



DALLAS-FORT WORTH
OFFICE MARKET REPORT
1st QUARTER 2026



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Strong Leasing Momentum
and Steady Employment
Growth Signal Gradual
Stabilization in Q1.

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Economic Conditions

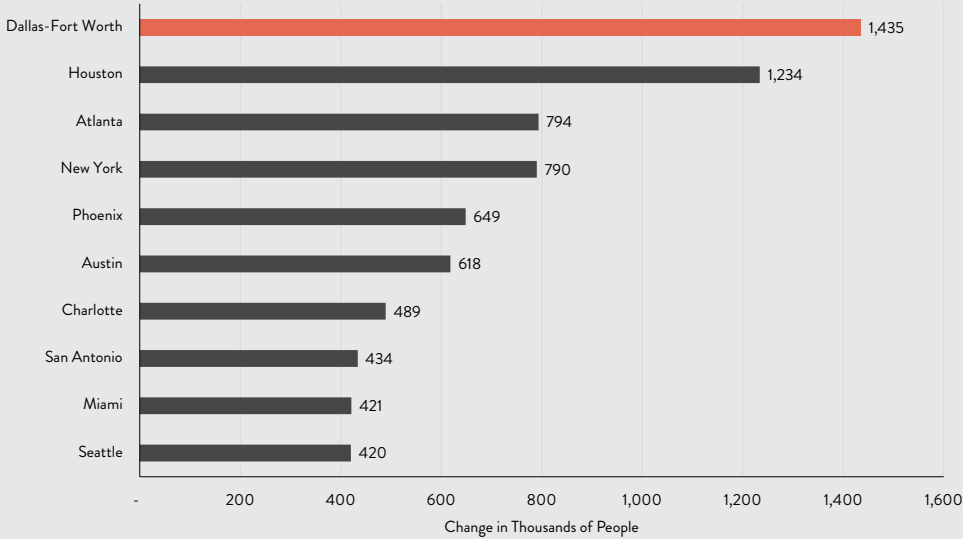
Population and Employment

The Dallas–Fort Worth economy remains resilient heading into 2026, following a flat 2025, adding 11,600 jobs in January alone (+1.0%). Population growth moderated in 2025, bringing the Dallas–Fort Worth metroplex to 8.5 million residents, still ranking it as the fourth-largest metro in the nation after New York, Los Angeles, and Chicago. Employment data has now been updated through January 2026 following recent delays tied to disruptions at the Bureau of Labor Statistics, largely stemming from the federal government shutdown. Stabilization in oil prices remains critical to easing cost pressures on consumers and businesses, while elevated inflation continues to cloud Federal Reserve policy expectations and near-term decision-making.



Dallas-Fort Worth Population Growth 2015-2025

2025 Population: 8.5 million



Source: U.S. Bureau of Labor Statistics (2025)



10-Year Change

2015-2025

1.4 million people
(20.4% growth)

(Avg. 1.9% annually)



12-Month Change

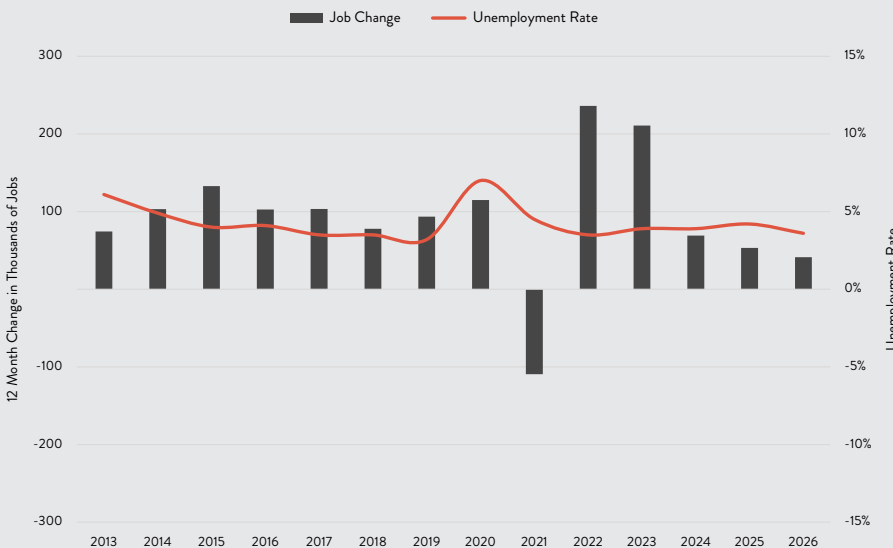
2024-2025

123,560 people
(1.5% growth)

Over the past decade, the Dallas-Fort Worth metroplex has consistently ranked first nationally in numeric population growth, driven by strong domestic in-migration and historically robust international inflows. However, more recent data from 2024–2025 shows DFW added roughly 124,000 residents but fell to second place behind Houston metro area. This deceleration reflects a broader slowdown in international migration which has long been a key driver of growth, reducing overall gains even as the region remains among the fastest growing in the U.S.

Dallas-Fort Worth Net Job Growth and Unemployment Rate

4.3 million jobs | 3.6% unemployment rate



Source: U.S. Bureau of Labor Statistics



12-Month Job Gains

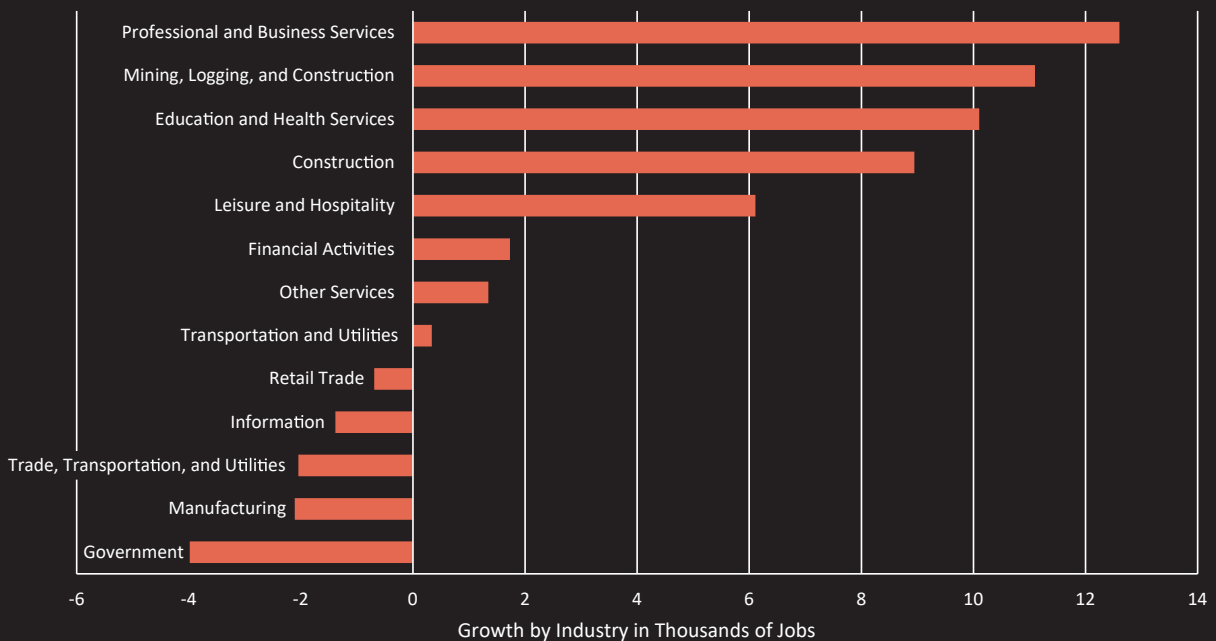
41,200 jobs

(1.0% growth)

Momentum in AI-related investment is expected to support construction and infrastructure employment, particularly tied to data center development. Per Indeed’s Hiring Lab data, job postings have decreased 5.2% year-over-year, while remote job postings increased 0.7 percentage points and jobs mentioning AI have risen 2.2 points. The unemployment rate dropped to 3.6% at the end of 2025, largely driven by seasonal patterns. While rate cuts were previously expected for 2026, persistent inflation tied to geopolitical tensions has led economists at JPMorgan to expect zero cuts for the year, likely keeping pressure on construction and investment sales particularly in the office sector.



