

CoStar Office Statistics

First Quarter 2017

Lubbock Office Market



CoStarTM
The knowledge market

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Methodology

The CoStar Office Statistics, unless specifically stated otherwise, calculates office statistics using CoStar Group's entire database of existing and under construction office buildings in each metropolitan area. Included are office, office condominium, office loft, office medical, all classes and all sizes, and both multi-tenant and single-tenant buildings, including owner-occupied buildings. CoStar Group's global database includes approximately 95.6 billion square feet of coverage in 4.4 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

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CoStar Group, Inc.

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Terms & Definitions

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certifi-

cate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different

tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

Lubbock's Vacancy Decreases to 5.7% Net Absorption Positive 30,488 SF in the Quarter

The Lubbock Office market ended the first quarter 2017 with a vacancy rate of 5.7%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 30,488 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 7,745 square feet. Rental rates ended the first quarter at \$14.62, an increase over the previous quarter. There was 56,346 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Lubbock office market was positive 30,488 square feet in the first quarter 2017. That compares to positive 117,166 square feet in the fourth quarter 2016, negative (42,130) square feet in the third quarter 2016, and positive 17,247 square feet in the second quarter 2016.

The Class-A office market recorded net absorption of negative (25,226) square feet in the first quarter 2017, compared to positive 33,643 square feet in the fourth quarter 2016, positive 5,181 in the third quarter 2016, and positive 19,050 in the second quarter 2016.

The Class-B office market recorded net absorption of positive 79,774 square feet in the first quarter 2017, compared to positive 153,681 square feet in the fourth quarter 2016, positive 52,974 in the third quarter 2016, and positive 15,166 in the second quarter 2016.

The Class-C office market recorded net absorption of negative (24,060) square feet in the first quarter 2017 compared to negative (70,158) square feet in the fourth quarter 2016, negative (100,285) in the third quarter 2016, and negative (16,969) in the second quarter 2016.

Net absorption for Lubbock's central business district was negative (36,829) square feet in the first quarter 2017. That compares to positive 153,528 square feet in the fourth quarter 2016, negative (76,547) in the third quarter 2016, and positive 23,516 in the second quarter 2016.

Net absorption for the suburban markets was positive 67,317 square feet in the first quarter 2017. That compares to negative (36,362) square feet in fourth quarter 2016, positive 34,417 in the third quarter 2016, and negative (6,269) in the second quarter 2016.

Vacancy

The office vacancy rate in the Lubbock market area decreased to 5.7% at the end of the first quarter 2017. The vacancy rate was 6.0% at the end of the fourth quarter 2016, 7.0% at the end of the third quarter 2016, and 6.5% at the end of the second quarter 2016.

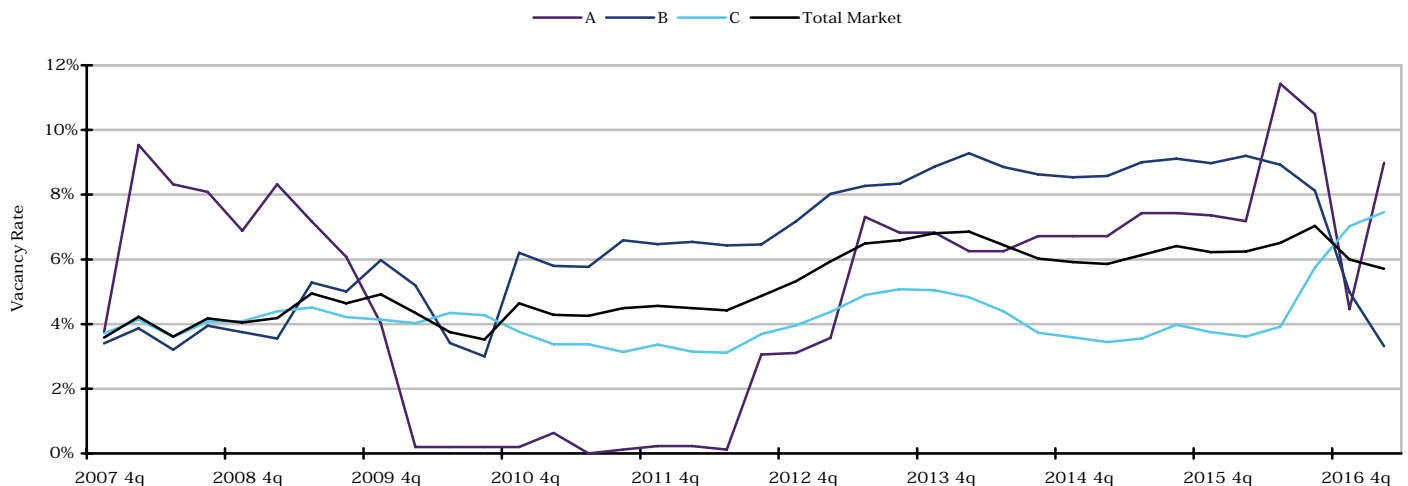
Class-A projects reported a vacancy rate of 9.0% at the end of the first quarter 2017, 4.5% at the end of the fourth quarter 2016, 10.5% at the end of the third quarter 2016, and 11.4% at the end of the second quarter 2016.

Class-B projects reported a vacancy rate of 3.3% at the end of the first quarter 2017, 5.0% at the end of the fourth quarter 2016, 8.1% at the end of the third quarter 2016, and 8.9% at the end of the second quarter 2016.

Class-C projects reported a vacancy rate of 7.5% at the end of the first quarter 2017, 7.0% at the end of fourth quarter 2016, 5.7% at the end of the third quarter 2016, and 3.9% at the end of the second quarter 2016.

The overall vacancy rate in Lubbock's central business dis-

Vacancy Rates by Class 2007-2017



Source: CoStar Property®

trict at the end of the first quarter 2017 increased to 11.0%. The vacancy rate was 9.2% at the end of the fourth quarter 2016, 16.8% at the end of the third quarter 2016, and 13.0% at the end of the second quarter 2016.

The vacancy rate in the suburban markets decreased to 4.5% in the first quarter 2017. The vacancy rate was 5.3% at the end of the fourth quarter 2016, 4.8% at the end of the third quarter 2016, and 5.0% at the end of the second quarter 2016.

Sublease Vacancy

The amount of vacant sublease space in the Lubbock market decreased to 7,745 square feet by the end of the first quarter 2017, from 11,694 square feet at the end of the fourth quarter 2016. There was 11,694 square feet vacant at the end of the third quarter 2016 and 7,694 square feet at the end of the second quarter 2016.

Lubbock's Class-A projects reported no vacant sublease space at the end of first quarter 2017.

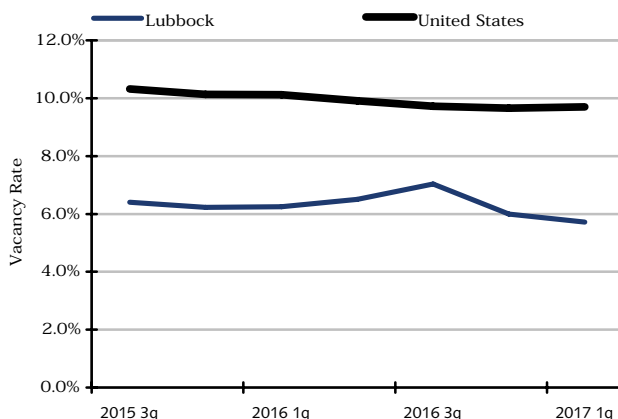
Class-B projects reported vacant sublease space of 4,014 square feet at the end of the first quarter 2017, down from the 5,348 square feet reported at the end of the fourth quarter 2016. At the end of the third quarter 2016 there were 5,348 square feet, and at the end of the second quarter 2016 there were 5,348 square feet vacant.

Class-C projects reported decreased vacant sublease space from the fourth quarter 2016 to the first quarter 2017. Sublease vacancy went from 6,346 square feet to 3,731 square feet during that time. There was 6,346 square feet at the end of the third quarter 2016, and 2,346 square feet at the end of the second quarter 2016.

There was no vacant Sublease space in Lubbock's central business district at the end of the first quarter 2017 and has remained unchanged since the end of the second quarter 2016.

U.S. Vacancy Comparison

Past 7 Quarters



Source: CoStar Property®

Sublease vacancy in the suburban markets ended the first quarter 2017 at 7,745 square feet. At the end of the fourth quarter 2016 sublease vacancy was 11,694 square feet, was 11,694 square feet at the end of the third quarter 2016, and was 7,694 square feet at the end of the second quarter 2016.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$14.62 per square foot per year at the end of the first quarter 2017 in the Lubbock market area. This represented a 3.9% increase in quoted rental rates from the end of the fourth quarter 2016, when rents were reported at \$14.07 per square foot.

The average quoted rate within the Class-A sector was \$17.35 at the end of the first quarter 2017, while Class-B rates stood at \$16.79, and Class-C rates at \$12.24. At the end of the fourth quarter 2016, Class-A rates were \$17.75 per square foot, Class-B rates were \$15.76, and Class-C rates were \$10.82.

The average quoted asking rental rate in Lubbock's CBD was \$13.35 at the end of the first quarter 2017, and \$14.93 in the suburban markets. In the fourth quarter 2016, quoted rates were \$12.69 in the CBD and \$14.51 in the suburbs.

Deliveries and Construction

During the first quarter 2017, no new space was completed in the Lubbock market area. This compares to one building totaling 4,800 square feet that were completed in the fourth quarter 2016, one building totaling 8,500 square feet completed in the third quarter 2016, and 48,550 square feet in two buildings completed in the second quarter 2016.

