OFFERING MEMORANDUM

DalParc Logistics Center

INDUSTRIAL DEVELOPMENT LAND SITE

Northeast Corner
Balmorhea Drive & Van Horn Drive
Dallas, Texas

1717 McKinney Avenue
Suite 900
Dallas, TX 75202
www.colliers.com

Colliers INTERNATIONAL

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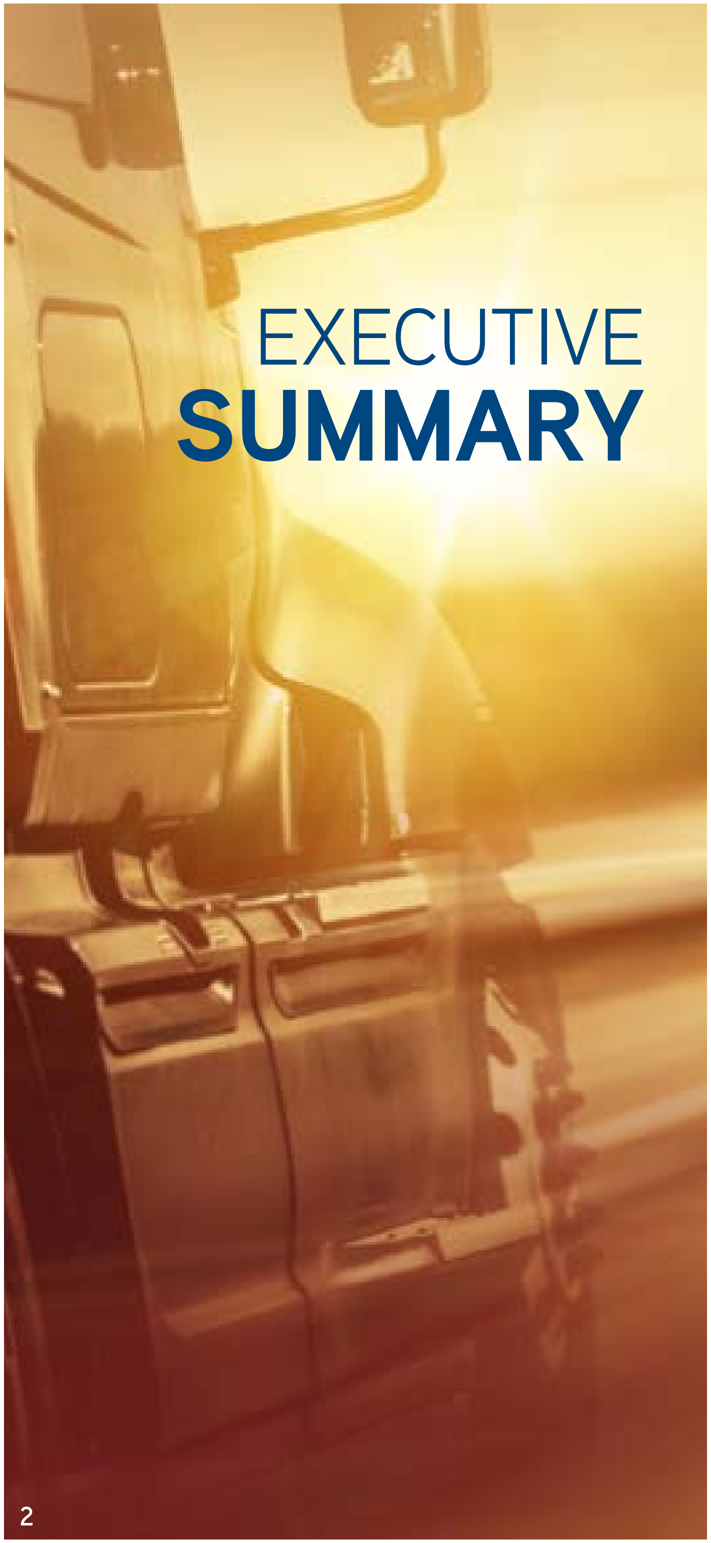

EXECUTIVE **SUMMARY**

Colliers International and the Supply Chain Real Estate Advisors Team are pleased to offer exclusively for sale an approximately 57.31 acre site, located within the DalParc Logistics Center. The subject site is situated at the northeast corner of Van Horn Drive and Altamoore Drive, just 1.5 miles south of I-20 midway between I-35 and I-45 in the City of Dallas, Texas. DalParc Logistics Center is a 300-acre master planned, deed restricted industrial park, which is home to Amazon (918,000 sf), L'Oreal (561,876 sf), and Quality Custom Distribution (97,000 sf), and is across the street from the new 700,000 sf Ghirardelli Chocolate distribution center being developed by Panattoni Development.

The Subject Site is ideally configured to accommodate a distribution center containing up to almost 1 million square feet, with a building depth ranging from 570' – 620' deep. This offering is a unique opportunity to acquire an industrial site in the City of Dallas with quick access to major interstate highways, I-20, I-45, and I-35, and is approximately 7.5 miles from the Union Pacific 320-acre Intermodal Terminal. The site is situated in the heart of North Texas's Trinity Inland Port, with an unparalleled transportation network to both coasts, Mexico, and Canada, as well as every part of the fast growing DFW Metroplex.

This is an excellent opportunity to acquire a "Big Box" industrial site in Dallas's emerging "Inland Empire" Southern Dallas industrial market.

For detailed information on the site, including, detention engineering study, survey, other conceptual designs, information on potential site expansion, an in-depth review of the DFW Industrial Market, and highlights about the Southern Dallas market, please sign the enclosed NDA and return to:
Jamie Bridges, jamie.bridges@colliers.com.

We will be contacting you shortly and look forward to speaking with you about this attractive opportunity.

Best regards,

TOM PEARSON
214 217 1277

CHRIS TEESDALE
214 217 1233

THE COLLIERS SCREA TEAM

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PROPERTY & AREA PROFILE

The Subject Site is the best "Big Box" industrial site available for sale in the Southern Dallas industrial submarket that can house up to 1 million square feet. The site is within the DalParc Logistics Center development containing approximately 300 acres, 164 acres of which are now owned by VanTrust, who rebranded the park and named it Dal-Parc Logistics Center. The park is already home to L'Oreal's 562,000 square foot distribution center and Amazon's 918,000 square distribution center. Ghirardelli Chocolate recently signed a lease for 700,000 square feet in a building which will be located directly across the street from the Subject Site in a project being developed by Panattoni Development and Metropolitan Life. Located just 1.5 miles south of I-20 and one block east of Dallas Avenue at the corner of Van Horn Drive and Altamoore Drive in Dallas, this site contains approximately 57.31 acres. With a generally rectangular configuration, the site will accommodate a state-of-the-art warehouse ranging in size from approximately 500,000 square feet to almost 1 million square feet.

Southern Dallas is DFW's most active industrial submarket for new warehouse construction. The Subject Site is situated in the middle of this area bounded by I-35 on the west, I-45 on the east and I-20 on the north. Besides being located only 1 ½ miles from I-20, DFW's most active trucking corridor, the site offers tremendous ingress and egress benefits, a factor which makes it extremely attractive for a distribution or manufacturing user.

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PROPERTY & AREA **PROFILE**

LOCATION ATTRIBUTES

The following attributes of the State Farm Site make it the best available site for warehousing or manufacturing in the Southern Dallas industrial market:

- Size – 57.3 Acres
- Location - Van Horn Drive and Altamoore Drive, one block east of Dallas Avenue and 1.5 miles south of I-20, Dallas, TX
- Zoned Light Industrial (LI)
- All uilities in place through the City of Dallas
- Triple Freeport Tax Exemption
- 3.2 miles west to I-35E/NAFTA Trade Corridor
- 3.3 miles east to I-45 (Port of Houston and UP Intermodal)
- 7.5 miles to Union Pacific Intermodal Terminal
- 19 miles to Dallas Love Field
- 32 miles to DFW International Airport
- 4.0 miles to planned Loop 9 (I-35/I-45 connector) located south of I-20
- Excellent ingress and egress to Dallas Avenue and I-20
- Deed-Restricted Park Environment
- Near other major projects in the immediate area: Hillwood Investment Properties, Trammell Crow Co., Gerald Hines Interests, Dermody Properties, VanTrust, Panattoni Development, First Industrial, Prologis, Majestic Realty, Duke Realty, Crow Holdings, Core5, Scannell Development, Skyhawk Partners, Seefried Properties, Huntington Partners and Copeland Commercial
- Located 5.3 miles from 720,000 sf FEDEX hub facility

