

Dallas - CBD

DOWNTOWN STILL A BARGAIN FOR TENANTS

Takeaway

Downtown has struggled to land some of the most rapidly expanding firms, but had some success during 2017 as its strong value-plays and improving amenity base attracted geographically flexible companies. Newer buildings along Ross Avenue and in the Arts District have seen stronger demand and are achieving sharper rent growth. Little change is anticipated in 2018.

Negotiated Rent

\$27.75

TOTAL GROSS RENT

▲ 2.6%

Concessions

\$68.00

▲ 5.3%

\$51.50

IMPROVEMENT ALLOWANCE AVERAGE

7.5

FREE RENT AVERAGE (MONTHS)

Tenant Effective Rent

\$18.87

▲ 2.9%

Building Expenses

\$7.25

OPEX

▲ 3.6%

\$3.90

RE TAXES

▼ -2.5%

Landlord Effective Rent

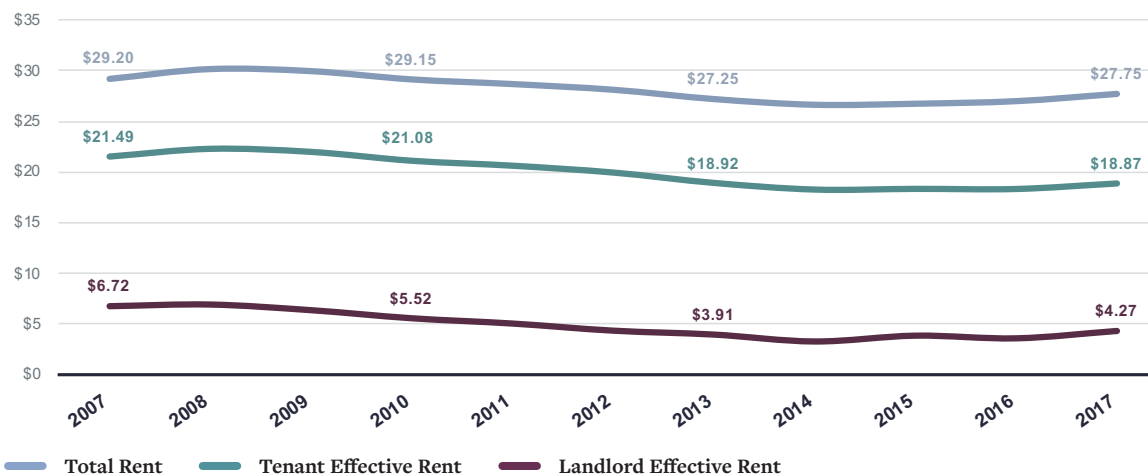
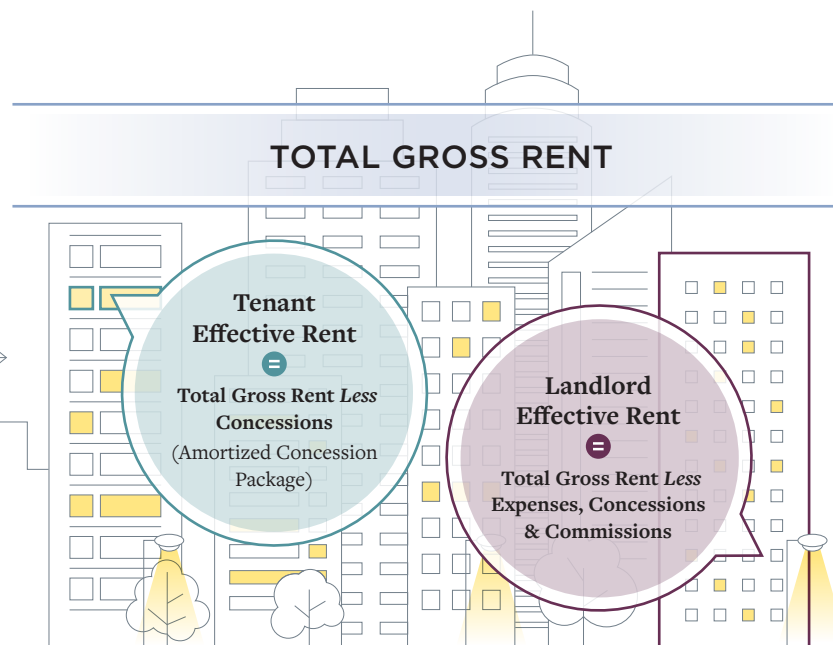
\$4.27

▲ 20.5%



RENT SENSIBLY.

DO YOU KNOW WHERE YOUR RENT GOES?



METHODOLOGY

The *Effective Rent Index* tracks what tenants truly pay for top tier Class A office space (tenant effective rent) and what landlords ultimately walk away with (landlord effective rent) once building expenses and leasing costs are deducted from net rent. Derived from negotiated office leases, the index provides critical insight into the health of each market and its position along the 'landlord-tenant favorable' spectrum. For more information about the report or detailed methodology visit: www.savills-studley.com/research/us/effective-rent-indexes.aspx.

