

FIGURES | DALLAS/FORT WORTH OFFICE | Q3 2026

Vacancy continues to decline as occupancy and demand improve



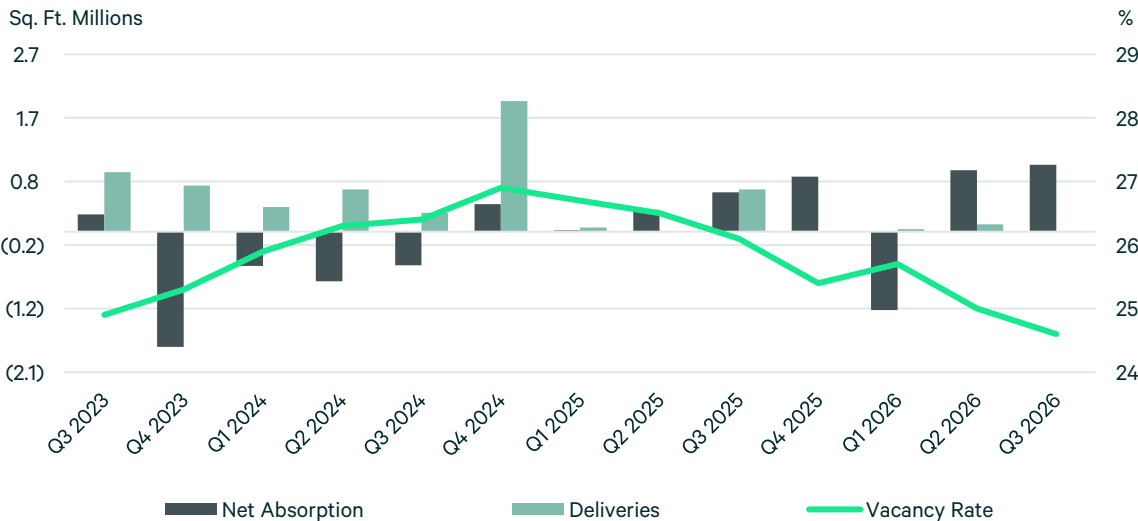
Note: Arrows indicate change from previous quarter.

Market Overview

Market conditions in Q3 2026 tightened as vacancy fell and demand strengthened quarter-over-quarter. Net absorption reached 1.00 million sq. ft., up from 916,000 sq. ft. in Q2 2026, and vacancy fell 40 basis points to 24.6%, while availability declined 130 bps to 26.6%. Leasing activity also improved, rising to 2.52 million sq. ft. from 1.80 million sq. ft. in Q2 2026, as average asking rents advanced from \$34.82 per sq. ft. to \$35.09 per sq. ft. and the construction pipeline expanded from 2.98 million sq. ft. to 3.48 million sq. ft. under construction with no new deliveries.

From Q3 2023 through Q3 2026, the market evolved from rising vacancy and occupancy losses to gradual stabilization. Vacancy climbed from 24.9% in Q3 2023 to 26.9% in Q4 2024 as several quarters posted negative net absorption, including a 1.72 million sq. ft. loss in Q4 2023. From Q1 2025 through Q4 2025, every quarter recorded positive absorption and year-to-date gains reached 1.75 million sq. ft., pulling vacancy down to 25.4% and availability to 28.4%. Leasing remained active but uneven, with quarterly volumes between 1.71 million sq. ft. and 3.48 million sq. ft. The construction pipeline peaked at 5.37 million sq. ft. under way in Q4 2023, eased to 2.03 million sq. ft. by Q3 2025 and then rebuilt to 3.48 million sq. ft. in Q3 2026, while average asking rents rose from \$32.14 per sq. ft. in Q3 2023 to \$35.09 per sq. ft. in Q3 2026.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy

In Q3 2026, overall vacancy trended lower quarter-over-quarter and year-over-year for both Class A and Class B offices. In Class A, overall vacancy fell 50 basis points quarter-over-quarter to 24.5%, with vacancy 140 bps lower year-over-year and 70 bps below the 25.2% level reported in Q3 2023. Class B overall vacancy decreased 40 bps quarter-over-quarter to 24.7%, declined 190 bps year-over-year, and stood 50 bps above the 24.2% rate recorded three years earlier in Q3 2023, reflecting a slower longer-term improvement.

