



# Bi-Annual

## DALLAS INDUSTRIAL BRIEF

Significant Local Transactions

Lee & Associates Recent Completed Transactions

National / Dallas Market Overview

Submarket Overview

Lee & Associates Listings

Brokerage Team

## WAREHOUSE &amp; DISTRIBUTION TRANSACTIONS

BUYER / TENANT COMPANY	SQ. FT.	SUBMARKET	BUYER / TENANT COMPANY	SQ. FT.	SUBMARKET
UPS	1,300,000	N Fort Worth Ind	Marco Company	126,000	N Ft Worth Ind
Kohler	1,300,000	S Dallas Ind	Wizards of the Coast, Inc.	123,864	GSW/Arlington Ind
UPS	1,004,400	Arlington Ind	Sub-Zero	119,000	South Dallas Ind
Wayfair	750,000	S Dallas Ind	Samsung Electronics	115,200	DFW Airport Ind
GE Appliances	702,000	GSW/Arlington Ind	StoneCrop	114,515	NE Dallas/ Garland Ind
Campbell Soup	577,760	N Fort Worth	Mediocre Corporation	114,432	Lewisville Ind
Continental Tires (R)	542,785	South Stemmons Ind	DB Shenker	112,881	NE Dallas/ Garland Ind
Quaker Oats/Pepsi Co	518,241	S Stemmons Ind	FedEx (R)	110,880	S Cen. Tarrant Cnty Ind
Lasko Products, Inc. (R)	505,000	Meacham Fld/ Fossil Cr Ind	Signature Global Logistics	109,141	E DFW Air/ Las Colinas Ind
S&S Activewear, LLC	492,322	N Ft Worth Ind	Ox Paperboard	103,889	Upper Great Southwest Ind
KidKraft (R)	401,572	E DFW Air/ Las Colinas Ind	Levantina	102,399	Northwest Dallas Ind
Mars Petcare (R)	393,899	S Dallas Ind	Rudolph's, Inc.	100,423	GSW/Arlington Ind
Pegasus Logistics Group (R)	367,575	DFW Airport Ind	TSI Products	99,660	GSW/Arlington Ind
Fed Ex	365,000	Arlington Ind	DC Fulfillment	97,446	N Stemmons/ Valwood Ind
Geodis (R)	362,500	South Stemmons Ind	PCA (R)	96,000	NE Dallas/ Garland Ind
C&S Wholesale Grocers, Inc.	355,577	DFW Airport Ind	NAWF Co, Inc. (R)	93,563	GSW/Arlington Ind
KGP Telecommunications (R)	335,480	DFW Airport Ind	Special Logistics Dallas (R)	89,544	GSW/Arlington Ind
Dematic	299,810	N Ft Worth Ind	Unicom Engineering, Inc (R)	82,880	NE Dallas
Lasko Products, Inc. (R)	295,000	Meacham Fld/ Fossil Cr Ind	PGAL	82,797	E DFW Air/ Las Colinas Ind
Speed FC (R)	267,690	NE Dallas/ Garland Ind	Infinite Electronics	79,000	Northwest Dallas Ind
Hemispheres (R)	262,550	DFW Airport Ind	The Wasserstrom Company	77,606	NE Dallas/ Garland Ind
The Kraft Heinz Company	260,959	NE Dallas/ Garland Ind	Race Trac	73,901	GSW/Arlington Ind
Geodis	228,000	GSW/Arlington Ind	Iron Mountain (R)	72,625	DFW Airport Ind
University Furnishings	227,768	NE Dallas/ Garland Ind	Double R Transport	67,375	GSW/Arlington Ind
Mars Pet Care	211,948	SE Dallas/ I-45 Ind	AZ Parts Master	67,017	NE Dallas/ Garland Ind
TriMark USA, LLC	211,312	Northwest Dallas Ind	Trend Offset Printing (R)	66,880	N Stemmons/ Valwood Ind
Robinson Aerospace, Inc.	209,081	N Ft Worth Ind	Penhall Company	65,000	Western Lonestar/ Tpkc Ind
American Textile Co.	201,600	S Dallas Ind	Assa Abloy (R)	63,602	NE Dallas/ Garland Ind
Multiquip (R)	200,154	Northwest Dallas Ind	BeavEx	60,380	DFW Airport Ind
Chep USA	199,750	E Dallas Ind	Marco Company (R)	60,000	N Ft Worth Ind
Jeldwin	175,000	GSW/Arlington Ind	Advantage Aviation Tech, Inc. (R)	59,970	West Brookhollow Ind
FedEx	173,587	Arlington Ind	Espree	59,280	DFW Airport Ind
BFS Services (R)	167,820	DFW Airport Ind	Finish Master Auto & Industrial Paint	59,139	GSW/Arlington Ind
Blue Linx (R)	161,911	Meacham Fld/ Fossil Cr Ind	Kapstone Container Corporation	58,000	E Dallas Ind
Dealer Tire LLC	159,768	GSW/Arlington Ind	Dynamic Glass	54,616	GSW/Arlington Ind
Hayes	157,000	E Dallas Ind	Bionew USA Corp.	53,635	NE Dallas/ Garland Ind
Lasko Products, Inc. (R)	152,052	Meacham Fld/ Fossil Cr Ind	Value Lighting	52,250	Northwest Dallas Ind
Petmate	148,645	GSW/Arlington Ind	Supreme Fixture	51,555	NE Dallas/ Garland Ind
Suddath	148,357	Upper Great Southwest Ind	Pratt & Whitney	50,400	GSW/Arlington Ind
PetMate	147,645	Lower Great Southwest Ind	Lighthouse Distribution	50,390	S Stemmons Ind
CEVA Logistics (R)	140,000	DFW Airport Ind	Marlite Corp (R)	50,121	GSW/Arlington Ind
Batory Foods	135,323	NE Dallas/ Garland Ind	DHL Express	50,000	Northwest Dallas Ind
1000 Bulbs (R)	131,950	NE Dallas/ Garland Ind	Mountain West Industrial Properties	50,000	Northwest Dallas Ind
In-N-Out Burger	130,000	SE Dallas/ I-45 Ind	Chloe Lighting	49,994	NE Dallas/ Garland Ind
CEVA	129,500	N Fort Worth	Solid Gear	48,526	NE Dallas
SWS Re-Distribution Company, Inc. (R)	127,506	Northwest Dallas Ind	McKillican International, Inc. (R)	47,500	Northwest Dallas Ind
Clover Telecom	127,000	DFW Airport Ind	Aston Global	47,200	NE Dallas/ Garland Ind

