



W H I T E B X

REAL ESTATE

Q4 2018

INDUSTRIAL
MARKET BEAT

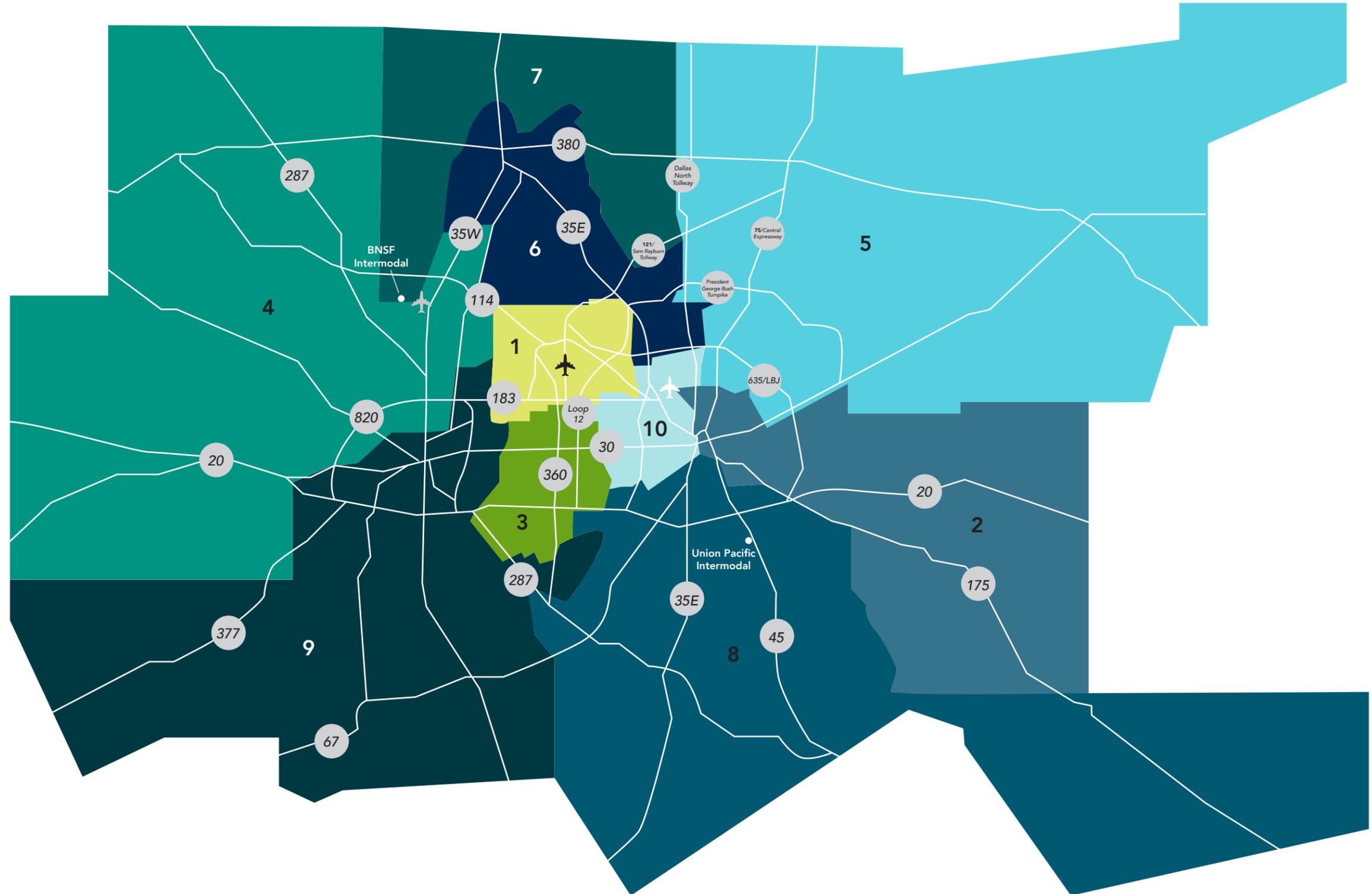


MARKET BEAT

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DFW Industrial Market Overview



Legend

- 1 - DFW Airport
- 2 - East Dallas Ind
- 3 - Great SW/Arlington Ind
- 4 - North Ft. Worth/Alliance
- 5 - Northeast Dallas
- 6 - Valwood/Lewisville
- 7 - NW Dallas Outlying Ind
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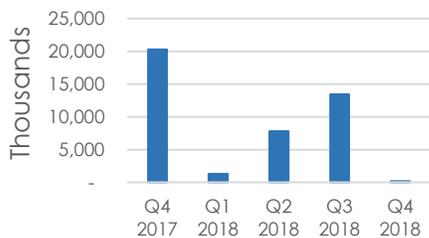


INDUSTRIAL OVERVIEW | Q4 2018

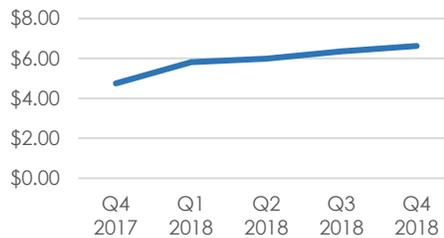
Economic Overview

The Texas economy continued to grow for yet another quarter, and December marked the 30th consecutive month for positive job growth in the State of Texas, according to the Texas Workforce Commission. Over the last twelve months, 391,800 nonfarm jobs have been added. This marked a new high of 12,744,100 nonfarm jobs in the state (an annual growth rate of 3.2%). December was the 104th consecutive month of annual growth. Unemployment for the State of Texas held flat at 3.7% (down 0.3% from December of 2017). The United States unemployment rate increased by 0.2% to 3.9%, but this was still down 0.2% for the year. Ten out of eleven major industries expanded of over 2018, and the private sector continues to add a majority of the jobs. The Dallas Federal Reserve reported, "While the level of activity generally remained healthy, growth decelerated broadly across the manufacturing, services, retail, and energy sectors." The Fed went on to note that the forecast is less optimistic than previous reports and cited "declining oil prices, political and trade uncertainty, higher interest rates, and stock market volatility." Nonetheless, employment has continued to expand in spite of labor shortages. The Dallas-Fort Worth (DFW) labor market grew by 3.2% by adding 117,900 jobs over the last 12 months (223 per day). The unemployment rate for DFW has held relatively flat at 3.25%. Dallas-Plano-Irving tied with Austin for the 3rd fastest growing MSA in the state (on a percentage basis), but Fort Worth-Arlington added 7,300 new jobs in December which is the largest monthly increase it has seen since 1990.

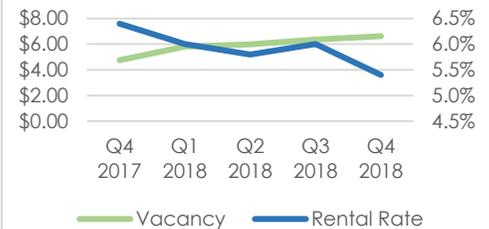
Net Absorption



LEASING ACTIVITY



Vacancy Vs Rental Rate



Tenant Outlook

Net absorption for the fourth quarter totaled 6,403,820 square feet (SF) for warehouse and flex product combined, for a total of 20,225,519 SF of absorption year-to-date. Warehouse absorption comprised the bulk of it at 18,555,652 SF year-to-date.

The average rental rate for Industrial product increased \$0.06 per square foot from the previous quarter to \$6.42 per square foot per year at the end of the 2018. Average warehouse rates rose 1.56% from the previous quarter to \$5.20 per square foot per year.

The vacancy rate in DFW increased to 6.2%, up slightly from 6.0% the previous quarter. Warehouse vacancy increased to 6.1% from 5.0% the previous quarter.

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Total Industrial sublease vacancy decreased 21.36% from the third quarter to 2,026,821 SF. Warehouse sublease vacancy decreased 26.4% to a total of 1,710,707 at the end of 2018.

7,037,754 SF of new industrial space was delivered in the fourth quarter of 2018 for a total of 36 buildings. Approximately 14% of the new development year-to-date was comprised of single tenant facilities.

19,618,095 SF of new industrial space was under construction by the end of 2018, of which warehouse new construction comprises 18,882,187 SF. The largest projects under construction at the end of 2018 were Interchange 20/45 – Building 1 (E Cleveland Rd.), a 1,138,320 SF facility delivering in late 2019 the is being marketed for pre-lease (South Dallas Industrial Submarket) and the General Motors Assembly Plant Expansion of 1,000,000 (Great SW/Arlington) delivering in early 2019.

Investor Outlook

Industrial building sales activity increased in number of sales from the second quarter of 2018. The third quarter of 2018 recorded 21 industrial sales for a total of 2,717,034 square feet at an average of \$81.23 per square foot for a total of \$220,707,840. In comparison, the second quarter of 2018 recorded 14 industrial sales for a total of 3,555,510 square feet at an average of \$61.06 per square foot for a total of \$217,087,826, and the first quarter of 2018 recorded 14 industrial sales for a total of 1,830,032 square feet at an average of \$56.21 per square foot for a total of \$121,161,558. In the first nine months of 2018 there have been 50 industrial sales at an average of \$69.08 per square foot for a total of \$561,957,224 compared to 83 industrial sales at an average of \$62.91 per square foot for a total of \$761,405,409 for the same period in 2017. Cap rates have compressed averaging 7.16% for the nine months of 2018 compared to 7.87% in the previous year. One of the largest industrial sale transactions in the last twelve months was the sale of the 1,499,570 square foot Commerce 45 in Hutchins, TX (South Dallas Industrial). The building was sold for \$81,450,000 or \$54.32/SF (5.0% cap rate).

Looking Forward

2019 looks to be a very good year for DFW, but the growth that has been experienced over the last seven years has appeared to slow. There are many external forces (oil, politics, tariffs, interest rates, stock market volatility) that have stalled the explosive growth DFW has experienced. On a micro level, much of the slowdown is attributed to the lack of labor supply. There is a true war for talent, and we continue to monitor this closely. Despite the slowed growth, the economy continues to grow, and we feel the fundamentals for Dallas-Fort Worth continue to be positive and the outlook for 2019 is positive.

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Market	Existing Inventory		Vacancy		YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates	
	# Blds	Total RBA	Direct SF	Total SF					Vac %
Allen/McKinney Ind	292	12,369,938	458,054	466,609	3.8%	601,773	800,362	223,308	\$ 7.61
Arlington Ind	643	23,828,711	1,142,527	1,160,267	4.9%	2,116,553	475,468	1,070,680	\$ 5.63
Central East Dallas .	953	20,170,281	462,947	480,797	2.4%	(29,977)	0	0	\$ 6.88
Delta County Ind	5	147,519	5,620	5,620	3.8%	1,800	0	0	\$ -
Denton Ind	369	13,108,277	483,070	516,570	3.9%	438,074	495,180	94,000	\$ 6.25
E DFW Air/Las Colina.	446	59,001,769	4,449,208	4,778,358	8.1%	1,679,729	3,257,364	517,887	\$ 6.94
East Brookhollow Ind	302	9,655,814	299,175	299,175	3.1%	234,559	380,000	0	\$ 13.47
East Dallas/Mesquite.	632	22,158,450	1,855,328	1,874,410	8.5%	167,314	520,666	1,873,009	\$ 6.17
East Ft Worth Ind	1,021	25,738,810	930,592	996,892	3.9%	(6,785)	9,000	40,600	\$ 5.83
East Hines North Ind	928	22,189,987	830,805	927,472	4.2%	(396,175)	7,670	0	\$ 6.53
Eastern Lonestar/Tpk.	535	26,608,809	1,604,381	1,836,259	6.9%	(308,811)	16,000	1,305,464	\$ 4.58
Forney/Terril/Kauf C.	369	9,292,735	289,810	289,810	3.1%	(8,572)	0	0	\$ 4.28
Henderson County Ind	124	1,679,944	69,766	69,766	4.2%	(23,879)	0	0	\$ 3.56
Hood County Ind	129	1,104,483	19,130	19,130	1.7%	51,307	0	0	\$ 17.15
Hunt County Ind	171	7,361,687	484,466	484,466	6.6%	206,835	36,600	0	\$ 7.84
Johnson County Ind	489	10,438,950	224,117	224,117	2.1%	139,225	191,200	49,649	\$ 6.92
Lewisville Ind	416	27,168,482	1,405,813	1,415,813	5.2%	474,725	878,388	1,425,236	\$ 7.91
Lower Great Southwes.	589	37,026,794	946,913	946,913	2.6%	(91,662)	0	2,456,346	\$ 5.93
Mansfield Ind	182	5,565,268	32,124	32,124	0.6%	149,634	0	0	\$ 4.72
Meacham Fld/Fossil C.	634	43,789,175	2,126,734	2,164,734	4.9%	854,358	1,380,155	638,029	\$ 5.91
Metropolitan/Addison.	518	21,688,465	1,586,158	1,670,826	7.7%	(421,972)	0	10,800	\$ 8.37
N Central Ft Worth I.	509	11,437,293	394,155	398,155	3.5%	(219,244)	0	0	\$ 6.97
N Stemmons/Valwood I.	817	51,762,437	1,873,682	2,046,642	4.0%	455,981	235,900	768,996	\$ 5.82
NE Dallas/Garland In.	1,481	53,005,596	2,605,811	3,075,011	5.8%	1,177,539	789,400	387,298	\$ 5.29
NE Tarrant/Alliance .	434	43,656,378	3,032,962	3,052,962	7.0%	1,971,371	2,589,155	1,472,965	\$ 7.60
North Trinity Ind	955	13,791,965	861,993	871,393	6.3%	(144,885)	0	0	\$ 12.58
NW Dallas Outlying I.	175	5,506,023	1,273,200	1,273,200	23.1%	246,274	1,222,700	0	\$ 7.71
Outlying Collin Cnty.	94	1,479,619	168,359	168,359	11.4%	37,909	116,000	42,000	\$ 11.45
Outlying Ellis Cnty .	379	12,562,302	379,264	379,264	3.0%	(137,672)	0	0	\$ 4.44
Outlying Kaufman Cnt.	46	576,515	135,682	135,682	23.5%	3,328	7,500	0	\$ 4.19
Parker County Ind	282	3,829,909	186,522	186,522	4.9%	31,530	42,900	0	\$ 7.17
Plano Ind	541	23,364,482	1,310,528	1,394,320	6.0%	543,642	262,078	321,516	\$ 10.76
Redbird Airport Ind	268	20,468,749	516,316	516,316	2.5%	211	154,960	0	\$ 3.85
Richardson Ind	407	18,665,573	1,040,280	1,067,905	5.7%	95,651	0	565,269	\$ 8.60
Rockwall Ind	155	3,876,994	46,442	46,442	1.2%	12,734	0	650,000	\$ 7.82
S Cen.Tarrant Cnty I.	443	23,957,826	1,166,093	1,166,093	4.9%	1,249,215	327,006	757,745	\$ 7.93
S Central Ft Worth I.	544	11,100,060	176,678	183,031	1.6%	37,290	0	0	\$ 6.03
SE Dallas/I-45 Ind	522	41,727,287	9,168,087	9,168,087	22.0%	3,162,425	5,899,263	2,640,319	\$ 3.75
Southwest Tarrant In.	187	2,880,186	381,571	428,271	14.9%	(72,984)	48,610	0	\$ 7.91
SW Dallas/US 67 Ind	551	31,036,173	2,841,046	2,841,046	9.2%	2,017,974	2,256,880	0	\$ 4.00
Upper Great Southwes.	596	53,063,513	3,330,010	3,421,918	6.4%	3,950,928	1,326,518	1,993,029	\$ 5.36
W DFW Air/Grapevine .	481	20,093,732	1,049,355	1,112,584	5.5%	397,232	646,796	67,750	\$ 8.11
West Brookhollow Ind	1,438	42,174,077	1,132,069	1,208,383	2.9%	(451,572)	0	0	\$ 6.76
West Hines North Ind	366	7,625,669	152,933	154,883	2.0%	48,314	0	0	\$ 6.36
West Tarrant Ind	146	4,744,827	127,770	127,770	2.7%	213,834	90,000	25,000	\$ 7.70
Western Lonestar/Tpk.	225	7,742,766	1,124,250	1,124,250	14.5%	(376,735)	698,933	201,200	\$ 4.57
Wise County Ind	139	1,934,199	105,166	105,166	5.4%	147,176	124,593	20,000	\$ 6.63
Totals	21,928	912,158,498	54,286,962	56,313,783	6.2%	20,225,519	25,287,245	19,618,095	\$ 6.42