DFW Job Growth By Industry (JAN '25 - JAN '26)



Source: Bureau of Labor Statistics

Dallas–Fort Worth employment reached 4.3 million in January 2026, reflecting 1.0% year-over-year growth. While job expansion has moderated compared to prior years, the region continues to outperform many major metros nationwide. After several months of losses, the professional and business services sector rebounded to lead 12-month job growth, adding 12,600 positions through January. Additional gains were seen in construction, education and health services, and leisure and hospitality, pointing to steady population-driven demand and ongoing development activity. In contrast, government, manufacturing, and information services recorded declines, highlighting continued softness in certain office-using and production sectors. According to the Federal Reserve Bank of Dallas, Texas is projected to add 278,400 jobs in 2026, reinforcing expectations for continued, though slower, economic expansion across the region.

Dallas-Fort Worth Accolades

#2

Nationwide

FOR 12-MONTH POPULATION GROWTH (2024-2025)

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.



DFW BUSINESS ADVANTAGE

The Dallas-Fort Worth (DFW) metroplex is a premier business destination with a pro-business environment, competitive costs, and a strong workforce; while Dallas aligns with national averages, Fort Worth offers roughly 3% lower business costs driven by savings in taxes, labor, rent, and energy, and continued population growth is fueling economic expansion and increasing demand for commercial real estate, reinforcing DFW's position as a leading U.S. market.

21

Fortune 500

HEADQUARTERS

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

#1

TOP METRO

TO LOCATE CORPORATE HEADQUARTERS

Dallas-Fort Worth is the top metro to locate a corporate headquarters.

2026 HQ Relocation

ANNOUNCEMENTS



The Dallas-Fort Worth metroplex is a major corporate hub, home to 21 Fortune 500 headquarters as of 2025, and generates approximately \$1.4 trillion in Fortune 500 revenue.

#3

IN THE COUNTRY

FOR 5-YEAR JOB GROWTH (598,000 jobs)



DFW's Global Center

4th

Busiest airport in the world

PASSENGERS

Dallas-Fort Worth International Airport is an economic engine for the region, generating \$78 billion in economic impact, supporting 634,000 full-time jobs and attracting \$18B in visitor spending.

As of 2026, Dallas-Fort Worth International Airport is the fourth-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.

235K

Daily Passengers

12.7M

International Passengers

858k

Total Cargo (in U.S. tons)

Office Market Conditions

Supply and Demand

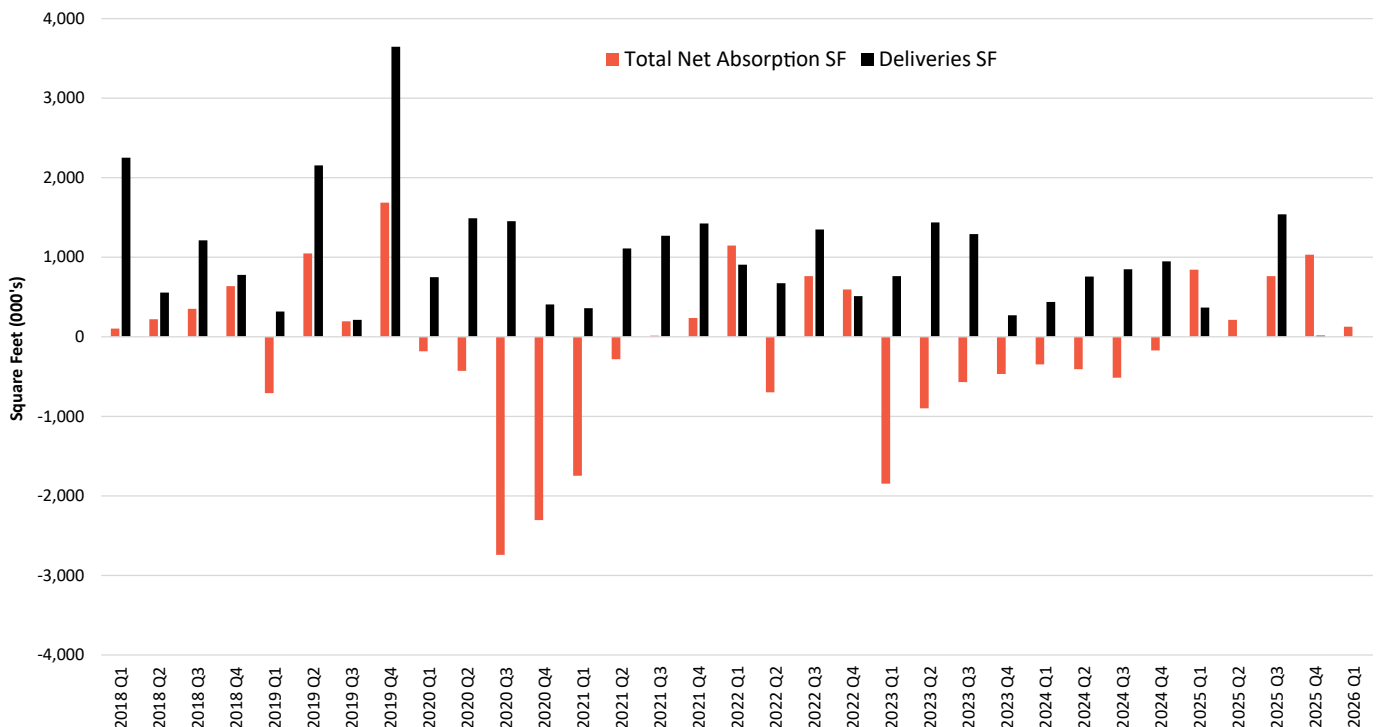
Dallas–Fort Worth’s office market saw a notable uptick in activity to start 2026, with Q1 leasing volume rebounding to 4.5M SF, up 45% quarter-over-quarter. Demand was primarily driven by small- to mid-sized tenants, though several large-block deals contributed meaningfully to overall volume, including GEICO’s 206,000 SF lease at Galatyn Commons D in Richardson.

Overall net absorption remained relatively flat at 126,040 SF as new move-ins were offset by ongoing space givebacks, underscoring a market still in transition. The most notable vacancy this quarter stemmed from Pioneer Natural Resources’ second and final phase of its exit from its 1.1 million SF campus at 777 Hidden Ridge in Las Colinas. This drove Class A net absorption to -45,556 SF, its first negative reading since Q4 2024. However, Class A space in buildings delivered within the past five years recorded 437,000 SF of positive absorption, underscoring continued strength in newer trophy assets and further tightening vacancy within top-tier inventory.

Professional and financial services firms were especially active, with “Y’all Street” continuing to gain traction as a regional hub. Goldman Sachs and Bank of America continue to advance their respective Uptown developments, while Morgan Stanley is positioning its 120,000 SF lease at Fountain Place in the CBD as an initial foothold for broader expansion in the region, including its ongoing consideration of 2401 McKinney, a proposed office tower on the current Truluck’s site in Uptown.

