



## Texas Snapshot - Fort Worth Office

The current trend in Fort Worth's office market include mid-rise development and residential built over office and retail, according to Karen Simon, executive vice president / managing director of the great Fort Worth area for Bradford/CORFAC International. "In addition, developers are attempting to separate office meters because of energy costs," Simon says.



**Karen Simon**  
 Exec Vice President  
 Managing Director  
 Fort Worth

Downtown Fort Worth is seeing office activity take off with several new developments underway. For example, a new, 16-story Class A office tower named The Carnegie will be located at the corner of Third and Lamar streets, which currently is a parking lot across from the central Fort Worth library. The building,

which is named after Fort Worth's original Carnegie Library, will begin construction in January. EOG Resources, Inc., an oil and gas exploration company, has already committed to 50,000 square feet, and retail will be planned on the bottom floor. Additionally, a new mid-rise office building, which will house the State National Bank, is being built on Seventh Street in the downtown area, as well as a new parking garage.

The housing market in Fort Worth is booming, generating the need for more retail and office product. Numerous apartments, condominiums and homes are being built in both downtown and just west of downtown area, which include the redevelopment of the cultural district, according to Simon. "The old Montgomery Wards just west of downtown has been redeveloped into lofts to include new retail tenants such as Super Target, Marshall and Starbucks Coffee," she says. "This type of

development brings working and living opportunities to the downtown area."

New to the Fort Worth area developers The Weber Company and Margeaux Development. The Weber Company redeveloped the old Montgomery wards, and Margeaux Development is building a big box and neighborhood retail center in West Fort Worth in close proximity to

### RECENT OFFICE LEASES IN FORT WORTH AREA

Tenant	Building	Square Footage
Homeland Security	The National Health building, Arlington	30,000
Division of Textron	South Main, downtown Fort Worth	12,000
Nurse Finders	524 E. Lamar Emergisoft building	24,265

the Ridgmar Mall, as well as new upscale single family and multifamily developments.

The oil and gas companies such as XTO are buying and absorbing much downtown office space. "This is due to the Barnett Shells Gas deposits in and around Fort Worth and surrounding counties," Simon says.

Class A rental rates for office product in Fort Worth are ranging from \$17 to \$20.50 plus electric. It's a landlord's market, with no concessions being offered.

Vacancy rates are hovering around 4 percent to 4.5 percent in downtown. Outside downtown, vacancy is plus or minus 14 percent. "The low vacancy downtown is being gas companies have been taking so much space," Simon says.

In the near future, the downtown submarket, near Westside, and the Alliance corridor are the areas to watch. "Fort Worth has a unique mixture of retail, office and residential in downtown and on the west side," Simon says "Alliance has major industry being brought to the area by the Perot family it has both a rail intermodal as well as a commercial airport."