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Q4 2021

INDUSTRIAL MARKET BEAT

MARKET BEAT

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TCN WORLDWIDE REAL ESTATE SERVICES

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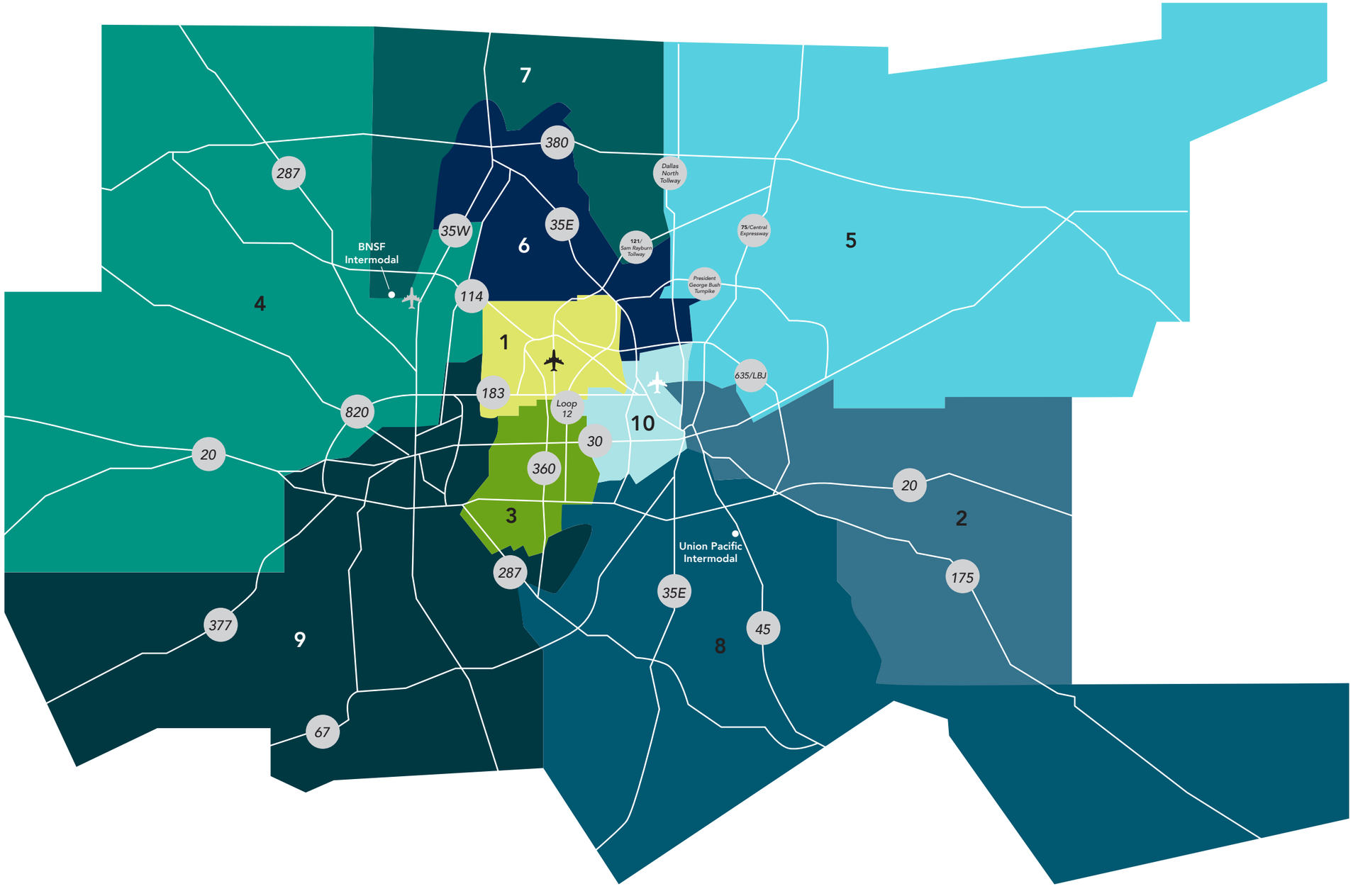
DFW Industrial Market Overview



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
- 8 - South Dallas Ind
- 9 - South Ft Worth Ind
- 10 - Pinnacle
- DFW Airport
- Love Field
- Alliance Airport

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MARKET BEAT

INDUSTRIAL OVERVIEW

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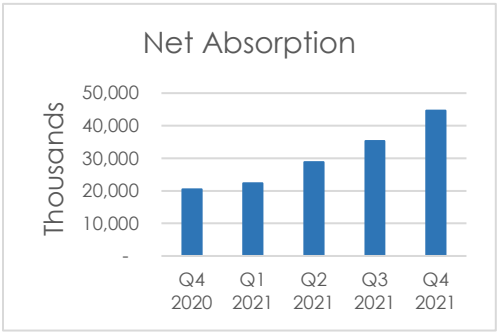
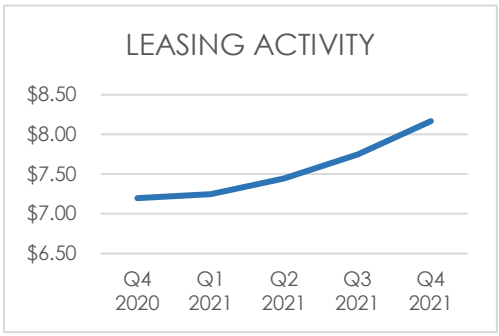
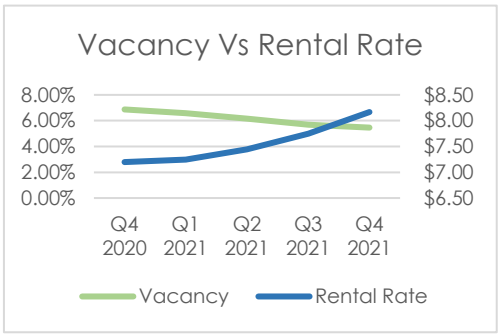
INDUSTRIAL OVERVIEW | Q4 2021

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Dallas / Fort Worth	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF
Texas	2,258,841,742 SF	175,065,224 SF	5.49%	91,210,299 SF	62,725,303 SF	103,449,544 SF	$9.11/SF
National	17,570,194,520 SF	1,207,565,002 SF	4.25%	480,694,958 SF	305,891,094 SF	515,864,106 SF	$9.81/SF







Under Construction	Delivered	Absorption	Sale Price PSF

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TOTAL INDUSTRIAL STATISTICS

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Market	Total Inventory	Vacancy		12 Month Total		Construction	Quoted
		Vacant SF	Vac %	Net Absorption	Net Deliveries	Current SF	Rates
W DFW Airport/Grapevine	22,536,244	651,748	2.89%	1,895,332	854,630	951,913	$ 9.52
E DFW Airport/Las Colinas	68,176,465	6,257,918	3.71%	5,083,299	1,441,834	3,349,858	$ 7.51
Central East Dallas	19,772,898	2,556,833	13.11%	(215,165)	-	-	$ 9.09
East Dallas/Mesquite	25,704,011	4,737,249	9.26%	1,054,466	821,730	3,294,182	$ 6.91
Lower Great Southwest	43,175,279	2,158,764	2.74%	834,941	129,450	374,274	$ 6.96
Upper Great Southwest	56,158,923	3,443,104	3.41%	2,228,470	-	828,636	$ 6.67
Arlington	26,095,974	1,838,461	2.76%	1,193,059	465,651	1,433,918	$ 7.51
NE Tarrant/Alliance	68,406,178	13,427,449	11.98%	7,413,261	6,090,687	7,866,201	$ 7.27
Meacham Field/Fossil Creek	49,928,986	4,347,317	6.70%	745,826	1,373,426	1,625,714	$ 6.66
Allen/McKinney	16,911,617	1,493,634	5.75%	2,696,024	2,744,254	307,250	$ 10.55
Plano	25,740,949	2,137,528	4.63%	567,168	193,028	1,465,878	$ 11.57
Richardson	19,794,825	1,128,107	5.93%	693,174	257,107	180,000	$ 12.04
NE Dallas/Garland	55,238,840	2,004,065	2.69%	2,917,300	947,846	19,350	$ 7.10
Lewisville	31,544,343	2,678,746	2.77%	1,341,231	152,791	3,217,155	$ 8.08
N Stemmons/Valwood	53,520,193	1,836,813	2.97%	1,059,555	152,151	296,390	$ 7.23
Metropolitan/Addison	22,170,384	1,175,695	6.36%	160,541	124,450	-	$ 10.25
Redbird Airport	20,194,286	583,413	2.50%	6,957	76,344	368,646	$ 5.39
SW Dallas/US 67	32,920,964	3,085,024	2.01%	1,455,717	20,000	4,081,082	$ 6.87
SE Dallas/I-45	50,237,816	11,336,666	7.84%	4,817,929	3,333,889	14,741,223	$ 5.30
Outlying Ellis County	12,976,929	717,105	3.85%	408,657	50,000	1,398,000	$ 6.06
East Fort Worth	27,182,249	2,142,233	5.86%	223,135	555,065	689,669	$ 7.58
N Central Fort Worth	11,133,592	708,653	2.99%	(32,631)	7,800	-	$ 8.07
S Central Fort Worth	10,785,107	555,433	3.70%	(37,246)	-	-	$ 7.61
S Central Tarrant County	30,516,031	4,770,571	11.28%	3,410,199	3,799,236	4,827,164	$ 6.48
Western Lonestar/PGB Turnpike	9,480,833	187,152	3.89%	23,119	-	790,213	$ 6.90
Eastern Lonestar/PGB Turnpike	30,043,027	2,401,640	3.76%	586,134	119,200	1,641,720	$ 5.85
North Trinity	13,416,951	914,902	6.25%	301,514	-	-	$ 12.74
Totals	1,024,559,589	55,967,592	5.46%	44,665,611	28,086,219	62,733,293	$ 8.17

Source: CoStar Property®

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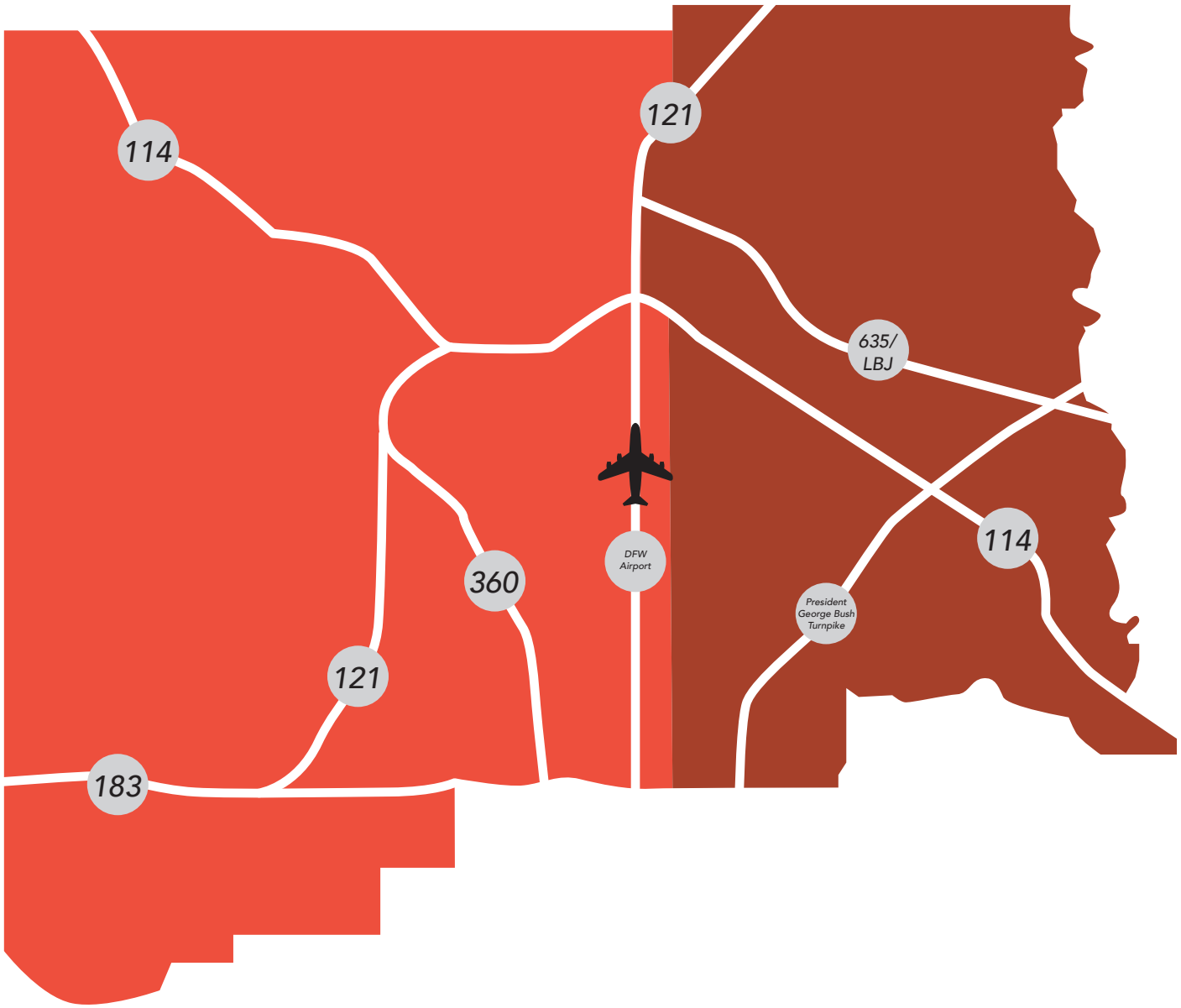
DFW Airport Industrial Market



Legend

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

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INDUSTRIAL SUBMARKET REPORT

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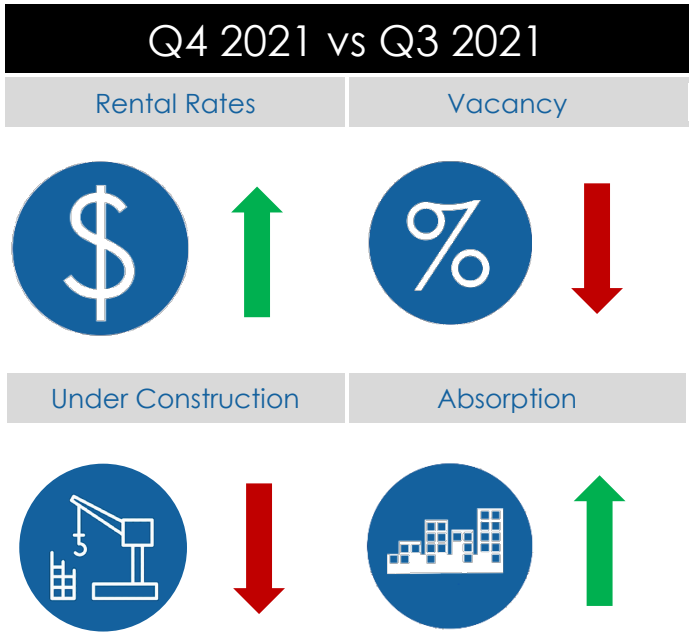
W DFW Airport / Grapevine | Q4 2021

Market Insights:

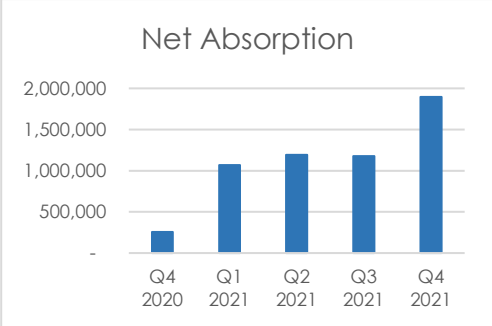
The W DFW Airport / Grapevine Submarket ended the fourth quarter of 2021 with a vacancy rate of 2.89%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 1,895,332 SF at the end of Q4 2021.

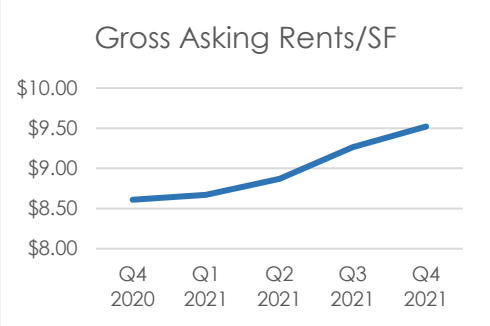
Rental rates ended the fourth quarter at $9.52/SF across all classes, increasing from $9.26/SF in the previous quarter. 12-month new construction deliveries are at 854,630 SF, and there is currently 951,913 SF under construction in the submarket.

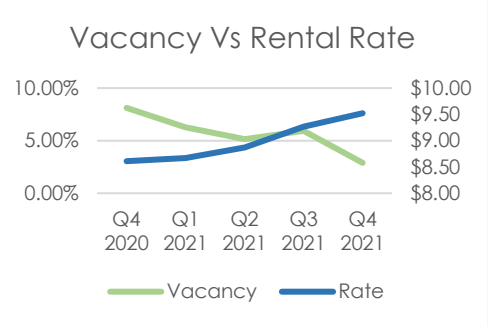
Vacancies typically trend below the metro average and neighboring submarkets like East DFW Airport / Las Colinas and Upper Great Southwest. Increased development activity will place supply-side pressure on vacancy rates in the short term. Tenant footprints are on the smaller side as most of the submarket's inventory is made of mid-sized, multi-tenant industrial assets. There are around ten industrial tenants that occupy more than 200,000 SF in the submarket. Meanwhile, at East DFW Airport / Las Colinas and Upper Great Southwest, there are about 50 and 40 similar tenants, respectively.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
W DFW Airport / Grapevine	22,536,244 SF	997,229 SF	2.89%	1,895,332 SF	854,630 SF	951,913 SF	$9.52/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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INDUSTRIAL SUBMARKET REPORT

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E DFW Airport / Las Colinas | Q4 2021

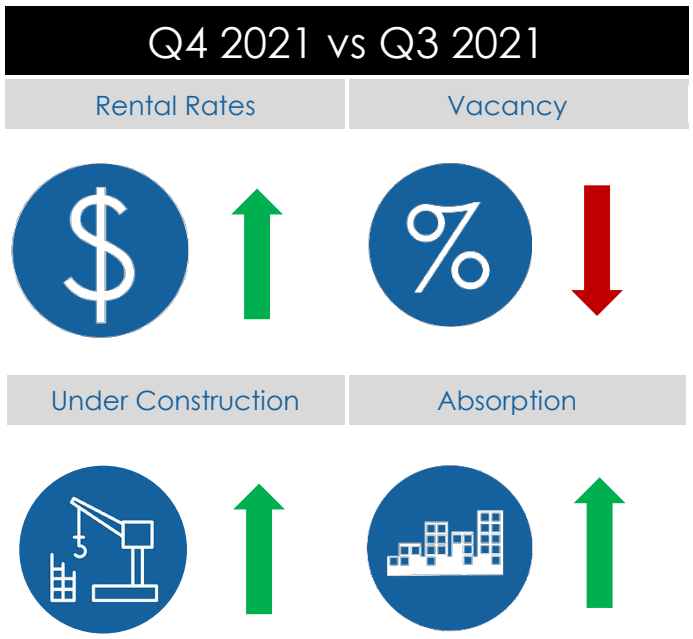
Market Insights:

The E DFW Airport / Las Colinas Submarket ended the fourth quarter of 2021 with a vacancy rate of 3.71%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 5,083,299 SF at the end of Q4 2021.

