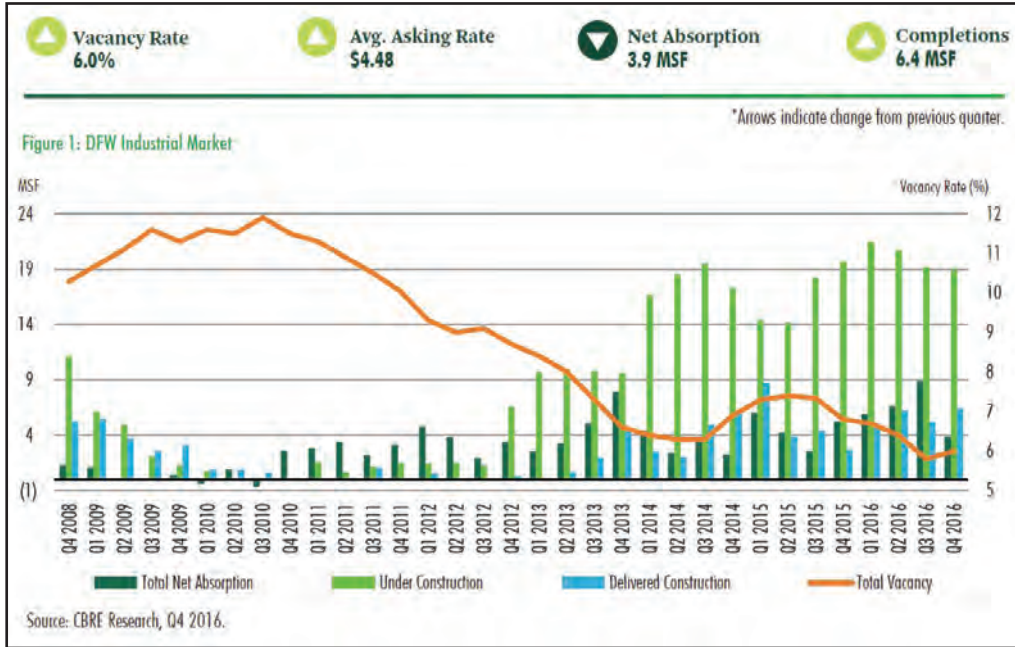


*Excerpt from CBRE Marketview Q4 2016.



What's Projected for Industrial in 2017?

*"Limited land availability in DFW's infill sub-markets has driven developers to South Dallas where land was once plentiful and relatively expensive. Despite the increase in vacancy due to large available speculative deliveries, brokers expect these spaces to be snapped up quickly as there are still limited options for tenants – specifically in the 500,000 sq. ft. and higher space segment."

Source: Lauren Paris, Sr. Research Analyst, Miller Hamrick, Research Coordinato, Robert C. Kramp, Director, Research & Analysis, E. Michelle Miller, Research Operations Manager

2016 Top Deals

Developments

Most active industrial submarkets in DFW.

- South Dallas – 7,975,685 sf
- Great Southwest/Arlington – 5,3339,264 sf added
- North Fort Worth – 4,500,511 sf

