

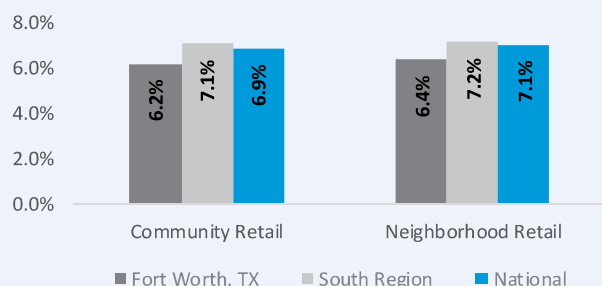
2019 FORT WORTH, TX RETAIL MID-YEAR REPORT

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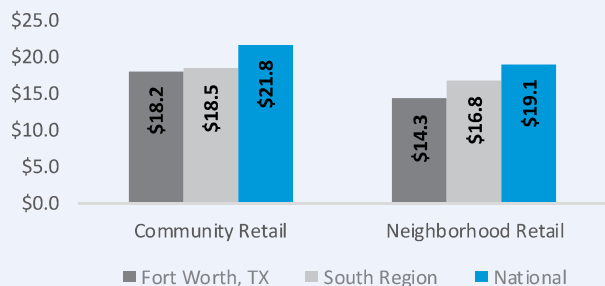
Market Rate Indicators (Y/Y)

Categories	Community Retail	Neighborhood Retail
Going In Cap Rate (%)	▼	▼
Asking Rent (\$/SF)	▼	▲
Vacancy Rate (%)	▲	▲

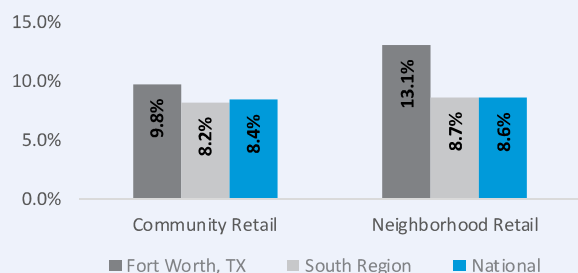
Going In Cap Rate Comparisons (%)



Asking Rents (\$/SF)



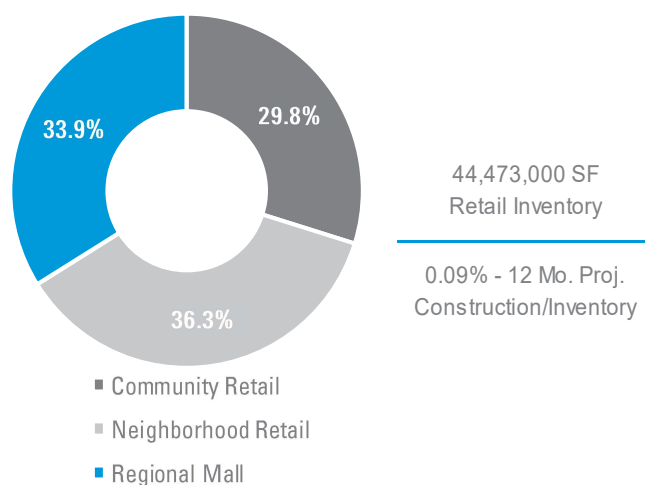
Vacancy Rates (%)



Fort Worth, TX Retail Market Overview

The Fort Worth retail market is comprised of 29.4M SF in 5 geographic concentrations ranging in size from the 8.2M SF Northeast submarket to the Northwest submarket, which accounts for 2.3M SF. In the ten-year period beginning with Q2 2008, the Northeast submarket has experienced the greatest introduction of new inventory, 908K SF, amounting to 52.9% of all new competitive stock added to the market. Over the last four quarters, market absorption totaled 50K SF, 68.3% lower than the average annual absorption rate of 157,700 SF recorded since the beginning of Q2 2008. In a long-term context, the first quarter vacancy rate is 1.1% lower than the 12.3% average recorded since the beginning of Q2 2008. Notable projects in the Fort Worth area include the Waterside District and Texas Live!. Texas Live! is a mixed-use entertainment district situated in Globe Life Park in Arlington and Waterside is a mixed-use district in Fort Worth. Vacancy will continue to drift upwards to finish the year as no new competitive retail stock will be introduced to the metro. Total employment growth is expected to average 1.4% annually. The absorption rate is expected to average 4,000 square feet a year. On an annualized basis, asking and effective rents are anticipated to increase at a rate of 1.2% through year end 2020, reaching average rates of \$16.22 and \$14.35 PSF. Overall market steady, buoyed by suburban submarkets. Since the beginning of Q2 2009, the fastest growing area has been the Northeast submarket, adding 798,000 square feet over that period, or 54.5% of total metropolitan retail completions. Major Projects include the 540K SF, 20-building Champions Shopping Center is currently under construction, and the planned 215K SF The Shoppes at Chisholm Trail Ranch is expected to complete construction in 2020. Asking rents increased by 0.6% during Q1'19 to an average of \$16.08. Since the same reporting period last year, asking rents have risen by 1.7%. The occupancy rate in the Fort Worth area improved to 92.9%, compared to 92.5% at year-end 2017. The rate is based on 426 retail projects with a total inventory of 61.9M SF. The occupancy remained stable despite numerous closings from legacy retailers Sears and Toys "R" Us.

Distribution of Total Inventory



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Change In Value Next 12 Months



2% - 3.9%

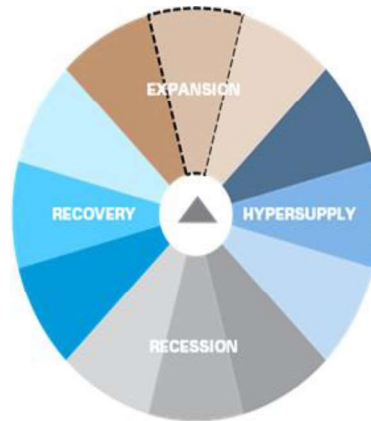
Community Retail



2% - 3.9%

Neighborhood Retail

Market Cycle: Expansion Stage 2



- Decreasing Vacancy Rates
- Med/High Rental Rate Growth
- High Absorption
- Moderate/High Employment Growth
- Moderate/High New Construction

Forecasts

Fort Worth, TX 12-Month Retail Forecasts

Categories	Community Retail	Neighborhood Retail
Going-In Cap Rates	Remain Steady - no change	Remain Steady - no change
Discount Rate	Remain Steady - no change	Remain Steady - no change
Reversion Rate	Remain Steady - no change	Remain Steady - no change
Construction (SF)	38,000	
Years to Balance	2	2

Fort Worth, TX 36-Month Retail Forecasts

Categories	Community Retail	Neighborhood Retail
Market Rent Change	1.60%	2.10%
Expense Rate Change	3.00%	3.00%
Change in Value	Increase 2% - 3.9%	Increase 2% - 3.9%
Annual Absorption (SF)	74,750	140,000

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