



DFW OFFICE
MARKET BRIEF

4Q2016



DALLAS/FORT WORTH OFFICE TEAM AND SUBMARKETS



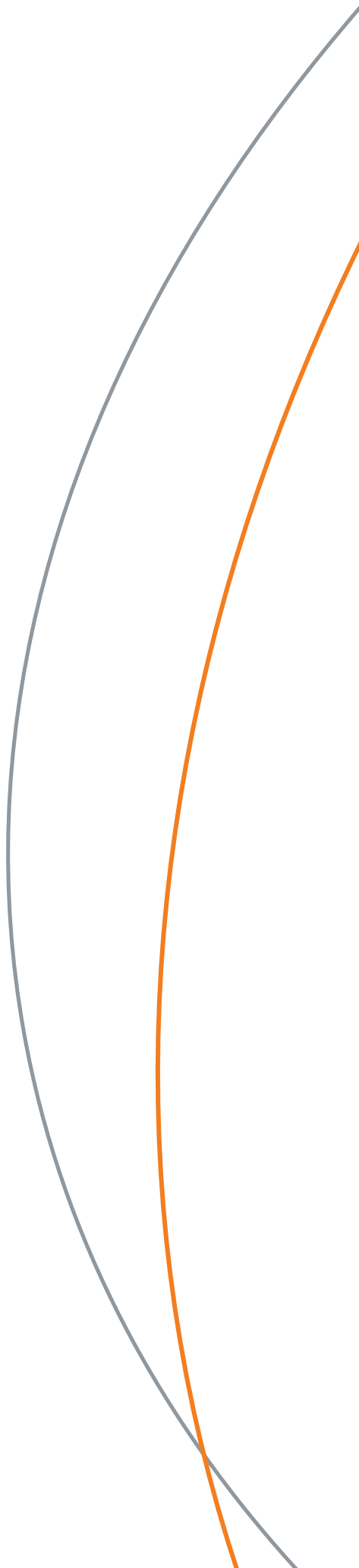
OVERALL DALLAS/FORT WORTH OFFICE MARKET

- A. Facts and Figures



SUBMARKET INTELLIGENCE

- A. Dallas Central Business District
- B. Central Expressway
- C. Far North Dallas
- D. Fort Worth Central Business District
- E. Las Colinas
- F. LBJ
- G. Mid Cities
- H. North Fort Worth
- I. Preston Center
- J. Richardson/Plano
- K. Southwest Fort Worth
- L. Stemmons
- M. Uptown/Turtle Creek





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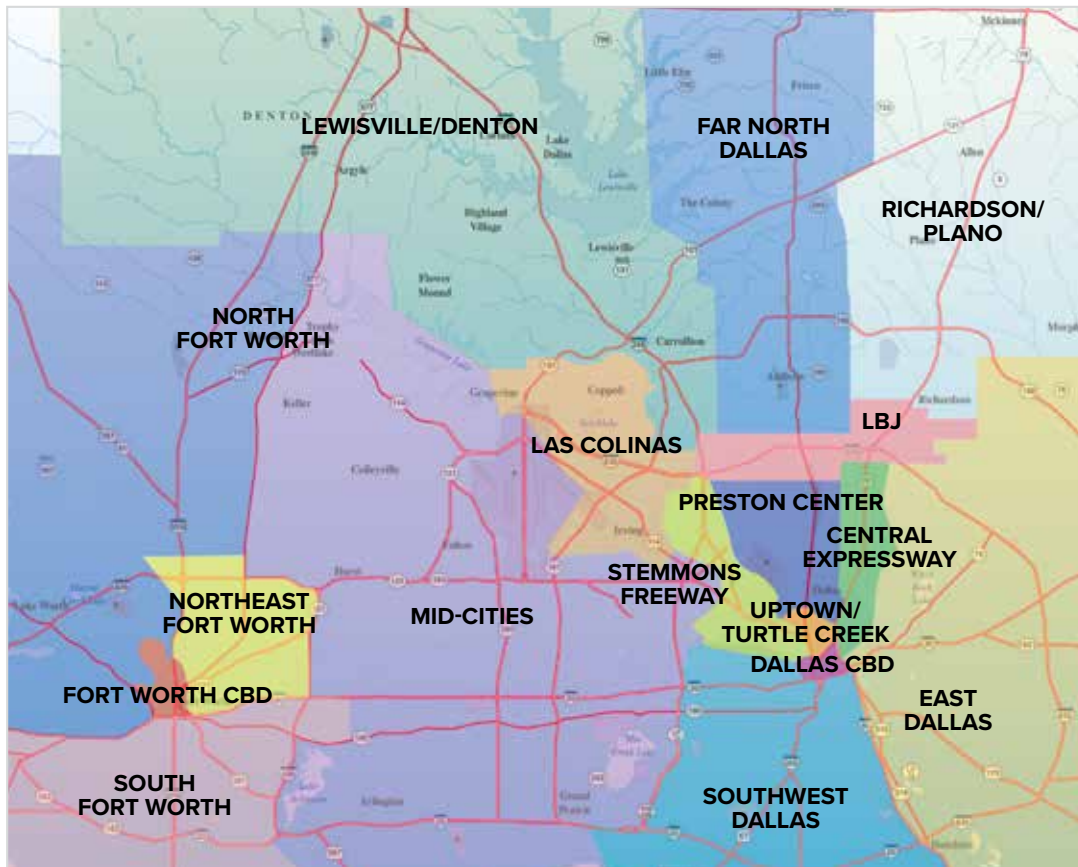


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HIGHLIGHTED SUBMARKETS





10000 N. Central Expressway - 296,358 SF, 15-story Class-A tower owned by Westdale Real Estate.



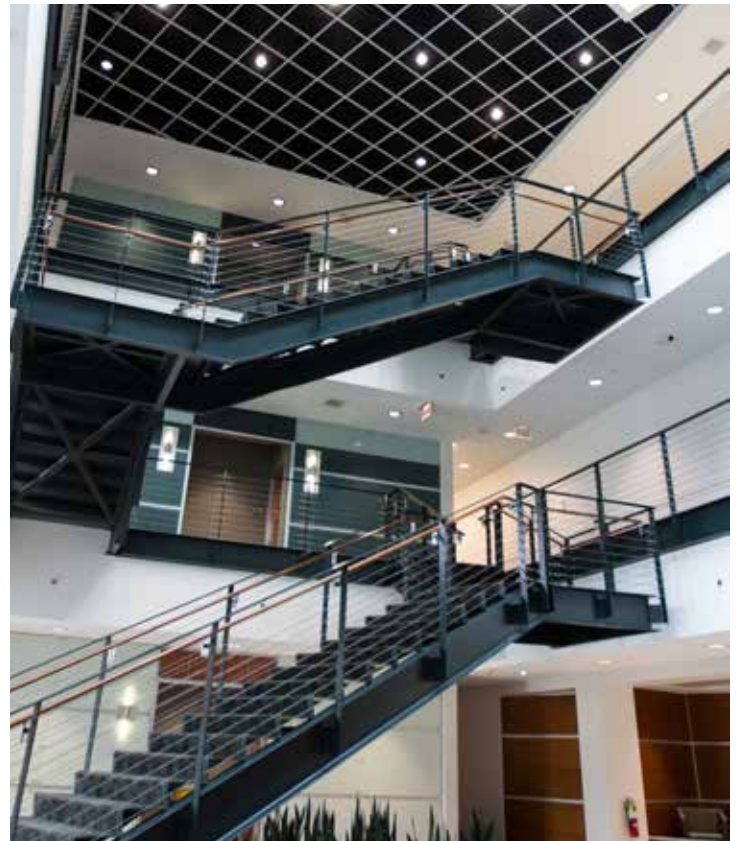


Tollway Towers - 341,269 SF, Class-B three-building complex. Owned by Champion Partners & CrossHarbor Capital.





