



DFW OFFICE
MARKET BRIEF

2Q2017





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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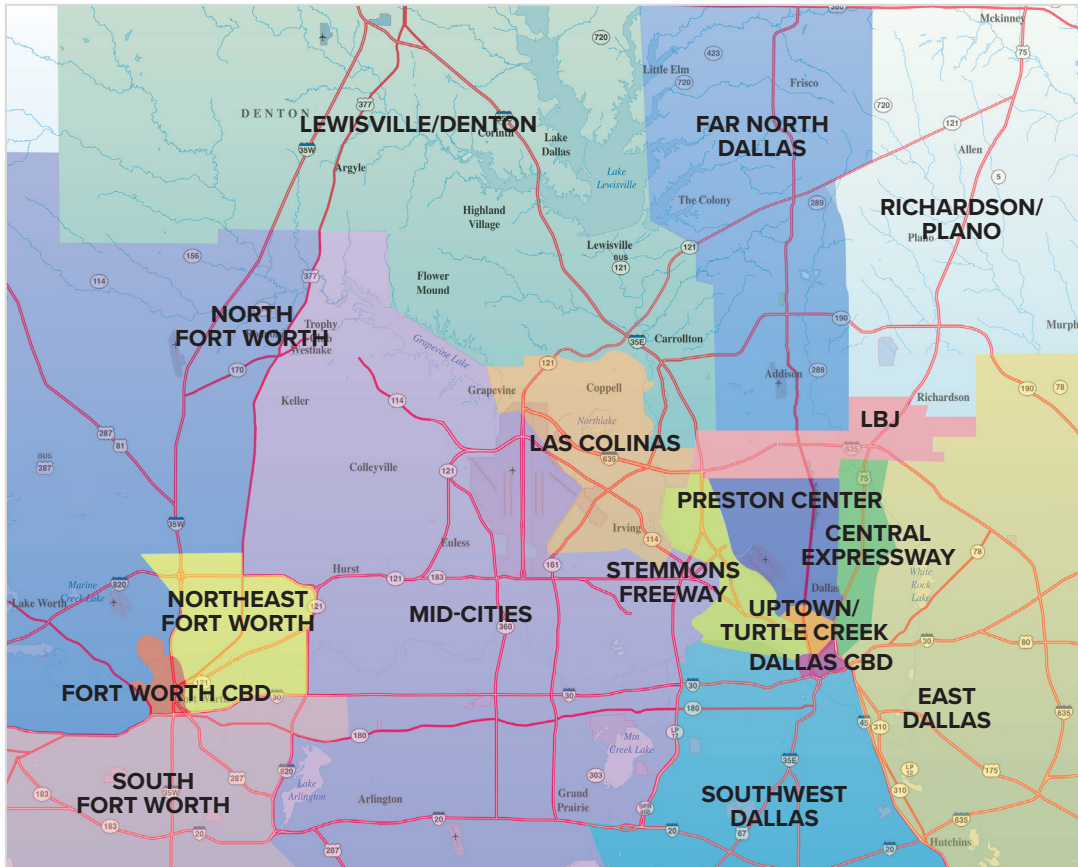


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1701 NORTH COLLINS BOULEVARD



108,657 SF, Class B office building in the Richardson/Plano submarket. Owned by Centenario Realty.





529,128 SF, Class A two office building complex in the East LBJ Submarket. Owned by Goddard Investment Group.





53,861 SF, Class B office building in the Quorum Bent Tree submarket. Owned by The Gutow Company.



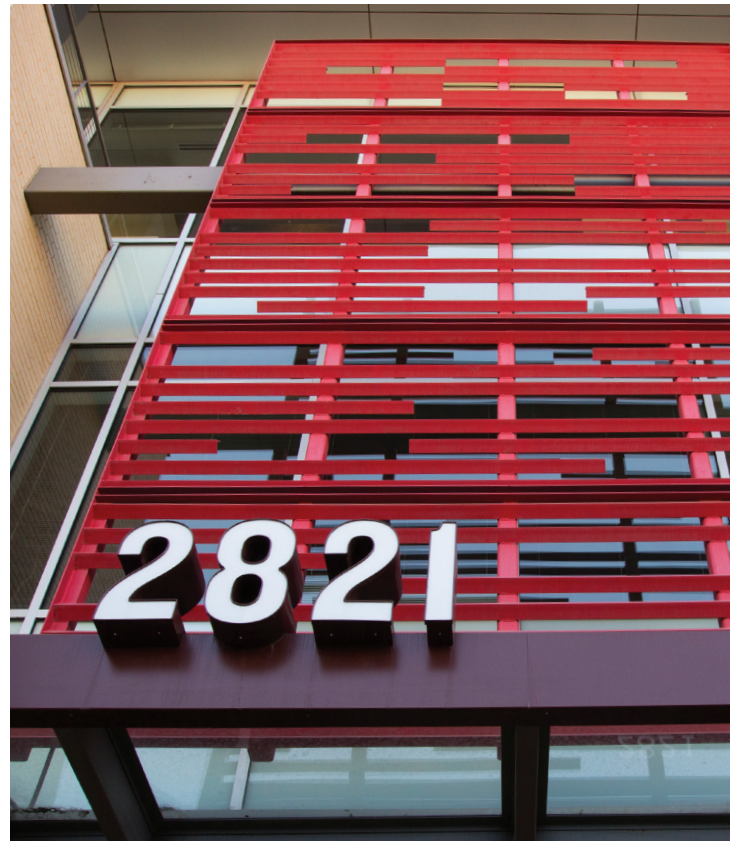


130,000 SF, Class B office building in the West Southwest Ft. Worth submarket. Owned by FirstCash Inc.





127,169 SF, Class A Lifestyle office building in the West Southwest Ft. Worth submarket. Owned by Cypress Equities.

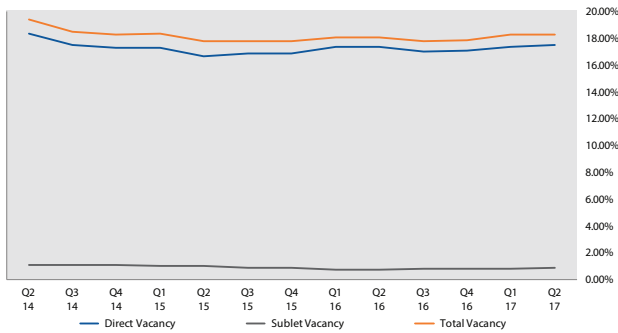




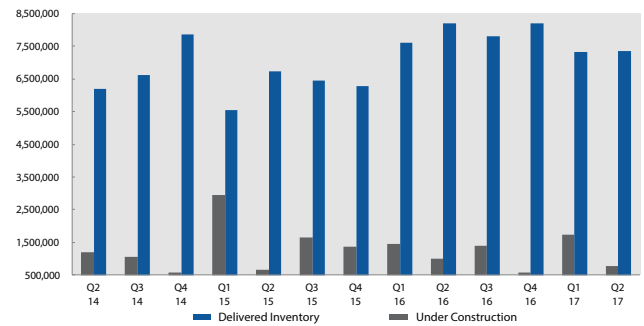
9151 Boulevard 26 is a 121,375 Class-A office property located in North Richland Hills, TX, owned by Capital Commerical.



