AVISON YOUNG

Dallas-Fort Worth
Market Overview

Q2 2020

INDUSTRIAL

Q2 2020 Industrial Snapshot

DALLAS-FORT WORTH MARKET

Market Facts

WAREHOUSE & DISTRIBUTION RBA
627,279,936 SF

MANUFACTURING RBA
96,839,726 SF

FLEX RBA
89,810,447 SF

TOTAL RBA
856,414,837 SF

VACANCY TOTAL
5.8%

AVERAGE DIRECT NNN RENT
$6.57/SF

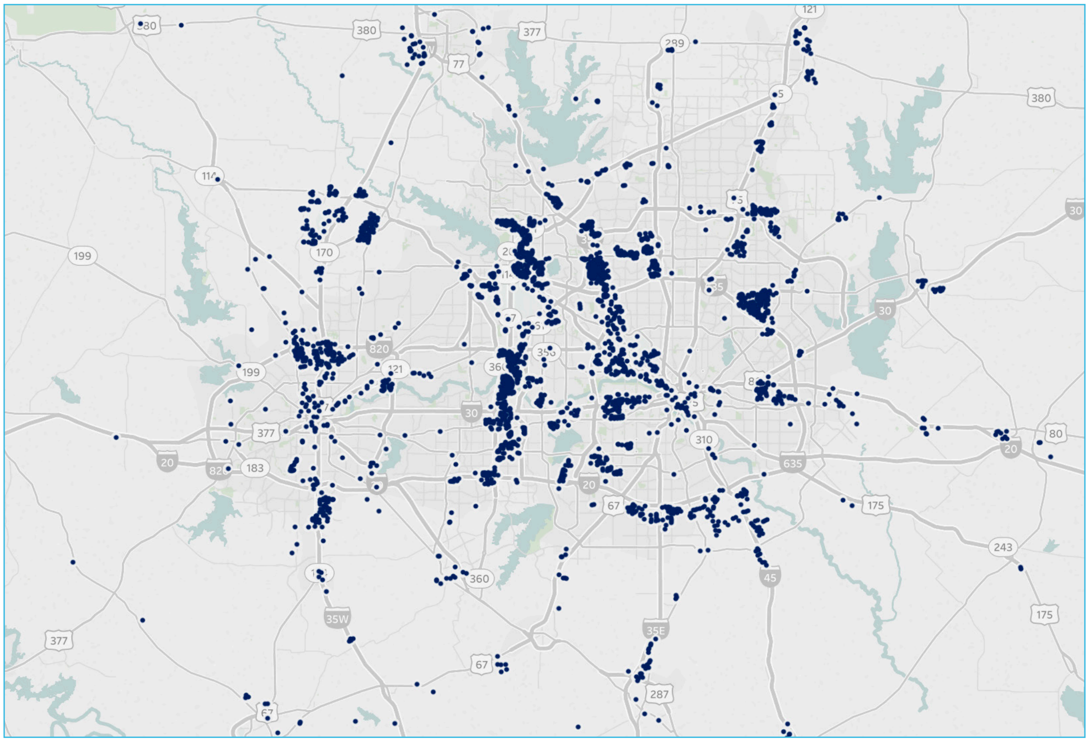
12 MONTH RENT GROWTH
4.0%

AVERAGE SALES PRICE
$78/SF

12 MONTH ABSORPTION
26,822,135 SF

12 MONTH DELIVERIES
32,609,733 SF

UNDER CONSTRUCTION
28,903,793 SF



Market Overview

Dallas-Fort Worth continues to be one of the premier industrial markets in the country. COVID-19 has spurred steady demand for warehouse and distribution properties as much of the consumption economy shifted to online purchasing. The metroplex has averaged more than 20 million SF of net new supply annually over the past few years, with 2019 seeing 22.5 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.

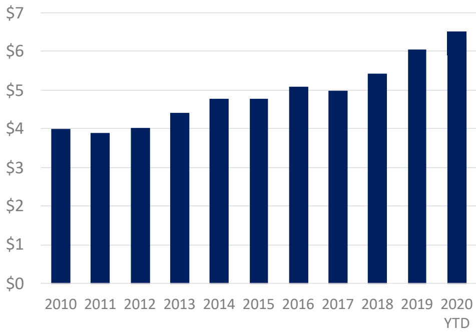
Groundbreakings have yet to slow down, and speculative construction remains active. But impressive leasing velocity on spec projects and the large number of build-to-suits make it likely that vacancies will remain low over the next few quarters. Rent growth is still well out-pacing the metro's historical average, though it has cooled substantially since the pandemic outbreak.

Transaction activity is driven by institutional capital, with national portfolio sales accounting for a major portion of sales volume. Sales volume reached $2B for 1H 2020. While cap rates are roughly equal to the national average, pricing has increased at a faster rate than the national benchmark this cycle, hovering around $80/sf. Sales totals were over $6B for the last 12 months.

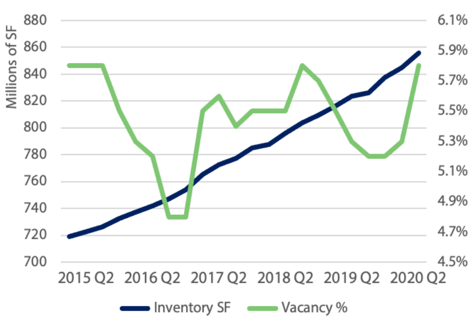
Leasing volume remains high thanks to DFW's centralized location and headquarters hubs for major national businesses. Q2 saw 5.5 msf of positive net absorption, down slightly from its recent averages, but still quite impressive.

COVID-19 will keep demand quite strong for industrial product for the time being, and could change many retail models to embrace a more online presence, which will keep activity healthy for the foreseeable future.