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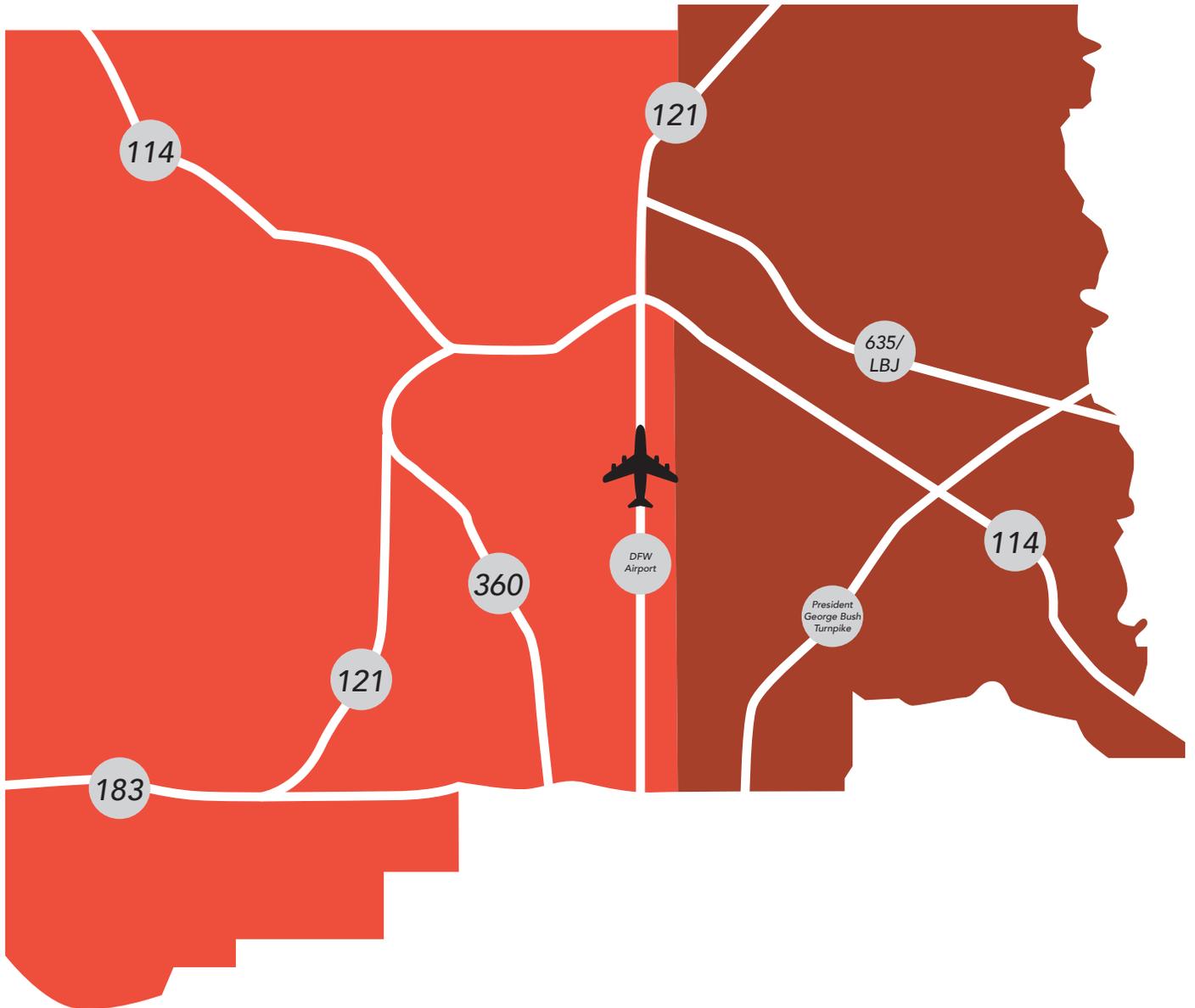
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DFW Airport Industrial Market



Legend

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



W DFW Airport/Grapevine | Q4 2018

Market Insights:

The W DFW Airport/Grapevine Submarket ended the fourth quarter of 2018 with a vacancy rate of 5.54%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of 397,232 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$8.11/SF across all classes, decreasing from \$7.79/SF in the previous quarter. New construction deliveries increased from 322,110 SF to 646,796 SF, and there is currently 67,750 SF under construction in the submarket.

There are roughly 10 industrial tenants that occupy more than 200,000 SF of space in the submarket. The largest recent lease involved Hotel supplier American Hotel Register Company, which took 215,000 SF at the newly built International Logistics Center in late 2018.

Market Snapshot

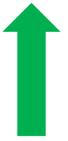
Rental Rates

Vacancy



Under Construction

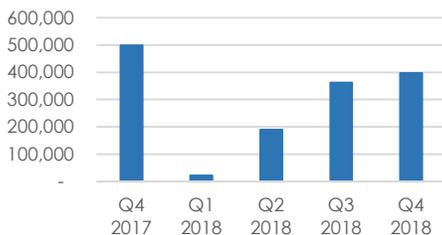
Inventory



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
W DFW Airport/ Grapevine	20,093,732 SF	1,112,584 SF	5.54%	397,232 SF	646,796 SF	67,750 SF	\$8.11/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF

Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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E DFW Airport/Las Colinas | Q4 2018

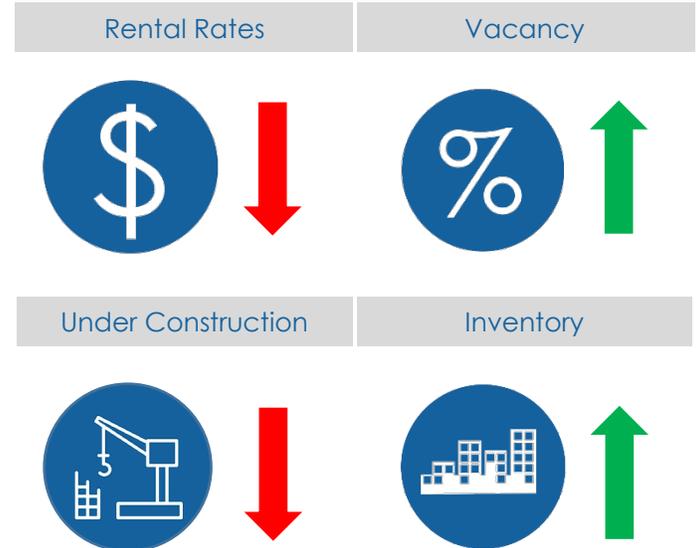
Market Insights:

The E DFW Airport/Las Colinas Submarket ended the fourth quarter of 2018 with a vacancy rate of 8.10%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of 1,679,729 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$6.94/SF across all classes, decreasing from \$6.96/SF in the previous quarter. New construction deliveries decreased from 951,228 SF to 3,257,364 SF, and there is currently 517,887 SF under construction in the submarket.

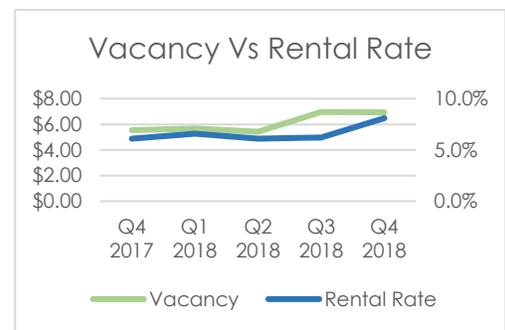
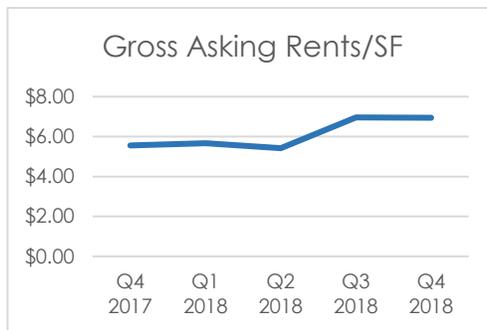
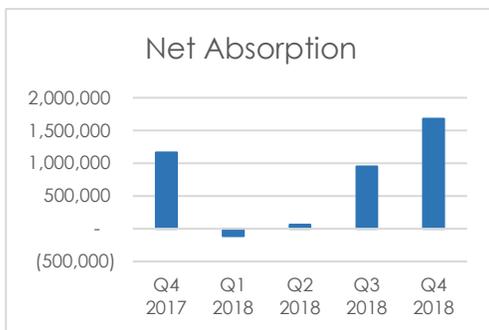
Amazon alone has moved into 3.5 million SF here since 2013, including more than 1.6 million SF in two separate facilities in 17Q4. But it's not just Amazon driving this submarket: More than 100 tenants have signed leases for 100,000 SF or more since 2010, making this one of the most active submarkets for industrial leasing in the metroplex.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
E DFW Airport/Las Colinas	59,001,769 SF	4,778,358 SF	8.10%	1,679,729 SF	3,257,364 SF	517,887 SF	\$6.94/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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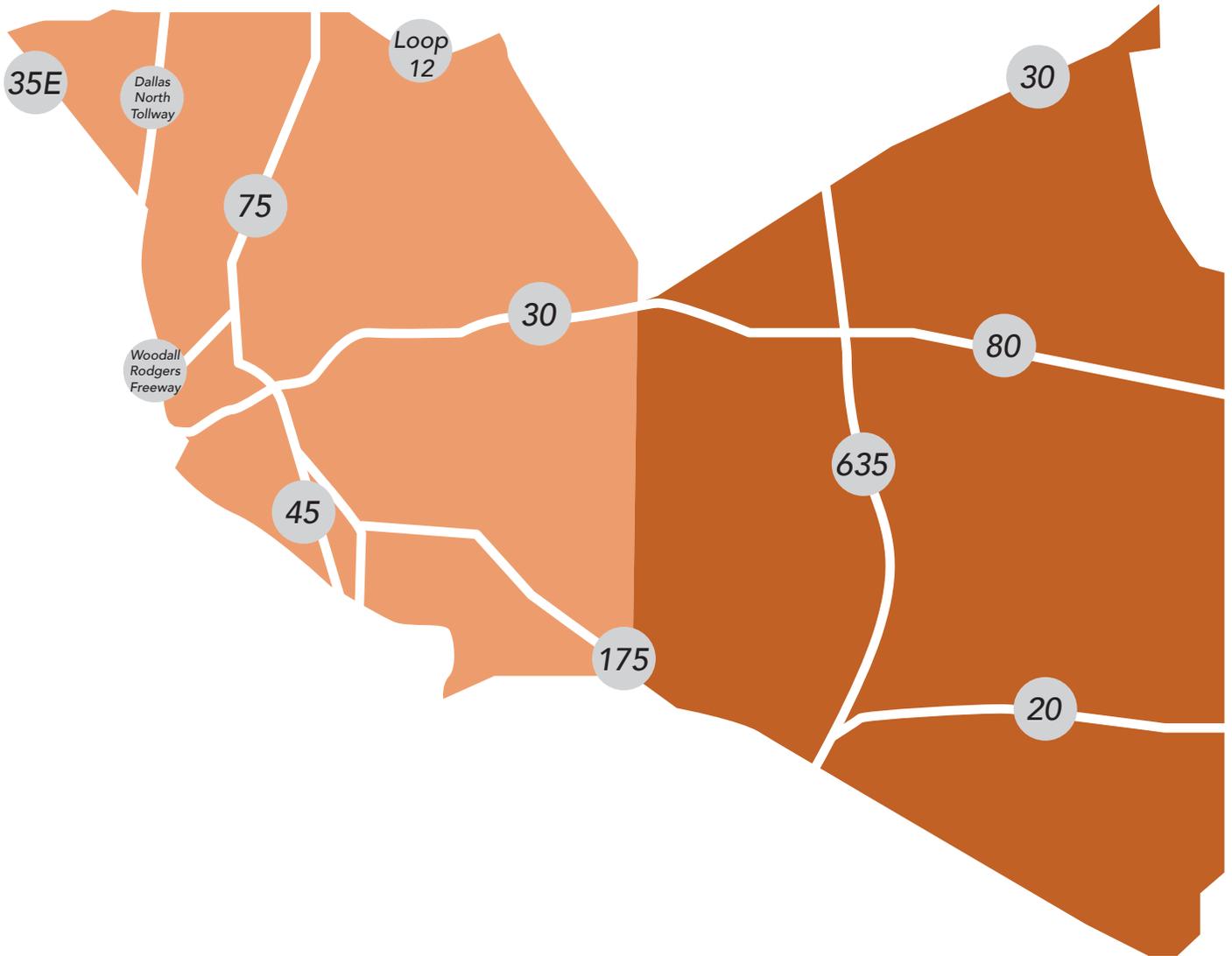
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East Dallas Industrial Market



Legend

- Central East Dallas Ind
- East Dallas Mesquite Ind



Central East Dallas | Q4 2018

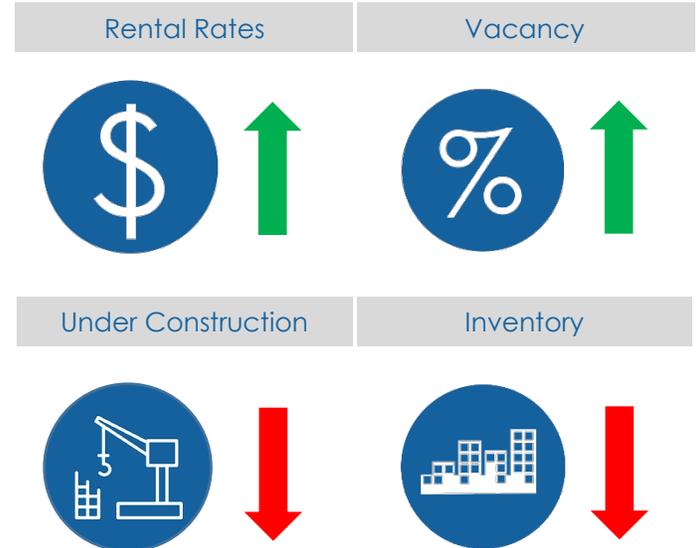
Market Insights:

The Central East Dallas Submarket ended the fourth quarter of 2018 with a vacancy rate of 2.38%. The vacancy rate increased from the previous quarter, with a YTD net absorption of -29,977 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$6.88/SF across all classes, increasing from \$5.83/SF in the previous quarter. There were no new construction deliveries this quarter, and there is currently nothing under construction in the submarket.

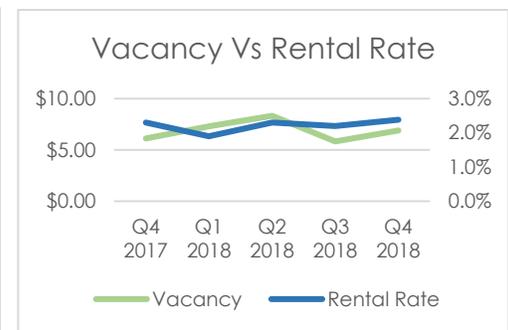
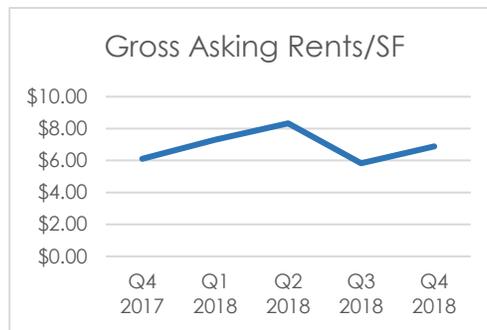
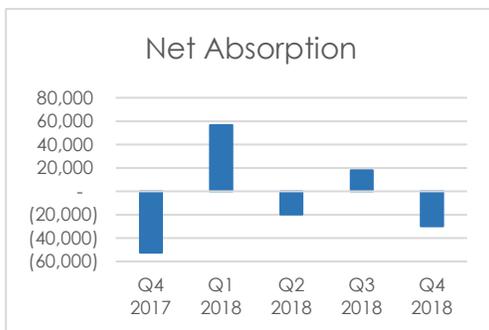
Tenants have gobbled up all of the large spaces in the submarket, as well as most of the mid-sized spaces. As of 18Q4, there were only two contiguous spaces larger than 50,000 SF available in the submarket and four spaces larger than 25,000 SF. Dal-Tile Corporation (667,000 SF) has been in its facility since the 1940s, and firms like Faubion Associates and Schepps Dairy have had a presence here for decades.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Central East Dallas	20,170,281 SF	480,797 SF	2.38%	-29,977 SF	0 SF	0 SF	\$6.88/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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East Dallas/Mesquite | Q4 2018

Market Insights:

The East Dallas/Mesquite Submarket ended the fourth quarter of 2018 with a vacancy rate of 8.46%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of 167,314 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$6.17/SF across all classes, decreasing from \$6.18/SF in the previous quarter. New construction deliveries decreased from 487,200 SF to 520,666 SF, and there is currently 1,873,009 SF under construction in the submarket.

