



NEWMARK

*Market Overview*

# Dallas-Fort Worth Industrial

1Q26

# Market Observations



## Economy

- The market's unemployment rate increased four basis points year over year to 4.0%, though it remains well below the five-year average of 4.6%.
- The pace of job growth has slowed to 0.3% year over year in December 2025, continuing a trend of moderate gains in recent years. Even with slower growth, total employment reached 4.3 million in December 2025 and has held above the 4.2 million threshold since mid-year 2023.
- Most sectors reported employment growth, except for the business and professional, manufacturing and financial activities, with the education and health sector leading job gains at 3.2% over the past 12 months.
- Two out of three industrial employment sectors experienced annual growth. The trade/transportation/utilities and mining and construction industries reported growth of 0.4% and 2.0%, respectively, while manufacturing jobs contracted by 1.3% over the past year.



## Leasing Market Fundamentals

- Asking industrial rents rose to \$10.14/SF during the first quarter of 2026, reflecting an annual increase of 8.3% and reaching a new record high.
- Leasing activity in the Dallas-Fort Worth metroplex totaled 21.0 MSF in the first quarter – the highest first quarter leasing volume on record, indicating strong tenant demand for industrial space in the market.
- Following five consecutive quarters of growth, construction activity dipped slightly in the first quarter of 2026 to 31.2 MSF. Additionally, 40.9% of all space under construction has been released, indicating strong demand for newly delivered product.
- Due to high demand for industrial space and a relatively muted construction pipeline, demand outpaced supply in the first quarter of 2026, with 10.4 MSF of space being absorbed compared to just 5.7 MSF of new deliveries. As a result, the overall vacancy rate declined to a recent low of 8.8%, a trend that is expected to continue as high demand and relatively low deliveries place further downward pressure on vacancy rates.



## Major Transactions

- DSV Contract Logistics inked the largest deal during the first quarter of 2026, securing 1.0 MSF in the North Fort Worth submarket, expanding its footprint in the market and establishing the company's first presence in the northern portion of the metroplex.
- Four out of the top five leases in the quarter were signed by logistics and distribution tenants, underscoring the continued strength of supply chain and fulfillment demand across the Dallas-Fort Worth market.
- From a geographical perspective, the North Fort Worth and East Dallas submarkets dominated the quarter, with two notable leases being signed in each submarket.
- Four out of the top five leases of the quarter were new deals, and one was a renewal. Daltile renewed their lease for 623,512 SF in a location they have occupied for more than 20 years, indicating the strategic importance of the facility to the company's operations.



## Outlook

- Construction activity remains modest, with 2.7% of total inventory under construction. Despite an elevated level of supply, construction starts to support demand for top-tier industrial space and build-to-suit requirements is expected to keep the pipeline flat, rather than declining.
- Vacancy rates are expected to continue declining at a moderate pace in the near future as the market absorbs existing supply, and as less new inventory comes online due to a reduced pipeline.
- Asking rents will likely continue to remain elevated due to inflation and as quality new product commanding higher pricing is delivered. However, the pace of year-over-year growth is expected to continue flattening as new supply is expected to remain low in the near term.
- Leasing activity is anticipated to stabilize as demand normalizes, with tenants remaining selective and favoring newer Class A assets, while older product experiences longer lease-up times.

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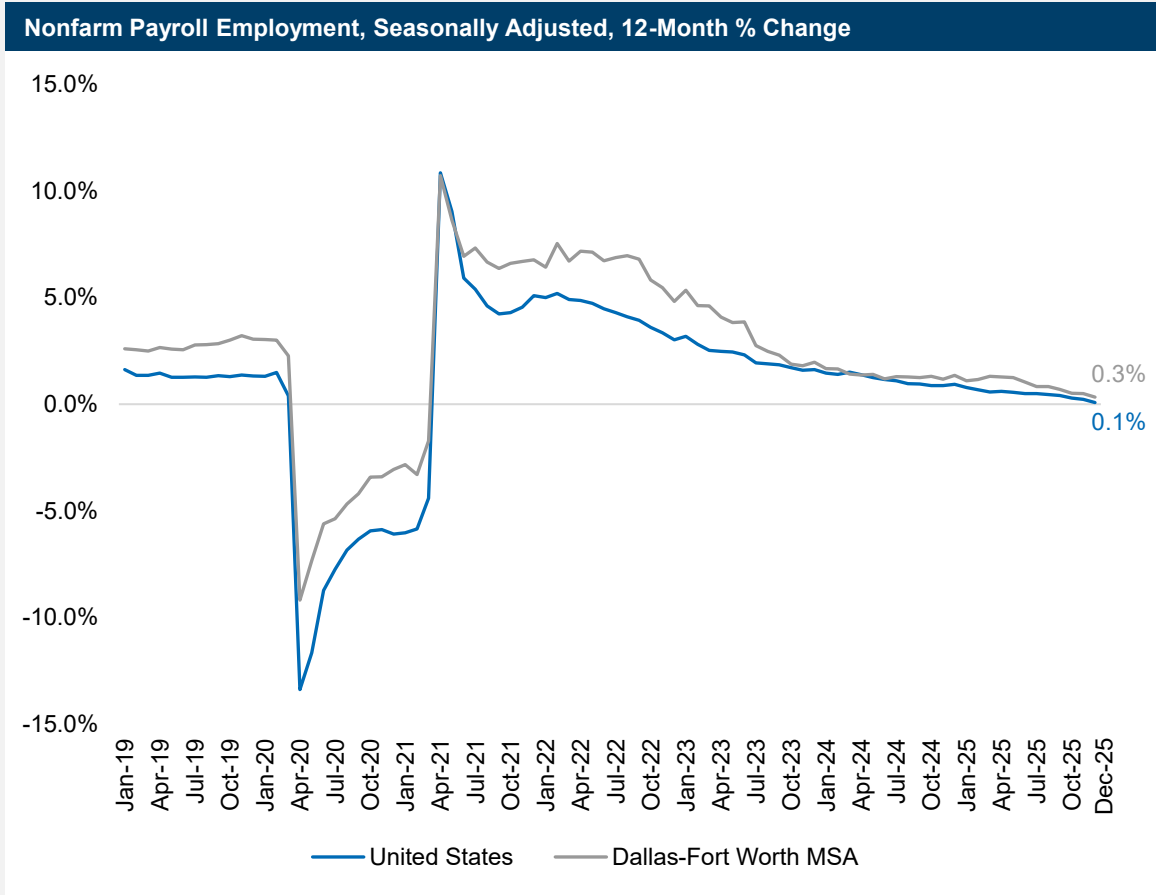
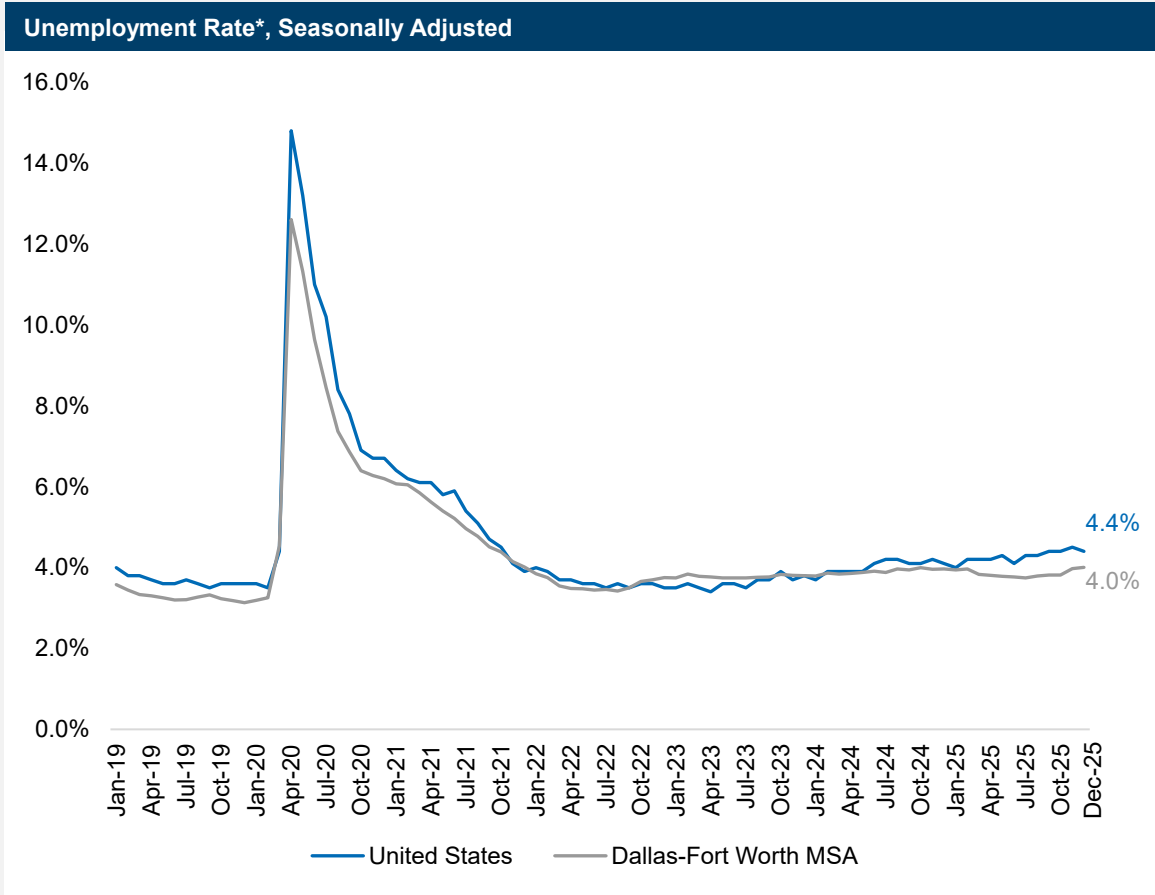
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## Economy



# Market Outperforms National Trends with Low Unemployment, Despite Cooling Job Growth

In December 2025, the market's unemployment rate held steady at 4.0% for the second consecutive month, marking five straight months without a decline and signaling a degree of labor market stagnation to close out the year. Despite the lack of downward movement, local conditions remain relatively strong, with unemployment tracking 40 basis points below the national average of 4.4% for the same period. The market's resilience is further underscored by year-over-year employment growth of 0.3%, outpacing the national rate of 0.1% by 26 basis points. Despite ongoing macroeconomic headwinds weighing on national growth, the market has consistently outperformed, exceeding the national average in year-over-year employment growth for 19 consecutive months since May 2024.