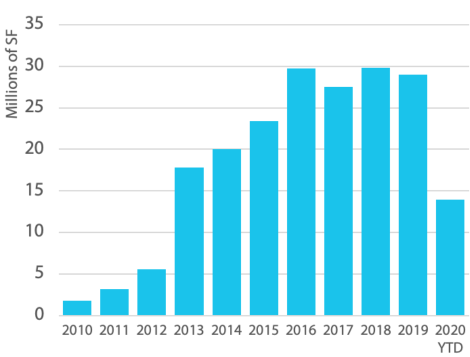
Average Direct NNN Asking Rates



Inventory Vs. Vacancy

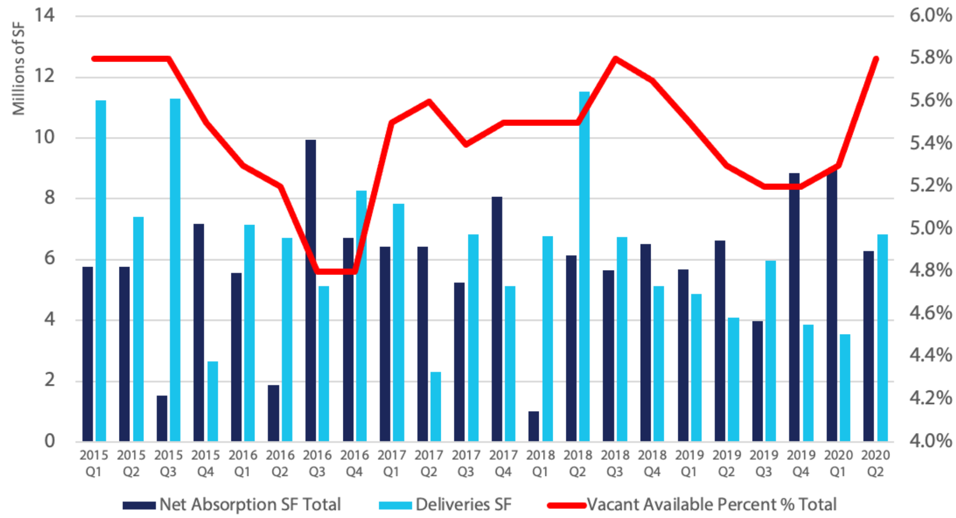


Historical Construction Starts



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

NET ABSORPTION, NET DELIVERIES, & VACANCY



MAJOR PROPERTY TYPE AVAILABILITIES

Passport Park-Building 1
Warehouse
2600 Rental Car Dr | Irving, TX 75062
E DFW Air/Las Colinas Ind Submarket
1,106,315 SF | 1,106,315 SF Available
Year Built: Under Construction

3000 W Kingsley
Manufacturing
3000 W Kingsley Rd | Garland, TX 75041
NE Dallas/Garland Ind Submarket
341,840 SF | 341,840 SF Available
Year Built: 1974

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

600 Millennium Dr
Flex
600 Millennium Dr | Allen, TX 75013
Allen/McKinney Ind Submarket
164,866 SF | 164,866 SF Available
Year Built: 1997

For more information, please contact:

Avison Young | Dallas
1920 McKinney Avenue | Suite 1100 | Dallas, TX 75201
214.559.3900
avisonyoung.com

CORE SUBMARKET STATS

MANUFACTURING

Core Submarkets	Buildings	Inventory	Vacancy (sf)	Vacancy (%)	Net Absorption		Average Asking Direct Rate NNN	12 Mo.Delivered	Under Construction (sf)
					Q2 2020	12 Month			
DFW Airport	15	2,497,978	17,694	0.7%	0	30,000	$5.05	0	319,450
East Dallas	53	6,542,648	69,996	1.1%	-47,820	-69,996	$5.00	0	0
Great SW/Arlington	42	11,385,091	36,380	0.3%	-36,380	24,270	$5.69	0	0
North Ft Worth	59	7,381,842	302,567	4.1%	33,374	33,315	$5.04	47,000	425,000
Northeast Dallas	113	22,003,927	924,808	4.2%	314,395	171,144	$11.40	230,000	666,542
Northwest Dallas	80	7,266,042	320,995	4.4%	-210,266	-174,450	$5.30	0	0
South Dallas	120	17,146,218	61,000	0.4%	66,011	-219,109	$4.01	0	0
South Ft Worth	110	14,207,522	172,739	1.2%	19,200	31,161	$4.26	100,000	0
South Stemmons	92	8,408,458	302,435	3.6%	94,100	-55,448	$2.79	199,070	0
Total	**684**	**96,839,726**	**2,208,614**	**2.2%**	**232,614**	**-229,113**	**$5.39**	**576,070**	**1,410,992**

FLEX

Core Submarkets	Buildings	Inventory	Vacancy (sf)	Vacancy (%)	Net Absorption		Average Asking Direct Rate NNN	12 Mo.Delivered	Under Construction (sf)
					Q2 2020	12 Month			
DFW Airport	124	6,182,694	490,216	7.9%	-68,238	77,733	$10.82	0	163,028
East Dallas	80	3,189,970	65,356	2.1%	6,111	17,650	$6.10	0	0
Great SW/Arlington	156	6,842,608	505,331	7.4%	-56,936	-184,568	$10.44	0	0
North Ft Worth	77	6,073,537	129,113	2.1%	41,814	771,092	$13.02	788,365	36,625
Northeast Dallas	455	23,709,468	1,899,962	8.0%	-30,113	-253,491	$9.84	213,834	64,431
Northwest Dallas	329	16,668,491	942,046	5.7%	49,172	-74,683	$10.60	0	24,000
South Dallas	49	1,984,828	135,920	6.8%	-31,528	-106,668	$9.00	0	84,000
South Ft Worth	200	8,427,585	469,327	5.6%	-21,263	-82,130	$7.86	22,800	0
South Stemmons	390	16,731,266	467,350	2.8%	205,533	423,703	$12.92	144,560	0
Total	**1,860**	**89,810,447**	**5,104,621**	**5.4%**	**94,552**	**588,638**	**$10.07**	**1,169,559**	**372,084**

WAREHOUSE & DISTRIBUTION

Core Submarkets	Buildings	Inventory	Vacancy (sf)	Vacancy (%)	Net Absorption		Average Asking Direct Rate NNN	12 Mo.Delivered	Under Construction (sf)
					Q2 2020	12 Month			
DFW Airport	430	70,302,238	4,191,651	6.0%	40,381	946,469	$6.04	1,478,276	4,895,055
East Dallas	328	34,479,653	2,797,869	8.1%	1,289,864	1,595,473	$3.98	2,270,452	944,106
Great SW/Arlington	748	93,303,223	5,423,697	5.8%	-582,027	2,194,391	$4.61	3,905,850	576,123
North Ft Worth	444	83,249,909	10,433,233	12.5%	308,209	5,252,934	$4.73	9,241,189	6,802,991
Northeast Dallas	640	57,789,866	3,486,594	6.0%	763,804	832,279	$6.48	669,499	2,901,859
Northwest Dallas	768	82,684,547	3,122,521	3.8%	187,821	1,514,937	$5.59	2,269,811	2,436,151
South Dallas	395	80,691,028	5,195,361	6.4%	-237,931	7,740,192	$3.99	3,104,138	1,374,237
South Ft Worth	776	46,897,281	1,786,116	3.8%	282,754	284,703	$4.95	271,134	3,202,171
South Stemmons	1,094	77,882,191	3,356,016	4.3%	2,532,482	4,352,240	$5.96	4,871,394	973,442
Total	**5,623**	**627,279,936**	**39,793,058**	**6.3%**	**4,585,357**	**24,713,618**	**$5.15**	**28,081,743**	**24,106,135**