Most tenant movement involves relatively smaller spaces. However, FedEx moved into its new 352,000-SF facility in September 2017, and Elements International took 487,000 SF at the Skyline Trade Center in 18Q3. Also, Ashley Furniture opened an 850,000 SF distribution hub in 19Q1.

Market Snapshot

Rental Rates

Vacancy



Under Construction

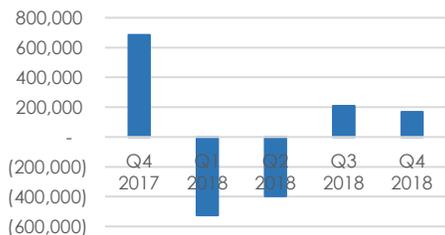
Inventory



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
East Dallas/Mesquite	22,158,450 SF	1,874,410 SF	8.46%	167,314 SF	520,666 SF	1,873,009 SF	\$6.17/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF

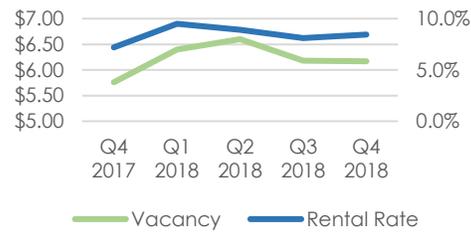
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



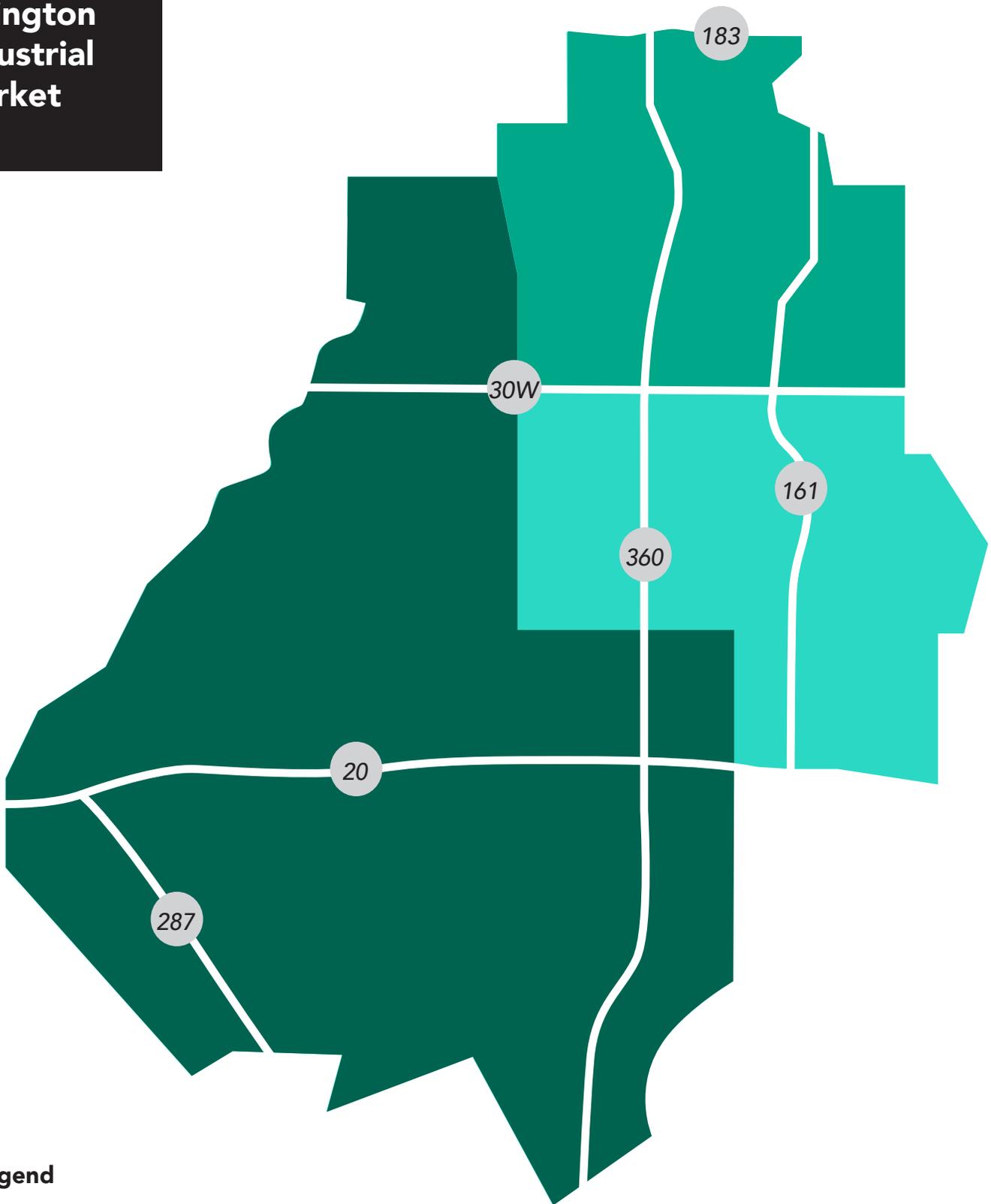
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Great SW Arlington Industrial Market



Legend

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



Lower Great Southwest | Q4 2018

Market Insights:

The Lower Great Southwest Submarket ended the fourth quarter of 2018 with a vacancy rate of 2.56%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of -91,662 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$5.93/SF across all classes, decreasing from \$6.00/SF in the previous quarter. There were no new construction deliveries this quarter, and there is currently 2,456,346 SF under construction in the submarket.

Occupancies took a hit in early 2018, when Restoration Hardware moved out of 858,000 SF at the 161 Pioneer Distribution Center. However, the building didn't remain on the market for long, as Living Spaces agreed to take the entire facility in 18Q3. The General Motors assembly plant has a major impact on this submarket. The 4-million-SF plant is undergoing a \$1.4 billion, 1-million-SF expansion.

Market Snapshot

Rental Rates

Vacancy



Under Construction

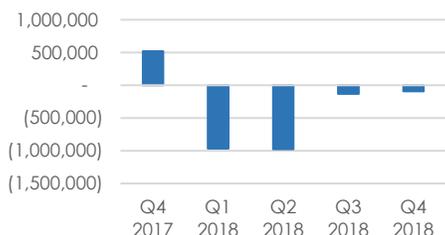
Inventory



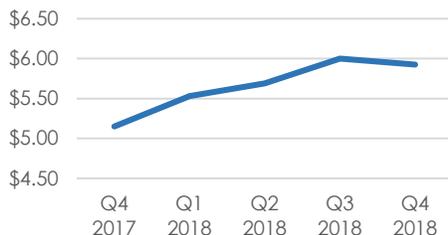
Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Lower Great Southwest	37,026,794 SF	946,913 SF	2.56%	-91,662 SF	0 SF	2,456,346 SF	\$5.93/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF

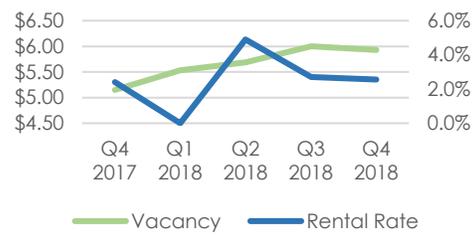
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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Upper Great Southwest | Q4 2018

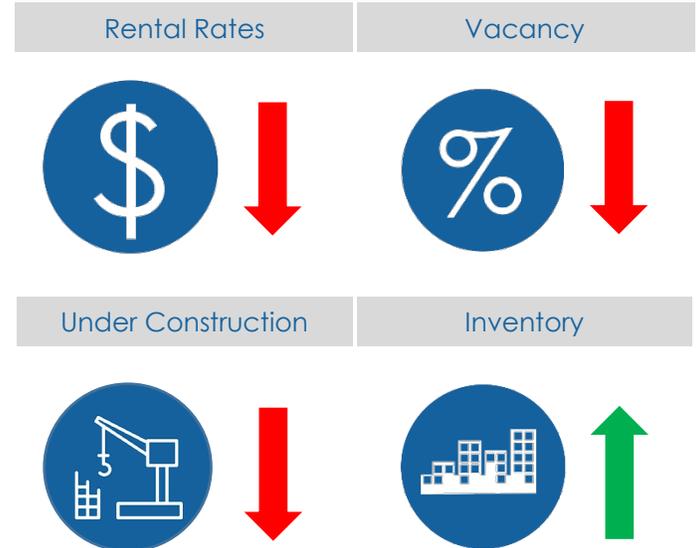
Market Insights:

The Upper Great Southwest Submarket ended the fourth quarter of 2018 with a vacancy rate of 6.45%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of 3,950,928 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$5.36/SF across all classes, increasing from \$5.42/SF in the previous quarter. New construction deliveries increased from 83,200 SF to 1,326,518 SF, and there is currently 1,993,029 SF under construction in the submarket.

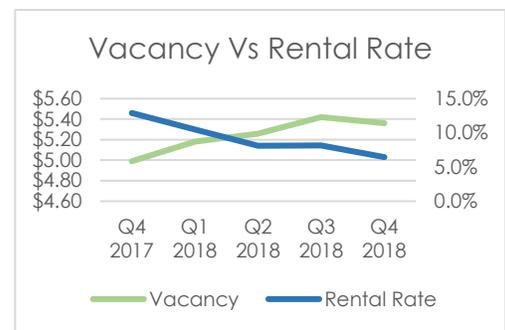
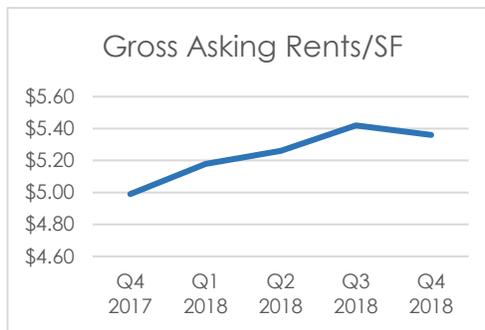
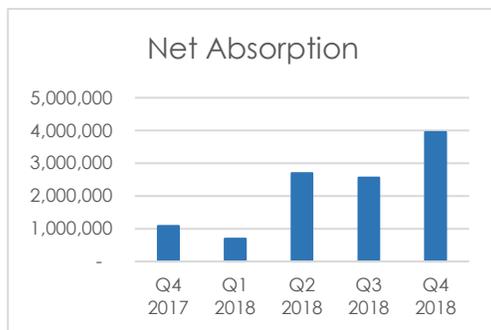
Absorption was boosted by a slew of 18Q2 move-ins involving Haier (703,000 SF), Professional Packaging Systems (349,000 SF), Interline Brands (260,000 SF) and Parish-Hare Electric Supply (232,000 SF). Amazon moved out of 495,000 SF at 14900 Frye Road. However, that move-out is mitigated by Alan Ritchey Inc. (450,000 SF) and Schumacher Electric (358,000 SF).

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Upper Great Southwest	53,063,513 SF	3,421,918 SF	6.45%	3,950,928 SF	1,326,518 SF	1,993,029 SF	\$5.36/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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Arlington | Q4 2018

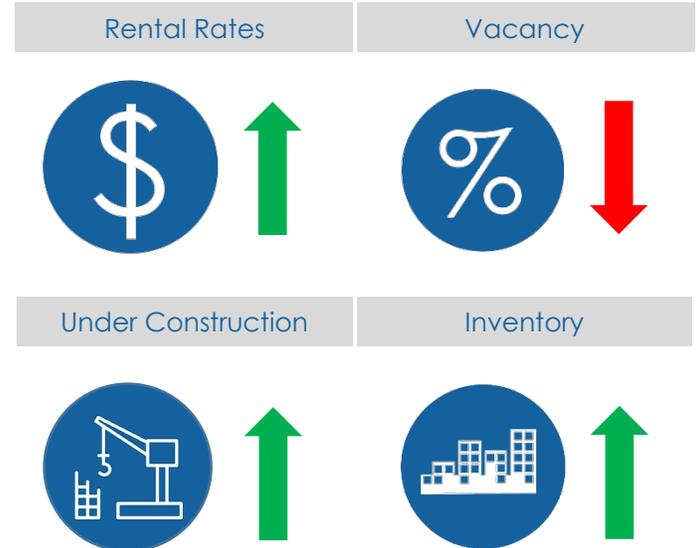
Market Insights:

The Arlington Submarket ended the fourth quarter of 2018 with a vacancy rate of 4.87%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of 2,116,553 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$7.61/SF across all classes, decreasing from \$5.32/SF in the previous quarter. New construction deliveries decreased from 365,000 SF to 475,468 SF, and there is currently 1,070,680 SF under construction in the submarket.

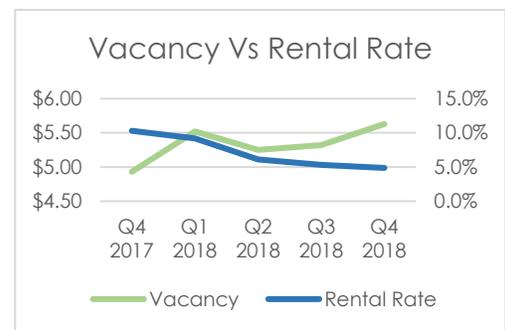
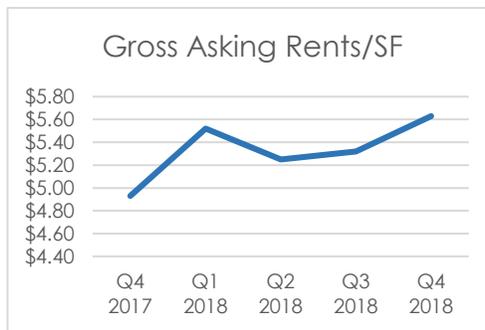
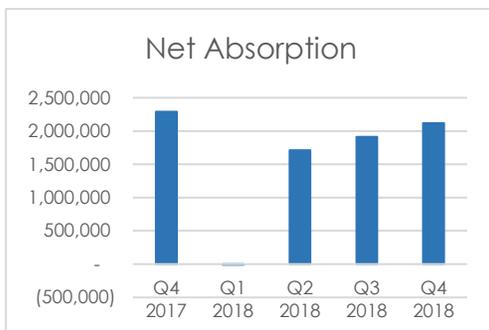
As of 18Q4, only 10% of the more than 6 million SF of space that has delivered this cycle was still available. Recently, absorption was boosted by 3PL's like UPS, which moved into more than 1 million SF at the Arlington Commerce Center in 17Q4, and FedEx, which took 365,000 SF at Liberty Park GSW South in 18Q2. Also, telecom logistics firm Tellworks Communications took 723,000 SF at a newly built facility at Park 20/360 in 18Q1.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Arlington	23,828,711 SF	1,160,267 SF	4.87%	2,116,553 SF	475,468 SF	1,070,680 SF	\$7.61/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF