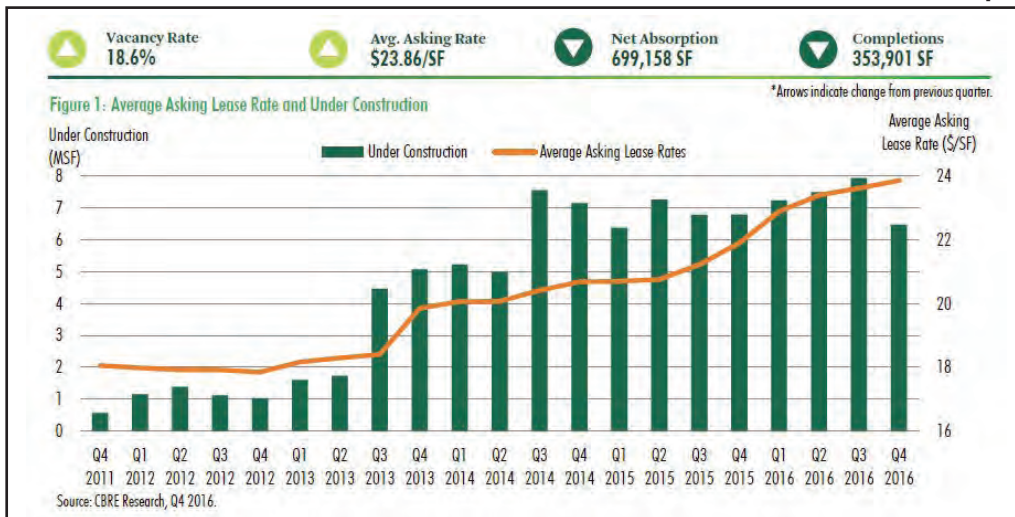
Leases

- NFI (1.1 million sf) – 501 W Danieldale Rd., DeSoto, TX
- Bed Bath and Beyond (800,000 sf)– 2900 S Valley Pkwy, Lewisville, TX
- Mission Foods (766,000 sf) – 2401 2404 W Pioneer Pkwy, Grand Prairie, TX

Sales

- 15001-15201 Heritage Pkwy, Fort Worth (1,583,400 sf); Buyer: Heitman
- 5600 Mark IV Pkwy, Fort Worth (1,440,000 sf); Buyer: Trans-pacific Development Co

2016 Office Recap



What's Projected for Office in 2017?

*"... the brisk pace of new development does appear to be leveling... with less than 6.7 million sq. ft. underway and is now the lowest since 2014. Another sign the new development cycle is slowing down, fewer than five buildings delivered in the current quarter totaling just more than 350,000 sq. ft., making it the lowest square footage of deliveries in a full three years... Larger leases signed in Q4 2016 indicate forward-looking momentum."

Source: Lauren Paris, Sr. Research Analyst, Miller Hamrick, Research Coordinato, Robert C. Kramp, Director, Research & Analysis, E. Michelle Miller, Research Operations Manager

2016 Top Deals

Developments

- Legacy West – 7200 Bishop Rd, Plano, TX; Developer: The Karahan Companies
- Cypress Waters – 3211 Scotch Creek Rd, Coppell, TX; Developer: Billingsby Company
- Wade Park – Frisco, TX 75034; Developers: Thomas Land & Development, and Greenstone Properties The Music Factory – 3008 E Pioneer Pkwy, Arlington, TX; Developer: Ark Group of North Carolina

