

# REAL ESTATE CENTER

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## Dallas-Fort Worth Industrial Center

*(Excerpt from Texas Real Estate Business)*

Catering to various transportation needs is the name of the game in the Dallas/Fort Worth industrial market. Millions of square feet of space will be developed in the I-20/I-45 corridor during the next few years due to the intermodal facilities' superior highways, cost of land and workforce, according to Kenneth Wesson, also a managing principal in Lee & Associates' Dallas office.

"The big buzz will be on the mega rooftops that get built around I-20 and I-45 in the southern sector with the Union Pacific (UP) and Burlington Northern and Santa Fe Railway Company (BNSF) intermodal facilities that are existing and coming on line," Wesson says.

In particular, the new Union Pacific Dallas Intermodal Terminal facility (DIT) is spurring additional development on the south side of Dallas. San Diego, California-based The Allen Group has entered the market by purchasing land for a master planned park in the southern sector at I-20/I-45.

While the southern sector is becoming a popular submarket, the area north of the Dallas/Fort Worth (D/FW) International Airport continues to be a hot bed of activity for the industrial market, according to John Fulton, senior vice president in Transwestern Commercial Services'

Dallas office. While no major tenant is absorbing the majority of space in Dallas/Fort Worth's industrial market, which currently has a vacancy of 10.5 percent, national and regional third-party warehousing companies continue to increase space in the area.

The largest deal of 2005 was Whirlpool Corporation taking 852,000 square feet at 1101 Everman Parkway in Fort Worth. Amazon.com signed a lease for 630,800 square feet at 2700 Regent Boulevard near the airport. While rental rates were sitting at \$2.75 per square foot for second-generation space and \$3.05 for new space, rates have now increased to \$3.00 for second generation and \$3.15 to \$3.35 for new space, according to Trey Fricke, managing principal in Lee & Associates' Dallas office. In the near future, Denton County along I-35 will be a submarket to watch, according to Fricke.

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