

FIGURES | DALLAS/FORT WORTH OFFICE | Q1 2026

Prime office shows positive net absorption while large vacancy weighs down market-wide metric

▲ 28.5%

Vacancy Rate

▼ (2.0M)

SF Net Absorption

▲ 40,341

SF Construction Delivered

▲ 2.8M

SF Under Construction

▲ \$34.46

FSG/YR Direct Lease Rate

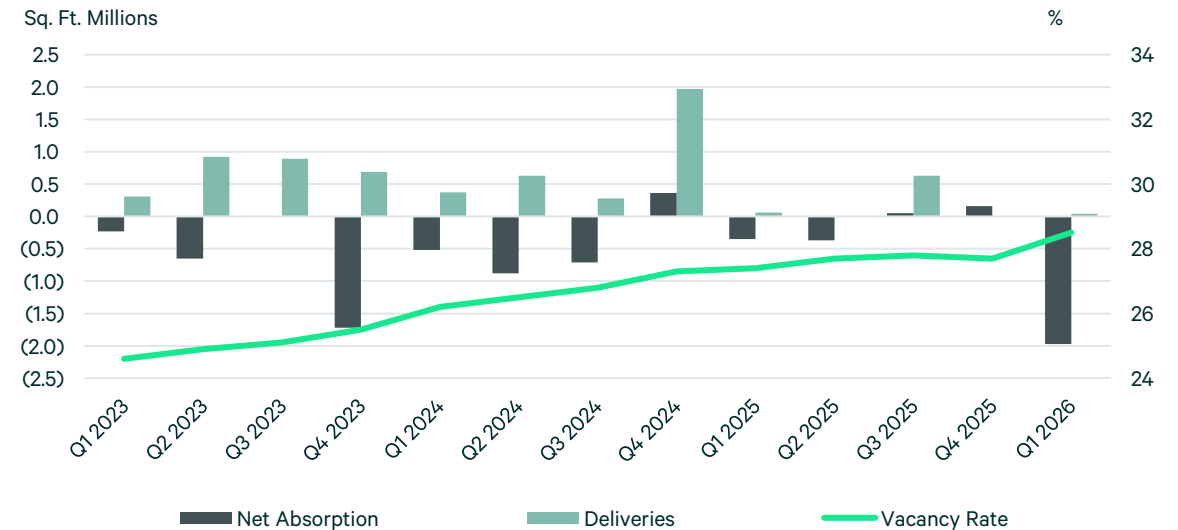
Note: Arrows indicate change from previous quarter.

Market Overview

The office market displayed mixed signals in Q1 2026, with move-out activity overtaking move-ins, while both construction and asking lease rates rose from year-end 2025. From Q1 2023 through Q1 2026, the market recorded roughly 6.8 million sq. ft. of negative net absorption, pushing vacancy up 390 basis points to 28.5%. Over the same period, average asking rents still rose 8.3%, illustrating continued pricing resilience despite softer fundamentals. The spread between availability and vacancy narrowed from 4.6 percentage points in Q1 2023 to effectively zero in Q1 2026, so marketed space increasingly reflected physically vacant space rather than shadow availability.

Q1 2026 marked a particularly weak quarter, with nearly 2.0 million sq. ft. of negative net absorption, a deterioration of 1.6 million sq. ft. from Q1 2025 and 2.1 million sq. ft. from Q4 2025. Vacancy increased 110 basis points year-over-year and 80 basis points quarter-over-quarter, while availability held at 28.5%. Much of the swing in net absorption and vacancy was due to one large tenant vacating a space that was put on the sublease market in Q1 2025. Despite this, landlords achieved further rent growth: average asking rates climbed 5.3% year-over-year and 2.9% quarter-over-quarter. Construction activity trended lower and more disciplined than a year ago, yet higher than last quarter.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Vacancy

Total vacancy in Class A buildings increased 100 bps quarter-over-quarter to 27.8% in Q1 2026, while Class B vacancy rose 40 bps to 29.9%, up 60 bps and 220 bps year-over-year, respectively. Class A direct vacancy reached 24.5% and sublease vacancy 3.3%, versus 27.8% direct and 2.1% sublease in Class B, confirming that elevated direct availability is the primary source of vacancy in both segments. The 210 bps spread between Class A and B total vacancy is narrower than 270 bps last quarter but still well above the 50 bps gap a year ago.

