

2023

OFFICE MARKET SURVEY

Tyler, Texas

October 2023

*Cover photo provided
by: Drake Real Estate
& Investments*

Presented by:

BURNS COMMERCIAL PROPERTIES

909 ESE Loop 323, Suite 650 | Tyler, Texas 75701



Cover Photo:
OAK PLAZA
3300 S. BROADWAY AVE.,
TYLER, TX 75701
Leased by Drake Real Estate & Investments



TYLER OFFICE MARKET SURVEY
FALL — 2023

The annual Burns Commercial Properties Office Market Survey shows that the improvement in the Tyler office market experienced in 2022 has continued over the past twelve months.

The survey contains data gathered from the owners and managers of sixty-four buildings which contain a total of 2,315,640 square feet of office space throughout the city. According to the data which was compiled by the Burns Commercial Properties staff, both the overall occupancy rate and the average lease rate being quoted increased slightly over the past year. The occupancy rate now stands at 89.5%, compared to 86.8% last year, while the average lease rate for the properties increased from \$16.76 per square foot per year to \$17.33 in 2023.

The total amount of vacant space in the Tyler market now stands at 242,748 square feet, compared to last year's total of 316,508. The bulk (63,791 sq. ft.) of the absorption was in the suburban market.

While there was virtually no change in the average rental rate (\$15.79/SF) in the downtown area, the suburban sector enjoyed an increase from \$17.73/SF to \$18.87/SF in the current year.

The total amount of office space in the city was virtually unchanged as a significant increase in interest rates over the past year resulted in a halt in the construction of new office buildings.

The vacancy rate for Class A buildings stands at 10.4%. Class B structures have an overall vacancy rate of 9.2%, while Class C buildings sport a 14.3% vacancy factor.

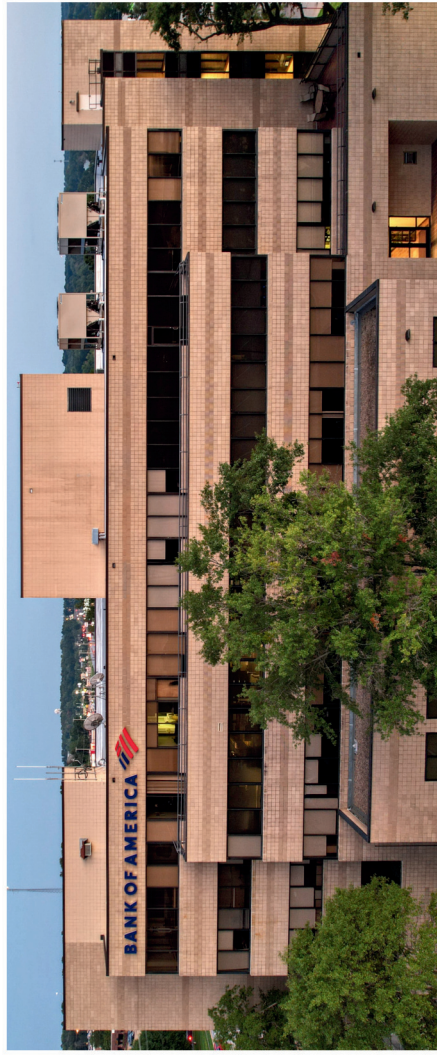
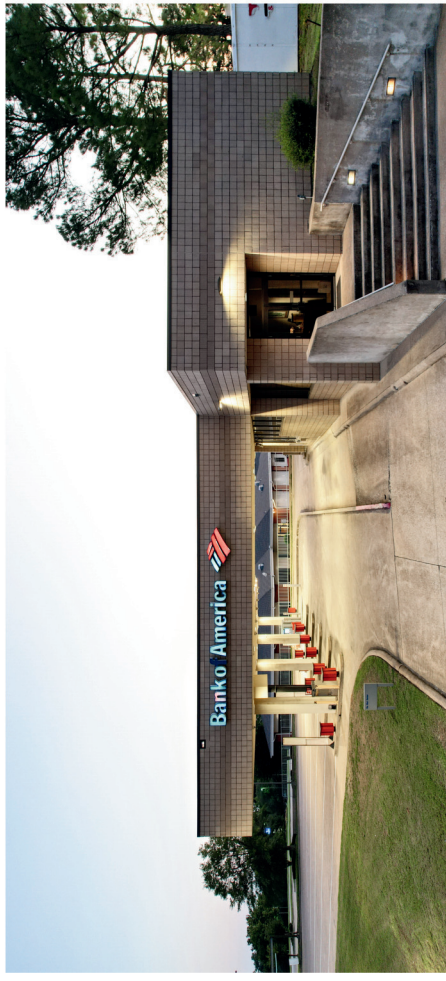
Class A buildings now have an average rental rate of \$20.57 per square foot. The rates for Class B & C buildings are \$17.71/SF and \$14.05/SF respectively.

The lack of new construction combined with the continued growth of the local economy make it likely that the owners of office properties will continue to see an improvement in both the occupancy rate and lease rates over the next few years.

Thanks to all the building owners and property managers who shared the data necessary to complete this survey, and special thanks to Kimberly Mobley of the Burns Commercial Properties staff for gathering and organizing the information contained herein.



