

Big-Box Market Report

DALLAS-FORT WORTH Q4 2019

AVG QUOTED RENT **\$3.91**

EXISTING BIG-BOX BY SIZE

RANGE	# BLDGS	# VACANCIES
200,000-499,999 SF	392	74
500,000-749,999 SF	104	18
750,000+ SF	72	13

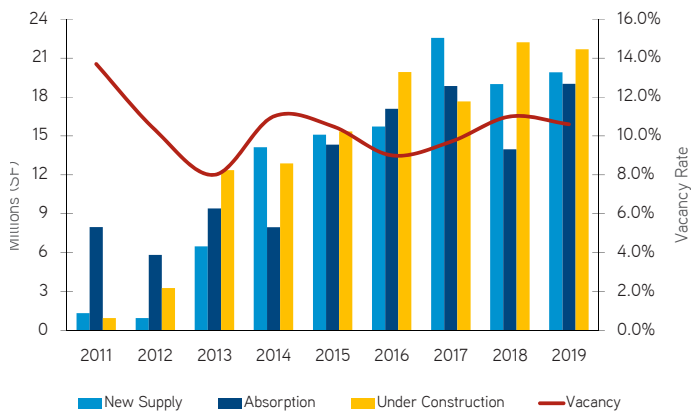


Accelerating success.

KEY TAKEAWAYS

- › A strong 4th quarter absorption of 6.2 million square feet helped to push the annual total of 19,016,417 into record territory for the DFW Metroplex. This marks the first time ever that the annual amount has surpassed 19 million square feet.
- › Deliveries and new construction kept pace with absorption, both coming in at over 19.9 million square feet. There are currently 39 Big-Box buildings under construction while 34 delivered throughout the year.
- › The vacancy rate slightly dipped from last year's rate of 11% down to 10.6% as of the 4th quarter.
- › Rental rates continue to rise in this product type, with landlords pushing rates even more into record territory at \$3.91 NNN. Rental rates have increased over 13% in the past five years.

ABSORPTION, DELIVERIES, VACANCY AND UNDER CONSTRUCTION



Market Indicators

Relative to prior period

Quarterly
Change

Quarterly
Forecast*

Vacancy



Net Absorption



Construction



Rental Rate



*Projected

Summary Statistics

DFW Big-Box Market

Q4 2018

Q4 2019

Buildings

534

568

Total Inventory (SF)
(Millions Square Feet)

240.7

260.6

Vacancy Rate

11.0%

10.6%

Absorption YTD
(Millions Square Feet)

12.1

19.0

New Supply YTD

Bldgs

37

34

Square Feet (Millions)

17.8

19.9

Under Construction

Bldgs

36

39

Square Feet (Millions)

22.2

21.71

Asking Rents

Per Square Foot Per Year

Average Quoted Rate (NNN)

\$3.82

\$3.91

NOTABLE LEASING ACTIVITY

Tenant	Address	Submarket	SF Leased	Deal Type	Sign Date
Zume Inc.	4700 Cleveland Rd	South Dallas	1,044,647	New	Nov-19
Geodis	1401 Chalk Hill Rd	West I-30 Corridor	672,775	New	Nov-19
At Home Stores LLC	4030-4040 Forest Ln	Northeast Dallas	555,321	Renewal	Oct-19
KGP Logistics Inc	9400 N Royal Ln	DFW Airport	335,480	Renewal	Dec-19
Emergent Cold	8200 Will Rogers Blvd	South Fort Worth	300,000	New	Oct-19
Wheelpros	4025 E I-30	West I-30 Corridor	296,680	New	Oct-19
Vital Pharmaceuticals	160 W Everman Pky	South Fort Worth	217,537	New	Nov-19
Wal-Mart Stores East LP	1201 NE Loop 820	North Fort worth	213,000	New	Oct-19
Alphabroder	1040 Trade Ave	DFW Airport	169,050	New	Oct-19

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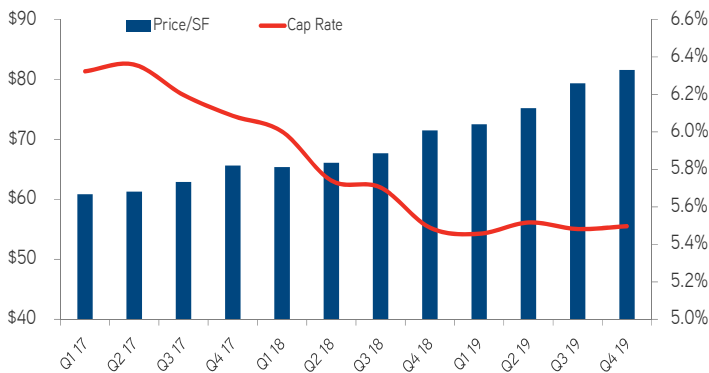
DFW BIG-BOX INVESTMENT MARKET