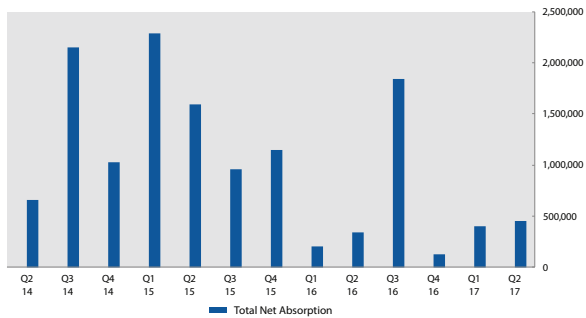
VACANCY - OVERALL DFW



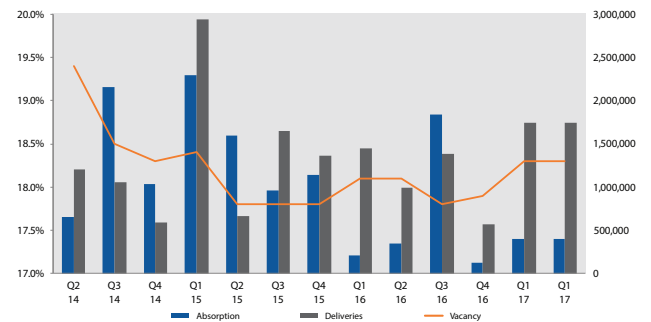
CONSTRUCTION - OVERALL DFW



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	12,774,313	1,462,362	1,496,135	11.7%	(35,348)	0	0	\$26.87
Dallas CBD	80	28,727,075	7,217,621	7,426,808	25.9%	37,576	92,237	261,400	\$25.31
East Dallas	182	7,947,808	762,303	772,971	9.7%	357,258	0	294,820	\$24.82
Far North Dallas	451	47,418,655	6,814,965	7,370,923	15.5%	458,496	756,599	2,889,770	\$27.62
Ft Worth CBD	53	8,557,382	1,046,514	1,119,830	13.1%	88,168	0	280,489	\$26.15
Las Colinas	275	33,543,657	5,277,929	5,723,019	17.1%	238,454	883,542	832,219	\$25.09
LBJ Freeway	168	20,960,452	4,707,077	4,949,262	23.6%	(44,782)	0	0	\$21.85
Lewisville/Denton	155	7,480,185	664,807	798,417	10.7%	(82,861)	18,648	115,626	\$22.17
Mid-Cities	410	21,335,406	4,394,275	4,465,329	20.9%	(225,561)	367,922	339,489	\$22.04
North Fort Worth	51	2,728,993	140,993	198,348	7.3%	21,129	23,940	32,000	\$20.64
Northeast Ft Worth	50	3,603,421	1,836,145	1,851,130	51.4%	2,635	0	0	\$19.30
Preston Center	49	4,525,281	463,364	497,433	11.0%	(19,390)	0	171,583	\$36.64
Richardson/Plano	345	26,945,123	5,573,891	5,658,615	21.0%	(87,396)	133,216	679,291	\$24.16
South Ft Worth	203	10,477,787	1,108,846	1,164,424	11.1%	12,509	181,182	98,497	\$24.44
Southwest Dallas	79	3,208,443	384,902	384,902	12.0%	56,162	0	55,000	\$17.90
Stemmons Freeway	116	12,497,712	3,148,728	3,218,258	25.8%	110,801	63,000	0	\$16.61
Uptown/Turtle Creek	93	12,150,807	1,258,144	1,488,662	12.3%	(35,252)	0	1,305,013	\$37.39
Totals	2,865	264,882,500	46,262,866	48,584,466	18.3%	852,598	2,520,286	7,355,197	\$24.84

Source: CoStar Property*

CURRENT EVENTS

One of the big downtown Dallas law firms that was wooed by new development in Uptown has had a change of heart. Longtime downtown attorney firm Vinson & Elkins has decided to renew at Trammell Crow Center in downtown Dallas.

A downtown Dallas high-tech project has signed a major tenant. Provision Data Services says it's signed Global IP Networks Inc. as a major tenant in its 2020 Live Oak Building on the east side of Downtown.

Lincoln Property Company has topped out on its 260K SF 1900 Pearl office development at Woodall Rogers Freeway and Pearl Street in the Arts District. The project is scheduled to be completed in December.

United Kingdom-based high-tech recruiting firm Frank Recruitment Group plans to open its next U.S. office in downtown Dallas, with plans to employ up to 300 workers in the next few years. The firm, which is backed by Fort Worth-based TPG, has leased 12,000 square feet on the 24th floor in Ross Tower, with plans to initially employ 150 workers and to scale up to 300 employees with additional real estate in the next few years.

One of downtown Dallas' most familiar towers is in the midst of a major makeover that will bring additional parking and a new look to the skyline. Owners of the 60-story rocket-shaped Fountain Place are spending more than \$70 million on the office building. Atlanta-based Goddard Investment Group is building a new garage and retail building on the northeast side of the green glass tower.

Shared workspace provider WeWork has opened its downtown Dallas location, which the firm says will be its "Southern headquarters." New York-based WeWork rented 84,000 square feet of office space in the Thanksgiving Tower on Elm Street.

10-story Dawson State Jail on the banks of the Trinity River in downtown Dallas is up for grabs. Built in 1995, the lockup has been sitting empty for several years. It closed in 2013 and at one time housed more than 2,200 prisoners. CBRE brokers are pitching the former hoosegow for a potential redo. They say the building can be converted into an apartment high-rise, office space or even a self-storage facility.

A California-based legal firm has moved its downtown Dallas office to the Arts District. Sedgwick Llp has rented an office in the KPMG Plaza building on Ross Avenue near Pearl Street. The law firm is moving its office from the Comerica Bank Tower on Main Street to the seventh floor of the Ross Avenue tower in the Hall Arts Development.

TOP LEASE TRANSACTIONS

- Comerica Bank signed a 222K SF renewal at Comerica Bank Tower in Downtown Dallas. This transaction commits the banking giant to its namesake tower through 2028.
- MCI Communications Services signed a 48K SF renewal in One Main Place.
- Colliers International signed a 14K SF lease in 717 North Harwood Street.
- Krage & Janvey signed a 14K SF renewal at 2100 Ross in Downtown Dallas.
- Skiermont Derby signed a 13.9K SF lease in Thanksgiving Tower.
- Academic Partnerships signed a 11.3K SF lease in the Plaza of the Americas South Tower.
- Crow Family Foundation signed an 8K SF lease at Trammell Crow Center in Dallas.
- Calhoun, Bhella & Sechrest signed a 6K SF expansion in Republic Center.

DEALS ON THE MARKET

- Renaissance Tower – a 1.7M square feet Class A office property
- Oilwell Supply Building – a 65K square feet Class B office property

NEW DEVELOPMENTS

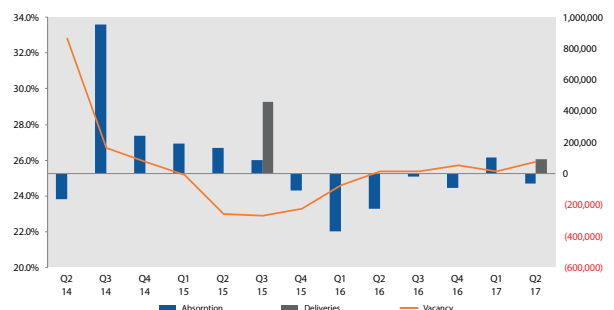
- 1900 North Pearl Street, 1900 Pearl – 261,400 SF with Lincoln Property Company.

