

Big-Box Market Report

DALLAS-FORT WORTH Q3 2019

AVG QUOTED RENT \$3.86

EXISTING BIG-BOX BY SIZE

RANGE	# BLDGS	# VACANCIES
200,000-499,999 SF	386	48
500,000-749,999 SF	99	11
750,000+ SF	65	5



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KEY TAKEAWAYS

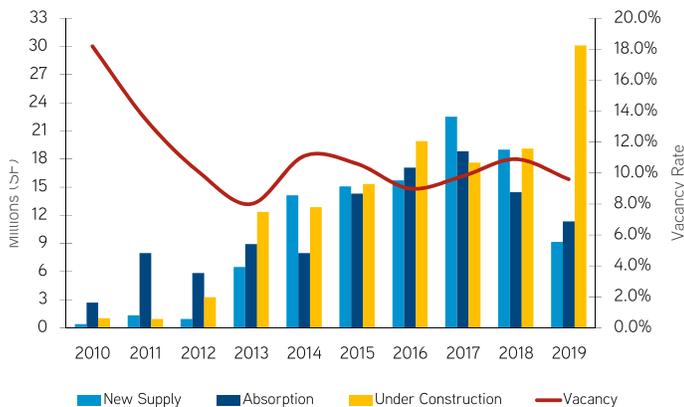
- > Construction of Big-Box product at the end of the 3rd quarter has set a new ALL-TIME high with a total of 56 buildings comprised of over 30 million square feet in the works. Sixteen of these buildings started construction in the 3rd quarter alone.
- > Year to date absorption is strong at 11.2 million square feet. Over 75 million square feet has been absorbed in DFW in the last 5 years.
- > Landlords set a new high mark for asking rental rates with an overall asking rate of \$3.86 NNN.
- > The vacancy rate dropped below 10% for the first time in over a year coming in at 9.6%. With 25% of the under construction product leased up, expectations are for vacancy rates to rise in the coming quarters.

Market Indicators

Relative to prior period	Quarterly Change	Quarterly Forecast*
Vacancy	↑	↑
Net Absorption	↑	↑
Construction	↑	↓
Rental Rate	↓	↑

*Projected

ABSORPTION, DELIVERIES, VACANCY AND UNDER CONSTRUCTION



Summary Statistics

DFW Big-Box Market	Q3 2018	Q3 2019
# Buildings	521	550
Total Inventory (SF) (Millions Square Feet)	234.2	248.2
Vacancy Rate	10.5%	9.6%
Absorption YTD (Millions Square Feet)	11.1	11.3
New Supply YTD		
# Bldgs	27	17
Square Feet (Millions)	14.2	9.2
Under Construction		
# Bldgs	38	56
Square Feet (Millions)	19.2	30.1
Asking Rents Per Square Foot Per Year		
Average Quoted Rate (NNN)	\$3.81	\$3.86

NOTABLE LEASING ACTIVITY

Tenant	Address	Submarket	SF Leased	Deal Type	Sign Date
Callaway Golf Company	15221 N Beach St	Alliance	810,908	New	Jul-19
Schluter Systems	I 35 W	Alliance	500,555	New	Jul-19
Ericsson	2601 S Valley Pky	Far North I-35E	306,280	New	Aug-19
Xpo Logistics	2425 Esters Rd	DFW Airport	298,341	Renewal	Aug-19
Watts Water Technologies, Inc.	425 W Everman Pky	South Fort Worth	287,261	New	Aug-19
Benjamin Moore	2525 E State Highway 121	Far North I-35E	237,926	New	Aug-19
BRP	15301 Heritage Pky	Alliance	234,277	New	Aug-19
CEVA Logistics	1101 Interstate 35 W	Alliance	202,000	New	Sep-19
Distribution Management	4695 Clover Haven St	East Dallas	191,360	New	Sep-19