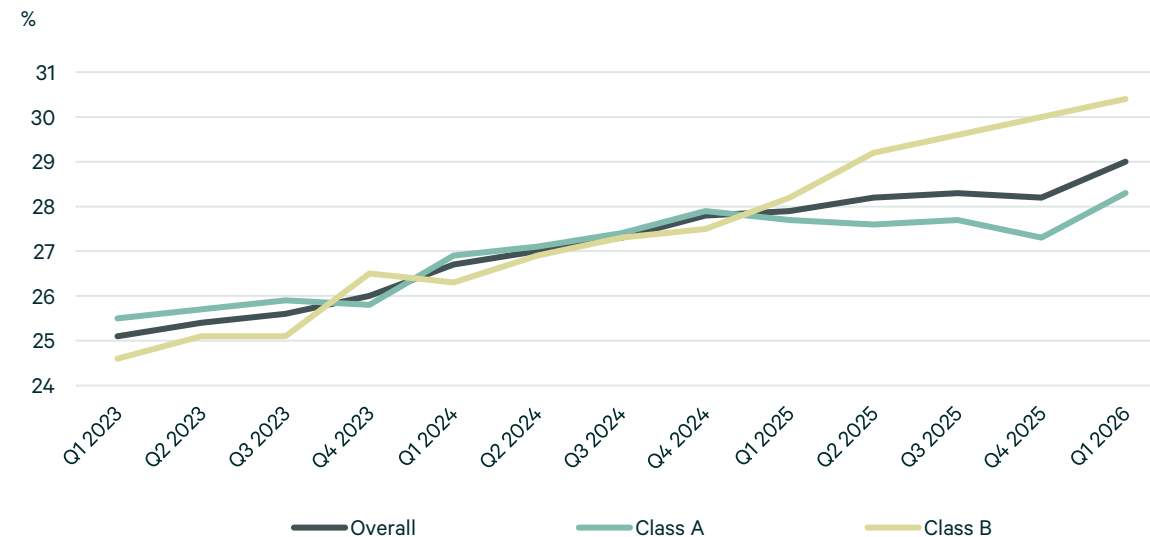
Vacancy varies sharply by submarket. The Dallas CBD posts some of the highest overall vacancy, with Class A at 35.0% and Class B at 37.4%, while East Dallas and Southwest Dallas record the highest Class A overall vacancy at 67.4%. By contrast, Preston Center, Fort Worth CBD, and South Fort Worth show much tighter Class A conditions, with overall vacancy of 5.6%, 8.4%, and 9.3%, and direct vacancy of 5.0%, 7.9%, and 8.3%, respectively. Sublease space is particularly impactful in select corridors: Far North Dallas Class A carries 5.0% sublease vacancy totaling 1.7 million sq. ft., and Las Colinas and Dallas CBD Class A each have sizable sublease blocks of 880,000 sq. ft. and 423,000 sq. ft., respectively.

Asking Rent

The overall average direct asking lease rate in Q1 2026 is \$34.46 per sq. ft., up 2.9% from the prior quarter and 5.3% year-over-year. Class A asking rents increased from \$37.99 per sq. ft. to \$39.07 per sq. ft. quarter-over-quarter and are up 7.2% year-over-year, outpacing the broader market. Class B pricing edged up to \$24.94 per sq. ft. in Q1 2026, a 0.8% quarterly increase but a negative 1.5% change over the past year. Over the last three years, overall asking rents have risen 8.3%, led by a 12.2% gain in Class A space, while Class B rents have declined by roughly negative 1.5%, highlighting a sustained bifurcation by asset quality.

