DALLAS-FORT WORTH

OFFICE MARKET REPORT

2nd QUARTER 2026

YOUNGER PARTNERS

WWW.YOUNGERPARTNERS.COM

"Improving Market Fundamentals Signal Continued Stabilization Across the DFW Office Market.

Contents

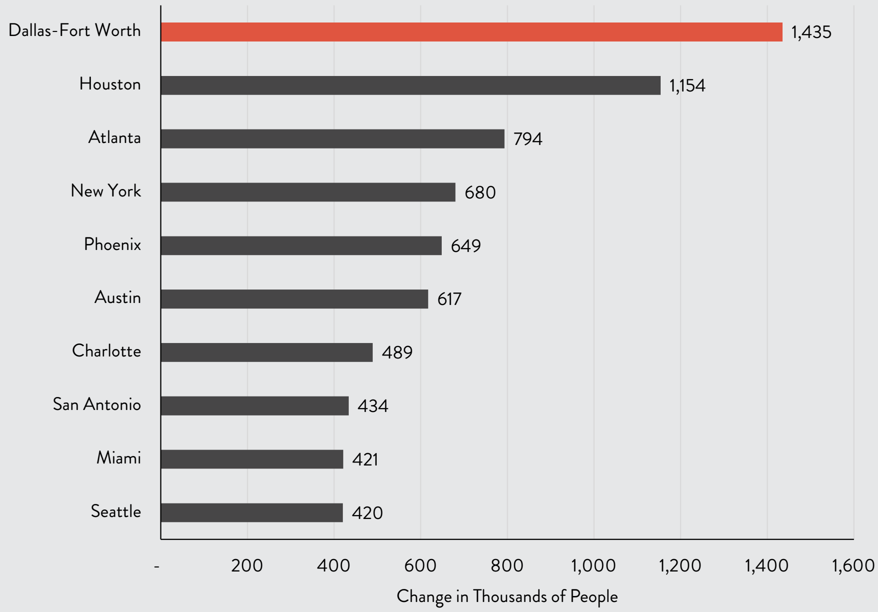
Economic Conditions

Population and Employment

The Dallas–Fort Worth metroplex continues to be one of the nation's fastest-growing regions, with a population exceeding 8.5 million residents and sustained in-migration fueling long-term economic expansion. Within this growth story, Fort Worth has strengthened its position as a standalone economic hub, with the Federal Reserve Bank of Dallas launching a separate economic report for the city of Fort Worth in July 2026, distinct from its DFW publications. Looking ahead, the full economic impact of the 2026 FIFA World Cup is expected to materialize over the coming quarters, with the tournament projected to draw approximately 100,000 visitors per day to the region over a 35-day period.

Dallas-Fort Worth Population Growth 2015-2025

2025 Population: 8.5 million



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

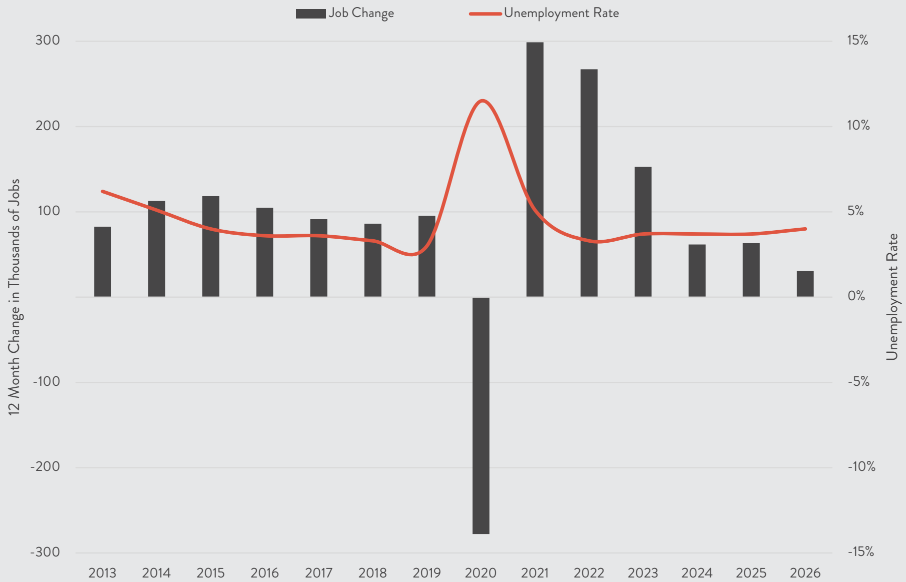
10-Year Change
2015-2025
1.4 million people
(20.4% growth)
(Avg. 1.9% annually)

12-Month Change
2024-2025
123,557 people
(1.5% growth)

Dallas–Fort Worth remains the largest metropolitan area in Texas by population, reaching 8.5 million residents in 2025 and ranking as the fourth-largest metro in the nation. The region is projected to grow to 12.2 million residents by 2050, driven largely by sustained domestic in-migration, which has historically accounted for roughly 60% of the metro's annual population growth. Although DFW continues to lead Texas in overall population, Houston recorded the largest annual population increase in the state, adding 126,720 residents compared to DFW's gain of 123,557, highlighting the continued strength of growth across both major Texas metros.

Dallas-Fort Worth Net Job Growth and Unemployment Rate

4.3 million jobs I 4.0% unemployment rate

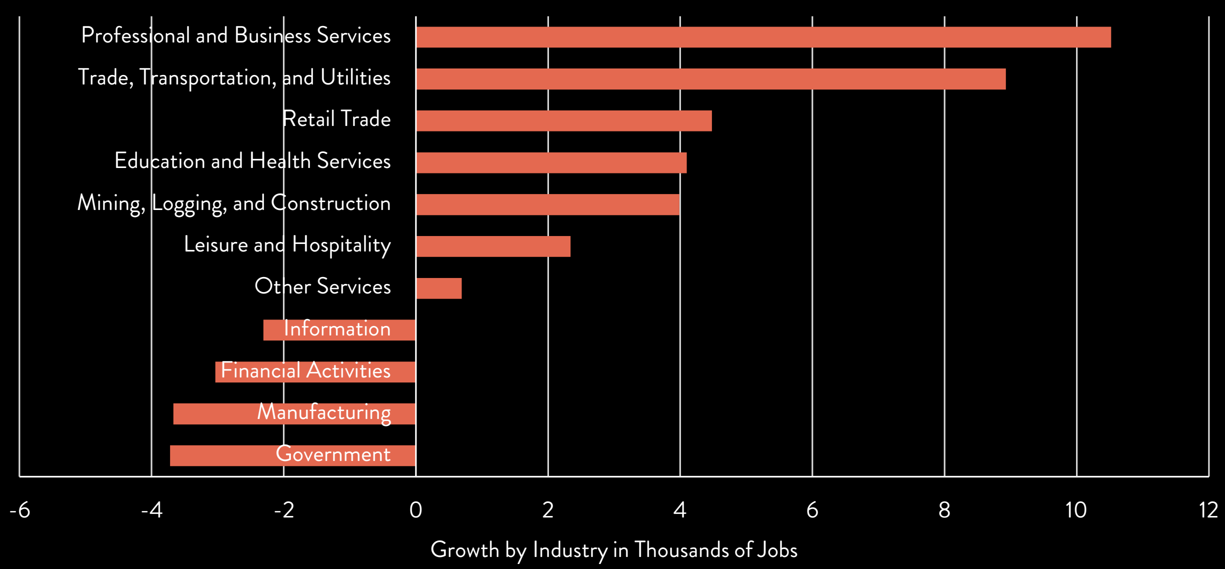


Source: U.S. Bureau of Labor Statistics

12-Month Job Gains
30,700 jobs
(0.7% growth)

The Dallas–Fort Worth unemployment rate increased to 4.0% after reaching a low of 3.6% at the end of 2025, reflecting a gradual normalization of labor market conditions following several years of strong employment growth. Government employment has softened over the past 12 months, with the sector losing nearly 4,000 jobs amid ongoing public-sector budget pressures. However, anticipated job creation tied to the 2026 FIFA World Cup, including hospitality, transportation, and event-related positions, could help offset some of these losses and provide a temporary boost to regional employment growth.