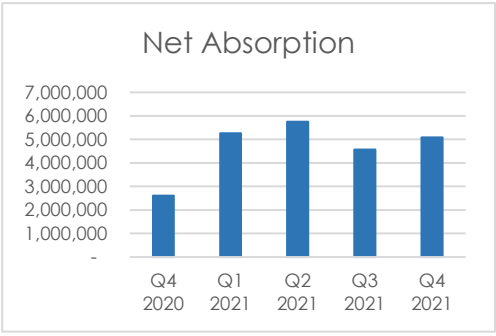
Rental rates ended the fourth quarter at $7.51/SF across all classes, increasing from $7.18/SF in the previous quarter. 12-month new construction deliveries are at 1,441,834 SF, and there is currently 3,349,858 SF under construction in the submarket.

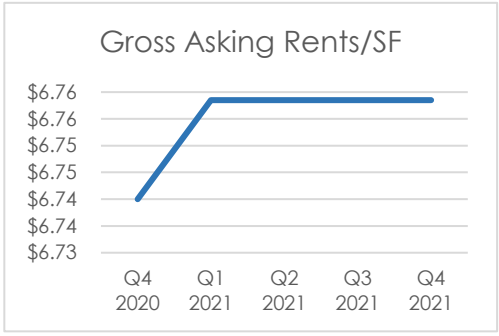
East DFW Airport/Las Colinas is one of the premier industrial submarkets in the metroplex. In addition to its proximity to the airport, the submarket's easy access to State Highway 114, State Highway 121, and the LBJ Freeway make it a favorite of developers and tenants, despite ranking among the most supply-heavy submarkets in the metroplex over the last decade, with 32% of the total inventory being added since 2010. Rent growth continues to move in the right direction. This is also one of the more liquid submarkets in the metro. Both national and institutional firms are active here.

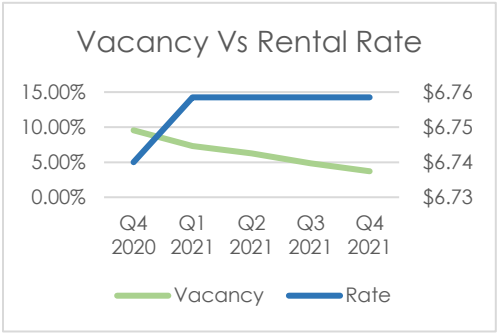
Q4 2021 vs Q3 2021



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
E DFW Airport / Las Colinas	68,176,465 SF	6,257,918 SF	3.71%	5,083,299 SF	1,441,834 SF	3,349,858 SF	$7.51/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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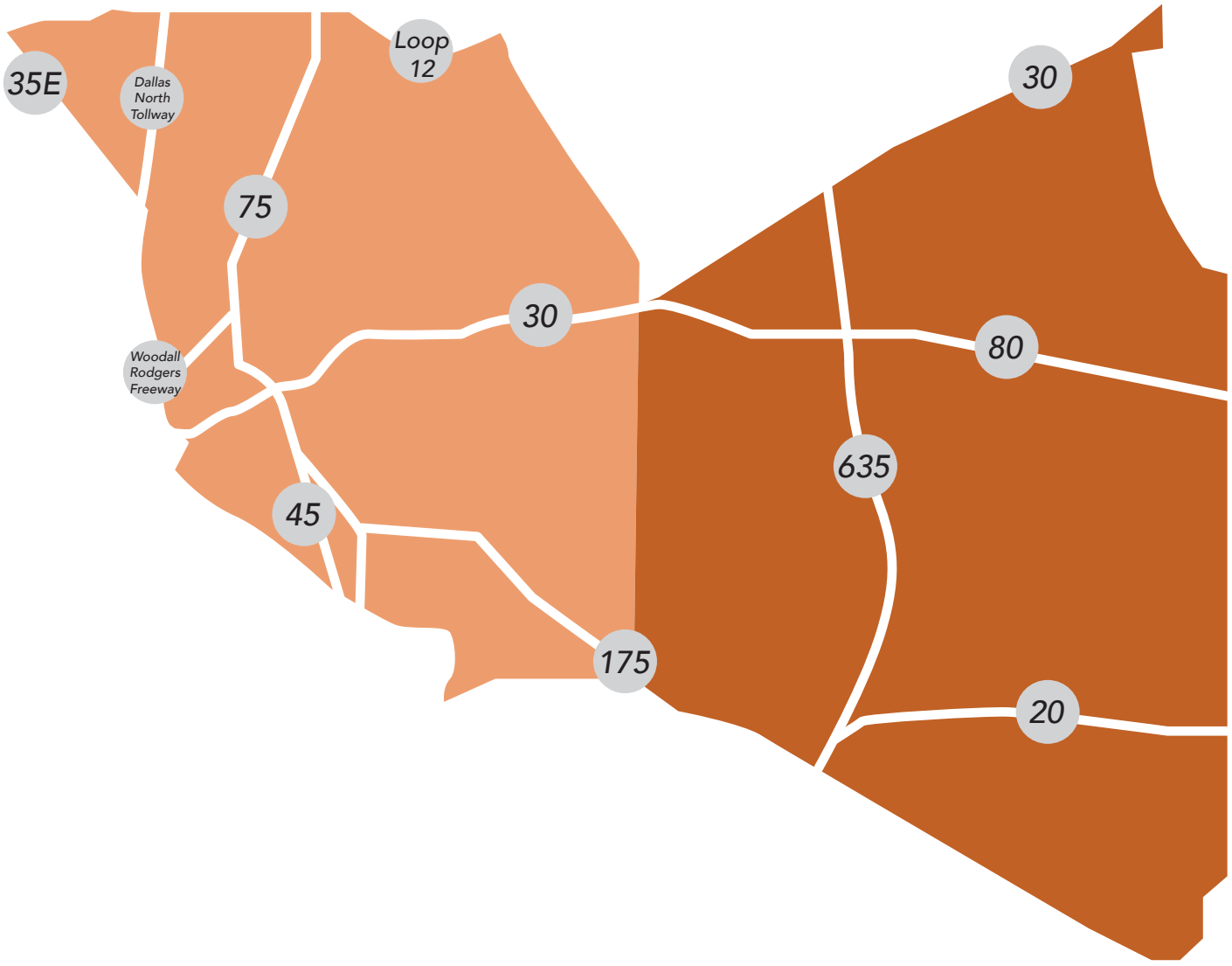
East Dallas Industrial Market



Legend

- Central East Dallas Ind
- East Dallas Mesquite Ind

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INDUSTRIAL SUBMARKET REPORT

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Central East Dallas | Q4 2021

Market Insights:

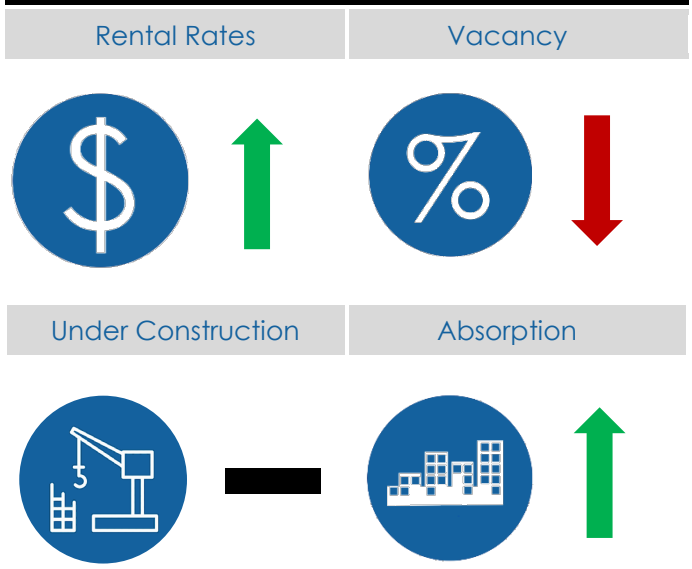
The Central East Dallas Submarket ended the fourth quarter of 2021 with a vacancy rate of 13.11%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is -215,165 SF at the end of Q4 2021.

Rental rates ended the fourth quarter at $9.09/SF across all classes, increasing from $8.89/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is no current construction in the submarket.

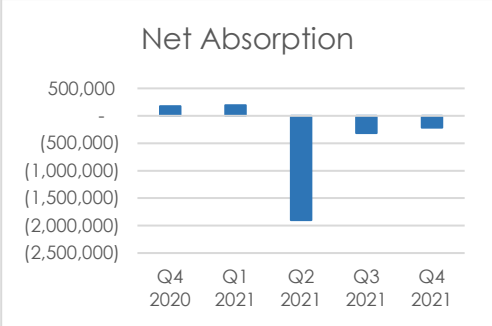
Vacancies are high in the Central East Dallas Submarket compared to the market average, and there is little tenant movement in or out of the submarket. As a result, construction is rare in the submarket.

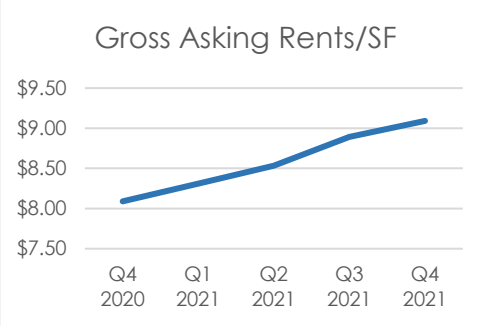
Asking rents in Central East Dallas trend slightly above the metro average. Due to the lack of availability, quoted asking rents are challenging to come by and can vary dramatically depending on the quality of the space. Rent growth has mirrored the metro average over the last decade and has appreciated more than 35% over the last decade.

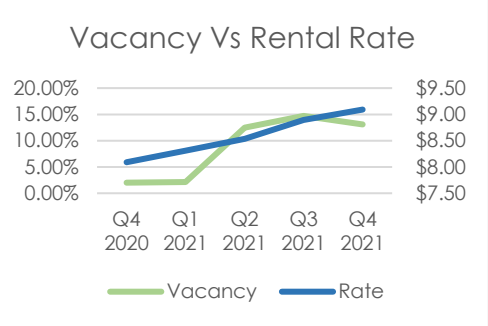
Q4 2021 vs Q3 2021



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Central East Dallas	19,772,898 SF	2,556,833 SF	13.11%	-215,165 SF	0 SF	0 SF	$9.09/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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East Dallas / Mesquite | Q4 2021

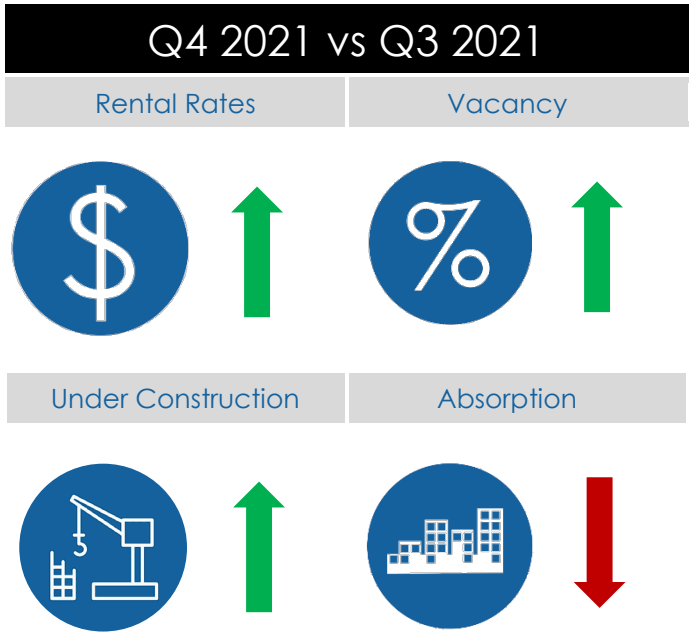
Market Insights:

The East Dallas / Mesquite Submarket ended the fourth quarter of 2021 with a vacancy rate of 9.26%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 1,054,466 SF at the end of Q4 2021.

Rental rates ended the fourth quarter at $6.91/SF across all classes, increasing from $6.75/SF in the previous quarter. 12-month new construction deliveries are at 821,730 SF, and there is currently 3,294,182 SF under construction in the submarket.

The East Dallas/Mesquite submarket is a longstanding transportation center. With excellent connectivity provided by I-20 and I-30, the area is home to one of Dallas-Fort Worth's major intermodal hubs.

In terms of construction, many new builds were build-to-suits. After mainly ignoring East Dallas/Mesquite in the '90s, developers ramped up construction in the early 2000s during the construction of the Intermodal. Nearly half of the inventory in the area delivered since 2000.



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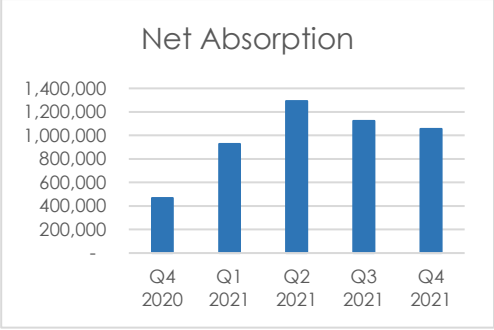

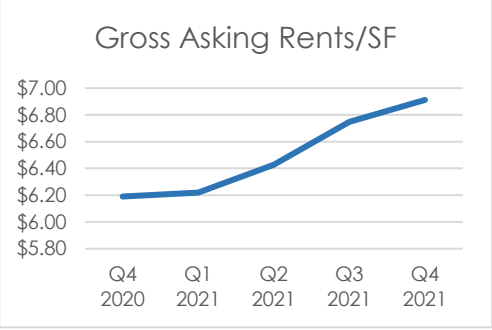

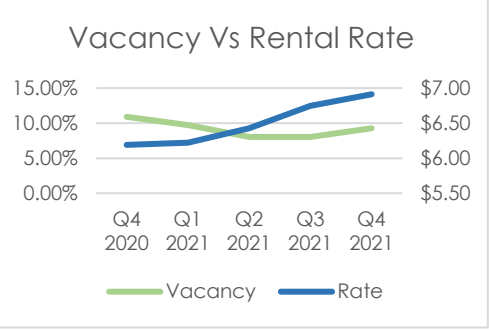

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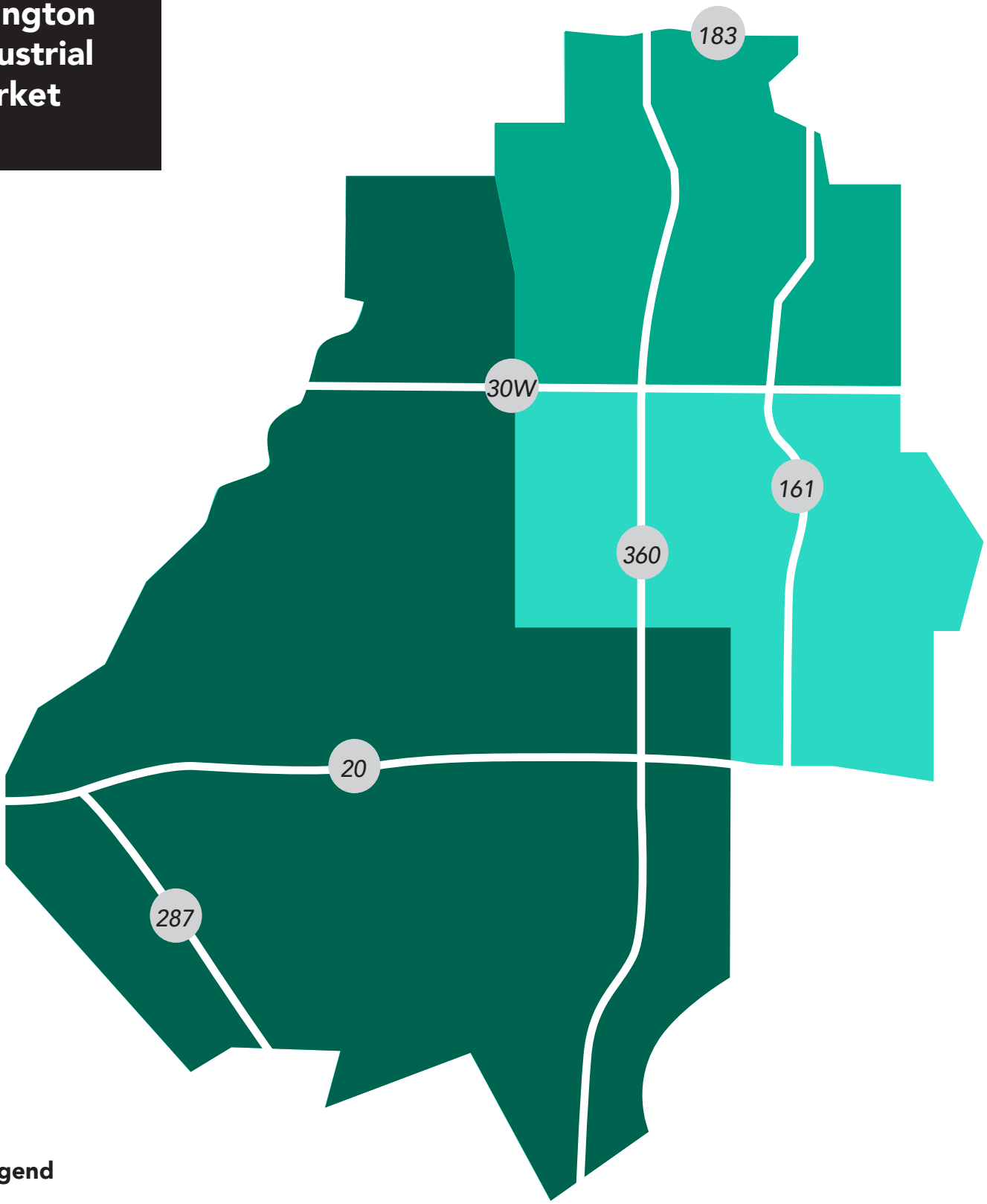
Great SW Arlington Industrial Market



