Office Submarket Report

Stemmons Freeway

Dallas-Fort Worth - TX

PREPARED BY

TXRE PROPERTIES

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CoStar™

OFFICE SUBMARKET REPORT

Overview

Stemmons Freeway Office

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
0	**91.3K**	**21.8%**	**1.5%**

The Stemmons Freeway submarket stretches north from the CBD up to the LBJ Freeway and Farmers Branch. Most major tenants are located in the southern portion of the submarket, near the Southwestern Medical Center. Medical/healthcare firms account for a significant portion of the submarket's tenant base as well as state and federal agencies. Nearly all new supply comes in the form of build-to-suits. For example, event services giant Freeman broke ground headquarters in late 2019. The 200,000 SF building will house 700 of the company's 7,000 employees. Southwest Airlines completed a 414,000-SF office building in this submarket in 2018.

The submarket boasts excellent access to multiple transit modes. Aside from the Stemmons Freeway itself, DART provides rail service at the Southwestern Medical Center that takes passengers northwest to the D/FW International Airport or south to Downtown Dallas. Dallas Love Field Airport, located within the submarket's boundaries, is the metroplex's second-largest airport behind D/FW. The airport has seen passenger traffic double since the Wright Amendment's repeal in 2014, increasing the viability of development nearby. Despite older, low-quality inventory and structurally high vacancies, there are green shoots of development. KDC's West Love mixed-use development is helping breathe life into the area just south of Love Field. The Design District is well on its way to becoming a true live/work/play environment, spurred by multifamily development and major investments from Dunhill Partners and other developers.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	5,138,900	19.6%	$24.01	12.8%	174,071	0	0
3 Star	7,128,957	21.9%	$23.13	21.4%	(3,323)	0	0
1 & 2 Star	3,502,150	24.8%	$19.15	20.5%	(10,438)	0	0
Submarket	**15,770,007**	**21.8%**	**$22.54**	**18.4%**	**160,310**	**0**	**0**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.6%	22.0%	22.2%	28.4%	1993 Q1	11.4%	2000 Q1
Net Absorption SF	91.3K	65,761	21,361	1,442,507	1986 Q1	(981,714)	2005 Q1
Deliveries SF	0	149,565	42,339	1,993,430	1985 Q2	0	2021 Q4
Rent Growth	1.5%	1.5%	3.3%	18.7%	1996 Q3	-19.4%	1988 Q2
Sales Volume	$650K	$46.2M	N/A	$889.6M	2018 Q2	$0	2021 Q3

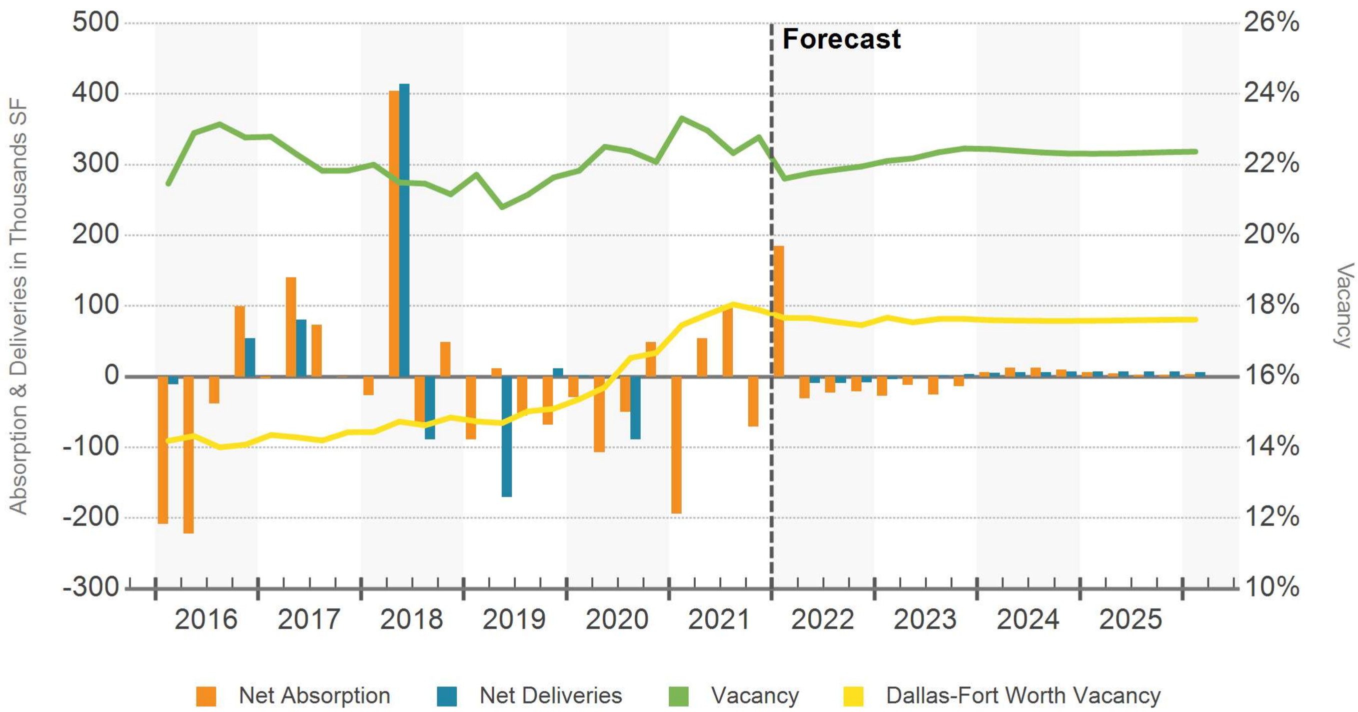
At 21.8%, the vacancy rate in the Stemmons Freeway Submarket is structurally higher than the metro average of 17.7%. Looking back, vacancy rates have trended above the metro average since the dot-com bust, when vacancy rates expanded above 20%.

The tenant profile in Stemmons Freeway is heavily skewed towards government and medical firms. Some of the more significant office users include the FBI, the DEA, the Dallas County government, UT Southwestern, and Parkland Hospital. This provides a steady base of stable tenants, and though big deals from corporate tenants are rare, the submarket can benefit from a government agency or medical tenant expansions. For example, Dallas County took 55,000 SF at 1300 W. Mockingbird in early 2019.

Moves from healthcare-related tenants have also driven absorption. For example, Alliance RX Walgreens signed a 95,000 SF lease in 8600 Harry Hines Blvd, UT Southwestern Radiation Oncology Center (63,000 SF in 17Q1), the Parkland Foundation (35,000 SF in 17Q3), Metrocare Services (14,000 SF expansion in 18Q1), and the College of Health Care Professions (18,000 SF in 18Q3) have taken large blocks of space over the past few years. However, the most significant lease signed in 2018 involved Chewy, Inc., which took 52,000 SF at the Infomart to serve as a call center.

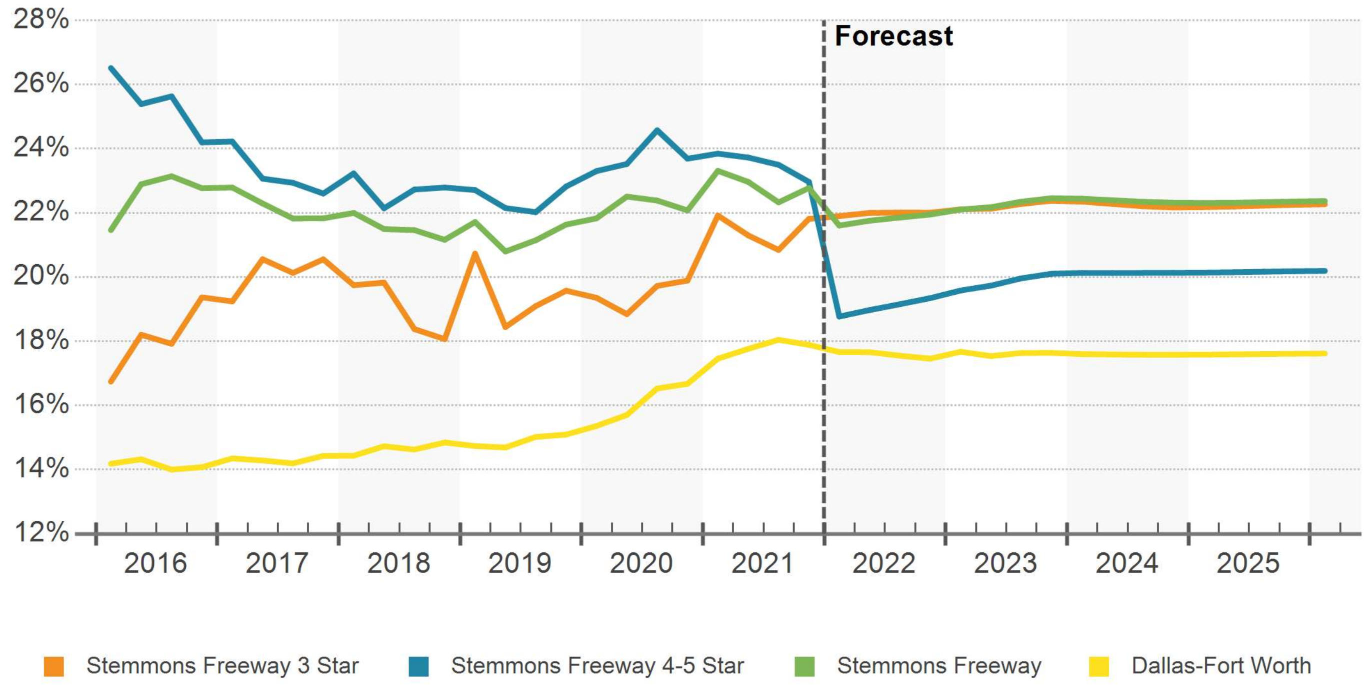
Vacancies are stratified by year built. As of early 2021, properties built in the 1970s or before (about 8 million SF) were about 26% vacant. In comparison, assets built since 1980 (also about 8 million SF) were about 16% vacant, which is right around the metro average. The largest vacant block of space is Pegasus Place, a 519,000-SF tower built in the late '60s that once served as a major office for ExxonMobil.