Across the market, vacancy conditions varied significantly by submarket this quarter. Preston Center posted the lowest overall vacancy at 5.2%, followed by Fort Worth CBD at 10.8%, highlighting very limited availability in these core districts. At the other end of the spectrum, North Fort Worth recorded the highest vacancy rate at 35.7%, with Dallas CBD close behind at 34.7%, underscoring much deeper pools of available space in these areas.

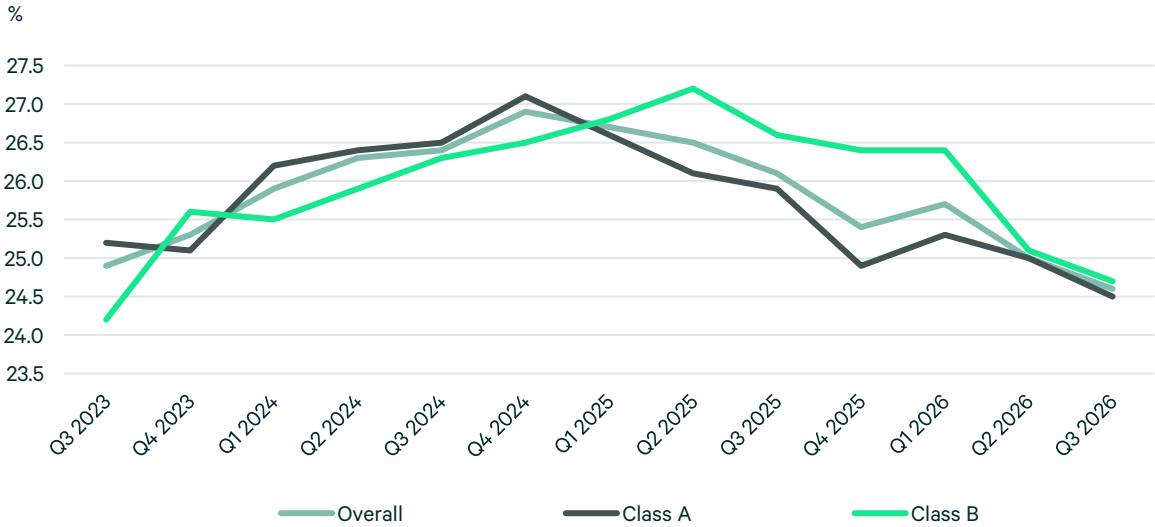
Sublease vacancy changed only modestly quarter-over-quarter this quarter. Class A sublease vacancy held steady at 2.3% quarter-over-quarter, while Class B sublease vacancy fell 10 bps to 1.2%, and sublease space totaled 4.33 million sq. ft. of vacant inventory across the market.

Asking Rent

In Q3 2026, the overall office market average asking rent was \$35.09 per sq. ft., up from \$34.82 per sq. ft. quarter-over-quarter and from \$33.43 per sq. ft. year-over-year. Over the full period from Q3 2023 through Q3 2026, overall average asking rents increased from \$32.14 per sq. ft. to \$35.09 per sq. ft., while Class A rents moved from \$35.28 per sq. ft. to \$40.10 per sq. ft. This sustained upward trajectory, with Class A pricing consistently above the market average and Class B rents holding in a narrow band between \$24.74 per sq. ft. and \$25.69 per sq. ft., indicated stronger rate performance in higher-quality assets than in mid-tier product.