There were 56,346 square feet of office space under construction at the end of the first quarter 2017.

The largest projects underway at the end of first quarter 2017 were 6303 82nd St, a 27,000-square-foot building with 100% of its space pre-leased, and Primrose Office Park, a 10,800-square-foot facility that is 100% pre-leased.

Inventory

Total office inventory in the Lubbock market area amounted to 10,810,260 square feet in 1,218 buildings as of the end of the first quarter 2017. The Class-A office sector consisted of 557,814 square feet in 7 projects. There were 242 Class-B buildings totaling 4,762,239 square feet, and the Class-C sector consisted of 5,490,207 square feet in 969 buildings. Within the Office market there were 20 owner-occupied buildings accounting for 701,452 square feet of office space.

Reports compiled by: Jeff Warnock, CoStar Research Manager.

CoStar Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Submarket Clusters
Crosby County
Downtown Lubbock
North Inner Loop
North Outer Lubbock
South Outer Lubbock
Southeast Inner Loop
Southwest Inner Loop

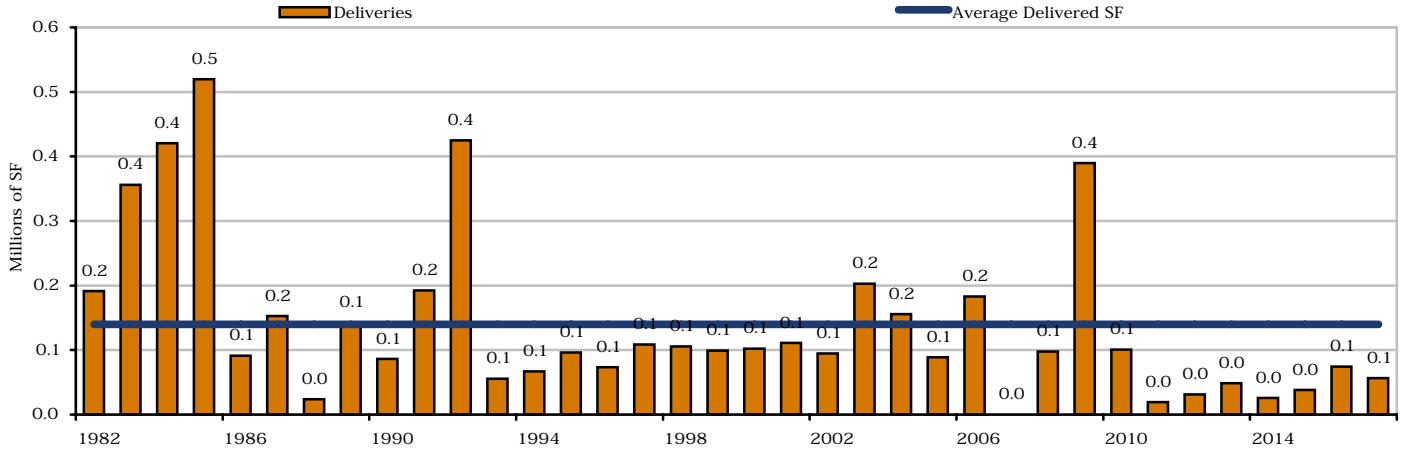


Lubbock Office Market

Inventory & development

Historical Deliveries

1982 - 2017



Source: CoStar Property® * Future deliveries based on current under construction buildings.

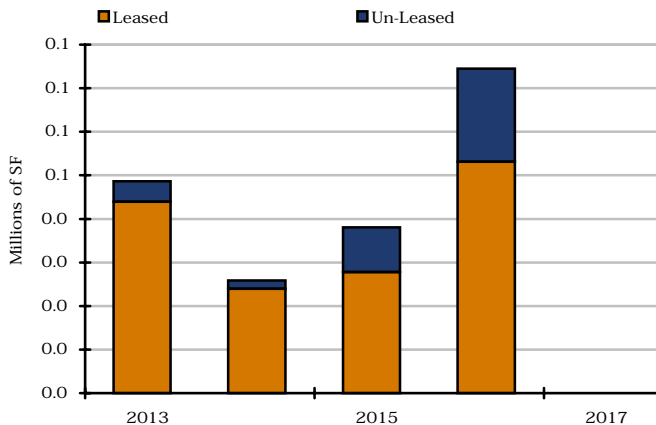
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
South Outer Lubbock	6	56,346	46,350	82.3%	9,572	9,391
Southwest Inner Loop	0	0	0	0.0%	10,921	0
Downtown Lubbock	0	0	0	0.0%	13,884	0
North Inner Loop	0	0	0	0.0%	5,544	0
North Outer Lubbock	0	0	0	0.0%	11,294	0
Crosby County	0	0	0	0.0%	2,535	0
Southeast Inner Loop	0	0	0	0.0%	6,564	0
Totals	6	56,346	46,350	82.3%	8,875	9,391

Source: CoStar Property®

Recent Deliveries

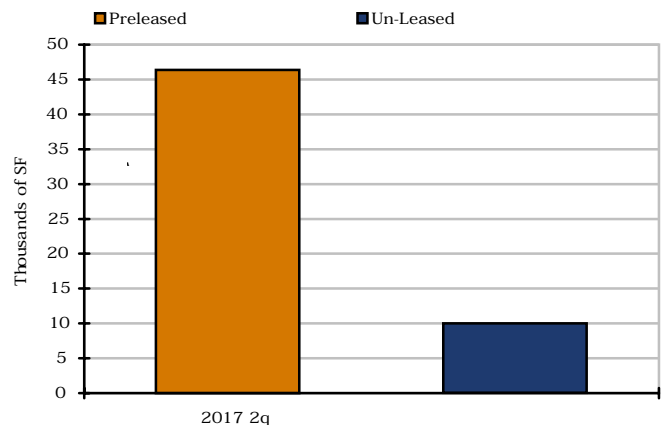
Leased & Un-Leased SF in Deliveries Since 2013



Source: CoStar Property®

Future Deliveries

Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

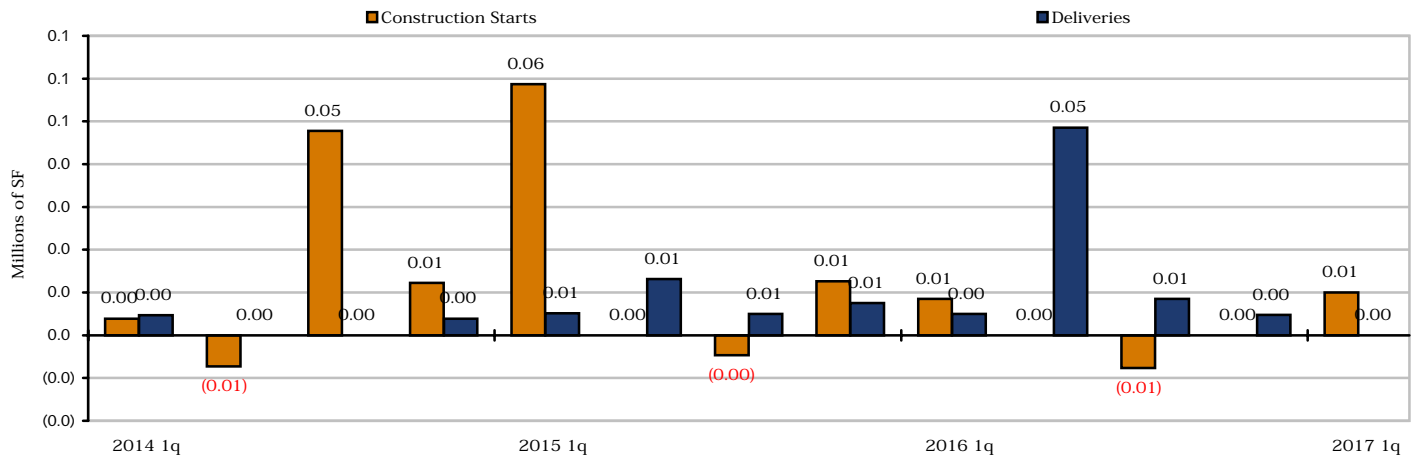
Lubbock Office Market



Inventory & development

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

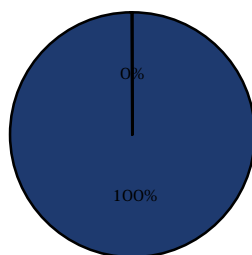
Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	0	0	0	0.0%	\$0.00	0	0
50,000 SF - 99,999 SF	0	0	0	0.0%	\$0.00	0	0
100,000 SF - 249,999 SF	0	0	0	0.0%	\$0.00	0	0
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi Tenant Use

No 2017 Deliveries Currently Under Construction

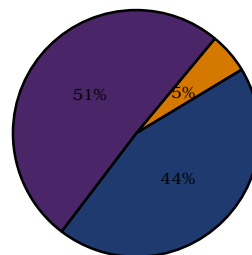


■ Multi ■ Single

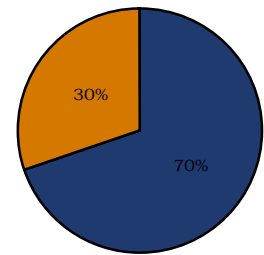
Existing Inventory Comparison

Based on Total RBA

By Class By Space Type



■ Class A ■ Class B ■ Class C



■ Multi ■ Single

Source: CoStar Property®

Source: CoStar Property®



Lubbock Office Market

Inventory & development

Select Top Under Construction Properties

Based on Project Square Footage

1. 6303 82nd St

Submarket: **South Outer Lubbock**
 RBA: **27,000**
 # Floors: **3**
 Class: **B**
 Preleased: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **First Quarter 2015**
 Deliv Date: **Second Quarter 2017**
 Leasing Co: **Real Property Resources Inc**
 Developer: **N/A**
 Architect: **N/A**

