Bi-Annual
DALLAS INDUSTRIAL BRIEF

Significant Local Transactions

Lee & Associates Recent Completed Transactions

National / Dallas Market Overview

Submarket Overview

Lee & Associates Listings

Brokerage Team

LEE & ASSOCIATES

COMMERCIAL REAL ESTATE SERVICES

Q1 & Q2 2017 SIGNIFICANT

WAREHOUSE & DISTRIBUTION TRANSACTIONS

BUYER / TENANT COMPANY	SQ. FT.	SUBMARKET
UPS	1,300,000	N Fort Worth Ind
Kohler	1,300,000	S Dallas Ind
UPS	1,004,400	Arlington Ind
Wayfair	750,000	S Dallas Ind
GE Appliances	702,000	GSW/Arlington Ind
Campbell Soup	577,760	N Fort Worth
Continental Tires (R)	542,785	South Stemmons Ind
Quaker Oats/Pepsi Co	518,241	S Stemmons Ind
Lasko Products, Inc. (R)	505,000	Meacham Fld/ Fossil Cr Ind
S&S Activewear, LLC	492,322	N Ft Worth Ind
KidKraft (R)	401,572	E DFW Air/ Las Colinas Ind
Mars Petcare (R)	393,899	S Dallas Ind
Pegasus Logistics Group (R)	367,575	DFW Airport Ind
Fed Ex	365,000	Arlington Ind
Geodis (R)	362,500	South Stemmons Ind
C&S Wholesale Grocers, Inc.	355,577	DFW Airport Ind
KGP Telecommunications (R)	335,480	DFW Airport Ind
Dematic	299,810	N Ft Worth Ind
Lasko Products, Inc. (R)	295,000	Meacham Fld/ Fossil Cr Ind
Speed FC (R)	267,690	NE Dallas/ Garland Ind
Hemispheres (R)	262,550	DFW Airport Ind
The Kraft Heinz Company	260,959	NE Dallas/ Garland Ind
Geodis	228,000	GSW/Arlington Ind
University Furnishings	227,768	NE Dallas/ Garland Ind
Mars Pet Care	211,948	SE Dallas/ I-45 Ind
TriMark USA, LLC	211,312	Northwest Dallas Ind
Robinson Aerospace, Inc.	209,081	N Ft Worth Ind
American Textile Co.	201,600	S Dallas Ind
Multiquip (R)	200,154	Northwest Dallas Ind
Chep USA	199,750	E Dallas Ind
Jeldwin	175,000	GSW/Arlington Ind
FedEx	173,587	Arlington Ind
BFS Services (R)	167,820	DFW Airport Ind
Blue Linx (R)	161,911	Meacham Fld/ Fossil Cr Ind
Dealer Tire LLC	159,768	GSW/Arlington Ind
Hayes	157,000	E Dallas Ind
Lasko Products, Inc. (R)	152,052	Meacham Fld/ Fossil Cr Ind
Petmate	148,645	GSW/Arlington Ind
Suddath	148,357	Upper Great Southwest Ind
PetMate	147,645	Lower Great Southwest Ind
CEVA Logistics (R)	140,000	DFW Airport Ind
Batory Foods	135,323	NE Dallas/ Garland Ind
1000 Bulbs (R)	131,950	NE Dallas/ Garland Ind
In-N-Out Burger	130,000	SE Dallas/ I-45 Ind
CEVA	129,500	N Fort Worth
SWS Re-Distribution Company, Inc. (R)	127,506	Northwest Dallas Ind
Clover Telecom	127,000	DFW Airport Ind

BUYER / TENANT COMPANY	SQ. FT.	SUBMARKET
Marco Company	126,000	N Ft Worth Ind
Wizards of the Coast, Inc.	123,864	GSW/Arlington Ind
Sub-Zero	119,000	South Dallas Ind
Samsung Electronics	115,200	DFW Airport Ind
StoneCrop	114,515	NE Dallas/ Garland Ind
Mediocre Corporation	114,432	Lewisville Ind
DB Shenker	112,881	NE Dallas/ Garland Ind
FedEx (R)	110,880	S Cen. Tarrant Cnty Ind
Signature Global Logistics	109,141	E DFW Air/ Las Colinas Ind
Ox Paperboard	103,889	Upper Great Southwest Ind
Levantina	102,399	Northwest Dallas Ind
Rudolph's, Inc.	100,423	GSW/Arlington Ind
TSI Products	99,660	GSW/Arlington Ind
DC Fulfillment	97,446	N Stemmons/ Valwood Ind
PCA (R)	96,000	NE Dallas/ Garland Ind
NAWF Co, Inc. (R)	93,563	GSW/Arlington Ind
Special Logistics Dallas (R)	89,544	GSW/Arlington Ind
Unicom Engineering, Inc (R)	82,880	NE Dallas
PGAL	82,797	E DFW Air/ Las Colinas Ind
Infinite Electronics	79,000	Northwest Dallas Ind
The Wasserstrom Company	77,606	NE Dallas/ Garland Ind
Race Trac	73,901	GSW/Arlington Ind
Iron Mountain (R)	72,625	DFW Airport Ind
Double R Transport	67,375	GSW/Arlington Ind
AZ Parts Master	67,017	NE Dallas/ Garland Ind
Trend Offset Printing (R)	66,880	N Stemmons/ Valwood Ind
Penhall Company	65,000	Western Lonestar/ Tpke Ind
Assa Abloy (R)	63,602	NE Dallas/ Garland Ind
BeavEx	60,380	DFW Airport Ind
Marco Company (R)	60,000	N Ft Worth Ind
Advantage Aviation Tech, Inc. (R)	59,970	West Brookhollow Ind
Espree	59,280	DFW Airport Ind
Finish Master Auto & Industrial Paint	59,139	GSW/Arlington Ind
Kapstone Container Corporation	58,000	E Dallas Ind
Dynamic Glass	54,616	GSW/Arlington Ind
Bionew USA Corp.	53,635	NE Dallas/ Garland Ind
Value Lighting	52,250	Northwest Dallas Ind
Supreme Fixture	51,555	NE Dallas/ Garland Ind
Pratt & Whitney	50,400	GSW/Arlington Ind
Lighthouse Distribution	50,390	S Stemmons Ind
Marlite Corp (R)	50,121	GSW/Arlington Ind
DHL Express	50,000	Northwest Dallas Ind
Mountain West Industrial Properties	50,000	Northwest Dallas Ind
Chloe Lighting	49,994	NE Dallas/ Garland Ind
Solid Gear	48,526	NE Dallas
McKillican International, Inc. (R)	47,500	Northwest Dallas Ind
Aston Global	47,200	NE Dallas/ Garland Ind

