

VIEWPOINT



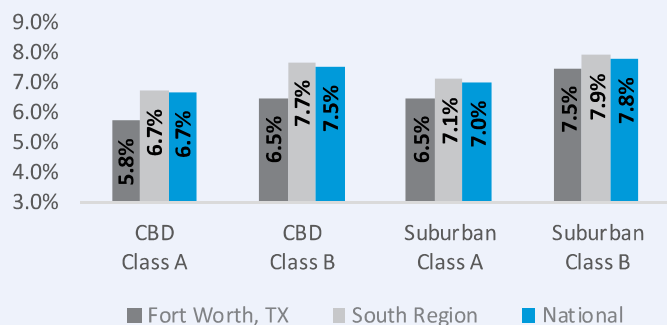
2019 FORT WORTH, TX OFFICE MID-YEAR REPORT

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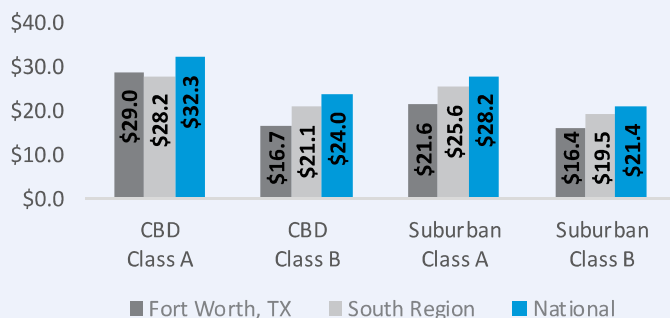
Market Rate Indicators (Y/Y)

Categories	Suburban Class A	
	CBD Class A	A
Going In Cap Rate (%)	▼	▼
Asking Rent (\$/SF)	▲	▼
Vacancy Rate (%)	▲	▲

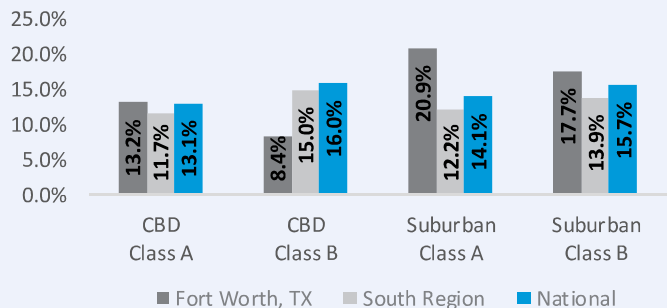
Going In Cap Rate Comparisons (%)



Asking Rents (\$/SF)



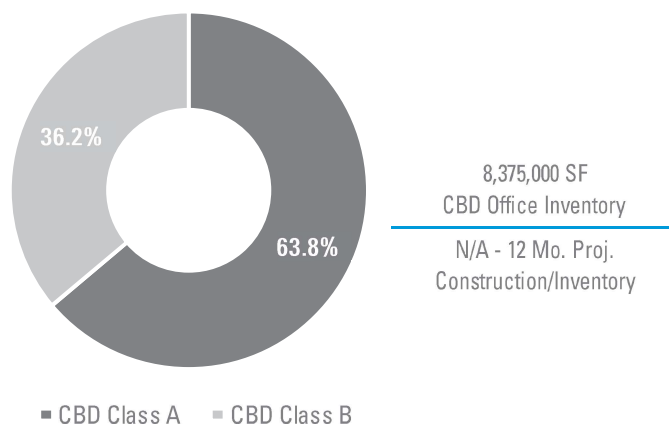
Vacancy Rates (%)



Fort Worth, TX Office Market Overview

Despite increasing population and one of the lowest unemployment rates in the country, demand has been relatively weak in the Fort Worth office market; particularly the Central Business District. However, it will likely be in the expansion cycle for the foreseeable future due to growth in the suburban submarkets. The overall vacancy rate has been stable to slightly increasing when considering both the CBD and suburban markets. Net absorption is projected to be slightly negative from 2019-2022 which will result in slight increases to overall vacancy rates. Despite the limited growth in the last 2-3 years, the overall health of the local economy with strong employment and population growth should continue to drive the expansion of the Fort Worth office market through the remainder of 2019.

Distribution of Total Inventory



Integra Realty Resources - Fort Worth

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Change In Value Next 12 Months



2% - 3.9%

CBD Class A



.1% - 1.9%

Suburban Class A

.1% - 1.9%

CBD Class B

.1% - 1.9%

Suburban Class B

Market Cycle: Hypersupply Stage 2



- Increasing Vacancy Rates
- Low/Negative Absorption
- Moderate/Low Employment Growth
- Med/Low Rental Rate Growth
- Moderate/High New Construction

Forecasts

Fort Worth, TX 12-Month Office Forecasts

Categories	CBD Class A	CBD Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Remain Steady - no change	Increase 1-24 bps	Remain Steady - no change	Increase 1-24 bps
Discount Rate	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Reversion Rate	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Construction (SF)	50,000			
Years to Balance	2	2	2	2

Fort Worth, TX 36-Month Office Forecasts

Categories	CBD Class A	CBD Class B	Suburban Class A	Suburban Class B
Market Rent Change	1.00%	1.00%	1.00%	1.00%
Expense Rate Change	3.00%	3.00%	3.00%	3.00%
Change in Value	Increase 2% - 3.9%	Increase 2% - 3.9%	Increase 2% - 3.9%	Increase 2% - 3.9%
Annual Absorption (SF)	-20,000	-10,000	0	0

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