MARKETVIEW

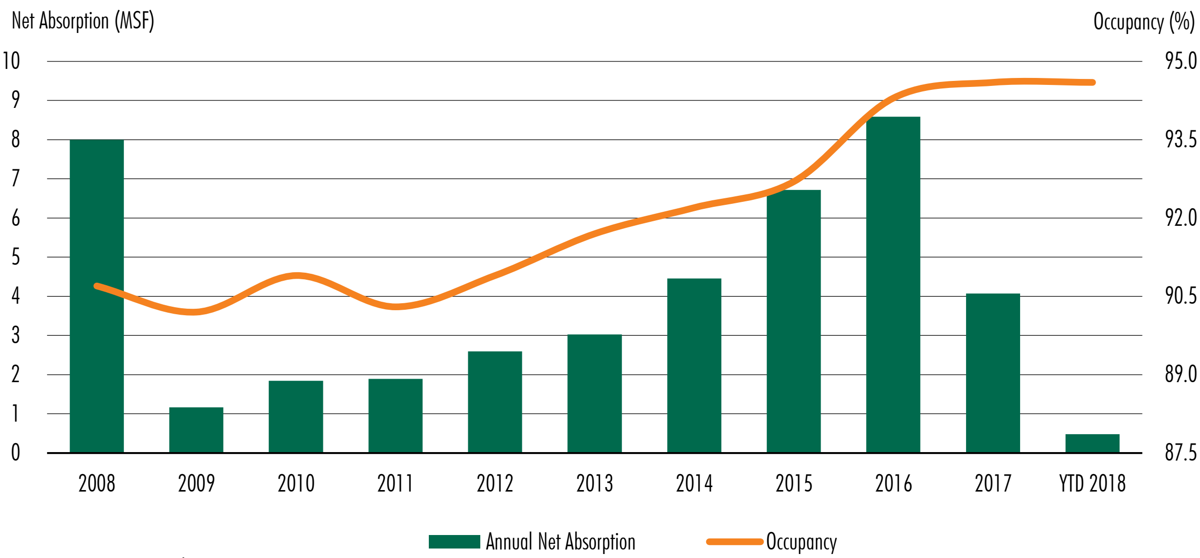
Dallas / Fort Worth Retail, Q3 2018

Construction, deliveries show signs of strength in the third quarter

Occupancy	Under Construction	Completions	Net Absorption
94.9%	4,205,134 SF	633,188 SF	-226,227 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q3 2018.

BIG BOX VACANCY GIVING OPPORTUNITIES FOR NEW CONCEPTS

Overall big box vacancy totals just over 4 million square feet in 110 properties throughout the metroplex. This compares favorably to the vacancy in 2009 and 2010 when there were nearly 250 vacant big boxes available. During that period, Circuit City, Linens & N Things, and several grocers left our market littered with boxes that allowed many new concepts to expand into DFW and establish a foothold at much lower rents than can be achieved today.

VICTORY PARK'S RETAIL REVIVAL

Twenty years after it's grand opening, Victory Park is seeing a retail revival. In 2012, the 75-acre mixed use development, was only 28 percent leased, but today is seeing an 83 percent occupancy rate. This year the district is opening 10 food and beverage concepts and has already welcomed Orangetheory Fitness, WeWork, and Cinepolis Luxury Cinemas.

DFW'S JOB GROWTH WELL ABOVE AVERAGE

Dallas and its surrounding area has added jobs 44,048 jobs for the trailing 12 months ending in August, well above average. Additionally, the metroplex led the country in population growth last year, adding 146,000 residents. This rise and population growth and a healthy job market has created a demand for more shops and restaurant/entertainment.

CLASS A BOX AVAILABILITY ON THE RISE, BUT DEMAND STEADY

Currently we count 31 vacant Class A Boxes, with nearly two thirds consisting of former Toys R Us/Babies R Us and Sports Authority locations. Demand for these properties remain strong, with the most active users of this second generation space being Ollie's Bargain Basement, Burlington Coat Factory, 24 Hour Fitness and Total Wine.

Figure 2: Historical Market Statistics

	2013	2014	2015	2016	2017	Q1 2018	Q2 2018	Q3 2018	YTD 2018
CENTRAL DALLAS									
Absorption (Net, SF)	66,710	161,648	245,906	416,648	-36,509	-37,156	66,269	31,324	60,437
Delivered Construction (SF)	47,325	21,000	148,821	208,549	0	0	0	46,571	46,571
Rentable Building Area (RBA)	9,106,345	9,082,276	9,093,061	13,879,294	13,943,581	13,976,675	13,962,585	14,376,303	14,376,303
Occupancy Rate (%)	94.9	94.9	95.7	97.3	97.4	97.1	97.3	97.4	97.4
EAST DALLAS OUTLYING									
Absorption (Net, SF)	48,929	-8,769	97,990	-12,589	93,844	-5,252	13,447	3,903	12,098
Delivered Construction (SF)	0	0	62,000	0	87,406	0	10,000	0	10,000
Rentable Building Area (RBA)	3,503,104	3,482,829	3,633,860	3,607,505	3,863,835	3,822,234	3,832,654	3,837,460	3,837,460
Occupancy Rate (%)	97	95.9	97.7	98.3	97.6	97.5	97.6	96.4	96.4
FAR NORTH DALLAS									
Absorption (Net, SF)	475,411	780,537	942,926	2,081,683	628,513	208,588	101,227	-108,505	201,310
Delivered Construction (SF)	375,818	392,357	192,434	1,653,138	1,003,888	122,000	107,287	261,729	491,016
Rentable Building Area (RBA)	53,952,341	53,443,582	54,352,868	54,868,240	54,700,543	55,259,337	55,458,235	57,082,040	57,082,040
Occupancy Rate (%)	89.8	90.1	91.4	93.4	93.4	94.4	94.1	95	95.5
NEAR NORTH DALLAS									
Absorption (Net, SF)	83,422	116,135	356,548	485,111	375,484	-5,057	4,687	-108,405	-108,775
Delivered Construction (SF)	14,980	0	182,500	374,964	240,431	0	0	0	0
Rentable Building Area (RBA)	21,084,243	20,879,785	21,064,645	20,887,570	21,528,943	21,546,070	21,488,581	21,856,276	21,856,276
Occupancy Rate (%)	94.1	94.1	94.1	95.2	95.6	95.5	95.4	95.4	95.4
NORTH CENTRAL DALLAS									
Absorption (Net, SF)	573,749	316,706	1,716,562	919,412	991,268	123,606	56,882	-40,749	139,739
Delivered Construction (SF)	468,407	40,406	1,164,188	621,341	779,802	0	112,549	92,422	204,971
Rentable Building Area (RBA)	30,244,311	30,314,475	32,020,305	33,507,776	34,757,484	34,978,682	34,783,500	36,201,626	36,201,626
Occupancy Rate (%)	92.2	93	93.4	94.6	94.9	95.2	95.1	93.7	93.7
SOUTHEAST DALLAS									
Absorption (Net, SF)	127,644	4,942	67,641	109,261	-5,864	26,613	-73,228	-34,068	-80,683
Delivered Construction (SF)	0	0	11,000	0	14,804	0	20,000	0	20,000
Rentable Building Area (RBA)	13,179,212	13,186,023	13,345,878	13,472,130	13,593,165	13,832,281	13,734,121	14,057,884	14,057,884
Occupancy Rate (%)	92.9	93	93.1	95.1	94.1	94.5	93.9	95.6	95.6
SOUTHWEST DALLAS									
Absorption (Net, SF)	70,540	503,218	92,066	812,083	154,101	142,320	3,691	33,147	179,158
Delivered Construction (SF)	10,467	435,982	0	76,663	0	0	0	0	0
Rentable Building Area (RBA)	17,143,905	17,070,389	17,180,845	17,305,531	17,675,225	17,699,664	17,820,452	18,244,292	18,244,292
Occupancy Rate (%)	90.2	90.4	90.1	92	92.2	93	93.5	93.3	93.3
WEST DALLAS									
Absorption (Net, SF)	172,210	514,750	502,973	891,544	913,843	184,377	-40,558	-135,223	8,596
Delivered Construction (SF)	10,049	143,808	256,713	40,000	557,039	58,000	94,591	93,625	246,216
Rentable Building Area (RBA)	29,988,752	30,076,169	30,501,537	30,676,294	30,968,333	31,540,719	31,824,822	32,773,295	32,773,295
Occupancy Rate (%)	90.9	92	91.6	93.3	95.5	96	95.3	94.2	94.2

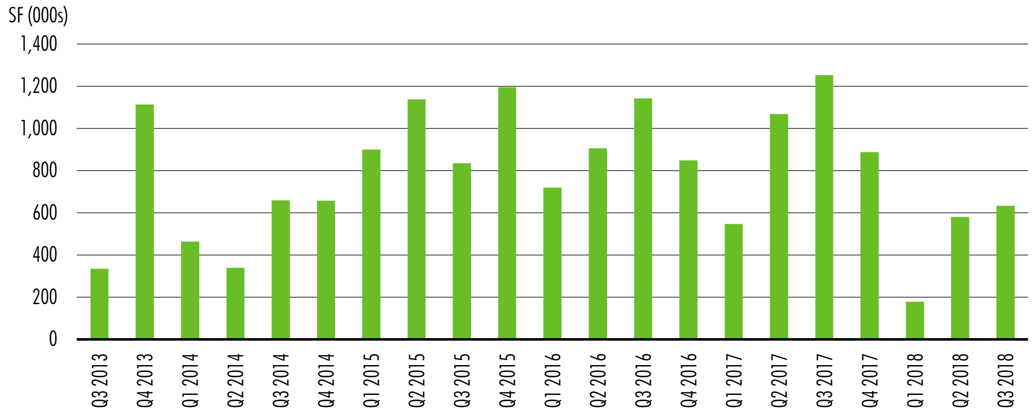
Source: CBRE Research, Q3 2018.

Figure 2: Historical Market Statistics

	2013	2014	2015	2016	2017	Q1 2018	Q2 2018	Q3 2018	YTD 2018
CENTRAL FORT WORTH									
Absorption (Net, SF)	322,668	368,008	471,480	755,927	455,273	36,907	-113,352	-36,708	-113,153
Delivered Construction (SF)	364,789	182,000	138,012	482,101	498,000	0	56,711	22,500	79,211
Rentable Building Area (RBA)	23,497,606	23,662,009	23,777,270	24,111,810	24,796,196	24,904,678	25,156,656	25,627,702	25,627,702
Occupancy Rate (%)	90.1	90.8	92.3	94.1	94.3	94.5	94.3	94.5	94.5
MID-CITIES									
Absorption (Net, SF)	664,421	1,103,732	1,131,435	1,146,109	158,308	-131,035	164,485	57,003	90,453
Delivered Construction (SF)	223,409	409,658	850,807	519,954	0	0	169,750	74,912	244,662
Rentable Building Area (RBA)	50,036,310	50,397,194	51,030,130	51,277,259	52,635,431	52,833,165	53,058,770	54,722,811	54,722,811
Occupancy Rate (%)	92.6	93.4	94.1	94.6	95	94.7	94.7	94.8	94.8
SUBURBAN FORT WORTH									
Absorption (Net, SF)	422,578	734,656	1,092,643	983,456	345,056	52,140	-70,860	112,054	93,334
Delivered Construction (SF)	249,859	497,947	926,095	466,458	507,725	0	10,560	88,000	98,560
Rentable Building Area (RBA)	21,691,651	21,816,257	23,147,717	23,365,446	24,575,112	25,126,997	25,279,039	26,049,553	26,049,553
Occupancy Rate (%)	92	93.1	93.6	95.1	94.6	95	94.5	94.7	94.7
DALLAS TOTAL									
Absorption (Net, SF)	1,618,615	2,224,018	4,022,621	5,700,158	3,114,680	638,039	132,417	-358,576	411,880
Delivered Construction (SF)	927,046	1,033,553	2,046,668	2,414,103	2,683,370	180,000	344,427	447,776	972,203
Rentable Building Area (RBA)	178,202,213	177,535,528	181,192,999	188,204,340	191,031,109	192,655,662	192,904,950	171,283,817	171,283,817
Occupancy Rate (%)	91.6	92	93.6	94.2	94.6	95.1	94.9	95	95
FORT WORTH TOTAL									
Absorption (Net, SF)	1,409,667	2,129,421	2,694,848	2,885,492	958,637	-41,988	-19,727	132,349	70,634
Delivered Construction (SF)	838,057	1,089,605	1,914,914	1,205,062	1,074,725	0	237,021	185,412	422,433
Rentable Building Area (RBA)	95,225,567	95,875,460	97,955,117	98,754,515	102,006,739	102,864,840	103,494,465	100,772,130	100,772,130
Occupancy Rate (%)	91.8	92.7	93.4	94.6	94.8	94.7	94.6	94	94
DFW MARKET TOTAL									
Absorption (Net, SF)	3,028,282	4,458,588	6,717,469	8,585,650	4,073,317	596,051	112,690	-226,227	482,514
Delivered Construction (SF)	1,765,103	2,123,158	4,043,582	3,619,165	3,758,095	180,000	581,448	633,188	1,394,636
Rentable Building Area (RBA)	273,427,780	273,410,988	279,148,116	286,958,855	293,037,848	295,520,502	296,399,415	272,055,947	272,055,947
Occupancy Rate (%)	91.7	92.2	92.7	94.3	94.6	94.9	94.8	94.6	94.6

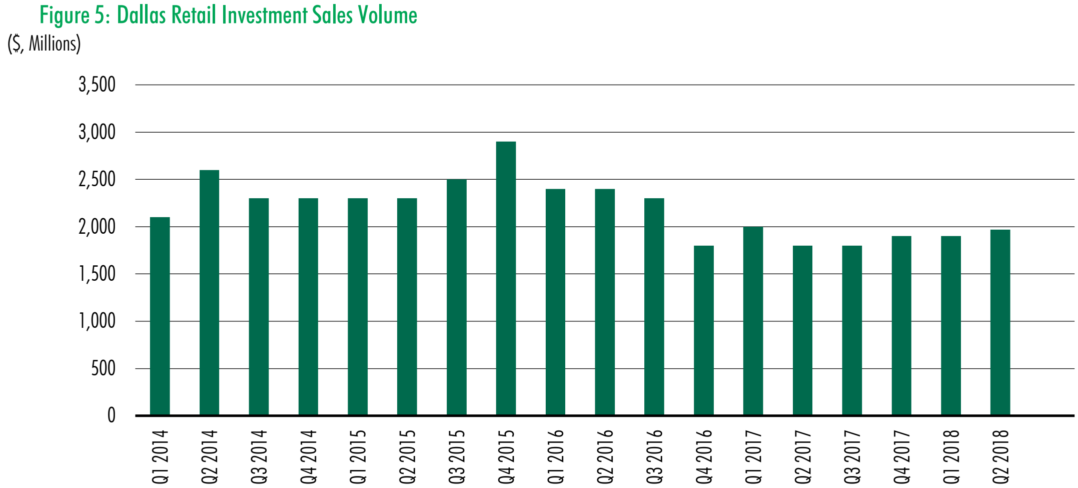
Source: CBRE Research, Q3 2018.

Figure 4: Deliveries



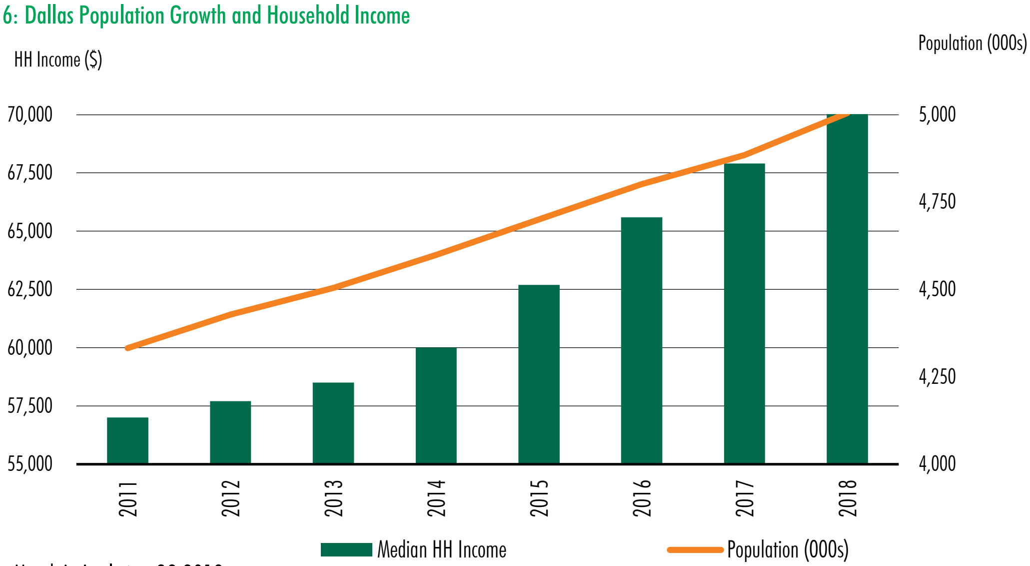
Source: CBRE Research, Q3 2018.

Figure 5: Dallas Retail Investment Sales Volume

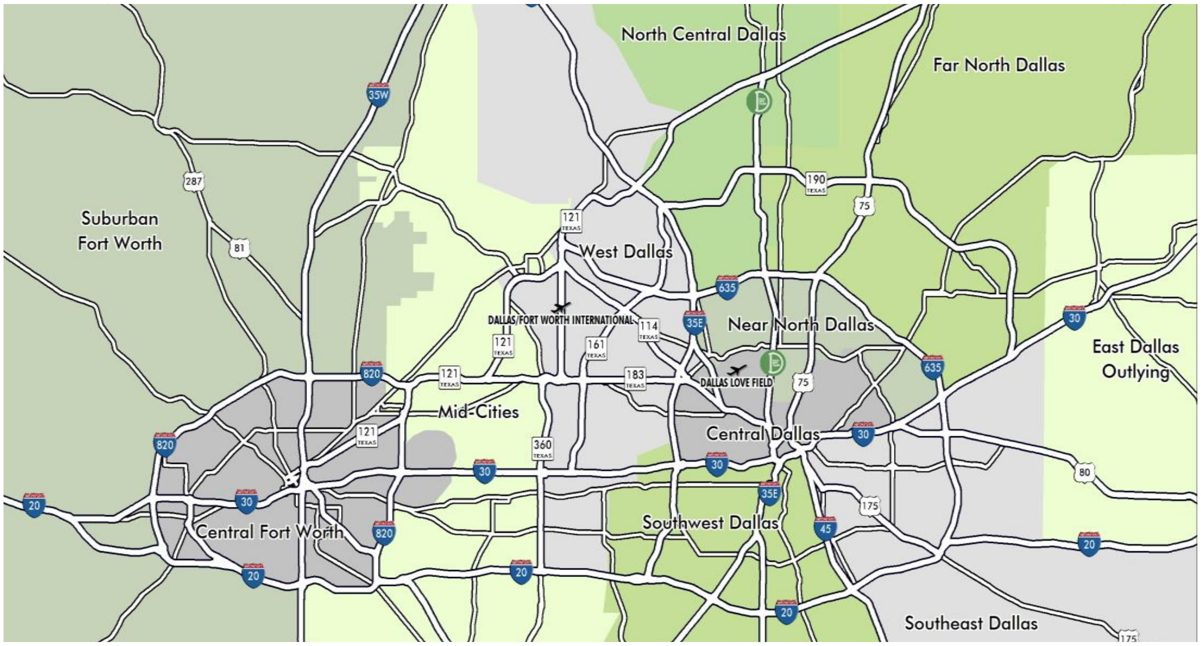


Source: Real Capital Analytics, Q3 2018.

Figure 6: Dallas Population Growth and Household Income



Source: Moody's Analytics, Q3 2018.



*The Retail dataset includes properties 10,000-sq.-ft. and up.

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MARKETVIEW

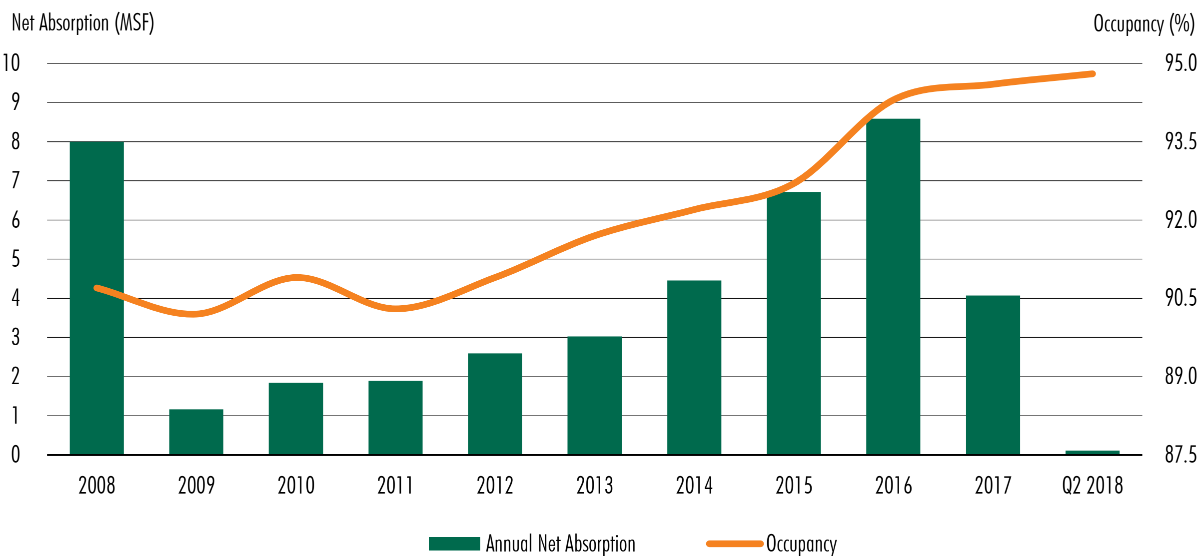
Dallas / Fort Worth Retail, Q2 2018

Occupancy, Deliveries Show Strength Heading into Midyear

Occupancy	Under Construction	Completions	Net Absorption
94.8%	3,572,109 SF	581,448 SF	112,690 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q2 2018.

OCCUPANCY MAINTAINS GRIP DURING Q2 2018

Despite the so-called death of retail, which includes this year's bankruptcy by Toys R Us returning nearly 350,000 sq. ft. to the local market, Dallas/Fort Worth's retail fundamentals are strong. Occupancy dipped a mere 10 bps during the quarter following the addition of more than 580,000 sq. ft. of new deliveries, which came online significantly pre-leased.

IKEA SCUTTLES PLANS FOR FORT WORTH STORE

The Swedish furniture giant receded their decision to open a 289,000 sq. ft. location in Fort Worth, scheduled to be a part of a $100 million, 478,000 sq. ft. mixed-use plan. Slated for a summer 2019 opening, this would-be IKEA store has joined the likes of other recently scrapped stores in Nashville, TN, Glendale, AZ and Cary, NC citing a "rapidly changing retail environment."

DFW'S ONGOING ECONOMIC/JOBS EXPANSION

For the better part of the last decade, the story of DFW has been one of swift annual growth. The metro added 146,000 new residents in 2017, more than any U.S. metro according to the U.S. Census. Year-to-date, the Metroplex posted a net gain of 55,000 new payrolls with unemployment below 4% since February 2017.

THE SEARS SPIRAL PERSISTS AS MORE STORE CLOSINGS ARE ANNOUNCED

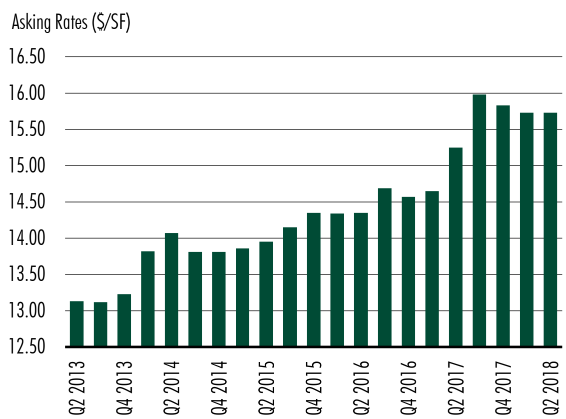
Once the largest retailer in the U.S. has slashed its store count in half over the past five years. The embattled department store chain is quietly closing another 72 stores, in addition to the 166 stores already planned for the chopping block this year. The closures include three stores in North Texas located in Denton, Fort Worth, and Lewisville.

Figure 2: Historical Market Statistics

	2010	2011	2012	2013	2014	2015	2016	2017	Q2 2018
CENTRAL DALLAS									
Absorption (Net, SF)	46,266	84,491	48,982	66,710	161,648	245,906	416,648	(36,509)	66,269
Avg. Asking Rent (Annual, Net, $/SF)	17.99	16.52	17.22	15.70	20.21	29.75	25.26	22.07	24.36
Delivered Construction (SF)	-	25,000	123,235	47,325	21,000	148,821	208,549	-	-
Occupancy Rate (%)	94.9	95.1	96.2	94.9	94.9	95.7	97.3	97.4	97.3
EAST DALLAS OUTLYING									
Absorption (Net, SF)	69,034	19,550	15,646	48,929	(8,769)	97,990	(12,589)	93,844	13,447
Avg. Asking Rent (Annual, Net, $/SF)	15.79	19.55	21.31	18.26	19.95	22.30	20.25	20.56	20.55
Delivered Construction (SF)	-	80,798	-	-	-	62,000	-	87,406	10,000
Occupancy Rate (%)	96.6	95.8	96.5	97.0	95.9	97.7	98.3	97.6	97.6
FAR NORTH DALLAS									
Absorption (Net, SF)	662,729	364,821	614,372	475,411	780,537	942,926	2,081,683	628,513	101,227
Avg. Asking Rent (Annual, Net, $/SF)	14.15	14.21	14.53	14.61	14.99	15.25	14.51	15.88	16.05
Delivered Construction (SF)	-	258,600	105,017	375,818	392,357	192,434	1,653,138	1,003,888	107,287
Occupancy Rate (%)	88.9	88.1	88.9	89.8	90.1	91.4	93.4	93.4	94.1
NEAR NORTH DALLAS									
Absorption (Net, SF)	(71,718)	372,592	235,980	83,422	116,135	356,548	485,111	375,484	4,687
Avg. Asking Rent (Annual, Net, $/SF)	13.37	13.48	14.86	14.31	14.66	15.50	16.45	18.17	18.33
Delivered Construction (SF)	-	568,031	-	14,980	-	182,500	374,964	240,431	-
Occupancy Rate (%)	91.8	92.1	93.1	94.1	94.1	94.1	95.2	95.6	95.4
NORTH CENTRAL DALLAS									
Absorption (Net, SF)	344,807	436,697	277,837	573,749	316,706	1,716,562	919,412	991,268	56,882
Avg. Asking Rent (Annual, Net, $/SF)	15.52	15.15	15.27	15.23	15.43	16.25	17.24	20.80	21.17
Delivered Construction (SF)	-	32,436	23,304	468,407	40,406	1,164,188	621,341	779,802	112,549
Occupancy Rate (%)	90.6	89.9	91.1	92.2	93.0	93.4	94.6	94.9	95.1
SOUTHEAST DALLAS									
Absorption (Net, SF)	64,138	11,980	132,174	127,644	4,942	67,641	109,261	(5,864)	(73,228)
Avg. Asking Rent (Annual, Net, $/SF)	11.01	11.70	10.97	11.02	11.37	11.00	11.18	11.22	11.74
Delivered Construction (SF)	-	15,000	41,789	-	-	11,000	-	14,804	20,000
Occupancy Rate (%)	92.8	92.4	92.1	92.9	93.0	93.1	95.1	94.1	93.9
SOUTHWEST DALLAS									
Absorption (Net, SF)	207,679	(73,974)	207,398	70,540	503,218	92,066	812,083	154,101	3,691
Avg. Asking Rent (Annual, Net, $/SF)	11.60	12.25	10.09	10.06	11.57	10.25	10.64	12.03	11.95
Delivered Construction (SF)	-	-	200,086	10,467	435,982	-	76,663	-	-
Occupancy Rate (%)	90.5	90.9	89.3	90.2	90.4	90.1	92.0	92.2	93.5
WEST DALLAS									
Absorption (Net, SF)	224,655	136,195	385,998	172,210	514,750	502,973	891,544	913,843	(40,558)
Avg. Asking Rent (Annual, Net, $/SF)	13.13	14.23	13.12	14.47	13.78	12.75	13.24	13.53	12.80
Delivered Construction (SF)	-	44,000	530,604	10,049	143,808	256,713	40,000	557,039	94,591
Occupancy Rate (%)	90.2	89.8	89.6	90.9	92.0	91.6	93.3	95.5	95.3
CENTRAL FORT WORTH									
Absorption (Net, SF)	176,915	116,059	37,724	322,668	368,008	471,480	755,927	455,273	(113,352)
Avg. Asking Rent (Annual, Net, $/SF)	8.67	10.90	9.62	8.71	10.41	12.50	12.29	12.40	13.02
Delivered Construction (SF)	-	16,414	41,235	364,789	182,000	138,012	482,101	498,000	56,711
Occupancy Rate (%)	92.3	90.1	89.9	90.1	90.8	92.3	94.1	94.3	94.3
MID-CITIES									
Absorption (Net, SF)	69,534	311,886	366,690	664,421	1,103,732	1,131,435	1,146,109	158,308	164,485
Avg. Asking Rent (Annual, Net, $/SF)	13.06	13.11	13.48	14.09	13.53	13.50	13.61	16.12	14.51
Delivered Construction (SF)	-	159,833	65,066	223,409	409,658	850,807	519,954	-	169,750
Occupancy Rate (%)	91.1	90.8	91.7	92.6	93.4	94.1	94.6	95.0	94.7
SUBURBAN FORT WORTH									
Absorption (Net, SF)	51,002	105,926	274,631	422,578	734,656	1,092,643	983,456	345,056	(70,860)
Avg. Asking Rent (Annual, Net, $/SF)	12.13	12.13	12.59	12.13	11.86	12.00	13.00	13.43	13.44
Delivered Construction (SF)	-	108,397	395,798	249,859	497,947	926,095	466,458	507,725	10,560
Occupancy Rate (%)	90.2	89.8	91.0	92.0	93.1	93.6	95.1	94.6	94.5
DALLAS TOTAL									
Absorption (Net, SF)	**1,547,590**	**1,352,352**	**1,918,387**	**1,618,615**	**2,224,018**	**4,022,621**	**5,700,158**	**3,114,680**	**132,417**
Avg. Asking Rent (Annual, Net, $/SF)	**-**	**14.27**	**14.64**	**14.07**	**14.58**	**15.10**	**15.31**	**16.51**	**16.71**
Delivered Construction (SF)	**-**	**1,023,865**	**1,024,035**	**927,046**	**1,033,553**	**2,046,668**	**2,414,103**	**2,683,370**	**344,427**
Occupancy Rate (%)	**-**	**90.3**	**90.8**	**91.6**	**92.0**	**93.6**	**94.2**	**94.6**	**94.9**
FORT WORTH TOTAL									
Absorption (Net, SF)	**297,451**	**533,871**	**679,045**	**1,409,667**	**2,129,421**	**2,694,848**	**2,885,492**	**958,637**	**(19,727)**
Avg. Asking Rent (Annual, Net, $/SF)	**-**	**12.68**	**11.90**	**12.30**	**12.38**	**12.97**	**13.14**	**14.57**	**13.89**
Delivered Construction (SF)	**-**	**384,644**	**502,099**	**838,057**	**1,089,605**	**1,914,914**	**1,205,062**	**1,074,725**	**237,021**
Occupancy Rate (%)	**-**	**90.3**	**91.1**	**91.8**	**92.7**	**93.4**	**94.6**	**94.8**	**94.6**
DFW MARKET TOTAL									
Absorption (Net, SF)	**1,845,041**	**1,896,223**	**2,597,432**	**3,028,282**	**4,458,588**	**6,717,469**	**8,585,650**	**4,073,317**	**112,690**
Avg. Asking Rent (Annual, Net, $/SF)	**13.14**	**13.69**	**13.08**	**13.23**	**13.81**	**14.17**	**14.57**	**15.83**	**15.73**
Delivered Construction (SF)	**-**	**1,308,509**	**1,526,134**	**1,765,103**	**2,123,158**	**4,043,582**	**3,619,165**	**3,758,095**	**581,448**
Occupancy Rate (%)	**90.9**	**90.3**	**90.9**	**91.7**	**92.2**	**92.7**	**94.3**	**94.6**	**94.8**

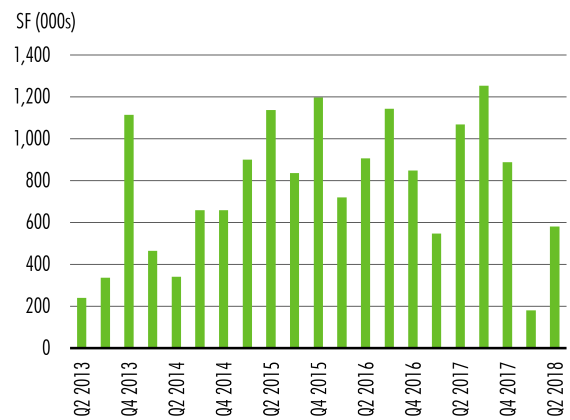
Source: CBRE Research, Q2 2018.

Figure 3: Asking Annual Rents, NNN Avg.



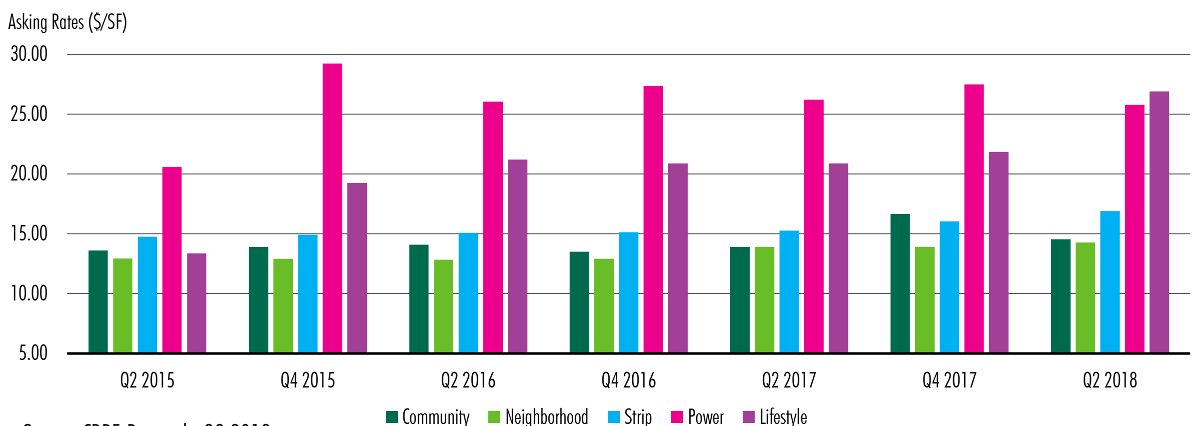
Source: CBRE Research, Q2 2018.

Figure 4: Deliveries



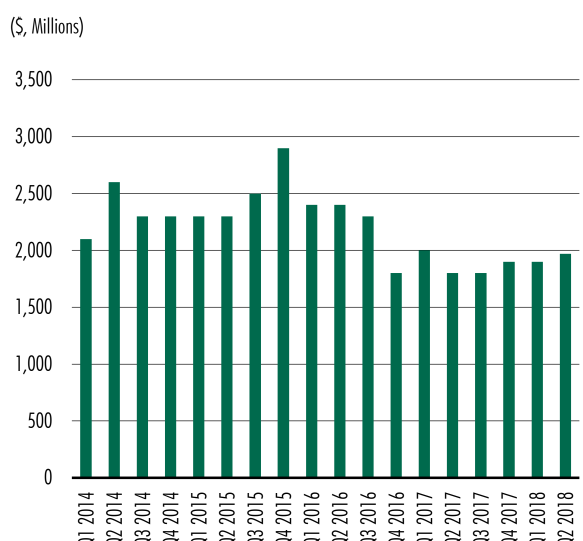
Source: CBRE Research, Q2 2018.

Figure 5: Asking Annual Rents by Center Type, NNN Avg.



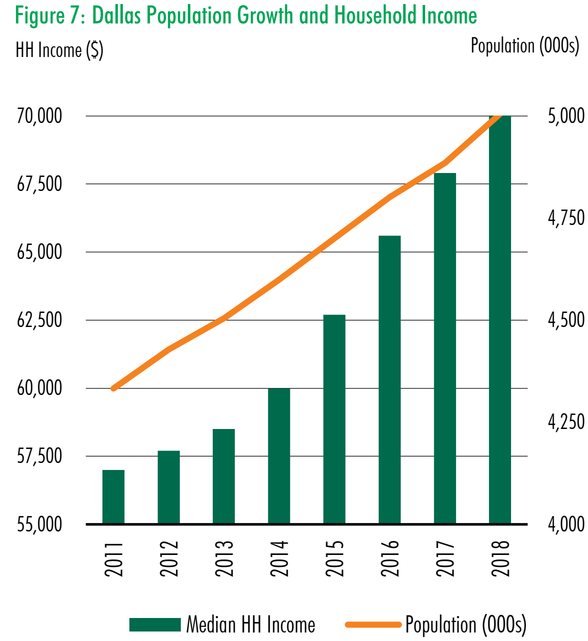
Source: CBRE Research, Q2 2018.

Figure 6: Dallas Retail Investment Sales Volume

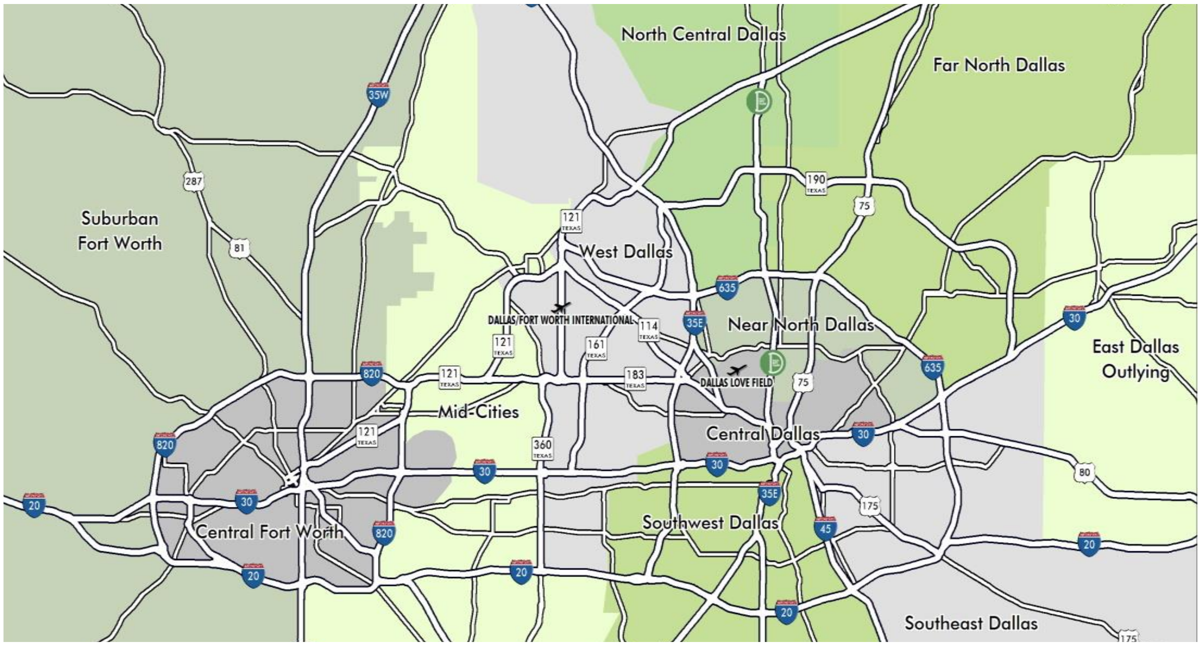


Source: Real Capital Analytics, Q2 2018.

Figure 7: Dallas Population Growth and Household Income



Source: Moody's Analytics, Q2 2018.



The Retail dataset includes properties 10,000-sq.-ft. and up.

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MARKETVIEW

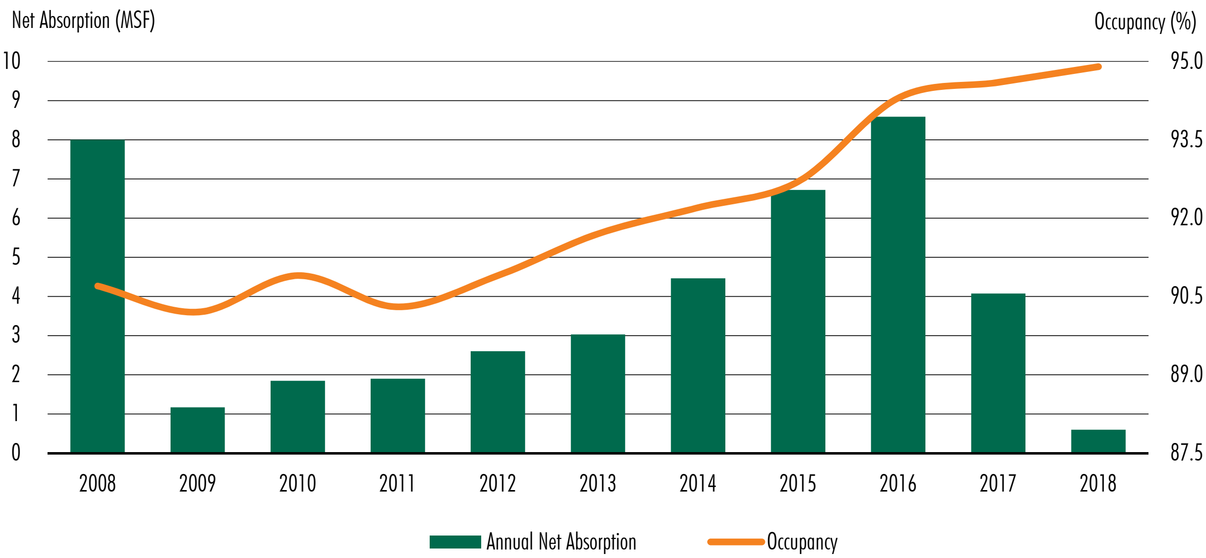
Dallas / Fort Worth Retail, Q1 2018

Occupancy, rents level off; new construction deliveries will lead new leasing activity in 2018

Occupancy	Under Construction	Completions	Net Absorption
94.9%	4,871,914 SF	180,000 SF	596,051 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q1 2018.

OCCUPANCY REMAINS AT ALL-TIME HIGHS; CLOSING IN ON 95%

Dallas/Fort Worth's tightening retail market, strong net absorption and heavily pre-leased deliveries caused occupancy to measure in at an all-time high. However, as construction starts slow and completions take longer to come online, occupancy and rental rates are expected to level off in the short-term before picking back up later in the year.

RETAIL GROWTH LIMITED BY LAG IN DEVELOPMENT

Multiple construction projects across North Texas have been sidelined as labor and borrowing costs remain elevated, specifically for those in the early stages. Delayed construction starts and slowing completions are a present concern for mid- and smaller-sized North Texas retailers.

CLASS A BIG BOX SUPPLY REMAINS ELEVATED AS MARKET STABILIZES

As forecasted, the pace of absorption in big box space slowed throughout 2017 and continues into this year. Similar to other major U.S. retail markets, Class A elevated supply, at 935,145-sq.-ft., is due to a smaller pool of big box retailers willing to take additional space.

TOYS R US ANNOUNCES SURPRISE LIQUIDATION OF ITS NATIONWIDE PORTFOLIO

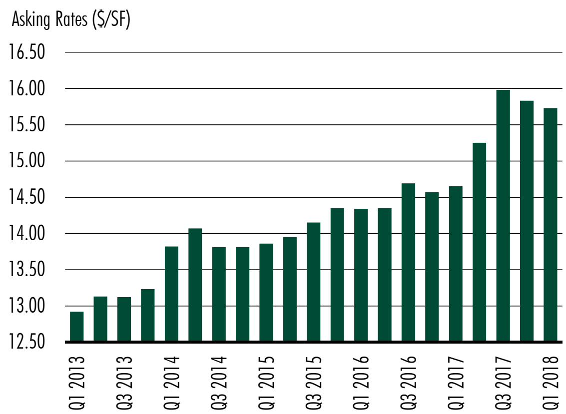
In March, Toys R Us filed a motion seeking bankruptcy court approval to begin liquidation of its 735 U.S and Puerto Rico stores. The closures are expected to occur within the first nine months of 2018. In North Texas alone, the retailer is responsible for 15 locations, accounting for over 600,000-sq.-ft. of space.

Figure 2: Historical Market Statistics

	2010	2011	2012	2013	2014	2015	2016	2017	YTD 2018
CENTRAL DALLAS									
Absorption (Net, SF)	46,266	84,491	48,982	66,710	161,648	245,906	416,648	(36,509)	(37,156)
Avg. Asking Rent (Annual, Net, $/SF)	17.99	16.52	17.22	15.70	20.21	29.75	25.26	22.07	24.36
Delivered Construction (SF)	-	25,000	123,235	47,325	21,000	148,821	208,549	-	-
Occupancy Rate (%)	94.9	95.1	96.2	94.9	94.9	95.7	97.3	97.4	97.1
EAST DALLAS OUTLYING									
Absorption (Net, SF)	69,034	19,550	15,646	48,929	(8,769)	97,990	(12,589)	93,844	(5,252)
Avg. Asking Rent (Annual, Net, $/SF)	15.79	19.55	21.31	18.26	19.95	22.30	20.25	20.56	20.55
Delivered Construction (SF)	-	80,798	-	-	-	62,000	-	87,406	-
Occupancy Rate (%)	96.6	95.8	96.5	97.0	95.9	97.7	98.3	97.6	97.5
FAR NORTH DALLAS									
Absorption (Net, SF)	662,729	364,821	614,372	475,411	780,537	942,926	2,081,683	628,513	208,588
Avg. Asking Rent (Annual, Net, $/SF)	14.15	14.21	14.53	14.61	14.99	15.25	14.51	15.88	16.05
Delivered Construction (SF)	-	258,600	105,017	375,818	392,357	192,434	1,653,138	1,003,888	122,000
Occupancy Rate (%)	88.9	88.1	88.9	89.8	90.1	91.4	93.4	93.4	94.4
NEAR NORTH DALLAS									
Absorption (Net, SF)	(71,718)	372,592	235,980	83,422	116,135	356,548	485,111	375,484	(5,057)
Avg. Asking Rent (Annual, Net, $/SF)	13.37	13.48	14.86	14.31	14.66	15.50	16.45	18.17	18.33
Delivered Construction (SF)	-	568,031	-	14,980	-	182,500	374,964	240,431	-
Occupancy Rate (%)	91.8	92.1	93.1	94.1	94.1	94.1	95.2	95.6	95.5
NORTH CENTRAL DALLAS									
Absorption (Net, SF)	344,807	436,697	277,837	573,749	316,706	1,716,562	919,412	991,268	123,606
Avg. Asking Rent (Annual, Net, $/SF)	15.52	15.15	15.27	15.23	15.43	16.25	17.24	20.80	21.17
Delivered Construction (SF)	-	32,436	23,304	468,407	40,406	1,164,188	621,341	779,802	-
Occupancy Rate (%)	90.6	89.9	91.1	92.2	93.0	93.4	94.6	94.9	95.2
SOUTHEAST DALLAS									
Absorption (Net, SF)	64,138	11,980	132,174	127,644	4,942	67,641	109,261	(5,864)	26,613
Avg. Asking Rent (Annual, Net, $/SF)	11.01	11.70	10.97	11.02	11.37	11.00	11.18	11.22	11.74
Delivered Construction (SF)	-	15,000	41,789	-	-	11,000	-	14,804	-
Occupancy Rate (%)	92.8	92.4	92.1	92.9	93.0	93.1	95.1	94.1	94.5
SOUTHWEST DALLAS									
Absorption (Net, SF)	207,679	(73,974)	207,398	70,540	503,218	92,066	812,083	154,101	142,320
Avg. Asking Rent (Annual, Net, $/SF)	11.60	12.25	10.09	10.06	11.57	10.25	10.64	12.03	11.95
Delivered Construction (SF)	-	-	200,086	10,467	435,982	-	76,663	-	-
Occupancy Rate (%)	90.5	90.9	89.3	90.2	90.4	90.1	92.0	92.2	93.0
WEST DALLAS									
Absorption (Net, SF)	224,655	136,195	385,998	172,210	514,750	502,973	891,544	913,843	184,377
Avg. Asking Rent (Annual, Net, $/SF)	13.13	14.23	13.12	14.47	13.78	12.75	13.24	13.53	12.80
Delivered Construction (SF)	-	44,000	530,604	10,049	143,808	256,713	40,000	557,039	58,000
Occupancy Rate (%)	90.2	89.8	89.6	90.9	92.0	91.6	93.3	95.5	96.0
CENTRAL FORT WORTH									
Absorption (Net, SF)	176,915	116,059	37,724	322,668	368,008	471,480	755,927	455,273	36,907
Avg. Asking Rent (Annual, Net, $/SF)	8.67	10.90	9.62	8.71	10.41	12.50	12.29	12.40	13.02
Delivered Construction (SF)	-	16,414	41,235	364,789	182,000	138,012	482,101	498,000	-
Occupancy Rate (%)	92.3	90.1	89.9	90.1	90.8	92.3	94.1	94.3	94.5
MID-CITIES									
Absorption (Net, SF)	69,534	311,886	366,690	664,421	1,103,732	1,131,435	1,146,109	158,308	(131,035)
Avg. Asking Rent (Annual, Net, $/SF)	13.06	13.11	13.48	14.09	13.53	13.50	13.61	16.12	14.51
Delivered Construction (SF)	-	159,833	65,066	223,409	409,658	850,807	519,954	-	-
Occupancy Rate (%)	91.1	90.8	91.7	92.6	93.4	94.1	94.6	95.0	94.7
SUBURBAN FORT WORTH									
Absorption (Net, SF)	51,002	105,926	274,631	422,578	734,656	1,092,643	983,456	345,056	52,140
Avg. Asking Rent (Annual, Net, $/SF)	12.13	12.13	12.59	12.13	11.86	12.00	13.00	13.43	13.44
Delivered Construction (SF)	-	108,397	395,798	249,859	497,947	926,095	466,458	507,725	-
Occupancy Rate (%)	90.2	89.8	91.0	92.0	93.1	93.6	95.1	94.6	95.0
DALLAS TOTAL									
Absorption (Net, SF)	**1,547,590**	**1,352,352**	**1,918,387**	**1,618,615**	**2,224,018**	**4,022,621**	**5,700,158**	**3,114,680**	**638,039**
Avg. Asking Rent (Annual, Net, $/SF)	**-**	**14.27**	**14.64**	**14.07**	**14.58**	**15.10**	**15.31**	**16.51**	**16.71**
Delivered Construction (SF)	**-**	**1,023,865**	**1,024,035**	**927,046**	**1,033,553**	**2,046,668**	**2,414,103**	**2,683,370**	**180,000**
Occupancy Rate (%)	**-**	**90.3**	**90.8**	**91.6**	**92.0**	**93.6**	**94.2**	**94.6**	**95.1**
FORT WORTH TOTAL									
Absorption (Net, SF)	**297,451**	**533,871**	**679,045**	**1,409,667**	**2,129,421**	**2,694,848**	**2,885,492**	**958,637**	**(41,988)**
Avg. Asking Rent (Annual, Net, $/SF)	**-**	**12.68**	**11.90**	**12.30**	**12.38**	**12.97**	**13.14**	**14.57**	**13.89**
Delivered Construction (SF)	**-**	**384,644**	**502,099**	**838,057**	**1,089,605**	**1,914,914**	**1,205,062**	**1,074,725**	**-**
Occupancy Rate (%)	**-**	**90.3**	**91.1**	**91.8**	**92.7**	**93.4**	**94.6**	**94.8**	**94.7**
DFW MARKET TOTAL									
Absorption (Net, SF)	**1,845,041**	**1,896,223**	**2,597,432**	**3,028,282**	**4,458,588**	**6,717,469**	**8,585,650**	**4,073,317**	**596,051**
Avg. Asking Rent (Annual, Net, $/SF)	**13.14**	**13.69**	**13.08**	**13.23**	**13.81**	**14.17**	**14.57**	**15.83**	**15.73**
Delivered Construction (SF)	**-**	**1,308,509**	**1,526,134**	**1,765,103**	**2,123,158**	**4,043,582**	**3,619,165**	**3,758,095**	**180,000**
Occupancy Rate (%)	**90.9**	**90.3**	**90.9**	**91.7**	**92.2**	**92.7**	**94.3**	**94.6**	**94.9**

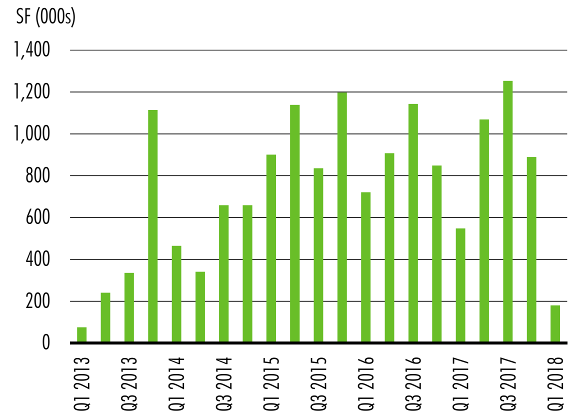
Source: CBRE Research, Q1 2018.

Figure 3: Asking Annual Rents, NNN Avg.



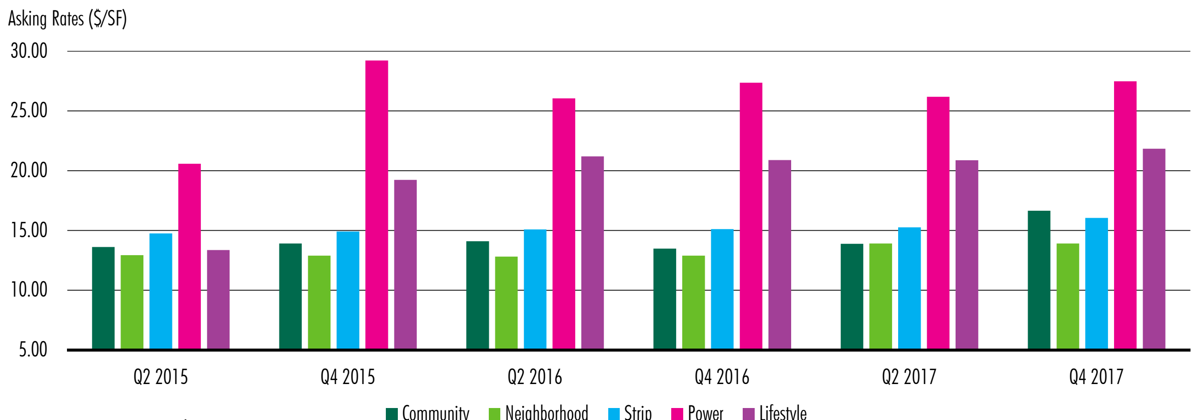
Source: CBRE Research, Q1 2018.

