



DALLAS-FORT WORTH  
**OFFICE MARKET REPORT**  
4th QUARTER 2025

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DFW achieved positive office absorption in every quarter of 2025 for the first time since pre-pandemic, underscoring strong, regionwide momentum.

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# Economic Conditions

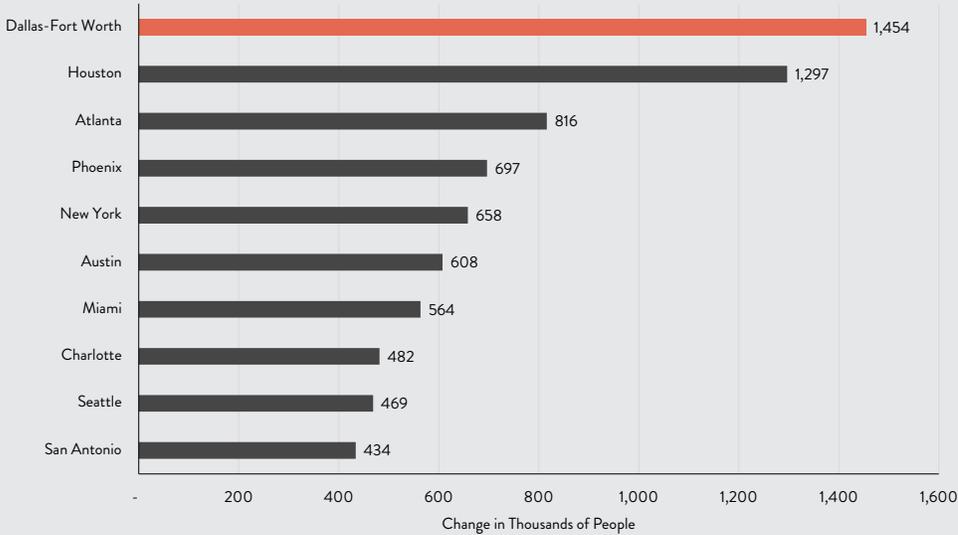
## Population and Employment

Dallas–Fort Worth’s population has surpassed 8.3 million, ranking it as the fastest-growing large metro in the U.S. for both 5- and 10-year change, with growth projected at roughly 418 new residents per day through 2050. This expansion is underpinned by a highly diversified economic base, allowing strength in certain sectors to offset softness in others. While employment growth in professional and business services has moderated, continued momentum in education and health services has helped fill the gap and is expected to remain a key driver of job growth. Inflationary pressures in the region also remain relatively muted, with the metro posting a 1.1% inflation rate through November, well below the national average of 2.7%, easing wage pressures and supporting greater economic stability compared to peer markets.



### Dallas-Fort Worth Population Growth 2014-2024

2024 Population: 8.3 million



Source: U.S. Bureau of Labor Statistics (2024)



#### 10-Year Change

2014-2024

1.5 million people  
(21.1% growth)

(Avg. 1.9% annually)



#### 12-Month Change

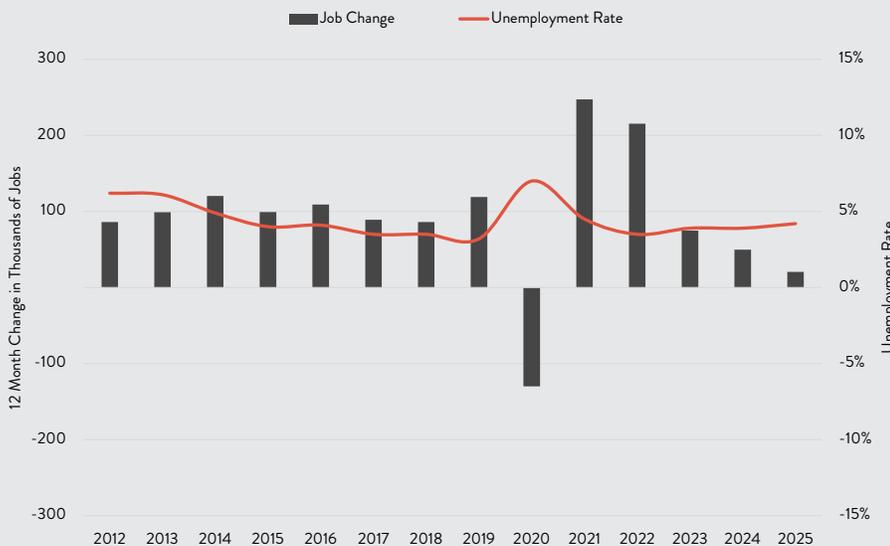
2023-2024

177,922 people  
(2.2% growth)

Dallas-Fort Worth remains one of the fastest-growing metropolitan economies in the U.S., supported by sustained population growth. The metroplex's population has surpassed 8.3 million, driven by continued inflows of both domestic and international residents attracted by job opportunities, relative affordability, and a business-friendly environment. DFW ranked first on U-Haul's 2025 Growth Index for the second consecutive year, reinforcing the region's strong long-term economic outlook. Texas dominated the rankings, with Houston and Austin placing second and third, respectively.

### Dallas-Fort Worth Net Job Growth and Unemployment Rate

4.3 million jobs | 4.2% unemployment rate



Source: U.S. Bureau of Labor Statistics



#### 12-Month Job Gains

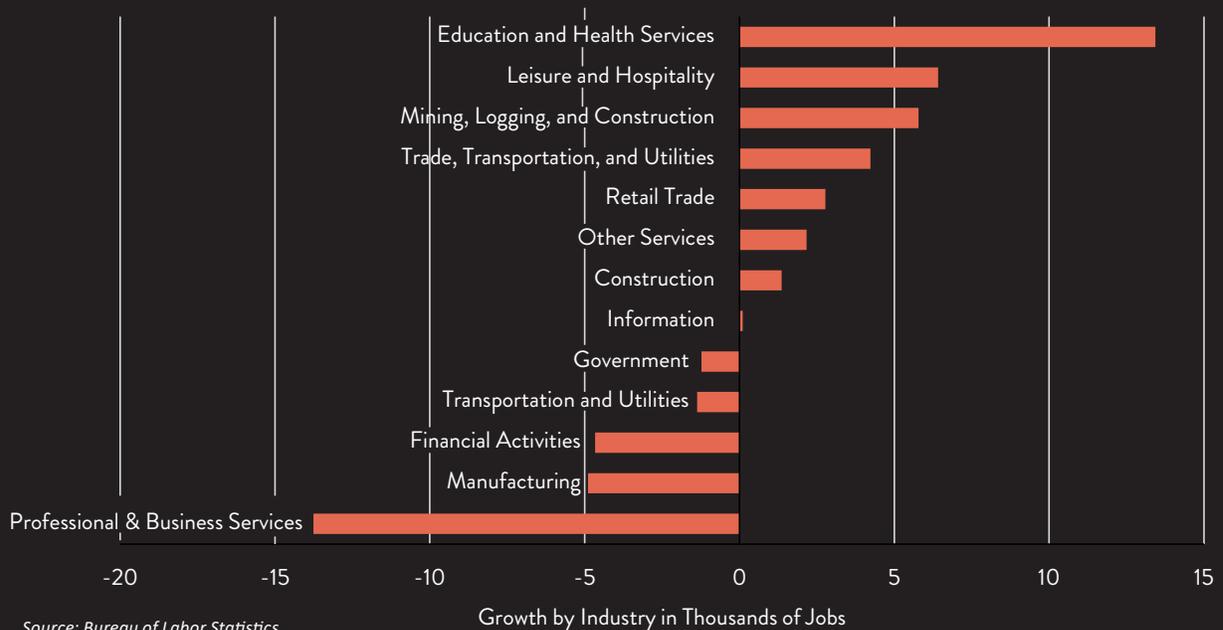
20,600 jobs

(0.5% growth)

While population growth in the metro appears strong, labor market conditions are normalizing, with 12-month employment growth slowing to 0.5% through November compared to 1.1% at the start of the year. Despite the moderation, DFW's 4.2% unemployment rate remains below the national 4.4% average. Broader headwinds include slowing migration and evolving federal policy. The Federal Reserve's modest rate cuts in late 2025 and a more cautious outlook could support future economic activity, though they also signal tempered near-term growth expectations.