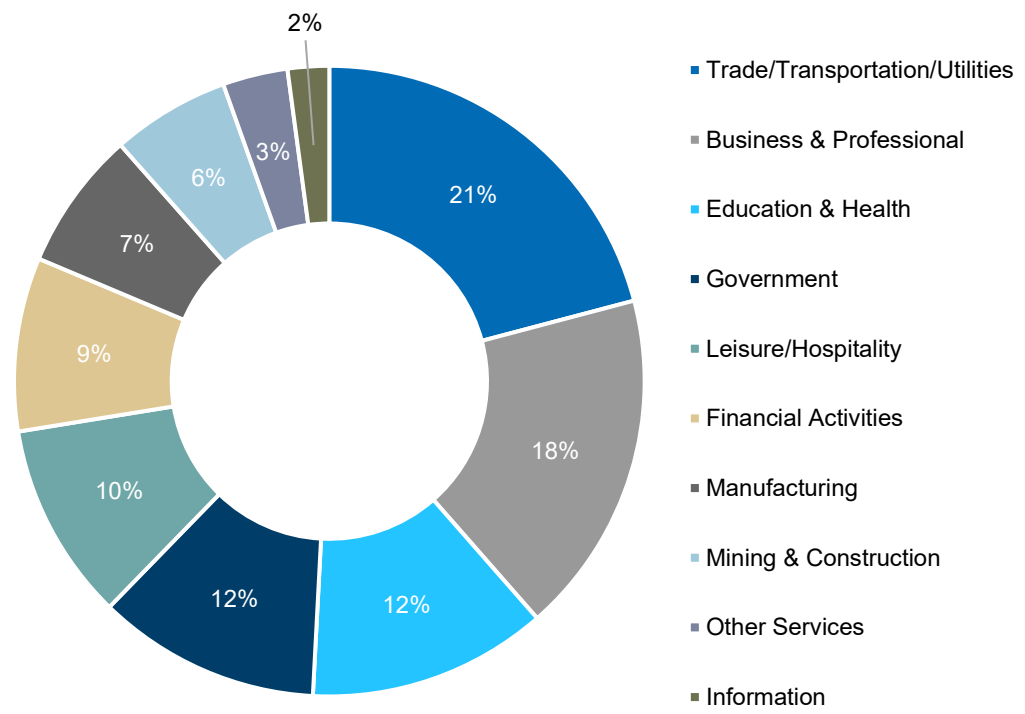


Source: U.S. Bureau of Labor Statistics, Dallas-Fort Worth MSA  
 \*October 2025 government shutdown missing data addressed with duplicating September 2025's data

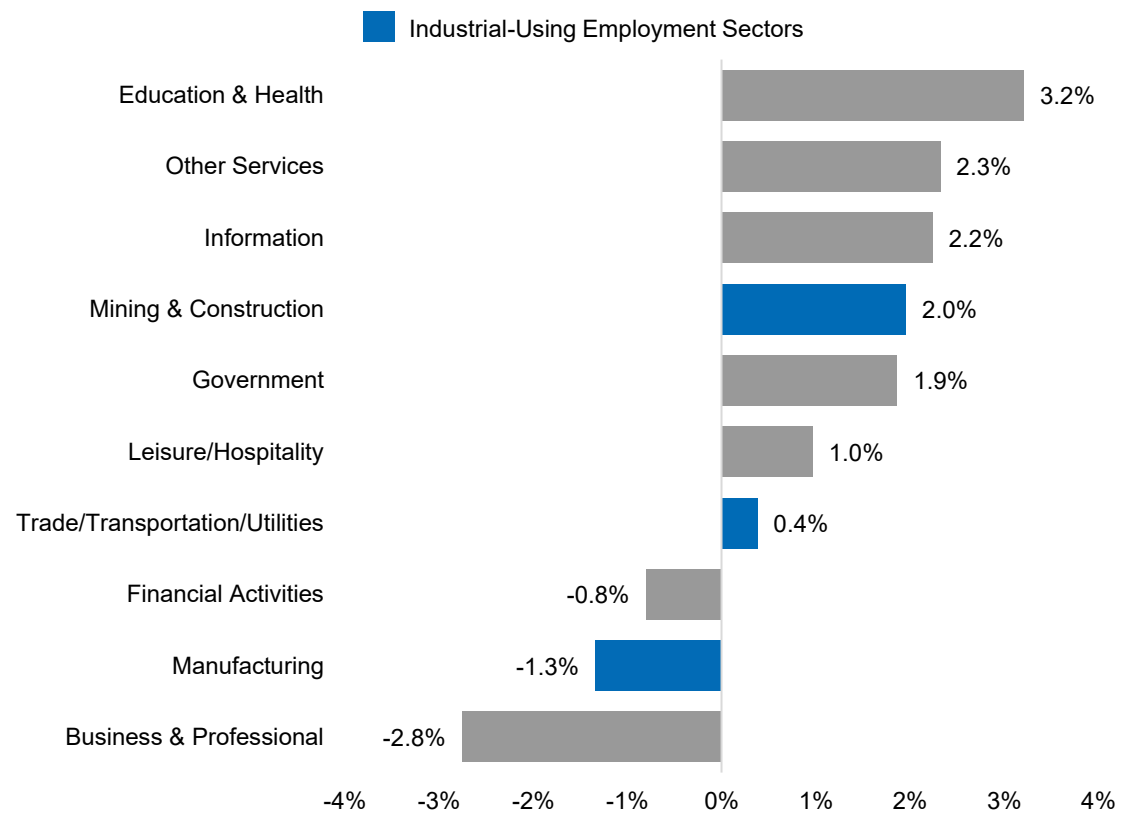
# Overall Industrial Employment Continues to Grow

Dallas-Fort Worth is home to a robust and diverse economy. The two leading employment sectors—trade/transportation/utilities and business and professional services—account for 38.5% of total employment in the metro. The trade/transportation/utilities sector is responsible for the largest share of employment at 20.9%, followed by business and professional services at 17.6%. Most fields of employment reported annual growth, barring financial activities, manufacturing, and business and professional services, which contracted by 0.8%, 1.3%, and 2.8%, respectively. Among industrial-using employment fields, mining and construction grew by 2.0% and trade/transportation/utilities grew by 0.4%, offsetting the 1.3% decline in the manufacturing sector. Overall, industrial-using jobs grew 0.3% year over year, indicating that the Dallas-Fort Worth industrial market continues to expand, albeit at a slower rate than previously.

**Employment by Industry, December 2025**



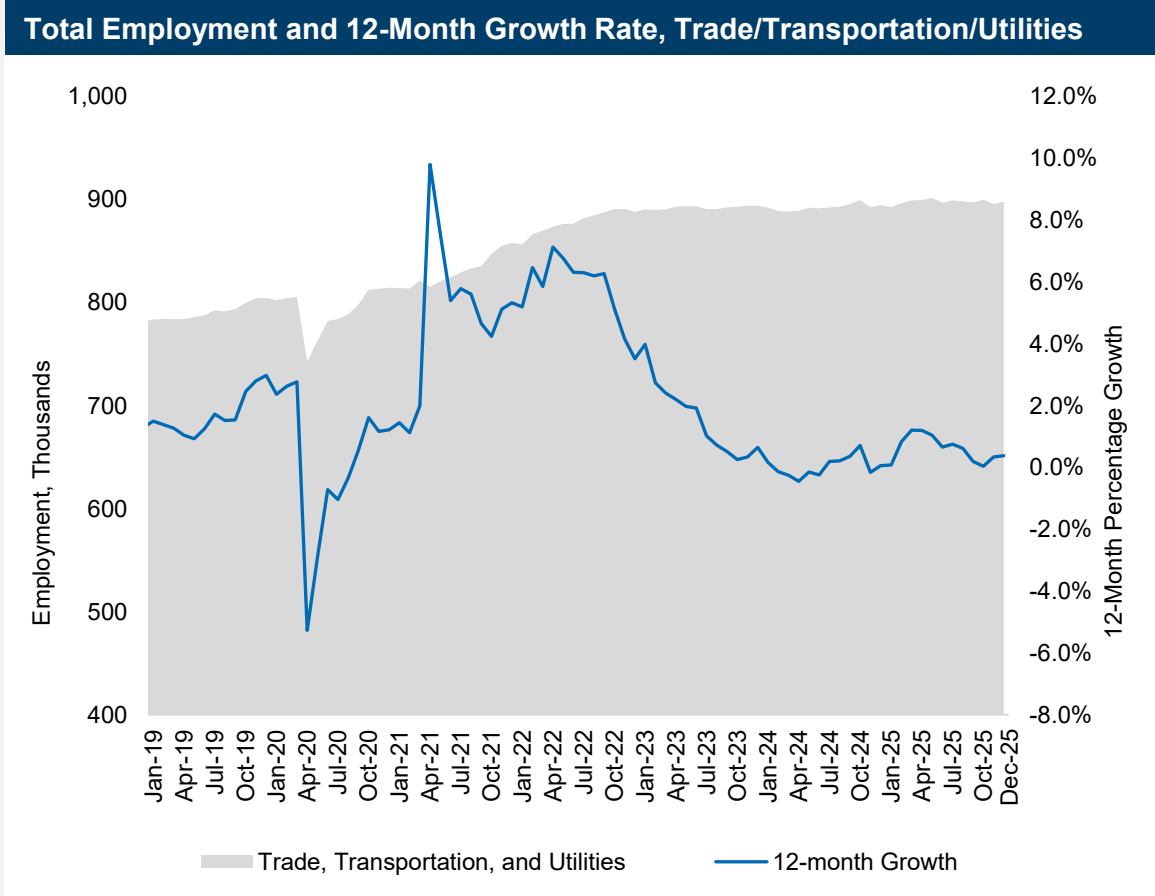
**Employment Growth by Industry, 12-Month % Change, December 2025**