NOTABLE SALES ACTIVITY

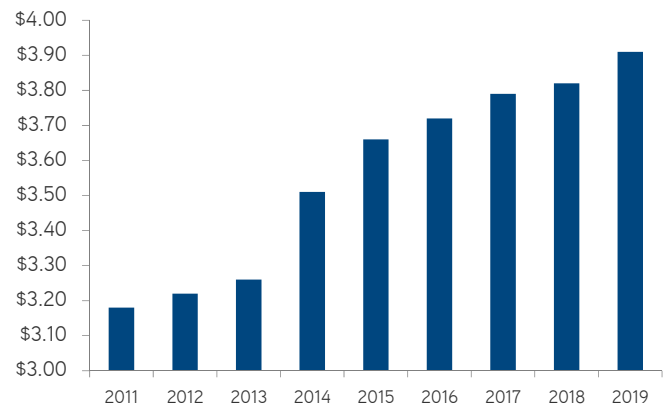
Property	Submarket	Sale Date	Sales Price	Size (SF)	PSF	Buyer
500 Miller Ferry Rd	South Dallas	Nov-19	\$103,030,945*	1,020,000	\$101	LBA Realty
2701 W Bethel Rd	DFW Airport	Sep-19	\$121,433,879*	1,053,000	\$115	Blackstone
777 Freeport Pky	DFW Airport	Sep-19	\$90,380,320*	792,394	\$115	Blackstone
3000 E Pioneer Pky	Great Southwest	Jun-19	\$65,165,227*	815,820	\$80	LaSalle Investment Mgmt.
39324 I-20	South Dallas	Jun-19	\$57,100,000	823,371	\$69	Trammell Crow Company
4001 & 3901 Adler Rd	North I-35E Corridor	Jun-19	\$59,455,000	725,000	\$82	CBRE Global Investors Ltd
2710 N Forum Dr	Great Southwest	May-19	\$23,000,000	289,080	\$80	Scannell Properties
3737 Duncanville Rd	South Dallas	Apr-19	\$28,201,000	510,400	\$55	Barings
3501 Sandshell Dr	North Fort Worth	Mar-19	\$22,660,000*	363,200	\$62	Space Center, Inc
201 Sunridge Blvd	South Dallas	Mar-19	\$43,750,000*	822,550	\$53	The Blackstone Group L.P.

* Part of a Portfolio - Allocated Amount

CAP RATES AND SALE TRENDS - US BIG-BOX



AVERAGE ASKING RENTAL RATES (NNN)



DFW BIG-BOX AVAILABLE SPACE

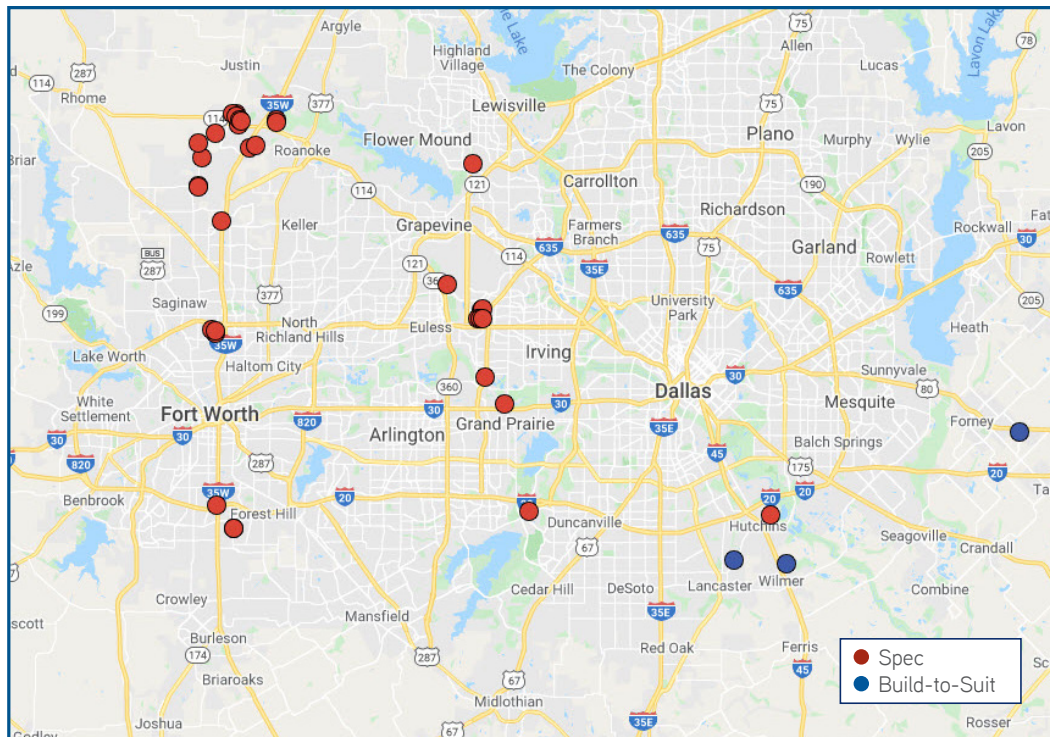
MAXIMUM CONTIGUOUS AVAILABILITIES BY SUBMARKET

