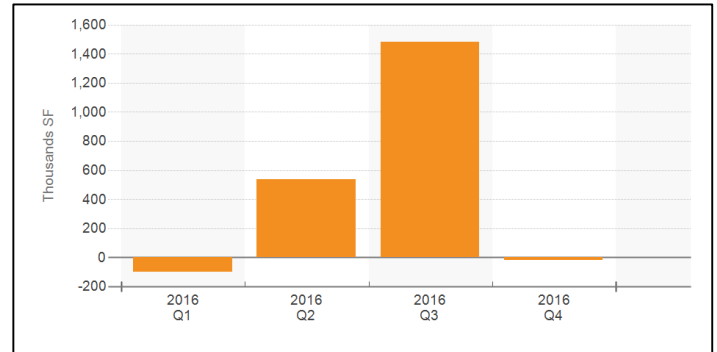
The Southwest Dallas/US 67 Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 9.3%. The vacancy rate remained the same as the previous quarter of 9.3% with 17,600 square feet of net negative absorption for the last quarter to finish the year at 1,901,974 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$3.47/SF, increasing from \$3.38/SF in the previous quarter. YTD new construction deliveries increased to 1,124,122 SF. There is currently 0 SF of industrial space under construction.

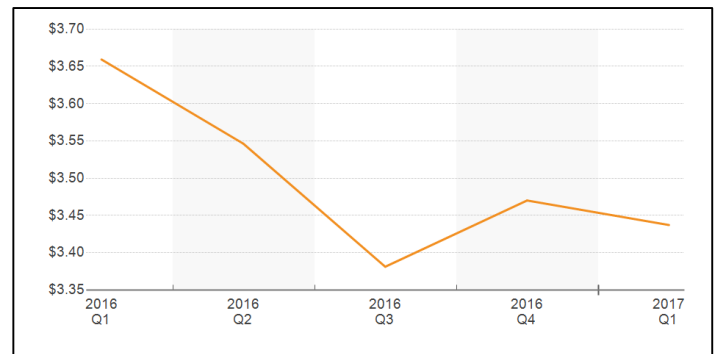
Significant leases included Pratt Industries' 294,952 SF lease at 9209 Old Hickory Trail. GLP US Management acquired 1,128,227 SF at Southfield Park 35 for \$71,857,959.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
9209 Old Hickory Trail	Pratt Industries	Industrial	294,952
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Southfield Park 35, Building 1	GLP US Management	\$71,857,959	1,128,227
619 N. 7 <sup>th</sup> Street	Undisclosed	\$350,000	20,000
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Crossroads Trade Center Building 3	Hillwood Development Company, LLC	Q3 2017	948,380

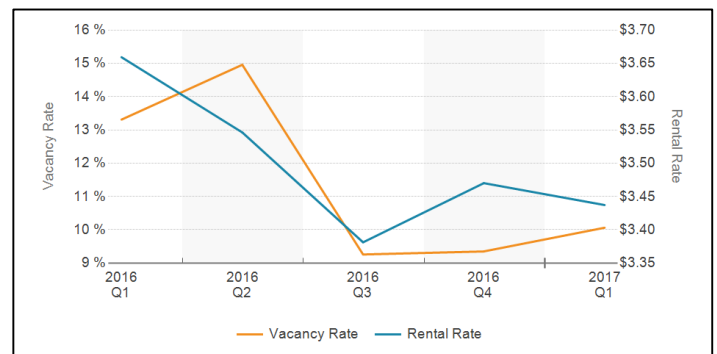
Net Absorption



Gross Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Southwest Dallas/US 67 Industrial	26,027,028	2,432,948	9.3%	1,901,974	1,124,122	0	\$3.47
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year



# MARKETBEAT

## Industrial Submarket Report

### Southeast Dallas I-45 Industrial

Q4 2016

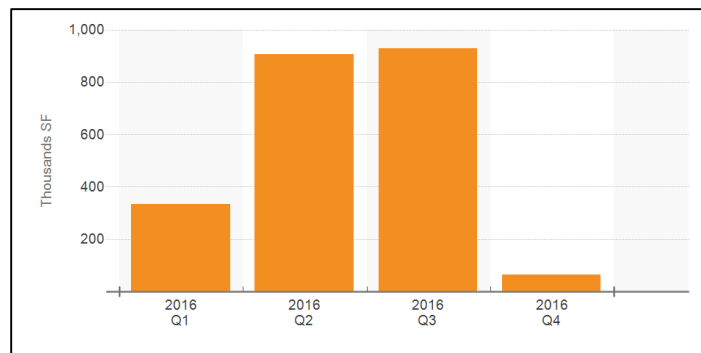
The Southeast Dallas I-45 Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 12%. The vacancy rate increased 3.4% from the previous quarter of 8.6% with 64,203 square feet of net positive absorption for the last quarter to finish the year at 2,232,732 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$3.63/SF, decreasing from \$3.77/SF in the previous quarter. YTD new construction deliveries increased to 3,793,956 SF. There is currently 4,574,233 SF of industrial space under construction.

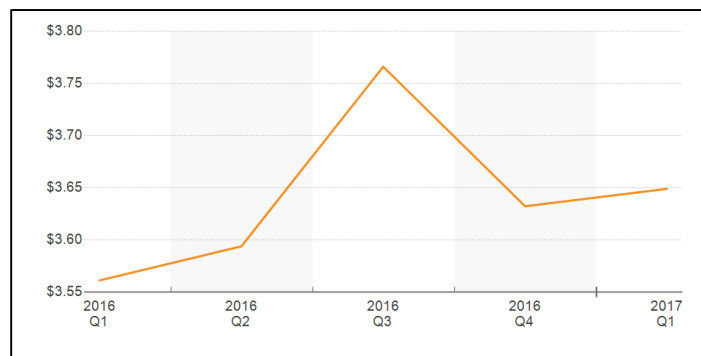
Significant leases included Sub Zero's 119,000 SF lease at 3400 N. Houston School Road. Makita USA Inc. acquired 227,230 SF at Sunridge Business Park for \$13,250,000.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
3400 N Houston School Road	Sub Zero	Industrial	119,000
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Sunridge Business Park	Makita USA Inc.	\$13,250,000	227,230
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
I-20 Commerce Center	Arch-Con Construction	Q2 2017	900,043
1200 W Wintergreen Road	Core5 Industrial Partners	Q3 2017	754,897
LogistiCenter At Dallas	Dermody Properties, Inc.	Q3 2017	620,038
2935 Danieldale Road	Holt Lunsford Commercial, Inc.	Q1 2017	660,312

