

# Office Market Report

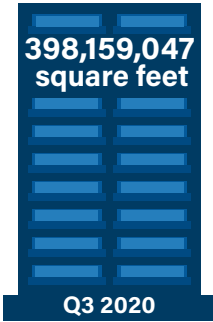
## Q3 2020

### Dallas - Fort Worth Totals

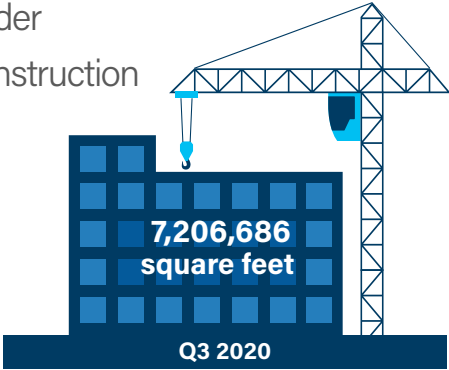
# of  
Office  
Buildings



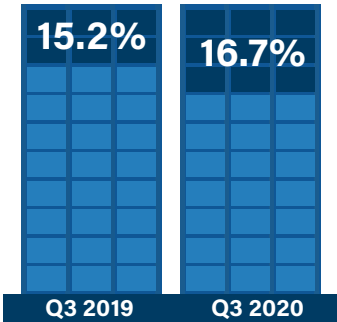
Total  
Inventory



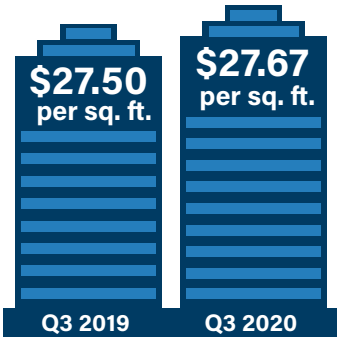
Under  
Construction



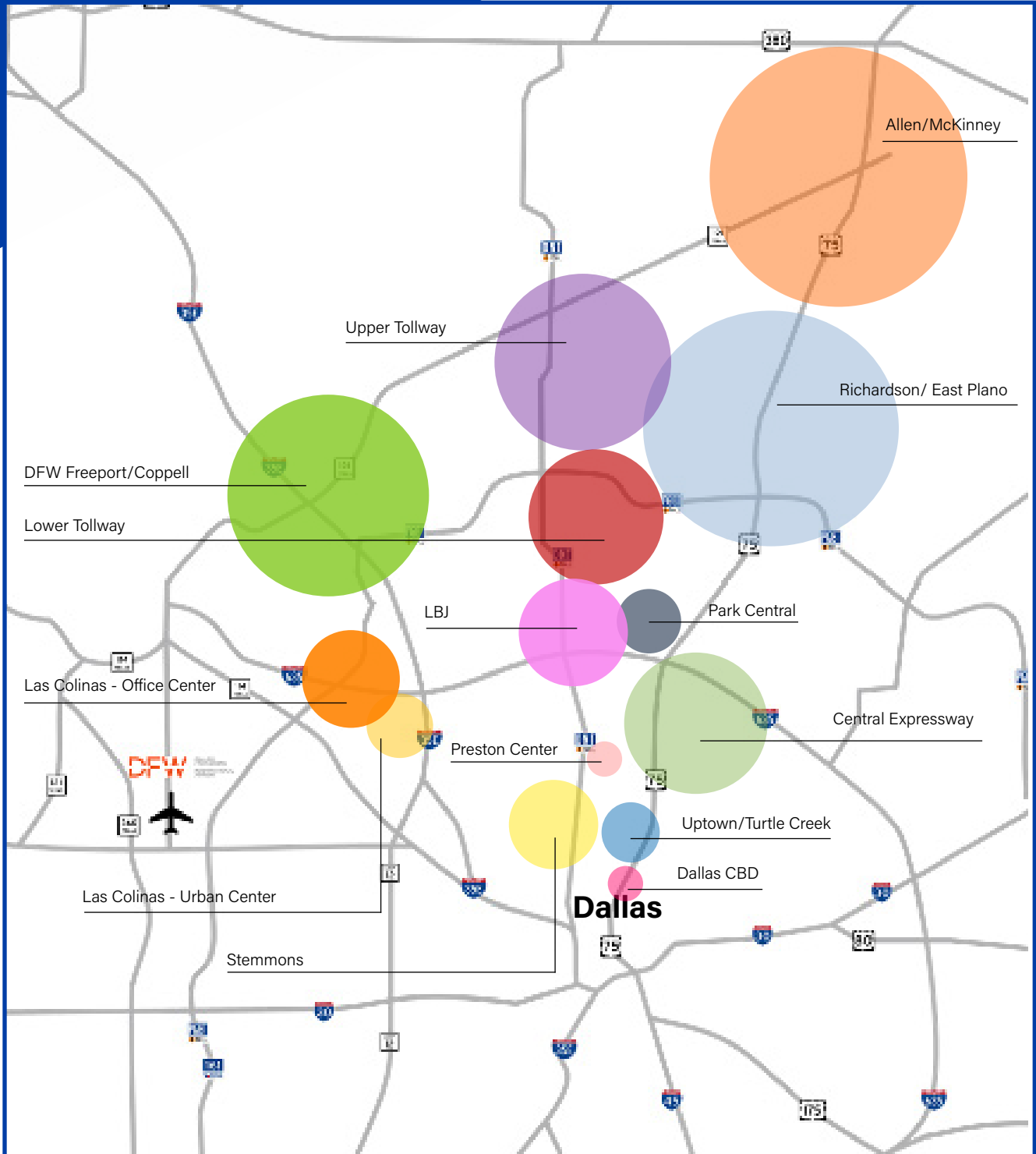
Overall Vacancy



Average Gross  
Rental Rate



# Dallas Office Submarkets



# Q3 Dallas Office Market Statistics

Submarket	Building Inventory (Sq. Ft.)	Direct Vacancy (%)	Deliveries (Sq. Ft.)	Under Construction (Sq. Ft.)	Average Gross Direct Rent (Per Sq. Ft.)	Annual Rent Growth (%)
Dallas CBD	32,597,610	22.3%	0	284,600	\$27.08	2.7%
Uptown/Turtle Creek	14,248,802	14.6%	0	656,774	\$47.07	1.5%
Central Expressway	11,070,850	18.1%	58,890	0	\$31.28	1.4%
Preston Center	3,172,380	11%	0	0	\$43.33	3.7%
Stemmons	10,706,262	20.8%	50,091	65,000	\$19.00	0.9%
LasColinas - Urban Center	9,326,918	17.5%	0	0	\$31.26	-1.0%
LasColinas - Office Center	15,907,877	15.5%	0	0	\$25.16	-0.2%
DFW Freeport/Coppell	14,357,799	16.4%	80,806	575,877	\$25.53	0%
Park Central	6,556,564	17.2%	0	0	\$23.70	2.6%
LBJ	8,061,183	24.8%	0	0	\$20.24	1.9%
Lower Tollway	19,286,873	20.5%	0	0	\$28.77	1.1%
Upper Tollway	21,249,781	24.1%	297,782	647,119	\$36.09	0.4%
Richardson/East Plano	25,078,723	19.1%	0	0	\$24.20	1.5%
Allen/McKinney	5,064,946	12.0%	300,000	98,772	\$26.18	1.6%

Statistics derived from all office buildings larger than 50,000 Sq. Ft. in major Dallas Office Submarkets. Major Office Submarkets are considered geographic groups of office buildings totaling more than 3 MM Sq. Ft. Buildings within the same Submarket have shared area amenities and are typically of similar quality.

Source: CoStar

# Forecast

Before the pandemic, the U.S. was experiencing the longest economic expansion period on record. Safety concerns surrounding the coronavirus prompted many companies occupying office space to start working from home temporarily or in some cases indefinitely. This shift has resulted in a 54% increase in available sublease space since January in major Dallas Office Submarkets. Additionally, annual market rental rate growth, although still positive, has plummeted from 4.2% to 1.1% over the last 10 months.