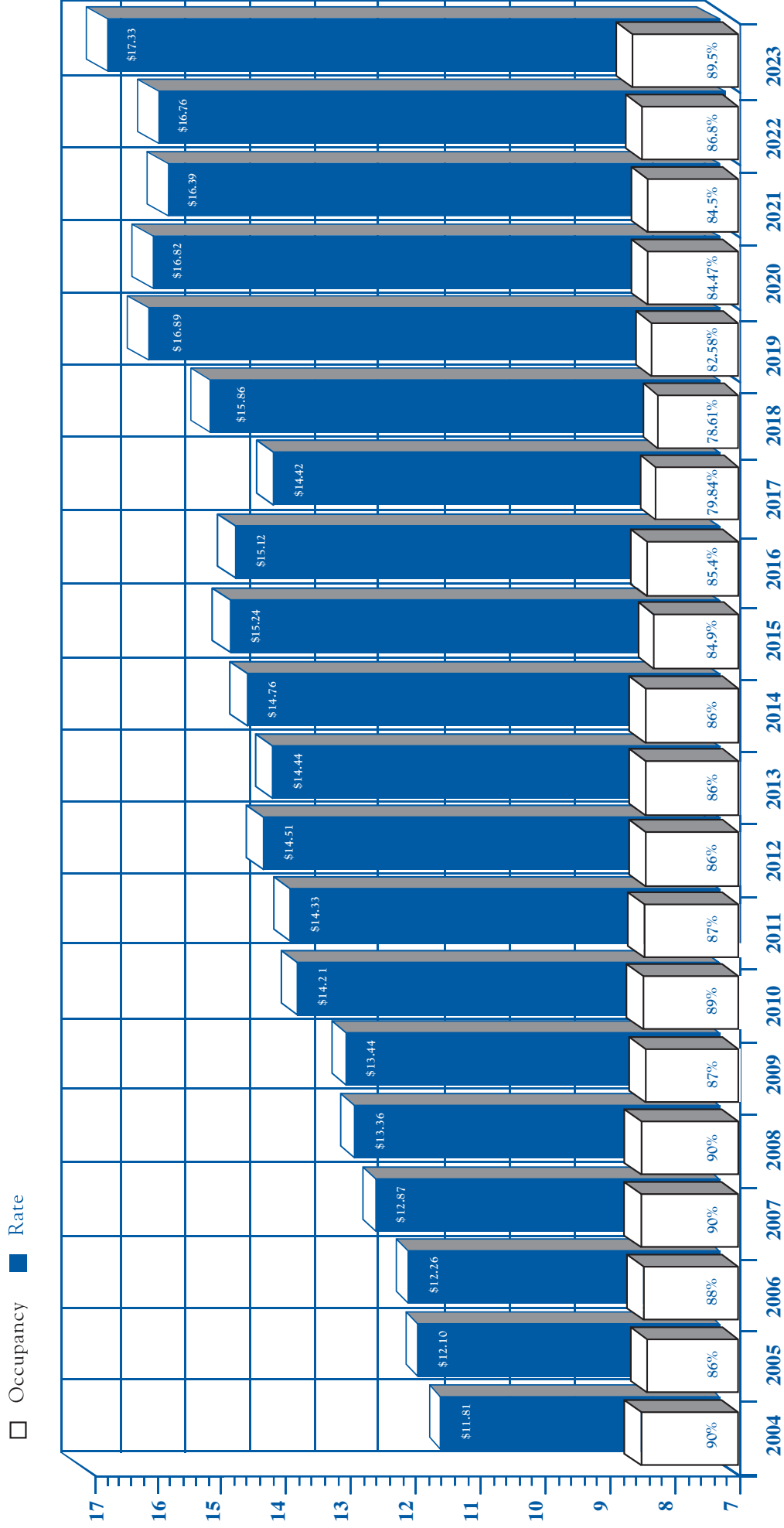
Taylor Burns



Southeast Center
Leasing by Roosth Properties

Office Market Trends

Rates & Occupancy





Broadway Hills Plaza
Drake Real Estate & Investments



Office Market Survey
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Tyler, TX - Fall 2023

Total Office Market Statistics

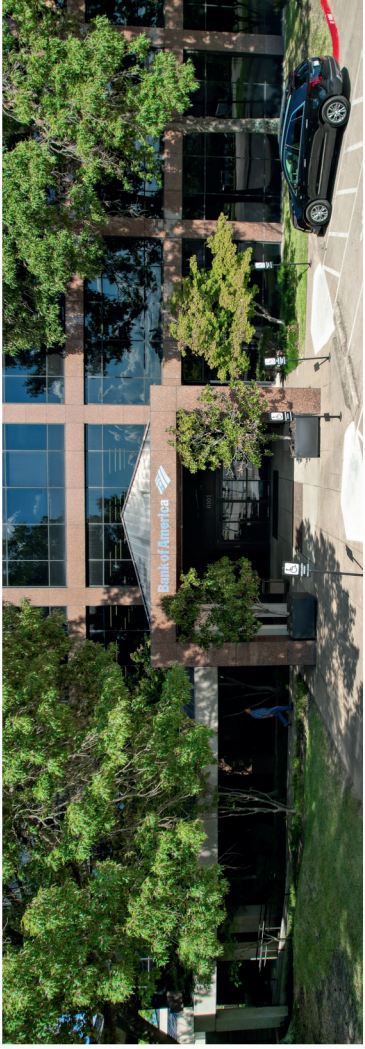
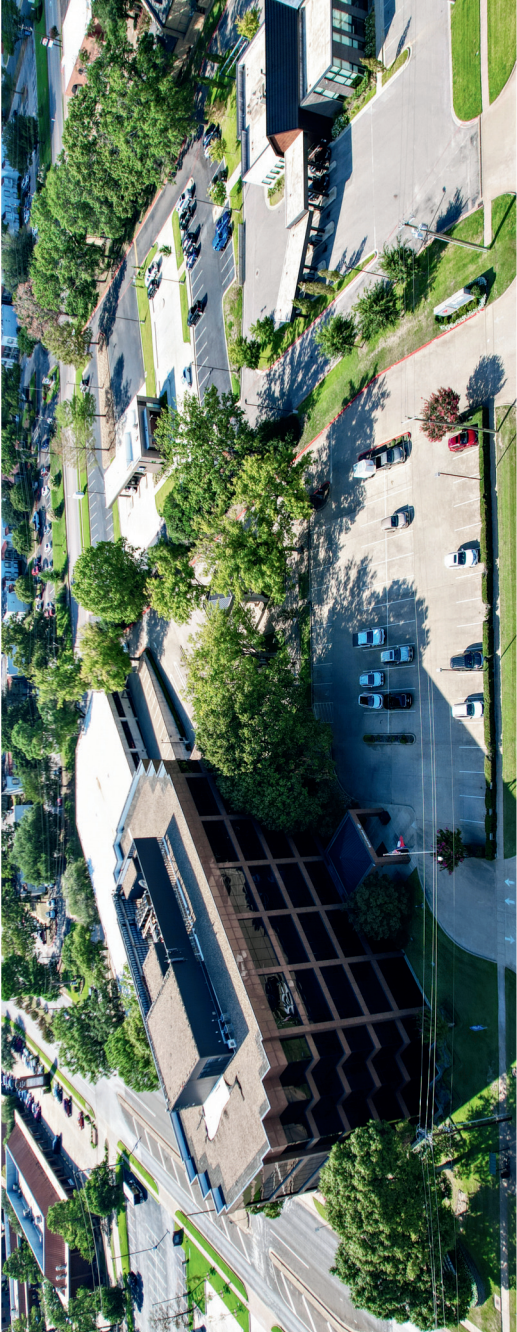
Number of Buildings:	64	
Total Square Feet:		2,315,640
Total Vacant Square Feet:		242,748
Overall Occupancy Rate:		89.5%
Average Annual Rental Rate Per SF:		\$17.33

