

## Office Sector Hit With Increased Sublease Space and Negative Absorption

### MARKET HIGHLIGHTS

- › Covid-19 is still the main driver of the office sector with an estimated 40% of employees going into the office. As a result, many tenants are having to sublease their spaces, downsize or make the tough decision to be a completely work from home operation. This has caused vacancy rates to continue an upward trend while making absorption negative for the third quarter in a row.
- › The overall asking rental rate across all classes either increased or held steady for the third quarter while landlords are using tenant improvements and free rent to offset the rates.
- › Construction is still going strong throughout the metroplex with over 5.7 million square feet to be delivered over the next 18 months. During the third quarter, two new office buildings were started totaling over 393,000 square feet. There are plans for at least two additional buildings over 100,000 square feet to begin construction in the fourth quarter.

### WHAT OUR EXPERTS ARE SAYING

*"Tenants are expecting rates to fall due to COVID 19, although we have not seen much downward movement in rates but we are seeing that free rent and TI's are increasing."*

- MARY STONER, Executive Vice President

*"Tenants of all sizes are opting for shorter renewals of as little as 1 year to buy time to figure out where they stand on the proper mix of work from home and in the office. "Plug and Play" subleases with flexible lease terms are also seeing high activity as new tenants to the market seek to lower their out of pocket cost while not committing to space long term."*

- DYLAN SMITH - Associate

Market Indicators Relative to prior period	Annual Change	Quarterly Change	Quarterly Forecast*
Vacancy	↑	↑	↑
Net Absorption	↓	↓	↓
Under Construction	↓	↓	↓
Rental Rate	↑	↑	↓
Sublease Space	↑	↑	↑

\*Projected

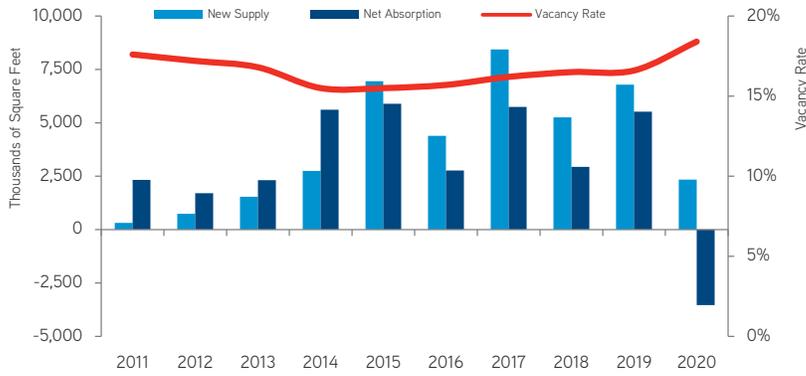
Summary Statistics DFW Office Market	DFW Market	DFW Class A	DFW Class B
Vacancy Rate	18.4%	20.7%	16.9%
Change from Prior Quarter	1.1%	1.4%	1.1%
Absorption (Thousand Square Feet)	-2,575	-1,444	-1,120
New Supply (Thousand Square Feet)	1,146	904	242
Under Construction (Thousand Square Feet)	5,714	5,138	576

### Asking Rents

Per Square Foot Per Year

Average Quoted (Gross)	\$27.30	\$30.92	\$22.21
Change from Prior Quarter	0.5%	0.1%	1.4%
Year-Over-Year Change	2.7%	1.3%	3.6%

## New Supply, Absorption & Vacancy Rate



## Job Growth & Unemployment

Job Growth		Annual Change	# of Jobs Added
DFW		-6.0%	-226.8k
Texas		-7.1%	-908.8k
U.S.		-11.7%	-17.7M

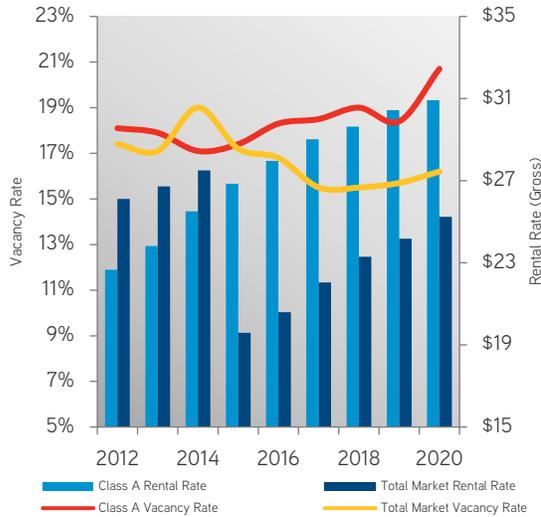
  

Unemployment		3/2019	3/2020
DFW		2.9%	12.3%
Texas		3.1%	12.7%
U.S.		3.4%	13.0%

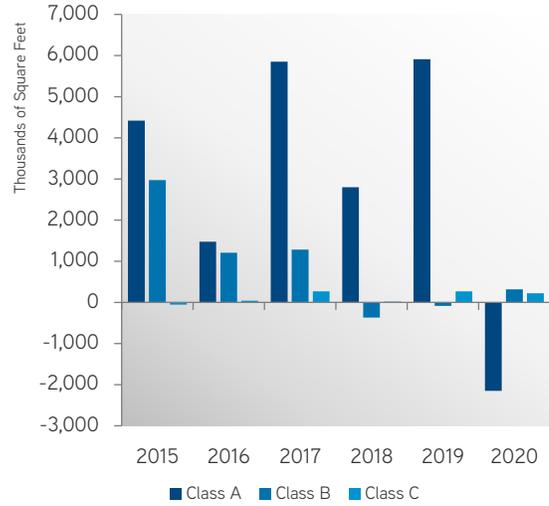
(not seasonally adjusted)

