



W H I T E B X

REAL ESTATE

Q3 2017

Dallas Office
Market Overview





Table of Contents

1. DFW Office Market Overview

- DFW Office Market Snapshot

2. Dallas Central Core

- Dallas CBD
- Uptown Turtle Creek
- Central Expressway
- Preston Center

3. Upper Central Expressway

- Richardson
- Plano
- Allen/McKinney

4. Far North Dallas

- East LBJ
- West LBJ
- Quorum/Bent Tree
- Upper Toll/West Plano
- Frisco/The Colony

5. Las Colinas

- Urban Center/Wingren
- Office Center/West LBJ Ext
- DFW Freeport/Coppell

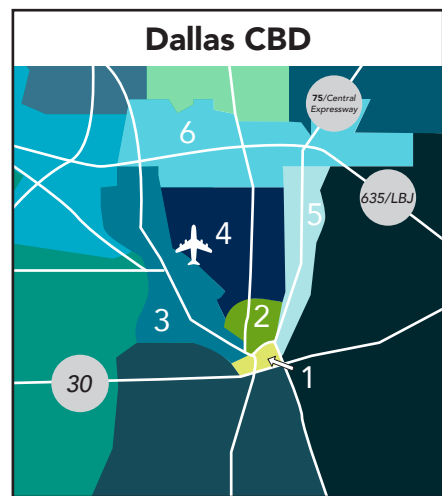
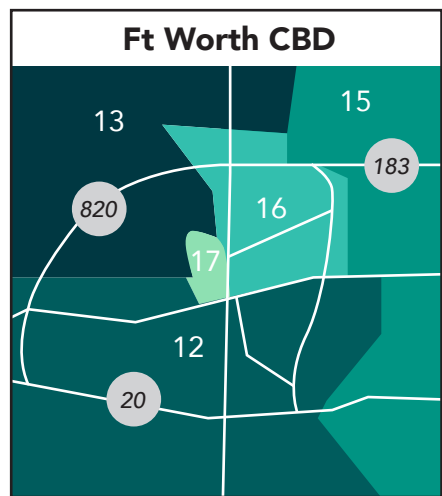
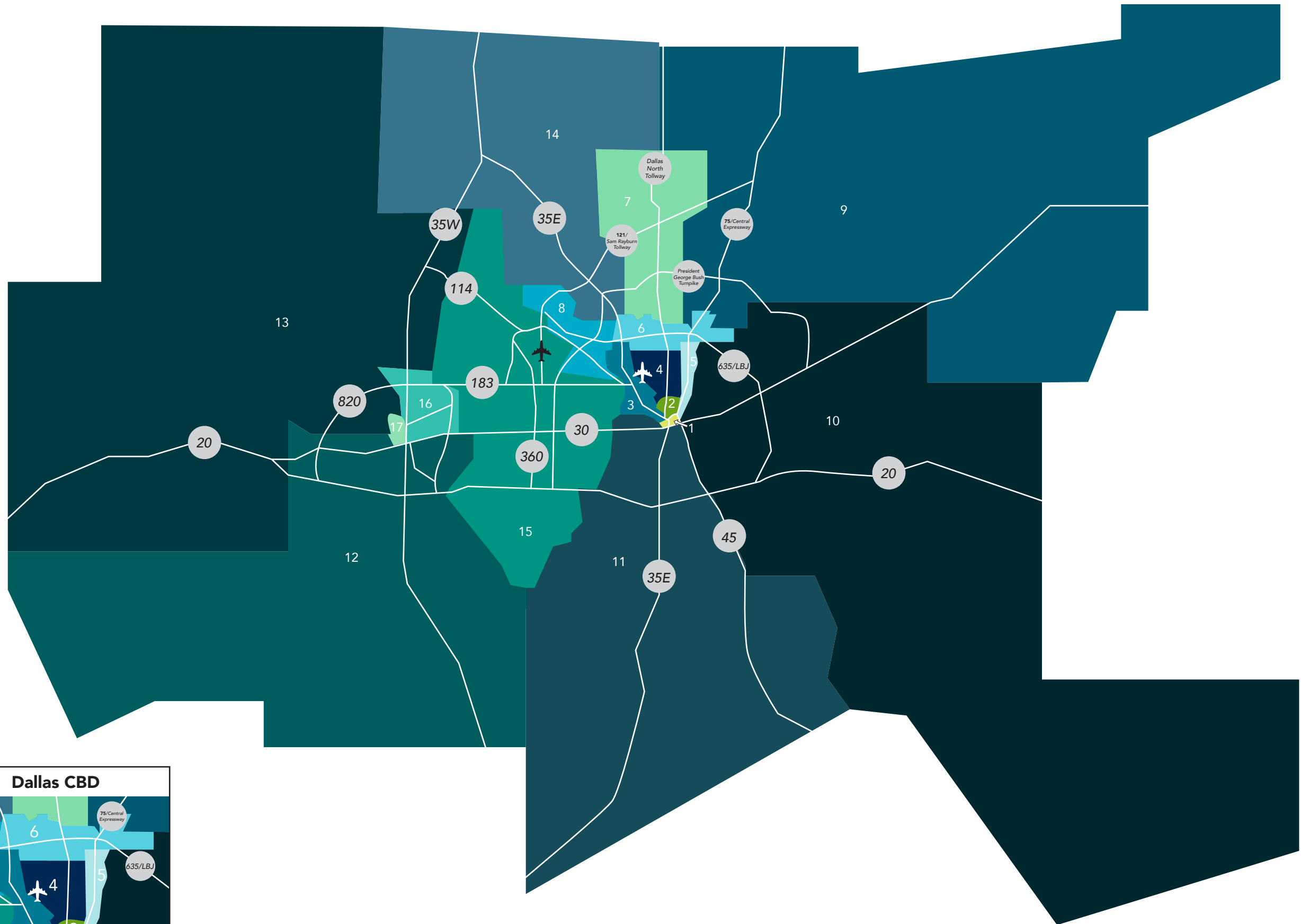
6. Fort Worth

- Fort Worth CBD

DFW Office Market Overview

Legend

- 1 - Dallas CBD
- 2 - Uptown/Turtle Creek
- 3 - Stemmons Freeway
- 4 - Preston Center
- 5 - Central Expressway
- 6 - LBJ Freeway
- 7 - Far North Dallas
- 8 - Las Colinas
- 9 - Richardson/Plano
- 10 - East Dallas
- 11 - Southwest Dallas
- 12 - South Ft Worth
- 13 - North Ft Worth
- 14 - Lewisville/Denton
- 15 - Mid-Cities
- 16 - Northeast Ft Worth
- 17 - Ft Worth CBD
- DFW Airport
- Love Field



ECONOMIC OVERVIEW

The Texas economy has continued to strengthen over the third quarter. Effects of Hurricane Harvey have been hard to quantify, but there will no doubt be an effect. We anticipate its after effects to be reflected in our fourth quarter statistics. Total Nonagricultural Wage and Salary employment continued to rise, and August marked the 14th consecutive month of positive growth, according to the Texas Workforce Commission. However the addition of 5,500 jobs in August was the weakest job gain since August 2016. Statewide, total nonfarm employment increased year-to-date by 298,600 jobs. The Texas Workforce Commission also reported that the annual employment growth rate more than doubled the rate set the previous year at 2.5%. The annual growth rate has been above 2.0% for six consecutive months. Unemployment for the State of Texas decreased to 4.2%, down from 4.6% in June. The Information Industry was the only industry to record lost jobs. Professional and Business Services recorded the largest annual growth. The Dallas Federal Reserve reported a positive outlook with gains in manufacturing output, activity in nonfinancial services, and increased retail sales (especially automotive) according to the Beige Book. The Federal Reserve continued to note an increased demand for labor and increased wages. They specifically noted that "there were reports from firms in the Dallas and San Francisco Districts that labor shortages were pushing up wages." The Dallas-Fort Worth (DFW) labor market grew by 2.75% by adding 96,700 jobs over the last 12 months (264 per day). The unemployment rate for DFW declined by 0.1% to 3.9%. The Dallas-Plano-Irving MSA led the state with over 73,000 jobs added over the last 12 months.

TENANT OUTLOOK

Net absorption for the third quarter continued to decline totaling 463,226 SF of positive absorption, significantly less than both the first and second quarters.

The Class A office market average rental rates increased 2.2% or \$0.62/SF to a DFW average quoted rate of \$28.72/SF. This rate has remained relatively flat since the fourth quarter of 2016. The CBD average Class A quoted rate is \$26.22/SF vs. an average of \$29.56/SF for Class A suburban office product. The third quarter 2016 marked the all-time high for Class A CBD rental rates metroplex wide (\$26.56/SF); however, the third quarter for 2017 continues to push the bar for yet another quarter and again marks the all-time high for Class A Suburban rates.

The vacancy rate in DFW remained relatively constant since the end of 2016 to the third quarter of 2017 at 14.5%. This is up slightly from the previous quarter which marked the lowest rate in over 8 years at 14.3%.

The Class A average vacancy rate increased 0.1% from the previous quarter to 17.2%. Class A CBD vacancy rates were recorded at 24.5%, significantly higher than the 15.4% for suburban Class A office product.

Vacant sublease space increased to 3,054,837 SF, increasing for a third straight quarter. This is the largest sublease vacancy rate since the 2,304,401 SF recorded at the end of 2015.

Class A vacant sublease space saw a huge increase of 25.8% from 1,534,188 SF in the second quarter to 1,929,574 SF at the end of the third quarter 2017.

1,020,250 SF of new construction in 51 buildings were delivered in the third quarter of 2017. This is significantly less volume than the 49 buildings delivered in the second quarter for 3,118,372 SF and the 40 buildings delivered in the first quarter for 2,306,632 SF. Notable deliveries for the third quarter included Kimball Park a 113,840 SF four-story building in the Mid-Cities submarket. There is an additional 9,768,203 SF currently under construction in the metroplex, and 58.9% of it is pre-leased. The largest active construction projects are build-to-suits for JP Morgan Chase, a 1,400,000 SF project, and Liberty Mutual, 1,100,000 SF. Both projects are in the Upper Tollway/West Plano focus market of the Far North Dallas Submarket.

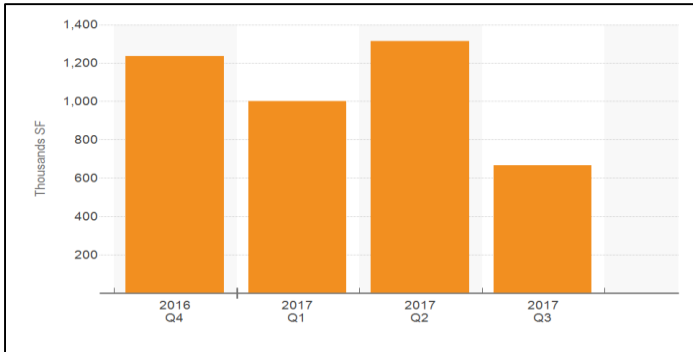
AT A GLANCE

	Q2 2017	Q3 2017	% Change
Overall Vacancy	14.3%	14.5%	1.40%
Overall Rental Rates	\$24.64	\$25.04	1.62%
YTD Absorption	2,401,965	4,212,363	75.37%

TOP LARGE LEASES

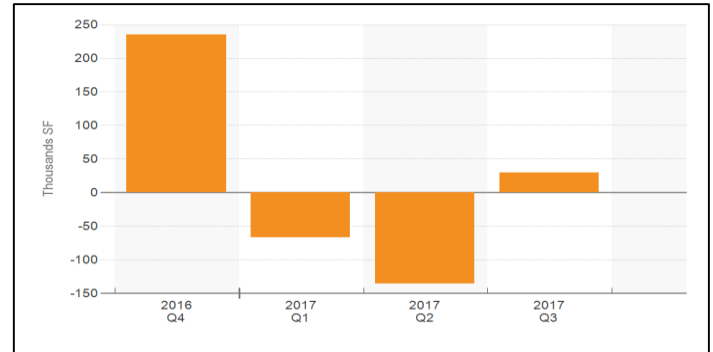
	TENANT	FOCUS MARKET	SQUARE FEET
The Campus at Legacy West	NTT Data	Upper Tollway/West Plano	232,744
Allen Office Center	Frontier Communications	Allen/McKinney	83,662
3300 E. Renner Rd.	Genpact	Richardson	63,603
5049 Edwards Ranch Rd.	WeWork	West Southwest Ft. Worth	47,714
3000 Waterview Pky	University of Texas at Dallas	Richardson	45,642