LARGE EXISTING VACANCIES

- Thanksgiving Tower/1601 Elm Street – 376,547 SF
- Bank of America Plaza/901 Main Street – 351,324 SF
- Fountain Place/1445 Ross Avenue – 295,898 SF
- 1700 Pacific/1700 Pacific Avenue – 206,909 SF
- Comerica Bank Tower/1717 Main Street – 165,866 SF

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
(63,555)	101,131	(221,912)
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
25.9%	25.4%	25.4%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
261,400	353,637	353,637
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
92,237	-	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$25.31	\$25.69	\$25.29

VITAL STATS



Source: CoStar 2017 2Q Office Report

CURRENT EVENTS

The more than 1 million-square-foot Energy Square development on North Central Expressway is getting a total makeover. The development is home to more than 300 tenants and will be receiving more than \$10 million from USAA Real Estate in the renovation.

LARGE EXISTING VACANCIES

- 6060 at The Crossing/6080 North Central Expressway – 45,817 SF
- Cityplace Tower/2711 North Haskell Avenue – 34,809 SF
- Three Energy Square/6688 North Central Expressway – 32,412 SF
- Campbell Centre North Tower/8350 North Central Expressway – 32,063 SF
- Mockingbird Station/5307 East Mockingbird Lane – 31,000 SF

TOP LEASE TRANSACTIONS

- L&B Advisors signed a 26K SF lease at Premier Place in Dallas.
- Curtainwall Design Consulting signed a 17K SF extension at The Offices at Park Lane in Dallas.
- VS Texas GP signed a 13.3K SF lease in Walnut Glen Tower.
- Marquette Business Credit signed an 11K SF renewal at Premier Place in Dallas.
- Istation signed a 7.4K SF lease in Campbell Centre South Tower.
- Law Offices of David T. Denney signed a 6.1K SF lease in Campbell Centre North Tower.
- Dallas Employment Services signed a 3.7K SF lease in Campbell Centre South Tower.
- Hazen Sawyer signed a 3.6K SF lease in Campbell Centre South Tower.
- Thomas O. Bailey and Associates, P.C. signed a 3.5K SF lease in 6060 at The Crossing.

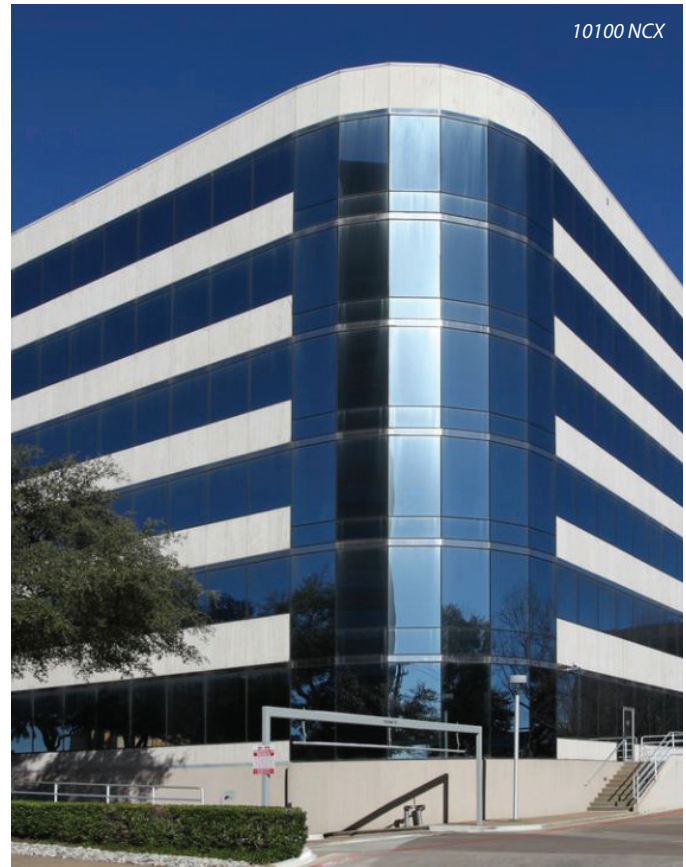
DEALS ON THE MARKET

- 10100 North Central Expressway – a 94,294 square feet Class B office property

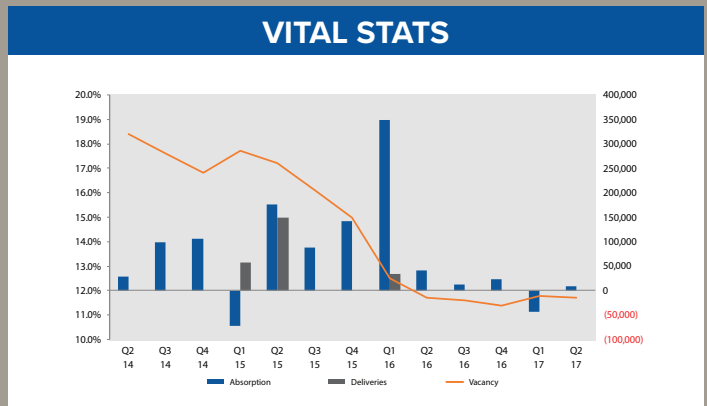
NEW DEVELOPMENTS

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

- Four Energy Square – 400,000 SF Built to Suit
- 8010 Park Lane – 352,000 SF Office (Community Center) Building
- Office Tower in The Glen At Preston Hollow – 250,000 SF office building



Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
8,695	(44,043)	42,019
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
11.7%	11.8%	11.7%
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
\$26.87	\$26.94	\$26.53



Source: CoStar 2017 2Q Office Report

CURRENT EVENTS

With the finishing touches being made to the addition of its latest Plano campus expansion, financial giant Capital One is upgrading tech-savvy campus. The newly opened four-story, 205,000-square-foot building, referred to as Building 7, will increase the collaboration space at Capital One's regional hub, with a market-style cafeteria, gaming room and alternative meeting spaces.

Financial giant JP Morgan Chase & Co. has reached a new limit on the vertical height of its 1 million-square-foot campus in Plano's Legacy West. The milestone was marked with a topping out ceremony on Wednesday by Dallas-based KDC, which is developing its project.

Construction has begun on the 40-acre, 300K SF, \$113 million AmerisourceBergen regional campus near Parker Road and Plano Parkway in Carrollton, where nearly 1,200 workers will move in 2019.

West Plano's \$3 billion Legacy West development has landed another big-name business. Boeing will locate the headquarters for its newly formed global services division in the 250-acre mixed-use project at the Dallas North Tollway and State Highway 121. Boeing will occupy space in the Legacy Urban Village.

Cawley Partners have begun construction on the 240K SF Fourteen55 in Addison. Occidental Petroleum pre-leased approximately half of the building, and the remainder remains available for lease.

Encore Commercial has announced plans to build a 200K SF speculative office building at The Shops at Willow Bend on the Dallas North Tollway and W Park Boulevard in Plano.

Dallas Cowboys owner Jerry Jones Sr. is bringing in former Cowboys Hall of Fame quarterback Roger Staubach and former Cowboys player Robert Shaw to build a luxury high-rise at The Star in Frisco. The 17-story luxury residential tower will be Frisco's first high-rise tower.