100 East Royal Lane - 146,543 SF, three-story Class A office building in the Las Colinas submarket. Owned by Westdale Real Estate.





Carpenter Court - 76,500 SF, four-story Class-A garden office building owned by JFO Group.





Las Colinas Commons is a 2-building, 224,771 SF Class-B office property located in Las Colinas, TX, owned by David Tessel.



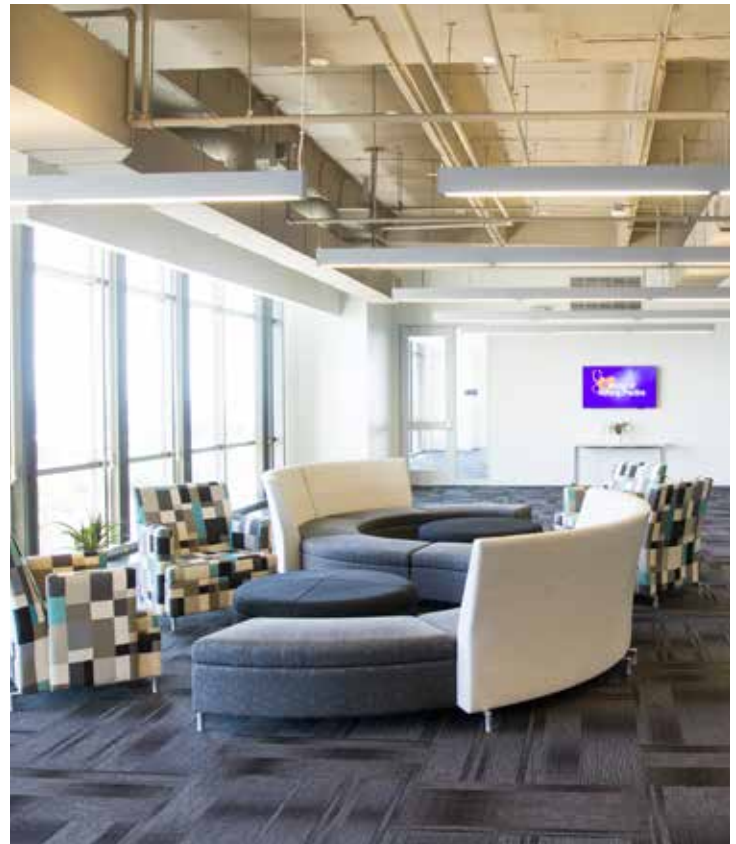


9151 Boulevard 26 is a 121,375 Class-A office property located in North Richland Hills, TX, owned by Capital Commerical.

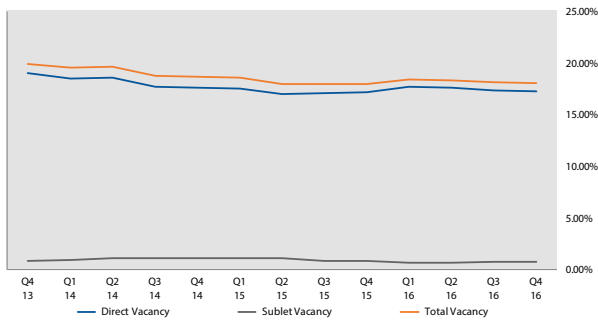




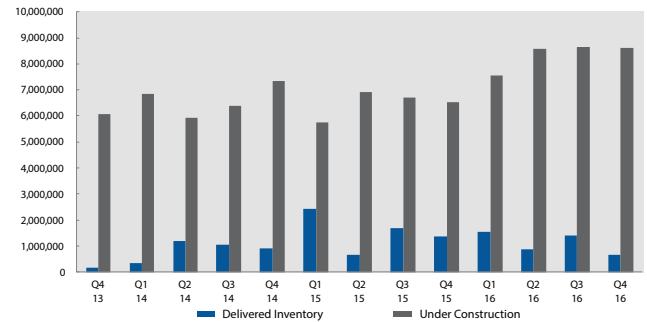
HLC secured two full floors (51,145 SF) for Abilene Christian University's new Dallas Campus at One Hanover Park in Addison, Texas.



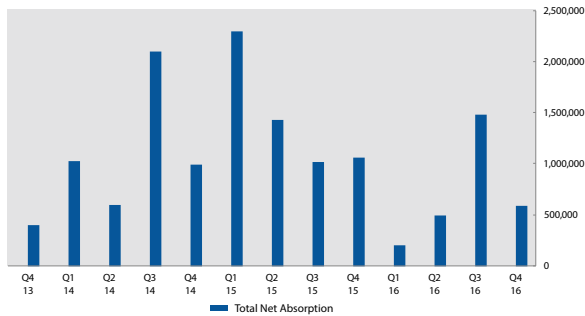
VACANCY - OVERALL DFW



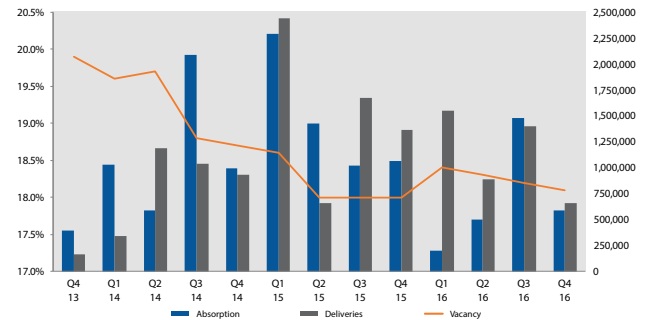
CONSTRUCTION - OVERALL DFW



ABSORPTION - OVERALL DFW



OVERVIEW - OVERALL DFW



Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const. SF	Quoted Rates
	# Bldgs.	Total RBA	Direct SF	Total SF	Vac. %				
Central Expressway	105	12,752,467	1,396,252	1,439,125	11.3%	447,511	35,000	0	\$26.56
Dallas CBD	79	28,704,116	7,373,780	7,665,369	26.7%	-604,551	92,834	342,879	\$25.73
East Dallas	183	7,973,363	1,173,013	1,191,269	14.9%	-354,261	99,500	0	\$19.43
Far North Dallas	439	43,705,395	6,742,186	7,231,733	16.5%	335,063	1,226,437	3,572,816	\$27.31
Ft Worth CBD	53	8,549,483	1,171,622	1,204,978	14.1%	-162,833	0	280,489	\$25.45
Las Colinas	270	32,627,736	4,425,363	4,877,747	14.9%	882,969	681,219	1,504,761	\$23.95
LBJ Freeway	168	20,957,133	4,748,004	4,909,498	23.4%	489,534	0	0	\$21.20
Lewisville/Denton	153	7,417,133	555,624	636,311	8.6%	256,812	18,462	48,378	\$21.87
Mid-Cities	399	20,538,217	3,698,473	3,885,835	18.9%	305,494	163,463	448,840	\$21.66
North Fort Worth	49	2,483,598	181,527	210,204	8.5%	224,076	117,993	23,940	\$22.33
Northeast Ft Worth	49	3,562,372	1,830,874	1,859,484	52.2%	-478,462	0	0	\$20.15
Preston Center	48	4,480,491	455,459	467,269	10.4%	-16,139	0	171,583	\$35.49
Richardson/Plano	339	26,960,895	5,071,484	5,173,633	19.2%	950,009	1,131,405	474,086	\$23.74
South Ft Worth	202	10,374,222	930,386	992,897	9.6%	110,622	262,630	181,182	\$23.67
Southwest Dallas	77	3,125,243	485,805	485,805	15.5%	11,979	0	0	\$16.57
Stemmons Freeway	111	12,025,352	3,120,677	3,186,307	26.5%	-141,245	0	63,000	\$15.59
Uptown/Turtle Creek	92	12,072,241	1,369,325	1,450,910	12.0%	513,650	672,158	1,500,471	\$38.00
Totals	2,816	258,309,457	44,729,854	46,868,374	18.1%	2,770,228	4,501,101	8,612,425	\$24.43

Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

The Moinian Group, based in New York City, is marketing for sale the 56-story, 1.7 million SF Renaissance Tower.