DFW Job Growth By Industry
(MAY ‘25 - MAY ‘26)



Source: Bureau of Labor Statistics

While employment growth has moderated, DFW continues to outperform most major U.S. metros, adding 30,700 jobs over the 12 months ending in May—the second-highest total in the nation behind only New York. After spending several quarters among the weakest-performing sectors, Professional and Business Services and Trade, Transportation, and Utilities have both rebounded to lead job growth in the metro, collectively adding more than 19,450 jobs. The resurgence in these sectors is likely tied in part to increased investment in artificial intelligence and related infrastructure. According to LinkedIn’s Jobs on the Rise 2026 report, AI engineers, AI consultants, and data center technicians rank among the fastest-growing roles in Dallas–Fort Worth. At the same time, AI-driven data center development is creating additional demand across the Trade, Transportation, and Utilities sector, supporting growth in energy, logistics, supply chain, and infrastructure-related roles.

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.

21
Fortune 500
HEADQUARTERS

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

#2
IN THE COUNTRY
FOR 5-YEAR JOB GROWTH
(575,600 jobs)

#1
TOP METRO
TO LOCATE CORPORATE HEADQUARTERS

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

2026 HQ Relocation
ANNOUNCEMENTS

Public Storage
BIMBO Bakeries USA
EAGLENXT
EQUITON
SAMSUNG
homa

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.

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)*

Source: 2026 Dallas Regional Economic Development

Office Market Conditions

Supply and Demand

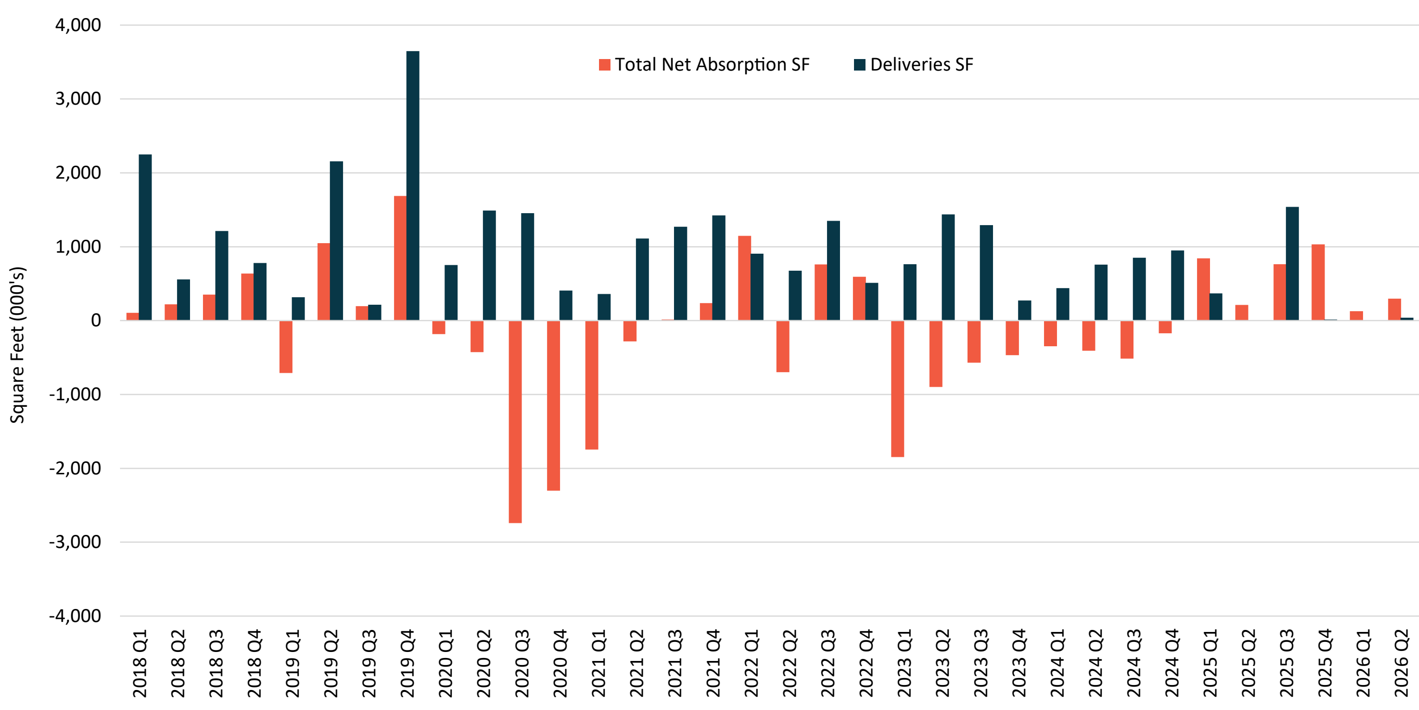
The Dallas-Fort Worth's office market continued to build on its gradual recovery in the second quarter, recording 296,906 SF of positive net absorption and bringing year-to-date total to 422,946 SF. Major occupancies contributing to quarterly absorption included Toyota's 250,000-SF move-in at Southstone Yards in Frisco, one of the market's largest occupancies of the year. Deloitte relocated 117,000 SF from the Dallas CBD to Uptown's 23Springs, while Marsh McLennan and Burns & McDonnell occupied a combined 124,000 SF at Three Galleria Tower in the Lower Tollway.

While several large occupancies pushed absorption into positive territory this quarter, smaller tenants remain the foundation of overall market demand. As companies continue to prioritize speed and flexibility, demand has increasingly shifted toward move-in-ready space, with spec suites capturing a growing share of smaller tenant requirements. Approximately 80% of new leases under 10,000 SF from 2024 to 2025 occurred in spec suites, compared to 52% in the three years prior to 2020.

Despite moderating absorption activity, Dallas-Fort Worth continues to outperform nationally, maintaining its position as the country's leading market for corporate headquarters relocations. Bimbo Bakeries' new-to-market commitment at Las Colinas' MacArthur Plaza, together with approximately 30,000 SF headquarters leases by VMG Health and Balfour Beatty at One Victory Plaza and Samsung's headquarters move to its existing Plano location, highlights the region's continued success in attracting new employers while retaining established corporate users.

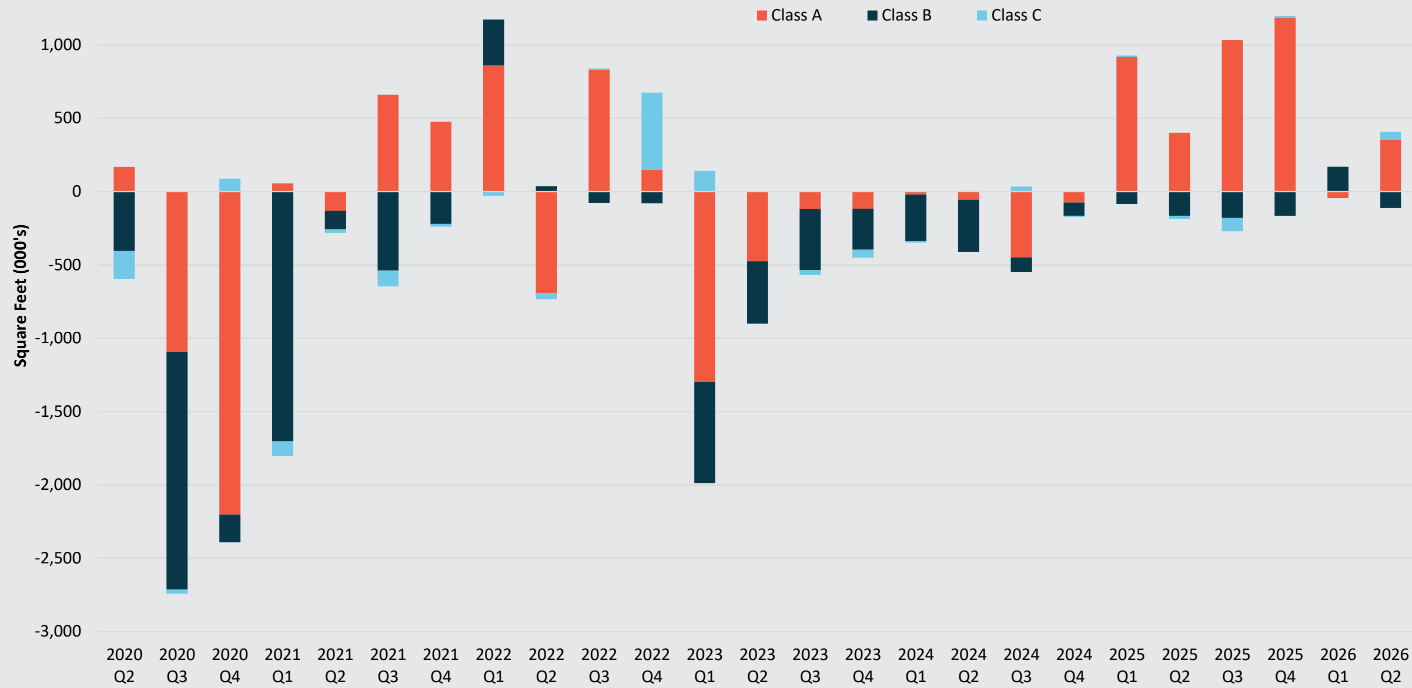
The recovery remains uneven across the metroplex, with Downtown Dallas facing continued challenges as major employers, including Comerica, AT&T, Goldman Sachs, and Bank of America, reduce or relocate their presence in the CBD. Additional uncertainty surrounding the Dallas Mavericks' planned move north to the Valley View site, the Dallas Stars' potential relocation north to The Shops at Willow Bend, and the future of Dallas City Hall continue to weigh on the CBD's long-term outlook.

