

Dallas-Fort Worth

Industrial | Q3 2024 Market Report

Quarterly Snapshot

↔ Average Rent
\$9.70/SF

↑ Vacancy
9.5%

↑ Net Absorption
5,767,023 SF

**Arrows Reflect QOQ Change*

Occupier's Perspective

- **High vacancy rates** create tenant leverage, allowing industrial tenants to negotiate favorable leasing terms and concessions, a shift from prior years of landlord-dominated negotiations.
- **Decreased construction activity** is expected in 2025 and could stabilize vacancies, potentially benefiting tenants by balancing inventory levels across the DFW market.
- **Tenant demand** from sectors like logistics and manufacturing stabilizes mid-bay properties, may offer stable lease options amidst market fluctuations.
- **Strong leasing interest** in urban core areas enables tenants to secure prime spaces while vacancies in larger, suburban properties remain high.

The Dallas-Fort Worth industrial market faces high vacancies due to rapid construction outpacing demand, with a vacancy rate of 9.5%. Despite notable leases by companies like Google, new supply continues to exceed absorption. Smaller “mid-bay” properties remain resilient, benefiting from steady demand by food and beverage distributors.

Elevated construction costs and tightening borrowing conditions have slowed new developments, with 2025 expected to see fewer completions. Tenant leverage has grown, allowing for better leasing terms, while capital markets have softened with lower sales volume. However, demographic growth and infrastructure improvements may support future demand.

Recent Transactions

Tenant	Size (SF)	Submarket	Type	Industry Sector
Google	1,108,938	North Fort Worth	New Lease	Technology
Dick's Sporting Goods	800,000	South Fort Worth	New Lease	Sporting Goods Retail
RealTruck	661,118	East Dallas	New Lease	Auto Parts Manufacturing
USPS	636,480	South Stemmons	Sublease	Mailing Services
RTX Corporation	492,880	DFW Airport	New Lease	Aerospace & Defense
Loloi	403,200	South Dallas	Renewal	Textile Wholesale
RGH Enterprises	339,846	North Fort Worth	New Lease	Healthcare Retail

Submarket Movement

Vacancy Rate	QOQ Change	Direct Asking Rent (\$/SF)	Submarket
13.1%	◆	\$7.77	South Dallas
7.6%	▼	\$9.01	Great SW/Arlington
16.9%	▲	\$9.12	East Dallas
10.2%	◆	\$9.13	North Ft Worth
7.1%	◆	\$9.37	South Ft Worth
7.9%	▲	\$10.22	South Stemmons
10.6%	▲	\$10.46	DFW Airport
8.3%	▲	\$10.52	Northwest Dallas
6.2%	▲	\$11.92	Northeast Dallas
18.4%	◆	\$12.27	NW Dallas Outlying