Pasadena, California-based Jacobs Engineering Group has officially announced they will be moving their headquarters to Dallas. The company is currently in approximately 100,000 SF at Harwood Center in Downtown Dallas, but will expand its footprint as result of this decision.

After exploring many options ranging from ground up developments to a suburban relocation, AT&T has decided to remain in their current headquarters in Downtown Dallas on Akard Street. The company will spend millions to renovate the facilities into an "urban-tech center" style campus and plans to add an additional 1,300 workers to the downtown headquarters over the next few years.

Lincoln Property, in partnership with New York Life Insurance, has acquired the Market-Ross Place buildings on Market Street at Ross Avenue and several other properties in the district. The building complex, over a century old, includes 141,000 square feet in three brick and timber buildings.

Goldman Sachs is reportedly in leases for 160K SF at Trammell Crow Center in Downtown Dallas. If this deal is finalized, Goldman Sachs would move approximately 1,200 employees from their current Irving location to Downtown. Trammell Crow Center was rumored to offer 6 per thousand parking and \$20 NNN rate to land this deal.

- Kilpatrick Townsend & Stockton signed a 22K SF lease renewal at Trammell Crow Center.
- America First Legal Services signed a 10K SF lease expansion in Republic Center.

DEALS ON THE MARKET

- Renaissance Tower – a 1.7M square feet Class A office property.
- 2201 Main Street – a 147,168 square feet Class B office property.

NEW DEVELOPMENTS

- 1900 North Pear Street, 1900 Pearl – 261,400 SF with Lincoln Property Company.

LARGE EXISTING VACANCIES

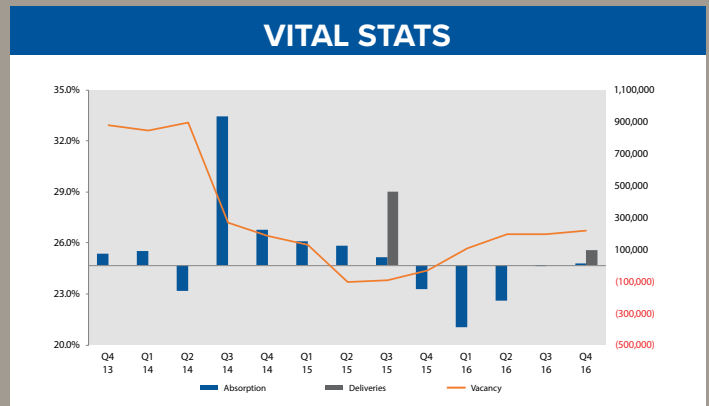
- Thanksgiving Tower/1601 Elm Street – 347,916 SF
- Bank of America Plaza/901 Main Street – 323,649 SF
- Fountain Place/1445 Ross Avenue – 295,930 SF
- 1700 Pacific/1700 Pacific Avenue – 236,493 SF
- Energy Plaza/1601 Bryan Street – 194,926 SF



TOP LEASE TRANSACTIONS

- The Dallas Morning News signed a 92K SF lease at the Statler Library Building.
- WeWork signed a 84K SF lease at Thanksgiving Tower.
- Baker McKenzie signed a 50K SF lease at 1900 Pearl.
- Blue Cross Blue Shield Innovation Center signed a 32K SF lease at Factory Six03.
- Akerman signed a 27K SF lease at Trammell Crow Center.

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
9,487	-3,285	-146,500
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
26.7%	26.5%	24.4%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
342,879	435,713	435,713
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
92,834	-	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$25.73	\$25.50	\$24.08



Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

Florida-based Foundry Commercial along with Boston-based Intercontinental Real Estate have purchased the 289K SF, 17-story Eighty-Eighty Central on US-75 & Northwest Highway in Dallas.

The Haberman Group has landed \$105 million in bridge financing to acquire Campbell Centre. The two-tower office complex on North Central Expressway totals 873,000 SF of real estate and is expected to trade at \$145 PSF.

The CBS Radio Tower has traded hands between two Dallas-based real estate investors in an off-market deal. Dallas-based Westdale Real Estate has acquired the 12-story, 177,075 SF office tower at 4131 North Central Expressway from Dallas-based Gaedeke Group.

Dallas-based Embrey Interests has purchased the four-story, 53K SF office building at 4228 North Central Expressway.

HFF secured \$120M refinancing for Cityplace Tower, a 42-story, Class A office tower. Working on behalf of Parmenter and Angelo, Gordon & Co, HFF placed the loan with Starwood Property Trust. The loan is interest-only for the full term and was used to refinance the existing debt and provide capital for future tenant improvements, leasing commissions and capital expenditures.

Dallas-based Open Realty Advisors has requested the city of Dallas to approve zoning for them to construct a new mixed-use development including retail, office space, and a park on 4.5 acres at Henderson and Glencoe Street.

TOP LEASE TRANSACTIONS

- Lockwood, Andrews & Newman signed a 15K SF lease renewal at Campbell Centre North Tower.
- Meyers Research signed a 11K SF lease renewal at Three Energy Square.
- Just Brakes signed a 10.3K SF lease renewal at Campbell Centre South Mezzanine.
- Malouf & Nockels signed a 6K SF lease at Three Energy Square.
- Oculus signed a 4.6K SF lease expansion at 8750 NCX.
- The Pennington Firm, PLC signed a 2.7K SF lease at Meadow Central.

DEALS ON THE MARKET

- 10260 North Central Expressway & 10300 North Central Expressway – 179,000 Class B office property portfolio.
- 10100 North Central Expressway – a 94,294 square feet Class B office property.
- 4300 North Central Expressway – a 31,861 square feet Class B office property.

