DALLAS-FORT WORTH

OFFICE MARKET | Q2 2025

285.9M SF
Inventory

374.7K SF
Net Absorption
Q1 2025 412K SF
5 YR Avg 165K SF

19.6%
Direct Vacancy
Q1 2025 19.7%

25.9%
Total Availability

3.3M SF
Under Construction
Q1 2025 2,9M SF
5 YR Avg 5.4M SF

$38.72 PSF
Asking Rent
Q1 2025 $38.66

Strong Buy: NYSE Texas, Nasdaq Position Dallas as Global Finance Hub

Market Observations

- Following the New York Stock Exchange's announcement to establish a Texas branch, two notable leases were signed this quarter: NYSE Texas at Old Parkland for 18K SF and J.P. Morgan Chase at Crescent Offices West for 64K SF. These developments follow Nasdaq's March announcement of expansion plans for a at its existing office at 5030 Riverside Dr in Irving. The moves are part of a growing wave of financial multinationals expanding or relocating to Dallas, including Goldman Sachs' adding 5,000 new jobs to its $500M campus being built by Hunt Realty Investments and Hillwood Urban, and Wells Fargo's 22-acre 858K SF regional headquarters in the Las Colinas area of Irving, by KDC.

- Dallas's rising influence as a global financial center is evident in its construction pipeline, which tightened by nearly 37% over the past year and now totals just over 3.3M SF where available space dropped from 38% to 18% as finance, insurance and law firms expand into premium and newly-built space. Uptown Dallas for example contains the highest concentration of construction with approximately 2.1M SF underway and is more than 76% preleased, primarily by international commercial and financial services firms.

- Large leases this quarter include AT&T occupying nearly half of the 14-story, 412,000 SF Class A building at 2221 Lakeside Blvd, located in the Richardson submarket. Business insurance provider Marsh McLennan leased four floors totaling 92,000 SF at Three Galleria Tower in the East LBJ submarket. With tightening new supply and rising demand premium space, positive net growth is expected during the second half of the year.

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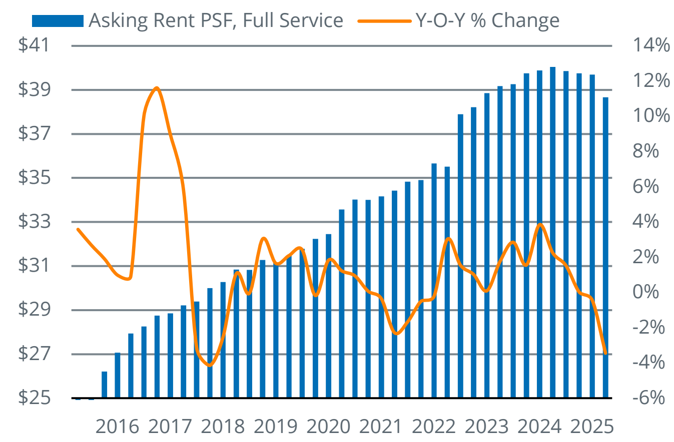
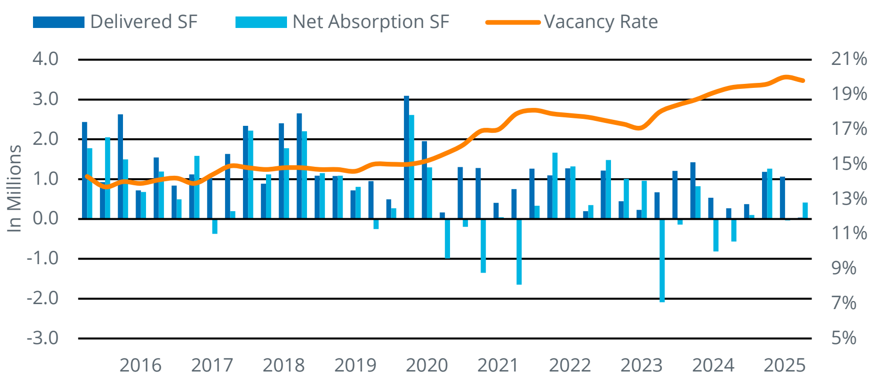
- Vacancy recorded another decline this quarter reaching 19.6%, down from 19.8%. The ongoing flight to quality remains a key factor where buildings completed since 2010 are more than 90% occupied compared to 83% for those constructed the previous decade, or between 2000-2010.
- Leasing velocity gained even more steam as net absorption totaled more than 374K SF this quarter and pushed up growth to over 2.1 million SF in the past 12 months. Activity was especially notable in North Dallas with absorption of nearly 567K SF, followed by South Fort Worth and Intown Dallas 178K SF and 132K SF.
- Added transactions include Loan Depot renewing 61K SF at 5465 Legacy Dr, in the Upper Tollway/West Plano submarket, and Kemper Insurance subleasing 67K SF at 3400 N Central Expressway in the Richardson submarket.
- New space attracts tenants and commands the rental premiums for it. Uptown is the best example of a market where top buildings are seeing rates as high as $65-$75/ft NNN and proposed developments over $80/ft NNN, backed by a density of new and recently completed construction totaling 4.2M SF since 2015. Market-wide, quoted full-service rents measured $38.72 PSF on average across all product classes, up from $38.68 PSF last quarter but off from $39.84 PSF this time last year. Area rents are projected to remain stable through 2025 and even see a slight uptick as new product delivers rising overall average rates.