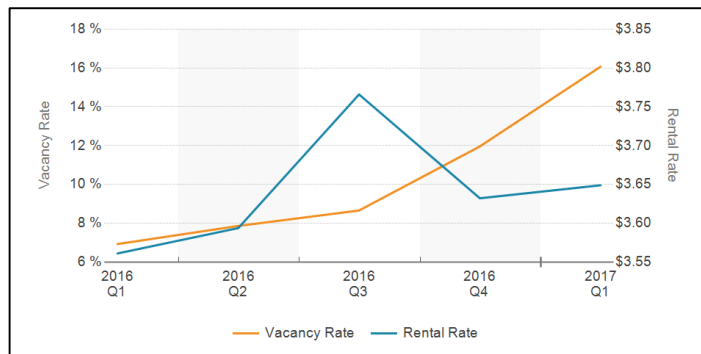
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Southeast Dallas/ I-45 Industrial	27,842,843	3,327,606	12%	2,232,732	3,793,956	4,574,233	\$3.63
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

### Outlying Ellis County Industrial

### Q4 2016

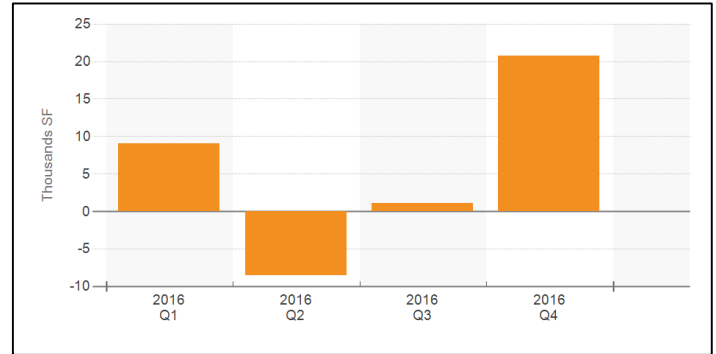
The Outlying Ellis County Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 1.4%. The vacancy rate decreased 0.2% from the previous quarter of 1.6% with 21,062 square feet of net positive absorption for the last quarter to finish the year at 22,438 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$6.28/SF, increasing from \$6.13/SF in the previous quarter. YTD new construction deliveries remained at 0 SF. There is currently 0 SF of industrial space under construction.

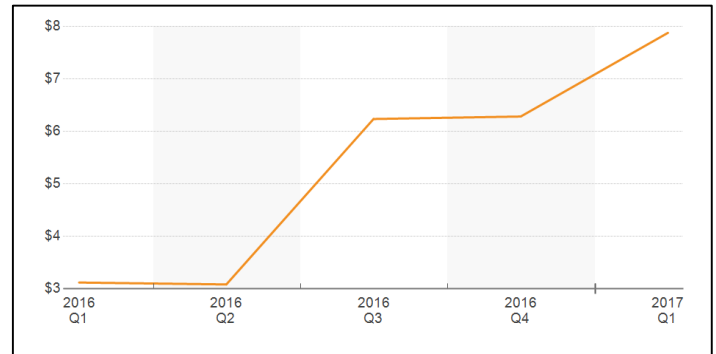
Gustavo Deandar acquired 315,000 SF at Ennis Industrial Railpark for \$10,500,000. An undisclosed buyer purchased 143,600 SF at 2708 NE Main St. for \$2,500,000.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
-	-	-	-
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Ennis Industrial Railpark	Gustavo Deandar	\$10,500,000	315,000
2708 NE Main St.	Undisclosed	\$2,500,000	143,600
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