Source: U.S. Bureau of Labor Statistics, Dallas-Fort Worth MSA

# Losses in Manufacturing Employment Offset by Gains in Other Sectors

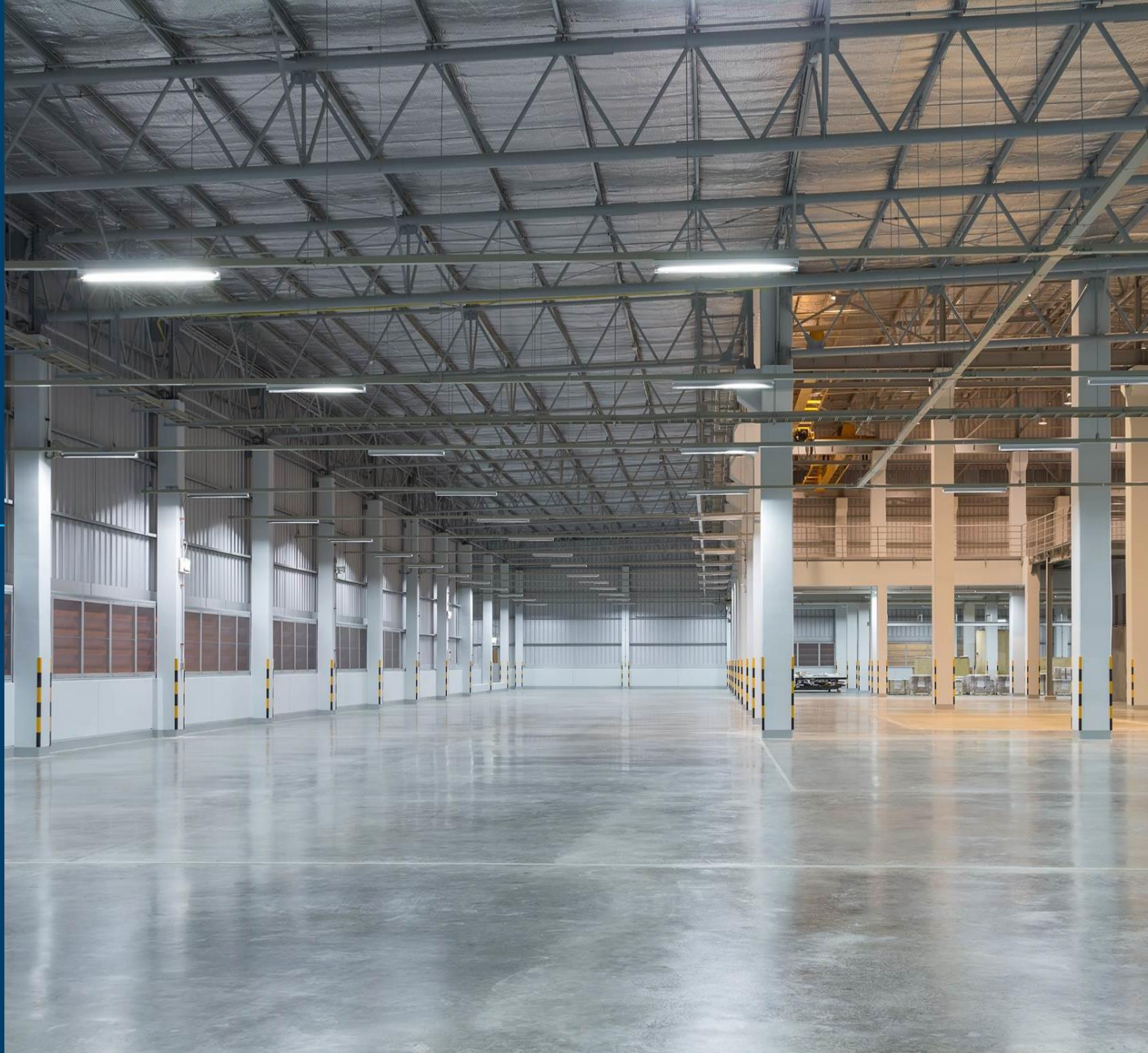
As of the end of December 2025, employment in the trade/transportation/utilities sector in the Dallas-Fort Worth market remains strong, consisting of 897,962 jobs, representing a quarterly increase of 0.1% and an annual increase of 0.4%. Meanwhile, manufacturing employment totaled 306,392 jobs as of December 2025, representing decreases both quarter over quarter and year over year of 0.8% and 1.3%, respectively. Although overall industrial-using employment increased by 0.3% year over year, gains in the trade/transportation/utilities and mining and construction sectors have been tempered by recent contractions in the manufacturing sector.



Source: U.S. Bureau of Labor Statistics, Dallas-Fort Worth MSA

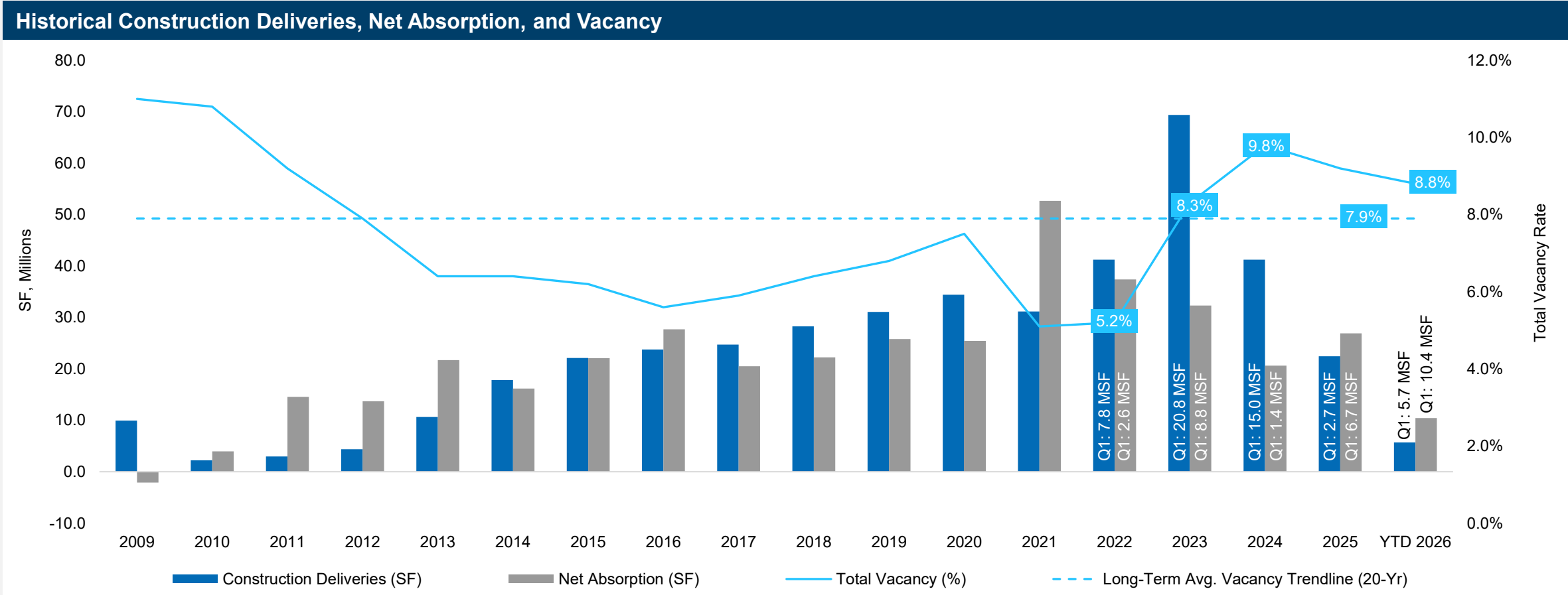
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## Leasing Market Fundamentals



# Vacancy Declines as Quarterly Demand Exceeds Supply

During the first quarter of 2026, the vacancy rate in the Dallas-Fort Worth industrial market decreased to 8.8%, reflecting a 40-basis-point decline quarter over quarter and a 60-basis-point dip year over year. The overall decline in vacancy is the result of the third consecutive quarter in which demand has outpaced supply, with a gap of 4.8 MSF recorded in the quarter. New deliveries declined significantly quarter over quarter, dropping by 21.3% in the first quarter of 2026, totaling 5.7 MSF. Despite uncertainty owing to prevailing economic headwinds and a recent surplus of existing industrial space due to record new deliveries in 2023, demand for industrial space is gradually catching up to the existing supply, allowing excess space to be occupied and putting downward pressure on vacancy rates.

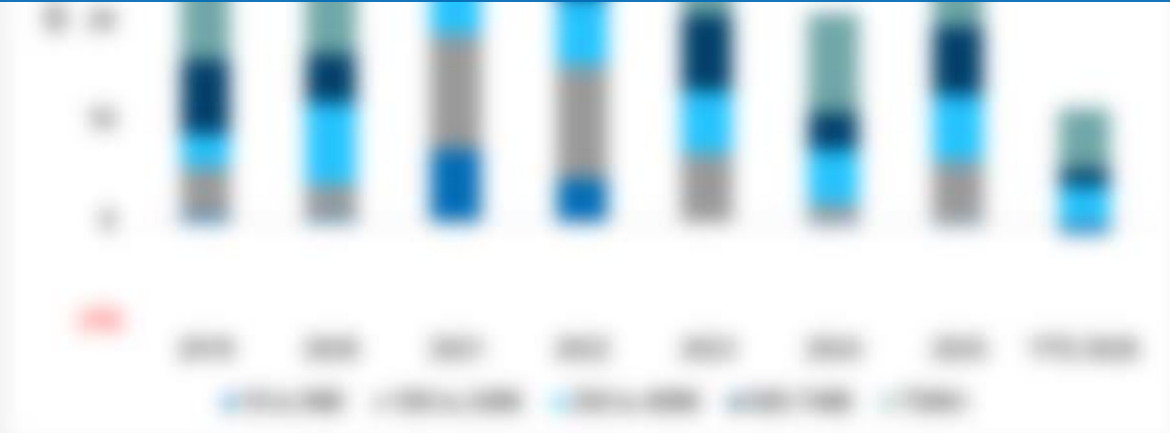


# Tenant Demand For Large Footprint Facilities Persists

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# Modern Industrial Space Remains in High Demand

Modern industrial space remains in high demand, with new construction and leasing activity remaining strong. The market is characterized by a high level of demand for modern, high-quality industrial space, particularly in the form of Class A and B facilities. This demand is driven by a variety of factors, including the need for modern facilities to support advanced manufacturing and logistics operations, as well as the desire for high-quality, modern space to attract and retain top talent. The market is also characterized by a high level of competition, with many developers and owners vying for the best locations and facilities. This competition has led to a steady increase in the price of industrial space, particularly in the form of modern, high-quality facilities. The market is expected to continue to grow in the coming years, as demand for modern industrial space remains strong.



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## Tenant Demand Concentrated in Larger, More Modern Industrial Space

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# Historic First Quarter Leasing Volume

Historic first quarter leasing volume for the first quarter of 2019. The chart shows a steady increase in leasing volume over the first quarter, with a peak in the first quarter of 2019. The chart is a line graph with a blue line representing the leasing volume. The x-axis represents the first quarter of 2019, and the y-axis represents the leasing volume. The chart shows a steady increase in leasing volume over the first quarter, with a peak in the first quarter of 2019.