- BroadSoft Inc. signed a 35.7K SF lease in Platinum Park's Building One.
- Fisher Asset signed a 33.7K SF lease in International Business Park.
- Pavaso, Inc. signed a 27.8K SF lease in Parkway Centre.
- ★ **HLC Deal** Acrisure signed a 11.5K expansion and extension at Liberty Plaza in Addison.
- ★ **HLC Deal** Foundation Energy signed a 9.8K SF lease at Liberty Plaza II in Addison.

DEALS ON THE MARKET

- Forum I, II, & III – a 203,099 SF Class B office property portfolio
- Legacy Business Park – a 200,000 SF Class B office building
- Alpha Tower – a 161,630 SF Class B office building
- Lone Star Building / 14460 Qorvo Dr – a 139,291 SF Class A office building
- Briargrove Place – a 128,092 SF Class A office building
- Atrium at Bent Tree – a 112,412 SF Class B office building
- Wright Brothers Corporate Center – a 108,476 SF Class B office property
- 13725 Montford Drive – a 70,061 SF Class B office building
- 16803 North Dallas Parkway – a 62,598 SF Class B office building

NEW DEVELOPMENTS

- Hall Park – T2 – 300,000 SF spec under construction with Hall Group
- Fourteen55 North Building – a 240,000 SF office building by Cawley
- The Offices One – 228,000 SF spec under construction with VanTrust
- Wade Park – 162,584 SF spec under construction
- Dallas Parkway – Building I – 120,000 SF spec with Randy Heady & Company
- 5908 Headquarters Drive – 93,199 SF spec under construction with the Karahan Companies
- Plano Towne Square Place – a 80,000 SF Class B office building by Primera Co
- Alliance Boulevard & Preston Road – a 47,992 SF Class A office Medical building in the Baylor Hospital Campus
- 3242 Preston Road – a 32,405 SF Class A Medical building

LARGE EXISTING VACANCIES

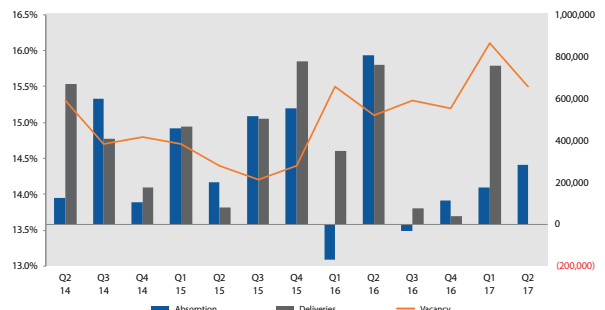
- The Campus at Legacy West/6501 Legacy Drive – 603,369 SF
- The Princeton/14651 North Dallas Parkway – 231,487 SF
- 4101 International Parkway – 205,230 SF
- Tollway Office Center II/3905 North Dallas Parkway – 160,000 SF
- 4201 Spring Valley/4201 Spring Valley Road – 140,342 SF

TOP LEASE TRANSACTIONS

- Altice USA Inc. signed a 79K SF lease at Granite Park V in Plano, where the company plans to move 400 workers in the third quarter of 2017.
- Principal Financial Services leased 46.9K SF at Spectrum Center in Addison.

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
283,019	175,477	804,642
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
15.5%	16.1%	15.1%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
2,889,770	2,601,097	2,332,134
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	756,599	758,860
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$27.62	\$27.63	\$26.76

VITAL STATS



Source: CoStar 2017 2Q Office Report

CURRENT EVENTS

Bisnow Article: The Downtown Fort Worth office market has more supply than demand. Any economist would say that is a bad thing but those who know the submarket best think the oversupply could help it finally lure some big tenants and corporate relocations that keep choosing the North Dallas suburbs. When the 315K SF Frost Tower delivers in 2018, it will bring more space online. Frost Tower has about 133K SF left to lease. Relocations out of the submarket from DR Horton and XTO Energy could also hit the vacancy rate hard but provide new opportunities for corporate relocations.

Exxon Mobil will relocate the bulk of XTO Energy's Fort Worth operation to a campus near Houston in a move that will cost the city 1,600 jobs and leave a number of downtown buildings for sale. The oil and gas producer, which was acquired by Exxon in 2010, said that 1,200 employees will be moved to Houston in 2018 with another 400 transferring in 2020. XTO will keep about 350 employees in Fort Worth assigned to its Central Division/Fort Worth District as well as some Midstream Operations employees in the field supporting Barnett Shale operations.

According to Downtown Fort Worth Inc., approximately 37,366 private employees work downtown. Add in government and nonprofit workers, that number swells to 46,215. The largest downtown employer is GM Financial, the auto loan financier, which has almost 900 employees at its Burnett Plaza headquarters, according to an informal survey we conducted last week. Home furnishings retailer Pier 1 Imports is close behind, with 873 employees at its office tower just west of downtown along the Trinity River. Oncor Electric, the utility that maintains our power transmission lines, has almost 500 employees and Jacobs, the engineering firm that bought Carter Burgess and relocated its headquarters from California to Dallas, has about 350 employees at 777 Main. On the public side, Tarrant County has the most downtown employees with 2,600 full-time and temporary workers, while the city of Fort Worth has more than 2,300 at City Hall and adjacent offices.

TOP LEASE TRANSACTIONS

- Alcon – 70,000 SF Lease Renewal at The Tower
- Total E&P – 20,752 SF Sublease at 777 Main
- Reynolds & Assoc – 4,798 SF Lease Renewal at Chase Bank
- Evolving – 4,619 SF Lease Renewal at Chase Bank
- Perr & Knight – 3,031 SF New Lease at One City Place

DEALS ON THE MARKET

- XTO 4 Building Portfolio – 500,000 SF Class B Office (3) and Multi-Family Repositioning (1)
- Oil & Gas/Star-Telegram – 439,802 SF Class B Office Complex
- 901 Houston – 31,064 SF Class B Stand Alone Office Building

NEW DEVELOPMENTS

- Frost Tower – 640 Taylor – 280,489 SF Class A Office Tower

LARGE EXISTING VACANCIES

- 777 Main
 - 151,825 SF Direct Vacancy
 - 136,246 SF Sublease Available
- Burnett Plaza – 126,406 SF Direct Vacancy
- One & Two City Place – 105,650 SF Direct Vacancy
- Oil & Gas/Star-Telegram – 98,723 SF Direct Vacancy
- 301 Commerce – 97,832 SF Direct Vacancy



Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
58,940	29,228	(49,691)
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
13.1%	13.8%	13.5%
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
\$26.15	\$25.28	\$25.55

VITAL STATS



Source: CoStar 2017 2Q Office Report

CURRENT EVENTS

Developer KDC broke ground on its over \$100 million Irving campus for Pioneer Resources in June. The 10-story office building will kick off the first phase of the over \$1 billion master planned Hidden Ridge development. Pioneer plans to move more than 1,000 people into the new project from its existing offices at Williams Square.

Irving-based JPI has secured funding to construct a new rental community in Las Colinas named The Jefferson Eastshore Apartments. The 286-unit development will be constructed near the Irving Convention Center and the new Music Factory complex and will feature access to DART's commuter rail line. The first apartments in the project will be available in 2018.

NEW DEVELOPMENTS

- A 225,000 square foot Class A office building is under construction in Cypress Waters Office Park. The building will house Signet Jewelers.
- The Sound at Cypress Waters is a 250,000 SF Class A office building under construction in Cypress Waters. The building will deliver 212,000 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.