TOTAL

Core Submarkets	Buildings	Inventory	Vacancy (sf)	Vacancy (%)	Net Absorption		Average Asking Direct Rate NNN	12 Mo.Delivered	Under Construction (sf)
					Q2 2020	12 Month			
DFW Airport	583	81,115,341	4,758,824	6.0%	382,374	1,428,318	$7.08	1,478,276	5,568,533
East Dallas	489	46,216,570	2,961,905	6.4%	1,248,155	1,543,127	$4.06	2,270,452	944,106
Great SW/Arlington	996	114,370,274	6,103,318	5.3%	-668,845	2,206,038	$5.51	4,004,225	576,123
North Ft Worth	625	106,575,123	11,153,434	10.5%	428,075	6,081,994	$6.05	10,244,592	7,850,240
Northeast Dallas	1,262	108,346,300	6,761,686	6.2%	1,146,238	787,783	$7.94	1,392,465	3,805,361
Northwest Dallas	1,211	108,581,780	4,526,631	4.2%	36,494	1,269,098	$7.22	2,366,321	2,699,985
South Dallas	597	102,504,722	5,453,278	5.3%	-264,445	8,168,285	$4.15	3,676,138	2,435,240
South Ft Worth	1,086	77,233,531	2,428,182	3.4%	280,691	785,867	$5.53	667,982	3,202,171
South Stemmons	1,661	108,026,706	4,271,691	3.9%	2,849,015	4,695,161	$7.64	5,215,024	973,442
Total	**8,510**	**852,970,347**	**48,418,949**	**5.7%**	**5,437,752**	**26,965,671**	**$6.13**	**29,827,372**	**28,055,201**
ALL SUBMARKETS TOTAL	**8,621**	**856,414,837**	**49,040,929**	**5.8%**	**5,483,592**	**27,026,089**	**$6.57**	**31,774,269**	**28,196,201**

Parameters: 20,000 SF+ | Exisiting/Under Construction | Owner Occupied Included

CORE SUBMARKET SNAPSHOTS

INDUSTRIAL

Q2 ‘20

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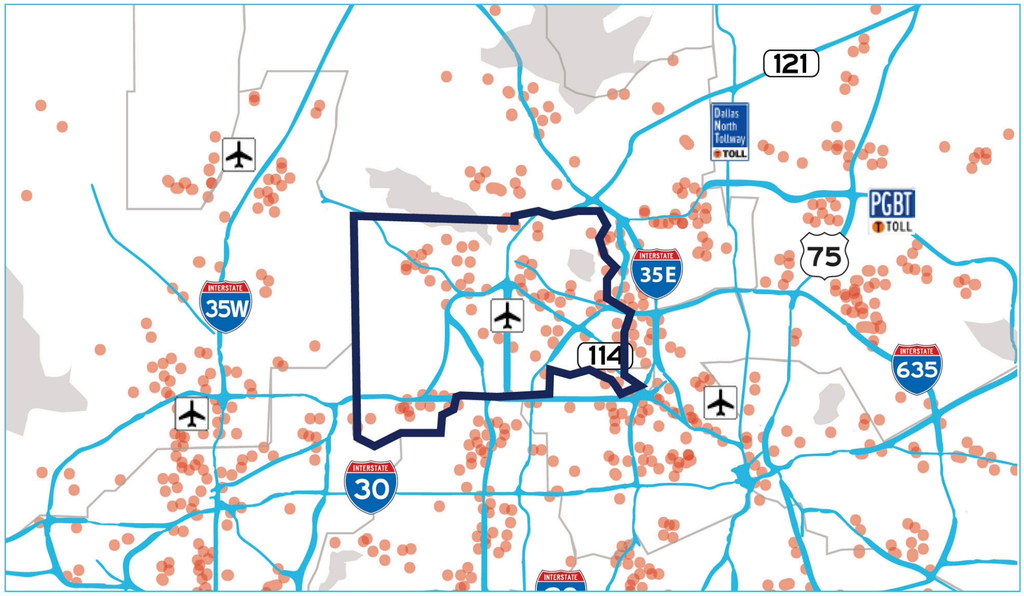
Q2 2020 Industrial Snapshot

DFW Airport:
East DFW Air/Las Colinas & West DFW Air/Grapevine



SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
70,302,238 SF

MANUFACTURING RBA
2,497,978 SF

FLEX RBA
6,182,694 SF

TOTAL RBA
81,115,341 SF

VACANCY TOTAL
6.0%

AVERAGE DIRECT NNN RENT
$7.08/SF

QUARTERLY NET ABSORPTION
382,374 SF

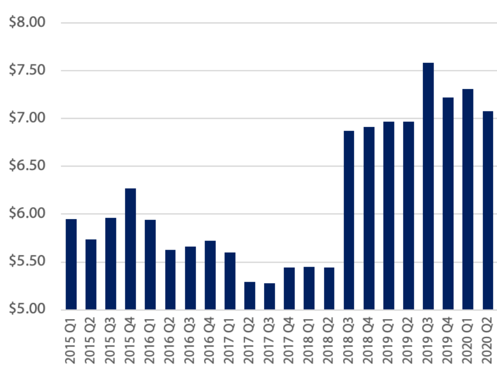
12 MONTH NET ABSORPTION
1,428,318 SF

AVERAGE SALES PRICE
$81/SF

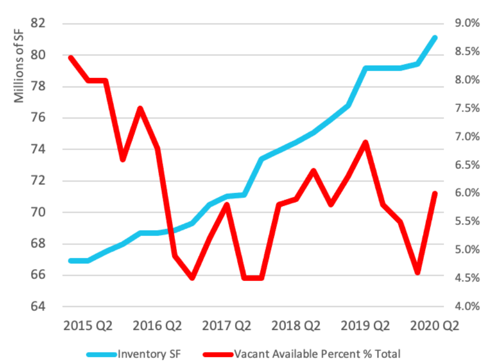
12 MONTH DELIVERIES
1,478,276 SF

UNDER CONSTRUCTION
5,568,533 SF

AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

Southlake Business Park #1
415 Bank St
Southlake, TX 76092
Class B Distribution
39,812 SF
39,812 SF Available
Year Built: 2020

50,001-100,000 SF

Passport Park-Building 3
2700 Rental Car Dr
Irving, TX 75062
Class A Warehouse
99,000 SF
99,000 SF Available
Year Built: Under Construction

>100,000 SF

Gateway Logistic Center #3
2700 Market St
Dallas, TX 75261
Class B Distribution
375,400 SF
375,400 SF Available
Year Built: 2019

Q2 2020 Industrial Snapshot

East Dallas:

Central East Dallas, East Dallas/Mesquite, Forney/Terrell/Kaufman, Outlying Kaufman County

