

# DFW industrial market stabilizes amid moderating absorption, uptick in deliveries

▲ 9.3%

Vacancy Rate

▼ 4.1M

SF Net Absorption

▲ 6.8M

SF Construction Delivered

▼ 16.5M

SF Under Construction

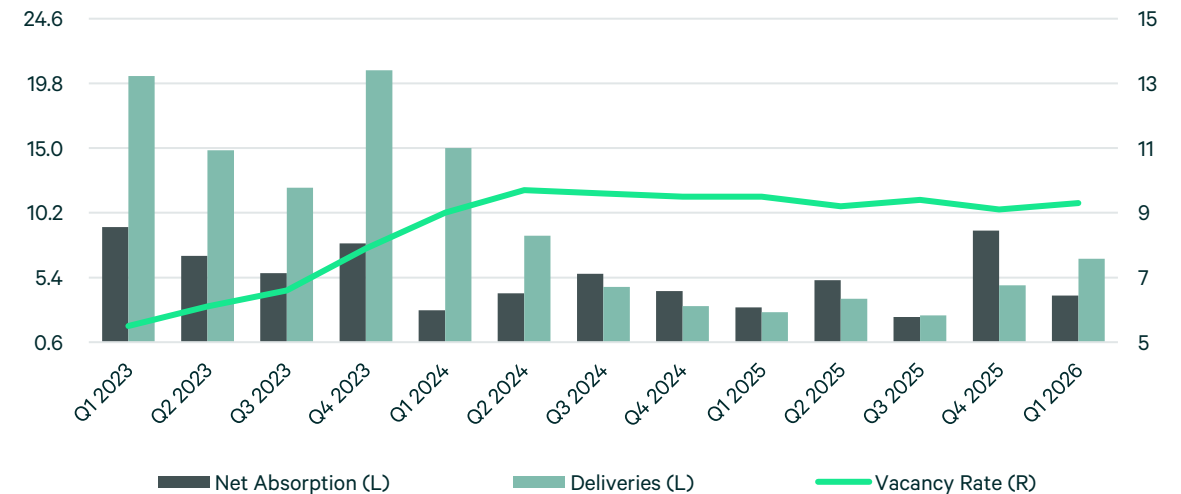
Note: Arrows indicate change from previous quarter.

## Market Overview

In Q1 2026, the market reflected a maturing expansion cycle. Since Q1 2023, vacancy increased 3.8 percentage points to 9.3% while average asking rents rose 11.4% to \$10.13 per sq. ft., indicating that pricing power persisted even as space loosened. Construction activity adjusted sharply: the under-construction pipeline contracted from 62.7 million sq. ft. to 16.5 million sq. ft., a 73.6% decline, and quarterly deliveries fell about 66.7%, from 20.3 million sq. ft. to 6.8 million sq. ft., marking a clear pullback in new supply.

Quarterly dynamics in Q1 2026 were more mixed. Net absorption slowed to 4.1 million sq. ft., down 54.4% from Q4 2025, and vacancy edged up 0.2 percentage points quarter-over-quarter, even as it improved 0.2 percentage points year-over-year. Demand remained stronger than a year earlier, with net absorption up 28.1% versus Q1 2025 and deliveries up 140.1%, while the under-construction pipeline fell 20.8% quarter-over-quarter but was 1.9% higher year-over-year. Collectively, these trends showed a market that continued to absorb space and support modest rent growth of 1.9% year-over-year, but with a far more disciplined new supply profile than in 2023.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy  
Sq. Ft. (millions) %



Source: CBRE Research, Q1 2026

## Availability Rate

The market availability rate finished Q1 2026 at 10.1%, a slight increase from 10.0% in Q4 2025. On a year-over-year basis, availability edged down from 10.2% in Q1 2025 to 10.1%. Over the last three years, the rate has risen from 6.8% in Q1 2023 to 10.1%.

The Southern DFW/287 submarket had the lowest availability rate among tracked submarkets at 7.0%, followed by South Dallas at 8.9%. East Dallas recorded the highest availability rate at 12.4%.

