MARKETBEAT

DALLAS/FORT WORTH

INDUSTRIAL Q3 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.3% Vacancy Rate	▼	▼
28.6M YTD Net Absorption, SF	▲	▲
$9.76 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
4.4M Dallas/Fort Worth Employment	▲	▲
4.3% Dallas/Fort Worth Unemployment Rate	▲	▲
4.2% United States Unemployment Rate	▲	▲

Source: BLS, Moody's Analytics

ECONOMY

Dallas/Fort Worth (DFW) employment grew 1.0% year-over-year (YOY) as of August—over three times the national rate of 0.3% YOY—while population growth continued at an estimated pace of 112,800 residents over the last 12 months.

Surveys of Texas manufacturing and service sector firms by the Dallas Fed signaled expectations for continued growth in employment and capital expenditures over the next six months. The Logistics Managers' Index, a survey of logistics and supply executives, registered at 70.2 in September, the second-highest reading in four years with expectations of continued growth over the next 12 months. Taken together, these indicators suggested expansionary conditions will continue for the DFW industrial market.

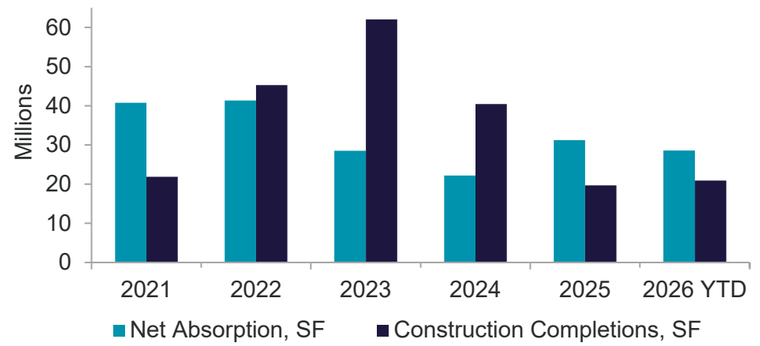
DEMAND

Leasing activity maintained its robust pace at 22.7 million square feet (msf) in the third quarter, nearly matching the previous quarterly record of 23.0 msf in Q2 2021. Year-to-date (YTD) leasing reached 63.0 msf, the strongest first nine months on record. In commitments over 50,000 square feet (sf), demand has been driven primarily by third-party logistics (25.2% of activity) and data center-related operators, suppliers and servicers (23.1% of activity). 30 "big box" users over 500,000 sf have leased 23.9 msf so far this year, accounting for 37.9% of newly leased space.

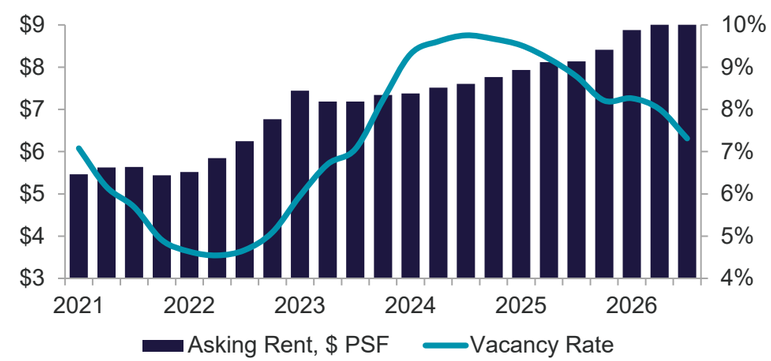
Record leasing velocity has also translated to strong occupancy gains. Quarterly net absorption increased 38.6% quarter-over-quarter (QOQ) to positive 13.9 msf, driving the YTD total to 28.6 msf. The periphery submarkets of Alliance (3.6 msf), Far North/I-35 (2.1 msf), and South Dallas (1.8 msf) led net absorption in the quarter, primarily due to activity by "big box" users.

