

Dallas – Fort Worth

Office market snapshot | Q4 2024

DFW's office market continues to stabilize. Vacancy increases appear to have finally halted and space availability has begun to decline, although it is in its nascent stage. Absorption has also turned positive without the up-and-down, quarter-to-quarter negative impacts. Leasing is also ramping up, but it is still slow compared to the last economic cycle. This is all good news for DFW, however, the slow progression suggests that it will take considerable time for tighter market fundamentals to return. Complicating this is that most leases continue to get smaller as tenants accommodate a less-than-perfect return to the office dynamic for employees.

1.7 msf

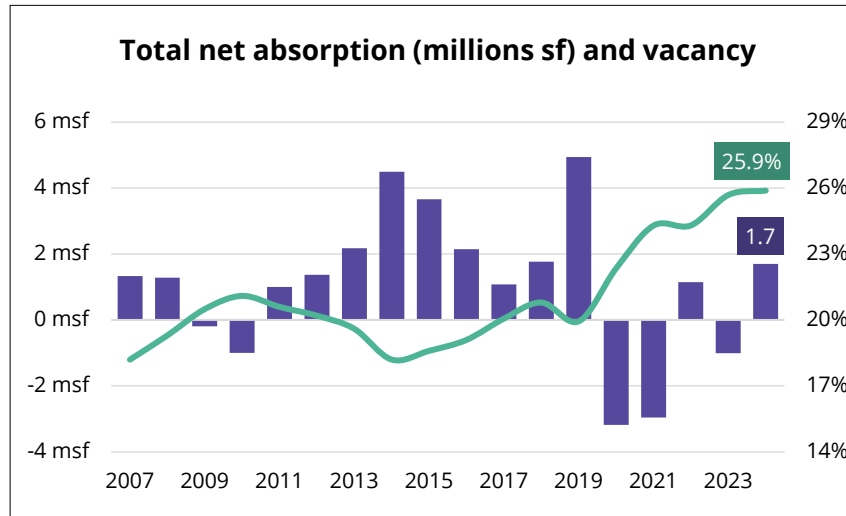
Absorption continued its run in Q4, coming in at +400k sf and ending 2024 at 1.7 msf – the first year with no major negatives since 2020.

25.9%

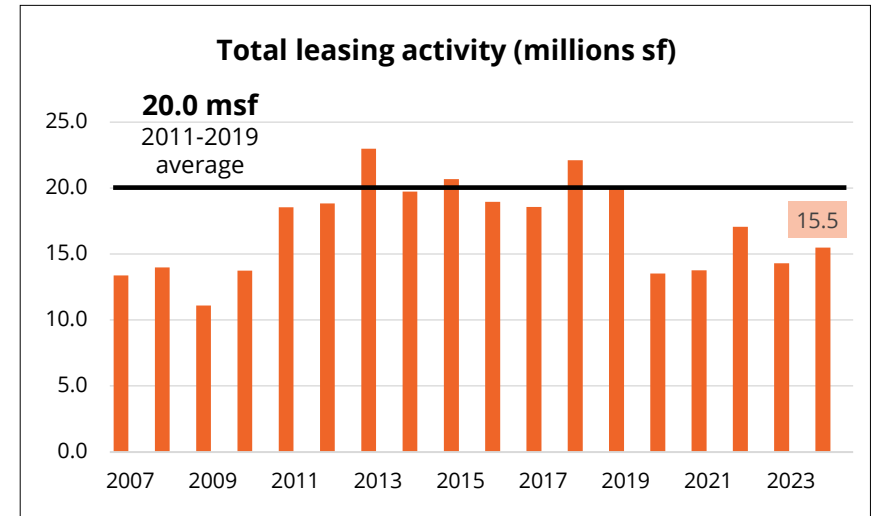
Vacancy has remained around 26% for the last year. However, availability has inched lower to 27.3% compared to nearly 30% in 2023.

15.5 msf

The market is moving, but leasing remains slow. 2024 came in at 15.5 msf, 77% of its 2011-2019 average.



Long-awaited shift to positive demand looks to have taken root. While far from DFW's exceptional economy pre-Covid, the market is on the mend with vacancy poised to decline.

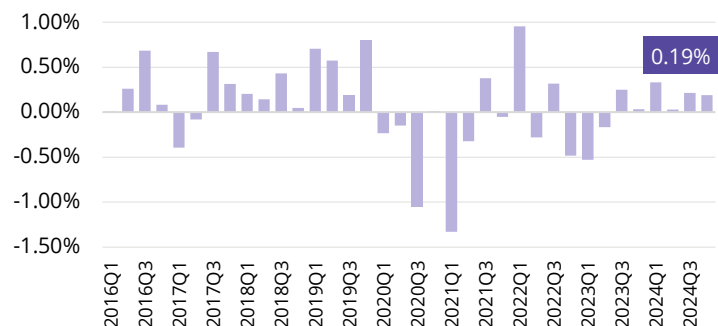


While Q4 leasing slowed, 2024 total deal flow ramped up modestly from 2020-2023 levels. But even though activity is higher, DFW remains at a 5.0 msf deficit from the last cycle.

