

FIGURES | DALLAS/FORT WORTH INDUSTRIAL | Q1 2025

Developers continue to pull back on construction starts in the first quarter of 2025

▼9.1%

Vacancy Rate

▼4M

SF Net Absorption

▲11.9M

SF Under Construction

▼2.7M

SF Delivered Construction

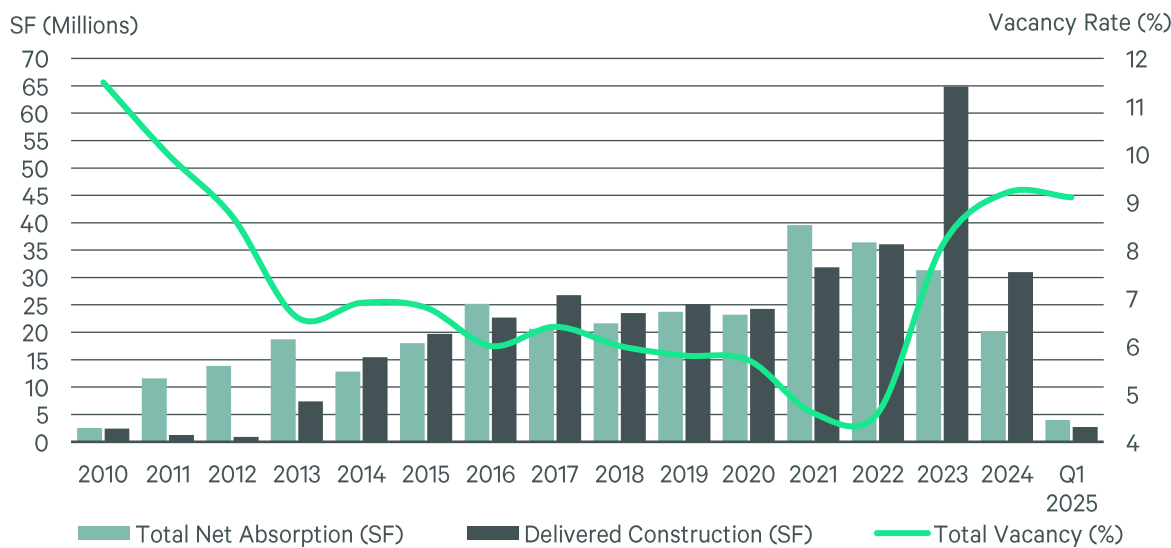
Note: Arrows indicate change from previous quarter.

MARKET OVERVIEW

- Nearly 4 million sq. ft. of industrial space was absorbed by occupiers during Q1 2025.
- Q1 2025 deliveries totaled nearly 2.7 million sq. ft. and were 12.8% pre-leased.
- The construction pipeline increased during Q1 2025 and totaled 11.9 million sq. ft.
- The vacancy rate was down 10 basis points over the quarter, standing at 9.1%.
- Tenant demand continues to remain strong for bulk deals; manufacturing users are making a significant percentage of transactions.

The first quarter of 2025 marked the 58th consecutive quarter, or nearly fifteen years, of positive net absorption for the Dallas/Fort Worth industrial market as 4 million sq. ft. of net absorption was tracked over the quarter. The trailing 12-month absorption total was 20.2 million sq. ft., 6.3 million less than the 26.5 million sq. ft. trailing 12-month absorption posted in Q1 2024. Vacant deliveries were 1.2 million sq. ft. less than the amount absorbed, causing the vacancy rate to fall by 10 basis points at 9.1%. Although active construction ticked up for the first time since Q4 2022, construction starts have reached an all-time low of 1.3 million sq. ft. As starts continue to recede, vacancy should decrease as newly delivered spec becomes occupied.

Figure 1: Dallas/Fort Worth Industrial Market (Annual)



Source: CBRE Research, Q1 2025.