NEW DEVELOPMENTS

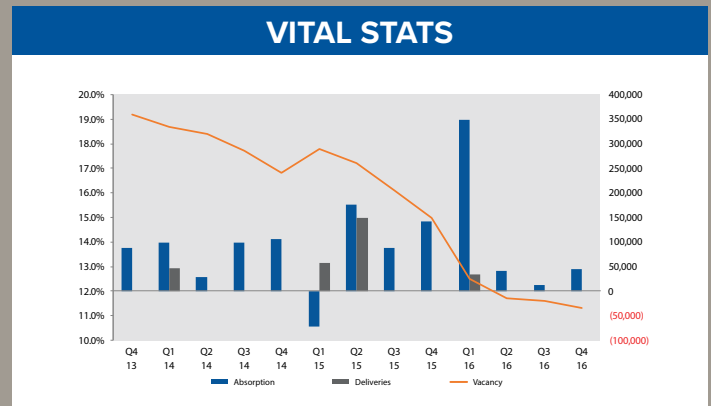
No developments are currently under construction at this time. However, two have been proposed:

- Office Tower in The Glen At Preston Hollow
- Four Energy Square – Built to Suit
- 8010 Park Lane

LARGE EXISTING VACANCIES

- Cityplace Tower/2711 North Haskell Avenue – 219,135 SF
- Cityplace Tower/2711 North Haskell Avenue – 60,131 SF
- Premier Place/5910 North Central Expressway – 41,897 SF
- Campbell Centre North Tower/8350 North Central Expressway – 32,057 SF
- Three Energy Square/6688 North Central Expressway – 31,203 SF

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
44,399	13,200	142,591
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
11.3%	11.6%	15.0%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	-	35,000
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	-	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$26.56	\$26.35	\$25.40



Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

Toyota's new 2.1 million SF, 100-acre corporate campus is now expected to bring up to 6,500 workers to Plano upon completion. According to Toyota's North America CEO Jim Lentz, the company has thus far posted 350 job positions and has received over 19,000 applicants.

AmerisourceBergen signed a 300K SF lease for a \$113 million, 40-acre build-to-suit for a new regional headquarters within the Offices of Austin Ranch at Plano Parkway and Parker Road in Carrollton. The company plans to add more than 1,000 new employees in the next 10 years with an average annual salary of \$72,000.

Boston-based Intercontinental Real Estate Corp. has purchased the 342K SF Legacy Tower in Plano for over \$400 per SF, which sets a new record for an office building in Dallas' northern suburbs.

Irving-based Property Advisers Realty has purchased the Madison, a 290K SF office tower in Addison.

Dreien Opportunity Partners, owned by Sam Ware, has purchased the 1.8 million SF JC Penney's corporate headquarter in Plano for more than \$400 million. This deal included nearly 40 acres of land in addition to the JC Penney buildings.

- Main Event signed a 29,435 SF lease at Legacy Center in Frisco, where it will be relocating its headquarters.
- ★ HLC Deal • JE Dunn signed a 15,826 SF lease at The Addison in Dallas.
- Alliance Data Systems signed a 10,949 SF expansion and extension at One Legacy Circle in Plano. The company now occupies approximately half, or 107,968 SF, of the 215K SF Class A office building.

DEALS ON THE MARKET

- The Colonnade – a 1,051,641 SF Class A office property.
- The Princeton – a 377,821 square feet Class B office property.
- The Aberdeen – a 308,325 SF Class A office building.
- 16803 N Dallas Parkway – a 62,598 SF Class B office building.

NEW DEVELOPMENTS

- One Legacy West – 307,767 SF spec under construction with Gaedeke Group
- Hall Park – T2 – 300,000 SF spec under construction with Hall Group
- The Offices One – 228,000 SF spec under construction with VanTrust
- Wade Park Office – 162,584 SF spec under construction
- Dallas Parkway – Building I – 120,000 SF spec with Randy Heady & Company

LARGE EXISTING VACANCIES

- The Campus at Legacy West/6501 Legacy Drive – 609,135 SF
- Hall Park – T2/3201 Dallas Parkway – 300,000 SF
- One Legacy West/7950 Legacy Drive – 297,994 SF
- The Offices One/6169 Warren Parkway – 228,000 SF
- Granite Park V/5830 Granite Parkway – 212,529 SF



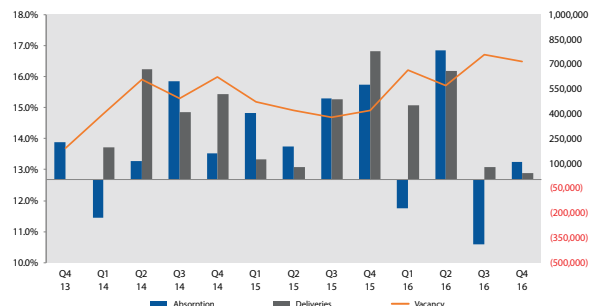
TOP LEASE TRANSACTIONS



- Shelton School signed a 317,270 SF lease for the entire office building at 17301 Preston Road in Dallas.
- ★ HLC Deal • Rexel signed a 72,978 SF lease renewal at The Addison in Dallas.
- Stream Energy signed a 55,226 SF lease at Tollway Center in Dallas.
- 24/7 Customer signed a 34,709 SF lease at Gramercy Center South in Dallas.

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
108,530	-387,608	576,832
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
16.5%	16.7%	14.9%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
3,572,816	3,384,816	1,821,543
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
40,000	76,200	777,312
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$27.31	\$27.07	\$26.86

VITAL STATS



Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

The North Tarrant Express's construction continues on Interstate 35 near downtown with the southbound exit to Spur 280 expected to be closed till early second quarter 2017. Downtown will still be accessible for southbound motorists on Interstate 35 via Belknap Street.

Congress approved a wide-ranging bill to authorize water projects across the country, including the \$526 million in funding for the Trinity River Vision project in Fort Worth that will update flood control for the Trinity River and redevelop land north of downtown.

An Oklahoma City based bank, Valliance Bank, has opened a new banking center in downtown Fort Worth at 777 Main. The new banking center will look to serve small business owners and executives as well as individual clients. Valliance Bank was originally established in Oklahoma City in 2004 and now includes banks in Oklahoma City, Norman, McKinney and Fort Worth.

Salsa Limon, a favorite among the 7th street restaurants, has moved downtown to 550 Throckmorton Street in the space that formerly housed a burrito shop. Longtime downtown restaurant, Mercury Chop House, will be joining Salsa Limon in The Tower retail space in the former Vivo 53 space at the corner of fifth and Taylor.

DEALS ON THE MARKET

- Hogan Building – 31,064 SF
- 1100 Macon Street – a 30,699 SF

NEW DEVELOPMENTS

- Frost Tower: a 280,489 RSF Class A office Tower located at 640 Taylor is currently under construction and scheduled to deliver in early 2018. The building is currently 51% preleased to Jetta Operating and Frost Bank.
- Cowtown Place: the parking garage development will house all parking for XTO's employees and is slated to deliver May 2017. There will be an additional 27,000 SF of ground level space available for retail or office use.

LARGE EXISTING VACANCIES

- 777 Main
 - Sublease Space – 168,257 SF
 - Direct Space – 153,958 SF
- Burnett Plaza – 154,463 SF
- DR Horton Tower – 122,771 SF
- The Tower Annex - 70,000 SF
- One City Place – 68,969 SF
- The Cassidy - 57,157 SF

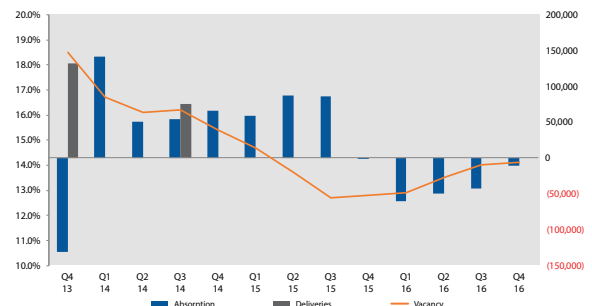


TOP LEASE TRANSACTIONS

- Bonds, Ellis, Eppich, Schafer and Janes, LP signed a 10,742 SF sublease at The Chase Bank Building
- Hillwood Energy signed a 8,910 SF sublease at The Carnegie.