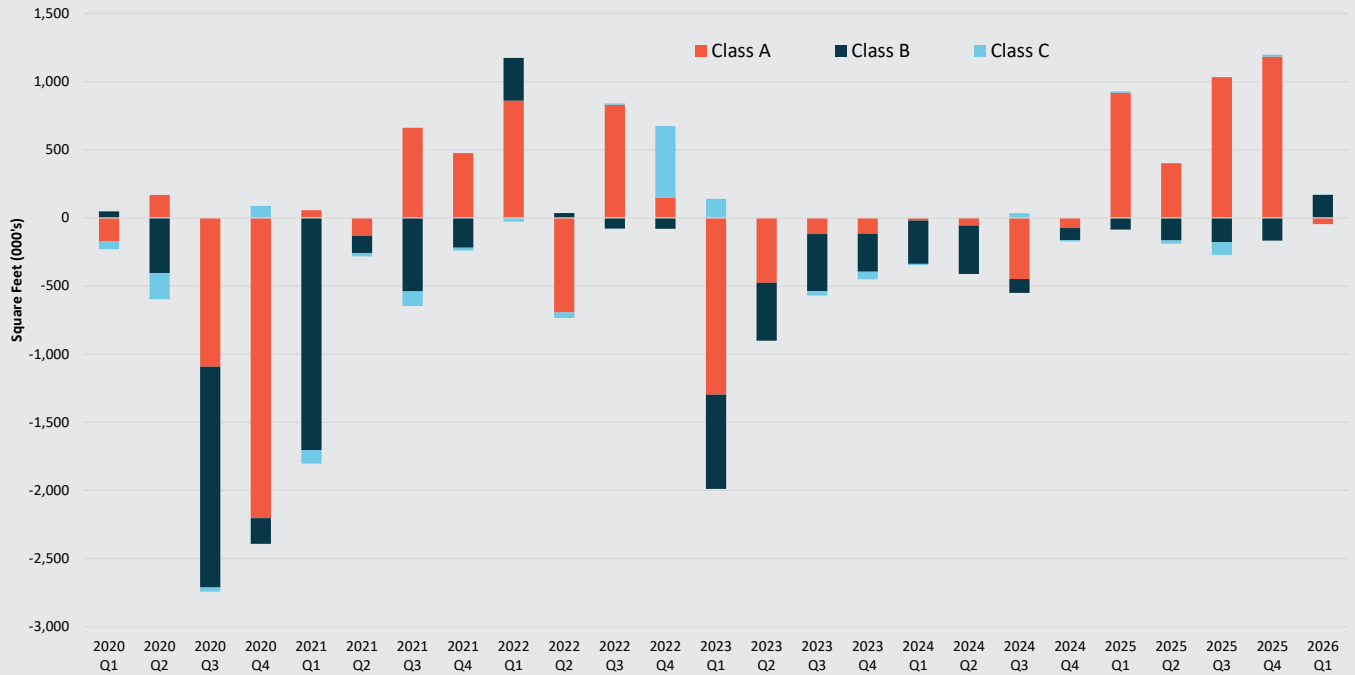
Investment sales activity remains muted but is beginning to show early signs of price discovery as buyers and sellers narrow expectations, though rising geopolitical tensions could introduce additional volatility. Transaction volume remains well below historical averages, with capital primarily targeting high-quality, well-leased assets or discounted value-add opportunities. Distress and upcoming loan maturities are expected to drive additional activity through 2026, particularly among underperforming properties.

Net Absorption & Deliveries

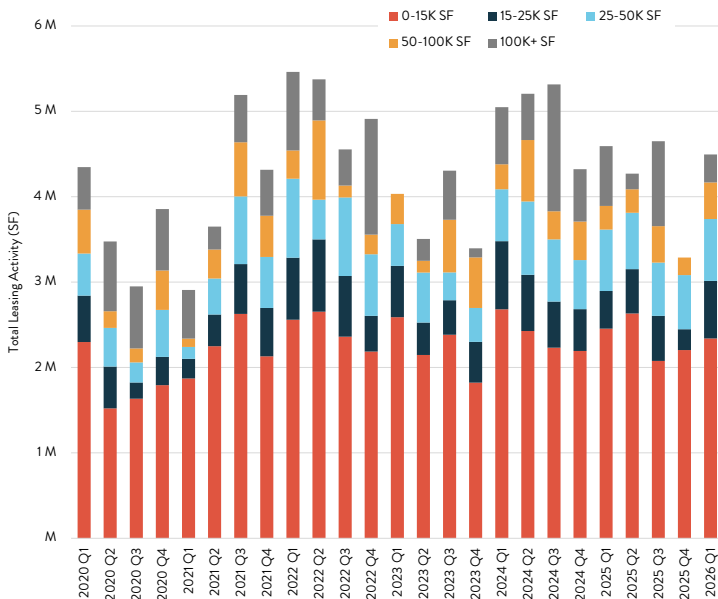


Class Net Absorption

Total net absorption in Dallas–Fort Worth for Q1 2026 was slightly positive, led by the Class B sector, which recorded 168,956 SF of absorption year-to-date. In contrast, Class A posted negative 45,556 SF, while Class C remained essentially flat. Excluding Pioneer Resources, however, Class A absorption would have been positive, supported by several notable move-ins, including Pennymac’s Phase II, 150,000 SF occupancy at 5025 Plano Parkway, Sidley Austin’s 118,000 SF move-in at 23Springs, and a combined 100,000 SF from Simpson Strong-Tie and Lockton at Granite Park Six.



Leasing Activity



Leasing activity rebounded in Q1 2026, reaching 4.5 million SF following a two-year low of 3.3 million SF in Q4 2025. This recovery pushed quarterly volume slightly above the five-year average of 4.4 million SF, signaling renewed tenant engagement after a period of hesitation. The uptick was largely driven by new demand, with more than 90% of deals signed classified as new leases rather than renewals. Activity was particularly concentrated in the Far North Dallas submarket, highlighted by commitments from Public Storage and PowerSchool. Of the 51 tenants currently in the market for spaces 15,000 SF or larger, over 37% are pursuing requirements exceeding 100,000 SF, positioning the market for continued leasing momentum through 2026.

Q1 2026 NOTABLE LEASES

Tenant	Deal Size	Type	Building	Submarket
GEICO	205,376	New Lease	Galatyn Commons D	Richardson/Plano
Public Storage	122,500	New Lease	Hall Park G3	Frisco/The Colony
PowerSchool	79,371	New Lease	The Apex I at Legacy	Upper Tollway/West Plano
Jones Day	76,037	New Lease	Knox & McKinney	Preston Center
Yardi	70,102	Sublease	Liberty Mutual Campus	Upper Tollway/West Plano
Planet Home Lending	55,252	New Lease	Interlink I	Las Colinas