The constant fluctuation in coronavirus cases and vaccine updates coupled with an uncertain political climate, makes it difficult to tell what the severity and duration of this fallout will look like in the office real estate market nationally. However, Dallas has one of the strongest and most diverse economic foundations of any market across the country. The competitive cost of living, skilled labor force, and accessible location continue to attract corporate relocations and bolster the real estate market. When we do finally start to see some stability in the future, we are almost certain to experience a robust and speedy recovery in Dallas office market.

## Being the better fit didn't happen overnight.

### Our Story

1987

Scott Morse founded the Morse Company.

1995

Scott Jessen joined the company, and together, the Scotts began their career-long commitment of taking CRE service and broker value beyond the transaction level and transforming market knowledge into market expertise.

2005

The Morse Company was acquired by Colliers where Morse and Jessen built and led top performing teams. Across North Texas, Morse and Jessen see a growing shift in client needs - strategic alignment of real estate with business performance.

2012

Morse and Jessen launched Citadel Partners, moving beyond the old-school broker model to expand advisor consultative skill sets and services. Citadel develops a proprietary methodology to help clients discover the enhanced value and increased business performance benefits from real estate decisions.

Today

Citadel Partners is an established real estate advisory firm providing strategy based CRE solutions, market insight and expertise, and uncompromised service from its Office and Industrial teams located in Dallas and Fort Worth.