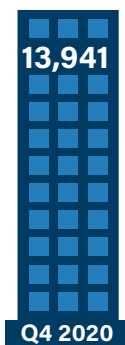


# Office Market Report Q4 2020

## Dallas - Fort Worth Totals

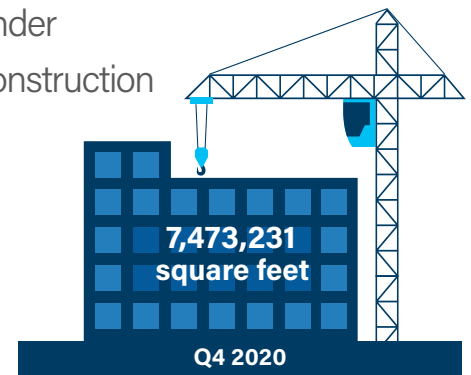
# of  
Office  
Buildings



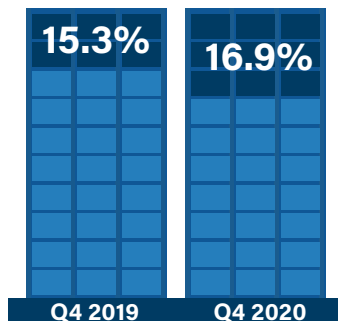
Total  
Inventory



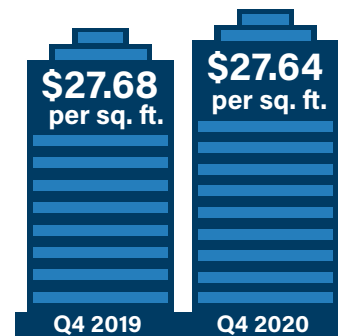
Under  
Construction



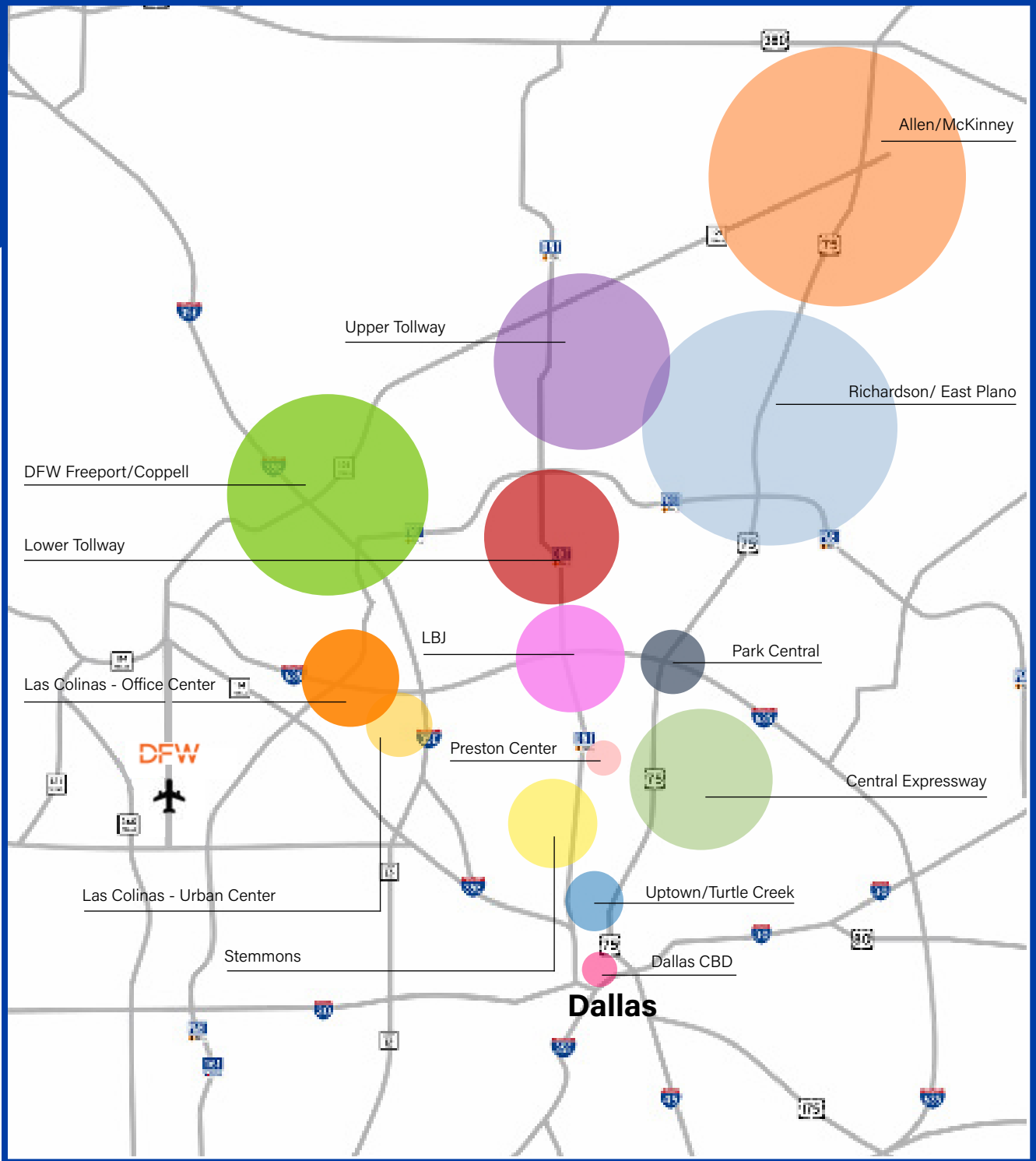
Overall Vacancy



Average Gross  
Rental Rate



# Dallas Office Submarkets



# Q4 Dallas Office Market Statistics

Submarket	Building Inventory (Sq. Ft.)	Direct Vacancy (%)	Deliverables (Sq. Ft.)	Under Construction (Sq. Ft.)	Average Gross Direct Rent (Per Sq. Ft.)	Annual Rent Growth (%)
Dallas CBD	35,826,888	20.9%	0	1,037,330	\$27.16	1.0%
Uptown/Turtle Creek	14,249,235	15.2%	0	1,016,688	\$43.60	-1.1%
Central Expressway	10,978,459	18.7%	0	0	\$31.53	0.1%
Preston Center	3,172,380	11.0%	0	0	\$41.75	3.2%
Stemmons	10,654,884	21.6%	0	65,000	\$22.83	0.4%
Las Colinas – Urban Center	9,218,571	18.4%	0	0	\$29.55	-1.5%
Las Colinas – Office Center	15,911,479	16.0%	0	0	\$26.56	-1.4%
DFW Freeport/Coppel	14,337,775	14.6%	0	575,877	\$26.03	-1.3%
Park Central	6,556,564	18.4%	0	0	\$24.43	1.4%
LBJ	8,063,590	24.4%	0	0	\$21.12	1.4%
Lower Tollway	19,410,621	21.3%	0	0	\$29.99	0.3%
Upper Tollway	22,081,293	27.4%	104,392	578,727	\$36.69	0%
Richardson/East Plano	25,075,335	19.1%	0	0	\$25.66	0.3%
Allen/McKinney	5,161,234	10.9%	0	98,772	\$30.95	0.2%

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

As many companies continue to work remotely, the net annual absorption has been negative for the fourth straight quarter, currently -5.2 million square feet. The lack of new leasing activity coupled with the availability of sublease space has led landlords to lower rental rates by -0.3% annually. Although this is not a dramatic decline, it is the first time the DFW office market has seen negative annual rent growth since 2011.

The steady stream of news surrounding the coronavirus pandemic and vaccinations, makes it difficult to determine the length and duration of this recession. That said, Dallas has strong economic underpinnings and construction activity remains healthy. 3.2 million SF of new buildings were delivered in the last 12 months and 7.5 million SF of space is currently under construction. 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 start to see some stability in the future, the Dallas office market will experience a quick and strong recovery.

## 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.



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