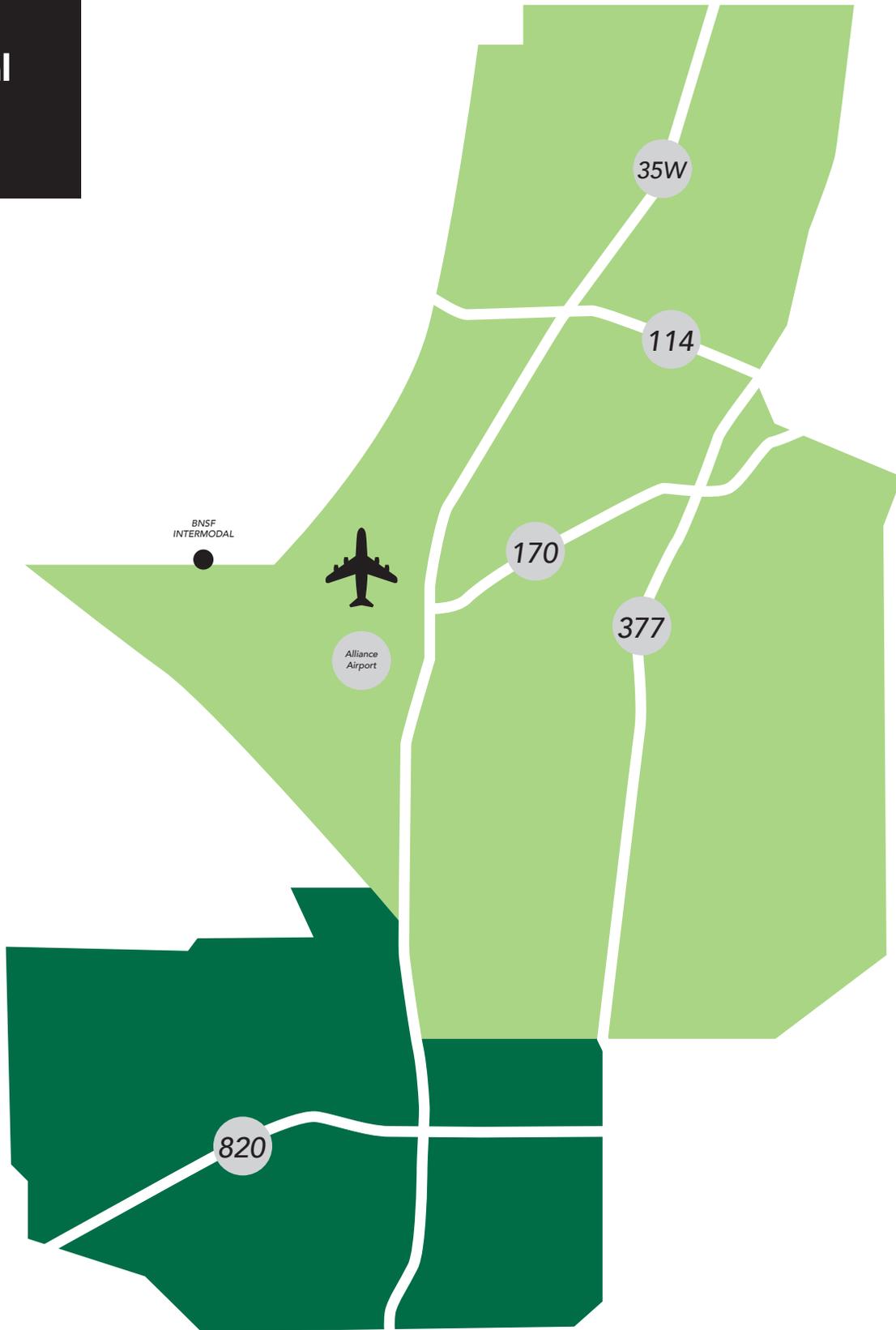


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N FTW & Alliance Industrial Market



Legend

NE Tarrant/Alliance Ind

Meacham Fld/Fossil Cr Ind



NE Tarrant/Alliance | Q4 2018

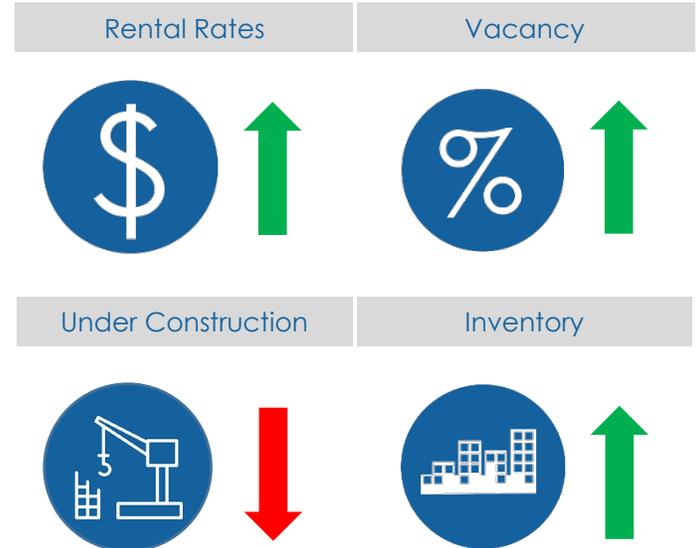
Market Insights:

The NE Tarrant/Alliance Submarket ended the fourth quarter of 2018 with a vacancy rate of 6.99%. The vacancy rate increased from the previous quarter, with a YTD net absorption of 1,971,371 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$7.60/SF across all classes, decreasing from \$7.05/SF in the previous quarter. New construction deliveries decreased from 2,222,450 SF to 2,589,155 SF, and there is currently 1,472,965 SF under construction in the submarket.

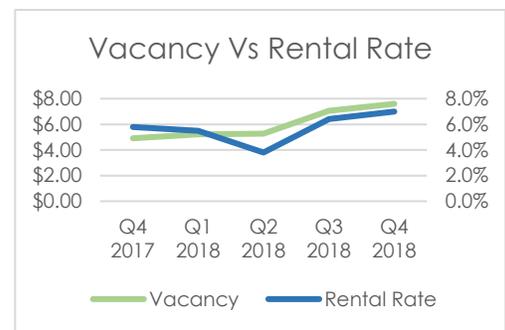
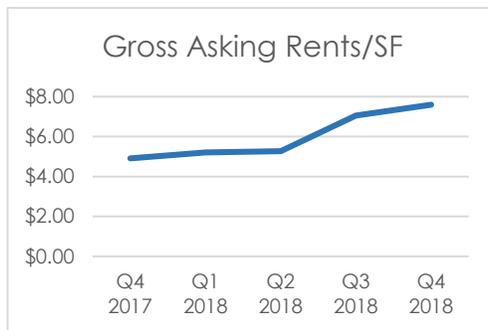
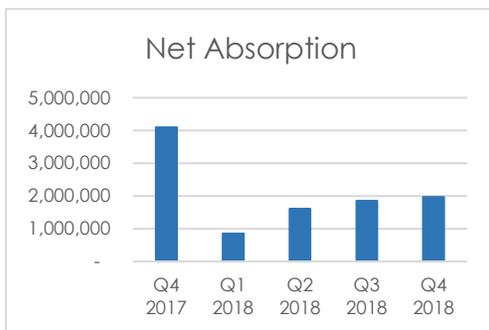
Most of the recent big-tenant moves here have involved major retailers, e-commerce firms, consumer goods, or regional distribution operations. Both Walmart and Amazon have taken about 2 million SF in recent years, and companies like Allen Distribution (350,000 SF in 17Q3) and 3M (603,000 SF in 18Q1) have taken large facilities as well.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
NE Tarrant/ Alliance	43,656,378 SF	3,052,962 SF	6.99%	1,971,371 SF	2,589,155 SF	1,472,965 SF	\$7.60/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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Meacham Field/Fossil Creek | Q4 2018

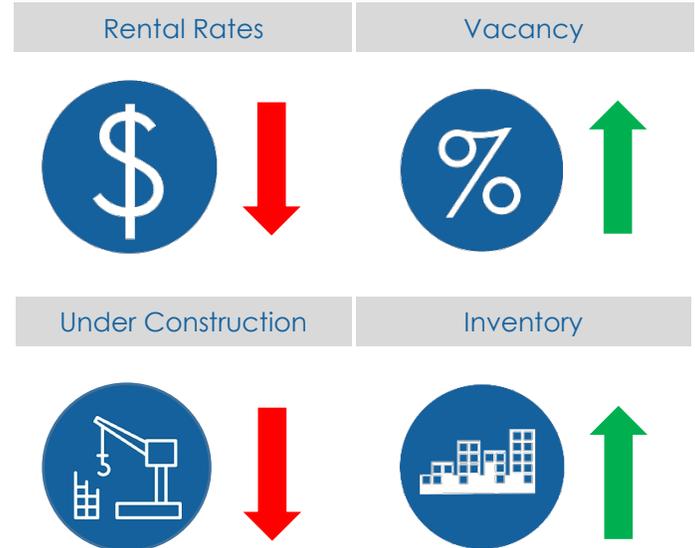
Market Insights:

The Meacham Field/Fossil Creek Submarket ended the fourth quarter of 2018 with a vacancy rate of 4.94%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of 854,358 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$5.91/SF across all classes, decreasing from \$5.96/SF in the previous quarter. New construction deliveries decreased from 889,155 SF to 1,380,155 SF, and there is currently 638,029 SF under construction in the submarket.

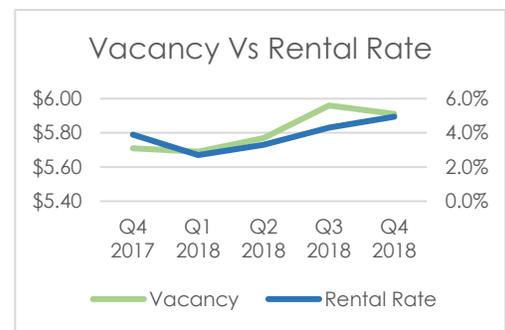
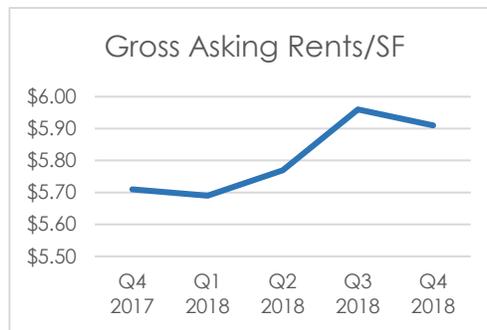
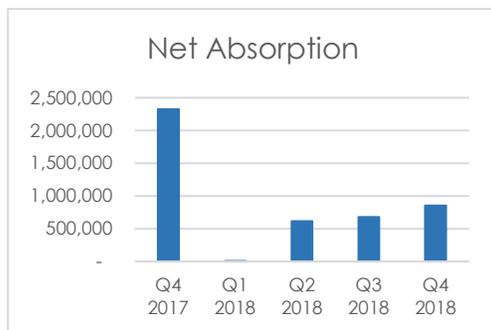
Tenants seeking large footprints often opt for build-to-suits due to the scarcity of large blocks of space within the submarket. As of 18Q4, there were five buildings in Meacham Field/Fossil Creek with more than 200,000 SF of contiguous availability.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Meacham Field/ Fossil Creek	43,789,175 SF	2,164,734 SF	4.94%	854,358 SF	1,380,155 SF	638,029 SF	\$5.91/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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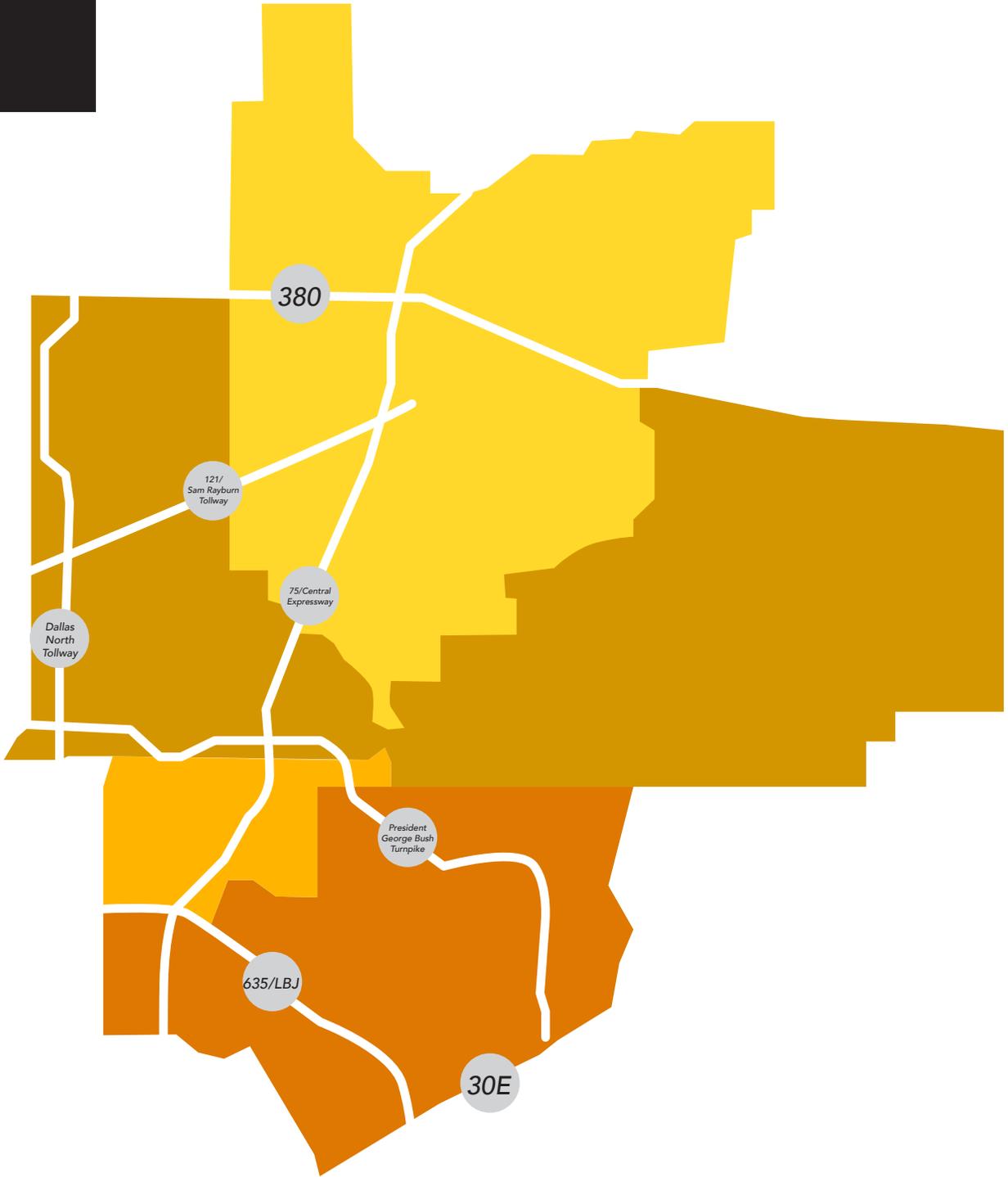
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Northeast Dallas Industrial Market



Legend

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



Allen/McKinney | Q4 2018

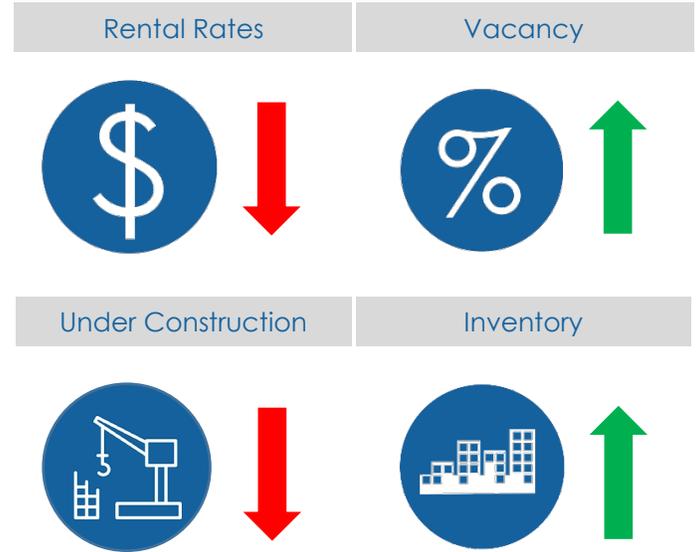
Market Insights:

The Allen/McKinney Submarket ended the fourth quarter of 2018 with a vacancy rate of 3.77%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of 601,773 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$5.63/SF across all classes, decreasing from \$7.99/SF in the previous quarter. New construction deliveries decreased from 251,913 SF to 800,362 SF, and there is currently 223,308 SF under construction in the submarket.

