

Dallas – Fort Worth

Office market snapshot | Q3 2024

DFW's office market continues to stabilize. We are no longer seeing harsh increases in vacancy or availability, and, although choppy, absorption is edging positive. Improvement is slow. Leasing also remains well below the historic pace, suggesting that it will take considerable time for tighter market fundamentals to return. Complicating this is that most leases getting done are for smaller tenants or for tenants upgrading their space but downsizing by 30%–50% to save on occupancy costs due to ongoing hybrid work arrangements.

703 ksf

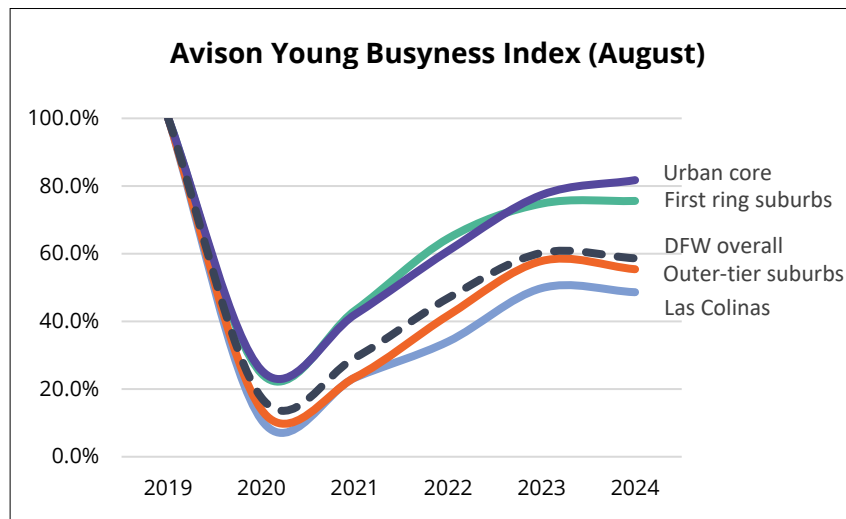
Net absorption turned positive through 3Q 2024, although choppy quarters weighed on the dynamics, especially for direct space.

26.1%

Vacancy inched 0.5% percentage points higher since Q3 last year, despite availability declining slightly as tenants vacate and downsize.

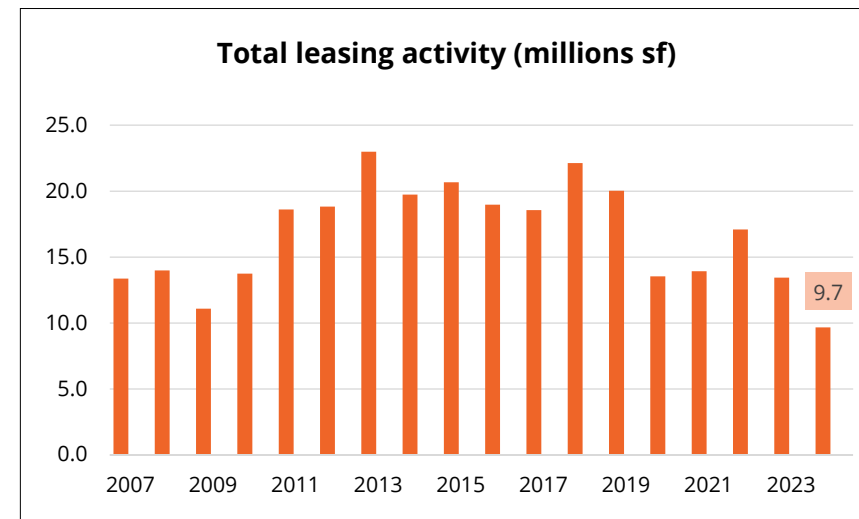
5.2 msf

DFW's robust pipeline continues, although leasing strength exists in the multi-tenant segment as space users look for modern options.



While there are some positive shifts in the days of the week people are in the office and locations that are out-performing, the return to office has plateaued in DFW.