Legend

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

N

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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

Lower Great Southwest | Q4 2021

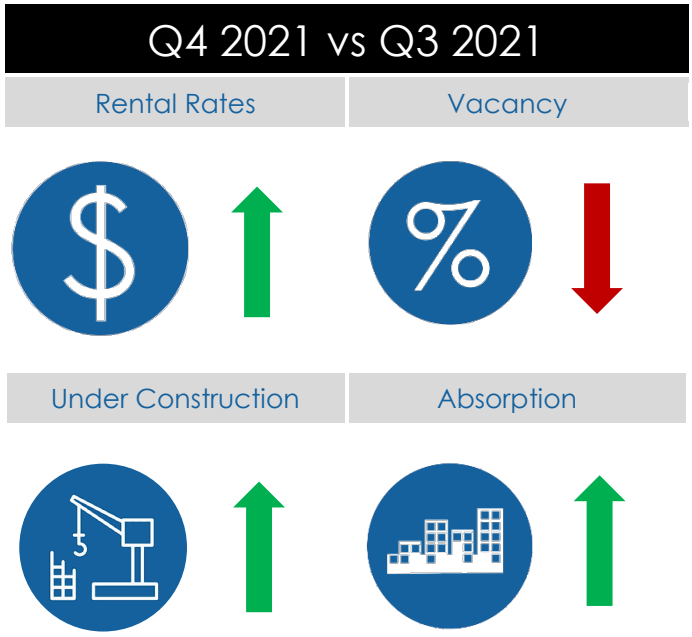
Market Insights:

The Lower Great Southwest Submarket ended the fourth quarter of 2021 with a vacancy rate of 2.74%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 834,941 SF at the end of Q4 2021.

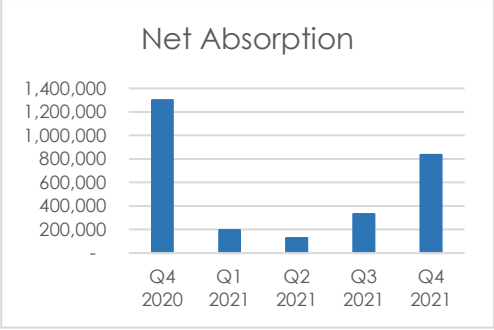
Rental rates ended the fourth quarter at $6.96/SF across all classes, increasing from $6.84/SF in the previous quarter. 12-month new construction deliveries are at 129,450 SF, and there is currently 374,274 SF under construction in the submarket.

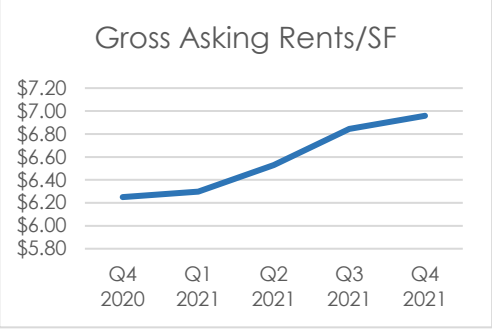
Vacancies in Lower Great Southwest have decreased significantly throughout the last decade and have leveled off in recent years, settling in at around 2.7%.

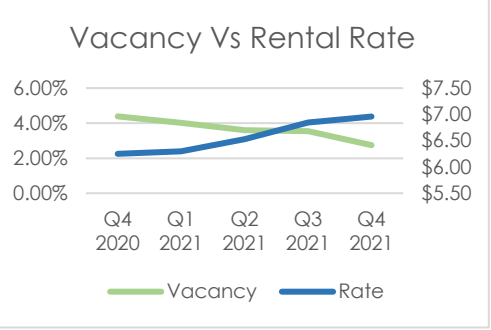
The submarket hasn't seen as much new supply as neighboring Upper Great Southwest, but deliveries have ticked up. Over the last twelve months129,450 square feet has delivered, and there is currently 374,274 square feet under construction. Asking rents land below the metro average but rent growth has trended higher at almost 6% annually.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Lower Great Southwest	43,175,279 SF	2,158,764 SF	2.74%	834,941 SF	129,450 SF	374,274 SF	$6.96/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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Upper Great Southwest | Q4 2021

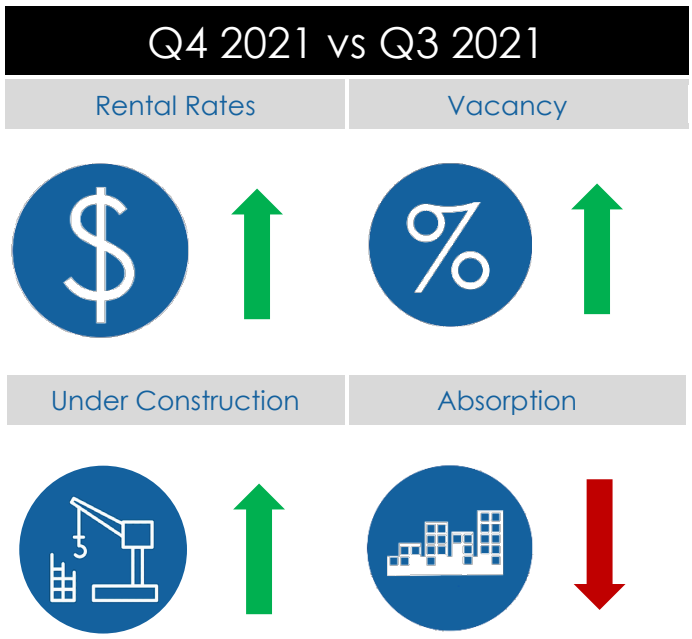
Market Insights:

The Upper Great Southwest Submarket ended the fourth quarter of 2021 with a vacancy rate of 3.41%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 2,228,470 SF at the end of Q4 2021.

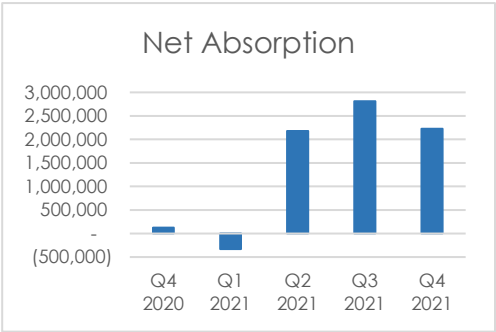
Rental rates ended the fourth quarter at $6.67/SF across all classes, increasing from $6.48/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently 828,636 SF under construction in the submarket.

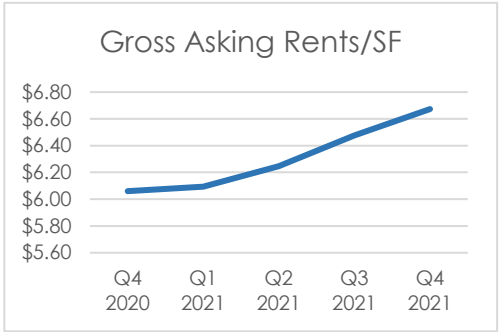
The Upper Great Southwest Submarket offers easy access to the Dallas / Fort Worth International Airport and highways access across the metroplex. It contains a mix of industrial product ranging from smaller, multi-tenant buildings built in the '60s, '70s, and '80s to more modern, efficient, large-bay, single-tenant space built since the '90s. Upper Great Southwest is one of the largest industrial submarkets in the metroplex and is realizing an uptick in speculative project activity. Occupancies have recovered from the most recent supply wave, however, with almost 830,000 SF underway, much of which is spec, the vacancy rate may increase in the short term.

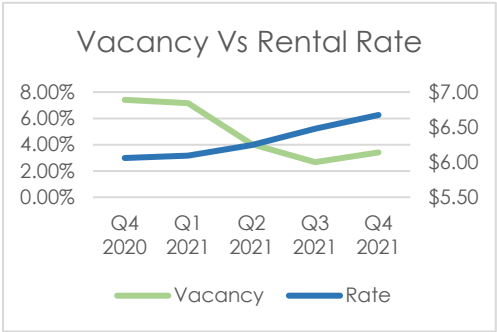
Q4 2021 vs Q3 2021



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Upper Great Southwest	56,158,923 SF	3,443,104 SF	3.41%	2,228,470 SF	0 SF	828,636 SF	$6.67/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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Arlington | Q4 2021

Market Insights:

The Arlington Submarket ended the fourth quarter of 2021 with a vacancy rate of 2.76%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 1,193,059 SF at the end of Q4 2021.

Rental rates ended the fourth quarter at $7.51/SF across all classes, increasing from $7.32/SF in the previous quarter. 12-month new construction deliveries are at 465,651 SF, and there is currently 1,433,918 SF under construction in the submarket.

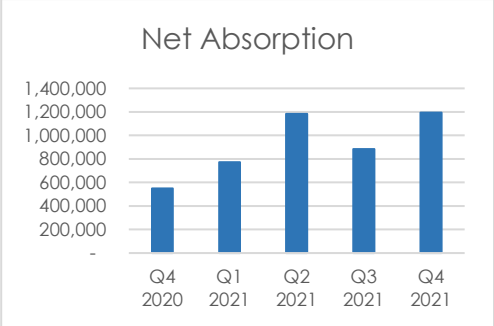
The Arlington submarket is a secondary distribution node between Fort Worth and Dallas. While industrial inventory is scattered throughout the submarket, there is a concentration of higher-quality stock built at the intersection of I-20 and State Highway 360, which is roughly 20 miles from Dallas, Fort Worth, and the D/FW International Airport. The tightening of the submarket is reflected in the number of large blocks of space available. As of November 2021, there were six properties with 100,000 SF or greater of space available for lease. Previously, vacancies were impacted by large blocks of space that were delivered in 2017 and taken by large, single-tenant users

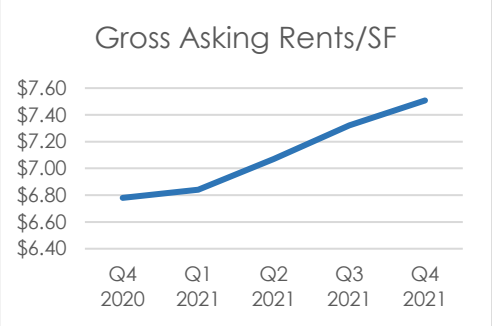
Q4 2021 vs Q3 2021

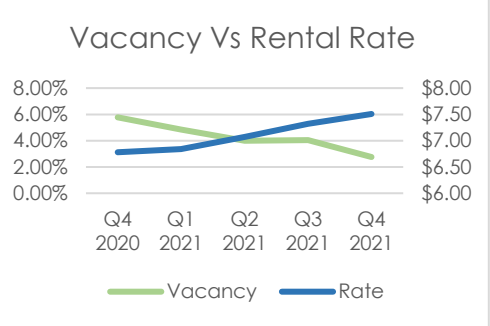
Rental Rates	Vacancy
↑	↓

Under Construction	Absorption
↑	↑

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Arlington	26,095,974 SF	1,838,461 SF	2.76%	1,193,059 SF	465,651 SF	1,433,918 SF	$7.51/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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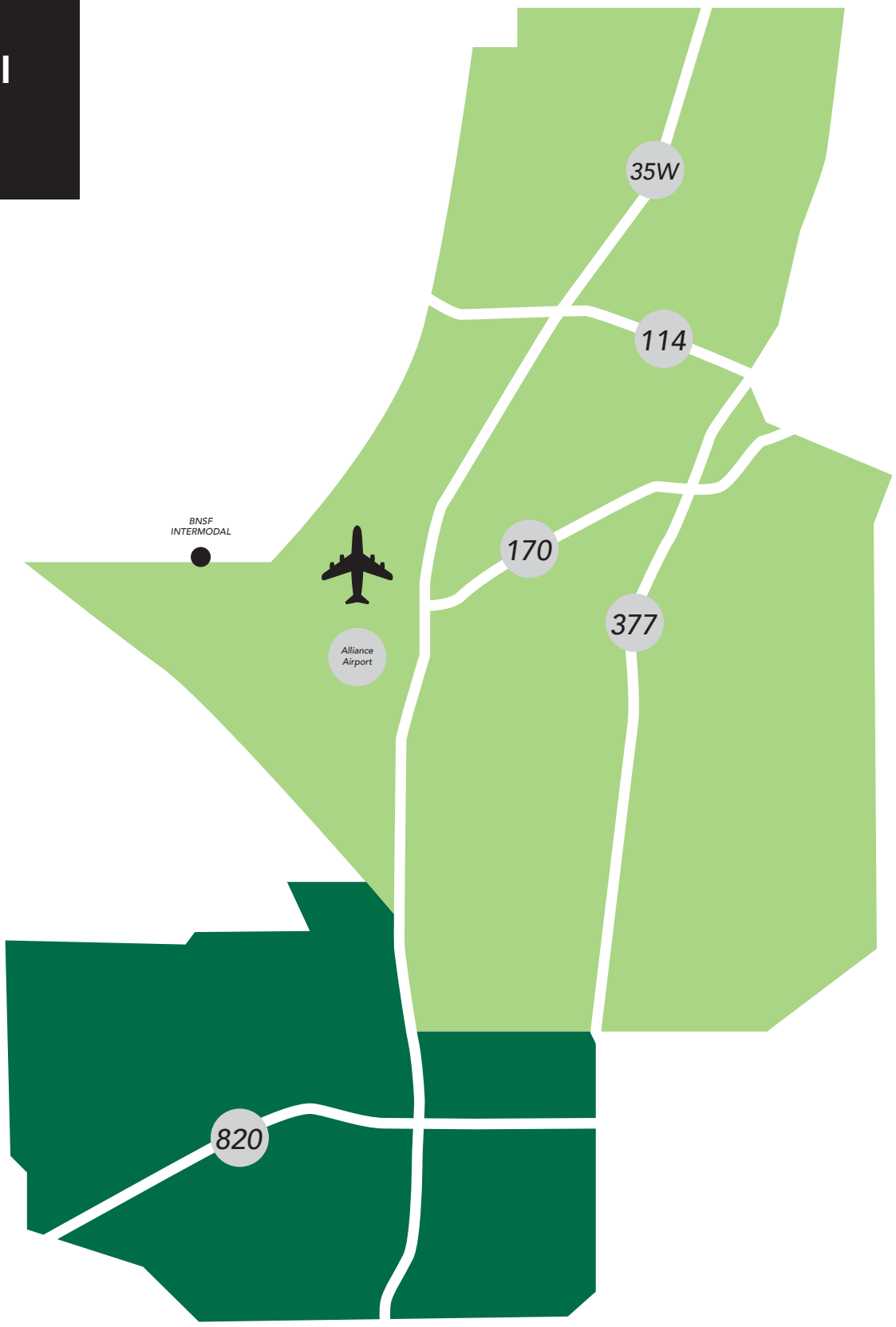
N FTW & Alliance Industrial Market



Legend

- NE Tarrant/Alliance Ind
- Meacham Fld/Fossil Cr Ind

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INDUSTRIAL SUBMARKET REPORT

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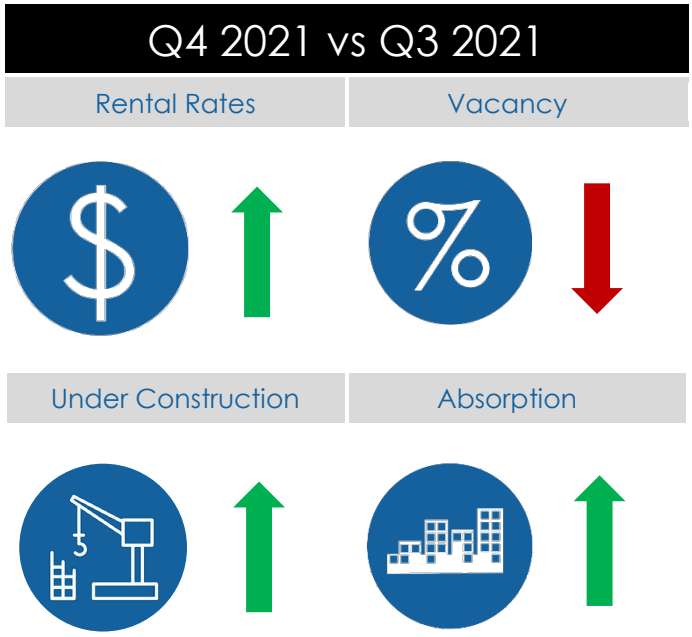
NE Tarrant / Alliance | Q4 2021

Market Insights:

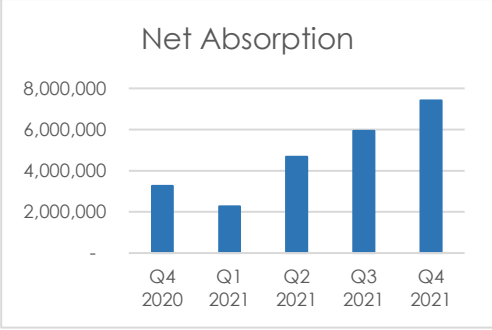
The NE Tarrant / Alliance Submarket ended the fourth quarter of 2021 with a vacancy rate of 11.98%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 7,413,261 SF at the end of Q4 2021.