2. Primrose Office Park

Submarket: **South Outer Lubbock**
 RBA: **10,800**
 # Floors: **1**
 Class: **B**
 Preleased: **100%**
 Quoted Rate: **\$18.50**
 Grnd Brk Date: **First Quarter 2015**
 Deliv Date: **Second Quarter 2017**
 Leasing Co: **N/A**
 Developer: **N/A**
 Architect: **N/A**

3. 8719 Milwaukee Ave

Submarket: **South Outer Lubbock**
 RBA: **4,998**
 # Floors: **1**
 Class: **B**
 Preleased: **0%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **First Quarter 2017**
 Deliv Date: **Third Quarter 2017**
 Leasing Co: **KW Commercial**
 Developer: **N/A**
 Architect: **N/A**

4. 8715 Milwaukee Ave

Submarket: **South Outer Lubbock**
 RBA: **4,998**
 # Floors: **1**
 Class: **B**
 Preleased: **0%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **First Quarter 2017**
 Deliv Date: **Third Quarter 2017**
 Leasing Co: **KW Commercial**
 Developer: **N/A**
 Architect: **N/A**

5. 6509 68th St

Submarket: **South Outer Lubbock**
 RBA: **4,750**
 # Floors: **1**
 Class: **B**
 Preleased: **100%**
 Quoted Rate: **\$18.50**
 Grnd Brk Date: **First Quarter 2015**
 Deliv Date: **Second Quarter 2017**
 Leasing Co: **N/A**
 Developer: **N/A**
 Architect: **N/A**

6. Primrose Office Park - Bldg C

Submarket: **South Outer Lubbock**
 RBA: **3,800**
 # Floors: **1**
 Class: **B**
 Preleased: **100%**
 Quoted Rate: **\$18.50**
 Grnd Brk Date: **First Quarter 2015**
 Deliv Date: **Second Quarter 2017**
 Leasing Co: **N/A**
 Developer: **N/A**
 Architect: **N/A**

Lubbock Office Market



Figures at a Glance

Class A Market Statistics

First Quarter 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Crosby County	0	0	0	0	0.0%	0	0	0	\$0.00
Downtown Lubbock	1	245,230	26,694	26,694	10.9%	(25,725)	0	0	\$15.20
North Inner Loop	0	0	0	0	0.0%	0	0	0	\$0.00
North Outer Lubbock	0	0	0	0	0.0%	0	0	0	\$0.00
South Outer Lubbock	5	234,652	23,429	23,429	10.0%	499	0	0	\$20.99
Southeast Inner Loop	0	0	0	0	0.0%	0	0	0	\$0.00
Southwest Inner Loop	1	77,932	0	0	0.0%	0	0	0	\$0.00
Totals	7	557,814	50,123	50,123	9.0%	(25,226)	0	0	\$17.35

Source: CoStar Property®

Class B Market Statistics

First Quarter 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Crosby County	0	0	0	0	0.0%	0	0	0	\$0.00
Downtown Lubbock	24	659,326	27,661	27,661	4.2%	38,457	0	0	\$13.59
North Inner Loop	22	422,999	11,403	11,403	2.7%	3,717	0	0	\$16.00
North Outer Lubbock	13	259,410	1,887	1,887	0.7%	3,347	0	0	\$20.00
South Outer Lubbock	116	1,653,850	81,761	85,775	5.2%	18,900	0	56,346	\$16.99
Southeast Inner Loop	32	691,172	20,979	20,979	3.0%	8,354	0	0	\$14.16
Southwest Inner Loop	35	1,075,482	10,100	10,100	0.9%	6,999	0	0	\$21.33
Totals	242	4,762,239	153,791	157,805	3.3%	79,774	0	56,346	\$16.79

Source: CoStar Property®

Class C Market Statistics

First Quarter 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Crosby County	40	101,385	0	0	0.0%	0	0	0	\$0.00
Downtown Lubbock	121	1,122,581	169,246	169,246	15.1%	(49,561)	0	0	\$11.82
North Inner Loop	147	513,989	3,364	3,364	0.7%	5,609	0	0	\$14.34
North Outer Lubbock	38	316,589	56,899	56,899	18.0%	(4,684)	0	0	\$10.58
South Outer Lubbock	189	1,078,835	60,674	64,405	6.0%	17,939	0	0	\$14.70
Southeast Inner Loop	262	1,238,727	59,505	59,505	4.8%	3,521	0	0	\$10.41
Southwest Inner Loop	172	1,118,101	56,227	56,227	5.0%	3,116	0	0	\$11.80
Totals	969	5,490,207	405,915	409,646	7.5%	(24,060)	0	0	\$12.24

Source: CoStar Property®

Total Office Market Statistics

First Quarter 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Crosby County	40	101,385	0	0	0.0%	0	0	0	\$0.00
Downtown Lubbock	146	2,027,137	223,601	223,601	11.0%	(36,829)	0	0	\$13.35
North Inner Loop	169	936,988	14,767	14,767	1.6%	9,326	0	0	\$15.35
North Outer Lubbock	51	575,999	58,786	58,786	10.2%	(1,337)	0	0	\$18.36
South Outer Lubbock	310	2,967,337	165,864	173,609	5.9%	37,338	0	56,346	\$16.74
Southeast Inner Loop	294	1,929,899	80,484	80,484	4.2%	11,875	0	0	\$11.54
Southwest Inner Loop	208	2,271,515	66,327	66,327	2.9%	10,115	0	0	\$14.03
Totals	1,218	10,810,260	609,829	617,574	5.7%	30,488	0	56,346	\$14.62

Source: CoStar Property®



Lubbock Office Market

Figures at a Glance

Class A Market Statistics

First Quarter 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2017 1q	7	557,814	50,123	50,123	9.0%	(25,226)	0	0	0	0	\$17.35
2016 4q	7	557,814	24,897	24,897	4.5%	33,643	0	0	0	0	\$17.75
2016 3q	7	557,814	58,540	58,540	10.5%	5,181	0	0	0	0	\$17.19
2016 2q	7	557,814	63,721	63,721	11.4%	19,050	1	46,000	0	0	\$18.42
2016 1q	6	511,814	36,771	36,771	7.2%	902	0	0	1	46,000	\$19.24
2015 4q	6	511,814	37,673	37,673	7.4%	333	0	0	1	46,000	\$19.24
2015 3q	6	511,814	38,006	38,006	7.4%	0	0	0	1	46,000	\$19.24
2015 2q	6	511,814	38,006	38,006	7.4%	(3,602)	0	0	1	46,000	\$18.93
2015 1q	6	511,814	34,404	34,404	6.7%	0	0	0	1	46,000	\$18.68
2014	6	511,814	34,404	34,404	6.7%	532	0	0	1	46,000	\$18.68
2013	6	511,814	34,936	34,936	6.8%	(19,013)	0	0	0	0	\$16.85
2012	6	511,814	15,923	15,923	3.1%	(14,777)	0	0	0	0	\$16.81
2011	6	511,814	1,146	1,146	0.2%	(140)	0	0	0	0	\$20.00
2010	6	511,814	1,006	1,006	0.2%	19,548	0	0	0	0	\$14.27
2009	6	511,814	10,310	20,554	4.0%	143,127	2	137,932	0	0	\$13.65
2008	4	373,882	2,251	25,749	6.9%	(11,727)	0	0	1	60,000	\$15.00

Source: CoStar Property®

Class B Market Statistics

First Quarter 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2017 1q	242	4,762,239	153,791	157,805	3.3%	79,774	0	0	6	56,346	\$16.79
2016 4q	242	4,762,239	232,231	237,579	5.0%	153,681	1	4,800	4	46,350	\$15.76
2016 3q	241	4,757,439	381,112	386,460	8.1%	52,974	1	8,500	5	51,150	\$16.00
2016 2q	237	4,741,289	417,936	423,284	8.9%	15,166	1	2,550	9	67,300	\$15.88
2016 1q	236	4,738,739	430,026	435,900	9.2%	(6,292)	1	4,998	10	69,850	\$16.83
2015 4q	235	4,733,741	420,905	424,610	9.0%	13,758	1	7,562	10	66,348	\$15.80
2015 3q	234	4,726,179	428,946	430,806	9.1%	5,607	1	5,000	7	61,262	\$15.78
2015 2q	231	4,713,934	423,642	424,168	9.0%	(7,640)	2	13,143	9	70,957	\$15.50
2015 1q	229	4,700,791	402,859	403,385	8.6%	2,758	1	5,100	11	84,100	\$16.61
2014	228	4,695,691	401,043	401,043	8.5%	27,492	3	8,599	6	30,488	\$15.48
2013	224	4,682,239	414,945	415,083	8.9%	(34,088)	11	43,966	4	16,069	\$15.07
2012	212	4,633,629	324,450	332,385	7.2%	(3,045)	4	31,471	11	35,738	\$13.66
2011	208	4,602,158	293,841	297,869	6.5%	5,387	3	12,198	2	30,500	\$12.54
2010	203	4,582,968	273,311	284,066	6.2%	84,293	7	83,883	5	23,482	\$12.04
2009	195	4,482,253	265,356	267,644	6.0%	160,666	15	243,540	7	52,383	\$15.23
2008	179	4,211,705	155,043	157,762	3.7%	79,908	8	87,544	13	247,614	\$13.84