Among submarkets, Class A in Preston Center and Uptown/Turtle Creek posted the highest average asking lease rates in Q3 2026 at \$73.19 per sq. ft. and \$67.23 per sq. ft., respectively. East Dallas Class A also commanded elevated rents at \$55.56 per sq. ft., while Far North Dallas, South Fort Worth and Central Expressway Class A space ranged from \$41.19 per sq. ft. to \$44.62 per sq. ft., and LBJ Freeway, Dallas CBD, Las Colinas and Fort Worth CBD Class A asking rents ranged from \$35.87 per sq. ft. to \$38.47 per sq. ft. At the more affordable end of the market, Northeast Fort Worth Class B space recorded the lowest rate at \$16.93 per sq. ft., with Southwest Dallas Class A and Class B at \$19.25 per sq. ft. and \$22.27 per sq. ft., respectively, and Mid-Cities, North Fort Worth, Richardson/Plano and Lewisville/Denton posting Class B rents between \$20.89 per sq. ft. and \$24.10 per sq. ft.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q3 2026

Net Absorption

Net absorption across the market was strongly positive in Q3 2026, totaling 1.00 million sq. ft. This total exceeded the quarter-over-quarter result in Q2 2026, when net absorption reached 916,000 sq. ft., reflecting an improvement of 86,000 sq. ft. On a year-over-year basis, Q3 2026 net absorption exceeded the Q3 2025 total of 590,000 sq. ft. by 412,000 sq. ft., underscoring a significant expansion in occupied space. Class A space accounted for 711,000 sq. ft. of net absorption in the quarter, compared with 291,000 sq. ft. for Class B, highlighting broad-based gains across quality segments.

At the submarket level, Far North Dallas and Uptown/Turtle Creek posted the highest positive net absorption this quarter, at 733,000 sq. ft. and 209,000 sq. ft., respectively. Central Expressway and Mid-Cities followed among the strongest performers, with net absorption of 157,000 sq. ft. and 90,000 sq. ft., supporting additional occupancy growth across these areas. Dallas CBD and Northeast Fort Worth registered the steepest occupancy losses, with net absorption of negative 218,000 sq. ft. and negative 73,000 sq. ft., making them the weakest submarkets in the market this quarter. Taken together, the concentration of gains in select submarkets alongside losses in Dallas CBD and Northeast Fort Worth pointed to uneven absorption dynamics across the metro area.

Construction Activity

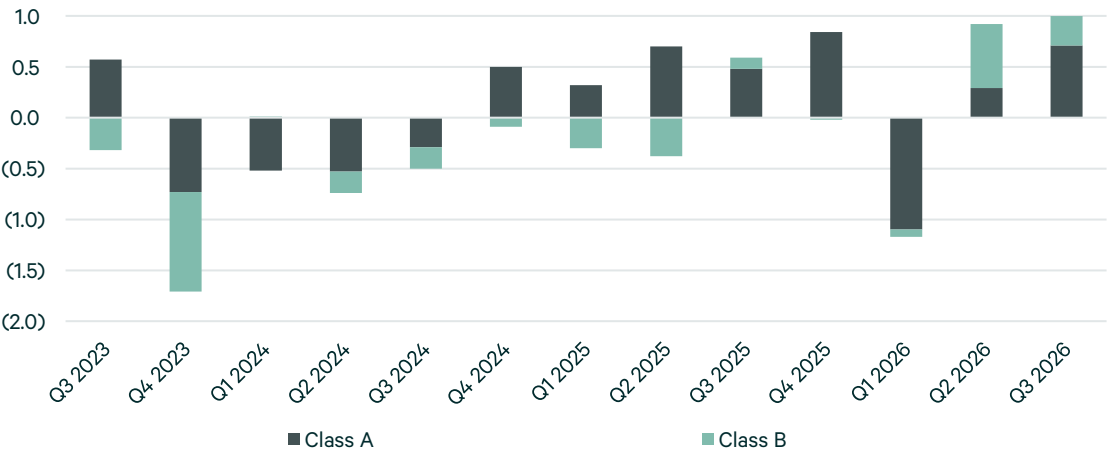
In Q3 2026, under construction space totaled 3.48 million sq. ft. while there was no construction delivered during the quarter. Under construction increased by 497,000 sq. ft. quarter-over-quarter from 2.98 million sq. ft. in Q2 2026 and was 1.45 million sq. ft. higher year-over-year than the 2.03 million sq. ft. underway in Q3 2025, while construction deliveries fell from 113,000 sq. ft. in Q2 2026 and 626,000 sq. ft. in Q3 2025 to zero this quarter. This combination of a growing pipeline and minimal new completions meant supply pressure from projects under way increased while near-term additions to inventory remained limited.