## Office Rents, Vacancy & Absorption

CLASS A OFFICE RENTS & VACANCY

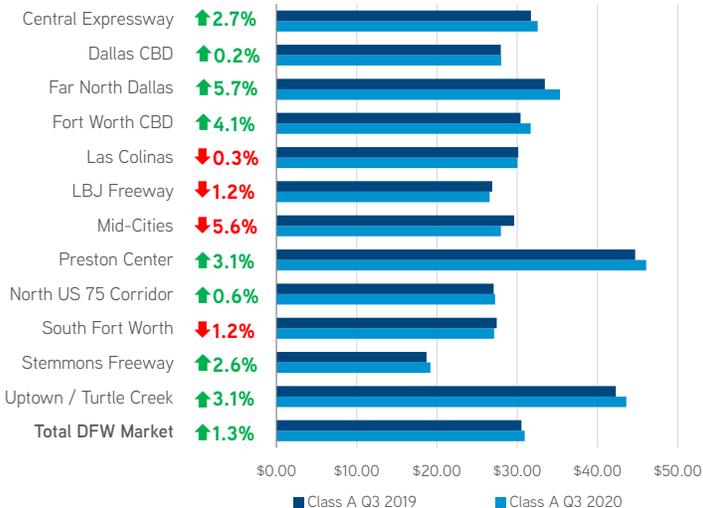


CLASS A, B & C OFFICE ABSORPTION

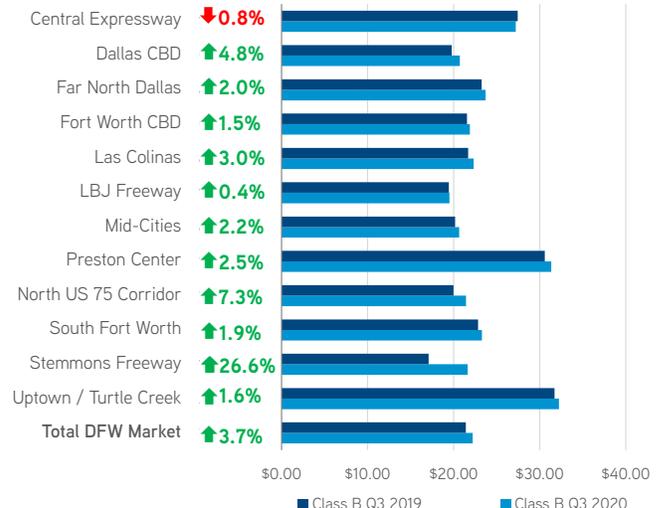


## Class A & B Rental Rates (12 Month Comparison)

CLASS A RENTAL RATES 2019 & 2020



CLASS B RENTAL RATES 2019 & 2020



# Dallas-Fort Worth Downtown & Suburban Office Market Summary

EXISTING PROPERTIES			VACANCY					NET ABSORPTION		CONSTRUCTION		RENT
Submarket	Bldgs	Total Inventory SF	Direct Vacant Rate	Subleasing Vacant Rate	Total Vacant SF	Vacancy Rate Current	Vacancy Rate Prior Qtr	Net Abs Current Qtr SF	Net Abs YTD SF	New Supply YTD SF	Under Construction SF	Average Asking Rate
<b>DOWNTOWN AND SUBURBAN MARKETS</b>												
<b>Class A</b>												
Dallas CBD	33	23860019	25.3%	3.4%	6838674	28.7%	26.5%	(510,851)	(675,458)	0	284600	\$ 28.00
Fort Worth CBD	14	5683779	15.7%	1.2%	957835	16.9%	16.2%	(36,899)	13,759	0	0	\$ 31.68
Dallas Suburban	489	115165482	18.2%	1.6%	22817068	19.8%	18.5%	(799,114)	(1,125,609)	1802365	4109823	\$ 32.22
Fort Worth Suburban	72	13209033	12.6%	3.4%	2107214	16.0%	15.2%	(97,569)	(362,341)	0	743116	\$ 27.90
<b>Total DFW Market</b>	<b>608</b>	<b>157918313</b>	<b>18.7%</b>	<b>2.0%</b>	<b>32720791</b>	<b>20.7%</b>	<b>19.3%</b>	<b>(1,444,433)</b>	<b>(2,149,649)</b>	<b>1802365</b>	<b>5137539</b>	<b>\$ 30.92</b>
<b>Class B</b>												
Dallas CBD	44	5665186	24.5%	0.9%	1441479	25.4%	24.4%	(58,043)	(113,903)	0	0	\$ 20.71
Fort Worth CBD	39	3231461	18.8%	0.8%	634615	19.6%	14.8%	(155,691)	(128,649)	0	0	\$ 21.87
Dallas Suburban	1412	89066331	16.9%	0.9%	15924351	17.9%	16.9%	(761,716)	(1,021,875)	308560	496926	\$ 22.38
Fort Worth Suburban	577	24306801	9.9%	1.0%	2648869	10.9%	10.0%	(144,080)	(11,507)	232304	79233	\$ 21.82
<b>Total DFW Market</b>	<b>2072</b>	<b>122269779</b>	<b>15.9%</b>	<b>0.9%</b>	<b>20645743</b>	<b>16.9%</b>	<b>15.8%</b>	<b>(1,119,530)</b>	<b>(1,275,934)</b>	<b>540864</b>	<b>576159</b>	<b>\$ 22.21</b>
<b>Class C</b>												
Dallas CBD	31	2152459	0.4%	0.0%	9576	0.4%	0.4%	0	13,500	0	0	\$ 32.39
