

FIGURES | DALLAS/FORT WORTH OFFICE | Q2 2026

Mid-year fundamentals show signs of broader office market upturn



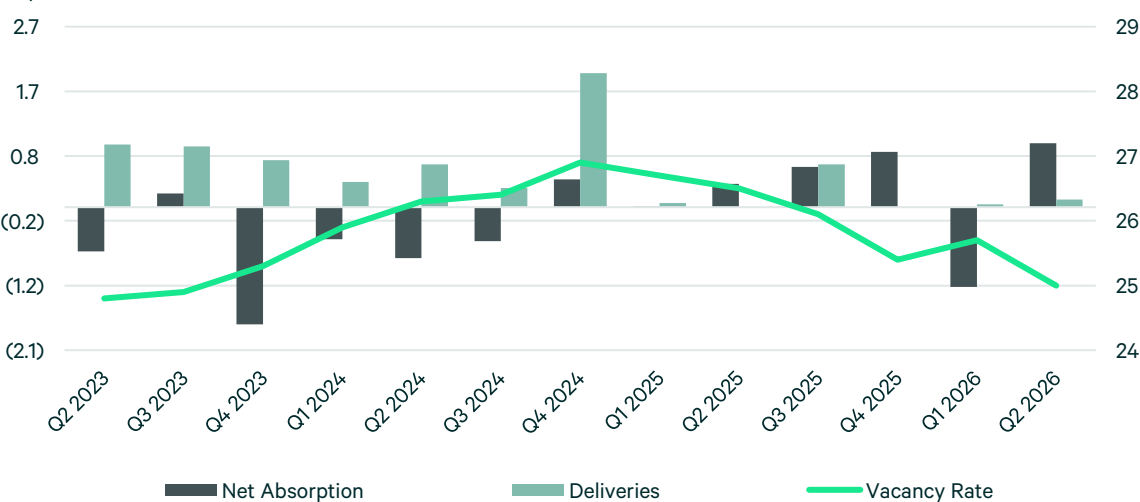
Note: Arrows indicate change from previous quarter.

Market Overview

The market registered a solid rebound in Q2 2026, with net absorption turning positive at 939,000 sq. ft. after a negative 1.2 million sq. ft. in Q1 2026, mostly driven by occupancy in Class B space and lifting year-to-date absorption to negative 232,000 sq. ft. Vacancy declined to 25.0%, down 0.7 percentage points quarter-over-quarter and 1.5 percentage points year-over-year, while availability eased to 27.9% from 28.4% in Q1 2026 and 29.3% in Q2 2025. Average asking rents continued to climb, rising to \$34.79, up 1.0% quarter-over-quarter and approximately 6.5% year-over-year. The construction pipeline expanded modestly to 3.0 million sq. ft. under construction, with 113,000 sq. ft. delivered during the quarter.

Viewed over a longer horizon, the market has absorbed significant volatility since mid-2023, including multiple quarters of negative demand, but has trended toward gradual tightening from a vacancy peak of 26.9% in Q4 2024 to 25.0% in Q2 2026. Year-to-date absorption has improved from negative 1.3 million sq. ft. in Q4 2024 to negative 232,000 sq. ft. by Q2 2026, while average asking rents have advanced from \$31.94 in Q2 2023 to \$34.79, despite elevated vacancy. Construction activity has moderated from 5.4 million sq. ft. under way in Q4 2023 to around 3.0 million sq. ft., signaling a more measured supply pipeline as existing space is worked through.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy
Sq. Ft. Millions



Source: CBRE Research, Q2 2026

Vacancy

In Q2 2026, overall office vacancy remained in the mid-twenty percent range, with Class A at 25.0% and Class B slightly lower at 24.9%. Quarter-over-quarter, Class A overall vacancy decreased by 40 basis points, while Class B recorded a larger 140-basis-point decline. Year-over-year, vacancy tightened by 120 basis points in Class A and 220 basis points in Class B. Versus Q2 2023, Class A vacancy is 20 basis points lower, whereas Class B vacancy is 70 basis points higher, highlighting divergent three-year trends by asset class.

