

Dallas – Fort Worth

Industrial market snapshot | Q4 2024

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

39.2 msf

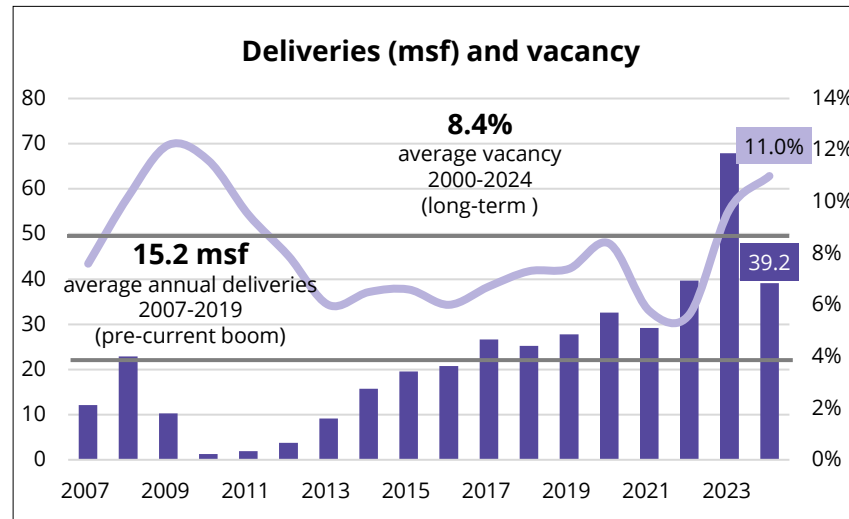
Development has slowed notably in the last year. While still higher than trend, this decline should allow vacancy to tighten in 2025.

24.0 msf

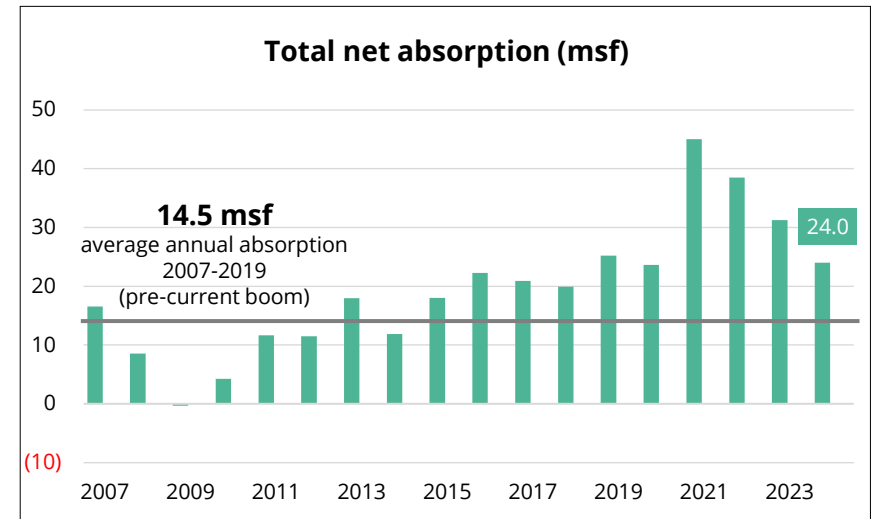
While off its recent peak, demand is sustainably strong. It may take a year or more for vacancy to improve closer to DFW's 8-9% long-term trend.

\$7.70 psf

Affordability is key to DFW's success as a logistics hub. Rent plateaued in 2024, keeping it an affordable U.S. option.



Construction took off in 2022 and the rapid increase caused vacancy to spike as lease-up lagged. 2024 activity is still well above trend but has slowed closer to demand levels.



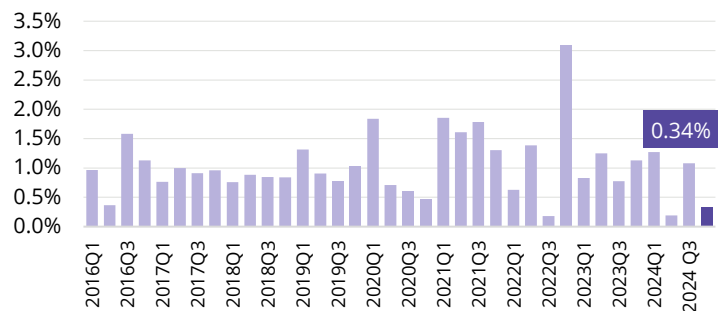
While absorption has pulled back from its recent highs, 2024 is another solid year because this key demand indicator remains well above its pre-boom 14.5 msf annual average.