Tyler CBD (Downtown) Office Market Statistics

Number of Buildings:	15	
Total Square Feet:		798,329
Total Vacant Square Feet:		84,225
Occupancy Rate:		89.4%
Average Annual Rental Rate Per SF:		\$15.79

Tyler Suburban (South Tyler) Office Market Statistics

Number of Buildings:	49	
Total Square Feet:		1,517,311
Total Vacant Square Feet:		158,523
Occupancy Rate:		89.6%
Average Annual Rental Rate Per SF:		\$18.87



Grande Centre
Burns Commercial Properties



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Class A

Number of Buildings: 17

Total Square Feet:	998,970
Total Vacant Square Feet:	110,175
Occupancy Rate:	89.6%
Average Annual Rental Rate Per SF:	\$20.57

Class B

Number of Buildings: 36

Total Square Feet:	1,062,875
Total Vacant Square Feet:	91,430
Occupancy Rate:	90.8%
Average Annual Rental Rate Per SF:	\$17.71

Class C

Number of Buildings: 11

Total Square Feet:	253,690
Total Vacant Square Feet:	44,071
Occupancy Rate:	85.7%
Average Annual Rental Rate Per SF:	\$14.05

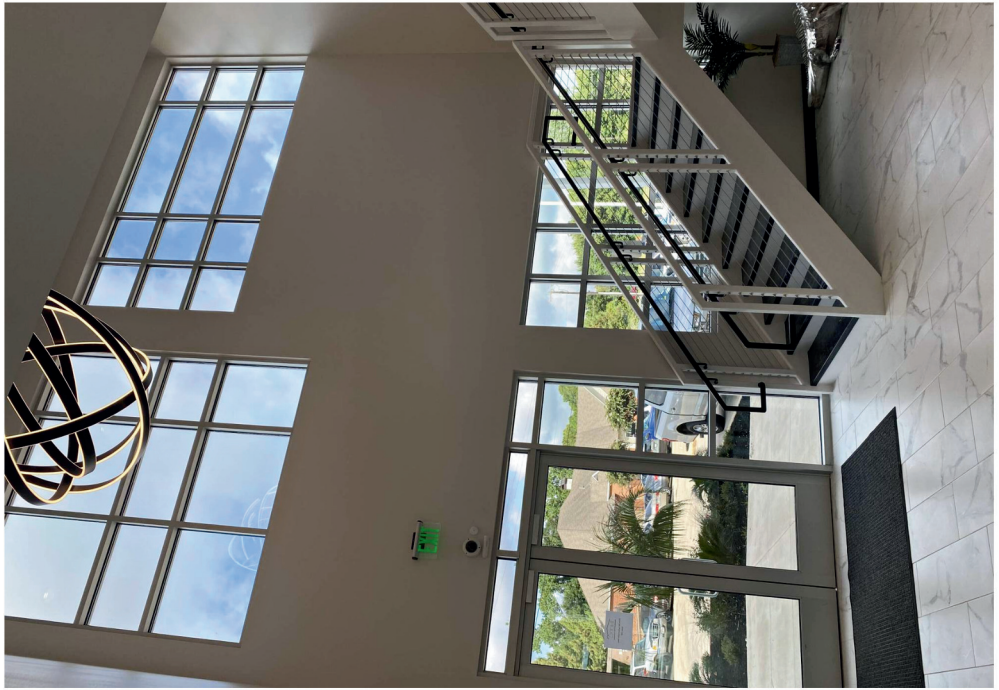


Plaza Tower & People's Petroleum
Bergfeld Realty

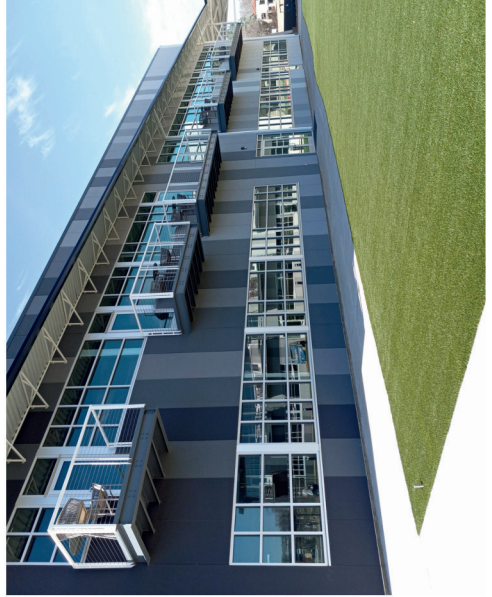


Office Market Survey Presented by Burns Commercial Properties Tyler, TX - Fall 2023										
Property	Contact	Total Size	Number of Floors	Current Occupancy	Current Vacant	Largest Contiguous Available	Annual Base Rent	CAM Add-On Factor	Expense Stop	Building Class
122 South College Bldg 122 S. College Whitehurst & Smith	Bill Whitehurst (903) 595-0470	7,000 SF	2	60%	2,800 SF	500 SF	\$10.00 /SF (Negotiable)	N/A	N/A	C
210 South Broadway Building 210 S. Broadway Ave Broadway Rusty Nail, Ltd	Andy Bergfeld Bergfeld Realty (903) 592-1032	13,357 SF	2	100%	0 SF	0 SF	\$16.50 /SF	15.0%	Base Year	B
320 South Broadway Building 320 S. Broadway Ave Metro Asset Management, LLC	Andy Bergfeld Bergfeld Realty (903) 592-1032	19,202 SF	2	100%	0 SF	0 SF	\$13.50 /SF	5.0%	Base Year	B
777 Building 777 S. Broadway 777 Freedom, LLC	OFF MARKET	8,007 SF	2	100%	0 SF	0 SF	\$11.00 /SF	9.9%	N/A	C
