

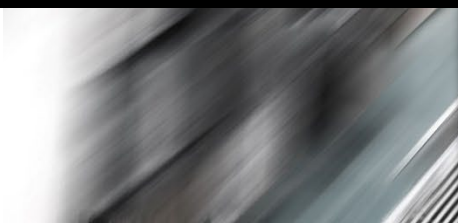


W H I T E B  X

REAL ESTATE

**Q4 2020**

INDUSTRIAL  
MARKET BEAT

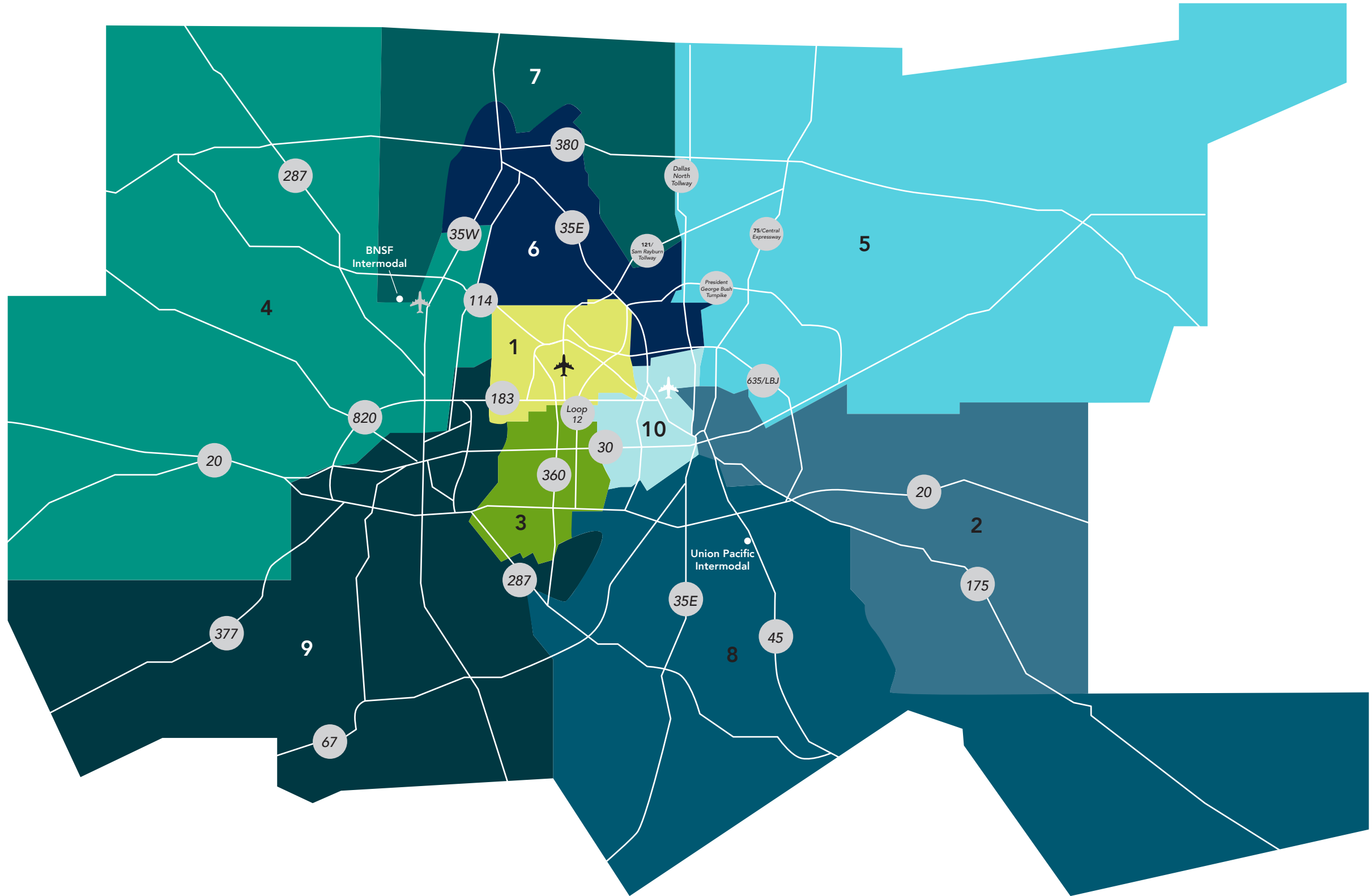


# MARKET BEAT

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# DFW Industrial Market Overview



## Legend

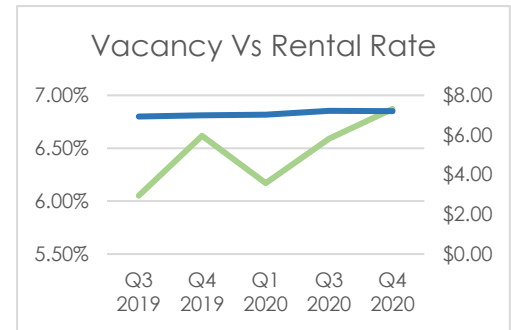
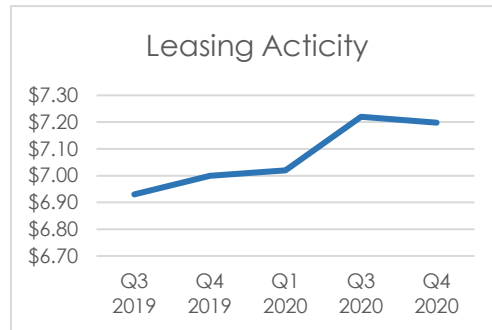
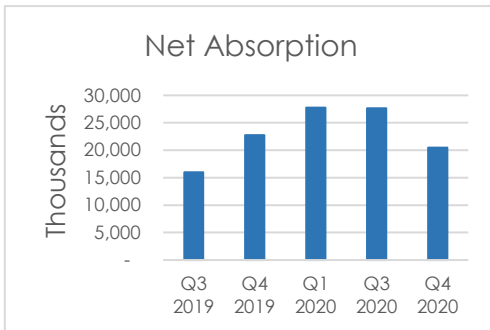
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# INDUSTRIAL OVERVIEW | Q4 2020

## Economic Overview

2020 was a year for the ages. Election years are always uncertain, but this was the most contentious in recent history. Add to this a once in a century style global pandemic, a stock market crash, a recession, record job losses, civil unrest, and negative oil prices. It was a year that will be recalled for many decades to come. 2021 is welcomed with renewed optimism, some sense of clarity and stability, as well a light at the end of the Covid-19 pandemic in the form of a vaccine. Despite all of the distractions, Texas continued to plod along, albeit at a slower pace than the previous year. According to the Texas Workforce Commission, December marked eight months of consecutive job growth in the state (adding 64,200 jobs in December), and the unemployment rate continued to fall to 7.2% (slightly higher than the 6.7% nationally). Professional & Business Services; Trade, Transportation, & Utilities; and Education & Health Services have lead the job growth in the state. Private sector jobs increased for the fifth consecutive month. The Dallas-Fort Worth (DFW) labor market declined by 2.1% by losing 81,800 jobs over the last 12 months. The unemployment rate for DFW declined to 6.3% (from 7.2% the previous month). The Dallas Federal Reserve reported expansion at a "moderate pace." While noting that activity in most industries remained below normal levels, "outlooks [are] generally positive," and "there [is] optimism about the vaccine paving the way to a resumption of more normal activity this year."



## Tenant Outlook

Net absorption for 2020 totaled 20,476,787 square feet (SF) for warehouse and flex product combined with 3,643,179 SF in the fourth quarter.

The average rental rate for Industrial product decreased \$0.02 per square foot from the previous quarter to \$7.20 per square foot per year at the end of the fourth quarter of 2020. Average warehouse rates were \$6.10 per square foot per year.

The vacancy rate in DFW increased 0.3% previous quarter to 6.9% with warehouse vacancy at 7.8%. Total Industrial sublease vacancy totaled 6.2 million SF.

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28,878,794 SF of new industrial space was delivered in 2020 with 6,742,165 SF delivering in the fourth quarter. 27,965,833 SF of new industrial space was under construction at the end of 2021 – 89% of this is new warehouse construction.

DFW leads the United States in construction activity which totals more than Phoenix and Memphis combined. 37% of industrial activity has been near DFW, Alliance, or Meacham Airports. 30.3% of new construction is pre-leased.

There are four buildings under construction over 1 million SF, the largest being Amazon's Facility at 1475 Akron Way in Forney (Forney/Terrell/Kaufman County Industrial Submarket) set to deliver in June 2021.

## Investor Outlook

Industrial building sales activity is what allowed DFW to beat Los Angeles and Manhattan for total investment sales activity in a year that saw -28% volume overall (56% lower than previous years in Manhattan). 2019 was the largest year for volume at \$3.8 billion, but 2020 recorded \$2.2 billion in industrial sales (surpassing 2018 which was the previous high). 1,323 industrial building sales were recorded in 2020 at an average of \$83.00/SF and a 6.8% cap rate (in line with pre-pandemic rates). One of the most notable sales in 2020 was the sale of the 1,128,165 SF cold storage facility at 7550 Oak Grove Road in Fort Worth, TX (South Central Tarrant County Industrial Submarket). The building which was 41.8% leased was sold for \$92,250,000 or \$82/SF (6.7% cap rate).

## Outlook For The Future

The entire globe is looking forward to a better 2021. The Black Swans of 2020 caught everyone off guard. At the beginning of 2020, our outlook stated that year looked better than the previous year and that labor was a huge strain on the local DFW economy (lack of labor that is). We had concerns in Oil & Gas, but the economy was balanced. We also stated that "there continues to be enormous interest from coastal markets on the relocation front and the investment front (New York, Boston, Los Angeles, San Francisco)." We captured some of it, in that Oil & Gas did fall, and we have continued to see copious relocations and investment from the coast (even more than anticipated from the West coast).

Despite the macro troubles, DFW industrial did exceptionally well in 2020. We anticipate the continued waive of investment activity in Industrial assets that pushed DFW to the top spot for CRE Investment (beating out LA and New York). DFW will continue to see robust industrial activity due to the central location, airports, rail & freeway infrastructure, ease of doing business, and business friendly tax policies (just to name a few). The Pandemic has turned DFW into a true port-city of the 21st century. These ports just happen to use airplanes instead of boats. Increased inventory levels (to avoid shortages), onshoring of manufacturing, and, most noticeably, ecommerce and the transition from sticks & bricks retail to e-commerce will only continue to drive industrial demand in DFW. We are expecting solid absorption in the 20 million SF range. The one thing we will continue to watch is how rental rates impact the 31.4 million SF of new product coming online coupled with the 31.2 million SF that delivered in 2020. We anticipate positive rental growth, but this could impede the rapid ascent we have seen since 2013.

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Market	Total Inventory	Vacancy		12 Month Total		Construction	Quoted
		Vacant SF	Vac %	Net Absorption	Net Deliveries	Current SF	Rates
W DFW Airport/Grapevine	21,370,999	692,231	8.12%	257,524	1,110,307	1,057,463	\$ 8.61
E DFW Airport/Las Colinas	66,370,582	3,350,187	9.55%	2,610,874	4,212,448	1,403,343	\$ 6.74
Central East Dallas	19,883,192	369,206	2.01%	172,372	(9,450)	-	\$ 8.09
East Dallas/Mesquite	24,714,267	1,466,704	10.91%	467,305	198,109	918,919	\$ 6.19
Lower Great Southwest	42,532,206	1,199,839	4.39%	1,301,198	1,655,425	179,176	\$ 6.25
Upper Great Southwest	55,947,789	3,352,785	7.41%	128,207	1,398,842	475,180	\$ 6.06
Arlington	25,177,649	1,150,625	5.78%	549,995	(4,428)	381,703	\$ 6.78
NE Tarrant/Alliance	60,622,579	8,075,472	15.54%	3,259,554	8,277,106	6,935,719	\$ 6.62
Meacham Field/Fossil Creek	48,201,197	2,163,772	5.39%	1,996,979	1,547,957	1,533,355	\$ 6.18
Allen/McKinney	14,036,746	759,647	7.47%	(184,858)	76,254	2,750,653	\$ 9.80
Plano	25,208,272	1,345,001	6.49%	1,552,534	1,227,229	34,069	\$ 10.58
Richardson	19,612,747	1,329,460	8.20%	(156,217)	-	183,120	\$ 10.89
NE Dallas/Garland	54,340,395	2,541,815	6.77%	553,762	487,031	996,363	\$ 6.44
Lewisville	31,041,160	1,528,553	6.64%	1,270,986	1,399,796	164,060	\$ 7.40
N Stemmons/Valwood	53,404,838	1,952,978	4.76%	(21,740)	440,600	248,090	\$ 6.59
Metropolitan/Addison	22,137,685	991,144	6.08%	(79,942)	50,800	124,450	\$ 9.34
Redbird Airport	20,512,150	403,567	3.68%	125,114	123,500	444,990	\$ 4.88
SW Dallas/US 67	32,552,169	1,774,684	6.86%	634,313	1,003,709	945,000	\$ 6.36
SE Dallas/I-45	46,739,350	3,208,457	11.93%	3,326,656	1,796,172	4,579,030	\$ 5.00
Outlying Ellis County	12,985,674	264,989	6.59%	(407,005)	6,000	84,000	\$ 5.28
East Fort Worth	26,585,133	1,048,916	4.77%	20,879	133,513	564,008	\$ 6.98
N Central Fort Worth	11,400,820	299,788	2.70%	(30,915)	(31,356)	-	\$ 7.37
S Central Fort Worth	10,781,671	358,999	3.68%	(127,004)	-	-	\$ 6.96
S Central Tarrant County	26,059,322	2,384,085	10.28%	569,718	1,099,089	3,459,672	\$ 5.86
Western Lonestar/PGB Turnpike	9,449,303	392,220	4.15%	312,622	392,220	391,470	\$ 6.17
Eastern Lonestar/PGB Turnpike	30,327,214	1,689,575	6.91%	2,599,388	2,270,400	112,000	\$ 5.38
North Trinity	13,306,572	1,083,905	8.48%	(225,512)	17,521	-	\$ 11.53
<b>Totals</b>	<b>825,301,681</b>	<b>45,178,604</b>	<b>6.87%</b>	<b>20,476,787</b>	<b>28,878,794</b>	<b>27,965,833</b>	<b>\$ 7.20</b>