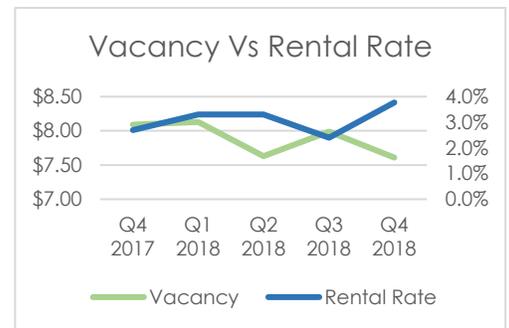
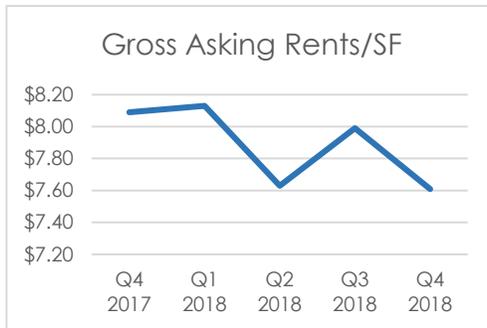
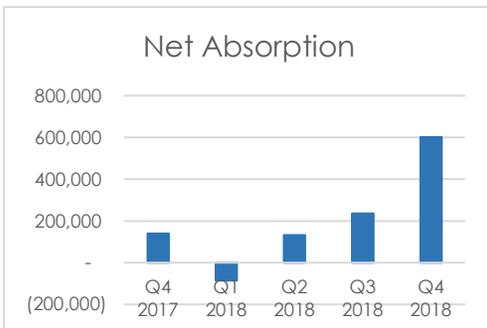
Hunt Southwest's 202,000-SF project and Dalfen America's 115,000-SF facility, both in McKinney, were completely available as of late 18Q4. Significant space taken includes headliners KONE Elevator (122,000 SF in 2016) and WatchGuard (140,000 SF in 2018). Firms chasing rooftops, like Texas Floor Source (34,000 SF in 18Q2), have contributed to demand as well in recent years.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Allen/McKinney	12,369,938 SF	466,609 SF	3.77%	601,773 SF	800,362 SF	223,308 SF	\$5.63/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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Plano | Q4 2018

Market Insights:

The Plano Submarket ended the fourth quarter of 2018 with a vacancy rate of 5.97%. The vacancy rate increased from the previous quarter, with a YTD net absorption of 543,642 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$10.76/SF across all classes, decreasing from \$10.75/SF in the previous quarter. New construction deliveries decreased from 308,078 SF to 262,078 SF, and there is currently 321,516 SF under construction in the submarket.

General Dynamics' SATCOM division took 104,000 SF at the Plano Tech Center in mid-2017. Samsung previously occupied that space for more than a decade. More recently, Blockchain Technology firm TMGcore took 150,000 SF at the newly built Skybox Legacy One data center in 18Q2.

Market Snapshot

Rental Rates

Vacancy



Under Construction

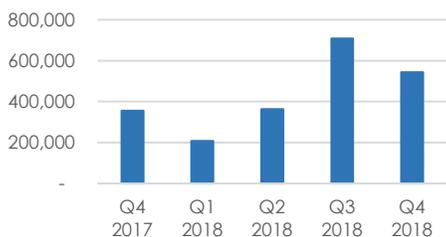
Inventory



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Plano	23,364,482 SF	1,394,320 SF	5.97%	543,642 SF	262,078 SF	321,516 SF	\$10.76/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF

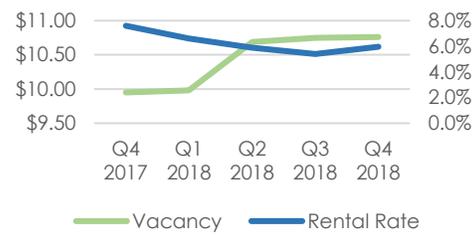
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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Richardson | Q4 2018

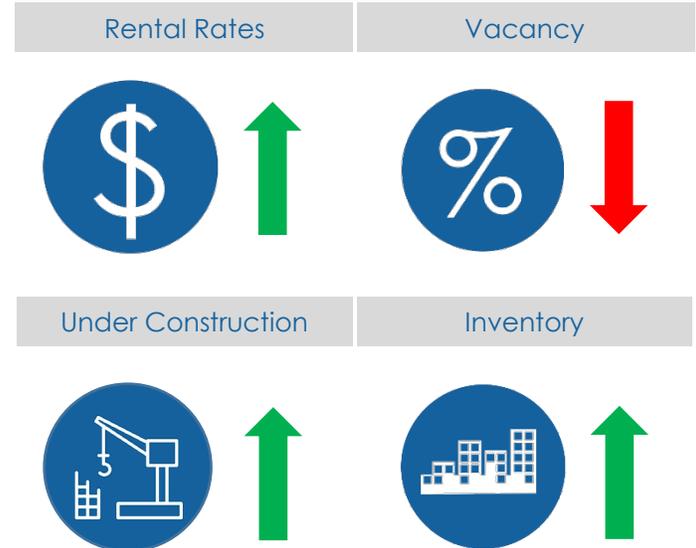
Market Insights:

The Richardson Submarket ended the fourth quarter of 2018 with a vacancy rate of 5.72%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of 95,651 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$8.60/SF across all classes, decreasing from \$8.58/SF in the previous quarter. There were no new construction deliveries this quarter, and there is currently 565,269 SF under construction in the submarket.

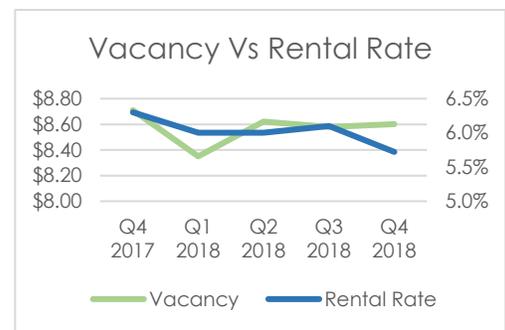
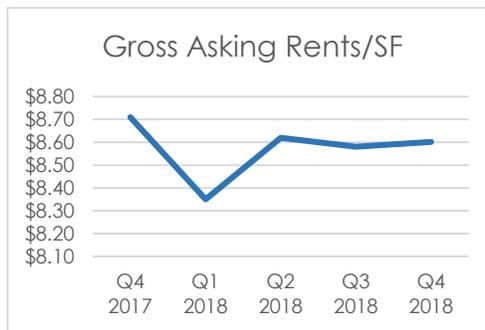
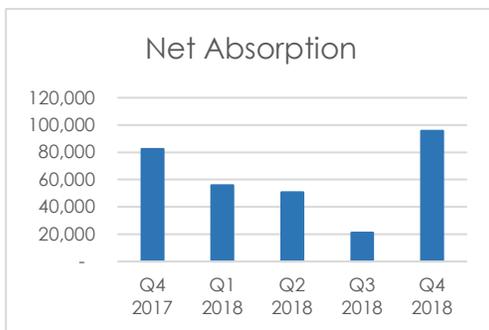
As of early 2019, roughly 435,000 SF was under construction at the Parc NorthEast industrial park and none of that space was leased. That space is distributed across four facilities, the largest of which comes in at 136,000 SF. As of early 2019, there were no existing available spaces larger than 100,000 SF in the submarket and only two larger than 50,000 SF. Nearly all tenant footprints within the submarket are smaller than 100,000 SF as well.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Richardson	18,665,573 SF	1,067,905 SF	5.72%	95,651 SF	0 SF	565,269 SF	\$8.60/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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NE Dallas/Garland | Q4 2018

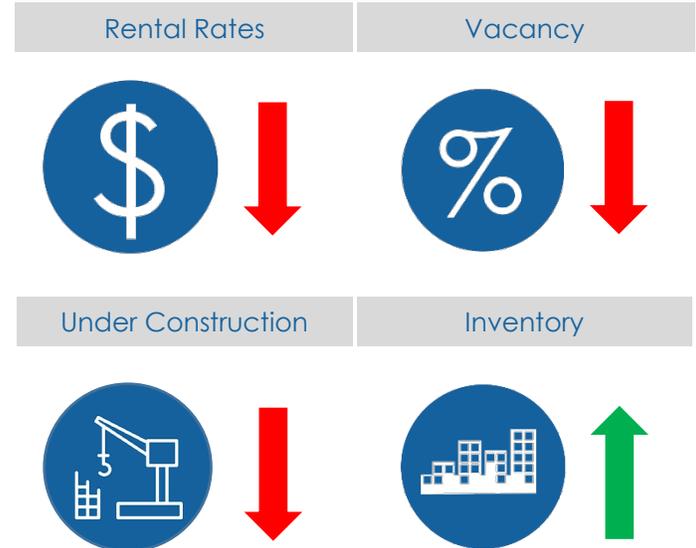
Market Insights:

The NE Dallas/Garland Submarket ended the fourth quarter of 2018 with a vacancy rate of 5.80%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of 1,177,539 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$5.29/SF across all classes, decreasing from \$5.89/SF in the previous quarter. New construction deliveries decreased from 25,000 SF to 789,400 SF, and there is currently 387,298 SF under construction in the submarket.

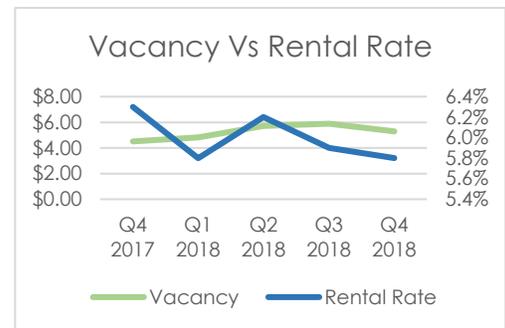
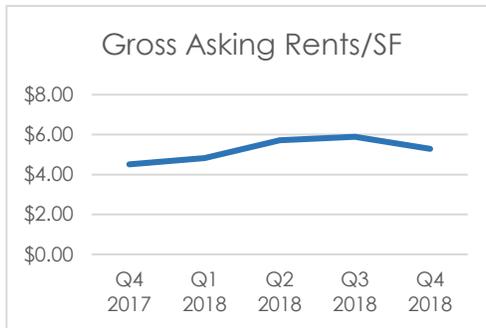
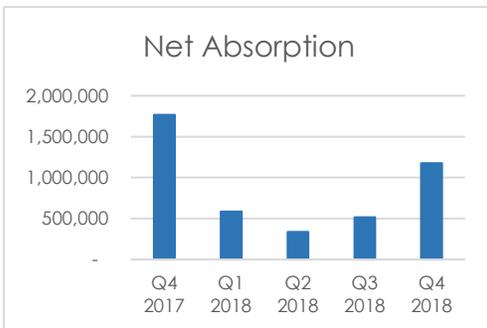
One of the largest recent tenant moves in the submarket involved Kraft Heinz, which took 261,000 SF at the Logistics Pointe Distribution Center (2600 McCree) in 17Q3. Kraft Heinz's new facility includes 90,000 SF of cold storage. Manufacturing firm Quest Window Systems moved into 327,600 SF at a new facility at the Jupiter Miller Business Center in 18Q3.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
NE Dallas/Garland	53,005,596 SF	3,075,011 SF	5.80%	1,177,539 SF	789,400 SF	387,298 SF	\$5.29/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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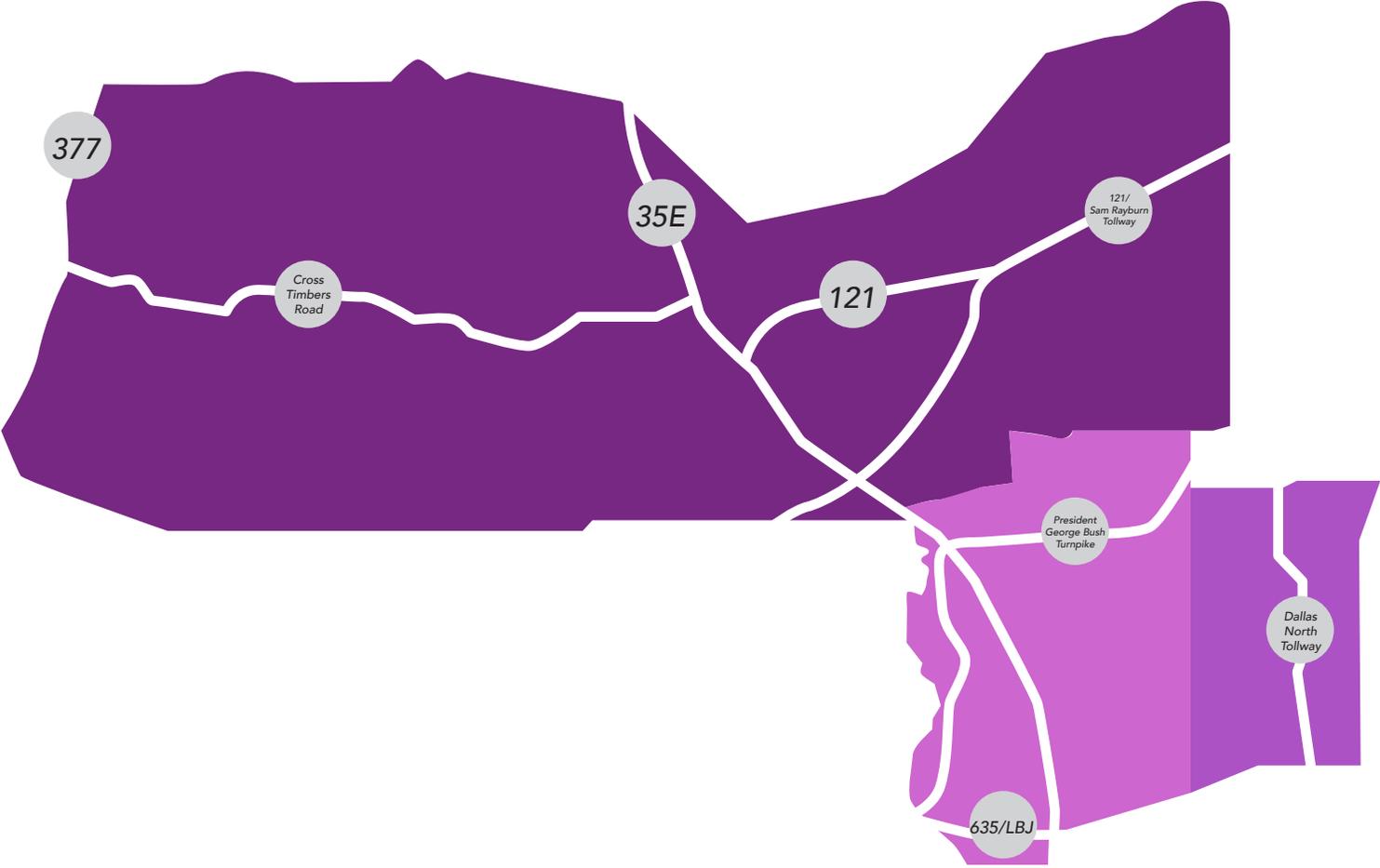
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Valwood/ Lewisville Industrial Market



Legend

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



Lewisville | Q4 2018

Market Insights:

The Lewisville Submarket ended the fourth quarter of 2018 with a vacancy rate of 5.21%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of 474,725 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$7.92/SF across all classes, decreasing from \$7.75/SF in the previous quarter. New construction deliveries decreased from 301,668 SF to 878,388 SF, and there is currently 1,425,236 SF under construction in the submarket.

Lewisville is well positioned to maintain strong fundamentals over the next few quarters, even if spec construction begins to ramp up once again. One large space opened up in the submarket in 18Q3, when Kohler moved out of 651,500 SF at Prologis Flower Mound 1 for its new facility in South Dallas. However, that property was quickly backfilled by Thirty-One Gifts, which will take the entire space in early 2019.

Market Snapshot

Rental Rates

Vacancy



Under Construction

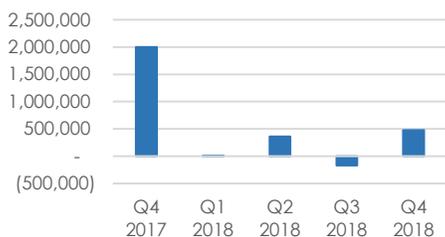
Inventory



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Lewisville	27,168,482 SF	1,415,813 SF	5.21%	474,725 SF	878,388 SF	1,425,236 SF	\$7.92/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF

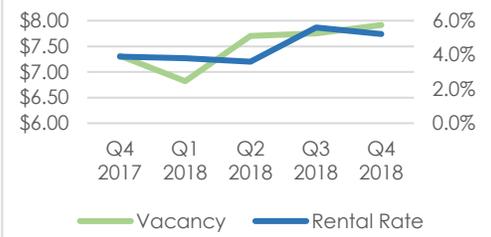
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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N Stemmons/Valwood | Q4 2018

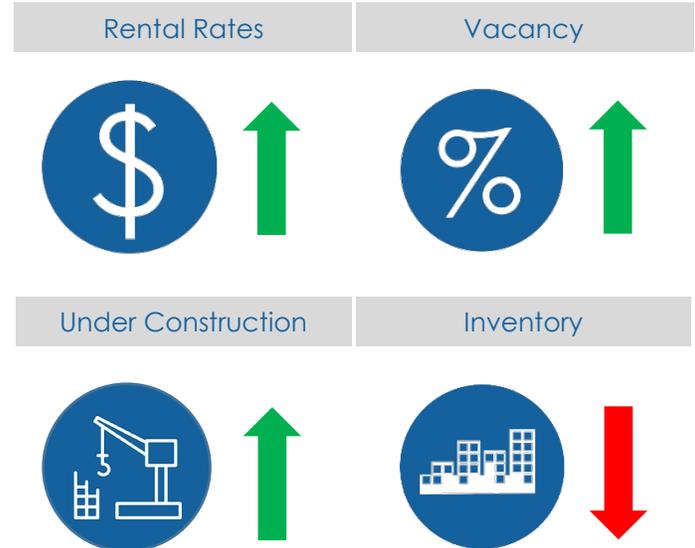
Market Insights:

The N Stemmons/Valwood Submarket ended the fourth quarter of 2018 with a vacancy rate of 3.95%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of 455,981 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$5.82/SF across all classes, decreasing from \$5.73/SF in the previous quarter. New construction deliveries remained the same at 235,900 SF, and there is currently 768,996 SF under construction in the submarket.