Austin Bank Building 305 S. Broadway Briarwood Group, Ltd	Martin Heines Real Estate Services (903) 593-2367	46,800 SF	12	93%	3,100 SF	2,000 SF	\$13.00 /SF	N/A	None	C
Azalea Park Plaza 641-649 S. Broadway HGW Properties, LLC	Russell Patterson Patterson Commercial Property (903) 597-1800	12,698	1	77%	2,902 SF	2,902 SF	\$16.00 /SF	N/A	NNN	B
Blackstone Building 315 N. Broadway Tyler Chamber of Commerce	Cole Ihrig Patterson Commercial Property Group (903) 597-1801	26,620 SF	6	100%	0 SF	0 SF	\$15.00 /SF	20.9%	\$6.70	B
Energy Center, The 719 W. Front Briarwood Group, Ltd	Martin Heines Real Estate Services (903) 593-2367	41,560 SF	3	96%	1,500 SF	500 SF	\$13.00 /SF	N/A	None	C
Fair Investment Building 121 S. Broadway Lindsey Fair Owner, LLC	OFF MARKET	63,285 SF	8	58%	26,713	6,282 SF	\$13.50 /SF	26.0%	N/A	C
First Place 100 E. Ferguson Grest Properties, Ltd	Cole Ihrig Patterson Commercial Property Group (903) 597-1800	187,387 SF	12	91%	17,490 SF	2,798 SF	\$17.00 - \$22.00 /SF	10.8%	\$6.83	A
Fountain Square 401 E. Front Briarwood Group, Ltd	Martin Heines Real Estate Services (903) 593-2367	29,484 SF	2	80%	6,000 SF	3,000 SF	\$13.00 /SF	N/A	None	C
People's Petroleum Building 102 N. College People's Petroleum Building, LLC	Andy Bergfeld Bergfeld Realty (903) 592-1032	76,305 SF	15	100%	0 SF	0 SF	\$17.00 /SF	N/A	Base Year	A

Millennium Plaza
Patterson Commercial Property Group



M
Millennium
PLAZA

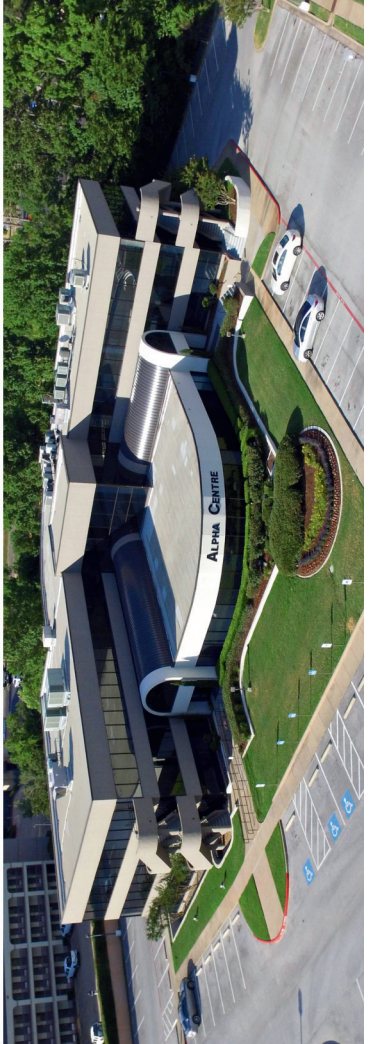


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**Central Business District
(Downtown)**

Property	Contact	Total Size	Number of Floors	Current Occupancy	Current Vacant	Largest Contiguous Available	Annual Base Rent	CAM Add-On Factor	Expense Stop	Building Class
Plaza Tower 110 N. College Ave Patriots Tower, LLC	Andy Bergfeld Bergfeld Realty (903) 592-1032	218,478 SF	19	92%	17,443 SF	7,612 SF	\$21.00 /SF	12.1%	Base Year	A
Tyler Office Center 120 S. Broadway Wesbecher	OFF MARKET	17,000 SF	2	100%	0 SF	0 SF	\$10.50 /SF	N/A	None	B
Wadel-Connally 112 E. Line St. Monsour Family, Ltd	Cole Ihrig Patterson Commercial Property Group (903) 597-1802	31,146 SF	3	80%	6,277 SF	3,740 SF	\$15.00 - \$17.00 /SF	17.3%	\$4.86	B