Source: CoStar Property®

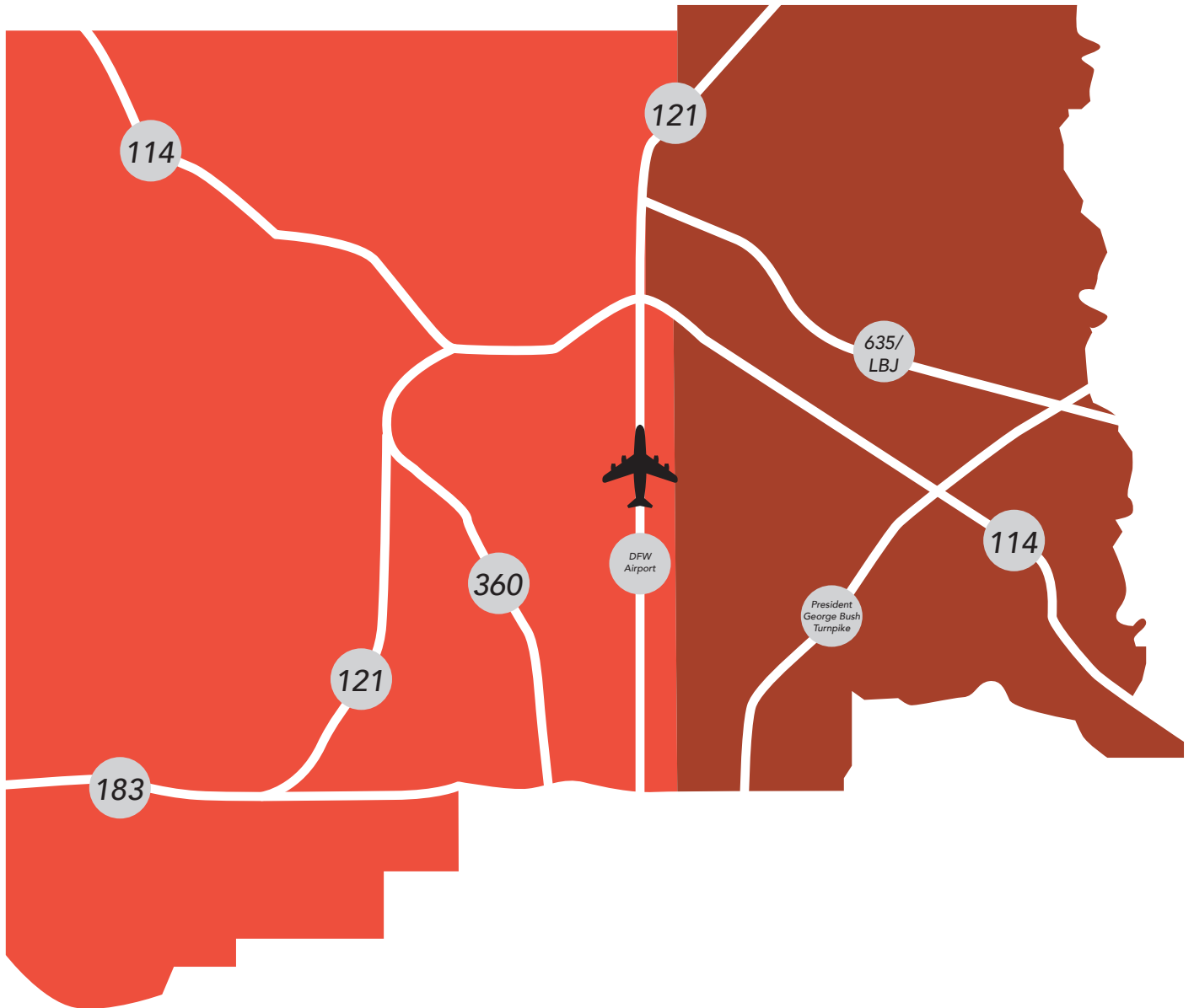
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# DFW Airport Industrial Market



## Legend

- W DFW Airport  
Grapevine Ind
- E DFW Airport  
Las Colinas Ind



# W DFW Airport/Grapevine | Q4 2020

### Market Insights:

The W DFW Airport/Grapevine Submarket ended the fourth quarter of 2020 with a vacancy rate of 8.12%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 257,524 SF at the end of Q4 2020.

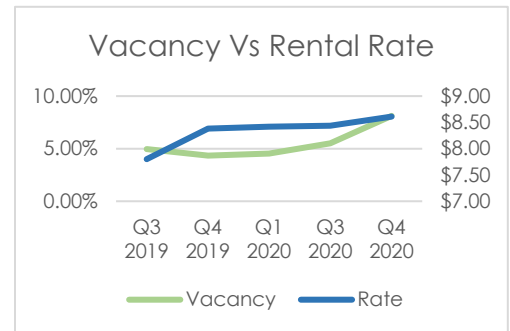
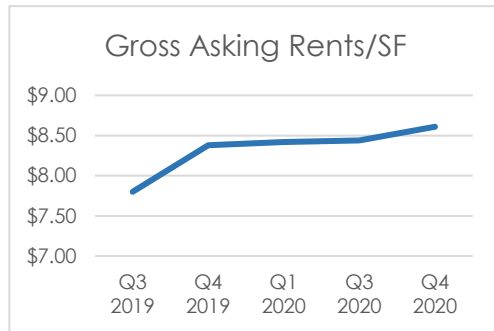
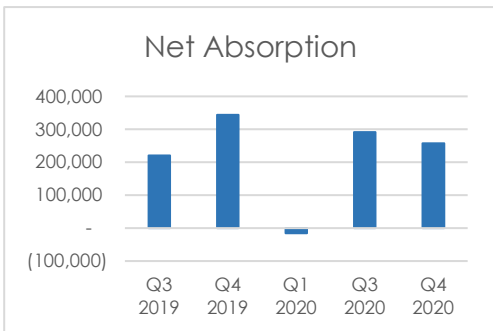
Rental rates ended the fourth quarter at \$8.61/SF across all classes, increasing from \$8.44/SF in the previous quarter. Year-to-date new construction deliveries are at 1,110,307 SF, and there is currently 1,057,463 SF under construction in the submarket.

West DFW Airport/Grapevine has performed well for several quarters. Steady absorption of existing inventory and robust leasing for new speculative projects have enabled vacancies to remain low, for now. Vacancy rates will face more significant pressure as several projects are delivered in 2020. While there is a higher premium on rents compared to nearby submarkets, rent growth remains well above historical norms. DFW International Airport is the primary driver of demand for this submarket. The airport ranks as one of the largest cargo airports in the country, and roughly one-third of the submarket's inventory is within its boundaries.

### Q4 2020 vs Q3 2020

Rental Rates	Vacancy
\$	%
↑	↑
Under Construction	Absorption
🏗️	🏠
↓	↓

	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
W DFW Airport/Grapevine	21,370,999 SF	692,231 SF	8.12%	257,524 SF	1,110,307 SF	1,057,463 SF	\$8.61/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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## E DFW Airport/Las Colinas | Q4 2020

### Market Insights:

The E DFW Airport/Las Colinas Submarket ended the fourth quarter of 2020 with a vacancy rate of 9.55%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 2,610,874 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$6.74/SF across all classes, increasing from \$6.56/SF in the previous quarter. Year-to-date new construction deliveries are at 4,212,448 SF, and there is currently 1,403,343 SF under construction in the submarket.

In addition to its proximity to the airport, the submarket's easy access to 3 major highways makes it a favorite of developers and tenants. Despite ranking among the most supply-heavy submarkets in the metroplex, the submarket has a high concentration of efficient product with modern clear heights and dock configurations. Due to land constraints, virtually all current and future construction will take place on land owned by DFW International Airport. Rent growth continues to trend up, and with vacancies of bulk distribution warehouse product at 6.8%, the area tracks near the metro average. This is also one of the more liquid submarkets in the metro, and national and institutional firms are active here.

### Q4 2020 vs Q3 2020

Rental Rates

Vacancy



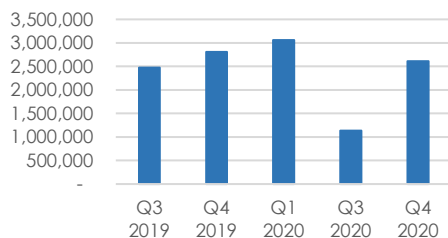
Under Construction

Absorption

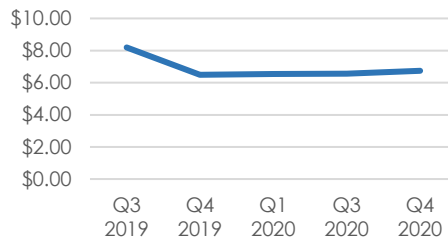


	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
E DFW Airport/Las Colinas	66,370,582 SF	3,350,187 SF	9.55%	2,610,874 SF	4,212,448 SF	1,403,343 SF	\$6.74/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF

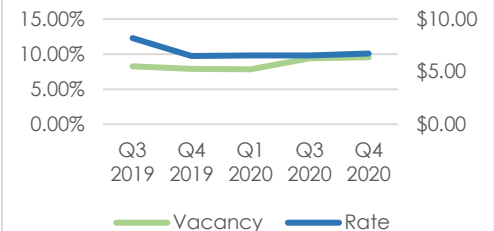
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



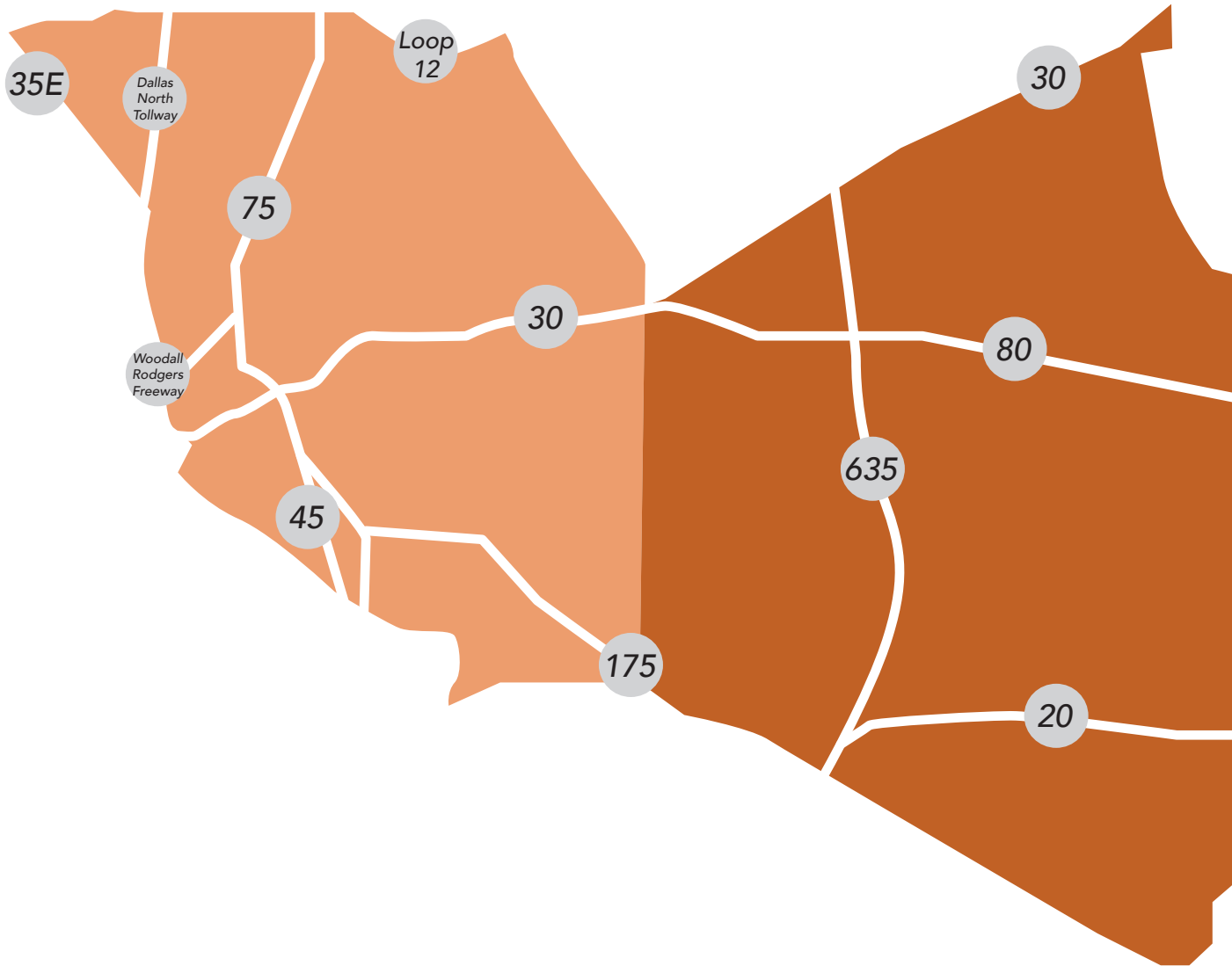
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# East Dallas Industrial Market



## Legend

- Central East Dallas Ind
- East Dallas Mesquite Ind



## Central East Dallas | Q4 2020

### Market Insights:

The Central East Dallas Submarket ended the fourth quarter of 2020 with a vacancy rate of 2.01%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 172,372 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$8.09/SF across all classes, increasing from \$7.88/SF in the previous quarter. Year-to-date new construction deliveries are at -9,450 SF, and there is currently no product under construction in the submarket.

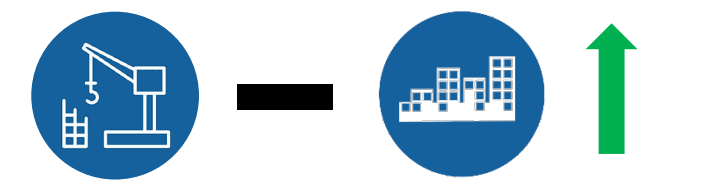
The Central East Dallas submarket encompasses the Dallas CBD, Uptown, Park Cities, and gentrifying neighborhoods in East Dallas, Deep Ellum, and The Cedars. Most of the inventory consists of smaller, single-tenant assets owned and operated by local businesses. Vacancies are tight, and there is little tenant movement in or out of this submarket. Construction is rare. The only large-scale building added over the last decade was a 90,000 SF expansion to the Schepp's Dairy facility. The submarket will likely see a reduction in inventory in the coming years, as developers continue to eye older or obsolete industrial facilities in the urban core for potential office or apartment conversions.

### Q4 2020 vs Q3 2020

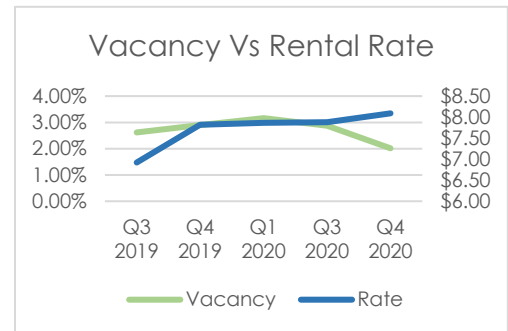
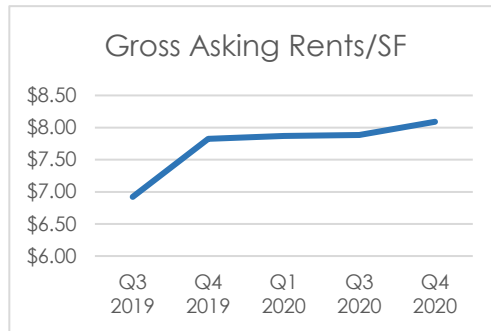
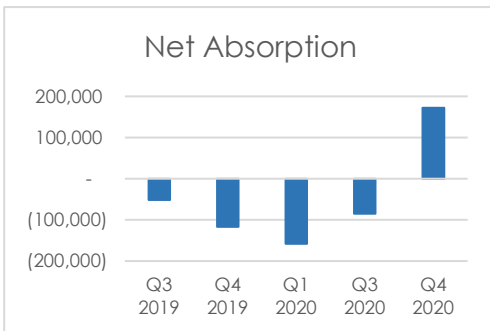
Rental Rates      Vacancy



Under Construction      Absorption



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Central East Dallas	19,883,192 SF	369,206 SF	2.01%	172,372 SF	-9,450 SF	0 SF	\$8.09/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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### East Dallas/Mesquite | Q4 2020

#### Market Insights:

The East Dallas/Mesquite Submarket ended the fourth quarter of 2020 with a vacancy rate of 10.91%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 467,305 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$6.19/SF across all classes, increasing from \$6.04/SF in the previous quarter. Year-to-date new construction deliveries are at 198,109 SF, and there is currently 918,919 SF under construction in the submarket.