Net Absorption & Deliveries



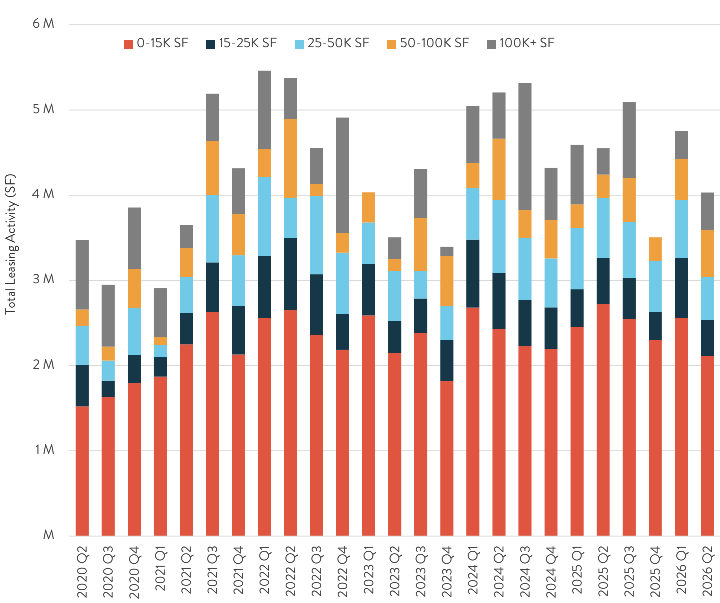
Class Net Absorption

Total net absorption in Dallas-Fort Worth was positive for the sixth consecutive quarter at 296,906 SF, led by the Class A sector, which recorded 352,961 SF of absorption for Q2. In contrast, Class B posted negative 111,562 SF, while Class C remained essentially flat. The metro's flight-to-quality trend remained evident during the quarter, as office buildings delivered within the past decade continued to capture the bulk of leasing demand and positive absorption.



Leasing Activity

Leasing activity settled at 4.0 million SF in Q2, down 15.1% quarter-over-quarter and 11.4% year-over-year. While overall leasing volume slowed, activity shifted toward larger users, with leases exceeding 50,000 SF increasing from the prior quarter as transactions below 50,000 SF declined. Since leases under 15,000 SF typically account for the largest share of market activity, that slowdown weighed heavily on overall leasing volume. Notable deals include Mercury One signing the entire 172,000 SF at 6655 MacArthur, the largest direct new office lease in Irving since 2021. Preston Center recorded several significant commitments during the quarter, including Welltower (143,115 SF) and Fifth Third Bank (63,090 SF) at the proposed 8300 Douglas development, as well as Arctos Sports (61,329 SF) at Knox & McKinney.



Q2 2026 NOTABLE LEASES

Tenant	Deal Size	Type	Building	Submarket
Mercury One	172,089	New Lease	6655 N MacArthur Blvd	Las Colinas
Welltower	143,115	New Lease	8300 Douglas Ave	Preston Center
Blue Yonder	127,092	New Lease	155 Riveredge Dr	Stemmons (Design District)
Stellantis Financial Svs	83,278	New Lease	919 Hidden Ridge Dr	Las Colinas
Fifth Third Bank	63,090	New Lease	8300 Douglas Ave	Preston Center
Arctose Sports	61,329	New Lease	Knox & McKinney	Preston Center

Source: Younger Partners Research; CoStar

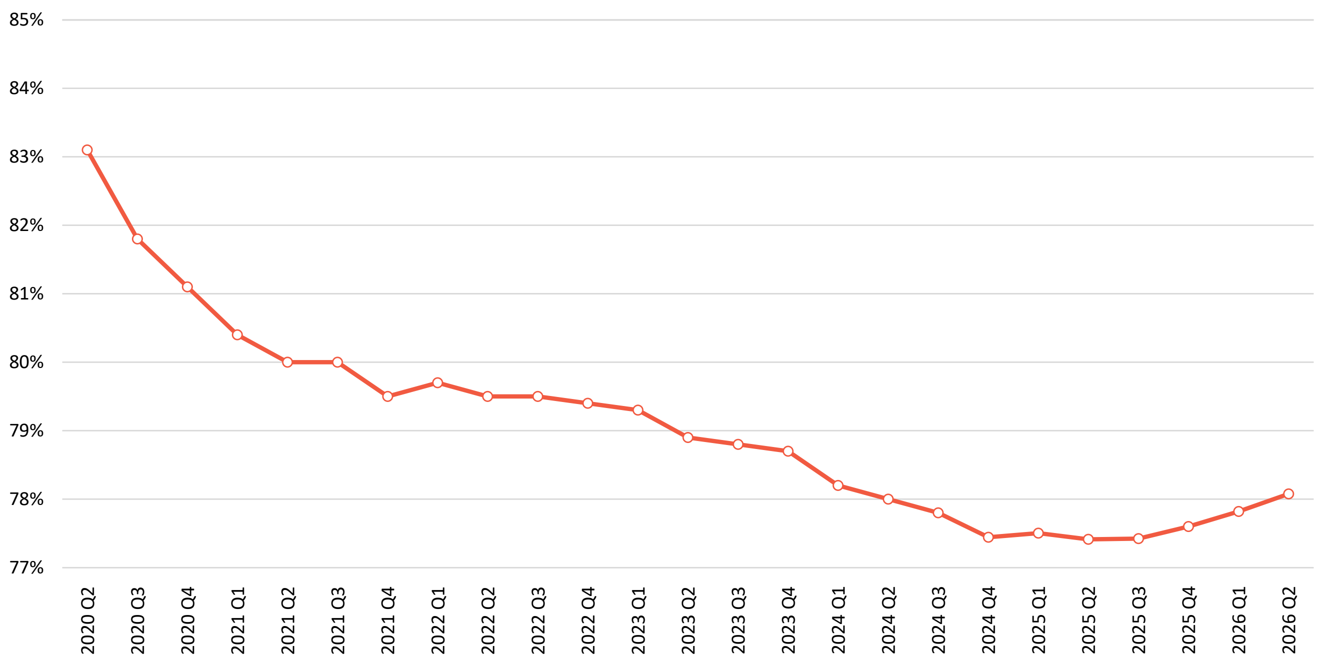
Occupancy Trends

Overall office occupancy increased to 78.1% in Q2, marking the third consecutive quarter of gains and improving from 77.4% this time last year, which was the market's lowest level in more than a decade. While the recovery has been gradual, it signals a market stabilizing after several years of corporate downsizing and elevated move-outs. Occupancy gains continue to be driven by flight-to-quality leasing, as tenants favor newer, amenity-rich Class A buildings despite elevated overall availability.