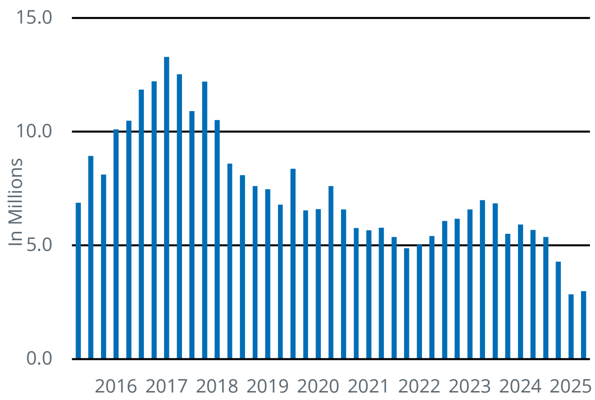
ASKING RENT



DELIVERY ON KEY INDICATORS



UNDER CONSTRUCTION



OFFICE MARKET INDICATORS - ALL SPACE

		Total Available					Net Absorption			Asking Rent (FS)	
SUBMARKET	INVENTORY SF	TOTAL AVAILABLE SF	TOTAL %	CLASS A	CLASS B	DIRECT VACANCY	THIS QUARTER	LAST 12 MONTHS	U/C RENTABLE BUILDING AREA	CLASS A	CLASS B
Southeast Dallas	564,942	30,114	5.3%	-	5.3%	4.6%	1,437	2,260	-	-	$19.83
Southwest Dallas	2,090,111	245,039	11.7%	3.8%	13.2%	10.0%	(5,953)	(28,148)	-	-	$26.05
South Dallas Total	**2,655,053**	**275,153**	**10.4%**	**3.8%**	**11.3%**	**8.9%**	**(4,516)**	**(25,888)**	**-**	**$23.00**	**$24.66**
Allen/McKinney	5,333,879	977,754	18.0%	21.3%	14.7%	15.3%	105,314	114,363	58,800	$41.25	$28.46
East LBJ Freeway	6,848,256	2,193,747	32.0%	33.0%	31.7%	28.9%	(46,343)	(121,893)	-	$31.17	$29.13
Lower Tollway	26,579,801	6,804,758	25.6%	26.7%	23.8%	18.3%	5,182	83,002	41,188	$42.13	$25.32
Outlying Collin County	206,888	4,560	2.2%	-	3.1%	0.9%	2,902	6,427	-	-	$35.27
Outlying Denton County	81,008	2,535	3.1%	-	3.1%	0.0%	-	2,643	-	-	-
Plano	7,382,990	1,083,037	14.6%	23.9%	9.9%	11.2%	(22,425)	6,466	21,050	$37.00	$26.32
Richardson	18,815,593	5,508,305	29.3%	33.2%	23.9%	19.0%	126,315	(99,763)	-	$33.03	$25.66
Upper Tollway/Frisco	6,718,332	1,241,309	17.1%	17.1%	16.9%	11.1%	49,185	(58,502)	98,168	$44.89	$39.73
Upper Tollway/West Plano	34,149,269	9,894,399	29.0%	27.6%	37.0%	21.9%	314,693	1,636,852	-	$45.14	$34.44
West LBJ Freeway	3,922,989	1,387,599	35.4%	29.2%	39.9%	24.4%	32,413	(74,019)	-	$34.08	$17.73
North Dallas Total	**110,039,005**	**29,098,003**	**26.3%**	**27.2%**	**24.7%**	**19.3%**	**567,236**	**1,495,576**	**219,206**	**$41.44**	**$29.69**

OFFICE MARKET INDICATORS - ALL SPACE – Cont.