The East Dallas/Mesquite submarket is a longstanding transportation center, and home to one of DFW's major intermodal hubs, centering on the Union Pacific Railroad's intermodal hub.

In terms of construction, many recent new builds were build-to-suits, including a 352,000-SF facility for FedEx Ground and an 877,000-SF facility for Ashley Furniture, and Exeter Property Group's 1M SF industrial park. Developers ramped up construction here in the early 2000s, when the intermodal was being constructed. Nearly half of the inventory in the submarket has been delivered since 2000, almost all of it during the last decade.

#### Q4 2020 vs Q3 2020

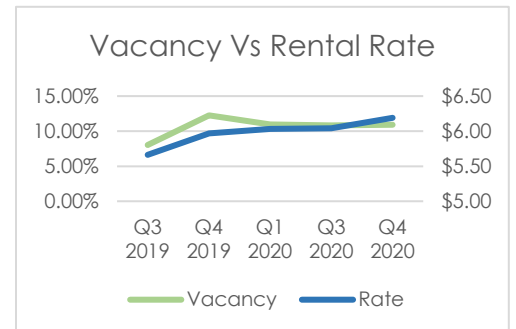
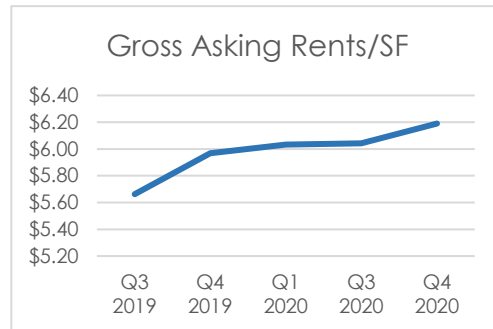
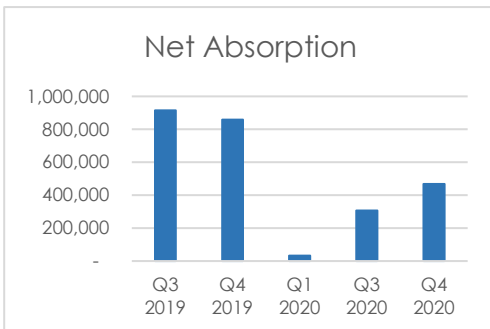
Rental Rates      Vacancy



Under Construction      Absorption



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
East Dallas/Mesquite	24,714,267 SF	1,466,704 SF	10.91%	467,305 SF	198,109 SF	918,919 SF	\$6.19/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



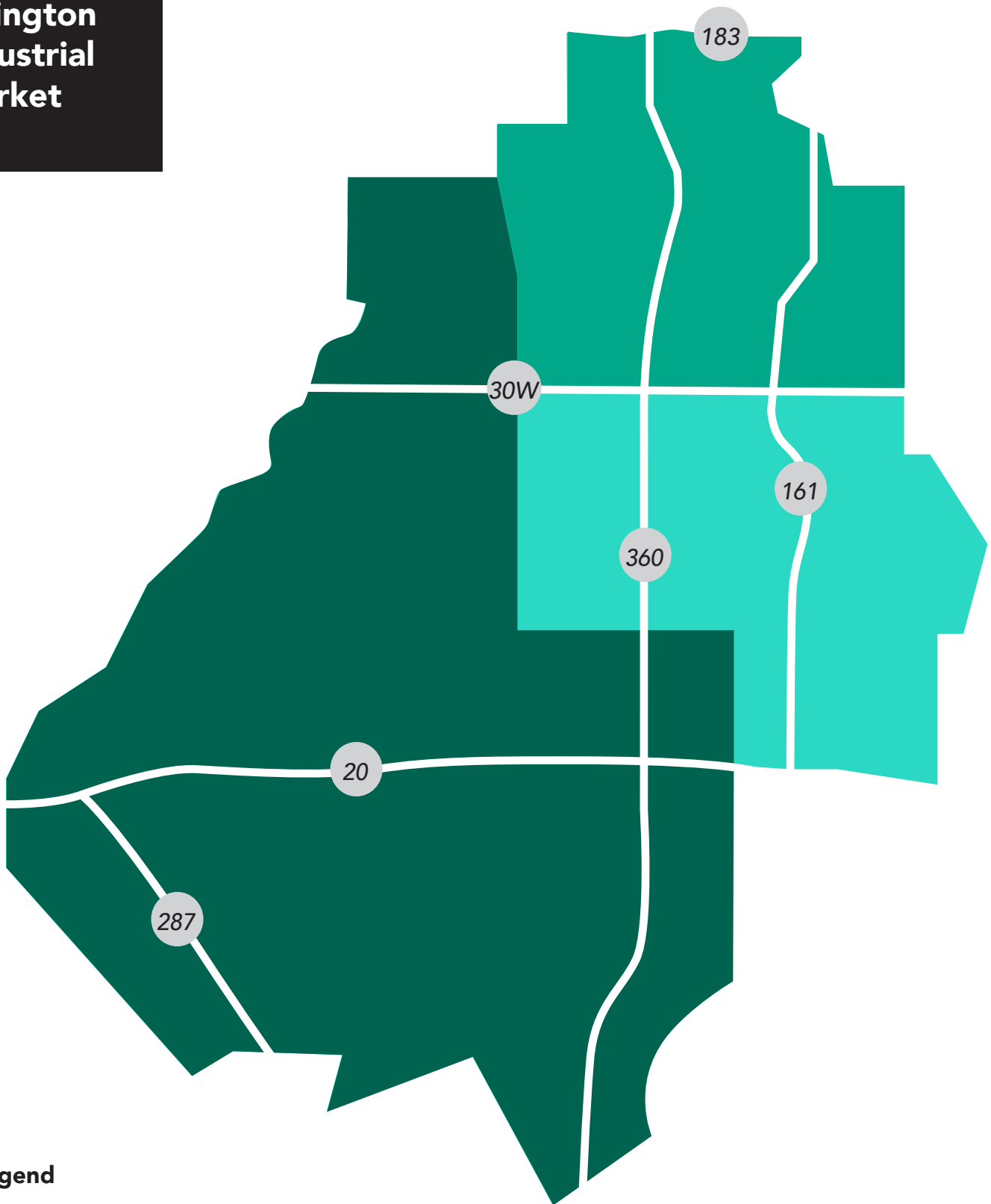
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# Great SW Arlington Industrial Market



## Legend

-  Lower Great Southwest Ind
-  Upper Great Southwest Ind
-  Arlington Ind



## Lower Great Southwest | Q4 2020

### Market Insights:

The Lower Great Southwest Submarket ended the fourth quarter of 2020 with a vacancy rate of 4.39%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 1,301,198 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$6.25/SF across all classes, increasing from \$6.09/SF in the previous quarter. Year-to-date new construction deliveries are at 1,655,425 SF, and there is currently 179,176 SF under construction in the submarket.

Lower Great Southwest was one of the original industrial nodes in North Texas and is home to a high concentration of manufacturing tenants. Over 80% of Lower Great Southwest's total inventory was built before 1990, but what it lacks in modern space, it makes up for with location and proximity to the manufacturing core. In terms of accessibility, the submarket provides passage to significant population centers via four major highways and has direct access to DFW International Airport. General Motors' Arlington assembly plant has recently completed a significant expansion, adding 1 million SF, while boosting demand from suppliers and supplemental-parts manufacturers.

### Q4 2020 vs Q3 2020

Rental Rates

Vacancy



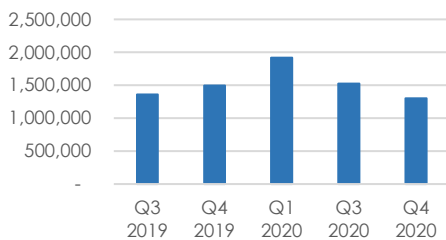
Under Construction

Absorption

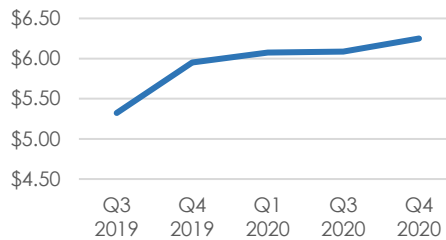


	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Lower Great Southwest	42,532,206 SF	1,199,839 SF	4.39%	1,301,198 SF	1,655,425 SF	179,176 SF	\$6.25/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF

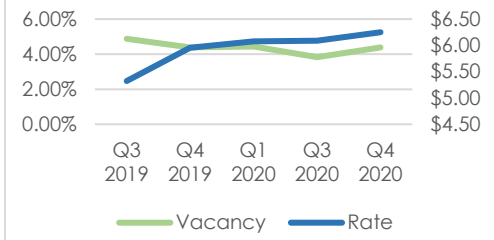
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## Upper Great Southwest | Q4 2020

### Market Insights:

The Upper Great Southwest Submarket ended the fourth quarter of 2020 with a vacancy rate of 7.41%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 128,207 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$6.06/SF across all classes, increasing from \$5.89/SF in the previous quarter. Year-to-date new construction deliveries are at 1,398,842 SF, and there is currently 475,180 SF under construction in the submarket.

Upper Great Southwest is one of the largest industrial submarkets in the metroplex and is a common hot spot for speculative projects. Occupancy is trending below the metro average after the most recent supply wave, and with more than 475,000 SF under construction, leasing activity is expected to take another hit in the near term.

The submarket is equidistant from both Dallas and Fort Worth and contains a mix of industrial product ranging from older, smaller, multi-tenant buildings to more modern, efficient, large-bay, single-tenant space built since the '90s to today.

### Q4 2020 vs Q3 2020

Rental Rates

Vacancy



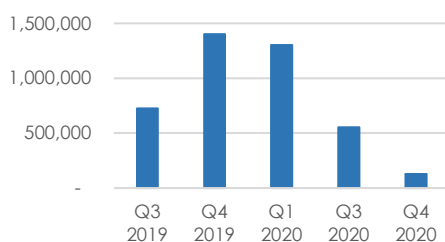
Under Construction

Absorption

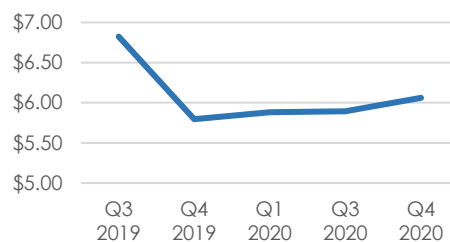


	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Upper Great Southwest	55,947,789 SF	3,352,785 SF	7.41%	128,207 SF	1,398,842 SF	475,180 SF	\$6.06/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF

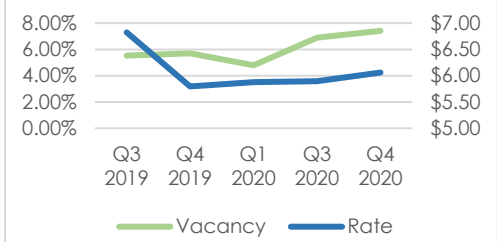
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## Arlington | Q4 2020

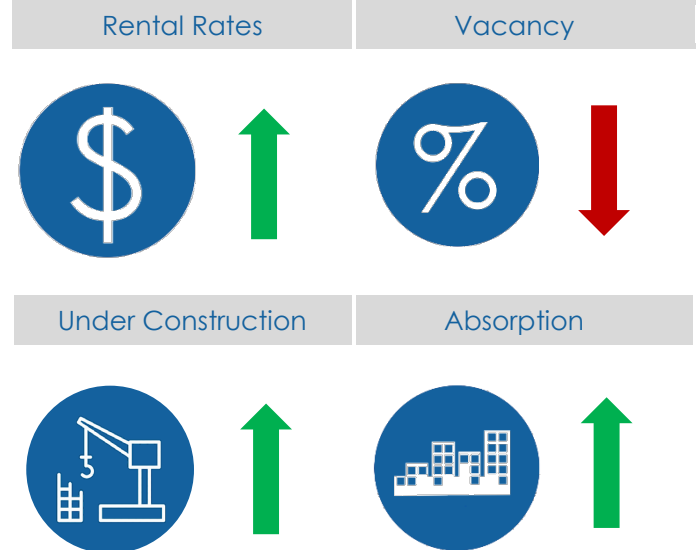
### Market Insights:

The Arlington Submarket ended the fourth quarter of 2020 with a vacancy rate of 5.78%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 549,995 SF at the end of Q4 2020.

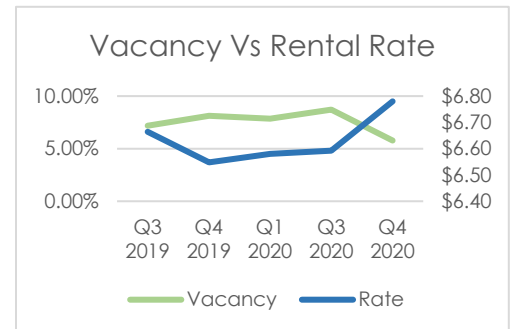
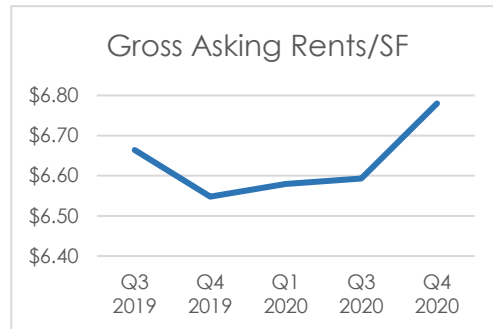
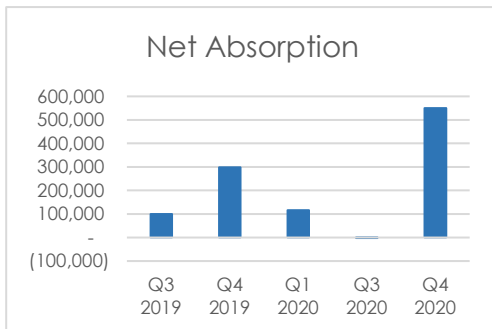
Rental rates ended the fourth quarter at \$6.78/SF across all classes, increasing from \$6.59/SF in the previous quarter. Year-to-date new construction deliveries are at -4,428 SF, and there is currently 381,703 SF under construction in the submarket.

The Arlington submarket is a secondary distribution node between Fort Worth and Dallas. While industrial inventory is scattered throughout the submarket, there is a concentration of higher-quality stock built at the intersection of I-20 and State Highway 360. About 11.6 million SF, or 45%, of the submarket's 25-million-SF inventory, has been delivered since 2000. Vacancy levels spiked due to a series of large deliveries in late 2019. Vacancies are expected to normalize in the near term, with the pipeline for new buildings virtually dry. Supply has slowed dramatically in recent years. About one million SF was delivered in 2019 and no significant deliveries in 2020.