TOTAL/AVERAGES: 798,329 SF 89% 84,225 SF \$15.79 /SF

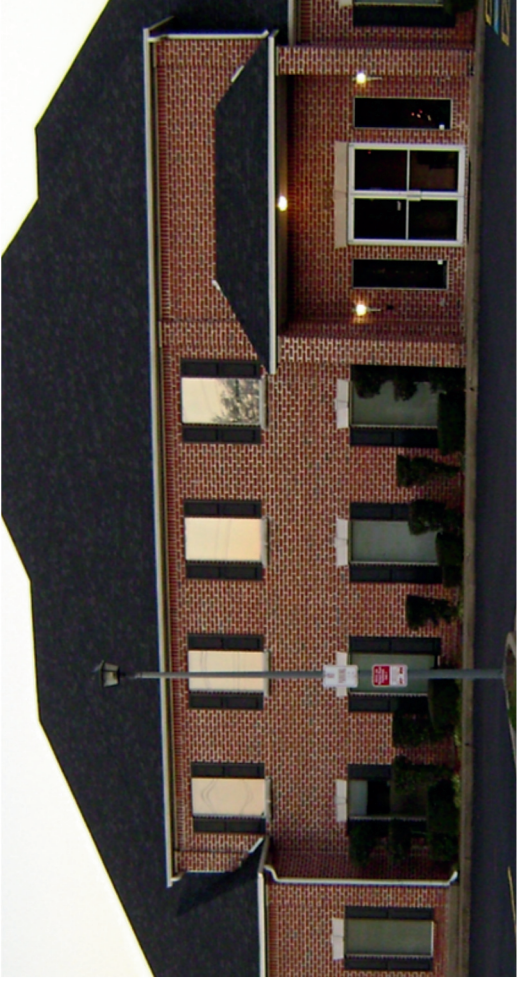


Properties Leased by:
Patterson Commercial Property Group

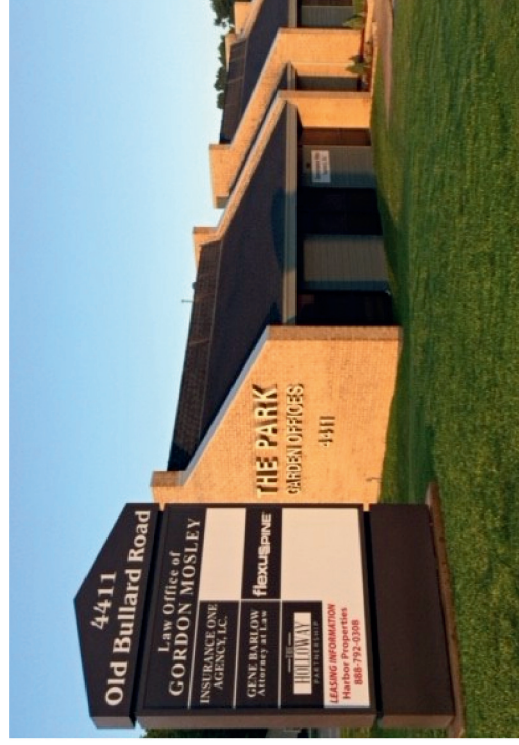
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Suburban District

Property	Contact	Total Size	Number of Floors	Current Occupancy	Current Vacant	Largest Contiguous Available	Annual Base Rent	CAM Add-On Factor	Expense Stop	Building Class
2072 Three Lakes Pkwy Tyler, TX 75703 Three Lakes Holdings, LLC	Marc Ivy Bridgewater Realty Group (903) 881-3171	3,634 SF	1	100%	0 SF	0 SF	\$19.00 /SF	NNN	N/A	A
2341 Dueling Oaks Dr Tyler, TX 75703 Ivy Family Properties, LLC	Marc Ivy Bridgewater Realty Group (903) 881-3171	3,184 SF	1	41%	1,863 SF	1,863 SF	\$19.00 /SF	NNN	N/A	A
4550 Kinsey Dr Dovetail Properties, LLC	OFF MARKET	2,376 SF	1	100%	0 SF	0 SF	\$16.00 /SF	NNN	N/A	B
Alpha Centre 3200 Troup Hwy Aberfeldy, Ltd	Russell Patterson Patterson Commercial Property (903) 597-1800	45,632 SF	3	84%	7,455 SF	7,455 SF	\$14.50 /SF	20.0%	Base Year	B
Asher Park 1042, 1043, 1058 Asher Way Asher Park, LLC	Hagan Baker Drake Real Estate & Investments (903) 581-3737	22,808 SF	1	100%	0 SF	0 SF	\$24.00 /SF	NNN	N/A	A
Atriums 1820 Shiloh Rd Aberfeldy, Ltd	Russell Patterson Patterson Commercial Property (903) 597-1800	39,086 SF	1	92%	3,160 SF	1,710 SF	\$13.00 /SF	15.0%	Base Year	B
Broadway Commons 8288 S. Broadway Andres Alarcon	Robert Means The Means Companies (903) 594-8880	16,000 SF	1	100%	0 SF	0 SF	\$16.00 /SF	N/A	N/A	B
Broadway Hills Plaza 7925 S. Broadway Bldg. 9 CEP Properties, LLC	Hagan Baker Drake Real Estate & Investments (903) 581-3737	4,651 SF	1	100%	0 SF	0 SF	\$15.50 /SF	NNN	N/A	B
Broadway Hills Plaza 7925 S. Broadway Bldg. 11 Metric Holdings, LLC	Hagan Baker Drake Real Estate & Investments (903) 581-3737	14,013 SF	2	97%	481 SF	377 SF	\$38.16 /SF	NNN	N/A	B
Bullard Rd Square 5604 Old Bullard Rd Harbor Properties	Barbara Horchler Harbor Properties (888) 792-0308	13,857 SF	1	93%	1,030 SF	1,030 SF	\$16.00 /SF	N/A	\$5.33	C
Colonial, The 5935 Old Bullard Rd Harbor Properties	Barbara Horchler Harbor Properties (888) 792-0308	10,300 SF	1	100%	0 SF	0 SF	\$15.00 /SF	N/A	N/A	B



