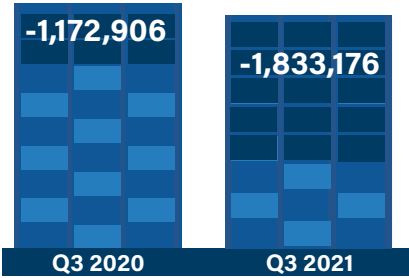


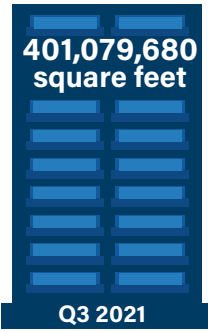
Office Market Report Q3 2021

Dallas - Fort Worth Totals

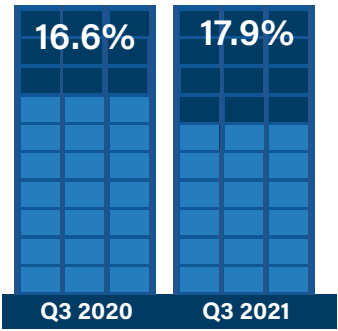
12-Month Net
Absorption



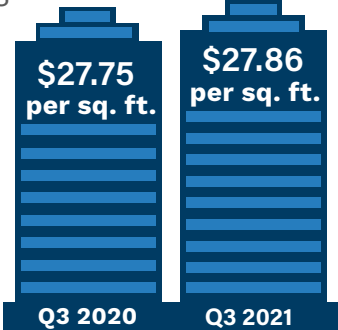
Total
Inventory



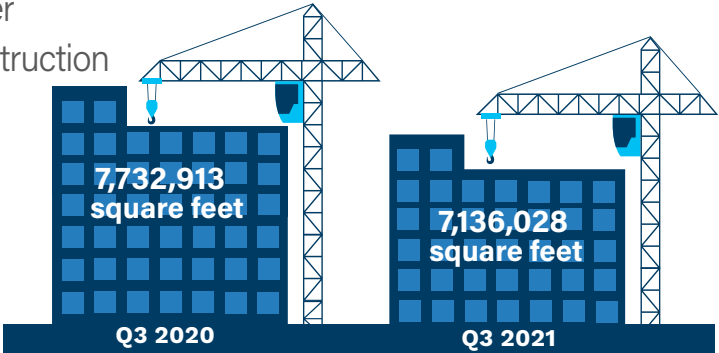
Overall
Vacancy



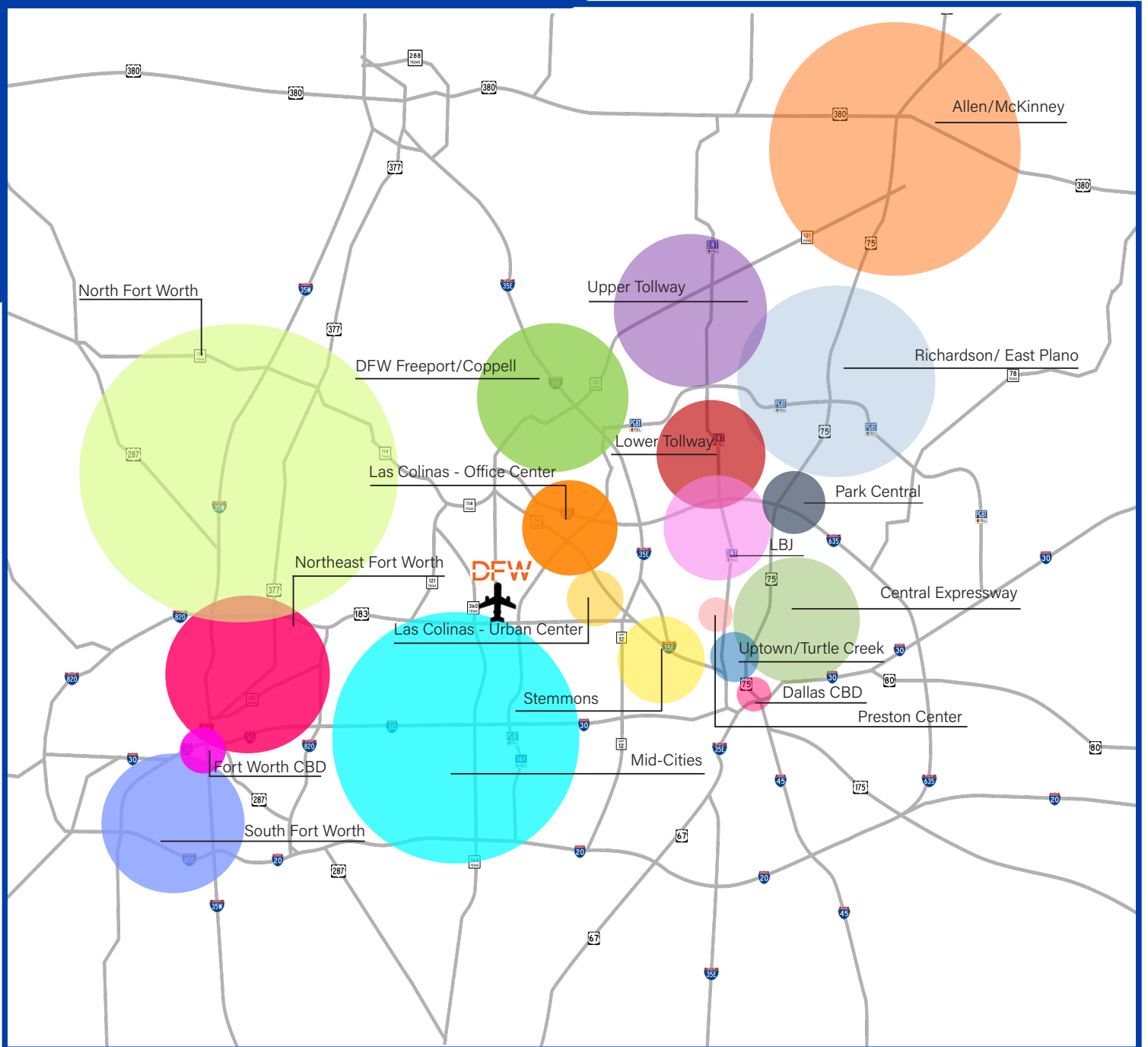
Average Gross
Rental Rate



Under
Construction



Dallas - Fort Worth Office Submarkets



Q3 Dallas - Fort Worth Office Market Statistics

Submarket	Building Inventory (Sq. Ft.)	Direct Vacancy (%)	Net Absorption (Sq. Ft.)	Deliveries (Sq. Ft.)	Under Construction (Sq. Ft.)	Average Gross Direct Rent (Per Sq. Ft)	Annual Rent Growth (%)
Dallas CBD	36,600,004	22.6%	-51,514	224,370	532,726	\$27.58	-0.1%
Uptown/Turtle Creek	14,289,204	15.7%	138,201	0	1,015,992	\$42.23	0.6%
Central Expressway	11,039,837	20.5%	-10,434	0	0	\$32.51	-0.1%
Preston Center	3,172,207	14.0%	3,073	0	318,632	\$43.32	0.8%
Stemmons	11,256,025	24.9%	46,252	0	0	\$20.40	0.0%
Las Colinas – Urban Center	9,325,885	23.3%	-214,923	0	456,000	\$31.21	-0.9%
Las Colinas – Office Center	15,880,947	15.4%	25,386	0	0	\$25.43	-0.8%
DFW Freeport/Coppell	14,628,910	18.9%	315,580	96,592	450,000	\$25.77	-0.5%
Park Central	6,557,609	21.8%	-145,840	107,000	0	\$25.24	-0.8%
LBJ	7,753,450	26.2%	53,014	0	0	\$19.86	-0.4%
Lower Tollway	19,694,371	23.5%	-266,289	0	0	\$30.29	-0.4%
Upper Tollway	22,540,669	35.8%	-150,295	0	120,000	\$36.56	0.3%
Richardson/East Plano	25,075,801	19.9%	-170,134	0	416,999	\$23.51	0.0%
Allen/McKinney	5,268,430	11.4%	-38,036	0	426,124	\$29.55	-0.1%
Fort Worth CBD	9,898,931	16.7%	24,842	0	0	\$28.07	0.1%