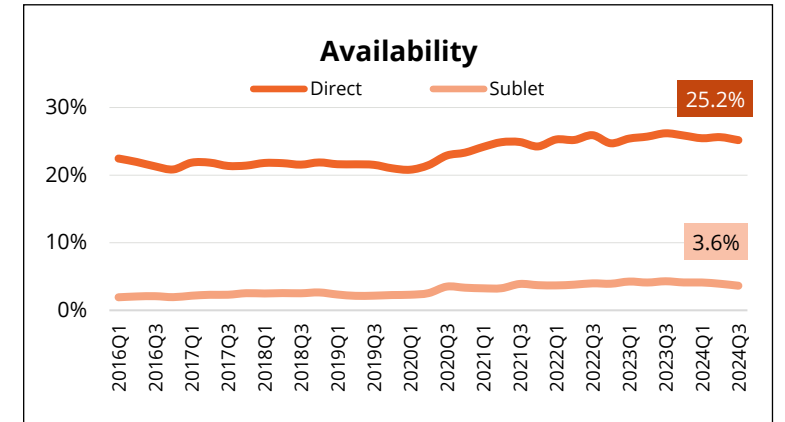
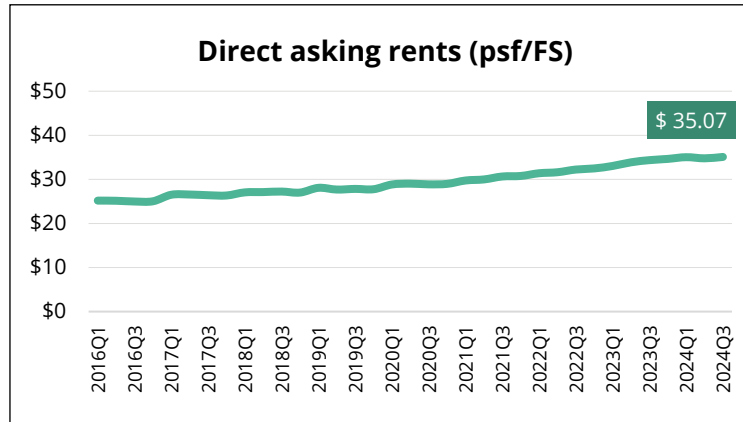
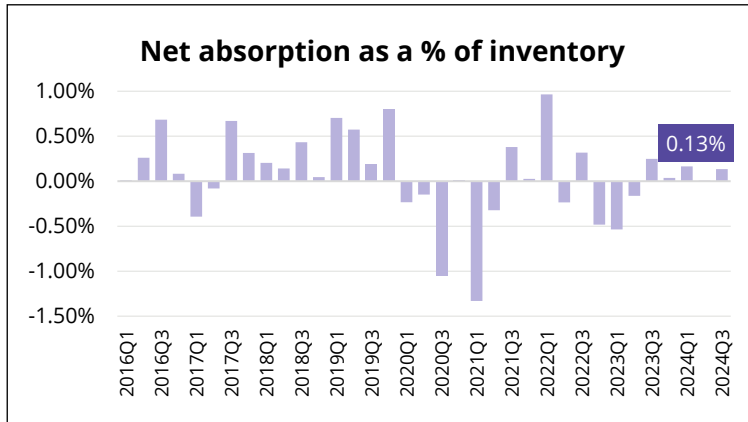
Urban core – Dallas CBD, Uptown
First ring suburbs – Preston Center, LBJ, Central Expressway
Outer tier suburbs – Upper Tollway, Frisco, Richardson-Plano, Allen-McKinney.
Source: Placer.ai; AVANT by Avison Young, Costar



Partly driven by a plateaued return to office, leasing remains slower than normal as companies take less space at signing. Through 3Q, 2024 leasing is 55%-70% of its historic pace.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Paul Hastings	Weir's Plaza	37,000	Direct	New
LTIMindtree	The Tower at Hall Park	19,000	Direct	New
Old Castle	Lincoln Centre	35,000	Direct	New
Hyperfuel	Parkside Tower	7500	Direct	New

