

Dallas – Fort Worth

Industrial market snapshot | Q3 2024

DFW continues as a premiere U.S. logistics hub due to its affordability, central location, and access to roads, rail, and air that allow it to serve a large part of the country. While demand looks out of balance, the market remains strong. Vacancy increased mostly due to a lease-up lag of the newest deliveries. With demand still above trend, the pipeline slowdown should help the market regain a more normal balance into 2025.

30.9 msf

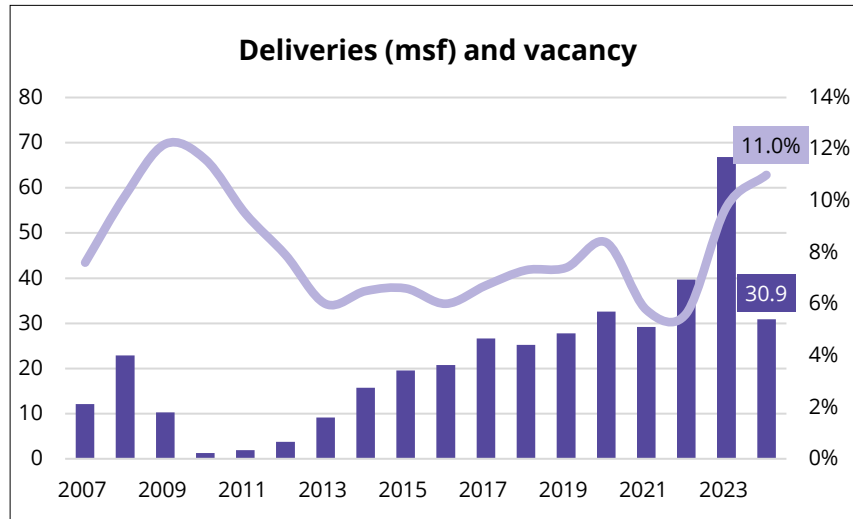
Development has slowed notably in the last year, coming back more in line with past trends. This should allow vacancy to tighten in 2025.

17.9 msf

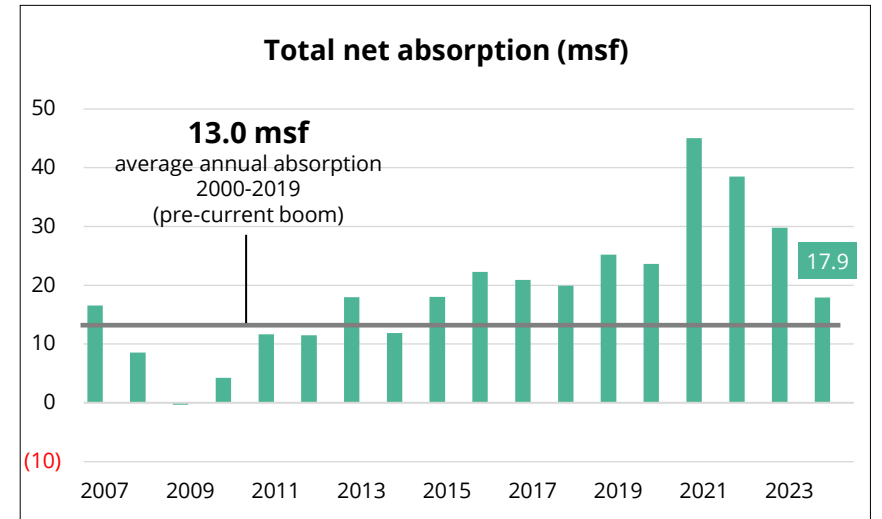
While off its peak, demand is sustainably strong. It may take a year+ for vacancy to improve closer to DFW's 8-9% long-term trend.

\$7.85 psf

Affordability is one key to DFW's success as a U.S. logistics hub. Rent plateaued in 2024 and remains one of the most affordable options.



DFW construction took off in 2022, and the rapid ramp-up caused vacancy to spike due to a lag in lease-up. While 2024 activity is still above trend, it has slowed closer to the average.