Lee & associates tranactions are highlighted in red. (R) = Renewal
*Data obtained from Lee source.

RECENT COMPLETED TRANSACTIONS

SOLD - 96.62 ACRES

Risinger Road
Fort Worth, TX
South Fort Worth

LEASED - 492,322 SF

9755 & 9761 Clifford Drive
Dallas, TX
South Stemmons Ind.

LEASED - 355,577 SF

777 Freeport Parkway
Coppell, TX
DFW Airport Ind.

LEASED - 209,081 SF

13901 Aviator Way
Fort Worth, TX
N. Fort Worth Ind.

LEASED - 167,820 SF

500 Airline Drive
Coppell, TX
DFW Airport Ind.

LEASED - 99,660 SF

809-811 110th Street
Arlington, TX
Great SW / Arlington Ind.

LEASED - 82,880 SF

3501 E. Plano Parkway
Plano, TX
NE Dallas

LEASED - 60,380 SF

921 W Bethel Road
Coppell, TX
DFW Airport Ind.

LEASED - 53,635 SF

2525 S. Shiloh Road
Garland, TX
NE Dallas / Garland Ind.

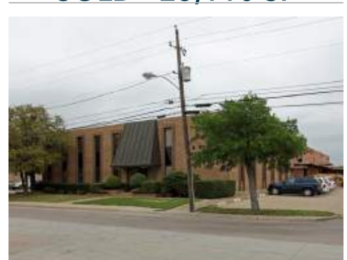
SOLD - 42,350 SF

399 N. Great Southwest Pky.
Arlington, TX
Great SW / Arlington Ind.

LEASED - 38,282 SF

1624 W. Crosby Road
Carrollton, TX
Northwest Dallas Ind.

SOLD - 25,110 SF

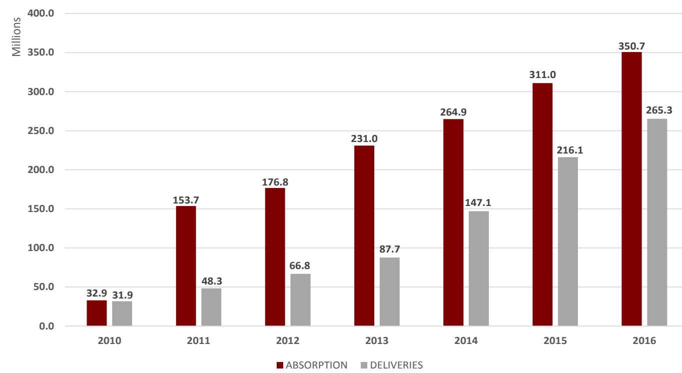


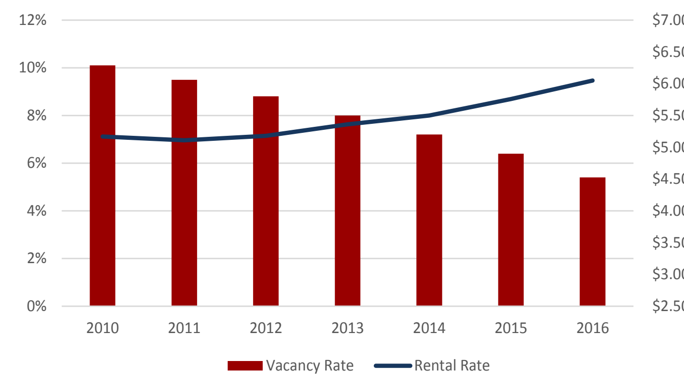
10920-11024 Indian Trail
Dallas, TX
South Stemmons Ind.

