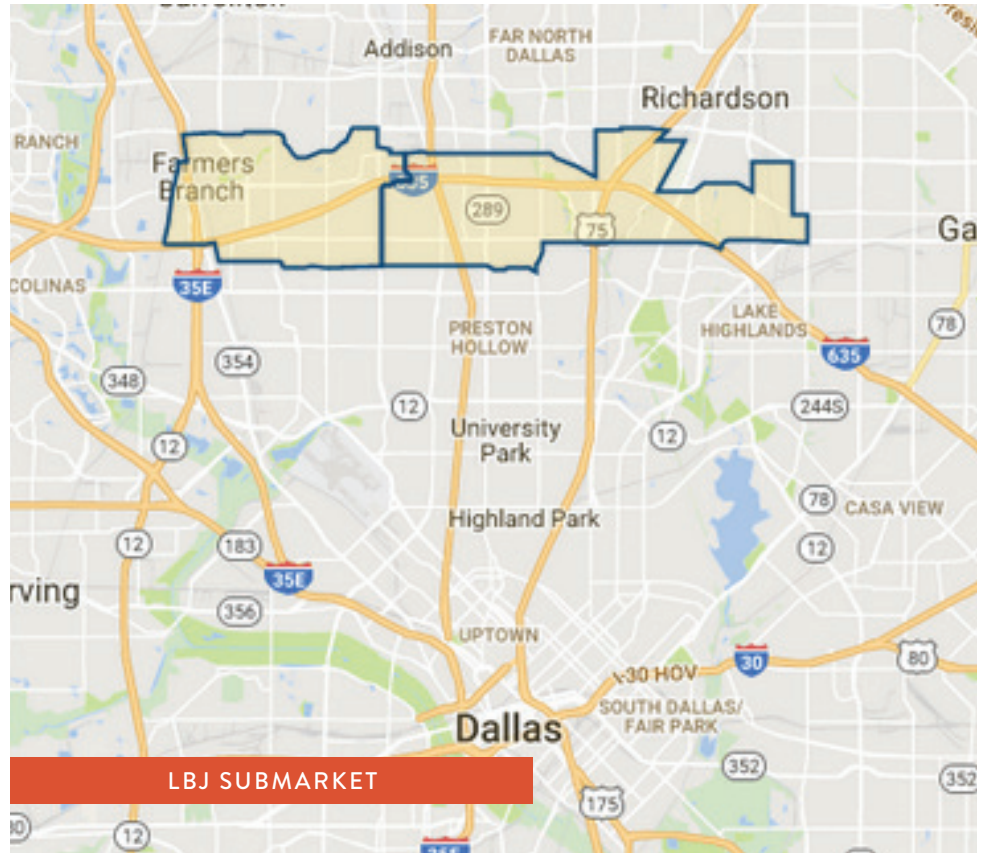
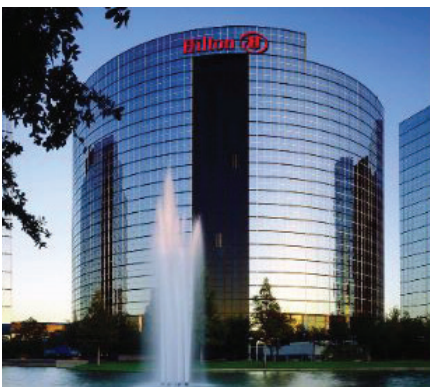


LBJ

2nd Quarter 2017

OFFICE Market Snapshot



synopsis
trends
occupancy
rental rates
transactions
market highlights

LBJ

2nd Quarter 2017

SYNOPSIS

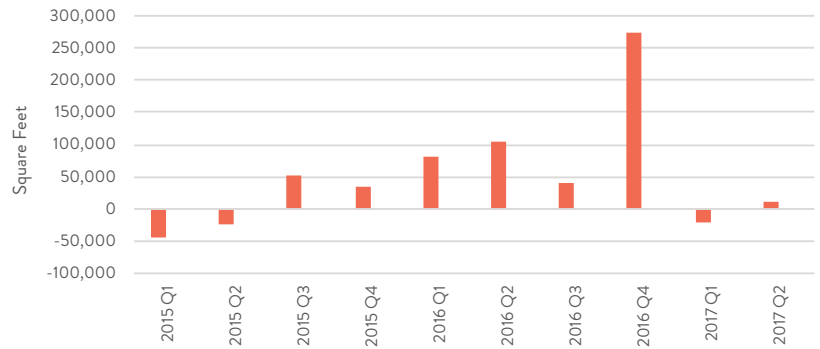
The LBJ submarket posted positive net absorption of 10,852 square feet this quarter. The overall occupancy rate increased 10 basis points to 77.5%. The overall rental rate decreased \$0.25 to \$21.56 during the quarter. No new buildings were delivered this quarter and no buildings were under construction.