Dallas/Fort Worth Industrial Market

North Texas remains a destination for corporate occupiers and job seekers alike. The region includes two major cargo moving airports, three Class 1 railroads, and is the point of convergence for four interstates. Interstate 35, the “NAFTA Highway”, provides direct access to manufacturing centers in Mexico and is the backbone of a major auto manufacturing corridor, the Texas-Mexico Automotive Supercluster, that stretches from the Bajío in Mexico to Dallas/Fort Worth. DFW International Airport is the region’s gateway to the world and economic engine that drives \$37 billion in North Texas economic activity and supports 228,000 jobs. The airport is one of the highest capacity in the world and is now the second busiest globally in terms of passengers. Additionally, the 19 cargo carriers that call on Dallas/Fort Worth International Airport connect to 32 major cargo markets around the world, including key hubs in Asia and Europe.

Development pipeline continued to recede

For ten consecutive quarters, developers delivered more product than they kicked off with 2.7 million sq. ft. delivered and 1.3 million sq. ft. in new starts. While the total amount of under construction increased from 10.8 million sq. ft. underway to 11.9 million sq. ft. in active construction. The preleased rate for under construction product decreased from 11.4% to 8.2% at the end of Q1 2025.

At the end of Q1 2025, zero submarkets had speculative space preleased. Southern DFW/287 had the highest concentration of build-to-suit construction at 470,200 sq. ft. leaving the submarket 100% preleased. The second-highest concentration of build-to-suit construction was in Northeast Dallas totaling 323,000 sq. ft. leaving the submarket 30.7% preleased. Northwest Dallas followed afterwards totaling 79,700 sq. ft leaving the submarket 6% preleased. While DFW Airport was last, totaling 101,500 sq. ft. leaving the submarket 5.4% preleased in build-to-suit construction.

Absorption sustained solid pace

Almost 4 million sq. ft. was absorbed over the first quarter of 2025, bringing the amount of industrial space absorbed in Dallas/Fort Worth since Q4 2010 to 322.5 million sq. ft. To put this number in perspective, this is enough warehouse floor space to build a six-lane highway from CBRE Headquarters in Dallas to the CBRE office in El Paso, including room for shoulders!

Figure 2: DFW Market Trailing 12 Months Absorption

	Q2 2024 Net Absorption	Q3 2024 Net Absorption	Q4 2024 Net Absorption	Q1 2025 Net Absorption	12 Month Net Absorption
Market					
DFW Airport	1,428,884	333,104	-89,710	256,676	1,928,954
East Dallas	722,288	139,607	1,437,070	1,433,167	3,732,132
Northeast Dallas	265,887	196,440	-24,939	250,866	688,254
Northwest Dallas	832,967	-909,115	488,760	(730,462)	(317,850)
South Dallas	1,770,387	1,706,917	-352,302	902,258	4,027,260
South Stemmons	2,270	161,290	790,124	39,294	992,978
287 Corridor	775,672	321,840	193,268	852,793	2,143,573
Dallas Totals	5,798,355	1,950,083	2,442,271	3,004,592	13,195,301
Great Southwest/Arlington	-72,858	-395,470	-264,008	(337,035)	(1,069,371)
North Fort Worth	1,274,747	2,987,738	326,602	1,648,129	6,237,216
South Fort Worth	-78,233	680,211	1,549,442	(292,487)	1,858,933
Fort Worth Totals	1,123,656	3,272,479	1,612,036	1,018,607	7,026,778
Market Totals	6,922,011	5,222,562	4,054,307	4,023,199	20,222,079

Source: CBRE Research, Q1 2025.

Manufacturing drove demand in Q1 2025

Consistent with Dallas/Fort Worth trends, manufacturing drove demand again in Q1 2025. Of the 6.3 million sq. ft. in leasing activity for transactions over 100,000 sq. ft. tracked by CBRE Research over the quarter, 2.6 million sq. ft., or 41.7%, of activity was attributable to manufacturing. 3PLs included 1.7 million sq. ft., or 26.7%. CBRE Research is currently tracking 36 tenant requirements totaling over 18.3 million sq. ft. active in the market. This amount is in line with long-term tenant demand observed in Dallas/Fort Worth.

