Local Market Data & Trends
**Metro Overview**

**Demographic Summary**
Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area

**Geography:** CBSA

**Key Facts**
- Population: 7,779,502
- Median Age: 35.0
- Households: 2,775,282
- Median Disposable Income: $58,267

**Income**
- Median Household Income: $70,779
- Per Capita Income: $35,439
- Median Net Worth: $97,595

**Household Income Distribution**

**Education**
- No High School Diploma: 14%
- High School Graduate: 22%
- Some College: 28%
- Bachelor’s/Grad/Prof Degree: 36%

**Employment**
- White Collar: 66%
- Blue Collar: 21%
- Services: 13%
- Unemployment Rate: 6.5%

This infographic contains data provided by Esri. The vintage of the data is 2020, 2025.
The Big Dallas Picture  Q1 2021

**OFFICE**
- INVENTORY: 334 MSF
- VACANCY: 18.2%
- 12 MO. NET ABSORPTION: -5.6 MSF
- UNDER CONSTRUCTION: 6.9 MSF

**INDUSTRIAL**
- INVENTORY: 881 MSF
- VACANCY: 5.4%
- 12 MO. NET ABSORPTION: 24.4 MSF
- UNDER CONSTRUCTION: 30 MSF

**RETAIL**
- INVENTORY: 442 MSF
- VACANCY: 5.8%
- 12 MO. NET ABSORPTION: -1.5 MSF
- UNDER CONSTRUCTION: 3.2 MSF

**MULTI-FAMILY**
- INVENTORY: 889K Units
- VACANCY: 8.4%
- 12 MO. NET ABSORPTION: 23.6K Units
- UNDER CONSTRUCTION: 31K Units

*Owner Occupied Included*
The Big Dallas Picture

Office

-2.5 MSF net absorption for Q1 2021

Annualized rent growth cooled for all class types, turning negative for the quarter

Over half of the year’s absorption was single tenant/build to suit activity

-5.6 MSF net absorption for last 12 months

6.9 MSF under construction

3.1 MSF of deliveries for last 12 months

$2.5B in sales for last 12 months

9.2 MSF of available sublease space
The Big Dallas Picture

Industrial

- 10.9 MSF net absorption for Q1 2021
- 2nd most inventory added in last decade, at 171 MSF, behind only Inland Empire
- $4.6B in sales
- 3.9% annualized rent growth

- There were 7 industrial leases of +1 MSF in DFW over the last 12 months
- 30 MSF under construction for product over 20,000 SF
- 31.8 MSF of deliveries for last 12 months -1st in nation
- Warehouse and Distribution product made up over 90% of 12 month net absorption
| Northern Suburbs and Far North Dallas area driving most of the activity in absorption and construction |
| Among product types, Neighborhood Centers saw the largest amount of negative absorption for the last 12 months |
| 3.7 MSF of deliveries for last 12 months |
| DFW is still one of the best retail markets in the country - we love shopping |
### The Big Dallas Picture - Multi-Family

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<th>Category</th>
<th>Details</th>
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<td>Apartments are the new investor darling</td>
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<td>with $8.7B in sales over half of the last</td>
<td>with $8.7B in sales over half of the last year's total CRE sales</td>
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<td>year's total CRE sales volume for DFW</td>
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<td>Almost 200,00 units added since 2011</td>
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<td>25,196 units delivered in last 12 months</td>
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<td>52% average price/unit increase in 10 years</td>
<td>52% average price/unit increase in 10 years - luxury Class A product</td>
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<td>- luxury Class A product makes up vast</td>
<td>makes up vast majority of newly delivered inventory</td>
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<td>majority of newly delivered inventory</td>
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<td>30,898 units under construction</td>
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<td>23,678 units absorbed in last 12 months</td>
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<td>3rd largest market in the country now -</td>
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<td>8.8% vacancy overall. 48% vacancy in new-</td>
<td>8.8% vacancy overall. 48% vacancy in new-built ultra luxury apartments</td>
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<td>built ultra luxury apartments ($1,800+/unit,</td>
<td>($1,800+/unit, built since 2019)</td>
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<td>built since 2019)</td>
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DEMOGRAPHIC SUMMARY

Mesquite City, TX
Geography: Place

- **KEY FACTS**
  - **148,292** Population
  - **33.3** Median Age
  - **50,200** Households
  - **$49,958** Median Disposable Income

- **EDUCATION**
  - 18% No High School Diploma
  - 32% High School Graduate
  - 20% Bachelor’s/Grad/Prof Degree

- **INCOME**
  - **$57,505** Median Household Income
  - **$69,120** Annual Average Salary
  - **$67,565** Median Net Worth

- **HOUSEHOLD INCOME**
  - 0-14999
  - 15000-24999
  - 25000-34999
  - 35000-49999
  - 50000-74999
  - 75000-99999
  - 100000-149999
  - 150000-199999
  - 200000+

