NEWMARK

Market Overview

Dallas-Fort Worth Industrial

4Q25

NMRK.COM

Market Observations

Economy

- As of the end of September 2025, the unemployment rate remains at 3.8%, down two basis points quarter over quarter and 10 basis points year over year. Unemployment in the Dallas-Fort Worth metro remains below both the metro's five-year average of 4.7% as well as the current national average of 4.4%.
- Annual nonfarm job growth in the Dallas-Fort Worth market has increased by 0.7% year over year, growing to 4.3 million jobs as of September 2025. However, this growth is lower than the three-year average of 3.7%.
- On a year-over-year basis, most industries reported employment growth, excluding information, manufacturing, and business and professional services. The education and health sector led, growing by 3.1%, with government following closely behind at 2.3%, and leisure/hospitality and mining & construction each growing by 2.0%.
- Two of three industrial-using jobs reflected annual growth, with the trade/transportation/utilities and mining and construction sectors reporting growth of 0.2% and 2.0%, respectively. At the same time, manufacturing jobs contracted by 1.2% over the past year.

Leasing Market Fundamentals

- Positive absorption in the market increased drastically during the fourth quarter of 2025, with demand outpacing supply for the second consecutive quarter. Quarterly demand totaled 7.7 MSF, while deliveries totaled 6.7 MSF.
- As of the fourth quarter of 2025, overall rental rates rose to $9.87/SF, reflecting an increase of 2.2% quarter over quarter and 3.9% year over year. Despite this uptick, rents in the Dallas-Fort Worth metro remain 0.8% below the record-high set during the second quarter of 2024.
- The construction pipeline increased for the fifth consecutive quarter and totaled 30.9 MSF, a quarter over quarter increase of 5.1%. Additionally, 29.5% of total space currently under construction has been preleased, indicating that developers remain optimistic about strong tenant demand for newly delivered product.
- As of year-end 2025, demand in the Dallas-Fort Worth industrial market outpaced supply, marking the first time since 2021 that annual demand has exceeded new deliveries. This tightening balance between supply and demand has pushed the vacancy rate down to 9.2%, a decline of 10 basis points quarter over quarter and 60 basis points year over year.

Major Transactions

- The Hayes Company, a provider of third-party logistics solutions, inked the largest deal of the fourth quarter of 2025, leasing nearly 1.5 MSF across two buildings in the Gateway Crossing Logistics Park.
- The communications/tech/media sector led the Dallas-Fort Worth metro in leasing activity in the quarter, totaling 2.1 MSF of leasing volume. Trailing closely behind in second place was the logistics and distribution industry with 2.0 MSF, followed by manufacturing users at 1.1 MSF.
- Three of the top five leases for the quarter were signed by technology and technology-oriented companies, with Google accounting for two major leases and Stellar Energy accounting for one. Both firms will use their new facilities to construct and maintain data center facilities, marking the metro's continued emergence as a technological hub.
- The South Dallas submarket recorded the highest level of leasing activity during the fourth quarter of 2025, accounting for two of the five largest transactions signed in the period.

Outlook

- The construction pipeline remains muted, with 2.7% of total inventory under construction. Despite construction activity increasing for the fifth consecutive quarter, the amount of product under construction is expected to remain below the record-setting levels of 2018 to 2023 for the foreseeable future.
- 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.

Table of Contents

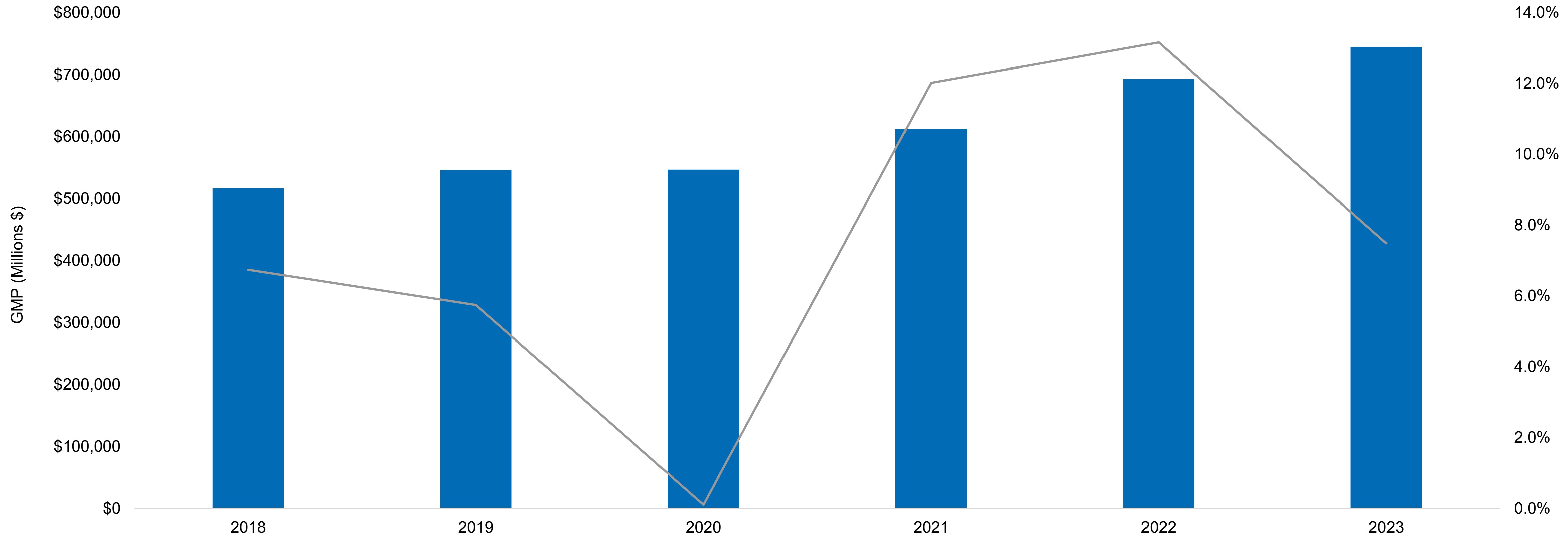
01

Economy

Dallas-Fort Worth Gross Metropolitan Product

Despite 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 7.5% year over year, reaching a new all-time high of approximately $745 billion.

Economic Overview — GMP (Millions $) VS. YoY (%) Change

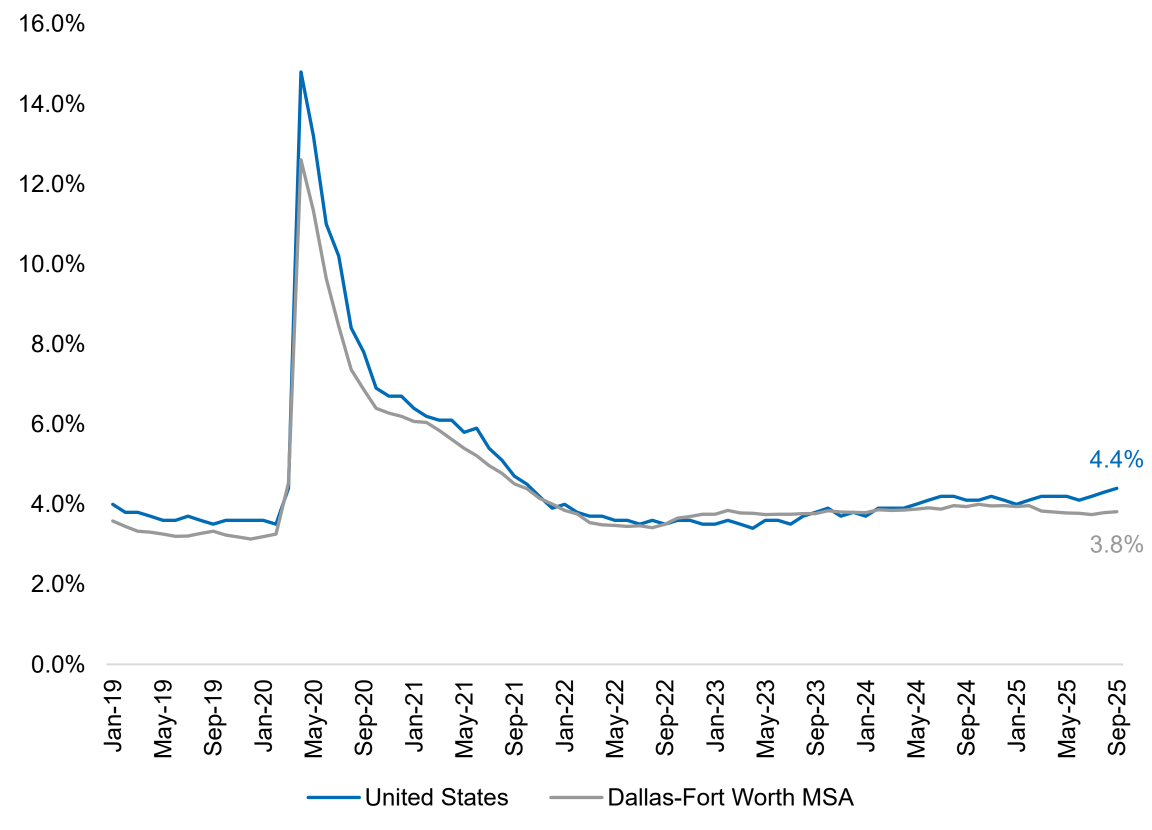


Source: Moody's Analytics

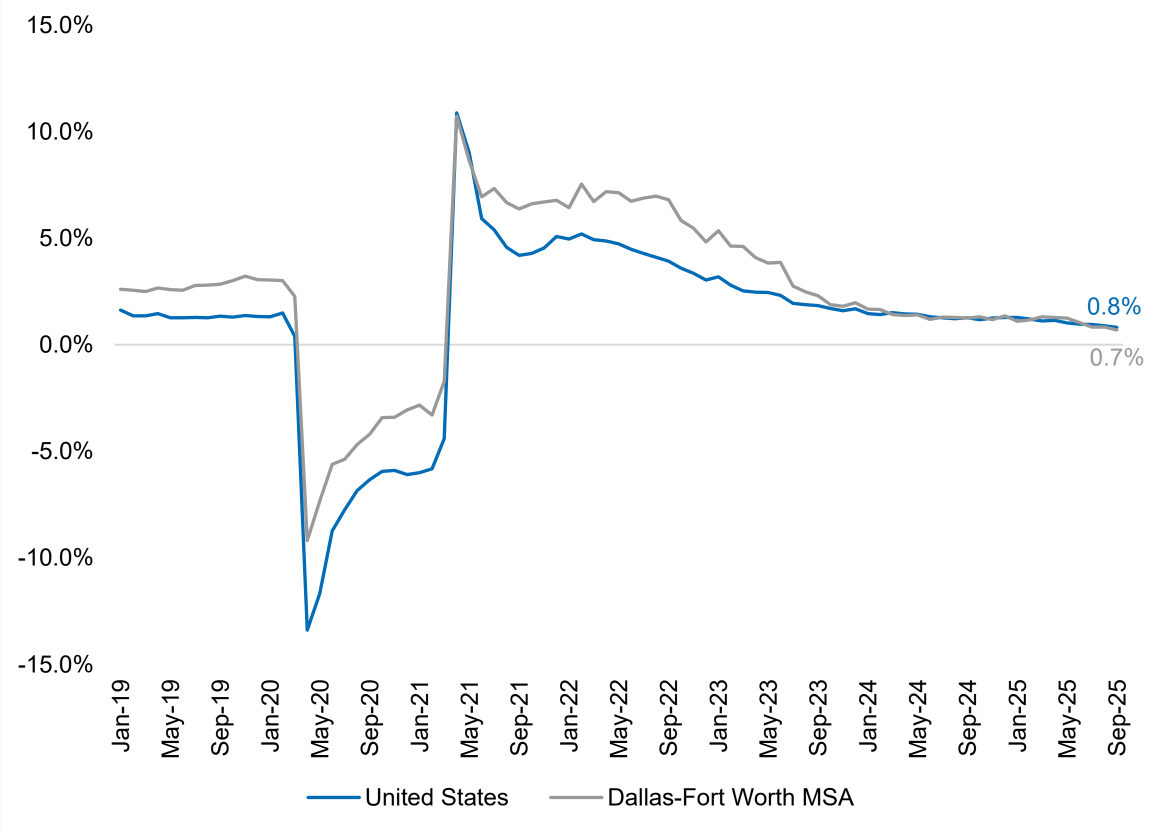
Market Outperforms National Trends with Low Unemployment, Despite Cooling Job Growth

As of September 2025, the unemployment rate in the Dallas-Fort Worth metroplex declined by 10 basis point year-over-year to 3.8%, while the national rate increased by 30 basis points over the same period to 4.4%, its highest level since October 2021. Year-over-year job growth has lagged the national rate for three consecutive months, ending September 2025 at 0.7%, with the pace of growth slowing by 56 basis points from the previous year. Despite this recent cooling, the region has recorded four consecutive years of job gains since April 2021, underscoring the market's resilience.