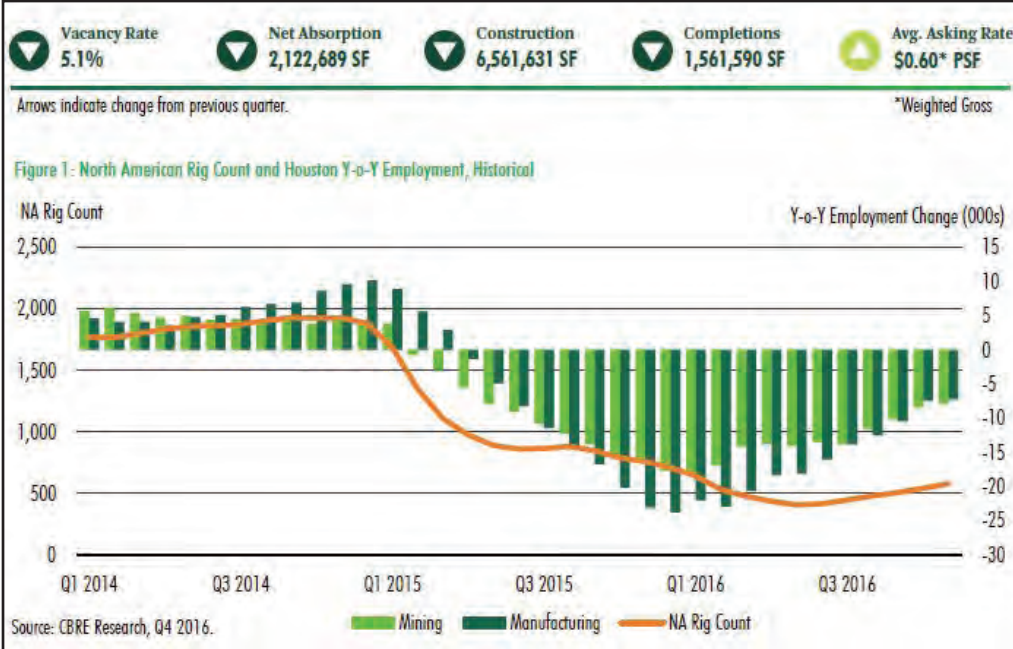
Leases

- J.C. Penney (150,000 sf) – Plano, TX; (sale/leaseback)
- AmerisouceBergen (300K sf) – The Offices at Austin Ranch, Carrollton, TX
- Environmental Protection Agency @ Renaissance Tower (229K SF) – Dallas, TX

Sales

- State Farm Campus (2,262,902 sf) – 300 N Coit Rd, Richardson, TX; Buyer: Corporate Properties Trust (Transwestern Investment Group & Mirae Asset Global Investments combined)
- J.C. Penney Campus Sale (The Campus at Legacy West) (1.8 million sf) – Plano, TX; Buyer: Dreien Opportunity Partners

*Excerpt from CBRE Marketview Q4 2016.



What's Projected for Industrial in 2017?

*"... the worst of the downturn is now behind Houston, and the road to a steady recovery has begun."

Source: Brad Smith, Research Analyst, Robert C. Kramp, Director, Research & Analysis, E. Michelle Miller, Research Operations Manager

2016 Top Deals

Developments

- Most development in Northwest and Southeast Houston.
- White Oak Industrial Park in the Northwest – 2915 N Main St. Houston, TX; Developer: Adkisson Development
 - Cedar Port – Borusan Rd., Baytown, TX; Developer: Clay Development
 - Ameriport – Ameriport Pkwy, Baytown TX; Developer: National Property Holdings
 - Bayport Industrial Parks in the Southeast – Pasadena, TX; Developer: Carson Companies
 - KTN – Houston, TX; Developer: Clay Development
 - Stafford Grove Industrial Park – Stafford, TX; Developer: Crow Holdings