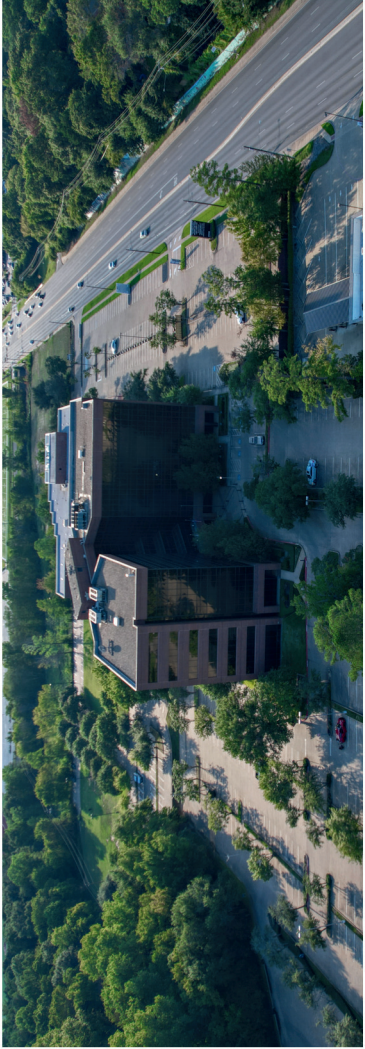
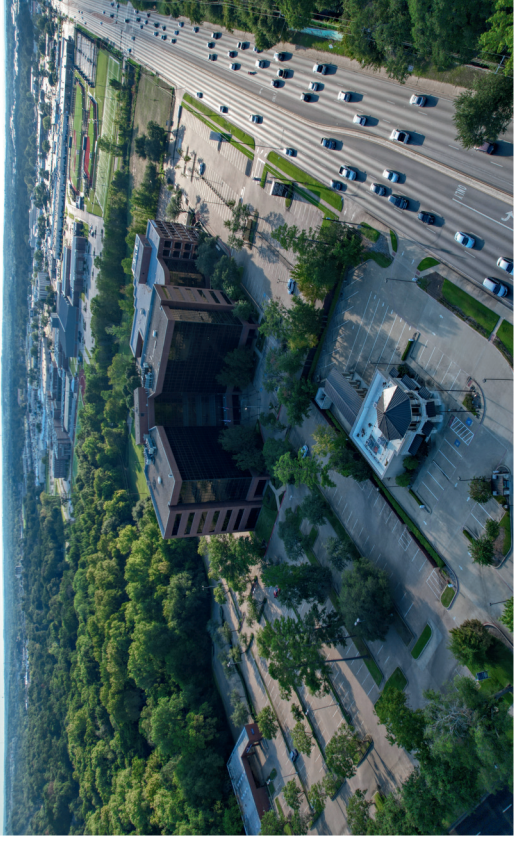
Properties Leased by:
Harbor Properties



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Suburban District

Property	Contact	Total Size	Number of Floors	Current Occupancy	Current Vacant	Largest Contiguous Available	Annual Base Rent	CAM Add-On Factor	Expense Stop	Building Class
Commerce Square 3334 SSW Loop 323 Wynne Interests	James Wynne, III Commerce Square Corp. (903) 509-9795	73,165 SF	1	100%	0 SF	0 SF	\$12.10 /SF	N/A	None	B
Corporate Green Office Park 5751-5767 Eagles Nest Blvd Gencore, LLC	Hagan Baker Drake Real Estate & Investments (903) 581-3737	19,945 SF	1	94%	1,161 SF	1,161 SF	\$18.00 /SF	NNN	N/A	A
East Grande Office 1537 E. Grande Blvd. K. O. Hesperia Enterprise, LLC	OFF MARKET	6,390 SF	2	100%	0 SF	0 SF	\$18.00 /SF	N/A	N/A	A
Grande Centre 6101 S. Broadway David A. Lake	Taylor Burns & Blair Swaim Burns Commercial Properties (903) 534-1200	90,704 SF	5	74%	23,478 SF	9,418 SF	\$20.50 /SF	12.2%	\$6.68	A
Grande Plaza 212 Grande Blvd Pyle Properties	Brad Donley Pyle Properties (903) 509-8161	57,500 SF	1	78%	12,731 SF	7,679 SF	\$13.00 /SF	N/A	N/A	B
Heartland Financial Center 501 Shelley Dr Hibbs Financial	Brig North Heartland SIG (903) 266-5647	58,531 SF	2	54%	26,818 SF	16,313 SF	\$15.00 /SF	15.0%	Base Year	A
Hollytree Professional Center 6770 Old Jacksonville Hwy Butler Creek Investments	Hagan Baker Drake Real Estate & Investments (903) 581-3737	19,784 SF	1	100%	0 SF	0 SF	\$16.50 /SF	NNN	N/A	B
Independence Center 100 Independence Pl The Genecov Group	Don Simmons Simmons Real Estate (903) 581-5858	54,337 SF	4	86%	7,388 SF	3,155 SF	\$14 - \$16 /SF	13.7%	Base Year	B
Jordan Plaza 100 Jordan Plaza Blvd Seitz Family Trust of 1988 Etal	Hagan Baker Drake Real Estate & Investments (903) 581-3737	39,506 SF	1	94%	2,398 SF	2,398 SF	\$13.00 /SF	NNN	N/A	B
Kinsey Office Park 4293, 4295, 4297 Kinsey Dr Cooperative Teachers C.U.	Sam Scarborough & Stewart Garrett Scarborough CRE (903) 707-8560	10,690 SF	1	85%	1,579 SF	931 SF	\$28.00 /SF	Gross	N/A	B
Kinsey Plaza 1420 WSW Loop 323 Cooperative Teachers C.U.	Sam Scarborough & Stewart Garrett Scarborough CRE (903) 707-8560	26,592 SF	1	73%	7,102 SF	3,941 SF	\$33.00 /SF	Gross	N/A	B



