

DALLAS-FORT WORTH

OFFICE MARKET REPORT

3rd QUARTER 2026

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Major Corporate Moves Reinforce Momentum Across the DFW Office Market.

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Economic Conditions

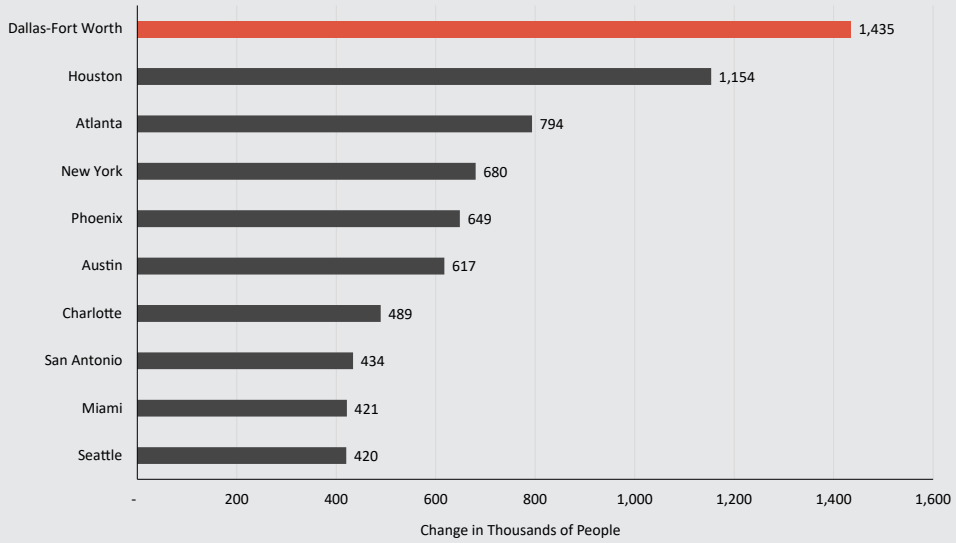
Population and Employment

Dallas–Fort Worth entered the second half of 2026 on solid footing, as steady population growth and modest employment gains continued to reinforce the region's long-term economic momentum. The quarter marked a milestone for the region's "Y'all Street" financial hub, as the Dallas-based Texas Stock Exchange began trading in July, joining NYSE Texas and Nasdaq's expanding local presence. With more than 390,000 finance professionals, DFW now holds the largest financial workforce outside New York, and the exchange's arrival should continue drawing high-wage jobs and new residents to the region. Meanwhile, the 2026 FIFA World Cup drew more than 631,000 attendees to Arlington's AT&T Stadium, according to the Arlington Convention & Visitors Bureau, delivering a significant boost to regional tourism.



Dallas-Fort Worth Population Growth 2015-2025

2025 Population: 8.5 million



Source: U.S. Census Bureau

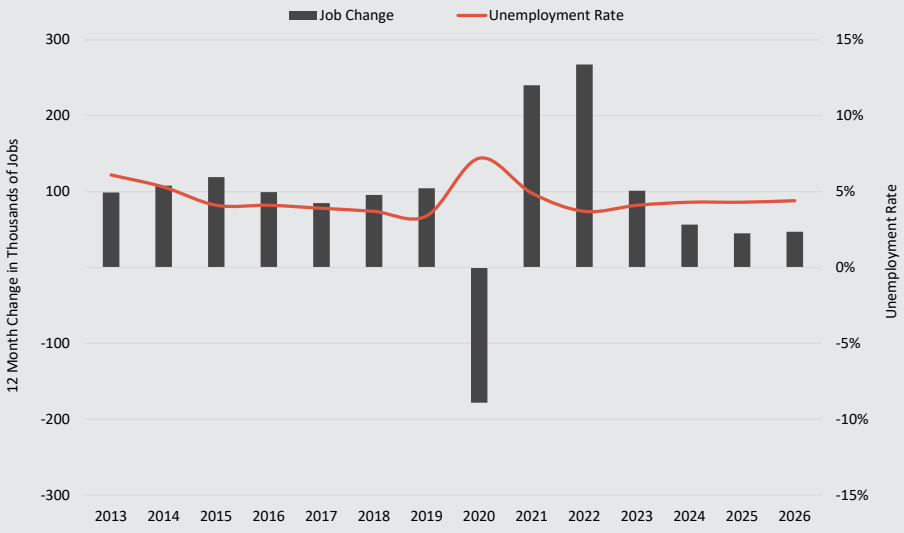
10-Year Change
2015-2025
1.4 million people
(20.4% growth)
(Avg. 1.9% annually)

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

Dallas–Fort Worth continues to hold its position as the most populous metro area in Texas, home to 8.5 million residents and ranking fourth among U.S. major metros. Looking ahead, the region is expected to reach 12.2 million residents by 2050, fueled primarily by domestic in-migration, which has historically represented roughly 60% of the metro's yearly population gains. That trend shows no signs of slowing, as U-Haul's 2026 Midyear Migration Trends report ranked DFW first nationally for Millennial movers and second for Gen Z. The region also topped the company's annual Growth Index for the second consecutive year, with McKinney ranking sixth nationally among growth cities.

Dallas-Fort Worth Net Job Growth and Unemployment Rate

4.4 million jobs I 4.4% unemployment rate



Source: U.S. Bureau of Labor Statistics

12-Month Job Gains
47,000 jobs
(1.1% growth)

The Dallas–Fort Worth unemployment rate rose to 4.4%, though conditions improved late in the quarter after the rate peaked at 4.7% in June, its highest level since 2021. At the same time, hiring picked up from last quarter, with the metro adding roughly 47,000 jobs over the past 12 months, up from 30,700 in the second quarter and marking the first annual acceleration in job gains since 2022. The 2026 FIFA World Cup likely contributed to this rise, supporting gains in Leisure and Hospitality, while Professional and Business Services continued to lead overall growth, driven in part by the region's steady pipeline of corporate headquarters relocations.



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

Job gains across Dallas–Fort Worth broadened in the third quarter, with Professional and Business Services extending its lead by adding 24,462 jobs over the past 12 months, more than double its pace from last quarter. Leisure and Hospitality posted the most notable shift, rising from one of the smaller contributors in the second quarter to the metro’s second-largest source of growth with 9,585 new jobs. The increase likely reflects the impact of the 2026 FIFA World Cup, boosting demand across hotels, restaurants, and entertainment venues. In contrast, Financial Activities shed 2,918 jobs, but the sector is poised for renewed growth as Dallas’ “Y’all Street” financial hub continues to expand. While the Texas Stock Exchange is now operational, major commitments, including Goldman Sachs’ 5,000-employee campus slated for 2028 and Morgan Stanley’s newly announced 3,800-job hub on McKinney Avenue, have yet to reflect in employment figures.

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.

24
Fortune 500
HEADQUARTERS

As of 2025 Dallas-Fort Worth has 24 Fortune 500 company headquarters and 6 headquarters among the Global 500 companies.

#2
IN THE COUNTRY
FOR 5-YEAR JOB GROWTH
(517,100 jobs)

#2
Financial Center
IN THE U.S.

DFW strengthens its position as the nation's second-largest financial services hub after New York City, ahead of Chicago.

