

# THE CoSTAR OFFICE REPORT

YEAR - END 2012

## Dallas/Ft. Worth Office Market



## DALLAS/FT. WORTH OFFICE MARKET



## TABLE OF CONTENTS

Table of Contents .....	<b>A</b>
Methodology .....	<b>B</b>
Terms & Definitions .....	<b>C</b>
Market Highlights & Overview .....	<b>1</b>
CoStar Markets & Submarkets .....	<b>4</b>
Inventory & Development Analysis .....	<b>5</b>
Inventory & Development Analysis	
Select Top Deliveries	
Select Top Under Construction Properties	
Figures at a Glance .....	<b>9</b>
Figures at a Glance by Class & Market	
Figures at a Glance by Class & Submarket	
Figures at a Glance Grouped by CBD vs Suburban	
Historical Figures at a Glance	
Leasing Activity Analysis .....	<b>17</b>
Select Top Lease Transactions	
Sales Activity Analysis .....	<b>19</b>
Sales Activity Analysis	
Select Top Sales Transactions	
Analysis of Individual CoStar Submarket Clusters .....	<b>21</b>
Central Expressway Market	
Dallas CBD Market	
East Dallas Market	
Far North Dallas Market	
Ft Worth CBD Market	
Las Colinas Market	
LBJ Freeway Market	
Lewisville/Denton Market	
Mid-Cities Market	
North Fort Worth Market	
Northeast Ft Worth Market	
Preston Center Market	
Richardson/Plano Market	
South Ft Worth Market	
Southwest Dallas Market	
Stemmons Freeway Market	
Uptown/Turtle Creek Market	



# DALLAS/FT. WORTH OFFICE MARKET

## METHODOLOGY

The CoStar Office Report, unless specifically stated otherwise, calculates office statistics using CoStar Group's entire database of existing and under construction office buildings in each metropolitan area. Included are office, office condominium, office loft, office medical, all classes and all sizes, and both multi-tenant and single-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 80.7 billion square feet of coverage in 3.5 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

**For information on subscribing to CoStar's other products and services, please contact us at  
1-877-7COSTAR, or visit our web site at [www.costar.com](http://www.costar.com)**

© Copyright 2013 CoStar Group, Inc. All Rights Reserved. Although CoStar makes efforts to ensure the accuracy and reliability of the information contained herein, CoStar makes no guarantee, representation or warranty regarding the quality, accuracy, timeliness or completeness of the information. The publication is provided 'as is' and CoStar expressly disclaims any guarantees, representations or warranties of any kind, including those of MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**CoStar Group, Inc.**

1331 L ST NW • Washington, DC 20005 • (800) 204-5960 • [www.costar.com](http://www.costar.com) • NASDAQ: CSGP

## DALLAS/FT. WORTH OFFICE MARKET



## TERMS &amp; DEFINITIONS

**Availability Rate:** The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

**Available Space:** The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

**Build-to-Suit:** A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

**Buyer:** The individual, group, company, or entity that has purchased a commercial real estate asset.

**Cap Rate:** Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

**CBD:** Abbreviation for Central Business District. (See also: Central Business District)

**Central Business District:** The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

**Class A:** A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

**Class B:** A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

**Class C:** A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

**Construction Starts:** Buildings that began construction during a specific period of time. (See also: Deliveries)

**Contiguous Blocks of Space:** Space within a building that is, or is able to be joined together into a single contiguous space.

**Deliveries:** Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

**Delivery Date:** The date a building completes construction and receives a certificate of occupancy.

**Developer:** The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

**Direct Space:** Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

**Existing Inventory:** The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

**Flex Building:** A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

**Full Service Rental Rate:** Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

**Gross Absorption:** The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

**Growth in Inventory:** The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

**Industrial Building:** A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

**Landlord Rep:** (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

**Leased Space:** All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

**Leasing Activity:** The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

**Market:** Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

# DALLAS/FT. WORTH OFFICE MARKET

**Multi-Tenant:** Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

**Net Absorption:** The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

**Net Rental Rate:** A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

**New Space:** Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

**Occupied Space:** Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

**Office Building:** A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

**Owner:** The company, entity, or individual that holds title on a given building or property.

**Planned/Proposed:** The status of a building that has been announced for future development but not yet started construction.

**Preleased Space:** The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

**Price/SF:** Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

**Property Manager:** The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

**Quoted Rental Rate:** The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

**RBA:** Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

**Region:** Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

**Relet Space:** Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

**Rentable Building Area:** (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

**Rental Rates:** The annual costs of occupancy for a particular space quoted on a per square foot basis.

**Sales Price:** The total dollar amount paid for a particular property at a particular point in time.

**Sales Volume:** The sum of sales prices for a given group of buildings in a given time period.

**Seller:** The individual, group, company, or entity that sells a particular commercial real estate asset.

**SF:** Abbreviation for Square Feet.

**Single-Tenant:** Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

**Sublease Space:** Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

**Submarkets:** Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

**Suburban:** The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

**Tenancy:** A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

**Tenant Rep:** Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

**Time On Market:** A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

**Under Construction:** The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

**Vacancy Rate:** A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

**Vacant Space:** Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

**Weighted Average Rental Rate:** Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

**Year Built:** The year in which a building completed construction and was issued a certificate of occupancy.

**YTD:** Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

## DALLAS/FT. WORTH OFFICE MARKET



## OVERVIEW

# DALLAS/FT. WORTH'S VACANCY DECREASES TO 15.5%

## Net Absorption Positive 1,197,503 SF in the Quarter

The Dallas/Ft. Worth Office market ended the fourth quarter 2012 with a vacancy rate of 15.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,197,503 square feet in the fourth quarter. Vacant sublease space decreased in the quarter, ending the quarter at 2,101,724 square feet. Rental rates ended the fourth quarter at \$19.70, an increase over the previous quarter. A total of 15 buildings delivered to the market in the quarter totaling 266,268 square feet, with 1,716,849 square feet still under construction at the end of the quarter.

### Absorption

Net absorption for the overall Dallas/Ft. Worth office market was positive 1,197,503 square feet in the fourth quarter 2012. That compares to positive 1,696,366 square feet in the third quarter 2012, positive 541,023 square feet in the second quarter 2012, and positive 322,676 square feet in the first quarter 2012.

Tenants moving out of large blocks of space in 2012 include: AT&T moving out of 254,482 square feet at 5601 Legacy Dr; and Texans Credit Union moving out of 79,525 square feet at 777 E Campbell Rd.

Tenants moving into large blocks of space in 2012 include: Winstead PC moving into 123,553 square feet at 2728 N Harwood St; Safety-Kleen Systems Inc moving into 87,096 square feet at Tower 2600; and Exeter Finance Corp moving into 74,311 square feet at 2250 W John Carpenter Fwy.

The Class-A office market recorded net absorption of positive 476,392 square feet in the fourth quarter 2012, compared to positive 1,302,547 square feet in the third quarter 2012, positive 348,221 in the second quarter 2012, and negative (168,312) in the first quarter 2012.

The Class-B office market recorded net absorption of positive 685,548 square feet in the fourth quarter 2012, compared to positive 323,203 square feet in the third quarter 2012, positive 64,242 in the second quarter 2012, and positive 399,124 in the first quarter 2012.

The Class-C office market recorded net absorption of positive 35,563 square feet in the fourth quarter 2012 compared to positive 70,616 square feet in the third quarter 2012, positive 128,560 in the second quarter 2012, and positive 91,864 in the first quarter 2012.

Net absorption for Dallas/Ft. Worth's central business district was negative (113,426) square feet in the fourth quarter 2012. That compares to positive 35,220 square feet in the third quarter 2012, positive 141,965 in the second quarter 2012, and negative (200,798) in the first quarter 2012.

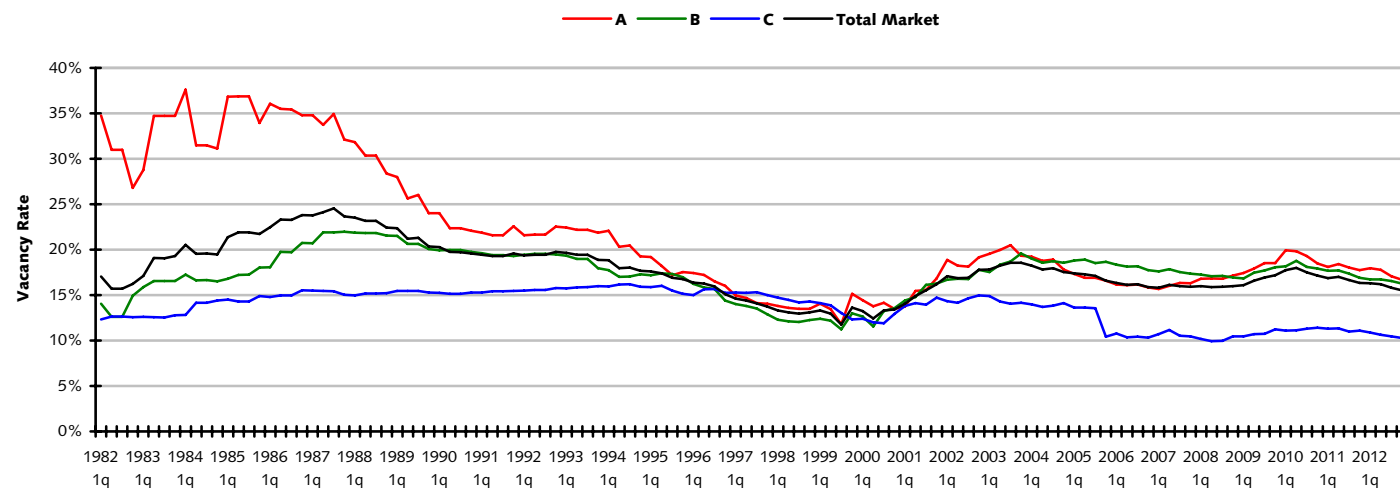
Net absorption for the suburban markets was positive 1,310,929 square feet in the fourth quarter 2012. That compares to positive 1,661,146 square feet in third quarter 2012, positive 399,058 in the second quarter 2012, and positive 523,474 in the first quarter 2012.

### Vacancy

The office vacancy rate in the Dallas/Ft. Worth market area decreased to 15.5% at the end of the fourth quarter 2012. The vacancy rate was 15.8% at the end of the third quarter 2012, 16.2% at the end of the second quarter 2012, and 16.3% at the end of the first quarter 2012.

Class-A projects reported a vacancy rate of 16.7% at the end of the fourth quarter 2012, 17.1% at the end of the third quarter 2012, 17.8% at the end of the second quarter 2012, and 18.0% at the end of the first quarter 2012.

## VACANCY RATES BY CLASS 1982-2012



Source: CoStar Property®



Class-B projects reported a vacancy rate of 16.3% at the end of the fourth quarter 2012, 16.5% at the end of the third quarter 2012, 16.7% at the end of the second quarter 2012, and 16.7% at the end of the first quarter 2012.

Class-C projects reported a vacancy rate of 10.3% at the end of the fourth quarter 2012, 10.5% at the end of third quarter 2012, 10.6% at the end of the second quarter 2012, and 10.9% at the end of the first quarter 2012.

The overall vacancy rate in Dallas/Ft. Worth's central business district at the end of the fourth quarter 2012 increased to 22.9%. The vacancy rate was 22.8% at the end of the third quarter 2012, 22.9% at the end of the second quarter 2012, and 23.2% at the end of the first quarter 2012.

The vacancy rate in the suburban markets decreased to 14.3% in the fourth quarter 2012. The vacancy rate was 14.7% at the end of the third quarter 2012, 15.1% at the end of the second quarter 2012, and 15.2% at the end of the first quarter 2012.

### Largest Lease Signings

The largest lease signings occurring in 2012 included: the 415,141-square-foot lease signed by State Farm at Regent Commons in the Las Colinas market; the 286,922-square-foot deal signed by VHA at 290 E John Carpenter Fwy in the Las Colinas market; and the 227,075-square-foot lease signed by Christus Health at One MacArthur Ridge in the Las Colinas market.

### Sublease Vacancy

The amount of vacant sublease space in the Dallas/Ft. Worth market decreased to 2,101,724 square feet by the end of the fourth quarter 2012, from 2,217,224 square feet at the end of the third quarter 2012. There was 2,136,611 square feet vacant at the end of the second quarter 2012 and 2,102,064 square feet at the end of the first quarter 2012.

Dallas/Ft. Worth's Class-A projects reported vacant sublease space of 771,315 square feet at the end of fourth quarter 2012,

down from the 852,947 square feet reported at the end of the third quarter 2012. There were 780,278 square feet of sublease space vacant at the end of the second quarter 2012, and 760,466 square feet at the end of the first quarter 2012.

Class-B projects reported vacant sublease space of 1,315,096 square feet at the end of the fourth quarter 2012, down from the 1,344,672 square feet reported at the end of the third quarter 2012. At the end of the second quarter 2012 there were 1,344,143 square feet, and at the end of the first quarter 2012 there were 1,326,234 square feet vacant.

Class-C projects reported decreased vacant sublease space from the third quarter 2012 to the fourth quarter 2012. Sublease vacancy went from 19,605 square feet to 15,313 square feet during that time. There was 12,190 square feet at the end of the second quarter 2012, and 15,364 square feet at the end of the first quarter 2012.

Sublease vacancy in Dallas/Ft. Worth's central business district stood at 390,122 square feet at the end of the fourth quarter 2012. It was 381,121 square feet at the end of the third quarter 2012, 314,056 square feet at the end of the second quarter 2012, and 339,577 square feet at the end of the first quarter 2012.

Sublease vacancy in the suburban markets ended the fourth quarter 2012 at 1,711,602 square feet. At the end of the third quarter 2012 sublease vacancy was 1,836,103 square feet, was 1,822,555 square feet at the end of the second quarter 2012, and was 1,762,487 square feet at the end of the first quarter 2012.

### Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$19.70 per square foot per year at the end of the fourth quarter 2012 in the Dallas/Ft. Worth market area. This represented a 0.5% increase in quoted rental rates from the end of the third quarter 2012, when rents were reported at \$19.60 per square foot.

The average quoted rate within the Class-A sector was \$22.74 at the end of the fourth quarter 2012, while Class-B rates stood at \$17.88, and Class-C rates at \$14.60. At the end of the third quarter 2012, Class-A rates were \$22.57 per square foot, Class-B rates were \$17.90, and Class-C rates were \$14.44.

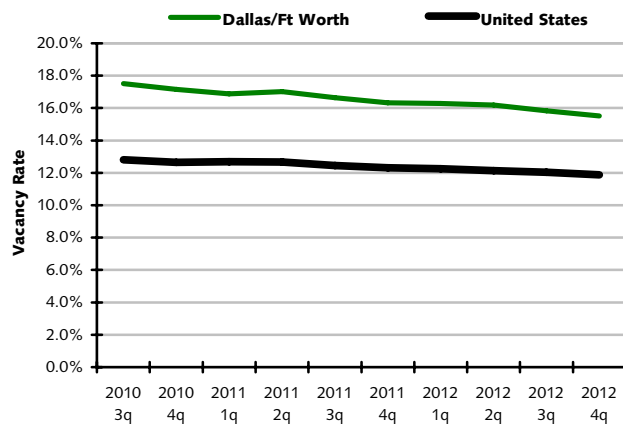
The average quoted asking rental rate in Dallas/Ft. Worth's CBD was \$20.64 at the end of the fourth quarter 2012, and \$19.53 in the suburban markets. In the third quarter 2012, quoted rates were \$20.30 in the CBD and \$19.48 in the suburbs.

### Deliveries and Construction

During the fourth quarter 2012, 15 buildings totaling 266,268 square feet were completed in the Dallas/Ft. Worth market area. This compares to 12 buildings totaling 574,045 square feet that were completed in the third quarter 2012, 10 buildings totaling 217,376 square feet completed in the second quarter 2012, and 244,398 square feet in 11 buildings completed in the first quarter 2012.

## U.S. VACANCY COMPARISON

### Past 10 Quarters



Source: CoStar Property

## DALLAS/FT. WORTH OFFICE MARKET



## OVERVIEW

There were 1,716,849 square feet of office space under construction at the end of the fourth quarter 2012.

Some of the notable 2012 deliveries include: EnCana Oil & Gas Headquarters, a 318,600-square-foot facility that delivered in third quarter 2012 and is now 100% occupied, and Lone Star Building, a 138,000-square-foot building that delivered in first quarter 2012 and is now 100% occupied.

The largest projects underway at the end of fourth quarter 2012 were 5543 Legacy Dr, a 246,229-square-foot facility that is 100% pre-leased, and Legacy Town Center Headquarters I, a 157,800-square-foot facility that is 0% pre-leased.

### Inventory

Total office inventory in the Dallas/Ft. Worth market area amounted to 339,764,394 square feet in 10,465 buildings as of the end of the fourth quarter 2012. The Class-A office sector consisted of 123,643,223 square feet in 439 projects. There were 4,656 Class-B buildings totaling 165,342,501 square feet, and the Class-C sector consisted of 50,778,670 square feet in 5,370 buildings. Within the Office market there were 794 owner-occupied buildings accounting for 51,524,583 square feet of office space.

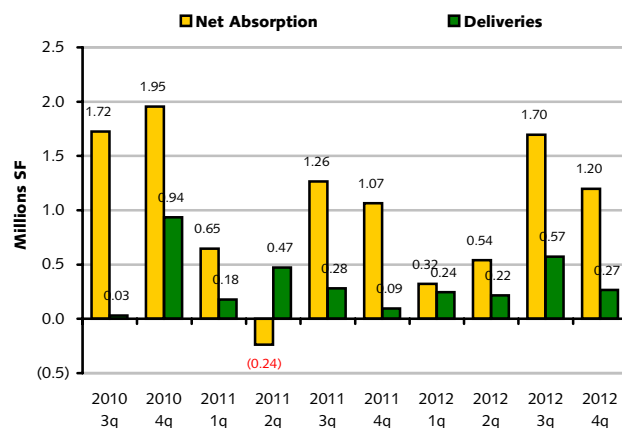
### Sales Activity

Tallying office building sales of 15,000 square feet or larger, Dallas/Ft Worth office sales figures fell during the third quarter 2012 in terms of dollar volume compared to the second quarter of 2012.

In the third quarter, 18 office transactions closed with a total volume of \$294,120,425. The 18 buildings totaled 3,148,889 square feet and the average price per square foot equated to \$93.40 per square foot. That compares to 13 transactions totaling \$344,970,000 in the second quarter 2012. The total square footage in the second quarter was 3,291,627 square feet for an average price per square foot of \$104.80.

## ABSORPTION & DELIVERIES

### Past 10 Quarters



Source: CoStar Property\*

Total office building sales activity in 2012 was up compared to 2011. In the first nine months of 2012, the market saw 40 office sales transactions with a total volume of \$1,241,200,425. The price per square foot averaged \$114.13. In the same first nine months of 2011, the market posted 39 transactions with a total volume of \$688,566,378. The price per square foot averaged \$84.75.

Cap rates have been lower in 2012, averaging 7.66% compared to the same period in 2011 when they averaged 8.64%.

One of the largest transactions that has occurred within the last four quarters in the Dallas/Ft Worth market is the sale of Convergence in Lewisville. This 819,000-square-foot office building sold for \$123,000,000, or \$150.18 per square foot. The property sold on 2/22/2012, at a 8.4% cap rate.

Report compiled by Brandon Skaggs, CoStar Senior Research Manager.



# DALLAS/FT. WORTH OFFICE MARKET

## MARKETS

### CoSTAR SUBMARKET CLUSTERS & SUBMARKETS

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Submarket Clusters	Submarkets				
Central Expressway	Central Expressway				
Dallas CBD	Dallas CBD*				
East Dallas	Garland Rockwall	Henderson County Southeast Dallas	Mesquite/Forney/Terrell White Rock	Outlying Kaufman County	
Far North Dallas	Frisco/The Colony	Quorum/Bent Tree	Upper Tollway/West Plano		
Ft Worth CBD	Ft Worth CBD*				
Las Colinas	DFW Freeport/Coppell	Office Ctr/West LBJ Ext	Urban Center/Wingren		
LBJ Freeway	East LBJ Freeway	West LBJ Freeway			
Lewisville/Denton	Denton	Lewisville	Outlying Denton County		
Mid-Cities	Arlington/Mansfield Westlake/Grapevine	Grand Prairie	HEB/Midcities	South Irving	
North Fort Worth	Alliance	Northwest Ft Worth	Parker County	Wise County	
Northeast Ft Worth	East Northeast Ft Worth				
Preston Center	Preston Center				
Richardson/Plano	Allen/McKinney Plano	Delta County Richardson	Hunt County	Outlying Collin County	
South Ft Worth	Hood County	Johnson County	Southeast Ft Worth	West Southwest Ft Worth	
Southwest Dallas	Ellis County	Southwest Dallas			
Stemmons Freeway	Stemmons Freeway				
Uptown/Turtle Creek	Uptown/Turtle Creek				

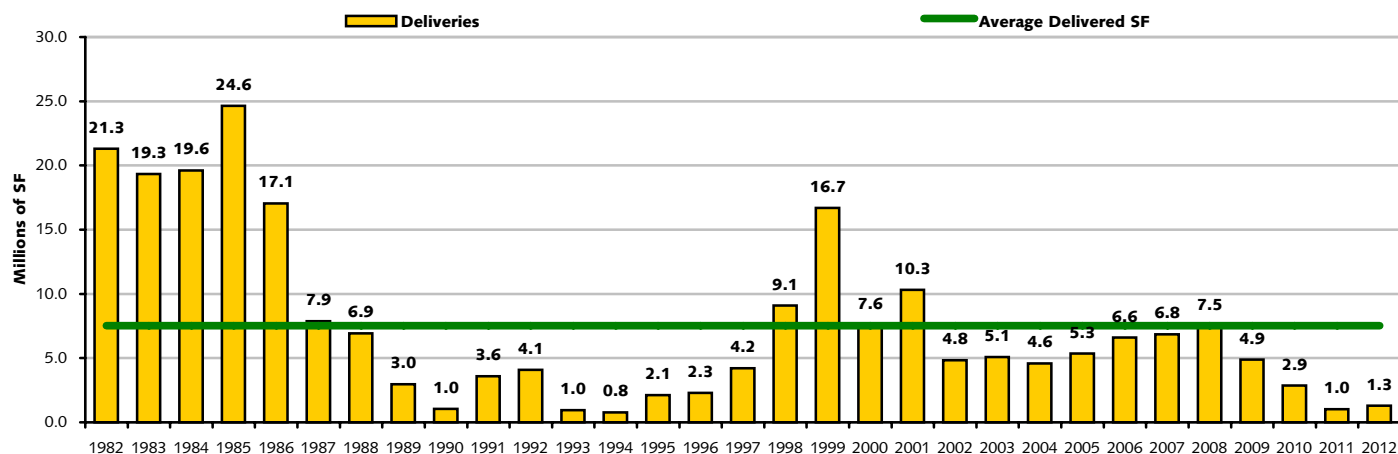
\* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.

## DALLAS/Ft. WORTH OFFICE MARKET



## INVENTORY &amp; DEVELOPMENT

## HISTORICAL DELIVERIES 1982 - 2012



Source: CoStar Property®

\* Future deliveries based on current under construction buildings.

## CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Far North Dallas	7	766,394	477,267	62.3%	56,909	109,485
LBJ Freeway	1	251,389	0	0.0%	90,117	251,389
Richardson/Plano	12	170,708	57,644	33.8%	33,314	14,226
South Ft Worth	7	161,972	111,021	68.5%	12,924	23,139
Ft Worth CBD	2	154,801	0	0.0%	99,954	77,400
East Dallas	3	95,625	77,925	81.5%	13,498	31,875
Preston Center	2	92,300	85,500	92.6%	41,160	46,150
Mid-Cities	4	23,660	2,291	9.7%	17,160	5,915
Northeast Ft Worth	0	0	0	0.0%	13,992	0
Lewisville/Denton	0	0	0	0.0%	15,882	0
All Other	0	0	0	0.0%	52,448	0
<b>Totals</b>	<b>38</b>	<b>1,716,849</b>	<b>811,648</b>	<b>47.3%</b>	<b>32,467</b>	<b>45,180</b>

Source: CoStar Property®

## RECENT DELIVERIES

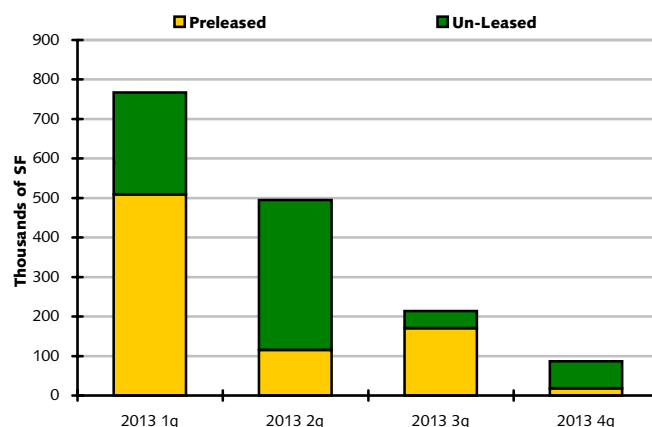
## Leased &amp; Un-Leased SF in Deliveries Since 2008



Source: CoStar Property®

## FUTURE DELIVERIES

## Preleased &amp; Un-Leased SF in Properties Scheduled to Deliver



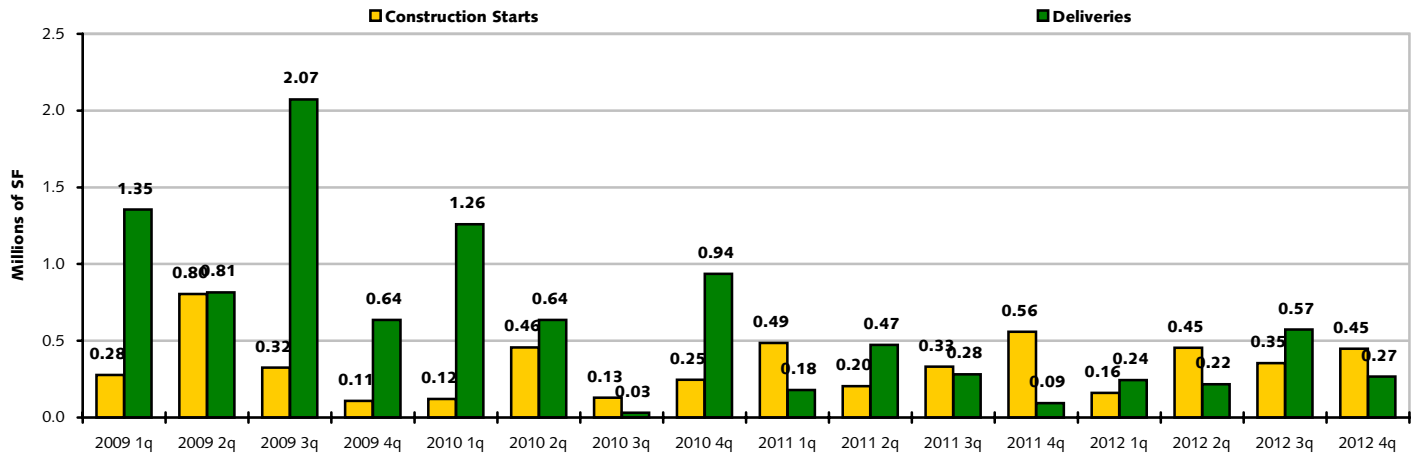
Source: CoStar Property®

# DALLAS/FT. WORTH OFFICE MARKET

## INVENTORY & DEVELOPMENT

### HISTORICAL CONSTRUCTION STARTS & DELIVERIES

#### Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

### RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	41	446,787	291,986	65.4%	\$28.96	105,237	341,550
50,000 SF - 99,999 SF	4	285,000	97,510	34.2%	\$19.28	0	285,000
100,000 SF - 249,999 SF	2	251,700	246,015	97.7%	\$30.06	138,000	113,700
250,000 SF - 499,999 SF	1	318,600	318,600	100.0%	\$0.00	318,600	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

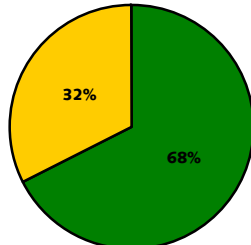
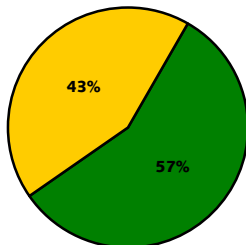
Source: CoStar Property®

### RECENT DEVELOPMENT BY TENANCY

#### Based on RBA Developed for Single & Multi Tenant Use

2012 Deliveries

Currently Under Construction



■ Multi   ■ Single

■ Multi   ■ Single

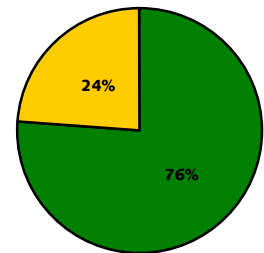
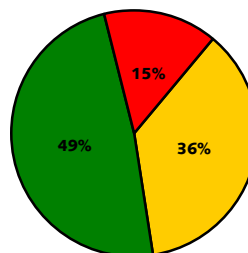
Source: CoStar Property®

### EXISTING INVENTORY COMPARISON

#### Based on Total RBA

By Class

By Space Type



■ Class A   ■ Class B   ■ Class C

■ Multi   ■ Single

Source: CoStar Property®

## DALLAS/FT. WORTH OFFICE MARKET

INVENTORY &amp; DEVELOPMENT



## SELECT YEAR-TO-DATE DELIVERIES

Based on Project Square Footage

<b>1. 5851 Legacy Cir - Encana Oil &amp; Gas</b> Submarket: <b>Far North Dallas</b> RBA: <b>318,600</b> # Floors: <b>12</b> Class: <b>A</b> Occupied: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>First Quarter 2011</b> Deliv Date: <b>Third Quarter 2012</b> Leasing Co: <b>Kdc Legacy North Invs I Lp</b> Developer: <b>KDC Real Estate Development &amp; Inves</b> Architect: <b>Corgan Associates, Inc.</b>	<b>2. Lone Star Building</b> Submarket: <b>Far North Dallas</b> RBA: <b>138,000</b> # Floors: <b>3</b> Class: <b>A</b> Occupied: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Fourth Quarter 2010</b> Deliv Date: <b>First Quarter 2012</b> Leasing Co: <b>N/A</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>3. Baylor McKinney Medical Office Building</b> Submarket: <b>Richardson/Plano</b> RBA: <b>113,700</b> # Floors: <b>4</b> Class: <b>A</b> Occupied: <b>95%</b> Quoted Rate: <b>\$30.06</b> Grnd Brk Date: <b>Second Quarter 2011</b> Deliv Date: <b>Second Quarter 2012</b> Leasing Co: <b>BremnerDuke Healthcare</b> Developer: <b>N/A</b> Architect: <b>N/A</b>
<b>4. River Walk Medical Park III</b> Submarket: <b>Lewisville/Denton</b> RBA: <b>79,000</b> # Floors: <b>3</b> Class: <b>A</b> Occupied: <b>49%</b> Quoted Rate: <b>\$30.27</b> Grnd Brk Date: <b>Fourth Quarter 2011</b> Deliv Date: <b>Third Quarter 2012</b> Leasing Co: <b>TruMedical Realty, LLC</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>5. 6400 Pinecrest Dr</b> Submarket: <b>Far North Dallas</b> RBA: <b>76,000</b> # Floors: <b>1</b> Class: <b>B</b> Occupied: <b>0%</b> Quoted Rate: <b>\$13.50</b> Grnd Brk Date: <b>Second Quarter 2012</b> Deliv Date: <b>Fourth Quarter 2012</b> Leasing Co: <b>Lincoln Property Company</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>6. Texas Health Alliance Medical Office Building</b> Submarket: <b>North Fort Worth</b> RBA: <b>70,000</b> # Floors: <b>4</b> Class: <b>A</b> Occupied: <b>84%</b> Quoted Rate: <b>Negotiable</b> Grnd Brk Date: <b>First Quarter 2011</b> Deliv Date: <b>Third Quarter 2012</b> Leasing Co: <b>Cambridge Healthcare Properties</b> Developer: <b>N/A</b> Architect: <b>N/A</b>
<b>7. Forest Park Medical Center Frisco MOB</b> Submarket: <b>Far North Dallas</b> RBA: <b>60,000</b> # Floors: <b>3</b> Class: <b>A</b> Occupied: <b>0%</b> Quoted Rate: <b>Negotiable</b> Grnd Brk Date: <b>Second Quarter 2011</b> Deliv Date: <b>Third Quarter 2012</b> Leasing Co: <b>Lincoln Harris CSG</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>8. 4001 Long Prairie Rd</b> Submarket: <b>Lewisville/Denton</b> RBA: <b>42,000</b> # Floors: <b>1</b> Class: <b>B</b> Occupied: <b>60%</b> Quoted Rate: <b>\$32.39</b> Grnd Brk Date: <b>Fourth Quarter 2011</b> Deliv Date: <b>Fourth Quarter 2012</b> Leasing Co: <b>Caddis Partners/Healthcare Real Est</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>9. 9600 N Central Expy</b> Submarket: <b>Central Expressway</b> RBA: <b>41,980</b> # Floors: <b>1</b> Class: <b>B</b> Occupied: <b>91%</b> Quoted Rate: <b>\$27.39</b> Grnd Brk Date: <b>Second Quarter 2012</b> Deliv Date: <b>Fourth Quarter 2012</b> Leasing Co: <b>Lincoln Harris CSG</b> Developer: <b>N/A</b> Architect: <b>N/A</b>
<b>10. Genusys Center</b> Submarket: <b>Lewisville/Denton</b> RBA: <b>33,000</b> # Floors: <b>3</b> Class: <b>B</b> Occupied: <b>100%</b> Quoted Rate: <b>\$32.39</b> Grnd Brk Date: <b>Third Quarter 2011</b> Deliv Date: <b>Second Quarter 2012</b> Leasing Co: <b>N/A</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>11. E. Carlyle Smith, Jr. Health Center</b> Submarket: <b>Mid-Cities</b> RBA: <b>32,901</b> # Floors: <b>1</b> Class: <b>B</b> Occupied: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Third Quarter 2011</b> Deliv Date: <b>Second Quarter 2012</b> Leasing Co: <b>City of Grand Prairie</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>12. Keller Health Plaza</b> Submarket: <b>Mid-Cities</b> RBA: <b>30,800</b> # Floors: <b>1</b> Class: <b>B</b> Occupied: <b>58%</b> Quoted Rate: <b>\$30.89</b> Grnd Brk Date: <b>Third Quarter 2011</b> Deliv Date: <b>First Quarter 2012</b> Leasing Co: <b>Caddis Partners/Healthcare Real Est</b> Developer: <b>N/A</b> Architect: <b>N/A</b>
<b>13. 4865 Hedgcove Rd</b> Submarket: <b>Far North Dallas</b> RBA: <b>26,229</b> # Floors: <b>2</b> Class: <b>B</b> Occupied: <b>39%</b> Quoted Rate: <b>\$29.14</b> Grnd Brk Date: <b>First Quarter 2012</b> Deliv Date: <b>Fourth Quarter 2012</b> Leasing Co: <b>Huffman Builders</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>14. Medical Village At Flower Mound</b> Submarket: <b>Lewisville/Denton</b> RBA: <b>17,900</b> # Floors: <b>1</b> Class: <b>B</b> Occupied: <b>77%</b> Quoted Rate: <b>\$28.25</b> Grnd Brk Date: <b>Third Quarter 2011</b> Deliv Date: <b>First Quarter 2012</b> Leasing Co: <b>Wynmark Commercial</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>15. 505 S Nolen Dr</b> Submarket: <b>Mid-Cities</b> RBA: <b>15,000</b> # Floors: <b>1</b> Class: <b>B</b> Occupied: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Third Quarter 2011</b> Deliv Date: <b>First Quarter 2012</b> Leasing Co: <b>Spelunker Properties IV, LLC</b> Developer: <b>N/A</b> Architect: <b>N/A</b>

## DALLAS/FT. WORTH OFFICE MARKET

## INVENTORY &amp; DEVELOPMENT

## SELECT TOP UNDER CONSTRUCTION PROPERTIES

Based on Project Square Footage

<b>1. 5543 Legacy Dr</b> Submarket: <b>Far North Dallas</b> RBA: <b>246,229</b> # Floors: <b>4</b> Class: <b>B</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Fourth Quarter 2011</b> Deliv Date: <b>First Quarter 2013</b> Leasing Co: <b>West Plano Land Company, LP</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>2. Legacy Town Center Headquarters I</b> Submarket: <b>Far North Dallas</b> RBA: <b>157,800</b> # Floors: <b>6</b> Class: <b>A</b> Preleased: <b>0%</b> Quoted Rate: <b>\$31.55</b> Grnd Brk Date: <b>Fourth Quarter 2011</b> Deliv Date: <b>First Quarter 2013</b> Leasing Co: <b>Randy Heady &amp; Company Realtors</b> Developer: <b>Heady Investments</b> Architect: <b>ANPH Inc. Architects &amp; Planners</b>	<b>3. 5040 Headquarters Dr</b> Submarket: <b>Far North Dallas</b> RBA: <b>92,371</b> # Floors: <b>4</b> Class: <b>B</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Third Quarter 2012</b> Deliv Date: <b>Third Quarter 2013</b> Leasing Co: <b>Capital One Services, LLC</b> Developer: <b>N/A</b> Architect: <b>N/A</b>
<b>4. 8383 Preston Center Plaza</b> Submarket: <b>Preston Center</b> RBA: <b>85,000</b> # Floors: <b>5</b> Class: <b>A</b> Preleased: <b>92%</b> Quoted Rate: <b>\$49.84</b> Grnd Brk Date: <b>Third Quarter 2011</b> Deliv Date: <b>First Quarter 2013</b> Leasing Co: <b>Altschuler and Company</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>5. Sundance Square</b> Submarket: <b>Ft Worth CBD</b> RBA: <b>81,415</b> # Floors: <b>6</b> Class: <b>A</b> Preleased: <b>0%</b> Quoted Rate: <b>Negotiable</b> Grnd Brk Date: <b>Second Quarter 2012</b> Deliv Date: <b>Second Quarter 2014</b> Leasing Co: <b>Sundance Square Management, L.P.</b> Developer: <b>N/A</b> Architect: <b>Bennett Benner Pettit, Planners + A</b>	<b>6. Methodist Medical Office Building Pavilion 1</b> Submarket: <b>Far North Dallas</b> RBA: <b>80,000</b> # Floors: <b>4</b> Class: <b>A</b> Preleased: <b>75%</b> Quoted Rate: <b>\$31.77</b> Grnd Brk Date: <b>Third Quarter 2012</b> Deliv Date: <b>Second Quarter 2013</b> Leasing Co: <b>Lincoln Harris CSG</b> Developer: <b>N/A</b> Architect: <b>N/A</b>
<b>7. 5050 Headquarters Dr</b> Submarket: <b>Far North Dallas</b> RBA: <b>78,061</b> # Floors: <b>4</b> Class: <b>B</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Third Quarter 2012</b> Deliv Date: <b>Third Quarter 2013</b> Leasing Co: <b>Capital One Services, LLC</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>8. Sundance Square</b> Submarket: <b>Ft Worth CBD</b> RBA: <b>73,386</b> # Floors: <b>5</b> Class: <b>A</b> Preleased: <b>0%</b> Quoted Rate: <b>Negotiable</b> Grnd Brk Date: <b>Second Quarter 2012</b> Deliv Date: <b>Second Quarter 2014</b> Leasing Co: <b>Sundance Square Management, L.P.</b> Developer: <b>N/A</b> Architect: <b>Bennett Benner Pettit, Planners + A</b>	<b>9. Midtown Medical Plaza</b> Submarket: <b>South Ft Worth</b> RBA: <b>60,000</b> # Floors: <b>4</b> Class: <b>A</b> Preleased: <b>73%</b> Quoted Rate: <b>\$28.50</b> Grnd Brk Date: <b>Third Quarter 2011</b> Deliv Date: <b>First Quarter 2013</b> Leasing Co: <b>MSL Investments, LLC</b> Developer: <b>N/A</b> Architect: <b>N/A</b>
<b>10. Augustus Plaza</b> Submarket: <b>South Ft Worth</b> RBA: <b>53,595</b> # Floors: <b>3</b> Class: <b>B</b> Preleased: <b>52%</b> Quoted Rate: <b>\$23.81</b> Grnd Brk Date: <b>Fourth Quarter 2012</b> Deliv Date: <b>Second Quarter 2013</b> Leasing Co: <b>Transwestern Ft Worth</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>11. Headquarters Place</b> Submarket: <b>Far North Dallas</b> RBA: <b>51,333</b> # Floors: <b>2</b> Class: <b>B</b> Preleased: <b>0%</b> Quoted Rate: <b>\$29.81</b> Grnd Brk Date: <b>Third Quarter 2012</b> Deliv Date: <b>Second Quarter 2013</b> Leasing Co: <b>Peloton Commercial Real Estate</b> Developer: <b>Myers &amp; Crow Company, Ltd.</b> Architect: <b>Gromatzky Dupree and Associates</b>	<b>12. Dallas Children's Advocacy Center</b> Submarket: <b>East Dallas</b> RBA: <b>49,280</b> # Floors: <b>2</b> Class: <b>B</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>First Quarter 2012</b> Deliv Date: <b>First Quarter 2013</b> Leasing Co: <b>Dallas Childrens Advocacy Center</b> Developer: <b>C.F. Jordan Construction</b> Architect: <b>CamargoCopeland Architects, LLP.</b>
<b>13. Wylie Medical Plaza</b> Submarket: <b>Richardson/Plano</b> RBA: <b>48,702</b> # Floors: <b>2</b> Class: <b>B</b> Preleased: <b>72%</b> Quoted Rate: <b>\$29.33</b> Grnd Brk Date: <b>Second Quarter 2012</b> Deliv Date: <b>First Quarter 2013</b> Leasing Co: <b>P/M Realty Group</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>14. 6675 Mediterranean St</b> Submarket: <b>Richardson/Plano</b> RBA: <b>43,514</b> # Floors: <b>4</b> Class: <b>B</b> Preleased: <b>0%</b> Quoted Rate: <b>\$26.80</b> Grnd Brk Date: <b>Fourth Quarter 2012</b> Deliv Date: <b>Third Quarter 2013</b> Leasing Co: <b>Aprian Commercial Realty</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>15. 6220 John Ryan Dr</b> Submarket: <b>South Ft Worth</b> RBA: <b>30,638</b> # Floors: <b>2</b> Class: <b>B</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Second Quarter 2012</b> Deliv Date: <b>First Quarter 2013</b> Leasing Co: <b>Xas Planned Parenthood Of North Te</b> Developer: <b>N/A</b> Architect: <b>N/A</b>

## DALLAS/FT. WORTH OFFICE MARKET



FIGURES AT A GLANCE

## CLASS A MARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Central Expressway	24	7,294,851	1,345,966	1,360,642	18.7%	77,774	0	0	\$21.91
Dallas CBD	24	22,693,924	5,337,849	5,603,997	24.7%	(246,124)	0	0	\$20.94
East Dallas	5	555,410	128,812	131,312	23.6%	(19,794)	0	30,000	\$33.40
Far North Dallas	108	25,424,489	2,641,957	2,846,966	11.2%	816,044	516,600	298,400	\$25.02
Ft Worth CBD	14	5,850,052	612,430	616,534	10.5%	76,522	0	154,801	\$27.54
Las Colinas	66	16,570,132	2,541,613	2,621,341	15.8%	206,594	0	0	\$21.83
LBJ Freeway	33	10,258,228	2,378,514	2,459,567	24.0%	(27,127)	0	251,389	\$20.04
Lewisville/Denton	2	124,291	40,000	40,000	32.2%	39,000	79,000	0	\$29.75
Mid-Cities	36	6,804,423	818,553	853,562	12.5%	73,761	0	0	\$22.40
North Fort Worth	1	70,000	11,405	11,405	16.3%	58,595	70,000	0	\$0.00
Northeast Ft Worth	1	103,938	29,313	29,313	28.2%	(10,515)	0	0	\$22.41
Preston Center	17	3,540,122	259,606	262,865	7.4%	82,231	0	85,000	\$31.11
Richardson/Plano	46	9,001,255	1,811,792	1,813,303	20.1%	248,737	113,700	0	\$21.49
South Ft Worth	13	2,534,415	67,989	72,207	2.8%	121,830	0	60,000	\$24.50
Southwest Dallas	2	281,655	26,442	26,442	9.4%	2,903	0	0	\$21.84
Stemmons Freeway	10	3,513,317	771,920	843,005	24.0%	(4,835)	0	0	\$19.73
Uptown/Turtle Creek	37	9,022,721	1,024,633	1,027,648	11.4%	463,252	0	0	\$30.55
<b>Totals</b>	<b>439</b>	<b>123,643,223</b>	<b>19,848,794</b>	<b>20,620,109</b>	<b>16.7%</b>	<b>1,958,848</b>	<b>779,300</b>	<b>879,590</b>	<b>\$22.74</b>

Source: CoStar Property®

## CLASS B MARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Central Expressway	102	6,571,365	742,767	754,236	11.5%	137,429	41,980	0	\$18.12
Dallas CBD	45	8,098,524	2,580,273	2,624,058	32.4%	135,486	0	0	\$17.02
East Dallas	345	8,104,320	766,091	777,924	9.6%	158,111	17,000	65,625	\$18.59
Far North Dallas	634	23,875,366	3,539,455	3,634,638	15.2%	436,576	116,106	467,994	\$19.12
Ft Worth CBD	45	4,162,199	380,140	456,225	11.0%	(69,769)	0	0	\$19.27
Las Colinas	279	18,715,726	3,426,544	3,717,587	19.9%	(204,333)	0	0	\$18.31
LBJ Freeway	150	11,966,748	3,178,709	3,207,707	26.8%	(249,174)	0	0	\$15.34
Lewisville/Denton	393	8,488,002	1,126,440	1,147,198	13.5%	95,116	98,900	0	\$19.74
Mid-Cities	1,017	21,674,735	2,375,461	2,942,784	13.6%	235,507	136,995	23,660	\$18.21
North Fort Worth	190	3,365,486	153,272	162,391	4.8%	47,023	62,626	0	\$20.26
Northeast Ft Worth	85	2,691,411	290,224	304,584	11.3%	(23,438)	0	0	\$16.96
Preston Center	36	1,370,647	85,112	85,112	6.2%	30,926	0	7,300	\$26.48
Richardson/Plano	595	21,325,768	3,215,433	3,255,609	15.3%	390,212	12,040	170,708	\$17.77
South Ft Worth	371	8,801,971	723,116	737,678	8.4%	195,086	23,968	101,972	\$20.19
Southwest Dallas	184	3,298,725	358,813	362,813	11.0%	65,704	13,172	0	\$16.17
Stemmons Freeway	118	10,089,806	2,353,740	2,430,280	24.1%	22,242	0	0	\$14.21
Uptown/Turtle Creek	67	2,741,702	288,412	298,274	10.9%	69,413	0	0	\$24.09
<b>Totals</b>	<b>4,656</b>	<b>165,342,501</b>	<b>25,584,002</b>	<b>26,899,098</b>	<b>16.3%</b>	<b>1,472,117</b>	<b>522,787</b>	<b>837,259</b>	<b>\$17.88</b>

Source: CoStar Property®



## DALLAS/FT. WORTH OFFICE MARKET

FIGURES AT A GLANCE

## CLASS C MARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bids	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Expressway	154	1,469,943	48,422	48,422	3.3%	(1,842)	0	0	\$16.83
Dallas CBD	79	5,243,566	1,390,822	1,390,822	26.5%	(29,054)	0	0	\$12.71
East Dallas	612	4,325,674	459,287	463,346	10.7%	7,084	0	0	\$13.83
Far North Dallas	150	1,463,045	129,301	129,301	8.8%	13,408	0	0	\$15.91
Ft Worth CBD	56	1,482,488	198,002	198,002	13.4%	(4,100)	0	0	\$18.43
Las Colinas	37	946,983	77,629	77,629	8.2%	2,037	0	0	\$14.55
LBJ Freeway	75	1,025,318	114,580	114,580	11.2%	(1,376)	0	0	\$12.14
Lewisville/Denton	329	2,886,312	236,169	236,869	8.2%	11,765	0	0	\$16.73
Mid-Cities	1,096	8,398,579	962,292	969,102	11.5%	93,345	0	0	\$13.73
North Fort Worth	222	1,254,453	75,427	76,427	6.1%	(653)	0	0	\$17.38
Northeast Ft Worth	238	1,738,093	98,748	98,748	5.7%	(1,422)	0	0	\$14.46
Preston Center	83	686,947	15,851	15,851	2.3%	77,528	0	0	\$13.00
Richardson/Plano	379	3,652,817	356,958	356,958	9.8%	60,112	0	0	\$14.89
South Ft Worth	1,007	6,641,174	473,480	476,224	7.2%	63,745	0	0	\$16.64
Southwest Dallas	491	2,722,205	187,218	187,218	6.9%	36,829	0	0	\$13.79
Stemmons Freeway	156	5,631,690	285,971	285,971	5.1%	(13,176)	0	0	\$12.71
Uptown/Turtle Creek	206	1,209,383	92,128	92,128	7.6%	12,373	0	0	\$20.34
<b>Totals</b>	<b>5,370</b>	<b>50,778,670</b>	<b>5,202,285</b>	<b>5,217,598</b>	<b>10.3%</b>	<b>326,603</b>	<b>0</b>	<b>0</b>	<b>\$14.60</b>

