Q1 2019 Industrial Snapshot

DALLAS FORT WORTH MARKET

Market Facts

WAREHOUSE & DISTRIBUTION RBA
590,036,802 SF

MANUFACTURING RBA
88,945,109 SF

FLEX RBA
90,802,848 SF

TOTAL RBA
805,975,776 SF

VACANCY TOTAL
6.8%

AVERAGE DIRECT NNN RENT
$5.89/SF

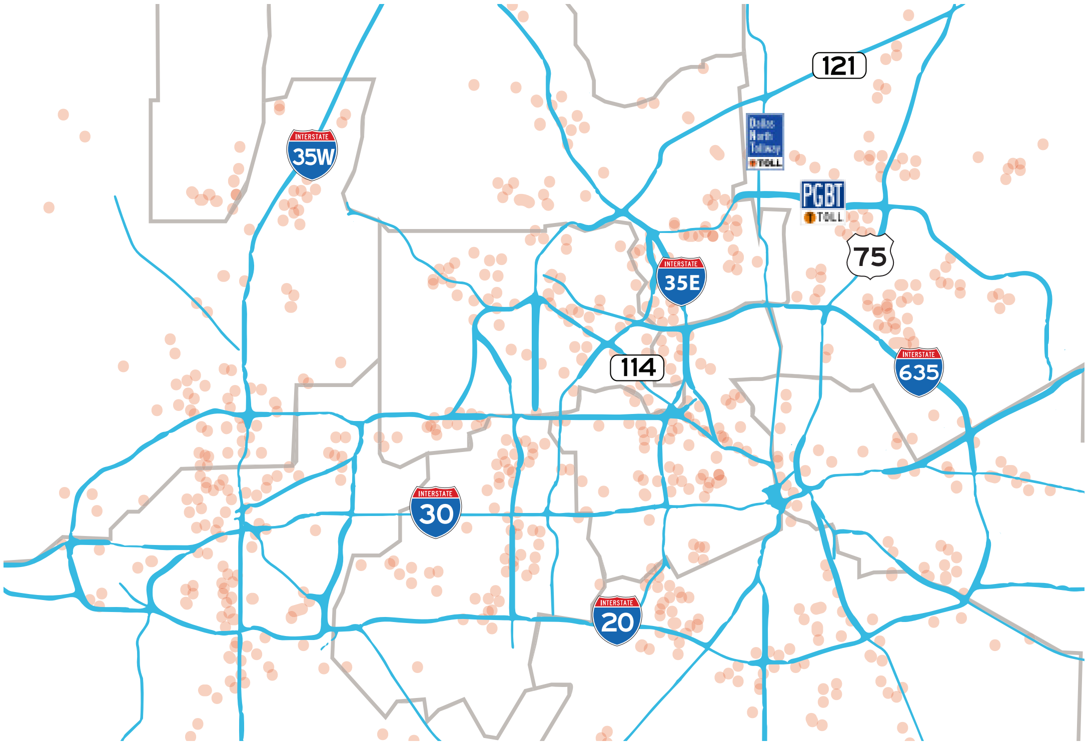
12 MONTH RENT GROWTH
5.5%

AVERAGE SALES PRICE
$71.27/SF

12 MONTH ABSORPTION
23,374,880 SF

YTD DELIVERIES
6,773,985 SF

UNDER CONSTRUCTION
30,877,352 SF



Market Overview

Fundamentals in Dallas Fort Worth are in their healthiest position in history, as tenants have gobbled up nearly all large blocks of space. Though new supply has picked up in recent years, averaging over 20 MSF a year for the past few years, demand continues to outpace deliveries, which should keep vacancies below the metro and historical averages in the near term. Sales volume continues to perform well and should maintain the momentum of 2018.

Groundbreakings have yet to slow down, and speculative construction is ramping up. But impressive leasing velocity on spec projects, and the still-large number of build-to-suits, make it likely that vacancies will remain low over the next few quarters. Rent growth is still well outpacing the metro's historical average, which is especially impressive considering how late it is in the current economic cycle. Transaction activity is driven by institutional capital, with national portfolio sales accounting for a major portion of sales volume.

Dallas-Fort Worth's diversified economy should continue to hum right along. Abundant job opportunities have spurred significant population growth due to in-migration. Population growth in the metroplex is more than double the U.S. average and has topped the nation over the past few years. Net migration continues to rank among the highest in the country, exceeding the highs from the past cycle. This in-migration continues to help spur growth in office-using and industrial-based employment growth alike. Employment growth should remain stronger than the national benchmark over the next five years. Couple this with continued growth in online shopping, and DFW should see stable growth maintaining its course in the coming quarters.