Across districts, Rockwall reports 0.0% overall vacancy, with no space available. Southeast Dallas holds the second lowest overall vacancy at 3.8%, followed by Denton at 4.0% and Preston Center at 4.5%. At the other end of the spectrum, White Rock records the highest overall vacancy at 46.5%, far above the rest of the market stemming from a large block of longstanding available space in Deep Ellum.

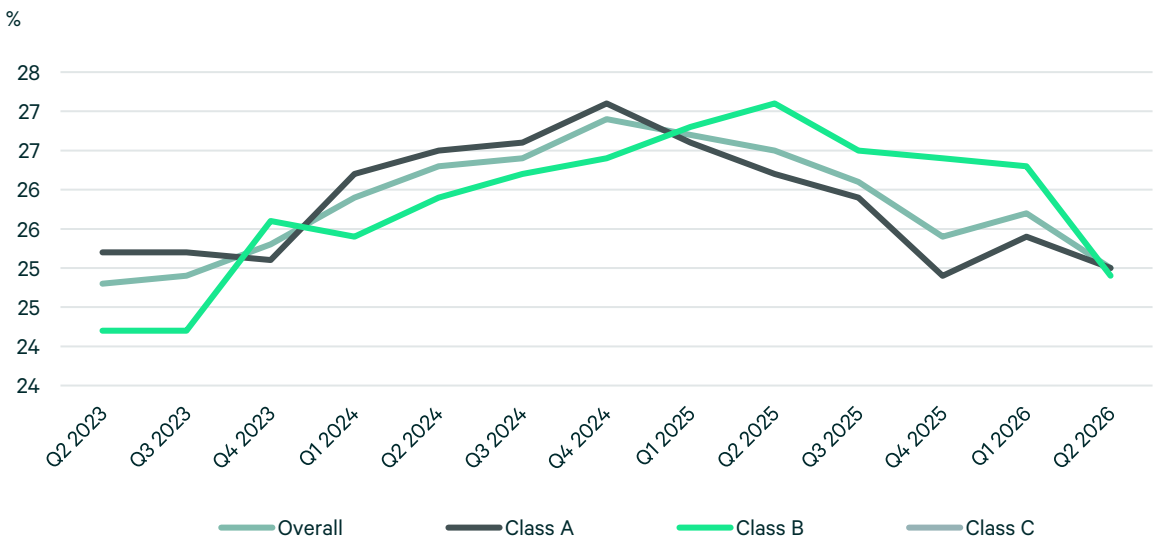
In Q2 2026, sublease vacancy in Class A held steady at 2.3%, while Class B sublease vacancy declined quarter-over-quarter from 1.5% to 1.2%, a 30-basis-point reduction. Across all districts, vacant sublease space totals 4.4 million sq. ft. in the current quarter.

Asking Rent

In Q2 2026, the overall market average asking rent is \$34.79, up 1.0% quarter-over-quarter from \$34.45 in Q1 2026 and 6.5% year-over-year from \$32.68 in Q2 2025. Over the full series from Q2 2023 to Q2 2026, the overall average rent has increased 8.9% from \$31.94. Class A asking rents have moved faster, reaching \$39.46 in Q2 2026, 1.0% higher quarter-over-quarter and 8.9% higher year-over-year versus \$36.24 in Q2 2025, while Class B rates are nearly flat over the period, edging down 1.5% from \$25.41 in Q2 2023 to \$25.03 in Q2 2026.

At the district level, Class A asking rents are highest in Uptown at \$71.18 and Preston Center at \$66.15, followed by White Rock at \$55.56 and Turtle Creek at \$50.38. For Class B space, Preston Center (\$39.96), Uptown (\$39.25), Garland (\$39.03), and Frisco/The Colony (\$35.94) sit at the upper end of the rent spectrum, whereas Grand Prairie (\$11.08), Mesquite/Forney/Terrell (\$16.19), and Southeast Dallas (\$17.50) offer markedly lower pricing. Mid-range pricing is evident in key employment hubs such as Dallas CBD and Fort Worth CBD, where Class A rents are \$36.21 and \$38.31, respectively.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q2 2026

Net Absorption

In Q2 2026, the market recorded total net absorption of 939,000 sq. ft., combining 313,000 sq. ft. of Class A demand and 626,000 sq. ft. for Class B space. This outcome is sharply exceeding the negative 1.2 million sq. ft. of net move-outs posted in Q1 2026, an improvement of 2.1 million sq. ft. quarter-over-quarter. Year-over-year, total absorption also exceeded the 344,000 sq. ft. recorded in Q2 2025 by 595,000 sq. ft., reflecting broad strengthening in tenant activity. The shift is most pronounced in Class B, which moved from negative 359,000 sq. ft. in Q2 2025 to 626,000 sq. ft. of positive absorption in Q2 2026..