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
34,479,653 SF

MANUFACTURING RBA
6,542,648 SF

FLEX RBA
3,189,970 SF

TOTAL RBA
46,216,570 SF

VACANCY TOTAL
6.4%

AVERAGE DIRECT NNN RENT
$4.06/SF

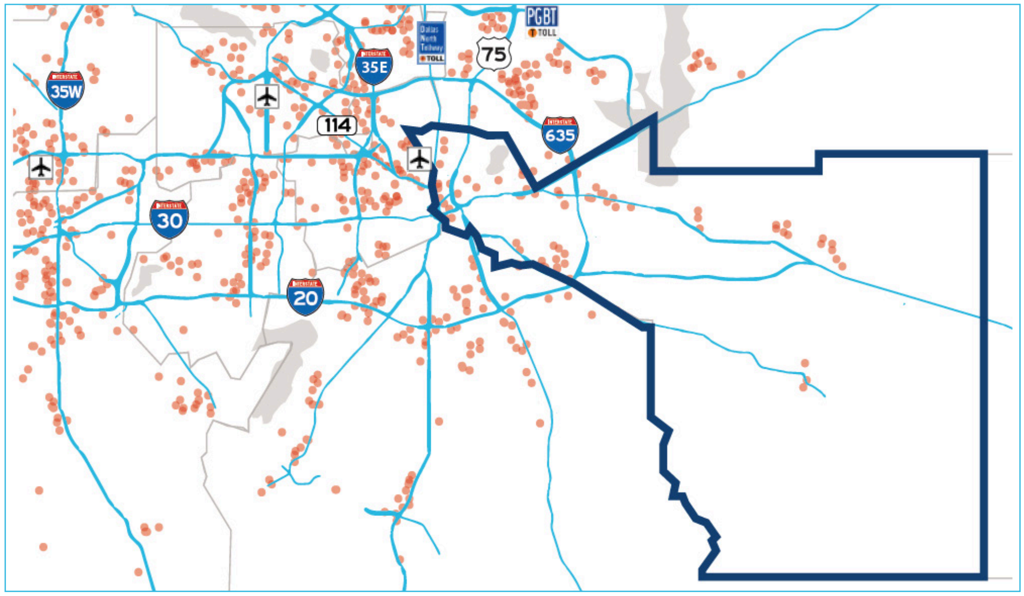
QUARTERLY NET ABSORPTION
1,248,155 SF

12 MONTH NET ABSORPTION
1,543,127 SF

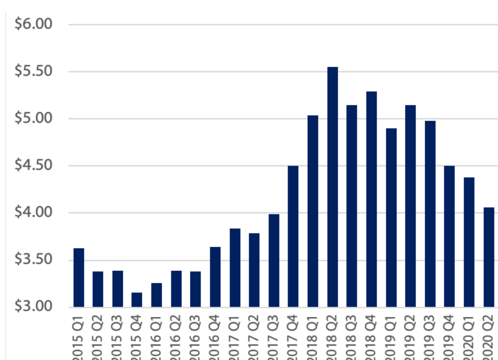
AVERAGE SALES PRICE
$67/SF

12 MONTH DELIVERIES
2,270,452 SF

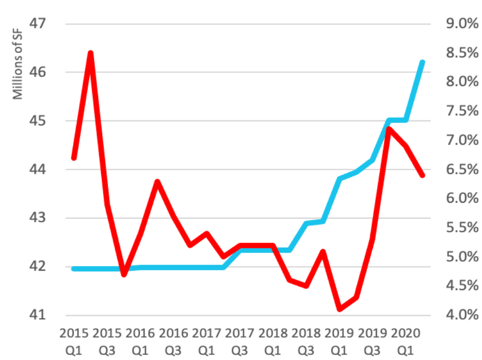
UNDER CONSTRUCTION
944,106 SF



AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

Eastpoint III
8201 Eastpoint Dr
Dallas, TX 75227
Class B Distribution
49,000 SF
24,496 SF Available
Year Built: 1999

50,001-100,000 SF

Skyline Commerce Center #2
5351 Samuell Blvd
Mesquite, TX 75149
Class A Warehouse
62,713 SF
62,713 SF Available
Year Built: Under Construction

>100,000 SF

3000 Skyline
3000 Skyline Dr
Mesquite, TX 75149
Class B Warehouse
753,000 SF
753,000 SF Available
Year Built: 1971, Renov. 2001

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Q2 2020 Industrial Snapshot

Great SW/Arlington:

Arlington, Lower Great Southwest, Upper Great Southwest

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
93,303,223 SF

MANUFACTURING RBA
11,385,091 SF

FLEX RBA
6,842,608 SF

TOTAL RBA
114,370,274 SF

VACANCY TOTAL
5.3%

AVERAGE DIRECT NNN RENT
$5.51/SF

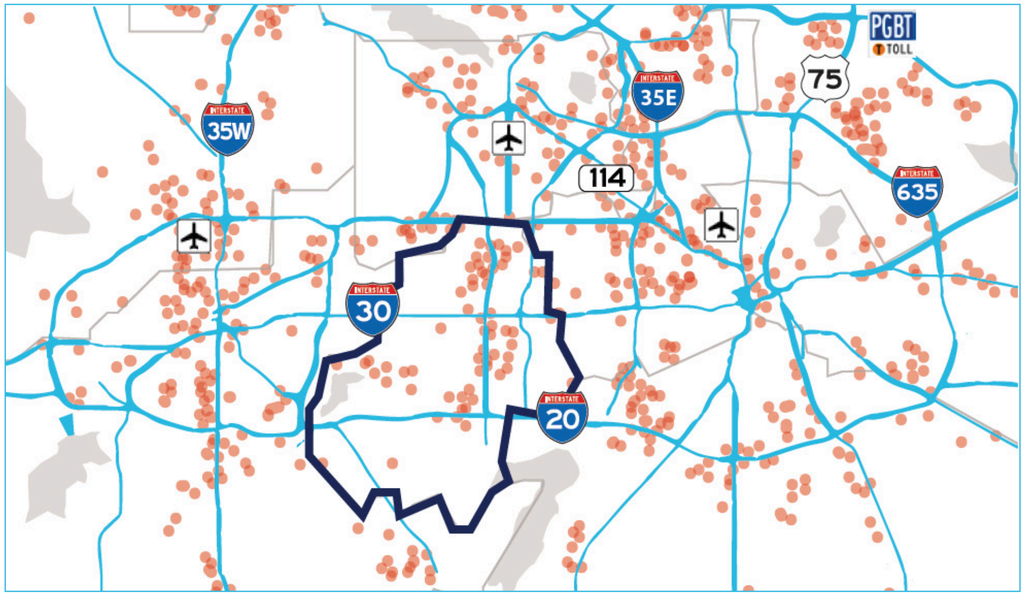
QUARTERLY NET ABSORPTION
-668,845 SF

12 MONTH NET ABSORPTION
2,206,038 SF

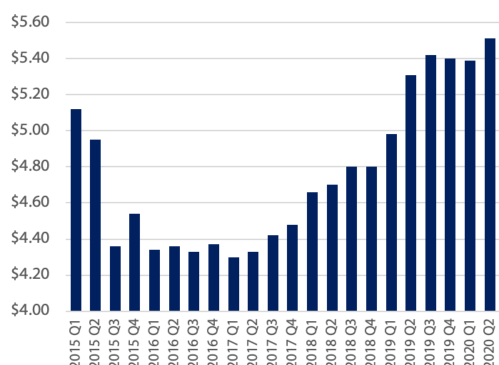
AVERAGE SALES PRICE
$71/SF

12 MONTH DELIVERIES
4,004,225 SF

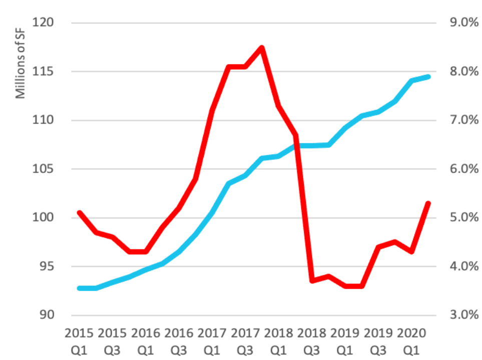
UNDER CONSTRUCTION
576,123 SF



AVE. DIRECT NNN ASKING RATES

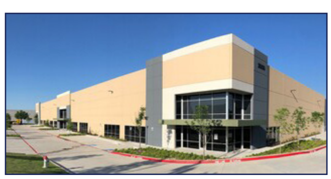


VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF



360 Commerce Park - Phase I
Arlington Tech Centre
Arlington, TX 76014
Class A Warehouse
75,712 SF
48,056 SF Available
Year Built: 2019