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PROPERTY & AREA **PROFILE**

SOUTHERN DALLAS COUNTY ACTIVITY

Southern Dallas County has already attracted numerous national companies who have established major regional distribution facilities, including the following:

Proctor & Gamble	1,394,109 sf
Pepsi/Gatorade	1,224,688 sf
Kohl's	952,304 sf
Amazon	918,000 sf and 500,000 sf
Georgia Pacific	1,530,060 sf
Medline	800,442 sf
Shippers Warehouse	589,362 sf and 556,600 sf
L'Oreal	513,975 sf
Ace Hardware	450,262 sf
NFI	1,128,227 sf
Unilever	822,000 sf
RR Donnelly	500,000 sf
American Standard	626,000 sf
In-N-Out Burger	130,000 sf
Whirlpool Corporation	1,000,000 sf
Chewy.com	630,000 sf
Electrolux	343,421 sf

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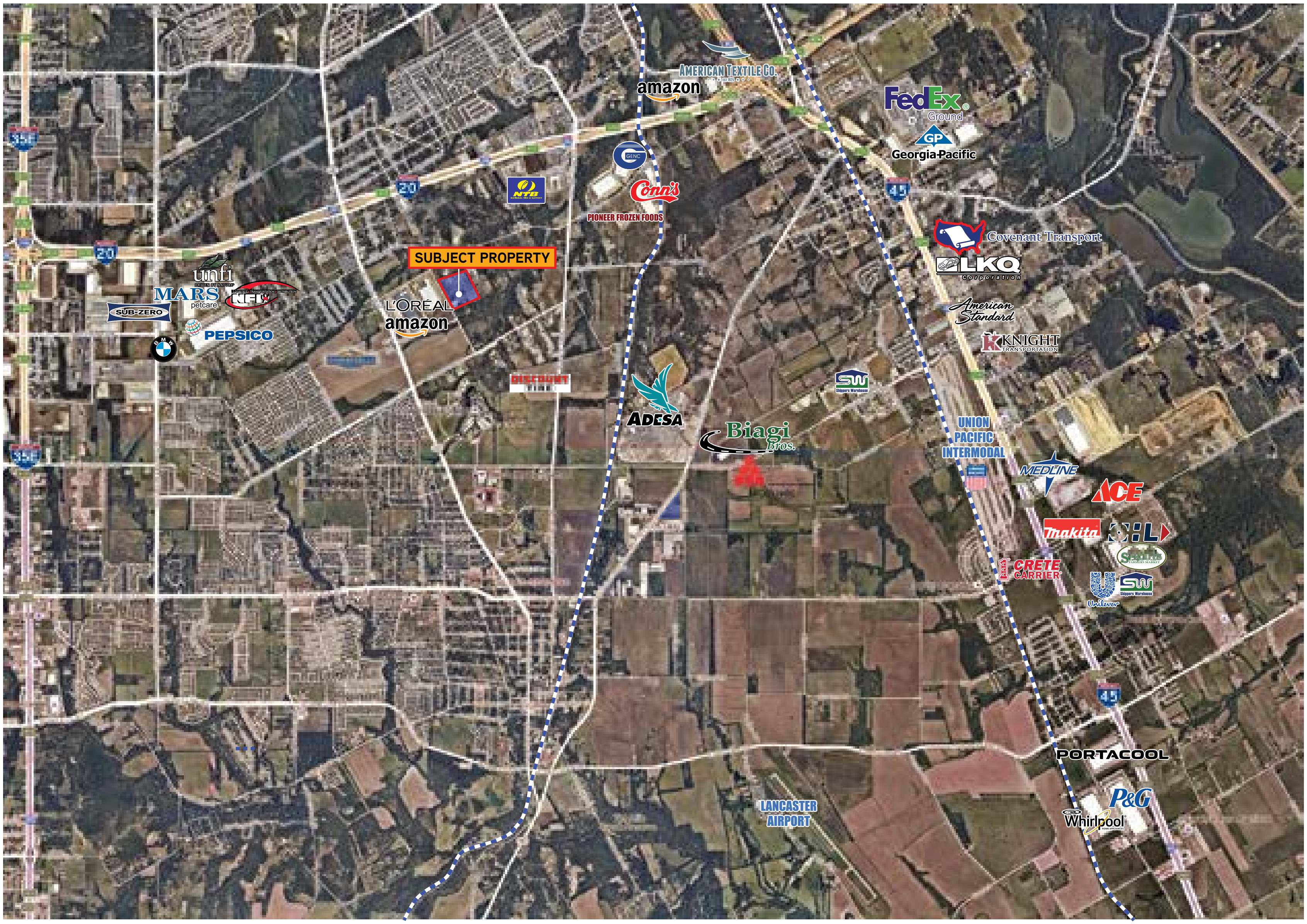
PROPERTY & AREA **PROFILE**

SOUTHERN DALLAS COUNTY OVERVIEW



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PROPERTY & AREA **PROFILE**

SOUTHERN DALLAS COUNTY TRANSACTIONS

#	DATE	SIZE (SF)	TENANT	ADDRESS
1	Q1 2015	500,000	Amazon	33333 LBJ Freeway, Dallas
2	Q2 2015	178,646	Fisher Scientific	4951 Langdon Road, Dallas
3	Q2 2015	201,600	American Textile	32777 LBJ (I-20), Dallas
4	Q2 2015	491,592	RR Donnelly & Sons	39324 I-20, Dallas
5	Q2 2015	600,000	Shippers Warehouse	1005 W. Wintergreen, Wilmer
6	Q4 2015	670,680	Ulta Cosmetics	4786 Mountain Creek Pkwy. Dallas, TX
7	Q1 2016	630,000	Niagra Water	7343 Grady Niblo Dallas, TX
8	Q1 2016	874,164	Kimberly Clark	Mountain Creek Pkwy. Dallas, TX
9	Q2 2016	110,000	Brim Laundry Machinery Co.	302 Nichols Drive, Hutchins
10	Q2 2016	135,405	World Marketing	8801 Autobahn Drive, Dallas
11	Q2 2016	146,000	Lollicup	3800 N. I-45, Wilmer (leased from Medline)
12	Q2 2016	157,909	Cartamundi USA	3061 W. Saner Avenue, Dallas
13	Q2 2016	192,260	Cummins International	4895 Mountain Creek Pkwy. Dallas, TX
14	Q2 2016	324,984	Genco	4951 Langdon Road, Dallas
15	Q2 2016	367,262	Southwest Molding	9209 Old Hickory Trail, DeSoto
16	Q2 2016	393,899	Mars Petcare	2200 Danieldale Road, Lancaster (renewal)
17	Q2 2016	653,582	NFI Industries	1901 Danieldale Road, Lancaster
18	Q2 2016	800,000	Medline	3800 N. I-45, Wilmer
19	Q2 2016	1,128,227	NFI	501 W. Danieldale Road, DeSoto, TX
20	Q3 2016	156,000	Pentaire	Cleveland and I-45, Hutchins
21	Q3 2016	198,265	Serta Dormae Products	9025 Old Hickory Trail, DeSoto
22	Q4 2016	91,000	Sitco Lumber	3901 Corporate Dr. Lancaster, TX
23	Q4 2016	227,230	Makita	910 E. Pleasant Run Rd. Wilmer, TX
24	Q4 2016	663,000	Chewys	Grady Niblo Dallas, TX
25	Q1 2017	54,497	Quality Custom Distribution (QCD)	3900 N. Dallas Ave. Lancaster, TX
26	Q1 2017	211,948	Mars Petcare	3500 N. Houston School Rd. Lancaster, TX
27	Q1 2017	294,952	Pratt Industries	9209 Old Hickory Trail, DeSoto
28	Q2 2017	119,000	Subzero	3400 n. Houston School Rd. Lancaster, TX
29	Q2 2017	230,664	CarbonLite	4685 Mountain Creek Pkwy. Dallas, TX
30	Q2 2017	450,000	Biagi Bros.	Wintergreen & Lancaster-Hutchins Rd. Hutchins, TX
31	Q2 2017	651,380 (488,780 + 147,750)	Olam Cotton	4601 & 4951 Langdon Rd. Dallas, TX
32	Q2 2017	589,362	Shippers Warehouse	1005 Wintergreen Rd. Hutchins, TX
33	Q2 2017	709,280	Ghiradelli	Dallas Avenue, Lancaster, TX
34	Q3 2017	200,000	Trybus Group	250 E. Centre Park Blvd. DeSoto, TX
35	Q3 2017	83,220	Pentaire	Cleveland and I-45, Hutchins
36	Q4 2017	920,275	Amazon	DalParc, Dallas Ave. Dallas, TX
37	Q4 2017	87,655	Vestcom	2627 W. Danieldale Dallas, TX
38	Q4 2017	600,000	Discount Tire	Bonnie View Rd. Dallas, TX
39	Q1 2018	556,600	Shippers Warehouse	1016 Wintergreen Rd. Hutchins, TX
40	Q2 2018	874,567	Wayfair	2820 I-35 Lancaster, TX
41	Q1 2018	343,421	Electrolux	Southpoint 20/35, 1420 W Danieldale Rd., Duncanville, TX
TOTAL SF		**16,868,526**		