NET ABSORPTION, NET DELIVERIES & VACANCY

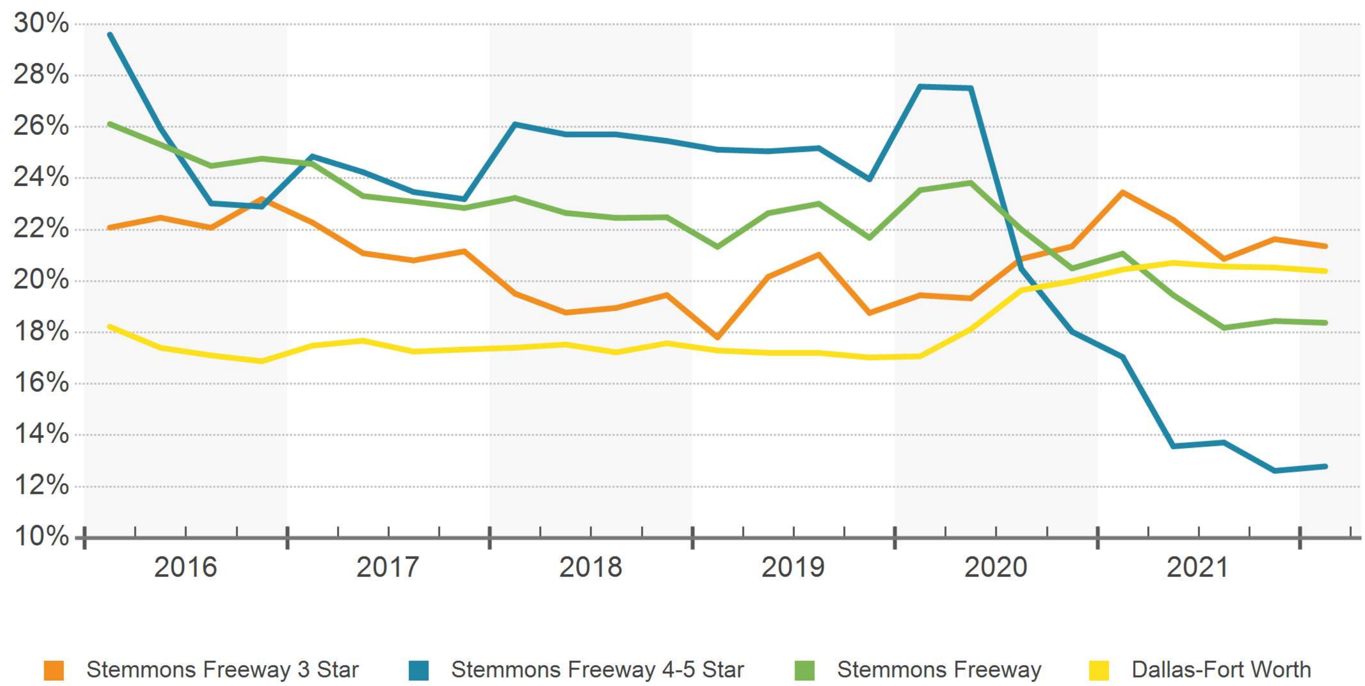


Leasing

VACANCY RATE



AVAILABILITY RATE



4 & 5 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	Leased SF	12 Mo Vacancy	12 Mo Net Absorp SF
7929 Brookriver Dr	★★★★☆	162,000	8	24,096	39.1%	12,052
7800 Ricchi Tower 7800 N Stemmons Fwy	★★★★☆	219,115	2	6,750	68.2%	6,750
One Mockingbird Plaza 1420 W Mockingbird Ln	★★★★☆	157,300	9	35,865	28.5%	4,319
Mockingbird Towers 1341 W Mockingbird Ln	★★★★☆	480,002	2	10,886	23.2%	(21,938)

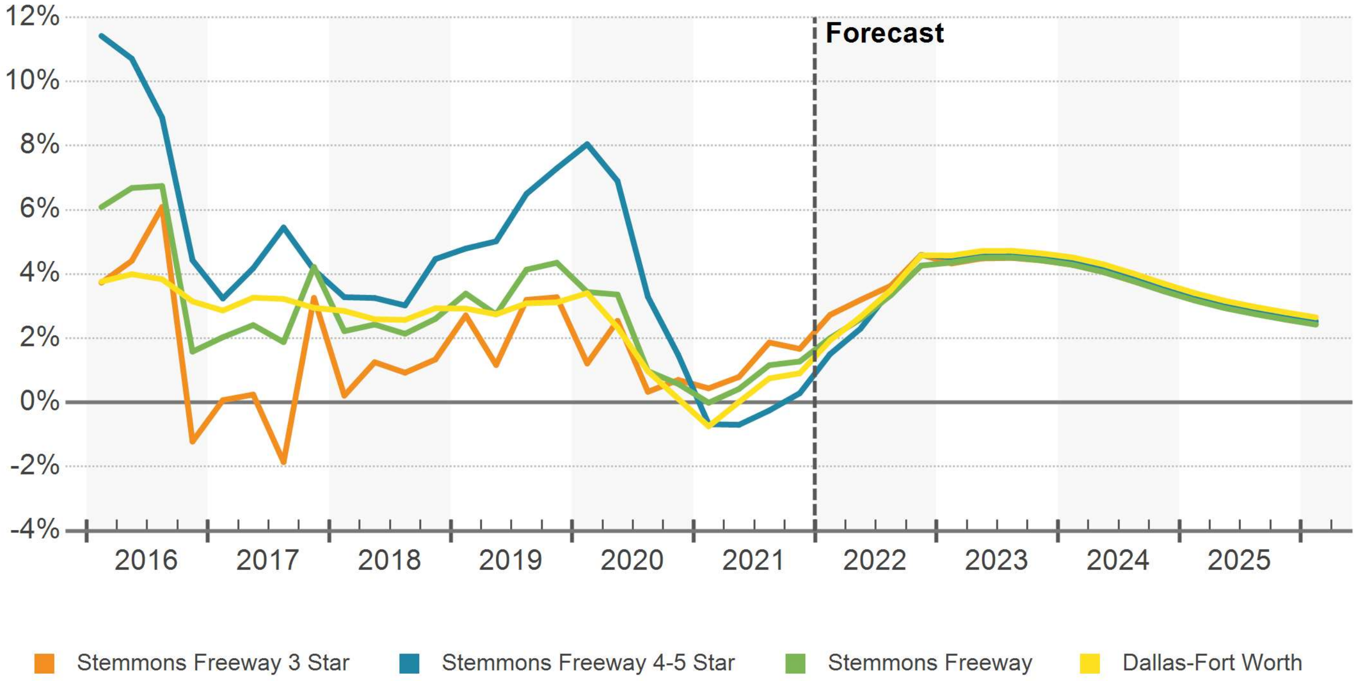
3 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	Leased SF	12 Mo Vacancy	12 Mo Net Absorp SF
1440 Empire Central Dr	★★★☆☆	80,000	1	80,000	50.0%	80,000
1430 Empire Central Dr	★★★☆☆	80,000	1	40,000	80.0%	40,000
1903 Anson Rd	★★★☆☆	22,900	2	17,573	60.0%	22,900
1111 Tower 1111 W Mockingbird Ln	★★★☆☆	268,742	11	14,222	26.7%	20,078
141-149 Manufacturing St	★★★☆☆	43,650	1	15,672	81.9%	15,523
119-127 Manufacturing St	★★★☆☆	21,578	1	8,272	53.4%	14,313
One Empire Place 1327 Empire Central Dr	★★★☆☆	31,230	1	299	40.2%	12,517
1403 E Levee St	★★★☆☆	9,244	1	9,244	40.0%	9,244
1825 Market Center Blvd	★★★☆☆	113,021	3	4,540	37.8%	1,251
Ricchi Towers-South 8585 N Stemmons Fwy	★★★☆☆	224,560	1	19,229	47.4%	1,188
1112 N Riverfront Blvd	★★★☆☆	1,950	1	1,950	46.2%	679
2110 Irving Blvd	★★★☆☆	2,690	1	2,690	20.0%	568
2103-2119 Irving Blvd	★★★☆☆	14,832	1	2,472	86.9%	188
118-120 Cole St	★★★☆☆	15,316	1	4,969	100%	0
Brookriver Executive Center… 8200 Brookriver Dr	★★★☆☆	155,845	1	905	4.2%	(799)
Woodview Tower 1349 Empire Central Dr	★★★☆☆	198,447	3	10,775	28.3%	(24,068)
Northbrook Atrium Plaza 2351 W Northwest Hwy	★★★☆☆	139,991	29	24,113	39.3%	(33,801)
Ricchi Towers-North 8585 N Stemmons Fwy	★★★☆☆	224,500	1	1,790	41.7%	(36,509)

