



## Availability in Dallas-Fort Worth remains high, conditions vary greatly by submarket

Overall and Class A availability rates in the Dallas-Fort Worth market declined year-over-year by 60 and 150 basis points, respectively, to 24.4% and 23.7% in the first quarter of 2019. Overall availabilities range from just 8.1% in Southwest Dallas to 44.4% in Northeast Fort Worth. The East Dallas submarket availability rate increased drastically, rising 1,010 basis points year-over-year. Additionally, the Far North Stemmons, Las Colinas, and Mid-Cities submarkets all saw softening fundamentals with availability – and tenant options – increasing. The Northeast Fort Worth, North Fort Worth, West LBJ and Dallas CBD submarkets all saw availability tighten some over the past year. Both overall and class A asking rents are stable, seeing essentially no change year-over-year and ending Q1 at \$24.05 per square foot (psf) and \$26.39 psf, respectively.

### Leasing activity on par for first-quarter totals

Total first-quarter 2019 leasing activity stood at nearly 3.0 million square feet (msf), down 3.6% year-over-year but on par with first-quarter totals over the past five years. The most active submarkets were North Dallas Corridor (19.0% of total leased sf), Richardson Telecom Corridor (14.9%), and LBJ (12.4%). CO-OP Financial Services inked the largest lease of the first quarter, with 107,999 sf at 4950 Amon Carter Boulevard in the Mid-Cities submarket. DXC Technology also signed a large lease, taking 100,267 sf at 3400 N Central Expressway in the Richardson Telecom Corridor submarket.

### Coworking expands across the market

As seen across nearly all major U.S. markets, the coworking sector continues to rapidly expand its presence in Dallas-Fort Worth. This quarter, coworking accounted for more than 25.0% of major transactions signed. Hana, a new venture by CBRE, took 67,006 sf at 2121 Pearl Street in Uptown. Common Desk added two new locations, now totaling eight area options. Common Desk leased 51,801 sf at 2001 Ross Avenue in the CBD, as well as 31,500 sf at 3400 N Central Expressway in the Richardson Telecom Corridor submarket. With options plentiful across the market, coworking will continue to grow and provide additional options for tenants seeking flexibility and short-term space.

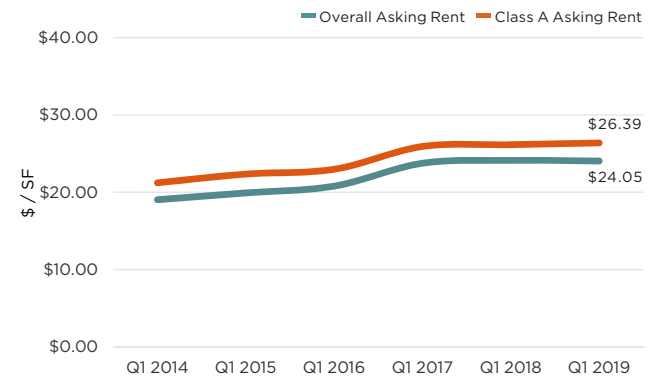
### Outlook

- In the near-term, high vacancies will continue to fuel leasing opportunities and a tenant's market
- The coworking industry is taking note of softer conditions, rapidly leasing space across the market
- Dallas-Fort Worth MSA employment is projected to grow by 2.0% per year over the next five years, resulting in an aggregate of 377,000 new jobs by year-end 2023

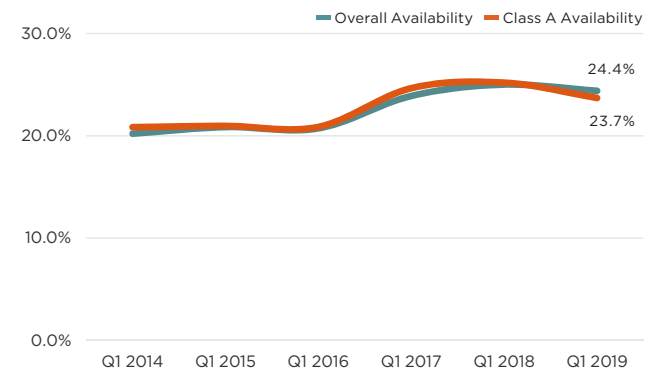
### KEY STATISTICS

	Q1 2018	Q1 2019	y-o-y Change
Inventory	202.6 MSF	<b>202.5 MSF</b>	▼
Availability Rate	25.0%	<b>24.4%</b>	▼
Asking Rental Rate	\$24.13	<b>\$24.05</b>	▼
Class A Asking Rental Rate	\$26.39	<b>\$26.39</b>	◀▶
Quarterly Leasing Activity	3.1 MSF	<b>3.0 MSF</b>	▼