One American Center
Burns Commercial Properties



Office Market Survey

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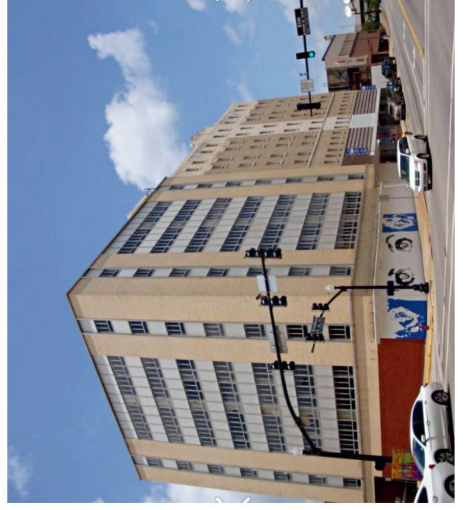
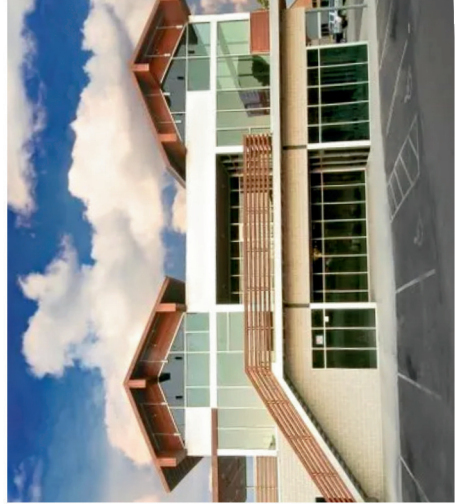
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Suburban District

Property	Contact	Total Size	Number of Floors	Current Occupancy	Current Vacant	Largest Contiguous Available	Annual Base Rent	CAM Add-On Factor	Expense Stop	Building Class
Millennium Plaza 5230 Old Jacksonville Hwy Mountain Park Holdings, LLC	Russell Patterson & Cole Ihrig Patterson Commercial Property (903) 597-1800	40,416 SF	2	79%	8,344 SF	2,373 SF	\$24.00 /SF	22.1%	Base Year	A
Oak Leaf Building 5528 Old Bullard Rd Harbor Properties	Barbara Horchler Harbor Properties (888) 792-0308	12,360 SF	1	100%	0 SF	0 SF	\$15.00 /SF	N/A	\$2.75	C
Oak Plaza 3300 S. Broadway Ave. Drake Oak Plaza, LP	Hagan Baker Drake Real Estate & Investments (903) 581-3737	63,960 SF	2	99%	518 SF	306 SF	\$20.00 /SF	16.8%	N/A	B
Oakglen Office Building 5620 Old Bullard Rd Harbor Properties	Barbara Horchler Harbor Properties (888) 792-0308	18,271 SF	1	100%	0 SF	0 SF	\$20.00 /SF	15.0%	Base Year	B
Omega Building, The 1901 Rickety Ln Renard Management, Inc.	OFF MARKET	11,400 SF	1	100%	0 SF	0 SF	\$13.00 /SF	15.0%	N/A	C
One American Center 909 ESE Loop 323 Mesa Loans of Athens, LP	Mark Whatley & Glenn Eikner Burns Commercial Properties (903) 534-1200	113,556 SF	7	91%	10,125 SF	3,114 SF	\$18.00 /SF	N/A	Base Year	A
Paluxy Square 3800 Paluxy Dr The Genecov Group	Aaron Uncapher Burns Commercial Properties (903) 534-1200	78,794 SF	1	92%	6,319 SF	1,341 SF	\$16.00 /SF	N/A	Base Year	B
Park Garden Offices, The 4411 Old Bullard Rd Harbor Properties	Barbara Horchler Harbor Properties (888) 792-0308	10,676 SF	1	100%	0 SF	0 SF	\$18.00 /SF	Gross	N/A	B
Pruitt Place Offices 1007 & 1011 Pruitt Place ABBY Development, LP	Austin Luce The Means Companies (903) 630-9180	7,556 SF	1	100%	0 SF	0 SF	\$15.50 /SF	0.0%	\$5.46	A
Pruitt Place Offices 1014 Pruitt Place Pinstripe Properties, LLC	OFF MARKET	3,671 SF	1	100%	0 SF	0 SF	\$16.00 /SF	0.0%	\$4.38	A
Pruitt Place Offices 1015 Pruitt Place ABBY Development, LP	Austin Luce The Means Companies (903) 630-9180	9,837 SF	1	100%	0 SF	0 SF	\$15.50 /SF	0.0%	\$4.38	A



Properties Leased by:
Drake Real Estate & Investments



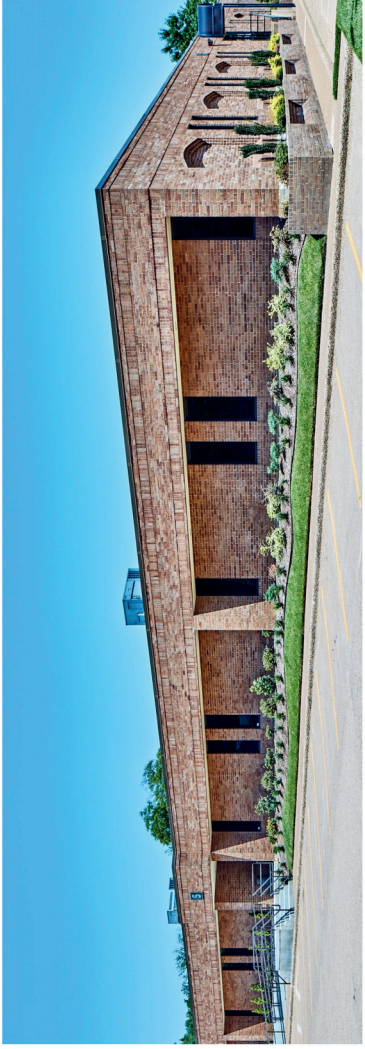
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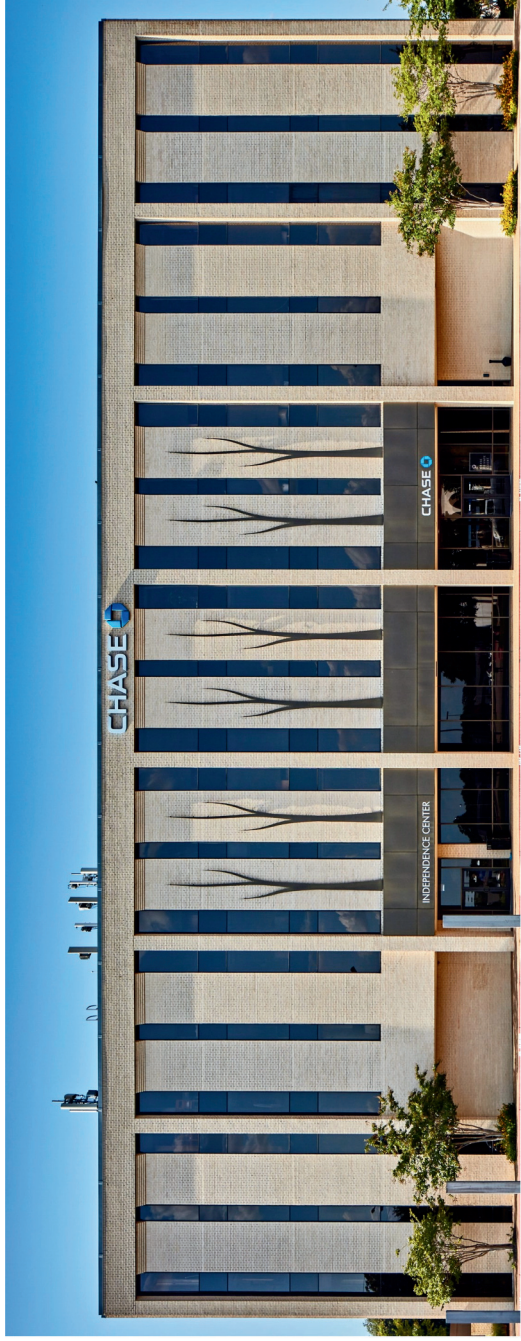
Tyler, TX - Fall 2023