The market is also benefiting from the removal of obsolete inventory, including more than 1.2 million SF of office space removed from market statistics in 2026 through undergoing or planned conversions to industrial use, reducing competitive supply and supporting long-term fundamentals. Sublease availability continued to decline, falling to approximately 6.7 million SF, a 21.1% year-over-year decrease and the lowest level since pre-2020 norms.

Overall, strengthening occupancy trends, reduced sublease availability, and continued demand for quality space reflect a market gradually moving toward stabilization. Demolitions, office-to-industrial conversions, and owner-user acquisitions are further supporting this recovery by reducing competitive inventory and creating a more balanced supply-demand environment.

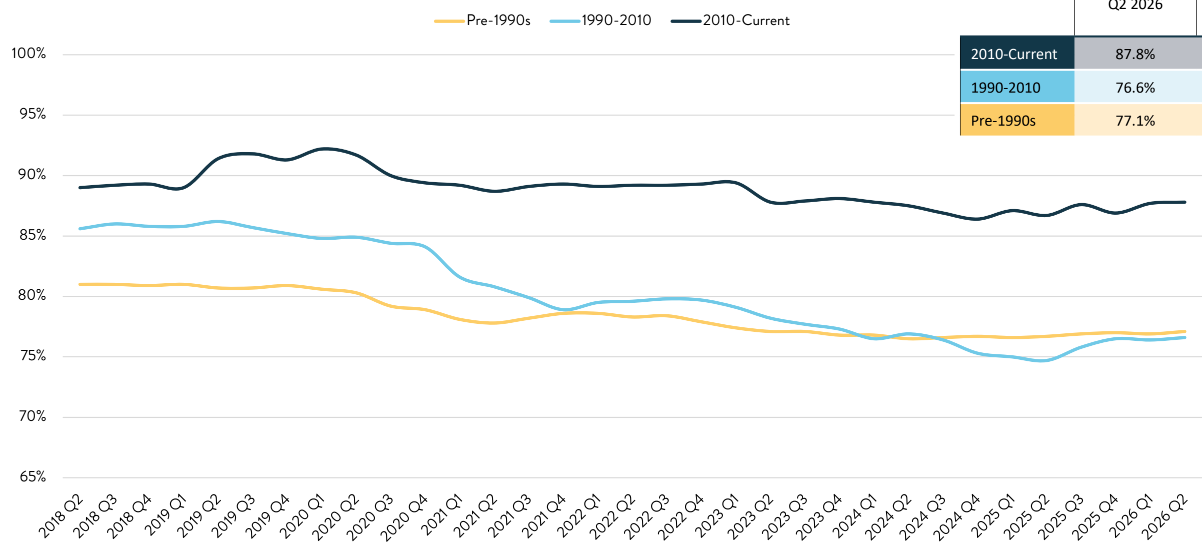
Occupancy Trends



Properties delivered since 2010 increasingly align with tenant preferences for modern, amenity-rich office environments, reinforcing the ongoing flight-to-quality trend and distinguishing newer assets from legacy Class A product. While recent speculative deliveries have temporarily weighed on occupancy within the newest vintage, demand remains concentrated among high-quality spaces. Meanwhile, older 1980s office stock continues to experience lower occupancy levels in select submarkets, driving renovations, repositioning efforts, and conversions to alternative uses such as industrial and multifamily.

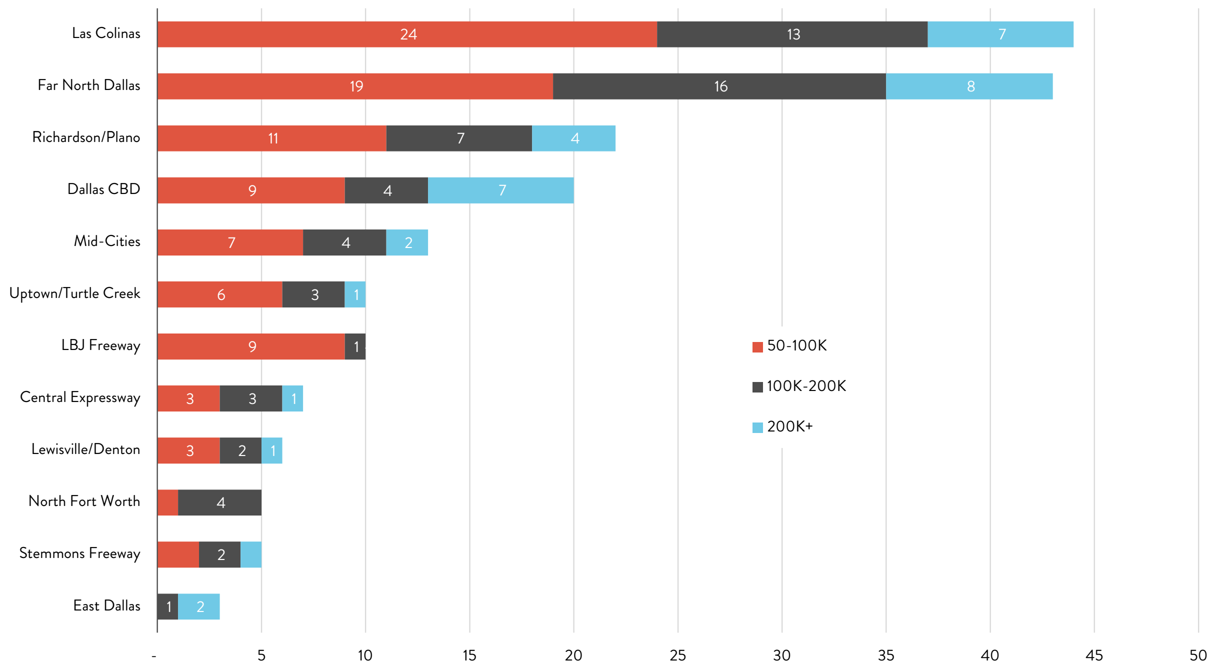
Occupancy by Year Built

Year Built	Occupancy % Q2 2026	1-Yr Change (percentage points)	5-Yr Change (percentage points)
2010-Current	87.8%	1.1	-0.9
1990-2010	76.6%	1.9	-4.2
Pre-1990s	77.1%	0.4	-0.7



The number of direct and sublease blocks exceeding 50,000 SF declined 6.9% year-over-year to 189 across the Dallas-Fort Worth office market. As larger occupiers become more active and landlords reposition aging assets to better align with current tenant preferences, the supply of large blocks has gradually begun to decline. Although large-block availability remains elevated, much of the inventory is concentrated in older Class A properties and former corporate campuses. Las Colinas continues to hold the largest number of available large blocks, with 44 spaces exceeding 50,000 SF, including former single-tenant campuses previously occupied by Pioneer Natural Resources, ExxonMobil, and Verizon.