Fort Worth CBD	16	329507	2.4%	0.0%	7884	2.4%	2.4%	0	0	0	0	\$ 21.95
Dallas Suburban	451	10970776	12.8%	0.0%	1405444	12.8%	12.6%	(27,919)	(126,448)	0	0	\$ 18.98
Fort Worth Suburban	265	5760325	6.7%	0.0%	386291	6.7%	7.0%	17,023	2,773	0	0	\$ 17.17
<b>Total DFW Market</b>	<b>763</b>	<b>19213067</b>	<b>9.4%</b>	<b>0.0%</b>	<b>1809195</b>	<b>9.4%</b>	<b>9.4%</b>	<b>(10,896)</b>	<b>(110,175)</b>	<b>0</b>	<b>0</b>	<b>\$ 18.75</b>
<b>All Classes</b>												
Dallas CBD	108	31677664	23.5%	2.7%	8289729	26.2%	24.4%	(568,894)	(775,861)	0	284600	\$ 27.03
Fort Worth CBD	69	9244747	16.3%	1.0%	1600334	17.3%	15.2%	(192,590)	(114,890)	0	0	\$ 27.89
Dallas Suburban	2352	215202589	17.4%	1.2%	40146863	18.7%	17.5%	(1,588,749)	(2,273,932)	2110925	4606749	\$ 27.71
Fort Worth Suburban	914	43276159	10.3%	1.6%	5142374	11.9%	11.2%	(224,626)	(371,075)	232304	822349	\$ 24.02
<b>Total DFW Market</b>	<b>3443</b>	<b>299401159</b>	<b>17.0%</b>	<b>1.4%</b>	<b>55175729</b>	<b>18.4%</b>	<b>17.3%</b>	<b>(2,574,859)</b>	<b>(3,535,758)</b>	<b>2343229</b>	<b>5713698</b>	<b>\$ 27.30</b>
<b>QUARTERLY AND ANNUAL HISTORICAL COMPARISONS</b>												
2020 Q3	3,443	299,401,159	17.0%	1.4%	55,175,729	18.4%	17.3%	(2,574,859)	(3,535,758)	2,343,229	5,713,698	\$ 27.30
2020 Q2	3,427	298,255,222	16.0%	1.3%	51,454,933	17.3%	16.9%	(360,395)	(960,899)	1,197,292	6,423,003	\$ 27.15
2020 Q1	3,414	297,442,179	15.8%	1.1%	50,281,495	16.9%	16.6%	(600,504)	(600,504)	384,249	6,730,768	\$ 27.07
2019 Q4	3,409	297,057,930	15.7%	0.9%	49,296,742	16.6%	16.6%	1,302,727	5,523,494	6,788,809	6,397,663	\$ 26.50
2019 Q3	3,401	295,372,000	15.8%	0.8%	48,913,539	16.6%	16.1%	1,168,225	4,220,767	5,102,879	6,512,685	\$ 26.56
2018 Q3	3,367	289,795,563	15.6%	0.9%	47,658,987	16.4%	16.6%	1,165,482	2,840,196	4,780,487	7,684,154	\$ 25.90
2017 Q3	3,318	282,272,647	15.0%	0.8%	44,575,203	15.8%	16.1%	1,430,596	4,642,931	5,691,129	12,196,476	\$ 25.14
2016 Q3	3,268	275,788,830	15.0%	0.6%	43,171,615	15.7%	15.8%	1,392,265	2,334,645	3,631,394	13,069,949	\$ 23.95
2015 Q3	3,224	270,992,284	14.9%	0.5%	41,910,929	15.5%	15.3%	1,438,005	5,027,862	5,779,126	6,187,802	\$ 22.93