Unemployment Rate, Seasonally Adjusted



Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change

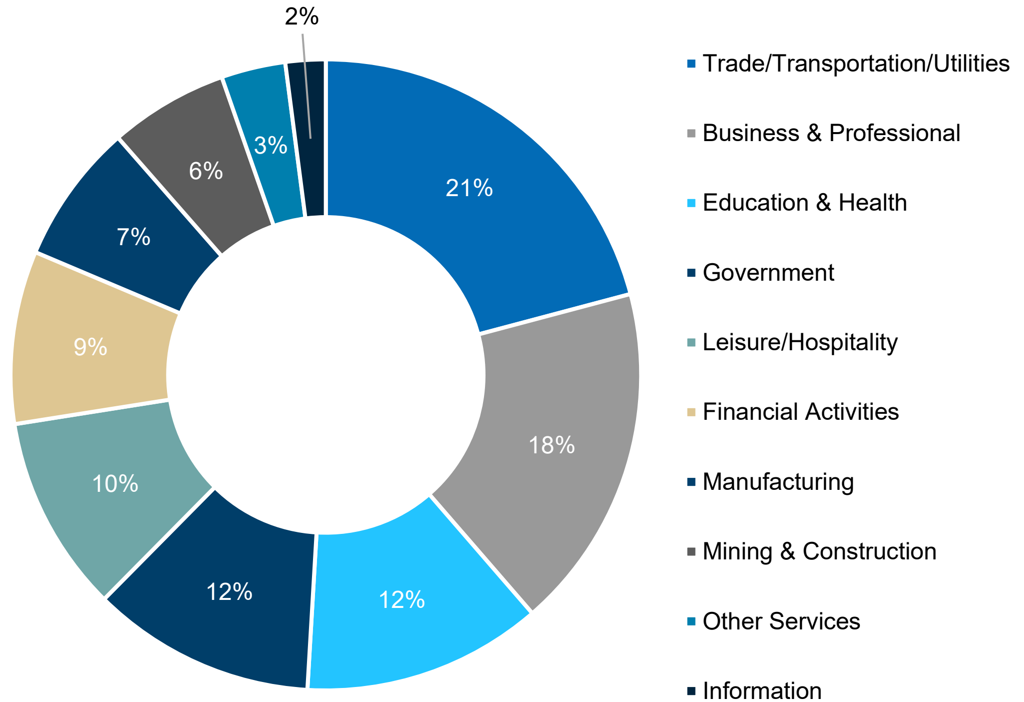


Source: U.S. Bureau of Labor Statistics, Dallas-Fort Worth MSA

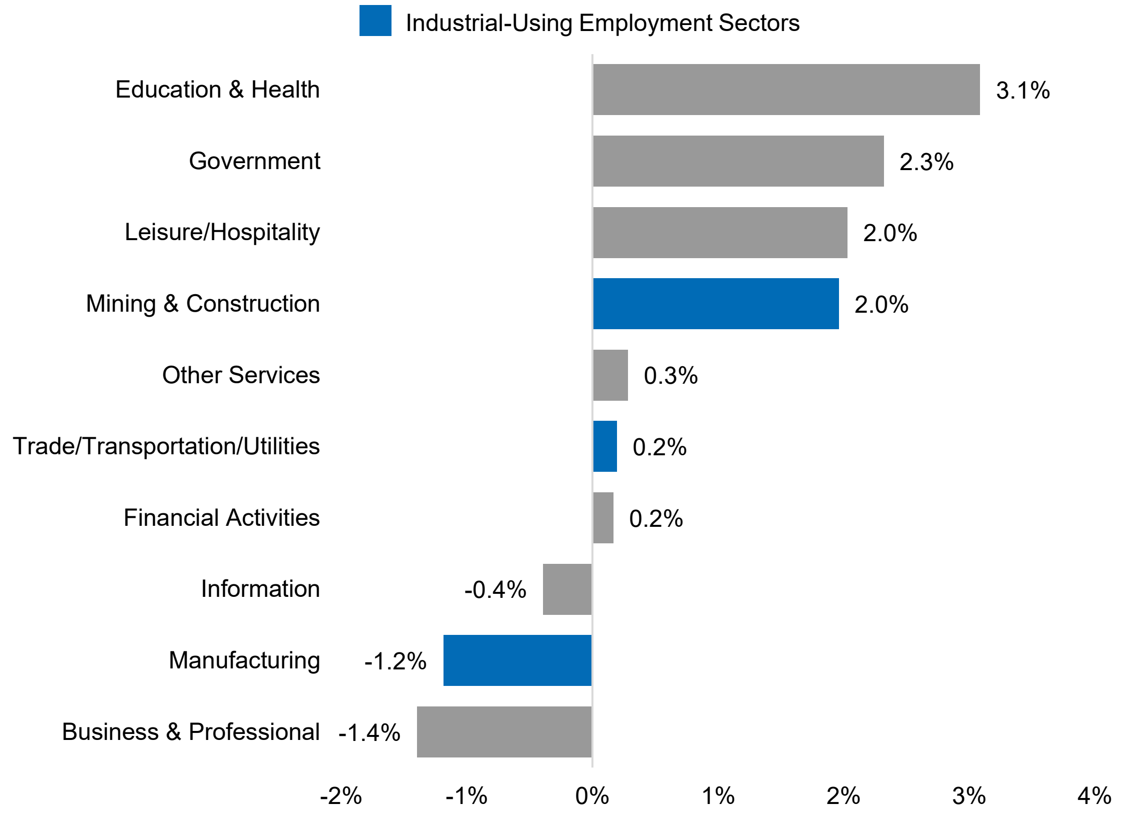
Two of Three Industrial-Using Sectors Report Growth

Dallas-Fort Worth has a robust economy, with the top two industries – trade/transportation/utilities and business and professional services – accounting for 38.6% of total employment in the metroplex. The industrial-using trade/transportation/utilities sector is responsible for the largest share of employment at 20.9%, followed by business and professional services at 17.8%. Most fields of employment reported year over year growth except for the information, manufacturing and business and professional services sectors, which decreased by 0.4%, 1.2% and 1.4%, respectively. Among industrial-using employment fields, mining and construction grew by 2.0% and trade/transportation/utilities reported growth of 0.2%, offsetting a 1.2% decline in the manufacturing sector. Overall, industrial-using jobs grew 0.2% year over year, indicating that the Dallas-Fort Worth industrial market continues to grow.

Employment by Industry, September 2025



Employment Growth by Industry, 12-Month % Change, September 2025

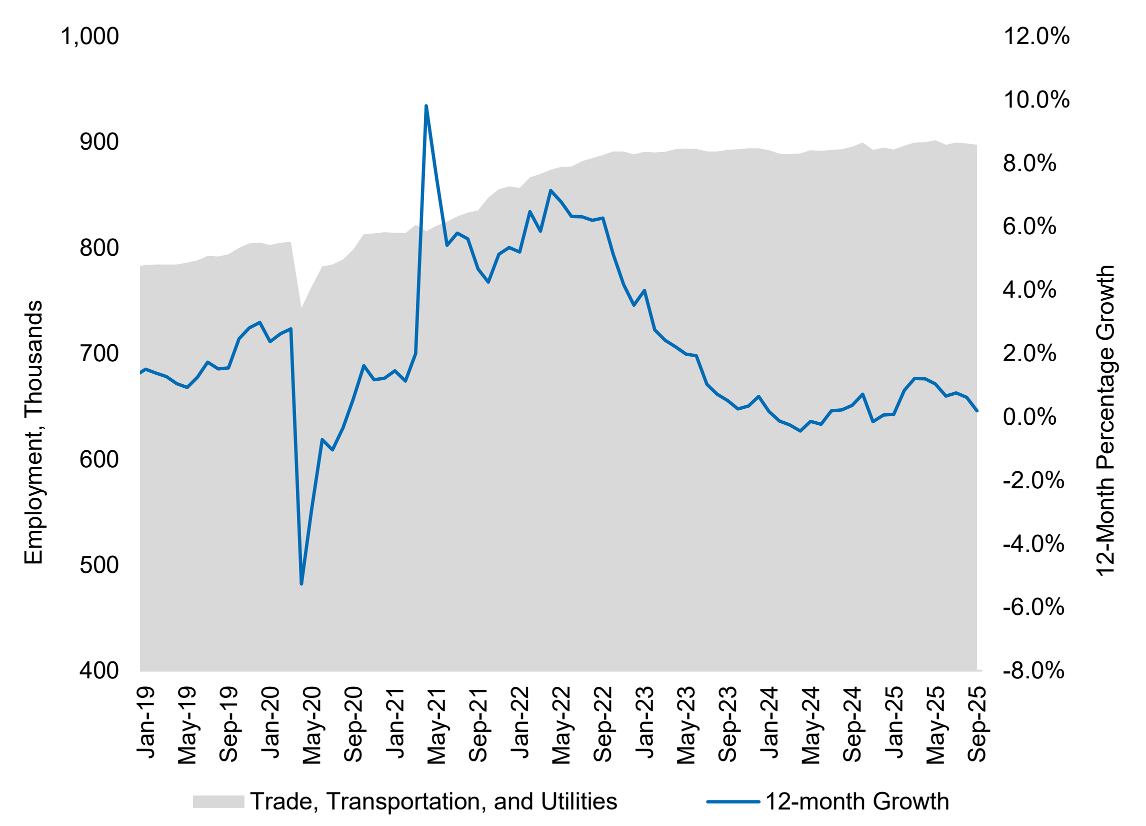


Source: U.S. Bureau of Labor Statistics, Dallas-Fort Worth MSA

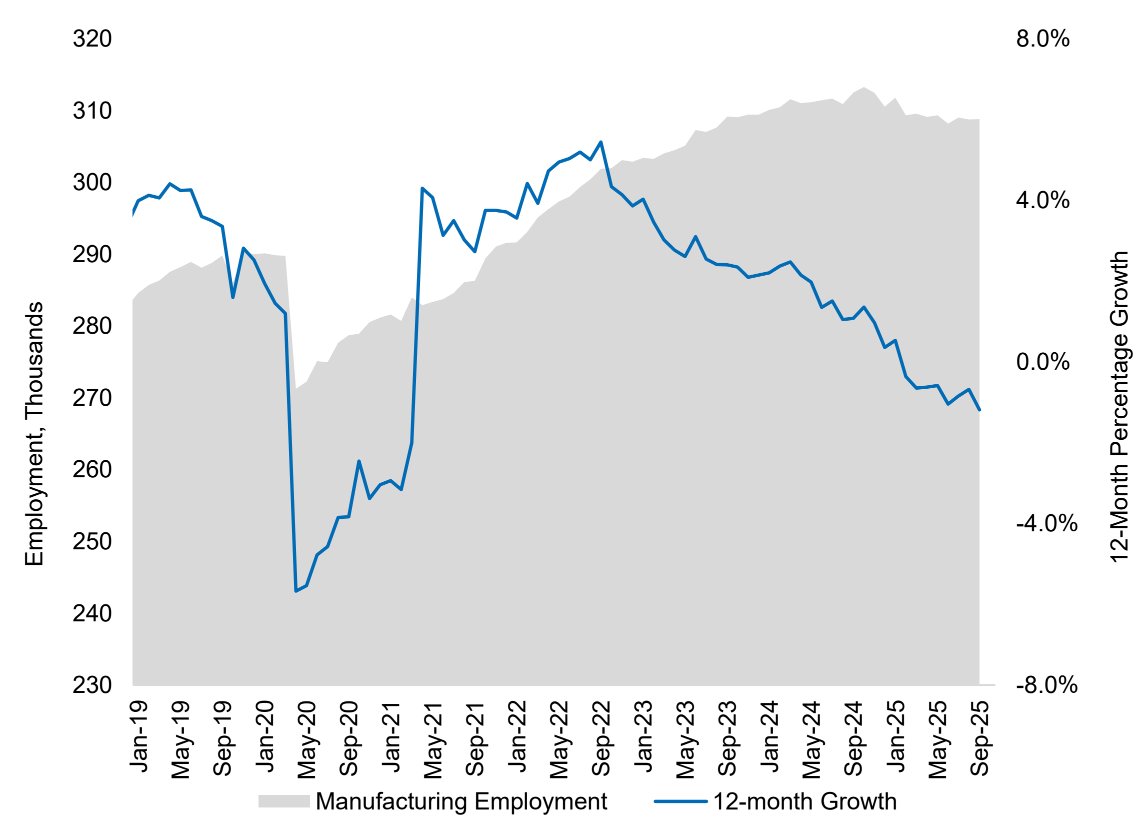
Minimal Change in Industrial Employment Trends

As of the end of September 2025, trade/transportation/utilities employment in the Dallas-Fort Worth market remains strong, consisting of 897,360 jobs, a 0.2% uptick year over year, but a slight decline of 0.1% quarter over quarter. Meanwhile, manufacturing employment totaled 308,846 jobs in September 2025, remaining above the 300,000-employee threshold since mid-2022. Employment increased by 0.1% quarter over quarter but remains 1.4% below the record high set in October 2024. Industrial-using jobs in the trade/transportation/utilities sector continue to increase year-over-year, but overall momentum has been tempered by contraction in the manufacturing sector.

Total Employment and 12-Month Growth Rate, Trade/Transportation/Utilities



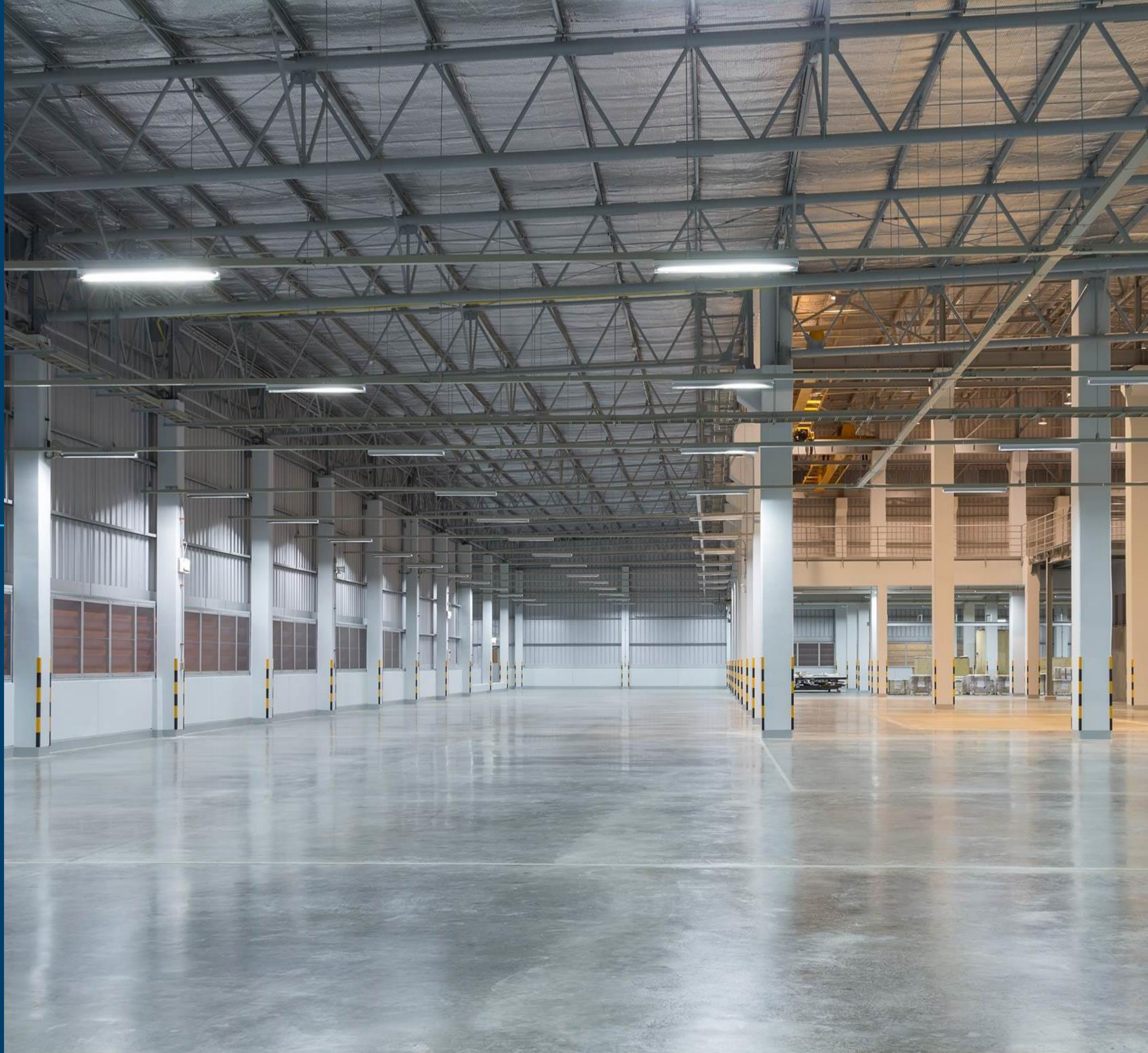
Total Employment and 12-Month Growth Rate, Manufacturing