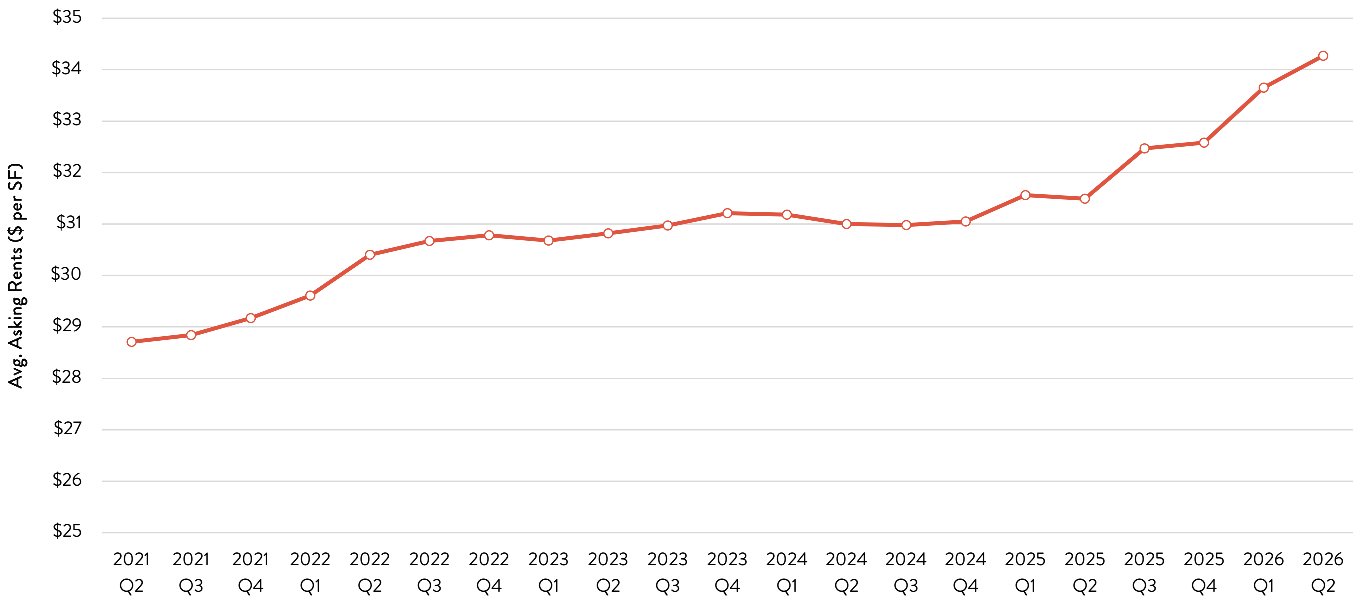
Big Blocks of Space



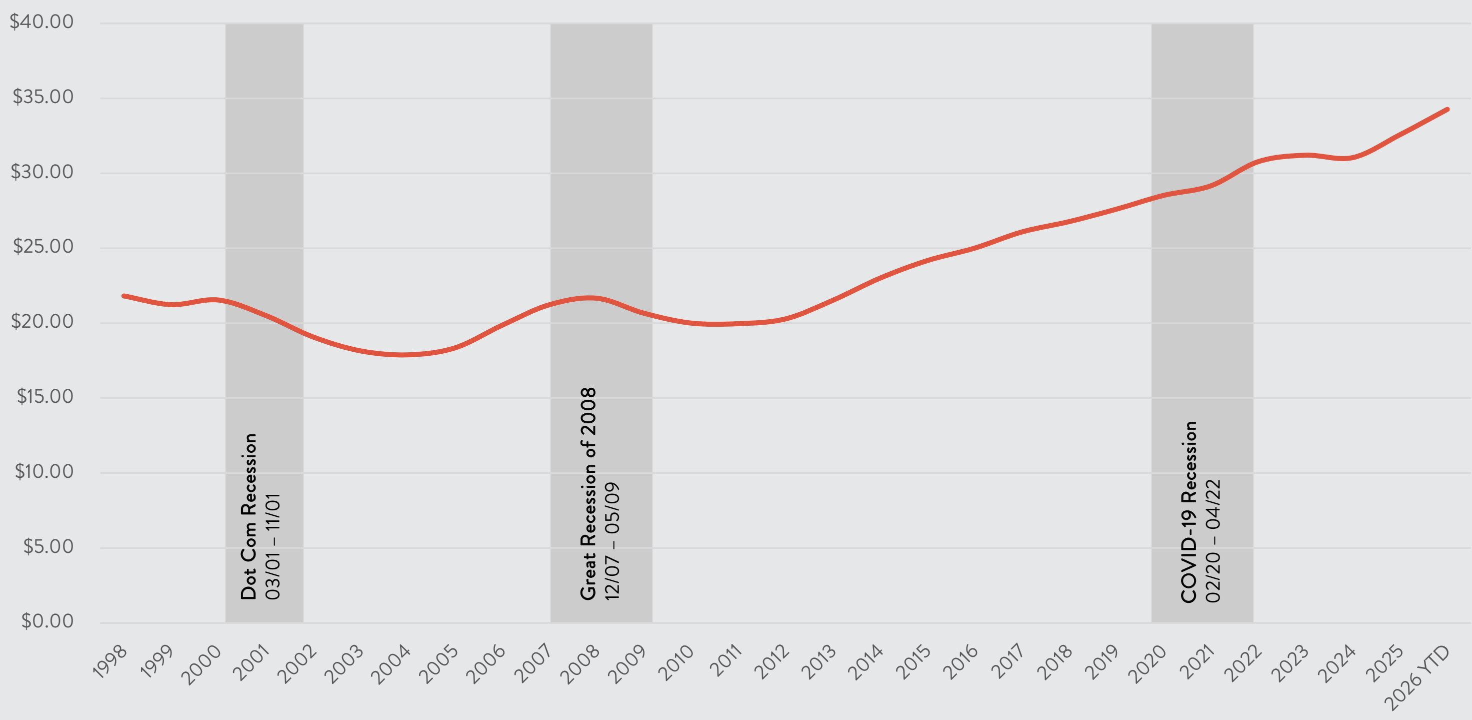
Rental Rate Trends

Strong demand for premium office space has continued to drive rent growth, with overall asking rents rising 8.8% year-over-year to $34.27 per SF. Class A properties have led the increase, with asking rents climbing 10.3% over the past year. Submarkets such as Preston Center and Uptown/Turtle Creek have recorded five-year rent growth of 73% and 50%, respectively, fueled by new construction, limited availability, and sustained tenant demand. Beyond these premier locations, submarkets including the Lower Tollway and Central Expressway have also experienced meaningful rent gains as tenants have expanded into adjacent areas, with quality renovations and repositioned assets further supporting higher rental rates.