Figure 4: Deliveries



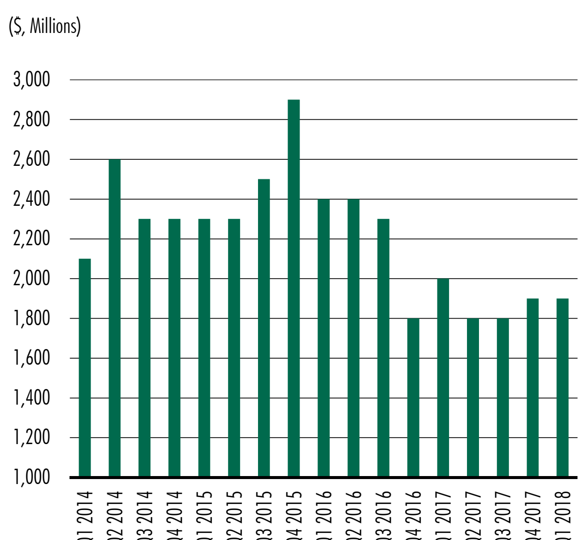
Source: CBRE Research, Q1 2018.

Figure 5: Asking Annual Rents by Center Type, NNN Avg.



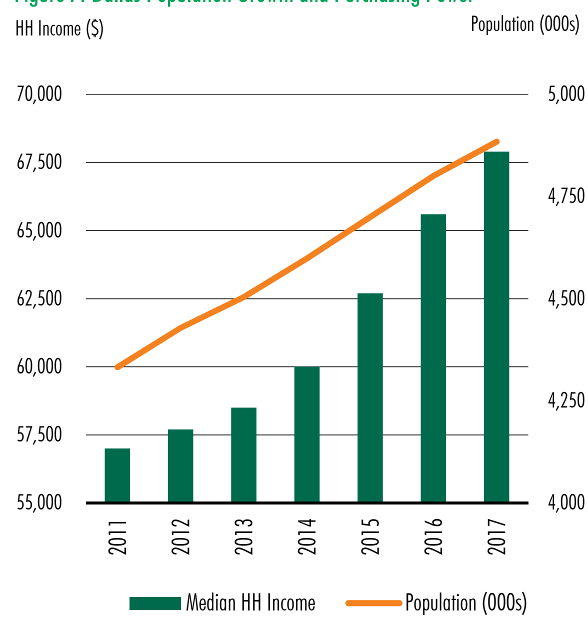
Source: CBRE Research, Q1 2018.

Figure 6: Dallas Retail Investment Sales Volume

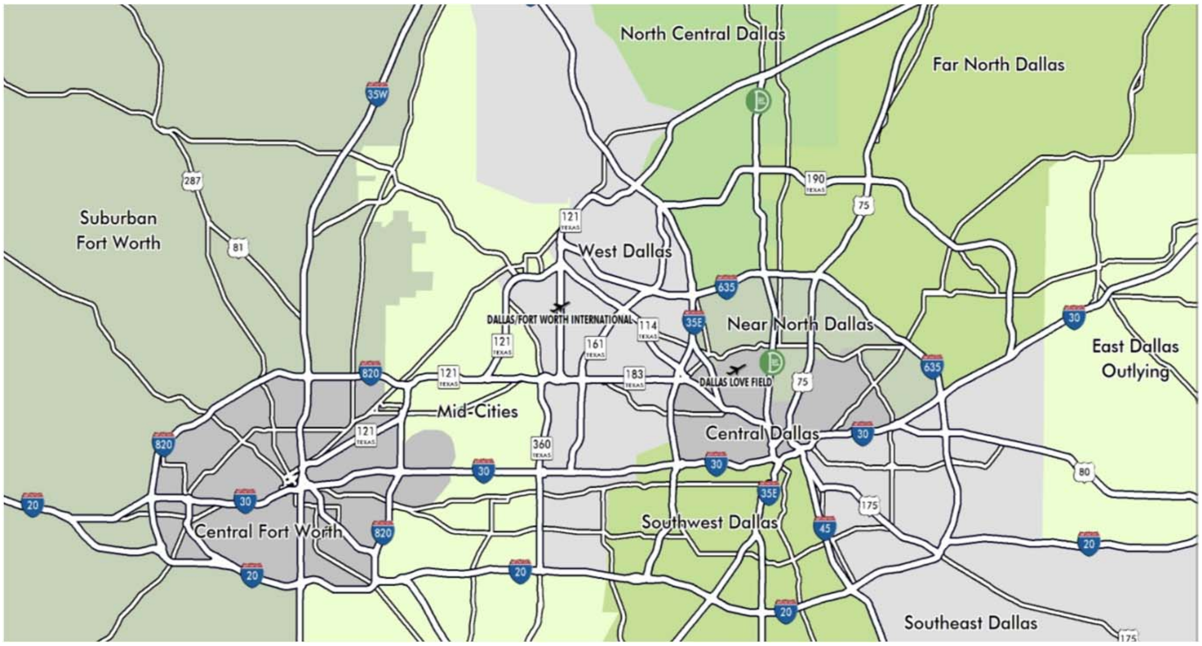


Source: Real Capital Analytics, Q1 2018.

Figure 7: Dallas Population Growth and Purchasing Power



Source Moody's Analytics, Q1 2018.



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CBRE MARKETVIEW

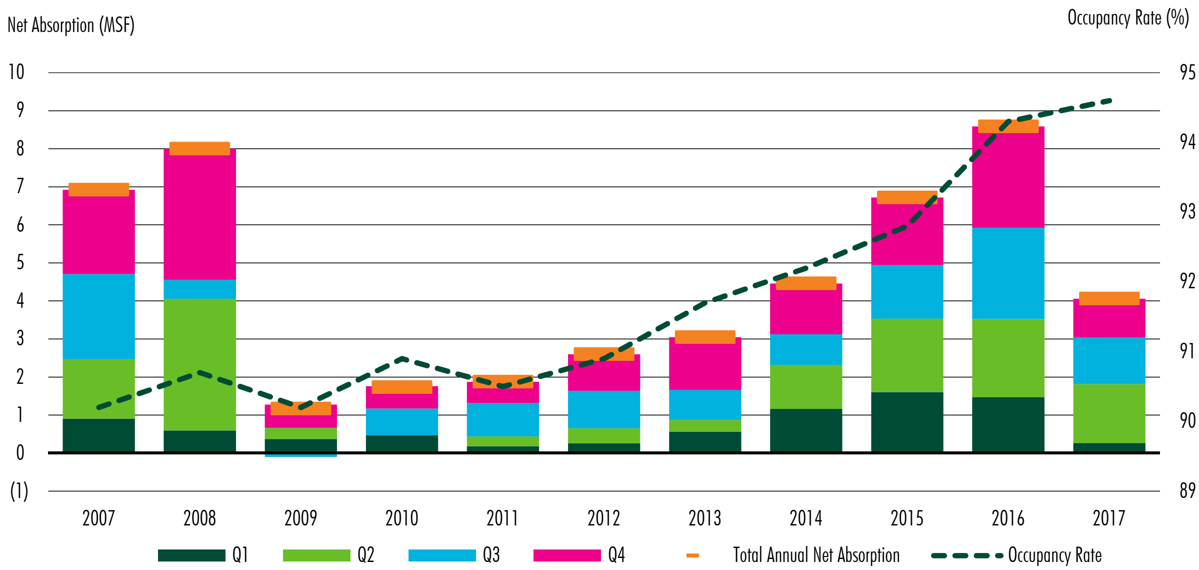
Dallas / Fort Worth Retail, Q4 2017

Metroplex retail sector marks record year of occupancy growth

Occupancy	Under Construction	Completions	Net Absorption
94.6%	5,829,433 SF	888,874 SF	1,023,290 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q4 2017.

OCCUPANCY AT ALL-TIME HIGHS; MAINTAINING 94.6%; POSITIVE OUTLOOK FOR 2018

Within Dallas/Fort Worth's tightening retail market, strong net absorption and heavily pre-leased deliveries caused occupancy to measure an all-time high. The year has proven to be a strong one for retail landlords and tenants alike, with an expectation of positive sales growth continuing into 2018.

CONSTRUCTION PIPELINE TIGHTENS

Multiple construction projects across North Texas have been sidelined as labor and borrowing costs remain elevated, specifically for those in the early stages. An increase in equity requirements and cost of capital may result in a delay to bring these projects to market, as well as increased tenant sales volume expectations to appease lenders.

CLASS A BIG BOX SUPPLY REMAINS ELEVATED AS MARKET STABILIZES

As forecasted, the pace of absorption in big box space slowed throughout 2017 when compared to years past – even within Class A product. As seen in other major U.S. retail markets, elevated supply, at 813,572 million sq. ft., is due to a smaller pool of big box retailers.

TANGER FACTORY OUTLETS, LEGACY FOOD HALL IN PLANO, AND IKEA IN GRAND PRAIRIE ALL CELEBRATE GRAND OPENINGS IN Q4 2017

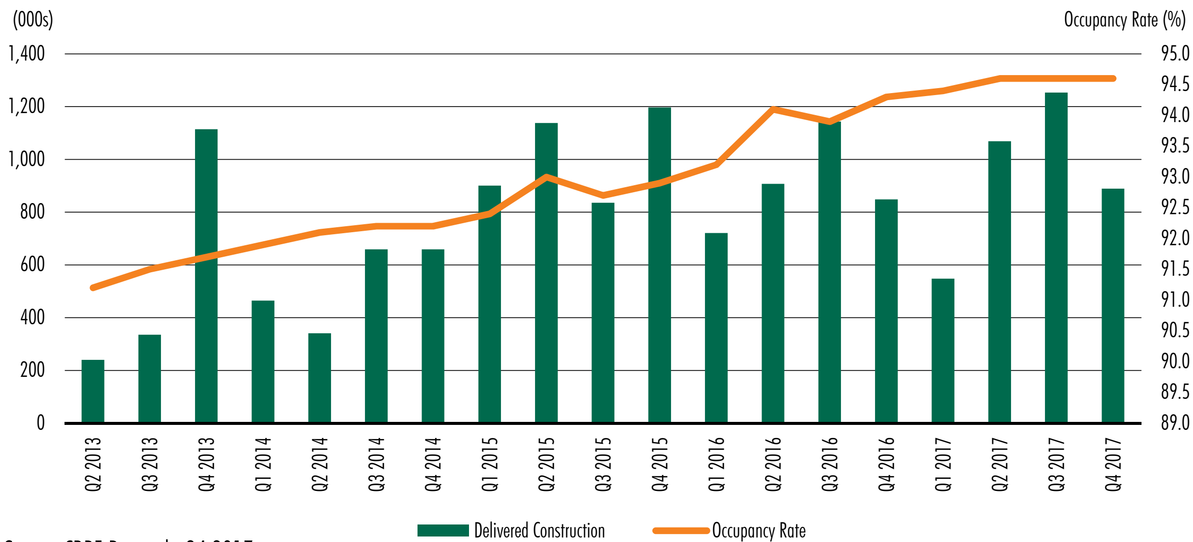
Three major local developments celebrated their grand openings recently, accounting for 702,000 sq. ft. of delivery and absorption in the Metroplex. Tanger Factory Outlets on October 27, Legacy Food Hall on December 6, and IKEA in Grand Prairie on December 13.

Figure 2: Market Snapshot

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
CENTRAL DALLAS									
Absorption (Net, SF)	22,115	22,856	3,356	107,800	282,632	8,458	(53,300)	(30,525)	38,858
Avg. Asking Rent (Annual, Net, $/SF)	29.75	29.50	31.58	25.54	25.26	24.63	24.70	23.40	22.07
Delivered Construction (SF)	-	37,749	-	107,800	63,000	-	-	-	-
Occupancy Rate (%)	95.7	95.2	95.4	96.8	97.3	97.8	97.2	97.0	97.4
EAST DALLAS OUTLYING									
Absorption (Net, SF)	10,726	4,655	16,221	(4,185)	(29,280)	42,356	54,036	1,378	(3,926)
Avg. Asking Rent (Annual, Net, $/SF)	22.30	23.00	21.93	19.11	20.25	19.78	20.29	20.93	20.56
Delivered Construction (SF)	-	-	-	-	-	87,406	-	-	-
Occupancy Rate (%)	97.7	98.4	98.8	98.8	98.3	96.0	95.7	96.2	97.6
FAR NORTH DALLAS									
Absorption (Net, SF)	237,488	566,231	748,324	567,284	199,844	19,570	280,463	302,390	26,090
Avg. Asking Rent (Annual, Net, $/SF)	15.25	15.50	14.52	15.83	14.51	14.73	15.11	16.51	15.88
Delivered Construction (SF)	17,586	322,667	738,187	567,284	25,000	106,888	542,000	300,000	55,000
Occupancy Rate (%)	91.4	92.0	93.6	93.0	93.4	93.2	93.5	93.4	93.4
NEAR NORTH DALLAS									
Absorption (Net, SF)	125,656	80,349	(54,260)	316,964	142,058	64,122	210,362	19,920	81,080
Avg. Asking Rent (Annual, Net, $/SF)	15.50	14.75	14.36	16.07	16.45	16.35	17.31	18.10	18.17
Delivered Construction (SF)	107,500	-	-	316,964	58,000	20,431	220,000	-	-
Occupancy Rate (%)	94.1	94.3	94.8	94.7	95.2	95.0	95.2	95.4	95.6
NORTH CENTRAL DALLAS									
Absorption (Net, SF)	201,739	180,664	215,284	266,504	256,960	62,914	326,587	331,134	270,633
Avg. Asking Rent (Annual, Net, $/SF)	16.25	16.00	17.04	17.83	17.24	17.50	19.99	22.58	20.80
Delivered Construction (SF)	70,908	101,238	-	266,504	253,599	183,563	86,365	323,000	186,874
Occupancy Rate (%)	93.4	93.6	94.2	94.2	94.6	95.1	94.6	94.8	94.9
SOUTHEAST DALLAS									
Absorption (Net, SF)	2,052	39,748	58,787	(24,033)	34,759	(61,249)	164,121	(51,395)	(57,341)
Avg. Asking Rent (Annual, Net, $/SF)	11.00	11.00	10.74	11.18	11.18	11.42	15.34	11.67	11.22
Delivered Construction (SF)	11,000	-	-	-	-	14,804	-	-	-
Occupancy Rate (%)	93.1	92.9	94.1	94.0	95.1	95.0	95.5	94.9	94.1
SOUTHWEST DALLAS									
Absorption (Net, SF)	91,008	74,056	51,427	299,631	386,969	21,919	54,983	82,763	(5,564)
Avg. Asking Rent (Annual, Net, $/SF)	10.25	10.25	10.99	9.59	10.64	10.66	11.38	12.62	12.03
Delivered Construction (SF)	-	76,663	-	-	-	-	-	-	-
Occupancy Rate (%)	90.1	90.3	91.0	91.0	92.0	92.4	91.9	92.4	92.2
WEST DALLAS									
Absorption (Net, SF)	71,428	53,014	330,003	160,443	345,084	(79,960)	250,684	297,426	445,693
Avg. Asking Rent (Annual, Net, $/SF)	12.75	13.00	13.23	13.42	13.24	13.17	12.67	13.46	13.53
Delivered Construction (SF)	41,179	-	-	-	40,000	10,039	-	250,000	297,000
Occupancy Rate (%)	91.6	92.3	93.7	93.0	93.3	93.4	94.8	95.0	95.5
CENTRAL FORT WORTH									
Absorption (Net, SF)	141,329	72,424	197,341	303,425	182,737	(47,615)	161,418	394,718	(53,248)
Avg. Asking Rent (Annual, Net, $/SF)	12.50	12.00	11.84	11.83	12.29	12.92	12.40	12.85	12.40
Delivered Construction (SF)	52,676	64,776	-	303,425	113,900	-	118,000	380,000	-
Occupancy Rate (%)	92.3	92.5	93.9	93.5	94.1	94.1	94.4	94.5	94.3
MID-CITIES									
Absorption (Net, SF)	385,561	249,004	201,925	196,458	498,722	143,754	99,018	15.763	(100,227)
Avg. Asking Rent (Annual, Net, $/SF)	13.50	13.75	13.87	14.06	13.61	13.72	13.82	14.38	16.12
Delivered Construction (SF)	308,465	29,496	84,000	196,458	210,000	69,000	-	-	-
Occupancy Rate (%)	94.1	94.3	94.8	94.8	94.6	94.7	95.1	95.1	95.0
SUBURBAN FORT WORTH									
Absorption (Net, SF)	489,191	129,731	280,752	208,558	364,415	91,081	12,064	(139,331)	381,242
Avg. Asking Rent (Annual, Net, $/SF)	12.00	12.50	11.84	11.01	13.00	12.64	12.79	13.17	13.43
Delivered Construction (SF)	487,508	87,900	85,000	208,558	85,000	55,725	102,000	-	350,000
Occupancy Rate (%)	93.6	94.0	94.6	94.7	95.1	95.2	95.0	94.6	94.6
DALLAS TOTAL									
Absorption (Net, SF)	**762,212**	**1,021,582**	**1,369,142**	**1,690,408**	**1,619,026**	**78,130**	**1,287,936**	**953,091**	**795,523**
Avg. Asking Rent (Annual, Net, $/SF)	**15.10**	**15.7**	**15.13**	**15.68**	**15.31**	**15.37**	**16.30**	**17.18**	**16.51**
Delivered Construction (SF)	**248,185**	**538,317**	**738,187**	**698,000**	**439,599**	**423,131**	**850,365**	**873,000**	**538,874**
Occupancy Rate (%)	**92.5**	**92.8**	**93.8**	**93.7**	**94.2**	**94.2**	**94.4**	**94.5**	**94.6**
FORT WORTH TOTAL									
Absorption (Net, SF)	**1,016,081**	**451,159**	**680,018**	**708,441**	**1,045,874**	**187,220**	**272,500**	**271,150**	**227,767**
Avg. Asking Rent (Annual, Net, $/SF)	**12.97**	**12.97**	**12.89**	**12.80**	**13.14**	**13.27**	**13.23**	**13.71**	**14.57**
Delivered Construction (SF)	**848,649**	**182,162**	**169,000**	**445,000**	**408,900**	**124,725**	**220,000**	**380,000**	**350,000**
Occupancy Rate (%)	**93.4**	**93.8**	**94.6**	**94.4**	**94.6**	**94.7**	**94.9**	**94.9**	**94.8**
DFW MARKET TOTAL									
Absorption (Net, SF)	**1,778,293**	**1,472,741**	**2,049,160**	**2,398,849**	**2,664,900**	**265,350**	**1,560,436**	**1,224,241**	**1,023,290**
Avg. Asking Rent (Annual, Net, $/SF)	**14.33**	**14.34**	**14.35**	**14.69**	**14.57**	**14.65**	**15.25**	**15.98**	**15.83**
Delivered Construction (SF)	**1,196,834**	**720,479**	**907,187**	**1,143,000**	**848,499**	**547,856**	**1,068,365**	**1,253,000**	**888,874**
Occupancy Rate (%)	**92.7**	**93.2**	**94.1**	**93.9**	**94.3**	**94.4**	**94.6**	**94.6**	**94.6**

Source: CBRE Research, Q4 2017.

Figure 3: Historical Completions and Occupancy Rate



Source: CBRE Research, Q4 2017.

Figure 4: Construction Activity by Submarket

Market	Under Construction Bldg Count	Under Construction (SF)	Delivered Buildings	Delivered Construction (SF)
Central Dallas	3	165,000	-	-
East Dallas Outlying	1	12,000	-	-
Far North Dallas	16	1,733,067	1	55,000
Near North Dallas	2	291,800	-	-
North Central Dallas	26	1,987,180	1	186,874
Southeast Dallas	2	142,444	-	-
Southwest Dallas	3	59,560	-	-
West Dallas	8	158,755	1	297,000
Central Fort Worth	4	183,293	-	-
Mid-Cities	11	745,862	-	-
Suburban Fort Worth	5	350,472	1	350,000
TOTAL DALLAS	**61**	**4,549,806**	**3**	**538,874**
TOTAL FORT WORTH	**20**	**1,279,627**	**1**	**350,000**
TOTAL DFW	**81**	**5,829,433**	**4**	**888,874**

Source: CBRE Research, Q4 2017.

Spaghetti Warehouse Building– West End, Dallas TX

The Shops at Legacy – Plano, TX

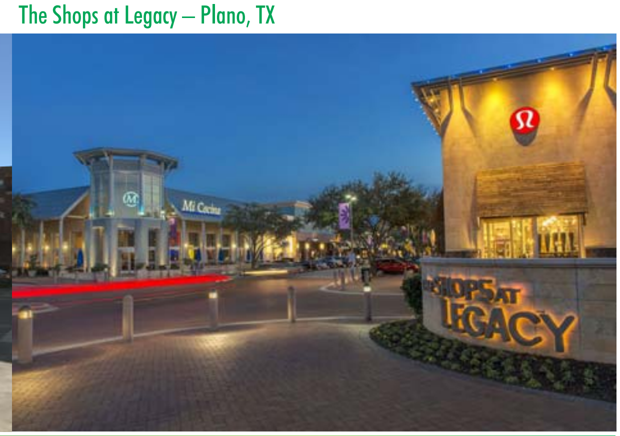
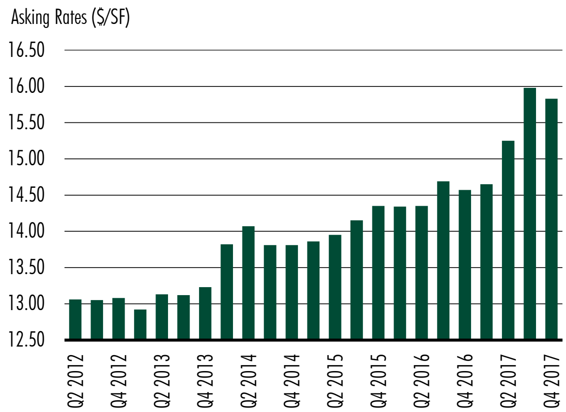
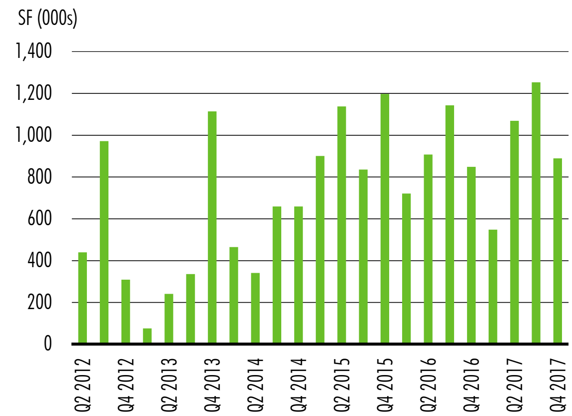


Figure 5: Asking Annual Rents, NNN Avg.



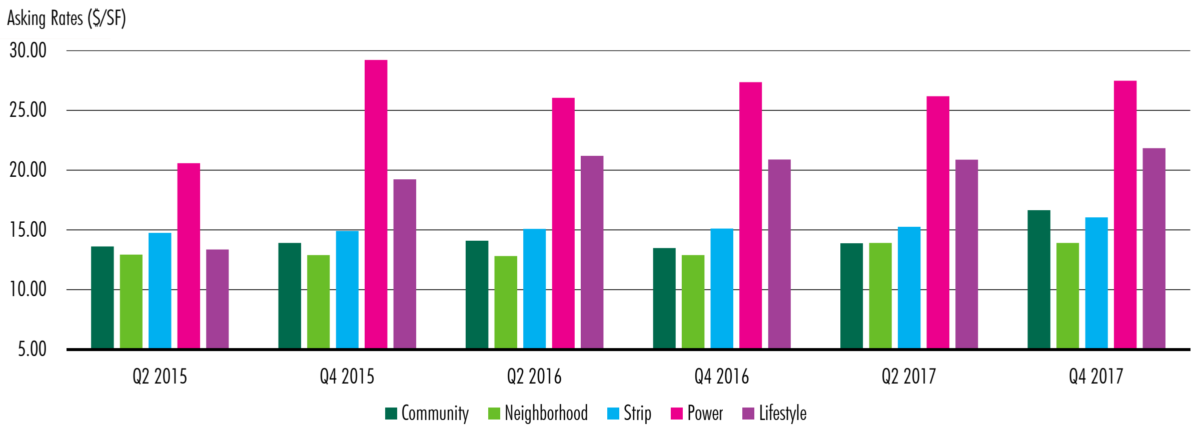
Source: CBRE Research, Q4 2017.

Figure 6: Deliveries



Source: CBRE Research, Q4 2017.

Figure 7: Asking Annual Rents by Center Type, NNN Avg.

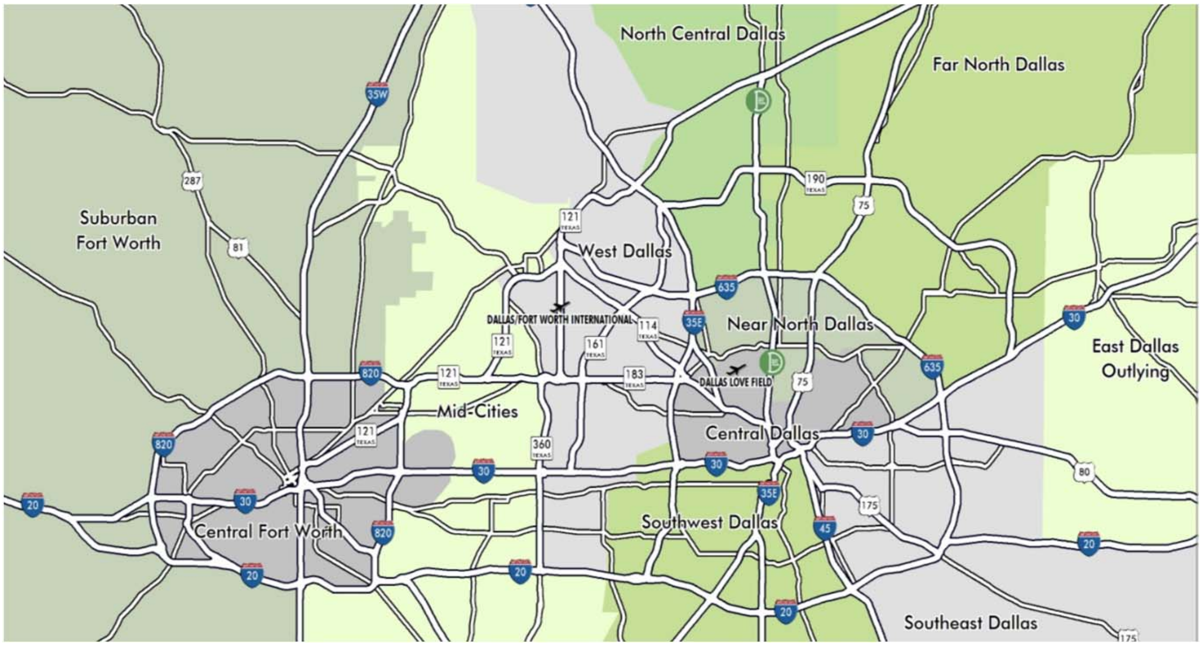


Source: CBRE Research, Q4 2017.

Figure 8: Top 10 Largest Available Class A Big Box Spaces

Submarket	Address	City	Former Use	Available (SF)
North Central Dallas	4268 Legacy Drive	Frisco	*Neighborhood Grocer*	62,802
Mid-Cities	459 E Interstate 20	Arlington	*Gander Mountain*	52,000
Near North Dallas	9100 N Central Expy	Dallas	*Sports Authority*	52,000
North Central Dallas	12277 Dallas Pkwy	Frisco	*Gander Mountain*	50,000
Near North Dallas	Mockingbird & Abrams	Dallas	*SunFresh*	50,000
Far North Dallas	3300 N Central Expy	Plano	*Sports Authority*	42,487
North Central Dallas	2930 Preston Rd	Frisco	*Sports Authority*	41,240
Mid-Cities	1551 Highway 287 N	Mansfield	*Sports Authority*	40,527
Central Fort Worth	4610 SW Loop 820	Fort Worth	*Goody Goody*	40,000
North Central Dallas	1701 Preston Rd	Plano	*Babies R Us*	37,296
Total Market Class A Space				**813,572**

Source: CBRE Research, Q4 2017.



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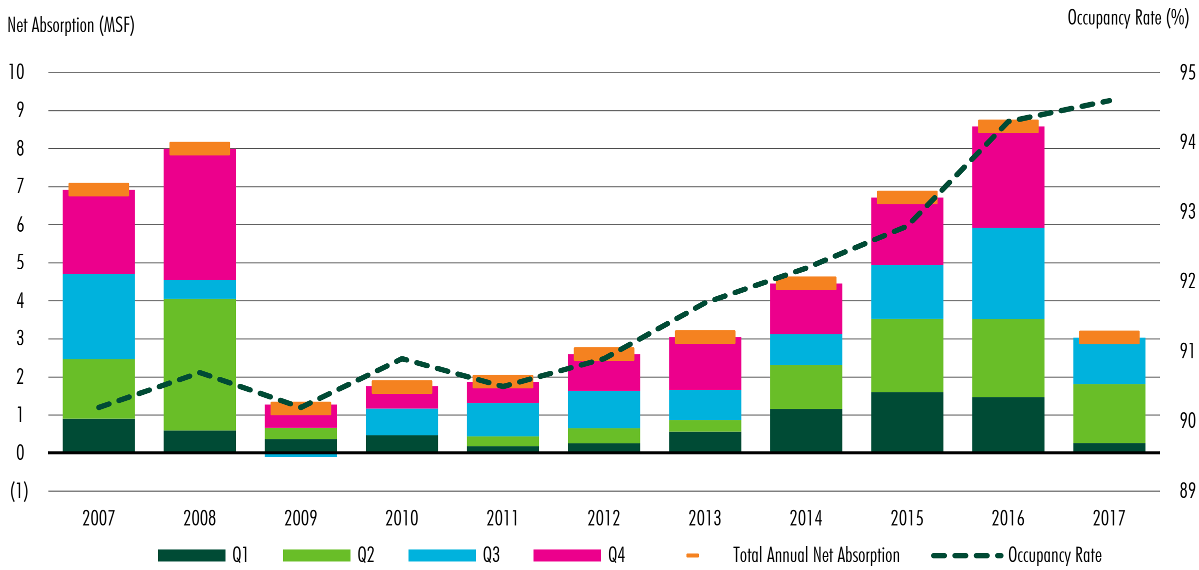
Dallas / Fort Worth Retail, Q3 2017

Open! Major project deliveries come online throughout North Texas

Occupancy 94.6%	Under Construction 6,982,890 SF	Completions 1,253,000 SF	Net Absorption 1,224,241 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q3 2017.

OCCUPANCY REMAINS STEADFAST AT ALL-TIME HIGHS; REACHING 94.6%

Within Dallas/Fort Worth's tightening retail market, strong net absorption and deliveries pushed occupancy rates to new highs. Looking ahead into the holiday season, filled centers have the potential to provide the strongest consumer spending in years.

CONSTRUCTION PIPELINE DECREASES AS MAJOR DELIVERIES OPEN THEIR DOORS

With a large number of major developments coming online this quarter, North Texas' construction pipeline remains relatively robust, but with little backfill. Rising construction costs and rebuilding due to Hurricane Harvey are expected to contribute to a minor slowdown in the short-term.

CLASS A BIG BOX SPACE REMAINS AVAILABLE AS MARKET STABILIZES

As expected, the pace of absorption of big box space throughout 2017 is slower than in years past – even within Class A inventory. This is due to a smaller pool of tenants chasing an increased supply of opportunities both in DFW, and around the country.

THE SHOPS AT CLEARFORK, IRVING'S TOYOTA MUSIC FACTORY, AND THE STAR ALL CELEBRATE GRAND OPENINGS IN Q3 2017

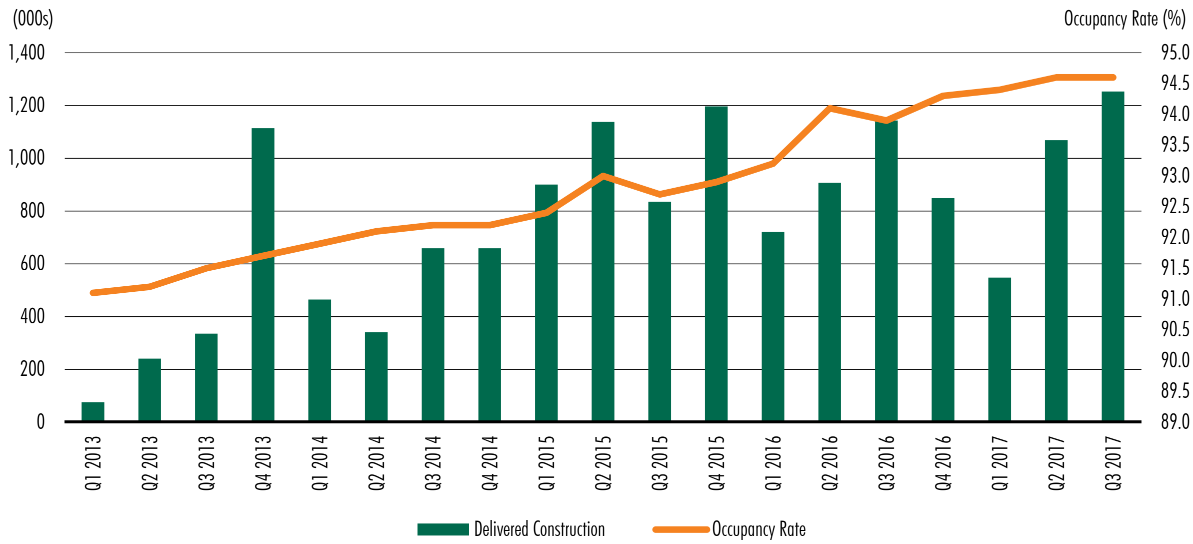
Three major local developments celebrated their grand openings recently, accounting for 830,000 sq. ft. of delivery and absorption in the Metroplex. The Star on August 21, Toyota Music Factory on September 9, and The Shops at Clearfork in Fort Worth on September 14.

Figure 2: Market Snapshot

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
CENTRAL DALLAS									
Absorption (Net, SF)	49,209	22,115	22,856	3,356	107,800	282,632	8,458	(53,300)	(30,525)
Avg. Asking Rent (Annual, Net, $/SF)	28.00	29.75	29.50	31.58	25.54	25.26	24.63	24.70	23.40
Delivered Construction (SF)	53,000	-	37,749	-	107,800	63,000	-	-	-
Occupancy Rate (%)	95.9	95.7	95.2	95.4	96.8	97.3	97.8	97.2	97.0
EAST DALLAS OUTLYING									
Absorption (Net, SF)	5,492	10,726	4,655	16,221	(4,185)	(29,280)	42,356	54,036	1,378
Avg. Asking Rent (Annual, Net, $/SF)	20.00	22.30	23.00	21.93	19.11	20.25	19.78	20.29	20.93
Delivered Construction (SF)	-	-	-	-	-	-	87,406	-	-
Occupancy Rate (%)	97.3	97.7	98.4	98.8	98.8	98.3	96.0	95.7	96.2
FAR NORTH DALLAS									
Absorption (Net, SF)	349,075	237,488	566,231	748,324	567,284	199,844	19,570	280,463	302,390
Avg. Asking Rent (Annual, Net, $/SF)	15.25	15.25	15.50	14.52	15.83	14.51	14.73	15.11	16.51
Delivered Construction (SF)	110,715	17,586	322,667	738,187	567,284	25,000	106,888	542,000	300,000
Occupancy Rate (%)	91.1	91.4	92.0	93.6	93.0	93.4	93.2	93.5	93.4
NEAR NORTH DALLAS									
Absorption (Net, SF)	6,192	125,656	80,349	(54,260)	316,964	142,058	64,122	210,362	19,920
Avg. Asking Rent (Annual, Net, $/SF)	15.00	15.50	14.75	14.36	16.07	16.45	16.35	17.31	18.10
Delivered Construction (SF)	16,000	107,500	-	-	316,964	58,000	20,431	220,000	-
Occupancy Rate (%)	94.1	94.1	94.3	94.8	94.7	95.2	95.0	95.2	95.4
NORTH CENTRAL DALLAS									
Absorption (Net, SF)	159,778	201,739	180,664	215,284	266,504	256,960	62,914	326,587	331,134
Avg. Asking Rent (Annual, Net, $/SF)	16.00	16.25	16.00	17.04	17.83	17.24	17.50	19.99	22.58
Delivered Construction (SF)	113,780	70,908	101,238	-	266,504	253,599	183,563	86,365	323,000
Occupancy Rate (%)	93.4	93.4	93.6	94.2	94.2	94.6	95.1	94.6	94.8
SOUTHEAST DALLAS									
Absorption (Net, SF)	28,563	2,052	39,748	58,787	(24,033)	34,759	(61,249)	164,121	(51,395)
Avg. Asking Rent (Annual, Net, $/SF)	11.00	11.00	11.00	10.74	11.18	11.18	11.42	15.34	11.67
Delivered Construction (SF)	-	11,000	-	-	-	-	14,804	-	-
Occupancy Rate (%)	93.3	93.1	92.9	94.1	94.0	95.1	95.0	95.5	94.9
SOUTHWEST DALLAS									
Absorption (Net, SF)	(14,523)	91,008	74,056	51,427	299,631	386,969	21,919	54,983	82,763
Avg. Asking Rent (Annual, Net, $/SF)	10.25	10.25	10.25	10.99	9.59	10.64	10.66	11.38	12.62
Delivered Construction (SF)	-	-	76,663	-	-	-	-	-	-
Occupancy Rate (%)	89.4	90.1	90.3	91.0	91.0	92.0	92.4	91.9	92.4
WEST DALLAS									
Absorption (Net, SF)	88,160	71,428	53,014	330,003	160,443	345,084	(79,960)	250,684	297,426
Avg. Asking Rent (Annual, Net, $/SF)	13.00	12.75	13.00	13.23	13.42	13.24	13.17	12.67	13.46
Delivered Construction (SF)	31,000	41,179	-	-	-	40,000	10,039	-	250,000
Occupancy Rate (%)	91.6	91.6	92.3	93.7	93.0	93.3	93.4	94.8	95.0
CENTRAL FORT WORTH									
Absorption (Net, SF)	72,899	141,329	72,424	197,341	303,425	182,737	(47,615)	161,418	394,718
Avg. Asking Rent (Annual, Net, $/SF)	12.50	12.50	12.00	11.84	11.83	12.29	12.92	12.40	12.85
Delivered Construction (SF)	35,336	52,676	64,776	-	303,425	113,900	-	118,000	380,000
Occupancy Rate (%)	92.8	92.3	92.5	93.9	93.5	94.1	94.1	94.4	94.5
MID-CITIES									
Absorption (Net, SF)	491,285	385,561	249,004	201,925	196,458	498,722	143,754	99,018	15.763
Avg. Asking Rent (Annual, Net, $/SF)	13.25	13.50	13.75	13.87	14.06	13.61	13.72	13.82	14.38
Delivered Construction (SF)	475,782	308,465	29,496	84,000	196,458	210,000	69,000	-	-
Occupancy Rate (%)	94.0	94.1	94.3	94.8	94.8	94.6	94.7	95.1	95.1
SUBURBAN FORT WORTH									
Absorption (Net, SF)	172,276	489,191	129,731	280,752	208,558	364,415	91,081	12,064	(139,331)
Avg. Asking Rent (Annual, Net, $/SF)	12.00	12.00	12.50	11.84	11.01	13.00	12.64	12.79	13.17
Delivered Construction (SF)	-	487,508	87,900	85,000	208,558	85,000	55,725	102,000	-
Occupancy Rate (%)	93.4	93.6	94.0	94.6	94.7	95.1	95.2	95.0	94.6
DALLAS TOTAL									
Absorption (Net, SF)	**671,946**	**762,212**	**1,021,582**	**1,369,142**	**1,690,408**	**1,619,026**	**78,130**	**1,287,936**	**953,091**
Avg. Asking Rent (Annual, Net, $/SF)	**14.92**	**15.10**	**15.7**	**15.13**	**15.68**	**15.31**	**15.37**	**16.30**	**17.18**
Delivered Construction (SF)	**342,495**	**248,185**	**538,317**	**738,187**	**698,000**	**439,599**	**423,131**	**850,365**	**873,000**
Occupancy Rate (%)	**92.3**	**92.5**	**92.8**	**93.8**	**93.7**	**94.2**	**94.2**	**94.4**	**94.5**
FORT WORTH TOTAL									
Absorption (Net, SF)	**736,460**	**1,016,081**	**451,159**	**680,018**	**708,441**	**1,045,874**	**187,220**	**272,500**	**271,150**
Avg. Asking Rent (Annual, Net, $/SF)	**12.77**	**12.97**	**12.97**	**12.89**	**12.80**	**13.14**	**13.27**	**13.23**	**13.71**
Delivered Construction (SF)	**511,118**	**848,649**	**182,162**	**169,000**	**445,000**	**408,900**	**124,725**	**220,000**	**380,000**
Occupancy Rate (%)	**93.4**	**93.4**	**93.8**	**94.6**	**94.4**	**94.6**	**94.7**	**94.9**	**94.9**
DFW MARKET TOTAL									
Absorption (Net, SF)	**1,408,406**	**1,778,293**	**1,472,741**	**2,049,160**	**2,398,849**	**2,664,900**	**265,350**	**1,560,436**	**1,224,241**
Avg. Asking Rent (Annual, Net, $/SF)	**14.17**	**14.33**	**14.34**	**14.35**	**14.69**	**14.57**	**14.65**	**15.25**	**15.98**
Delivered Construction (SF)	**835,613**	**1,196,834**	**720,479**	**907,187**	**1,143,000**	**848,499**	**547,856**	**1,068,365**	**1,253,000**
Occupancy Rate (%)	**92.7**	**92.7**	**93.2**	**94.1**	**93.9**	**94.3**	**94.4**	**94.6**	**94.6**

Source: CBRE Research, Q3 2017.

Figure 3: Historical Completions and Occupancy Rate



Source: CBRE Research, Q3 2017.

Figure 4: Construction Activity by Submarket

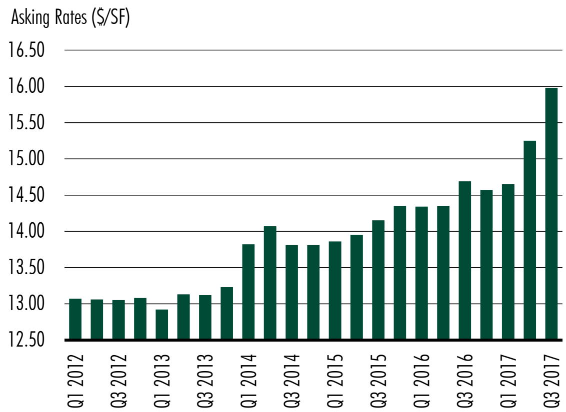
Market	Under Construction Bldg Count	Under Construction (SF)	Delivered Buildings	Delivered Construction (SF)
Central Dallas	3	175,000	-	-
East Dallas Outlying	2	25,800	-	-
Far North Dallas	21	749,998	1	300,000
Near North Dallas	1	13,000	-	-
North Central Dallas	30	1,768,306	2	323,000
Southeast Dallas	3	192,804	-	-
Southwest Dallas	3	59,560	-	-
West Dallas	8	444,255	1	250,000
Central Fort Worth	2	150,000	1	380,000
Mid-Cities	13	1,656,586	-	-
Suburban Fort Worth	13	1,747,581	-	-
TOTAL DALLAS	**71**	**3,428,723**	**4**	**873,000**
TOTAL FORT WORTH	**28**	**3,554,167**	**1**	**380,000**
TOTAL DFW	**99**	**6,982,890**	**5**	**1,253,000**

Source: CBRE Research, Q3 2017.

Bishop Street Market – Bishop Arts, Dallas TX

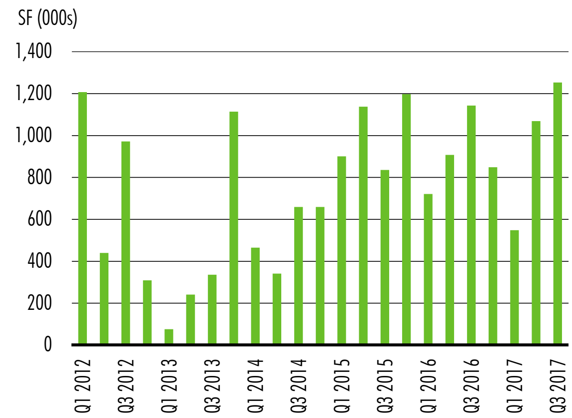
The Shops at Legacy – Plano, TX

Figure 5: Asking Annual Rents, NNN Avg.



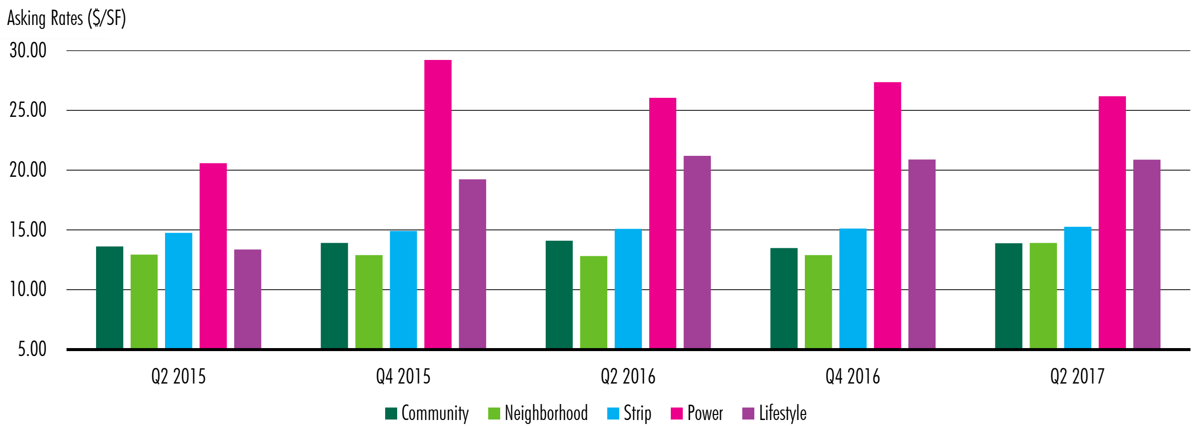
Source: CBRE Research, Q3 2017.

Figure 6: Deliveries



Source: CBRE Research, Q3 2017.

Figure 7: Asking Annual Rents by Center Type, NNN Avg.

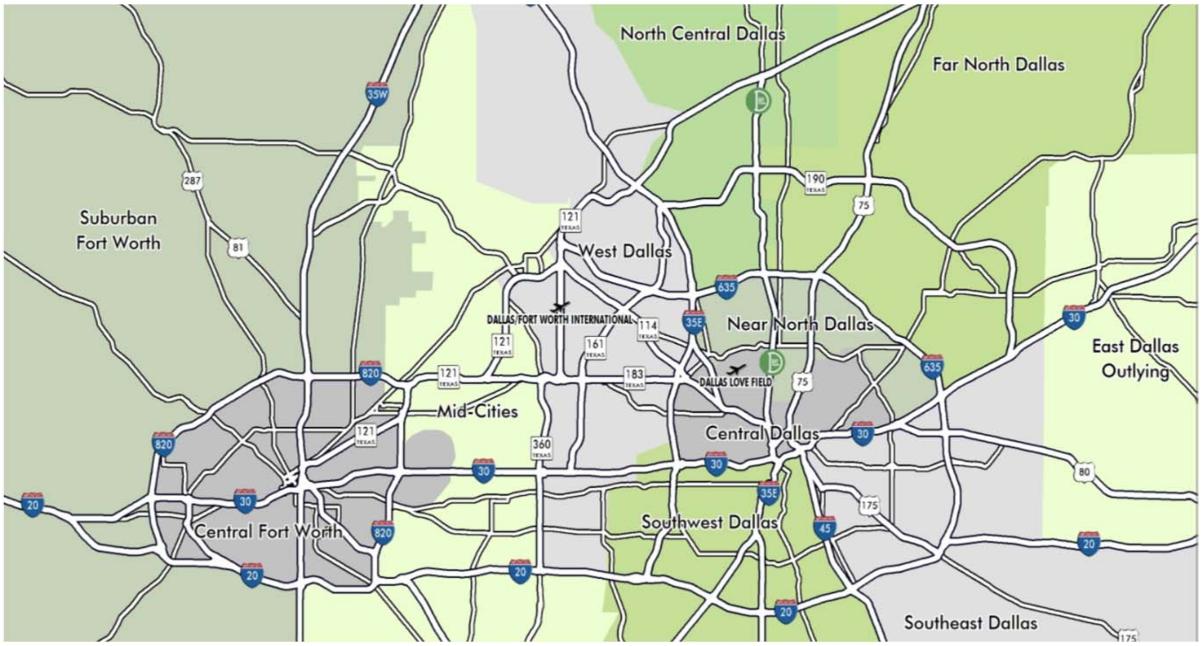


Source: CBRE Research, Q3 2017.

Figure 8: Top 10 Largest Available Class A Big Box Spaces

Submarket	Address	City	Former Use	Available (SF)
North Central Dallas	4268 Legacy Drive	Frisco	*Neighborhood Grocer*	62,802
Mid-Cities	459 E Interstate 20	Arlington	*Gander Mountain*	52,000
Near North Dallas	9100 N Central Expy	Dallas	*Sports Authority*	52,000
North Central Dallas	12277 Dallas Pkwy	Frisco	*Gander Mountain*	50,000
Near North Dallas	Mockingbird & Abrams	Dallas	*SunFresh*	50,000
Far North Dallas	3300 N Central Expy	Plano	*Sports Authority*	42,487
North Central Dallas	2930 Preston Rd	Frisco	*Sports Authority*	41,240
Mid-Cities	1551 Highway 287 N	Mansfield	*Sports Authority*	40,527
North Central Dallas	1701 Preston Rd	Plano	*Babies R Us*	37,296
Mid-Cities	3000 Grapevine Mills Pkwy	Grapevine	*Bed Bath & Beyond*	35,000
Total Market Class A Space				**773,572**

Source: CBRE Research, Q3 2017.



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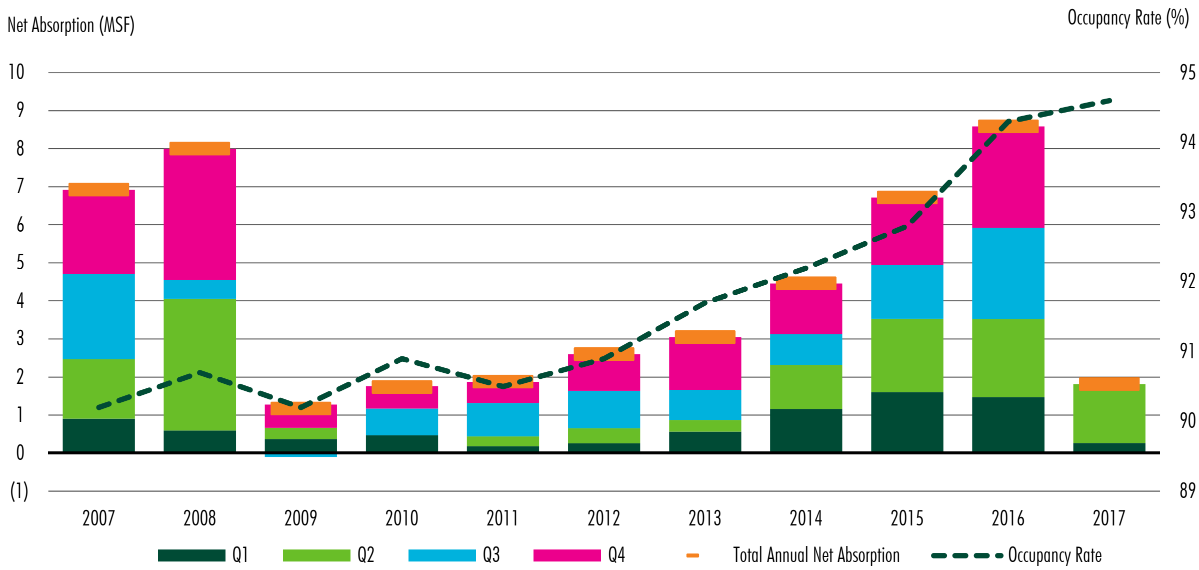
Dallas / Fort Worth Retail, Q2 2017

Absorption ascends: strong market results in demand, project deliveries

Occupancy	Under Construction	Completions	Net Absorption
94.6%	8,280,598 SF	1,068,365 SF	1,560,436 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q2 2017.

OCCUPANCY HITS NEW ALL-TIME HIGH; REACHING 94.6%

Within Dallas/Fort Worth's tightening retail market, strong net absorption and deliveries pushed occupancy rates to new highs. The prevalence of steadying rent and long-term lease signings ensure space will remain filled, and availability taken off the market quickly.

CONSTRUCTION PIPELINE STABILIZES AS MULTIPLE DELIVERIES COME ONLINE IN Q2 2017

A 182,000-sq.- ft. big box grocer coming online in Anna, TX, Costco opening their doors to customers off of Route 75 in Dallas, and a new Kroger off Basswood Blvd. in Fort Worth are just a few of the new projects to come online in DFW in the second quarter of 2017.

ABSORPTION AND COMPLETIONS INCREASE DRAMATICALLY DUE TO A FAST-PACED Q2 2017

Grocer openings, big box absorption, and healthy retail demand in North Texas all contributed to a busy end to the first half of the year. As the region gains economic strength, it is expected that development activity will forge ahead.

PLANO'S URBAN VILLAGE DEVELOPMENT OPENS TO GREAT FANFARE

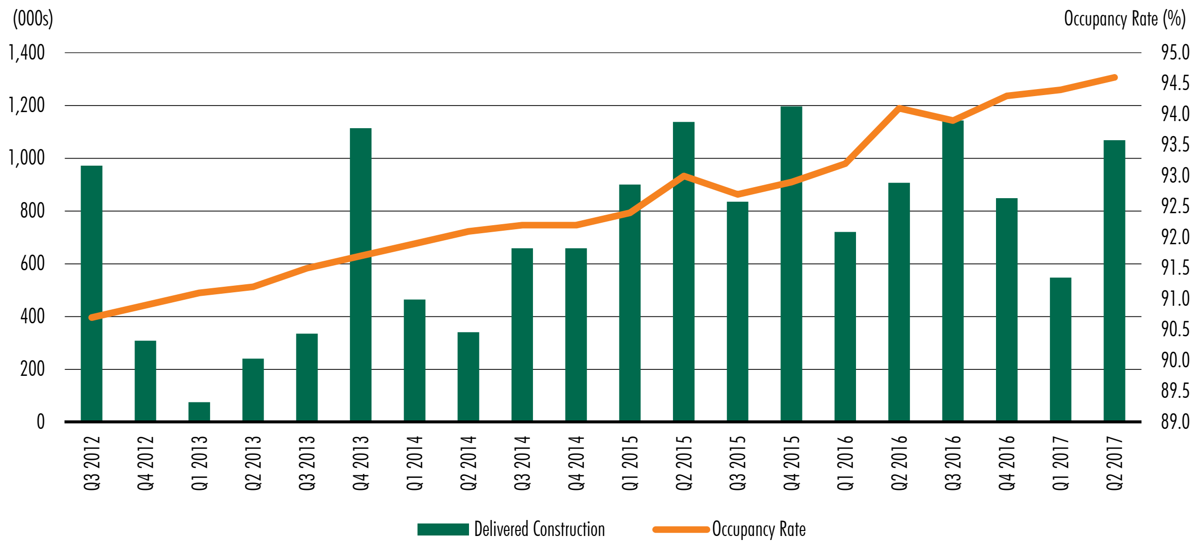
On June 2, Plano's Legacy West celebrated its grand opening with food, live music, and sales. Within the 360,000 sq. ft. project are familiar names such as Tesla, Shake Shack, Coach, Taverna, and Fabletic's first Texas location. A 55,000 sq. ft. food hall is scheduled to open later this fall.