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

02

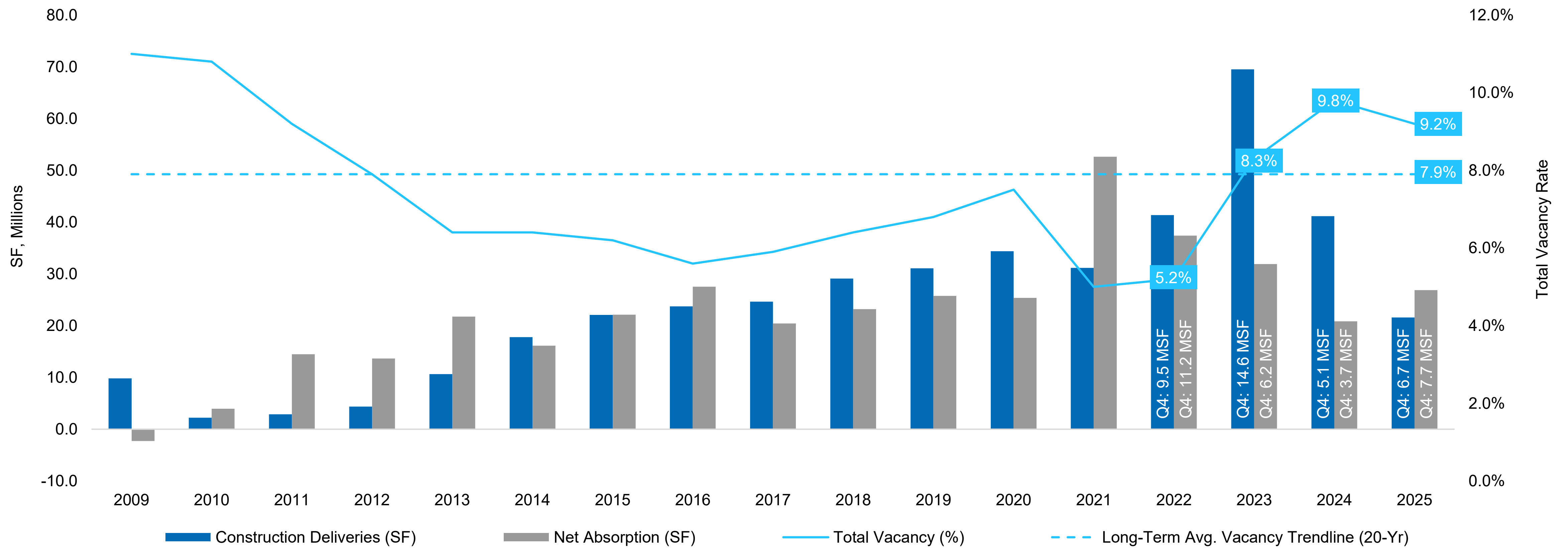
Leasing Market Fundamentals



Vacancy Declines as Quarterly Demand Exceeds Supply

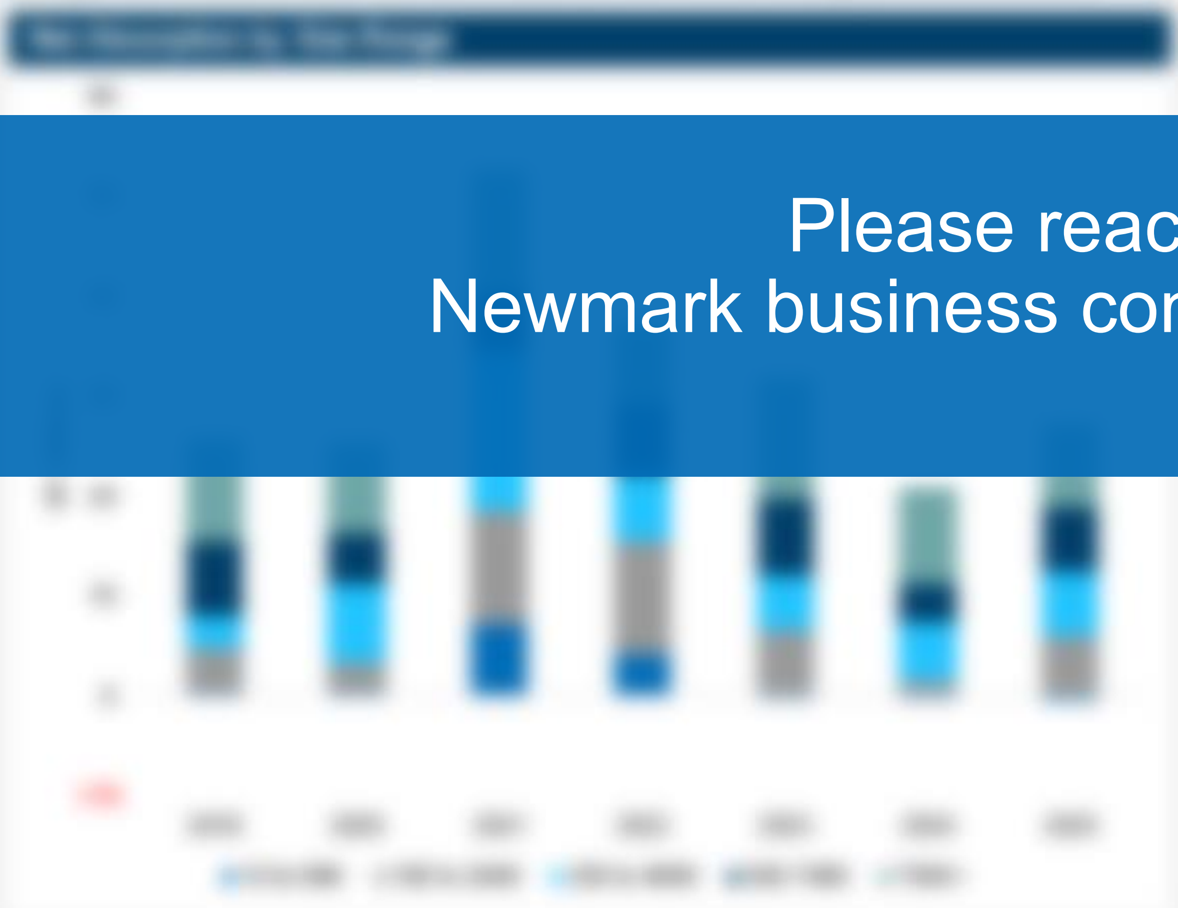
As of the fourth quarter of 2025, the vacancy rate in the Dallas-Fort Worth market sits at 9.2%, reflecting a 10-basis-point dip quarter over quarter and a 60-basis-point decline from the recent high reported during the fourth quarter of 2024. The decline in vacancy reflects a second consecutive quarter of demand outpacing supply, with a 991,445 SF gap recorded this quarter. New deliveries increased by 50.6% quarter over quarter, totaling 6.7 MSF in the fourth quarter of 2025. Even with the new deliveries in the quarter, 2025 marks the first year since 2021 that annual demand has outpaced supply. Despite national economic headwinds and a recent supply surplus owing to record new deliveries in 2023, demand for industrial space in the Dallas-Fort Worth market is catching up to existing supply, allowing excess space to be occupied and placing further downward pressure on vacancy rates.

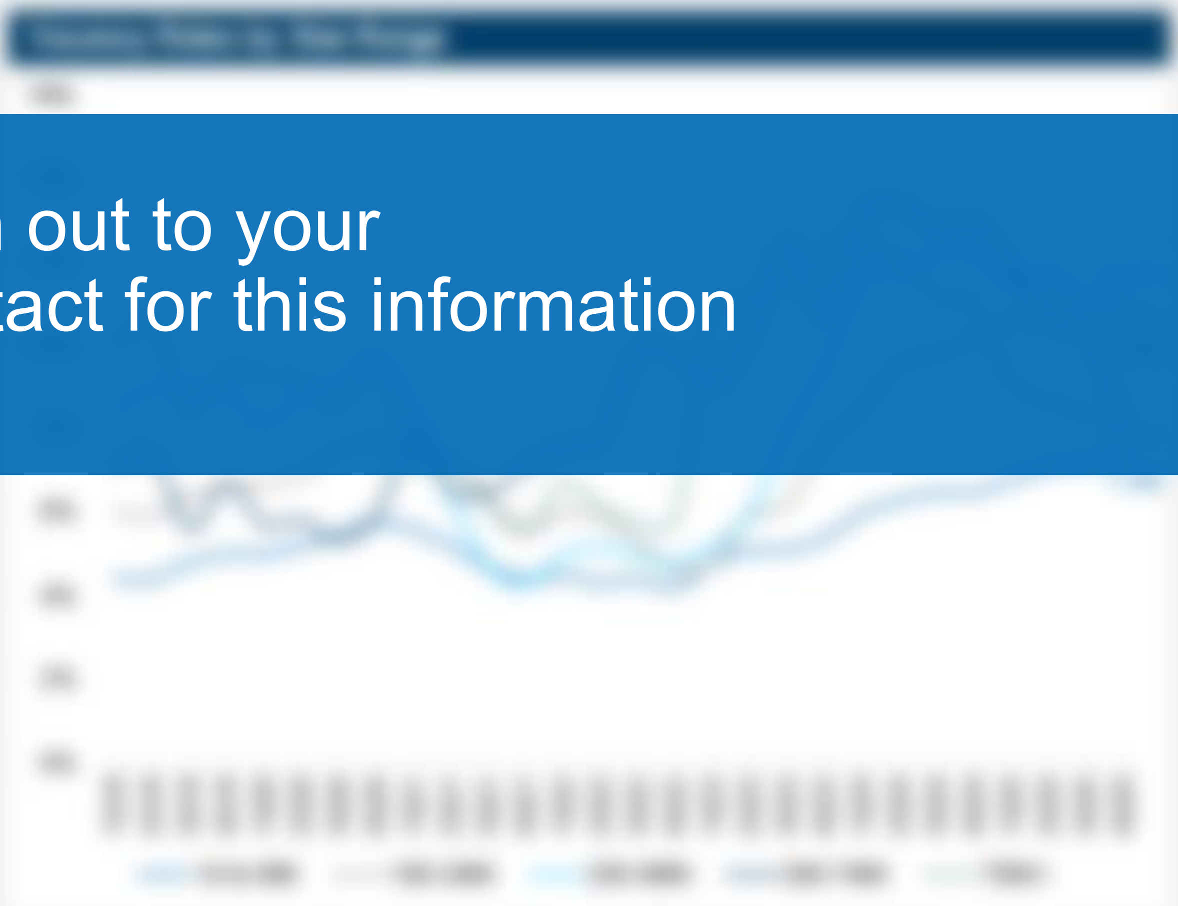
Historical Construction Deliveries, Net Absorption, and Vacancy



