

# OFFICE MARKET



## Office Vacancy Is Already Peaking In Dallas+Fort Worth

Small & Mid-Size Businesses Rally & Create Tailwinds For Market Recovery

### EXECUTIVE SUMMARY

#### Major Market Highlights:

- Dallas, Houston, and Austin continue to lead the nation in returning to the office at around 50% occupancy (Kastle Systems)
- Leasing velocity has sharply accelerated back to **pre-pandemic levels** as pent-up demand is coming to market
- Vacancy rates **decreased 40 bps** in Class A properties and increased only 10 bps in Class B properties
- The market is beginning to absorb sublease space, although two large listings caused the total amount to increase
- Inflation is exerting upward pressure on office rents, which are growing faster than normal at this point in the recovery cycle

### OUTLOOK

#### How We Forecast That Vacancy Is Peaking

As Transwestern Research highlighted last quarter, a growing number of economic indicators are signaling a business cycle shift that will drive the office market into the Recovery phase of the real estate cycle:

- The Dallas Fed's *Business Cycle Index* has accurately predicted Dallas office absorption for the past 40 years. In July, **this signal flashed green** for leasing activity and leasing velocity immediately ramped up
- Employment in office-using industries continues growing and is now 29,000 jobs above pre-pandemic levels
- Sublease space—which often telegraphs future movement in vacancy rates—**would have decreased** but for two large listings in the CBD/Deep Ellum submarkets.

Leasing velocity is now strong enough to decrease direct vacant availability to approximately 17.3% next quarter. However, Transwestern Research expects the market to meet or slightly exceed the second quarter's high of 17.5% as 768 kSF of vacant space delivers next quarter. The market will then likely be positioned for decreasing vacancy rates through 2022, provided the current pace of economic growth continues.

### TRENDLINES

5-YEAR TREND      CURRENT QUARTER

#### DIRECT VACANT AVAILABLE

**17.5%**  
Down in Class A, up slightly in Class B

#### NET ABSORPTION

**37 KSF**  
12-month absorption is negative 5.9 MSF

#### SUBLEASE SPACE AVAILABLE

**9.85 MSF**  
Slight uptick from two large listings

#### CLASS A RENTS

**\$34.28 PSF**  
Up 3.1% from last year across the market

#### CLASS B RENTS

**\$22.33 PSF**  
Up 2.5% from last year across the market

#### UNDER CONSTRUCTION

**5.4 MSF**  
Spec projects facing cost pressure

RENTAL RATES & AVAILABILITY

**Inflation Is Pressuring Rental Rates**

Direct asking rents are up +3.7% in Class A properties and +2.5% in Class B properties, or +6.4% from pre-pandemic levels. This growth is remarkable given that vacancy rates remain at recessionary highs, which could reflect an inflation premium rather than conventional pressure from tightening vacancies and increased competition for space. If this is the case, stronger rent growth may be coming in 2022 as vacancies begin winding down, pent-up demand rapidly intensifies competition for quality space, and inflation remains elevated.

One notable trend is properties exchanging Net Electric lease rates for Triple Net rates to improve cost recovery. While quoted base rents often appear \$5-\$10 lower, savvy landlords are in fact achieving \$1-2 increases in gross rates once expenses are factored in. This also allows landlords to pass on further inflation in expenses without impacting their ability to maintain or raise the advertised base rental rate.

Sublease availability would have declined by 100 kSF this quarter but for two large listings—Uber's 472 kSF space at The Epic II and Omnitracs' 113 kSF at 717 Harwood. Nevertheless, more sublease space is being leased or re-occupied and the rent discount shrank from 17% to 14% in Class A properties.