Source: CoStar Property®

Total Office Market Statistics

First Quarter 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2017 1q	1,218	10,810,260	609,829	617,574	5.7%	30,488	0	0	6	56,346	\$14.62
2016 4q	1,218	10,810,260	636,368	648,062	6.0%	117,166	1	4,800	4	46,350	\$14.07
2016 3q	1,217	10,805,460	748,734	760,428	7.0%	(42,130)	1	8,500	5	51,150	\$14.11
2016 2q	1,213	10,789,310	694,454	702,148	6.5%	17,247	2	48,550	9	67,300	\$14.43
2016 1q	1,211	10,740,760	661,431	670,845	6.2%	2,252	1	4,998	11	115,850	\$15.29
2015 4q	1,210	10,735,762	659,225	668,099	6.2%	26,690	1	7,562	11	112,348	\$14.46
2015 3q	1,209	10,728,200	670,042	687,227	6.4%	(18,055)	1	5,000	8	107,262	\$14.26
2015 2q	1,206	10,715,955	656,401	656,927	6.1%	(17,208)	2	13,143	10	116,957	\$13.80
2015 1q	1,204	10,702,812	626,050	626,576	5.9%	10,863	1	5,100	12	130,100	\$14.54
2014	1,203	10,697,712	632,339	632,339	5.9%	119,704	3	8,599	7	76,488	\$14.06
2013	1,198	10,671,877	726,070	726,208	6.8%	(112,561)	11	43,966	5	28,452	\$13.88
2012	1,186	10,623,267	557,102	565,037	5.3%	(61,796)	4	31,471	11	35,738	\$12.80
2011	1,183	10,603,796	477,919	483,770	4.6%	27,020	3	12,198	2	30,500	\$12.46
2010	1,178	10,584,606	478,679	491,600	4.6%	124,350	7	83,883	5	23,482	\$11.73
2009	1,170	10,483,891	502,703	515,235	4.9%	308,856	20	389,589	7	52,383	\$12.11
2008	1,149	10,067,294	381,277	407,494	4.0%	47,467	8	87,544	17	315,731	\$12.44

Source: CoStar Property®

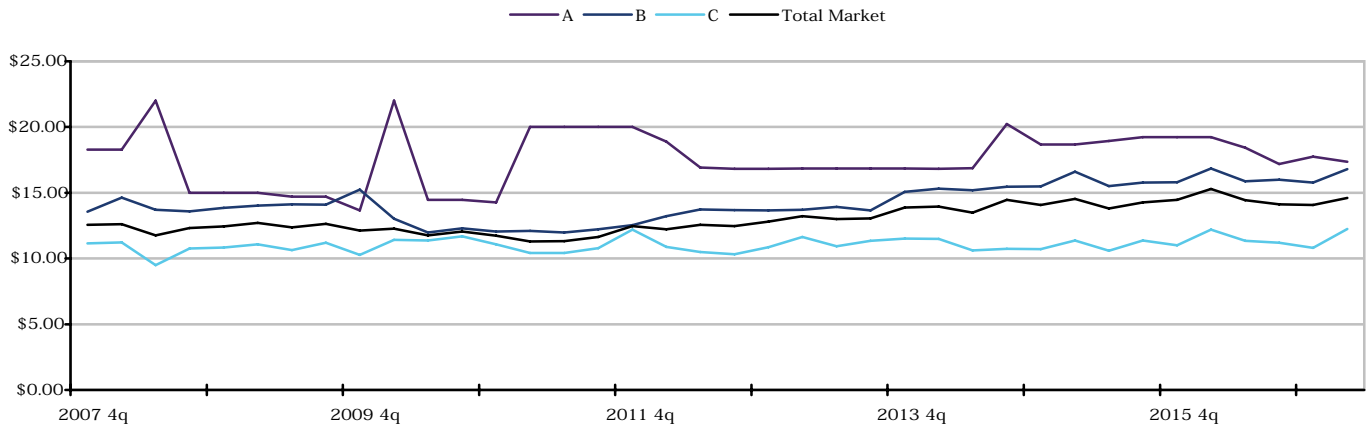
Lubbock Office Market



Leasing Activity

Historical Rental Rates

Based on Full-Service Equivalent Rental Rates

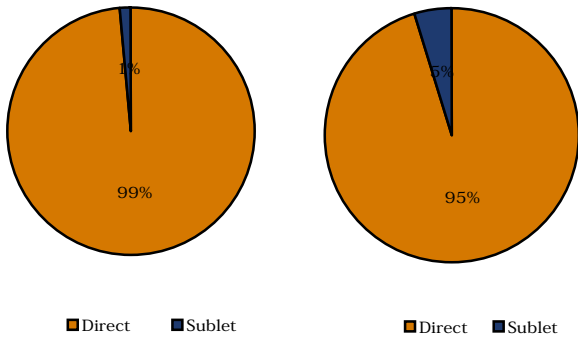


Source: CoStar Property®

Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

Lubbock United States

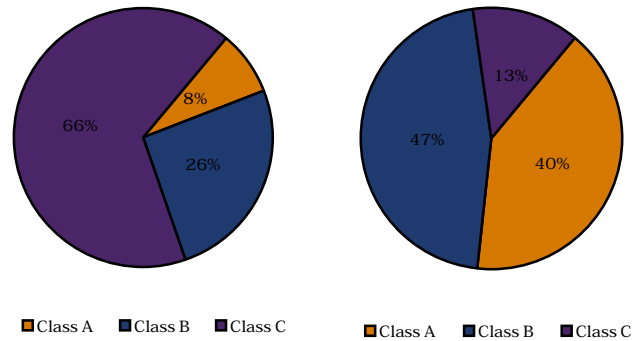


Source: CoStar Property®

Vacancy by Class

Percent of All Vacant Space by Class

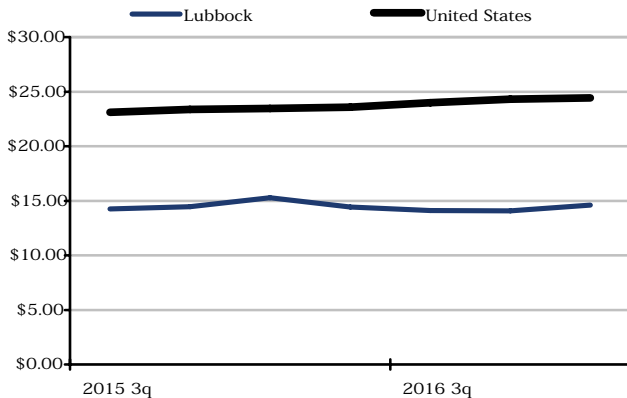
Lubbock United States



Source: CoStar Property®

U.S. Rental Rate Comparison

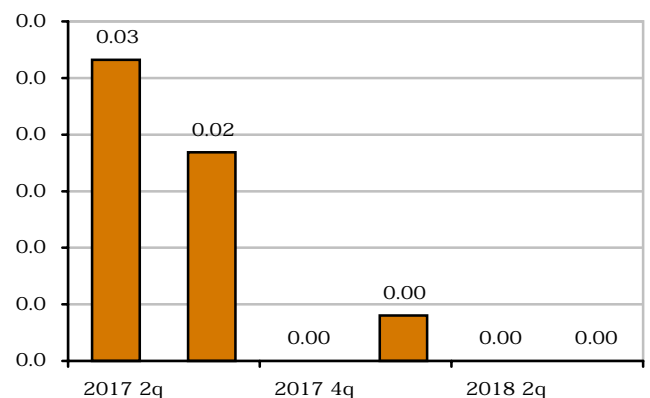
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces

Source: CoStar Property®



Lubbock Office Market

Leasing Activity

Select Top Office Leases Based on Leased Square Footage For Deals Signed in 2017

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 6121 79th St	South Outer Lubbock	4,200	1st	N/A	N/A	WestMark Commercial
2 5760 40th St	Southwest Inner Loop	4,000	1st	N/A	WestMark Commercial	WestMark Commercial
3 NorthStar Professional Center	North Outer Lubbock	3,347	1st	N/A	N/A	Egenbacher Real Estate
4 New Southwest Lubbock Office	South Outer Lubbock	3,106	1st	Lubbock Heart Hospital	Lubbock Heart Hospital	Coldwell Banker Commercial Capital
5 Office Building 82nd & University	South Outer Lubbock	3,054	1st	N/A	N/A	Egenbacher Real Estate
6 4415 71st St	South Outer Lubbock	2,770	1st	N/A	N/A	WestMark Commercial
7 10607 Quaker Ave	South Outer Lubbock	2,657	1st	Suzanne Beck	Coldwell Banker Commercial Capital	Coldwell Banker Commercial Capital
8 10623 Quaker Ave	South Outer Lubbock	2,501	1st	N/A	N/A	Coldwell Banker Commercial Capital
9 10623 Quaker Ave	South Outer Lubbock	2,404	1st	N/A	N/A	Coldwell Banker Commercial Capital
10 10607 Quaker Ave	South Outer Lubbock	2,404	1st	N/A	N/A	Coldwell Banker Commercial Capital
11 2720 82nd St	South Outer Lubbock	2,125	1st	JDMA Architects	Coldwell Banker Commercial Capital	Coldwell Banker Commercial Capital
12 4510 Englewood Ave	Southwest Inner Loop	1,872	1st	N/A	Direct Deal	Wilkerson Investment Co
13 Lakeridge Professional Building	South Outer Lubbock	1,629	1st	N/A	Coldwell Banker Commercial Capital	Coldwell Banker Commercial Capital
14 Pioneer Condos - Office and Retail Floors	Downtown Lubbock	1,520	1st	N/A	N/A	McDougal Commercial Division
15 6837 82nd St	South Outer Lubbock	1,275	1st	Clearwater Resources, LLC	Coldwell Banker Commercial Capital	Coldwell Banker Commercial Capital
16 6102 Chicago Ave	South Outer Lubbock	1,062	1st	N/A	N/A	Coldwell Banker Commercial Capital
17 Hughes Center	South Outer Lubbock	824	1st	N/A	N/A	WestMark Commercial
18 Pioneer Condos - Office and Retail Floors	Downtown Lubbock	730	1st	N/A	N/A	McDougal Commercial Division
19 Lambert's Plaza	South Outer Lubbock	680	1st	Dannheim Realty	N/A	Coldwell Banker Commercial Capital
20 Pioneer Condos - Office and Retail Floors	Downtown Lubbock	540	1st	N/A	N/A	McDougal Commercial Division
21 The Oasis Plaza	Southwest Inner Loop	540	1st	N/A	N/A	RE/MAX Lubbock
22 7602 University Ave	South Outer Lubbock	404	1st	Whittle & Troutman, LLC	Coldwell Banker Commercial Capital	Coldwell Banker Commercial Capital
23 Lubbock National Bank	Downtown Lubbock	370	1st	N/A	N/A	Masten Group
24 2034 82nd St	South Outer Lubbock	348	1st	Rhonda Hamilton	Coldwell Banker Commercial Capital	Coldwell Banker Commercial Capital
25 Lambert's Plaza	South Outer Lubbock	252	1st	N/A	N/A	Coldwell Banker Commercial Capital
26 Pyramid Plaza	South Outer Lubbock	227	1st	Ladesma Immigration Law Office, PLLC	N/A	Coldwell Banker Commercial Capital
27 10507 Quaker Ave	South Outer Lubbock	200	1st	N/A	N/A	James Morgan Ltd