Rental Rate Trends

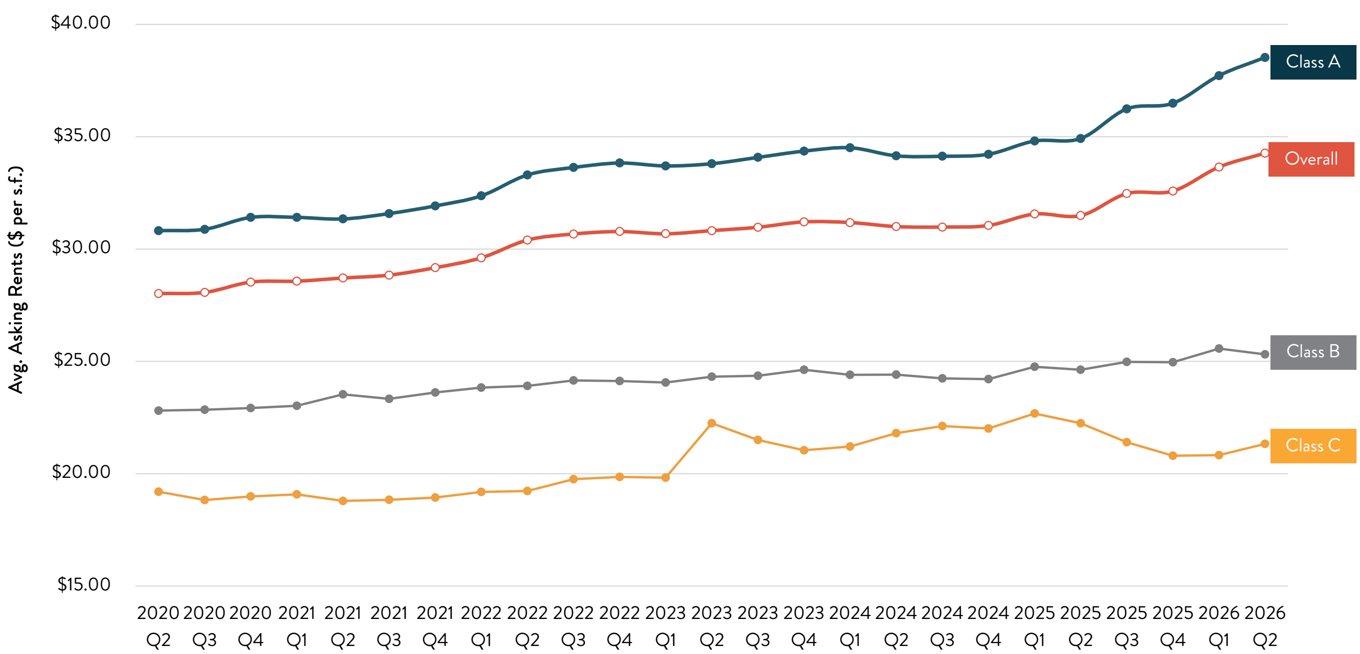


Historical Rents

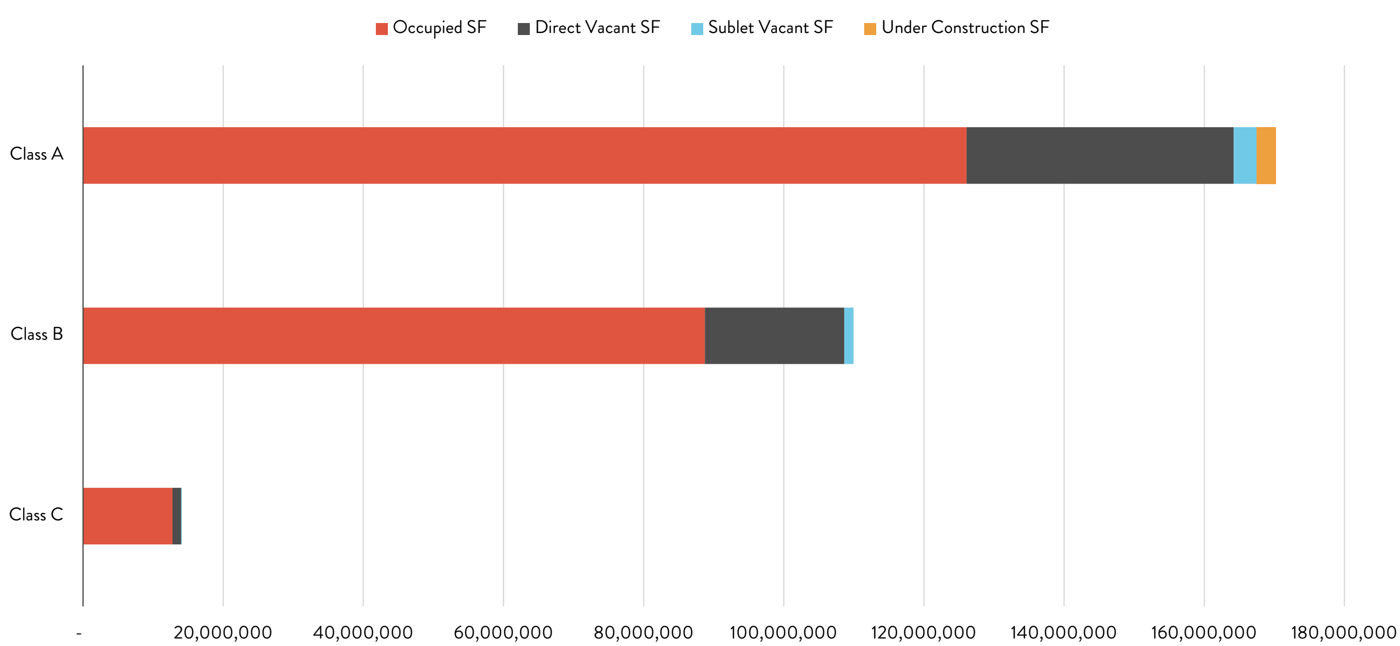


Overall asking rates, which are weighted on available space for all property classes, have increased by $2.78 and can be broken down as year-over-year Class A rate increase of $3.61, Class B rate increase of $0.68, and Class C rate decrease of $0.92.

Class Rental Rates



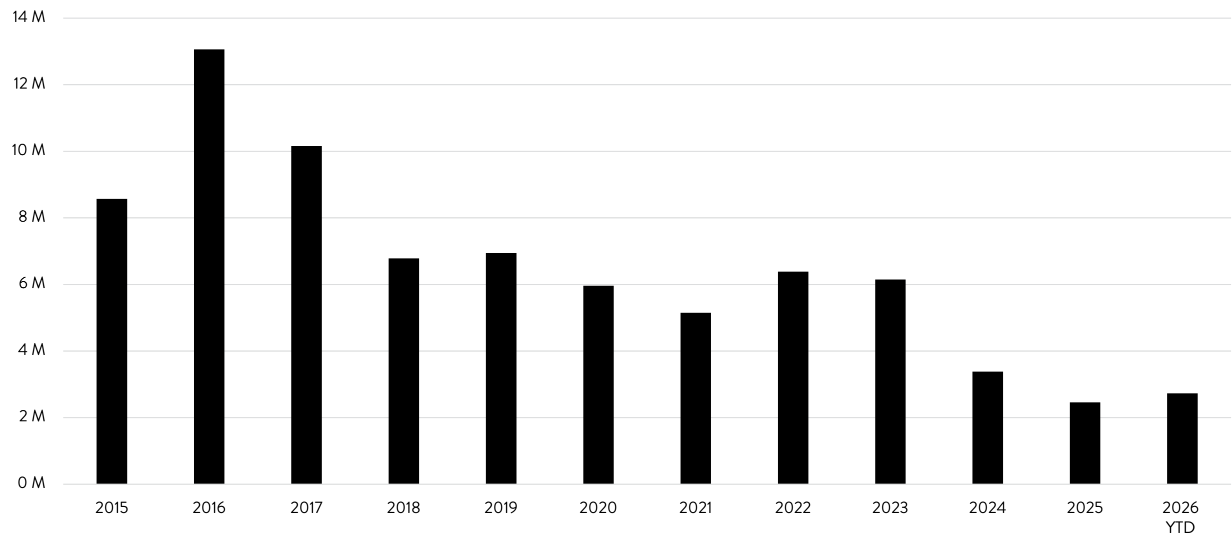
Key Stats By Property Class (SF)