Source: CoStar Property®

## TOTAL OFFICE MARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bids	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Expressway	280	15,336,159	2,137,155	2,163,300	14.1%	213,361	41,980	0	\$20.50
Dallas CBD	148	36,036,014	9,308,944	9,618,877	26.7%	(139,692)	0	0	\$20.09
East Dallas	962	12,985,404	1,354,190	1,372,582	10.6%	145,401	17,000	95,625	\$18.11
Far North Dallas	892	50,762,900	6,310,713	6,610,905	13.0%	1,266,028	632,706	766,394	\$21.71
Ft Worth CBD	115	11,494,739	1,190,572	1,270,761	11.1%	2,653	0	154,801	\$24.04
Las Colinas	382	36,232,841	6,045,786	6,416,557	17.7%	4,298	0	0	\$19.73
LBJ Freeway	258	23,250,294	5,671,803	5,781,854	24.9%	(277,677)	0	251,389	\$17.45
Lewisville/Denton	724	11,498,605	1,402,609	1,424,067	12.4%	145,881	177,900	0	\$19.62
Mid-Cities	2,149	36,877,737	4,156,306	4,765,448	12.9%	402,613	136,995	23,660	\$18.14
North Fort Worth	413	4,689,939	240,104	250,223	5.3%	104,965	132,626	0	\$19.59
Northeast Ft Worth	324	4,533,442	418,285	432,645	9.5%	(35,375)	0	0	\$16.88
Preston Center	136	5,597,716	360,569	363,828	6.5%	190,685	0	92,300	\$28.46
Richardson/Plano	1,020	33,979,840	5,384,183	5,425,870	16.0%	699,061	125,740	170,708	\$18.74
South Ft Worth	1,391	17,977,560	1,264,585	1,286,109	7.2%	380,661	23,968	161,972	\$19.47
Southwest Dallas	677	6,302,585	572,473	576,473	9.1%	105,436	13,172	0	\$15.59
Stemmons Freeway	284	19,234,813	3,411,631	3,559,256	18.5%	4,231	0	0	\$15.27
Uptown/Turtle Creek	310	12,973,806	1,405,173	1,418,050	10.9%	545,038	0	0	\$28.55
<b>Totals</b>	<b>10,465</b>	<b>339,764,394</b>	<b>50,635,081</b>	<b>52,736,805</b>	<b>15.5%</b>	<b>3,757,568</b>	<b>1,302,087</b>	<b>1,716,849</b>	<b>\$19.70</b>

Source: CoStar Property®

## DALLAS/FT. WORTH OFFICE MARKET



FIGURES AT A GLANCE

## CLASS A SUBMARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Allen/McKinney	7	691,195	189,127	189,127	27.4%	127,123	113,700	0	\$24.53
Alliance	1	70,000	11,405	11,405	16.3%	58,595	70,000	0	\$0.00
Arlington/Mansfield	14	1,759,553	188,868	194,131	11.0%	(10,308)	0	0	\$19.41
Central Expressway	24	7,294,851	1,345,966	1,360,642	18.7%	77,774	0	0	\$21.91
Dallas CBD	24	22,693,924	5,337,849	5,603,997	24.7%	(246,124)	0	0	\$20.94
Delta County	0	0	0	0	0.0%	0	0	0	\$0.00
Denton	1	45,291	0	0	0.0%	0	0	0	\$25.89
DFW Freeport/Coppell	11	2,250,264	444,839	444,839	19.8%	22,629	0	0	\$20.44
East LBJ Freeway	27	8,595,236	1,897,977	1,936,386	22.5%	(25,856)	0	251,389	\$21.28
East Northeast Ft Worth	1	103,938	29,313	29,313	28.2%	(10,515)	0	0	\$22.41
Ellis County	0	0	0	0	0.0%	0	0	0	\$0.00
Frisco/The Colony	11	1,271,603	107,861	128,413	10.1%	77,084	60,000	0	\$25.98
Ft Worth CBD	14	5,850,052	612,430	616,534	10.5%	76,522	0	154,801	\$27.54
Garland	0	0	0	0	0.0%	0	0	0	\$0.00
Grand Prairie	5	1,851,880	0	0	0.0%	0	0	0	\$0.00
HEB/Midcities	2	187,657	32,442	35,573	19.0%	156	0	0	\$17.28
Henderson County	0	0	0	0	0.0%	0	0	0	\$0.00
Hood County	0	0	0	0	0.0%	0	0	0	\$0.00
Hunt County	0	0	0	0	0.0%	0	0	0	\$0.00
Johnson County	0	0	0	0	0.0%	0	0	0	\$0.00
Lewisville	1	79,000	40,000	40,000	50.6%	39,000	79,000	0	\$30.27
Mesquite/Forney/Terrell	1	51,000	1,761	4,261	8.4%	0	0	30,000	\$30.74
Northwest Ft Worth	0	0	0	0	0.0%	0	0	0	\$0.00
Office Ctr/West LBJ Ext	30	7,419,184	878,498	910,222	12.3%	105,348	0	0	\$21.18
Outlying Collin County	0	0	0	0	0.0%	0	0	0	\$0.00
Outlying Denton County	0	0	0	0	0.0%	0	0	0	\$0.00
Outlying Kaufman County	0	0	0	0	0.0%	0	0	0	\$0.00
Parker County	0	0	0	0	0.0%	0	0	0	\$0.00
Plano	7	1,152,315	189,031	189,031	16.4%	(52,542)	0	0	\$19.07
Preston Center	17	3,540,122	259,606	262,865	7.4%	82,231	0	85,000	\$31.11
Quorum/Bent Tree	42	10,665,710	1,793,203	1,840,028	17.3%	563,747	138,000	80,000	\$23.45
Richardson	32	7,157,745	1,433,634	1,435,145	20.1%	174,156	0	0	\$21.32
Rockwall	1	85,474	11,037	11,037	12.9%	(2,385)	0	0	\$29.34
South Irving	0	0	0	0	0.0%	0	0	0	\$0.00
Southeast Dallas	0	0	0	0	0.0%	0	0	0	\$0.00
Southeast Ft Worth	1	541,630	0	0	0.0%	0	0	0	\$0.00
Southwest Dallas	2	281,655	26,442	26,442	9.4%	2,903	0	0	\$21.84
Stemmons Freeway	10	3,513,317	771,920	843,005	24.0%	(4,835)	0	0	\$19.73
Upper Tollway/West Plano	55	13,487,176	740,893	878,525	6.5%	175,213	318,600	218,400	\$27.12
Uptown/Turtle Creek	37	9,022,721	1,024,633	1,027,648	11.4%	463,252	0	0	\$30.55
Urban Center/Wingren	25	6,900,684	1,218,276	1,266,280	18.4%	78,617	0	0	\$22.77
West LBJ Freeway	6	1,662,992	480,537	523,181	31.5%	(1,271)	0	0	\$15.21
West Southwest Ft Worth	12	1,992,785	67,989	72,207	3.6%	121,830	0	60,000	\$24.50
Westlake/Grapevine	15	3,005,333	597,243	623,858	20.8%	83,913	0	0	\$23.65
White Rock	3	418,936	116,014	116,014	27.7%	(17,409)	0	0	\$34.58
Wise County	0	0	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>439</b>	<b>123,643,223</b>	<b>19,848,794</b>	<b>20,620,109</b>	<b>16.7%</b>	<b>1,958,848</b>	<b>779,300</b>	<b>879,590</b>	<b>\$22.74</b>

Source: CoStar Property®



## DALLAS/FT. WORTH OFFICE MARKET

FIGURES AT A GLANCE

## CLASS B SUBMARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Allen/McKinney	194	5,095,461	381,126	388,000	7.6%	228,426	3,240	111,799	\$20.72
Alliance	81	2,405,441	83,527	92,646	3.9%	20,042	45,331	0	\$19.40
Arlington/Mansfield	302	6,788,283	881,658	881,658	13.0%	55,189	29,208	12,110	\$18.17
Central Expressway	102	6,571,365	742,767	754,236	11.5%	137,429	41,980	0	\$18.12
Dallas CBD	45	8,098,524	2,580,273	2,624,058	32.4%	135,486	0	0	\$17.02
Delta County	0	0	0	0	0.0%	0	0	0	\$0.00
Denton	130	2,172,409	235,611	235,611	10.8%	(36,876)	6,000	0	\$20.19
DFW Freeport/Coppell	139	8,480,779	1,443,354	1,574,108	18.6%	(363,025)	0	0	\$19.94
East LBJ Freeway	110	8,879,936	2,375,218	2,388,050	26.9%	(111,705)	0	0	\$15.69
East Northeast Ft Worth	85	2,691,411	290,224	304,584	11.3%	(23,438)	0	0	\$16.96
Ellis County	51	584,551	56,544	56,544	9.7%	1,281	10,522	0	\$21.32
Frisco/The Colony	134	3,505,515	255,990	258,490	7.4%	143,509	4,750	0	\$27.54
Ft Worth CBD	45	4,162,199	380,140	456,225	11.0%	(69,769)	0	0	\$19.27
Garland	98	2,270,732	292,701	298,701	13.2%	26,337	0	0	\$20.34
Grand Prairie	46	1,442,232	27,228	27,228	1.9%	54,449	32,901	0	\$19.76
HEB/Midcities	203	4,830,263	660,278	1,227,401	25.4%	(22,351)	6,262	2,291	\$16.16
Henderson County	12	57,233	10,594	10,594	18.5%	6,800	0	0	\$16.39
Hood County	18	165,395	33,384	33,384	20.2%	13,500	0	0	\$20.45
Hunt County	21	197,798	59,604	59,604	30.1%	(5,334)	0	0	\$17.63
Johnson County	54	428,309	17,604	17,604	4.1%	15,166	0	2,541	\$14.52
Lewisville	253	6,220,954	888,825	909,583	14.6%	132,214	92,900	0	\$19.66
Mesquite/Forney/Terrell	62	690,020	68,867	72,567	10.5%	26,588	17,000	16,345	\$19.67
Northwest Ft Worth	43	421,856	11,328	11,328	2.7%	5,379	0	0	\$19.49
Office Ctr/West LBJ Ext	105	7,895,274	1,155,735	1,314,781	16.7%	104,459	0	0	\$16.26
Outlying Collin County	17	107,194	16,278	16,278	15.2%	(1,750)	0	5,000	\$22.42
Outlying Denton County	10	94,639	2,004	2,004	2.1%	(222)	0	0	\$14.75
Outlying Kaufman County	3	13,399	0	0	0.0%	0	0	0	\$0.00
Parker County	59	460,824	45,758	45,758	9.9%	311	17,295	0	\$21.73
Plano	209	7,108,302	885,006	897,146	12.6%	15,925	8,800	53,909	\$17.46
Preston Center	36	1,370,647	85,112	85,112	6.2%	30,926	0	7,300	\$26.48
Quorum/Bent Tree	237	11,462,341	2,303,368	2,329,527	20.3%	55,723	0	0	\$16.51
Richardson	154	8,817,013	1,873,419	1,894,581	21.5%	152,945	0	0	\$16.94
Rockwall	52	696,883	27,159	29,292	4.2%	20,732	0	0	\$25.82
South Irving	51	1,839,506	116,435	116,635	6.3%	(14,182)	0	0	\$17.32
Southeast Dallas	29	679,183	94,048	94,048	13.8%	(11,487)	0	49,280	\$15.09
Southeast Ft Worth	34	532,676	78,839	78,839	14.8%	6,565	0	4,232	\$18.92
Southwest Dallas	133	2,714,174	302,269	306,269	11.3%	64,423	2,650	0	\$15.53
Stemmons Freeway	118	10,089,806	2,353,740	2,430,280	24.1%	22,242	0	0	\$14.21
Upper Tollway/West Plano	263	8,907,510	980,097	1,046,621	11.7%	237,344	111,356	467,994	\$21.92
Uptown/Turtle Creek	67	2,741,702	288,412	298,274	10.9%	69,413	0	0	\$24.09
Urban Center/Wingren	35	2,339,673	827,455	828,698	35.4%	54,233	0	0	\$17.71
West LBJ Freeway	40	3,086,812	803,491	819,657	26.6%	(137,469)	0	0	\$14.33
West Southwest Ft Worth	265	7,675,591	593,289	607,851	7.9%	159,855	23,968	95,199	\$20.67
Westlake/Grapevine	415	6,774,451	689,862	689,862	10.2%	162,402	68,624	9,259	\$21.76
White Rock	89	3,696,870	272,722	272,722	7.4%	89,141	0	0	\$17.11
Wise County	7	77,365	12,659	12,659	16.4%	21,291	0	0	\$20.95
<b>Totals</b>	<b>4,656</b>	<b>165,342,501</b>	<b>25,584,002</b>	<b>26,899,098</b>	<b>16.3%</b>	<b>1,472,117</b>	<b>522,787</b>	<b>837,259</b>	<b>\$17.88</b>

Source: CoStar Property®

## DALLAS/FT. WORTH OFFICE MARKET



FIGURES AT A GLANCE

## CLASS C SUBMARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Allen/McKinney	110	738,066	16,081	16,081	2.2%	20,758	0	0	\$16.68
Alliance	25	136,643	7,770	7,770	5.7%	9,918	0	0	\$20.07
Arlington/Mansfield	490	4,098,963	434,981	434,981	10.6%	2,449	0	0	\$13.52
Central Expressway	154	1,469,943	48,422	48,422	3.3%	(1,842)	0	0	\$16.83
Dallas CBD	79	5,243,566	1,390,822	1,390,822	26.5%	(29,054)	0	0	\$12.71
Delta County	1	2,289	0	0	0.0%	0	0	0	\$0.00
Denton	170	1,263,881	122,033	122,733	9.7%	16,460	0	0	\$16.31
DFW Freeport/Coppell	17	174,195	25,182	25,182	14.5%	(2,682)	0	0	\$10.56
East LBJ Freeway	29	427,738	37,051	37,051	8.7%	43,653	0	0	\$12.45
East Northeast Ft Worth	238	1,738,093	98,748	98,748	5.7%	(1,422)	0	0	\$14.46
Ellis County	176	733,177	33,149	33,149	4.5%	13,668	0	0	\$13.79
Frisco/The Colony	33	151,582	13,840	13,840	9.1%	2,790	0	0	\$19.53
Ft Worth CBD	56	1,482,488	198,002	198,002	13.4%	(4,100)	0	0	\$18.43
Garland	142	1,108,483	148,668	152,727	13.8%	(26,387)	0	0	\$15.75
Grand Prairie	71	616,391	57,546	57,546	9.3%	42,982	0	0	\$13.80
HEB/Midcities	206	1,857,855	349,848	352,658	19.0%	28,522	0	0	\$13.54
Henderson County	44	127,681	20,967	20,967	16.4%	(5,603)	0	0	\$10.47
Hood County	59	241,430	24,928	24,928	10.3%	(1,339)	0	0	\$10.91
Hunt County	55	262,893	34,801	34,801	13.2%	341	0	0	\$12.48
Johnson County	128	581,663	65,637	65,637	11.3%	(2,887)	0	0	\$14.63
Lewisville	139	1,516,666	98,889	98,889	6.5%	(8,503)	0	0	\$17.27
Mesquite/Forney/Terrell	115	681,014	70,258	70,258	10.3%	(10,642)	0	0	\$10.65
Northwest Ft Worth	106	685,189	30,550	30,550	4.5%	(5,733)	0	0	\$15.47
Office Ctr/West LBJ Ext	18	566,552	52,447	52,447	9.3%	4,719	0	0	\$14.93
Outlying Collin County	13	27,242	5,196	5,196	19.1%	(78)	0	0	\$13.01
Outlying Denton County	20	105,765	15,247	15,247	14.4%	3,808	0	0	\$15.69
Outlying Kaufman County	13	34,133	10,667	10,667	31.3%	(1,217)	0	0	\$14.26
Parker County	78	348,580	31,959	32,959	9.5%	(6,738)	0	0	\$15.95
Plano	108	1,093,642	149,890	149,890	13.7%	20,018	0	0	\$16.34
Preston Center	83	686,947	15,851	15,851	2.3%	77,528	0	0	\$13.00
Quorum/Bent Tree	84	907,777	104,075	104,075	11.5%	11,139	0	0	\$14.68
Richardson	92	1,528,685	150,990	150,990	9.9%	19,073	0	0	\$13.74
Rockwall	58	301,190	49,801	49,801	16.5%	(11,350)	0	0	\$17.43
South Irving	167	1,066,803	83,379	83,379	7.8%	22,453	0	0	\$12.04
Southeast Dallas	77	535,420	49,120	49,120	9.2%	3,856	0	0	\$14.66
Southeast Ft Worth	136	968,573	50,263	51,397	5.3%	11,398	0	0	\$14.06
Southwest Dallas	315	1,989,028	154,069	154,069	7.7%	23,161	0	0	\$13.79
Stemmons Freeway	156	5,631,690	285,971	285,971	5.1%	(13,176)	0	0	\$12.71
Upper Tollway/West Plano	33	403,686	11,386	11,386	2.8%	(521)	0	0	\$21.46
Uptown/Turtle Creek	206	1,209,383	92,128	92,128	7.6%	12,373	0	0	\$20.34
Urban Center/Wingren	2	206,236	0	0	0.0%	0	0	0	\$0.00
West LBJ Freeway	46	597,580	77,529	77,529	13.0%	(45,029)	0	0	\$11.36
West Southwest Ft Worth	684	4,849,508	332,652	334,262	6.9%	56,573	0	0	\$17.60
Westlake/Grapevine	162	758,567	36,538	40,538	5.3%	(3,061)	0	0	\$18.38
White Rock	163	1,537,753	109,806	109,806	7.1%	58,427	0	0	\$12.36
Wise County	13	84,041	5,148	5,148	6.1%	1,900	0	0	\$22.75
<b>Totals</b>	<b>5,370</b>	<b>50,778,670</b>	<b>5,202,285</b>	<b>5,217,598</b>	<b>10.3%</b>	<b>326,603</b>	<b>0</b>	<b>0</b>	<b>\$14.60</b>

Source: CoStar Property®

## DALLAS/FT. WORTH OFFICE MARKET

FIGURES AT A GLANCE

## TOTAL OFFICE SUBMARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Allen/McKinney	311	6,524,722	586,334	593,208	9.1%	376,307	116,940	111,799	\$21.53
Alliance	107	2,612,084	102,702	111,821	4.3%	88,555	115,331	0	\$19.47
Arlington/Mansfield	806	12,646,799	1,505,507	1,510,770	11.9%	47,330	29,208	12,110	\$17.14
Central Expressway	280	15,336,159	2,137,155	2,163,300	14.1%	213,361	41,980	0	\$20.50
Dallas CBD	148	36,036,014	9,308,944	9,618,877	26.7%	(139,692)	0	0	\$20.09
Delta County	1	2,289	0	0	0.0%	0	0	0	\$0.00
Denton	301	3,481,581	357,644	358,344	10.3%	(20,416)	6,000	0	\$19.02
DFW Freeport/Coppell	167	10,905,238	1,913,375	2,044,129	18.7%	(343,078)	0	0	\$20.01
East LBJ Freeway	166	17,902,910	4,310,246	4,361,487	24.4%	(93,908)	0	251,389	\$18.30
East Northeast Ft Worth	324	4,533,442	418,285	432,645	9.5%	(35,375)	0	0	\$16.88
Ellis County	227	1,317,728	89,693	89,693	6.8%	14,949	10,522	0	\$17.89
Frisco/The Colony	178	4,928,700	377,691	400,743	8.1%	223,383	64,750	0	\$26.91
Ft Worth CBD	115	11,494,739	1,190,572	1,270,761	11.1%	2,653	0	154,801	\$24.04
Garland	240	3,379,215	441,369	451,428	13.4%	(50)	0	0	\$18.70
Grand Prairie	122	3,910,503	84,774	84,774	2.2%	97,431	32,901	0	\$16.21
HEB/Midcities	411	6,875,775	1,042,568	1,615,632	23.5%	6,327	6,262	2,291	\$15.66
Henderson County	56	184,914	31,561	31,561	17.1%	1,197	0	0	\$12.81
Hood County	77	406,825	58,312	58,312	14.3%	12,161	0	0	\$16.94
Hunt County	76	460,691	94,405	94,405	20.5%	(4,993)	0	0	\$14.72
Johnson County	182	1,009,972	83,241	83,241	8.2%	12,279	0	2,541	\$14.58
Lewisville	393	7,816,620	1,027,714	1,048,472	13.4%	162,711	171,900	0	\$19.81
Mesquite/Forney/Terrell	178	1,422,034	140,886	147,086	10.3%	15,946	17,000	46,345	\$17.35
Northwest Ft Worth	149	1,107,045	41,878	41,878	3.8%	(354)	0	0	\$17.84
Office Ctr/West LBJ Ext	153	15,881,010	2,086,680	2,277,450	14.3%	214,526	0	0	\$18.35
Outlying Collin County	30	134,436	21,474	21,474	16.0%	(1,828)	0	5,000	\$20.40
Outlying Denton County	30	200,404	17,251	17,251	8.6%	3,586	0	0	\$15.26
Outlying Kaufman County	16	47,532	10,667	10,667	22.4%	(1,217)	0	0	\$14.26
Parker County	137	809,404	77,717	78,717	9.7%	(6,427)	17,295	0	\$20.45
Plano	324	9,354,259	1,223,927	1,236,067	13.2%	(16,599)	8,800	53,909	\$17.58
Preston Center	136	5,597,716	360,569	363,828	6.5%	190,685	0	92,300	\$28.46
Quorum/Bent Tree	363	23,035,828	4,200,646	4,273,630	18.6%	630,609	138,000	80,000	\$19.45
Richardson	278	17,503,443	3,458,043	3,480,716	19.9%	346,174	0	0	\$18.52
Rockwall	111	1,083,547	87,997	90,130	8.3%	6,997	0	0	\$23.18
South Irving	218	2,906,309	199,814	200,014	6.9%	8,271	0	0	\$14.72
Southeast Dallas	106	1,214,603	143,168	143,168	11.8%	(7,631)	0	49,280	\$14.94
Southeast Ft Worth	171	2,042,879	129,102	130,236	6.4%	17,963	0	4,232	\$17.35
Southwest Dallas	450	4,984,857	482,780	486,780	9.8%	90,487	2,650	0	\$15.27
Stemmons Freeway	284	19,234,813	3,411,631	3,559,256	18.5%	4,231	0	0	\$15.27
Upper Tollway/West Plano	351	22,798,372	1,732,376	1,936,532	8.5%	412,036	429,956	686,394	\$24.53
Uptown/Turtle Creek	310	12,973,806	1,405,173	1,418,050	10.9%	545,038	0	0	\$28.55
Urban Center/Wingren	62	9,446,593	2,045,731	2,094,978	22.2%	132,850	0	0	\$21.01
West LBJ Freeway	92	5,347,384	1,361,557	1,420,367	26.6%	(183,769)	0	0	\$14.61
West Southwest Ft Worth	961	14,517,884	993,930	1,014,320	7.0%	338,258	23,968	155,199	\$20.21
Westlake/Grapevine	592	10,538,351	1,323,643	1,354,258	12.9%	243,254	68,624	9,259	\$22.51
White Rock	255	5,653,559	498,542	498,542	8.8%	130,159	0	0	\$18.03
Wise County	20	161,406	17,807	17,807	11.0%	23,191	0	0	\$21.50
<b>Totals</b>	<b>10,465</b>	<b>339,764,394</b>	<b>50,635,081</b>	<b>52,736,805</b>	<b>15.5%</b>	<b>3,757,568</b>	<b>1,302,087</b>	<b>1,716,849</b>	<b>\$19.70</b>

Source: CoStar Property®

## DALLAS/FT. WORTH OFFICE MARKET



FIGURES AT A GLANCE

## CLASS A MARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	38	28,543,976	5,950,279	6,220,531	21.8%	(169,602)	0	154,801	\$21.63
Suburban	401	95,099,247	13,898,515	14,399,578	15.1%	2,128,450	779,300	724,789	\$23.19
<b>Totals</b>	<b>439</b>	<b>123,643,223</b>	<b>19,848,794</b>	<b>20,620,109</b>	<b>16.7%</b>	<b>1,958,848</b>	<b>779,300</b>	<b>879,590</b>	<b>\$22.74</b>

Source: CoStar Property®

## CLASS B MARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	90	12,260,723	2,960,413	3,080,283	25.1%	65,717	0	0	\$17.58
Suburban	4,566	153,081,778	22,623,589	23,818,815	15.6%	1,406,400	522,787	837,259	\$17.90
<b>Totals</b>	<b>4,656</b>	<b>165,342,501</b>	<b>25,584,002</b>	<b>26,899,098</b>	<b>16.3%</b>	<b>1,472,117</b>	<b>522,787</b>	<b>837,259</b>	<b>\$17.88</b>