Construction activity this quarter was concentrated in Uptown/Turtle Creek and Preston Center, which together accounted for the largest pipelines, led by the 800,000 sq. ft. Goldman Sachs project and the 500,126 sq. ft. Bank of America Tower at Parkside in Uptown/Turtle Creek and the 297,131 sq. ft. 8300 Douglas and 270,000 sq. ft. Knox & McKinney projects in Preston Center. Far North Dallas also recorded under construction space of 451,036 sq. ft. with the Fields West project underway.

Dallas-Fort Worth has the second largest office development pipeline nationally, trailing only Manhattan, which had 4.4 million sq. ft. under construction at the end of Q3 2026.

Figure 4: Net Absorption Trend

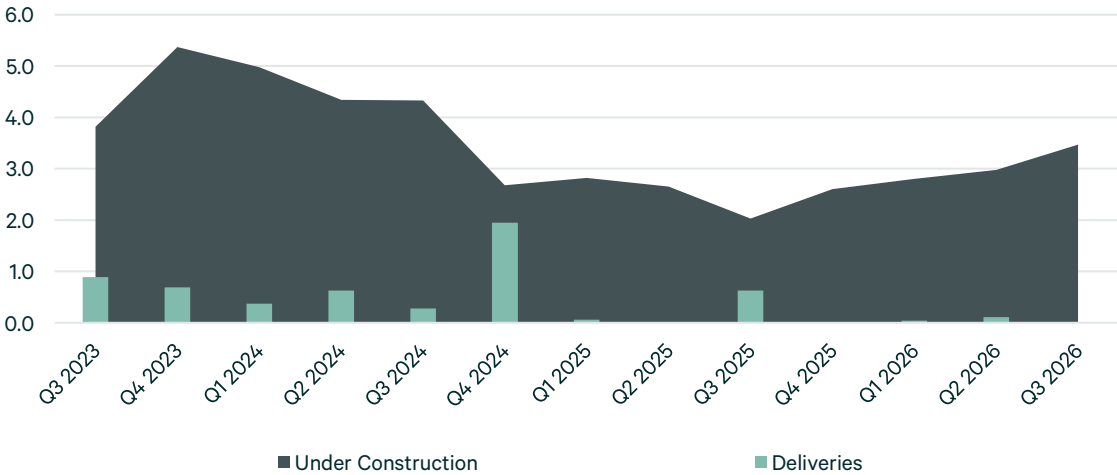
Sq. Ft. (millions)



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity

Sq. Ft. Millions



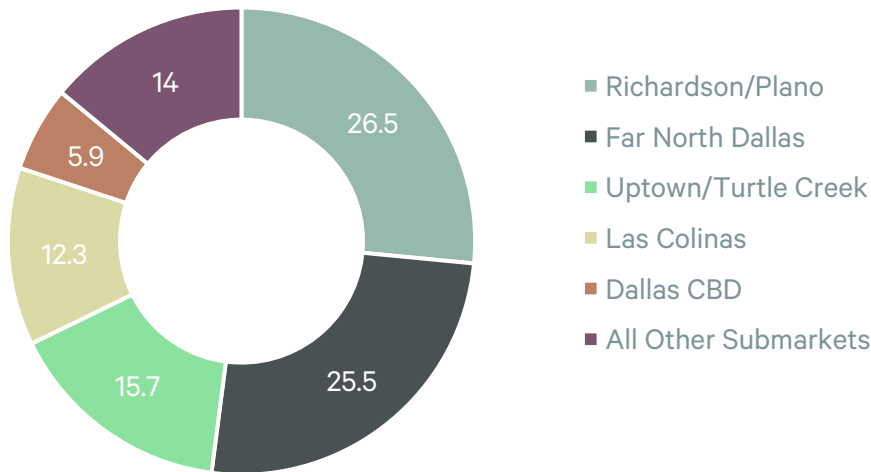
Source: CBRE Research, Q3 2026

Leasing Activity

Total office leasing activity reached 2.52 million sq. ft. in Q3 2026, compared with 3.11 million sq. ft. in Q3 2025. This represented an increase of 40.4% quarter-over-quarter from 1.80 million sq. ft. in Q2 2026, but an 18.8% decline year-over-year from the 3.11 million sq. ft. recorded in Q3 2025.

