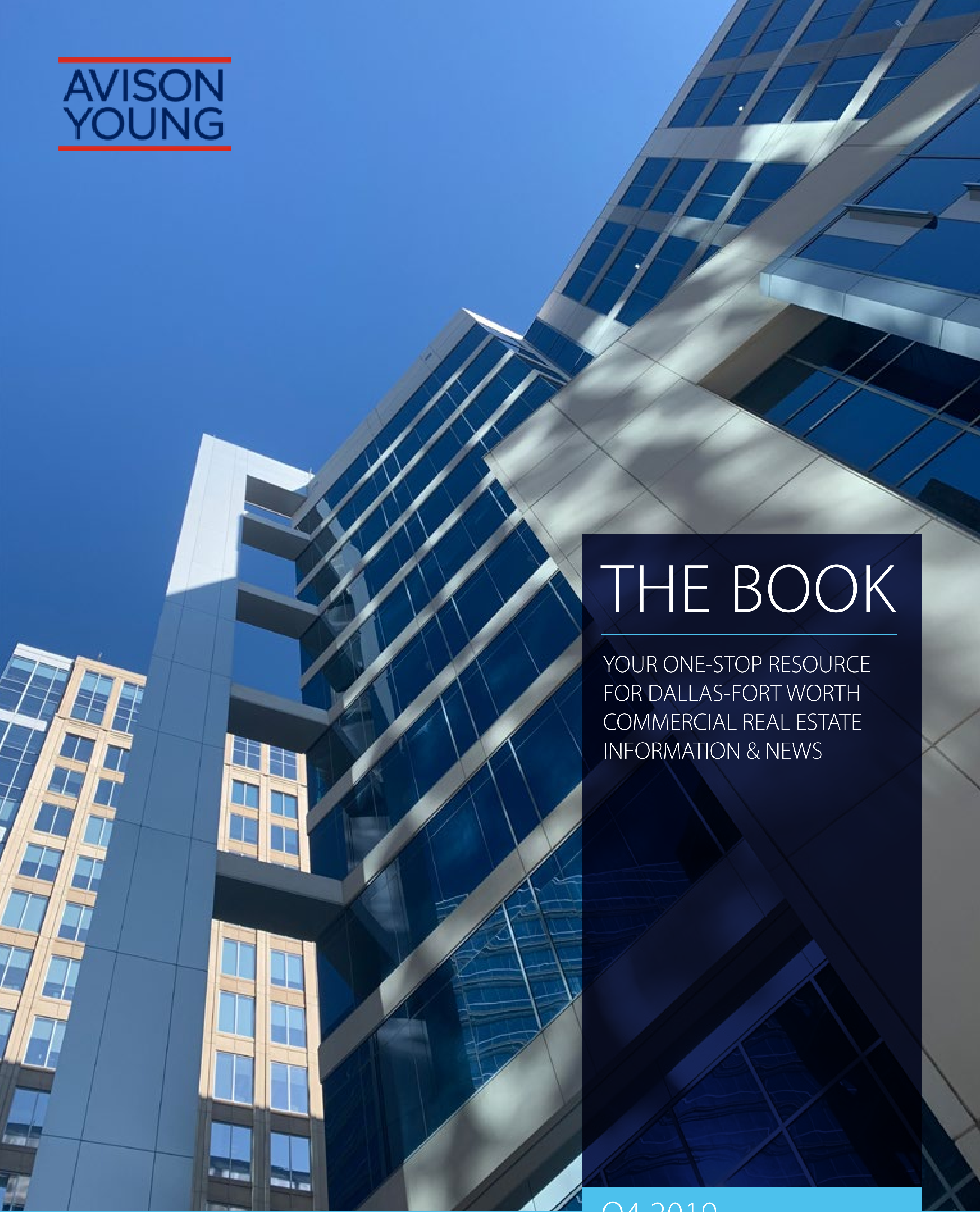

AVISON YOUNG

THE BOOK

YOUR ONE-STOP RESOURCE FOR DALLAS-FORT WORTH COMMERCIAL REAL ESTATE INFORMATION & NEWS

Q4 2019

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DISCLAIMER

Welcome to **THE BOOK**,

presented by Avison Young — Dallas, LLC. We hope this will be your central hub for information on all things happening in Dallas-Fort Worth's thriving commercial real estate market.

This book will be ever evolving and growing, and we look forward to hearing your feedback and requests for new material.

Best,

Micah Rabalais
Research Manager
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micah.rabalais@avisonyoung.com

Bragging Rights/**In The News**

"#1 Best city for jobs 2 years in a row"
- Forbes

"#1 Most business friendly city in America"
- Market Watch

"#1 City for investing"
- PwC 2019 Emerging Trends

"#1 City for starting a business"
- Kiplinger

"#4 Metros with the most Fortune 1,000 companies
- Fortune

"#1 Most family-friendly metro in the US"
- Homes.com

"#2 Most Active Total Construction Markets
- Costar

"#1 Largest growing metro in US"
- Census Bureau 2018 Estimate

The Big Picture of The Big D

OFFICE

INVENTORY
330 MSF

VACANCY
14.6%

UNDER CONSTRUCTION
7.2 MSF

INDUSTRIAL

INVENTORY
835 MSF

VACANCY
5.4%

UNDER CONSTRUCTION
29.3 MSF

RETAIL

INVENTORY
434 MSF

VACANCY
4.5%

UNDER CONSTRUCTION
5.5 MSF

MULTI-FAMILY

INVENTORY
848K Units

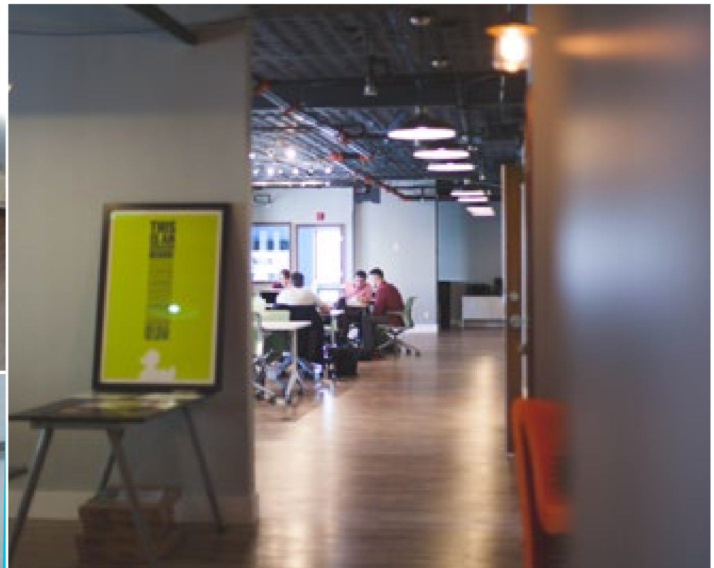
VACANCY
7.4%

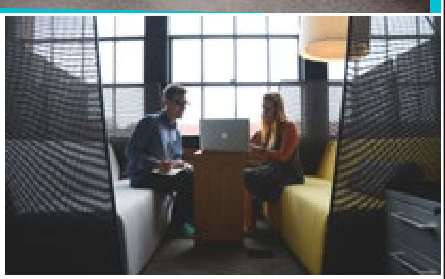
UNDER CONSTRUCTION
39K Units

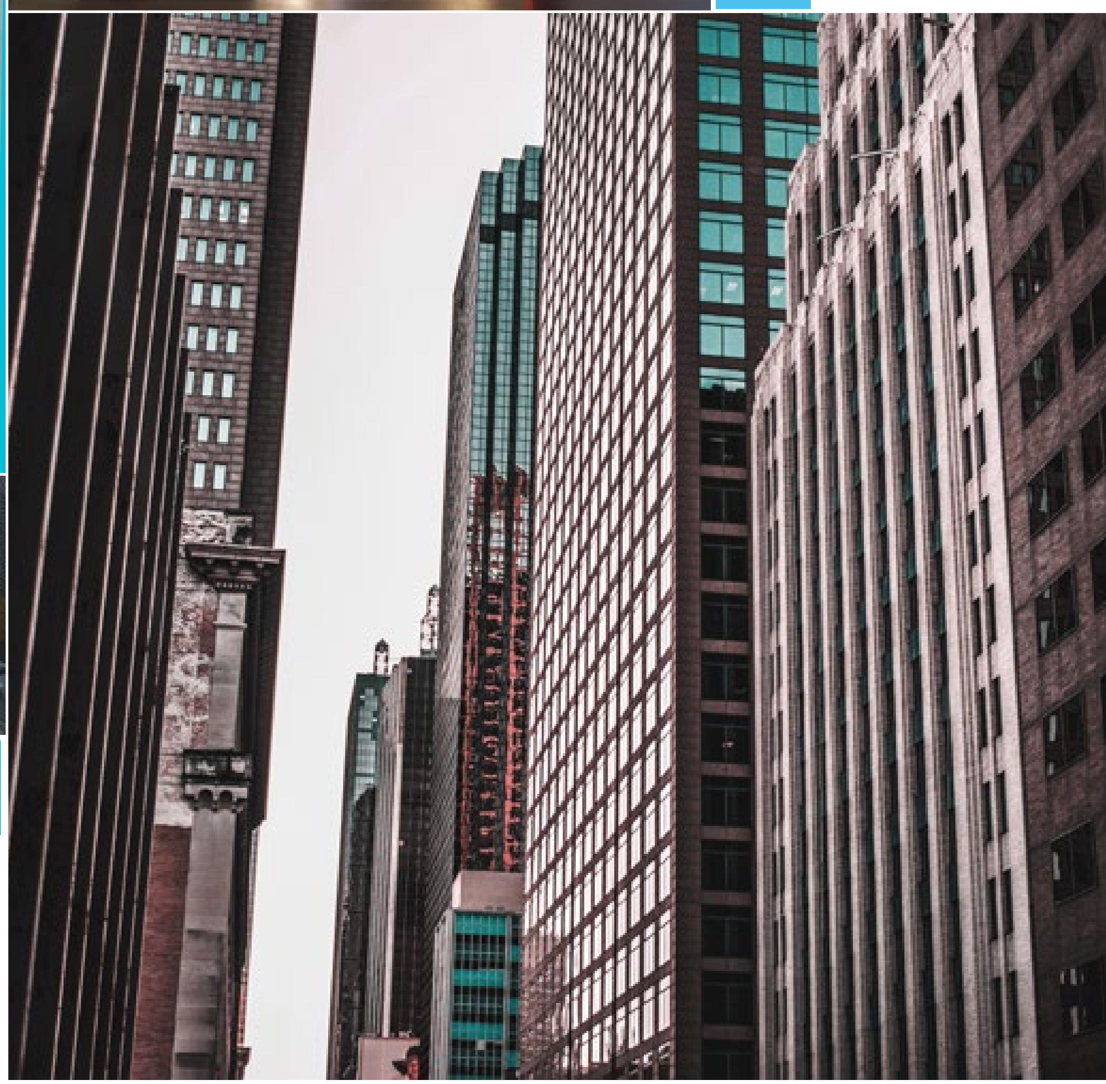
AVISON YOUNG

Dallas-Fort Worth
Market Overview

Q4 2019







OFFICE

Dallas/Fort Worth Q4 '19 Summary

330,507,689
Square Feet

14.6%
VACANCY

5,677,099 SF
12 MONTH TOTAL NET ABSORPTION
(Single Tenant Owner Occupied Space Included)

1,888,045 SF
Q4 2019 NET ABSORPTION
(Single Tenant Owner Occupied Space Included)

Average Gross Asking Rents

$30.42
CLASS A

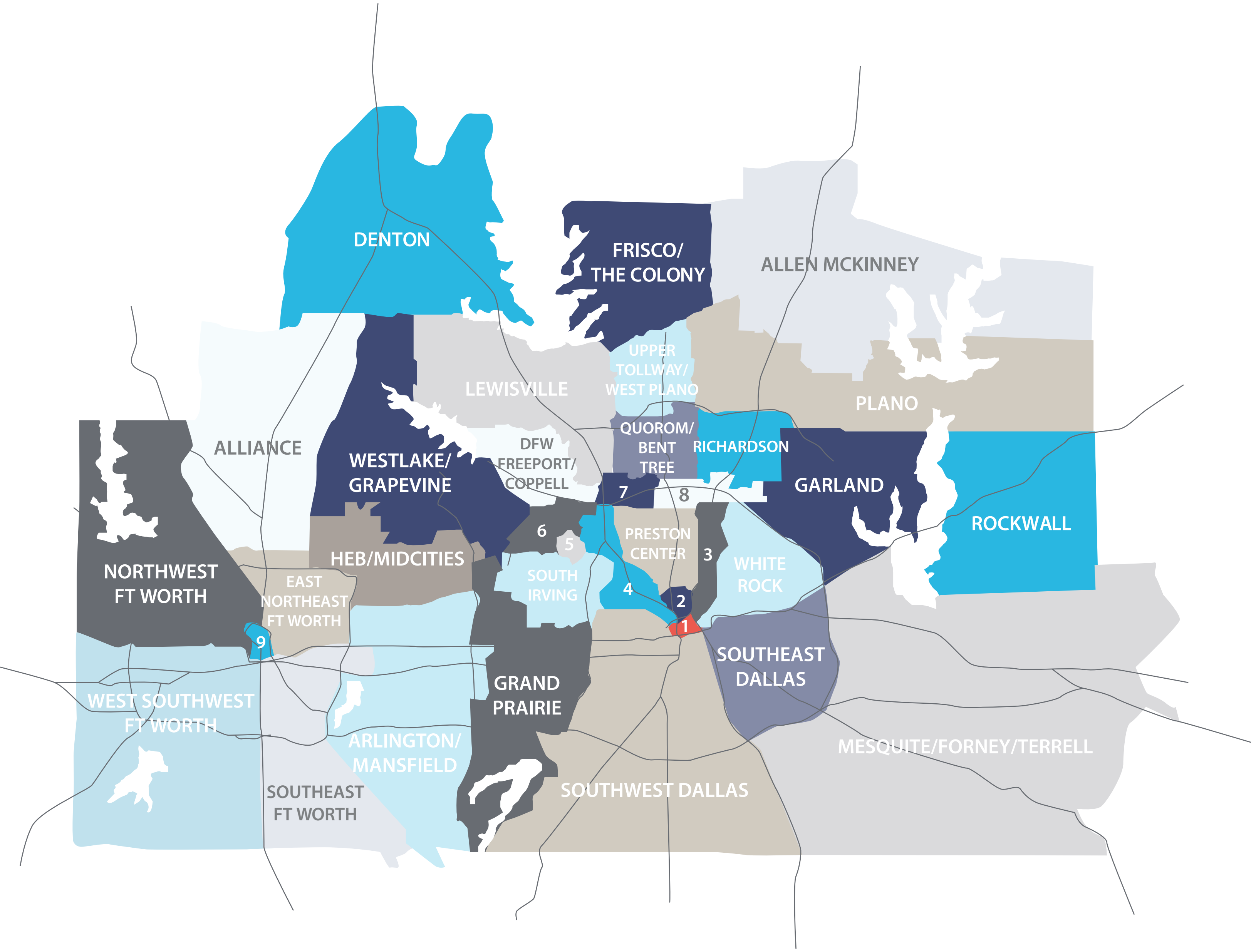
$21.70
CLASS B

7.2 MSF
UNDER CONSTRUCTION

7.3 MSF
12 MONTH DELIVERIES

Parameters: Office | 20,000 SF+ Buildings | Existing | Owner Occupied Included

The Market: **Submarket Map**



1	DALLAS CBD
2	UPTOWN/TURTLE CREEK
3	CENTRAL EXPRESSWAY
4	STEMMONS FREEWAY
5	URBAN CENTER/WINGREN
6	OFFICE CTR/WEST LBJ EXT
7	WEST LBJ FREEWAY
8	EAST LBJ FREEWAY
9	FT WORTH CBD

Office Market Research Report
4Q 2019

Market Overview

The Dallas-Fort Worth metro (DFW) ended 2019 as the market with the second most annual net absorption for the entire United States behind only the New York according to Costar, with5.7 msf taken up by the market. DFW also had the 2nd largest 12-month job growth in the country, with a 3.2% increase of 120,700 new jobs added.

The office market saw an impressive 2.2 msf deliver in Q4, driven mostly by Pioneer Natural Resources' new 1.1 msf headquarters delivering in Las Colinas. Including owner-occupied properties, net absorption was 1.9 msf for the quarter, and 12-month net absorption was 5.7 msf. More cranes continued to appear in the skyline as construction continued its brisk pace with 7.2 msf underway; down from the cycle highs of 2016, which saw 14 msf under construction, but still enough to make DFW one of the most active markets in the county.

"Flight-to-quality" and coworking continue to be popular multi-tenant absorption drivers. Class B and older properties continue to post nearly-flat or negative net absorption, a trend that will likely continue for the foreseeable future as tenants look for newer, refreshed, amenitized, and conveniently located spaces.

The year ended with more of the same continuing as the same trends and fundamentals that have defined the market for the last few years continued their relentless growth. With the coming arrivals of more corporate headquarters, and nation-leading population growth, expect 2020 to maintain similar momentum to 2019. Looking ahead, absorption and rent growth will likely cool some as the market and national trends calm in the face of continued global uncertainty. Regardless, expect 2020 to see DFW continuing its rise as a top tier market.

Market Facts

120,700
Jobs added from Nov. 18 – Nov. 19

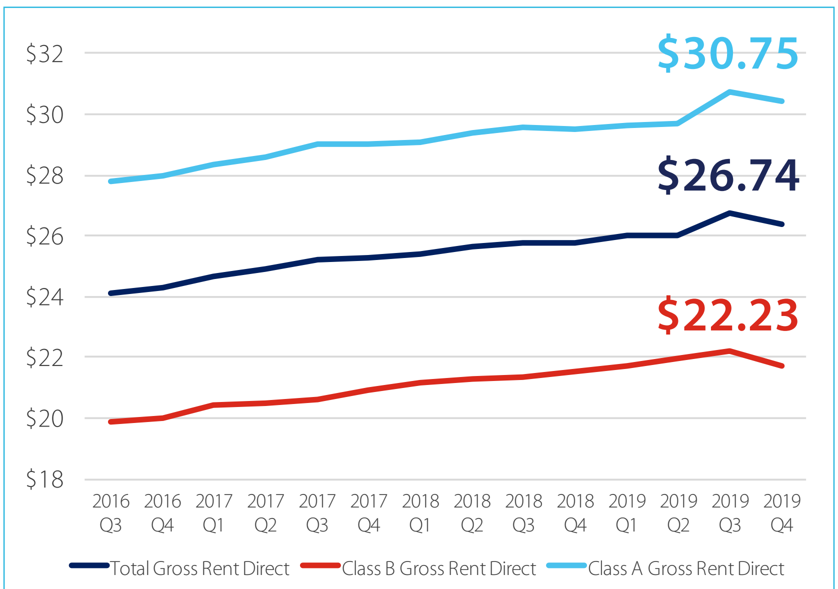
3.1%
Unemployment in Dallas.

1.3%
12 Mo. Rent Growth

$26.06
Average Gross Direct Rental Rate

Total Inventory vs. Vacancy Rate

DFW Gross Direct Asking Rent Per SF



Source: Costar

Vacancy

The Dallas-Fort Worth Office market ended the quarter with a vacancy rate of 14.6%. In all, there was 48.2 msf of vacant space available. The vacancy rate was down slightly from recent quarters, even as more supply delivered. Much of that supply, like the Pioneer Natural Resources HQ, was build-to-suit, so it never entered the market with any availability.

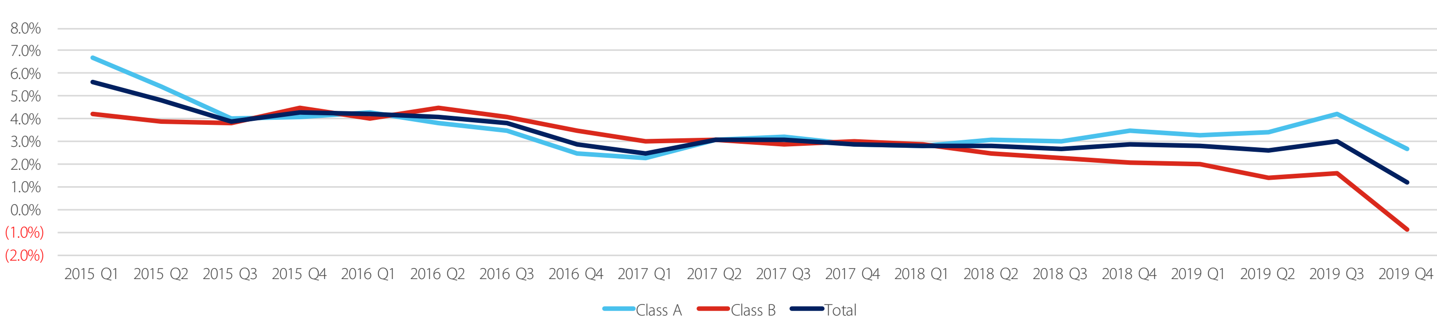
Looking at which submarkets are struggling the most with large vacancies, the usual suspects stay in sight. Dallas CBD has had several quarters of positive absorption recently, but the majority of that is in new product like 1900 Pearl and The Luminary. Dated product from the 80's and earlier continues to struggle, as evidenced in not just Dallas CBD, but also in submarkets like Stemmons Fwy, LBJ Fwy, and Quorum/Bent Tree.

Rental Rates

Annualized rent growth for Q4 was 1.2%, slightly lower than the national average. The entire market saw rate growth decelerate, but rents remain about 15% higher than 2008 per-recession peaks.

Premier submarkets such as Uptown/Turtle Creek, Frisco/The Colony, and Upper Tollway/West Plano saw the strongest growth, with rents now 20% greater than per-recession peaks.

Annualized Rent Growth



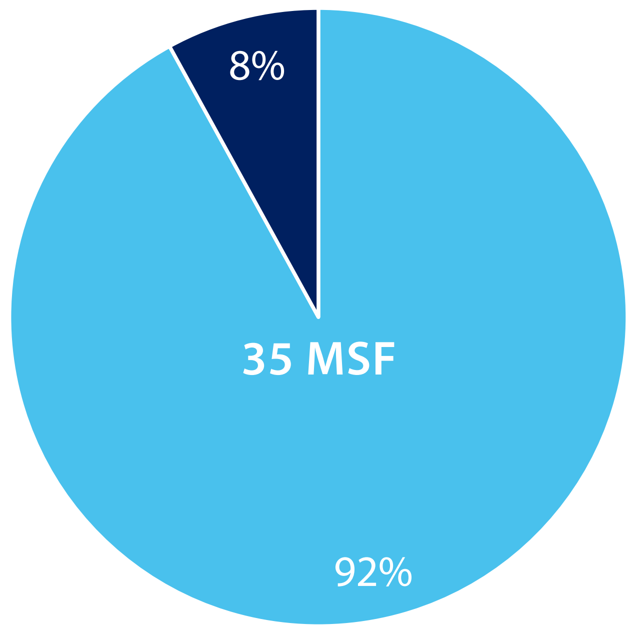
Absorption & Supply

12-month net absorption finished the quarter at 5.7 MSF, which continued the momentum seen in recent quarters. Q4 itself saw a whopping 1.9 MSF absorbed when single tenant owner-occupied space is included. When owner occupied space is excluded, quarterly absorption holds strong at 1.4 MSF. As with 2018, the majority of absorption is continuing its flight-to-quality trend towards upgraded Class B and newer Class A product. When Class A and B product is separated, the numbers show Class B absorption is actually negative for the year.

Class A 12 Month Absorption (Owner Occup. Excluded)	Class B 12 Month Absorption (Owner Occup. Excluded)
4,337,396 SF	**-375,192 SF**

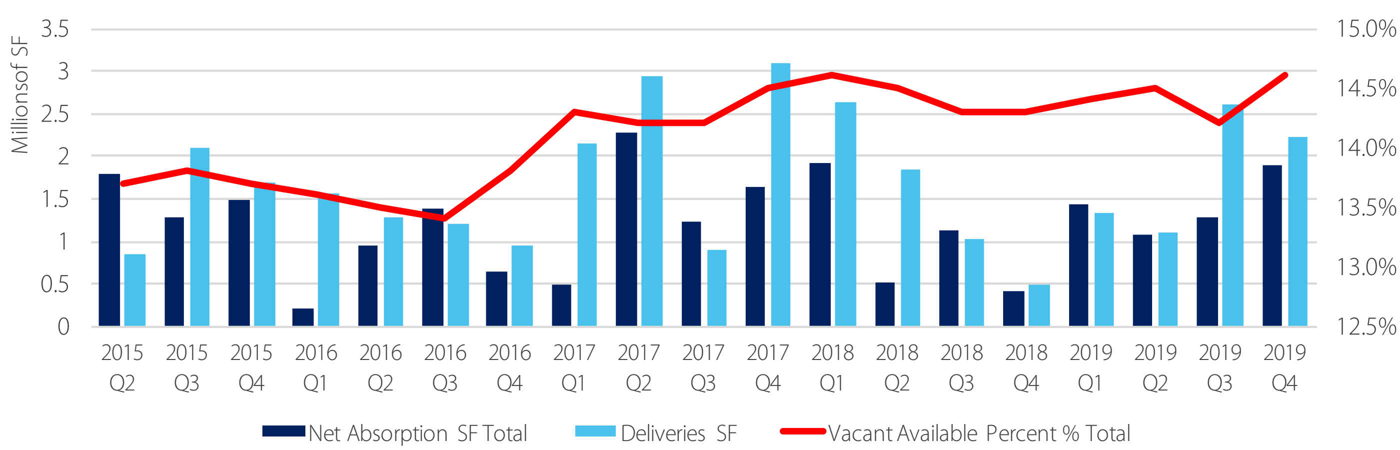
Newly built product is performing very well. Of the 22 MSF of non owner-occupied inventory built in the last 5 years, 91% has been leased. Of the 7.2 MSF currently under construction, including single tenant build-to-suits, the availability rate stands at 51%. As flight-to-quality trends continue, these vacancies should easily fill.

Absorption & Deliveries



Roughly half of new product built in the last 5 years has been custom build-to-suits. That has helped the market absorb most of the newer supply, to the point that 90% of all new inventory has been filled.

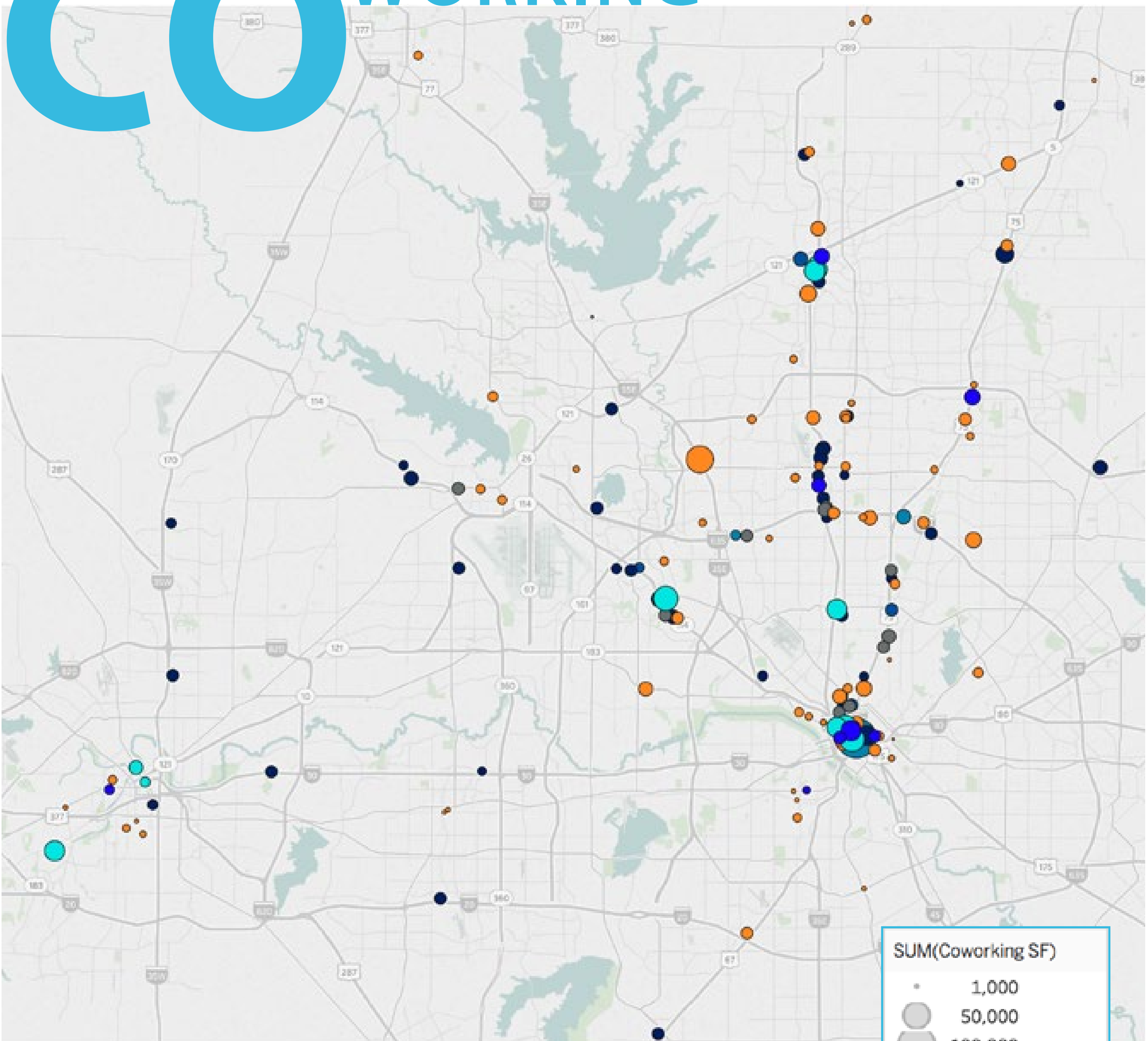
Net Absorption, Net Deliveries & Vacancy



Top Leases for 2019

Address/Complex	Tenant	Submarket	Size (SF)	Deal Type
The Epic	Uber	White Rock (CBD Cluster)	468,993 SF	New
Fossil Creek	Lockheed Martin	East Northeast Ft Worth	431,579 SF	New
International Plaza I	Tenet Healthcare	Quorum/Bent Tree	372,931 SF	New
The Star	DPS Holdings, Inc.	Frisco/The Colony	350,000 SF	New
Alliance- Heritage Commons IV	Verizon	Las Colinas Cluster	198,809 SF	New

CO WORKING



There is currently **3.5 MSF** of space dedicated to coworking and flexible lease providers.

LARGEST PROVIDERS (% Total Inventory)

26% Regus & Spaces

18% WeWork

8% Boxer

6% Common Desk

The Market: **Stats**

Class A & B Market Statistics

Q4 '19

Market	Existing Inventory		Vacancy					12 Month	Quarterly Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Sublease SF	Total SF	Total Vacant Available %	Total Vacant %	Net Absorption	Absorption	Deliveries	Const SF	Gross Rent Direct
Class A	669	168,086,159	24,041,049	2,010,574	26,051,623	15.5%	18.1%	5,850,056	1,840,265	6,608,185	6,373,966	$30.42
Class B	1,902	144,849,951	20,317,097	683,250	21,000,347	14.5%	15.4%	87,427	190,278	667,743	792,567	$21.70
Totals	**2,571**	**312,936,110**	**44,358,146**	**2,693,824**	**47,051,970**	**15.0%**	**16.8%**	**5,937,483**	**2,030,543**	**7,275,928**	**7,166,533**	**$26.06**

Source: CoStar Property®

Total Office Market Statistics

Q4 '19

Market	Existing Inventory		Vacancy					12 Month	Quarterly Net	YTD	Under	Gross Rent Direct
	# Blds	Total RBA	Direct SF	Sublease SF	Total SF	Total Vacant Available %	Total Vacant %	Net Absorption	Absorption	Deliveries	Const SF	
Totals	**2,964**	**330,507,689**	**45,433,813**	**2,737,526**	**48,171,339**	**14.6%**	**16.3%**	**5,677,099**	**1,888,045**	**7,275,928**	**7,166,533**	**$26.39**

The Market: **Class A Stats - Core Submarkets**

Market	Existing Inventory		Vacancy				Absorption		Construction		Quoted Gross Direct Rates
Market	# Blds	Total RBA	Direct SF	Sublease SF	Total SF	%	12 Mo. Net	Quarterly Net	YTD Deliveries	Under Constr.	
Allen/McKinney	19	1,898,576	132,839	10,955	143,794	7.6%	361,416	38,651	218,000	300,000	$31.52
Central Expy	26	7,508,291	1,171,366	75,864	1,247,230	16.6%	-7,401	-32,261	0	0	$32.34
Dallas CBD	32	23,781,420	5,112,817	516,773	5,629,590	23.7%	97,220	94,774	104,119	259,230	$27.74
Fort Worth CBD	19	6,423,791	955,191	34,975	990,166	15.4%	3,851	47,893	0	0	$30.48
Frisco/The Colony	34	4,816,773	688,477	25,425	713,902	14.8%	164,537	7,539	365,059	524,975	$35.86
Las Colinas	93	22,594,602	2,264,812	288,046	2,552,858	11.3%	1,861,909	1,472,245	1,693,371	1,168,228	$30.63
LBJ	38	10,764,444	1,840,388	78,450	1,918,838	17.8%	160,600	99,905	0	0	$26.80
Lewisville/Denton/Flower Mound	7	361,915	54,516	2,496	57,012	15.8%	-5,602	-40,005	20,000	220,000	$30.32
Mid Cities/HEB/Arlington	24	4,386,554	341,141	10,695	351,836	8.0%	1,877,057	27,797	1,805,000	25,000	$21.61
Preston Center	24	4,432,380	411,102	37,070	448,172	10.1%	-14,019	-94,290	118,000	297,000	$42.97
Quorum/Bent Tree	50	12,175,902	1,931,445	161,629	2,093,074	17.2%	-42,898	-107,869	0	0	$31.28
Richardson/Plano	58	13,130,021	2,332,529	172,621	2,505,150	19.1%	400,997	(69,534)	0	300,000	$26.54
Stemmons	14	4,976,848	791,873	0	791,873	15.9%	-3,193	-66,539	0	200,000	$19.91
Upper Tollway/West Plano	90	24,186,102	2,974,422	487,862	3,462,284	14.3%	729,282	146,531	681,066	1,408,866	$35.54
Uptown/Turtle Creek	52	12,280,305	1,144,198	92,088	1,236,286	10.1%	499,110	96,380	355,860	656,774	$43.07
West Southwest Fort Worth/Clearfork	27	3,484,669	119,865	30,602	150,467	4.3%	-25,911	3,282	0	49,312	$28.15
Westlake/Grapevine/Southlake	26	5,329,135	1,045,484	7,767	1,053,251	19.8%	671,049	14,518	580,000	616,999	$31.19
Totals	**633**	**162,531,728**	**23,312,465**	**2,033,318**	**25,345,783**	**14.2%**	**6,848,004**	**1,639,017**	**5,940,475**	**6,026,384**	**$30.94**

Office, 20k sf, Existing, Owner Occupied Included

The Market: **Class B Stats - Core Submarkets**

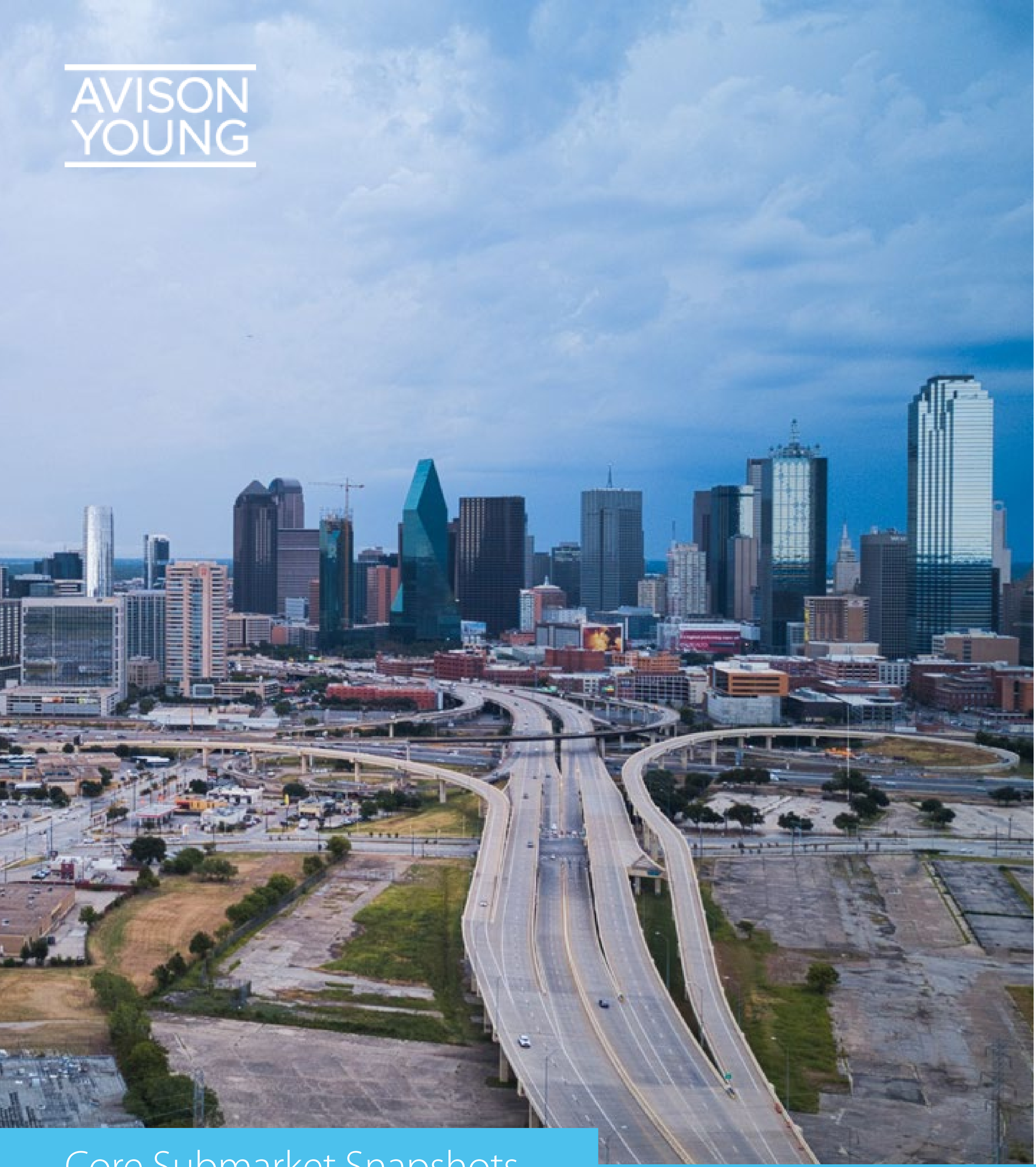
Market	Existing Inventory		Vacancy				Absorption		Construction		Quoted Gross Direct Rates
	# Blds	Total RBA	Direct SF	Sublease SF	Total SF	%	12 Mo. Net	Quarterly Net	YTD Deliveries	Under Constr.	
Allen/McKinney	57	4,758,384	464,279	42,000	506,279	10.6%	-98,230	10,887	25,000	25,000	$23.31
Central Expy	75	6,021,151	555,523	26,577	582,100	9.7%	34,257	27,257	39,625	30,252	$28.24
Dallas CBD	42	7,205,948	1,084,944	34,918	1,119,862	15.5%	-7,105	930	0	0	$19.95
Fort Worth CBD	37	5,273,049	358,792	19,283	378,075	7.2%	-56,996	8,869	0	0	$20.68
Frisco/The Colony	44	2,134,550	302,749	7,299	310,048	14.5%	-168,012	3,642	46,148	98,756	$30.25
Las Colinas	206	18,352,412	2,324,160	77,827	2,401,987	13.1%	203,732	257,263	30,000	103,000	$21.93
LBJ	118	10,866,749	2,310,919	8,019	2,318,938	21.3%	48,513	112,851	0	0	$18.78
Lewisville/Denton/Flower Mound	104	6,920,777	981,084	4,000	985,084	14.2%	-251,102	31,022	99,167	24,000	$22.12
Mid Cities/HEB/Arlington	143	9,031,002	1,052,210	48,555	1,100,765	12.2%	-76,952	61,259	0	172,311	$19.72
Preston Center	17	956,437	90,991	623	91,614	9.6%	-8,611	-41	0	0	$30.68
Quorum/Bent Tree	139	10,084,017	2,018,924	106,478	2,125,402	21.1%	-139,087	20,255	0	0	$21.07
Richardson/Plano	191	14,920,854	2,138,247	84,558	2,222,805	14.9%	97,463	-93,697	0	99,000	$20.94
Stemmons	87	8,277,338	1,894,281	0	1,894,281	22.9%	157,343	20,316	0	0	$16.42
Upper Tollway/West Plano	108	8,097,392	935,211	63,220	998,431	12.3%	-17,120	-14,297	0	34,500	$27.06
Uptown/Turtle Creek	38	2,218,936	311,158	10,487	321,645	14.5%	114,142	12,987	0	0	$31.60
West Southwest Fort Worth/Clearfork	111	6,498,054	704,731	52,304	757,035	11.7%	-60,604	-33,661	69,203	40,200	$24.53
Westlake/Grapevine/Southlake	58	3,133,948	338,112	81,327	419,439	13.4%	-16,632	-11,481	21,009	121,259	$26.14
Totals	**1,575**	**124,750,998**	**17,866,315**	**667,475**	**18,533,790**	**14%**	**-245,001**	**414,361**	**330,152**	**748,278**	**$23.73**

Office, 20k sf, Existing, Owner Occupied Included

The Market: **Totals - Core Submarkets**

	Existing Inventory		Vacancy				Absorption		Construction		Quoted Gross Direct Rates
Market	# Blds	Total RBA	Direct SF	Sublease SF	Total SF	%	12 Mo. Net	Quarterly Net	YTD Deliveries	Under Constr.	
Allen/McKinney	80	6,875,508	599,813	52,955	652,768	9.5%	263,186	49,538	243,000	325,000	$25.13
Central Expy	112	13,959,773	1,734,361	102,441	1,836,802	13.2%	45,137	-5,733	39,625	30,252	$30.84
Dallas CBD	94	33,179,968	6,207,337	551,691	6,759,028	20.4%	90,115	94,867	104,119	259,230	$27.04
Fort Worth CBD	65	11,998,774	1,313,983	54,258	1,368,241	11.4%	-53,145	56,762	0	0	$28.23
Frisco/The Colony	79	6,995,463	995,217	32,724	1,027,941	14.7%	783	11,181	411,207	623,731	$34.49
Las Colinas	316	42,070,682	4,675,939	365,873	5,041,812	12.0%	2,086,621	1,765,128	1,723,371	1,271,228	$26.26
LBJ	169	22,168,368	4,179,838	86,469	4,266,307	19.2%	205,439	210,290	0	0	$22.37
Lewisville/Denton/Flower Mound	137	8,293,509	1,051,241	6,496	1,079,776	13.0%	-264,899	-13,206	119,167	284,000	$23.11
Mid Cities/HEB/Arlington	215	15,493,808	1,505,221	62,715	1,567,936	10.1%	1,823,066	94,732	1,805,000	22,000	$19.94
Preston Center	49	5,610,638	509,407	37,693	547,100	9.8%	-29,944	-96,276	118,000	297,000	$40.85
Quorum/Bent Tree	198	22,615,492	3,956,903	268,107	4,225,010	18.7%	-181,378	-87,530	0	0	$26.67
Richardson/Plano	279	29,463,248	4,971,178	258,339	5,229,517	17.7%	22,033	-595,553	0	399,000	$23.66
Stemmons	133	14,711,473	2,847,890	0	2,847,890	19.4%	228,133	-33,482	0	200,000	$17.79
Upper Tollway/West Plano	202	32,425,139	3,909,633	551,082	4,460,715	13.8%	712,162	132,234	681,066	1,443,366	$32.58
Uptown/Turtle Creek	97	14,755,797	1,480,677	102,575	1,583,252	10.7%	604,988	107,190	355,860	656,774	$40.81
West Southwest Fort Worth/Clearfork	170	11,168,474	887,099	82,906	970,005	8.7%	-112,423	-44,921	69,203	89,512	$24.89
Westlake/Grapevine/Southlake	87	8,636,717	1,415,326	89,094	1,504,420	17.4%	654,417	3,037	601,009	746,258	$29.68
Totals	**2,482**	**300,422,831**	**42,241,063**	**2,705,418**	**44,968,520**	**14.1%**	**6,094,291**	**1,648,258**	**6,270,627**	**6,647,351**	**$27.90**

Office, 20k sf, Existing, Owner Occupied Included



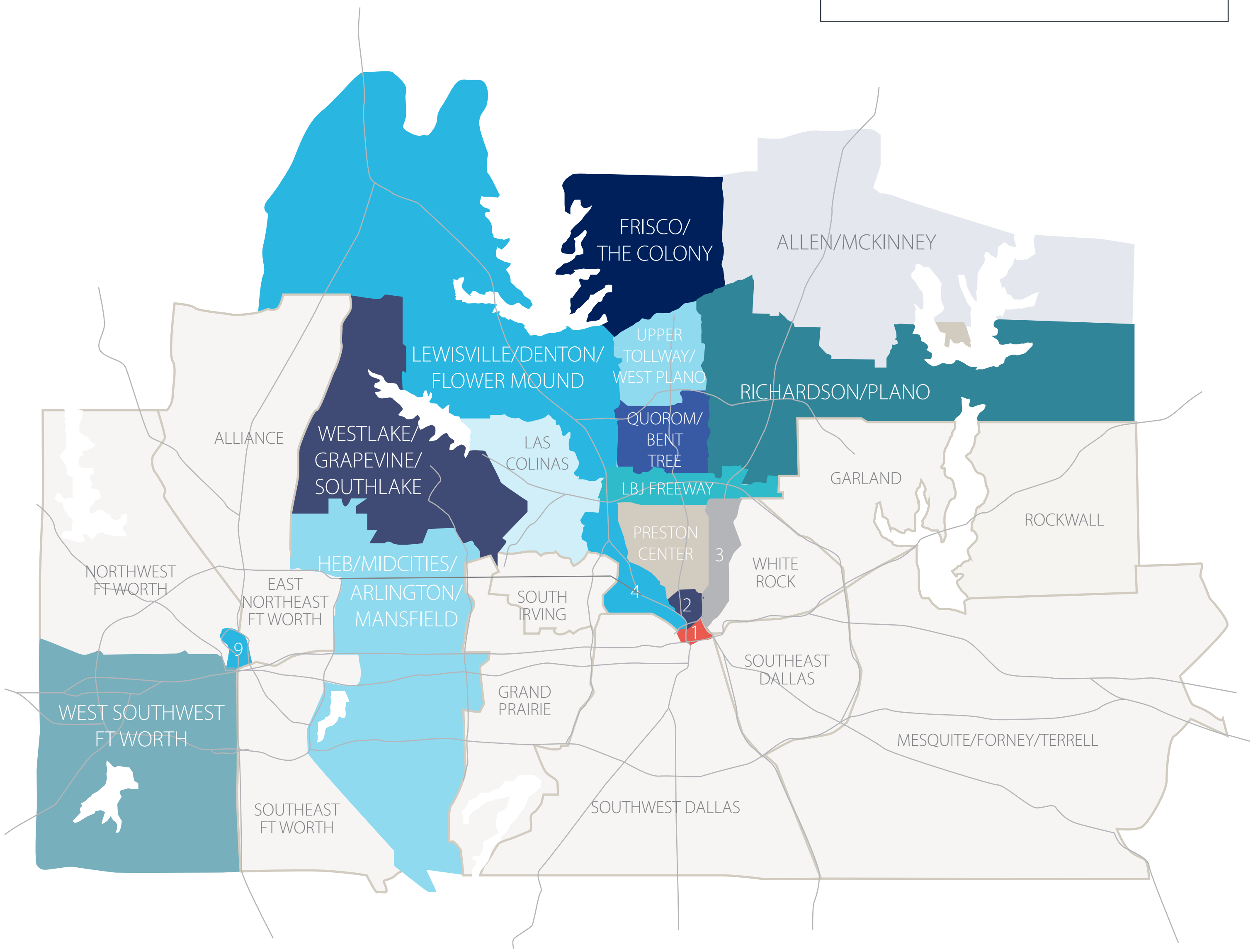
Core Submarket Snapshots

OFFICE | 4Q '19

DALLAS-FORT WORTH SUBMARKET MAP

CORE SUBMARKETS COLORED

1	DALLAS CBD
2	UPTOWN/TURTLE CREEK
3	CENTRAL EXPRESSWAY
4	STEMMONS FREEWAY
5	URBAN CENTER/WINGREN
6	OFFICE CTR/WEST LBJ EXT
7	WEST LBJ FREEWAY
8	EAST LBJ FREEWAY
9	FT WORTH CBD



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Q4 2019 OFFICE SUBMARKET SNAPSHOT

ALLEN/McKINNEY

Market Facts

MARKET TOTAL RBA
6,875,508 SF

CLASS A GROSS DIRECT RATE
$31.52/SF

CLASS B GROSS DIRECT RATE
$23.31/SF

MARKET TOTAL GROSS DIRECT RATE
$25.13/SF

TOTAL VACANCY
652,768 SF

TOTAL VACANCY %
9.5%

12 MONTH NET ABSORPTION
263,186 SF

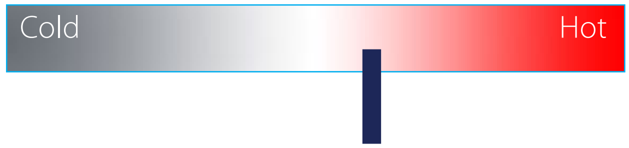
QUARTERLY NET ABSORPTION
49,538 SF

YOY RENT GROWTH
-1.8%

YTD DELIVERIES
243,000 SF

UNDER CONSTRUCTION
325,000 SF

Market Dynamicism



Market Overview

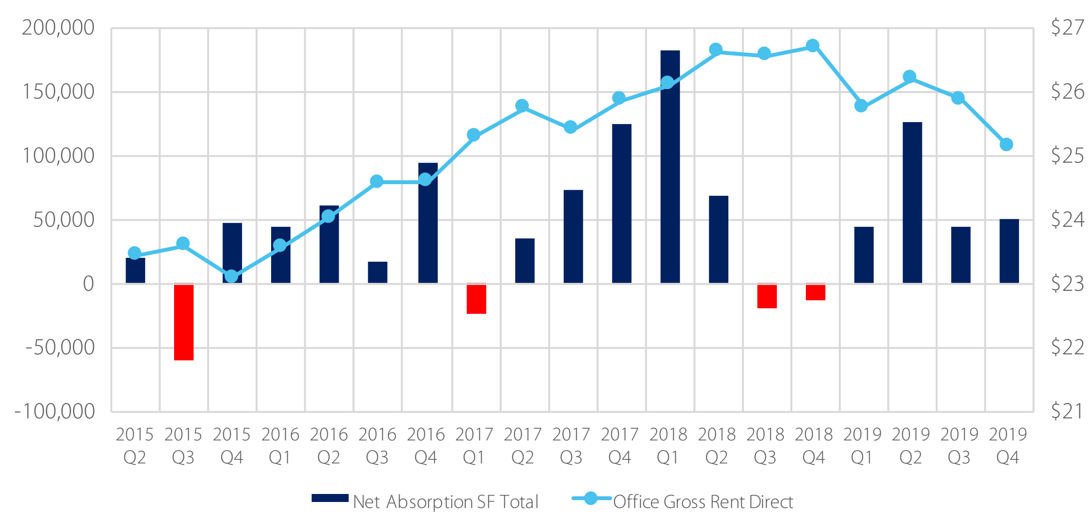
More than 20% of Allen/McKinney's office inventory has been built since 2010, helping drive absorption as tenants continue the "flight-to-quality" trend that is permeating the metroplex. Allen/ McKinney has seen several new properties designed to compete with its neighbors in Frisco and West Legacy, but at much lower price points, and generally in smaller buildings with less RBA. Average RBA in Allen/McKinney is 86,551 SF, versus roughly 150,000 SF for its western neighbors.

Most of its office properties are located along the North Central Expressway in Allen, in the southern half of the submarket. There is a general lack of large blocks of available space, which constrains some aspects of absorption. Vacancies have generally trended much lower than metro averages, but are seeing a slight rise with recent deliveries of speculative product such as One Bethany, which brought 130,000 SF of inventory and is now roughly 78% leased. Like much of the rest of the metro, Allen/ McKinney is seeing success with corporate build-to-suit projects, such as Independent Bank's recently completed 165,000 SF headquarters in Craig Ranch.

Construction starts have created a healthy pipeline of 325,000 SF that should deliver in the next 12 months, of which roughly 60% is available.

Rent growth has slowed quite substantially over recent quarters; after consistently averaging over 2.0% year-over-year growth for several years, growth turned negative year-over-year for the quarter. However, rents are still at record highs, and currently stand roughly 5% higher than pre-recession highs.

NET ABSORPTION & DIRECT GROSS RATES



AVISON YOUNG

Q4 2019 OFFICE SUBMARKET SNAPSHOT

CENTRAL EXPRESSWAY

Market Facts

MARKET TOTAL RBA
13,959,773 SF

CLASS A GROSS DIRECT RATE
$32.34/SF

CLASS B GROSS DIRECT RATE
$28.24/SF

MARKET TOTAL GROSS DIRECT RATE
$30.84/SF

TOTAL VACANCY
1,836,802 SF

TOTAL VACANCY %
13.2%

12 MONTH NET ABSORPTION
45,137 SF

QUARTERLY NET ABSORPTION
-5,733 SF

YOY RENT GROWTH
2.3%

YTD DELIVERIES
39,625 SF

UNDER CONSTRUCTION
30,252 SF

Market Dynamicism

Market Overview

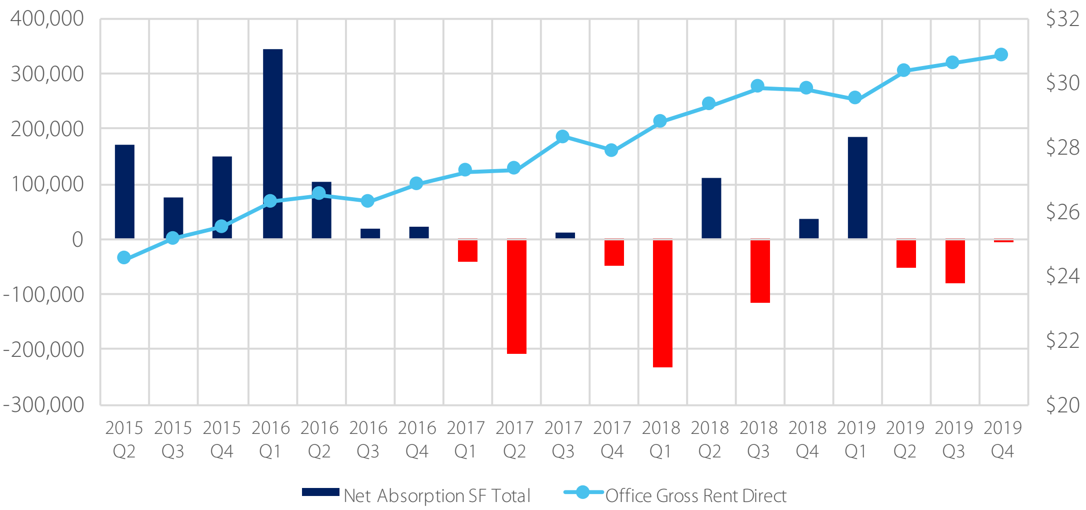
Vacancies in Central Expressway have risen recently, but at still near the submarket's all-time lows. Low vacancies, desirable location, and less new supply than some surrounding submarkets have all helped drive rental rates up at a faster and more substantial pace than other areas. Rents have grown by over 12% since 2012- one of the highest growth margins in the metro. Even with this growth, quality buildings are still able to provide asking rents roughly 25%-35% lower than rival properties in Uptown or Preston Center.

