

## OFFICE MARKET



## Dallas+Fort Worth Is Pivoting To Recovery

Market Indicators Continue Strengthening Despite Increased Vacancy

### EXECUTIVE SUMMARY

#### Major Market Highlights:

- Dallas continues to lead the nation in returning to the office at 50.1% occupancy, up from 39.7% at the end of Q1 (Kastle Systems)
- Vacancy rates are rising, but at a *decreasing* rate as absorption dynamics continue to improve
- Leasing velocity is accelerating as tenants of all sizes re-enter the market
- The amount of sublease space remains stable for the third consecutive quarter, although discounts are getting deeper
- Direct rent growth remains solid in both Class A and Class B stock

### OUTLOOK

#### Market On Track for Recovery

The Dallas office market is following developments in the business cycle and has begun transitioning from the Recession phase to Recovery phase of the real estate cycle.

- Latest forecasts from the Dallas Fed estimate Texas employment could recover to pre-pandemic levels in 2022. While this represents a delay from earlier forecasts, this incorporates seasonal realities of leisure and hospitality
- Three months later, plans to increase headcounts (43%) and capital expenditures (34%) remain steady, providing positive leading indicators for office demand
- The Fed's business cycle indicator for Dallas is just five points below pre-pandemic levels. In the past two recoveries, net absorption turned positive immediately after the business cycle indicator recovered to pre-recession levels

Transwestern Research expects vacancy to peak in the second half of 2021, followed by a faster recovery driven by pent-up demand and relocating companies. A full forecast available in our [recent whitepaper](#).

### TRENDLINES

#### 5-YEAR TREND

#### CURRENT QUARTER

#### DIRECT VACANT AVAILABLE



**17.7%**

Up 50 bps in Class A, no change in Class B

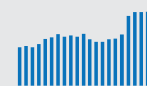
#### NET ABSORPTION



**(733 KSF)**

12-month absorption is negative 6.6 MSF

#### SUBLEASE SPACE AVAILABLE



**9.3 MSF**

Stable for the third consecutive quarter

#### CLASS A RENTS



**\$33.79 PSF**

Up 3.1% from last year across the market

#### CLASS B RENTS



**\$21.11 PSF**

Up 2.3% from last year across the market

#### UNDER CONSTRUCTION



**5.8 MSF**

Spec projects facing headwinds

## RENTAL RATES & AVAILABILITY

### Direct Rents Solid, Sublease Being Discounted

Direct asking rents are up +3.6% in Class A properties and +2.8% in Class B properties. Landlords continue to hold firm on direct asking rates, with a select number reducing rates in high vacancy properties to compete with other large blocks of space. On the other hand, some properties are positioned well enough to implement increases for 2021.

Sublease availability rose slightly but has remained stable for **three consecutive quarters** at just over 9 million SF. Asking rents for sublease space are receiving greater discounts below direct space. With leasing activity picking up, these lower rates may succeed in inducing commitments and bring sublease availability down from its historic highs relatively quickly compared to past recoveries.

## LEASING, VACANCY & ABSORPTION

### Leasing Velocity Begins to Recover

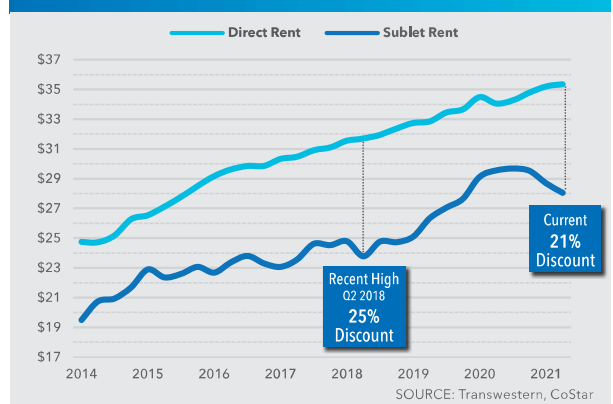
Leasing activity increased by approximately 50% from the previous quarter to reach 3.1 MSF as tenants of all sizes are re-entering the market and making decisions.

Class A net absorption improved to negative 468 KSF, leading 12 month absorption to reach negative 2.7 MSF. However, if JCPenney's bankruptcy from last quarter is excluded, 12 month net absorption is more modest at negative 1.34 MSF. More Class A properties are beginning to recover with 28% posting positive direct absorption so far this year, up from 21% tracked last quarter.