In Q3 2026, Richardson/Plano and Far North Dallas posted the highest positive leasing volumes among submarkets, with 669,000 sq. ft. and 644,000 sq. ft., respectively. All other tracked submarkets also recorded positive leasing in the quarter, including Uptown/Turtle Creek, Las Colinas, Dallas CBD, Central Expressway, LBJ Freeway, Mid-Cities, North Fort Worth, Fort Worth CBD, Preston Center, Stemmons Freeway, Lewisville/Denton and Northeast Fort Worth. Activity outside the top two ranged from 11,000 sq. ft. in Lewisville/Denton to 396,000 sq. ft. in Uptown/Turtle Creek, highlighting broad but varied demand across the market.

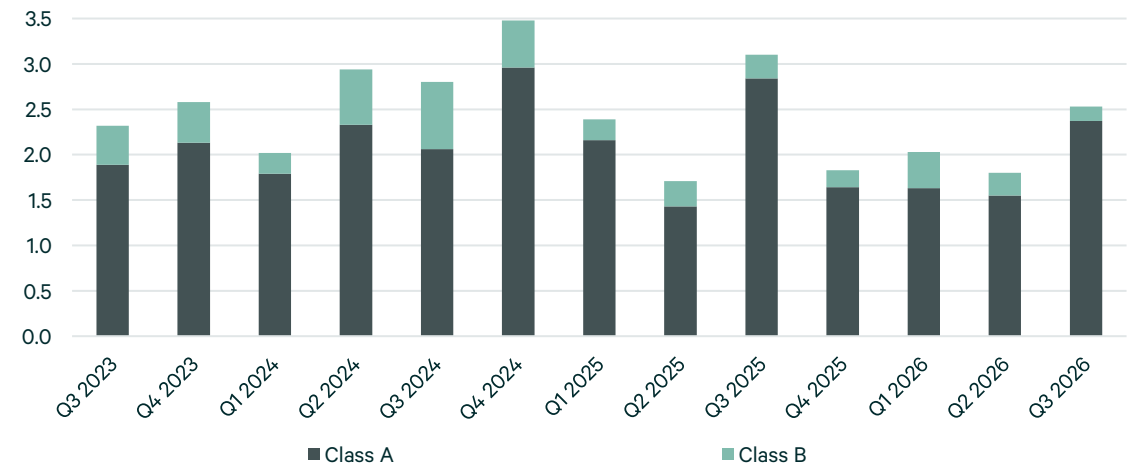
Figure 7: Leasing by Submarket (% of Total Activity)



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity Trend

Sq. Ft. (millions)



Source: CBRE Research, Q3 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
AT&T	376,000	Renewal	2221 Lakeside Blvd	Richardson/Plano
Confidential Tenant	183,000	New Lease	2201 Lakeside Blvd	Richardson/Plano
Confidential Tenant	124,000	New Lease	1445 Ross Ave	Dallas CBD
Lion Resources	74,000	New Lease	6021 Connection Dr	Las Colinas
Bank of America	63,000	Renewal	1 Cowboys Way	Far North Dallas
Frost Bank	62,000	Renewal	2950 N Harwood St	Uptown/Turtle Creek
Confidential Tenant	59,000	New Lease	222 W Las Colinas Blvd	Las Colinas
King & Spalding	53,000	New Lease	2323 Cedar Springs Rd	Uptown/Turtle Creek

Source: CBRE Research, Q3 2026

Investment Sale Activity

Investment sales volume in the Dallas/Fort Worth office market totaled \$649.93 million in Q3 2026, down from \$978.07 million in Q2 2026 and \$1,143.50 million in Q3 2025. This represented a 33.5% decline quarter-over-quarter and a 43.2% decline year-over-year. Year-to-date 2026 office investment sales volume reached \$2,230.56 million.

