

Dallas

Office | Q2 2024 Market Report

Quarterly Snapshot

↔ Average Rent
\$34.79/SF

↔ Vacancy
16.2%

↓ Net Absorption
-448,000 SF

Occupier's Perspective

Demand for both flexible terms and physical spaces remains robust, influencing occupier preferences, with many seeking shorter lease terms and more adaptable office layouts.

Opportunities for favorable occupier terms appear most present in the form of sublease availabilities, properties with higher levels of vacancy, as well as older office product.

DFW's economy continues to support the office market, with strong performance in sectors such as technology, finance, and healthcare.

The Dallas-Fort Worth (DFW) office market continues to be dynamic, with the second quarter of 2024 showing some interesting trends. Total market inventory is nearing 425 million square feet, making DFW the fifth largest U.S. office market by inventory size, behind New York, Washington DC, Chicago and Los Angeles. DFW's vacancy rate of 18.2 percent is keeping steady from the previous quarter. Meanwhile, sublease space has picked up, with nearly 1 million square-feet being added year-over-year.

Leasing activity is on pace with previous years, while office demand continues to be bifurcated between the urban CBDs and suburban submarkets. New construction in premier urban sub-markets like Uptown/Turtle Creek as well as suburban submarkets, like Frisco/The Colony are pushing the threshold for asking rents in the DFW market.

Recent Transactions

Tenant	Size (SF)	Submarket	Type	Building
Santander Consumer USA	211,087 SF	Dallas CBD	Renewal	Office
Onsemi	97,496 SF	Allen/McKinney	New Lease	Office
Inform Diagnostics, Inc.	96,500 SF	DFW Freeport/Coppell	New Lease	Office
Aethon Energy Management	73,925 SF	East LBJ Freeway	Renewal	Office
Workbox	50,000 SF	Uptown/Turtle Creek	New Lease	Office
Foot Locker	47,361 SF	DFW Freeport/Coppell	New Lease	Office

Submarket Movement

Vacancy Rate	QOQ Change	Direct Asking Rent (\$/SF)	Submarket
9.7%	▲	\$26.56	Southwest Dallas
9.1%	▼	\$28.54	North Fort Worth
12.7%	▼	\$28.56	Richardson/Plano
14.0%	▲	\$28.73	Mid-Cities
22.2%	◆	\$29.59	LBJ Freeway
21.0%	◆	\$31.52	Las Colinas
8.2%	▲	\$31.82	South Ft Worth
25.1%	▲	\$31.92	Dallas CBD
11.9%	▼	\$32.54	Lewisville/Denton
17.0%	▼	\$33.04	Stemmons Freeway
11.2%	◆	\$33.40	Ft Worth CBD
18.3%	▲	\$35.88	Central Expressway
19.8%	▲	\$37.90	Far North Dallas
11.1%	▲	\$43.29	East Dallas
8.8%	▼	\$50.76	Preston Center
18.1%	▼	\$53.58	Uptown/Turtle Creek