

Office Submarket Snapshot

Quorum/Bent Tree

Key Takeaways:

- Just up the Tollway, Cawley Partners is building Fourteen555, a project that will include two, six-story, 240,000 SF buildings. The first building at Fourteen555 broke ground in May 2017 and is expected to complete in Q3 2018.
- Rent levels in Quorum/Bent Tree are in line with those in other close-in suburban Dallas submarkets like Office Center/West LBJ, East LBJ Freeway, and Richardson. Rent growth has remained positive. However, most rent increases have taken place in 3 star assets, while 4 & 5 star rent growth has been flat as of late.
- Vacancies are nearly 700 basis points below their recessionary peak. This will change soon, because JPMorgan Chase is scheduled to move from its International Plaza location to Legacy West. If it isn't backfilled, roughly 350,000 SF will open up at the end of 2017. More moveouts are scheduled in 2018, when Fannie Mae plans to leave International Plaza to consolidate its regional operations into a 300,000 SF build-to-suit in Granite Park, also in the Upper Tollway/West Plano Submarket.

Forecast:

- Overall, we do not expect market dynamics to change appreciably during the next one and one half to two years, although we continue to watch for signs of slowing.

Market Summary

Absorption	vs. Prev. Qtr	vs. 12 Mths Ago
-135,934	-11,740	-57,401
Vacancy	vs. Prev. Qtr	vs. 12 Mths Ago
20.80%	20%	16.80%
Under Construction SF	vs. Prev. Qtr	vs. 12 Mths Ago
0	0	0
Gross Rent	vs. Prev. Qtr	vs. 12 Mths Ago
\$24.11	\$23.91	\$23.00
Inventory = 185 Buildings, Total SF = 17,701,634		

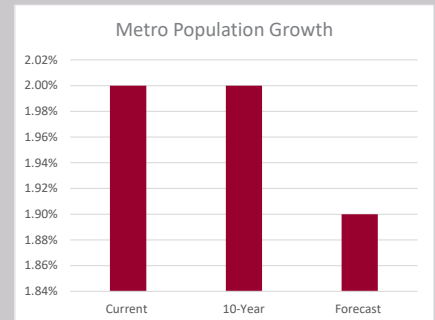
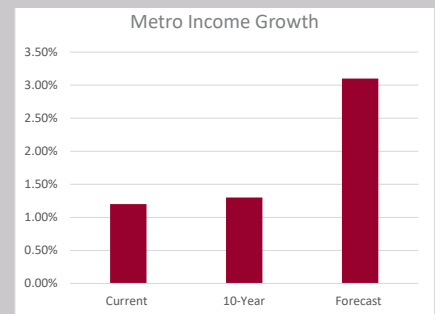
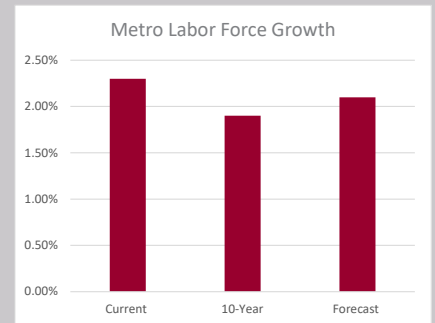
For Inquiries Please Contact

Mike Ebbitt, Associate
mebbitt@lee-associates.com
C - 512.701.1574
O - 972.934.4004

Lee & Associates Dallas/Fort Worth
15455 Dallas Parkway, Suite 400
Addison, TX 75001
972.934.4000

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Economic Indicators as of Q4 2017



Quorum/BentTree Map