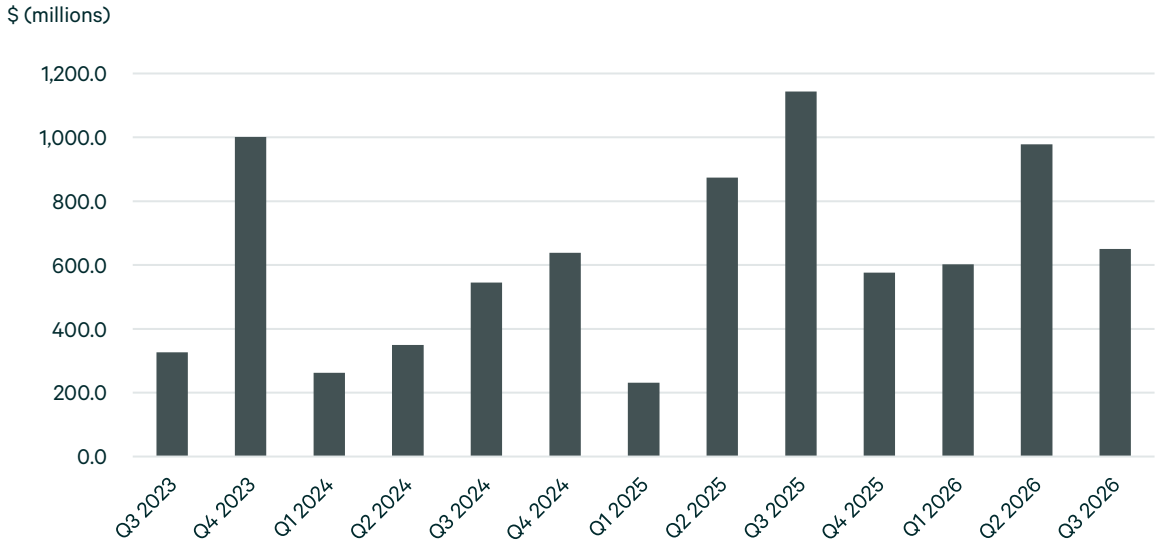
Buyer composition during the quarter was 62.3% private, 36.2% institutional, 0.9% public, 0.6% User/Other and 0.0% cross-border capital. The largest transaction was Sherry Lane Place in Preston Center, sold to Shorenstein for \$120.20 million, or \$403.58 per sq. ft. on 297,838 sq. ft. The second-largest sale was Premier Place in Central Expressway, acquired by Lone Star for \$98.10 million, or \$214.32 per sq. ft. on 457,901 sq. ft. Additional transactions were Churchill Tower on LBJ Freeway at \$60.00 million (\$216.34 per sq. ft. on 277,187 sq. ft.), Hallmark (I & II) in Far North Dallas at \$52.10 million (\$94.01 per sq. ft. on 554,000 sq. ft.), Hall Uptown in Uptown/Turtle Creek at \$45.00 million (\$409.80 per sq. ft. on 109,810 sq. ft.) and 2401 Cedar Springs Road in Uptown/Turtle Creek at \$43.30 million (\$225.61 per sq. ft. on 191,957 sq. ft.).

Figure 10: Key Sales

Property	Submarket	Buyer	Sales Price	Size (SF)	Price Per SF
Premier Place	Central Expressway	Lone Star	\$98.1M	457,901	\$214.32
Churchill Tower	LBJ Freeway	Buchanan Capital Partners	\$60M	277,187	\$216.34
Hallmark (I & II)	Far North Dallas	Office Props Income Trust	\$52.1M	554,000	\$94.01
Hall Uptown	Uptown/Turtle Creek	Hall Group	\$45M	109,810	\$409.80
2401 Cedar Springs Road	Uptown/Turtle Creek	Montclif	\$43.3M	191,957	\$225.61
Sherry Lane Place	Preston Center	Shorenstein	\$120.2M	297,838	\$403.58

