MARKETBEAT
DALLAS/FORT WORTH
INDUSTRIAL Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
8.1% Vacancy Rate	▼	▬
13.6M YTD Net Absorption, SF	▼	▲
$9.19 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
4.3M Dallas/Fort Worth Employment	▲	▲
4.1% Dallas/Fort Worth Unemployment Rate	▲	▲
4.2% United States Unemployment Rate	▬	▲

Source: BLS, Moody's Analytics

ECONOMY

Dallas/Fort Worth (DFW) employment continued to grow modestly, increasing 0.8% year-over-year (YOY) to 4.3 million.

Dallas Fed surveys of Texas manufacturing and service firms indicated mixed results in June, with slowing activity for manufacturing firms and accelerating growth in the service sector. Uncertainty, mainly driven by geopolitical events, has improved significantly over the past three months and fallen below average levels. Firms in both sectors expected growth in employment and capital expenditures over the next six months, indicating generally favorable conditions for commercial real estate. The Logistics Manager's Index, a key indicator of national supply chain conditions, registered the highest rate of expansion since 2022, which managers expected to continue over the next 12 months.

DEMAND

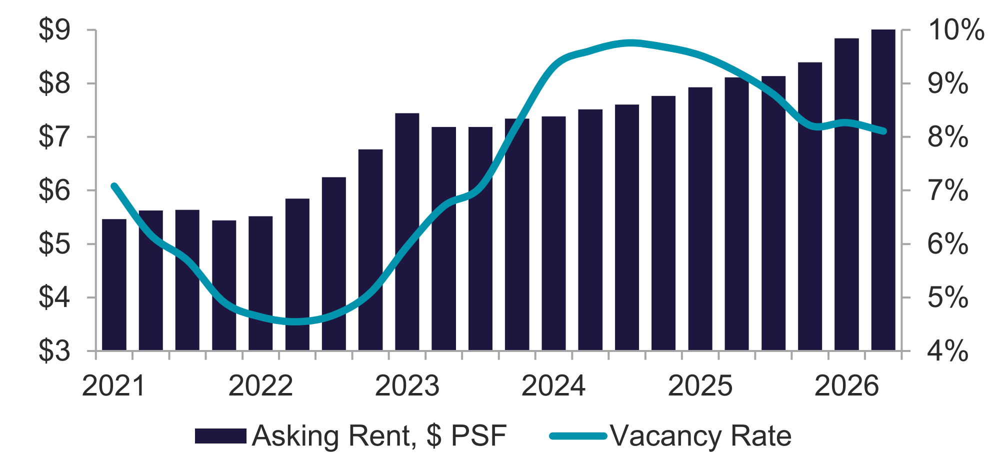
Leasing activity continued its record pace, accelerating 3.9% quarter-over-quarter (QOQ) to reach 20.5 million square feet (msf). Year-to-date (YTD) leasing totaled 40.3 msf, the strongest first half of the year on record. Similarly, new commitments signed over the past 12 months totaled 72.1 msf, a new all-time high that eclipsed the previous record set in 2021. Requirements remained broad-based across 3PL, manufacturing, eCommerce, and data center-related suppliers and servicers. 28 "big box" users over 500,000 sf have leased 23.0 msf over the past 12 months, accounting for 31.9% of newly leased space.

Recent leasing momentum began translating into strong occupancy gains in the second quarter. Quarterly net absorption reached 9.0 msf, driving the YTD total to 13.6 msf and matching pace with new supply, which also totaled 13.6 msf YTD. Periphery "big box" submarkets lead the market in YTD net absorption with Alliance (3.9 msf), East Dallas Suburbs (2.4 msf), South Dallas (2.0 msf), and South Fort Worth (1.8 msf).