2026 HQ Relocation
ANNOUNCEMENTS

EAGLENXT · Public Storage · BIMBO Bakeries USA · ADVANCED COMPOSITE STRUCTURES · SAMSUNG · H&MV ENGINEERING · INTANGLES A DIGITAL TWIN COMPANY

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

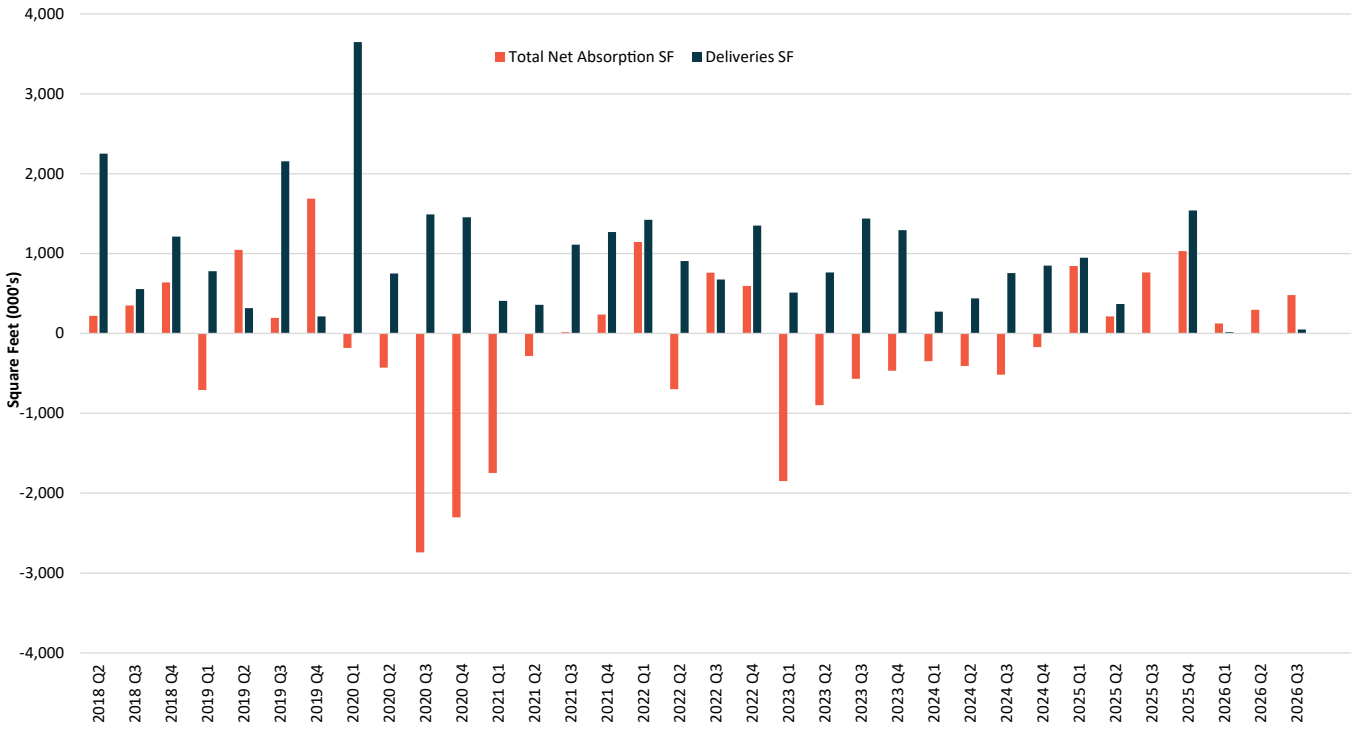
Dallas-Fort Worth office demand strengthened in Q3 2026, with positive net absorption totaling 480,177 SF and year-to-date absorption reaching 874,290 SF. Far North Dallas accounted for 75.8% of the quarter's positive absorption, supported by several full-building occupancies, including the headquarters expansion and relocation of Fisher Investments and Public Storage, respectively. New office deliveries have remained limited in 2026 following more than 1.5 million SF delivered in Q4 2025, while tighter new supply and ongoing demand pressures have contributed to some leasing activity shifting toward Class B properties.

While Class B properties captured slightly more absorption than Class A properties in the third quarter, the 4.6% difference was largely driven by several large, full-building move-ins rather than a broader shift in tenant preferences. Year-to-date, buildings delivered since 2015 accounted for 185% of Class A's 523,000 SF of positive net absorption, reinforcing continued demand for newer, amenity-rich office space.

The financial services sector remained a key source of demand with Morgan Stanley's commitment to 124,000 SF at Fountain Place in preparation for its planned 700,000 SF build-to-suit at 2401 McKinney. Combined, Morgan Stanley, Goldman Sachs and Bank of America are expected to bring or retain nearly 10,000 jobs in the Dallas area as their expansions are completed, adding to the momentum behind the region's broader "Y'all Street" movement. At the same time, these relocations are expected to leave sizable blocks of office space vacant in the CBD as firms transition into newer, purpose-built campuses in Uptown, adding to the challenges facing downtown landlords as they work to reposition aging office inventory.

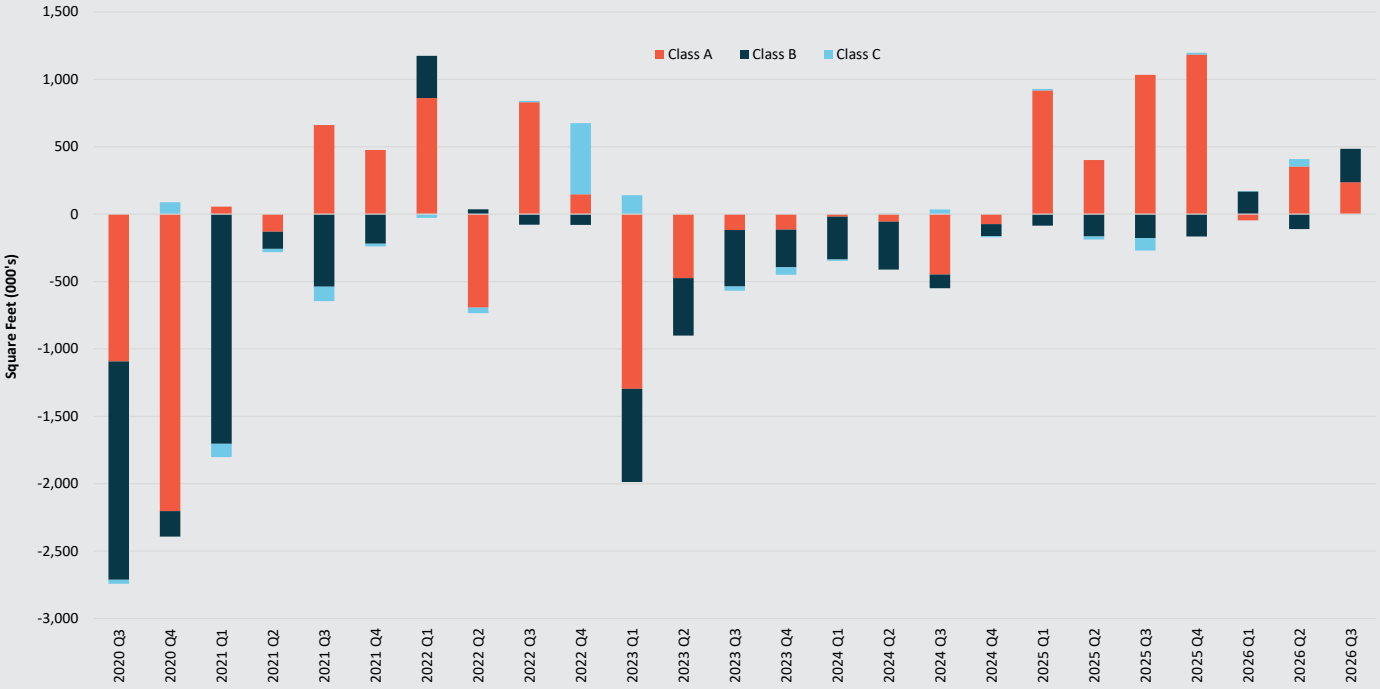
Overall, Q3 points to a DFW office market where demand is improving but increasingly selective. Positive absorption, major corporate commitments and strengthening financial-services activity suggest a healthier demand environment, while tenant preferences continue to reshape where that demand is ultimately captured.