Source: CoStar Property®

* Renewal

Lubbock Office Market

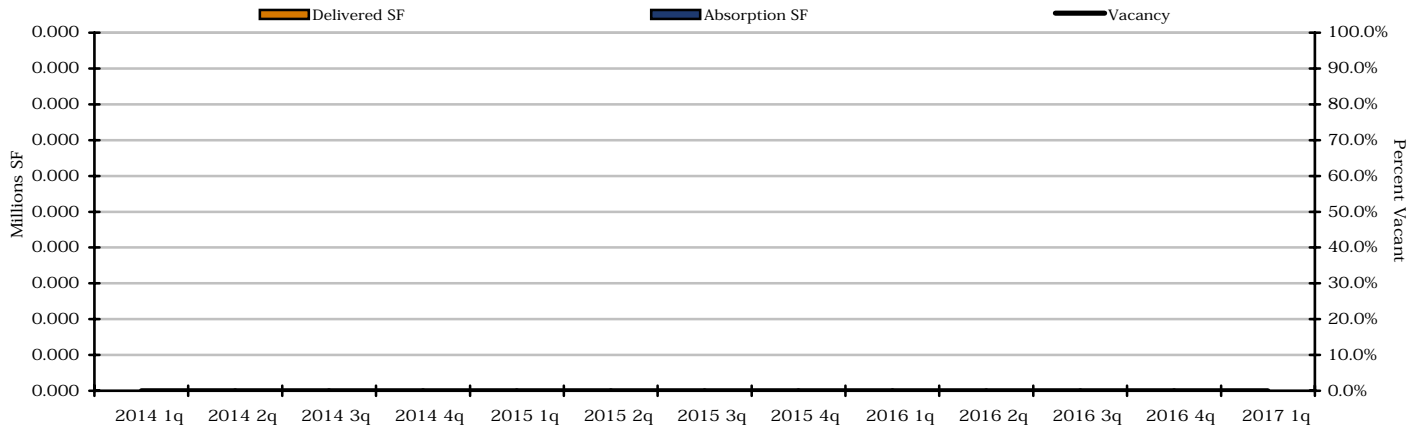


Crosby County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

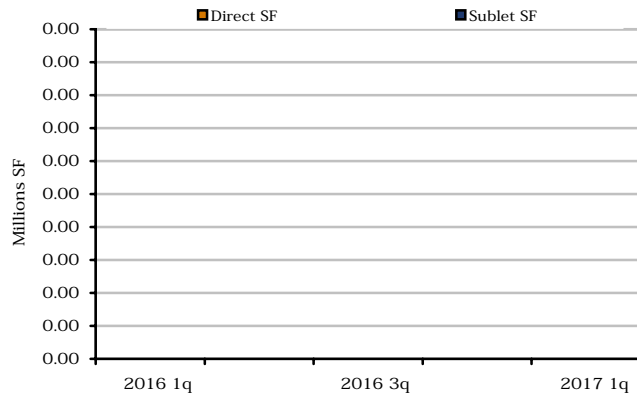
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

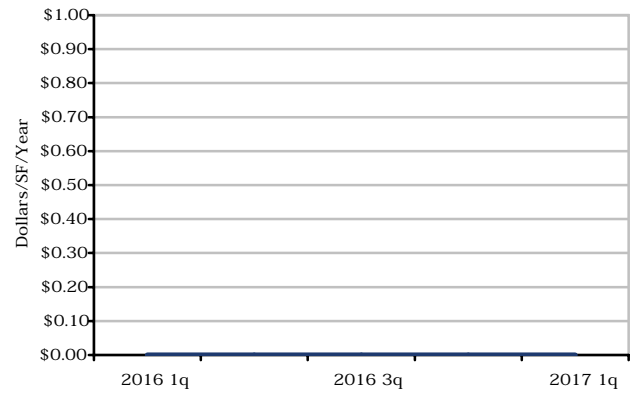
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 1q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2016 4q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2016 3q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2016 2q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2016 1q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2015 4q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2015 3q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2015 2q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2015 1q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2014 4q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2014 3q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2014 2q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2014 1q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2013 4q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2013 3q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00
2013 2q	40	101,385	0	0.0%	0	0	0	0	0	\$0.00

Source: CoStar Property®



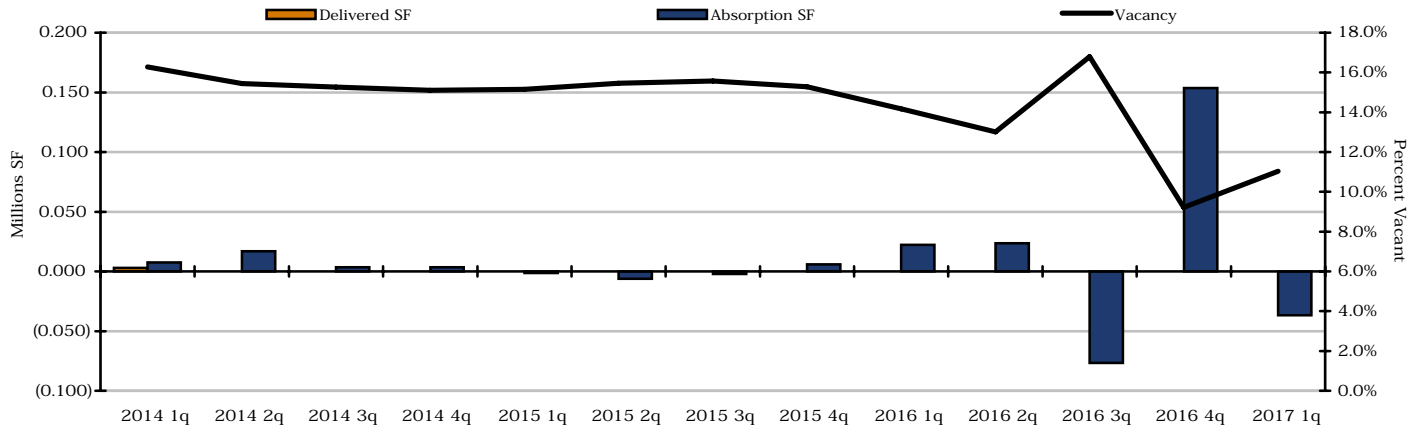
Lubbock Office Market

Downtown Lubbock Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

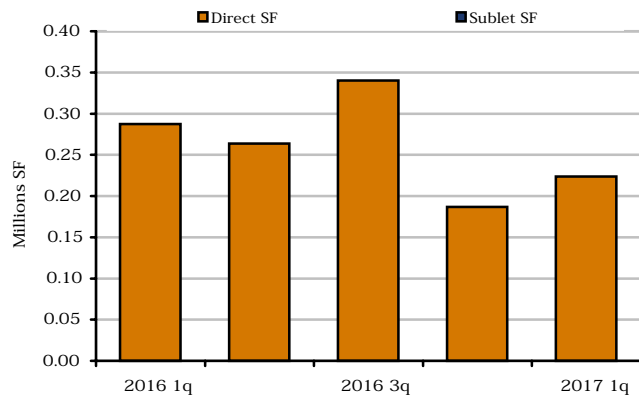
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