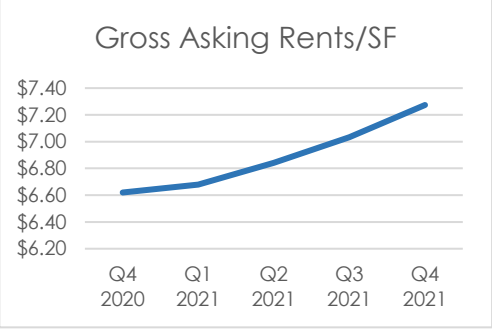
Rental rates ended the fourth quarter at $7.27/SF across all classes, increasing from $7.03/SF in the previous quarter. 12-month new construction deliveries are at 6,090,687 SF, and there is currently 7,866,201 SF under construction in the submarket.

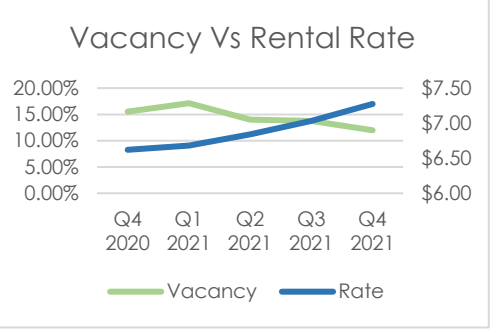
The NE Tarrant / Alliance Submarket has been one of the most active in the metroplex in terms of new supply. Since 2010, developers have added over 30 million SF of new space, encompassing 50% of the market's industrial construction during this period. With almost 7.9 million SF of development currently underway, the area is showing no signs of slowing down. Solid economic underpinnings and the unique transportation infrastructure provided by rail, road, and air will serve the submarket well in the future. Over the past decade, the submarket has emerged as one of the country's premier industrial submarkets.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
NE Tarrant / Alliance	68,406,178 SF	13,427,449 SF	11.98%	7,413,261 SF	6,090,687 SF	7,866,201 SF	$7.27/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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Meacham Field/Fossil Creek | Q4 2021

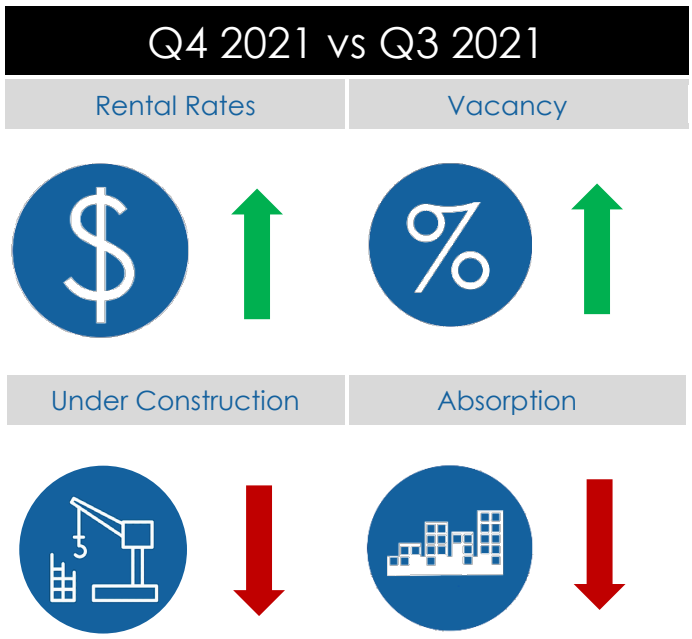
Market Insights:

The Meacham Field / Fossil Creek Submarket ended the fourth quarter of 2021 with a vacancy rate of 6.70%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 745,826 SF at the end of Q4 2021.

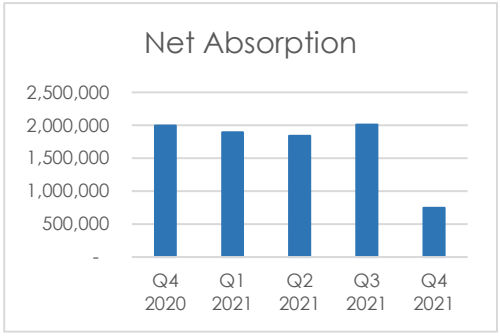
Rental rates ended the fourth quarter at $6.66/SF across all classes, increasing from $6.62/SF in the previous quarter. 12-month new construction deliveries are at 1,373,426 SF, and there is currently 1,625,714 SF under construction in the submarket.

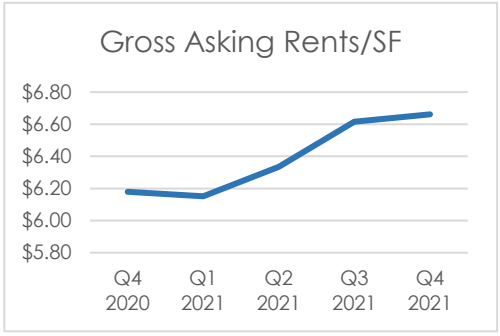
Meacham Field / Fossil Creek is a large, dynamic industrial submarket north of Fort Worth. The submarket has added a great deal of modern, efficient product in recent building cycles, and close to half of its total big-box inventory has been delivered since 2000. The proximity to the airport and highways is enticing developers to add more space. A series of supply spikes in the submarket continues to place pressure on vacancy rates. In 2021 there were 34 new direct leases signed totaling 1.4 MSF of space. The average deal size is 41,700 SF.

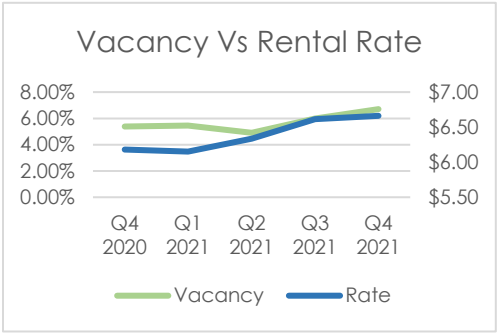
Q4 2021 vs Q3 2021



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Meacham Field / Fossil Creek	49,928,986 SF	4,347,317 SF	6.70%	745,826 SF	1,373,426 SF	1,625,714 SF	$6.66/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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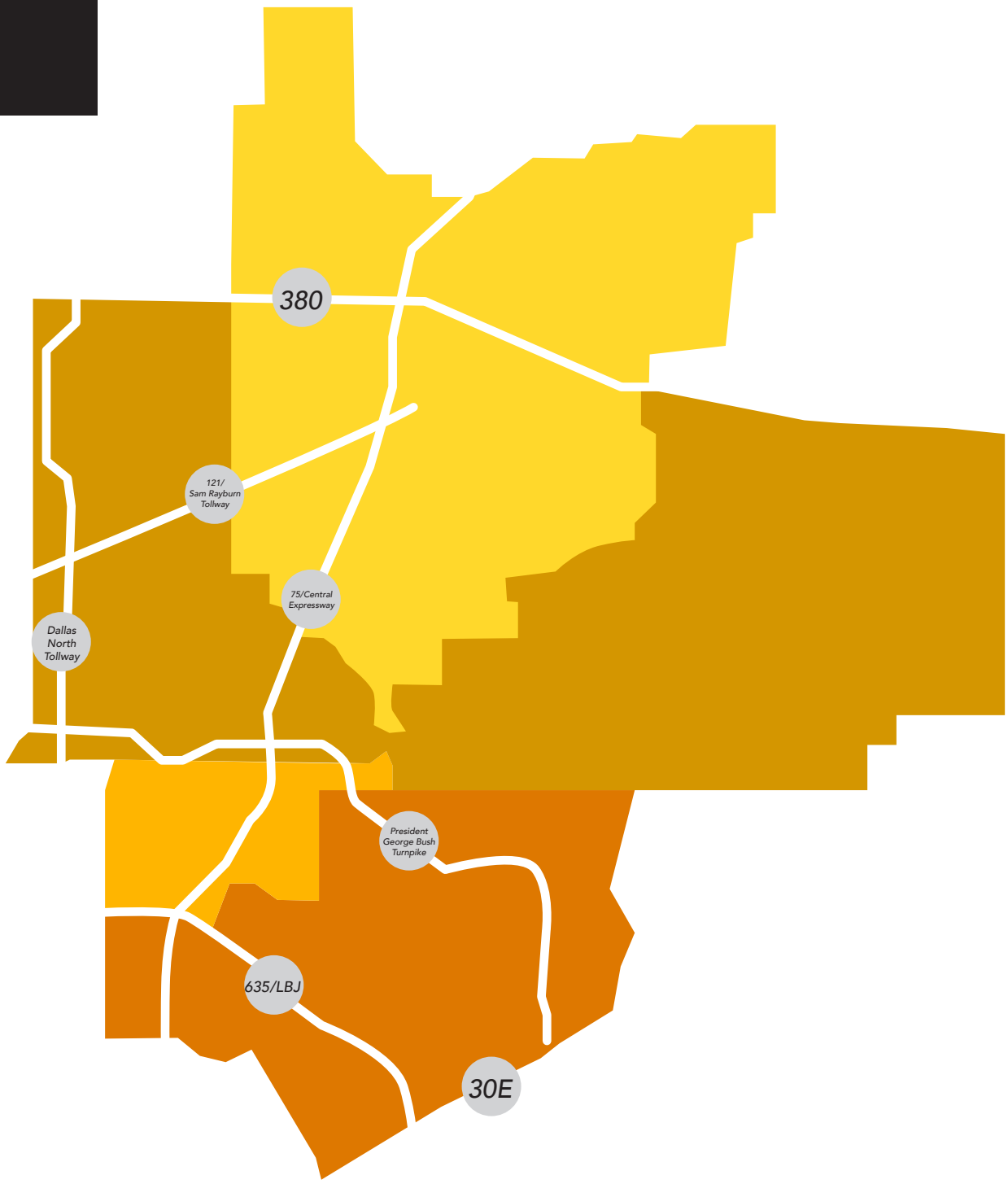
Northeast Dallas Industrial Market



Legend

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

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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

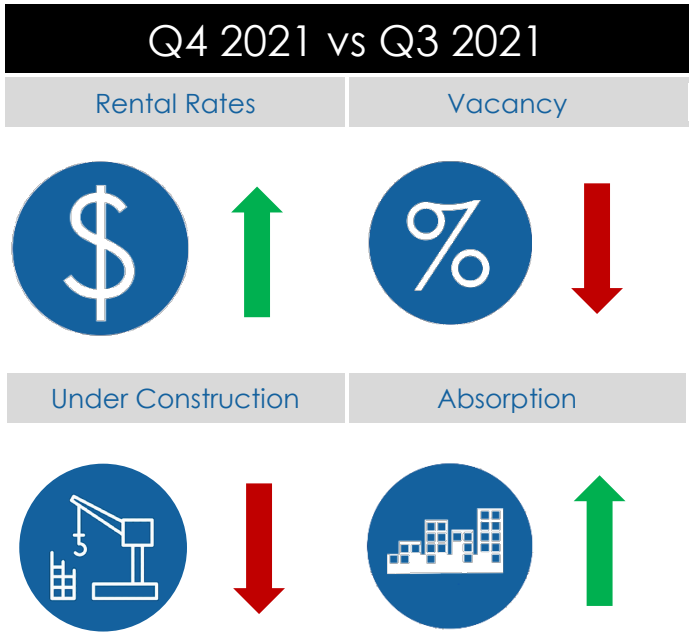
Allen / McKinney | Q4 2021

Market Insights:

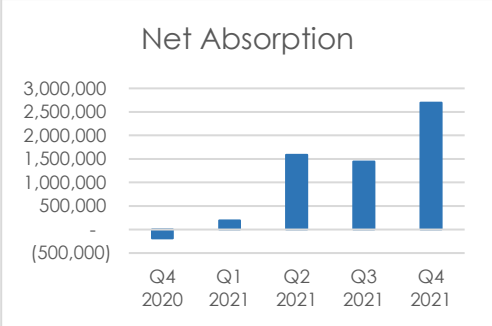
The Allen / McKinney Submarket ended the fourth quarter of 2021 with a vacancy rate of 5.75%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 2,696,024 SF at the end of Q4 2021.

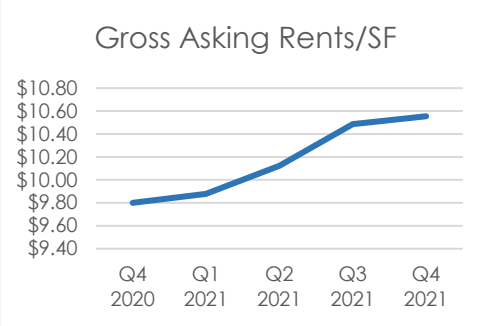
Rental rates ended the fourth quarter at $10.55/SF across all classes, increasing from $10.49/SF in the previous quarter. 12-month new construction deliveries are at 2,744,254 SF, and there is currently 307,250 SF under construction in the submarket.

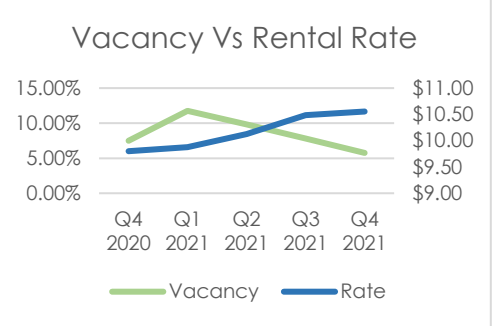
Allen / McKinney is an affluent, primarily residential area in the mold of its neighbors Plano and Frisco. However, the submarket has seen significant growth in the industrial sector in recent years. As demographic growth in the metroplex continues to push northward, industrial tenants have eagerly taken up virtually all available space as it becomes available. As the market continues to expand, there has been a significant uptick in speculative space entering the market in the last few years.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Allen / McKinney	16,911,617 SF	1,493,634 SF	5.75%	2,696,024 SF	2,744,254 SF	307,250 SF	$10.55/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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Plano | Q4 2021

Market Insights:

The Plano Submarket ended the fourth quarter of 2021 with a vacancy rate of 4.63%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 567,168 SF at the end of Q4 2021.

Rental rates ended the fourth quarter at $11.57/SF across all classes, increasing from $11.34/SF in the previous quarter. 12-month new construction deliveries are at 193,028 SF, and there is currently 1,465,878 SF under construction in the submarket.

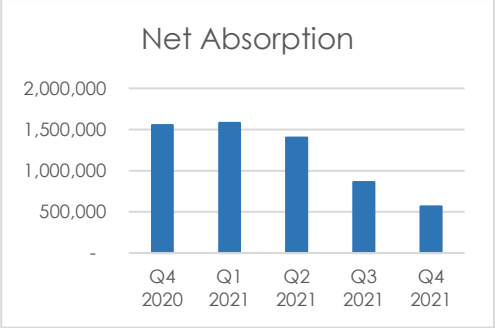
Plano is often overlooked as an industrial hub, as most of the area's growth is concentrated in the office, retail, and residential sectors. However, Plano's location in the heart of the affluent northern Dallas suburbs also makes it ideal for tenants seeking last-mile distribution space. Plano's leasing activity remains strong, and the vacancy rate has declined since the run-up in early 2020, largely due to several significant deliveries. Plano industrial has been heavily traded over the previous decade, with inventory turnover routinely eclipsing 10% annually.

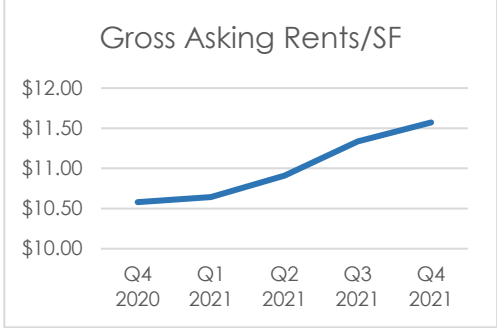
Q4 2021 vs Q3 2021

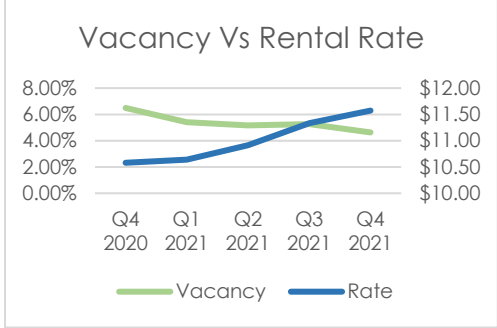
Rental Rates	Vacancy
↑	↓

Under Construction	Absorption
↑	↓

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Plano	25,740,949 SF	2,137,528 SF	4.63%	567,168 SF	193,028 SF	1,465,878 SF	$11.57/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

Richardson | Q4 2021

Market Insights:

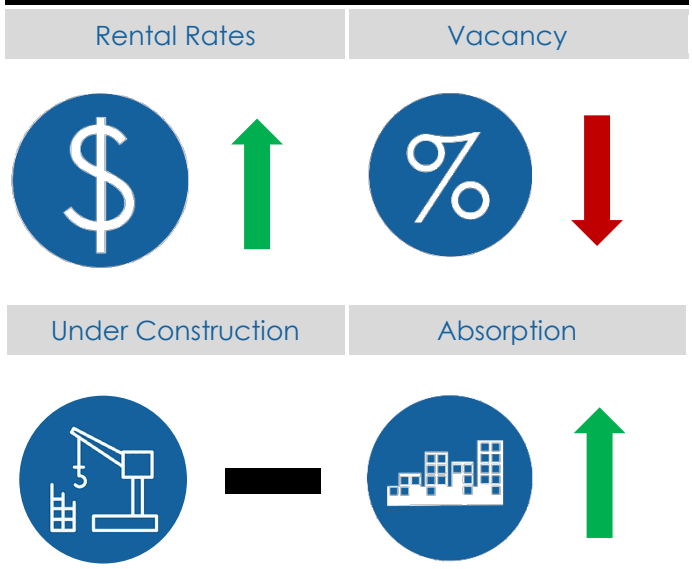
The Richardson Submarket ended the fourth quarter of 2021 with a vacancy rate of 5.93%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 693,174 SF at the end of Q4 2021.