NET ABSORPTION & DELIVERIES

- Quarterly Net Absorption: 10,852 SF
- Quarterly Deliveries: None
- FYE 2Q17 Net Absorption: 304,940 SF
- FYE 2Q17 Deliveries: None

NET ABSORPTION **DELIVERIES**

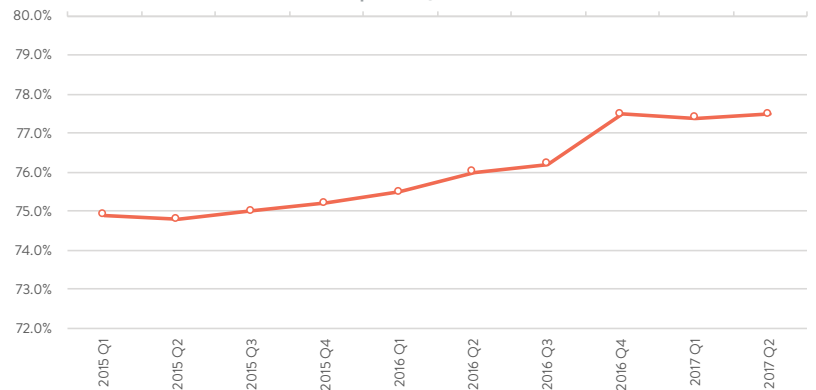
Net Absorption & Deliveries



OCCUPANCY TRENDS

- Occupancy increased 10 basis points
- The LBJ submarket posted an occupancy rate of 77.5%

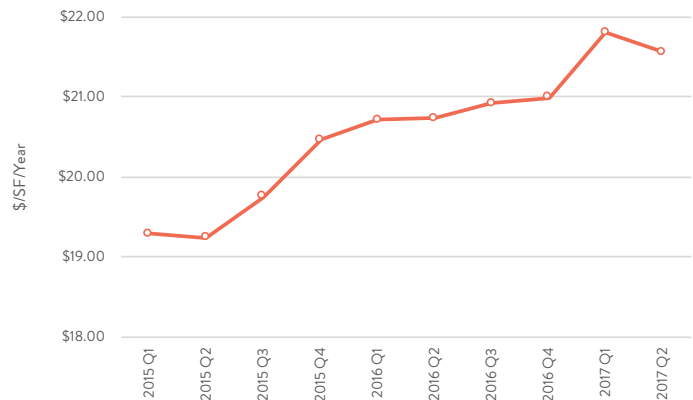
Occupancy Trends



RENTAL RATES

- Rental Rates fell to \$21.56.
- Rates were down \$0.25 since last quarter

Rental Rate Trends



LBJ

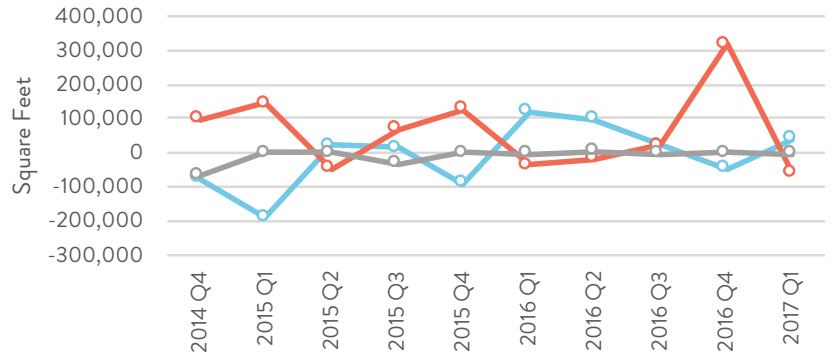
2nd Quarter 2017

CLASS ABSORPTION TRENDS

- Class A posted 10,740 SF of negative net absorption
- Class B posted 23,818 SF of positive net absorption
- Class C posted 2,226 SF of negative net absorption



