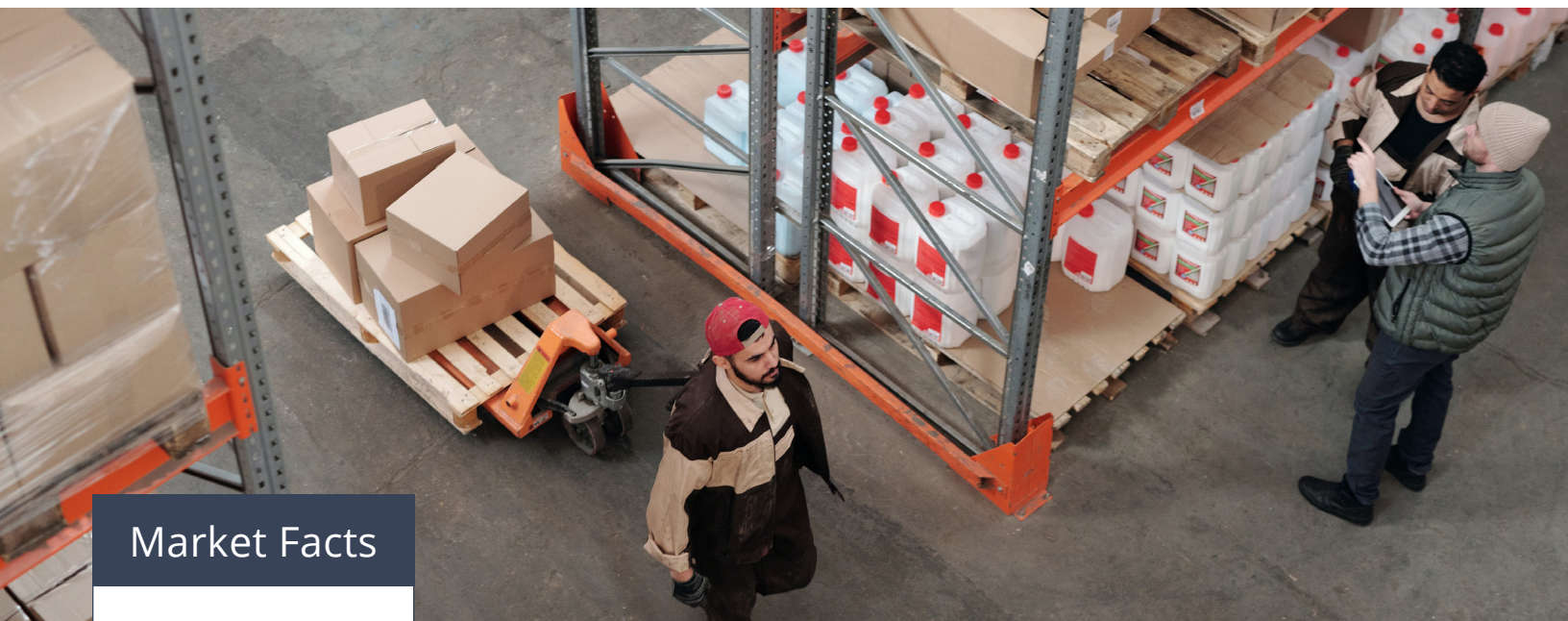


Dallas-Fort Worth



Market Facts

881,603,617 SF

Total RBA

5.7%

Vacancy total

\$6.61/SF

Average Direct
NNN Rent

\$87/SF

Avg. Sales Price
PSF

24,431,778 SF

12 Month Absorption

31,847,402 SF

12 Month Deliveries

30,475,003 SF

Under Construction

Market Overview

Dallas-Fort Worth continues to be one of the premier industrial markets in the country. Job growth, construction, absorption and affordability have helped keep the market moving at a record breaking pace.

COVID-19 has accelerated demand for warehouse and distribution space as more retail patterns moved online. This will keep demand quite strong for industrial product for the time being.

Supply

The metroplex has averaged more than 20 million SF of net new supply annually over the past few years, with Q1 seeing an annualized 31.8 MSF deliver. However, vacancies have remained flat due to a combination of impressive demand for speculative projects and a few major build-to-suits that delivered.

Groundbreakings have yet to slow down, and speculative construction is ramping up. Impressive leasing velocity on spec projects and the large number of build-to-suits make it likely that vacancies will remain low over the next few quarters.

Leasing

Leasing volume remains high thanks to DFW's centralized location and headquarters hubs for major national businesses. Online retailing continues to be a boon for industrial property owners and investors.