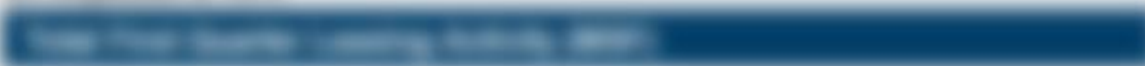


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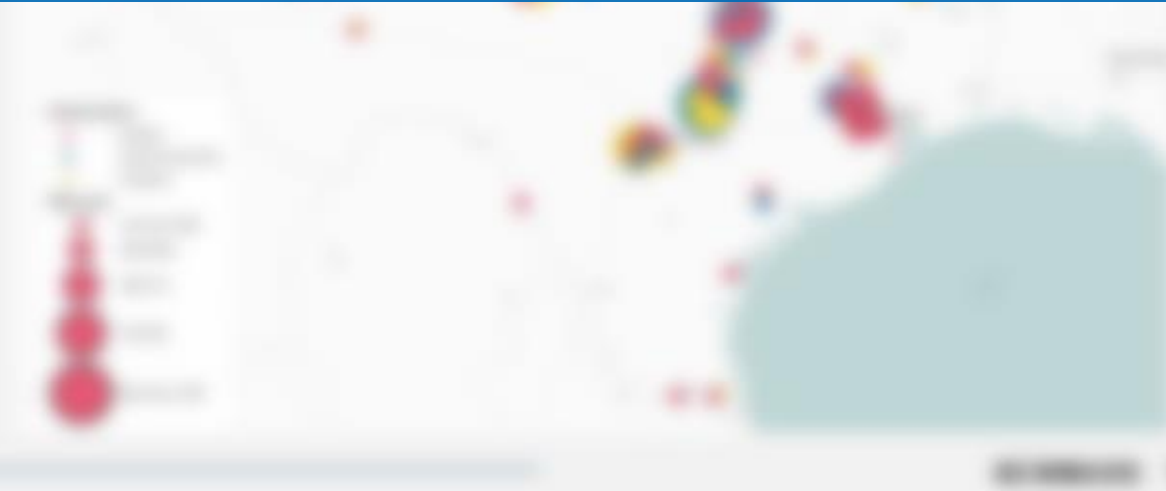
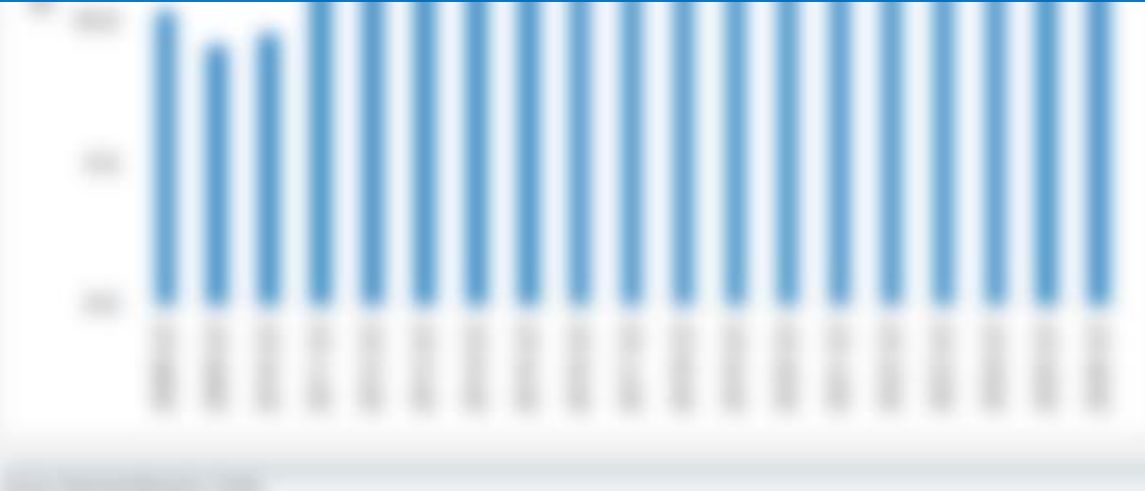


# Market Records Highest Ever First Quarter Leasing Activity

Leasing activity in the United States reached a record high of 1.1 billion sq ft in the first quarter of 2015, according to a report from Newmark. The report shows that leasing activity in the first quarter of 2015 was 1.1 billion sq ft, up from 1.0 billion sq ft in the first quarter of 2014. This represents a 10% increase over the same period last year. The report also shows that leasing activity in the first quarter of 2015 was 1.1 billion sq ft, up from 1.0 billion sq ft in the first quarter of 2014. This represents a 10% increase over the same period last year.



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# Top Five Deals Done by Industry Type

...the top five deals done by industry type. The top five deals done by industry type are: 1. Manufacturing, 2. Retail, 3. Healthcare, 4. Technology, and 5. Financial Services. The total value of these deals is \$1.2 billion. The top five deals done by industry type are: 1. Manufacturing, 2. Retail, 3. Healthcare, 4. Technology, and 5. Financial Services. The total value of these deals is \$1.2 billion.



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# Dallas-Fort Worth Industrial Outlook: Logistics Managers' Index One to Watch

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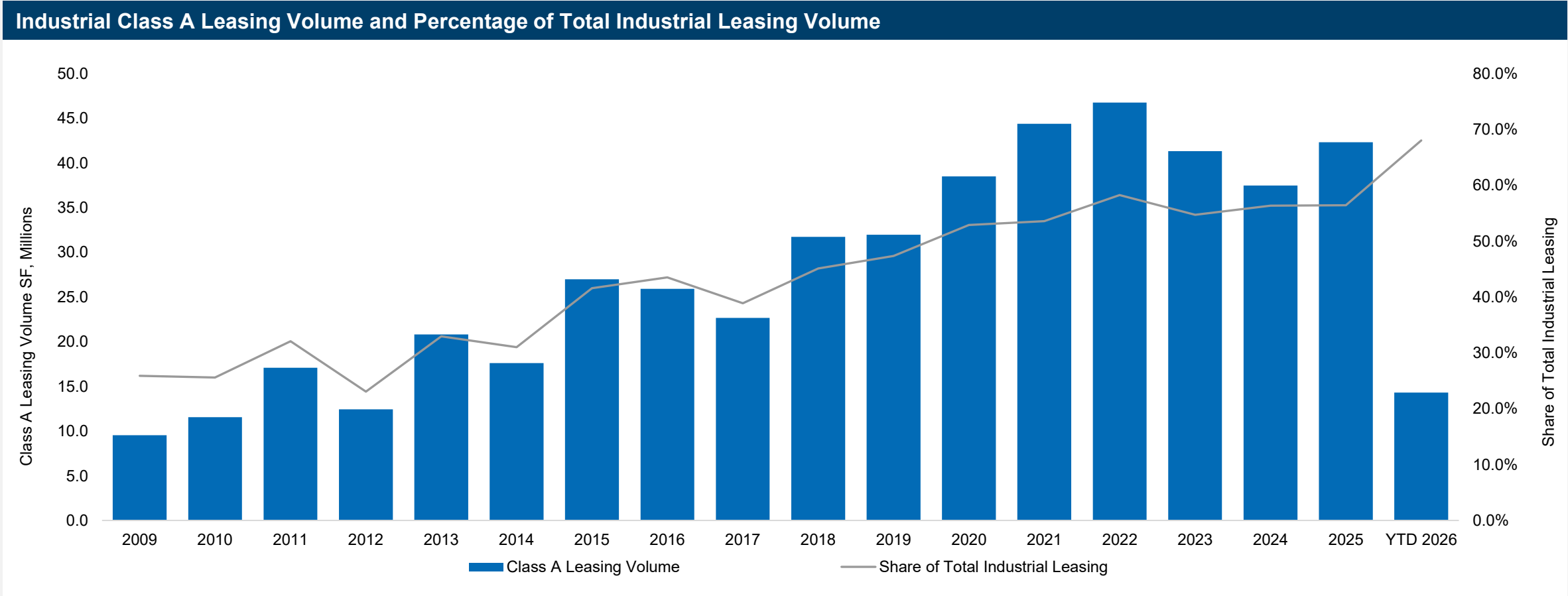
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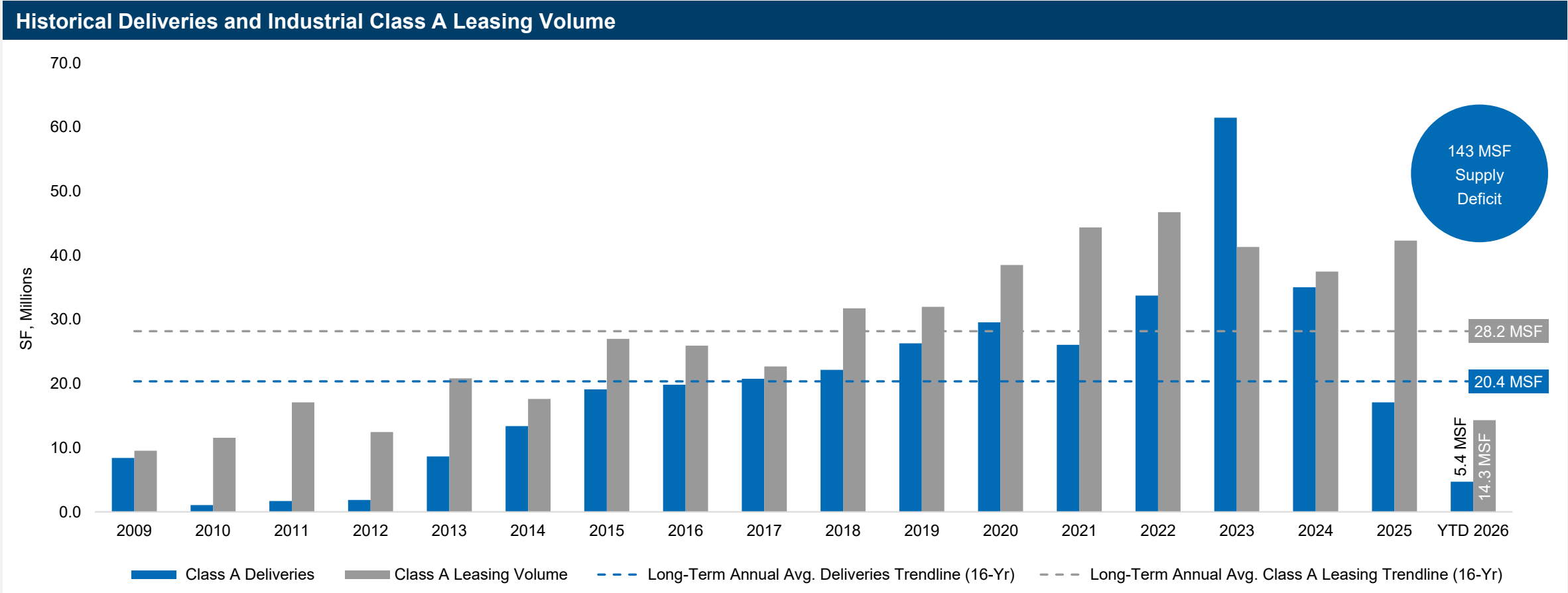
# Class A Space Accounts For Majority of Leasing Activity

Since the pandemic, elevated deliveries in the Dallas-Fort Worth metro—particularly of Class A industrial product—have increased availability, supporting higher leasing volume. In the first quarter of 2026, Class A leasing activity totaled 14.3 MSF, the highest level since mid-2022, representing quarter over quarter growth of 1.0% and an annual increase of 51.0%. Class A space accounted for 68.0% of total leasing activity in the first quarter of 2026, reflecting a 280-basis-point increase quarter over quarter. Class A leasing volume continues to make up a substantial share of overall leasing activity, underscoring tenants’ continued preference for high-quality space, a trend that is expected to persist as long as new supply keeps pace with demand.



