

DFW INDUSTRIAL | RETAIL | OFFICE | MULTIFAMILY

Monthly Snapshot

Year-to-date deliveries top 70 million sq. ft. in DFW Industrial

DECEMBER 2023

DALLAS-FORT WORTH INDUSTRIAL

The overall vacancy rate in the Dallas-Fort Worth (DFW) industrial market is 8.7%, up 330 basis points from 5.4% last year. Year-to-date, net absorption—move-ins minus move-outs—is at 30.1 million sq. ft., slightly lower than its three-year average of 34.7 million sq. ft. Year-to-date, deliveries reached a record-high 70.5 million sq. ft., up 89% from the prior year-to-date number of 37.3 million sq. ft. The South Dallas submarket led year-to-date deliveries at 24.0 million sq. ft. (34%)—Walmart’s 1.5 million-sq.-ft. distribution center at 2300 East Beltline Road continues to reign as the largest delivery thus far in 2023. Construction is at 44 million sq. ft., 47% down from the previous year’s 83.5 million sq. ft. The monthly average rate (NNN) increased 10% to \$0.76 per sq. ft.

DALLAS-FORT WORTH RETAIL

As of November 2023, the overall vacancy rate in DFW’s retail market remained flat from the previous year at 4.7%. Year-to-date, net absorption is at 2.9 million sq. ft., 56% down from the prior year-to-date tally of 6.6 million sq. ft. Slowing consumption patterns have led some retailers to vacate existing space within the last year—JCPenney vacated 144,740 sq. ft. of retail space at 2400 South Stemmons Freeway in October 2023. Construction is at 4.8 million sq. ft., 23% up from the prior year’s 3.9 million sq. ft. Over the past three years, construction averaged 3.7 million sq. ft. The Far North Dallas submarket led construction with 1.6 million sq. ft. underway (34%). The average asking rent (NNN) reached \$20.16 per sq. ft.—a record-high for the metro’s retail sector.

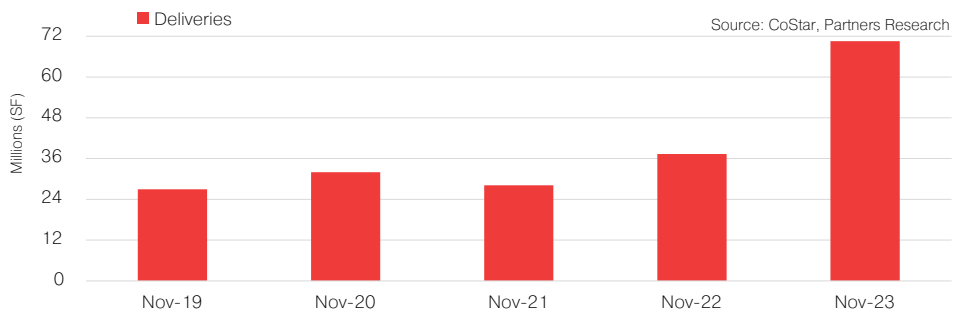
DALLAS-FORT WORTH OFFICE

Eleven months into 2023, the overall vacancy rate in the DFW office market is 24.5%, up 130 basis points from the prior year’s 23.2%. Year-to-date, net absorption is at -2.0 million sq. ft., down from the prior year-to-date number of 92,578 sq. ft. Fragile demand and elevated availability continues in DFW’s office market—Reata Pharmaceuticals’ headquarters added 327,000 sq. ft. of office space to the sublease market in November 2023. Year-to-date, leasing activity—comprised of new leases and renewals—is at 13.0 million sq. ft., 22% down from the prior year-to-date figure of 16.8 million sq. ft. Year-to-date, deliveries are at 1.9 million sq. ft, up 72% from the prior year-to-date amount of 1.1 million sq. ft. The average asking rent (FSG) stands at \$29.67 per sq. ft., slightly up year-over-year from \$29.28 per sq. ft.