Class Absorption

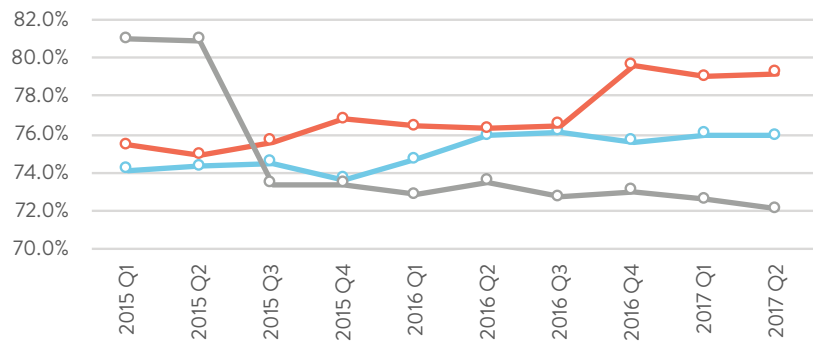


CLASS OCCUPANCY TRENDS

- The Class A occupancy rate decreased 10 basis points to 75.9%
- The Class B occupancy rate rose 20 basis points to 79.2%
- The class C occupancy rate fell 50 basis points to 72.1%



Class Occupancy

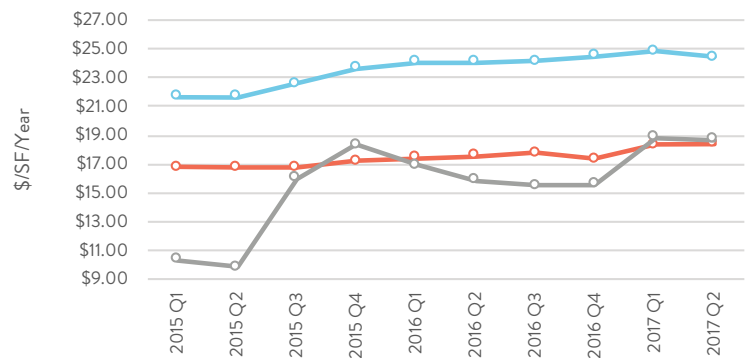


CLASS RENTAL RATES

- Class A rental rates fell \$0.42 to \$24.43 during the quarter
- Class B rental rates increased \$0.05 to \$18.38
- Class C rental rates decreased \$0.11 to \$18.68



Class Rental Rates



BIG DEALS

BUILDING	TENANT	QTR	SIZE SF
13455 Noel Rd	N/A	4/8/17	44,393
4055 Valley View Ln	Sun Holdings	4/12/17	23,929
5005 Lyndon B Johnson Fwy	N/A	4/3/17	23,092
4835 Lyndon B Johnson Fwy	N/A	5/9/17	17,411
12700 Hillcrest Rd	N/A	5/24/17	15,569
12005 Ford Rd	Caine and Weiner	6/29/17	13,001
4099 McEwen Rd	N/A	6/12/17	12,623
13155 Noel Rd	N/A	4/2/17	11,122
13140 Coit Rd	N/A	4/10/17	10,665
13465 Midway Rd	N/A	4/27/17	10,300
3030 Lyndon B Johnson Fwy	Joeris General Contractors	6/3/17	10,217

MARKET HIGHLIGHTS

- Brinker International (NYSE: EAT) has listed the Dallas property that has served as its corporate headquarters since 1983 on the market for sale. The urban infill property at 6820 LBJ Freeway was originally intended to accommodate multiple tenants before Brinker took full occupancy of the building soon after its completion in 1983. The company would later acquire the building outright. A potential redevelopment opportunity, the site consists of a four-story, 110,000-square-foot office building and adjacent three-story covered parking garage, all on 7.5 acres. The property can be expanded by an additional 206,000 square feet or be redeveloped to total 315,000 square feet. Brinker will also negotiate a sale leaseback as part of the deal to bridge its relocation.
- Ansira Partners, a data-driven marketing agency based in St. Louis, MO, signed a lease for 88,084 square feet of office space within Three Galleria Tower in Dallas. The 26-story, 523,039-square-foot high-rise was constructed in 1991 at 13155 Noel Rd. within the 1.3 million-square-foot Galleria Dallas office complex in Dallas' East LBJ Freeway submarket. Ansira Partners will take occupancy of the third through sixth floors of Three Galleria Tower in the fourth quarter of 2017.

Younger Partners research is based on the CoStar office building database. Inventory includes office buildings containing at least 15,000 rentable square feet; single tenant, multi tenant and owner occupied; class A, B and C; existing, under construction or under renovation; excludes medical office buildings.