Cushman & Wakefield Research expects momentum to continue in net absorption through year-end. The DFW market entered the fourth quarter with an additional 19.0 msf of net absorption teed up between known move-ins and move-outs, which may increase 2026 year-end absorption to 47.4 msf—a new all-time high surpassing the previous records of 41.0 msf in 2021 and 2022.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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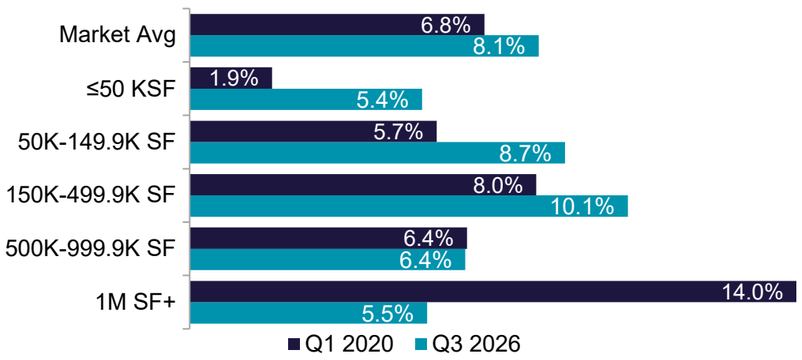
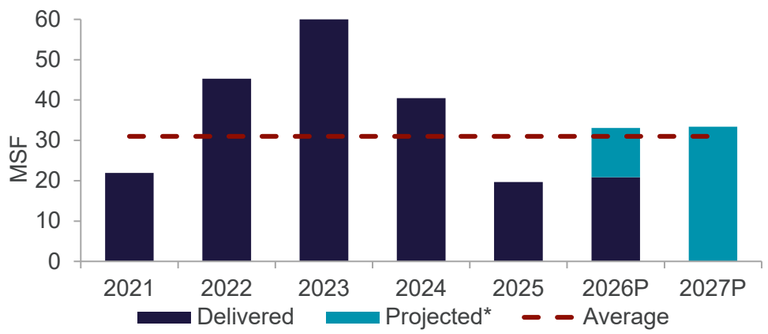
WHSE/DIST VACANCY BY BUILDING SIZE

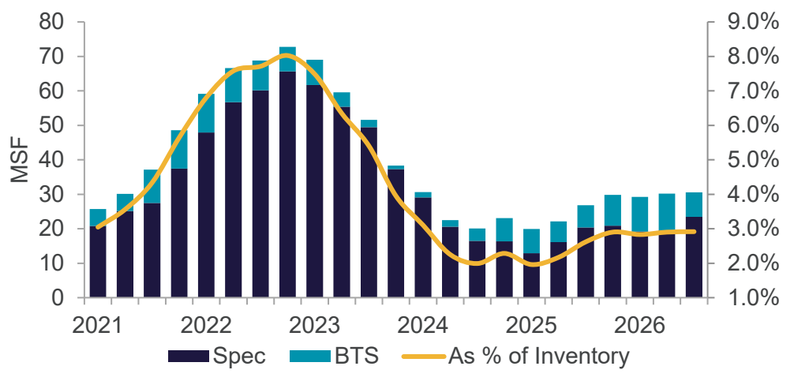


ESTIMATED COMPLETIONS BY YEAR BUILT *



*Projected includes buildings under construction or with site work underway.

CONSTRUCTION PIPELINE



SUPPLY

Strong leasing activity and net absorption allowed overall vacancy to decline 70 basis points (bps) QOQ and 150 bps YOY to 7.3%, the lowest level since Q3 2023. Strong absorption has cleared almost all overbuilt space: for the first time since Q2 2023, only four submarkets have vacancy rates above 10.0%.

Warehouse/Distribution vacancy fell 80 bps QOQ to 8.1%. Mid-size (150,000-499,999 sf) buildings remained the only segment with double-digit vacancy (10.1%) and accounted for 46.3% of vacant space. Vacant availability—a better measure of space competing for tenants—fell to 5.7% in Warehouse/Distribution buildings. Strong demand by "big box" users has depleted competing vacancy in larger buildings: just 5.1 msf or 1.9% of inventory was vacant and available for lease in buildings 500,000 sf and larger, the lowest level in over 15 years.