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PROPERTY & AREA **PROFILE**

SITE LOCATION

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PROPERTY & AREA **PROFILE**

CONCEPTUAL BUILDING/SITE LAYOUT

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SOUTHERN DALLAS MARKET **OVERVIEW**

The Southern Dallas County submarket has emerged as Dallas' "Inland Empire" over the last nine years. Encompassing over 30,000 acres of land, generally known as the "Trinity Inland Port", this area offers corporate users an unparalleled transportation network that provides access to both coasts, Mexico and Canada, as well as every part of the DFW Metroplex. The transportation links include the Union Pacific Intermodal Terminal, three major interstates – I-35, I-45 and I-20 – as well as SH 287 and the future Loop 9, which will connect I-45 and I-35. This area, which is roughly bounded by I-20 on the north, I-45 on the east and I-35 on the west, has also been referred to as Dallas' "logistics corridor". The cities of Dallas, Lancaster, Wilmer, and Hutchins are the major cities/communities that lie within this district.

With such growth in Southern Dallas County, labor is a key question. Within a thirty-minute drive time, this area is accessible to over 2 million people. Area employers can draw their employees from the Garland/Mesquite area to the north, Forney to the east, Ennis, Waxahachie, and Corsicana to the south and Mid-Cities to the west.

According to Colliers International's 3Q 2017 Industrial Report (also included with this overview), over 11.5 million square feet of spec "Big Box" warehouses were delivered through Q3 2017. Recently Amazon committed to 918,000 square feet with VanTrust in DalParc, and Electrolux leased 343,421 square feet in Southpoint 20/35. Big Box absorption stands at 9.6 million square feet through Q3, and market-wide vacancy, in "Big Box" and Non "Big Box", was 6.67%

The largest industrial park in the Southern Dallas County area is Prime Pointe, which is a development of Prime Rail Interests. Prime Pointe contains 3,000 acres and lies adjacent to the Union Pacific Intermodal Terminal, located at I-45 and Fulghum Road. The area is less than 20 minutes from the Dallas Central Business District and offers rail-served and non-rail sites ranging from 20 - 400 acres. The master-planned development encompasses the cities of Hutchins, Lancaster, and Wilmer, and offers a Foreign Trade Zone designation and electrical substations at four corners providing redundant power to meet the demands of manufacturing, refrigeration facilities, and data centers.

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DALLAS -FORT WORTH MARKET **OVERVIEW**

The Dallas-Fort Worth industrial market is one of the most dynamic in the country. Dallas-Fort Worth is currently the 4th largest industrial market in the country and ranks in the top 3 for the first three quarters in 2017 in new construction (#1), product under construction (#2), overall net absorption (#3), and overall sales activity (#3 at $2.3 Bil). Despite being one of the most popular markets in the country, the region boasts an asking rent for warehouse space that is 20% below the national average.

The Dallas-Fort Worth industrial market was one of the first industrial markets to rebound from the great recession of 2008-2009. As the economy improved and occupiers expanded their distribution capabilities because of an improving economy and the e-commerce boom, new construction skyrocketed in the region. Because of this, Dallas-Fort Worth leads the nation in new construction post-recession at over 92 million square feet or 12.4% of its current total inventory.

The region is not expected to slow down in the coming year. An increasing amount of retail, wholesale, and 3PL occupiers will likely expand and modernize their distribution capabilities because of e-commerce. Dallas-Fort Worth will continue to be a top location for this expansion because of the region's exceptional population and job growth and a plethora of logistical advantages. These advantages include the Union Pacific Intermodal, close access to Interstate 35, 45, and 20, two large inland ports including the Alliance Global Logistics Hub and Trinity Inland Port of Dallas, and the Dallas-Fort Worth International Airport, which finished 2016 as the 8th busiest cargo airport in the United States.

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DALLAS-FORT WORTH MARKET **OVERVIEW**

DFW LEADS THE COUNTRY IN NEW DEVELOPMENT POST RECESSION

In late 2009, the United States emerged from the great recession, the largest economic downturn since the great depression. Businesses began expanding, people slowly started going back to work and by mid-2010, demand for goods started to increase the need for new warehouse development. Around the same time, e-commerce began to boom, as a large part of the country started buying products online.

This shift to e-commerce created a need for new distribution centers with modern amenities to handle the more complex e-commerce logistics model. The combination of improved economic fundamentals and the advent of e-commerce have created an unprecedented amount of industrial development in the U.S. since 2010, with more than 935 million square feet recently completed, representing more than 6% of the U.S. industrial inventory. The Dallas–Fort Worth market accounts for nearly 10% of that development with just over 92 million square feet completed, the most in the United States. Dallas–Fort Worth's central location, the plethora of available land, a booming economy, growing population, and expanding logistics advantages are the main drivers for the development boom.

While Dallas-Fort Worth leads the nation, California's Inland Empire comes in a close second with more than 91 million square feet. The Inland Empire has completed the most new inventory when compared to its existing inventory, as 18.5% of its total stock was completed since 2010. Development is strong in coremarkets including Houston, Atlanta, Philadelphia and Chicago, but in the past few years there has been a significant increase in new construction in secondary markets near large population centers and/or inland seaports. Since 2010, the Greater Phoenix area, Indianapolis, Kansas City and Columbus have all completed more than 10% of each market's current existing inventory.

The chart below displays the top 6 markets for new development since 2010. As we look ahead, expect core markets to continue robust new development due to continued insatiable demand from retailers, wholesalers and third-party logistics companies. Secondary markets will see the highest percent growth in new development, however, as both landlords and occupiers look to make use of these markets logistics advantages and affordable rents.

MARKET	2010-PRESENT CONSTRUCTION	% OF TOTAL INVENTORY
DALLAS-FORT WORTH	92,418,347	12.4%
INLAND EMPIRE	91,556,551	18.5%
CHICAGO	89,576,892	6.5%
HOUSTON	67,499,256	12.3%
ATLANTA	63,892,425	9.5%
PHILADELPHIA	43,606,543	9.8%

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DFW is #1 America's Most Business Friendly Cities (*Marketwatch* 2015)

DFW is #1 in the country for percent of Job Growth (3 Percent/Year)

DFW is #2 in the country in absolute job growth (113,000/2015-16)

DFW is #3 in the country for Corporate Expansions (2016)

TEXAS Best State for Business *Chief Executive Magazine* (12 years)

DFW

Dallas-Fort Worth is one of the top regions in the nation, thanks to a low cost of living, a business-friendly environment, a strong employee base and robust access to markets through its strong transportation network.

ACCESSIBILITY

DFW offers easy access to destinations in the U.S. and around the world.

210 non-stop destinations
56 international destinations
154 domestic destinations

With direct flights to these world cities:

London	Dubai	Toronto	Paris
Abu Dhabi	Calgary	Madrid	Doha
Quito	Frankfurt	Mexico City	Lima
Tokyo	Monterrey	Vancouver	Sydney
Buenos Aires	Rome	Shanghai	Santiago
Amsterdam	Hong Kong	Bogota	Montreal
Beijing	Sao Paulo	Seoul	

DFW INTERNATIONAL AIRPORT

OAG Aviation Worldwide named DFW International Aiport the Third Most Connected Airport in America.

EDUCATION

HIGHER EDUCATION IN DFW

370,899 Students are enrolled in higher education at major universities and community colleges in DFW.

45,481 Bachelors, Masters, and PhD Degrees were awarded in 2015 by DFW-area Colleges/Universities.

272,745 Graduates in 2015 from over100 Colleges and Universities within Texas and adjacent states.