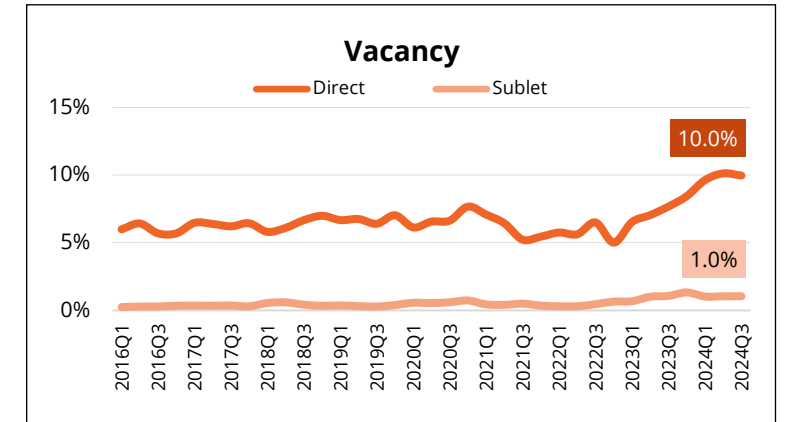
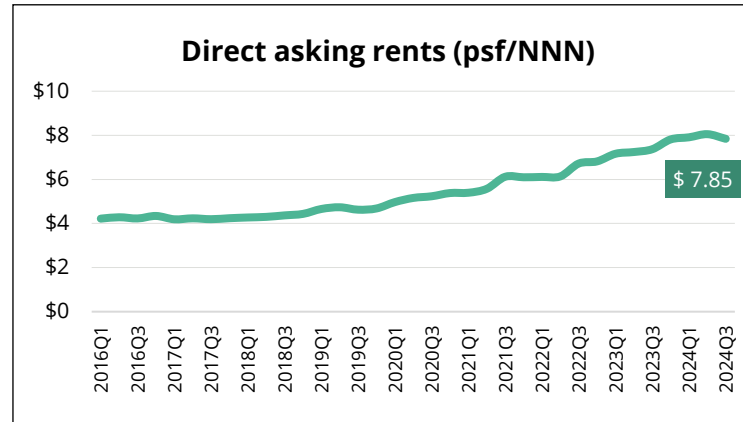
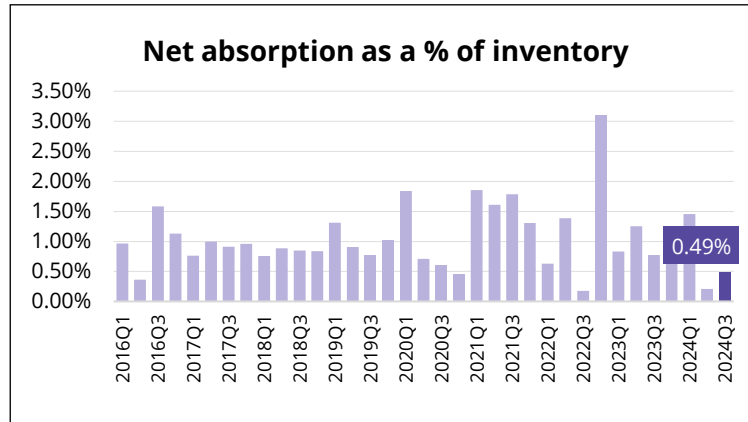


2024 absorption has pulled back from its recent highs. In reality, 2024 will be a solid year because this key demand indicator is well above its long-term 13 msf annual average.

Source: AVANT by Avison Young, Costar

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Recent leasing activity

Tenant	Property Address	Size sf	Transaction type	Lease type
Sonoco Products	1925 Country Club Drive	78,200	Direct	Renewal
Cinelease	7821-7865 Will Rogers Boulevard	20,300	Direct	New
Flowco Production	6633 Oak Grove Road	135,100	Direct	Renewal
Tire Universe	8420 Eastpoint Drive	100,000	Direct	Renewal

Recent sales activity

Buyer	Property Address	Sale price (millions)	Sale price psf	Seller
TFI Grand Prairie	2880 North State Highway 360	\$31.3	\$117	Papa Johns
UNIS	910 10th Street	\$25.0	\$61	TCRG Properties
Ponte Gadea	Elizabeth Creek - Building C	\$126.0	\$103	Deutsche Post AG, DHL
TA Realty	Trammell Crow @ 35 Eagle - D	\$65.2	\$119	Heitman