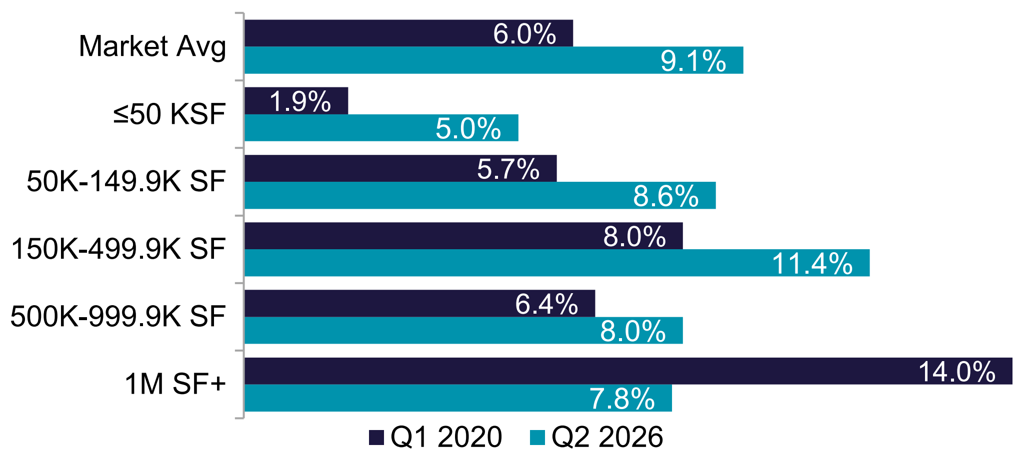
Cushman & Wakefield Research expects robust leasing to continue driving absorption through 2026. The DFW market entered the third quarter with an additional 20.0 msf of net absorption teed up between known move-ins and move-outs, which would increase 2026 year-end absorption to 33.7 msf, the strongest performance since 2022.

