

Q2 2024

DALLAS-FORT WORTH  
**INDUSTRIAL  
MARKET REPORT**

**QUICK** STATS

**8,961,113 SF**

NET ABSORPTION

**10.1%**

VACANCY RATE

**21,771,519 SF**

UNDER CONSTRUCTION

**13,081,085 SF**

NEW SUPPLY DELIVERED

**\$8.89/SF**

AVG. ASKING RENT/YEAR

**\$152.00/SF**

AVERAGE SALES PRICE

**14,137,939 SF**

LEASING ACTIVITY

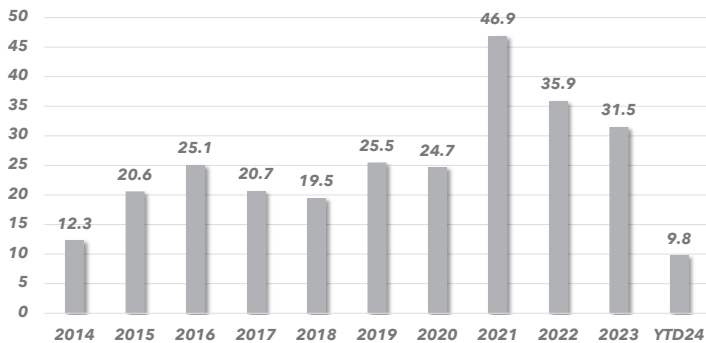
Q2 2024

# DFW INDUSTRIAL OVERVIEW

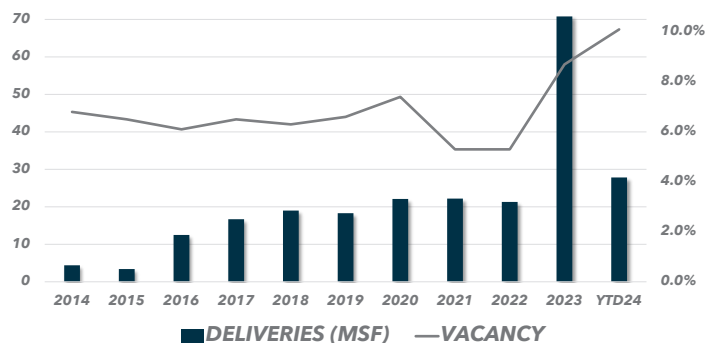
Over recent years, the Dallas-Fort Worth industrial market has expanded rapidly, delivering new inventory at record rates. This growth has pushed vacancy rates to their highest level in over a decade, reaching 10.1% in Q2 2024, one of the highest among the 20 largest U.S. markets. Since early 2022, over 140 million square feet of new space has been added, equivalent to Fort Lauderdale's entire industrial inventory. Net absorption in Q2 2024 improved significantly after having the lowest in Q1 2024 (1,107,039 SF) since Q1 2018.

After a record-breaking 71 million SF of net deliveries last year, fewer projects remain underway, and quarterly supply additions are poised to return to a more regular cadence by the second half of 2024. Tighter borrowing conditions also pushed industrial construction starts to their lowest point in over a decade, setting the stage for new supply additions to hit a 10-year low in 2025. Unlike past spikes caused by economic downturns, the current vacancy rise stems from speculative overbuilding. While large, new buildings in outer submarkets face rent pressure, landlords in interior submarkets continue to increase rents where competition is lower.