Net Absorption & Deliveries

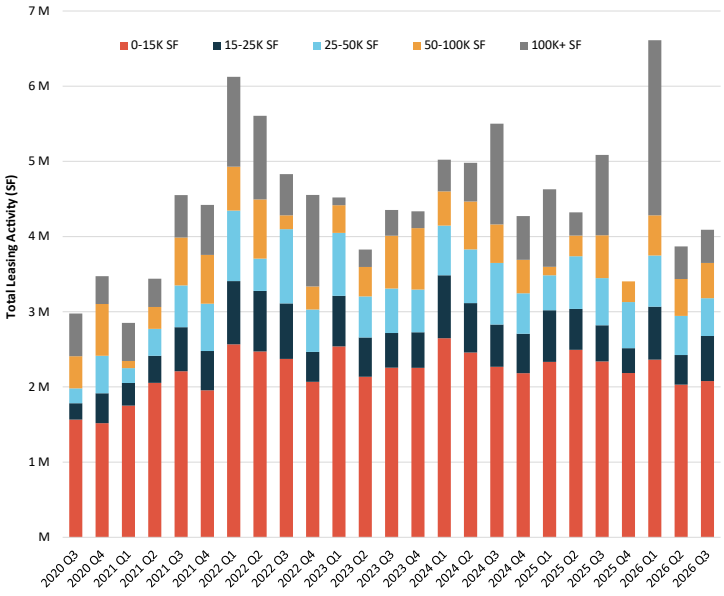


Class Net Absorption

Total net absorption in Dallas-Fort Worth was positive for the seventh consecutive quarter at 480,177 SF. In a notable shift, Class B outpaced Class A, recording 247,430 SF of absorption, its strongest quarter since early 2022. Class A followed closely with 236,505 SF, while Class C remained essentially flat at negative 3,758 SF. Despite Class B's stronger quarterly performance, the broader flight-to-quality trend remains evident, with newer office buildings continuing to capture a disproportionate share of year-to-date Class A absorption.



Leasing Activity



Leasing activity reached approximately 4.1 million SF in the third quarter, up 5.7% quarter-over-quarter but down 10.5% year-over-year, reflecting a more measured pace of demand. Smaller tenants continued to drive the market, with transactions under 15,000 SF accounting for 92.0% of all deals signed for the quarter. Larger users also contributed, led by AT&T's 183,000 SF expansion at Lakeside Campus in Richardson. As part of its broader exit from the Dallas CBD, AT&T plans to operate from both Richardson and its new Plano campus once complete. Meanwhile, Morgan Stanley signed a 124,000 SF temporary relocation at Fountain Place in the Dallas CBD ahead of its planned 3,800-job U.S. operations hub at 2401 McKinney in Uptown.

Q3 2026 NOTABLE LEASES

Tenant	Deal Size	Type	Building	Submarket
AT&T	183,000	New Lease	Lakeside Campus	Richardson
Depository Trust & Clearing Corp.	134,000	New Lease	9001 Cypress Waters Blvd	DFW Freeport/Coppell
Morgan Stanley*	124,000	New Lease	Fountain Place	Dallas CBD
Frost Bank	88,000	Renewal	Frost Tower	Uptown/Turtle Creek
FleetPride	84,000	Sublease	Granite Park 3	Upper Tollway/West Plano
Lion Resources	74,000	New Lease	The Connection	Office Center/West LBJ

**Temporary relocation*

Source: Younger Partners Research; CoStar



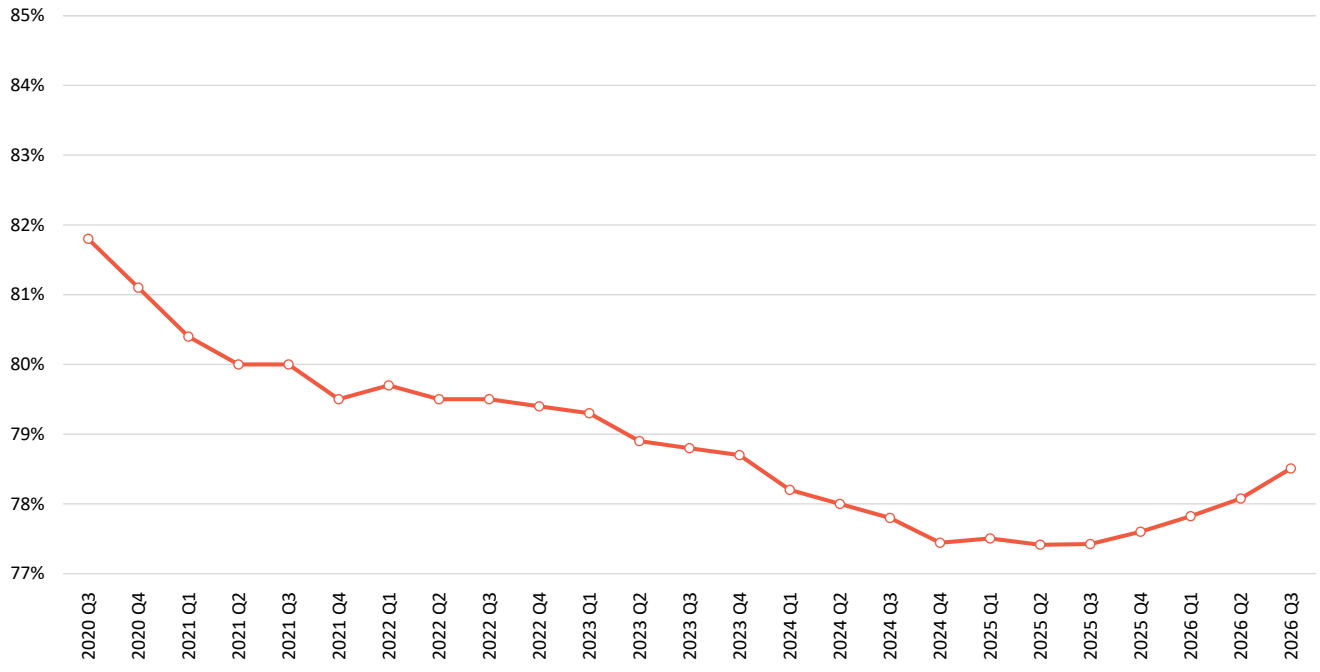
Occupancy Trends

Overall office occupancy increased to 78.5% in Q3, marking the fourth consecutive quarter of gains and improving from a historical low of 77.4% a year ago. Meanwhile, sublease availability declined further to approximately 6.0 million SF, down 28.6% year-over-year. Notable removals include the nearly 330,000 SF full-building sublease at 6100 Legacy, which was withdrawn this quarter following its purchase from Prescott Realty Group after five years of full-building vacancy.