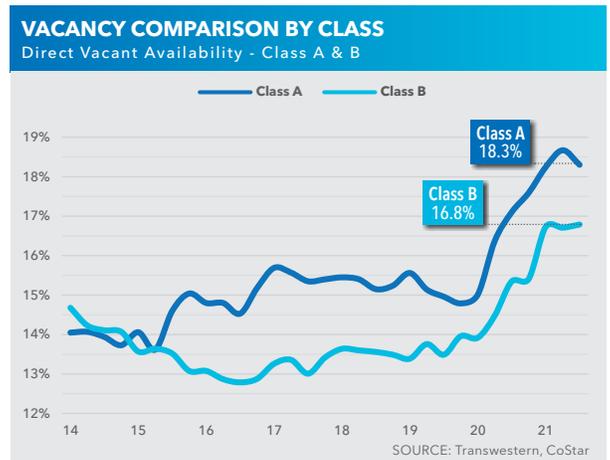
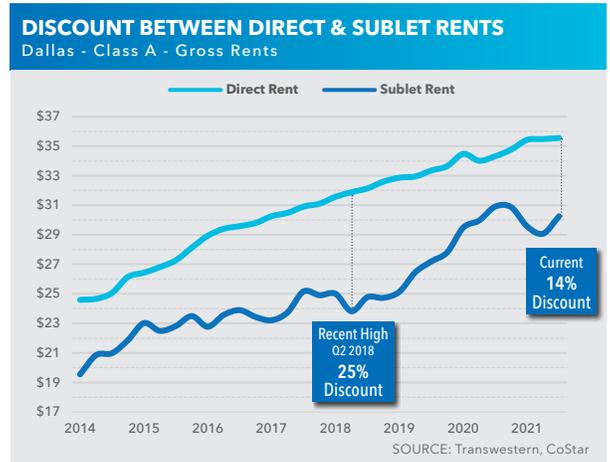
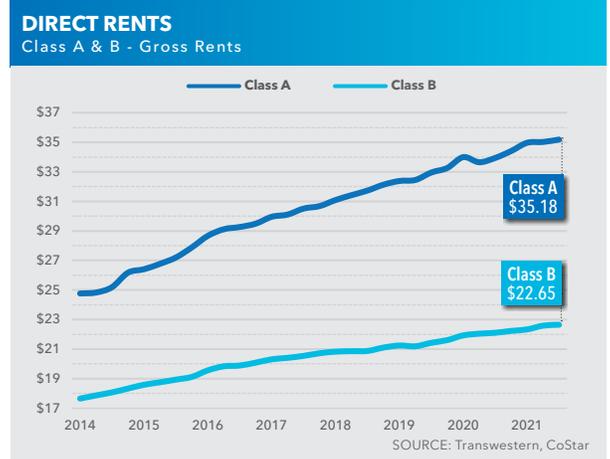
LEASING, VACANCY & ABSORPTION

**Leasing Velocity Returns To Pre-Pandemic Levels**

Leasing activity increased another 30% from the previous quarter to reach pre-pandemic levels of 4.7 MSF. Small and mid-size users are leading the recovery, while larger tenants (>100 kSF) are taking longer to re-enter the market as they continue implementing plans to return to the office.

Greater leasing and delivery of JPMorgan's new campus building at Legacy West drove Class A net absorption to reach **positive 341 kSF** this quarter. Excluding JPMorgan leaves Class A net absorption at negative 159 kSF, a solid improvement from the negative 468 kSF of last quarter. Net absorption in Class B properties also improved to just negative 85 kSF.

Direct vacant availability dropped 20 bps to 17.5% driven by strong movement in Class A properties. As previously discussed, Transwestern Research expects this to briefly tick higher next quarter due to speculative deliveries.



**CONSTRUCTION**

**New Development Challenged by Costs**

Construction levels have further declined to 5.4 MSF. Notable deliveries include 300 Pearl (188 kSF, Dallas CBD) and JPMorgan Chase's latest expansion at Legacy West (500 kSF, Upper Tollway).

Rising development costs continue challenging new spec projects without significant pre-commitments. Interest in proposed developments may soon increase, as touring activity and traded proposals are increasing in projects that are existing or under construction.

**INVESTMENT SALES**

**Capital Markets Activity Picking Up**

The region's economic recovery has increased interest in deploying capital to Dallas+Fort Worth and volume is picking back up. Transwestern expects elevated activity over the next 1-2 years as the pandemic created pent-up demand from investors with dry powder and pent-up supply as delayed dispositions are now coming to market.