LARGE EXISTING VACANCIES

- 1925 West John Carpenter – 405,432 SF
- 1915 Hurd – 322,590 SF
- Browning Place I – 172,344 SF
- Park West 2 – 165,408 SF
- Beltline Office Center – 135,200 SF
- 121 Corporate Center – 126,596 SF
- Connection Park I – 105,176 SF
- Two Colinas Crossing – 97,757 SF
- 5001 Statesman – 93,632 SF
- MacArthur Center I – 84,691 SF
- One Panorama Center – 82,551 SF
- 122 West John Carpenter – 76,656 SF
- Riverside Commons – 75,048 SF
- The Point – 70,874 SF

TOP LEASE TRANSACTIONS

- Yardi Systems signed a 54,646 SF lease at 8616 Freeport Parkway.
- Varidesk signed a 23,505 SF expansion at 1221 South Belt Line Road..
- Lightbeam Health Solutions signed a 22,542 SF lease at Urban Towers.
- GM Financial signed a 22,338 SF expansion at Mandalay Tower.
- Veteran's United signed a 18,847 SF lease at Las Colinas Corporate Center.
- MAG Velocity signed a 16,876 SF lease at 651 Canyon Drive.
- B&H Engineers signed a 10,408 SF sublease at 511 East John Carpenter.

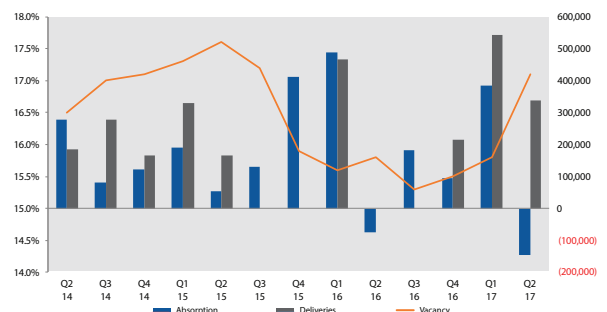
DEALS ON THE MARKET

- 1925 West John Carpenter Freeway – 405,432 SF Class A office building.
- 6001 Campus Circle Drive – 136,000 SF Class B office building
- Canal Centre – 238,051 SF Class A Office Building.
- Tower 1320 – 243,109 SF Class B Office Building.



Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
(147,302)	385,756	(75,619)
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
17.1%	15.8%	15.8%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
832,219	921,578	1,339,761
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
339,359	544,183	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$25.09	\$24.08	\$23.38

VITAL STATS



Source: CoStar 2017 2Q Office Report

CURRENT EVENTS

TIAA-CREF is considering adding a fourth office tower of approximately 390K SF to the 1.586M SF Lincoln Centre office complex at the Dallas North Tollway and 635 in Dallas.

Global infrastructure service firm AECOM plans to relocate its regional headquarters from the InfoMart building near downtown Dallas to Galleria Towers, which will consolidate more than 250 employees in one office. The Los Angeles-based firm recently signed a lease for 30,050 square feet of office space in One Galleria Tower at 13355 Noel Road in Dallas, with plans to move into the new office by end of the year.

TOP LEASE TRANSACTIONS

- Ansira Partners signed an 88K SF lease at Three Galleria Tower in Dallas.
- BenefitMall signed a 43K SF lease at Hidden Grove at 12404 Park Central in Dallas.
- AECOM signed a 30K SF lease at One Galleria Tower in Dallas.
- Sun Holdings signed a 24.7K SF sublease at Granite Tower.
- Caine and Weiner signed a 13K SF lease in Northpointe Centre.
- MC Communications Inc. has leased 12.8K SF at Lakeside Square in Dallas.
- Wunderlich Investment Co. signed an 11.1K SF lease at Three Galleria Tower in Dallas.
- Joeris General Contractors signed a 10K SF lease in TriWest Plaza.
- MedNetwoRx signed an 8K SF renewal in 3 Park Central.
- Strive Consulting signed a 5.5K SF lease at Two Galleria Tower in Dallas.
- SHI signed a 4.6K SF lease at Galleria North Tower I in Dallas.
- Numerex signed a 4.1K SF sublease at Hillcrest Tower in Dallas.
- Palogic Value Management signed a 2.5K SF renewal at Toll Hill West in Dallas.

DEALS ON THE MARKET

- Heritage One & Two – a 362,954 Class A office property
- Northcreek Place II & Wells Fargo Tower – a 311,875 SF 3 office property portfolio
- Northcreek Place I – a 249,354 SF Class B office property
- Hillcrest Oaks – a 183,980 SF Class B office property
- Northpointe Centre – a 161,170 SF Class A office building
- One Valley View Place – a 98,701 SF Class B office building
- Park Forest – a 90,469 SF Class B office building

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

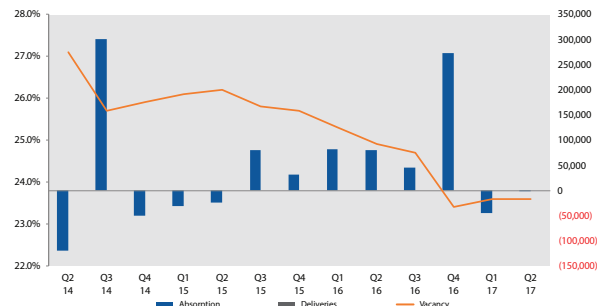
LARGE EXISTING VACANCIES

- Three Galleria Tower/13155 Noel Road – 122,048 SF
- 5525 Lyndon B Johnson Freeway – 111,092 SF
- LBJ Tower/8390 Lyndon B Johnson Freeway – 144,828 SF
- One Valley View Place/2350 Valley View Lane – 98,701 SF
- 2812 Forest Lane/2812 Forest Lane – 69,382 SF



Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
(693)	(44,089)	79,170
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
23.6%	23.6%	24.9%
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
\$21.85	\$22.04	\$20.84

VITAL STATS



Source: CoStar 2017 2Q Office Report

CURRENT EVENTS

D.R. Horton has begun its move from its current downtown Fort Worth headquarters to the new 200,000 square foot corporate headquarters on the north side of Interstate 30 across from Globe Life Park. The company will relocate roughly 500 employees to the new \$20 million four-story campus.

Kubota Tractor Corp. officially opened its \$50 million new North American headquarters in Grapevine. The campus consists of two buildings, an outdoor water garden, a large employee lounge and food service area, conference rooms and a large research and development facility. The new campus will be capable of housing as many as 600 workers.

Local builder, JPI, has announced plans to build a 371-unit rental community as part of a 52 acre mixed-use project on State Highway 26 near Grapevine Mills Mall called Silver Lake Crossings. The \$325 million project will include roughly 46,500 square feet of retail space along with two hotels, one Courtyard by Marriot, the other a Townplace Suites. Approval was also acquired to build a 300-room, 9-story Renaissance Hotel with plans for a three-story office building also under way. JPI plans to kickoff construction on the project by the end of the year.

TOP LEASE TRANSACTIONS

- Dealer Built signed a 5,800 SF lease at 1225 S Main Street.
- Centralized Showing Services signed a 12,639 SF renewal at 150 Westpark Way.