### Q4 2020 vs Q3 2020



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Arlington	25,177,649 SF	1,150,625 SF	5.78%	549,995 SF	-4,428 SF	381,703 SF	\$6.78/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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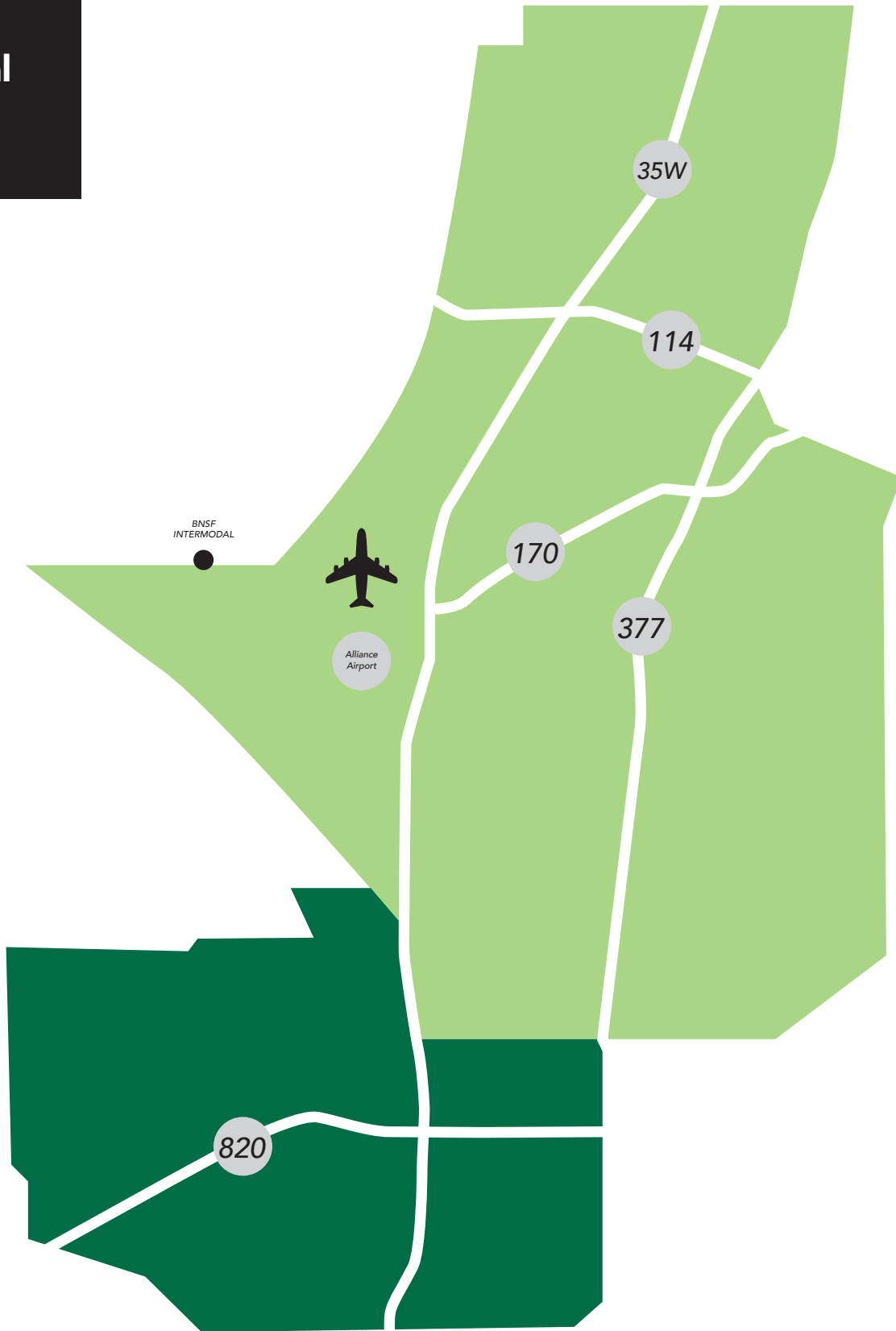
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# N FTW & Alliance Industrial Market



## Legend

- NE Tarrant/Alliance Ind
- Meacham Fld/Fossil Cr Ind



### NE Tarrant/Alliance | Q4 2020

#### Market Insights:

The NE Tarrant/Alliance Submarket ended the fourth quarter of 2020 with a vacancy rate of 15.54%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 3,259,554 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$6.62/SF across all classes, increasing from \$6.40/SF in the previous quarter. Year-to-date new construction deliveries are at 8,277,106 SF, and there is currently 6,935,719 SF under construction in the submarket.

The NE Tarrant/Alliance Submarket has emerged as one of Dallas-Fort Worth's primary industrial nodes, featuring some of North Texas's newest, most efficient warehouse product. The submarket is also home to Fort Worth Alliance Airport, which is dedicated exclusively to air cargo. The submarket has been one of the most active in the metroplex in terms of new supply. Since 2010, the area has added over 25.7 million SF of new space, and in the past 12 months, the submarket has experienced 2.6 million SF of net positive absorption. Year-over-year rent growth averages 3.8%. The high proportion of big-box inventory makes the submarket attractive to institutional investors trading national or multi-market portfolio sales.

#### Q4 2020 vs Q3 2020

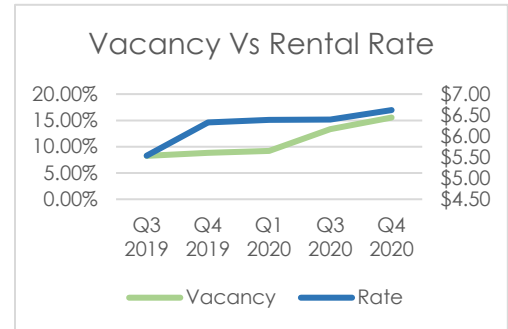
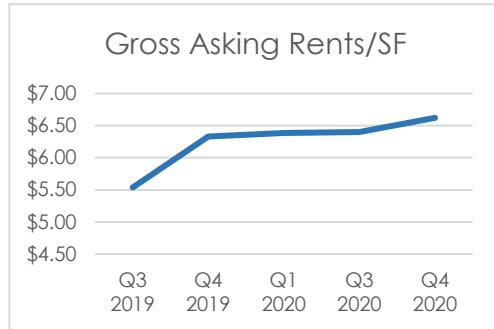
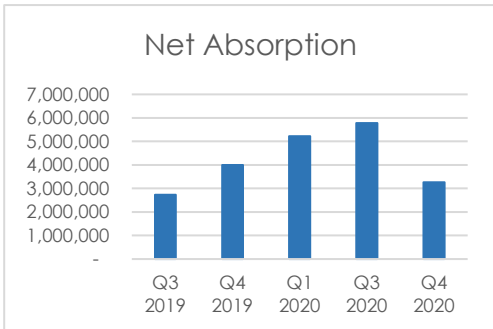
Rental Rates      Vacancy



Under Construction      Absorption



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
NE Tarrant/Alliance	60,622,579 SF	8,075,472 SF	15.54%	3,259,554 SF	8,277,106 SF	6,935,719 SF	\$6.62/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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## Meacham Field/Fossil Creek | Q4 2020

### Market Insights:

The Meacham Field/Fossil Creek Submarket ended the fourth quarter of 2020 with a vacancy rate of 5.39%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 1,996,979 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$6.18/SF across all classes, increasing from \$6.04/SF in the previous quarter. Year-to-date new construction deliveries are at 1,547,957 SF, and there is currently 1,533,355 SF under construction in the submarket.

Meacham Field/Fossil Creek is a large, dynamic industrial submarket north of Fort Worth. The submarket has added a great deal of modern, efficient product in recent building cycles, with over half of its product delivering since 2000. The submarket's proximity to the airport and highways is enticing developers to add more space.

A series of supply spikes in the submarket continues to impact vacancy rates. At 6.1%, vacancies for bulk distribution and warehouse product are trending near the rest of the metroplex. This is one of the more liquid submarkets in DFW, with roughly 10% of inventory changing hands on an annual basis.

### Q4 2020 vs Q3 2020

Rental Rates

Vacancy



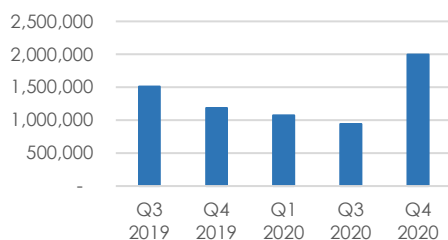
Under Construction

Absorption

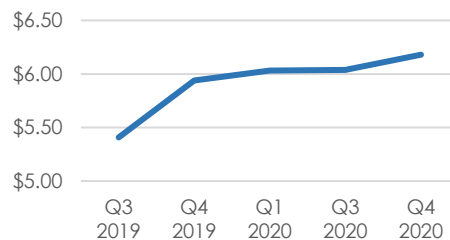


	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Meacham Field/Fossil Creek	48,201,197 SF	2,163,772 SF	5.39%	1,996,979 SF	1,547,957 SF	1,533,355 SF	\$6.18/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF

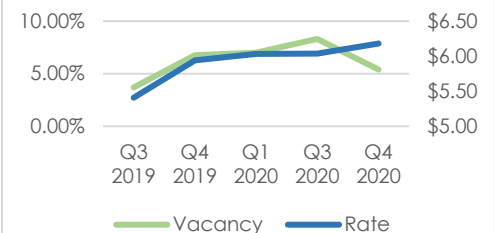
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



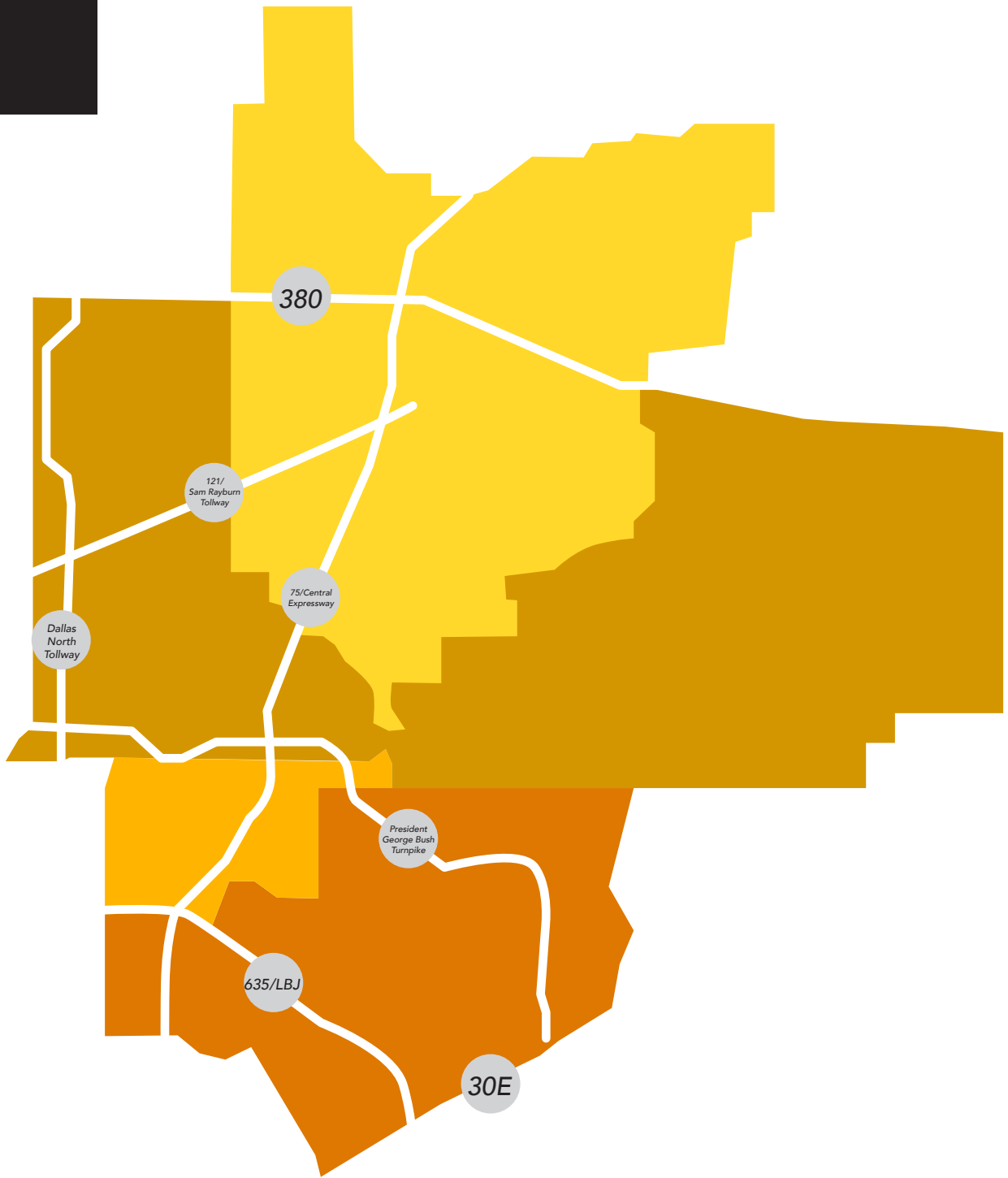
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# Northeast Dallas Industrial Market



## Legend

- Allen/McKinney Ind
- Plano Ind
- Richardson Ind
- NE Dallas/Garland Ind



### Allen/McKinney | Q4 2020

#### Market Insights:





The Allen/McKinney Submarket ended the fourth quarter of 2020 with a vacancy rate of 7.47%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is -184,858 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$9.80/SF across all classes, increasing from \$9.62/SF in the previous quarter. Year-to-date new construction deliveries are at 76,254 SF, and there is currently 2,750,653 SF under construction in the submarket.

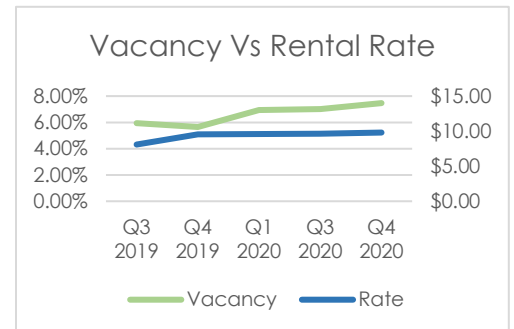
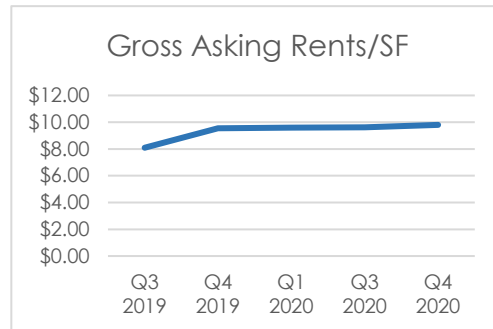
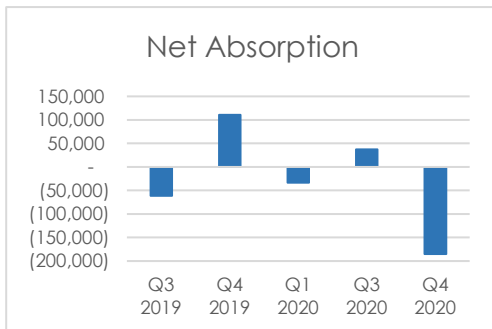
Allen/McKinney is an affluent, mostly residential area in the Northern part of DFW. This submarket has seen significant growth in the industrial sector in recent years, with two central industrial nodes: one located east of Watters Creek in Allen, and one east of McKinney's North Central Expressway. As demographic growth in the metroplex continues to push northward, industrial tenants have taken virtually all available space as it becomes available.

Developers continue to add more space as deliveries are set to rise in the coming quarters. In turn, vacancy rates are expected to trend above the metro average.