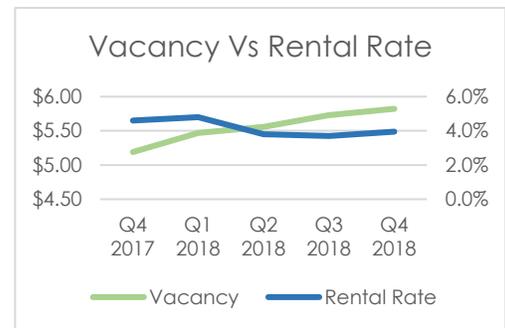
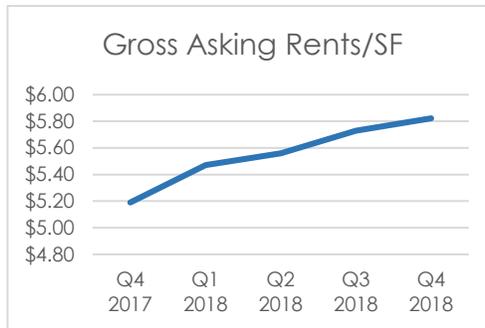
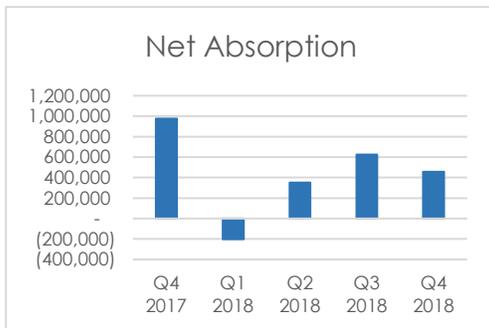
Though much of the submarket's inventory consists of older, lower-functioning assets, its location makes it an attractive option for tenants seeking 20,000–100,000-SF blocks of space in northern Dallas. The existing tenant base is made up of manufacturers, parts and materials distributors, and small businesses.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
N Stemmons/Valwood	51,762,437 SF	2,046,642 SF	3.95%	455,981 SF	235,900 SF	768,996 SF	\$5.82/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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Metropolitan/Addison | Q4 2018

Market Insights:

The Metropolitan/Addison Submarket ended the fourth quarter of 2018 with a vacancy rate of 7.70%. The vacancy rate decreased from the previous quarter, with a YTD net absorption of -421,972 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$8.37/SF across all classes, decreasing from \$8.20/SF in the previous quarter. There were no new construction deliveries this quarter, and there is currently 10,800 SF under construction in the submarket.

Move-outs by Tuesday Morning (175,000 SF in 18Q2) and Freeds Furniture (152,500 SF in 18Q1) have had the largest impact on fundamentals lately. Those two recently vacated buildings represent the two largest current availabilities in the submarket. Another sizable space opened up in early 2019 when AJ Bart moved out of more than 100,000 SF at the Midway Business Park.

Market Snapshot

Rental Rates

Vacancy



Under Construction

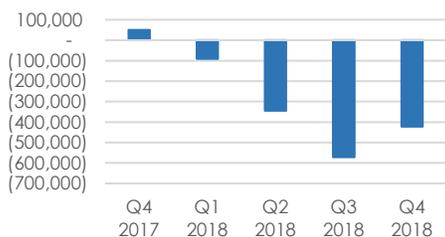
Inventory



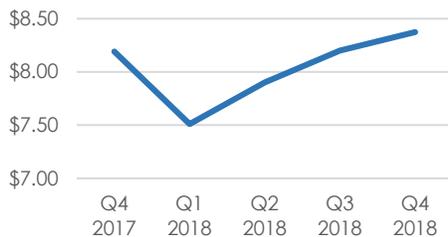
Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Metropolitan/Addison	21,688,465 SF	1,670,826 SF	7.70%	-421,972 SF	0 SF	10,800 SF	\$8.37/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF

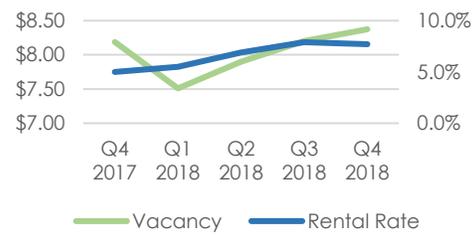
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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South Dallas Industrial Market



Legend

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

Redbird Airport | Q4 2018

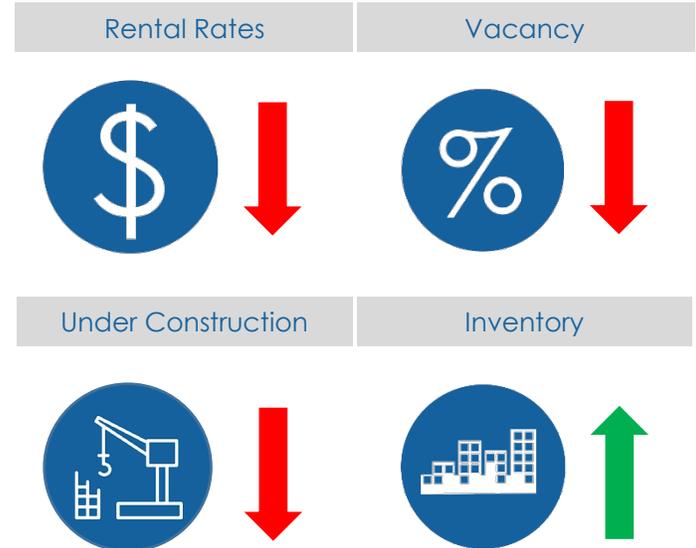
Market Insights:

The Redbird Airport Submarket ended the fourth quarter of 2018 with a vacancy rate of 2.52%. The vacancy rate increased from the previous quarter, with a YTD net absorption of 211 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$3.85/SF across all classes, increasing from \$4.31/SF in the previous quarter. New construction deliveries increased from 0 SF to 154,960 SF, and there is currently nothing under construction in the submarket.

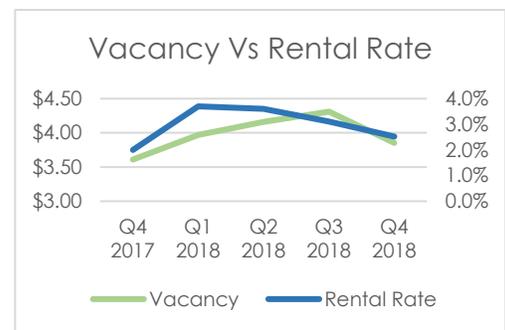
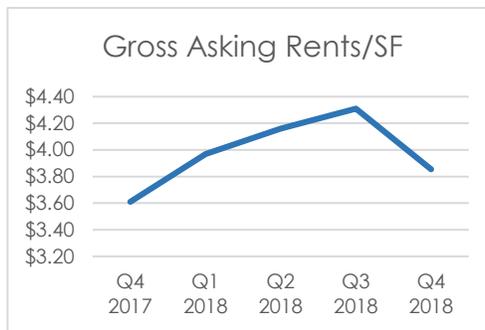
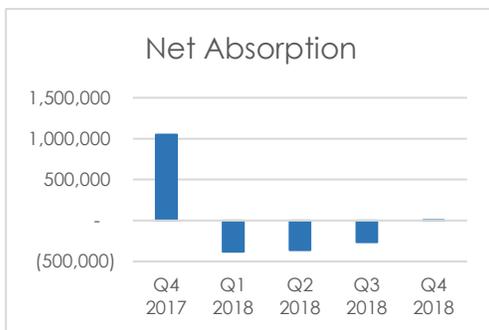
Tenants looking for large blocks of space here usually either need to build their own new facilities or look to another submarket. As of 18Q4, the only available existing or under construction spaces larger than 200,000 SF were the Niagara Bottling facility and Mission Foods' former location in the submarket. In comparison, SW Dallas/US 67 had six such spaces available, and SE Dallas/I-45 had 16.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Redbird Airport	20,468,749 SF	516,316 SF	2.52%	211 SF	154,960 SF	0 SF	\$3.85/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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SW Dallas/US 67 | Q4 2018

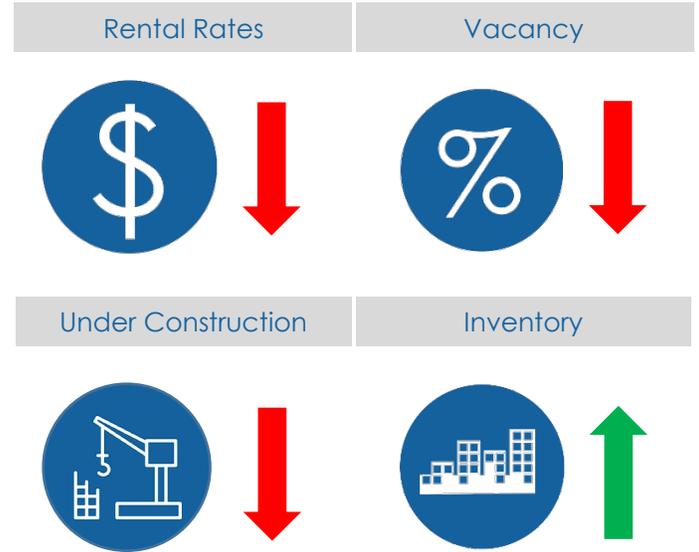
Market Insights:

The SW Dallas/US 67 Submarket ended the fourth quarter of 2018 with a vacancy rate of 9.15%. The vacancy rate increased from the previous quarter, with a YTD net absorption of 2,017,974 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$4.00/SF across all classes, increasing from \$4.04/SF in the previous quarter. New construction deliveries remained the same at 2,256,880 SF, and there is currently nothing under construction in the submarket.

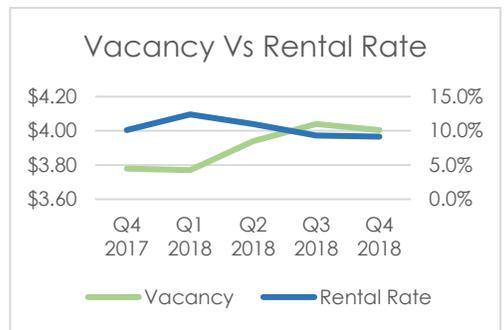
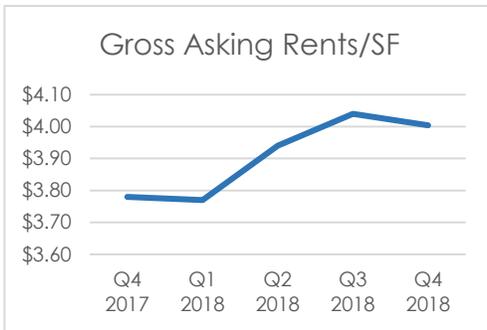
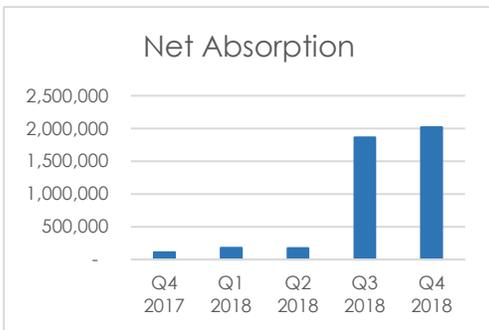
SW Dallas/US 67 is still an attractive submarket for firms seeking a distribution hub in south Dallas. Major tenants include 3PLs like NFI Industries (1.1 million SF), retailers like Kohl's (951,000 SF) and Home Depot (888,000 SF), and manufacturers like Kohler (1.3 million SF). As of year-end 2018, six existing assets had 200,000 SF or more of availability, and all were located just south of I-20, between US 67 and I-35E.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
SW Dallas/US 67	31,036,173 SF	2,841,046 SF	9.15%	2,017,974 SF	2,256,880 SF	0 SF	\$4.00/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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SE Dallas/I-45 | Q4 2018

Market Insights:

The SE Dallas/I-45 Submarket ended the fourth quarter of 2018 with a vacancy rate of 21.97%. The vacancy rate increased from the previous quarter, with a YTD net absorption of 3,162,425 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$3.75/SF across all classes, increasing from \$3.73/SF in the previous quarter. New construction deliveries decreased from 4,520,839 SF to 5,899,263 SF and there is currently 2,640,319 SF under construction in the submarket.

Tenants that each take up more than 500,000 SF are Georgia-Pacific (1.5 million SF), Procter & Gamble (1.4 million SF), Pepsico (1.22 million SF), Whirlpool (1.02 million SF), Unilever (822,000 SF) and L'Oreal (514,000 SF). Amazon moved into space at the SouthPort Logistics Park in late 2018. In other recent deals, chocolate manufacturer Lindt (709,000 SF) and e-commerce firms Wayfair (874,500 SF) and VMInnovations (417,000 SF) took large blocks of space in late 2018.

Market Snapshot

Rental Rates

Vacancy



Under Construction

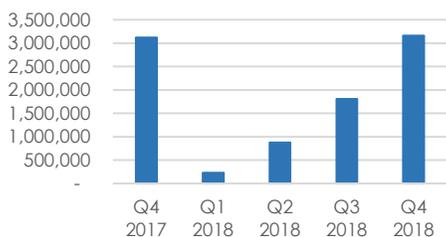
Inventory



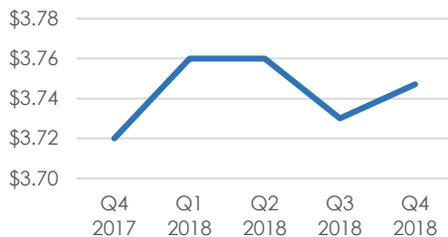
Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
SE Dallas/I-45	41,727,287 SF	9,168,087 SF	21.97%	3,162,425 SF	5,899,263 SF	2,640,319 SF	\$3.75/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF

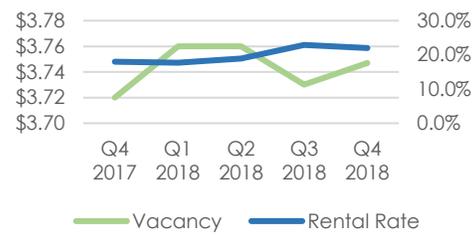
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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Outlying Ellis County | Q4 2018

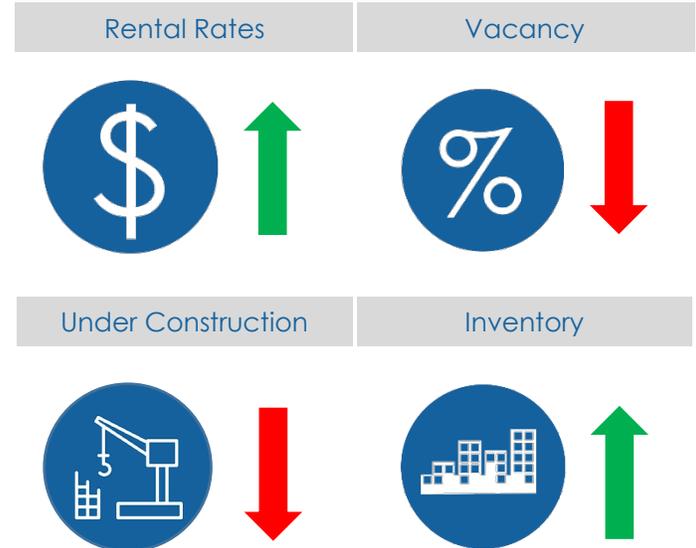
Market Insights:

The Outlying Ellis County Submarket ended the fourth quarter of 2018 with a vacancy rate of 3.02%. The vacancy rate increased from the previous quarter, with a YTD net absorption of -137,672 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$4.44/SF across all classes, increasing from \$4.33/SF in the previous quarter. There were no new construction deliveries this quarter, and there is currently nothing under construction in the submarket.