Source: Newmark Research, CoStar

Tenant Demand Continues to Be Concentrated in Larger Industrial Buildings

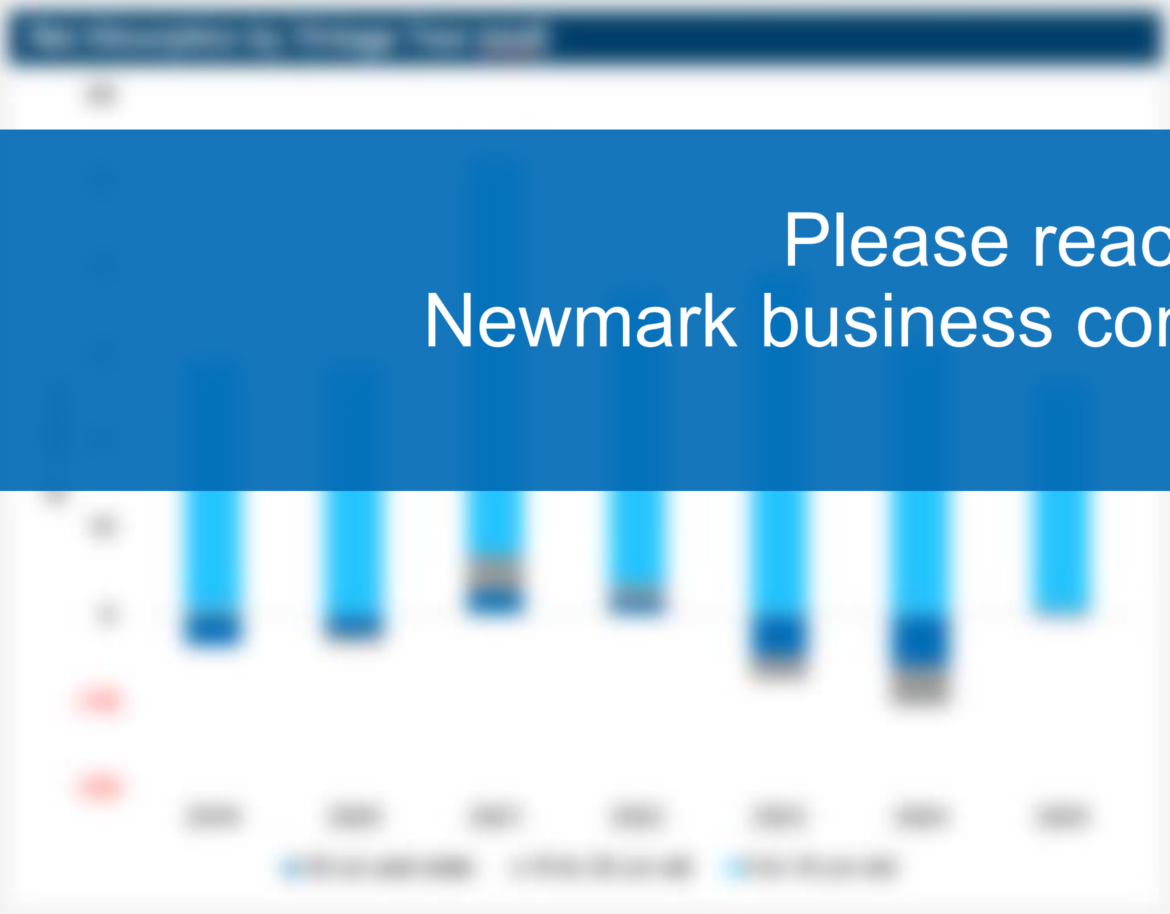


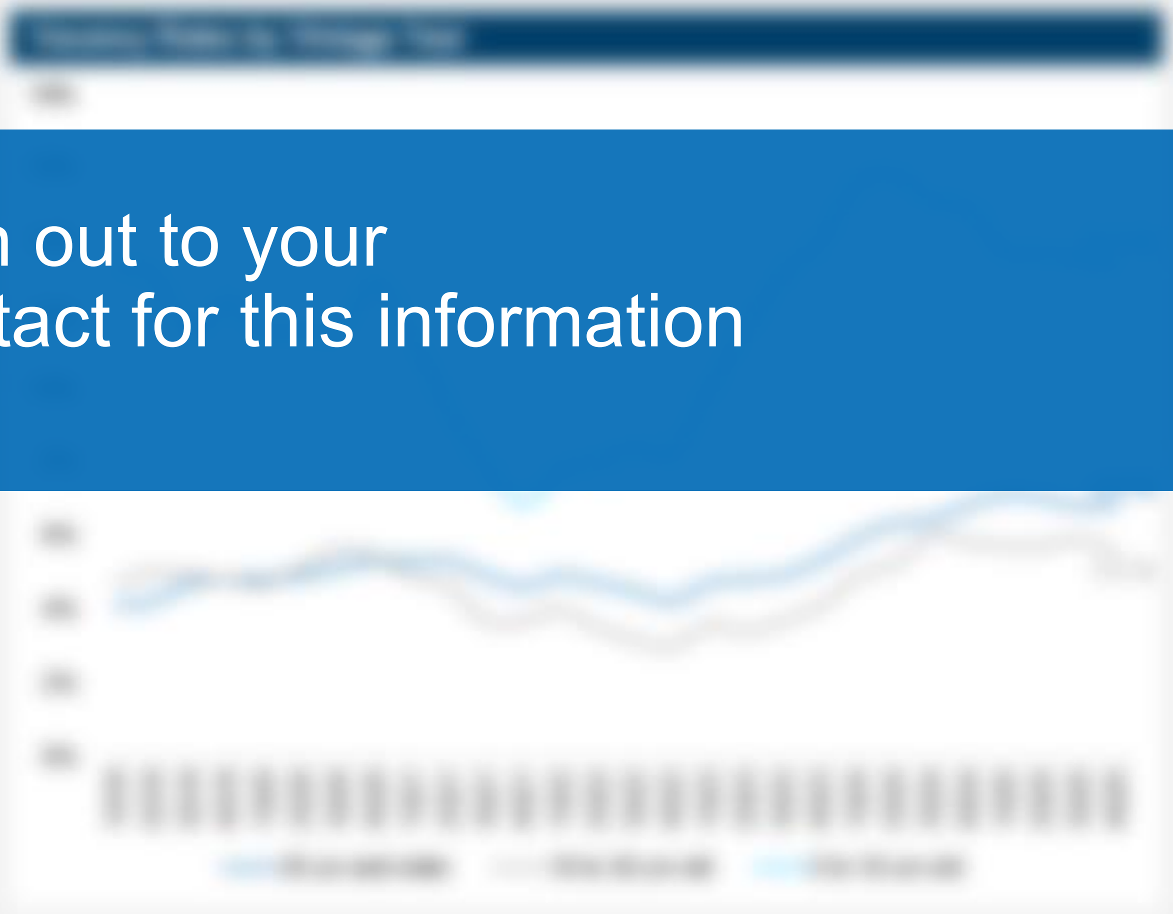


Please reach out to your
Newmark business contact for this information

Source: Newmark Research

The Flight to Modern Industrial Facilities Continues

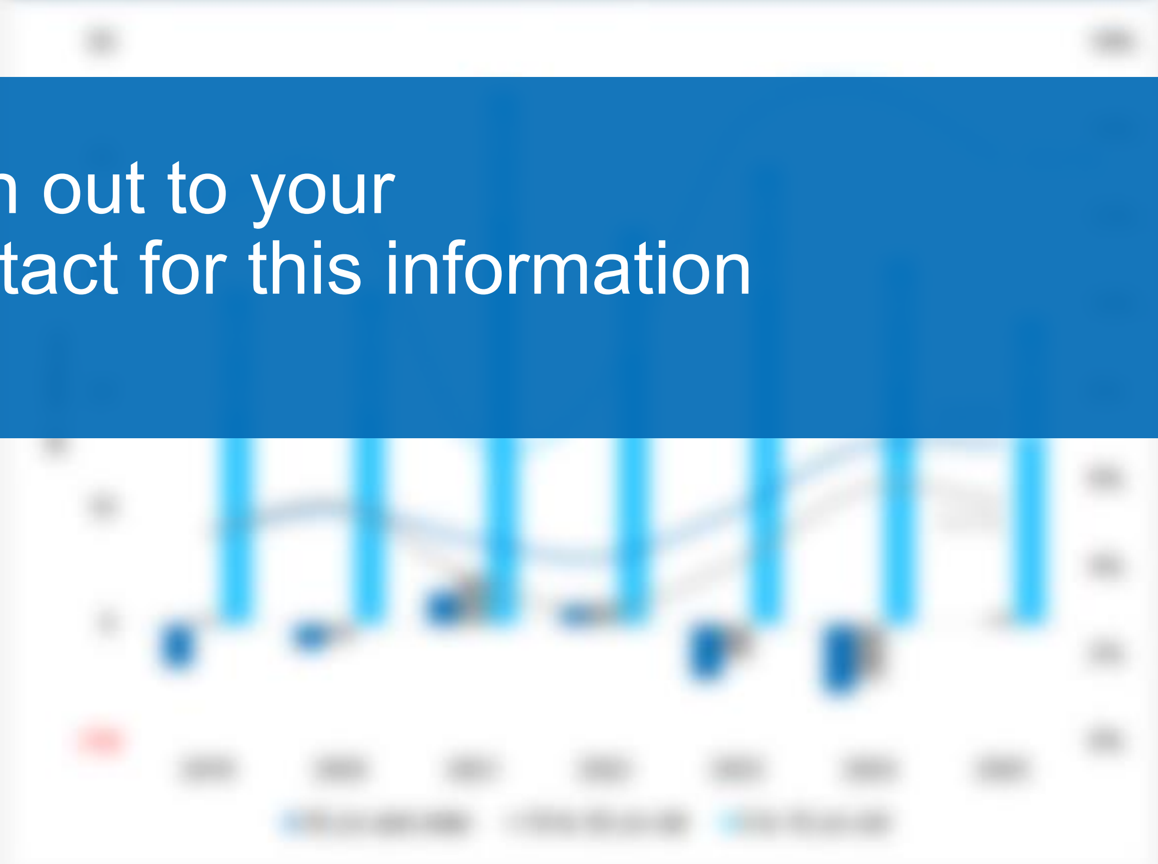




Please reach out to your
Newmark business contact for this information

Source: Newmark Research, CoStar

Tenant Demand Concentrated in Larger, Modern Industrial Space



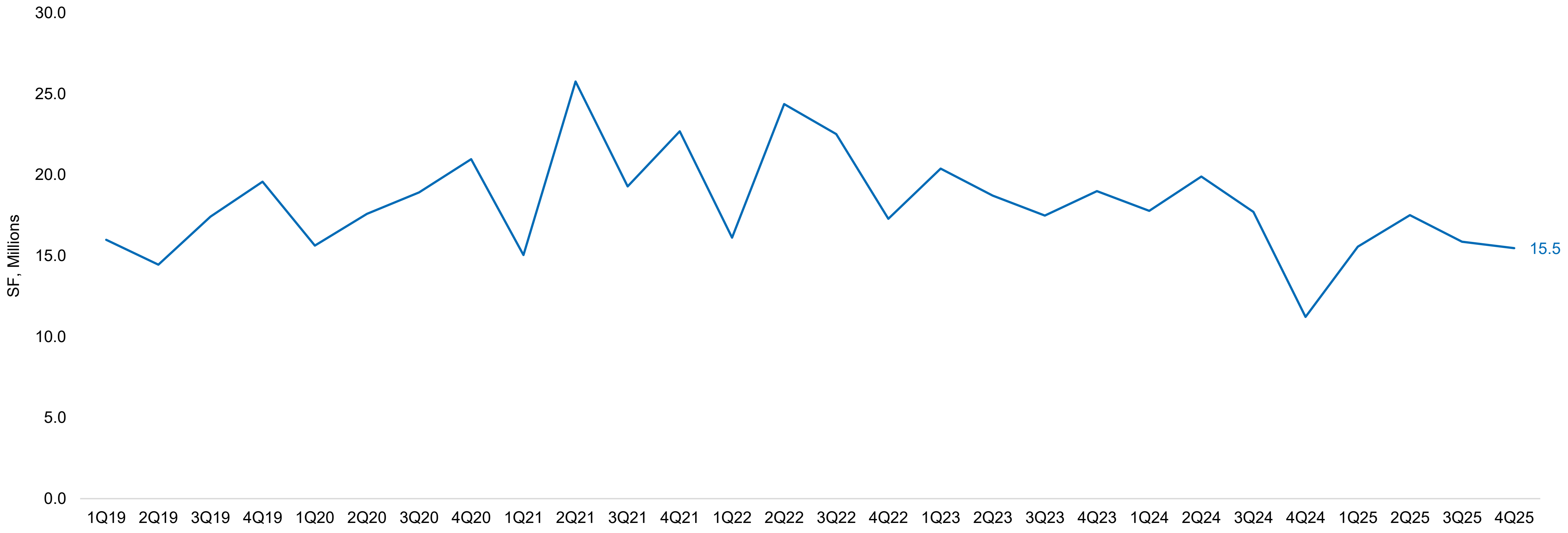
Please reach out to your
Newmark business contact for this information

Source: Newmark Research

Leasing Activity Declines for Second Consecutive Quarter

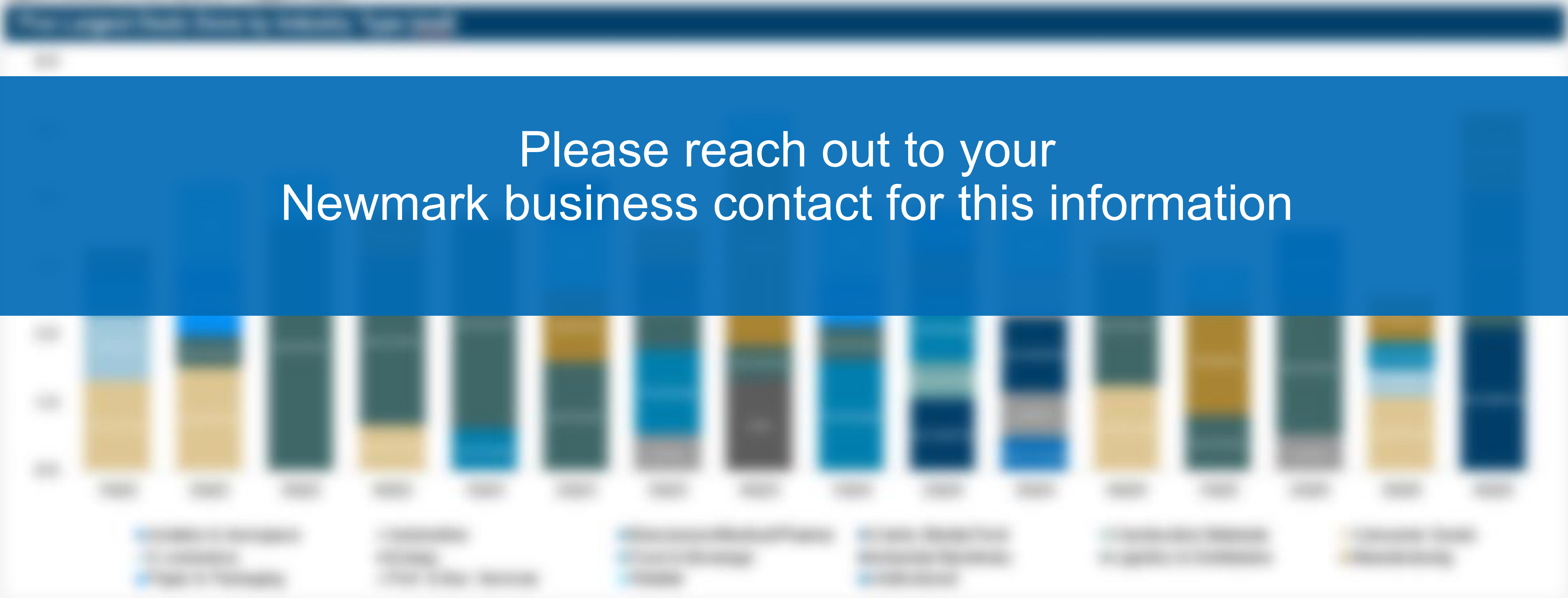
During the fourth quarter of 2025, leasing activity in the Dallas-Fort Worth industrial market totaled 15.5 MSF, reflecting a 2.4% decease quarter over quarter but a 37.9% increase year over year. This continued flattening of leasing activity follows two quarters of growth, as transaction volume surged in both the first and second quarters of 2025. Current leasing activity also falls well below historical norms, which is 10.2% under the three-year average of 17.2 MSF and 16.3% less than the five-year average of 18.5 MSF, indicating that demand is normalizing after a period of elevated leasing activity and that tenants are becoming more selective in their leasing strategy in the face of economic uncertainty.

Total Leasing Activity (SF)



Source: Newmark Research, CoStar

Top Five Largest Deals Done by Industry Type

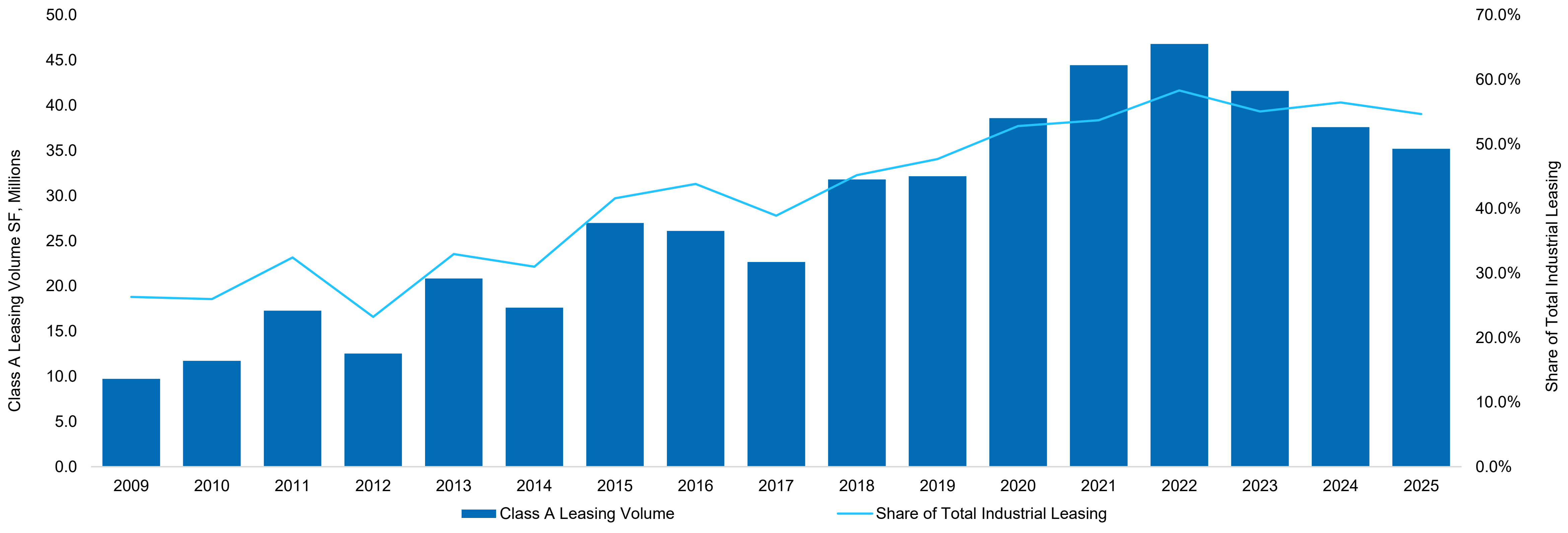


Source: Newmark Research, CoStar

Class A Space Accounts For Majority of Leasing Activity

Since the pandemic, elevated Class A deliveries in the Dallas-Fort Worth industrial market have increased availability, supporting higher Class A leasing volume. After a modest slowdown in the third quarter, Class A leasing rebounded in the fourth quarter of 2025, totaling 8.7 MSF and representing 5.6% growth quarter over quarter. Class A space accounted for 54.6% of total annual leasing activity in 2025, a 180-basis-point decrease year over year but remaining well above the yearly pre-pandemic average of 35.4% recorded from 2009 to 2019. Class A leasing activity continues to make up a substantial share of overall activity, underscoring tenants' preference for high-quality space, a trend that is expected to persist as long as new supply is able to keep up with demand.