Suburban District

Property	Contact	Total Size	Number of Floors	Current Occupancy	Current Vacant	Largest Contiguous Available	Annual Base Rent	CAM Add-On Factor	Expense Stop	Building Class
Regions Bank Building 1000 WSW Loop 323 WSW Loop Partners, LLC	Philip Humber Burns Commercial Properties (903) 534-1200	12,367 SF	1	100%	0 SF	0 SF	\$12.00 /SF	N/A	Base Year	B
Scottish Highlands Troup Hwy & Kensington The Genecov Group	Aaron Uncapher & Philip Humber Burns Commercial Properties (903) 534-1200	32,847 SF	1	78%	7,227 SF	4,207 SF	\$12.50 /SF	N/A	Base Year	B
Shiloh Office Park 921 Shiloh Rd Aberfeldy, Ltd	Russell Patterson Patterson Commercial Property (903) 597-1800	22,131 SF	1	100%	0 SF	0 SF	\$14.00 /SF	N/A	Base Year	B
Southeast Center 3301 Golden Road Roosth Properties	Steve Roosth Roosth Properties (903) 593-8333	38,757 SF	4	99%	377 SF	377 SF	\$19.00 /SF	13.5%	\$7.60	A
Southgate Office Park 722 WSW Loop 323 The Genecov Group	Mark Whatley Burns Commercial Properties (903) 534-1200	11,893 SF	1	100%	0 SF	0 SF	\$15.00 /SF	N/A	Base Year	B
Southpark Centre 1828 ESE Loop 323 Negem Investments, LLC	Don Carroll Landbridge Commercial (903) 561-9527	48,309	3.5	80%	9,898 SF	6,919 SF	\$16.50 /SF	N/A	\$6.68	B
Southside Office Building 1324 S. Beckham Pollard-Heines Buildings, LLC	Martin Heines Real Estate Services (903) 593-2367	5,837 SF	1	100%	0 SF	0 SF	\$13.50 /SF	N/A	None	C
Threlkeld Building 515 WSW Loop 323 Kenneth & Cheryl Threlkeld	Philip Humber & Luke Swanson Burns Commercial Properties (903) 534-1200	15,929 SF	2	100%	0 SF	0 SF	\$16.00 /SF	N/A	N/A	B
Trails Office Park, The 5433 Donnybrook Ave SAVB, LLC	OFF MARKET	3,747 SF	1	100%	0	0 SF	\$17.00 /SF	N/A	N/A	A
Two American Center 821 ESE Loop 323 Aberfeldy, Ltd	Russell Patterson Patterson Commercial Property (903) 597-1800	94,017 SF	5	97%	3,076 SF	3,076 SF	\$18.00 - \$20.00 /SF	16.0%	Base Year	A
Winchester Office Complex 211-215 Winchester Dr Harbor Properties	Barbara Horchler Harbor Properties (888) 792-0308	14,100 SF	1	100%	0 SF	0 SF	\$16.00 /SF	N/A	N/A	C



Properties Leased by:
Burns Commercial & Simmons Real Estate



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Property	Contact	Total Size	Number of Floors	Current Occupancy	Current Vacant	Largest Contiguous Available	Annual Base Rent	CAM Add-On Factor	Expense Stop	Building Class
Woodgate Centre 1001 ESE Loop 323 Woodgate Centre, LLC	Mark Whatley & Glenn Elkner Burns Commercial Properties (903) 534-1200	95,507 SF	4	89%	10,771 SF	5,918 SF	\$17.00 /SF	0.0%	\$5.33	B
Woodgate I 1121 ESE Loop 323 CG Investments, LP	Kellie Buryi Boxer Property (713) 489-1539	32,776 SF	1	93%	2,194 SF	1,066 SF	\$19.00 /SF	N/A	\$6.00	B
Woodgate II 1021 ESE Loop 323 Flowers Davis, PLLC	Russell Patterson Patterson Commercial Property (903) 597-1800	33,040 SF	1	100%	0 SF	0 SF	\$14.50 /SF	N/A	Base Year	B
Woodgate IV 1101 ESE Loop 323 CG Investments, LP	Kellie Buryi Boxer Property (713) 489-1539	50,757 SF	1	94%	3,030 SF	728 SF	\$19.00 /SF	N/A	\$6.68	B
Woods Office 3316 Woods Blvd.	OFF MARKET	2,115 SF	1	100%	0 SF	0 SF	\$22.69 /SF	N/A	N/A	B
TOTAL/AVERAGES:		1,517,311 SF		90%	158,523 SF		\$18.87 /SF			