Rent

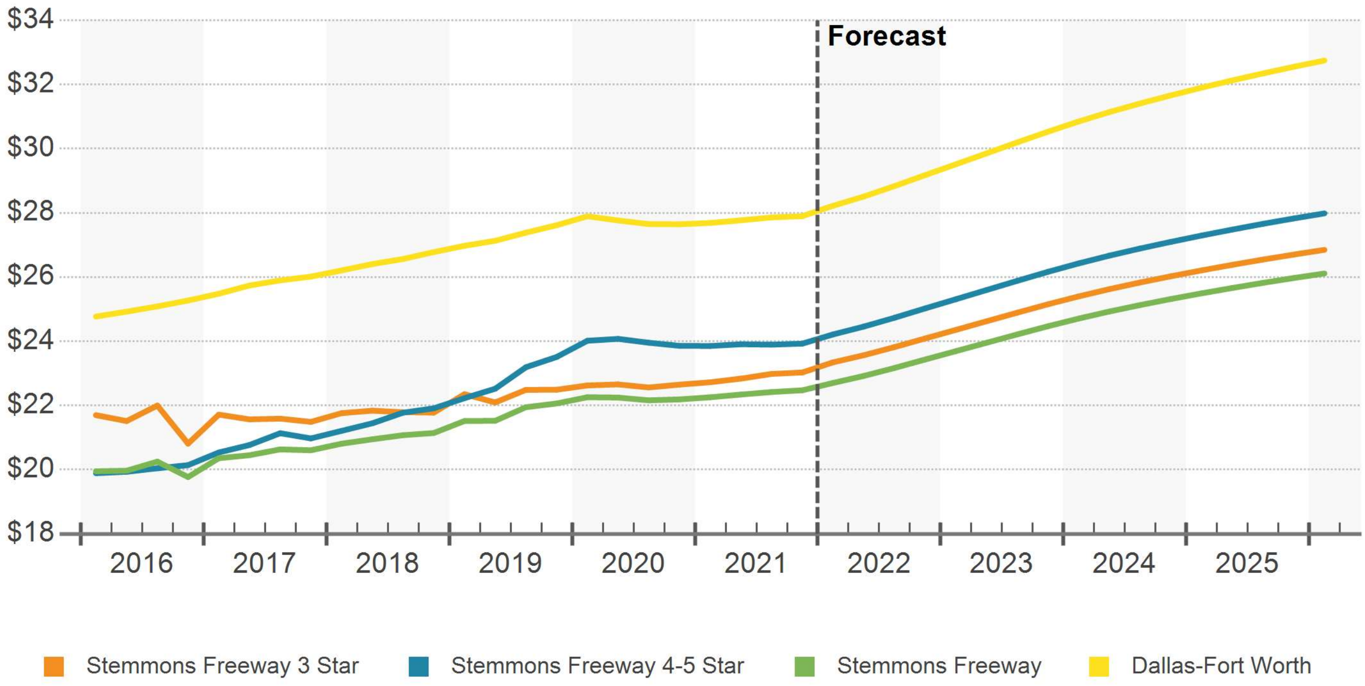
At $23.00/SF, rents in the Stemmons Freeway Submarket are some of the lowest in the entire metroplex. Asking rents are similar to those found in Garland and South Irving. Annual rent growth has remained flat at 1.5%.

MARKET RENT GROWTH (YOY)



Rent

MARKET RENT PER SQUARE FEET



Construction

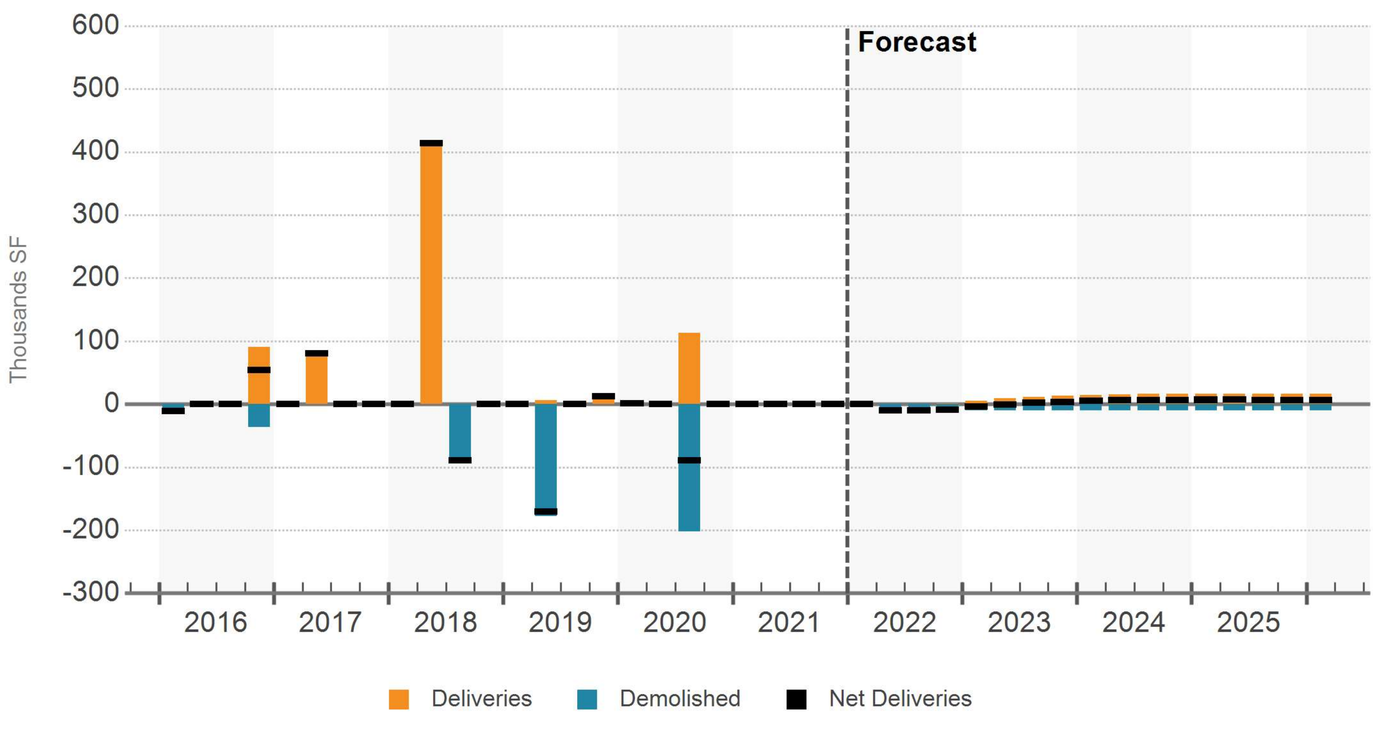
Few new office buildings have been delivered since the early 2000s, with build-to-suits for the FBI (226,000 SF in 2002), the Dallas County Medical Examiner's office (304,000 SF in 2011), and Southwest Airlines (414,000 SF in 2018) being the latest additions. Freeman broke ground on a new 200,000 SF headquarters in late 2019 with an expected delivery of the building scheduled for spring 2021. While demolitions and conversions have not been as prevalent in Stemmons Freeway as they have been in the Dallas CBD, some struggling office assets have been targeted for redevelopment. For example, in the Design District, the 89,000-SF Feizy Center was purchased by Magnolia Hospitality Group. It will be repurposed as a Tru by Hilton Hotel.