The Preston Center submarket currently has the highest average direct asking rate in the metro area on a combined Class A and B basis at \$53.06 per sq. ft., with Class A space there achieving \$66.13 per sq. ft. and Uptown/Turtle Creek Class A slightly higher at \$66.44 per sq. ft. On the low-cost side, Northeast Fort Worth posts the lowest combined average direct quoted rate at \$21.92 per sq. ft., with Southwest Dallas also remaining relatively affordable at approximately \$22.25 per sq. ft.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q1 2026

Net Absorption

Net absorption in Q1 2026 totaled about negative 2.0 million sq. ft., with Class A accounting for negative 1.7 million sq. ft. and all other classes recording negative 291,000 sq. ft. This was well below the 156,000 sq. ft. of positive net absorption posted in Q4 2025 and below the negative 350,000 sq. ft. recorded in Q1 2025, marking a sharp reversal after three consecutive quarters of positive Class A demand. However, nearly 60% of the Class A total was attributed to one large vacancy in Las Colinas that was listed for sublease 12 months ago.

Positive net absorption for Q1 2026 was concentrated primarily in the Far North Dallas submarket with 161,000 sq. ft. for the quarter, and the Fort Worth CBD submarket with 105,000 sq. ft. Additional positive absorption occurred in Lewisville/Denton (62,000 sq. ft.), Richardson/Plano (44,000 sq. ft. and 36,000 sq. ft. across its two asset classes), Stemmons Freeway (35,000 sq. ft. and 23,000 sq. ft.), Preston Center (7,000 sq. ft.), and Northeast Fort Worth (1,000 sq. ft.). Twenty-four submarket segments recorded negative net absorption, led by Las Colinas (Class A) with negative 1.3 million sq. ft., LBJ Freeway (Class A) with negative 185,000 sq. ft., East Dallas (Class A) with negative 113,000 sq. ft., Mid-Cities (Class A) with negative 100,000 sq. ft., and Dallas CBD (Class A) with negative 87,000 sq. ft.

Construction Activity

Office construction edged higher in Q1 2026, with 2.8 million sq. ft. under construction, all Class A, and 40,000 sq. ft. delivered, all Class B. The under-construction pipeline increased by 199,000 sq. ft. quarter-over-quarter from 2.6 million sq. ft. in Q4 2025 but was nearly flat year-over-year, down 24,000 sq. ft. from Q1 2025, while deliveries rose from no completions last quarter and were 17,000 sq. ft. below the 57,000 sq. ft. delivered a year earlier.

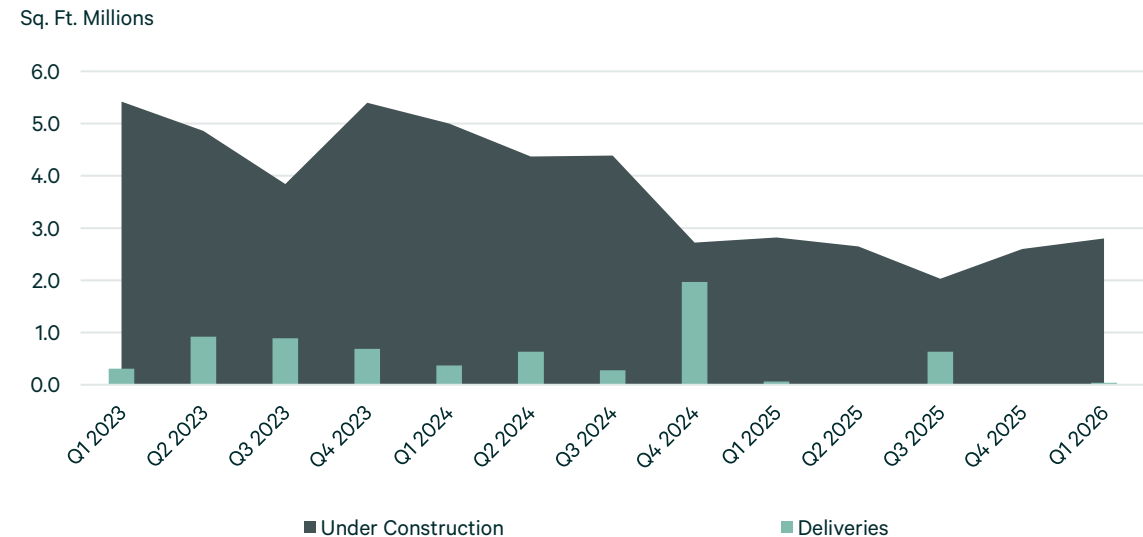
Uptown/Turtle Creek and Far North Dallas account for the highest under-construction volumes, with 1.3 million sq. ft. and 451,036 sq. ft., respectively, led by the 800,000 sq. ft. Goldman Sachs project and the 451,036 sq. ft. Fields West development. Preston Center and South Fort Worth also show positive construction activity, with the fully pre-leased 270,000 sq. ft. Knox & McKinney and the 172,000 sq. ft. Crescent Offices West at 49.0% pre-leased; in total, these five projects comprise 2.2 million sq. ft. that is 63.8% pre-leased, with deliveries scheduled from Q1 2027 through Q1 2028.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