			Total Available				Net Absorption			Asking Rent (FS)	
SUBMARKET	INVENTORY SF	TOTAL AVAILABLE SF	TOTAL %	CLASS A	CLASS B	DIRECT VACANCY	THIS QUARTER	LAST 12 MONTHS	U/C RENTABLE BUILDING AREA	CLASS A	CLASS B
Arlington/Mansfield	5,915,777	1,481,350	25.0%	19.9%	28.6%	18.3%	(55,348)	49,993	-	$37.39	$20.95
Grand Prairie	3,510,352	1,493,837	42.6%	68.4%	11.8%	42.6%	68,577	35,286	-	$33.46	$19.71
HEB/Mid-Cities	5,755,432	928,056	16.1%	5.5%	28.1%	9.5%	9,147	50,613	-	$30.47	$17.76
South Irving	1,216,097	110,983	9.1%	-	9.1%	6.1%	10,196	25,453	-	-	$17.18
Westlake/Grapevine	8,207,724	1,366,212	16.6%	17.2%	14.9%	13.3%	15,024	124,214	21,419	$38.66	$30.32
Mid-Cities Total	**24,605,382**	**5,380,438**	**21.8%**	**22.3%**	**21.3%**	**17.4%**	**47,596**	**285,559**	**21,419**	**$34.96**	**$22.72**
Denton	1,288,751	68,716	5.3%	12.0%	4.6%	4.8%	(23,753)	5,584	-	$31.90	$21.75
Lewisville	5,400,646	1,291,554	23.9%	26.6%	23.3%	18.2%	70,693	31,319	-	$38.28	$27.48
Lewisville/Denton Total	**6,689,397**	**1,360,270**	**20.3%**	**25.1%**	**19.3%**	**15.6%**	**46,940**	**36,903**	**-**	**$37.96**	**$26.97**
Las Colinas/DFW Freeport	16,042,360	4,177,692	26.0%	24.9%	27.4%	20.2%	6,821	(53,003)	-	$36.05	$25.57
Las Colinas/Office Center	15,924,370	5,687,155	35.7%	41.7%	25.3%	23.2%	12,961	81,212	-	$35.05	$26.43
Las Colinas/Urban Center	10,009,726	2,894,175	26.6%	27.1%	24.9%	20.9%	(9,543)	87,430	858,024	$37.64	$29.14
Las Colinas Total	**41,976,456**	**12,759,022**	**29.8%**	**31.8%**	**26.2%**	**21.5%**	**10,239**	**115,639**	**858,024**	**$36.09**	**$26.14**

OFFICE MARKET INDICATORS - ALL SPACE – Cont.

			Total Available				Net Absorption			Asking Rent (FS)	
SUBMARKET	INVENTORY SF	TOTAL AVAILABLE SF	TOTAL %	CLASS A	CLASS B	DIRECT VACANCY	THIS QUARTER	LAST 12 MONTHS	U/C RENTABLE BUILDING AREA	CLASS A	CLASS B
Central Expressway	15,145,496	4,444,634	29.2%	33.5%	19.6%	23.9%	15,717	(245,619)	78,758	$36.05	$32.09
Dallas CBD	27,636,958	9,364,779	33.9%	33.5%	35.5%	27.3%	72,287	153,953	-	$37.27	$30.17
Deep Ellum/East Dallas	2,398,004	961,104	40.1%	60.3%	14.6%	22.9%	(7,519)	2,126	-	$49.16	$24.58
Preston Center	5,770,153	731,617	12.7%	9.3%	28.8%	7.7%	(17,234)	653,453	-	$63.07	$33.16
Stemmons Freeway	8,802,507	2,139,515	24.3%	22.9%	26.2%	21.8%	(67,360)	(43,670)	-	$54.51	$21.20
Turtle Creek	4,451,697	1,036,226	23.3%	23.1%	24.6%	19.4%	64,635	23,593	-	$52.84	$37.99
Uptown	12,259,024	3,569,406	24.8%	24.6%	26.7%	18.9%	71,957	(27,413)	2,126,080	$65.98	$38.95
Intown Dallas Total	**76,463,839**	**22,247,281**	**28.3%**	**28.8%**	**26.4%**	**22.6%**	**132,483**	**516,423**	**2,204,838**	**$45.96**	**$31.57**
Garland	878,819	155,521	17.7%	0.0%	11.5%	14.5%	158	(23,301)	-	-	$17.98
Mesquite/Forney/Terrell	343,369	37,893	11.0%	0.0%	11.0%	11.0%	-	(19,219)	-	-	$15.58
Rockwall	557,596	88,417	15.3%	12.9%	16.5%	6.3%	(7,118)	(11,166)	20,000	-	$44.91
East Dallas Total	**1,779,784**	**281,831**	**15.7%**	**12.9%**	**12.5%**	**11.3%**	**(6,960)**	**-**	**20,000**	**-**	**$22.05**

DALLAS-FORT WORTH OFFICE MARKET | Q2 2025

OFFICE MARKET INDICATORS - ALL SPACE – Cont.