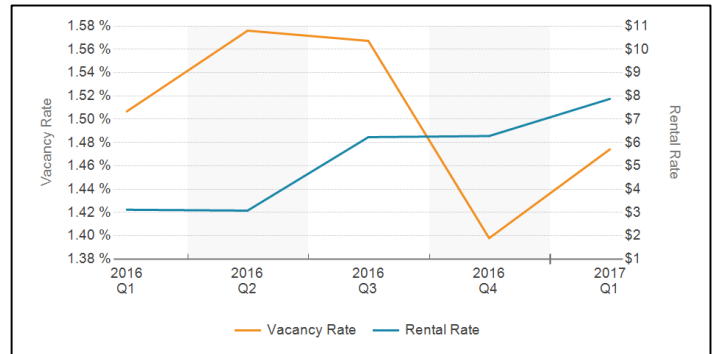
Net Absorption



Asking Rent Per SF



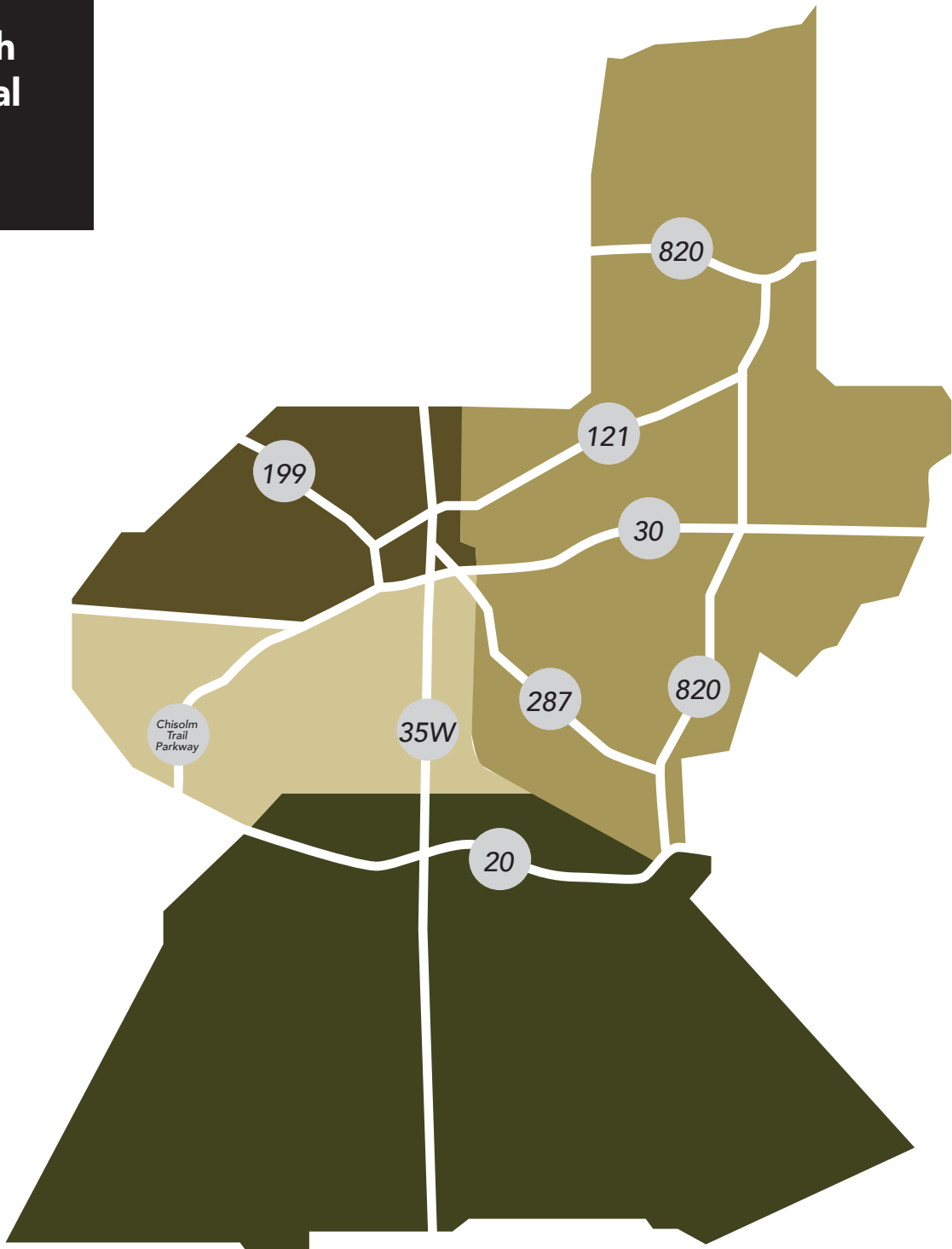
Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Outlying Ellis County Industrial	12,208,053	171,360	1.4%	22,438	0	0	\$6.28
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# South Ft Worth Industrial Market



## Legend

- East Ft Worth Ind
- N Central Ft Worth Ind
- S Central Ft Worth Ind
- S Central Tarrant Cnty Ind



# MARKETBEAT

## Industrial Submarket Report

### East Fort Worth Industrial

Q4 2016

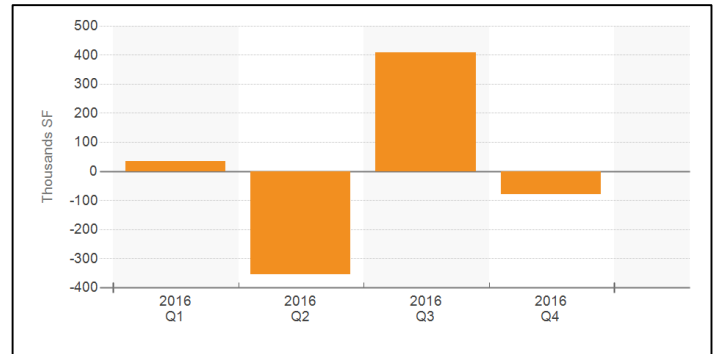
The East Fort Worth Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 6.4%. The vacancy rate increased 1.5% from the previous quarter of 4.9% with 11,011 square feet of net negative absorption for the last quarter to finish the year at 152,392 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$4.95/SF, decreasing from \$5.02/SF in the previous quarter. YTD new construction deliveries increased to 318,075 SF. There is currently 0 SF of industrial space under construction.

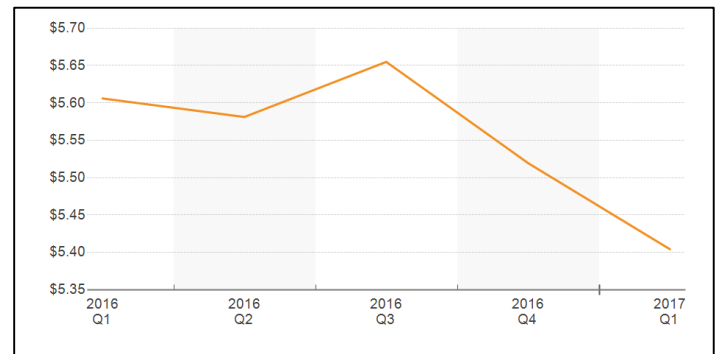
Iron Mountain Information Management acquired 99,520 SF at Riverbend Business Park. Total E&P USA Barnett acquired a 48,911 SF portfolio property at 1200 S Haynes Avenue for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
5101 Village Creek Rd	Undisclosed	Industrial	22,740
341-361 N Beach St.	Bridgestone Americas	Industrial	14,926
7300-7410 Sand St.	GTA-NHT	Industrial	12,075
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Riverbend Business Park (portfolio)	Iron Mountain Info Management	Not Disclosed	99,520
1200 S Haynes Avenue (portfolio)	Total E&P USA Barnett	Not Disclosed	48,911
1201 Wallace St.	Total E&P USA Barnett	Not Disclosed	48,000
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