Recent sales activity

Buyer	Address	Sale price (Mil)	Sale price psf	Seller
Capital Comm.	CVS Health Tower	\$23.0	\$75	Piedmont REIT
20th Century Fox	Hackberry View of Las Colinas (Land)	\$5.7	--	Par Capital
PrivCap Cos.	Two Forest Plaza	\$23.9	\$122	OrbVest, Richmond Honan Development
Vijaya K Borra	Offices at Valley Ranch	\$4.2	\$45	Diversified Healthcare

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Dallas CBD	26,603,330	0	0	32.7%	3.7%	36.4%	1.7%	(155,828)	(238,407)	\$ 32.42
Allen - McKinney	3,871,271	0	410,574	27.2%	1.9%	26.3%	7.9%	3,344	6,012	\$ 36.24
Central Expressway	9,633,642	0	0	26.2%	2.3%	28.5%	1.6%	(72,163)	(135,545)	\$ 39.25
Deep Ellum - Lakewood	1,448,550	0	0	21.3%	26.8%	48.1%	(0.5%)	167,783	139,636	\$ 53.76
Frisco - The Colony	5,478,847	241,443	1,261,946	19.4%	5.7%	25.0%	(4.6%)	(244,238)	141,850	\$ 50.04
Las Colinas	35,910,002	56,269	800,000	26.0%	5.5%	31.5%	(1.7%)	(25,714)	(426,062)	\$ 31.24
LBJ Freeway	19,035,583	0	0	23.4%	3.5%	26.9%	3.7%	(149,226)	70,528	\$ 28.39
Preston Center	5,074,331	0	0	11.4%	1.8%	13.2%	1.0%	736	20,510	\$ 54.56
Quorum - Bent Tree	20,697,194	40,000	80,890	24.0%	2.7%	26.4%	(1.7%)	125,077	(4,754)	\$ 31.36
Richardson - Plano	21,091,508	0	0	22.7%	3.3%	26.1%	(1.8%)	448,609	363,669	\$ 26.84
Stemmons Freeway	6,200,722	270,743	0	21.1%	0.8%	21.9%	7.1%	68,480	80,341	\$ 21.43
Upper Tollway - West Plano	22,666,469	620,141	309,768	34.8%	6.0%	40.8%	(3.9%)	56,628	(81,313)	\$ 42.16
Uptown	15,133,875	363,925	2,150,215	25.6%	1.1%	26.7%	2.1%	(1,534)	564,421	\$ 60.62
Fort Worth CBD	9,248,415	0	0	12.8%	0.3%	13.2%	(0.4%)	9,182	(28,176)	\$ 32.27
Alliance - NW Fort Worth	3,182,020	30,000	132,254	19.1%	2.6%	21.8%	3.7%	(52,588)	492	\$ 29.56
East NE Fort Worth	3,068,070	0	0	10.7%	1.8%	12.4%	7.2%	(3,340)	16,432	\$ 22.31
Lewisville - Denton	4,194,388	147,000	30,247	27.9%	3.2%	28.3%	(0.3%)	13,300	46,092	\$ 31.8
MidCities	13,819,429	0	21,419	24.3%	3.4%	27.7%	1.9%	129,373	221,303	\$ 28.07
West SW Fort Worth	4,108,113	0	0	12.9%	0.9%	13.9%	(2.4%)	(7,061)	(54,216)	\$ 26.52
Market total	230,465,759	1,769,521	5,197,313	25.2%	3.6%	28.7%	(1.5%)	310,820	702,813	\$ 35.07

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Trophy	12,731,965	0	1,426,215	23.7%	3.2%	26.8%	-3.3%	(83,861)	432,186	\$ 51.78
Class A	129,367,827	1,699,521	3,244,817	26.3%	4.3%	30.5%	-1.7%	281,163	618,249	\$ 38.22
Class B	88,365,967	70,000	526,281	23.6%	2.7%	26.2%	-0.9%	113,518	(347,622)	\$ 26.20
Market total	230,465,759	1,769,521	5,197,313	25.2%	3.6%	28.7%	-1.5%	310,820	702,813	\$ 35.07