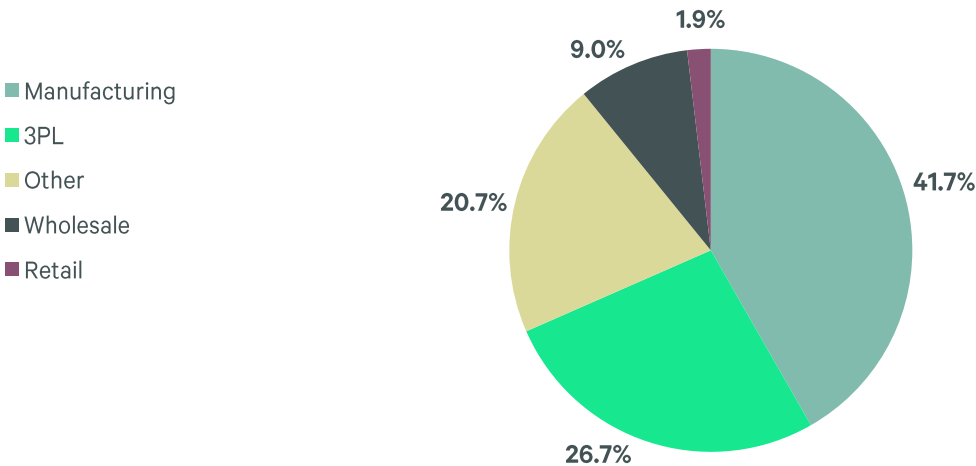
As of Q1 2025, there have been a total of 8.3 million sq. ft. in new lease transactions totaling 114 deals signed within Dallas/Fort Worth. The top two submarkets were North Fort Worth accounting for 2.7 million sq. ft., or 32.5%, of activity and Northeast Dallas accounting for 890,800 sq. ft., or 10.8%, of activity. Southern DFW/287 followed afterwards at 853,000 sq. ft., or 10.3%, of activity. Of the 114 lease transactions, there was 1 transactions that equaled 1 million sq. ft. and above, 2 transactions that ranged from five hundred thousand sq. ft. to 1 million sq. ft., 2 transactions that ranged three hundred thousand sq. ft. to five hundred thousand sq. ft., 12 transactions that ranged from one hundred thousand sq. ft. to three hundred thousand sq. ft., and a total of 97 transactions that were below one hundred thousand sq. ft.

CBRE House View Economic Update

Policy speculation and announcements are now the key drivers of macro expectations and financial markets. The reality of material trade conflicts this year is now paired with realized softer economic data. Some of this could be due to firms taking a ‘wait-and-see’ approach as they digest changing trade policy. Consumer sentiment has declined noticeably, albeit much more than actual spending. Consequently, CBRE has revised its GDP growth outlook for this year down to just below 2%.

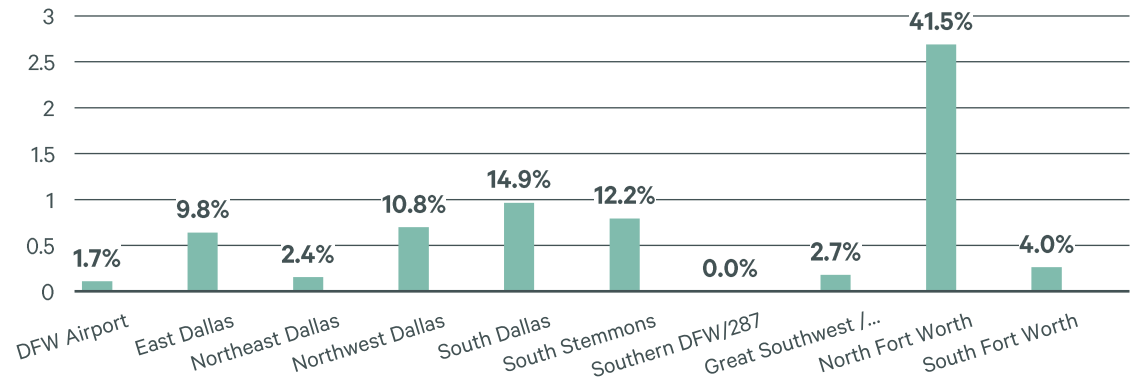
Despite policy uncertainty, credit markets are more accommodative, with tighter spreads and more issuance compared to a few quarters ago. More fluid credit markets have yet to translate into stronger sales volume, as many institutional owners and reams of dry powder capital remain on the sidelines. The continuation of accretive credit trends and eventual deployment of dry powder will depend on the impact of new policies. Should they prove more inflationary, this would erode recent capital markets progress. If not, and macro impacts are limited, this could give the Fed a green light for further cuts and help unlock monies waiting on the sidelines.