Lee &amp; associates transactions are highlighted in red. (R) = Renewal

\*Data obtained from Lee source.



# RECENT COMPLETED TRANSACTIONS

**SOLD - 96.62 ACRES**



Risinger Road  
Fort Worth, TX  
South Fort Worth

**LEASED - 492,322 SF**



9755 & 9761 Clifford Drive  
Dallas, TX  
South Stemmons Ind.

**LEASED - 355,577 SF**



777 Freeport Parkway  
Coppell, TX  
DFW Airport Ind.

**LEASED - 209,081 SF**



13901 Aviator Way  
Fort Worth, TX  
N. Fort Worth Ind.

**LEASED - 167,820 SF**



500 Airline Drive  
Coppell, TX  
DFW Airport Ind.

**LEASED - 99,660 SF**



809-811 110th Street  
Arlington, TX  
Great SW / Arlington Ind.

**LEASED - 82,880 SF**



3501 E. Plano Parkway  
Plano, TX  
NE Dallas

**LEASED - 60,380 SF**



921 W Bethel Road  
Coppell, TX  
DFW Airport Ind.

**LEASED - 53,635 SF**



2525 S. Shiloh Road  
Garland, TX  
NE Dallas / Garland Ind.

**SOLD - 42,350 SF**



399 N. Great Southwest Pky.  
Arlington, TX  
Great SW / Arlington Ind.

**LEASED - 38,282 SF**



1624 W. Crosby Road  
Carrollton, TX  
Northwest Dallas Ind.

**SOLD - 25,110 SF**



10920-11024 Indian Trail  
Dallas, TX  
South Stemmons Ind.

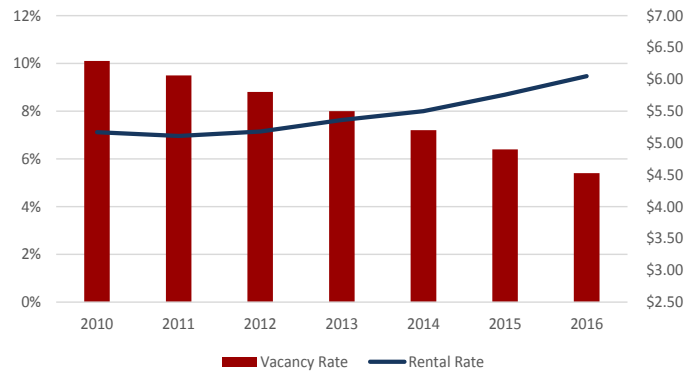
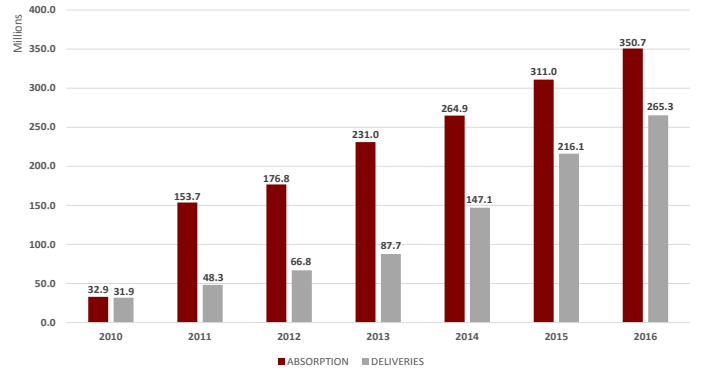
# MARKET OVERVIEW

## NATIONAL OVERVIEW

- Industrial cap rates may not necessarily rise should interest rates rise. This is primarily based on interest in industrial product as a replacement to other investments such as the stock market and inflow of international capital
- GDP optimism is higher than six months ago.
- The leading logistic markets, Southern California, Dallas, Atlanta and Chicago are no surprise, however, New Jersey and Lehigh Valley are lagging compared to historical absorptions
- With 200 million square feet of logistics construction across the US, primarily geared to all or partial e-commerce, the outlook is very positive coming into the 2nd half of 2017. Certain over-supply threats exist in Lehigh Valley, PA, Las Vegas, Inland Empire, CA and Nashville

