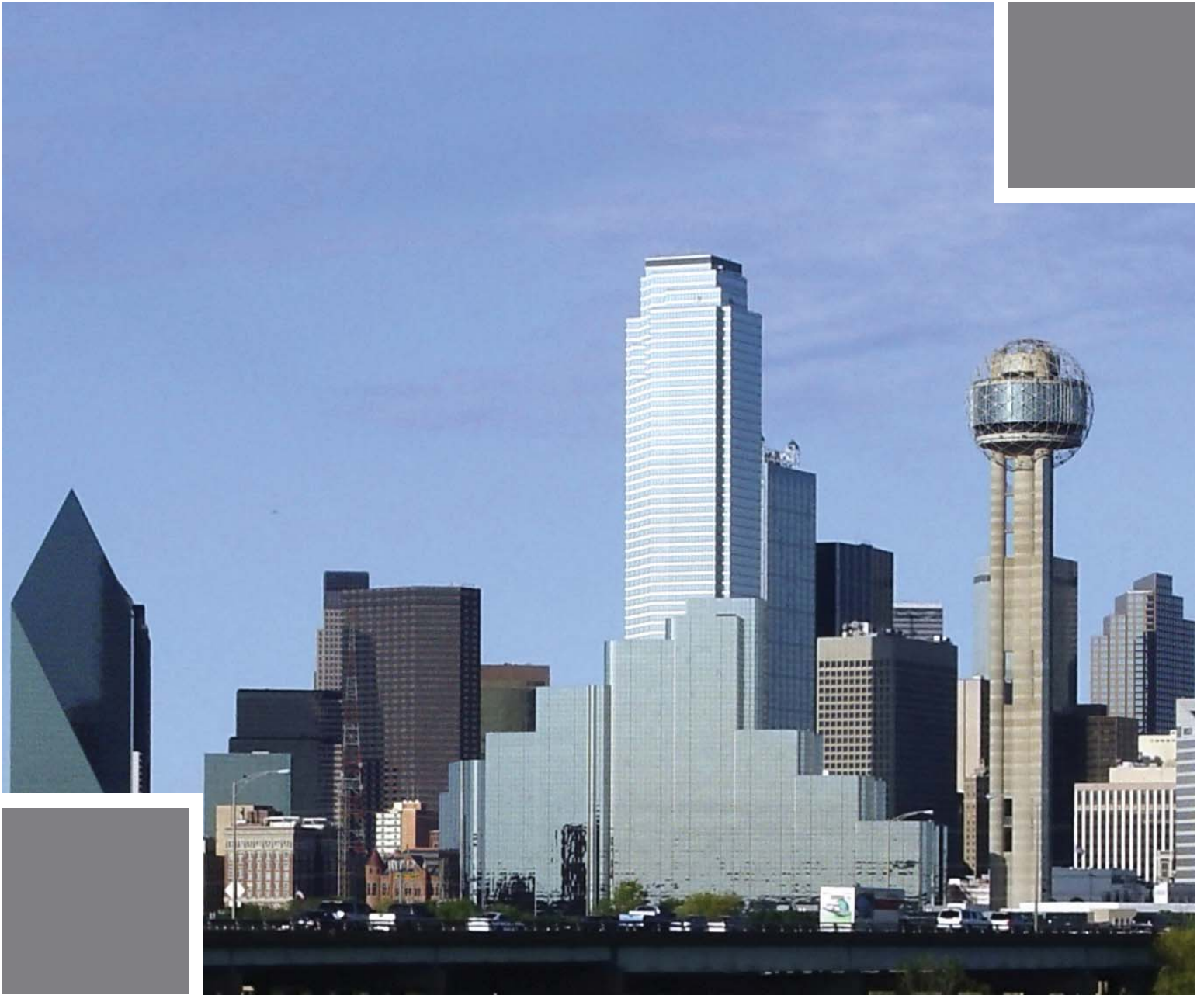


# NAI ROBERT LYNN

Office Report | Second Quarter 2010



**NAI** Robert Lynn

Commercial Real Estate Services, Worldwide.

# DALLAS/FT. WORTH



## TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents



## STATISTICS:

Number of Buildings.....	9,173
Market Size (SF).....	329,171,607
Overall Vacancy Space (SF).....	60,253,989
Overall Vacancy (%).....	18.3%
Direct Vacancy.....	57,441,936
Sublease Vacancy (SF).....	2,812,053
Net Absorption (SF).....	42,402
Average Asking Rental Rate (\$/SF/YR).....	\$19.54

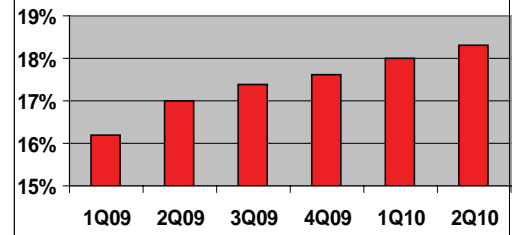
## OVERVIEW:

The Dallas /Fort Worth market ended the second quarter 2010 with a vacancy rate of 18.3%. The vacancy rate was up over the previous quarter, with a net absorption totaling a positive 42,402 rentable square feet. Vacant sublease space increased ending the quarter at 2,812,053 rentable square feet. Average rental rates across all classes of office space (A, B and C) decreased over the previous quarter to \$19.54. By the end of the first quarter, a total of 17 office buildings were delivered to the market totaling 554,384 square feet with another 1,902,738 square feet still under construction.