Figure 3: Q1 2025 Lease Transactions Over 100,000 Sq. Ft. by Tenant Industry



Source: CBRE Research, Q1 2025.

Figure 4: 2025 Lease Transactions Over 100,000 Sq. Ft. by Submarket and Percent of Total
Millions (\$F)



Source: CBRE Research, Q1 2025.

Figure 5: Dallas/Fort Worth Industrial Market Stats

	Inventory			Vacancy			Net Absorption			Construction		
	Bldg. Count	Total Sq. Ft.	% of Market	Direct Sq. Ft.	Direct %	Total %	Qtr. Direct	Qtr. Total	2025 Total	Active	Qtr. Deliveries	2025 Deliveries
Submarket												
DFW Airport	750	93,465,825	9.2	9,125,354	9.8	10.5	347,411	256,676	256,676	1,877,734	0	0
East Dallas	743	60,696,362	6.0	8,015,948	13.2	13.2	1,363,167	1,433,167	1,433,167	503,516	0	0
Northeast Dallas	1,804	113,282,745	11.1	6,618,565	5.8	6.5	315,965	250,866	250,866	1,053,105	1,413,727	1,413,727
Northwest Dallas	1,572	126,844,537	12.5	10,916,355	8.6	9.3	-708,875	-730,462	-730,462	1,336,272	180,657	180,657
South Dallas	643	121,710,066	12.0	14,808,495	12.2	12.7	1,034,507	902,258	902,258	799,006	59,970	59,970
South Stemmons	2761	128,855,439	12.7	7,123,813	5.5	6.1	180,468	39,294	39,294	523,167	0	0
287 Corridor	187	25,723,468	2.5	3,338,131	13.0	13.1	852,793	852,793	852,793	470,220	0	0
Dallas Totals	8,460	670,578,442	66	59,946,661	8.9	9.5	3,385,436	3,004,592	3,004,592	6,563,020	1,654,354	1,654,354
Great Southwest/Arlington	1,377	123,041,807	12.1	9,461,677	7.7	8.7	-601,855	-337,035	-337,035	984,948	105,072	105,072
North Fort Worth	796	134,603,484	13.2	10,944,278	8.1	8.7	1,675,309	1,648,129	1,648,129	4,153,491	968,313	968,313
South Fort Worth	1,545	88,417,403	8.7	5,655,658	6.4	7.0	-38,915	-292,487	-292,487	235,906	0	0
Fort Worth Totals	3,718	346,062,694	34.0	26,061,613	7.5	8.3	1,034,539	1,018,607	1,018,607	5,374,345	1,073,385	1,073,385
Market Totals	12,178	1,016,641,136	100	86,008,274	8.5	9.1	4,419,975	4,023,199	4,023,199	11,937,365	2,727,739	2,727,739

Source: CBRE Research, Q1 2025.

Figure 6: Dallas Industrial Market Stats – DFW Airport and East Dallas

	Inventory			Vacancy			Net Absorption			Construction		
	Bldg. Count	Total Sq. Ft.	% of Market	Direct Sq. Ft.	Direct %	Total %	Qtr. Direct	Qtr. Total	2025 Total	Active	Qtr. Deliveries	2025 Deliveries
DFW Airport												
East DFW/Las Colinas	415	67,765,535	6.7	6,774,871	10.0	10.9	-18,518	-49,003	-49,003	670,176	0	0
West DFW/Grapevine	335	25,700,290	2.5	2,350,483	9.1	9.5	365,929	305,679	305,679	1,207,558	0	0
DFW Airport Totals	750	93,465,825	9.2	9,125,354	9.8	10.5	347,411	256,676	256,676	1,877,734	0	0
East Dallas												
Central East Dallas	408	17,798,475	1.8	430,326	2.4	2.4	-69,568	-69,568	-69,568	300,347	0	0
East Dallas/Mesquite	312	30,545,375	3.0	3,157,300	10.3	10.3	478,069	548,069	548,069	203,169	0	0
Forney/Terrell	23	12,352,512	1.2	4,428,322	35.8	35.8	954666	954666	954666	0	0	0
East Dallas Totals	743	60,696,362	6.0	8,015,948	13.2	13.2	1,363,167	1,433,167	1,433,167	503,516	0	0

Source: CBRE Research, Q1 2025.

