

Dallas - Fort Worth



Industrial occupier demand in the Dallas-Fort Worth area remains robust as COVID-19 drives E-commerce activity, placing increased demand on large-scale distribution facilities.

Given the evolving nature of the COVID-19 situation, information is changing day by day. All data in this report is as of March 31st 2020, with the majority of information recorded prior to the pandemic onset and resulting disruption. This does not reflect any current or potential impact stemming from recent events.



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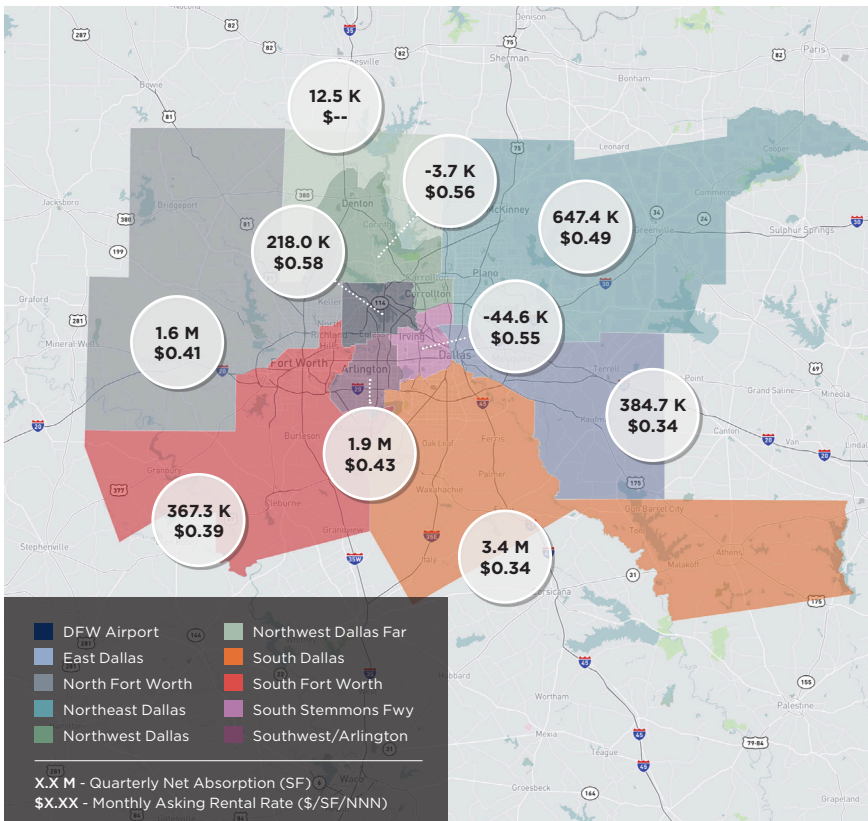
Q1 2020 saw 9.5 million square feet (msf) of leasing activity, up from Q4 2019 and down 1.1 msf year over year. Amazon appears twice on the top lease transactions list for Q1 2019 as it committed to 1.0 msf in the DFW Airport submarket and 465,000 sf in North Fort Worth, comprising 15.8% of total transaction volume by square footage for the quarter. Total net absorption reached 8.5 msf with the largest contributing submarket being South Dallas at 3.4 msf, followed by the Great Southwest/Arlington submarket with 1.9 msf of positive net absorption. Vacancy rates decreased 20 basis points year over year to 7.0%, alluding to the resiliency of the Dallas-Fort Worth industrial market.

Public health measures taken by government officials to slow virus spread have caused a shift in consumer behavior to occur as stay-at-home orders were enacted across the state, leading to a considerable uptick in E-commerce

KEY STATISTICS

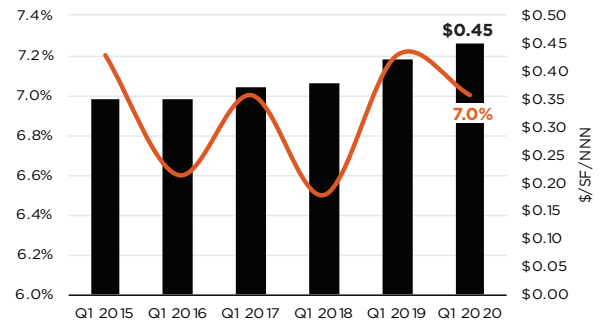
	Q1 2019	Q1 2020	y-o-y Change
Inventory	636.8 MSF	654.8 MSF	▲
Vacancy Rate	7.2%	7.0%	▼
Net Absorption	5.4 MSF	8.5 MSF	▲
Under Construction	32.1 MSF	32.4 MSF	▲
Overall Monthly Asking Rent (NNN)	\$0.42	\$0.45	▲

activity by way of online shopping for consumable and durable goods. As a result, demand for warehouse/distribution space and cold storage is likely increasing. In fact, key cold storage demand drivers, such as online grocery sales, were poised to reach \$100 billion by 2022 prior to the onset of the current pandemic. The uptick in digital grocery orders is likely to warrant an upward revision of the \$100 billion figure as would-be late adopters have been utilizing online ordering in the wake of current events and are more likely to continue enjoying the convenience of online grocery shopping once the current public health measures have been lifted.



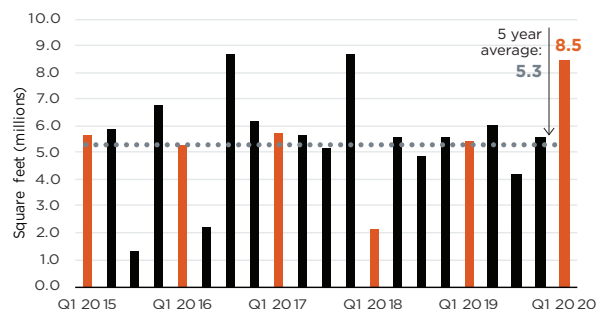
VACANCY AND ASKING RENT TRENDS

Dallas - Fort Worth



NET ABSORPTION

Dallas - Fort Worth



“The robust logistics infrastructure, workforce, and business friendly disposition of the Dallas/Fort Worth Metroplex will continue to attract large scale warehouse and distribution users for the foreseeable future.”