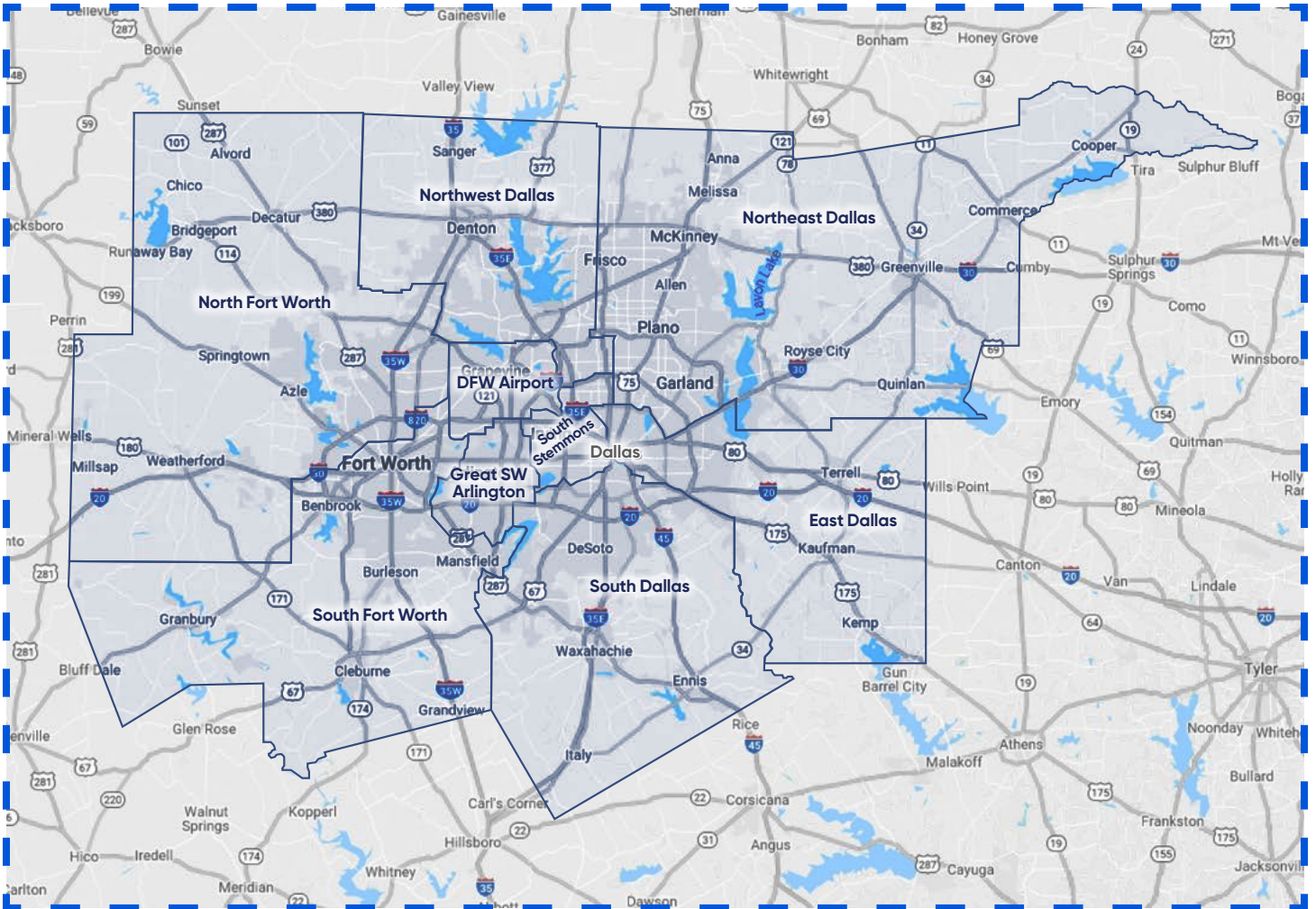
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Quarter	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Inventory SF	1,140,266,965	1,155,343,827	1,170,001,414	1,184,305,159	1,190,178,225
Vacancy Rate	7.5%	8.2%	9.3%	9.5%	9.5%
Vacant SF Direct	77,174,012	84,467,676	99,941,435	104,267,427	103,368,451
Vacant SF Sublet	8,507,738	10,516,890	8,766,810	8,233,033	9,270,429
Vacant SF Total	85,676,250	94,984,566	108,708,245	112,500,460	112,638,880
Market Asking Rent/SF	\$9.15	\$9.31	\$9.49	\$9.68	\$9.70
Market Asking Rent 12-Month Growth	9.1%	8.4%	8.2%	7.6%	5.9%
Net Absorption SF	9,352,844	5,768,546	1,282,103	10,511,530	5,794,646
Under Construction SF	55,984,980	43,715,852	33,939,812	24,118,800	22,502,280
Under Construction Buildings	320	263	239	201	209
Gross Delivered Buildings	75	103	78	84	43
Gross Delivered SF	19,114,860	15,133,362	14,766,459	14,306,485	5,936,516

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Industrial | Submarket Map



Cluster	Submarkets
DFW Airport	E DFW Air/Las Colinas • W DFW Air/Grapevine
East Dallas	Central East Dallas • East Dallas/Mesquite Forney/Terrell/Kaufman County • Outlying Kaufman County
Great SW Arlington	Arlington • Lower Great Southwest • Upper Great Southwest
North Fort Worth	Meacham Fld/Fossil Cr • NE Tarrant/Alliance West Tarrant • Parker County • Wise County
Northeast Dallas	Allen/McKinney • Delta County • Hunt County • NE Dallas/Garland Outlying Collin County • Plano • Richardson • Rockwall
Northwest Dallas	Denton • Lewisville • Metropolitan/Addison N Stemmons/Valwood • NW Dallas Outlying
South Dallas	Outlying Ellis County • Redbird Airport SE Dallas/I-45 • SW Dallas/US 67
South Fort Worth	East Ft Worth • Hood County • Johnson County Mansfield • N Central Ft Worth • S Cen.Tarrant County S Central Ft Worth • Southwest Tarrant
South Stemmons	East Brookhollow • East Hines North • Eastern Lonestar/Tpke North Trinity • West Brookhollow • West Hines North Western Lonestar/Tpke