- **EMPLOYMENT**
  - 57% White Collar
  - 27% Blue Collar
  - 16% Services

  **Unemployment Rate**: 9.6%

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**Mesquite**

**Office**
- Inventory: 1,675,782 SF
- Vacancy: 11.5%
- 12 Mo. Net Absorption: 4,562 SF
- Under Construction: 0 SF

**Industrial**
- Inventory: 16,024,178 SF
- Vacancy: 16.1%
- 12 Mo. Net Absorption: 847,650 SF
- Under Construction: 0 SF

**Retail**
- Inventory: 10,596,680 SF
- Vacancy: 7.6%
- 12 Mo. Net Absorption: -121,763 SF
- Under Construction: 21,600 SF

**Multi-Family**
- Inventory: 14,705 Units
- Vacancy: 4.8%
- 12 Mo. Net Absorption: 217 Units
- Under Construction: 0 Units

*Owner Occupied Included*
Mesquite Economic Development

- 3/4 of Mesquite is single-tenant buildings.
- Health care & social assistance is largest tenant type- 1/4 of all tenancy.
- 25,000-50,000 sf users make up 1/3 of all tenant footprint.
- <5,000 sf users make up another 1/3 of footprint.
- <2,499 sf users are the largest tenant pool - 110 tenants in this size.
- Stable garden-variety product and users, not as prone to boom & bust, overbuilding, etc.
Mesquite Economic Development 4.13.2021

Mesquite Industrial

- Part of the East Dallas/Mesquite submarket.
- Aided by one of the metro's major intermodal hubs - Union Pacific Railroad's intermodal hub.
- Nearly half of area inventory has delivered after the intermodal's completion. Almost all of that came in the last decade.
- Due to the presence of freight rail, and the vast amount of light industrial and manufacturing space here and in the surrounding area, a large portion of the tenant base consists of 3PLs and manufacturing parts suppliers.
- Logistics product leads and will lead activity for absorption and supply.
- In January, Dalfen Industrial bought almost 40 acres near Interstate 635 and Mesquite Airport. Disclosed plans to construct two distribution buildings with more than 1 million sf of space.
- Employment growth is most robust in the retail and trade/distribution sectors.
Retail

- Retail vacancies in Mesquite were roughly in line with the five-year average during the second quarter, and they were essentially unchanged from this time last year.
- Annualized rent growth stayed positive at 1.2%
- Neighborhood centers and strip centers are maintaining lower vacancies than general retail in the submarket.
- Construction is generally pretty light, focusing on smaller product of 20,000 sf or less.
- Some larger projects such as Centurion American’s Iron Horse Village project (150,000 sf) are proposed for the short term.
- Employment growth is most robust in the retail and trade/distribution sectors.
• Still seeing an average of 3.5% annualized rent growth.
• Steady demand for workforce housing in budget friendly communities such as Mesquite.
• Mostly 1980's product- average year built is 1984.
• Not much new supply keeping vacancies low and rent averages consistent.
• Affordable stock is equivalent to more than 20% of the total inventory in Mesquite, compared to roughly 7% metro wide.
• Of the 5,000 or so affordable units built in D-FW this cycle, about 700 were built in Mesquite.
• Submarket population has grown faster than the metro average this cycle, supported by economic growth in surrounding outer suburbs like Forney.
• Lots of value-add trades.
Looking ahead

LOCAL

- Potential for new mixed use developments such as Centurion American’s Iron Horse Village project.
- Potential for redevelopment of existing multi-family and strip centers.
- Continued I-20 corridor development.
- Continued revitalization of the Gus Thomasson (Rd.) Commercial Corridor.
- Potential for 3+ star hotel development.

BIG PICTURE

- Continued de-globalization.
- Work from home will remain an officing option for many moving forward. Companies will continue to reevaluate their sf footprints.
- Last mile delivery will be even more important as shopping continues to move digital, while localized shopping experiences will help define area character.
- E-commerce was already expanding in most markets but is estimated to have expanded by more than a third during 2020.
- Existing retail space, which was either redundant or surplus compared to demand, is being repurposed to facilitate “click and collect” models.
- Retailers who had limited previous online capability typically lack the infrastructure to fulfill internet orders and are having to piggyback on existing last-mile solutions. They are partnering with local delivery specialists such as Deliveroo, with Uber trialling its Uber Direct model, to provide localized delivery services for retailers
- Especially for essential items, micro-fulfilment centers are being established to provide rapid stock replenishment to groups of stores, particularly in urban environments where multiple outlets exist but in-store space for stock is limited.
- While 2-day shipping was considered a luxury in the US just a few years ago, it has now become an industry standard. Expect a continued rise in micro-fulfilment.
- Lumber crisis will put massive strain on construction- some contractors noting cost analysis currently competitve to steel framing.
- Average new home price now $14,000 higher due to lumber prices alone.
Questions & Answers