RESEARCH 1 UNIVERSITIES

Three DFW-area Universities hold an R-1 classification:

University of North Texas
University of Texas at Dallas
University of Texas Arlington

Carnegie Classification of Institutions of Higher Education
R-1: Doctoral Universities

LABOR FORCE

JOB CREATION IN DFW

Number 1 in Job Growth and Number 2 in Absolute Job Growth in the U.S. from 12/2015 to 12/2016, DFW created 113,000 new jobs...only 7,100 fewer than New York which has triple the population!

DFW REGIONAL LABOR FORCE

The current labor force in the Dallas-Fort Worth metroplex is 3.6 million. The region has an abudant pipeline of qualified, educated, and motivated talent for existing and new employers.

DFW BUSINESS COMMUNITY

In good company: Dallas-Fort Worth's business community is thriving and is home to the headquarters of 20 Fortune 500 companies, and 39 Fortune 1000 companies.

THE COST OF DOING BUSINESS is 7% lower in DFW than the national average

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DALLAS-FORT WORTH AT-A-GLANCE

7.1 million

Current Population of the DFW Metroplex

360 Residents per day move in daily or
1 Person every 4 minutes move to DFW

10.5 million

Projected Population of DFW by 2040

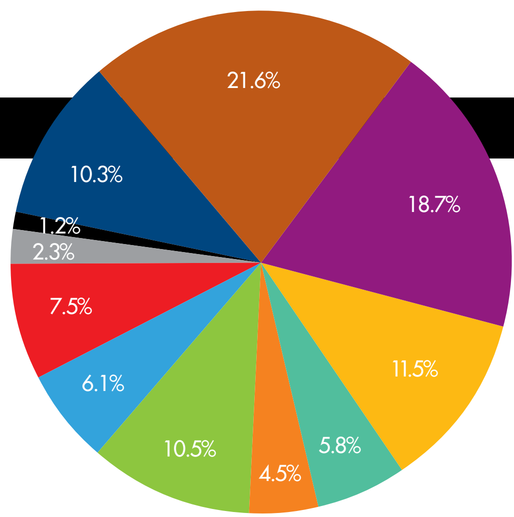
Housing prices & accessibility are a competitive advantage for companies seeking to keep labor costs low and recruit the best workers.

DFW housing prices are competitive, sitting at or below the national average.

DFW housing prices are **49%** less than many other large metros.

0% A 0% state & local income tax makes Dallas-Fort Worth one of the most affordable locations in the country.

DFW Regional Overview



The Dallas-Fort Worth regional economy is among the most diverse in the nation, which means companies can draw from a deep base of skilled workers.

- Trade/Transportation/Utilities
- Professional & Business Services
- Health Services
- Financial Activities
- Other Services
- Leisure & Hospitality
- Construction
- Manufacturing
- Information
- Natural Resources & Mining
- Public Administration

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DFW Q3 2017 INDUSTRIAL MARKET **REPORT**

Research & Forecast Report

DALLAS-FORT WORTH | INDUSTRIAL

Q3 2017

Colliers INTERNATIONAL

Accelerating success.

Big-Box seeking large tenants propels DFW industrial market

MIKE OTILLIO Director of Market Research
KARI BEETS Research Associate

A strong economy continues to propel Dallas-Fort Worth's industrial market, and consumers' demand for faster delivery has caused businesses to seek efficiencies throughout their supply chain. Amazon signed the two largest deals this quarter at 920,000 and 604,000 square feet. Net absorption was a healthy 4.4 million square feet, slightly slower than Q2, but stronger than Q1 2017. Diverse companies led to the absorption total; for example, Campbell Soup Co. had the largest move-in to 577,000 square feet in Fort Worth, and S&S Activewear took 500,000 square feet at 35/820 @ Mercantile Center.

Developers continue to show confidence that DFW will be in demand, breaking ground on 4.4 million square feet in Q2 2017. This pace is slower than in 2016, which averaged 6.9 million per quarter, indicating that developers are showing healthy restraint. Landlords continue their "whale-hunting", seeking large tenants to fill half or all of large buildings rather than dividing space for smaller 100,000 to 200,000 square foot tenants.

The surge in speculative development finally started to show in the vacancy rate in Q1 2017, but the rate improved slightly since then, standing at 6.3% in Q3 2017. Big-Box vacancy is up 1.7% year-over-year at 10.7% in Q3. South Dallas had the highest overall vacancy rate of 13.5% as five properties over 500,000 square feet that delivered in 2017 sit entirely vacant.

Transaction volume for the market continued at a similar pace. The total for the 12-months prior to the end of Q3 2017 stood at 1.7 billion, slightly higher than the total in 2016.

Outlook

Developers will continue to break ground on new product, but the pace of construction will slow slightly, as the abundance of new product has affected the overall vacancy rate. Speculative construction continues to dominate new builds — 82% of properties delivered in Q3 started speculative and were 57% leased at the end of the quarter. For Big-Box properties, 32 of the 36 properties under construction were speculative and were about 30% pre-leased.

While overall rental rates are up for Big-Box product, markets with high vacancy levels such as South Dallas and Alliance may see rates decline slightly or landlords offer more free rent to make these outskirts locations more appealing than tighter infill markets.

Starting this quarter, Colliers Research will segment industrial product into three categories: Warehouse/ Distribution (which is comprised of Big-Box and Non Big-Box Industrial), Manufacturing, and Flex. This facilitates more meaningful comparisons of vacancy and rental rate. The All Industrial summary is comprised of Warehouse/Distribution, Manufacturing, and Flex.

Market Indicators Relative to prior period	Annual Change	Quarterly Change	Quarterly Forecast*
Vacancy	↔	↔	↓
Net Absorption	↓	↓	↑
Under Construction	↓	↓	↓

*Projected

Summary Statistics DFW Industrial Market	Warehouse/Distribution			Industrial	
	Big-Box	Non Big-Box	Combined	Flex	MFG
Vacancy Rate	10.7%	4.7%	6.9%	6.3%	3.0%
Quarterly Change	0.5%	0.0%	-0.2%	0.1%	-0.2%
Absorption YTD (Thousands Square Feet)	9,574	2,789	12,363	556	978
New Supply YTD (Thousands Square Feet)	14,419	4,449	18,867	434	579
Under Construction (Thousands Square Feet)	17,433	1,799	19,233	842	1,405
Asking Rents Per Square Foot Per Year					
Average Quoted	$3.78	$5.01	$4.34	$9.50	$4.71
Quarterly Change	-1.6%	1.6%	-1.6%	0.5%	-2.1%
Year-Over-Year Change	2.9%	3.8%	0.7%	-1.9%	6.2%

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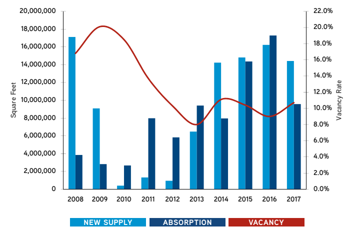
DFW Q3 2017 INDUSTRIAL MARKET **REPORT**

Market Trends & Stats

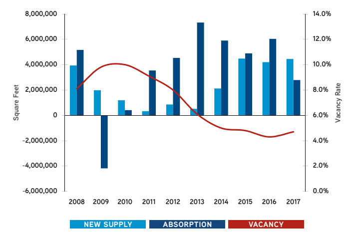
WAREHOUSE / DISTRIBUTION BIG-BOX

- Big-Box product makes up the majority of warehouse/distribution absorption – with Big-Box absorbing 2.9 million square feet compared with 1.3 million for Non Big-Box.
- New deliveries exceeded net absorption by 1.6 million square feet in Q3. So far in 2017, Big-Box deliveries have totaled 14.4 million square feet and net absorption stands at 9.6 million square feet, a difference of almost 5 million square feet.
- Rental rates for Big-Box product decreased slightly due to increasing vacancy, rates fell 1.6% to $3.79 triple net. The Far North I-35E corridor, which includes North Stemmons and Lewisville, had the highest rental rates at $4.44 triple net. The West I-30 corridor posted the lowest average rates at $3.20 triple net.



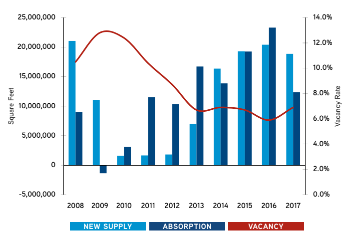
WAREHOUSE / DISTRIBUTION NON BIG-BOX

- Non Big-Box warehouse/distribution product accounts for 64% of total warehouse product. In Q2 2017, it accounted for only 31% of the quarterly net absorption.
- Vacancy in the Non Big-Box sector decreased 0.1% to 7.1% for Q3, and has held steady at 4.8%, which is 9.5% below the Big-Box vacancy rate. In Q3, Northeast Dallas/Garland had the highest vacancy rate for this product type at 7.4%
- Because leased spaces and buildings are smaller, per square foot rental rates are higher, averaging $5.01 triple net for Q2 2017, which is more than $1 per square foot higher than Big-Box rates. The North I-35E Corridor had the highest average rates for this product at $6.15 triple net.