Source: CoStar Property®

## CLASS C MARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	135	6,726,054	1,588,824	1,588,824	23.6%	(33,154)	0	0	\$14.51
Suburban	5,235	44,052,616	3,613,461	3,628,774	8.2%	359,757	0	0	\$14.61
<b>Totals</b>	<b>5,370</b>	<b>50,778,670</b>	<b>5,202,285</b>	<b>5,217,598</b>	<b>10.3%</b>	<b>326,603</b>	<b>0</b>	<b>0</b>	<b>\$14.60</b>

Source: CoStar Property®

## CLASS A &amp; B MARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	128	40,804,699	8,910,692	9,300,814	22.8%	(103,885)	0	154,801	\$20.77
Suburban	4,967	248,181,025	36,522,104	38,218,393	15.4%	3,534,850	1,302,087	1,562,048	\$19.96
<b>Totals</b>	<b>5,095</b>	<b>288,985,724</b>	<b>45,432,796</b>	<b>47,519,207</b>	<b>16.4%</b>	<b>3,430,965</b>	<b>1,302,087</b>	<b>1,716,849</b>	<b>\$20.10</b>

Source: CoStar Property®

## TOTAL OFFICE MARKET STATISTICS

Year-End 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	263	47,530,753	10,499,516	10,889,638	22.9%	(137,039)	0	154,801	\$20.64
Suburban	10,202	292,233,641	40,135,565	41,847,167	14.3%	3,894,607	1,302,087	1,562,048	\$19.53
<b>Totals</b>	<b>10,465</b>	<b>339,764,394</b>	<b>50,635,081</b>	<b>52,736,805</b>	<b>15.5%</b>	<b>3,757,568</b>	<b>1,302,087</b>	<b>1,716,849</b>	<b>\$19.70</b>

Source: CoStar Property®



## DALLAS/FT. WORTH OFFICE MARKET

FIGURES AT A GLANCE

## CLASS A MARKET STATISTICS

Year-End 2012

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2012 4q	439	123,643,223	19,848,794	20,620,109	16.7%	476,392	0	0	9	879,590	\$22.74
2012 3q	439	123,643,223	20,243,554	21,096,501	17.1%	1,302,547	4	527,600	7	567,601	\$22.57
2012 2q	435	123,115,623	21,091,170	21,871,448	17.8%	348,221	1	113,700	9	985,201	\$22.55
2012 1q	434	123,001,923	21,345,503	22,105,969	18.0%	(168,312)	1	138,000	8	944,100	\$22.56
2011 4q	433	122,863,923	21,040,367	21,799,657	17.7%	344,622	0	0	9	1,082,100	\$22.28
2011 3q	433	122,863,923	21,443,690	22,144,279	18.0%	603,781	1	130,000	7	845,300	\$22.05
2011 2q	432	122,733,923	21,751,974	22,618,060	18.4%	(331,728)	1	72,000	6	830,300	\$22.18
2011 1q	431	122,661,923	21,394,609	22,214,332	18.1%	503,099	1	30,759	5	728,600	\$22.11
2010	430	122,631,164	21,787,117	22,686,672	18.5%	1,374,325	4	1,648,343	4	370,759	\$22.24
2009	426	120,982,821	20,907,628	22,412,654	18.5%	90,244	15	2,138,973	4	1,612,283	\$22.88
2008	411	118,843,848	19,074,886	20,363,925	17.1%	1,320,371	13	2,739,429	17	3,550,497	\$24.02
2007	398	116,104,419	17,709,671	18,944,867	16.3%	1,326,310	13	2,238,598	21	4,041,661	\$23.48
2006	385	113,865,821	16,761,398	18,032,579	15.8%	2,710,993	14	2,218,538	15	3,109,049	\$22.12
2005	371	111,647,283	17,220,722	18,525,034	16.6%	2,151,896	6	967,168	15	2,858,109	\$20.51
2004	365	110,680,115	18,175,307	19,709,762	17.8%	2,655,136	5	1,225,265	6	967,168	\$19.99
2003	360	109,454,850	18,990,759	21,139,633	19.3%	1,224,338	9	1,719,087	6	1,437,730	\$20.09

Source: CoStar Property®

## CLASS B MARKET STATISTICS

Year-End 2012

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2012 4q	4,656	165,342,501	25,584,002	26,899,098	16.3%	685,548	15	266,268	29	837,259	\$17.88
2012 3q	4,641	165,076,233	25,973,706	27,318,378	16.5%	323,203	8	46,445	36	966,632	\$17.90
2012 2q	4,633	165,029,788	26,250,993	27,595,136	16.7%	64,242	9	103,676	37	768,612	\$17.86
2012 1q	4,624	164,926,112	26,229,468	27,555,702	16.7%	399,124	10	106,398	30	572,926	\$17.77
2011 4q	4,615	164,829,885	26,593,086	27,858,599	16.9%	773,079	12	94,550	25	518,543	\$17.63
2011 3q	4,605	164,836,217	27,498,743	28,638,010	17.4%	494,299	18	151,639	28	291,231	\$17.60
2011 2q	4,588	164,914,578	28,611,154	29,210,670	17.7%	137,695	8	401,757	35	255,841	\$17.42
2011 1q	4,583	164,665,797	28,494,874	29,099,584	17.7%	151,514	13	135,543	37	627,358	\$17.54
2010	4,572	164,960,400	28,862,237	29,545,701	17.9%	1,266,123	63	1,204,318	38	666,166	\$17.54
2009	4,509	163,756,082	28,897,531	29,607,506	18.1%	310,611	155	2,701,748	57	1,337,654	\$18.16
2008	4,357	161,096,682	26,549,633	27,258,717	16.9%	4,541,138	227	4,698,979	123	2,732,110	\$18.62
2007	4,132	156,484,364	26,396,468	27,187,537	17.4%	4,252,419	251	4,451,326	185	4,928,687	\$18.23
2006	3,881	152,033,038	26,068,915	26,988,630	17.8%	4,422,132	262	4,198,537	204	4,441,294	\$17.07
2005	3,621	148,298,969	26,453,265	27,676,693	18.7%	2,714,383	267	4,031,296	207	3,890,494	\$16.29
2004	3,356	144,750,416	25,363,682	26,842,523	18.5%	3,582,972	196	2,910,925	213	3,856,082	\$15.84
2003	3,162	142,150,975	26,014,168	27,826,054	19.6%	(72,368)	139	3,137,739	165	2,671,044	\$15.83

Source: CoStar Property®

## TOTAL OFFICE MARKET STATISTICS

Year-End 2012

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2012 4q	10,465	339,764,394	50,635,081	52,736,805	15.5%	1,197,503	15	266,268	38	1,716,849	\$19.70
2012 3q	10,451	339,563,598	51,516,288	53,733,512	15.8%	1,696,366	12	574,045	43	1,534,233	\$19.60
2012 2q	10,440	339,001,553	52,731,222	54,867,833	16.2%	541,023	10	217,376	46	1,753,813	\$19.60
2012 1q	10,432	338,790,384	53,095,623	55,197,687	16.3%	322,676	11	244,398	38	1,517,026	\$19.60
2011 4q	10,424	338,563,519	53,258,371	55,293,498	16.3%	1,065,309	12	94,550	34	1,600,643	\$19.37
2011 3q	10,414	338,569,851	54,514,371	56,365,139	16.6%	1,264,421	19	281,639	35	1,136,531	\$19.24
2011 2q	10,399	338,545,447	56,129,697	57,605,156	17.0%	(236,276)	9	473,757	41	1,086,141	\$19.20
2011 1q	10,396	338,251,817	55,629,478	57,075,250	16.9%	645,905	15	179,192	42	1,355,958	\$19.24
2010	10,389	338,589,628	56,453,365	58,058,966	17.1%	2,505,314	68	2,859,519	43	1,049,815	\$19.32
2009	10,326	335,776,886	55,512,985	57,751,538	17.2%	5,569	176	4,878,516	62	2,956,795	\$19.90
2008	10,156	330,977,355	50,920,054	52,957,576	16.0%	5,874,833	248	7,512,581	146	6,320,402	\$20.61
2007	9,919	323,604,361	49,408,186	51,459,415	15.9%	5,520,541	290	6,845,130	214	9,044,521	\$20.27
2006	9,630	316,900,496	48,054,777	50,276,091	15.9%	7,235,658	310	6,602,984	242	7,667,082	\$19.03
2005	9,323	310,896,067	48,942,649	51,507,320	16.6%	5,660,323	319	5,348,286	254	6,925,132	\$17.94
2004	9,017	307,655,108	50,841,099	53,926,684	17.5%	6,322,991	259	4,581,135	259	5,136,082	\$17.40
2003	8,767	303,761,452	52,247,284	56,356,019	18.6%	1,147,785	185	5,080,809	226	4,538,098	\$17.51

Source: CoStar Property®

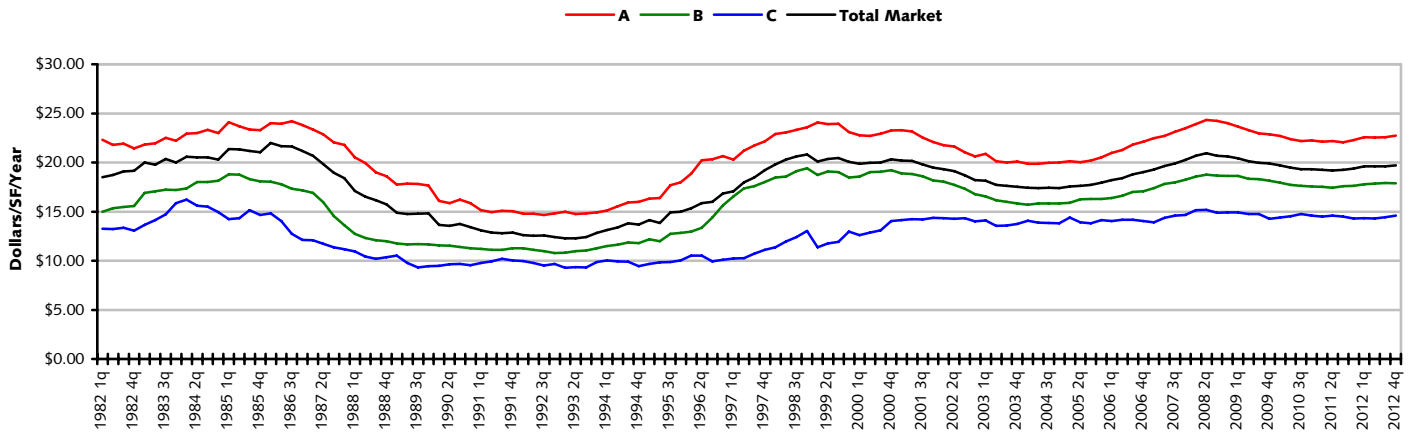
## DALLAS/FT. WORTH OFFICE MARKET



## LEASING ACTIVITY

## HISTORICAL RENTAL RATES

Based on Full-Service Equivalent Rental Rates



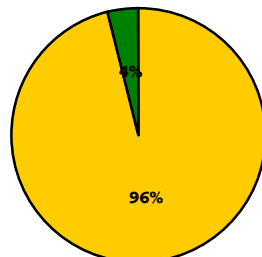
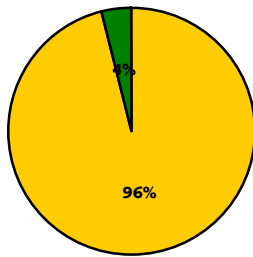
Source: CoStar Property®

## VACANCY BY AVAILABLE SPACE TYPE

Percent of All Vacant Space in Direct vs. Sublet

Dallas/Ft. Worth

United States



Direct Sublet

Direct Sublet

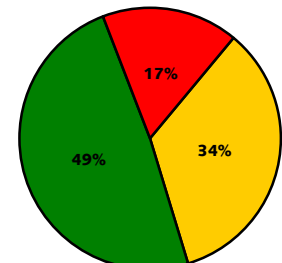
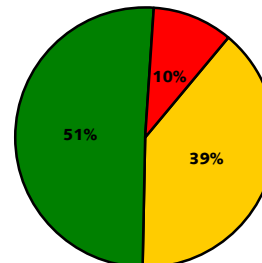
Source: CoStar Property®

## VACANCY BY CLASS

Percent of All Vacant Space by Class

Dallas/Ft. Worth

United States



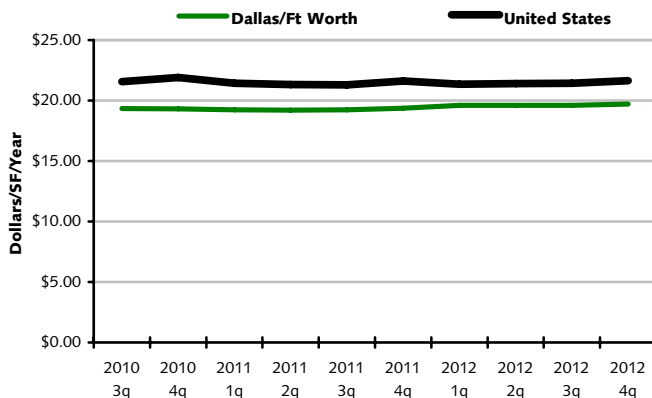
Class A Class B Class C

Class A Class B Class C

Source: CoStar Property®

## U.S. RENTAL RATE COMPARISON

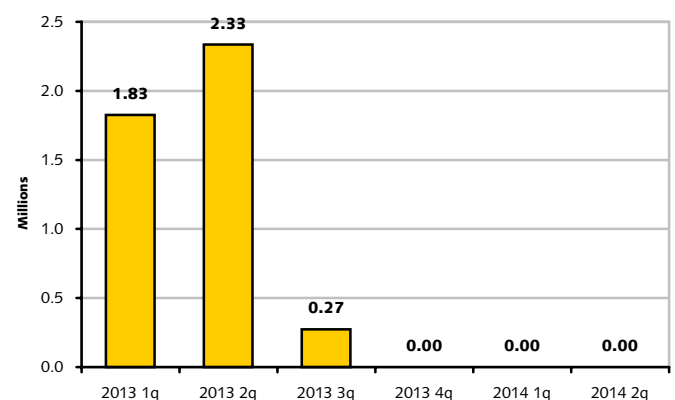
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

## FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy\*



\* Includes Under Construction Spaces

Source: CoStar Property®

## DALLAS/FT. WORTH OFFICE MARKET

## LEASING ACTIVITY

## SELECT TOP OFFICE LEASES Based on Leased Square Footage For Deals Signed in 2012

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 Regent Commons	DFW Freeport/Coppell	415,141	3rd	State Farm Insurance	Cassidy Turley	Cassidy Turley
2 1011 Galatyn Parkway	Richardson	291,469	3rd	State Farm	Cassidy Turley	Jones Lang LaSalle
3 290 E John Carpenter Fwy	Urban Center/Wingren	286,922	4th	VHA	N/A	Jones Lang LaSalle
4 One MacArthur Ridge	Office Ctr/West LBJ Ext	227,075	1st	Christus Health	CBRE	CBRE
5 Three Galleria Tower*	East LBJ Freeway	200,965	2nd	FedEx Office	N/A	John Bowles Company
6 4000 Horizon Way	DFW Freeport/Coppell	187,429	2nd	Nationstar Mortgage Holdings, Inc	N/A	CBRE
7 Experian Boulevard 701*	Allen/McKinney	182,400	1st	Experian	N/A	N/A
8 Duke Bridges II	Frisco/The Colony	125,900	2nd	Wingspan	Jones Lang LaSalle	Jones Lang LaSalle
9 Crosstex Court*	Uptown/Turtle Creek	110,412	4th	Crosstex Energy, Inc.	N/A	CBRE
10 The Crescent Office Towers - Bldg 300*	Uptown/Turtle Creek	88,248	1st	McKool Smith, P.C.	The Amend Group	Crescent Real Estate Equities LLC
11 5150 Regent	DFW Freeport/Coppell	76,400	3rd	United Health Care	N/A	N/A
12 2250 W John Carpenter Fwy	Office Ctr/West LBJ Ext	74,311	2nd	Exeter Finance Corp	Swearingen Realty Group, L.L.C.	CBRE
13 Galleria North Tower II	Quorum/Bent Tree	73,607	2nd	Merit Energy Company	N/A	CBRE
14 Occidental Tower*	East LBJ Freeway	69,096	4th	Susan G. Komen for the Cure	Transwestern Dallas	N/A
15 The Centre*	West LBJ Freeway	67,390	1st	TexasLending.com	Stream Realty Partners, L.P.	CASE Commercial Real Estate Partner
16 Burnett Plaza	Ft Worth CBD	59,481	2nd	Basic Energy Services	N/A	Red Oak Realty
17 Galleria North Tower I	Quorum/Bent Tree	59,152	1st	DealerTrack, Inc.	Corporate Realty Consultants Inc	Cassidy Turley
18 Texas Health Alliance Medical Office Building	Alliance	58,537	2nd	Texas Health	N/A	Cambridge Healthcare Properties
19 One Lincoln Centre	East LBJ Freeway	56,263	1st	Hotels.com	Cushman & Wakefield of Texas, Inc.	Cousins Properties Inc
20 Centura Tower I	Quorum/Bent Tree	53,126	1st	Copart, Inc.	Minerva Real Estate Development	Transwestern Dallas
21 The Towers at Park Central 7	East LBJ Freeway	52,836	2nd	1st Global	N/A	Cousins Properties Inc
22 3 Park Central	East LBJ Freeway	52,398	2nd	Alon USA Energy, Inc.	Cushman & Wakefield of Texas, Inc.	N/A
23 Bank of America Plano Tower*	Plano	52,185	3rd	Gearbox Software	N/A	Cassidy Turley
24 4 Park Central	East LBJ Freeway	51,973	2nd	Holmes Murphy & Associates	N/A	JacksonCooksey, Inc.
25 Three Lincoln Centre	East LBJ Freeway	47,206	3rd	Markit	N/A	Cousins Properties Inc
26 Two Addison Circle	Quorum/Bent Tree	46,798	3rd	USAA	UGL Services	Cassidy Turley
27 MacArthur Ridge II	Office Ctr/West LBJ Ext	46,722	3rd	MedSynergies, Inc.	N/A	Peloton Commercial Real Estate
28 Park Center	Upper Tollway/West Plano	45,920	1st	LHP Hospital Partnerships	N/A	Granite Properties, Inc.
29 Galleria North Tower I	Quorum/Bent Tree	45,440	1st	EmCare, Inc.	Jones Lang LaSalle	Cassidy Turley
30 8900 Freeport	DFW Freeport/Coppell	43,396	3rd	Pacific Union Financial	Jones Lang LaSalle	Cassidy Turley
31 6504 International Pky*	Upper Tollway/West Plano	43,305	4th	ReachLocal, Inc.	Studley	Peloton Commercial Real Estate
32 One Lincoln Park	Central Expressway	41,328	1st	U.S. Risk Insurance Group, Inc	Cushman & Wakefield of Texas, Inc.	Lincoln Property Company
33 Freeport Office Center III	DFW Freeport/Coppell	40,952	3rd	Federal Aviation Administration	N/A	Stream Realty Partners, L.P.
34 Stemmons Place	Stemmons Freeway	40,343	4th	Children's Medical Center	N/A	Peloton Commercial Real Estate
35 Horizon Health Corp.	Lewisville	40,000	4th	First Choice Emergency Room	N/A	Transwestern Dallas
36 3660 Regent Blvd	DFW Freeport/Coppell	39,846	3rd	Cash Call, Inc.	Transwestern Dallas	Cassidy Turley
37 3660 Regent Blvd	DFW Freeport/Coppell	39,580	2nd	Aviall Services	N/A	Cassidy Turley
38 Airport Centre I	HEB/Midcities	39,479	2nd	Wells Fargo	N/A	TIG Real Estate Services, Inc.
39 One Hanover Park	Quorum/Bent Tree	38,604	3rd	Fidelity Information Services, LLC	N/A	Transwestern Dallas
40 Park Seventeen	Uptown/Turtle Creek	38,405	1st	Bain & Company	N/A	Granite Properties, Inc.

Source: CoStar Property®

\* Renewal

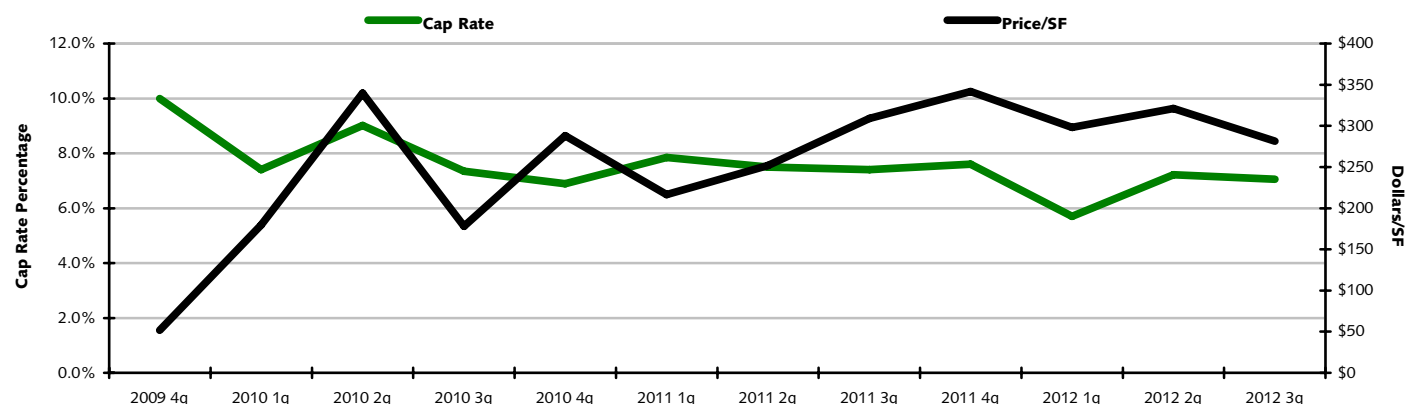
## DALLAS/FT. WORTH OFFICE MARKET



## SALES ACTIVITY

## THE OPTIMIST SALES INDEX

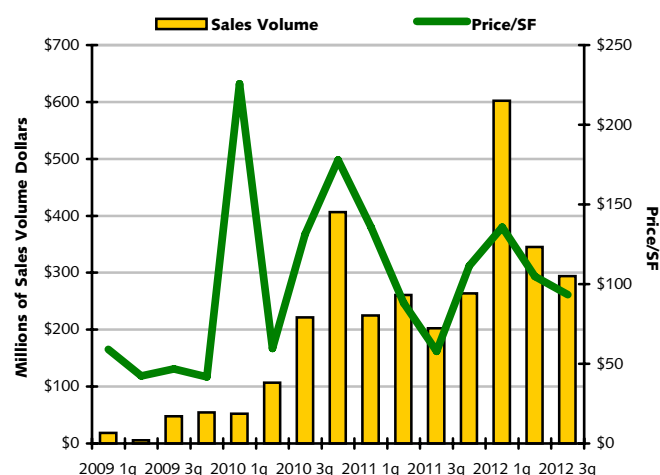
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

## SALES VOLUME &amp; PRICE

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## SALES ANALYSIS BY BUILDING SIZE

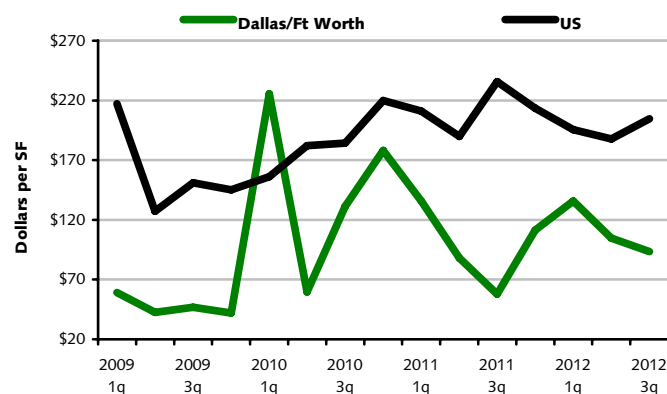
Based on Office Building Sales From Oct. 2011 - Sept. 2012

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	43	425,769	\$ 78,541,084	\$ 184.47	8.68%
50K-249K SF	26	2,915,976	\$ 364,489,847	\$ 125.00	7.67%
250K-499K SF	9	2,938,792	\$ 327,610,000	\$ 111.48	8.88%
>500K SF	9	7,192,002	\$ 768,300,000	\$ 106.83	7.12%

Source: CoStar COMPS®

## U.S. PRICE/SF COMPARISON

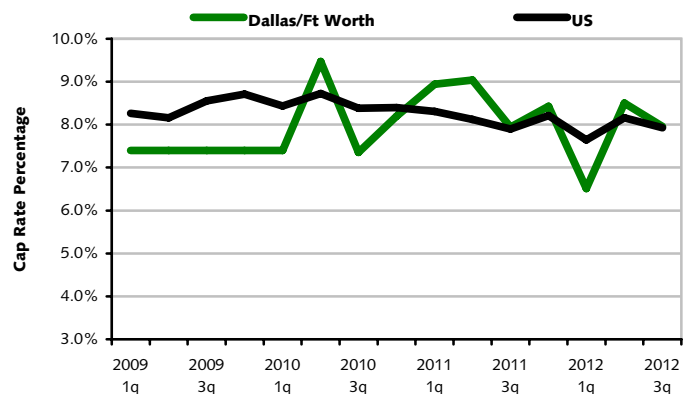
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## U.S. CAP RATE COMPARISON