LEASING ACTIVITY



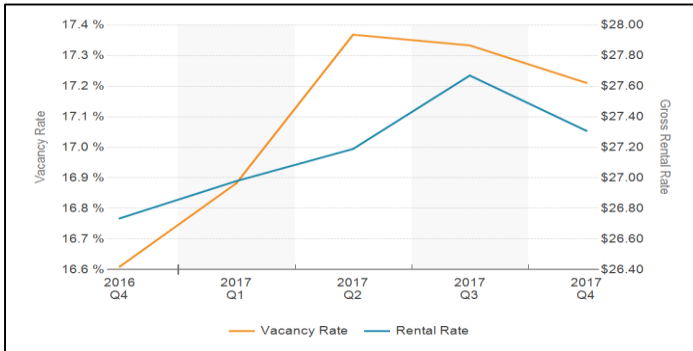
*figures based on office product over 100,000 total RSF

NET ABSORPTION



*figures based on office product over 100,000 total RSF

VACANCY VS RENTAL RATES



*figures based on office product over 100,000 total RSF

OUTLOOK FOR THE FUTURE

2017 continues to be a solid year. Though the market appears to not be growing at the rate that it was coming out of the recession, it continues to grow. The fundamentals for Dallas-Fort Worth are positive and the outlook for the last quarter of 2017 is very positive. Population growth and continued job growth are continuing to bolster the overall economy.

INVESTOR OUTLOOK

Office building sales activity for the second quarter of 2017 increased from the first quarter both in number of buildings sold and total volume. The second quarter of 2017 recorded 21 buildings sold, for a total of \$575,086,892 with an average price per square foot of \$190.02, for a total of 3,026,454 SF. As a comparison, the first quarter of 2017 recorded 11 buildings sold, for a total of \$269,256,280 with an average price per square foot of \$204.72, for a total of 1,315,263 square feet. The first half of the year for 2017 experienced increased sales activity when compared to the same six-month period in 2016. In 2016 cap rates had appeared to loosen from a period of exceptional compression; however, over the course of 2017 rates have trended lower than the previous year. Cap rates averaged 6.71% for the second quarter which is close to the 6.63% average for the first quarter of 2017, and significantly lower when compared to 7.44% for the year end 2016. As a comparison, the average for 2015 was 7.22% and 8.5% for the full year 2016. The most prominent sale transaction for the third quarter of 2017 was the sale of 508,102 SF at 8750 Northpark Central in the Central Expressway Submarket for \$120,500,000 or \$237.16 per square foot and a cap rate of 5.7%.

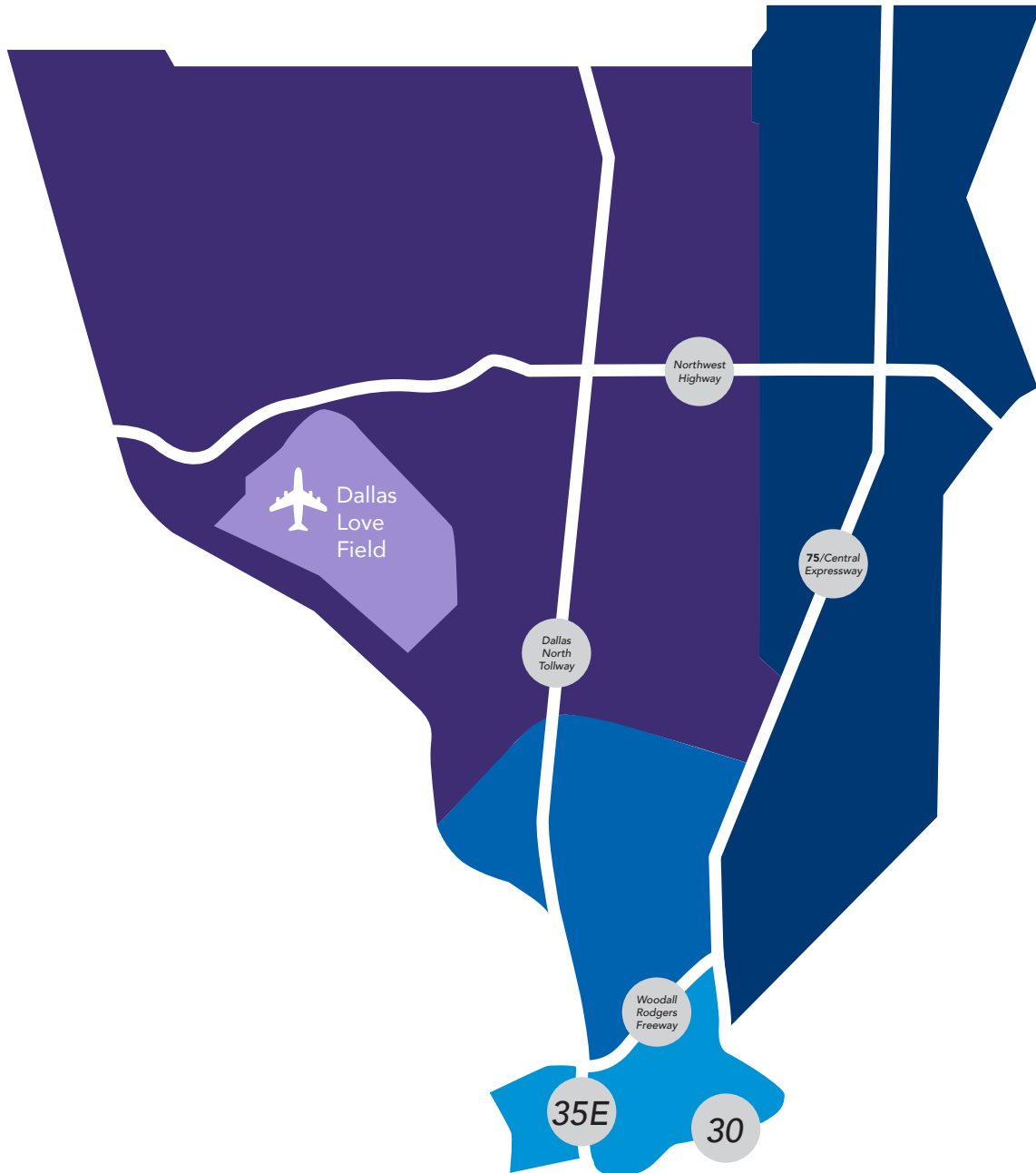
OFFICE MARKET SNAPSHOT Q3 2017

Dallas-Fort Worth, TX






SUBMARKET	TOTAL BLDGS	INVENTORY	DIRECT VACANT	TOTAL VACANT	OVERALL VACANCY RATE	YTD NET ABSORPTION	YTD DELIVERIES	UNDER CNSTR	AVERAGE ASKING RENT (ALL CLASSES)	AVERAGE ASKING RENT (CLASS A)
Central Expressway	275	15,199,157	1,534,181	1,561,870	10.3%	(54,890)	0	0	\$29.22	\$29.51
Dallas CBD	142	33,713,487	7,070,879	7,555,238	22.4%	(116,065)	92,237	322,110	\$25.19	\$25.87
East Dallas	1,059	13,131,324	1,017,609	1,034,262	8.0%	(143,720)	8,964	367,124	\$24.31	\$41.23
Far North Dallas	1,090	60,313,177	6,855,643	7,477,989	12.4%	3,026,806	3,180,319	4,779,452	\$28.11	\$31.94
Fort Worth CBD	117	11,789,841	1,128,172	1,167,906	9.9%	117,602	0	280,489	\$26.04	\$29.18
Las Colinas	435	39,921,322	5,235,027	5,763,787	14.4%	967,814	1,029,461	826,461	\$25.16	\$28.73
LBJ Freeway	265	22,602,316	4,627,316	4,895,097	21.7%	272,267	0	0	\$22.08	\$25.38
Lewisville/Denton	926	13,232,562	1,004,615	1,126,728	8.5%	(15,491)	159,840	51,866	\$22.39	\$26.66
Mid-Cities	2,600	40,609,241	5,487,127	5,572,927	13.7%	(177,186)	604,784	634,788	\$21.79	\$26.36
North Fort Worth	587	6,669,466	554,649	616,114	9.2%	(145,002)	71,120	125,874	\$22.04	\$20.01
Northeast Fort Worth	342	5,414,112	1,861,516	1,861,516	34.4%	89,911	0	0	\$19.22	\$21.39
Preston Center	147	5,896,743	452,200	489,599	8.3%	973	4,506	298,617	\$36.16	\$40.98
Richardson/Plano	1,409	41,514,259	6,735,003	7,104,767	17.1%	(68,142)	665,386	586,207	\$24.54	\$27.57
South Fort Worth	1,646	20,012,872	1,612,402	1,692,910	8.5%	402	248,414	174,205	\$23.66	\$30.18
Southwest Dallas	813	7,353,922	524,520	529,626	7.2%	168,090	92,828	15,244	\$19.02	\$25.34
Stemmons Freeway	285	15,221,512	3,277,900	3,347,695	22.0%	145,831	72,630	0	\$16.84	\$18.75
Uptown/Turtle Creek	302	14,758,418	1,359,940	1,584,755	10.7%	143,163	214,765	1,305,014	\$37.75	\$40.57
DFW TOTAL	12,441	367,383,731	50,338,949	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

SUMMARY BY CLASS	TOTAL BLDGS	INVENTORY	DIRECT VACANT	TOTAL VACANT	OVERALL VACANCY RATE	YTD NET ABSORPTION	YTD DELIVERIES	UNDER CNSTR	AVERAGE ASKING RENT OVERALL
Class A	592	151,856,497	24,120,401	26,049,975	17.2%	4,289,907	4,963,750	8,429,754	\$28.72
Class B	5,724	167,719,366	22,297,940	23,393,234	13.9%	248,645	1,481,504	1,388,449	\$21.38
Class C	6,125	47,807,868	3,920,608	3,950,577	8.3%	(320,189)	0	0	\$18.60

Dallas Central Core



Legend

-  Preston Center
 -  Central Expressway Submarket
 -  Uptown/Turtle Creek
 -  Dallas CBD
- 

Preston Center

Q3 2017

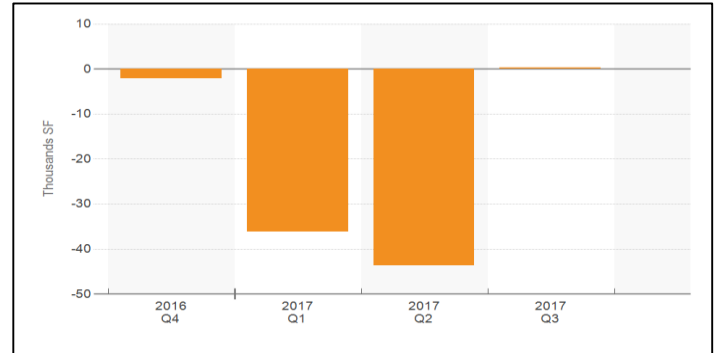
The Preston Center Submarket ended the third quarter of 2017 with a vacancy rate of 8.3%. The vacancy rate decreased 0.3% from the previous quarter vacancy of 8.6%. The YTD net absorption increased from -10,633 SF at the end of Q2 to 973 SF by the end of Q3.

Rental rates ended the third quarter at \$39.16/SF across all classes, increasing from \$36.52/SF in the previous quarter. There were 4,506 SF of new construction deliveries and there is 298,617 SF of office space currently under construction in the submarket.