Figure 2: Market Snapshot

	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
CENTRAL DALLAS									
Absorption (Net, SF)	16,469	49,209	22,115	22,856	3,356	107,800	282,632	8,458	(53,300)
Avg. Asking Rent (Annual, Net, $/SF)	27.41	28.00	29.75	29.50	31.58	25.54	25.26	24.63	24.70
Delivered Construction (SF)	14,063	53,000	-	37,749	-	107,800	63,000	-	-
Occupancy Rate (%)	96.2	95.9	95.7	95.2	95.4	96.8	97.3	97.8	97.2
EAST DALLAS OUTLYING									
Absorption (Net, SF)	79,480	5,492	10,726	4,655	16,221	(4,185)	(29,280)	42,356	54,036
Avg. Asking Rent (Annual, Net, $/SF)	19.83	20.00	22.30	23.00	21.93	19.11	20.25	19.78	20.29
Delivered Construction (SF)	62,000	-	-	-	-	-	-	87,406	-
Occupancy Rate (%)	97.7	97.3	97.7	98.4	98.8	98.8	98.3	96.0	95.7
FAR NORTH DALLAS									
Absorption (Net, SF)	256,770	349,075	237,488	566,231	748,324	567,284	199,844	19,570	280,463
Avg. Asking Rent (Annual, Net, $/SF)	15.34	15.25	15.25	15.50	14.52	15.83	14.51	14.73	15.11
Delivered Construction (SF)	64,133	110,715	17,586	322,667	738,187	567,284	25,000	106,888	542,000
Occupancy Rate (%)	90.8	91.1	91.4	92.0	93.6	93.0	93.4	93.2	93.5
NEAR NORTH DALLAS									
Absorption (Net, SF)	78,111	6,192	125,656	80,349	(54,260)	316,964	142,058	64,122	210,362
Avg. Asking Rent (Annual, Net, $/SF)	14.23	15.00	15.50	14.75	14.36	16.07	16.45	16.35	17.31
Delivered Construction (SF)	45,000	16,000	107,500	-	-	316,964	58,000	20,431	220,000
Occupancy Rate (%)	93.0	94.1	94.1	94.3	94.8	94.7	95.2	95.0	95.2
NORTH CENTRAL DALLAS									
Absorption (Net, SF)	869,685	159,778	201,739	180,664	215,284	266,504	256,960	62,914	326,587
Avg. Asking Rent (Annual, Net, $/SF)	15.82	16.00	16.25	16.00	17.04	17.83	17.24	17.50	19.99
Delivered Construction (SF)	580,000	113,780	70,908	101,238	-	266,504	253,599	183,563	86,365
Occupancy Rate (%)	93.3	93.4	93.4	93.6	94.2	94.2	94.6	95.1	94.6
SOUTHEAST DALLAS									
Absorption (Net, SF)	32,795	28,563	2,052	39,748	58,787	(24,033)	34,759	(61,249)	164,121
Avg. Asking Rent (Annual, Net, $/SF)	10.91	11.00	11.00	11.00	10.74	11.18	11.18	11.42	15.34
Delivered Construction (SF)	-	-	11,000	-	-	-	-	14,804	-
Occupancy Rate (%)	89.9	93.3	93.1	92.9	94.1	94.0	95.1	95.0	95.5
SOUTHWEST DALLAS									
Absorption (Net, SF)	60,844	(14,523)	91,008	74,056	51,427	299,631	386,969	21,919	54,983
Avg. Asking Rent (Annual, Net, $/SF)	10.40	10.25	10.25	10.25	10.99	9.59	10.64	10.66	11.38
Delivered Construction (SF)	-	-	-	76,663	-	-	-	-	-
Occupancy Rate (%)	89.9	89.4	90.1	90.3	91.0	91.0	92.0	92.4	91.9
WEST DALLAS									
Absorption (Net, SF)	205,561	88,160	71,428	53,014	330,003	160,443	345,084	(79,960)	250,684
Avg. Asking Rent (Annual, Net, $/SF)	12.81	13.00	12.75	13.00	13.23	13.42	13.24	13.17	12.67
Delivered Construction (SF)	184,534	31,000	41,179	-	-	-	40,000	10,039	-
Occupancy Rate (%)	99.3	91.6	91.6	92.3	93.7	93.0	93.3	93.4	94.8
CENTRAL FORT WORTH									
Absorption (Net, SF)	75,063	72,899	141,329	72,424	197,341	303,425	182,737	(47,615)	161,418
Avg. Asking Rent (Annual, Net, $/SF)	10.87	12.50	12.50	12.00	11.84	11.83	12.29	12.92	12.40
Delivered Construction (SF)	-	35,336	52,676	64,776	-	303,425	113,900	-	118,000
Occupancy Rate (%)	91.6	92.8	92.3	92.5	93.9	93.5	94.1	94.1	94.4
MID-CITIES									
Absorption (Net, SF)	80,712	491,285	385,561	249,004	201,925	196,458	498,722	143,754	99,018
Avg. Asking Rent (Annual, Net, $/SF)	13.42	13.25	13.50	13.75	13.87	14.06	13.61	13.72	13.82
Delivered Construction (SF)	27,500	475,782	308,465	29,496	84,000	196,458	210,000	69,000	-
Occupancy Rate (%)	93.8	94.0	94.1	94.3	94.8	94.8	94.6	94.7	95.1
SUBURBAN FORT WORTH									
Absorption (Net, SF)	173,428	172,276	489,191	129,731	280,752	208,558	364,415	91,081	12,064
Avg. Asking Rent (Annual, Net, $/SF)	11.83	12.00	12.00	12.50	11.84	11.01	13.00	12.64	12.79
Delivered Construction (SF)	133,587	-	487,508	87,900	85,000	208,558	85,000	55,725	102,000
Occupancy Rate (%)	99.2	93.4	93.6	94.0	94.6	94.7	95.1	95.2	95.0
DALLAS TOTAL									
Absorption (Net, SF)	**1,599,715**	**671,946**	**762,212**	**1,021,582**	**1,369,142**	**1,690,408**	**1,619,026**	**78,130**	**1,287,936**
Avg. Asking Rent (Annual, Net, $/SF)	**14.78**	**14.92**	**15.10**	**15.7**	**15.13**	**15.68**	**15.31**	**15.37**	**16.30**
Delivered Construction (SF)	**949,730**	**342,495**	**248,185**	**538,317**	**738,187**	**698,000**	**439,599**	**423,131**	**850,365**
Occupancy Rate (%)	**94.3**	**92.3**	**92.5**	**92.8**	**93.8**	**93.7**	**94.2**	**94.2**	**94.4**
FORT WORTH TOTAL									
Absorption (Net, SF)	**329,203**	**736,460**	**1,016,081**	**451,159**	**680,018**	**708,441**	**1,045,874**	**187,220**	**272,500**
Avg. Asking Rent (Annual, Net, $/SF)	**14.78**	**12.77**	**12.97**	**12.97**	**12.89**	**12.80**	**13.14**	**13.27**	**13.23**
Delivered Construction (SF)	**161,087**	**511,118**	**848,649**	**182,162**	**169,000**	**445,000**	**408,900**	**124,725**	**220,000**
Occupancy Rate (%)	**94.5**	**93.4**	**93.4**	**93.8**	**94.6**	**94.4**	**94.6**	**94.7**	**94.9**
DFW MARKET TOTAL									
Absorption (Net, SF)	**1,928,918**	**1,408,406**	**1,778,293**	**1,472,741**	**2,049,160**	**2,398,849**	**2,664,900**	**265,350**	**1,560,436**
Avg. Asking Rent (Annual, Net, $/SF)	**13.95**	**14.17**	**14.33**	**14.34**	**14.35**	**14.69**	**14.57**	**14.65**	**15.25**
Delivered Construction (SF)	**1,110,817**	**835,613**	**1,196,834**	**720,479**	**907,187**	**1,143,000**	**848,499**	**547,856**	**1,068,365**
Occupancy Rate (%)	**93.0**	**92.7**	**92.7**	**93.2**	**94.1**	**93.9**	**94.3**	**94.4**	**94.6**

Source: CBRE Research, Q2 2017.

Figure 3: Historical Completions and Occupancy Rate



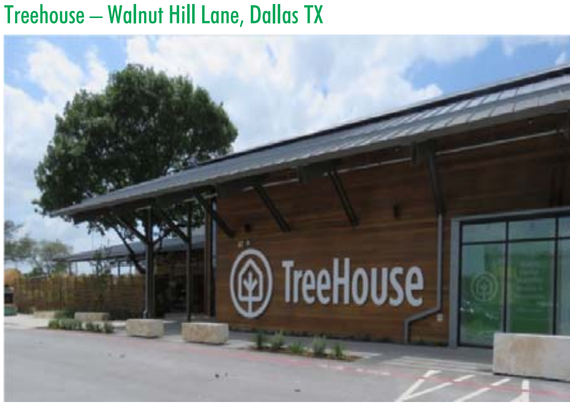
Source: CBRE Research, Q2 2017.

Figure 4: Construction Activity by Submarket

Market	Under Construction Bldg Count	Under Construction (SF)	Delivered Buildings	Delivered Construction (SF)
Central Dallas	3	265,000	-	-
East Dallas Outlying	1	13,800	-	-
Far North Dallas	24	1,328,674	2	542,000
Near North Dallas	1	30,000	2	220,000
North Central Dallas	36	2,434,203	1	86,365
Southeast Dallas	4	203,804	-	-
Southwest Dallas	4	96,840	-	-
West Dallas	15	992,788	-	-
Central Fort Worth	3	455,219	-	-
Mid-Cities	11	991,761	2	118,000
Suburban Fort Worth	12	1,468,509	1	102,000
TOTAL DALLAS	**88**	**5,365,109**	**5**	**848,365**
TOTAL FORT WORTH	**26**	**2,915,489**	**3**	**220,000**
TOTAL DFW	**114**	**8,280,598**	**17**	**1,068,365**

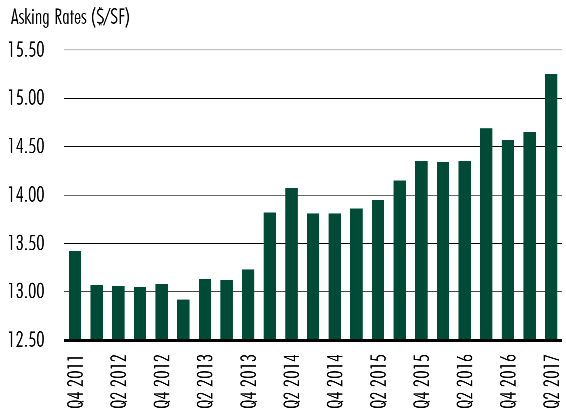
Source: CBRE Research, Q2 2017.

Treehouse – Walnut Hill Lane, Dallas TX



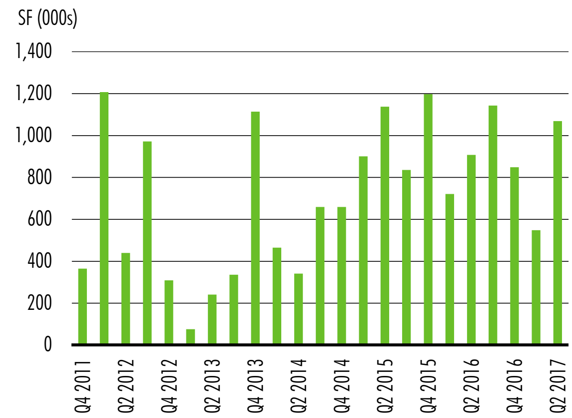
Sprouts Farmers Market – Lake Highlands Town Center, Dallas TX

Figure 5: Asking Annual Rents, NNN Avg.



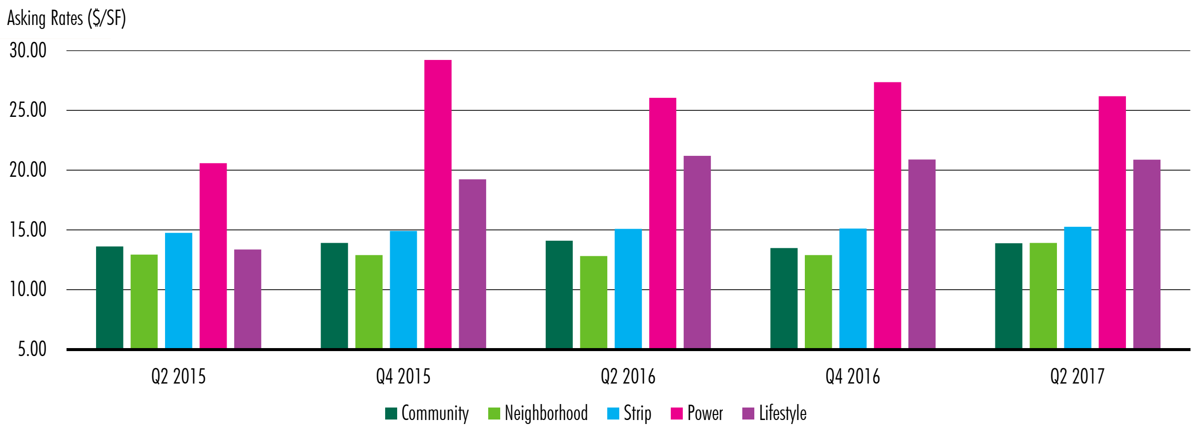
Source: CBRE Research, Q2 2017.

Figure 6: Deliveries



Source: CBRE Research, Q2 2017.

Figure 7: Asking Annual Rents by Center Type, NNN Avg.

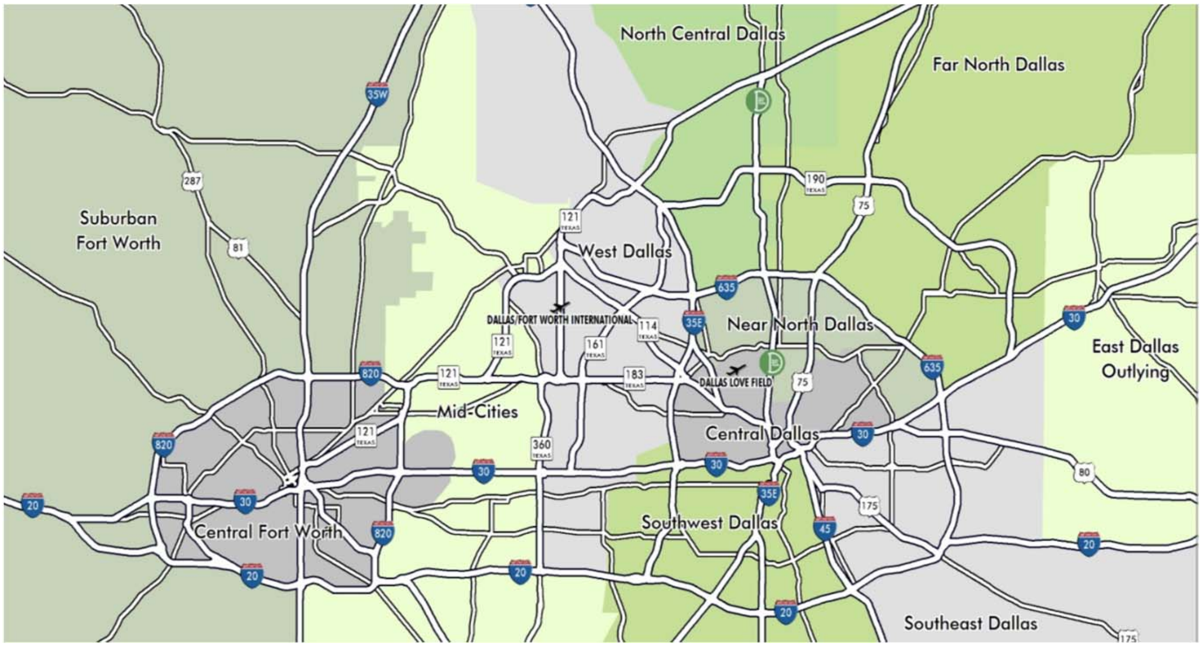


Source: CBRE Research, Q2 2017.

Figure 8: Top 10 Largest Available Big Box Spaces

Submarket	Address	City	Former Use	Available (SF)
Central Dallas	811 N. Central Expy	Plano	*Dillard's*	176,259
North Central Dallas	5000 Alpha Road	Farmer's Branch	*The Great Indoors*	141,690
Near North Dallas	8282 Park Ln	Dallas	*Wholesale Club*	111,501
North Central Dallas	13342 Midway Rd	Farmer's Branch	*Gabbert's Furniture*	105,000
Central Fort Worth	2100 Green Oaks	Fort Worth	*Neiman Marcus*	93,000
Southwest Dallas	2550 W Red Bird Ln	Dallas	*Terry's Market*	72,911
Southwest Dallas	7401 S Westmoreland Rd	Dallas	*Home Depot*	71,842
Far North Dallas	3046-3048 Lavon Drive	Garland	*Albertson's*	66,817
North Central Dallas	4268 Legacy Drive	Frisco	*Neighborhood Grocer*	62,802
Mid-Cities	5425 S. Cooper St	Arlington	*Tom Thumb*	62,539

Source: CBRE Research, Q2 2017.



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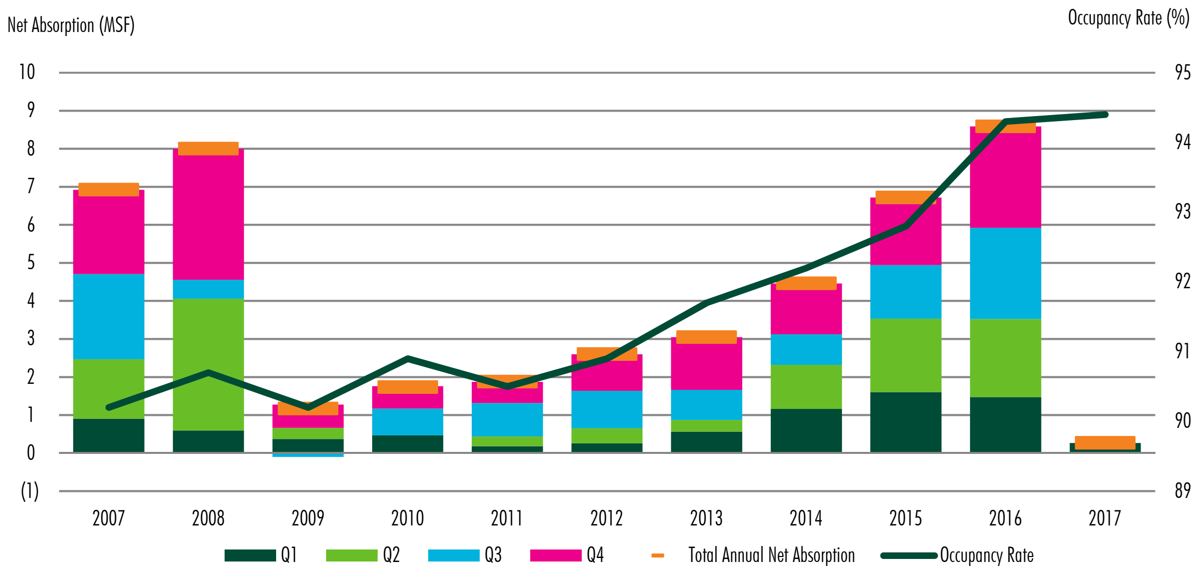
Dallas / Fort Worth Retail, Q1 2017

Market equilibrium: occupancy and construction remain high as absorption tapers

Occupancy	Under Construction	Completions	Net Absorption
94.4%	9,292,291 SF	547,856 SF	265,350 SF

*Arrows indicate trend from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q1 2017.

OCCUPANCY HITS NEW ALL-TIME HIGH; REACHING 94.4%

- Within Dallas/Fort Worth's tightening retail market, modest net absorption and sluggish deliveries could not deter climbing occupancy rates. The prevalence of steadying rent and long term lease signings ensure space will remain filled, and availability taken off the market quickly.

CONSTRUCTION PIPELINE INCREASES AS NORTH TEXAS PROJECTS TURN DIRT

- Market expansion carries on as area retailers are attracted to, and benefit from, DFW economic fundamentals. Major developments in Frisco continue to build out, Denton's Rayzor Ranch mixed-use project moves forward with a 2018 opening, and Irving looks forward to the completion of Music Factory and Water Street later this year.

ABSORPTION AND COMPLETIONS STABILIZE

- Growth remains concentrated in the north and west of Dallas proper. Although absorption and completions are off their multi-year highs, this is expected to change dramatically as multiple DFW major construction projects are set to deliver in the next 12-18 months.

BIG BOX AVAILABILITY CONTRACTS AS HIGH QUALITY SPACES ARE SCOOPED UP

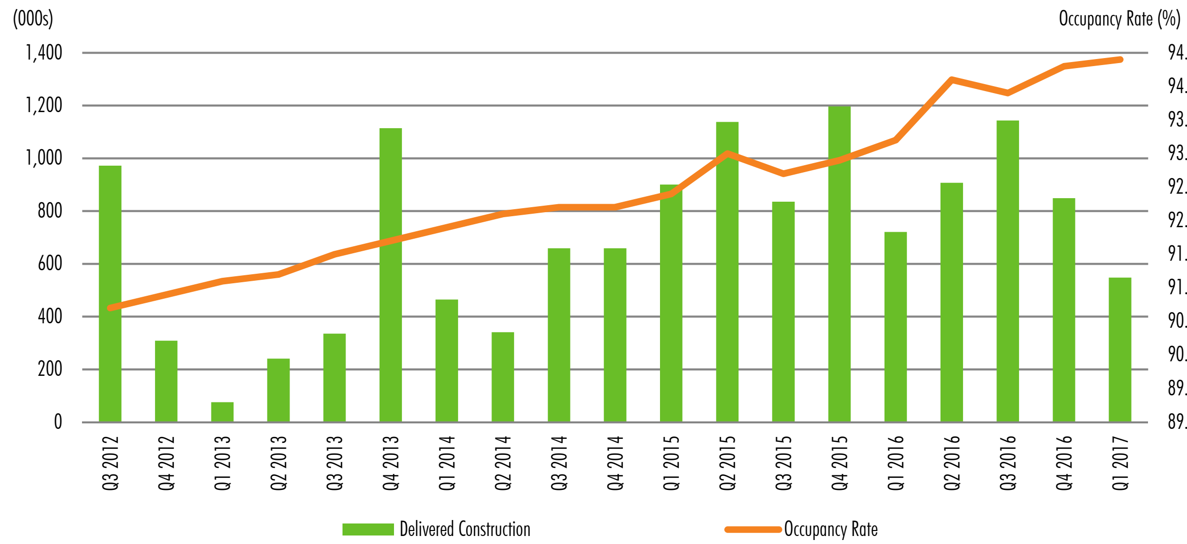
- Big box net absorption increased this quarter as higher valued locations were taken off market by various home goods and discount retailers. As national retailers such as JCPenney, Macy's, and Sears continue to announce closures, we expect that Class A availability will increase slightly, while remaining spaces will be split up to reduce footprint.

Figure 2: Market Snapshot

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
CENTRAL DALLAS									
Absorption (Net, SF)	158,113	16,469	49,209	22,115	22,856	3,356	107,800	282,632	8,458
Avg. Asking Rent (Annual, Net, $/SF)	27.04	27.41	28.00	29.75	29.50	31.58	25.54	25.26	24.63
Delivered Construction (SF)	81,758	14,063	53,000	-	37,749	-	107,800	63,000	-
Occupancy Rate (%)	95.5	96.2	95.9	95.7	95.2	95.4	96.8	97.3	97.8
EAST DALLAS OUTLYING									
Absorption (Net, SF)	2,292	79,480	5,492	10,726	4,655	16,221	(4,185)	(29,280)	42,356
Avg. Asking Rent (Annual, Net, $/SF)	20.22	19.83	20.00	22.30	23.00	21.93	19.11	20.25	19.78
Delivered Construction (SF)	-	62,000	-	-	-	-	-	-	87,406
Occupancy Rate (%)	96.0	97.7	97.3	97.7	98.4	98.8	98.8	98.3	96.0
FAR NORTH DALLAS									
Absorption (Net, SF)	99,593	256,770	349,075	237,488	566,231	748,324	567,284	199,844	19,570
Avg. Asking Rent (Annual, Net, $/SF)	14.94	15.34	15.25	15.25	15.50	14.52	15.83	14.51	14.73
Delivered Construction (SF)	-	64,133	110,715	17,586	322,667	738,187	567,284	25,000	106,888
Occupancy Rate (%)	90.4	90.8	91.1	91.4	92.0	93.6	93.0	93.4	93.2
NEAR NORTH DALLAS									
Absorption (Net, SF)	146,589	78,111	6,192	125,656	80,349	(54,260)	316,964	142,058	64,122
Avg. Asking Rent (Annual, Net, $/SF)	14.84	14.23	15.00	15.50	14.75	14.36	16.07	16.45	16.35
Delivered Construction (SF)	14,000	45,000	16,000	107,500	-	-	316,964	58,000	20,431
Occupancy Rate (%)	94.3	93.0	94.1	94.1	94.3	94.8	94.7	95.2	95.0
NORTH CENTRAL DALLAS									
Absorption (Net, SF)	485,360	869,685	159,778	201,739	180,664	215,284	266,504	256,960	62,914
Avg. Asking Rent (Annual, Net, $/SF)	15.36	15.82	16.00	16.25	16.00	17.04	17.83	17.24	17.50
Delivered Construction (SF)	399,500	580,000	113,780	70,908	101,238	-	266,504	253,599	183,563
Occupancy Rate (%)	92.6	93.3	93.4	93.4	93.6	94.2	94.2	94.6	95.1
SOUTHEAST DALLAS									
Absorption (Net, SF)	4,231	32,795	28,563	2,052	39,748	58,787	(24,033)	34,759	(61,249)
Avg. Asking Rent (Annual, Net, $/SF)	11.06	10.91	11.00	11.00	11.00	10.74	11.18	11.18	11.42
Delivered Construction (SF)	-	-	-	11,000	-	-	-	-	14,804
Occupancy Rate (%)	93.0	89.9	93.3	93.1	92.9	94.1	94.0	95.1	95.0
SOUTHWEST DALLAS									
Absorption (Net, SF)	(45,263)	60,844	(14,523)	91,008	74,056	51,427	299,631	386,969	21,919
Avg. Asking Rent (Annual, Net, $/SF)	14.43	10.40	10.25	10.25	10.25	10.99	9.59	10.64	10.66
Delivered Construction (SF)	-	-	-	-	76,663	-	-	-	-
Occupancy Rate (%)	89.9	89.9	89.4	90.1	90.3	91.0	91.0	92.0	92.4
WEST DALLAS									
Absorption (Net, SF)	137,824	205,561	88,160	71,428	53,014	330,003	160,443	345,084	(79,960)
Avg. Asking Rent (Annual, Net, $/SF)	11.43	12.81	13.00	12.75	13.00	13.23	13.42	13.24	13.17
Delivered Construction (SF)	-	184,534	31,000	41,179	-	-	-	40,000	10,039
Occupancy Rate (%)	92.0	99.3	91.6	91.6	92.3	93.7	93.0	93.3	93.4
CENTRAL FORT WORTH									
Absorption (Net, SF)	182.189	75,063	72,899	141,329	72,424	197,341	303,425	182,737	(47,615)
Avg. Asking Rent (Annual, Net, $/SF)	10.61	10.87	12.50	12.50	12.00	11.84	11.83	12.29	12.92
Delivered Construction (SF)	50,000	-	35,336	52,676	64,776	-	303,425	113,900	-
Occupancy Rate (%)	91.3	91.6	92.8	92.3	92.5	93.9	93.5	94.1	94.1
MID-CITIES									
Absorption (Net, SF)	173,877	80,712	491,285	385,561	249,004	201,925	196,458	498,722	143,754
Avg. Asking Rent (Annual, Net, $/SF)	13.21	13.42	13.25	13.50	13.75	13.87	14.06	13.61	13.72
Delivered Construction (SF)	39,060	27,500	475,782	308,465	29,496	84,000	196,458	210,000	69,000
Occupancy Rate (%)	93.7	93.8	94.0	94.1	94.3	94.8	94.8	94.6	94.7
SUBURBAN FORT WORTH									
Absorption (Net, SF)	257,748	173,428	172,276	489,191	129,731	280,752	208,558	364,415	91,081
Avg. Asking Rent (Annual, Net, $/SF)	11.44	11.83	12.00	12.00	12.50	11.84	11.01	13.00	12.64
Delivered Construction (SF)	305,000	133,587	-	487,508	87,900	85,000	208,558	85,000	55,725
Occupancy Rate (%)	92.7	99.2	93.4	93.6	94.0	94.6	94.7	95.1	95.2
DALLAS TOTAL									
Absorption (Net, SF)	**988,748**	**1,599,715**	**671,946**	**762,212**	**1,021,582**	**1,369,142**	**1,690,408**	**1,619,026**	**78,130**
Avg. Asking Rent (Annual, Net, $/SF)	**14.78**	**14.78**	**14.92**	**15.10**	**15.7**	**15.13**	**15.68**	**15.31**	**15.37**
Delivered Construction (SF)	**506,258**	**949,730**	**342,495**	**248,185**	**538,317**	**738,187**	**698,000**	**439,599**	**423,131**
Occupancy Rate (%)	**93.0**	**94.3**	**92.3**	**92.5**	**92.8**	**93.8**	**93.7**	**94.2**	**94.2**
FORT WORTH TOTAL									
Absorption (Net, SF)	**613,104**	**329,203**	**736,460**	**1,016,081**	**451,159**	**680,018**	**708,441**	**1,045,874**	**187,220**
Avg. Asking Rent (Annual, Net, $/SF)	**12.16**	**14.78**	**12.77**	**12.97**	**12.97**	**12.89**	**12.80**	**13.14**	**13.27**
Delivered Construction (SF)	**394,060**	**161,087**	**511,118**	**848,649**	**182,162**	**169,000**	**445,000**	**408,900**	**124,725**
Occupancy Rate (%)	**92.9**	**94.5**	**93.4**	**93.4**	**93.8**	**94.6**	**94.4**	**94.6**	**94.7**
DFW MARKET TOTAL									
Absorption (Net, SF)	**1,601,852**	**1,928,918**	**1,408,406**	**1,778,293**	**1,472,741**	**2,049,160**	**2,398,849**	**2,664,900**	**265,350**
Avg. Asking Rent (Annual, Net, $/SF)	**13.86**	**13.95**	**14.17**	**14.33**	**14.34**	**14.35**	**14.69**	**14.57**	**14.65**
Delivered Construction (SF)	**900,318**	**1,110,817**	**835,613**	**1,196,834**	**720,479**	**907,187**	**1,143,000**	**848,499**	**547,856**
Occupancy Rate (%)	**92.4**	**93.0**	**92.7**	**92.7**	**93.2**	**94.1**	**93.9**	**94.3**	**94.4**

Source: CBRE Research, Q1 2017.

Figure 3: Historical Completions and Occupancy Rate



Source: CBRE Research, Q1 2017.

Figure 4: Construction Activity by Submarket

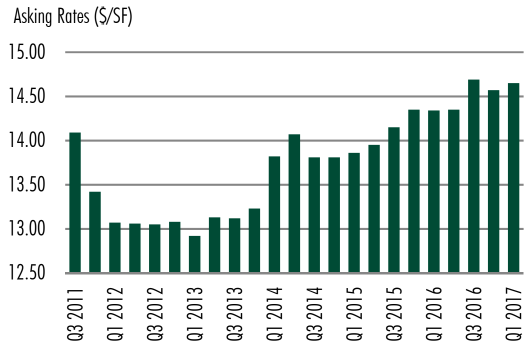
Market	Under Construction Bldg Count	Under Construction (SF)	Delivered Buildings	Delivered Construction (SF)
Central Dallas	3	265,000	-	-
East Dallas Outlying	2	25,800	1	87,406
Far North Dallas	21	2,009,347	5	106,888
Near North Dallas	4	487,600	1	20,431
North Central Dallas	34	1,817,152	5	183,563
Southeast Dallas	2	23,500	1	14,804
Southwest Dallas	2	40,670	-	-
West Dallas	11	842,192	1	10,039
Central Fort Worth	9	406,139	-	-
Mid-Cities	12	807,149	2	69,000
Suburban Fort Worth	15	2,567,742	1	55,725
TOTAL Dallas	79	5,511,261	14	423,131
TOTAL Fort Worth	36	3,781,030	3	124,725
TOTAL DFW	**115**	**9,292,291**	**17**	**547,856**

Source: CBRE Research, Q1 2017.

The Star – Frisco, TX

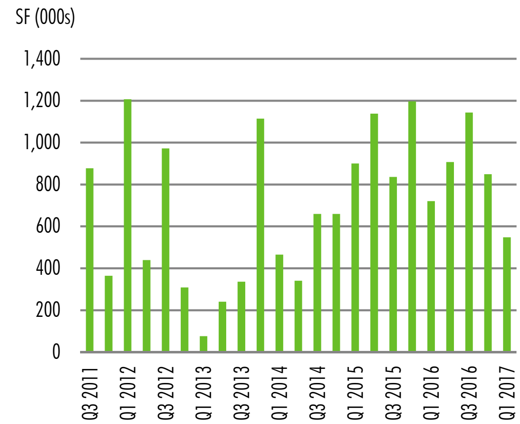
Dallas Farmer's Market – Dallas, TX

Figure 5: Asking Annual Rents, NNN Avg.



Source: CBRE Research, Q1 2017.

Figure 6: Deliveries

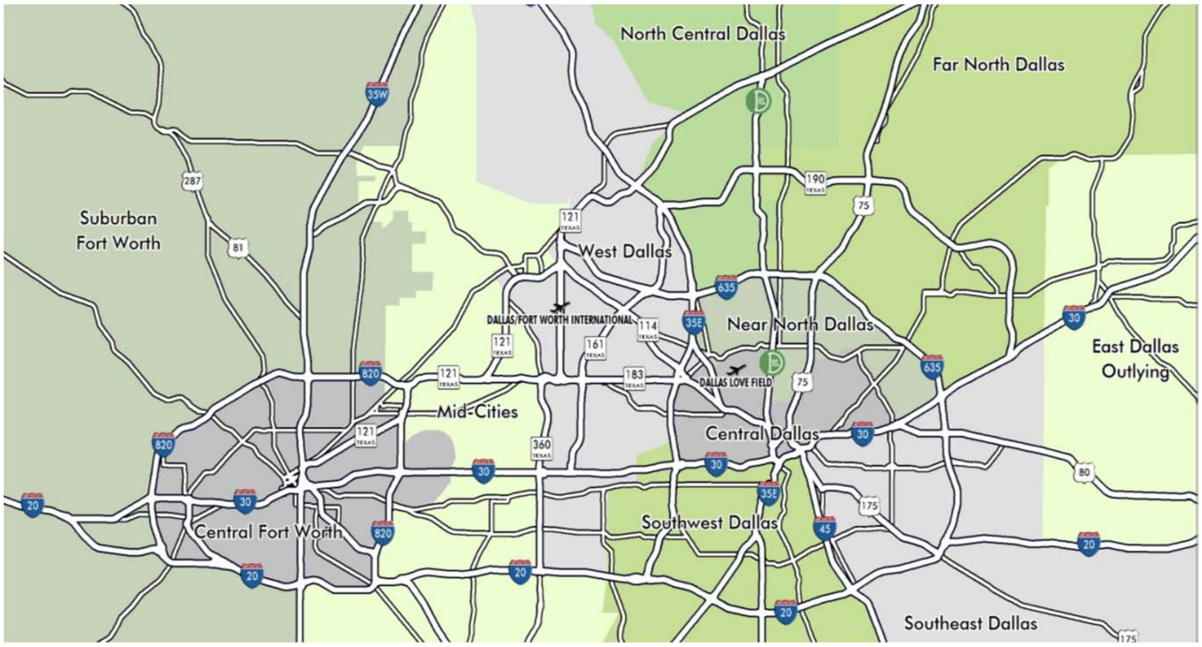


Source: CBRE Research, Q1 2017.

Figure 7: Top 20 Largest Available Big Box Spaces

Submarket	Address	City	Former Use	Available (SF)
Central Dallas	811 N. Central Expy	Plano	*Dillard's*	176,259
North Central Dallas	5000 Alpha Road	Farmer's Branch	*The Great Indoors*	141,690
Near North Dallas	8282 Park Ln	Dallas	*Wholesale Club*	111,501
North Central Dallas	13342 Midway Rd	Farmer's Branch	*Gabbert's Furniture*	105,000
Central Fort Worth	2100 Green Oaks	Fort Worth	*Neiman Marcus*	93,000
Southeast Dallas	2021 N Town East Blvd	Mesquite	*Burlington*	84,382
Southwest Dallas	2550 W Red Bird Ln	Dallas	*Terry's Market*	72,911
Southwest Dallas	7401 S Westmoreland Rd	Dallas	*Home Depot*	71,842
Far North Dallas	3046-3048 Lavon Drive	Garland	*Albertson's*	66,817
North Central Dallas	4268 Legacy Drive	Frisco	*Neighborhood Grocer*	62,802
Mid-Cities	5425 S. Cooper Street	Arlington	*Tom Thumb*	62,539
Southeast Dallas	1639 S Buckner Blvd	Dallas	*Buckner Bazaar*	62,000
Southeast Dallas	2106 N Galloway Ave	Mesquite	*Albertson's*	61,935
West Dallas	2230-2250 Justin Road	Highland Village	*Kroger*	61,374
Mid-Cities	4000 William D Tate	Grapevine	*Sunfresh*	60,000
Suburban Fort Worth	7120 Rufe Snow	North Richland Hills	*Tom Thumb*	58,960
Southwest Dallas	4101 W Wheatland Rd	Dallas	*Albertson's*	58,720
Central Fort Worth	6479 Camp Bowie Rd	Fort Worth	*Kroger*	58,000
East Dallas Outlying	920 Steger Towne Rd	Rockwall	*Sports Authority*	56,147
Far North Dallas	1401-1409 Jupiter Rd	Plano	*Minyard's*	54,137

Source: CBRE Research, Q1 2017.



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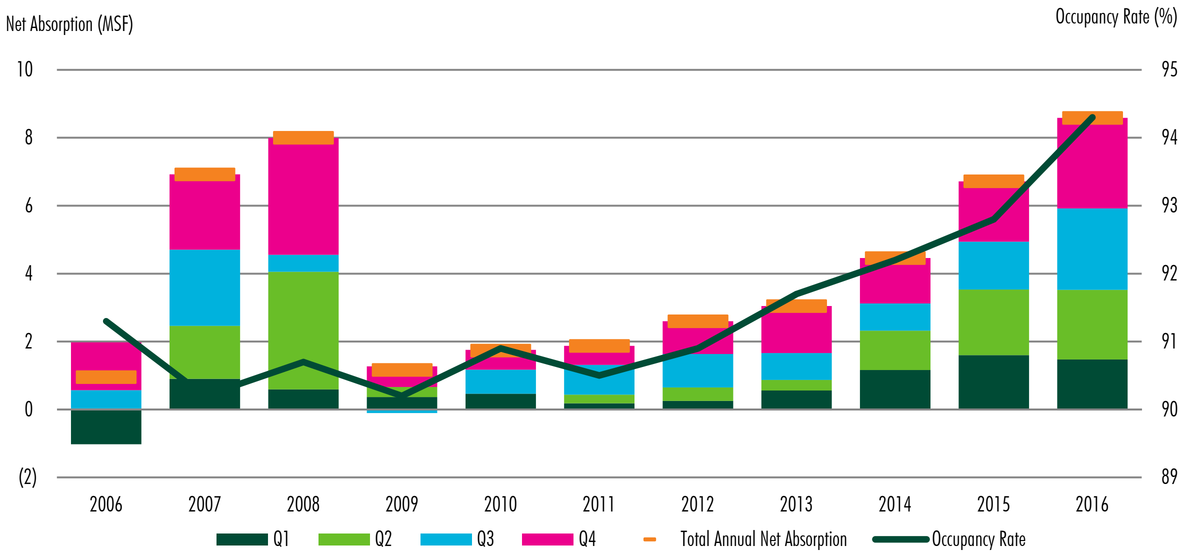
Dallas / Fort Worth Retail, Q4 2016

Landlords seeing green: occupancy, asking rents close year at decade high

Vacancy Rate	5.7%
Under Construction	6,946,584 SF
Completions	848,499 SF
Net Absorption	2,664,900 SF

*Arrows indicate change from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q4 2016.

OCCUPANCY PUSHES PAST 94%

- Solid net absorption combined with modest deliveries in Dallas/Fort Worth's tight retail market is the recipe for decade-high occupancy.

CONSTRUCTION PIPELINE DELIVERS MORE 3.5 MILLION SQ. FT. DURING 2016

- Market expansion carries on as area retailers are attracted to, and benefit from, DFW economic fundamentals. Development has seen a new milestone come and go as construction totals 16 million sq. ft. in the past five years.

DEMAND AND COMPLETIONS STABILIZE

- Growth remains concentrated in the north and west of Dallas proper. For example, in the Mid-Cities, Glade Parks Town Center adds an estimated 800,000 sq. ft. of retail space.

BIG BOX AVAILABILITY CONTRACTS AS HIGH QUALITY SPACES ARE SCOOPED UP

- Big box net absorption increased this quarter as higher valued locations were taken off market by various grocer and discount soft goods retailers. In a disciplined portfolio move, H-E-B has acquired, and is expected to backfill, various former Sun Fresh Market locations throughout North Texas with their Central Market brand. Food fight! North Texas grocery market share competition heats up.

Retail momentum remained strong throughout 2016 for the DFW metropolitan area and is expected to continue into 2017. Commercial retail metrics continue to fire on all cylinders; the three key market indicators of occupancy, net absorption, and construction are robust and are expected to remain this way as many retailers progress with expansion plans. High consumer confidence has boosted spending, as a low DFW unemployment rate (currently below 4%) and a tight labor market spur wage growth.

Retailers in the DFW market are seeing sustained activity as the economic staples of steady levels of population and employment growth seem permanent fixtures in the Metroplex. According to the U.S. Bureau of Labor Statistics, nonfarm payrolls in DFW increased 3.4% year-over-year, coming in just shy of 3.6 million at the close of Q4 2016.

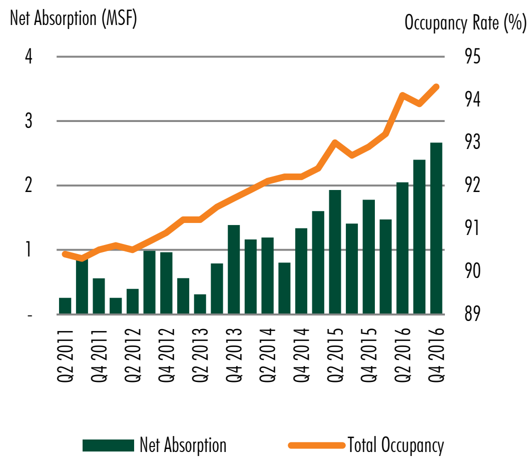
DFW residents are a strong consumer force with a median household income estimated at $61,644 annually. According to Moody's Analytics, personal income growth is expected to rise 5.0% in 2017, bolstered by favorable migration trends, age structure, and close proximity of several major corporate headquarters.

Figure 2: Market Snapshot

Market	Net Rentable Area (SF)	Direct Vacant (SF)	Direct Vacant (%)	Total Vacant (SF)	Total Vacant (%)	Average Asking Rate Annual, NNN ($/SF)	Qtr. Total Net Absorption (SF)	2016 Total Net Absorption (SF)
Central Dallas	13,879,294	371,811	2.7	373,547	2.7	25.26	282,632	416,653
East Dallas Outlying	3,607,505	60,882	1.7	60,882	1.7	20.25	(29,280)	(12,589)
Far North Dallas	54,868,240	3,592,134	6.5	3,599,237	6.6	14.51	199,844	2,081,683
Near North Dallas	20,887,570	1,005,968	4.8	1,009,140	4.8	16.45	142,058	485,111
North Central Dallas	33,507,776	1,653,904	4.9	1,806,783	5.4	17.24	256,960	919,412
Southeast Dallas	13,472,130	663,902	4.9	663,902	4.9	11.18	34,759	109,261
Southwest Dallas	17,305,531	1,348,457	7.8	1,376,610	8.0	10.64	386,969	812,083
West Dallas	30,676,294	2,068,202	6.7	2,070,027	6.7	13.24	345,084	888,544
Central Fort Worth	24,111,810	1,400,204	5.8	1,425,959	5.9	12.29	182,737	755,927
Mid-Cities	51,277,259	2,744,543	5.4	2,777,003	5.4	13.61	498,722	1,146,109
Suburban Fort Worth	23,365,446	1,098,605	4.7	1,138,228	4.9	13.00	364,415	983,456
TOTAL Dallas	188,204,340	10,765,260	5.7	10,960,128	5.8	15.31	1,619,026	5,700,158
TOTAL Fort Worth	98,754,515	5,243,352	5.3	5,341,190	5.4	13.14	1,045,874	2,885,492
TOTAL DFW	286,958,855	16,008,612	5.6	16,301,318	5.7	14.57	2,664,900	8,585,650

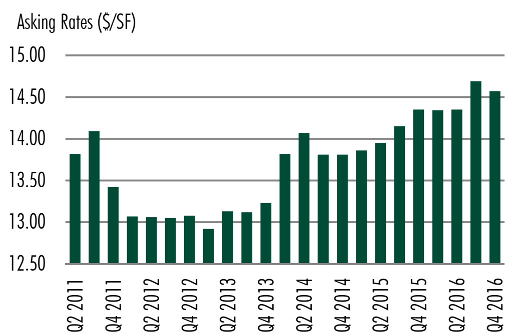
Source: CBRE Research, Q4 2016.

Figure 3: Net Absorption and Total Occupancy



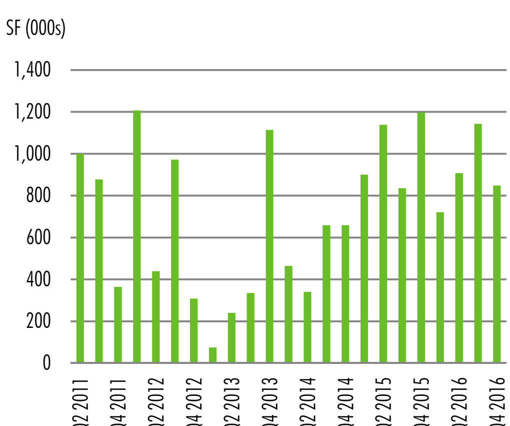
Source: CBRE Research, Q4 2016.

Figure 4: Asking Annual Rents, NNN Avg.



Source: CBRE Research, Q4 2016.

Figure 5: Deliveries



Source: CBRE Research, Q4 2016.

IT'S GOOD TO BE A DFW LANDLORD . . .

Occupancy neared 95% this quarter after dipping in Q3 2016 following a 6-month spike in new construction. As additional new completions are anticipated to deliver well into 2017, area occupancy levels are expected to remain strong, hovering above 94.5%, well over previous quarters and substantially higher than the 90% benchmark.

Meanwhile, Q4 2016 net absorption totaled over 2.6 million sq. ft., with roughly a third (32.9%) of the new demand attributed to deliveries. Occupiers are taking down retail space at a rate not seen since 2007/2008.

. . .AS ASKING RENTS SUSTAIN THEIR HIGHS

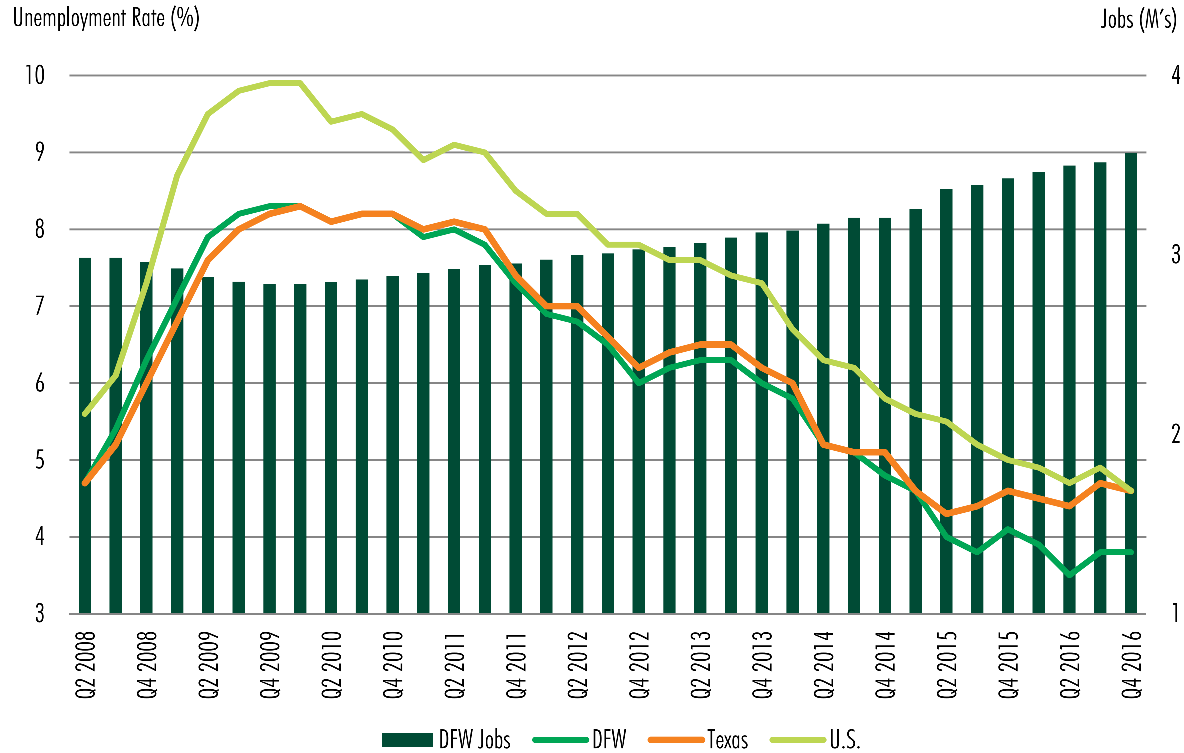
Triple net rents averaged $14.57 per sq. ft. for Q4 2016, which represents a $0.12, 80 bps decrease from Q3 2016, but a 5.5% increase over the past two years. DFW continues to be a landlord's market – with property owners seeking credit tenants and concepts that fit into a center's ever-evolving mix. As such, rents have remained relatively stable due to a flight to quality in top locations.

DELIVERIES TAPER; CONSTRUCTION CONTINUES

Construction delivery decreased in Q4 2016, with the majority of space taken by large footprint grocers such as Whole Foods and Sprouts. Despite the 6.9 million sq. ft. forecast to deliver within the next 36 months, the retail market in DFW remains constrained. Almost 2.6 million sf. ft. of product was absorbed during Q4 2016, a testament to the competitiveness currently in the market.

In Q4 2016, close to 850,000 sq. ft. of new construction was delivered, bringing the full year 2016 total to over 3.7 million sq. ft. As major projects such as the Ridgmar Mall redevelopment, Legacy West, and Irving Music Factory continue to come online, area residents and retailers have plenty of entertainment and consumerism to look forward to.

Figure 6: Unemployment Rate and Total Non-Agricultural Jobs



Source: U.S. Bureau of Labor Statistics, November 2016.

AREA PAYROLLS LEAP, POPULATION GAINS MAKE FOR BUOYANT DFW RETAIL OUTLOOK

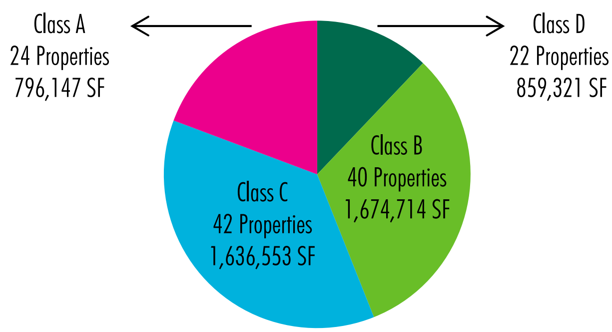
Year-to-date November 2016, DFW created 105,200 jobs, translating to a 3.0% increase over the same time period last year. As such, the unemployment rate stayed flat from Q3 2016, maintaining the current level of 3.8% for Q4 2016, 80 bps below state and 1.1% tighter than the U.S. average. Meanwhile, an ample supply of well-educated workers and strong population growth contribute to the Metroplex's flourishing economy. The area's population has grown by 10.9% since 2010, and additional growth of 7.7% is projected from 2016 through 2021, according to Nielsen Research. DFW's affluent population is young, with a median age of 35 years and with most of the population (58.6%) in the prime earning age between 20-54 years old.

DOWNTOWN DALLAS CONTINUES REDEVELOPMENT PLANS

Downtown Dallas continued its growth and redevelopment throughout 2016, as increased retail and office space fueled demand for increased food services. As of year-end, 58 new restaurants have opened in the area with an additional 10 slated to open their doors in 2017. These locations range from fast casual local concepts, to high end fine dining, catering to the almost 150,000 residents and daytime employees in the area.

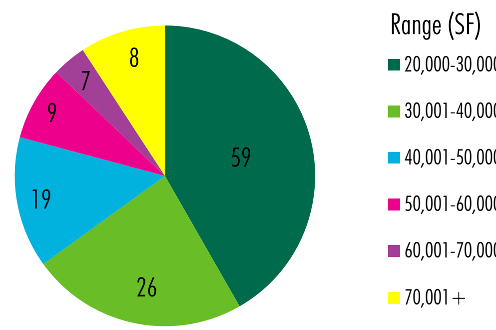
Forty Five Ten recently opened their flagship, 37,000 sq. ft. retail location downtown, opening their four-story building in an area dominated by restaurants, boutiques, and the Joule hotel. The luxury retailer has three floors dedicated to upscale merchandise and apparel, while the fourth level rooftop contains restaurant and event space.

Figure 7: Big Box Space Available by Class



Source: CBRE Research, Q4 2016.

Figure 8: Big Box Space Available by Size Range*



Source: CBRE Research, Q4 2016.
*Data labels represent number of spaces.

KEY OBSERVATIONS ARE BIG: BIG BOX, THAT IS

It was a year of the unexpected and DFW's big box sector performance was no exception. Two major national tenants (Sports Authority & Golfsmith) turned out the lights and vacated the DFW metro, while the grocery wars claimed another victim. All of this occurred while a myriad of tenants continued to right-size their local positions. The number of vacant big boxes decreased to a three year low of 128, totaling 4.9 million sq. ft. Overall, there has been a contraction in big box inventory this year, decreasing by 41 locations. However, the availability of Class A big box space, which had virtually disappeared 18 months ago, has ballooned to 24 properties and now sits at over 795,000 sq. ft. The recent increase was predominantly caused by the closure of a handful of grocery store locations, discount superstores, and the national shuttering of the entire Sports Authority portfolio.

A lack of product fueled demand for new development in 2016 and should continue throughout the next year, but recent market volatility may slow activity. There are a large number of redevelopments and new projects that are in the planning stages for the next two years and expected to come online within the next 36 months. Hurdles to new development remain high with municipal restrictions and high land costs pushing rents to record levels.

Most of the activity is driven by grocery, fitness, and entertainment retailers as they continue their expansion into, and within, the DFW market. In fact, CBRE Research identifies approximately 65 grocery-anchored developments either in the pipeline or under construction within DFW, with additional projects announced almost weekly. Some of the most active big box retailers include Burlington, WinCo, Central Market, Academy, Total Wine, Sprouts, 24 Hour Fitness, Alamo Drafthouse, Treehouse Home Improvement, Party City, and Moviehouse & Eatery.