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	Existing Inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption sf (QTD)	Net absorption sf (YTD)	Annual direct asking rent psf NNN
Warehouse	40,117,766	1,205,917	1,798,398	11.3%	0.5%	11.7%	5.3%	(120,352)	(203,415)	\$9.68
Distribution	39,676,964	1,577,454	472,400	11.4%	1.0%	12.4%	5.6%	349,202	(24,268)	\$11.69
Manufacturing	2,956,300	0	0	0.0%	0.0%	0.0%	0.0%	0	81,727	--
DFW Airport	82,751,030	2,783,371	2,270,798	10.9%	0.7%	11.6%	5.2%	228,850	(145,956)	\$10.22
Warehouse	19,889,839	663,990	416,297	23.2%	2.1%	25.3%	5.5%	(501,728)	521,165	\$6.40
Distribution	27,699,131	4,924,530	1,591,533	23.6%	0.2%	23.9%	9.9%	(58,830)	274,933	\$6.29
Manufacturing	5,942,165	0	0	0.4%	0.2%	0.6%	(3.8%)	(11,896)	228,727	--
East Dallas	53,531,135	5,588,520	2,007,830	20.9%	0.9%	21.8%	6.8%	(572,454)	1,024,825	\$6.33
Warehouse	47,828,800	1,253,052	328,170	6.5%	1.4%	7.9%	2.5%	326,132	(259,077)	\$9.05
Distribution	41,078,654	169,496	2,224,931	7.3%	1.9%	9.2%	1.9%	(413,716)	(703,502)	\$7.35
Manufacturing	10,451,393	0	0	1.7%	0.0%	1.7%	(0.2%)	0	42,639	--
Greater SW - Arlington	99,358,847	1,422,548	2,553,101	6.3%	1.5%	7.8%	2.0%	(87,584)	(919,940)	\$8.26
Warehouse	48,947,538	5,761,413	936,480	17.5%	0.5%	18.0%	4.4%	2,229,104	4,276,263	\$8.62
Distribution	70,321,798	1,042,000	911,876	7.3%	1.1%	8.5%	(2.1%)	973,391	2,371,617	\$4.50
Manufacturing	13,716,015	0	0	0.3%	2.1%	2.3%	1.1%	0	124,685	--
North Fort Worth	132,985,351	6,803,413	1,848,356	10.3%	1.0%	11.3%	0.8%	3,202,495	6,772,565	\$6.52
Warehouse	34,703,955	1,420,093	721,594	9.1%	0.5%	9.6%	5.0%	(524,078)	312,880	\$18.09
Distribution	23,488,161	113,864	1,063,696	3.0%	1.5%	4.5%	0.3%	5,960	(4,775)	\$9.90
Manufacturing	18,053,240	478,469	0	1.4%	0.6%	2.0%	0.5%	(39,348)	358,307	\$5.50
Northeast Dallas	76,245,356	2,012,426	1,785,290	5.4%	0.8%	6.2%	2.5%	(557,466)	666,412	\$8.80

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Warehouse	49,412,151	1,395,404	1,650,215	11.7%	1.5%	13.2%	2.2%	225,925	215,008	\$11.33
Distribution	43,342,379	959,770	525,767	4.7%	1.3%	6.0%	1.1%	(417,875)	1,067,914	\$9.76
Manufacturing	6,252,146	0	0	1.7%	0.0%	1.7%	0.5%	28,415	(21,891)	\$8.50
Northwest Dallas	99,006,676	2,355,174	2,175,982	8.0%	1.3%	9.3%	1.7%	(163,535)	1,261,031	\$10.46
Warehouse	29,647,488	1,546,483	1,958,495	13.1%	1.0%	14.1%	3.0%	152,903	1,159,652	\$22.81
Distribution	96,068,708	4,480,688	1,724,663	15.6%	0.8%	16.4%	(0.8%)	2,340,099	4,973,198	\$4.71
Manufacturing	15,615,748	0	0	2.0%	0.5%	2.4%	1.4%	18,423	(219,916)	\$3.95
South Dallas	141,331,944	6,027,171	3,683,158	13.5%	0.8%	14.4%	0.4%	2,511,425	5,912,934	\$5.04
Warehouse	30,796,608	256,975	536,881	6.7%	0.3%	7.0%	1.2%	45,252	(171,912)	\$6.76
Distribution	27,695,400	1,291,385	1,383,754	13.3%	1.5%	14.9%	0.2%	(448,425)	1,584,238	\$5.25
Manufacturing	14,421,440	600,000	0	1.3%	0.4%	1.7%	0.2%	73,800	619,470	--
South Fort Worth	72,913,448	2,148,360	1,920,635	8.1%	0.8%	8.9%	0.7%	(329,373)	2,031,796	\$6.57
Warehouse	26,361,143	763,960	407,472	6.6%	0.2%	6.8%	2.8%	(34,172)	667,967	\$8.58
Distribution	40,842,520	1,034,885	816,603	9.2%	2.4%	11.7%	4.0%	(461,980)	280,737	\$8.46
Manufacturing	7,260,521	0	0	1.8%	0.0%	1.8%	(0.6%)	377,575	366,075	\$6.14
South Stemmons	74,464,184	1,798,845	1,224,075	7.6%	1.4%	9.0%	3.1%	(118,577)	1,314,779	\$8.06
Warehouse	327,705,288	14,267,287	8,754,002	11.4%	0.9%	12.3%	3.6%	1,798,986	6,518,531	\$8.70
Distribution	410,213,715	15,594,072	10,715,223	10.8%	1.3%	12.1%	1.5%	1,867,826	9,820,092	\$7.65
Manufacturing	94,668,968	1,078,469	0	1.3%	0.6%	1.9%	0.2%	446,969	1,579,823	\$5.26
DFW Market Total	832,587,971	30,939,828	19,469,225	10.0%	1.0%	11.0%	2.3%	4,113,781	17,918,446	\$7.85