Another large-scale renovation project is the iconic Pegasus Place. ExxonMobil's long-vacant former campus is being reimagined by owner J. Small Investments in partnership with Lyda Hill Philanthropies. The team is rebooting the 23-acre property as a state of the art home for biotech firms and nonprofit organizations. The redevelopment will include a conference facility, fitness center, and food service operations. Outdoor areas with patios, walking trails, and other gathering areas are also in the plans.

Aside from potential conversions and renovations, a few significant ground-up developments are likely on the way and could add considerable supply to the submarket in the coming years. Ewing Properties Texas has started construction on the 65,000 SF 141 Glass St with expected delivery in 2021. The modern space features concrete floors, exposed metal joists, 13 ft ceilings, and LED lighting.

Two large projects are in the planning stages: the office portion of KDC's mixed-use West Love development and Dunhill Partners' Design District Tower. The first phase of the apartment and retail parts of the West Love project has already opened. Still, the office portion is being marketed as a build-to-suit opportunity. The Design District Tower will be mostly speculative. Still, Dunhill Partners reportedly will not break ground without at least some preleasing. The 243,000-SF project is asking $32–$34/SF triple net.

DELIVERIES & DEMOLITIONS

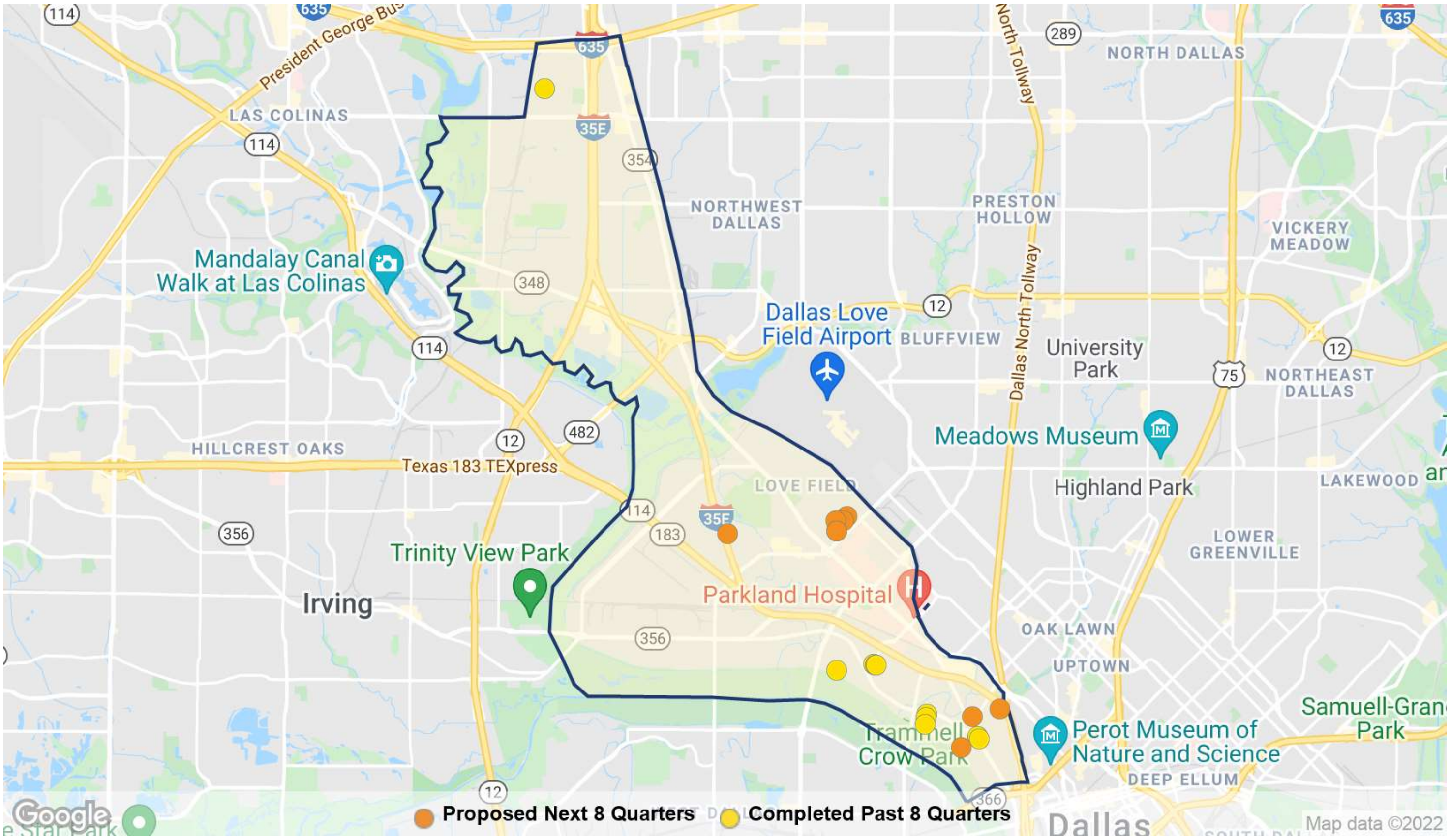


PROPERTIES

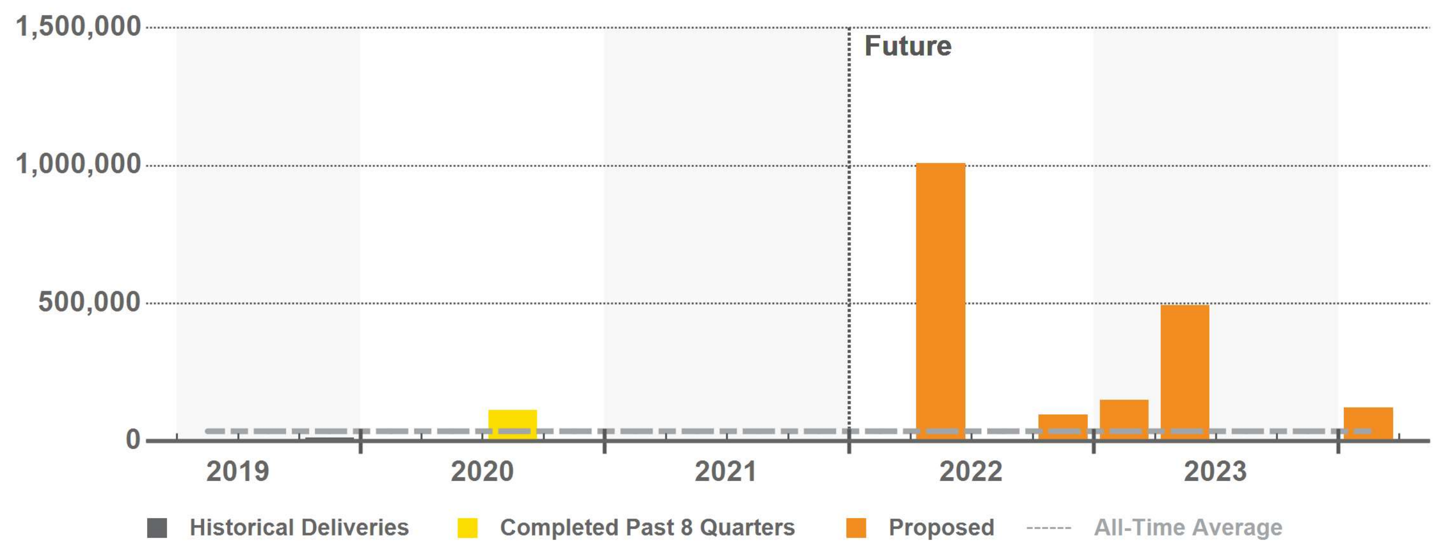
Construction

All-Time Annual Avg. Square Feet	Delivered Square Feet Past 8 Qtrs	Delivered Square Feet Next 8 Qtrs	Proposed Square Feet Next 8 Qtrs
146,828	114,701	0	1,870,372

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



PAST & FUTURE DELIVERIES IN SQUARE FEET



Construction

RECENT DELIVERIES

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	1319 Motor Cir	★★★☆☆	9,862	1	Dec 2019	Aug 2020	- Quadrant Investment Properties
2	1327 Motor Cir	★★★☆☆	3,922	1	Dec 2019	Aug 2020	- Quadrant Investment Properties
3	2636 Farrington St	★★★☆☆	8,466	1	Dec 2019	Jul 2020	- Quadrant Investment Properties
4	1506 Market Center Blvd	★★★☆☆	9,870	1	Dec 2019	Jul 2020	- Quadrant Investment Properties
5	1426 N Riverfront Blvd	★★★☆☆	4,333	1	Dec 2019	Jul 2020	- Kirkhopper Fine Art
6	2103-2119 Irving Blvd	★★★☆☆	14,832	1	Dec 2019	Jul 2020	- Quadrant Investment Properties
7	141-149 Manufacturing St	★★★☆☆	43,650	1	Dec 2019	Jul 2020	- Quadrant Investment Properties
8	111 Manufacturing Blvd	★★★☆☆	8,328	1	Dec 2019	Jul 2020	- Quadrant Investment Properties
9	4707 Algiers St	★★★☆☆	10,000	2	Dec 2019	Jul 2020	- -
10	11462 Newkirk St	★★★☆☆	1,438	1	-	Mar 2020	- -