Leasing Activity

Total leasing volume in Q1 2026 reached 1.8 million sq. ft., while rolling four-quarter activity totaled 8.3 million sq. ft., down 473,000 sq. ft. from Q4 2025. On this rolling basis, leasing declined 5.4% quarter-over-quarter and 26.9% year-over-year from 11.3 million sq. ft. in Q1 2025. Class A space accounted for 7.2 million sq. ft., or 87.3% of the past year’s activity, with Class A and Class B volumes down 21.2% and 51.2% year-over-year, respectively.

By submarket, Far North Dallas recorded the highest Q1 2026 leasing volume at 682,000 sq. ft., followed by Las Colinas at 218,000 sq. ft. Positive but lower deal activity was also registered in Richardson/Plano (215,000 sq. ft.), Uptown/Turtle Creek (134,000 sq. ft.), Dallas CBD (121,000 sq. ft.), Stemmons Freeway (111,000 sq. ft.), Central Expressway (80,000 sq. ft.), Preston Center (76,000 sq. ft.), Fort Worth CBD (69,000 sq. ft.), LBJ Freeway (39,000 sq. ft.), East Dallas (28,000 sq. ft.), South Fort Worth (18,000 sq. ft.), and Lewisville/Denton (17,000 sq. ft.).

Economic Overview

The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America’s aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of GDP—just below residential investment. Concerns about the sustainability of this growth and its broader impact are rattling both credit and equity markets. Operation Epic Fury and global energy prices are also a concern. Assuming the conflict is resolved quickly, and U.S. oil prices stay in the \$80/bbl range, the impact on U.S. growth should be minimal. The impact on headline inflation, which is forecast to average 3.2% this year, up from the mid-2% range in February, will be material. Should the conflict escalate, this would elevate inflation and long-term yields and would likely impact the commercial real estate market.

