

Market Report

Sustained demand driven by in-migration and job growth continue to provide a strong foundation for the DFW office market. The region gained more residents than any other metropolitan area in the country (131,800 YOY) and, with over 100,000 new jobs added, finished second to the New York City metropolitan area in terms of absolute growth. While some indicators suggest the possibility of a global and national slowdown, DFW's strong economic and real estate fundamentals position it favorably in contrast to coastal markets as the real estate cycle transitions.



Rental and Vacancy Rates

Avg. Asking Rent (\$/SF)	Market Area	Total Vacancy Rate	YoY Change
\$25.50	Dallas CBD	23.1%	▲ 2.6%
\$24.09	DFW Freeport/Coppell	12.3%	▲ 2.2%
\$31.31	Frisco/The Colony	13.4%	▲ 1.7%
\$27.82	Ft Worth CBD	11.5%	▲ 2.0%
\$25.41	Quorum/Bent Tree	20.3%	▲ 1.6%
\$23.43	Richardson	14.7%	▲ 0.7%
\$32.46	Upper Tollway/West Plano	15.4%	▲ 2.0%
\$40.66	Uptown/Turtle Creek	13.5%	▲ 4.6%
\$28.10	Urban Center/Wingren	16.3%	▲ 2.7%

Recent Transactions

Tenant	Size	Building	Type	Sector
1 Lockheed Martin	431,579 SF	5401 N Beach	New-to-Market	Northeast Ft Worth
2 Tenet Health	372,931 SF	Intl Plaza 1	Relocation	Quorum/Bent Tree
3 Nokia	350,000 SF	Cypress Waters	Relocation	DFW Freeport/Coppell
4 Blucora	150,000 SF	Cypress Waters	Relocation	DFW Freeport/Coppell
5 Salesforce	100,000 SF	The Union	Relocation	Uptown/Turtle Creek
6 Wells Fargo	88,520 SF	Plaza at Solana	Renewal	Westlake/Grapevine
7 Kirkland & Ellis	65,986 SF	Weir's Plaza	Relocation	Knox/Henderson

Occupier's Perspective

- 9 M square feet is currently under construction with preleasing accounting for 46%. DFW ranked third among US metros.
- DFW's rent growth YOY for Q2 was 2.1%, less than the national average of 2.3%. Class A rent growth was reported at 3.2%.
- DFW population growth topped Texas metros accounting for more than 1/3 of Texas' growth (131,800 residents YOY).

Market Trends



Cautious optimism prevails in DFW as signs of continued growth buffer a growing awareness that the current economic expansion has eclipsed the longest expansion period on record.

Flight to quality continues as corporate America's emphasis on recruiting and retention continues to fuel absorption in Class A buildings and the repositioning of well-located Class B properties.

Coworking space options increasing evidenced by WeWork's Q2 announcements (Weir's Plaza 71,598 SF and Legacy Town Center II 53,000 SF); coworking alternatives are gaining market influence.