

Dallas-Fort Worth Industrial

Monthly Market Snapshot | September 2022

DFW Industrial market currently leads the nation in construction.

Market Highlights

An analysis of activity during the eight months of the year—August 2022 compared to August 2021.

Dallas-Fort Worth industrial vacancy at 5.7%

Eight months into 2022, overall vacancy in the DFW industrial market is at 5.7%, up 10 basis points from 5.6% last year. Availability is at 10.8%, up 170 basis points from 9.1% in August 2021. The difference between this figure and the vacancy rate reflects expected future move-outs. The DFW industrial market has recorded 51.1 million sq. ft. of leasing activity, comprised of new leases and renewals, while net absorption (move-ins minus move-outs) is at 20.9 million sq. ft., down 37% year-over-year from 33.2 million-sq.-ft. In addition, due partly to the new construction added to the market, the DFW metro NNN average asking monthly rent is \$0.67 per sq. ft., up from \$0.58 last year, a 16% increase.

83 million sq. ft. under construction

DFW is confronting the most significant construction pipeline in the country. While construction is occurring across the metroplex, three submarkets capture over 50% of the total construction: SE Dallas/I-45 (27%), NE Tarrant/Alliance (15%), and SW Dallas/US 67 (9%). The SE Dallas/I-45 submarket is anchored by the International Inland Port of Dallas and provides access to three major interstate highways. The NE Tarrant/Alliance submarket is home to Fort Worth Alliance Airport and the BNSF Alliance Intermodal Facility. While SW Dallas/US 67 is served by two primarily industrial nodes, one is along I-20, between US Route 67 and I-35E, and the other is along I-35E in Waxahachie.

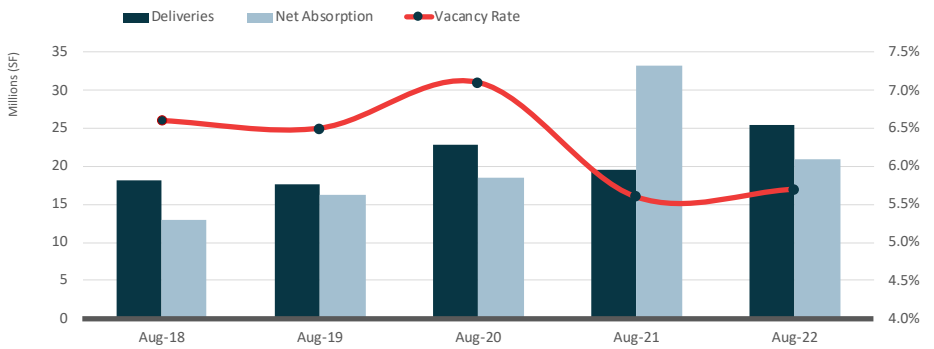
Wide-ranging expansion continued in DFW economy

Two and half years from the onset of the pandemic, DFW employment exceeds the February 2020 peak by 6.4% (245,400 jobs). The DFW labor market continued to be tight, with unemployment close to pre-pandemic lows. In July, the unemployment rate held steady at 3.5% in Dallas and edged down to 3.6% in Fort Worth. The jobless rate in Texas dipped to 4.0% in July, while in the U.S. it rose to 3.7% in August.

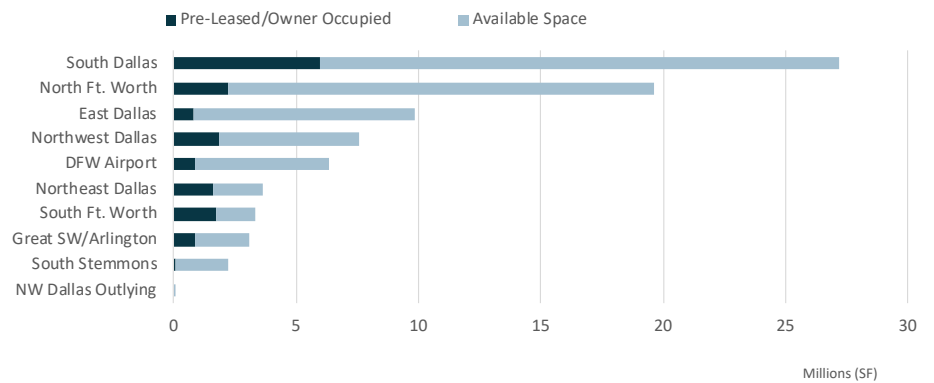
Market Activity

	August 2022	vs	August 2021
Vacancy	5.7%	▲	5.6%
Availability	10.8%	▲	9.1%
Under Construction SF	82,762,237	▲	47,069,065
NNN Avg Asking Rent/MO	\$0.67	▲	\$0.58
Net Absorption SF YTD	20,854,656	▼	33,229,865
Leasing Activity SF YTD	51,127,703	▼	55,021,584
Deliveries SF YTD	25,512,337	▲	19,554,284

Supply & Demand | August - Year Over Year



Construction | August - Year To Date



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