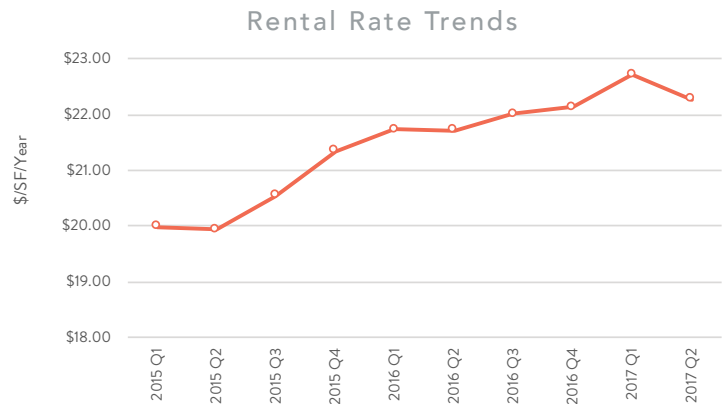
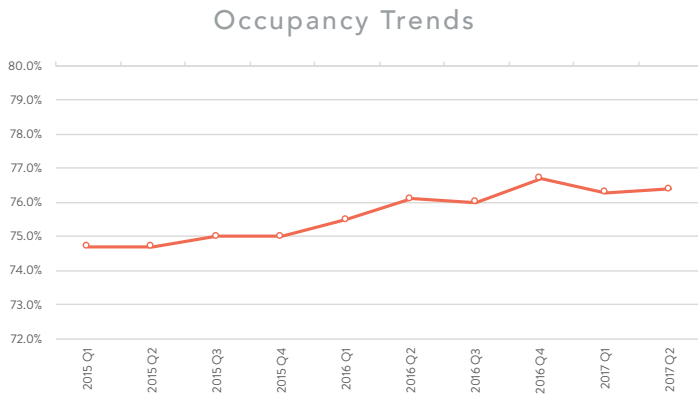
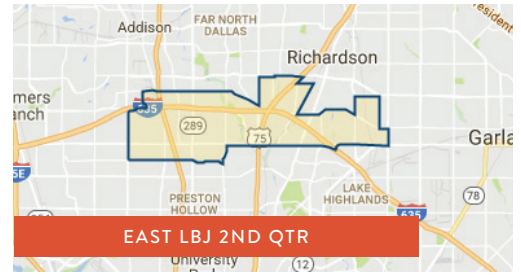
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EAST LBJ 2ND QTR

LBJ

OCCUPANCY AND RENTAL RATES

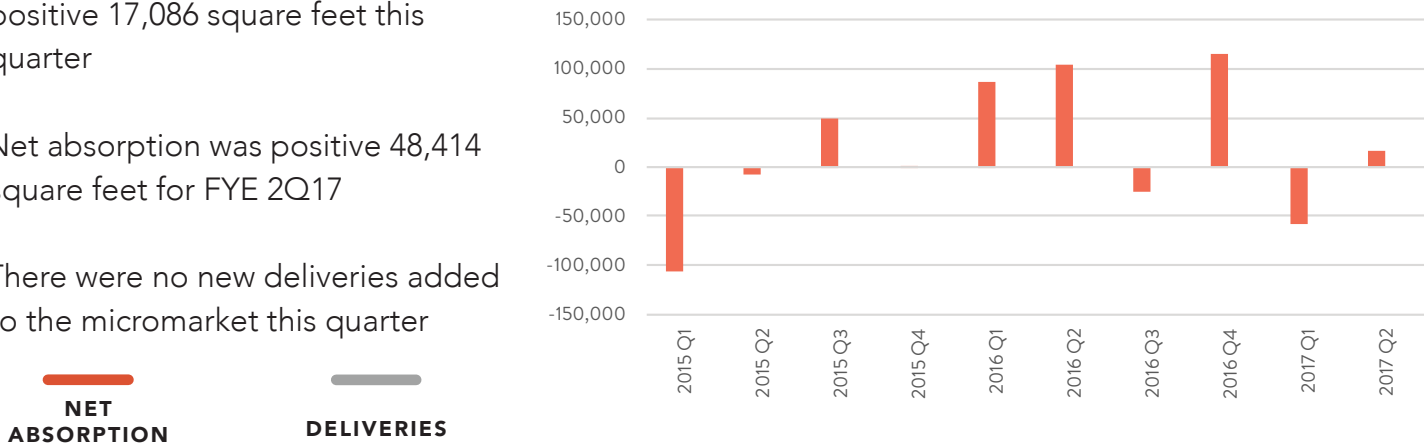
- The East LBJ occupancy rate increased 10 basis points to 76.4% this quarter
- East LBJ rental rates fell \$0.45 to \$22.27 per square foot this quarter