Industrial Class A Leasing Volume and Percentage of Total Industrial Leasing Volume

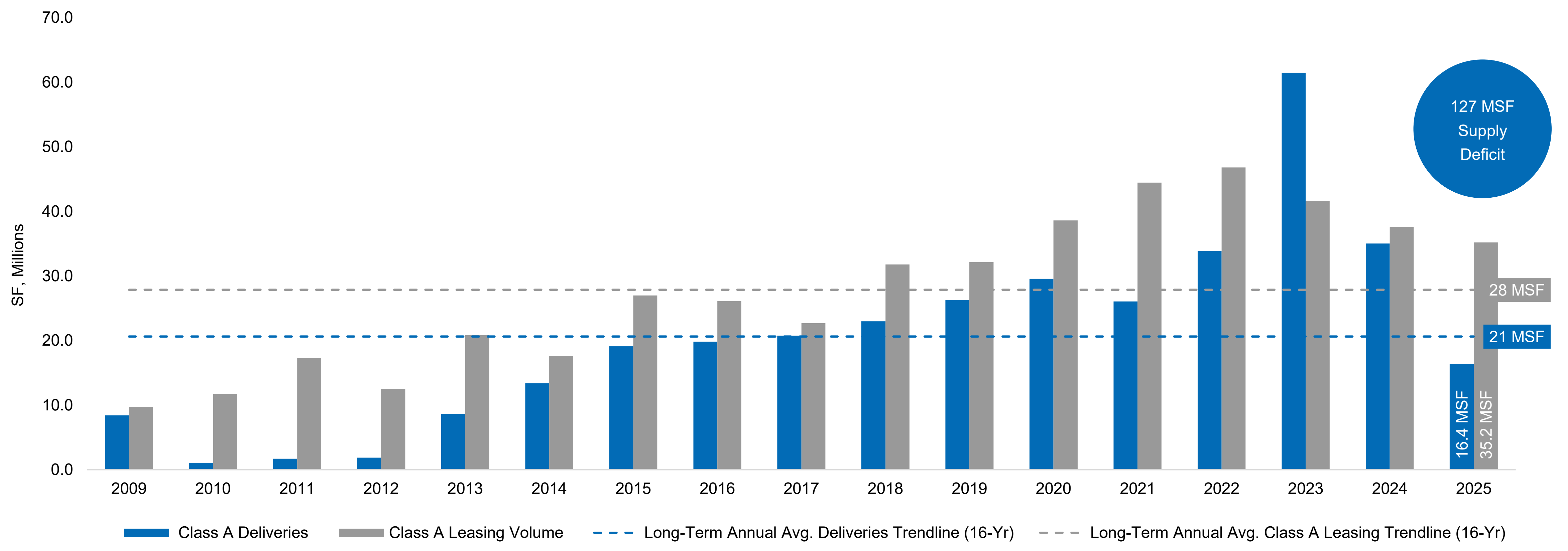


Source: Newmark Research, CoStar

Shortage of Class A Space Continues to Grow

During the fourth quarter of 2025, Class A product represented 56.3% of total leasing activity, reflecting a 430-basis-point increase quarter over quarter, well above the pre-pandemic quarterly average of 35.1% recorded from 2009 to 2019. Demand for top-tier industrial space in the Dallas-Fort Worth market has consistently outpaced supply in nearly every year since 2009 – the lone exception being 2023. As a result, the gap between existing supply and demand for Class A space has steadily widened and is now at 127.3 MSF. The widening gap between supply and demand signals continued tenant preference for high-quality space and supports sustained long-term fundamentals for Class A industrial product.

Historical Deliveries and Industrial Class A Leasing Volume

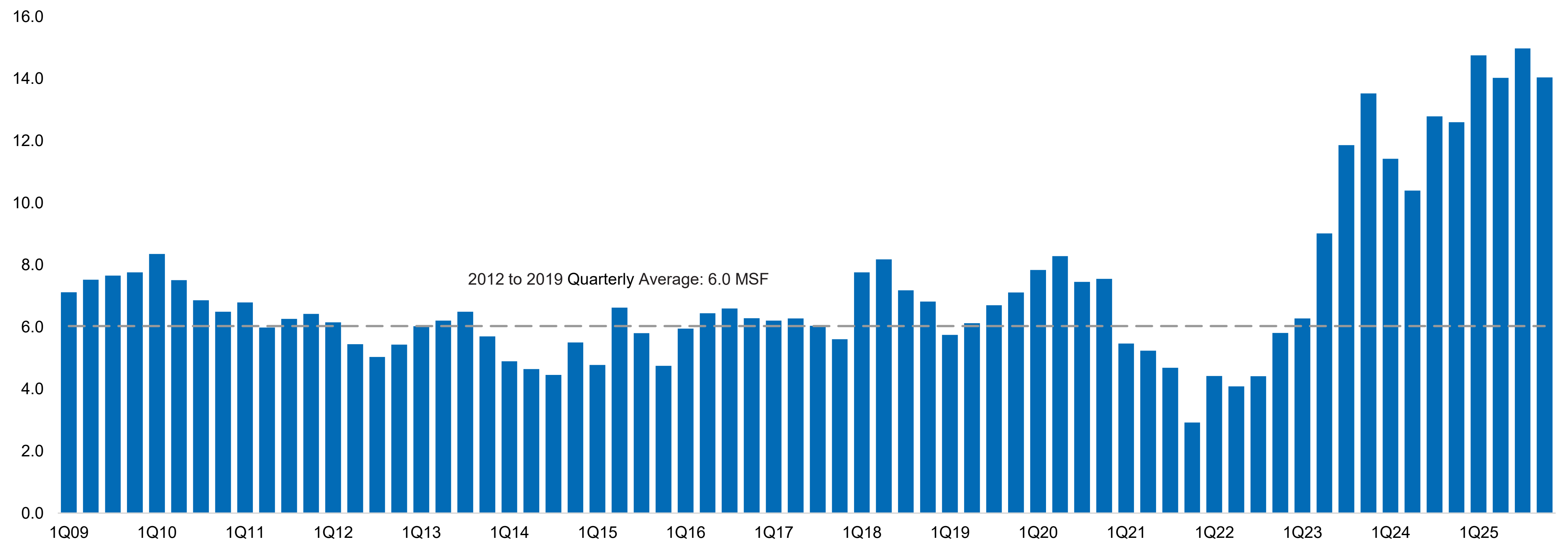


Source: Newmark Research, CoStar

Industrial Sublease Availability Eases From Peak Levels

Sublease availability first exceeded 10.0 MSF in the third quarter of 2023 and has remained above that mark ever since. At the end of the fourth quarter of 2025, it eased slightly from the record high set during the previous quarter, totaling14.0 MSF – down 6.3% quarter over quarter but up 11.5% year over year. The most notable space to hit the sublease market in the fourth quarter of 2025 was the 298,168-SF full-building listing at TCC Altamoore, formerly occupied by 1951 Cabinetry. Two other large spaces of 200,000 SF and 131,086 SF also entered the sublease market during the quarter. Although the sublease availabilities declined slightly quarter over quarter, the elevated supply of sublease space suggests that tenants are may be shedding space to control costs, consolidate their real estate footprints, or streamline operations.

Available Industrial Sublease Volume (msf)

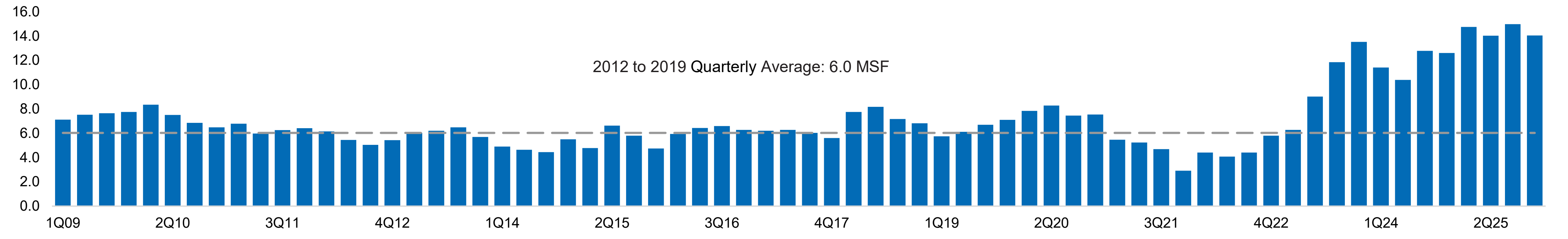


Source: Newmark Research, CoStar

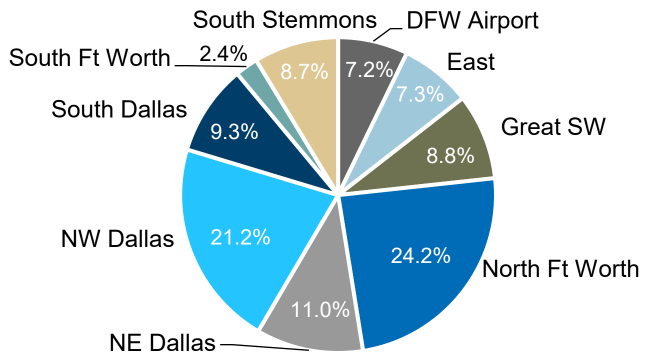
Sublease Availability Driven by North Fort Worth and NW Dallas Submarkets

The North Fort Worth and Northwest Dallas submarkets led the Dallas-Fort Worth metro in sublease availability during the fourth quarter of 2025, accounting for 24.2% and 21.2% of the market share, respectively. Approximately 48% of current subleases have between two and five years of term remaining, and 43% of subleases have less than two years of term left. Available sublease space remains elevated due to broader market conditions including elevated interest rates, inflation, and declining consumer demand. Companies that leased excess space during the pandemic era are continuing to adjust to normalized conditions by putting underutilized space on the market.

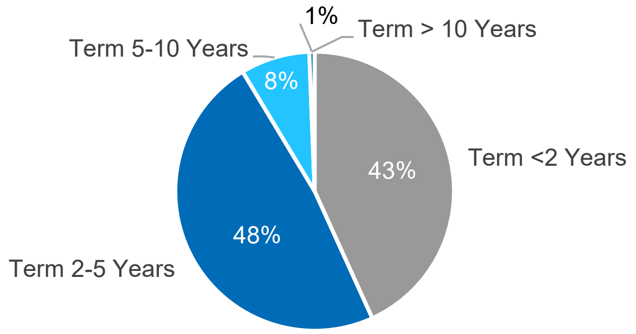
Available Industrial Sublease Volume (msf)



Sublease Availability (SF) by Submarket



Sublease Availabilities by Term Left

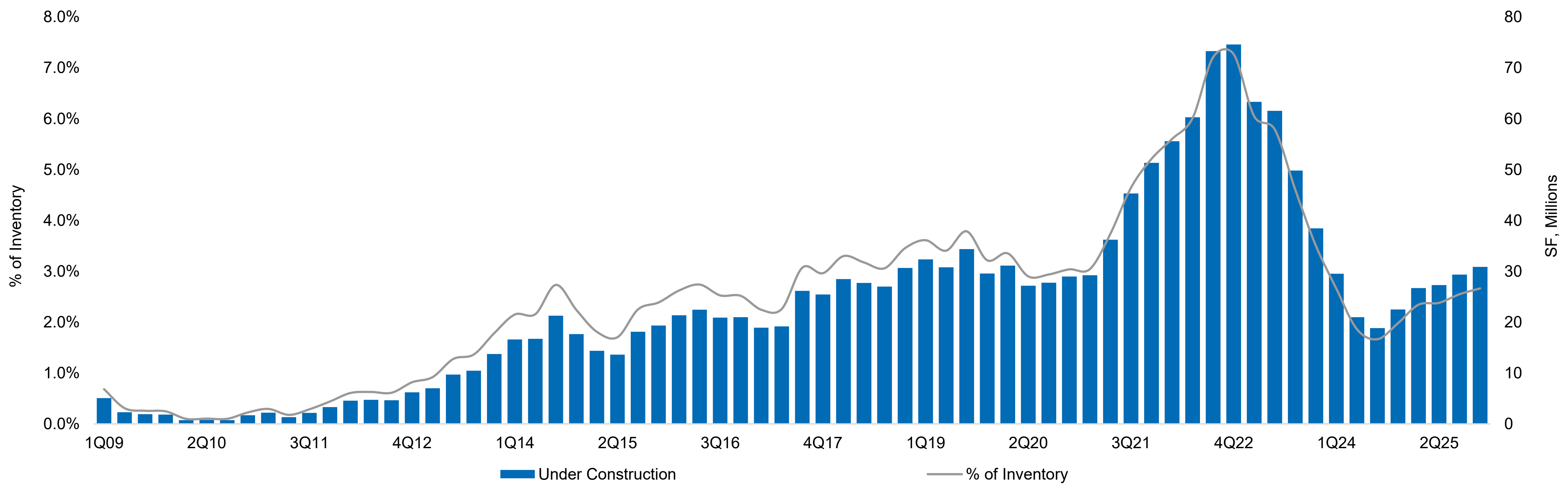


Source: Newmark Research, CoStar

Construction Pipeline Reflects Growth but Remains Lower than Recent Years

The construction pipeline in the Dallas-Fort Worth metro increased for the fifth consecutive quarter, reaching 30.9 MSF in the fourth quarter of 2025. This reflects a quarter-over-quarter increase of 5.1% and a rebound from the recent low of 18.8 MSF in the third quarter of 2024. Despite the quarterly increase, construction starts remain modest, largely due to an already elevated supply, constricting financing conditions, and uncertainty stemming from national economic headwinds. As a result, the volume of industrial space under construction remains well below the 2018 to 2023 quarterly average of 41.5 MSF. In the near term, the under-construction pipeline should be active in supporting demand for quality space and build-to-suit requirements but will likely remain below the record levels reported from 2018 to 2023. Additionally, approximately 29.5% of all industrial product currently under construction in the market has been preleased, indicating that developers remain optimistic about strong tenant demand for newly delivered product.