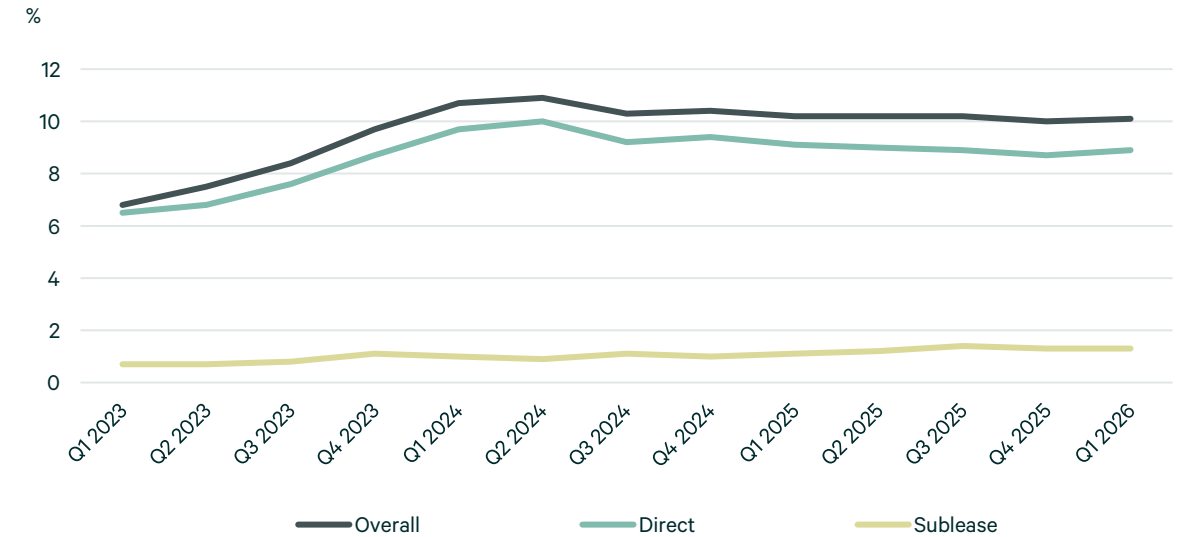
Sublease space held steady in Q1 2026, with an availability rate of 1.3%, unchanged from Q4 2025. In total, there was 12.8 million sq. ft. of sublease space on the market in Q1 2026.

## Net Absorption

The industrial market posted positive 4.1 million sq. ft. of net absorption in Q1 2026, exceeding the 3.2 million sq. ft. total from Q1 2025. However, this was below the 8.9 million sq. ft. recorded in Q4 2025, reflecting a negative 54.3% QoQ change but a 28.1% YoY increase.

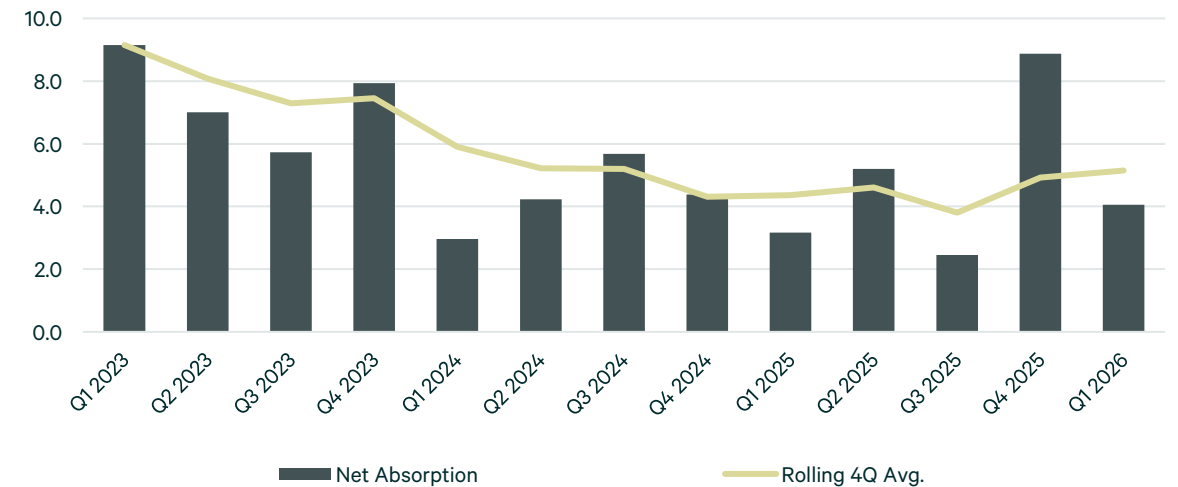
Positive net absorption for Q1 2026 was concentrated primarily in the North Fort Worth submarket with 3.8 million sq. ft. for the quarter, and the South Dallas submarket with 1.4 million sq. ft. DFW Airport, Great Southwest / Arlington, East Dallas, and Southern DFW/287 were the other submarkets recording positive net absorption, with 902,000 sq. ft., 545,000 sq. ft., 487,000 sq. ft., and 12,000 sq. ft., respectively. Four submarkets recorded negative net absorption, South Stemmons with negative 1.9 million sq. ft., South Fort Worth with negative 715,000 sq. ft., Northeast Dallas with negative 314,000 sq. ft., and Northwest Dallas with negative 167,000 sq. ft.