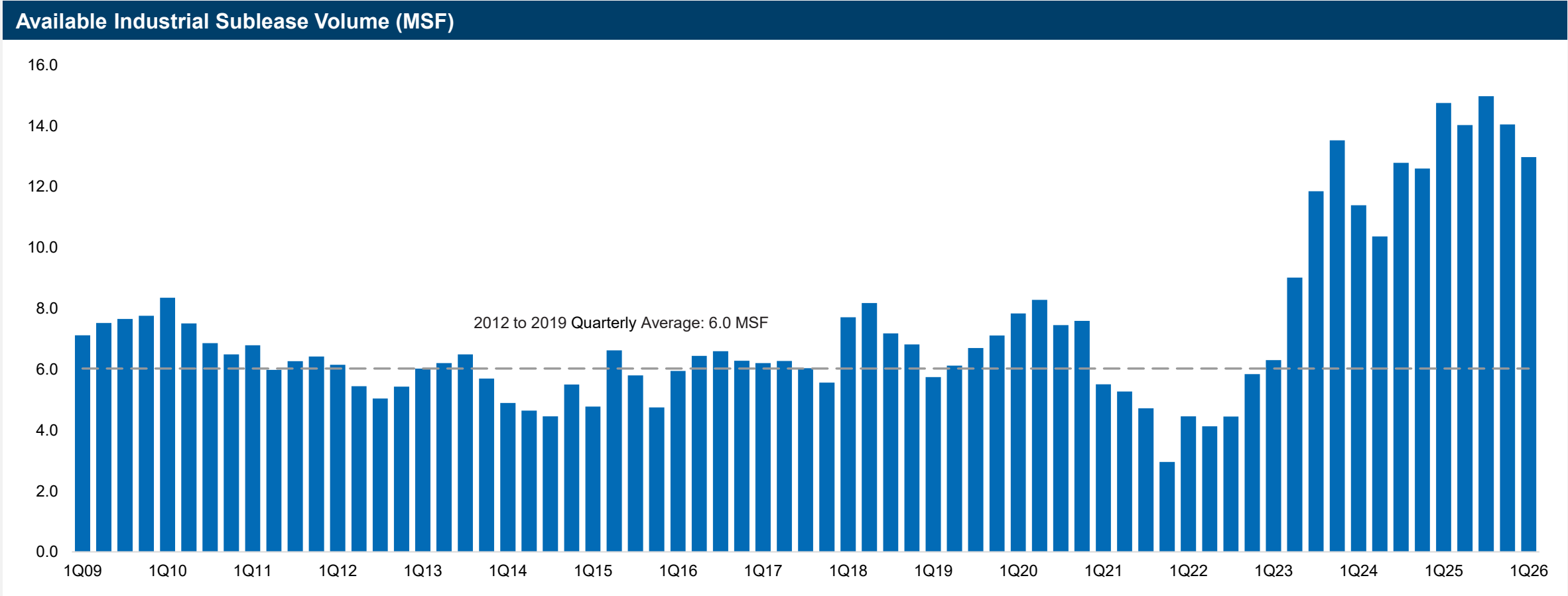
# Shortage of Class A Space Continues to Grow

During the first quarter of 2026, Class A industrial product made up 68.0% of total leasing activity, remaining well above the pre-pandemic quarterly average of 34.9% recorded from 2009 to 2019. Demand for premium industrial space in the Dallas-Fort Worth market has consistently outpaced supply in nearly every year since 2009, barring 2023. As a result, the gap between existing supply of Class A industrial space and the demand for such space has steadily widened and is now at 142.6 MSF. The widening gap between supply and demand is indicative of occupiers' preference for newer, higher-quality space and supports sustained long-term fundamentals for Class A industrial product in the market.



# Sublease Availability Declines for Second Consecutive Quarter

Sublease availability in the Dallas-Fort Worth market continues to remain above the 10.0 MSF mark since the third quarter of 2023. As of the end of the first quarter of 2026, sublease availability declined to 13.0 MSF, down 7.6% quarter over quarter and 12.0% year over year. This marks the second consecutive quarterly decline in sublease availability, easing from the record high set in the third quarter of 2025. The most noteworthy sublease listing to hit the first quarter of 2026 was the 315,000-SF listing at the Fort Worth Logistics Hub, which was formerly occupied by Samsung. Although sublease availability declined slightly quarter over quarter, the elevated supply of sublease space suggests that tenants may be shedding excess space to control costs, consolidated their real estate footprints, or streamline operations.



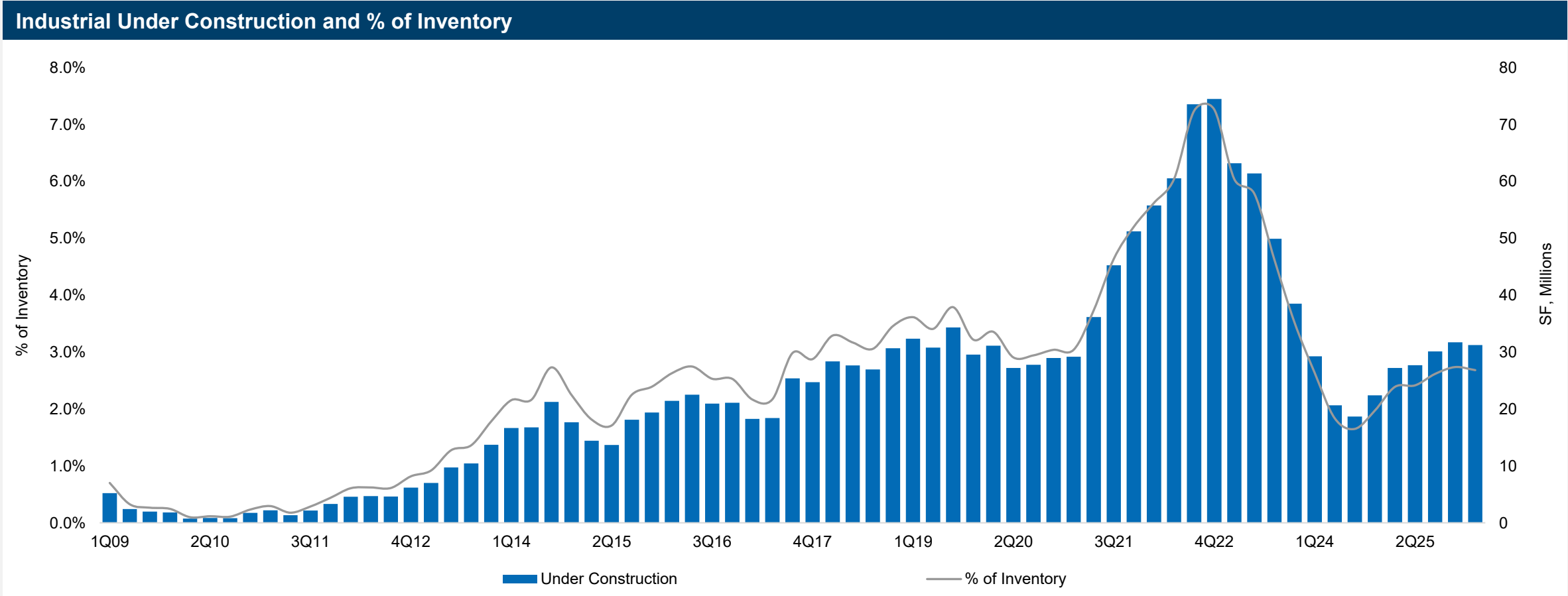
# North Fort Worth and NW Dallas Submarkets Lead In Sublease Availability

The North Fort Worth and Northwest Dallas submarkets led the Dallas-Fort Worth metro in sublease availability during the first quarter of 2026, accounting for 35.8% and 14.3% of the market share, respectively. Of all available sublease space, roughly 54% of current subleases have between two and five years of term remaining, and 29% of subleases have less than two years of term left. Available sublease space remains elevated, largely due to overarching market conditions including elevated interest rates, inflation, and declining consumer demand. Companies that leased excess space during the pandemic are adjusting to market conditions by putting underutilized space on the sublease market.



# Construction Activity Dips Slightly

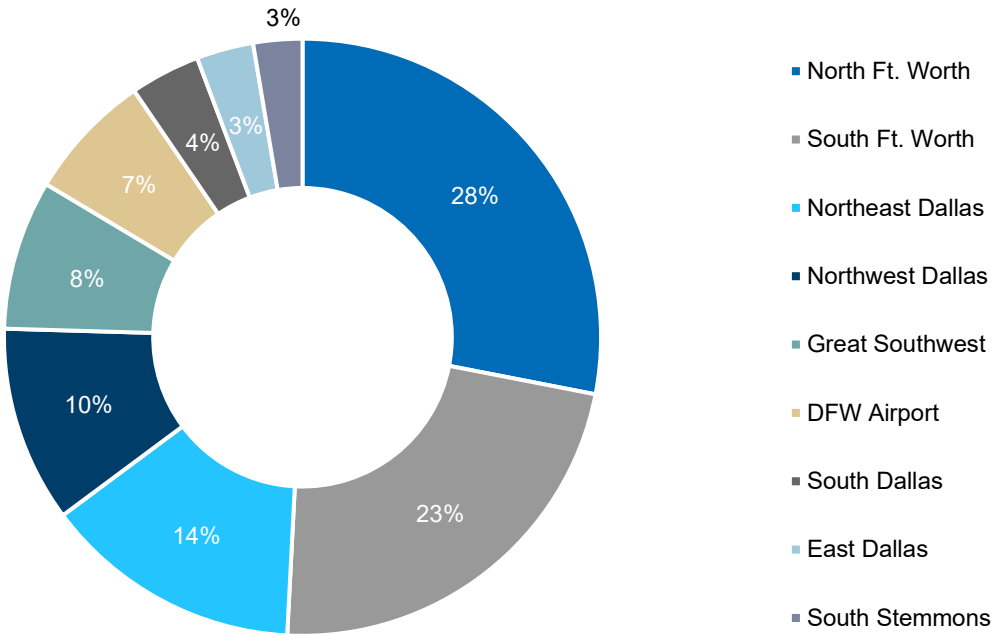
After five consecutive quarterly increases, the Dallas-Fort Worth construction pipeline declined slightly in the first quarter of 2026 to 31.2 MSF, a 1.5% dip quarter over quarter, but a 14.8% increase year over year. New construction starts remain modest compared to historical levels, largely due to an already elevated level of supply, constricting financing conditions, and uncertainty stemming from national economic headwinds. In the near term, the construction pipeline should be active in supporting demand for premium industrial space and build-to-suit requirements, but it is unlikely that construction activity reaches the record high levels recorded from 2021 to 2023. Additionally, 40.9% of all space under construction has been released, indicating strong tenant demand for newly delivered product in the market.