# Dallas-Fort Worth Office Submarket Summary

EXISTING PROPERTIES			VACANCY					NET ABSORPTION		CONSTRUCTION		RENT
Submarket	Bldgs	Total Inventory SF	Direct Vacant Rate	Sublet Vacant Rate	Total Vacant SF	Vacancy Rate Current	Vacancy Rate Prior Qtr	Net Abs Current Qtr SF	Net Abs YTD SF	New Supply YTD SF	Under Construction SF	Average Asking Rate
<b>Class A</b>												
Central Expressway	22	6,590,968	17.5%	1.4%	1,246,522	18.9%	16.2%	(181,471)	(279,304)	0	0	\$ 32.56
Dallas CBD	33	23,860,019	25.3%	3.4%	6,838,674	28.7%	26.5%	(510,851)	(675,458)	0	284,600	\$ 28.00
East Dallas	5	497,678	33.6%	23.3%	283,243	56.9%	51.3%	(27,913)	(17,904)	0	549,000	\$ 37.21
Far North Dallas	160	39,103,942	15.6%	1.9%	6,860,430	17.5%	17.0%	30,190	188,905	546,410	2,134,172	\$ 35.33
Fort Worth CBD	14	5,683,779	15.7%	1.2%	957,835	16.9%	16.2%	(36,899)	13,759	0	0	\$ 31.68
Las Colinas	97	23,061,411	17.8%	1.3%	4,416,798	19.2%	17.9%	(217,074)	(860,858)	730,806	472,877	\$ 30.03
LBJ Freeway	33	10,116,006	19.7%	1.4%	2,137,262	21.1%	20.0%	(114,922)	17,474	0	0	\$ 26.56
Lewisville / Denton	6	434,072	54.0%	0.0%	234,596	54.0%	5.3%	1,699	21,799	225,149	0	\$ 30.77
Mid-Cities	43	10,040,650	26.2%	1.3%	2,762,373	27.5%	27.0%	(55,905)	(136,990)	0	720,085	\$ 27.97
North Fort Worth	9	1,259,559	4.5%	0.0%	57,132	4.5%	5.4%	10,279	12,530	0	0	\$ 26.14
Northeast Fort Worth	3	437,268	52.6%	0.0%	229,981	52.6%	52.6%	0	2,076	0	0	\$ 21.41
Preston Center	24	4,469,734	9.5%	0.9%	465,205	10.4%	10.4%	(137)	40,089	0	297,000	\$ 46.07
North US 75 Corridor	71	13,896,905	20.4%	1.2%	3,005,820	21.6%	20.1%	23,034	219,246	300,000	0	\$ 27.23
South Fort Worth	21	3,002,461	5.2%	10.5%	472,106	15.7%	13.1%	(77,592)	(265,606)	0	23,031	\$ 27.12
Southwest Dallas	2	280,592	6.9%	0.0%	19,271	6.9%	6.9%	0	0	0	0	\$ 20.00
Stemmons Freeway	12	3,319,369	21.8%	0.9%	754,640	22.7%	20.4%	(77,606)	(55,328)	0	0	\$ 19.19
Uptown / Turtle Creek	53	11,863,900	15.1%	1.6%	1,978,903	16.7%	14.9%	(209,265)	(374,079)	0	656,774	\$ 43.59
<b>Total DFW Market</b>	<b>608</b>	<b>157,918,313</b>	<b>18.7%</b>	<b>2.0%</b>	<b>32,720,791</b>	<b>20.7%</b>	<b>19.3%</b>	<b>(1,444,433)</b>	<b>(2,149,649)</b>	<b>1,802,365</b>	<b>5,137,539</b>	<b>\$ 30.92</b>
<b>Class B</b>												
Central Expressway	59	4,421,140	13.1%	0.9%	620,677	14.0%	12.2%	(21,614)	(34,235)	68,890	30,000	\$ 27.20
Dallas CBD	44	5,665,186	24.5%	0.9%	1,441,479	25.4%	24.4%	(58,043)	(113,903)	0	0	\$ 20.71
East Dallas	114	3,494,564	10.6%	0.6%	389,522	11.1%	10.9%	(8,994)	(39,821)	0	24,000	\$ 16.75
Far North Dallas	310	18,461,619	17.3%	1.3%	3,427,588	18.6%	17.5%	(188,441)	(153,530)	64,233	68,500	\$ 23.70
Fort Worth CBD	39	3,231,461	18.8%	0.8%	634,615	19.6%	14.8%	(155,691)	(128,649)	0	0	\$ 21.87
Las Colinas	215	17,238,689	15.9%	2.0%	3,099,705	18.0%	16.4%	(272,857)	(461,316)	0	103,000	\$ 22.32
LBJ Freeway	102	9,195,808	23.9%	0.4%	2,238,972	24.3%	23.5%	(79,755)	(109,105)	0	0	\$ 19.50
Lewisville / Denton	131	5,258,412	7.7%	0.0%	407,364	7.7%	7.2%	(14,069)	(19,812)	35,495	34,854	\$ 22.54
Mid-Cities	347	15,016,634	11.0%	1.2%	1,822,745	12.1%	11.2%	(73,129)	(83,186)	186,809	56,727	\$ 20.63
North Fort Worth	44	2,340,621	3.6%	0.4%	92,319	3.9%	3.7%	(6,357)	27,362	10,000	22,506	\$ 20.87
Northeast Fort Worth	46	3,086,436	8.7%	0.0%	267,595	8.7%	8.5%	(5,973)	(19,778)	0	0	\$ 20.64
Preston Center	24	1,110,398	11.2%	0.4%	129,024	11.6%	11.2%	(4,791)	(6,335)	0	0	\$ 31.34
North US 75 Corridor	271	16,795,620	14.5%	0.4%	2,507,741	14.9%	14.1%	(133,296)	(109,774)	64,249	171,572	\$ 21.43
South Fort Worth	143	5,579,783	12.4%	1.2%	759,187	13.6%	12.5%	(59,208)	27,194	35,495	0	\$ 23.28
Southwest Dallas	56	2,650,962	18.6%	0.1%	495,792	18.7%	18.1%	(15,372)	(62,379)	0	0	\$ 24.32
Stemmons Freeway	86	6,542,426	29.3%	0.3%	1,932,710	29.5%	28.5%	(12,490)	62,516	75,693	65,000	\$ 21.62
Uptown / Turtle Creek	41	2,180,020	15.9%	1.5%	378,708	17.4%	16.9%	(9,450)	(51,183)	0	0	\$ 32.23
<b>Total DFW Market</b>	<b>2,072</b>	<b>122,269,779</b>	<b>15.9%</b>	<b>0.9%</b>	<b>20,645,743</b>	<b>16.9%</b>	<b>15.8%</b>	<b>(1,119,530)</b>	<b>(1,275,934)</b>	<b>540,864</b>	<b>576,159</b>	<b>\$ 22.21</b>