Rent growth is still well out-pacing the metro's historical average, which is especially impressive considering how late it is in the current economic cycle. Warehouse and distribution product continues to be the driving force for supply and leasing. The metro was also able to see 7 leases of more than 1 MSF in the last 12 months.

Sales

While cap rates are 5.8%- roughly equal to the national average of 6.0%- pricing has increased at a faster rate than the national benchmark this cycle, hovering around \$87/sf. 12 month sales totals were \$4.6B, keeping in line with activity rates for the last few years. Expect demand to remain strong for the foreseeable future.

*Report Parameters: 20,000+ sf, Existing & Under Construction, Owner-Occupied Included

Core Submarkets by the numbers

Manufacturing

Core Submarkets	Inventory	Vacancy (sf)	Vacancy	Q4 2020 Net Absorption	12 Month Net Absorption	Avg. Asking Direct Rate (NNN)	12 Month Delivered	Under Construction
DFW Airport	2,787,103	111,026	0.5%	97,686	323,804	\$4.95	319,450	0
East Dallas	6,548,844	150,008	2.3%	-44,614	-149,267	\$6.30	0	0
Great SW/Arlington	11,485,191	100,100	0.9%	0	5,587	\$3.99	1,000,000	0
North Ft Worth	7,416,152	464,122	6.3%	23,029	-251,282	\$4.73	47,000	425,000
Northeast Dallas	22,533,590	1,630,955	7.2%	-697,732	-584,732	\$9.21	257,930	666,542
Northwest Dallas	7,148,042	411,880	5.8%	-43,997	-343,696	\$5.35	0	0
South Dallas	17,129,345	166,614	1.0%	-23,534	-91,535	\$4.85	322,000	690,000
South Ft Worth	14,131,042	463,678	3.3%	-189,507	-292,693	\$4.34	100,000	0
South Stemmons	8,584,366	145,113	1.7%	169,482	214,222	\$5.00	199,070	0
Total	97,763,675	3,643,496	3.2%	-709,187	-1,169,592	\$5.41	2,245,450	1,781,542