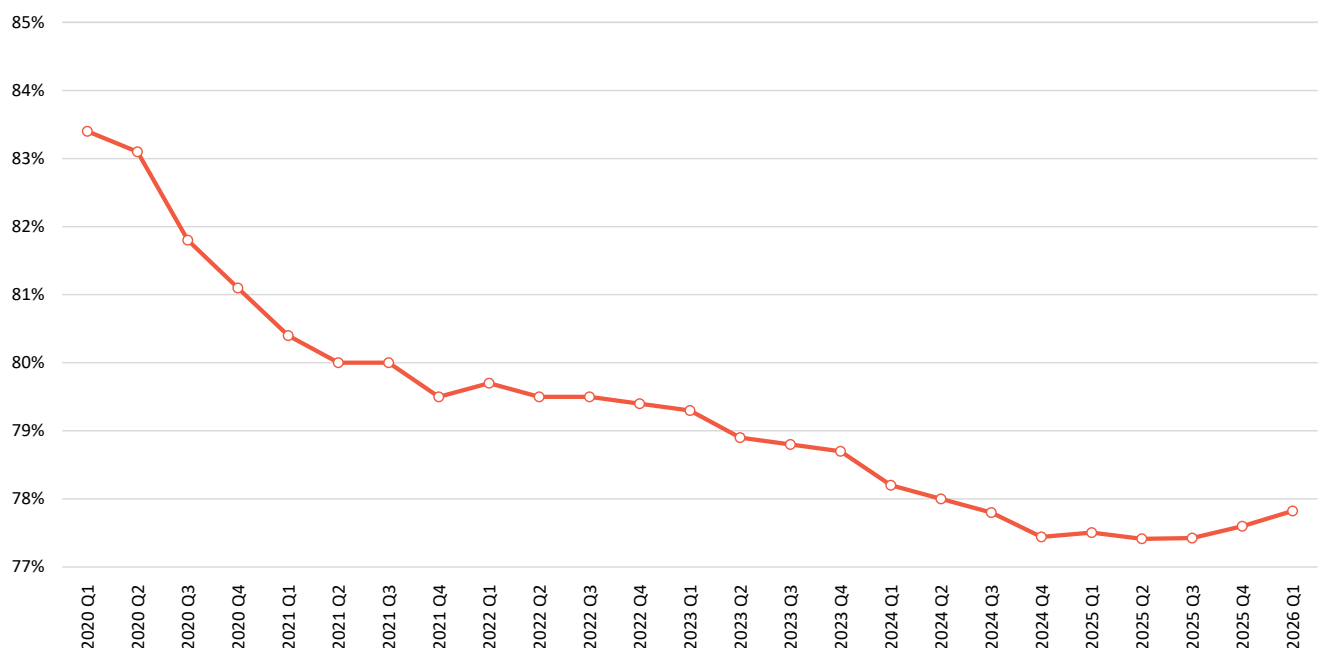


Occupancy Trends

Office occupancy in Dallas–Fort Worth increased for a second consecutive quarter, rising 0.2% quarter-over-quarter to 77.8%, signaling modest stabilization after prolonged softness. However, buildings with occupancy levels at or below 75% continue to account for a growing share of underutilized space, with nearly 30% of DFW office properties falling into this category as of Q1 2026, up from roughly 25% in 2019. More than 76% of all available space is now concentrated within these lower-occupancy assets, underscoring a widening divide between competitive and increasingly obsolete inventory. Properties below 75% occupancy threshold face heightened financial pressure, often struggling to cover debt obligations and operating expenses, particularly as leasing velocity remains uneven.

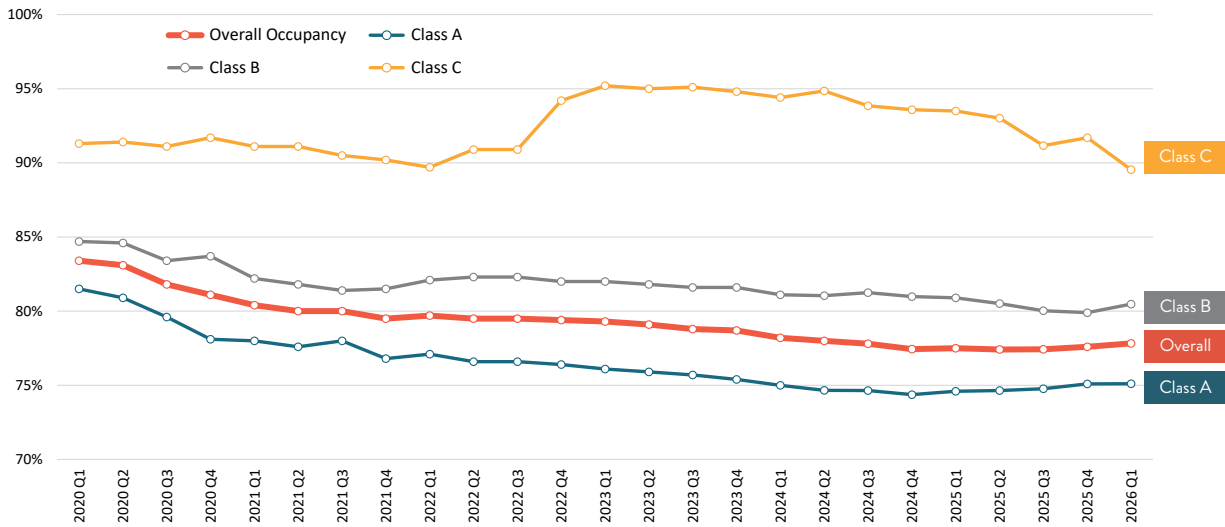
Large-scale civic and institutional decisions could further influence demand patterns, including ongoing discussions around a potential relocation or redevelopment of Dallas City Hall. While still uncertain, such a move, combined with AT&T's shift to the suburbs, could catalyze additional redevelopment activity and reshape office demand within the urban core. Although Dallas CBD occupancy improved to 72.7%, it remains the lowest among all DFW submarkets, reflecting ongoing challenges in backfilling large blocks of space within aging inventory.

Occupancy Trends



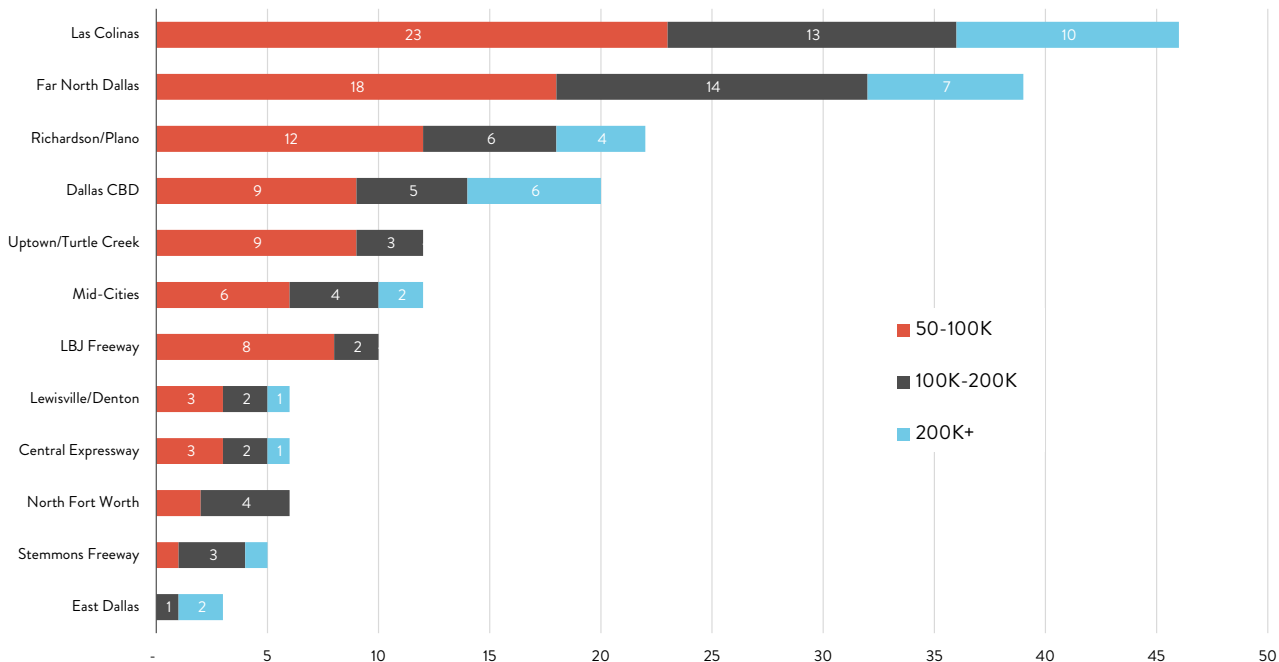
Class A office occupancy in Dallas–Fort Worth held steady quarter-over-quarter at 75.1%, while Class B occupancy rose modestly by 0.6% and Class C declined by 2.2%. The shift reflects ongoing office-to-industrial conversions removing lower-quality inventory, alongside tightening Class A availability in select submarkets that is pushing some tenants toward more cost-effective Class B options. Despite strong leasing in newer assets, speculative development and persistent large, campus-style vacancies continue to weigh on fundamentals, keeping Class A vacancy elevated relative to other asset classes.