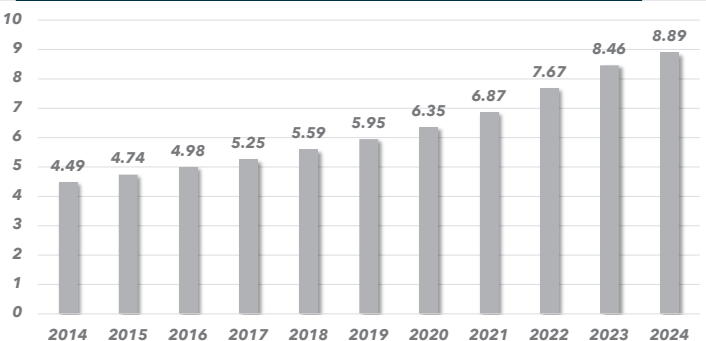
## NET ABSORPTION



## VACANCY & DELIVERIES



## RENTAL RATES



## Y-O-Y CHANGE



### NET ABSORPTION

Q2 2024: 8,961,113 SF  
Q2 2023: 8,036,073 SF



### VACANCY RATE

Q2 2024: 10.1%  
Q2 2023: 7.0%



### UNDER CONSTRUCTION

Q2 2024: 21,771,519 SF  
Q2 2023: 67,262,561 SF



### NEW SUPPLY DELIVERED

Q2 2024: 13,081,085 SF  
Q2 2023: 16,358,905 SF



### AVG. ASKING RENT/YEAR

Q2 2024: \$8.89 PSF  
Q2 2023: \$8.46 PSF



### AVG. SALES PRICE

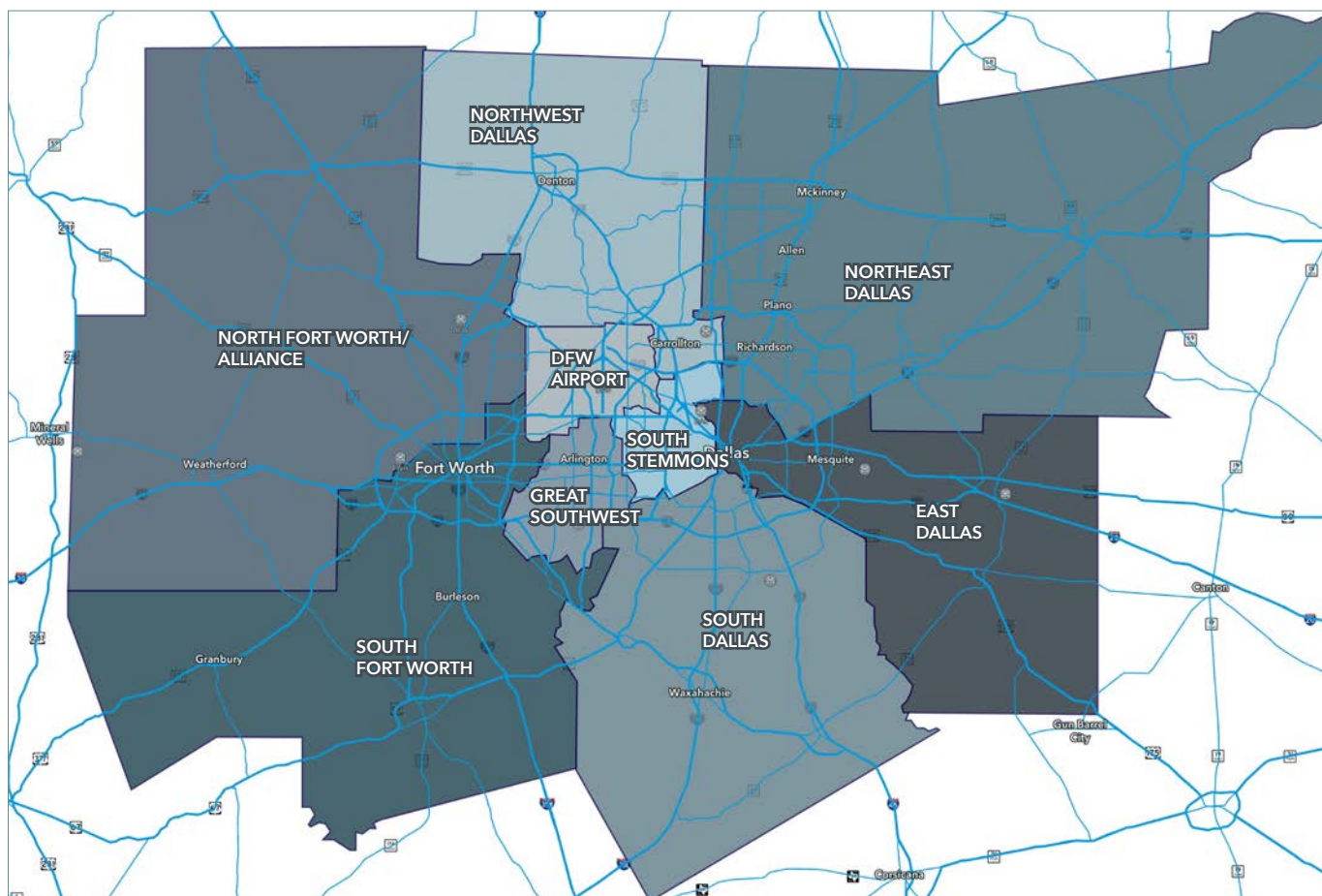
Q2 2024: \$152 PSF  
Q2 2023: \$125 PSF



### SALES VOLUME

Q2 2024: \$79,311,111  
Q2 2023: \$268,238,748

# SUBMARKET PERFORMANCE



SUBMARKET	TOTAL INVENTORY (SF)	TOTAL VACANT (SF)	VACANCY RATE (SF)	YTD NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	Q2 2024 DELIVERIES (SF)	AVG. ASKING RENT / YEAR (PSF)
1 NORTHWEST DALLAS	103,194,191	7,869,838	7.6%	335,046	2,574,926	179,680	\$10.26
2 DFW AIRPORT	93,713,624	10,141,256	10.8%	1,939,258	1,717,462	2,269,704	\$10.07
3 EAST DALLAS	69,706,384	11,282,563	16.2%	782,140	2,755,716	2,270,018	\$7.24
4 GREAT SOUTHWEST	122,404,702	8,780,758	7.2%	(343,195)	2,877,946	634,439	\$8.40
5 SOUTH STEMMONS	113,666,225	9,315,218	8.2%	1,040,005	442,516	1,865,927	\$10.31
6 N FORT WORTH/ALLIANCE	150,140,115	18,409,482	12.3%	2,497,483	3,113,060	2,834,244	\$8.02
7 NORTHEAST DALLAS	110,287,889	6,922,831	6.3%	1,173,791	2,179,637	1,473,430	\$10.51
8 SOUTH DALLAS	160,415,780	23,051,385	14.4%	816,098	4,462,918	260,494	\$6.96
9 SOUTH FORT WORTH	108,974,762	8,725,875	8.0%	720,487	1,647,338	1,293,149	\$8.24
<b>TOTAL</b>	<b>1,032,503,672</b>	<b>104,499,206</b>	<b>10.1%</b>	<b>8,961,113</b>	<b>21,771,519</b>	<b>13,081,085</b>	<b>\$8.89</b>