# Dallas-Fort Worth Office Submarket Summary

EXISTING PROPERTIES			VACANCY					NET ABSORPTION		CONSTRUCTION		RENT
Submarket	Bldgs	Total Inventory SF	Direct Vacant Rate	Sublet Vacant Rate	Total Vacant SF	Vacancy Rate Current	Vacancy Rate Prior Qtr	Net Abs Current Qtr SF	Net Abs YTD SF	New Supply YTD SF	Under Construction SF	Average Asking Rate
<b>Class C</b>												
Central Expressway	29	471,500	2.0%	0.0%	9,254	2.0%	2.1%	509	(2,189)	0	0	\$ 16.43
Dallas CBD	31	2,152,459	0.4%	0.0%	9,576	0.4%	0.4%	0	13,500	0	0	\$ 32.39
East Dallas	84	2,102,961	8.0%	0.0%	169,197	8.0%	7.7%	(7,870)	11,363	0	0	\$ 20.65
Far North Dallas	39	842,950	6.9%	0.0%	58,069	6.9%	6.9%	15	(3,235)	0	0	\$ 19.10
Fort Worth CBD	16	329,507	2.4%	0.0%	7,884	2.4%	2.4%	0	0	0	0	\$ 21.95
Las Colinas	20	1,133,398	5.9%	0.0%	67,384	5.9%	5.9%	0	0	0	0	\$ 22.20
LBJ Freeway	22	603,408	4.1%	0.0%	24,461	4.1%	3.2%	(5,001)	3,348	0	0	\$ 15.03
Lewisville / Denton	46	907,930	2.9%	0.0%	26,138	2.9%	3.9%	9,250	22,254	0	0	\$ 16.85
Mid-Cities	129	3,058,015	9.2%	0.0%	280,868	9.2%	10.0%	24,195	(35,601)	0	0	\$ 15.42
North Fort Worth	18	366,354	3.6%	0.0%	13,052	3.6%	3.9%	1,287	(2,372)	0	0	\$ 15.79
Northeast Fort Worth	33	638,286	13.3%	0.0%	84,620	13.3%	15.1%	11,552	4,740	0	0	\$ 14.18
Preston Center	13	281,697	2.6%	0.0%	7,314	2.6%	2.6%	0	0	0	0	\$ 26.81
North US 75 Corridor	78	1,942,430	29.4%	0.1%	572,200	29.5%	29.4%	(1,221)	(20,038)	0	0	\$ 20.74
South Fort Worth	92	1,859,645	7.1%	0.0%	131,564	7.1%	5.8%	(22,984)	(24,703)	0	0	\$ 18.95
Southwest Dallas	44	875,641	9.3%	0.0%	81,165	9.3%	9.2%	(280)	(5,957)	0	0	\$ 13.62
Stemmons Freeway	50	1,292,002	17.2%	0.2%	223,955	17.3%	15.9%	(17,895)	(68,832)	0	0	\$ 16.33
Uptown / Turtle Creek	19	354,884	12.0%	0.0%	42,494	12.0%	11.3%	(2,453)	(2,453)	0	0	\$ 29.28
<b>Total DFW Market</b>	<b>763</b>	<b>19,213,067</b>	<b>9.4%</b>	<b>0.0%</b>	<b>1,809,195</b>	<b>9.4%</b>	<b>9.4%</b>	<b>(10,896)</b>	<b>(110,175)</b>	<b>0</b>	<b>0</b>	<b>\$ 18.75</b>

## All Classes

Central Expressway	110	11,483,608	15.2%	1.2%	1,876,453	16.3%	14.1%	(202,576)	(315,728)	68,890	30,000	\$ 30.54
Dallas CBD	108	31,677,664	23.5%	2.7%	8,289,729	26.2%	24.4%	(568,894)	(775,861)	0	284,600	\$ 27.03
East Dallas	203	6,095,203	11.6%	2.2%	841,962	13.8%	13.1%	(44,777)	(46,362)	0	573,000	\$ 19.42
Far North Dallas	509	58,408,511	16.0%	1.7%	10,346,087	17.7%	17.0%	(158,236)	32,140	610,643	2,202,672	\$ 31.34
Fort Worth CBD	69	9,244,747	16.3%	1.0%	1,600,334	17.3%	15.2%	(192,590)	(114,890)	0	0	\$ 27.89
Las Colinas	332	41,433,498	16.7%	1.6%	7,583,887	18.3%	17.0%	(489,931)	(1,322,174)	730,806	575,877	\$ 26.15
LBJ Freeway	157	19,915,222	21.2%	0.9%	4,400,695	22.1%	21.1%	(199,678)	(88,283)	0	0	\$ 22.98
Lewisville / Denton	183	6,600,414	10.1%	0.0%	668,098	10.1%	6.7%	(3,120)	24,241	260,644	34,854	\$ 24.33
Mid-Cities	519	28,115,299	16.2%	1.1%	4,865,986	17.3%	16.7%	(104,839)	(255,777)	186,809	776,812	\$ 24.95
North Fort Worth	71	3,966,534	3.9%	0.2%	162,503	4.1%	4.2%	5,209	37,520	10,000	22,506	\$ 23.36
Northeast Fort Worth	82	4,161,990	14.0%	0.0%	582,196	14.0%	14.1%	5,579	(12,962)	0	0	\$ 20.09
Preston Center	61	5,861,829	9.5%	0.8%	601,543	10.3%	10.2%	(4,928)	33,754	0	297,000	\$ 43.52
North US 75 Corridor	420	32,634,955	17.9%	0.8%	6,085,761	18.6%	17.5%	(111,483)	89,434	364,249	171,572	\$ 23.97
South Fort Worth	256	10,441,889	9.4%	3.6%	1,362,857	13.1%	11.5%	(159,784)	(263,115)	35,495	23,031	\$ 23.63
Southwest Dallas	102	3,807,195	15.6%	0.1%	596,228	15.7%	15.2%	(15,652)	(68,336)	0	0	\$ 22.81
Stemmons Freeway	148	11,153,797	25.6%	0.5%	2,911,305	26.1%	24.6%	(107,991)	(61,644)	75,693	65,000	\$ 20.63
Uptown / Turtle Creek	113	14,398,804	15.1%	1.6%	2,400,105	16.7%	15.1%	(221,168)	(427,715)	0	656,774	\$ 41.31
<b>Total DFW Market</b>	<b>3,443</b>	<b>299,401,159</b>	<b>17.0%</b>	<b>1.4%</b>	<b>55,175,729</b>	<b>18.4%</b>	<b>17.3%</b>	<b>(2,574,859)</b>	<b>(3,535,758)</b>	<b>2,343,229</b>	<b>5,713,698</b>	<b>\$ 27.30</b>

NOTE: Statistical set consists of office properties 10,000 SF and up, including owner-occupied properties; and excluding medical office and properties where the government is 100% owner and occupier. While CoStar attempts to provide the most accurate data at the end of every quarter, revisions are made throughout the year accounting for discrepancies in past reporting.