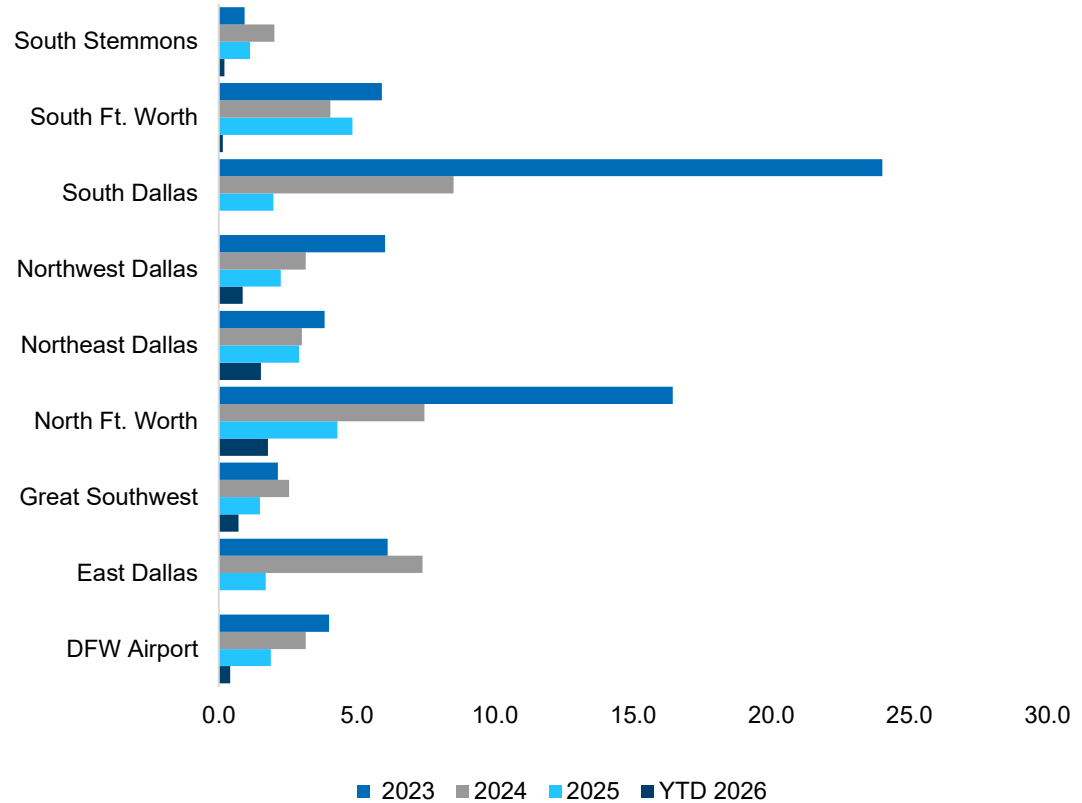
# Fort Worth Submarkets Drive Industrial Development Activity

As of the first quarter of 2026, there is 31.2 MSF of industrial product under construction in the metro. The North Fort Worth submarket leads with 8.8 MSF of space underway, making up 28.1% of the total construction pipeline, while South Fort Worth followed with 7.1 MSF of space under construction, or 22.8% of the market share. Since 2023, The South Dallas submarket has led in new deliveries, bringing 34.5 MSF online, with North Fort Worth coming in second with 30.0 MSF. It is likely that the North Fort Worth submarket will surpass South Dallas in terms of recent deliveries as South Dallas has just 1.2 MSF of space under construction, or 3.8% of the pipeline. Additionally, Northeast Dallas is an area to watch; McKinney National Airport is undergoing an expansion, and multiple industrial projects are underway, hoping to capitalize on the area's strategic location.

**Currently Under Construction Industrial Activity by Submarket**



**Historical Submarket Deliveries (MSF)**



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# Fort Worth Submarkets Continue to Dominate Construction Activity

Construction activity in the Fort Worth submarkets continues to dominate the Texas market, with a significant increase in activity in the second quarter. The Fort Worth submarkets, including Tarrant, Denton, and Johnson counties, accounted for 45% of the total construction activity in the state. This is a significant increase from the 35% reported in the first quarter. The increase is primarily due to a surge in residential construction, particularly in the multi-family sector. Commercial construction also shows strong growth, particularly in the office and retail sectors. The overall construction market in Texas remains robust, with a steady increase in activity throughout the year. The Fort Worth submarkets continue to be a key driver of this growth, reflecting the region's strong economic performance and population growth.

Construction activity in the Fort Worth submarkets continues to dominate the Texas market, with a significant increase in activity in the second quarter.

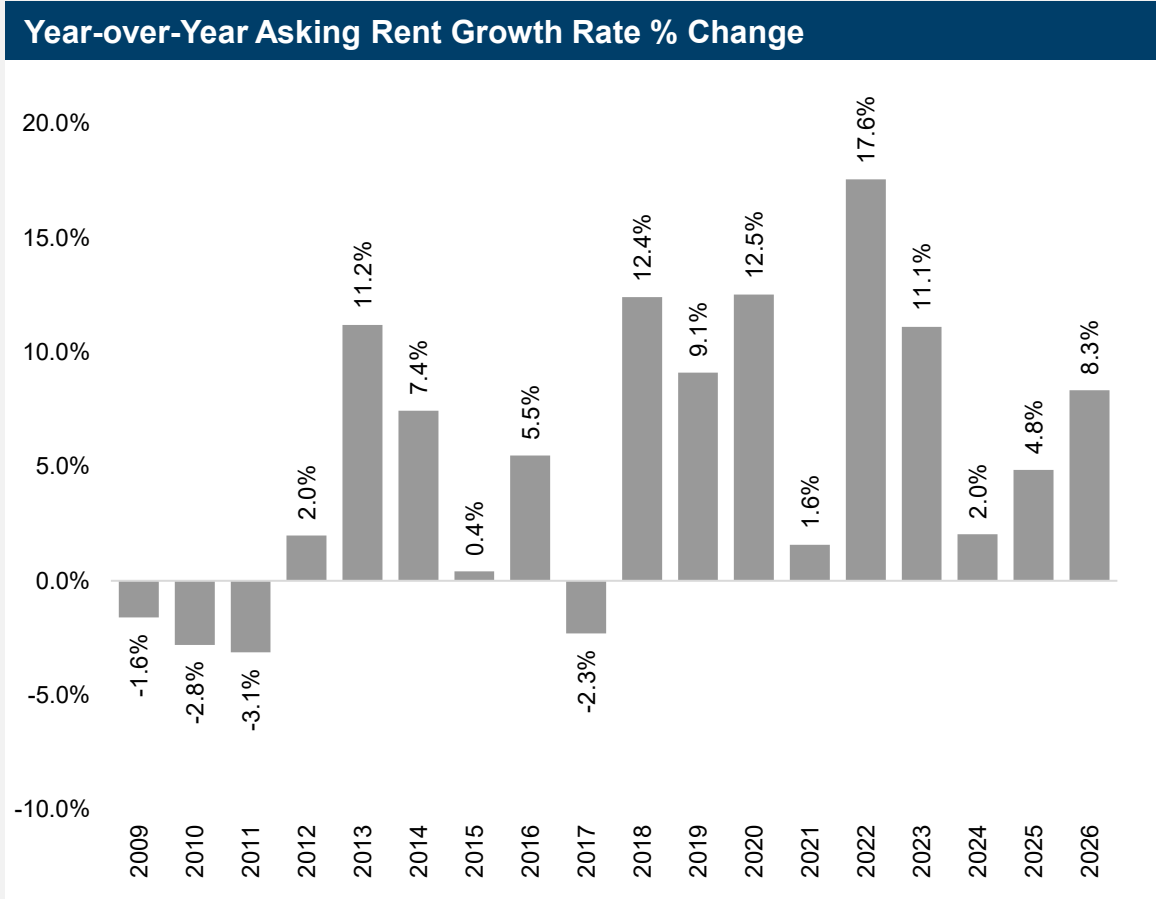
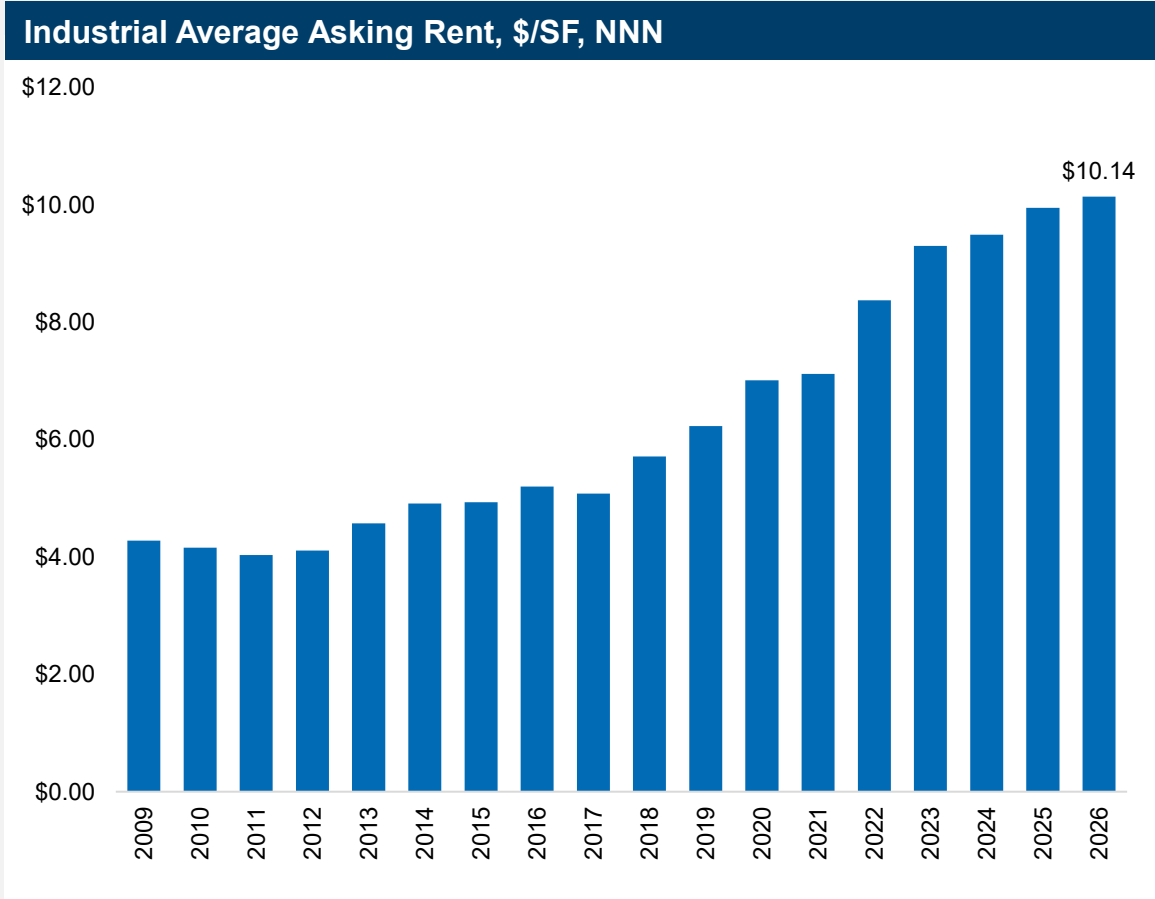
Construction activity in the Fort Worth submarkets continues to dominate the Texas market, with a significant increase in activity in the second quarter.