Construction has been slower than much of the surrounding area, with only minimal starts in the last 5 years, save for renovation projects such as the Meadows Building, which is housing Gensler's new space.

While fundamentals for net absorption are firm on paper, the submarket has struggled recently with several quarters of negative net absorption, caused in part by the "flight-to-quality" trend seen across the metro, as more tenants are willing to relocate to newer properties in more convenient locations such as the northern suburbs. Since the average building in the submarket was built in 1982, this trend could pose a threat to some landlords as they begin to fight for tenants that are seeking newer, shinier pastures.

On the sales side, instituional investors favor the market for its stability and quality assets. Roughly 20 properties change hands each year within the submarket. Recent major sales such as the sell of Cityplace Tower and Premier Place have shown that investors still see strong opportunity in one of the market's more dynamic submarkets.

NET ABSORPTION & DIRECT GROSS RATES



Q4 2019 OFFICE SUBMARKET SNAPSHOT

DALLAS CBD

Market Facts

MARKET TOTAL RBA
33,179,968 SF

CLASS A GROSS DIRECT RATE
$27.74/SF

CLASS B GROSS DIRECT RATE
$19.95/SF

MARKET TOTAL GROSS DIRECT RATE
$27.04/SF

TOTAL VACANCY
6,759,028 SF

TOTAL VACANCY %
20.4%

12 MONTH NET ABSORPTION
90,115 SF

QUARTERLY NET ABSORPTION
94,867 SF

YOY RENT GROWTH
1.5%

YTD DELIVERIES
104,119 SF

UNDER CONSTRUCTION
259,230 SF

Market Dynamicism

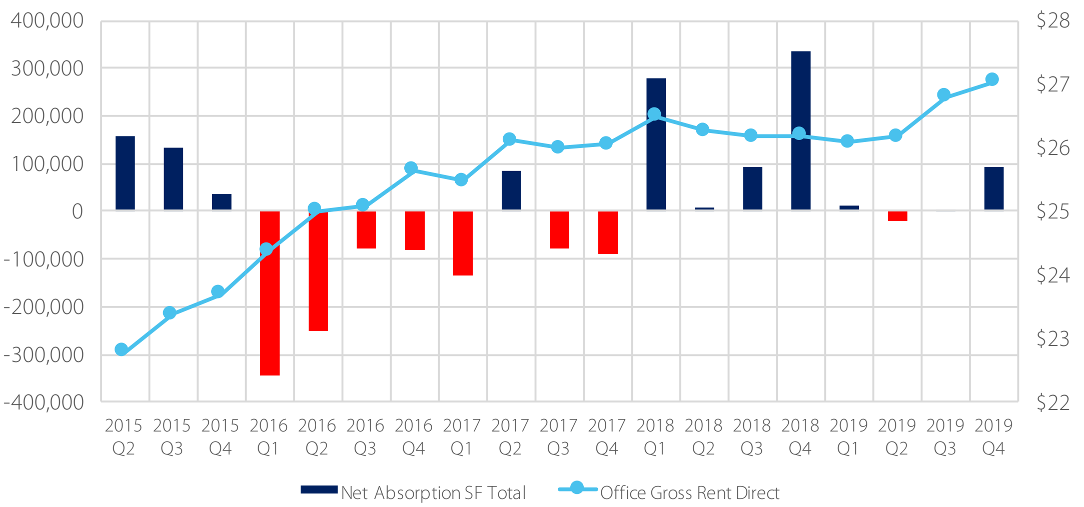
Market Overview

The Dallas Central Business District (CBD) has had a resurgence in recent quarters thanks to new product and a healthy amount of building renovations. However, certain persistent fundamentals will present future challenges for an urban core within a hub-spoke structured city that has seen much of its momentum move to the "spoke" areas such as the northern suburbs.

Major iconic properties such as Trammell Crow Center and Fountain Place have undergone substantial renovations to retain tenants, though in some cases are still losing, such as Fountain Place losing Tenet Healthcare to International Plaza along the Tollway- a loss of a 215,000 SF tenant. Bryan Tower is facing a similar dilemna as its largest tenant, Baylor Health Care Systems, is set to vacate 262,000 SF for its new build-to-suit in nearby Deep Ellum. These large blocks will add to the steady availability that the CBD consistently maintains, as its historical vacancy rate has always been high for an urban core, averaging over 20%. Of the 20 properties downtown that are over 500,000 SF, the average occupancy rate is 75%. Compare that to the rest of the metro's similar-sized buildings that average an occupancy rate of 89%.

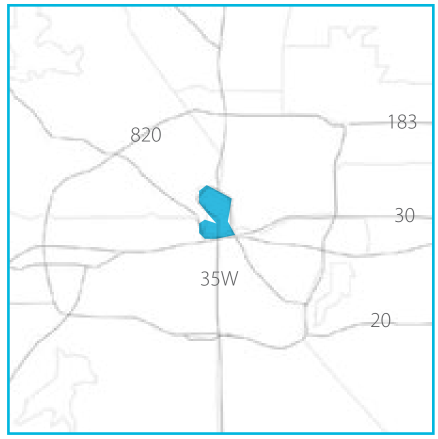
Still, changing demographics and the desire for more walkable living are helping pull millennials into the city core. Pairing this to substaintially cheaper rents compared to Uptown, as well as the continued rise of urban coworking spaces, and Dallas CBD has the potential to ride this changing tide into a stable and positive future, or potentially get left in the wake as energy continues to move to Uptown and the suburbs.

NET ABSORPTION & DIRECT GROSS RATES



Q4 2019 OFFICE SUBMARKET SNAPSHOT

FORT WORTH CBD



Market Facts

MARKET TOTAL RBA
11,998,774 SF

CLASS A GROSS DIRECT RATE
$30.48/SF

CLASS B GROSS DIRECT RATE
$20.68/SF

MARKET TOTAL GROSS DIRECT RATE
$28.23/SF

TOTAL VACANCY
1,368,241 SF

TOTAL VACANCY %
11.4%

12 MONTH NET ABSORPTION
-53,145 SF

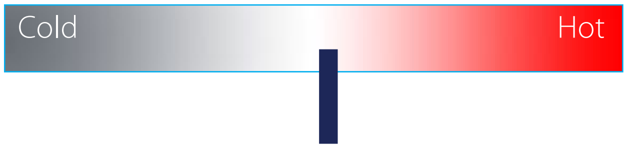
QUARTERLY NET ABSORPTION
56,762 SF

YOY RENT GROWTH
0.6%

YTD DELIVERIES
0 SF

UNDER CONSTRUCTION
0 SF

Market Dynamicism



Market Overview

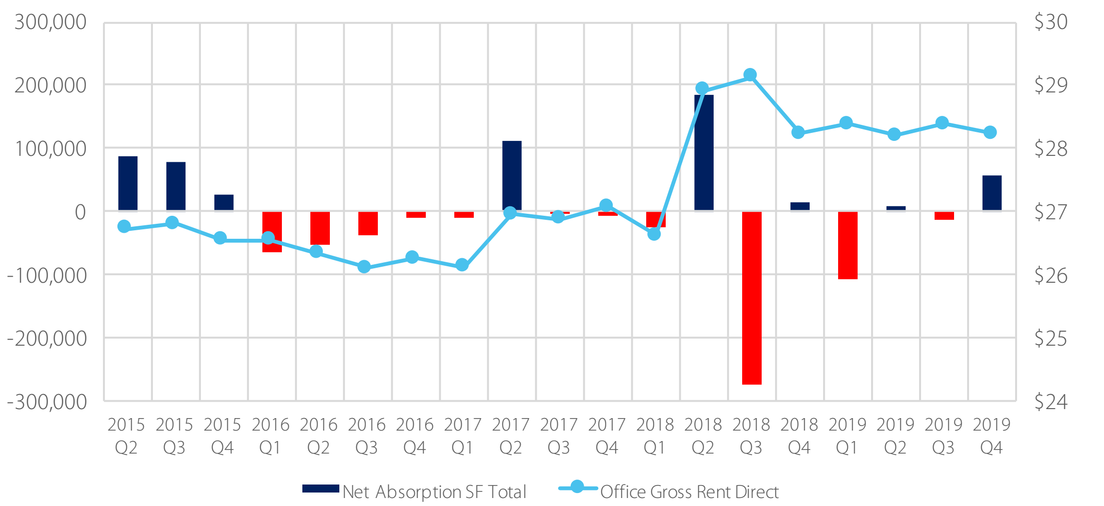
The Fort Worth Central Business District (CBD) has a higher concentration of energy offices than Dallas CBD does, thus making it more prone to the cyclical nature of the energy market. However, vacancy rates are much lower here than Dallas CBD- 11.4% vs 20.4%. This could also partially be due to the fact that Fort Worth CBD is one of the few areas on the western side of the metro that has high quality Class A & B assets.

The submarket has also helped absorb office vacancies such as XTO Energy's space, by recently by converting older buildings into multifamily rental properties and boutique hotels. These transitions have helped keep supply tighter than it could have been, and helped mitigate any major drops in overall occupancy.

Construction has been quite limited this cycle, with Frost Tower being the only property over 100,000 SF to be built since 2010. Of that total 600,000 SF of inventory built since 2010, the market has absorbed most of it, with only 20% of that space remaining available.

Absorption has been up and down recently, with a few quarters of positive absorption after 2016 saw the entire year going negative. However, the underlying fundamentals remain quite healthy. Much like Dallas CBD, and in many ways moreso, urban walkability, quality redevelopment projects, and generational differences could help position Fort Worth CBD to stay a thriving downtown market until the cows come home.

NET ABSORPTION & DIRECT GROSS RATES



Parameters: Office | Existing | 20,000 SF+

Q4 2019 OFFICE SUBMARKET SNAPSHOT

FRISCO/THE COLONY

Market Facts

MARKET TOTAL RBA
6,995,463 SF

CLASS A GROSS DIRECT RATE
$35.86 /SF

CLASS B GROSS DIRECT RATE
$30.25/SF

MARKET TOTAL GROSS DIRECT RATE
$34.49/SF

TOTAL VACANCY
1,027,941 SF

TOTAL VACANCY %
14.7%

12 MONTH NET ABSORPTION
783 SF

QUARTERLY NET ABSORPTION
11,181 SF

YOY RENT GROWTH
1.8%

YTD DELIVERIES
411,207 SF

UNDER CONSTRUCTION
623,731 SF

Market Dynamicism

Market Overview

Frisco/The Colony is one of the metro's fastest growing submarkets. Inventory has nearly doubled during the current business cycle, post-Great Recession, and has grown six-fold since 2000. This helps position the submarket quite well looking ahead, as flight-to-quality trends, competitve rental rates in new inventory, and suburban convenience, continue to drive tenants into new space in the suburbs such as Frisco, The Colony and Plano.

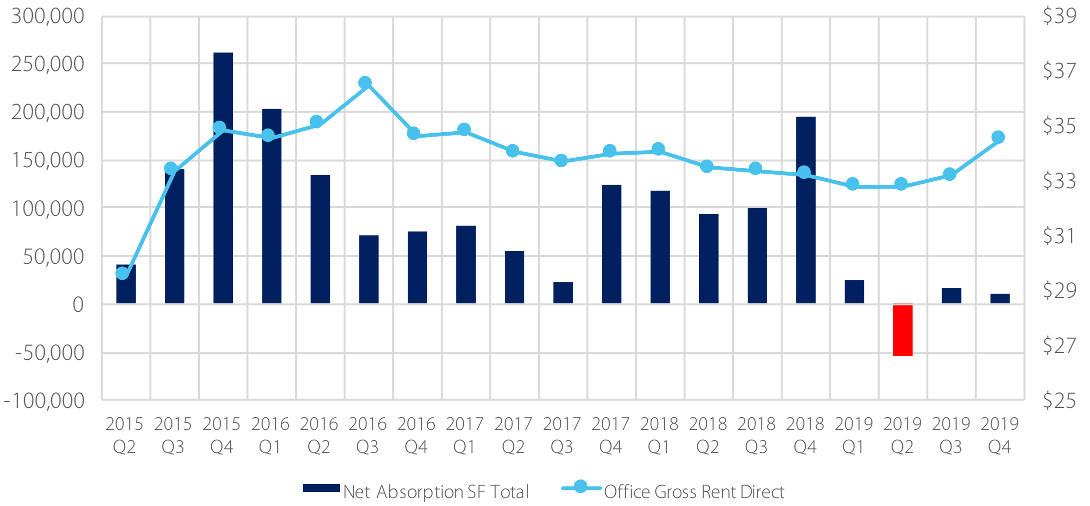
Office inventory isn't the only thing that has seen rapid growth. Frisco is consistently ranked as one of the most desirable cities to live in by various publications and is one of the fastest-growing cities in the country.

The vast majority of supply within the submarket is along Dallas North Tollway, such as Hall Park, and The Star. This is also where new construction such as Frisco Station and The Gate are taking place. Frisco recently made national news with the sale of 2,500 acres of land for the upcoming Fields Development, which is set to house the PGA Headquarters, as well as ample potential for plenty of other corporate headquarters- helping it rival its sibling submarkets such as Upper Tollway.

Recent speculative construction raised inventory and vacancy, putting downward pressure on rents, causing a decline from cycle peaks in 2016 that is finally moving up again.

Dynamics will continue to be healthy as strong socio-economic trends, abundant land, steady absorption, and breakneck growth help position Frisco/The Colony to grow into a truly powerful submarket, capable of going toe-to-toe with any other suburban sectors in the metro.

NET ABSORPTION & DIRECT GROSS RATES



Parameters: Office | Existing | 20,000 SF+

AVISON YOUNG

Q4 2019 OFFICE SUBMARKET SNAPSHOT

LAS COLINAS

Market Facts

MARKET TOTAL RBA
42,070,682 SF

CLASS A GROSS DIRECT RATE
$30.63/SF

CLASS B GROSS DIRECT RATE
$21.93/SF

MARKET TOTAL GROSS DIRECT RATE
$26.26/SF

TOTAL VACANCY
5,041,812 SF

TOTAL VACANCY %
12.0%

12 MONTH NET ABSORPTION
2,086,621 SF

QUARTERLY NET ABSORPTION
1,765,128 SF

YOY RENT GROWTH
1.9%

YTD DELIVERIES
1,723,371 SF

UNDER CONSTRUCTION
1,271,228 SF

Market Dynamicism

Market Overview

The Las Colinas submarket cluster is made up of three distinct submarkets- The Urban Center, Office Center, and DFW Freeport/ Coppell. Urban Center features the most mid-rise and high-rise buildings, while the Office Center and DFW Freeport feature more low-rise campus style buildings full of corporate headquarters. Las Colinas as a whole boosts the largest number of Fortune 1000 company headquarters outside of downtown Dallas.

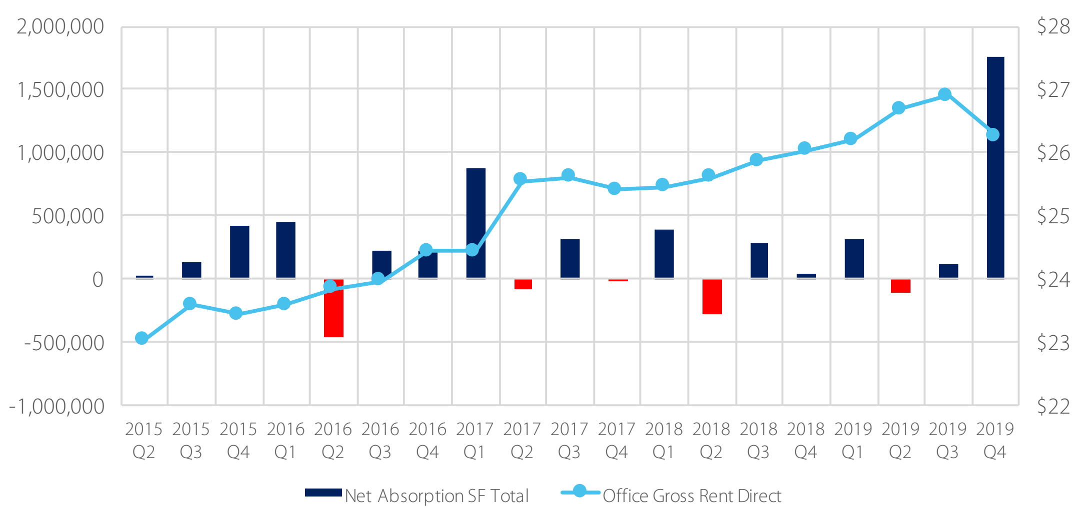
The proximity to DFW Airport, ample land, and desirable product helps keep these major companies, even if some such as Signet Jewelers and Nokia move within the cluster from one submarket to another. DFW Freeport/Coppell's 1,000 acre Cypress Waters development is one of the top draws, with 2.5 MSF delivering since 2010, with 98% of it full.

The new Hidden Ridge development in the Office Center could change that though, with Pioneer Natural Resources' new 1.125 MSF headquarters opened, spurring more development such as its neighboring Westin Hotel and more.

These new deliveries and quality existing assets with stable occupancies have helped drive rents up at a steady clip this cycle, consistently setting historical records, nearly each quarter.

This energy and dynamicism should continue, as new amenities like Urban Center's Toyota Music Factory and Water Street, and developments like Cypress Waters and Hidden Ridge continue to push Las Colinas towards its master-planned vision of grandeur and all-encompassing livability that it has been pursuing for decades.

NET ABSORPTION & DIRECT GROSS RATES

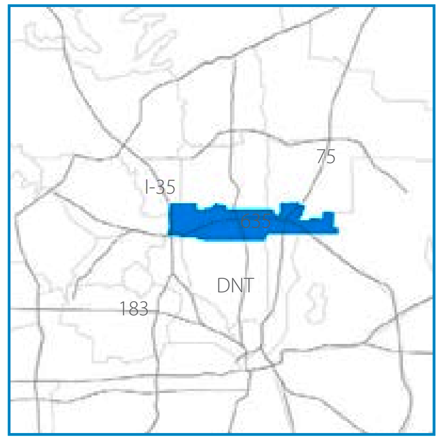


Parameters: Office | Existing | 20,000 SF+

AVISON YOUNG

Q4 2019 OFFICE SUBMARKET SNAPSHOT

LBJ FREEWAY



Market Facts

MARKET TOTAL RBA
22,168,368 SF

CLASS A GROSS DIRECT RATE
$26.80/SF

CLASS B GROSS DIRECT RATE
$18.78/SF

MARKET TOTAL GROSS DIRECT RATE
$22.37/SF

TOTAL VACANCY
4,266,307 SF

TOTAL VACANCY %
19.2%

12 MONTH NET ABSORPTION
205,439 SF

QUARTERLY NET ABSORPTION
210,290 SF

YOY RENT GROWTH
1.7%

YTD DELIVERIES
0 SF

UNDER CONSTRUCTION
0 SF

Market Dynamicism

Market Overview

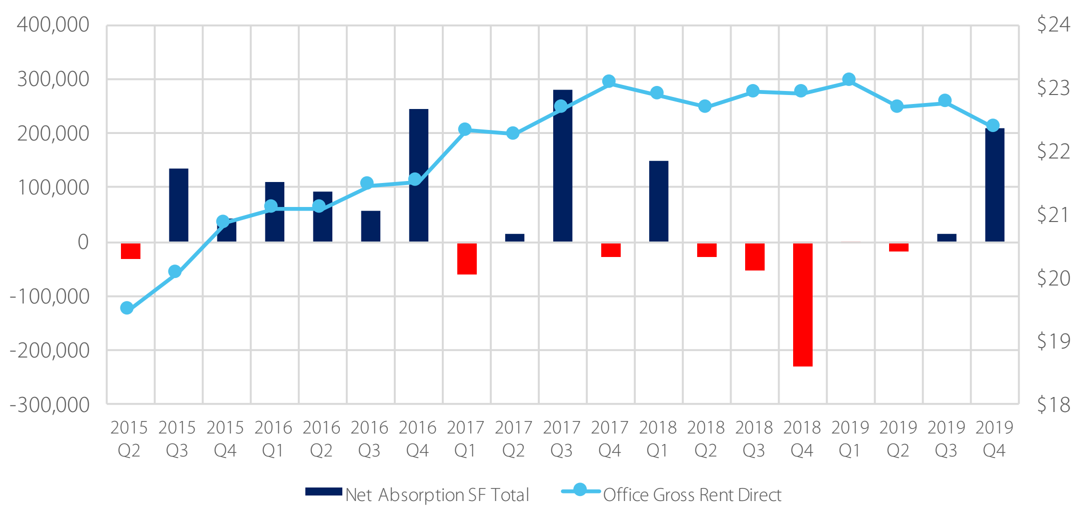
The LBJ submarket cluster of East LBJ and West LBJ is a submarket stuck in traffic like a passenger on 635 during rush hour. Aside from quality product along the Galleria micro-market, much of the area has struggled in this business cycle as tenant interest has seemingly radiated out in all directions away from it, be it Las Colinas to the West, Uptown to the South, or the northern suburbs to the north and east.

The submarket is generally much cheaper than any of those above mentioned submarkets, and its high vacancy rate means plenty of large blocks of space. Also, East LBJ is one of the densest submarkets in the metro, with roughly 17 MSF of inventory in one of the smallest land masses.

The submarket does have potential to see some new energy and momentum however, as the $4B Dallas Midtown project at Valley View Mall has finally kicked into gear. Demolition of the majority of Valley View Mall is now complete, removing the blighted old mall from sight, and energizing developers and nearby businesses with the prospect of new activity. In all, the development has proposed 12 million sf of office and mixed-use space, along with luxury hotels, and a 20-acre urban park.

As far as sales go, most product here is 80's or earlier, and most properties are proportionally high-vacancy. Therefore, most sales are value-add deals from local investment firms, all trading at discounts compared to product in nearby submarkets such as Quorum/Bent Tree, Richardson/Plano, and Central Expressway.

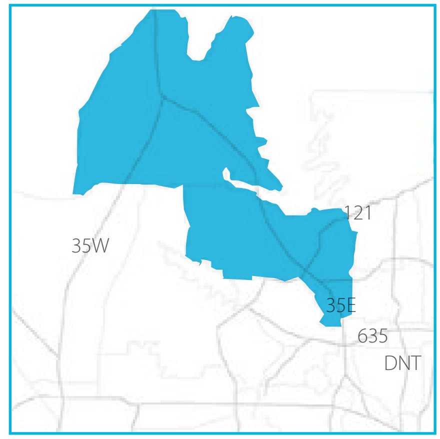
NET ABSORPTION & DIRECT GROSS RATES



AVISON YOUNG

Q4 2019 OFFICE SUBMARKET SNAPSHOT

LEWISVILLE/DENTON/FLOWER MOUND



Market Facts

MARKET TOTAL RBA
8,293,509 SF

CLASS A GROSS DIRECT RATE
$30.32/SF

CLASS B GROSS DIRECT RATE
$22.12/SF

MARKET TOTAL GROSS DIRECT RATE
$23.11/SF

TOTAL VACANCY
1,079,776 SF

TOTAL VACANCY %
13.0%

12 MONTH NET ABSORPTION
-264,899 SF

QUARTERLY NET ABSORPTION
-13,206 SF

YOY RENT GROWTH
-2.1%

YTD DELIVERIES
119,167 SF

UNDER CONSTRUCTION
284,000 SF

Market Dynamicism

Market Overview

The Lewisville/Denton/Flower Mound area is a quiet cluster of smaller suburban markets fed by 35E & 35 W. Much of the product here is smaller office space, but there are a few larger campus sites such as Convergence and Lake Vista, the former JPMorgan campus, which was backfilled by Nationstar Mortgage. Vacancies are low compared to most of the metro, especially within Denton and Flower Mound, as supply this far northwest is especially limited.

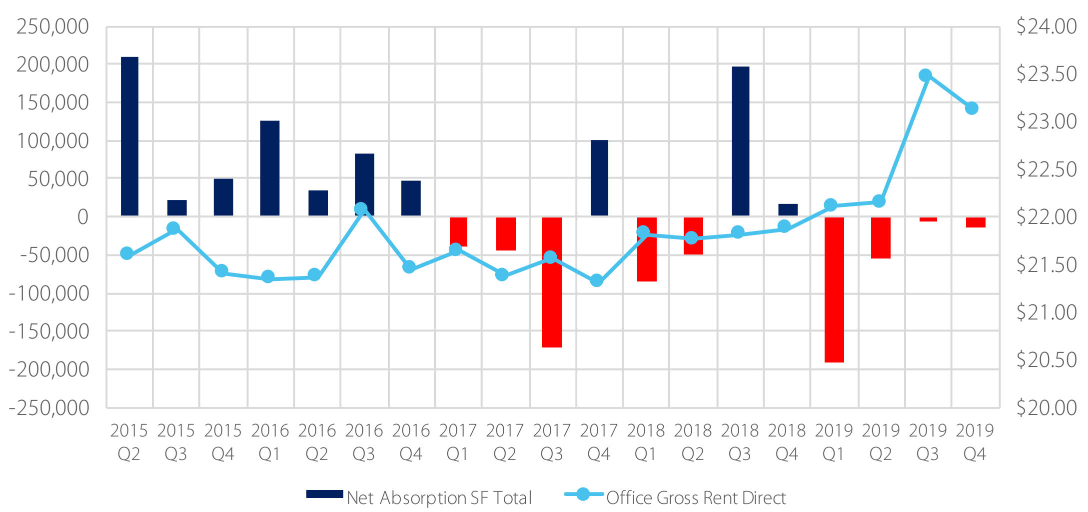
One interesting aspect of the area is that until recently, rent growth was almost non-existant in recent years, even as the rest of the metro pulled upwards. This has helped the area stay quite affordable.

Construction has been relatively calm this cycle, but Bright Realty recently broke ground on Crown Center One, a 100,000 SF spec office building expected to deliver summer 2020 as part of a master-planned community with potential for 1,300 apartment units, a 300-key hotel, and 100,000 SF of retail.

As far as sales go, medical office properties drive most volume, with few reported sales prices being recorded. Pricing for non-medical office assets is typically lower than $200/SF and cap rates are generally higher than the rest of the market.

The potential for growth here is twofold: The path of growth in D-FW continues to move northward, and Highway 380 continues to boom, making it likely that developments like those for Charles Schwab, BMW and TD Ameritrade in surrounding submarkets could eventually make their way to the area.

NET ABSORPTION & DIRECT GROSS RATES



Parameters: Office | Existing | 20,000 SF+

AVISON YOUNG

Q4 2019 OFFICE SUBMARKET SNAPSHOT

HEB/MID CITIES/ARLINGTON

Market Facts

MARKET TOTAL RBA
15,493,808 SF

CLASS A GROSS DIRECT RATE
$21.61/SF

CLASS B GROSS DIRECT RATE
$19.72/SF

MARKET TOTAL GROSS DIRECT RATE
$19.94/SF

TOTAL VACANCY
1,567,936 SF

TOTAL VACANCY %
10.1%

12 MONTH NET ABSORPTION
1,823,066 SF

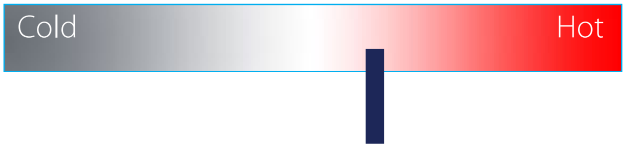
QUARTERLY NET ABSORPTION
94,732 SF

YOY RENT GROWTH
0.2%

YTD DELIVERIES
1,805,000 SF

UNDER CONSTRUCTION
22,000 SF

Market Dynamicism



Market Overview

Much of HEB/Mid Cities/Arlington's supply is concentrated in Arlington, along the major thoroughfares that run through the city such as I-30, 183, and 360. Of that, 99% of that inventory is buildings less than 300,000 SF. The clearest break from this is American Airlines' new 1.7 MSF headquarters near DFW Airport, which recently delivered. Rents are traditionally quite low here, as much of the product is sub-investment grade and small. The area generally favors industrial product.

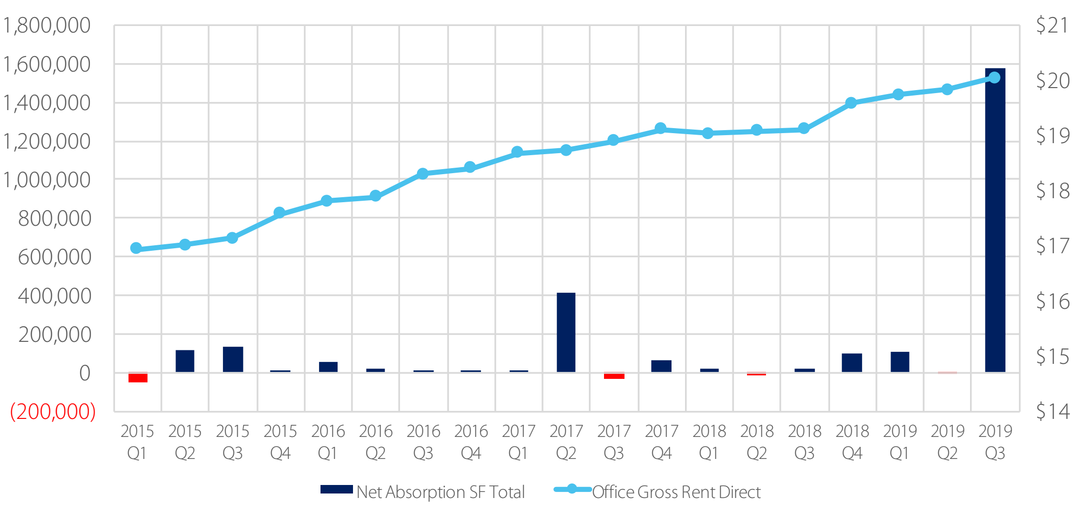
That said, vacacies didn't rise as much here as they did in other submarkets during the downturn, and absorption has remained steady, albeit small, during recent years. The majority of this cycle's construction has been build-to-suits that were immediately filled, which has also helped keep vacancies steady. So while it is not a glamorous or romanticized submarket, it is a steady bet.

Large blocks of space are hard to find here. It is rare for a building to have over 40,000 SF of availability, and even now there are only a handful of properties with more than 25,000 SF available.

Sales are actually quite strong in the cluster from a deal volume perspective, but light from an inventory perspective as most product sold is less than 70,000 SF. Since much of the product is lower-grade and dated, value-add deals are common here.

Looking ahead, there is ample possibly for rising momentum in the area, thanks to newer developments of all asset types, such as the new American Airlines campus, TexasLive!, and the $1B replacement for the Rangers' Globe Life Park. As these deliveries bring new interest and traffic to the area, potential for office interest could rise as well.

NET ABSORPTION & DIRECT GROSS RATES



Parameters: Office | Existing | 20,000 SF+

AVISON YOUNG

Q4 2019 OFFICE SUBMARKET SNAPSHOT

PRESTON CENTER

Market Facts

MARKET TOTAL RBA
5,610,638 SF

CLASS A GROSS DIRECT RATE
$42.97/SF

CLASS B GROSS DIRECT RATE
$30.68/SF

MARKET TOTAL GROSS DIRECT RATE
$40.85/SF

TOTAL VACANCY
547,100 SF

TOTAL VACANCY %
9.8%

12 MONTH NET ABSORPTION
-29,944 SF

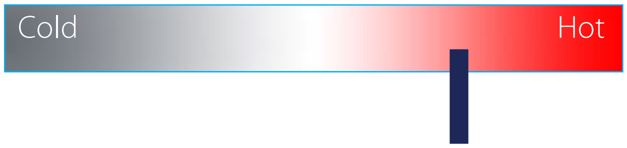
QUARTERLY NET ABSORPTION
-96,276 SF

YOY RENT GROWTH
3.0%

YTD DELIVERIES
118,000 SF

UNDER CONSTRUCTION
297,000 SF

Market Dynamicism



Market Overview

Preston Center currently boasts the highest rental rates in the market, even over Uptown/Turtle Creek. The majority of the submarket's supply exists around the interections of Dallas North Tollway and Northwest Highway, in Preston Center itself. The submarket favors financial and professional services firms, drawing from the surrounding affluent and well-educated workforce, making it a concentrated and highly desirable submarket.

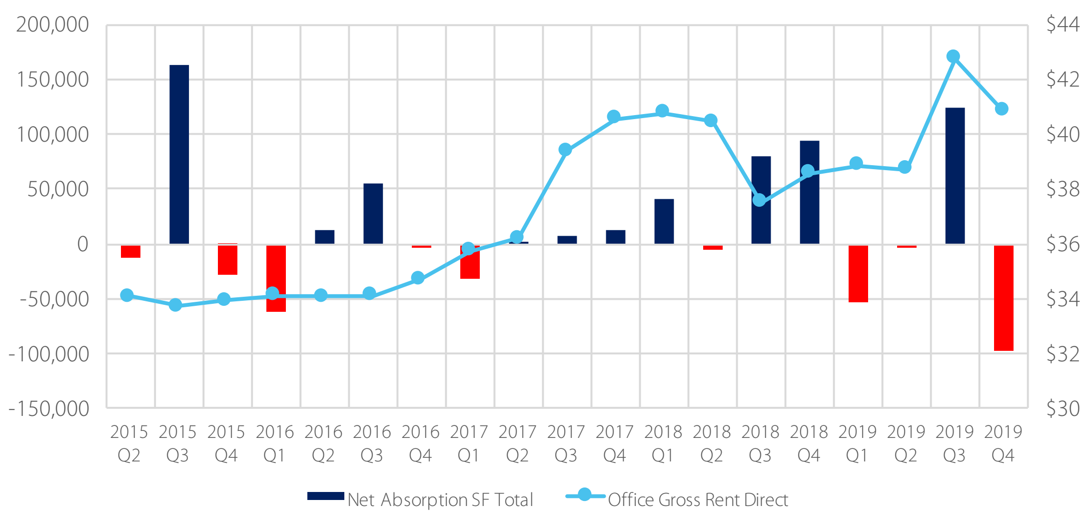
That being said, the submarket is relatively calm from a leasing perspective. Occupancies rarely fall below 90%, and over 95% of tenants have footprints smaller than 25,000 SF. Large blocks of available space are quite rare. New product such as Terraces at Douglas Center fill up quite quickly, leaving minimal available space.

Construction here is limited as the vast majority of the area is built out with high-priced single-family homes and existing commerical product. This scarcity of developable land, along with the desirable location, helps landlords keep their rents as high as they are. Currently, only 1 project is underway; Weir's Plaza on Knox Henderson, which is 297,000 sf and is 65% leased.

One potential area for development is on the site of the Saint Michael and All Angels Episcopal Church, located on the southwestern side of Preston Center. The church started work in 2018 to rezone the site in order to build office and multifamily.

Looking ahead, Preston Center's desirable location near DNT and the surrounding Park Cities neighborhoods, limited availability, and quality product will help it stay a top submarket in the metro.

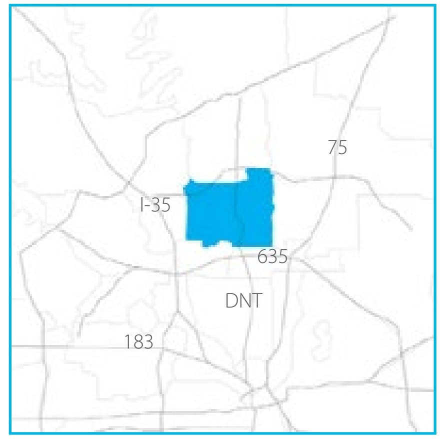
NET ABSORPTION & DIRECT GROSS RATES



AVISON YOUNG

Q4 2019 OFFICE SUBMARKET SNAPSHOT

QUORUM/BENT TREE



Market Facts

MARKET TOTAL RBA
22,615,492 SF

CLASS A GROSS DIRECT RATE
$31.28/SF

CLASS B GROSS DIRECT RATE
$21.07/SF

MARKET TOTAL GROSS DIRECT RATE
$26.67/SF

TOTAL VACANCY
4,225,010 SF

TOTAL VACANCY %
18.7%

12 MONTH NET ABSORPTION
-181,378 SF

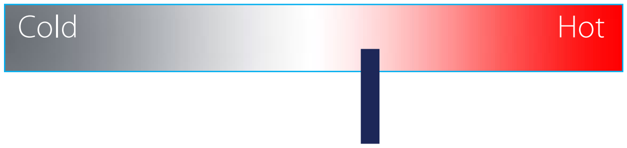
QUARTERLY NET ABSORPTION
-87,530 SF

YOY RENT GROWTH
1.5%

YTD DELIVERIES
0 SF

UNDER CONSTRUCTION
0 SF

Market Dynamicism



Market Overview

The Quorum/Bent Tree submarket has struggled to maintain positive net absorption rates for several quarters now after dealing with multiple major corporate tenants vacating their old offices for build-to-suits in the north. Much of the recent leasing activity has been done in newer built product. That being said, it was recently announced that Tenet Healthcare was to leave its downtown office for a new lease at International Plaza I, backfilling the space left by JPMorgan Chase.

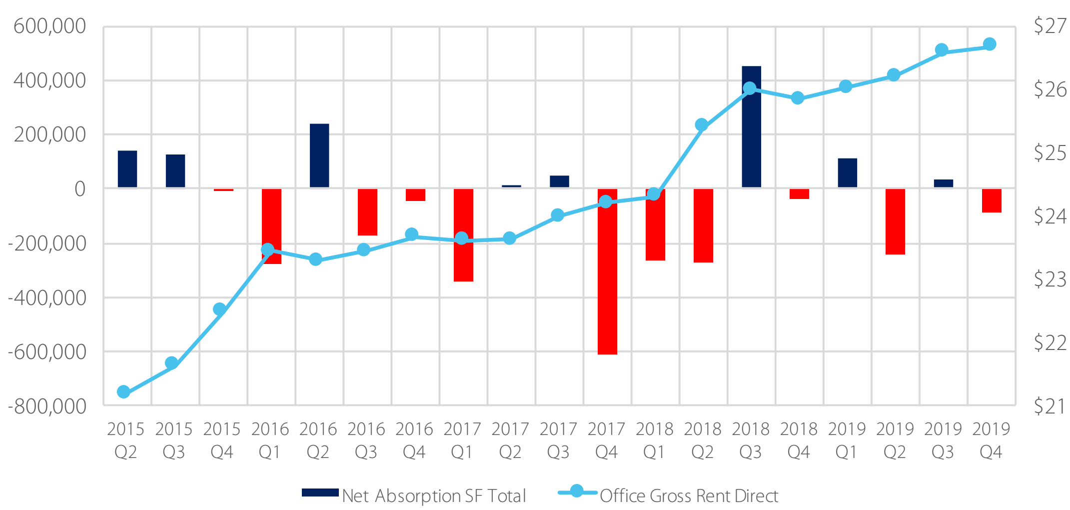
Fundamentals in the area do give the submarket strong potential. Its traffic feed is supported by DNT, Bush, and 635. Also, it has the draw of popular suburbs like Addison, which boasts a healthy live, work, play scene, and other more affluent areas in Far North Dallas.

Rents here are comparable to other inner ring suburban markets with heavy 1980's supply inventory, such as LBJ, Richardson/Plano, and most of Las Colinas. Rent growth has performed well this cycle, consistently averaging over 1.5% year-over-year growth.

Construction has been meager compared to many of the surrounding submarkets, with roughly only 1 MSF delivering this cycle. That said, what product that has delivered has performed well, with recent deliveries like Tollway Center and Fourteen555 both now being 95% leased.

From a sales perspective, this is one of the most actively traded markets in the metro. Since much of the stock is 80's product, and in a slightly calmer area that some, most product tends to trade hands at around $200/SF.

NET ABSORPTION & DIRECT GROSS RATES



AVISON YOUNG

Q4 2019 OFFICE SUBMARKET SNAPSHOT

RICHARDSON/PLANO

Market Facts

MARKET TOTAL RBA
29,463,248 SF

CLASS A GROSS DIRECT RATE
$26.54/SF

CLASS B GROSS DIRECT RATE
$20.94/SF

MARKET TOTAL GROSS DIRECT RATE
$23.66/SF

TOTAL VACANCY
5,229,517 SF

TOTAL VACANCY %
17.7%

12 MONTH NET ABSORPTION
22,033 SF

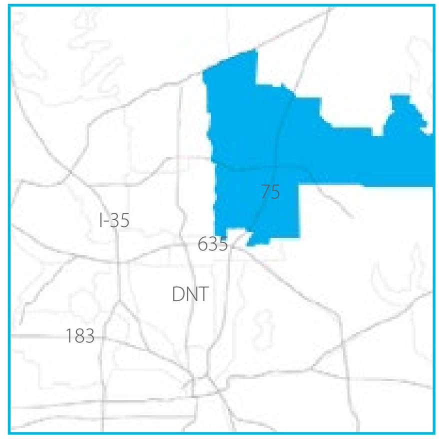
QUARTERLY NET ABSORPTION
-595,553 SF

YOY RENT GROWTH
-2.1%

YTD DELIVERIES
0 SF

UNDER CONSTRUCTION
399,000 SF

Market Dynamicism



Market Overview

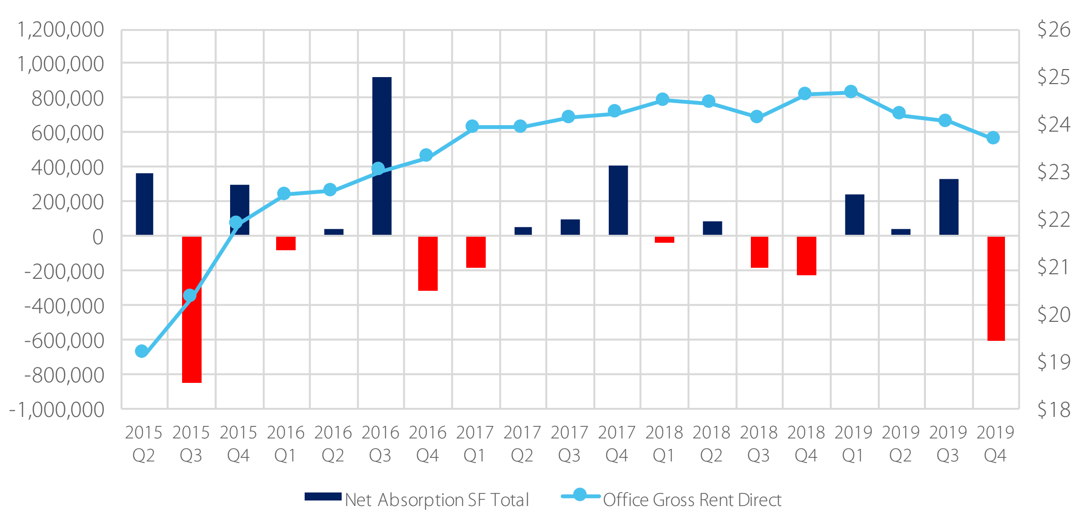
Richardson/Plano is home to the Telecom Corridor and CityLine- two major leasing regions. CityLine's major corporate build-to-suits for companies like State Farm and Raytheon have gotten most of the attention recently, but the submarket also plays well as a satellite office hub for companies who have larger presences across the metro. Goldman Sachs offices in Trammell Crow Center downtown, but also has 44,000 SF in Galatyn Commons. Steward Health is in 1900 Pearl in downtown, but also has 165,000 SF at Galatyn Commons.

The Plano portion of the submarket has been relatively stagnant this cycle compared to some of its neighbors. Most of the submarket's energy has stayed in Richardson or relocated to other submarkets. The most successful area of the Plano side seems to be Legacy Central-Texas Instruments' former four-building campus. Legacy Central is where Samsung recently relocated to, as well as Ribbon Communications, which signed on to take over 100,000 SF of space for an early 2020 move in.

Rents here are lower than surrounding areas, giving the submarket a good value play position. Also, traffic feed does have the benefit of easy access to Bush, 75, and 121. Vacancies are also slightly higher than most northern submarkets, giving the submarket more potential for large blocks of space.

Construction has been dominated by the Richardson side of the submarket- with nearly 5 MSF delivering in recent years, the vast majority of which has been the aforementioned build-to-suits. Of the spec buildings delivered, such as 3400 Cityline, roughly 70% has been absorbed by the market.

NET ABSORPTION & DIRECT GROSS RATES



Parameters: Office | Existing | 20,000 SF+

Q4 2019 OFFICE SUBMARKET SNAPSHOT

STEMMONS FREEWAY

Market Facts

MARKET TOTAL RBA
14,711,473 SF

CLASS A GROSS DIRECT RATE
$19.91/SF

CLASS B GROSS DIRECT RATE
$16.42/SF

MARKET TOTAL GROSS DIRECT RATE
$17.79/SF

TOTAL VACANCY
2,847,890 SF

TOTAL VACANCY %
19.4%

12 MONTH NET ABSORPTION
228,133 SF

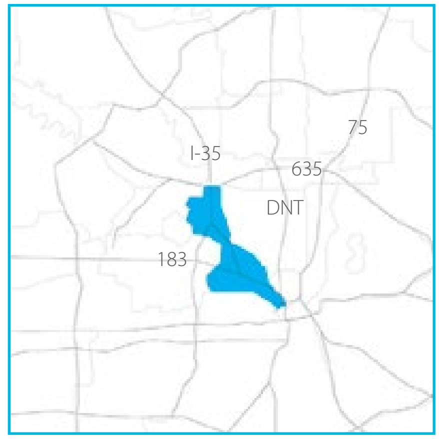
QUARTERLY NET ABSORPTION
33,482 SF

YOY RENT GROWTH
0.6%

YTD DELIVERIES
0 SF

UNDER CONSTRUCTION
200,000 SF

Market Dynamicism



Market Overview

Stemmons Freeway's proximity to the Medical District and Love Field makes it a strong hub for medical and healthcare tenants, and airlines. Still, this is one of the cooler markets from a dynamicism perspective, as vacancies remain higher than much of the metro, and rates are some of the lowest in the market.

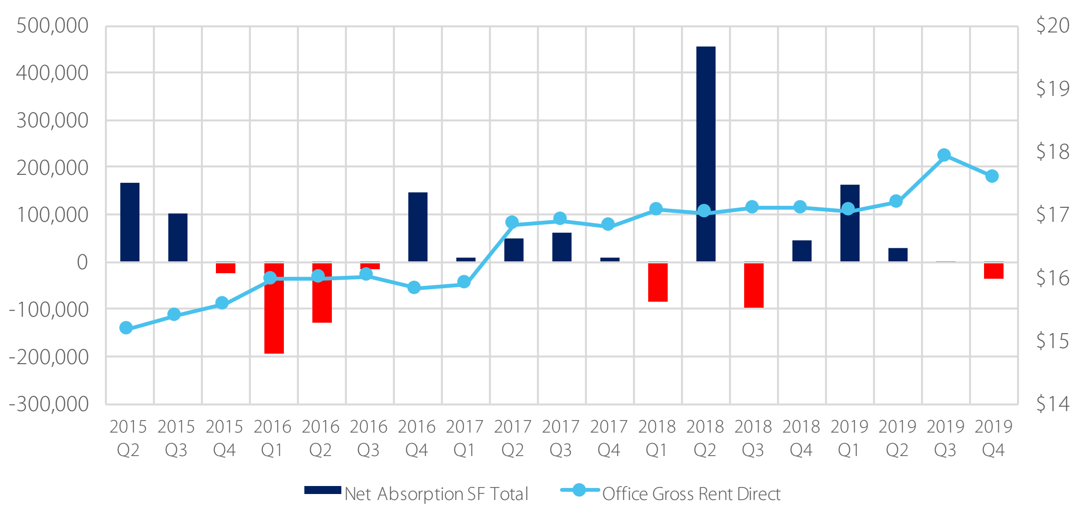
However, there is potential here, as the Design District continues to transform, moving from a showroom district for vendors to more of a live, work, play styled district in the line of Uptown and Victory park. KDC's proposed West Love mixed-use development has potential to breathe new life into the area, and could launch that portion of the submarket into more competitive stance.

Along Stemmons itself, most product is older, lower grade product, so most sales are value-add deals. Infomart's 2018 sale for $800 million ($500/SF) helped lift the entire metro's sales volume for the year, and was certainly the record for the submarket. Traditionally, most product here has been trading for around $180/SF, lower than the average for the market.

There hasn't been much construction here this cycle. Southwest Airlines did recently complete its 414,000 SF build-to-suit, and currently Freeman is working on its 200,000 sf headquarters.

The submarket has managed to keep its net absorption positive for most quarters in recent years, so it does benefit from being a slow-and-steady submarket, with good transit potential, but existing multi-tenant properties will need to figure out new dynamics if they want to compete with everything new that is popping up.

NET ABSORPTION & DIRECT GROSS RATES

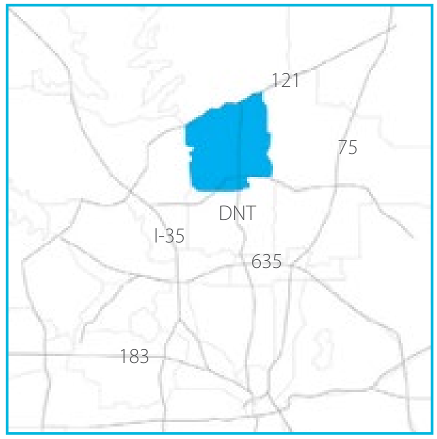


Parameters: Office | Existing | 20,000 SF+

AVISON YOUNG

Q4 2019 OFFICE SUBMARKET SNAPSHOT

UPPER TOLLWAY/WEST PLANO



Market Facts

MARKET TOTAL RBA
32,425,139 SF

CLASS A GROSS DIRECT RATE
$35.54/SF

CLASS B GROSS DIRECT RATE
$27.06/SF

MARKET TOTAL GROSS DIRECT RATE
$32.58/SF

TOTAL VACANCY
4,460,715 SF

TOTAL VACANCY %
13.8%

12 MONTH NET ABSORPTION
712,162 SF

QUARTERLY NET ABSORPTION
132,234 SF

YOY RENT GROWTH
2.2%

YTD DELIVERIES
681,066 SF

UNDER CONSTRUCTION
1,443,366 SF

Market Dynamicism

Market Overview

Upper Tollway/West Legacy is beginning to regain its energy again after noticeably cooling in recent quarters. With construction substantially picking back up, expect a lot of activity in the coming quarters.

With its quality product, newer assets, ideal transit locations, and surroundings of affluent neighborhoods, the submarket will continue to be one of the metro's most dynamic submarkets, continually drawing the eyes of major national Fortune 1000 companies.

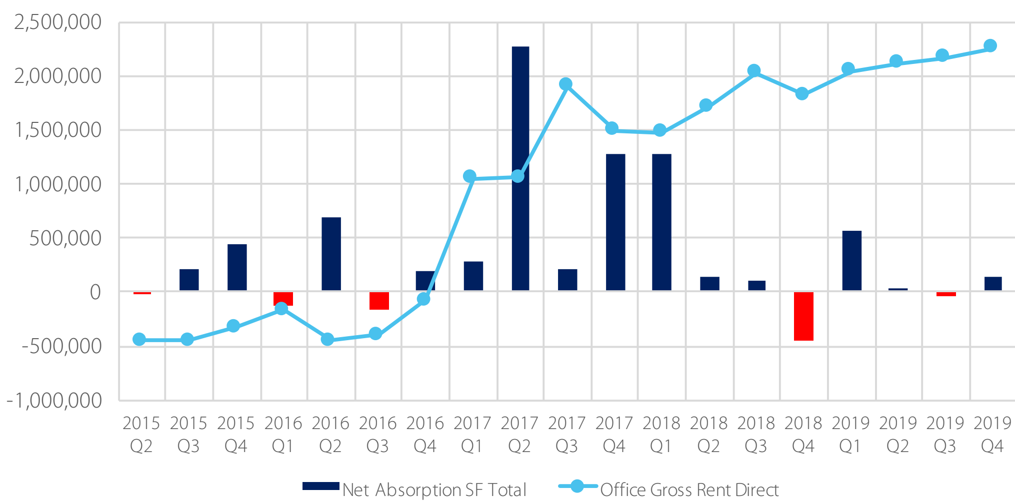
Rents here are higher than some surrounding northern neighbors, but still substantially lower than Uptown or Preston Center, making it desirable for companies who want prestiguous, newer assets without having to pay 25% more like they would in some of the southern submarkets.

The submarket continues to draw new construction, for both build-to-suits and spec buildings. 2019 saw nearly 700,000 sf deliver, and there is almost 1.5 msf currently under construction.

The submarket usually generates a large share of investment activity. The submarket's diverse mix of office stock makes it attractive for national or institutional investors and buyers looking for value-add opportunities alike.

Pricing averages in the upper $200's per square foot, and ranks as the highest among suburban submarkets in the metroplex. Cap rates are in line with those in core submarkets like Uptown/Turtle Creek and Preston Center.

NET ABSORPTION & DIRECT GROSS RATES



Parameters: Office | Existing | 20,000 SF+

AVISON YOUNG

Q4 2019 OFFICE SUBMARKET SNAPSHOT

UPTOWN/TURTLE CREEK

Market Facts

MARKET TOTAL RBA
14,755,797 SF

CLASS A GROSS DIRECT RATE
$43.07/SF

CLASS B GROSS DIRECT RATE
$31.60/SF

MARKET TOTAL GROSS DIRECT RATE
$40.81/SF

TOTAL VACANCY
1,583,252 SF

TOTAL VACANCY %
10.7%

12 MONTH NET ABSORPTION
604,988 SF

QUARTERLY NET ABSORPTION
107,190 SF

YOY RENT GROWTH
5.7%

YTD DELIVERIES
355,860 SF

UNDER CONSTRUCTION
656,774 SF

Market Dynamicism

Market Overview

Uptown/Turtle Creek continues to have some of the highest net absorption in the market even though its total inventory is only average sized. The submarket continues to draw in Class A & AA construction to match its existing supply, along with strong amenities, tons of multifamily, and a healthy nightlife and dining scene, making it the marquee submarket in the metro.