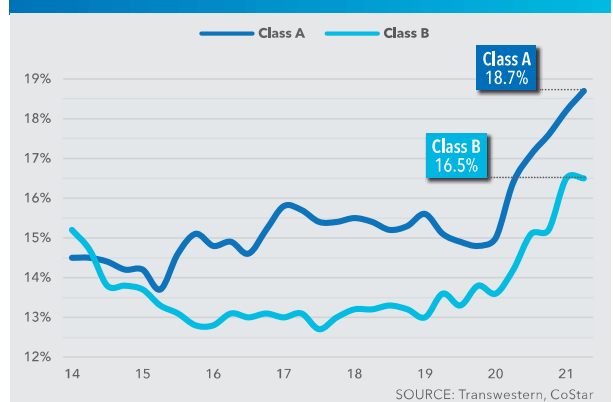
Net absorption in Class B properties improved more dramatically to negative 257 KSF from negative 1.5 MSF last quarter. Nevertheless, this asset class has seen vacant space increase by 3.3 MSF over the last 12 months, which will take longer for the market to absorb.

Direct vacancy inched slightly above 19.2%, 48 bps below the 19.7% high experienced after the 2001 recession. Another 1.4 MSF of negative absorption is needed to reach that critical point, which may happen later this year. The deciding factors will be how quickly increased leasing velocity can translate to positive net absorption and whether a few large users—such as Uber in Deep Ellum—bring vacant space to market before absorption is strong enough to offset impacts to vacancy.

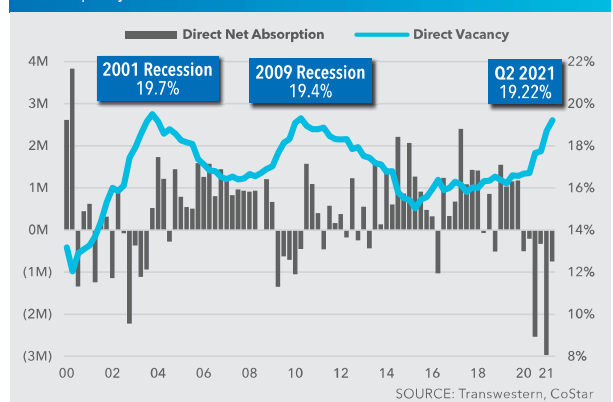
### DISCOUNT BETWEEN DIRECT & SUBLET RENTS



### VACANCY COMPARISON - CLASS A & B



### DIRECT NET ABSORPTION AND VACANCY



## CONSTRUCTION

## Construction Challenged by Costs

Construction levels decreased to 5.8 million SF this quarter as several build-to-suit projects delivered.

Rising development costs continue to make underwriting difficult for new spec construction without significant leasing. Nevertheless, a few new projects have broken ground in suburbs that are subsidizing projects with economic development incentives.

## INVESTMENT SALES

## Volume Beginning to Recover

Investment appetite for office properties is beginning to return now that expectations about market recovery can be incorporated into underwriting and valuations.

Notable trades this quarter include:

- Burnett Plaza, a 1.0 MSF tower in downtown Fort Worth, to Opal Holdings
- Campbell Centre, an 873 KSF four-building complex on Central Expressway, to Fenway Capital Advisors and Waterfall Asset Management
- Galatyn Commons, a four-building, 800 KSF Class A park in Richardson, to Singapore-based Mapletree
- Heritage One & Two, two Class A buildings totaling 370 KSF in Lower Tollway, to Menashe Properties
- Granite Tower, a 240 KSF building on LBJ Freeway, to Larson Capital Management
- Park Ventura, a two-building, 194 KSF business park in Plano, to ESJ Capital Partners

Top Submarkets for Class A New Construction<sup>1</sup>

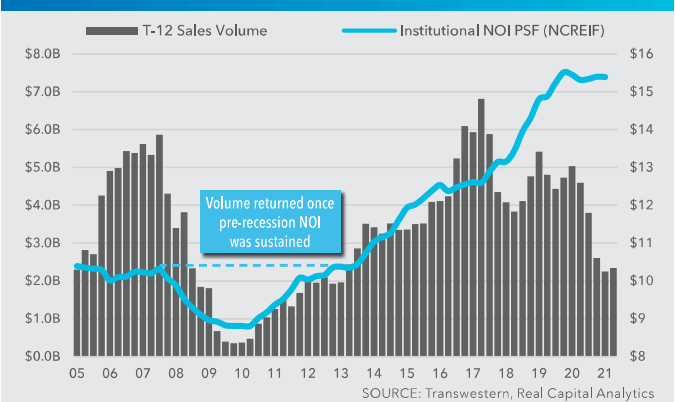
SUBMARKET	TOTAL RSF	LEASED
Uptown/Turtle Creek	2,276,993	58%
Upper Tollway/West Plano	1,556,730	58%
DFW Freeport/Coppell	1,400,275	57%
Upper Tollway/Frisco	851,494	69%
Preston Center	733,632	52%
Dallas CBD	650,256	52%
Allen / McKinney	636,138	39%
Deep Ellum / East Dallas	578,550	22%
<b>MARKET TOTAL</b>	<b>9,925,663</b>	<b>56%</b>