SPACE DEMAND / DELIVERIES

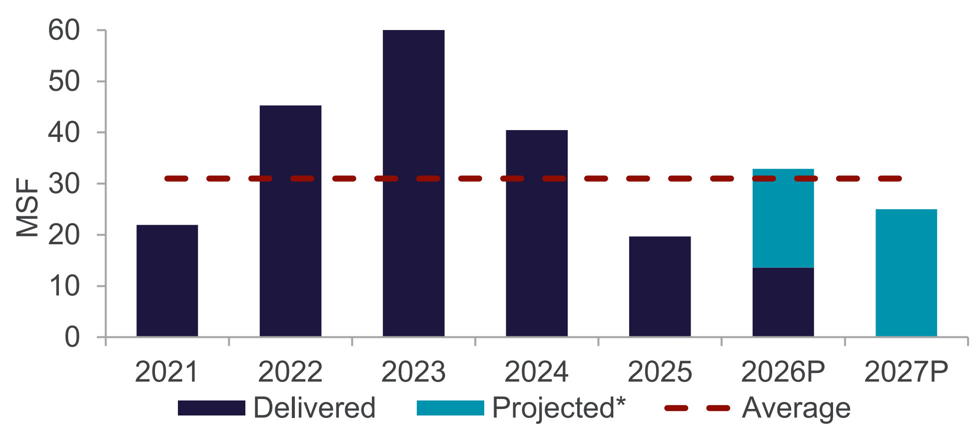
OVERALL VACANCY & ASKING RENT



WHSE/DIST VACANCY BY BUILDING SIZE

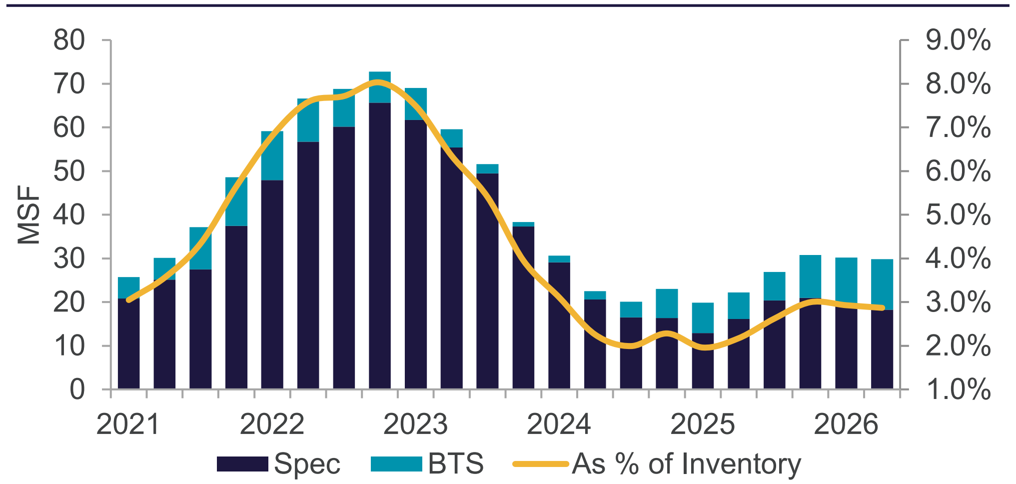


ESTIMATED COMPLETIONS BY YEAR BUILT *



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

CONSTRUCTION PIPELINE



SUPPLY

With demand and supply balanced, overall vacancy ticked down to 8.1%, a decline of 20 basis points (bps) QOQ and 110 bps YOY. Vacancy improved most dramatically in the East Dallas Suburbs and South Dallas submarkets due to absorption by large users, falling 12.8% and 6.6% YOY, respectively.

Warehouse/Distribution vacancy has also fallen 140 bps YOY to 9.1%. Mid-size (150,000-499,999-sf) buildings were the only size segment where vacancy remains above 10.0% due to the number of recent deliveries in lease-up. On the other hand, vacancy in “big box” buildings over 500,000 sf has dramatically tightened to the lowest levels since 2022. The South Dallas submarket—where vacancy has averaged 15.5% over the last 10 years due to oversupply—is on pace to achieve a vacancy rate of 6.4% by year-end 2026, the lowest level since 2007, due to large users such as DHL, Logistics Plus, and T1 Energy.

YTD deliveries totaled 13.6 msf, causing construction activity to inch down to 29.8 msf or 2.9% of stock. Build-to-suit projects continued at an above average pace, totaling 11.6 msf or 38.8% of construction activity, while speculative construction decreased slightly to 18.2 msf. In addition, site work was underway on an additional 16.9 msf of new inventory at the end of the second quarter.

Cushman & Wakefield research expects vacancy to continue improving: completions may total approximately 32.9 msf by year-end 2026, while known move-ins and move-outs yield net absorption of 33.7 msf or higher over the same period. With demand slightly outpacing supply, DFW vacancy may fall to 7.9% or lower by year-end, or 90 bps above the 10-year average.

PRICING

Asking rents reached a new high of $9.19 net per square foot (psf), growing by 4.0% QOQ and 13.2% YOY. A dearth of “big box” spaces which quote the lowest rates contributed to stronger growth in the market’s weighted average rent. At the same time, both asking and contractual rents increased where competing vacancy was near or below the long-term average, which may indicate that landlords are shifting from a “price taker” to “price maker” position in the market. Concessions remain favorable for tenants while annual escalations typically range from 3.75%-4.00% to support face rents and asset prices at disposition.

OUTLOOK

- DFW remains well-positioned for long-term growth due to its central location, strong infrastructure, and continued population and employment expansion.
- Strong demand has eliminated most supply risk and will likely continue to reduce vacancy over the next six months and beyond.
- Tenants seeking space in building sizes or submarkets where vacancy has tightened should not delay decisions as pricing power is returning to landlords.
- Market conditions are ripe for developers to break ground on speculative buildings 500,000 sf and larger.