#### Q4 2020 vs Q3 2020

Rental Rates	Vacancy
 ↑	 ↑
Under Construction	Absorption
 ↑	 ↓

	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Allen/McKinney	14,036,746 SF	759,647 SF	7.47%	-184,858 SF	76,254 SF	2,750,653 SF	\$9.80/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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### Plano | Q4 2020

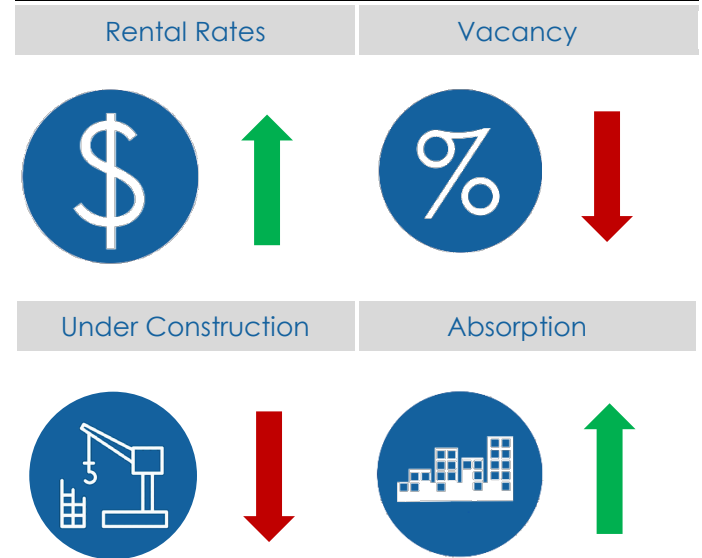
#### Market Insights:

The Plano Submarket ended the fourth quarter of 2020 with a vacancy rate of 6.49%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 1,552,534 SF at the end of Q4 2020.

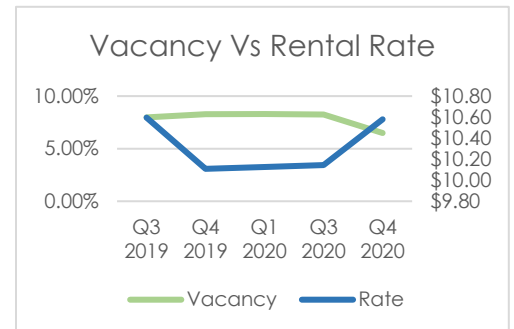
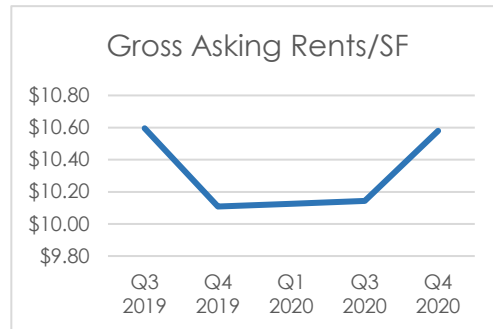
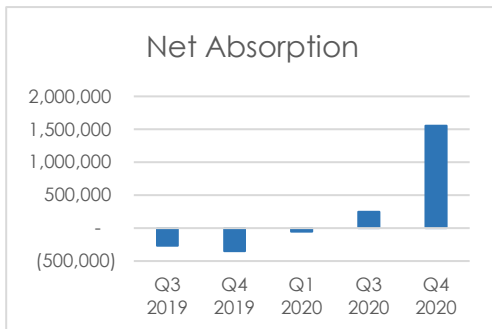
Rental rates ended the fourth quarter at \$10.58/SF across all classes, increasing from \$10.14/SF in the previous quarter. Year-to-date new construction deliveries are at 1,227,229 SF, and there is currently 34,069 SF under construction in the submarket.

Plano is often overlooked as an industrial hub, as most of the area's growth is concentrated in the office, retail, and residential sectors. However, this submarket does contain significant industrial inventory, most of which rests in the northeast corner of Central Expressway and the PGB Turnpike. Plano's location in the heart of the affluent northern Dallas suburbs also makes it ideal for tenants seeking last-mile distribution space. Plano's leasing activity remains strong, and the vacancy rate has declined since the run-up in early 2020, largely due to several significant deliveries. Rents are some of the highest in the DFW and rent growth has performed well in the last decade.

#### Q4 2020 vs Q3 2020



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Plano	25,208,272 SF	1,345,001 SF	6.49%	1,552,534 SF	1,227,229 SF	34,069 SF	\$10.58/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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### Richardson | Q4 2020

#### Market Insights:

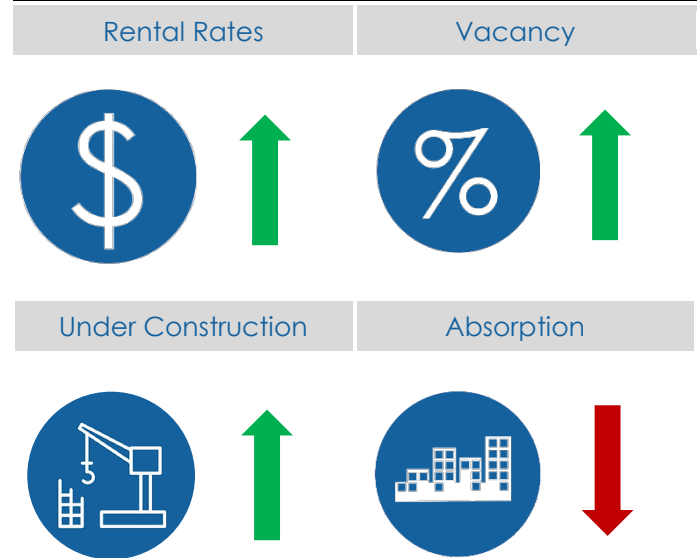
The Richardson Submarket ended the fourth quarter of 2020 with a vacancy rate of 8.20%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is -156,217 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$10.89/SF across all classes, increasing from \$10.61/SF in the previous quarter. There are no year-to-date new construction deliveries, and there is currently 183,120 SF under construction in the submarket.

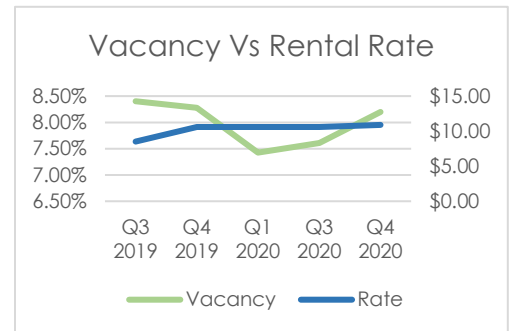
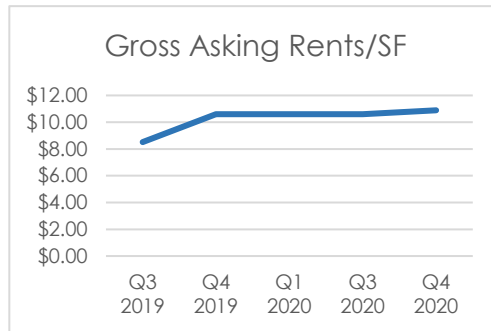
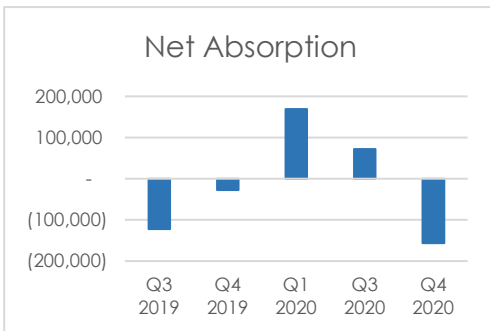
Richardson, home to the Telecom Corridor, contains an abundance of specialized industrial and flex space. Data centers have accounted for virtually all new construction since 2010, with a few speculative non-data center projects opening recently.

Due to the high concentration of flex space, the average rents are some of the highest in DFW. Large blocks of vacant space are rare - there are few vacant tracts of land, but the majority are zoned for residential or office use. Large-scale spec projects like those seen near D/FW Airport or North Fort Worth, are unlikely to emerge in Richardson.

#### Q4 2020 vs Q3 2020



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Richardson	19,612,747 SF	1,329,460 SF	8.20%	-156,217 SF	0 SF	183,120 SF	\$10.89/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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## NE Dallas/Garland | Q4 2020

### Market Insights:

The NE Dallas/Garland Submarket ended the fourth quarter of 2020 with a vacancy rate of 6.77%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 553,762 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$6.44/SF across all classes, increasing from \$6.29/SF in the previous quarter. Year-to-date new construction deliveries are at 487,031 SF, and there is currently 996,363 SF under construction in the submarket.

One of Dallas' major industrial nodes, NE Dallas/Garland contains a deep pool of diverse inventory. The submarket comprises a mix of '80s- and '90s-built multi-tenant product, in addition to single-tenant buildings with more modern clear heights and dock configurations. Since 2010, the submarket has added 7.8M SF of new space - 14% of total inventory.

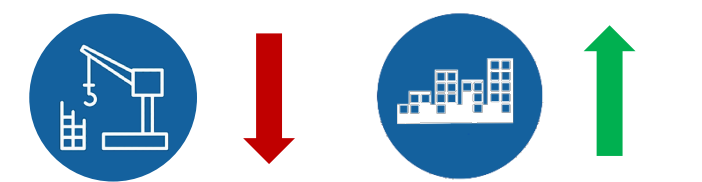
Despite near-record supply levels over the past few years, vacancies have hardly budged. Furthermore, leasing on new and under-construction inventory has been strong, which should keep vacancies in check in the near term.

### Q4 2020 vs Q3 2020

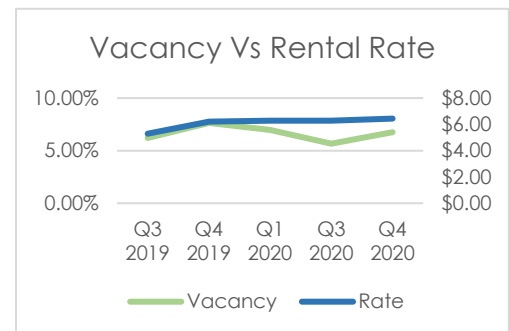
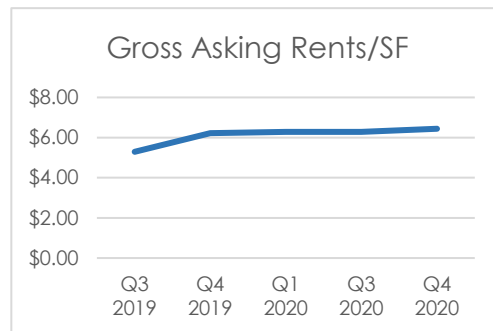
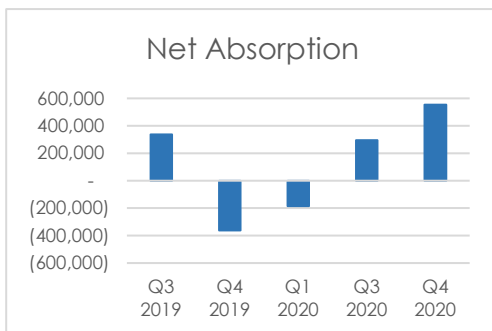
#### Rental Rates      Vacancy



#### Under Construction      Absorption



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
NE Dallas/Garland	54,340,395 SF	2,541,815 SF	6.77%	553,762 SF	487,031 SF	996,363 SF	\$6.44/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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# Valwood/ Lewisville Industrial Market



## Legend

-  Lewisville Ind
-  N Stemmons/Valwood Ind
-  Metropolitan/Addison Ind



### Lewisville | Q4 2020

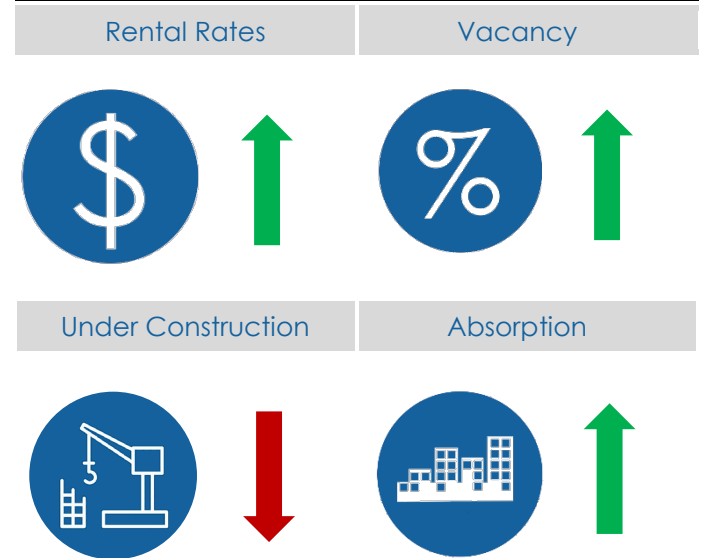
#### Market Insights:

The Lewisville Submarket ended the fourth quarter of 2020 with a vacancy rate of 6.64%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 1,270,986 SF at the end of Q4 2020.

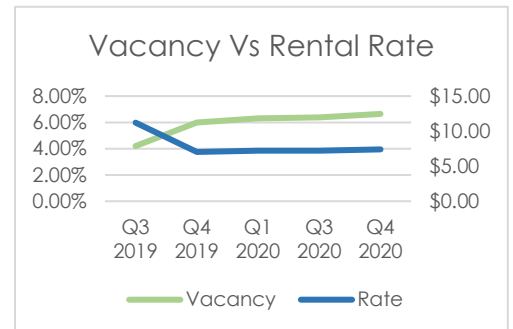
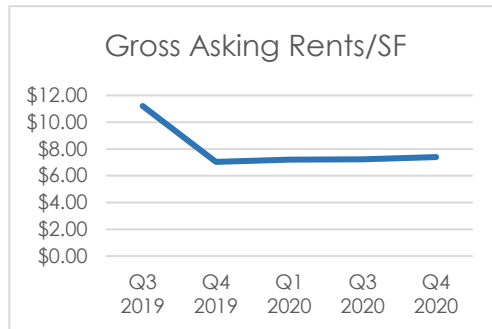
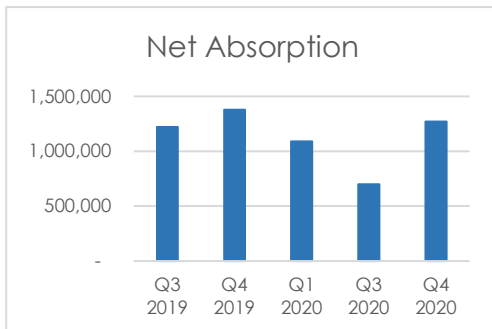
Rental rates ended the fourth quarter at \$7.40/SF across all classes, increasing from \$7.23/SF in the previous quarter. Year-to-date new construction deliveries are at 1,399,796 SF, and there is currently 164,060 SF under construction in the submarket.

Although the city of Lewisville is predominantly a suburban bedroom community, it contains a few large industrial nodes. Most of the submarket's big-box inventory is located either in the southern part along Lakeside Parkway, along I-35E, or in the eastern section near Highway 121. Development did not start in earnest in Lewisville until 1990, and as a result, inventory consists primarily of industrial product with clear heights and dock configurations suitable for modern distribution.