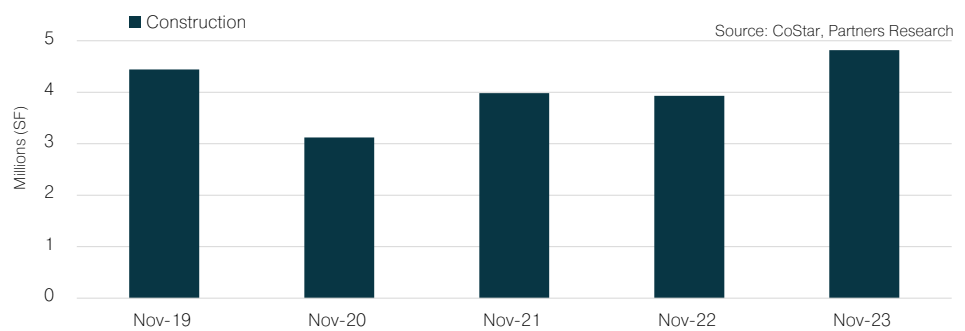
DALLAS-FORT WORTH MULTIFAMILY

Year-to-date, 13,810 multifamily units have been absorbed in DFW, more than doubling from 6,577 units this time last year. Overall occupancy in the metro’s multifamily sector decreased to 90.0% in November 2023, down 180 basis points from 91.8% in November 2022. Year-to-date, deliveries amounted to 33,643 units, up 29% from the prior year-to-date statistic of 26,021 units. A notable completion in November included a 3-story, 538,040-sq.-ft. apartment building (344 units) at 961 Gateway Drive. The average monthly rate (NNN) currently stands at \$1,499 per unit, slightly down from \$1,507 per unit last year.

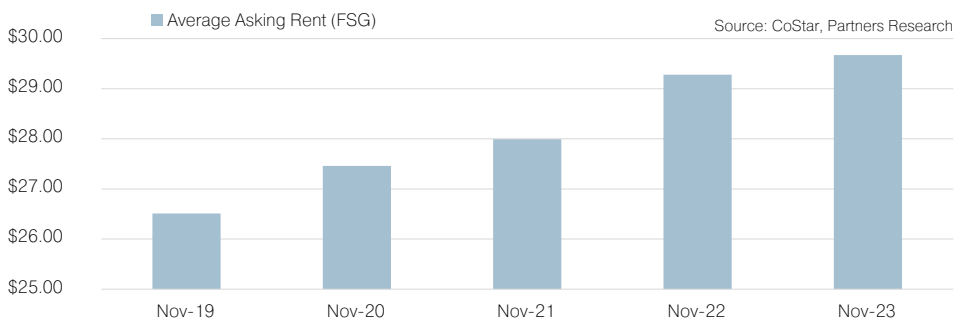
INDUSTRIAL | DELIVERIES



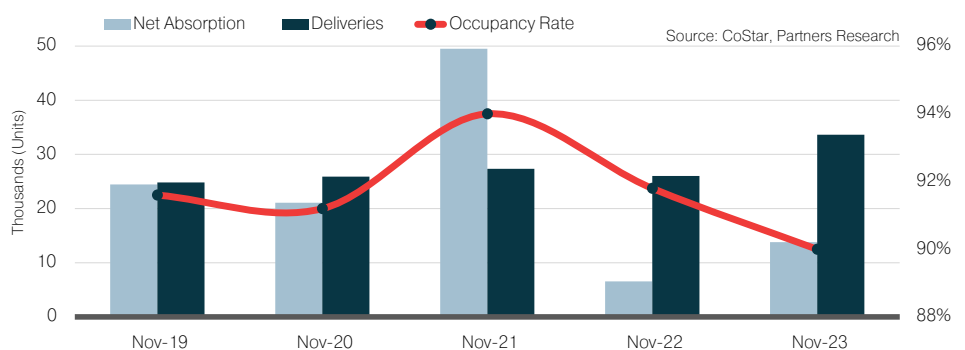
RETAIL | CONSTRUCTION



OFFICE | ANNUAL RENT GROWTH



MULTIFAMILY | SUPPLY & DEMAND



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