Quarterly deliveries totaled 7.3 msf, bringing YTD completions to 20.9 msf. Construction activity ticked up to 30.6 msf but remained at a modest level of 3.0% of inventory. Build-to-suite (BTS) activity inched down to 7.1 msf while speculative construction rebounded to 23.4 msf, the highest level since Q1 2024. Site work was underway on an additional 55 proposed buildings representing an additional 17.3 msf of new inventory that will likely come online in 2027/2028.

Cushman & Wakefield Research expects demand to continue outpacing supply: completions will total 33.1 msf or less in 2026, while known move-ins and move-outs could yield net absorption up to 47.4 msf over the same period and push vacancy down to approximately 6.6% by year-end 2026, or the lowest level since Q1 2023.

PRICING

Asking rents reached a new high of $9.76 net per square foot (psf), increasing 5.9% QOQ and 19.9% YOY. Warehouse/Distribution asking rents rose 5.8% QOQ and 20.1% YOY to $9.55 psf. Strong rent growth continued to be a statistical artifact of the shortage of large lower rent spaces available for lease compared to the prior year. Nevertheless, pricing power began returning for landlords in submarkets and building sizes where vacancy has tightened to mid-to-low single digits. Both asking and contractual rents have started to rise and concessions, while remaining tenant friendly in the short term, may begin to wane once rent increases are firmly established.

OUTLOOK

- DFW remains well-positioned for long-term growth due to its central location, infrastructure, and continued population and employment expansion. These factors also make the market a primary beneficiary of emerging trends such as onshoring and data center-related investment.
- The DFW market was already on track to achieve its strongest year for leasing and absorption on record, with three months remaining in the year for additional commitments to be signed.
- Occupiers should not delay decisions given the scarcity of space, rising market rents, and potential for less favorable concessions.
- Market conditions are ideal for developers to break ground on speculative buildings 500,000 sf and larger or entitle sites as BTS options.