The closure of the 11 DFW Sports Authority stores during 2016 has created a much-needed boost in Class A inventory. In fact, 47.4% of all Class A availability can be attributed to Sports Authority alone. With only three of the properties having been leased as of year-end, there is significant activity on the remaining properties and all are expected to be leased by mid-year 2017.

Figure 9: Top 20 Largest Available Big Box Spaces

Submarket	Address	City	Former Use	Available (SF)
Central Dallas	811 N. Central Expy	Plano	*Dillard's*	176,259
North Central Dallas	5000 Alpha Road	Farmer's Branch	*The Great Indoors*	141,690
Near North Dallas	8282 Park Ln	Dallas	*Wholesale Club*	111,501
North Central Dallas	13342 Midway Rd	Farmer's Branch	*Gabbert's Furniture*	105,000
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Southwest Dallas	7401 S Westmoreland Rd	Dallas	*Home Depot*	71,842
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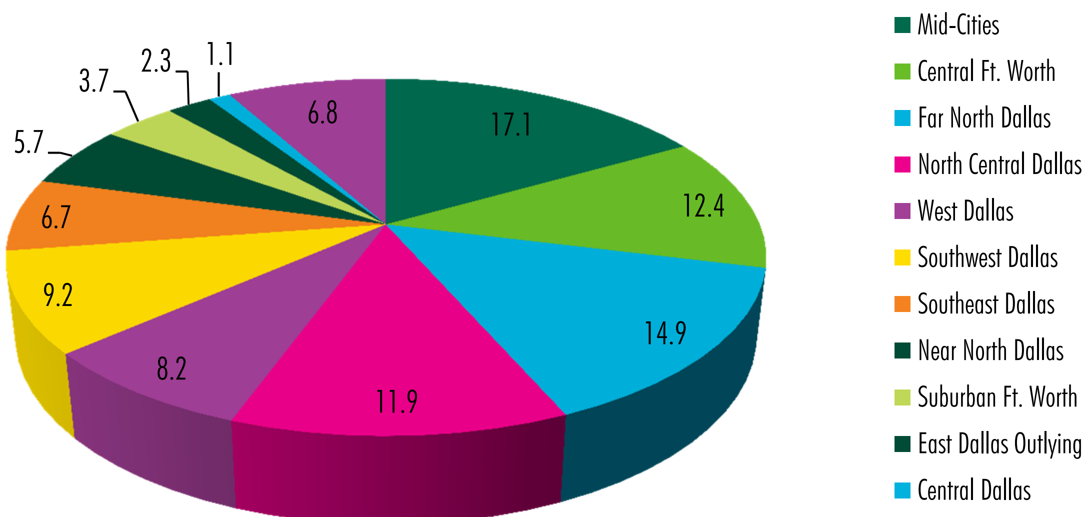
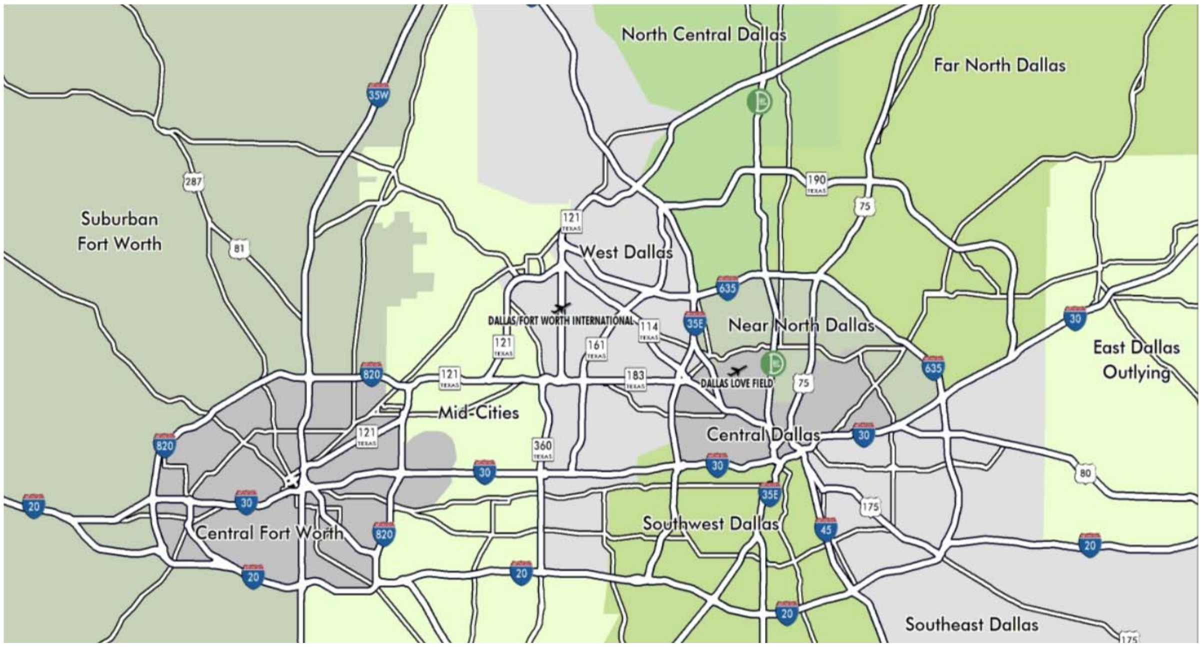
North Central Dallas	4268 Legacy Drive	Frisco	*Neighborhood Grocer*	62,802
Mid-Cities	5425 S. Cooper Street	Arlington	*Tom Thumb*	62,539
Southeast Dallas	1639 S Buckner Blvd	Dallas	*Buckner Bazaar*	62,000
Southeast Dallas	2106 N Galloway Ave	Mesquite	*Albertson's*	61,935
West Dallas	2230-2250 Justin Road	Highland Village	*Kroger*	61,374
Mid-Cities	4000 William D Tate	Grapevine	*Sunfresh*	60,000
Suburban Fort Worth	7120 Rufe Snow	North Richland Hills	*Tom Thumb*	58,960
Southwest Dallas	4101 W Wheatland Rd	Dallas	*Albertson's*	58,720
Central Fort Worth	6479 Camp Bowie Rd	Fort Worth	*Kroger*	58,000
East Dallas Outlying	920 Steger Towne Rd	Rockwall	*Sports Authority*	56,147
Far North Dallas	1401-1409 Jupiter Rd	Plano	*Minyard's*	54,137

Figure 10: Big Box Availability by Submarket



(%)

Source: CBRE Research, Q4 2016.



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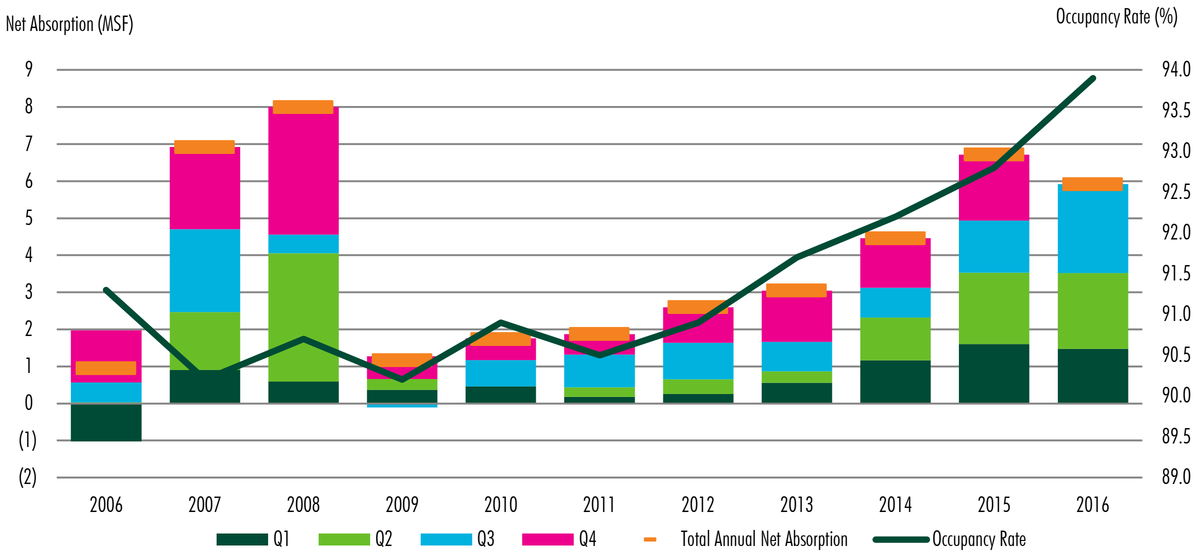
Dallas / Fort Worth Retail, Q3 2016

Same day delivery; Metroplex construction pipeline excites consumers

Vacancy Rate	Under Construction	Completions	Net Absorption
6.1%	5,428,626 SF	1,143,000 SF	2,398,849 SF

*Arrows indicate change from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q3 2016.

OCCUPANCY BUILDS OFF THE REBOUND OF Q2 2016

- Solid absorption numbers combined with modest deliveries in DFW's tight retail market was the recipe for a continuing high occupancy rate in Q3 2016. This is the 24th consecutive quarter the occupancy rate has been over 90%, and is holding steady at the 94% mark.

CONSTRUCTION PIPELINE CORRECTS AS PROJECTS CONTINUE TO DELIVER

- Market expansion carries on as area retailers are attracted to, and benefit from, the economic staples of the Metroplex. Development has seen a new milestone come and go as the post-recession under construction total has increased to over six million sq. ft.

DEMAND AND COMPLETIONS INCREASE

- As deliveries continue to come to market, the most overall growth continues to occur in the northern submarkets. In Central Dallas, one major completion occurred in Uptown with the opening of the Olive & McKinney mixed-use project, bringing 50,000 sq. ft. of prime retail space to market.

BIG BOX AVAILABILITY CONTRACTS AS HIGH QUALITY SPACES ARE SCOOPED UP

- Big box absorption increased this quarter as higher valued locations were taken off market by various grocer, apparel, and home improvement retailers. The recent bankruptcy announcement of Golfsmith, and store closings of Office Depot and Kmart, will result in some mid-level spaces soon being made available for lease.

Retail momentum remains strong throughout 2016 for the Dallas/Fort Worth metropolitan area. Commercial retail metrics continue to fire on all cylinders; the three key market indicators of occupancy, absorption, and the construction pipeline are robust and are expected to remain this way as many retailers progress with expansion plans. High consumer confidence has boosted spending, as a low DFW unemployment rate (currently under 4%) and tight labor market spur wage growth.

For retailers in the DFW market, the modus operandi stands as the economic staples of positive population and employment growth seem poised to endure in the Metroplex. According to the U.S. Bureau of Labor Statistics, nonfarm payrolls in DFW increased 3.2% year over year, coming in at 3,511,500 during Q3 2016. Population growth has also seen a steady 1.5% quarter over quarter increase, as the labor force expanded to 3,719,300.

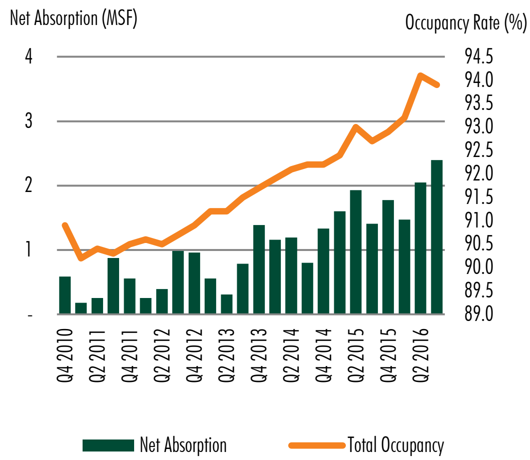
DFW residents are a strong consumer force with a median household income estimated at $61,800 annually. According to Moody's Analytics, personal income growth is expected to rise 3.6% in 2016, bolstered by favorable migration trends, age structure, and close proximity of several major corporate headquarters.

Figure 2: Market Snapshot

Market	Net Rentable Area (SF)	Direct Vacant (SF)	Direct Vacant (%)	Total Vacant (SF)	Total Vacant (%)	Average Asking Rate Annual, NNN ($/SF)	Qtr. Total Net Absorption (SF)	2016 Total Net Absorption (SF)
Central Dallas	13,831,347	436,722	3.2	437,722	3.2	25.54	107,800	134,021
East Dallas Outlying	3,600,033	44,153	1.2	44,153	1.2	19.11	(4,185)	16,691
Far North Dallas	55,020,990	3,849,935	7.0	3,873,142	7.0	15.83	567,284	1,881,839
Near North Dallas	21,065,194	1,098,513	5.2	1,107,368	5.3	16.07	316,964	343,053
North Central Dallas	33,348,732	1,777,132	5.3	1,925,588	5.8	17.83	266,504	662,452
Southeast Dallas	13,390,629	802,652	6.0	802,652	6.0	11.18	(24,033)	74,502
Southwest Dallas	17,434,078	1,541,662	8.8	1,569,359	9.0	9.59	299,631	425,114
West Dallas	31,071,338	2,164,472	7.0	2,166,461	7.0	13.42	160,443	543,460
Central Fort Worth	24,035,616	1,554,593	6.5	1,565,708	6.5	11.83	303,425	573,190
Mid-Cities	51,378,120	2,672,919	5.2	2,679,412	5.2	14.06	196,458	647,387
Suburban Fort Worth	23,408,542	1,202,908	5.1	1,239,953	5.3	11.01	208,558	619,041
TOTAL Dallas	188,762,341	11,060,219	6.2	11,926,445	6.3	15.68	1,690,408	4,081,132
TOTAL Fort Worth	98,822,278	5,332,256	5.5	5,485,073	5.6	12.80	708,441	1,839,618
TOTAL DFW	287,584,619	16,392,475	6.0	17,411,518	6.1	14.69	2,398,849	5,920,750

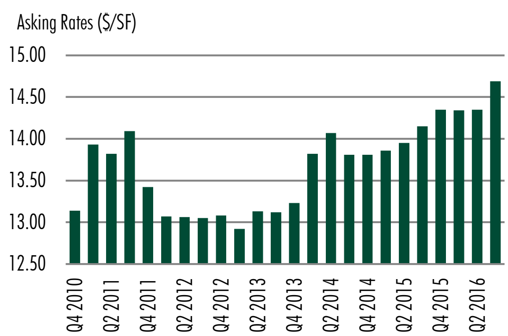
Source: CBRE Research, Q3 2016.

Figure 3: Net Absorption and Total Occupancy



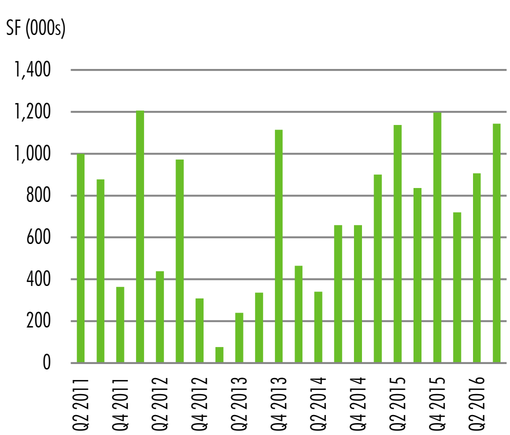
Source: CBRE Research, Q3 2016.

Figure 4: Asking Annual Rents, NNN Avg.



Source: CBRE Research, Q3 2016.

Figure 5: Deliveries



Source: CBRE Research, Q3 2016.

ASCENDING ABSORPTION; STEADY OCCUPANY

Occupancy has continued its upward climb after its slip last year, closing out at 93.9% during Q3 2016, a slight 20 basis point (bps) decrease from Q2 2016 and an 120 bps increase over the same time period last year. As additional new completions are expected to deliver throughout 2016, area occupancy levels may waiver, but are expected to remain above the 90% benchmark.

Meanwhile, Q3 2016 absorption totaled over 2.4 million sq. ft., with almost half (47.6%) of the new demand attributed to deliveries. Additionally, this is the second consecutive quarter that absorption has eclipsed the two million sq. ft. mark, a level not seen since 2007/2008.

RECORD RENTS SUSTAIN THEIR HIGHS

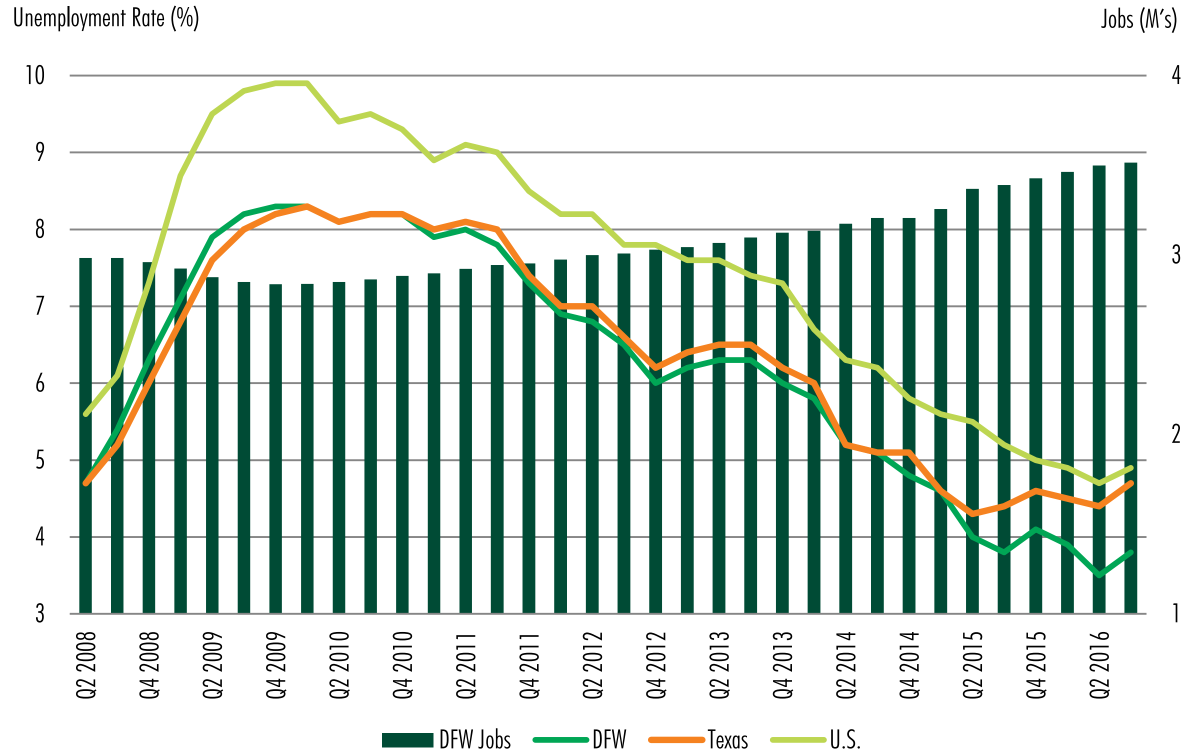
Triple net rents averaged $14.69 per sq. ft. for Q3 2016, which represents a $0.34, 2.4% increase from Q2 2016 rents. Despite the 3.9 million sq. ft. forecast to deliver within the next 24 months, the retail market in DFW remains constrained. 1.1 million sf. ft. of product was absorbed during Q3 2016, a testament to the competitiveness currently in the market. DFW continues to be a landlord's market – with property owners seeking credit tenants and concepts that fit into a center's tenant mix, however rents have remained relatively stable due to a flight to quality in top locations.

DELIVERIES TAKE LION'S SHARE OF DEMAND

Construction delivery has increased in Q3 2016, with the majority of space taken by large footprint grocers such as Whole Foods and Sprouts, as well as the recent opening of entertainment destinations such as Moviehouse & Eatery in McKinney, and Buc-ee's in North Fort Worth. Delivered construction has, and continues to make up, most of the quarterly absorption, hovering at around 45%-50% for the past two years.

In Q3 2016, over 1.1 million sq. ft. of new construction was delivered, bringing the year-to-date 2016 total to over 2.7 million sq. ft.

Figure 6: Unemployment Rate and Total Non-Agricultural Jobs



Source: U.S. Bureau of Labor Statistics, August 2016.

AREA PAYROLLS LEAP, POPULATION GAINS MAKE FOR BUOYANT DFW RETAIL OUTLOOK

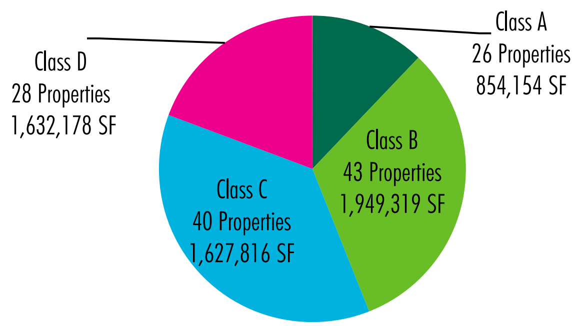
Year-to-date August 2016, DFW has created 73,500 jobs, translating to a 15.6% increase over the same time period last year. The unemployment rate slightly increased from 3.6% at the end of Q2 2016 to the current level of 3.8% this quarter. Dallas/Fort Worth's unemployment rate for the quarter was 90 bps lower than Texas (4.7%) and 110 bps lower than the U.S. (4.9%) in Q3 2016.

An ample supply of well-educated workers and strong population growth contribute to the area's fit economy.

With an estimated population of 7.1 million, the DFW metropolitan area is the fourth-largest MSA in the United States. The area's population has grown by 10.9% since 2010, and additional growth of 7.7% is projected from 2016 through 2021, according to Nielsen Research.

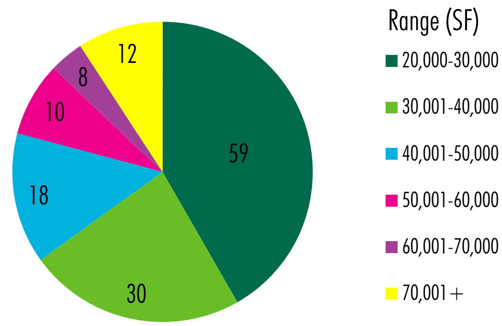
DFW's affluent population is young, with a median age of 35 years and with most of the population (58.6%) in the prime earning years of 20-54. DFW residents tend to earn more than the national average, supporting an estimated median household income of $61,100 annually versus $54,901 per year in the U.S.

Figure 7: Big Box Space Available by Class



Source: CBRE Research, Q3 2016.

Figure 8: Big Box Space Available by Size Range*



Source: CBRE Research, Q3 2016.
*Data labels represent number of spaces.

KEY OBSERVATIONS ARE BIG: BIG BOX, THAT IS

The first three quarters of 2016 have been interesting for the big box sector, as two major national tenants turned out the lights and vacated the DFW metro, while the grocery wars claimed another victim. All of this occurring while other tenants continue to "right-size" their positions in the market. The number of vacant big boxes decreased to 137, totaling over 6 million sq. ft. in the market. In total, there has been a contraction in big box space this year, decreasing by 35. The availability of Class A box space, which had virtually disappeared a year and a half ago, is now up to 26 properties totaling over 854,000 sq. ft.; the recent increase has been largely caused by the closure of a few grocery stores, discount superstores, and the national closure of the entire Sports Authority portfolio.

There are approximately 83 Class B and Class C boxes that remain available market-wide. A lack of product is fueling demand for new development in 2016 and should continue through 2017, but recent market volatility might slow activity a bit. There are a large number of redevelopments and new projects that are in the planning stages for the next two years. Hurdles to new development remain high with municipal restrictions and high land costs pushing rents to record levels.

Most of the activity is driven by grocery, fitness, and entertainment retailers as they continue their expansion into, and within, the DFW market. In fact, CBRE has identified approximately 65 grocery-anchored developments either in the pipeline or under construction within DFW, with more announced almost weekly. Some of the most active retailers include Gander Mountain, WinCo, H-E-B, Youfit, Total Wine, Sprouts, Trader Joe's, Whole Foods, Fitness Connection, Alamo Drafthouse, and Moviehouse & Eatery.

Many retailers, such as Barnes & Noble, Staples, Best Buy, Babies 'R' Us, Office Depot, and KMart continue to close stores and "right size" in order to compete with shrinking demand or increased competition from internet commerce.

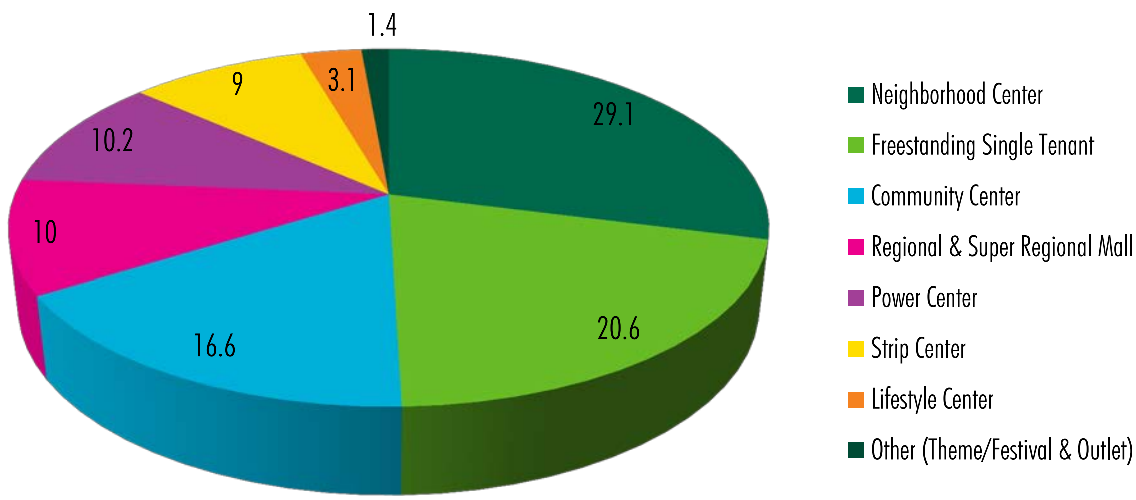
However, the emphasis is clearly switching to Class B and C boxes. Landlords and tenants must continue to work creatively to reconfigure and modernize these older properties. We can expect to see developments take the shape of even larger big box anchor tenants with smaller in-line space. Secondary tenants do not require the same size store fronts as the internet shift has affected how consumers shop. Restaurants remain the only sector with unchanged requirements for both in-line and pad space.

Figure 9: Largest Available Big Box Space

Submarket	Address	Former Use	Available (SF)
Far North Dallas	13138 Montfort Drive	*Macy's*	300,300
Far North Dallas	1625 N. Story Rd	*Discount Big Box*	227,200
Far North Dallas	3159 S Garland Road	*Discount Big Box*	226,000
Central Dallas	811 N. Central Expy	*Dillard's*	176,259
North Central Dallas	5000 Alpha Road	*The Great Indoors*	141,690
Central Fort Worth	2100 Green Oaks	*Neiman Marcus*	120,000
Far North Dallas	13320 Montfort Drive	*J.C. Penney*	111,657
Near North Dallas	8282 Park Ln	*Wholesale Club*	111,501
North Central Dallas	13342 Midway Rd	*Gabbert's Furniture*	105,000
Southeast Dallas	2021 N Town East Blvd	*Burlington*	84,382
Southwest Dallas	2550 W Red Bird Ln	*Terry's Market*	72,911
Southwest Dallas	7401 S Westmoreland Rd	*Home Depot*	71,842
Far North Dallas	3046-3048 Lavon Drive	*Albertson's*	66,817
North Central Dallas	4268 Legacy Drive	*Neighborhood Grocer*	62,802
Mid-Cities	5425 S. Cooper Street	*Tom Thumb*	62,539
Southeast Dallas	1639 S Buckner Blvd	*Buckner Bazaar*	62,000
Southeast Dallas	2106 N Galloway Ave	*Albertson's*	61,935
West Dallas	2230-2250 Justin Road	*Kroger*	61,374
Northcentral Dallas	2515 E Rosemead Pkwy	*Terry's Food Store*	61,224
Mid-Cities	2201 W Southlake Blvd	*Discount Superstore*	59,012
Suburban Fort Worth	7120 Rufe Snow	*Tom Thumb*	58,960

Source: CBRE Research, Q3 2016.

Figure 10: Dallas/Ft. Worth Retail Market Size by Classification



(%)

Source: CBRE Research, Q3 2016.

Dallas / Fort Worth Retail, Q3 2016

Occupancy continues its steady climb upwards as projects continue to deliver

Vacancy Rate 6.1%

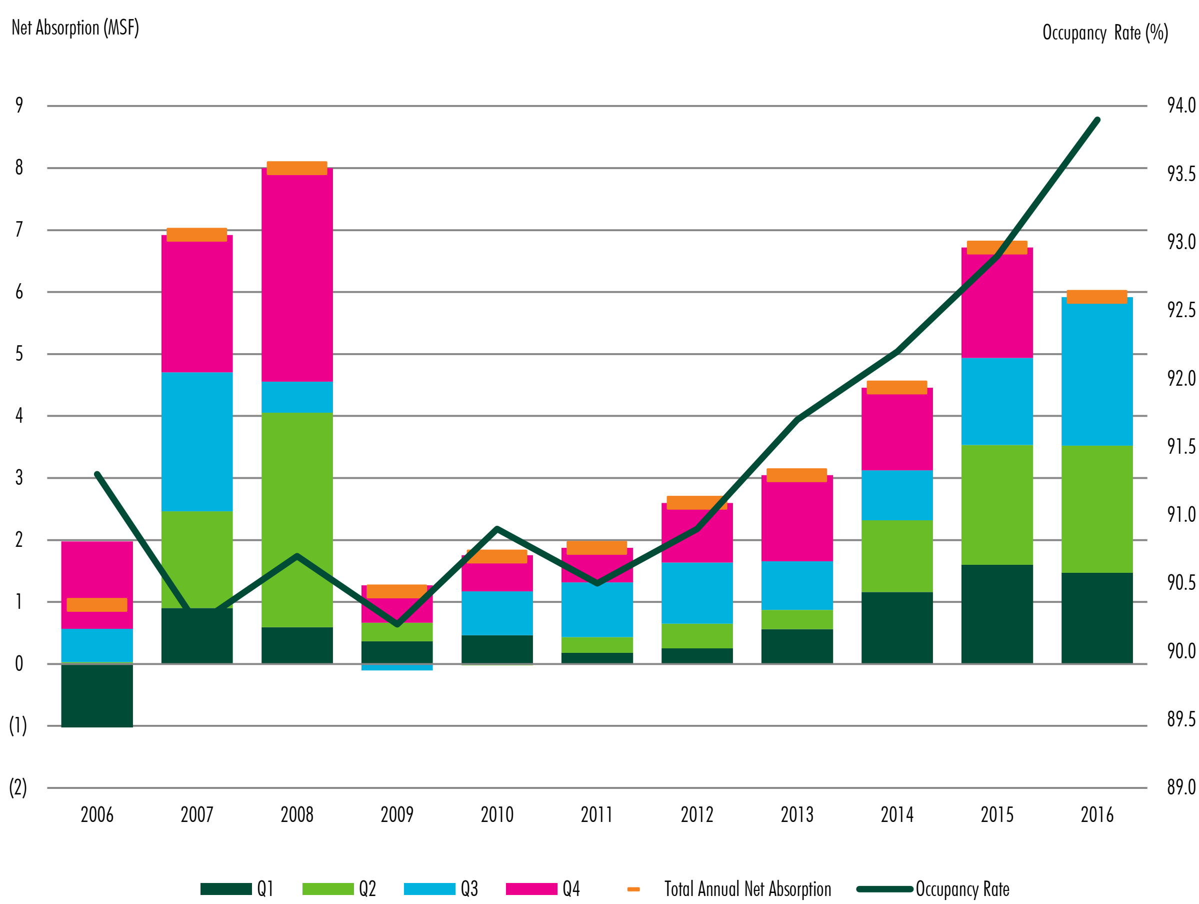
Under Construction 5,428,626 SF

Completions 1,143,000 SF

Net Absorption 2,398,849 SF

*Arrows indicate change from previous quarter.

Figure 1: Net Absorption and Occupancy Rate



Source: CBRE Research, Q3 2016.

"EVEN MONEY" WITH NEW COMPLETIONS

Consistently, quarter-over-quarter completions have made up most of the recent absorption in the DFW market. However, while completions have compressed, so has absorption. As more retail projects are anticipated to deliver in the next two years, we can expect to see absorption fluctuate.

REBOUND CONTINUES FOR OCCUPANCY

With continued, expected completions through the end of the year, build-to-suit and lease up properties were the primary drivers of absorption. Occupancy will most likely correct itself as a number of projects are to deliver by the fall and end of this year.

ENERGY-CENTRIC CITIES CONTINUE TO WEIGH IN ON RETAIL SALES TAX REVENUE

The Texas Comptroller of Public Accounts recently announced that for Fiscal 2016, state sales tax revenue came in at $28.2 billion, 3.5% shy of estimates. "The decline in state sales tax revenue was led by reduced collections from the oil and natural gas-related sectors, but collections from the retail trade and information sectors were also down compared to a year ago," Comptroller Glenn Hegar said. "Increases continued to be seen from construction and restaurants."

CONSTRUCTION PROGRESSES AT IRVING MUSIC FACTORY

Attention remains focused on the construction of Irving's long awaited entertainment complex, the Music Factory, within the affluent Las Colinas area. The mixed-use project includes an amphitheatre, concert hall, office building, and over 200,000 sq. ft. of retail space. Anchored by Alamo Drafthouse and adjacent to the Irving Convention Center, the project is currently 97% preleased and scheduled to open in September 2017.

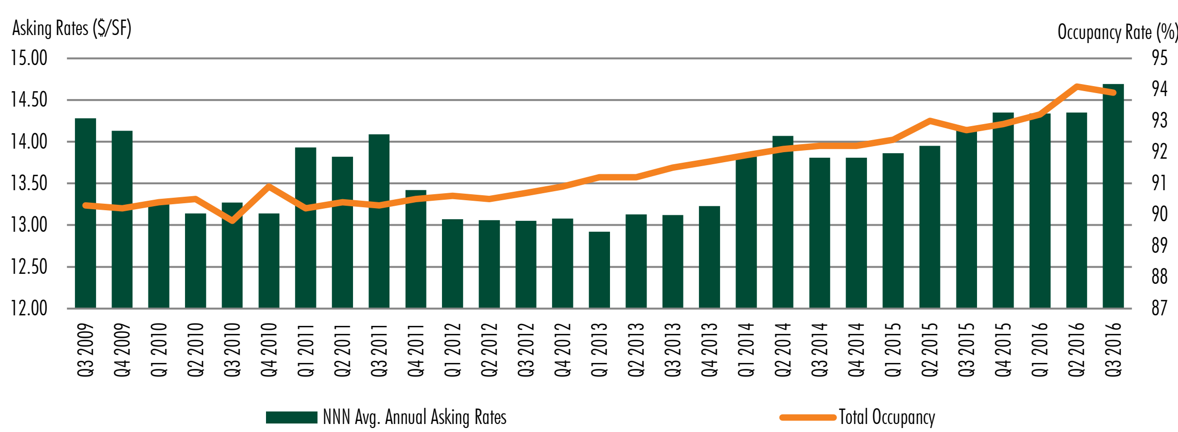
RETAILERS' MIXED PERCEPTIONS ON ECONOMY NOT SEEN IN REVENUE INDEX

According to the Dallas Federal Reserve's Retail Outlook Survey, August 2016, retail sales fell this month and inventories remained unchanged. Although retailer's perceptions of current broad economic conditions have worsened, future outlook remains positive.

RETAIL SALES VOLUME DECREASED OVER THE QUARTER.

According to Real Capital Analytics' "Trends and Trades" report, DFW recorded a decrease of 39% in year-over-year retail property sales through Q3 2016, with an average price per sq. ft. of $215 and average cap rate of 6.1%.

Figure 2: Asking Rates, NNN Avg. Annual and Occupancy Rate



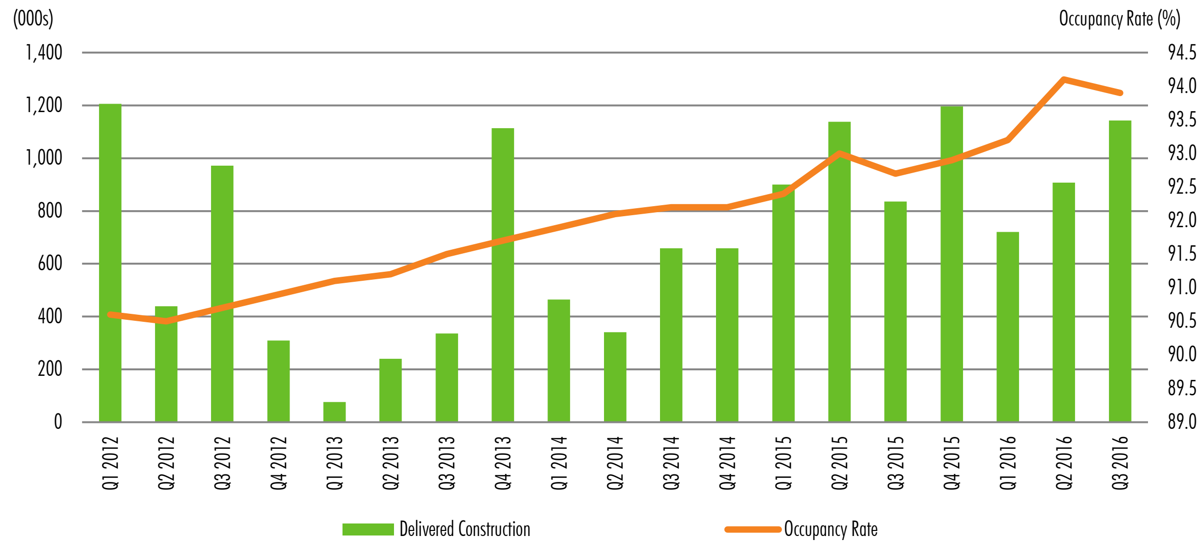
Source: CBRE Research, Q3 2016.

Figure 3: Market Snapshot

	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
CENTRAL DALLAS								
Absorption (Net, SF)	47,242	158,113	16,469	49,209	22,115	22,856	3,356	107,800
Avg. Asking Rent (Annual, Net, $/SF)	20.21	27.04	27.41	28.00	29.75	29.50	31.58	25.54
Delivered Construction (SF)	10,000	81,758	14,063	53,000	-	37,749	-	107,800
Occupancy Rate (%)	94.9	95.5	96.2	95.9	95.7	95.2	95.4	96.8
EAST DALLAS OUTLYING								
Absorption (Net, SF)	6,441	2,292	79,480	5,492	10,726	4,655	16,221	(4,185)
Avg. Asking Rent (Annual, Net, $/SF)	19.95	20.22	19.83	20.00	22.30	23.00	21.93	19.11
Delivered Construction (SF)	-	-	62,000	-	-	-	-	-
Occupancy Rate (%)	95.9	96.0	97.7	97.3	97.7	98.4	98.8	98.8
FAR NORTH DALLAS								
Absorption (Net, SF)	216,419	99,593	256,770	349,075	237,488	566,231	748,324	567,284
Avg. Asking Rent (Annual, Net, $/SF)	14.99	14.94	15.34	15.25	15.25	15.50	14.52	15.83
Delivered Construction (SF)	73,214	-	64,133	110,715	17,586	322,667	738,187	567,284
Occupancy Rate (%)	90.1	90.4	90.8	91.1	91.4	92.0	93.6	93.0
NEAR NORTH DALLAS								
Absorption (Net, SF)	67,376	146,589	78,111	6,192	125,656	80,349	(54,260)	316,964
Avg. Asking Rent (Annual, Net, $/SF)	14.66	14.84	14.23	15.00	15.50	14.75	14.36	16.07
Delivered Construction (SF)	-	14,000	45,000	16,000	107,500	-	-	316,964
Occupancy Rate (%)	94.1	94.3	93.0	94.1	94.1	94.3	94.8	94.7
NORTH CENTRAL DALLAS								
Absorption (Net, SF)	171,294	485,360	869,685	159,778	201,739	180,664	215,284	266,504
Avg. Asking Rent (Annual, Net, $/SF)	15.43	15.36	15.82	16.00	16.25	16.00	17.04	17.83
Delivered Construction (SF)	2,000	399,500	580,000	113,780	70,908	101,238	-	266,504
Occupancy Rate (%)	93.0	92.6	93.3	93.4	93.4	93.6	94.2	94.2
SOUTHEAST DALLAS								
Absorption (Net, SF)	44,210	4,231	32,795	28,563	2,052	39,748	58,787	(24,033)
Avg. Asking Rent (Annual, Net, $/SF)	11.37	11.06	10.91	11.00	11.00	11.00	10.74	11.18
Delivered Construction (SF)	-	-	-	-	11,000	-	-	-
Occupancy Rate (%)	93.0	93.0	89.9	93.3	93.1	92.9	94.1	94.0
SOUTHWEST DALLAS								
Absorption (Net, SF)	59,876	(45,263)	60,844	(14,523)	91,008	74,056	51,427	299,631
Avg. Asking Rent (Annual, Net, $/SF)	11.57	14.43	10.40	10.25	10.25	10.25	10.99	9.59
Delivered Construction (SF)	14,550	-	-	-	-	76,663	-	-
Occupancy Rate (%)	90.4	89.9	89.9	89.4	90.1	90.3	91.0	91.0
WEST DALLAS								
Absorption (Net, SF)	48,153	137,824	205,561	88,160	71,428	53,014	330,003	160,443
Avg. Asking Rent (Annual, Net, $/SF)	13.78	11.43	12.81	13.00	12.75	13.00	13.23	13.42
Delivered Construction (SF)	73,000	-	184,534	31,000	41,179	-	-	-
Occupancy Rate (%)	92.0	92.0	99.3	91.6	91.6	92.3	93.7	93.0
CENTRAL FORT WORTH								
Absorption (Net, SF)	201,667	182.189	75,063	72,899	141,329	72,424	197,341	303,425
Avg. Asking Rent (Annual, Net, $/SF)	10.41	10.61	10.87	12.50	12.50	12.00	11.84	11.83
Delivered Construction (SF)	182,000	50,000	-	35,336	52,676	64,776	-	303,425
Occupancy Rate (%)	90.8	91.3	91.6	92.8	92.3	92.5	93.9	93.5
MID-CITIES								
Absorption (Net, SF)	313,798	173,877	80,712	491,285	385,561	249,004	201,925	196,458
Avg. Asking Rent (Annual, Net, $/SF)	13.53	13.21	13.42	13.25	13.50	13.75	13.87	14.06
Delivered Construction (SF)	129,466	39,060	27,500	475,782	308,465	29,496	84,000	196,458
Occupancy Rate (%)	93.4	93.7	93.8	94.0	94.1	94.3	94.8	94.8
SUBURBAN FORT WORTH								
Absorption (Net, SF)	159,606	257,748	173,428	172,276	489,191	129,731	280,752	208,558
Avg. Asking Rent (Annual, Net, $/SF)	11.86	11.44	11.83	12.00	12.00	12.50	11.84	11.01
Delivered Construction (SF)	174,600	305,000	133,587	-	487,508	87,900	85,000	208,558
Occupancy Rate (%)	93.1	92.7	99.2	93.4	93.6	94.0	94.6	94.7
DALLAS TOTAL								
Absorption (Net, SF)	661,011	988,748	1,599,715	671,946	762,212	1,021,582	1,369,142	1,690,408
Avg. Asking Rent (Annual, Net, $/SF)	14.58	14.78	14.78	14.92	15.10	15.7	15.13	15.68
Delivered Construction (SF)	172,764	506,258	949,730	342,495	248,185	538,317	738,187	698,000
Occupancy Rate (%)	92.0	93.0	94.3	92.3	92.5	92.8	93.8	93.7
FORT WORTH TOTAL								
Absorption (Net, SF)	675,071	613,104	329,203	736,460	1,016,081	451,159	680,018	708,441
Avg. Asking Rent (Annual, Net, $/SF)	12.38	12.16	14.78	12.77	12.97	12.97	12.89	12.80
Delivered Construction (SF)	486,066	394,060	161,087	511,118	848,649	182,162	169,000	445,000
Occupancy Rate (%)	92.7	92.9	94.5	93.4	93.4	93.8	94.6	94.4
DFW MARKET TOTAL								
Absorption (Net, SF)	1,336,082	1,601,852	1,928,918	1,408,406	1,778,293	1,472,741	2,049,160	2,398,849
Avg. Asking Rent (Annual, Net, $/SF)	13.81	13.86	13.95	14.17	14.33	14.34	14.35	14.69
Delivered Construction (SF)	658,830	900,318	1,110,817	835,613	1,196,834	720,479	907,187	1,143,000
Occupancy Rate (%)	92.2	92.4	93.0	92.7	92.7	93.2	94.1	93.9

Source: CBRE Research, Q3 2016.

Figure 4: Historical Completions and Occupancy Rate



Source: CBRE Research, Q3 2016.

Figure 5: Construction Activity by Submarket

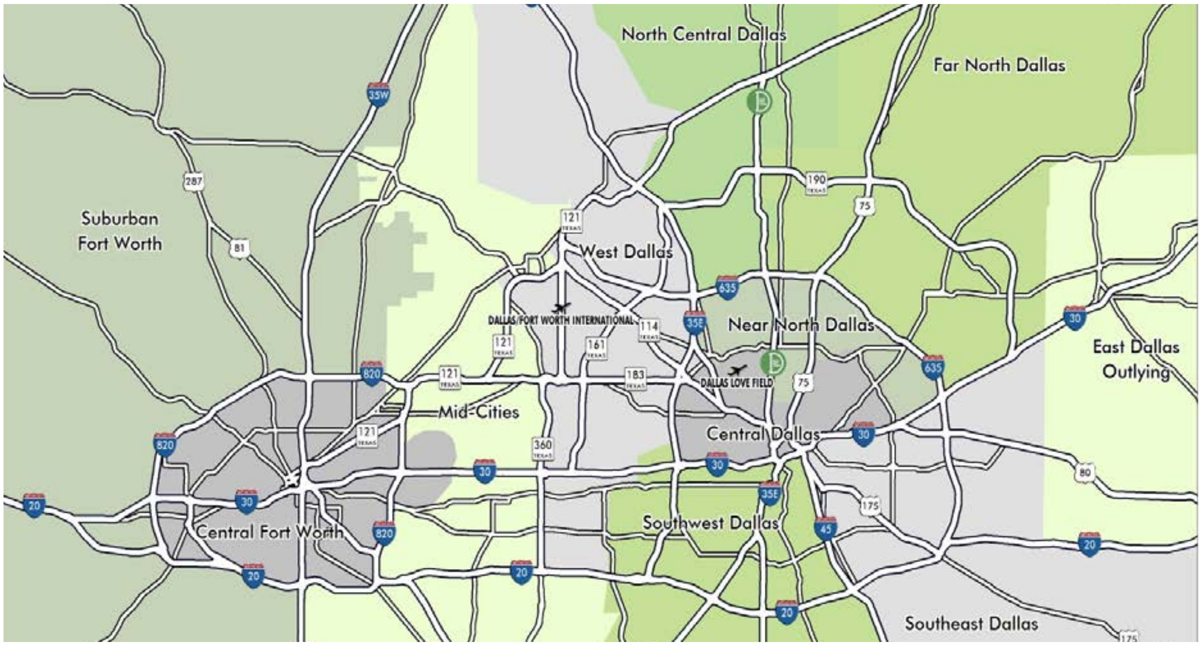
Market	Under Construction Bldg Count	Under Construction (SF)	Delivered Buildings	Delivered Construction (SF)
Central Dallas	6	482,813	2	110,000
East Dallas Outlying	2	102,000	-	-
Far North Dallas	9	615,750	4	473,000
Near North Dallas	1	58,000	1	60,000
North Central Dallas	12	1,479,599	2	55,000
Southeast Dallas	1	11,000	-	-
Southwest Dallas	3	82,670	-	-
West Dallas	6	503,421	-	-
Central Fort Worth	3	587,669	1	200,000
Mid-Cities	8	491,248	1	100,000
Suburban Fort Worth	5	1,014,456	2	145,000
TOTAL Dallas	40	3,335,253	9	698,000
TOTAL Fort Worth	16	2,093,373	4	445,000
TOTAL DFW	**56**	**5,428,626**	**13**	**1,143,000**

Source: CBRE Research, Q3 2016.

CONSTRUCTION

Momentum remains strong for retail developers in 2016. Many had been cautious in building new product in the Dallas/Fort Worth market without establishing a preleasing strategy. Overall, major projects that are underway are marketing their grocery, soft goods, or apparel components as positive attraction generators to these various centers. This type of strategy is not a new practice, but is a catalyst in attracting users for inline service space, pad site users, and restaurants. One of the key components in having a good vs. great development is the tenant mix, specifically a balance in the service and goods provided.

Construction decreased during the third quarter of 2016 from 5,994,491 sq. ft. to 5,428,626 sq. ft. with 1,143,000 sq. ft. of construction delivering over the same time period. Preleasing for these projects has been strong, a positive effect of regional employment expansion and economic trends.



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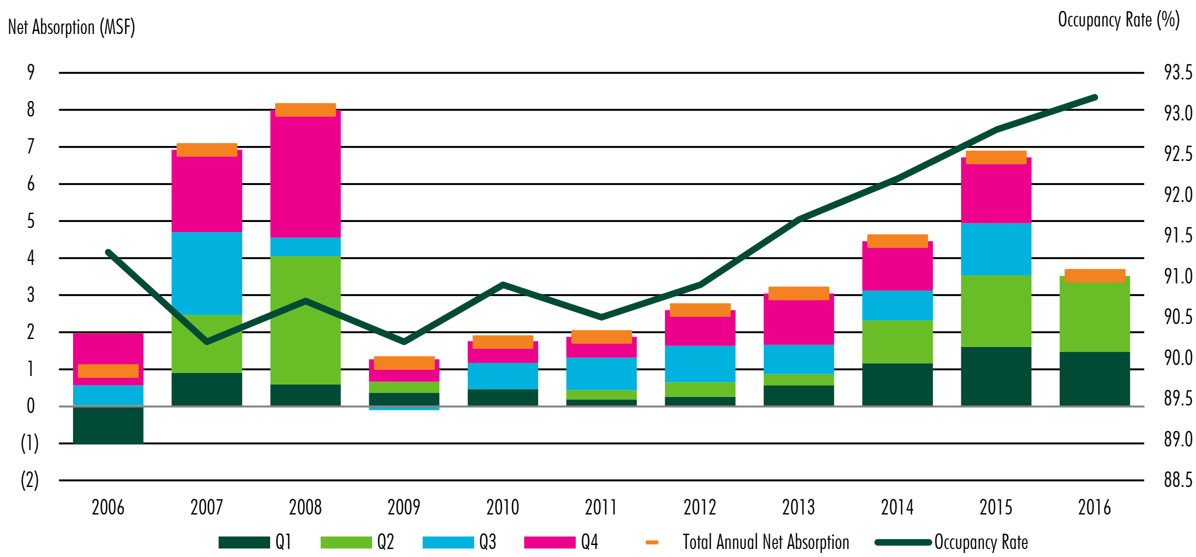
Dallas / Fort Worth Retail, Q2 2016

Occupy Dallas; tenants hungry for space

Vacancy Rate	Under Construction	Completions	Net Absorption
5.9%	5,994,491 SF	907,187 SF	2,049,160 SF

*Arrows indicate change from previous quarter.

Figure 1: Net Absorption and Occupancy Rate



Source: CBRE Research, Q2 2016.

OCCUPANCY BUILDS OFF THE REBOUND OF FIRST QUARTER 2016

Solid absorption numbers combined with modest deliveries in DFW's tight retail market was the recipe for a 90 basis point (bps) increase in occupancy in the second quarter of 2016. This is the 23nd consecutive quarter the occupancy rate has been over 90% and the first time it has been over 93%.

CONSTRUCTION PIPELINE CORRECTS AS PROJECTS START TO DELIVER

Market expansion carries on as area retailers are attracted to and benefit from the economic staples of the Metroplex. Development has seen a new milestone come and go as the post-recession under construction total compressed to just under six million sq. ft.

DEMAND AND COMPLETIONS BOTH TAPER

With the dearth of available space and overall market expansion, most growth continues to occur in the northern submarkets. The most noticeable amount of delivered space was in Richardson's City Line area with opening of Whole Foods and additional inline space.

BIG SHAKE UP IN THE BIG BOX MARKET

With the announcement of nine Sports Authority closures in DFW last quarter and the pull out of The Fresh Market, the big box market saw an uptick in supply. The newly added boxes will most likely be absorbed quickly as they are in preferred Metroplex locations within Class A and B properties.

Market momentum remains in 2016 for the Dallas/ Fort Worth metropolitan area. Commercial retail metrics are still firing on all cylinders; the three key market indicators of occupancy, absorption and the development pipeline are robust and are expected to remain this way as many retailers progress with their expansion plans. Moreover, available retail space is limited; new construction deliveries will be among the predominant driving forces affecting absorption and occupancy movements this year.

For retailers in the DFW market, the modus operandi stands as the economic staples of positive population and employment growth seem poised for a continued upward swing in the Metroplex. According to the U.S. Bureau of Labor Statistics, payrolls in DFW remained stable at 3,498,300 during second quarter of 2016, and unemployment shriveled to 3.5%, tightening 40 bps in the past 90 days.

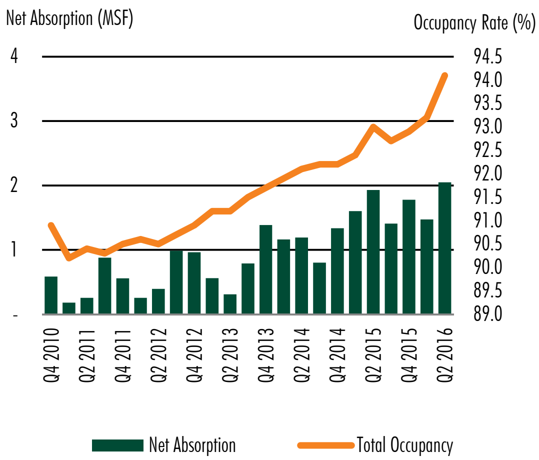
DFW residents are a strong consumer force with a median household income estimated at $61,068 annually. According to Moody's Analytics, per capita income has grown by an average of 1.2% over the last 12 months, and is expected to grow another 20 bps during the year.

Figure 2: Market Snapshot

Market	Net Rentable Area (SF)	Direct Vacant (SF)	Direct Vacant (%)	Total Vacant (SF)	Total Vacant (%)	Average Asking Rate Annual, NNN ($/SF)	Q2 2016 Net Absorption (SF)	2016 Total Net Absorption (SF)
Central Dallas	9,449,158	431,592	4.6	432,592	4.6	31.58	3,356	26,221
East Dallas Outlying	3,600,033	42,582	1.2	42,528	1.2	21.93	16,221	20,876
Far North Dallas	55,057,132	3,528,207	6.4	3,550,572	6.4	14.52	748,324	1,314,555
Near North Dallas	21,069,678	1,083,018	5.1	1,091,873	5.2	14.36	(54,260)	26,089
North Central Dallas	31,998,283	1,718,598	5.4	1,869,240	5.8	17.04	215,284	395,948
Southeast Dallas	13,396,788	788,625	5.9	788,625	5.9	10.74	58,787	98,535
Southwest Dallas	17,497,481	1,512,841	8.6	1,568,691	9.0	10.99	51,427	125,483
West Dallas	31,094,525	1,954,810	6.3	1,956,799	6.3	13.23	330,003	383,017
Central Fort Worth	24,072,415	1,466,405	6.1	1,477,520	6.1	11.84	197,341	269,765
Mid-Cities	51,380,361	2,646,162	5.2	2,655,980	5.2	13.87	201,925	450,929
Suburban Fort Worth	23,463,315	1,219,689	5.2	1,256,734	5.4	11.84	280,752	410,483
TOTAL Dallas	183,163,078	11,060,219	7.0	11,300,920	6.2	15.13	1,369,142	2,390,724
TOTAL Fort Worth	98,916,091	5,332,256	6.1	5,390,234	5.4	12.89	680,018	1,131,177
TOTAL DFW	282,079,169	16,392,475	6.7	16,691,154	5.9	14.35	2,049,160	3,521,901

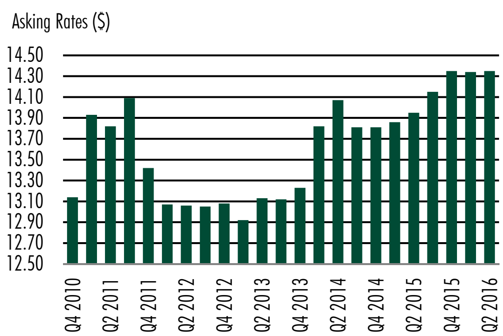
Source: CBRE Research, Q2 2016.