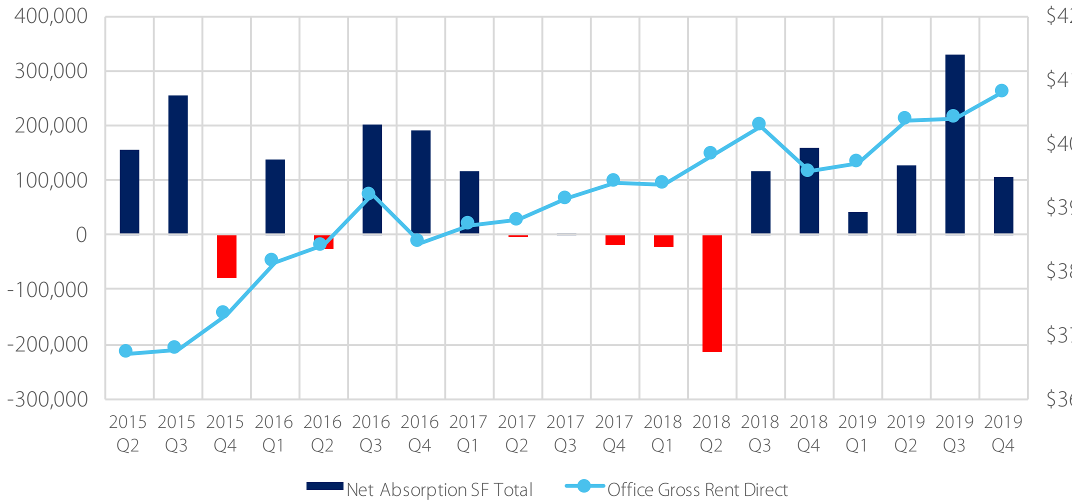
Construction is rising again to match recent cycle highs, with most major projects such as The Union and PwC Tower delivering and now nearly fully occupied, but new projects like The Link and Victory Commons underway. These new properties are being built spec, and are currently set to add 650,000 sf to the submarket's inventory.

Rental rates here are usually the highest in the metro, with the highest quality buildings making up most of the inventory and Class A inventory making up 80% of all product. Location and wow factor also help keep rates high, as Uptown's walkability and urban livability make it one of the most vibrant neighborhoods in the market.

From a sales perspective, even older assests trade at a premium here, with the submarket averaging over $300/SF for all product sold. 17Seventeen McKinney's recent sale for $517/SF, and nearby 1900 Pearl's sale at $700/sf helped set new benchmarks in the area that will seemingly continue to pull prices up for properties, especially trophy product around Klyde Warren Park and McKinney Avenue.

Looking ahead, Uptown/Turtle Creek will continue to be the lodestar for the market, even as the northern suburbs grow. Uptown's energy and core-like big city presence make it the epitome of Dallas swagger and it will remain so for the foreseeable future.

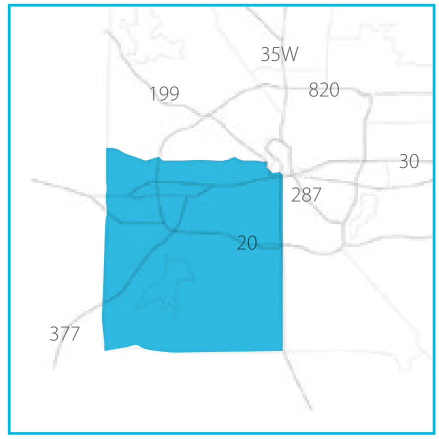
NET ABSORPTION & DIRECT GROSS RATES



AVISON YOUNG

Q4 2019 OFFICE SUBMARKET SNAPSHOT

WEST SOUTHWEST FORT WORTH/CLEARFORK



Market Facts

MARKET TOTAL RBA
11,168,474 SF

CLASS A GROSS DIRECT RATE
$28.15/SF

CLASS B GROSS DIRECT RATE
$24.53/SF

MARKET TOTAL GROSS DIRECT RATE
$24.89/SF

TOTAL VACANCY
970,005 SF

TOTAL VACANCY %
8.7%

12 MONTH NET ABSORPTION
-112,423 SF

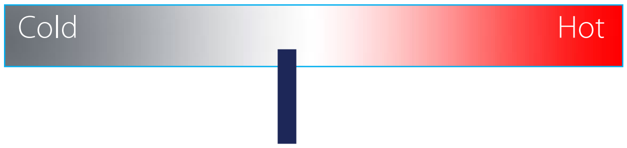
QUARTERLY NET ABSORPTION
-44,921 SF

YOY RENT GROWTH
0.3%

YTD DELIVERIES
69,203 SF

UNDER CONSTRUCTION
89,512 SF

Market Dynamicism



Market Overview

The aerospace and defense industries and energy industry are the biggest drivers in the submarket, which can be a blessing and a curse as the submarket is prone to fluctuations in the energy and defense economies.

The submarket has outperformed the metro in terms of occupancies for years. Occupancies are also well above the submarket's historical average, and rents are about 15% above their prerecession peak. Furthermore, the completion of the Chisholm Trail Parkway in 2014 has helped spur commercial and residential activity, and many mixed-use projects are in various stages of development.

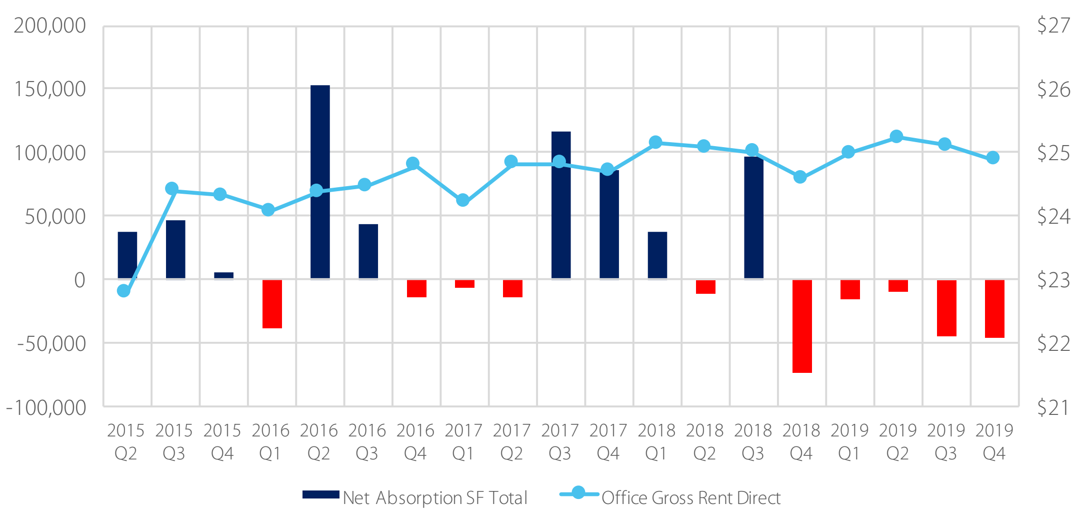
Despite the submarket adding roughly 10% to its inventory since 2010, vacancies have remained well below both the metro average and the submarket's historical average.

Though the submarket lost Whitley Penn Financial to the brand new Frost Tower in the Fort Worth CBD in early 2019, the firm's building (40,600 SF) was backfilled by D&M Auto Leasing.

The submarket also benefits from having the energy of live, work, play areas like West 7th and Clearfork in its boundaries, giving the submarket assets and vibe to compete with Dallas' Uptown and Plano's West Legacy areas. Even with rent growth slowing in recent quarters, rents are still now roughly 15% above their prerecession peak.

Fort Worth has done a solid job of positioning itself to be a more dynamic market, giving residents and business tenants the same assets that bigger, more advertised submarkets have, thus positioning the submarket for even more potential growth.

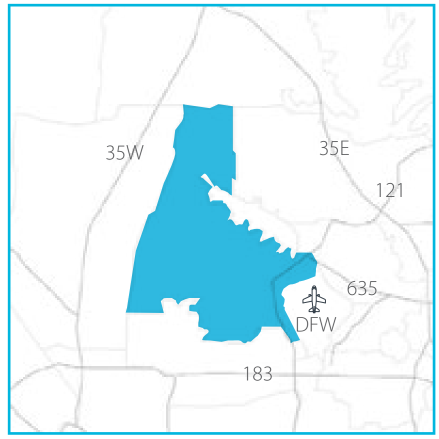
NET ABSORPTION & DIRECT GROSS RATES



AVISON YOUNG

Q4 2019 OFFICE SUBMARKET SNAPSHOT

WESTLAKE/GRAPEVINE/SOUTHLAKE



Market Facts

MARKET TOTAL RBA
8,636,717 SF

CLASS A GROSS DIRECT RATE
$31.19/SF

CLASS B GROSS DIRECT RATE
$26.14/SF

MARKET TOTAL GROSS DIRECT RATE
$29.68/SF

TOTAL VACANCY
1,504,420 SF

TOTAL VACANCY %
17.4%

12 MONTH NET ABSORPTION
654,417 SF

QUARTERLY NET ABSORPTION
3,037 SF

YOY RENT GROWTH
1.4%

YTD DELIVERIES
601,009 SF

UNDER CONSTRUCTION
746,258 SF

Market Dynamicism

Market Overview

While not as dynamic as Las Colinas or Upper Tollway, Westlake/Grapevine/Southlake is carving out a strong presence in the northwest as a corporate headquarters destination. It has recently seen TD Ameritrade and Charles Schwab open new office locations, and Core-Mark recently announced it was leaving California for the Solana development in Westlake.

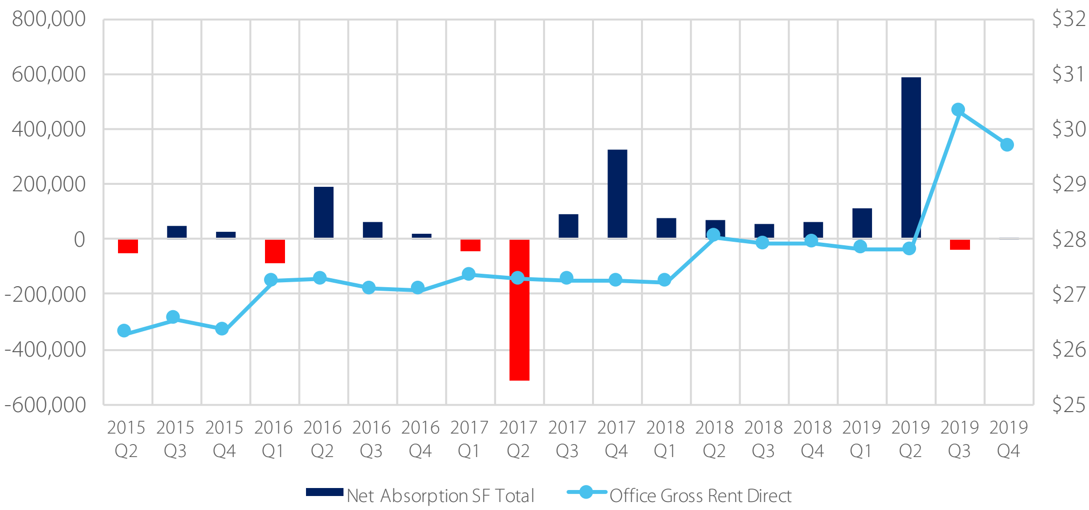
The submarket has all the same area benefits of Las Colinas and Upper Tollway, but its location near DFW Airport and Alliance really make it a desirable corporate hub, though it is still much smaller from an inventory standpoint. Most product here is smaller, save for the large campus projects that occasionally arise, mostly as build-to-suits.

Along with those build-to-suits, in-development projects like the Trophy Club Town Center and Circle T Ranch (which includes the Schwab campus) will have additional office components along with retail space, adding more amenities to draw potential tenants and keep momentum rolling. Most construction has been focused on product under 10,000 SF, so larger spec projects like Southlake's Granite Place I and Kimball Park have been able to draw more tenants looking for traditional office towers.

Rental rates are lower than comparable suburban corporate draws, and vacancy rates are slightly higher than competitors, making the submarket's dynamicism a little cooler when those corporate relocations are taken out of the equation.

While not as headline grabbing as other suburban submarkets, Westlake/Grapevine/Southlake will continue to be a solid staple in the affluent northwest area that will be positioned for a quieter yet steady climate.

NET ABSORPTION & DIRECT GROSS RATES

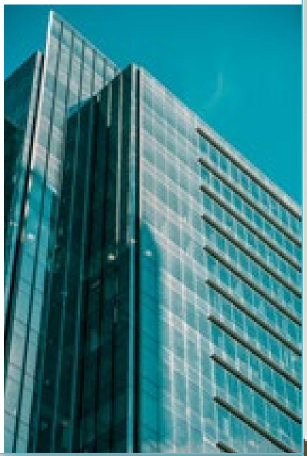


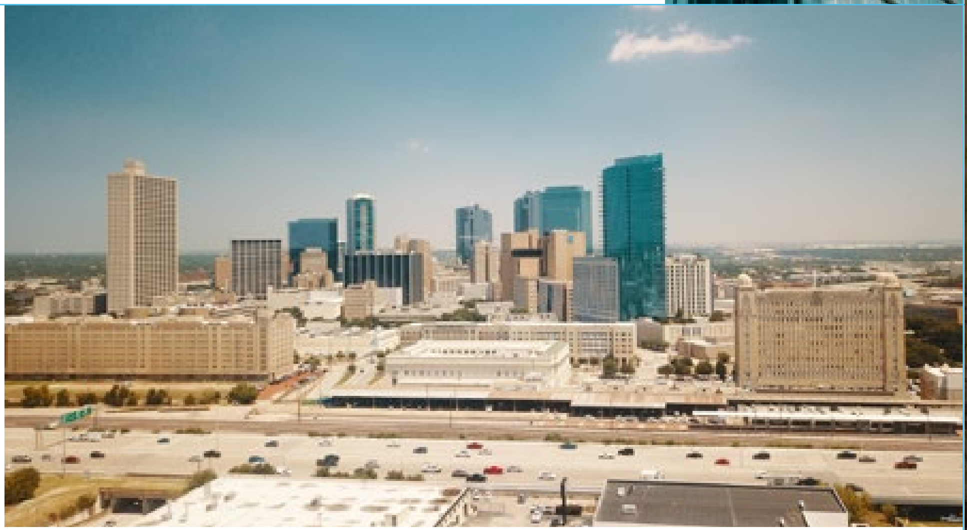
Parameters: Office | Existing | 20,000 SF+

Data Mapping

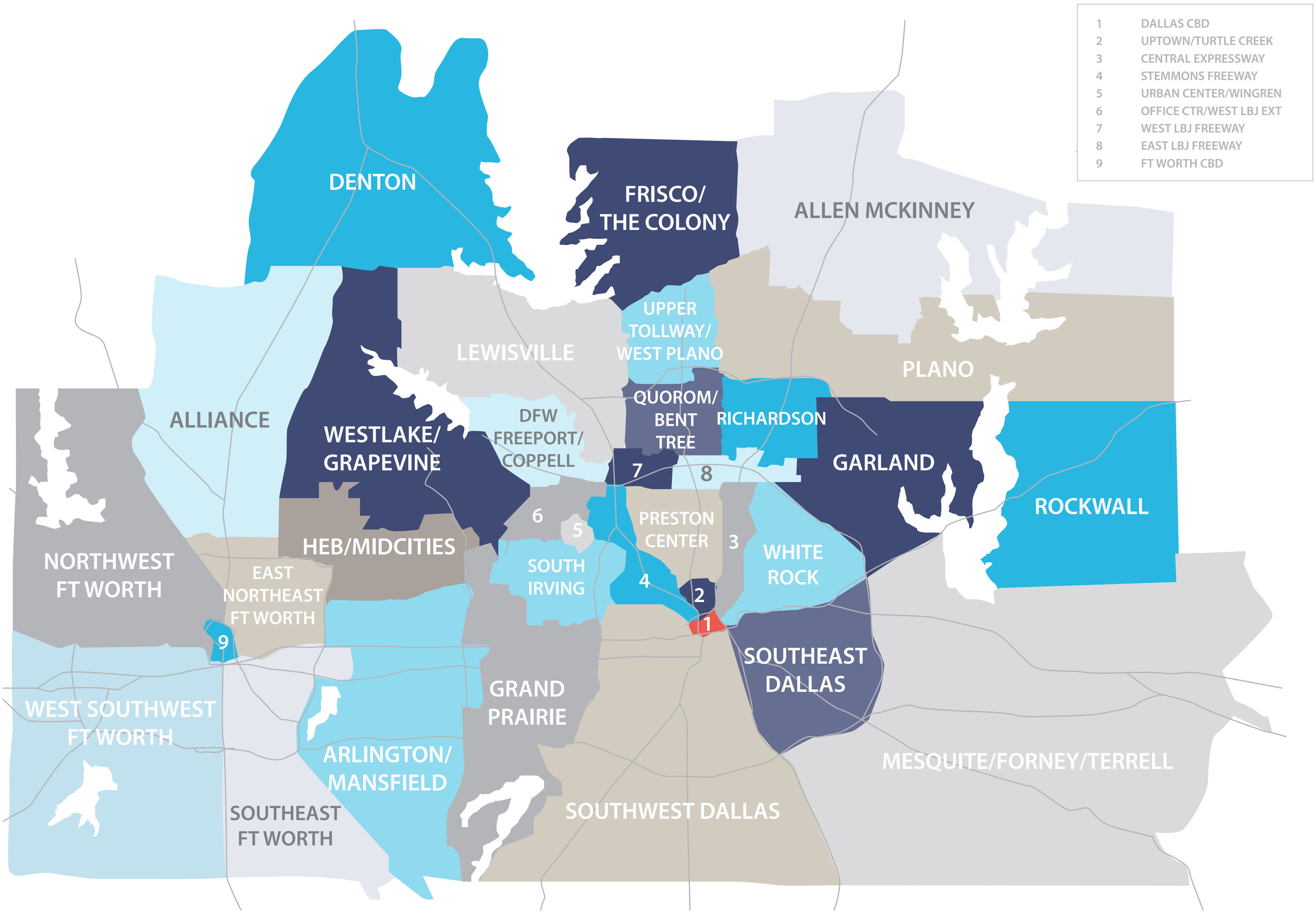
Core Submarkets

4Q 2019





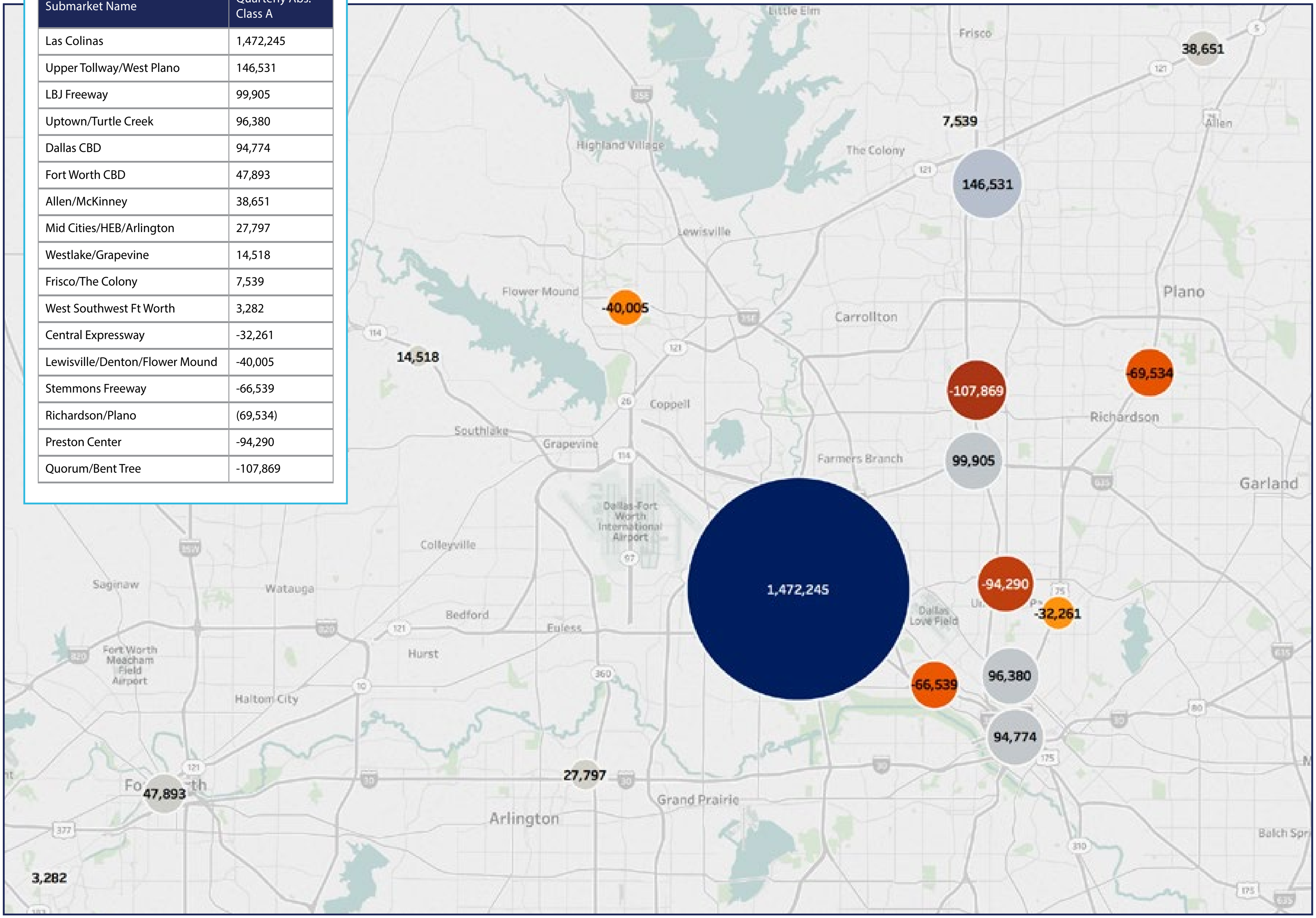
DFW SUBMARKET MAP



Quarterly Net Absorption: **Class A**

Q4 2019

Submarket Name	Quarterly Abs. - Class A
Las Colinas	1,472,245
Upper Tollway/West Plano	146,531
LBJ Freeway	99,905
Uptown/Turtle Creek	96,380
Dallas CBD	94,774
Fort Worth CBD	47,893
Allen/McKinney	38,651
Mid Cities/HEB/Arlington	27,797
Westlake/Grapevine	14,518
Frisco/The Colony	7,539
West Southwest Ft Worth	3,282
Central Expressway	-32,261
Lewisville/Denton/Flower Mound	-40,005
Stemmons Freeway	-66,539
Richardson/Plano	(69,534)
Preston Center	-94,290
Quorum/Bent Tree	-107,869



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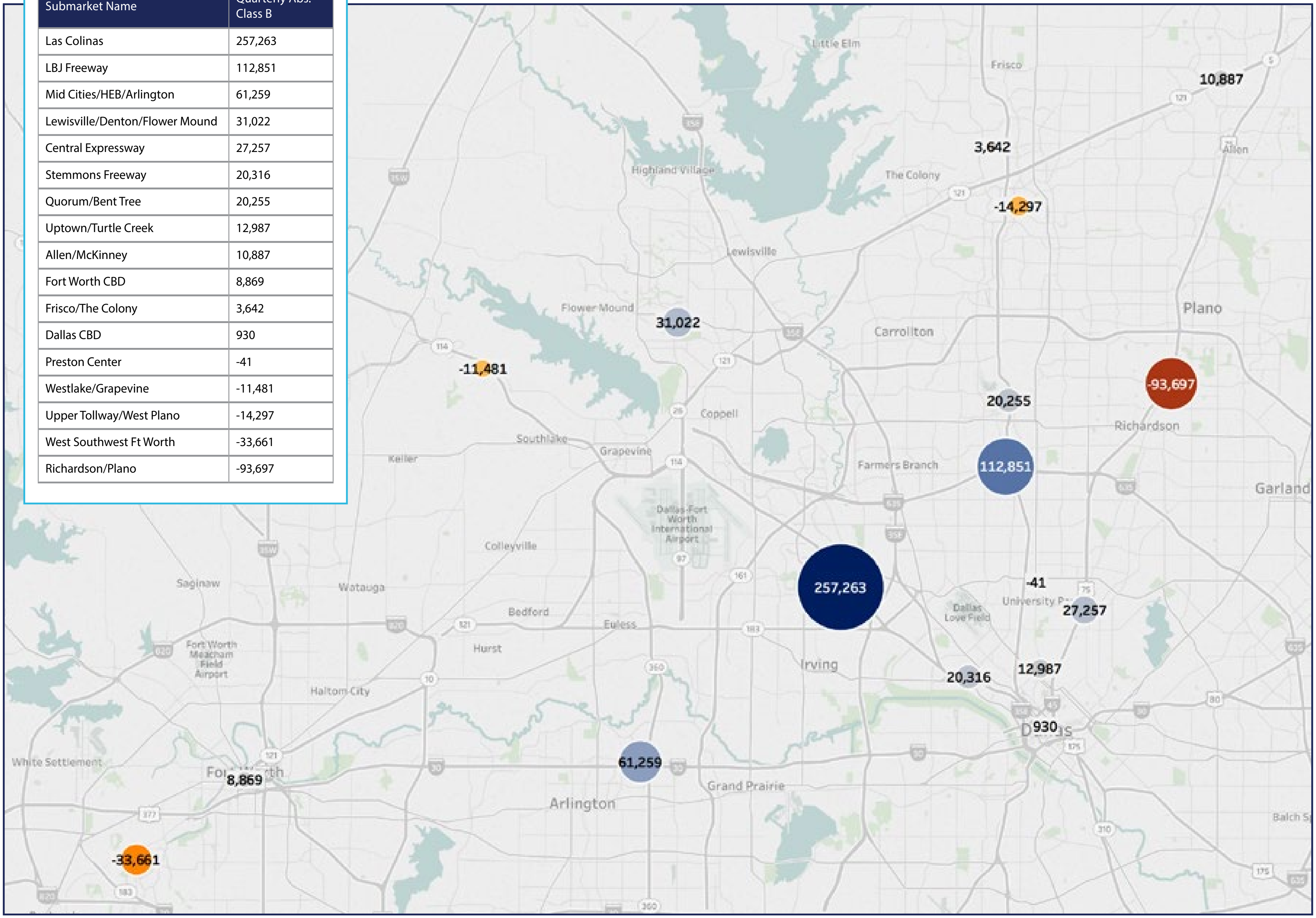
Quarterly Net Absorption: **Class B**

Q4 2019

Submarket Name	Quarterly Abs. - Class B
Las Colinas	257,263
LBJ Freeway	112,851
Mid Cities/HEB/Arlington	61,259
Lewisville/Denton/Flower Mound	31,022
Central Expressway	27,257
Stemmons Freeway	20,316
Quorum/Bent Tree	20,255
Uptown/Turtle Creek	12,987
Allen/McKinney	10,887
Fort Worth CBD	8,869
Frisco/The Colony	3,642
Dallas CBD	930
Preston Center	-41
Westlake/Grapevine	-11,481
Upper Tollway/West Plano	-14,297
West Southwest Ft Worth	-33,661
Richardson/Plano	-93,697



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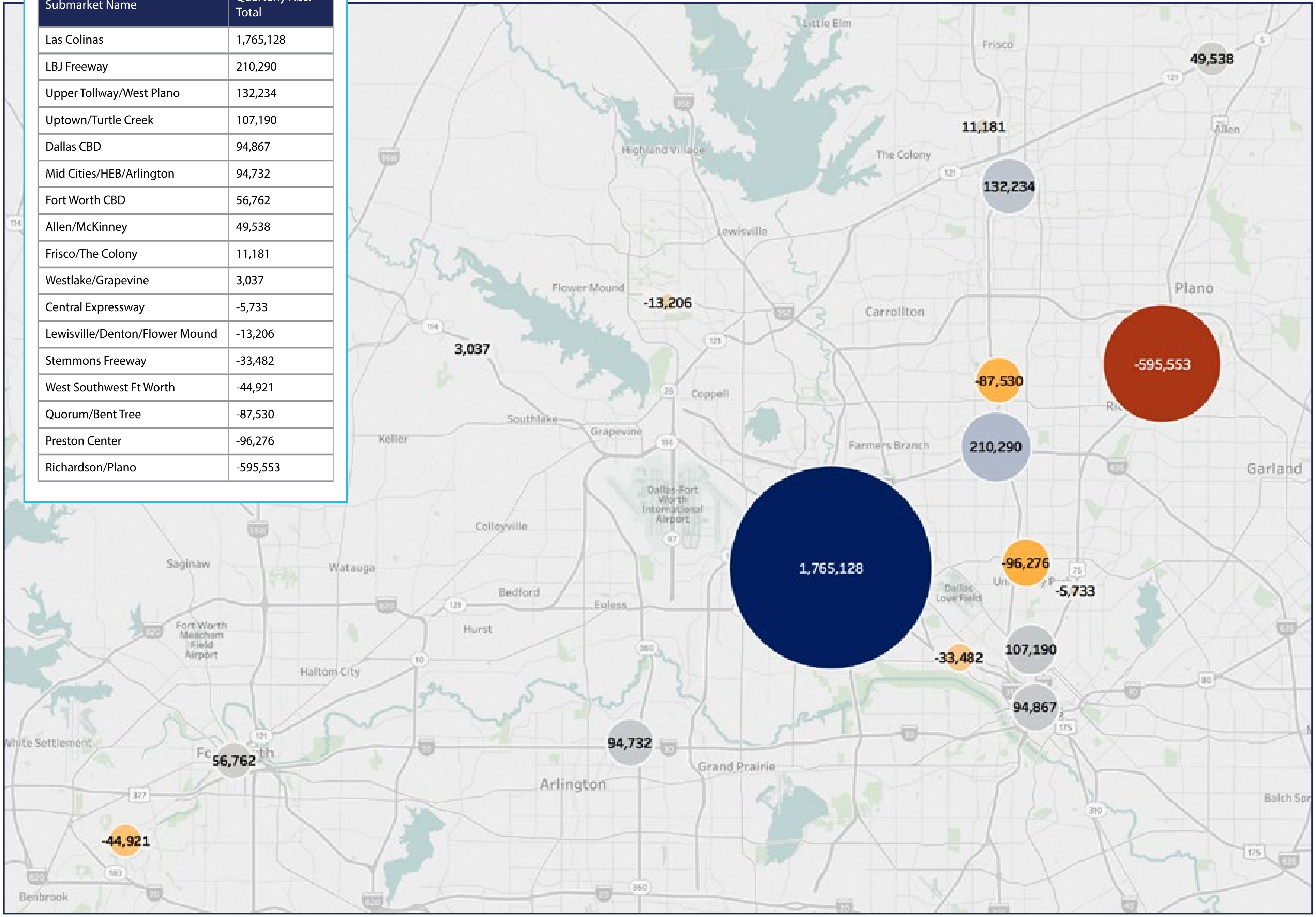
Quarterly Net Absorption: **Total**

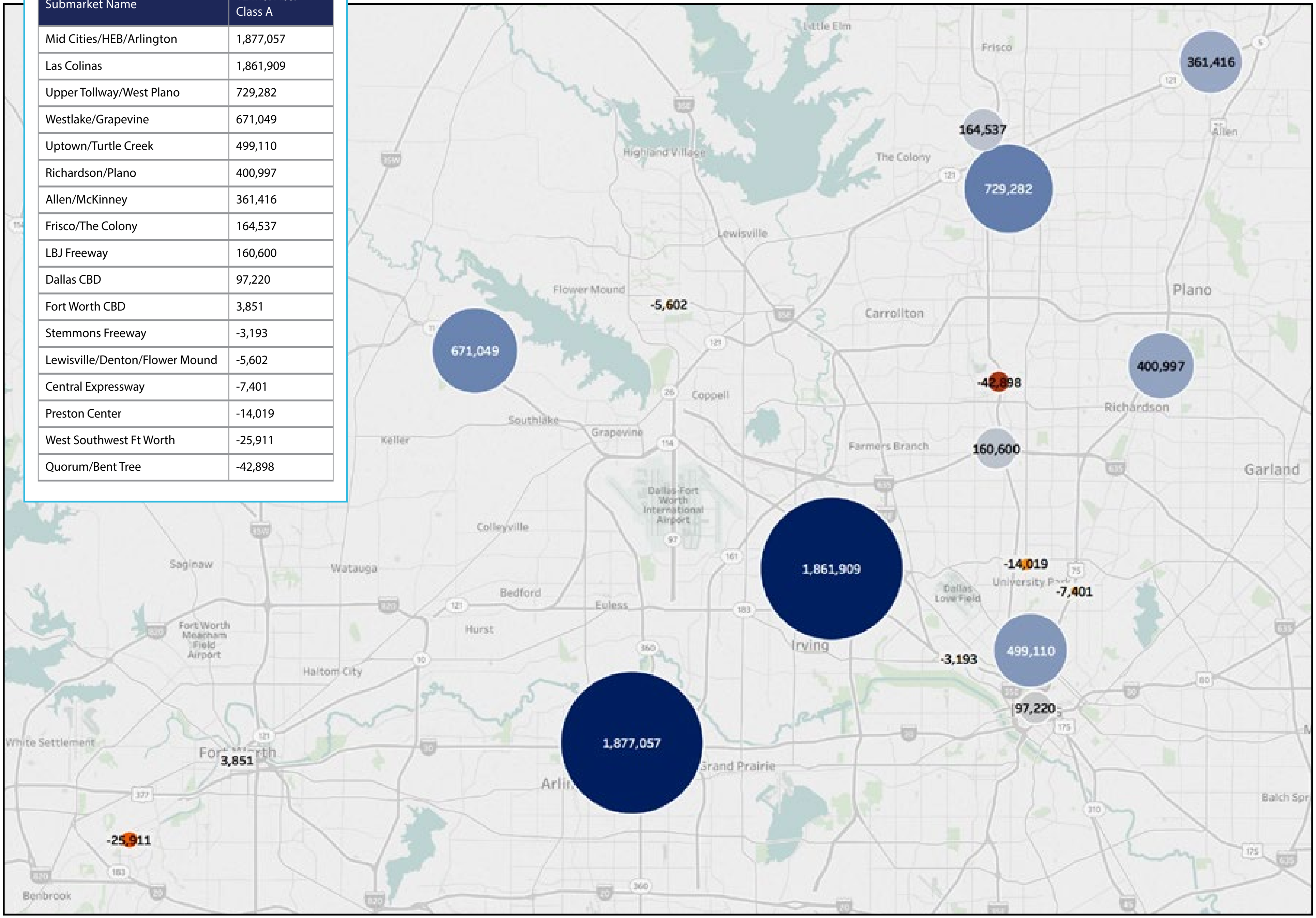
Q4 2019

Submarket Name	Quarterly Abs. - Total
Las Colinas	1,765,128
LBJ Freeway	210,290
Upper Tollway/West Plano	132,234
Uptown/Turtle Creek	107,190
Dallas CBD	94,867
Mid Cities/HEB/Arlington	94,732
Fort Worth CBD	56,762
Allen/McKinney	49,538
Frisco/The Colony	11,181
Westlake/Grapevine	3,037
Central Expressway	-5,733
Lewisville/Denton/Flower Mound	-13,206
Stemmons Freeway	-33,482
West Southwest Ft Worth	-44,921
Quorum/Bent Tree	-87,530
Preston Center	-96,276
Richardson/Plano	-595,553



12 Month Net Absorption: **Class A**

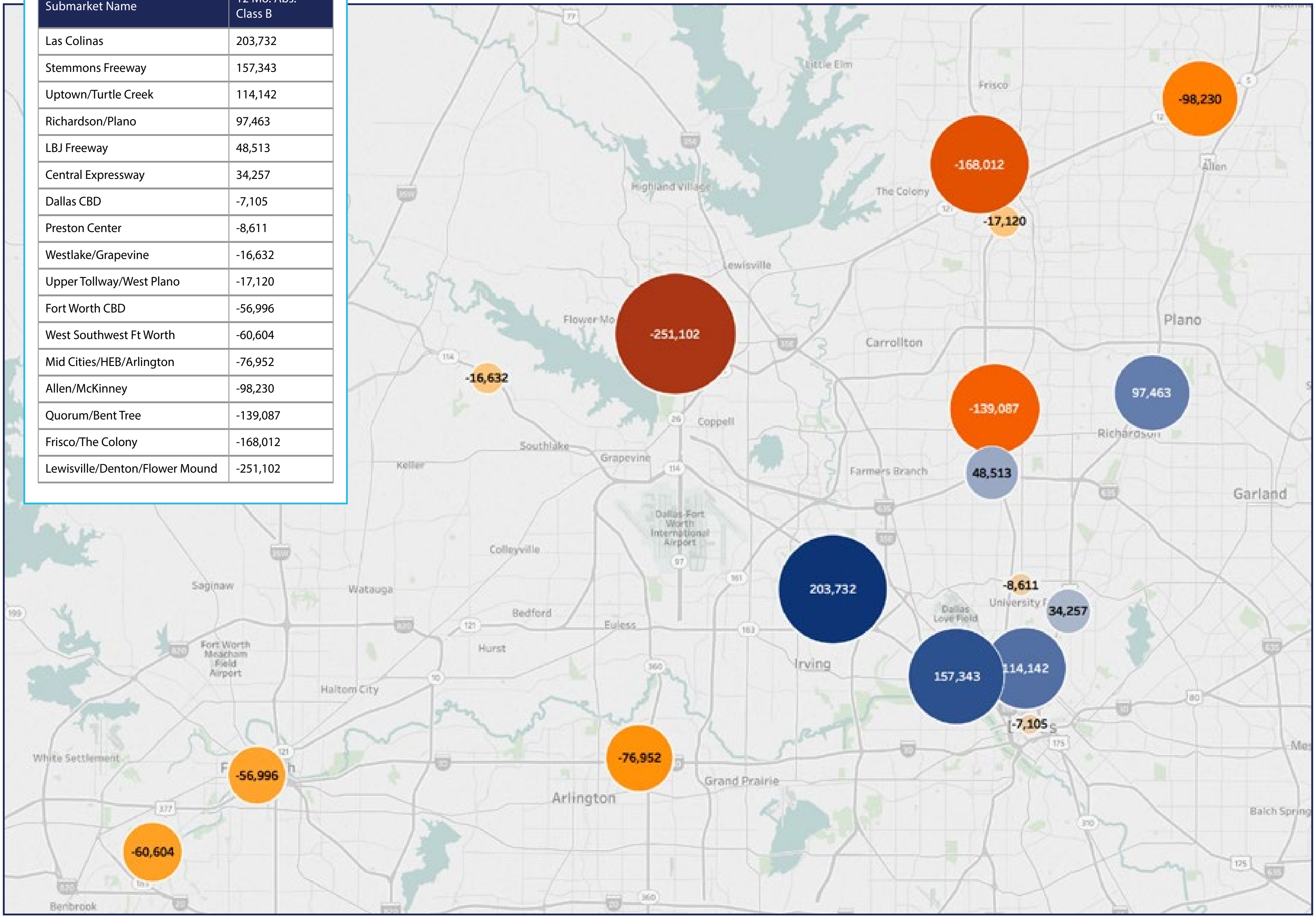
Submarket Name	12 Mo. Abs. - Class A
Mid Cities/HEB/Arlington	1,877,057
Las Colinas	1,861,909
Upper Tollway/West Plano	729,282
Westlake/Grapevine	671,049
Uptown/Turtle Creek	499,110
Richardson/Plano	400,997
Allen/McKinney	361,416
Frisco/The Colony	164,537
LBJ Freeway	160,600
Dallas CBD	97,220
Fort Worth CBD	3,851
Stemmons Freeway	-3,193
Lewisville/Denton/Flower Mound	-5,602
Central Expressway	-7,401
Preston Center	-14,019
West Southwest Ft Worth	-25,911
Quorum/Bent Tree	-42,898



12 Month Net Absorption: **Class B**

Q4 2019

Submarket Name	12 Mo. Abs. - Class B
Las Colinas	203,732
Stemmons Freeway	157,343
Uptown/Turtle Creek	114,142
Richardson/Plano	97,463
LBJ Freeway	48,513
Central Expressway	34,257
Dallas CBD	-7,105
Preston Center	-8,611
Westlake/Grapevine	-16,632
Upper Tollway/West Plano	-17,120
Fort Worth CBD	-56,996
West Southwest Ft Worth	-60,604
Mid Cities/HEB/Arlington	-76,952
Allen/McKinney	-98,230
Quorum/Bent Tree	-139,087
Frisco/The Colony	-168,012
Lewisville/Denton/Flower Mound	-251,102



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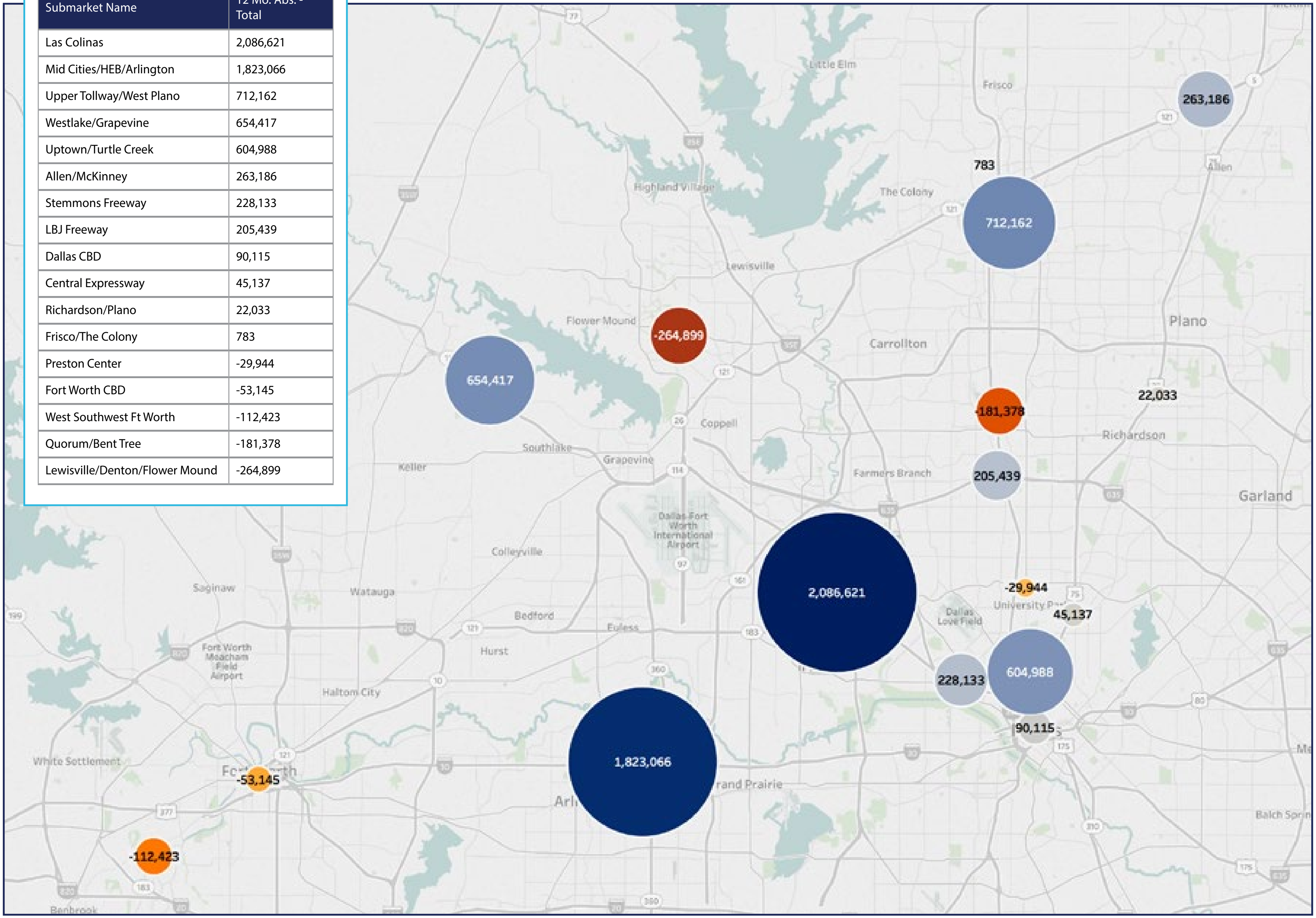
12 Month Net Absorption: **Total**

Q4 2019

Submarket Name	12 Mo. Abs. - Total
Las Colinas	2,086,621
Mid Cities/HEB/Arlington	1,823,066
Upper Tollway/West Plano	712,162
Westlake/Grapevine	654,417
Uptown/Turtle Creek	604,988
Allen/McKinney	263,186
Stemmons Freeway	228,133
LBJ Freeway	205,439
Dallas CBD	90,115
Central Expressway	45,137
Richardson/Plano	22,033
Frisco/The Colony	783
Preston Center	-29,944
Fort Worth CBD	-53,145
West Southwest Ft Worth	-112,423
Quorum/Bent Tree	-181,378
Lewisville/Denton/Flower Mound	-264,899



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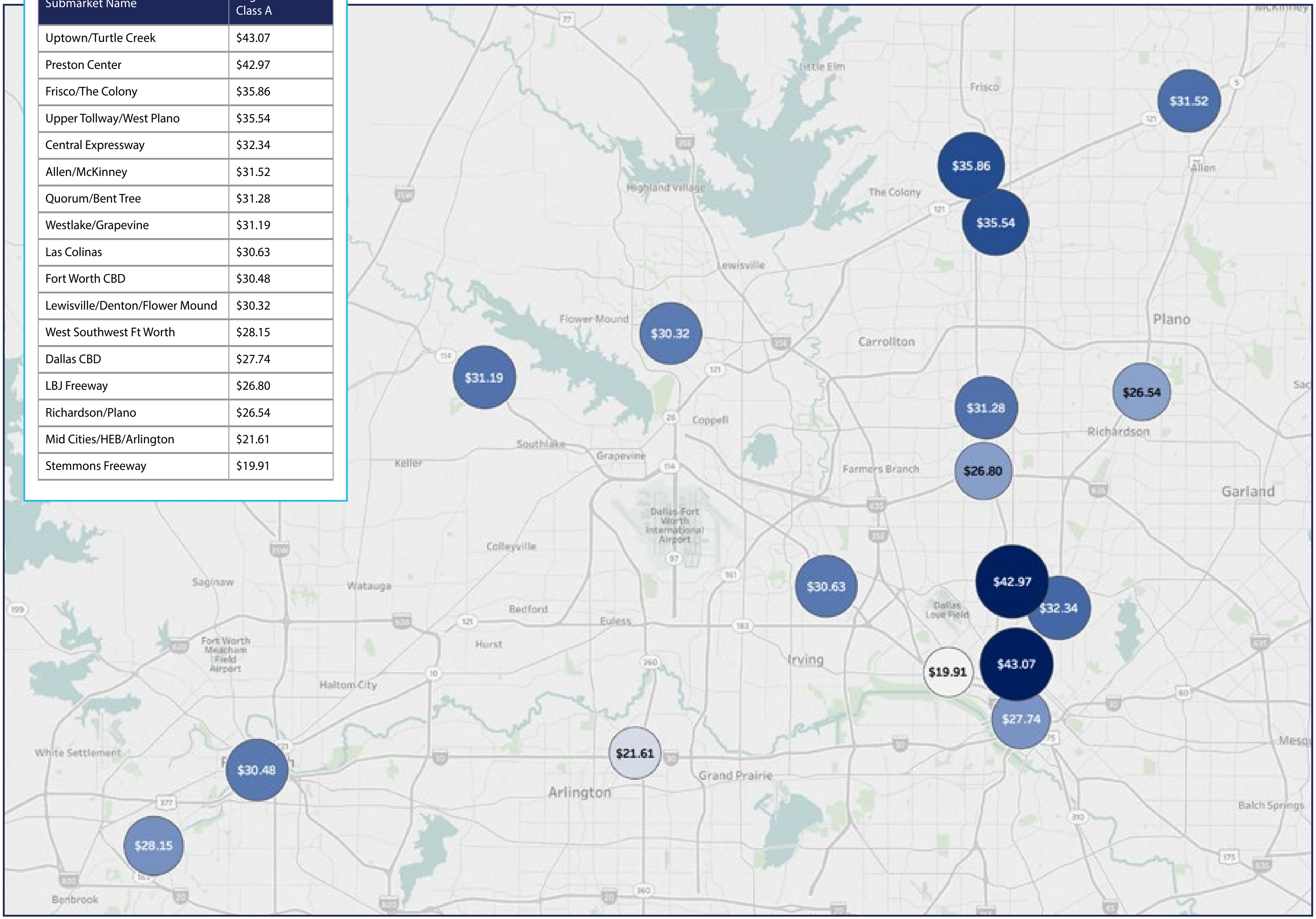
Average Gross Direct Rate: **Class A**

Q4 2019

Submarket Name	Avg. Direct Rate - Class A
Uptown/Turtle Creek	$43.07
Preston Center	$42.97
Frisco/The Colony	$35.86
Upper Tollway/West Plano	$35.54
Central Expressway	$32.34
Allen/McKinney	$31.52
Quorum/Bent Tree	$31.28
Westlake/Grapevine	$31.19
Las Colinas	$30.63
Fort Worth CBD	$30.48
Lewisville/Denton/Flower Mound	$30.32
West Southwest Ft Worth	$28.15
Dallas CBD	$27.74
LBJ Freeway	$26.80
Richardson/Plano	$26.54
Mid Cities/HEB/Arlington	$21.61
Stemmons Freeway	$19.91

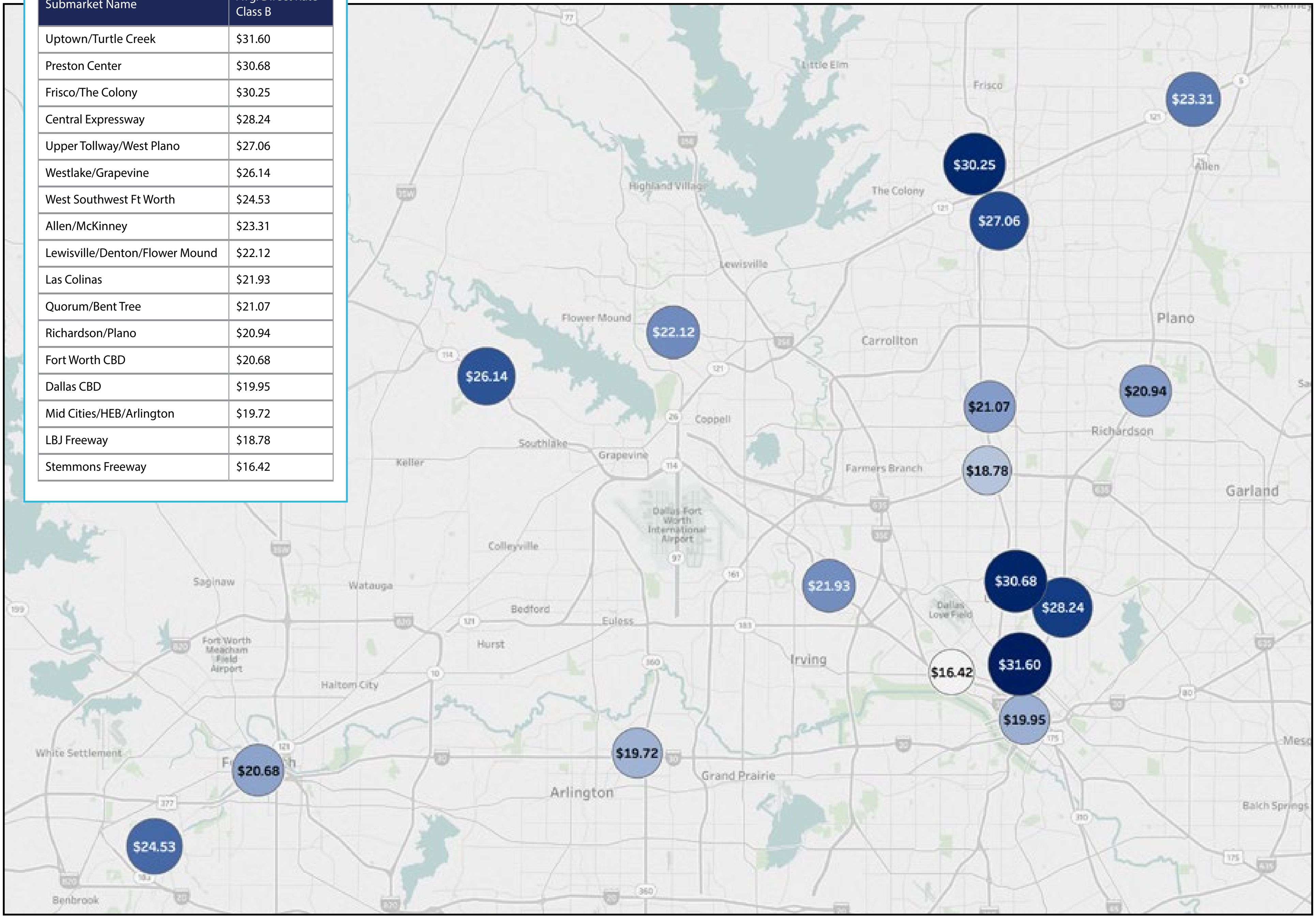


AVISON YOUNG

Average Gross Direct Rate: **Class B**

Q4 2019

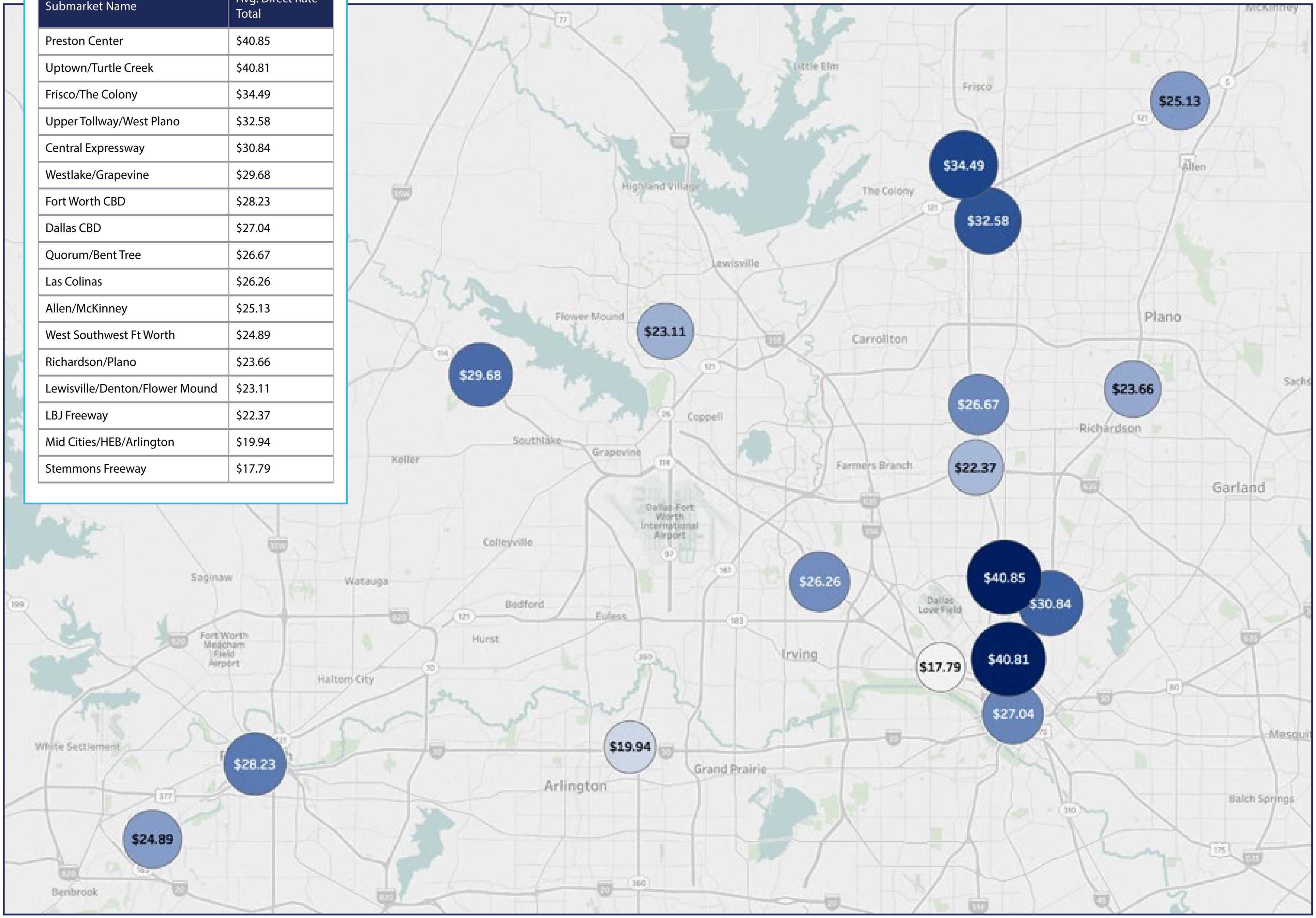
Submarket Name	Avg. Direct Rate - Class B
Uptown/Turtle Creek	$31.60
Preston Center	$30.68
Frisco/The Colony	$30.25
Central Expressway	$28.24
Upper Tollway/West Plano	$27.06
Westlake/Grapevine	$26.14
West Southwest Ft Worth	$24.53
Allen/McKinney	$23.31
Lewisville/Denton/Flower Mound	$22.12
Las Colinas	$21.93
Quorum/Bent Tree	$21.07
Richardson/Plano	$20.94
Fort Worth CBD	$20.68
Dallas CBD	$19.95
Mid Cities/HEB/Arlington	$19.72
LBJ Freeway	$18.78
Stemmons Freeway	$16.42