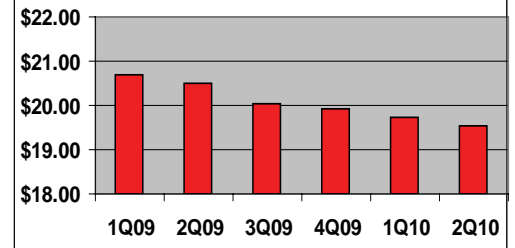
Some of the notable 2010 deliveries include: Blue Cross and Blue Shield of TX, Tower 1, a 1,000,000 square foot facility that is 100% occupied, and Park Seventeen, a 369,656 square foot building that is now 11% occupied.

The largest projects underway were 1000 Montgomery St., a 461,805 square foot building with 100% of its space pre-leased, and Baylor Outpatient Cancer Center, a 459,717 square foot facility that is 94% pre-leased.

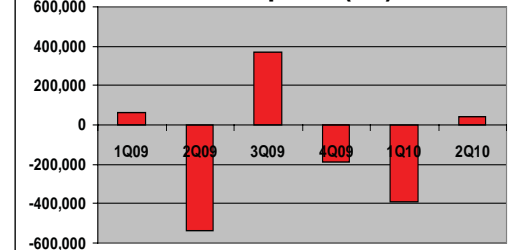
Overall Vacancy (%)



Average Asking Rental Rate



Net Absorption (SF)



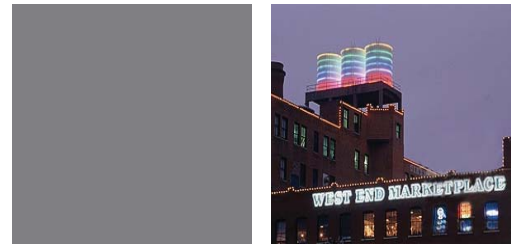
## Major Lease Transactions

Tenant:	Building:	Size (SF):	Submarket:
Denbury Resources, Inc.	Campus at Legacy	325,000 SF	Upper Tollway/W Plano
Quicksilver Resources	Burnett Plaza	115,494 SF	Fort Worth CBD
Rexel, Inc.	The Addison	93,805 SF	Quorum/Bent Tree
CB Richard Ellis	2100 McKinney Ave.	90,971 SF	Uptown/Turtle Creek
ORIX USA Corporation	Comerica Bank Tower	78,002 SF	Dallas CBD

\*All rents are per SF/per YR unless otherwise noted.

# NAI ROBERT LYNN

Office Report | Second Quarter 2010

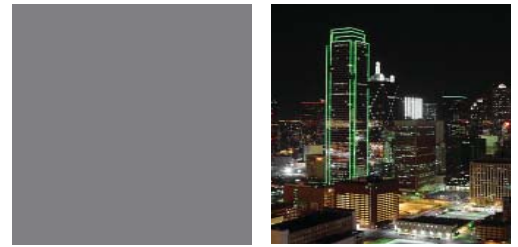


Market	# Bldgs	Total RBA (SF)	Total Available (SF)	Vacancy %	YTD Net Absorption	Average Rate	YTD Deliveries	Under Construction
Central Expy.	301	15,543,303	2,006,276	12.9%	48,762	\$21.33	0	120,000
Dallas CBD	166	37,141,997	9,776,841	26.3%	(240,528)	\$18.87	0	0
East Dallas	759	12,233,314	1,310,581	10.7%	123,806	\$18.36	110,993	459,717
Far North Dallas	822	49,047,797	9,795,178	20.0%	(629,918)	\$20.65	64,873	361,004
Fort Worth CBD	122	11,249,434	1,198,736	10.7%	68,016	\$21.91	0	0
Las Colinas	370	36,141,519	7,241,556	20.0%	1,826	\$19.55	0	0
LBJ Freeway	250	24,183,958	5,276,620	21.8%	100,085	\$17.08	0	0
Lewisville/Denton	643	10,231,347	2,142,072	20.9%	6,135	\$20.11	24,510	5,000
Mid Cities	1,785	35,138,965	4,990,667	14.2%	(353,811)	\$18.93	76,065	129,590
North Ft Worth	283	3,584,733	243,869	6.8%	34,320	\$19.08	0	0
NE Ft Worth	279	4,169,724	441,313	10.6%	2,153	\$17.48	0	0
Preston Center	135	5,061,385	586,481	11.6%	(87,485)	\$26.57	0	0
Richardson/Plano	910	33,032,459	6,703,958	20.3%	91,002	\$18.57	1,024,112	357,622
South Ft Worth	1,265	17,226,092	1,499,382	8.7%	33,690	\$20.49	18,326	469,805
Southwest Dallas	504	5,668,217	554,660	9.8%	101,939	\$15.91	0	0
Stemmons Frwy	250	16,258,244	3,806,377	23.4%	157,447	\$14.64	0	0
Uptown/Turtle Crk	329	13,259,119	2,679,422	20.2%	(200,733)	\$28.44	369,656	0