Figure 3: Net Absorption and Total Occupancy



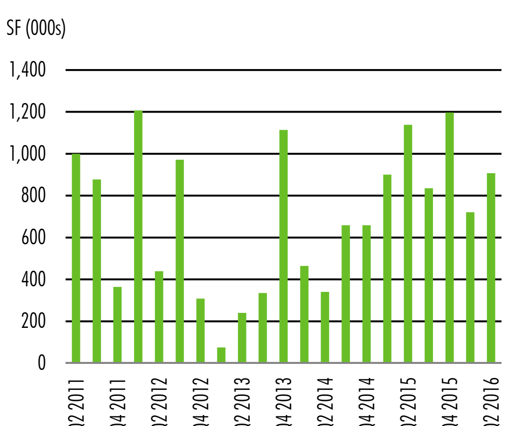
Source: CBRE Research, Q2 2016.

Figure 4: Asking Annual Rents, NNN Avg.



Source: CBRE Research, Q2 2016.

Figure 5: Deliveries



Source: CBRE Research, Q2 2016.

ASCENDING OCCUPANCY; STEADY ABSORPTION

Occupancy is off to the races after its slip last year closing out at 94.1% during second quarter of 2016, a 90 bps increase from the first quarter 2016 and a 101 bps increase over the same time period last year. As additional new completions are expected to deliver during 2016, area occupancy levels may waiver, but still keep above the 90% benchmark.

Meanwhile, second quarter 2016 absorption totaled over two million sq. ft., with almost half (44.3%) of the new demand attributed to deliveries. Additionally, the second quarter 2016 marks the first quarter since 2007/2008 that absorption has eclipsed the two million sq. ft. mark.

RECORD RENTS SUSTAIN THEIR HIGHS

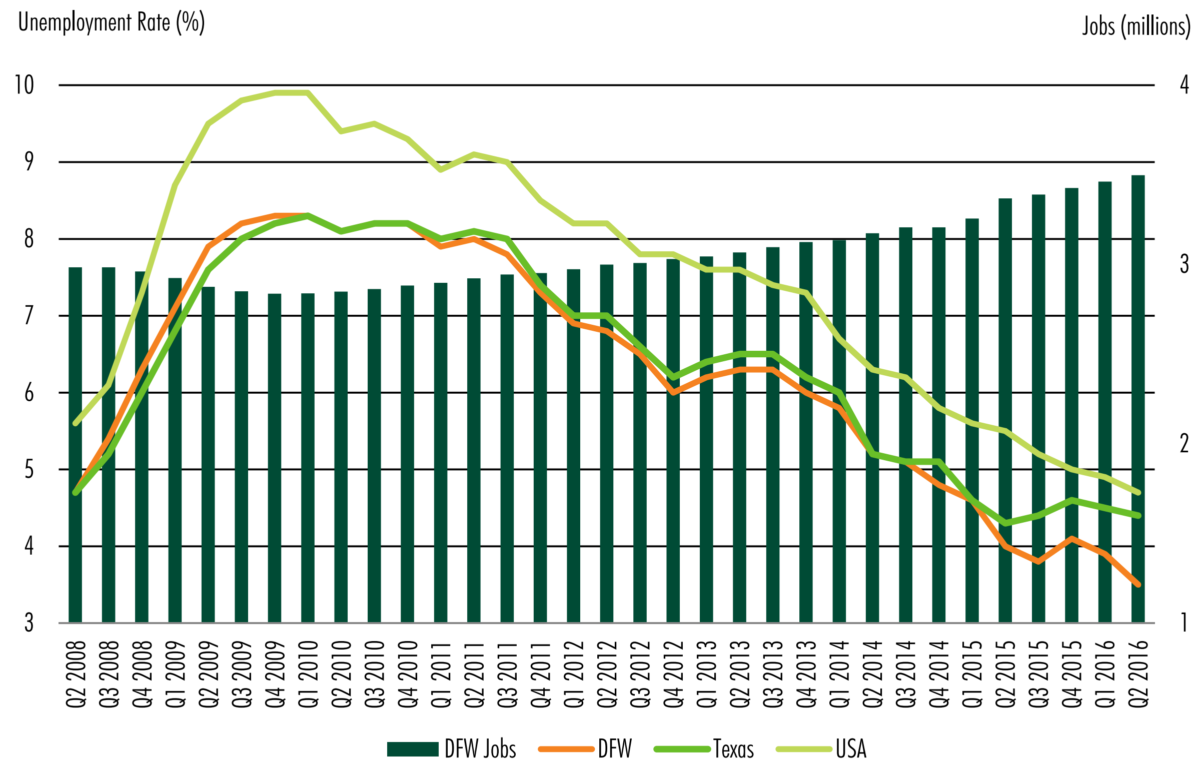
Triple net rents averaged $14.35 per square foot for the second quarter 2016, which represents a one cent increase from first quarter 2016 rents. Despite the 3.3 million sq. ft. forecast to deliver within the next 24 months, the retail market in DFW remains constrained. 907,187 sf. ft. of product was absorbed during the second quarter, a testament to the competitiveness currently in the market. DFW continues to be a landlord's market – with property owners seeking credit tenants and concepts that fit into a particular center's tenant mix, however rents have remained relatively stable due to a flight to quality in top locations.

DELIVERIES TAKE LION'S SHARE OF DEMAND

After post-recession construction officially peaked, the pipeline decreased in the second quarter of 2016. Delivered construction has, and continues to make up, most of the quarterly absorption, hovering at around 45%-50% for the past two years. Notably, the City of Richardson, located in the Far North Dallas submarket, had a wave of new deliveries. Approximately 49% of the total quarterly absorption in DFW can be credited to the City of Richardson with the grand opening of the Whole Foods City Line store, near the State Farm complex.

In the second quarter of 2016, over 907,187 sq. ft. of new construction was delivered, bringing the first half 2016 total to over 1.6 million sq. ft.

Figure 6: Unemployment Rate and Total Non-Agricultural Jobs



Source: U.S. Bureau of Labor Statistics, June 2016.

AREA PAYROLLS LEAP, POPULATION GAINS MAKE FOR BUOYANT DFW RETAIL OUTLOOK

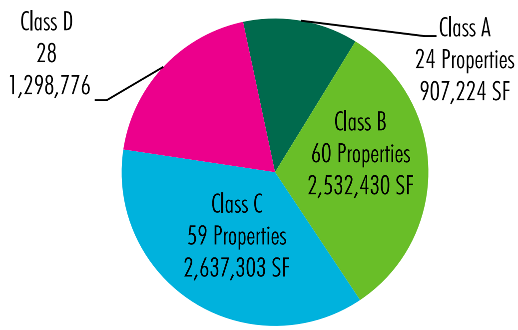
In the second quarter of 2016, DFW created 129,100 jobs year-over-year, translating to a 3.7% annual growth rate. The unemployment rate fell from 3.9% at the end of the first quarter of 2016 to the current level of 3.5% this quarter. Dallas/Fort Worth's unemployment rate for the quarter was 90 bps lower than Texas (4.4%) and 120 bps lower than the U.S. (4.7%) in Q2 2016.

An ample supply of well-educated workers and strong population growth contribute to the area's fit economy.

With an estimated population of 7.1 million, the DFW metropolitan area is the fourth-largest MSA in the United States. The area's population has grown by 10.9% since 2010, and growth of 7.7% is projected from 2016 through 2021, according to Nielsen Research.

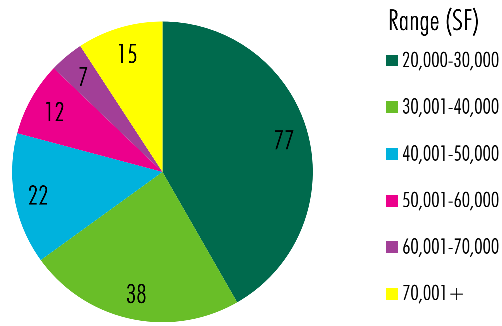
DFW's affluent population is young, with a median age of 35 years and with most of the population (58.6%) in the prime earning years of 20-54. DFW residents tend to earn more than the national average, supporting an estimated median household income of $61,068 annually versus $54,901 per year in the U.S.

Figure 7: Big Box Space Available by Class



Source: CBRE Research, Q2 2016.

Figure 8: Big Box Space Available by Size Range*



Source: CBRE Research, Q2 2016.
*Data labels represent number of spaces.

KEY OBSERVATIONS ARE BIG: BIG BOX, THAT IS

The first half of 2016 has been interesting for the big box sector as one major national tenant turns out the light and pulls out of the DFW metro, while the grocery wars claimed another victim. All of this has occurred while other tenants continue to "right-size" their positions in the market. The total number of vacant big boxes decreased by one to 171, totaling over 7.3 million sq. ft. in the market. In total, there are an additional 16 new boxes on the market this year. The availability of Class A box space, which had virtually disappeared a year and a half ago, is now up to 24 properties totaling over 907,000 sq. ft.; the recent increase has been caused largely by the closure of a few grocery stores, discount superstores, and the national closure of the entire Sports Authority portfolio.

There are approximately 119 Class B and Class C boxes that remain available market-wide. A lack of product is fueling demand for new development in 2016 and should continue through 2017, but recent market volatility might slow activity a bit. There are a large number of redevelopments and new projects that are in the planning stages for the next two years. Hurdles to new development remain high with municipal restrictions and high land costs pushing rents to record levels.

Most of the activity is driven by grocery, fitness, and entertainment retailers as they continue their expansion in the DFW market. In fact, CBRE has identified approximately 70 grocery-anchored developments either in the pipeline or under construction within DFW, with more announced almost weekly. Some of the most active retailers include Gander Mountain, WinCo, H-E-B, Youfit, Total Wine, Sprouts, Trader Joe's, Whole Foods, and Fitness Connection.

Many retailers, such as Barnes & Noble, Staples, Best Buy, and Babies 'R' Us continue to close stores and "right size" in order to compete with shrinking demand or increased competition from internet commerce.

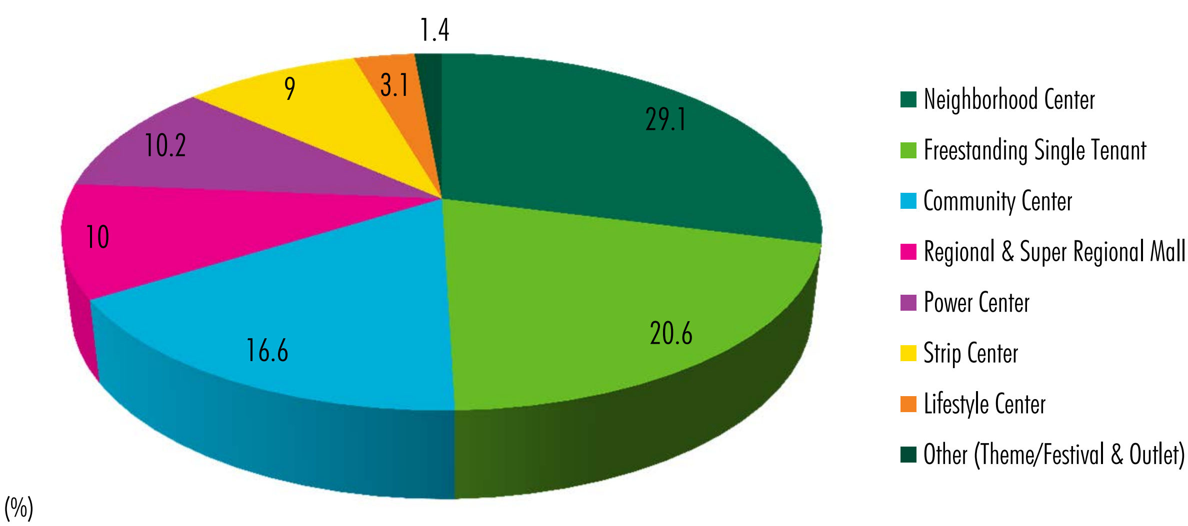
However, the emphasis is clearly switching to Class B and C boxes. Landlords and tenants must continue to work creatively to reconfigure and modernize these older properties. We can expect to see developments take the shape of even larger big box anchor tenants with smaller in-line space. Secondary tenants do not require the same size store fronts as the internet shift has affected how consumers shop. Restaurants remain the only sector with unchanged requirements for both in-line and pad space.

Figure 9: Largest Available Big Box Space

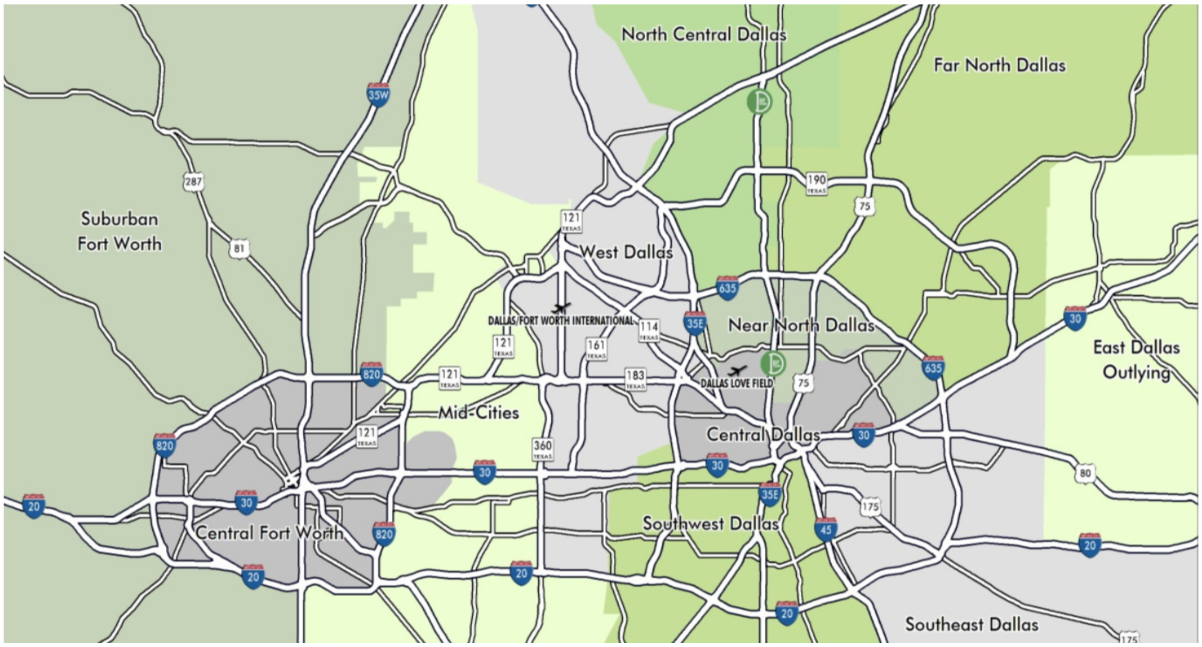
Submarket	Address	Former Use	Available (SF)
Far North Dallas	13138 Montfort Drive	*Macy's*	300,300
Far North Dallas	1625 N. Story Rd	*Discount Big Box*	227,200
Far North Dallas	3159 S Garland Road	*Discount Big Box*	226,000
Central Dallas	811 N. Central Expy	*Dillard's*	176,259
Southwest Dallas	3560 Camp Wisdom Rd	*Dillard's*	150,000
North Central Dallas	5000 Alpha Road	*The Great Indoors*	141,690
North Central Dallas	13307 Midway Rd	*Discount Superstore*	136,000
Central Fort Worth	2100 Green Oaks	*Neiman Marcus*	120,000
Far North Dallas	13320 Montfort Drive	*J.C. Penney*	111,657
Near North Dallas	8282 Park Ln	*Wholesale Club*	111,501
North Central Dallas	13342 Midway Rd	*Gabbert's Furniture*	105,000
Southeast Dallas	2021 N Town East Blvd	*Burlington*	84,382
Southwest Dallas	2550 W Red Bird Ln	*Terry's Market*	72,911
Southwest Dallas	7401 S Westmoreland Rd	*Home Depot*	71,842
Far North Dallas	3046-3048 Lavon Drive	*Albertson's*	66,817
North Central Dallas	4268 Legacy Drive	*Neighborhood Grocer*	62,802
Mid-Cities	5425 S. Cooper Street	*Tom Thumb*	62,539
Southeast Dallas	1639 S Buckner Blvd	*Buckner Bazaar*	62,000
Southeast Dallas	2106 N Galloway Ave	*Albertson's*	61,935
Northcentral Dallas	2515 E Rosemead Pkwy	*Terry's Food Store*	61,224
Mid-Cities	2201 W Southlake Blvd	*Discount Superstore*	59,012
Suburban Fort Worth	7120 Rufe Snow	*Tom Thumb*	58,960

Source: CBRE Research, Q2 2016.

Figure 10: Dallas/Ft. Worth Retail Market Size by Classification



Source: CBRE Research, Q2 2016.



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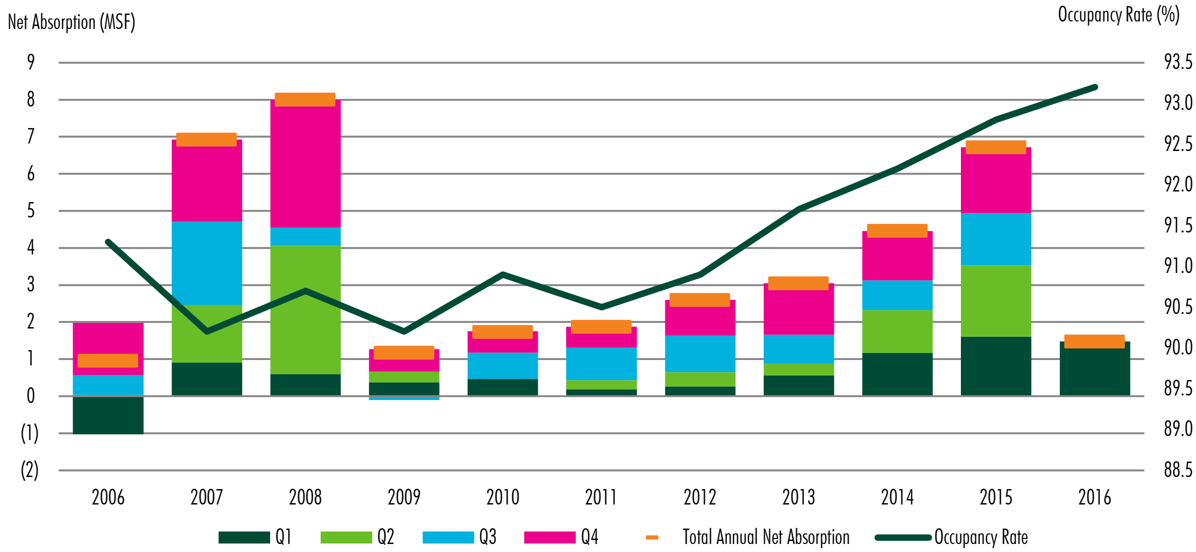
Dallas / Fort Worth Retail, Q1 2016

Construction: completions vs. starts, 2016's metrics to watch

Vacancy Rate	Under Construction	Completions	Net Absorption
6.8%	7,119,632 SF	720,479 SF	1,472,741 SF

*Arrows indicate change from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q1 2016.

OCCUPANCY IS BACK: REBOUNDS FROM THE Q3 2015 PULLBACK

Solid absorption numbers combined with modest deliveries in DFW's tight retail market was a recipe for the 30 basis point (bps) increase in occupancy in Q1 2016. This is the 22nd consecutive quarter the occupancy rate has been over 90% and the second time it has been over 93%.

CONSTRUCTION PIPELINE EXPANDS AS PROJECTS COME OFF DRAWING BOARDS

Market expansion carries on as area retailers are attracted to and benefit from the economic staples of the Metroplex. Development has reached a new milestone in here as a total of over seven million sq. ft. is now underway.

DEMAND/COMPLETIONS BOTH TAPER

With the dearth of available space and overall market expansion, most growth continues to occur in the northern submarkets. Recently, Northern Fort Worth has been playing catchup as projects started delivering last quarter (i.e. Target and Main Event).

BIG BOXES NEW TO MARKET WON'T STAY THERE LONG

With the announcement of nine Sports Authority's closures in DFW, the big box market saw an uptick of supply on the market. The newly added boxes will most likely be absorbed quickly as they are in preferred Metroplex locations within Class A and B properties.

Market momentum from 2015 spilled over into Q1 2016 for the Dallas/ Fort Worth metropolitan area. Commercial retail metrics are still firing on all cylinders; the three key market indicators of occupancy, absorption and the development pipeline are robust and are expected to remain this way as many retailers progress with their expansion plans. Moreover, available retail space is limited; new construction deliveries will be among the predominant driving forces affecting absorption and occupancy movements this year.

For retailers in the DFW market, the modus operandi stands as the economic staples of positive population and employment growth seem poised to be relentless in the Metroplex. According to the U.S. Bureau of Labor Statistics, payrolls in DFW remained stable at 3,462,800 during Q1 2016, and unemployment shriveled to 3.9%, tightening 30 bps in the past 90 days.

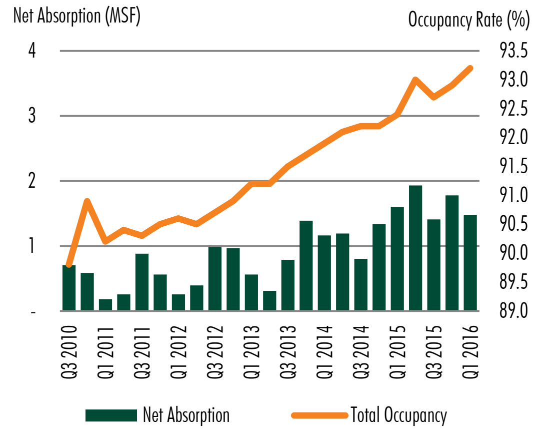
DFW residents are a strong consumer force with a median household income estimated at $61,068 annually. According to Moody's Analytics, per capita income has grown by average of 1.2% over the last 12 months, and is expected to grow another 20 bps during the year.

Figure 2: Market Snapshot

Market	Net Rentable Area (SF)	Direct Vacant (SF)	Direct Vacant (%)	Total Vacant (SF)	Total Vacant (%)	Average Asking Rate Annual, NNN ($/SF)	Qtr. Total Net Absorption (SF)	2016 Total Net Absorption (SF)
Central Dallas	8,965,712	366,212	4.1	366,212	4.1	29.50	22,865	22,865
East Dallas Outlying	3,645,936	58,749	1.6	58,749	1.6	23.00	4,655	4,655
Far North Dallas	54,537,439	4,263,887	7.8	4,356,336	8.0	15.50	566,231	566,231
Near North Dallas	21,263,148	1,196,832	5.6	1,205,687	5.7	14.75	80,349	80,349
North Central Dallas	31,982,695	1,884,583	5.9	2,034,298	6.4	16.00	180,664	180,664
Southeast Dallas	13,346,154	951,908	7.1	951,908	7.1	11.00	39,748	39,748
Southwest Dallas	17,298,999	1,632,816	9.4	1,674,418	9.7	10.25	74,056	74,056
West Dallas	30,508,694	2,303,035	7.5	2,342,439	7.7	13.00	53,014	53,014
Central Fort Worth	23,789,310	1,796,188	7.6	1,787,746	7.5	12.00	72,424	72,424
Mid-Cities	51,125,839	2,884,540	5.6	2,911,744	5.7	13.75	249,004	249,004
Suburban Fort Worth	23,362,769	1,358,127	5.8	1,395,172	6.0	12.50	129,731	129,731
TOTAL Dallas	181,538,77	12,658,022	7.0	12,990,047	7.2	15.07	1,021,582	1,021,582
TOTAL Fort Worth	98,278,518	6,038,855	6.1	6,094,662	6.2	12.99	451,159	451,159
TOTAL DFW	279,817,295	18,696,877	6.7	19,084,709	6.8	14.34	1,472,741	1,472,741

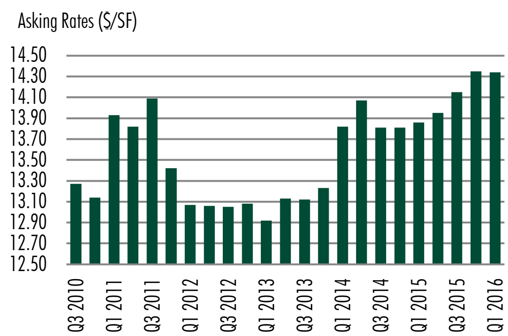
Source: CBRE Research, Q1 2016.

Figure 3: Net Absorption and Total Occupancy



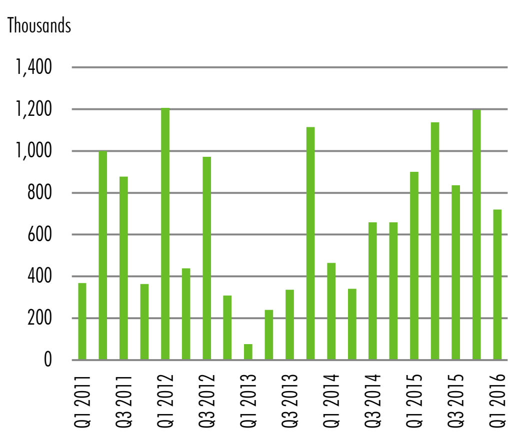
Source: CBRE Research, Q1 2016.

Figure 4: Asking Annual Rents, NNN Avg.



Source: CBRE Research, Q1 2016.

Figure 5: Deliveries



Source: CBRE Research, Q1 2016.

ASCENDING OCCUPANCY; STEADY ABSORPTION

Occupancy fully rebounded after it's slip last year closing out at 93.2% during Q1 2016, a 30 bps increase from Q4 2015 and an 80 bps increase from a year ago. As additional new completions are expected to deliver during 2016, area occupancy levels may waiver but still keep above the 90% benchmark.

Meanwhile, Q1 2016, absorption totaled over 1.4 million sq. ft., with almost half (49%) of the new demand attributed to deliveries. Additionally, Q1 2016 marks the sixth consecutive quarter when absorption eclipsed a million sq. ft.

RECORD RENTS SUSTAIN THEIR HIGHS

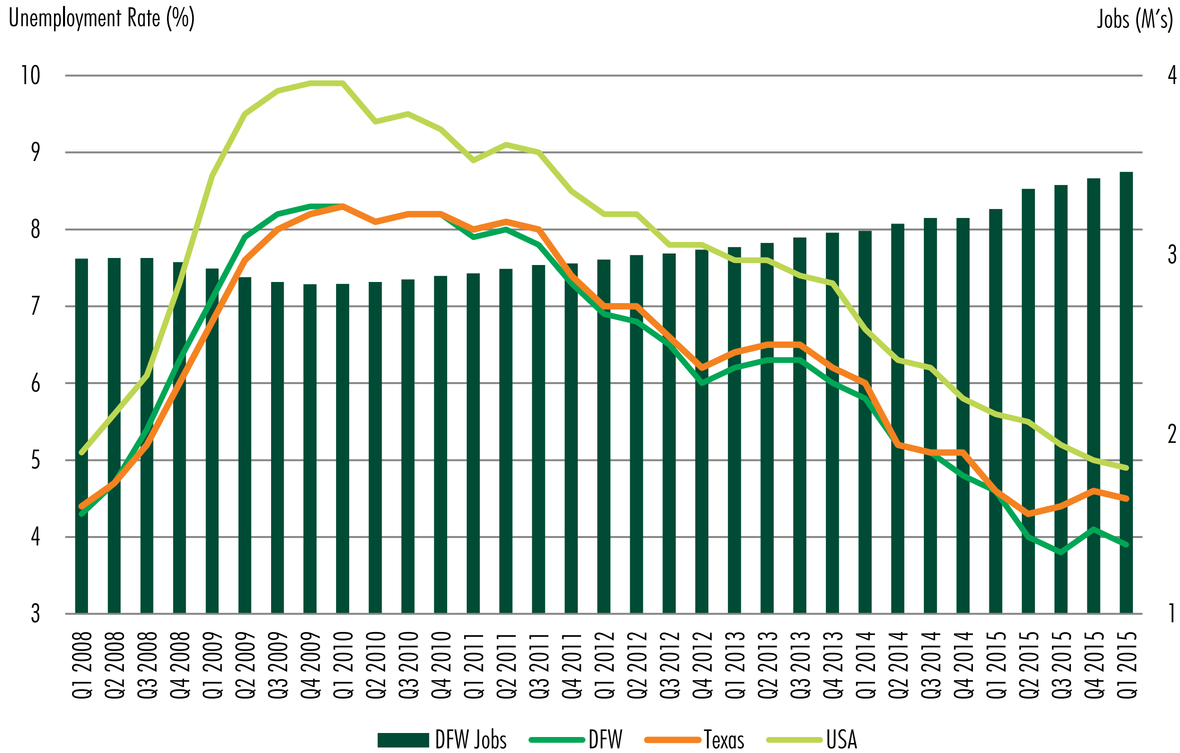
Triple net rents averaged $14.34 per square foot for Q1 2016, which represents a one cent decrease from Q4 2015 rents. Despite the 3.3 million sq. ft. forecast to deliver within the next 24 months, the retail market in DFW remains constrained. 720,479 sf. ft. of product was absorbed during the first quarter, a testament to the competitiveness currently in the market. DFW continues to be a landlord's market – with property owners seeking credit tenants and concepts that fit into center's tenant mix, however rents have remained relatively stable due to a flight to quality in top locations.

DELIVERIES TAKE LION'S SHARE OF DEMAND

After post-recession construction underway officially peaked in 2015, the pipeline increased in Q1 2016. Delivered construction has and continues to make up most of the quarterly absorption, hovering at around 50% of each quarter's absorption for the past year. Notably, the Alamo Draft House opened this quarter in Downtown Dallas and is the first new theater to open in the in the downtown area since 2001, when the 10-house cinema in the West End Marketplace closed. Additionally, Cinepolis is about to start its project in Victory Park and is expected to open in late 2017 or early 2018.

In Q1 2016, over 720,497 sq. ft. of new construction was delivered, bringing the trailing 12 month total to almost 6.6 million sq. ft.

Figure 6: Unemployment Rate and Total Non-Agricultural Jobs



Source: U.S. Bureau of Labor Statistics, February 2016.

AREA PAYROLLS LEAP, POPULATION GAINS MAKE FOR BUOYANT DFW RETAIL OUTLOOK

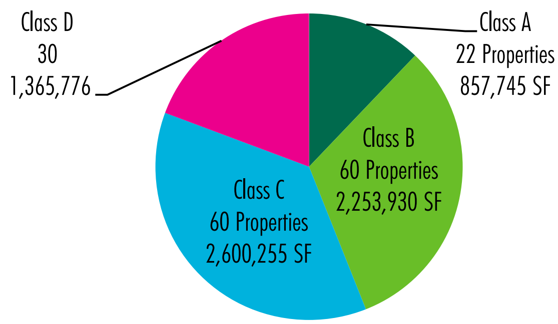
In Q4 2015, DFW created 112,000 jobs year-over-year, translating to a 3.3% annual growth rate. The unemployment rate fell from 4.1% at the end of 2015 to the current level of 3.9% this quarter. Dallas/Fort Worth's unemployment rate for the quarter was 60 bps lower than Texas (4.5%) and 103 bps lower than the U.S. (4.9%) in Q1 2016.

An ample supply of well-educated workers and strong population growth contribute to the area's fit economy.

With an estimated population of 7.1 million, the DFW metropolitan area is the fourth-largest MSA in the United States. The area's population has grown by 10.9% since 2010, and growth of 7.7% is projected for 2016 to 2021, according to Nielsen.

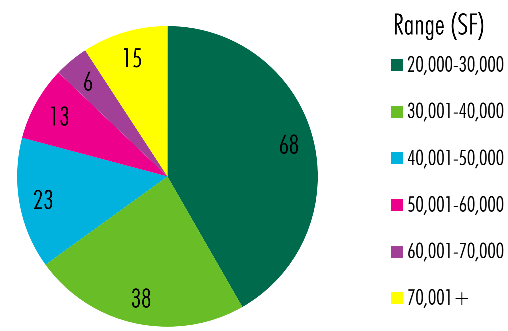
DFW's affluent population is young, with a median age of 35 years and with most of the population (58.6%) in the prime earning years of 20-54. DFW residents tend to earn more than the national average, supporting an estimated median household income of $61,068 annually versus $54,901 per year in the U.S.

Figure 7: Big Box Space Available by Class



Source: CBRE Research, Q1 2016.

Figure 8: Big Box Space Available by Size Range*



Source: CBRE Research, Q1 2016.
*Data labels represent number of spaces

KEY OBSERVATIONS ARE BIG: BIG BOX, THAT IS

Q1 2016 has been an interesting start to the big box sector as one major national tenant pulled out of the DFW metro and several other "right-sized" their positions in the market. The total number of vacant big boxes expanded with 172 vacant boxes totaling over 7.3 million sq. ft. on the market. In all, there are an additional 14 boxes on the market, up from 158 boxes from Q4 2015. The availability of Class A box space, which had virtually disappeared a year and a half ago, is now up to 22 properties totaling over 857,000 sq. ft.; the recent increase has been caused largely by the closure of a few grocery stores, discount superstores, and the national closure of all Sports Authority's.

There are approximately 60 Class B and Class C boxes that remain available market-wide. A lack of product is fueling demand for new development in 2016 and should continue through 2017, but recent market volatility might slow activity a bit. There are a large number of redevelopments or new projects that are in the planning stages for the next two years. Hurdles to new development remain high with municipal restrictions and high land costs pushing rents to record high levels.

Most of the activity is driven by grocery, fitness and entertainment retailers as they continue their expansion in the DFW market. In fact, CBRE has identified approximately 70 grocery-anchored developments either in the pipeline or under construction within DFW, more announced almost weekly. Some of the most active retailers include Gander Mountain, WinCo, H-E-B, Youfit, Total Wine, Sprouts, Trader Joe's, Whole Foods, and Fitness Connection.

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Figure 9: Largest Available Big Box Space

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Far North Dallas	3159 S Garland Road	*Discount Big Box*	226,000
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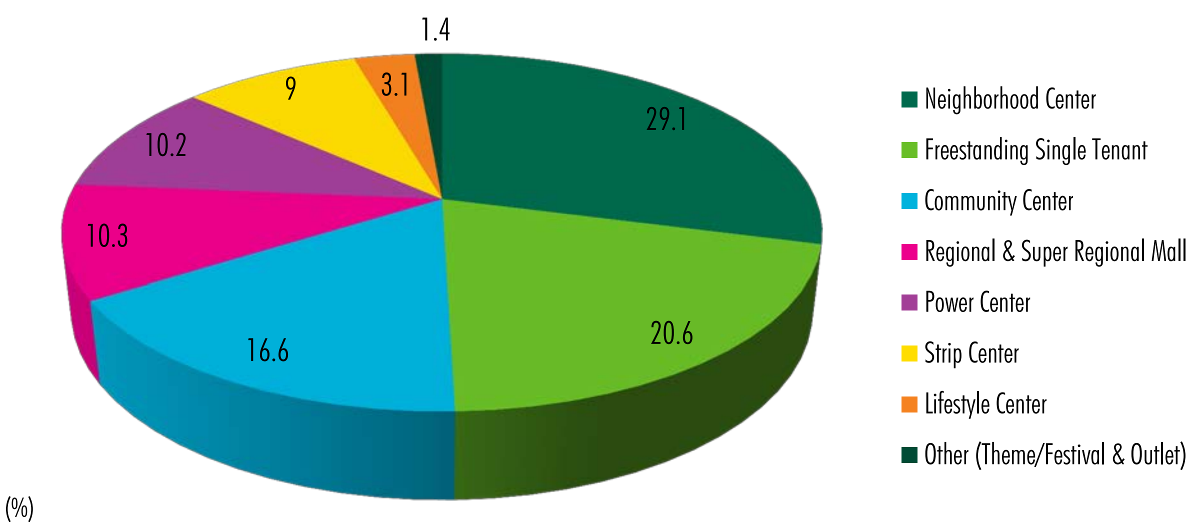
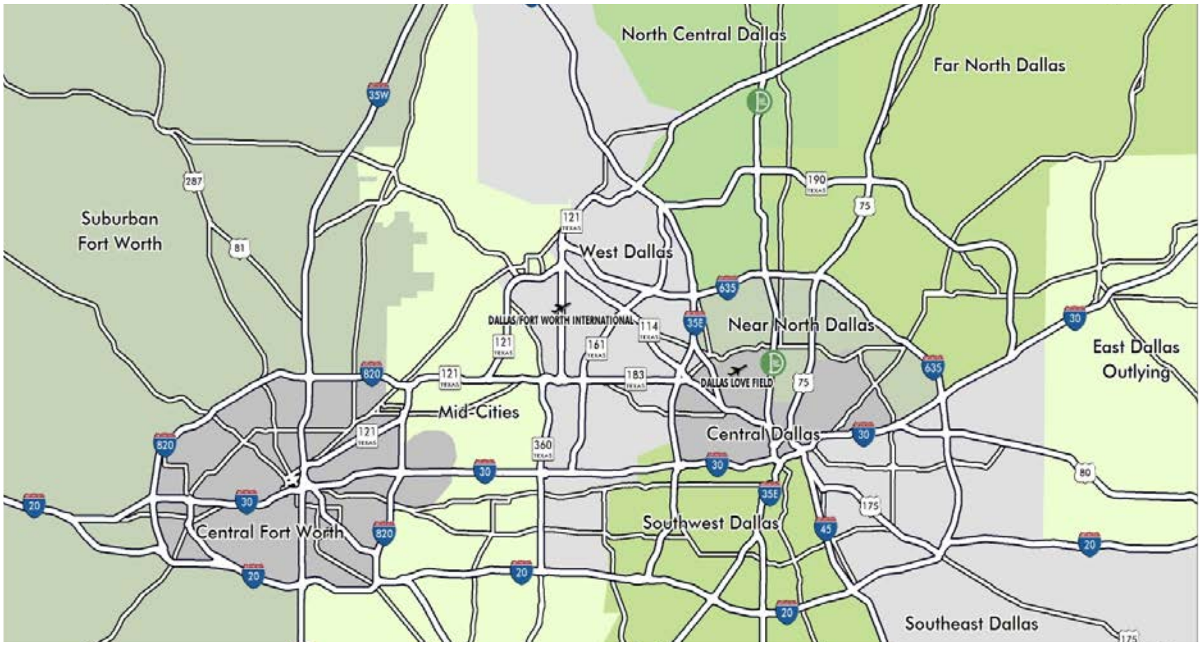
Source: CBRE Research, Q1 2016.

Figure 10: Dallas/Ft. Worth Retail Market Size by Classification



Source: CBRE Research, Q1 2016.



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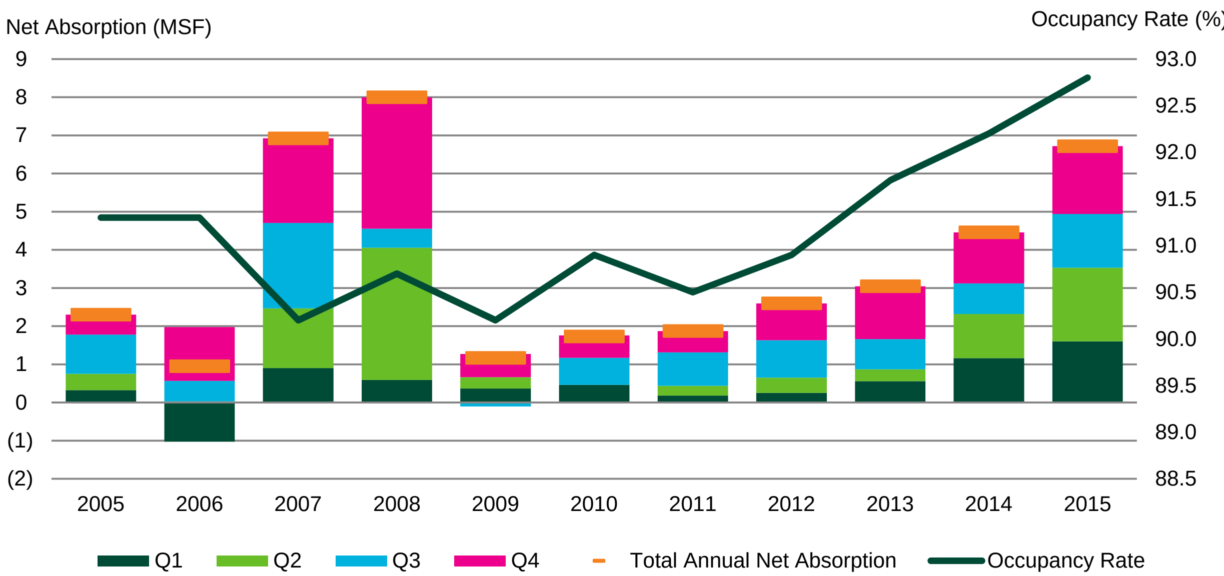
Dallas / Fort Worth Retail, Q4 2015

Up, up and away; DFW absorption reigns supreme

Vacancy Rate	Under Construction	Completions	Net Absorption
7.2%	6,662,573 SF	1,196,834 SF	1,778,293 SF

*Arrows indicate change from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q4 2015.

2015 ABSORPTION REACHES POST-RECESSION MILESTONE

Annual total net absorption for 2015 is over 2.2 million sq. ft. more than last year. DFW has reached a post-recession absorption high. Additionally, 2015 marks the sixth straight year absorption has increased.

NEW DEVELOPMENT PIPELINE AT THE HIGHEST LEVELS SINCE THE RECESSION

Currently at an eight-year high, there is over 6.7 million sq. ft. of retail space under construction, but this is only about half of the total since the last peak.

OCCUPANCY REBOUNDS; HIGHEST LEVEL IN 10 YEARS

The occupancy rate rose over the quarter as new pre-committed retail space delivered. There was an increase of 20 basis points (bps) over the previous quarter. This is the 21st consecutive quarter the occupancy rate has been over 90%.

CLASS A BIG BOX LOCATIONS INCREASE

Over Q4, Class A inventory increased as a few office supply stores closed. This is the first noticeable increase in Class A inventory this year, however, we can expect these locations to be backfilled quickly.

Another year with nothing to fear, 2015 ends with strong retail market metrics that are expected to continue into 2016. Overall, single digit vacancy has remained the norm for the last five years, along with yearly increases in total absorption and a healthy construction pipeline. Moreover, retail space continues to remain limited; especially for smaller users in the market as end cap and second generation restaurant space continues to be difficult for tenants to acquire.

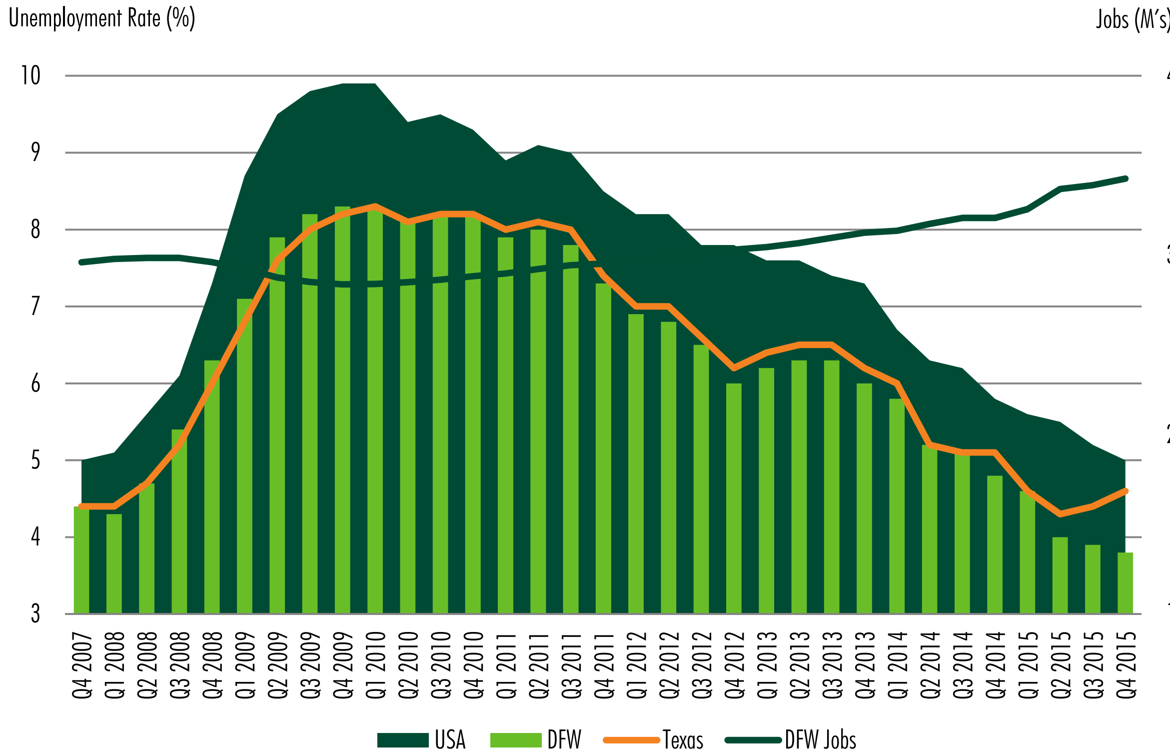
For retailers in the DFW market the modus operandi stands, as the economic staples of strong population and employment growth remain constant in the Metroplex. According to the U.S. Bureau of Labor Statistics, employment in DFW grew by nearly 37,000 jobs during Q4 2015, and unemployment decreased by 10 bps to 3.8%. DFW residents are a strong consumer force, with a per capita income estimated at $50,076. According to Moody's Analytics, per capita income has grown by average of 1.8% over the last 12 months, and is expected to grow another 2.8% by this time next year.

Figure 2: Market Snapshot

Market	Net Rentable Area (SF)	Direct Vacant (SF)	Direct Vacant (%)	Total Vacant (SF)	Total Vacant (%)	Average Asking Rate Annual, NNN ($/SF)	Qtr. Total Net Absorption (SF)	2015 Total Net Absorption (SF)
Central Dallas	9,093,061	389,504	4.3	389,504	4.3	29.75	22,115	245,906
East Dallas Outlying	3,633,860	83,904	2.3	83,904	2.3	22.25	10,726	97,990
Far North Dallas	54,152,868	4,551,576	8.4	4,662,005	8.6	15.25	237,488	942,926
Near North Dallas	21,064,645	1,241,236	5.9	1,241,236	5.9	15.50	125,656	356,557
North Central Dallas	32,020,305	1,974,417	6.2	2,117,732	6.6	16.25	201,739	1,716,562
Southeast Dallas	13,345,878	917,426	6.9	917,426	6.9	11.00	2,052	67,641
Southwest Dallas	17,180,845	1,655,253	9.6	1,700,455	9.9	10.25	91,008	92,066
West Dallas	30,501,537	2,515,915	8.2	2,558,319	8.4	12.75	71,428	502,973
Central Fort Worth	23,777,270	1,809,650	7.6	1,820,285	7.7	12.50	141,329	471,480
Mid-Cities	51,030,130	2,969,906	5.8	2,996,615	5.9	13.50	385,561	1,131,435
Suburban Fort Worth	23,147,717	1,366,612	5.9	1,482,617	6.4	12.00	489,191	1,091,933
TOTAL Dallas	181,192,999	13,366,612	7.4	13,667,581	7.5	15.10	762,212	4,022,621
TOTAL Fort Worth	97,955,117	6,144,168	6.3	6,299,517	6.4	12.97	1,016,081	2,694,848
TOTAL DFW	279,148,116	19,475,399	7.0	19,967,098	7.2	14.35	1,778,293	6,717,469

Source: CBRE Research, Q4 2015.

Figure 3: Unemployment Rate and Total Non-Agricultural Jobs



Source: U.S. Bureau of Labor Statistics, November 2015.

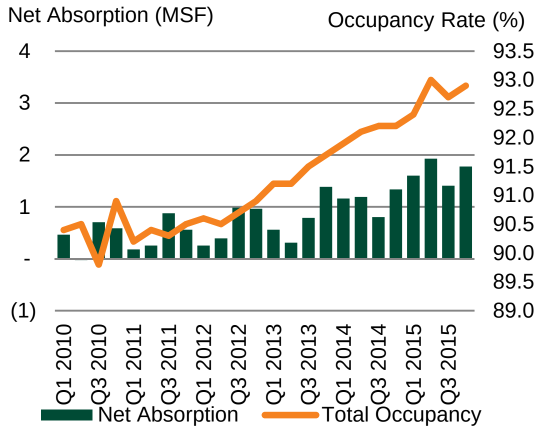
ECONOMIC CONDITIONS/DEMOGRAPHICS

In Q4 2015, DFW created 101,000 jobs year-over-year, translating to a 3.0% annual growth rate. The unemployment rate fell from 3.9% at the end of Q3 2015 to the current level of 3.8% this quarter. Dallas/Fort Worth's unemployment rate for the quarter was 80 bps lower than Texas (4.6%) and 150 bps lower than the U.S. (5.0%) in Q4 2015. An ample supply of well-educated workers and strong population growth contribute to the area's healthy economy.

With an estimated population of 6.9 million, the DFW metropolitan area is the fourth-largest MSA in the United States. The area's population has grown by 8.2% since 2010, and growth of 7.1% is projected for 2015 to 2020, according to Nielsen.

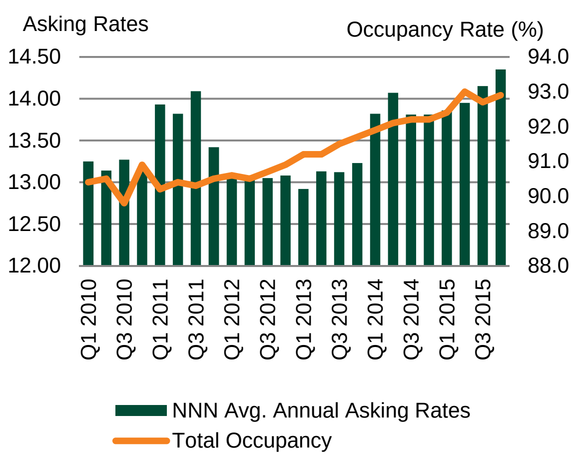
DFW's affluent population is young, with an average age of 35 years and with most of the population (51%) in the prime earning years of 20-54. DFW residents tend to earn more than the national average, supporting an estimated median household income of $58,034 annually versus $53,229 per year in the U.S.

Figure 4: Net Absorption and Total Occupancy



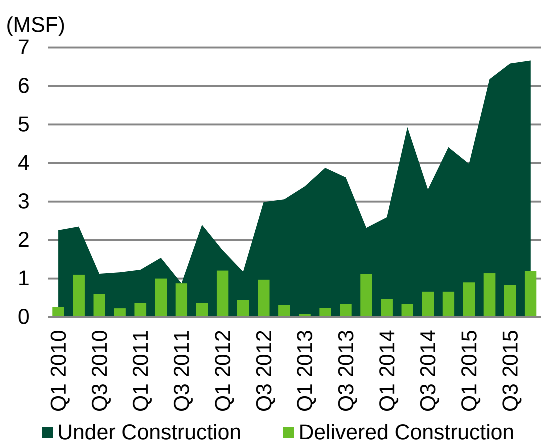
Source: CBRE Research, Q4 2015.

Figure 5: Asking Rates, NNN Avg. Annual and Occupancy Rate



Source: CBRE Research, Q4 2015.

Figure 6: Construction



Source: CBRE Research, Q4 2015.

OCCUPANCY & ABSORPTION

The occupancy rate rebounded in Q4 2015 closing out at 92.9%, a 20 bps increase from Q3 2015 and increased 70 bps from Q4 2014. In direct correlation, the vacancy rate decreased 20 bps to 7.1% from Q3 2015 and decreased 70 bps from Q4 2014.

In Q4 2015, absorption totaled over 1.7 million sq. ft., with well over half (67.3%) of the absorption attributed to deliveries. 2015 net absorption totals over 6.7 million sq. ft., a seven-year high in the market.

LEASE RATES

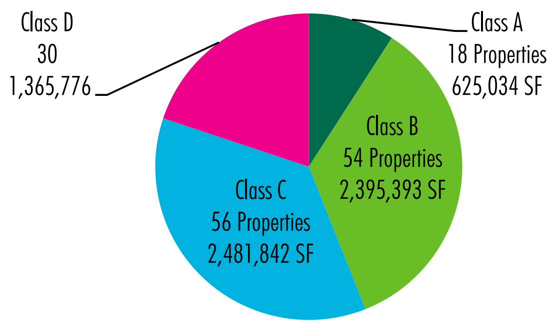
Triple-net rents averaged $14.35 per sq. ft. in Q4 2015, up $0.20 per. sq. ft. Continuing on into 2016-2017, the DFW retail market is forecasted to have more new product deliver to meet tenant demand. Overall, DFW has been oriented towards the landlord but this has not pushed up rents due to a flight to quality.

CONSTRUCTION

Officially, we have reached a post-recession peak in the under construction pipeline in 2015. Delivered construction has and continues to make up most of the quarterly absorption, hovering at just over 50% of each quarter's absorption for the past year. Notably, the first new Target opened this quarter in For Worth and is first new Target to open in the DFW market since 2009.

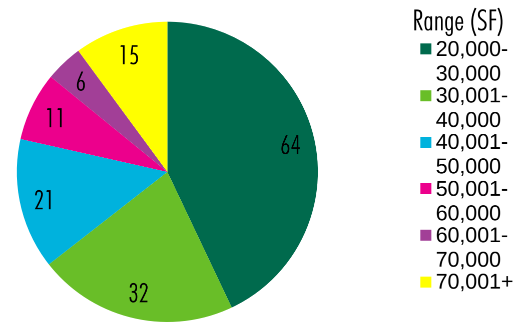
In Q4 2015 almost 1.2 million sq. ft. of new construction was delivered, bringing the grand total for 2015 to almost 3.9 million sq. ft. Overall, the total under construction pipeline remains strong. Given the current market dynamics, many long-time proposed projects are slowly making it off the drawing board and are expected to be delivered in the next one to two years.

Figure 7: Big Box Space Available by Class



Source: CBRE Research, Q4 2015.

Figure 8: Big Box Space Available by Size Range*



Source: CBRE Research, Q4 2015.
*Data labels represent number of spaces

KEY OBSERVATIONS

The last quarter of 2015, the big box sector finally saw some change. The year ended with 158 vacant boxes totaling over 6.8 million sq. ft. on the market. In all, there are an additional 15 boxes on the market, up from 143 boxes from Q3 2015. The availability of Class A box space, which had virtually disappeared a year ago, is now up to 18 properties totaling over 625,000 sq. ft.; the recent increase has been caused largely by the closure of several Staples, Office Max and Office Depot stores. There are approximately 54 Class B boxes and 56 Class C boxes that remain available market-wide. A lack of product is fueling demand for new development in 2016 and should continue through 2017. There are a large number of redevelopments or new projects that are in the planning stages for the next two years. Hurdles to new development remain high with municipal restrictions and high land costs pushing rents to record high levels.