Source: AVANT by Avison Young, Costar

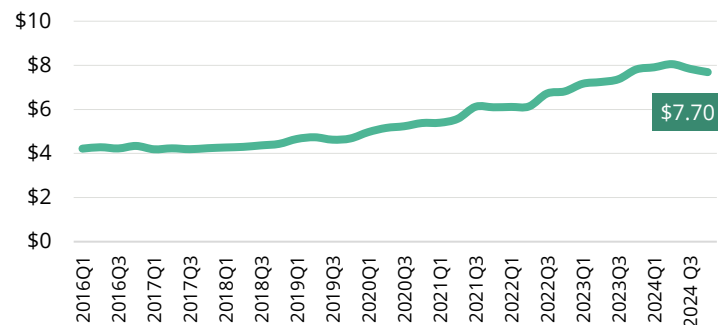
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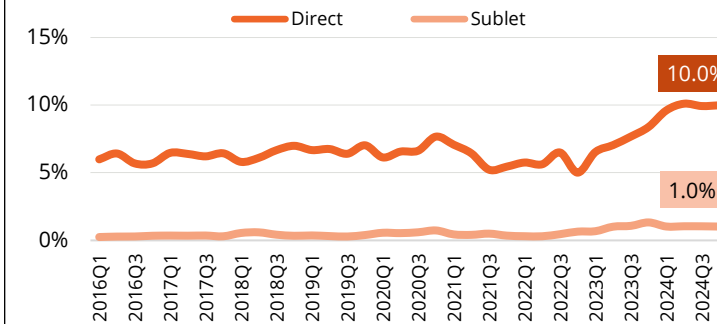
Net absorption as a % of inventory



Direct asking rents (psf/NNN)



Vacancy



Recent leasing activity

Tenant	Property Address	Size sf	Transaction type	Lease type
CJ Logistics	1200 Fulghum Road	1,075,000	Direct	New
S&S Activewear	4800 N Sylvania Road	657,000	Direct	New
Frito-Lay	3636 Mountain Creek Parkway	286,000	Direct	New
Core-Mark	6401 Will Rogers Boulevard	200,000	Direct	Renewal

Recent sales activity

Buyer	Property Address	Sale price (millions)	Sale price psf	Seller
Ponte Gadea	Elizabeth Creek Gateway	\$126.0	\$103	DHL
Longpoint Realty	1401 Valley View Lane	\$31.6	\$76	Brookfield AM
Bleecker Partners	1600 Capital Avenue	\$4.7	\$93	BREIT
James Campbell Co	Westport Logistics I & II	\$97.1	\$110	CT Realty Diamond Realty

