



Market Report

Dallas, Texas

Overview

While there have been some signs of recovery in the office market, there are still several headwinds that are causing challenges in the Dallas/Ft-Worth office market.

One of these headwinds is the continued trend of work-from-home policies and the high amount of sublease space available, which is leading to expectations of downsizing and less robust net absorption in the long term. This trend is leading many occupiers to reevaluate their space needs. Net absorption for 2022 was 2,525,778 SF, which is a large increase from the 219,551 SF in 2021. The record high of 11 million SF of sublease space on the market in 2022 is putting pressure on landlords, but many tenants are taking advantage of the flexibility and shorter lease terms that subleases offer. In addition, there is 86.7 million SF of direct space available in existing or under-construction buildings, leading to increased competition for tenants.

Fundamentals

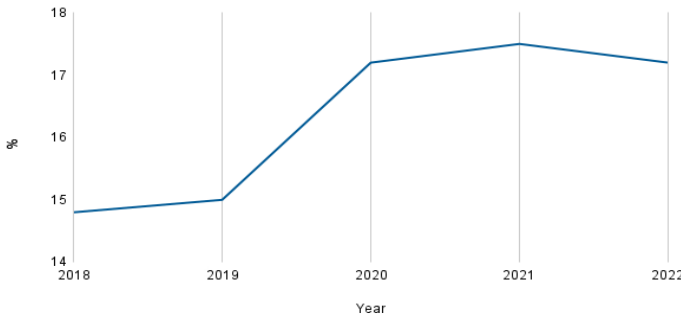
Net absorption	2,525,778 SF
Under construction	7,897,508 SF
Avg. asking rent (gross)	\$29.42/SF
Concessions	Flat/Decreasing

Market size	Largest Office Deal	Total Vacancy
416 MSF	JCPenney 318,000 SF	17.20%

Average Asking Rent

Class A and Class B

Total Vacancy





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What this means for tenants

- There are more options to consider if you are a bigger user of office space.
- Landlords are considering shorter lease terms, however tenants shouldn't expect many concessions.
- Rental rates continue to remain strong despite the impact of the pandemic.

Tenant	Building Address	Submarket	Type	Sq Feet
JCPenney	CALWest	Plano	Office	318,000
BankOZK	23Springs	Dallas-Uptown/ Turtle Creek	Office	110,000
TRG	The Stack	Dallas-Deep Ellum	Office	102,000
Weil Gotshal	The Crescent	Dallas-Uptown/ Turtle Creek	Office	90,000
AMN Healthcare	Cypress Waters	Coppell	Office	90,000

Contact

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