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# Rents Reach All-Time High and Rent Growth Rises, Momentum Expected to Continue

As of the end of the first quarter of 2026, average industrial asking rents in the Dallas-Fort Worth metroplex reached a new record high of \$10.14/SF, up 1.9% quarter over quarter and 8.3% year over year – the strongest annual growth rate since reaching 8.2% in the second quarter of 2024. In the near term, rents are expected to remain elevated due to the continuing delivery of high-quality product and demand for space. However, it is unlikely that annual rent growth reaches the heights recorded between 2022 and 2023 when annual rent growth rates peaked at 22.2% during the second quarter of 2023.



# Notable 1Q26 Lease Transactions

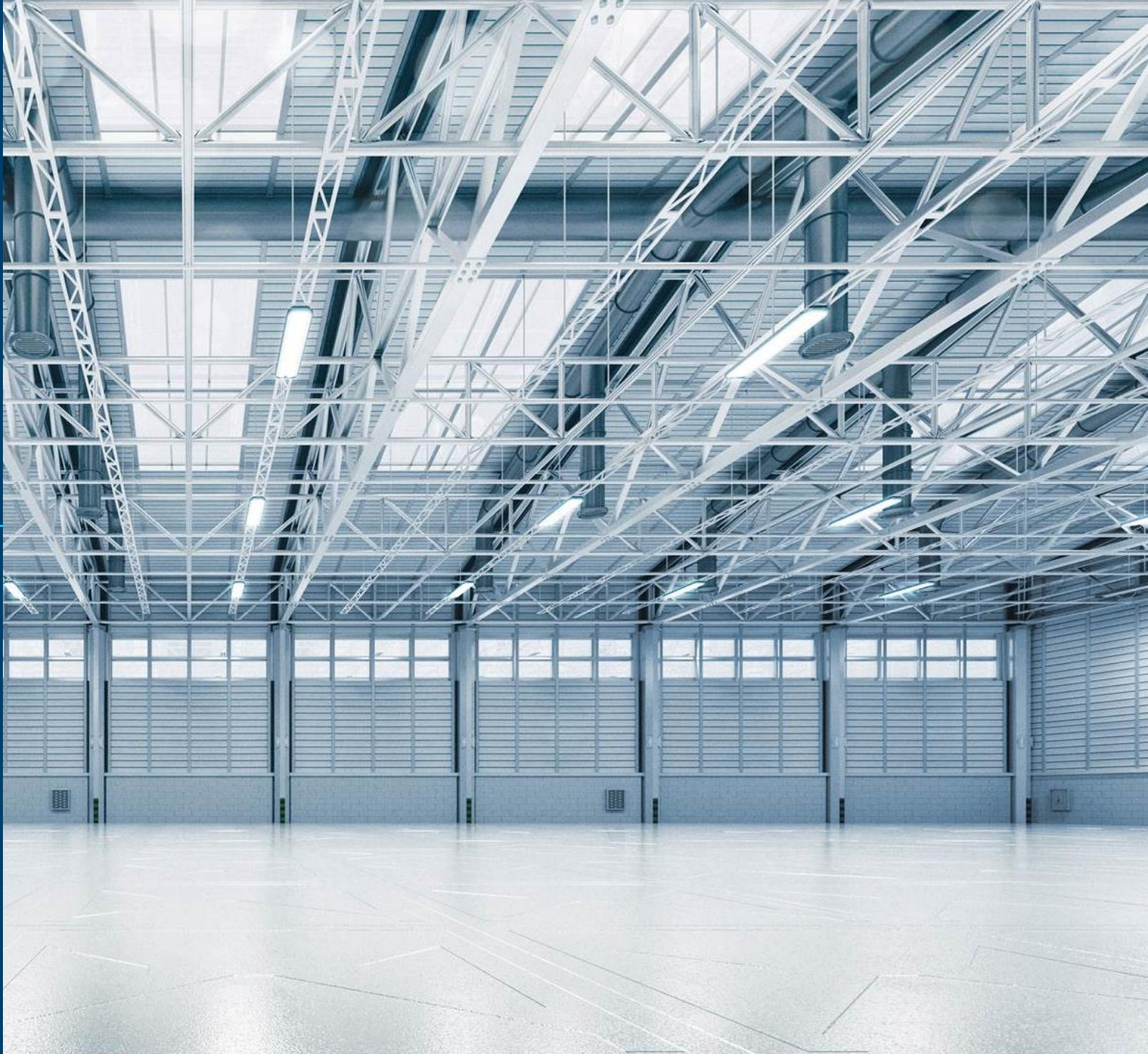
Four of the top five leases by square footage during the first quarter of 2026 were new deals, with one renewal, as leasing activity in the Dallas-Fort Worth metro continues to demonstrate broad-based demand across multiple submarkets. Of those five deals, two were executed in the North Fort Worth submarket and two in East Dallas. The largest deal of the quarter was inked by DSV Contract Logistics, a subsidiary of the Danish logistics giant DSV A/S. Notably, the logistics and distribution sector dominated the quarter's top leases, making up four of the top five, underscoring the continued strength of supply chain and fulfillment demand across the Dallas-Fort Worth industrial market.

## Select Lease Transactions

Tenant	Building	Landlord	Submarket	Type	Square Feet
DSV Contract Logistics	Northlake 35 Logistics Park – Bldg 1	Clarion Partners	North Fort Worth	Direct New	1,049,022
<p><i>DSV Contract Logistics, the warehousing and distribution division of Danish logistics giant DSV A/S, has signed a full-building lease for 1.0 MSF at Northlake 35 Logistics Park, with occupancy slated for April. The firm currently occupies approximately 2.0 MSF across two buildings in South Dallas – the new commitment, which marks a notable expansion of their footprint in the market and the firm's first presence in the northern portion of the Dallas-Fort Worth metroplex, underscores strong tenant demand in the North Fort Worth submarket.</i></p>					
The Hayes Co.	Innovation Ridge Logistics Park – Bldg 1	Lovett Industrial	East Dallas	Direct New	817,538
<p><i>Wichita, Kansas-based third-party logistics and fulfillment company The Hayes Co. signed a full-building lease for 817,538 SF at Innovation Ridge Logistics Park in the East Dallas submarket. The deal builds on the firm's already substantial activity in the area — in the fourth quarter of 2025, Hayes Co. committed to approximately 1.5 MSF across two buildings, also in East Dallas, signaling a deep and sustained commitment to the submarket.</i></p>					
Logistics Plus	Southport Logistics Center – Bldg 2	Invesco/Bandera Ventures	South Dallas	Direct New	744,452
<p><i>Logistics Plus, a third-party logistics provider based in Pennsylvania, continues to deepen its commitment to the South Dallas submarket with a full-building lease for 744,452 SF at Southport Logistics Center. The company already operates out of multiple facilities in the area along the I-45 corridor, and the new deal represents a significant expansion of its footprint in one of the Dallas-Fort Worth metroplex's most active industrial submarkets.</i></p>					
Crane Worldwide Logistics	Northlake 35 Logistics Park – Bldg 2	Clarion Partners	North Fort Worth	Direct New	634,744
<p><i>Crane Worldwide Logistics, a Houston-based global freight forwarder and third-party logistics provider with operations in more than 30 countries, is expanding its North Texas operations with a full-building lease at Northlake 35 Logistics Center in the North Fort Worth submarket. The company currently operates a 355,000-SF facility in Irving near the Dallas-Fort Worth International Airport; the new deal significantly expands the company's Dallas-Fort Worth warehousing capacity and establishes its first presence in the North Fort Worth submarket.</i></p>					
Daltile	199 Planters Rd	Amir Development Company	East Dallas	Renewal	623,512
<p><i>Daltile, the largest tile manufacturer in North America, recently renewed its lease for 623,512 SF location in East Dallas – a location it has occupied for more than twenty years, indicating strong ties to the area and the strategic importance of the facility to the company's broader distribution operations across the region.</i></p>					

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## Market Statistics & Map



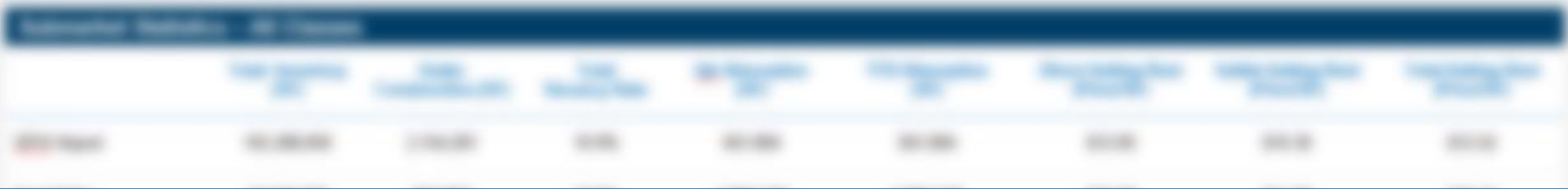
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# Dallas-Fort Worth Industrial Submarket Map

