

VIEWPOINT



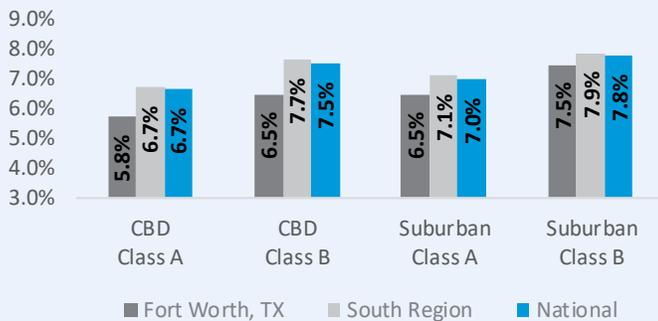
2020 FORT WORTH, TX OFFICE ANNUAL REPORT

An Integra Realty Resources Publication / irr.com

Market Rate Indicators (Y/Y)

Categories	Suburban Class	
	CBD Class A	A
Going In Cap Rate (%)	▼	▼
Asking Rent (\$/SF)	▲	▼
Vacancy Rate (%)	▲	▲

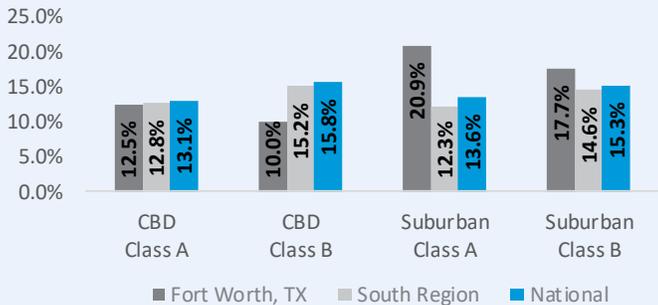
Going In Cap Rate Comparisons (%)



Asking Rents (\$/SF)



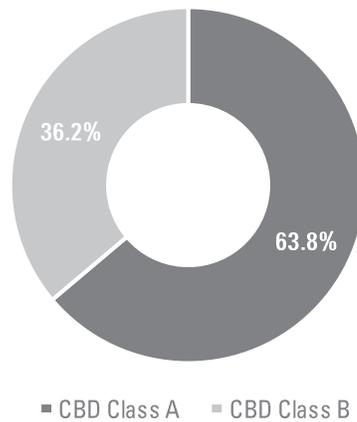
Vacancy Rates (%)



Fort Worth, TX Office Market Overview

Despite increasing population and one of the lowest unemployment rates in the country, demand has been relatively weak in the Fort Worth office market; particularly the Central Business District. However, it will likely be in the expansion cycle for the foreseeable future due to growth in the suburban submarkets. Net absorption has been slightly positive in the Central Business District, but negative absorption in the suburban submarkets has brought the Fort Worth market as a whole to net negative in 2019. Overall net absorption is projected to be slightly negative from 2020-2022 which will result in slight increases to overall vacancy rates which have been relatively stable over the last 2-3 years. Despite the limited office growth in the last 2-3 years, the overall health of the local economy with strong employment and population growth should continue to drive the expansion of the Fort Worth office market through 2020.

Distribution of Total Inventory



8,375,000 SF
CBD Office Inventory
0.00% - 12 Mo. Proj.
Construction/Inventory

Integra Realty Resources - Fort Worth

7080 Camp Bowie Boulevard, 0, Fort Worth, TX 76116, 817-763-8023

Alan Pursley, MAI, SRPA, SRA, SGA, Senior Managing Director, apursley@irr.com



Change In Value Next 12 Months



2% - 3.9%

CBD Class A

.1% - 1.9%

CBD Class B



.1% - 1.9%

Suburban Class A

.1% - 1.9%

Suburban Class B

Market Cycle: Hypersupply Stage 2



- Increasing Vacancy Rates
- Low/Negative Absorption
- Moderate/Low Employment Growth
- Med/Low Rental Rate Growth
- Moderate/High New Construction

Forecasts

Fort Worth, TX 12-Month Office Forecasts

Categories	CBD Class A	CBD Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Remain Steady - no change	Increase 1-24 bps	Remain Steady - no change	Increase 1-24 bps
Discount Rate	Remain Steady - no change			
Reversion Rate	Remain Steady - no change			
Construction (SF)	0		155,538	
Years to Balance	2	2	2	2

Fort Worth, TX 36-Month Office Forecasts

Categories	CBD Class A	CBD Class B	Suburban Class A	Suburban Class B
Market Rent Change	1.00%	1.00%	1.00%	1.00%
Expense Rate Change	3.00%	3.00%	3.00%	3.00%
Change in Value	Increase 2% - 3.9%			
Annual Absorption (SF)	55,000	55,000	50,000	20,000

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 175 MAI-designated members of the Appraisal Institute among 600+ professionals based in our 50+ offices throughout the United States and the Caribbean. Founded in 1999, the firm specializes in real estate appraisals, feasibility and market studies, expert testimony, and related property consulting services across all local and national markets. Our valuation and counseling services span all commercial property types and locations, from individual properties to large portfolio assignments.

For more information, visit www.irr.com.