Figure 2: Availability Rates



Source: CBRE Research, Q1 2026

Figure 3: Net Absorption Trend  
Sq. Ft. millions



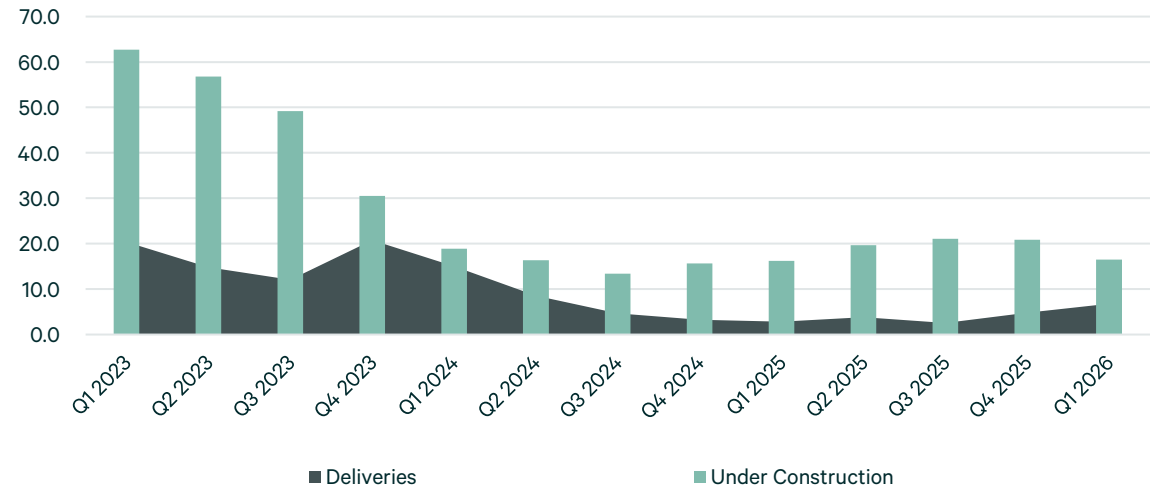
Source: CBRE Research, Q1 2026

## Construction Activity

In Q1 2026, 16.5 million sq. ft. remained under construction while 6.8 million sq. ft. of industrial space was delivered. The construction pipeline contracted 20.8% versus Q4 2025 but stood 1.9% above Q1 2025, whereas deliveries increased 40.6% quarter-over-quarter and 140.1% year-over-year.

North Fort Worth and DFW Airport account for the highest under construction totals, led by the 1.1 million sq. ft. DHL Northlake Logistics Hub – Building 4 in North Fort Worth and the 1.1 million sq. ft. Passport Park West 6 at DFW Airport; North Fort Worth alone hosts three fully pre-leased distribution/logistics projects totaling 2.7 million sq. ft. South Fort Worth also posts significant activity, anchored by the 1.1 million sq. ft. South Fort Worth I-35 Logistics Center – Building 2, which along with Passport Park West 6 remains 0.0% pre-leased as of Q1 2026.