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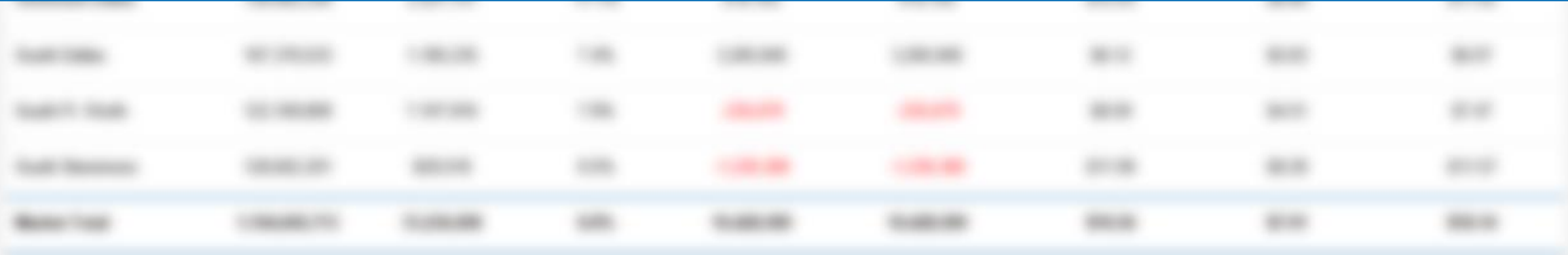
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# Dallas-Fort Worth Industrial Submarket Overview



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# 1Q26 Texas Industrial Market Overview



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Category	Q1 2026	Q2 2026	Q3 2026	Q4 2026	Q1 2027
Industrial Construction	1,200,000	1,150,000	1,100,000	1,050,000	1,000,000
Manufacturing Construction	800,000	780,000	760,000	740,000	720,000
Warehouse Construction	400,000	390,000	380,000	370,000	360,000
Other Industrial Construction	100,000	90,000	80,000	70,000	60,000
Industrial Renovation	150,000	140,000	130,000	120,000	110,000
Manufacturing Renovation	100,000	95,000	90,000	85,000	80,000
Warehouse Renovation	50,000	45,000	40,000	35,000	30,000
Other Industrial Renovation	10,000	10,000	10,000	10,000	10,000

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## Supplemental Analysis

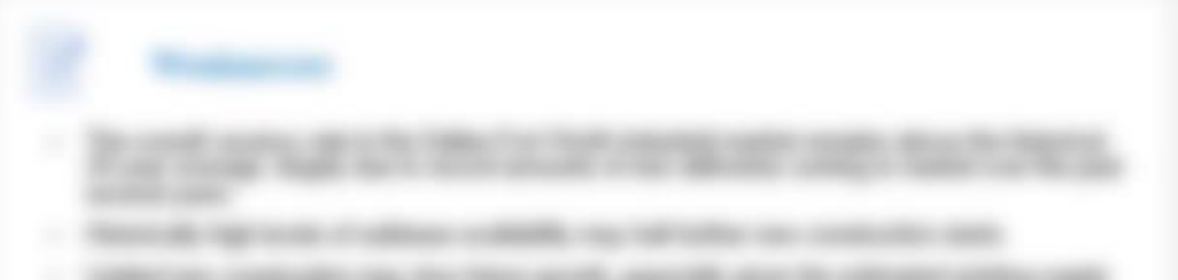


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# Dallas-Fort Worth Industrial Market



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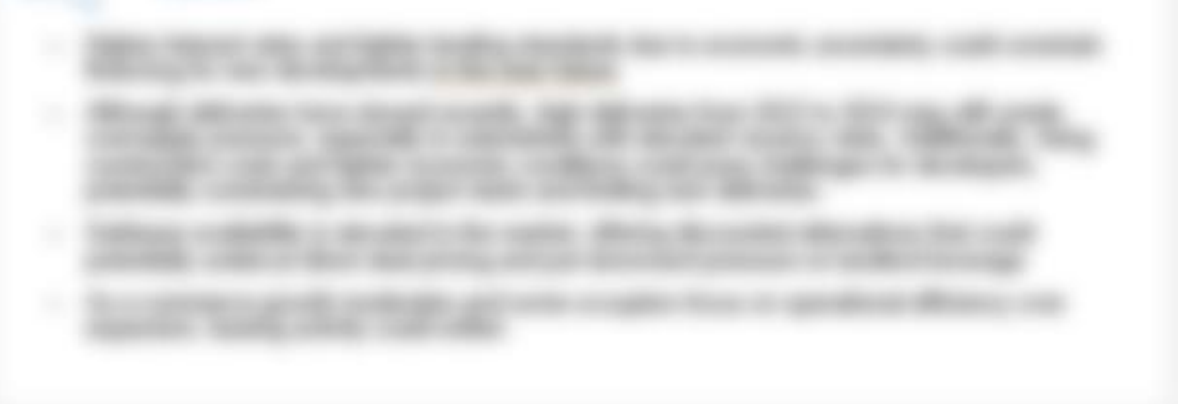


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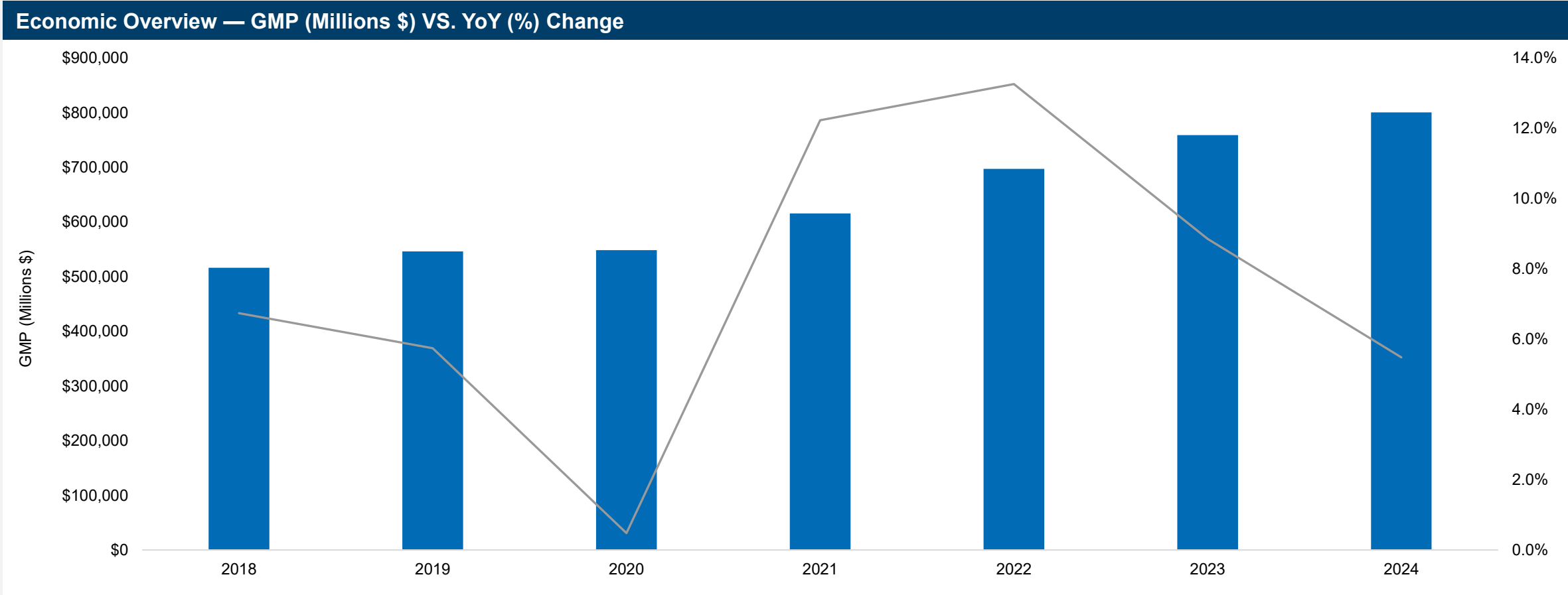
A blurred snippet of a report from Newmark, featuring a blue logo and several lines of illegible text.



A blurred snippet of a report from Newmark, featuring a blue logo and several lines of illegible text.

# Dallas-Fort Worth Gross Metropolitan Product

Despite prevailing economic headwinds, the gross metropolitan product for the Dallas-Fort Worth market continues to increase, albeit at a slower pace. Most recently, the gross metropolitan product rose by 5.5% year over year, reaching a new all-time high of approximately \$801 billion.



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# Dallas-Fort Worth Industrial Outlook is Connected to Global Trade

Market Overview

FOR THE QUARTER ENDED 31/03/2024, THE DFW INDUSTRIAL MARKET WAS DOWN 1.2% FROM THE PREVIOUS QUARTER.

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# Government Agencies Lead Outstanding Debt, Shaping the Five-Year Maturity Curve

As of the first quarter of 2023, government agencies held the largest share of outstanding debt, accounting for approximately 40% of the total. This dominance is primarily driven by the issuance of Treasury securities, which are used to finance the federal government's operations. The five-year maturity curve is significantly influenced by the volume of these securities, with a notable peak in the five-year maturity range. This reflects the government's strategy to manage its debt portfolio and maintain a stable credit profile.

Government Agencies

Other

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# Multifamily Maturities Particularly Elevated Through 2030, Industrial Not So Much

As of the end of 2023, multifamily maturities are projected to be significantly higher than industrial maturities through 2030. Industrial maturities are projected to be significantly lower than multifamily maturities through 2030.

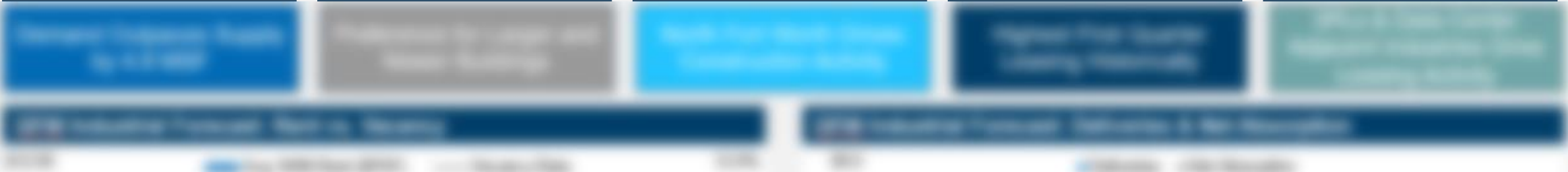
Source: Newmark Research & Analytics

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# Dallas-Fort Worth Industrial Outlook

## Main Takeaways 1Q26



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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at [nrmk.com/insights](http://nrmk.com/insights)

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