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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY* (SF)	UNDER CONSTR (SF)	YTD CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT	WHSE/DIST WEIGHTED AVG NET RENT
DFW Airport	111,096,740	12,440,374	11.2%	816,323	1,266,198	8,618,108	3,474,711	2,813,535	$11.35	$11.22
Brookhollow/Trinity	49,372,787	3,657,751	7.4%	-198,983	-279,679	1,405,810	0	0	$11.34	$11.01
Walnut Hill/Stemmons	23,860,337	1,348,377	5.7%	55,277	-163,200	509,481	352,216	0	$10.25	$10.17
North Dallas/Metropolitan	19,682,796	2,139,235	10.9%	20,033	252,975	533,479	0	0	$10.49	$8.18
Valwood/N Stemmons	51,582,097	1,951,960	3.8%	160,800	-74,829	1,943,674	541,107	0	$10.30	$10.09
Far North/I-35	37,373,848	3,808,900	10.2%	2,055,003	2,932,560	4,678,676	375,831	744,998	$9.97	$9.93
Richardson/Plano	39,901,082	2,786,217	7.0%	67,226	195,214	1,222,767	712,174	755,221	$12.13	$11.45
Allen/McKinney	18,824,353	2,009,155	10.7%	119,022	522,516	969,189	2,738,315	1,173,251	$12.25	$12.04
Central Dallas	12,680,994	842,089	6.6%	-97,584	-97,584	1,250	0	0	$9.75	$8.16
Garland	47,336,277	2,976,077	6.3%	-223,262	706,332	2,841,876	663,700	170,878	$10.56	$10.61
Mesquite	32,263,535	1,874,475	5.8%	697,725	1,283,807	2,498,540	632,649	454,486	$8.33	$8.35
East Dallas Suburbs	23,584,529	1,395,393	5.9%	684,307	3,076,486	4,051,637	284,065	225,000	$7.77	$7.66
Pinnacle/Turnpike	33,349,546	2,940,010	8.8%	-155,450	-398,678	802,150	282,235	260,056	$8.36	$8.36
Redbird	24,958,764	556,144	2.2%	1,994	315,222	466,096	351,241	28,890	$8.00	$8.00
South Dallas	101,736,898	8,205,446	8.1%	1,808,721	3,816,381	7,059,069	2,604,013	698,879	$7.05	$7.37
Ellis County	28,983,636	764,622	2.6%	1,501,452	1,796,602	453,387	1,426,164	1,277,477	$7.01	$6.78
Great Southwest	129,993,747	9,592,112	7.4%	393,917	562,606	6,201,041	2,289,273	1,465,325	$9.45	$9.28
DALLAS TOTAL	786,581,966	59,288,337	7.5%	7,706,521	15,712,929	44,256,230	16,727,694	10,067,996	$9.89	$9.64
North Fort Worth	59,136,211	4,385,589	7.4%	54,464	1,146,124	3,371,672	1,950,479	1,042,419	$8.97	$8.95
Alliance	88,883,837	4,668,994	5.3%	3,627,521	7,634,726	10,157,875	8,326,938	5,063,997	$9.19	$9.22
Central Fort Worth	15,848,545	390,293	2.5%	12,818	-117,967	120,119	0	0	$8.94	$8.94
East Fort Worth	27,552,525	2,622,201	9.5%	228,671	6,940	913,202	0	0	$9.80	$9.82
West Fort Worth	8,692,100	602,872	6.9%	608,861	746,669	772,243	0	991,038	$9.62	$9.59
South Fort Worth	49,129,825	4,458,889	9.1%	4,068	1,822,929	3,444,625	3,554,940	2,010,578	$8.58	$8.56
Johnson County	12,414,998	233,726	1.9%	1,691,664	1,611,022	11,664	0	1,700,000	$8.55	$8.55
FORT WORTH TOTAL	261,658,041	17,362,564	6.6%	6,228,067	12,850,443	18,791,400	13,832,357	10,808,032	$9.19	$9.19
DALLAS/FORT WORTH TOTALS	**1,048,240,007**	**76,650,901**	**7.3%**	**13,934,588**	**28,563,372**	**63,047,630**	**30,560,051**	**20,876,028**	**$9.76**	**$9.55**
Manufacturing	99,645,482	1,491,058	1.5%	29,856	-250,314	762,560	2,577,690	225,000	$8.46	-
Office Service Center (Flex)	82,174,828	5,389,019	6.6%	-42,856	-522,634	2,051,115	275,413	57,592	$12.98	-
Warehouse/Distribution	866,419,697	69,770,824	8.1%	13,947,588	29,336,320	60,233,955	27,706,948	20,593,436	$9.55	-

**Leasing statistics include new leases and subleases, and exclude renewals, user purchases and self-developed build-to-suit projects.*

KEY LEASE TRANSACTIONS* - Q3 2026

PROPERTY / ADDRESS	SUBMARKET	TENANT	SF	TYPE**
Exeter Westpark II - Bldg 1 / 1011 N Western Blvd	Far North/I-35	DSV Contract Logistics	1,122,493	New Lease
PointSouth - Bldg 1 / 950 N IH-45	South Dallas	PepsiCo	1,013,833	New Lease
Junction 20/35 - Bldg 1 / 7550 Oak Grove Rd	South Fort Worth	McLane Company	629,690	Renewal**
Tarrant Trade Center / 13950 Old Denton Rd	Alliance	Red Bull	619,363	New Lease
Prologis Park Meacham - Bldg 1 / 2500 Sylvania Cross Dr	North Fort Worth	Southland Industries	564,387	New Lease

