

Dallas

Industrial | Q2 2024 Market Report

Quarterly Snapshot

↑ Average Rent
\$9.76/SF

↑ Vacancy
8.8%

↑ Net Absorption
5,693,422 SF

Occupier's Perspective

Despite rental rates increasing, the 12-month rental growth rate decreased to 7.8 percent - the lowest since the second quarter of 2021, and the seventh decrease recorded since the third quarter of 2022.

With tenant improvement allowances, incentives, and a slowdown in rental rate growth, opportunities are more present, compared to recent years, to achieve favorable market lease terms.

Companies are increasingly prioritizing facilities with advanced infrastructure, such as high clear heights, ample dock doors, and energy-efficient systems.

With an inventory of over 1.2 billion square feet, the Dallas-Fort Worth (DFW) industrial market is only second to Chicago in terms of total square feet. At 9.6 percent, vacancy rates increased slightly from the first quarter of 2024. New construction continues to boom with 22.7 million square feet underway, reflecting strong demand driven by e-commerce, logistics, and manufacturing. Build-to-suit projects are increasing, especially among e-commerce and logistics firms. Demand for last-mile delivery facilities is pushing developers towards urban centers.

As other industrial markets soften, DFW continues to expand. Leasing activity remains robust with rents increasing to \$9.76 per square foot. The market shows resilience with strong absorption rates and balanced supply and demand. DFW's strategic location, transportation network, and business-friendly environment continue to attract businesses.

Recent Transactions

Tenant	Size (SF)	Submarket	Type	Building
Google	1,049,022 SF	North Fort Worth	New Lease	Industrial
Mondelez International	985,723 SF	North Fort Worth	New Lease	Industrial
RJW Logistics Group	649,398 SF	East Dallas	New Lease	Industrial
U.S. Lumber Group	548,340 SF	South Dallas	New Lease	Industrial
Frito-Lay	515,000 SF	South Dallas	New Lease	Industrial
Tire Hub	420,526 SF	DFW Airport	New Lease	Industrial
Keurig Dr. Pepper	389,000 SF	South Stemmons Freeway	New Lease	Industrial

Submarket Movement

Vacancy Rate	QOQ Change	Direct Asking Rent (\$/SF)	Submarket
13.3%	▼	\$7.95	South Dallas
15.1%	▲	\$9.05	East Dallas
6.0%	▲	\$9.07	Great SW/Arlington
10.4%	▼	\$9.26	North Ft Worth
6.9%	▲	\$9.32	South Ft Worth
6.7%	▲	\$10.20	South Stemmons
10.1%	▲	\$10.60	DFW Airport
6.8%	◆	\$10.62	Northwest Dallas
5.5%	▲	\$11.92	Northeast Dallas
18.4%	▼	\$12.27	NW Dallas Outlying