Class Occupancy



Despite a slight quarter-over-quarter decline in large blocks to 193 (-2.1%), Dallas–Fort Worth continues to hold a substantial volume of big-block availability, with Las Colinas accounting for the largest share of spaces 50,000 SF and greater. The region still contains millions of square feet of vacant office space, including roughly 26 properties with more than 250,000 SF available; however, a meaningful share of this inventory has been earmarked for conversion or redevelopment, signaling the gradual repositioning of obsolete assets. In the Lower Tollway, Mary Kay is evaluating a potential sale of its 546,000 SF campus, occupying 20% of a 33-acre site, which could be repositioned into a mixed-use development. While sublease availability has historically weighed on the big-block segment, sublease space has since declined to 7.0 million SF, down 23.5% year-over-year.

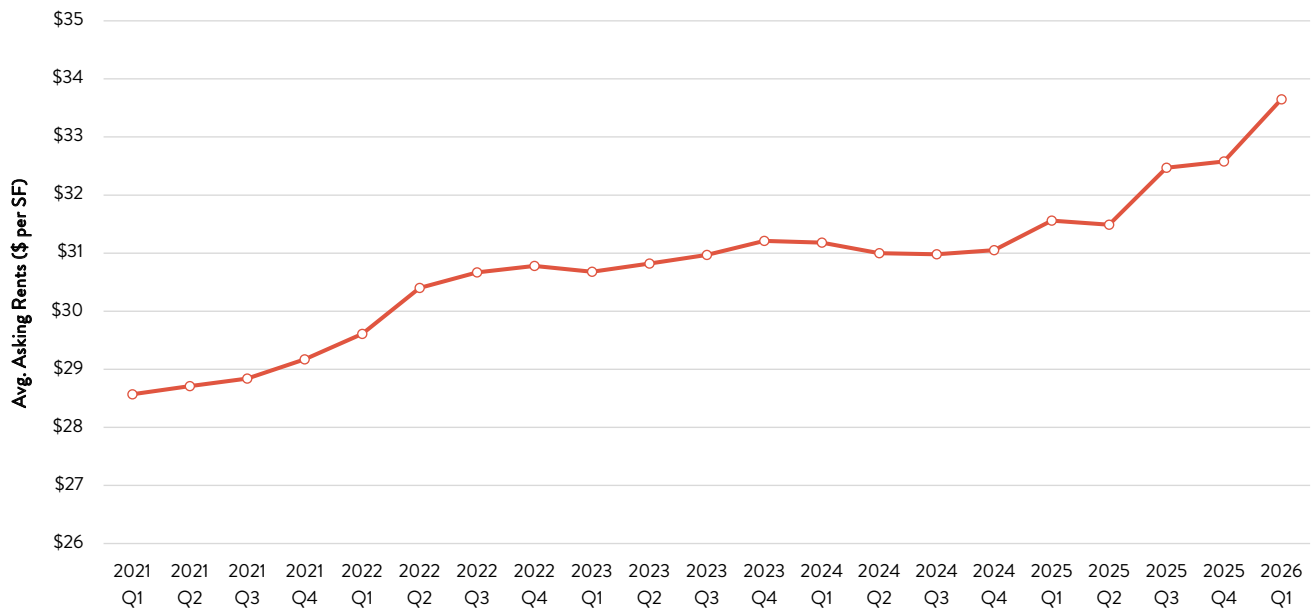
Big Blocks of Space



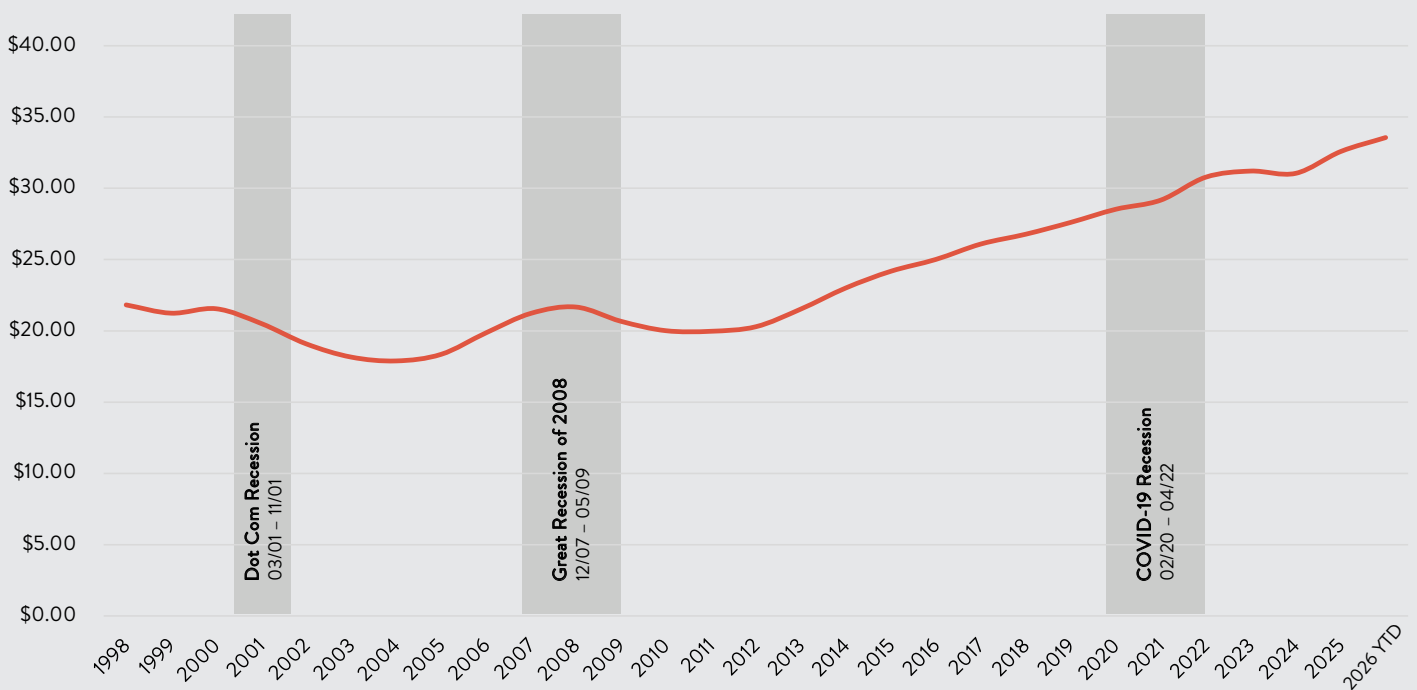
Rental Rate Trends

Dallas-Fort Worth office asking rates continued to climb in Q1 2026, rising 3.3% quarter-over-quarter to \$33.65/SF FSG, driven by limited new supply and sustained demand for top-tier space. Trophy assets are leading the surge, as tenants compete for high-quality spaces with strong amenities. In Uptown, newly delivered projects like 23Springs and The Quad are now asking around \$85/SF NNN, up \$5 from last quarter. Meanwhile, the recently renovated Premier Place on Central has seen a sharp increase, with rents rising from \$32 to \$41/SF NNN over the past year.