<sup>1</sup> Under construction or delivered since 2018

SOURCE: Transwestern, CoStar


## INVESTMENT SALES VOLUMES &amp; NOI

Dallas+Fort Worth Market



## Notable Lease Transactions

TENANT	SF	LEASE TYPE	BUILDING	SUBMARKET
FDIC	162,000	New	Plaza of the Americas 	Dallas CBD
Hilton Worldwide	150,350	Renewal	The Colonnade	Lower Tollway
[To Be Announced]	120,000	New	[To Be Announced]	Dallas CBD
Integrity Marketing Group	100,000	New	Fountain Place	Dallas CBD
Caterpillar	90,000	New	Williams Square	Las Colinas Urban Center
DeGolyer & MacNaughton	65,543	Renewal	Providence Towers 	Lower Tollway

 = Property and/or tenant represented by Transwestern

SOURCE: Transwestern, CoStar

## Dallas Submarkets - All Space

Submarket	Inventory	Direct Vacant Available SF	%	Sublet Available	Vacancy w/ Sublet	Under Construction	Quarterly Leasing Activity	Quarterly Net Absorption	12 Month Net Absorption	Average Gross Rent
Uptown/Turtle Creek <sup>1</sup>	14,881,014	2,236,427	15.0%	337,566	17.3%	1,016,688	223,490	(130,338)	(520,652)	\$52.94
Dallas CBD <sup>1</sup>	31,347,803	7,318,751	23.3%	1,356,085	27.7%	284,600	730,977	16,083	(663,679)	\$28.32
Stemmons Freeway	12,055,628	2,246,509	18.6%	45,868	19.0%	65,000	24,663	41,227	(159,547)	\$20.92
Preston Center <sup>1</sup>	5,696,516	599,905	10.5%	79,653	11.9%	615,632	151,686	(35,516)	(83,900)	\$46.56
Central Expressway	15,904,889	3,039,481	19.1%	556,029	22.6%	0	178,558	(256,198)	(565,295)	\$28.50
Deep Ellum/East Dallas <sup>1</sup>	2,022,770	497,959	24.6%	115,955	30.4%	469,000	23,354	(13,193)	(44,650)	\$45.83
West LBJ Freeway	4,293,547	922,903	21.5%	237,376	27.0%	0	30,677	(35,329)	(271,417)	\$18.64
East LBJ Freeway	6,172,653	1,330,352	21.6%	27,862	22.0%	0	99,437	48,345	(20,476)	\$18.82
Lower Tollway <sup>1</sup>	27,458,793	5,176,358	18.9%	1,090,193	22.8%	0	305,202	(55,828)	(750,860)	\$28.76
Upper Tollway/West Plano <sup>1</sup>	31,017,156	5,847,296	18.9%	1,649,886	24.2%	1,067,400	239,997	(405,661)	(1,491,124)	\$37.42
Upper Tollway/Frisco <sup>1</sup>	5,719,320	680,343	11.9%	326,016	17.6%	140,622	47,641	354,784	87,118	\$37.48
Richardson	20,522,546	3,523,709	17.2%	911,920	21.6%	0	77,562	25,550	(606,149)	\$22.70
Plano	6,736,276	1,418,741	21.1%	132,636	23.0%	0	39,858	133,018	205,111	\$23.35
Allen/McKinney	5,916,245	641,902	10.8%	49,821	11.7%	339,131	60,321	84,747	105,588	\$27.49
Las Colinas Urban Center <sup>1</sup>	9,552,246	1,945,128	20.4%	344,340	24.0%	456,000	207,310	(87,144)	(202,963)	\$30.68
Las Colinas Office Center	16,709,488	2,582,632	15.5%	220,119	16.8%	0	69,671	(74,030)	(136,154)	\$24.79
DFW Freeport <sup>1</sup>	15,410,974	2,943,721	19.1%	779,212	24.2%	450,000	206,347	(282,607)	(668,852)	\$25.33
South Irving	1,253,038	206,635	16.5%	0	16.5%	117,133	7,815	(14,340)	(8,806)	\$17.30
Lewisville	4,443,494	607,456	13.7%	154,171	17.1%	0	30,373	(12,937)	9,674	\$24.52
Denton	1,789,727	96,792	5.4%	0	5.4%	53,835	19,568	(21,390)	(40,949)	\$23.58
Garland	900,813	143,043	15.9%	0	15.9%	0	15,799	(5,669)	(2,512)	\$14.26
Rockwall	600,932	14,704	2.4%	9,745	4.1%	0	1,569	236	83,083	\$25.74
Mesquite/Terrell/Forney	507,455	54,199	10.7%	0	10.7%	0	5,003	7,396	11,227	\$17.79
Southeast Dallas	546,545	114,777	21.0%	0	21.0%	0	0	0	(4,179)	\$19.65
Oak Cliff	2,569,095	509,483	19.8%	2,616	19.9%	0	28,383	(16,391)	(13,808)	\$23.14
Grand Prairie	3,765,484	1,508,570	40.1%	66,145	41.8%	0	23,847	10,853	24,171	\$27.07
<b>DALLAS - ALL SPACE</b>	<b>247,797,447</b>	<b>46,207,776</b>	<b>18.6%</b>	<b>8,493,214</b>	<b>22.1%</b>	<b>5,075,041</b>	<b>2,849,108</b>	<b>(724,332)</b>	<b>(5,730,000)</b>	<b>\$29.91</b>

