

DFW Industrial welcomes multiple new members to the million-sq.-ft. club

Dallas-Fort Worth Industrial

The overall vacancy rate in the Dallas-Fort Worth (DFW) industrial market was 7.7%, marking an increase of 210 basis points from 5.6% in August 2022. Year-to-date, net absorption—move-ins minus move-outs—registered at 20.6 million sq. ft., up 40% from the previous year’s 14.7 million sq. ft. Recent notable move-ins include DHL Supply Chain occupying 1.2 million sq. ft. at FM 156 and Elizabeth Creek, and Pratt Industries filling 1 million sq. ft. at 1700 South J. Elmer Highway in August 2023—these companies joined DSV Global Transport and Southwire Company, LLC as entities that have signed industrial leases for more than 1 million sq. ft. in the DFW market during the past few months. Industrial construction decreased 24% year-over-year from 78.3 million sq. ft. to 59.5 million sq. ft. Year-to-date, deliveries surged from 18.4 million sq. ft. to 4.8 million sq. ft. The average monthly rental rate currently stands at \$0.75 per sq. ft., increasing 14% from \$0.66 per sq. ft. this time last year.

Dallas-Fort Worth Retail

As of August 2023, the overall vacancy rate in DFW’s retail market remained flat from the prior year at 4.8%. Year-to-date, net absorption is at 1.9 million sq. ft. In addition, 934,536 sq. ft. was added to the retail pipeline year-over-year—increasing 24% from 3.8 million sq. ft. to 4.7 million sq. ft. The Far North Dallas submarket led construction with 1.8 million sq. ft. in the pipeline. DFW’s retail market remains competitive with 63% of new construction pre-leased. Year-to-date, deliveries totaled 2.1 million sq. ft., up 30% from the prior year-to-date amount of 1.6 million sq. ft. Average asking rents increased 9% year-over-year from \$18.09 per sq. ft. in August 2022 to \$19.72 per sq. ft.

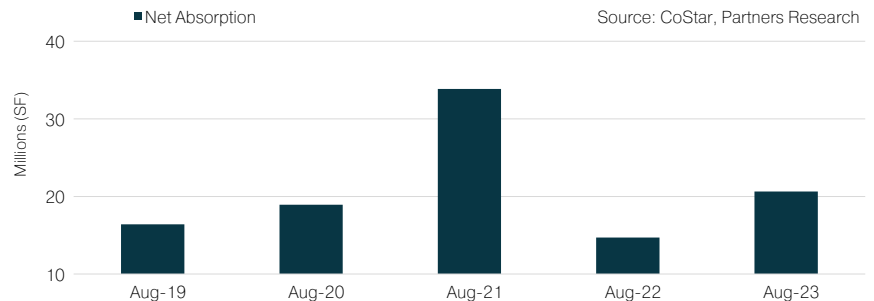
Dallas-Fort Worth Office

Eight months into 2023, the overall vacancy rate in DFW’s office market was 24.3%, increasing 120 basis points from the previous year’s 23.1%. Year-to-date, net absorption is at -1.1 million sq. ft.—with the Las Colinas submarket accounting for 51% of the negative absorption. Year-to-date, deliveries more than doubled year-over-year from 754,365 sq. ft. to 1.6 million sq. ft. A recent noteworthy completion was a 300,000-sq.-ft. office building at 3300 Olympus Boulevard delivered in August 2023. Roughly 40% of the deliveries thus far in 2023 are 100% leased. Average asking rents increased slightly from \$28.90 per sq. ft. in August 2022 to \$29.49 per sq. ft.

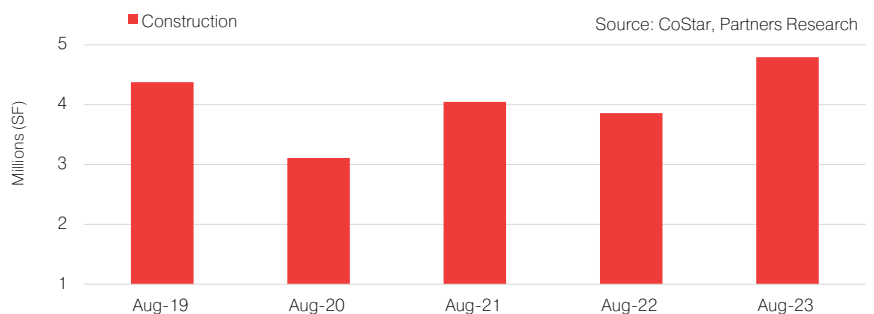
Dallas-Fort Worth Multifamily

Year-to-date, 14,409 multifamily units have been absorbed in DFW, more than doubling from 6,025 units this time last year. Overall occupancy in the DFW multifamily market decreased to 91.1%, down 140 basis points from 92.5% in August 2022. As of August 2023, 63,354 units filled DFW’s multifamily construction pipeline. Over the prior three years, construction averaged roughly 49,000 units annually. Year-to-date, deliveries totaled 23,662 units, more than doubling from the prior year-to-date figure of 11,707 units. Lastly, the multifamily rental rate in DFW decreased slightly year-over-year from \$1,518 per unit in August 2022 to \$1,512 per unit.

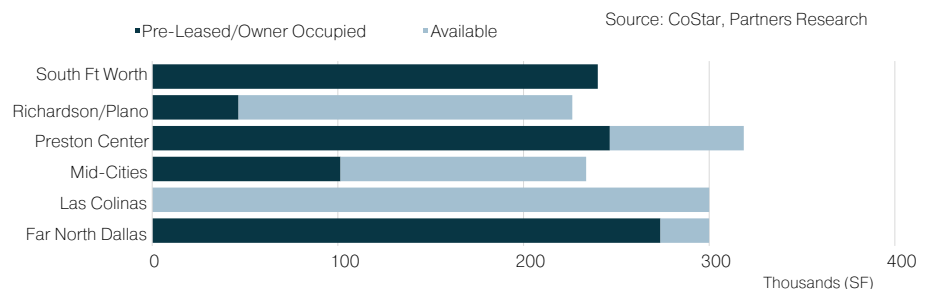
Industrial | Net Absorption



Retail | Construction



Office | Deliveries



Multifamily | Supply & Demand