Rental rates ended the fourth quarter at $12.04/SF across all classes, increasing from $11.84/SF in the previous quarter. 12-month new construction deliveries are at 257,107 SF, and there is currently 180,000 SF under construction in the submarket.

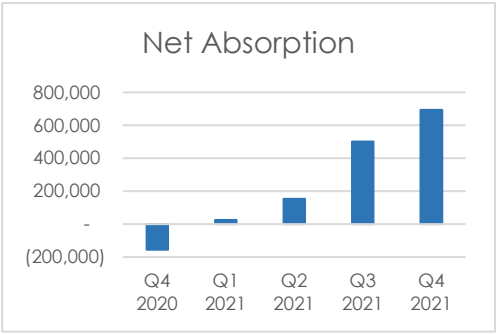
Richardson, home to the Telecom Corridor, serves as a primary suburban office submarket in Dallas. While the submarket is not much of a warehouse / distribution node, it does contain an abundance of specialized industrial and flex space.

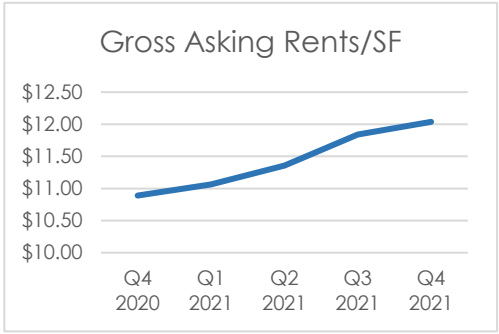
Due to the high concentration of flex space, the average rents are some of the highest in the metroplex. Vacancies are trending near the metro average, but large blocks of space are rare.

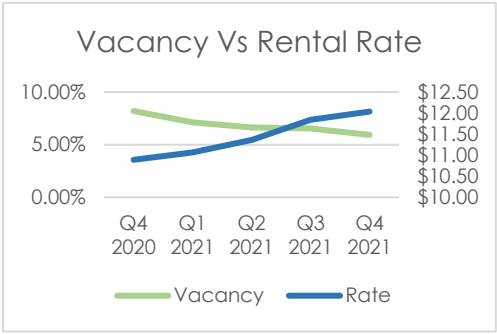
Q4 2021 vs Q3 2021



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Richardson	19,794,825 SF	1,128,107 SF	5.93%	693,174 SF	257,107 SF	180,000 SF	$12.04/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

NE Dallas / Garland | Q4 2021

Market Insights:

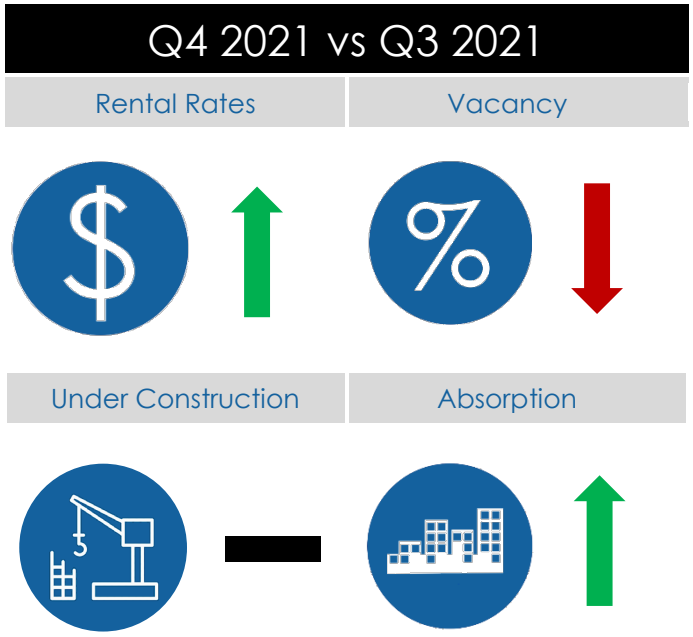
The NE Dallas / Garland Submarket ended the fourth quarter of 2021 with a vacancy rate of 2.69%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 2,917,300 SF at the end of Q4 2021.

Rental rates ended the fourth quarter at $7.10/SF across all classes, increasing from $6.95/SF in the previous quarter. 12-month new construction deliveries are at 947,846 SF, and there is currently 19,350 SF under construction in the submarket.

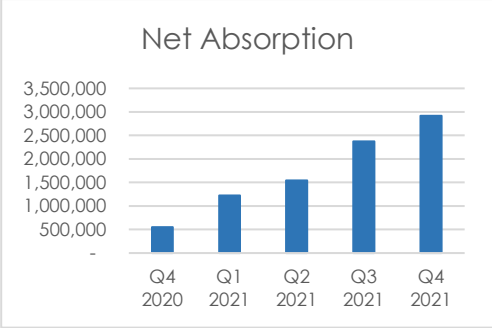
As one of Dallas' major industrial nodes, NE Dallas/Garland contains a deep pool of diverse inventory. The submarket comprises a mix of '80s- and '90s-built multi-tenant product, in addition to newer, single-tenant buildings with clear heights and dock configurations suitable for modern distribution.

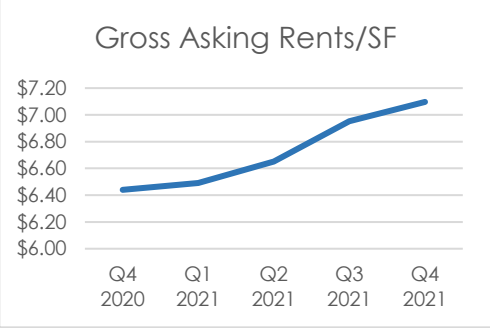
Despite near-record supply levels over the past few years, vacancies have hardly budged. Furthermore, leasing on new and under-construction inventory has been strong, which should keep vacancies in check in the near term.

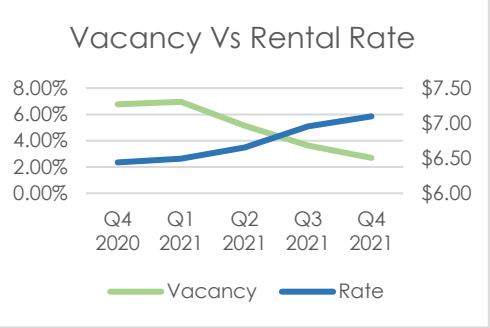
Q4 2021 vs Q3 2021



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
NE Dallas / Garland	55,238,840 SF	2,004,065 SF	2.69%	2,917,300 SF	947,846 SF	19,350 SF	$7.10/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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Valwood/ Lewisville Industrial Market

Legend

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

N

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REAL ESTATE

MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

Lewisville | Q4 2021

Market Insights:

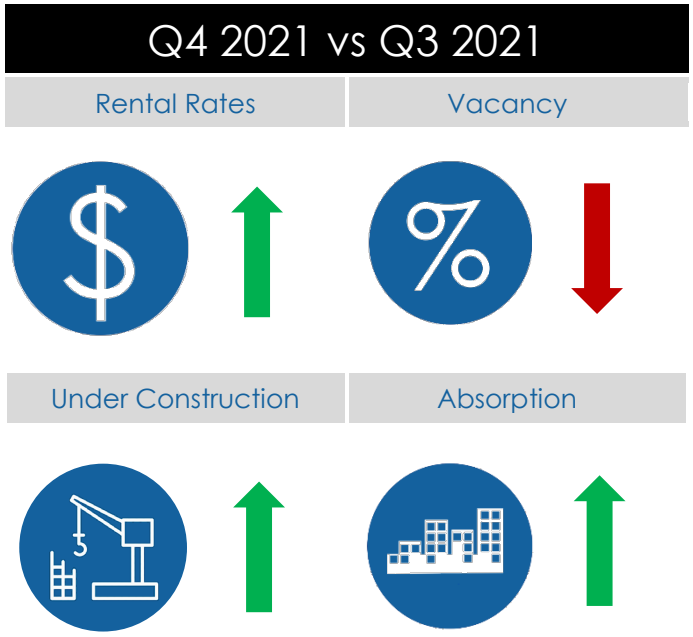
The Lewisville Submarket ended the fourth quarter of 2021 with a vacancy rate of 2.77%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 1,341,231 SF at the end of Q4 2021.

Rental rates ended the fourth quarter at $8.08/SF across all classes, increasing from $7.85/SF in the previous quarter. 12-month new construction deliveries are at 152,791 SF, and there is currently 3,217,155 SF under construction in the submarket.

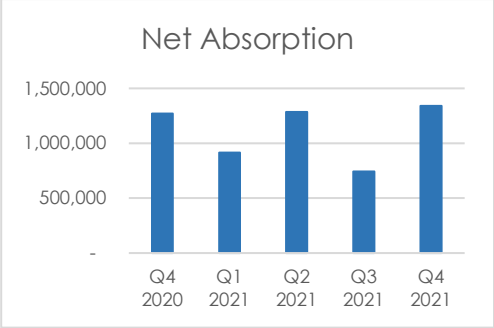
Although Lewisville is predominantly a suburban bedroom community, it contains a few significant industrial nodes.

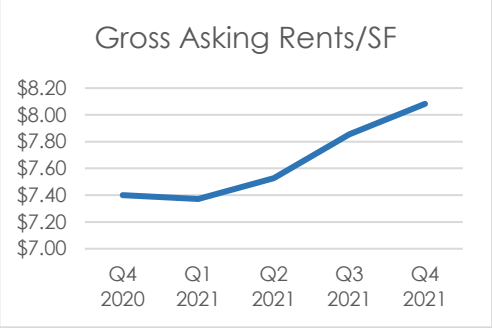
Fundamentals in Lewisville are strong, at 2.77%, vacancies have been well below the ten-year average and new projects are leasing up quickly. Just over 9.6 million SF delivered from 2010-2021. Rents in Lewisville are comparable to those in the neighboring E DFW Airport/Las Colinas Submarket and trend closely with the metro average.

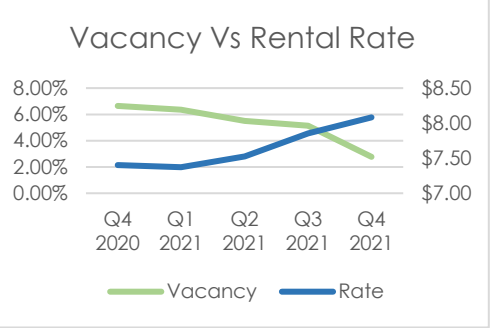
Q4 2021 vs Q3 2021



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Lewisville	31,544,343 SF	2,678,746 SF	2.77%	1,341,231 SF	152,791 SF	3,217,155 SF	$8.08/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

N Stemmons / Valwood | Q4 2021

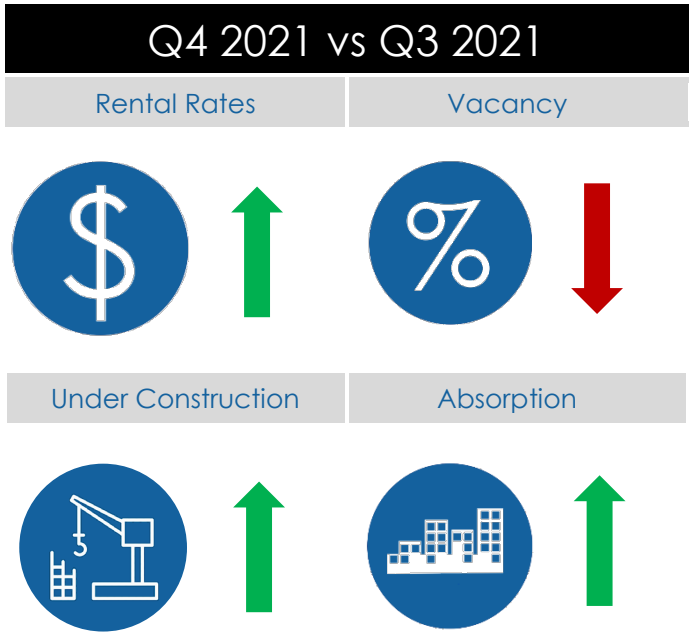
Market Insights:

The N Stemmons / Valwood Submarket ended the fourth quarter of 2021 with a vacancy rate of 2.97%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 1,059,555 SF at the end of Q4 2021.

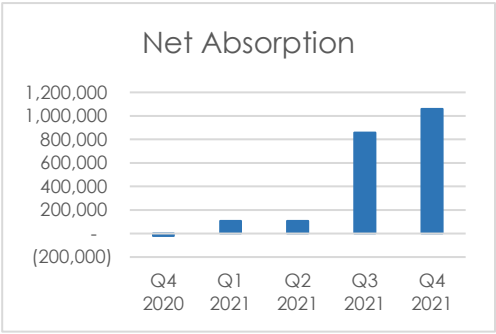
Rental rates ended the fourth quarter at $7.23/SF across all classes, increasing from $7.00/SF in the previous quarter. 12-month new construction deliveries are at 152,151 SF, and there is currently 296,390 SF under construction in the submarket.

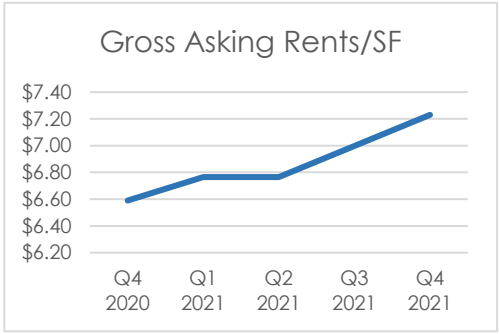
Healthy leasing activity in North Stemmons / Valwood has enabled vacancies to run well below the metro average. However, the submarket has added 1.5 million SF of inventory a year since 2017.

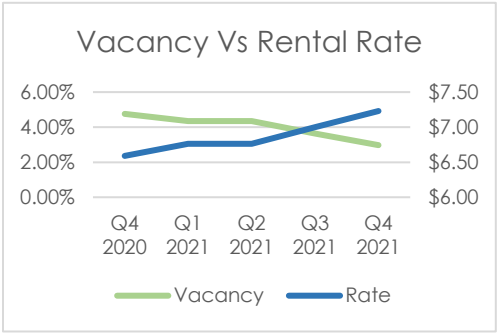
The construction pipeline has remained stable, with almost 300,000 SF of new space currently underway. Despite a string of new completions, demand has been able to keep pace. In turn, this trend should keep vacancies in check in the near term. The area is home to many long-term industrial tenants.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
N Stemmons / Valwood	53,520,193 SF	1,836,813 SF	2.97%	1,059,555 SF	152,151 SF	296,390 SF	$7.23/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

Metropolitan / Addison | Q4 2021

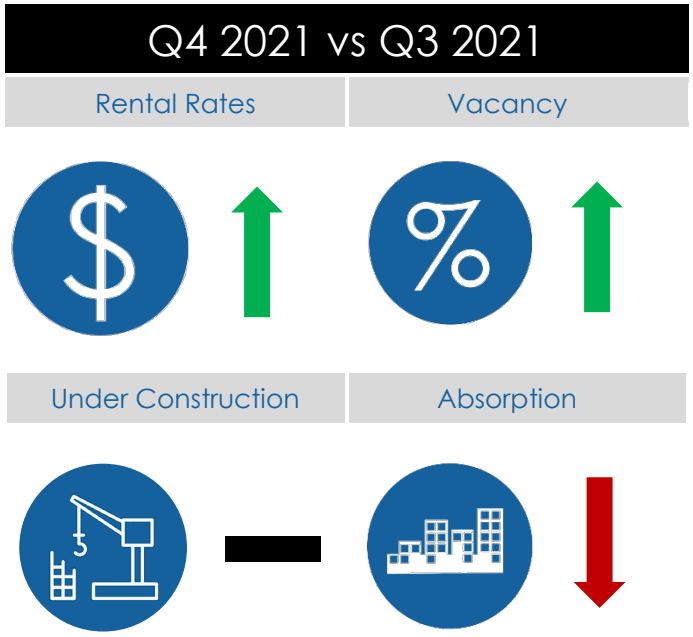
Market Insights:

The Metropolitan / Addison Submarket ended the fourth quarter of 2021 with a vacancy rate of 6.36%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 160,541 SF at the end of Q4 2021.

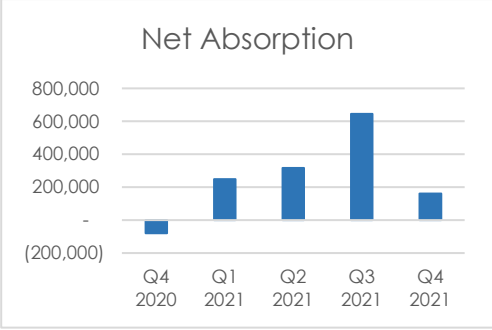
Rental rates ended the fourth quarter at $10.25/SF across all classes, increasing from $9.98/SF in the previous quarter. 12-month new construction deliveries are at 124,450 SF, and there is no current construction in the submarket.

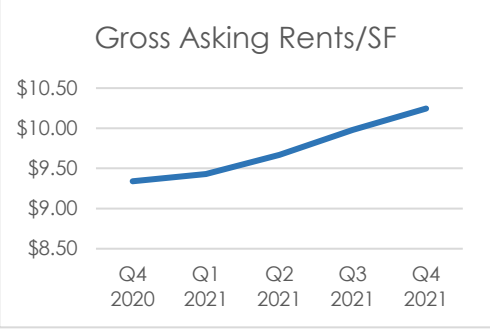
The Metropolitan / Addison Submarket has a dense concentration of both office and industrial inventory. Its location near many of Dallas's population nodes makes it an attractive option for industrial tenants seeking access to some of the most affluent and fastest-growing suburbs in Dallas.