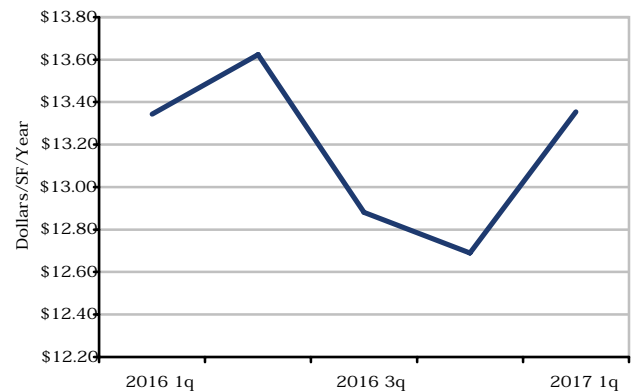
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 1q	146	2,027,137	223,601	11.0%	(36,829)	0	0	0	0	\$13.35
2016 4q	146	2,027,137	186,772	9.2%	153,528	0	0	0	0	\$12.69
2016 3q	146	2,027,137	340,300	16.8%	(76,547)	0	0	0	0	\$12.88
2016 2q	146	2,027,137	263,753	13.0%	23,516	0	0	0	0	\$13.62
2016 1q	146	2,027,137	287,269	14.2%	22,384	0	0	0	0	\$13.34
2015 4q	146	2,027,137	309,653	15.3%	5,917	0	0	0	0	\$13.36
2015 3q	146	2,027,137	315,570	15.6%	(2,098)	0	0	0	0	\$13.32
2015 2q	146	2,027,137	313,472	15.5%	(6,157)	0	0	0	0	\$13.54
2015 1q	146	2,027,137	307,315	15.2%	(1,223)	0	0	0	0	\$13.61
2014 4q	146	2,027,137	306,092	15.1%	3,434	0	0	0	0	\$13.43
2014 3q	146	2,027,137	309,526	15.3%	3,531	0	0	0	0	\$13.79
2014 2q	146	2,027,137	313,057	15.4%	16,935	0	0	0	0	\$13.85
2014 1q	146	2,027,137	329,992	16.3%	7,471	1	3,022	0	0	\$13.42
2013 4q	145	2,024,115	334,441	16.5%	(4,560)	0	0	1	3,022	\$13.25
2013 3q	145	2,024,115	329,881	16.3%	2,491	0	0	1	3,022	\$13.54
2013 2q	145	2,024,115	332,372	16.4%	(38,581)	0	0	1	3,022	\$13.79

Source: CoStar Property®

Lubbock Office Market

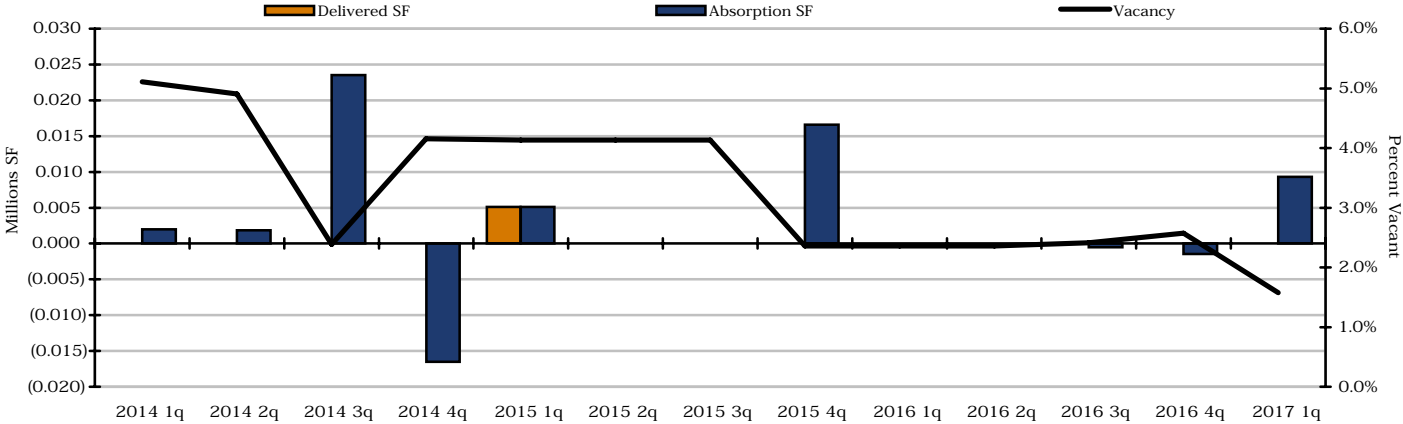


North Inner Loop Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

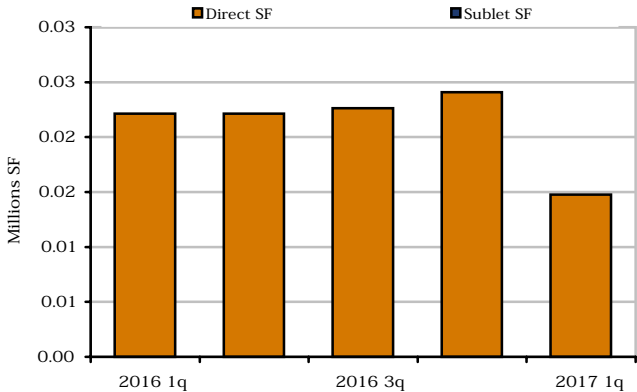
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

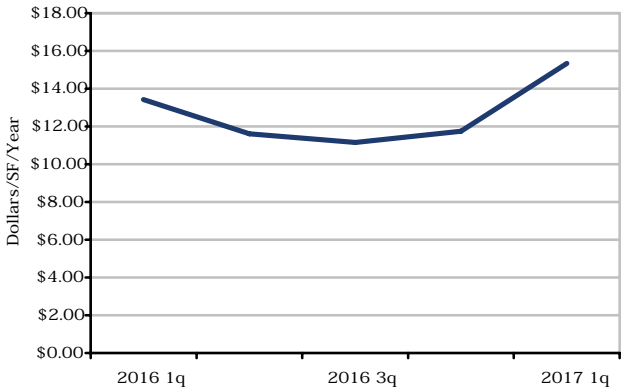
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 1q	169	936,988	14,767	1.6%	9,326	0	0	0	0	\$15.35
2016 4q	169	936,988	24,093	2.6%	(1,464)	0	0	0	0	\$11.74
2016 3q	169	936,988	22,629	2.4%	(500)	0	0	0	0	\$11.15
2016 2q	169	936,988	22,129	2.4%	0	0	0	0	0	\$11.60
2016 1q	169	936,988	22,129	2.4%	0	0	0	0	0	\$13.43
2015 4q	169	936,988	22,129	2.4%	16,600	0	0	0	0	\$11.81
2015 3q	169	936,988	38,729	4.1%	0	0	0	0	0	\$11.26
2015 2q	169	936,988	38,729	4.1%	0	0	0	0	0	\$11.69
2015 1q	169	936,988	38,729	4.1%	5,100	1	5,100	0	0	\$13.21
2014 4q	168	931,888	38,729	4.2%	(16,500)	0	0	1	5,100	\$12.67
2014 3q	168	931,888	22,229	2.4%	23,509	0	0	1	5,100	\$13.07
2014 2q	168	931,888	45,738	4.9%	1,860	0	0	1	5,100	\$11.92
2014 1q	168	931,888	47,598	5.1%	1,975	0	0	0	0	\$12.46
2013 4q	168	931,888	49,573	5.3%	13,193	0	0	0	0	\$10.73
2013 3q	168	931,888	62,766	6.7%	(1,330)	0	0	0	0	\$9.87
2013 2q	168	931,888	61,436	6.6%	(622)	0	0	0	0	\$9.54

Source: CoStar Property®



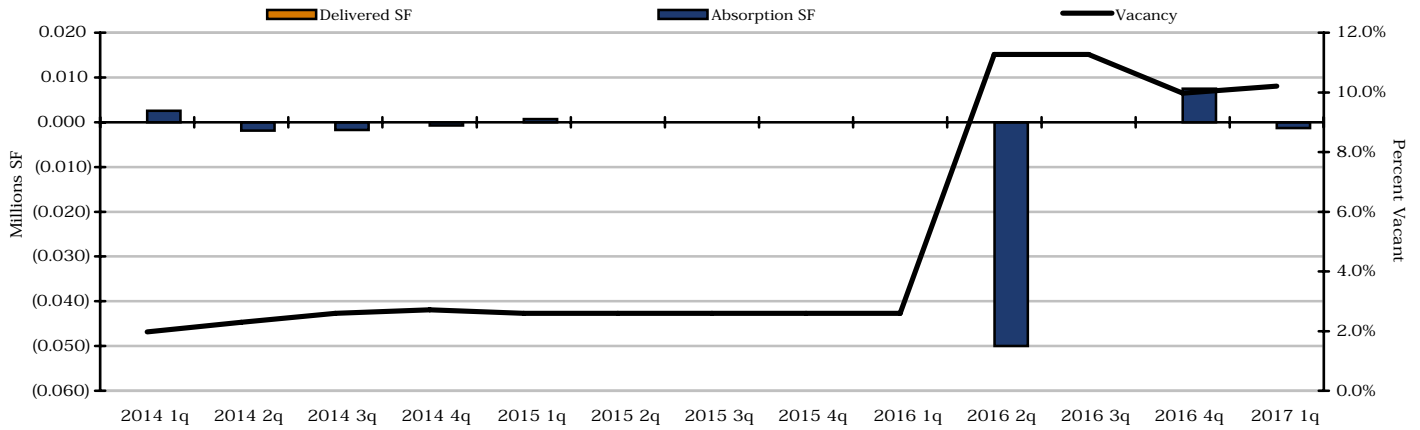
Lubbock Office Market

North Outer Lubbock Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

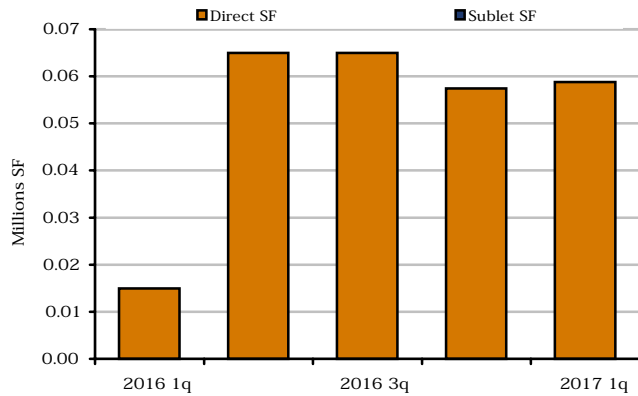
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

