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REAL ESTATE

**Q1 2021**

OFFICE  
MARKET BEAT



# MARKET BEAT

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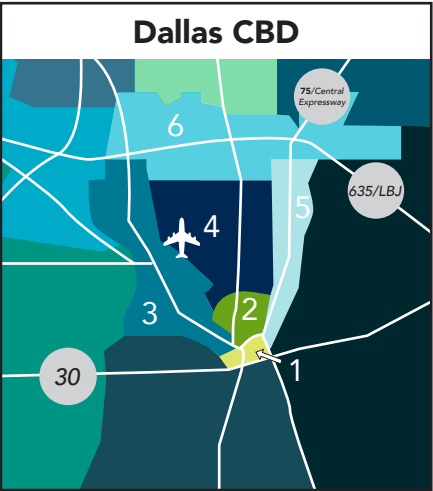
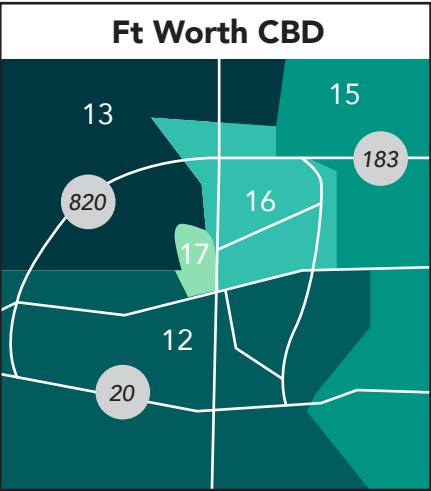
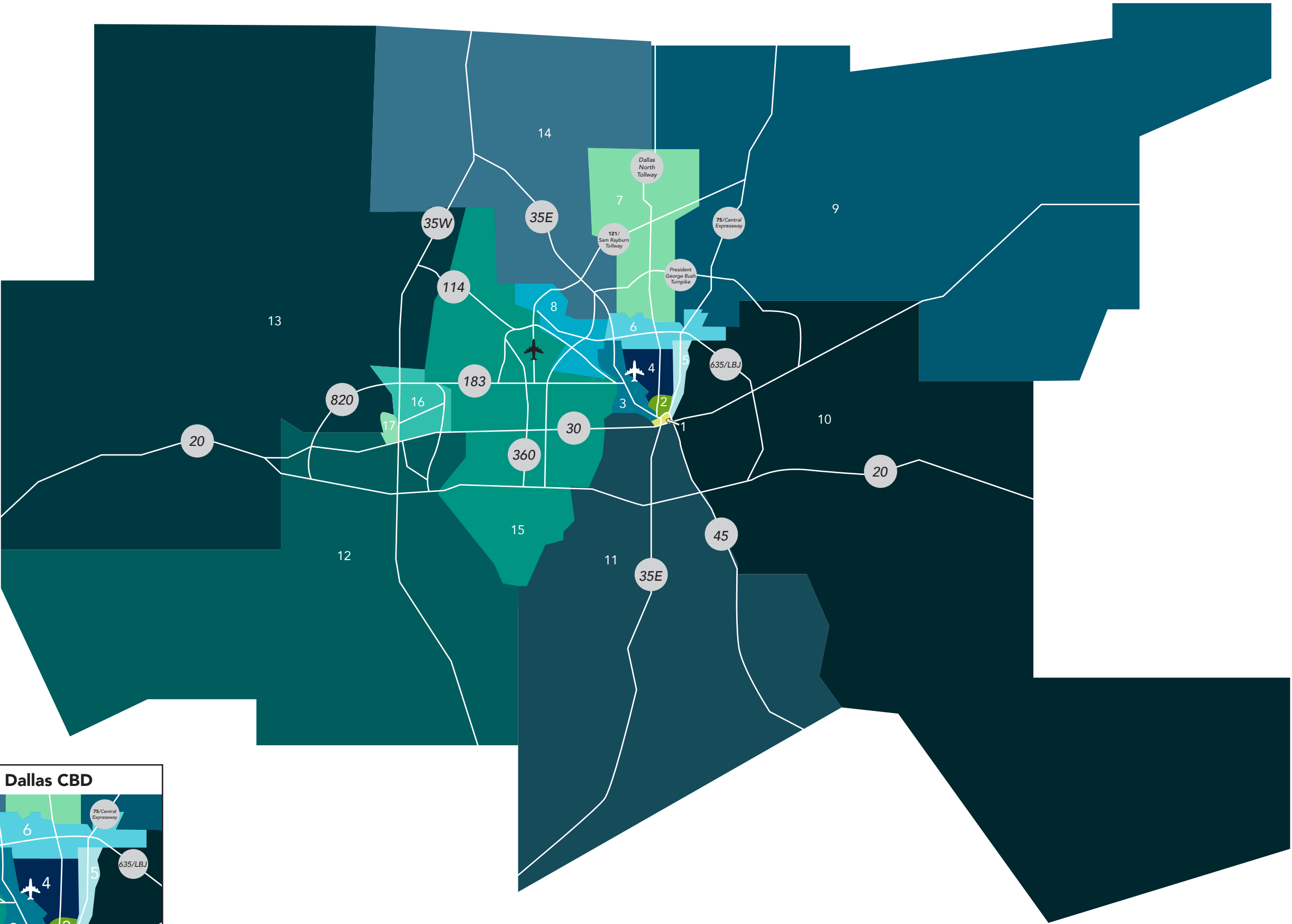
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DFW  
Office  
Market  
Overview

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





Market	Total Inventory	Vacancy		12 Month Total		Construction	Quoted
		Vacant SF	Vac %	Net Absorption	Net Deliveries	Current SF	Rates
Preston Center	6,562,229	723,289	11.02%	(117,609)	-	615,632	\$ 39.48
Central Expressway	14,593,483	2,396,542	16.42%	(345,619)	223,022	30,000	\$ 29.24
Uptown/Turtle Creek	16,244,175	2,684,350	16.53%	(440,577)	-	1,016,688	\$ 42.01
Dallas CBD	34,210,182	8,716,070	25.48%	(687,295)	-	284,600	\$ 26.61
Allen/McKinney	11,079,730	1,296,661	11.70%	152,649	548,425	263,437	\$ 31.85
Plano	10,318,367	1,958,632	18.98%	249,834	-	62,092	\$ 26.37
Richardson	23,332,264	4,420,064	18.94%	(635,010)	33,391	-	\$ 25.12
Frisco/The Colony	8,728,788	1,209,112	13.85%	263,655	348,734	971,030	\$ 34.13
Upper Tollway/West Plano	35,575,438	8,526,009	23.97%	(1,986,984)	958,190	1,411,401	\$ 34.76
Quorum/Bent Tree	24,264,652	5,206,224	21.46%	(416,117)	45,363	-	\$ 26.61
West LBJ Freeway	5,148,910	1,153,768	22.41%	(274,777)	-	-	\$ 20.55
East LBJ Freeway	17,613,889	3,918,562	22.25%	(354,911)	-	107,000	\$ 26.49
DFW Freeport/Coppell	16,169,718	3,482,957	21.54%	(807,120)	460,678	569,469	\$ 25.61
Office Ctr/West LBJ Ext	18,079,610	2,974,277	16.45%	(115,097)	25,160	15,213	\$ 26.30
Urban Center/Wingren	9,805,656	2,378,362	24.26%	(296,832)	32,470	-	\$ 28.84
Ft Worth CBD	11,081,558	1,809,286	16.33%	(339,655)	-	-	\$ 27.55
Totals	262,808,649	49,535,817	18.85%	(6,151,465)	2,675,433	5,346,562	\$ 29.47