DALLAS/FORT WORTH
INDUSTRIAL Q2 2026

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	109,987,100	12,354,024	11.2%	233,189	350,875	6,509,814	3,103,143	1,860,516	$11.20	$11.06
Brookhollow/Trinity	49,317,551	3,434,667	7.0%	-22,791	-72,555	899,860	0	0	$11.32	$10.97
Walnut Hill/Stemmons	23,932,405	1,357,888	5.7%	-66,974	-153,220	320,203	0	0	$10.40	$10.32
North Dallas/Metropolitan	19,682,796	2,171,000	11.0%	223,810	221,210	350,032	0	0	$10.25	$8.03
Valwood/N Stemmons	51,579,615	2,156,825	4.2%	-42,051	-272,223	976,863	541,107	0	$9.56	$9.22
Far North/I-35	37,210,903	5,693,617	15.3%	271,944	857,152	2,655,060	237,787	553,553	$9.05	$8.96
Richardson/Plano	39,655,529	2,850,396	7.2%	240,395	84,651	773,874	365,667	755,221	$12.13	$11.55
Allen/McKinney	18,766,761	2,145,125	11.4%	99,530	328,954	787,697	1,809,502	1,115,659	$10.62	$10.51
Central Dallas	12,680,994	744,505	5.9%	0	0	0	0	0	$9.64	$8.04
Garland	47,228,047	2,993,212	6.3%	153,034	589,402	2,112,145	178,978	68,610	$9.90	$9.73
Mesquite	32,263,023	2,572,200	8.0%	144,295	586,082	1,973,459	145,940	454,486	$8.41	$8.39
East Dallas Suburbs	23,358,029	1,854,700	7.9%	1,502,141	2,392,179	2,704,053	1,442,721	0	$7.78	$7.75
Pinnacle/Turnpike	33,089,490	2,501,820	7.6%	194,786	-220,544	824,650	467,245	0	$7.77	$7.77
Redbird	24,929,874	566,937	2.3%	63,602	275,539	502,494	222,520	0	$6.65	$6.65
South Dallas	101,035,211	9,310,288	9.2%	1,340,172	2,012,660	3,872,740	2,284,000	0	$6.55	$6.69
Ellis County	27,717,609	988,597	3.6%	306,925	295,150	417,893	2,703,641	0	$7.12	$6.83
Great Southwest	129,812,979	9,875,380	7.6%	1,216,985	142,078	4,526,012	1,966,711	1,310,181	$9.32	$9.15
DALLAS TOTAL	782,247,916	63,571,181	8.1%	5,858,992	7,417,390	30,206,849	15,468,962	6,118,226	$9.41	$9.16
North Fort Worth	58,996,537	4,753,256	8.1%	240,917	638,783	1,176,668	1,539,294	902,745	$8.76	$8.76
Alliance	87,423,839	6,944,331	7.9%	2,675,673	3,899,391	6,658,338	7,657,916	3,603,999	$9.31	$9.34
Central Fort Worth	15,848,545	416,611	2.6%	-145,245	-144,285	29,861	0	0	$7.23	$7.23
East Fort Worth	27,548,947	2,728,383	9.9%	-149,684	-129,061	634,470	0	0	$9.16	$9.25
West Fort Worth	8,712,100	1,211,733	13.9%	140,074	137,808	757,245	0	991,038	$9.57	$9.54
South Fort Worth	49,090,241	4,585,455	9.3%	419,688	1,818,861	858,573	3,464,977	2,010,578	$7.37	$7.34
Johnson County	10,594,606	145,334	1.4%	-12,250	-12,250	0	1,700,000	0	$17.27	$17.27
FORT WORTH TOTAL	258,214,815	20,785,103	8.0%	3,169,173	6,209,247	10,115,155	14,362,187	7,508,360	$8.47	$8.47
DALLAS/FORT WORTH TOTALS	**1,040,462,731**	**84,356,284**	**8.1%**	**9,028,165**	**13,626,637**	**40,322,004**	**29,831,149**	**13,626,586**	**$9.19**	**$8.99**
Manufacturing	99,670,962	1,307,180	1.3%	-976	-268,938	601,358	2,802,690	0	$8.11	-
Office Service Center (Flex)	81,981,998	5,114,038	6.2%	-110,947	-358,446	1,366,842	333,005	0	$12.90	-
Warehouse/Distribution	858,809,771	77,935,066	9.1%	9,140,088	14,254,021	38,353,804	26,695,454	13,626,586	$8.99	-