## Leasing Activity

Leasing activity was up in the 3rd quarter 10% from the previous quarter with 600 deals signed or renewed. While this is well below the 10 year quarterly average of 1,000 deals, the outlook is for a stronger 4th quarter as tenants look to complete deals before the end of the year.

Q3 2020 Notable Office Lease Transactions						
TENANT	PROPERTY	SUBMARKET	SF LEASED	BUILDING CLASS	DEAL TYPE	SIGN DATE
Caliber Home Loans	3401 Olympus Blvd	Las Colinas	159,320	A	New	Sep 20
Hilltop Securities	717 N Harwood St	Dallas CBD	95,469	A	New	Jul 20
Wesco Aircraft	2601 Meacham Blvd	North Fort Worth	53,236	A	New	Aug 20
nThrive	7950 Legacy Dr	Far North Dallas	50,686	A	New	Jul 20
Invitation Homes Inc.	1717 Main St	Dallas CBD	42,136	A	Renewal	Jul 20
Dermpath Diagnostics	2110 Research Row	Stemmons Freeway	32,348	B	Renewal	Jul 20
Haynes and Boone, LLP	6000 Headquarters Dr	Far North Dallas	29,141	A	New	Sep 20
Social Security Administration	10824 N Central Expy	Central Expressway	27,200	B	Renewal	Aug 20
Vincent Serafino	1717 Main St	Dallas CBD	26,597	A	New	Aug 20
Veritex Community Bank	12750 Merit Dr	LBJ Freeway	26,418	A	New	Jul 20
Reddy Ice	5710 Lyndon B Johnson Fwy	LBJ Freeway	26,262	B	New	Jul 20
Sigmetrix	5900 S Lake Forest Dr	North US 75 Corridor	24,126	A	New	Jul 20
American Board of OB & GYN	2828 Routh St	Uptown/Turtle Creek	17,522	A	New	Sep 20
American Messaging	1720 Lakepointe Dr	Lewisville	15,662	B	Renewal	Sep 20
US Bankruptcy Court	660 N Central Expy	North US 75 Corridor	14,657	B	Renewal	Jul 20
Gables Residential	3811 Turtle Creek Blvd	Uptown/Turtle Creek	14,568	A	Renewal	Sep 20
Lenox Financial Mortgage Corp	13355 Noel Rd	LBJ Freeway	14,213	A	New	Aug 20
Valiant Residential	6060 N Central Expy	Central Expressway	12,766	B	New	Sep 20
KAI Architects	5010 Riverside	Las Colinas	12,648	A	New	Aug 20
Cadent Medical Communications	1707 Market Place Blvd	Las Colinas	12,609	B	New	Jul 20

## Sales Activity

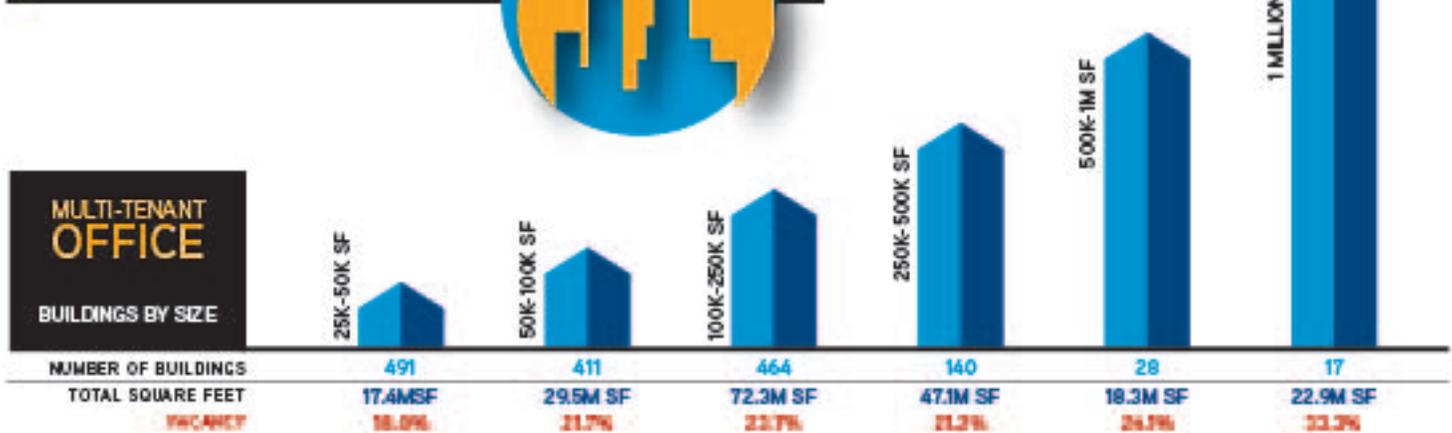
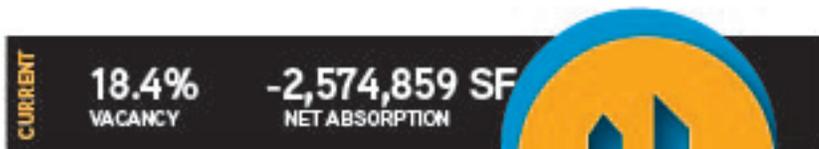
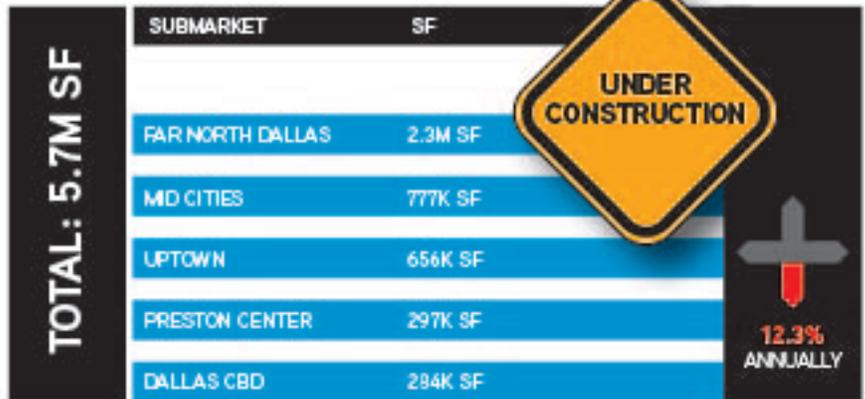
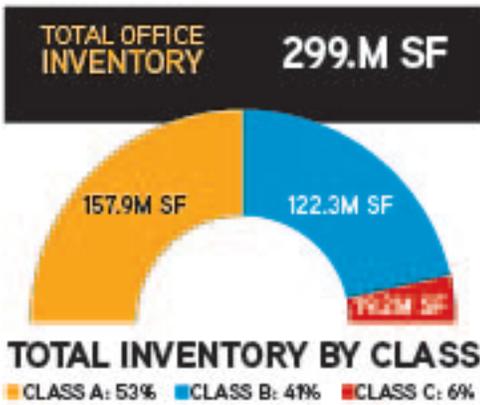
Overall DFW investment activity as thus far in 2020 led the nation with over \$12.8 billion in transactions recorded. Office investment is still in the recovery stage with only six transactions totaling over \$213 million dollars occurring during the quarter.