Average Gross Direct Rate: **Total**

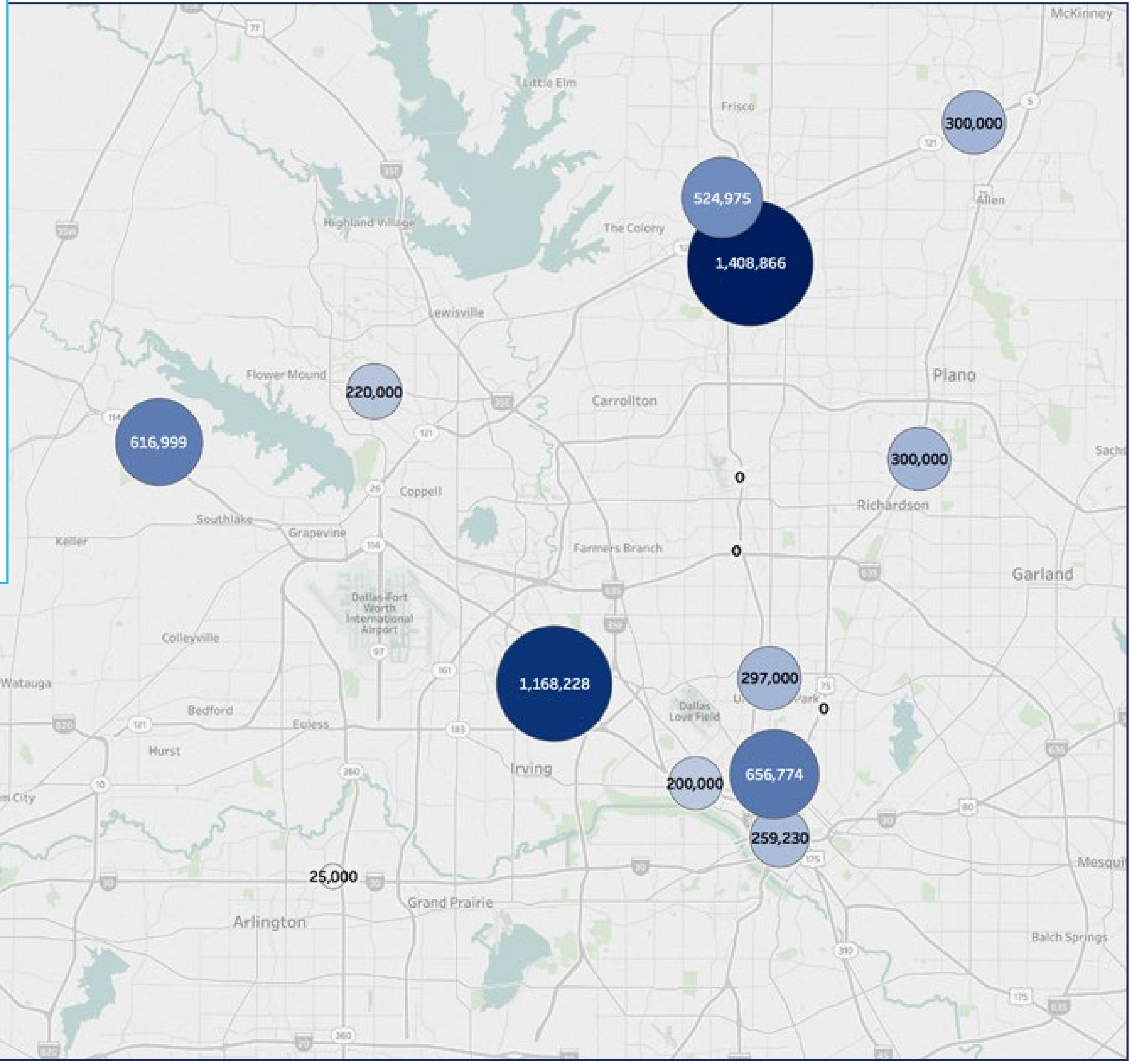
Q4 2019

Submarket Name	Avg. Direct Rate - Total
Preston Center	$40.85
Uptown/Turtle Creek	$40.81
Frisco/The Colony	$34.49
Upper Tollway/West Plano	$32.58
Central Expressway	$30.84
Westlake/Grapevine	$29.68
Fort Worth CBD	$28.23
Dallas CBD	$27.04
Quorum/Bent Tree	$26.67
Las Colinas	$26.26
Allen/McKinney	$25.13
West Southwest Ft Worth	$24.89
Richardson/Plano	$23.66
Lewisville/Denton/Flower Mound	$23.11
LBJ Freeway	$22.37
Mid Cities/HEB/Arlington	$19.94
Stemmons Freeway	$17.79



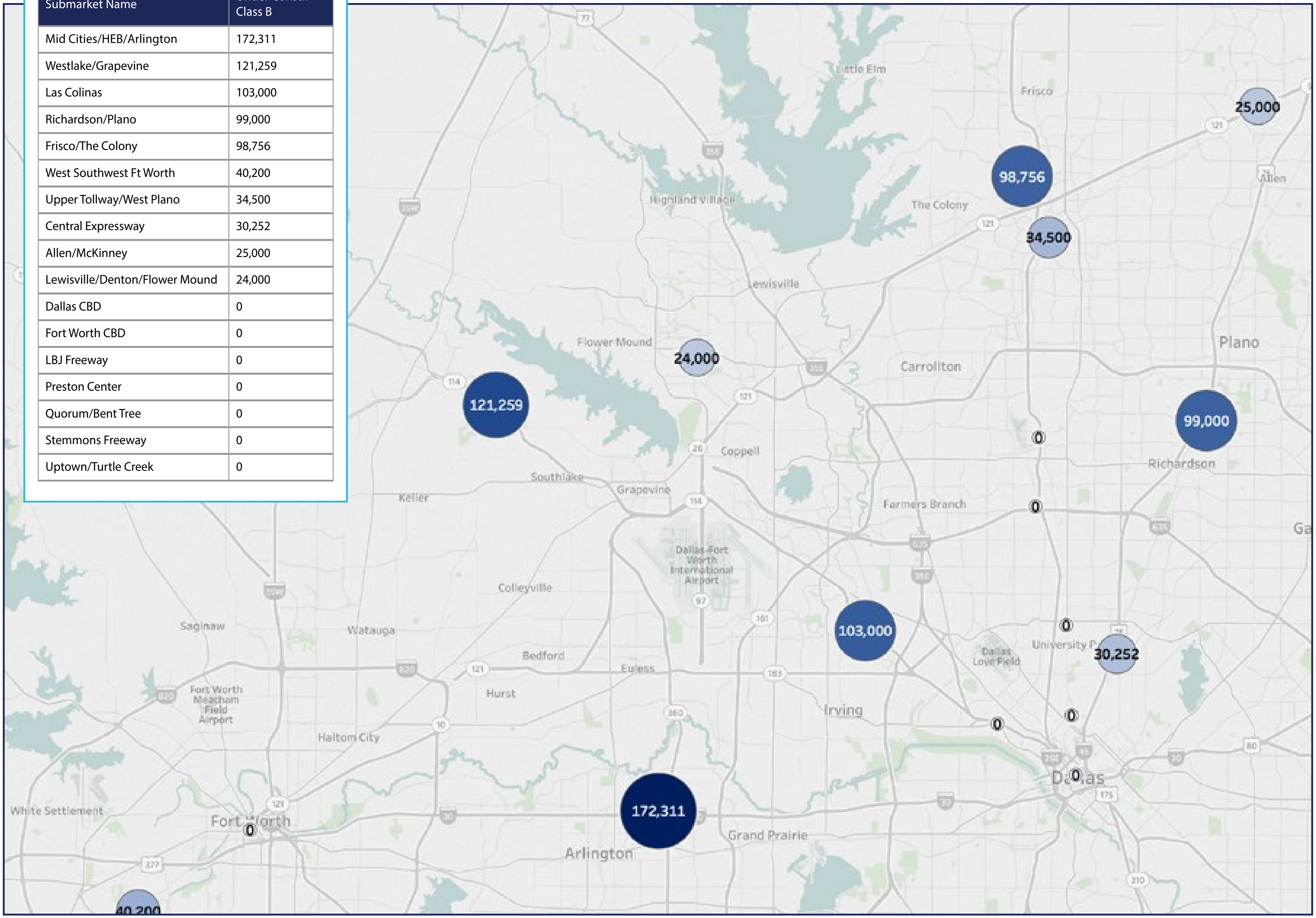
Under Construction: **Class A**

Submarket Name	Under Constr.-Class A
Upper Tollway/West Plano	1,408,866
Las Colinas	1,168,228
Uptown/Turtle Creek	656,774
Westlake/Grapevine	616,999
Frisco/The Colony	524,975
Allen/McKinney	300,000
Richardson/Plano	300,000
Preston Center	297,000
Dallas CBD	259,230
Lewisville/Denton/Flower Mound	220,000
Stemmons Freeway	200,000
West Southwest Ft Worth	49,312
Mid Cities/HEB/Arlington	25,000
Central Expressway	0
Fort Worth CBD	0
LBJ Freeway	0
Quorum/Bent Tree	0



Under Construction: **Class B**

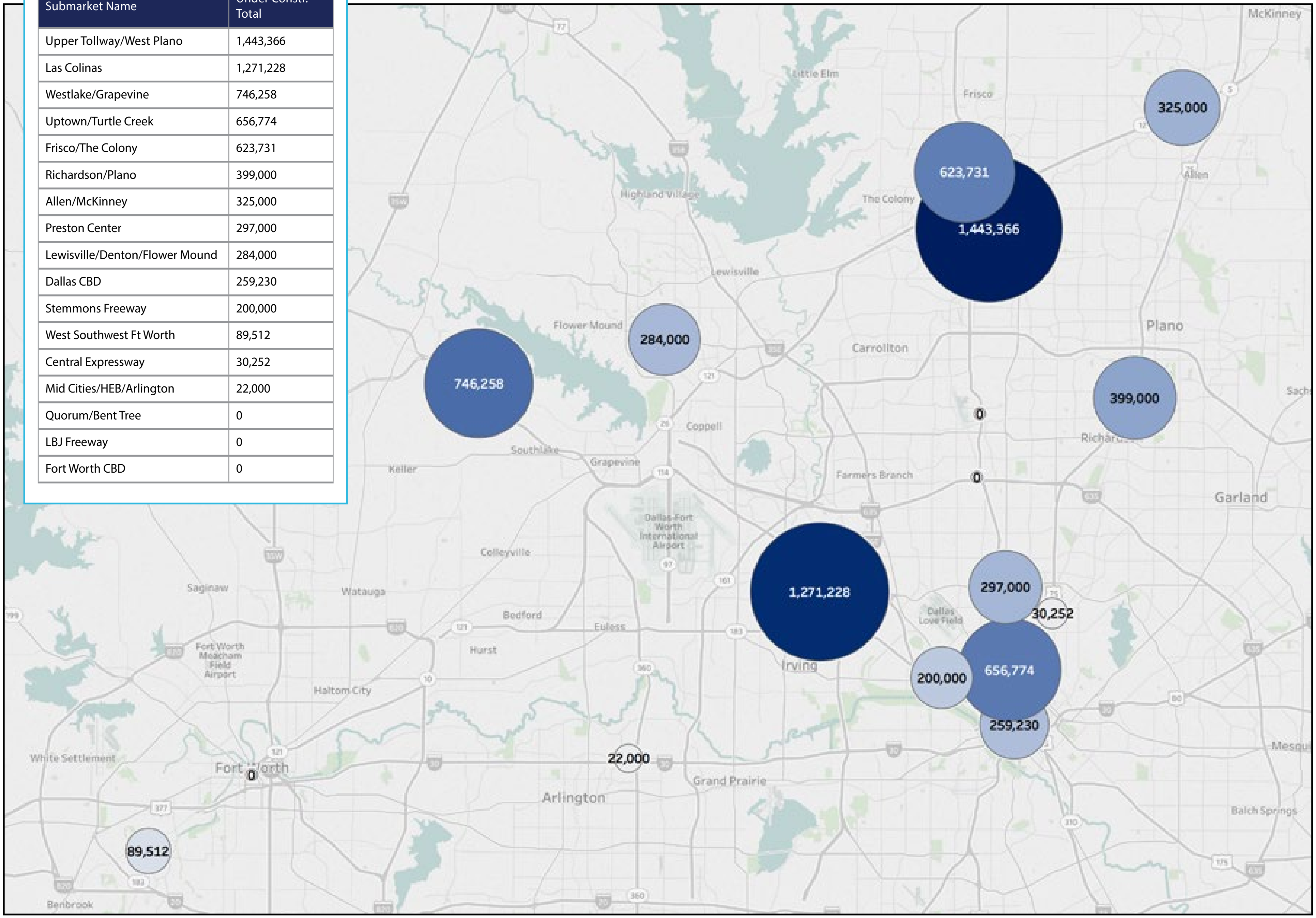
Submarket Name	Under Constr. - Class B
Mid Cities/HEB/Arlington	172,311
Westlake/Grapevine	121,259
Las Colinas	103,000
Richardson/Plano	99,000
Frisco/The Colony	98,756
West Southwest Ft Worth	40,200
Upper Tollway/West Plano	34,500
Central Expressway	30,252
Allen/McKinney	25,000
Lewisville/Denton/Flower Mound	24,000
Dallas CBD	0
Fort Worth CBD	0
LBJ Freeway	0
Preston Center	0
Quorum/Bent Tree	0
Stemmons Freeway	0
Uptown/Turtle Creek	0



Under Construction: **Total**

Q4 2019

Submarket Name	Under Constr. - Total
Upper Tollway/West Plano	1,443,366
Las Colinas	1,271,228
Westlake/Grapevine	746,258
Uptown/Turtle Creek	656,774
Frisco/The Colony	623,731
Richardson/Plano	399,000
Allen/McKinney	325,000
Preston Center	297,000
Lewisville/Denton/Flower Mound	284,000
Dallas CBD	259,230
Stemmons Freeway	200,000
West Southwest Ft Worth	89,512
Central Expressway	30,252
Mid Cities/HEB/Arlington	22,000
Quorum/Bent Tree	0
LBJ Freeway	0
Fort Worth CBD	0

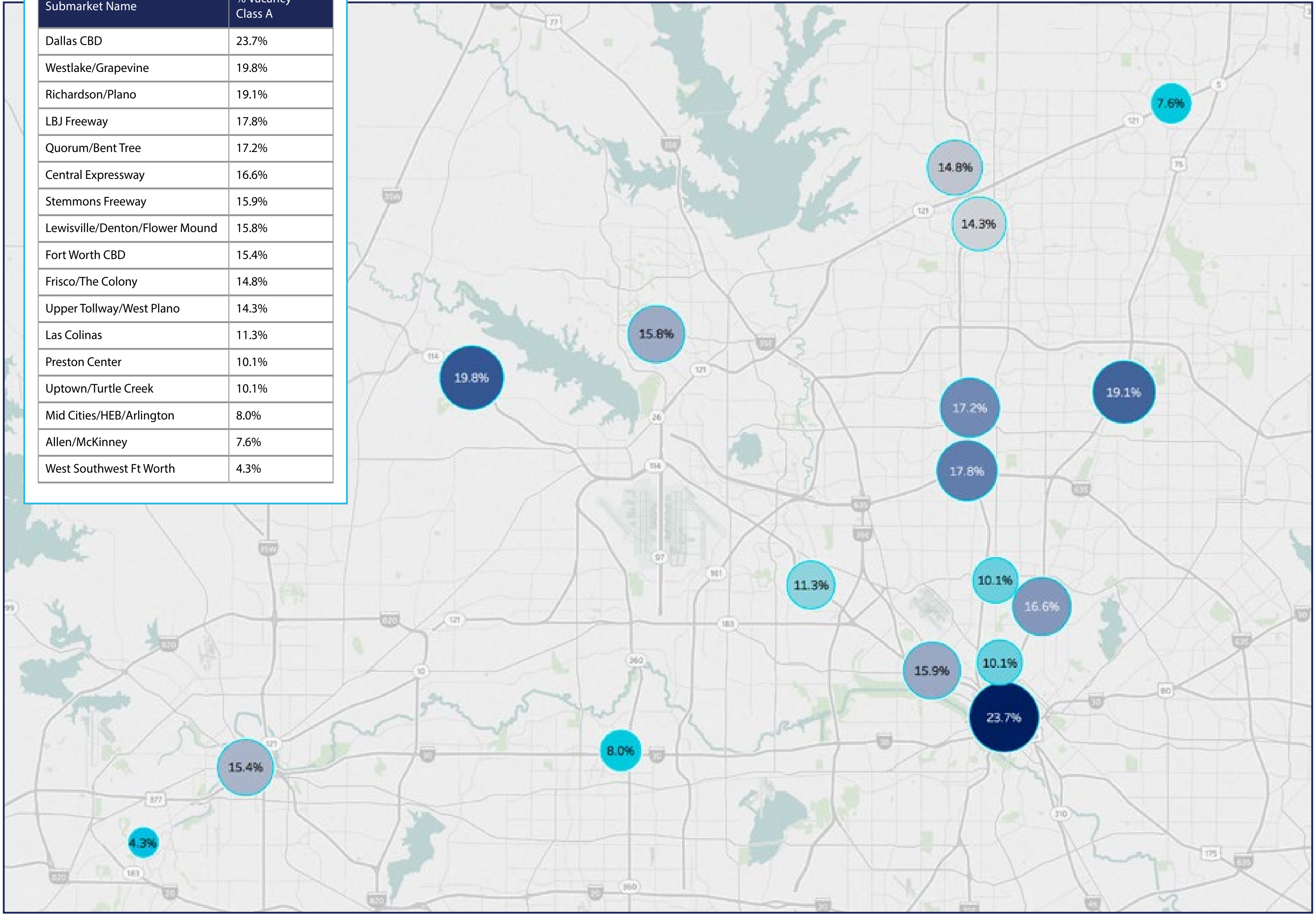


AVISON YOUNG

Percent Vacancy: **Class A**

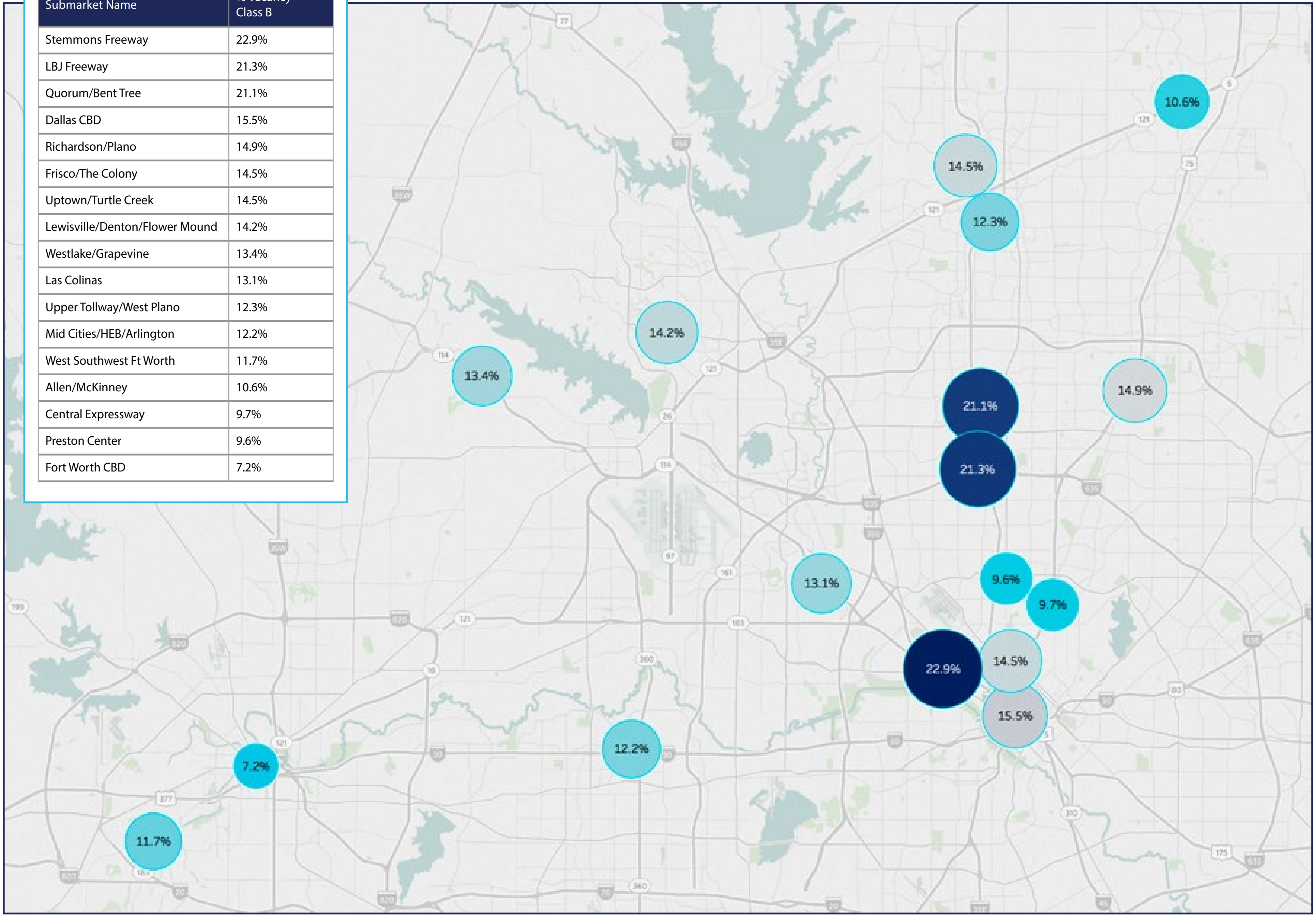
Q4 2019

Submarket Name	% Vacancy - Class A
Dallas CBD	23.7%
Westlake/Grapevine	19.8%
Richardson/Plano	19.1%
LBJ Freeway	17.8%
Quorum/Bent Tree	17.2%
Central Expressway	16.6%
Stemmons Freeway	15.9%
Lewisville/Denton/Flower Mound	15.8%
Fort Worth CBD	15.4%
Frisco/The Colony	14.8%
Upper Tollway/West Plano	14.3%
Las Colinas	11.3%
Preston Center	10.1%
Uptown/Turtle Creek	10.1%
Mid Cities/HEB/Arlington	8.0%
Allen/McKinney	7.6%
West Southwest Ft Worth	4.3%



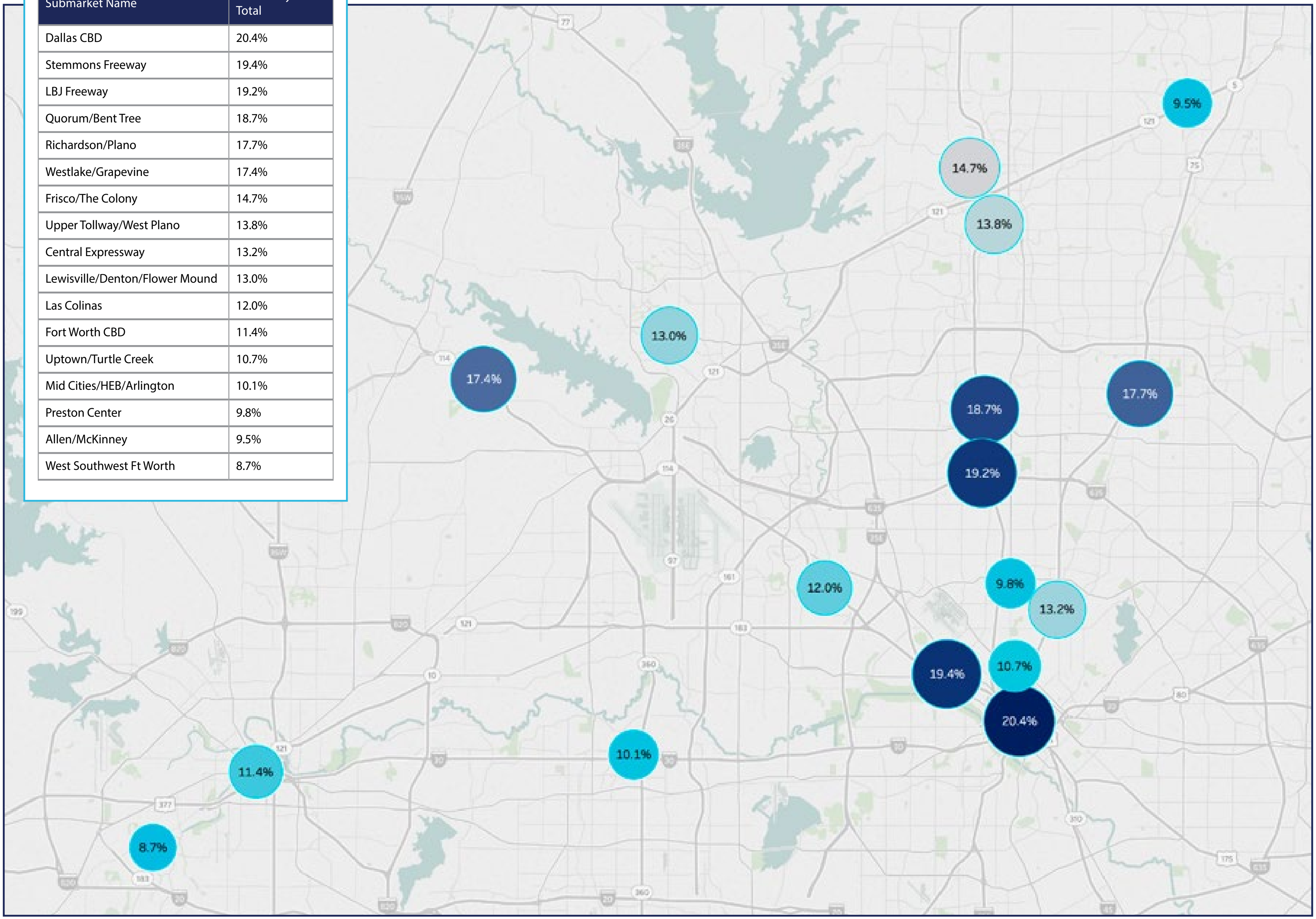
Percent Vacancy: **Class B**

Submarket Name	% Vacancy - Class B
Stemmons Freeway	22.9%
LBJ Freeway	21.3%
Quorum/Bent Tree	21.1%
Dallas CBD	15.5%
Richardson/Plano	14.9%
Frisco/The Colony	14.5%
Uptown/Turtle Creek	14.5%
Lewisville/Denton/Flower Mound	14.2%
Westlake/Grapevine	13.4%
Las Colinas	13.1%
Upper Tollway/West Plano	12.3%
Mid Cities/HEB/Arlington	12.2%
West Southwest Ft Worth	11.7%
Allen/McKinney	10.6%
Central Expressway	9.7%
Preston Center	9.6%
Fort Worth CBD	7.2%



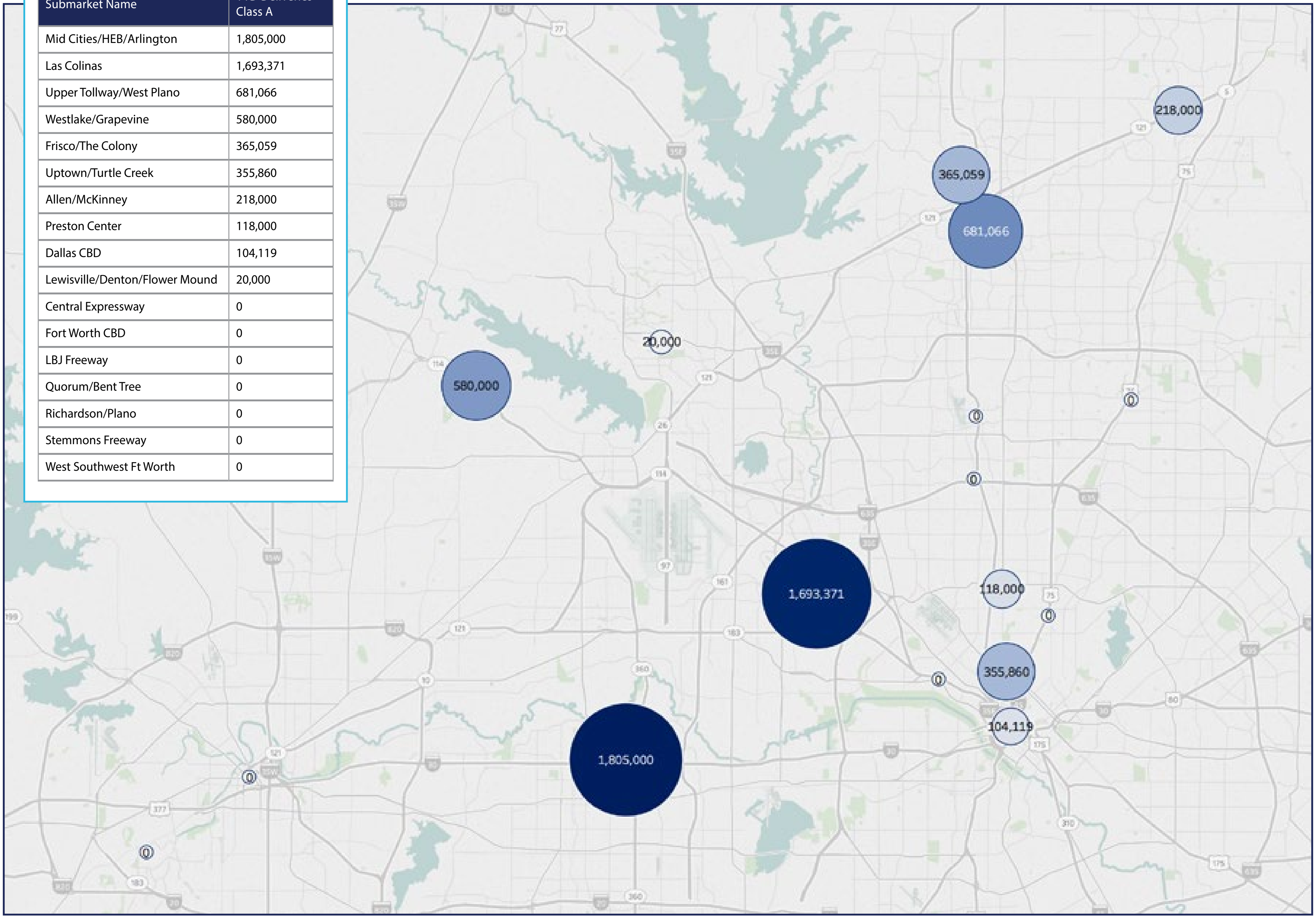
Percent Vacancy: **Total**

Submarket Name	% Vacancy - Total
Dallas CBD	20.4%
Stemmons Freeway	19.4%
LBJ Freeway	19.2%
Quorum/Bent Tree	18.7%
Richardson/Plano	17.7%
Westlake/Grapevine	17.4%
Frisco/The Colony	14.7%
Upper Tollway/West Plano	13.8%
Central Expressway	13.2%
Lewisville/Denton/Flower Mound	13.0%
Las Colinas	12.0%
Fort Worth CBD	11.4%
Uptown/Turtle Creek	10.7%
Mid Cities/HEB/Arlington	10.1%
Preston Center	9.8%
Allen/McKinney	9.5%
West Southwest Ft Worth	8.7%



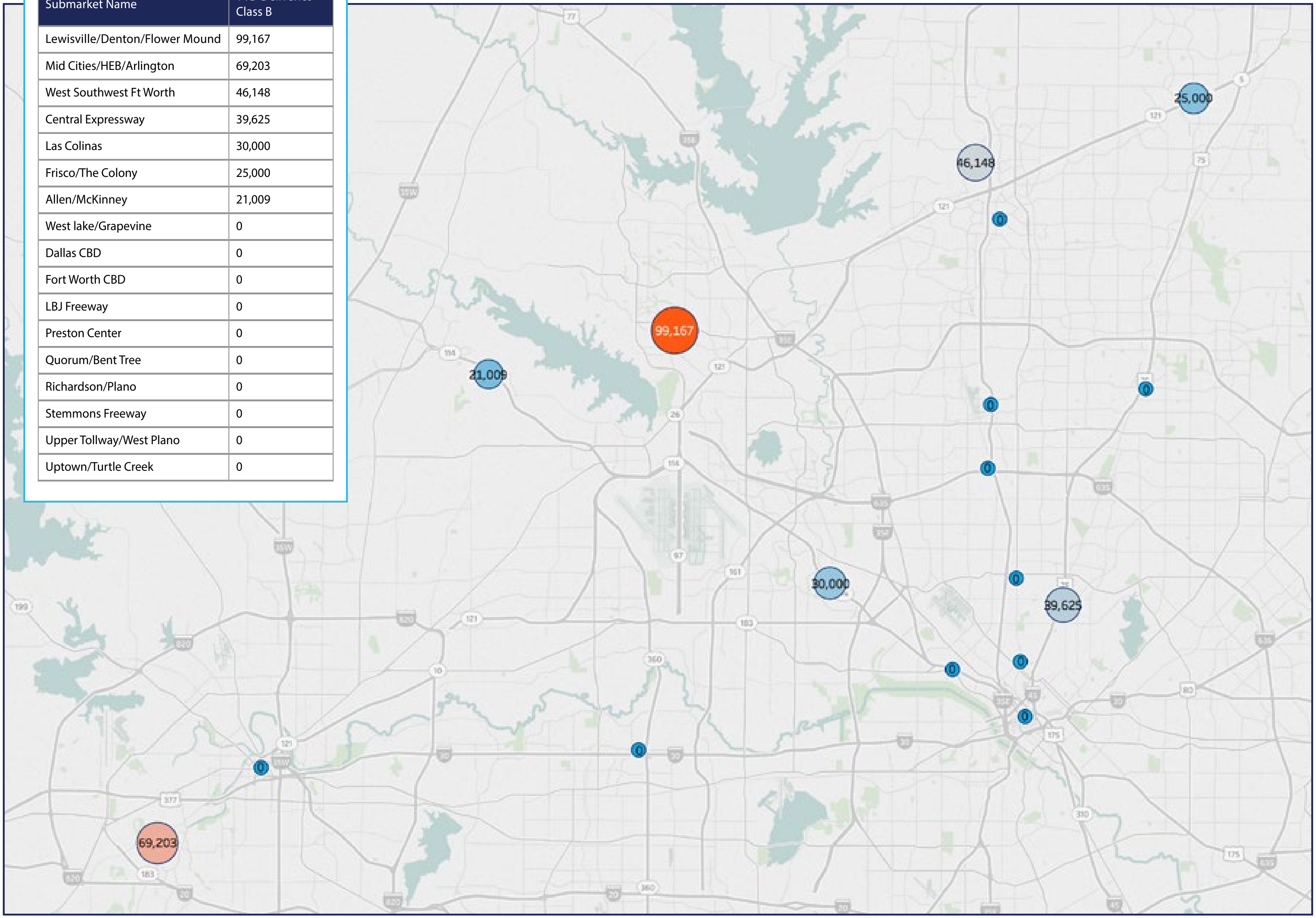
Year-to-Date Deliveries: **Class A**

Submarket Name	YTD Deliveries - Class A
Mid Cities/HEB/Arlington	1,805,000
Las Colinas	1,693,371
Upper Tollway/West Plano	681,066
Westlake/Grapevine	580,000
Frisco/The Colony	365,059
Uptown/Turtle Creek	355,860
Allen/McKinney	218,000
Preston Center	118,000
Dallas CBD	104,119
Lewisville/Denton/Flower Mound	20,000
Central Expressway	0
Fort Worth CBD	0
LBJ Freeway	0
Quorum/Bent Tree	0
Richardson/Plano	0
Stemmons Freeway	0
West Southwest Ft Worth	0



Year-to-Date Deliveries: **Class B**

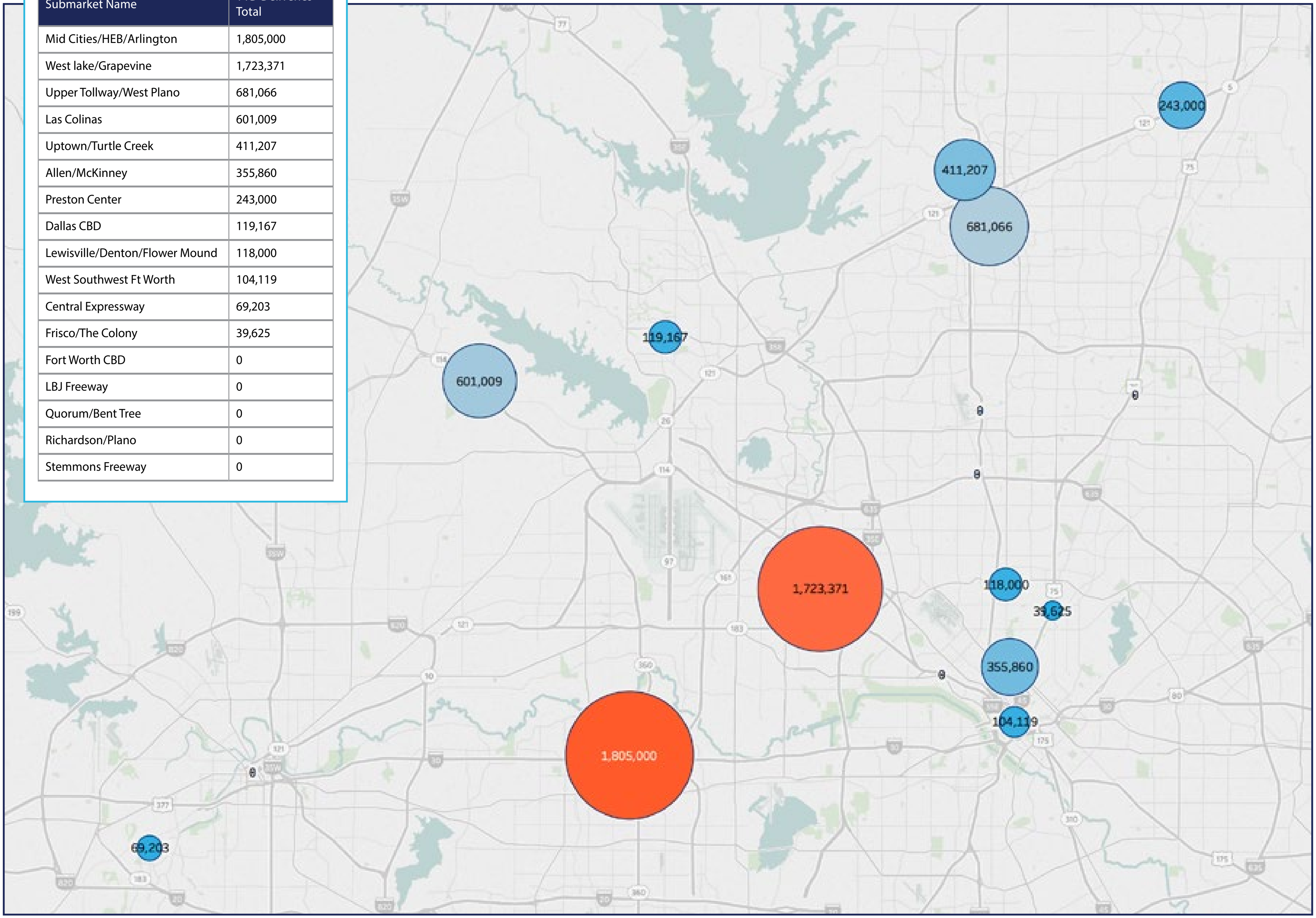
Submarket Name	YTD Deliveries - Class B
Lewisville/Denton/Flower Mound	99,167
Mid Cities/HEB/Arlington	69,203
West Southwest Ft Worth	46,148
Central Expressway	39,625
Las Colinas	30,000
Frisco/The Colony	25,000
Allen/McKinney	21,009
West lake/Grapevine	0
Dallas CBD	0
Fort Worth CBD	0
LBJ Freeway	0
Preston Center	0
Quorum/Bent Tree	0
Richardson/Plano	0
Stemmons Freeway	0
Upper Tollway/West Plano	0
Uptown/Turtle Creek	0



Year-to-Date Deliveries: **Total**

Q4 2019

Submarket Name	YTD Deliveries - Total
Mid Cities/HEB/Arlington	1,805,000
West lake/Grapevine	1,723,371
Upper Tollway/West Plano	681,066
Las Colinas	601,009
Uptown/Turtle Creek	411,207
Allen/McKinney	355,860
Preston Center	243,000
Dallas CBD	119,167
Lewisville/Denton/Flower Mound	118,000
West Southwest Ft Worth	104,119
Central Expressway	69,203
Frisco/The Colony	39,625
Fort Worth CBD	0
LBJ Freeway	0
Quorum/Bent Tree	0
Richardson/Plano	0
Stemmons Freeway	0

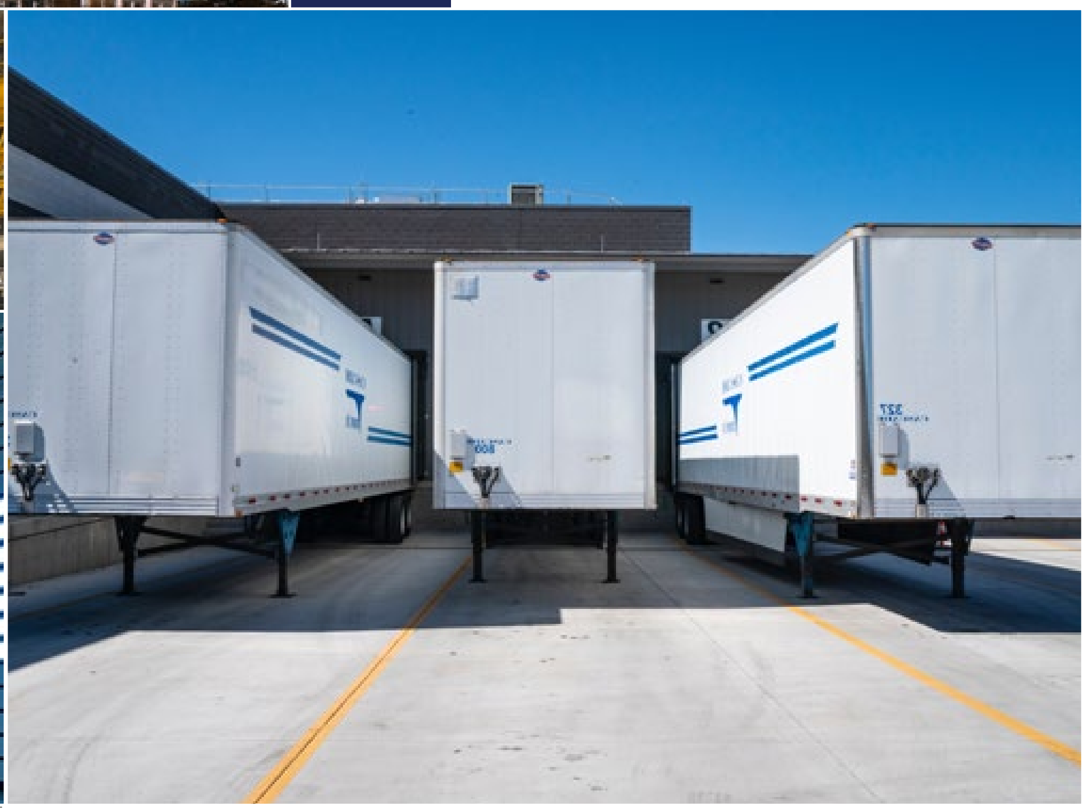


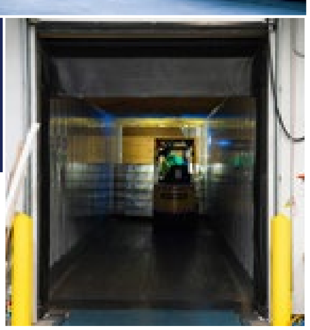
AVISON YOUNG

Dallas-Fort Worth

Market Overview

Q4 2019





INDUSTRIAL

Q4 2019 Industrial Snapshot

DALLAS FORT WORTH MARKET

Market Facts

WAREHOUSE & DISTRIBUTION RBA
611,006,808 SF

MANUFACTURING RBA
95,379,141 SF

FLEX RBA
90,413,276 SF

TOTAL RBA
833,195,145 SF

VACANCY TOTAL
5.4%

AVERAGE DIRECT NNN RENT
$6.07/SF

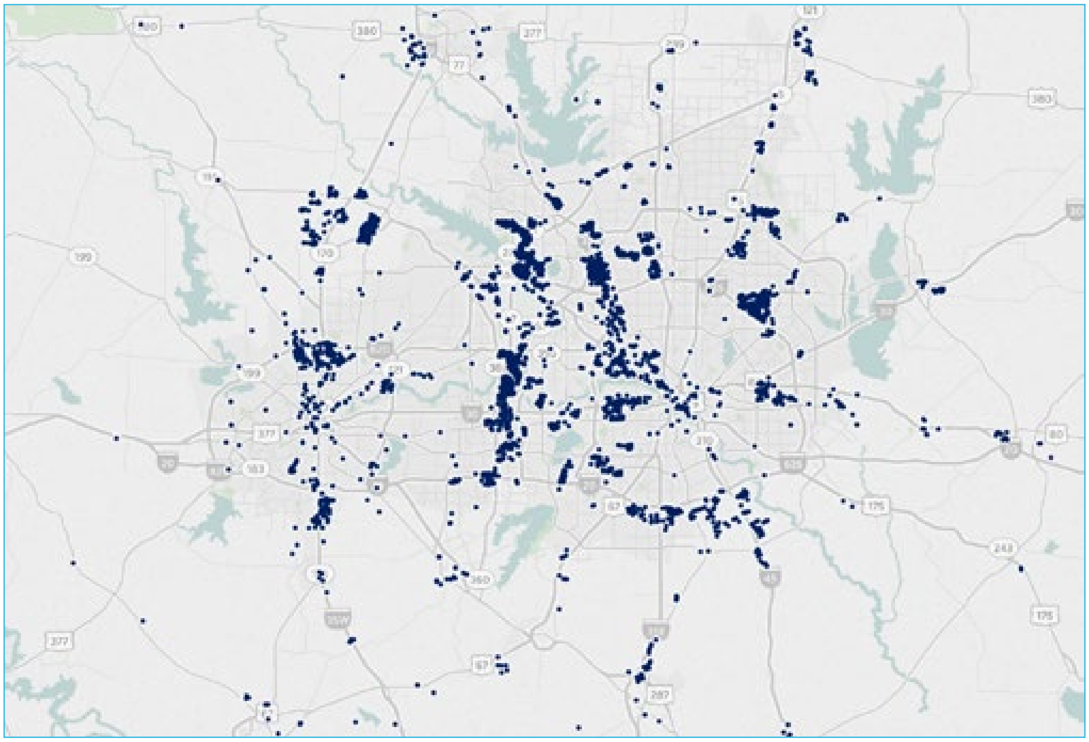
12 MONTH RENT GROWTH
5.0%

AVERAGE SALES PRICE
$72/SF

12 MONTH ABSORPTION
22,514,156 SF

YTD DELIVERIES
22,514,156 SF

UNDER CONSTRUCTION
31,566,199 SF



Market Overview

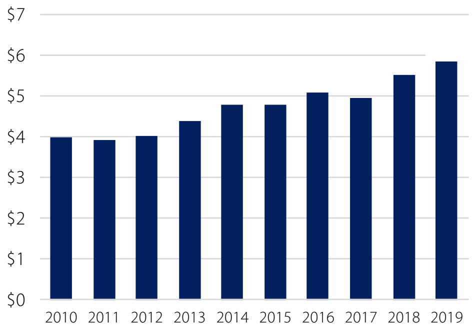
Dallas-Fort Worth continues to be one of the premier industrial markets in the country. Job growth, construction, absorption and affordability have helped keep the market moving at a record breaking pace. The metroplex has averaged more than 20 million SF of net new supply annually over the past few years, with 2019 seeing 22.5 MSF deliver. However, vacancies have remained flat due to a combination of impressive demand for speculative projects and a few major build-to-suits that delivered.

Groundbreakings have yet to slow down, and speculative construction is ramping up. But impressive leasing velocity on spec projects and the large number of build-to-suits make it likely that vacancies will remain low over the next few quarters. Rent growth is still well out-pacing the metro's historical average, which is especially impressive considering how late it is in the current economic cycle. Transaction activity is driven by institutional capital, with national portfolio sales accounting for a major portion of sales volume.

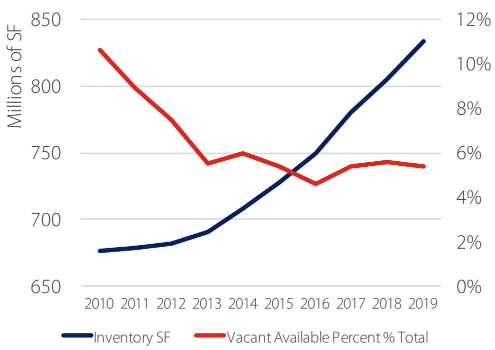
Leasing volume remains high thanks to DFW's centralized location and headquarters hubs for major national businesses. Online retailing continues to be a boon for industrial property owners and investors. While cap rates are roughly equal to the national average, pricing has increased at a faster rate than the national benchmark this cycle, hovering around $75/SF. Sales totals were over $5B, making 2019 one of the best years on record for industrial.

The market also benefits from solid infrastructure, with four major intermodal terminals and the massive Dallas-Fort Worth International Airport helping position the metro as one of the nation's largest inland ports. All of these fundamentals should remain steady for 2020, keeping DFW a major national player.