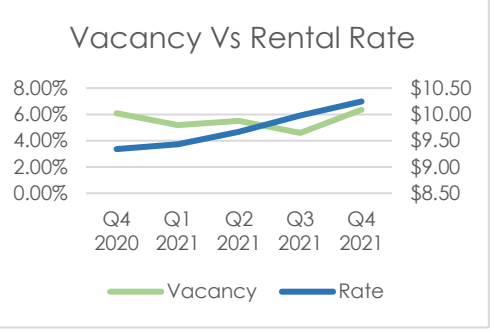
The submarket is predominantly a smaller and older stock. Of the over 22 million SF of inventory, 7.8 million SF is in properties smaller than 100,000 SF. The inventory also skews a bit older, with 10.2 million SF built before 1980.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Metropolitan / Addison	22,170,384 SF	1,175,695 SF	6.36%	160,541 SF	124,450 SF	0 SF	$10.25/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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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

N

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REAL ESTATE

MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

Redbird Airport | Q4 2021

Market Insights:

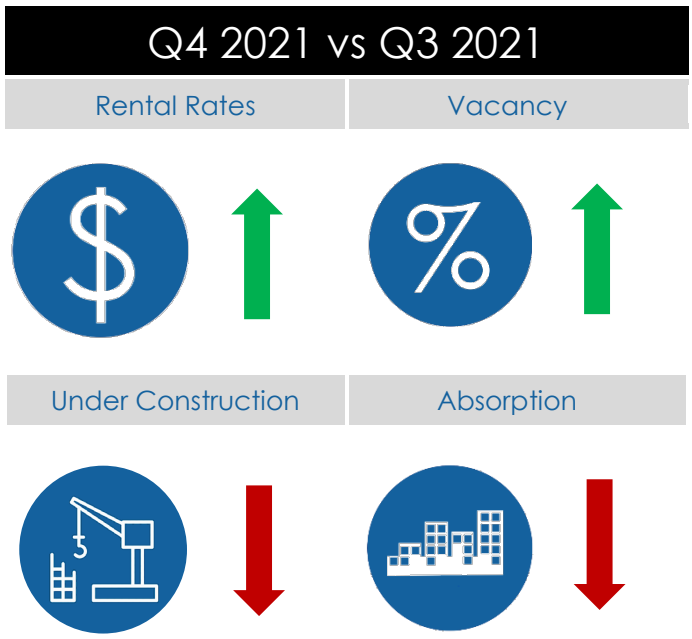
The Redbird Airport Submarket ended the fourth quarter of 2021 with a vacancy rate of 2.50%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 6,957 SF at the end of Q4 2021.

Rental rates ended the fourth quarter at $5.39/SF across all classes, increasing from $5.26/SF in the previous quarter. 12-month new construction deliveries are at 76,344 SF, and there is currently 368,646 SF under construction in the submarket.

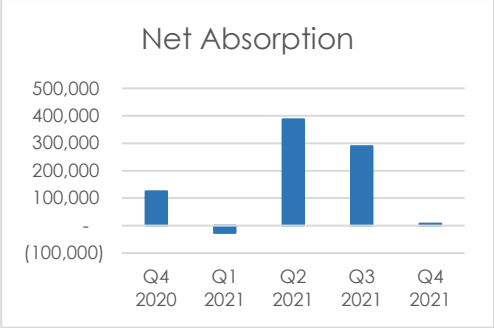
The Redbird Airport Submarket is a secondary industrial node located southwest of the Dallas CBD. The submarket has a mix of '80s and '90s multi-tenant inventory and modern, single-tenant buildings.

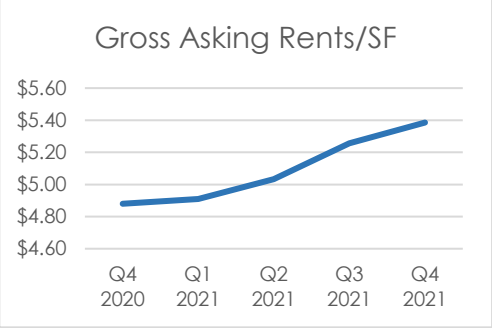
Beyond a few supply-driven spikes, vacancies have trended well below the metro average over the last five years. Most new construction has occurred on the western side of the submarket and that area has added some large users.

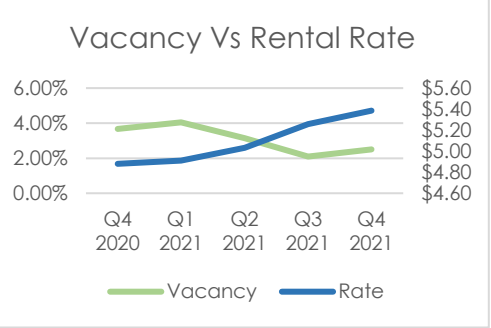
Q4 2021 vs Q3 2021



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Redbird Airport	20,194,286 SF	583,413 SF	2.50%	6,957 SF	76,344 SF	368,646 SF	$5.39/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

SW Dallas / US 67 | Q4 2021

Market Insights:

The SW Dallas / US 67 Submarket ended the fourth quarter of 2021 with a vacancy rate of 2.01%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 1,455,717 SF at the end of Q4 2021.

Rental rates ended the fourth quarter at $6.87/SF across all classes, increasing from $6.76/SF in the previous quarter. 12-month new construction deliveries are at 20,000 SF, and there is currently 4,081,082 SF under construction in the submarket.

The SW Dallas / US 67 Submarket has demonstrated impressive growth in the past few years, as the area has emerged as a super-regional distribution hub, with the submarket having two primary industrial nodes.

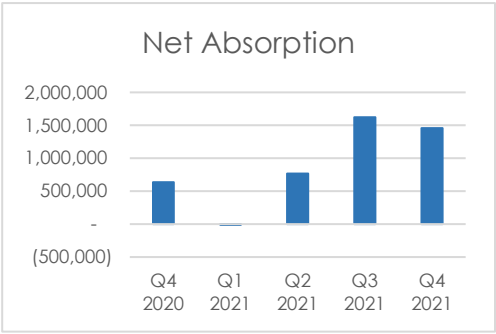
Rents in SW Dallas / US 67 are among the lowest in Dallas-Fort Worth. Asking rents here are lower than those in submarkets near D/FW International Airport, like East DFW Airport / Las Colinas and Lewisville, but higher than those in neighboring SE Dallas / I-45.

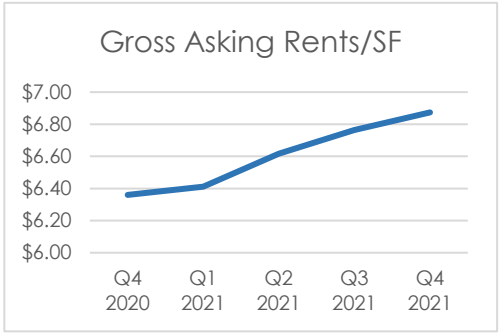
Q4 2021 vs Q3 2021

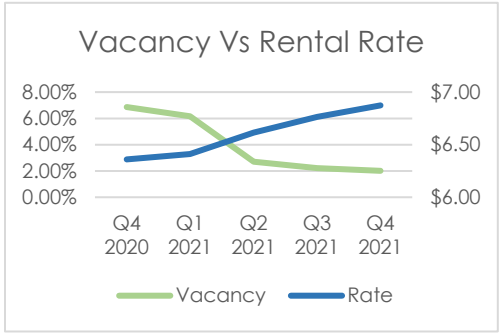
Rental Rates	Vacancy

Under Construction	Absorption

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
SW Dallas / US 67	32,920,964 SF	3,085,024 SF	2.01%	1,455,717 SF	20,000 SF	4,081,082 SF	$6.87/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

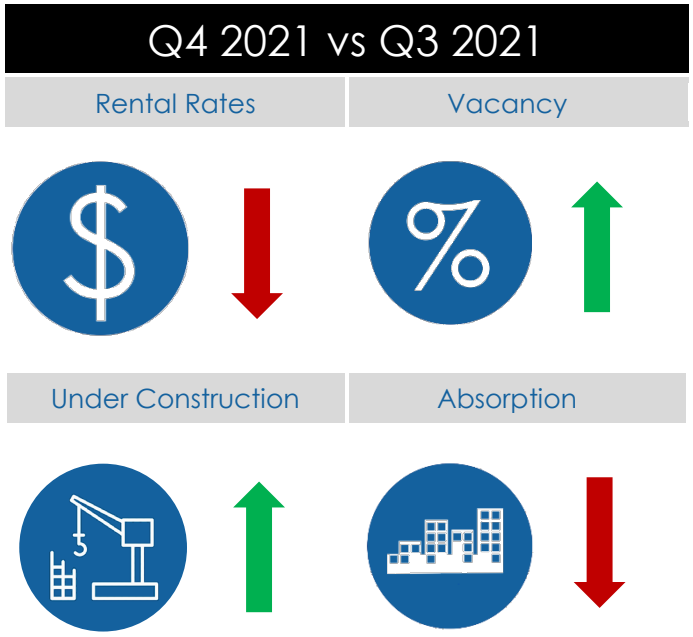
SE Dallas / I-45 | Q4 2021

Market Insights:

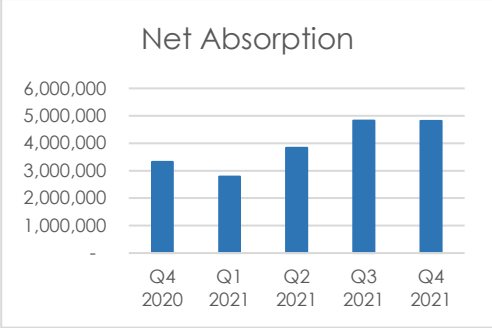
The SE Dallas / I-45 Submarket ended the fourth quarter of 2021 with a vacancy rate of 7.84%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 4,817,929 SF at the end of Q4 2021.

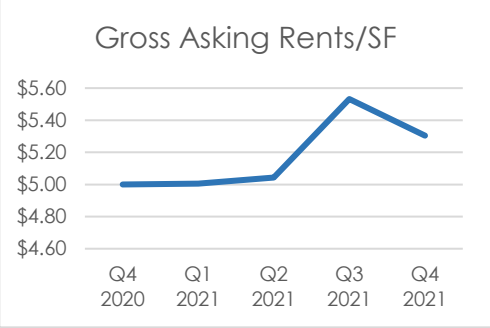
Rental rates ended the fourth quarter at $5.30/SF across all classes, decreasing from $5.53/SF in the previous quarter. 12-month new construction deliveries are at 3,333,889 SF, and there is currently 14,741,223 SF under construction in the submarket.

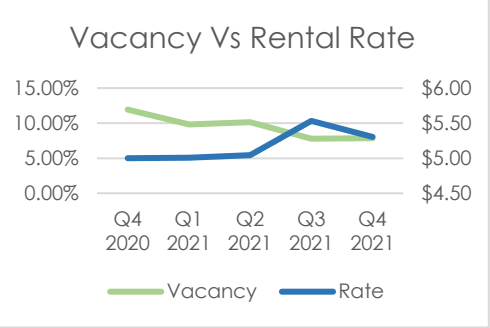
The SE Dallas / I-45 submarket has emerged in recent years as a significant super-regional distribution hub. The area boasts excellent highway access, a major intermodal facility, and a seemingly unlimited amount of flat, buildable land. The submarket has received an incredible amount of supply over the past few years, more than doubling its inventory since 2013, reaching over 50 million SF. Vacancy rates continue to trend above the market average but are working to normalize. Recent construction raises the threat of keeping vacancy rates elevated in the near term.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
SE Dallas / I-45	50,237,816 SF	11,336,666 SF	7.84%	4,817,929 SF	3,333,889 SF	14,741,223 SF	$5.30/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

Outlying Ellis County | Q4 2021

Market Insights:

The Outlying Ellis County Submarket ended the fourth quarter of 2021 with a vacancy rate of 3.85%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 408,657 SF at the end of Q4 2021.

Rental rates ended the fourth quarter at $6.06/SF across all classes, increasing from $5.86/SF in the previous quarter. 12-month new construction deliveries are at 50,000 SF, and there is currently 1,398,000 SF under construction in the submarket.

Industrial rents in Outlying Ellis County run just over $6.00/SF, which is moderately below the metro average.

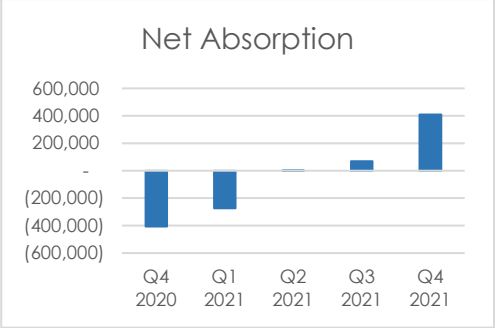
Rents grew by a remarkable 10.2% over the past year, which brought the three-year average annual rent growth up to 6.9%. Over a longer horizon, industrial rent growth in both the submarket and the Dallas-Fort Worth metro at large has been nothing short of sensational. In the past 10 years, rents in the submarket have cumulatively risen by 72.1%, a performance essentially matched when zoomed out to the entire Dallas-Fort Worth metro.

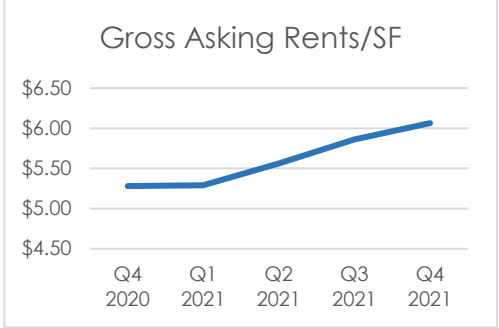
Q4 2021 vs Q3 2021

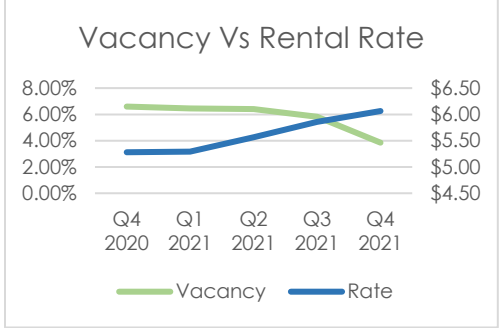
Rental Rates	Vacancy
↑	↓

Under Construction	Absorption
↑	↑

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Outlying Ellis County	12,976,929 SF	717,105 SF	3.85%	408,657 SF	50,000 SF	1,398,000 SF	$6.06/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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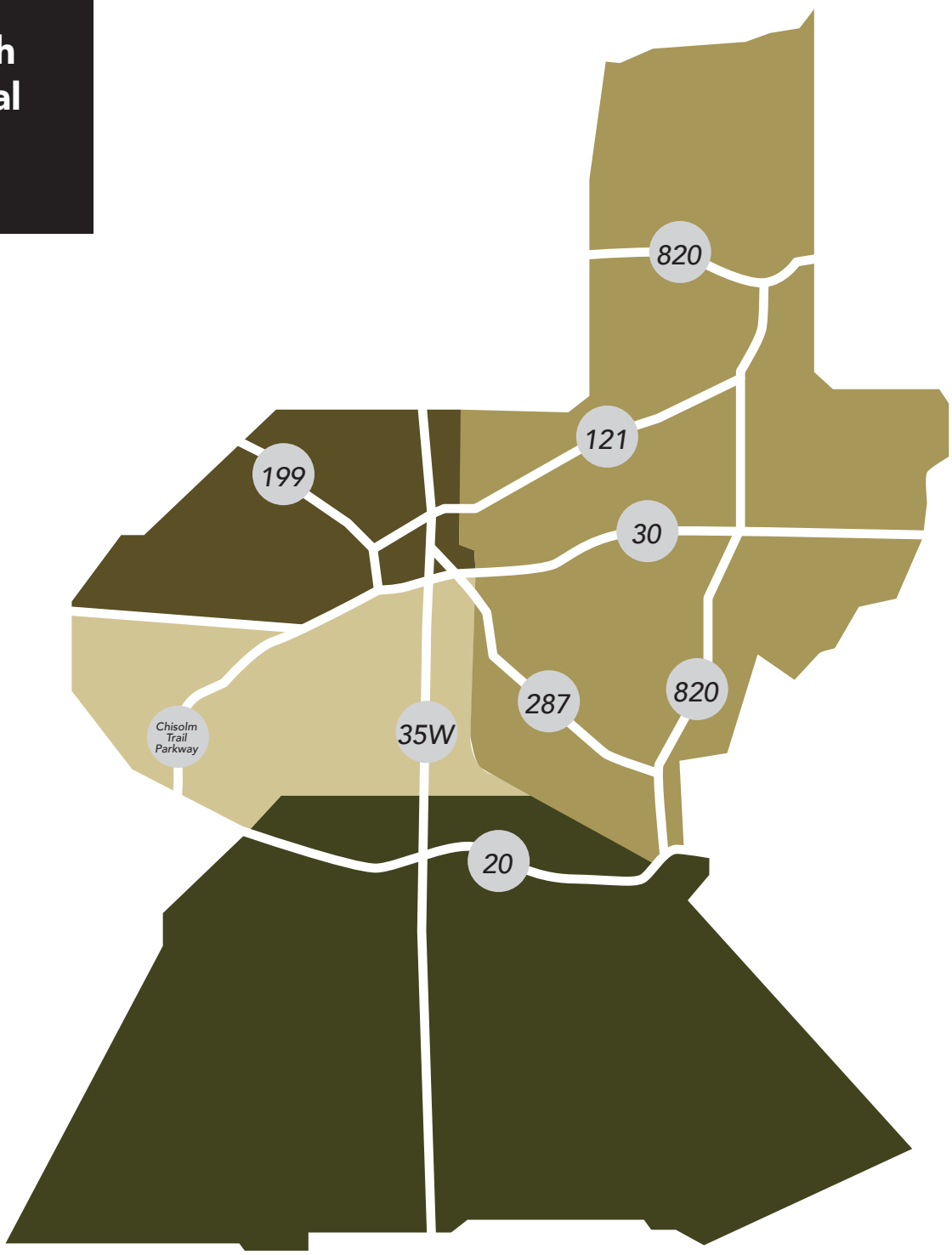
South Ft Worth Industrial Market



Legend

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

N

WHITEBOX
REAL ESTATE

MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

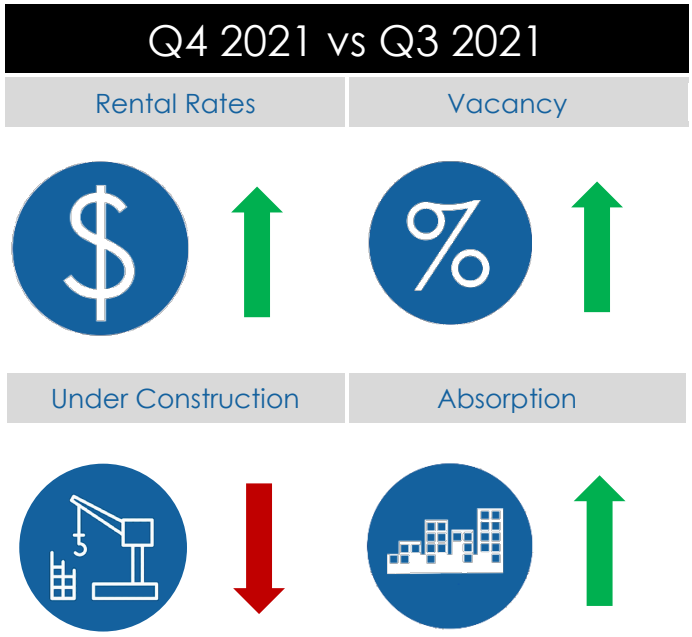
East Fort Worth | Q4 2021

Market Insights:

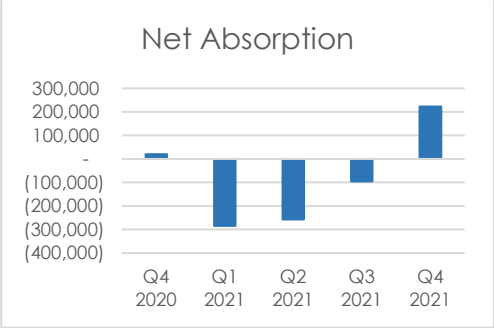
The East Fort Worth Submarket ended the fourth quarter of 2021 with a vacancy rate of 5.86%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 223,135 SF at the end of Q4 2021.