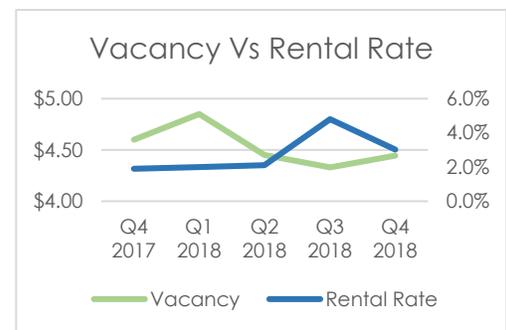
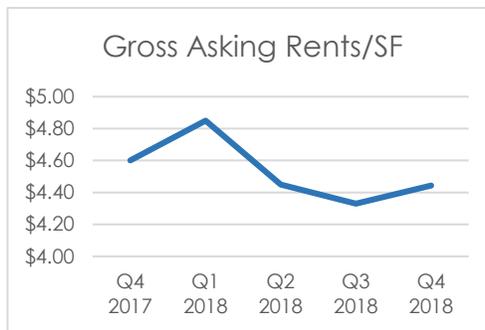
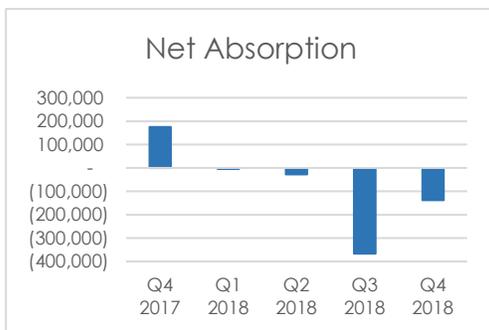
Most of the inventory in Outlying Ellis County is either in Waxahachie or Ennis and consists primarily of fully leased, older, or lower-functioning space. Vacancies are tight, and new supply is rare. Similar to the metro as a whole, rent growth has outperformed historical norms this cycle.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Outlying Ellis County	12,562,302 SF	379,264 SF	3.02%	-137,672 SF	0 SF	0 SF	\$4.44/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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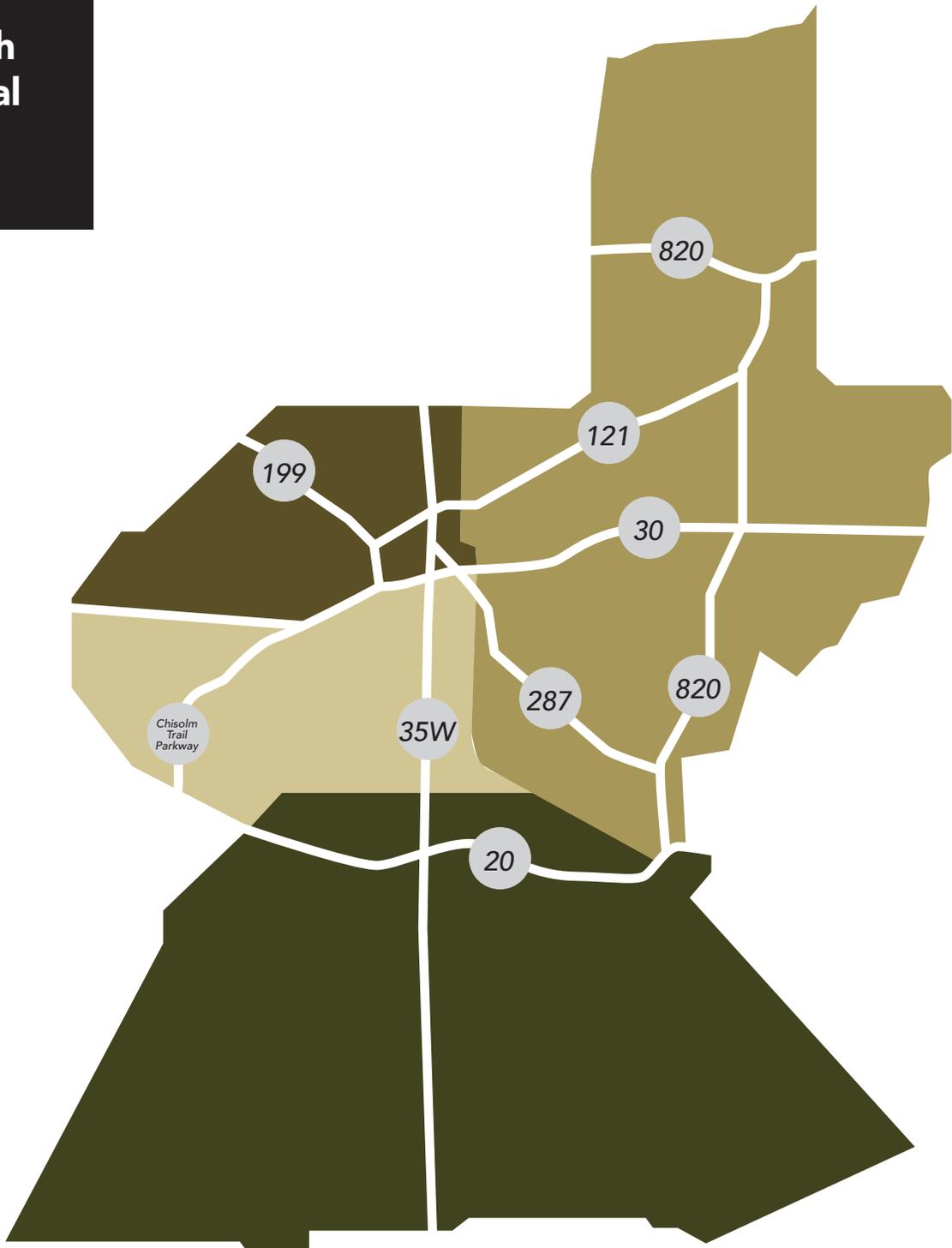
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South Ft Worth Industrial Market



Legend

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



East Fort Worth | Q4 2018

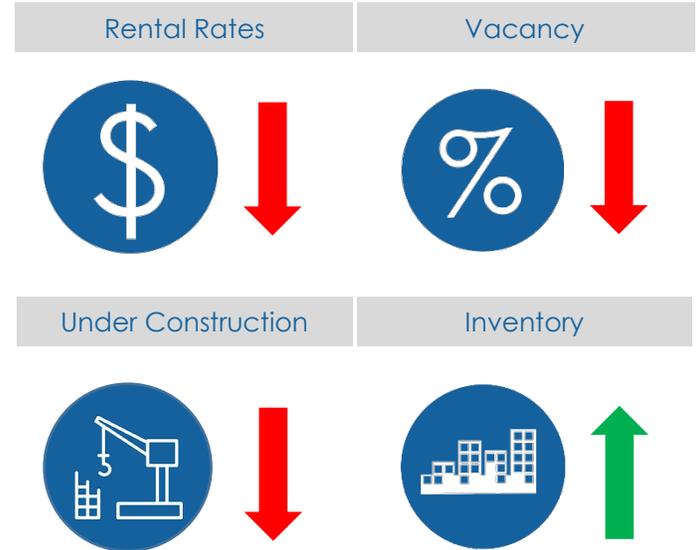
Market Insights:

The East Fort Worth Submarket ended the fourth quarter of 2018 with a vacancy rate of 3.87%. The vacancy rate increased from the previous quarter, with a YTD net absorption of -6,785 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$5.83/SF across all classes, increasing from \$5.96/SF in the previous quarter. New construction deliveries increased from 0 SF to 9,000 SF, and there is currently 40,600 SF under construction in the submarket.

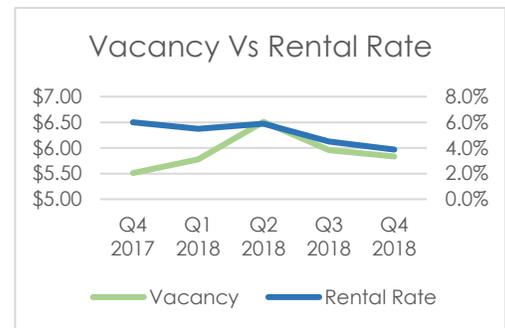
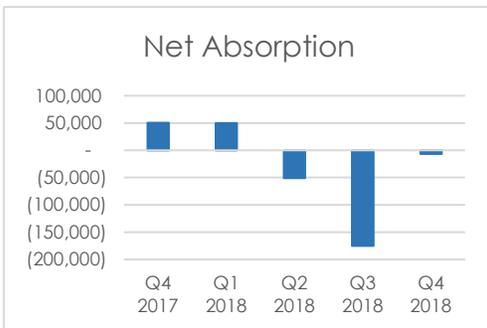
Most tenant activity involves firms taking less than 50,000 SF. Of the roughly 400 industrial leases signed in the submarket since the start of 2016, only a half dozen were for more than 50,000 SF. This comes in contrast to the heavy big-box logistics submarkets in Fort Worth like Meacham Field/Fossil Creek and NE Tarrant/Alliance.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
East Fort Worth	25,738,810 SF	996,892 SF	3.87%	-6,785 SF	9,000 SF	40,600 SF	\$5.83/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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N Central Fort Worth | Q4 2018

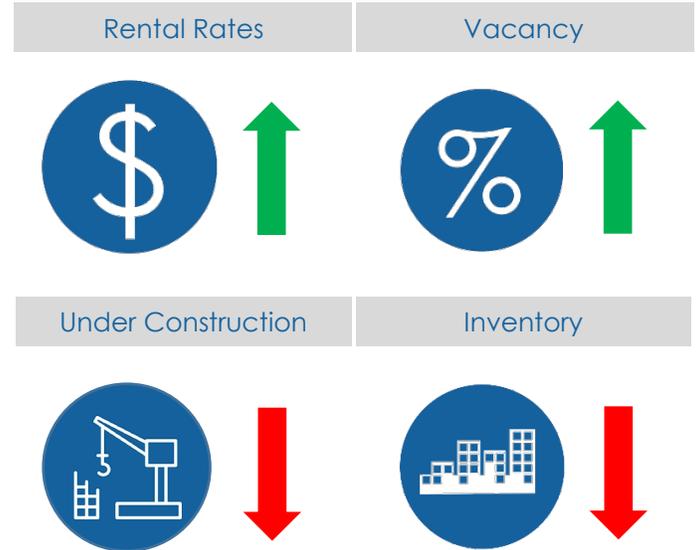
Market Insights:

The N Central Fort Worth Submarket ended the fourth quarter of 2018 with a vacancy rate of 3.48%. The vacancy rate increased from the previous quarter, with a YTD net absorption of -219,244 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$6.97/SF across all classes, increasing from \$6.75/SF in the previous quarter. There were no new construction deliveries this quarter, and there is currently nothing under construction in the submarket.

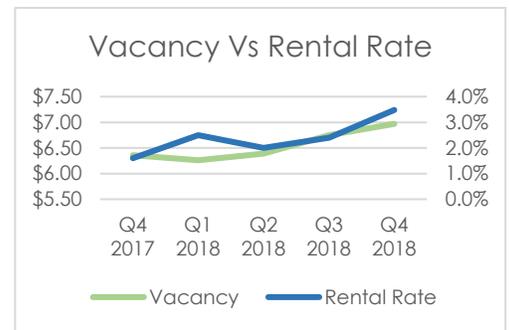
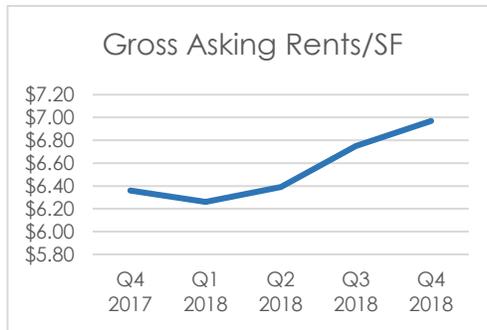
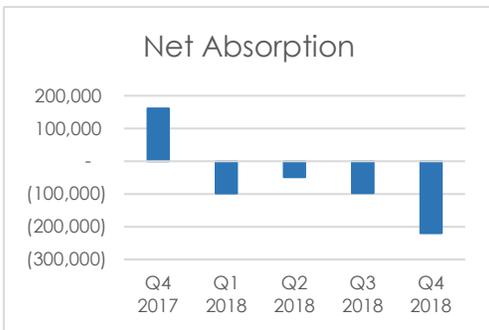
The submarket contains very few large or highly functional industrial buildings. Fewer than 10 assets are larger than 100,000 SF, and no properties were built this cycle. Vacancies in North Central Fort Worth are tight and likely to stay that way due to the lack of expected supply.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
N Central Fort Worth	11,437,293 SF	398,155 SF	3.48%	-219,244 SF	0 SF	0 SF	\$6.97/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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S Central Fort Worth | Q4 2018

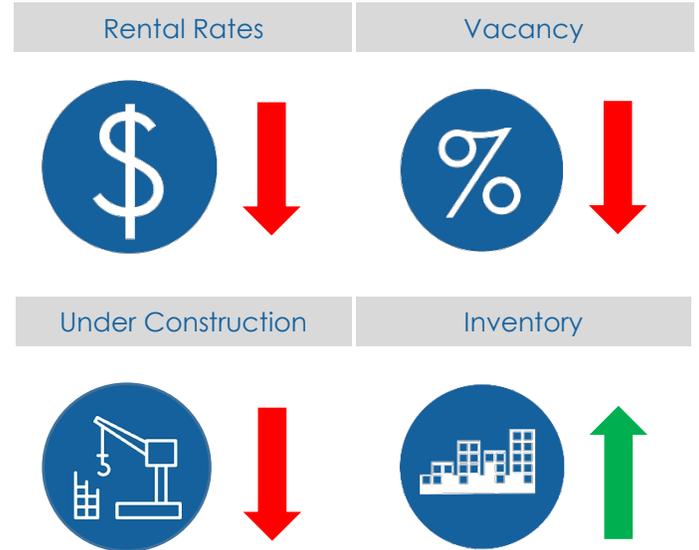
Market Insights:

The S Central Fort Worth Submarket ended the fourth quarter of 2018 with a vacancy rate of 1.65%. The vacancy rate increased from the previous quarter, with a YTD net absorption of 37,290 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$6.03/SF across all classes, increasing from \$6.34/SF in the previous quarter. There were no new construction deliveries this quarter, and there is currently nothing under construction in the submarket.

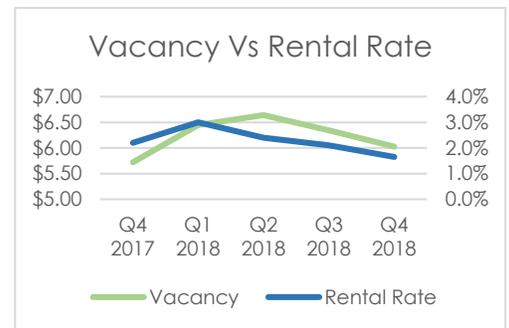
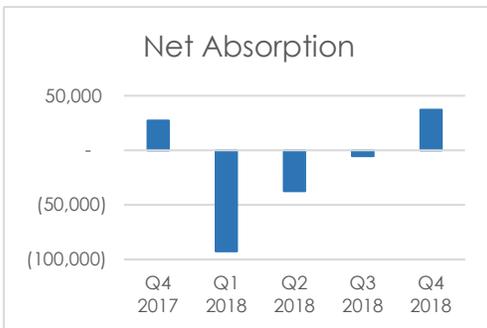
One trend to look out for is the re-purposing of industrial space for office or residential uses, especially in Near Southside. The City of Fort Worth has a number of TIF districts set up to incentivize growth in this area, and developers have taken advantage of city funds for redevelopment projects in the past few years.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
S Central Fort Worth	11,100,060 SF	183,031 SF	1.65%	37,290 SF	0 SF	0 SF	\$6.03/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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S Central Tarrant County | Q4 2018

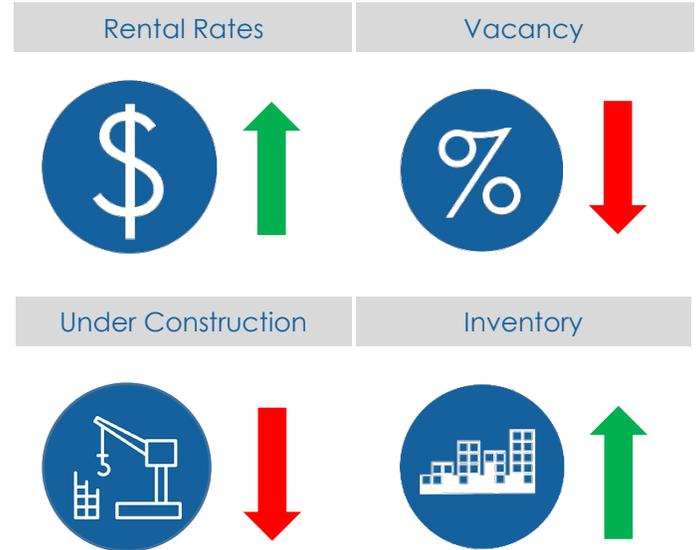
Market Insights:

The S Central Tarrant County Submarket ended the fourth quarter of 2018 with a vacancy rate of 4.87%. The vacancy rate increased from the previous quarter, with a YTD net absorption of 1,249,215 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$7.93/SF across all classes, increasing from \$6.33/SF in the previous quarter. New construction deliveries decreased from 313,275 SF to 327,006 SF, and there is currently 757,745 SF under construction in the submarket.