Supply-side contraction is also reshaping market fundamentals, with 2026 office demolitions now exceeding the metroplex's current construction pipeline by roughly 310,000 SF, signaling continued reductions in obsolete inventory. Industrial and multifamily uses account for nearly half of replacement development, including the 900,000 SF Horizon II industrial project on the former State Farm campus in Coppell. Office-to-office redevelopment represents the largest share at 48%, driven almost entirely by the 1.6 million SF former EDS/DXC campus at 5400 Legacy, which is slated for redevelopment as AT&T's proposed headquarters.

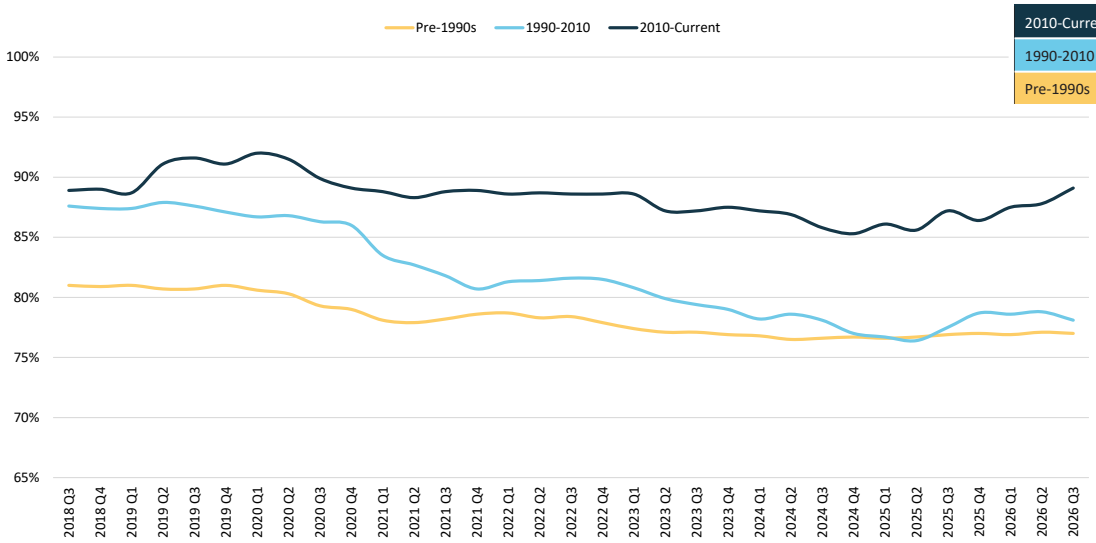
Together, rising occupancy, declining sublease availability and the continued removal of obsolete office inventory are steadily tightening competitive supply. While the recovery remains uneven across the market, these trends are moving DFW office fundamentals toward a more balanced supply-demand environment.

Occupancy Trends



DFW office occupancy in Q3 2026 continued to split by vintage, with properties constructed since 2010 leading at 89.1% in Q3 2026, up 1.9 percentage points year-over-year. Buildings constructed from 1990–2010 recorded 78.1% occupancy, while pre-1990 properties lagged at 77.0%. The performance gap further highlights evolving demand and flight-to-quality, as older buildings face greater challenges attracting and retaining tenants.

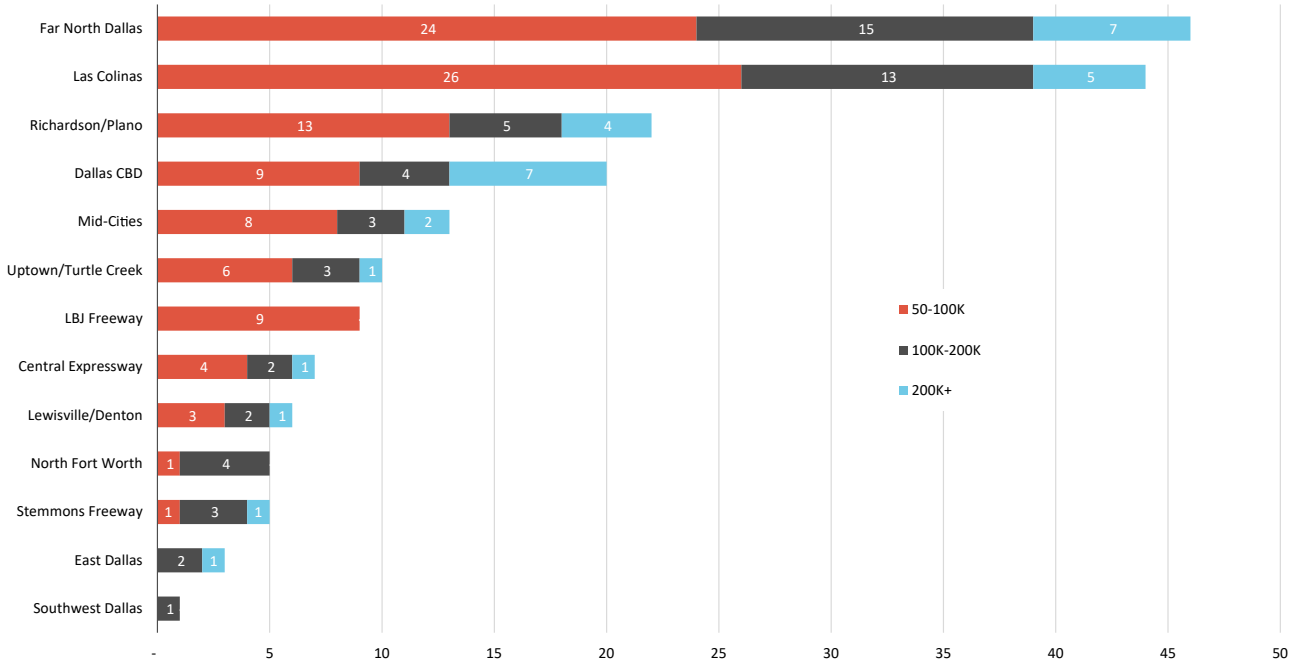
Occupancy by Year Built



Year Built	Occupancy % Q3 2026	1-Yr Change (percentage points)	5-Yr Change (percentage points)
2010-Current	89.1%	1.9	0.3
1990-2010	78.1%	0.6	-3.7
Pre-1990s	77.0%	0.1	-1.2

The number of direct and sublease blocks exceeding 50,000 SF held relatively steady at 191 across the Dallas-Fort Worth office market. While overall large-block availability changed little, the mix has shifted toward smaller options, with ten new blocks of spaces between 50,000 and 100,000 SF coming to market as the supply of 200,000 SF-plus blocks continued to tighten. Far North Dallas overtook Las Colinas this quarter with 46 large blocks, partly driven by Palo Alto Networks' possible departure from Tollway Office Center I, where its 120,000 SF space has been placed on the market as the company searches for a new location.