Industrial Under Construction and % of Inventory

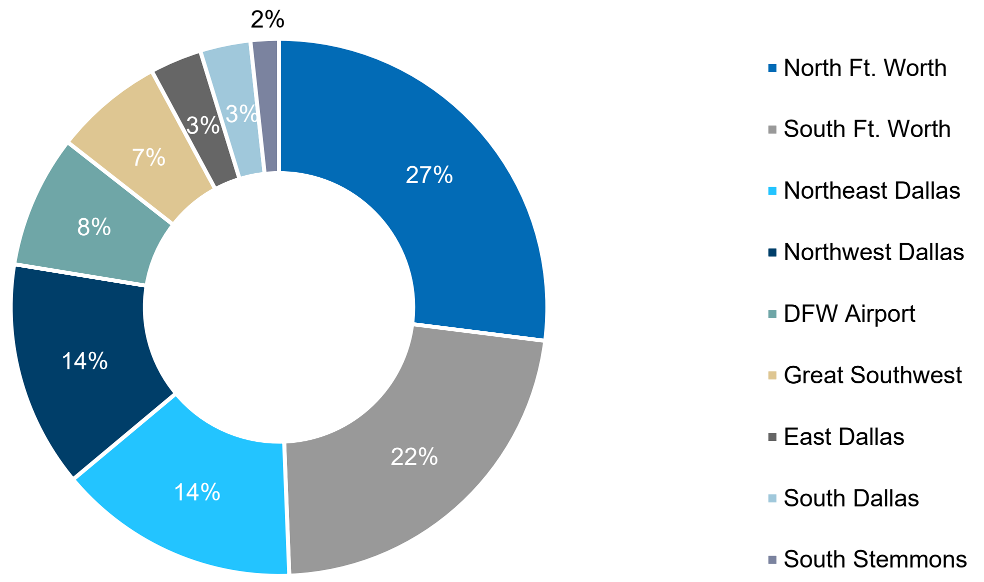


Source: Newmark Research, CoStar

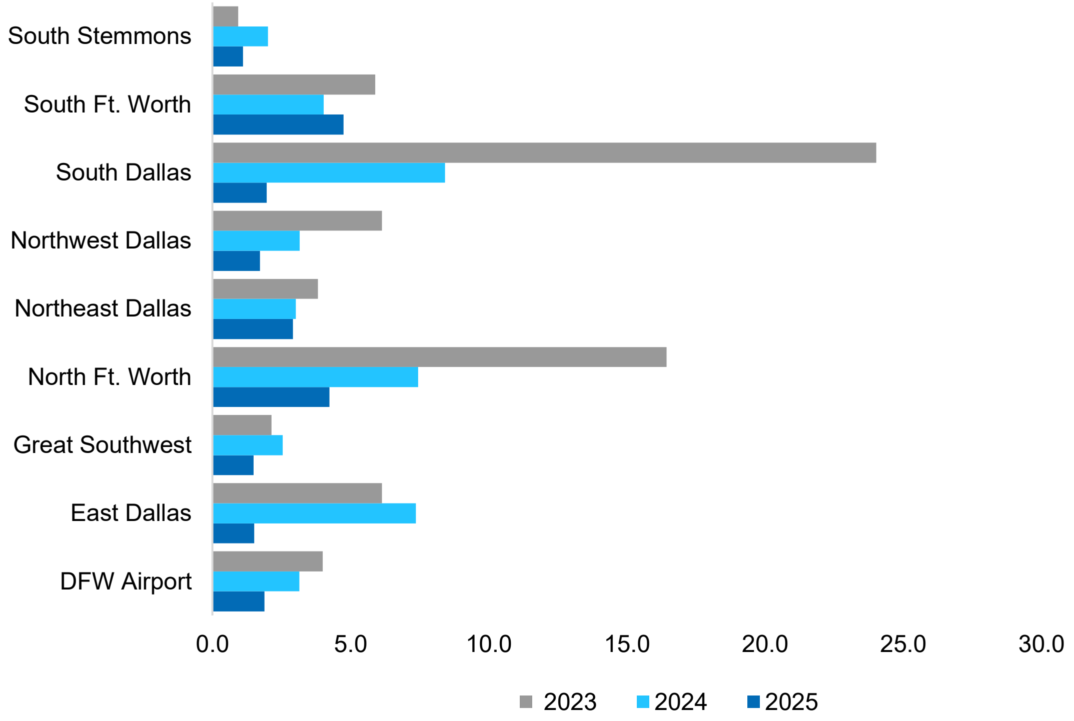
Fort Worth Submarkets Dominate Under-Construction Activity

As of the end of the fourth quarter of 2025, the North Fort Worth submarket had the largest share of space under construction, totaling 8.3 MSF and making up 27.0% of the Dallas-Fort Worth market's pipeline. The South Fort Worth submarket followed with 6.9 MSF, representing 22.4% of product under construction. Since the beginning of 2023, the South Dallas submarket has led the metro in new deliveries, bringing 34.4 MSF online, with North Fort Worth coming in second, delivering 28.1 MSF over the same period. Both submarkets' demand for new construction is driven by strong logistics positioning and ample developable land. The North Fort Worth submarket is in a position to surpass South Dallas as the leader in new deliveries as facilities surrounding the Fort Worth Alliance Airport and the BNSF Railway Intermodal Facility come online. Northeast Dallas is another submarket to monitor closely – McKinney National Airport is undergoing an expansion, and multiple industrial projects are in development to capitalize on the area's strategic location and affordable land. The area is also likely to benefit from its proximity to the new Texas Instruments campus under construction outside of the metroplex in Sherman, approximately 25 miles north of McKinney National Airport.

Currently Under Construction Industrial Activity by Submarket

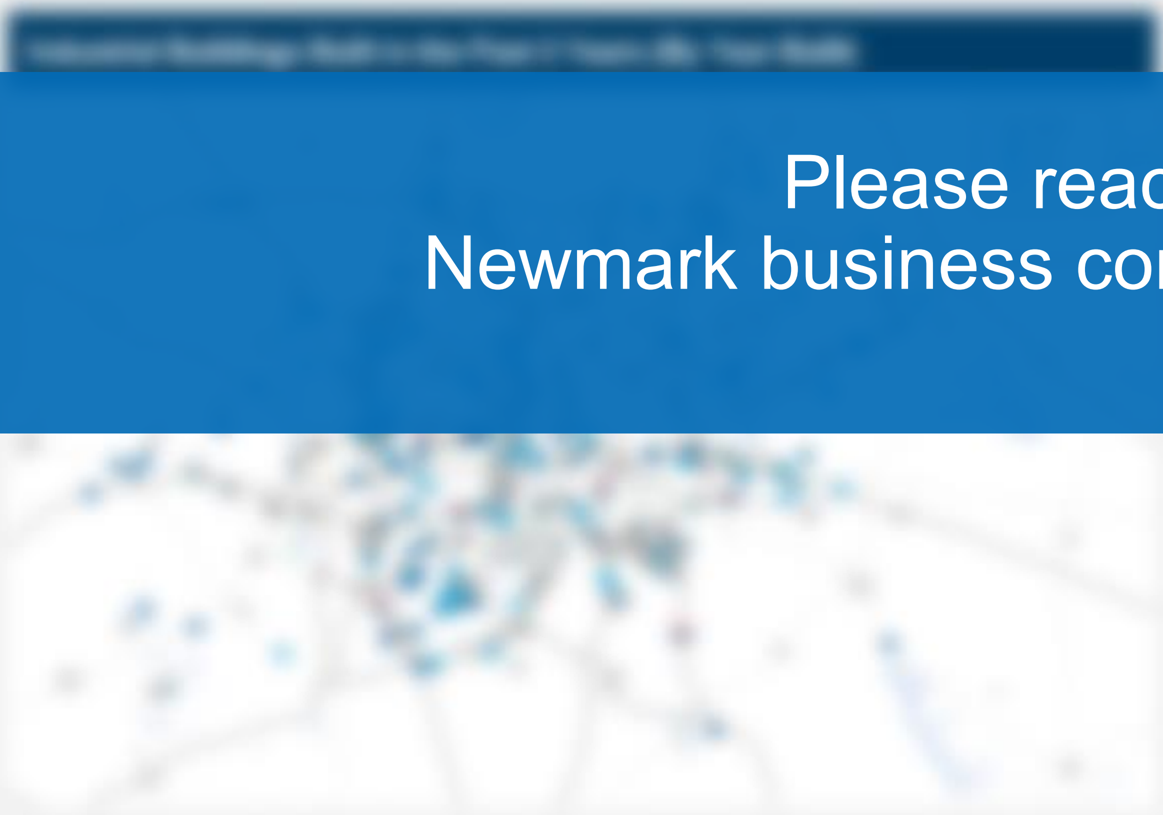


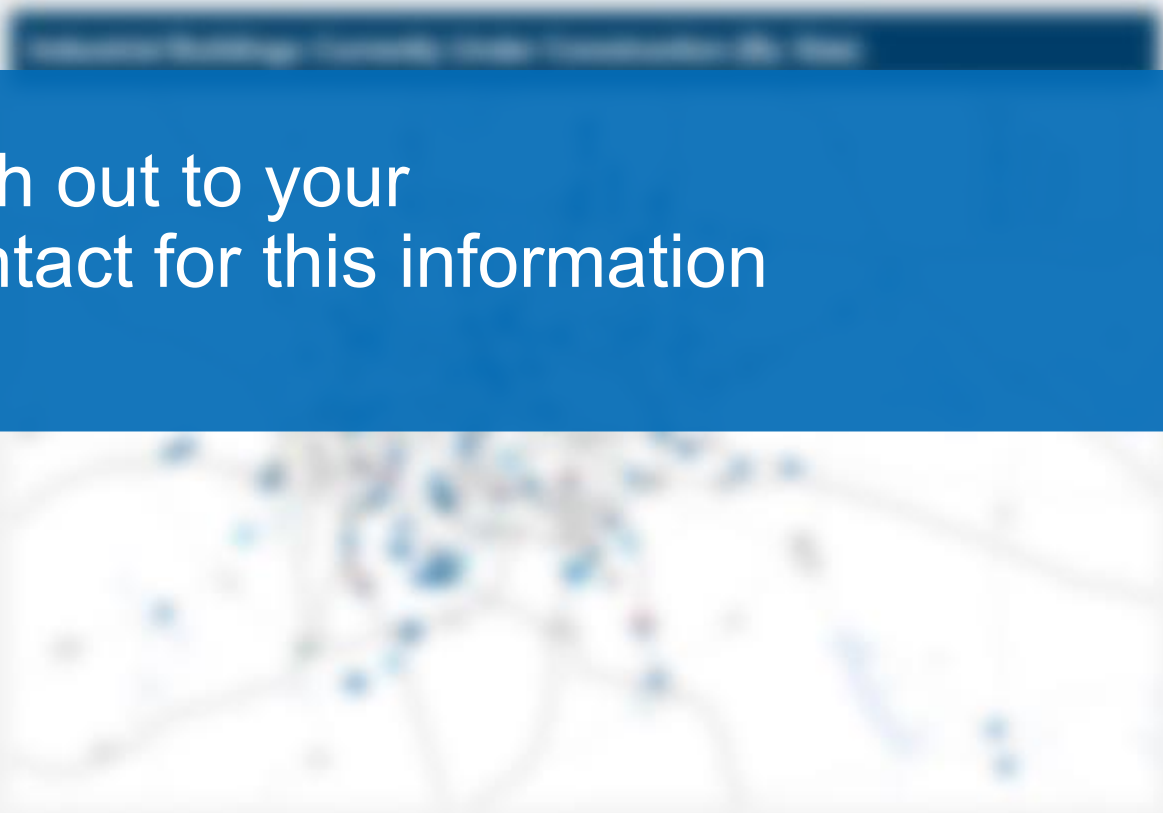
Historical Submarket Deliveries (msf)



Source: Newmark Research, CoStar

Heavy Construction Activity in Fort Worth Submarkets Continue





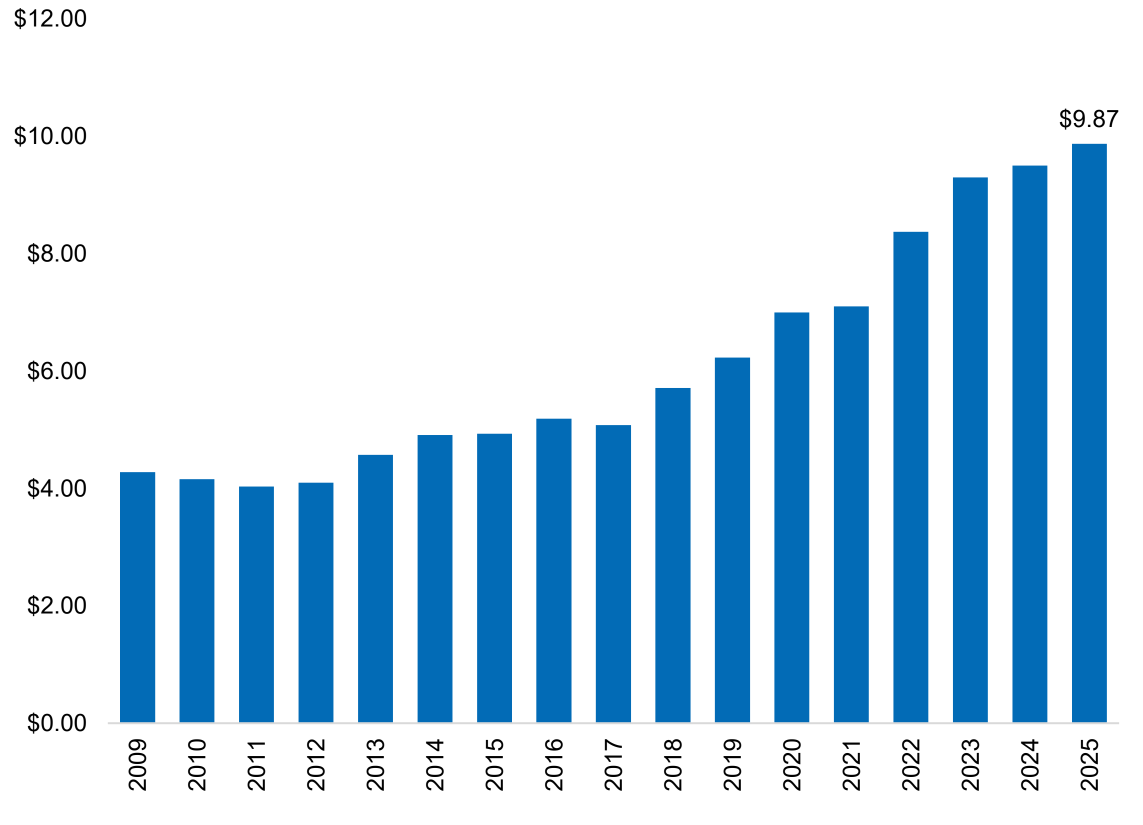
Please reach out to your
Newmark business contact for this information