WAREHOUSE / DISTRIBUTION ALL

- Warehouse/distribution products are divided into Big-Box and Non Big-Box. Big-Box distribution centers larger than 200,000 square feet with a clear height greater than 28'. Non Big-Box includes everything else, including properties over 200,000 square feet that have a clear height under 28'. Because of the volume, Big-Box tend to have lower rental rates and more swings in vacancy rates.
- Total warehouse vacancy increased 0.2% from Q2, and was up 0.8% year-over-year. South Dallas had the highest vacancy rate at 16.4%, and the North I-35E Corridor was the tightest market with only 1,444,607 square feet available, a 2.6% vacancy rate.
- Activity in warehouse/distribution was steady, with 4.2 million square feet absorbed in Q2. However, year-to-date net absorption is about 28% lower than absorption through Q3 2016.



Dallas-Fort Worth Industrial Market Summary

Colliers Market	EXISTING PROPERTIES: Bldgs	EXISTING PROPERTIES: Total Inventory SF	VACANCY: Direct Vacancy Rate	VACANCY: Sublease Vacancy Rate	VACANCY: Total Vacant SF	VACANCY: Vacancy Rate Current	VACANCY: Vacancy Rate Prior Qtr	NET ABSORPTION: Net Abs Current Qtr SF	NET ABSORPTION: Net Abs YTD SF	CONSTRUCTION: New Supply YTD SF	CONSTRUCTION: Under Construction SF	RENT: Average Rate (NNN)
WAREHOUSE / DISTRIBUTION BIG-BOX												
Alliance	54	29,099,343	8.7%	0.0%	2,541,136	8.7%	10.4%	490,425	2,046,705	948,262	2,140,152	$ 3.62
DFW Airport	77	31,882,789	4.3%	0.8%	1,613,033	5.1%	6.2%	758,637	204,924	424,080	1,831,133	$ 3.91
East Dallas	17	6,995,656	7.6%	0.0%	533,343	7.6%	8.7%	394,793	439,281	351,874	0	$ 3.73
Far North I-35E Corridor	57	22,668,718	5.1%	0.1%	1,171,362	5.2%	5.2%	0	1,520,863	850,000	851,788	$ 4.44
Great Southwest	84	31,470,224	17.9%	0.3%	5,742,494	18.2%	15.9%	-749,390	951,863	3,619,724	3,427,737	$ 4.11
Metropolitan / Addison	2	511,459	0.0%	0.0%	0	0.0%	0.0%	0	0	0	0	N/A
North Fort Worth	21	9,896,421	4.3%	0.0%	428,203	4.3%	1.5%	1,070,082	1,552,914	1,369,885	821,000	$ 4.04
North I-35E Corridor	1	233,000	0.0%	0.0%	0	0.0%	0.0%	0	0	0	0	N/A
North US 75 Corridor	7	3,207,764	0.0%	0.0%	0	0.0%	0.0%	0	0	0	0	N/A
Northeast Dallas / Garland	21	6,959,429	4.3%	0.0%	300,000	4.3%	6.5%	153,955	17,285	0	1,898,441	$ 3.88
South Dallas	79	41,270,287	22.2%	0.0%	9,149,726	22.2%	19.7%	636,438	2,244,681	5,839,149	5,652,135	$ 3.54
South Fort Worth	15	5,408,582	14.9%	0.0%	805,625	14.9%	14.9%	0	-504,125	0	488,564	N/A
West I-30 Corridor	36	15,024,226	3.3%	0.0%	501,116	3.3%	2.6%	167,300	1,099,878	1,015,748	322,215	$ 3.20
Outlying Metroplex	10	8,626,457	0.0%	0.0%	0	0.0%	0.0%	0	0	0	0	N/A
Total DFW Market	**481**	**213,254,355**	**10.5%**	**0.2%**	**22,786,038**	**10.7%**	**10.2%**	**2,922,240**	**9,574,269**	**14,418,722**	**17,433,165**	**$ 3.78**
WAREHOUSE / DISTRIBUTION NON BIG-BOX												
Alliance	114	6,254,846	1.7%	0.0%	104,976	1.7%	5.2%	269,396	551,587	84,000	15,906	$ 5.08
DFW Airport	374	28,386,888	6.9%	0.1%	1,964,943	6.9%	7.5%	337,384	680,270	1,341,429	529,865	$ 4.90
East Dallas	421	18,147,187	3.2%	0.6%	699,632	3.9%	3.3%	-109,470	-429	0	0	$ 4.49
Far North I-35E Corridor	653	45,504,297	3.6%	0.3%	1,740,105	3.8%	4.2%	292,722	898,149	654,366	357,806	$ 4.96
Great Southwest	920	57,304,889	5.4%	0.2%	3,177,538	5.5%	5.8%	876,288	432,595	1,132,852	534,134	$ 4.26
Metropolitan / Addison	199	10,632,244	5.1%	0.0%	543,802	5.1%	5.7%	63,754	-139,083	0	0	$ 4.78
North Fort Worth	290	18,850,571	5.9%	0.1%	1,130,720	6.0%	6.8%	242,621	11,577	146,826	47,547	$ 5.07
North I-35E Corridor	1,508	55,279,223	2.5%	0.1%	1,444,607	2.6%	2.2%	-205,958	1,355	0	0	$ 6.15
North US 75 Corridor	318	17,379,384	3.9%	0.2%	712,218	4.1%	3.8%	-57,277	-18,469	23,750	17,000	$ 5.64
Northeast Dallas / Garland	471	26,581,554	5.3%	2.2%	1,977,514	7.4%	7.2%	-62,265	-96,552	269,350	54,000	$ 4.29
South Dallas	362	21,453,623	5.4%	0.1%	1,182,216	5.5%	5.6%	35,464	-53,954	281,984	0	$ 4.51
South Fort Worth	997	36,650,738	3.0%	0.1%	1,135,084	3.1%	3.0%	-53,234	148,412	16,250	35,600	$ 6.01
West I-30 Corridor	238	12,052,570	4.4%	0.4%	573,819	4.8%	2.4%	-280,885	-351,039	0	187,518	$ 5.07
Outlying Metroplex	483	17,377,308	4.5%	1.4%	1,019,239	5.9%	5.5%	-35,793	445,769	497,750	20,000	$ 4.97
Total DFW Market	**7,348**	**371,855,322**	**4.3%**	**0.4%**	**17,406,413**	**4.7%**	**4.7%**	**1,312,747**	**2,788,947**	**4,448,557**	**1,799,376**	**$ 5.01**
WAREHOUSE / DISTRIBUTION ALL												
Alliance	168	35,354,189	7.5%	0.0%	2,646,112	7.5%	9.5%	759,821	2,598,292	1,032,262	2,156,058	$ 3.89
DFW Airport	451	60,269,677	5.5%	0.4%	3,577,976	5.9%	6.8%	1,096,021	885,194	1,765,509	2,360,998	$ 4.35
East Dallas	438	25,142,843	4.4%	0.5%	1,232,975	4.9%	4.7%	285,323	438,852	351,874	0	$ 4.40
Far North I-35E Corridor	710	68,173,015	4.1%	0.2%	2,911,467	4.3%	4.5%	292,722	2,419,012	1,504,366	1,209,594	$ 4.82
Great Southwest	1,004	88,775,113	9.8%	0.2%	8,920,032	10.0%	9.4%	126,898	1,384,458	4,752,576	3,961,871	$ 4.17
Metropolitan / Addison	201	11,143,703	4.9%	0.0%	543,802	4.9%	5.5%	63,754	-139,083	0	0	$ 4.78
North Fort Worth	311	28,746,992	5.4%	0.0%	1,558,923	5.4%	5.1%	1,312,703	1,564,491	1,516,711	868,547	$ 4.83
North I-35E Corridor	1,509	55,512,223	2.5%	0.1%	1,444,607	2.6%	2.2%	-205,958	1,355	0	0	$ 6.15
North US 75 Corridor	325	20,587,148	3.3%	0.1%	712,218	3.5%	3.2%	-57,277	-18,469	23,750	17,000	$ 5.64
Northeast Dallas / Garland	492	33,540,983	5.1%	1.7%	2,277,514	6.8%	7.1%	91,690	-79,267	269,350	1,952,441	$ 4.12
South Dallas	441	62,723,910	16.4%	0.0%	10,331,942	16.5%	14.7%	671,902	2,190,727	6,121,133	5,652,135	$ 3.57
South Fort Worth	1,012	42,059,320	4.6%	0.1%	1,940,709	4.6%	4.5%	-53,234	-355,713	16,250	524,164	$ 6.01
West I-30 Corridor	274	27,076,796	3.8%	0.2%	1,074,935	4.0%	2.5%	-113,585	748,839	1,015,748	509,733	$ 4.19
Outlying Metroplex	493	26,003,765	3.0%	0.9%	1,019,239	3.9%	3.7%	-35,793	445,769	497,750	20,000	$ 4.97
Total DFW Market	**7,829**	**585,109,677**	**6.6%**	**0.3%**	**40,192,451**	**6.9%**	**6.7%**	**4,234,987**	**12,363,216**	**18,867,279**	**19,232,541**	**$ 4.34**