### DFW Job Growth By Industry (NOV '24 - NOV '25)



Dallas–Fort Worth employment recorded net positive annual growth of 20,600 jobs through November. However, the pace of expansion continues to slow, with the annual growth rate edging closer to zero, suggesting the region may be nearing a cyclical peak in employment gains. Professional and business services led job losses, shedding nearly 14,000 positions over the trailing 12 months, while education and health services remained the primary driver of growth, adding approximately 13,400 jobs over the same period. These trends mirror national patterns, as sectors most exposed to A.I. are beginning to experience cooling. Importantly, DFW benefits from a strong pipeline of corporate headquarters and major office relocations, with 2025 announcements expected to support job growth and offset near-term weakness in automation-exposed roles.

# Dallas-Fort Worth Accolades

# #3

**Nationwide**  
FOR 12-MONTH  
POPULATION GROWTH

Dallas-Fort Worth is one of the nation's fastest-growing regions, driven by strong job and population growth. This has spurred mixed-use developments combining residential, office, and retail spaces in upscale urban areas.



## THE COST OF DOING BUSINESS

The Dallas-Fort Worth (DFW) area is a top business destination, offering a low cost of living, a business-friendly environment, and a strong workforce. While Dallas' business costs are on par with the national average, Fort Worth's are 3% lower due to lower taxes, labor, rent, and energy expenses. Recent population growth is also driving economic and commercial real estate growth in the region.

# #4

**IN THE COUNTRY**  
FOR 5-YEAR JOB GROWTH  
(4.3 million jobs)

# #1

**TOP CITY**  
TO MOVE A COMPANY

Dallas-Fort Worth is the top city in the country for relocating a business.

## 2025 HQ Relocation

ANNOUNCEMENTS



# 21

**Fortune 500**  
HEADQUARTERS

As of 2025 Dallas-Fort Worth has 21 Fortune 500 company headquarters and 6 headquarters among the global 500 companies.

Dallas-Fort Worth is one of two regions in the U.S. to host two Fortune 10 companies, globally only Beijing and Seattle are home to more. Revenues earned by Fortune 500 companies located in DFW total \$1.4 trillion.



# DFW's Global Center

# 3rd

**Busiest airport**  
**in the world**  
PASSENGERS

Dallas-Fort Worth International Airport is an economic engine for the region, generating \$38 billion in economic impact, supporting 634,000 full-time jobs and attracting \$24B in visitor spending.

As of 2024, Dallas-Fort Worth International Airport is the third-busiest airport globally. Its central location ensures all major U.S. cities are under four hours away by air. It remains one of Texas' two international gateway airports.

**240K**  
Daily Passengers

**12.4M**  
International  
Passengers

**818k**  
Total Cargo  
(in U.S. tons)

# Office Market Conditions

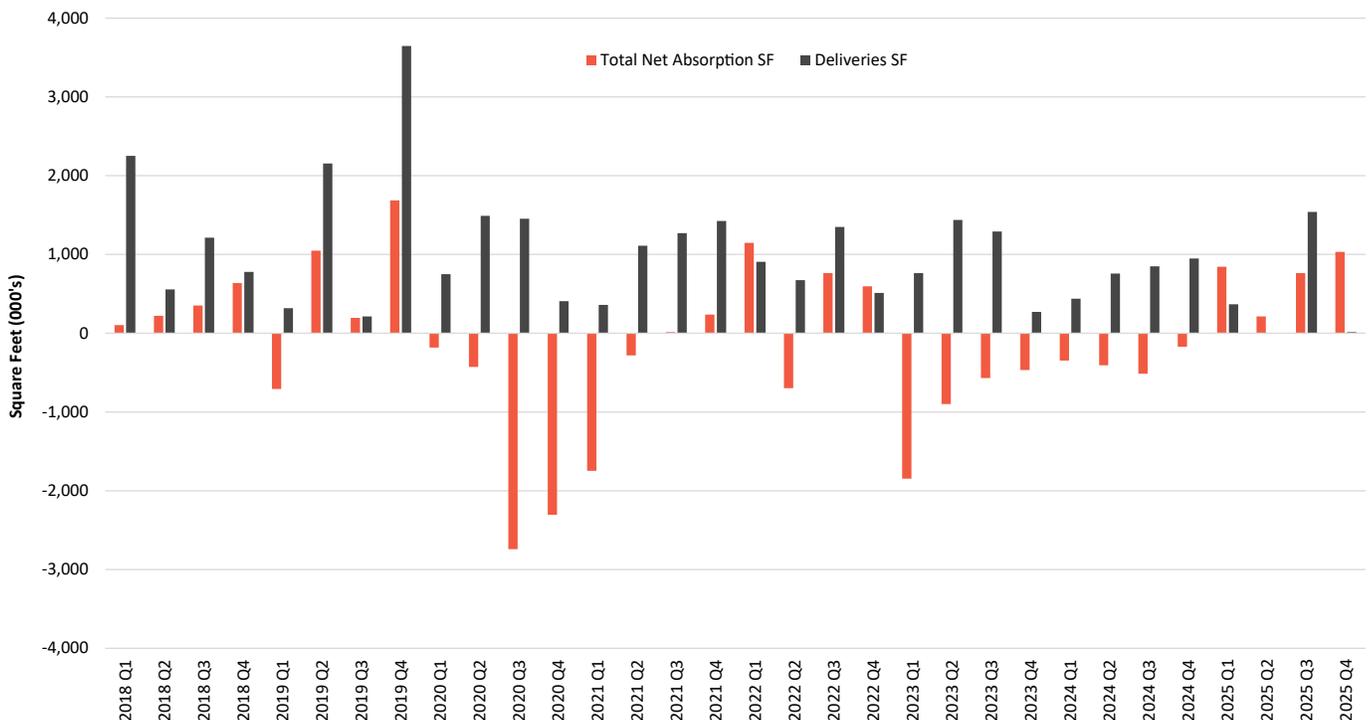
## Supply and Demand

Dallas–Fort Worth recorded its fourth consecutive quarter of positive office absorption, totaling 1.0 million SF in Q4 and 2.9 million SF for the full year, marking a clear inflection point following several years of net losses. Momentum during the fourth quarter was driven primarily by large-scale leasing activity from users occupying 100,000 SF or more, signaling renewed confidence among major corporate tenants. Notable move-ins included GEICO at Galatyn Commons B, AT&T at 2221 Lakeside, and Sally Hansen at the Liberty Mutual Campus in Plano, all part of broader consolidation strategies and return-to-office initiatives.

While the market saw several sizable move-outs, many reflected relocations into comparable or larger spaces rather than true contractions, supporting overall net absorption. PennyMac, for example, vacated the entire 125,000 SF building at 14800 Trinity Blvd while moving to 5025 Plano Pkwy in Austin Ranch with plans to further expand into the building and eventually occupy the full 300,000 SF. In contrast, Pioneer Natural Resources' staggered exit from 777 Hidden Ridge in Las Colinas weighed on absorption, as the company transitions its DFW office presence to Houston, with the 1.1 million SF single-tenant building expected to be fully vacated by the end of 2026.