MARKET OVERVIEW

NATIONAL OVERVIEW

- Industrial cap rates may not necessarily rise should interest rates rise. This is primarily based on interest in industrial product as a replacement to other investments such as the stock market and inflow of international capital
- GDP optimism is higher than six months ago.
- The leading logistic markets, Southern California, Dallas, Atlanta and Chicago are no surprise, however, New Jersey and Lehigh Valley are lagging compared to historical absorptions
- With 200 million square feet of logistics construction across the US, primarily geared to all or partial e-commerce, the outlook is very positive coming into the 2nd half of 2017. Certain over-supply threats exist in Lehigh Valley, PA, Las Vegas, Inland Empire, CA and Nashville



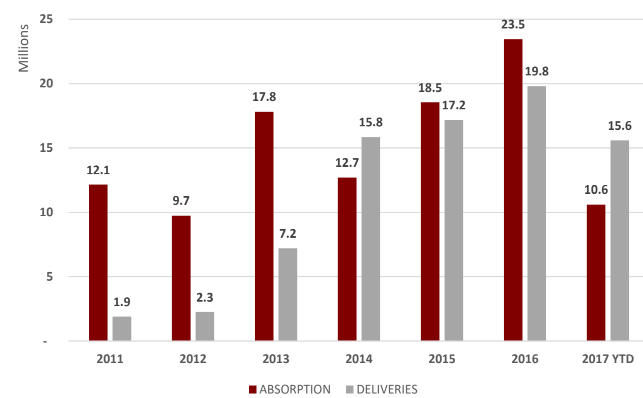


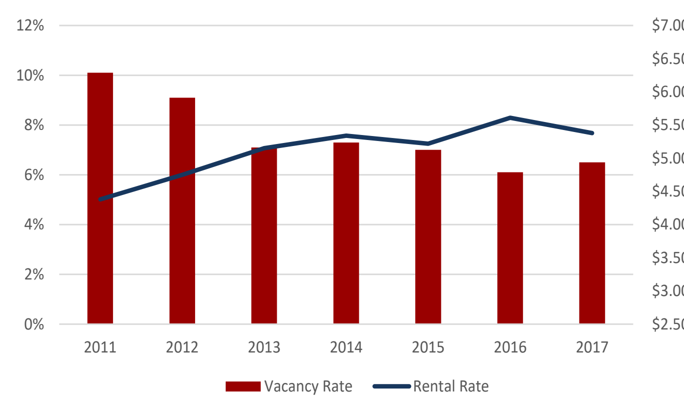
5.4%
VACANCY RATE

$6.05
AVERAGE RENTAL RATE

DALLAS / FORT WORTH OVERVIEW

- Vibrant activity, scarcity of infill sites, slight slowdown in deal velocity, increasing finish out costs, more e-commerce and a rising pre-lease rate of 36% sum up the industrial street talk amongst the key industrial brokers and developers as summer winds up in mid Q3 for DFW
- Based on historical market cycles, we are past the expected peak of the market. For many property owners, that leads to selling. For others with a long-term hold profile, building or developing into additional product is the focus
- For occupants, it is difficult to act upon acquiring property at or near peak, however, there is not any current indicators suggesting a decline in lease rates/sale prices and no indicators suggesting any near-term imbalance of supply to demand. We suggest a leading indicator may be a decrease in pre-leasing percentages on speculative projects
- Overall, Dallas/Fort Worth is positioned very well in all performance indicators when compared to the industrial markets across the US





6.5%
VACANCY RATE

$5.38
AVERAGE RENTAL RATE

*Data obtained from Lee Source and CoStar Group

CURRENT STATS

OVERALL DFW MARKET

Years	Overall SF	Vacancy Rate	Absorption (SF)	Under Construction (SF)
2017	864,478,597	6.5%	10,599,170	22,269,488
2016	845,606,269	6.1%	23,451,229	24,178,228
2015	820,798,391	7.0%	18,538,656	20,581,854
2014	802,075,462	7.3%	12,700,701	17,399,649
2013	786,887,469	7.1%	17,818,159	7,790,674
2012	777,715,492	9.1%	9,746,5569	1,297,543

MID-YEAR 2017 SUBMARKET OVERVIEW

Submarket	Overall SF	Vacancy Rate	YTD Absorption (SF)	Under Construction (SF)
Great SW/Arlington Ind	107,456,473	8.4%	1,681,128	4,503,458
South Dallas Ind	94,747,162	10.1%	1,493,616	6,147,195
North Ft. Worth Ind	89,591,854	6.7%	2,780,007	3,923,548
Northwest Dallas Ind	110,152,413	5.4%	2,066,840	1,768,873
NE Dallas/ Garland Ind	115,716,613	6.0%	1,672,708	1,969,316
DFW Airport Ind	73,013,360	6.8%	(97,634)	2,067,046
South Stemmons Ind	133,947,145	6.0%	835,099	829,040
South Ft. Worth Ind	89,435,458	3.8%	(131,651)	709,138
East Dallas Ind	50,418,119	4.9%	299,057	351,874
	864,478,597 TTL	6.5% Avg.	10,599,170 TTL	22,269,488 TTL