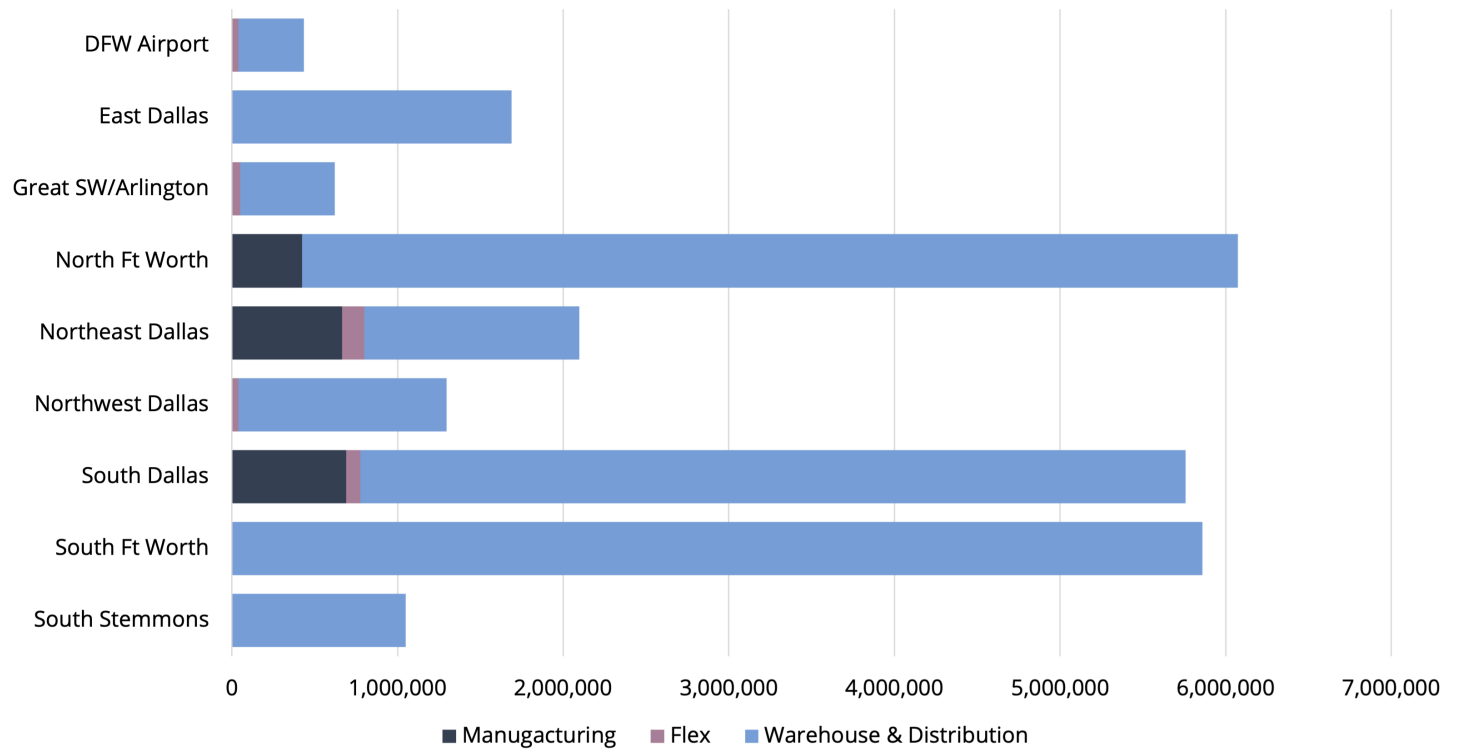
Flex

Core Submarkets	Inventory	Vacancy (sf)	Vacancy	Q4 2020 Net Absorption	12 Month Net Absorption	Avg. Asking Direct Rate (NNN)	12 Month Delivered	Under Construction
DFW Airport	6,324,513	591,253	9.3%	91,733	74,928	\$10.67	83,028	40,000
East Dallas	3,129,515	69,066	2.2%	0	0	\$6.10	0	0
Great SW/Arlington	6,837,653	418,019	6.1%	39,138	-23,895	\$9.61	0	51,726
North Ft Worth	6,147,730	186,419	3.0%	24,389	53,451	\$12.69	67,744	0
Northeast Dallas	24,006,023	1,666,165	6.9%	205,563	269,295	\$9.55	106,190	134,431
Northwest Dallas	16,937,061	1,137,746	6.7%	-85,572	60,160	\$10.60	24,000	40,500
South Dallas	1,971,324	97,942	5.0%	33,267	-6,074	\$9.00	0	84,000
South Ft Worth	8,392,919	536,952	6.4%	30,438	-233,297	\$7.57	22,800	0
South Stemmons	16,796,513	649,191	3.9%	-85,224	37038	\$12.96	144,560	0
Total	90,543,251	5,352,753	5.5%	253,732	231,606	\$9.86	448,322	350,657

Warehouse & Distribution

Core Submarkets	Inventory	Vacancy (sf)	Vacancy	Q4 2020 Net Absorption	12 Month Net Absorption	Avg. Asking Direct Rate (NNN)	12 Month Delivered	Under Construction
DFW Airport	74,718,568	3,627,444	4.9%	3,720,479	5,872,274	\$7.20	5,821,935	394,143
East Dallas	35,066,673	1,992,015	5.7%	1,201,627	2,857,330	\$4.50	1,951,244	1,688,487
Great SW/Arlington	93,822,931	4,093,735	4.4%	640,196	691,261	\$5.02	977,680	569,550
North Ft Worth	89,253,984	9,260,387	10.4%	741,645	4,116,396	\$4.92	8,398,645	5,648,502
Northeast Dallas	60,465,862	3,851,334	6.4%	813,597	2,359,526	\$6.31	3,208,906	1,296,358
Northwest Dallas	85,888,398	2,646,075	3.1%	1,301,970	2,510,930	\$6.29	2,459,461	1,256,083
South Dallas	81,550,916	4,314,244	5.3%	1,886,675	3,190,440	\$4.21	573,500	4,984,105
South Ft Worth	48,774,602	3,678,885	7.5%	-163,757	-595,103	\$4.96	1,708,725	5,860,234
South Stemmons	78,377,860	3,279,063	4.2%	530,353	2,469,119	\$5.98	2,881,972	1,050,440
Total	647,919,794	36,743,182	5.8%	10,672,785	23,472,173	\$5.49	27,982,068	22,747,902

Construction totals by submarket



Top leases past 12 months

	Tenant	Building	Submarket	SF	Lease type
1	Amazon	1475 Akron Way	East Dallas	1,114,765	New
2	Uline	2600 Rental Car Dr	DFW Airport	1,106,315	New
3	Amazon	9155 Southlink Dr	South Dallas	1,044,647	New
4	Ariat	18314 Fm 156	North Ft Worth	1,007,000	New
5	Amazon	9155 Southlink Dr	South Dallas	1,044,647	New