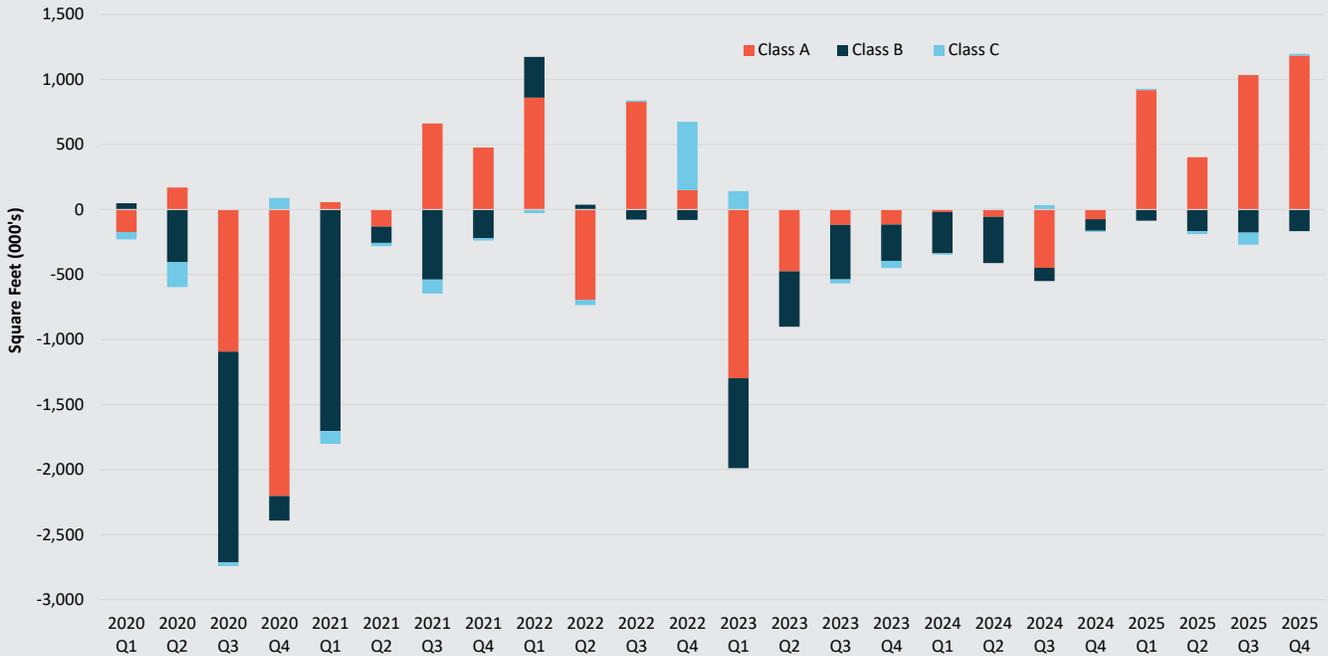
Investment activity mirrored improving occupancy fundamentals, with capital increasingly focused on well-located, high-quality assets and repositioning opportunities. Crescent Real Estate expanded its Uptown footprint with the acquisition of 2100 McKinney, while Provident Realty Advisors purchased 8401 N Central Expy to serve as its future headquarters. Additional transactions including Real Capital Solutions' acquisition of Walnut Glen and TRT Holdings' purchase of 750 N. St. Paul underscore continued investor appetite for value-add strategies, particularly in submarkets positioned to benefit from flight-to-quality demand.

## Net Absorption & Deliveries

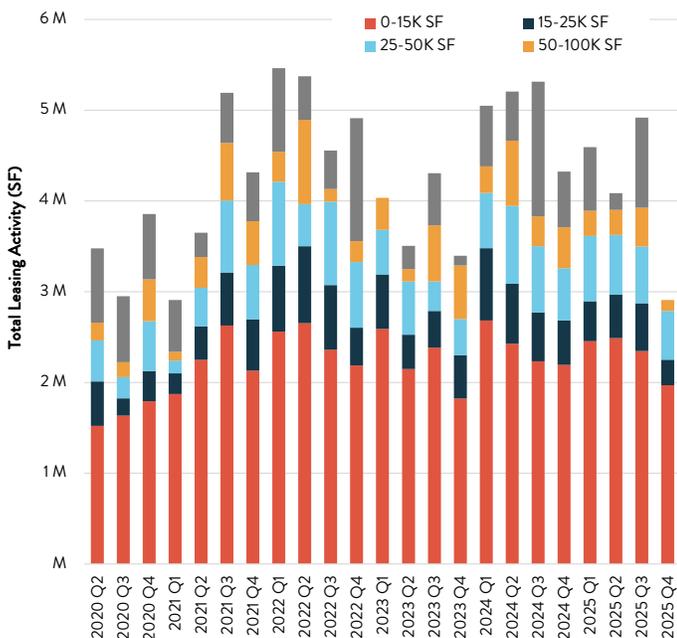


### Class Net Absorption

Total net absorption in Dallas–Fort Worth for 2025 was positive entirely due to Class A properties, which contributed 3.5 million SF of absorption for the year. In contrast, Class B and C assets experienced declines of 594,888 SF and 91,128 SF, respectively, highlighting the widening performance gap between top-tier and older office stock.



### Leasing Activity



Total leasing activity in Dallas–Fort Worth reached 16.5 million SF in 2025, with the Far North Dallas, Las Colinas, and Richardson/Plano submarkets accounting for over half of all activity. Notable fourth-quarter leases included Fujitsu’s 70,000 SF deal at Galatyn Commons, Unleashed Brands’ 51,000 SF lease at 600 ELC, and Newrez’s 47,000 SF lease at 3300 Olympus, all representing new commitments to the market. Active tenant demand for those seeking spaces of 15,000 SF or more ended the year at 6.3 million SF, up 91.5% from 2024 and the highest level since 2021. More than 36% of these tenants are pursuing requirements of 100,000 SF or more, with a strong concentration also in the 25,000–50,000 SF segment.

#### Q4 2025 NOTABLE LEASES

Tenant	Deal Size	Type	Building	Submarket
Fujitsu	70,000	New Lease	2380 Performance Dr	Richardson/Plano
Unleashed Brands	50,954	New Lease	600 ELC	Las Colinas
Newrez	47,000	New Lease	3300 Olympus	Las Colinas
CEC	45,050	New Lease	2380 Performance Dr	Richardson/Plano
SiriusXM	40,000	New Lease	350 Highland Dr	Lewisville/Denton
Progress Rail	26,813	New Lease	1900 W Kirkwood	Westlake/Grapevine



## Occupancy Trends

Office occupancy ticked up to 77.6% in the fourth quarter, a modest increase of 0.2 percentage points from the previous quarter. Growth was supported in part by significant absorption of second-generation office space, while ongoing demolitions and conversions into industrial or other uses are helping to remove obsolete inventory and improve overall vacancy metrics. Notable examples include the demolition of Three Metro Square's 165,000 SF A & B buildings along LBJ Freeway to make way for the Park Six35 industrial development. Further east on 635, H-E-B acquired 10 acres currently occupied by the 213,000 SF Commerce Plaza Hillcrest office park, which was recently approved for rezoning by the City of Dallas as their next grocery location.