Source: CoStar Property®

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# FOCUS IN ON YOUR GOALS

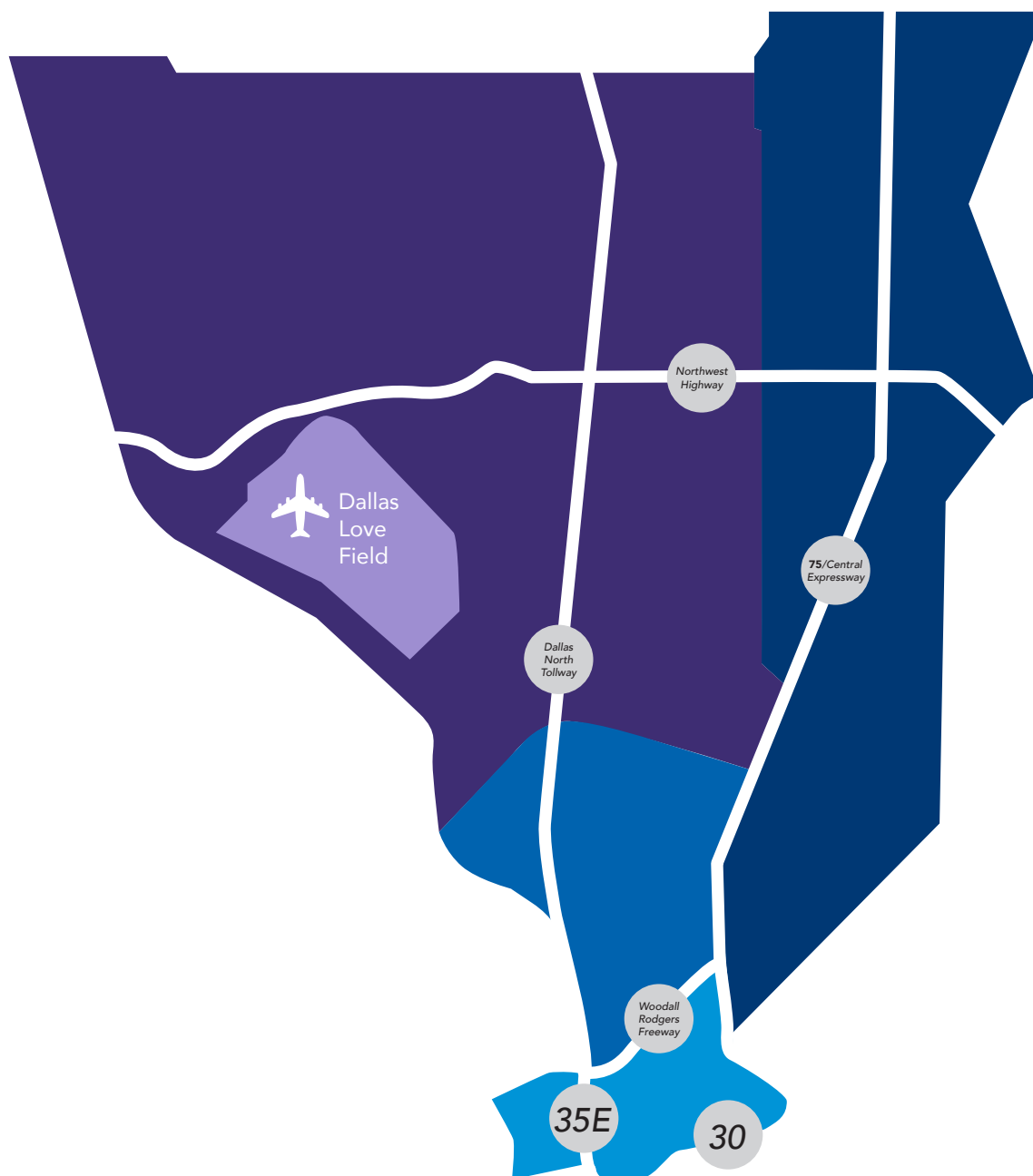
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# Dallas Central Core



## Legend

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





## Preston Center | Q1 2021

### Market Insights:

The Preston Center Submarket ended the first quarter of 2021 with a vacancy rate of 11.02%. The vacancy rate increased from the previous quarter, and the net absorption rate for last 12 months is -117,609 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$39.48/SF across all classes, increasing from \$39.31/SF in the previous quarter. New construction deliveries for the last 12 months are at 0 SF, and there is currently 615,632 SF under construction in the submarket.

Preston Center is one of the most core-like submarkets in DFW, and occupancies rarely dip below 90%. After a few years of weakness in 2016 and 2017, occupancies tightened, as the recently completed Terraces at Douglas Center (173,500 SF) leased up. Almost 80% of the submarket's RBA exceeding 50,000 SF Class A, aligning with the rate in both Uptown/Turtle Creek and the Dallas CBD. Metro wide, the figure is less than 50%. Over the last 12 months, the market has absorbed -117,609 SF while the vacancy rate has remained stable at 11.02%.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



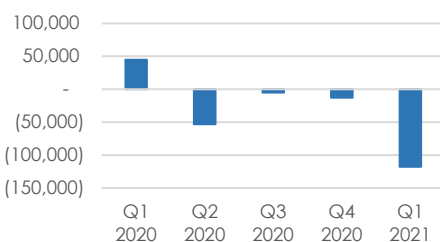
Under Construction

Absorption

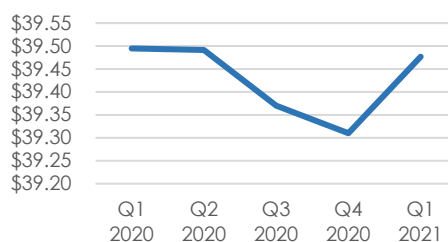


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Preston Center	6,562,229 SF	723,289 SF	11.02%	-117,609 SF	0 SF	615,632 SF	\$39.48/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

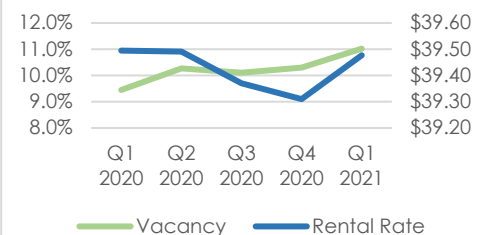
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## Central Expressway | Q1 2021

### Market Insights:

The Central Expressway Submarket ended the first quarter of 2021 with a vacancy rate of 16.42%. The vacancy rate decreased from the previous quarter, and the net absorption rate for last 12 months is -345,619 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$29.24/SF across all classes, decreasing from \$29.47/SF in the previous quarter. New construction deliveries for the last 12 months are at 223,022 SF, and there is currently 30,000 SF under construction in the submarket.

Given the continued economic uncertainty from the pandemic-induced recession, rent growth in Central Expressway has trended negative through Q1 2021. Asking rents come in at \$29.00/SF, similar to those found in the high-flying suburbs of Allen/McKinney and Urban Center/Wingren.