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Industrial development pipeline

99 properties

under construction

19.5 msf | 200,000 sf

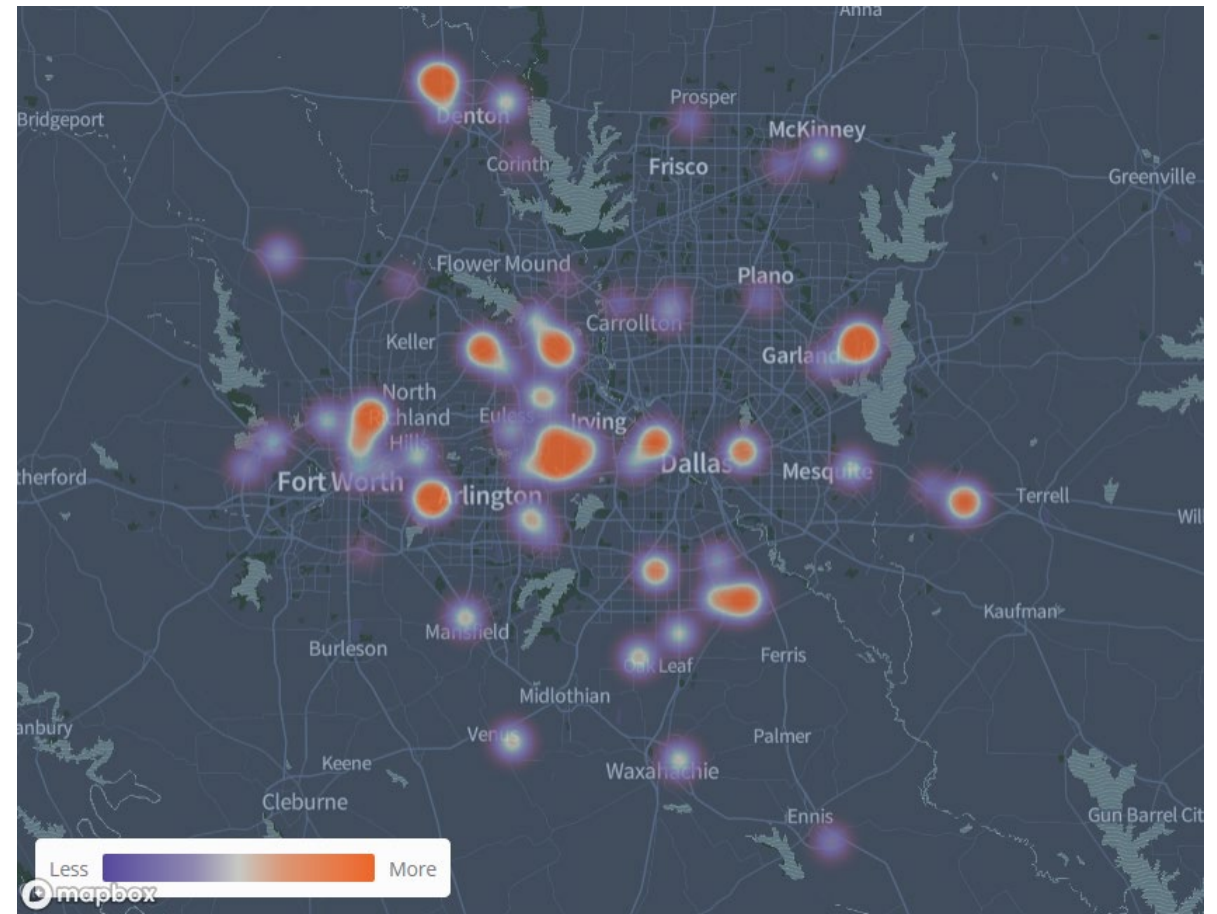
under construction | average project size

2.3%

share of industrial inventory

45 msf | 45%

share leased



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Get in touch

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