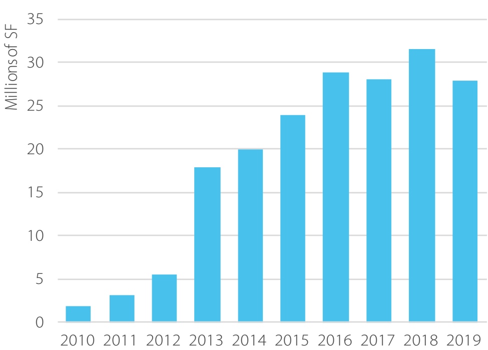
Average Direct NNN Asking Rates



Inventory Vs. Vacancy

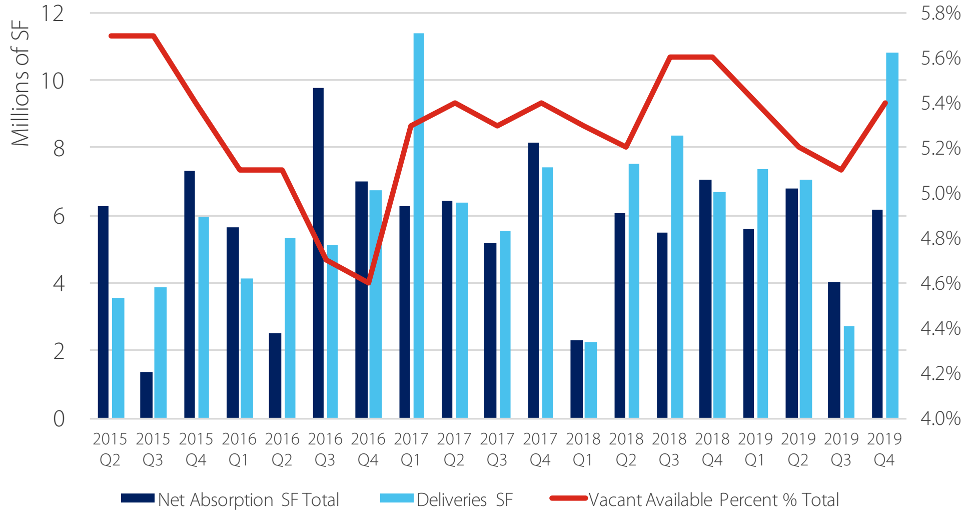


Historical Construction Starts



Report Parameters:
Industrial & Flex Existing Space, 20,000+ SF buildings, owner-occupied included

NET ABSORPTION, NET DELIVERIES, & VACANCY



MAJOR PROPERTY TYPE AVAILABILITIES

Passport Park-Building 1
Warehouse
2600 Rental Car Dr | Irving, TX 75062
E DFW Air/Las Colinas Ind Submarket
1,106,315 SF | 1,106,315 SF Available
Year Built: Under Construction

3000 W Kingsley
Manufacturing
3000 W Kingsley Rd | Garland, TX 75041
NE Dallas/Garland Ind Submarket
341,840 SF | 341,840 SF Available
Year Built: 1974

Trammell Crow at 35 Eagle-Bldg A
Distribution
15245 Heritage Pky | Fort Worth, TX 76177
NE Tarrant/Alliance Ind Submarket
1,089,642 SF | 1,089,642 SF Available
Year Built: 2018

600 Millennium Dr
Flex
600 Millennium Dr | Allen, TX 75013
Allen/McKinney Ind Submarket
164,866 SF | 164,866 SF Available
Year Built: 1997

For more information, please contact:

Avison Young | Dallas
1920 McKinney Avenue | Suite 1100 | Dallas, TX 75201
214.559.3900
avisonyoung.com

Core Submarket Snapshots

INDUSTRIAL | Q4 '19

Q4 2019 Industrial Snapshot

DFW Airport:
East DFW Air/Las Colinas & West DFW Air/Grapevine

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
68,048,488 SF

MANUFACTURING RBA
2,498,141 SF

FLEX RBA
6,625,710 SF

TOTAL RBA
78,733,976 SF

VACANCY TOTAL
5.5%

AVERAGE DIRECT NNN RENT
$7.05/SF

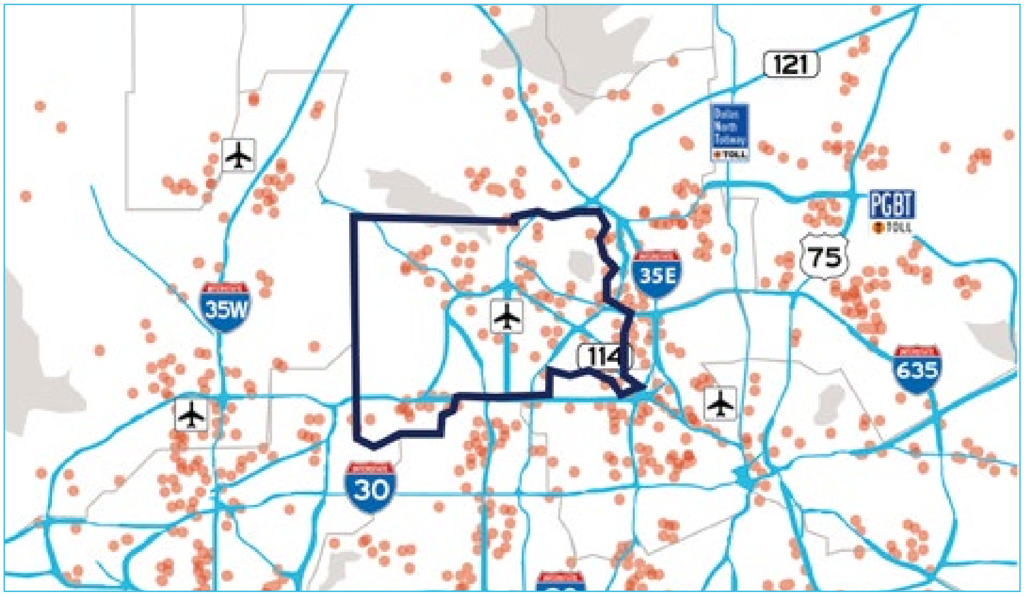
QUARTERLY NET ABSORPTION
412,954 SF

12 MONTH NET ABSORPTION
3,103,802 SF

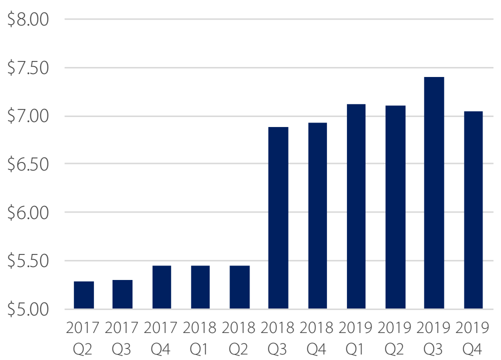
AVERAGE SALES PRICE
$76/SF

YTD DELIVERIES
3,271,287 SF

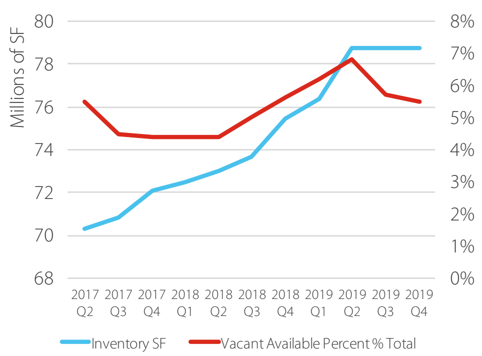
UNDER CONSTRUCTION
4,449,701 SF



AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

2010 Westridge Dr
2010 Westridge Dr
Irving, TX 75038
Class C Flex
37,559 SF
37,559 SF Available
Year Built: 1986

50,001-100,000 SF

Passport Park-Building 3
2700 Rental Car Dr
Irving, TX 75062
Class A Warehouse
99,000 SF
99,000 SF Available
Year Built: Under Construction

>100,000 SF

DFW Commerce Center Bldg 1
2601 S Airfield Dr
Dallas, TX 75261
Class A Distribution
1,000,584 SF
500,000 - 1,000,584 SF Available
Year Built: 2018

Q4 2019 Industrial Snapshot

East Dallas:
Central East Dallas, East Dallas/Mesquite, Forney/Terrell/Kaufman, Outlying Kaufman County

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
33,255,042 SF

MANUFACTURING RBA
6,542,648 SF

FLEX RBA
3,341,421 SF

TOTAL RBA
44,956,577 SF

VACANCY TOTAL
7.2%

AVERAGE DIRECT NNN RENT
$4.50/SF

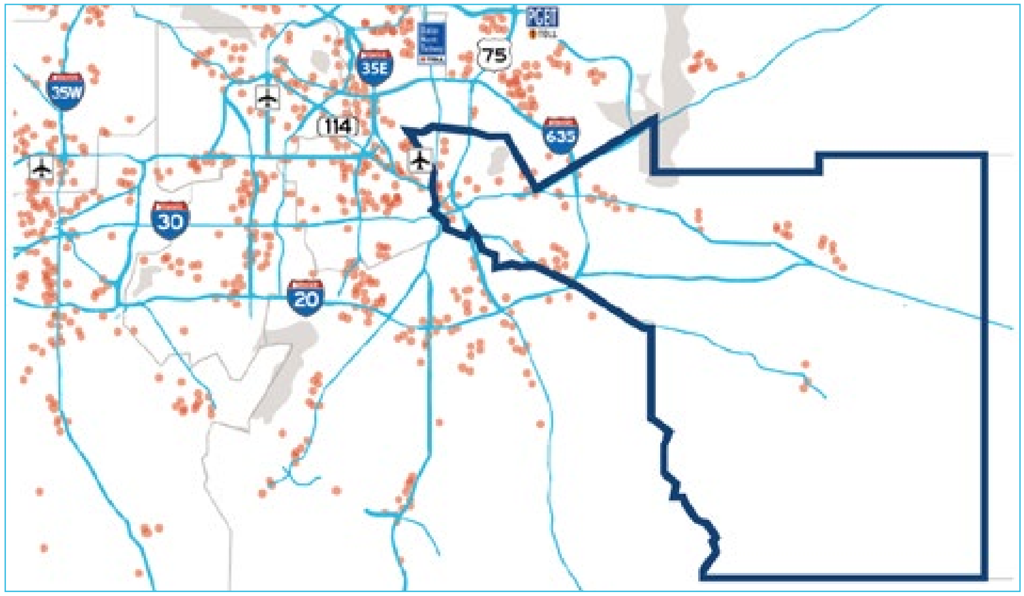
QUARTERLY NET ABSORPTION
-15,540 SF

12 MONTH NET ABSORPTION
990,807 SF

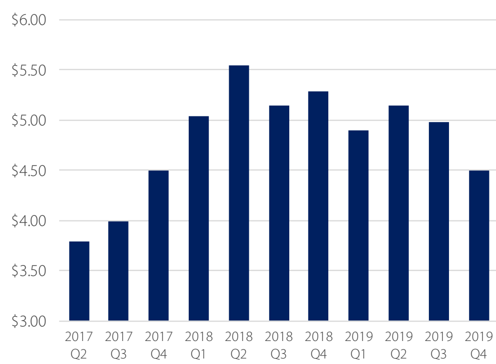
AVERAGE SALES PRICE
$65/SF

YTD DELIVERIES
2,092,642 SF

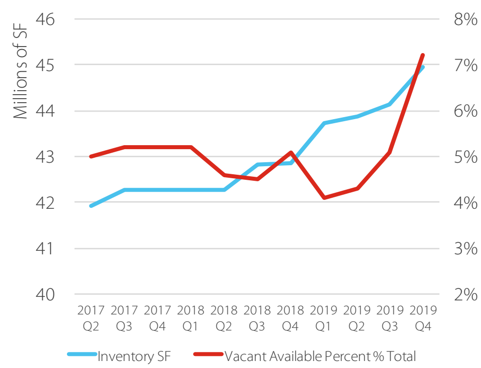
UNDER CONSTRUCTION
1,200,000 SF



AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

2200 Big Town Blvd III
2200 Big Town Blvd
Mesquite, TX 75149
Class A Distribution
148,000 SF
39,299 SF Available
Year Built: 2007

50,001-100,000 SF

Mesquite Business Center
Mesquite Business Center I
Mesquite, TX 75149
Class A Distribution
256,000 SF
69,820 SF Available
Year Built: 2007

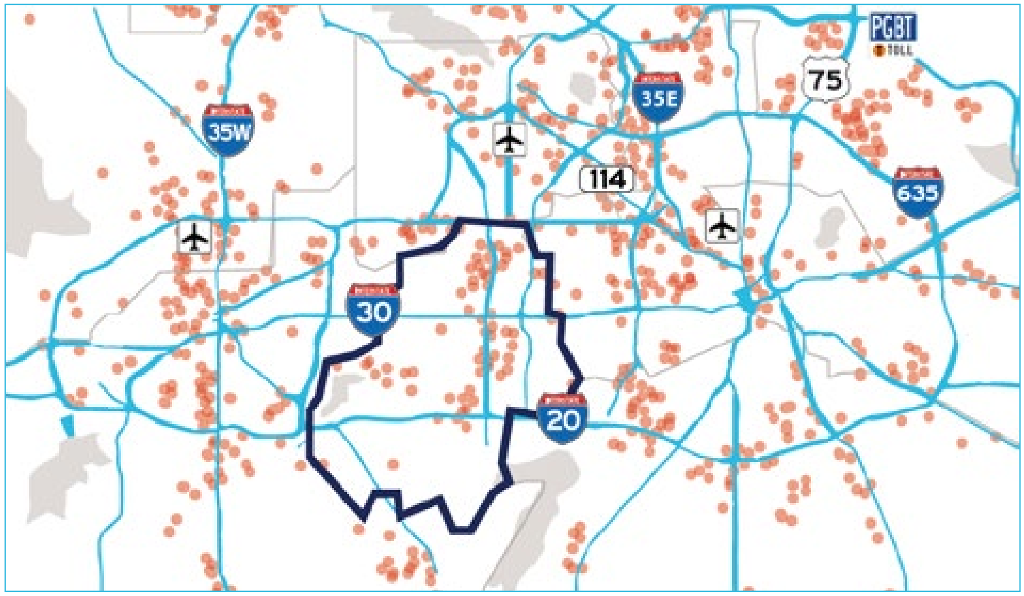
>100,000 SF

3000 Skyline
3000 Skyline Dr
Mesquite, TX 75149
Class B Warehouse
753,000 SF
753,000 SF Available
Year Built: 1971, Renov. 2001

Q4 2019 Industrial Snapshot

Great SW/Arlington:

Arlington, Lower Great Southwest, Upper Great Southwest



SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
90,876,619 SF

MANUFACTURING RBA
11,378,650 SF

FLEX RBA
6,900,438 SF

TOTAL RBA
111,689,104 SF

VACANCY TOTAL
4.8%

AVERAGE DIRECT NNN RENT
$5.49/SF

QUARTERLY NET ABSORPTION
1,040,125 SF

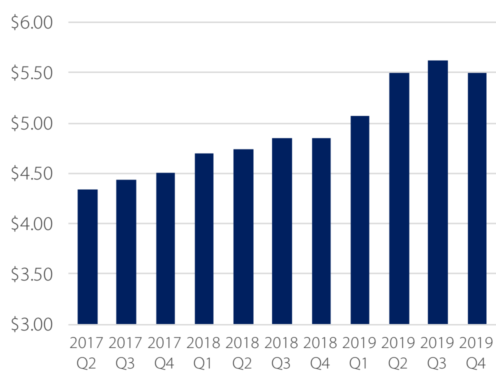
12 MONTH NET ABSORPTION
3,142,528 SF

AVERAGE SALES PRICE
$69/SF

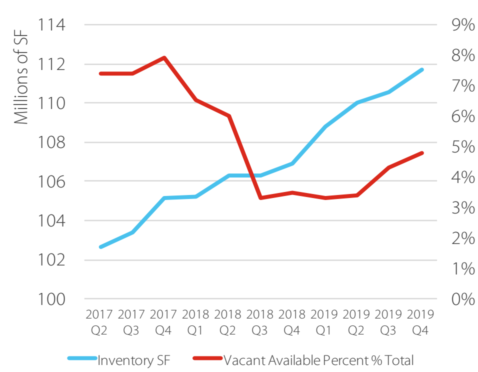
YTD DELIVERIES
4,815,216 SF

UNDER CONSTRUCTION
3,046,210 SF

AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

Park Twenty Three-Sixty Bldg 7
2300 Arbrook Blvd
Arlington, TX 76014
Class B Warehouse
42,445 SF
42,445 SF Available
Year Built: Under Construction

50,001-100,000 SF

908-912 113th St
908-912 113th St
Arlington, TX 76011
Class B Warehouse
79,735 SF
79,735 SF Available
Year Built: 1979

>100,000 SF

Oakdale Logistics
949 W Oakdale Rd
Grand Prairie, TX 75050
Class A Distribution
401,557 SF
401,557 SF Available
Year Built: Under Construction

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Q4 2019 Industrial Snapshot

North Fort Worth:
Meacham Fld/Cossil Cr/NE Tarrant/Alliance/Parker County/W Tarrant/ Wise County

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
76,240,839 SF

MANUFACTURING RBA
7,071,967 SF

FLEX RBA
5,997,011 SF

TOTAL RBA
98,941,264 SF

VACANCY TOTAL
5.7%

AVERAGE DIRECT NNN RENT
$5.10/SF

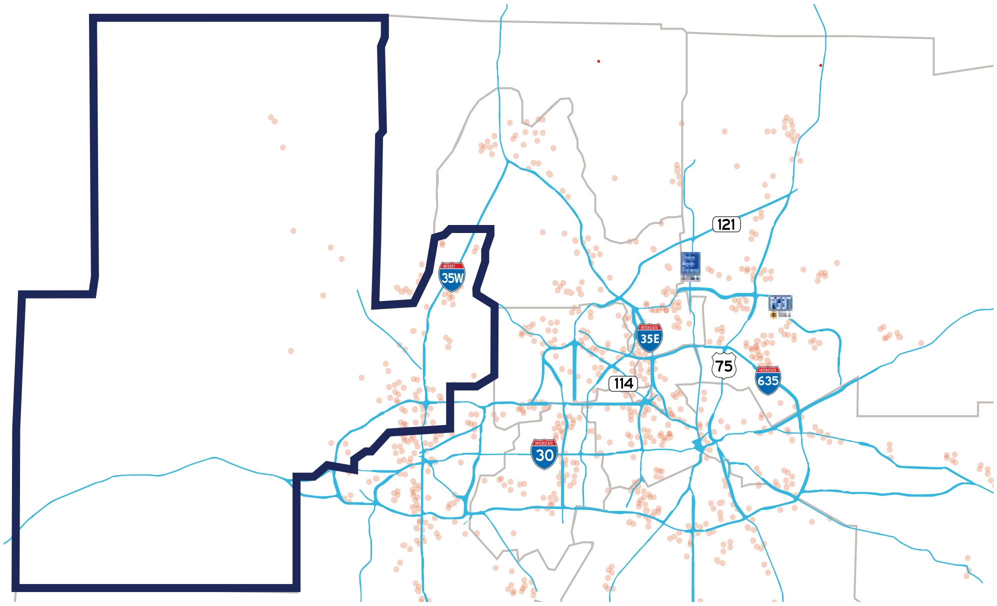
QUARTERLY NET ABSORPTION
1,301,589 SF

12 MONTH NET ABSORPTION
5,548,891 SF

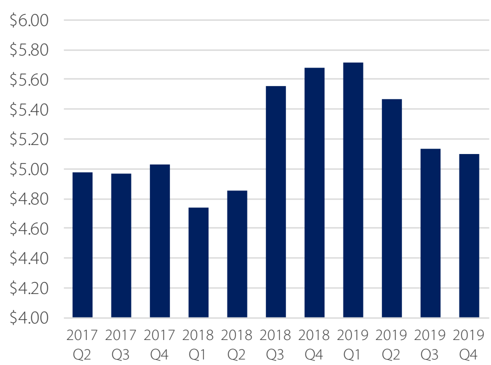
AVERAGE SALES PRICE
$71/SF

YTD DELIVERIES
5,581,832 SF

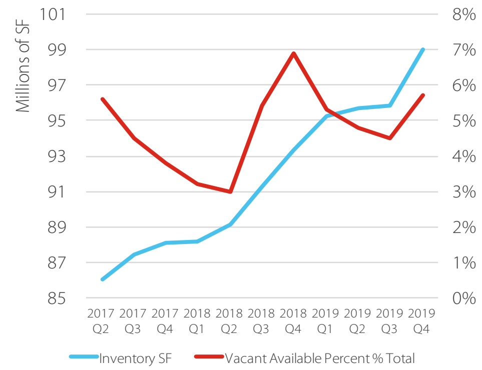
UNDER CONSTRUCTION
10,918,226 SF



AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

Parc North Building 1
2600 NE Loop 820
Fort Worth, TX 76106
Class A Warehouse
82,710 SF
48,373 SF Available
Year Built: 2016

50,001-100,000 SF

Railhead Business Station
800 Railhead Rd
Fort Worth, TX 76106
Class B Warehouse
91,950 SF
91,950 SF Available
Year Built: 2007

>100,000 SF

Ridge Railhead 1
400 E Industrial Ave
Fort Worth, TX 76131
Class A Distribution
299,810 SF
299,810 SF Available
Year Built: 2016

Q4 2019 Industrial Snapshot

Northeast Dallas:

Allen/McKinney, Delta Cnty, Hunt Cnty, NE Dallas/Garland, Outlying Collin Cnty, Plano, Richardson, Rockwall

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
57,373,145 SF

MANUFACTURING RBA
21,741,858 SF

FLEX RBA
23,575,093 SF

TOTAL RBA
107,170,115 SF

VACANCY TOTAL
6.0%

AVERAGE DIRECT NNN RENT
$7.13/SF

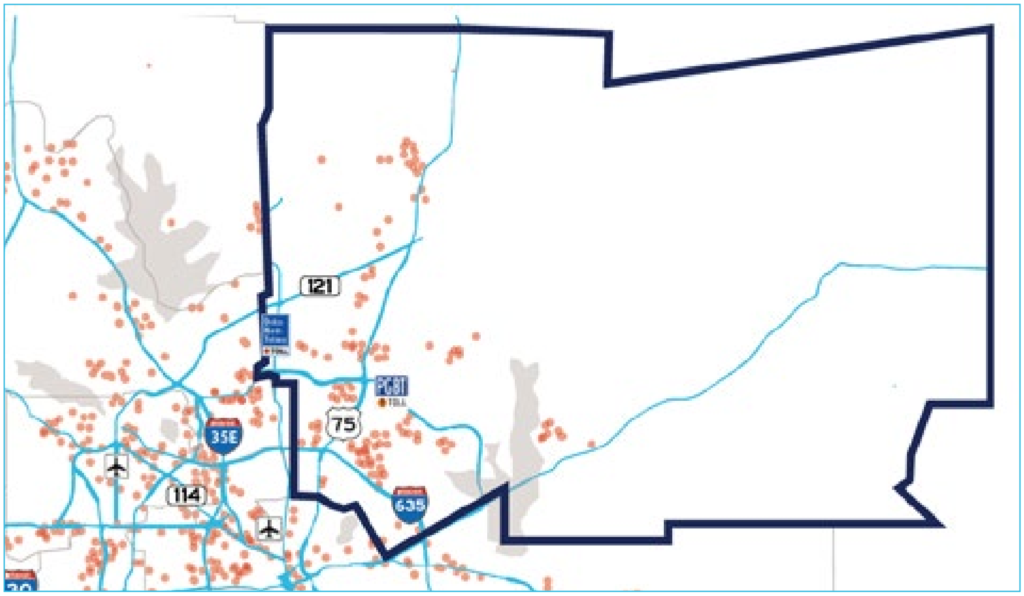
QUARTERLY NET ABSORPTION
-199,039 SF

12 MONTH NET ABSORPTION
246,007 SF

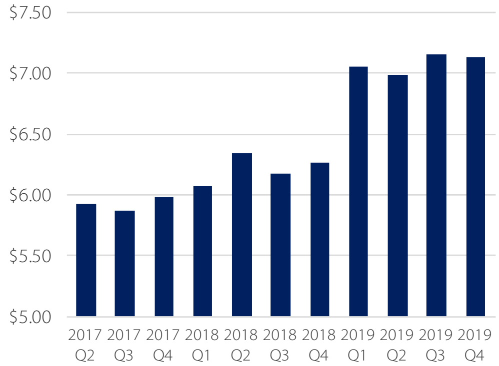
AVERAGE SALES PRICE
$90/SF

YTD DELIVERIES
2,227,412 SF

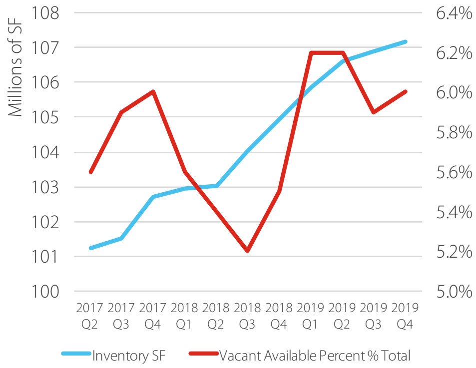
UNDER CONSTRUCTION
2,827,309 SF



AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

5800 Democracy Dr
5800 Democracy Dr
Plano, TX 75024
Class A Flex
81,000 SF
41,000 SF Available
Year Built: 1998

50,001-100,000 SF

Plano Business Park - F
3901 E Plano Pky
Plano, TX 75074
Class B Flex/Data
100,000 SF
100,000 SF Available
Year Built: 2002

>100,000 SF

2722 S Jupiter Rd
2722 S Jupiter Rd
Garland, TX 75041
Class A Warehouse
420,000 SF
300,000 SF Available
Year Built: 1999

AVISON YOUNG

Q4 2019 Industrial Snapshot

Northwest Dallas:
Denton, Lewisville, Metropolitan/Addison, North Stemmons/Valwood

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
81,834,951 SF

MANUFACTURING RBA
7,584,248 SF

FLEX RBA
16,746,925 SF

TOTAL RBA
107,948,149 SF

VACANCY TOTAL
3.9%

AVERAGE DIRECT NNN RENT
$6.84/SF

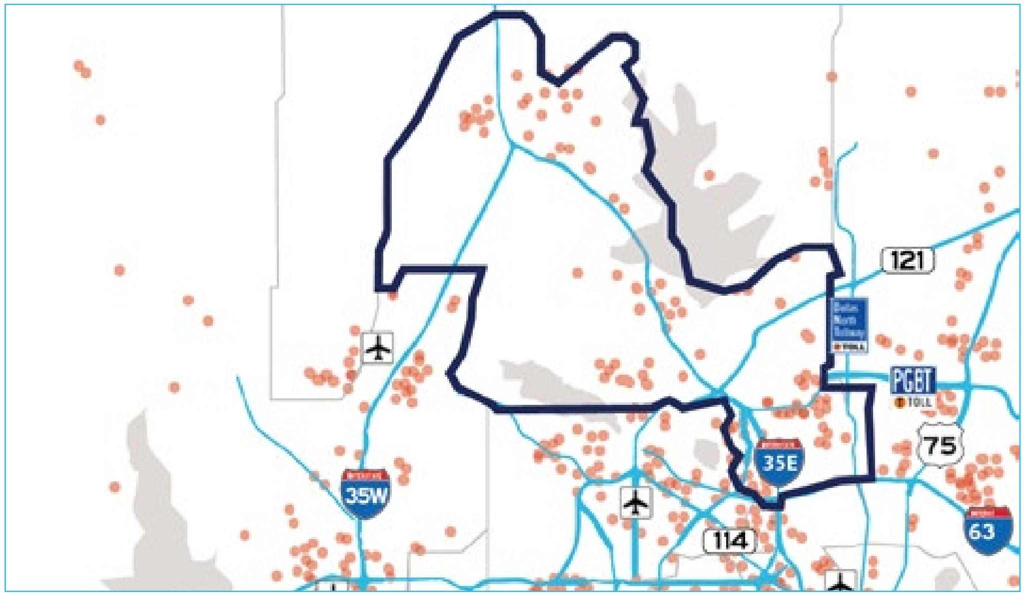
QUARTERLY NET ABSORPTION
364,050 SF

12 MONTH NET ABSORPTION
2,390,228 SF

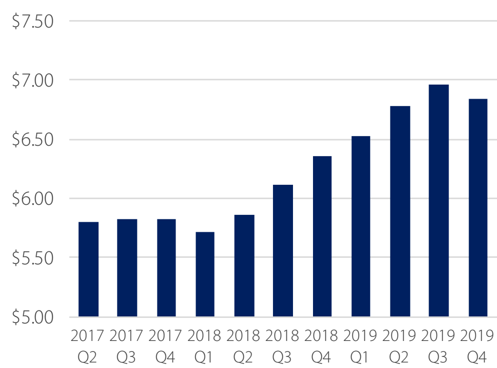
AVERAGE SALES PRICE
$106/SF

YTD DELIVERIES
2,940,721 SF

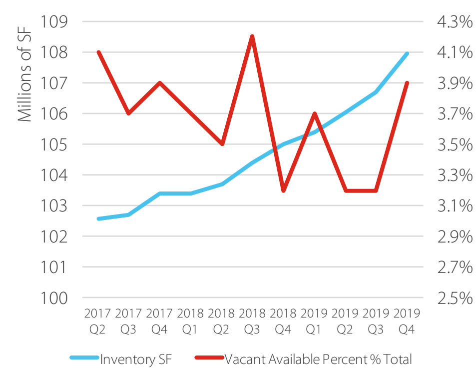
UNDER CONSTRUCTION
973,724 SF



AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

13810 Welch Rd
13810 Welch Rd
Dallas, TX 75244
Class C Distribution
40,000 SF
40,000 SF Available
Year Built: 1974

50,001-100,000 SF

Crosby Business Park
1300-1312 W Crosby Rd
Carrollton, TX 75006
Class C Distribution
99,198 SF
99,198 SF Available
Year Built: 1971

>100,000 SF

Lakeside Ranch 350
350 Lakeside Pky
Flower Mound, TX 75028
Class A Distribution
274,994 SF
274,9941 SF Available
Year Built: 2020

Q4 2019 Industrial Snapshot

South Dallas:
Outlying Ellis Cnty, Redbird Airport, Southeast Dallas/I-45, Southwest Dallas/US 67

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
79,195,265 SF

MANUFACTURING RBA
17,502,987 SF

FLEX RBA
1,866,038 SF

TOTAL RBA
100,830,965 SF

VACANCY TOTAL
8.1%

AVERAGE DIRECT NNN RENT
$3.74/SF

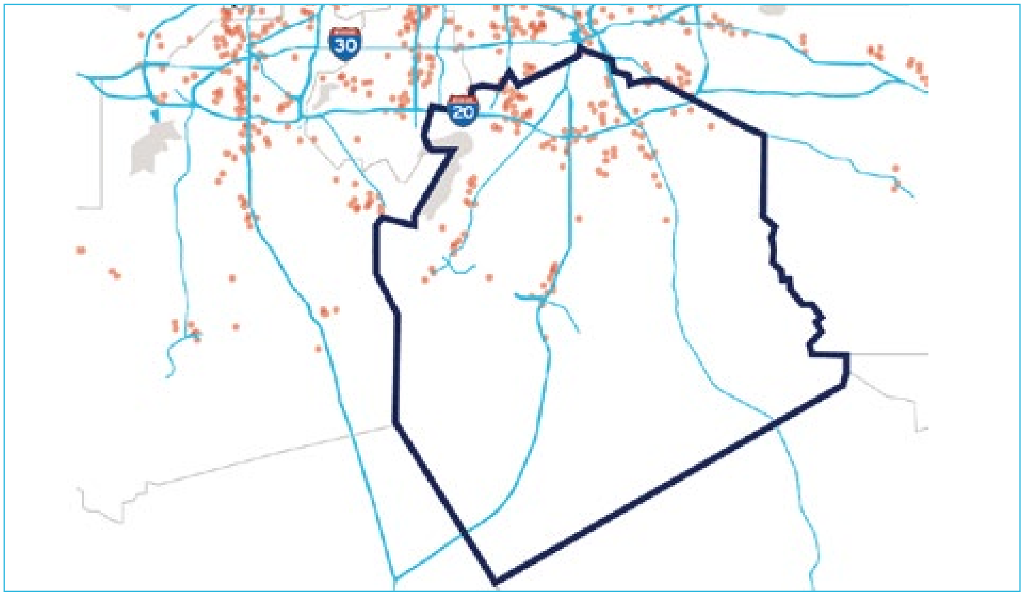
QUARTERLY NET ABSORPTION
2,150,221 SF

12 MONTH NET ABSORPTION
6,011,749 SF

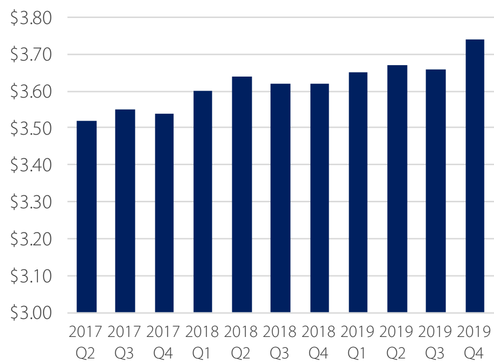
AVERAGE SALES PRICE
$65/SF

YTD DELIVERIES
3,137,425 SF

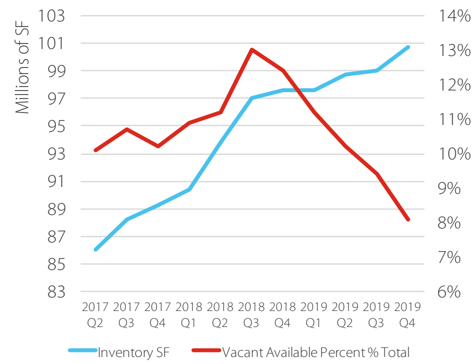
UNDER CONSTRUCTION
3,835,985 SF



AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

Builders Transport Facility
34511 Lyndon B Johnson Fwy
Dallas, TX 75241
Class C Flex
34,375 SF
34,375 SF Available
Year Built: 1988

50,001-100,000 SF

Stoneridge 15
Southpointe A
Lancaster, TX 75134
Class A Distribution
198,677 SF
91,882 SF Available
Year Built: 2016

>100,000 SF

Eagle Park 20/35
1240 E Centre Park Blvd
DeSoto, TX 75115
Class A Distribution
454,408 SF
226,983 SF Available
Year Built: 2016

Q4 2019 Industrial Snapshot

South Fort Worth:

East Ft Worth, Hood County, Johnson County, Mansfield, N Central Ft Worth, S Cen. Tarrant Cty, S Cen. Ft Worth, Southwest Tarrant

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
46,860,269 SF

MANUFACTURING RBA
12,767,128 SF

FLEX RBA
8,395,765 SF

TOTAL RBA
75,290,032 SF

VACANCY TOTAL
4.4%

AVERAGE DIRECT NNN RENT
$5.84/SF

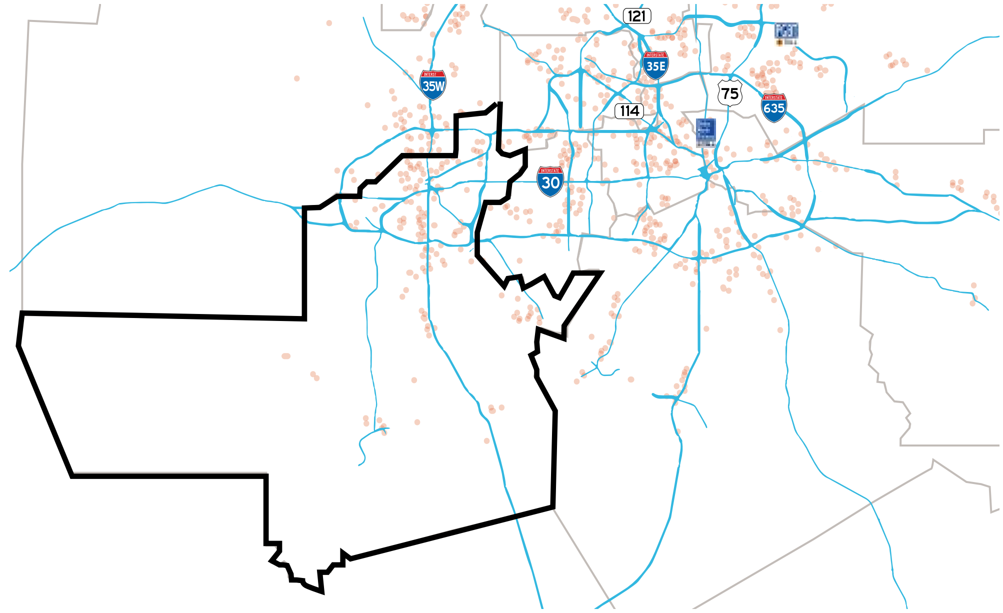
QUARTERLY NET ABSORPTION
-776,238 SF

12 MONTH NET ABSORPTION
-531,997 SF

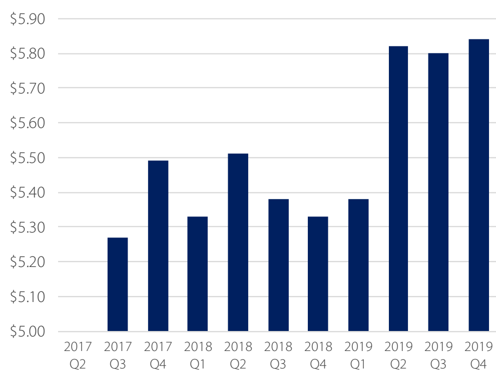
AVERAGE SALES PRICE
$62/SF

YTD DELIVERIES
1,222,745 SF

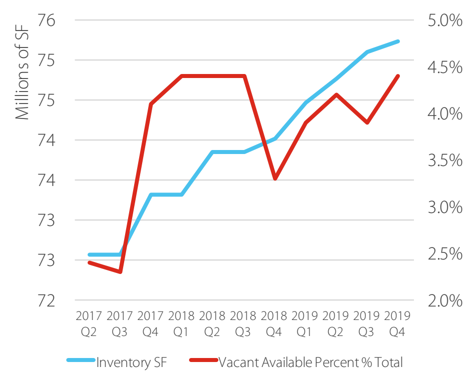
UNDER CONSTRUCTION
1,540,222 SF



AVE. DIRECT NNN ASKING RATES

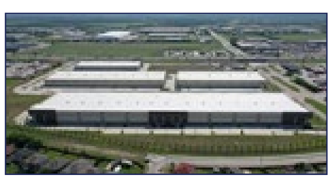


VACANCY VS. INVENTORY

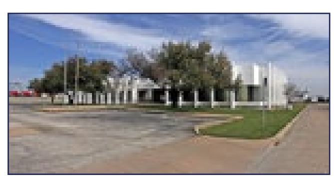


SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF | **50,001-100,000 SF** | **>100,000 SF**



Everman Trade Center B
8600 South Freeway
Fort Worth, TX 76134
Class A Warehouse
77,547 SF
39,084 SF Available
Year Built: 2019



9001 South Fwy
8200 South Freeway
Fort Worth, TX 76140
Class C Manufacturing
67,070 SF
67,070 SF Available
Year Built: 1970

35/20 Crossroads Distribution
6601 Oak Grove Rd
Fort Worth, TX 76134
Class A Dsitribution
615,005 SF
264,076 SF Available
Year Built: 2008

Q4 2019 Industrial Snapshot

South Stemmons:

East Brookhollow, E Hines North, Eastern Lonestar/Tpke, North Trinity, West Brookhollow, West Hines North, Western Lonestar/Tpke

SUBMARKET FACTS

WAREHOUSE & DISTRIBUTION RBA
75,470,275 SF

MANUFACTURING RBA
8,191,865 SF

FLEX RBA
17,083,406 SF

TOTAL RBA
105,543,455 SF

VACANCY TOTAL
4.0%

AVERAGE DIRECT NNN RENT
$6.99/SF

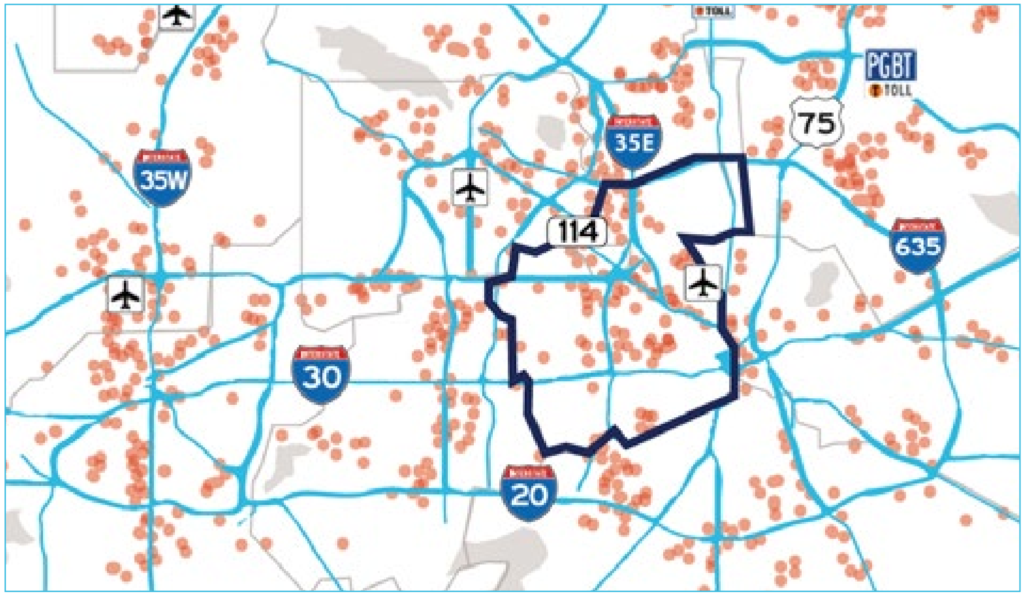
QUARTERLY NET ABSORPTION
1,710,975 SF

12 MONTH NET ABSORPTION
1,619,769 SF

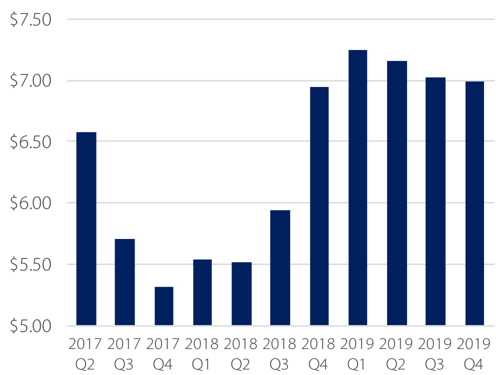
AVERAGE SALES PRICE
$68/SF

YTD DELIVERIES
2,571,394 SF

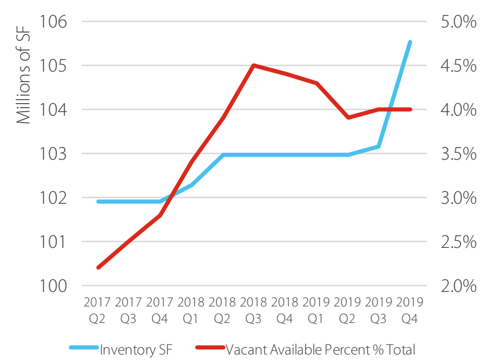
UNDER CONSTRUCTION
2,688,822 SF



AVE. DIRECT NNN ASKING RATES



VACANCY VS. INVENTORY



SAMPLE MARKET AVAILABILITIES BY SIZE RANGE

0-50,000 SF

1233 Regal Row
1233 Regal Row
Dallas, TX 75247
Class C Warehouse
74,928 SF
40,000 SF Available
Year Built: 1963

50,001-100,000 SF

Ambassador Row
7600 Ambassador Row
Dallas, TX 75247
Class C Distribution
66,915 SF
66,915 SF Available
Year Built: 1955

>100,000 SF

Pinnacle Park I
3700 Pinnacle Point Dr
Dallas, TX 75211
Class A Distribution
1,010,500 SF
616,875 SF Available
Year Built: 2001

MANUFACTURING

Core Submarkets	Buildings	Inventory	Vacancy (sf)	Vacancy (%)	Net Absorption Q4 2019	Net Absorption 12 Month	Average Asking Direct Rate NNN	Delivered YTD	Under Construction (sf)
DFW Airport	15	2,498,141	17,694	0.7%	0	30,000	$4.83	0	319,450
East Dallas	53	6,542,648	0	0.0%	0	59,891	$4.75	0	0
Great SW/Arlington	42	11,378,650	0	0.0%	60,650	1,292,997	$3.95	1,292,997	0
North Ft Worth	56	7,071,967	430,960	6.1%	-56,525	-235,634	$5.04	0	47,000
Northeast Dallas	112	21,741,858	609,068	2.8%	-34,678	163,053	$8.08	0	680,000
Northwest Dallas	81	7,584,248	97,947	1.3%	22,973	488,307	$4.04	336,960	0
South Dallas	120	17,502,987	490,631	2.8%	322,000	242,224	$4.43	322,000	0
South Ft Worth	106	12,767,128	175,596	1.4%	-70,546	55,248	$4.83	100,000	0
South Stemmons	90	8,191,865	279,465	3.4%	31,289	83,900	$2.61	0	199,070
Total	**675**	**95,279,492**	**2,101,361**	**2.1%**	**275,163**	**2,179,986**	**$4.73**	**2,051,957**	**1,245,520**

FLEX

Core Submarkets	Buildings	Inventory	Vacancy (sf)	Vacancy (%)	Net Absorption Q4 2019	Net Absorption 12 Month	Average Asking Direct Rate NNN	Delivered YTD	Under Construction (sf)
DFW Airport	125	6,625,710	577,519	8.7%	94,225	-92,538	$9.87	25,000	0
East Dallas	81	3,341,421	84,456	2.5%	-1,450	16,859	$7.84	0	0
Great SW/Arlington	157	6,900,438	403,206	5.8%	-15,804	-82,365	$10.35	33,291	0
North Ft Worth	76	5,997,011	86,208	1.4%	629,352	1,231,373	$12.49	1,102,656	0
Northeast Dallas	455	23,575,093	1,722,488	7.3%	32,535	-28,931	$10.23	197,314	198,983
Northwest Dallas	326	16,746,925	899,636	5.4%	71,504	122,673	$10.22	46,578	24,000
South Dallas	47	1,866,038	42,033	2.3%	-14,173	-5,496	$7.50	0	84,000
South Ft Worth	198	8,395,765	511,211	6.1%	-40,733	-71,685	$7.95	0	45,600
South Stemmons	395	17,083,406	566,913	3.3%	-4,420	162,040	$13.04	0	0
Total	**1,860**	**90,531,807**	**4,893,670**	**4.8%**	**751,036**	**1,251,930**	**$9.94**	**1,404,839**	**352,583**

WAREHOUSE & DISTRIBUTION

Core Submarkets	Buildings	Inventory	Vacancy (sf)	Vacancy (%)	Net Absorption Q4 2019	Net Absorption 12 Month	Average Asking Direct Rate NNN	Delivered YTD	Under Construction (sf)
DFW Airport	423	68,048,488	3,704,932	5.4%	318,729	3,138,500	$6.47	3,203,537	4,050,457
East Dallas	326	33,255,042	3,113,261	9.4%	-6,953	942,562	$4.50	2,092,642	1,200,000
Great SW/Arlington	743	90,876,619	4,811,700	5.3%	975,359	1,845,716	$4.62	3,390,553	3,046,210
North Ft Worth	426	76,240,839	4,882,514	6.4%	723,817	4,474,907	$4.69	4,371,681	10,672,962
Northeast Dallas	636	57,373,145	3,745,767	6.5%	-192,881	31,321	$5.59	1,891,966	2,161,059
Northwest Dallas	759	81,834,951	3,141,417	3.8%	299,673	1,750,190	$5.38	2,496,939	803,364
South Dallas	391	79,195,265	7,652,924	9.7%	1,842,394	5,396,496	$3.67	2,565,425	2,885,942
South Ft Worth	770	46,860,269	1,922,430	4.1%	-527,880	638,724	$5.11	521,392	1,464,622
South Stemmons	1,091	75,470,275	3,530,138	4.7%	1,645,639	1,343,473	$5.90	2,571,394	2,489,752
Total	**5,565**	**609,154,893**	**36,505,083**	**6.1%**	**5,077,897**	**19,561,889**	**$5.10**	**23,105,529**	**28,774,368**

TOTAL

Core Submarkets	Buildings	Inventory	Vacancy (sf)	Vacancy (%)	Net Absorption Q4 2019	Net Absorption 12 Month	Average Asking Direct Rate NNN	Delivered YTD	Under Construction (sf)
DFW Airport	573	78,733,976	4,339,460	5.5%	412,954	3,103,802	$7.05	3,271,287	4,449,701
East Dallas	486	44,956,577	3,234,809	7.2%	-15,540	990,807	$4.50	2,092,642	1,200,000
Great SW/Arlington	989	111,689,104	5,383,976	4.8%	1,040,125	3,142,528	$5.49	4,815,216	3,046,210
North Ft Worth	599	98,941,264	5,620,068	5.7%	1,301,589	5,548,891	$5.10	5,581,832	10,918,226
Northeast Dallas	1,254	107,170,115	6,459,681	6.0%	-199,039	246,007	$7.13	2,227,412	2,827,309
Northwest Dallas	1,194	107,948,149	4,211,300	3.9%	364,050	2,390,228	$6.84	2,940,721	973,724
South Dallas	589	100,830,965	8,185,588	8.1%	2,150,221	6,011,749	$3.74	3,137,425	3,835,985
South Ft Worth	1,150	75,290,032	3,299,891	4.4%	-776,238	-531,997	$5.84	1,222,745	1,540,222
South Stemmons	1,662	105,543,455	4,226,607	4.0%	1,710,975	1,619,769	$6.99	2,571,394	2,688,822
Total	**8,496**	**831,103,637**	**44,961,380**	**5.5%**	**5,989,097**	**22,521,784**	**$5.85**	**26,562,325**	**31,480,199**
ALL SUBMARKETS TOTAL	**8,517**	**833,195,145**	**45,040,808**	**5.4%**	**6,058,187**	**22,514,156**	**$6.07**	**22,514,156**	**31,566,199**

AVISON YOUNG

Dallas-Fort Worth
Market Overview

Q4 2019






RETAIL

RETAIL

STRONG FUNDAMENTALS
AMID RECORD LOW VACANCIES AND RISING INVENTORY

Dallas-Fort Worth area leads the nation in shopping centers per capita and ranks among the nation's top 5 retail employment hubs with over 460,000 retail-related workers. According to the Dallas Fed, retail consumer sales volume in DFW reached nearly $38 million for the beginning of 2019. The region's continued job and population growth should help continue supporting these strong fundamentals, even as the retail industry as a whole adjusts to the changing landscapes of modern shopping.

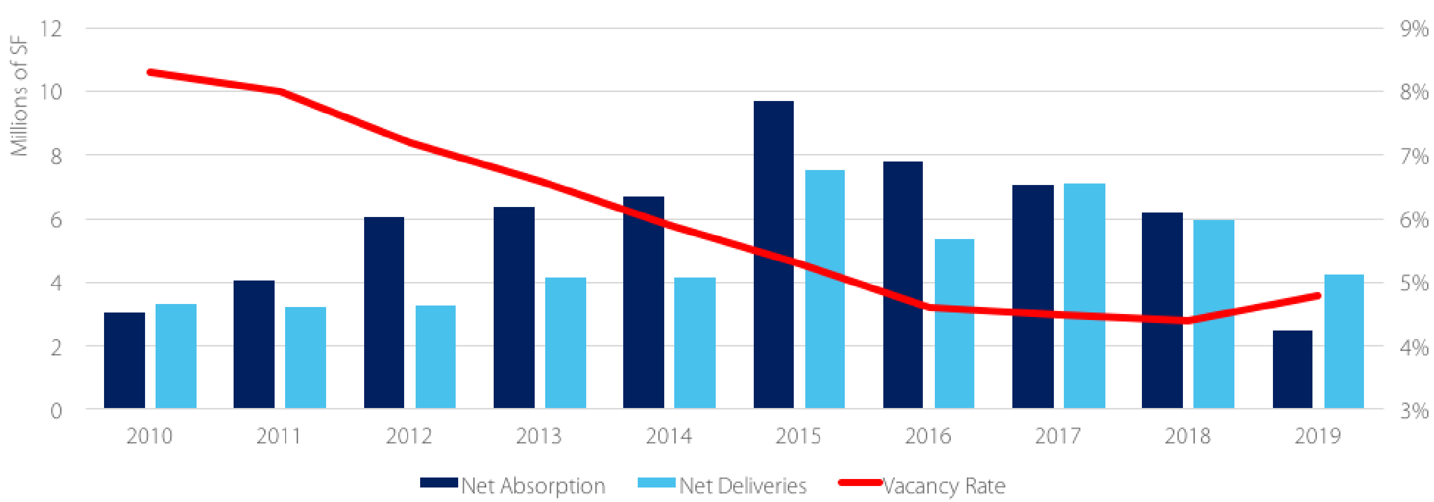
This adjustment is no more plainly visible in some of the major redevelopment projects taking place across the metro, as former shopping malls are reborn from neglect to highly visible mixed-use projects. Two of the most recognizable projects are the $1 billion redevelopment of Collin Creek Mall, and the Valley View Mall/Midtown Dallas conversion.

Construction isn't moving as fast as it did in past cycles, but DFW is still adding supply at one of the fastest rates in the country. Most of these properties have healthy pre-leasing.More than 75% of retail space under con-struction was leased as of Q4 2019. And though big-box retailers are expanding, especially in the suburbs, the vast majority of leases signed in the metroplex are for spaces smaller than 5,000 SF, and smaller tenants accounted for roughly half of the total RBA leased last year.