The highest rents in the submarket are found in Premier Place and Energy Square, where rents range from \$30.00 - \$35.00/SF NNN.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



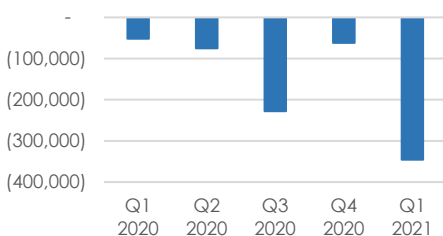
Under Construction

Absorption

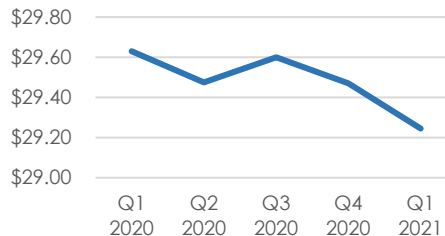


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Central Expressway	14,593,483 SF	2,396,542 SF	16.42%	-345,619 SF	223,022 SF	30,000 SF	\$29.24/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

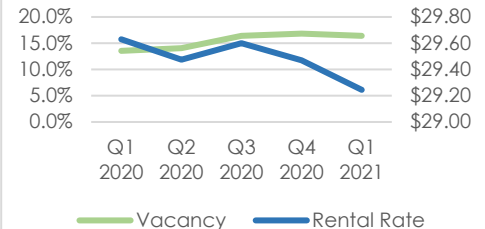
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## Uptown / Turtle Creek | Q1 2021

### Market Insights:

The Uptown / Turtle Creek Submarket ended the first quarter of 2021 with a vacancy rate of 16.53%. The vacancy rate increased from the previous quarter, and the net absorption rate for last 12 months is -440,577 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$42.01/SF across all classes, increasing from \$41.66/SF in the previous quarter. New construction deliveries for the last 12 months are at 0 SF, and there is currently 1,016,688 SF under construction in the submarket.

Occupancies tend to be much healthier in Uptown/Turtle Creek than in the overall Dallas/Fort Worth market. The spread averaged about 300 basis points for most of this the last decade. After this most recent round of spec supply, there are two significant projects in the pipeline. Construction is underway on Hillwood's Victory Commons and Kaizen Development Partners' The Link. The two buildings will add a combined 656,700 SF to the submarket.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



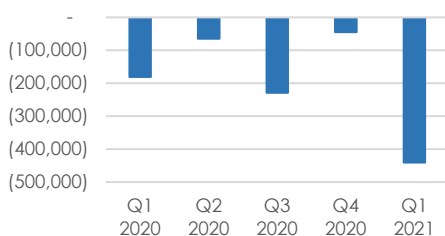
Under Construction

Absorption

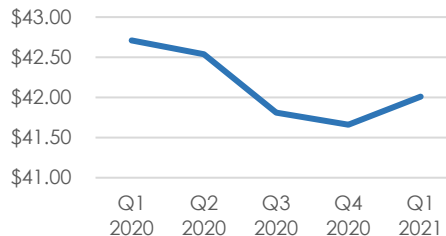


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Uptown / Turtle Creek	16,244,175 SF	2,684,350 SF	16.53%	-440,577 SF	0 SF	1,016,688 SF	\$42.01/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

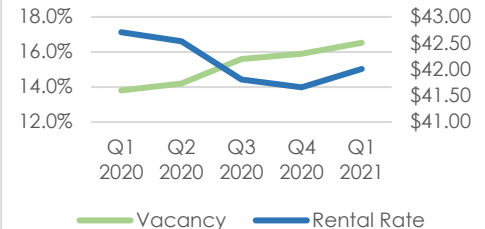
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## Dallas CBD | Q1 2021

### Market Insights:

The Dallas CBD Submarket ended the first quarter of 2021 with a vacancy rate of 25.48%. The vacancy rate increased from the previous quarter, and the net absorption rate for last 12 months is -687,295 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$26.61/SF across all classes, increasing from \$26.52/SF in the previous quarter. New construction deliveries for the last 12 months are at 0 SF, and there is currently 284,600 SF under construction in the submarket.

Business services and financial firms have been migrating north into nearby Uptown/Turtle Creek for years, but the CBD has recently recaptured some momentum. Goldman Sachs consolidated its DFW operations in 175,000 SF at the Trammell Crow Center in early 2018, moving from Las Colinas. After previously agreeing to move to The Union in Uptown, law firm Vinson & Elkins decided instead to remain at the Trammell Crow Center. Meanwhile, 1900 Pearl lease-up quickly with asking rents reaching above \$40.00/SF NNN, among the highest asking rents in the urban core.

### Q1 2021 vs Q4 2020

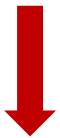
Rental Rates

Vacancy



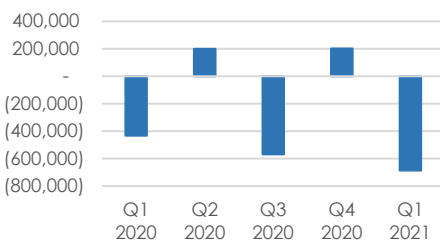
Under Construction

Absorption

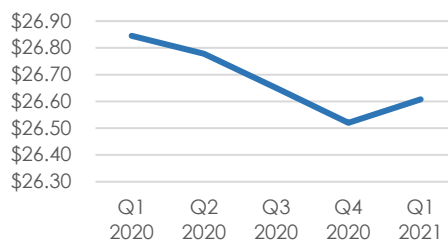


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Dallas CBD	34,210,182 SF	8,716,070 SF	25.48%	-687,295 SF	0 SF	284,600 SF	\$26.61/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

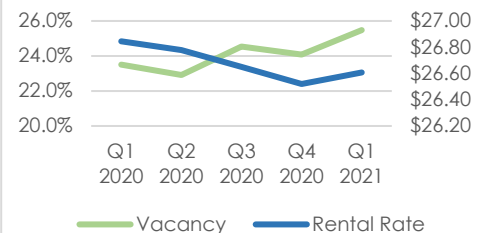
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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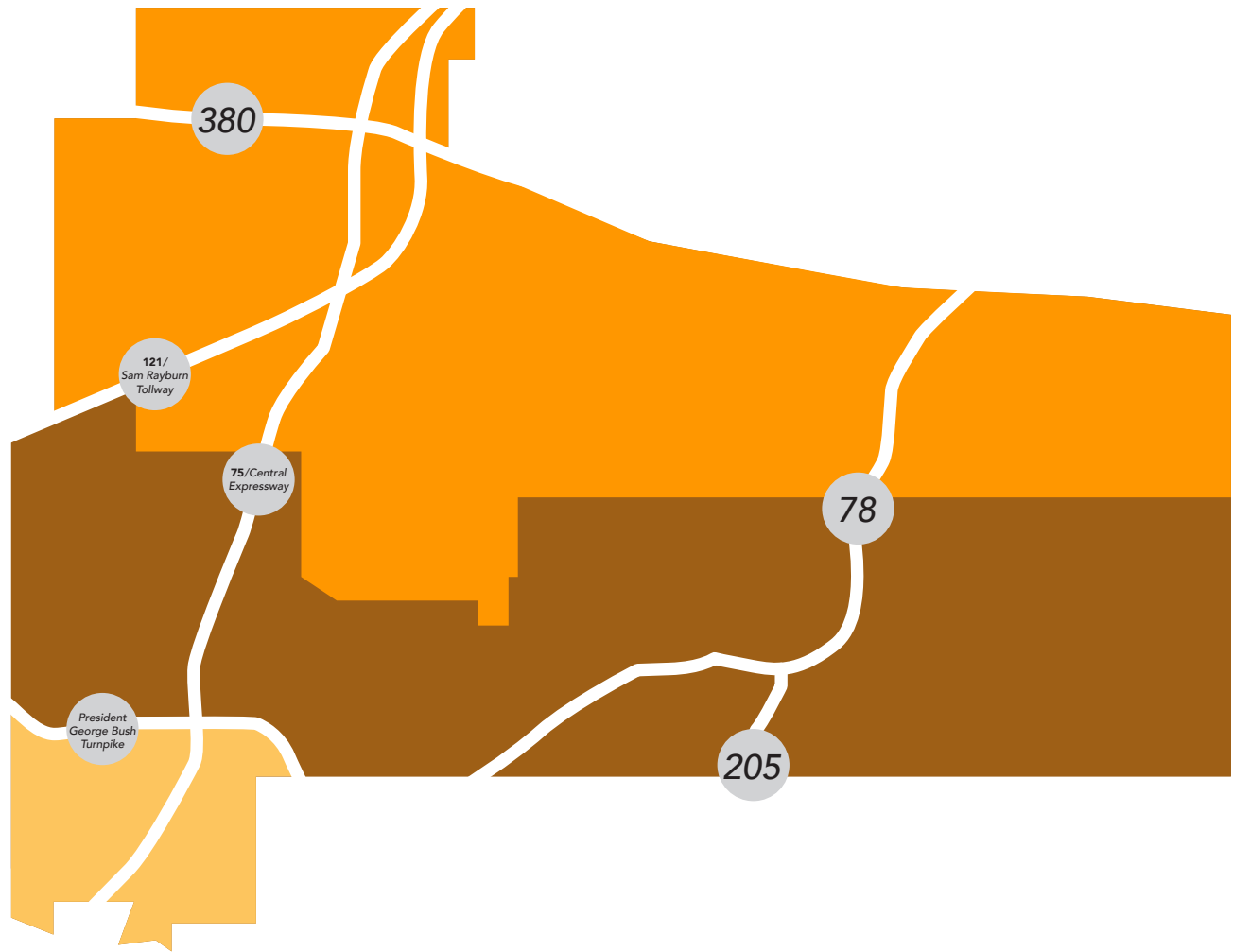
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# Upper Central Expressway