50,001-100,000 SF

Wildlife Commerce Park 5
2100 N Refuge Way
Grand Prairie, TX 75050
Class A Distribution
683,646 SF
82,159 SF Available
Year Built: 2017

>100,000 SF

Cooper I-20 C
1131 W Bardin Rd
Arlington, TX 76017
Class A Distribution
401,115 SF
401,115 SF Available
Year Built:2019

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Q2 2020 Industrial Snapshot

North Fort Worth:
Meacham Fld/Cossil Cr/NE Tarrant/Alliance/Parker County/W Tarrant/ Wise County

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
83,249,909 SF

MANUFACTURING RBA
7,381,842 SF

FLEX RBA
6,073,537 SF

TOTAL RBA
106,575,123 SF

VACANCY TOTAL
10.5%

AVERAGE DIRECT NNN RENT
$6.05/SF

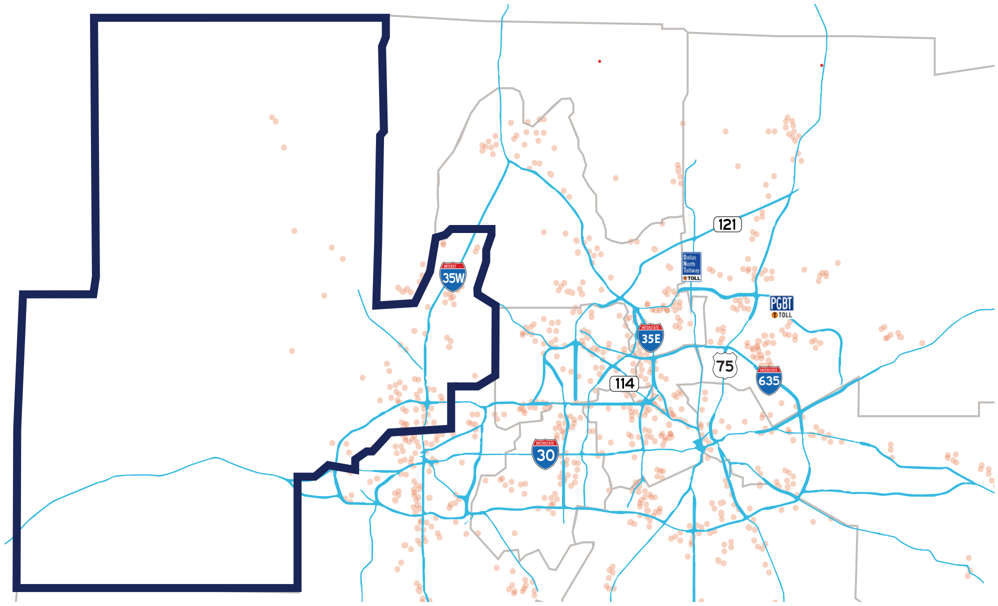
QUARTERLY NET ABSORPTION
428,075 SF

12 MONTH NET ABSORPTION
6,081,994 SF

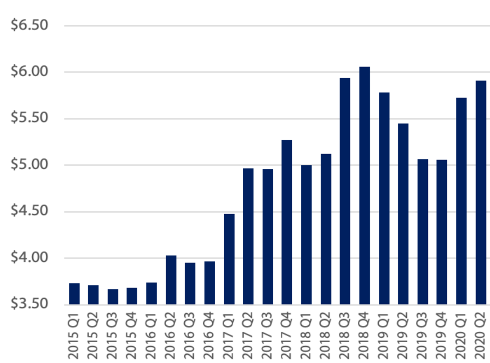
AVERAGE SALES PRICE
$75/SF

12 MONTH DELIVERIES
10,244,592 SF

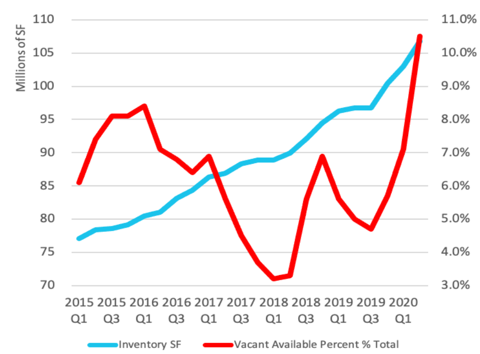
UNDER CONSTRUCTION
7,850,240 SF



AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

Champions Business Park
Champions Dr
Aledo, TX 76008
Class A Flex
27,495 SF
22,150 SF Available
Year Built: 2019

50,001-100,000 SF

Railhead Business Station
800 Railhead Rd
Fort Worth, TX 76106
Class B Warehouse
91,950 SF
91,950 SF Available
Year Built: 2007

>100,000 SF

Trammell Crow at 35 Eagle A
15245 Heritage Pky
Fort Worth, TX 76177
Class A Distribution
1,089,642 SF
1,089,642 SF Available
Year Built: 2018

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Q2 2020 Industrial Snapshot

Northeast Dallas:

Allen/McKinney, Delta Cnty, Hunt Cnty, NE Dallas/Garland, Outlying Collin Cnty, Plano, Richardson, Rockwall