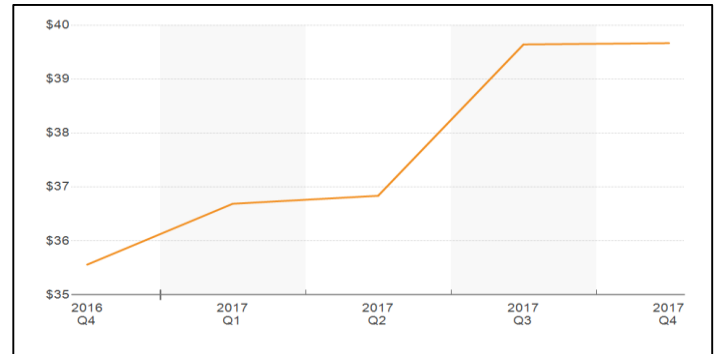
Significant leases included a 25,266 SF lease at 8300 Douglas Ave by Bank of the Ozarks, as well as a 20,834 SF lease by Executive Workspace.com at the same location.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
8300 Douglas Ave.	Bank of the Ozarks	Office	25,266
8300 Douglas Ave	Executive Workspace.com	Office	20,834
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
5950 Berkshire Ln	TA Realty	Not Disclosed	188,920
3100 Monticello Ave	Prescott Realty Group	Not Disclosed	174,879
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Terraces at Douglas Center	Lionstone Investments	Q3 2017	171,583
Park Plaza	SPC Hillcrest LP	Q1 2019	119,000

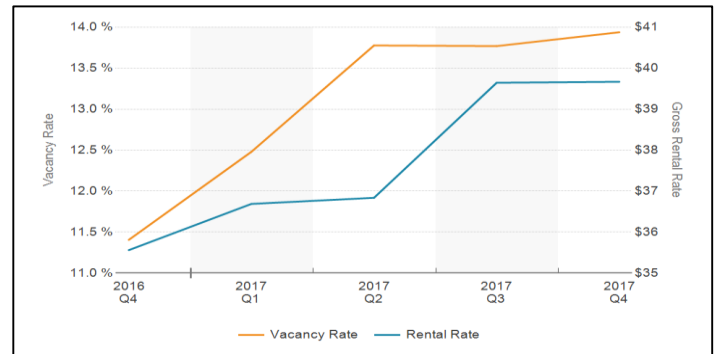
Net Absorption



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	Quoted Rates Class A
Preston Center	5,896,473	489,599	8.3%	973	4,506	298,617	\$39.16	\$40.98
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

Central Expressway

Q3 2017

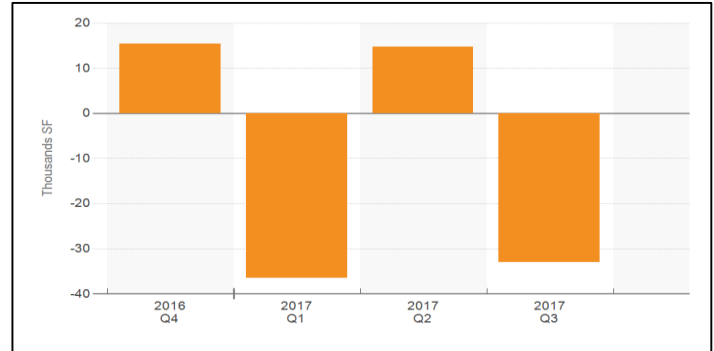
The Central Expressway Submarket finished the third quarter 2017 with a vacancy rate of 10.3%. The vacancy rate increased by 0.2% over the previous quarter from 10.1%. The YTD net absorption decreased to -54,890 at the end of Q3 2017.

Rental rates ended the third quarter at \$29.22/SF across all classes, an increase of \$2.46/SF over the previous quarter. There were no construction deliveries, and there are currently no new office developments under construction in the submarket.

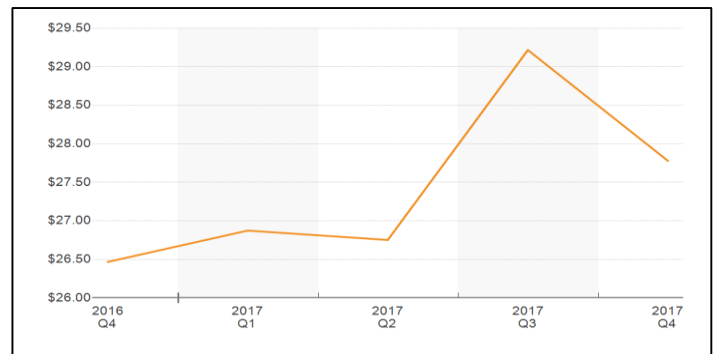
Significant lease transactions included CMA Dallas Architects, leasing 12,615 SF at 10670 N Central Expressway. There were no significant sales transactions during the quarter.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
10670 N Central Expy	CMA Dallas Architects	Office	12,615
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
-	-	-	-
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

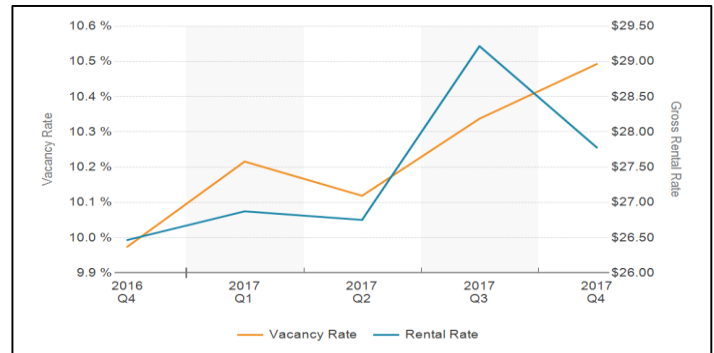
Net Absorption



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	Quoted Rates Class A
Central Expressway	15,199,157	1,561,870	10.3%	-54,890	0	0	\$29.22	\$29.51
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

Uptown/Turtle Creek

Q3 2017

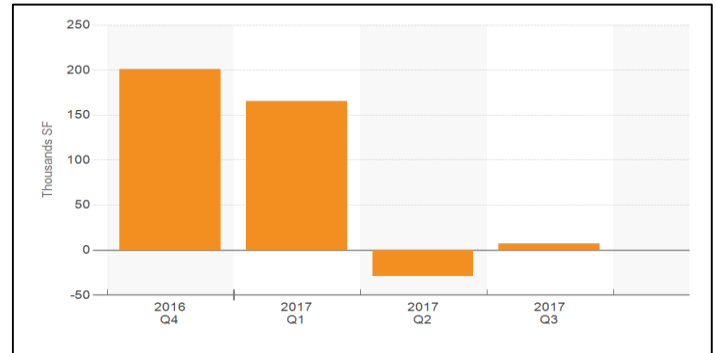
The Uptown/Turtle Creek Submarket ended the third quarter of 2017 with a vacancy rate of 10.7%. The vacancy rate remained flat over the previous quarter with net year-to-date absorption totaling 143,163 square feet.

Rental rates ended the third quarter at \$37.75/SF across all classes, increasing from \$37.17/SF in the previous quarter. There were 214,765 SF in new deliveries, and there is 1,305,014 SF of construction projects in the submarket.

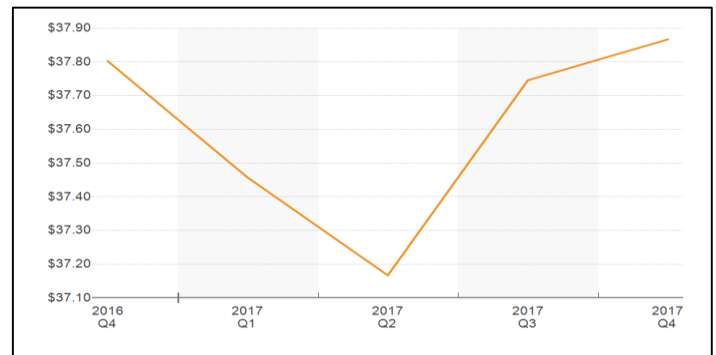
Significant leases included a 65,737 SF lease at 3333 Lee Pkwy by Gainsco Insurance. CIM Group LP purchased 3838 Oak Lawn Ave as part of a portfolio for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
3333 Lee Parkway	Gainsco Insurance	Office	65,737
2828 N Harwood	Hollyfrontier Corp.	Office	22,291
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
3838 Oak Lawn Ave. (Part of Portfolio)	CIM Group LP	Undisclosed	227,258
3535 Travis St.	Katy Trail Place Inc.	Undisclosed	116,309
2811 McKinney Ave.	Western Securities Limited	Undisclosed	96,734
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
PWC Tower	Trammell Crow Company	Q1 2018	494,300
The Union	RED Development	Q2 2018	418,132
No. 10	Harwood International	Q3 2018	231,098
Rolex Building	Harwood International	Q4 2017	130,000

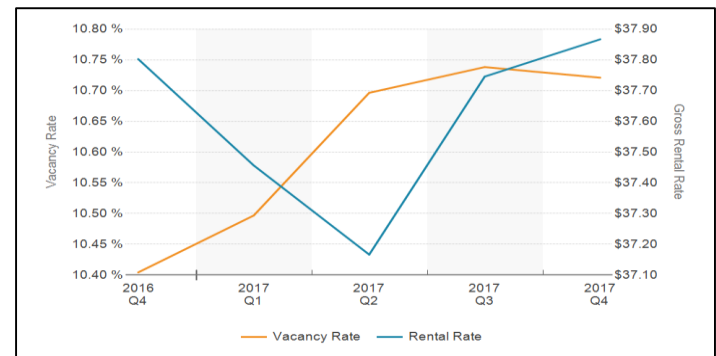
Net Absorption



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	Quoted Rates Class A
Uptown/Turtle Creek	14,758,418	1,584,755	10.7%	143,163	214,765	1,305,014	\$37.75	\$40.57
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

MARKETBEAT

Office Submarket Report

Dallas CBD

Q3 2017

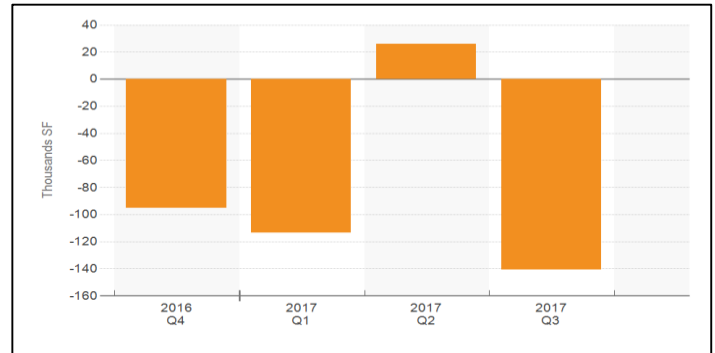
The Dallas CBD Submarket ended the third quarter 2017 with a vacancy rate of 22.4%. The vacancy rate increased over the previous quarter from 22.2%, with a YTD net absorption of -116,065 square feet in the third quarter.

Rental rates ended the third quarter at \$25.19/SF across all classes, decreasing from \$25.30/SF in the previous quarter. YTD construction deliveries finished at 92,237 SF, with 322,110 SF of new office space under construction.