#### Q4 2020 vs Q3 2020



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Lewisville	31,041,160 SF	1,528,553 SF	6.64%	1,270,986 SF	1,399,796 SF	164,060 SF	\$7.40/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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## N Stemmons/Valwood | Q4 2020

### Market Insights:

The N Stemmons/Valwood Submarket ended the fourth quarter of 2020 with a vacancy rate of 4.76%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is -21,740 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$6.59/SF across all classes, increasing from \$6.41/SF in the previous quarter. Year-to-date new construction deliveries are at 440,600 SF, and there is currently 248,090 SF under construction in the submarket.

Healthy leasing activity in North Stemmons/Valwood has enabled vacancies to run well-below metro norms over recent years. The construction pipeline has remained stable, with 248,000 SF of new space currently underway. Despite a string of new completions, demand has been able to keep pace. This trend should keep vacancies in check in the near term.

Although sales volume has slowed in recent years, North Stemmons/Valwood is still one of the most actively traded submarkets in the metro, and many deals involve national or institutional buyers and sellers.

### Q4 2020 vs Q3 2020

Rental Rates

Vacancy



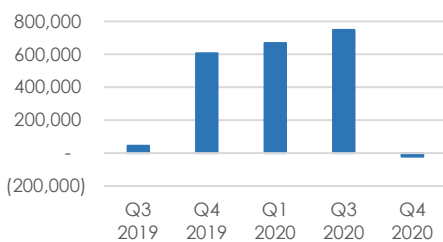
Under Construction

Absorption

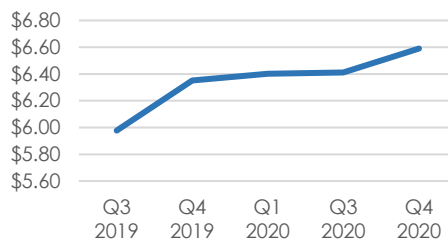


	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
N Stemmons/Valwood	53,404,838 SF	1,952,978 SF	4.76%	-21,740 SF	440,600 SF	248,090 SF	\$6.59/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF

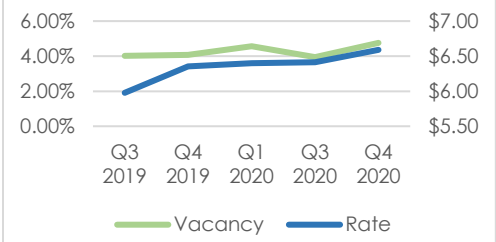
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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### Metropolitan/Addison | Q4 2020

#### Market Insights:

The Metropolitan/Addison Submarket ended the fourth quarter of 2020 with a vacancy rate of 6.08%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is -79,942 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$9.34/SF across all classes, increasing from \$9.25/SF in the previous quarter. Year-to-date new construction deliveries are at 50,800 SF, and there is currently 124,450 SF under construction in the submarket.

The Metropolitan/Addison Submarket is an attractive option for industrial tenants seeking access to some of the most affluent and fastest-growing suburbs in Dallas. The submarket is predominantly a smaller and older stock, with 36% of inventory smaller than 100,000 SF. The inventory also skews a bit older, with 10.2 million SF built before 1980.

Metropolitan/Addison is mostly built out, and only a few buildings have been constructed since 2000. Due to strong demand and a complete lack of new supply this cycle, vacancies here are at 5.9%, slightly below the metro average.

#### Q4 2020 vs Q3 2020

Rental Rates

Vacancy



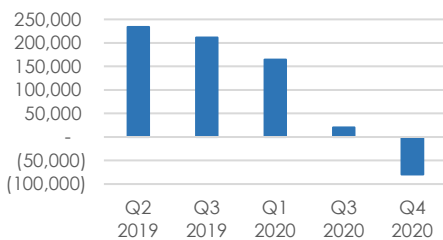
Under Construction

Absorption

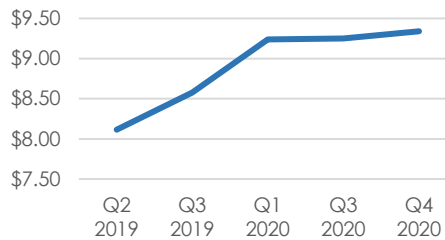


	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Metropolitan/Addison	22,137,685 SF	991,144 SF	6.08%	-79,942 SF	50,800 SF	124,450 SF	\$9.34/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF

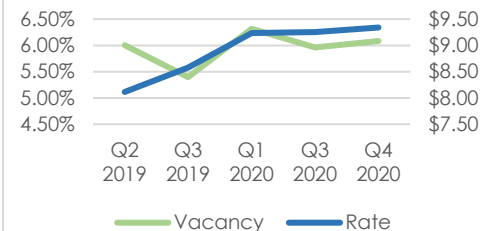
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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# South Dallas Industrial Market



## Legend

-  Redbird Airport Ind
  -  SW Dallas/US 67 Ind
  -  SE Dallas/I-45 Ind
  -  Outlying Ellis County Ind
- 

## Redbird Airport | Q4 2020

### Market Insights:

The Redbird Airport Submarket ended the fourth quarter of 2020 with a vacancy rate of 3.68%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 125,114 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$4.88/SF across all classes, increasing from \$4.73/SF in the previous quarter. Year-to-date new construction deliveries are at 123,500 SF, and there is currently 444,990 SF under construction in the submarket.

The Redbird Airport Submarket is a secondary industrial node located southwest of the Dallas CBD. The submarket has a mix of '80s and '90s multi-tenant product and some modern, single-tenant buildings. Tenants have east/west highway access via I-20 and north/south access via Highway 408, U.S. 67, and I-35E.

Beyond a few supply-driven spikes, vacancies have trended well below the metro average over the last several years. Most new construction has occurred on the western side of the submarket, in the Mountain Creek Business Park, and that area has added some large users.

### Q4 2020 vs Q3 2020

Rental Rates

Vacancy



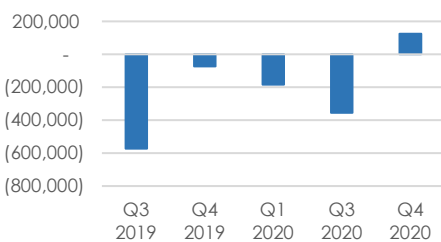
Under Construction

Absorption

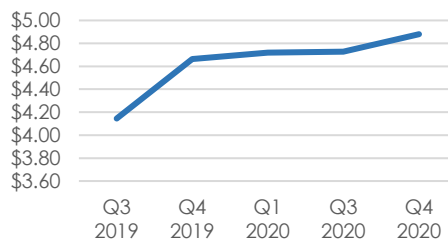


	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Redbird Airport	20,512,150 SF	403,567 SF	3.68%	125,114 SF	123,500 SF	444,990 SF	\$4.88/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF

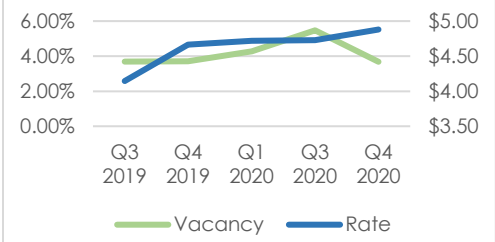
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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### SW Dallas/US 67 | Q4 2020

#### Market Insights:

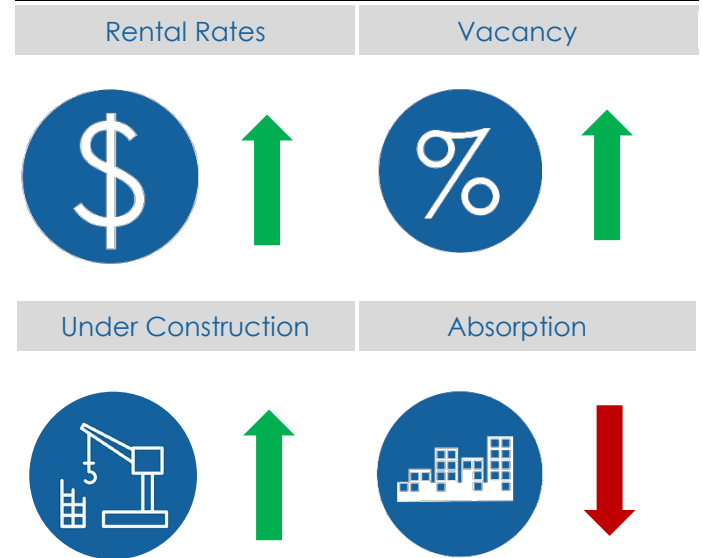
The SW Dallas/US 67 Submarket ended the fourth quarter of 2020 with a vacancy rate of 6.86%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 634,313 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$6.36/SF across all classes, increasing from \$6.04/SF in the previous quarter. Year-to-date new construction deliveries are at 1,003,709 SF, and there is currently 945,000 SF under construction in the submarket.

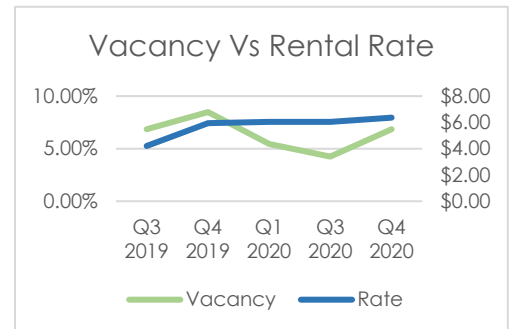
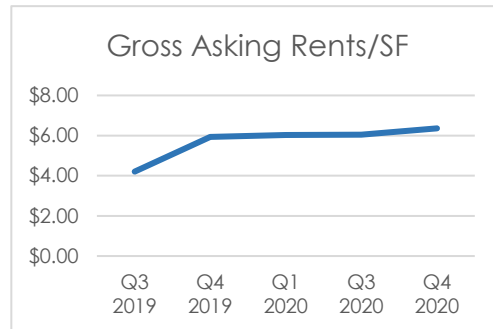
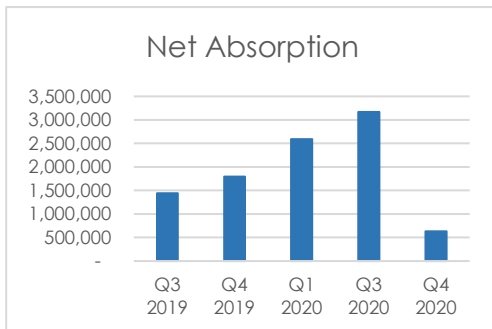
The SW Dallas/US 67 Submarket, like other South Dallas submarkets, has demonstrated impressive growth in the past few years, as the area has emerged as a super-regional distribution hub with two primary industrial nodes.

Vacancies have trended above the metro average over the past few years due to speculative construction. However, due to a few significant move-ins, most notably by Kohler (1.3 million SF) in 2018, vacancies are now as low as they have been since 2014.

#### Q4 2020 vs Q3 2020



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
SW Dallas/US 67	32,552,169 SF	1,774,684 SF	6.86%	634,313 SF	1,003,709 SF	945,000 SF	\$6.36/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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# SE Dallas/I-45 | Q4 2020

### Market Insights:

The SE Dallas/I-45 Submarket ended the fourth quarter of 2020 with a vacancy rate of 11.93%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 3,326,656 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$5.00/SF across all classes, increasing from \$4.83/SF in the previous quarter. Year-to-date new construction deliveries are at 1,796,172 SF, and there is currently 4,579,030 SF under construction in the submarket.

The SE Dallas/I-45 submarket has emerged in recent years as a significant super-regional distribution hub. The area boasts excellent highway access, a major intermodal facility, and a seemingly unlimited amount of flat, buildable land.

The submarket has received an incredible amount of supply over the past few years, more than doubling its inventory since 2013. Vacancy rates continue to trend above the market average but are working to normalize as the immediate threat from supply has subsided. Because of recent speculative deliveries, there remains a possibility of elevated vacancy rates.

### Q4 2020 vs Q3 2020

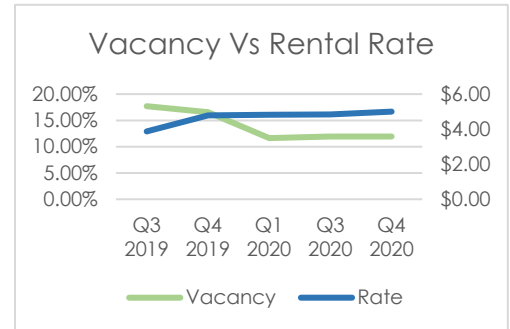
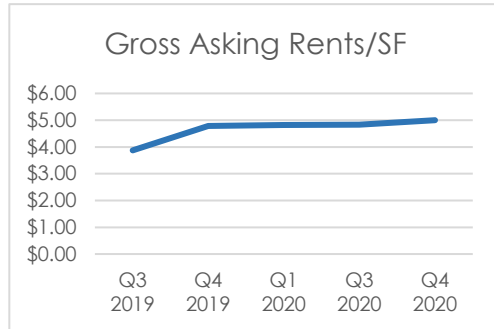
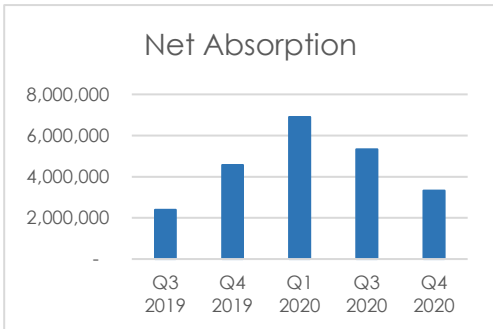
Rental Rates
Vacancy



Under Construction
Absorption



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
SE Dallas/I-45	46,739,350 SF	3,208,457 SF	11.93%	3,326,656 SF	1,796,172 SF	4,579,030 SF	\$5.00/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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## Outlying Ellis County | Q4 2020

### Market Insights:

The Outlying Ellis County Submarket ended the fourth quarter of 2020 with a vacancy rate of 6.59%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is -407,005 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$5.28/SF across all classes, increasing from \$5.21/SF in the previous quarter. Year-to-date new construction deliveries are at 6,000 SF, and there is currently 84,000 SF under construction in the submarket.

Outlying Ellis County has abundant flat, buildable land and boasts direct highway access to both Houston and Mexico, via I-45 and I-35E respectively. Activity in this area of the metro is concentrated in the booming SE Dallas/I-45 Submarket to the north. That submarket contains the Union Pacific intermodal in Wilmer, has better east-west highway access via I-20, is closer to major population centers in Dallas, and is still far from being fully built out.