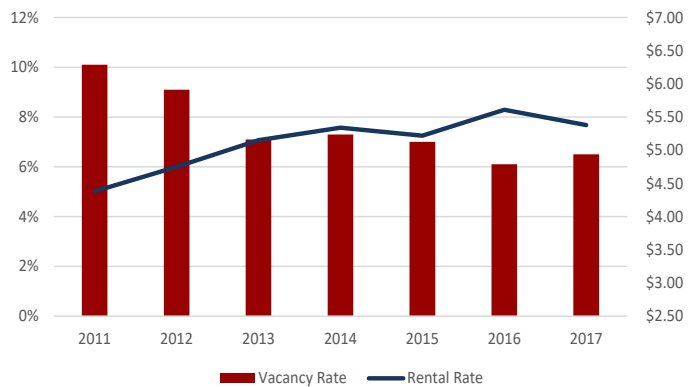
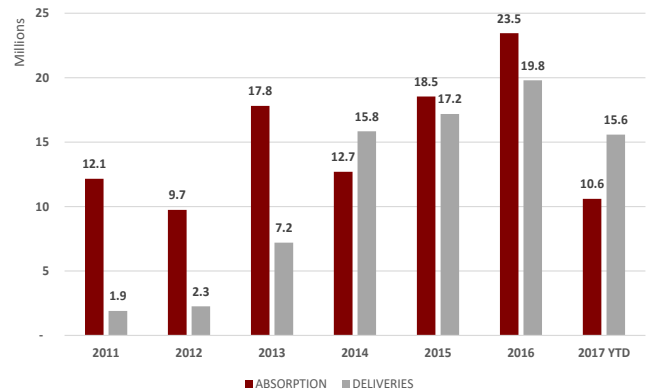
5.4%  
**VACANCY RATE** ↓

\$6.05  
**AVERAGE RENTAL RATE** ↑



## DALLAS / FORT WORTH OVERVIEW

- Vibrant activity, scarcity of infill sites, slight slowdown in deal velocity, increasing finish out costs, more e-commerce and a rising pre-lease rate of 36% sum up the industrial street talk amongst the key industrial brokers and developers as summer winds up in mid Q3 for DFW
- Based on historical market cycles, we are past the expected peak of the market. For many property owners, that leads to selling. For others with a long-term hold profile, building or developing into additional product is the focus
- For occupants, it is difficult to act upon acquiring property at or near peak, however, there is not any current indicators suggesting a decline in lease rates/sale prices and no indicators suggesting any near-term imbalance of supply to demand. We suggest a leading indicator may be a decrease in pre-leasing percentages on speculative projects
- Overall, Dallas/Fort Worth is positioned very well in all performance indicators when compared to the industrial markets across the US



6.5%  
**VACANCY RATE** ↓

\$5.38  
**AVERAGE RENTAL RATE** ↑

## CURRENT STATS

## OVERALL DFW MARKET

Years	Overall SF	Vacancy Rate	Absorption (SF)	Under Construction (SF)
2017	864,478,597	6.5%	10,599,170	22,269,488
2016	845,606,269	6.1%	23,451,229	24,178,228
2015	820,798,391	7.0%	18,538,656	20,581,854
2014	802,075,462	7.3%	12,700,701	17,399,649
2013	786,887,469	7.1%	17,818,159	7,790,674
2012	777,715,492	9.1%	9,746,5569	1,297,543

## MID-YEAR 2017 SUBMARKET OVERVIEW

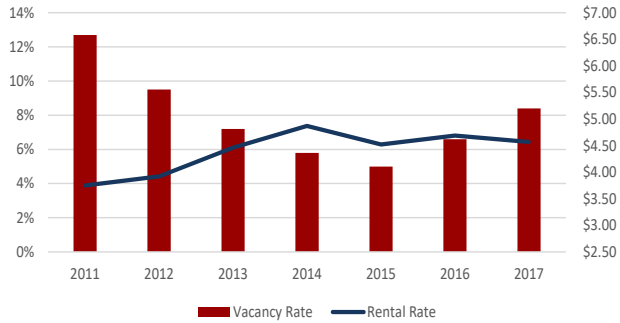
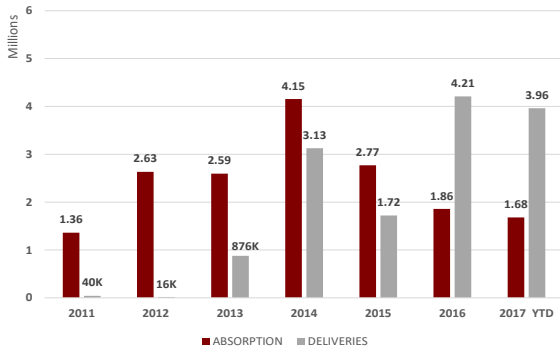
Submarket	Overall SF	Vacancy Rate	YTD Absorption (SF)	Under Construction (SF)
Great SW/Arlington Ind	107,456,473	8.4%	1,681,128	4,503,458
South Dallas Ind	94,747,162	10.1%	1,493,616	6,147,195
North Ft. Worth Ind	89,591,854	6.7%	2,780,007	3,923,548
Northwest Dallas Ind	110,152,413	5.4%	2,066,840	1,768,873
NE Dallas/ Garland Ind	115,716,613	6.0%	1,672,708	1,969,316
DFW Airport Ind	73,013,360	6.8%	(97,634)	2,067,046
South Stemmons Ind	133,947,145	6.0%	835,099	829,040
South Ft. Worth Ind	89,435,458	3.8%	(131,651)	709,138
East Dallas Ind	50,418,119	4.9%	299,057	351,874
	<b>864,478,597 TTL</b>	<b>6.5% Avg.</b>	<b>10,599,170 TTL</b>	<b>22,269,488 TTL</b>