KEY STATS | Parameters: Retail, Existing, 1,000+ SF, Owner-Occupied Included

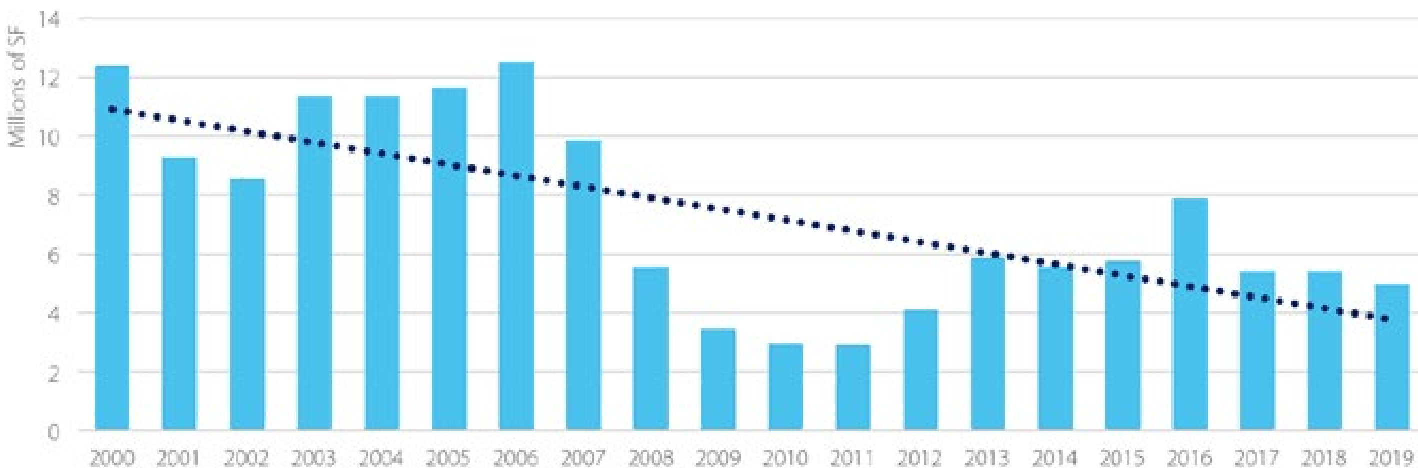
433 MSF	**5.3 MSF**	**2.5 MSF**	**4.8%**	**4.2 MSF**	**$16.93**	**2.7%**
Total Inventory	Under Construction	12 Month Absorption	Vacancy Rate	12 Month Deliveries	Ave. Direct NNN Rent	YOY Rent Growth

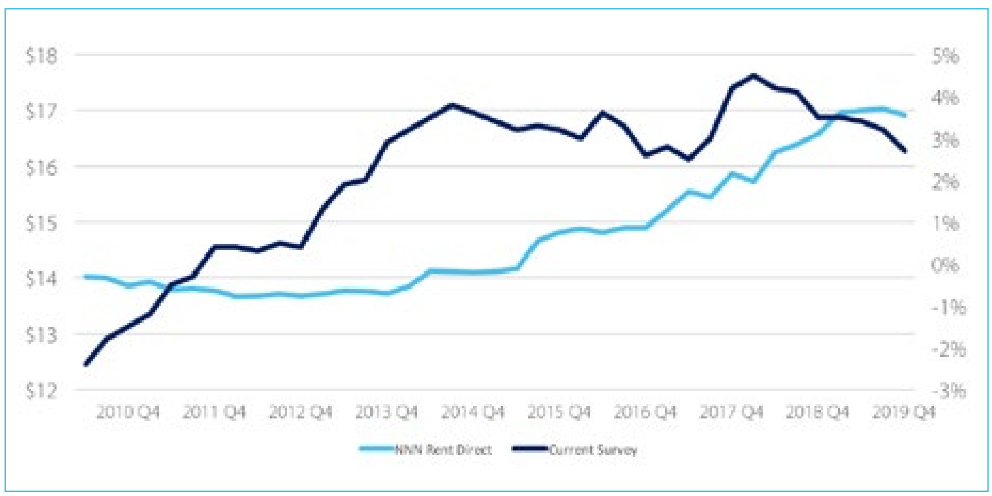
Net Absorption, Net Deliveries & Vacancy

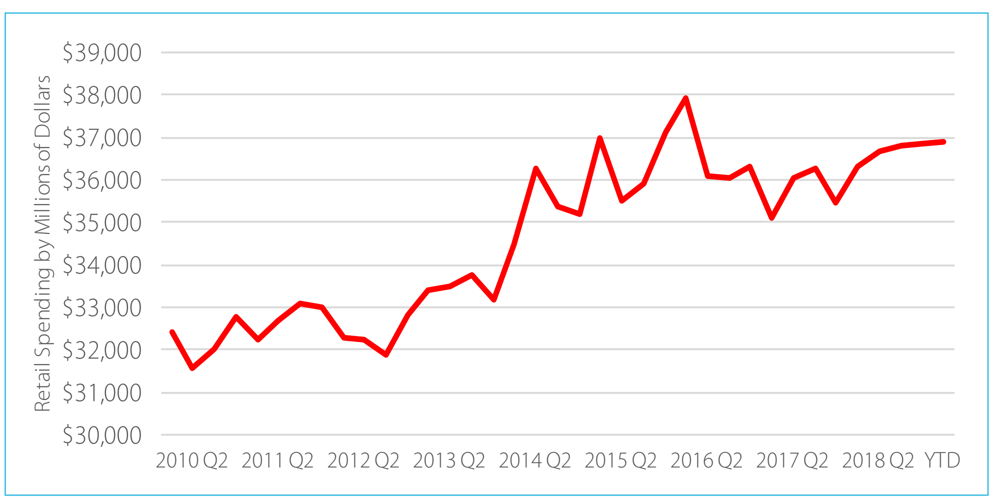


Steady Tapering as Retail Shifts to Online

Retail construction has seen an overall decrease in activity since the turn of the century. Whereas the early 2000's saw an average of 7.5 MSF under construction per year, the last 5 years have seen the average at 4.8 MSF. That being said, there has been an uptick in construction in recent years compared the the earlier parts of the decade. Even as big box retailers struggle and adapt to online competition, many consumers are still interested in smaller local businesses and experiential shopping, so look to see more unique and local concepts in the future.



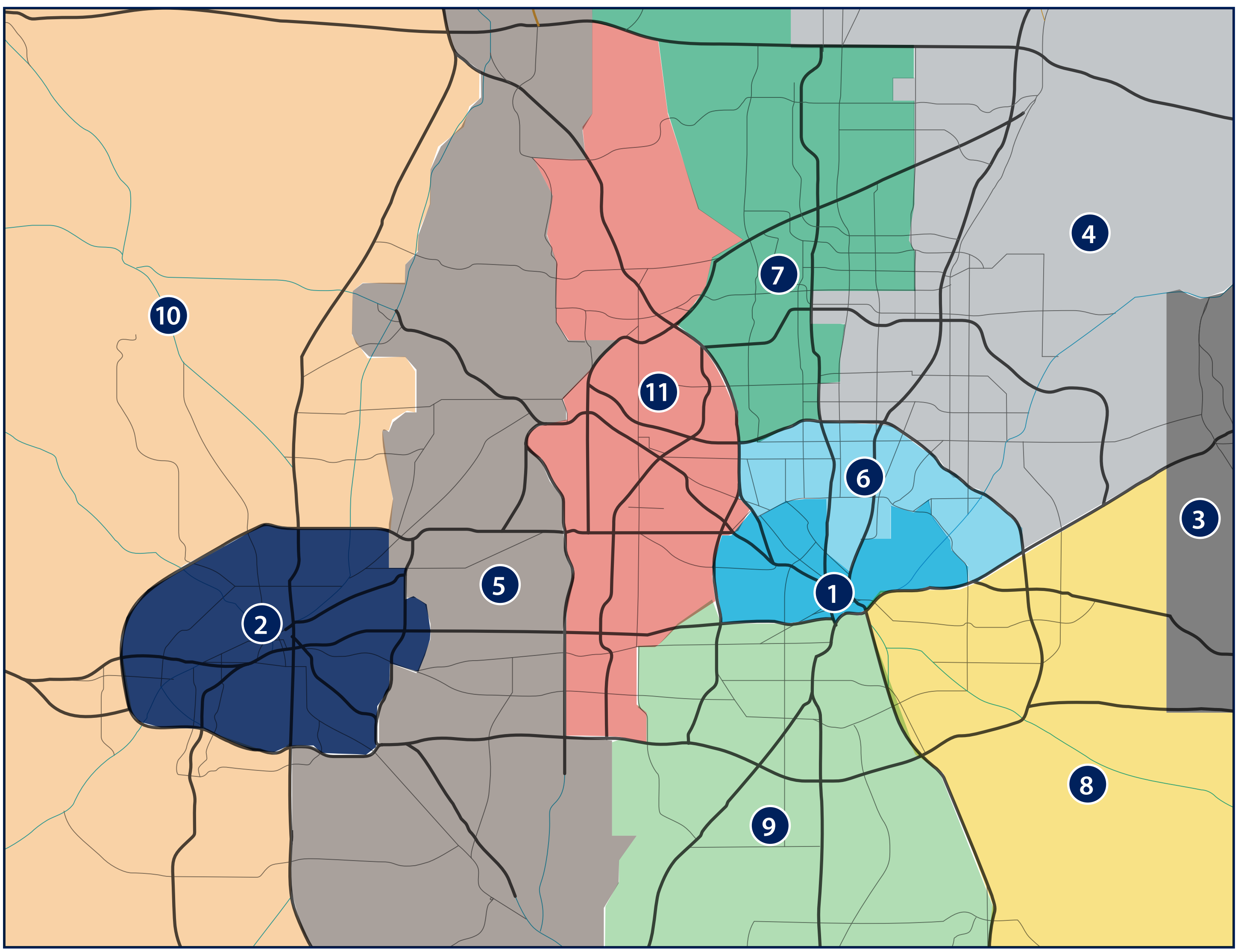




CORE SUBMARKET CLUSTERS

#	Submarket Cluster	Inventory	Vacancy	Q4 19 Absorption	12 Month Net Absorption	Under Construction	12 Month Deliveries	Direct NNN Asking Rent
1	Central Dallas	21,413,433	3.1%	-40,989	-39,423	107,660	46,901	$22.63
2	Central Fort Worth	36,599,136	5.4%	8,309	-151,816	57,585	54,401	$13.30
3	East Dallas Outlying	8,655,385	2.4%	29,885	398,735	329,271	415,320	$24.92
4	Far North Dallas	75,415,807	5.2%	-19,662	178,328	1,746,066	677,226	$17.53
5	Mid Cities	70,837,519	5.0%	95,353	283,027	504,522	652,751	$16.33
6	Near North Dallas	25,923,160	4.1%	1,967	137,616	205,331	13,000	$16.62
7	North Central Dallas	44,041,934	4.8%	165,054	699,154	920,074	1,022,250	$23.84
8	Southeast Dallas	20,192,438	3.8%	50,904	137,181	54,340	44,307	$12.50
9	Southwest Dallas	25,282,634	5.0%	45,638	-38,583	101,492	109,959	$13.82
10	Suburban Fort Worth	41,627,877	4.1%	146,208	296,253	745,977	552,105	$15.38
11	West Dallas	43,451,109	4.2%	67,490	536,443	375,391	530,843	$16.06

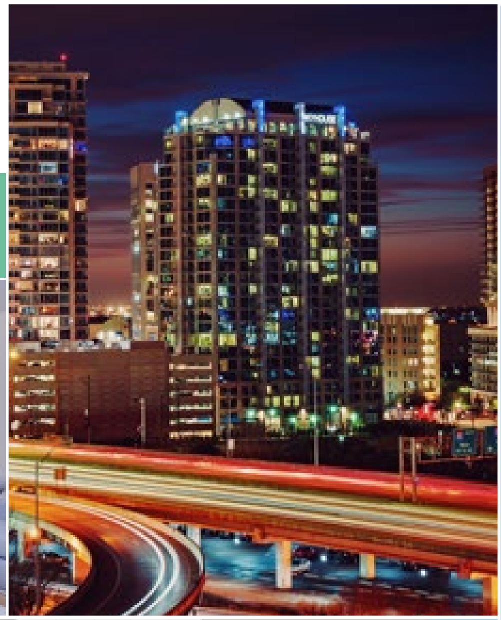
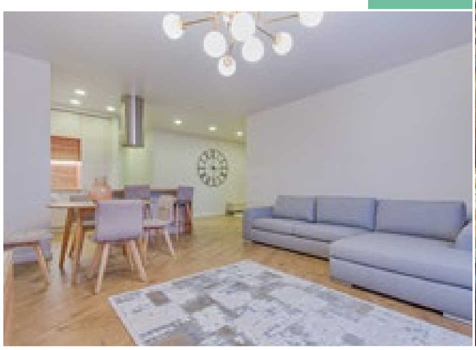
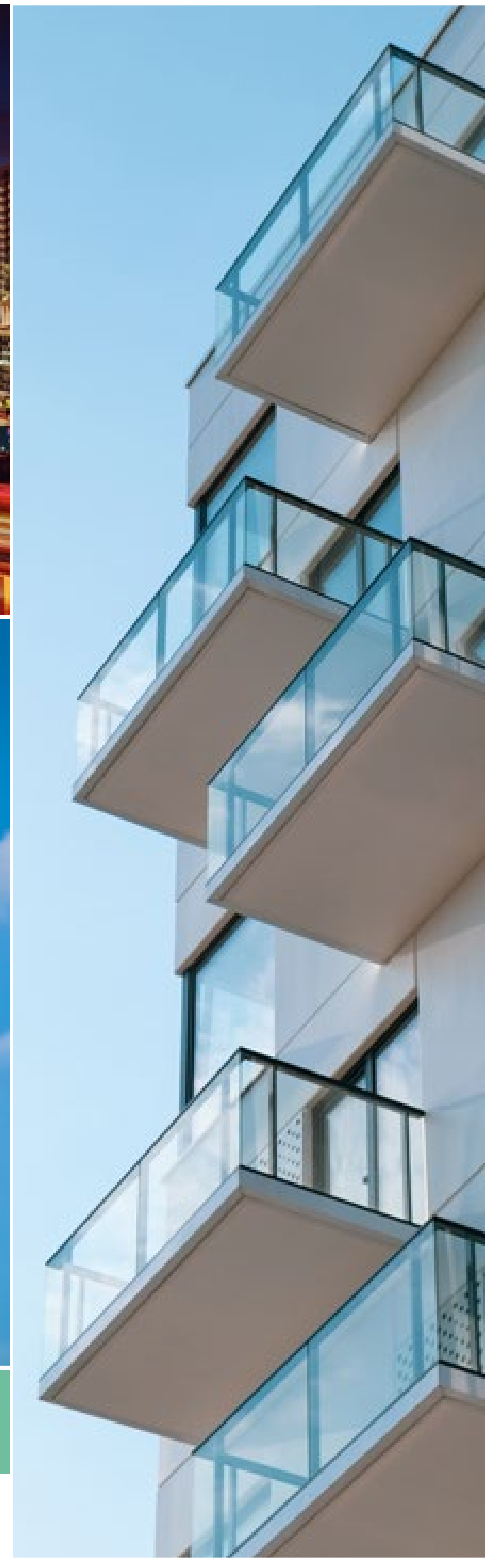
Parameters: Retail, Existing, 1,000+ SF, Owner-Occupied Included

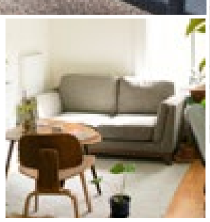


AVISON YOUNG

Dallas-Fort Worth
Market Overview

Q4 2019

MULTI-FAMILY

MULTI

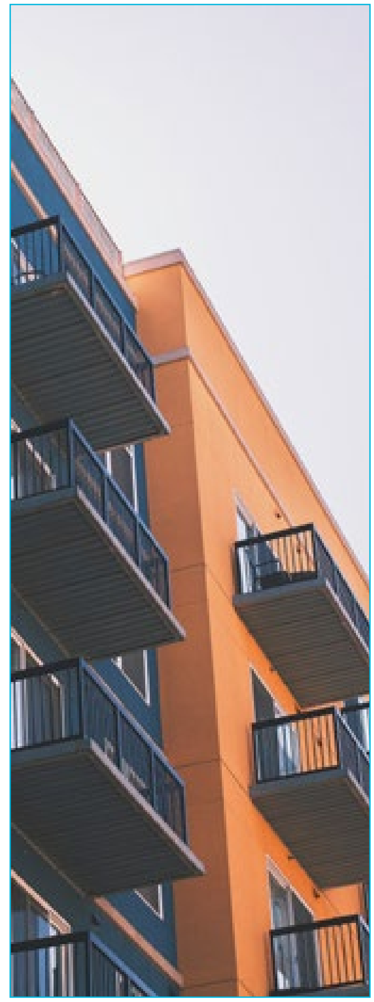
FAMILY

The DFW Multifamily market finished 2019 as the top performer in the country, anchored by strong job and population growth, changing demographics, limited single-family housing supply, and urban revivals. From an inventory perspective, DFW is now the 3rd largest multifamily market, behind only New York and Los Angeles metros.

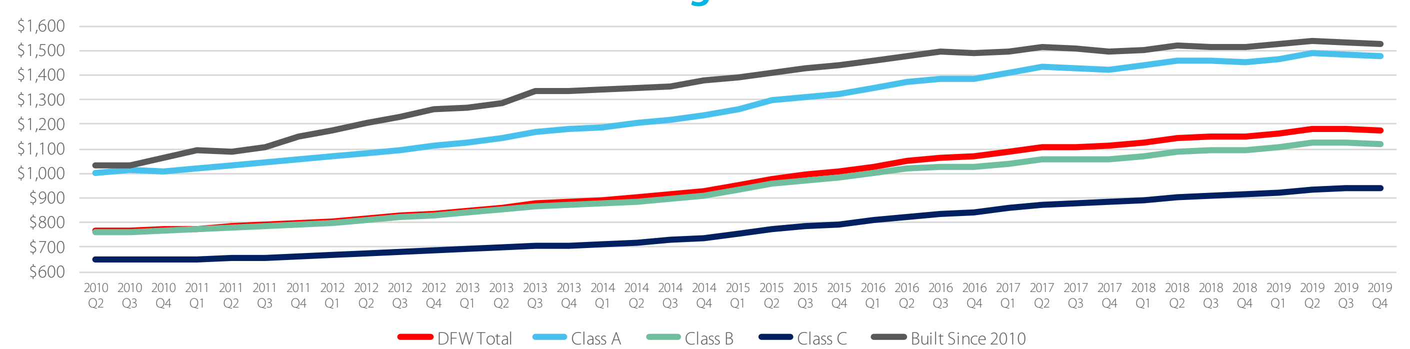
Strong economic underpinnings have fostered a healthy apartment market. The market absorbed over 24,500 units in 2019, leading the nation above the NYC metro and over double the Houston metro. Fundamentals show no signs of slowing, as the market currently has nearly 39,000 units under construction.

This growth has reached all corners of the market, seeing otherwise quiet bedroom suburbs and underserved communities having to come to grips with dozens of luxury towers coming into their neighborhoods.

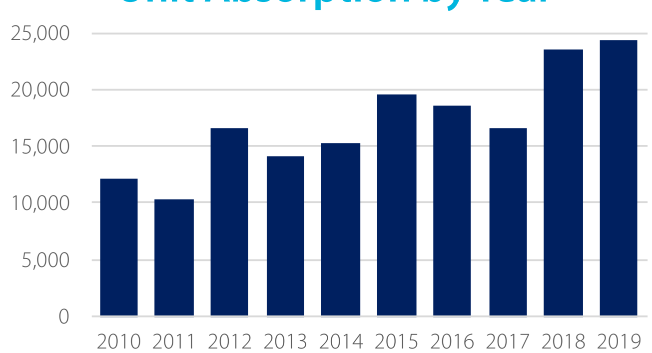
Still, even as tens of thousands of new units have delivered, the market has been able to absorb the vast majority of supply. Vacancy rates have hovered around 7%, and quarterly absorption has consistently outperformed deliveries, thus absorbing new stock and existing stock as more people moved to the metro and fewer single family homes existed in the desired price-points.



Market Asking Rent Per Unit



Unit Absorption by Year



171,115 **Units Added**
In Last 10 Years

52% **Avg Price/Unit Increase**
In Last 10 Years

Multifamily: DFW Market Overview

849,187 Inventory Units

38,887 Under Constr. Units

24,359 12 Month Absorp Units

7.5% Vacancy Rate

19,919 12 Month Units Delivered

$1,176 Asking Rent Per Unit

$9.0B 12 Month Sales Volume

Core Submarket Cluster	Inventory Units	Inventory Avg SF	Asking Rent Per Unit	Asking Rent Per SF	Asking Rent % Growth/Yr	Vacancy	12 Mo. Absorption Units	Under Construction Units	12 Month Delivered Units
Allen/McKinney	27,449	931	$1,262	$1.36	1.7%	9.3%	1,996	2,446	1,284
Arlington	65,300	832	$1,022	$1.24	2.3%	6.6%	737	0	454
Bishop Arts/Oak Cliff	21,234	847	$1,118	$1.46	4.5%	5.9%	263	705	6
Deep Ellum/The Cedars	3,188	1,043	$1,658	$1.61	0.1%	11.5%	264	639	336
Denton	22,255	820	$1,037	$1.26	1.1%	8.3%	914	1,175	961
Design District/Trinity Groves/West Dallas	7,265	890	$1,394	$1.57	1.3%	7.2%	569	646	620
Downtown Dallas/Farmers Market	7,586	974	$1,633	$1.68	3.9%	9.7%	233	1,573	357
Downtown/Northwest Fort Worth	24,072	906	$1,157	$1.28	-1.0%	10.1%	1,297	1,632	1,167
East Dallas/White Rock	61,386	810	$1,182	$1.46	1.4%	7.6%	938	1,921	1,103
East Fort Worth	12,540	831	$912	$1.10	3.6%	9.1%	-95	0	0
Farmers Branch/Addison/Carrolton	86,832	868	$1,214	$1.39	3.3%	7.3%	1,781	3,923	1,758
Frisco/Prosper/The Colony	24,154	971	$1,405	$1.44	2.5%	9.7%	2,976	3,613	1,303
Garland/Rowlett	23,505	882	$1,102	$1.25	3.0%	9.5%	1,489	1,686	1,827
Grapevine	9,172	910	$1,396	$1.53	0.7%	6.3%	273	1,213	0
HEB/Mid Cities	23,630	867	$1,107	$1.27	2.7%	6.0%	453	391	151
Las Colinas	32,303	905	$1,357	$1.50	2.9%	7.7%	506	1,016	605
Lewisville/Flower Mound	29,902	906	$1,230	$1.36	2.4%	6.3%	643	1,086	276
Love Field/Medical District/North Dallas	20,543	855	$1,304	$1.53	1.7%	7.9%	501	354	473
Mesquite	37,716	834	$927	$1.11	3.3%	7.7%	-86	942	0
Plano	46,591	921	$1,364	$1.47	2.7%	7.2%	2,214	1,816	1,024
Richardson	26,711	837	$1,021	$1.22	1.8%	7.9%	212	0	446
South Dallas/Desoto	19,253	882	$1,033	$1.17	3.5%	8.1%	117	506	698
Southeast Dallas	18,854	844	$855	$1.01	2.4%	9.5%	-266	0	0
Southeast Fort Worth	16,143	905	$1,052	$1.16	1.8%	6.7%	487	492	710
Southwest Fort Worth/Clearfork	38,474	863	$1,039	$1.20	2.6%	8.2%	640	2,904	534
Uptown/Park Cities	27,471	970	$2,056	$2.12	2.0%	8.1%	1,691	654	963

LARGEST MARKET INVENTORIES

NYC 1.9 MM units
LA 1.1 MM Units
DFW .85 MM Units
Houston .71 MM Units
Chicago .62 MM Units
DC .62 MM Units

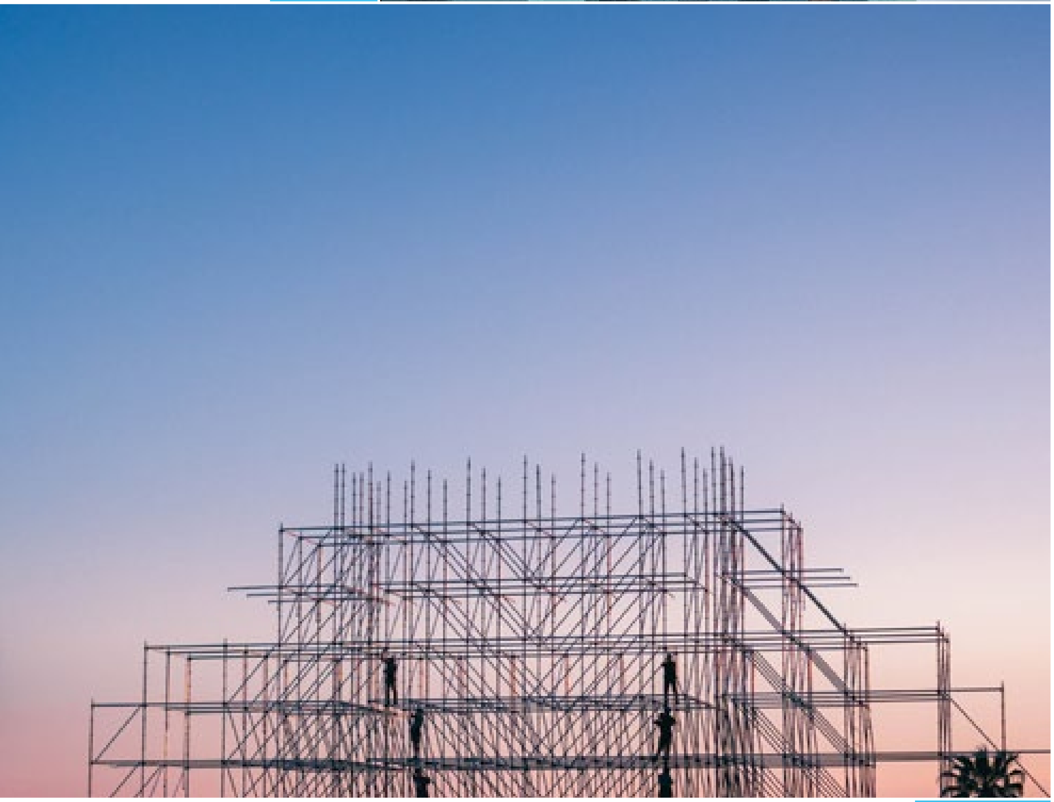
AVE. RENT/UNIT IN PREMIER SUBMARKETS

NYC - Lower West Side & Financial District - $4,485
LA - Venice Beach & Downtown - $2,750
DFW - Uptown/Park Cities - $2,098
Houston - Downtown Houston - $2,325
Chicago - Downtown Chicago - $2,533
DC - Downtown DC - $2,425

AVISON YOUNG

Dallas-Fort Worth
Market Overview

Q4 2019

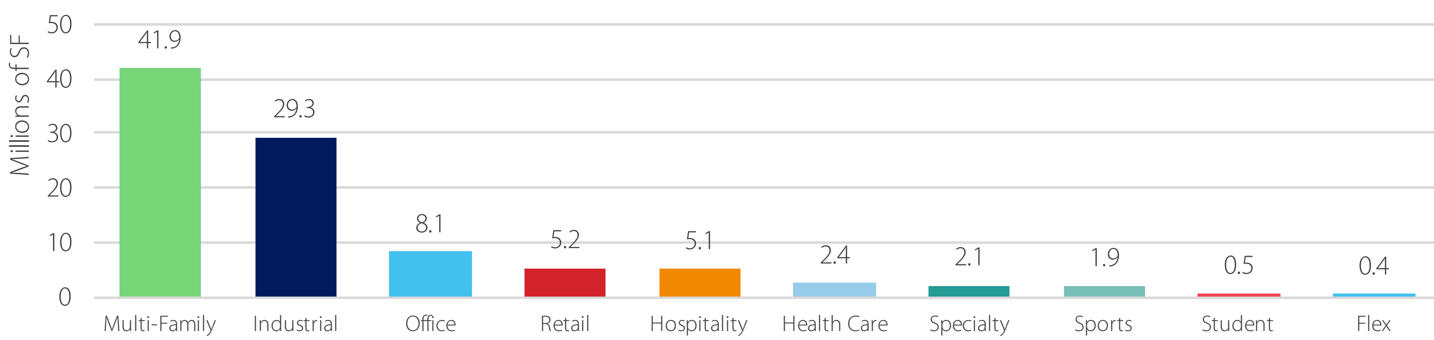


CONSTRUCTION

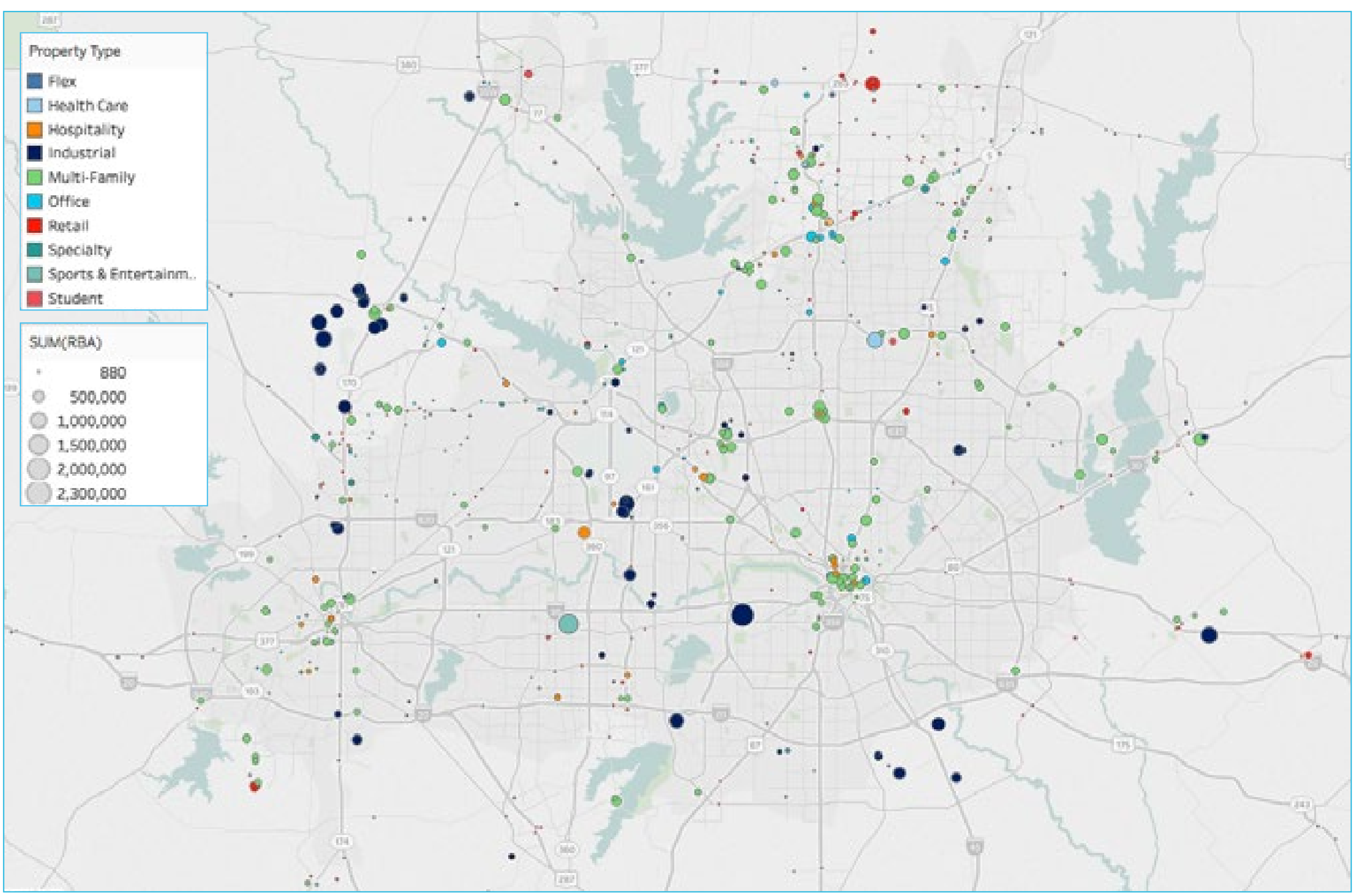
Construction Pipeline

There is currently over **100 MSF** under construction across the metro, when all building sizes and types are included. Some of these numbers may be higher than the reported numbers that Avison Young includes in its normal reporting, but this **100 MSF** number is simply to highlight the complete picture of the market's construction, not limited by the normal parameters. Multi-family leads the field, with nearly 40 MSF under construction, totaling roughly **39,000 units**, followed by Industrial at **31.6 MSF**. Even as the economic expansion adjusts to the next phase of the cycle, it looks like DFW will continue building for at least a little longer.

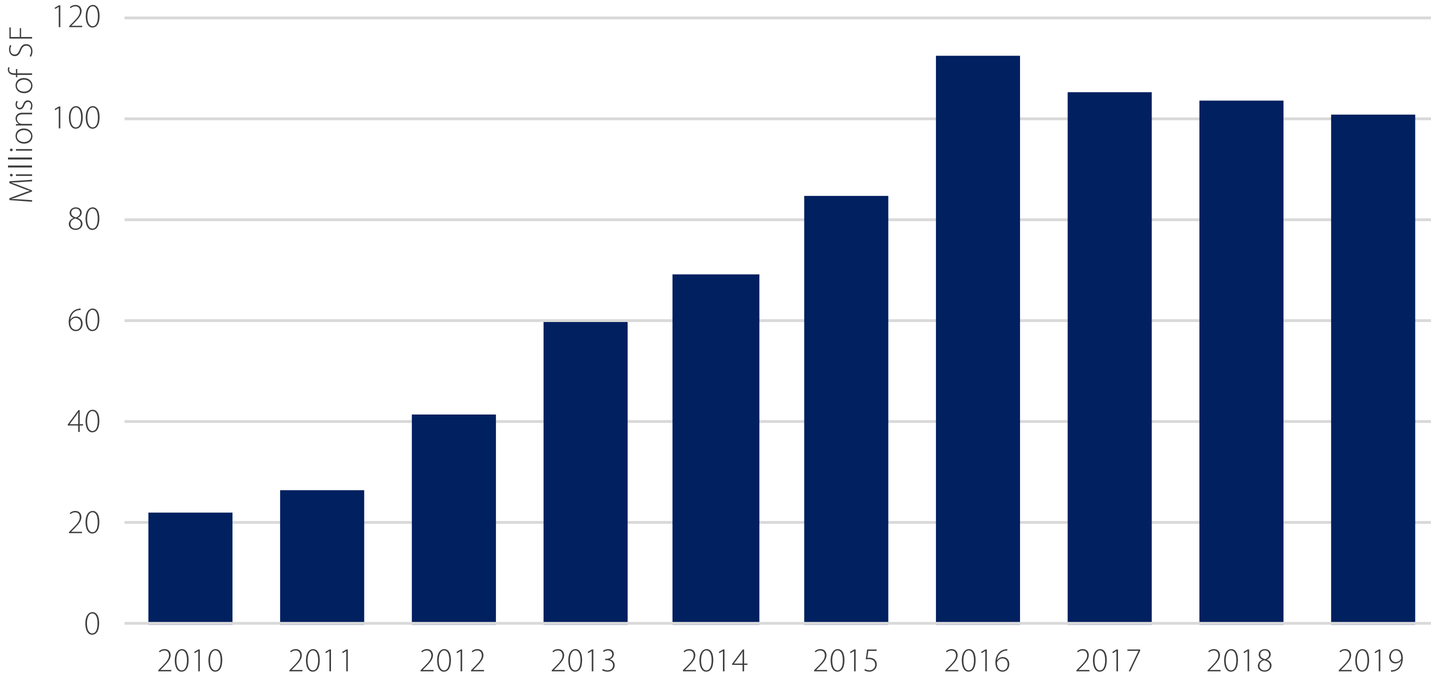
Construction Starts



Currently Under Construction



Historic Construction Supply- All Property Types



517 MSF of CRE Inventory added in the last 10 years.

54
MSF

OFFICE

162
MSF

INDUSTRIAL

48
MSF

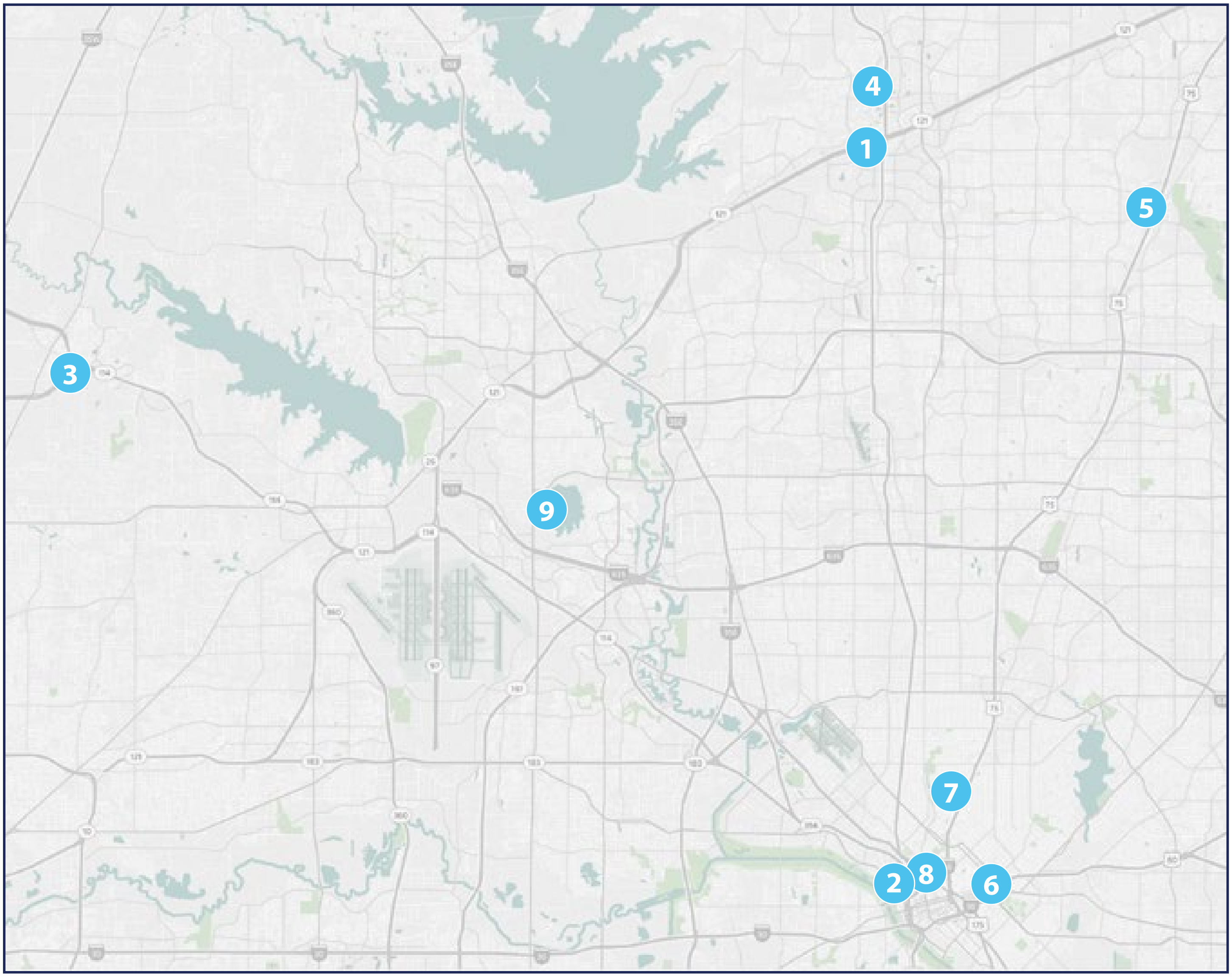

RETAIL

165K
UNITS

MULTI-FAMILY

DFW has built more new CRE product in a decade than the total value of all existing product in New Orleans.

Noteworthy Office Projects



1. Chase Tower at Legacy West
2. Victory Commons
3. Charles Schwab Campus - Phase 2 - Buildings 1 & 2
4. Keurig Dr Pepper HQ
5. Legacy Central 5
6. Baylor, Scott & White Health
7. Weir's Plaza
8. The Link
9. 3200 Olympus Blvd

Noteworthy Office Projects

Chase Tower at Legacy West
540,000 SF
Single Tenant
Delivers July 2021

Victory Commons
364,733 SF
Multi Tenant
Delivers Sep. 2021
% Leased: 0%

Charles Schwab Campus - Phase 2 - Buildings 1 & 2
352,571 SF | 264,428 SF
Single Tenant
Delivers Jan. 2021

Keurig Dr Pepper HQ
350,000 SF
Single Tenant
Delivers May 2021

Legacy Central 5
300,000 SF
Single/Multi Tenant
Delivers July 2020
% Leased: 0%

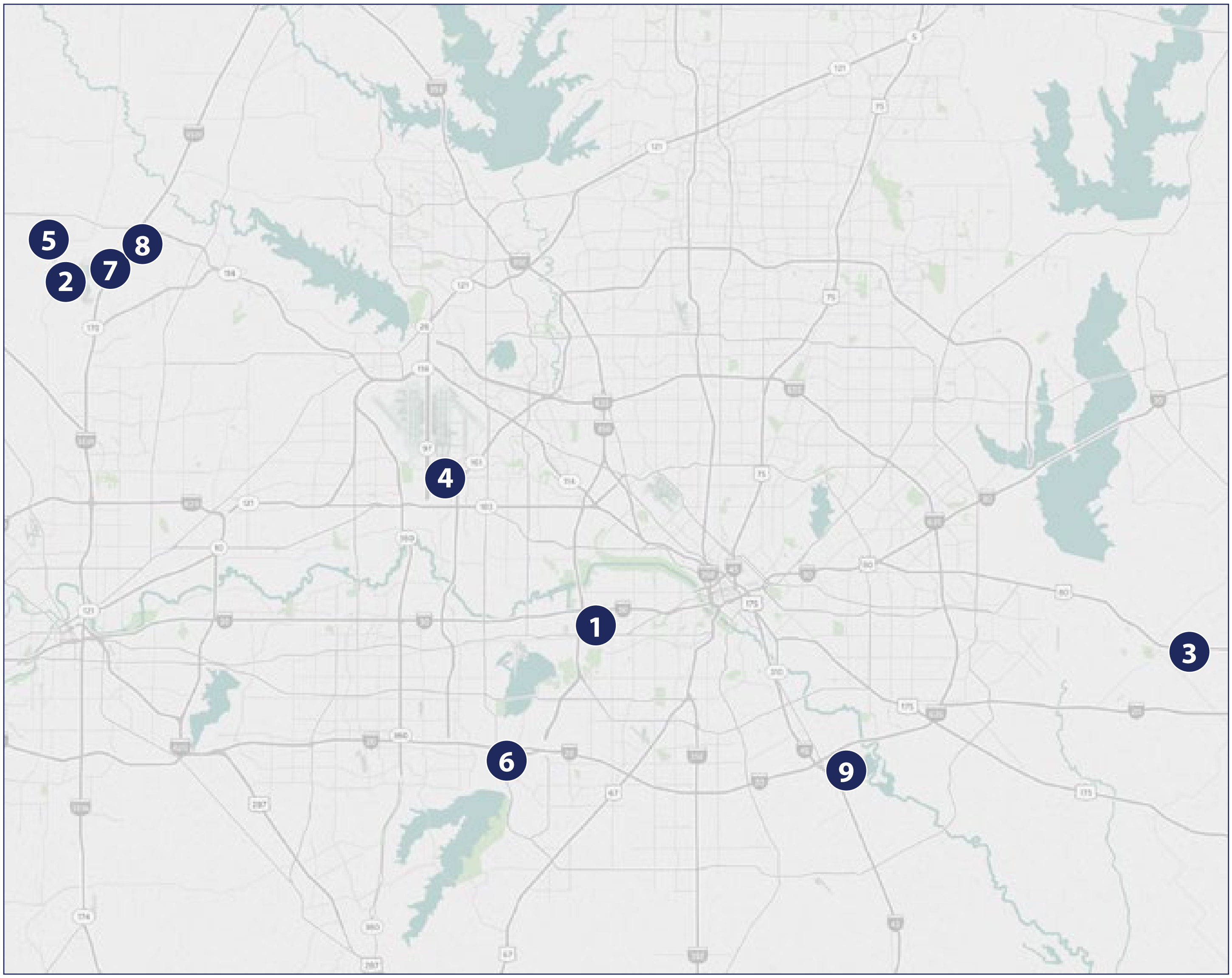
Baylor, Scott & White Health
300,000 SF
Single Tenant
Delivers Aug. 2020

Weir's Plaza
280,000 SF
Multi Tenant
Delivers Nov. 2021
% Leased: 65.6%

The Link
282,564 SF
Multi Tenant
Delivers Nov. 2021
% Leased: 3.5%

3200 Olympus Blvd
250,000 SF
Multi Tenant
Delivers Jan. 2020
% Leased: 80.0%

Noteworthy Industrial Projects



1. 1301 Chalk Hill Rd
2. Alliance Westport 11
3. Goodyear Tire Distribution Center
4. Passport Park-Building 1
5. 2 Haslet County Rd - Building 2
6. First Mountain Creek Distribution Center
7. Alliance Center North 3
8. Alliance Center North 7
9. E Cleveland Rd - Building 2

Noteworthy Industrial Projects

1301 Chalk Hill Rd
2,300,000 SF
Single Tenant
Delivers May 2020

Alliance Westport 11
1,200,536 SF
Single/Multi Tenant
Delivers Feb. 2020
% Leased: 0%

Goodyear Tire Distribution Center
1,200,000 SF
SIngle Tenant
Delivers Feb. 2020

Passport Park-Building 1
1,106,315 SF
Multi Tenant
Delivers April 2020
% Leased: 0%

2 Haslet County Rd - Building 2
1,007,000 SF
Multi Tenant
Delivers Feb. 2020
% Leased: 0%

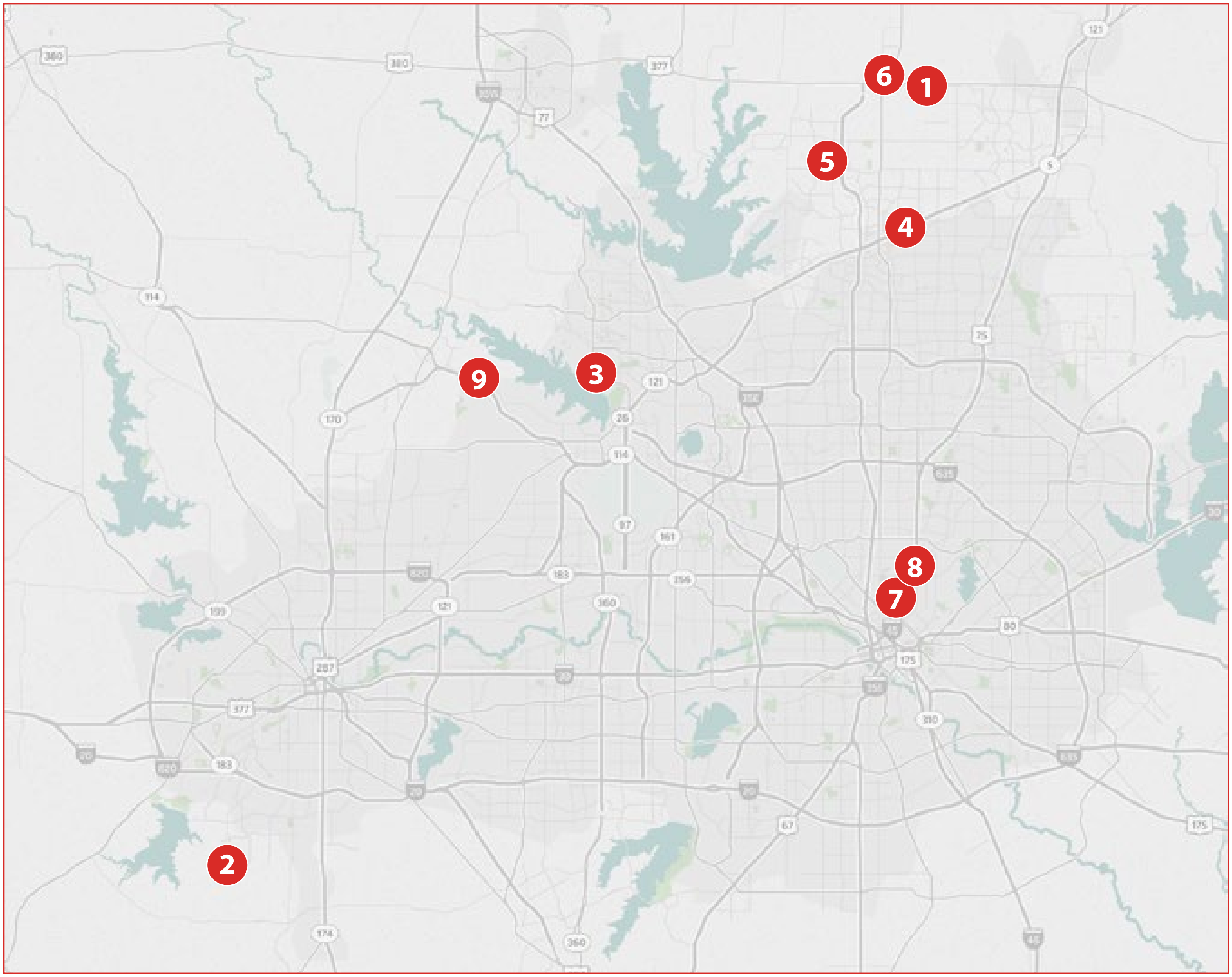
First Mountain Creek Distribution Center
863,328 SF
Multi Tenant
Delivers Feb. 2020
% Leased: 100%

Alliance Center North 3
810,908 SF
Single Tenant
Delivers Jan. 2021

Alliance Center North 7
810,908 SF
Multi Tenant
Delivers Jul. 2020

E Cleveland Rd - Building 2
800,854 SF
Multi Tenant
Delivers Jan. 2020
% Leased: 0%

Noteworthy Retail Projects



1. 1301 Chalk Hill Rd
2. Alliance Westport 11
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4. Passport Park-Building 1
5. 2 Haslet County Rd - Building 2
6. First Mountain Creek Distribution Center
7. Alliance Center North 3
8. Alliance Center North 7
9. E Cleveland Rd - Building 2

Noteworthy Retail Projects

The Village At Propser
944,863 SF
Multi Tenant
Delivers July 2020
% Leased: 94.4%

Chisholm Trail Ranch
231,298 SF
Multi Tenant
Delivers Apr. 2020
% Leased: 0%

Lakeside Crossing
161,485 SF
Multi Tenant
Delivers Jan. 2020
% Leased: 61.9%

NEC Hillcrest & S. Hwy 121
148,000 SF
Single Tenant
Delivers Apr. 2020

Lifetime Fitness
126,000 SF
Single Tenant
Delivers Apr. 2020

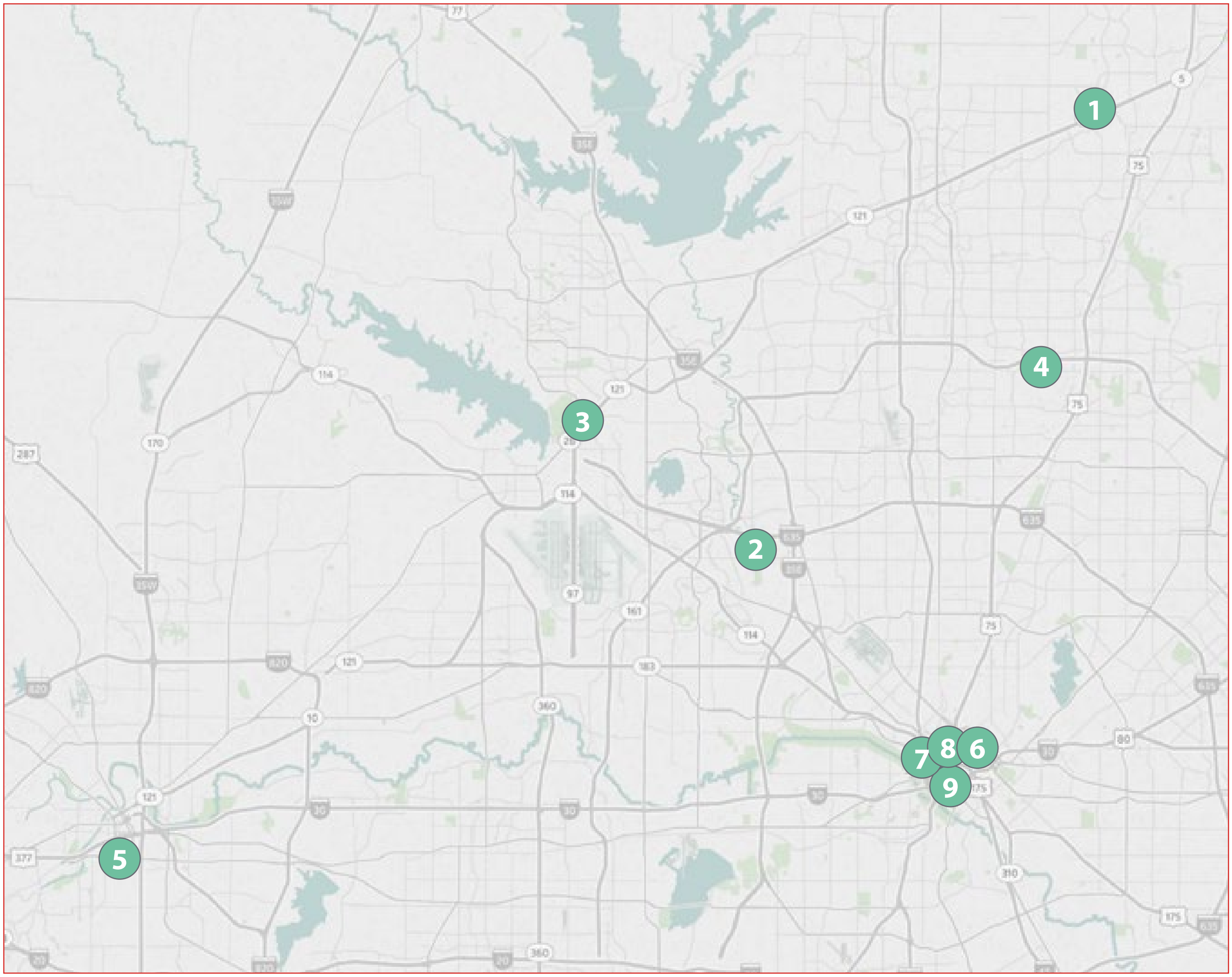
Gates of Propser- Phase II
122,000 SF
Multi Tenant
Delivers Sep.. 2020
% Leased: 20.0%

3133 Knox St
108,831 SF
Multi Tenant
Delivers Jun. 2020
% Leased: N/A

The Crossing
90.000 SF
Multi Tenant
Delivers Jan. 2021
% Leased: N/A

Entrada
80,000 SF
Multi Tenant
Delivers Jan 2020
Leased: 97.0%

Noteworthy Multi-Family Projects



1. 6151 Alma Rd
2. Lakeside Lofts at Mercer Crossing
3. The Baker and The Wallis
4. Hall Park at Richardson Apartments
5. The Cooper
6. The Gabriella
7. AMLI at Fountain Place
8. Atelier Flora Lofts
9. The Drever

Noteworthy Multi-Family Projects

6151 Alma Rd
547 Units
1 BR - N/A | 2 BR - N/A
Avg. SF - N/A
Delivers Aug. 2021

Lakeside Lofts at Mercer Crossing
494 Units
1 BR - 299 | 2 BR - 195
Avg. SF - 987
Delivers Jan. 2020

The Baker and The Wallis
432 Units
Studio - 59 | 1 BR - 259 | 2 BR - 104 | 3 BR - 10
Avg. SF - 893
Delivers Sep. 2020

Hall Park at Richardson Apartments
415 Units
1 BR - 280 | 2 BR - 115 | 3 BR - 20
Avg. SF - 930
Delivers Jun. 2020

The Cooper
390 Units
Studio - 45 | 1 BR - 249 | 2 BR - 84 | 3 BR - 12
Avg. SF - 706
Delivers Jul. 2020

The Gabriella
370 Units
1 BR - 296 | 2 BR - 74
Avg. SF - 820 SF
Delivers Apr. 2020

AMLI at Fountain Place
367 Units
1 BR - 250 | 2 BR - 117
Avg. SF - 864 SF
Delivers Apr. 2020

Atelier Flora Lofts
364 Units
1 BR - 250 | 2 BR - 114
Avg. SF - 863 SF
Delivers Dec. 2021

