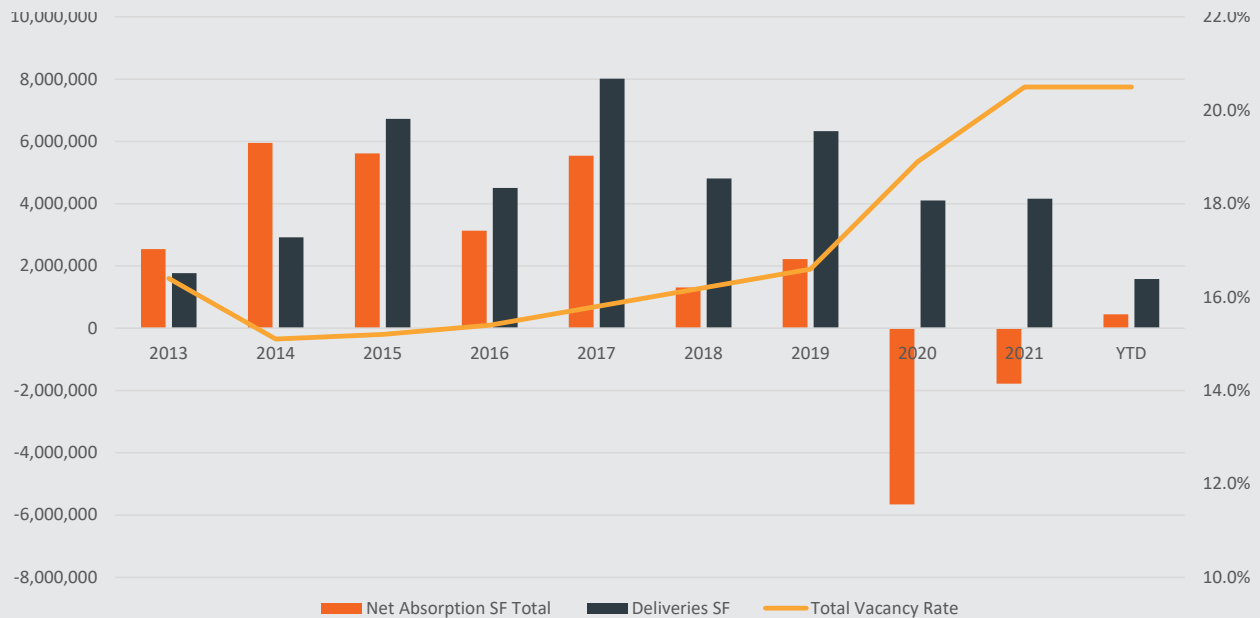


Dallas-Fort Worth Office Market

FUNDAMENTALS 3Q 2022



Office Market Conditions

	TOTAL VACANCY	SUBLEASE SPACE	NET ABSORPTION	COMPLETIONS	UNDER CONSTRUCTION	AVERAGE ASKING RATES
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%	10,560,439	-698,042	674,641	6,087,867	\$28.33
3Q22	20.5%	10,295,451	761,769	1,349,634	6,468,996	\$28.77

Demand for office space rebounded in the third quarter with 761,769 square feet of total net absorption in a large concentration of newly constructed buildings, including move-ins to the PGA headquarters and the Paycom and Independent Bank build-to-suits. Year-to-date, 1,210,042 square feet have been recorded.

Outside of new construction, absorption was largely flat with a total vacancy rate of 20.5%.

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	11,698,686	2,491,208	21.3%	-33,845	-89,320	0	30,000	0	\$34.15
DALLAS CBD	94	32,065,666	8,478,373	26.4%	-50,428	-390,323	0	0	0	\$27.82
EAST DALLAS	141	6,309,707	880,917	14.0%	206,802	383,472	76,856	559,272	66,950	\$35.95
FAR NORTH DALLAS	439	61,244,608	14,516,515	23.7%	232,930	155,697	106,622	451,612	1,879,415	\$32.95
FORT WORTH CBD	70	10,342,474	1,617,615	15.6%	-56,181	-88,370	0	0	0	\$27.20
LAS COLINAS	300	42,167,157	8,861,382	21.0%	190,024	375,159	652,877	749,469	1,018,269	\$27.68
LBJ FREEWAY	149	19,417,804	4,853,420	25.0%	-172,613	-205,425	0	0	0	\$24.74
LEWISVILLE/DENTON	129	6,420,020	1,067,044	16.6%	-79,362	45,651	0	0	200,573	\$25.48
MID-CITIES	373	26,969,328	4,690,747	17.4%	-104,746	-136,059	138,810	423,507	243,250	\$25.17
NORTH FORT WORTH	51	3,893,028	428,537	11.0%	75,053	43,454	54,000	54,000	135,000	\$25.30
NORTHEAST FORT WORTH	52	3,724,967	289,162	7.8%	2,279	26,502	0	0	0	\$20.48
PRESTON CENTER	52	6,384,953	610,217	9.6%	53,897	433,245	0	297,000	318,632	\$40.81
RICHARDSON/PLANO	325	32,544,299	5,976,163	18.4%	272,133	51,724	235,718	235,718	652,685	\$24.23
SOUTH FORT WORTH	178	9,991,401	1,580,472	15.8%	42,471	-47,447	69,751	69,751	45,000	\$25.64
SOUTHWEST DALLAS	75	3,477,958	518,755	14.9%	51,269	90,124	15,000	60,364	0	\$23.89
STEMMONS FREEWAY	117	9,801,032	2,499,856	25.5%	48,645	170,544	0	0	447,048	\$19.62
UPTOWN /TURTLE CREEK	103	16,448,836	2,794,517	17.0%	83,441	391,414	0	0	1,462,174	\$43.28
TOTAL	2,747	302,901,924	62,154,900	20.5%	761,769	1,210,042	1,349,634	2,930,693	6,468,996	\$28.77
CLASS A	575	170,256,646	39,540,803	23.2%	829,997	997,579	983,250	2,450,686	6,151,518	\$32.19
CLASS B	1,684	118,075,480	21,235,276	18.0%	-77,974	271,005	366,384	480,007	317,478	\$23.52
CLASS C	488	14,569,798	1,378,821	9.5%	9,746	-58,542	0	0	0	\$20.32
TOTAL DFW	2,747	302,901,924	62,154,900	20.5%	761,769	1,210,042	1,349,634	,930,693	6,468,996	\$28.77