SOURCE: Transwestern, CoStar

## NOTES

<sup>1</sup> Rents in these submarkets are calculated for each building using Transwestern's research on expenses, new development, and sublease availabilities

## Q2 2021 | DALLAS+FORT WORTH | OFFICE MARKET

### Dallas Submarkets - Class A

Submarket	Inventory	Direct Vacant Available SF	%	Sublet Available	Vacancy w/ Sublet	Under Construction	Quarterly Leasing Activity	Quarterly Net Absorption	12 Month Net Absorption	Average Gross Rent
Uptown/Turtle Creek <sup>1</sup>	12,606,633	1,711,417	13.6%	306,541	16.0%	1,016,688	201,992	(113,677)	(357,719)	\$55.12
Dallas CBD <sup>1</sup>	23,721,621	6,090,830	25.7%	1,319,906	31.2%	284,600	652,441	54,332	(819,422)	\$29.33
Stemmons Freeway	5,512,127	748,809	13.6%	32,842	14.2%	0	8,070	31,307	(29,616)	\$22.94
Preston Center <sup>1</sup>	4,492,569	434,496	9.7%	79,653	11.4%	615,632	131,366	1,304	(83,338)	\$49.20
Central Expressway	11,066,597	2,244,915	20.3%	478,437	24.6%	0	132,078	(232,449)	(463,347)	\$29.13
Deep Ellum/East Dallas <sup>1</sup>	600,603	320,422	53.4%	115,274	72.5%	469,000	0	(277)	(32,992)	\$55.10
West LBJ Freeway	1,665,546	401,354	24.1%	156,565	33.5%	0	7,588	(44,578)	(40,581)	\$19.32
East LBJ Freeway	1,048,511	252,700	24.1%	23,463	26.3%	0	32,357	27,313	6,453	\$18.12
Lower Tollway <sup>1</sup>	16,569,089	2,906,757	17.5%	762,112	22.1%	0	151,439	(154,852)	(517,117)	\$33.01
Upper Tollway/West Plano <sup>1</sup>	24,364,376	4,819,526	19.8%	1,147,170	24.5%	1,067,400	193,545	(330,978)	(1,217,004)	\$39.71
Upper Tollway/Frisco <sup>1</sup>	4,633,403	561,029	12.1%	326,016	19.1%	106,622	32,883	341,513	168,575	\$38.40
Richardson	10,872,106	1,833,115	16.9%	352,066	20.1%	0	16,377	(32,854)	(225,114)	\$25.99
Plano	2,127,555	553,278	26.0%	58,578	28.8%	0	10,737	126,597	236,706	\$27.57
Allen/McKinney	1,918,562	290,310	15.1%	11,043	15.7%	203,413	29,492	1,202	90,759	\$32.05
Las Colinas Urban Center <sup>1</sup>	7,644,279	1,605,225	21.0%	300,779	24.9%	456,000	186,055	(112,692)	(123,479)	\$33.07
Las Colinas Office Center	9,362,722	1,279,981	13.7%	139,364	15.2%	0	41,397	(103,971)	153,453	\$28.50
DFW Freeport <sup>1</sup>	6,718,385	1,032,183	15.4%	186,447	18.1%	450,000	43,933	103,870	171,358	\$30.45
South Irving	0	0	-	0	-	0	0	0	0	-
Lewisville	434,072	178,408	41.1%	0	41.1%	0	3,862	2,608	44,411	\$30.91
Denton	0	0	-	0	-	0	0	0	0	-
Garland	0	0	-	0	-	0	0	0	0	-
Rockwall	190,000	3,938	2.1%	0	2.1%	0	0	(3,938)	87,585	-
Mesquite/Terrell/Forney	25,000	1,200	4.8%	0	4.8%	0	800	5,800	5,000	\$36.39
Southeast Dallas	0	0	-	0	-	0	0	0	0	-
Oak Cliff	280,592	19,271	6.9%	0	6.9%	0	0	0	0	\$20.00
Grand Prairie	1,530,905	1,305,190	85.3%	0	85.3%	0	0	0	83,539	\$27.59
<b>DALLAS - CLASS A</b>	<b>147,385,253</b>	<b>28,594,354</b>	<b>19.4%</b>	<b>5,796,256</b>	<b>23.3%</b>	<b>4,669,355</b>	<b>1,876,412</b>	<b>(434,420)</b>	<b>(2,861,890)</b>	<b>\$34.13</b>