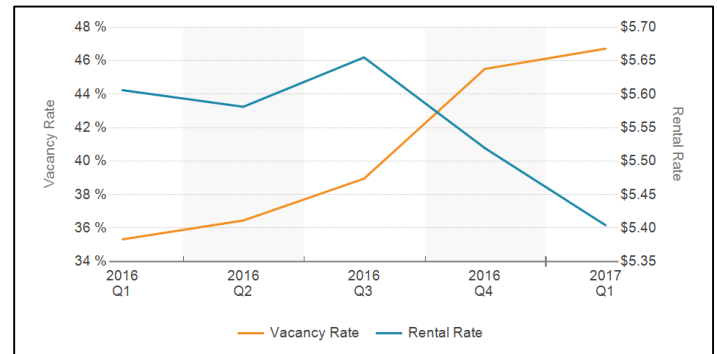
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Eastern Fort Worth Industrial	20,379,133	1,295,391	6.4%	152,392	318,075	0	\$4.95
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# MARKETBEAT

## Industrial Submarket Report

### North Central Fort Worth Industrial

Q4 2016

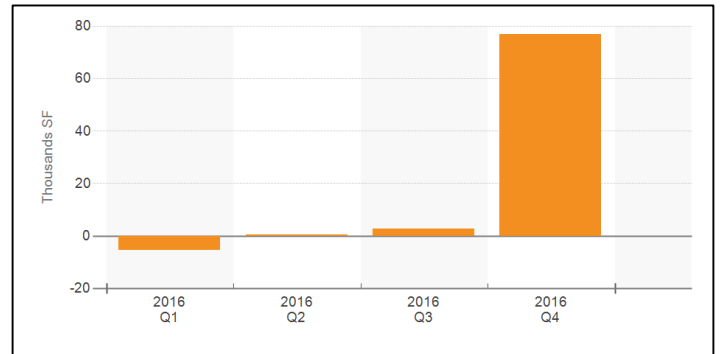
The North Central Fort Worth Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 3.7%. The vacancy rate decreased 0.8% from the previous quarter of 4.5% with 77,219 square feet of net positive absorption for the last quarter to finish the year at 81,267 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$5.07/SF, increasing from \$4.40/SF in the previous quarter. YTD new construction deliveries remained at 0 SF. There is currently 0 SF of industrial space under construction.

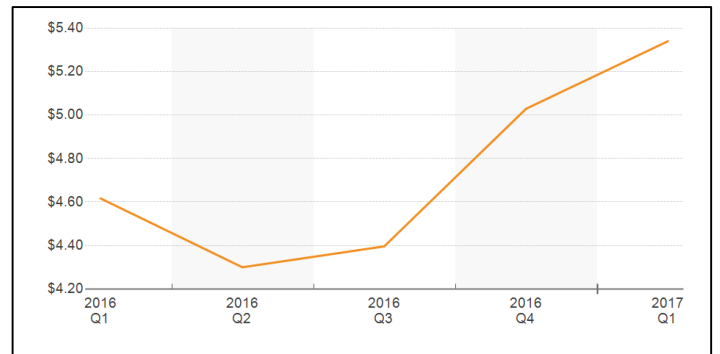
Significant leases included Mission Foods Corporation's 16,000 SF lease at 1810 Mony Street and Texas Draft's 15,000 SF lease at 120 S. Sylvania Avenue. 600 North Freeway Ltd. acquired 129,429 SF at the Tindall Center for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
1810 Mony Street	Mission Foods Corp.	Industrial	16,000
120 S. Sylvania Avenue	Texas Draft	Industrial	15,000
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
600 North Fwy (Tindall Center)	600 North Freeway Ltd.	Undisclosed	129,429
1701 Pharr Street	GT Moving and Rigging	\$3,750,000	109,884
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

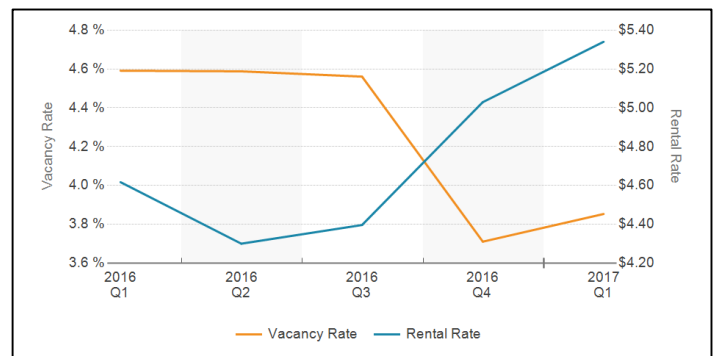
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
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North Central Fort Worth Industrial	9,776,315	361,948	3.7%	81,267	0	0	\$5.07
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Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70
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\*Rental Rates reflect asking \$psf/year

# MARKETBEAT

## Industrial Submarket Report

### South Central Fort Worth Industrial

Q4 2016

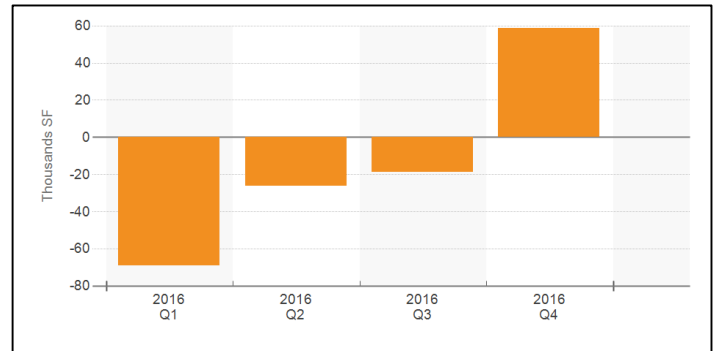
The South Central Fort Worth Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 3.4%. The vacancy rate decreased 0.4% from the previous quarter of 4.0% with 58,578 square feet of net positive absorption for the last quarter to finish the year at negative 55,066 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$4.62/SF, decreasing from \$5.80/SF in the previous quarter. YTD new construction deliveries remained at 0 SF. There is currently 0 SF of industrial space under construction.