Notable trades this quarter include:

- 600 E Las Colinas, a 512 kSF building in the Urban Center, to Convergent Capital Partners
- International Plaza I, a 377 kSF building on the Dallas North Tollway, to Related Companies
- Lake Vista 7, a 240 kSF building in Lewisville, to CenterSquare Investment Management
- Frisco Station Offices Two, a 210 kSF building, to MetLife
- 2901 Kinwest, a 160 kSF building in Las Colinas, to Louis Vuitton

**Top Submarkets For Class A New Construction<sup>1</sup>**

SUBMARKET	TOTAL RSF	LEASED
Uptown/Turtle Creek	2,286,747	60%
DFW Freeport/Coppell	1,631,356	67%
Upper Tollway/West Plano	1,623,044	65%
Upper Tollway/Frisco	1,146,240	56%
Preston Center	806,368	57%
Allen / McKinney	736,144	40%
Dallas CBD	650,256	52%
Deep Ellum / East Dallas	563,561	31%
<b>MARKET TOTAL</b>	<b>10,906,205</b>	<b>59%</b>

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

SOURCE: Transwestern, CoStar

**INVESTMENT SALES VOLUMES & NOI**

Dallas+Fort Worth Market



SOURCE: Transwestern, Real Capital Analytics

**Notable Lease Transactions**

TENANT	SF	LEASE TYPE	BUILDING	SUBMARKET
Multiview	82,093	Expansion/Renewal	One Panorama	Las Colinas Office Center
Rushmore Mortgage	81,045	New	8616 Freeport	DFW Freeport
Trintech	64,582	Sublease	Granite Park Seven	Upper Tollway/West Plano
EVO	50,000	New	4455 LBJ	West LBJ
BeStow	42,032	New	The Stack	Deep Ellum/East Dallas
ShiftKey	36,621	New	Williams Square - East Tower	Las Colinas Urban Center

=Property and/or tenant represented by Transwestern

SOURCE: Transwestern, CoStar

Dallas Submarkets - All Space

Submarket	Inventory	Direct Vacant Available SF	%	Sublet Available	Vacancy w/Sublet	Under Construction	Quarterly Leasing Activity	Quarterly Net Absorption	12 Month Net Absorption	Average Gross Rent
Uptown/Turtle Creek <sup>1</sup>	15,046,829	2,137,079	14.2%	281,497	16.1%	1,015,992	374,830	178,308	(430,367)	\$52.75
Dallas CBD <sup>1</sup>	31,970,990	7,744,789	24.2%	1,546,729	29.1%	60,230	119,517	19,188	(845,198)	\$27.83
Stemmons Freeway	12,141,677	2,138,515	17.6%	51,207	18.0%	0	174,223	75,172	19,038	\$20.55
Preston Center <sup>1</sup>	5,868,868	603,733	10.3%	74,301	11.6%	688,368	81,828	3,563	(74,398)	\$49.38