Rental Rate Trends

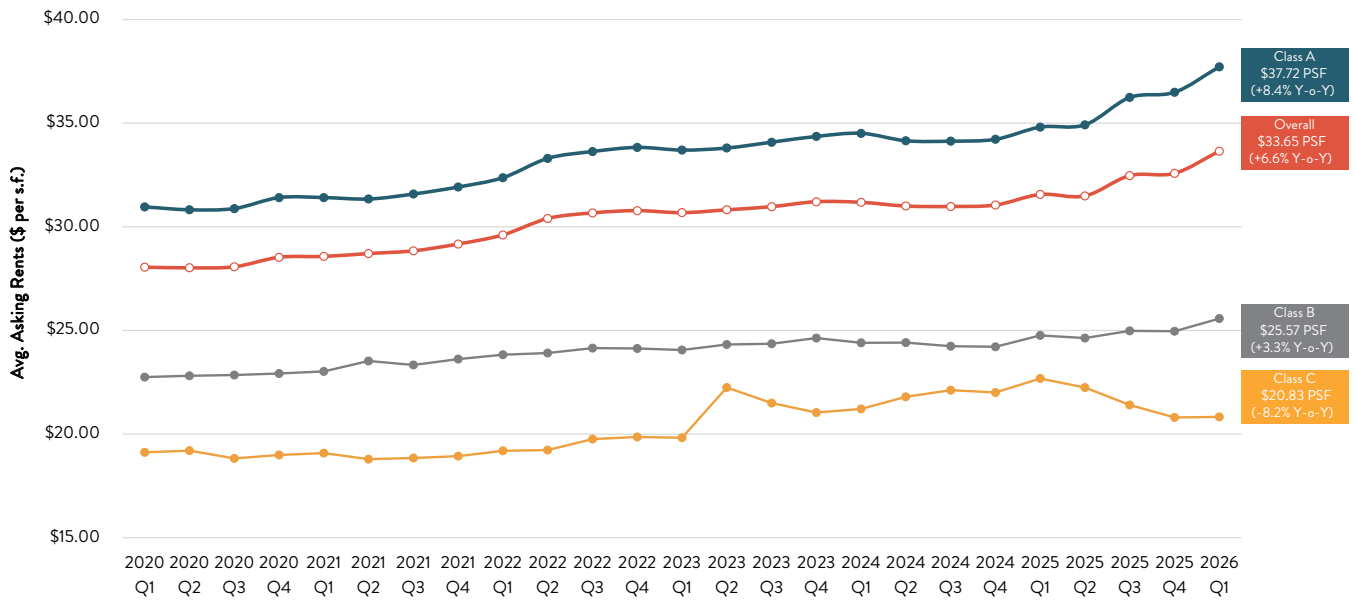


Historical Rents

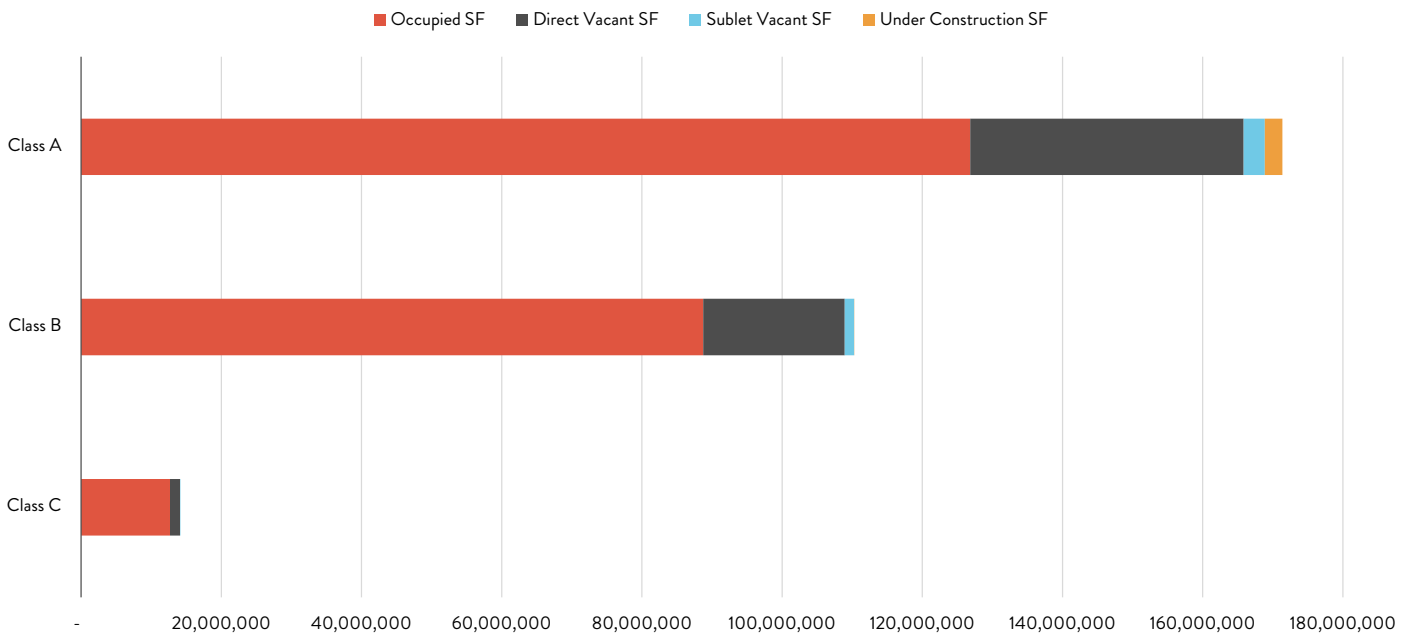


Overall asking rates, which are weighted on available space for all property classes, have increased by \$2.09 and can be broken down as year-over-year Class A rate increase of \$2.91, Class B rate increase of \$0.81, and Class C rate decrease of \$1.85.

Class Rental Rates



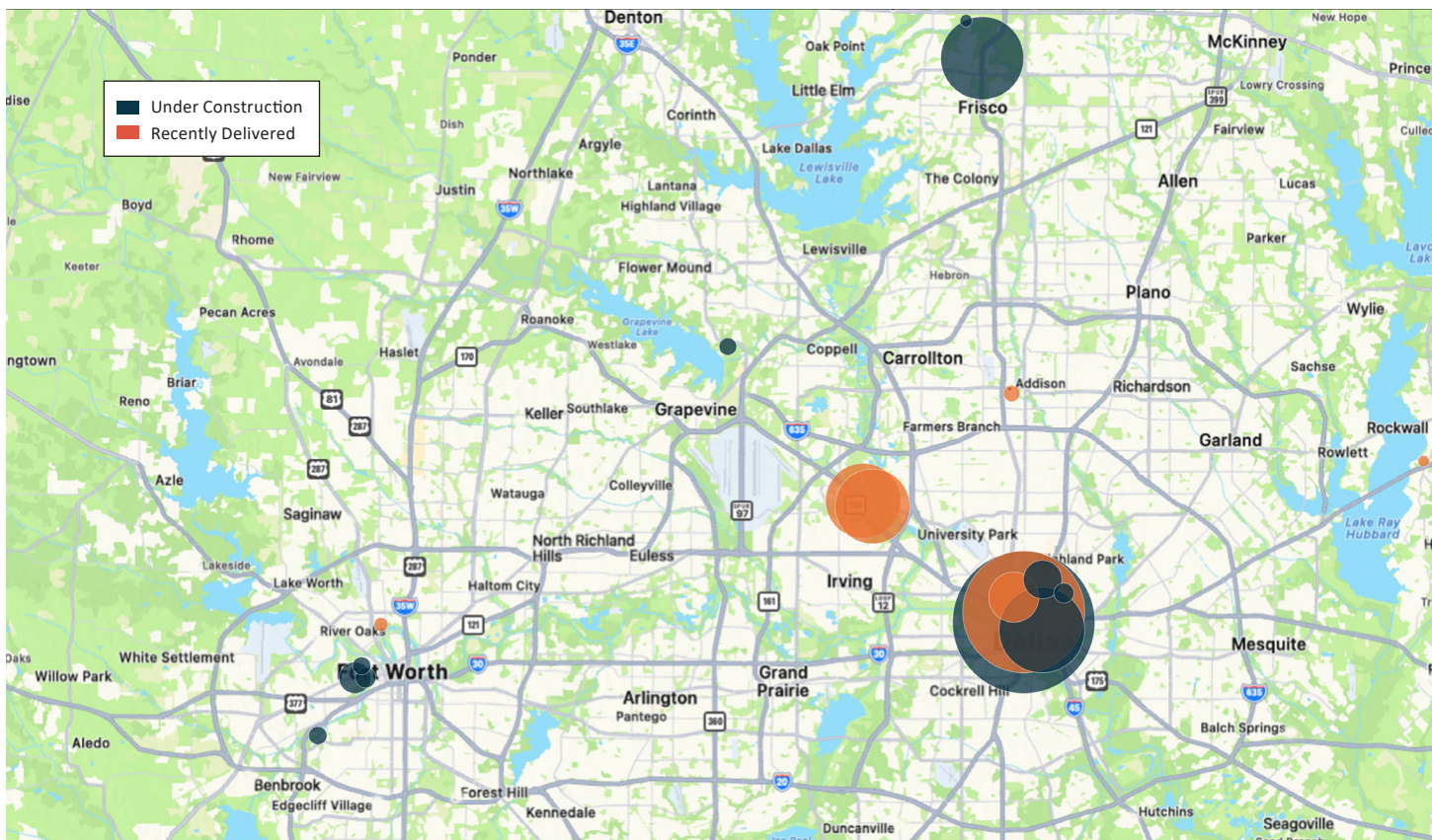
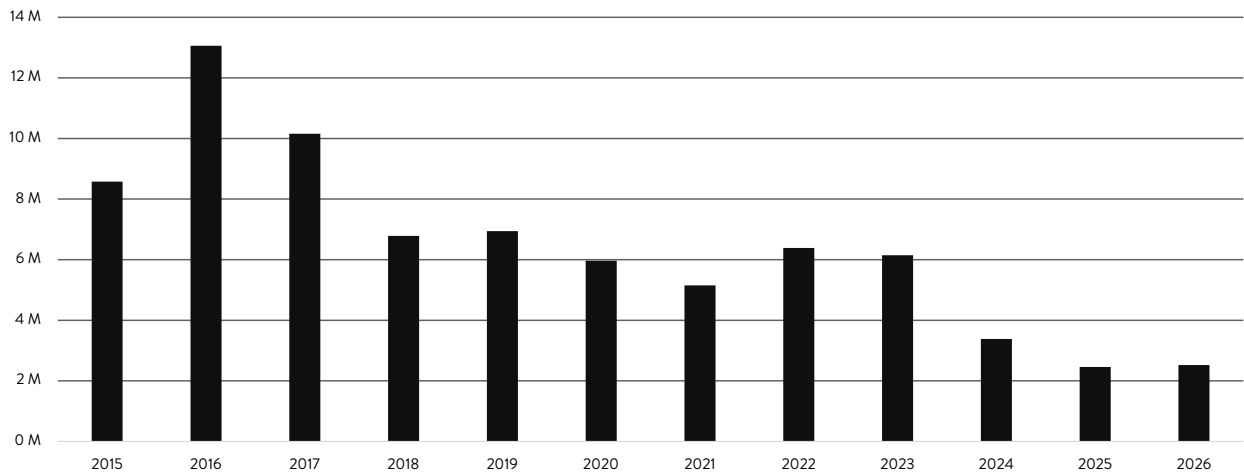
Key Stats By Property Class (SF)