AVISON YOUNG

Q1 2019 Industrial Stats

DALLAS FORT WORTH MARKET

MANUFACTURING

Core Submarkets	Buildings	Inventory	Vacancy (sf)	Vacancy (%)	Net Absorption		Average Asking Direct Rate NNN	Delivered YTD	Under Construction (sf)
					1Q19	12 Month			
DFW Airport	14	2,418,254	47,694	2.0%	0	-30,000	$4.89	0	0
East Dallas	46	5,061,083	94,067	1.9%	10,000	-8,905	$4.75	0	0
Great SW/Arlington	40	9,601,399	100,100	1.0%	180,497	662	$3.24	180,497	1,000,000
North Ft Worth	50	6,724,896	21,468	0.3%	0	108,420	$6.69	0	0
Northeast Dallas	105	20,556,064	903,075	4.4%	127,856	520,211	$6.15	0	450,000
Northwest Dallas	79	7,051,211	382,882	5.4%	-58,603	151,455	$4.20	0	0
South Dallas	118	16,962,686	359,912	2.6%	-22,812	-277,161	$3.82	0	0
South Ft Worth	103	12,165,102	135,881	1.1%	28,044	12,601	$5.07	0	0
South Stemmons	94	8,317,794	266,042	3.2%	-46,310	-86,239	$2.74	0	0
Total	649	88,858,489	2,311,121	2.4%	218,672	391,044	$4.62	180,497	1,450,000

FLEX

Core Submarkets	Buildings	Inventory	Vacancy (sf)	Vacancy (%)	Net Absorption		Average Asking Direct Rate NNN	Delivered YTD	Under Construction (sf)
					1Q19	12 Month			
DFW Airport	126	6,802,760	1,019,829	15.0%	-202,383	-133,954	$10.59	25,000	0
East Dallas	82	4,094,421	838,456	20.5%	2,270	62,998	$7.84	0	0
Great SW/Arlington	152	6,768,890	340,488	5.0%	33,830	166,413	$8.86	0	0
North Ft Worth	68	5,023,705	371,042	7.4%	12,619	359,739	$10.10	0	1,065,000
Northeast Dallas	460	24,016,101	1,820,490	7.6%	69,646	585,081	$10.39	36,360	482,914
Northwest Dallas	334	17,213,788	1,075,285	6.2%	18,401	818,125	$9.99	0	80,000
South Dallas	48	1,899,104	33,220	1.7%	3,317	41,254	$8.50	0	0
South Ft Worth	200	8,360,767	461,584	5.5%	-1,175	-27,351	$9.07	0	0
South Stemmons	394	16,942,816	792,899	4.7%	51,585	130,902	$14.71	0	0
Total	1,864	91,122,352	6,753,293	8.2%	-11,890	2,003,207	$10.01	61,360	1,627,914

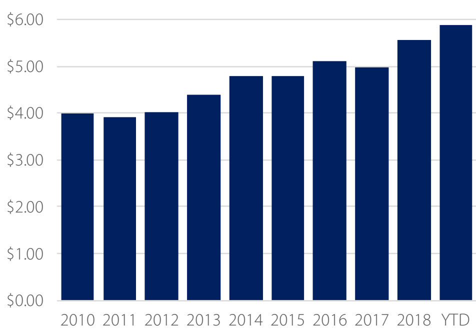
WAREHOUSE & DISTRIBUTION

Core Submarkets	Buildings	Inventory	Vacancy (sf)	Vacancy (%)	Net Absorption		Average Asking Direct Rate NNN	Delivered YTD	Under Construction (sf)
					1Q19	12 Month			
DFW Airport	420	65,613,127	5,047,476	7.7%	324,966	2,429,997	$5.54	517,887	4,118,175
East Dallas	315	30,460,016	1,323,260	4.3%	1,053,361	1,370,376	$4.84	877,230	977,879
Great SW/Arlington	735	88,582,512	4,685,752	5.3%	1,329,891	5,726,360	$4.45	1,643,914	2,513,341
North Ft Worth	420	73,689,872	6,706,903	9.1%	1,514,127	2,746,318	$4.74	1,852,555	4,088,662
Northeast Dallas	616	54,702,203	3,566,987	6.5%	-52,170	924,912	$5.10	461,321	1,215,342
Northwest Dallas	748	79,378,317	3,220,617	4.1%	569,108	837,111	$5.12	151,176	2,007,462
South Dallas	387	76,404,457	11,913,489	15.6%	119,249	4,563,962	$3.66	0	3,963,785
South Ft Worth	767	47,044,204	1,760,634	3.7%	59,847	471,430	$4.72	295,084	233,603
South Stemmons	1,089	72,761,666	4,321,738	5.9%	-507,681	-899,797	$6.20	0	3,581,714
Total	5,497	588,636,374	42,546,856	6.9%	4,410,698	18,170,669	$4.93	5,799,167	22,699,963