Central Expressway <sup>1</sup>	15,904,889	2,910,683	18.3%	604,535	22.1%	0	392,952	(149,216)	(877,095)	\$29.62
Deep Ellum/East Dallas <sup>1</sup>	2,029,005	398,412	19.6%	588,450	39.5%	472,495	42,932	51,735	24,464	\$51.82
West LBJ Freeway	4,081,919	927,627	22.7%	135,685	26.0%	0	103,110	(59,458)	(227,225)	\$18.79
East LBJ Freeway	6,782,129	1,782,240	26.3%	66,984	27.3%	0	101,733	(186,235)	(144,114)	\$18.62
Lower Tollway <sup>1</sup>	27,449,134	5,279,698	19.2%	1,031,646	23.0%	0	518,587	(169,797)	(926,730)	\$29.42
Upper Tollway/West Plano <sup>1</sup>	31,455,940	5,774,082	18.4%	1,814,805	24.1%	447,400	554,950	434,869	(1,318,171)	\$37.85
Upper Tollway/Frisco <sup>1</sup>	5,740,632	671,433	11.7%	329,026	17.4%	406,592	114,777	(12,591)	395,686	\$39.66
Richardson	20,535,304	3,646,776	17.8%	863,014	22.0%	416,999	267,090	(163,328)	(575,240)	\$22.73
Plano	6,761,512	1,265,402	18.7%	30,189	19.2%	0	230,283	(91,396)	52	\$23.67
Allen/McKinney	5,862,794	643,892	11.0%	159,941	13.7%	529,537	72,846	(44,687)	102,546	\$29.16
Las Colinas Urban Center <sup>1</sup>	9,612,160	2,067,975	21.5%	356,876	25.2%	456,000	150,535	(208,090)	(594,062)	\$30.74
Las Colinas Office Center <sup>1</sup>	16,750,768	2,509,000	15.0%	282,631	16.7%	0	294,319	86,503	(104,103)	\$27.20
DFW Freeport <sup>1</sup>	15,517,460	2,721,753	17.5%	376,604	20.0%	450,000	331,689	309,718	(629,717)	\$25.40
South Irving	1,378,404	278,936	20.2%	0	20.2%	42,019	15,171	(14,618)	(25,361)	\$16.99
Lewisville	4,595,599	837,752	18.2%	193,356	22.4%	64,000	74,292	(338,521)	(378,396)	\$24.79
Denton	1,859,124	105,285	5.7%	0	5.7%	0	9,353	31,433	(26,513)	\$24.35
Garland	986,458	160,566	16.3%	0	16.3%	0	6,264	(5,839)	(9,133)	\$15.17
Rockwall	600,932	33,154	5.5%	4,099	6.2%	0	14,497	(21,936)	55,078	\$35.52
Mesquite/Terrell/Forney	544,955	37,459	6.9%	0	6.9%	0	1,130	19,607	37,853	\$17.72
Southeast Dallas	636,545	35,921	5.6%	0	5.6%	0	6,188	284	15,676	\$19.66
Oak Cliff	2,641,236	492,183	18.6%	0	18.6%	0	19,111	25,033	19,500	\$21.80
Grand Prairie	3,938,781	1,515,704	38.5%	60,037	40.0%	0	136,539	(25,453)	59,946	\$27.05
<b>DALLAS - ALL SPACE</b>	<b>250,694,044</b>	<b>46,720,049</b>	<b>18.6%</b>	<b>8,851,612</b>	<b>22.2%</b>	<b>4,632,633</b>	<b>4,208,746</b>	<b>(255,752)</b>	<b>(6,455,984)</b>	<b>\$30.32</b>