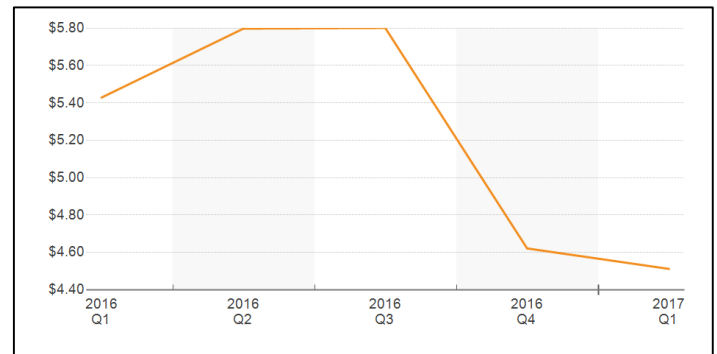
Significant sales included Gyant Hemphill Ave LLC's purchase of a 220,730 SF three property portfolio for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
-	-	-	-
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
3521-3601 Hemphill Street, 3500 S. Jennings Avenue (3 Property Portfolio)	Gyant Hemphill Ave LLC	Undisclosed	220,730
108 South Freeway	Undisclosed	\$2,500,000	42,000
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

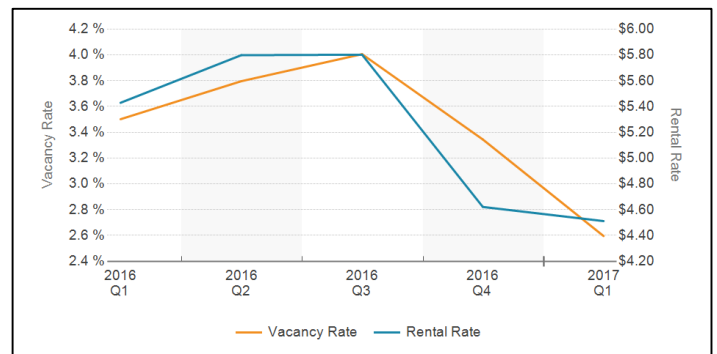
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
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South Central Fort Worth Industrial	8,828,590	296,340	3.4%	(55,066)	0	0	\$4.62
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

### South Central Tarrant County Industrial

### Q4 2016

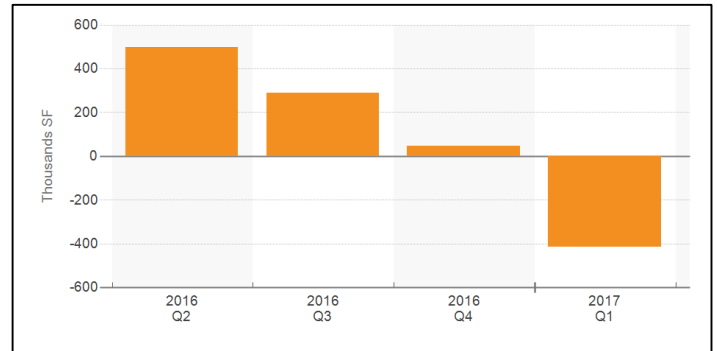
The South Central Tarrant County Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 1.1%. The vacancy rate decreased slightly from the previous quarter of 1.2% with 48,369 square feet of net positive absorption for the last quarter to finish the year at 878,974 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$3.61/SF, increasing from \$3.57/SF in the previous quarter. YTD new construction deliveries increased to 20,000 SF. There is currently 0 SF of industrial space under construction.

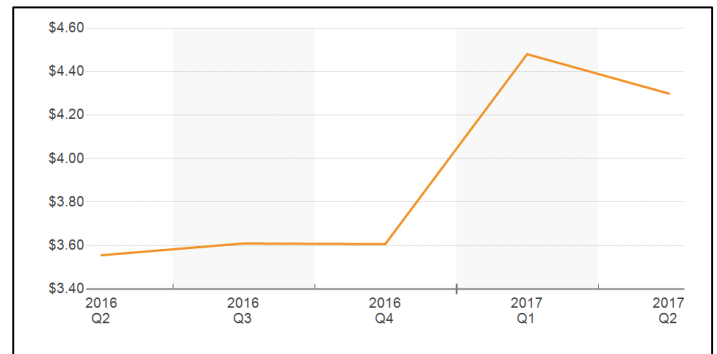
208,911 SF went under contract at 501 S Dick Price Rd to an undisclosed buyer for an asking price of \$5,199,000. Significant sales in the submarket included the purchase of 53,300 SF at 2155 FM 1187 to an undisclosed buyer at an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
-	-	-	-
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
501 S Dick Price Rd.	Undisclosed	\$5,199,000	208,911
2155 FM 1187	Undisclosed	Undisclosed	53,300
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

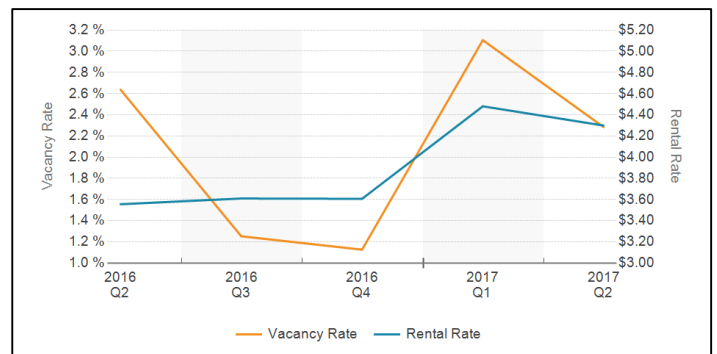
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
South Central Tarrant County	20,865,533	235,793	1.1%	878,974	20,000	0	\$3.61
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