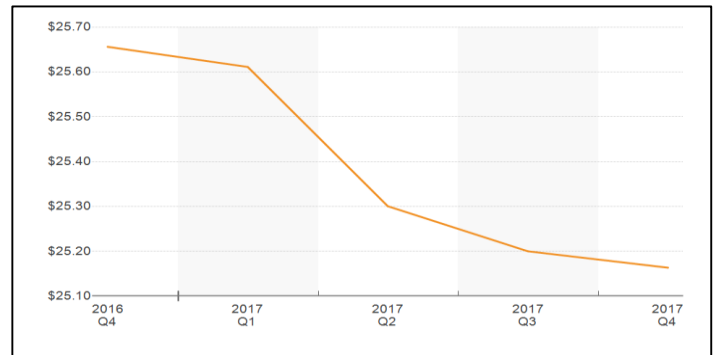
Significant lease transactions during the third quarter included 28,605 SF leased by Clearview Renewables at 901 Main St. Cozen O'Connor leased 12,177 SF at 1717 Main St.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
901 Main St	Clearview Renewables	Office	28,605
1717 Main St	Cozen O'Connor	Office	12,177
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
-	-	-	-
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
1900 N Pearl St.	Lincoln Property Co.	Q4 2017	261,400
1401 Elm St.	Drever Capital Management	Q4 2018	60,710

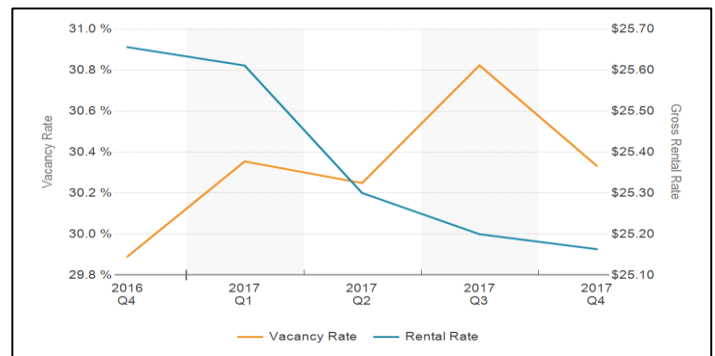
Net Absorption



Gross Asking Rent Per SF



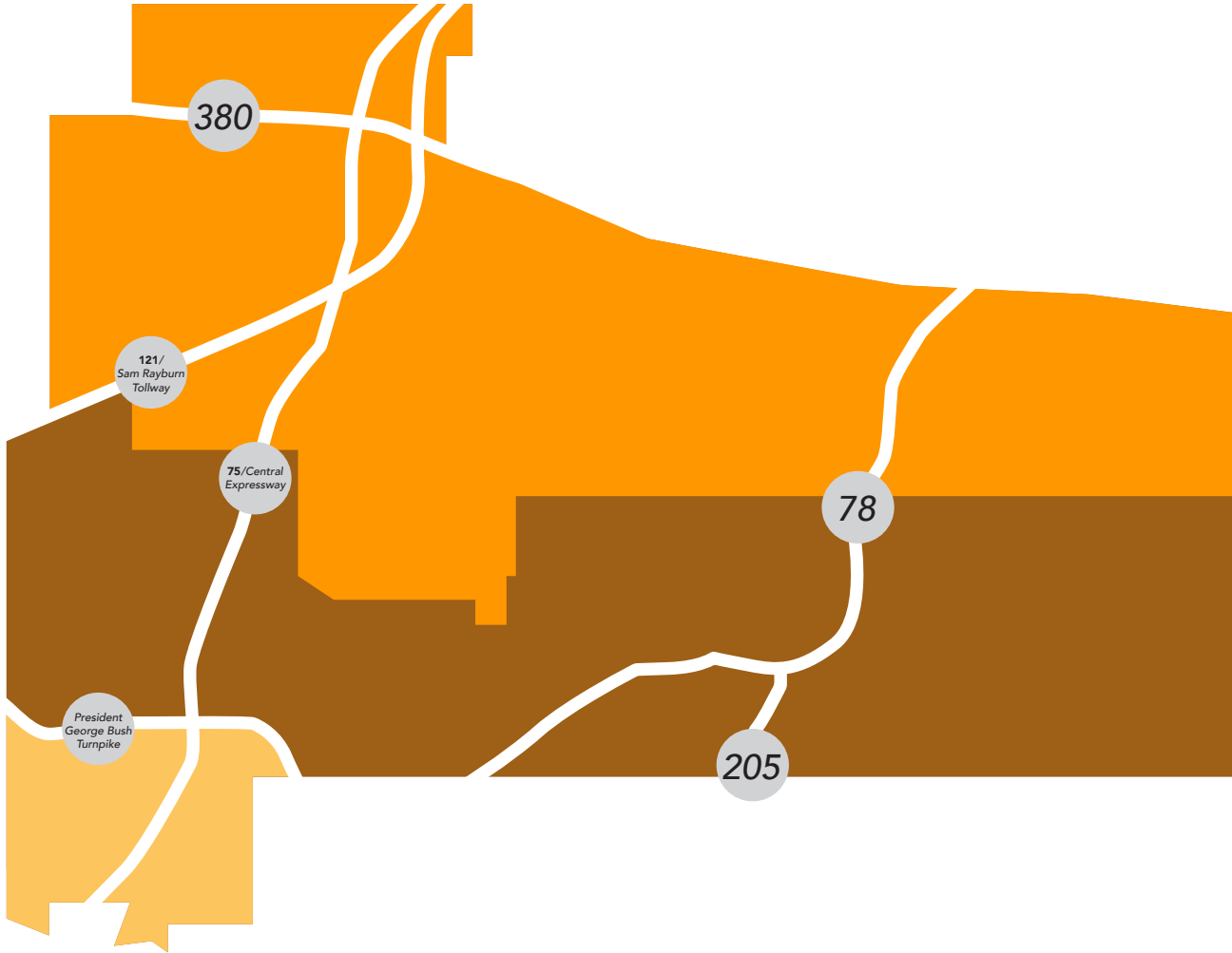
Vacancy Vs. Rental Rate






	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes	Quoted Rates Class A
Dallas CBD	33,713,487	7,555,238	22.4%	-116,065	92,237	322,110	\$25.19	\$25.87
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72


*Rental Rates reflect asking \$psf/year

Upper Central Expressway



Legend

	Allen/McKinney
	Plano
	Richardson



MARKETBEAT

Office Submarket Report

Allen/McKinney

Q3 2017

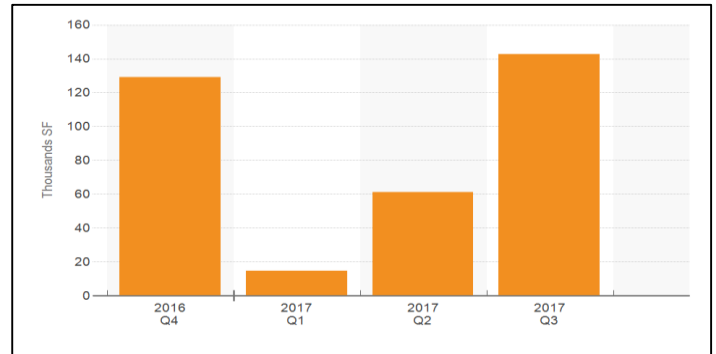
The Allen/McKinney Submarket ended the third quarter 2017 with a vacancy rate of 9.4%. The vacancy rate decreased 0.8% from the previous quarter of 10.2%, with a YTD net absorption of 185,668 SF.

Rental rates ended the third quarter at \$26.40/SF across all classes, decreasing from \$26.10/SF in the previous quarter. YTD new construction deliveries finished the quarter at 185,668 SF, with 387,183 SF currently under construction.

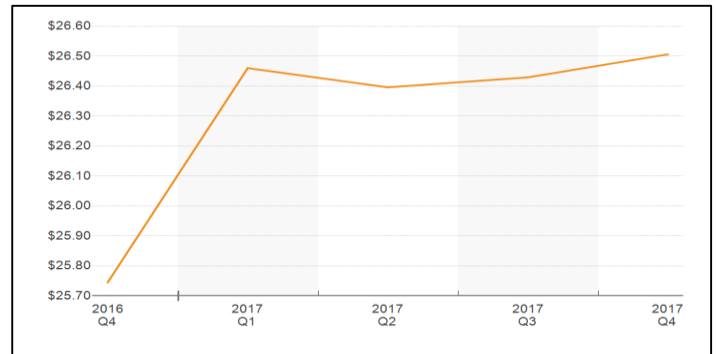
Significant lease transactions included Frontier Communications lease of 83,662 SF at 800 S Central Expy. The Arthritis Institute acquired 12,000 SF at 2170 N Lake Forest Dr. for an undisclosed purchase price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
805 S Central Expy.	Frontier Communications	Office	83,662
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
2170 N Lake Forest Dr. - Phase I	The Arthritis Institute LLC	Undisclosed	12,000
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Bethany Rd & Watters Creek	Kaizen Development Partners	Q1 2018	125,000
6950 TPC Dr.- 2 Greenside	Smith & Douglas	Q4 2017	48,441

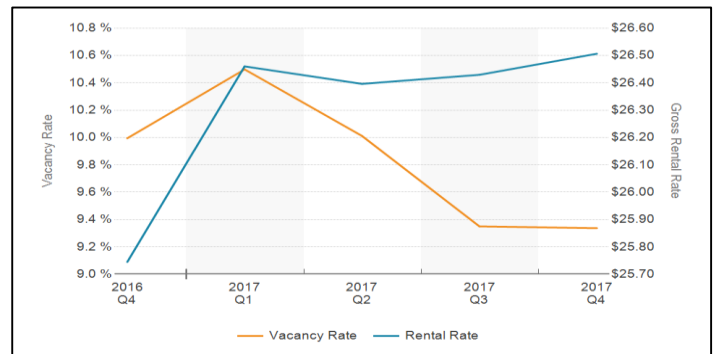
Net Absorption



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	Quoted Rates Class A
Allen/McKinney	8,061,901	755,278	9.4%	218,616	185,668	387,183	\$26.40	\$30.16
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

MARKETBEAT

Office Submarket Report

Plano

Q3 2017

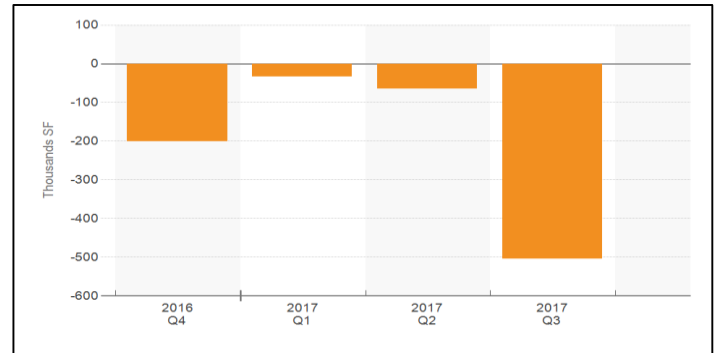
The Plano Submarket ended the third quarter of 2017 with a vacancy rate of 26.3%. The vacancy rate increased from the previous quarter of 18.9%. Year-to-date net absorption totaled -561,376 square feet at the end of Q3.

Rental rates ended the third quarter at \$25.57/SF across all classes, increasing from \$24.88/SF in the previous quarter. There have been 37,800 SF in year-to-date new construction deliveries with 13,200 SF currently under construction in the submarket.