### Q4 2020 vs Q3 2020

Rental Rates

Vacancy



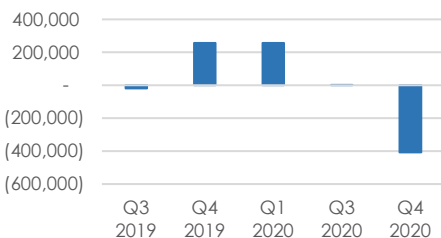
Under Construction

Absorption

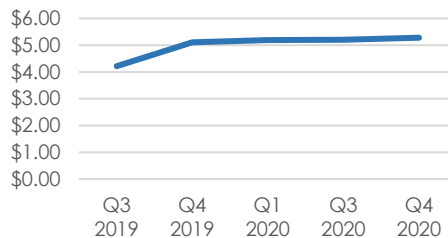


	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Outlying Ellis County	12,985,674 SF	264,989 SF	6.59%	-407,005 SF	6,000 SF	84,000 SF	\$5.28/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF

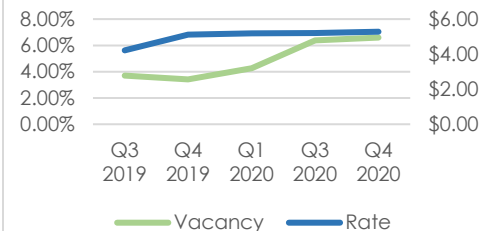
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



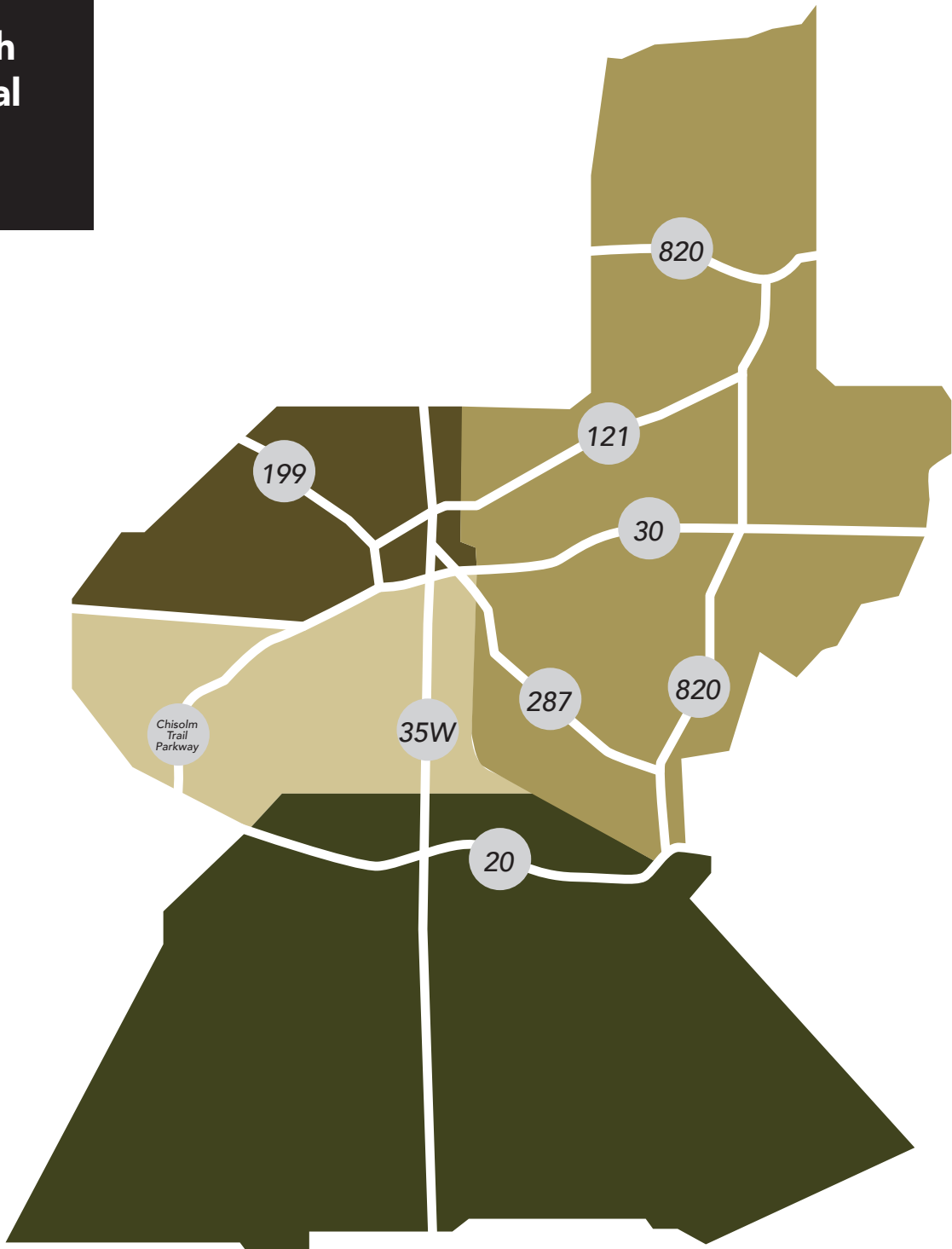
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# South Ft Worth Industrial Market



## Legend

- East Ft Worth Ind
- N Central Ft Worth Ind
- S Central Ft Worth Ind
- S Central Tarrant Cnty Ind



## East Fort Worth | Q4 2020

### Market Insights:

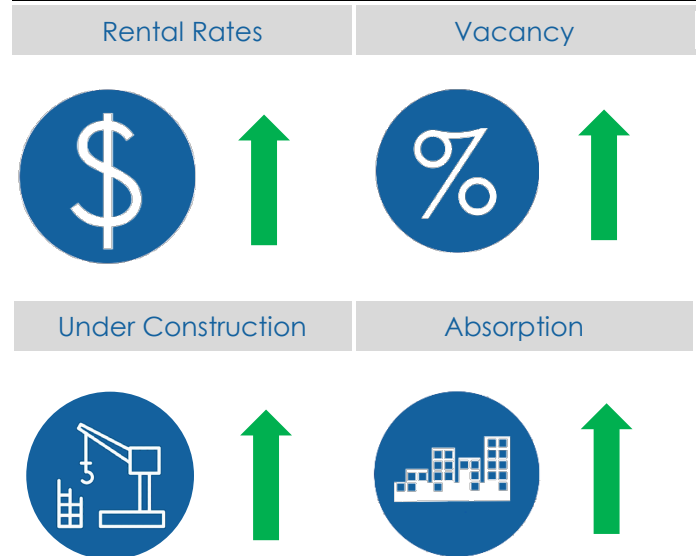
The East Fort Worth Submarket ended the fourth quarter of 2020 with a vacancy rate of 4.77%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 20,879 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$6.98/SF across all classes, increasing from \$6.83/SF in the previous quarter. Year-to-date new construction deliveries are at 133,513 SF, and there is currently 564,008 SF under construction in the submarket.

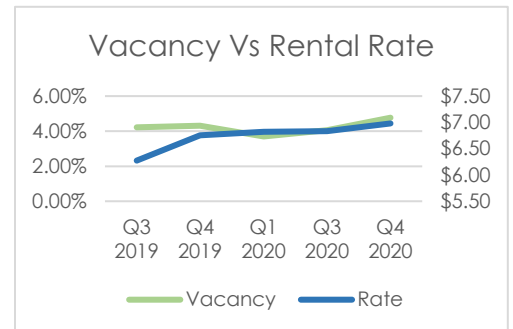
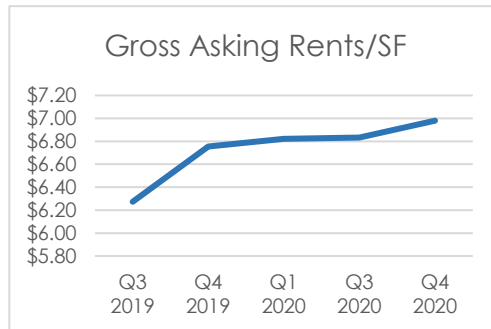
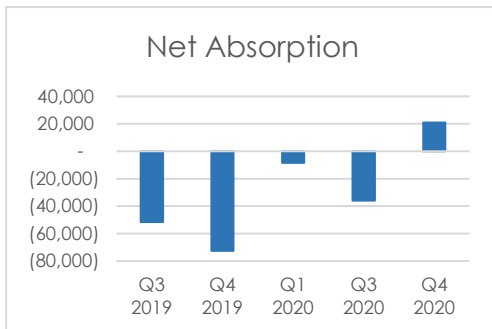
East Fort Worth has not seen the amount of construction activity and significant tenant movement of nearby submarkets but sees a significant number of smaller deals. Nearly all of the stock is lower-functioning assets with clear heights below 32 feet, which are either smaller than 100,000 SF or were built before 1995.

Given muted levels of new supply, rent growth has consistently outperformed the historical average over the last decade, and occupancies are comfortably above the submarket's historical average, as well.

### Q4 2020 vs Q3 2020



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
East Fort Worth	26,585,133 SF	1,048,916 SF	4.77%	20,879 SF	133,513 SF	564,008 SF	\$6.98/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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### N Central Fort Worth | Q4 2020

#### Market Insights:

The N Central Fort Worth Submarket ended the fourth quarter of 2020 with a vacancy rate of 2.70%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is -30,915 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$7.37/SF across all classes, increasing from \$7.24/SF in the previous quarter. Year-to-date new construction deliveries are at -31,356 SF, and there is currently no product under construction in the submarket.

North Central Fort Worth submarket includes a few buildings that are large or highly functional for flex tenants. Just ten assets are larger than 150,000 SF, and no properties were built in the last decade. Vacancies here are tight, and likely to stay that way due to no expected supply on the horizon. One potential trend to watch is the repurposing of industrial space for office or residential uses. The City of Fort Worth has several TIF districts set up to incentivize growth in these neighborhoods.

The submarket has seen a net reduction of about 750,000 SF of industrial inventory since 2008.

#### Q4 2020 vs Q3 2020

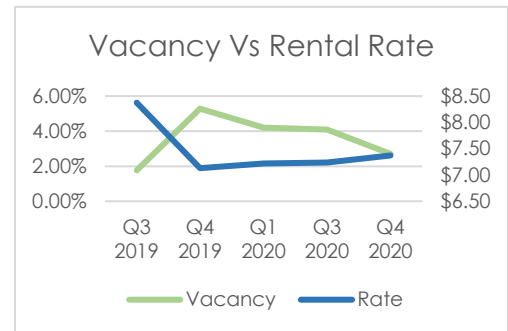
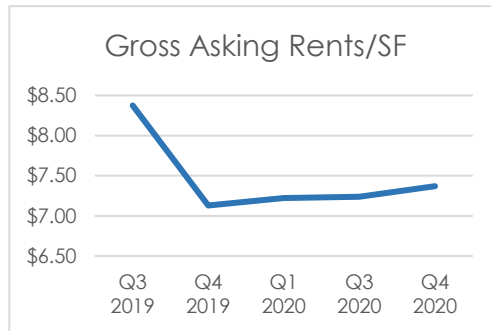
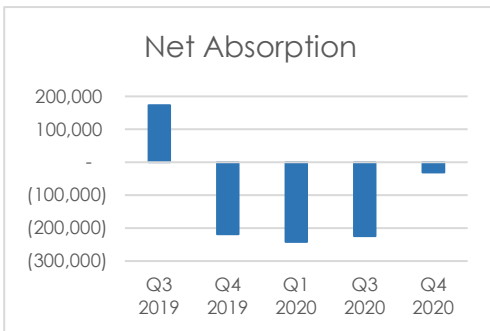
Rental Rates      Vacancy



Under Construction      Absorption



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
N Central Fort Worth	11,400,820 SF	299,788 SF	2.70%	-30,915 SF	-31,356 SF	0 SF	\$7.37/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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## S Central Fort Worth | Q4 2020

### Market Insights:

The S Central Fort Worth Submarket ended the fourth quarter of 2020 with a vacancy rate of 3.68%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is -127,004 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$6.96/SF across all classes, increasing from \$6.76/SF in the previous quarter. There have been no new construction deliveries year-to-date, and there is currently no product under construction in the submarket.

South Central Fort Worth contains the primarily residential areas south and west of the Fort Worth CBD, and most of the commercial activity here is in the office and multifamily segments. Most of the industrial inventory in this submarket is located along I-35W and in the Near Southside neighborhood adjacent to Downtown Fort Worth. The submarket has a high concentration of older stock, with 75% of the inventory built before 1970.

Vacancies usually track below the metro average, and tenant movement is limited.

### Q4 2020 vs Q3 2020

Rental Rates

Vacancy



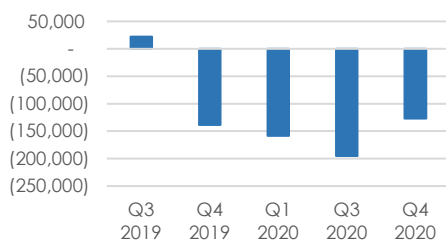
Under Construction

Absorption

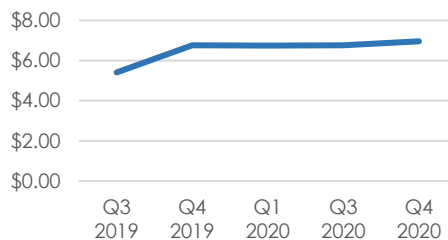


	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
S Central Fort Worth	10,781,671 SF	358,999 SF	3.68%	-127,004 SF	0 SF	0 SF	\$6.96/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF

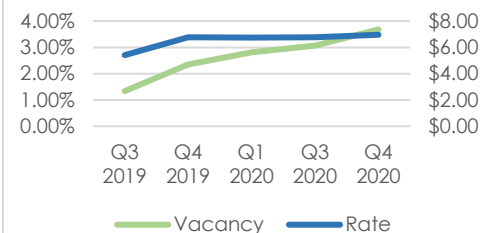
Net Absorption



Gross Asking Rents/SF



Vacancy Vs Rental Rate



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## S Central Tarrant County | Q4 2020

### Market Insights:

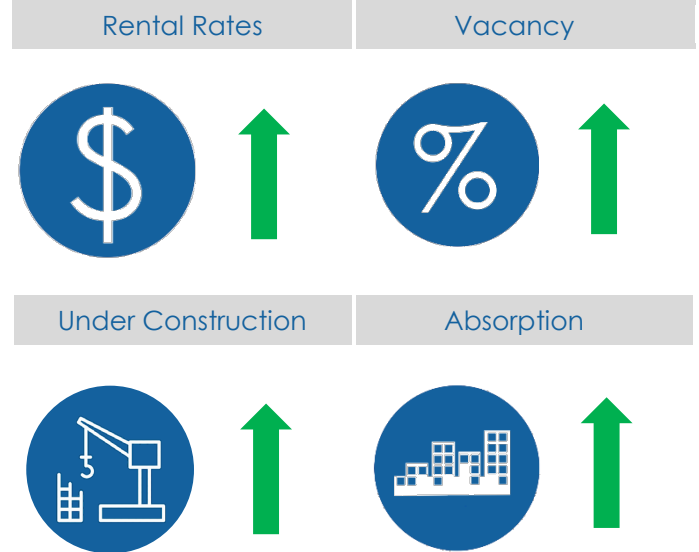
The S Central Tarrant County Submarket ended the fourth quarter of 2020 with a vacancy rate of 10.28%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 569,718 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$5.86/SF across all classes, increasing from \$5.71/SF in the previous quarter. Year-to-date new construction deliveries are at 1,099,089 SF, and there is currently 3,459,672 SF under construction in the submarket.