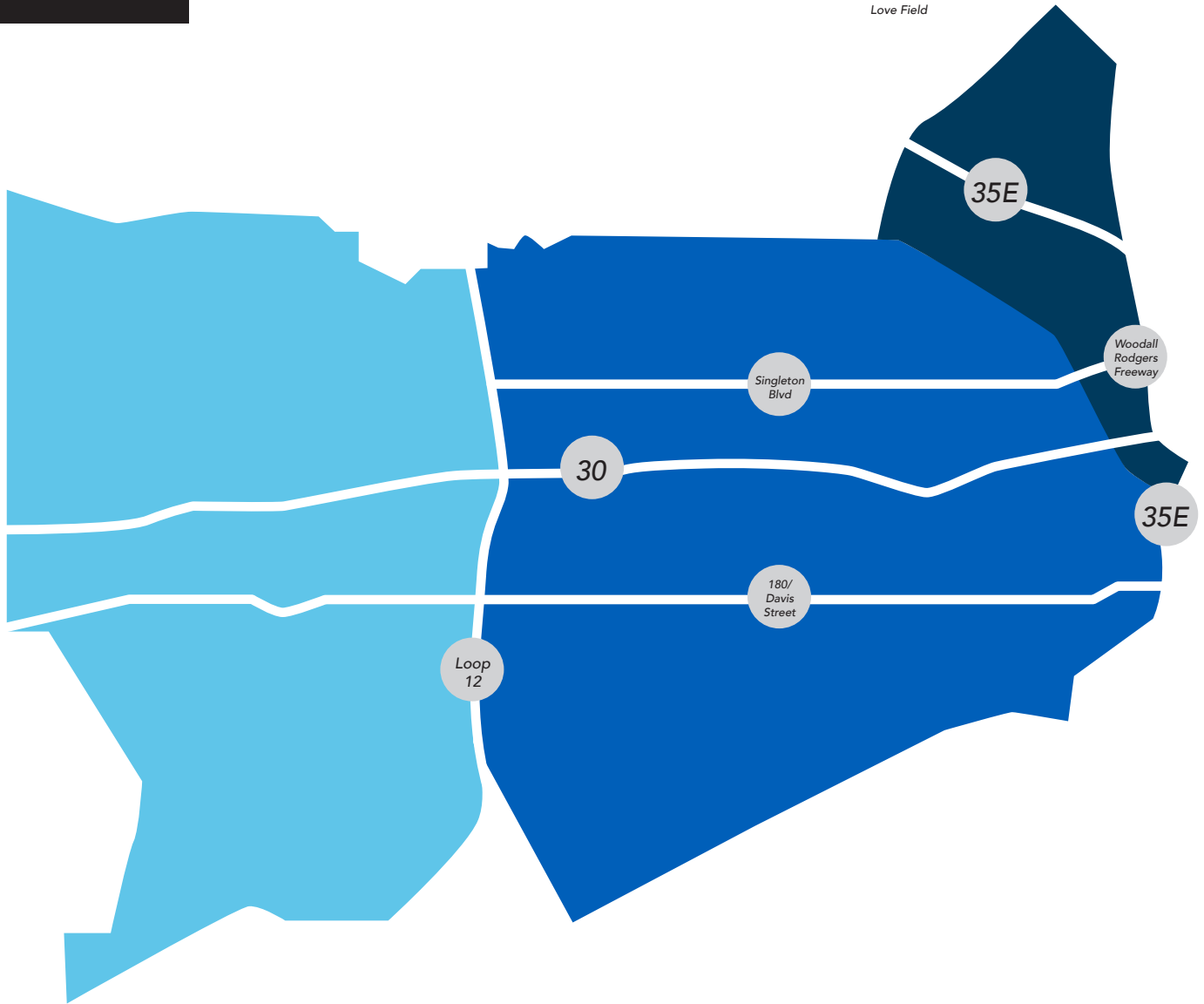
\*Rental Rates reflect asking \$psf/year






**Pinnacle - Turnpike  
Lonestar - Design  
District Industrial  
Market**



Dallas  
Love Field



**Legend**

-  Western Lonestar/Turnpike Ind
-  Eastern Lonestar/Turnpike Ind
-  North Trinity Ind



# MARKETBEAT

## Industrial Submarket Report

### Western Lonestar/Turnpike Industrial

Q4 2016

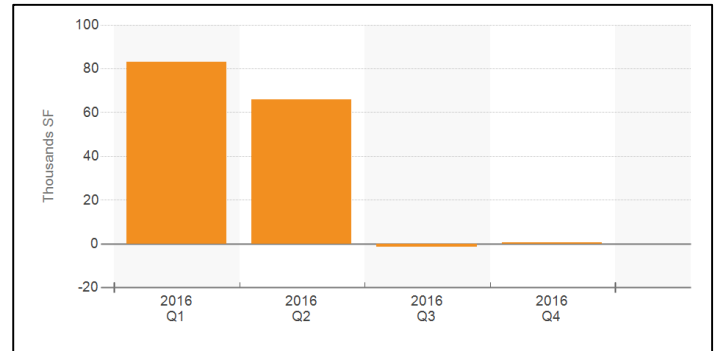
The Western Lonestar/Turnpike Ind Submarket ended the fourth quarter 2016 with a vacancy rate of 44.1%. The vacancy rate remained flat over the previous quarter with only a slight change in net positive absorption for the last quarter to finish the year at 147,926 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$5.63/SF, increasing from \$5.57/SF in the previous quarter. There was 13,512 SF in YTD new construction deliveries and no construction projects in the submarket.

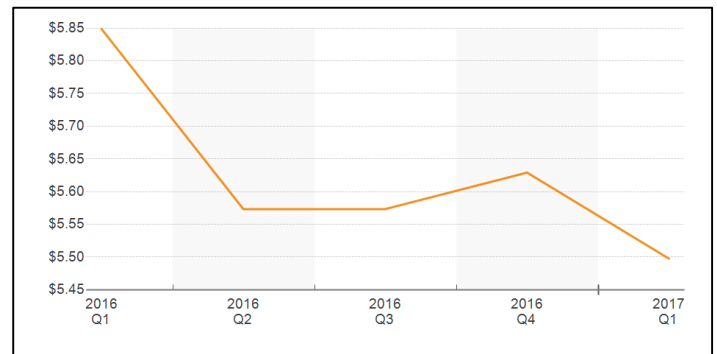
Lawler Motor Sports acquired a two property portfolio at 2750 and 2800 E Main Street for \$3,000,000 in the submarket. Saqaf Inc. acquired 2031 Quincy Street as part of a two property portfolio for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
-	-	-	-
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
2750-2800 E Main Street (2 Property Portfolio)	Lawler Motor Sports	\$3,000,000	72,895
2031 Quincy Street (Part of 2 Property Portfolio)	Saqaf Inc.	Undisclosed	11,000
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