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Office development pipeline

24 properties

under construction

5.2 msf

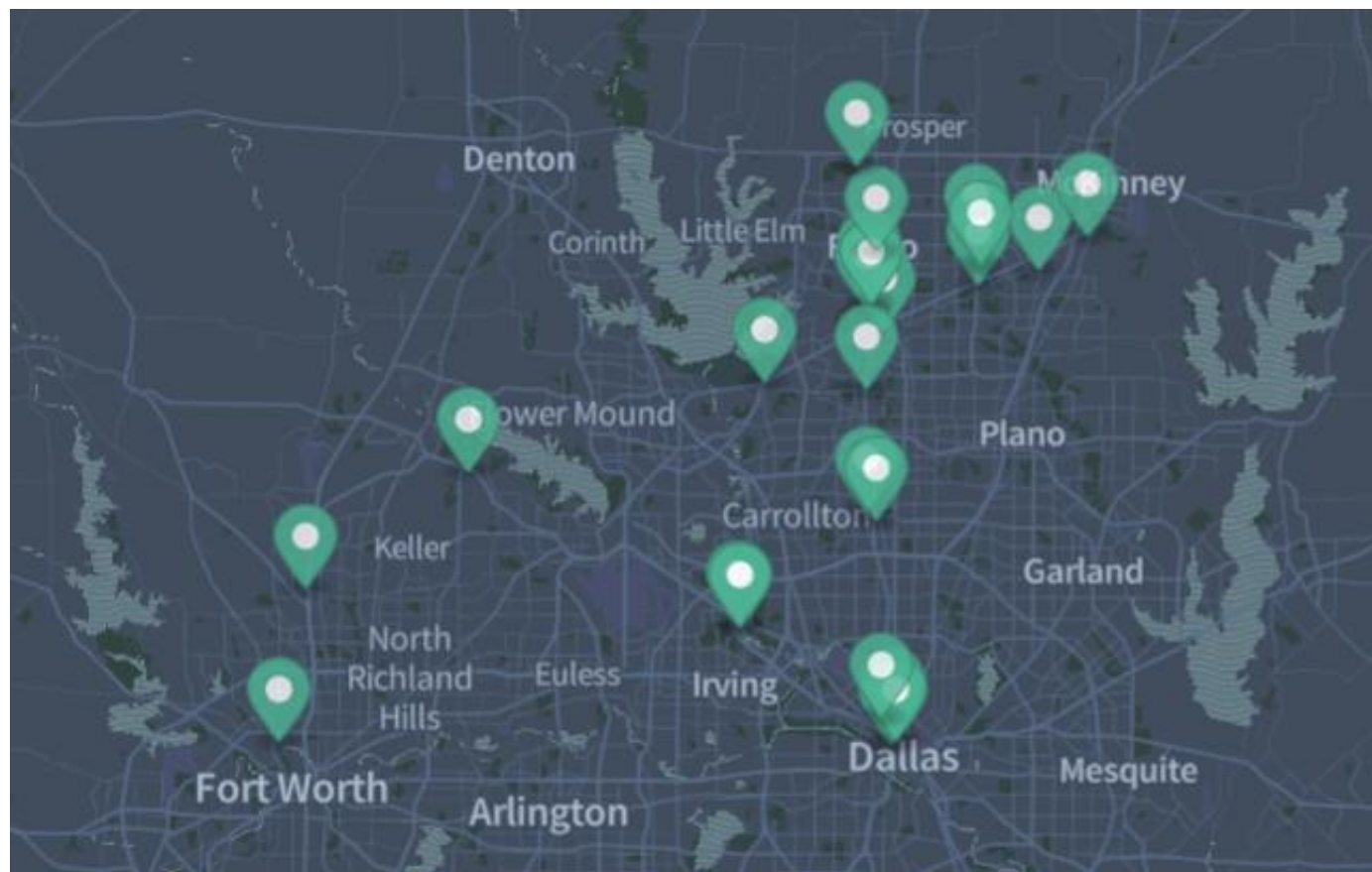
under construction

2.3%

share of office inventory

