



Dallas, Texas

Tenant's Guide ▪ North American Markets ▪ Fourth Quarter 2011

Overview

The Dallas-Fort Worth (DFW) market experienced an increase in office leasing in the fourth quarter of 2011. Overall vacancy decreased from 17.4% to 17.1%, and there was a positive absorption of 1,196,843 SF during the quarter. Average rental rates ended the fourth quarter at \$19.26/SF – down from \$19.45/SF in the third quarter of 2011.

West Plano, Frisco, Richardson's Telecom Corridor, and Uptown/Turtle Creek were the submarkets that had the largest impact on the increase in leasing during the fourth quarter. The LBJ Freeway and Downtown submarkets had the worst performing quarter.

The DFW industrial market had a decrease in vacancy during the fourth quarter of 2011 from 10.2% down to 9.3%. The average rental rates decreased from \$4.15/SF to \$3.58/SF.

Capital markets continue to see positive activity. Plaza of the Americas, consisting of two 25-story towers, was acquired by M-M Properties and Invesco Real Estate for an undisclosed amount estimated to be approximately \$100 million. Additionally, Billingsley acquired 5050 Quorum and Gramercy Center, a two building complex comprising of approximately 250,000 SF along the Tollway in Plano.

Market Trends

- With the LBJ Freeway construction underway, many tenants are relocating to other submarkets to avoid highway construction and traffic.
- Landlords continue to be very interested in tenants' credit. Hence, improving a tenant's balance sheet can bring significant value to negotiations.

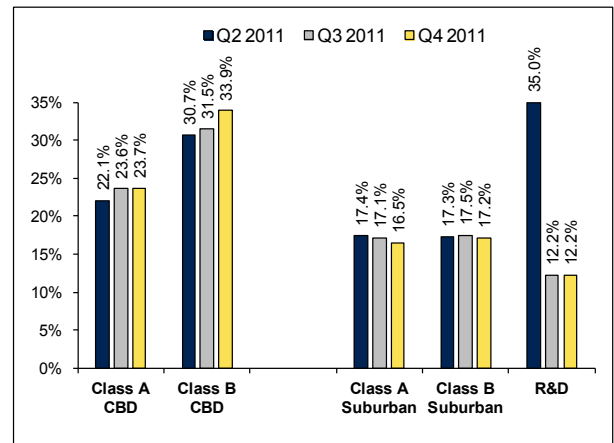
Tenant's Perspective

Though the market has experienced positive absorption for the year, there are still great opportunities for tenants to create valuable leverage. While there are leasing opportunities for tenants to take advantage of at this time, tenants and their brokers must be creative to find feasible solutions for all parties involved.

Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
MedAssets	225,000	Office	Lease
PFS Web	78,000	Office	Lease
PFS Web	75,000	Office	Lease
Pegasus Solutions	46,000	Office	Lease
PageSoutherlandPage	34,000	Office	Lease
Gehan Homes	29,000	Office	Lease
Wells Fargo	28,000	Office	Lease
Polsinelli Shugart	25,000	Office	Lease
MetLife	16,000	Office	Lease
Caliber Funding	16,000	Office	Lease

Vacancy Rate



Average Rental Rates

CBD	Q2 2011	Q3 2011	Q4 2011
Class A Office	\$20.29	\$20.35	\$20.45
Class B Office	\$14.27	\$15.14	\$16.17
Suburban	Q2 2011	Q3 2011	Q4 2011
Class A Office	\$23.05	\$22.46	\$22.60
Class B Office	\$17.64	\$17.55	\$17.50
R&D	\$6.89	\$7.05	\$8.18