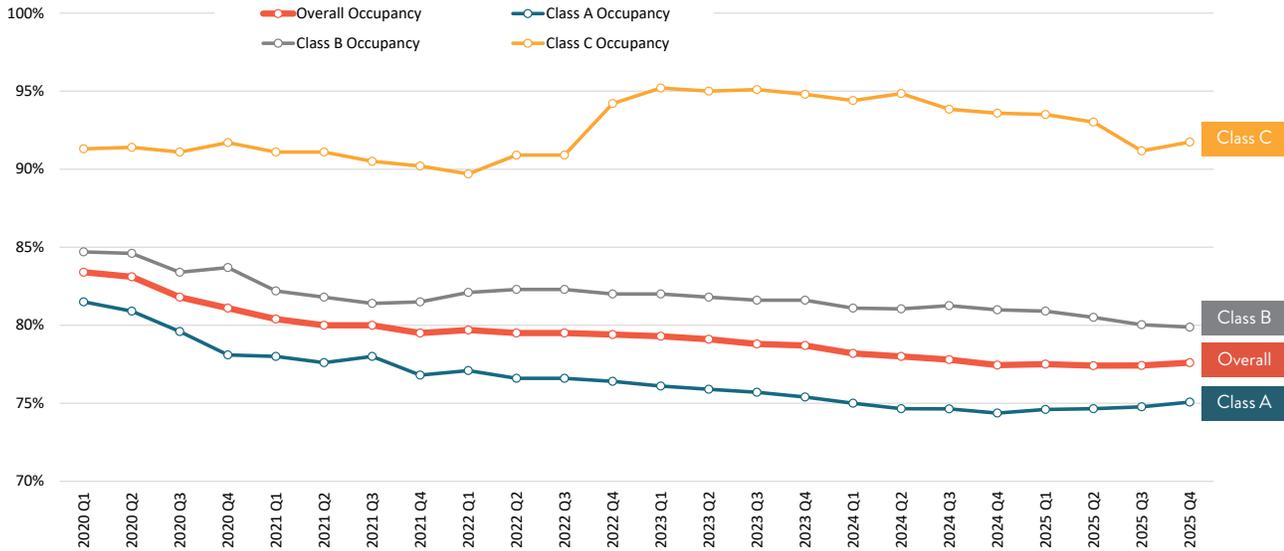
Within the Dallas CBD, long-term uncertainty persists as major tenants continue to reevaluate their office needs, highlighted by AT&T's announced relocation of its global headquarters to Plano's Legacy district. Although it remains unclear whether AT&T will vacate the more than 1.0 million SF it currently occupies in the CBD, potential repositioning opportunities could include converting the space into residential units or backfilling with a major civic tenant, such as a new Dallas City Hall. While these trends create challenges for the CBD, they also present opportunities to modernize the urban core and better align with evolving tenant and community demands.

### Occupancy Trends



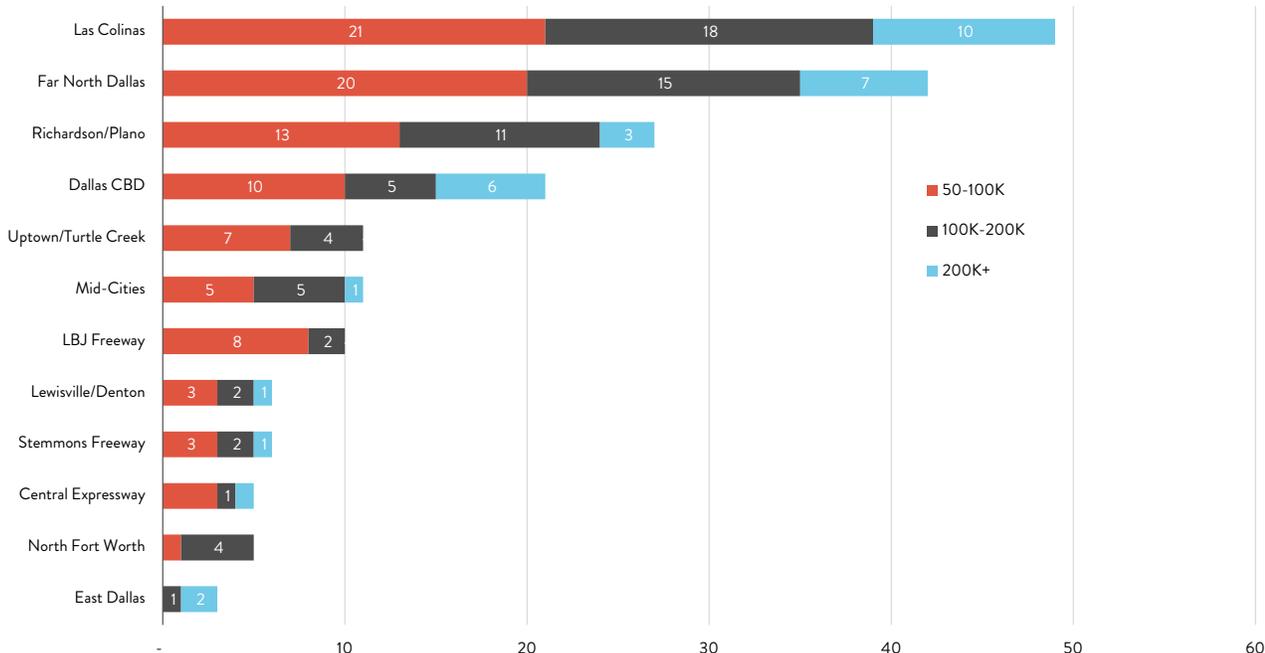
Class A office occupancy in Dallas–Fort Worth rose year-over-year (+0.7%) while, Class B and C occupancies declined (-1.1% and -1.8%, respectively), reflecting a continued flight-to-quality as tenants favor newer, higher-performing space. Despite the improvement, Class A still records the lowest overall occupancy of the three classes, primarily due to recent speculative deliveries that have yet to stabilize. Vacancy at several large, campus-style Class A properties further weighs on overall metrics, even as underlying demand trends continue to strengthen.

### Class Occupancy



The number of large blocks of direct and sublease space over 50,000 SF increased slightly to 197 blocks, or 2.1% quarter-over-quarter. At the same time, sublease availability fell to its lowest level since Q1 2021, totaling 7.0 million SF, or just 2.4% of total inventory. Las Colinas continues to hold the largest concentration of large blocks (50,000 SF and greater), including Pioneer Natural Resources’ 1.1 million SF block, which now represents the single largest availability by building in the DFW office market. While this elevated supply contributes to near-term vacancy pressure, it also enhances DFW’s competitive positioning for large users seeking immediate, high-quality space, supporting future relocation and expansion activity. Caterpillar, for example, has purchased the former VariSpace Coppell in Irving, adding 114,000 SF of office space to its existing footprint.