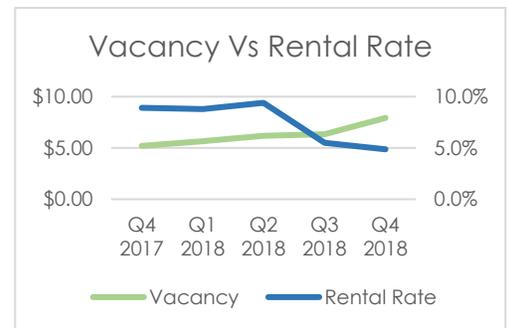
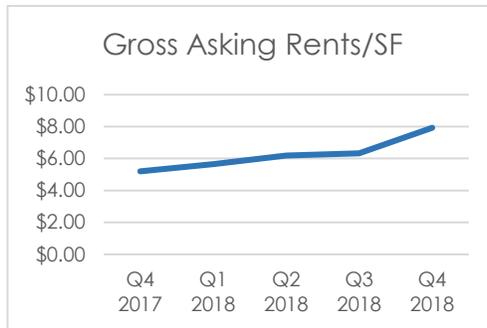
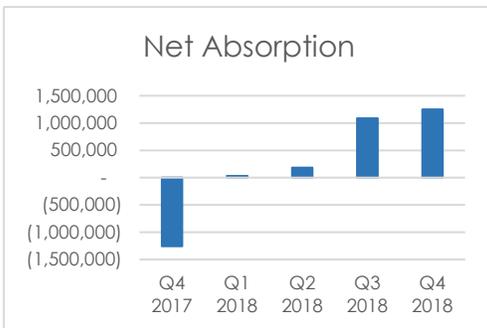
Aside from the 472,000 SF available at the Provender Logistics Center (670,000 SF was leased in 18Q3) and some of the new speculative projects, there is a lack of large blocks of vacant space in this submarket. When excluding the Provender asset and the new-builds, there was only one existing space larger than 200,000 SF available as of 18Q4.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
S Central Tarrant County	23,957,826 SF	1,166,093 SF	4.87%	1,249,215 SF	327,006 SF	757,745 SF	\$7.93/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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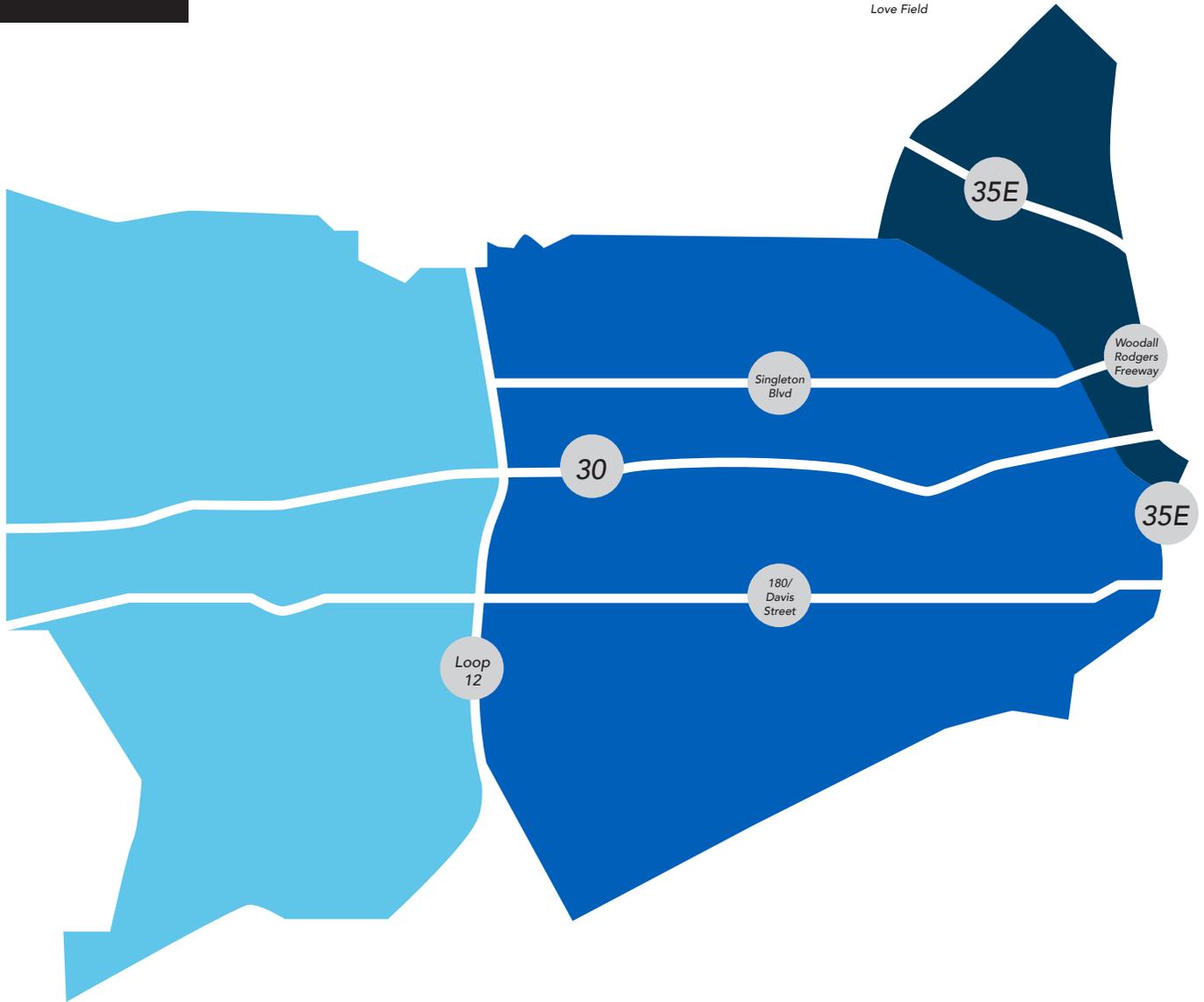
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**Pinnacle - Turnpike
Lonestar - Design
District Industrial
Market**



Dallas
Love Field



Legend

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



Western Lonestar/PGB Turnpike | Q4 2018

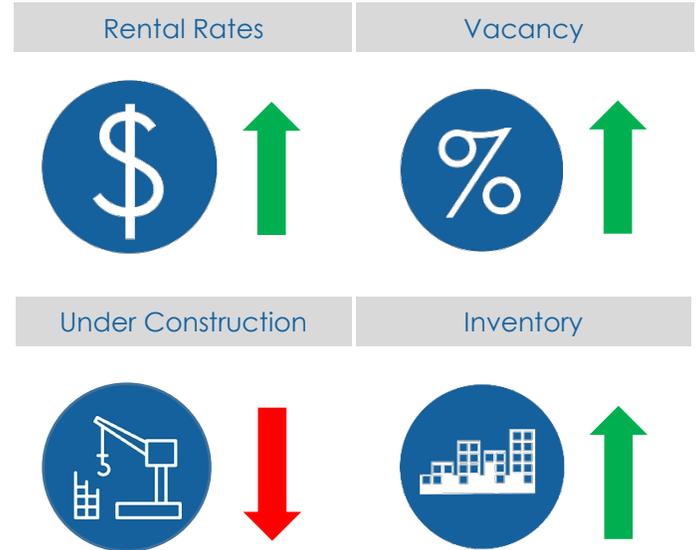
Market Insights:

The Western Lonestar/PGB Turnpike Submarket ended the fourth quarter of 2018 with a vacancy rate of 14.52%. The vacancy rate increased from the previous quarter, with a YTD net absorption of -376,735 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$4.57/SF across all classes, increasing from \$4.57/SF in the previous quarter. New construction deliveries remained the same at 698,933 SF, and there is currently 201,200 SF under construction in the submarket.

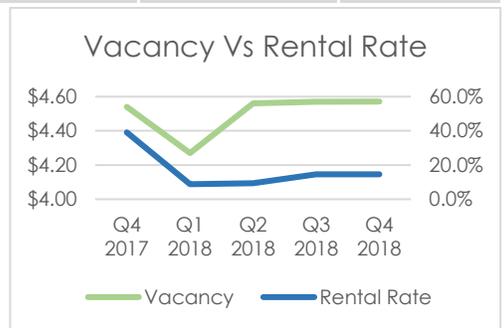
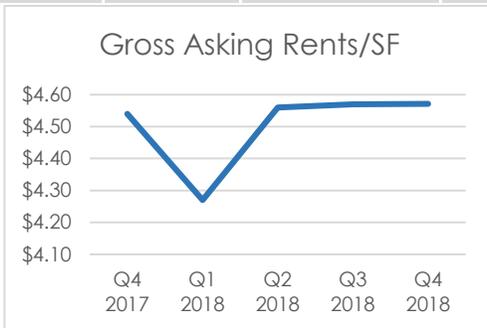
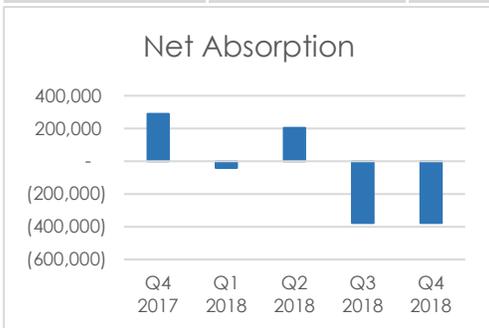
One project completed in 2017, and after starting as a speculative deal, a 322,000-SF facility at MacArthur Crossing delivered fully leased in 18Q2. The bulk of pending supply in the submarket is located at the Dallas Global Industrial Center, where Home Depot recently signed on for 2.3 million SF across two new facilities.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Western Lonestar/PGB Turnpike	7,742,766 SF	1,124,250 SF	14.52%	-376,735 SF	698,933 SF	201,200 SF	\$4.57/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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Eastern Lonestar/PGB Turnpike | Q4 2018

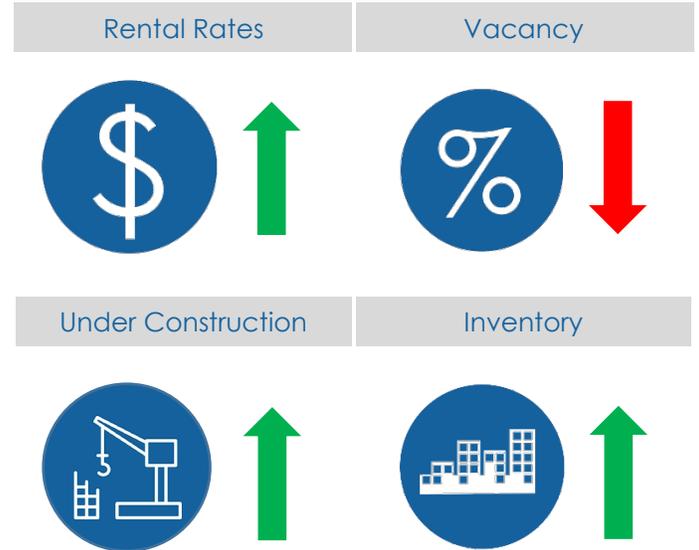
Market Insights:

The Eastern Lonestar/PGB Turnpike Submarket ended the fourth quarter of 2018 with a vacancy rate of 6.90%. The vacancy rate increased from the previous quarter, with a YTD net absorption of -308,811 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$4.58/SF across all classes, increasing from \$4.04/SF in the previous quarter. New construction deliveries remained the same at 16,000 SF and there is currently 1,305,464 SF under construction in the submarket.

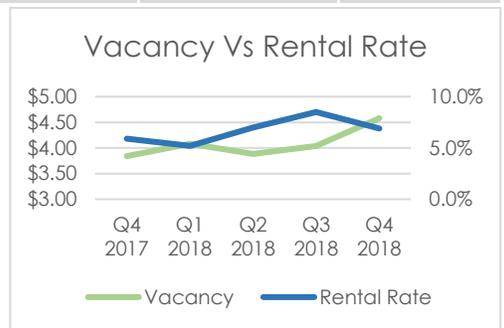
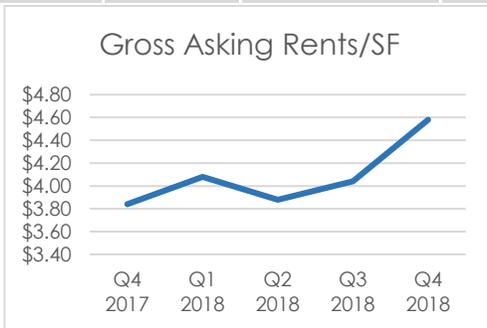
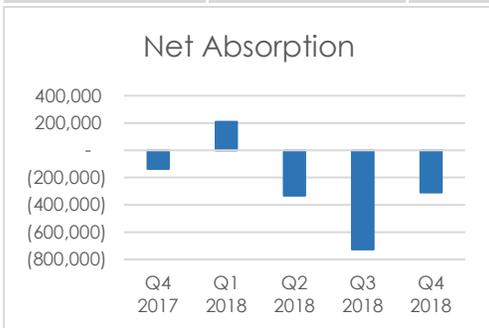
Though land constraints are prevalent here, there are still a few large developable tracts of land in the submarket, one of which was recently picked up by Hillwood in order to build a 2.3-million-SF industrial park. That park will reportedly include an 855,000-SF build-to-suit for Amazon.

Market Snapshot



Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
Eastern Lonestar/PGB Turnpike	26,608,809 SF	1,836,259 SF	6.90%	-308,811 SF	16,000 SF	1,305,464 SF	\$4.58/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF



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North Trinity | Q4 2018

Market Insights:

The North Trinity Submarket ended the fourth quarter of 2018 with a vacancy rate of 6.32%. The vacancy rate increased from the previous quarter, with a YTD net absorption of -144,885 SF to finish Q4 2018.

Rental rates ended the fourth quarter at \$12.58/SF across all classes, increasing from \$12.46/SF in the previous quarter. There were no new construction deliveries this quarter, and there is currently nothing under construction in the submarket.

The submarket encompasses all of the Design District and the Southwestern Medical District, two neighborhoods that have been redeveloped in recent years. Due to this development, the existing industrial stock here is slowly being replaced by multifamily, retail, hotel, and office properties. Much of the industrial inventory serves as local manufacturing and distribution facilities or as showroom space.

Market Snapshot

Rental Rates

Vacancy



Under Construction

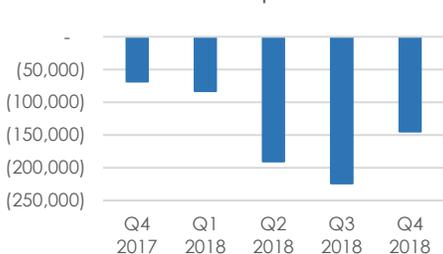
Inventory



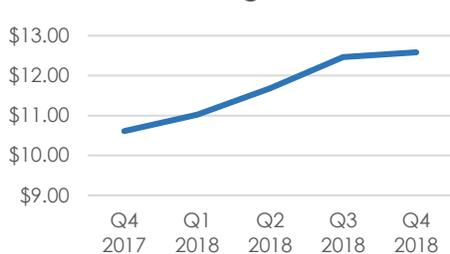
Market Statistics

	Inventory	Total Vacancy SF	Vacancy Rate	YTD Net Absorption	YTD Deliveries	Under Construction	Rates - All Classes
North Trinity	13,791,965 SF	871,393 SF	6.32%	-144,885 SF	0 SF	0 SF	\$12.58/SF
Dallas/Fort Worth Total	912,158,498 SF	56,313,783 SF	0.06%	20,225,519 SF	25,287,245 SF	19,618,095 SF	\$6.42/SF

Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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