Figure 7: Dallas Industrial Market Stats – Northeast Dallas and Northwest Dallas

	Inventory			Vacancy			Net Absorption			Construction		
	Bldg. Count	Total Sq. Ft.	% of Market	Direct Sq. Ft.	Direct %	Total %	Qtr. Direct	Qtr. Total	2025 Total	Active	Qtr. Deliveries	2025 Deliveries
Northeast Dallas												
Allen/McKinney	210	17,156,493	1.7	786,275	4.6	4.9	45,393	45,393	45,393	492,638	94,413	94,413
Northeast Dallas/Garland	866	53,120,579	5.2	3,871,464	7.3	8.0	99,368	56,713	56,713	300,530	1,319,314	1,319,314
Plano	370	21,923,332	2.2	956,722	4.4	5.0	68,907	39,321	39,321	157,664	0	0
Richardson	301	16,731,290	1.6	969,142	5.8	7.1	-20,694	-8,892	-8,892	102,273	0	0
Rockwall	57	4,351,051	0.4	34,962	0.8	0.9	122,991	118,331	118,331	0	0	0
Northeast Dallas Totals	1,804	113,282,745	11.1	6,618,565	5.8	6.5	315,965	250,866	250,866	1,053,105	1,413,727	1,413,727
Northwest Dallas												
Denton	209	20,288,655	2.0	4,564,291	22.5	22.7	-122,046	-158,346	-158,346	248,361	180,657	180,657
Lewisville	284	34,914,062	3.4	1,698,359	4.9	5.6	-506,654	-506,654	-506,654	999,678	0	0
Metropolitan/Addison	430	19,897,017	2.0	1,778,621	8.9	10.1	-79,093	-71,924	-71,924	0	0	0
North Stemmons/Valwood	631	49,197,103	4.8	2,105,030	4.3	5.1	-1,082	6,462	6,462	88,233	0	0
NW Dallas Outlying	18	2,547,700	0.3	770,054	30.2	30.2	0	0	0	0	0	0
Northwest Dallas Totals	1,572	126,844,537	12.5	10,916,355	8.6	9.3	-708,875	-730,462	-730,462	1,336,272	180,657	180,657

Source: CBRE Research, Q1 2025.

Figure 8: Dallas Industrial Market Stats – South Dallas and South Stemmons

	Inventory			Vacancy			Net Absorption			Construction		
	Bldg. Count	Total Sq. Ft.	% of Market	Direct Sq. Ft.	Direct %	Total %	Qtr. Direct	Qtr. Total	2025 Total	Active	Qtr. Deliveries	2025 Deliveries
South Dallas												
Redbird Airport	194	21,816,929	2.1	769,768	3.5	3.9	(2,115)	(2,115)	(2,115)	0	0	0
Southeast Dallas/I-45	331	80,950,075	8.0	13,283,588	16.4	17.0	1,116,759	984,510	984,510	364,306	59,970	59,970
Southwest Dallas/US 67	118	18,943,062	1.9	755,139	4.0	4.6	(80,137)	(80,137)	(80,137)	434,700	0	0
South Dallas Totals	643	121,710,066	12.0	14,808,495	12.2	12.7	1,034,507	902,258	902,258	799,006	59,970	59,970
South Stemmons												
East Hines North	625	20,242,651	2.0	1,048,793	5.2	6.4	13,686	(128,863)	(128,863)	0	0	0
East Brookhollow	187	7,906,276	0.8	268,514	3.4	3.5	(38,580)	(38,580)	(38,580)	0	0	0
Eastern Lonestar/Turnpike	286	32,580,878	3.2	2,221,760	6.8	7.0	80,578	80,578	80,578	0	0	0
North Trinity	365	9,538,377	0.9	750,443	7.9	8.0	(6,202)	(6,202)	(6,202)	0	0	0
West Hines North	222	9,294,858	0.9	444,802	4.8	5.2	40,694	44,069	44,069	0	0	0
West Brookhollow	970	40,767,134	4.0	2,330,788	5.7	5.9	101,792	99,792	99,792	523,167	0	0
Western Lonestar/Turnpike	106	8,525,265	0.8	58,713	0.7	4.5	(11,500)	(11,500)	(11,500)	0	0	0
South Stemmons Totals	2,761	128,855,439	12.7	7,123,813	5.5	6.1	180,468	39,294	39,294	523,167	0	0