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
-10,681	-42,454	-1,814
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
14.1%	14.0%	12.8%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
280,489	280,489	280,489
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	-	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$25.46	\$25.17	\$26.05

VITAL STATS



Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

Legacy Partners, one of the country's top apartment developers, has tied up a 5 acre site on the south shore of Lake Carolyn east of Highway 114 on Las Colinas Boulevard. Current plans are to build a 17 to 18 story apartment tower surrounded by 4 story apartments. The only other high-rise residential building in Las Colinas is the 17 story Grand Trevisco condominium tower.

Blucora, a financial technology firm, will move its corporate headquarters to Las Colinas from Bellevue, Washington. The firm currently has more than 300 employees in the area providing online tax preparation for consumers as well as supporting tax professionals. The growth in the Dallas area prompted the move as well as Las Colinas' easier time zone, proximity to DFW International Airport as well as the existence of feeder schools from which they can recruit new talent.

Irving's Music Factory development has announced several new restaurants as part of the development. ARK Group, the North Carolina based developer of the project, announced that national restaurant operator Restaurants Unlimited, Inc. will be the operator for these new additions. The concepts are as follows: Texas Kitchen; BBQ, Burgers & Blues; Latin Inspired Cantina; Oyster/Seafood House; West Coast Grill & Lounge; Martini Lounge and Tapas; and Mediterranean Wine Bar.

- New Penn Financial signed a 23,389 SF lease at 600 East Las Colinas.
- Centrada Solutions signed a 23,114 SF lease at Riverside Commons
- Taco Bueno signed a 22,904 SF lease at The Point.
- SkiData signed a 16,937 SF lease at Carpenter Court.
- Kingdom Resources signed a 8,791 SF lease at 8650 Freeport.
- Fountain Quail signed a 8,239 SF lease at Carpenter Court.



DEALS ON THE MARKET

- 511 East John Carpenter – 160,782 SF
- Liberty Mutual Campus – 164,111 SF
- Westridge Center – 93,837 SF

NEW DEVELOPMENTS

- 9111 Cypress Waters Boulevard is a 217,000 SF Class A office building under construction within Cypress Waters. This building is set to deliver 170,250 SF of available space first quarter 2017.
- A 225,000 square foot Class A office building is under construction in Cypress Waters Office Park. The building will house Signet Jewelers.
- Connection Park II is a 141,219 SF Class A office building currently under construction, set to deliver June 2017. The building will deliver 64,477 SF of available space.
- The Music Factory 100,000 SF Class A office building is under construction in the Urban Center. The building is set to deliver Q3 2017 and will house Ethos Group, Inc.

LARGE EXISTING VACANCIES

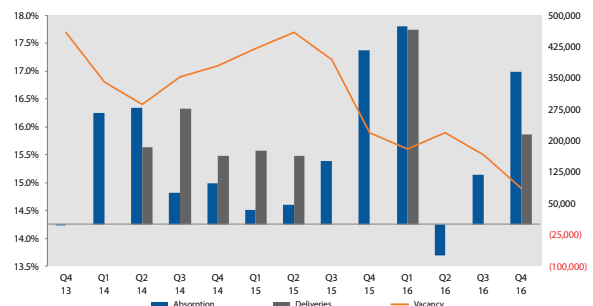
- Riverside Commons – 232,653 SF
- Browning Place I – 172,344 SF
- Park West 2 – 148,237 SF
- 121 Corporate Center – 126,596 SF
- Connection Park I – 105,176 SF
- The Point – 98,154 SF
- Two Colinas Crossing – 97,757 SF
- 5001 Statesman – 93,632 SF
- MacArthur Center I – 84,691 SF
- 122 West John Carpenter – 79,545 SF

TOP LEASE TRANSACTIONS

- Caliber Home Loans signed a 182,700 SF lease for all of Point West I.
- The Options Clearing Corporation signed a 46,750 SF lease at Cypress Waters.
- BMO Harris Bank signed a 45,806 SF lease at The Point.
- Springleaf signed a 24,954 SF lease at The Point.
- Nexstar signed a 23,575 SF sublease at Riverside Commons.

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
364,510	118,531	416,029
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
14.9%	15.5%	15.9%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
1,504,761	1,339,761	1,008,402
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
215,000	-	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$23.95	\$23.41	\$22.98

VITAL STATS



Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

Anchor Health Properties has purchased the 32,201 SF Coit Medical Center at 12230 Coit Road in Dallas.

Demolition is scheduled to begin on the former Macy's department store on Valley View in the next few weeks.

Driftwood Hospitality Management purchased the 309-room Sheraton hotel at 4801 Lyndon B. Johnson Freeway near the Galleria in Dallas.

NEW DEVELOPMENTS

No developments are currently under construction at this time. However, two have been proposed:

- Four Lincoln Centre – 400,000 SF
- Park Tower at Dallas Midtown – 376,870 SF

LARGE EXISTING VACANCIES

- Pinnacle Tower/5005 Lyndon B Johnson Freeway – 231,407 SF
- Three Galleria Tower/13155 Noel Road – 220,293 SF
- Midtown Atrium/5525 Lyndon B Johnson Freeway – 111,092 SF
- LBJ Tower/8390 Lyndon B Johnson Freeway – 110,676 SF
- One Valley View Place/2350 Valley View Lane – 98,701 SF

TOP LEASE TRANSACTIONS

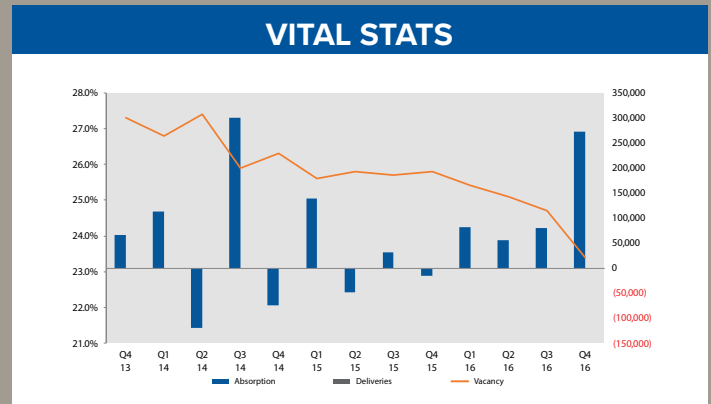
- Trinity Universal Insurance signed an 84,000 SF renewal at Executive Center in Dallas.
- Kimley-Horn signed a 45,646 SF lease at Two Galleria Tower in Dallas.
- Holmes Murphy & Associates signed a 19,976 SF expansion at 4 Park Central in Dallas, bringing its total footprint to approximately 72,000 SF in the building.
- Turner, Stone & Co signed an 8,626 SF renewal at 3 Park Central in Dallas.
- Supply Sanitation Systems signed a 6,957 SF lease at 3 Park Central in Dallas.

DEALS ON THE MARKET

- The Crossings I & II – a 529,128 SF of Class A & B office property
- Banner Place – a 285,511 SF Class B office property
- 9441 – 9461 LBJ Freeway – a 249,354 SF Class B office complex
- Midtown Office Center – a 129,690 SF Class B office building
- One Valley View Place – a 98,701 SF Class B office building



Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
272,454	80,014	-14,908
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
23.4%	24.7%	25.8%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	-	-
Delivered SF	vs. Prev. Qtr	Vs. 12 Mths Ago
-	-	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$21.20	\$21.13	\$20.60



Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

Texas Rangers officials have announced that Dallas-based architecture group HKS has been selected to design the \$1 billion retractable roof stadium for the team. The new ballpark will be funded as a public-private partnership between the city of Arlington and the Rangers.