## Legend

- Allen/McKinney
- Plano
- Richardson



## Allen / McKinney | Q1 2021

### Market Insights:

The Allen / McKinney Submarket ended the first quarter of 2021 with a vacancy rate of 11.70%. The vacancy rate decreased from the previous quarter, and the net absorption rate for last 12 months is 152,649 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$31.85/SF across all classes, increasing from \$30.70/SF in the previous quarter. New construction deliveries for the last 12 months are at 548,425 SF, and there is currently 263,437 SF under construction in the submarket.

Because it contains mostly Class B assets, Allen/McKinney's rents are middle of the road compared to metro-wide rates, with rents at \$31.85/SF. Asking rates here are significantly lower than those in Upper Tollway/West Plano and Frisco/The Colony, especially on newer properties. For example, One Bethany in Allen is asking \$24.00/SF – \$26.00/SF NNN, while One Legacy West in Plano is asking \$30.00/SF – \$32.00/SF NNN and Hall Park's new spec tower is asking \$30.00/SF NNN.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



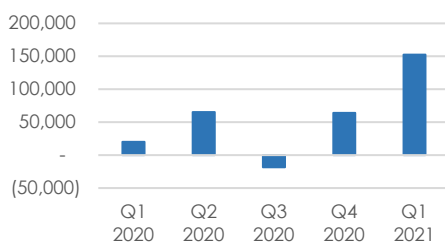
Under Construction

Absorption

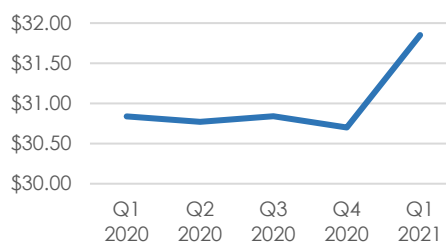


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Allen / McKinney	11,079,730 SF	1,296,661 SF	11.70%	152,649 SF	548,425 SF	263,437 SF	\$31.85/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

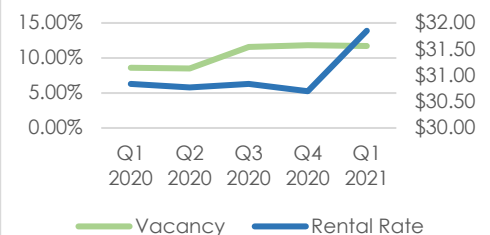
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## Plano | Q1 2021

### Market Insights:

The Plano Submarket ended the first quarter of 2021 with a vacancy rate of 18.98%. The vacancy rate increased from the previous quarter, and the net absorption rate for last 12 months is 249,834 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$26.37/SF across all classes, increasing from \$25.69/SF in the previous quarter. New construction deliveries for the last 12 months are at 0 SF, and there is currently 62,092 SF under construction in the submarket.

The Plano office submarket has not experienced the same growth as its neighbors in North Dallas and Collin County over the last decade. Most northern Dallas suburbs have enjoyed explosive job growth, coupled with strong absorption and plenty of new construction; meanwhile, the Plano Submarket has been relatively quiet. The submarket has performed in a counter-cyclical fashion, with vacancies rising until recently. There have been three leases over 20,000 SF in the last year, all located within Hall Park.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



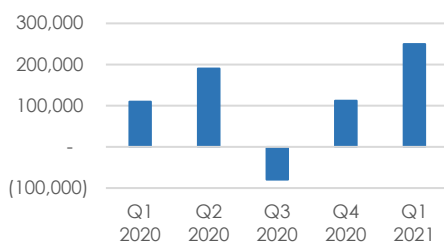
Under Construction

Absorption

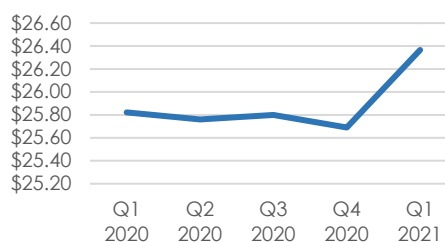


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Plano	10,318,367 SF	1,958,632 SF	18.98%	249,834 SF	0 SF	62,092 SF	\$26.37/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

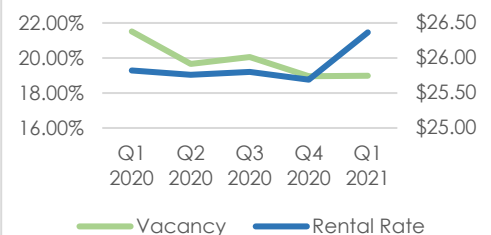
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Vacancy Vs Rental Rate



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## Richardson | Q1 2021

### Market Insights:

The Richardson Submarket ended the first quarter of 2021 with a vacancy rate of 18.94%. The vacancy rate increased from the previous quarter, and the net absorption rate for last 12 months is -635,010 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$25.12/SF across all classes, increasing from \$24.77/SF in the previous quarter. New construction deliveries for the last 12 months are at 33,391 SF, and there is currently 0 SF under construction in the submarket.