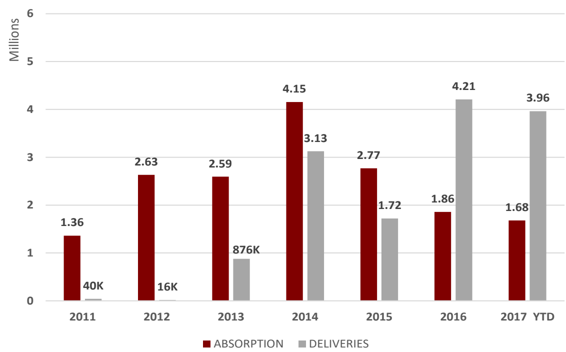
MID-YEAR 2017 CONSTRUCTION ACTIVITY

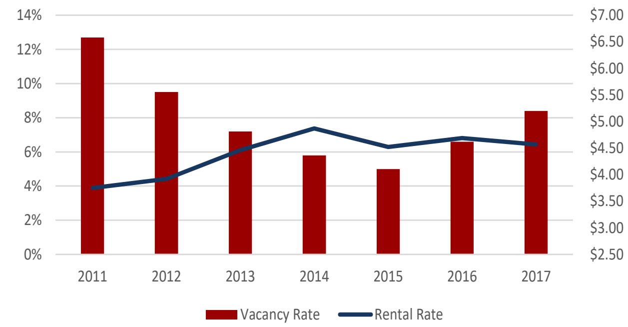
Market	# Bldgs	Total SF Under Construction	Preleased SF	Preleased %	Avg. Bldg. Size All Existing SF	Avg. Bldg. Size UC SF
Great SW/Arlington Ind	11	4,503,458	2,797,568	62.1%	59,931	409,405
South Dallas Ind	12	6,147,195	627,500	10.2%	53,109	512,266
North Ft. Worth Ind	19	3,923,548	1,414,658	36.1%	59,609	206,503
Northwest Dallas Ind	12	1,768,873	933,157	52.8%	53,239	147,406
NE Dallas/ Garland Ind	16	1,969,316	362,800	18.4%	38,127	123,082
DFW Airport Ind	8	2,067,046	1,395,681	67.5%	80,411	258,381
South Stemmons Ind	7	829,040	163,854	19.8%	28,283	118,434
South Ft. Worth Ind	10	709,138	174,974	24.7%	26,351	70,914
East Dallas Ind	1	351,874	351,874	100%	25,619	351,874
Totals	96	22,269,488	8,222,066	36.9%	40,797	231,974

 *Data obtained from Lee Source and CoStar Group

SUBMARKET / MARKET OVERVIEW

GREAT SW / ARLINGTON



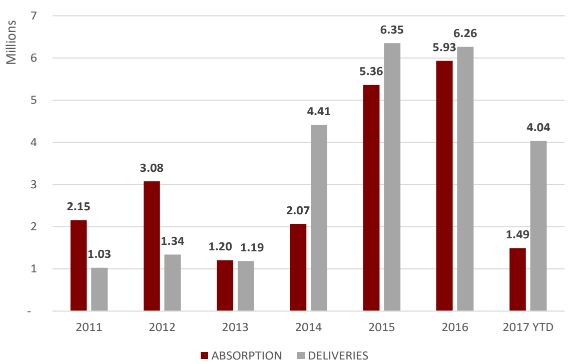


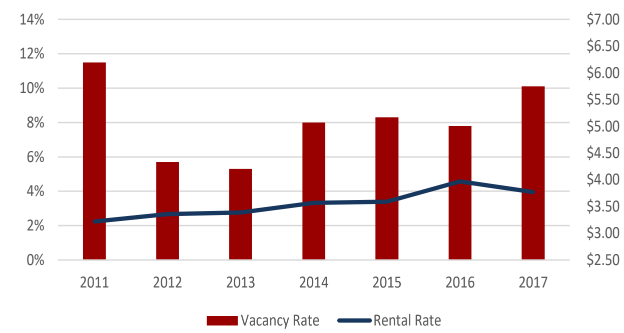
8.4%
VACANCY RATE

$4.57
AVERAGE RENTAL RATE

- Through half of 2017 alone, GSW has delivered 95% of what was delivered all of 2016. GSW has become oversupplied, which in turn will cause construction starts to continue to decrease until more product is absorbed
- While over 1.3 million square feet of inventory was delivered this quarter, over 1.3 million square feet was also absorbed
- Due to the apparent high demand for this centralized location, we have seen a minor $0.06 increase of the average rate up to $4.57/square foot in Q2

SOUTH DALLAS



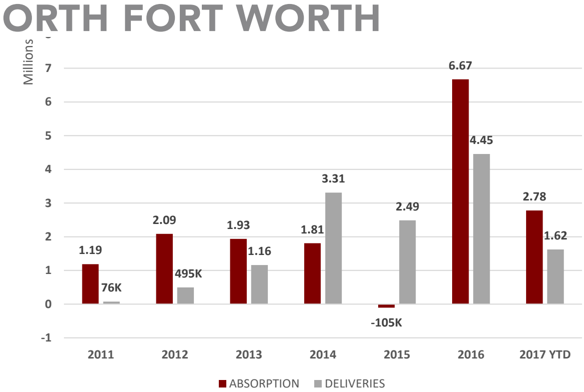


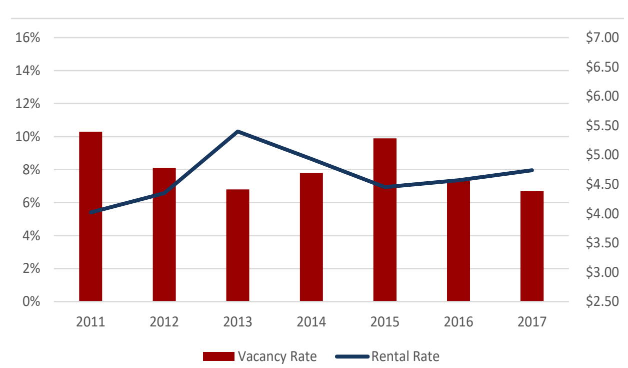
10.1%
VACANCY RATE

$3.77
AVERAGE RENTAL RATE

- The South Dallas Industrial market is continuing to trend at a higher vacancy rate than other DFW markets with a year to date absorption rate of just under 1.5 million square feet of existing building inventory
- Year to date deliveries for Q2 account for 4 million square feet of existing building inventory
- Current construction activity in the South Dallas Market for Q2 dominates the market at 6.14 million square feet with 627,500 square feet of pre-leased building space