PROPOSED

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	West Love 2345 Mockingbird Ln	★★★★☆	600,000	8	Jan 2022	Apr 2022	KDC Real Estate Development &… KDC Real Estate Development &…
2	East Love 2345 Mockingbird Ln	★★★★☆	250,000	8	Jan 2022	Apr 2023	KDC Real Estate Development &… KDC Real Estate Development &…
3	West Love 2345 Mockingbird Ln	★★★★☆	250,000	8	Jan 2022	Apr 2022	KDC Real Estate Development &… KDC Real Estate Development &…
4	The Design District Tower 1640 Edison St	★★★★★	243,100	19	Jan 2022	May 2023	- Dunhill Partners, Inc.
5	2122 W Mockingbird Ln	★★★★☆	158,000	4	Jan 2022	May 2022	Cawley Management, LLC Freeman
6	2221 W Mockingbird Ln	★★★★☆	150,000	4	Jan 2022	Jan 2023	Cawley Management, LLC Mockingbird FP LP
7	1333 Oak Lawn 1333 Oak Lawn Ave	★★★★☆	122,768	10	Feb 2022	Feb 2024	- Federal Capital Partners
8	1400 W Mockingbird Ln	★★★★☆	66,504	4	Jan 2022	Oct 2022	- -
9	111 Glass St	★★★☆☆	30,000	2	Jan 2022	Dec 2022	- -

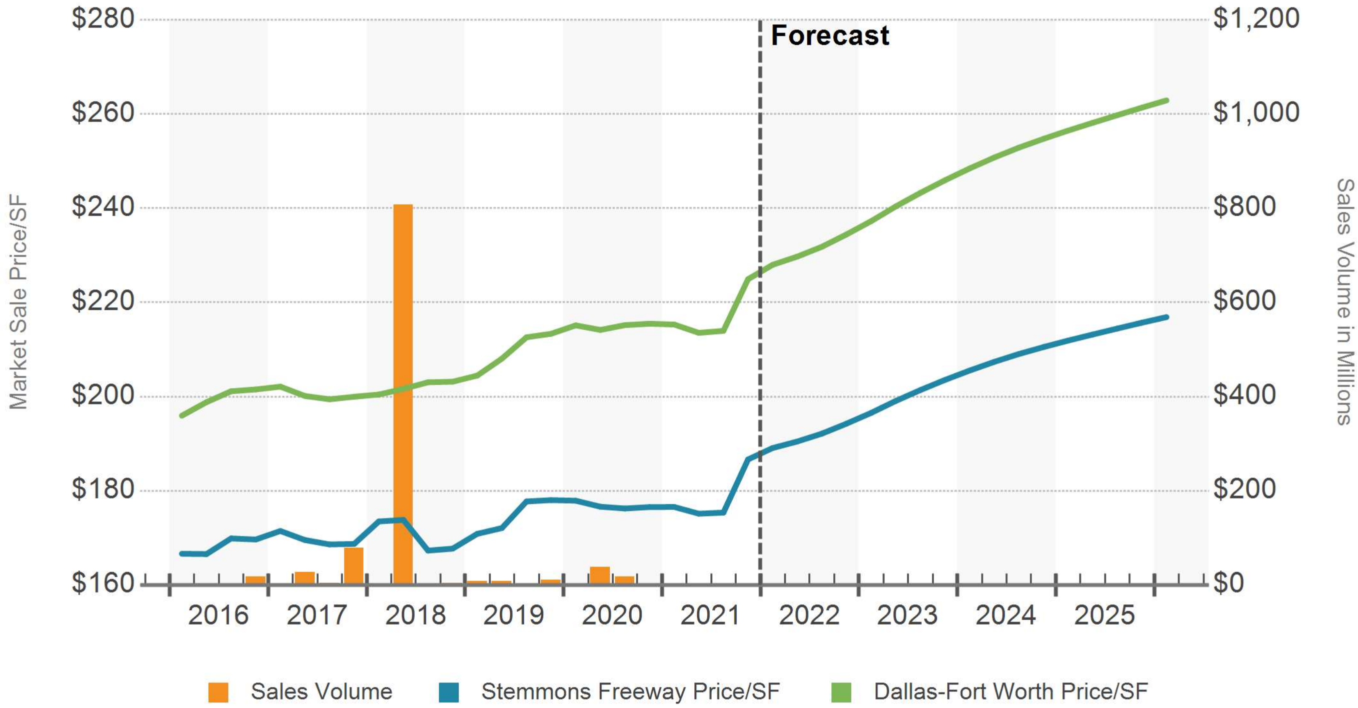
Stemmons Freeway has seen steady investment over the past few years, with annual turnover averaging more than 10% of inventory since 2015. Over the first half of the year, the submarket experienced 15 transactions totaling 600,000 SF of space, with 1341 W Mockingbird Ln accounting for 448,000 SF. Caddo Holdings sold the office building to Albany Road Real Estate Partners for an undisclosed amount in April. Due to the pandemic-driven recession and greater economic uncertainty, transactions have slowed through 2020 and into 2021.

The 157,000 SF One Mockingbird Plaza was one of the most significant transactions of 2019. The Brunetti Organization sold the property to Legacy Capital for an undisclosed amount.

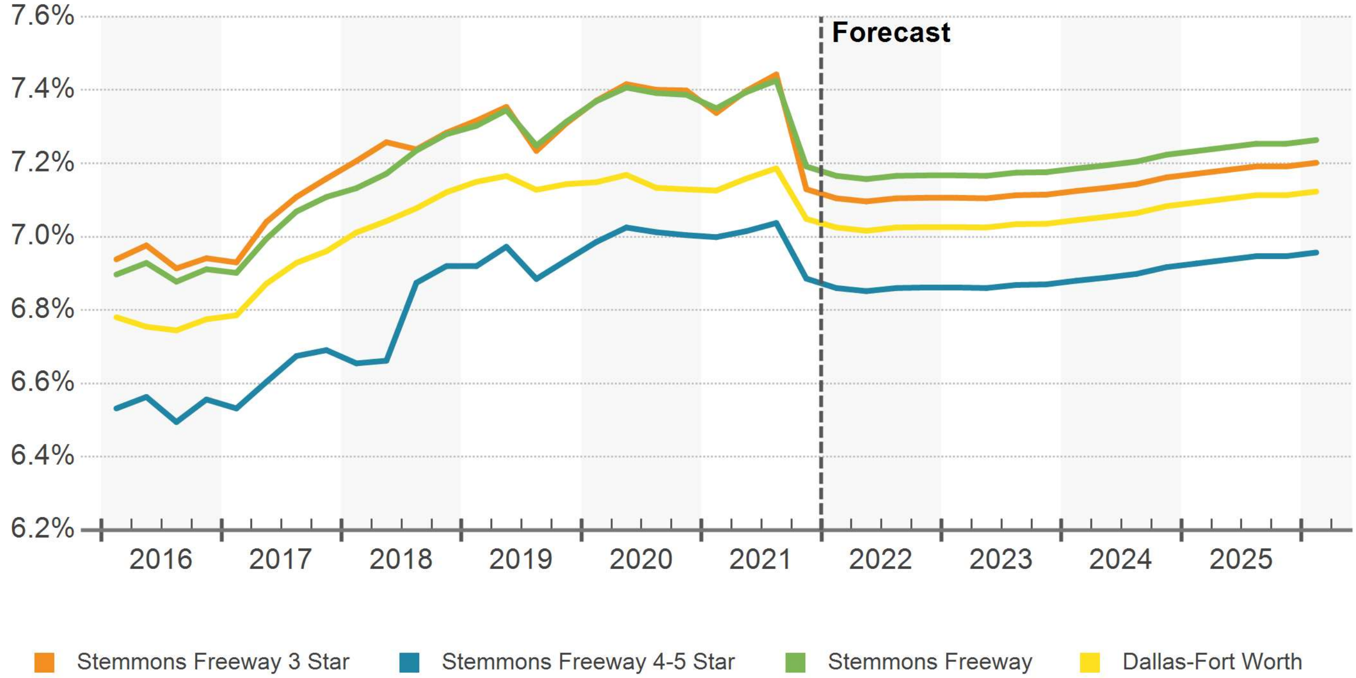
The April 2018 sale of the 1.6-million-SF Infomart significantly impacted volume, pricing, and turnover. The data center/office building reportedly sold for $800 million ($500/SF) to Equinix, a California-based REIT. The asset was roughly 85% leased at the time of sale.