Most of the activity is driven by grocery, fitness and entertainment retailers as they continue their expansion in the DFW market. In fact, CBRE has identified over 70 grocery-anchored developments either in the pipeline or under construction within DFW. Some of the most active retailers include Gander Mountain, WinCo, H-E-B, Youfit, Total Wine, Sprouts, Trader Joes, Whole Foods, and Fitness Connection.

Many retailers, such as Barnes & Noble, Staples, Tiger Direct, Babies R Us and Sports Authority continue to close stores and "right size" in order to compete with shrinking demand or increased competition from internet retail.

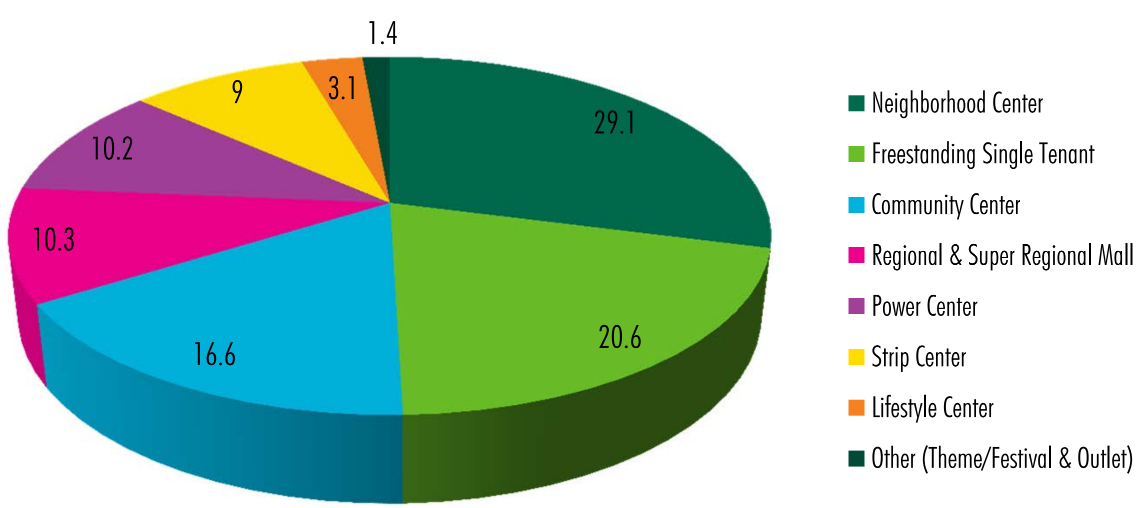
Overall, the emphasis is clearly switching to Class B and C boxes. Landlords and tenants must continue to work creatively to reconfigure and modernize these older properties. We can expect to see developments take the shape of larger big box anchor tenants with smaller in-line space. Secondary tenants do not require the same size store fronts as the internet shift has affected how consumers shop. Restaurants remain the only sector with unchanged requirements for in-line/pad space.

Figure 9: Largest Available Big Box Space

Submarket	Address	Former Use	Available (SF)
Far North Dallas	13138 Montfort Drive	*Macy's*	300,300
Far North Dallas	3159 S Garland Road	*Discount Big Box*	226,000
Far North Dallas	811 N Central Expy	*Dillard's*	176,259
Southwest Dallas	3560 Camp Wisdom Rd	*Dillard's*	150,000
North Central Dallas	5000 Alpha Road	*The Great Indoors*	141,690
North Central Dallas	13307 Midway Rd	*Discount Big Box*	136,000
Far North Dallas	13320 Montfort Drive	*J.C. Penney*	111,657
Near North Dallas	8282 Park Ln	*Wholesale Club*	111,501
North Central Dallas	13342 Midway Road	*Gabbert's Furniture*	105,000
Southwest Dallas	2021 N Town East Blvd	*Burlington*	84,382
Southeast Dallas	2550 W Red Bird Ln	*Terry's Market*	72,911
Southeast Dallas	7401 S Westmoreland Rd	*Home Depot*	71,842
Mid-Cities	2434 S Interstate 35 E	*Albertson's*	67,195
Far North Dallas	3046-3048 Lavon Drive	*Albertson's*	66,817
Southwest Dallas	1639 S Buckner Blvd	*Buckner Bazaar*	62,000
Southwest Dallas	2106 N Galloway Ave	*Albertson's*	61,935
Suburban Fort Worth	7120 Rufe Snow	*Tom Thumb*	58,960
Southwest Dallas	4101 W Wheatland Rd	*Albertson's*	58,720
Central Fort Worth	6479 Camp Bowie	*Kroger*	58,000
Near North Dallas	6740-6780 Abrams Rd	*Tom Thumb*	57,465
North Central Dallas	4515 LBJ Freeway	*REI*	56,500

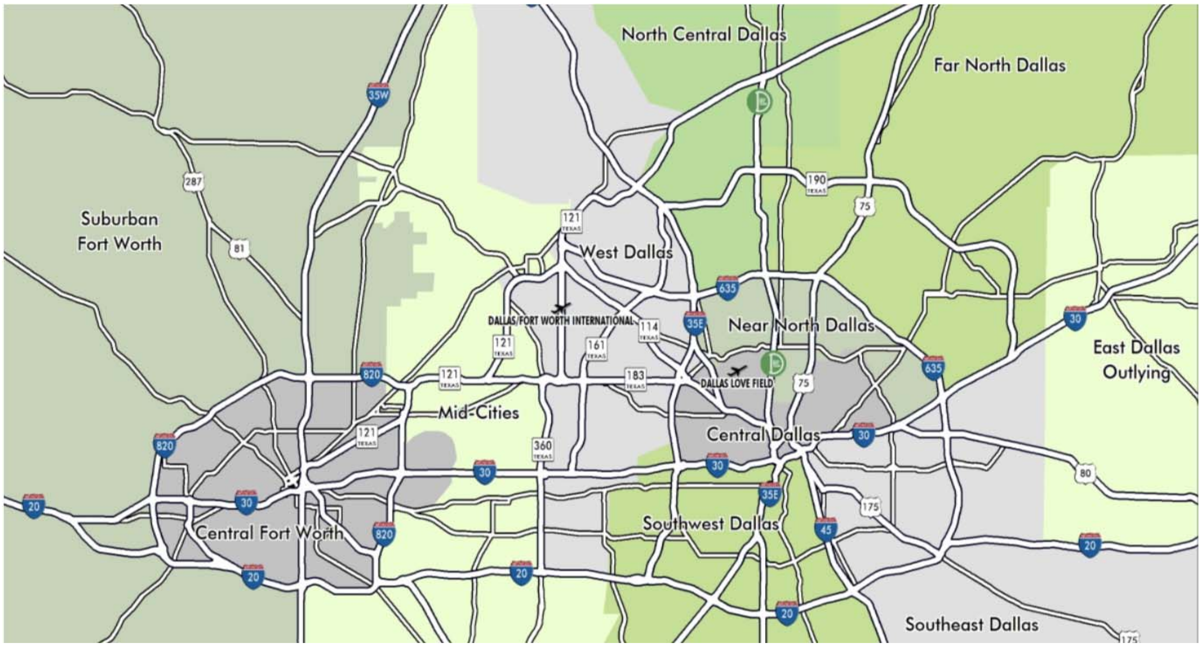
Source: CBRE Research, Q4 2015.

Figure 10: Dallas/Ft. Worth Retail Market Size by Classification



(%)

Source: CBRE Research, Q4 2015.



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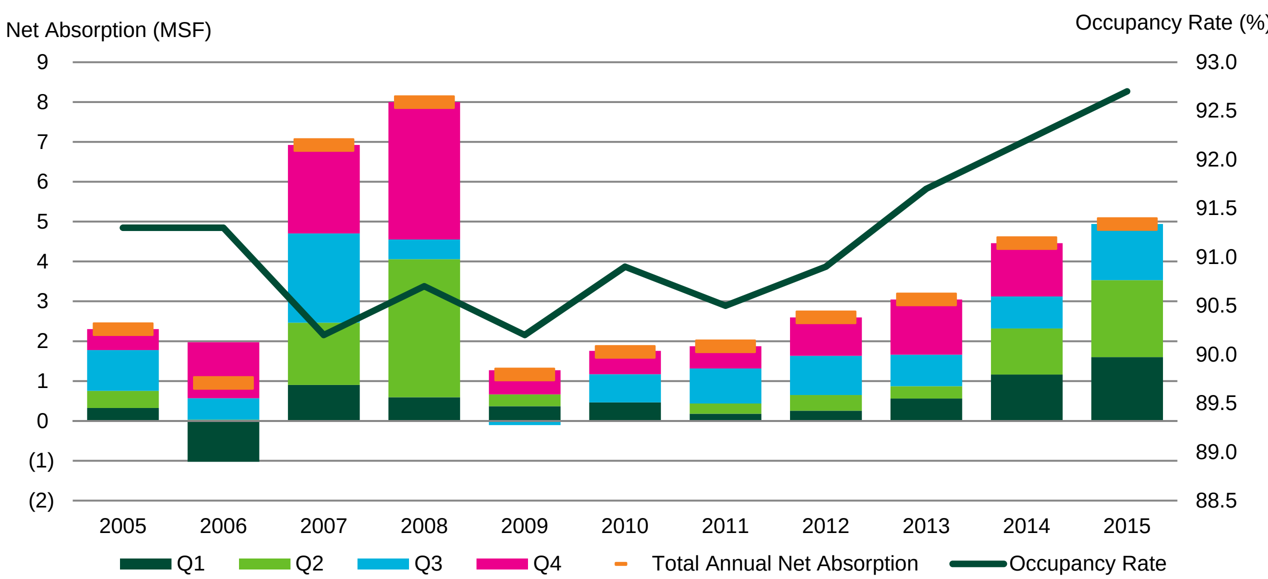
Dallas / Fort Worth Retail, Q3 2015

Occupancy continues upward trajectory; Q3 pace steadies

Vacancy Rate	Under Construction	Completions	Net Absorption
7.3%	6,490,733 SF	835,613 SF	1,408,406 SF

*Arrows indicate change from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q3 2015.

OCCUPANCY INCREASE BREAKS FOUR QUARTER STREAK

The occupancy rate corrected over the quarter as new product delivered during the seasonally slow period. There was a compression of 30 basis points (bps) over the previous quarter, however, this is the 20th consecutive quarter the occupancy rate has been over 90%.

NET ABSORPTION EXCEEDS ALMOST A HALF MILLION SQ. FT. OVER 2014

Year-to-date total net absorption is almost 500,000 sq. ft. more than all of last year. At the current rate, the DFW market could have the strongest year of absorption since the 2008 recession.

NEW DEVELOPMENT PIPELINE AT THE HIGHEST LEVEL SINCE THE RECESSION

Currently at an 8-year high, there is almost 6.5 million sq. ft. of retail space under construction, but this is still only about half of the total since the last peak.

DESIRABLE BIG BOX LOCATIONS DWINDLING

The big box sector has a large inventory of Class C and Class D boxes, while Class A inventory continues to dwindle and be desired by grocery, fitness, sporting goods, and discount soft goods users. Landlords and owners will need to be more creative in repurposing the less desirable boxes in order to remain competitive in the market.

As the end of the year approaches, retail market metrics continue to confirm strong and healthy demand conditions in the Dallas/Fort Worth market. Overall, single-digit vacancy has remained for over 20 quarters, along with continued positive absorption and five straight quarters of an increasing construction pipeline. Moreover, retail space remains limited, especially for smaller users in the market as end cap and second generation restaurant space continues to be difficult to acquire.

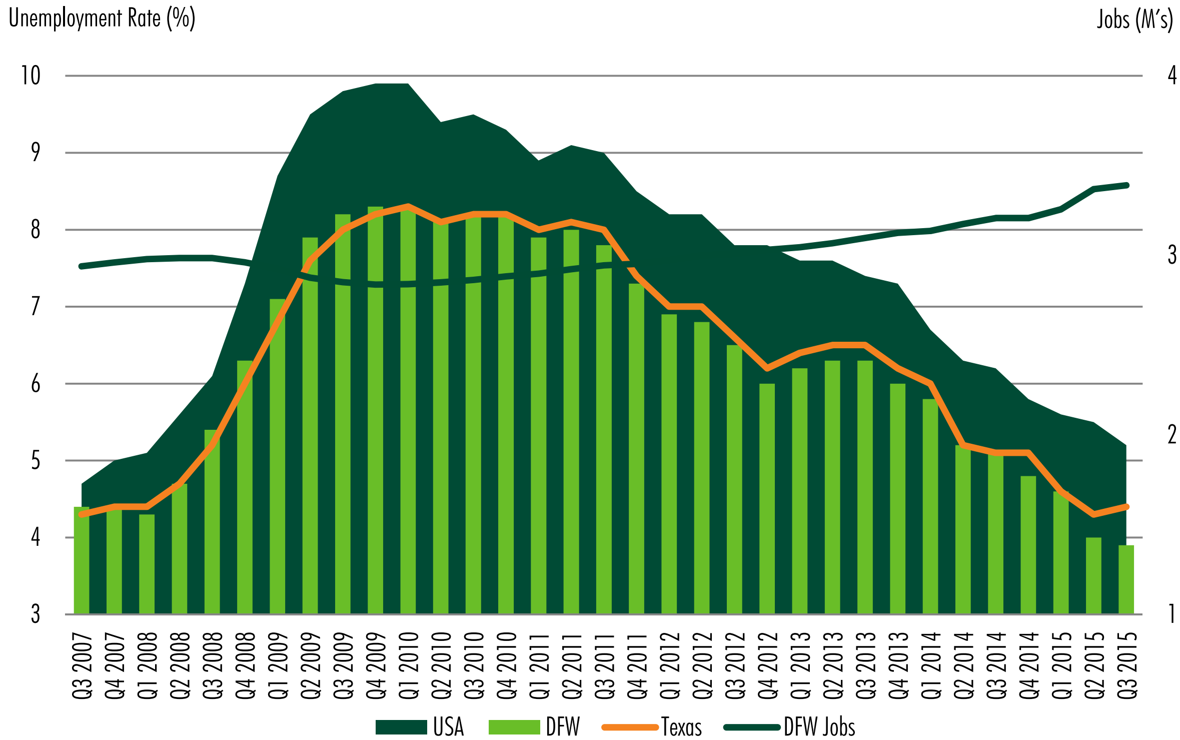
For retailers in the DFW market the modus operandi stands, as the economic staples of strong population and employment growth remain constant in DFW. According to the US Bureau of Labor Statistics, employment in DFW grew by nearly 21,100 jobs during Q3 2015, and unemployment decreased by 10 bps to 3.9%. DFW residents are a strong consumer force, with a per capita income estimated at $50,076. According to Moody's Analytics, per capita income has grown by 6.6% over the last 12 months, and is expected to grow another 6.1% by this time next year.

Figure 2: Market Snapshot

Market	Net Rentable Area (SF)	Direct Vacant (SF)	Direct Vacant (%)	Total Vacant (SF)	Total Vacant (%)	Average Asking Rate Annual, NNN ($/SF)	Qtr. Total Net Absorption (SF)	2015 Total Net Absorption (SF)
Central Dallas	9,129,750	377,225	4.1	377,225	4.1	28.00	49,209	223,791
East Dallas Outlying	3,509,780	94,630	2.7	94,630	2.7	20.00	5,492	87,264
Far North Dallas	54,135,077	4,718,238	8.7	4,832,061	8.9	15.25	349,075	705,438
Near North Dallas	20,970,166	1,246,134	5.9	1,246,134	5.9	15.00	78,111	224,709
North Central Dallas	31,743,769	1,952,704	6.6	2,225,525	7.0	16.00	159,778	1,514,823
Southeast Dallas	13,291,503	892,678	6.7	892,678	6.7	11.00	28,563	65,589
Southwest Dallas	17,262,057	1,789,759	8.4	2,551,468	10.6	10.25	(14,523)	1,058
West Dallas	30,374,330	2,548,968	8.4	2,551,468	8.4	13.00	88,160	431,545
Central Fort Worth	23,758,834	1,865,178	7.9	1,880,319	8.9	12.50	72,899	330,151
Mid-Cities	50,803,856	3,016,146	5.9	3,044,710	5.9	13.25	491,285	745,874
Suburban Fort Worth	22,712,885	1,363,470	6.0	1,483,375	6.5	12.00	172,276	603,742
TOTAL Dallas	180,415,758	13,620,336	7.5	13,921,576	7.7	14.92	671,946	3,260,409
TOTAL Fort Worth	97,270,575	6,244,794	6.4	6,408,404	6.6	12.77	736,460	1,578,767
TOTAL DFW	277,686,333	19,865,130	7.1	20,329,980	7.3	14.17	1,408,406	4,939,176

Source: CBRE Research, Q3 2015.

Figure 3: Unemployment Rate and Total Non-Agricultural Jobs



Source: U.S. Bureau of Labor Statistics, September 2015.

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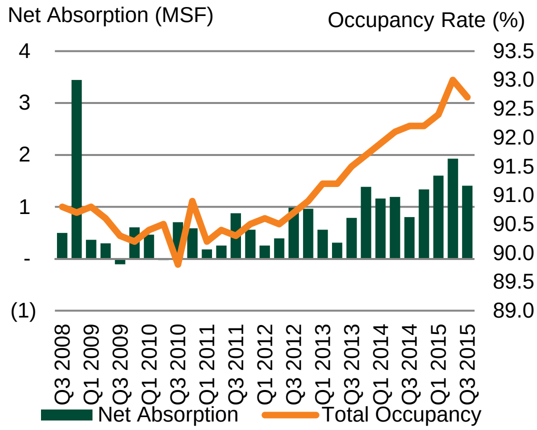
ECONOMIC CONDITIONS/DEMOGRAPHICS

In Q3 2015, DFW created 104,100 jobs year-over-year, translating to a 3.2% annual growth rate. The unemployment rate fell from 4.0% at the end of Q2 2015 to the current level of 3.9% this quarter. Dallas/Fort Worth's unemployment rate for the quarter was 50 bps lower than Texas (4.4%) and 130 bps lower than the U.S. (5.2%) in Q3 2015. An ample supply of well-educated workers and strong population growth contribute to the area's healthy economy.

With an estimated population of 6.9 million, the DFW metropolitan area is the fourth-largest MSA in the United States. The area's population has grown by 8.2% since 2010, and growth of 7.1% is projected for 2015 to 2020, according to Nielsen.

DFW's affluent population is young, with an average age of 35 years and with most of the population (51%) in the prime earning years of 20-54. DFW residents tend to earn more than the national average, supporting an estimated median household income of $58,034 annually versus $53,229 per year in the U.S.

Figure 4: Net Absorption and Total Occupancy



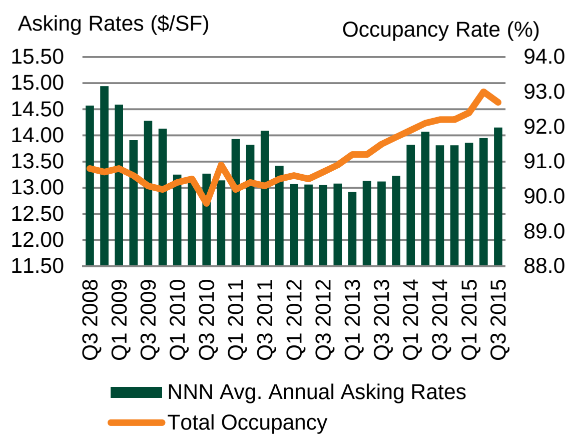
Source: CBRE Research, Q3 2015.

OCCUPANCY & ABSORPTION

The occupancy rate corrected in Q3 2015 closing out at 92.7%, a 30 bps decrease from Q2 2015. Overall, the occupancy rate increased 50 bps from Q3 2014 (.5%). In direct correlation, the vacancy rate increased 30 bps to 6.4% from Q2 2015 and decreased 50 bps from Q3 2014.

In Q3 2015, absorption totaled over 1.4 million sq. ft., with over half (59.3%) of the absorption attributed to deliveries. Year-to-date net absorption totals nearly five million sq. ft., officially reaching a seven-year high in the market.

Figure 5: Asking Rates, NNN Avg. Annual and Occupancy Rate

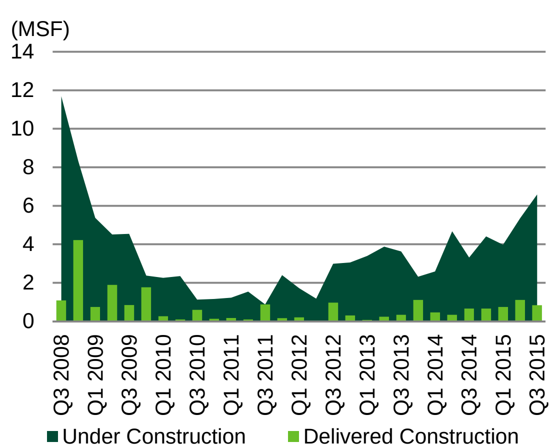


Source: CBRE Research, Q3 2015.

LEASE RATES

Triple-net rents averaged $14.17 per sq. ft. in Q3 2015, up $0.20 per. sq. ft. Continuing on into 2015-2016, the DFW retail market is forecasted to have more new product deliver to meet tenant demand. Overall, the DFW market has been oriented towards the landlord but this has not pushed up rents due to a flight to quality.

Figure 6: Construction

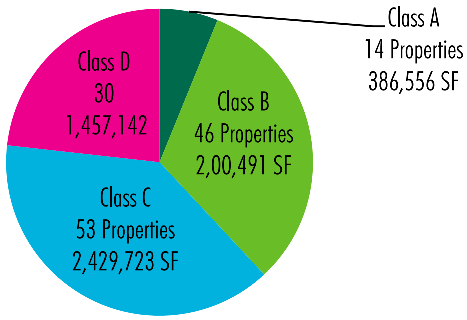


Source: CBRE Research, Q3 2015.

CONSTRUCTION

Year-to-date, we have reached a post-recession peak in the under construction pipeline. Delivered construction has and continues to make up most of the quarterly absorption, hovering at just over 50% of the each quarter's absorption for the past year. In Q3 2015 over 800,000 sq. ft. of new construction was delivered, bringing the year-to-date total to over 2.6 million sq. ft. Overall, the total under construction pipeline increased by over 1.2 million sq. ft.. With the current market many long-time proposed projects are expected to be delivered to the market in the next one to two years.

Figure 7: Big Box Space Available by Class



Source: CBRE Research, Q3 2015.

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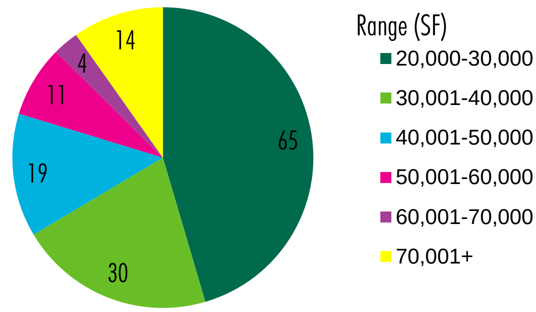

Source: CBRE Research, Q3 2015.
*Data labels represent number of spaces

KEY OBSERVATIONS

There has not been much change in 2015 for the big box sector of the market. There are currently 143 vacant boxes totaling over 6.2 million sq. ft. as of Q3 2015. The availability of Class A box space, which had virtually disappeared a year ago is now up to 14 properties totaling over 386,000 sq. ft.; the recent increase has been caused largely by the closure of several Sports Authority, Staples, Office Max and Office Depot stores. There are approximately 46 Class B boxes and 53 Class C boxes that remain available in the entire DFW market. A lack of product is fueling demand for new development in 2015 and should continue through 2017. There are a large number of redevelopments or new projects that are in the planning stages for the next three years. Hurdles to new development remain high with municipal restrictions and high land costs pushing rents to record high levels.

Most of the activity is driven by grocery, fitness, and entertainment retailers as they continue their expansion in the DFW market. In fact, CBRE has identified over 70 grocery-anchored developments either in the pipeline or under construction within DFW. Some of the most active retailers include Gander Mountain, WinCo, Walmart, H-E-B, Youfit, Total Wine, Sprouts, Trader Joes, Whole Foods, and Fitness Connection.

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Source: CBRE Research, Q3 2015.

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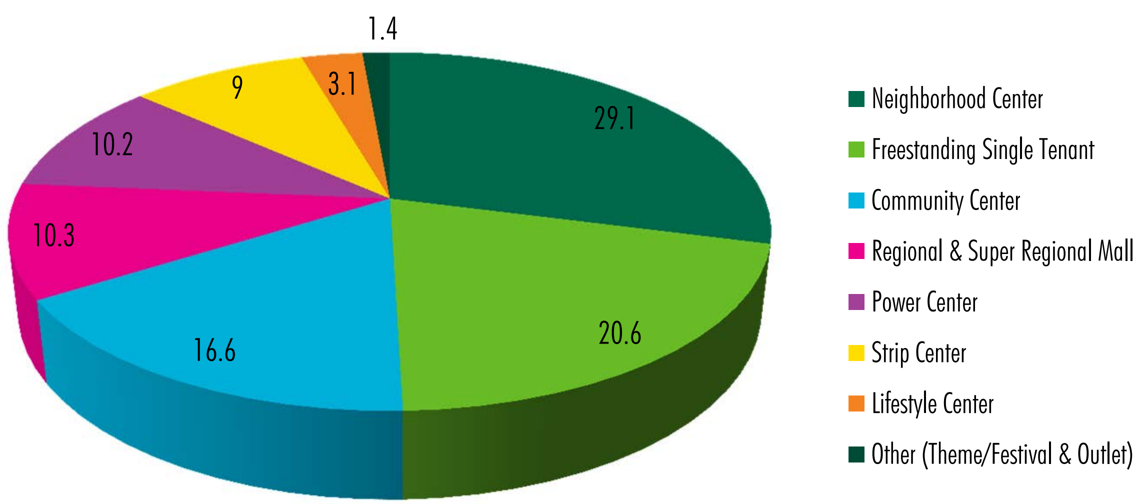
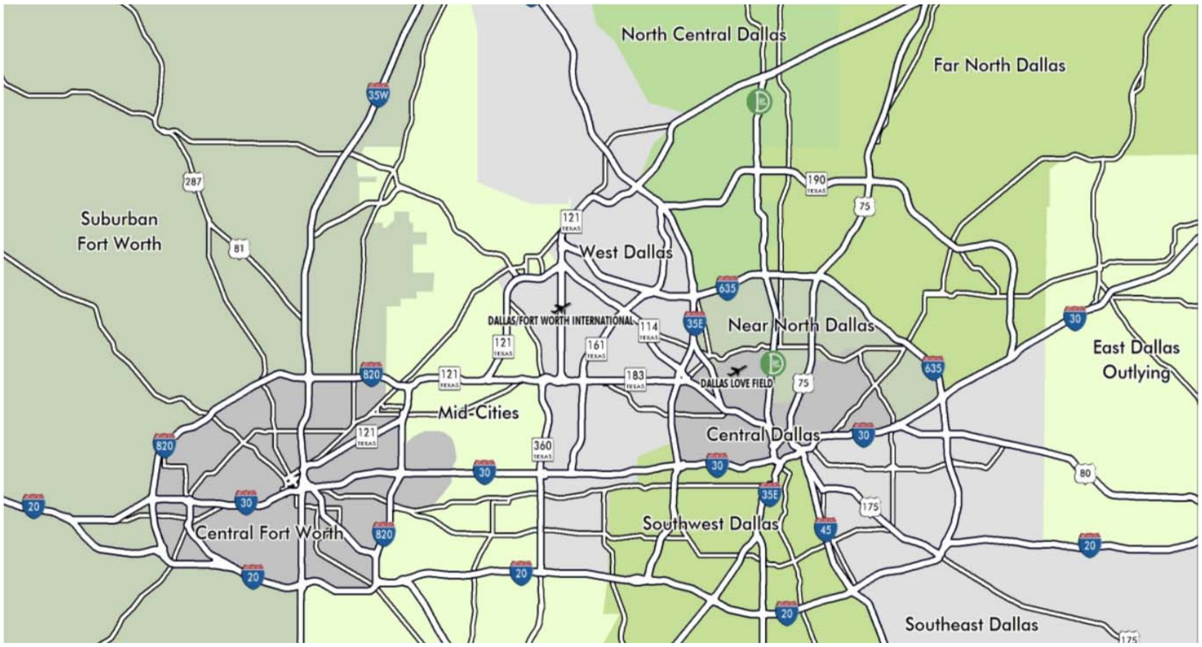


(%)

Source: CBRE Research, Q3 2015.



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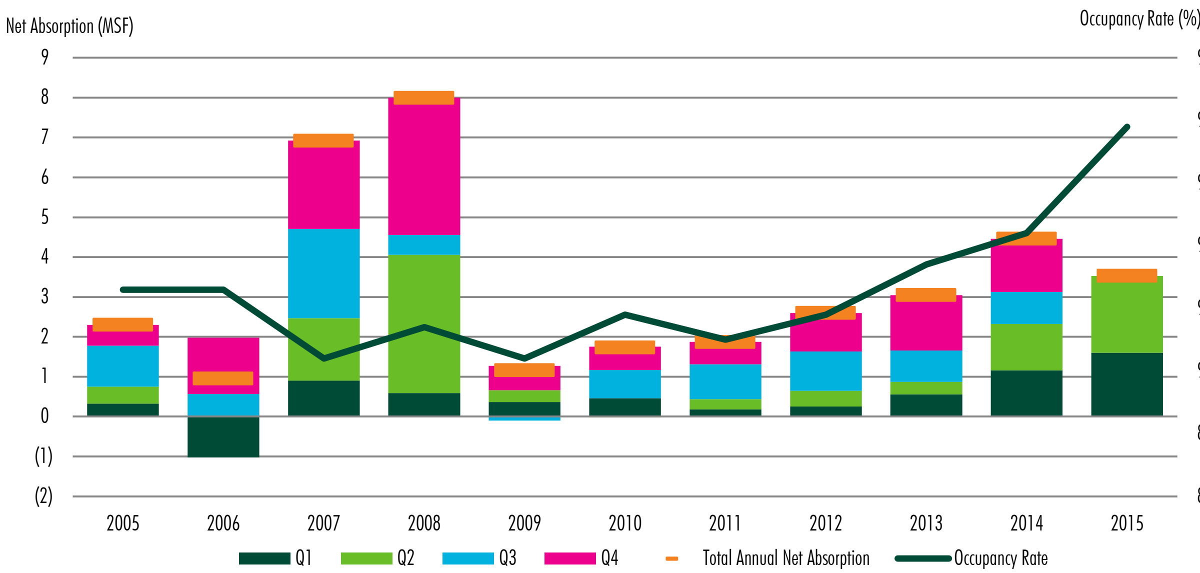
Dallas / Fort Worth Retail, Q2 2015

Retail Tenants are buying; occupancy hits record high

Vacancy Rate	Under Construction	Completions	Net Absorption
6.1%	6,176,761 SF	1,137,817 SF	1,928,918 SF

*Arrows indicate change from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q2 2015.

OCCUPANCY REACHES YET ANOTHER HISTORIC HIGH

Occupancy rates continues to increase for a fourth quarter in a row, the highest quarter-over-quarter increase in the last 10 years; a change of 150 basis points (bps) from the previous quarter, setting yet another record high occupancy for the DFW market.

THE MUCH ANTICIPATED NEBRASKA FURNITURE MART (NFM) OFFICIALLY OPENS

Located in the North Central Dallas the NFM's retail showroom totaled 560,000 sq. ft., contributing approximately 96.5% of the total 580,000 sq. ft. of total new completions in Q2 2015.

THE BIG BOX SECTOR OF THE RETAIL MARKET CONTINUES TO EXPERIENCE A SURGE FROM A FEW CATEGORIES

Through the first half of the year, DFW continues to experience a surge of grocery, fitness, sporting goods, and discount soft goods users absorb most of preexisting available spaces on the market.

H1 2015 NET ABSORPTION EXCEEDS THE 1H 2014.

Year-to-date total net absorption is over 1.1 million sq. ft. than at the same point last year, making the first half of 2015 the highest first half net absorption since 2008.

We are through the first half of 2015 and the retail market metrics continue to confirm strong and healthy market conditions in the Dallas/Fort Worth market. The first quarter of the year experienced a remarkable growth rate in occupancy, absorption construction deliveries. The inclement weather over the quarter seemed to have had no effect on the expanding market presence of grocery, fitness, and entertainment tenants in the market. Overall, retail space proceeds to remain limited, especially for users of smaller space in the market as end cap and second generation restaurant space continues to be difficult to acquire.

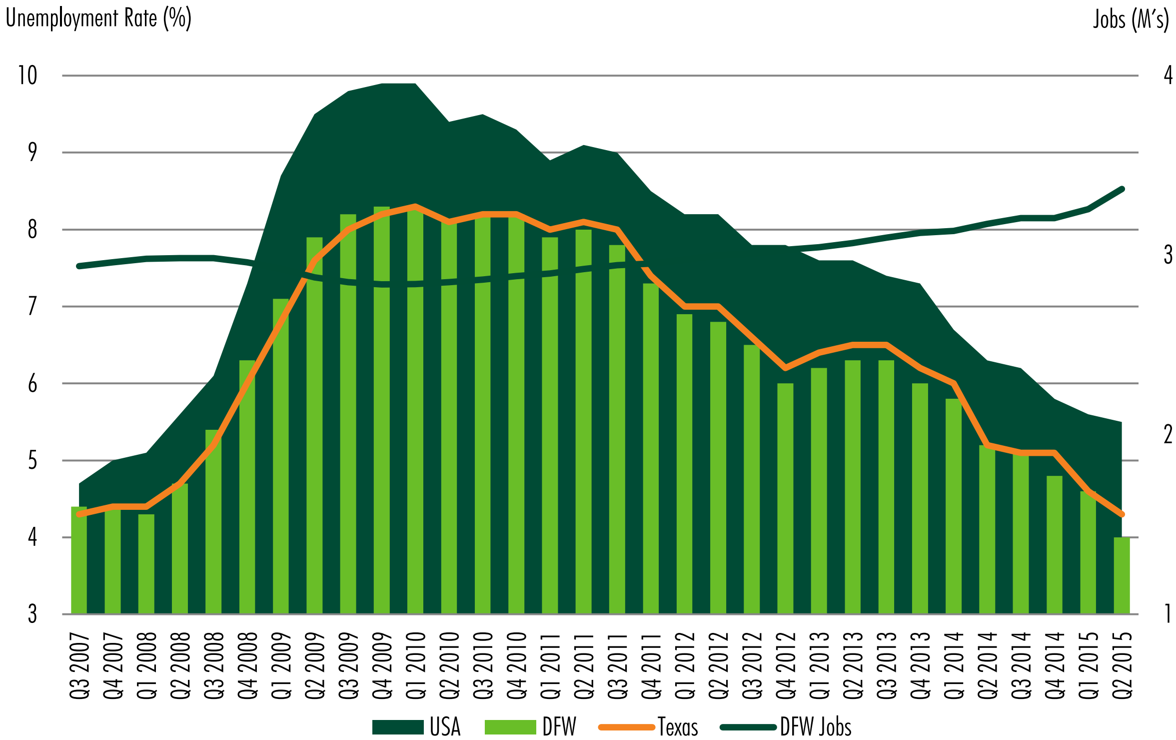
The narrative remains for retailers into 2015, as the economic staples of strong population and employment growth remain constant in DFW. According to the US Bureau of Labor Statistics, employment in DFW grew by nearly 112,200 jobs during Q2 2015, and unemployment decreased by 60 bps to 4.0%. DFW residents are a strong consumer force, with a per capita income estimated at $50,076. According to Moody's Analytics, per capita income has grown by 5.7% over the last 12 months, and is expected to grow another 6.1% by this time next year.

Figure 2: Market Snapshot

Market	Net Rentable Area (SF)	Direct Vacant (SF)	Direct Vacant (%)	Total Vacant (SF)	Total Vacant (%)	Average Asking Rate Annual, NNN ($/SF)	Qtr. Total Net Absorption (SF)	2015 Total Net Absorption (SF)
Central Dallas	9,184,633	348,668	3.8	345,668	3.8	27.41	16,469	174,582
East Dallas Outlying	3,481,079	110,122	2.8	100,122	2.8	19.83	79,480	81,722
Far North Dallas	54,090,736	4,864,347	9.0	4,967,990	9.2	15.34	256,770	356,363
Near North Dallas	21,038,867	1,165,612	5.5	1,165,612	5.5	14.23	78,111	224,709
North Central Dallas	31,642,769	2,081,807	6.6	2,225,525	7.0	15.82	869,685	1,355,045
Southeast Dallas	13,216,588	881,735	6.7	881,735	6.7	10.91	32,795	37,026
Southwest Dallas	17,173,947	1,700,508	9.9	1,728,205	10.1	10.40	60,844	15,581
West Dallas	30,299,851	2,581,128	8.5	205,561	0.7	12.81	205,561	137,824
Central Fort Worth	23,737,243	1,985,942	8.4	2,001,083	8.4	10.87	75,063	257,252
Mid-Cities	50,789,710	3,100,524	6.1	3,131,088	6.2	13.42	80,712	254,589
Suburban Fort Worth	22,583,626	1,400,455	6.2	173,428	0.8	11.83	173,428	430,466
TOTAL Dallas	203,865,713	13,720,927	6.7	11,620,418	5.7	14.78	1,599,715	2,588,463
TOTAL Fort Worth	97,062,581	6,486,921	6.7	5,305,599	5.5	12.43	329,203	942,307
TOTAL DFW	277,253,,051	20,207,848	7.3	16,926,017	6.1	13.95	1,928,918	3,468,770

Source: CBRE Research, Q2 2015.

Figure 3: Unemployment Rate and Total Non-Agricultural Jobs



Source: U.S. Bureau of Labor Statistics, May 2015.

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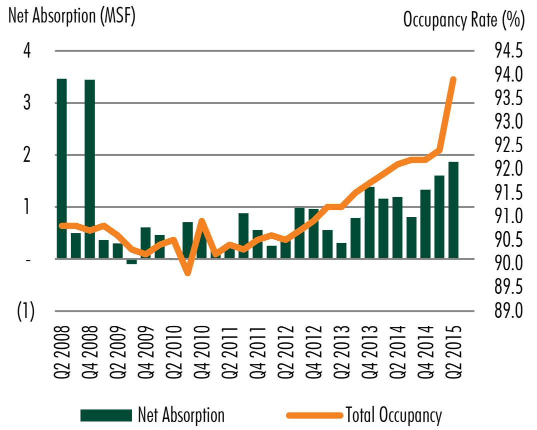
ECONOMIC CONDITIONS/DEMOGRAPHICS

In Q2 2015, DFW created 121,600 jobs year-over-year, translating to a 3.7% annual growth rate. The unemployment rate fell from 4.6% at the end of Q1 2015 to the current level of 4.0% this quarter. Dallas/Fort Worth's unemployment rate posted an 30 bps lower unemployment rate for the quarter as Texas (4.3%) but 150 bps lower than the U.S. (5.5%) in Q2 2015. An ample supply of well-educated workers and strong population growth contribute to the area's healthy economy.

With an estimated population of 6.9 million, the DFW metropolitan area is the fourth-largest MSA in the United States. The area's population has grown by 8.2% since 2010, and growth of 7.1% is projected for 2015 to 2020, according to Nielsen.

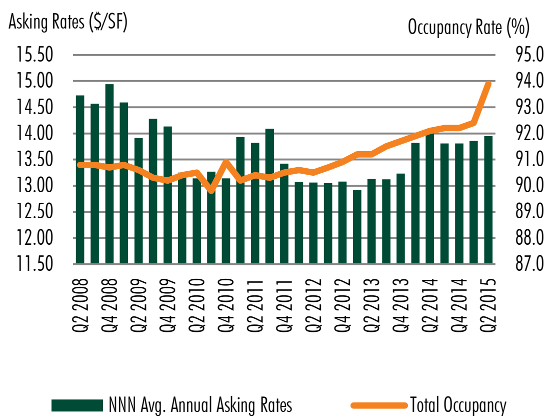
DFW's affluent population young, with an average age of 35 years and, with most of the population (51%) in the prime earning years of 20-54. DFW residents tend to earn more than the national average, supporting an estimated median household income of $58,034 annually versus $53,229 per year in the U.S.

Figure 4: Net Absorption and Total Occupancy



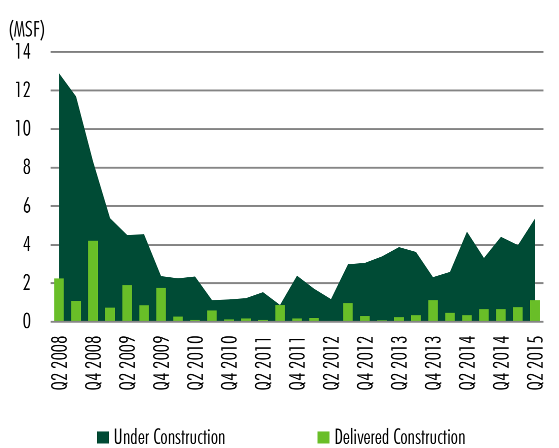
Source: CBRE Research, Q2 2015.

Figure 5: Asking Rates, NNN Avg. Annual and Occupancy Rate



Source: CBRE Research, Q2 2015.

Figure 6: Construction



Source: CBRE Research, Q2 2015.

OCCUPANCY & ABSORPTION

Occupancy remained at historic levels in Q2 2015 closing out at another all-time historic high in DFW, 93.9%, a 150 bps increase from Q1 2015. Overall, the occupancy rate increased 190 bps from Q2 2014 (92.1%). In direct correlation, the vacancy rate has bottomed, decreasing 150 bps to 6.1% from Q1 2015 and 180 basis points from Q2 2014.

In Q2 2015, absorption totaled over 1.9 million sq. ft., with over half (57.6%) of the absorption contributed by deliveries. Over the past 10 years, the first half 2015 reached a five-year high among all first halves at over 1.1 million sq. ft. more than 1H 2014.

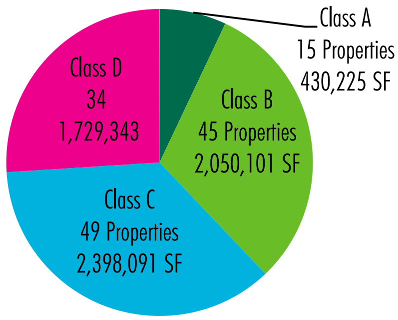
LEASE RATES

Triple-net rents averaged $13.95 per sq. ft. in Q2 2015 up $0.09 per. sf. Continuing on into 2015, the DFW retail market is forecasted to have more new product deliver to meet tenant demand. Overall, the DFW market has been oriented towards the landlord but this has not pushed up rents due to a flight to quality.

CONSTRUCTION

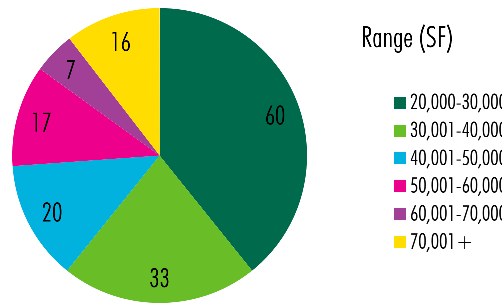
At the midpoint of 2015, there was an appeasing wave of retail project deliveries, with 1,859,164 sq. ft. reaching completion in DFW. Currently, over six million sq. ft. of new retail space is under construction across the Metroplex. One of the largest projects to deliver was the much anticipated Nebraska Furniture Mart that that officially opened the retail portion this past April. The Nebraska Furniture Mart store includes a 560,000 sq. ft. retail showroom with an attached 1.3 million sq. ft. warehouse/distribution component. Overall, total under construction pipeline increased over 1.3 million sq. ft. but with the current market conditions it is expected many long proposed projects to eventually make it to market in the next one to two years.

Figure 7: Big Box Space Available by Class



Source: CBRE Research, Q2 2015.

Figure 8: Big Box Space Available by Size Range*



Source: CBRE Research, Q2 2015.
*Data labels represent number of spaces

KEY OBSERVATIONS

The market conditions from 2014 continued into 2015 for the big box sector of the market. There are currently 147 vacant boxes totaling over 6.6 million sq. ft. in the market as of Q2 2015. The availability of Class A Box Space, which had virtually disappeared during 2014, increased in the first half of the year to 15 properties totaling over 430,000 sq. ft; the recent increase has been caused largely by the closure of several Sports Authority, Staples, and Tiger Direct stores. There are approximately 45 Class B boxes, 49 Class C boxes and 34 Class D boxes that remain available in the entire DFW Market. A lack of product is fueling demand for new development in 2015 and 2016. There are a large number of redevelopments or new projects that are in the planning stages for the next three years. Hurdles to new development remain high with municipal restrictions and high land costs pushing rents to record high levels.

Most of the activity is driven by grocery, fitness, and entertainment retailers as they continue their expansion in the DFW market. In fact, CBRE Research has identified over 70 grocery anchored development either in the pipeline or under construction in the market. Some of the most active retailers in the market include Gander Mountain, WinCo, Walmart, H-E-B, Youfit, Total Wine, Sprouts, Trader Joes, Whole Foods, and Fitness Connection. While Barnes & Noble, Staples, Tiger Direct, Babies R Us, and Sports Authority continue to close stores and "right size" in order to compete with shrinking demand or increased competition from Internet retail.

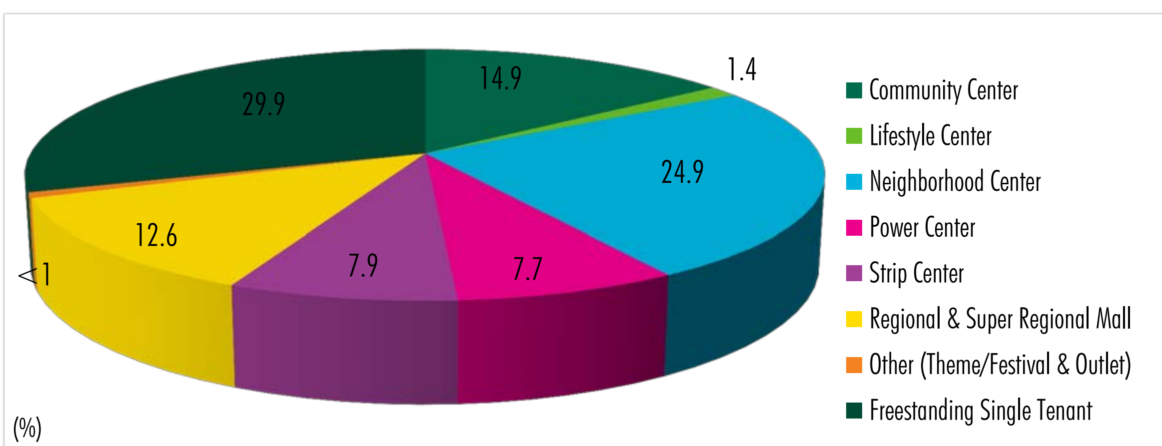
Overall, the emphasis is clearly switching to Class B and C boxes. Landlords and tenants must continue to work creatively to reconfigure and modernize these older properties. We can expect to see developments take the shape of larger big box anchor tenants with smaller in-line space. Secondary tenants do not require the same size store fronts as the internet shift has effected how consumers shop. Restaurants remain the only sector with unchanged requirements for in-line/pad space.

Figure 9: Largest Available Big Box Space

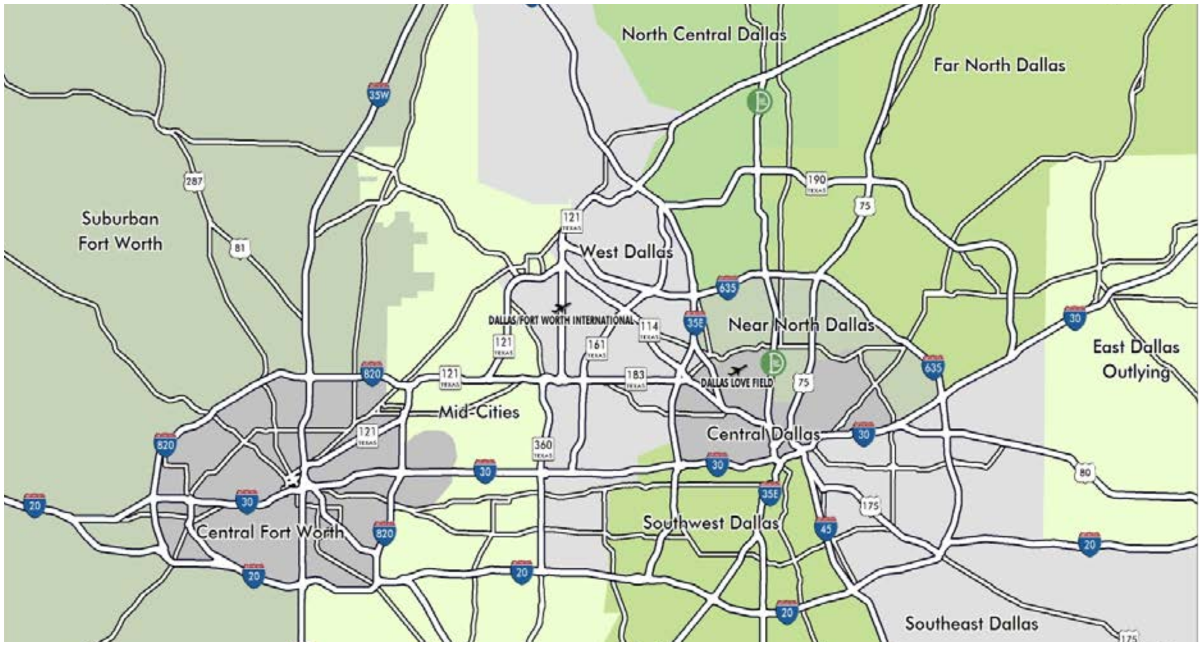
Submarket	Address	Former Use	Available (SF)
Far North Dallas	13138 Montfort Drive	*Macy's*	300,300
Far North Dallas	3159 S Garland Road	*Walmart*	226,000
Far North Dallas	811 N Central Expy	*Dillard's*	176,259
Southwest Dallas	3560 Camp Wisdom Rd	*Dillard's*	150,000
North Central Dallas	5000 Alpha Road	*The Great Indoors*	141,690
West Dallas	2625 W Hwy 303	*Sam's Club*	126,336
Far North Dallas	13320 Montfort Drive	*J.C. Penney*	111,657
Near North Dallas	8282 Park Ln	*Sam's Club*	111,501
North Central Dallas	13342 Midway Road	*Gabbert's Furniture*	105,000
Far North Dallas	3161 Broadway Boulevard	*Steve N Barry's*	104,315
Central Fort Worth	6912-6958 Ridgmar Meadow Drive	*Half Price Books*	104,000
Central Fort Worth	6001-6009 Jacksboro Highway	*Barato Bazaar*	97,000
Southeast Dallas	2021 N Town East Blvd	*Burlington*	84,382
Southwest Dallas	2550 W Red Bird Ln	*Terry's Market*	72,911
Southwest Dallas	7401 S Westmoreland Road	*Home Depot*	71,842
Far North Dallas	3046-3048 Lavon Drive	*Albertson's*	66,817
Central Fort Worth	3304-3328 Denton Highway	*Kmart*	65,733
Southwest Dallas	1639 S Buckner Blvd	*Buckner Bazaar*	62,000
Southwest Dallas	2106 N Galloway Ave	*Albertson's*	61,935
Southwest Dallas	4101 W Wheatland Rd	*Albertson's*	58,720
Near North Dallas	6740-6780 Abrams Rd	*Kroger*	58,000

Source: CBRE Research, Q2 2015.

Figure 10: Dallas/Ft. Worth Retail Market Size by Classification



Source: CBRE Research, Q2 2015.



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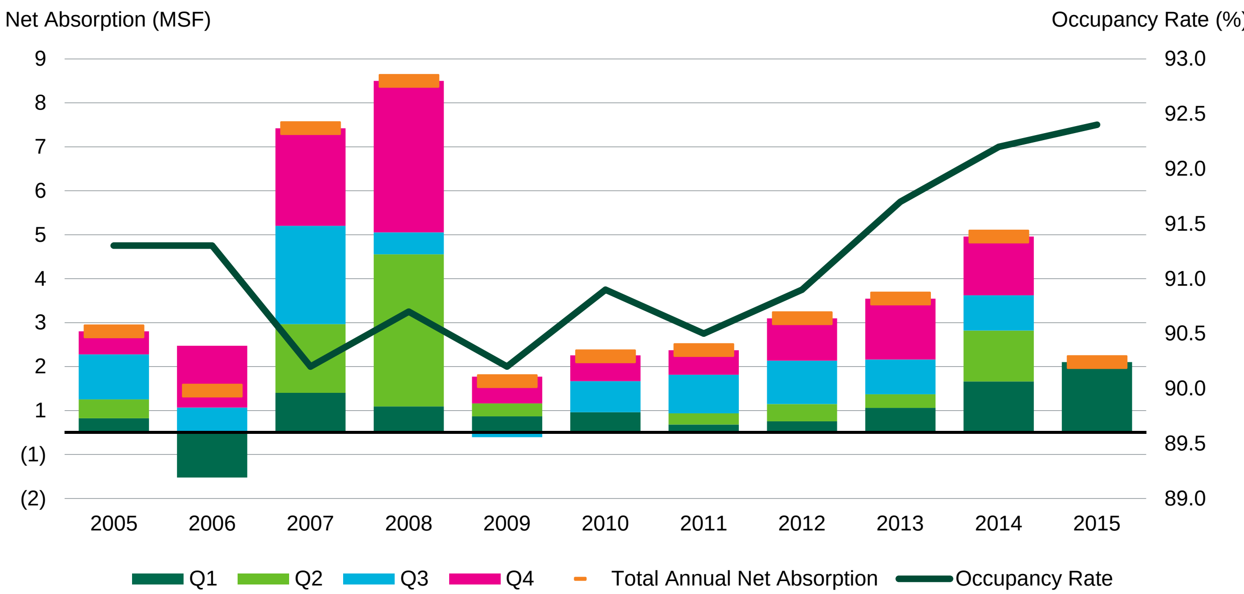
Dallas / Fort Worth Retail, Q1 2015

2015 off to a welcomed start with enhanced retail market metrics

Vacancy Rate	Under Construction	Completions	Net Absorption
7.5%	3,977,827 SF	900,310 SF	1,601,852 SF

*Arrows indicate change from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q1 2015.

OCCUPANCY JUMPS ANOTHER 20 BASIS POINTS.

The occupancy rate continued to increase for a third quarter in a row, a quarter-over-quarter change of 20 basis points (bps) from the end of 2014. Setting another record high occupancy for the DFW market.

COMPLETIONS MAKE UP MOST OF THE NORTH CENTRAL DALLAS SUBMARKET'S ABSORPTION.

In North Central Dallas almost 400,000 sq. ft. of new construction delivered, contributing approximately 82.3% of the total 485,360 sq. ft. of total absorption in Q1 2015.

THE BIG BOX SECTOR OF THE RETAIL MARKET IS EXPERIENCING A SURGE FROM ONE CATEGORY.

As 2014 came to end, the DFW experienced a surge of fitness concepts, absorbing over 20 retail big boxes in the past 12 months. This trend is expected to continue in 2015, as fitness concepts lease many available Class B and Class C boxes that have been on the market.