			Total Available				Net Absorption			Asking Rent (FS)	
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Southeast Fort Worth	818,982	87,082	10.4%	0.0%	29.3%	7.9%	(2,538)	15,018	20,000	$28.86	$16.21
Southwest Fort Worth	4,255,319	625,576	14.7%	7.4%	18.6%	10.7%	27,311	73,109	-	$44.74	$19.85
West Fort Worth	1,844,654	260,946	14.1%	11.1%	21.5%	11.7%	33,175	90,172	-	$37.10	$25.00
South Fort Worth Total	**6,918,955**	**973,604**	**14.0%**	**7.7%**	**19.9%**	**10.6%**	**57,948**	**178,299**	**20,000**	**$41.97**	**$18.83**
Alliance	3,059,102	663,554	21.7%	15.6%	38.8%	7.1%	3,969	6,826	-	$29.92	$48.19
Northeast Fort Worth	2,987,247	769,425	25.8%	44.2%	18.4%	25.4%	(404,152)	(418,872)	-	$31.24	$21.64
Northwest Fort Worth	214,905	22,175	10.3%	10.6%	10.0%	10.3%	2,214	(2,372)	-	$31.48	$29.01
North Fort Worth Total	**6,261,254**	**1,455,154**	**23.2%**	**23.0%**	**23.5%**	**16.0%**	**(397,969)**	**(414,418)**	**-**	**$31.07**	**$23.33**
Fort Worth CBD	8,551,868	1,141,765	13.4%	16.1%	8.1%	11.2%	(137,190)	8,144	-	$37.66	$18.51
Fort Worth CBD Total	**8,551,868**	**1,141,765**	**13.4%**	**16.1%**	**8.1%**	**11.2%**	**(137,190)**	**8,144**	**-**	**$37.66**	**$18.51**
Metro	**285,940,993**	**74,916,299**	**25.9%**	**27.2%**	**23.4%**	**19.6%**	**374,732**	**2,181,024**	**3,343,487**	**$41.97**	**$28.13**

Research Methodology

The information in this report is the result of a compilation of current information on office properties located in the Dallas-Fort Worth metropolitan area and may also include historical property data revision(s). This report includes single tenant, multi-tenant, and owner-user properties 20,000 SF and larger, excluding condo and those properties owned and occupied by a government agency.

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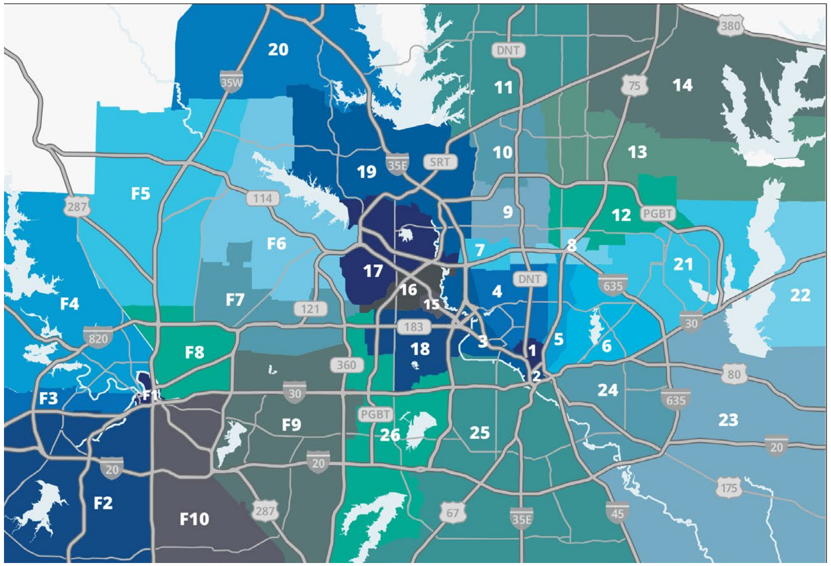

Dallas Office Submarkets

- 1 Uptown/Turtle Creek
- 2 Dallas CBD
- 3 Design District/Stemmons
- 4 Preston Center
- 5 Central Expressway
- 6 Deep Ellum/East Dallas
- 7 West LBJ
- 8 East LBJ
- 9 Lower Tollway
- 10 Upper Tollway/West Plano
- 11 Upper Tollway/Frisco
- 12 Richardson
- 13 Plano
- 14 Allen/McKinney
- 15 Las Colinas Urban Center
- 16 Las Colinas Office Center
- 17 DFW Freeport/Coppell
- 18 South Irving
- 19 Lewisville
- 20 Denton
- 21 Garland
- 22 Rockwall
- 23 Mesquite/Forney/Terrell
- 24 Southeast Dallas
- 25 Oak Cliff/Southwest Dallas
- 26 Grand Prairie

Ft. Worth Office Submarkets

- F1 Fort Worth CBD
- F2 Southwest Fort Worth
- F3 West Fort Worth
- F4 Northwest Fort Worth
- F5 Alliance
- F6 Westlake/Grapevine
- F7 HEB/Mid-Cities
- F8 Northeast Fort Worth
- F9 Arlington/Mansfield
- F10 Southeast Fort Worth