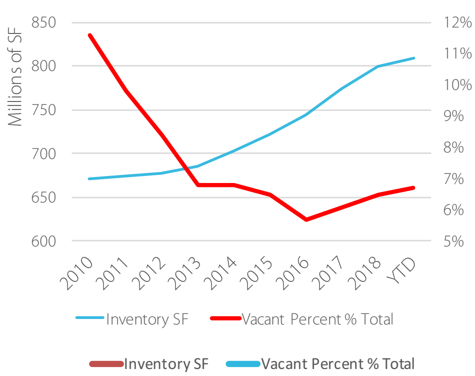
TOTAL

Core Submarkets	Buildings	Inventory	Vacancy (sf)	Vacancy (%)	Net Absorption		Average Asking Direct Rate NNN	Delivered YTD	Under Construction (sf)
					1Q19	12 Month			
DFW Airport	560	74,834,141	6,114,999	7.7%	122,583	2,266,043	$7.27	542,887	4,118,175
East Dallas	443	39,615,520	2,255,783	5.7%	1,065,631	1,424,469	$4.88	877,230	977,879
Great SW/Arlington	927	104,952,801	5,126,340	4.9%	1,544,218	5,893,435	$5.05	1,197,00	3,513,341
North Ft Worth	538	85,438,473	7,099,413	8.3%	871,981	3,214,477	$5.57	1,852,555	5,153,662
Northeast Dallas	1,181	99,274,368	6,290,552	6.3%	145,332	2,030,204	$6.71	497,681	2,148,256
Northwest Dallas	1,161	103,643,316	4,678,784	4.5%	528,906	1,806,691	$6.52	151,176	2,087,462
South Dallas	553	95,266,247	12,306,621	13.0%	99,754	4,328,055	$3.65	0	3,963,785
South Ft Worth	1,070	54,487,068	2,358,099	3.5%	86,716	456,680	$5.73	295,084	233,603
South Stemmons	1,577	98,022,276	5,380,679	5.5%	-502,406	-855,134	$7.30	1,078,933	3,581,714
Total	8,010	755,534,210	51,611,270	6.6%	3,962,715	20,564,920	$5.85	6,041,024	25,777,877
ALL SUBMARKETS TOTAL	8,422	805,975,776	53,906,729	6.8%	4,636,509	23,374,880	$5.89	6,773,985	30,877,352

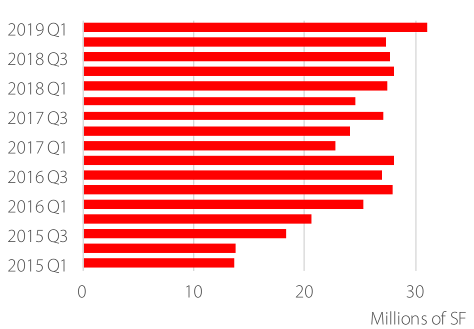
Average Direct NNN Asking Rates



Inventory Vs. Vacancy

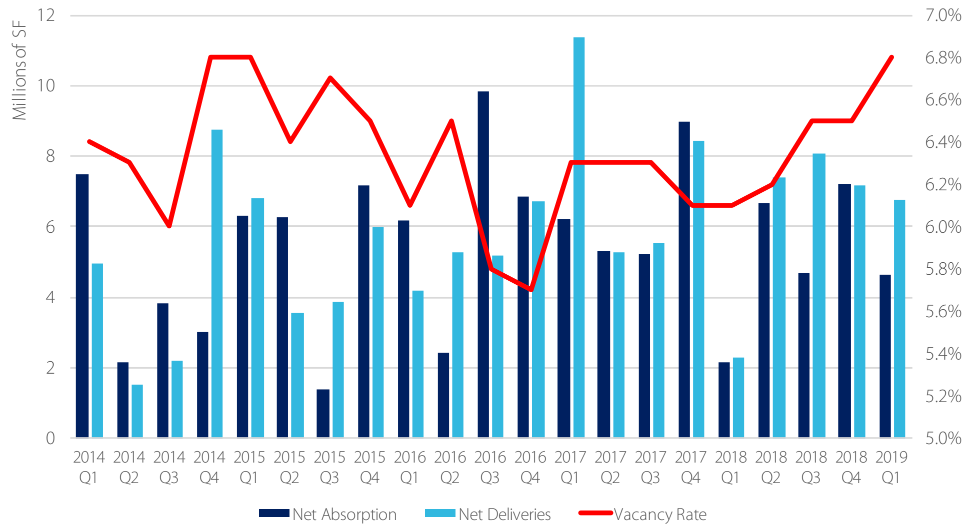


Historical Construction Totals



Industrial & Flex Existing Space, 20,000+ SF buildings, owner-occupied included

NET ABSORPTION, NET DELIVERIES, & VACANCY



LARGEST MARKET AVAILABILITIES

Trammell Crow at 35 Eagle - Bldg A
15245 Heritage Pky | Fort Worth, TX 76177
NE Tarrant/Alliance Ind Submarket
Class A Distribution
1,089,642 SF | 1,089,642 SF Available
Year Built: 2018

SouthLink I
Cleveland Rd | Dallas, TX 75241
SE Dallas/I-45 Ind Submarket
Class A Distribution
1,044,647 SF | 1,044,647 SF Available
Year Built: 2018

DFW Commerce Center Building 1
2601 S Airfield Dr | Dallas, TX 75261
E DFW Air/Las Colinas Ind Submarket
Class A Distribution
1,000,584 SF | 1,000,584 SF Available
Year Built: 2018

Crossroads Trade Center Building 3
2119 N I-35 E | DeSoto, TX 75115
SW Dallas/US 67 Ind Submarket
Class A Distribution
948,380SF | 948,380 SF Available
Year Built: 2018

For more information, please contact:

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