Q2 2020 Significant Sales Transactions – (50,000 SF or greater)							
PROPERTY	SUBMARKET	SALE DATE	SALE PRICE	SIZE (SF)	PSF	CLASS	BUYER
USAA Plano	Far North Dallas	Aug-20	\$119,900,000	230,621	\$520	A	US Realty Advisors
Tower at Frisco Square	Far North Dallas	Jul-20	\$48,440,000	174,147	\$278	A	Maxus Realty Trust
One Cockerell Plaza	Stemmons Freeway	Jul-20	\$17,000,000	73,480	\$231	B	Legacy Dev. and Consulting Company

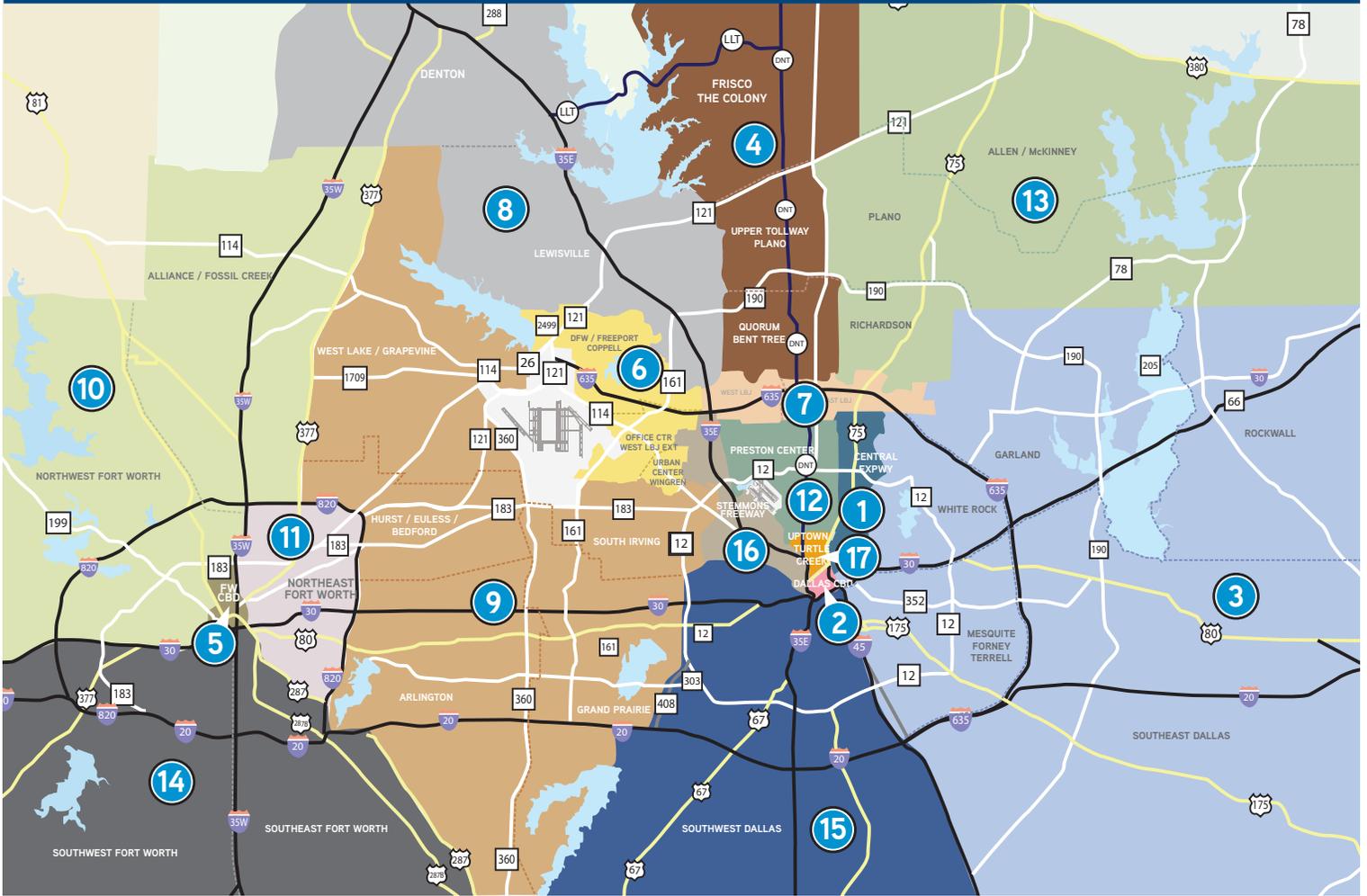
## Quoted Gross Rental Rates for Existing Top Performing Office Buildings