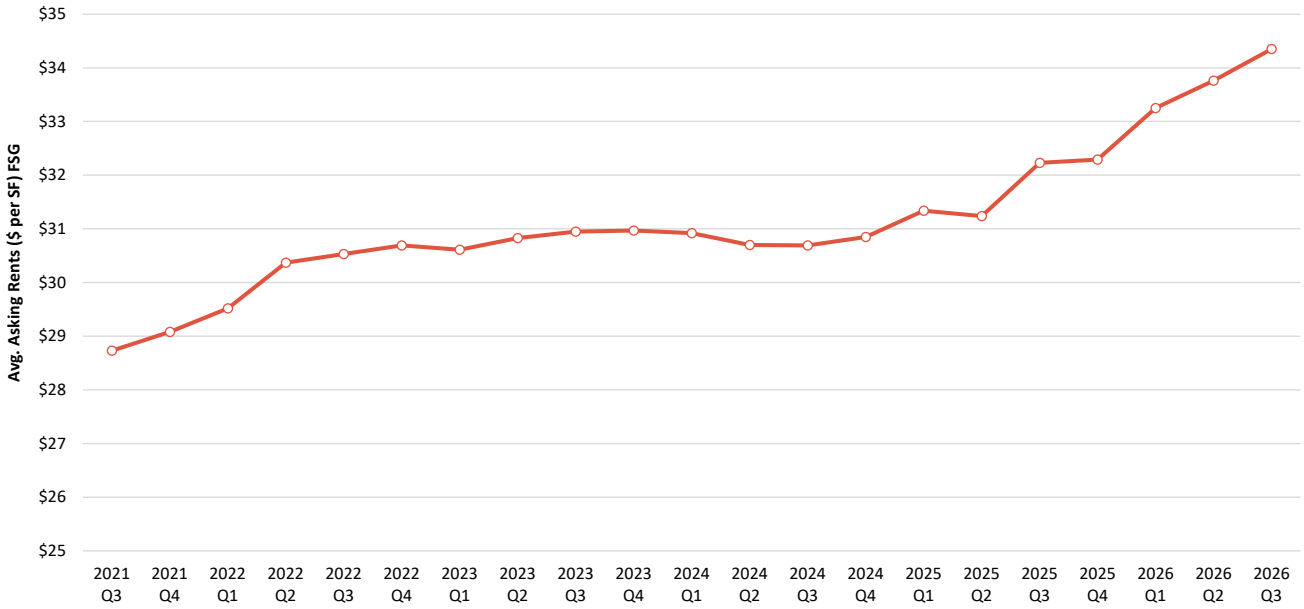
Big Blocks of Space



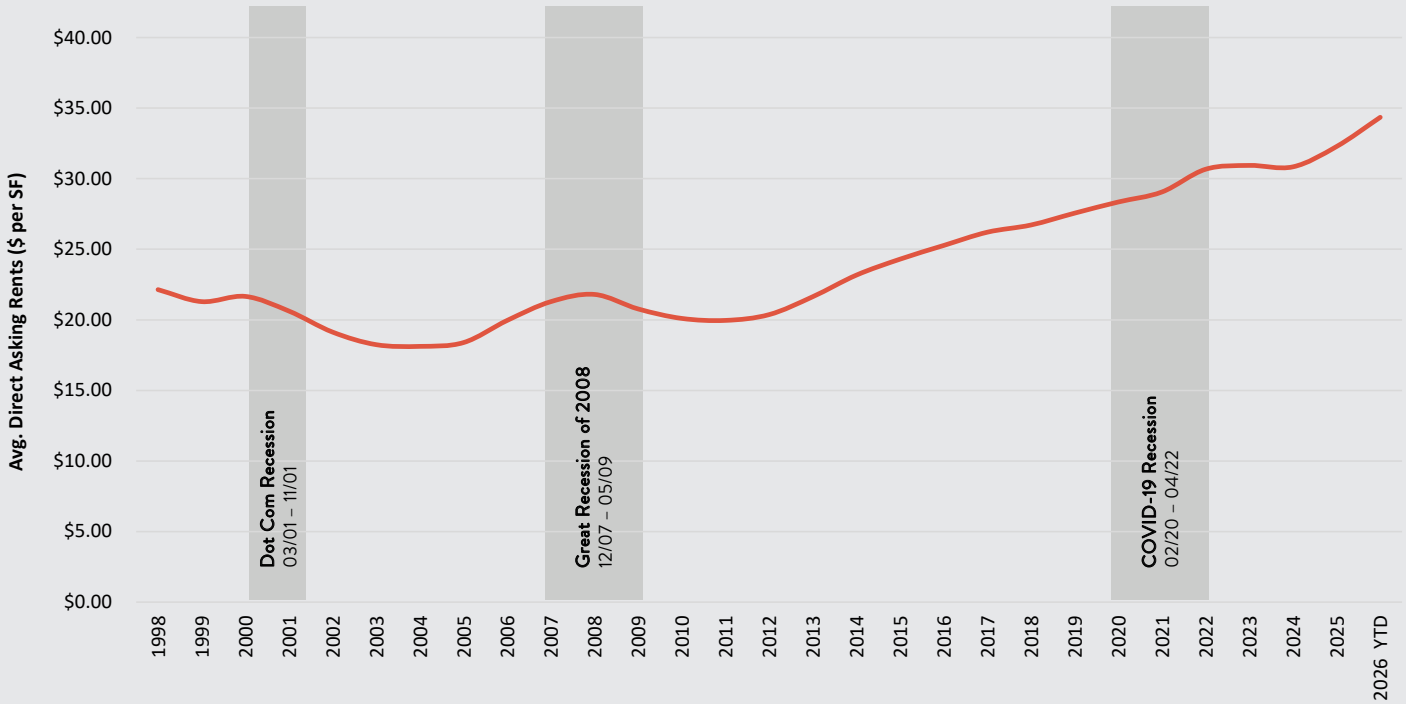
Rental Rate Trends

Asking rents continued their upward climb, with the overall average reaching $34.35 per SF, up 6.6% year-over-year. Class A properties led the increase, rising 8.4% to $38.79 per SF. Uptown/Turtle Creek remains at the forefront of rent growth, as new trophy development continues to reset pricing. Most notably, 23Springs raised asking rents from $95.00 to $100.00 NNN this quarter, while Preston Center has followed a similar path, including rising rents at Sherry Lane Place from $70.00 to $75.00 NNN.

Rental Rate Trends (FSG)

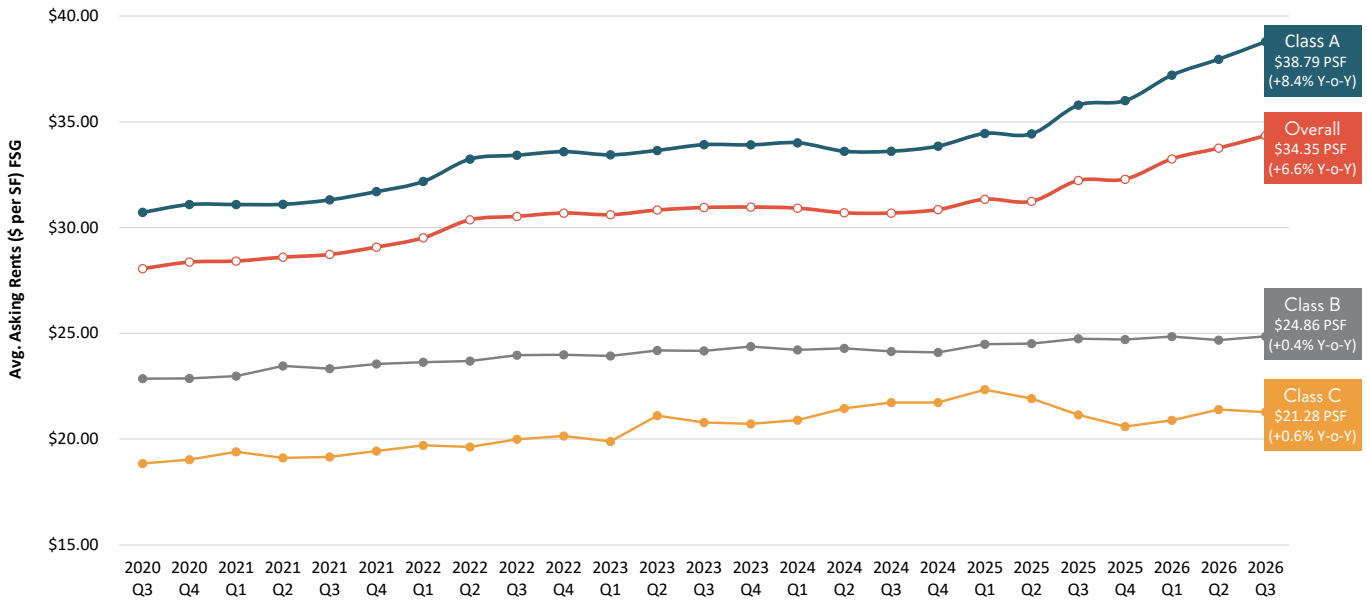


Historical Rents (FSG)