Source: CBRE Research, Q1 2025.

Figure 9: Fort Worth Industrial Market Stats – 287 Corridor and Great Southwest

	Inventory			Vacancy			Net Absorption			Construction		
	Bldg. Count	Total Sq. Ft.	% of Market	Direct Sq. Ft.	Direct %	Total %	Qtr. Direct	Qtr. Total	2025 Total	Active	Qtr. Deliveries	2025 Deliveries
287 Corridor												
Mansfield/Midlothian	169	17,892,619	1.8	3,023,131	16.9	17.1	852,793	852,793	852,793	30,220	0	0
Waxahachie/Ennis	18	7,830,849	0.8	315,000	4.0	4.0	0	0	0	440,000	0	0
287 Corridor Totals	187	25,723,468	2.5	3,338,131	13.0	13.1	852,793	852,793	852,793	470,220	0	0
Great Southwest												
Arlington	415	26,365,373	2.6	1,532,180	5.8	5.9	139,322	139,322	139,322	0	0	0
Lower Great Southwest	430	39,203,907	3.9	2,948,148	7.5	7.7	-300,276	30,489	30,489	284,865	0	0
Upper Great Southwest	532	57,472,527	5.7	4,981,349	8.7	10.7	-440,901	-506,846	-506,846	700,083	105,072	105,072
Great Southwest Totals	1,377	123,041,807	12.1	9,461,677	7.7	8.7	-601,855	-337,035	-337,035	984,948	105,072	105,072

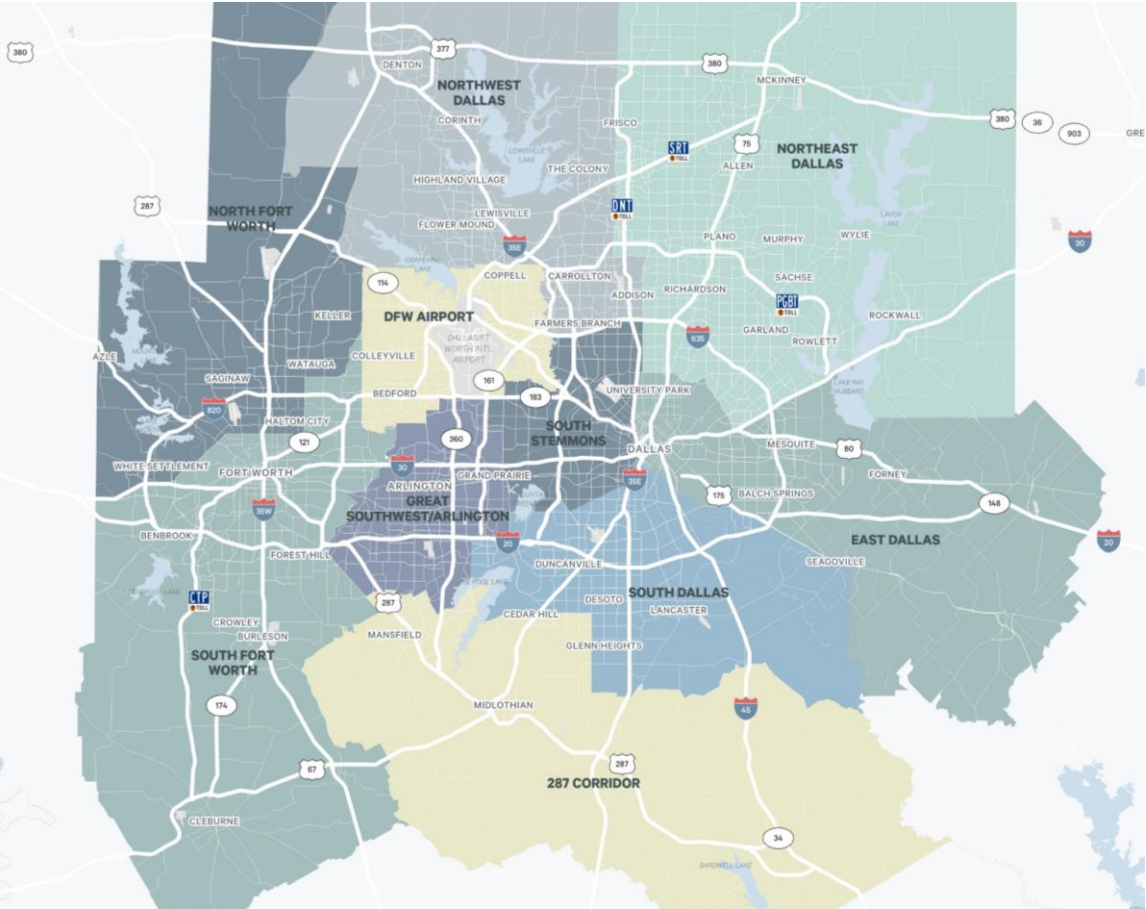
Source: CBRE Research, Q1 2025.