NORTH FORT WORTH





6.7%
VACANCY RATE

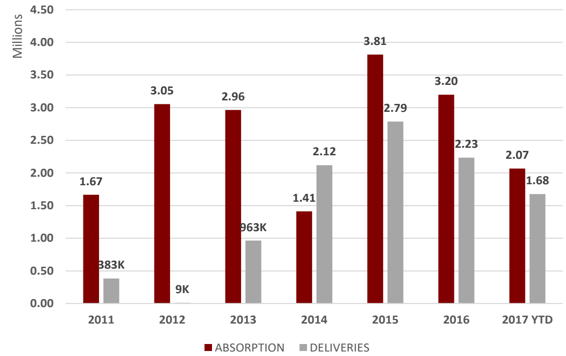
$4.74
AVERAGE RENTAL RATE

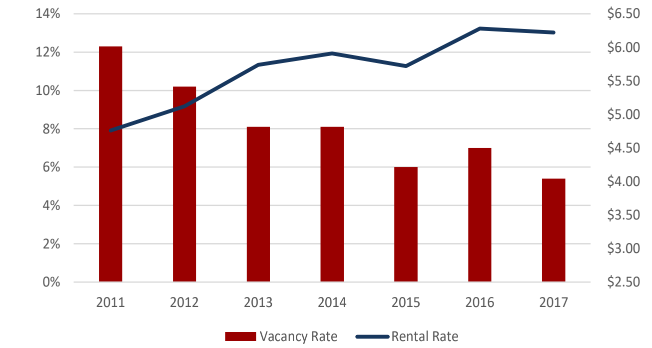
- North Fort Worth has led the market with nearly 2.8 million square feet of net absorption as of July 2017
- Currently, there is ±3.9 million square feet of product under construction with ±1.1 million square feet of that being pre-leased
- Johnson Development, Scannell and Ridge Development all have buildings about to commence construction which will add an additional 980,000 square feet to the market

*Data obtained from Lee Source and CoStar Group

SUBMARKET / MARKET OVERVIEW

NORTHWEST DALLAS



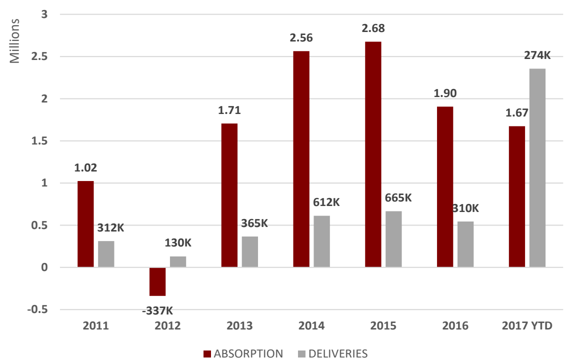


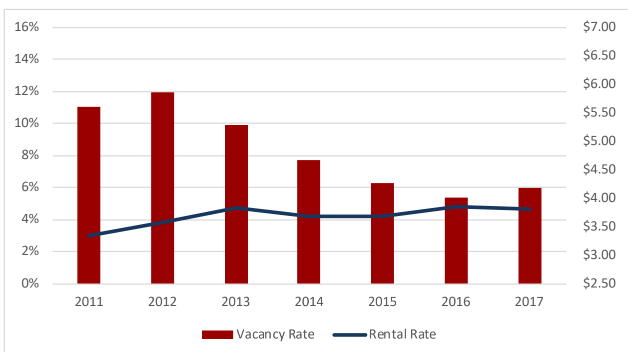
5.4%
VACANCY RATE

$6.22
AVERAGE RENTAL RATE

- Very limited available space over 100,000 square feet
- Vacancy continues to decrease while rates remain consistent
- New retail, multi, and single-family development started along the southern part of Valwood Industrial Park

NORTHEAST DALLAS



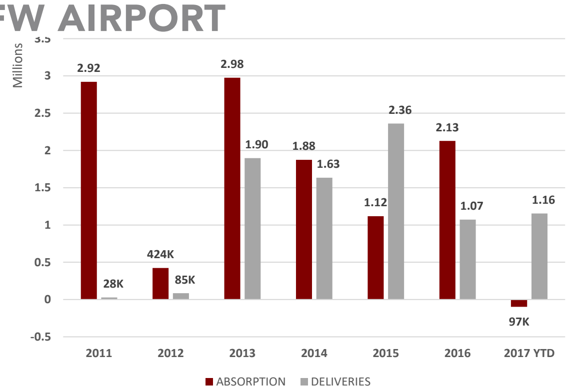


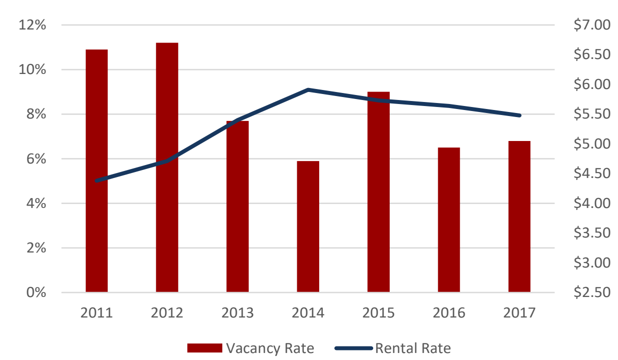
6.0%
VACANCY RATE

$5.97
AVERAGE RENTAL RATE

- Northeast Dallas experienced 1,497,645 square feet of positive absorption in Q2 2017 - the highest quarterly absorption the submarket has seen in over nine years
- Vacancy rates dropped from 6.3% in Q1 2017 to 6.0% in Q2 2017
- Currently there is over 1.5 million square feet under construction in Northeast Dallas and more coming soon

