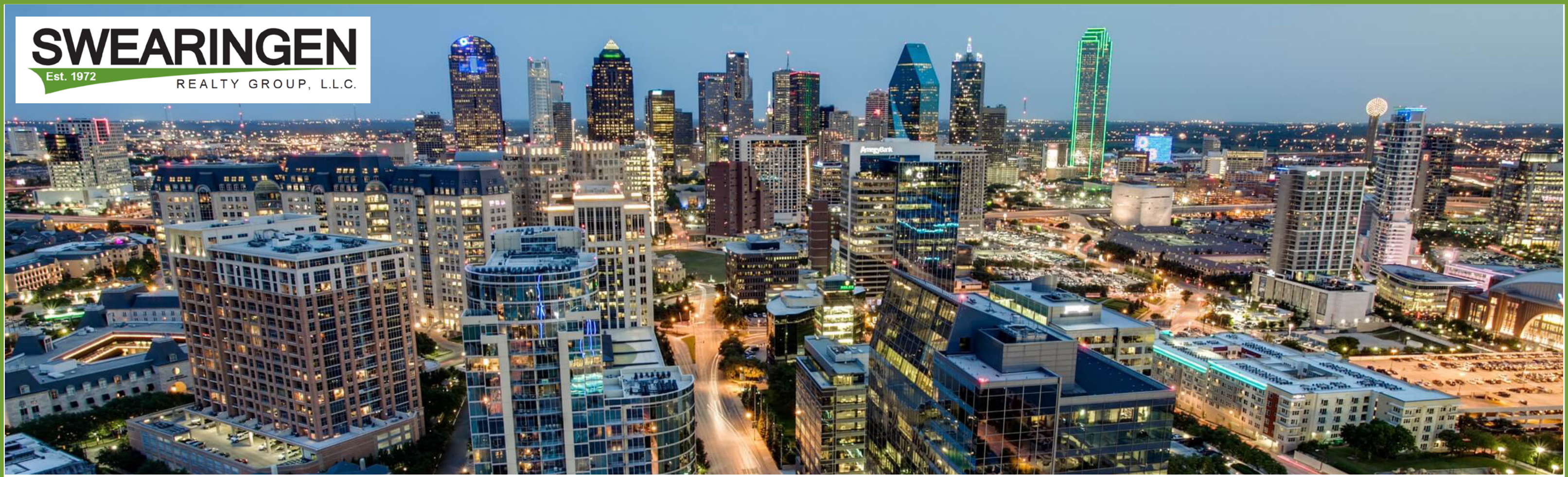
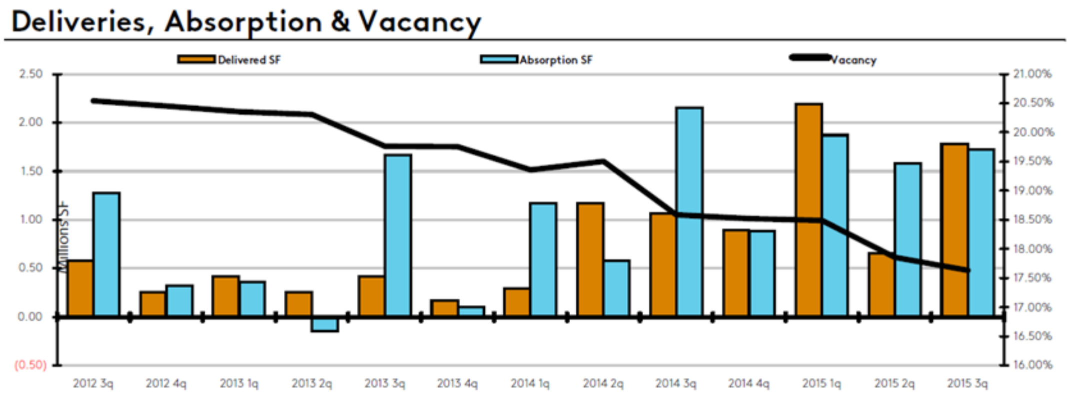