Some of the data in this report has been gathered from third party sources and has not been independently verified by NAI Robert Lynn. NAI Robert Lynn makes no warranties or representations as to the completeness or accuracy thereof.

# NAI ROBERT LYNN

## Definitions / Sub Market Map



### Absorption (Net)

The change in occupied space in a given time period.

### Available Square Footage

Net rentable area considered available for lease; excludes sublease space.

### Average Asking Rental Rate

Rental rate as quoted from each building's owner/management company. For office space, a full service rate was requested; for retail, a triple net rate requested; for industrial, a NN basis.

### Building Class

Class A Product is office space of steel and concrete construction, built after 1980, quality tenants, excellent amenities & premium rates. Class B product is office space built after 1980, fair to good finishes & wide range of tenants.

### Direct Vacancy

Space currently available for lease directly with the landlord or building owner.

### Market Size

Includes all existing and under construction office buildings (office, office condo, office loft, office medical, all classes and all sizes, both multi-tenant and single-tenant, including owner-occupied buildings) within each market.

### Overall Vacancy

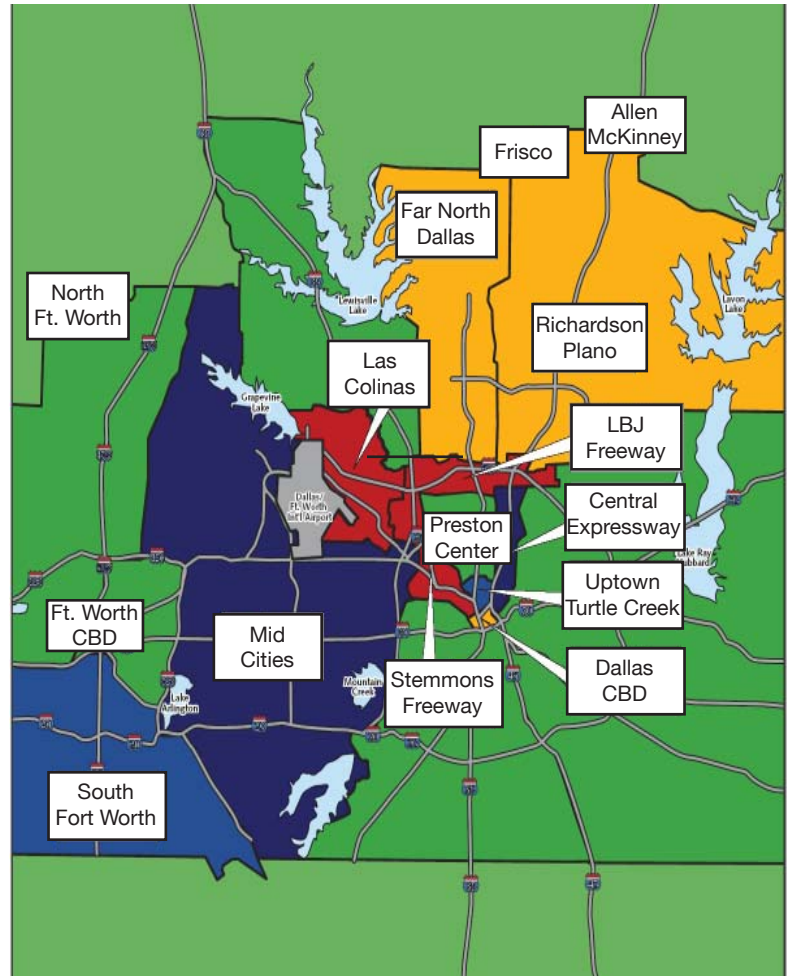
All unoccupied lease space, either direct or sublease.

### SF/PSF

Square foot/per square foot, used as a unit of measurement.

### Sublease

Arrangement in which a tenant leases rental property to another, and the tenant becomes the landlord to the subtenant.



### Sublease Space

Total square footage being marketed for lease by the tenant. Sublease space is not considered in the overall occupancy or absorption numbers - only direct leases are included.

### Sublease Vacancy

Space currently available in the market for sublease with an existing tenant within a building acting as the landlord.