

Dallas-Fort Worth

Office | Q3 2024 Market Report

Quarterly Snapshot

↓ Average Class A Rents
\$34.26/SF

↔ Vacancy
18.0%

↑ Net Absorption
1,513,336 SF

**Arrows Reflect QOQ Change*

Occupier's Perspective

- **Favorable Rates:** Dallas-Fort Worth rents provide cost advantages over coastal cities, with top-tier spaces offering rents and tenant improvement allowances appealing to national tenants willing to make longer-term commitments.

- **Premium Submarkets:** Uptown/Turtle Creek and Collin County submarkets command high rents for new developments, like 23Springs and The Star, positioning them as prestigious corporate addresses.

- **Development Concentration:** High-demand office submarkets like Frisco and Upper Tollway West retain strong construction activity, highlighting tenant interest in high-quality, mixed-use spaces.

The Dallas-Fort Worth office market is adjusting to shifting demand and higher vacancy rates, currently at 18.0%. Companies are downsizing or rethinking office needs, and new leases are now averaging 15% fewer than in 2019. This trend is especially impactful in aging office buildings, particularly those from the 1980s, which are becoming less competitive as firms prioritize newer, more efficient spaces with amenities like natural light, greenspace, and communal areas.

Leasing remains below pre-pandemic levels, though high-end suburban areas like Frisco and Uptown are seeing interest and new construction. Despite slower growth, rents are relatively stable, with average rents offering a cost advantage over coastal cities, attracting firms seeking economic value along with modern office environments and flexibility.

Recent Transactions

Tenant	Size (SF)	Submarket	Type	Building
Bank of America	553,799	Far North Dallas	Renewal	Office
Raising Cane's	394,405	Far North Dallas	New Lease	Office
Aimbridge Hospitality	248,662	Far North Dallas	Renewal	Office
Amazon	241,618	LBJ Freeway	Renewal	Office
AT&T, Inc.	234,534	Far North Dallas	Renewal	Office
mr. cooper	175,584	Las Colinas	Renewal	Office

Submarket Movement

Vacancy Rate	QOQ Change	Class A Direct Asking Rent (\$/SF)	Submarket Cluster
10.7%	▲	\$27.30	Southwest Dallas
12.2%	▲	\$27.82	North Fort Worth
24.7%	▲	\$28.58	LBJ Freeway
14.6%	▼	\$28.60	Mid-Cities
13.4%	▼	\$30.47	Richardson/Plano
24.1%	◆	\$30.78	Las Colinas
26.0%	▼	\$31.19	Dallas CBD
17.8%	◆	\$31.44	Stemmons Freeway
8.6%	◆	\$31.58	South Ft Worth
11.4%	◆	\$33.58	Ft Worth CBD
19.3%	◆	\$35.93	Central Expressway
13.6%	▲	\$37.08	Lewisville/Denton
22.4%	◆	\$37.43	Far North Dallas
12.2%	▼	\$44.05	East Dallas
9.5%	▼	\$50.47	Preston Center
19.1%	◆	\$52.99	Uptown/Turtle Creek

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Quarter	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Inventory SF	425,303,440	425,734,067	426,424,448	427,218,155	429,528,916
Overall Office Gross Rent Direct	\$30.72	\$30.84	\$31.03	\$31.15	\$31.19
Market Asking Rent Growth 12 Months	2.7%	2.5%	2.4%	2.1%	1.5%
Vacancy Rate	17.6%	17.7%	18.0%	18.0%	18.0%
Vacant SF Direct	67,993,984	68,880,431	69,179,597	69,859,035	70,238,386
Vacant SF Sublet	6,654,716	6,283,363	7,594,533	7,237,721	6,864,710
Vacant SF Total	74,648,700	75,163,794	76,774,130	77,096,756	77,103,096
Net Absorption SF	844,558	-84,467	-927,077	471,501	2,311,921
Leasing SF Total	4,971,431	4,431,522	4,121,814	3,755,492	4,888,400
Under Construction Buildings	148	163	141	124	128
Under Construction SF	8,169,168	9,485,440	9,416,493	8,533,136	6,526,112
Gross Delivered Buildings	25	18	38	31	23
Sales Volume Transactions	214	216	169	165	220
Total Sales Volume	\$19,241,350	\$82,414,384	\$77,403,504	\$58,431,656	\$58,779,284

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Office | Submarket Map