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## DALLAS/FT. WORTH OFFICE MARKET

## SALES ACTIVITY

## SELECT TOP SALES

Based on Sales from October 2011 Through December 2012

## 1. Convergence



Lewisville

Price: **\$123,000,000**  
 Price/SF: **\$150.18**  
 Cap Rate: **8.4%**  
 RBA: **819,000**  
 Date: **2/22/2012**  
 Year Built: **1979**  
 Buyer: **Digital Realty Trust, Inc.**  
 Seller: **Brookfield Real Estate Opportunity Fund**

## 2. Encana Oil &amp; Gas



Plano

Price: **\$120,000,000**  
 Price/SF: **\$376.65**  
 Cap Rate: **N/A**  
 RBA: **318,600**  
 Date: **11/28/2012**  
 Year Built: **2012**  
 Buyer: **Cole Real Estate Investments**  
 Seller: **KDC Real Estate Development & Investments**

## 3. Legacy Town Center



Plano

Price: **\$113,000,000**  
 Price/SF: **\$216.46**  
 Cap Rate: **5.4%**  
 RBA: **522,043**  
 Date: **3/27/2012**  
 Year Built: **2006**  
 Buyer: **KBS Realty Advisors**  
 Seller: **The Blackstone Group**

## 4. Energy Square



Dallas

Price: **\$95,000,000**  
 Price/SF: **\$99.12**  
 Cap Rate: **8.42%**  
 RBA: **958,445**  
 Date: **11/21/2011**  
 Year Built: **1974**  
 Buyer: **Long Wharf Real Estate Partners LLC**  
 Seller: **Younan Properties, Inc.**

## 5. The DataBank Building



Dallas

Price: **\$75,000,000**  
 Price/SF: **\$278.19**  
 Cap Rate: **8.4%**  
 RBA: **269,600**  
 Date: **6/13/2012**  
 Year Built: **1920**  
 Buyer: **Digital Realty Trust, Inc.**  
 Seller: **Freeman Group**

## 6. The Summit at Las Colinas



Irving

Price: **\$48,600,000**  
 Price/SF: **\$129.36**  
 Cap Rate: **9%**  
 RBA: **375,706**  
 Date: **11/22/2011**  
 Year Built: **1984**  
 Buyer: **Rosemont Realty**  
 Seller: **CBRE Global Investors**

## 7. The Tower on Lake Carolyn



Irving

Price: **\$46,300,000**  
 Price/SF: **\$127.08**  
 Cap Rate: **N/A**  
 RBA: **364,337**  
 Date: **12/21/2012**  
 Year Built: **1988**  
 Buyer: **KBS Realty Advisors**  
 Seller: **CBRE Global Investors**

## 8. Lakeside Centre



Richardson

Price: **\$46,000,000**  
 Price/SF: **\$144.28**  
 Cap Rate: **9.1%**  
 RBA: **318,822**  
 Date: **5/24/2012**  
 Year Built: **1987**  
 Buyer: **Capital Lease Funding, Inc.**  
 Seller: **CommonWealth Partners**

## 9. Texas Data Center Portfolio



Arlington

Price: **\$45,900,000**  
 Price/SF: **\$209.17**  
 Cap Rate: **7.5%**  
 RBA: **219,442**  
 Date: **8/16/2012**  
 Year Built: **1984**  
 Buyer: **Carter Validus Mission Critical REIT, Inc.**  
 Seller: **Behringer Harvard Opportunity REIT I, Inc.**

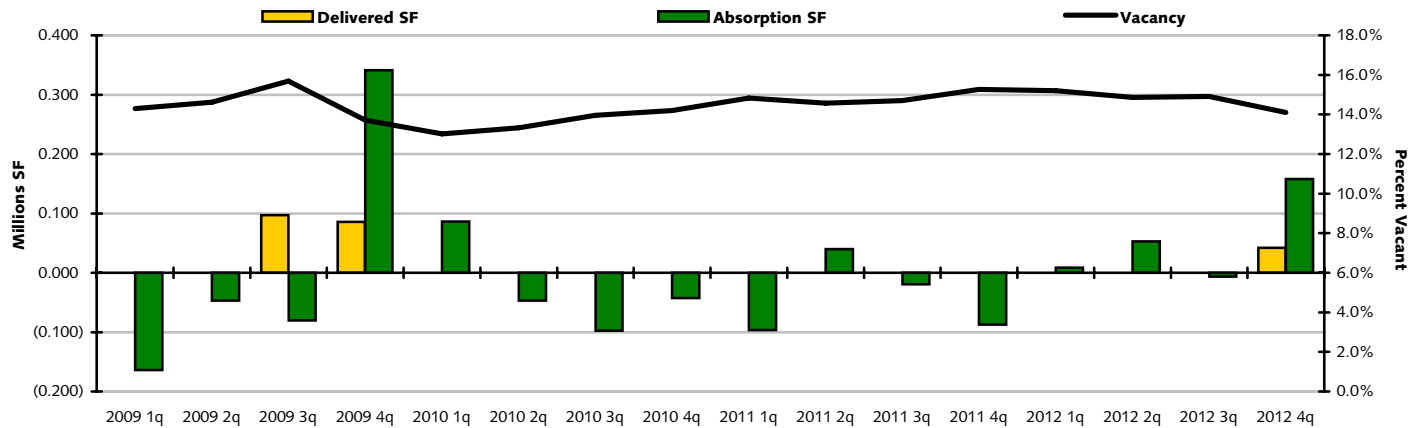
# DALLAS/Ft. WORTH OFFICE MARKET

## CENTRAL EXPRESSWAY MARKET

### MARKET HIGHLIGHTS – CLASS "A, B & C"



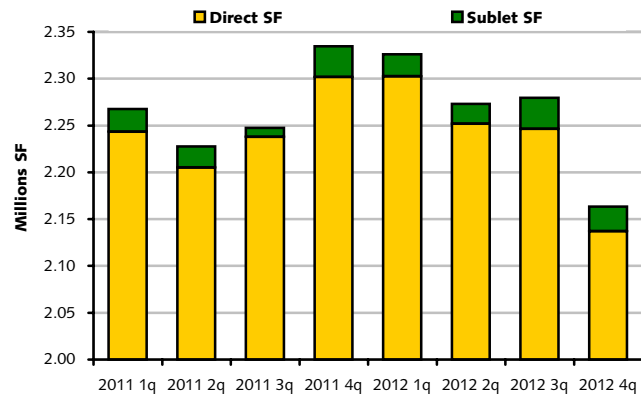
## DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

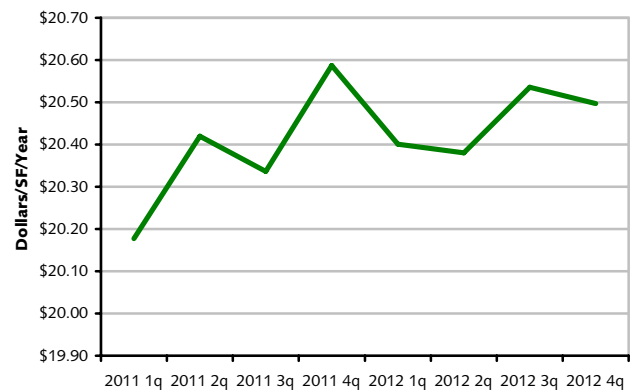
### Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	280	15,336,159	2,163,300	14.1%	158,123	1	41,980	0	0	\$20.50
2012 3q	279	15,294,179	2,279,443	14.9%	(6,426)	0	0	1	41,980	\$20.54
2012 2q	279	15,294,179	2,273,017	14.9%	52,955	0	0	1	41,980	\$20.38
2012 1q	279	15,294,179	2,325,972	15.2%	8,709	0	0	0	0	\$20.40
2011 4q	279	15,294,179	2,334,681	15.3%	(87,370)	0	0	0	0	\$20.59
2011 3q	279	15,294,179	2,247,311	14.7%	(19,592)	0	0	0	0	\$20.34
2011 2q	279	15,294,179	2,227,719	14.6%	39,890	0	0	0	0	\$20.42
2011 1q	279	15,294,179	2,267,609	14.8%	(96,616)	0	0	0	0	\$20.18
2010 4q	279	15,294,179	2,170,993	14.2%	(42,324)	0	0	0	0	\$20.33
2010 3q	280	15,301,781	2,136,271	14.0%	(97,527)	0	0	0	0	\$20.26
2010 2q	280	15,301,781	2,038,744	13.3%	(46,919)	0	0	0	0	\$20.49
2010 1q	280	15,301,781	1,991,825	13.0%	86,119	0	0	0	0	\$20.88
2009 4q	281	15,326,781	2,102,944	13.7%	341,457	1	85,879	0	0	\$20.74
2009 3q	281	15,278,160	2,395,780	15.7%	(80,379)	1	96,799	1	85,879	\$20.97
2009 2q	280	15,181,361	2,218,602	14.6%	(47,023)	0	0	2	182,678	\$21.71
2009 1q	280	15,181,361	2,171,579	14.3%	(164,063)	0	0	2	182,678	\$21.86

Source: CoStar Property®

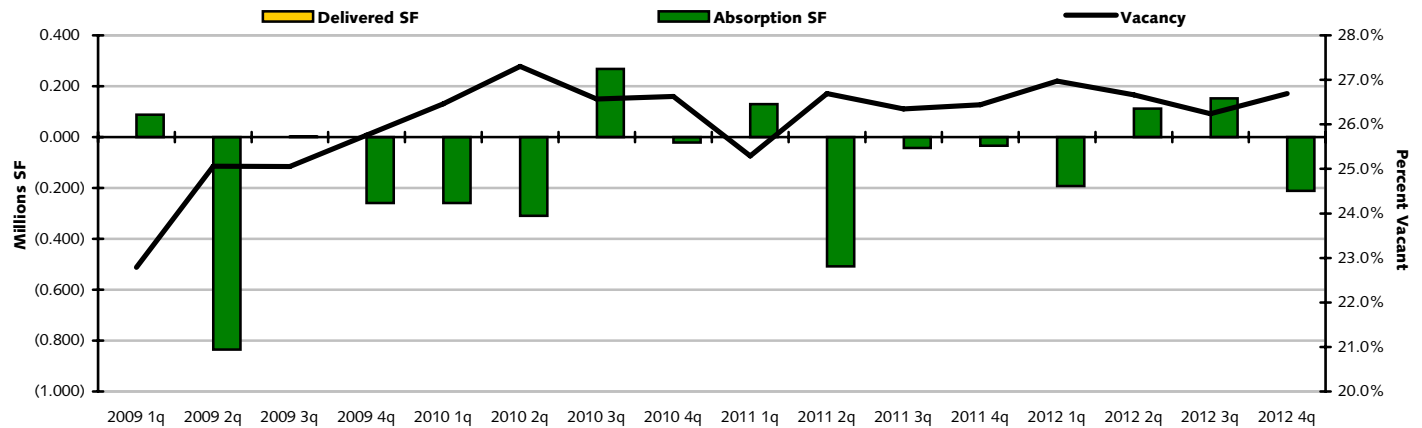


## DALLAS/Ft. WORTH OFFICE MARKET

## DALLAS CBD MARKET

MARKET HIGHLIGHTS – CLASS "A, B &amp; C"

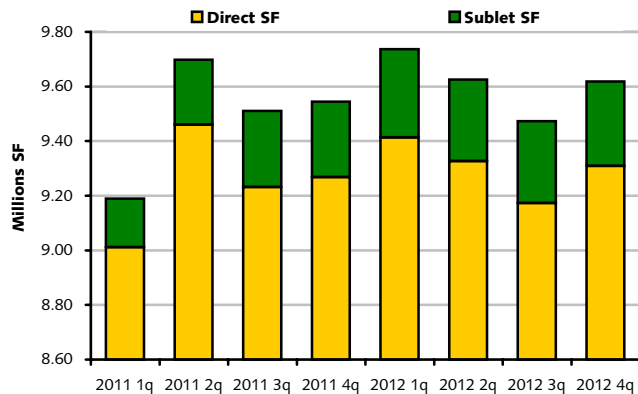
## DELIVERIES, ABSORPTION &amp; VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

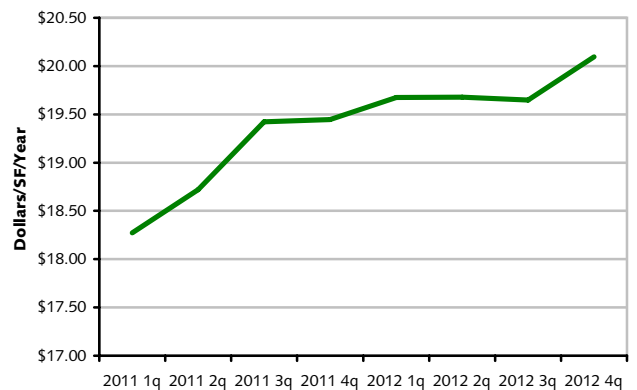
## Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

## Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	148	36,036,014	9,618,877	26.7%	(210,846)	0	0	0	0	\$20.09
2012 3q	149	36,101,486	9,473,503	26.2%	151,788	0	0	0	0	\$19.65
2012 2q	149	36,101,486	9,625,291	26.7%	111,798	0	0	0	0	\$19.68
2012 1q	149	36,101,486	9,737,089	27.0%	(192,432)	0	0	0	0	\$19.67
2011 4q	149	36,101,486	9,544,657	26.4%	(33,962)	0	0	0	0	\$19.45
2011 3q	149	36,101,486	9,510,695	26.3%	(42,405)	0	0	0	0	\$19.42
2011 2q	150	36,331,486	9,698,290	26.7%	(508,795)	0	0	0	0	\$18.72
2011 1q	150	36,331,486	9,189,495	25.3%	129,008	0	0	0	0	\$18.27
2010 4q	152	36,816,585	9,803,602	26.6%	(20,770)	0	0	0	0	\$18.52
2010 3q	152	36,816,585	9,782,832	26.6%	268,246	0	0	0	0	\$18.58
2010 2q	152	36,816,585	10,051,078	27.3%	(308,989)	0	0	0	0	\$18.87
2010 1q	152	36,816,585	9,742,089	26.5%	(258,698)	0	0	0	0	\$19.11
2009 4q	152	36,816,585	9,483,391	25.8%	(259,652)	0	0	0	0	\$19.03
2009 3q	152	36,816,585	9,223,739	25.1%	2,039	0	0	0	0	\$19.39
2009 2q	152	36,816,585	9,225,778	25.1%	(835,477)	0	0	0	0	\$19.41
2009 1q	152	36,816,585	8,390,301	22.8%	87,460	0	0	0	0	\$19.46

Source: CoStar Property®

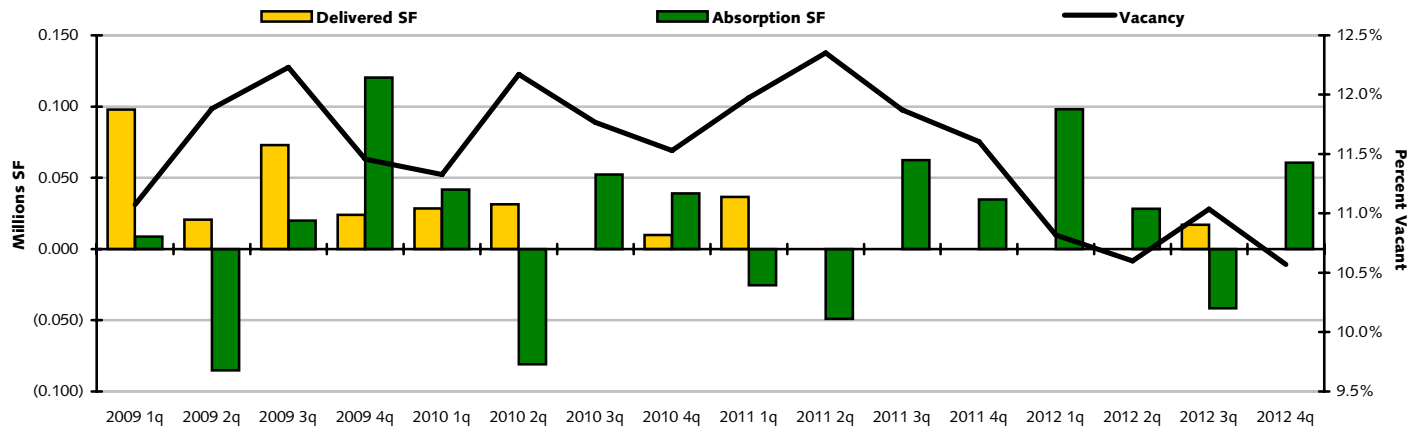
## DALLAS/FT. WORTH OFFICE MARKET



## EAST DALLAS MARKET

MARKET HIGHLIGHTS – CLASS "A, B &amp; C"

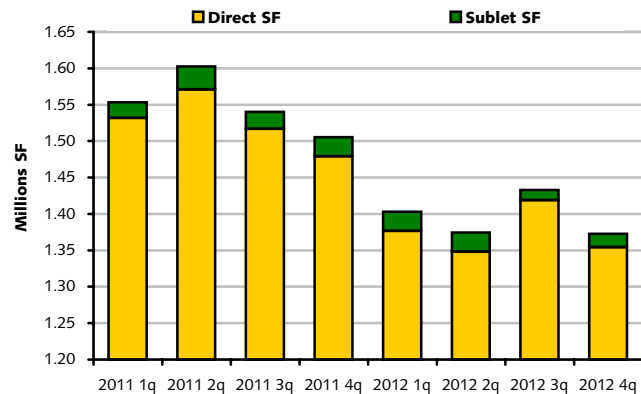
## DELIVERIES, ABSORPTION &amp; VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

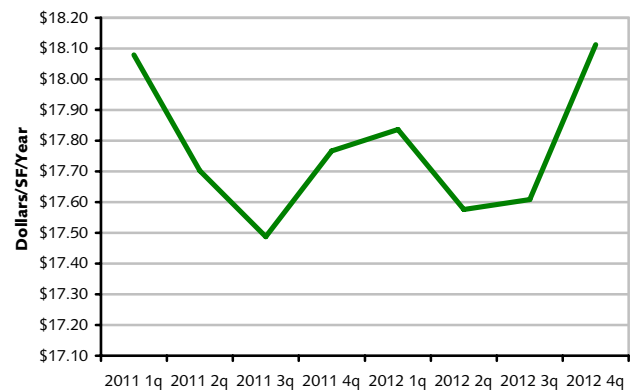
## Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

## Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	962	12,985,404	1,372,582	10.6%	60,505	0	0	3	95,625	\$18.11
2012 3q	962	12,985,404	1,433,087	11.0%	(41,503)	2	17,000	2	79,280	\$17.61
2012 2q	960	12,968,404	1,374,584	10.6%	28,322	0	0	3	66,280	\$17.58
2012 1q	960	12,968,404	1,402,906	10.8%	98,077	0	0	3	66,280	\$17.84
2011 4q	961	12,972,766	1,505,345	11.6%	34,690	0	0	0	0	\$17.77
2011 3q	961	12,972,766	1,540,035	11.9%	62,430	0	0	0	0	\$17.49
2011 2q	961	12,972,766	1,602,465	12.4%	(49,001)	0	0	0	0	\$17.70
2011 1q	961	12,972,766	1,553,464	12.0%	(25,402)	2	36,560	0	0	\$18.08
2010 4q	959	12,936,206	1,491,502	11.5%	39,127	2	9,730	2	36,560	\$18.09
2010 3q	957	12,926,476	1,520,899	11.8%	52,233	0	0	4	46,290	\$18.49
2010 2q	957	12,926,476	1,573,132	12.2%	(80,919)	1	31,397	2	36,559	\$18.08
2010 1q	956	12,895,079	1,460,816	11.3%	41,832	2	28,493	3	67,956	\$17.81
2009 4q	954	12,866,586	1,474,155	11.5%	120,292	2	23,883	4	90,649	\$18.15
2009 3q	952	12,842,703	1,570,564	12.2%	19,888	3	72,901	5	92,039	\$18.38
2009 2q	949	12,769,802	1,517,551	11.9%	(85,149)	3	20,540	8	164,940	\$18.76
2009 1q	946	12,749,262	1,411,862	11.1%	8,764	8	97,887	9	143,021	\$19.07

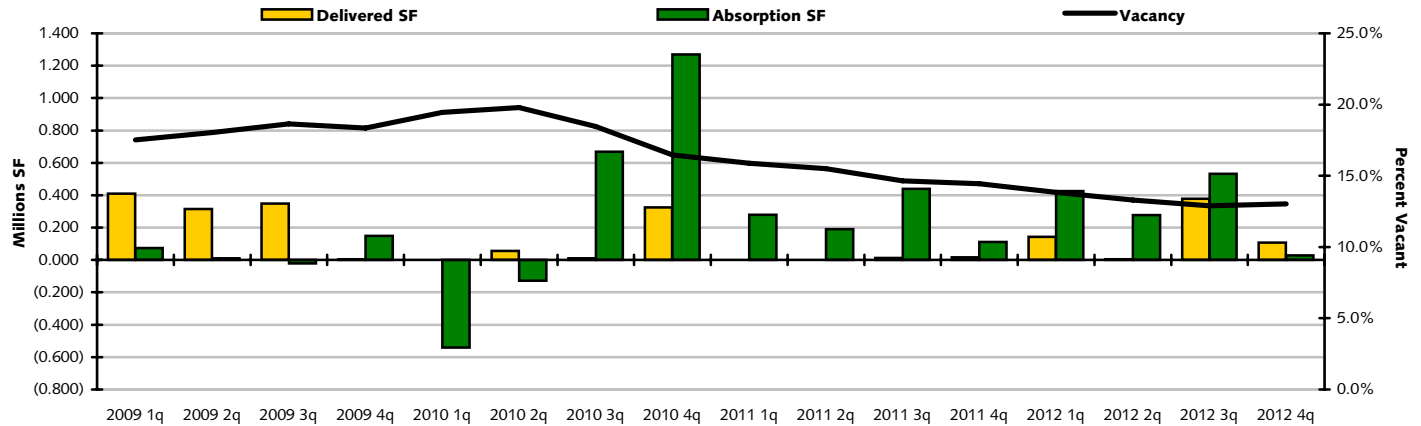
Source: CoStar Property®

# DALLAS/FT. WORTH OFFICE MARKET

## FAR NORTH DALLAS MARKET

MARKET HIGHLIGHTS – CLASS "A, B &amp; C"

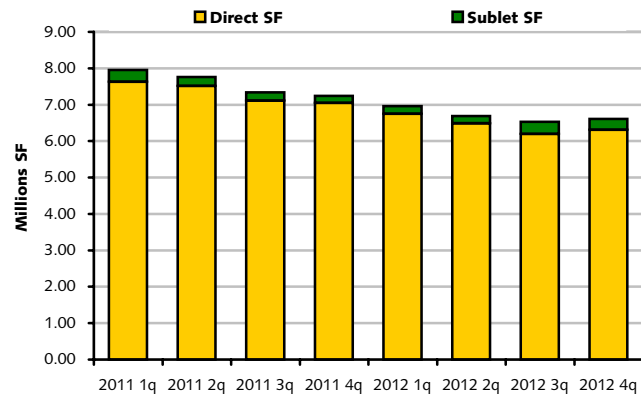
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