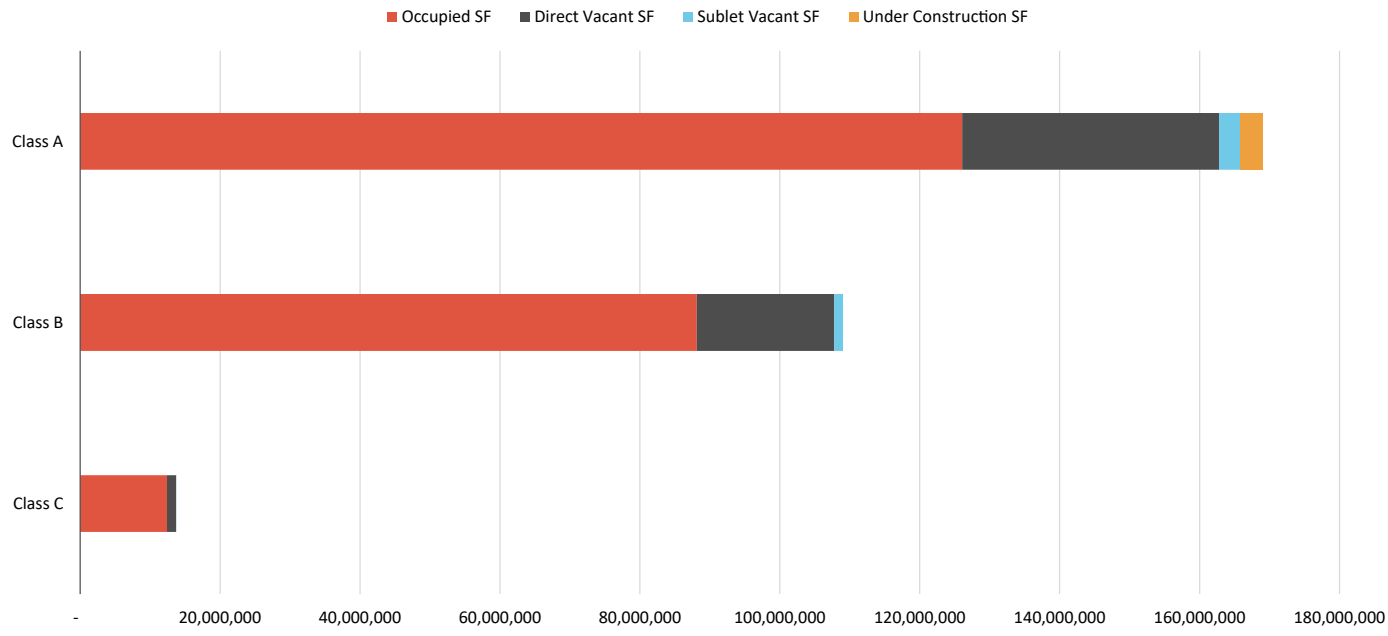


Overall asking rates, which are weighted on available space for all property classes, increased $2.12 year-over-year, with Class A rising $3.00, Class B $0.11, and Class C $0.13.

Class Rental Rates (FSG)



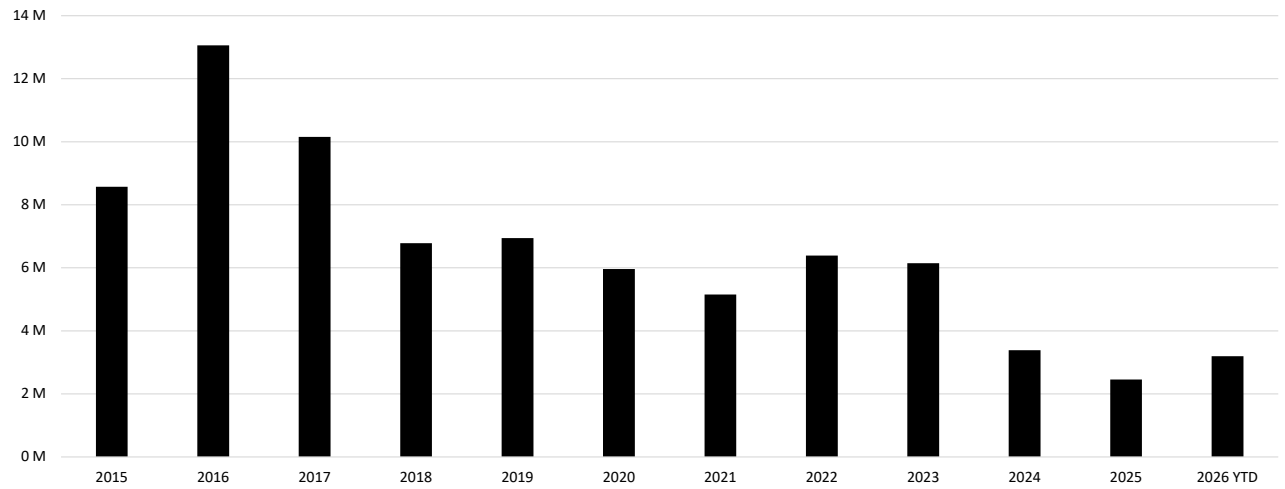
Key Stats By Property Class (SF)