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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	40,659,098	1,747,249	1,394,316	12.2%	0.6%	12.7%	5.3%	(310,129)	(144,592)	\$9.81
Distribution	39,676,964	1,577,454	530,680	11.1%	1.9%	13.0%	5.6%	(237,807)	(262,075)	\$13.75
Manufacturing	2,956,300	0	0	0.0%	0.0%	0.0%	0.0%	0	81,727	--
DFW Airport	83,292,362	3,324,703	1,924,996	11.2%	1.2%	12.4%	5.2%	(547,936)	(324,940)	\$10.21
Warehouse	20,306,136	1,080,287	203,169	22.6%	0.0%	22.6%	5.5%	434,991	1,372,453	\$6.26
Distribution	28,779,664	6,005,063	511,000	23.1%	0.2%	23.3%	9.9%	239,769	1,253,039	\$10.10
Manufacturing	6,707,833	765,668	0	0.0%	0.2%	0.2%	(3.8%)	790,739	1,019,466	--
East Dallas	55,793,633	7,851,018	714,169	20.2%	0.1%	20.3%	6.8%	1,465,499	3,644,958	\$6.58
Warehouse	48,156,970	1,586,579	0	7.1%	1.4%	8.5%	2.5%	(259,364)	(475,122)	\$8.26
Distribution	41,384,294	475,136	1,919,291	8.8%	1.9%	10.7%	1.9%	(633,045)	(1,030,907)	\$7.22
Manufacturing	10,451,393	0	0	3.6%	0.0%	3.6%	(0.2%)	(205,033)	(162,394)	--
Greater SW - Arlington	99,992,657	2,061,715	1,919,291	7.4%	1.5%	8.9%	2.0%	(1,097,442)	(1,668,423)	\$7.77
Warehouse	49,023,723	5,837,598	936,480	14.3%	0.8%	15.1%	4.4%	1,488,177	5,764,440	\$7.83
Distribution	70,996,704	1,378,449	3,089,923	7.5%	1.5%	9.1%	(2.1%)	(183,273)	2,559,973	\$4.50
Manufacturing	13,431,777	0	0	0.0%	0.0%	0.0%	1.1%	35,286	159,971	--
North Fort Worth	133,452,204	7,216,047	4,026,403	9.3%	1.1%	10.4%	0.8%	1,340,190	8,484,384	\$5.74
Warehouse	35,138,123	1,503,412	459,449	8.7%	0.8%	9.4%	5.0%	18,810	415,009	\$6.22
Distribution	23,893,161	518,864	1,304,763	4.2%	1.1%	5.3%	0.3%	212,089	207,314	\$9.53
Manufacturing	18,053,240	478,469	0	1.1%	0.8%	1.9%	0.5%	21,567	379,874	\$5.50
Northeast Dallas	77,084,524	2,500,745	1,764,212	5.5%	0.9%	6.4%	2.5%	252,466	1,002,197	\$7.64

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Warehouse	50,812,246	1,610,108	998,383	11.2%	1.9%	13.2%	2.2%	(51,089)	275,091	\$11.52
Distribution	43,421,972	1,677,756	819,202	5.2%	1.1%	6.3%	1.1%	568,694	1,636,608	\$9.22
Manufacturing	5,968,651	0	0	4.1%	0.5%	4.6%	0.5%	(168,481)	(190,372)	\$8.50
Northwest Dallas	100,202,869	3,287,864	1,817,585	8.2%	1.5%	9.7%	1.7%	349,124	1,721,327	\$10.47
Warehouse	29,987,488	1,886,483	1,958,495	13.1%	1.6%	14.7%	3.0%	111,456	1,271,108	\$6.51
Distribution	97,591,943	6,162,556	554,640	15.8%	0.4%	16.2%	(0.8%)	620,077	6,435,918	\$4.71
Manufacturing	15,615,748	0	251,815	2.8%	0.5%	3.3%	1.4%	(133,500)	(353,416)	\$3.95
South Dallas	143,195,179	8,049,039	2,764,950	13.8%	0.7%	14.5%	0.4%	598,033	7,353,610	\$5.04
Warehouse	31,205,566	665,933	1,729,075	5.7%	0.3%	6.0%	1.2%	342,064	511,110	\$6.44
Distribution	27,871,041	1,802,030	718,521	14.3%	0.7%	15.1%	0.2%	(89,762)	1,670,117	\$5.25
Manufacturing	14,421,440	600,000	0	1.3%	0.0%	1.3%	0.2%	60,000	679,470	--
South Fort Worth	73,498,047	3,067,963	2,447,596	8.1%	0.4%	8.5%	0.7%	312,302	2,860,697	\$6.26
Warehouse	26,361,143	763,960	407,472	6.4%	0.2%	6.6%	2.8%	77,398	745,365	\$8.65
Distribution	40,751,020	1,034,885	816,603	8.9%	2.5%	11.3%	4.0%	164,694	445,431	\$9.18
Manufacturing	7,260,521	0	0	2.4%	0.0%	2.4%	(0.6%)	(44,550)	321,525	\$5.72
South Stemmons	74,372,684	1,798,845	1,224,075	7.3%	1.4%	8.8%	3.1%	197,542	1,512,321	\$8.12
Warehouse	331,650,493	16,681,609	8,086,839	10.9%	1.0%	11.8%	1.6%	1,852,314	9,734,862	\$8.25
Distribution	414,366,763	20,632,193	10,264,623	11.2%	1.2%	12.4%	1.3%	661,436	12,915,418	\$7.71
Manufacturing	94,866,903	1,844,137	251,815	1.7%	0.3%	2.0%	(0.4%)	356,028	1,935,851	\$5.12
DFW Market Total	840,884,159	39,157,939	18,603,277	10.0%	1.0%	11.0%	1.3%	2,869,778	24,586,131	\$7.70