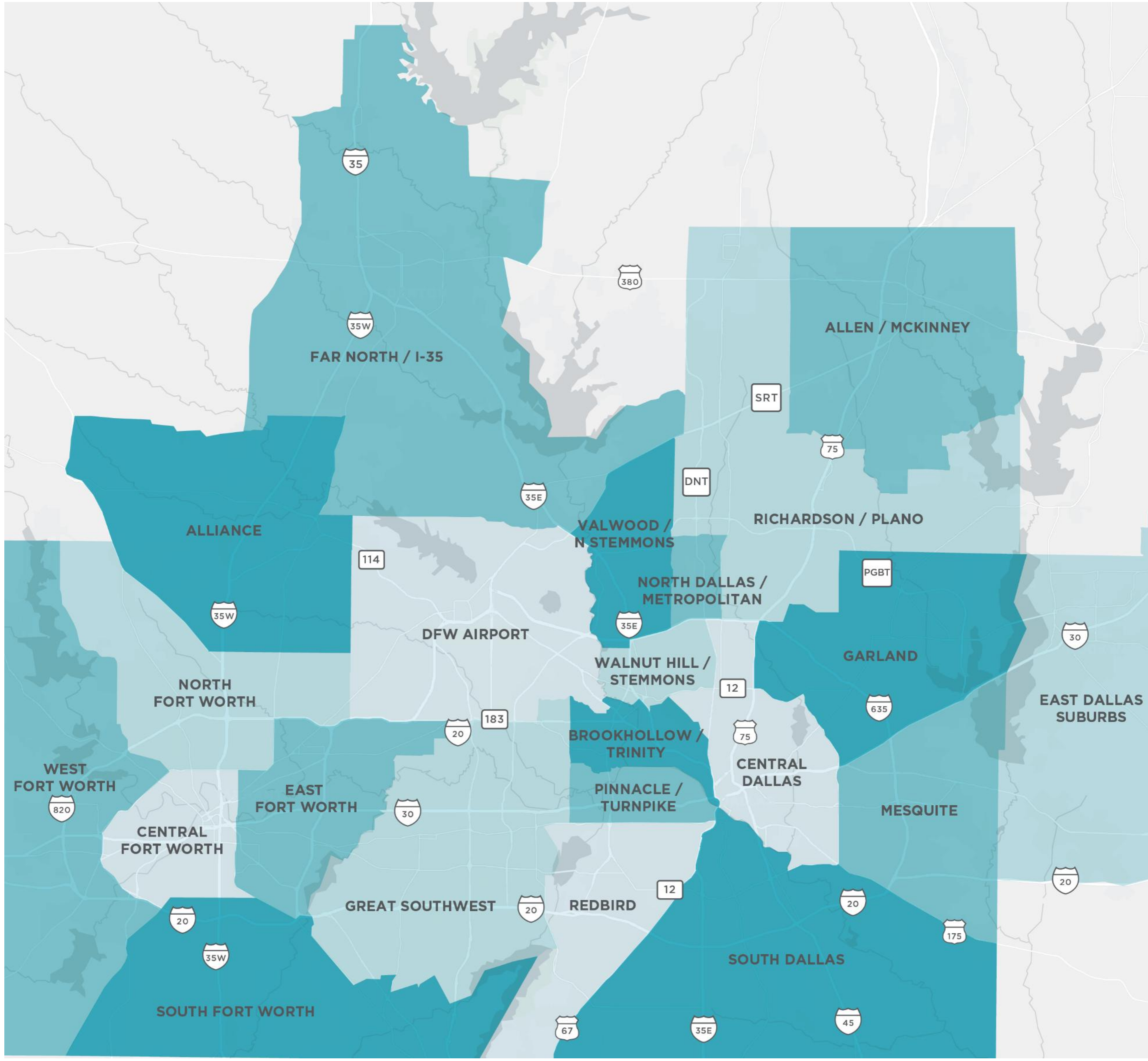
**Leasing statistics include new leases and subleases, and exclude renewals, user purchases and self-developed build-to-suit projects.*

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY / ADDRESS	SUBMARKET	TENANT	SF	TYPE*
Passport Park West - Bldg 6 / 2550 Travel St	DFW Airport	Amazon	1,075,544	New Lease
Alliance Center North 6 / 15500 N Beach St	Alliance	Celestica	1,009,280	New Lease
Majestic Airport Center DFW - Bldg 5 / 2900 S Valley Pky	DFW Airport	Flexport	799,460	New Lease
Denton ICC-35 - Bldg 3 / 2101 FM 1173	Far North/I-35	Western Partitions	702,766	New Lease
ALTO Pinto 45 / 1200 Pinto Rd	South Dallas	DHL	586,889	New Lease

**Renewals excluded from leasing activity.*

INDUSTRIAL SUBMARKETS



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