SOURCE: Transwestern, CoStar

### NOTES

<sup>1</sup> Rents in these submarkets are calculated for each building using Transwestern's research on expenses, new development, and sublease availabilities

## Q2 2021 | DALLAS+FORT WORTH | OFFICE MARKET

### Dallas Submarkets - Class B

Submarket	Inventory	Direct Vacant Available SF	%	Sublet Available	Vacancy w/ Sublet	Under Construction	Quarterly Leasing Activity	Quarterly Net Absorption	12 Month Net Absorption	Average Gross Rent
Uptown/Turtle Creek <sup>1</sup>	2,135,609	495,954	23.2%	31,025	24.7%	0	21,498	(14,673)	(159,936)	\$37.33
Dallas CBD <sup>1</sup>	6,843,920	1,203,656	17.6%	36,179	18.1%	0	78,536	(14,984)	147,167	\$21.87
Stemmons Freeway	5,761,473	1,405,991	24.4%	13,026	24.6%	65,000	12,007	(2,265)	(86,196)	\$19.74
Preston Center <sup>1</sup>	1,002,126	158,095	15.8%	0	15.8%	0	20,320	(36,820)	(562)	\$31.67
Central Expressway	4,705,766	794,566	16.9%	77,592	18.5%	0	46,480	(23,749)	(101,948)	\$26.34
Deep Ellum/East Dallas <sup>1</sup>	882,586	130,583	14.8%	681	14.9%	0	8,802	(18,232)	(5,077)	\$24.34
West LBJ Freeway	2,250,399	491,860	21.9%	80,811	25.4%	0	23,089	9,249	(236,608)	\$18.26
East LBJ Freeway	4,977,968	1,077,652	21.6%	4,399	21.7%	0	67,080	21,032	(26,929)	\$19.02
Lower Tollway <sup>1</sup>	10,612,638	2,260,133	21.3%	328,081	24.4%	0	149,234	96,146	(225,201)	\$21.85
Upper Tollway/West Plano <sup>1</sup>	6,547,905	1,027,770	15.7%	502,716	23.4%	0	46,452	(74,683)	(274,120)	\$27.65
Upper Tollway/Frisco <sup>1</sup>	1,016,777	106,036	10.4%	0	10.4%	34,000	14,758	19,921	(78,820)	\$30.66
Richardson	9,258,383	1,639,994	17.7%	559,854	23.8%	0	59,160	55,294	(364,567)	\$19.30
Plano	3,806,503	378,361	9.9%	2,974	10.0%	0	27,562	4,328	(25,764)	\$21.74
Allen/McKinney	3,901,258	351,592	9.0%	38,778	10.0%	135,718	30,829	83,545	12,929	\$25.01
Las Colinas Urban Center <sup>1</sup>	1,718,191	339,903	19.8%	43,561	22.3%	0	21,255	25,548	(79,484)	\$20.98
Las Colinas Office Center	6,831,573	1,253,342	18.3%	80,755	19.5%	0	27,904	29,941	(284,170)	\$21.40
DFW Freeport <sup>1</sup>	8,318,842	1,896,966	22.8%	592,765	29.9%	0	62,626	(395,047)	(856,146)	\$22.85
South Irving	1,016,045	143,128	14.1%	0	14.1%	117,133	7,815	(16,043)	(1,668)	\$18.03
Lewisville	3,791,172	402,438	10.6%	154,171	14.7%	0	26,511	(15,545)	(19,887)	\$22.91
Denton	1,513,338	84,825	5.6%	0	5.6%	53,835	6,594	(10,390)	(41,720)	\$24.84
Garland	594,127	143,043	24.1%	0	24.1%	0	15,799	(5,669)	(14,512)	\$14.75
Rockwall	172,314	3,604	2.1%	9,745	7.7%	0	1,569	4,174	(4,502)	\$23.89
Mesquite/Terrell/Forney	333,734	19,897	6.0%	0	6.0%	0	0	0	3,175	\$15.87
Southeast Dallas	433,934	105,477	24.3%	0	24.3%	0	0	0	621	\$19.62
Oak Cliff	1,774,654	441,842	24.9%	2,616	25.0%	0	27,167	(15,045)	(27,258)	\$24.40
Grand Prairie	2,162,250	175,064	8.1%	66,145	11.2%	0	23,847	10,853	(59,368)	\$20.36
<b>DALLAS - CLASS B</b>	<b>92,363,485</b>	<b>16,531,772</b>	<b>17.9%</b>	<b>2,625,874</b>	<b>20.7%</b>	<b>405,686</b>	<b>826,894</b>	<b>(283,114)</b>	<b>(2,810,551)</b>	<b>\$22.44</b>