Figure 4: Construction Activity  
Sq. Ft. millions



Source: CBRE Research, Q1 2026

## Leasing Activity

At the close of Q1 2026, leasing activity reached 18.0 million sq. ft., up 3.5% quarter-over-quarter and 37.4% year-over-year. For full-year 2025, tenants leased 59.7 million sq. ft., with Q1 2026 volumes already above the late-2025 peak of 17.4 million sq. ft. in Q4 2025.

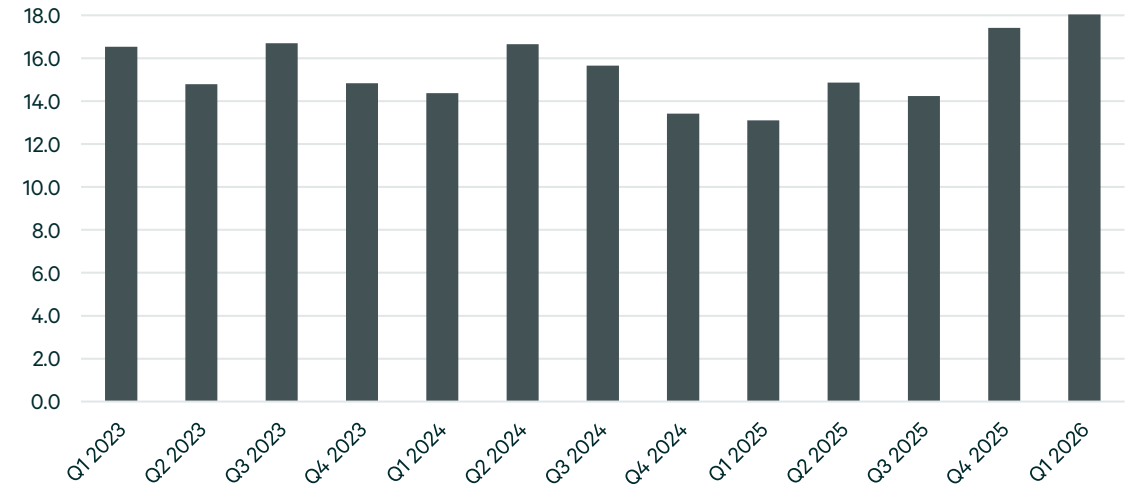
By submarket, North Fort Worth has the highest leased area at 4.4 million sq. ft., followed by South Dallas at 3.7 million sq. ft. Other submarkets report leased areas of 2.8 million sq. ft. in East Dallas, 2.0 million sq. ft. in DFW Airport, 1.4 million sq. ft. in Northeast Dallas, 1.2 million sq. ft. in Northwest Dallas, 1.1 million sq. ft. in South Stemmons, 1.0 million sq. ft. in Great Southwest / Arlington, 206,000 sq. ft. in South Fort Worth, and 34,000 sq. ft. in Southern DFW/287.