Q1 2015 RECORDS HIGHEST Q1 NET ABSORPTION IN THE LAST 10 YEARS.

Comparing Q1 2014 to Q1 2015, total net absorption is more than 440,000 sq. ft., making Q1 2015 the highest first quarter net absorption in the last 10 years.

The Dallas/Fort Worth market is off to a favorable start for 2015 as the retail market metrics continue to indicate strong and healthy market conditions. The first quarter of the year experienced continued growth in occupancy and steady levels of absorption and delivered construction. The winter weather seemed to have no effect on the expanding market presence of grocery, fitness, and entertainment tenants in the market. Overall, retail space remains limited, especially for smaller users in the market as end cap and second generation restaurant space continues to be difficult to acquire.

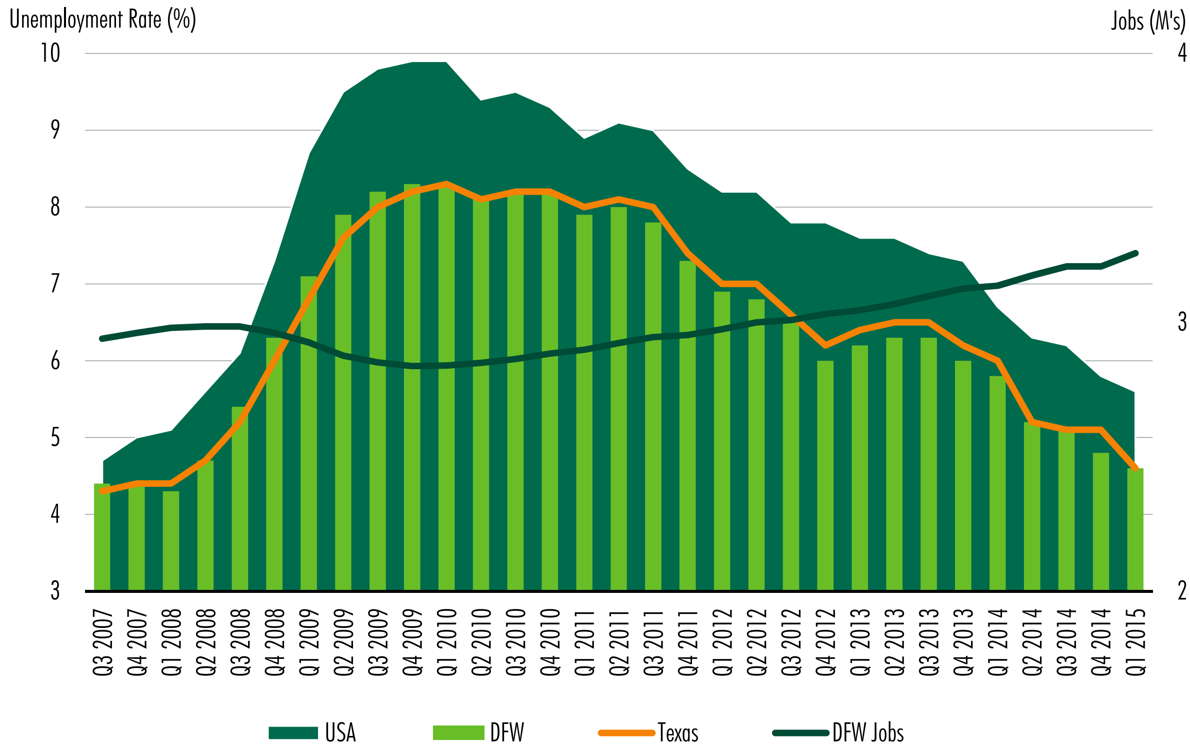
The narrative continues for retailers into 2015, as the economic staples of strong population and employment growth remain constant in DFW. An effect of this economic environment, the automotive retail sales sector has become very active in the market, as the metro area expands north. According to the U.S. Bureau of Labor Statistics, employment in DFW grew by nearly 20,700 jobs during Q1 2015, and unemployment decreased by 30 bps to 4.6%. DFW residents are a strong consumer force, with a per capita income estimated at $49,491. According to Moody's Analytics, per capita income has grown by 5.3% over the last 12 months, and is expected to grow another 6.4% by this time next year.

Figure 2: Market Snapshot

Market	Net Rentable Area (SF)	Direct Vacant (SF)	Direct Vacant (%)	Total Vacant (SF)	Total Vacant (%)	Average Asking Rate Annual, NNN ($/SF)	Qtr. Total Net Absorption (SF)	2015 Total Net Absorption (SF)
Central Dallas	9,314,467	378,092	4.1	378,092	4.1	27.04	158,113	158,113
East Dallas Outlying	3,491,965	117,602	3.4	139,602	4.0	20.22	2,292	2,292
Far North Dallas	53,465,148	4,991,878	9.3	5,109,760	9.6	14.94	99,593	99,593
Near North Dallas	20,859,641	1,178,982	5.7	1,186,282	5.7	14.84	146,598	146,598
North Central Dallas	30,969,433	2,143,254	6.9	2,294,172	7.4	15.36	485,360	485,360
Southeast Dallas	13,201,863	920,030	7.0	920,030	7.0	11.06	4,231	4,231
Southwest Dallas	17,125,389	1,710,742	10.0	1,738,439	10.2	11.43	(45,263)	(45,263)
West Dallas	29,996,291	2,409,415	8.0	2,411,915	8.0	12.97	137,824	137,824
Central Fort Worth	23,670,736	2,034,775	8.6	2,051,146	8.7	10.61	182,189	182,189
Mid-Cities	50,507,604	3,142,933	6.2	3,173,300	6.3	13.21	173,877	173,877
Suburban Fort Worth	22,227,060	1,518,940	6.8	1,620,009	7.3	11.44	257,038	257,038
TOTAL Dallas	202,094,933	13,849,995	6.9	14,178,292	7.0	14.78	988,748	988,748
TOTAL Fort Worth	96,405,400	6,696,648	7.0	6,844,455	7.1	12.16	613,104	613,104
TOTAL DFW	274,829,597	20,546,643	7.5	21,022,747	7.6	13.86	1,601,852	1,601,852

Source: CBRE Research, Q1 2015.

Figure 3: Unemployment Rate and Total Non-Agricultural Jobs



Source: U.S. Bureau of Labor Statistics, March 2015.

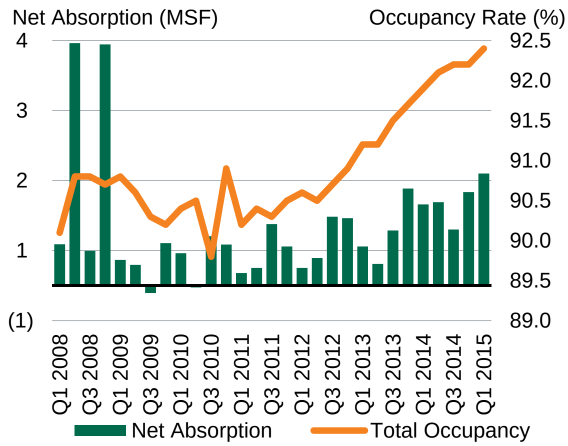
ECONOMIC CONDITIONS/DEMOGRAPHICS

In Q1 2015, DFW created 49,699 jobs year-over-year, translating to a 3.7% annual growth rate. The unemployment rate fell from 4.8% at the end of 2014 to the current level of 4.6% this quarter. Dallas/Fort Worth's unemployment rate posted an identical unemployment rate for the quarter as Texas (4.6%) but 100 bps lower than the U.S. (5.6%) in Q1 2015. An ample supply of well-educated workers and strong population growth contribute to the area's healthy economy.

With a current estimated population of 6.9 million, the DFW metropolitan area is the fourth-largest MSA in the United States. The area's population has grown by 8.2% since 2010, and growth of 7.1% is projected for 2015 to 2020, according to Claritas.

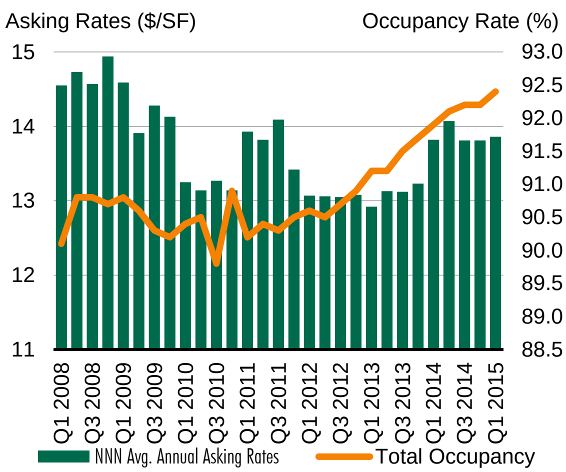
DFW's population is young, with an average age of 35, and affluent, with most of the population (51%) in their prime earning years of 20-54. DFW residents tend to earn more than the national average, supporting an estimated median household income of $58,034 as of Q1 2015, versus $53,229 in the U.S.

Figure 4: Net Absorption and Total Occupancy



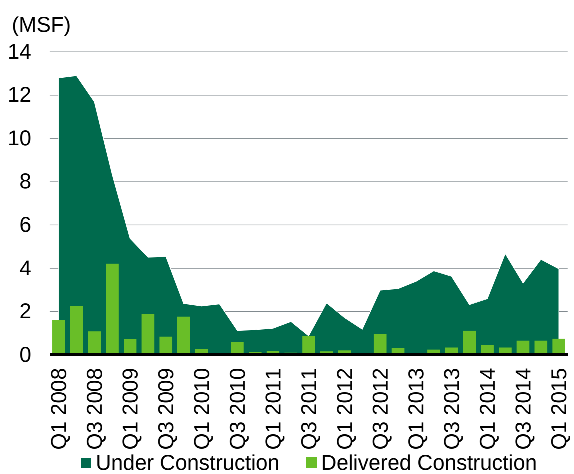
Source: CBRE Research, Q1 2015.

Figure 5: Asking Rates, NNN Avg. Annual and Occupancy Rate



Source: CBRE Research, Q1 2015.

Figure 6: Construction



Source: CBRE Research, Q1 2015.

OCCUPANCY & ABSORPTION

The occupancy rate remained at historic levels in Q1 2015 closing out with another all-time record high of 92.4%, a 20 bps increase from Q4 2014. This is an increase of 53 bps from Q1 2014 (at 91.9%). In direct correlation, the vacancy rate has bottomed, decreasing by 10 bps to 7.5% from Q4 2014 and 50 bps from Q1 2014.

In Q1 2015, absorption totaled over 1.6 million sq. ft., with just about half (46.7%) of the absorption contributed by deliveries. Over the past 10 years, Q1 2015 reached a 10-year high among all first quarters at over 440,000 sq. ft. more than Q1 2014. In addition, Q1 2014 and Q1 2015 absorption totaled over 100,000 sq. ft. than the previous 8 years combined.

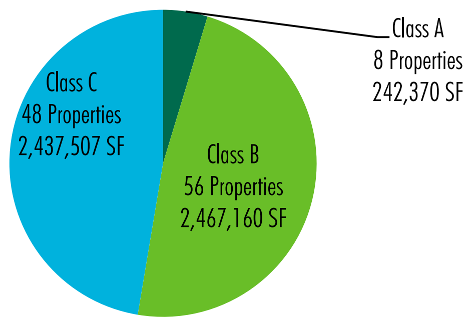
LEASE RATES

The average lease rate in 2014 closed out at $13.81 per sq. ft. and increased by $0.05 per sq. sf. over Q1 2015 to the current triple net average of $13.86 per sq. ft. Continuing into 2015, the DFW real estate market is forecasted to have more new product deliver to meet tenant demand. Overall, the DFW market has been more favorable towards the landlord but this has not directly affected lease rates because of the "flight to quality" trend where top properties are leased, leaving only properties that command lower rents to be included in the average.

CONSTRUCTION

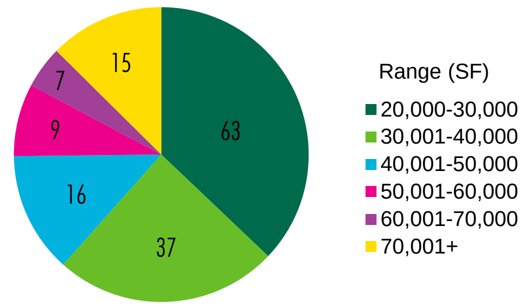
In Q1 2015, there was a satisfactory wave of retail project deliveries, with 748,347 sq. ft. reaching completion in DFW. Currently, 3.9 million sq. ft. of new retail space is under construction across the Metroplex. One of the largest projects underway is the much anticipated Nebraska Furniture Mart, which will officially open the retail portion next quarter. The furniture concept will have a 560,000 sq. ft. retail showroom with an attached 1.3 million sq. ft. warehouse/distribution component. Overall, the total under construction pipeline decreased by approximately 433,000 sq. ft. but with the current market conditions, many long proposed projects are expected to come to market in one to two years.

Figure 7: Big Box Space Available by Class



Source: CBRE Research, Q1 2015.

Figure 8: Big Box Space Available by Size Range*



Source: CBRE Research, Q1 2015.
*Data labels represent number of spaces

KEY OBSERVATIONS

The market conditions from 2014 have continued into 2015 for the big box sector of the market. There are currently 151 vacant boxes totaling over 7.1 million sq. ft. in the market as of Q1 2015. Class A space is the most vulnerable with only 8 spaces left on the market totaling 242,370 sq. ft. There are approximately 56 Class B boxes and 48 Class C boxes that remain available in the entire DFW Market. A lack of product is fueling demand for new development in 2015 and 2016. Over 80 redevelopments or new projects are in the planning stages for the next three years. Hurdles to new development remain high with municipal restrictions and high land costs pushing rents to record high levels.

Most of the activity is driven by grocery, fitness, and entertainment retailers as they continue their expansion in the DFW market. Some of the most active retailers in the market include Gander Mountain, WinCo, Walmart, H-E-B, Youfit, Total Wine, Sprouts, Trader Joes, Whole Foods, and Fitness Connection. While Barnes & Noble, Office Depot, Staples, Best Buy and Sports Authority continue to close stores and "right size" in order to compete with shrinking demand or increased competition from Internet Retail.

Overall, the emphasis is clearly switching to Class B and C Boxes. Landlords and tenants must continue to work creatively to reconfigure and modernize these older properties. We can expect to see developments take the shape of larger big box anchor tenants with smaller in-line space. Secondary tenants do not require the same size store fronts as the internet shift has effected how consumers shop. Restaurants remain the only sector with unchanged requirements for in-line/pad space.

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Southwest Dallas	7401 S Westmoreland Road	*Home Depot*	71,842
Mid-Cities	2430-2434 S I-35 E	*Albertson's*	67,195
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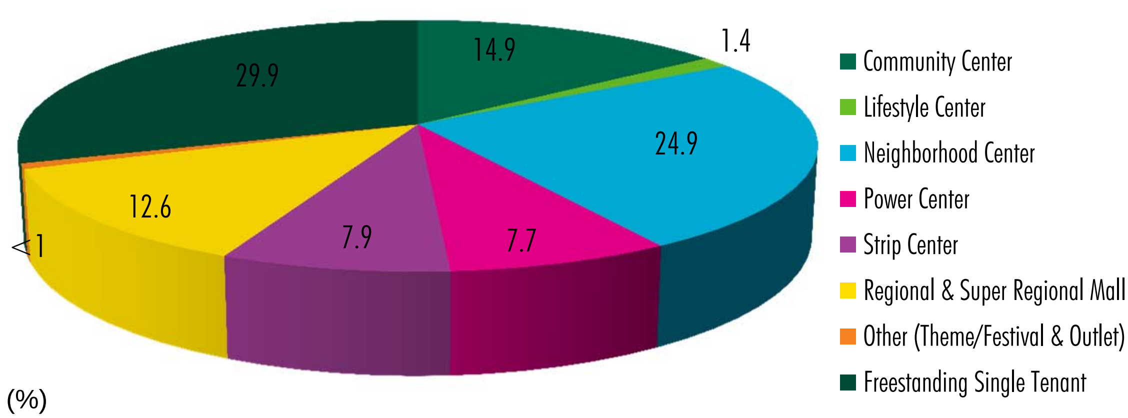
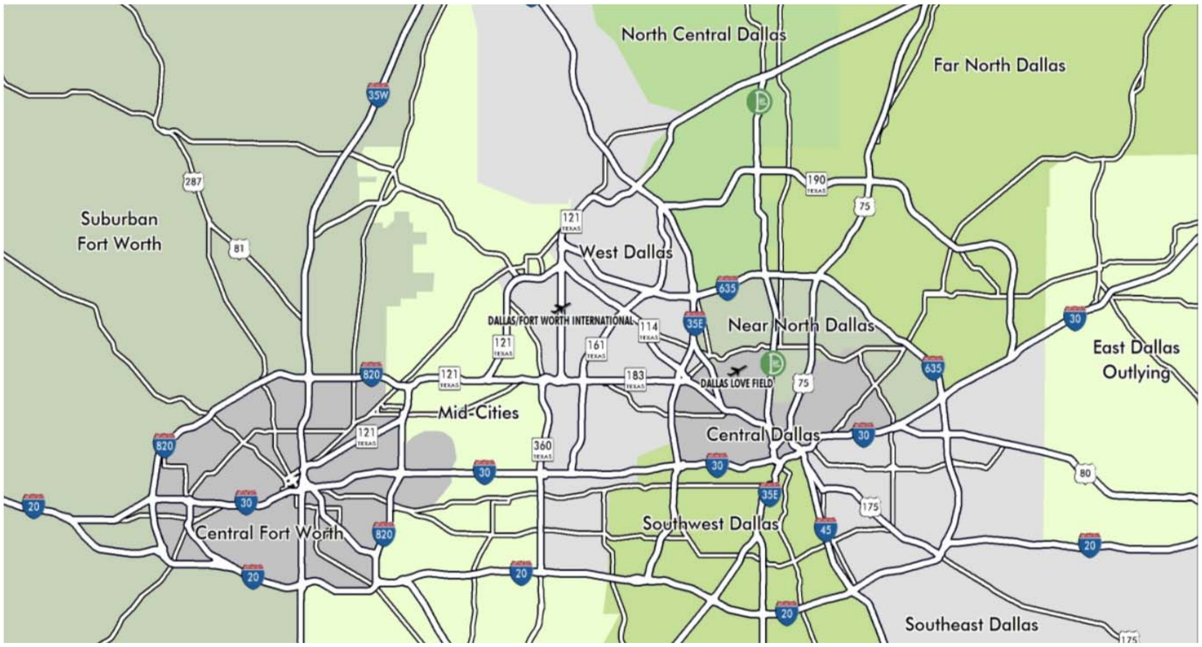
Central Fort Worth	3304-3328 Denton Highway	*Kmart*	65,733
North Central Dallas	279 Main Street	*Albertson's*	65,207
Southwest Dallas	4101 W Wheatland Rd	*Albertson's*	58,720
Near North Dallas	6740-6780 Abrams Rd	*Albertson's*	57,465

Source: CBRE Research, Q1 2015.

Figure 10: Dallas/Ft. Worth Retail Market Size by Classification



Source: CBRE Research, Q1 2015.



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Dallas / Fort Worth Retail, Q4 2014

The market stabilizes over Q4 as 2014 records one of the strongest years of the decade

Vacancy Rate 7.6%

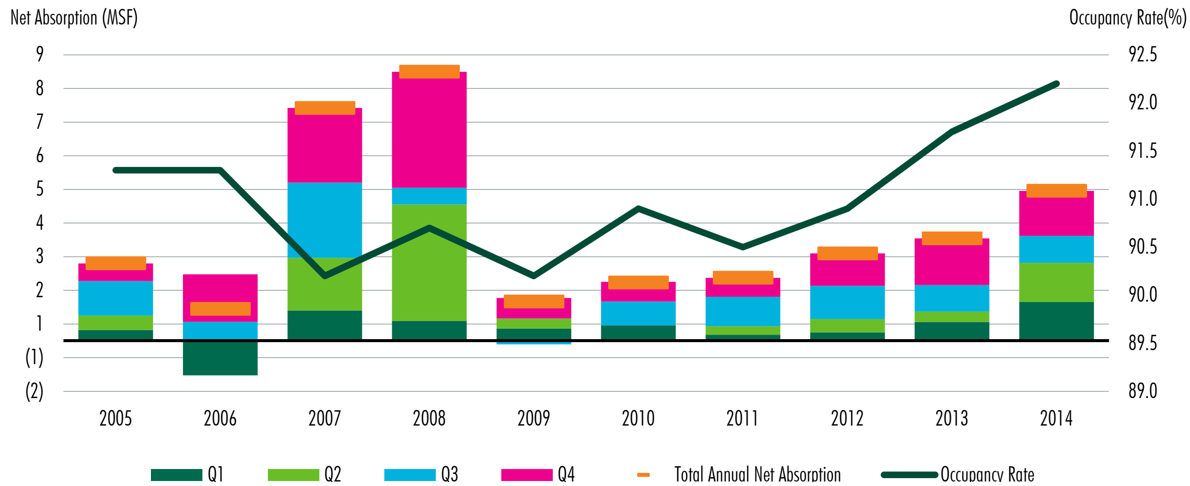
Under Construction 4,410,795 SF

Completions 658,830 SF

Net Absorption 1,336,082 SF

*Arrows indicate change from previous quarter.

Figure 1: Net Absorption and Market Occupancy



Source: CBRE Research, Q4 2014.

OCCUPANCY HITS RECORD HIGH IN Q4 2014.

The occupancy rate marginally increased 6 basis points (bps) over the quarter concluding 2014 with the highest occupancy CBRE has ever recorded, 92.2% dating back to 2005.

Q4 RECORDS HIGHEST NET ABSORPTION OF 2014.

The Q4 net absorption totaled 1,336,082 sq. ft. a quarter-over- quarter increase of over 530,000 sq. ft. leading Q4 to the highest amount of net absorption for the year.

DFW CONTINUES TO HAVE OUTSTANDING EMPLOYMENT GROWTH.

Employment grew by 3.7% over the last 12 months in DFW, compared to a growth rate of 2.0% nationally.

DELIVERED CONSTRUCTION EXCEEDS 2 MILLION SQ. FT. FOR THE FIRST TIME IN 4 YEARS.

Construction is rising as DFW retailers struggle to find space within a tight market and 47.6% of total net absorption was attributed to Q4 2014 deliveries. Yet, as retailers adapt to the modern consumer, construction levels remain below average.

Fundamentally, the Dallas/Fort Worth market stabilized over the final months of the year. Overall, activity was strong in 2014 as occupancy reached a new high of 92.2% in Q4. With over 4.4 million sq. ft. of total net absorption, demand for DFW retail space reached a 6-year high. Retailers continued to expand in 2014 as Grocery, Fitness, Entertainment, and Furniture made up most of the major activity in the market. Retail space continues to remain limited, especially for smaller users in the market as end cap and second generation restaurant space continues to be difficult to acquire.

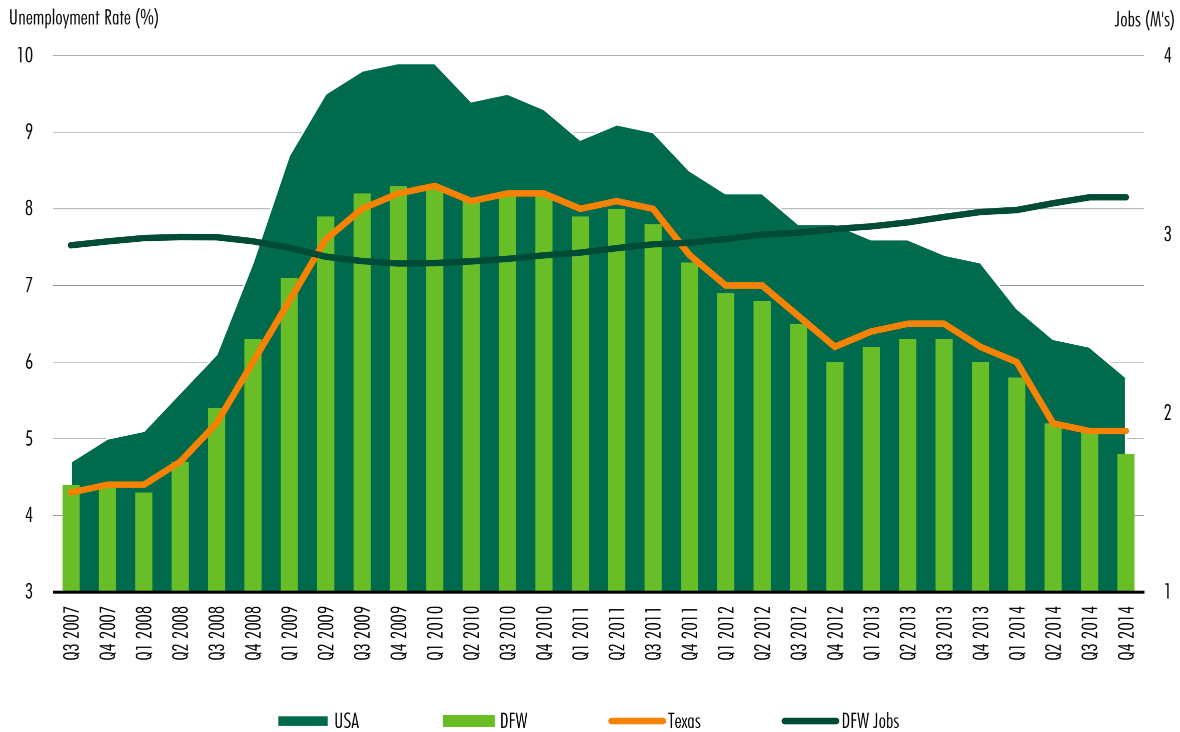
The story remains consistent for retailers as they continue to focus on DFW for its strong population and employment growth. According to the US Bureau of Labor Statistics, employment in DFW grew by nearly 37,800 jobs during Q4 2014, and the unemployment rate decreased by 30 bps to 4.8%. DFW residents are a strong consumer force, with a per capita income estimated at $56,781. According to Moody's Analytics, per capita income has grown by 7.0% over the last 12 months, and is expected to grow another 8.7% by this time next year.

Figure 2: Market Snapshot

Market	Net Rentable Area (SF)	Direct Vacant (SF)	Direct Vacant (%)	Total Vacant (SF)	Total Vacant (%)	Average Asking Rate Annual, NNN ($/SF)	Qtr. Total Net Absorption (SF)	2014 Total Net Absorption (SF)
Central Dallas	9,082,276	460,829	5.1	460,829	5.1	20.21	47,242	101,648
East Dallas Outlying	3,482,829	119,894	3.4	141,894	4.1	19.95	6,441	(8,769)
Far North Dallas	53,443,582	5,169,982	9.7	5,289,946	9.9	14.99	216,419	780,537
Near North Dallas	20,879,785	1,226,869	5.9	1,241,169	5.9	14.66	67,376	116,135
North Central Dallas	30,314,475	1,976,652	6.5	2,127,570	7.0	15.43	171,294	316,706
Southeast Dallas	13,186,023	924,261	7.0	924,261	7.0	11.37	44,210	4,942
Southwest Dallas	17,070,389	1,607,504	9.4	1,635,201	9.6	11.57	59,876	503,218
West Dallas	30,076,169	2,407,595	8.0	2,410,095	8.0	13.74	48,153	514,750
Central Fort Worth	23,662,009	2,160,330	9.1	2,173,835	9.2	10.41	201,667	368,008
Mid-Cities	50,397,194	3,269,300	9.5	3,322,796	6.6	13.53	313,798	1,103,732
Suburban Fort Worth	21,816,257	1,410,978	6.5	1,512,047	6.9	11.86	159,606	657,681
TOTAL Dallas	177,535,528	13,893,586	7.8	14,230,965	8.0	14.58	661,011	2,329,167
TOTAL Fort Worth	95,875,460	6,840,608	7.1	7,008,678	7.3	12.38	675,071	2,129,421
TOTAL DFW	273,410,988	20,734,194	7.6	21,239,643	7.8	13.81	1,336,082	4,458,588

Source: CBRE Research, Q4 2014.

Figure 4: Unemployment Rate and Total Non-Agricultural Jobs



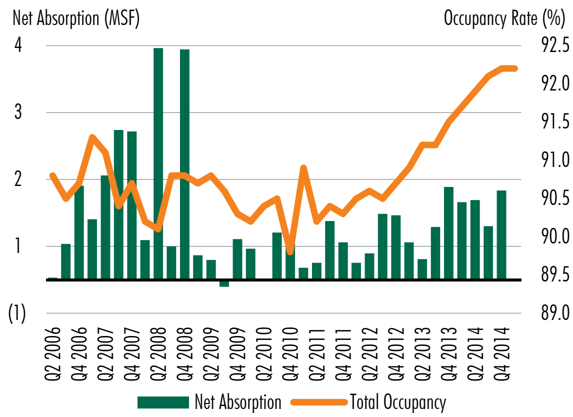
Source: U.S. Bureau of Labor Statistics, December 2014.

ECONOMIC CONDITIONS/DEMOGRAPHICS

In October 2014, year-over-year DFW created 115,800 jobs, translating to a 3.7% annual growth rate. The unemployment rate fell from 5.8% in the first quarter 2014 to the current level of 4.8% this quarter. Dallas/Fort Worth's unemployment rate posted 30 bps lower than Texas (5.1%), and over 100 bps lower than the United States (5.8%) in Q4 2014. An ample supply of well-educated workers and strong population growth contribute to the area's healthy economy. With a current estimated population of 6.8 million, the DFW metropolitan area is the fourth-largest MSA in the United States. The area's population has grown 30% since 2000, and growth of 8.6% is projected for 2013 to 2018, according to Claritas.

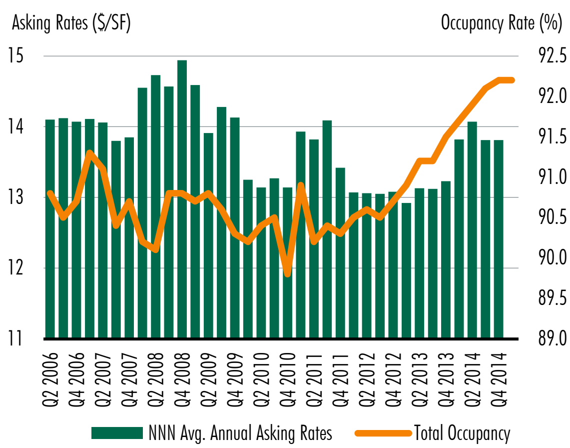
DFW's population is young, with an average age of 35, and affluent, with most of the population (51%) in their prime earning years of 20-54. DFW residents tend to earn more than the national average, supporting an estimated median household income of $56,065 as of Q4 2014, versus $53,352 in the U.S.

Figure 4: Net Absorption and Total Occupancy



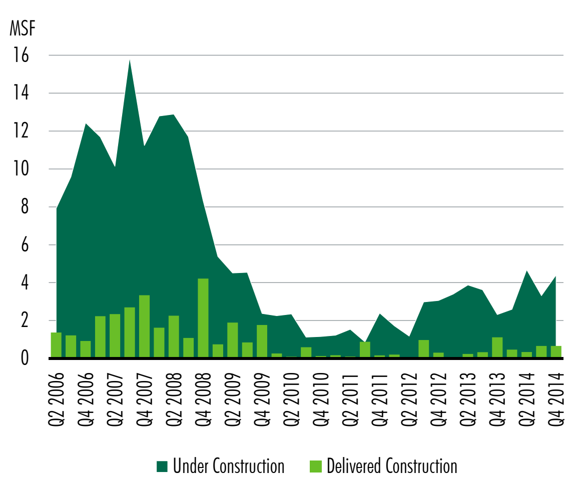
Source: CBRE Research, Q4 2014.

Figure 5: Asking Rates, NNN Avg. Annual and Occupancy Rate



Source: CBRE Research, Q4 2014.

Figure 6: Construction



Source: CBRE Research, Q4 2014.

OCCUPANCY & ABSORPTION

The occupancy rate closed out the year at an all-time historic high in DFW, closing out at 92.2%, a 6 bps increase from Q3 2014. Overall, the occupancy rate increased 33 bps from Q1 2014 (91.9%).

In Q4 2014, net absorption climbed above 1 million sq. ft., with almost half (49.3%) of this activity contributed to deliveries. For the year, net absorption reached a 6 year high at over 4.4 million sq. ft. with 47.6% of total yearly absorption directly contributed to new deliveries. Year-over-year total net absorption increased approximately 31.7% from Q4 2013.

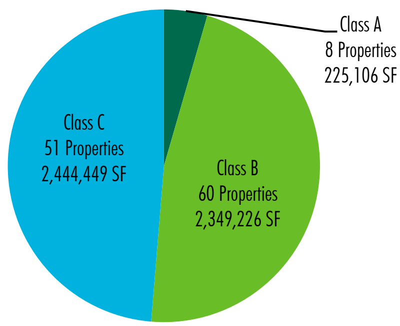
LEASE RATES

After increasing to $14.07 per sq. ft. during the second quarter, average triple net lease rates have ticked down to $13.81 per sq. ft. at year-end. Lease rates were stable quarter-over–quarter, while the rate has increased by $0.58 per sq. ft. year-to-date. Going into 2015, the DFW retail market is forecasted to have an influx of new product deliver to meet tenant demand. Overall, the DFW market has been more favorable to landlords, but the impact on average lease rates has been muted because of the "flight to quality". As top properties are leased, only properties that command lower rents are included in the average.

CONSTRUCTION

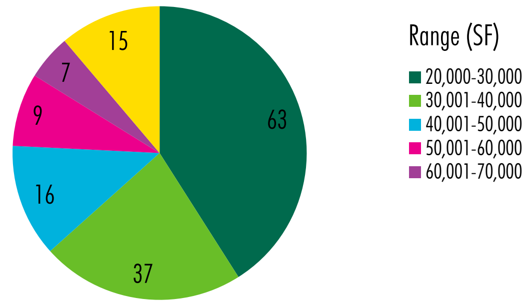
Year-end 2014 experienced a wave of retail project deliveries, with over 2.1 million sq. ft. reaching completion in DFW. Currently, 4.4 million sq. ft. of new retail space is under construction across the Metroplex. One of the largest projects underway is the much anticipated Nebraska Furniture Mart, expected to open in the first half of 2015. The Nebraska Furniture Mart store will be 560,000 sq. ft. upon completion with an attached 1.3 million sq. ft. warehouse/distribution component. Overall, approximately 1 million sq. ft. of under construction was added to the pipeline in Q4, forecasting 2015 as another strong year for development.

Figure 8: Big Box Space Available by Class



Source: CBRE Research, Q4 2014.

Figure 9: Big Box Space Available by Size Range



Source: CBRE Research, Q4 2014.

KEY OBSERVATIONS

The plot thickens for big box space as 2014 comes to an end. Class A big box space has virtually disappeared with only 8 of these spaces available, compared to 60 Class B boxes and 51 Class C boxes in the entire DFW Market. A lack of product is fueling demand for new development in 2015 and 2016. Over 75 redevelopments or new projects are in the planning stages for the next three years. Hurdles to new development remain high, including municipal challenges and high land costs.

Most of the activity is driven by Grocery, Fitness, and Entertainment retailers as they continue their expansion in the DFW market. Some of the most active retailers in the market include Gander Mtn., WinCo, Walmart, H-E-B, Youfit, Total Wine, Sprouts, Trader Joes, Whole Foods, and Fitness Connection. While Barnes & Noble, Office Depot, Staples, Best Buy and Sports Authority continue to close stores and "Right Size" in order to compete with shrinking demand or increased competition from Internet Retail.

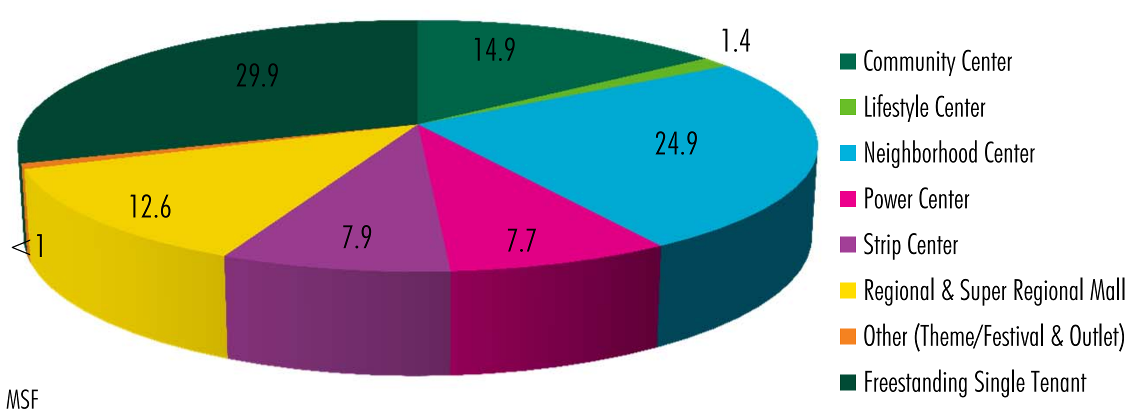
Overall, retail space is still needed in the market; retailers still need and want stores in the market. The active users in the market offer a competitive advantage with services that ecommerce cannot replace. There is still room to expand in the DFW market and development should continue. We expect to see development take shape with big box anchor tenants and smaller in-line space, as secondary tents do not require the same size store fronts due to the internet shift. Restaurants remain the only sector with unchanged requirements for in-line/pad space.

Figure 9: Largest Available Big Box Space

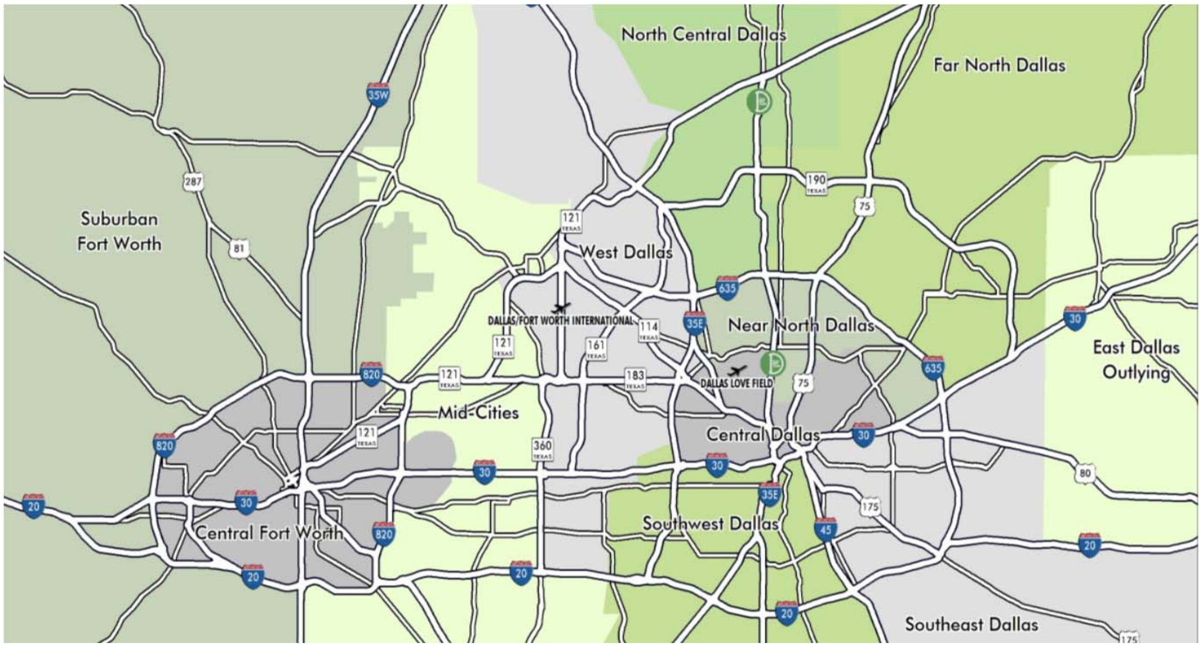
Submarket	Address	Former Use	Available (SF)
Far North Dallas	13138 Montfort Drive	*Macy's*	300,300
Far North Dallas	3159 S Garland Road	*Walmart*	226,000
Far North Dallas	811 N Central Expy	*Dillard's*	176,259
Southwest Dallas	3560 Camp Wisdom Rd	*Dillard's*	150,000
North Central Dallas	5000 Alpha Road	*The Great Indoors*	141,690
West Dallas	2625 W Hwy 303	*Sam's Club*	126,336
Far North Dallas	13320 Montfort Drive	*J.C. Penney*	111,657
North Central Dallas	13342 Midway Road	*Gabbert's Furniture*	105,000
Far North Dallas	3161 Broadway Boulevard	*Steve N Barry's*	104,000
Central Fort Worth	6912-6958 Ridgmar Meadow Drive	*Half Price Books*	104,000
Central Fort Worth	6001-6009 Jacksboro Highway	*Barato Bazaar*	97,000
West Dallas	3880 Irving Mall	*Mervyns'*	76,000
Central Fort Worth	1200 Green Oaks	*Mervyns'*	75,653
Southwest Dallas	2550 W Red Bird Ln	*Terry's Market*	72,911
Southwest Dallas	7401 S Westmoreland Road	*Home Depot*	71,842
Mid-Cities	2430-2434 S I-35 E	*Albertson's*	67,195
Far North Dallas	3046-3048 Lavon Drive	*Albertson's*	66,817
Central Fort Worth	3304-3328 Denton Highway	*Kmart*	65,733
North Central Dallas	279 Main Street	*Albertson's*	65,207
Mid-Cities	4620 S Cooper Street	*Sports Authority*	65,000
Southeast Dallas Ret	2106 N Galloway Ave	*Albertson's*	61,935

Source: CBRE Research, Q4 2014.

Figure 10: Dallas/Ft. Worth Retail Market Size by Classification



Source: CBRE Research, Q4 2014.



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Dallas/Fort Worth Retail
MarketView 3Q 2014

Q3 2014 | CBRE Global Research and Consulting

VACANCY	CONSTRUCTION	DELIVERIES	TRADE VOLUME	UNEMPLOYMENT	JOB GROWTH
7.6%	3,461,577 Sq. Ft.	659,033 Sq. Ft.	21% Y-o-Y	5.1%	104,700 Y-o-Y

Directional arrows based on change from the previous quarter. Data reflects market totals.

MARKET FUNDAMENTALS REMAIN STRONG AS OCCUPANCY GROWTH SLOWS OVER THE QUARTER.

Figure 1: Quick Stats

	Q3 2014	Q-o-Q	Y-o-Y
Vacancy	7.6%	↓	↓
Under Construction	3.4 million SF	↓	↑
Delivered Construction	659,033 SF	↑	↑
Net Absorption	802,937 SF	↓	↑
Unemployment Rate	5.1%	↓	↓

Hot Topics

Delivered construction nearly doubles over Q2 2014.

As expected, delivered construction increased 318,501 sq. ft. over last quarter to 659,033 sq. ft. near double the amount delivered in Q2 2014.

Net absorption declines over third quarter.

The total net absorption of 802,937 sq. ft. was a decrease of 355,369 sq. ft. from Q2 2014. Overall, net absorption is still up for the year and has surpassed the 2013 total.

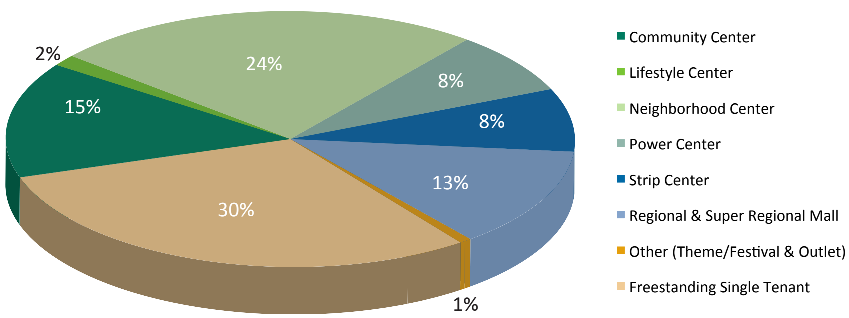
DFW at the top of the list for job growth, again.

Among the 12 largest metros in the United States, DFW ranked second for year-over-year total employment growth, according to the Bureau of Labor Statistics July Report.

Development concentrated in Northern and North Western portions of DFW

Dallas/Fort Worth continues to experience development activity in the Northern and North Western portions of the Metroplex. Specifically, development is focused along State Highway 380 between Denton and McKinney, as well as North Plano/Frisco along The Dallas North Tollway and Sam Rayburn Tollway.

Figure 2: DFW Retail Market by Classification



Source: CBRE Research, Q3 2014.

The summer months in Dallas/Fort Worth experienced decreased activity, but market fundamentals remain positive. With more construction and further move-ins anticipated in Q4 2014 and throughout 2015, positive growth is expected to be uninterrupted. Occupancy has been over 90% for the past 4 years (2010-2014) and has grown on average 56 bps over that period of time, compared to 31 bps over the previous 4 year period (2008-2010). The unemployment rate continued to decline in Q3 2014, from 6.3% in 3Q 2013 to the current level of 5.1%.

The Dallas/Fort Worth economy has sustained strong economic conditions and continues as a popular location for retailers and businesses alike. In Q3 2014, Toyota announced the relocation of their North American Headquarters to DFW. This movement has sparked a lot of interest in the implications that it will have on Dallas/Fort Worth economy. With an expected 3,650 jobs added directly from the move and a reported $7.2 billion in total economic impact, according to a Grant Thornton study, the future is bright for DFW.

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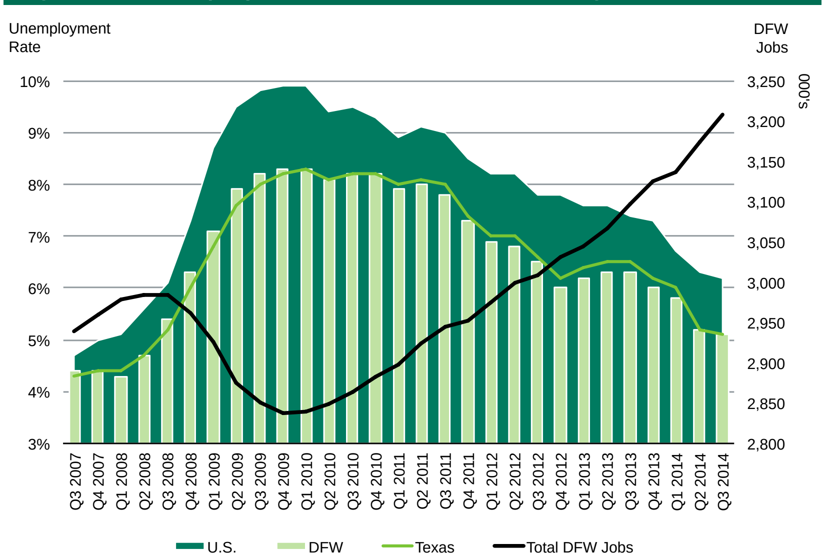
RETAIL THIRD QUARTER
MARKETVIEW

Figure 3: Market Snapshot

Market	Net Rentable	Direct Vacant Sq. Ft.	% Direct Vacant	Total Vacant Sq. Ft.	% Total Vacant	Average Asking Rate Annual, NNN Per Sq. Ft.	Qtr Total Net Absorption Sq. Ft.	2014 YTD Total Net Absorption Sq. Ft.
Central Dallas	9,106,345	398,071	4.4%	398,071	4.4%	$19.94	3,083	54,406
East Dallas Outlying	3,503,104	126,335	3.6%	148,335	4.2%	$19.80	5,784	(15,210)
Far North Dallas	53,952,341	5,248,505	9.7%	5,376,650	10.0%	$15.20	198,719	564,118
Near North Dallas	21,084,243	1,275,730	6.1%	1,289,007	6.1%	$14.60	1,494	48,759
North Central Dallas	30,244,311	2,003,873	6.6%	2,165,516	7.2%	$15.24	47,768	145,412
Southeast Dallas	13,179,212	968,471	7.3%	968,471	7.3%	$11.61	20,452	(39,268)
Southwest Dallas	17,143,905	1,563,330	9.1%	1,591,027	9.3%	$11.07	225,200	443,342
West Dallas	29,988,752	2,374,406	7.9%	2,361,516	7.9%	$13.59	(74,964)	466,597
Central Fort Worth	23,497,606	2,154,604	9.2%	2,168,109	9.2%	$10.56	(20,592)	166,341
Mid-Cities	50,036,310	3,340,297	6.7%	3,393,793	6.8%	$13.55	293,737	789,934
Suburban Fort Worth	21,691,651	1,451,623	6.7%	1,549,699	7.1%	$11.95	102,256	498,075
TOTAL Dallas	**178,202,213**	**13,958,721**	**7.8%**	**14,298,593**	**8.0%**	**$14.53**	**422,387**	**1,663,007**
TOTAL Fort Worth	95,225,567	6,946,524	7.3%	7,111,601	7.5%	$12.45	375,401	1,454,350
TOTAL DFW	273,427,780	20,905,245	7.6%	21,410,194	7.8%	$13.81	802,937	3,122,506

Source: CBRE Research, Q3 2014.

Figure 4: Unemployment Rate and Total Non-Agricultural Jobs



Source: U.S. Bureau of Labor Statistics, September 2014.

ECONOMIC CONDITIONS/DEMOGRAPHICS

Over the year-ending July 2014, DFW created 115,500 jobs, which translates to a 3.7% annual growth rate. The unemployment rate fell from 5.2% in the first quarter 2014 to the current level of 5.1% this quarter. DFW posted once again an identical unemployment rate for the quarter as Texas (5.1%), but still lower then United States (6.2%). An ample supply of well-educated workers and strong population growth contribute to the area's healthy economy. With a current estimated population of 6.7 million, the DFW metropolitan area is the fourth-largest MSA in the United States. The area's population has grown 30% since 2000, and growth of 8.6% is projected for 2013 to 2018, according to Claritas.

DFW's population is considerably young, with an average age of 39, and affluent, with most of the population (51%) in their prime earning years of 20-54. DFW residents tend to earn more than the national average, supporting an estimated median household income of $56,065 as of Q3 2014, versus $53,352 in the U.S.

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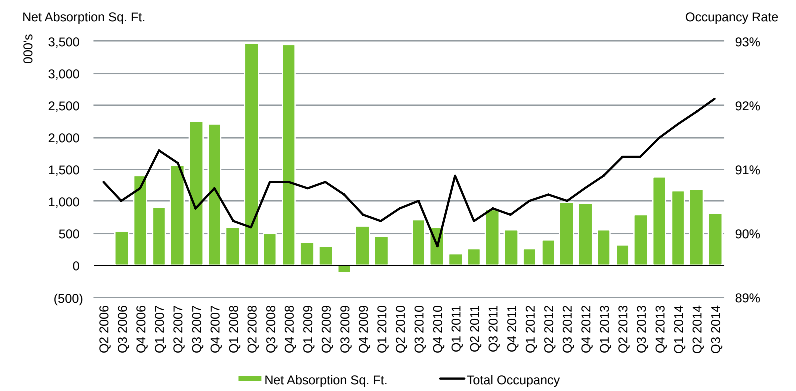
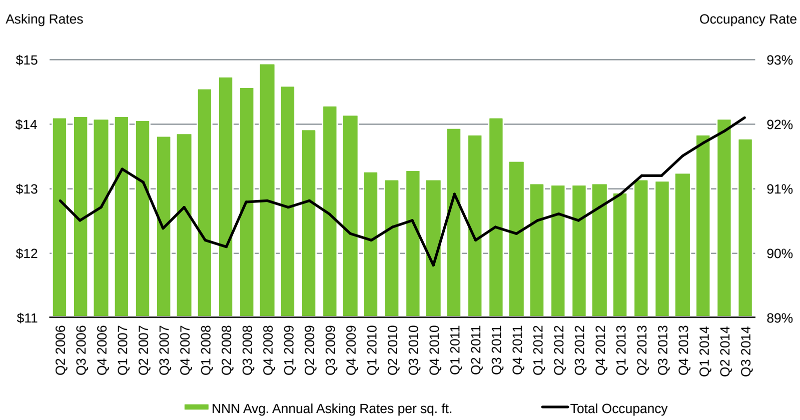
Figure 5: Net Absorption and Total Occupancy



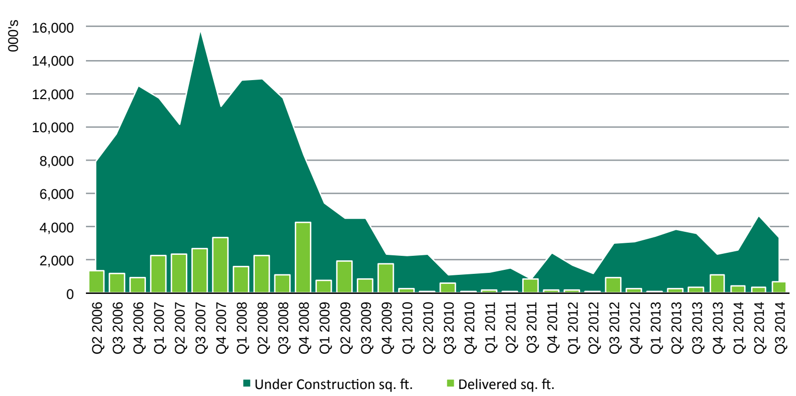
Source: CBRE Research, Q3 2014.

Figure 6: NNN Asking Rates and Occupancy



Source: CBRE Research, Q3 2014.

Figure 7: Construction



Source: CBRE Research, Q3 2014.

OCCUPANCY AND ABSORPTION

New construction made up a primary portion of the 802,937 sq. ft. of absorption. The total net absorption for the year now is over 3.1 million sq. ft., officially over the total net absorption in 2013. With more new construction expected to deliver by years end, 2014 should finish out strong.

Occupancy continues to trend upwards. Total occupancy has risen one bases point to 92.2%. Dropping the vacancy rate to 7.6%, the lowest vacancy has ever been in Dallas/Fort Worth. The submarkets of Central Dallas and East Dallas Outlying have reported the highest occupancies in DFW at 95.6% and 95.8%, respectfully.

LEASE RATES

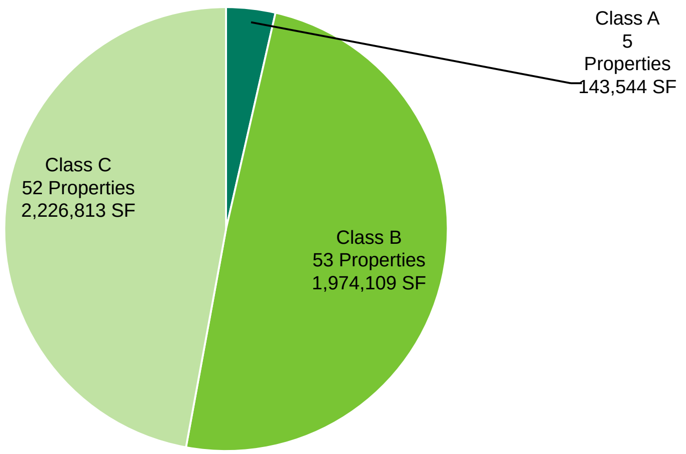
Despite the sustained landlord-favored market the overall average rents fell in Q3 2014. Indicating a direct relationship between the dip in net absorption and slight increase occupancy. The average asking rate decreased by $0.26 per sq. ft. over-the-quarter to $13.81 per sq. ft. Year-to-date, this rate has increased by $0.69 per sq. ft.