DFW AIRPORT





6.8%
VACANCY RATE

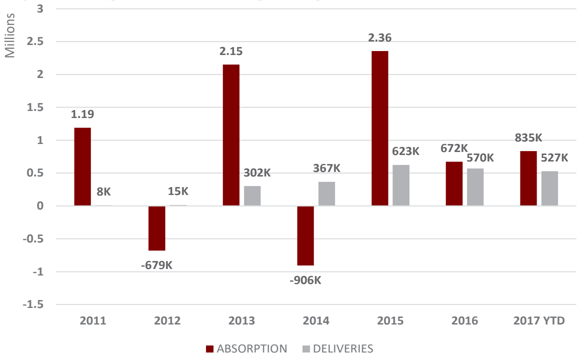
$5.48
AVERAGE RENTAL RATE

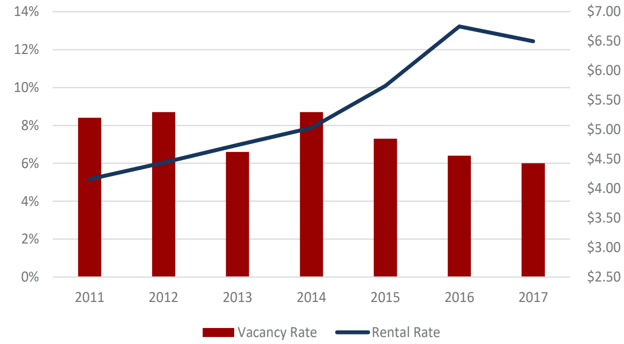
- Vacancy has increased slightly from 5.5% in Q1 to 6.8% in Q2
- Rental Rates have ticked up slightly from $5.48 in Q1 to $5.62 in Q2.
- Construction has remained constant with over 2,000,000 square feet currently under construction within this submarket, however, absorption declined slightly (97,634 square feet)

*Data obtained from Lee Source and CoStar Group

SUBMARKET / MARKET OVERVIEW

SOUTH STEMMONS



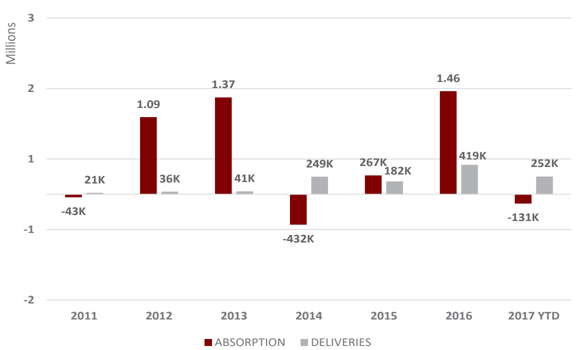


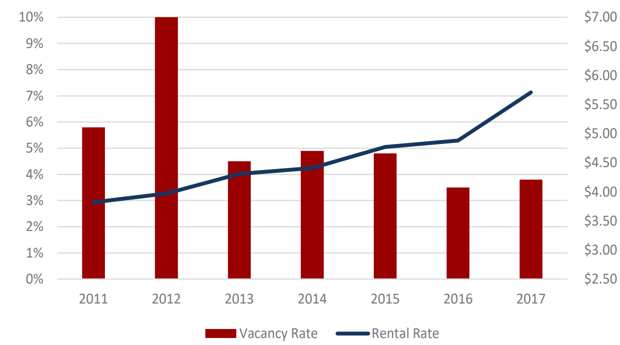
6.0%
VACANCY RATE

$6.50
AVERAGE RENTAL RATE

- Quoted rental rates increased from $6.15 in Q1 to $6.50 in Q2
- Delivered product went from 518,241 square feet (1 building) to 9,500 square feet in Q2 (1 building)
- Vacancy rates fell from 6.3% in Q1 to 6.0% in Q2

SOUTH FORT WORTH



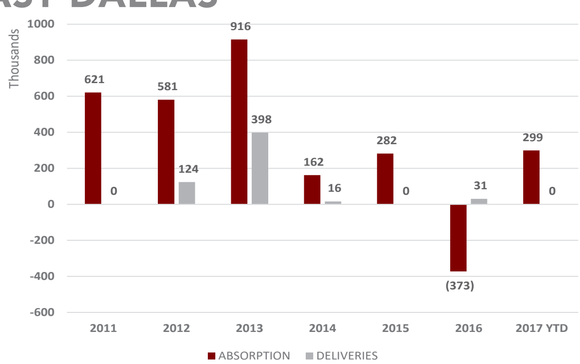


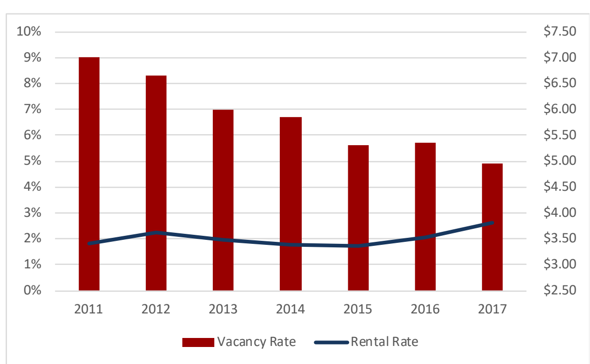
3.8%
VACANCY RATE

$5.71
AVERAGE RENTAL RATE

- Square feet rebounded nicely from the first quarter's negative absorption, getting back in the black - though the total absorbed space of 71,000 square feet was the lowest since the first quarter of 2016
- Average vacancy in South Fort Worth for the trailing four quarters was approximately 3.6%, by far the tightest submarket by nearly 2% of total vacancy. - the next closest being Northeast Dallas. It is attributable to the low total square feet of current under construction buildings in South Fort Worth of 709,000 square feet, the second lowest total in the entire DFW metroplex