Richardson has seen some momentum in the form of firms taking satellite space to complement their core regional offices. For example, Goldman Sachs moved into its new regional office at Trammell Crow Center in the Dallas CBD in early 2018 but also took 44,000 SF at Galatyn Commons in Richardson in 2017. Similarly, Steward Health relocated its headquarters from Boston to 1900 Pearl in the Dallas CBD in early 2018 but subsequently signed on for 165,000 SF at Galatyn Commons as well.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



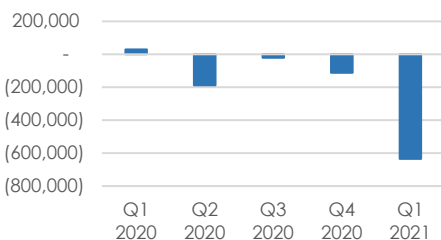
Under Construction

Absorption

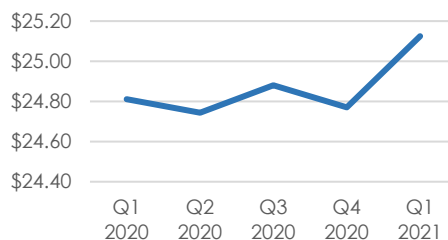


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Richardson	23,332,264 SF	4,420,064 SF	18.94%	-635,010 SF	33,391 SF	0 SF	\$25.12/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

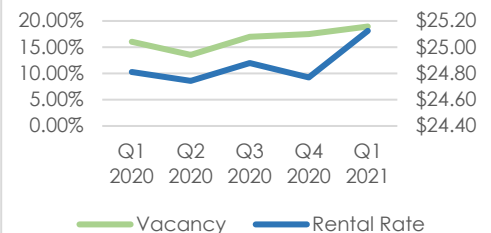
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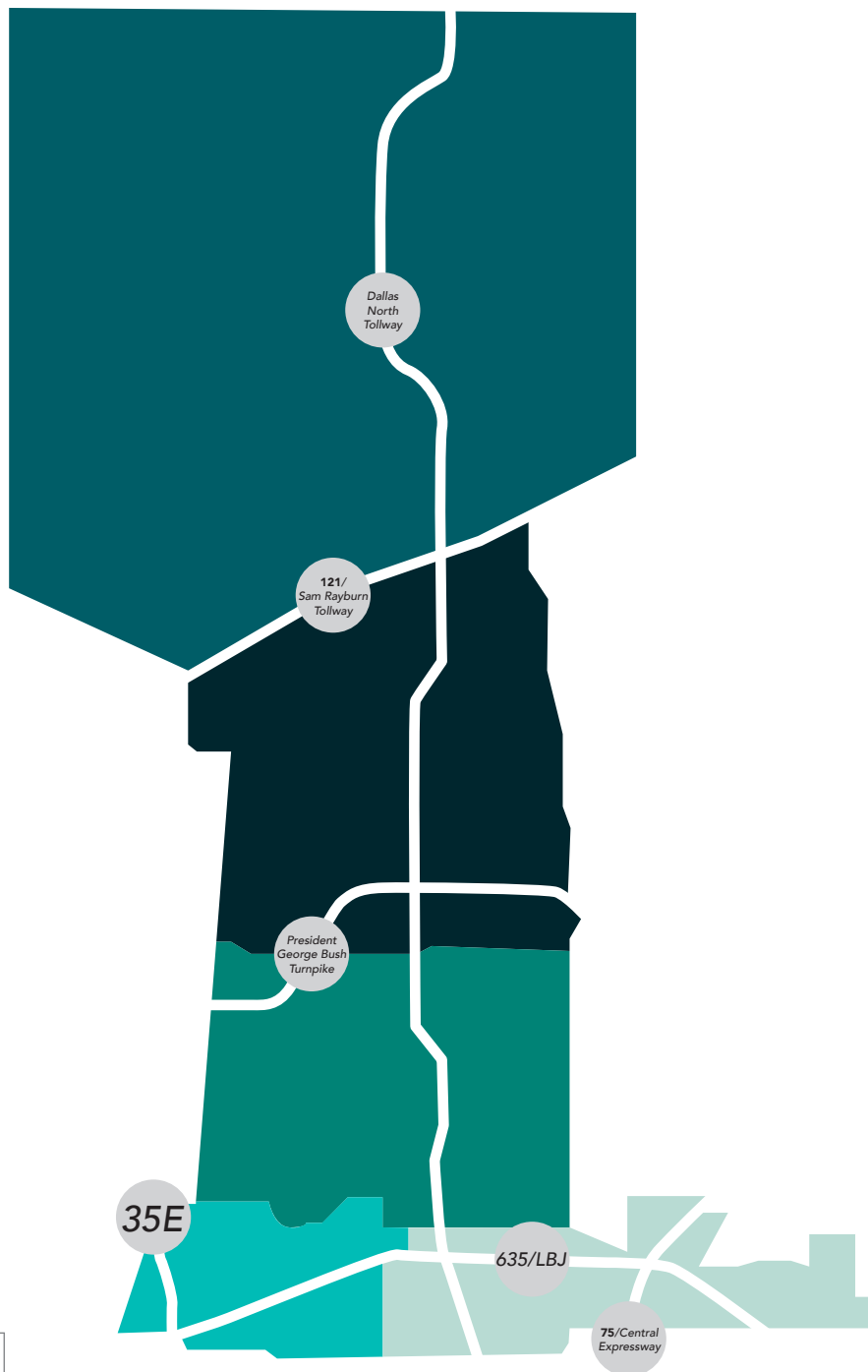
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# Far North Dallas



## Legend

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



## Frisco / The Colony | Q1 2021

### Market Insights:

The Frisco / The Colony Submarket ended the first quarter of 2021 with a vacancy rate of 13.85%. The vacancy rate decreased from the previous quarter, and the net absorption rate for last 12 months is 263,655 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$34.13/SF across all classes, increasing from \$33.44/SF in the previous quarter. New construction deliveries for the last 12 months are at 348,734 SF, and there is currently 971,030 SF under construction in the submarket.

Although construction in the Frisco/The Colony submarket has grown in recent years, vacancies trended below the metro average during the last decade due to strong demand. Vacancies typically only rise due to supply-side pressure rather than tenant move-outs. Large blocks of space remain as elusive as ever. In early 2021 there were 24 existing or under-construction buildings with more than 25,000 SF of contiguous space available. Despite the uncertainty created by the pandemic, there were 123 new or direct leases signed in 2020, totaling 467,000 SF.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



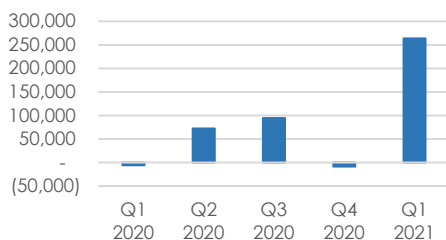
Under Construction

Absorption

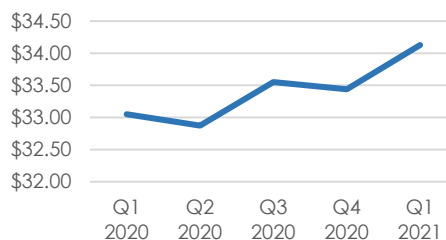


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Frisco / The Colony	8,728,788 SF	1,209,112 SF	13.85%	263,655 SF	348,734 SF	971,030 SF	\$34.13/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

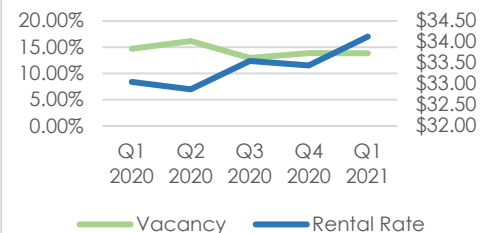
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## Upper Tollway / West Plano | Q1 2021

### Market Insights:

The Upper Tollway / West Plano Submarket ended the first quarter of 2021 with a vacancy rate of 23.97%. The vacancy rate increased from the previous quarter, and the net absorption rate for last 12 months is -1,986,984 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$34.76/SF across all classes, decreasing from \$34.77/SF in the previous quarter. New construction deliveries for the last 12 months are at 958,190 SF, and there is currently 1,411,401 SF under construction in the submarket.