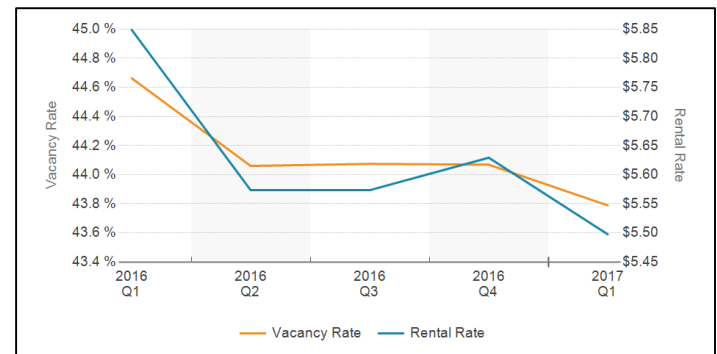
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
Western Lonestar/Tpke Ind	10,542,000	4,646,371	44.1%	147,926	13,512	0	\$5.63
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# MARKETBEAT

## Industrial Submarket Report

### Eastern Lonestar/Turnpike Industrial

Q4 2016

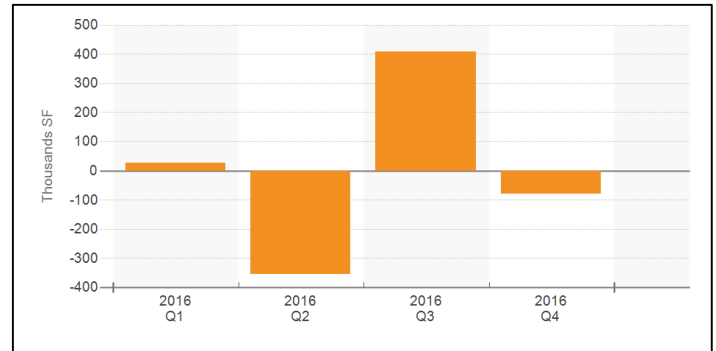
The Eastern Lonestar/Turnpike Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 4.2%. The vacancy rate increased 1.6% from the previous quarter of 2.6% with 81,870 square feet of net negative absorption for the last quarter to finish the year at 5,463 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$3.83/SF, decreasing from \$3.87/SF in the previous quarter. There was 556,613 SF in YTD new construction deliveries and 518,241 SF in construction projects in the submarket.

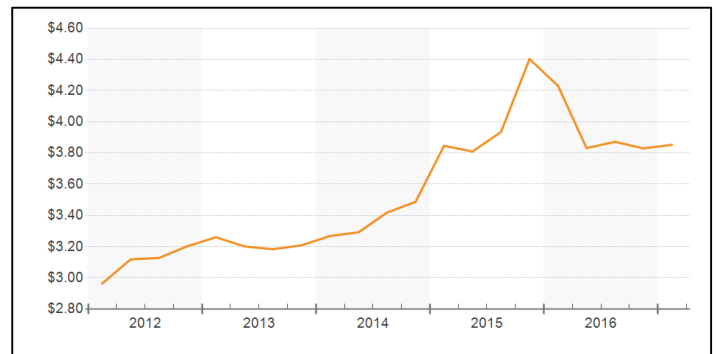
Significant leases included a 181,250 SF renewal by Ozburn-Hessey Logistics and a 149,588 SF renewal by DISD at 3051-3111 W Commerce St. Orr Consolidated Interests acquired 48,000 SF at 4960 Singleton.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
I-30 Business Center-Bldg 1 (renewal)	Ozburn-Hessey Logistics	Industrial	181,250
3051-3111 W Commerce St. (renewal)	Dallas Independent School District	Industrial	149,588
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
4960 Singleton	Orr Consolidated Interests	Undisclosed	48,000
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
800 Chalk Hill Rd.	Trammell Crow Company	Q1 2017	518,241

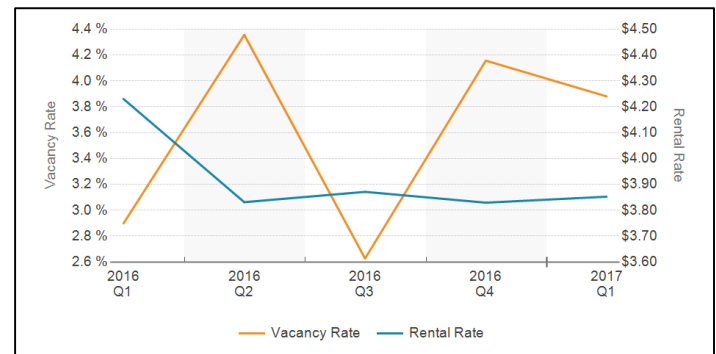
Net Absorption



Asking Rent Per SF



Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
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Eastern Lonestar/Turnpike Industrial	23,854,270	991,722	4.26	5,463	556,613	518,241	\$3.83
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year

# MARKETBEAT

## Industrial Submarket Report

### North Trinity Industrial

Q4 2016

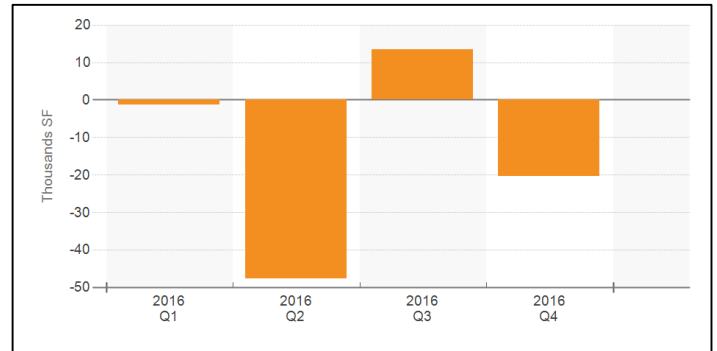
The North Trinity Industrial Submarket ended the fourth quarter 2016 with a vacancy rate of 4.2%. The vacancy rate increased 0.3% over the previous quarter of 3.9% with 20,365 SF in net negative absorption for the last quarter to finish the year at -31,089 square feet net cumulative absorption for 2016.

Rental rates ended the fourth quarter at \$7.58/SF, increasing from \$7.50/SF in the previous quarter. There was 0 SF in YTD new construction deliveries and no construction projects in the submarket.