EAST DALLAS





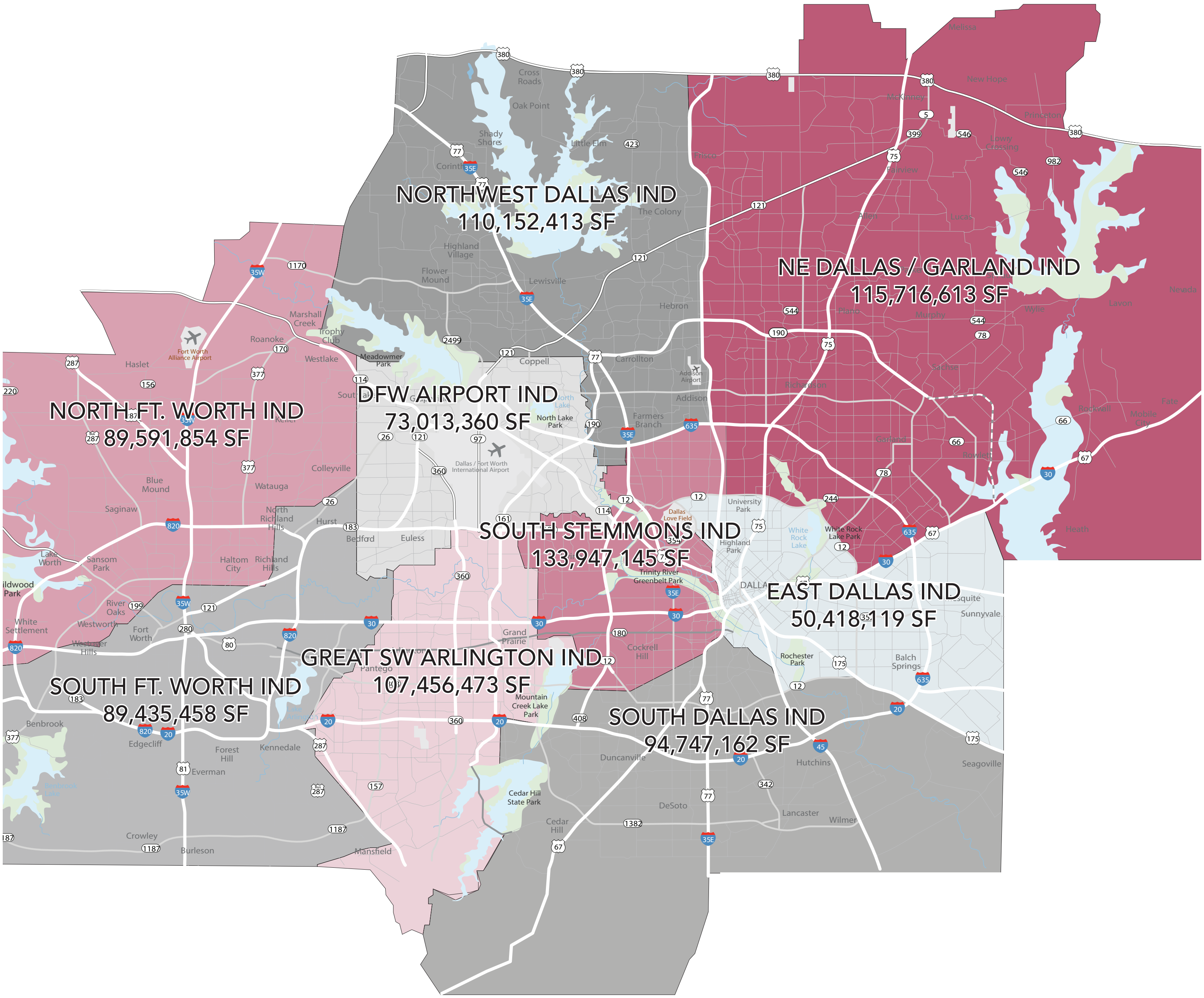
4.9%
VACANCY RATE

$4.31
AVERAGE RENTAL RATE

- The East Dallas submarket saw positive absorption of 343,789 square feet in Q2 2017 - the first time the submarket experienced positive absorption since Q3 2016
- Vacancy rates dropped to 4.9% in Q2 2017, which is the lowest they have been since they were 4.8% in Q4 2015
- There is currently no spec development in East Dallas but the area has seen notable future expansions.