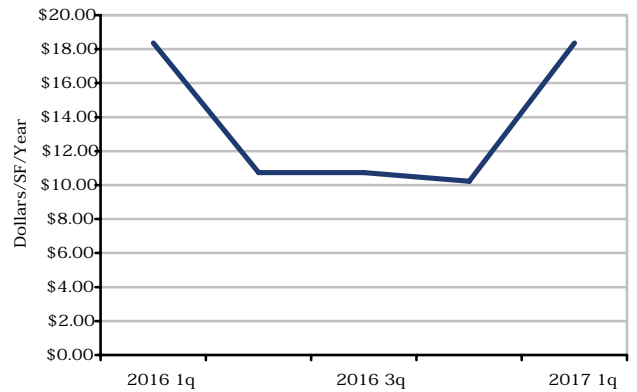
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 1q	51	575,999	58,786	10.2%	(1,337)	0	0	0	0	\$18.36
2016 4q	51	575,999	57,449	10.0%	7,500	0	0	0	0	\$10.22
2016 3q	51	575,999	64,949	11.3%	0	0	0	0	0	\$10.73
2016 2q	51	575,999	64,949	11.3%	(50,006)	0	0	0	0	\$10.74
2016 1q	51	575,999	14,943	2.6%	0	0	0	0	0	\$18.36
2015 4q	51	575,999	14,943	2.6%	0	0	0	0	0	\$10.22
2015 3q	51	575,999	14,943	2.6%	0	0	0	0	0	\$11.10
2015 2q	51	575,999	14,943	2.6%	0	0	0	0	0	\$11.11
2015 1q	51	575,999	14,943	2.6%	705	0	0	0	0	\$22.16
2014 4q	51	575,999	15,648	2.7%	(705)	0	0	0	0	\$10.28
2014 3q	51	575,999	14,943	2.6%	(1,709)	0	0	0	0	\$10.28
2014 2q	51	575,999	13,234	2.3%	(1,887)	0	0	0	0	\$10.31
2014 1q	51	575,999	11,347	2.0%	2,552	0	0	0	0	\$9.29
2013 4q	51	575,999	13,899	2.4%	2,085	0	0	0	0	\$13.45
2013 3q	51	575,999	15,984	2.8%	5,774	0	0	0	0	\$13.45
2013 2q	51	575,999	21,758	3.8%	0	0	0	0	0	\$15.08

Source: CoStar Property®

Lubbock Office Market

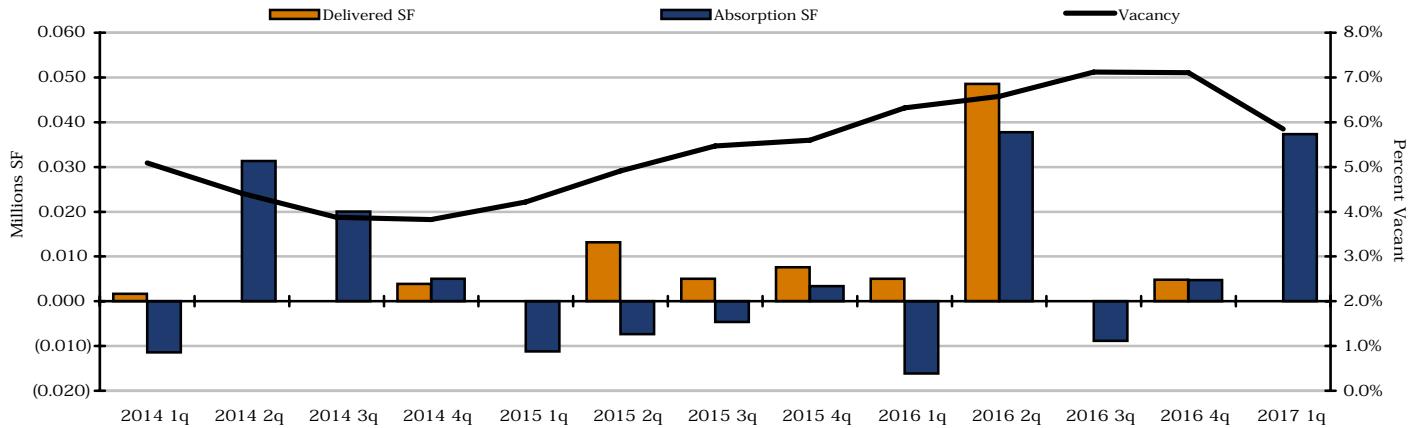


South Outer Lubbock Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

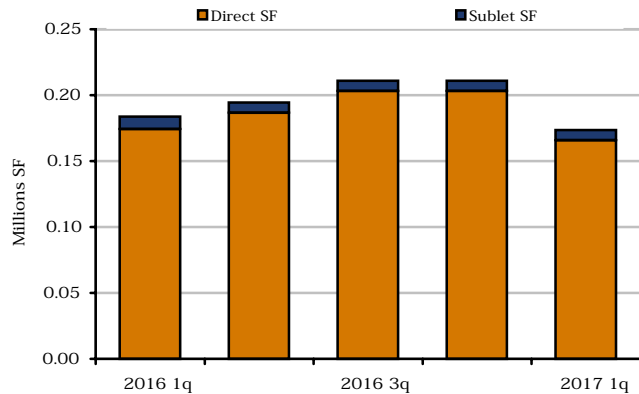
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

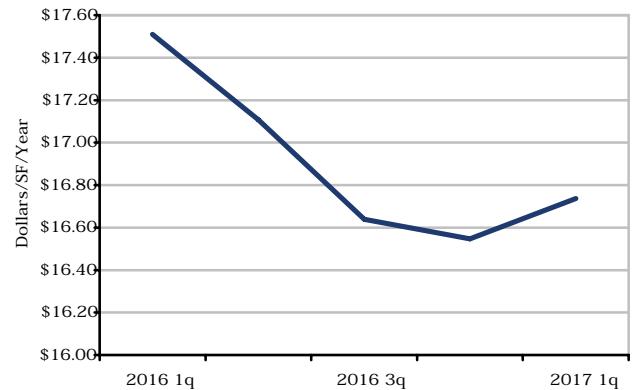
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 1q	310	2,967,337	173,609	5.9%	37,338	0	0	6	56,346	\$16.74
2016 4q	310	2,967,337	210,947	7.1%	4,758	1	4,800	4	46,350	\$16.55
2016 3q	309	2,962,537	210,905	7.1%	(8,833)	0	0	5	51,150	\$16.64
2016 2q	306	2,954,887	194,422	6.6%	37,763	2	48,550	8	58,800	\$17.11
2016 1q	304	2,906,337	183,635	6.3%	(16,137)	1	4,998	10	107,350	\$17.51
2015 4q	303	2,901,339	162,500	5.6%	3,411	1	7,562	11	112,348	\$16.74
2015 3q	302	2,893,777	158,349	5.5%	(4,607)	1	5,000	8	107,262	\$16.64
2015 2q	299	2,881,532	141,497	4.9%	(7,318)	2	13,143	10	116,957	\$15.98
2015 1q	297	2,868,389	121,036	4.2%	(11,227)	0	0	12	130,100	\$16.83
2014 4q	297	2,868,389	109,809	3.8%	4,994	1	3,883	6	71,388	\$16.44
2014 3q	296	2,864,506	110,920	3.9%	20,047	0	0	4	63,026	\$16.83
2014 2q	295	2,859,653	126,114	4.4%	31,297	0	0	3	15,236	\$14.61
2014 1q	294	2,847,270	145,028	5.1%	(11,407)	1	1,694	4	27,619	\$15.30
2013 4q	293	2,845,576	131,927	4.6%	2,708	0	0	4	25,430	\$14.93
2013 3q	293	2,845,576	134,635	4.7%	(1,519)	1	2,500	3	20,577	\$14.83
2013 2q	291	2,838,432	125,972	4.4%	13,777	0	0	4	15,338	\$14.88