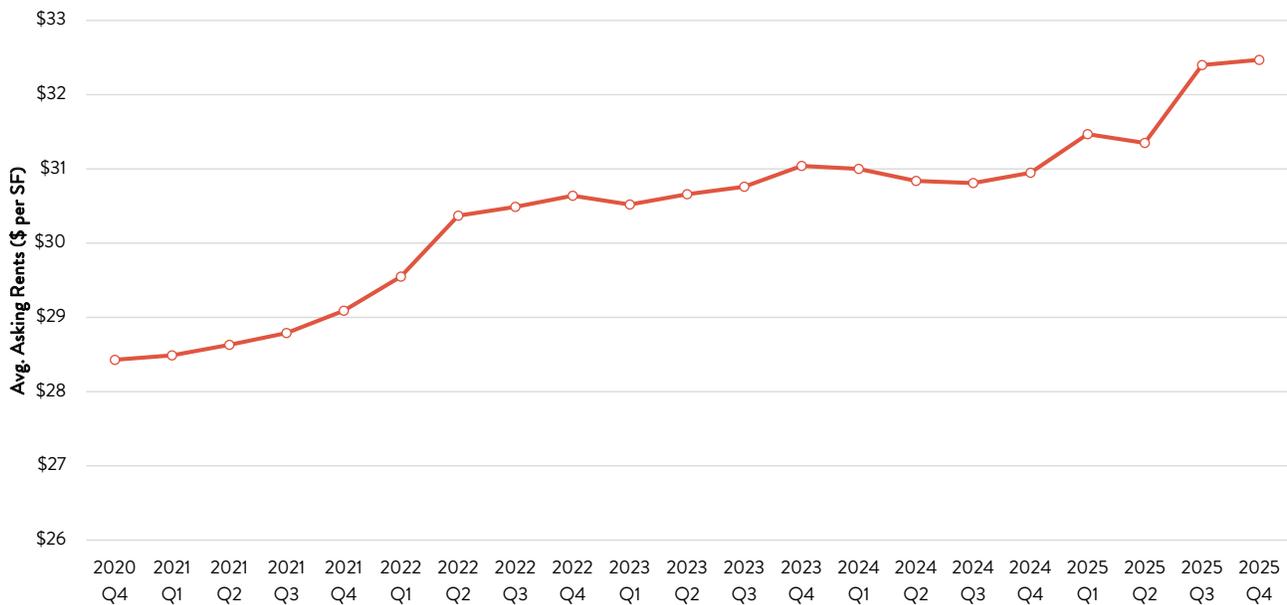
### Big Blocks of Space



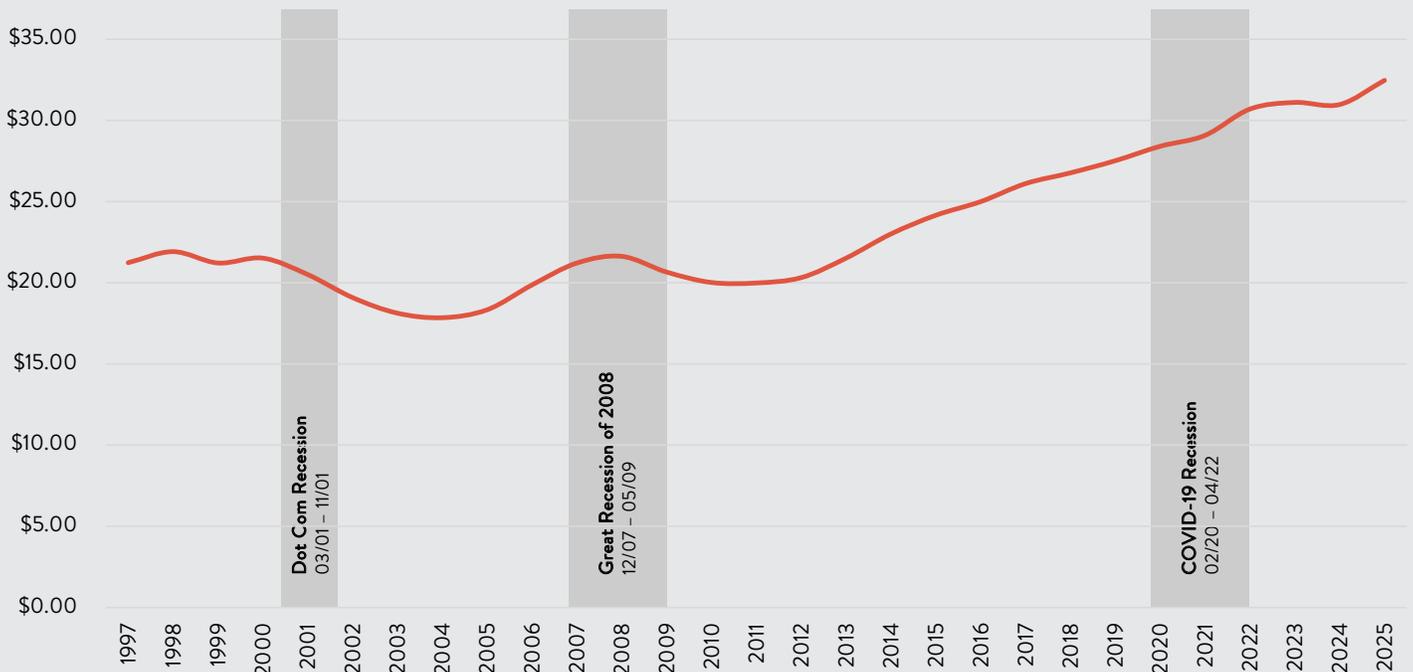
# Rental Rate Trends

Average asking rates in Dallas–Fort Worth increased once again in the fourth quarter, rising 0.2% quarter-over-quarter and 4.9% year-over-year to \$32.47 per SF (full service gross). Class A rents posted the strongest annual gains at 6.7%, compared to a 3.9% increase for Class B, further widening the rent gap between the two segments. Limited supply in DFW’s premier submarkets has resulted in significant rent growth, with Preston Center up 34.7% year-over-year to \$56.98/SF and Uptown increasing 21.6% to \$62.06/SF.