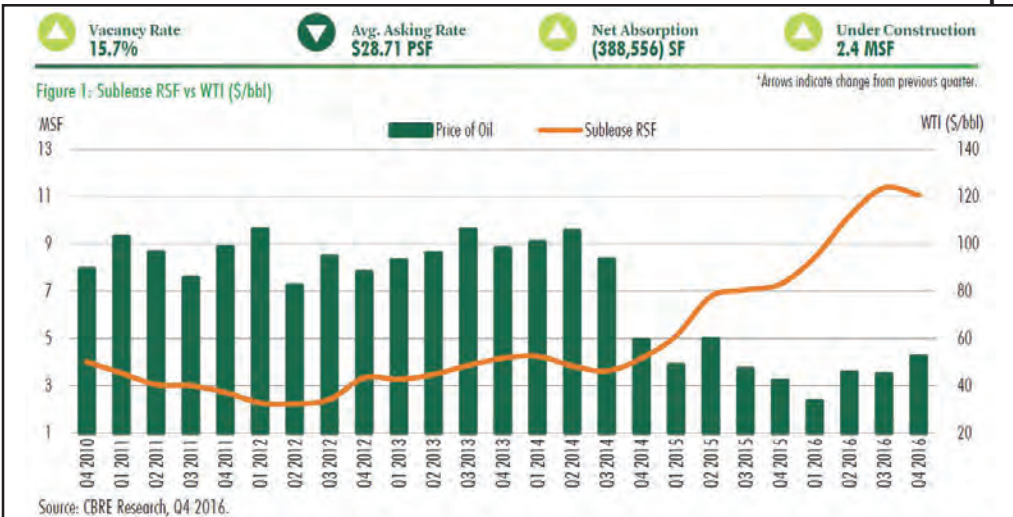
Leases

- The biggest leases were in Cedar Port and Ameriport Industrial Parks. Below are businesses who signed new leases.
- Ikea (300k to 500k sf range) – Houston, TX; New lease
 - Palmer Logistics (300k to 500k sf range) – Houston, TX; New lease
 - OHL (300 to 500k sf range) – Houston, TX; New lease

Sales

- Overall transaction volume down to \$630M this year, as compared to last year's \$2B. However, the following helped drive sales activity.
- DRA Advisors – Houston, TX
 - Lincoln Property Co. – Houston, TX
 - Stonelake Capital Partners – Houston, TX
 - IPT – Houston, TX

2016 Office Recap



What's Projected for Office in 2017?

*"Decline in sublease availability is expected to continue as energy companies re-evaluate their space needs as the energy industry begins to show signs of improvement... Rising rig counts and oil prices could mean the worst is behind us... That along with higher – and steadier – commodity prices during the second half of year, and an office construction cycle finally winding down, next year will be one more characterized by a low but positive rebound for landlords... We estimate it could require another three to five year in CBD and possibly longer for West Houston for vacancy to subside to more historic averages."

Source: Angie Bauer-Hamilton, Research Team Lead, Cammie Moise, Sr. Research Analyst, Elizabeth Ballentine, Research Coordinator, Kortney Debner, Research Coordinator, Robert C. Kramp, Director, Research & Analysis, E. Michelle Miller, Research Operations Manager

2016 Top Deals

Developments

- 609 Main, Houston, TX (1,056,658 sf) in the CBD – Developer: Hines; Q1 2017
- Amegy Bank Building (380,000 sf building) – 1717 West Loop South (West Loop/Galleria submarket), Houston, TX; Developer: Hines; Q1 2017