Source: MSCI Real Capital Analytics

Figure 9: Quarterly Sales Volume



Source: MSCI Real Capital Analytics

Figure 11: Buyer Composition



Source: MSCI Real Capital Analytics

Market Statistics by Class

Figure 12: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	113.84M	23.3	25.4	22.0	3.5	38.64	702,000	(287,000)	-	1.99M
Class B	69.88M	24.0	26.0	24.2	1.8	24.84	309,000	881,000	-	-
Total	183.72M	23.6	25.6	22.8	2.8	33.36	1.01M	593,000	-	1.99M

Source: CBRE Research, Q3 2026

Figure 13: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	33.21M	28.6	30.8	28.3	2.5	43.67	9,000	193,000	-	1.48M
Class B	5.64M	33.4	33.8	33.5	0.3	26.26	(18,000)	(35,000)	-	-
Total	38.85M	29.3	31.2	29.1	2.2	40.84	(9,000)	158,000	-	1.48M

Source: CBRE Research, Q3 2026

Figure 14: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	147.05M	24.5	26.6	23.4	3.2	40.1	711,000	-95,000	-	3.47M
Class B	75.52M	24.7	26.6	24.9	1.7	25	291,000	846,000	-	-
Total	222.57M	24.6	26.6	23.9	2.7	35.09	1.00M	751,000	-	3.47M

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 15

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Central Expressway	10.38M	26.2	29.5	27.6	1.9	40.36	43.46	157,000	(102,000)	-	79,000
Dallas CBD	23.89M	34.7	37.4	35.5	1.9	33.77	35.87	(218,000)	(274,000)	-	-
East Dallas	2.70M	32.2	37.1	21.8	15.3	40.34	55.56	55,000	(27,000)	-	-
Far North Dallas	48.31M	23.8	25.8	22.3	3.5	39.37	44.62	733,000	1.06M	-	808,000
Fort Worth CBD	6.82M	10.8	11.7	11.7	0.1	33.17	38.47	35,000	166,000	-	-
LBJ Freeway	16.97M	24.6	27.5	25.5	1.9	30.64	35.91	18,000	(124,000)	-	-
Las Colinas	32.27M	29.2	31.6	28.7	2.9	33.55	38.12	75,000	(1.06M)	-	-
Lewisville/Denton	3.36M	27.3	29.1	22.8	6.2	28.25	33.58	27,000	97,000	-	-
Mid-Cities	15.11M	25.5	28.5	23.8	4.8	24.14	26.66	90,000	24,000	-	-
North Fort Worth	2.68M	35.7	34.3	26.3	8.0	23.73	21.61	34,000	(21,000)	-	98,000
Northeast Fort Worth	1.48M	25.9	25.6	25.5	0.1	20.88	26.35	(73,000)	(18,000)	-	-
Preston Center	4.47M	5.2	7.9	7.3	0.6	66.64	73.19	(20,000)	16,000	-	718,000
Richardson/Plano	24.68M	19.0	21.0	19.8	1.2	27.04	29.67	(68,000)	200,000	-	-
South Fort Worth	5.13M	12.5	13.1	11.8	1.2	33.93	41.19	10,000	24,000	-	291,000
Southwest Dallas	1.62M	20.6	23.5	21.0	2.6	21.99	19.25	6,000	(25,000)	-	-
Stemmons Freeway	7.76M	25.1	22.8	22.1	0.7	22.89	27.11	(69,000)	376,000	-	-
Uptown/Turtle Creek	14.96M	20.8	21.4	18.8	2.6	63.18	67.23	209,000	431,000	-	1.48M
Total	222.57M	24.6	26.6	23.9	2.7	35.09	40.10	1.00M	751,000	-	3.47M

Source: CBRE Research, Q3 2026

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Includes all office buildings 30,000 sq. ft. and greater in size Collin, Dallas, Denton, Rockwall, and Tarrant counties. A building is considered to be under construction once foundation work has begun.

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