## 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.

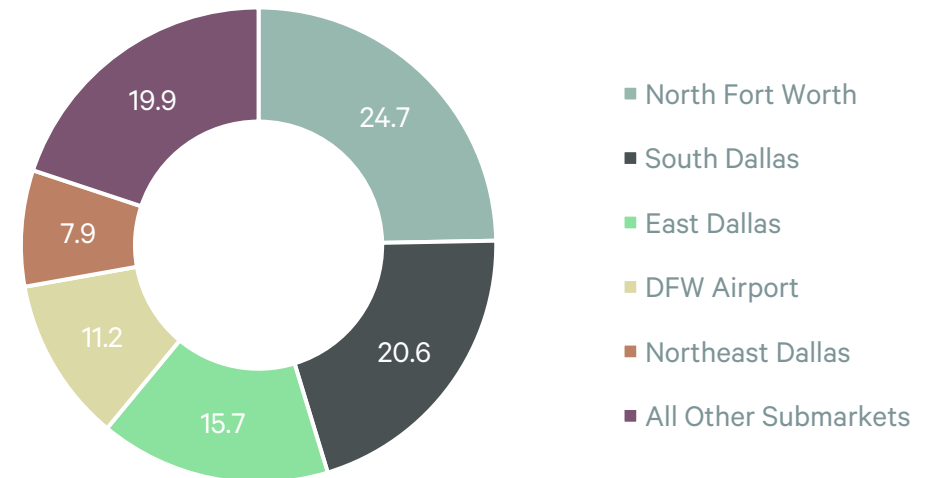
Figure 5: Leasing Activity Trend

Sq. Ft. millions



Source: CBRE Research, Q1 2026

Figure 6: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q1 2026

## Market Statistics by Size

Figure 7

Size Range	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (MSF)	Under Construction (MSF)
Under 100,000 sq. ft.	299.27	7.9	8.0	7.3	0.7	(1.90)	(1.90)	0.55	1.07
100,000-199,999 sq. ft.	172.03	11.6	12.7	11.3	1.5	0.42	0.42	1.58	2.92
200,000-299,999 sq. ft.	114.55	13.8	14.6	13.5	1.0	(0.35)	(0.35)	1.01	1.97
300,000-499,999 sq. ft.	150.11	11.4	13.6	11.9	1.7	1.03	1.03	1.24	2.35
500,000-749,999 sq. ft.	115.99	7.2	9.2	7.4	1.7	1.75	1.75	-	3.37
750,000 sq. ft.	173.29	6.3	5.9	4.5	1.4	3.10	3.10	2.40	4.85
<b>Total</b>	<b>1,025.24</b>	<b>9.3</b>	<b>10.1</b>	<b>8.9</b>	<b>1.3</b>	<b>4.05</b>	<b>4.05</b>	<b>6.78</b>	<b>16.54</b>

Source: CBRE Research, Q1 2026

## Market Statistics by Product Type

Figure 8

Product Type	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (MSF)	Under Construction (MSF)
Distribution/Logistics	826.99	10.2	11.1	9.8	1.3	5.53	5.53	6.53	15.52
Manufacturing - General	79.31	3.2	3.8	3.1	0.7	(0.32)	(0.32)	0.18	0.40
R&D/Flex	59.73	7.2	7.3	6.5	0.8	(0.53)	(0.53)	-	-
Other Industrial	59.22	8.1	8.2	6.4	1.8	(0.62)	(0.62)	0.07	0.61
<b>Total</b>	<b>1,025.24</b>	<b>9.3</b>	<b>10.1</b>	<b>8.9</b>	<b>1.3</b>	<b>4.05</b>	<b>4.05</b>	<b>6.78</b>	<b>16.54</b>

Source: CBRE Research, Q1 2026

## Market Statistics by Class

Figure 9

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (MSF)	Under Construction (MSF)
Class A	132.99	13.6	16.4	14.7	1.7	0.26	0.26	0.99	6.46
Institutional	116.74	13.9	16.8	15.1	1.7	0.48	0.48	0.99	-
Other Class A	16.26	11.7	14.0	11.6	2.4	(0.22)	(0.22)	-	6.46
All Other Industrial	892.25	8.7	9.2	8.0	1.2	3.79	3.79	5.79	10.07
<b>Total</b>	<b>1,025.24</b>	<b>9.3</b>	<b>10.1</b>	<b>8.9</b>	<b>1.3</b>	<b>4.05</b>	<b>4.05</b>	<b>6.78</b>	<b>16.54</b>