Colliers Market	Total Vacant SF	Total Vacant %	100K - 249K	250K - 499K	500K to 749K	750K - 999K	1M+
Alliance	3,338,285	9.3%	12	10	4	4	3
DFW Airport	2,985,472	7.7%	18	7	3	2	1
East Dallas	1,670,438	17.7%	5	3	1	-	-
Far North I-35E	1,641,468	6.4%	8	4	1	-	-
Great Southwest	2,759,115	7.4%	15	8	1	-	-
Metropolitan-Addison	0	0.0%	-	-	-	-	-
North Fort Worth	1,922,303	14.9%	8	4	1	-	-
North I-35E Corridor	0	0.0%	-	-	-	-	-
North US 75 Corridor	389,378	9.0%	2	-	-	-	-
Northeast Dallas	1,013,115	11.0%	5	2	-	-	-
South Dallas	8,979,547	17.0%	12	13	8	5	1
South Fort Worth	768,874	12.8%	3	2	-	-	-
West I-30 Corridor	2,219,032	11.0%	5	5	3	-	-
Outlying Market	0	0.0%	-	-	-	-	-
TOTAL DFW MARKET	27,687,027	10.6%	93	58	22	11	5

DFW BIG-BOX CONSTRUCTION SNAPSHOT

PROPERTY	SUBMARKET	DELIVERY DATE	RBA	SPEC OR BTS
200 Fm 156	Alliance	4Q 2020	1,200,536	Spec
Hwy 80 & Forney Rd	Outlying Metroplex	2Q 2020	1,200,000	BTS
2600 Rental Car Dr	DFW Airport	4Q 2020	1,106,315	Spec
2 Haslet County Rd	Alliance	3Q 2020	1,007,000	Spec
5300 Mountain Creek Pky	South Dallas	4Q 2020	863,328	Spec
15221 N Beach St	Alliance	1Q 2021	810,908	Spec
North Beach St	Alliance	2Q 2020	810,908	Spec
E Cleveland Rd	South Dallas	4Q 2020	800,854	Spec
TXX-156	Alliance	2Q 2020	795,780	Spec
FM 156	Alliance	2Q 2020	754,473	Spec
2650 Rental Car Dr	DFW Airport	4Q 2020	709,700	Spec
1101 Interstate 35 W	Alliance	4Q 2020	707,000	Spec
401 Westport Pky	Alliance	3Q 2020	677,429	Spec
820 E Wintergreen Rd	South Dallas	3Q 2020	615,060	BTS
2340 Providence Dr	North Fort Worth	4Q 2020	581,000	Spec
1113 W Oakdale Rd	Great Southwest	3Q 2020	576,123	Spec
2601 W Rochelle Rd	DFW Airport	1Q 2020	494,401	Spec
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2749 Highway 114	Alliance	4Q 2020	473,894	Spec
17 Additional Buildings Under Construction			4,904,639	
				% PRELEASED
Total Spec Under Construction			17,318,689	9.3%
Total BTS Under Construction			2,265,060	-
TOTAL UNDER CONSTRUCTION			19,583,749	-

BIG-BOX PROPERTIES UNDER CONSTRUCTION



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What constitutes a Big-Box building?

- 200,000 square feet or larger industrial buildings
- Primarily used for warehousing and/or distribution
- Ceiling heights of 28' clear or greater
- Pre-cast or tilt-up concrete construction