SOURCE: Transwestern, CoStar

NOTES

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

Dallas Submarkets - Class A

Submarket	Inventory	Direct Vacant Available SF	%	Sublet Available	Vacancy w/Sublet	Under Construction	Quarterly Leasing Activity	Quarterly Net Absorption	12 Month Net Absorption	Average Gross Rent
Uptown/Turtle Creek <sup>1</sup>	12,772,448	1,720,115	13.5%	253,154	15.4%	1,015,992	366,735	69,866	(403,162)	\$55.28
Dallas CBD <sup>1</sup>	24,282,817	6,483,304	26.7%	1,504,092	32.9%	60,230	84,369	(10,301)	(1,020,333)	\$28.73
Stemmons Freeway	5,512,127	785,297	14.2%	38,181	14.9%	0	19,034	(3,078)	6,320	\$22.86
Preston Center <sup>1</sup>	4,664,921	435,116	9.3%	74,301	10.9%	688,368	71,624	10,021	(55,855)	\$52.02
Central Expressway <sup>1</sup>	11,066,597	2,100,480	19.0%	517,224	23.7%	0	268,344	(105,169)	(737,540)	\$30.84
Deep Ellum/East Dallas <sup>1</sup>	600,603	260,700	43.4%	587,769	79.1%	472,495	42,032	17,691	20,466	\$56.69
West LBJ Freeway	1,665,546	428,052	25.7%	54,874	29.0%	0	28,250	(15,945)	(85,977)	\$20.08
East LBJ Freeway	1,048,511	243,888	23.3%	55,615	28.6%	0	13,518	(33,095)	4,655	\$17.82
Lower Tollway <sup>1</sup>	16,551,936	3,057,739	18.5%	729,666	22.9%	0	350,621	(152,970)	(745,354)	\$33.47
Upper Tollway/West Plano <sup>1</sup>	24,661,380	4,743,945	19.2%	1,320,522	24.6%	447,400	461,115	436,872	(991,458)	\$40.30
Upper Tollway/Frisco <sup>1</sup>	4,633,398	524,425	11.3%	323,999	18.3%	406,592	106,161	(9,623)	422,097	\$40.63
Richardson	10,885,193	1,923,086	17.7%	410,202	21.4%	0	28,509	(100,798)	(168,352)	\$25.85
Plano	2,127,555	469,859	22.1%	29,189	23.5%	0	137,383	(111,092)	7,895	\$27.41
Allen/McKinney	1,919,892	246,238	12.8%	23,667	14.1%	393,819	66,384	7,801	77,164	\$33.53
Las Colinas Urban Center <sup>1</sup>	7,654,375	1,569,019	20.5%	309,254	24.5%	456,000	127,046	(46,484)	(410,097)	\$33.23
Las Colinas Office Center <sup>1</sup>	9,358,517	1,228,431	13.1%	128,585	14.5%	0	227,264	32,673	108,333	\$30.62
DFW Freeport <sup>1</sup>	6,721,463	793,397	11.8%	107,998	13.4%	450,000	207,289	160,717	295,544	\$30.93
South Irving	0	0	-	0	-	0	0	0	0	-
Lewisville	434,072	181,769	41.9%	0	41.9%	0	1,710	7,507	54,526	\$29.00
Denton	0	0	-	0	-	0	0	0	0	-
Garland	0	0	-	0	-	0	0	0	0	-
Rockwall	215,388	21,904	10.2%	4,099	12.1%	0	11,411	(20,950)	55,112	-
Mesquite/Terrell/Forney	25,000	1,200	4.8%	0	4.8%	0	0	0	11,200	\$36.39
Southeast Dallas	0	0	-	0	-	0	0	0	0	-
Oak Cliff	280,592	19,271	6.9%	0	6.9%	0	0	0	0	\$20.00
Grand Prairie	1,536,932	1,305,190	84.9%	0	84.9%	0	0	16,727	100,266	\$27.59
<b>DALLAS - CLASS A</b>	<b>148,619,263</b>	<b>28,542,425</b>	<b>19.2%</b>	<b>6,472,391</b>	<b>23.6%</b>	<b>4,390,896</b>	<b>2,618,799</b>	<b>150,370</b>	<b>(3,454,550)</b>	<b>\$34.61</b>