## Rental Rate Trends

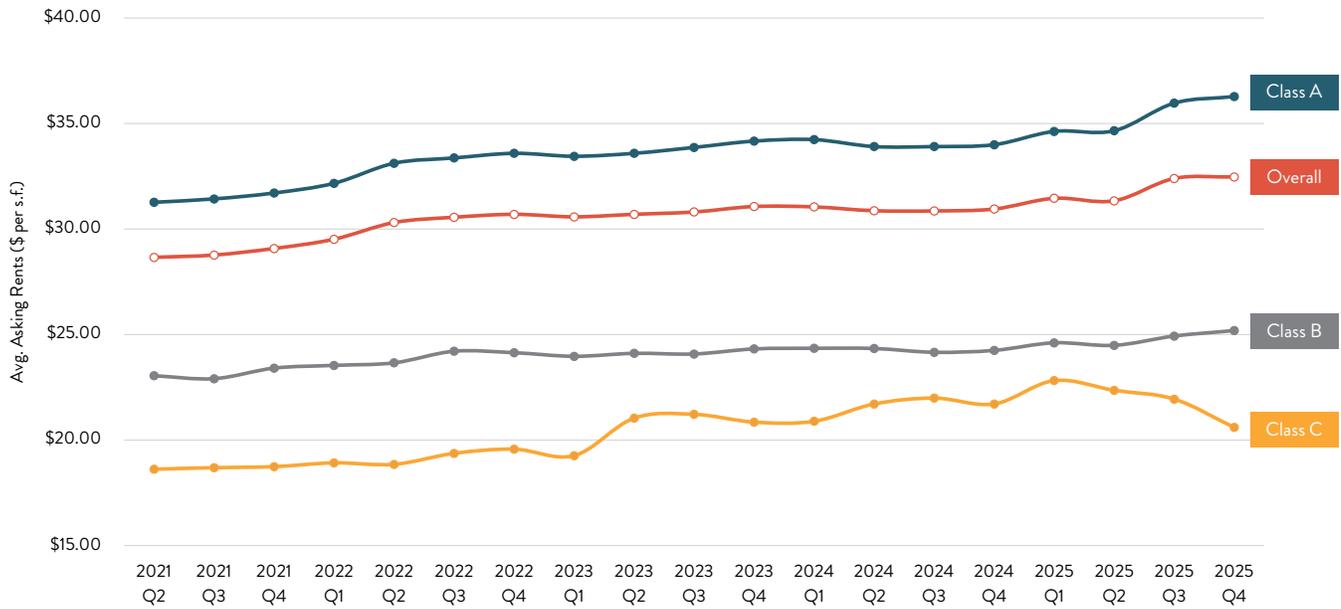


## Historical Rents

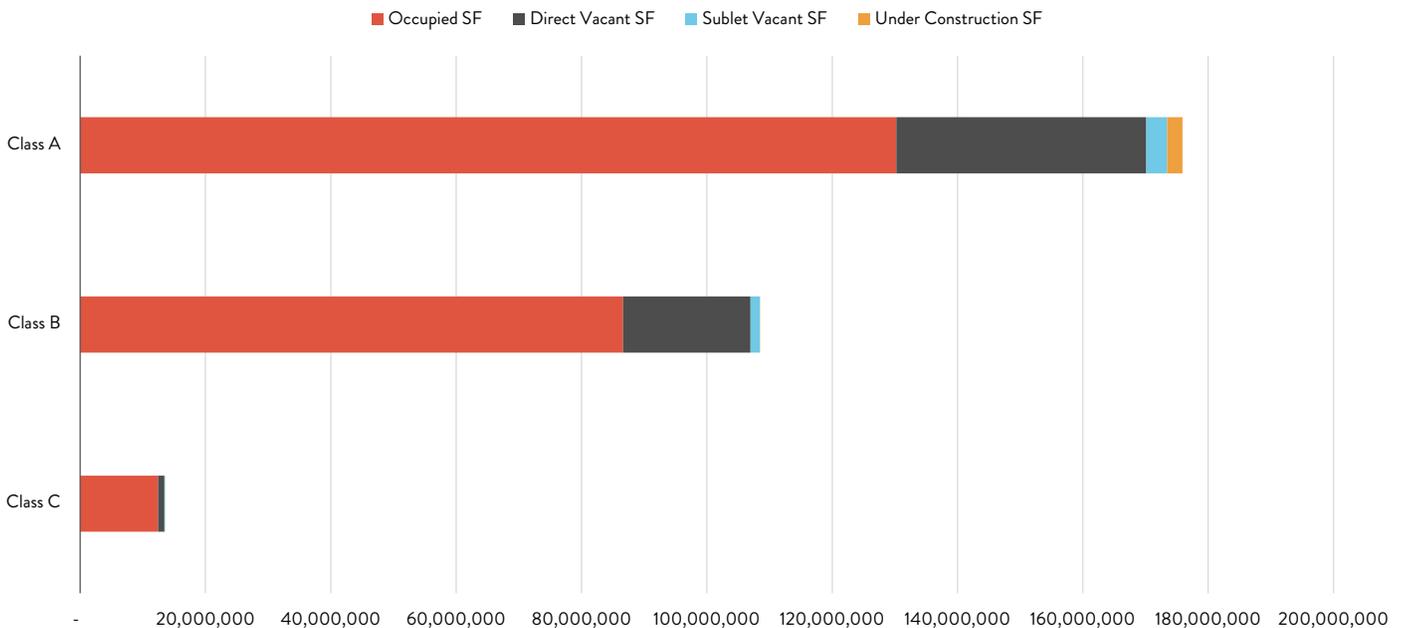


Overall asking rates, which are weighted on available space for all property classes, have increased by \$1.52 and can be broken down as year-over-year Class A rate increase of \$2.28, Class B rate increase of \$0.94, and Class C rate decrease of \$1.11.

### Class Rental Rates



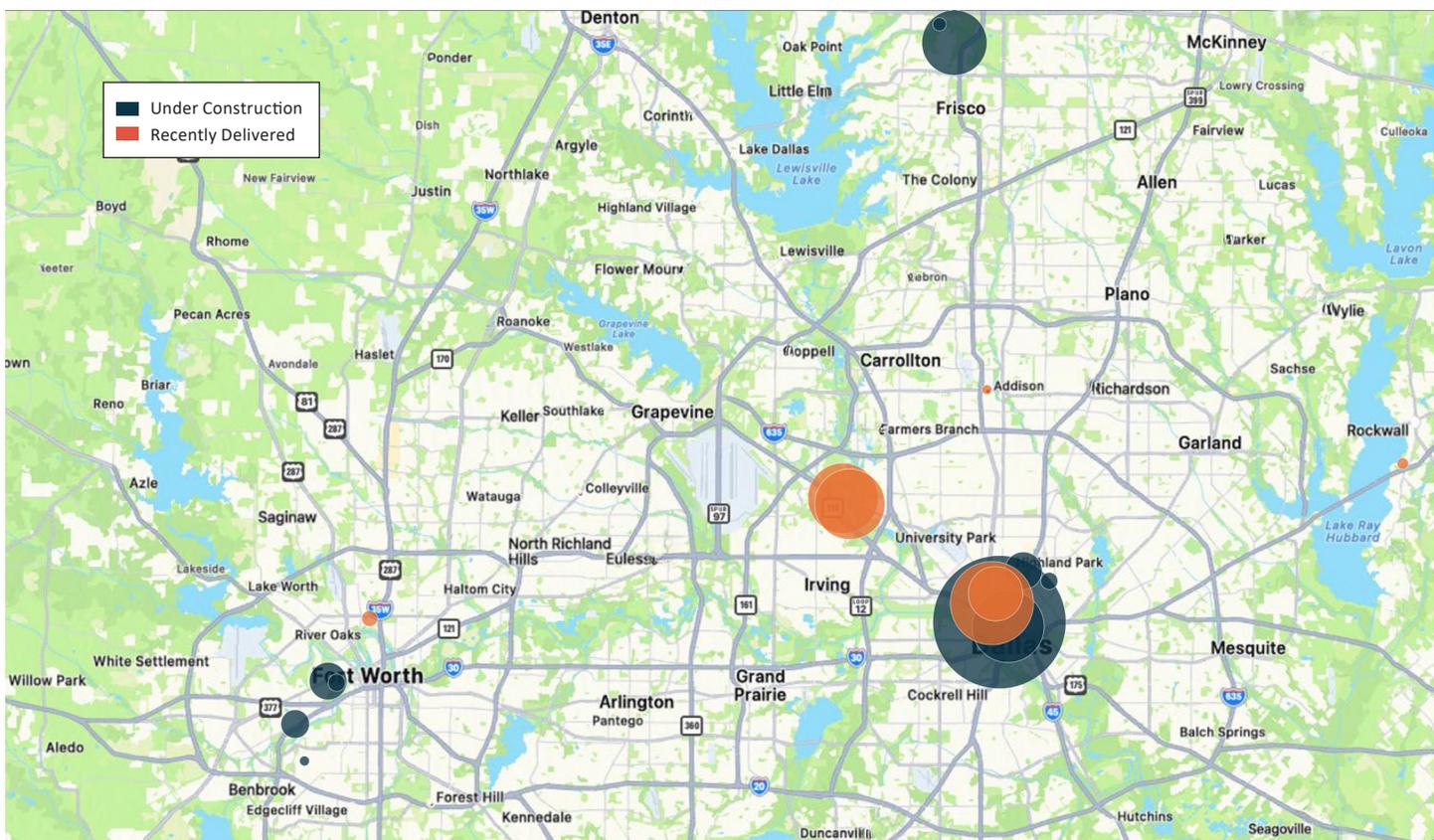
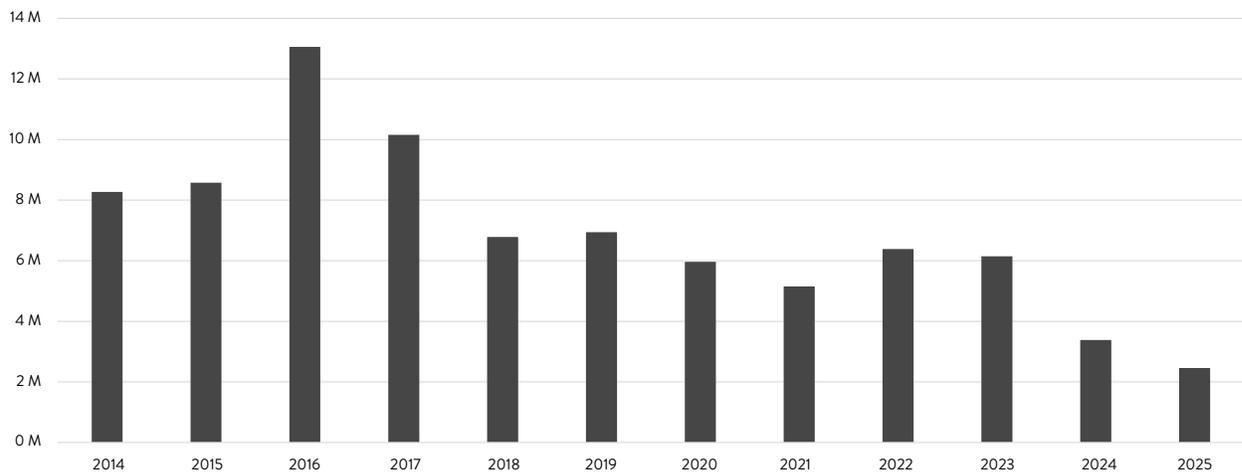
### Key Stats By Property Class (SF)