– Blake Anderson, Senior Managing Director & Co-Branch Manager

SUBMARKET OVERVIEW

100,000 SF and up (owner occupied included)

Submarket	Existing Inventory		Vacancy			YTD Net Absorption (SF)	YTD Deliveries (SF)	Under Construction (SF)	Overall Monthly Asking Rent (NNN)
	# Bldgs	Total (SF)	Direct (SF)	Total (SF)	Vac %				
DFW Airport	378	71,642,195	4,891,243	5,181,865	7.2%	217,986	240,471	6,532,748	\$0.58
East Dallas	175	34,461,834	2,719,499	2,728,559	7.9%	384,715	0	1,945,997	\$0.34
North Fort Worth	308	82,089,129	7,307,315	7,832,740	9.5%	1,618,239	2,533,447	10,115,327	\$0.41
Northeast Dallas	522	79,648,987	4,975,485	5,847,871	7.3%	647,385	237,000	2,136,273	\$0.49
Northwest Dallas	618	88,749,125	4,068,273	4,558,422	5.1%	(3,666)	274,994	2,591,020	\$0.56
Northwest Dallas Far	9	1,881,535	13,628	13,628	0.7%	12,500	0	56,000	n/a
South Dallas	323	92,271,255	8,260,281	8,335,092	9.0%	3,378,244	1,635,088	2,285,240	\$0.34
South Fort Worth	362	46,802,650	2,101,894	2,101,894	4.5%	367,331	0	2,503,603	\$0.39
South Stemmons Fwy	527	67,862,959	4,168,224	4,318,474	6.4%	(43,630)	0	3,273,442	\$0.55
Great SW/Arlington	513	97,056,737	5,235,515	5,376,083	5.5%	1,889,439	2,068,225	977,680	\$0.43

MAJOR TRANSACTIONS

Sales

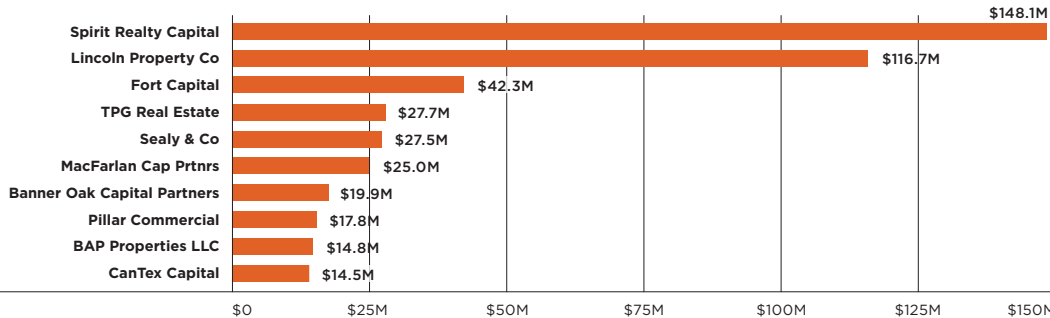
Owner/Buyer	Seller	Date	Address	Square Feet	Built	Land Area (acres)	Price	Submarket
CIM Group	Highbridge Provender	3/13/20	7550 Oak Grove Road	1,131,095	1994	90.7	n/a	South Fort Worth
Lexington Realty	Hillwood	2/18/20	8601 E Sam Lee Lane	1,029,846	2019	56.4	n/a	North Fort Worth
CAM SABRE Management	TCRG Properties	3/23/20	5750 Interstate 20	277,005	1994	72.1	n/a	South Fort Worth
Black Creek Diversified Property Fund	Western Devcon	2/4/20	350 Railhead Road	229,840	2015	14.0	n/a	North Fort Worth
Phillip M Lang	Gary A Pakner	2/11/20	10850 Harry Hines Boulevard	207,937	1963	7.5	n/a	South Stemmons

Leases

Tenant	Square Feet	Address	Transaction Type	Submarket	Landlord
Amazon	1,000,584	2601 S Airfield	New Lease	DFW Airport	CLX Ventures
Tempur Sealy	585,910	2650 Rental Car Drive	New Lease	DFW Airport	CBRE Global Investors
National Distribution Centers	472,500	4798-4800 Henrietta Creek Road	Renewal	North Fort Worth	JP Morgan
Amazon	465,450	1511 NE Loop 820	New Lease	North Fort Worth	Hunt Southwest
Eatery Essentials	399,971	2425 Danieldale Road	New Lease	Southwest Dallas	AEW Capital Management


TOP BUYERS

Q1 2020



Source Savills Research

Market Trends

 **49.9 Million**

People live within a 500 mile radius of the Dallas-Fort Worth-Arlington Metro Area

 **102 Industrial Projects**

Underway totaling 32.4 MSF in Dallas-Fort Worth



The Largest Industrial Projects Currently Underway:

Amazon: 2.3 MSF; build-to-suit
Goodyear: 1.2 MSF; build-to-suit
Trammel Crow: 1.1 MSF; speculative build at Passport Park

Savills industrial specialists integrate advanced analytics, strategic planning, corporate finance, supply chain and operations strategy with real estate to ensure decisions are aligned with business goals. We provide a full range of services including comprehensive financial, logistics, brokerage and occupancy solutions to industrial space users across all industries.

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