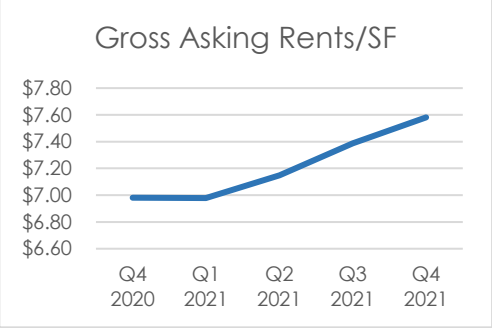
Rental rates ended the fourth quarter at $7.58/SF across all classes, increasing from $7.39/SF in the previous quarter. 12-month new construction deliveries are at 555,065 SF, and there is currently 689,669 SF under construction in the submarket.

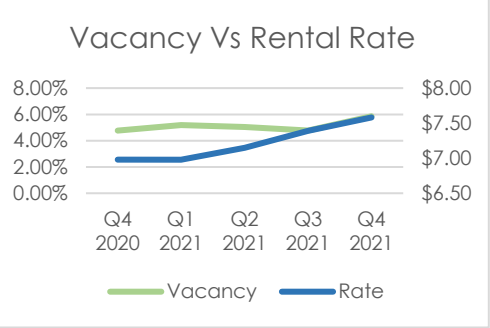
East Fort Worth has not seen the amount of construction activity and significant tenant movements nearby submarkets such as Meacham Field / Fossil Creek and NE Tarrant / Alliance. However, the submarket usually sees a large number of smaller deals involving the area's dearth of manufacturing facilities. Given muted levels of new supply, rent growth has consistently outperformed the historical average over the last decade, and occupancies are comfortably above the submarket's historical average, as well.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
East Fort Worth	27,182,249 SF	2,142,233 SF	5.86%	223,135 SF	555,065 SF	689,669 SF	$7.58/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

N Central Fort Worth | Q4 2021

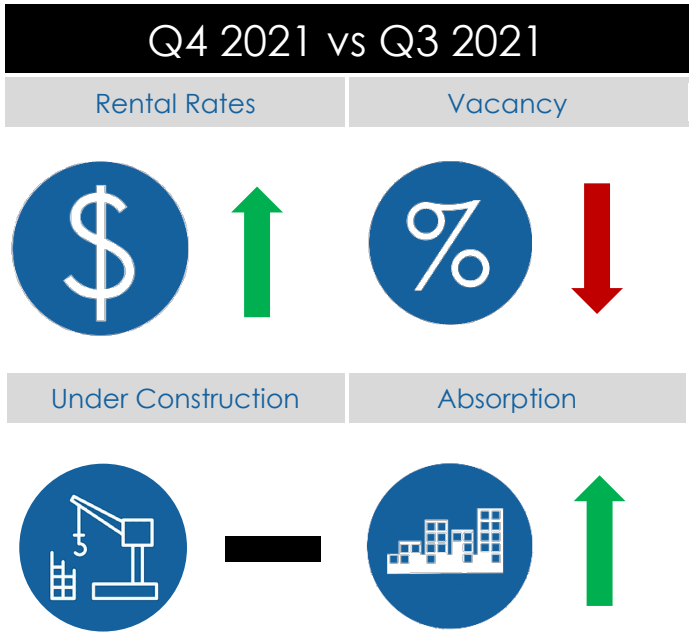
Market Insights:

The N Central Fort Worth Submarket ended the fourth quarter of 2021 with a vacancy rate of 2.99%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is -32,631 SF at the end of Q4 2021.

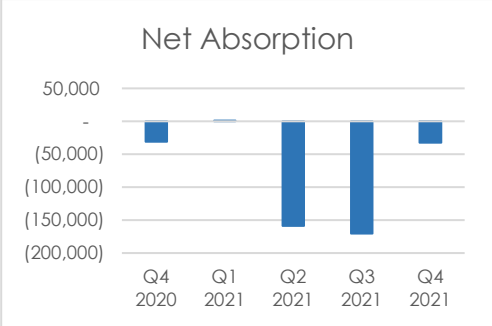
Rental rates ended the fourth quarter at $8.07/SF across all classes, increasing from $7.88/SF in the previous quarter. 12-month new construction deliveries are at 7,800 SF, and there is no current construction in the submarket.

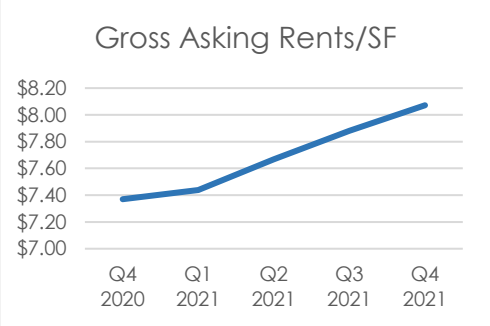
North Central Fort Worth includes Downtown Fort Worth and the primarily residential suburbs to the north and west. The submarket comprises a few buildings that are large or highly functional for flex tenants.

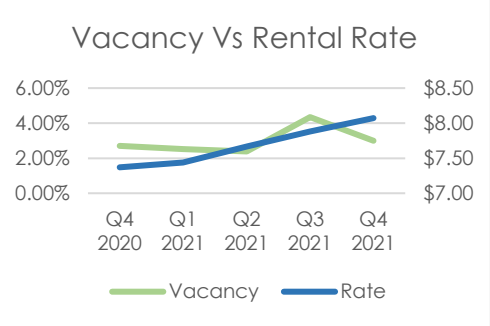
Just ten assets are more significant than 150,000 SF, and no properties were built in the last decade. Vacancies in North Central Fort Worth are tight and likely to stay that way due to no expected supply on the horizon.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
N Central Fort Worth	11,133,592 SF	708,653 SF	2.99%	-32,631 SF	7,800 SF	0 SF	$8.07/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

S Central Fort Worth | Q4 2021

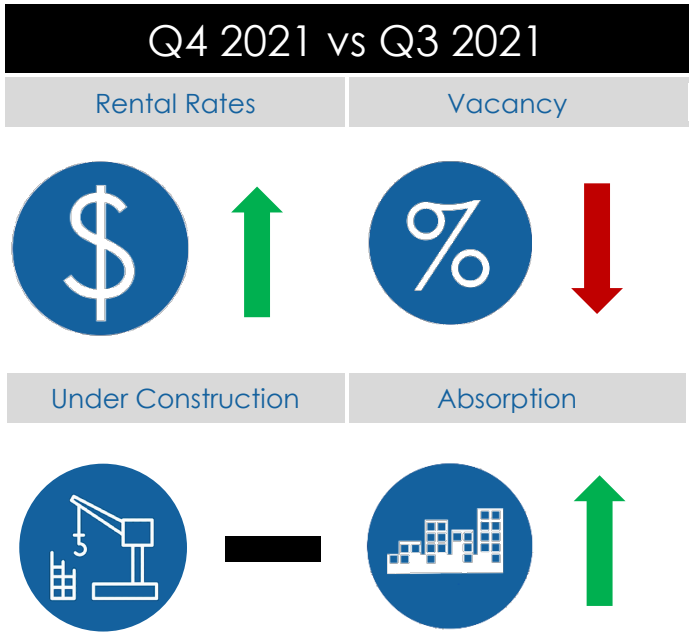
Market Insights:

The S Central Fort Worth Submarket ended the fourth quarter of 2021 with a vacancy rate of 3.70%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is -37,246 SF at the end of Q4 2021.

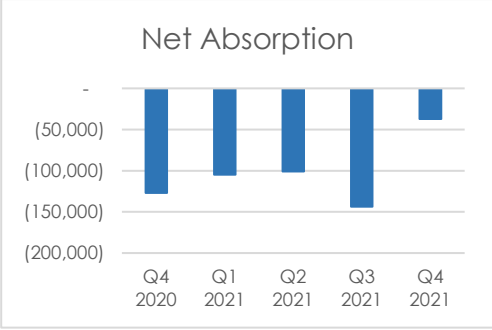
Rental rates ended the fourth quarter at $7.61/SF across all classes, increasing from $7.42/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is no current construction in the submarket.

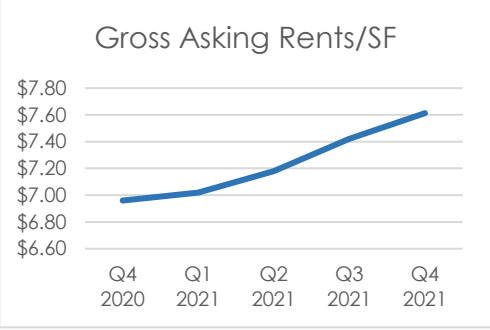
The S Central Fort Worth submarket has a high concentration of older stock, with 75% of the inventory built before 1970. Vacancies usually track below the metro average, and tenant movement is limited.

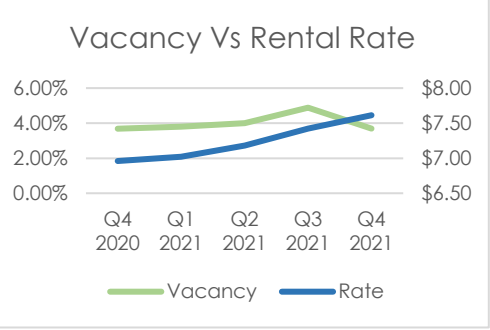
One trend to look out for is the repurposing of industrial space for office or residential uses, especially in the Near Southside neighborhood. The City of Fort Worth has several TIF districts set up to incentivize growth in this area, and developers have taken advantage of city funds for redevelopment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



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
S Central Fort Worth	10,785,107 SF	555,433 SF	3.70%	-37,246 SF	0 SF	0 SF	$7.61/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

S Central Tarrant County | Q4 2021

Market Insights:

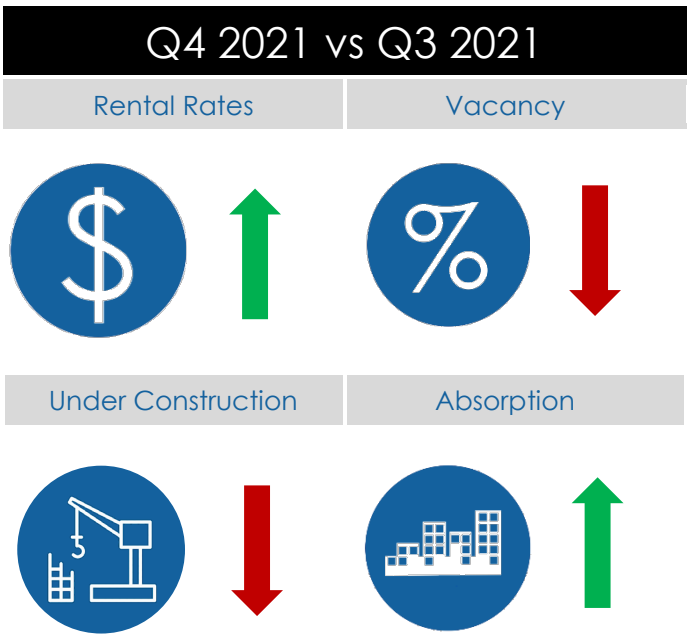
The S Central Tarrant County Submarket ended the fourth quarter of 2021 with a vacancy rate of 11.28%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 3,410,199 SF at the end of Q4 2021.

Rental rates ended the fourth quarter at $6.48/SF across all classes, increasing from $6.44/SF in the previous quarter. 12-month new construction deliveries are at 3,799,236 SF, and there is currently 4,827,164 SF under construction in the submarket.

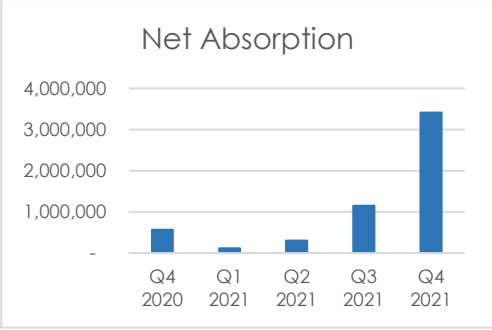
While South Central Tarrant Country has not seen the same level of growth as South Dallas submarkets such as SE Dallas / I-45 and SW Dallas / US 67, it shares some similarities with its eastern counterparts. The submarket provides tenants excellent north/south and east/west highway access, and it contains an abundance of flat, buildable land near those highways.

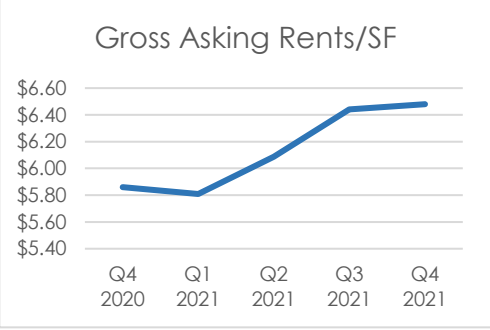
A new wave of supply coming online speaks volumes to the strength of the market. With 4.8 million SF currently underway, the submarket is poised to emerge as one of the region's premier industrial submarkets.

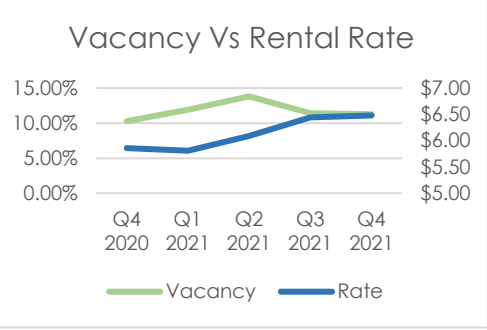
Q4 2021 vs Q3 2021



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
S Central Tarrant County	30,516,031 SF	4,770,571 SF	11.28%	3,410,199 SF	3,799,236 SF	4,827,164 SF	$6.48/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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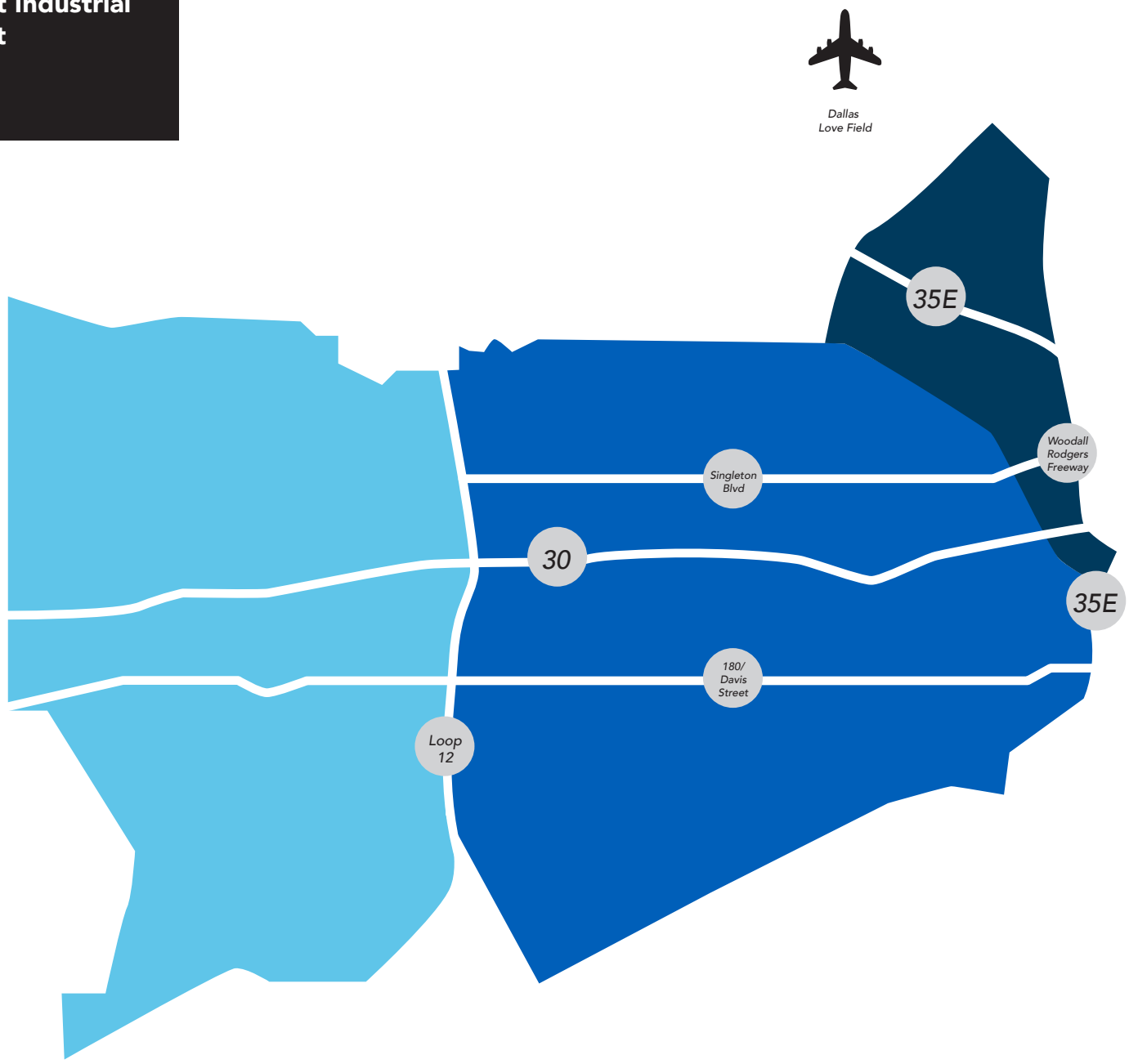
Pinnacle - Turnpike Lonestar - Design District Industrial Market