Arlington's Texas Live! Development will be the location for famous chef, restaurateur, author and TV personality Guy Fieri's new flagship restaurant. Expected to open in the spring of 2018, the restaurant will be developed specifically with Texas Live! In mind.

Granite Properties delivered a seven-story office tower next to the Hilton Southlake in Southlake Town Square. The property has set the new high water mark for rents in the area but boasts some of the best walkable amenities with its proximity to Southlake Town Square.

DEALS ON THE MARKET

- 4441 West Airport Freeway – 76,556 SF
- 15100 FAA – 61,292 SF
- 1112 East Copeland – 56,848 SF
- Gramercy Center – 55,000 SF
- Brookside Office Park – 44,375 SF
- Commonwealth Centre – 35,917 SF

NEW DEVELOPMENTS

- TD Ameritrade Regional Office Campus, Westlake – 355,000 SF Class A office complex set to deliver fourth quarter.
- D.R. Horton Headquarters, Arlington – 150,000 SF Class A office building set to deliver late third quarter.
- Kimball Park is a 113,840 SF Class A office building located in Southlake set to deliver late second quarter.

LARGE EXISTING VACANCIES

- Solana, Westlake – 1,409,641 SF across 9 Buildings
- Granite Place I – 154,850 SF
- 4200 Buckingham – 114,230 SF
- DFW Towers North & South – 109,040 SF
- Centerpoint IV – 89,025 SF
- 4441 West Airport Freeway – 76,556 SF
- State National Center – 73,671 SF

TOP LEASE TRANSACTIONS

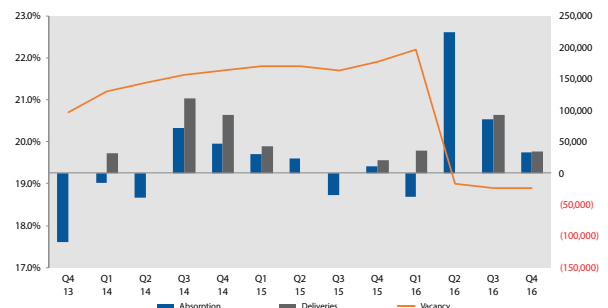
- Stericycle signed a 87,185 SF lease at 8555 Airport Freeway.
- Goosehead Insurance signed a 60,000 SF lease at The Terrace at Solana.
- Arlington ISD expanded into 18,333 SF at Enterprise Centre.
- Keller Williams signed a 23,481 SF short term extension at Cedar Ridge.
- Briggs Freeman signed a 8,974 SF lease at Cedar Ridge.



Cedar Ridge Office Park

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
33,279	85,880	10,977
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
18.9%	18.9%	21.9%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
448,840	458,340	112,439
Delivered SF	vs. Prev. Qtr	Vs. 12 Mths Ago
34,500	92,418	20,955
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$21.66	\$21.64	\$20.65

VITAL STATS



Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

Kansas-based QTC Realty Trust paid roughly \$50 million for Health Care Services Corp's data center on Park Vista Boulevard in the Alliance Texas Development. Included in the purchase was excess land for a major expansion of the data center.

Facebook, currently under construction on its \$1 billion datacenter in North Fort Worth, recently increased the size of its property by nearly 50%. The project was originally kicked off by the purchase of a 110-acre tract on State Highway 170 and now Facebook has purchased an additional 50 acres next door to the site for expansion.

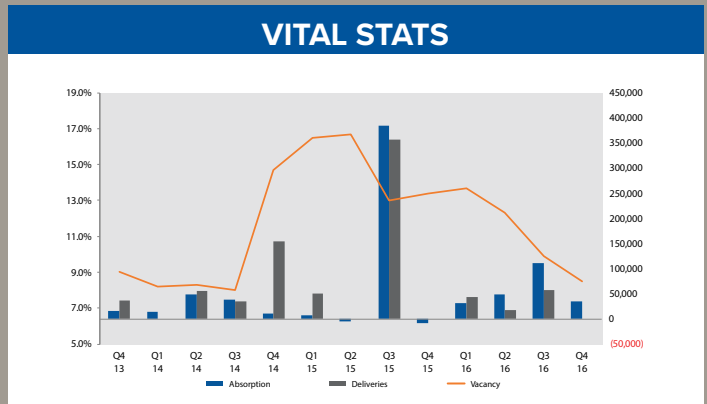
Fine Line Development is selling four tracts of land ranging from six to sixty-seven acres in the Champion Circle master planned development that could house up to 111 acres of mixed use. Residential growth in the surrounding areas of Haslet, Westlake, and Northlake are helping to drive the need for more commercial development along I-35W. Nearby heavy power and fiber capabilities also make this a prime location for another data center.



LARGE EXISTING VACANCIES

- 5555 North Beach Street – 631,610 SF
- 5401 North Beach Street – 431,579 SF
- 2601 Meacham Boulevard – 268,290 SF
- 5501 Alliance Gateway Freeway – 212,122 SF Sublease
- Heritage Commons II – 91,598 SF Sublease

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
34,715	110,349	-7,915
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
8.5%	9.9%	13.4%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
23,940	23,940	141,933
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	56,539	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$22.33	\$22.44	\$22.45



Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

Two new restaurants are opening in Preston Center. Go Fish Poke is set to open at 6030 Luther Lane and Yolk's will open its third location in the space formerly known as LYFE Kitchen.

TOP LEASE TRANSACTIONS

- Matthews Real Estate Investment Services signed a 8K SF lease at 8300 Douglas Avenue.
- Cox Operating LLC signed a 5.5K SF lease at Highland Park Place.
- South Bay Partners signed a 5.2K SF lease at Highland Park Place.
- Ackerman Capital Management signed a 4.6K SF lease at Sherry Lane Place.
- Lawyer's Title signed a 3.9K SF lease at Highland Park Place.
- Hunt Southwest signed a 3K SF lease at Sherry Lane Place.
- HealthWellnessMD signed a 3K SF lease at Highland Park Place.

DEALS ON THE MARKET

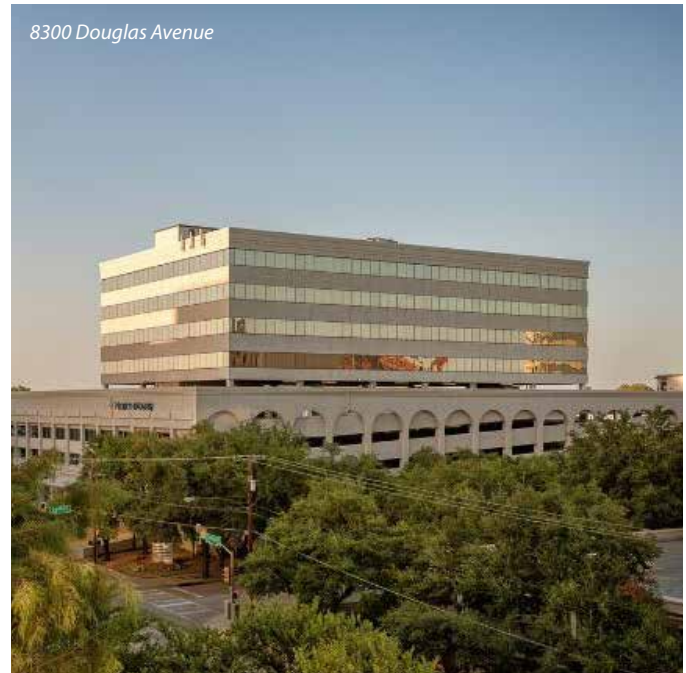
No buildings are actively being marketed at this time.