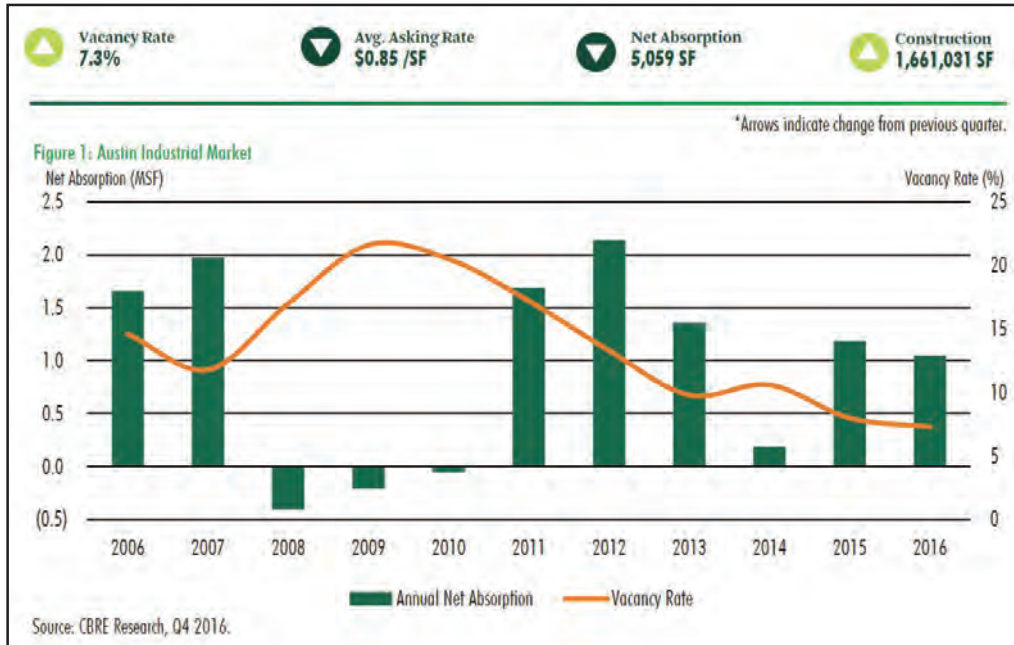
Leases

- ABS (326,800 sf) – Springwoods Village Pkwy, Houston, TX; North submarket; New lease
- United Airlines (237,708 sf) – 609 Main, Houston TX; CBD; New lease
- Lockton (127,875 sf) – 3657 Briarpark, Houston, TX in the Westchase District; New lease

Sales

- Spear Street Capital, Houston office (over 1 million sf) – Houston, TX in the CBD and Katy Freeway submarket
- 4300-4550 Dacoma St. (547,031 sf) – Houston, TX near NW submarket; Buyer: Williamsburg Enterprise/Fidelis Realty

*Excerpt from CBRE Marketview Q4 2016.



What's Projected for Industrial in 2017?

*"... strong demand in the market has pushed rents to new highs, with the citywide average asking rate increasing \$0.05 per sq. ft. to a new high of \$0.85 per sq. ft. and 2017 is expected to be just as active... The Southeast Austin remains the most attractive submarket for developers, with 12 projects currently being constructed there."

Source: Luke Goebel, Research Coordinator, Robert C. Kramp, Director, Research & Analysis, E. Michelle Miller, Research Operations Manager

2016 Top Deals

Development

- 500 W 2nd St. (500,436 sf) – Austin, TX; CBD Submarket; Developer: Trammell Crow Co.

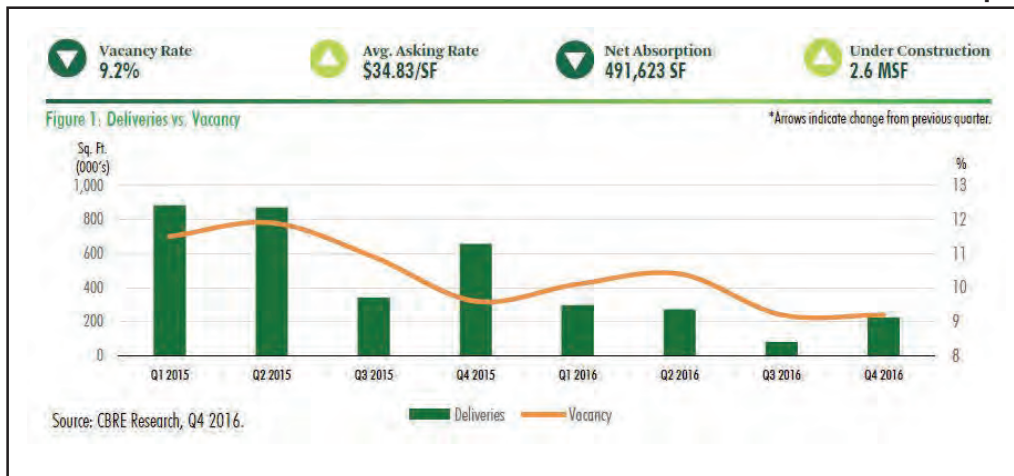
Leases

- Triple Play Services, Inc (179,200 sf) – Austin, TX; Property: Northeast Crossing
- Dormae Products, Inc (127,574 sf) – 9313 McNeil Rd, Austin, TX; Property: 150 Precision
- Daryl Flood Relocation, Inc (104,146 sf) – 15833 Long Vista, Austin, TX

Sales

- Tech Ridge Portfolio (1,023,122 sf) – Austin, TX; Buyer: Stockbridge Capital Group LLC (SF) – Far Northeast submarket
- Offices at Braker Portfolio (592,143 sf) – Austin, TX; Buyer: World Class Capital Group – Hays County submarket
- Kramer Portfolio (296,781 sf) – Austin, TX; Buyer: Adler Kawa Real Estate Advisors – North submarket

2016 Office Recap



What's Projected for Office in 2017?