DFW BIG-BOX INVESTMENT MARKET

NOTABLE SALES ACTIVITY

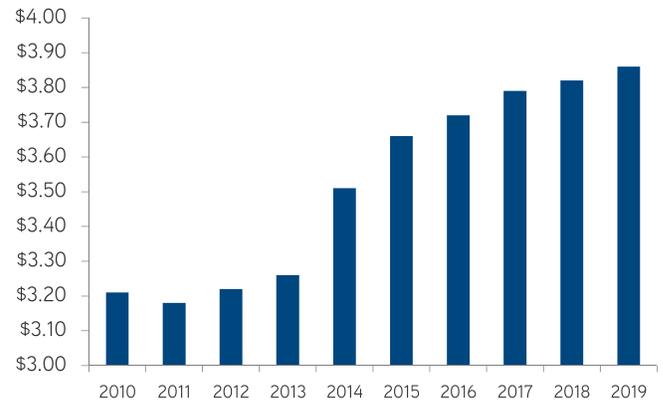
Property	Submarket	Sale Date	Sales Price	Size (SF)	PSF	Buyer
3000 E Pioneer Pky	Great Southwest	Jun-19	\$65,165,227*	815,820	\$80	LaSalle Investment Mgmt
39324 I-20	South Dallas	Jun-19	\$57,100,000	823,371	\$69	Trammell Crow Company
4001 & 3901 Adler Rd	North I-35E Corridor	Jun-19	\$59,455,000	725,000	\$82	CBRE Global Investors Ltd
2710 N Forum Dr	Great Southwest	May-19	\$23,000,000	289,080	\$80	Scannell Properties
3737 Duncanville Rd	South Dallas	Apr-19	\$28,201,000	510,400	\$55	Barings
3501 Sandshell Dr	North Fort Worth	Mar-19	\$22,660,000*	363,200	\$62	Space Center, Inc
201 Sunridge Blvd	South Dallas	Mar-19	\$43,750,000*	822,550	\$53	The Blackstone Group L.P.
2615 Gifford St	North I-35E Corridor	Feb-19	\$27,480,519	322,215	\$85	Crow Holdings
14601 Sovereign	Great Southwest	Jan-19	\$33,132,706	494,518	\$67	Global Logistics Properties
14500 FAA Blvd	Great Southwest	Sep-18	\$33,176,599	463,115	\$72	Global Logistics Properties

* Part of a Portfolio - Allocated Amount

Cap Rates and Sale Trends - US Big-Box



Average Asking Rental Rates (NNN)



DFW BIG-BOX AVAILABLE SPACE

MAXIMUM CONTIGUOUS AVAILABILITIES BY SUBMARKET

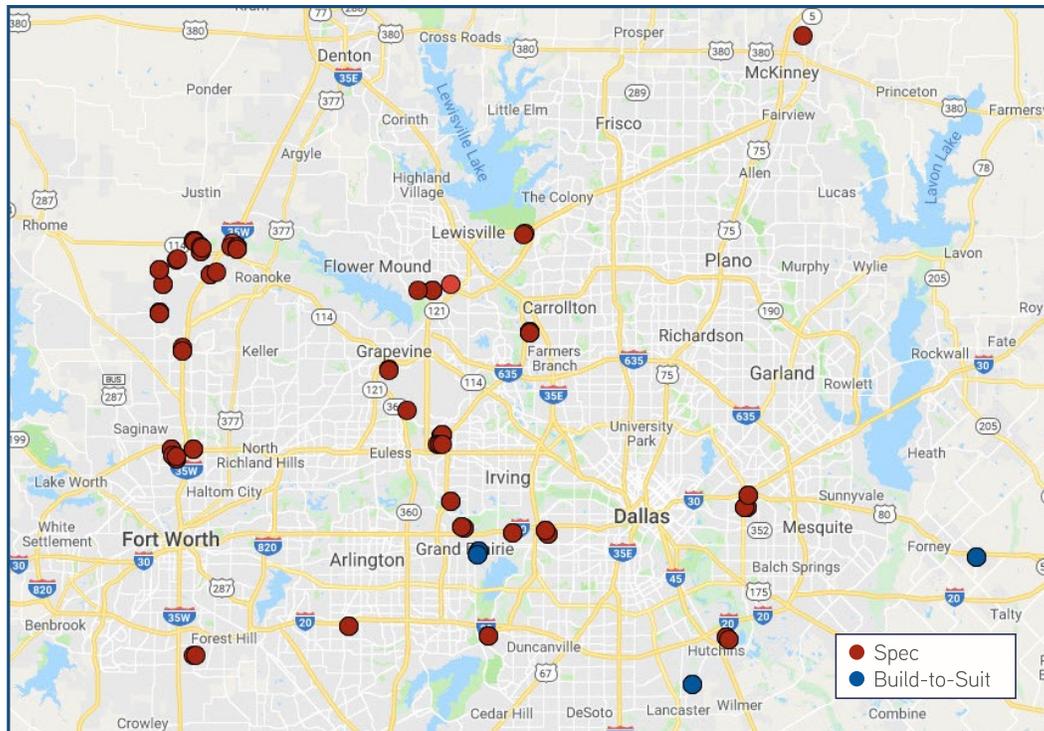
Colliers Market	Total Vacant SF	Total Vacant %	100K - 249K	250K - 499K	500K to 749K	750K - 999K	1M+
Alliance	3,572,562	10.2%	13	12	4	4	3
DFW Airport	2,961,330	7.7%	15	9	3	2	1
East Dallas	598,328	7.2%	5	2	1	-	-
Far North I-35E	1,230,801	5.0%	8	4	1	-	-
Great Southwest	2,859,539	7.9%	15	8	1	-	-
Metropolitan-Addison	0	0.0%	-	-	-	-	-
North Fort Worth	549,005	4.6%	7	4	1	-	-
North I-35E Corridor	0	0.0%	-	-	-	-	-
North US 75 Corridor	389,378	10.6%	2	-	-	-	-
Northeast Dallas	892,043	9.7%	5	2	-	-	-
South Dallas	9,289,219	18.0%	12	12	8	4	1
South Fort Worth	762,439	12.7%	3	2	-	-	-
West I-30 Corridor	818,838	5.3%	5	5	3	-	-
Outlying Market	0	0.0%	-	-	-	-	-
TOTAL DFW MARKET	23,923,482	9.6%	90	60	22	10	5