NOTE: Statistical set includes industrial properties 10,000 SF and up, excluding data centers. Big Box is defined as warehouses 200,000 square feet and larger with 28' clear. Non-Big Box includes all other warehouse / distribution properties. While CoStar attempts to provide the most accurate data at the end of every quarter, revisions are made throughout the year accounting for discrepancies in past reporting.

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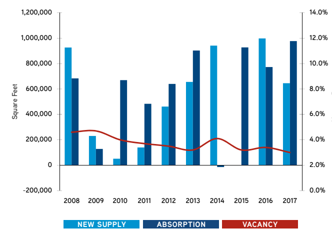
Market Trends & Stats

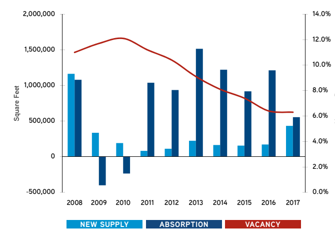
MANUFACTURING

- Manufacturing space accounts for 100 million square feet, 12.5%, of the total DFW industrial market. Because of the large amount of owner occupied manufacturing space, historical vacancy rates have averaged in the 3-4% range. For Q3 2017, manufacturing vacancy stood at 3.0%.
- Year-to-date absorption for manufacturing space stood at 977,556 square feet through the first three quarters. Major move-ins include Medicore taking 114,432 square feet at 4717 Plano Pkwy and several 40,000-50,000 square foot tenants. These gains were offset by a 106,500 square foot move-out at 4012 W Illinois Ave.
- Four manufacturing properties have delivered so far in 2017 – the 540,000 square foot Farmer Brothers Coffee headquarters, a 47,500 square foot building for Sew-Eurodrive, a 19,000 square foot facility for Radio Controls Limited in Southwest Tarrant County, and a 40,000 square foot facility at 11 Prestige Circle in McKinney that was 25% leased.



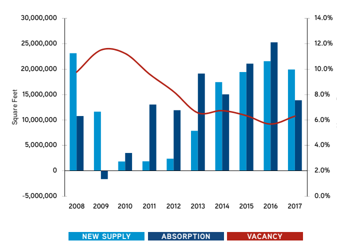
FLEX

- Flex product makes up 13.5% of the total DFW industrial market, or 107 million square feet. Data Centers are excluded from flex product in this report.
- The vacancy rate for flex product has been steadily dropping since its peak at 12% in 2010. In Q3 2017, flex vacancy stood at 6.3%, a slight rise from 6.2% in Q2, but well below a year prior where vacancy stood at 6.7%. Space is especially tight in North Fort Worth and East Dallas, which have a 1.2% and 1.3% vacancy rate, respectively. All flex space in the West I-30 Corridor's 2 million square feet is fully occupied.
- Despite low vacancy and rising rent, flex construction has been limited over the past few years. So far in 2017, seven properties totaling 433,000 square feet have been delivered. Two of these properties were build-to-suits and five were speculative.



ALL INDUSTRIAL: BIG-BOX, NON BIG-BOX, WAREHOUSE & DISTRIBUTION, MANUFACTURING, AND FLEX

- The overall industrial market continues to be strong, with a 6.3% vacancy rate. Vacancy rose a marginal 0.1% from the prior quarter and is up 0.5% from Q3 2016.
- Over 21 million square feet of total industrial product was under construction at the end of the quarter. The average square footage of a property under construction was 290,000 square feet, up significantly from 2009-2010 when under construction properties averaged under 100,000 square feet. This shows that developers continue to favor Big-Box product.
- Year-to-date net absorption of 13.9 million square feet significantly lags net absorption for this point in 2016 which was 18.5 million square feet. Even though there have been several large leases signed this quarter that could be occupied by the end of the year, Q4 2017 would have to reach 11 million square feet of absorption to exceed 2016's total, a number to which the DFW market has never come close.