*"...expect robust demand coupled with increasing property values and utility costs to continue this drumbeat into 2017 and beyond.... A \$720 million bond...to alleviate traffic conditions in Austin by encouraging residents to utilize alternative means of transportation... With the bond passage, Austin has primed itself for another expansionary year in 2017... Developers and investors clearly remain optimistic about the future of the office market and the influx of new companies requiring space."

Source: Luke Goebel, Research Coordinator, Robert C. Kramp, Director, Research & Analysis, E. Michelle Miller, Research Operations Manager

2016 Top Deals

Development

- Commerce Center South (447,970 sf) – 5810 Comsouth, Austin, TX; Southeast Submarket; Developer: Van Trust and St. Croix

Leases

- IBM (199,000 sf) – 11501 Burnet Rd, Austin, TX (Northwest submarket); Renewal
- Home Depot (199,000 sf) – 11301 McCallen Pass, Austin, TX (East Submarket); New lease

Sales

- Austin Centre (617,044 sf) – 701 Brazos, St., Austin, TX; Buyer: Sidra Austin LLC, (affiliate of Sidra Capital in the United Arab Emirates)
- One Eleven Congress Plaza (548,823 sf) – 111 Congress Ave., Austin, TX; Buyer: Cousins Properties (Atlanta, GA)
- One American Center (503,951 sf) – 600 Congress Ave., Austin, TX; Buyer: Trust for the Benefit of Ann Chiles Graham



San Antonio, TX 2016 Industrial Recap

*Excerpt from REOC Marketview Q4 2016.

Citywide	4Q 2016		4Q 2015		Central Business District	4Q 2016		4Q 2015		Suburban (Non CBD)	4Q 2016		4Q 2015					
	Inventory	Direct Vacant	%Vacant	Average Rent		4Q Absorption	YTD Absorption	Inventory	Direct Vacant		%Vacant	Average Rent	4Q Absorption	YTD Absorption	Inventory	Direct Vacant	%Vacant	Average Rent
All Property Types	38,042,919	3,140,624	8.3%	\$5.26	323,602	1,692,390	233,395	0	0.0%	n/a	0	0	37,809,524	3,140,624	8.3%	\$5.86	323,602	1,692,390
Distribution / Warehouse	30,219,014	2,547,975	8.4%	\$4.23	267,986	1,504,502	233,395	0	0.0%	n/a	0	0	29,985,619	2,547,975	8.5%	\$4.85	267,986	1,504,502
Service Center/Flex Combined	7,823,905	592,649	7.6%	\$7.79	55,616	187,888	0	0	0	0	0	0	7,823,905	592,649	7.6%	\$9.50	55,616	187,888

Analysis by REOC San Antonio based on data provided by Xceligent and approved by the San Antonio Industrial Advisory Board.
Statistics based on all multi-tenant industrial facilities 20,000 square foot and larger excluding single-tenant, owner-occupied and government buildings.
Average rental rates reflect non-weighted strict average asking rental rates quoted on a triple net annual basis.

2016 Top Deals

Development

- Dollar General Distribution Center (900,000 sf) – San Antonio, North East submarket; Distribution Warehouse; Owner-Occupied; Complete 1Q 2016
- Titan Industrial Park – O'Reilly Auto Parts (388,000 sf) – San Antonio, North East submarket; Complete 2Q 2016; Distribution Warehouse; BTW for O'Reilly Auto Parts
- Carrier Building-16407 Applewhite (850,000 sf) – San Antonio, South submarket; Under Construction; Owner Occupied; 3Q 2017 Completion
- I-35 Logistics Center (397,000 sf) – New Braunfels; Under Construction; Distribution Warehouse; 1Q 2017 Completion