SOURCE: Transwestern, CoStar

### NOTES

<sup>1</sup> Rents in these submarkets are calculated for each building using Transwestern's research on expenses, new development, and sublease availabilities

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### Fort Worth Submarkets - All Space<sup>1</sup>

Submarket	Inventory	Direct Vacant Available SF	%	Sublet Available	Vacancy w/ Sublet	Under Construction	Quarterly Leasing Activity	Quarterly Net Absorption	12 Month Net Absorption	Average Gross Rent
Fort Worth CBD	8,980,810	1,712,200	19.1%	160,582	20.9%	0	22,888	(63,441)	(346,393)	\$27.69
Southwest Fort Worth	4,766,677	608,249	12.8%	122,543	15.3%	0	34,695	(109,030)	(66,508)	\$23.26
West Fort Worth <sup>1</sup>	2,076,665	243,774	11.7%	23,966	12.9%	0	18,293	4,346	35,638	\$27.66
Northwest Fort Worth	484,003	90,574	18.7%	0	18.7%	0	26,811	(4,197)	(41,409)	\$23.04
Alliance	2,917,276	78,719	2.7%	1,900	2.8%	54,000	0	0	22,388	\$28.32
Westlake/Grapevine	7,525,524	976,978	13.0%	458,308	19.1%	720,085	41,015	134,760	(12,680)	\$27.91
Mid-Cities	5,823,703	423,637	7.3%	53,617	8.2%	0	23,309	57,921	32,864	\$18.60
Northeast Fort Worth	3,627,397	437,319	12.1%	4,857	12.2%	0	17,720	4,714	39,842	\$20.92
Arlington	6,836,563	725,814	10.6%	7,509	10.7%	0	74,570	(38,543)	78	\$20.65
Southeast Fort Worth	1,114,302	114,110	10.2%	0	10.2%	0	16,899	4,562	(22,811)	\$16.97
<b>FORT WORTH - TOTAL</b>	<b>44,152,920</b>	<b>5,411,374</b>	<b>12.3%</b>	<b>833,282</b>	<b>14.1%</b>	<b>774,085</b>	<b>276,200</b>	<b>(724,332)</b>	<b>(358,991)</b>	<b>\$24.89</b>