SOURCE: Transwestern, CoStar

NOTES

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

Dallas Submarkets - Class B

Submarket	Inventory	Direct Vacant Available SF	%	Sublet Available	Vacancy w/Sublet	Under Construction	Quarterly Leasing Activity	Quarterly Net Absorption	12 Month Net Absorption	Average Gross Rent
Uptown/Turtle Creek <sup>1</sup>	2,135,609	387,955	18.2%	28,343	19.5%	0	6,107	108,395	(22,267)	\$36.44
Dallas CBD <sup>1</sup>	6,905,911	1,228,470	17.8%	42,637	18.4%	0	35,148	38,239	198,574	\$21.66
Stemmons Freeway	5,847,522	1,307,012	22.4%	13,026	22.6%	0	154,592	76,321	(837)	\$19.26
Preston Center <sup>1</sup>	1,002,126	161,303	16.1%	0	16.1%	0	9,084	(6,458)	(18,543)	\$31.88
Central Expressway <sup>1</sup>	4,705,766	810,203	17.2%	87,311	19.1%	0	124,608	(44,047)	(139,555)	\$26.70
Deep Ellum/East Dallas <sup>1</sup>	923,527	119,809	13.0%	681	13.0%	0	0	22,307	6,722	\$23.10
West LBJ Freeway	2,250,399	479,386	21.3%	80,811	24.9%	0	74,082	(32,835)	(139,519)	\$18.06
East LBJ Freeway	5,565,765	1,538,352	27.6%	11,369	27.8%	0	88,215	(153,140)	(148,769)	\$18.74
Lower Tollway <sup>1</sup>	10,620,132	2,213,161	20.8%	301,980	23.7%	0	167,296	(17,497)	(175,759)	\$22.07
Upper Tollway/West Plano <sup>1</sup>	6,689,685	1,030,137	15.4%	494,283	22.8%	0	93,835	(2,003)	(326,713)	\$27.53
Upper Tollway/Frisco <sup>1</sup>	1,018,094	133,730	13.1%	5,027	13.6%	0	8,616	(4,768)	(19,024)	\$30.08
Richardson	9,258,054	1,676,955	18.1%	449,091	23.0%	0	224,103	(58,032)	(393,374)	\$19.17
Plano	3,831,739	347,355	9.1%	1,000	9.1%	0	52,767	11,204	(7,240)	\$21.68
Allen/McKinney	3,846,477	397,654	10.3%	136,274	13.9%	135,718	6,462	(52,488)	24,482	\$23.69
Las Colinas Urban Center <sup>1</sup>	1,768,009	309,180	17.5%	47,622	20.2%	0	23,489	28,170	5,811	\$21.11
Las Colinas Office Center <sup>1</sup>	6,877,058	1,231,260	17.9%	154,046	20.1%	0	67,055	53,460	(207,369)	\$21.71
DFW Freeport <sup>1</sup>	8,422,250	1,913,784	22.7%	268,606	25.9%	0	124,400	149,001	(933,831)	\$23.02
South Irving	1,140,286	215,429	18.9%	0	18.9%	42,019	15,171	(14,618)	(27,460)	\$17.63
Lewisville	3,943,277	629,373	16.0%	193,356	20.9%	64,000	72,582	(346,028)	(426,902)	\$23.41
Denton	1,559,173	93,318	6.0%	0	6.0%	0	9,353	20,433	(28,484)	\$25.40
Garland	679,772	160,566	23.6%	0	23.6%	0	6,264	(5,839)	(21,133)	\$15.72
Rockwall	146,926	4,088	2.8%	0	2.8%	0	3,086	(986)	(34)	\$24.52
Mesquite/Terrell/Forney	371,234	2,607	0.7%	0	0.7%	0	580	16,710	19,281	\$16.63
Southeast Dallas	523,934	23,821	4.5%	0	4.5%	0	6,188	3,084	18,276	\$19.84
Oak Cliff	1,774,654	427,895	24.1%	0	24.1%	0	15,092	25,699	(4,669)	\$24.50
Grand Prairie	2,291,520	167,323	7.3%	60,037	9.9%	0	123,651	13,629	15,489	\$20.11
<b>DALLAS - CLASS B</b>	<b>94,098,899</b>	<b>17,010,126</b>	<b>18.1%</b>	<b>2,375,500</b>	<b>20.6%</b>	<b>241,737</b>	<b>142,817</b>	<b>86,727</b>	<b>(2,752,847)</b>	<b>\$22.42</b>

SOURCE: Transwestern, CoStar

NOTES

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

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

Submarket	Inventory	Direct Vacant Available SF	%	Sublet Available	Vacancy w/Sublet	Under Construction	Quarterly Leasing Activity	Quarterly Net Absorption	12 Month Net Absorption	Average Gross Rent
Fort Worth CBD	9,001,163	1,562,395	17.4%	142,278	18.9%	0	150,370	16,944	(323,040)	\$28.01
Southwest Fort Worth	4,767,369	616,975	12.9%	105,923	15.2%	30,000	60,780	(31)	(186,809)	\$23.53
West Fort Worth <sup>1</sup>	2,076,665	197,227	9.5%	23,966	10.7%	0	74,227	28,491	6,191	\$27.54
Northwest Fort Worth	484,003	89,484	18.5%	0	18.5%	0	2,292	12,296	(31,939)	\$23.75
Alliance	2,917,276	85,612	2.9%	199,151	9.8%	54,000	3,652	(169,324)	(162,763)	\$26.65
Westlake/Grapevine	7,612,200	915,474	12.0%	454,876	18.0%	664,999	70,016	130,835	914,738	\$27.12
Mid-Cities	5,843,561	395,690	6.8%	54,670	7.7%	0	62,795	(1,904)	90,118	\$19.14
Northeast Fort Worth	3,617,398	235,838	6.5%	0	6.5%	0	5,087	206,338	248,095	\$21.01
Arlington	6,792,318	705,299	10.4%	15,367	10.6%	0	39,020	33,666	(31,356)	\$20.62
Southeast Fort Worth	1,149,322	79,928	7.0%	4,606	7.4%	0	14,025	35,086	19,529	\$16.84
<b>FORT WORTH - TOTAL</b>	<b>44,261,275</b>	<b>4,883,922</b>	<b>11.0%</b>	<b>1,000,837</b>	<b>13.3%</b>	<b>748,999</b>	<b>482,264</b>	<b>292,397</b>	<b>542,764</b>	<b>\$24.99</b>