3.8 msf | 72%

share leased



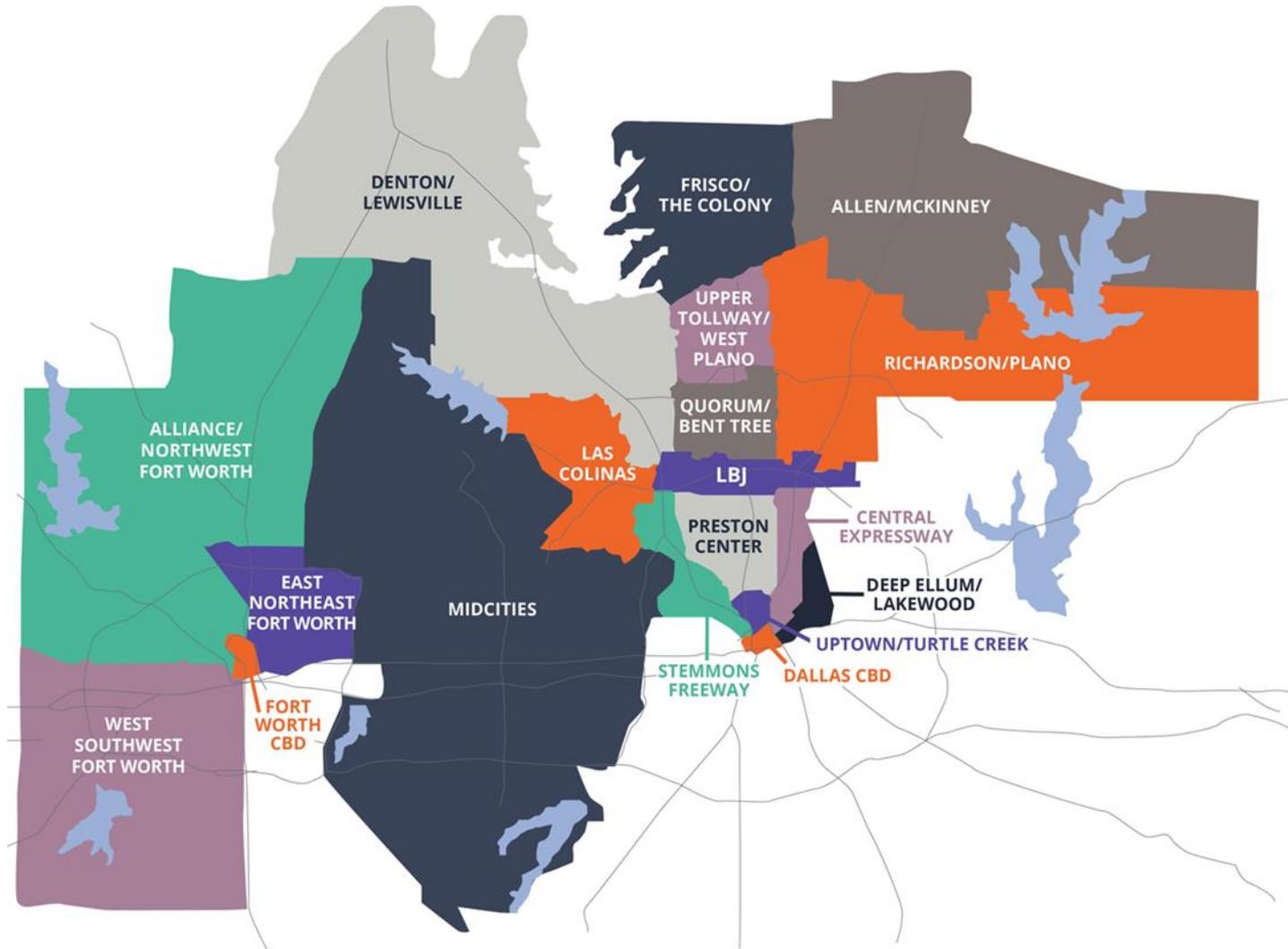
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Get in touch

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Source: AVANT by Avison Young, Costar