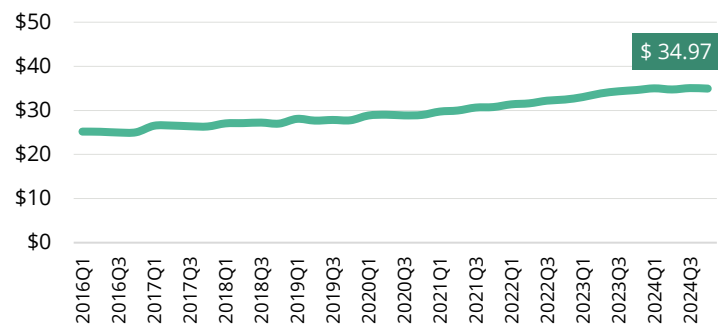
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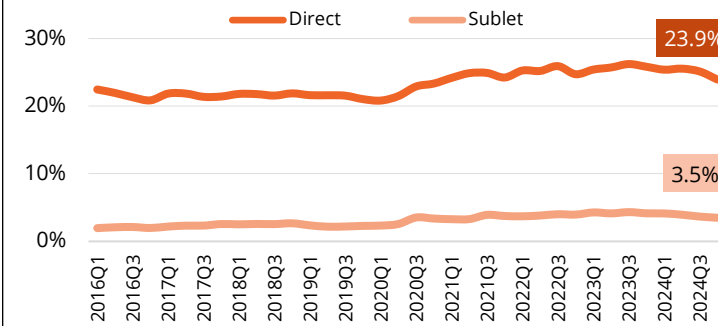
Net absorption as a % of inventory



Direct asking rents (psf/FS)



Availability



Recent leasing activity

Tenant	Property Address	Size (sf)	Transaction type	Lease type
Paul Hastings	3311 Knox Street	37,000	Direct	New
One80 Intermediaries	9111 Cypress Waters Boulevard	8,800	Direct	Renewal
Candy MAP	3500 Oak Lawn Avenue	9,200	Direct	New
Whitestar Asset Management	200 Crescent Court	11,900	Direct	Renewal

Recent sales activity

Buyer	Property Address	Sale price (millions)	Sale price psf	Seller
NexPoint	5340 & 5360 Legacy Drive	\$35.9 (land play)	\$50	Spear Street Capital
Zeller	SRS Distribution Hub 121	\$37.0	\$370	KDC Real Estate
Denton County	3001 Colorado Boulevard	\$45.0	\$280	Sally Beauty Supply
Shorenstein	International Plaza II	\$120.5	\$310	Taconic Investments

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Dallas CBD	26,603,330	0	0	31.8%	3.6%	35.4%	(2.0%)	520,115	281,708	\$ 32.63
Allen - McKinney	3,988,029	116,758	291,193	24.3%	1.9%	26.%	(0.9%)	(14,839)	(8,827)	\$ 35.56
Central Expressway	9,633,642	0	0	26.%	2.%	28.%	0.8%	11,197	(124,348)	\$ 39.1
Deep Ellum - Lakewood	1,448,550	0	0	25.%	26.8%	51.8%	(2.7%)	(85,513)	54,123	\$ 56.73
Frisco - The Colony	5,865,793	628,389	535,000	16.1%	6.2%	21.9%	(6.4%)	45,006	573,802	\$ 46.59
Las Colinas	35,853,733	0	800,000	25.7%	4.7%	30.3%	(0.5%)	(6,952)	(369,713)	\$ 31.05
LBJ Freeway	19,035,583	0	0	22.1%	3.3%	25.4%	(2.3%)	252,597	323,125	\$ 28.7
Preston Center	4,777,331	0	200,000	9.%	1.5%	10.5%	(5.1%)	184,268	198,323	\$ 54.58
Quorum - Bent Tree	20,697,194	40,000	80,890	23.6%	2.9%	26.6%	(0.5%)	62,013	57,259	\$ 31.63
Richardson - Plano	21,091,508	0	0	23.3%	3.2%	26.6%	(1.5%)	(349,090)	14,579	\$ 27.04
Stemmons Freeway	6,139,272	270,743	0	20.5%	.6%	21.1%	(3.7%)	356	80,697	\$ 21.86
Upper Tollway - West Plano	22,685,589	740,869	0	27.6%	5.6%	33.3%	(10.8%)	(302,254)	(262,839)	\$ 42.25
Uptown	15,133,875	363,925	2,215,341	26.4%	1.1%	27.5%	(0.9%)	(124,997)	439,424	\$ 60.94
Fort Worth CBD	9,248,415	0	0	12.3%	.6%	12.8%	(0.8%)	81,314	53,138	\$ 33.13
Alliance - NW Fort Worth	3,182,020	30,000	132,254	18.6%	2.6%	21.2%	(3.9%)	88,267	88,759	\$ 29.40
East NE Fort Worth	3,068,070	0	0	10.9%	1.6%	12.6%	(0.1%)	(2,768)	13,664	\$ 22.34
Lewisville - Denton	4,284,642	237,254	0	25.%	3.2%	25.4%	(4.0%)	(86,460)	19,639	\$ 30.97
MidCities	13,859,429	40,000	21,419	23.1%	3.6%	26.7%	(2.6%)	180,094	339,897	\$ 27.86
West SW Fort Worth	4,108,113	0	0	12.3%	1.1%	13.5%	0.0%	(19,062)	(73,278)	\$ 26.92
Market total	230,704,118	2,467,938	4,276,097	23.9%	3.5%	27.3%	(2.5%)	433,292	1,699,132	\$34.97