Dallas-Fort Worth Industrial Market Summary

EXISTING PROPERTIES			VACANCY					NET ABSORPTION		CONSTRUCTION		RENT
Colliers Market	Bldgs	Total Inventory SF	Direct Vacancy Rate	Sublease Vacancy Rate	Total Vacant SF	Vacancy Rate Current	Vacancy Rate Prior Qtr	Net Abs Current Qtr SF	Net Abs YTD SF	New Supply YTD SF	Under Construction SF	Average Rate (NNN)
MANUFACTURING												
Alliance	9	1,201,575	0.0%	0.0%	0	0.0%	0.0%	0	539,448	539,448	0	$ 12.00
DFW Airport	20	2,913,618	0.0%	0.0%	0	0.0%	1.1%	31,098	13,404	0	31,000	$ 7.50
East Dallas	59	4,173,090	0.3%	0.0%	13,160	0.3%	0.4%	1,450	-13,160	0	0	$ 4.75
Far North I-35E Corridor	68	5,892,652	3.6%	0.6%	245,805	4.2%	5.6%	85,572	99,100	0	0	$ 4.66
Great Southwest	74	11,438,637	1.5%	0.0%	167,718	1.5%	1.5%	8,400	200,498	0	1,000,000	$ 4.35
Metropolitan / Addison	19	1,324,572	6.9%	0.0%	91,031	6.9%	3.0%	-51,934	-66,231	0	0	$ 4.96
North Fort Worth	49	5,886,765	1.6%	0.1%	102,000	1.7%	2.6%	50,400	-6,000	0	0	$ 4.50
North I-35E Corridor	114	7,565,713	1.7%	0.1%	134,861	1.8%	1.9%	10,538	-81,031	0	0	$ 6.87
North US 75 Corridor	48	10,433,691	3.8%	0.0%	392,628	3.8%	4.0%	29,022	39,022	40,000	0	$ 10.00
Northeast Dallas / Garland	73	6,560,566	5.2%	5.2%	682,641	10.4%	10.9%	30,807	293,657	0	0	$ 4.75
South Dallas	93	13,208,929	1.9%	0.0%	250,520	1.9%	1.8%	28,210	14,810	47,500	130,000	$ 3.34
South Fort Worth	104	10,937,412	1.3%	0.0%	139,644	1.3%	1.7%	68,223	154,006	19,000	100,000	$ 4.83
West I-30 Corridor	30	2,032,832	11.7%	0.0%	237,617	11.7%	6.4%	-106,500	-106,513	0	0	$ 2.75
Outlying Metroplex	157	16,092,423	3.5%	0.0%	556,578	3.5%	3.6%	17,937	8,346	0	144,000	$ 4.36
Total DFW Market	**917**	**99,662,475**	**2.6%**	**0.4%**	**3,014,203**	**3.0%**	**3.2%**	**203,223**	**977,556**	**645,948**	**1,405,000**	**$ 4.71**
FLEX												
Alliance	40	1,527,416	8.3%	13.7%	335,255	21.9%	15.9%	-91,718	-106,594	0	0	$ 7.50
DFW Airport	217	8,278,092	8.0%	0.0%	662,939	8.0%	8.2%	15,778	120,816	0	0	$ 9.42
East Dallas	208	5,087,388	2.2%	0.0%	113,099	2.2%	1.4%	-42,322	-6,183	0	0	$ 13.08
Far North I-35E Corridor	303	10,564,317	7.9%	0.4%	877,619	8.3%	9.7%	147,514	293,111	343,283	470,000	$ 8.88
Great Southwest	329	9,467,020	6.0%	0.1%	572,278	6.0%	6.4%	34,127	107,880	11,000	0	$ 8.11
Metropolitan / Addison	238	8,522,844	7.2%	0.0%	612,491	7.2%	8.2%	84,056	184,777	0	0	$ 9.74
North Fort Worth	65	2,496,027	1.2%	0.0%	30,083	1.2%	0.8%	-11,241	213,593	0	0	$ 8.96
North I-35E Corridor	728	19,887,386	4.2%	0.0%	837,123	4.2%	4.2%	3,405	70,348	0	15,000	$ 11.95
North US 75 Corridor	437	16,074,200	10.1%	0.2%	1,656,751	10.3%	9.5%	-126,156	-287,392	0	258,000	$ 9.31
Northeast Dallas / Garland	320	8,864,147	4.0%	0.3%	383,370	4.3%	4.0%	-32,453	-26,942	0	0	$ 5.42
South Dallas	136	2,865,245	1.3%	0.0%	36,603	1.3%	1.5%	5,542	8,336	0	0	$ 6.79
South Fort Worth	341	9,486,300	4.3%	0.5%	460,139	4.9%	3.8%	-97,228	-84,852	0	18,600	$ 8.79
West I-30 Corridor	76	2,053,583	0.0%	0.0%	0	0.0%	0.0%	0	33,600	0	0	N/A
Outlying Metroplex	77	1,621,054	7.7%	0.0%	124,763	7.7%	11.4%	59,500	35,407	79,250	80,000	$ 12.02
Total DFW Market	**3,515**	**106,795,019**	**5.9%**	**0.3%**	**6,702,513**	**6.3%**	**6.2%**	**-51,196**	**555,905**	**433,533**	**841,600**	**$ 9.50**
ALL INDUSTRIAL: BIG-BOX, NON BIG-BOX, WAREHOUSE & DISTRIBUTION, MANUFACTURING, AND FLEX												
Alliance	217	38,083,180	7.3%	0.5%	2,981,367	7.8%	9.5%	668,103	3,031,146	1,571,710	2,156,058	
DFW Airport	688	71,461,387	5.6%	0.4%	4,240,915	5.9%	6.7%	1,142,897	1,019,414	1,765,509	2,391,998	
East Dallas	705	34,403,321	3.6%	0.3%	1,359,234	4.0%	3.7%	244,451	419,509	351,874	0	
Far North I-35E Corridor	1,081	84,629,984	4.5%	0.2%	4,034,891	4.8%	5.2%	525,808	2,811,223	1,847,649	1,679,594	
Great Southwest	1,407	109,680,770	8.6%	0.2%	9,660,028	8.8%	8.3%	169,425	1,692,836	4,763,576	4,961,871	
Metropolitan / Addison	458	20,991,119	5.9%	0.0%	1,247,324	5.9%	6.4%	95,876	-20,537	0	0	
North Fort Worth	425	37,129,784	4.5%	0.0%	1,691,006	4.6%	4.4%	1,351,862	1,772,084	1,516,711	868,547	
North I-35E Corridor	2,351	82,965,322	2.8%	0.1%	2,416,591	2.9%	2.7%	-192,015	-9,328	0	15,000	
North US 75 Corridor	810	47,095,039	5.7%	0.1%	2,761,597	5.9%	5.5%	-154,411	-266,839	63,750	275,000	
Northeast Dallas / Garland	885	48,965,696	4.9%	1.9%	3,343,525	6.8%	7.0%	90,044	187,448	269,350	1,952,441	
South Dallas	670	78,798,084	13.5%	0.0%	10,619,065	13.5%	12.0%	705,654	2,102,073	6,168,633	5,782,135	
South Fort Worth	1,457	62,483,032	3.9%	0.1%	2,540,492	4.1%	3.9%	-82,239	-286,559	35,250	642,764	
West I-30 Corridor	380	31,163,211	4.1%	0.1%	1,312,552	4.2%	2.6%	-220,085	675,926	1,015,748	509,733	
Outlying Metroplex	727	43,717,242	3.3%	0.5%	1,700,580	3.9%	3.9%	41,644	489,522	577,000	244,000	
Total DFW Market	**12,261**	**791,567,171**	**6.0%**	**0.3%**	**49,909,167**	**6.3%**	**6.2%**	**4,387,014**	**13,896,677**	**19,946,760**	**21,479,141**	

NOTE: Statistical set includes industrial properties 10,000 SF and up, excluding data centers. Big Box is defined as warehouses 200,000 square feet and larger with 28' clear. Non-Big Box includes all other warehouse / distribution properties. While CoStar attempts to provide the most accurate data at the end of every quarter, revisions are made throughout the year accounting for discrepancies in past reporting.

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DFW Q3 2017 INDUSTRIAL MARKET **REPORT**

Lease Comps

Year-to-date leasing activity was down 32% from the same time period in 2016. Leasing activity in Q3 was approximately 7.5 million square feet, while year-to-date activity stands at 30.6 million square feet.

TENANT	PROPERTY	SUBMARKET	SF LEASED	PROPERTY TYPE	DEAL TYPE	SIGN DATE
Amazon	3350 Altamoore Dr	SE Dallas/I-45 Ind	920,275	Big-Box	New	Aug 2017
Amazon	944 W Sandy Lake Rd	E DFW Air/Las Colinas Ind	604,800	Big-Box	New	Sep 2017
XPO Logistics*	400 Dividend Dr	E DFW Air/Las Colinas Ind	263,625	Big-Box	New	Aug 2017
Biagi Brothers	605 110th St	Lower Great Southwest Ind	179,875	Non Big-Box	Renewal	Sep 2017
The Hillman Group, Inc.	514 Bennett Ln	Lewisville Ind	165,705	Big-Box	New	Sep 2017
SWS Re-Distribution Company, Inc.	1440 Lemay Dr	N Stemmons/Valwood Ind	127,506	Non Big-Box	Renewal	Jul 2017
Erect-A-Line	3912 W Illinois Ave	Eastern Lonestar/Tpke Ind	113,260	Non Big-Box	New	Jul 2017
Custom Assembly Inc	1228 Crowley Cir	N Stemmons/Valwood Ind	110,700	Non Big-Box	Renewal	Sep 2017
Iron Grip	3400 Northern Cross Blvd	Meacham Fld/Fossil Cr Ind	96,000	Manufacturing	New	Sep 2017
Pentair*	1002 E Cleveland Rd	SE Dallas/I-45 Ind	83,220	Big-Box	New	Aug 2017
Best Buy Warehousing Logistics*	9010 N Royal Ln	E DFW Air/Las Colinas Ind	68,839	Non Big-Box	Renewal	Aug 2017
Daryl Flood	204 Airline Dr	E DFW Air/Las Colinas Ind	61,335	Big-Box	New	Aug 2017
International Flavors & Fragrances Inc.	1505 Luna Rd	N Stemmons/Valwood Ind	16,800	Flex	New	Sep 2017
L&B	12801 N Stemmons Fwy	N Stemmons/Valwood Ind	14,200	Flex	New	Sep 2017
SaladMaster	4300 Amon Carter Blvd	Upper Great Southwest Ind	13,495	Flex	New	Aug 2017

**Colliers Transaction*

Sales Comps

Investment activity through Q3 2017 is slightly ahead of where it was through the first three quarters of the prior year. Activity stood at 357 million for the quarter and 1.2 billion year-to-date. Sales averaged about $60 psf, down slightly from averages in the $70s for 2016.