DFW BIG-BOX CONSTRUCTION SNAPSHOT

PROPERTY	SUBMARKET	DELIVERY DATE	RBA	SPEC OR BTS
9314 W Jefferson Blvd	West I-30 Corridor	1Q 2020	1,500,000	BTS
200 Fm 156	Alliance	4Q 2019	1,200,536	Spec
Hwy 80 & Forney Rd	Outlying Metroplex	2Q 2020	1,200,000	BTS
2600 Rental Car Dr	DFW Airport	4Q 2019	1,106,315	Spec
1511 NE Loop 820	North Fort Worth	3Q 2019	1,023,488	Spec
2 Haslet County Rd	Alliance	3Q 2019	1,007,000	Spec
E Cleveland Rd	South Dallas	3Q 2019	1,004,674	Spec
Mountain Creek Parkway & I-20	South Dallas	4Q 2019	863,328	Spec
15221 N Beach St	Alliance	1Q 2019	810,908	Spec
North Beach St	Alliance	2Q 2020	810,908	Spec
E Cleveland Rd	South Dallas	4Q 2020	800,854	Spec
W Jefferson Blvd	West I-30 Corridor	3Q 2019	800,000	BTS
TXX-156	Alliance	2Q 2020	795,780	Spec
FM 156	Alliance	2Q 2020	754,473	Spec
2650 Rental Car Dr	DFW Airport	4Q 2019	709,700	Spec
1101 Interstate 35 W	Alliance	4Q 2020	707,000	Spec
1101 Interstate 35 W	Alliance	3Q 2019	700,000	Spec
401 Westport Pky	Alliance	3Q 2020	677,429	Spec
1401 Chalk Hill Rd	West I-30 Corridor	2Q 2019	672,775	Spec
38 Additional Buildings Under Construction			13,315,572	

				% RELEASED
Total Spec Under Construction			26,345,680	25.2%
Total BTS Under Construction			4,115,060	-
TOTAL UNDER CONSTRUCTION			30,460,740	-

BIG-BOX PROPERTIES UNDER CONSTRUCTION



RESEARCHERS:

MIKE OTILLIO
 Director of Research
 DIRECT +1 214 217 1232
mike.otillio@colliers.com

MAYA SHAW
 Senior Research Associate
 DIRECT +1 214 217 1227
maya.shaw@colliers.com



What constitutes a Big-Box building?

- 200,000 square feet or larger industrial buildings
- Primarily used for warehousing and/or distribution
- Ceiling heights of 28' clear or greater
- Pre-cast or tilt-up concrete construction

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Colliers International
 1717 McKinney Avenue, Suite 900
 Dallas, Texas, 75202
 +1 214 692 1100
colliers.com



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