CONSTRUCTION

The third quarter experienced a boom in construction activity, with 659,033 sq. ft. delivered throughout the Dallas/Fort Worth area. Projects under construction decreased this quarter from 4.6 million sq. ft. to 3.3 million sq. ft., due to new deliveries. Significant deliveries this quarter include an approximant 110,000-sq.-ft. Walmart Supercenter in Sachse, a approximant 136,000-sq.-ft. Sam's Club in Burleson, and an 89,500-sq.-ft. Duncanville WinCo.

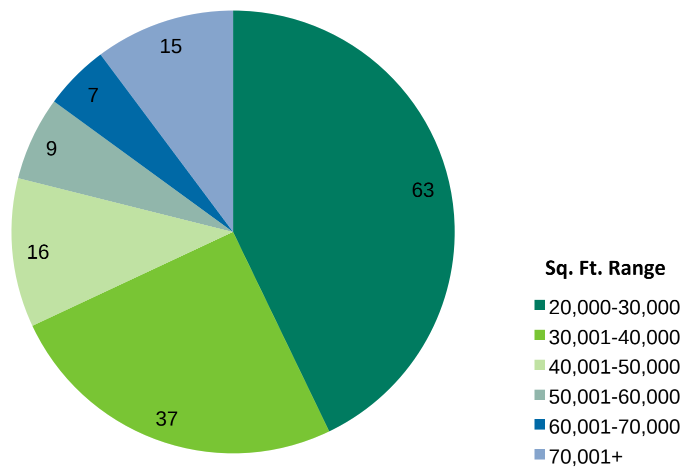
Demand for new retail space remains strong, keeping occupancy high. Although there was a decrease in the total pipeline of retail space underway, a couple of major projects broke ground in Q3 2014. Following market trends, both mixed-use developments were in Frisco - Wade Park and Cowboy Ally, and are slated to total 750,000 sq. .ft.

Figure 8: Big Box Space Available by Class



Source: CBRE Research, Q3 2014.

Figure 9: Big Box Space Available by Size Range



Source: CBRE Research, Q3 2014.

Figure 10: Largest Available Big Box Space

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Far North Dallas	3159 S Garland Road	Walmart	226,000
Far North Dallas	811 N Central Expy	Dillard's	176,259
North Central Dallas	5000 Alpha Road	The Great Indoors	141,690
Far North Dallas	13320 Montfort Drive	J.C. Penney	111,657
North Central Dallas	13342 Midway Road	Gabbert's Furniture	105,000
Far North Dallas	3161 Broadway Boulevard	Steve N Barry's	104,000
Far North Dallas	1122 W Centerville	Target	100,000
South East Dallas	2323 Big Town Blvd	Big Town Mall	100,000
Central Fort Worth	6001-6009 Jacksboro Highway	Barato Bazaar	97,000
West Dallas	3880 Irving Mall	Mervyns'	76,000
Central Fort Worth	1200 Green Oaks	Mervyns'	75,653
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Mid-Cities	2430-2434 S I-35 E	Albertson's	67,195
Far North Dallas	3046-3048 Lavon Drive	Albertson's	66,817
Central Fort Worth	3304-3328 Denton Highway	Kmart	65,733
North Central Dallas	279 Main Street	Albertson's	65,207
Mid-Cities	4620 S Cooper Street	Sports Authority	65,000
Southeast Dallas Ret	2106 N Galloway Ave	Albertson's	61,935
Southwest Dallas	4101 W Wheatland Road	Albertson's	58,720

Source: CBRE Research, Q3 2014.

Key Observations

In Q3 2014 there was a decrease in Class B and C big box spaces in the Dallas/Fort Worth market. The decrease is attributed to the demand for these types of spaces, but not in the traditional sense. The recent decrease in this product type is due to a couple of notable market trends.

The demand for smaller retail spaces under 20,000 sq. ft. remains highly sought after in the market, and these big box spaces are located in areas where smaller retailers want to be. To meet this demand, these spaces have been demised and broken up into smaller units. For example, at Denton Crossing, two bigger spaces are in the process of this, the breaking up of an old World Market and Bed Bath and Beyond space. The self- storage market has been constrained for space in the Dallas/ Fort Worth market. In turn, big box spaces are now being converted into storage units. With big box space being located in neighborhood centers, close to where the customer base is, these spaces make ideal locations.

With Class A big box space in high demand, the market can expect to see more high-quality spaces entering the pipeline in 2014 and beyond, as well as, the redevelopment of older and outdated properties. The most activity is being concentrated in the northern suburbs of the Metroplex; from North Plano/Frisco up to McKinney and toward Denton along State Highway 380.

Overall, the demand of big box space is limited to groceries and gym/fitness concepts, who either renovate or build-to-suite to meet their needs. The era of big furniture and electronic stores being driving forces in the market has come to an end. There is very little movement by these retail sectors due to the internet and large furniture concepts, such as IKEA and anticipated Nebraska Furniture Mart.

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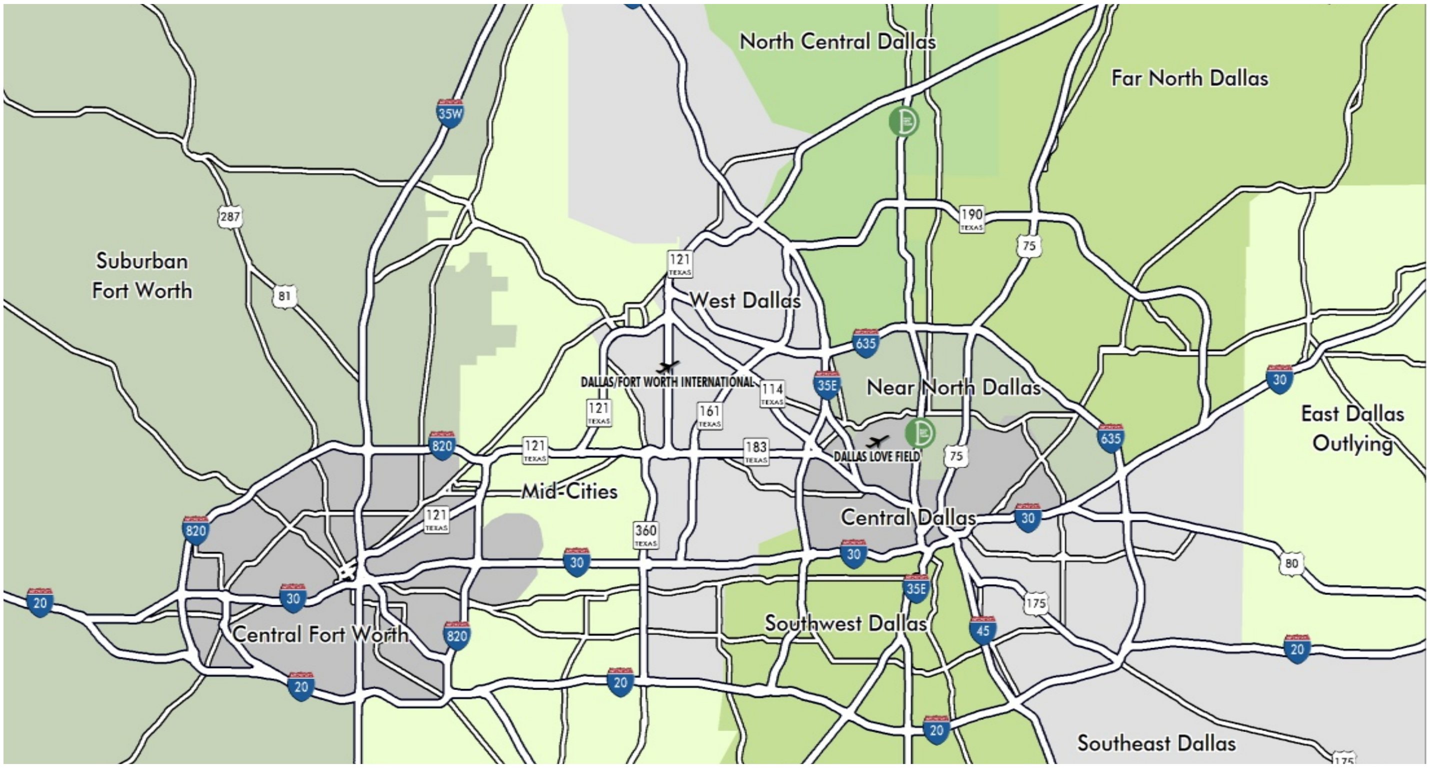

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This report was prepared by the CBRE U.S. Research Team which forms part of CBRE Global Research and Consulting – a network of preeminent researchers and consultants who collaborate to provide real estate market research, econometric forecasting and consulting solutions to real estate investors and occupiers around the globe.

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Dallas/Fort Worth Retail
MarketView 2Q 2014

Q2 2014 | CBRE Global Research and Consulting

VACANCY	CONSTRUCTION	DELIVERIES	TRADE VOLUME	UNEMPLOYMENT	JOB GROWTH
7.9%	4,678,928 Sq. Ft.	340,532 Sq. Ft.	17% Y-o-Y	5.2%	104,700 Y-o-Y

Directional arrows based on change from the previous quarter. Data reflects market totals.

SHORT ON SUPPLY BUT CONSTRUCTION IS PICKING UP.

Figure 1: Quick Stats

	Q2 2014	Q-o-Q	Y-o-Y
Vacancy	7.7%	↓	↓
Under Construction	4.7 million sq. ft.	↑	↑
Delivered Construction	340,532 sq. ft.	↓	↑
Net Absorption	1.2 million sq. ft.	↓	↑
Unemployment Rate	5.2%	↓	↓

Hot Topics

Occupancy reaches new heights

Dallas/Fort Worth (DFW) continues to see occupancy rise for the 16th consecutive quarter in Q2 2014, creating a historic strain on supply.

Development is expected to Deliver starting next quarter

Space under construction continued to increase in Q2 2014 in an attempt to catch-up with demand. Starting next quarter, speculative space is expected to be delivered to the market.

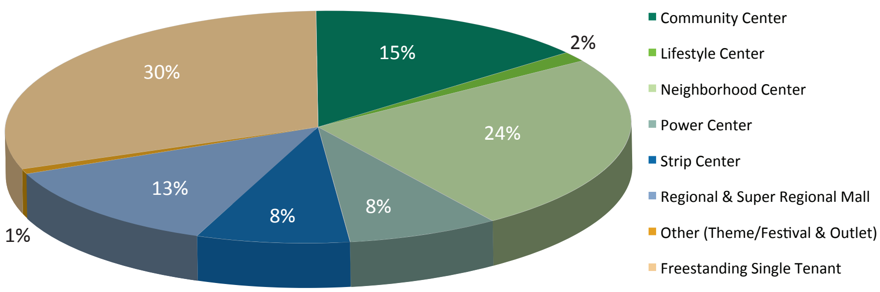
Grocers continue to drive activity

DFW grocers are on pace to make a big splash in 2014 as they continue expanding. Starting next quarter, grocers' activity will begin to take its effect on the market.

DFW ranked first in job growth

Of the largest metro areas in the United States, DFW ranked first in job growth and second in number of jobs added. Retail added a total if 11,100 jobs, according to the U.S. Bureau of Labor Statistics.

Figure 2: DFW Retail Market by Classification



Source: CBRE Research, Q2 2014.

The Dallas/Ft. Worth economy shows no signs of weakness, which is fueling high occupancy and limited supply for retail real estate product. Retailers remain aggressive in the market as occupancy continues to reach new levels. Year-over-year, DFW has added 77,700 retail jobs as unemployment fell to 5.2% outperforming the national rate of 6.3%.

The DFW retail market has been defined by low availability caused by strong demand for retail space and a slow recovery in development activity since the end of the recession. Carried over from last quarter, the market has seen even further diminishment of supply of available retail space, as evidenced by historically high occupancy at 92.1%. The lack of speculative construction activity has led retailers to opt for build-to-suit developments and renovations of older properties over the past several quarters.

Delivery of new construction in the coming year is expected to relieve some of the pressure on availability. Yet, most new construction is pre-leased, build-to-suit product. The future looks bright as projects in the pipeline are part of mixed-use, infill, master-planned communities catering to a growing popularity of "live-work-play" life style.

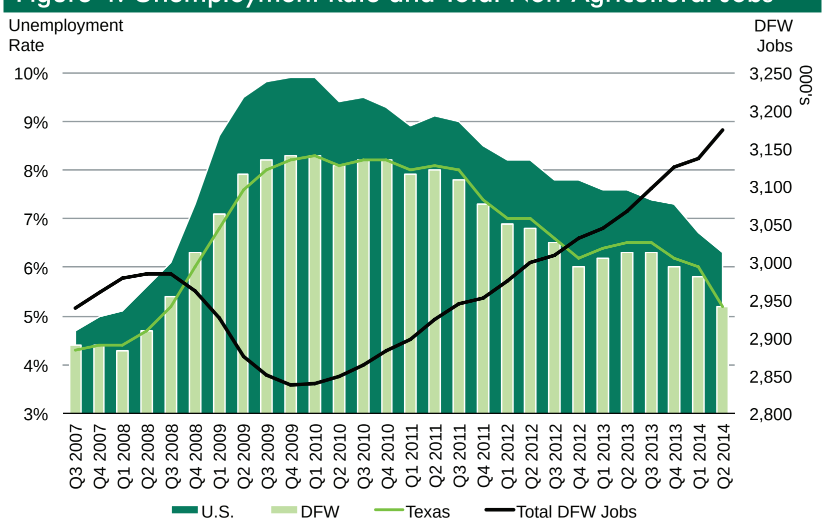
RETAIL SECOND QUARTER
MARKETVIEW

Figure 3: Market Snapshot

Market	Net Rentable	Direct Vacant Sq. Ft.	% Direct Vacant	Total Vacant Sq. Ft.	% Total Vacant	Average Asking Rate Annual, NNN Per Sq. Ft.	Qtr Total Net Absorption Sq. Ft.	2014 YTD Total Net Absorption Sq. Ft.
Central Dallas	9,260,478	446,949	4.8%	446,949	4.8%	$21.40	46,252	51,323
East Dallas Outlying	3,466,031	118,869	3.4%	140,869	4.1%	$19.83	(11,229)	(20,994)
Far North Dallas	53,692,213	5,301,794	9.9%	5,440,819	10.1%	$15.07	298,451	365,399
Near North Dallas	21,151,142	1,272,368	6.0%	1,278,645	6.0%	$14.78	43,852	47,265
North Central Dallas	30,274,080	2,018,443	6.7%	2,184,185	7.2%	$15.15	40,471	97,644
Southeast Dallas	13,236,985	988,923	7.5%	988,923	7.5%	$11.43	(103,496)	(59,720)
Southwest Dallas	17,052,596	1,603,139	9.4%	1,630,836	9.6%	$11.48	(10,711)	218,142
West Dallas	30,358,658	2,270,329	7.5%	2,272,829	7.5%	$14.05	374,282	51,323
Central Fort Worth	23,614,823	2,134,012	9.0%	2,147,517	9.1%	$10.57	36,995	186,933
Mid-Cities	49,849,483	3,330,432	6.7%	3,355,344	6.7%	$14.21	246,132	496,197
Suburban Fort Worth	21,556,103	1,488,946	6.9%	1,587,022	7.4%	$12.44	197,307	395,819
TOTAL Dallas	**178,492,183**	**14,020,814**	**7.9%**	**14,384,055**	**8.1%**	**$14.68**	**677,872**	**1,240,620**
TOTAL Fort Worth	95,020,409	6,953,390	7.3%	7,089,883	7.5%	$12.90	480,434	1,078,949
TOTAL DFW	273,512,592	20,974,204	7.7%	21,473,938	7.9%	$14.07	1,158,306	2,319,569

Source: CBRE Research, Q2 2014.

Figure 4: Unemployment Rate and Total Non-Agricultural Jobs



Source: U.S. Bureau of Labor Statistics, June 2014.

ECONOMIC CONDITIONS/DEMOGRAPHICS

Over the year-ending April 2014, DFW created 106,800 jobs, which translates to a 3.5% annual growth rate. The unemployment rate fell from 5.8% in the first quarter 2014 to the current level of 5.2% this quarter. DFW posted an identical unemployment rate for the quarter as Texas (5.2%), but still lower then United States (6.3%). An ample supply of well-educated workers and strong population growth contribute to the area's healthy economy. With a current estimated population of 6.7 million, the DFW metropolitan area is the fourth-largest MSA in the United States. The area's population has grown 30% since 2000, and growth of 8.6% is projected for 2013 to 2018, according to Claritas.

DFW's population is young, with an average age of 39, and affluent, with most of the population (51%) in their prime earning years of 20-54. DFW residents tend to earn more than the national average, supporting an estimated median household income of $56,996 as of Q1 2014, versus $53,109 in the U.S.

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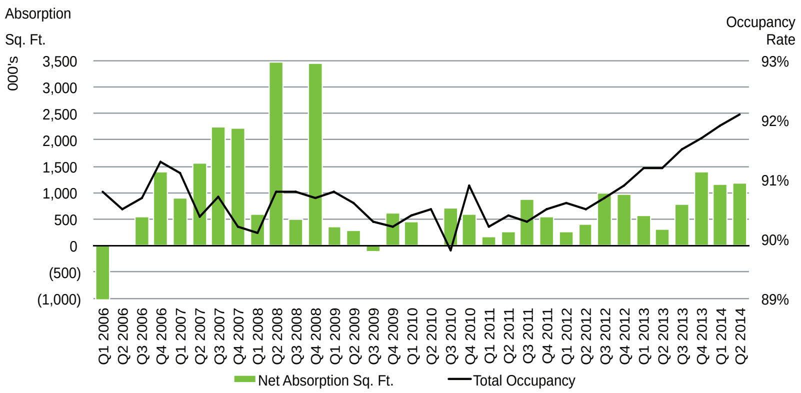
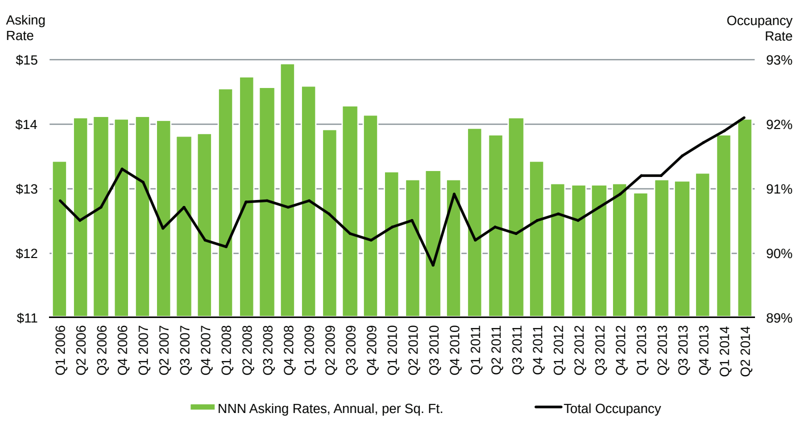
Figure 5: Net Absorption and Occupancy Rate



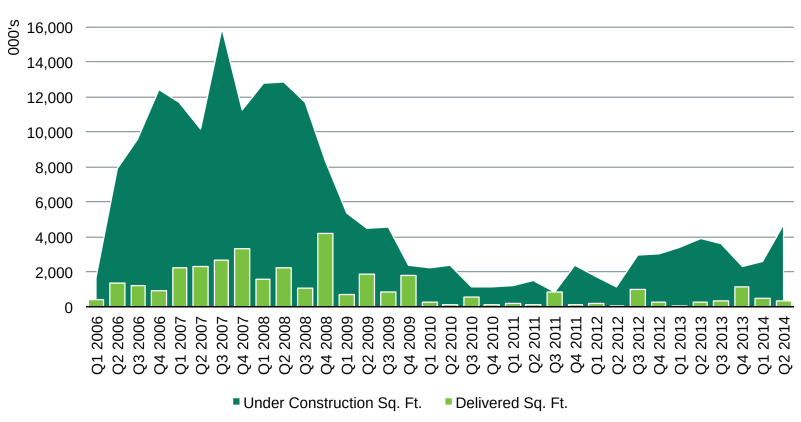
Source: CBRE Research, Q2 2014.

Figure 6: NNN Asking Rates and Occupancy Rate



Source: CBRE Research, Q2 2014.

Figure 7: Construction



Source: CBRE Research, Q2 2014.

ABSORPTION AND OCCUPANCY

The second quarter of 2014 saw net absorption positive, at 1.1 million sq. ft., bringing the total net absorption to 2.3 million sq. ft. for the year. New construction was an instrumental factor to the strong performance of the quarter's net absorption, contributing new space, primarily for new big box stores, such as Costco and Walmart's Neighborhood Market Concept. The DFW occupancy rate gained significant momentum over the past year, pushing upward in Q2 2014 to reach 92.1%, a 20 bps increase over Q1 2014.

LEASE RATES

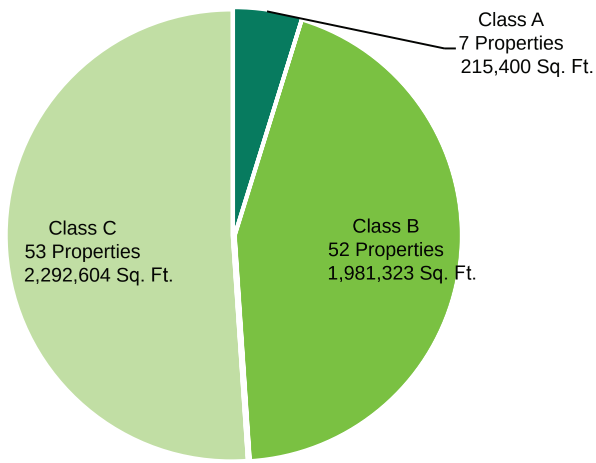
Tightening supply in a landlord-favorable market has pushed DFW's average asking lease rate upward to levels not seen since the third quarter of 2011. The average asking rate increased by $0.26 per sq. ft. over-the-quarter to reach $14.07 per sq. ft. Year-to-date, this rate has increased by $1.02 per sq. ft. This trend is expected to continue as new construction is dominated by build-to-suit and pre-leased projects.

CONSTRUCTION

There is high demand for new retail space and DFW experienced an increase in construction activity over Q2 2014. Retail construction has risen to over 4.6 million sq. ft. that is expected to deliver over the next year. During Q2 2014, only a nominal amount of product delivered adding 340,532 sq. ft. to the market.

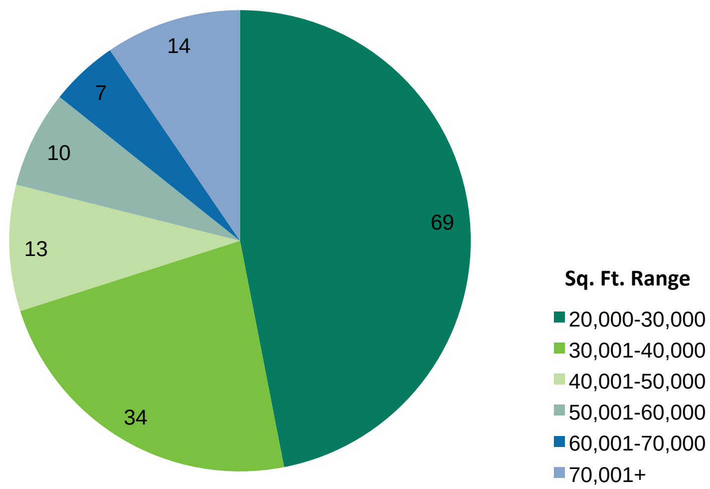
Many slated speculative projects are dominated by the design of suburban mixed-use lifestyle centers and master-planned communities. Furthermore, the recent increase in construction is fueled build-to-suits and preleased projects by grocers like Whole Foods, WinCo, Kroger, Sprouts and Trader Joe's wanting to expand in the DFW market.

Figure 8: Big Box Space Available by Class



Source: CBRE Research, Q2 2014.

Figure 9: Big Box Space Available by Size Range



Source: CBRE Research, Q2 2014.

Figure 10: Largest Available Big Box Space

Submarket	Address	Former	Sq. Ft. Available
Far North Dallas	13138 Montfort Drive	Macy's	300,300
Far North Dallas	3159 S Garland Road	Walmart	226,000
Far North Dallas	811 N Central Expy	Dillards	176,259
North Central Dallas	5000 Alpha Road	The Great Indoors	141,690
Far North Dallas	13320 Montfort Drive	J.C. Penney	111,657
North Central Dallas	13342 Midway Road	Gabbert's Furniture	105,000
Far North Dallas	3161 Broadway Boulevard	Steve N Barrys	104,000
Far North Dallas	1122 W Centerville	Target	100,000
South East Dallas	2323 Big Town Blvd	Big Town Mall	100,000
Central Fort Worth	6001-6009 Jacksboro Highway	Barato Bazaar	97,000
West Dallas	3880 Irving Mall	Mervyn's	76,000
Central Fort Worth	1200 Green Oaks	Mervyn's	75,653
Southwest Dallas	7401 S Westmoreland Road	Home Depot	71,842
Mid-Cities	2430-2434 S I-35 E	Albertson's	67,195
Far North Dallas	3046-3048 Lavon Drive	Albertson's	66,817
Central Fort Worth	3304-3328 Denton Highway	Kmart	65,733
North Central Dallas	279 Main Street	Albertson's	65,207
Mid-Cities	4620 S Cooper Street	Sports Authority	65,000
Southwest Dallas	4101 W Wheatland Road	Albertson's	58,720
Central Fort Worth	1050 Bridgewood Drive	Kroger	56,607
Southwest Fort Worth	8510 S Highway 377	Albertson's	55,785

Source: CBRE Research, Q2 2014.

Key Observations

Availability for big box space remains limited, although this market experienced a small increase in availability in Q2 2014. This demonstrates the market becoming less constricted with new big box space. With new pre-committed or spec big box space scheduled to be opening up, this will create more options for expanding retailers and increase availability. Currently, there are only 7 class A box spaces available in the market, as a result, retailers seeking quality space have opted to build or renovate older properties to meet modern store specifications. As of Q2 2014, construction includes around 30 Class A projects set to deliver within the next two years. Some of the notable Class A projects under construction include, Kroger, Whole Foods, Sam's, and Sprouts.

The ever-present trend of any new big box space delivered consists entirely of build-to-suit or owner-occupied freestanding buildings. Notably, Walmart's Neighborhood Market and Costco opened new big box stores in Q2 2014. The market is ready to welcome new speculative Class A big box space as developers begin unveiling plans for large multi-tenant developments in their pipeline.

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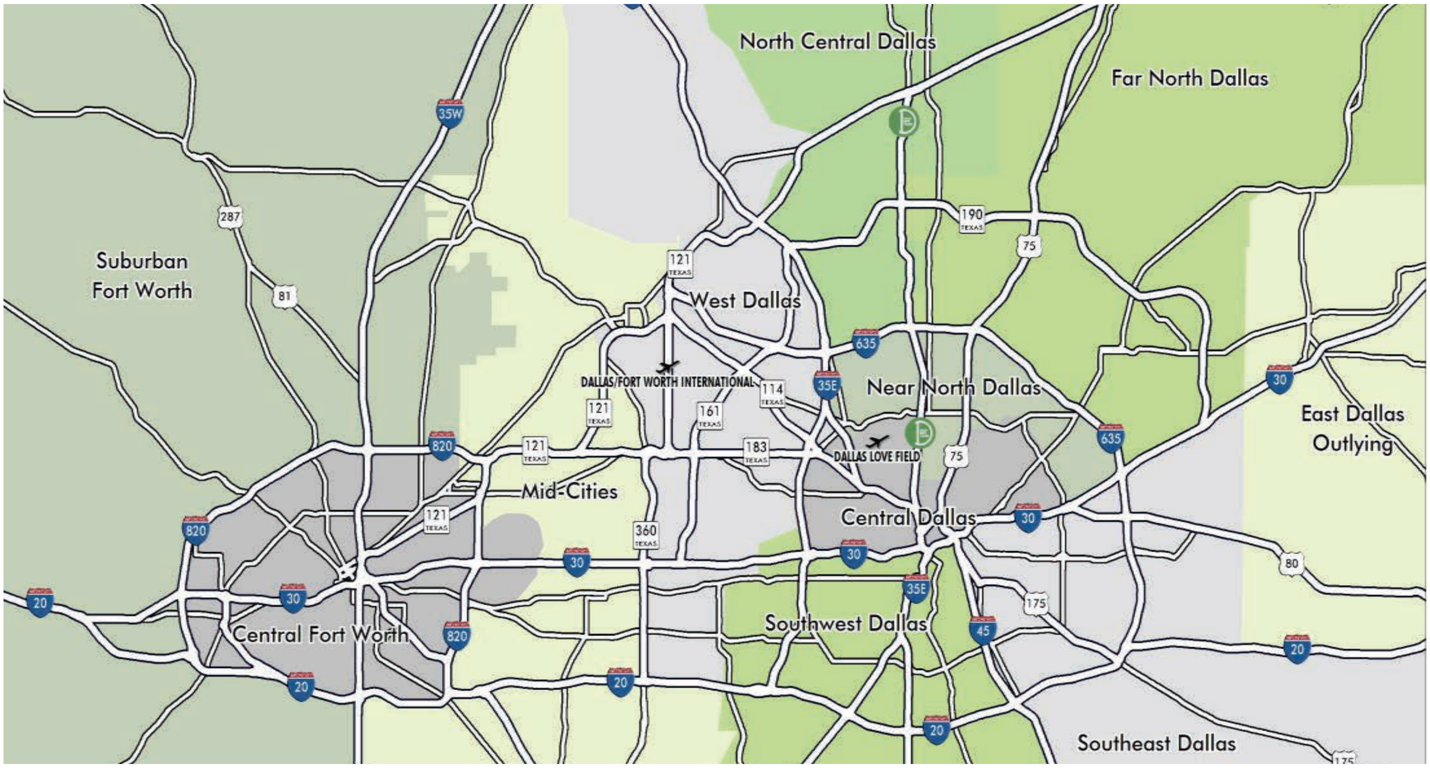

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Dallas/Fort Worth Retail
MarketView 1Q 2014

Q1 2014 | CBRE Global Research and Consulting

VACANCY	CONSTRUCTION	DELIVERIES	TRADE VOLUME	UNEMPLOYMENT	JOB GROWTH
8.1%	2,589,973 Sq. Ft.	464,763 Sq. Ft.	-57% Y-o-Y	5.8%	66,600 Y-o-Y

Directional arrows based on change from the previous quarter. Data reflects market totals.

OCCUPANCY CLIMBS TO A RECORD HIGH LEVEL YET AGAIN SPURRING NEW PLANS FOR SPECULATIVE DEVELOPMENT

Figure 1: Quick Stats

	Q1 2014	Q-o-Q	Y-o-Y
Vacancy	8.1%	↓	↓
Under Construction	2,589,973	↑	↓
Delivered Construction	464,763	↓	↑
Net Absorption	1,161,263	↓	↑
Unemployment Rate	5.8%	↓	↓

Hot Topics

An increasingly landlord-favorable market

Total net absorption was positive in Dallas/Fort Worth (DFW) for the 15th consecutive quarter in Q1 2014, driving occupancy up to another historic high and placing upward pressure on rental rates.

Development is gaining speed for take-off

As expected, space under construction continued to increase in Q1 2014 as the market begins to correct the imbalance of supply and demand. The difference is that speculative development is entering the playing field in 2014.

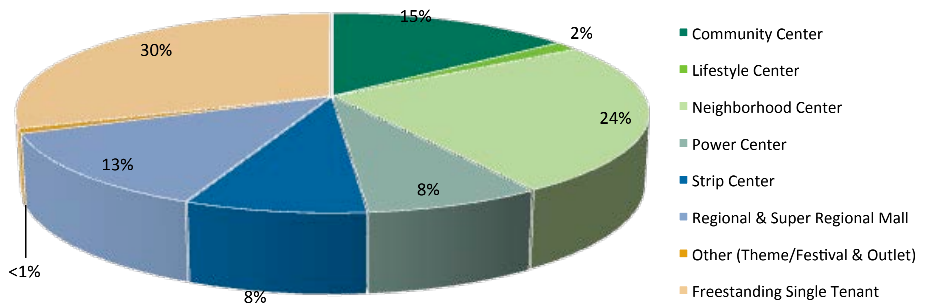
Strong activity from grocers

Grocers remain strong demand drivers in DFW. Kroger, Whole Foods, Aldi, Walmart, Sprouts and Trader Joe's are expanding in DFW this year. The market is also seeing new grocers enter in 2014, such as Winco and The Fresh Market.

Strong economic fundamentals for retail expansion in DFW

Total retail sales in DFW grew 7.1% over the past year, and DFW per capita income, at $46,755, grew 1.5% from Q1 2013 to Q1 2014, according to Moody's Analytics.

Figure 2: DFW Retail Market by Classification



Source: CBRE Research, Q1 2014.

Dallas/Fort Worth's enduringly strong economy and demographic base continue to make it a magnet for expanding retailers. Over the past 12 months, DFW gained 66,600 jobs and unemployment fell to 5.8%, well below the national rate of 6.7%. The DFW metropolitan area, home to 6.7 million residents, continues to grow rapidly as it experienced a net inward migration of 68,900 people in 2013, according to Nielsen.

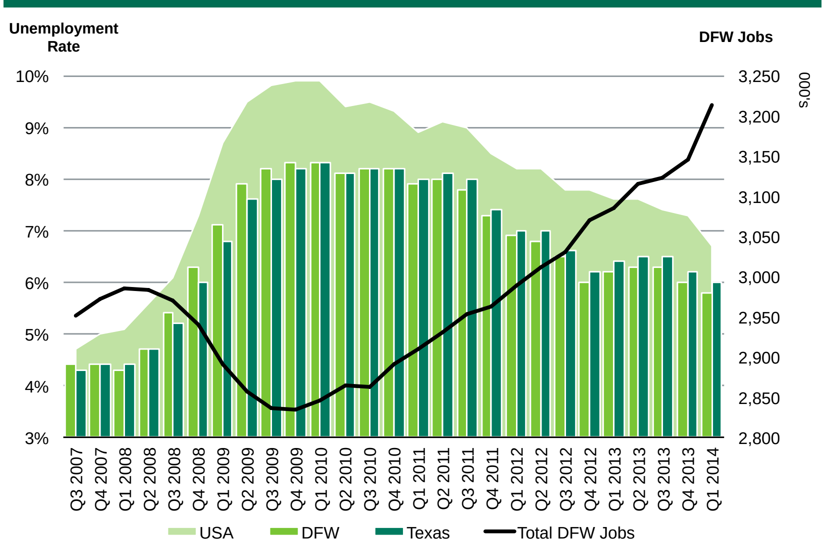
The DFW retail market has been defined by low availability caused by strong demand for retail space and a slow recovery in development activity since the end of the recession. So far in 2014, the market has seen even further diminishment of supply of available retail space, as evidenced by an unprecedented occupancy rate of 91.9%. The lack of speculative construction activity has led retailers to opt for build-to-suit developments and renovations of older properties over the past several quarters. However, the tides are changing in 2014 as some significant speculative retail projects are poised to break ground. In response to the growing trend of a "live-work-play" environment, many of the speculative retail projects in the pipeline are part of mixed-use, infill, master-planned communities with strong residential components located in suburban areas where the undeveloped acreage needed for such massive projects still exists.

Figure 3: Market Snapshot

Market	Net Rentable	Direct Vacant Sq. Ft.	% Direct Vacant	Total Vacant Sq. Ft.	% Total Vacant	Average Asking Rate Annual, NNN Per Sq. Ft.	Qtr Total Net Absorption Sq. Ft.	2014 YTD Total Net Absorption Sq. Ft.
Central Dallas	9,264,531	472,101	5.1%	472,101	5.1%	$18.44	5,071	5,071
East Dallas Outlying	3,418,286	107,640	3.1%	129,640	3.8%	$19.40	(9,765)	(9,765)
Far North Dallas	52,525,721	5,387,864	10.3%	5,506,330	10.5%	$14.90	66,948	66,948
Near North Dallas	22,467,322	1,413,134	6.3%	1,414,634	6.3%	$14.93	3,413	3,413
North Central Dallas	30,262,059	2,067,114	6.8%	2,227,856	7.4%	$15.26	57,173	57,173
Southeast Dallas	13,266,253	901,427	6.8%	901,427	6.8%	$11.79	43,776	43,776
Southwest Dallas	17,270,476	1,577,207	9.1%	1,620,125	9.4%	$11.54	228,853	228,853
West Dallas	30,557,802	2,688,973	8.8%	2,691,473	8.8%	$14.34	167,279	167,279
Central Fort Worth	23,601,944	2,166,991	9.2%	2,184,512	9.3%	$9.42	149,938	149,938
Mid-Cities	49,659,886	3,448,658	6.9%	3,499,801	7.0%	$13.87	250,065	250,065
Suburban Fort Worth	21,468,760	1,532,406	7.1%	1,630,482	7.6%	$12.13	198,512	198,512
TOTAL Dallas	179,032,450	14,615,460	8.2%	14,963,586	8.4%	$14.58	562,748	562,748
TOTAL Fort Worth	94,730,590	7,148,055	7.5%	7,314,795	7.7%	$12.36	598,515	598,515
TOTAL DFW	273,763,040	21,763,515	7.9%	22,278,381	8.1%	$13.82	1,161,263	1,161,263

Source: CBRE Research, Q1 2014.

Figure 4: Unemployment Rate and Total Non-Agricultural Jobs



Source: U.S. Bureau of Labor Statistics, March 2014.

ECONOMIC CONDITIONS/DEMOGRAPHICS

Seasonally adjusted, annual employment growth in DFW was 2.2% from December 2012 to December 2013; a net increase of 66,600 jobs. The unemployment rate in DFW fell 20 basis points (bps) over the quarter to 5.8%. Once again, DFW posted a lower unemployment rate for the quarter than Texas (6.0%) and the United States (6.7%). An ample supply of well-educated workers and strong population growth contribute to the area's healthy economy. With a current estimated population of 6.7 million, the DFW metropolitan area is the fourth-largest MSA in the United States. The area's population has grown 30% since 2000, and growth of 8.6% is projected for 2013 to 2018, according to Claritas.

DFW's population is young, with an average age of 35, and affluent, with most of the population (51%) in their prime earning years of 20-54. DFW residents tend to earn more than the national average, supporting an estimated median household income of $59,237 as of Q1 2014, versus $52,590 in the U.S.

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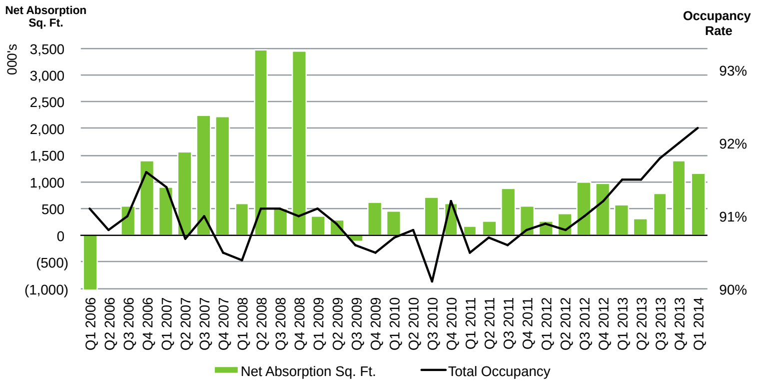
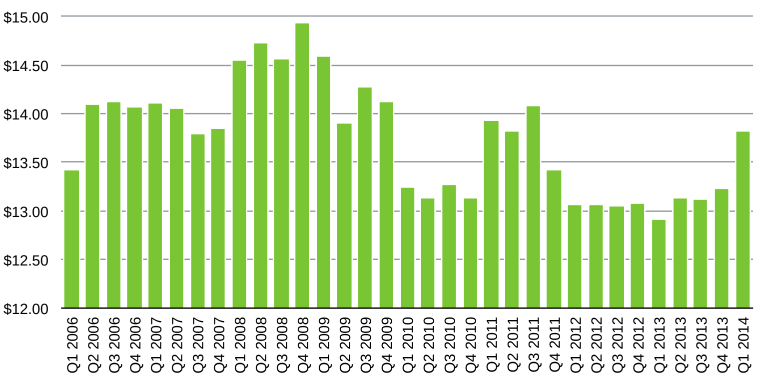
Figure 5: Net Absorption and Total Occupancy



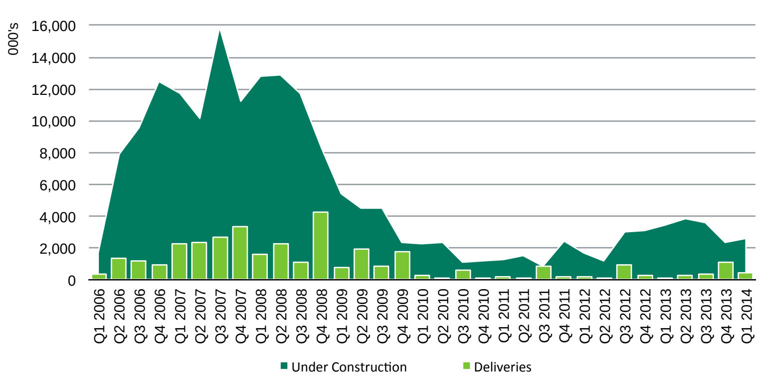
Source: CBRE Research, Q1 2014.

Figure 6: Asking Rates, Annual NNN Per Sq. Ft.



Source: CBRE Research, Q1 2014.

Figure 7: Construction Sq. Ft.



Source: CBRE Research, Q1 2014.

OCCUPANCY & ABSORPTION

Net absorption, at positive 1.2 million sq. ft., was higher in Q1 2014 than it was for the entire first half of 2013. New construction enabled this strong performance with 40% of the quarter's net absorption attributable to new space, primarily for new Winco and Walmart stores. The DFW occupancy rate has gained significant momentum over the past year, moving upward yet again in Q1 2014 to reach 91.9%, a 70 bps increase over the rate at this time in 2013.

LEASE RATES

Elevated occupancy and an increasingly landlord-favorable market has caused DFW's average asking lease rate to tick upward yet again in the first quarter, increasing by $0.59 per sq. ft. over the quarter to reach $13.82 per sq. ft. Over the past 12 months, this rate has seen increased by $0.90 per sq. ft. With the occupancy rate continuing to rise and new construction remaining relatively low, asking rates will likely continue to inch upward until enough new product is delivered to meet tenant demand.

CONSTRUCTION

Given solid demand for new retail space in DFW, it comes as no surprise that construction activity increased during Q1 2014. Over 730,000 sq. ft. of retail space broke ground in the first quarter, bringing the amount of square feet under construction up to 2.6 million sq. ft. As retailers have waited for new retail space to be built over the past several quarters, many developers have opted for redevelopment projects, such as Turtle Creek Village, Village on the Parkway, and Valley View Center.

Many speculative projects are slated to break ground in 2014 and 2015 with activity dominated by suburban mixed-use lifestyle centers and master-planned communities. Furthermore, expansions of existing retail and mixed-use centers, such as West Bend in Fort Worth and Alliance Town Center, is a prominent trend to watch in 2014.

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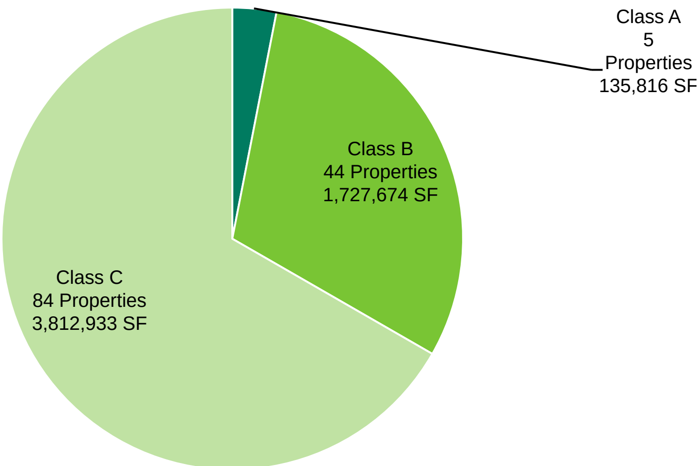
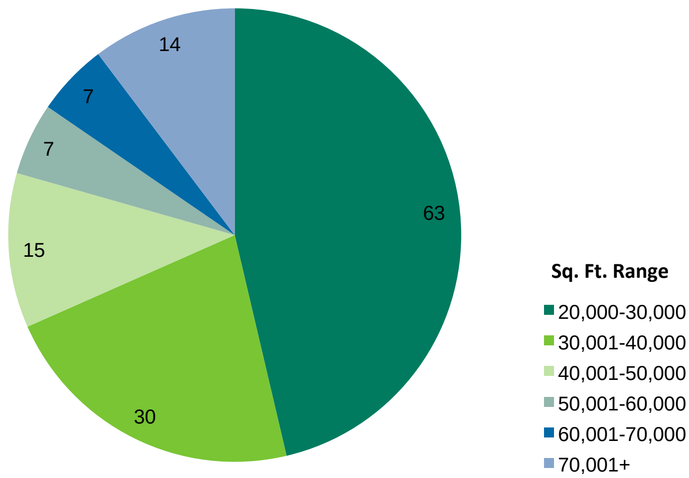
Figure 8: Big Box Space Available by Class



Source: CBRE Research, Q1 2014.

Figure 9: Big Box Space Available by Size Range



Source: CBRE Research, Q1 2014.

Figure 10: Largest Available Big Box Space

Submarket	Address	Former	Sq. Ft. Available
Far North Dallas	13138 Montfort Drive	Macy's	300,300
Far North Dallas	3159 S Garland Road	Walmart Hypermart	226,000
North Central Dallas	5000 Alpha Road	The Great Indoors	141,690
Far North Dallas	13320 Montfort Drive	J.C. Penney	111,657
North Central Dallas	13342 Midway Road	Gabbert's Furniture	105,000
Far North Dallas	3161 Broadway Boulevard	Steve N Barrys	104,000
Far North Dallas	1122 W Centerville	Target	100,000
Central Fort Worth	6001-6009 Jacksboro Highway	Barato Bazaar	97,000
Southwest Dallas	845 N Beckley Avenue	Kmart	87,964
West Dallas	3880 Irving Mall	Mervyn's	76,000
Central Fort Worth	1200 Green Oaks	Mervyn's	75,653
Southwest Dallas	7401 S Westmoreland Road	Home Depot	71,842
Mid-Cities	2430-2434 S I-35 E	Albertson's	67,195
Far North Dallas	3046-3048 Lavon Drive	Albertson's	66,817
Central Fort Worth	3304-3328 Denton Highway	Kmart	65,733
North Central Dallas	279 Main Street	Albertson's	65,207
Mid-Cities	4620 S Cooper Street	Sports Authority	65,000
Southwest Dallas	4101 W Wheatland Road	Albertson's	58,720
Central Fort Worth	1050 Bridgewood Drive	Kroger	56,607
Southwest Fort Worth	8510 S Highway 377	Albertson's	55,785

Source: CBRE Research, Q1 2014.

Key Observations

Big box space continues to experience very low availability, with approximately 133 big box spaces left available in the DFW market, or 5.7 million sq. ft., in Q1 2014. Between 2012 and 2013, approximately 3.7 million sq. ft. of big box space was leased, sold or demolished, leaving the remaining amount of available space at its lowest level since 2009. Class A space in particular has been extremely hard to come by in DFW for several quarters. As a result, retailers seeking quality space have opted to build or renovate older properties to meet the modern store formats and exteriors they desire.

Since 2013, any new big box space delivered consisted of build-to-suit or owner-occupied freestanding buildings, mostly for grocers. Winco, which is new to the market, was responsible for two new big box deliveries in Q1 2014, one in Fort Worth and one in McKinney. Walmart and Aldi also opened new big box stores in Q1 2014. Last year, retailers including United Market Street, Walmart, Sam's Club, LA Fitness, Academy Sports & Outdoors, Spec's, and Sprout's were primary players for new development activity. In 2014, the market will begin to see new speculative class A big box space enter the pipeline as developers being unveiling plans for large multi-tenant developments.

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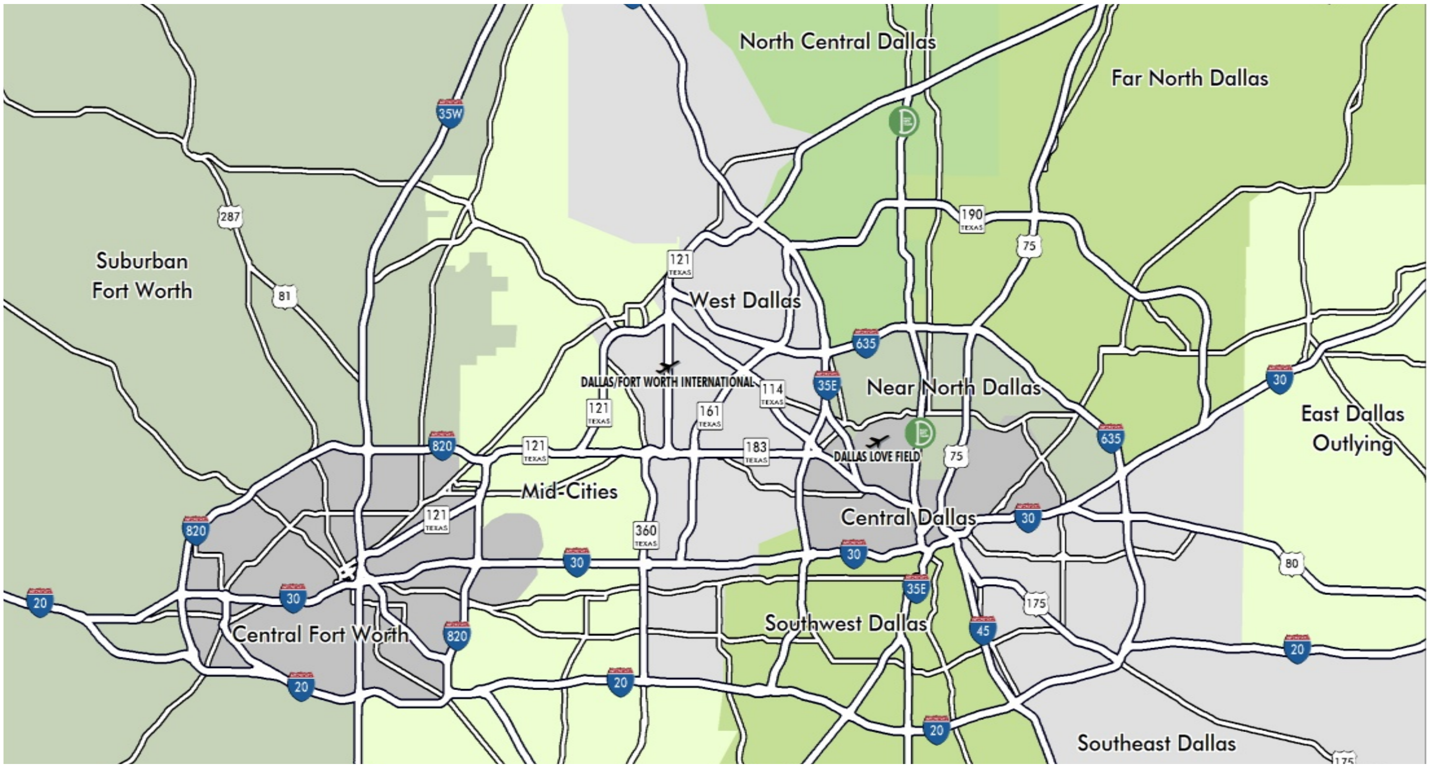

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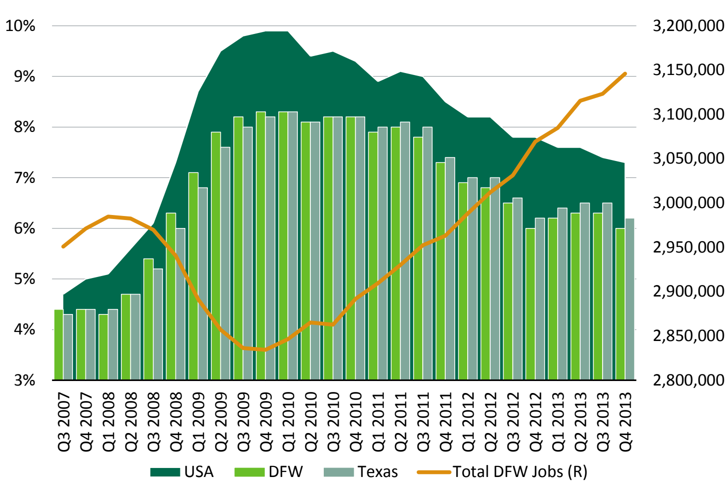
RETAIL FOURTH QUARTER 4Q 2013
MARKETVIEW

Market Statistics

Market	Net Rentable Area Sq. Ft.	Direct Vacant Sq. Ft.	% Direct Vacant	Total Vacant Sq. Ft.	% Total Vacant	Average Asking Rate Annual, NNN Per Sq. Ft.	Qtr Total Net Absorption Sq. Ft.	2013 YTD Total Net Absorption Sq. Ft.
Central Dallas	9,406,284	477,172	5.1%	477,172	5.1%	$15.70	(49,484)	66,710
East Dallas Outlying	3,411,201	103,191	3.0%	103,191	3.0%	$18.26	36,536	48,929
Far North Dallas	53,668,731	5,381,816	10.0%	5,495,280	10.2%	$14.61	245,070	475,411
Near North Dallas	21,142,612	1,248,829	5.9%	1,248,829	5.9%	$14.31	7,046	83,422
North Central Dallas	29,919,674	2,173,652	7.3%	2,334,394	7.8%	$15.23	375,310	573,749
Southeast Dallas	13,226,494	935,203	7.1%	935,203	7.1%	$11.02	(51,904)	127,644
Southwest Dallas	17,375,118	1,675,809	9.6%	1,703,506	9.8%	$10.06	53,533	70,540
West Dallas	30,534,442	2,764,857	9.1%	2,777,357	9.1%	$14.47	32,951	172,210
Central Fort Worth	23,559,881	2,326,202	9.9%	2,343,723	9.9%	$8.71	209,288	322,668
Mid-Cities	49,258,703	3,572,416	7.3%	3,654,860	7.4%	$14.09	323,379	664,421
Suburban Fort Worth	21,414,368	1,583,315	7.4%	1,704,715	8.0%	$12.13	204,916	422,578
TOTAL Dallas	**178,684,556**	**14,760,529**	**8.3%**	**15,074,932**	**8.4%**	**$14.07**	**649,058**	**1,618,615**
TOTAL Fort Worth	94,232,952	7,481,933	7.9%	7,703,298	8.2%	$12.30	737,583	1,409,667
TOTAL DFW	272,917,508	22,242,462	8.1%	22,778,230	8.3%	$13.23	1,386,641	3,028,282

Source: CBRE Research, Q4 2013.

Unemployment Rate
Total Non-Agricultural Jobs



Source: U.S. Bureau of Labor Statistics, December 2013.

ECONOMIC CONDITIONS/DEMOGRAPHICS

Seasonally adjusted employment growth in DFW was 3.2% over the last 12 months, for a net increase of 97,000 jobs. The unemployment rate in DFW dropped to 6.0% in Q4 2013, down from 6.3% last quarter. Once again, DFW posted a lower unemployment rate for the quarter than Texas (6.2%) and the United States (7.3%). An ample supply of well-educated workers and strong population growth contribute to the area's healthy economy. With a current estimated population of 6.7 million, the DFW metropolitan area is the fourth-largest MSA in the United States. The area's population has grown 30% since 2000, and growth of 8.6% is projected for 2013 to 2018, according to Claritas.

DFW's population is young, with an average age of 35, and affluent, with most of the population (51%) in their prime earning years of 20-54. DFW residents tend to earn more than the national average, supporting an estimated median household income of $59,237 as of Q3 2013, versus $52,590 in the U.S.

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