PROPERTY ADDRESS	SUBMARKET CLUSTER	SALE DATE	SALE PRICE	SIZE (SF)	PSF	PROPERTY TYPE	BUYER
825-831 E Highway 121	Far North I-35E	Sep-17	$1,270,000	20,200	$63	Non Big-Box	Mercer Company
1950 W Bardin Rd	South Dallas	Aug-17	$25,000,000	430,829	$58	Big-Box	Flex-N-Gate
913 N Belt Line Rd	North I-35E Corridor	Jul-17	$1,100,000	26,040	$42	Non Big-Box	Asdierolf Concrete
4005 Interstate 30	West I-30 Corridor	Jul-17	$24,317,000	215,000	$113	Big-Box	Lexington Realty Trust
4200-4202 Wiley Post Rd	Metropolitan/Addison Ind	Jul-17	$1,400,000	30,000	$47	Flex	Needham Roofing
500 Randall St	Outlying Market	Jul-17	$4,651,491	87,870	$53	Manufacturing	Goff Capital Partners
5005 Samuell Blvd	East Dallas	Jun-17	$50,621,072	351,874	$144	Big-Box	Monmouth RE Investment Corp.
634-640 107th St	Great Southwest	Jun-17	$4,000,000	72,900	$55	Non Big-Box	Stonelake Capital Partners
201 S Interstate 45	South Dallas	Jun-17	$42,000,000	758,922	$55	Big-Box	Pure Industrial Real Estate Trust
8901 Forney Rd	East Dallas	Jun-17	$14,400,000	419,626	$34	Big-Box	Dalfen America Corp
1920 Hutton Ct*	Far North I-35E Corridor	May-17	$3,850,000	52,613	$73	Non Big-Box	Holt Lundsford Commercial

**Colliers Transaction*

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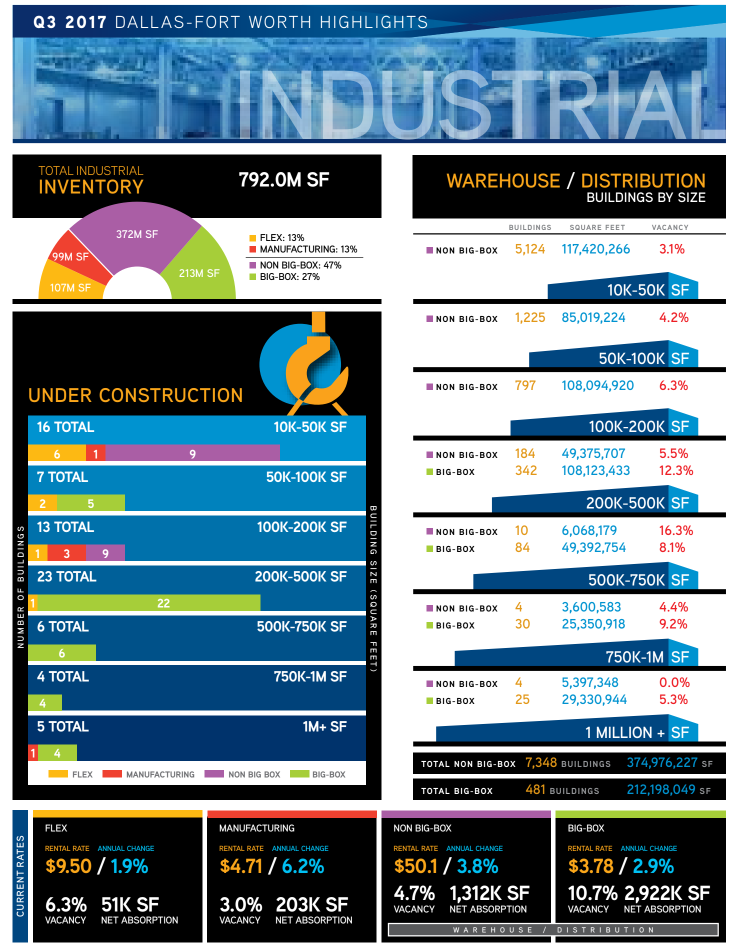

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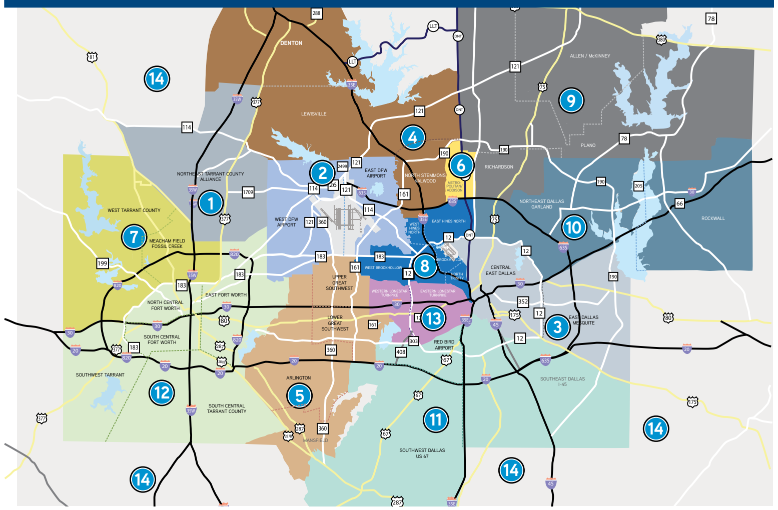
DFW Q3 2017 INDUSTRIAL MARKET **REPORT**

INDUSTRIAL SUBMARKET MAP



Submarket	Warehouse/Distribution: Big-Box and Non Big-Box							All Industrial: WH/DIST (Big-Box & Non Big-Box), MFG & Flex					
	BLDGS #	RBA (SF)	Vac Rate	ABS (YTD)	New Sply	Under Const	Rate (NNN)	BLDGS #	RBA (SF)	Vac Rate	ABS YTD	New Sply	Under Const
1 Alliance	168	35.4m	7.5%	760k	1m	2.2m	$3.89	217	38.1m	7.8%	668k	1.6m	2.2m
2 DFW Airport	451	60.3m	5.9%	1.1m	1.8m	2.4m	$4.35	688	71.5m	5.9%	1.1m	1.8m	2.4m
3 East Dallas	438	25.1m	4.9%	285k	352k	0	$4.40	705	34.4m	4.0%	244k	352k	0
4 Far North I-35E	710	68.2m	4.3%	293k	1.5m	1.2m	$4.82	1,081	84.6m	4.8%	526k	1.8m	1.7m
5 Great Southwest	1,004	88.8m	10.0%	127k	4.8m	4m	$4.17	1,407	109.7m	8.8%	169k	4.8m	5m
6 Metropolitan-Addison	201	11.1m	4.9%	64k	0	0	$4.78	458	21m	5.9%	96k	0	0
7 North Fort Worth	311	28.7m	5.4%	1.3m	1.5m	869k	$4.83	425	37.1m	4.6%	1.4m	1.5m	869k
8 North I-35E Corridor	1,509	55.5m	2.6%	-206k	0	0	$6.15	2,351	83m	2.9%	-192k	0	15k
9 North US 75 Corridor	325	20.6m	3.5%	-57k	24k	17k	$5.64	810	47.1m	5.9%	-154k	64k	275k
10 Northeast Dallas	492	33.5m	6.8%	92k	269k	2m	$4.12	885	49m	6.8%	90k	269k	2m
11 South Dallas	441	62.7m	16.5%	672k	6.1m	5.7m	$3.57	670	78.8m	13.5%	706k	6.2m	5.8m
12 South Fort Worth	1,012	42.1m	4.6%	-53k	16k	524k	$6.01	1,457	62.5m	4.1%	-82k	35k	643k
13 West I-30 Corridor	274	27.1m	4.0%	-114k	1m	510k	$4.19	380	31.2m	4.2%	-220k	1m	510k
14 Outlying Market	493	26m	3.9%	-36k	498k	20k	$4.97	727	43.7m	3.9%	42k	577k	244k
Total DFW Market	**7,829**	**585.1m**	**6.9%**	**4.2m**	**18.9m**	**19.2m**	**$4.34**	**12,261**	**791.6m**	**6.3%**	**4.4m**	**19.9m**	**21.5m**

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"The Southern Dallas submarket is one of the most dynamic submarkets in the country with many large retailers, wholesalers, and 3PL's choosing to locate its facilities there because of its economic rental rates, abundant labor, and ample stock of modern distribution centers. Development is robust, leading to a higher than average vacancy rate; however, activity is strong evidenced by continued positive absorption. Going forward, Southern Dallas, along with the entire Dallas-Fort Worth region, will benefit from a growing population, one of the strongest economies in the country, and an exemplary logistics system of interstate highways, rail networks, and state-of-the-art inland ports which will keep Southern Dallas and the region as a whole one of the top industrial destinations in the country."

JAMES BREEZE, *National Director of Industrial Research*
Colliers International

"The market is recognizing the logistical benefits of Southern Dallas created by the location of three major freeways – I-20, I-35E and I-45 – serving the area, plus the location of the Union Pacific Intermodal Terminal along I-45, transporting goods from Asia Pacific that enter the country through the LA/Long Beach port. This has prompted almost 8 million square feet of warehouse space under construction. We continue to receive inquiries from manufacturing companies and companies consolidating and relocating large regional hubs to DFW."

MIKE RADER, *President of Prime Rail Interests*
and owner of the 3000-acre Prime Point Development in Southern Dallas County

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