Legend

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

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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

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Western Lonestar / PGB Turnpike | Q4 2021

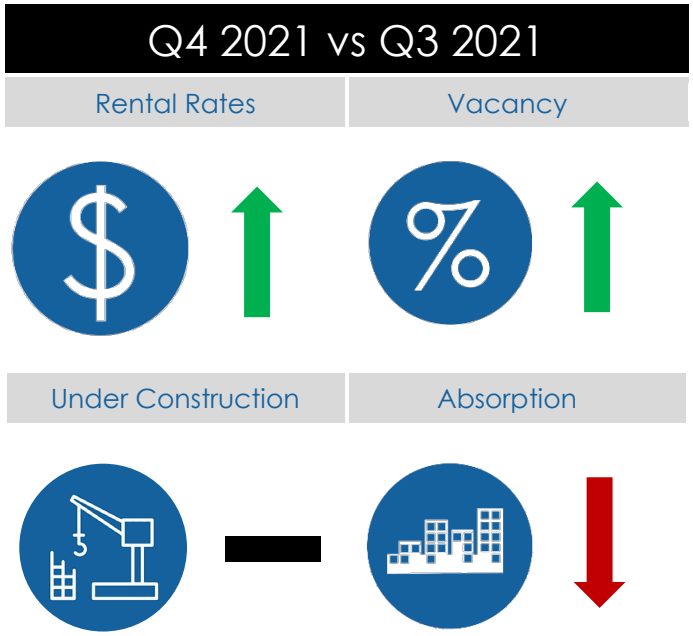
Market Insights:

The Western Lonestar / PGB Turnpike Submarket ended the fourth quarter of 2021 with a vacancy rate of 3.89%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 23,119 SF at the end of Q4 2021.

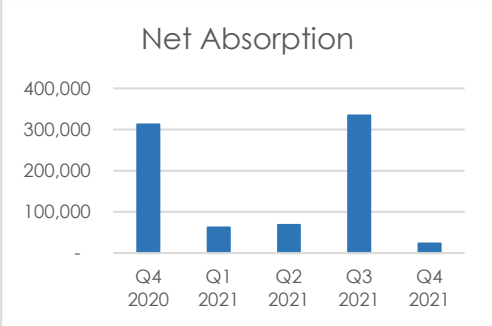
Rental rates ended the fourth quarter at $6.90/SF across all classes, increasing from $6.74/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently 790,213 SF under construction in the submarket.

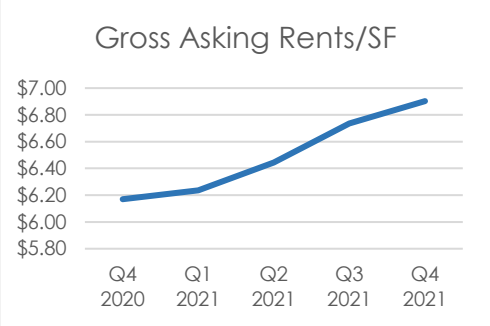
Western Lonestar / Turnpike is a midsized submarket located south of the D/FW International Airport and bisected by I-30. Much of this area, especially north of I-30, falls within the Trinity River floodplain, where development is untenable.

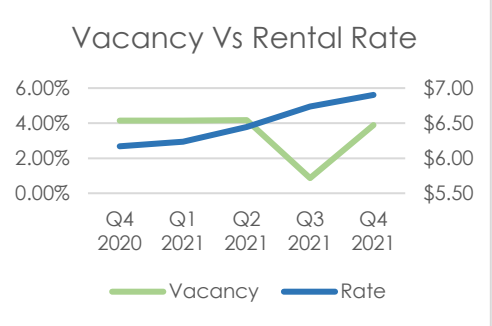
The submarket previously underwent a building boom from 2006–09, adding nearly 2 million SF. In the last 12 months 0 SF has been delivered, but there is currently 790,000 SF under construction, located along I-30 near MacArthur Boulevard.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Western Lonestar / PGB Turnpike	9,480,833 SF	187,152 SF	3.89%	23,119 SF	0 SF	790,213 SF	$6.90/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

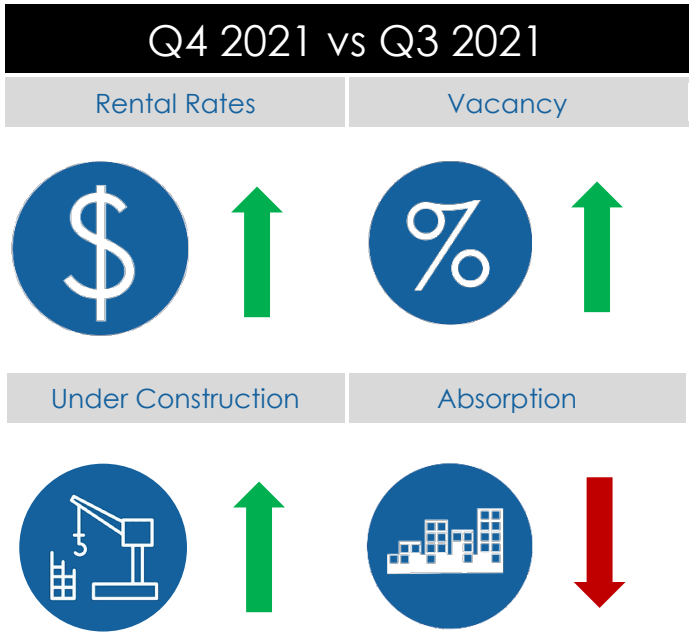
Eastern Lonestar / PGB Turnpike | Q4 2021

Market Insights:

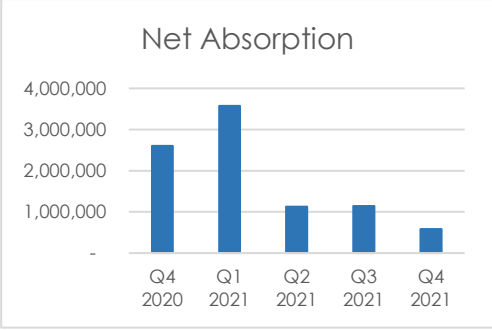
The Eastern Lonestar / PGB Turnpike Submarket ended the fourth quarter of 2021 with a vacancy rate of 3.76%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 586,134 SF at the end of Q4 2021.

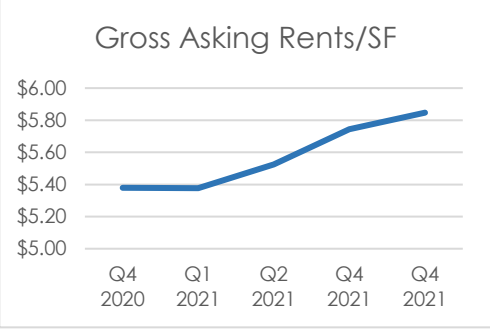
Rental rates ended the fourth quarter at $5.85/SF across all classes, increasing from $5.74/SF in the previous quarter. 12-month new construction deliveries are at 119,200 SF, and there is currently 1,641,720 SF under construction in the submarket.

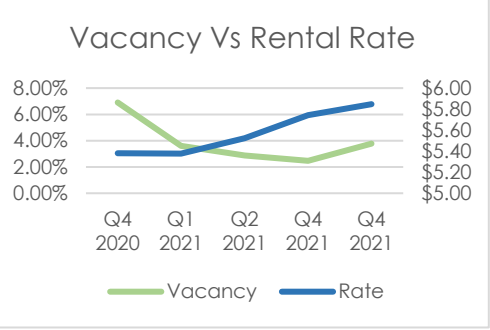
Eastern Lonestar / Turnpike is an older industrial submarket with most existing inventory built before 1970. Proximity to the major population center of Dallas and major highway access provided by I-30 running east/west still makes the submarket quite desirable for small tenants and last-mile distribution operations. After years of no development, a few projects have been delivered at the end of 2019 and 2020. These new assets have performed well, but older outdated properties tend to be a drag on overall rents.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Eastern Lonestar / PGB Turnpike	30,043,027 SF	2,401,640 SF	3.76%	586,134 SF	119,200 SF	1,641,720 SF	$5.85/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

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North Trinity | Q4 2021

Market Insights:

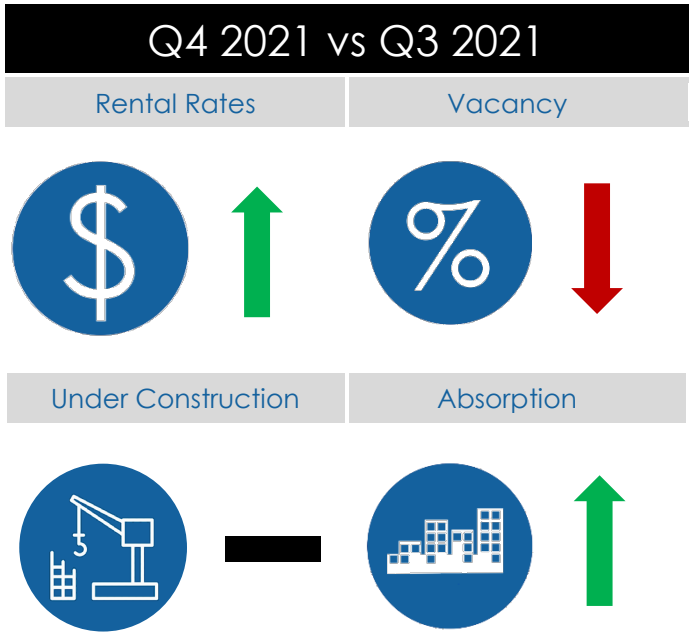
The North Trinity Submarket ended the fourth quarter of 2021 with a vacancy rate of 6.25%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 301,514 SF at the end of Q4 2021.

Rental rates ended the fourth quarter at $12.74/SF across all classes, increasing from $12.35/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is no current construction in the submarket.

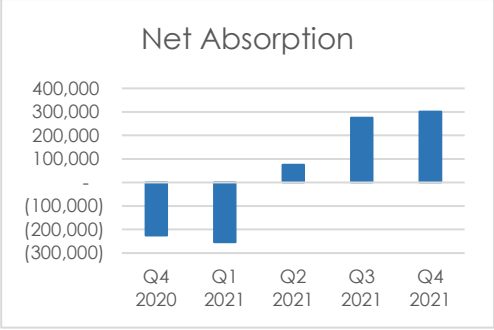
The North Trinity submarket includes both the Design District and the Southwestern Medical District, two areas that have experienced redevelopment and transformation from multifamily and retail builders in recent years. Much of the industrial inventory serves as local manufacturing and distribution facilities or as showroom space.

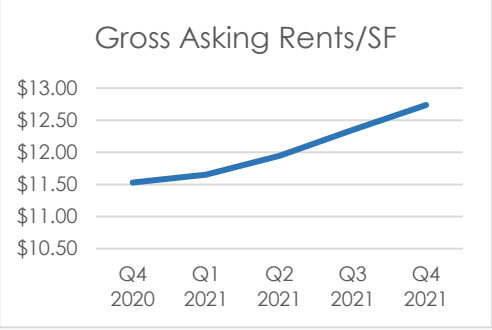
Due to high land and acquisition costs, rents are high and rent growth continues to climb.

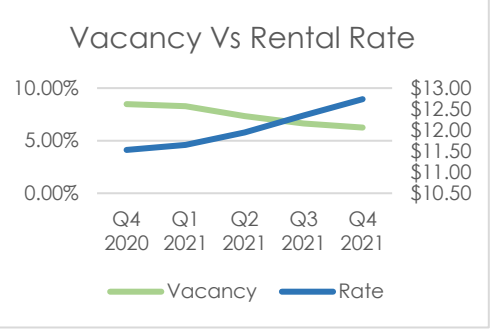
Q4 2021 vs Q3 2021



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
North Trinity	13,416,951 SF	914,902 SF	6.25%	301,514 SF	0 SF	0 SF	$12.74/SF
Dallas / Fort Worth Total	1,024,559,589 SF	89,067,925 SF	5.46%	44,665,611 SF	28,086,219 SF	62,733,293 SF	$8.17/SF







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MAXIMIZING EFFICIENCY

In a building with a 36-foot clear height, a user will be able to rack one pallet position higher. Fifty-six-inch pallets require 37 feet clear before they can gain another pallet position.

The vertical expansion to taller clear heights is based on the efficiencies in utilizing more cubic space rather than a larger footprint, maximizing the volume of the "cube". Taller clear heights allow companies to store more palletized product, which translates to lower occupancy costs per square foot.

The height of pallets can vary, however, roughly 50% of the market utilizes 64-inch pallets. Other common sizes include 56-and 72-inch pallets. This measurement is the height of the pallet which indicates which rack size is needed. Structural pallet racks are designed with spacing between racks at 64, 72 and 80 inches. This means the average 32-foot clear height facilities can accommodate between four and six pallets.

Overall, tenants can increase cube capacity by 10 to 25 percent by going to 36-foot clear heights over the same footprint with 32-foot clear heights.

- 72% of existing buildings had 32' clear heights
- 73% of the projects under construction also had 32' clear heights
- 82% of proposed industrial developments had 36' clear heights.

This tells us that the industrial market nationally is moving toward a 36' clear height standard.

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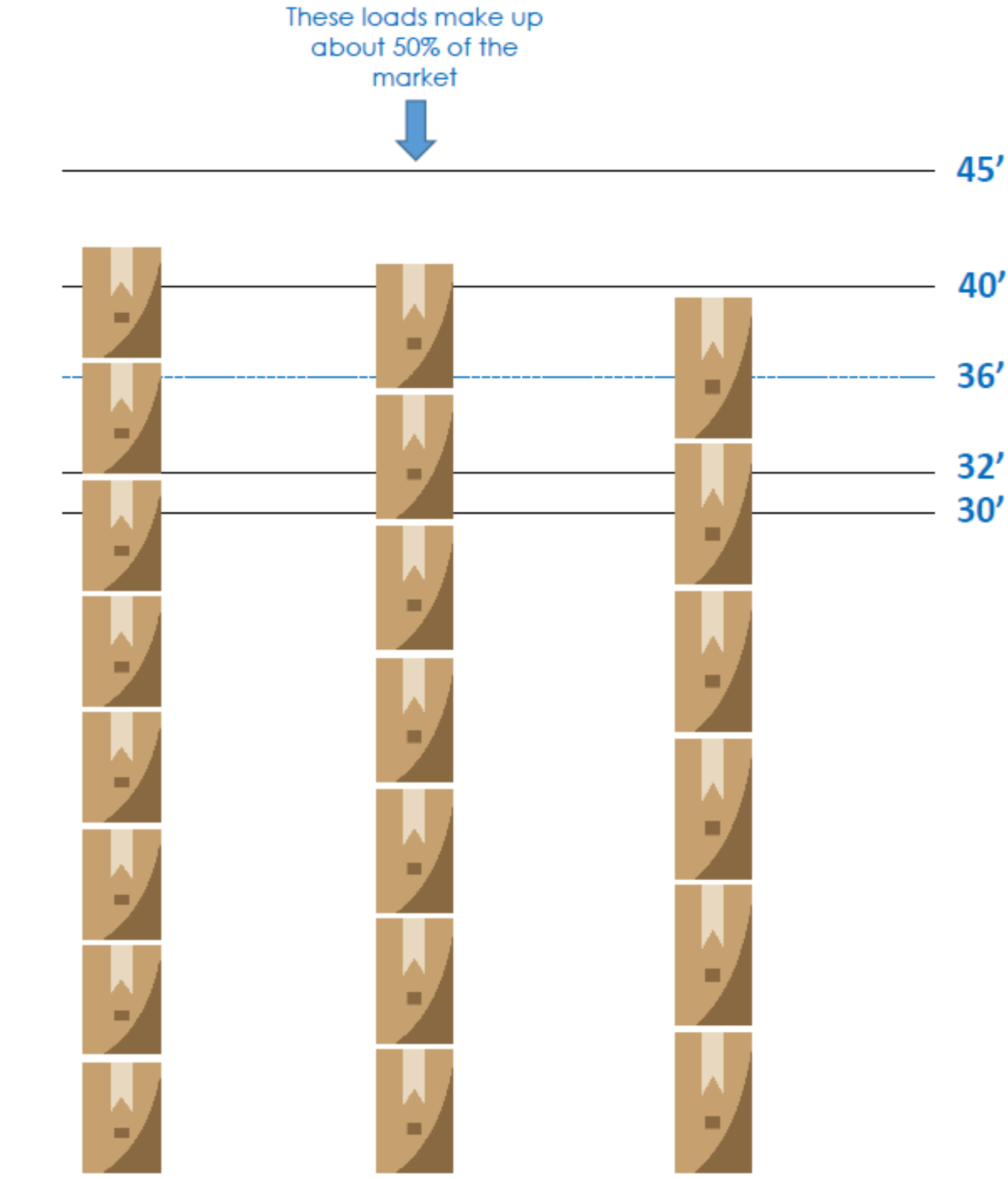

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