Most activity has come in the value-add variety, as buyers look to reposition older, uncompetitive assets. For example, local firms like J Small Investments (Pegasus Place, former Salvation Army Headquarters) and the Ricchi Group (7800 Ricchi Tower, Ricchi Towers North & South) have snapped up large assets here over the past few years. In the deal involving Ricchi Towers North & South, the Ricchi Group picked up both buildings (449,000 SF) for $17 million in October 2016. The sale price per square foot on the deal ($38/SF) is one of the lowest in the entire metroplex for properties larger than 100,000 SF over the last decade.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE

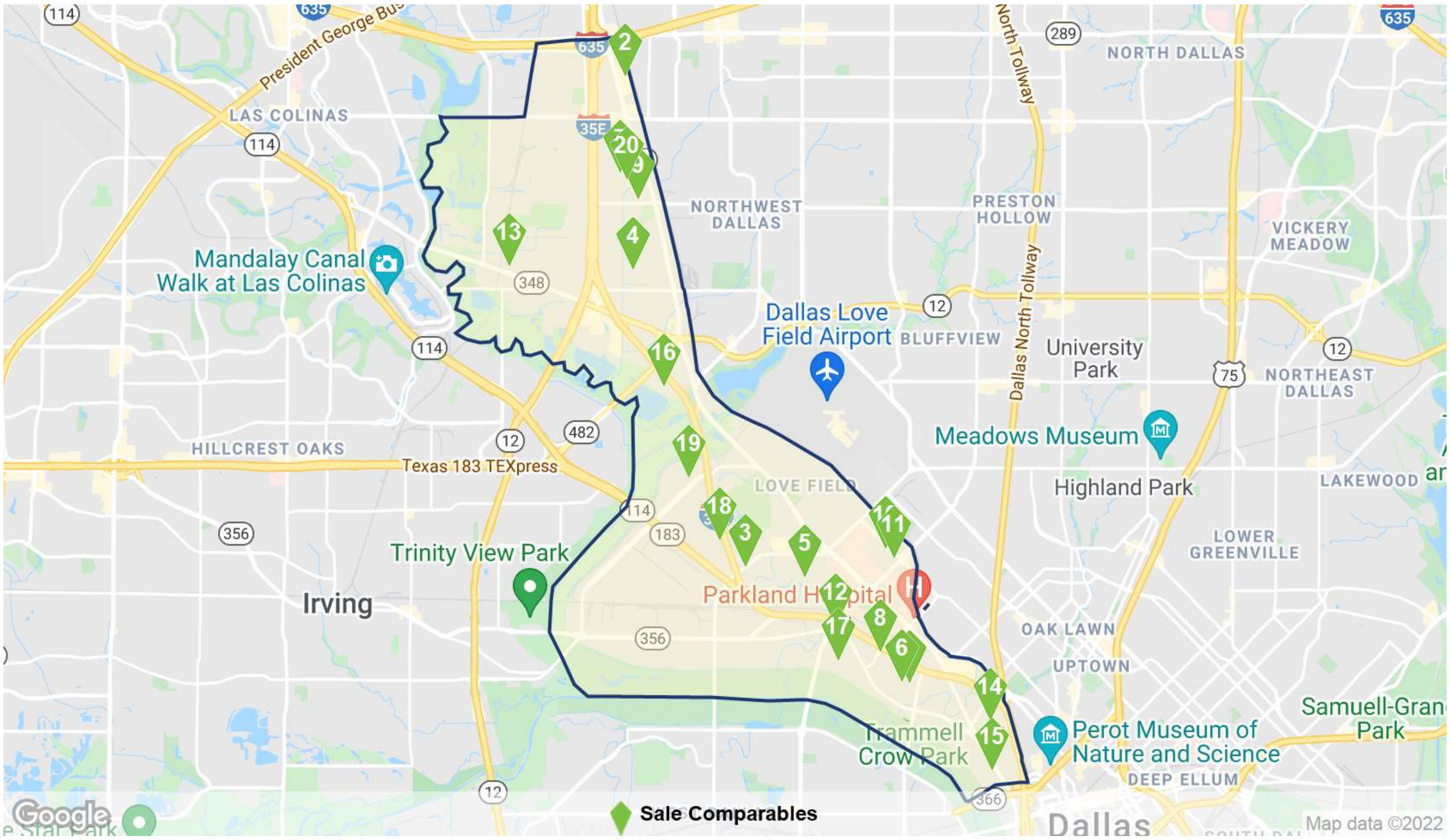


Sales Past 12 Months

Stemmons Freeway Office

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
26	**-**	**$45**	**18.2%**

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	$650,000	$650,000	$650,000	$650,000
Price/SF	$37	$45	$88	$139
Cap Rate	-	-	-	-
Time Since Sale in Months	0.0	5.2	4.5	11.1
Property Attributes	**Low**	**Average**	**Median**	**High**
Building SF	1,200	74,256	28,141	634,381
Stories	1	3	1	20
Typical Floor SF	1,200	20,047	17,356	61,450
Vacancy Rate At Sale	0%	18.2%	0%	100%
Year Built	1949	1971	1971	2001
Star Rating	★☆☆☆☆	★★☆☆☆ 2.5	★★☆☆☆	★★★★☆

Sales Past 12 Months

RECENT SIGNIFICANT SALES

		Property				Sale			
	Property Name - Address	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1	**2229-2231 Valdina St**	★★☆☆☆	1960	17,457	0%	12/20/2021	$650,000	$37	-
2	**Bldg C** 11532 Harry Hines Blvd	★★★☆☆	2009	1,443	8.4%	7/23/2021	$200,000	$139	-
3	**Comerica Bank Building** 1250 W Mockingbird Ln	★★★★☆	1978	125,924	11.9%	1/18/2022	-	-	-
4	**10606 Shady Trl**	★★☆☆☆	1984	3,280	4.9%	12/21/2021	-	-	-
5	**1621 Record Crossing Rd**	★★☆☆☆	1964	12,209	0%	12/1/2021	-	-	-
6	**2292 Vantage St**	★★★☆☆	1964	3,000	0%	11/30/2021	-	-	-
7	**11148-11162 Morrison Ln**	★★★☆☆	1981	2,250	0%	11/29/2021	-	-	-
8	**2525 N Stemmons Fwy**	★★★☆☆	1974	112,420	100%	11/5/2021	-	-	-
9	**Walnut Hill West** 2639 Walnut Hill Ln	★★☆☆☆	1971	53,130	33.7%	11/5/2021	-	-	-
10	**2419 Stutz Rd**	★☆☆☆☆	-	1,200	0%	11/2/2021	-	-	-
11	**5701 Maple Ave**	★★☆☆☆	1970	34,244	0%	10/26/2021	-	-	-
12	**Trinity Towers** 2777 N Stemmons Fwy	★★★★☆	1983	634,381	12.1%	10/4/2021	-	-	-
13	**Bldg I** 1841 W Northwest Hwy	★★☆☆☆	2001	6,514	0%	9/10/2021	-	-	-
14	**1528 Slocum St**	★★★☆☆	1954	11,000	0%	9/7/2021	-	-	-
15	**921 N Riverfront** 921 N Riverfront Blvd	★★★☆☆	1949	27,562	6.0%	9/1/2021	-	-	-
16	**SOHCO Lakeside Village II** 9755 Clifford Dr	★★★☆☆	2001	44,000	0%	9/1/2021	-	-	-
17	**4755-4763 Algiers St**	★★★★☆	2019	2,991	100%	8/2/2021	-	-	-
18	**Dallas Board of Realtors** 8201 N Stemmons Fwy	★★☆☆☆	1960	28,720	0%	7/2/2021	-	-	-
19	**Regal Plaza** 1499 Regal Row	★★☆☆☆	1978	61,450	26.0%	7/2/2021	-	-	-
20	**11117 Shady Trl**	★★★☆☆	1975	9,342	0%	6/14/2021	-	-	-