DEALS ON THE MARKET

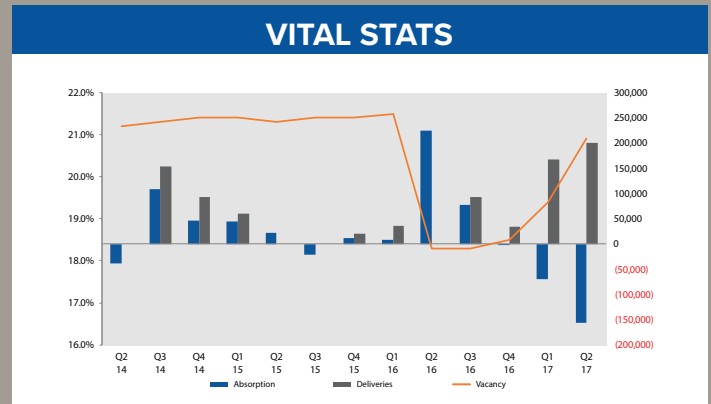
- Vineyard Office Center – 23,358 SF Class B office building
- Gramercy Center – 55,000 SF Class B office building
- Centreport Office Center I & II – 133,246 SF Class B office complex
- Arlington Downs Centre – 26,228 SF Class B office building
- Northstar One – 24,050 SF Class B office building
- The Oaks - 40,000 SF Class C office building
- Richland Centre – 38,251 SF Class B office building

LARGE EXISTING VACANCIES

- 4200 Buckingham – 114,230 SF
- DFW Towers North & South – 107,727 SF
- Centerpoint IV – 45,740 SF
- State National Center – 73,671 SF
- 15100 FAA Boulevard – 60,037 SF
- 3400 William D. Tate Avenue – 58,110 SF



Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
(156,098)	(69,463)	225,097
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
20.9%	19.4%	18.3%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
339,489	473,989	516,340
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
200,000	167,922	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$22.04	\$21.96	\$21.36



Source: CoStar 2017 2Q Office Report

CURRENT EVENTS

TD Ameritrade has announced that it will open its new Southlake location by the end of 2017. The 300,000 square foot campus is located on 78 acres next to the Solana Business Park and will consist of one two-story building and a three-story building. The business operations center was designed by Good Fulton & Farrell architects and is slated to accommodate as many as 2,000 employees.

Charles Schwab has announced that it will commence construction on its new Dallas-Fort Worth regional campus in Westlake this July. The initial phase is set to total 555,000 square feet of office space across four buildings. The project will also include a 2,600 car garage and is expected to be completed in 2019. Located at the Southeast corner of the intersection of State Highways 114 and 170, the master plan for the campus could accommodate as many as 5,000 employees if fully built out.

Facebook opened its new \$1 billion North Fort Worth data center in May and has already announced that it intends to expand the site. This expansion will include the addition of 400,000 square feet of additional space and is estimated to cost an additional \$267 million.

NEW DEVELOPMENTS

- Kimball Park is a 113,840 SF Class A office building located in Southlake.
- TD Ameritrade Regional Office Campus, Westlake – 355,000 SF Class A office complex.

LARGE EXISTING VACANCIES

- Solana, Westlake – 1,084,281 SF across 9 buildings
- 5555 North Beach Street – 631,610 SF
- 5401 North Beach Street – 457,628 SF
- 2601 Meacham Boulevard – 268,290 SF
- 5501 Alliance Gateway Freeway – 214,434 SF Sublease
- Granite Place I – 153,767 SF
- Heritage Commons II – 91,598 SF Sublease

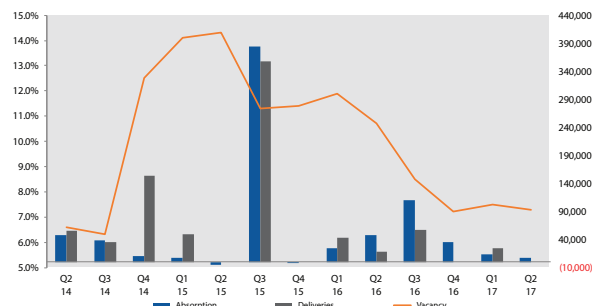


DEALS ON THE MARKET

- Stockyards Station – 28,620 SF Class B office building
- 534 North Main Street – 33,000 SF Class C office building
- 5501 Alliance Gateway Freeway – 214,434 SF Class A office building
- 2800 Meacham Boulevard – 39,381 SF Class B office building

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
7,110	14,019	48,296
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
7.3%	7.5%	10.7%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
32,000	-	80,479
Delivered SF	vs. Prev. Qtr	Vs. 12 Mths Ago
-	23,940	18,000
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$20.64	\$19.80	\$15.48

VITAL STATS



Source: CoStar 2017 2Q Office Report

CURRENT EVENTS

A new Dallas-based investment fund that plans to acquire up to \$250 million in properties has already made its first purchase. Woodbine Development Corp. has set up the company to purchase hotels in markets across the country. Called Woodbine Legacy Investments, it recently acquired the 224-room Hilton Dallas Park Cities hotel near Northwest Highway and the Dallas North Tollway.

LARGE EXISTING VACANCIES

- 8300 Douglas at Preston Center/8300 Douglas Avenue – 50,452 SF
- 8333 Douglas at Douglas Center/8333 Douglas Avenue – 24,866 SF
- 8343 Douglas at Douglas Center/8343 Douglas Avenue – 20,843 SF
- Sterling Plaza/5949 Sherry Lane – 20,177 SF
- Bluffview Tower – East/3890 West Northwest Highway – 18,719 SF

TOP LEASE TRANSACTIONS

- Hawkins Parnell signed a 15K SF lease at Highland Park Place in Dallas.
- Bank of Texas signed an 8K SF expansion at Sherry Lane Place in Dallas, bringing its total occupancy in the building to 78K SF.
- Trinsic Residential Services signed a 6K SF lease at 8235 Douglas in Dallas.
- Transwestern Investment Group signed an 8K SF lease in The Douglas.
- Virginia Cook Relators signed a 5K SF lease in 5950 Sherry Lane.
- SWBC signed a 3.4K SF lease in Highland Park Place.
- BrandCory signed a 3K SF lease in 4809 Cole Avenue.

DEALS ON THE MARKET

No buildings are currently on the market at this time.

NEW DEVELOPMENTS

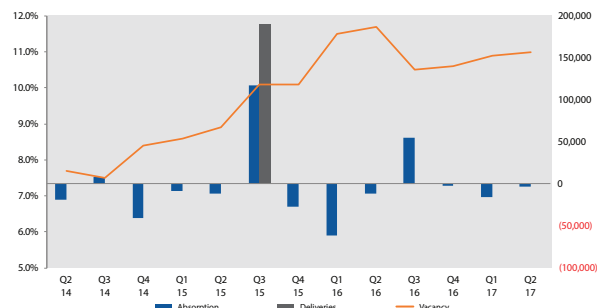
- 5960 Berkshire, Terraces at Douglas Center – 171,583 SF building with Houston-based Lionstone Investments Inc. and Dallas-based PegasusAblon.



Highland Park Place

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
(3,234)	(16,156)	(11,332)
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
11.0%	10.9%	11.7%
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
\$36.64	\$36.41	\$34.77

VITAL STATS



Source: CoStar 2017 2Q Office Report

CURRENT EVENTS

Construction has started on the next phase of the \$1.5 billion CityLine project in Richardson. The Residences at CityLine will include 32 single-family homes just north of Renner Road.