Source: CoStar Property®



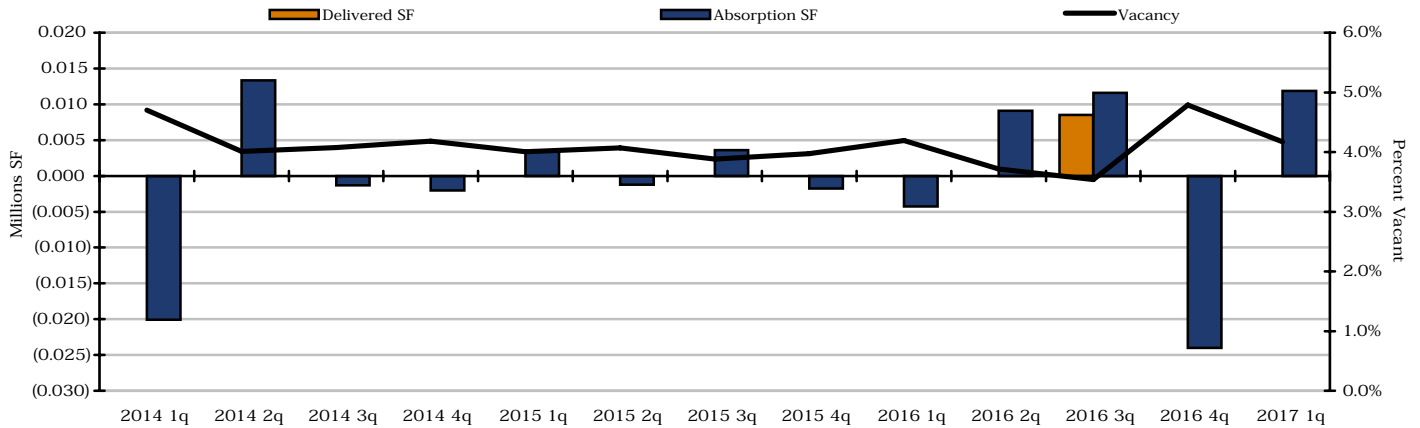
Lubbock Office Market

Southeast Inner Loop Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

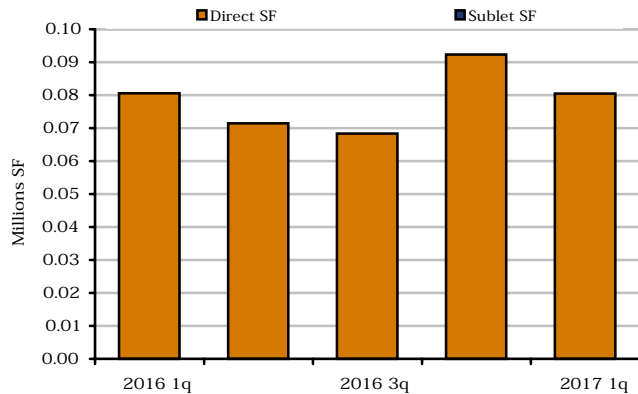
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

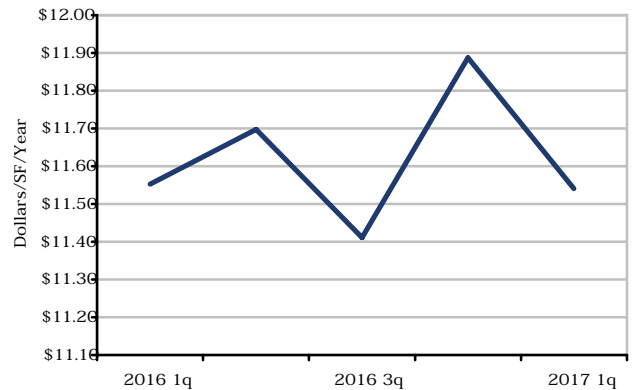
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 1q	294	1,929,899	80,484	4.2%	11,875	0	0	0	0	\$11.54
2016 4q	294	1,929,899	92,359	4.8%	(24,013)	0	0	0	0	\$11.89
2016 3q	294	1,929,899	68,346	3.5%	11,582	1	8,500	0	0	\$11.41
2016 2q	293	1,921,399	71,428	3.7%	9,116	0	0	1	8,500	\$11.70
2016 1q	293	1,921,399	80,544	4.2%	(4,250)	0	0	1	8,500	\$11.55
2015 4q	293	1,921,399	76,294	4.0%	(1,747)	0	0	0	0	\$11.81
2015 3q	293	1,921,399	74,547	3.9%	3,606	0	0	0	0	\$11.05
2015 2q	293	1,921,399	78,153	4.1%	(1,233)	0	0	0	0	\$11.69
2015 1q	293	1,921,399	76,920	4.0%	3,420	0	0	0	0	\$11.96
2014 4q	293	1,921,399	80,340	4.2%	(2,020)	0	0	0	0	\$12.47
2014 3q	293	1,921,399	78,320	4.1%	(1,297)	0	0	0	0	\$11.04
2014 2q	293	1,921,399	77,023	4.0%	13,323	0	0	0	0	\$10.92
2014 1q	293	1,921,399	90,346	4.7%	(20,098)	0	0	0	0	\$11.14
2013 4q	293	1,921,399	70,248	3.7%	21,177	1	16,872	0	0	\$11.15
2013 3q	292	1,904,527	74,553	3.9%	(1,783)	0	0	1	16,872	\$10.37
2013 2q	292	1,904,527	72,770	3.8%	(10,335)	0	0	0	0	\$10.19

Source: CoStar Property®

Lubbock Office Market

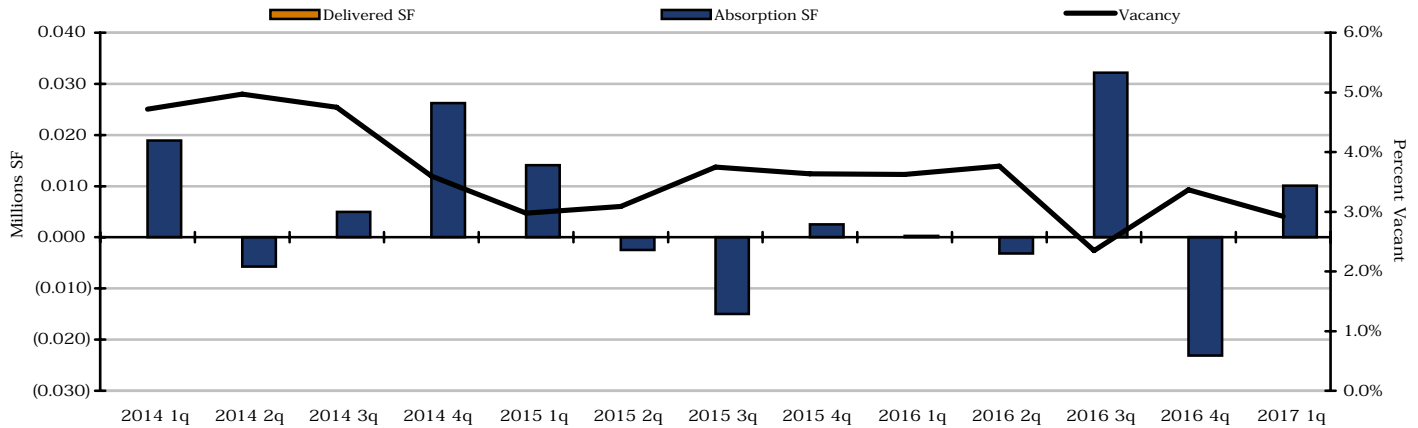


Southwest Inner Loop Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

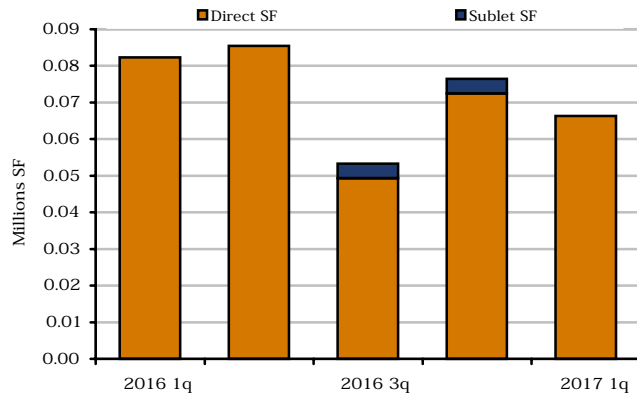
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

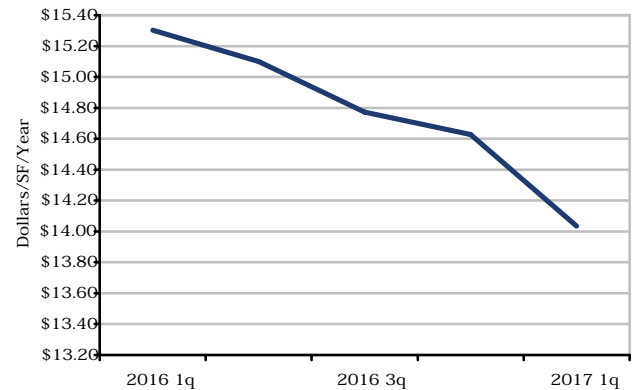
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 1q	208	2,271,515	66,327	2.9%	10,115	0	0	0	0	\$14.03
2016 4q	208	2,271,515	76,442	3.4%	(23,143)	0	0	0	0	\$14.63
2016 3q	208	2,271,515	53,299	2.3%	32,168	0	0	0	0	\$14.77
2016 2q	208	2,271,515	85,467	3.8%	(3,142)	0	0	0	0	\$15.10
2016 1q	208	2,271,515	82,325	3.6%	255	0	0	0	0	\$15.30
2015 4q	208	2,271,515	82,580	3.6%	2,509	0	0	0	0	\$15.84
2015 3q	208	2,271,515	85,089	3.7%	(14,956)	0	0	0	0	\$15.05
2015 2q	208	2,271,515	70,133	3.1%	(2,500)	0	0	0	0	\$14.10
2015 1q	208	2,271,515	67,633	3.0%	14,088	0	0	0	0	\$14.37
2014 4q	208	2,271,515	81,721	3.6%	26,223	0	0	0	0	\$15.02
2014 3q	208	2,271,515	107,944	4.8%	4,946	0	0	0	0	\$15.42
2014 2q	208	2,271,515	112,890	5.0%	(5,713)	0	0	0	0	\$15.12
2014 1q	208	2,271,515	107,177	4.7%	18,943	0	0	0	0	\$15.61
2013 4q	208	2,271,515	126,120	5.6%	(41,757)	0	0	0	0	\$16.79
2013 3q	208	2,271,515	84,363	3.7%	(7,667)	0	0	0	0	\$13.08
2013 2q	208	2,271,515	76,696	3.4%	(23,671)	0	0	0	0	\$12.23

Source: CoStar Property®