Rent growth has cooled from earlier highs, likely a reaction to the speculative construction that has been delivered here and in Frisco. Rent growth in the submarket is trending flat at -1.0% annually. The average asking rents, just under \$35.00/SF, are slightly above those in neighboring Frisco/The Colony and are the highest in the metroplex among suburban submarkets. The highest rents are found in the northern part of the submarket along the North Dallas Tollway and the Sam Rayburn Tollway in the Legacy Town Center Development, where rents can reach as high as \$38.00 - \$40.00/SF.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



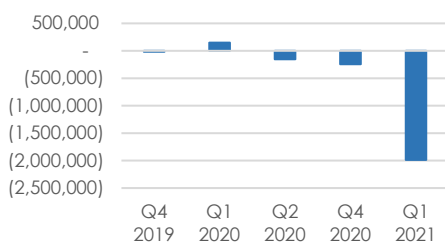
Under Construction

Absorption

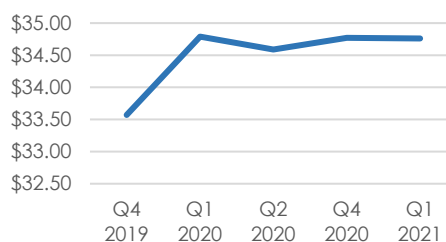


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Upper Tollway / West Plano	35,575,438 SF	8,526,009 SF	23.97%	-1,986,984 SF	958,190 SF	1,411,401 SF	\$34.76/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

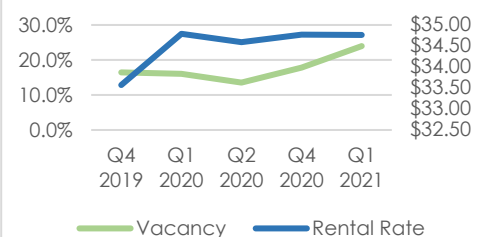
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## Quorum / Bent Tree | Q1 2021

### Market Insights:

The Quorum / Bent Tree Submarket ended the first quarter of 2021 with a vacancy rate of 21.46%. The vacancy rate increased from the previous quarter, and the net absorption rate for last 12 months is -416,117 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$26.61/SF across all classes, increasing from \$26.33/SF in the previous quarter. New construction deliveries for the last 12 months are at 45,363 SF, and there is currently 0 SF under construction in the submarket.

At \$26.61/SF, rent levels in Quorum/Bent Tree are in line with those in other inner-ring suburban Dallas submarkets with 1980s-heavy inventory like Office Center/West LBJ, East LBJ Freeway, and Richardson.

Quorum/Bent Tree is one of the most actively traded submarkets in the metroplex. The submarket has averaged roughly 2 Million SF in annual turnover since 2013. Pricing is similar to other suburban submarkets with a high concentration of 1980s-era stock like Urban Center/Wingren and Office Center/West LBJ.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



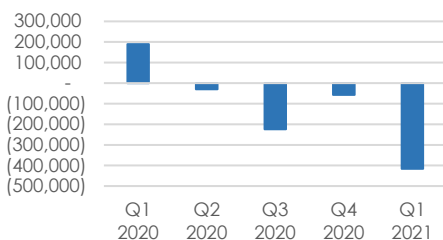
Under Construction

Absorption

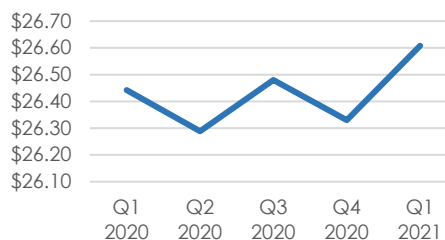


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Quorum / Bent Tree	24,264,652 SF	5,206,224 SF	21.46%	-416,117 SF	45,363 SF	0 SF	\$26.61/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

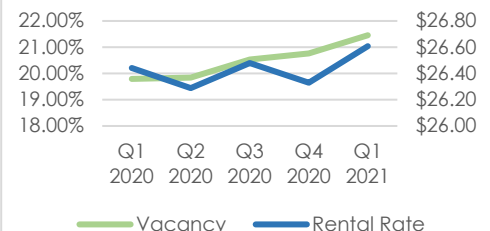
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## West LBJ Freeway | Q1 2021

### Market Insights:

The West LBJ Freeway Submarket ended the first quarter of 2021 with a vacancy rate of 22.41%. The vacancy rate increased from the previous quarter, and the net absorption rate for last 12 months is -274,777 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$20.55/SF across all classes, increasing from \$20.49/SF in the previous quarter. New construction deliveries for the last 12 months are at 0 SF, and there is currently 0 SF under construction in the submarket.

At \$20.55/SF asking rents in West LBJ are some of the lowest in the entire metroplex, falling in line with submarkets like Stemmons Freeway, HEB/Mid-Cities, and South Irving. After rent growth far outperformed the metro average in 2017, it moderated in the past few years. Annual rent growth has been flat at 0.6%. Rents are being pulled down by Class B assets, while Class A properties are propping up pricing, a trend that mirrors the metro level. With vacancies at 22.4% and plenty of options for tenants seeking space in mid-Tollway submarkets like Quorum/Bent Tree and East LBJ, rent growth will remain muted in West LBJ in the near term.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



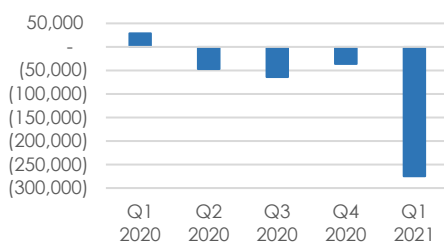
Under Construction

Absorption

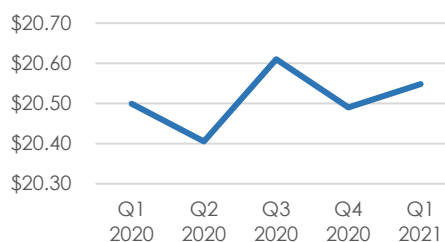


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
West LBJ Freeway	5,148,910 SF	1,153,768 SF	22.41%	-274,777 SF	0 SF	0 SF	\$20.55/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

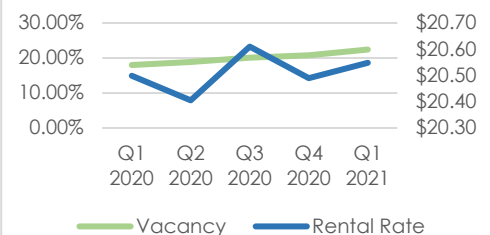
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## East LBJ Freeway | Q1 2021

### Market Insights:

The East LBJ Freeway Submarket ended the first quarter of 2021 with a vacancy rate of 22.25%. The vacancy rate increased from the previous quarter, and the net absorption rate for last 12 months is -354,911 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$26.49/SF across all classes, increasing from \$26.27/SF in the previous quarter. New construction deliveries for the last 12 months are at 0 SF, and there is currently 107,000 SF under construction in the submarket.