The Drever
324 Units
1 BR - 200 | 2 BR - 124
Avg. SF - 884 SF
Delivers Apr. 2020

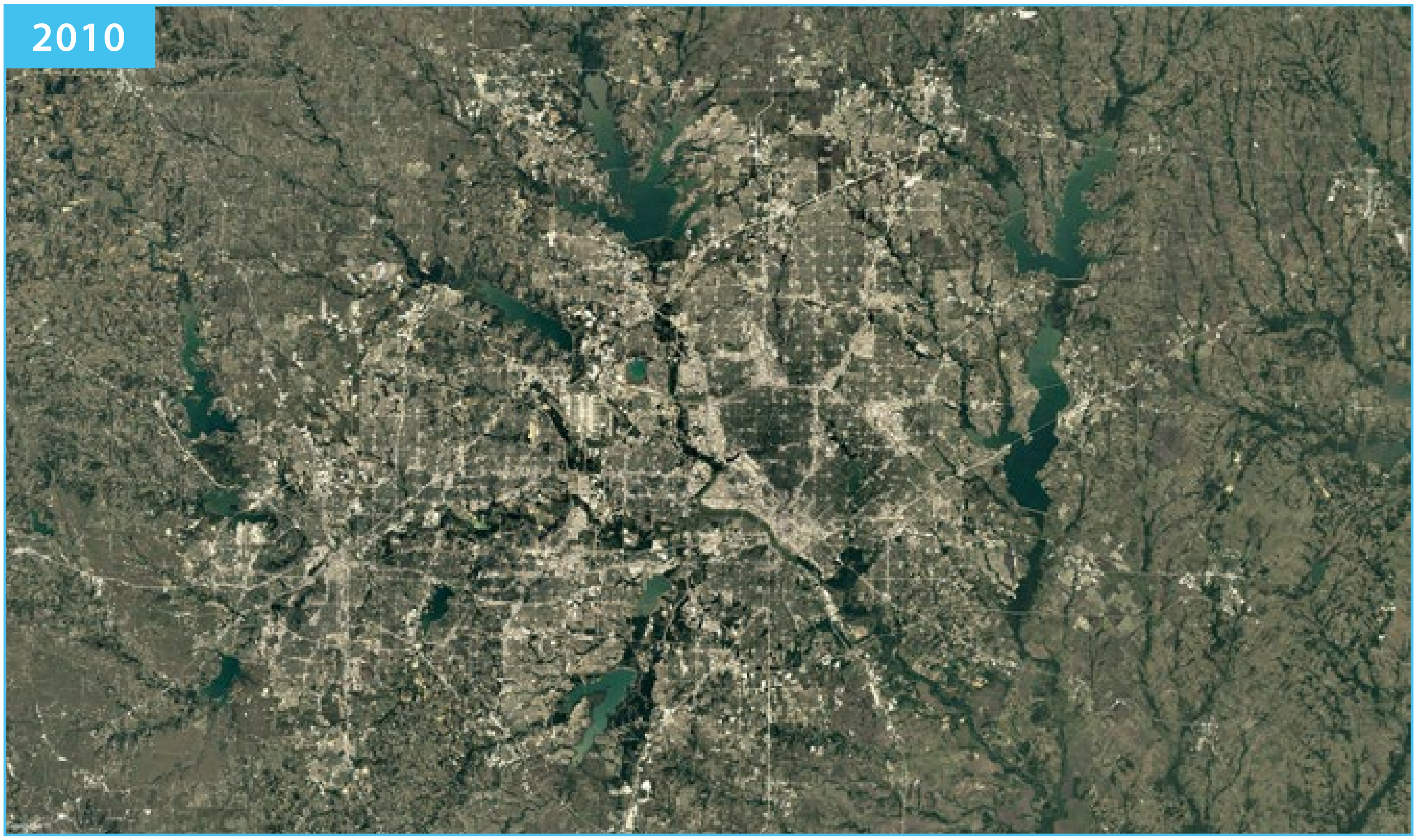
AVISON YOUNG

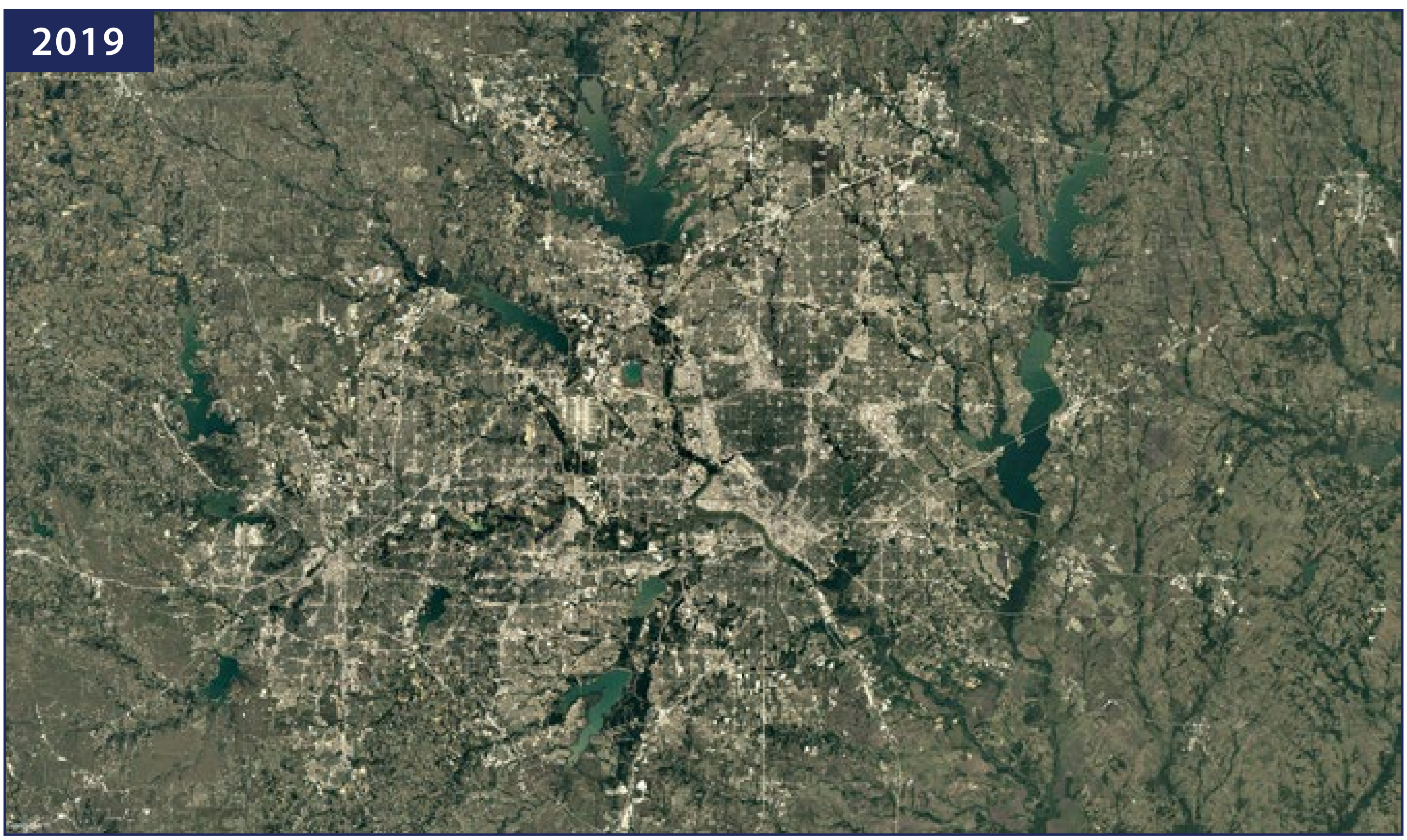
Dallas-Fort Worth
Market Overview

Q4 2019

10 YEAR COMPARISONS

DALLAS-FORT WORTH



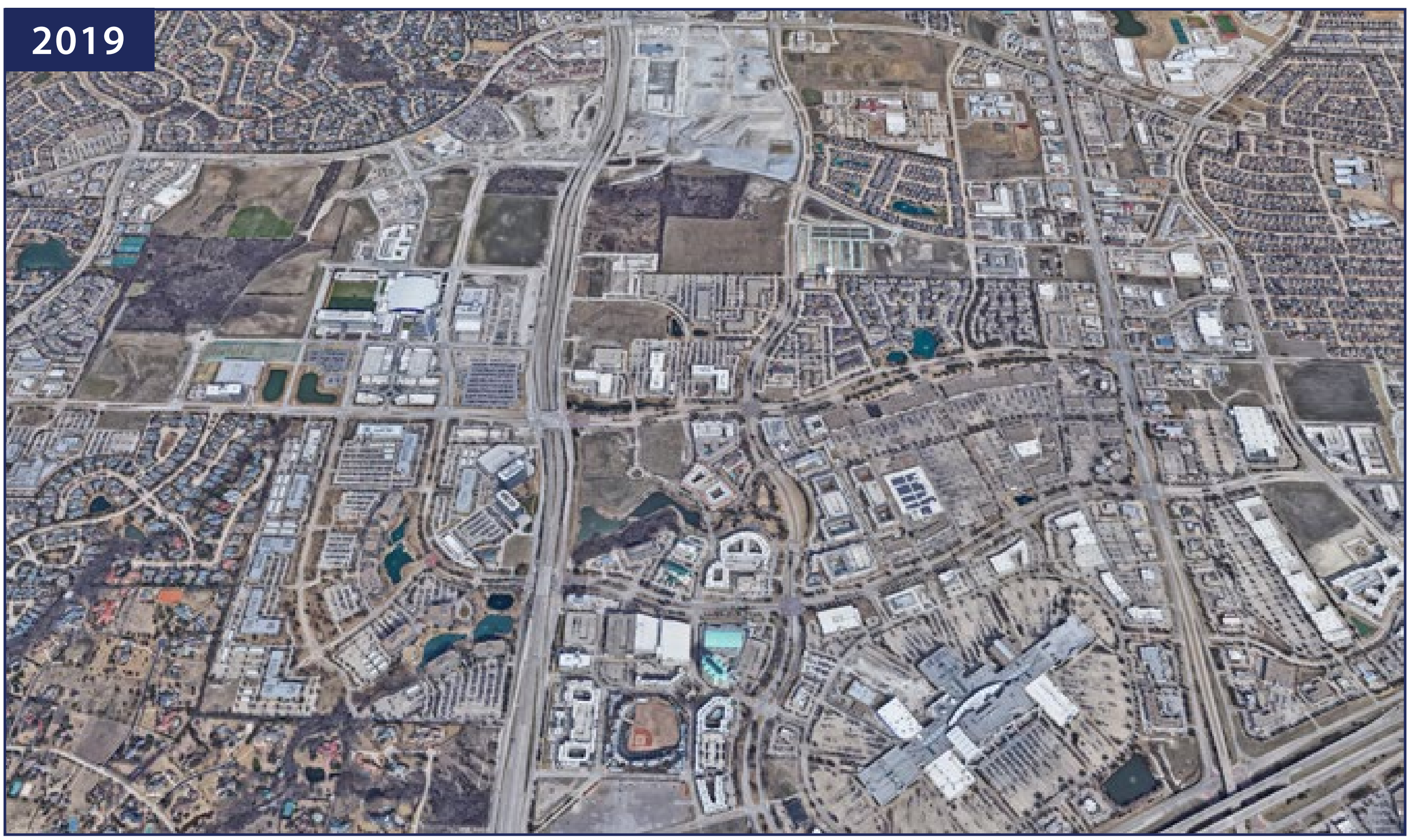


LEGACY AREA


2010

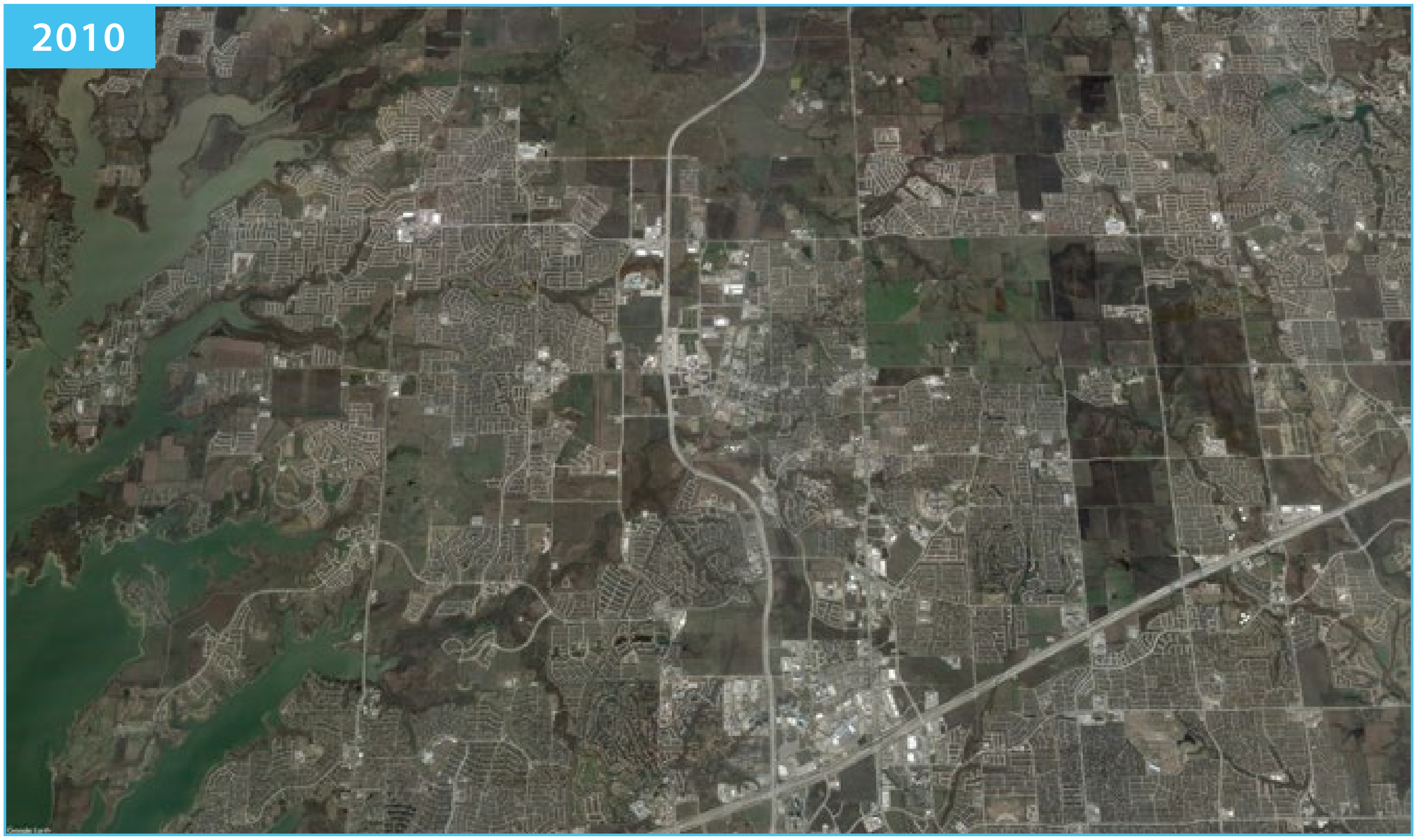

2019

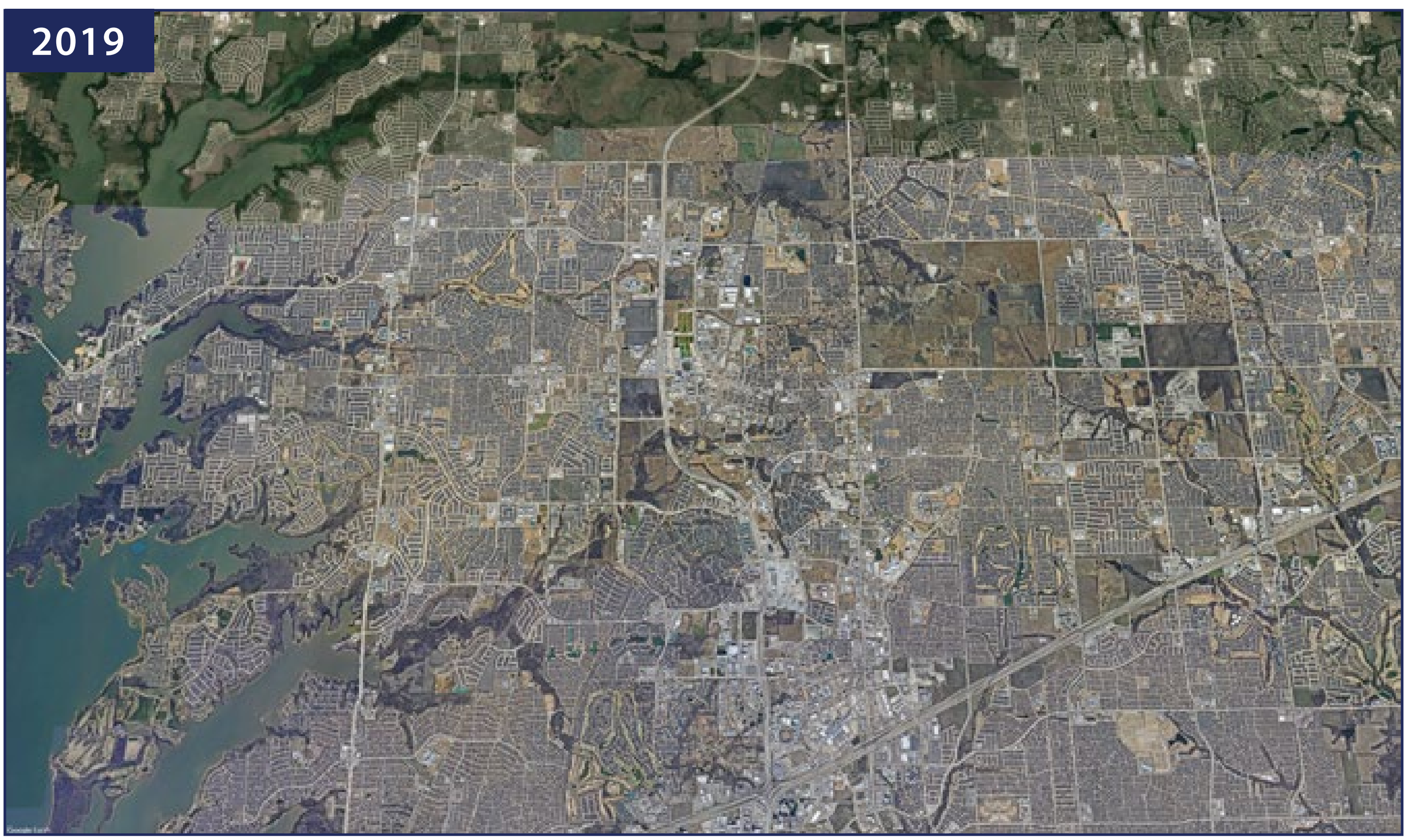

2010


2019


2010


2019


2010


2019


2010


2019

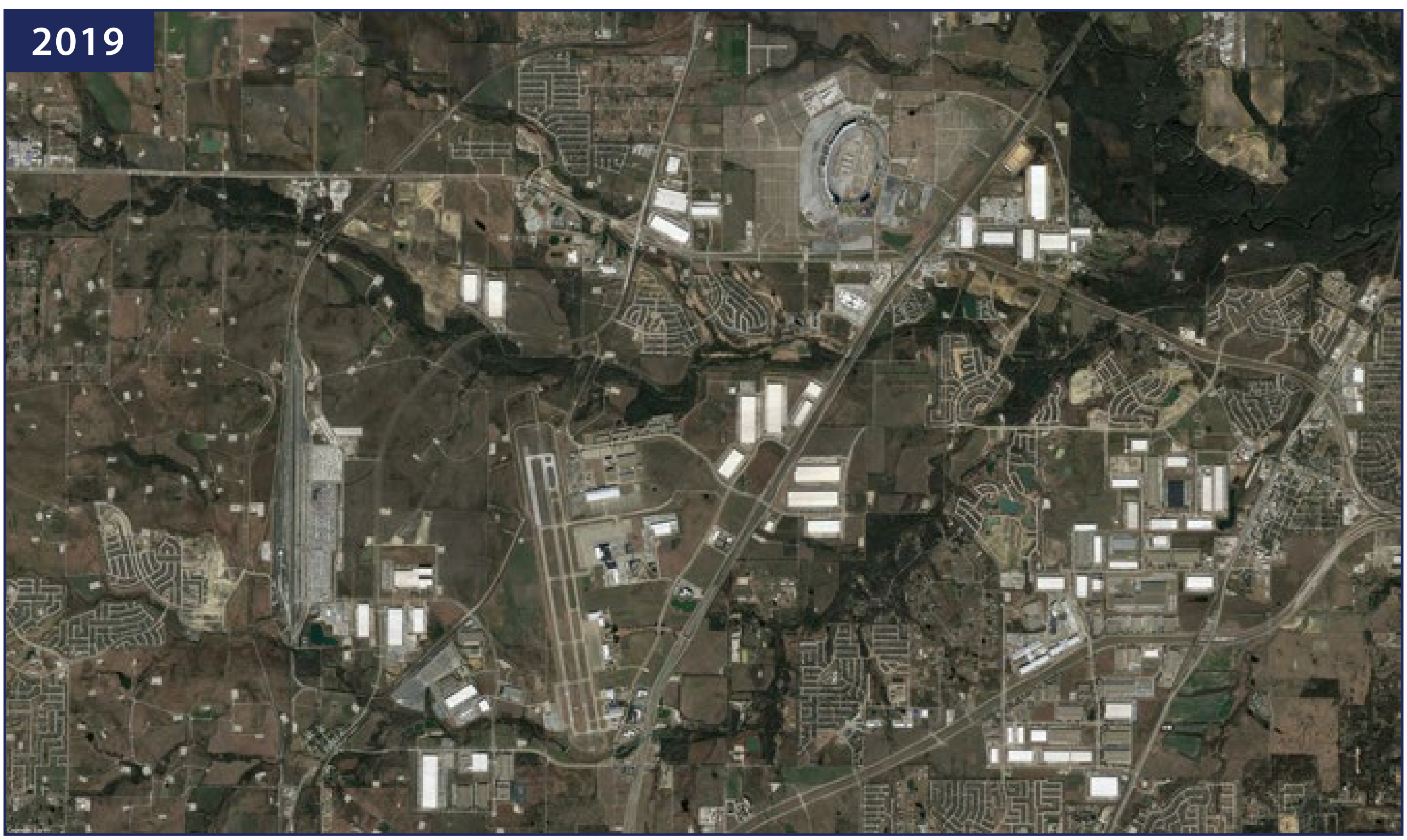

2010


2019


2010


2019


2010


2019

AVISON YOUNG

Dallas-Fort Worth
Market Overview

Q4 2019

INVESTMENT SALES

Multi-family investments account for most volume in the U.S.

2019 finished the year with $21B in sales for DFW. This was a slight decrease from 2018, but still a near-record year. Only industrial saw its sales volume increase year-over-year from $4.8B in 2018 to $5.2B in 2019,while investment in office, retail, and multi-family industrial assets decreased. Multi-family sales represented the largest portion of overall volume at $21B, followed closely by industrial.

Uncertainty in the broader economy and global trade agreements contributed to a decline in foreign capital flow into DFW during 2019. Canada led foreign investment in the market once again, accounting for roughly 75% of the more than $650M that flowed in. Investment from Chinese investors, who had been particularly active in the U.S. during recent years, continues to decline.

Sales Volume ($M)

$9.6B
Multi-Family

$4.6B
Office

$5.2B
Industrial

$3.1B
Retail

$21
Billion (USD)
Total 2019 Dallas-Fort Worth Investment Sales Volume

Quick Stats

$14.5B
Total Individual Property Volume

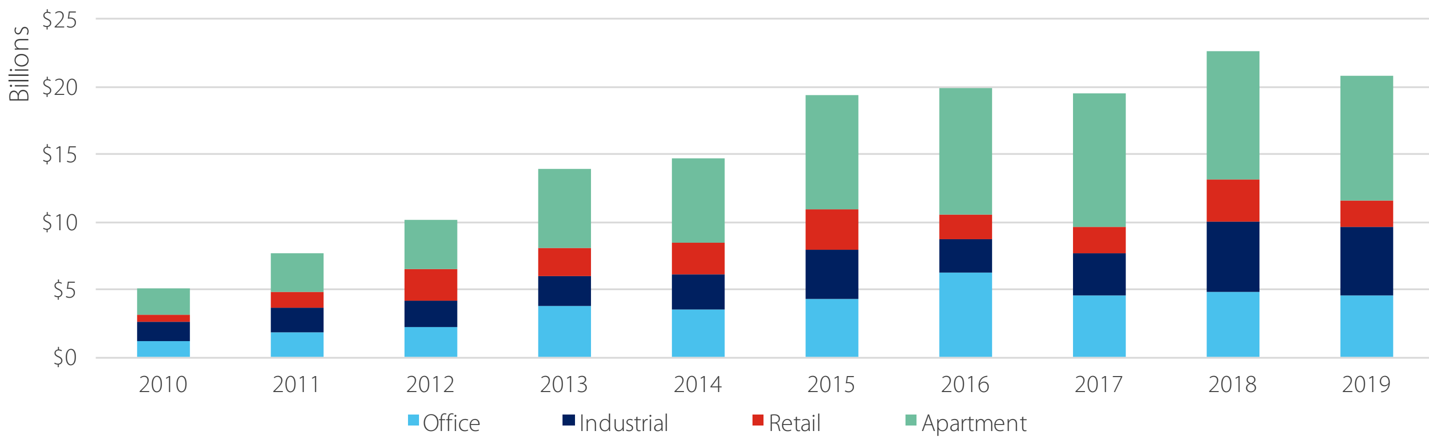
$6.2B
Total Portfolio Volume

995
Properties Traded

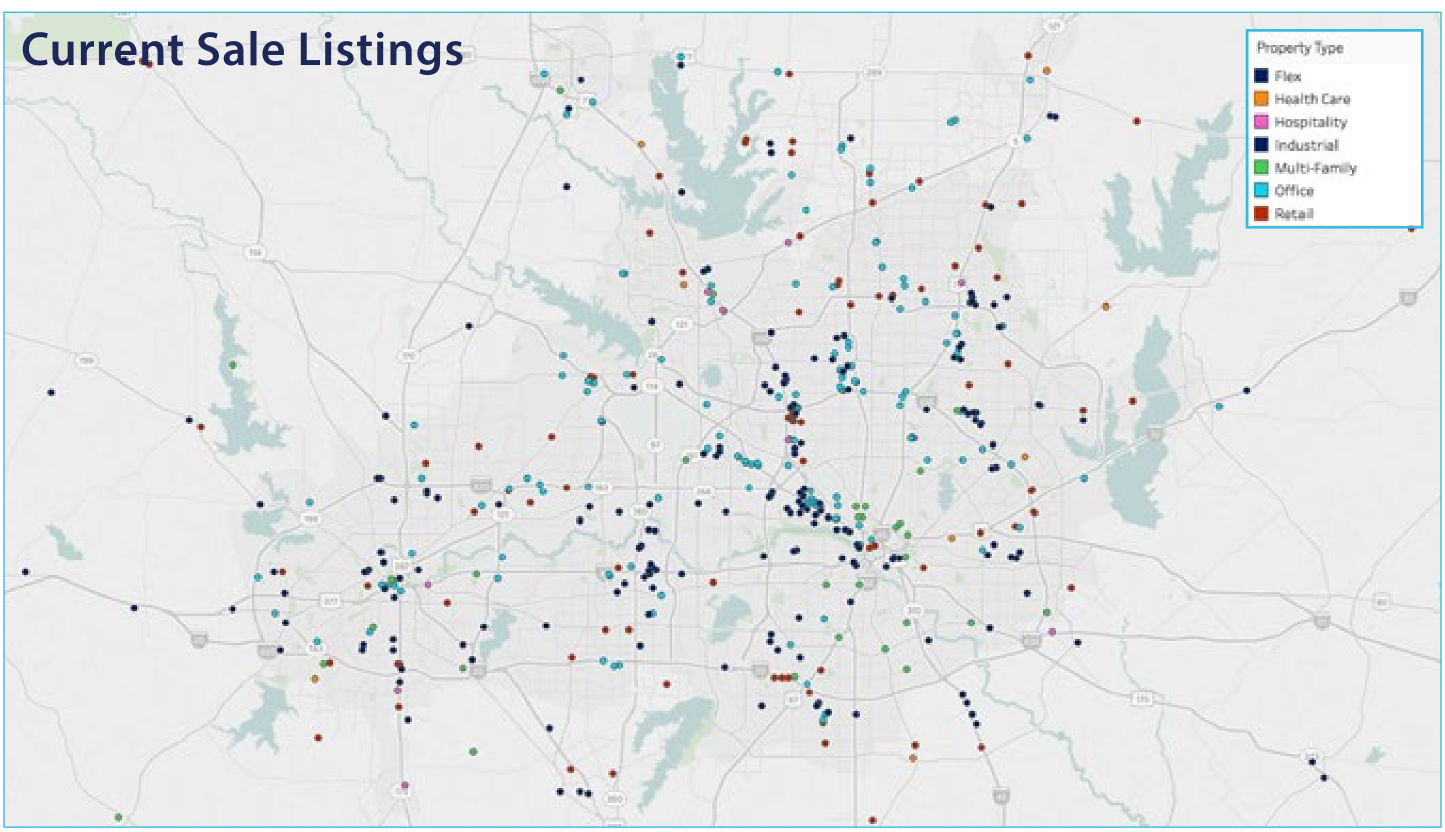
-9.0%
Decline in total YOY Transaction Volume

Capital Flows (Net Acquistions, Volume ($M))

Yearly Sales Totals ($M)

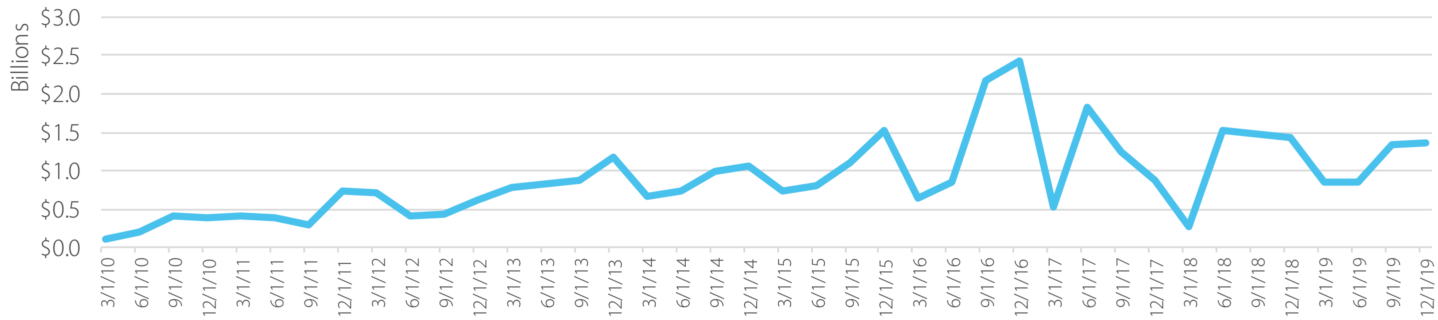


Source: RCA

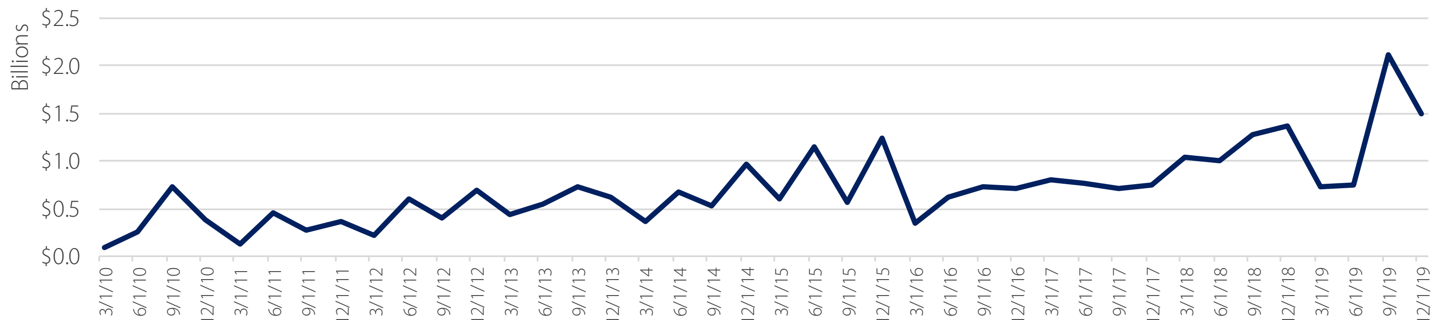


Quarterly Investment Sales Volume by Asset Type

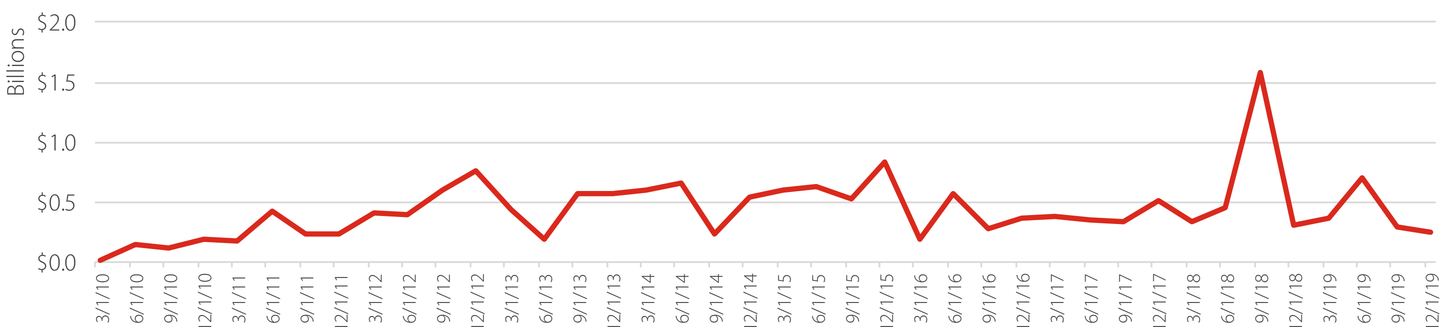
Office



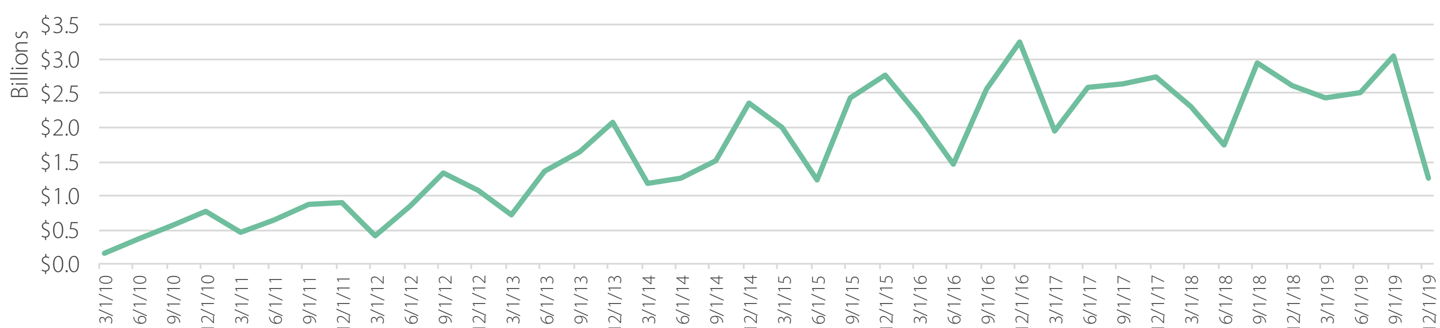
Industrial



Retail



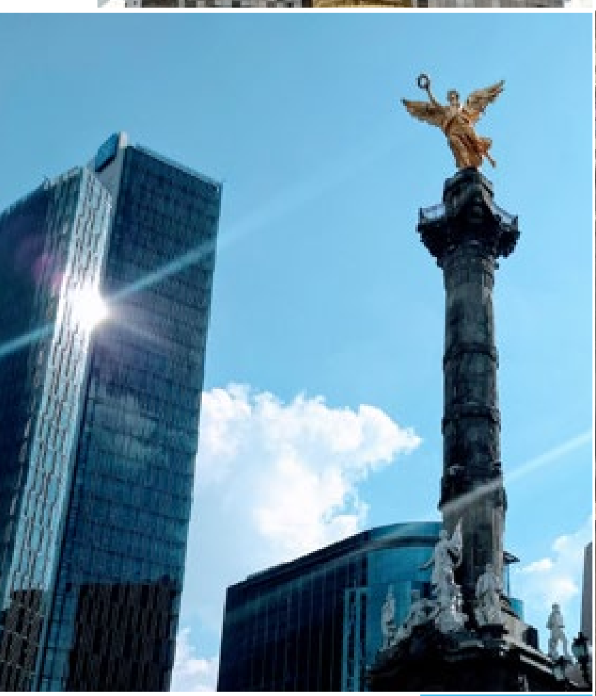
Multi-Family



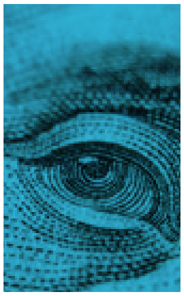
AVISON YOUNG

Dallas-Fort Worth
Market Overview

Q4 2019



DFW ECONOMY



Economic Outlook

According to the Federal Reserve Bank of Dallas, "Dallas–Fort Worth economic growth remained on track in November. Payroll employment grew at a rapid clip, and unemployment stayed low. The Dallas and Fort Worth business-cycle indexes expanded at an above-average pace. Housing market indicators suggest steady home-price appreciation and continued homebuilding activity. Home inventories remained tight, particularly at the lower price points. The Dallas index rose an annualized 4.4 percent, slightly slower than October's rate. Growth in the Fort Worth index was strong at 11.1 percent."

The area will continue to be a business friendly haven with general affordability, strong universities and community colleges, diverse economic strength, great public schools, ample developable land, myriad amenities, a well-educated young population that continues to grow, and momentum that seems to be rolling along.

Looking ahead, just maintaining the average annual employment growth rate for 2010 to present would put growth at 2.9%, or roughly 90,000-100,000 new jobs next year. If absorption, leasing activity, and construction trends continue, 2020 will most likely see a slight drop from recent highs and will reach a more stable, "steady as she goes" pace.

Unemployment

3.0% DFW

3.3% USA

Job Growth Rate

3.2% DFW

1.5% USA

Source: Bureau of Labor Statistics

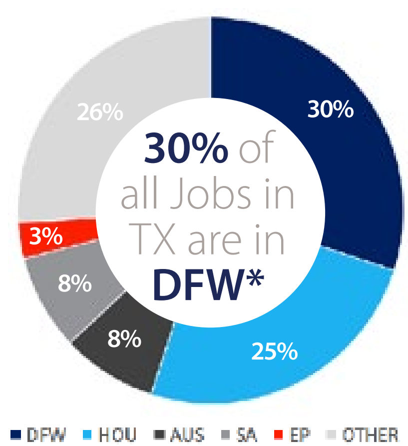
Fast Facts

DFW has **43 Fortune 1,000 companies** located in the metro.

9 of 10 economic sectors reported growth in the last 12 months, with **Prof. & Business Services (22,000 jobs added)**, and **Leisure & Hospitality (17,100 jobs added)** leading the way.

Expansion in the Dallas and Fort Worth business-cycle indexes continued in November, supported by strong job growth. **The Dallas index rose an annualized 4.4 percent.**

Total nonfarm employment in the Dallas-Fort Worth-Arlington Metropolitan Statistical Area stood at **3,870,400** in Nov. 2019, up **120,700** over the year.



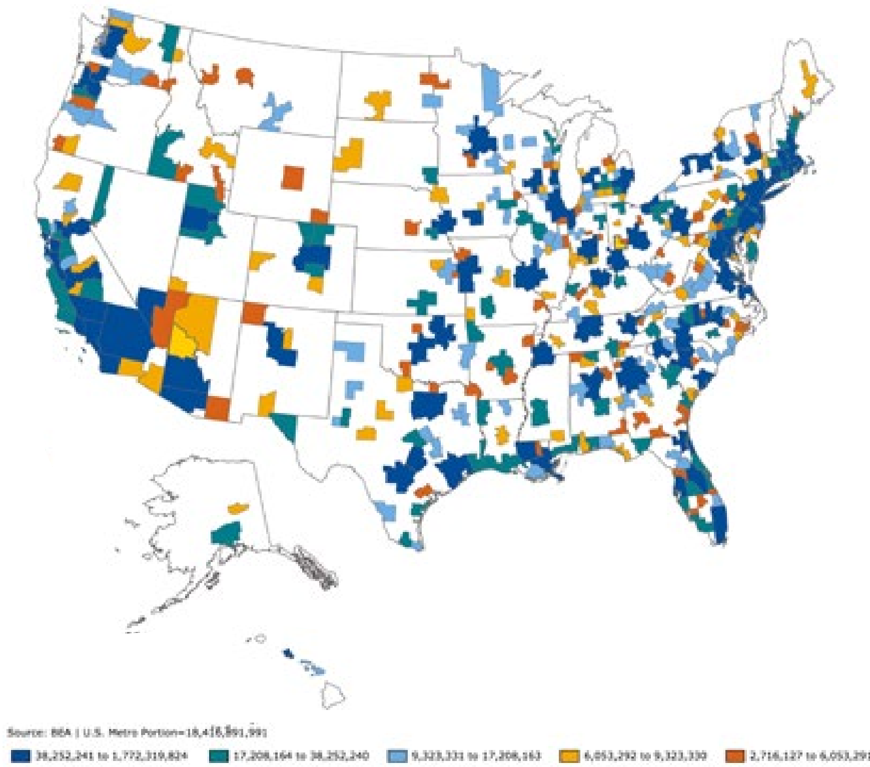
Economic Overview

While still awaiting official numbers, DFW currently has the 6th largest metro GDP in the country, according to the Bureau of Economic Analysis. The economy has diversified substantially in modern times, no longer reliant on just energy and banking.

10-year GDP growth for DFW was an impressive 22%.This is compoundingly impressive when it is considered that DFW is already the 4th largest metro in population and 6th in GDP, so to maintain this amount of growth shows that DFW is postioned to continue a healthy rate of expansion.

This GDP and job growth bodes well for office usage, as office-using sectors such as Financial activities & Professional/Business Services are performing well. Much of this is from corporate relocations, but their growth should help keep absorption high and vacancies even, especially if they are moving to BTS space.

Gross Domestic Product by Metropolitan Area, as of 2019



Metro	2017 GDP	2018 GDP
New York-Newark-Jersey City, NY-NJ-PA	1,698,122,298	1,772,319,824
Los Angeles-Long Beach-Anaheim, CA	995,114,475	1,047,661,346
Chicago-Naperville-Elgin, IL-IN-WI	659,855,041	689,464,744
San Francisco-Oakland-Berkeley, CA	509,382,318	548,613,361
Washington-Arlington-Alexandria, DC-VA-MD-WV	515,553,994	540,684,444
Dallas-Fort Worth-Arlington, TX	**482,218,305**	**512,509,778**
Houston-The Woodlands-Sugar Land, TX	447,521,203	478,778,576
Boston-Cambridge-Newton, MA-NH	439,144,366	463,570,556
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	422,539,181	444,148,100
Atlanta-Sandy Springs-Alpharetta, GA	380,224,121	397,261,292

Contributions to Percent Change in Real GDP

Texas Major Metro Comparisons

Unemployment & 12-Month Job Growth* (Based off most recent BLS data)

2.5%	3.0%	3.6%	2.9%
Austin	Dallas	Houston	San Antonio
+29,000	+120,700	+85,500	+33,700

Texas

3.4% Unemployment	+ 226,700 12-Month Job Growth

Dallas-Fort Worth area employment (number in thousands)	Nov. 2019	Change from Nov. 2018 to Nov. 2019	
		Number	Percent
Total nonfarm	3,870.4	120.7	3.2
Mining, logging, and construction	241.9	17.3	7.7
Manufacturing	288.7	6.0	2.1
Trade, transportation, and utilities	829.5	16.4	2.0
Information	82.7	0.0	0.0
Financial activities	320.0	15.4	5.1
Professional and business services	647.4	22.0	3.5
Education and health services	472.8	18.1	4.0
Leisure and hospitality	404.5	17.1	4.4
Other services	128.5	3.1	2.5
Government	454.4	5.3	1.2

Austin area employment (number in thousands)	Nov. 2019	Change from Nov. 2018 to Nov. 2019	
		Number	Percent
Total nonfarm	1,112.2	29.0	2.7
Mining, logging, and construction	69.1	6.2	9.9
Manufacturing	61.6	0.3	0.5
Trade, transportation, and utilities	189.6	3.8	2.0
Information	34.7	0.8	2.4
Financial activities	65.0	1.4	2.2
Professional and business services	197.5	6.6	3.5
Education and health services	126.6	-1.1	-0.9
Leisure and hospitality	133.7	4.8	3.7
Other services	48.4	3.2	7.1
Government	186.0	3.0	1.6

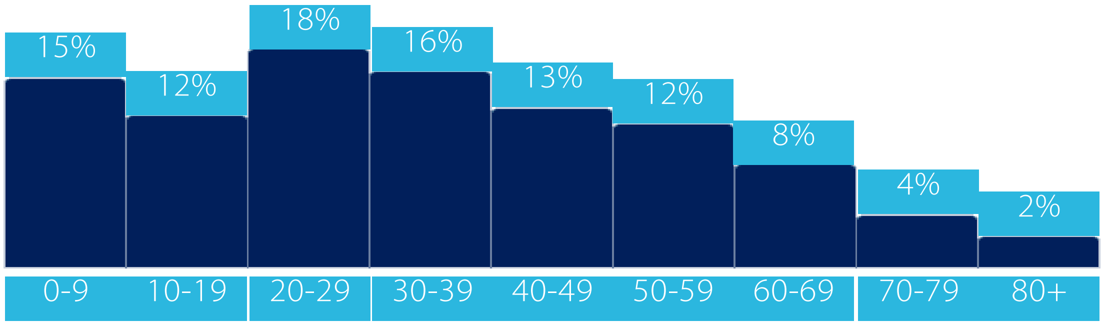
Houston area employment (number in thousands)	Nov. 2019	Change from Nov. 2018 to Nov. 2019	
		Number	Percent
Total nonfarm	3,223.1	85.5	2.7
Mining and logging	87.6	6.3	7.7
Construction	231.3	4.5	2.0
Manufacturing	241.0	6.6	2.8
Trade, transportation, and utilities	649.1	7.9	1.2
Information	29.8	-1.9	-6.0
Financial activities	168.0	3.7	2.3
Professional and business services	528.7	26.4	5.3
Education and health services	412.4	13.0	3.3
Leisure and hospitality	328.6	6.9	2.1
Other services	120.8	7.4	6.5
Government	425.8	4.7	1.1

San Antonio area employment (number in thousands)	Nov. 2019	Change from Nov. 2018 to Nov. 2019	
		Number	Percent
Total nonfarm	1,102.2	33.7	3.2
Mining and logging	10.4	0.1	1.0
Construction	58.6	6.4	12.3
Manufacturing	52.3	1.3	2.5
Trade, transportation, and utilities	186.7	0.8	0.4
Information	20.9	0.0	0.0
Financial activities	94.1	1.5	1.6
Professional and business services	148.8	7.4	5.2
Education and health services	172.5	5.8	3.5
Leisure and hospitality	143.9	8.2	6.0
Other services	39.2	0.7	1.8
Government	174.8	1.5	0.9

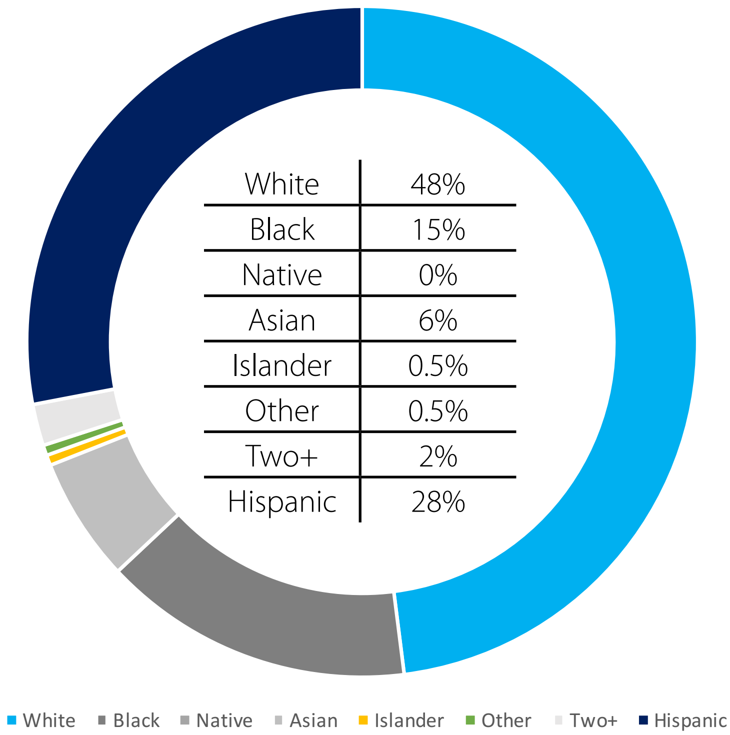
Source: Bureau of Labor Statistics

Metro Area Demographics

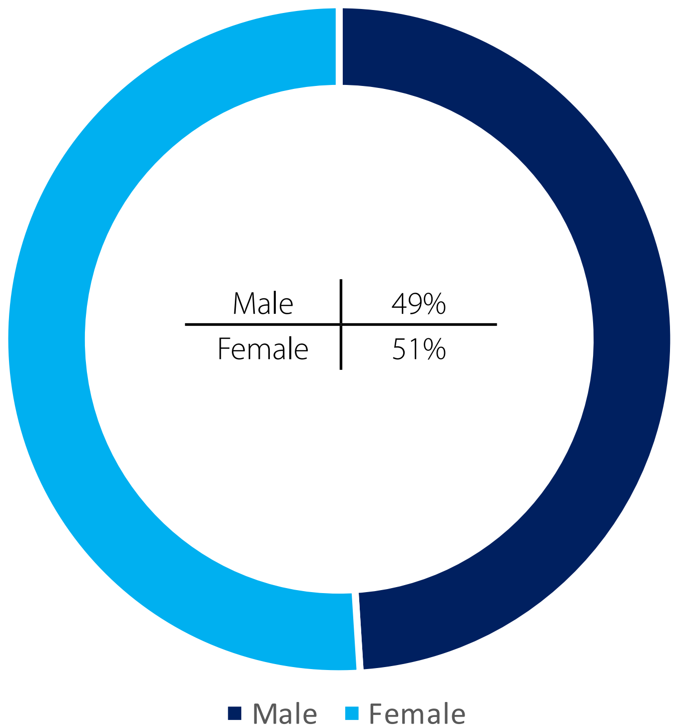
34.7
Median Age



Source: Census.gov



White	48%
Black	15%
Native	0%
Asian	6%
Islander	0.5%
Other	0.5%
Two+	2%
Hispanic	28%



Male	49%
Female	51%

$63,812
Median household income

28.5
Mean travel time to work in minutes

2,881,544
# of Households

AVISON YOUNG

2020

2020 FORECAST

2020

UNITED STATES

Contents

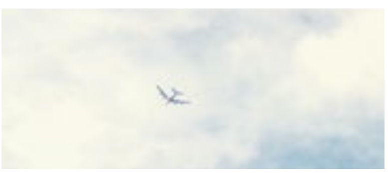
Ten trends you need to know about for 2020

#1 Lower for longer p4

How investors are dealing with a low inflation, low interest rate world – and whether they should be concerned about the possibility of a downturn.

#2 Power to the people p6

Landlords, developers and occupiers need to pay increasing attention to local political activism, as today's street protests increasingly signal tomorrow's policy initiatives.



#3 (De)globalization p8

The pace of globalization is slowing, and in some areas is starting to reverse as nearshoring and the localization of supply chains gathers momentum.

#4 Building resilience p10

Cities across the world are leading the charge in responding to climate change, to ensure economic, social and environmental sustainability.

#5 (Place)making an impact p12

Placemaking creates great environments for people, organizations and communities. It is becoming the focus of socially responsible investors looking for impact investment opportunities.

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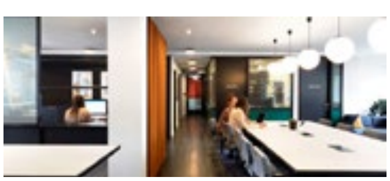
Urban design initiatives, an explosion of technology-fuelled experiential retail and the emergence of new omni-channel strategies give an insight into the future of physical retail.



#7 Let's talk about flex p16

Forget what you may have read in the newspapers, flexible offices are here to stay and will remain one of real estate's hottest growth areas in 2020.

#1

Lower for longer

LIVING WITH LOW INTEREST RATES

With inflation seemingly nailed to the floor across most of the western world, there are few signs that interest rates are set to rise any time soon[1]. "Lower for (even) longer" remains the mantra for investors.

On the surface it's a great environment for property investing; low interest rates offer a warm bath for real estate, keeping it competitive against other asset classes[2]. Capital continues to flow into the sector, as investors seek out the unique combination of income return and capital preservation that real estate offers over time[3].

But with the real estate cycle slipping into its second decade, the uncertainty felt by many investors about whether current pricing is sustainable seems justified. Real estate might be enjoying an extended period of popularity, but in large part this is due to the backdrop of economic weakness (hence low interest rates) and heightened political uncertainty across the globe – issues which also bring risks for the property sector.

A slowing global economy, with few signs of a sustained pickup in global trade, will impact occupier demand. Productivity growth has been low and while unemployment levels have fallen sharply in many countries, inflation has not risen meaningfully[4].

Central banks currently have little ability to raise interest rates, robbing them of room to manoeuvre if – or more likely when – a slowdown turns into a recession[5]. With governments seemingly devoid of effective policy initiatives, the impact on rental income in the event of a protracted recession could be significant and prolonged.

#2

Power to the people

HOW POPULISM IS CHANGING THE WORLD

With the U.S. in election mode, Britain still struggling with Brexit negotiations and discontent still rife across huge swathes of the global political landscape, 2020 will be another year when the fallout from populism will be distracting governments from attending to some of its root causes.

When the Developed World Populism Index concluded in 2017 that populism was at its highest levels since the late 1930s[1], many feared an impending avalanche of political extremism. The successes of U.S President Trump and Nigel Farage, leader of the U.K.'s Brexit Party, gave new impetus to the populist coalitions emerging across a range of countries – but a series of subsequent national elections failed to deliver the dramatic changes of government that once looked likely[2]. Europe, in particular, breathed a sigh of relief.

The sense that a bullet had been dodged was, and remains, misplaced. The underlying issues which drove populist movements haven't gone away – quite the opposite. Populist politicians typically prosper during periods of general discontent by focussing on one or two key issues that resonate most strongly with the electorate: big business, big government, immigration, regional independence, climate change…whatever happens to be the issue du jour[3].

This explains why populism often creates coalitions which transcend conventional political divides; the far Right and far Left coalesce around something they have in common, albeit for different reasons - politics does indeed make strange bedfellows. If anything, the range and strength of populist groups is increasing.