## MID-YEAR 2017 CONSTRUCTION ACTIVITY

Market	# Bldgs	Total SF Under Construction	Preleased SF	Preleased %	Avg. Bldg. Size All Existing SF	Avg. Bldg. Size UC SF
Great SW/Arlington Ind	11	4,503,458	2,797,568	62.1%	59,931	409,405
South Dallas Ind	12	6,147,195	627,500	10.2%	53,109	512,266
North Ft. Worth Ind	19	3,923,548	1,414,658	36.1%	59,609	206,503
Northwest Dallas Ind	12	1,768,873	933,157	52.8%	53,239	147,406
NE Dallas/ Garland Ind	16	1,969,316	362,800	18.4%	38,127	123,082
DFW Airport Ind	8	2,067,046	1,395,681	67.5%	80,411	258,381
South Stemmons Ind	7	829,040	163,854	19.8%	28,283	118,434
South Ft. Worth Ind	10	709,138	174,974	24.7%	26,351	70,914
East Dallas Ind	1	351,874	351,874	100%	25,619	351,874
<b>Totals</b>	<b>96</b>	<b>22,269,488</b>	<b>8,222,066</b>	<b>36.9%</b>	<b>40,797</b>	<b>231,974</b>

# SUBMARKET / MARKET OVERVIEW

## GREAT SW / ARLINGTON

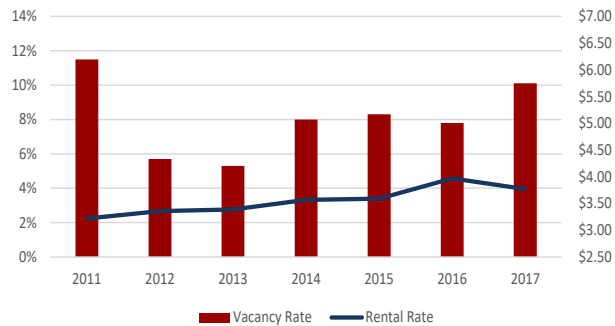
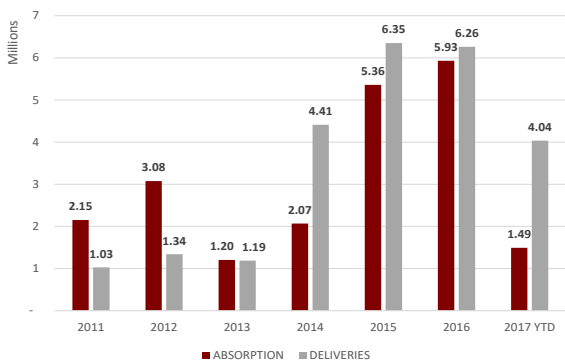


8.4%  
**VACANCY RATE**

\$4.57  
**AVERAGE RENTAL RATE**

- Through half of 2017 alone, GSW has delivered 95% of what was delivered all of 2016. GSW has become oversupplied, which in turn will cause construction starts to continue to decrease until more product is absorbed
- While over 1.3 million square feet of inventory was delivered this quarter, over 1.3 million square feet was also absorbed
- Due to the apparent high demand for this centralized location, we have seen a minor \$0.06 increase of the average rate up to \$4.57/square foot in Q2

## SOUTH DALLAS

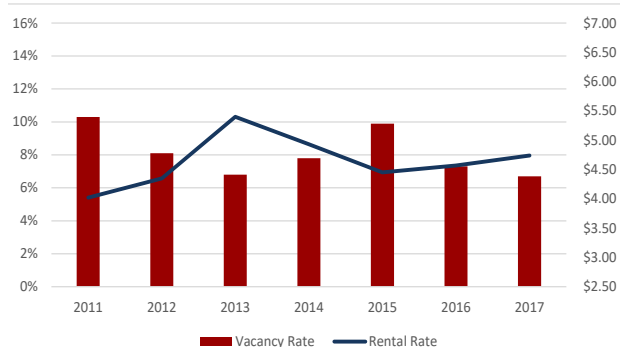
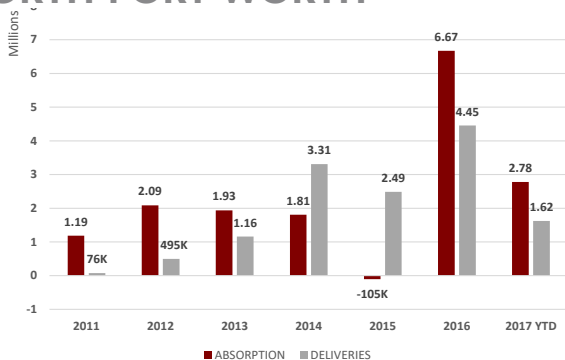


10.1%  
**VACANCY RATE**

\$3.77  
**AVERAGE RENTAL RATE**

- The South Dallas Industrial market is continuing to trend at a higher vacancy rate than other DFW markets with a year to date absorption rate of just under 1.5 million square feet of existing building inventory
- Year to date deliveries for Q2 account for 4 million square feet of existing building inventory
- Current construction activity in the South Dallas Market for Q2 dominates the market at 6.14 million square feet with 627,500 square feet of pre-leased building space