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

Submarket	Inventory	Direct Vacant Available SF	%	Sublet Available	Vacancy w/Sublet	Under Construction	Quarterly Leasing Activity	Quarterly Net Absorption	12 Month Net Absorption	Average Gross Rent
Fort Worth CBD	5,156,888	743,965	14.4%	116,657	16.7%	0	150,176	(658)	74,033	\$31.26
Southwest Fort Worth	1,502,653	153,201	10.2%	11,215	10.9%	30,000	10,694	29,098	(37,295)	\$27.56
West Fort Worth <sup>1</sup>	710,260	74,544	10.5%	4,741	11.2%	0	19,086	10,055	2,496	\$29.15
Northwest Fort Worth	160,097	47,560	29.7%	0	29.7%	0	2,292	2,292	(47,081)	\$26.36
Alliance	1,064,559	46,592	4.4%	199,151	23.1%	54,000	0	(171,488)	(143,991)	\$26.78
Westlake/Grapevine	5,033,239	644,912	12.8%	36,153	13.5%	616,999	63,893	135,545	838,066	\$31.77
Mid-Cities	2,135,486	78,037	3.7%	6,162	3.9%	0	27,947	(8,942)	(13,482)	\$19.01
Northeast Fort Worth	437,268	0	0.0%	0	0.0%	0	0	176,745	229,981	-
Arlington	2,336,794	362,430	15.5%	6,389	15.8%	0	15,149	18,421	(42,003)	\$22.37
Southeast Fort Worth	541,630	0	0.0%	0	0.0%	0	0	0	0	-
<b>FORT WORTH - CLASS A</b>	<b>19,078,874</b>	<b>2,151,241</b>	<b>11.3%</b>	<b>380,468</b>	<b>13.3%</b>	<b>700,999</b>	<b>2,908,036</b>	<b>341,438</b>	<b>860,724</b>	<b>\$28.75</b>