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
57,789,866 SF

MANUFACTURING RBA
22,003,927 SF

FLEX RBA
23,709,468 SF

TOTAL RBA
108,346,300 SF

VACANCY TOTAL
6.2%

AVERAGE DIRECT NNN RENT
$7.94/SF

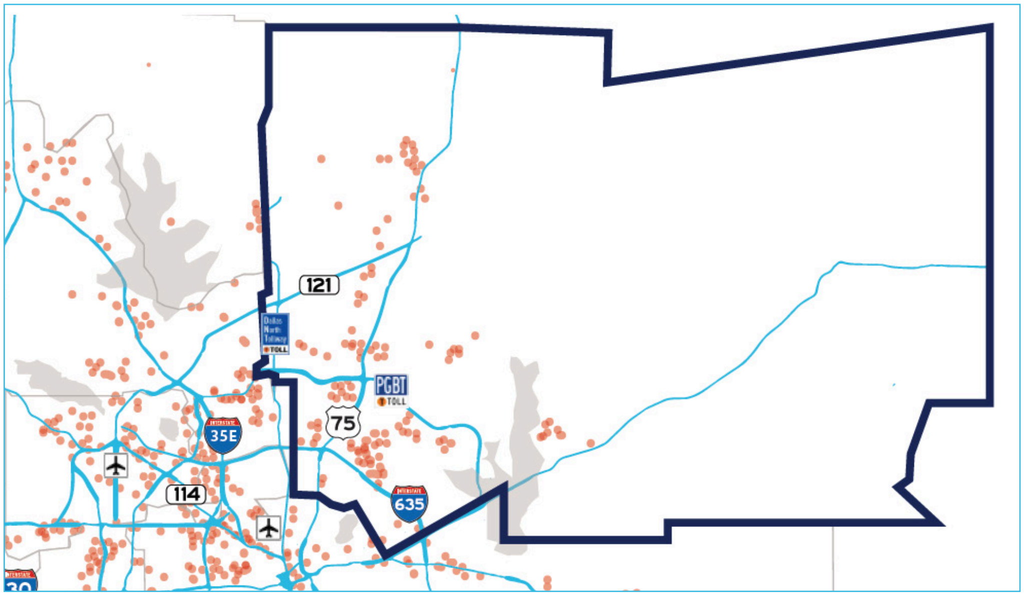
QUARTERLY NET ABSORPTION
1,146,238 SF

12 MONTH NET ABSORPTION
787,783 SF

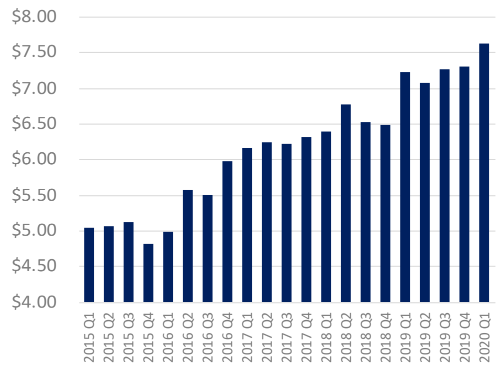
AVERAGE SALES PRICE
$95/SF

12 MONTH DELIVERIES
1,392,465 SF

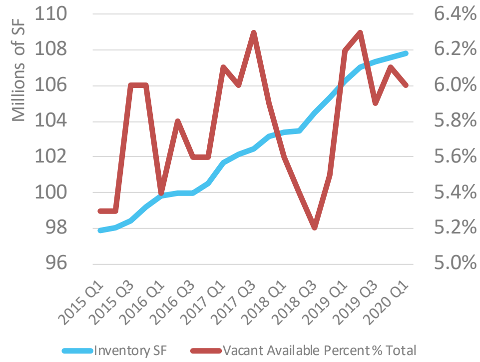
UNDER CONSTRUCTION
3,805,361 SF



AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF | **50,001-100,000 SF** | **>100,000 SF**

Parc NorthEast Bldg 2
2920 Telecom Pky
Richardson, TX 75082
Class A Warehouse
116,516 SF
42,696 SF Available
Year Built: 2019

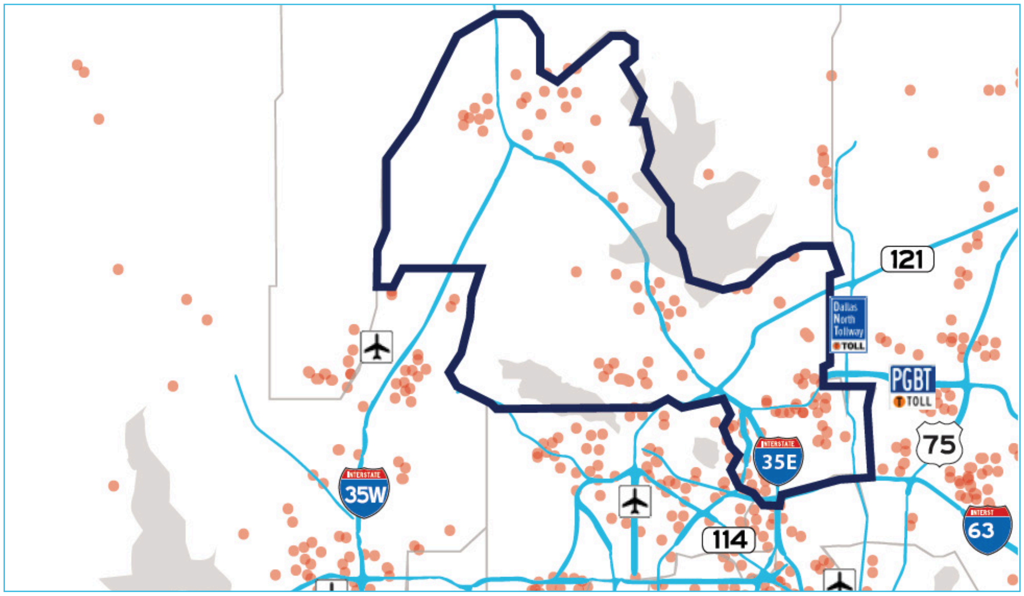
CORE5 Business Center A
1001 Los Rios Blvd
Plano, TX 75074
Class B Warehouse
67,570 SF
67,570 SF Available
Year Built: 2019

Urban District 30 #1
Republic Pky
Mesquite, TX 75150
Class A Warehouse
380,513 SF
380,513 SF Available
Year Built: Under Construction

Q2 2020 Industrial Snapshot

Northwest Dallas:

Denton, Lewisville, Metropolitan/Addison, North Stemmons/Valwood



SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
82,684,547 SF

MANUFACTURING RBA
7,266,042 SF

FLEX RBA
16,668,491 SF

TOTAL RBA
108,581,780 SF

VACANCY TOTAL
4.2%

AVERAGE DIRECT NNN RENT
$7.22/SF

QUARTERLY NET ABSORPTION
36,494 SF

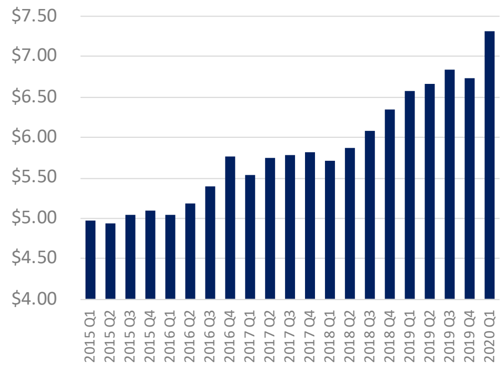
12 MONTH NET ABSORPTION
1,269,098 SF

AVERAGE SALES PRICE
89/SF

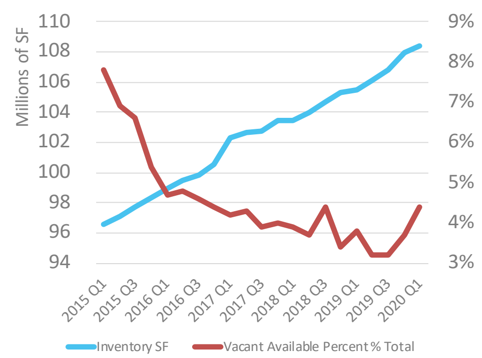
12 MONTH DELIVERIES
2,366,321 SF

UNDER CONSTRUCTION
2,699,985 SF

AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

Mercer Business Park #5
2261 Morgan Pky
Dallas, TX 75234
Class A Distribution
175,000 SF
37,500 SF Available
Year Built: 2020