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Trophy	12,731,965	0	1,426,215	26.5%	3.3%	29.8%	1.5%	48,620	480,806	\$51.72
Class A	129,637,389	2,367,389	2,411,016	24.2%	4.1%	28.3%	(3.8%)	(43,464)	1,137,812	\$38.13
Class B	88,334,764	100,247	438,866	23.1%	2.6%	25.5%	(1.2%)	428,136	80,514	\$26.21
Market total	230,704,118	2,467,938	4,267,938	23.9%	3.5%	27.3%	(2.5%)	433,292	1,699,132	\$34.97

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Office development pipeline

17 properties

under construction

4.3 msf

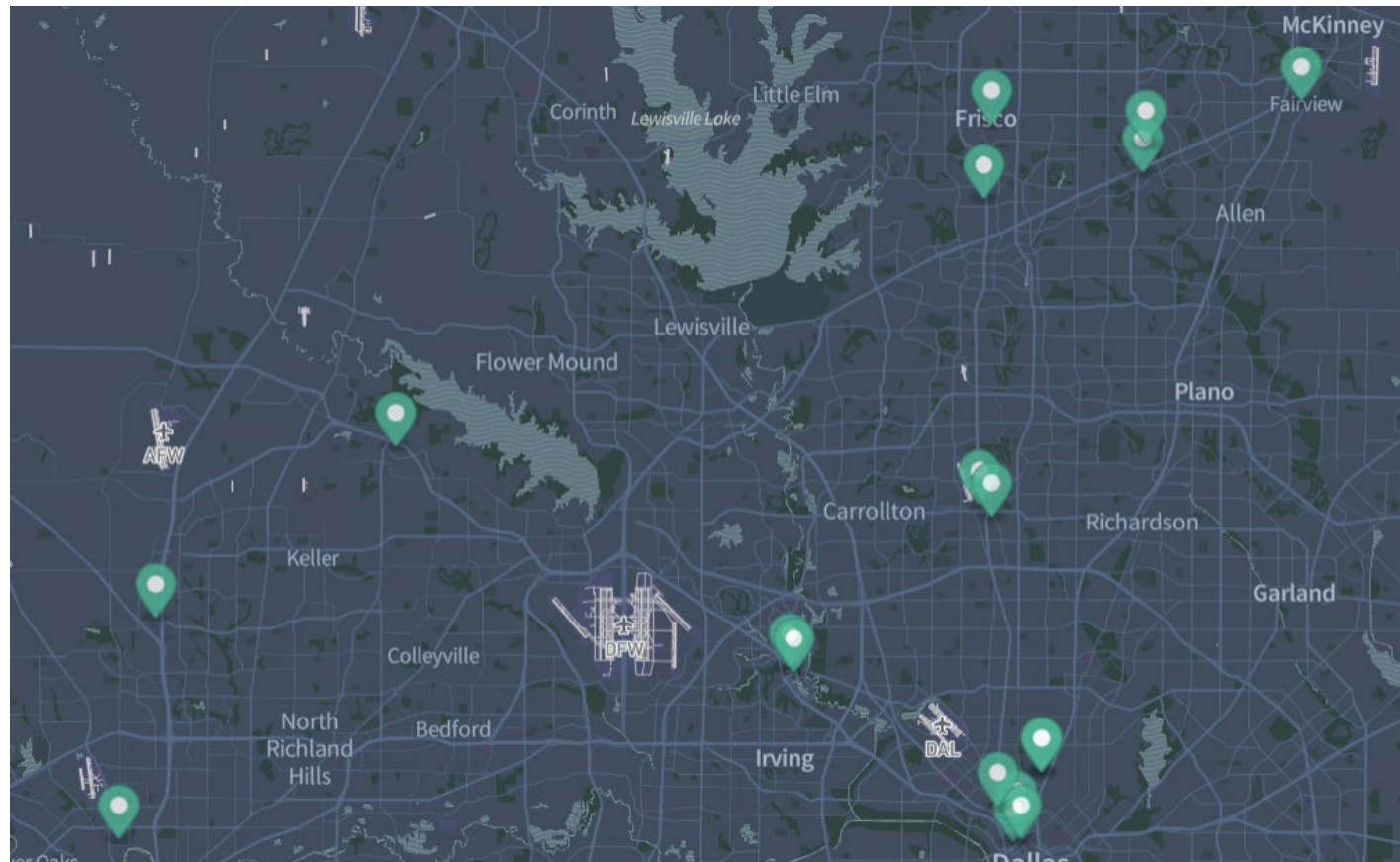
under construction

1.9%

share of office inventory

3.2 msf | 75%

share leased



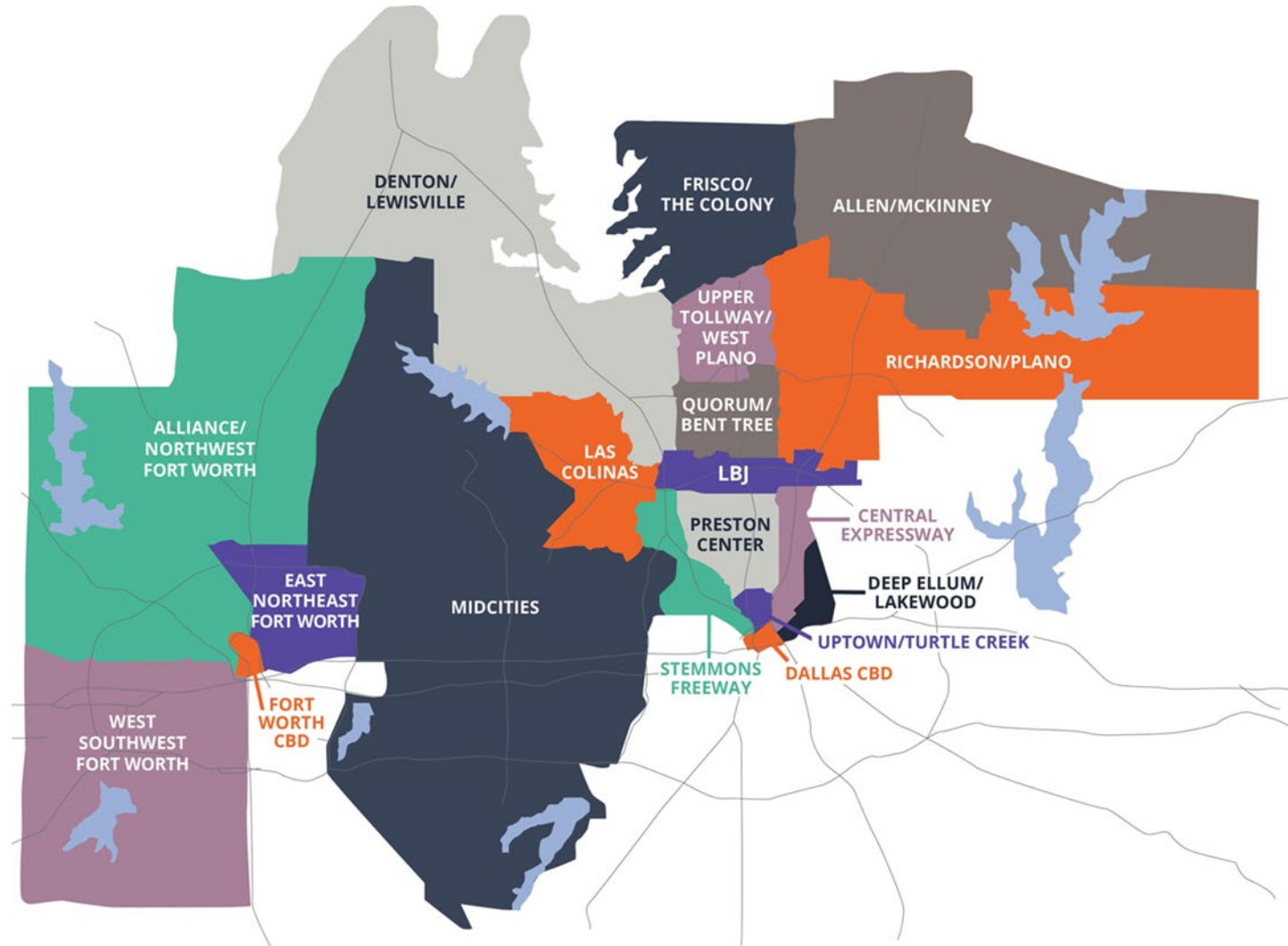
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Get in touch

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