**Leases not authorized for public release excluded from key transactions. **Renewals excluded from leasing activity.*

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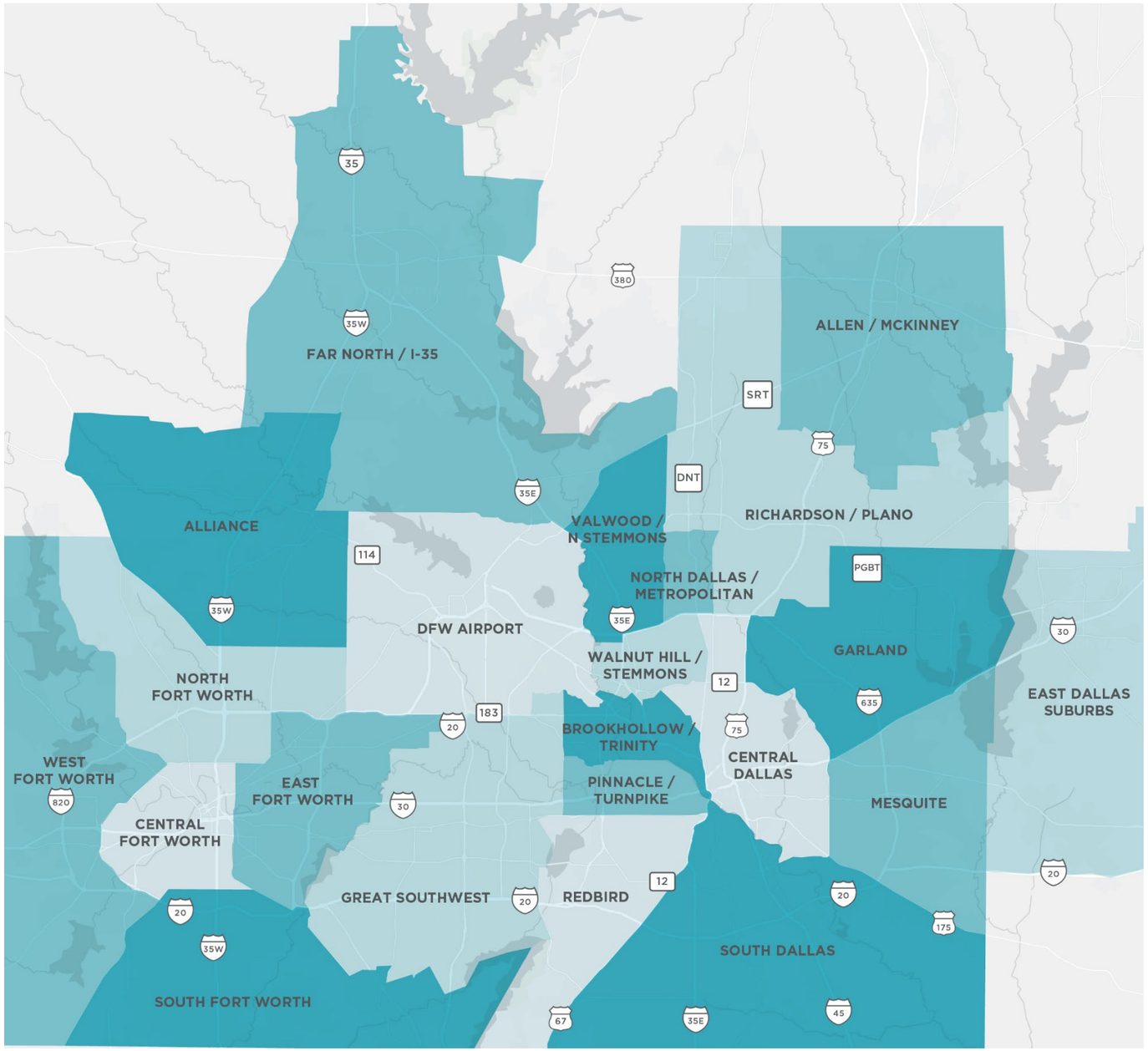
INDUSTRIAL SUBMARKETS



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