50,001-100,000 SF

241 International Pky 2
241 International Pky
Flower Mound, TX 75028
Class B Distribution
79,234 SF
79,234 SF Available
Year Built: Under Construction

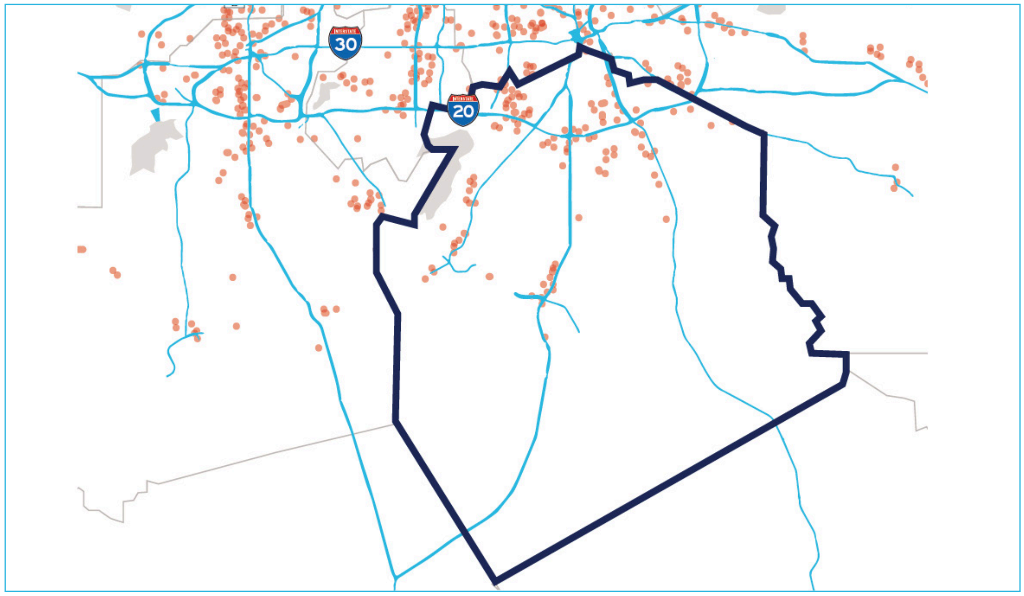
>100,000 SF

Majestic Airport Center DFW 8
3001 S Valley Pky
Lewisville, TX 75067
Class A Warehouse
195,250 SF
195,250 SF Available
Year Built: Under Construction

AVISON YOUNG

Q2 2020 Industrial Snapshot

South Dallas:
Outlying Ellis Cnty, Redbird Airport, Southeast Dallas/I-45, Southwest Dallas/US 67



SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
80,691,028 SF

MANUFACTURING RBA
17,146,218 SF

FLEX RBA
1,984,828 SF

TOTAL RBA
102,504,722 SF

VACANCY TOTAL
5.3%

AVERAGE DIRECT NNN RENT
$4.15/SF

QUARTERLY NET ABSORPTION
-264,445 SF

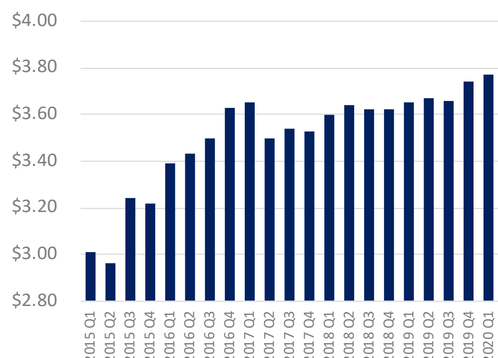
12 MONTH NET ABSORPTION
8,168,285 SF

AVERAGE SALES PRICE
$65/SF

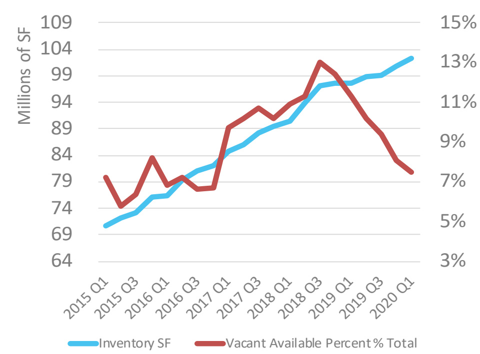
12 MONTH DELIVERIES
3,676,138 SF

UNDER CONSTRUCTION
2,435,240 SF

AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

Mountain Creek Business Park 7
4940 Merrifield Rd
Dallas, TX 75236
Class B Warehouse
54,600 SF
21,840 SF Available
Year Built: 2018

50,001-100,000 SF

Southpointe A
3951 Corporate Dr
Lancaster, TX 75134
Class A Distribution
198,677 SF
91,882 SF Available
Year Built: 2016

>100,000 SF

Southpointe 20/35 2
2821 Danieldale Rd
Lancaster, TX 75134
Class A Warehouse
660,312 SF
660,312 SF Available
Year Built: 2017

Q2 2020 Industrial Snapshot

South Fort Worth:

East Ft Worth, Hood County, Johnson County, Mansfield, N Central Ft Worth, S Cen. Tarrant Cty, S Cen. Ft Worth, Southwest Tarrant