# DFW Construction Pipeline

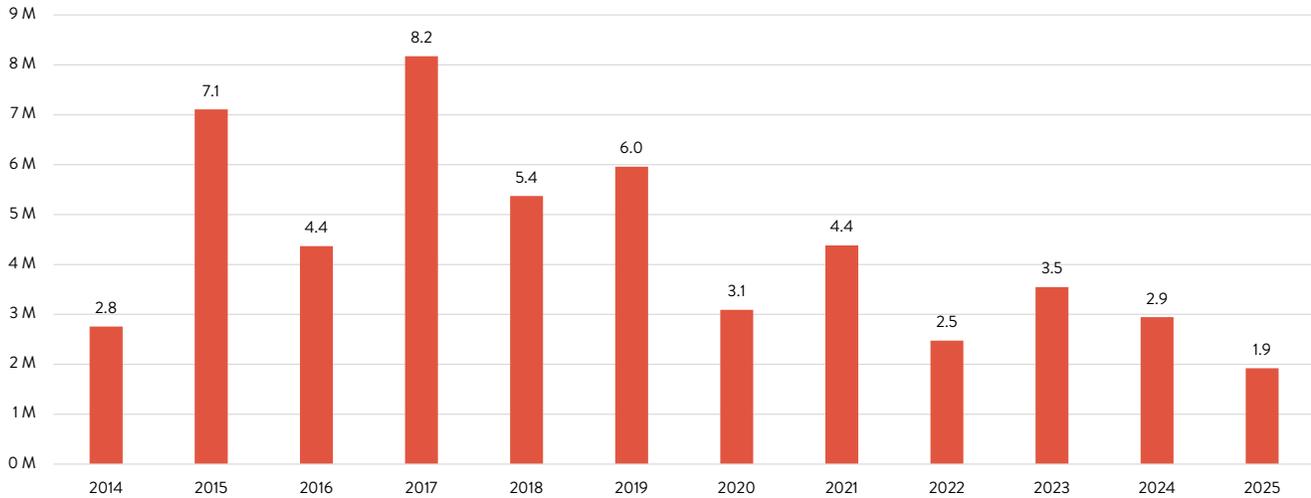
Nearly 2.0 million SF of office inventory delivered in 2025, averaging 83.8% leased at delivery, underscoring sustained tenant demand for new, high-quality product. Although deliveries marked a 10-year low—well below the 8.2 million SF peak in 2017—an additional 2.5 million SF remains under construction across Dallas–Fort Worth, with 57.6% pre-leased, including 530,000 SF scheduled to deliver in 2026. Notable expected 2026 deliveries include the fully leased The Knox in Preston Center, as well as Fort Worth’s The Van Zandt (speculative) and Building C2 located at Clearfork, which is 91.6% pre-leased to Wells Fargo. Hillwood Development recently stabilized Victory Commons One, signing Scotiabank and Lockton in 2025 and bringing the building to 90.4% leased. Building on that momentum, Hillwood has introduced Victory Commons Two, a proposed 350,000 SF spec office development slated to begin construction in 2027.

## Under Construction (SF)



# Recent Deliveries (SF)

2025



**23SPRINGS**

Uptown/Turtle Creek  
642,000 RBA  
Pre-leased: Bank OZK  
79,372 Avail. SF  
58.5% Leased  
\$72.00 - \$75.00 NNN  
Granite Properties



**OLD PARKLAND EAST CAMPUS**  
Uptown/Turtle Creek  
274,348 RBA  
19,578 Avail. SF  
79.6% Leased  
Withheld Rents  
Crow Holdings



**WELLS FARGO**  
Las Colinas  
850,000 RBA  
100% Leased  
Build-to-Suit  
Wells Fargo & Company



**ARMOUR BUILDING**  
North Fort Worth (Stockyards)  
57,254 RBA  
100% Leased  
U.S. Energy



**VILLAGE ON THE PARKWAY**  
Quorum/Bent Tree  
27,260 RBA  
100% Leased to Topaz Labs  
\$39.00 NNN  
VOP Partners, LLC

## Spec Under Construction



**HENDERSON EAST**  
Central Expressway  
78,758 RBA  
80,704 Avail. SF  
Withheld Rents  
Acadia Realty Trust  
& Ignite-Rebees



**VAN ZANDT**  
Southwest Fort Worth  
119,002 RBA  
113,536 Avail. SF  
Withheld Rents  
Goldenrod Companies

## Under Construction with Leases



**BOIA TOWER AT PARKSIDE**  
Uptown/Turtle Creek  
500,126 RBA  
47.6% Leased  
Pre-leased: BOA  
187,272 Avail. SF  
\$75.00 – 85.00 NNN  
Pacific Elm Properties



**GOLDMAN SACHS**  
Uptown/Turtle Creek  
800,000 RBA  
100% Leased  
Build-to-Suit  
Hunt Consolidated



**THE KNOX**  
Preston Center  
206,000 RBA  
Pre-Leased: ISN Software  
100% Pre-Leased  
MSD Partners, Trammell Crow  
Co., The Retail Connection and  
Highland Park Village Associates



**VERITEX COMMUNITY  
BANK**  
Far North Dallas/Frisco  
41,000 RBA  
68.9% Pre-Leased  
12,761 Avail. SF  
\$45.00 NNN  
Veritex Community Bank



**FIELDS WEST**  
Far North Dallas/Frisco  
451,036 RBA  
0.0% Pre-Leased  
451,036 Avail. SF  
Withheld  
Hunt Realty Investments



**CRESCENT OFFICES WEST**  
South Fort Worth  
172,000 RBA  
Pre-Leased: JP Morgan Chase  
98,000 Avail. SF  
\$59.00 NNN  
Crescent Real Estate



**CLEARFORK C2**  
South Fort Worth  
72,000 RBA  
Pre-Leased: Wells Fargo Bank  
6,056 Avail. SF  
Withheld Rents  
Cassco/Simon

# Proposed Construction



**KNOX & MCKINNEY**

Preston Center  
276,919 RBA  
271,786 Avail. SF  
Trammell Crow Co.  
BDT & MSD Partners



**HALL PARK PHASE II**  
(Kaleidoscope Park Expansion)  
Far North Dallas/Frisco  
520,000 RBA  
520,000 Avail. SF  
Hall Group



**CHALK HILL**  
Uptown/Turtle Creek  
420,000 RBA  
406,947 Avail. SF  
Withheld Rents  
Kaizen



**HARWOOD NO. 15**  
Uptown/Turtle Creek  
340,022 RBA  
Withheld Rents  
Harwood International



**THE IVY**  
North Central Expressway  
269,472 RBA  
191,050 Max Avail. SF  
\$75.00 NNN  
PacElm Properties



**VICTORY COMMONS TWO**  
Uptown/Turtle Creek  
347,807 RBA  
329,645 Avail. SF  
Withheld Rents  
Hillwood Development



**SOUTHSTONE YARDS - PH II**  
Far North Dallas/Frisco  
338,000 RBA  
Crow Holdings



**8300 DOUGLAS**  
Preston Center  
316,027 RBA  
297,131 Max Avail.  
Withheld Rents  
Ramrock Real Estate



**ONE UNIVERSITY**  
South Fort Worth  
130,000 RBA  
116,044 Avail. SF  
Withheld Rents  
Goldenrod Companies

# Capital Markets

The fourth quarter concluded with a number of notable transactions closing, alongside a palpable uptick in investor activity and overall market engagement. More telling than the volume of completed sales, however, was the significant number of institutional-quality office assets brought to market, including Williams Square, The Colonnade, Meadow Park Tower, and Pinnacle Tower. The willingness of institutional owners to test the market signals growing confidence in Dallas–Fort Worth as a preferred destination for long-term office capital.