DFW Construction Pipeline

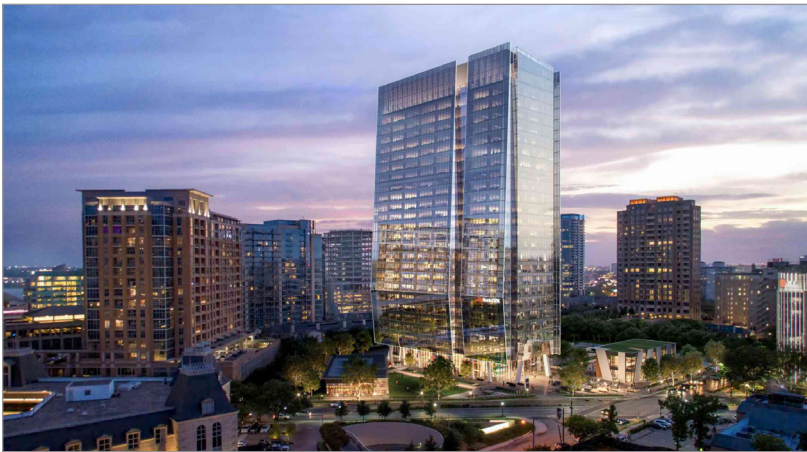
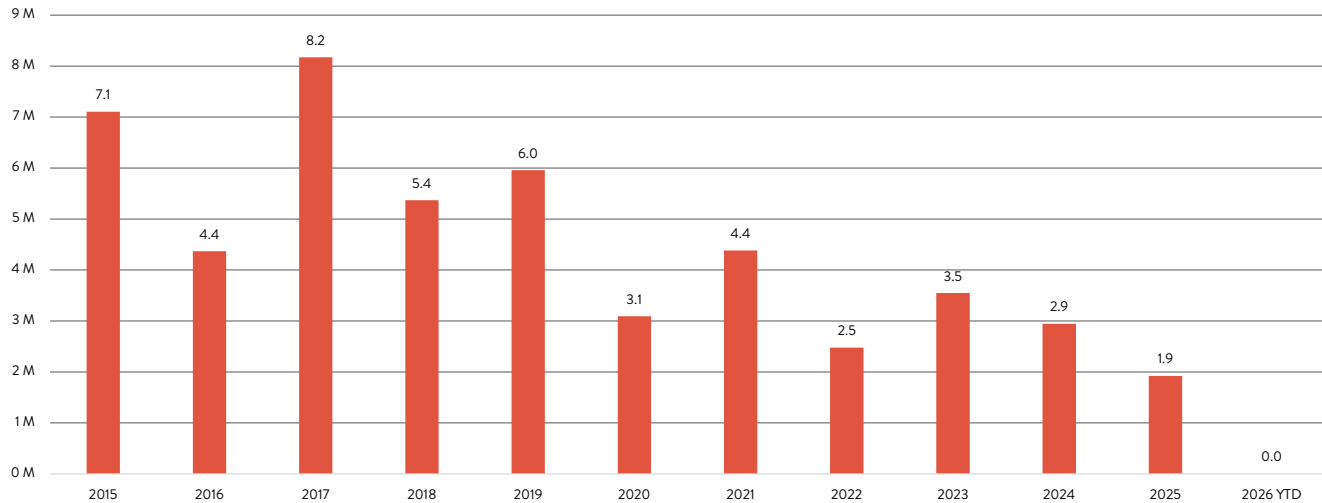
Construction activity remains limited compared to prior cycles, with most new development concentrated in mixed-use or build-to-suit, highly amenitized projects. No deliveries were recorded this quarter, and the pipeline is expected to remain relatively muted in the near term as developers contend with elevated construction costs and cautious lender sentiment. Select projects are expected to move forward, however, including Knox & McKinney and Old Parkland's East Campus Phase II, where strong leasing in Phase I of both projects has helped validate further development. At the same time, momentum is building around office-to-industrial and alternative-use conversions, particularly among aging suburban assets where functional obsolescence and soft demand have created redevelopment opportunities. This shift is expected to persist, gradually reducing overall office inventory while repositioning sites to better align with evolving market demand.

Under Construction (SF)



Recent Deliveries (SF)

12-Month Activity



23SPRINGS

Uptown/Turtle Creek
642,000 RBA
Pre-leased: Bank OZK
52,826 Avail. SF
61.4% Leased
\$85.00 NNN
Granite Properties
Q3 2025 Delivery



OLD PARKLAND EAST CAMPUS

Uptown/Turtle Creek
274,348 RBA
19,578 Avail. SF
82.2% Leased
Withheld Rents
Crow Holdings
Q1 2025 Delivery



WELLS FARGO

Las Colinas
850,000 RBA
100% Leased
Build-to-Suit
Wells Fargo & Company
Q3 2025 Delivery



ARMOUR BUILDING

North Fort Worth (Stockyards)
57,254 RBA
100% Leased
U.S. Energy
Q1 2025 Delivery



VILLAGE ON THE PARKWAY

Quorum/Bent Tree
27,260 RBA
Office 100% Leased (Topaz Labs)
\$39.00 NNN
VOP Partners, LLC
Q4 2025 Delivery

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
116,000 RBA
102,222 Avail. SF
\$54-56 NNN
Goldenrod Companies



WESTSIDE VILLAGE
Northwest Fort Worth
116,000 RBA
102,222 Avail. SF
Withheld Rents
Goldenrod Companies



SILVERON PARK
Lewisville/Denton
67,720 RBA
54,656 Avail. SF
Withheld Rents
HF Silveron Office, LP



FIELDS WEST
Far North Dallas/Frisco
451,036 RBA
0.0% Pre-Leased
448,190 Avail. SF
Withheld
Hunt Realty Investments

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



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



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

Proposed Construction



THE OFFICES AT CRESTVIEW
Allen/McKinney
150,000 RBA
150,000 Avail. SF
Withheld Rents
Allen Economic Dev Corp.