## NORTH FORT WORTH



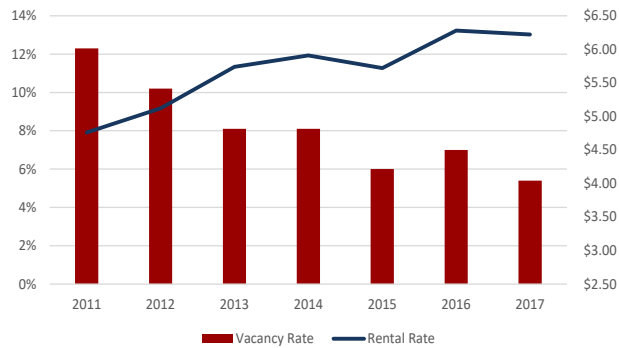
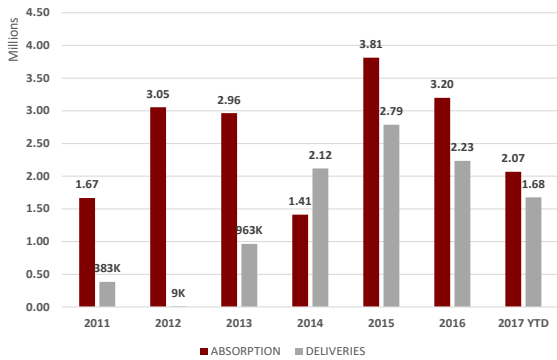
6.7%  
**VACANCY RATE**

\$4.74  
**AVERAGE RENTAL RATE**

- North Fort Worth has led the market with nearly 2.8 million square feet of net absorption as of July 2017
- Currently, there is ±3.9 million square feet of product under construction with ±1.1 million square feet of that being pre-leased
- Johnson Development, Scannell and Ridge Development all have buildings about to commence construction which will add an additional 980,000 square feet to the market

# SUBMARKET / MARKET OVERVIEW

## NORTHWEST DALLAS

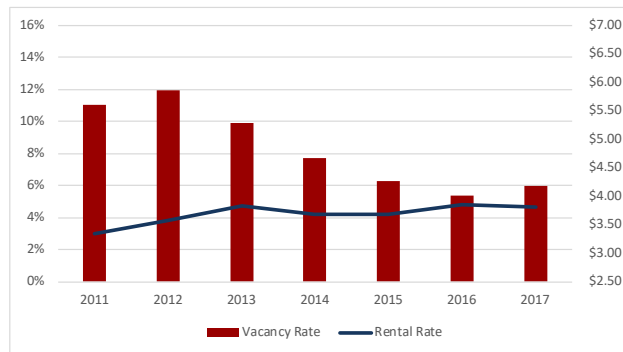
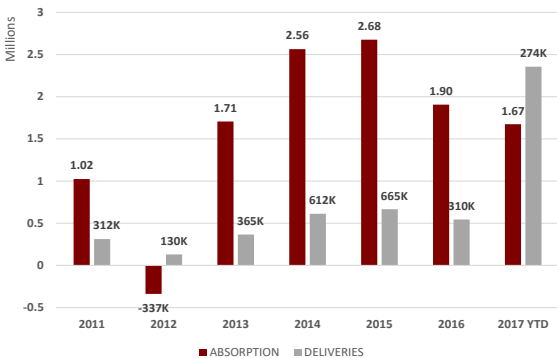


5.4%  
VACANCY RATE

\$6.22  
AVERAGE RENTAL RATE

- Very limited available space over 100,000 square feet
- Vacancy continues to decrease while rates remain consistent
- New retail, multi, and single-family development started along the southern part of Valwood Industrial Park

## NORTHEAST DALLAS

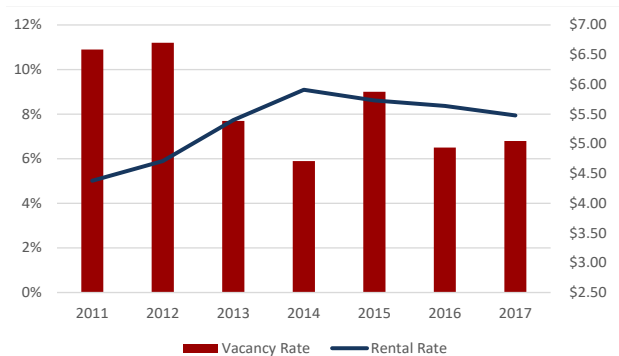
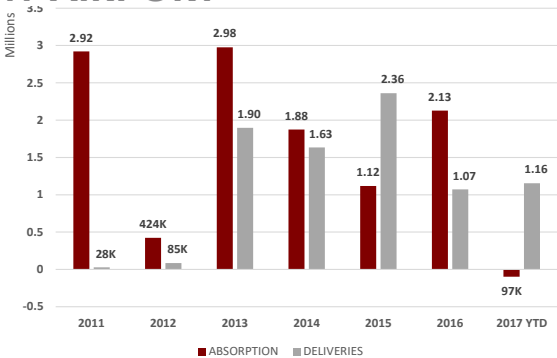


6.0%  
VACANCY RATE

\$5.97  
AVERAGE RENTAL RATE

- Northeast Dallas experienced 1,497,645 square feet of positive absorption in Q2 2017 - the highest quarterly absorption the submarket has seen in over nine years
- Vacancy rates dropped from 6.3% in Q1 2017 to 6.0% in Q2 2017
- Currently there is over 1.5 million square feet under construction in Northeast Dallas and more coming soon