Source: CBRE Research, Q1 2026

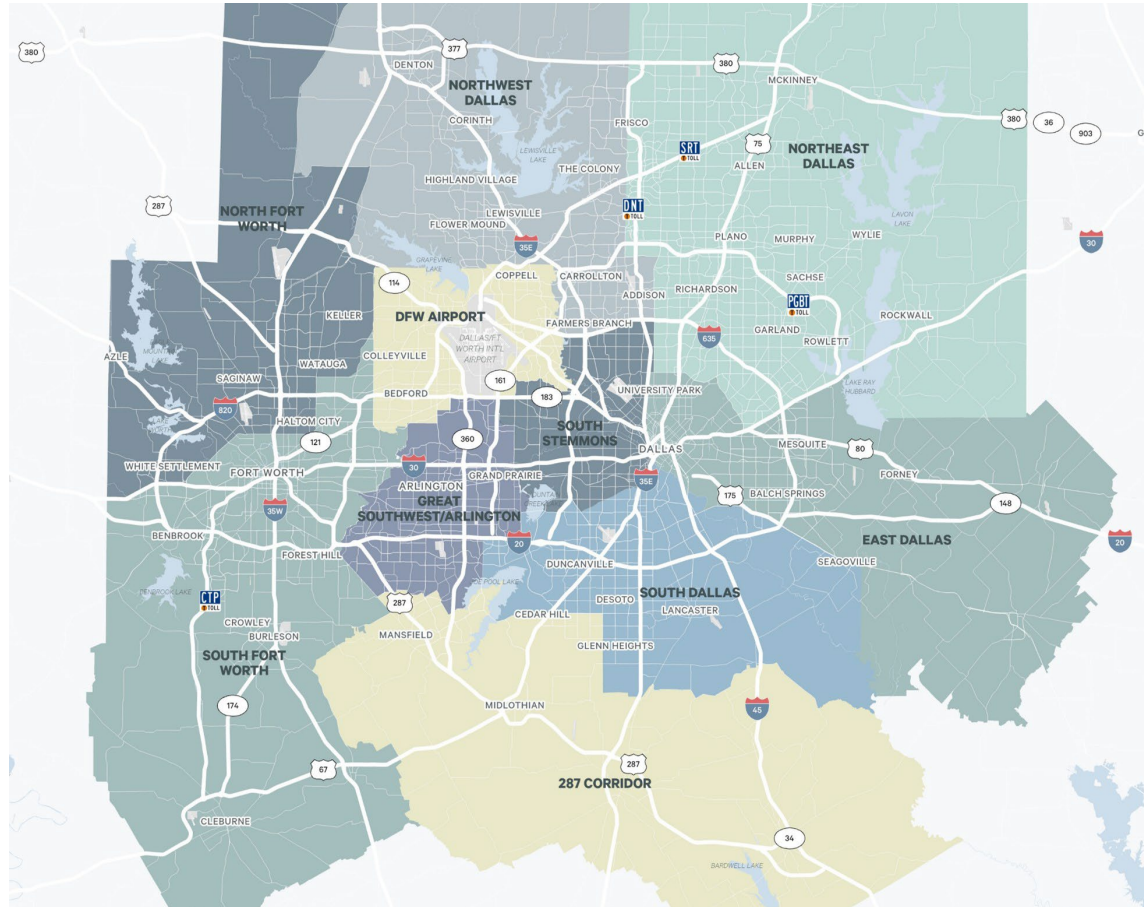
## Market Statistics by Submarket

Figure 10

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (MSF)	Under Construction (MSF)
DFW Airport	95.15	11.0	10.4	9.0	1.4	0.90	0.90	0.36	2.37
East Dallas	60.17	10.2	12.4	11.8	0.6	0.49	0.49	-	0.60
Great Southwest / Arlington	122.98	8.1	10.0	9.1	0.9	0.55	0.55	0.21	0.49
North Fort Worth	139.02	7.9	9.6	7.4	2.3	3.84	3.84	2.57	5.95
Northeast Dallas	114.98	9.1	9.8	8.4	1.4	(0.31)	(0.31)	1.22	1.24
Northwest Dallas	126.89	10.7	11.9	10.3	1.6	(0.17)	(0.17)	1.11	1.22
Out of Submarket	-	-	-	-	-	-	-	-	0.43
South Dallas	121.57	8.5	8.9	8.0	0.9	1.37	1.37	-	1.07
South Fort Worth	91.35	10.7	10.7	9.6	1.2	(0.72)	(0.72)	1.20	2.90
South Stemmons	127.62	8.9	9.5	8.6	0.8	(1.90)	(1.90)	0.11	0.26
Southern DFW/287	25.52	10.8	7.0	6.8	0.1	0.01	0.01	-	-
<b>Total</b>	<b>1,025.24</b>	<b>9.3</b>	<b>10.1</b>	<b>8.9</b>	<b>1.3</b>	<b>4.05</b>	<b>4.05</b>	<b>6.78</b>	<b>16.54</b>

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 known market-relevant industrial buildings 10,000 sq. ft. and greater in size in the Dallas/Fort Worth metro area. A building is considered to be under construction once foundation work has begun.

### Contacts

**Lauren Breen**

Field Research Manager  
lauren.breen@cbre.com

**Marc Miller**

Research Director  
marc.miller1@cbre.com