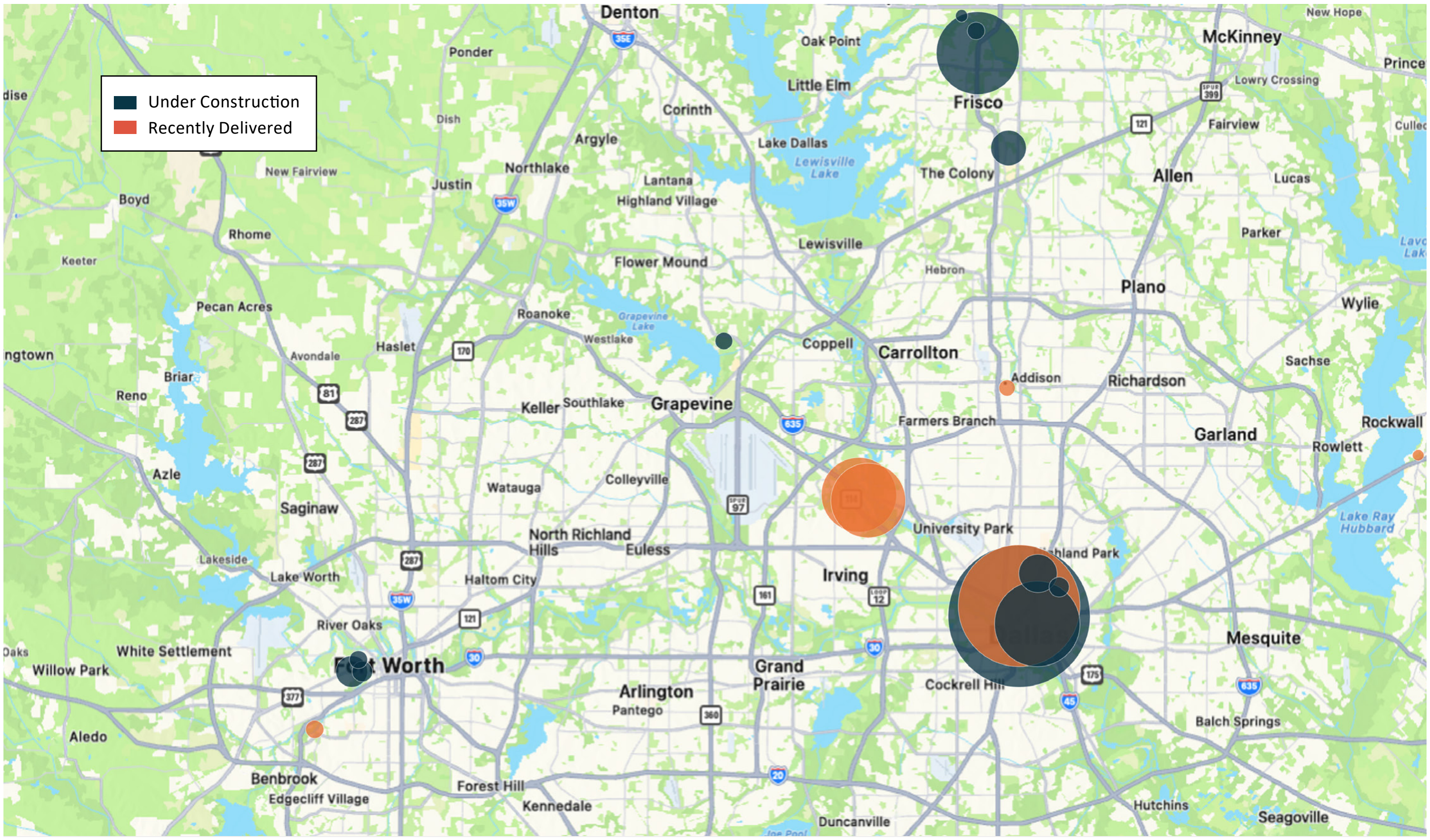


DFW Construction Pipeline

Development activity increased 11% from last year's historic low, with the office construction pipeline rising slightly to 2.7 million SF. The quarter's only delivery was Building C2 in Fort Worth, anchored by Wells Fargo and commanding asking rents of $52.50 NNN, the highest in the submarket. In Preston Center, Fifth Third Bank will anchor the new 8300 Douglas development, relocating its regional headquarters upon completion in 2028. Both 8300 Douglas and Knox & McKinney are currently in the demolition phase ahead of new construction and are approximately 63% preleased. Meanwhile, Stonelake Capital Partners secured financing for the 17-story, 180,841-SF office tower at 2626 McKinney Avenue, with construction expected to begin by month-end and occupancy targeted for early 2028. Morgan Stanley's potential build-to-suit at 2401 McKinney could further expand the trophy office pipeline with the City of Dallas granting an $18.5 million incentive.

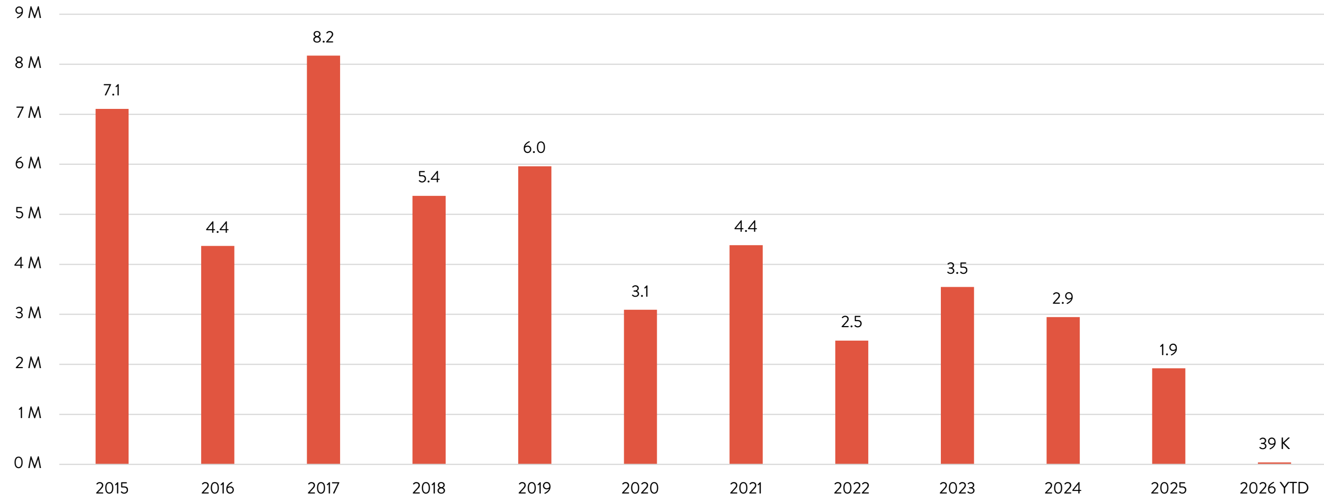
Under Construction (SF)

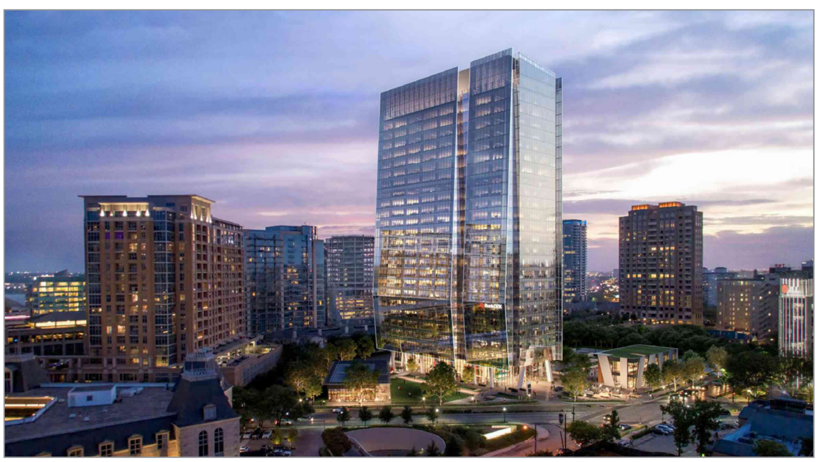




Recent Deliveries (SF)

12-Month Activity





23SPRINGS
Uptown/Turtle Creek
625,000 RBA
5,356 Avail. SF
82.4% Leased
$95.00 NNN
Granite Properties
Q3 2025 Delivery

BUILDING C2
South Fort Worth
72,000 RBA
Pre-Leased: Wells Fargo Bank
6,056 Avail. SF
$52.50 NNN
Cassco/Simon
Q1 2026 Delivery

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

VILLAGE ON THE PARKWAY
Quorum/Bent Tree
27,260 RBA
100% Leased to Topaz Labs
$39.00 NNN
VOP Partners, LLC
Q4 2025 Delivery

Spec Under Construction

HENDERSON EAST
Central Expressway
78,758 RBA
60,925 Avail. SF
Withheld Rents
Acadia Realty Trust & Ignite-Rebees

VAN ZANDT
Southwest Fort Worth
116,000 RBA
102,222 Avail. SF
Withheld Rents
Goldenrod Companies

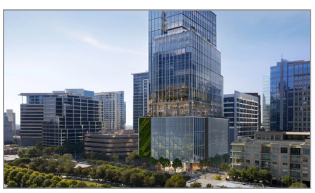
WESTSIDE VILLAGE
Northwest Fort Worth
97,912 RBA
66,753 Avail. SF
Withheld Rents
Larkspur Capital

SILVERON PARK
Lewisville/Denton
66,720 RBA
53,305 Avail. SF
$35.00 NNN
HF Silveron Office, LP

THE MIX
Frisco/The Colony
110,014 RBA
110,914 Avail. SF
Withheld Rents
JVP Development

FIELDS WEST
Frisco/The Colony
451,036 RBA
428,190 Avail. SF
Withheld Rents
Hunt Realty Investments

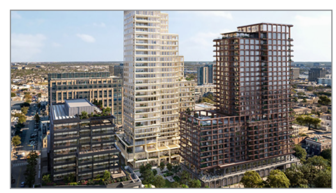
Under Construction with Leases



BOA TOWER AT PARKSIDE
Uptown/Turtle Creek
500,126 RBA
Pre-leased: BOA
227,184 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

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



THE KNOX
Preston Center
206,000 RBA
Pre-Leased: ISN Software
100% 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 LEGACY
Frisco/The Colony
54,837 RBA
27,020 Avail. SF
Withheld Rent
NDBT

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

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

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.