FIREFLY PARK
Frisco/The Colony
170,000 RBA
166,956 Avail. SF
\$50.00 NNN
Wilks Development



SOUTHSTONE YARDS - PH II
Frisco/The Colony
221,389 RBA
221,389 Avail. SF
Withheld Rents
Crow Holdings



THE MIX
Frisco/The Colony
110,014 RBA
110,014 Avail. SF
Withheld Rents
JVP Management



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



KNOX & MCKINNEY
Preston Center
271,786 RBA
195,096 Avail. SF
Withheld Rents
Trammell Crow Co.



**TIMBERLINE AT ADDISON
JUNCTION**
Quorum/Bent Tree
150,000 RBA
150,000 Avail. SF
Withheld Rents
Quadrant Investment Properties



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



OLD PARKLAND EAST PHASE II
Uptown/Turtle Creek
285,000 RBA
285,000 Avail. SF
Withheld Rents
Crow Holdings



ONE UNIVERSITY
West Southwest Ft Worth
130,000 RBA
116,044 Avail. SF
Withheld Rents
Goldenrod Companies

Capital Markets

The first quarter of 2026 has seen sizeable leasing activity nationwide, with demand continuing to improve as supply pulls back, suggesting a more selective recovery may be brewing. As the national narrative around office space usage begins to shift, the Dallas market remains at the forefront of the conversation for institutional capital. The line still forms to the left for buyers chasing buildings in Uptown, Preston Center, or Legacy, where fundamentals remain strongest.

The rest of the market, however, is still trying to find its footing—grappling with where pricing should settle and identifying the true depth of the buyer pool. Economic and geopolitical headwinds persist, and uncertainty has not fully dissipated, but the tone across the market feels increasingly constructive. There is a growing sense of cautious optimism, supported by improving demand drivers, a more disciplined supply pipeline, and the belief that relative value in office is beginning to re-emerge.

Notable Q1 2026 Office Investment Sales Transactions

Property	Address	Buyer	Submarket
Pinnacle Tower	5005 LBJ Fwy	Estein USA & Vanderbilt	LBJ Freeway
The Urban Towers	222 W Las Colinas Blvd	Koa Partners, LLC	Las Colinas
Regent Commons	3950-4050 Regent Blvd	DWS Group	Las Colinas
The Terraces	5960 Berkshire Ln	Highwoods Properties & Granite Properties	Preston Center

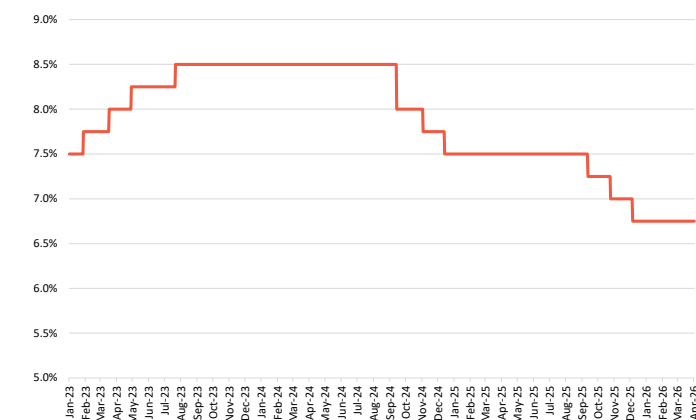
REIT PERFORMANCE YTD THROUGH 02/28/26		
PROPERTY TYPE	AVG. RETURN	NUMBER OF REITs
Office	-8.17%	18
Single Family Housing	-5.70%	3
Multifamily	0.40%	12
Diversified	1.37%	14
Hotel	2.31%	15
Timber	2.57%	3
Manufactured Housing	5.68%	3
Shopping Center	5.74%	16
Industrial	7.11%	13
Infrastructure	7.46%	6
Malls	7.71%	3
Casino	8.44%	2
Health Care	11.73%	17
Triple Net	11.82%	17
Self-Storage	13.82%	6
Advertising	14.18%	2
Data Center	24.33%	3
Land	29.58%	3
REIT Average	5.52%	156

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	11,378,179	3,034,959	26.7%	-121,041	-121,041	-	-	78,758	\$39.56
DALLAS CBD	85	31,985,591	8,746,783	27.3%	72,302	72,302	-	-	-	\$31.62
EAST DALLAS	101	5,197,842	1,057,649	20.3%	-1,018	-1,018	-	-	16,270	\$38.11
FAR NORTH DALLAS	394	64,974,906	15,897,864	24.5%	288,770	288,770	-	-	492,036	\$36.58
FORT WORTH CBD	51	9,475,654	982,617	10.4%	46,923	46,923	-	-	-	\$34.13
LAS COLINAS	286	41,812,252	11,526,005	27.6%	-404,421	-404,421	-	-	-	\$31.43
LBJ FREEWAY	121	18,835,381	4,644,571	24.7%	17,217	17,217	-	-	-	\$26.51
LEWISVILLE/DENTON	99	5,079,693	940,868	18.5%	8,214	8,214	-	-	66,720	\$26.31
MID-CITIES	273	22,895,250	3,578,933	15.6%	116,852	116,852	-	-	-	\$24.70
NORTH FORT WORTH	40	3,573,306	569,040	15.9%	-87,562	-87,562	-	-	-	\$24.35
NORTHEAST FORT WORTH	38	3,294,920	875,818	26.6%	-13,354	-13,354	-	-	-	\$26.21
PRESTON CENTER	49	6,593,520	497,613	7.5%	8,697	8,697	-	-	206,000	\$58.60
RICHARDSON/PLANO	281	31,051,880	5,260,556	16.9%	115,607	115,607	-	-	-	\$26.29
SOUTH FORT WORTH	145	9,083,892	1,033,978	11.4%	20,031	20,031	-	-	360,000	\$30.08
SOUTHWEST DALLAS	44	2,702,707	578,060	21.4%	-19,235	-19,235	-	-	-	\$23.76
STEMMONS FREEWAY	77	8,045,155	1,974,305	24.5%	12,365	12,365	-	-	-	\$21.02
UPTOWN/TURTLE CREEK	98	17,336,343	3,850,347	22.2%	65,693	65,693	-	-	1,300,126	\$63.58
TOTAL DFW	2,254	293,316,471	65,049,966	22.2%	126,040	126,040	-	-	2,519,910	\$33.65
CLASS A	621	168,872,199	42,037,861	24.9%	-45,556	-45,556	-	-	2,503,640	\$37.72
CLASS B	1,323	110,266,843	21,529,561	19.5%	168,956	168,956	-	-	16,270	\$25.57
CLASS C	310	14,177,429	1,482,544	10.5%	2,640	2,640	-	-	-	\$20.83
TOTAL DFW	2,254	293,316,471	65,049,966	22.2%	126,040	126,040	-	-	2,519,910	\$33.65

* 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 SF; 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.

VALERIA GUERRERO

Director of Research

214.294.4431

valeria.guerrero@youngerpartners.com

KATHY PERMENTER

Co-Managing Partner

214.294.4404

kathy.permenter@youngerpartners.com

MOODY YOUNGER

Co-Managing Partner

214.294.4412

moody.younger@youngerpartners.com



14643 Dallas Parkway

Suite 950

Dallas, TX 75254

214.294.4400

www.youngerpartners.com