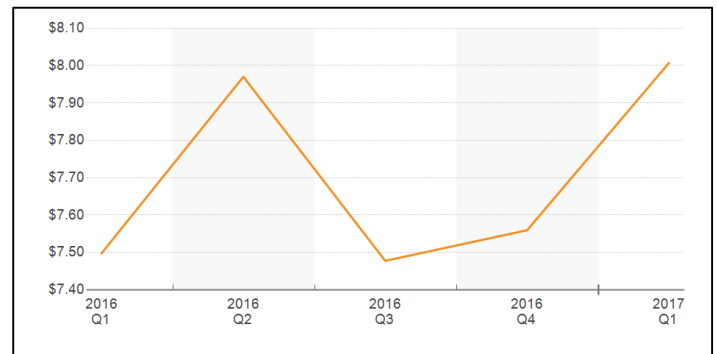
Go Fly A Kite Trust Acquired 39,900 SF at 1300 Crampton Street for an undisclosed price. Radical Slocum Holdings acquired 24,560 SF at 340 Cole Street for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
-	-	-	-
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
1300 Crampton Street	Go Fly A Kite Trust	Undisclosed	39,900
340 Cole Street	Radical Slocum Holdings	Undisclosed	24,560
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

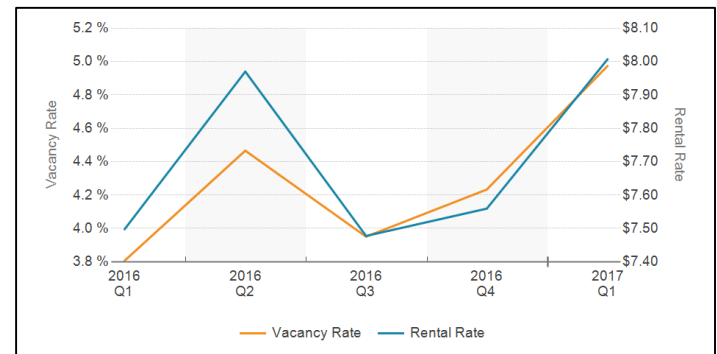
Net Absorption



Asking Rent Per SF



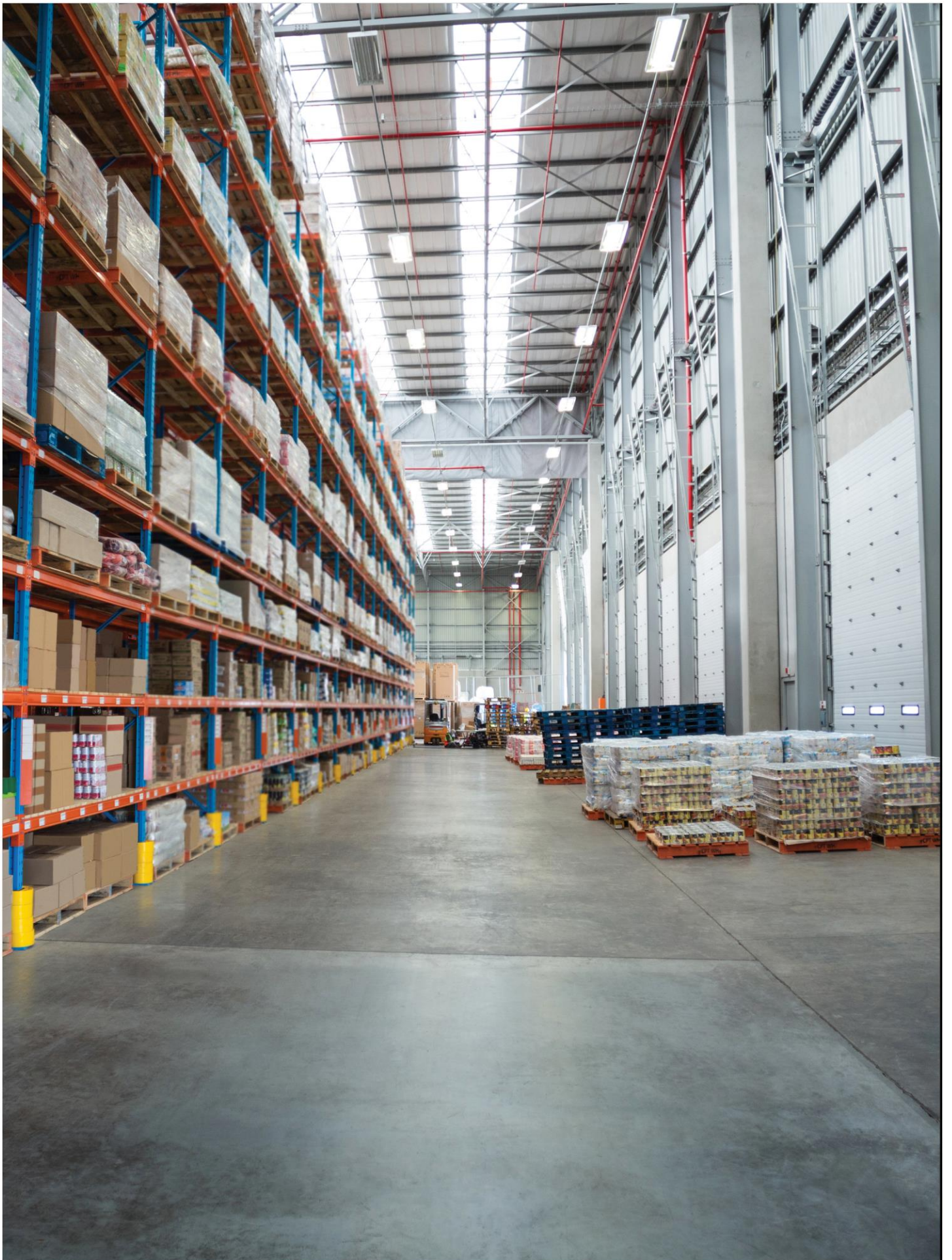
Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes
North Trinity Industrial	7,195,778	304,962	4.2%	(31,089)	0	0	\$7.58
Dallas/Fort Worth Total	713,641,174	42,612,056	6.0%	22,229,542	19,614,013	21,748,951	\$4.70

\*Rental Rates reflect asking \$psf/year





W H I T E B  X

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