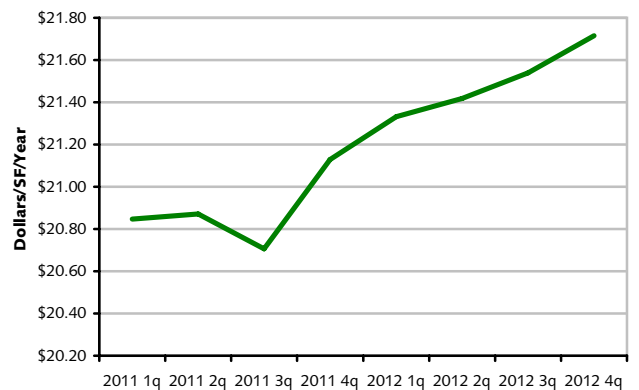
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	892	50,762,900	6,610,905	13.0%	29,186	3	106,979	7	766,394	\$21.71
2012 3q	889	50,655,921	6,533,112	12.9%	532,247	2	378,600	9	812,773	\$21.54
2012 2q	887	50,277,321	6,686,759	13.3%	278,248	1	5,119	7	889,608	\$21.42
2012 1q	886	50,272,202	6,959,888	13.8%	426,347	2	142,008	7	818,727	\$21.33
2011 4q	884	50,130,194	7,244,227	14.5%	112,041	2	17,250	6	924,637	\$21.13
2011 3q	882	50,112,944	7,339,018	14.6%	438,815	1	12,954	6	537,858	\$20.71
2011 2q	881	50,099,990	7,764,879	15.5%	190,968	0	0	7	550,812	\$20.87
2011 1q	881	50,099,990	7,955,847	15.9%	278,752	0	0	4	479,754	\$20.85
2010 4q	882	50,113,136	8,247,745	16.5%	1,269,282	2	324,335	3	161,154	\$20.71
2010 3q	880	49,788,801	9,192,692	18.5%	668,593	2	10,500	3	334,535	\$20.57
2010 2q	878	49,778,301	9,850,785	19.8%	(127,660)	5	55,268	5	345,035	\$20.73
2010 1q	873	49,723,033	9,667,857	19.4%	(541,647)	0	0	9	245,968	\$21.22
2009 4q	873	49,723,033	9,126,210	18.4%	147,963	1	2,344	9	245,968	\$21.49
2009 3q	872	49,720,689	9,271,829	18.6%	(20,897)	2	349,128	8	237,812	\$21.69
2009 2q	870	49,371,561	8,901,804	18.0%	10,225	5	315,263	7	389,762	\$21.79
2009 1q	865	49,056,298	8,596,766	17.5%	74,273	9	409,483	8	666,735	\$22.53

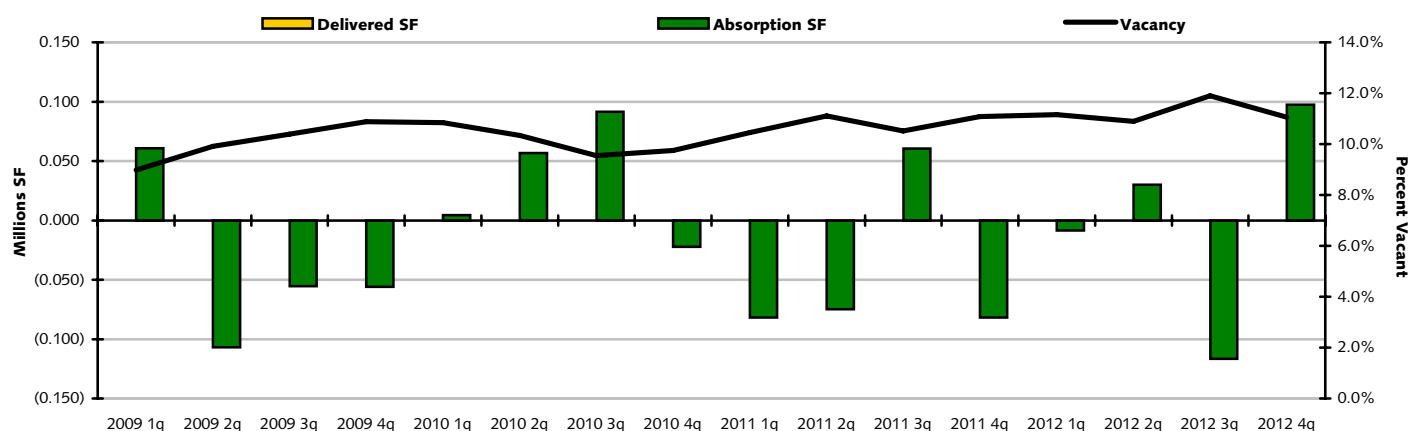
Source: CoStar Property®

## DALLAS/FT. WORTH OFFICE MARKET

## FT WORTH CBD MARKET

MARKET HIGHLIGHTS – CLASS "A, B &amp; C"

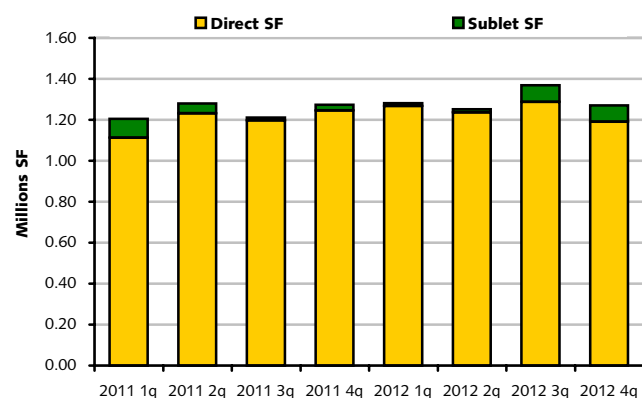
## DELIVERIES, ABSORPTION &amp; VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

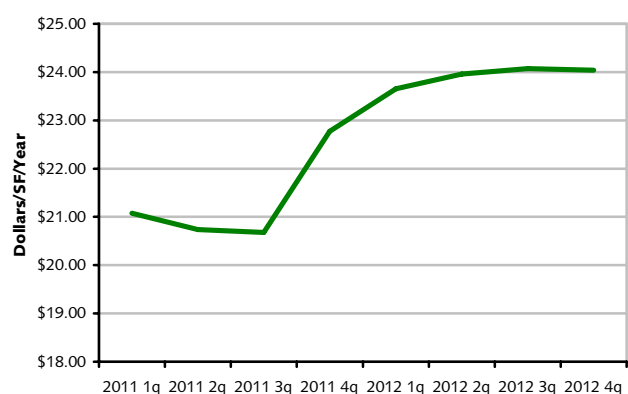
## Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

## Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	115	11,494,739	1,270,761	11.1%	97,420	0	0	2	154,801	\$24.04
2012 3q	115	11,494,739	1,368,181	11.9%	(116,568)	0	0	2	154,801	\$24.07
2012 2q	115	11,494,739	1,251,613	10.9%	30,167	0	0	2	154,801	\$23.96
2012 1q	115	11,494,739	1,281,780	11.2%	(8,366)	0	0	0	0	\$23.65
2011 4q	115	11,494,739	1,273,414	11.1%	(81,906)	0	0	0	0	\$22.77
2011 3q	116	11,513,459	1,210,228	10.5%	60,498	0	0	0	0	\$20.68
2011 2q	117	11,521,864	1,279,131	11.1%	(74,777)	0	0	0	0	\$20.74
2011 1q	117	11,521,864	1,204,354	10.5%	(81,744)	0	0	0	0	\$21.07
2010 4q	117	11,521,864	1,122,610	9.7%	(22,220)	0	0	0	0	\$21.52
2010 3q	117	11,521,864	1,100,390	9.6%	91,589	0	0	0	0	\$21.26
2010 2q	117	11,521,864	1,191,979	10.3%	56,759	0	0	0	0	\$21.95
2010 1q	117	11,521,864	1,248,738	10.8%	4,379	0	0	0	0	\$21.98
2009 4q	117	11,521,864	1,253,117	10.9%	(55,827)	0	0	0	0	\$22.13
2009 3q	117	11,521,864	1,197,290	10.4%	(55,265)	0	0	0	0	\$21.96
2009 2q	117	11,521,864	1,142,025	9.9%	(106,962)	0	0	0	0	\$22.72
2009 1q	117	11,521,864	1,035,063	9.0%	60,668	0	0	0	0	\$23.46

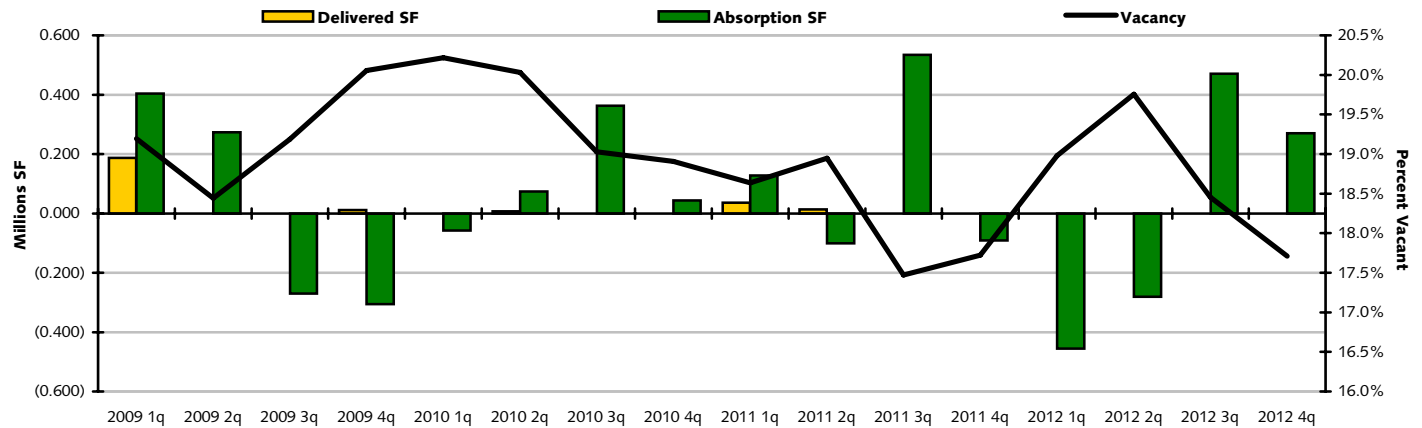
Source: CoStar Property®

## DALLAS/FT. WORTH OFFICE MARKET

## LAS COLINAS MARKET

MARKET HIGHLIGHTS – CLASS "A, B &amp; C"

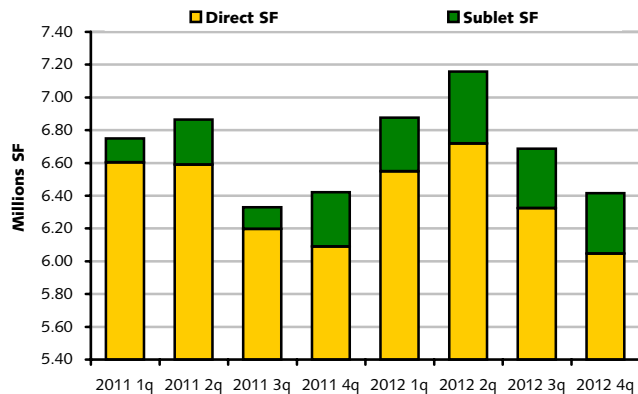
## DELIVERIES, ABSORPTION &amp; VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

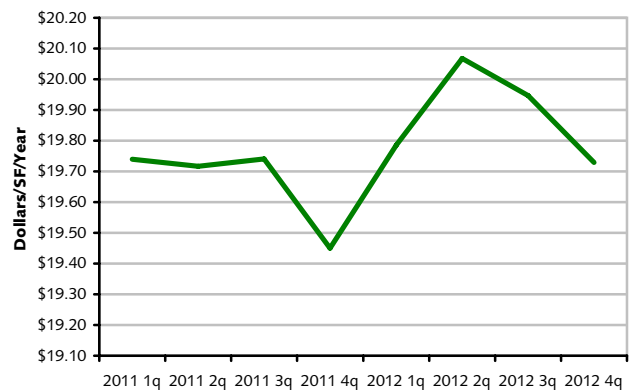
## Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

## Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	382	36,232,841	6,416,557	17.7%	270,571	0	0	0	0	\$19.73
2012 3q	382	36,232,841	6,687,128	18.5%	470,364	0	0	0	0	\$19.95
2012 2q	382	36,232,841	7,157,492	19.8%	(280,912)	0	0	0	0	\$20.07
2012 1q	382	36,232,841	6,876,580	19.0%	(455,725)	0	0	0	0	\$19.79
2011 4q	382	36,232,841	6,420,855	17.7%	(90,573)	0	0	0	0	\$19.45
2011 3q	382	36,232,841	6,330,282	17.5%	534,314	0	0	0	0	\$19.74
2011 2q	382	36,232,841	6,864,596	18.9%	(100,656)	1	13,671	0	0	\$19.72
2011 1q	381	36,219,170	6,750,269	18.6%	127,457	2	36,261	1	13,671	\$19.74
2010 4q	379	36,182,909	6,841,465	18.9%	43,435	0	0	3	49,932	\$19.71
2010 3q	379	36,182,909	6,884,900	19.0%	362,421	0	0	3	49,932	\$19.78
2010 2q	379	36,182,909	7,247,321	20.0%	74,001	1	7,513	2	36,261	\$19.53
2010 1q	378	36,175,396	7,313,809	20.2%	(58,193)	0	0	2	33,998	\$19.76
2009 4q	378	36,175,396	7,255,616	20.1%	(305,560)	1	11,000	2	33,998	\$20.07
2009 3q	377	36,164,396	6,939,056	19.2%	(270,317)	0	0	3	44,998	\$20.21
2009 2q	377	36,164,396	6,668,739	18.4%	273,273	0	0	2	37,485	\$20.53
2009 1q	377	36,164,396	6,942,012	19.2%	404,197	2	186,930	2	37,485	\$20.79

Source: CoStar Property®

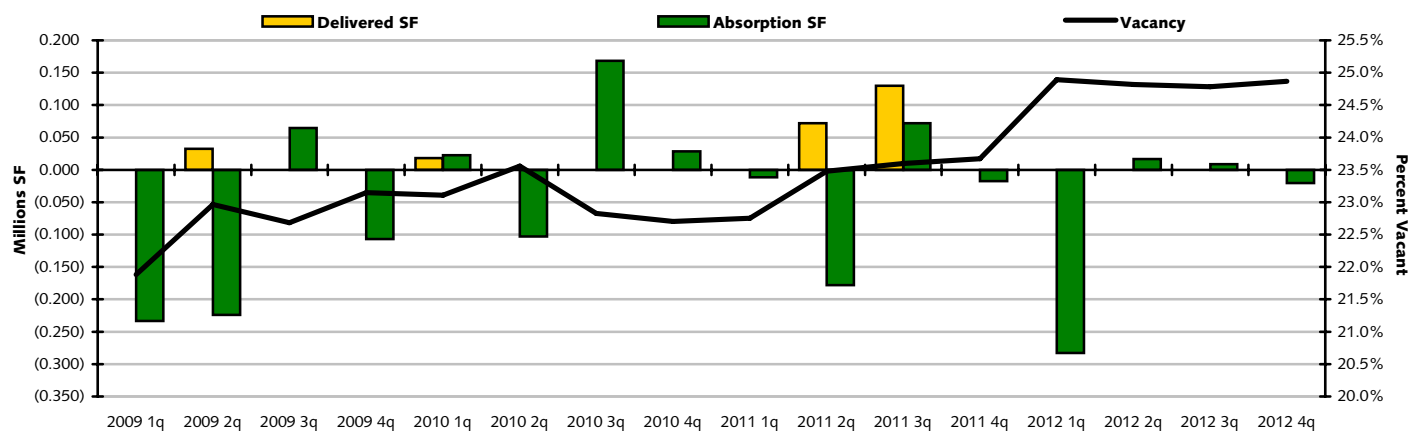
## DALLAS/FT. WORTH OFFICE MARKET



## LBJ FREEWAY MARKET

MARKET HIGHLIGHTS - CLASS "A, B &amp; C"

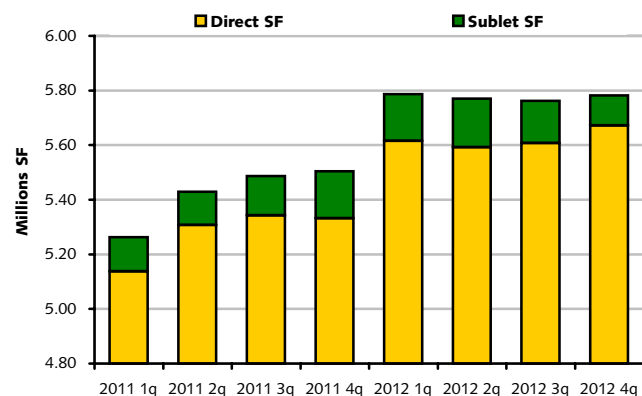
## DELIVERIES, ABSORPTION &amp; VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

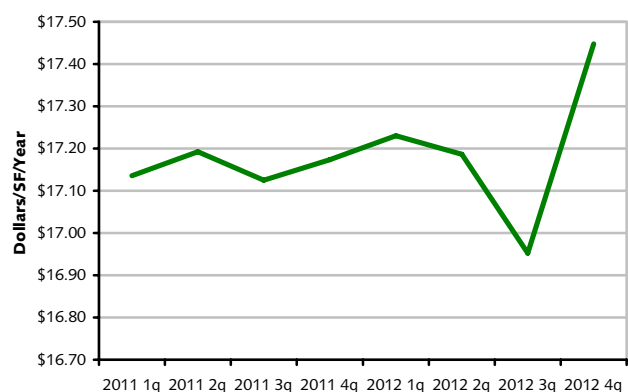
## Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

## Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	258	23,250,294	5,781,854	24.9%	(20,172)	0	0	1	251,389	\$17.45
2012 3q	258	23,250,294	5,761,682	24.8%	8,719	0	0	0	0	\$16.95
2012 2q	258	23,250,294	5,770,401	24.8%	16,802	0	0	0	0	\$17.19
2012 1q	258	23,250,294	5,787,203	24.9%	(283,026)	0	0	0	0	\$17.23
2011 4q	258	23,250,294	5,504,177	23.7%	(17,220)	0	0	0	0	\$17.17
2011 3q	258	23,250,294	5,486,957	23.6%	71,880	1	130,000	0	0	\$17.13
2011 2q	257	23,120,294	5,428,837	23.5%	(177,989)	1	72,000	1	130,000	\$17.19
2011 1q	257	23,132,651	5,263,205	22.8%	(11,256)	0	0	2	202,000	\$17.14
2010 4q	257	23,132,651	5,251,949	22.7%	28,728	0	0	2	202,000	\$17.01
2010 3q	257	23,132,651	5,280,677	22.8%	168,361	0	0	2	202,000	\$16.98
2010 2q	257	23,132,651	5,449,038	23.6%	(102,914)	0	0	2	202,000	\$17.09
2010 1q	257	23,132,651	5,346,124	23.1%	22,543	1	18,160	0	0	\$17.15
2009 4q	256	23,114,491	5,350,507	23.1%	(106,921)	0	0	1	18,160	\$17.25
2009 3q	256	23,114,491	5,243,586	22.7%	64,463	0	0	1	18,160	\$17.12
2009 2q	256	23,114,491	5,308,049	23.0%	(224,227)	1	32,611	1	18,160	\$17.34
2009 1q	255	23,081,880	5,051,211	21.9%	(233,566)	0	0	1	32,611	\$17.59

Source: CoStar Property®

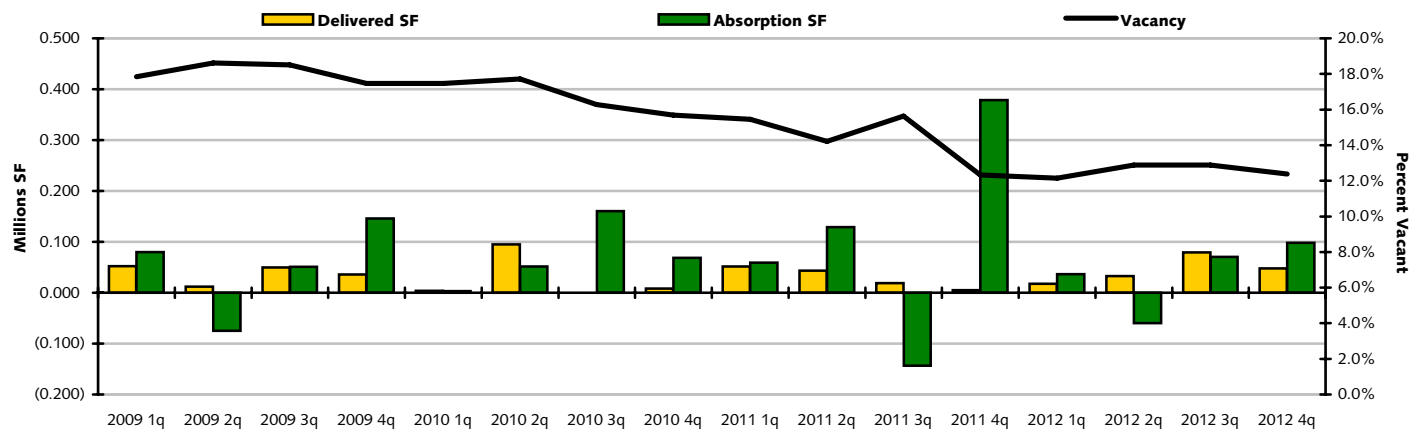


# DALLAS/FT. WORTH OFFICE MARKET

## LEWISVILLE/DENTON MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

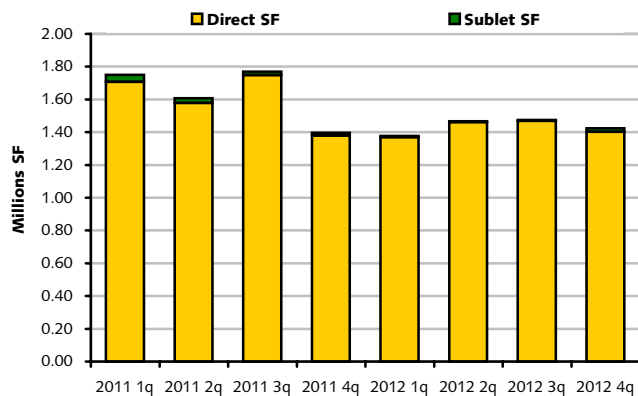
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

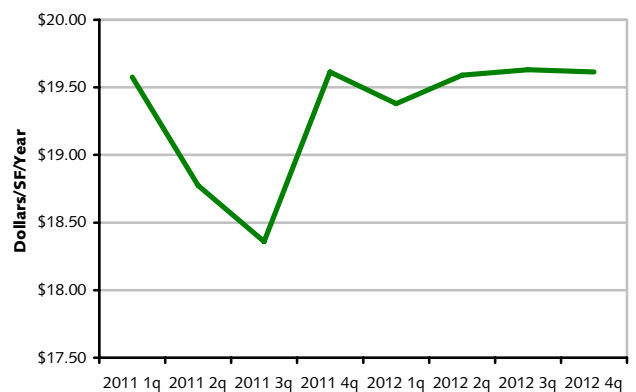
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	724	11,498,605	1,424,067	12.4%	98,307	2	48,000	0	0	\$19.62
2012 3q	722	11,450,605	1,474,374	12.9%	70,659	1	79,000	2	48,000	\$19.63
2012 2q	721	11,371,605	1,466,033	12.9%	(59,577)	1	33,000	3	127,000	\$19.59
2012 1q	721	11,342,605	1,377,456	12.1%	36,492	1	17,900	3	154,000	\$19.38
2011 4q	720	11,324,705	1,396,048	12.3%	378,352	1	5,000	4	171,900	\$19.61
2011 3q	719	11,319,705	1,769,400	15.6%	(143,455)	3	18,664	3	55,900	\$18.36
2011 2q	716	11,301,041	1,607,281	14.2%	128,894	1	43,447	4	23,664	\$18.77
2011 1q	718	11,314,118	1,749,252	15.5%	59,044	3	51,390	5	67,111	\$19.58
2010 4q	717	11,274,712	1,768,890	15.7%	68,388	2	7,879	8	118,501	\$19.81
2010 3q	716	11,273,633	1,836,199	16.3%	160,268	0	0	7	70,202	\$19.58
2010 2q	716	11,273,633	1,996,467	17.7%	51,316	4	94,800	5	60,460	\$19.92
2010 1q	712	11,178,833	1,952,983	17.5%	2,905	1	3,710	6	103,870	\$20.14
2009 4q	711	11,175,123	1,952,178	17.5%	146,162	5	35,840	6	102,580	\$20.03
2009 3q	706	11,139,283	2,062,500	18.5%	51,050	4	49,849	11	138,420	\$20.11
2009 2q	702	11,089,434	2,063,701	18.6%	(74,831)	2	12,223	12	105,469	\$19.74
2009 1q	700	11,077,211	1,976,647	17.8%	79,926	8	52,361	10	84,454	\$19.93