While the submarket has seen some big move-outs, much of the vacated space has been backfilled. For example, in the submarket's largest move-out this decade, FedEx Office vacated Three Galleria Tower in 2015 for a build-to-suit across from Toyota's new headquarters in Legacy West, leaving behind approximately 200,000 SF. In March 2017, Amazon's operations division signed on to take nearly 90,000 SF of that space, roughly doubling its footprint in the Galleria. Ansira Partners agreed to take about 90,000 SF for itself.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



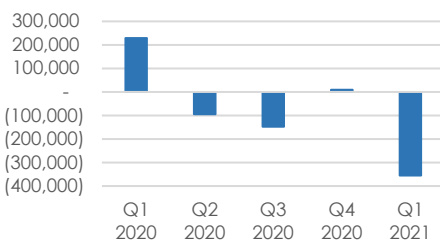
Under Construction

Absorption

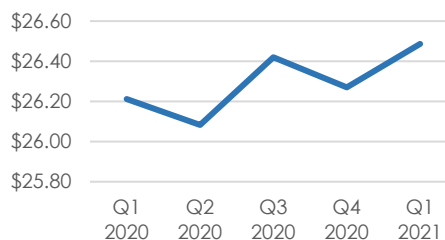


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
East LBJ Freeway	17,613,889 SF	3,918,562 SF	22.25%	-354,911 SF	0 SF	107,000 SF	\$26.49/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

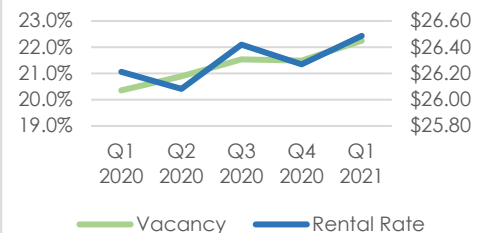
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



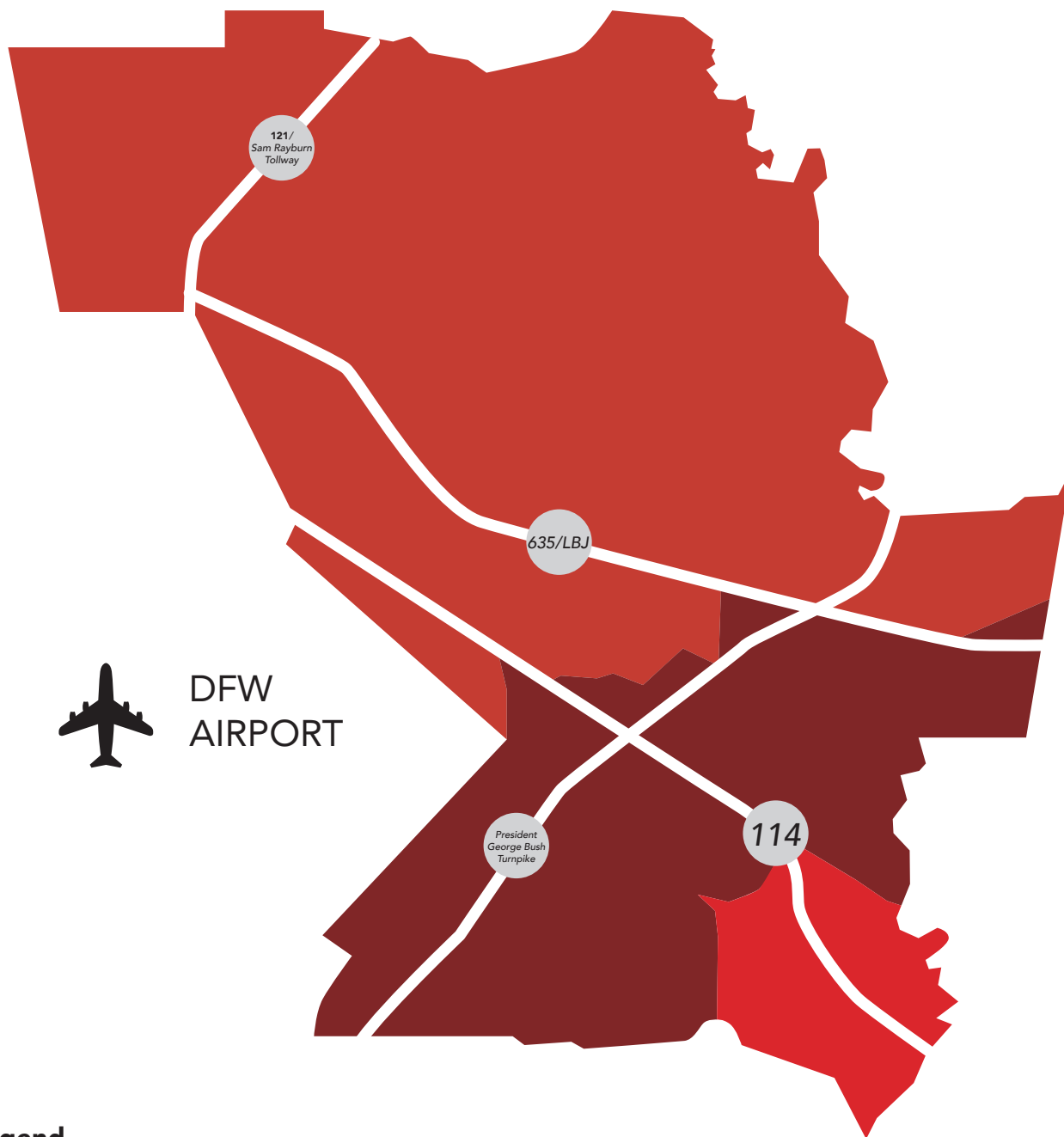
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# Las Colinas Office Market



## Legend

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



## DFW Freeport / Coppell | Q1 2021

### Market Insights:

The DFW Freeport / Coppell Submarket ended the first quarter of 2021 with a vacancy rate of 21.54%. The vacancy rate increased from the previous quarter, and the net absorption rate for last 12 months is -807,120 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$25.61/SF across all classes, increasing from \$25.57/SF in the previous quarter. New construction deliveries for the last 12 months are at 460,678 SF, and there is currently 569,469 SF under construction in the submarket.

The DFW Freeport/Coppell submarket is seeing softening rent growth in the wake of the recession and pandemic. Office tenants are re-evaluating the space they require, and the lack of travel is dissuading tenants from taking more space near DFW Airport. Rents in DFW Freeport/Coppell were quick to recover from the great recession and rent growth has generally outperformed the metro average over the last decade. Other Las Colinas submarkets such as Office Center/West LBJ and Urban Center/Wingren have also outperformed the metro in recent quarters.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



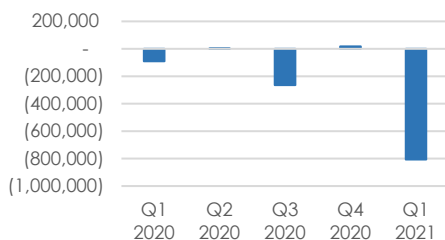
Under Construction

Absorption

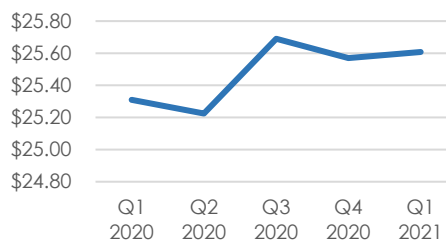


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
DFW Freeport / Coppell	16,169,718 SF	3,482,957 SF	21.54%	-807,120 SF	460,678 SF	569,469 SF	\$25.61/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

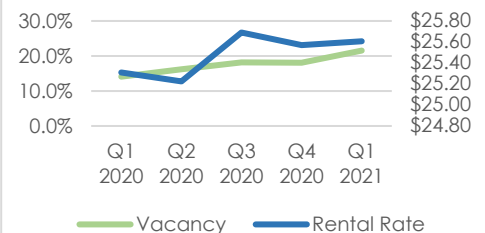
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## Office Center / West LBJ Ext | Q1 2021

### Market Insights:

The Office Center / West LBJ Ext Submarket ended the first quarter of 2021 with a vacancy rate of 16.45%. The vacancy rate decreased from the previous quarter, and the net absorption rate for last 12 months is -115,097 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$26.30/SF across all classes, increasing from \$26.16/SF in the previous quarter. New construction deliveries for the last 12 months are at 25,160 SF, and there is currently 15,213 SF under construction in the submarket.