Looking back at 2025, pricing clarity has begun to emerge, with both the ceiling and floor for office values increasingly well defined. While assets in the middle of the quality spectrum continue to work through price discovery, buyer and seller expectations are gradually aligning, allowing the market to function more efficiently. Recent interest rate cuts by the Federal Reserve have supported buyer underwriting assumptions and improved deal feasibility, though they have not yet translated into meaningfully higher pricing.

Looking ahead to 2026, investor appetite for office assets appears to be rebounding from the prolonged slowdown of recent years, supported by improved sentiment, greater transparency, and renewed conviction in well-located, institutional-grade properties.

## Notable Q4 2025 Office Investment Sales Transactions

- 2100 McKinney (2100 McKinney Ave)– Crescent
- Walnut Glen Tower (8144 Walnut Hill Ln) – Real Capital Solutions
- One Triumph Place (8401 N Central Expy) – Provident
- St. Paul Place (750 N Saint Paul St) - TRT

## REIT PERFORMANCE YTD THROUGH 11/30/25

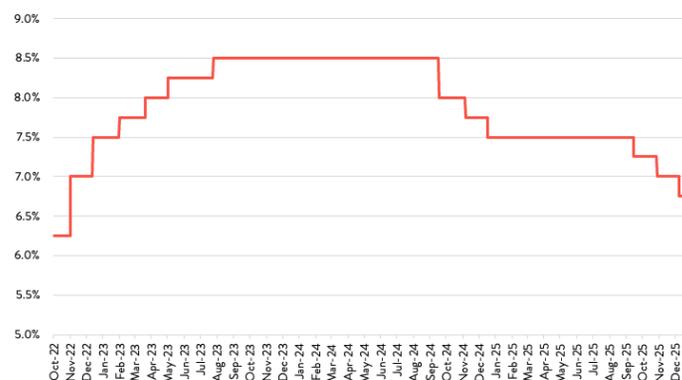
PROPERTY TYPE	AVG. RETURN	NUMBER OF REITs
Office	-18.35%	21
Land	-15.55%	3
Single Family Housing	-15.31%	3
Infrastructure	-14.17%	6
Data Center	-13.93%	3
Shopping Center	-10.27%	17
Multifamily	-9.34%	12
Timber	-6.49%	3
Self-Storage	-6.19%	6
Hotel	-6.19%	15
Diversified	-5.75%	13
Manufactured Housing	-2.58%	3
Casino	-1.21%	2
Triple Net	3.29%	17
Industrial	5.30%	13
Malls	8.74%	3
Advertising	24.67%	2
Health Care	30.53%	17
<b>REIT Average</b>	<b>-2.55%</b>	<b>159</b>

Source: S&P Global Market Intelligence LLC

## 10-Year Treasury Bond Rate



## Bank Prime Loan Rate Changes: Historical Dates of Changes and Rates



Source: Board of Governors of the Federal Reserve System (US)

# Submarkets

SUBMARKET	INVENTORY		VACANCY		NET ABSORPTION SF		COMPLETIONS		UNDER CONSTRUCTION	ASKING RENT
	# OF BLDGS	TOTAL SF	TOTAL SF	RATE	CURRENT QTR	YTD	CURRENT QTR	YTD	AT END OF CURRENT QTR	WTD. AVG. (FS/G)
CENTRAL EXPRESSWAY	72	11,445,111	2,913,918	25.5%	-56,655	-37,695	-	-	78,758	\$36.02
DALLAS CBD	86	31,744,730	8,978,592	28.3%	38,831	-337,008	-	-	-	\$31.10
EAST DALLAS	103	5,309,317	1,056,631	19.9%	-1,690	-371	-	20,000	16,270	\$35.73
FAR NORTH DALLAS	394	65,004,068	16,140,873	24.8%	614,732	1,541,086	-	27,260	492,036	\$35.88
FORT WORTH CBD	51	9,475,654	1,029,540	10.9%	21,928	83,667	-	-	-	\$33.29
LAS COLINAS	287	41,850,372	11,253,162	26.9%	-306,712	324,703	-	850,000	-	\$27.47
LBJ FREEWAY	126	19,331,931	4,938,509	25.5%	85,333	165,996	-	-	-	\$26.23
LEWISVILLE/DENTON	103	5,430,572	955,082	17.6%	37,702	38,014	-	-	-	\$27.21
MID-CITIES	274	23,245,590	3,707,758	16.0%	-87,806	50,719	-	-	-	\$25.09
NORTH FORT WORTH	42	3,662,276	475,325	13.0%	15,557	70,331	-	57,254	-	\$24.29
NORTHEAST FORT WORTH	38	3,297,995	862,464	26.2%	-6,999	-525,922	-	-	-	\$26.21
PRESTON CENTER	49	6,561,072	506,310	7.7%	57,816	185,684	-	-	206,000	\$56.98
RICHARDSON/PLANO	284	31,161,261	5,603,989	18.0%	493,342	735,148	-	36,193	-	\$26.73
SOUTH FORT WORTH	151	9,657,533	1,097,666	11.4%	58,138	271,217	15,000	15,000	363,002	\$29.95
SOUTHWEST DALLAS	44	2,645,148	558,825	21.1%	3,414	12,041	-	-	-	\$23.66
STEMMONS FREEWAY	79	8,270,200	2,136,942	25.8%	-11,451	4,017	-	-	-	\$20.69
UPTOWN/TURTLE CREEK	99	17,382,049	3,962,840	22.8%	75,942	268,848	-	916,348	1,300,126	\$62.06
<b>TOTAL</b>	<b>2,282</b>	<b>295,474,879</b>	<b>66,178,426</b>	<b>22.4%</b>	<b>1,031,422</b>	<b>2,850,475</b>	<b>15,000</b>	<b>1,922,055</b>	<b>2,456,192</b>	<b>\$32.47</b>
CLASS A	643	173,459,570	43,238,042	24.9%	1,183,977	3,536,491	15,000	1,902,055	2,439,922	\$36.28
CLASS B	1,338	108,457,223	21,820,386	20.1%	-165,890	-594,888	-	20,000	16,270	\$25.19
CLASS C	301	13,558,086	1,119,998	8.3%	13,335	-91,128	-	-	-	\$20.60
<b>TOTAL DFW</b>	<b>2,282</b>	<b>295,474,879</b>	<b>66,178,426</b>	<b>22.4%</b>	<b>1,031,422</b>	<b>2,850,475</b>	<b>15,000</b>	<b>1,922,055</b>	<b>2,456,192</b>	<b>\$32.47</b>

\* 100% Pre-Leased Construction

Younger Partners' research is based on the CoStar office building database. Inventory includes office buildings containing at least 15,000 rentable square feet; single tenant, multi-tenant, and owner-occupied; class A, B, and C; existing, under construction, or under renovation; and excludes medical office buildings and data centers.

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