Figure 10: Fort Worth Industrial Market Stats – North Fort Worth and South Fort Worth

	Inventory			Vacancy			Net Absorption			Construction		
	Bldg. Count	Total Sq. Ft.	% of Market	Direct Sq. Ft.	Direct %	Total %	Qtr. Direct	Qtr. Total	2025 Total	Active	Qtr. Deliveries	2025 Deliveries
North Fort Worth												
Meacham Field/Fossil Creek	441	48,395,080	4.8	2,989,804	6.2	6.5	1,543,492	1,552,312	1,552,312	0	968,313	968,313
Northeast Tarrant/Alliance	287	79,639,761	7.8	7,463,809	9.4	10.1	124,147	88,147	88,147	3,421,207	0	0
West Tarrant	68	6,568,643	0.6	490,665	7.5	7.5	7,670	7,670	7,670	732,284	0	0
North Fort Worth Totals	796	134,603,484	13.2	10,944,278	8.1	8.7	1,675,309	1,648,129	1,648,129	4,153,491	968,313	968,313
South Fort Worth												
Cleburne	11	2,896,400	0.3	129,283	4.5	4.5	0	0	0	0	0	0
East Fort Worth	648	26,810,993	2.6	2,028,276	7.6	7.9	24,877	6,805	6,805	235,906	0	0
North Central Fort Worth	271	10,777,559	1.1	233,903	2.2	2.2	6,147	6,147	6,147	0	0	0
South Central Fort Worth	242	8,234,016	0.8	123,143	1.5	3.5	-31,167	-47,667	-47,667	0	0	0
South Central Tarrant	299	36,837,742	3.6	2,607,714	7.1	7.9	-27,097	-246,097	-246,097	0	0	0
Southwest Tarrant	74	2,860,693	0.3	533,339	18.6	18.6	-11,675	-11,675	-11,675	0	0	0
South Fort Worth Totals	1,545	88,417,403	8.7	5,655,658	6.4	7.0	-38,915	-292,487	-292,487	235,906	0	0

Source: CBRE Research, Q1 2025.

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the Total Building Area. Building Area: The total floor area sq. ft. of the building. Occupied Sq. Ft.: Building Area not considered vacant. Vacant Sq. Ft.: Space that can be occupied within 30 days. Vacancy Rate: Total Vacant Sq. Ft. divided by the Total Building Area.

Survey Criteria

Includes known market relevant industrial buildings 10,000 sq. ft. and greater in size in the Dallas/Fort Worth metro area. Buildings which have begun construction as evidenced by foundation work

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