## MARKET OUTLOOK

The Dallas-Fort Worth industrial market continues to transition from a landlord's market towards a more balanced state. Vacancy rates are gradually increasing, and there's a growing number of sublease opportunities emerging each week.

Being an election year with little confidence of seeing rate cuts, the latter half of 2024 will experience a slight slowdown. Transactions are having longer completion times, with tenants exhibiting higher levels of indecision. This trend reflects the cautious approach amidst market adjustments and the broader economic landscape.

Despite this, the Dallas-Fort Worth industrial market remains robust, with new businesses relocating to the area and rates, though leveling off, still show incremental increases. Furthermore, there's no shortage of capital available for investment in the industrial sector, indicating continued confidence in the market's health.



## Q2 2024 NOTABLE SALES



MESQUITE AIRPORT LOGISTICS CENTER

905 AIRPORT BOULEVARD MESQUITE (BUILDING 2)

**SUBMARKET** East Dallas  
**BUYER** LBA Realty  
**SELLER** Dalfen Industrial  
**SIZE** 626,719 SF (Part of a Portfolio)



MERCANTILE I-35

2500 SYLVANIA CROSS DRIVE FORT WORTH (BUILDING 1)

**SUBMARKET** N Fort Worth/Alliance  
**BUYER** Prologis  
**SELLER** Mercantile Partners  
**SIZE** 564,387 SF



111 CUSTOMER WAY

111 CUSTOMER WAY IRVING

**SUBMARKET** Northeast Dallas  
**BUYER** PowerHouse Data Centers  
**SELLER** Provident Realty Advisors  
**SIZE** 491,308 SF



COOPER I-20

1131 BARDIN ROAD ARLINGTON (BUILDING C)

**SUBMARKET** Great Southwest  
**BUYER** Transwestern  
**SELLER** Barings  
**SIZE** 401,115 SF



## Q2 2024 NOTABLE LEASES



3400 CATHERINE COURT

**SUBMARKET** N Fort Worth/Alliance  
**TENANT** Google  
**LANDLORD** Clarion Partners  
**SIZE** 1,049,022 SF



11700 HARMONSON ROAD

**SUBMARKET** N Fort Worth/Alliance  
**TENANT** Mondelez Global  
**LANDLORD** Ares Management Corp  
**SIZE** 985,723 SF



2200 BERRY ROAD

**SUBMARKET** East Dallas  
**TENANT** RJW Logistics Group  
**LANDLORD** Dalfen Industrial  
**SIZE** 649,398 SF



3210 RAILPORT PARKWAY

**SUBMARKET** South Dallas  
**TENANT** U.S. Lumber Group  
**LANDLORD** Logistics Property Group  
**SIZE** 548,340 SF



## Q2 2024 NOTABLE UNDER CONSTRUCTION

PROJECT NAME	LOCATION	DEVELOPER	BUILDING SIZE	SUBMARKET	DELIVERY
Alliance Westport 25	14800 Blue Mound Road	Hillwood	1,076,459 SF	N Fort Worth/Alliance	Q3 2024
Gateway Crossing Logistics Park - Building 1	1220 Sage Hill Parkway	Holt Lunsford/Principal	1,024,549 SF	Northeast Dallas	Q3 2024
Wintergreen Industrial Park - Building B	600 E Wintergreen Road	Crow Holdings Industrial	799,529 SF	South Dallas	Q3 2024
Denton ICC-35 - Building 3	2001 FM 1173	CLX Ventures	702,766 SF	Northwest Dallas	Q3 2024
Alto Pinto 45	TBD Pinto Road	Alto Real Estate Funds	586,919 SF	South Dallas	Q1 2025
IAC Wintergreen	300 W Wintergreen Road	IAC Properties	560,030 SF	South Dallas	Q3 2024
Shady Grove Logistics Crossing - Building A	2809 Shady Grove Road	Scannell Properties	499,589 SF	Great Southwest	Q1 2025
Gateway Crossing Logistics Park - Building 2	1224 Sage Hill Parkway	Holt Lunsford/Principal	473,397 SF	Northeast Dallas	Q3 2024
Remington I-30 - Building 2	701 E Wildlife Parkway	Graff Interests/Ironwood	440,960 SF	Great Southwest	Q4 2024



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