### Fort Worth Submarkets - Class A<sup>1</sup>

Submarket	Inventory	Direct Vacant Available SF	%	Sublet Available	Vacancy w/ Sublet	Under Construction	Quarterly Leasing Activity	Quarterly Net Absorption	12 Month Net Absorption	Average Gross Rent
Fort Worth CBD	5,156,888	878,582	17.0%	134,961	19.7%	0	12,826	(65,433)	114,040	\$30.82
Southwest Fort Worth	1,502,653	163,822	10.9%	30,655	12.9%	0	11,409	(91,064)	28,127	\$27.39
West Fort Worth <sup>1</sup>	710,260	88,674	12.5%	4,741	13.2%	0	0	10,180	21,081	\$29.06
Northwest Fort Worth	160,097	49,852	31.1%	0	31.1%	0	479	(11,602)	(38,250)	\$26.25
Alliance	1,064,559	39,435	3.7%	0	3.7%	54,000	0	0	27,497	\$29.85
Westlake/Grapevine	4,923,563	707,718	14.4%	36,153	15.1%	720,085	24,646	123,921	(21,409)	\$32.50
Mid-Cities	2,135,486	77,747	3.6%	5,109	3.9%	0	6,636	11,896	(20,215)	\$18.89
Northeast Fort Worth	437,268	176,745	40.4%	0	40.4%	0	2,521	2,521	52,791	\$21.42
Arlington	2,412,143	365,895	15.2%	6,389	15.4%	0	42,699	(14,924)	(4,252)	\$22.33
Southeast Fort Worth	541,630	0	0.0%	0	0.0%	0	0	0	0	-
<b>FORT WORTH - CLASS A</b>	<b>19,044,547</b>	<b>2,548,470</b>	<b>13.4%</b>	<b>218,008</b>	<b>14.5%</b>	<b>774,085</b>	<b>101,216</b>	<b>(34,505)</b>	<b>159,410</b>	<b>\$28.67</b>

### Fort Worth Submarkets - Class B

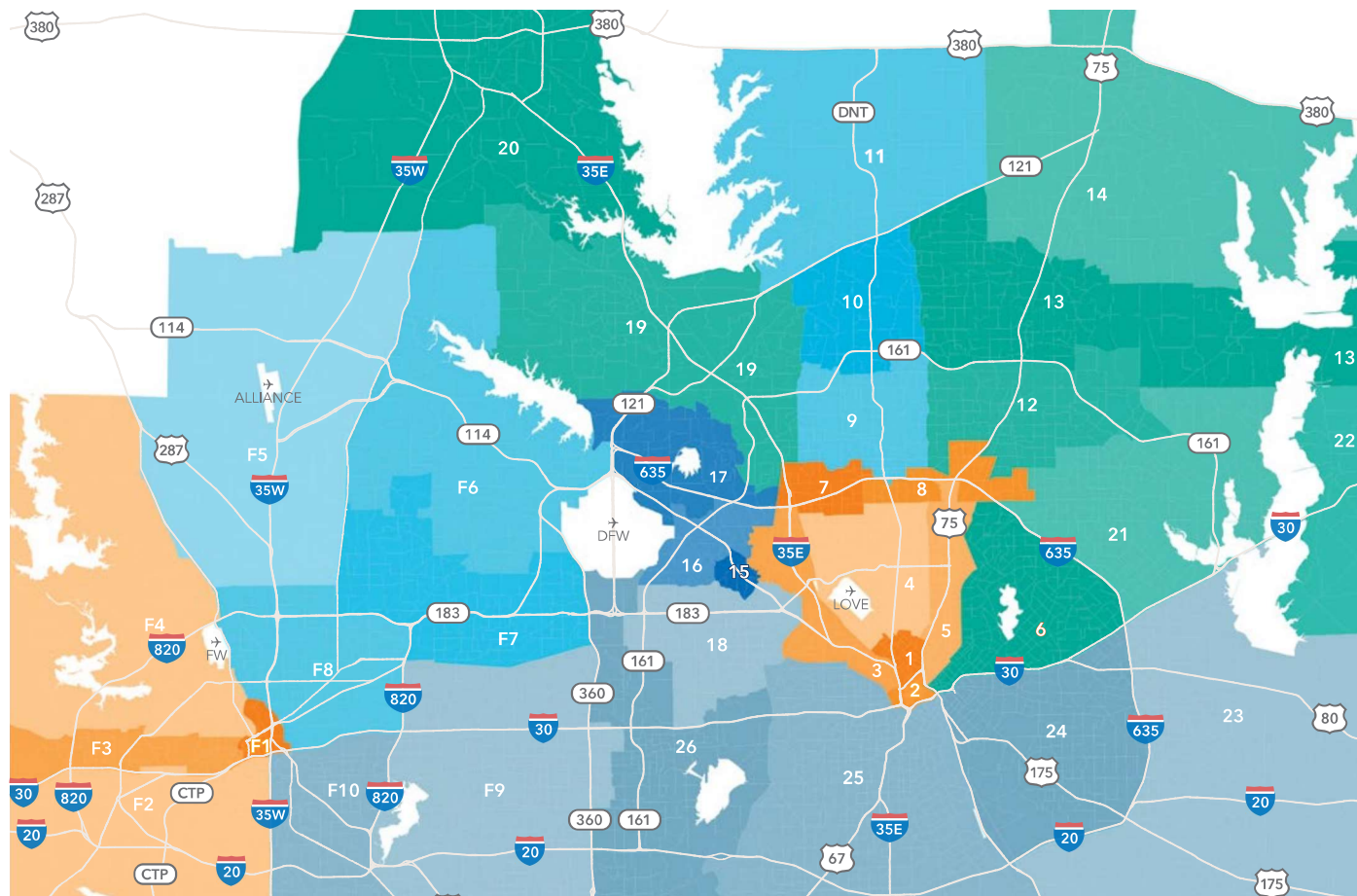
Submarket	Inventory	Direct Vacant Available SF	%	Sublet Available	Vacancy w/ Sublet	Under Construction	Quarterly Leasing Activity	Quarterly Net Absorption	12 Month Net Absorption	Average Gross Rent
Fort Worth CBD	3,603,708	833,618	23.1%	25,621	23.8%	0	10,062	1,992	(460,433)	\$22.57
Southwest Fort Worth	2,873,643	384,073	13.4%	91,888	16.6%	0	23,286	(13,872)	(92,737)	\$22.10
West Fort Worth	1,227,267	155,100	12.6%	19,225	14.2%	0	18,293	(5,834)	14,557	\$26.97
Northwest Fort Worth	122,524	26,231	21.4%	0	21.4%	0	26,332	5,745	2,157	\$19.49
Alliance	1,828,117	39,284	2.1%	1,900	2.3%	0	0	0	(5,109)	\$26.03
Westlake/Grapevine	2,549,767	237,530	9.3%	422,155	25.9%	0	16,369	10,839	8,729	\$22.52
Mid-Cities	3,317,663	337,920	10.2%	48,508	11.6%	0	12,115	45,687	40,300	\$18.66
Northeast Fort Worth	2,892,982	240,960	8.3%	4,857	8.5%	0	15,199	2,226	(5,655)	\$21.72
Arlington	3,656,356	337,147	9.2%	1,120	9.3%	0	21,334	(25,647)	6,052	\$19.56
Southeast Fort Worth	432,858	97,459	22.5%	0	22.5%	0	16,899	4,562	(6,960)	\$16.84
<b>FORT WORTH - CLASS B</b>	<b>22,504,885</b>	<b>2,689,322</b>	<b>11.9%</b>	<b>651,274</b>	<b>14.7%</b>	<b>0</b>	<b>159,889</b>	<b>(25,698)</b>	<b>(499,099)</b>	<b>\$21.74</b>

