

Big-Box Market Report

DALLAS-FORT WORTH Q3 2020

AVG QUOTED RENT \$4.64

EXISTING BIG-BOX BY SIZE

RANGE	# BLDGS	# VACANCIES
200,000-499,999 SF	416	45
500,000-749,999 SF	187	11
750,000+ SF	78	6

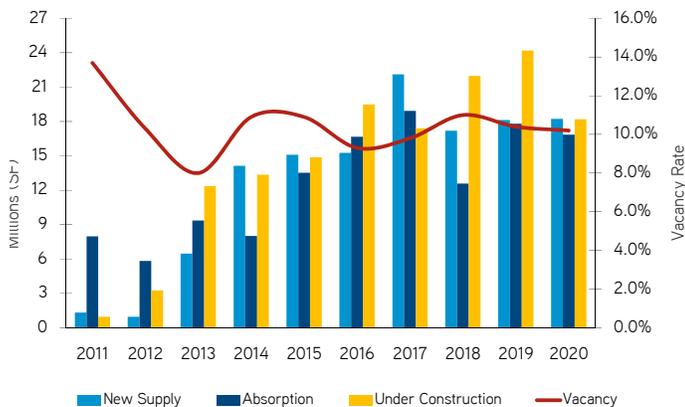


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KEY TAKEAWAYS

- > The DFW Big-Box market continues to shine during these trying times. Vacancy levels are holding steady at 10.2%, while absorption is heading for a new all-time high annual record. Currently, at 16.9 million square feet, the total should easily surpass 20 million square feet for the year with the expectation of several large tenants moving in later this year. There is no slow down anticipated in this sector as more national distributors look to take advantage of the abundance and low cost of labor throughout the metroplex.
- > Construction, while strong with 36 buildings comprising 18.1 million square feet, is at the lowest levels seen since the fourth quarter of 2017. With much of these buildings being built on a speculative basis, tenants looking for space have abundant options with 107 options available in the 100,000 to 500,000 square foot range and 25 options with over 500,000 square feet available.

ABSORPTION, DELIVERIES, VACANCY AND UNDER CONSTRUCTION



Market Indicators

Relative to prior period	Quarterly Change	Quarterly Forecast*
Vacancy	↑	↑
Net Absorption	↑	↑
Construction	↓	↓
Rental Rate	↑	↓

*Projected

Summary Statistics

DFW Big-Box Market	Q3 2019	Q3 2020
# Buildings	551	602
Total Inventory (SF) (Millions Square Feet)	250.0	276.7
Vacancy Rate	9.4%	10.2%
Absorption YTD (Millions Square Feet)	8.3	16.9
New Supply YTD		
# Bldgs	8	34
Square Feet (Millions)	5.1	18.2
Under Construction		
# Bldgs	47	36
Square Feet (Millions)	28.3	18.2

Asking Rents

Per Square Foot Per Year	Q3 2019	Q3 2020
Average Quoted Rate (NNN)	\$3.84	\$4.64

NOTABLE LEASING ACTIVITY

Tenant	Address	Submarket	SF Leased	Deal Type	Sign Date
Uline	2600 Rental Car Dr	DFW Airport	1,106,315	New	Aug-20
Amazon	9155 Southlink Dr	South Dallas	1,044,647	New	Aug-20
Uline	2601 W Rochelle Rd	DFW Airport	494,238	New	Aug-20
Best Choice Products, Inc	5151 Samuell Blvd	East Dallas	442,035	New	Aug-20
HelloFresh	2700 Market St	DFW Airport	374,812	New	Aug-20
GameStop Corp.	625 Westport Pky	DFW Airport	360,000	New	Jul-20
Navistar Defense	4038 Rock Quarry Rd	West I-30 Corridor	360,000	Renewal	Sep-20
Pratt Industries	9209 Old Hickory Trl	South Dallas	294,952	Renewal	Jul-20
BrightStar Care	350 Lakeside Pky	Far North I-35 Corridor	274,994	New	Jul-20