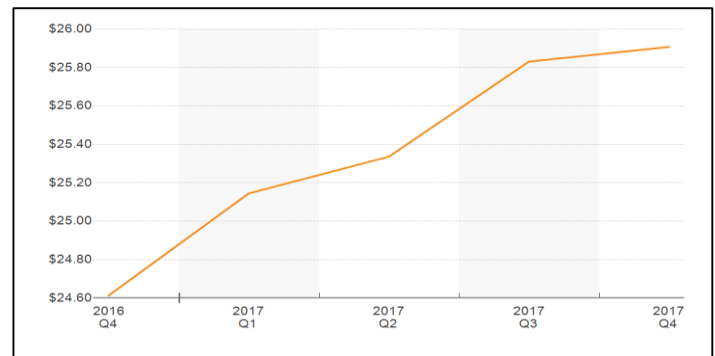
Significant leases included Basketball Central's lease of 20,062 SF at 1300 E Plano Pky and Hope Community Church that leased 14,270 SF at 3045 Custer Rd. 3701 Cardinals, LLC purchased a 95,589 SF building at 3701 W Plano Pky for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
1300 E Plano Pky	Basketball Central	Office	20,062
3045 Custer Rd	Hope Community Church	Office	14,270
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
3701 W Plano Pky	3701 Cardinals, LLC	Not Disclosed	95,589
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
655 Custer Rd	Custer Square Venture, LTD	Q2 2018	13,200

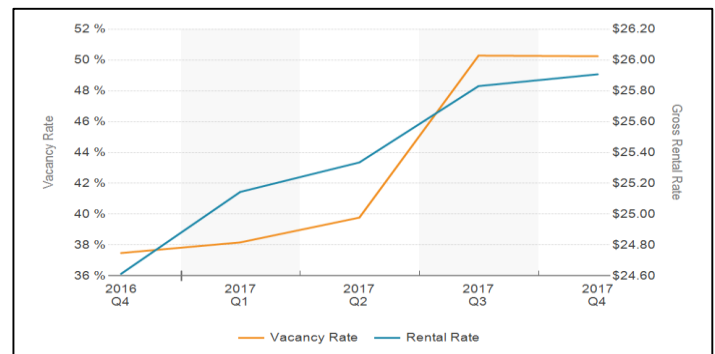
Net Absorption



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	Quoted Rates Class A
Plano	9,585,269	2,516,712	26.3%	-561,376	37,800	13,200	\$25.57	\$28.15
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

MARKETBEAT

Office Submarket Report

Richardson

Q3 2017

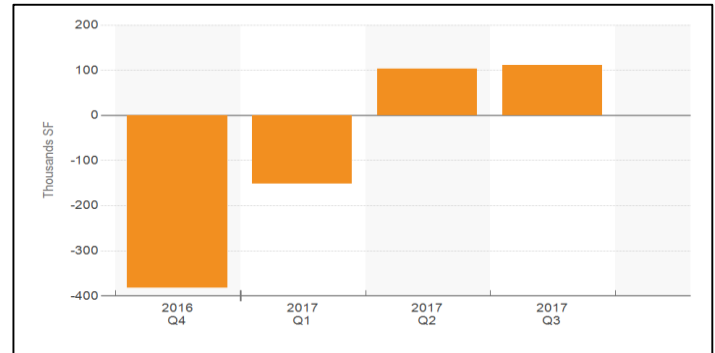
The Richardson Submarket ended the third quarter of 2017 with a vacancy rate of 16.5%. The vacancy rate increased 0.5% from 16.0% in the previous quarter, with a net absorption of 254,917 SF to finish Q3.

Rental rates ended the third quarter at \$23.44/SF across all classes, increasing from \$23.27/SF in the previous quarter. New construction deliveries increased from 99,546 SF to 403,066 SF and there is currently 6,000 SF currently under construction in the submarket.

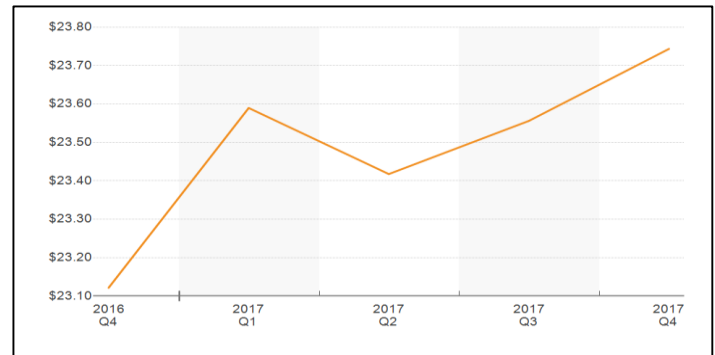
Significant leases included the GENPACT lease of 63,603 SF at 3300 E Renner Rd. Ampex Brands purchased 16,800 SF at 2280 3304 Essex Dr. for \$2,100,000 and JP Realty Partners purchased 92,547 SF at 1101 E Arapaho Rd for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
3300 E Renner Rd	GENPACT	Office	63,603
30000-3030 Waterview Pky	The University of Texas at Dallas	Office	45,642
17787 Waterview Pky	Convergys Corporation	Office	29,524
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
1101 E Arapaho Rd	JP Realty Partners	Not Disclosed	92,547
3304 Essex Dr	Ampex Brands	\$2,100,000	16,800
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
318 W FM 544 Building A & C	Honey Goel	Q3 2017	6,000

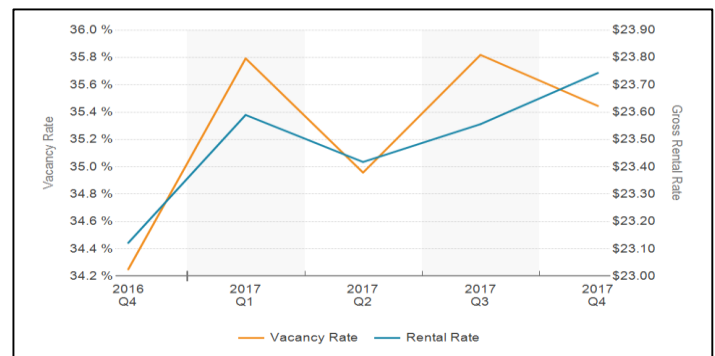
Net Absorption



Gross Asking Rent Per SF



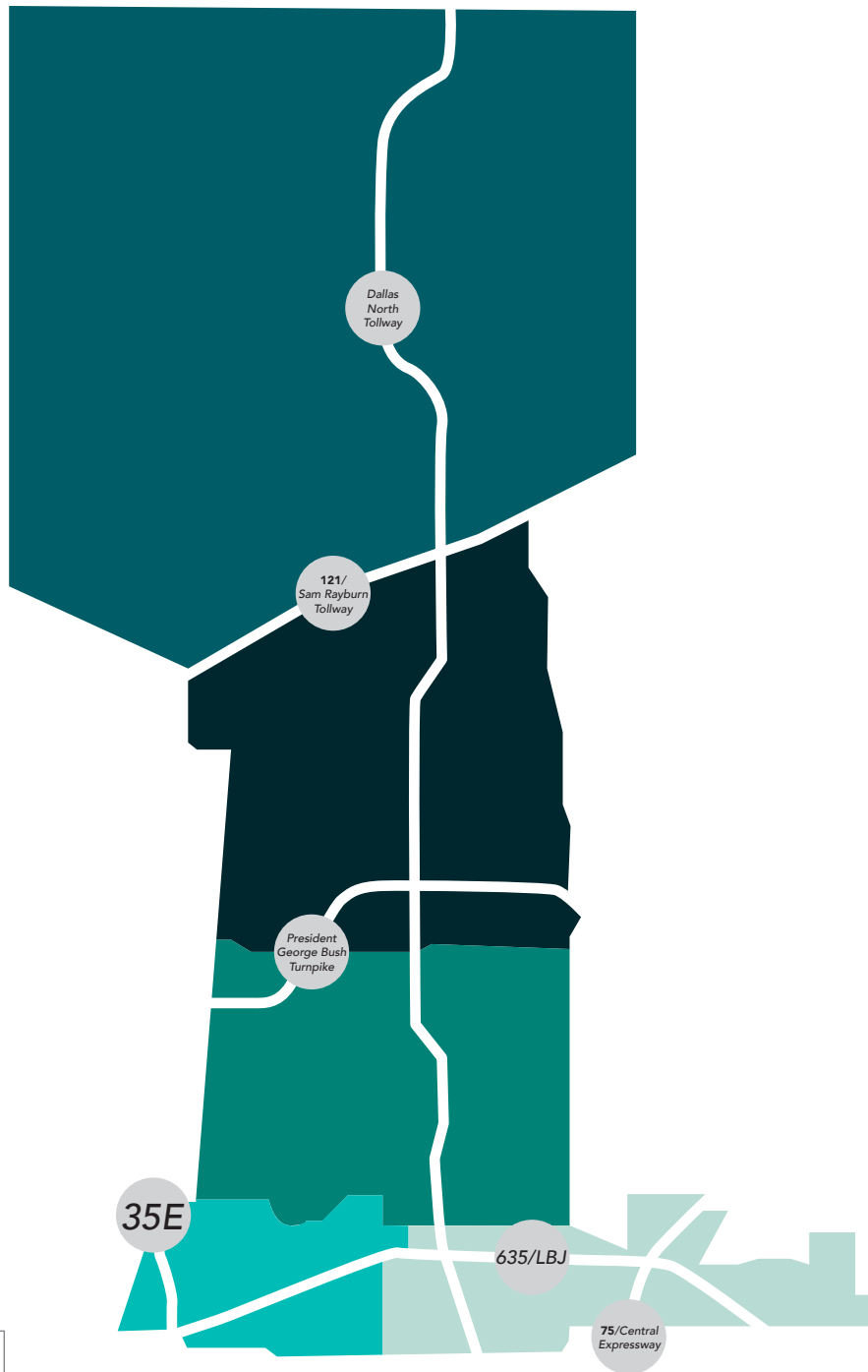
Vacancy Vs. Rental Rate








	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes	Quoted Rates Class A
Richardson	22,787,516	3,755,367	16.5%	254,917	403,066	6,000	\$23.44	\$26.99
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

Far North Dallas



Legend

-  Frisco/The Colony
-  Upper Tollway/West Plano
-  Quorum/Bent Tree
-  West LBJ Freeway
-  East LBJ Freeway



Frisco/The Colony

Q3 2017

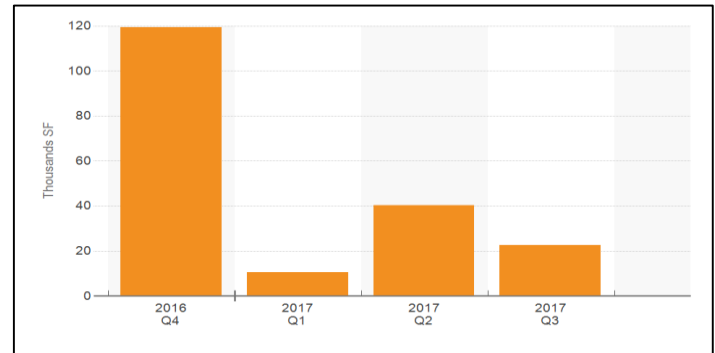
The Frisco/Colony Submarket ended the third quarter 2017 with a vacancy rate of 10.7%. The vacancy rate decreased by 0.1% from the previous quarter of 10.8%. The third quarter net absorption totaled 176,254 square feet.

Rental rates ended the third quarter at \$33.09/SF across all classes, decreasing from \$33.39/SF in the previous quarter. There were 124,769 SF in year-to-date construction deliveries as well as 961,653 SF under construction in the submarket.

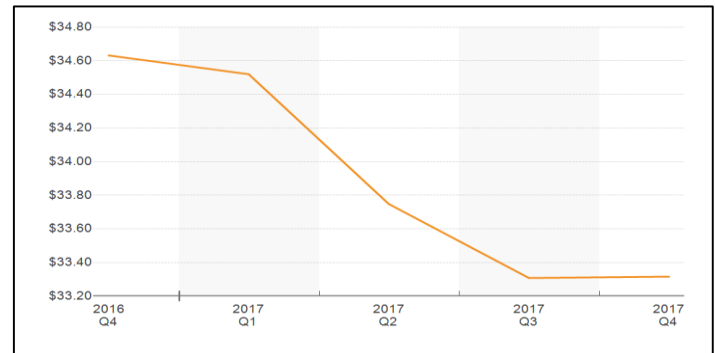
Significant leases included a 9,678 SF lease by Ragoon Medical at 2600 North Dallas Pky.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
2600 N Dallas Pky	Ragoon Medical	Office	9,678
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
-	-	-	-
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Hall Office Park	Hall Financial Group	Q4 2017	300,000
The Offices One	VanTrust Real Estate LLC	Q4 2017	228,857
Wade Park Office	Thomas Land & Development	Q2 2018	116,427

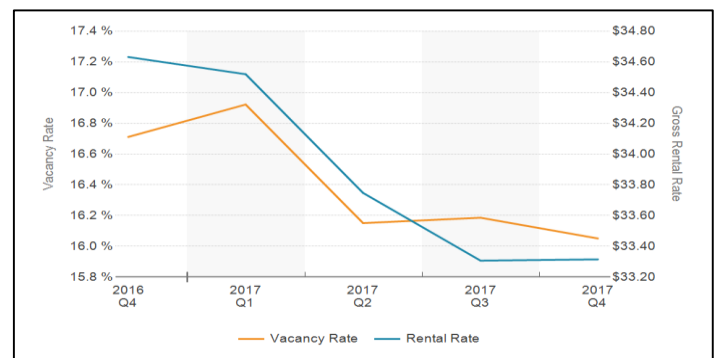
Net Absorption



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	Quoted Rates Class A
Frisco/The Colony	6,893,862	739,450	10.7%	176,254	124,769	961,653	\$33.09	\$34.49
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

Upper Tollway/West Plano

Q3 2017

The Upper Tollway/West Plano Submarket ended the third quarter of 2017 with a vacancy rate of 9.9%. The vacancy decreased 1.3% from the previous quarter of 11.2%. There was a net increase in year-to-date overall absorption totaling a positive 3,228,189 square feet in the third quarter.

