



DALLAS OFFICE  
**MARKET REPORT**  
 1ST QTR 2013



## WE'RE ON OUR WAY UP - HOW HIGH WILL WE GO

During the first quarter of 2013, the Dallas Fort Worth office market experienced positive absorption, more job growth, increased rental rates, and lower cap rates on investment property sales. Everyone is feeling good about DFW real estate. With office vacancy continuing its decline, rental rates are heading up. How high will they go?

Speculative construction has started, or is on its way, in Legacy/Plano, Uptown, CBD, Preston Center and Las Colinas/Freeport areas. Will it be different this time? The cost of construction and its impact on rates may put even more upward pressure on rising rental rates in the overall market rather than the reverse effect of oversupply and thus falling rates.

One thing is for sure, we are experiencing a shift from a tenants' market to a landlords' market! How long will it last is anyone's guess but change always creates opportunity and interesting times.

Below you will find tables outlining the statistics for the office markets.

## TOTAL OFFICE MARKET STATISTICS

MARKET	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONST SF	QUOTED RATES
	TOTAL RBA	TOTAL SF	VAC %			
Central Expressway	15,367,912	2,366,761	15.4%	(142,022)	0	\$21.04
Dallas CBD	36,122,421	9,911,899	27.4%	(129,715)	0	\$20.04
East Dallas	13,083,584	1,412,430	10.8%	6,633	14,832	\$17.73
Far North Dallas	50,899,923	6,649,388	13.1%	26,676	1,420,933	\$22.01
Fort Worth CBD	11,614,393	1,419,794	12.2%	(48,402)	130,299	\$25.48
Las Colinas	36,251,142	5,872,739	16.2%	246,227	9,865	\$20.05
LBJ Freeway	22,957,192	5,614,572	24.5%	221,978	0	\$16.91
Lewisville/Denton	11,521,037	1,350,308	11.7%	38,868	8,358	\$20.06
Mid-Cities	36,983,210	4,884,471	13.2%	27,926	27,095	\$18.19
North Fort Worth	4,758,795	284,814	6.0%	(12,283)	0	\$19.62
Northeast Fort Worth	4,538,610	454,302	10.0%	14,136	0	\$16.94
Preston Center	5,572,451	371,797	6.7%	84,331	0	\$28.06
Richardson/Plano	34,469,704	4,916,201	14.3%	540,399	181,659	\$18.70
South Fort Worth	18,018,475	1,398,372	7.8%	(30,044)	267,257	\$19.29
Southwest Dallas	6,296,993	598,922	9.5%	(10,495)	0	\$14.43
Stemmons Freeway	19,160,963	3,540,047	18.5%	(11,723)	0	\$14.82
Uptown/Turtle Creek	12,987,569	1,425,594	11.0%	23,883	150,000	\$28.13
<b>Totals</b>	<b>340,604,374</b>	<b>52,472,411</b>	<b>15.4%</b>	<b>846,373</b>	<b>2,210,298</b>	<b>\$19.72</b>

## CLASS A MARKET STATISTICS

MARKET	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONST SF	QUOTED RATES
	TOTAL RBA	TOTAL SF	VAC %			
Central Expressway	7,310,906	1,460,024	20.0%	(44,715)	0	\$22.34
Dallas CBD	22,693,924	5,855,150	25.8%	(124,167)	0	\$21.23
East Dallas	585,410	149,441	25.5%	11,871	0	\$32.61
Far North Dallas	25,268,729	2,732,854	10.8%	(19,056)	519,800	\$25.33
Fort Worth CBD	5,850,052	720,157	12.3%	(26,987)	130,299	\$28.81
Las Colinas	16,573,225	2,278,770	13.7%	159,671	0	\$22.21
LBJ Freeway	10,260,579	2,331,430	22.7%	195,148	0	\$18.87
Lewisville/Denton	368,291	40,000	10.9%	0	0	\$29.75
Mid-Cities	6,765,719	829,255	12.3%	3,218	0	\$22.05
North Fort Worth	70,000	11,405	16.3%	0	0	\$29.19
Northeast Fort Worth	103,938	26,792	25.8%	2,521	0	\$22.45
Preston Center	3,625,122	263,743	7.3%	84,122	0	\$30.75
Richardson/Plano	8,896,155	1,380,086	15.5%	354,063	116,160	\$21.46
South Fort Worth	2,534,415	52,514	2.1%	19,693	60,000	\$24.77
Southwest Dallas	281,655	26,442	9.4%	0	0	\$21.84
Stemmons Freeway	3,415,717	801,668	23.5%	(10,431)	0	\$18.72
Uptown/Turtle Creek	9,023,432	1,038,184	11.5%	4,586	150,000	\$29.76
<b>Totals</b>	<b>123,627,269</b>	<b>19,997,915</b>	<b>16.2%</b>	<b>609,537</b>	<b>976,259</b>	<b>\$22.75</b>

## CLASS B MARKET STATISTICS

MARKET	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONST SF	QUOTED RATES
	TOTAL RBA	TOTAL SF	VAC %			
Central Expressway	6,580,239	841,301	12.8%	(83,043)	0	\$18.21
Dallas CBD	8,184,931	2,679,547	32.7%	(23,016)	0	\$15.67
East Dallas	8,243,648	800,029	9.7%	26,776	14,832	\$18.05
Far North Dallas	24,160,269	3,812,062	15.8%	25,292	901,133	\$19.47
Fort Worth CBD	4,400,005	501,635	11.4%	(21,415)	0	\$20.02
Las Colinas	18,729,134	3,514,425	18.8%	88,471	9,865	\$18.50
LBJ Freeway	11,756,275	3,185,419	27.1%	38,217	0	\$15.33
Lewisville/Denton	8,245,308	1,108,087	13.4%	13,711	8,358	\$20.36
Mid-Cities	21,702,791	3,092,945	14.3%	19,538	27,095	\$18.34
North Fort Worth	3,436,167	185,832	5.4%	(2,233)	0	\$19.64
Northeast Fort Worth	2,702,008	322,483	11.9%	17,894	0	\$17.08
Preston Center	1,377,947	88,930	6.5%	3,482	0	\$26.55
Richardson/Plano	21,931,830	3,200,720	14.6%	162,846	65,499	\$17.67
South Fort Worth	8,762,837	826,403	9.4%	(7,006)	207,257	\$20.12
Southwest Dallas	3,313,161	381,612	11.5%	(6,593)	0	\$15.02
Stemmons Freeway	10,112,121	2,449,838	24.2%	1,278	0	\$13.90
Uptown/Turtle Creek	2,773,549	308,113	11.1%	8,621	0	\$24.15
<b>Totals</b>	<b>166,412,220</b>	<b>27,299,381</b>	<b>16.4%</b>	<b>262,820</b>	<b>1,234,039</b>	<b>\$17.86</b>