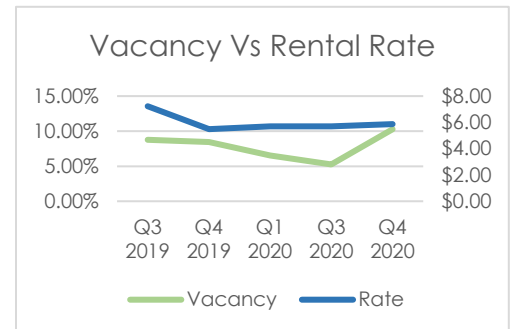
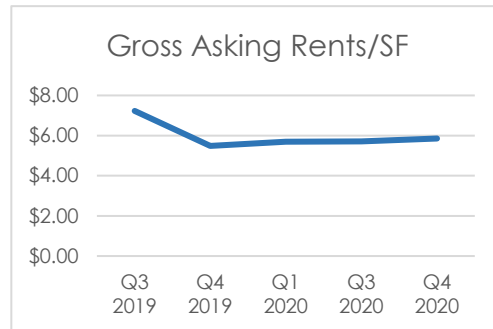
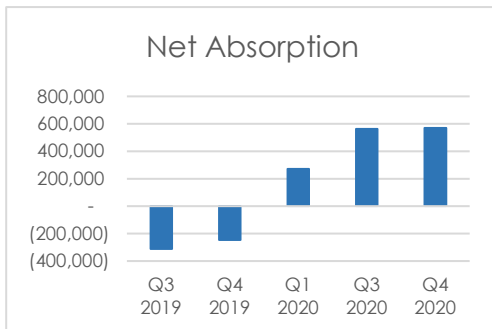
While South Central Tarrant has not seen the same type of explosive growth as other southern submarkets, it does provide an abundance of flat, buildable land located along major highways.

Developers are focused on bringing more space to this section of Tarrant County with several projects on the way. Fundamentals have demonstrated improvement in vacancies, but recent move-outs at the 35/20 Crossroads Distribution Center pushed vacancy levels higher in 2019 and they continued to climb in 2020.

### Q4 2020 vs Q3 2020



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
S Central Tarrant County	26,059,322 SF	2,384,085 SF	10.28%	569,718 SF	1,099,089 SF	3,459,672 SF	\$5.86/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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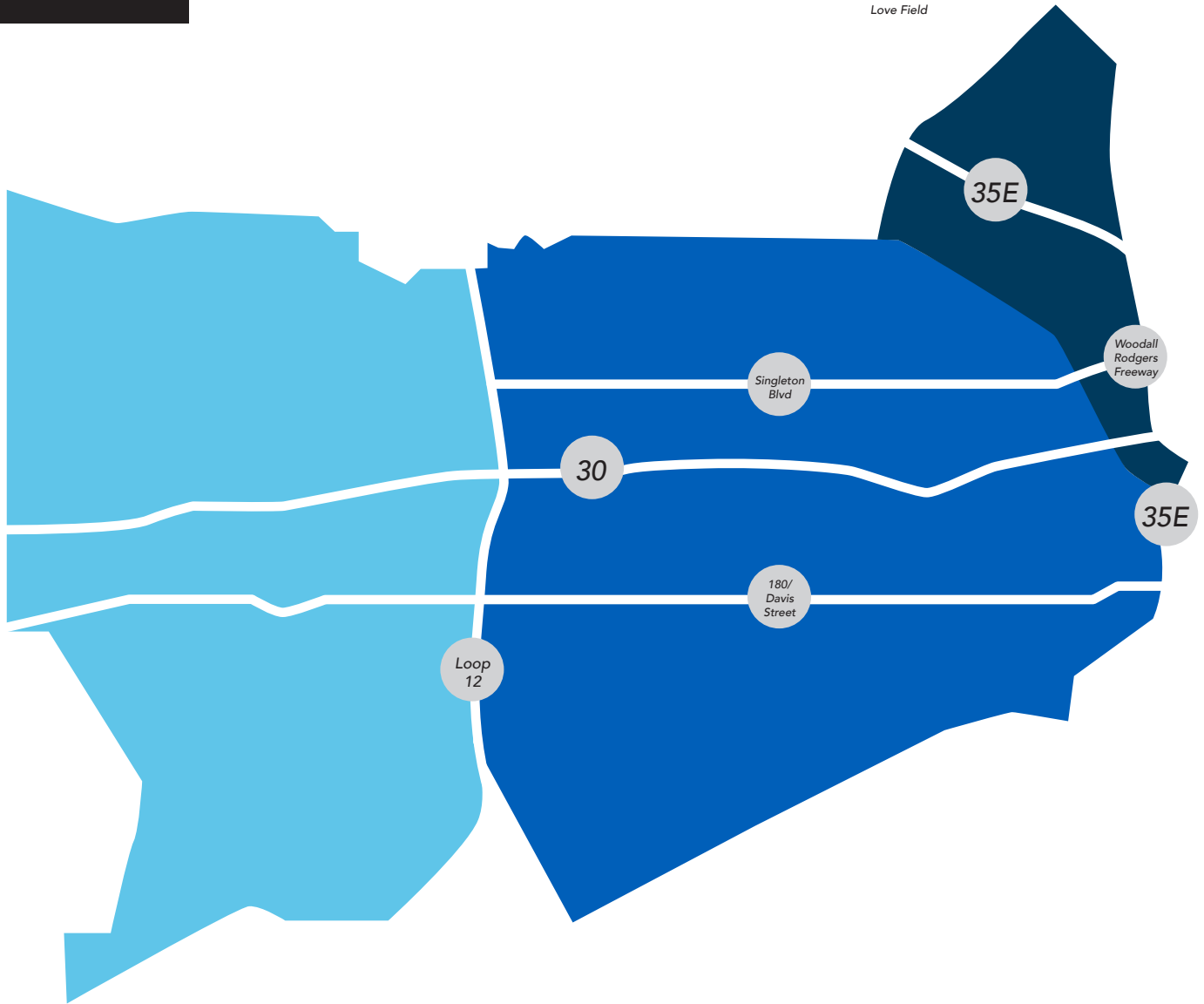
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**Pinnacle - Turnpike  
Lonestar - Design  
District Industrial  
Market**



Dallas  
Love Field



**Legend**

-  Western Lonestar/Turnpike Ind
-  Eastern Lonestar/Turnpike Ind
-  North Trinity Ind



### Western Lonestar/PGB Turnpike | Q4 2020

#### Market Insights:

The Western Lonestar/PGB Turnpike Submarket ended the fourth quarter of 2020 with a vacancy rate of 4.15%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 312,622 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$6.17/SF across all classes, increasing from \$6.05/SF in the previous quarter. Year-to-date new construction deliveries are at 392,220 SF, and there is currently 391,470 SF under construction in the submarket.

Western Lonestar/Turnpike is a mid-sized submarket, located south of the D/FW International Airport and bisected by I-30. Much of this area, especially north of I-30, falls within the Trinity River floodplain, where development is untenable. Given the relative size of the market, vacancies and rents can be volatile with wide swings when a project delivers (or is removed from inventory). The submarket previously underwent a building boom from 2006 – 2009, adding nearly 2 million SF. In the last 12 months, approximately 390,000 SF has been delivered and there is currently approximately 390,000 SF under construction.

#### Q4 2020 vs Q3 2020

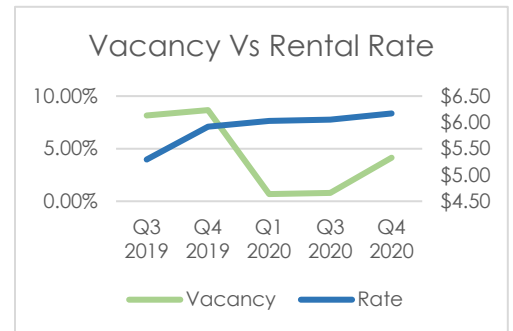
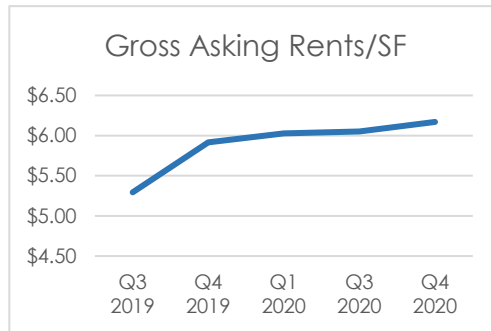
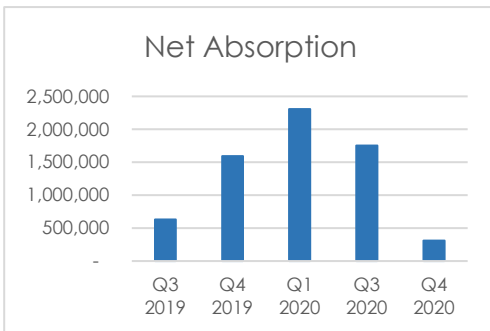
Rental Rates      Vacancy



Under Construction      Absorption



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Western Lonestar/PGB Turnpike	9,449,303 SF	392,220 SF	4.15%	312,622 SF	392,220 SF	391,470 SF	\$6.17/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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### Eastern Lonestar/PGB Turnpike | Q4 2020

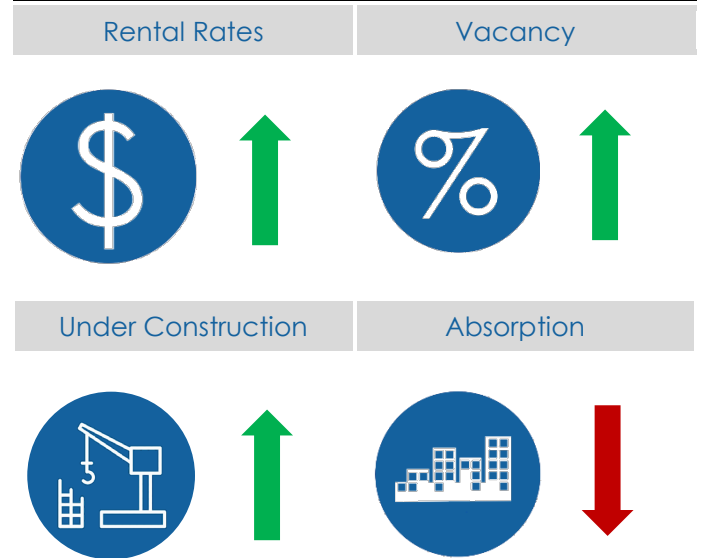
#### Market Insights:

The Eastern Lonestar/PGB Turnpike Submarket ended the fourth quarter of 2020 with a vacancy rate of 6.91%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 2,599,388 SF at the end of Q4 2020.

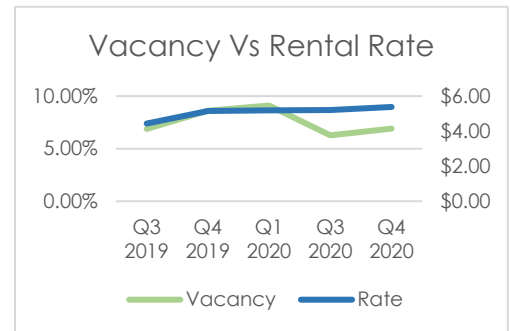
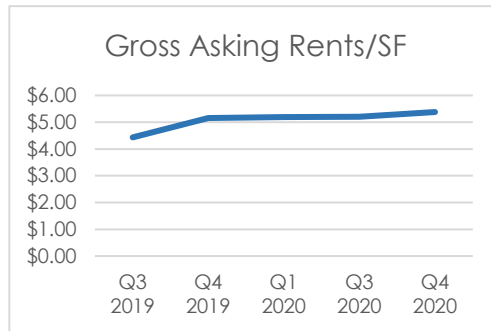
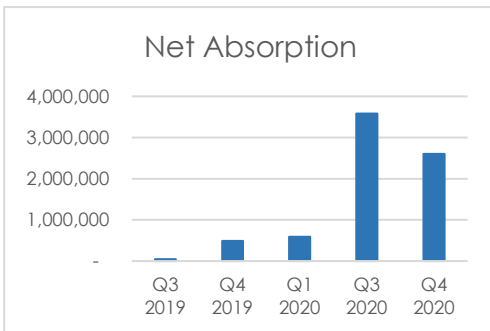
Rental rates ended the fourth quarter at \$5.38/SF across all classes, increasing from \$5.20/SF in the previous quarter. Year-to-date new construction deliveries are at 2,270,400 SF, and there is currently 112,000 SF under construction in the submarket.

Eastern Lonestar/Turnpike is an older industrial submarket with most existing inventory built before 1970. Proximity to the major population center of Dallas and major highway access still makes the area desirable for small tenants and last-mile distributors. After years of no development, a few projects have delivered in recent quarters. These new assets have performed well, but older outdated properties tend to be a drag on overall rents. It could take some time before fundamentals improve to where they were in 2016 considering almost 2.3 million SF of supply has hit the market in the last 12 months.

#### Q4 2020 vs Q3 2020



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Eastern Lonestar/PGB Turnpike	30,327,214 SF	1,689,575 SF	6.91%	2,599,388 SF	2,270,400 SF	112,000 SF	\$5.38/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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### North Trinity | Q4 2020

#### Market Insights:

The North Trinity Submarket ended the fourth quarter of 2020 with a vacancy rate of 8.48%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is -225,512 SF at the end of Q4 2020.

Rental rates ended the fourth quarter at \$11.53/SF across all classes, increasing from \$11.37/SF in the previous quarter. Year-to-date new construction deliveries are at 17,521 SF, and there is currently no product under construction in the submarket.

The North Trinity submarket includes both the Design District and the Southwestern Medical District, two areas that have experienced redevelopment and transformation from multifamily and retail builders in recent years. Due to recent efforts from developers, the existing industrial buildings are slowly being replaced by or converted into multifamily, retail, hotel, and office properties. Much of the industrial inventory serves as local manufacturing and distribution facilities or as showroom space. With high land and acquisition costs and scarce industrial space, rents are high and will continue to climb.

#### Q4 2020 vs Q3 2020

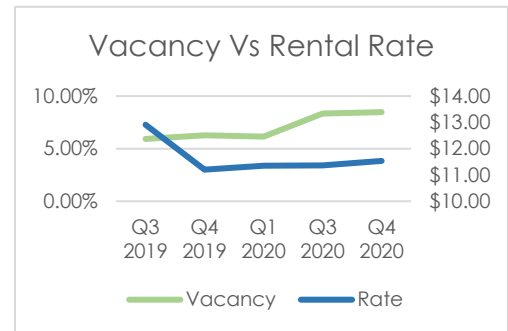
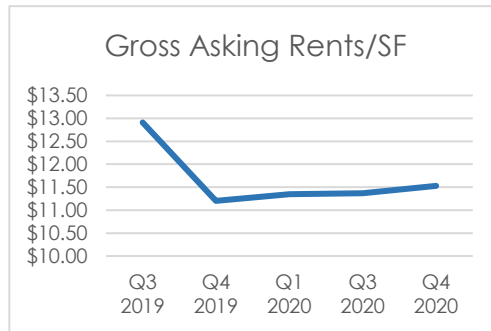
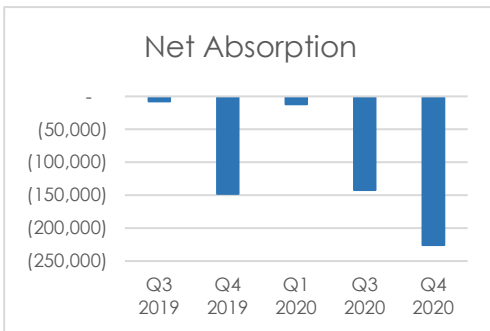
Rental Rates      Vacancy



Under Construction      Absorption



	Inventory	Total Vacancy SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
North Trinity	13,306,572 SF	1,083,905 SF	8.48%	-225,512 SF	17,521 SF	0 SF	\$11.53/SF
Dallas/Fort Worth Total	825,301,681 SF	45,178,604 SF	6.87%	20,476,787 SF	28,878,794 SF	27,965,833 SF	\$7.20/SF



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