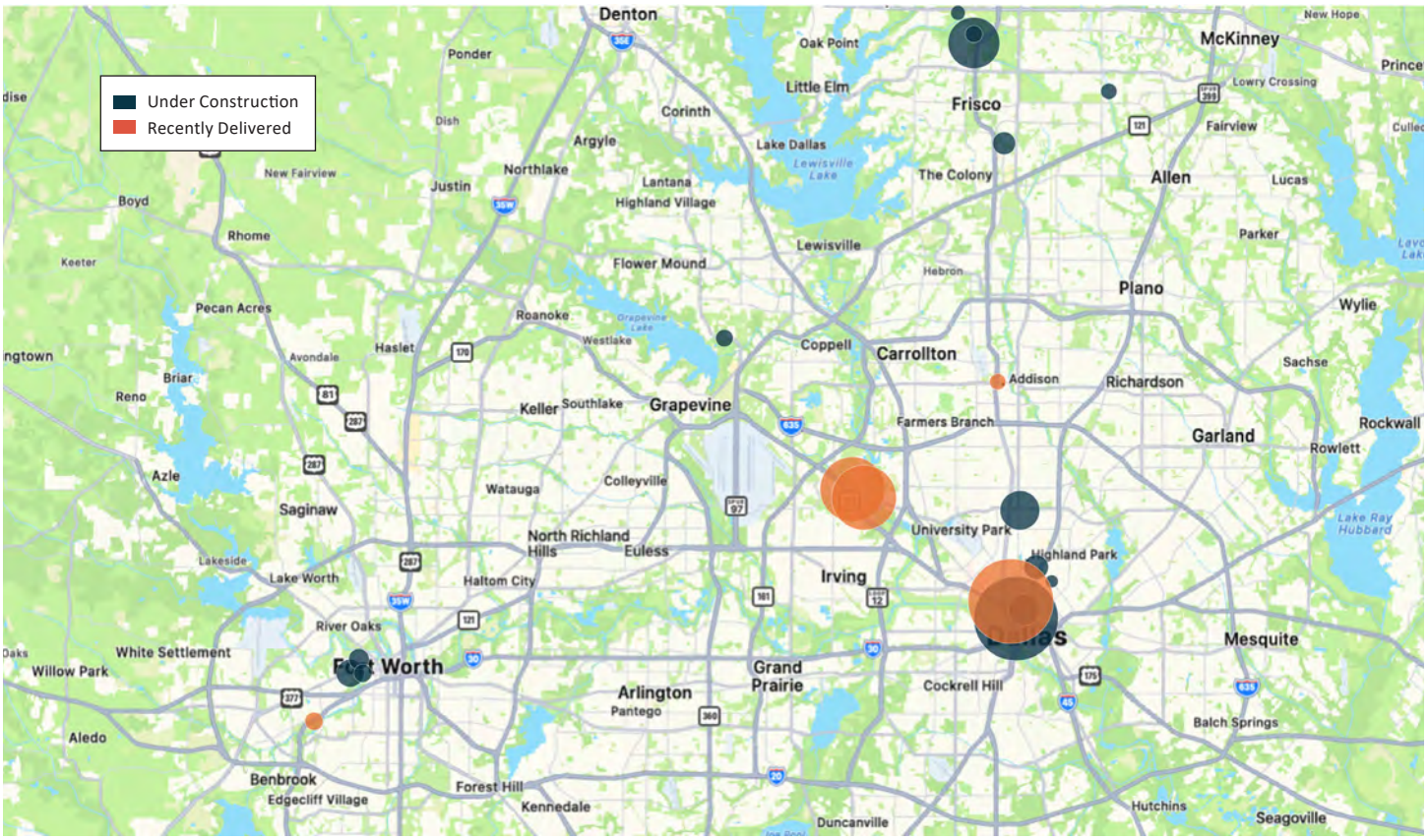


DFW Construction Pipeline

While no new office space delivered in the third quarter, the construction pipeline gained momentum as several high-profile projects advanced, reflecting continued investment in well-positioned office submarkets. In Preston Center, Ramrock Real Estate's 316,027 SF redevelopment of 8300 Douglas is now under construction and 79.5% leased, underscoring demand for repositioned, high-quality space in one of DFW's most supply-constrained office districts. Confidence has also returned to speculative construction, as Stonelake Capital Partners' 173,774 SF tower at 2626 McKinney Avenue broke ground in Uptown without pre-leasing in place. Looking ahead, the proposed pipeline expanded with two major build-to-suit commitments: AT&T's 2.0 million SF headquarters in Upper Tollway/West Plano and Morgan Stanley's 20-story, 700,000 SF hub at 2401 McKinney, highlighting continued demand from large corporate users for purpose-built space in prime submarkets.

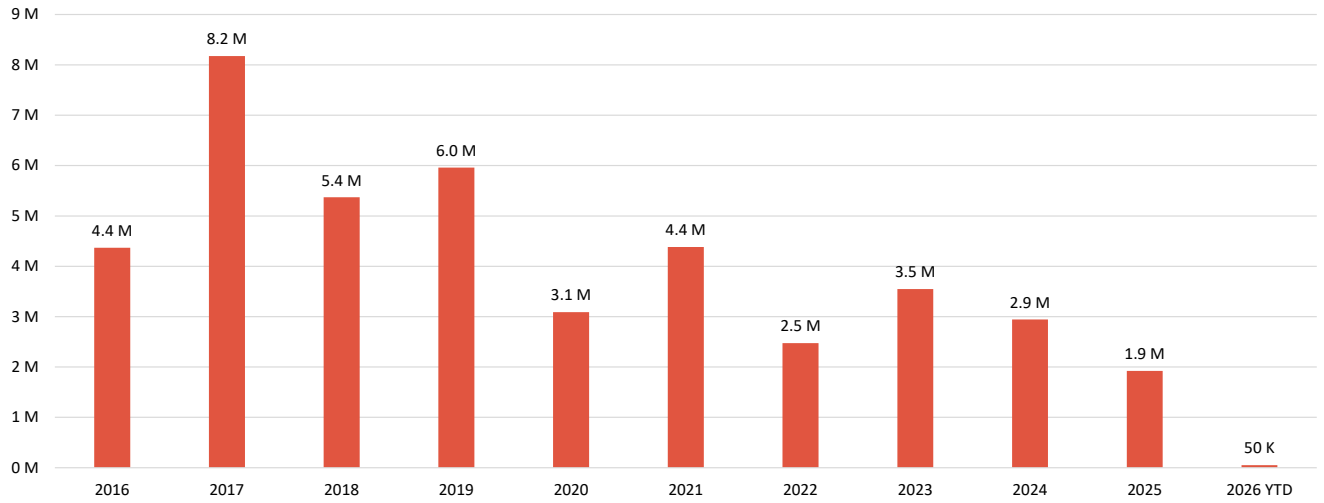
Under Construction (SF)





Recent Deliveries (SF)

12-Month Activity





SHOPS AT CLEARFORK - BLDG C2
South Fort Worth
50,000 RBA
Pre-Leased: Wells Fargo Bank
87.9% Leased
6,056 Avail. SF
$52.50 NNN
Cassco/Simon
Q1 2026 Delivery



23SPRINGS
Uptown/Turtle Creek
625,000 RBA
29,161 Avail. SF
99.6% Leased
$100.00 NNN
Granite Properties
Q3 2025 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
28,200 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
11.9% Leased
Withheld Rents
Goldenrod Companies



WESTSIDE VILLAGE
Northwest Fort Worth
97,912 RBA
66,753 Avail. SF
31.8% Leased
Withheld Rents
Larkspur Capital



SILVERON PARK
Lewisville/Denton
66,720 RBA
53,305 Avail. SF
20.1% Leased
$35.00 NNN
HF Silveron Office, LP



THE MIX
Frisco/The Colony
110,014 RBA
110,014 Avail. SF
$50.00 NNN
JVP Development



FIELDS WEST
Frisco/The Colony
451,036 RBA
428,190 Avail. SF
$49.00 NNN
Hunt Realty Investments



2626 MCKINNEY
Uptown/Turtle Creek
173,774 RBA
173,774 Avail. SF
Withheld Rents
Stonelake Capital Partners



CUSTER SILVERADO CENTER
Allen/McKinney
20,973 RBA
20,973 Avail. SF
$34.00 NNN
Legacy Commercial

Under Construction with Leases



BOA TOWER AT PARKSIDE
Uptown/Turtle Creek
496,876 RBA
Pre-leased: BOA
200,383 Avail. SF
$75.00 – 85.00 NNN
Pacific Elm Properties



GOLDMAN SACHS
Uptown/Turtle Creek
782,168 RBA
100% Leased
Build-to-Suit
Hunt Consolidated



CRESCENT OFFICES WEST
South Fort Worth
162,000 RBA
Pre-Leased: JP Morgan Chase
88,000 Avail. SF
$59.00 NNN
Crescent Real Estate



THE KNOX
Preston Center
201,400 RBA
Pre-Leased: ISN Software
100% Leased
MSD Partners, Trammell Crow Co., The Retail Connection and Highland Park Village Associates



8300 DOUGLAS
Preston Center
316,027 RBA
64,899 Avail. SF
79.5% Leased
Withheld Rents
Ramrock Real Estate



VERITEX COMMUNITY BANK
Frisco/The Colony
36,292 RBA
100% Pre-Leased
$45.00 NNN
Veritex Community Bank



FIELDS LEGACY
Frisco/The Colony
30,000 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
166,956 RBA
166,956 Avail. SF
$49.00 NNN
Wilks Development



SOUTHSTONE YARDS - PH II
Frisco/The Colony
221,389 RBA
214,332 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



AT&T HEADQUARTERS
Upper Tollway/West Plano
2,000,000 RBA
100% Leased to AT&T
Build-to-Suit
KDC Real Estate



KNOX & MCKINNEY
Preston Center
271,786 RBA
142,572 Avail. SF
47.5% Leased
Pre-Leased to Jones Day
Withheld Rents
Trammell Crow Co.