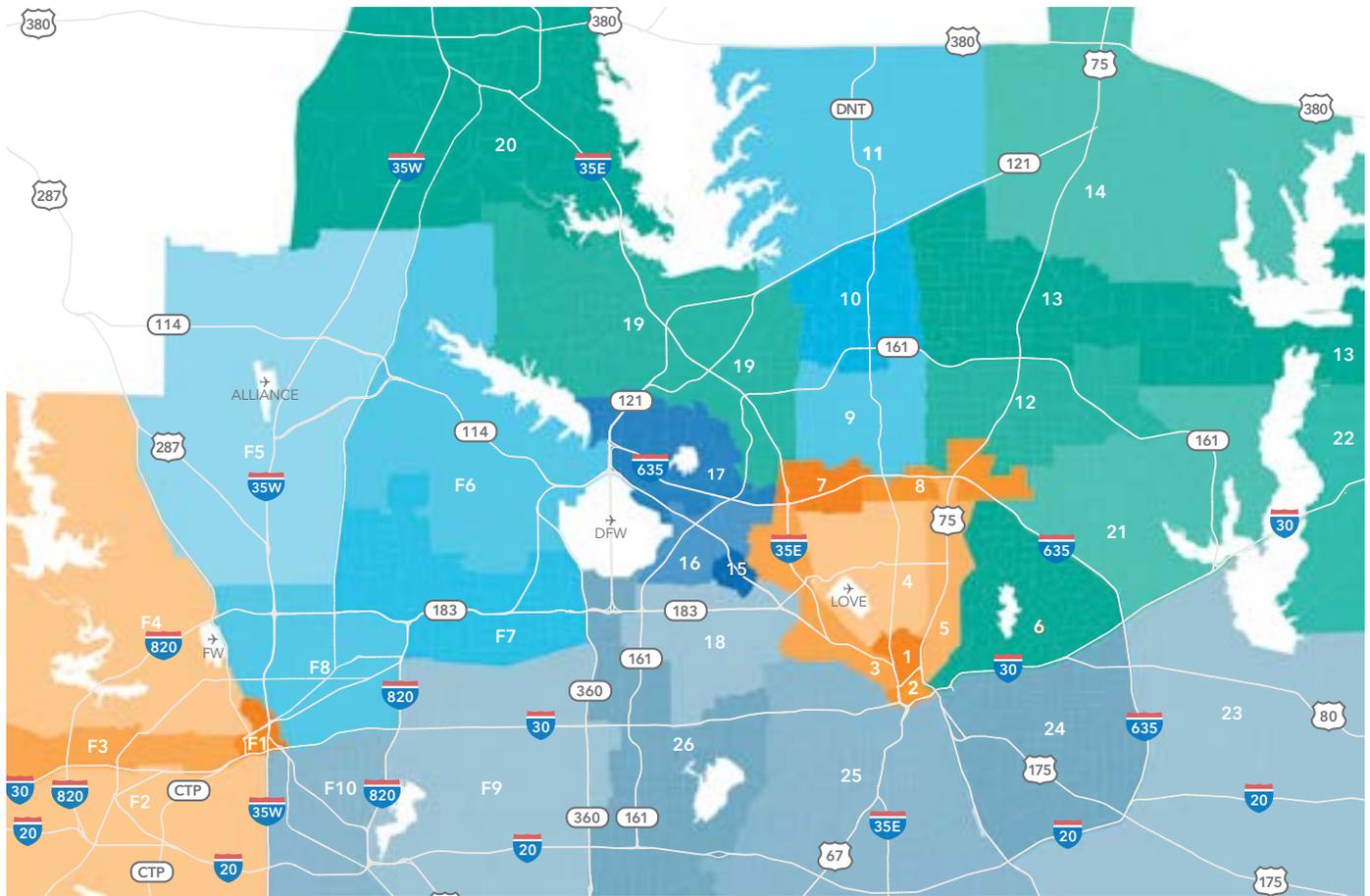
Fort Worth Submarkets - Class B

Submarket	Inventory	Direct Vacant Available SF	%	Sublet Available	Vacancy w/Sublet	Under Construction	Quarterly Leasing Activity	Quarterly Net Absorption	12 Month Net Absorption	Average Gross Rent
Fort Worth CBD	3,603,708	818,430	22.7%	25,621	23.4%	0	194	17,602	(397,073)	\$22.57
Southwest Fort Worth	2,873,643	398,677	13.9%	94,708	17.2%	0	49,736	(24,386)	(139,037)	\$22.10
West Fort Worth	1,227,267	120,453	9.8%	19,225	11.4%	0	27,468	20,666	5,925	\$26.97
Northwest Fort Worth	122,524	27,433	22.4%	0	22.4%	0	0	10,004	21,323	\$19.49
Alliance	1,828,117	39,020	2.1%	0	2.1%	0	3,652	2,164	(18,772)	\$26.03
Westlake/Grapevine	2,526,767	238,832	9.5%	418,723	26.0%	48,000	6,123	(4,710)	76,672	\$22.52
Mid-Cities	3,315,521	317,493	9.6%	48,508	11.0%	0	26,188	(4,422)	80,199	\$18.66
Northeast Fort Worth	2,892,982	224,241	7.8%	0	7.8%	0	5,087	21,576	13,417	\$21.72
Arlington	3,687,460	329,312	8.9%	8,978	9.2%	0	10,344	3,010	(6,531)	\$19.56
Southeast Fort Worth	432,858	57,746	13.3%	0	13.3%	0	14,025	45,223	45,117	\$16.84
<b>FORT WORTH - CLASS B</b>	<b>22,510,847</b>	<b>2,571,637</b>	<b>11.4%</b>	<b>615,763</b>	<b>14.2%</b>	<b>48,000</b>	<b>142,817</b>	<b>86,727</b>	<b>(318,760)</b>	<b>\$21.74</b>

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

SOURCE: Transwestern, CoStar

# Q3 2021 | DALLAS+FORT WORTH | OFFICE MARKET



## FORT WORTH SUBMARKETS

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

## DALLAS SUBMARKETS

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

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## METHODOLOGY

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



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