Top sales past 12 months

	Buyer	Building	Submarket	SF	Purchase price	Price/sf
1	Kohlberg Kravis Roberts	SouthLink I	South Dallas	1,044,647	\$98,400,000	\$94/sf
2	Stockbridge Capital Group	Goodyear Tire & Rubber Distribution	East Dallas	1,207,538	\$71,000,000	\$59/sf
3	PGIM, Inc.	I-35 Logistics Crossing B	South Dallas	610,806	\$48,939,946	\$80/sf
4	PGIM, Inc.	I-35 Logistics Crossing A	South Dallas	610,806	\$48,503,762	\$79/sf
5	Eaton Vance Real Estate Investment Group	Tech Data Distribution Center	North Ft Worth	538,200	\$47,773,757	\$89/sf

**Get more
market
information**

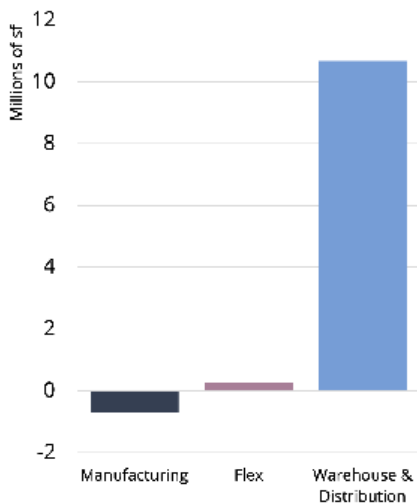
Micah Rabalais
Research Manager
+1 214 269 3108
@AvisonYoung

Avison Young - Dallas
1920 McKinney Ave
Suite 1100
Dallas, TX 75089

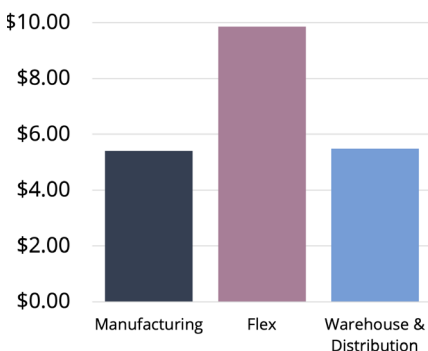
**AVISON
YOUNG**



Total Quarterly Net Absorption

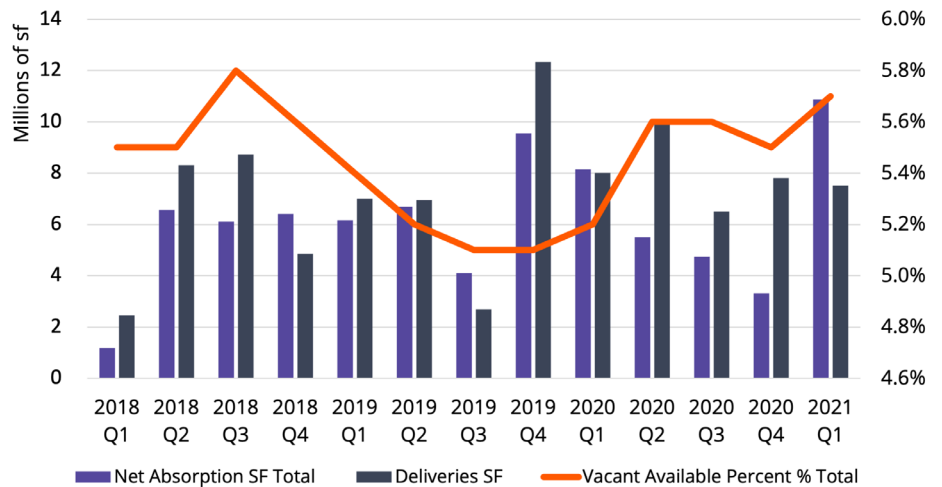


Avg. Direct NNN Asking Rates



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

Net Absorption, Net Deliveries, and Vacancy



Newly Delivered Availabilities



East Dallas Logistics Center Warehouse

1440 E Kearney St - Building A | Mesquite, TX 75149
East Dallas/Mesquite Submarket
407,195 SF | 407,195 SF Available
Year Built: 2021



University Business Park Manufacturing

5801 Corporate Dr | McKinney, TX 75069
Allen/McKinney Submarket
120,000 SF | 0 SF Available
Year Built: 2021



Alliance Center North 7 Distribution

3701 Litsey Rd | Fort Worth, TX 76177
NE Tarrant/Alliance Ind Submarket
810,908 SF | 810,908 SF Available
Year Built: 2021



711 Industry Way Flex

711 Industry Way | Prosper, TX 75078
Outlying Collin Cnty Submarket
25,000 SF | 25,000 SF Available
Year Built: 2021

Get more market information

Micah Rabalais
Research Manager
+1 214 269 3108
1920 McKinney Avenue
Suite 1100
Dallas, TX 75089

**AVISON
YOUNG**