NEW DEVELOPMENTS

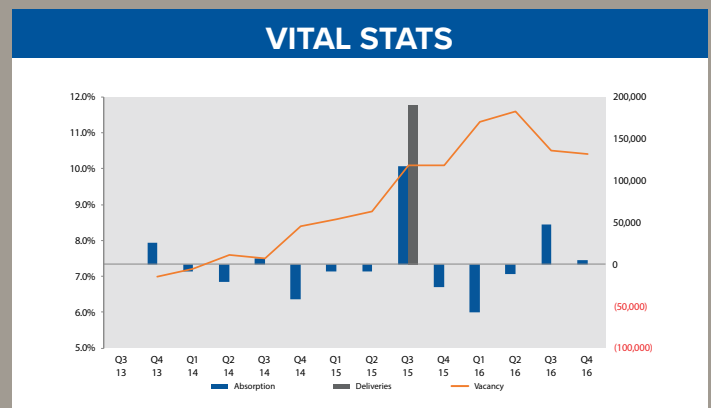
- 5960 Berkshire, Terraces at Douglas Center – 171,583 SF building with Houston-based Lionstone Investments Inc. and Dallas-based PegasusAblon.

LARGE EXISTING VACANCIES

- 8300 Douglas at Preston Center/8300 Douglas Avenue – 50,000 SF
- Berkshire Court/8411 Preston Road – 26,709 SF
- 8343 Douglas at Douglas Center/8343 Douglas Avenue – 20,843 SF
- Sterling Plaza/5949 Sherry Lane – 20,645 SF
- Bluffview Towers East/3890 West Northwest Highway – 18,719 SF



Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
4,911	47,262	-27,216
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
10.4%	10.5%	10.1%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
171,583	171,583	171,583
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	-	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$35.49	\$35.02	\$35.50



Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

Frontier Communications, along with a few other large firms, are reportedly shopping TI's former Plano campus as a potential relocation option. The owner, Los Angeles-based Regent Properties, is spending \$100 million to renovate the property.

A partnership between Houston-based Transwestern Investment Group and Mirae Asset Global Investments Co. has closed on the acquisition of State Farm Insurance's regional hub in Richardson in a deal valued at \$825 million. The deal is the biggest single-tenant real estate transaction in North Texas history.

Alliance Data Systems signed an 11K SF expansion and extension at One Legacy Circle in Plano. The company now occupies approximately half of the 215K SF Class A office building.

According to a study conducted by WalletHub, Plano is the #2 best city in the country for jobs, second only to Scottsdale, Arizona. The study was based on factors such as employment growth unemployment, and job opportunities.

- Comerica Bank Building – a 73,714 SF Class B office building.
- University Centre Office Park – a 59,792 SF Class B office property.
- 111 West Spring Valley Road – a 52,984 SF Class B office building.

NEW DEVELOPMENTS

- 3400 CityLine – a 300,000 SF spec

LARGE EXISTING VACANCIES

- Legacy Central – 912,474 SF
- 2400 Glenville/2400 North Glenville Drive – 388,600 SF
- 3300 East Renner Road – 304,175 SF
- Galatyn Commons/1011 Galatyn Parkway – 303,028 SF
- Campbell Glen II/1125 East Campbell Road – 205,817 SF



Legacy Central

TOP LEASE TRANSACTIONS

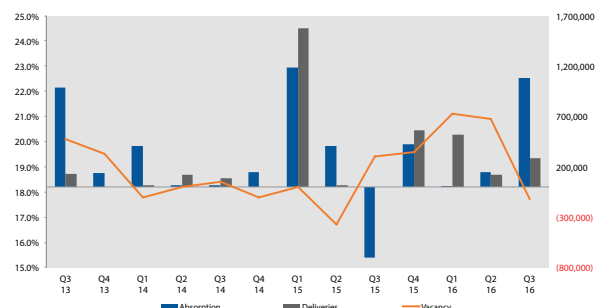
- VPay signed a 43,992 SF lease at 3701 West Plano Parkway in Plano.
- Service First Mortgage signed a 24,357 SF lease at McKinney Corporate Center I in McKinney.
- Level 2 Legal Solutions signed an 8,675 SF lease at Collins Plaza in Richardson.
- Binkley & Barfield signed a 6,239 SF lease at University Centre Office Park in Richardson.
- SRS Distribution Inc. signed a 5,452 SF expansion at Valliance Plaza in McKinney.

DEALS ON THE MARKET

- Raytheon Headquarters – a 489,000 SF Class A office property fully leased by Raytheon.
- Corporate Place of Richardson – a 106,304 SF Class B office building.

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
-314,394	1,106,757	428,373
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
19.2%	17.5%	19.3%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
474,086	650,054	1,036,504
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
175,968	316,160	565,957
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$23.74	\$23.36	\$22.05

VITAL STATS



Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

Fort Capital is under construction on two new residential developments at The Foundry. The Foundry is located just north of West 7th Street at the corner of Carroll and Weisenberger streets. Fort201, a boutique luxury apartment complex, broke ground in late 2016 and will consist of two separate buildings connected by a rooftop deck with lounge area and communal workspace. A total of 72 units will be delivered targeting young professionals. The Townhomes at The Foundry will stand three stories tall and will each include a rooftop terrace with a wet bar and cooking area.

Cassco Development delivered the 170,982 SF Class A Office building at 5600 Clearfork Main Street. Smith & Nephew, a pharmaceutical company, has already moved in and occupies the top two floors. Other confirmed tenants include Lhoist and First United Bank Mortgage.

NEW DEVELOPMENTS

- Edwards Ranch is currently developing two Class A office buildings totaling 160,182 Square Feet. 5600 Clearfork, the largest of the office buildings in the development, was delivered at the end of 2016. The two buildings under construction will be ready for Tenant Improvements in the First Quarter of 2017.
- Worthington National Bank is under construction on a 13,100 SF Class B office building in the Clearfork Development at 3001 Bryant Irvin Road. The bank plans to occupy half of the first floor for a new branch location.

LARGE EXISTING VACANCIES

- The Offices at Clearfork
 - 4940 Ozona – 79,291 SF
 - 5049 Edwards Ranch – 71,005 SF
 - 5600 Clearfork – 49,257 SF
- 111 Boland – 30,294 SF
- WestBend 2 – 28,365 SF
- 3909 Hulen – 27,409 SF Sublease

TOP LEASE TRANSACTIONS

- Lhoist signed a 57,115 SF lease at 5600 Clearfork in Edwards Ranch.
- Pape-Dawson Engineers signed a 11,596 SF lease at One Ridgmar Centre.
- Cotten Schmidt & Abbot signed a 10,183 SF sublease at Pier One.
- Quorum Architects signed a 8,312 SF lease at 707 Vickery Boulevard.
- Frost Bank signed a 6,000 SF lease at 5049 Edward Ranch Road.
- First United Bank signed a 5,897 SF lease at 5600 Clearfork in Edwards Ranch.
- InsureZone signed a 4,607 SF lease at 550 Bailey.