Source: Newmark Research, CoStar

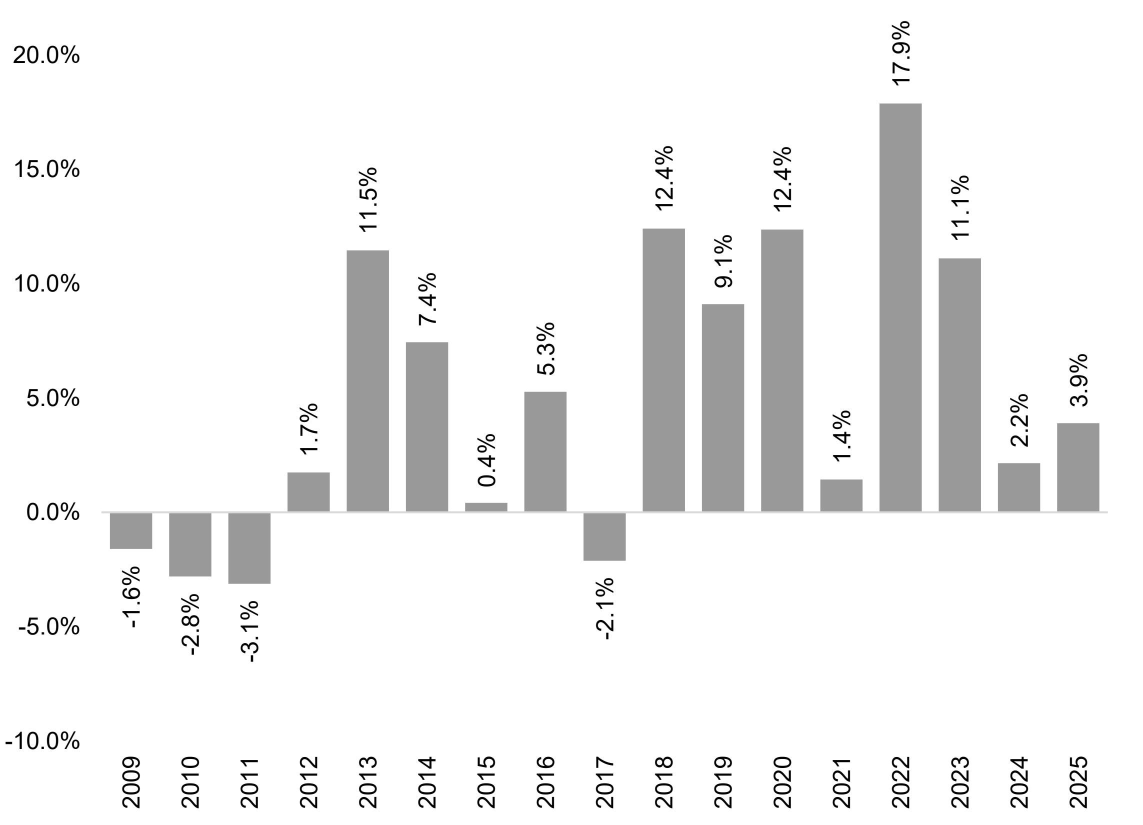
Quarterly Asking Rents Tick Up as Year-Over-Year Growth Remains Slow

As of the end of the fourth quarter of 2025, average industrial asking rents in the Dallas-Fort Worth metro increased by 2.2% quarter over quarter and 3.9% year over year to $9.87/SF, just below the record high set in the second quarter of 2024. While rents are expected to remain elevated due to the continued delivery of high-quality product, a slowdown in development will likely keep rent growth muted, resulting in a more modest growth profile rather than renewed acceleration.

Industrial Average Asking Rent, $/SF, NNN



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research, CoStar

Notable 4Q25 Lease Transactions

All five of the top leases by square footage during the fourth quarter of 2025 were new deals, indicating that leasing activity in the Dallas-Fort Worth metro continues to thrive. Of those top leases, two were signed in the South Dallas submarket. The largest deal of the quarter – for 1.5 MSF – was signed by the Hayes Company, a third-party logistics provider, in the East Dallas submarket. Notably, the tech/communications/media sector reappeared among the top deals for the first time since the third quarter of 2024 when Google – which also accounted for two of this quarter's top five – signed that quarter's largest lease. Additionally, the logistics and distribution sector reemerged and made the top five after being absent in the previous quarter.

Select Lease Transactions

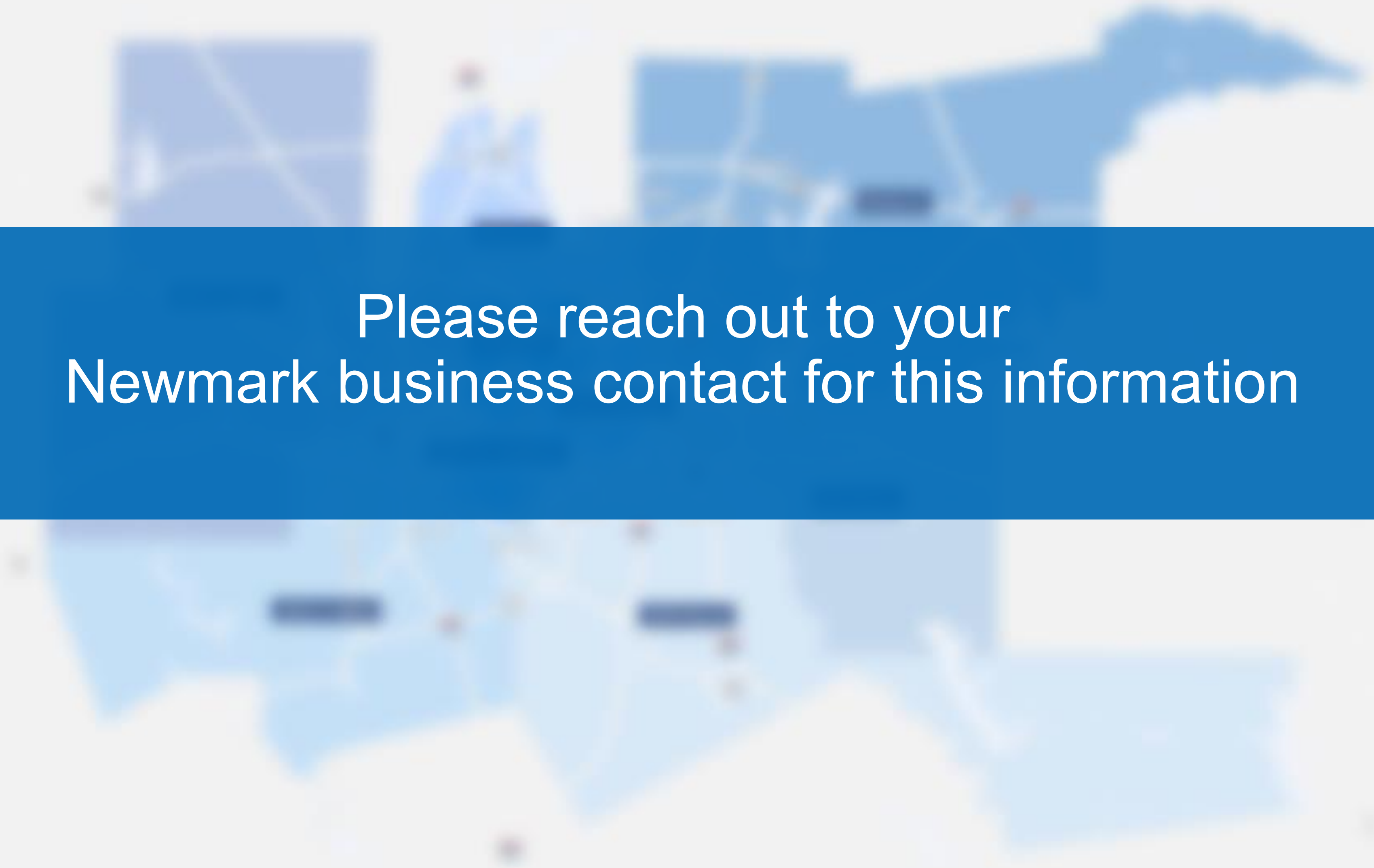
Tenant	Building	Landlord	Submarket	Type	Square Feet
Hayes Company	Gateway Crossing Logistics Park	Holt Lunsford	East Dallas	Direct New	1,497,946
Hayes Company, a third-party logistics and fulfillment services provider, signed the largest deal of the fourth quarter of 2025, leasing nearly 1.5 MSF across two buildings at the Gateway Crossing Logistics Park in Forney, TX. The new location is strategically located, with easy access to Texas State Highway 80 and I-20 and is just a short drive from I-35, making it an ideal location for a third-party logistics provider. This lease marks a significant expansion of the company's Dallas-Fort Worth operations and their continued focus on the area east of the Dallas city center.					
Stellar Energy	Alliance Westport 24	Hillwood Development Corporation	North Fort Worth	Direct New	1,148,842
Stellar Energy recently inked a new 1,148,842-SF lease at Alliance Westport 24. The company, which recently reached an agreement to be purchased by Trane Technologies, plans to use the new facility to manufacture cooling equipment to be utilized in data centers and other similar facilities.					
Google	Cedar Alt Distribution Center	Trammell Crow Company	South Dallas	Direct New	1,084,460
Tech giant Google signed two of the largest leases in the fourth quarter of 2025 – this one for 1.1 MSF at the Cedar Alt Distribution Center. Google plans to use the space as a storage and distribution facility for parts and equipment necessary for the construction of data centers. This lease signifies the ongoing demand for data centers – largely thanks to the boom in artificial intelligence seen in recent years.					
Google	I-20 Logistics Park	Ares Management Corporation	South Dallas	Direct New	1,014,254
Google leased 1,014,254 SF at the I-20 Logistics Park in one of the most sought-after areas for industrial real estate, located just south of Dallas along I-45. The firm, which leased more than two million square feet in the area during the fourth quarter, plans to use this facility to store and distribute components critical to the construction and maintenance of data centers.					
Dart Entities	DFW Commerce Center	CLX Ventures	DFW Airport	Direct New	509,668
Dart Entities, a full-service third-party logistics provider, recently signed a 509,668-SF, full-building lease at the DFW Commerce Center in the DFW Airport submarket. The deal marks their expansion into Dallas proper – previously, the firm only had locations in the South Stemmons submarket.					