The fact that such movements rarely end up forming a national government misses the point. Mainstream parties are scrambling to claw back support, and thus the populist agenda becomes incorporated into mainstream manifestos. The objectives may be watered down a little to appeal to a broader cross-section of the electorate, but the populists are succeeding in changing the focus of the political agenda.

#3

(De) globalization

A PARADIGM SHIFT?

Globalization's most significant impact on the real estate sector has been the rapid growth in cross border flows of capital into investment markets around the world[1]. While they may fluctuate in the short term, these flows are set to accelerate over the coming years as rising wealth in Asia targets investment grade real estate in the west.

Occupational markets have also been transformed. Globalization has been the defining feature of the business environment of the last 50 years, as corporates have expanded into new markets, production and back-office functions have been offshored and supply chains have internationalized. Here, however, the longer-term trend may be shifting. Heading into 2020, multinational companies are rethinking global footprints to find a new balance between cost-efficiency and business effectiveness[2]. Consumer demands for greater social and environmental awareness from the companies they buy from are encouraging a shift in priorities[3].

On average, affluence and living standards have benefited hugely from the rapid internationalization of almost every aspect of trade and commerce[4]. But averages can be misleading. Many parts of Western Europe and North America continue to struggle with the impacts of de-industrialization. The benefits of economic growth have not been uniform; perceived inequality has risen sharply[5] and the financial crisis has left lasting scars.

Reactions against the "globalization of culture" used to be viewed as a distinctly xenophobic phenomenon – yet consumers across the globe are seeking out authentic local products and pushing back against the uniform array of multinational brands that typify many shopping centers. The frustration of dealing with a call center halfway round the world is felt by many.

Even from a purely economic standpoint, globalization feels past its peak[6]. The world has already wrung most of the "quick wins" from expanding the reach of World Trade Organization (WTO) rules. The same can be said of the efficiencies to be gained from off-shoring manufacturing and streamlining global supply chains[7].

#4

Building resilience

CITY RESPONSES TO CLIMATE CHANGE

As warning signs of an ongoing climate emergency are becoming more dire and harder to ignore, it is no longer just the scientific community sounding the alarm. Radicalized social protest movements, climate activists young and old and even municipal politicians and bureaucrats are joining the vast majority of the world's climate scientists in reaching a consensus and understanding of the potential social and economic costs of climate change.

The demand for a response is growing, and cities around the globe are developing urban resilience strategies to ensure economic, social and environmental sustainability. They are recognizing their responsibility to mitigate the impacts of extreme weather events on local people, property and infrastructure. By 2030, according to the UN, unless there is significant investment to make cities more resilient, natural disasters may cost cities worldwide $314 billion annually and climate change could push up to 77 million more city residents into poverty[1]; lower income groups tend to be worst affected by climate change, and least able to recover from the effects[2].

Urban authorities also need to adopt meaningful regulation to compel more sustainable development, and to champion the use of technology to measure and reduce energy consumption and emissions from buildings.

Cities have started working together on the issue. The C40 Cities Climate Leadership Group, comprising 94 cities around the world that represent a quarter of the global economy and 70% of the global CO_2 emissions[3], is one such powerful agent for change. Canadian cities including Montreal, Toronto, Vancouver and Calgary have appointed chief resilience officers (CROs) and are developing localized strategies thanks to their involvement in the 100 Resilient Cities Network[4].

#5

(Place)making an impact

SOCIALLY RESPONSIBLE INVESTING

In recent years, we've seen growing recognition of the power of good placemaking in creating vibrant and successful developments and neighborhoods. In 2020 the focus on "place" will increase, accelerated by an emerging priority amongst institutional investors: impact investing.

Successful placemaking requires a deeply considered, multi-dimensional response to the factors that come together to create liveable, sustainable and vibrant neighborhoods that are embodied by – and rooted in – the built environment[1].

Mixed-use schemes have long sought to capitalise on the potential benefits of combining multiple occupational uses within a single development. Contemporary thinking now recognizes that a new property development offers opportunities to go further in providing a local response to issues of growing community concern[2].

They can address concerns such as the environment and climate change; housing affordability and social exclusion; and a pushback by corporate occupiers and individuals against inauthentic, sterile environments with no "sense of place".

Private sector recognition that this can enhance rather than detract from return on investment parallels a shift in government policymaking on both sides of the Atlantic. In the U.S., the government is encouraging investors to consider social impact by offering tax breaks for development in 8,700 "opportunity zones" to support underserved communities[3].

#6

The rebirth of retail

THE REINVENTION OF THE RETAIL SECTOR

Shopping is no longer just about getting goods into the hands of consumers. Retailing has grown to encompass a fully immersive and integrative experience that invites and holds the public's attention. It stimulates their desire to engage with brands, embark on sponsored journeys of the mind and body and interact with a like-minded community of fellow customers[1].

A reimagining of what retail engagement means for consumers has returned us to the modern equivalent of the traditional town square, a central destination that intentionally blends uses including retail, workspace and leisure with residential space and accessible rapid transit options[2].

The impersonal and transaction-focused nature of e-commerce, while efficient and appealing to cost-focused customers, has left many shoppers seeking to re-engage with experiential retail in search of a renewed sense of community[3]. This has sparked a renaissance of what it means to be a retailer in the age of online shopping.

#7

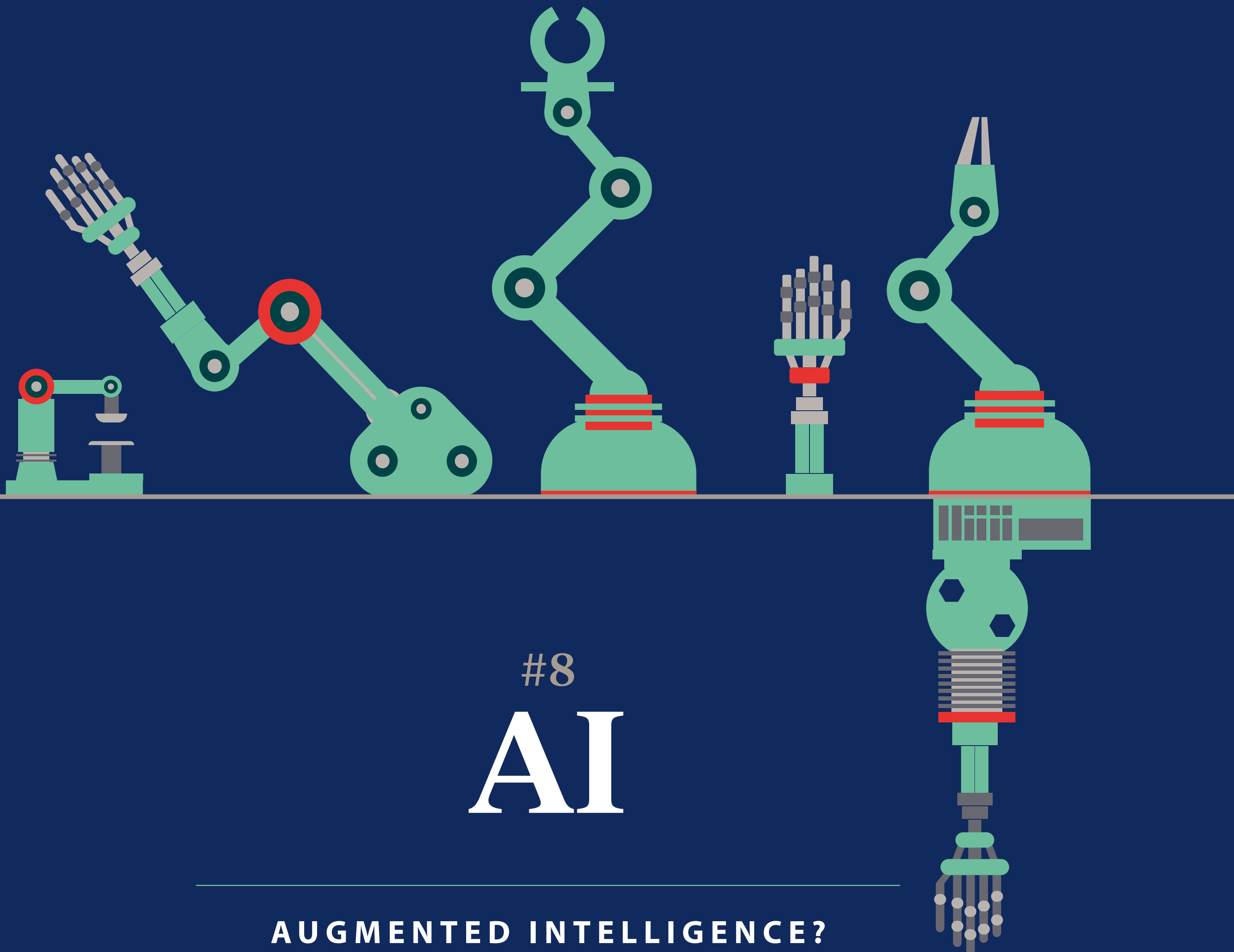
Let's talk about flex

THE FUTURE OF FLEXIBILITY

Forget anything you've read in the newspapers, flexible offices are here to stay and will remain one of real estate's hottest growth areas in 2020. The world is in the early stages of a transformational period as the technological revolution takes over from globalization as the primary driver of business change. For all sorts of reasons, workplace flexibility is at the forefront of occupiers' minds.

As a market disruptor, it's not surprising that WeWork received disproportionate levels of attention for cancelling its public offering. But we all know its instincts are correct. With shorter business cycles, innovation at a premium, and talent expecting workplaces that more seamlessly integrate with their lives, how office space is being used is in a major state of flux[1].

Flexible offerings currently account for up to 5% of space across most major office markets[2]. Within ten years, this is expected to make a transformative leap to 15-30%. That's because this is no longer just about freelancers and start-ups, this is smart thinking across all businesses. For occupiers and institutional owners, the future is the core-and-flex combo.



#8

AI

AUGMENTED INTELLIGENCE?

Get ready to make new friends in 2020 - your cobot will soon be on its way. Robotic process automation (RPA) won't – necessarily - take your job, but it will transform it. A collaborative robot will make your life easier, helping you work quicker and smarter by willingly taking on those lower-value tasks clogging up your working day.

Disappointingly, not everyone will be sitting next to their very own C-3P0 or BB-8. There will be some physical automation, akin to the robots we already see in warehousing and manufacturing. But for workers who focus on knowledge rather than products, most RPA is likely to be software or app based, enabling you to automate workflows across multiple interfaces[1]. Either way it's near future now… RPA is getting cheaper, more efficient and more embedded in cutting-edge organizations with every passing year.

RPA adoption is a fast-emerging trend that crosses all industries[2], with major real estate implications due to the cumulative effect on the type and number of jobs required across different businesses. The McKinsey Global Institute estimates about 30% of the activities in 60% of all occupations could be automated[3].

Back-office functions, which tend to be clustered in more cost-effective secondary and tertiary cities around the world, will be significantly affected; think of the routine information processing that goes on within banking, insurance and accounting[4]. Hot-bed offshoring locations will also be substantially impacted; offshoring is not going away, but robotics will replace some elements of human behavior and activities.

Less obvious is the impact on organizations, or individual jobs, where such processing is currently intertwined with more client-facing tasks. Separating the wheat from the intellectual chaff of everyday work will boost productivity and creativity, with as yet unforeseeable implications for organizational structures and working practices.

#9

Wishing well

THE NEW FRONT IN THE WAR FOR TALENT

This is how it used to work just a few years ago: the real estate industry provided the building, the tenant provided the people to put in it every day. The office was a shell within which people got on with their jobs. At the end of the day the workers went home – maybe via the gym, depending on their personal choice. Coffee machines and on-site canteens helped reduce time "wasted" away from the desk. Hours worked was the unofficial metric of employee commitment[1]. Employers were concerned about absence, but mainly in the context of productivity and efficiency.

Not anymore. In recent years, revolutions in working practices have driven a radical shake-up in office design and fitout, forging new relationships between landlord and tenant[2]. Changes in technology and the rise of the sharing economy have transformed our thinking about the nature of work and the workplace. "Space as a service" is now in common parlance[3], but most often thought of in the context of flexible lease terms. In truth, offices are now a joint venture partnership within which owners and occupiers collaborate to provide workspace as a service to their most important customer: the employee.

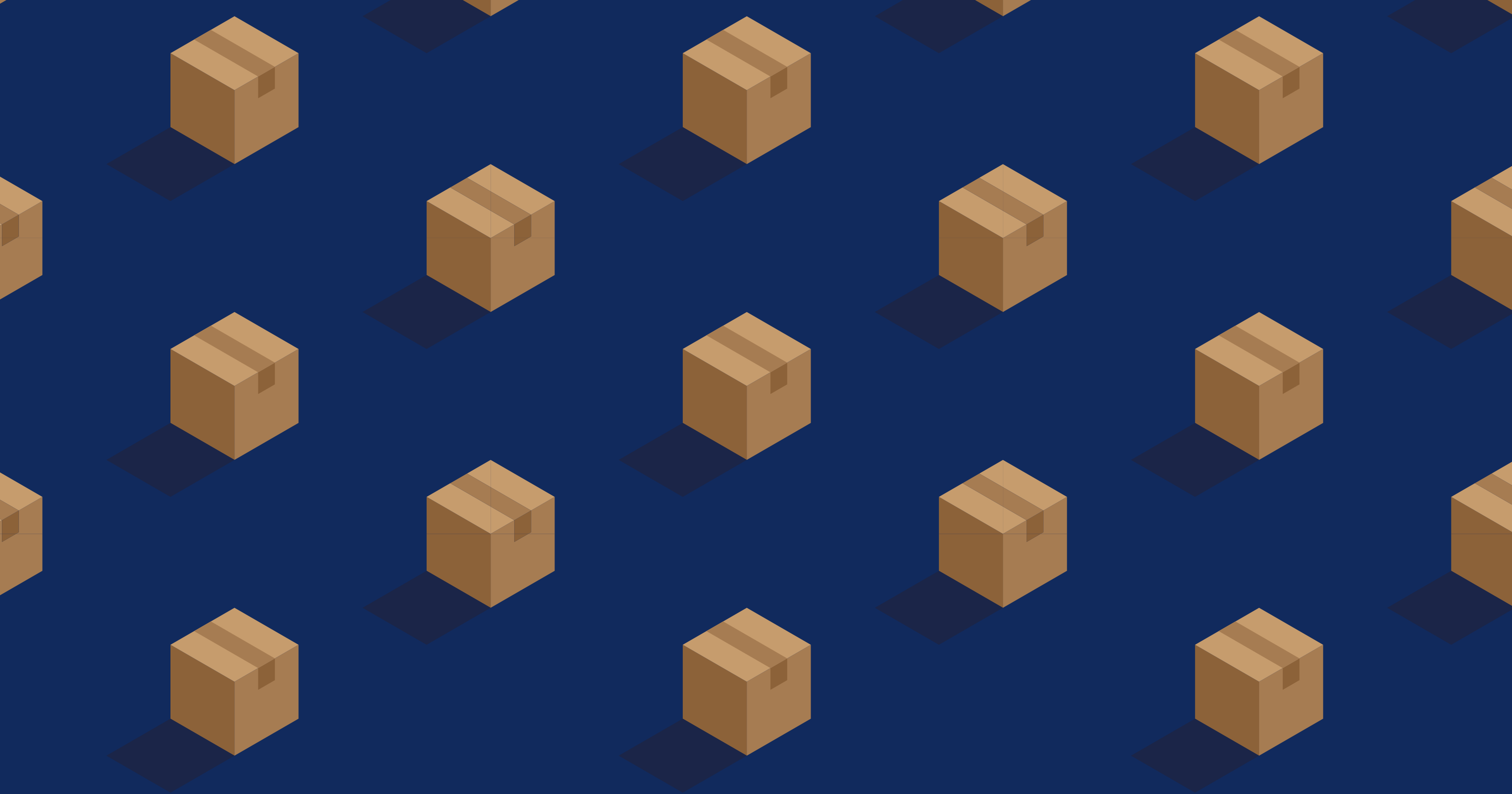
As the "war for talent" heats up, wellness has become the new frontier for HR departments around the world. Property managers and landlords are becoming their key allies. Employees generally, and younger generations in particular, are becoming more health conscious . The global wellness market has expanded to be worth U.S.$4.2 trillion[4].

Lifestyle, diet, exercise and work-life balance are recognized as key contributors to mental as well as physical health.

As the boundaries between our work and private lives have become more blurred, so we now expect our employers not just to focus on our wellbeing, but to really care about it. The physical structure and location of a building have a huge part to play in helping companies look after their staff. This includes the creation of spaces that support neurodiversity and those with neurological differences or mental health issues[5].

Good natural light and air quality – preferably using environmentally friendly natural ventilation - are essential[5]. Buildings should also support active lifestyles: an attractive staircase to encourage people away from elevators, cycle racks and showers, maybe a gym[6].

This is particularly crucial in multi-tenant buildings where occupiers have limited opportunities to tailor space to their needs. Catering outlets that provide a range of healthy products are increasingly valued – either within the building or close by - accommodating individual dietary preferences and sustainably sourced from local suppliers rather than multinational chains.



#10

Heavy lifting

LOGISTICAL CHALLENGES

Logistics may be the darling of the investment market but, as we all know, it's tough at the top. Viewed superficially, it seems a simple story: booming demand for robot-filled warehouses to support an ever-expanding array of online retailers. The reality is more complex.

Automation is undoubtedly coming but, for now at least, e-commerce warehousing is a labor-intensive business … and it's short of people[1]. In the U.S., the largest facilities need 2,000 to 3,000 FTE workers, which is difficult to sustain with unemployment at record lows[2]. The U.K. is already short of warehouse workers - and with eastern Europeans making up 15% of the workforce[3], this is likely to worsen with immigration levels falling sharply ahead of Brexit[4].

Alongside "last mile" delivery, the current hot topic is reverse logistics – the process of dealing with unwanted goods returned by online purchasers. These can run to 40% or more of goods sold in some segments, representing a huge financial and operational headache for retailers[5].

Some run dedicated warehouses or outsource the process to specialist operators. Reintegrating returns into the supply chain is highly labor-intensive, requiring careful handling of goods that arrive in various conditions and irregular volumes. Where processing costs are simply too high, products can end up being discarded[6].

And finally...

One other issue we think it's important to know about going into 2020.

Future growth

THE OPPORTUNITIES AND CHALLENGES OF CANNABIS LEGALIZATION

"Oh, the times they are a-changin' …"

In March 1992, then U.S. Presidential candidate Bill Clinton created headlines around the world with his admission that he had experimented with cannabis but didn't like it and "didn't inhale"[1].

Fast forward to the U.K. General Election last December and the Liberal Democrats, one of the U.K.'s main political parties, pledged to legalize cannabis and tax it to raise £1.5bn to fight crime[2]. Party leader Jo Swinson admitted smoking the drug at university, saying "and I enjoyed it[3]. "The revelation barely rated a mention in the press.

With political and social easing over cannabis leading to policy changes worldwide - in particular for medical use – this presents the real estate industry with a new opportunity in 2020[4].

Canada kick-started the process back in 2018 when it became the first G20 country to fully legalize cannabis.

Ten Trends for 2020

Our Ten Trends commentary has been prepared based on the market knowledge and experience of Avison Young professionals around the world, along with the following sources.

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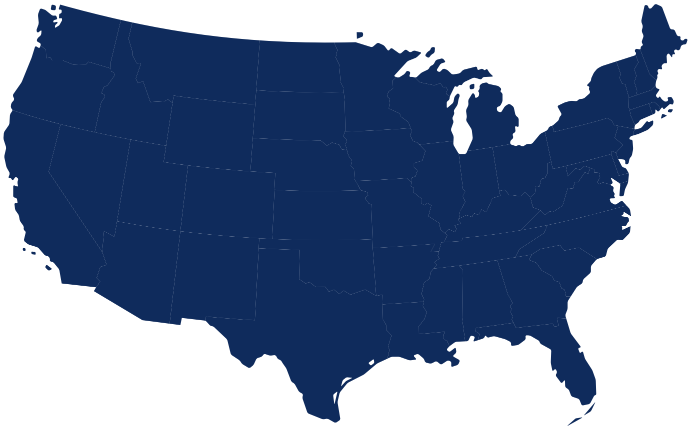
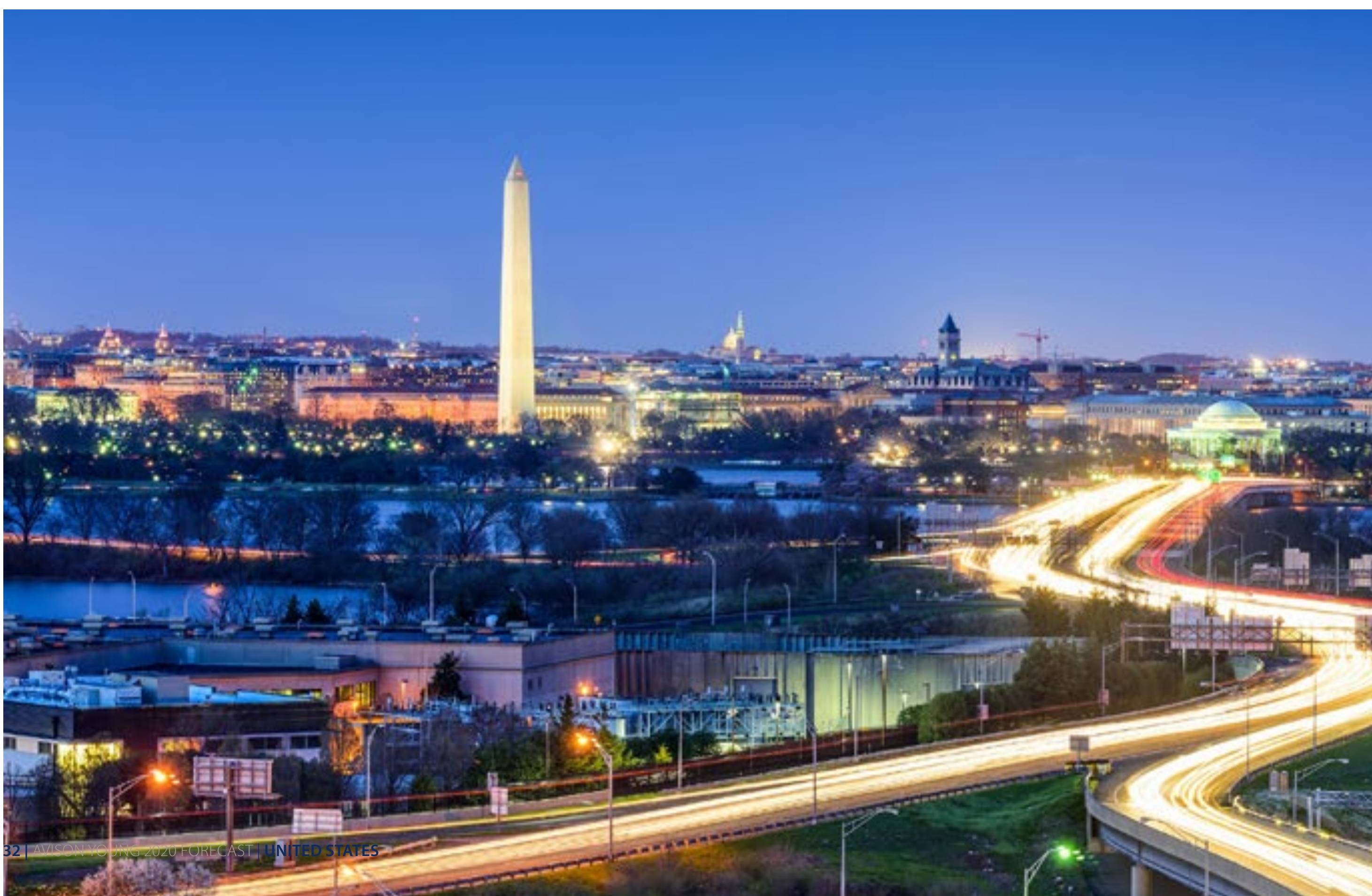
UNITED STATES



EXECUTIVE SUMMARY

- Despite a climate of uncertainty, the U.S. economy continued to grow in 2019 but at a slightly slower pace than in recent years.
- Growth will remain positive but is unlikely to accelerate while U.S.-China trade tensions persist.
- The strongest U.S. labor market in decades is supporting consumer and business spending, with consequent benefits for many areas of real estate.
- Positive momentum within U.S. commercial property markets in 2019 is likely to persist into 2020, with continued healthy occupancy levels and rent growth across most markets.
- While the construction pipeline for office and industrial space remains full, restraint on the part of lenders, equity sources and developers mean new supply appears largely in line with demand, keeping concerns of overbuilding at bay.



U.S. employers continued to add jobs throughout the year, albeit at a somewhat slower pace. Although monthly numbers fluctuated, by late 2019 the U.S. had seen over 100 consecutive months of job growth, bringing the unemployment rate down to 3.5% - its lowest level since December 1969. The war for talent has therefore taken center stage, as employers struggling to find qualified personnel look for new ways to retain and attract top talent. Companies have become creative with incentives such as unlimited vacation time, free meals, gym memberships and flexible hours. The workplace environment is increasingly viewed as a recruitment and retention tool, leading companies to seek out highly accessible, amenity-rich locations, sometimes in exchange for significantly higher unit occupancy costs. Equally important, more efficient space usage and a search for more affordable cities, offering higher quality of life for young talent, is helping occupiers keep overall property costs under control.

The U.S. commercial property markets reaped the benefits of the continued growth in employment during 2019. As U.S. companies added to their headcounts, their footprints also increased. Within the 47 major U.S. markets that Avison Young tracks, office and industrial sectors measured positive occupancy growth to the tune of 200 million square feet (msf). However, net absorption was measured at a slower pace in 2019, down 18% from 2018 in the office sector and 26% in industrial.

The pipeline of office construction continued to grow in 2019, continuing the trend seen in 2018. At the close of the year, 113 msf of office space was under construction in the U.S. markets tracked by Avison Young, 45% of which was already preleased. Industrial construction remained flat year-over-year at 235 msf, 30% of which was reported as preleased. Land constraints could dampen future development opportunities, but these supply headwinds also promote higher rental rates for commercial space. Speculative construction across the U.S. is largely driven by the ongoing demand from tenants for new space and is expected to continue into 2020.

The five markets measuring the highest level of investment volume across all property types include Washington DC, New York, Los Angeles County, Dallas and Chicago. These five markets accounted for 35% of total deal volume recorded in the U.S. in 2019.

KEY MARKET METRICS – 2020 EXPECTATIONS

Annual growth rates, estimated for year-end 2020 vs year-end 2019

	OFFICE	RETAIL	INDUSTRIAL
Rental Growth	↑	→	↑
Vacant Space	↑	→	↑
Construction Levels	→	→	↑
Investment Volume	↑	↓	↑
Leasing Volume	↓	↓	↓

↑ up slightly ↑↑ up moderately ↑↑↑ up strong → flat ↓ down slightly ↓↓ down moderately ↓↓↓ down strong

The retail sector has seen dramatic transformation in recent years and headlines in the media imply an industry in crisis, but this narrative is somewhat misleading. The Conference Board's Consumer Confidence Index saw its largest decrease in a year in September, but sentiment remained at a historically high level in 2019 despite capital market uncertainty and a somewhat volatile economic climate. Retail sales continued to rise by around 4.5% in 2019 compared to 2018 on an unadjusted basis, signaling healthy consumer optimism.

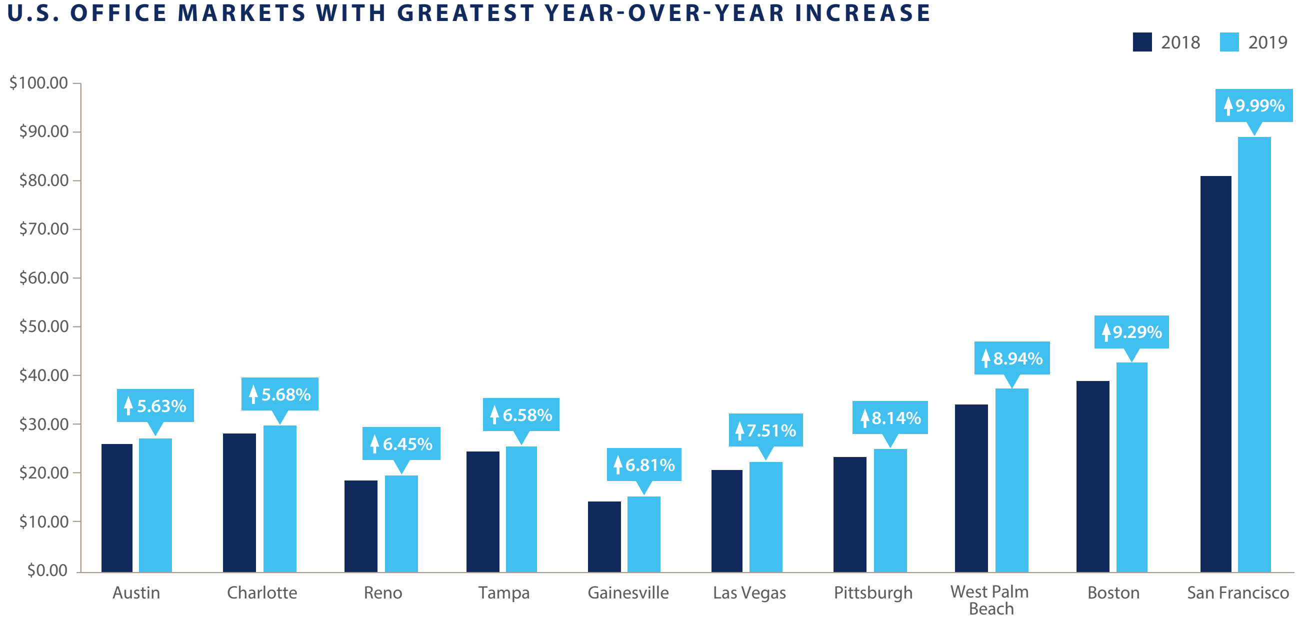
Online retail accounted for around 11% of activity during the third quarter of 2019, with internet sales growing 5% from the prior quarter. However, this means nearly 90% of retail sales continue to come from traditional brick-and-mortar stores. Clicks to bricks, where formerly pureplay online retailers are opening brick-and-mortar stores, continued throughout 2019 at an increasing pace, underscoring the importance of physical retail. Omnichannel retailers typically see a significant uptick in online sales when they open a new store.

Retail space is being incorporated into nearly all new office and multi-family developments across the U.S., creating "live-work-play" environments with a sense of place that are attractive for potential residents and occupiers. Retailers and landlords are focused on placemaking and delivering customer experience, of which an attractive physical environment both in-store and beyond is a key component.

High-traffic, Amazon-resistant tenants such as restaurants, fitness concepts and entertainment venues are expanding at a rapid clip. Meanwhile many large-format retailers are shrinking their individual store footprints, allowing them to locate in more densely populated areas and broaden their customer reach. Going into 2020, expect leasing activity to remain stable across the U.S. retail sector while completions of new retail centers and mixed-used developments will attract the highest demand.

While economic indicators have softened in recent months, Avison Young does not expect a major economic downturn in 2020. Consumer spending, which accounts for 70% of U.S. economic activity, continues to buoy the U.S. economy. While ongoing uncertainty related to trade disputes and upcoming elections may slow tenant and investor activity in 2020, the U.S. commercial real estate market should hold its own, with conditions largely continuing to favor landlords. U.S. real estate is still perceived as a safe haven, and capital remains available to be placed as interest rates, and bond yields, are expected to remain low.

AVERAGE ANNUAL OFFICE ASKING RATES: U.S. OFFICE MARKETS WITH GREATEST YEAR-OVER-YEAR INCREASE



DALLAS

EXECUTIVE SUMMARY

- Dallas will continue to be one of the most active construction markets in the country, with more than 50 million sf (msf) of commercial product delivering in 2020, along with an additional 50 msf in expected construction starts scheduled to take place.
- Multi-Family will likely remain the investor darling as major population growth and limited single-family availability continue to push area residents towards renting, thus maintaining strong demand.
- Office will continue to see a flight-to-quality, where newer and renovated space witness the majority of absorption, putting more pressure on dated product to refresh or get left behind.
- Industrial will maintain the strong leasing velocity it has experienced for the last two years, keeping vacancy around 5% despite record-setting construction activity.

Dallas fundamentals remain solid. While no longer performing at the breakneck pace of 2016 and 2017, the market as a whole is still witnessing near-record levels in regards to construction, absorption and sales. Underlying threats that will need to be addressed include flight-to-quality patterns that are putting large supplies of 1970s and 1980s product at risk of being obsolete if not renovated, along with notable cost-of-living increases that threaten to make corporate relocations less appealing. In the near term, however, Dallas is likely to remain one of the strongest performing metros in the U.S.

Dallas-Fort Worth (DFW) will continue to be a hotbed of activity in 2020. The metro has consistently been a top performer in key metrics such as construction, net absorption, sales volume, population growth and job growth. These performance indicators are set to maintain their positive trajectories, even in the face of slowing global growth and economic uncertainty. DFW has added roughly 100,000 jobs per year for the last several years. Also of note, DFW has added more than 1 million people since April 2010 when the area's economic recovery began post-Great Recession. This explosive growth, coupled with DFW's welcoming business climate and strong labor pool, will likely keep the metro positioned for another impressive performance in 2020.

Within the commercial property markets, Avison Young expects DFW to see moderate rent growth across all asset types, with industrial assets likely seeing the highest percentage of growth at roughly 4% year-over-year.

DFW's construction pipeline remains impressive, with more

KEY MARKET METRICS – 2020 EXPECTATIONS

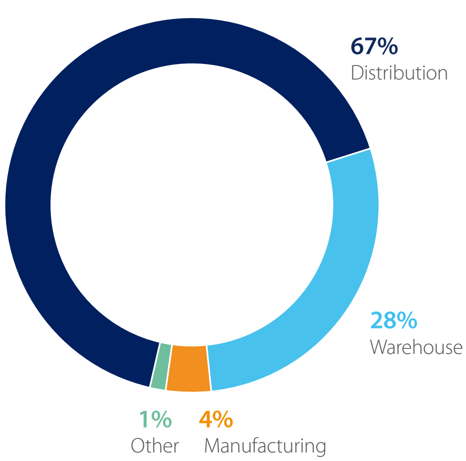
Annual growth rates, estimated for year-end 2020 vs year-end 2019.

	OFFICE	RETAIL	INDUSTRIAL
Rental Growth	↑	↑	↑↑
Vacant Space	↓	→	→
Construction Levels	→	↓	↑
Leasing Volume	↓	→	↑
Investment Volume	→	→	→

than 50 msf of commercial product set to deliver during 2020. The vast majority of these assets are "premium class" buildings, which will fuel an ongoing flight to quality as more tenants move to occupy newer, more high-end product. This trend poses a moderate threat across multiple fronts. Office absorption has significantly favored new and renovated product in recent years. This trend is putting pressure on older buildings, which DFW has in abundance, and could create a unique sort of bubble in which the market isn't overbuilt per se, but there could soon be a glut of older, non-stabilized properties.

Within the multi-family sector, luxury apartments are essentially the only class being built in the area, which is putting price pressures on all DFW apartments as the metro struggles to provide housing for a rapidly growing population. This has essentially created the beginnings of an affordability crisis in the metro, which has the potential to make corporate relocations less desirable if the area's cost of living becomes less competitive. A lack of affordable workforce housing will drive a large segment of DFW's population farther away from the metro's urban centers, a trend that could shift demographic profiles for recruiting in certain economic sectors, potentially impacting the ability of businesses to find talent, and in turn changing where they choose to locate.

INDUSTRIAL UNDER CONSTRUCTION



Source: CoStar Realty Information, Inc.

DFW's construction pipeline remains impressive, with more than 50 msf of commercial product set to deliver during 2020. The vast majority of these assets are "premium class" buildings, which will fuel an ongoing flight to quality as more tenants move to occupy newer, more high-end product.

On the sales side, Dallas will likely continue to be a premier investment market, with the liquidity and transaction volume of a gateway market, but with product at a significantly lower cost than can be found in major coastal cities. With recently reduced interest rates likely to remain low through 2020, investors will continue to be drawn to area real estate assets as they search for yield. If momentum continues as it has in recent years, DFW should see at least $15 billion in commercial property sales in 2020.

Looking ahead at larger trends across the metro, certain broad patterns should emerge not just for 2020, but for the years to come, and will potentially shape new ways in which the DFW market performs. Tenants are increasingly demanding flexibility related to office space and leasing terms, as evidenced by the rapid rise of coworking concepts and shorter lease options. Expect this trend to continue, with more landlords seeking to integrate flexible options into their operations. Within coworking specifically, WeWork received the most headlines for 2019 for all the wrong reasons, but their challenges do not represent the industry as a whole. Coworking in DFW will likely continue to expand through varied providers, the vast majority of which are smaller, local operators. WeWork itself only accounts for 17% of DFW's 3.5-msf coworking inventory, with only 11 locations across the metro. If coworking provider expansion continues as it has across DFW, the metro could possibly overtake Boston and Chicago to become the 4th or 3rd largest coworking market in the U.S.

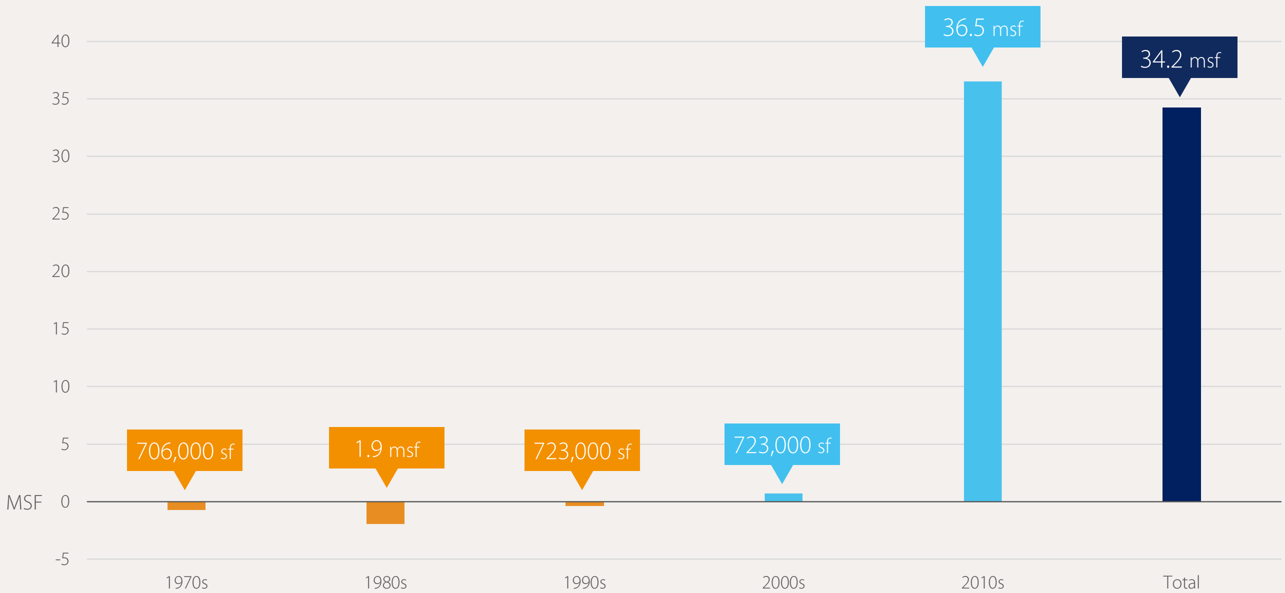
Another trend to watch in 2020 and beyond is the growing demand from office employees to work from home. Companies are increasingly offering personnel the ability to work from home at least once per week, or to have more flexible office hours. Millennials and Gen Z employees are leading the charge in these requests, and with Dallas leading the nation in Millennial relocations, this workforce perk will likely become more common. This trend could sync with workplace strategy decisions for office leases as companies continue to look for ways to reduce their office footprint and overall occupancy expenses. If companies are willing to downsize their office space by moving more workers to rotating hoteling options, the result could be a noticeable decline in absorption as less space gets leased.

Increased demand from tenants for amenities will also impact DFW office, multi-family and retail development moving forward. Recent projects have shown that DFW craves walkable, mixed-use, experiential development with amenities that cater to convenience for the user. As suburbs become more hip through the creation of their own unique "big-city" experience clusters, such as the Legacy district in Plano or the Urban Center in Las Colinas, commercial assets in these areas will be positioned to perform well. If the energy and amenities match the experience one can get in Uptown and Downtown while being located in a more affordable business hub much closer to a user's home, many businesses will happily choose that space to avoid hour-long commutes and other inconveniences.

As for basic amenities, the fight to gain a competitive advantage will likely move to technology, convenience and cost-savings. Things like smart locks, in-building messaging, green tech to reduce energy usage and costs, and storage are the sorts of things that developers will likely need to consider to make their properties stand out.

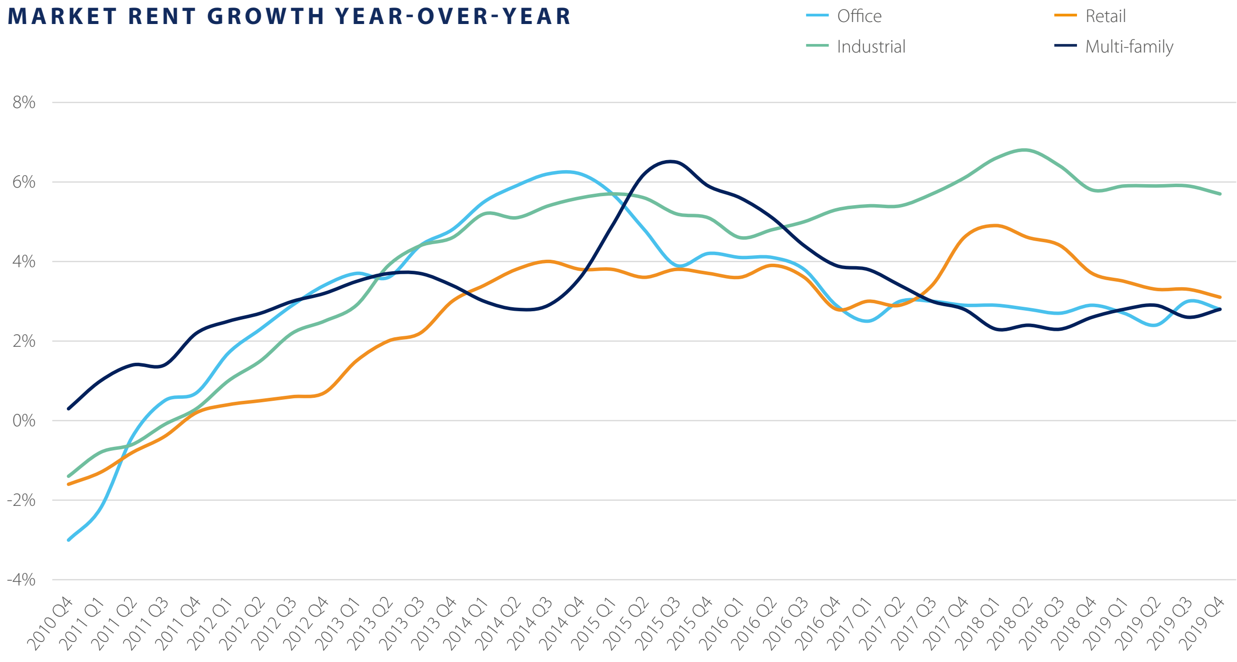
For retail, DFW has the potential to be a strong case study in the reinvention of obsolete assets. Certain major malls across the metro have either undergone or are undergoing drastic renovations. In Plano, Collin Creek Mall is currently being demolished to become a $1 billion mixed-use project. In South Dallas, Red Bird Mall has been revitalized through public-private partnerships and aims to become an economic force for the southern

ABSORPTION BY THE DECADES



Source: CoStar Realty Information, Inc.

MARKET RENT GROWTH YEAR-OVER-YEAR



Source: CoStar Realty Information, Inc.

Within the commercial property markets, Avison Young expects DFW to see moderate rent growth across all asset types, with industrial assets likely seeing the highest percentage of growth at roughly 4% year-over-year.

sector like it was in the 1970s. In Dallas, the oft-maligned Valley View Mall has finally been torn down, and plans for the $4 billion mixed-use development called Dallas Midtown are set to see momentum begin in 2020. As these projects take shape and excitement builds, properties around them will likely see a boost in activity and interest, which could shift absorption and construction trends from where they have been in recent years.

Within the Industrial sector, DFW will continue to see distribution centers be the strongest performers across the market in terms of absorption and construction deliveries. Of the 33 msf of industrial space under construction, roughly two-thirds of that space is contained in distribution centers such as the massive 1.5-msf Home Depot and 1.2-msf Goodyear centers. Nearly all of the remaining industrial buildings currently under construction comprise warehouse space. Key submarket clusters such as Great Southwest/Arlington, North Fort Worth and South Dallas will likely continue to be hotbeds of activity thanks to their prime locations around major thoroughfares and affordable talent pools. DFW's central location, intermodal operations, swaths of open, flat land, and major airport hubs will all continue to push the area to be one of the strongest inland ports in the country.

In conclusion, DFW is positioned to see another strong year in 2020. While the metro's performance will likely cool slightly in tandem with national trends, the area should still see another year of potentially more than 80,000 new residents, and 100,000+ new jobs. These drivers will buoy performance across all asset classes, even as newer product comes online and economic uncertainty continues as a result of the election cycle and volatility in the global financial markets.

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Looking | **Ahead**

Dallas arguably came out of the post-recession cycle stronger than any other metro in the country. Job and population growth fueled record demand in all CRE industries. Responsible construction practices and major build-to-suits helped keep vacancies consistent with historic trends, and looking ahead, Dallas is positioned to be stronger than ever.

Avison Young projects 2020 to continue the momentum of the last two years, barring any major economic shock. While momentum has slowed from cycle highs, the market remains one of the healthiest in the country. As the new decade commences in a much better state than the previous one, we look forward to continuing our partnership with you.

Best,

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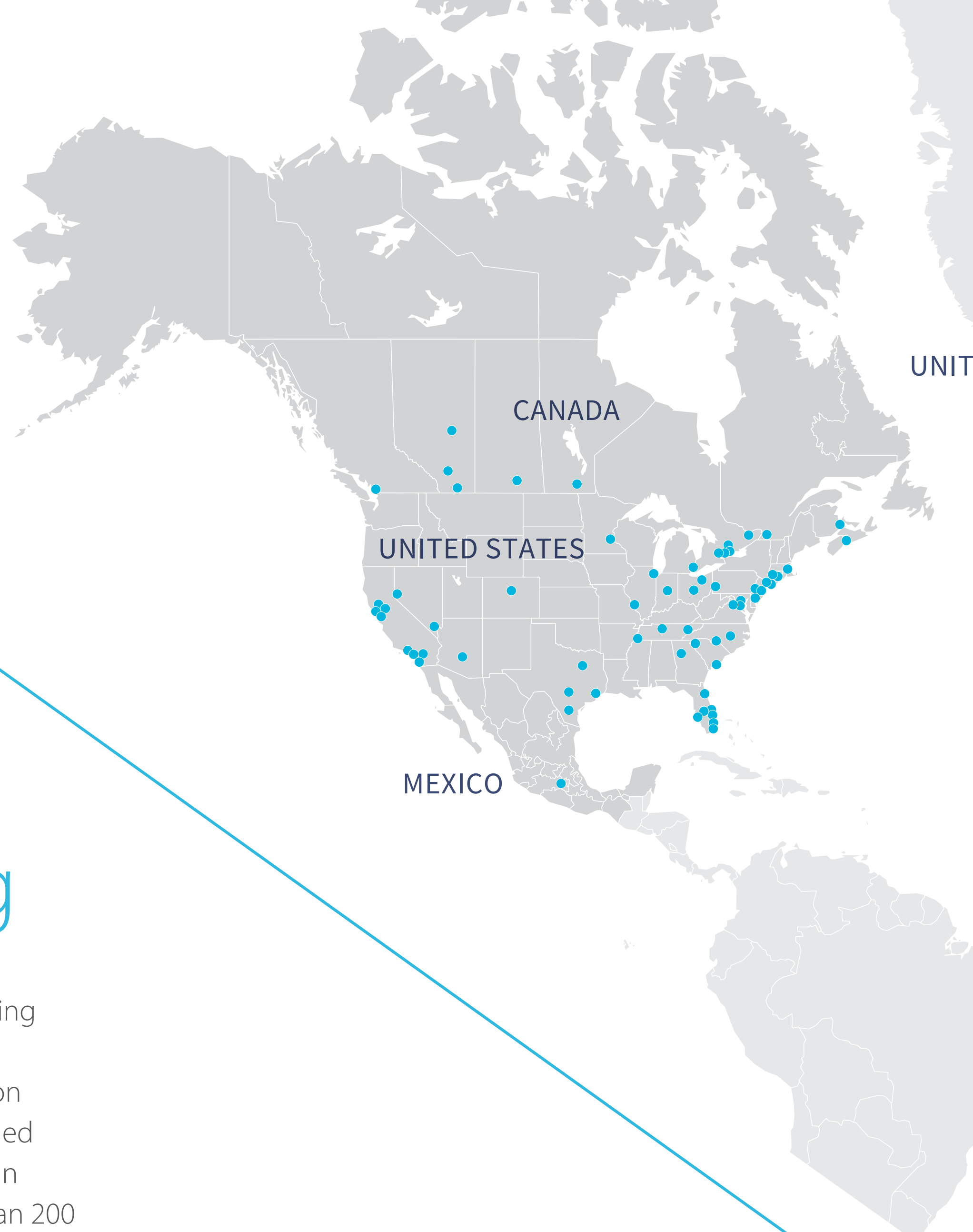


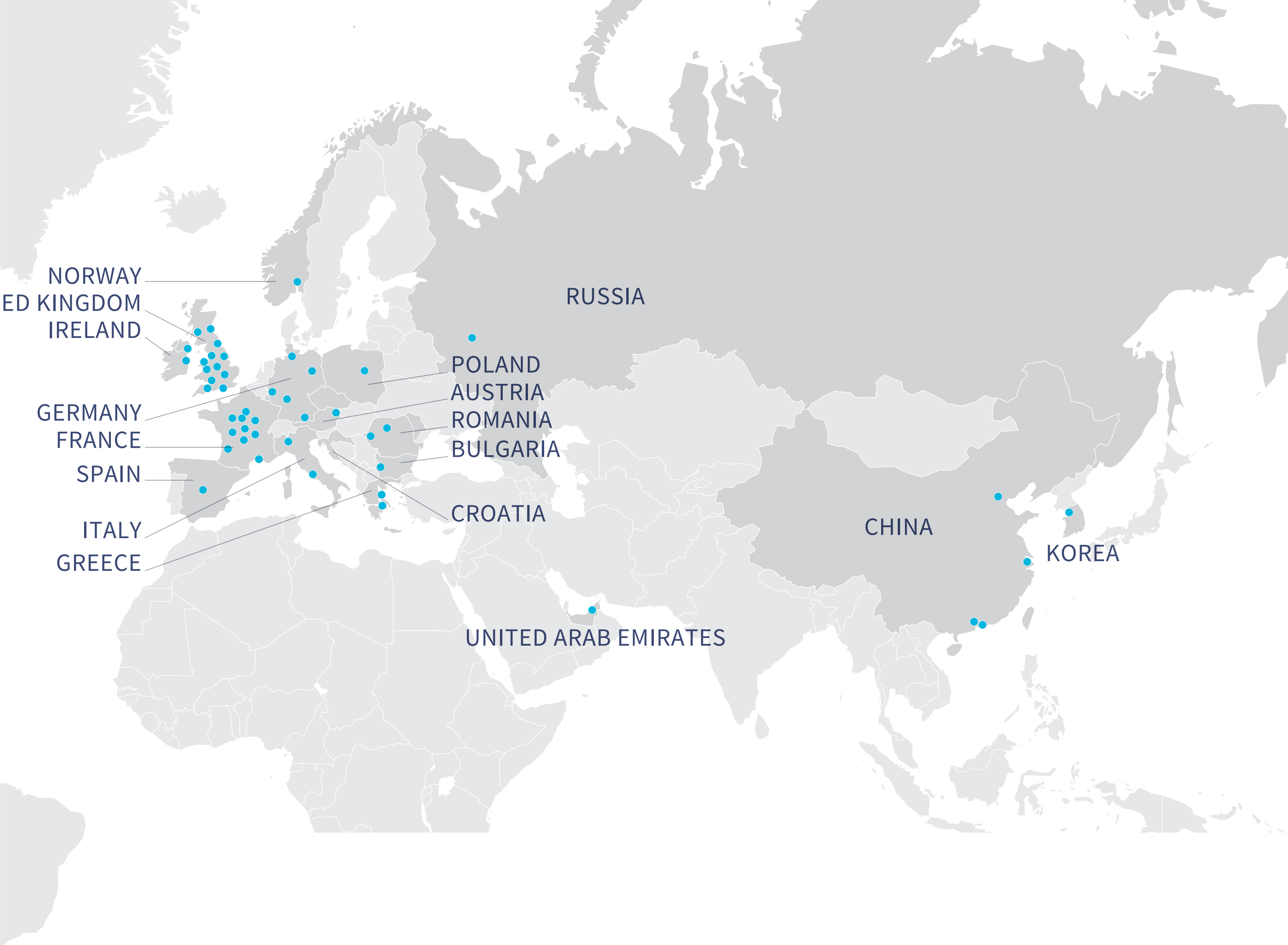
About Avison Young

Avison Young is the world's fastest-growing commercial real estate services firm. Headquartered in Toronto, Canada, Avison Young is a collaborative, global firm owned and operated by its Principals. Founded in 1978, with legacies dating back more than 200 years, the company comprises approximately 5,000 real estate professionals in 120+ offices in 20 countries. The firm's experts provide value-added, client-centric investment sales, leasing, advisory, management and financing services to clients across the office, retail, industrial, multi-family and hospitality sectors.

We're different

We are an integrated full-service commercial real estate service provider with a unique model, culture and approach. The Avison Young difference translates into intelligent solutions that deliver a better client experience – and better results.

Our approach is based on partnership, with our clients and across our company. The firm's equity is in the hands of a broad base of principals, a unique ownership structure that creates the incentive for internal collaboration and aligns our solutions, first and foremost, with client objectives. Our principal-led structure places the priority on relationships, not just transactions; on long-term performance, not just the current quarter.



YEAR FOUNDED

1978

REAL ESTATE PROFESSIONALS

~5,000

AVISON YOUNG OFFICES

120+

BROKERAGE PROFESSIONALS

1,600+

PROPERTY UNDER MANAGEMENT

>290 msf

AVISON YOUNG

THANK YOU

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Q4 2019