3rd QUARTER 2015 DFW OFFICE MARKET UPDATE

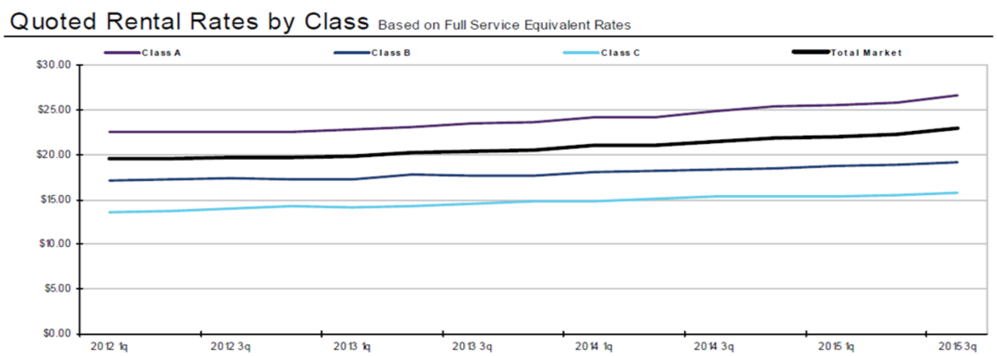


ABSORPTION & VACANCY RATES

At the end of the 3rd Qtr 2015, the vacancy rate equaled 17.6% with cumulative YTD net absorption of 5,177,396 SF, compared to cumulative YTD net absorption of 4,081,494 SF and vacancy rate of 18.1% through the 3rd Qtr 2014.

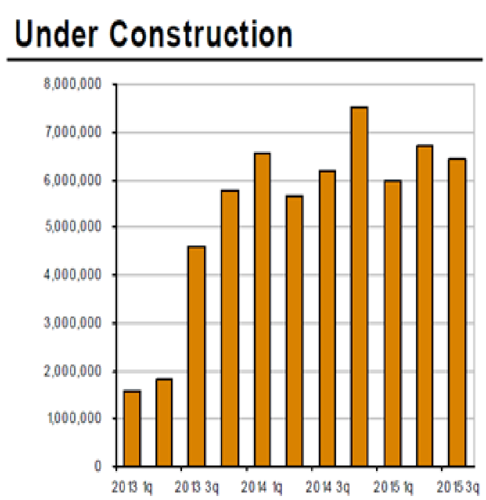
RENTAL RATES

The average quoted Class A rental rate during the 3rd Qtr 2015 was $26.62 per RSF, up 7.8% from $24.70 per RSF in 3rd Qtr 2014. The average rate for Class B space was $19.11 per RSF, ticking up 3.4% from $18.49 per RSF in 3rd Qtr 2014.



CONSTRUCTION ACTIVITY

At the end of the 3rd Qtr 2015, new office space under construction stood at 6,175,235 SF up from 5,832,056 SF under construction in the 3rd Qtr 2014.



OFFICE CONSTRUCTION IN DFW

- The Uptown/Turtle Creek submarket has 671,330 SF under construction, including, McKinney & Olive totaling 530,000 SF, and 1920 McKinney Ave totaling 141,330 SF.
- The Far North Dallas submarket has 2,823,136 SF under construction, including 400,000 SF at Wade Park I in Frisco, 398,769 SF for the Dallas Cowboys future HQ in Frisco, 306,200 SF for Granite Park V in Plano, 265,000 SF for the FedEx HQ in Plano and 170,000 SF for Frisco Bridges in Frisco.
- The Richardson/Plano submarket has 1,342,076 SF under construction including Bldg D of the State Farm Campus at 3521 E Plano Pkwy totaling 499,992 SF, Raytheon HQ at 1717 E CityLine Dr totaling 490,000 SF, and Allen Place I totaling 102,084 SF.
- The Las Colinas submarket has 681,219 SF under construction including 7-Eleven HQ totaling 325,000 SF, and 9001 Cypress Waters Blvd totaling 215,000 SF.

3rd QUARTER 2015 OFFICE MARKET UPDATE

SWEARINGEN Est. 1972 REALTY GROUP, L.L.C.

