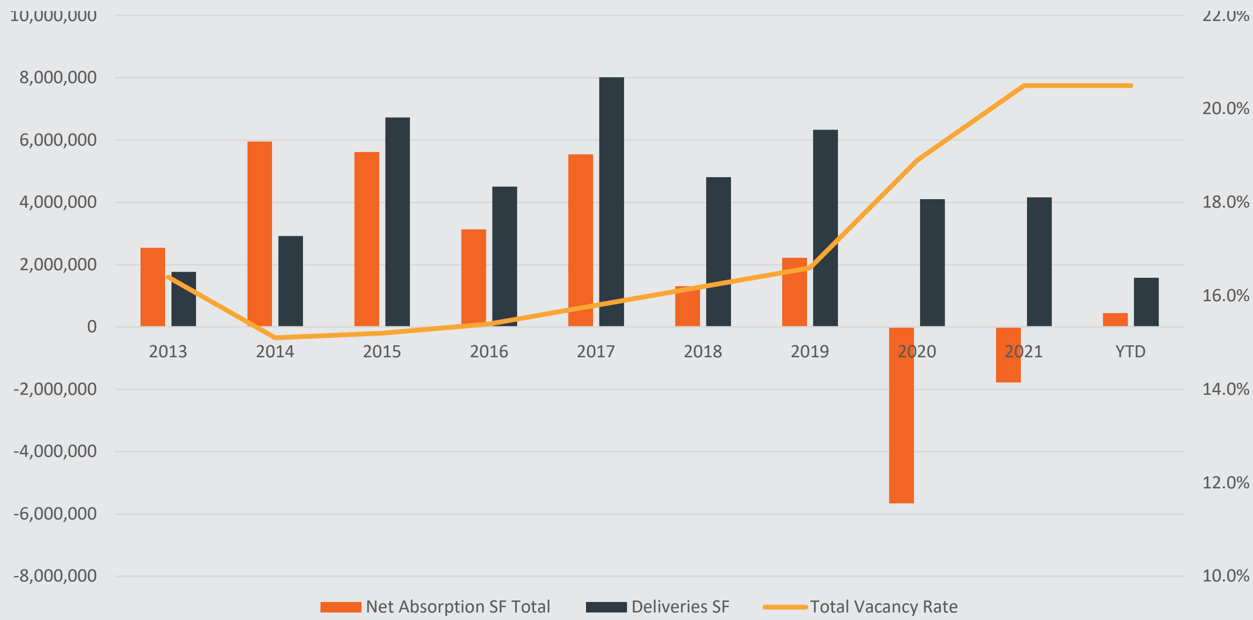
Dallas-Fort Worth Office Market
FUNDAMENTALS 2Q 2022



Office Market Conditions

	TOTAL VACANCY	SUBLEASE SPACE	NET ABSORPTION	COMPLETIONS	UNDER CONSTRUCTION	AVERAGE ASKING RATES
2Q21	20.0%	9,068,631	-282,281	1,110,441	6,368,686	$27.53
3Q21	20.0%	8,999,921	15,139	1,270,977	5,780,900	$26.90
4Q21	20.5%	9,538,105	237,479	1,424,155	5,479,397	$26.88
2021 TOTAL	**20.5%**	**9,538,105**	**-1,776,643**	**4,164,868**	**5,479,397**	**$26.88**
1Q22	20.3%	10,228,865	1,146,315	906,418	6,386,881	$27.22
2Q22	20.5%	10,068,437	-698,042	674,641	6,087,867	$28.33

Dallas-Fort Worth experienced negative net office absorption of -698,042 square feet in the second quarter, bringing the year-to-date total to 448,273 square feet. The decline can be attributed to muted overall leasing activity, the Bank of America move-out at Galatyn Commons and the downsizing of both Sabre at Solana and Peloton at Legacy Central.

The total vacancy rate, which returned to the 2021 year-end level of 20.5%, is anticipated to rise again in the latter half of 2022. Factors include negative absorption, construction pipeline and deliveries, and pending move-outs.

Even with the challenging market fundamentals, asking rates have held steady for most older properties with new construction quoting record highs.

SUBMARKET	INVENTORY		VACANCY		NET ABSORPTION SF		COMPLETIONS		UNDER CONSTRUCTION	ASKING RENT
	# OF BLDGS	TOTAL SF	TOTAL SF	RATE	CURRENT QTR	YTD	CURRENT QTR	YTD	AT END OF CURRENT QTR	WTD. AVG. (FS/G)
CENTRAL EXPRESSWAY	99	11,732,329	2,283,838	19.5%	27,067	-55,475	30,000	30,000	0	$34.57
DALLAS CBD	94	33,794,160	9,093,749	26.9%	-130,079	-339,895	0	0	0	$27.91
EAST DALLAS	141	6,249,888	1,126,137	18.0%	173,931	176,670	482,416	482,416	51,950	$36.83
FAR NORTH DALLAS	439	61,073,840	14,686,200	24.0%	141,526	-77,233	0	344,990	1,629,505	$33.08
FORT WORTH CBD	70	10,184,222	1,561,434	15.3%	6,552	-32,189	0	0	0	$27.65
LAS COLINAS	300	41,503,218	8,308,529	20.0%	-227,775	185,135	96,592	96,592	1,671,146	$26.37
LBJ FREEWAY	149	19,540,686	4,826,588	24.7%	-346,223	-32,812	0	0	0	$24.71
LEWISVILLE/ DENTON	129	6,430,978	987,682	15.4%	75,340	125,013	0	0	200,573	$25.55
MID-CITIES	373	27,767,199	4,519,363	16.3%	-262,400	-31,313	20,269	284,697	232,142	$24.41
NORTH FORT WORTH	51	3,838,819	395,590	10.3%	-29,142	-31,599	0	0	189,000	$24.31
NORTHEAST FORT WORTH	52	3,778,861	291,441	7.7%	1,632	24,223	0	0	0	$21.36
PRESTON CENTER	52	6,384,953	664,114	10.4%	125,231	379,348	0	297,000	318,632	$40.31
RICHARDSON/ PLANO	325	32,322,553	6,131,544	19.0%	-203,817	-220,409	0	0	863,843	$24.09
SOUTH FORT WORTH	178	9,909,605	1,553,192	15.7%	-67,077	-89,918	0	0	82,000	$25.45
SOUTHWEST DALLAS	75	3,528,769	555,024	15.7%	40,133	38,855	45,364	45,364	15,000	$23.77
STEMMONS FREEWAY	117	9,797,413	2,548,501	26.0%	-84,187	121,899	0	0	0	$19.26
UPTOWN /TURTLE CREEK	103	16,548,086	2,877,958	17.4%	61,246	307,973	0	0	834,076	$42.03
TOTAL	**2,747**	**304,385,579**	**2,410,884**	**20.5%**	**-698,042**	**448,273**	**674,641**	**1,581,059**	**6,087,867**	**$28.33**
CLASS A	575	170,891,023	40,019,624	23.4%	-693,451	167,582	579,008	1,467,436	5,266,371	$32.25
CLASS B	1,684	118,834,571	21,064,500	17.7%	36,137	348,979	95,633	113,623	821,496	$22.88
CLASS C	488	14,659,985	1,326,760	9.1%	-40,728	-68,288	0	0	0	$20.46
TOTAL DFW	**2,747**	**304,385,579**	**62,410,884**	**20.5%**	**(698,042)**	**448,273**	**674,641**	**1,581,059**	**6,087,867**	**$28.33**