TXRE PROPERTIES

Supply & Demand Trends

Stemmons Freeway Office

OVERALL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2026	15,819,366	25,259	0.2%	17,839	0.1%	1.4
2025	15,794,107	27,139	0.2%	15,197	0.1%	1.8
2024	15,766,968	23,930	0.2%	41,102	0.3%	0.6
2023	15,743,038	851	0%	(79,140)	-0.5%	-
2022	15,742,187	(27,820)	-0.2%	108,805	0.7%	-
YTD	15,770,007	0	0%	160,310	1.0%	0
2021	15,770,007	0	0%	(109,992)	-0.7%	-
2020	15,770,007	(87,493)	-0.6%	(138,084)	-0.9%	-
2019	15,857,500	(158,933)	-1.0%	(200,632)	-1.3%	-
2018	16,016,433	325,000	2.1%	361,188	2.3%	0.9
2017	15,691,433	80,500	0.5%	209,503	1.3%	0.4
2016	15,610,933	43,322	0.3%	(369,976)	-2.4%	-
2015	15,567,611	(25,190)	-0.2%	9,868	0.1%	-
2014	15,592,801	(94,375)	-0.6%	296,245	1.9%	-
2013	15,687,176	0	0%	(85,887)	-0.5%	-
2012	15,687,176	(62,910)	-0.4%	(133,158)	-0.8%	-
2011	15,750,086	310,856	2.0%	178,804	1.1%	1.7
2010	15,439,230	(14,904)	-0.1%	166,518	1.1%	-

4 & 5 STAR SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2026	5,374,932	65,300	1.2%	51,293	1.0%	1.3
2025	5,309,632	66,739	1.3%	50,663	1.0%	1.3
2024	5,242,893	63,129	1.2%	48,887	0.9%	1.3
2023	5,179,764	39,721	0.8%	(7,307)	-0.1%	-
2022	5,140,043	1,143	0%	186,903	3.6%	0
YTD	5,138,900	0	0%	174,071	3.4%	0
2021	5,138,900	0	0%	37,155	0.7%	0
2020	5,138,900	0	0%	(44,502)	-0.9%	-
2019	5,138,900	15,774	0.3%	10,523	0.2%	1.5
2018	5,123,126	414,000	8.8%	310,833	6.1%	1.3
2017	4,709,126	63,000	1.4%	122,790	2.6%	0.5
2016	4,646,126	0	0%	48,978	1.1%	0
2015	4,646,126	0	0%	(125,727)	-2.7%	-
2014	4,646,126	0	0%	206,421	4.4%	0
2013	4,646,126	0	0%	(25,956)	-0.6%	-
2012	4,646,126	0	0%	47,881	1.0%	0
2011	4,646,126	0	0%	(3,191)	-0.1%	-
2010	4,646,126	0	0%	(101,732)	-2.2%	-

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3 STAR SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2026	7,128,957	0	0%	(1,981)	0%	-
2025	7,128,957	0	0%	(5,874)	-0.1%	-
2024	7,128,957	0	0%	14,846	0.2%	0
2023	7,128,957	0	0%	(26,547)	-0.4%	-
2022	7,128,957	0	0%	(13,810)	-0.2%	-
YTD	7,128,957	0	0%	(3,323)	0%	-
2021	7,128,957	0	0%	(136,919)	-1.9%	-
2020	7,128,957	81,077	1.2%	42,725	0.6%	1.9
2019	7,047,880	(174,707)	-2.4%	(249,448)	-3.5%	-
2018	7,222,587	(89,000)	-1.2%	108,798	1.5%	-
2017	7,311,587	17,500	0.2%	(72,437)	-1.0%	-
2016	7,294,087	80,117	1.1%	(289,464)	-4.0%	-
2015	7,213,970	(20,350)	-0.3%	69,481	1.0%	-
2014	7,234,320	10,625	0.1%	132,674	1.8%	0.1
2013	7,223,695	0	0%	37,390	0.5%	0
2012	7,223,695	(42,581)	-0.6%	(118,240)	-1.6%	-
2011	7,266,276	315,856	4.5%	367,404	5.1%	0.9
2010	6,950,420	0	0%	250,060	3.6%	0

1 & 2 STAR SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2026	3,315,477	(40,041)	-1.2%	(31,473)	-0.9%	-
2025	3,355,518	(39,600)	-1.2%	(29,592)	-0.9%	-
2024	3,395,118	(39,199)	-1.1%	(22,631)	-0.7%	-
2023	3,434,317	(38,870)	-1.1%	(45,286)	-1.3%	-
2022	3,473,187	(28,963)	-0.8%	(64,288)	-1.9%	-
YTD	3,502,150	0	0%	(10,438)	-0.3%	-
2021	3,502,150	0	0%	(10,228)	-0.3%	-
2020	3,502,150	(168,570)	-4.6%	(136,307)	-3.9%	-
2019	3,670,720	0	0%	38,293	1.0%	0
2018	3,670,720	0	0%	(58,443)	-1.6%	-
2017	3,670,720	0	0%	159,150	4.3%	0
2016	3,670,720	(36,795)	-1.0%	(129,490)	-3.5%	-
2015	3,707,515	(4,840)	-0.1%	66,114	1.8%	-
2014	3,712,355	(105,000)	-2.8%	(42,850)	-1.2%	-
2013	3,817,355	0	0%	(97,321)	-2.5%	-
2012	3,817,355	(20,329)	-0.5%	(62,799)	-1.6%	-
2011	3,837,684	(5,000)	-0.1%	(185,409)	-4.8%	-
2010	3,842,684	(14,904)	-0.4%	18,190	0.5%	-

OVERALL RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2026	$26.51	-	2.4%	18.0%	3,538,499	22.4%	0%
2025	$25.97	-	2.6%	15.6%	3,530,767	22.4%	0%
2024	$25.32	-	3.5%	12.6%	3,518,614	22.3%	-0.1%
2023	$24.47	-	4.4%	8.9%	3,535,524	22.5%	0.5%
2022	$23.43	-	4.3%	4.3%	3,455,247	21.9%	-0.8%
YTD	$22.54	-	1.5%	0.3%	3,431,325	21.8%	-1.0%
2021	$22.47	-	1.3%	0%	3,591,635	22.8%	0.7%
2020	$22.19	-	0.6%	-1.3%	3,481,643	22.1%	0.4%
2019	$22.06	-	4.4%	-1.8%	3,431,052	21.6%	0.5%
2018	$21.14	-	2.6%	-5.9%	3,389,353	21.2%	-0.7%
2017	$20.61	-	4.2%	-8.3%	3,425,541	21.8%	-0.9%
2016	$19.77	-	1.6%	-12.0%	3,554,544	22.8%	2.6%
2015	$19.46	-	6.9%	-13.4%	3,141,246	20.2%	-0.2%
2014	$18.20	-	3.5%	-19.0%	3,176,304	20.4%	-2.4%
2013	$17.58	-	5.1%	-21.8%	3,566,924	22.7%	0.5%
2012	$16.72	-	3.1%	-25.6%	3,481,037	22.2%	0.5%
2011	$16.22	-	-1.4%	-27.8%	3,410,789	21.7%	0.4%
2010	$16.45	-	-3.1%	-26.8%	3,278,737	21.2%	-1.2%

4 & 5 STAR RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2026	$28.43	-	2.5%	18.8%	1,085,604	20.2%	0%
2025	$27.83	-	2.7%	16.3%	1,071,626	20.2%	0%
2024	$27.10	-	3.6%	13.2%	1,055,586	20.1%	0%
2023	$26.16	-	4.6%	9.3%	1,041,380	20.1%	0.8%
2022	$25.03	-	4.6%	4.6%	994,385	19.3%	-3.6%
YTD	$24.01	-	0.6%	0.4%	1,006,083	19.6%	-3.4%
2021	$23.93	-	0.3%	0%	1,180,154	23.0%	-0.7%
2020	$23.86	-	1.5%	-0.3%	1,217,309	23.7%	0.9%
2019	$23.51	-	7.3%	-1.7%	1,172,807	22.8%	0%
2018	$21.91	-	4.5%	-8.4%	1,167,556	22.8%	0.2%
2017	$20.98	-	4.1%	-12.3%	1,064,389	22.6%	-1.6%
2016	$20.14	-	4.4%	-15.8%	1,124,179	24.2%	-1.1%
2015	$19.29	-	9.4%	-19.4%	1,173,157	25.3%	2.7%
2014	$17.64	-	9.0%	-26.3%	1,047,430	22.5%	-4.4%
2013	$16.18	-	4.5%	-32.4%	1,253,851	27.0%	0.6%
2012	$15.49	-	3.9%	-35.3%	1,227,895	26.4%	-1.0%
2011	$14.91	-	-3.0%	-37.7%	1,275,776	27.5%	0.1%
2010	$15.37	-	-1.4%	-35.8%	1,272,585	27.4%	2.2%