DEALS ON THE MARKET

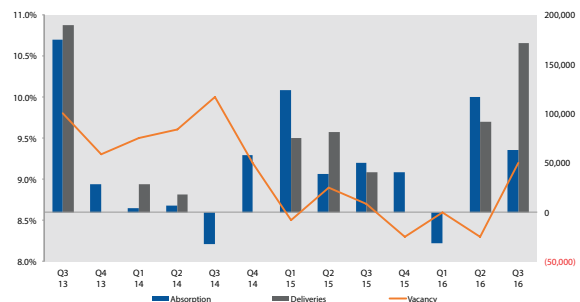
- One Ridgmar Centre – 177,199 SF
- 800 & +900 West Magnolia Avenue – 103,757 SF

The Offices at Clearfork



Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
-37,193	62,858	40,159
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
9.6%	9.2%	8.3%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
181,182	181,182	443,812
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	170,982	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$23.67	\$23.54	\$23.06

VITAL STATS



Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

Grapevine, TX-based 2GR Equity has purchased the seven-property, 177K SF Oakbrook Plaza at 1515 – 1575 West Mockingbird Lane near Dallas Love Field airport. The investment group has renamed the property Mockingbird Office Park and is implementing a capital improvement plan that will encompass common areas along with other interior and exterior upgrades.

The Dallas Mavericks have begun using their new \$70 million, two court practice facility purchased by Mark Cuban in the Design District across from American Airlines Center. Long term plans for this site include a new arena for the Mavericks after their lease at American Airlines Center expires in 2031.

NEW DEVELOPMENTS

- The Design District Tower – a 243,100 SF spec with Dunhill Partners
- West Love – a 200,000 SF spec with KDC
- UT Southwestern Radiation Oncology Center – a 63,000 SF Class A medical office building

LARGE EXISTING VACANCIES

- TPegasus Place - The Tower/3000 Pegasus Park Drive – 518,656 SF
- The Connection at 8600/8600 Harry Hines Boulevard – 161,176 SF
- Comerica Service Center/1508 West Mockingbird Lane – 142,600 SF
- 1430 - 1440 Empire Central Drive – 120,000 SF
- Former Salvation Army Headquarters/6500 Harry Hines Boulevard – 81,195 SF

TOP LEASE TRANSACTIONS

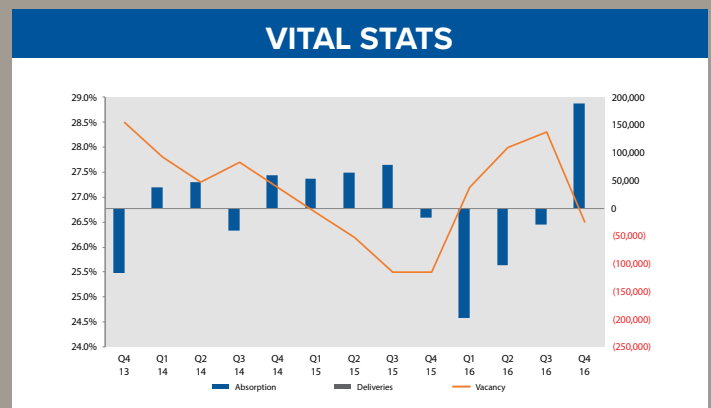
- LifeSpan Health Services signed a 12,335 SF lease at 7929 Brookriver Drive.
- Transportation Workers Union signed an 11,834 SF lease at Optima Business Park – Tower I.
- Premier Glass Products signed a 5,000 SF renewal at 921 Riverfront Boulevard.
- Dr. Jose De Leon signed a 4,344 SF renewal at Prudential Town Offices.

DEALS ON THE MARKET

- Brookriver Executive Center – a 282,750 SF office complex
- Optima Business Park – a 197,958 SF Class B office complex
- 1430 & 1440 Empire Central Drive – a 160,000 SF Class B office complex
- 4800 Harry Hines Boulevard – a 97,636 SF Class B office building.
- One Cokerell Plaza – a 78,791 SF Class B office building.



Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
189,403	-29,616	-16,402
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
26.5%	28.3%	25.5%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
63,000	63,000	63,000
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	-	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$15.59	\$15.93	\$15.48



Source: CoStar 2016 4Q Office Report

CURRENT EVENTS

The concrete foundation has been completed and the vertical stage is set to begin on The Union.

The Dallas City Plan Commission has approved plans to convert McKinney Avenue and Cole Avenue from one-way streets to two-way streets.

Invesco Real Estate has announced plans to invest \$2.25 million in upgrades on 3131 McKinney in Uptown Dallas, with completion scheduled for March 2017. Upgrades include updating the parking garage elevator lobbies, creating a new entry, improving outside lighting, and updating the landscaping.

Dallas-based law firm Henley & Henley P.C. has acquired an Uptown boutique office building which has undergone significant renovations with plans to move its office into the building. The two-story, 11,138 square foot office building at 2520 Fairmount St sits near the Whole Foods Market and Gold's Gym.

Dallas developer Robert Shaw has sold The Gallery at Turtle Creek, a two-building apartment community a block away from the Perot family's new headquarters, to Invesco. The apartment property sits next to a track of land owned by Hillwood Urban with plans to build a 15 to 18 story office tower facing Turtle Creek Boulevard.

Amsterdam-based Spaces Dallas, a subsidiary of Regus, has opened their 67K SF co-working space at 1919 McKinney in Uptown Dallas. This is the largest co-working space in Dallas and the first true co-working location in Uptown.

- Payne Mitchell Law Group signed a 12.2K SF lease at Parkside Tower.
- North Italia signed a 6K SF lease at The Union.

DEALS ON THE MARKET

- Parkside Tower – a 378,000 square feet Class A Office Property.
- Two Turtle Creek – a 225,000 square feet Class A Office Property.
- Citymark on the Katy Trail – a 218,943 square feet Class A Office Property.
- 2525 McKinnon – a 111,722 square feet Class A Office Property.

NEW DEVELOPMENTS

- The Union – 800,000 SF office, residential and retail development with RED Development.
- Park District Tower – 516,000 SF office building with Trammell Crow Company.
- 2850 North Harwood Street, No. 10 – 236,000 SF office building with Harwood International.



- 2620 Maple Avenue – 90,000 SF spec with Holt Lunsford Commercial.

LARGE EXISTING VACANCIES

- Crosstex Court/2501 Cedar Springs Road – 109,404 SF
- Parkview at 1920 McKinney/1920 McKinney Avnue – 66,795 SF
- One McKinney Plaza/3232 McKinney Avnue – 61,416 SF
- Victory Plaza West/3090 Olive Street – 51,945 SF
- Parkside Tower/3500 Maple Avenue – 43,875 SF

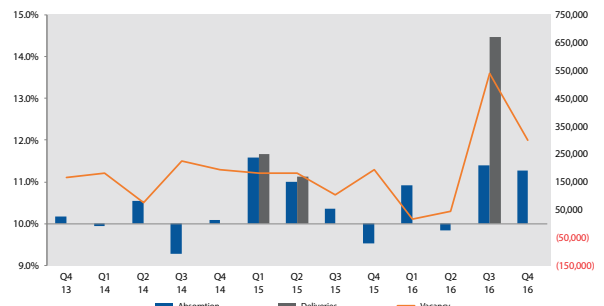


TOP LEASE TRANSACTIONS

- Spirit Realty Capital signed a 31K SF lease at Harwood No. 3.
- CrossFirst Bank signed a 26.5K SF lease at McKinney & Olive.
- Leon Capital Group signed a 22.3K SF lease at Parkside Tower
- Del Frisco's Double Eagle Steakhouse signed a 13K SF lease at McKinney & Olive.

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
191,817	209,135	-71,908
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
12.0%	13.6%	11.3%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
1,500,471	1,500,471	872,158
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	672,158	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$38.00	\$38.59	\$36.17

VITAL STATS



Source: CoStar 2016 4Q Office Report



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