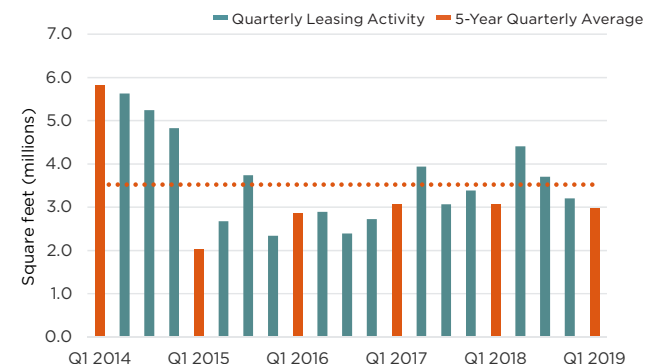
### ASKING RENT TRENDS



### AVAILABILITY TRENDS



### LEASING ACTIVITY



MAJOR TRANSACTIONS

82.9%

of major transactions were new market entrants or relocations

32.6%

of large transactions occurred in the Richardson Telecom Corridor submarket

25.9%

Coworking represented 25.9% of major transactions

Tenant	Square feet	Address	Transaction type	Submarket	Industry
CO-OP Financial Services	107,999	4950 Amon Carter Boulevard	New Location	Mid-Cities	Financial Services
DXC Technology	100,267	3400 N Central Expressway	Relocation	Richardson Telecom Corridor	TAMI
Hana	67,006	2121 Pearl Street	New Location	Uptown	Coworking
VCE Company, LLC	57,100	1500 N Greenville Avenue	Renewal	Richardson Telecom Corridor	Professional Services
Oracle	55,000	6031 Connection Drive	Relocation	Las Colinas	TAMI
Common Desk	51,801	2001 Ross Avenue	New Location	Dallas CBD	Coworking
Chase Bank	41,906	8111 Preston Road	Renewal	Preston Center	Financial Services
Westdale	39,124	2550 Pacific Avenue	Relocation	LBJ	Real Estate
Common Desk	31,500	3400 N Central Expressway	New Location	Richardson Telecom Corridor	Coworking
GSA - Food and Drug Administration	27,640	1201 Main Street	Relocation	Dallas CBD	Government

Source Savills Research

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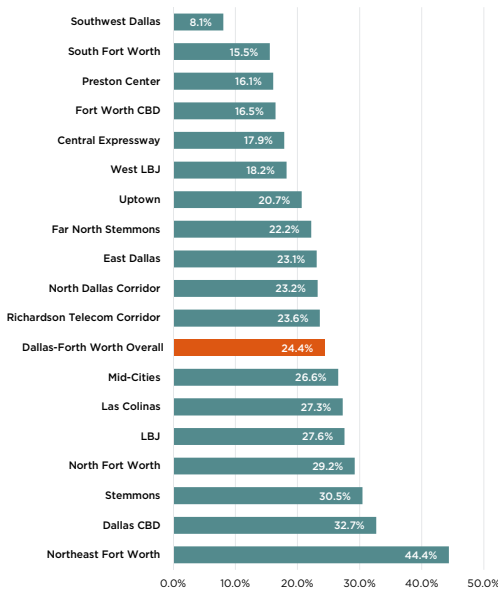
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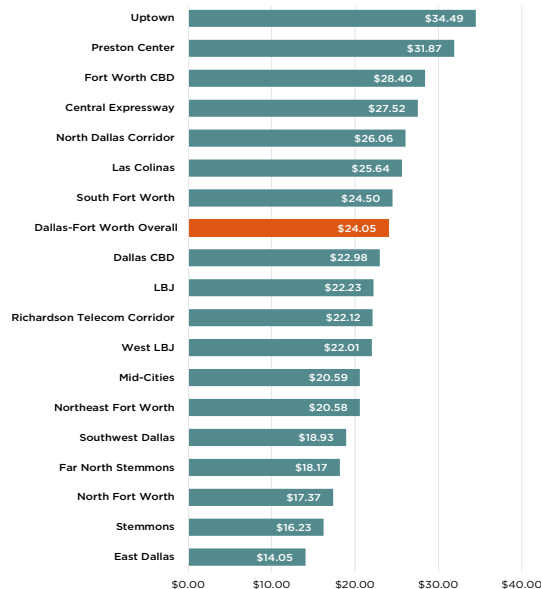
AVAILABILITY RATE COMPARISON

Dallas / Fort Worth Submarkets



RENTAL RATE COMPARISON (\$/SF)

Dallas / Fort Worth Submarkets



Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents psf. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory.

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