Rental rates ended the third quarter at \$31.53/SF across all classes, increasing from \$30.42/SF in the previous quarter. There were 3,047,165 SF in YTD construction deliveries, and the submarket leads the metroplex with 3,577,799 SF under construction.

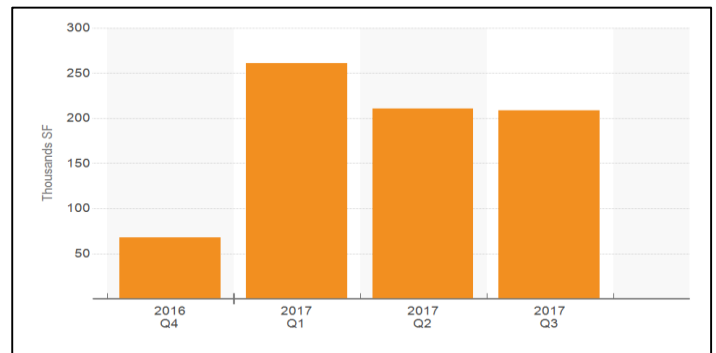
Significant lease transactions included NTT Data's lease of 232,744 SF at 6501 Legacy Dr., as well as Alkami Technology Inc's lease of 53,150 SF at 5601 Granite Pky.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
6501 Legacy Dr.	NTT Data	Office	232,744
5601 Granite Pky	Alkami Technology Inc	Office	53,150
2400 N Dallas Parkway	Learfield Communications	Office	33,264

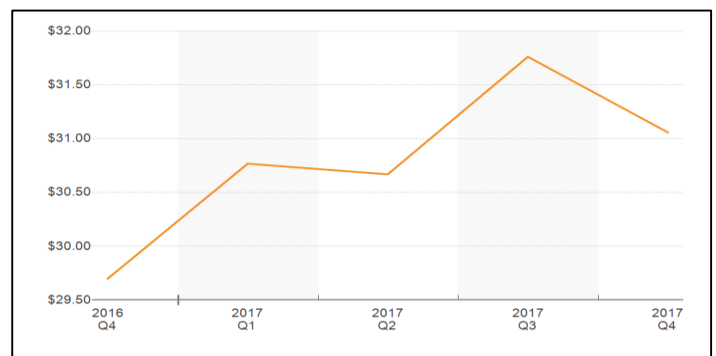
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
-	-	-	-

UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Liberty Mutual Campus	KDC Real Estate	Q4 2017	1,100,000
Toyota Motor Corp HQ	KDC Real Estate	Q4 2017	1,700,000
Grant Park Seven	Granite Properties	Q1 2018	324,100

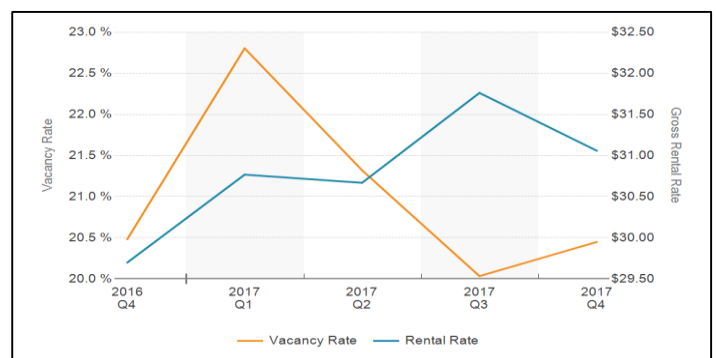
Net Absorption



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	Quoted Rates Class A
Upper Tollway/West Plano	29,722,971	2,931,368	9.9%	3,228,189	3,047,165	3,577,799	\$31.53	\$34.06
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

Quorum/Bent Tree

Q3 2017

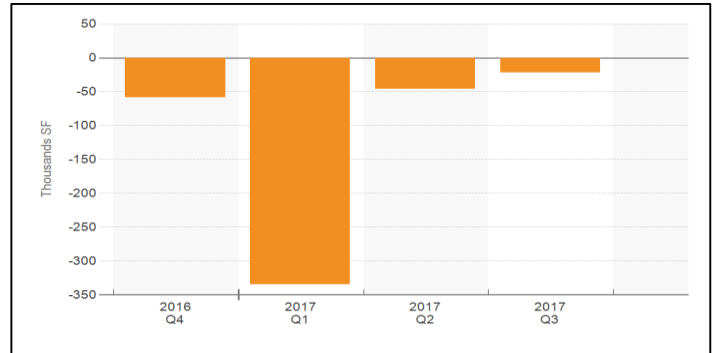
The Quorum/Bent Tree Submarket ended the third quarter of 2017 with a vacancy rate of 16.1%. The vacancy rate increased 0.2% from the previous quarter of 15.9% with a YTD net absorption of -377,617 SF for Q3.

Rental rates ended the third quarter at \$23.87/SF across all classes, increasing from \$23.57/SF in the previous quarter. There was 8,405 SF delivered in Q3 and there is 240,000 SF currently under construction in the submarket.

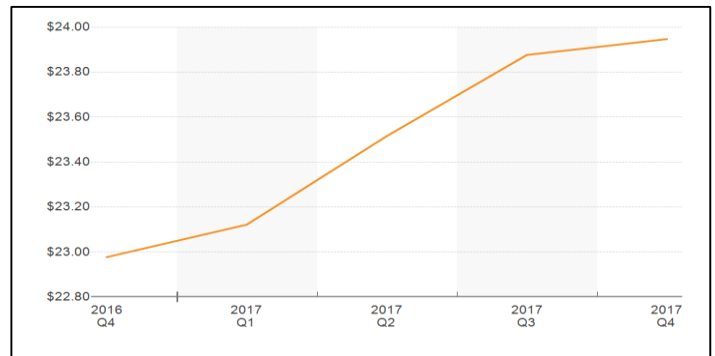
Significant lease transactions included iDonate lease of 18,355 SF at 14643 N Dallas Pky. 17950 Preston Rd. containing 259,009 SF was sold to Tanglewood Property Group at an undisclosed price. ATI Mezz Dallas, LLC acquired a building containing 149,416 SF at 16415 Addison Rd.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
14643 N Dallas Pky	iDonate	Office	18,355
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
17950 Preston Rd.	Tanglewood Property Group	Not Disclosed	259,009
16415 Addison Rd.	ATI Mezz Dallas LLC	Not Disclosed	149,416
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Fourteen555	Cawley Management, LLC	Q3 2018	240,000

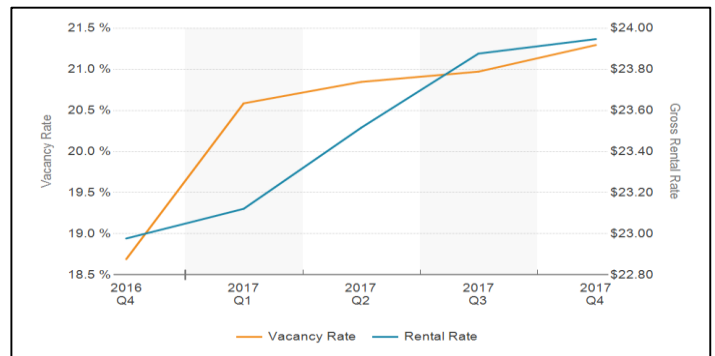
Net Absorption



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	Quoted Rates Class A
Quorum/Bent Tree	23,696,344	3,807,171	16.1%	-377,617	8,405	240,000	\$23.87	\$28.21
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

MARKETBEAT

Office Submarket Report

West LBJ Freeway

Q3 2017

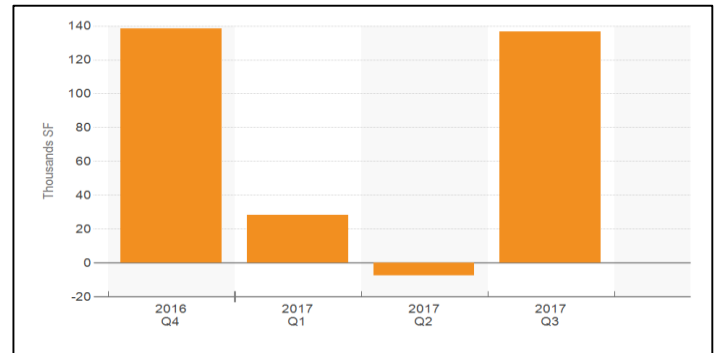
The West LBJ Freeway Submarket ended the third quarter 2016 with a vacancy rate of 14.2%. The vacancy rate decreased from the previous quarter of 18.1%, accompanied by an increase YTD net absorption of 240,386 SF for the year to date.

Rental rates ended the third quarter at \$19.09/SF across all classes, barely increasing from \$19.08/SF in the previous quarter. There were no new construction deliveries and currently no construction projects underway.

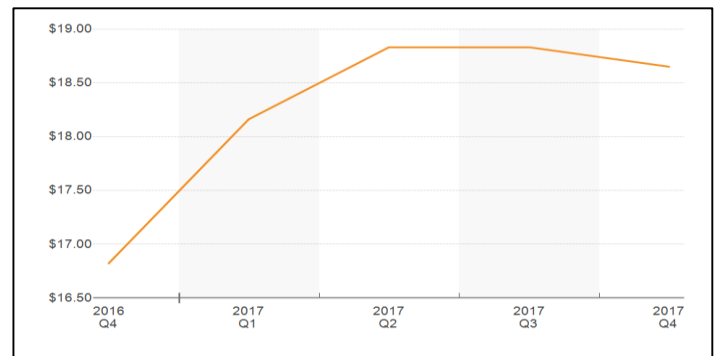
There were no significant lease or sale transactions this quarter.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
-	-	-	-
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
-	-	-	-
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

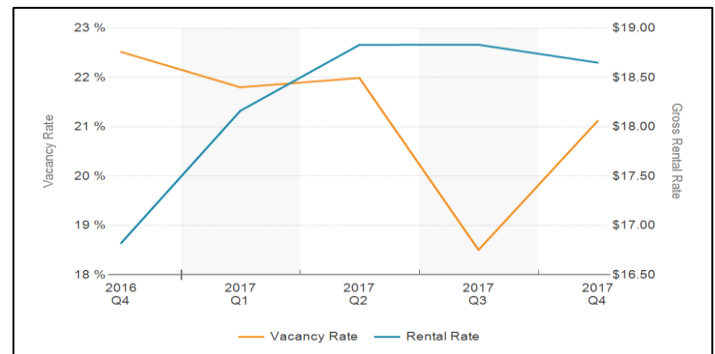
Net Absorption



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	Quoted Rates Class A
West LBJ Freeway	5,295,654	751,099	14.2%	240,386	0	0	\$19.09	\$20.46
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

East LBJ Freeway

Q3 2017

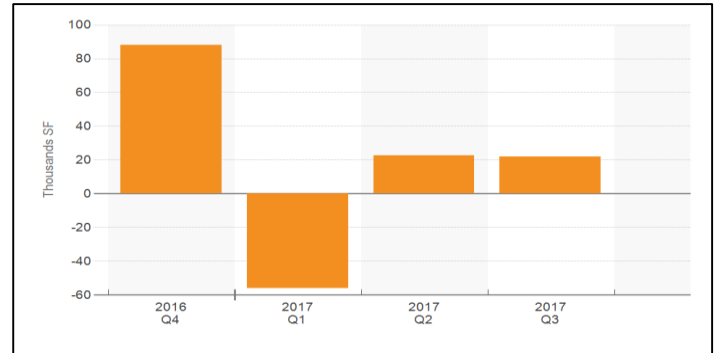
The East LBJ Freeway Submarket ended the third quarter of 2017 with a vacancy rate of 23.9%. The vacancy rate increased slightly from the previous quarter of 23.4%, with the YTD total net absorption at 31,881 SF for Q3 2017.