## DFW AIRPORT



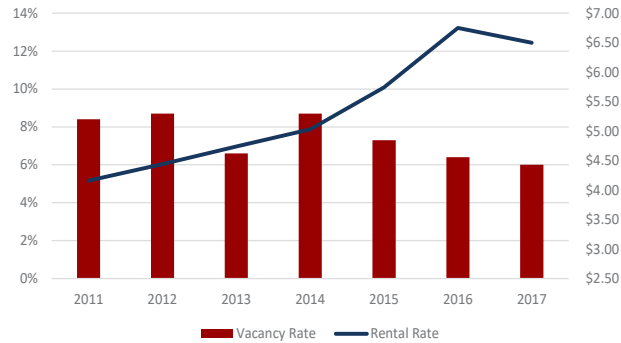
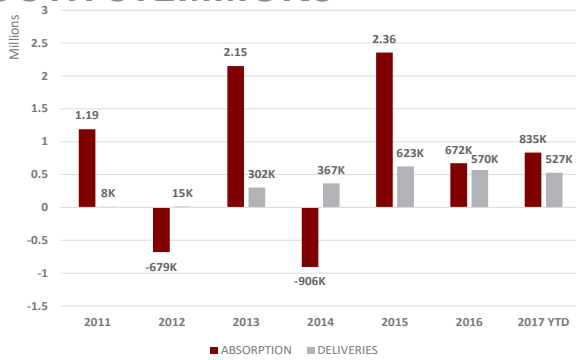
6.8%  
VACANCY RATE

\$5.48  
AVERAGE RENTAL RATE

- Vacancy has increased slightly from 5.5% in Q1 to 6.8% in Q2
- Rental Rates have ticked up slightly from \$5.48 in Q1 to \$5.62 in Q2.
- Construction has remained constant with over 2,000,000 square feet currently under construction within this submarket, however, absorption declined slightly (97,634 square feet)

# SUBMARKET / MARKET OVERVIEW

## SOUTH STEMMONS

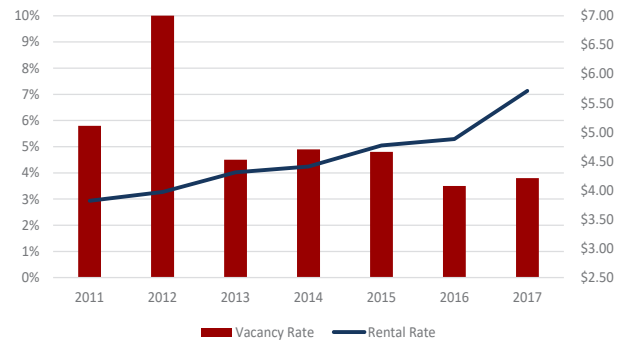
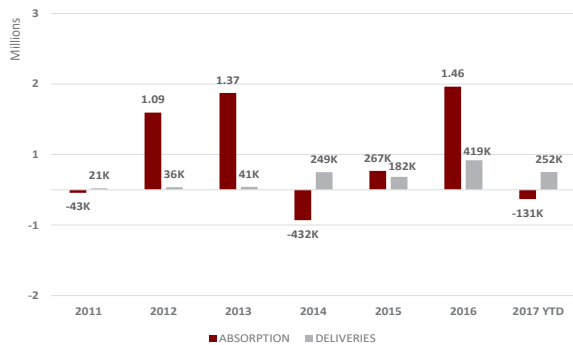


6.0%  
VACANCY RATE

\$6.50  
AVERAGE RENTAL RATE

- Quoted rental rates increased from \$6.15 in Q1 to \$6.50 in Q2
- Delivered product went from 518,241 square feet (1 building) to 9,500 square feet in Q2 (1 building)
- Vacancy rates fell from 6.3% in Q1 to 6.0% in Q2

## SOUTH FORT WORTH

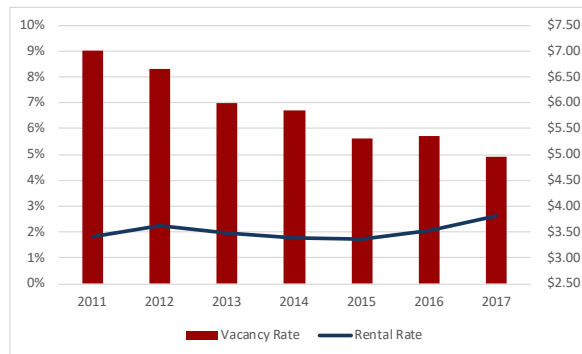
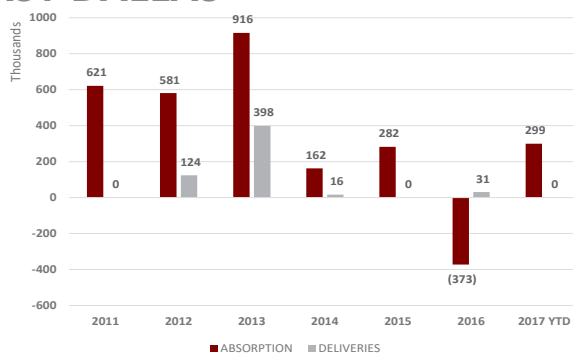