The City of Plano has approved zoning requests for Regent Properties to develop approximately 700 apartments along with retail and a hotel within the former Texas Instruments campus just to the southwest of US-75 and Legacy Drive in Plano. Regent Properties is already converting four of the old buildings into brand new office space.

Allen-based WatchGuard Video has begun construction on its new \$46 million, 200K SF corporate headquarters that will eventually be the home to nearly 700 employees. The new campus will be located in Allen near Exchange Parkway and Andrews Parkway.

KDC and apartment builder Columbus Realty Partners will team up with retail developer Corinth Properties on McKinney's Gateway project at U.S. Highway 75 and Sam Rayburn Tollway. The development has been in the works for over a decade and includes a Sheraton Hotel and Conference Center, an office and industrial facility for Emerson Process Management and a campus for Collin College. About 60 acres remain to develop in the project.

Kaizen Development Partners has broken ground on One Bethany at Watters Creek, a 125K SF office building in Allen scheduled to deliver in early 2018.

Columbus Realty Partners and the City of McKinney have begun construction on a mixed-use development at Davis Street and McDonald Street in McKinney that will bring 45K SF of office, 320 apartments, and 20K SF of retail.

Momentum Commercial Realty purchased the 78K SF Two Mission Park in Richardson.

- Southwest Airlines signed a 52,611 SF lease at 3000 North Redbud Boulevard in McKinney.
- MedeAnalytics signed a 25,000 SF expansion and extension at Custer Court in Richardson.
- NICE Systems signed a 23,635 SF lease at 2400 Glenville in Richardson.
- United Debt Services signed a 15,751 SF lease at 3460 – 3480 Lotus Drive in Plano.

DEALS ON THE MARKET

- CityView – a 294,236 SF Class A office property.
- Corporate Place of Richardson – a 106,304 SF Class B office building.
- 3701 West Plano Parkway – a 102,776 SF Class B office building.
- Lotus Office Center – a 71,752 SF Class B office property.
- 111 West Spring Valley Road – a 56,640 SF Class B office building.

NEW DEVELOPMENTS

- 3400 CityLine – a 300,000 SF spec
- One Bethany at Watters Creek – a 120,976 SF spec

LARGE EXISTING VACANCIES

- Legacy Central – 912,474 SF
- 601 Data Drive – 433,452 SF
- 2400 Glenville/2400 North Glenville Drive – 364,965 SF
- 3300 East Renner Road – 304,175 SF
- Galatyn Commons/1011 Galatyn Parkway – 303,028 SF

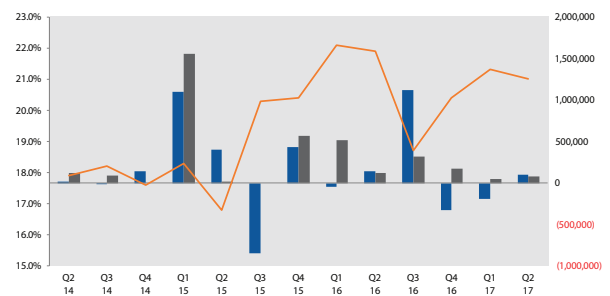


TOP LEASE TRANSACTIONS

- Service King Collision Repair Centers signed a 64,916 SF lease at Galatyn Commons in Richardson.

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
101,751	(189,147)	139,413
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
21.0%	21.3%	21.9%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
679,291	719,337	862,775
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
80,546	52,670	119,907
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$24.16	\$24.18	\$22.79

VITAL STATS



Source: CoStar 2017 2Q Office Report


CURRENT EVENTS


Lockheed Martin will be interviewing at least 2,000 people for jobs with some being offered employment “on the spot” as part of the buildup of F-35 production at its Fort Worth plant. The Fort Worth plant employs about 14,000 workers, with roughly 8,800 working on the F-35. Hiring of additional workers will stretch out through 2020, company officials said. Last year, Lockheed built about 50 F-35s and plans call for production to increase to about 160 a year by 2019.

After 15 years in development, the 7,200-acre Walsh development has held its grand opening and opened its new neighborhood and first development phase to the public. The development is located west of downtown Fort Worth, and served by the Aledo school district. The initial phase of Walsh will total 1,700 acres with a projected build-out cost of \$1.6 billion. At build-out, Walsh will total about 15,000 homes on the large swath of Texas land. The initial phase includes a total of 587 homes with prices beginning in the upper \$200,000s.

The Shops at Clearfork announced a mix of new regional and national restaurants, retail and entertainment options which are slated to open beginning in fall of 2017 through 2018. The first anchor tenant, Neiman Marcus, opened a state-of-the-art 90,000 square foot, two-story store in February, 2017. Additionally, The Shops at Clearfork will be home to 100 luxury, home furnishing and specialty retailers including Louis Vuitton, Burberry, Tiffany & Co, Mitchell Gold + Bob Williams, Z Gallerie and Arhaus. including B&B Butchers & Restaurant, Fixe, Malai Kitchen, Mesero and Luna Grill, and entertainment options AMC Theatres® and Pinstripes.

TOP LEASE TRANSACTIONS

- UNT Health Services – 18,273 SF Sublease at 3909 Hulen
- Superior Silica Sands – 18,000 SF New Lease at 5600 Clearfork
- TH4 Energy – 8,308 SF New Lease at The Offices at Clearfork
- Clearfork Wealth Management – 5,960 SF New Lease at 5600 Clearfork
-  Summit Consultants – 4,956 SF Lease Renewal at Summit Office Park

- Stewart Title – 4,220 SF New Lease at 5600 Clearfork
-  Wound Management – 3,625 SF New Lease at Summit Office Park

DEALS ON THE MARKET

- Atrium West – 48,898 SF Class B office building
- Plaza on Hulen – 26,919 SF Class B office complex

NEW DEVELOPMENTS

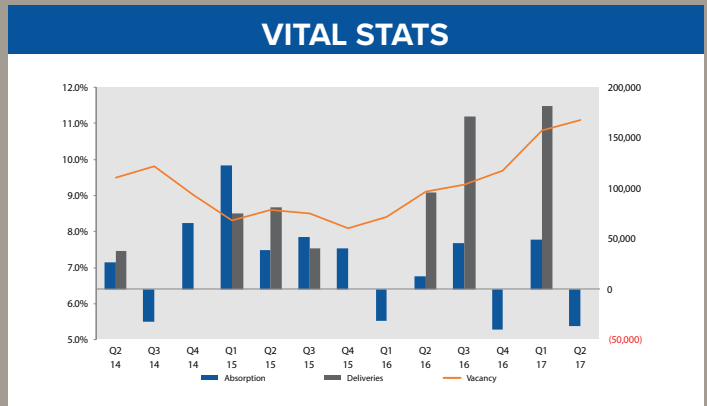
- 500 South Henderson – 98,497 SF Class A Medical office building
- Worthington National Bank @ Edwards Ranch - 13,100 SF Class A office building

LARGE EXISTING VACANCIES

- Wilcox Plaza – 118,925 SF Direct Vacancy
- The Offices at Clearfork
 - 4940 Ozona – 79,291 SF Direct Vacancy
 - 5049 Edwards Ranch – 71,005 SF Direct Vacancy
- Western Place – 49,862 SF Direct Vacancy
- Summit Office Park – 44,089 SF Direct Vacancy
- First Cash Plaza – 33,378 SF Direct Vacancy



Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
(36,619)	49,128	13,167
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
11.1%	10.8%	9.1%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
98,497	-	352,164
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	181,182	96,144
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$24.44	\$23.88	\$23.09



Source: CoStar 2017 2Q Office Report

CURRENT EVENTS

The largest office building in Dallas' busy Stemmons Freeway corridor is up for sale. The 20-story Trinity Towers at Stemmons and Inwood Road is a landmark along the highway northwest of downtown. Built in 1983, the brown and black glass office block near Love Field contains more than 630,000 square feet of space.