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Industrial development pipeline

93 properties

under construction

18.6 msf | 200,000 sf

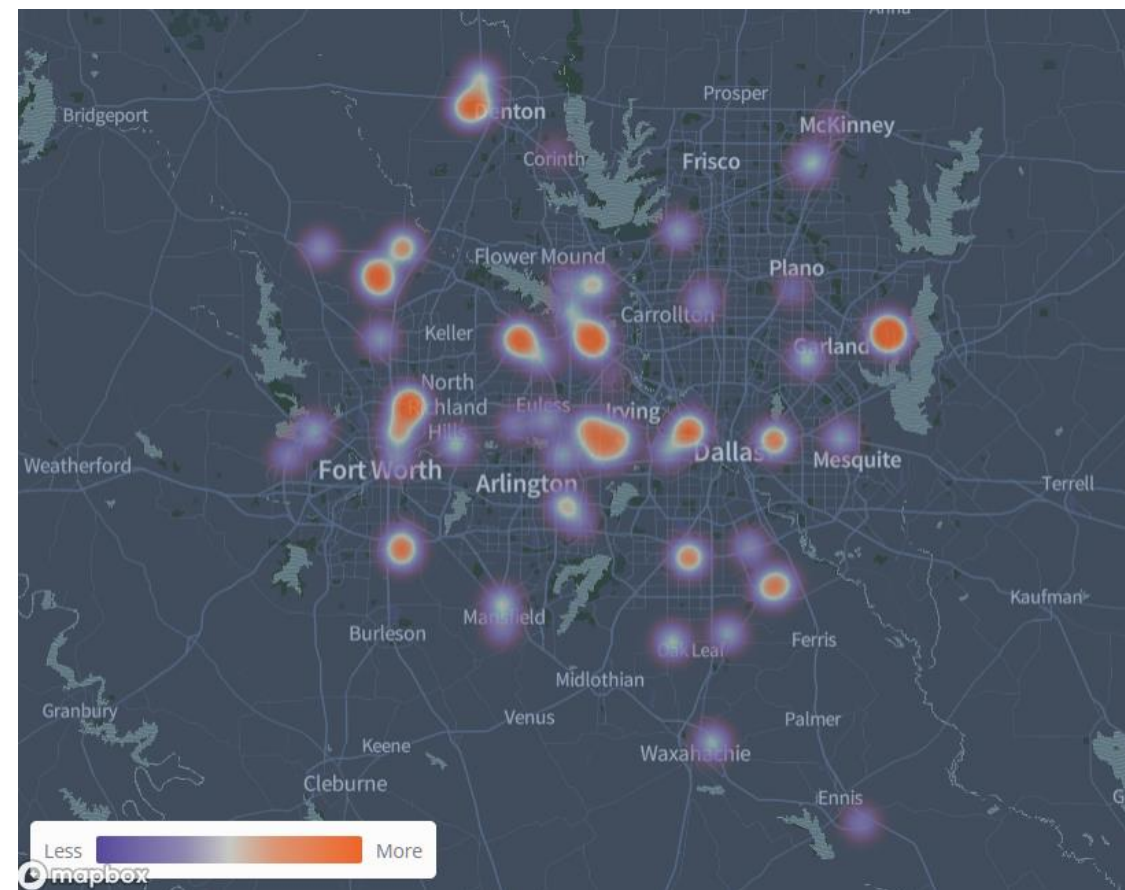
under construction | average project size

2.2%

share of industrial inventory

4.3 msf | 23%

share leased



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Get in touch

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Source: AVANT by Avison Young, Costar

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