North Fort Worth	3,219,682	3.3%	-157,033	0	54,000	\$26.69	0.5%
Northeast Fort Worth	3,280,670	8.0%	161,774	0	0	\$22.05	0.7%
South Fort Worth	9,309,484	11.0%	74,562	0	52,000	\$25.61	0.7%
Mid-Cities	25,293,677	15.1%	133,668	99,980	676,999	\$25.51	1.0%

Statistics derived from all office buildings larger than 50,000 Sq. Ft. in major 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: Citadel Partners and CoStar

Forecast

The diverse local economy, continued corporate relocations, and more lenient mandates across the state of Texas have strengthened to the office market's potential energy. Over the summer, the Dallas-Fort Worth office market began to see signs of recovery from the recession that followed the pandemic.

New leasing activity is largely regarded as one of the first indicators of recovery – in Q3 Dallas-Fort Worth saw 3.9 MM square feet of new leases signed. While the 12-month net absorption is still -1.9 MM square feet, we experienced positive absorption for the second straight quarter. Another signal of recovery is that annual rent growth increased slightly from -0.2% in Q2 to 0.4% at the end of Q3. Overall, asking rates have remained stagnant at pre-pandemic prices, hovering around \$28.00 per square foot.

Although the pursuit of quality office space was a trend even before the pandemic, the option of working from home has been a catalyst for increased demand for Class A product. Companies are putting more emphasis on having an attractive workplace, evident in increased occupancy in high-end assets and premier submarkets across Dallas-Fort Worth.

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.