DFW BIG-BOX INVESTMENT MARKET

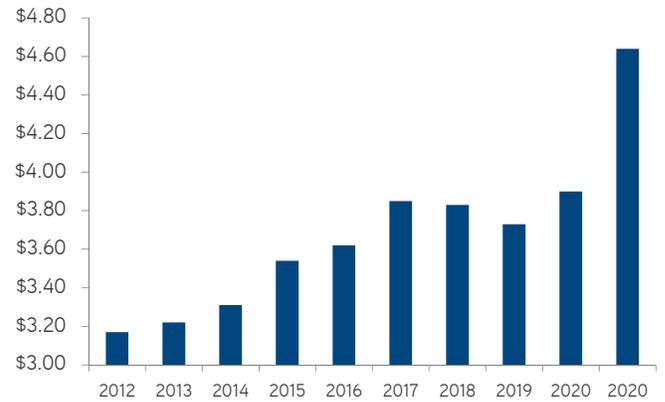
NOTABLE SALES ACTIVITY

Property	Submarket	Sale Date	Sales Price	Size (SF)	PSF	Buyer
1500 Akron Way	Outlying	Jul-20	\$70,970,816	1,207,538	\$59	Stockbridge
2200 Heritage Pky	Great Southwest	Jul-20	\$18,000,000	459,868	\$39	Sellmark Corporation
770 Gateway Blvd	DFW Airport	May-20	\$37,440,000	394,000	\$95	Suntrust Equity Funding, LLC
1050 Luna Rd	Far North I-35E Corridor	May-20	\$31,500,000	281,092	\$112	Black Creek Group
1200 W Wintergreen Rd	South Dallas	Apr-20	\$44,500,00	754,897	\$59	Cabot Properties
1201 & 1301 NE Loop 820	North Fort Worth	Mar 20	\$41,000,000	491,000	\$84	Longpoint Realty Partners
1401 Chalk Hill & 4775 Tinsley Rd	West I-30 Corridor	Mar 20	\$45,200,000	1,281,714	\$67	Clarion Partners
7550 Oak Grove Rd	South Fort Worth	Mar-20	\$92,250,000	1,128,165	\$82	CIM
9890 Bonnie View Rd	South Dallas	Dec-19	\$35,900,000	626,439	\$57	SCM South Dallas, LLC
301 Freedom Dr	Alliance	Dec-19	\$27,830,000	404,000	\$69	General Motors LLC

CAP RATES AND SALE TRENDS - US BIG-BOX



AVERAGE ASKING RENTAL RATES (NNN)



DFW BIG-BOX AVAILABLE SPACE

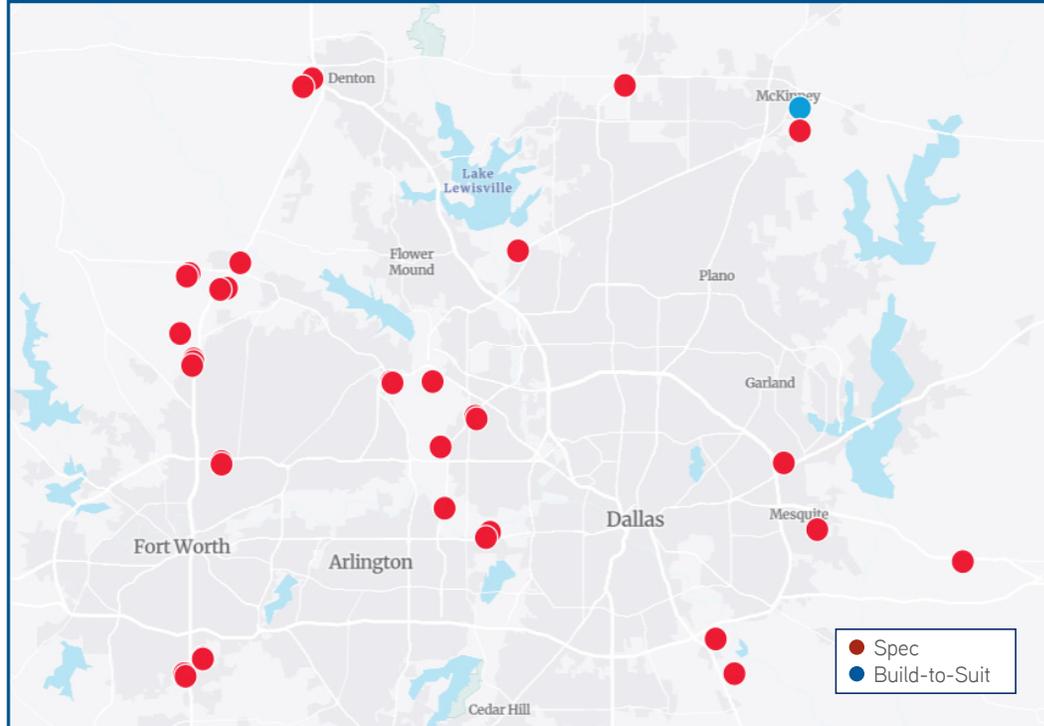
MAXIMUM CONTIGUOUS AVAILABILITIES BY SUBMARKET