Dunhill Partners has secured a \$120 million permanent loan from JP Morgan for the 33-acre Dallas Design District that will likely be used in part to pursue large tenants to kick off the proposed 243K SF Design District Tower at 1640 Edison Street.

NEW DEVELOPMENTS


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

- The Design District Tower – 243,100 SF
- West Love – 200,000 SF

LARGE EXISTING VACANCIES

- Pegasus Place - The Tower/3000 Pegasus Park Drive – 518,656 SF
- The Connection at 8600/8600 Harry Hines Boulevard – 165,000 SF
- Comerica Service Center/1508 West Mockingbird Lane – 142,600 SF
- Infomart/1950 North Stemmons Freeway – 117,822 SF
- Ricchi Towers South Tower/8585 North Stemmons Freeway – 89,584 SF

TOP LEASE TRANSACTIONS

- Safeguard Business Systems has signed a 30.7K SF renewal in Ricchi Towers.
- Corsicana Bedding, Inc. signed an 11.6K SF lease in One Mockingbird Plaza.
- Stratus Video signed a 10.3K SF lease in Ricchi Towers.
- Petty & Associates signed an 8.1K SF lease at 8700 Stemmons in Dallas.
-  Pro Ground Logistics signed a 2K SF lease at Woodview Tower in Dallas.
- The Davis Law Group, P.C. signed a 1.8K SF lease in 1111 Tower.
- Novartis Business Solutions signed a 1.3K SF lease in 1111 Tower.

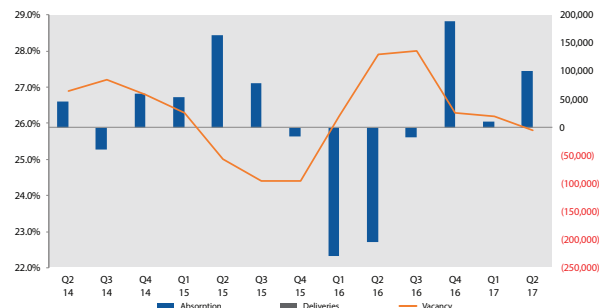


DEALS ON THE MARKET

- Trinity Towers – a 634,381 SF Class A office building
- Brookriver Executive Center – a 282,750 SF office complex
- Optima Business Park – a 197,958 SF Class B office complex
- 4800 Harry Hines Boulevard – a 97,636 SF Class B office building
- One Cockerell Plaza – a 78,791 SF Class B office building
- 1380 River Bend Dr- a 54,383 SF Class B office building
- One Empire Place – a 31,230 SF Class B office building

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
100,326	10,475	(203,940)
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
25.8%	26.2%	27.9%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	63,000	63,000
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
63,000	-	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$16.61	\$15.65	\$15.73

VITAL STATS



Source: CoStar 2017 2Q Office Report

CURRENT EVENTS

With massive renovations underway at The Centrum in Dallas' Oak Lawn neighborhood, Dallas-based Quadrant Investment Properties is expanding its upgrade plans to a recently acquired adjacent office tower. The 13-story, 112,225-square-foot boutique office tower at 3625 N. Hall St. – called Hall Street at The Centrum – will be transformed from the 35-year-old tower into a sought-after destination for modern office space.

The 33-story Bleu Ciel condominium tower, which is being constructed at the north end of Harwood Street, has topped out its construction. A project of developer Harwood International, the high-rise has about 150 condo units ranging in size from 1,373 to more than 5,800 square feet.

Developers have started signing leases for the largest new apartment project on the way in Dallas' Victory Park development. The 30-story Katy is the tallest apartment tower in Victory Park on the northwest side of downtown. Built by Genesis Real Estate Group, the high-rise has 463 apartments and is located at Victory Avenue and Houston Street near the end of the Katy Trail.

Turtle Creek Village on Oak Lawn Avenue, one of the landmarks in Dallas' Oak Lawn neighborhood, is reportedly close to being sold to a California investor. The 9-acre mixed-use development is owned by Lincoln Property Co., and has been marketed for sale since last year by HFF. Turtle Creek Village is more than 90 percent leased with retail tenants including Tom Thumb, World Market, Zoe's Kitchen and Athleta.

- Velocis Management signed a 5K SF lease in The Crescent Office Towers.
- L21 Post signed a 4.4K SF lease at 4311 Oak Lawn Avenue in Uptown.
- Paranoid Fan signed a 1.8K SF lease in Victory Plaza East.
- West National Bank signed a 1.8K SF lease in The Crescent Office Towers.

DEALS ON THE MARKET

- 2811 McKinney & 3400 Carlisle – 170,476 square feet Class A office portfolio.

NEW DEVELOPMENTS

- The Union – 800,000 SF office, residential and retail development with RED Development.
- PWC Tower – 494,300 SF office building with Trammel Crow Company.
- 2850 North Harwood Street, No. 10 – 236,000 SF office building with Harwood International.
- New Rolex Building – 130,000 SF Build to Suit for Rolex Watch Service Corp.
- 2525 Knight Street – a 31,483 SF Class B office building.

LARGE EXISTING VACANCIES

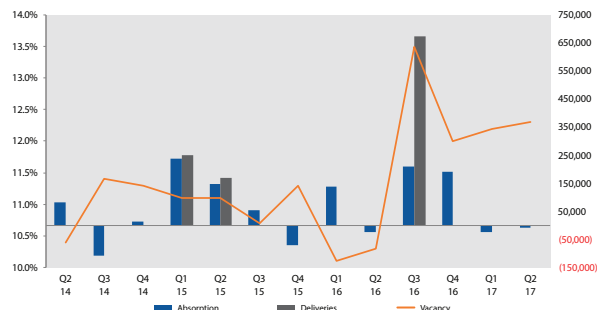
- 2501 Cedar Springs Road – 109,404 SF
- 3800 Maple/3800 Maple Avenue – 71,074 SF
- Victory Plaza West/3090 Olive Street – 51,945 SF
- Parkview at 1920 McKinney/1920 McKinney Avenue – 44,530 SF
- Parkside Tower/3500 Maple Avenue – 43,875 SF

TOP LEASE TRANSACTIONS

- RREAF Holdings signed a 16K SF lease in Miyama Parkside.
- Primoris Services signed a 14K SF lease at The Union in Uptown, bringing the project to 60% occupancy.
- PNC signed a 12K SF lease in the Crescent Building 200.
- Davidson Bogel Real Estate signed an 11K SF lease in The Offices on Katy Trail.

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
(10,066)	(25,186)	(24,447)
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
12.3%	12.2%	10.3%
U/C SF	vs. Prev. Qtr	vs. 12 Mths Ago
1,305,013	1,273,530	1,714,918
Delivered SF	vs. Prev. Qtr	vs. 12 Mths Ago
-	-	-
Quoted Rates	vs. Prev. Qtr	vs. 12 Mths Ago
\$37.39	\$37.73	\$37.52

VITAL STATS



Source: CoStar 2017 2Q Office Report



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HOUSTON

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