3.8%  
VACANCY RATE

\$5.71  
AVERAGE RENTAL RATE

- Square feet rebounded nicely from the first quarter's negative absorption, getting back in the black - though the total absorbed space of 71,000 square feet was the lowest since the first quarter of 2016
- Average vacancy in South Fort Worth for the trailing four quarters was approximately 3.6%, by far the tightest submarket by nearly 2% of total vacancy. - the next closest being Northeast Dallas. It is attributable to the low total square feet of current under construction buildings in South Fort Worth of 709,000 square feet, the second lowest total in the entire DFW metroplex

## EAST DALLAS



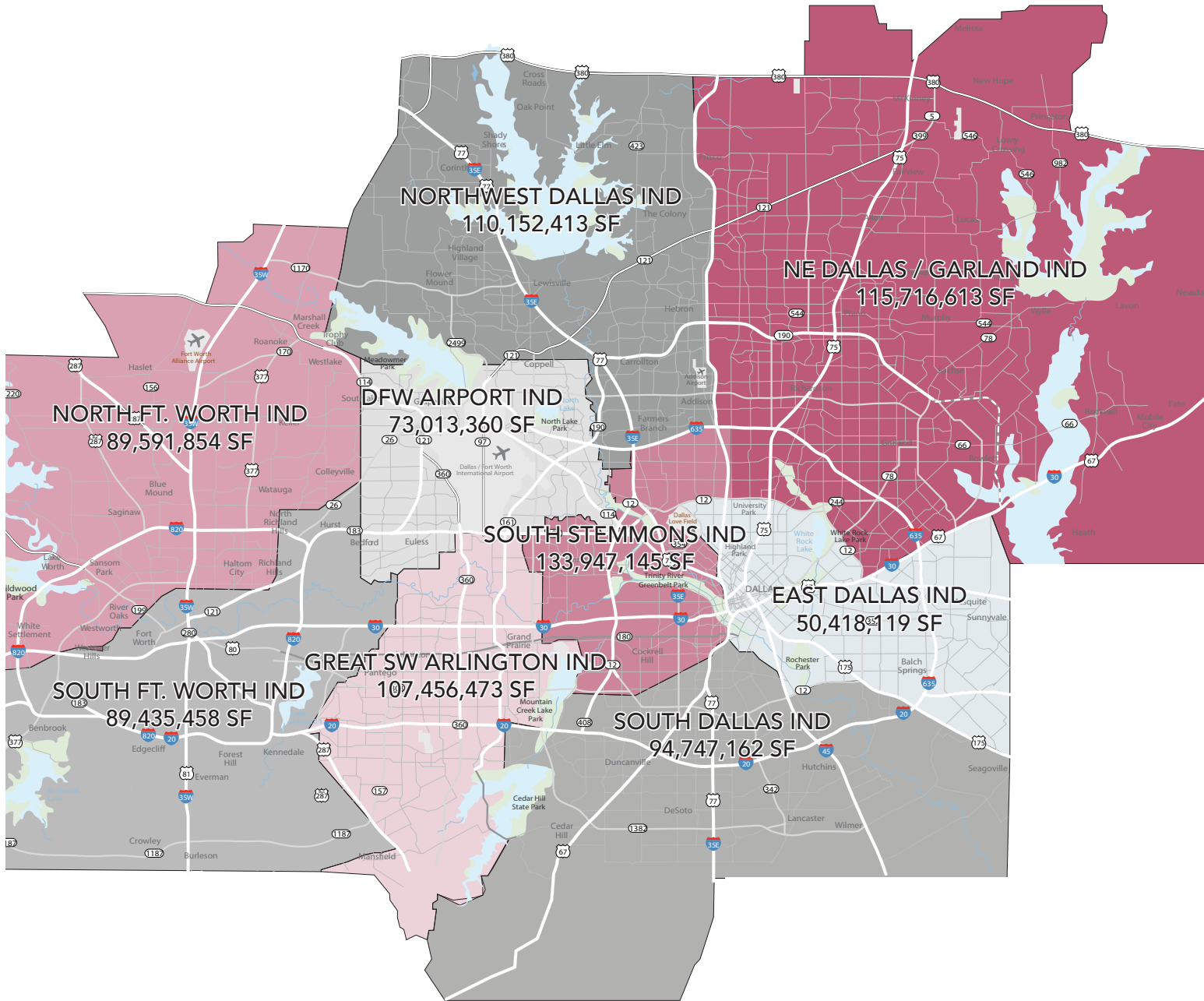
4.9%  
VACANCY RATE

\$4.31  
AVERAGE RENTAL RATE

- The East Dallas submarket saw positive absorption of 343,789 square feet in Q2 2017 - the first time the submarket experienced positive absorption since Q3 2016
- Vacancy rates dropped to 4.9% in Q2 2017, which is the lowest they have been since they were 4.8% in Q4 2015
- There is currently no spec development in East Dallas but the area has seen notable future expansions.