Rental rates ended the third quarter at \$22.82/SF across all classes, increasing from \$22.55/SF in the previous quarter. There were 0 SF in deliveries and no construction in the submarket.

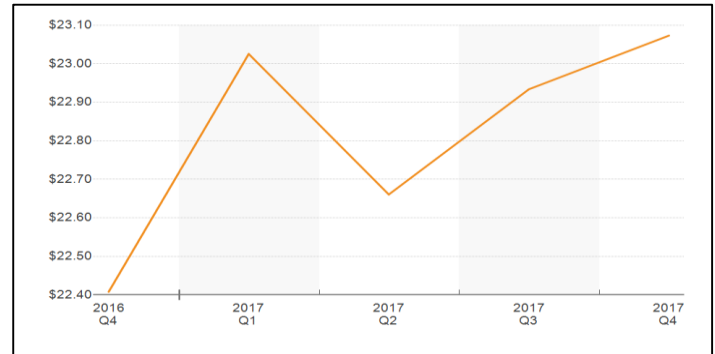
Significant lease transactions included a 26,269 SF lease by Anthelio Healthcare Solutions at 5400 LBJ Fwy. Hillcrest Tower at 168,189 SF was sold to Albany Road Real Estate Partners for an undisclosed price.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
5400 Lyndon B Johnson Fwy	Anthelio Healthcare Solutions	Office	26,629
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
Hillcrest Tower	Albany Road Real Estate Partners	Undisclosed	168,189
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
-	-	-	-

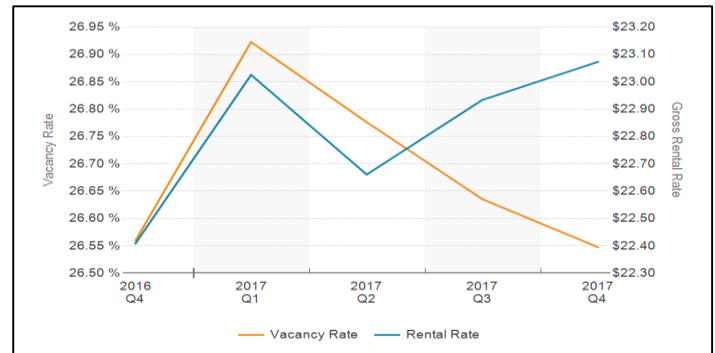
Net Absorption



Gross Asking Rent Per SF



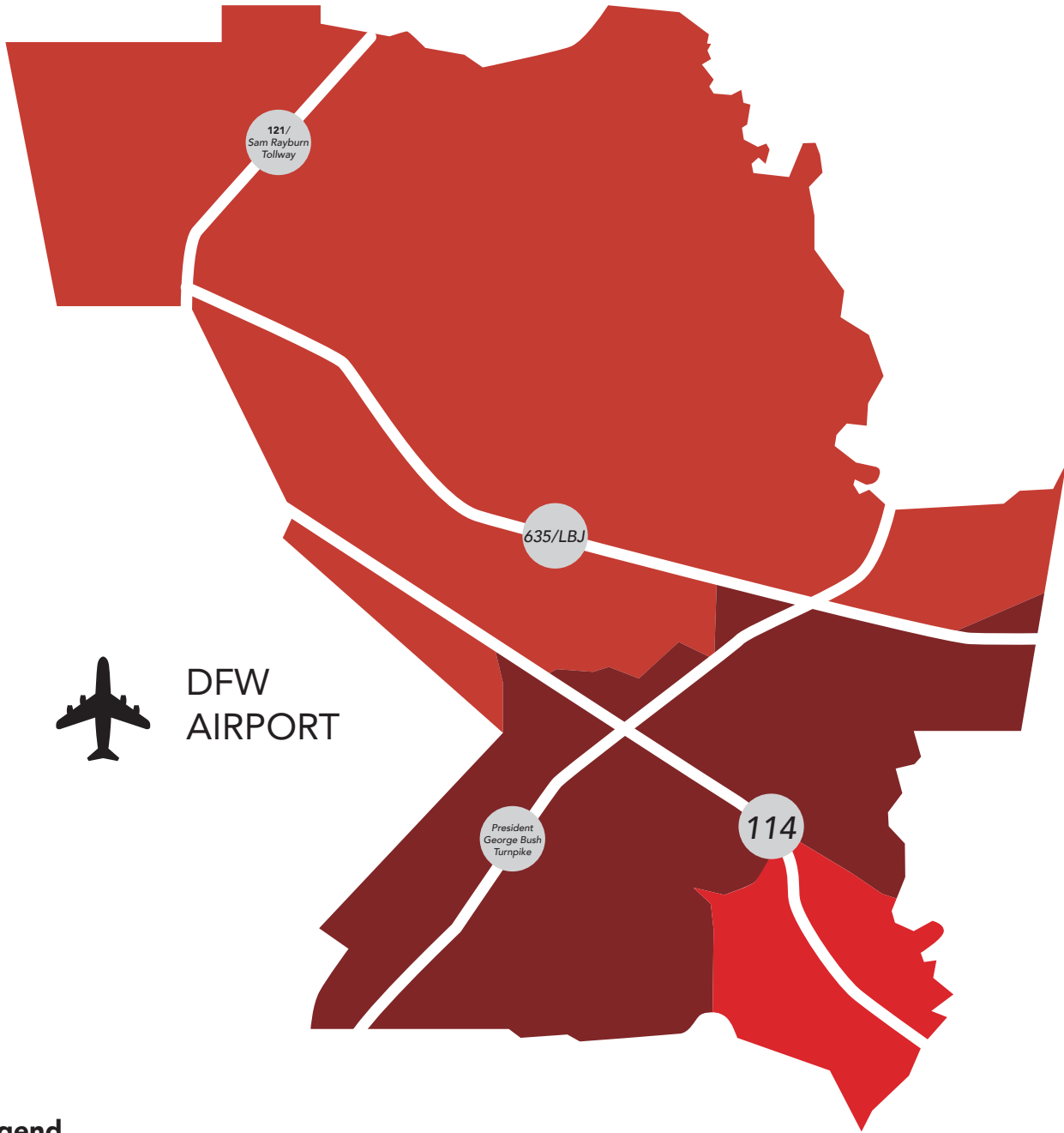
Vacancy Vs. Rental Rate



	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates All Classes	Quoted Rates Class A
East LBJ Freeway	17,306,662	4,143,998	23.9%	31,881	0	0	\$22.82	\$25.38
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

Las Colinas Office Market



Legend

- DFW Freeport/Coppell
- Office Ctr/West LBJ Ext
- Urban Center/Wingren



DFW Freeport/Coppell

Q3 2017

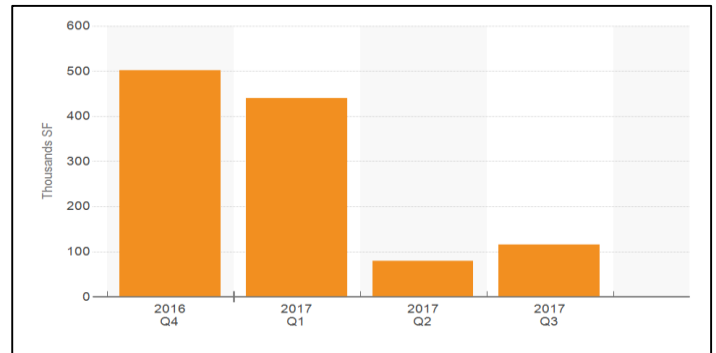
The DFW Freeport/Coppell Submarket ended the third quarter 2017 with a vacancy rate of 13.4%. The vacancy rate increased from 12.7% the previous quarter, with a YTD net absorption of 500,140 SF at the end of Q3.

Rental rates ended the third quarter at \$22.46/SF across all classes, decreasing from \$22.60/SF in the previous quarter. New construction deliveries for Q3 totaled 690,102 SF, and 600,913 SF of new office space is currently under construction.

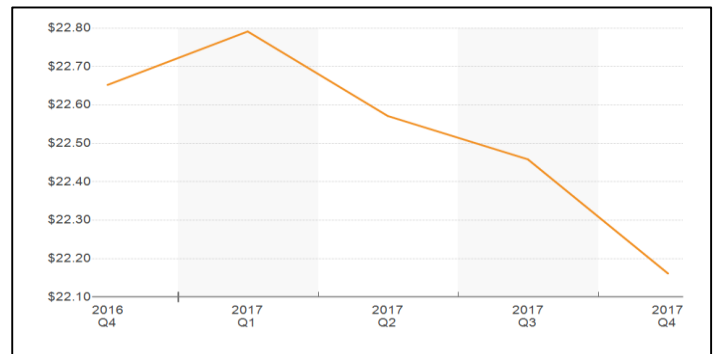
There were several significant lease transactions including 48,277 SF leased by Cognizant at 5001 Statesman Dr., as well as 38,000 SF leased by The Delta Companies at 3100 Olympus Blvd. The Billingsley Company will be delivering two office buildings at Cypress Waters, both over 200,000 SF in Q1 and Q2 of 2018.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
5001 Statesman Dr.	Cognizant	Office	48,277
3100 Olympus Blvd	The Delta Companies	Office	38,000
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
-	-	-	-
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
3100 Olympus Blvd.	Billingsley Company	Q2 2018	250,000
9797 Rombauer Rd.	Billingsley Company	Q1 2018	225,000

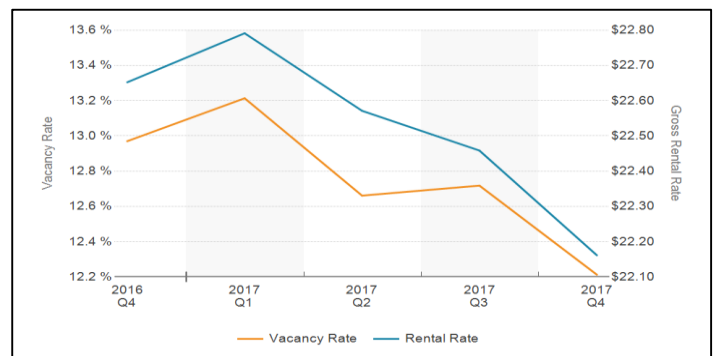
Net Absorption



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	Quoted Rates Class A
DFW Freeport/Coppell	13,781,195	1,887,859	13.47%	500,140	690,102	600,913	\$22.46	\$24.68
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

Office Center/West LBJ Ext

Q3 2017

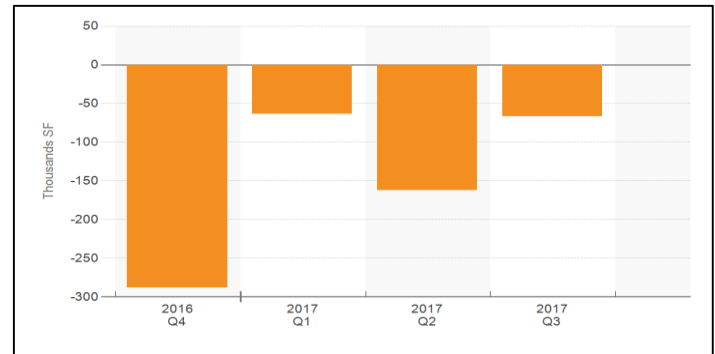
The Office Center/West LBJ Ext Submarket ended the third quarter 2017 with a vacancy rate of 14.3%. The vacancy rate increased from 14.0% in the previous quarter. There was a cumulative net absorption of 338,179 SF for Q3.