3 STAR RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2026	$27.26	-	2.4%	18.4%	1,588,337	22.3%	0%
2025	$26.70	-	2.6%	15.9%	1,586,356	22.3%	0.1%
2024	$26.03	-	3.5%	13.0%	1,580,482	22.2%	-0.2%
2023	$25.15	-	4.4%	9.2%	1,595,328	22.4%	0.4%
2022	$24.09	-	4.6%	4.6%	1,568,781	22.0%	0.2%
YTD	$23.13	-	2.1%	0.5%	1,558,293	21.9%	0%
2021	$23.03	-	1.7%	0%	1,554,970	21.8%	1.9%
2020	$22.65	-	0.7%	-1.6%	1,418,051	19.9%	0.3%
2019	$22.49	-	3.3%	-2.3%	1,379,699	19.6%	1.5%
2018	$21.78	-	1.3%	-5.4%	1,304,958	18.1%	-2.5%
2017	$21.49	-	3.3%	-6.7%	1,502,756	20.6%	1.2%
2016	$20.81	-	-1.2%	-9.6%	1,412,819	19.4%	4.9%
2015	$21.07	-	5.8%	-8.5%	1,043,238	14.5%	-1.2%
2014	$19.92	-	2.2%	-13.5%	1,133,069	15.7%	-1.7%
2013	$19.49	-	6.3%	-15.4%	1,255,118	17.4%	-0.5%
2012	$18.34	-	2.2%	-20.4%	1,292,508	17.9%	1.1%
2011	$17.93	-	-0.3%	-22.1%	1,216,849	16.7%	-1.5%
2010	$17.99	-	-4.2%	-21.9%	1,268,397	18.2%	-3.6%

1 & 2 STAR RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2026	$22.17	-	2.2%	15.4%	864,558	26.1%	0.1%
2025	$21.76	-	2.4%	13.3%	872,785	26.0%	0%
2024	$21.26	-	3.3%	10.7%	882,546	26.0%	-0.2%
2023	$20.59	-	4.2%	7.2%	898,816	26.2%	0.5%
2022	$19.76	-	2.8%	2.8%	892,081	25.7%	1.2%
YTD	$19.15	-	1.6%	-0.3%	866,949	24.8%	0.3%
2021	$19.21	-	2.2%	0%	856,511	24.5%	0.3%
2020	$18.81	-	-1.3%	-2.1%	846,283	24.2%	0.2%
2019	$19.07	-	1.8%	-0.8%	878,546	23.9%	-1.0%
2018	$18.72	-	2.5%	-2.6%	916,839	25.0%	1.6%
2017	$18.26	-	6.8%	-4.9%	858,396	23.4%	-4.3%
2016	$17.11	-	4.0%	-11.0%	1,017,546	27.7%	2.8%
2015	$16.45	-	5.8%	-14.4%	924,851	24.9%	-1.9%
2014	$15.55	-	-1.3%	-19.1%	995,805	26.8%	-0.9%
2013	$15.75	-	3.3%	-18.0%	1,057,955	27.7%	2.5%
2012	$15.25	-	4.0%	-20.6%	960,634	25.2%	1.2%
2011	$14.66	-	-1.6%	-23.7%	918,164	23.9%	4.7%
2010	$14.90	-	-2.9%	-22.5%	737,755	19.2%	-0.8%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2026	-	-	-	-	-	-	$220.41	261	7.3%
2025	-	-	-	-	-	-	$215.68	255	7.3%
2024	-	-	-	-	-	-	$210.51	249	7.2%
2023	-	-	-	-	-	-	$203.53	241	7.2%
2022	-	-	-	-	-	-	$194.25	230	7.2%
YTD	1	$0	0.8%	-	-	-	$187.49	222	7.2%
2021	16	$650K	6.8%	$650,000	$37.23	-	$186.65	221	7.2%
2020	24	$54.5M	5.3%	$27,250,000	$98.47	-	$176.55	209	7.4%
2019	18	$27.1M	5.3%	$3,789,286	$133.95	10.3%	$178.02	211	7.3%
2018	21	$810.9M	14.8%	$202,728,800	$463.84	-	$167.72	199	7.3%
2017	26	$111.4M	11.0%	$12,372,904	$96.03	6.3%	$168.72	200	7.1%
2016	34	$17M	9.4%	$8,500,000	$37.86	-	$169.65	201	6.9%
2015	27	$59.6M	19.1%	$14,912,237	$81.02	10.0%	$165.94	197	6.9%
2014	15	$3.5M	2.1%	$867,500	$33.88	-	$150.31	178	7.0%
2013	26	$45.7M	8.6%	$9,148,806	$93.01	8.0%	$136.31	161	7.3%
2012	25	$1.2M	7.0%	$1,200,000	$60.61	-	$119.95	142	7.8%
2011	8	$645K	1.0%	$215,000	$38.86	-	$111.87	133	8.1%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2026	-	-	-	-	-	-	$298	271	7.0%
2025	-	-	-	-	-	-	$291.21	264	6.9%
2024	-	-	-	-	-	-	$283.82	258	6.9%
2023	-	-	-	-	-	-	$274.06	249	6.9%
2022	-	-	-	-	-	-	$261.06	237	6.9%
YTD	1	$0	2.5%	-	-	-	$251.21	228	6.9%
2021	2	$0	12.4%	-	-	-	$250.11	227	6.9%
2020	2	$37.5M	9.6%	$37,500,000	$78.12	-	$244.62	222	7.0%
2019	1	$0	3.1%	-	-	-	$244.99	222	6.9%
2018	1	$800M	31.2%	$800,000,000	$500	-	$225	204	6.9%
2017	4	$87M	22.1%	$43,497,633	$110.09	-	$234.02	213	6.7%
2016	-	-	-	-	-	-	$231.12	210	6.6%
2015	4	$54M	41.5%	$54,000,000	$85.12	-	$226.63	206	6.5%
2014	-	-	-	-	-	-	$195.05	177	6.7%
2013	-	-	-	-	-	-	$181.43	165	6.9%
2012	1	$0	3.4%	-	-	-	$150.29	136	7.5%
2011	-	-	-	-	-	-	$143.57	130	7.7%

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Sale Trends

Stemmons Freeway Office

3 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2026	-	-	-	-	-	-	$200.70	258	7.2%
2025	-	-	-	-	-	-	$196.44	253	7.2%
2024	-	-	-	-	-	-	$191.79	247	7.2%
2023	-	-	-	-	-	-	$185.52	239	7.1%
2022	-	-	-	-	-	-	$177.18	228	7.1%
YTD	-	-	-	-	-	-	$171	220	7.1%
2021	5	$0	2.7%	-	-	-	$170.20	219	7.1%
2020	13	$0	2.5%	-	-	-	$155.50	200	7.4%
2019	9	$7.8M	6.6%	$3,887,500	$235.26	13.4%	$158.12	203	7.3%
2018	7	$0	5.5%	-	-	-	$151.60	195	7.3%
2017	9	$19.5M	6.4%	$4,877,059	$59.87	6.3%	$148.09	191	7.2%
2016	13	$17M	12.3%	$8,500,000	$37.86	-	$150.65	194	6.9%
2015	3	$3M	1.8%	$2,950,000	$82.40	-	$147.21	189	6.9%
2014	2	$0	0.9%	-	-	-	$139.86	180	6.9%
2013	11	$44.4M	12.7%	$14,798,333	$96.02	8.0%	$124.47	160	7.4%
2012	12	$1.2M	8.5%	$1,200,000	$60.61	-	$113.65	146	7.8%
2011	1	$0	0.3%	-	-	-	$104.82	135	8.1%

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1 & 2 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2026	-	-	-	-	-	-	$146.69	243	7.8%
2025	-	-	-	-	-	-	$144.02	239	7.8%
2024	-	-	-	-	-	-	$141.02	234	7.8%
2023	-	-	-	-	-	-	$136.71	227	7.7%
2022	-	-	-	-	-	-	$130.97	217	7.7%
YTD	-	-	-	-	-	-	$127.56	211	7.8%
2021	9	$650K	6.6%	$650,000	$37.23	-	$127.02	211	7.8%
2020	9	$17M	4.5%	$17,000,000	$231.36	-	$119.49	198	7.9%
2019	8	$19.4M	5.8%	$3,750,000	$114.19	8.8%	$120.28	199	7.9%
2018	13	$10.9M	10.0%	$3,638,400	$73.62	-	$116.47	193	7.8%
2017	13	$4.9M	5.8%	$1,617,545	$111.34	-	$114.89	190	7.6%
2016	21	$0	15.7%	-	-	-	$118.14	196	7.4%
2015	20	$2.7M	24.8%	$1,349,474	$40.89	10.0%	$115.02	191	7.3%
2014	13	$3.5M	7.0%	$867,500	$33.88	-	$105.93	176	7.5%
2013	15	$1.3M	11.1%	$674,515	$45.75	-	$94.19	156	7.9%
2012	12	$0	8.5%	-	-	-	$88.24	146	8.2%
2011	7	$645K	3.3%	$215,000	$38.86	-	$79.70	132	8.7%

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