



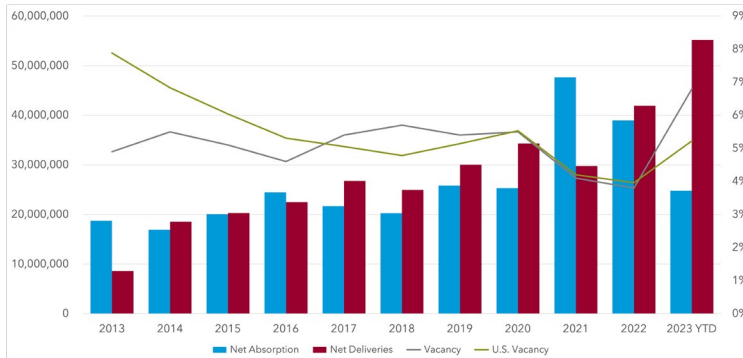
INDUSTRIAL MARKET OVERVIEW

MICAH RABALAIS, *Director of Operations and Research*

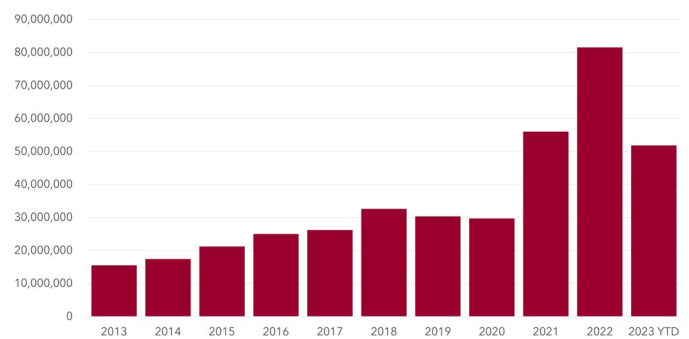
Dallas-Fort Worth (DFW) is witnessing a rise in vacancy rates as property deliveries, especially from large buildings, outpace demand through mid-2023. The industrial development pace is cooling due to fewer construction loans and rising costs. Rent growth is slowing, currently at 8.6%, down from 12.6% in mid-2022. This deceleration is expected to persist in the near term, with tenants gaining more bargaining power in outlying submarkets, while landlords maintain stronger control over rents in the core market. In all, the DFW industrial market will remain a key market due to its location, infrastructure, and supply, but we are likely past the largest boom period of recent years and pivoting into normalization.

| MARKET INDICATORS | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| ▼ 12 Mo. Net Absorption SF | 35,069,916 | 39,354,236 | 43,811,708 | 37,940,155 | 38,645,155 |
| ▲ Vacancy Rate | 6.8% | 6.2% | 4.9% | 3.8% | 3.9% |
| ▲ Avg NNN Asking Rate PSF | \$8.39 | \$8.23 | \$7.63 | \$7.35 | \$7.06 |
| ▼ SF Under Construction | 51,815,202 | 63,982,929 | 63,997,825 | 77,732,461 | 75,480,107 |
| ▲ Inventory SF | 992,943,074 | 973,374,851 | 957,213,438 | 938,168,677 | 928,477,187 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--|------------|------------------------------|--|----------------|
| 2201 Stonemont Way Fort Worth, TX | 218,400 SF | \$29,350,000 \$134.39 PSF | OmniCable Stonemont Financial | Class A |
| 1525 W. Frankford Road Carrollton, TX | 187,424 SF | \$25,900,000 \$138.19 PSF | Cawley Partners Principal Financial Group, Inc. | Class A |
| 525 Centre Park Boulevard Desoto, TX | 106,700 SF | \$12,050,000 \$112.93 PSF | Solar Turbines Incorporated Acuity Specialty Products, Inc. | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|--|------------|--|----------|----------------------------------|
| 2900 S. Valley Parkway Lewisville, TX | 799,460 SF | Majestic Realty Company | Flexport | Supply Chain Mgmt & Logistics |
| 2900 N. State Highway 161 Irving, TX | 523,260 SF | Perot Development/ Invesco | LKQ Corp | Auto Parts |
| 13500 Independence Parkway Fort Worth, TX | 413,508 SF | J.P. Morgan Investment Management, Inc. | FedEx | Global Shipping and Logistics |

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