Total Office Market Statistics

Third Quarter 2015

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Expressway	105	12,738,469	2,092,332	2,128,488	16.7%	218,248	207,041	0	$24.66
Dallas CBD	77	28,657,102	6,252,524	6,428,068	22.4%	406,659	459,383	0	$23.12
East Dallas	181	7,945,978	829,545	835,399	10.5%	166,149	20,773	18,309	$20.13
Far North Dallas	419	41,372,718	5,723,024	6,026,019	14.6%	1,088,885	693,012	2,903,199	$26.29
Ft Worth CBD	56	8,670,865	1,069,382	1,103,061	12.7%	246,968	0	0	$26.43
Las Colinas	267	31,248,487	5,154,938	5,530,454	17.7%	214,914	340,585	681,219	$23.28
LBJ Freeway	167	20,917,714	5,310,801	5,368,435	25.7%	134,208	0	0	$19.88
Lewisville/Denton	153	8,182,664	1,260,615	1,267,764	15.5%	3,307	103,464	0	$21.62
Mid-Cities	385	20,417,661	3,536,642	4,281,683	21.0%	190,396	191,500	88,955	$19.31
North Fort Worth	48	2,420,821	304,368	332,411	13.7%	383,210	407,214	0	$21.50
Northeast Ft Worth	49	3,566,316	1,032,489	1,047,620	29.4%	103,054	0	0	$15.65
Preston Center	49	4,450,987	361,156	382,422	8.6%	176,890	190,000	0	$35.89
Richardson/Plano	311	24,343,512	4,100,431	4,139,998	17.0%	1,189,245	1,587,638	1,402,991	$21.09
South Ft Worth	204	10,293,309	936,706	939,645	9.1%	189,733	194,210	409,232	$23.02
Southwest Dallas	77	3,214,306	430,050	430,050	13.4%	37,625	75,000	0	$17.42
Stemmons Freeway	112	11,891,973	2,767,323	2,865,369	24.1%	235,536	0	0	$15.49
Uptown/Turtle Creek	87	11,079,500	1,172,048	1,218,194	11.0%	192,369	167,735	671,330	$35.61
Totals	**2,747**	**251,412,382**	**42,334,374**	**44,325,080**	**17.6%**	**5,177,396**	**4,637,555**	**6,175,235**	**$22.95**

Data Source: CoStar Property, Bureau of Labor Statistics, US Census Bureau

NET ABSORPTION

Overall YTD 3rd Qtr 2015 absorption was postive **5,177,396** SF compared to 3rd Qtr 2014 positive absorption of 4,081,494 SF.

RENTAL RATES

Average overall quoted rental rates for 3rd Qtr 2015 were **$22.95 per RSF, up 7.0%** compared to $21.45 per RSF in the 3rd Qtr 2014.

VACANCY RATES

The overall Metroplex vacancy rate for 3rd Qtr 2015 was **17.6%**, compared to 18.1% during the 3rd Qtr 2014

3rd QUARTER 2015 D/FW ACTIVITY

- FAA Southwest Regional Headquarters moved into 357,214 SF at 10101 Hillwood Pkwy in the North Fort Worth submarket.
- KPMG moved into 194,500 SF at 2323 Ross Ave in the Dallas CBD submarket.
- Frontier Communications moved into 191,534 SF at 2221 Lakeside Blvd in the Richardson/Plano submarket.
- Energy Transfer Partners moved into 131,137 SF at 8111 Westchester Dr in the Preston Center submarket.
- Palo Alto Networks moved into 120,000 SF at 3901 N Dallas Pkwy in the Upper Tollway/West Plano submarket.
- AMN Healthcare moved into 108,502 SF at 8840 Cypress Waters Blvd in the Freeport/Coppell submarket.
- Polsinelli moved into 76,896 SF at 2950 Harwood St in the Uptown/Turtle Creek submarket.
- Frost Bank moved into 57,000 SF at 2950 Harwood St in the Uptown/Turtle Creek submarket.
- CEC Entertainment moved into 55,257 SF at 1707 Market Place Blvd in the Freeport/Coppell submarket.