Leases

- Largest sale was a single building investment trade of 1.26 MSF property
- HEB Grocery (384,250 sf) – 5711 FM 78, San Antonio; North East submarket
- Steves & Sons (96,044 sf) – Port San Antonio, 711 Davy Crockett; North West submarket

Sales

- Overall transaction volume down to \$630M this year, as compared to last year's \$2B. However, the following helped drive sales activity
- Amazon Fulfillment Center (1,260,000 sf) – San Antonio; North East submarket; Buyer: Circle Industrial
- 9651 Westover Hills Blvd (382,581 sf) – San Antonio; Far West submarket; Buyer: TowerJazz Texas, Inc

What's Projected for Industrial/Office in 2017?

*Barring any unforeseen shocks to the U.S. economy, the outlook for the greater San Antonio market remains clearly positive. Both the office and industrial markets are expected to maintain their steady performance in 2017 as job growth continues to drive the local economy.

Source: Kim Gatley, Senior Vice President and Director of Research at REOC San Antonio

2016 Office Recap

Citywide	4Q 2016		4Q 2015		Central Business District	4Q 2016		4Q 2015		Suburban (Non-CBD)	4Q 2016		4Q 2015					
	Inventory	Direct Vacant	%Vacant	Average Rent		4Q Absorption	YTD Absorption	Inventory	Direct Vacant		%Vacant	Average Rent	4Q Absorption	YTD Absorption	Inventory	Direct Vacant	%Vacant	Average Rent
All Classes	30,192,216	4,548,274	15.1%	\$24.40	359,210	1,333,606	5,467,868	978,712	17.9%	\$25.48	2,698	134,904	24,724,348	3,569,562	14.4%	\$24.72	356,512	1,198,702
Class A Space	11,315,380	1,307,163	11.6%	\$28.86	183,132	807,173	2,002,381	217,919	10.9%	\$28.34	0	51,249	9,312,999	1,089,244	11.7%	\$28.99	183,132	755,924
Class B Space	15,596,447	2,563,724	16.4%	\$22.03	167,498	450,869	2,554,784	461,878	18.1%	\$21.66	281	55,795	13,041,663	2,101,846	16.1%	\$22.12	167,217	395,074
Class C Space	3,280,389	677,387	20.6%	\$17.15	8,580	75,564	910,703	298,915	32.8%	\$16.53	2,417	27,860	2,369,686	378,472	16.0%	\$17.43	6,163	47,704

Analysis by REOC San Antonio based on data provided by Xceligent and approved by the San Antonio Office Advisory Board.
Statistical information is calculated for multi-tenant office bldgs 20,000 sf and larger (excluding Single-Tenant, Owner-Occupied, Gov 1 and Medical Buildings).
Rental rates reflect non-weighted strict average asking rental rates quoted on an annual full-service basis. Rents quoted on a non-full-service basis (such as NNN) have been calculated up to reflect the full-service rate.

2016 Top Deals

Development

- Vista Corporate Center (150,735 sf) – San Antonio, North West submarket; 5-story; Delivered 4Q 2016
- Pond Hill (72,400 sf) – San Antonio, North West submarket; 3-story; 40% leased; Delivered 1Q 2016
- SSFCU Corporate Campus (270,000 sf) – San Antonio, North West submarket; Construction; 100% Owner Occupied facility
- Landmark One (164,351 sf) – San Antonio, North West submarket; 4-story; Est Completion 1Q 2017

Leases

- USAA's Vista Corporate Center (157,400 sf) – San Antonio; North West submarket
- USAA's Westridge Two La Cantera (129,000 sf) – San Antonio; North West submarket
- Lockton (127,875 sf) – 3657 Briarpark, Houston, TX in the Westchase District

Sales

- The Pyramid Building (218,696 sf) – San Antonio; North Central submarket; Buyer: Taurus Investment Holdings
- Milam Building (210,851 sf) – San Antonio; in the CBD; Buyer: Weston Urban

Source: Kim Gatley, Senior Vice President and Director of Research at REOC San Antonio