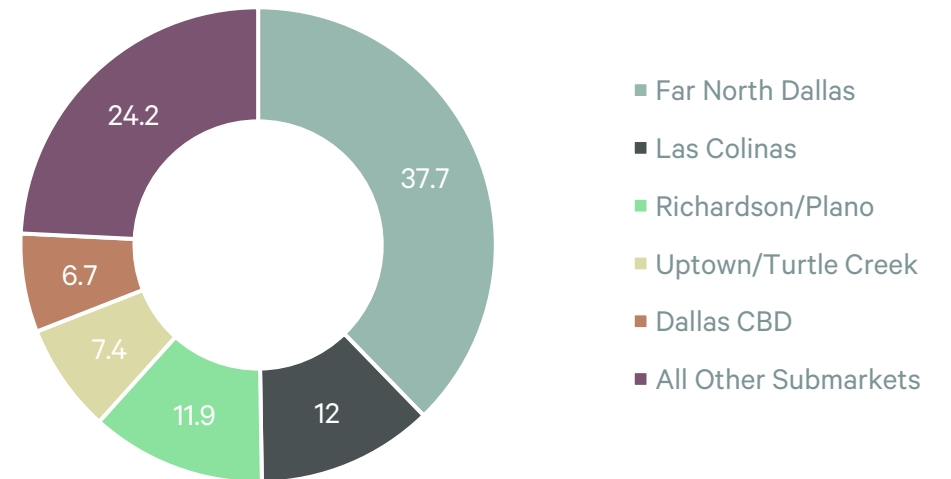
Figure 6: Leasing Activity Trend

Sq. Ft. Millions



Source: CBRE Research, Q1 2026

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



Source: CBRE Research, Q1 2026

Market Statistics

Figure 8: Suburban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (MSF)
Class A	113.17	26.8	27.7	24.0	3.7	37.27	(1.54)	(1.54)	-	1.50
Prime	15.11	13.4	15.8	14.0	1.8	49.50	0.03	0.03	-	-
Other Class A	98.06	28.9	29.5	25.5	4.0	36.16	(1.57)	(1.57)	-	1.50
Class B	69.74	29.4	27.6	25.6	1.9	24.75	(0.22)	(0.22)	40,000	-
Total	182.91	27.8	27.6	24.6	3.0	32.57	(1.76)	(1.76)	40,000	1.50

Source: CBRE Research, Q1 2026

Figure 9: Urban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	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 (MSF)
Class A	33.19	31.1	31.9	30.3	1.6	43.65	(138,000)	(138,000)	-	1.30
Prime	10.62	20.0	17.2	16.0	1.2	78.46	(41,000)	(41,000)	-	-
Other Class A	22.57	36.3	38.9	37.1	1.8	37.72	(98,000)	(98,000)	-	1.30
Class B	5.73	35.6	34.6	34.0	0.6	26.44	(67,000)	(67,000)	-	-
Total	38.92	31.7	32.3	30.9	1.5	40.92	(206,000)	(206,000)	-	1.30

Source: CBRE Research, Q1 2026

Figure 10: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (MSF)
Class A	146.36	27.8	28.6	25.4	3.2	39.07	(1.68)	(1.68)	-	2.80
Prime	25.73	16.1	16.4	14.8	1.5	61.29	(0.01)	(0.01)	-	-

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (MSF)
Other Class A	120.63	30.3	31.3	27.7	3.6	36.58	(1.67)	(1.67)	-	2.80
Class B	75.47	29.9	28.1	26.3	1.8	24.94	(0.29)	(0.29)	40,000	-
Total	221.82	28.5	28.5	25.7	2.7	34.46	(1.97)	(1.97)	40,000	2.80