Rent growth over the last decade has generally followed the strength or weakness of absorption in this submarket. Despite weak absorption as of late, rent growth has roughly matched the metro average over the past few quarters. Rent growth has performed similarly to the other Las Colinas submarkets of Urban Center/Wingren and DFW Freeport/Coppell.

At \$26.30/SF, asking rents in Office Center/West LBJ are slightly below the rest of the metroplex. Since the submarket primarily consists of 80's-era stock, rents top out at less than \$30.00/SF +E for non-medical office buildings.

### Q1 2021 vs Q4 2020

#### Rental Rates



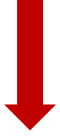
#### Vacancy



#### Under Construction

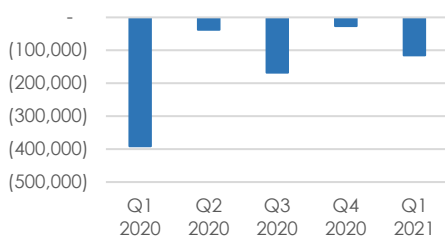


#### Absorption

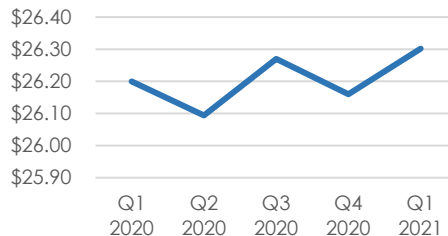


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Office Center / West LBJ Ext	18,079,610 SF	2,974,277 SF	16.45%	-115,097 SF	25,160 SF	15,213 SF	\$26.30/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

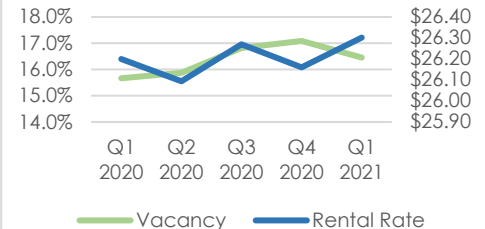
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## Urban Center / Wingren | Q1 2021

### Market Insights:

The Urban Center / Wingren Submarket ended the first quarter of 2021 with a vacancy rate of 24.26%. The vacancy rate increased from the previous quarter, and the net absorption rate for last 12 months is -296,832 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$28.84/SF across all classes, decreasing from \$28.86/SF in the previous quarter. New construction deliveries for the last 12 months are at 32,470 SF, and there is currently 0 SF under construction in the submarket.

At just under \$29.00/SF, asking rents in Urban Center/Wingren are higher than those in the other Las Colinas submarkets, DFW Freeport/Coppell and Office Center/West LBJ. Many of the class A buildings are well over \$32.00 - \$35.00/SF, with the highest asking rents found in newer or recently renovated products.

After underperforming the rest of the metroplex since 2015, rent growth turned a corner in 2018 - 2019. Over the last 12 months, rental growth has remained negative at -1.8%.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



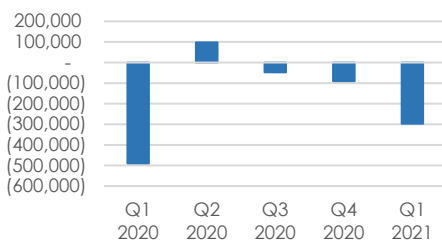
Under Construction

Absorption

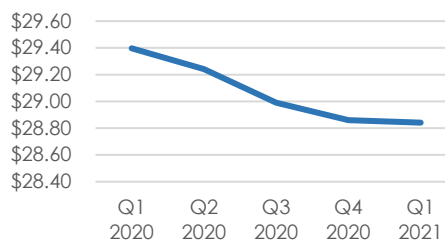


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Urban Center / Wingren	9,805,656 SF	2,378,362 SF	24.26%	-296,832 SF	32,470 SF	0 SF	\$28.84/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

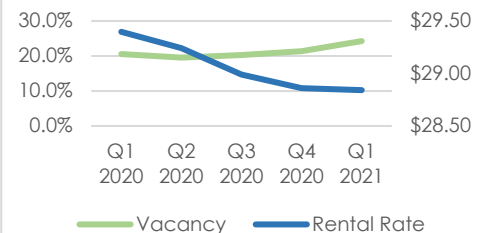
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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# Fort Worth CBD



## Ft Worth CBD | Q1 2021

### Market Insights:

The Ft Worth CBD Submarket ended the first quarter of 2021 with a vacancy rate of 16.33%. The vacancy rate increased from the previous quarter, and the net absorption rate for last 12 months is -339,655 SF at the end of Q1 2021.

Rental rates ended the first quarter at \$27.55/SF across all classes, increasing from \$27.49/SF in the previous quarter. New construction deliveries for the last 12 months are at 0 SF, and there is currently 0 SF under construction in the submarket.

Buoyed by firm leasing activity, rents in the Fort Worth CBD continued to rise through the energy bust. However, unlike premier submarkets on the Dallas side of the metroplex, rent growth never experienced a major surge, settling in at around \$27.50/SF.

Rent growth was roughly equal to the metro average of about 2.5% over the past two years. Class A assets are experiencing greater levels of growth, pushing up nearly 3% through early 2020. These assets are hovering around \$32.50/SF, closer to the submarkets like Frisco/The Colony and Upper Tollway/West Plano.

### Q1 2021 vs Q4 2020

Rental Rates

Vacancy



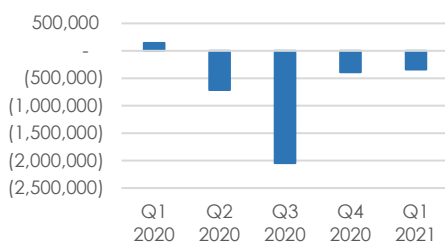
Under Construction

Absorption

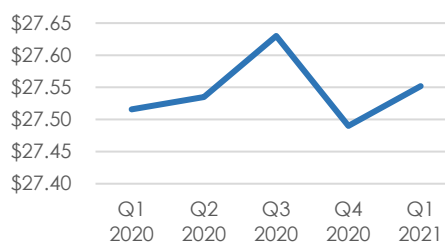


	Inventory	Total Vacancy SF	Vacancy Rate	12 Month Net Absorption	12 Month Deliveries	Under Construction	Rates - All Classes
Ft Worth CBD	11,081,558 SF	1,809,286 SF	16.33%	-339,655 SF	0 SF	0 SF	\$27.55/SF
Dallas / Fort Worth Total	262,808,649 SF	49,535,817 SF	18.85%	-6,151,465 SF	2,675,433 SF	5,346,562 SF	\$29.47/SF

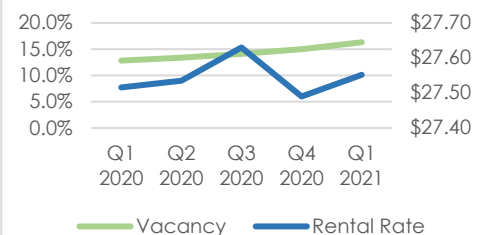
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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