Rental rates ended the third quarter at \$23.81/SF across all classes, increasing from \$23.72/SF in the previous quarter. There were 339,359 SF of new construction deliveries and a total of 126,000 SF is currently under construction.

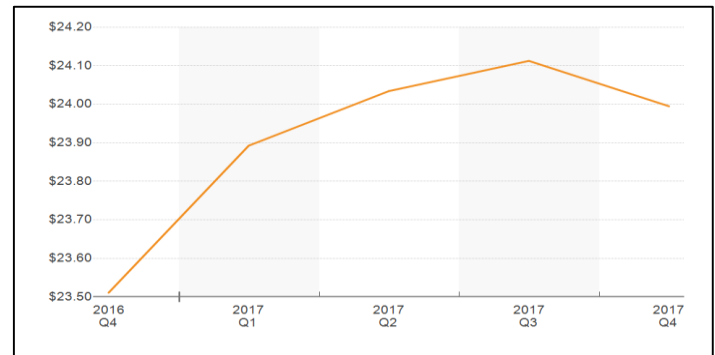
Significant lease activity during the third quarter included the sublease of 27,300 SF at 6363 State Highway 161 by Oculus Health, as well as a lease at the same location for 18,847 SF by Veteran's United. AVR Hidden Ridge LLC purchased 600 and 700 Hidden Ridge for a combined \$343,990,000, which totaled 1,150,000 SF.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
6363 N State Highway 161	Oculus Health	Office	27,300
6363 N State Highway 161	Veteran's United	Office	18,847
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
600 Hidden Ridge	AVR Hidden Ridge, LLC	\$231,168,605	576,138
700 Hidden Ridge	AVR Hidden Ridge, LLC	\$112,821,395	573,862
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Gateway Dr & State Highway - Phase I	KDC Real Estate Development & Investments	Q4 2017	96,000

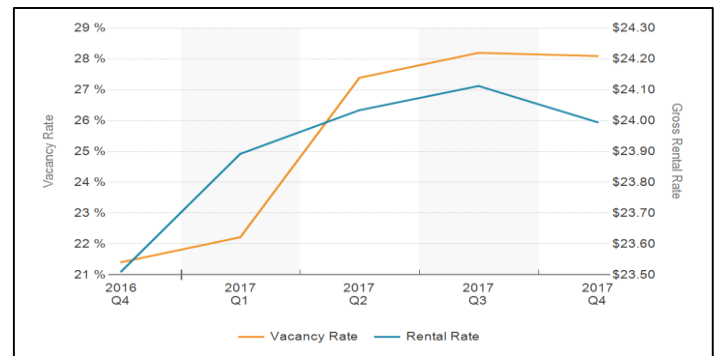
Net Absorption



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	Quoted Rates Class A
Office Ctr/West LBJ Ext	16,596,164	2,373,858	14.3%	338,179	339,359	126,000	\$23.81	\$27.88
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

MARKETBEAT

Office Submarket Report

Urban Center/Wingren

Q3 2017

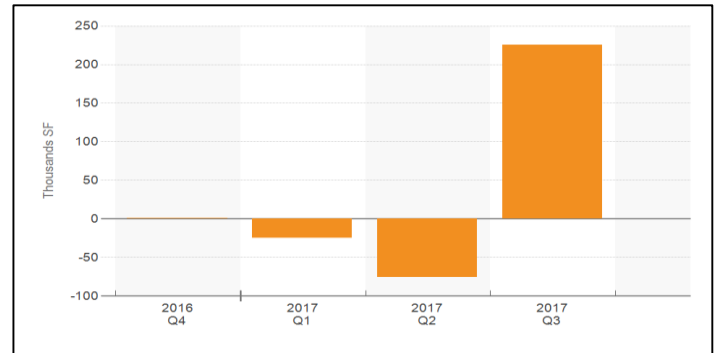
The Urban Center/Wingren Submarket ended the third quarter of 2017 with a vacancy rate of 15.7%. The vacancy rate decreased from the previous quarter of 17.9%. There was a net increase in year-to-date overall absorption totaling a 129,495 SF.

Rental rates ended the third quarter at \$29.15/SF across all classes, increasing from \$28.70/SF in the previous quarter. There were no new construction deliveries. The Music Factory is still under construction with 100,000 SF of office space expected to deliver in Q1 2018.

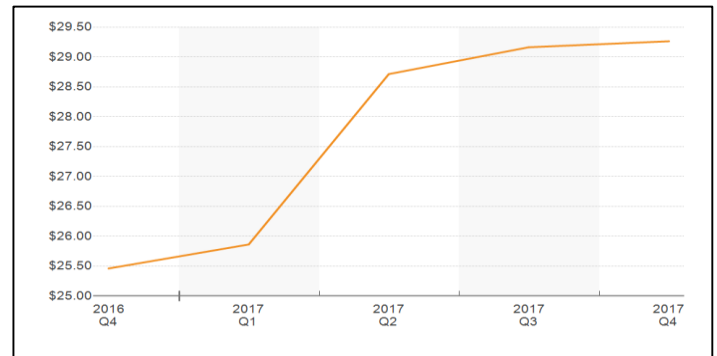
There were several significant lease transactions that occurred during the third quarter, including a 31,006 SF lease at 222 W Las Colinas by Regus and College Football's lease of 10,228 SF at 545 E John Carpenter Fwy. 125 E John Carpenter Fwy sold to KBS Strategic Opportunity REIT II totaling 401,735 SF for \$79,805,703.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
222 W Las Colinas	Regus	Office	31,006
545 E John Carpenter Fwy	College Football Playoff	Office	10,228
5030 Riverside	Solovis	Office	10,222
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
125 E John Carpenter Fwy	KBS Strategic Opportunity REIT II	\$79,805,703	401,735
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
The Music Factory	ARK Group	Q1 2018	100,000

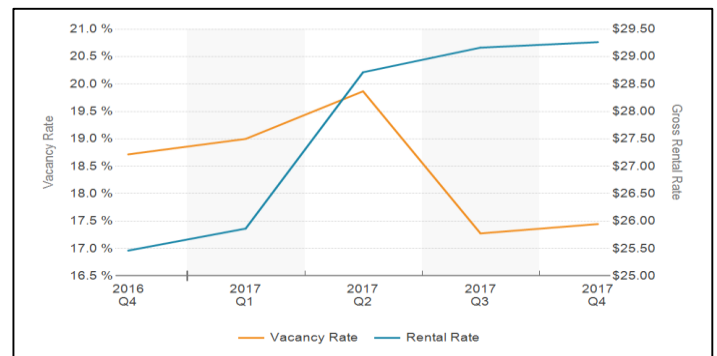
Net Absorption



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	Quoted Rates Class A
Urban Center/Wingren	9,543,963	1,502,070	15.7%	129,495	0	100,000	\$29.15	\$30.70
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year

Fort Worth CBD



MARKETBEAT

Office Submarket Report

Fort Worth CBD

Q3 2017

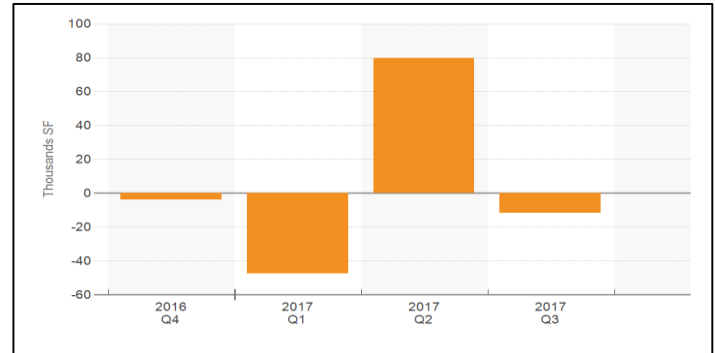
The Fort Worth CBD Submarket ended the third quarter 2017 with a vacancy rate of 9.9%, remaining steady from the previous quarter. Overall net absorption had a net positive increase for a cumulative 117,602 square feet in the third quarter 2017.

Rental rates ended the third quarter at \$26.04/SF across all classes, an increase of \$0.14/SF over the previous quarter of \$25.90/SF. There were no new construction deliveries and there is 280,489 square feet of construction underway in the submarket.

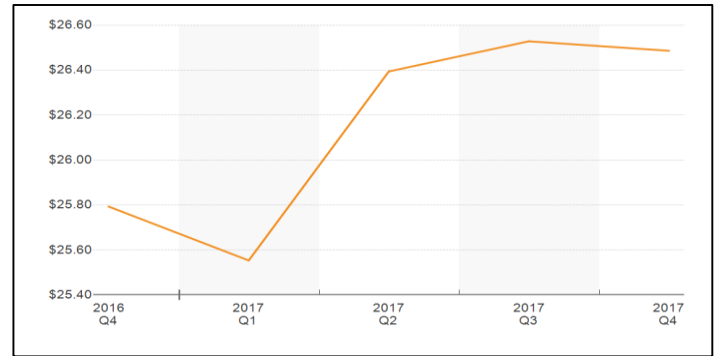
Significant lease transactions included a lease of 43,986 SF at 801 Grove St. by XTO Energy for one year, before they relocate to Houston, Texas. Fort Worth Transportation Authority purchased a 43,896 SF building at 801 Grove St. for \$5,400,000.

LEASE TRANSACTIONS	TENANT	PROPERTY TYPE	SQUARE FEET
801 Grove St	XTO Energy	Office	43,986
SALE TRANSACTIONS	BUYER	PURCHASE PRICE	SQUARE FEET
801 Grove St	Fort Worth Transportation Authority	\$5,400,000	43,896
UNDER CONSTRUCTION	DEVELOPER	COMPLETION DATE	SQUARE FEET
Frost Tower	Stream Realty Partners	Q1 2018	280,489

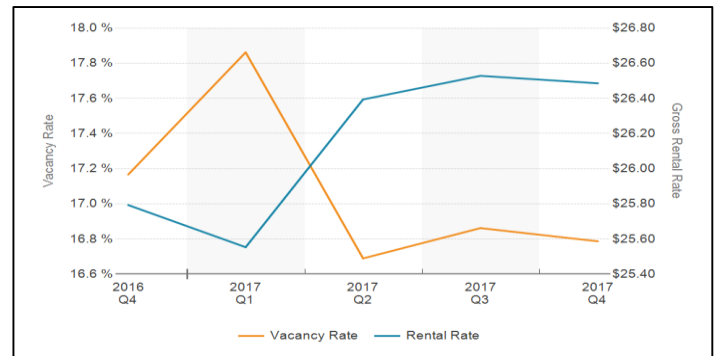
Net Absorption



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	Quoted Rates Class A
Fort Worth CBD	11,789,841	1,167,906	9.9%	117,602	0	280,489	\$26.04	\$29.18
Dallas/Fort Worth Total	367,383,731	53,393,786	14.5%	4,212,363	6,445,254	9,768,203	\$25.04	\$28.72

*Rental Rates reflect asking \$psf/year



W H I T E B □ X

R E A L E S T A T E

www.whiteboxrealestate.com | contact@whiteboxrealestate.com

DALLAS 400 S. Record Street, Suite 825, Dallas, Texas 75202 | 214.380.4540

FORT WORTH 201 Main Street, Suite 600, Fort Worth, Texas 76102 | 817.502.1518