# DFW INDUSTRIAL SUBMARKET MAP



# LISTINGS

**FOR SALE / LEASE**



**2700 S. Millers Ferry Road  
Wilmer, TX**

Available Space: 424,280 SF  
Lease Rate: \$3.75 NNN  
Sales Price: \$62 PSF

**Property Description:**  
BTS office, 36' clear height, 119 DH doors, 4 ramped doors, ESFR

**FOR LEASE**



**5180 N. Railhead Road  
Fort Worth, TX**

Available Space: 362,670 SF  
Lease Rate: Negotiable

**Property Description:**  
Divisible, 33' clear height, 53 DH doors, 2 ramped doors, ESFR

**FOR LEASE**



**2525 S. Shiloh Road  
Garland, TX**

Available Space: 86,240 SF  
Lease Rate: \$3.65 NNN

**Property Description:**  
22'-26' clear height, fenced outdoor storage area

**FOR LEASE**



**514 Bennett Lane  
Lewisville, TX**

Available Space: 165,705 SF  
Lease Rate: Negotiable

**Property Description:**  
Move-in ready, 32' minimum clear height, 28 DH doors, 1 DI door, 32 trailer parks, ESFR

**FOR LEASE**



**4800 N. Sylvania Road  
Fort Worth, TX**

Available Space: 164,721 SF  
Lease Rate: \$4.05 NNN

**Property Description:**  
Divisible to ± 85,360 SF, 36' clear height, 30 DH doors, 2 DI doors, ESFR, 82 trailer parking spaces

**FOR LEASE**



**313 N. Great Southwest Parkway  
Arlington, TX**

Available Space: 128,024 SF  
Lease Rate: Negotiable

**Property Description:**  
Divisible to 68,640 SF, 30' clear height, up to 30 dock doors, 119 car parks, ESFR

**FOR LEASE**



**4395 Diplomacy Road  
Fort Worth, TX**

Available Space: 65,814 SF  
Lease Rate: Negotiable

**Property Description:**  
9,845 SF office, 24' clear height, 9 DH with levelers, 1 ramped door, 100% HVAC

**FOR LEASE**



**1000 Garden Ridge Boulevard  
Flower Mound, TX**

Available Space: 51,420 SF  
Lease Rate: \$6.75 NNN

**Property Description:**  
Divisible to 18,000 SF, BTS office, 24' clear height, 16 DH doors, 1 DI door, ESFR

**FOR LEASE**



**1800 Jay Ell Drive  
Richardson, TX**

Available Space: 40,000 SF  
Lease Rate: \$4.95 NNN

**Property Description:**  
8,813 SF of office, 25' clear height, 4 DH doors with levelers, ± 1 acre of outside storage

**FOR SALE**



**1300 Crampton Street  
Dallas, TX**

Available Space: 39,900 SF  
Sale Price: Negotiable

**Property Description:**  
6,000 SF of office, 16' clear height, 4 DH doors, 50 car parks, recently renovated showroom

**FOR LEASE**



**1536 Hutton Drive  
Carrollton, TX**

Available Space: 22,000 SF  
Lease Rate: \$5.50 NNN

**Property Description:**  
± 2,657 SF of office, 30' clear height, 2 DH doors, 2 DI ramps, front-load building, ESFR

**FOR LEASE**



**2933 Eisenhower Street  
Carrollton, TX**

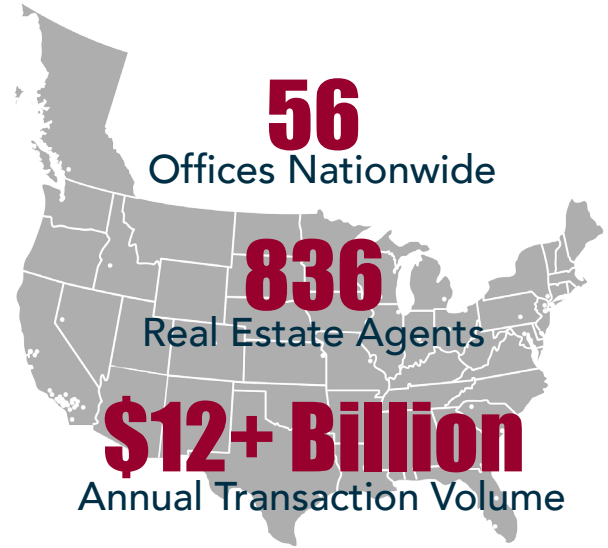
Available Space: 18,596 SF  
Lease Rate: \$6.25 NNN

**Property Description:**  
1,724 SF of office, 24' clear height, 6 DH doors with edge of dock levelers, Class A, ESFR

# LEE & ASSOCIATES TEAM

**NATIONAL PRESENCE.** Founded in 1979, Lee & Associates has achieved consistent growth and profitability, handling more than 200,000 real estate transactions nationwide.

At Lee & Associates our reach is national but our expertise is local market implementation. This translates into seamless, consistent execution and value driven market-to-market services.



**LOCAL EXPERTISE.** As your real estate partner, we offer every aspect of real estate services and the necessary expertise to successfully implement any type of commercial real estate project.



Trey Fricke  
SIOR  
Principal



Ken Wesson  
SIOR, CCIM  
Principal



Nathan Denton  
SIOR  
Principal



Tom Walrich  
Principal



Mark Graybill  
SIOR, CCIM  
Principal



Reid Bassinger  
SIOR  
Principal



Adam Graham  
SIOR, CCIM  
Principal



George Tanghongs  
SIOR, CCIM  
Principal



Brett Lewis  
Principal



Reed Parker  
Director



Rob Miller  
Director



Becky Thompson  
Director



Phillip Rosenfeld  
Director



Matthew Thompson  
Director



Corbin Blount  
Associate



Colton Rhodes  
Associate



Taylor Stell  
Associate



Stephen Williamson  
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Andrew Harris  
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