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
46,897,281 SF

MANUFACTURING RBA
14,207,522 SF

FLEX RBA
8,427,585 SF

TOTAL RBA
77,233,531 SF

VACANCY TOTAL
3.4%

AVERAGE DIRECT NNN RENT
$5.53/SF

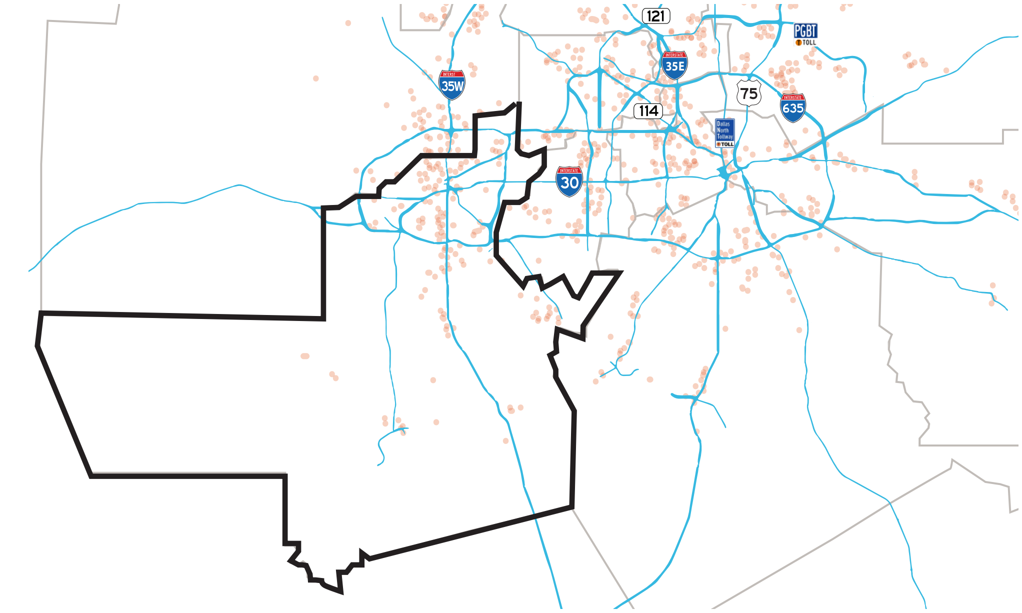
QUARTERLY NET ABSORPTION
280,691 SF

12 MONTH NET ABSORPTION
785,867 SF

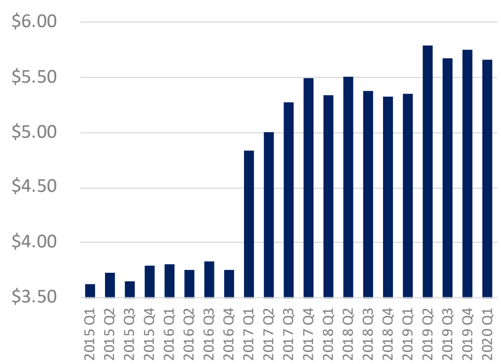
AVERAGE SALES PRICE
$66/SF

12 MONTH DELIVERIES
667,982 SF

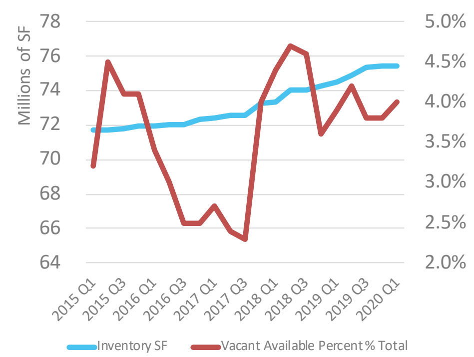
UNDER CONSTRUCTION
3,202,171 SF



AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

Everman Trade Center B
8600 South Freeway
Fort Worth, TX 76134
Class A Warehouse
77,547 SF
39,084 SF Available
Year Built: 2019

50,001-100,000 SF

9001 South Fwy
9001 South Fwy
Fort Worth, TX 76140
Class C Manufacturing
67,070 SF
67,070 SF Available
Year Built: 1970

>100,000 SF

Carter Distribution Center F
1501 Joel East Rd
Fort Worth, TX 76134
Class A Distribution
391,985 SF
391,985 SF Available
Year Built: 2020

Q2 2020 Industrial Snapshot

South Stemmons:

East Brookhollow, E Hines North, Eastern Lonestar/Tpke, North Trinity, West Brookhollow, West Hines North, Western Lonestar/Tpke

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
77,882,191 SF

MANUFACTURING RBA
8,408,458 SF

FLEX RBA
16,731,266 SF

TOTAL RBA
108,026,706 SF

VACANCY TOTAL
3.9%

AVERAGE DIRECT NNN RENT
$7.64/SF

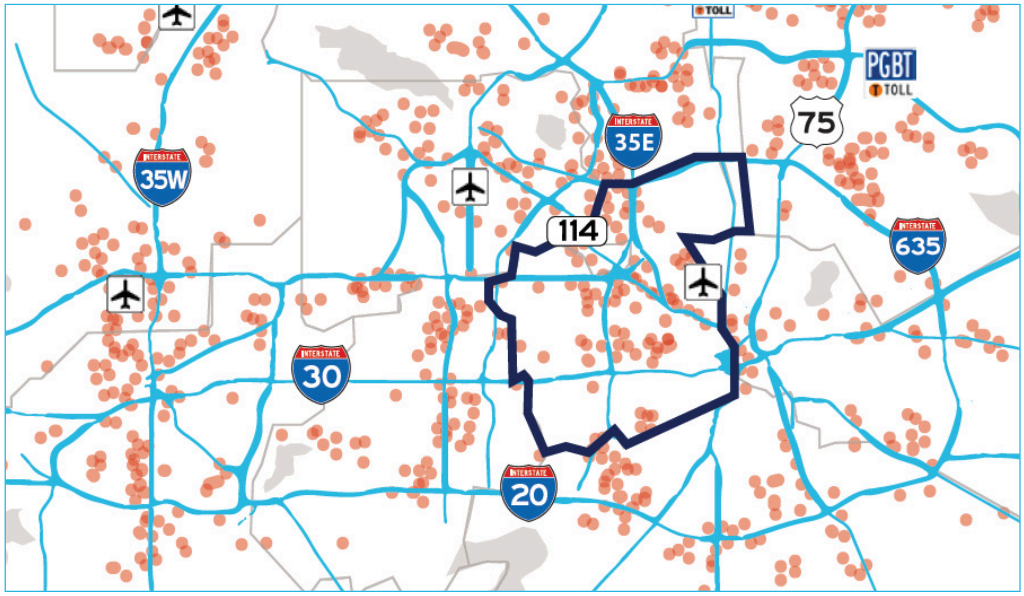
QUARTERLY NET ABSORPTION
2,849,015 SF

12 MONTH NET ABSORPTION
4,695,161 SF

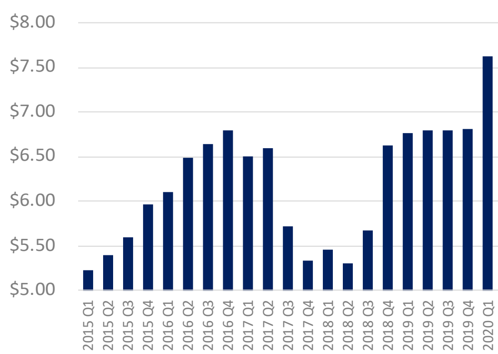
AVERAGE SALES PRICE
$79/SF

12 MONTH DELIVERIES
5,215,024 SF

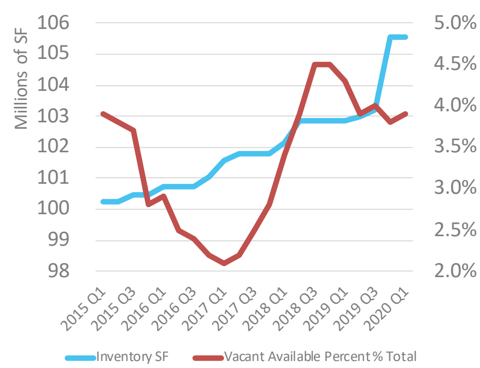
UNDER CONSTRUCTION
973,442 SF



AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

2759 Irving Blvd
2759 Irving Blvd
Dallas, TX 75207
Class C Warehouse
48,402 SF
48,402 SF Available
Year Built: 1963

50,001-100,000 SF

7600 Ambassador Row
7600 Ambassador Row
Dallas, TX 75247
Class C Distribution
66,915 SF
66,915 SF Available
Year Built: 1955

>100,000 SF

Core Logistics Center B
10880 Goodnight Ln
Dallas, TX 75220
Class A Manufacturing
199,070 SF
199,070 SF Available
Year Built: 2020