2626 MCKINNEY
Uptown/Turtle Creek
180,842 SF RBA
180,842 Avail. SF
Withheld Rents
Stonelake Capital Partners

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

2401 MCKINNEY
Uptown/Turtle Creek
533,751 RBA
533,751 Avail. SF
Withheld Rents
Trammell Crow Company

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

Capital Markets

The Dallas–Fort Worth market environment continued to improve through Q2 2026, supported by lower financing costs, renewed institutional investor interest, and one of the nation's strongest economic growth profiles. These factors have driven increased activity across all segments of the market, although underwriting remains disciplined and pricing continues to vary significantly by property type and asset class.

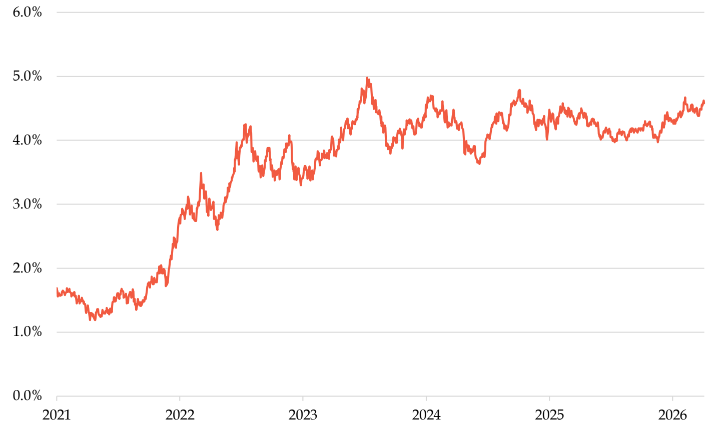
During the second quarter of 2026, the market experienced a notable increase in office assets brought to market, including Lincoln Centre, 3400 NCX, 8080 Central, Providence Tower, and International Plaza III. While most sectors experienced cap rate expansion from 2022 through 2024, Q2 2026 trends indicate pricing is beginning to stabilize as capital markets conditions improve. More importantly, buyers and sellers have started to narrow the bid-ask gap, contributing to increased transaction activity across the metroplex.

Class A assets in premier submarkets such as Uptown, Legacy, Preston Center, and select areas of North Dallas continue to attract investor interest, while older commodity office properties remain challenged by pricing pressure, higher capital requirements, and limited liquidity.

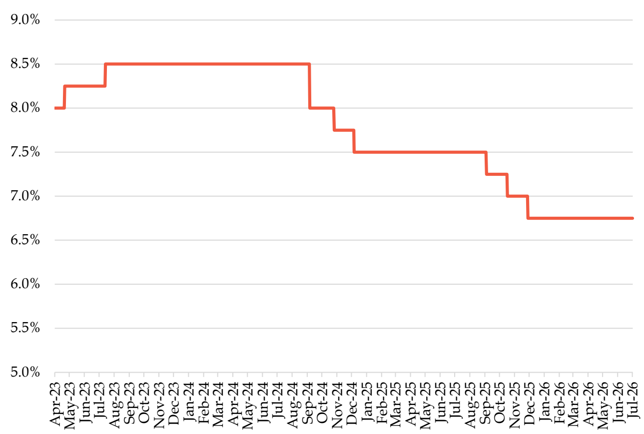
Notable Q2 2026 Office Investment Sales Transactions

Property	Address	Buyer	Submarket
William Square	5205 N. O'Connor Blvd.	TriPost Capital	Las Colinas
Tollway Plaza I & II	15950 & 16000 Dallas Pky	Tourmaline Capital	Quorum/Bent Tree
Tower 2600	2600 N Central Expy	Jeff Harkinson	Richardson

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)

REIT PERFORMANCE YTD THROUGH 06/30/26		
PROPERTY TYPE	AVG. RETURN	NUMBER OF REITs
Office	-1.02%	18
Casino	0.30%	2
Single Family Housing	1.41%	3
Manufactured Housing	1.55%	3
Timber	2.82%	3
Diversified	3.50%	14
Land	4.91%	3
Multifamily	5.35%	12
Infrastructure	10.45%	6
Shopping Center	11.71%	16
Triple Net	13.21%	17
Industrial	17.49%	13
Health Care	19.83%	17
Self-Storage	21.47%	6
Advertising	32.35%	2
Data Center	36.54%	3
Hotel	36.68%	15
Malls	36.78%	3
REIT Average	**13.66%**	**156**

Source: S&P Global Market Intelligence LLC

Submarkets

SUBMARKET	INVENTORY # OF BLDGS	INVENTORY TOTAL SF	VACANCY TOTAL SF	VACANCY RATE	NET ABSORPTION SF CURRENT QTR	NET ABSORPTION SF YTD	COMPLETIONS CURRENT QTR	COMPLETIONS YTD	UNDER CONSTRUCTION AT END OF CURRENT QTR	ASKING RENT WTD. AVG. (FS/G)
CENTRAL EXPRESSWAY	72	11,454,088	3,094,433	27.0%	402	-120,639	-	-	78,758	$39.78
DALLAS CBD	86	32,034,563	9,157,448	28.6%	-380,584	-308,282	-	-	-	$31.77
EAST DALLAS	100	5,182,937	999,256	19.3%	31,927	30,909	-	-	-	$39.66
FAR NORTH DALLAS	395	64,475,348	15,662,585	24.3%	198,955	487,725	-	-	656,887	$37.13
FORT WORTH CBD	51	9,475,654	936,224	9.9%	26,385	73,308	-	-	-	$34.80
LAS COLINAS	277	40,439,393	10,646,020	26.3%	-11,989	-416,410	-	-	-	$32.53
LBJ FREEWAY	117	18,475,045	4,422,228	23.9%	184,830	202,047	-	-	-	$26.52
LEWISVILLE/ DENTON	98	4,907,258	944,043	19.2%	-25,008	-16,794	-	-	66,720	$28.02
MID-CITIES	272	22,820,792	3,457,289	15.1%	-14,237	102,615	-	-	-	$25.68
NORTH FORT WORTH	40	3,573,306	567,095	15.9%	1,945	-85,617	-	-	97,912	$24.89
NORTHEAST FORT WORTH	38	3,294,920	870,419	26.4%	7,335	-6,019	-	-	-	$25.84
PRESTON CENTER	46	6,165,794	367,441	6.0%	6,701	15,398	-	-	206,000	$59.09
RICHARDSON/ PLANO	280	30,746,627	5,446,076	17.7%	-139,508	-23,901	-	-	32,199	$26.81
SOUTH FORT WORTH	145	9,135,443	1,009,461	11.0%	64,451	84,482	39,000	39,000	288,000	$30.68
SOUTHWEST DALLAS	44	3,227,780	575,537	17.8%	2,523	-16,712	-	-	-	$20.55
STEMMONS FREEWAY	80	8,718,595	2,270,464	26.0%	-20,742	-8,377	-	-	-	$21.88
UPTOWN/ TURTLE CREEK	98	17,389,153	3,480,911	20.0%	363,520	429,213	-	-	1,300,126	$64.26
TOTAL DFW	**2,239**	**291,516,696**	**63,906,930**	**21.9%**	**296,906**	**422,946**	**39,000**	**39,000**	**2,726,602**	**$34.27**
CLASS A	626	167,485,962	41,392,386	24.7%	352,961	307,405	39,000	39,000	2,726,602	$38.53
CLASS B	1,303	109,943,378	21,198,566	19.3%	-111,562	57,394	-	-	-	$25.31
CLASS C	310	14,087,356	1,315,978	9.3%	55,507	58,147	-	-	-	$21.33
TOTAL DFW	**2,239**	**291,516,696**	**63,906,930**	**21.9%**	**296,906**	**422,946**	**39,000**	**39,000**	**2,726,602**	**$34.27**

* *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

YOUNGER PARTNERS

14643 Dallas Parkway
Suite 950
Dallas, TX 75254
214.294.4400

www.youngerpartners.com