28HUNDRED FAIRMOUNT
Uptown/Turtle Creek
511,927 RBA
511,927 Avail. SF
$87.00 NNN
Lincoln Property Company



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



OLD PARKLAND EAST PHASE II
Uptown/Turtle Creek
300,000 RBA
300,000 Avail. SF
Withheld Rents
Crow Holdings



2401 MCKINNEY
Uptown/Turtle Creek
700,000 RBA
100% Leased to Morgan Stanley
Build-to-Suit
Trammell Crow Company



ONE UNIVERSITY
West Southwest Ft Worth
130,000 RBA
116,044 Avail. SF
10.7% Leased
Withheld Rents
Goldenrod Companies

Capital Markets

The Dallas office investment market entered Q3 with a full head of steam, but the Fed's rate decisions and a 90-basis-point increase in the 5-Year Treasury over the three-month period appear to have taken some of the wind out of the sales. That said, the market remained active in Q3, with several high-profile office buildings changing hands. Preston Center, Uptown/Turtle Creek and portions of the Dallas North Tollway/Legacy corridor continue to draw the most investor attention. Well-located, high-quality assets remain the most sought after, while buyers are taking a more cautious approach to older or less competitive properties.

Financing remains selective, with the cost of capital materially different from the ultra-low-rate environment that preceded the current cycle. Capital is increasingly discriminating between asset classes, making the strongest investment thesis more asset-specific than market-wide. Sellers of challenged assets are facing greater pricing pressure, while buyers of premier properties appear more willing to compete when the fundamentals justify the investment. The result is likely to be a two-tiered office investment market going forward: premier assets receiving increasing institutional attention, while challenged properties continue to trade at significant discounts and require substantially higher returns.

Notable Q3 2026 Office Investment Sales Transactions

Property	Address	Buyer	Submarket
Churchill Tower	12400 Coit Rd	Buchanan Capital Partners	LBJ Freeway
Sherry Lane Place	5956 Sherry Ln	Shorenstein	Preston Center
Premier Place	5910 N Central Expy	Lone Star Funds	Central Expy

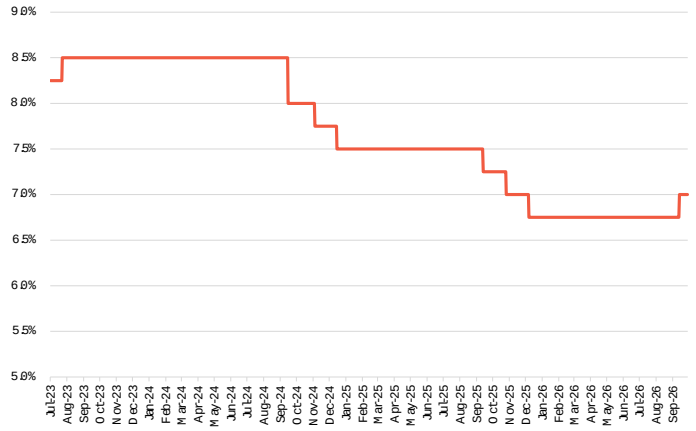
REIT PERFORMANCE YTD THROUGH 08/31/26		
PROPERTY TYPE	AVG. RETURN	NUMBER OF REITs
Infrastructure	-12.66%	5
Casino	-4.20%	2
Office	-3.76%	18
Single Family Housing	-2.05%	3
Multifamily	0.32%	12
Timber	0.78%	3
Diversified	2.47%	14
Manufactured Housing	4.73%	3
Shopping Center	5.64%	16
Land	8.80%	3
Triple Net	9.74%	17
Industrial	15.64%	13
Health Care	17.03%	19
Self-Storage	19.92%	6
Advertising	22.38%	2
Data Center	25.66%	4
Hotel	29.52%	15
Malls	33.31%	3
REIT Average	9.67%	158

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	71	11,450,165	3,007,870	26.3%	85,934	-34,705	-	-	78,758	$39.89
DALLAS CBD	84	31,205,403	9,165,761	29.4%	-88,533	-396,815	-	-	-	$31.74
EAST DALLAS	99	5,159,063	951,541	18.4%	24,173	55,082	-	-	-	$37.47
FAR NORTH DALLAS	393	62,873,985	13,913,670	22.1%	363,775	822,667	-	-	629,070	$37.90
FORT WORTH CBD	51	9,475,654	982,753	10.4%	-31,968	41,340	-	-	-	$34.52
LAS COLINAS	276	40,399,324	10,796,062	26.7%	-76,764	-493,174	-	-	-	$32.80
LBJ FREEWAY	114	18,268,450	4,313,247	23.6%	41,910	243,957	-	-	-	$27.22
LEWISVILLE/ DENTON	99	5,014,158	902,412	18.0%	56,631	39,837	-	-	66,720	$28.64
MID-CITIES	272	22,519,682	3,486,507	15.5%	-11,660	90,955	-	-	-	$25.58
NORTH FORT WORTH	40	3,572,709	568,885	15.9%	-1,790	-87,407	-	-	97,912	$24.88
NORTHEAST FORT WORTH	38	3,296,242	923,467	28.0%	4,853	-1,166	-	-	-	$26.88
PRESTON CENTER	47	6,217,455	430,108	6.9%	-31,752	-16,354	-	-	522,027	$64.54
RICHARDSON/ PLANO	280	30,737,098	5,446,269	17.7%	15,471	-8,430	-	-	32,199	$27.00
SOUTH FORT WORTH	145	9,122,388	958,154	10.5%	56,105	140,587	-	50,000	288,000	$30.80
SOUTHWEST DALLAS	44	3,217,480	590,997	18.4%	-15,460	-32,172	-	-	-	$21.52
STEMMONS FREEWAY	80	8,759,454	2,124,121	24.2%	93,978	85,601	-	-	-	$21.95
UPTOWN/ TURTLE CREEK	98	17,366,044	3,473,873	20.0%	-4,726	424,487	-	-	1,480,968	$63.38
TOTAL DFW	**2,231**	**288,654,754**	**62,035,697**	**21.5%**	**480,177**	**874,290**	**-**	**50,000**	**3,195,654**	**$34.35**
CLASS A	623	165,869,460	39,802,877	24.0%	236,505	523,297	-	50,000	3,195,654	$38.79
CLASS B	1,300	109,036,266	20,907,227	19.2%	247,430	296,604	-	-	-	$24.86
CLASS C	308	13,749,028	1,325,593	9.6%	-3,758	54,389	-	-	-	$21.28
TOTAL DFW	**2,231**	**288,654,754**	**62,035,697**	**21.5%**	**480,177**	**874,290**	**-**	**50,000**	**3,195,654**	**$34.35**

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.

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