DFW INDUSTRIAL

SUBMARKET MAP



*Data obtained from Lee Source and CoStar Group

SELECT LEE & ASSOCIATES

LISTINGS

FOR SALE / LEASE

2700 S. Millers Ferry Road
Wilmer, TX

Available Space: 424,280 SF
Lease Rate: $3.75 NNN
Sales Price: $62 PSF

Property Description:
BTS office, 36' clear height, 119 DH doors, 4 ramped doors, ESFR

FOR LEASE

5180 N. Railhead Road
Fort Worth, TX

Available Space: 362,670 SF
Lease Rate: Negotiable

Property Description:
Divisible, 33' clear height, 53 DH doors, 2 ramped doors, ESFR

FOR LEASE

2525 S. Shiloh Road
Garland, TX

Available Space: 86,240 SF
Lease Rate: $3.65 NNN

Property Description:
22'-26' clear height, fenced outdoor storage area

FOR LEASE

514 Bennett Lane
Lewisville, TX

Available Space: 165,705 SF
Lease Rate: Negotiable

Property Description:
Move-in ready, 32' minimum clear height, 28 DH doors, 1 DI door, 32 trailer parks, ESFR

FOR LEASE

4800 N. Sylvania Road
Fort Worth, TX

Available Space: 164,721 SF
Lease Rate: $4.05 NNN

Property Description:
Divisible to ± 85,360 SF, 36' clear height, 30 DH doors, 2 DI doors, ESFR, 82 trailer parking spaces

FOR LEASE

313 N. Great Southwest Parkway
Arlington, TX

Available Space: 128,024 SF
Lease Rate: Negotiable

Property Description:
Divisible to 68,640 SF, 30' clear height, up to 30 dock doors, 119 car parks, ESFR

FOR LEASE

4395 Diplomacy Road
Fort Worth, TX

Available Space: 65,814 SF
Lease Rate: Negotiable

Property Description:
9,845 SF office, 24' clear height, 9 DH with levelers, 1 ramped door, 100% HVAC

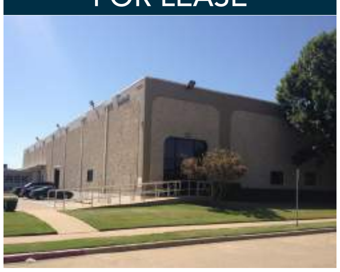
FOR LEASE

1000 Garden Ridge Boulevard
Flower Mound, TX

Available Space: 51,420 SF
Lease Rate: $6.75 NNN

Property Description:
Divisible to 18,000 SF, BTS office, 24' clear height, 16 DH doors, 1 DI door, ESFR

FOR LEASE

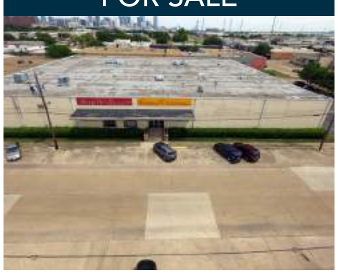


1800 Jay Ell Drive
Richardson, TX

Available Space: 40,000 SF
Lease Rate: $4.95 NNN

Property Description:
8,813 SF of office, 25' clear height, 4 DH doors with levelers, ± 1 acre of outside storage

FOR SALE

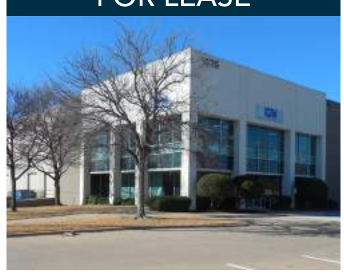


1300 Crampton Street
Dallas, TX

Available Space: 39,900 SF
Sale Price: Negotiable

Property Description:
6,000 SF of office, 16' clear height, 4 DH doors, 50 car parks, recently renovated showroom

FOR LEASE



1536 Hutton Drive
Carrollton, TX

Available Space: 22,000 SF
Lease Rate: $5.50 NNN

Property Description:
± 2,657 SF of office, 30' clear height, 2 DH doors, 2 DI ramps, front-load building, ESFR

FOR LEASE

2933 Eisenhower Street
Carrollton, TX

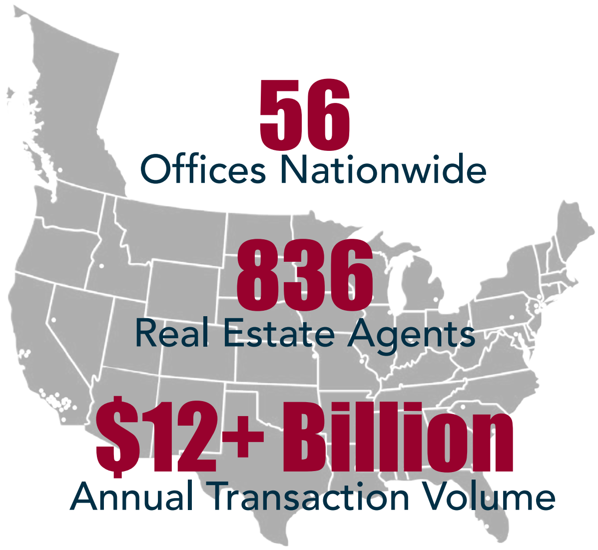
Available Space: 18,596 SF
Lease Rate: $6.25 NNN

Property Description:
1,724 SF of office, 24' clear height, 6 DH doors with edge of dock levelers, Class A, ESFR

LEE & ASSOCIATES TEAM

NATIONAL PRESENCE. Founded in 1979, Lee & Associates has achieved consistent growth and profitability, handling more than 200,000 real estate transactions nationwide.

At Lee & Associates our reach is national but our expertise is local market implementation. This translates into seamless, consistent execution and value driven market-to-market services.



LOCAL EXPERTISE. As your real estate partner, we offer every aspect of real estate services and the necessary expertise to successfully implement any type of commercial real estate project.

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Becky Thompson
Director

Phillip Rosenfeld
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Matthew Thompson
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Associate

LEE & ASSOCIATES

COMMERCIAL REAL ESTATE SERVICES

15455 Dallas Parkway, Suite 400
Addison, TX 75001
972.934.4000
LeeDallas.com