Source: Newmark Research, CoStar

03

Market Statistics & Map

Dallas-Fort Worth Industrial Submarket Map



Please reach out to your
Newmark business contact for this information

Source: Newmark Research

Dallas-Fort Worth Industrial Submarket Overview

Please reach out to your
Newmark business contact for this information

Source: Newmark Research

4Q25 Texas Industrial Market Overview





Please reach out to your
Newmark business contact for this information

Source: Newmark Research

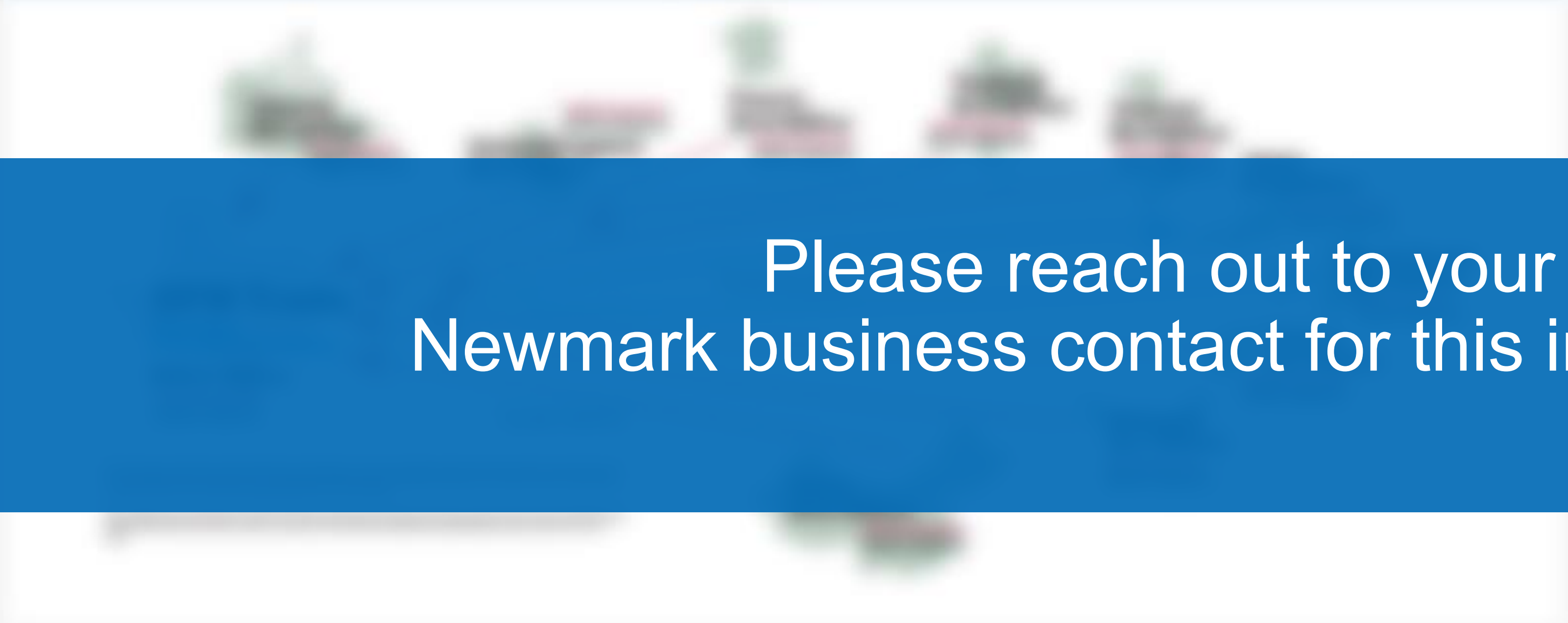
04

Supplemental Analysis

Dallas-Fort Worth Industrial Market

Please reach out to your
Newmark business contact for this information

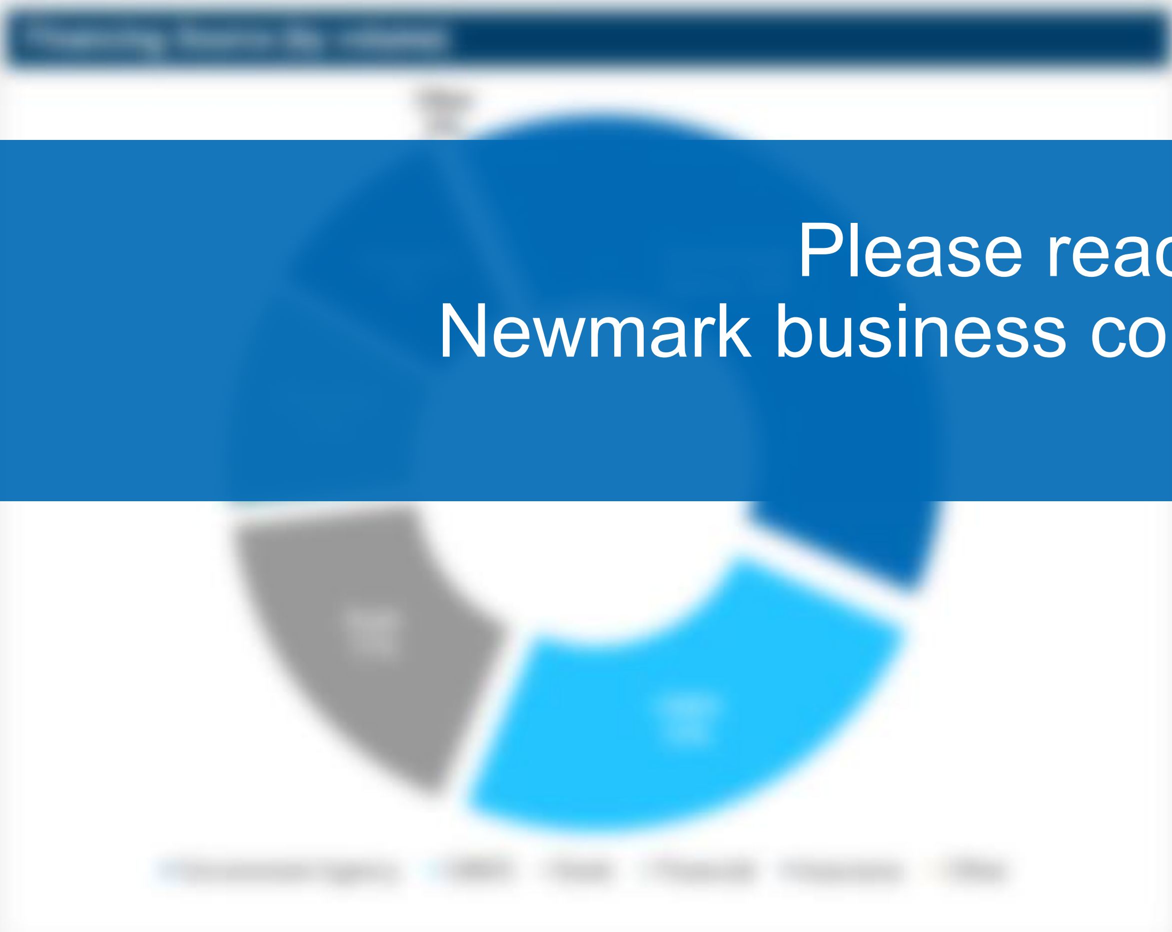
Dallas-Fort Worth Industrial Outlook is Connected to Global Trade

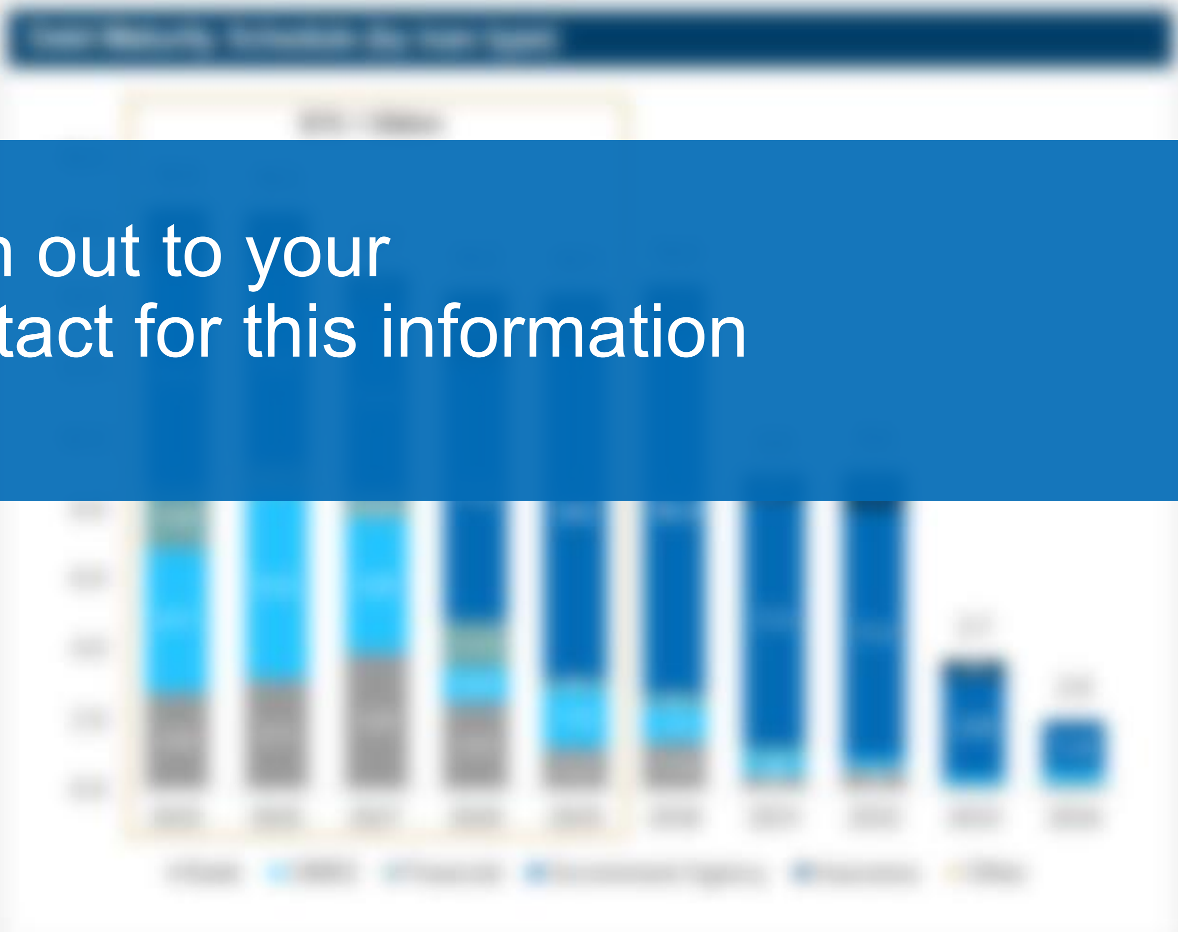


Please reach out to your
Newmark business contact for this information

Source: Newmark Research, Dallas Regional Chamber, USA Trade Online

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

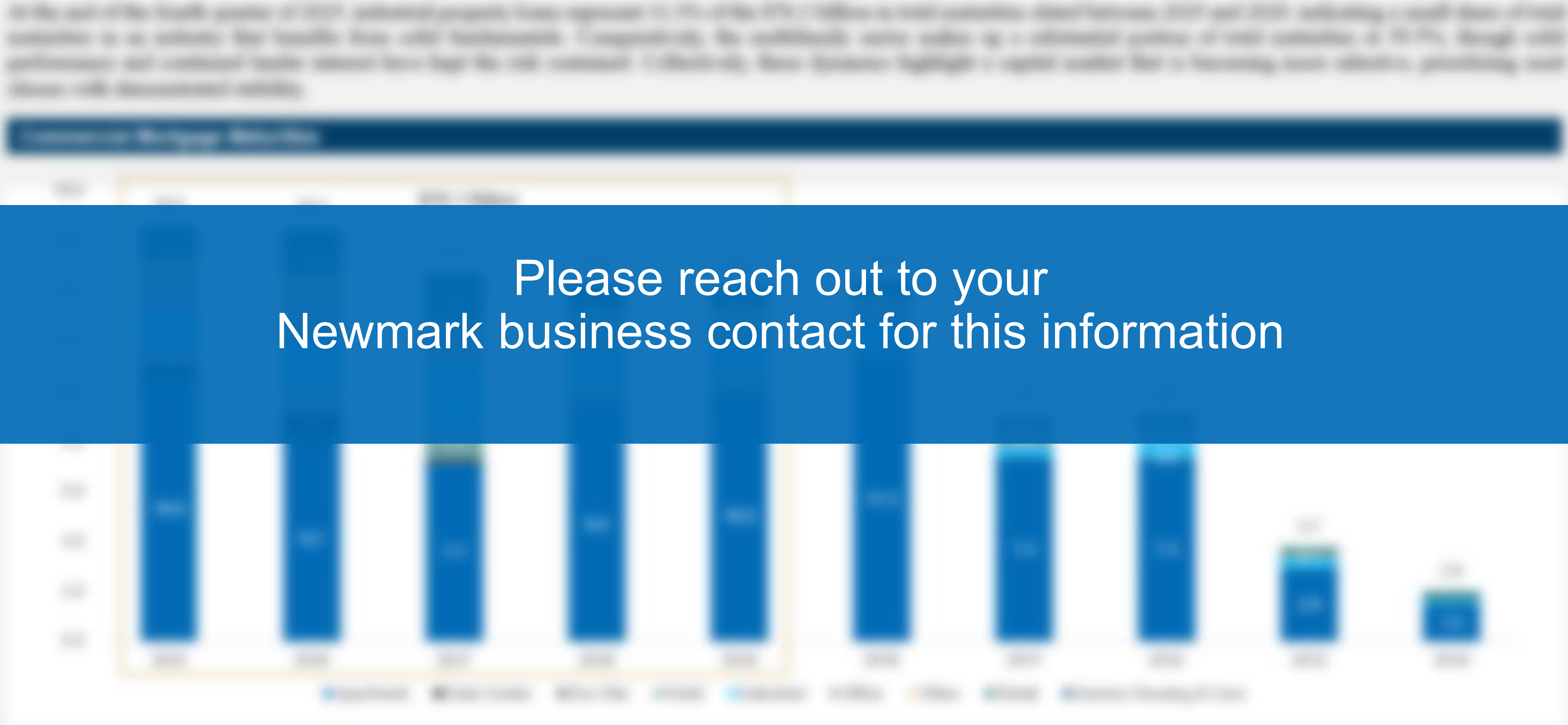




Please reach out to your
Newmark business contact for this information

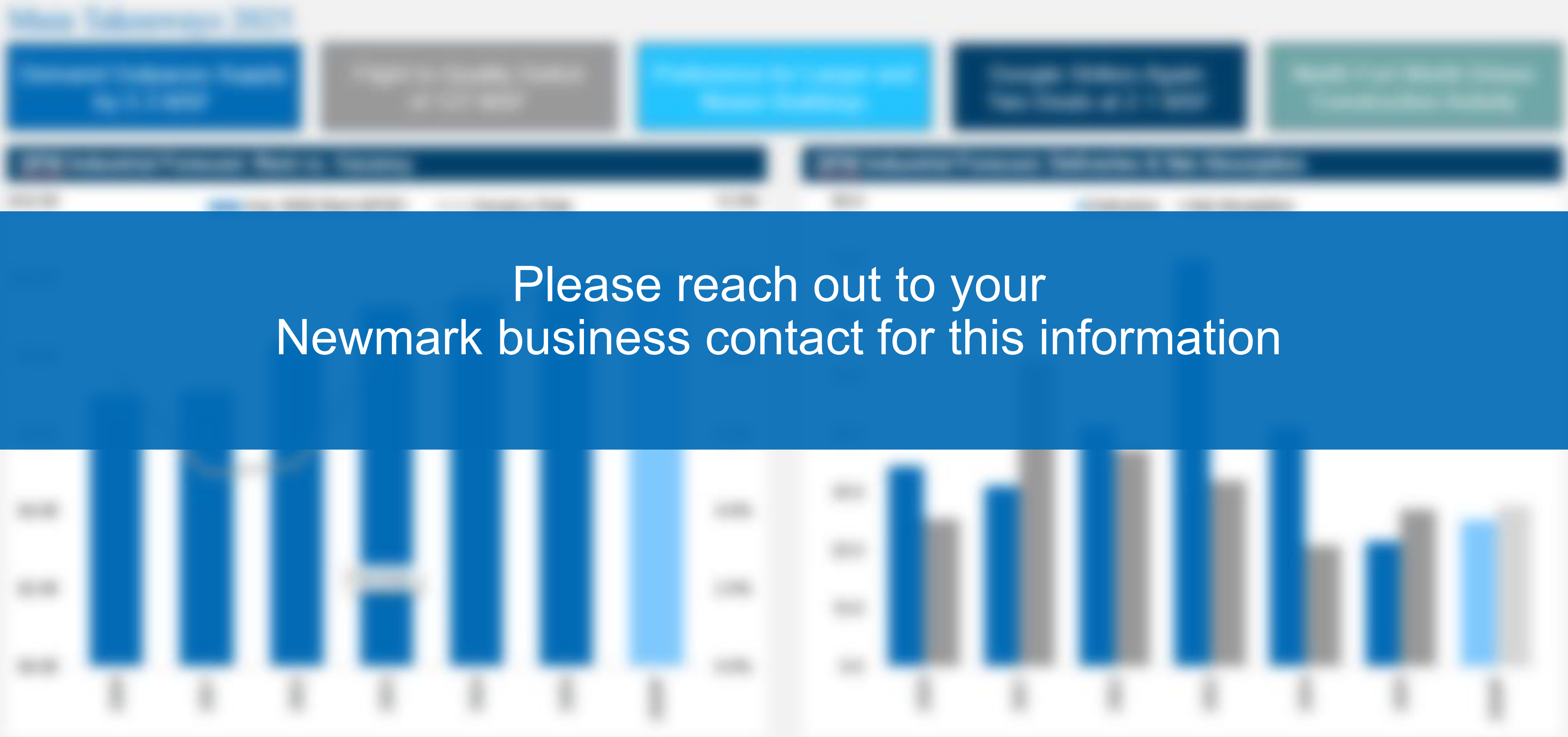
Source: RCA, Newmark Research

High Multifamily Maturities Persist Through 2029, Industrial Exposure Remains Minimal



Source: RCA, Newmark Research

Dallas-Fort Worth Industrial Outlook



Please reach out to your
Newmark business contact for this information

Source: Newmark Research, CoStar

Wyatt Horn
Senior Research Analyst
Wyatt.Horn@nmrk.com

Ching-Ting Wang
Head of Southeast Research
ChingTing.Wang@nmrk.com

Neil Matthee
Research Manager
Neil.Matthee@nmrk.com

Dallas
2601 Olive Street, Suite 1600
Dallas, TX 75201
t 469-467-2000

New York Headquarters
125 Park Ave.
New York, NY 10017
t 212-372-2000

nmrk.com