Source: CBRE Research, Q1 2026

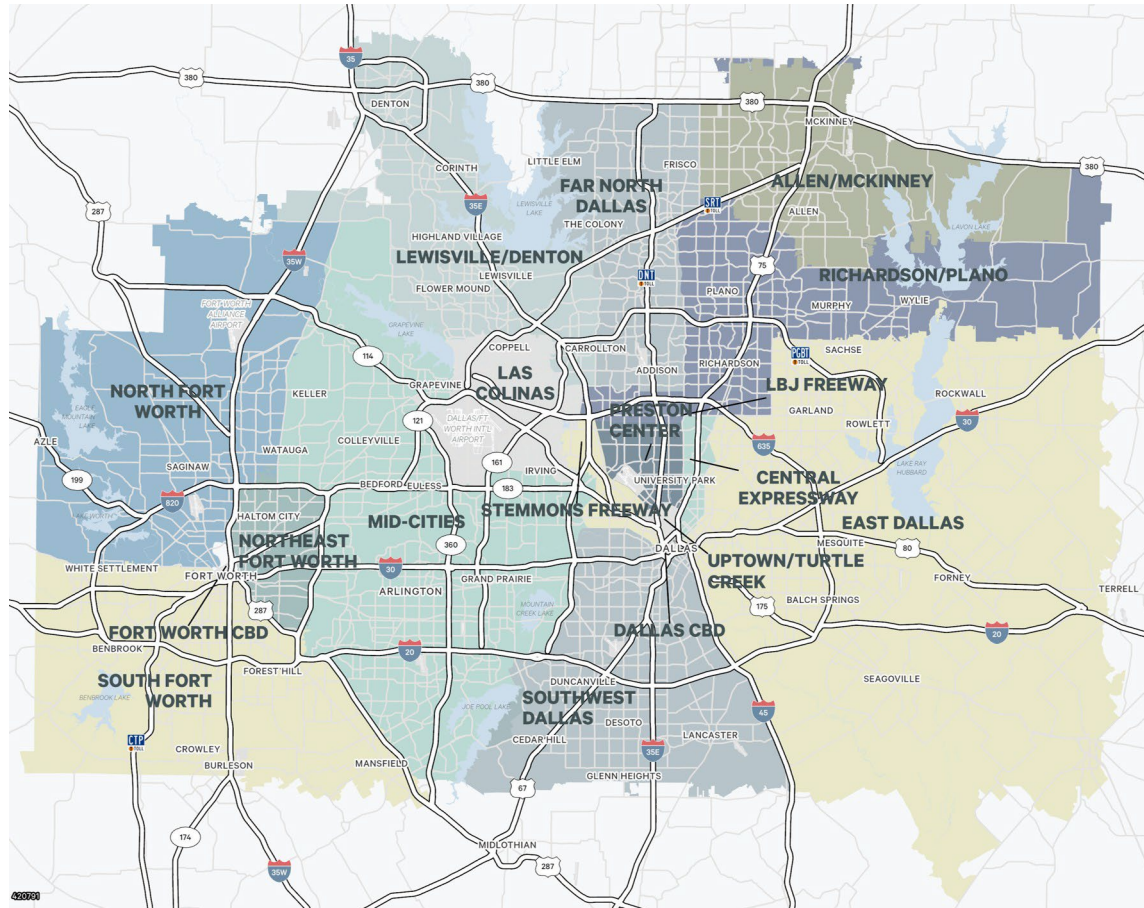
Market Statistics by Submarket

Figure 11

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (MSF)
Central Expressway	10.16	27.9	30.3	29.0	1.4	38.54	(0.05)	(0.05)	-	0.08
Dallas CBD	23.98	35.4	37.9	36.5	1.4	33.96	(0.11)	(0.11)	-	-
East Dallas	2.70	40.3	41.1	25.7	15.4	42.84	(0.14)	(0.14)	-	-
Far North Dallas	47.39	28.9	28.7	24.8	3.9	37.66	0.09	0.09	-	0.53
Fort Worth CBD	6.82	12.8	14.6	14.0	0.6	34.70	0.10	0.10	-	-
LBJ Freeway	17.65	27.0	26.5	24.0	2.5	30.11	(0.25)	(0.25)	-	-
Las Colinas	32.58	33.5	34.2	31.2	3.0	32.60	(1.35)	(1.35)	-	-
Lewisville/Denton	3.36	30.0	31.1	24.8	6.3	27.62	0.05	0.05	-	-
Mid-Cities	13.92	32.1	31.6	26.7	4.8	24.04	(0.18)	(0.18)	-	-
North Fort Worth	2.82	35.3	35.3	27.7	7.6	23.80	(0.06)	(0.06)	-	0.10
Northeast Fort Worth	1.48	25.0	25.8	25.8	-	20.74	(0.01)	(0.01)	-	-
Preston Center	4.56	7.1	8.4	8.2	0.2	59.34	(0.02)	(0.02)	-	0.42
Richardson/Plano	25.13	22.7	22.9	21.3	1.6	26.55	0.08	0.08	40,000	-
South Fort Worth	4.96	14.2	12.7	11.3	1.4	34.76	(0.06)	(0.06)	-	0.36
Southwest Dallas	1.62	51.4	19.6	19.6	-	24.70	(0.01)	(0.01)	-	-
Stemmons Freeway	7.76	29.9	26.1	25.2	0.9	25.69	0.06	0.06	-	-
Uptown/Turtle Creek	14.94	25.9	23.3	21.8	1.5	62.51	(0.10)	(0.10)	-	1.30
Total	221.82	28.5	28.5	25.7	2.7	34.46	(1.97)	(1.97)	40,000	2.80

Source: CBRE Research, Q1 2026

Market Area Overview



Definitions

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.

Survey Criteria

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.

Contacts

Stephen Shanley

Research Analyst
stephen.shanley@cbre.com

Lauren Breen

Field Research Manager
lauren.breen@cbre.com