<sup>1</sup> NOTE: Pier One Plaza has been excluded after its purchase by the City of Fort Worth. Historical absorption, vacancy, and rental rates have been updated accordingly.

SOURCE: Transwestern, CoStar



# Q2 2021 | DALLAS+FORT WORTH | OFFICE MARKET



## FORT WORTH SUBMARKETS

- F1** Fort Worth CBD
- F2** Southwest Fort Worth
- F3** West Fort Worth
- F4** Northwest Fort Worth
- F5** Alliance
- F6** Westlake/Grapevine
- F7** HEB/Mid-Cities
- F8** Northeast Fort Worth
- F9** Arlington/Mansfield
- F10** Southeast Fort Worth

## DALLAS SUBMARKETS

- 1** Uptown/Turtle Creek
- 2** Dallas CBD
- 3** Stemmons Corridor
- 4** Preston Center
- 5** Central Expressway
- 6** Deep Ellum/East Dallas
- 7** West LBJ Freeway
- 8** East LBJ Freeway
- 9** Lower Tollway
- 10** Upper Tollway/West Plano
- 11** Upper Tollway/Frisco
- 12** Richardson
- 13** Plano
- 14** Allen/McKinney
- 15** Las Colinas Urban Center
- 16** Las Colinas Office Center
- 17** DFW Freeport
- 18** South Irving
- 19** Lewisville
- 20** Denton
- 21** Garland
- 22** Rockwall
- 23** Mesquite/Terrell/Forney
- 24** Southeast Dallas
- 25** Oak Cliff/Southwest Dallas
- 26** Grand Prairie

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## METHODOLOGY

The information in this report is the result of a compilation of information on office properties located in the Dallas-Fort Worth metropolitan area. This report includes single-tenant, multi-tenant and owner-user office properties 20,000 SF and larger, excluding government and medical office facilities.



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