NET ABSORPTION & DELIVERIES

- Net absorption for East LBJ was positive 17,086 square feet this quarter
- Net absorption was positive 48,414 square feet for FYE 2Q17
- There were no new deliveries added to the micromarket this quarter

Net Absorption & Deliveries



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WEST LBJ 2ND QTR

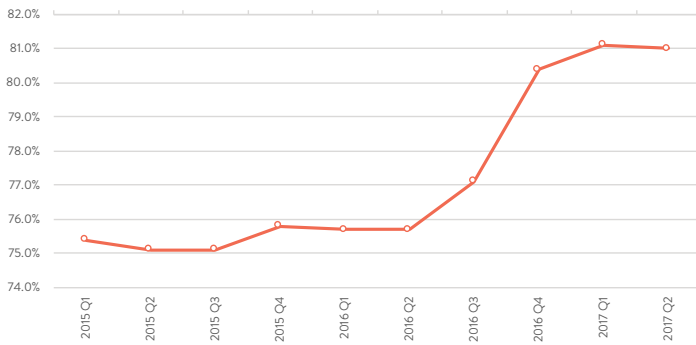
LBJ

OCCUPANCY AND RENTAL RATES

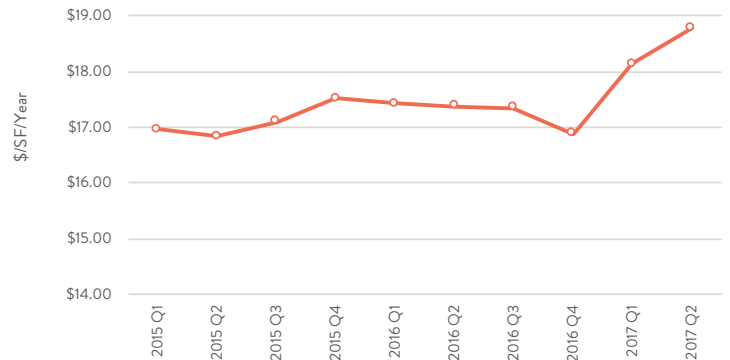
- The occupancy rate for West LBJ decreased 10 basis points to 81.0% this quarter
- West LBJ rental rates rose \$0.64 to \$18.78 per square foot this quarter



Occupancy Trends



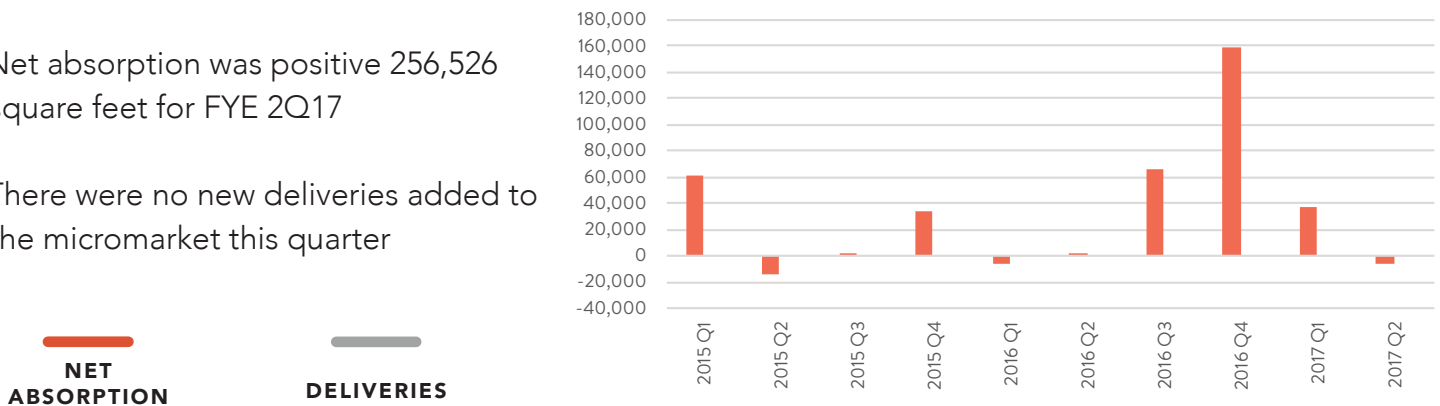
Rental Rate Trends



NET ABSORPTION & DELIVERIES

- Net absorption for West LBJ was negative 6,234 square feet the quarter
- Net absorption was positive 256,526 square feet for FYE 2Q17
- There were no new deliveries added to the micromarket this quarter

Net Absorption & Deliveries



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