Source: CoStar Property®

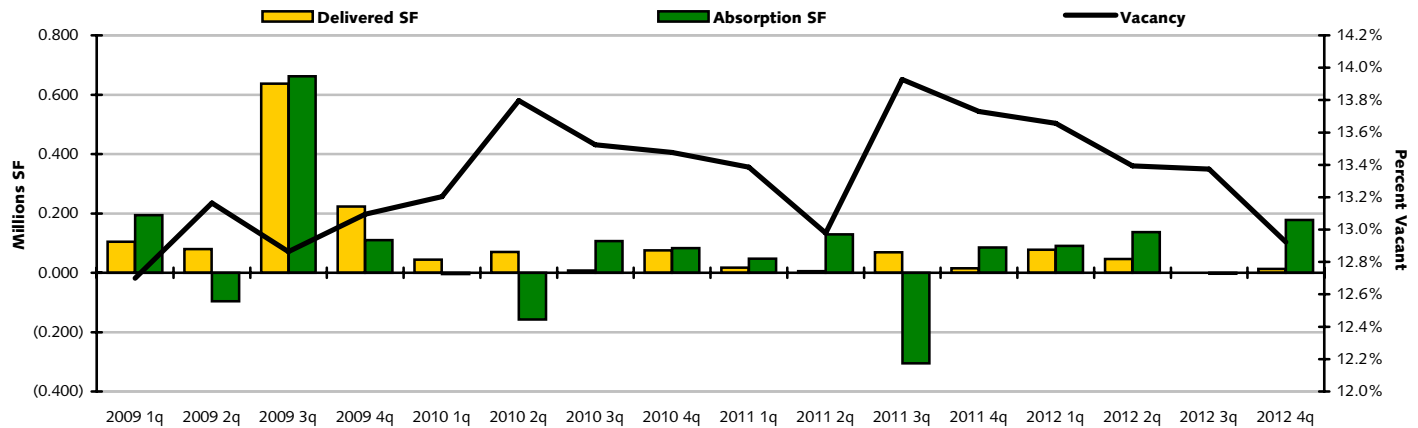
## DALLAS/FT. WORTH OFFICE MARKET

## MID-CITIES MARKET

MARKET HIGHLIGHTS - CLASS "A, B &amp; C"



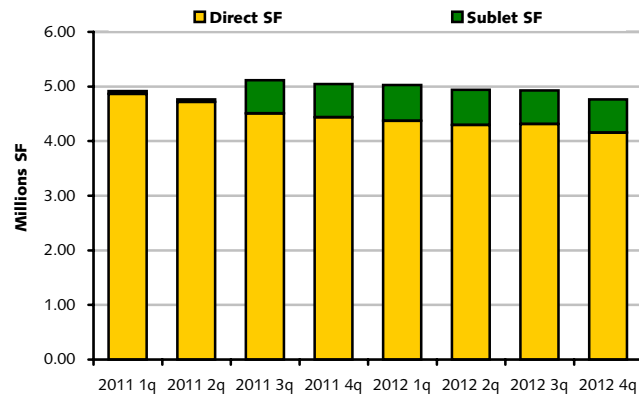
## DELIVERIES, ABSORPTION &amp; VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

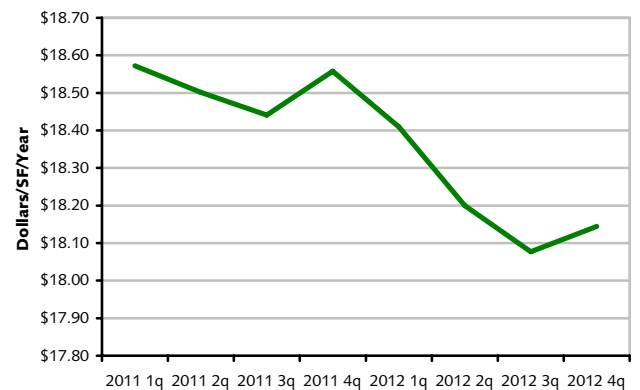
## Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

## Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	2,149	36,877,737	4,765,448	12.9%	177,723	2	12,962	4	23,660	\$18.14
2012 3q	2,147	36,864,775	4,930,209	13.4%	(2,828)	0	0	4	30,147	\$18.08
2012 2q	2,148	36,876,775	4,939,381	13.4%	136,898	3	46,667	3	25,072	\$18.20
2012 1q	2,145	36,830,108	5,029,612	13.7%	90,820	7	77,366	5	59,629	\$18.41
2011 4q	2,139	36,755,742	5,046,066	13.7%	85,667	3	14,708	10	124,033	\$18.56
2011 3q	2,136	36,741,034	5,117,025	13.9%	(304,671)	9	68,968	12	133,117	\$18.44
2011 2q	2,129	36,690,896	4,762,216	13.0%	129,275	1	5,052	17	120,364	\$18.50
2011 1q	2,129	36,714,090	4,914,685	13.4%	47,128	3	17,278	15	109,474	\$18.57
2010 4q	2,127	36,697,886	4,945,609	13.5%	83,314	3	76,004	12	79,298	\$18.68
2010 3q	2,124	36,621,882	4,952,919	13.5%	106,797	1	7,937	9	134,355	\$18.85
2010 2q	2,123	36,613,945	5,051,779	13.8%	(156,896)	10	70,012	6	95,672	\$18.84
2010 1q	2,113	36,543,933	4,824,871	13.2%	(4,191)	7	43,749	14	153,953	\$18.91
2009 4q	2,107	36,503,184	4,779,931	13.1%	110,009	10	222,651	16	96,552	\$19.20
2009 3q	2,097	36,280,533	4,667,289	12.9%	662,432	12	637,507	24	306,874	\$19.30
2009 2q	2,085	35,643,026	4,692,214	13.2%	(95,721)	10	79,852	30	917,764	\$19.26
2009 1q	2,075	35,563,174	4,516,641	12.7%	193,872	13	104,346	31	943,822	\$19.14

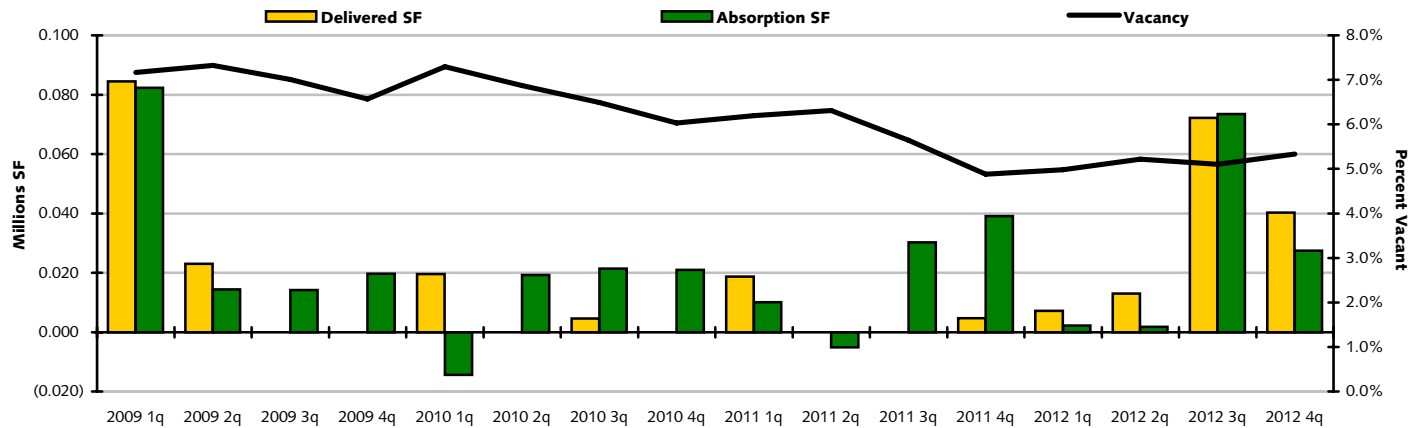
Source: CoStar Property®

# DALLAS/FT. WORTH OFFICE MARKET

## NORTH FORT WORTH MARKET

MARKET HIGHLIGHTS – CLASS "A, B &amp; C"

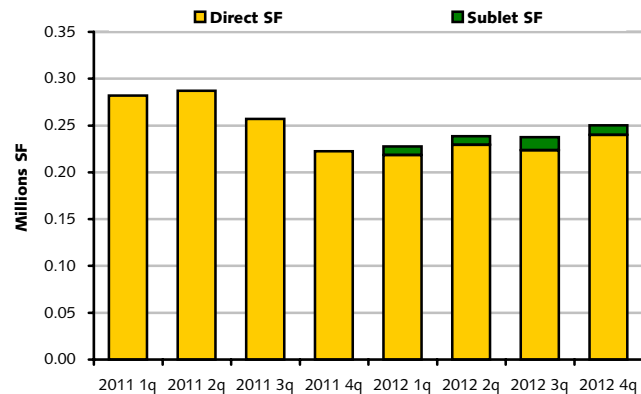
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

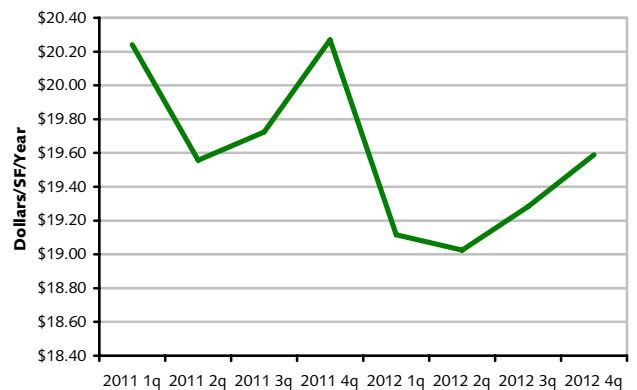
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	413	4,689,939	250,223	5.3%	27,470	5	40,302	0	0	\$19.59
2012 3q	408	4,649,637	237,391	5.1%	73,521	2	72,200	5	40,302	\$19.28
2012 2q	406	4,577,437	238,712	5.2%	1,806	2	13,000	7	112,502	\$19.02
2012 1q	404	4,564,437	227,518	5.0%	2,168	1	7,124	6	96,081	\$19.12
2011 4q	403	4,557,313	222,562	4.9%	39,046	1	4,674	5	92,324	\$20.27
2011 3q	402	4,552,639	256,934	5.6%	30,285	0	0	5	94,798	\$19.72
2011 2q	402	4,552,639	287,219	6.3%	(5,112)	0	0	2	74,674	\$19.56
2011 1q	402	4,552,639	282,107	6.2%	10,058	2	18,732	2	74,674	\$20.24
2010 4q	400	4,533,907	273,433	6.0%	20,945	0	0	2	18,732	\$19.69
2010 3q	400	4,533,907	294,378	6.5%	21,428	1	4,583	1	14,226	\$18.54
2010 2q	399	4,529,324	311,223	6.9%	19,226	0	0	2	18,809	\$18.94
2010 1q	399	4,529,324	330,449	7.3%	(14,447)	2	19,619	1	4,583	\$18.62
2009 4q	397	4,509,705	296,383	6.6%	19,646	0	0	3	24,202	\$18.76
2009 3q	397	4,509,705	316,029	7.0%	14,154	0	0	2	19,619	\$17.69
2009 2q	397	4,509,705	330,183	7.3%	14,370	3	23,062	2	19,619	\$18.38
2009 1q	394	4,486,643	321,491	7.2%	82,329	6	84,512	3	23,062	\$18.72

Source: CoStar Property®

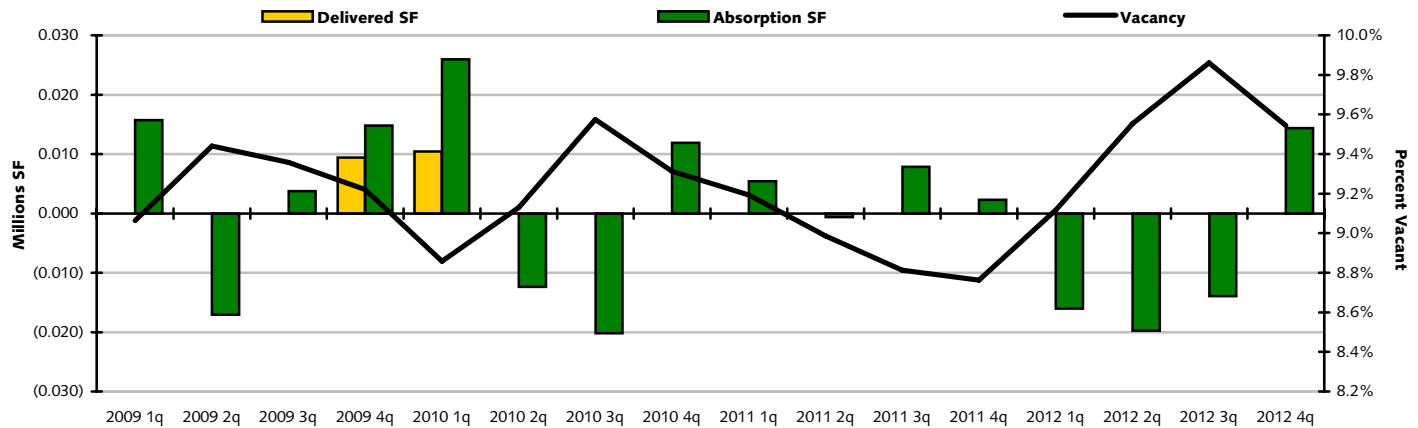
# DALLAS/Ft. WORTH OFFICE MARKET

## NORTHEAST FT WORTH MARKET

### MARKET HIGHLIGHTS – CLASS "A, B & C"



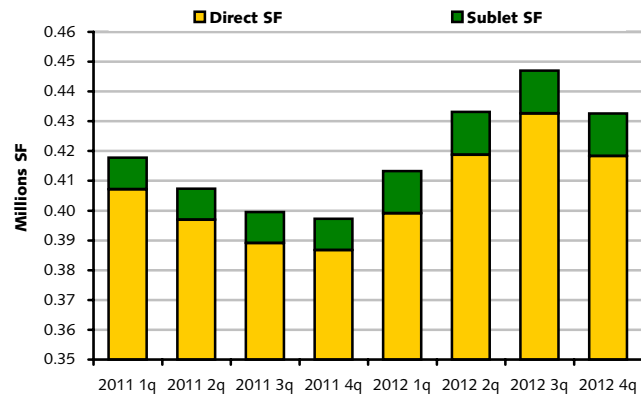
## DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

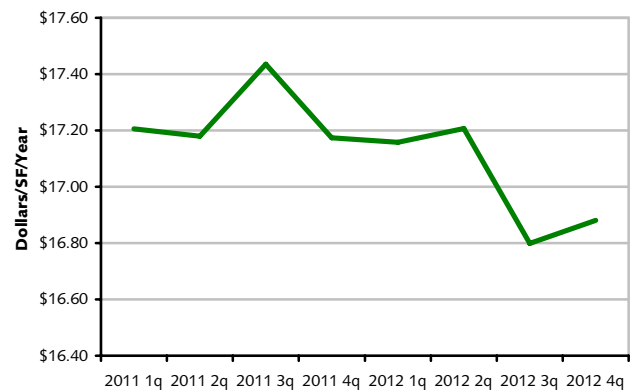
### Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	324	4,533,442	432,645	9.5%	14,366	0	0	0	0	\$16.88
2012 3q	324	4,533,442	447,011	9.9%	(13,912)	0	0	0	0	\$16.80
2012 2q	324	4,533,442	433,099	9.6%	(19,781)	0	0	0	0	\$17.21
2012 1q	324	4,533,442	413,318	9.1%	(16,048)	0	0	0	0	\$17.16
2011 4q	324	4,533,442	397,270	8.8%	2,284	0	0	0	0	\$17.17
2011 3q	324	4,533,442	399,554	8.8%	7,855	0	0	0	0	\$17.44
2011 2q	324	4,533,442	407,409	9.0%	(621)	0	0	0	0	\$17.18
2011 1q	325	4,544,442	417,788	9.2%	5,407	0	0	0	0	\$17.21
2010 4q	325	4,544,442	423,195	9.3%	11,888	0	0	0	0	\$17.08
2010 3q	325	4,544,442	435,083	9.6%	(20,193)	0	0	0	0	\$17.44
2010 2q	325	4,544,442	414,890	9.1%	(12,362)	0	0	0	0	\$17.42
2010 1q	325	4,544,442	402,528	8.9%	25,932	1	10,417	0	0	\$17.88
2009 4q	324	4,534,025	418,043	9.2%	14,782	1	9,426	1	10,417	\$17.87
2009 3q	323	4,524,599	423,399	9.4%	3,771	0	0	2	19,843	\$17.12
2009 2q	323	4,524,599	427,170	9.4%	(17,048)	0	0	2	19,843	\$17.51
2009 1q	323	4,524,599	410,122	9.1%	15,713	0	0	1	9,426	\$17.24

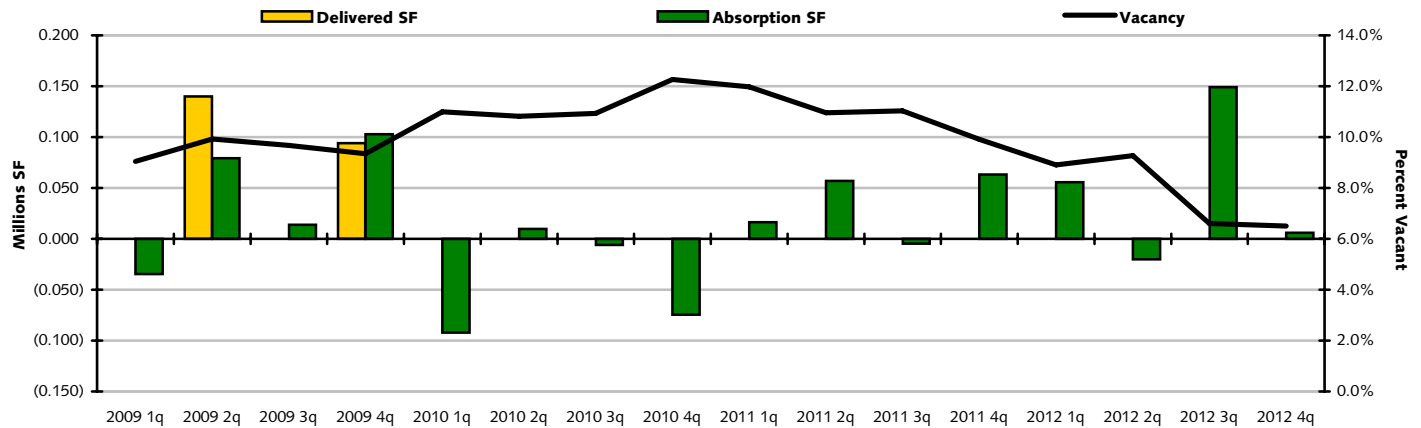
Source: CoStar Property®

## DALLAS/FT. WORTH OFFICE MARKET

## PRESTON CENTER MARKET

MARKET HIGHLIGHTS – CLASS "A, B &amp; C"

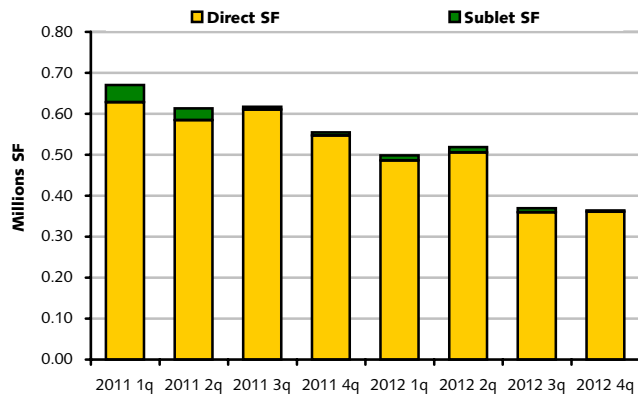
## DELIVERIES, ABSORPTION &amp; VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

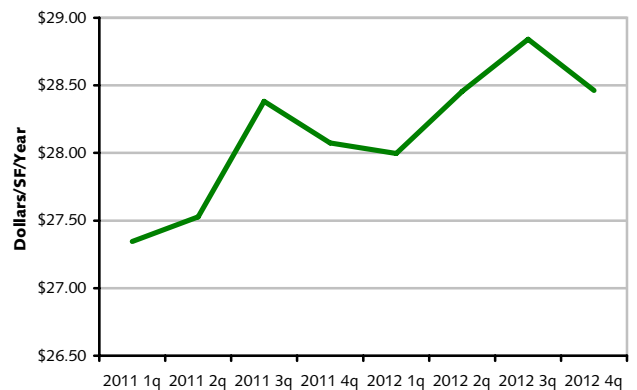
## Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

## Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	136	5,597,716	363,828	6.5%	6,041	0	0	2	92,300	\$28.46
2012 3q	136	5,597,716	369,869	6.6%	148,942	0	0	2	92,300	\$28.84
2012 2q	136	5,597,716	518,811	9.3%	(19,986)	0	0	2	92,300	\$28.46
2012 1q	136	5,597,716	498,825	8.9%	55,688	0	0	2	92,300	\$28.00
2011 4q	136	5,597,716	554,513	9.9%	63,061	0	0	1	85,000	\$28.07
2011 3q	136	5,597,716	617,574	11.0%	(4,583)	0	0	1	85,000	\$28.38
2011 2q	136	5,597,716	612,991	11.0%	57,074	0	0	0	0	\$27.53
2011 1q	136	5,597,716	670,065	12.0%	16,291	0	0	0	0	\$27.35
2010 4q	136	5,597,716	686,356	12.3%	(74,485)	0	0	0	0	\$26.71
2010 3q	136	5,597,716	611,871	10.9%	(6,062)	0	0	0	0	\$27.04
2010 2q	136	5,597,716	605,809	10.8%	9,800	0	0	0	0	\$26.60
2010 1q	136	5,597,716	615,609	11.0%	(92,214)	0	0	0	0	\$26.91
2009 4q	136	5,597,716	523,395	9.4%	102,681	1	93,884	0	0	\$25.99
2009 3q	135	5,503,832	532,192	9.7%	13,829	0	0	1	93,884	\$26.54
2009 2q	135	5,503,832	546,021	9.9%	79,263	1	140,047	1	93,884	\$28.78
2009 1q	134	5,363,785	485,237	9.0%	(34,493)	0	0	2	233,931	\$28.62

Source: CoStar Property®

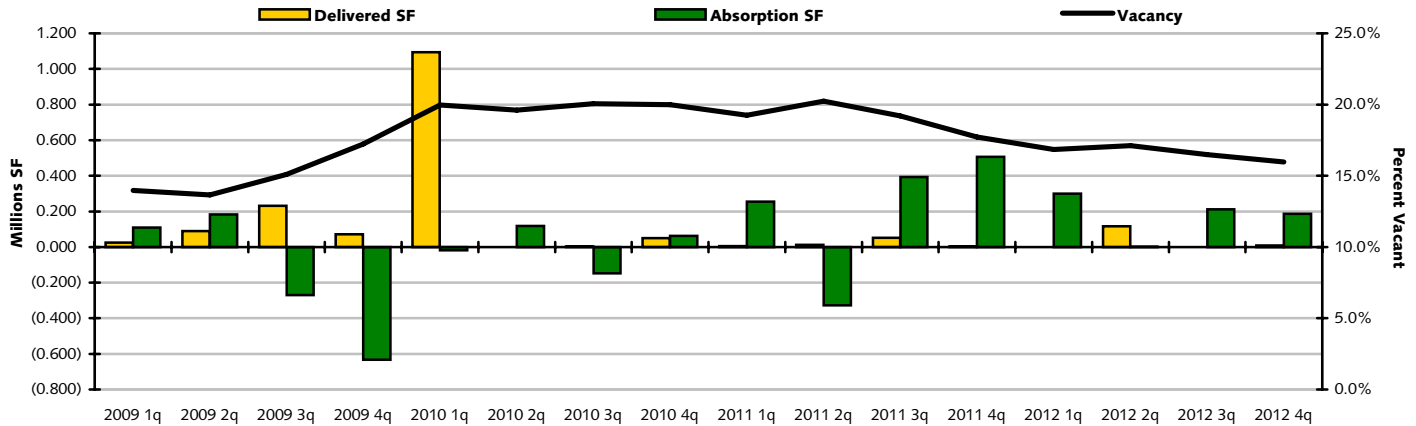
## DALLAS/FT. WORTH OFFICE MARKET



## RICHARDSON/PLANO MARKET

MARKET HIGHLIGHTS – CLASS "A, B &amp; C"

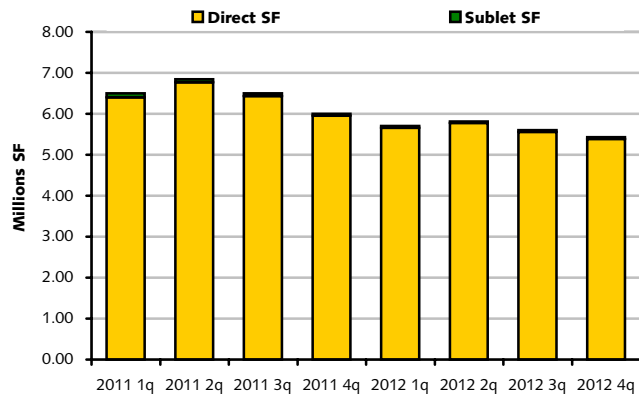
## DELIVERIES, ABSORPTION &amp; VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

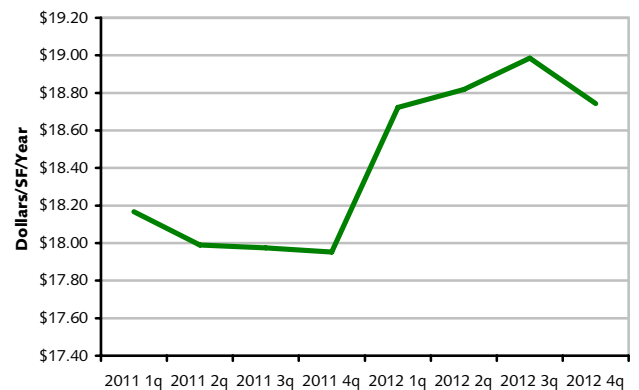
## Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

## Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	1,020	33,979,840	5,425,870	16.0%	186,233	1	8,800	12	170,708	\$18.74
2012 3q	1,019	33,971,040	5,603,303	16.5%	211,213	0	0	11	129,994	\$18.99
2012 2q	1,019	33,971,040	5,814,516	17.1%	2,238	2	116,940	8	112,369	\$18.82
2012 1q	1,017	33,854,100	5,699,814	16.8%	299,377	0	0	6	144,200	\$18.72
2011 4q	1,017	33,854,100	5,999,191	17.7%	505,932	1	4,050	2	116,940	\$17.95
2011 3q	1,016	33,850,050	6,501,073	19.2%	392,479	5	51,053	3	120,990	\$17.97
2011 2q	1,011	33,798,997	6,842,499	20.2%	(326,794)	2	11,888	7	167,993	\$17.99
2011 1q	1,009	33,787,109	6,503,817	19.2%	255,246	1	5,000	7	62,941	\$18.17
2010 4q	1,008	33,782,109	6,754,063	20.0%	63,004	1	50,622	6	41,968	\$18.44
2010 3q	1,007	33,731,487	6,766,445	20.1%	(148,287)	1	3,503	5	78,310	\$18.40
2010 2q	1,006	33,727,984	6,614,655	19.6%	118,149	0	0	2	54,125	\$18.55
2010 1q	1,006	33,727,984	6,732,804	20.0%	(18,028)	6	1,093,935	2	54,125	\$18.64
2009 4q	1,000	32,634,049	5,620,841	17.2%	(633,768)	11	71,331	8	1,148,060	\$19.15
2009 3q	989	32,562,718	4,915,742	15.1%	(270,362)	7	232,010	17	1,165,266	\$19.23
2009 2q	982	32,330,708	4,413,370	13.7%	183,288	9	89,808	24	1,397,276	\$19.20
2009 1q	973	32,240,900	4,506,850	14.0%	109,438	3	25,539	26	1,427,149	\$19.67

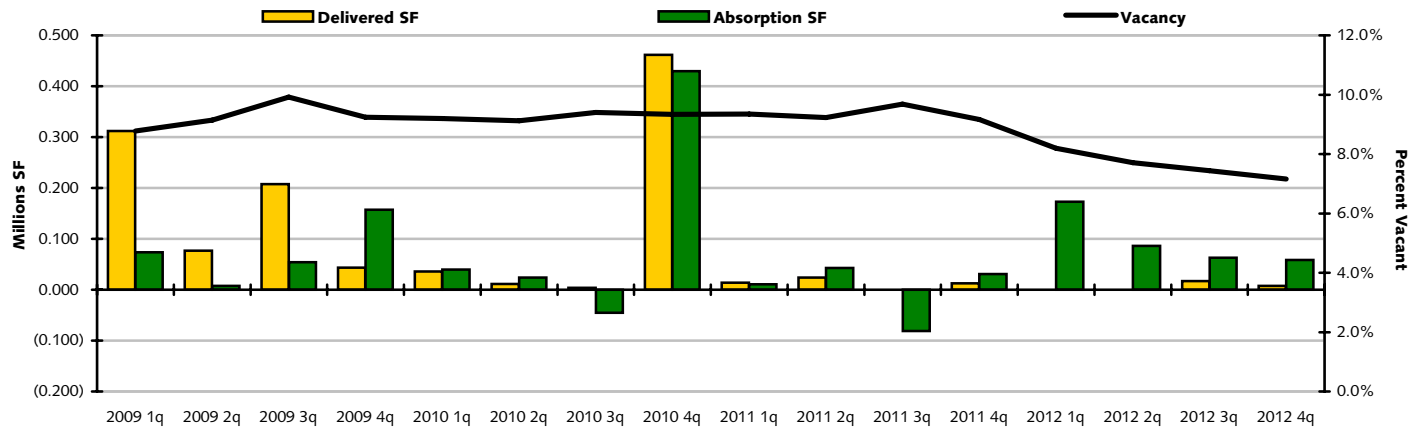
Source: CoStar Property®

## DALLAS/FT. WORTH OFFICE MARKET

## SOUTH FT WORTH MARKET

MARKET HIGHLIGHTS – CLASS "A, B &amp; C"

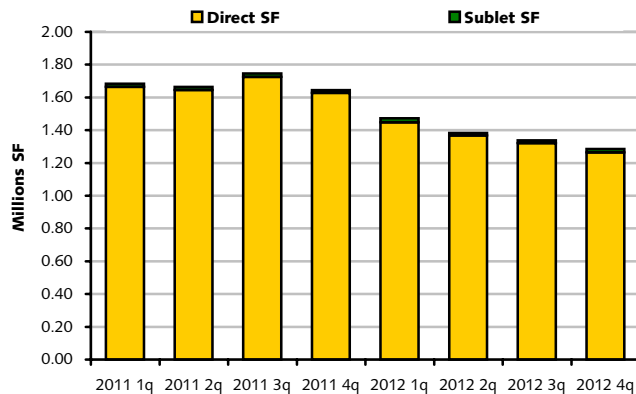
## DELIVERIES, ABSORPTION &amp; VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

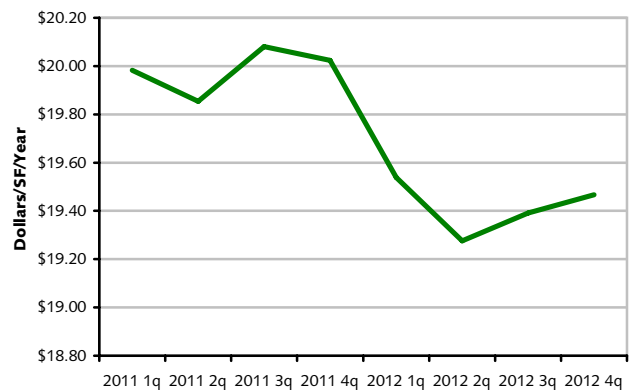
## Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

## Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	1,391	17,977,560	1,286,109	7.2%	58,375	1	7,245	7	161,972	\$19.47
2012 3q	1,390	17,970,315	1,337,239	7.4%	63,029	4	16,723	5	104,656	\$19.39
2012 2q	1,386	17,953,592	1,383,545	7.7%	86,419	0	0	9	121,379	\$19.28
2012 1q	1,387	17,955,799	1,472,171	8.2%	172,838	0	0	4	72,637	\$19.54
2011 4q	1,387	17,955,799	1,645,009	9.2%	30,542	2	12,441	4	72,637	\$20.02
2011 3q	1,386	18,025,520	1,745,272	9.7%	(81,302)	0	0	3	72,441	\$20.08
2011 2q	1,386	18,025,520	1,663,970	9.2%	42,524	2	23,843	2	12,441	\$19.85
2011 1q	1,384	18,001,677	1,682,651	9.3%	10,720	2	13,971	4	36,284	\$19.98
2010 4q	1,382	17,987,706	1,679,400	9.3%	429,362	1	461,805	4	37,814	\$19.96
2010 3q	1,381	17,525,901	1,646,957	9.4%	(45,477)	1	4,000	5	499,619	\$20.21
2010 2q	1,380	17,521,901	1,597,480	9.1%	23,950	1	11,127	5	487,776	\$20.75
2010 1q	1,379	17,510,774	1,610,303	9.2%	39,638	4	35,612	4	484,932	\$21.10
2009 4q	1,375	17,475,162	1,614,329	9.2%	157,405	6	43,213	7	512,544	\$20.59
2009 3q	1,369	17,431,949	1,728,521	9.9%	54,312	3	207,341	12	551,757	\$20.77
2009 2q	1,366	17,224,608	1,575,492	9.1%	7,236	5	76,887	14	751,899	\$20.70
2009 1q	1,361	17,147,721	1,505,841	8.8%	73,416	7	312,198	12	305,217	\$20.94

Source: CoStar Property®



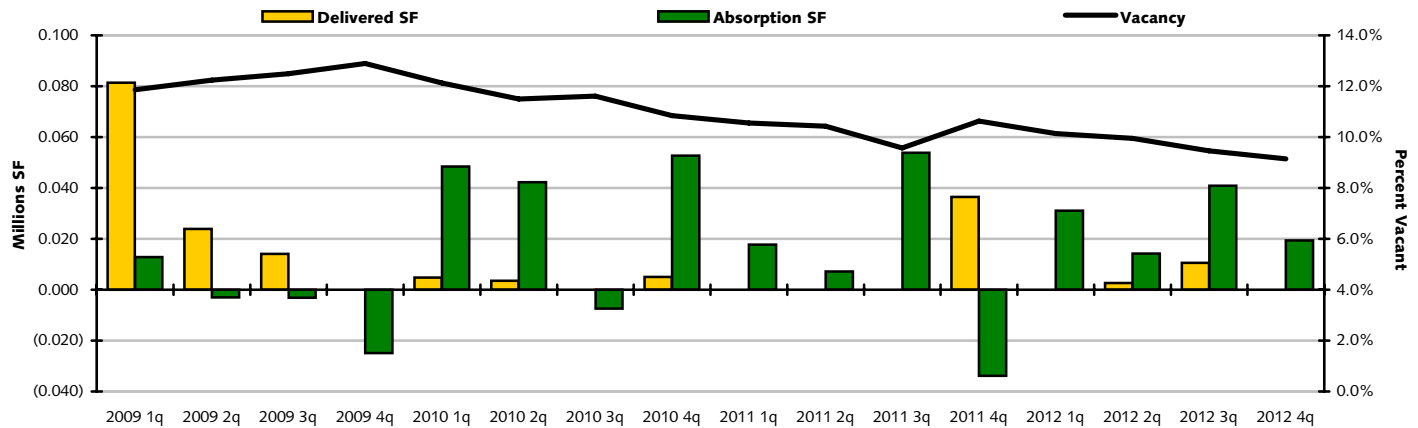
## DALLAS/FT. WORTH OFFICE MARKET



## SOUTHWEST DALLAS MARKET

MARKET HIGHLIGHTS - CLASS "A, B &amp; C"

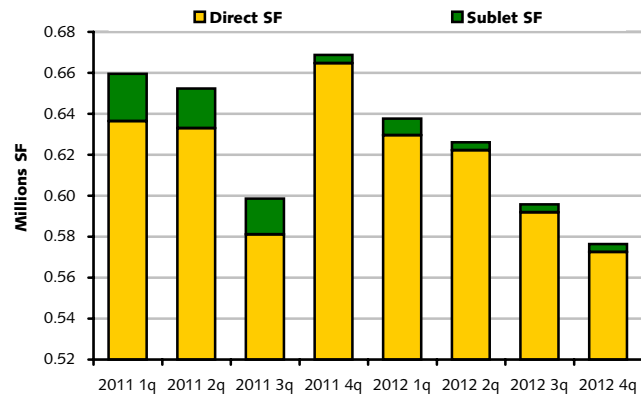
## DELIVERIES, ABSORPTION &amp; VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

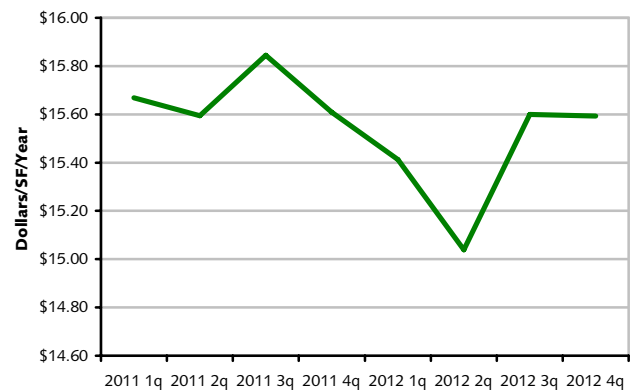
## Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

## Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	677	6,302,585	576,473	9.1%	19,355	0	0	0	0	\$15.59
2012 3q	677	6,302,585	595,828	9.5%	40,840	1	10,522	0	0	\$15.60
2012 2q	676	6,292,063	626,146	10.0%	14,171	1	2,650	1	10,522	\$15.04
2012 1q	675	6,289,413	637,667	10.1%	31,070	0	0	2	13,172	\$15.41
2011 4q	675	6,289,413	668,737	10.6%	(33,776)	2	36,427	2	13,172	\$15.61
2011 3q	673	6,252,986	598,534	9.6%	53,852	0	0	2	36,427	\$15.84
2011 2q	673	6,252,986	652,386	10.4%	7,152	0	0	1	6,193	\$15.59
2011 1q	673	6,252,986	659,538	10.5%	17,725	0	0	1	6,193	\$15.67
2010 4q	674	6,253,686	677,963	10.8%	52,740	1	5,000	0	0	\$16.16
2010 3q	673	6,248,686	725,703	11.6%	(7,421)	0	0	1	5,000	\$15.69
2010 2q	673	6,248,686	718,282	11.5%	42,317	1	3,510	0	0	\$15.95
2010 1q	672	6,245,176	757,089	12.1%	48,388	2	4,775	1	3,510	\$16.45
2009 4q	671	6,244,776	805,077	12.9%	(24,853)	0	0	3	8,285	\$16.25
2009 3q	671	6,244,776	780,224	12.5%	(3,181)	1	14,084	3	8,285	\$16.25
2009 2q	670	6,230,692	762,959	12.2%	(3,007)	3	23,948	3	18,859	\$16.89
2009 1q	667	6,206,744	736,004	11.9%	12,798	3	81,420	4	38,032	\$16.85

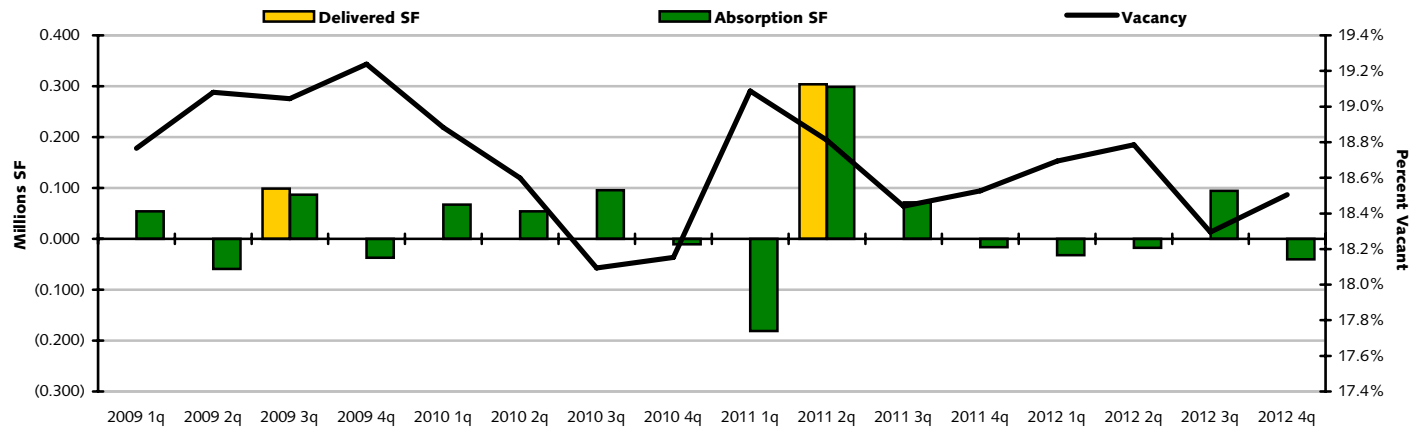
Source: CoStar Property®

# DALLAS/FT. WORTH OFFICE MARKET

## STEMMONS FREEWAY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

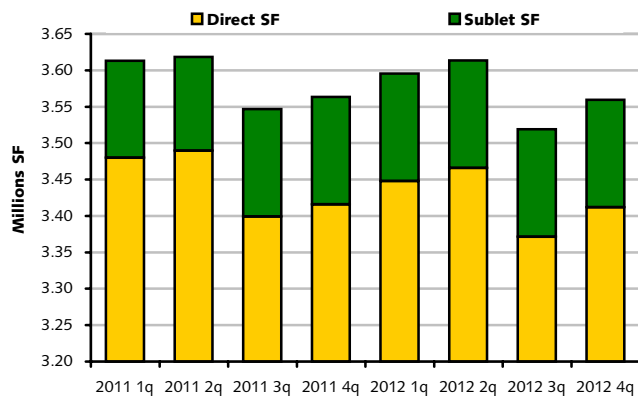
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

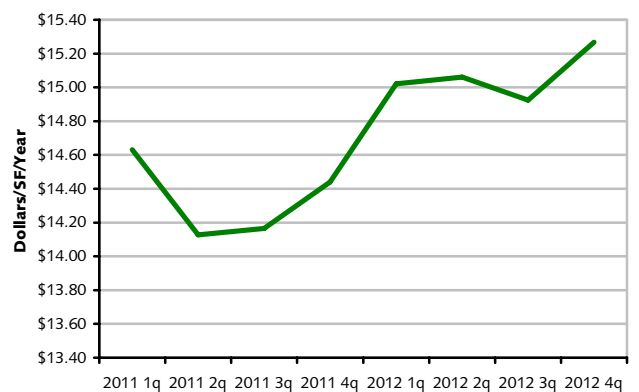
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	284	19,234,813	3,559,256	18.5%	(40,283)	0	0	0	0	\$15.27
2012 3q	284	19,234,813	3,518,973	18.3%	94,366	0	0	0	0	\$14.93
2012 2q	284	19,234,813	3,613,339	18.8%	(17,669)	0	0	0	0	\$15.06
2012 1q	284	19,234,813	3,595,670	18.7%	(32,183)	0	0	0	0	\$15.02
2011 4q	284	19,234,813	3,563,487	18.5%	(16,648)	0	0	0	0	\$14.44
2011 3q	284	19,234,813	3,546,839	18.4%	71,513	0	0	0	0	\$14.17
2011 2q	284	19,234,813	3,618,352	18.8%	298,760	1	303,856	0	0	\$14.13
2011 1q	283	18,930,957	3,613,256	19.1%	(180,994)	0	0	1	303,856	\$14.63
2010 4q	284	18,935,957	3,437,262	18.2%	(10,996)	0	0	1	303,856	\$14.48
2010 3q	284	18,935,957	3,426,266	18.1%	95,579	0	0	1	303,856	\$14.53
2010 2q	284	18,935,957	3,521,845	18.6%	53,785	0	0	1	303,856	\$14.54
2010 1q	284	18,935,957	3,575,630	18.9%	67,406	0	0	1	303,856	\$14.32
2009 4q	284	18,935,957	3,643,036	19.2%	(36,803)	0	0	1	303,856	\$14.57
2009 3q	284	18,935,957	3,606,233	19.0%	87,022	1	99,000	1	303,856	\$14.82
2009 2q	283	18,836,957	3,594,255	19.1%	(59,292)	0	0	2	402,856	\$15.03
2009 1q	283	18,836,957	3,534,963	18.8%	53,969	0	0	2	402,856	\$15.07

Source: CoStar Property®

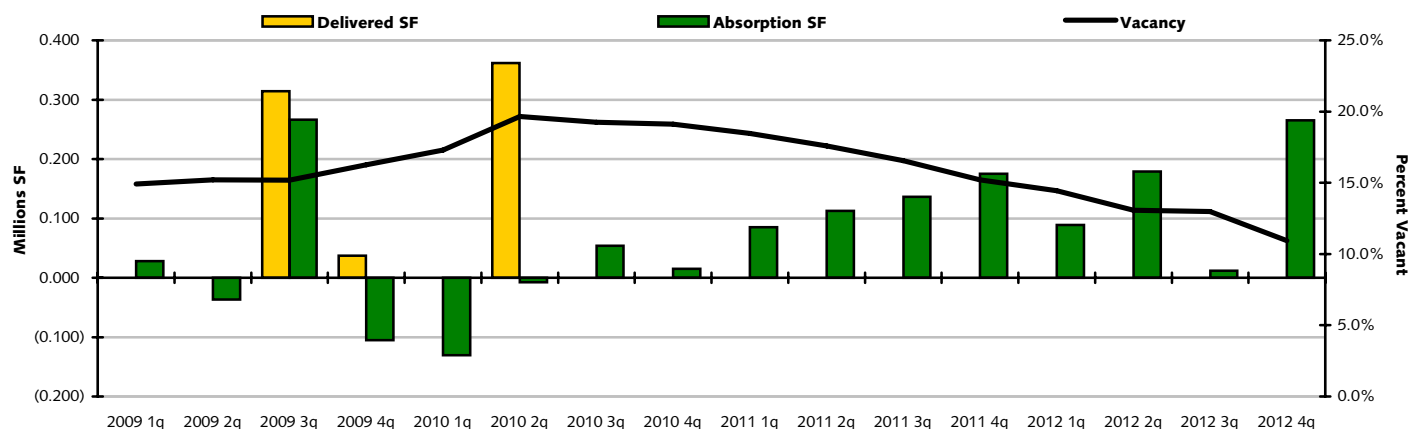
# DALLAS/FT. WORTH OFFICE MARKET

## UPTOWN/TURTLE CREEK MARKET

### MARKET HIGHLIGHTS – CLASS "A, B & C"



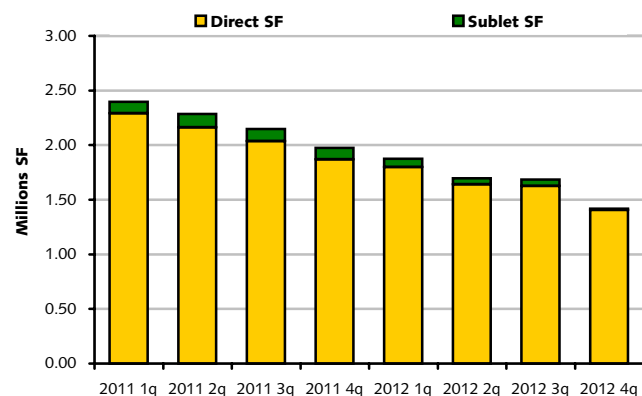
## DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

## VACANT SPACE

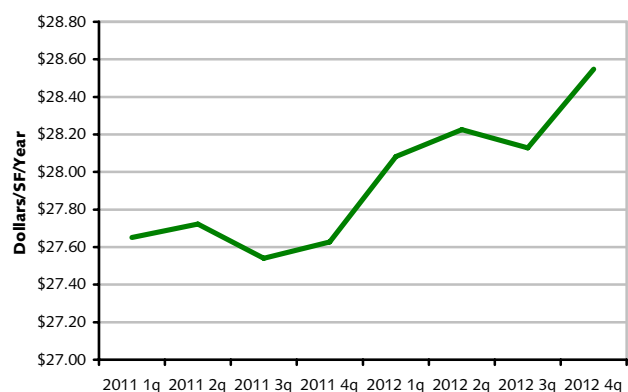
### Historical Analysis, All Classes



Source: CoStar Property®

## QUOTED RENTAL RATES

### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2012 4q	310	12,973,806	1,418,050	10.9%	265,129	0	0	0	0	\$28.55
2012 3q	310	12,973,806	1,683,179	13.0%	11,915	0	0	0	0	\$28.13
2012 2q	310	12,973,806	1,695,094	13.1%	179,124	0	0	0	0	\$28.23
2012 1q	310	12,973,806	1,874,218	14.4%	88,870	0	0	0	0	\$28.08
2011 4q	311	12,983,977	1,973,259	15.2%	175,149	0	0	0	0	\$27.63
2011 3q	311	12,983,977	2,148,408	16.5%	136,508	0	0	0	0	\$27.54
2011 2q	311	12,983,977	2,284,916	17.6%	112,932	0	0	0	0	\$27.72
2011 1q	311	12,983,977	2,397,848	18.5%	85,081	0	0	0	0	\$27.65
2010 4q	311	12,983,977	2,482,929	19.1%	15,165	0	0	0	0	\$27.94
2010 3q	311	12,983,977	2,498,094	19.2%	53,713	0	0	0	0	\$27.51
2010 2q	311	12,983,977	2,551,807	19.7%	(7,456)	1	361,524	0	0	\$28.44
2010 1q	310	12,622,453	2,182,827	17.3%	(130,442)	0	0	1	361,524	\$28.64
2009 4q	310	12,622,453	2,052,385	16.3%	(104,872)	1	37,250	1	361,524	\$28.98
2009 3q	309	12,585,203	1,910,263	15.2%	266,209	1	314,279	2	398,774	\$28.77
2009 2q	309	12,274,949	1,866,218	15.2%	(36,825)	0	0	3	713,053	\$29.48
2009 1q	310	12,277,272	1,831,716	14.9%	27,866	0	0	3	713,053	\$30.17

Source: CoStar Property®