BUILDING NAME	ADDRESS	SUBMARKET	RBA	YEAR BUILT	% LEASED	AVAILABLE SPACE	QUOTED RATE	OWNER NAME
<b>+E BUILDINGS</b>								
Frost Tower	640 Taylor St	Ft Worth CBD	314,879	2018	75%	77,693	\$39.55 +E	Jetta Operating Company, Inc.
4311 Oak Lawn Ave	4311 Oak Lawn Ave	Uptown/Turtle Creek	108,588	1986	92%	20,162	\$36.00 +E	Campbell Companies
The Urban Towers	222 W Las Colinas Blvd	Las Colinas	848,939	1982	81%	211,209	\$33.07 +E	Parallel Capital Partners
BOA Tower- City Center	301 Commerce St	Ft Worth CBD	820,509	1984	82%	157,176	\$32.50 +E	City Center Management. LP
Wells Fargo Tower - City Center	201 Main St	Ft Worth CBD	716,533	1982	94%	67,123	\$32.50 +E	City Center Management LP
777 Main	777 Main St	Ft Worth CBD	1,015,591	1982	87%	164,030	\$31.00 +E	The Brookdale Group
<b>NNN BUILDINGS</b>								
The Crescent	100,200 & 300 Crescent Ct	Uptown/Turtle Creek	372,260	1985	91%	57,464	\$42.00 NNN	JPMorgan Chase & Co.
1900 Pearl	1900 N Pearl St	Dallas CBD	261,537	2018	88%	42,148	\$40.25 NNN	STRS of Ohio
Rosewood Court	2101 Cedar Springs Rd	Uptown/Turtle Creek	405,560	2008	88%	55,543	\$40.00 NNN	RPC Realty, Inc.
17Seventeen McKinney	1717 McKinney Ave	Uptown/Turtle Creek	369,017	2010	91%	157,096	\$40.00 NNN	Gaedeke Group
McKinney & Olive	2021 McKinney Ave	Uptown/Turtle Creek	536,000	2016	97%	58,899	\$40.00 NNN	Crescent Real Estate, LLC
Trammell Crow Center	2001 Ross Ave	Dallas CBD	1,160,018	1984	88%	258,060	\$40.00 NNN	JPMorgan Chase & Co.
2100 McKinney	2100 McKinney Ave	Uptown/Turtle Creek	360,859	1999	79%	88,244	\$40.00 NNN	NY Common Retirement Fund

## CURRENT QUARTER HIGHLIGHTS



OFFICE SUBMARKET MAP



<b>1</b>	<b>Central Expressway</b>	110 Bldgs	11.5m SF	13.6% Vac	UC = 88.9K SF	\$ 30.68 PSF
<b>2</b>	<b>Dallas CBD</b>	106 Bldgs	31.2m SF	24.6% Vac	UC = 259.2K SF	\$ 27.36 PSF
<b>3</b>	<b>East Dallas</b>	200 Bldgs	6m SF	10.8% Vac	UC = 641.6K SF	\$ 27.11 PSF
<b>4</b>	<b>Far North Dallas</b>	511 Bldgs	59.5m SF	17.1% Vac	UC = 2,290K SF	\$ 31.28 PSF
<b>5</b>	<b>Fort Worth CBD</b>	70 Bldgs	9.2m SF	16.6% Vac	UC = None	\$ 28.39 PSF
<b>6</b>	<b>Las Colinas</b>	330 Bldgs	42m SF	16.9% Vac	UC = 334K SF	\$ 26.55 PSF
<b>7</b>	<b>LBJ Freeway</b>	159 Bldgs	20.5m SF	20.8% Vac	UC = None	\$ 23.38 PSF
<b>8</b>	<b>Denton / Lewisville</b>	180 Bldgs	6.3m SF	7.5% Vac	UC = 235.7K SF	\$ 21.98 PSF
<b>9</b>	<b>Mid-Cities</b>	533 Bldgs	28.8m SF	16.7% Vac	UC = 744.3K SF	\$ 24.53 PSF

<b>10</b>	<b>North Fort Worth</b>	72 Bldgs	4m SF	5.0% Vac	UC = 76.5K SF	\$ 25.18 PSF
<b>11</b>	<b>Northeast Fort Worth</b>	82 Bldgs	4.2m SF	14.1% Vac	UC = None	\$ 19.69 PSF
<b>12</b>	<b>Preston Center</b>	60 Bldgs	5.8m SF	10.2% Vac	UC = 297K SF	\$ 41.03 PSF
<b>13</b>	<b>North US 75 Corridor</b>	420 Bldgs	33.3m SF	17.4% Vac	UC = 395K SF	\$ 24.18 PSF
<b>14</b>	<b>South Fort Worth</b>	252 Bldgs	10.3m SF	11.7% Vac	UC = 23K SF	\$ 23.96 PSF
<b>15</b>	<b>Southwest Dallas</b>	102 Bldgs	3.8m SF	15.3% Vac	UC = None	\$ 23.26 PSF
<b>16</b>	<b>Stemmons Freeway</b>	148 Bldgs	10.9m SF	24.6% Vac	UC = 65K SF	\$ 17.91 PSF
<b>17</b>	<b>Uptown / Turtle Creek</b>	115 Bldgs	14.5m SF	15.2% Vac	UC = 657K SF	\$ 40.75 PSF
<b>Total Market</b>		3,450 Bldgs	301.8m SF	17.3% Vac	UC = 6,106K SF	\$ 27.27 PSF

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