Colliers Market	Total Vacant SF	Total Vacant %	100K - 249K	250K - 499K	500K to 749K	750K - 999K	1M+
Alliance	5,720,298	13.8%	16	11	4	4	3
DFW Airport	2,688,109	6.6%	17	2	1	0	0
East Dallas	1,354,870	14.3%	2	2	1	-	-
Far North I-35E	1,629,098	6.2%	8	3	1	-	-
Great Southwest	2,553,714	6.5%	10	6	1	-	-
Metropolitan-Addison	0	0.0%	-	-	-	-	-
North Fort Worth	2,729,113	19.3%	7	2	1	1	1
North I-35E Corridor	551,844	75.9%	-	-	-	-	-
North US 75 Corridor	389,378	7.8%	2	-	-	-	-
Northeast Dallas	667,673	7.3%	2	2	-	-	-
South Dallas	8,351,782	15.0%	15	10	7	2	1
South Fort Worth	685,690	11.2%	6	5	-	-	-
West I-30 Corridor	925,881	4.6%	4	2	3	2	-
Outlying Market	0	0.0%	-	-	-	-	-
TOTAL DFW MARKET	28,247,450	10.2%	89	45	19	9	5

DFW BIG-BOX CONSTRUCTION SNAPSHOT

PROPERTY	SUBMARKET	DELIVERY DATE	RBA	SPEC OR BTS
2600 Rental Car Dr	DFW Airport	4Q 2020	1,106,315	Spec
1300 E Fulghum Rd	South Dallas	1Q 2021	1,039,360	Spec
15221 N Beach St	Alliance	1Q 2021	810,908	Spec
North Beach St	Alliance	2Q 2021	810,908	Spec
E Cleveland Rd	South Dallas	4Q 2020	800,737	Spec
FM 156	Alliance	2Q 2020	754,473	Spec
1500 Industrial Blvd	North US 75 Corridor	1Q 2021	720,000	BTS
11501 North Fwy	Alliance	4Q 2020	707,000	Spec
W Everman Parkway & I-35	South Fort Worth	1Q 2021	678,568	Spec
580 Harmon Rd	Alliance	1Q 2021	671,034	Spec
3101 W Oak St	Far North I-35E Corridor	3Q 2020	648,726	Spec
3150 State Highway 161	DFW Airport	1Q 2021	646,190	Spec
1113 W Oakdale Rd	Great Southwest	3Q 2020	576,123	Spec
17801 I-35 W Frontage Rd	Alliance	3Q 2020	460,248	Spec
1901 Midway Rd	Far North I-35E Corridor	4Q 2020	433,710	Spec
1001 Mustang Dr	DFW Airport	1Q 2020	432,320	Spec
4251 Northern Cross Blvd	North Fort Worth	1Q 2021	427,908	Spec
1440 E Kearney St	East Dallass	3Q 2020	407,195	Spec
951 Mustang Dr	DFW Airport	1Q 2020	401,280	Spec
16 Additional Buildings Under Construction			4,867,853	
				% RELEASED
Total Spec Under Construction			16,680,856	13.8%
Total BTS Under Construction			720,000	-
TOTAL UNDER CONSTRUCTION			17,400,856	-

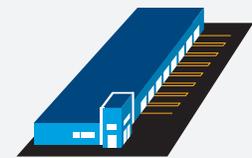
BIG-BOX PROPERTIES UNDER CONSTRUCTION



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What constitutes a Big-Box building?

- 200,000 square feet or larger industrial buildings
- Primarily used for warehousing and/or distribution
- Ceiling heights of 28' clear or greater
- Pre-cast or tilt-up concrete construction

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