At the district level in Q2 2026, Stemmons Freeway posted the highest positive net absorption at 224,000 sq. ft., with Richardson close behind at 167,000 sq. ft. Uptown followed with 160,000 sq. ft. of net absorption, while an additional Stemmons Freeway segment added 146,000 sq. ft., keeping these corridors among the strongest demand clusters. On the downside, DFW Freeport/Coppell recorded the most negative net absorption at negative 153,000 sq. ft., and Urban Center/Wingren was next at negative 121,000 sq. ft., indicating substantial space givebacks in both areas.

Construction Activity

In Q2 2026, the market had 3.0 million sq. ft. under construction and 113,000 sq. ft. of space delivered. Under construction volume rose 6.5% quarter-over-quarter from 2.8 million sq. ft. in Q1 2026 and 12.3% year-over-year from 2.7 million sq. ft. in Q2 2025, though it remains well below the recent high of 5.4 million sq. ft. in Q4 2023. Construction deliveries increased 182.5% quarter-over-quarter from 40,000 sq. ft. in Q1 2026, following two quarters with 0 sq. ft. of completions in 2025 and a peak of 2.0 million sq. ft. in Q4 2024.

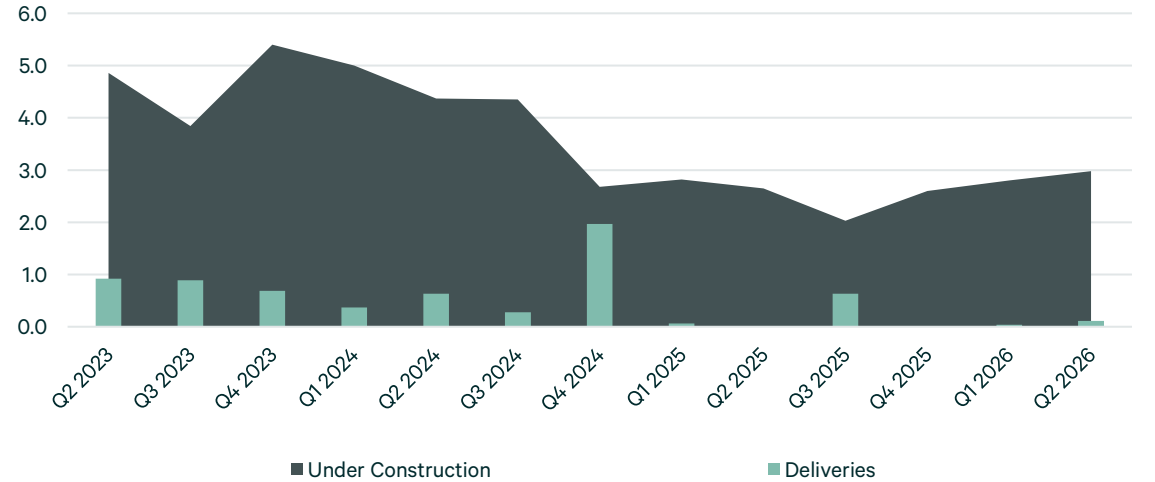
At the submarket level in Q2 2026, Uptown/Turtle Creek has the highest construction activity with 1.3 million sq. ft. underway, followed by Preston Center with 567,131 sq. ft. under construction. Far North Dallas also has projects underway, totaling 451,036 sq. ft. under construction.

Figure 4: Net Absorption Trend
Sq. Ft. (millions)



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity
Sq. Ft. Millions



Source: CBRE Research, Q2 2026

Leasing Activity

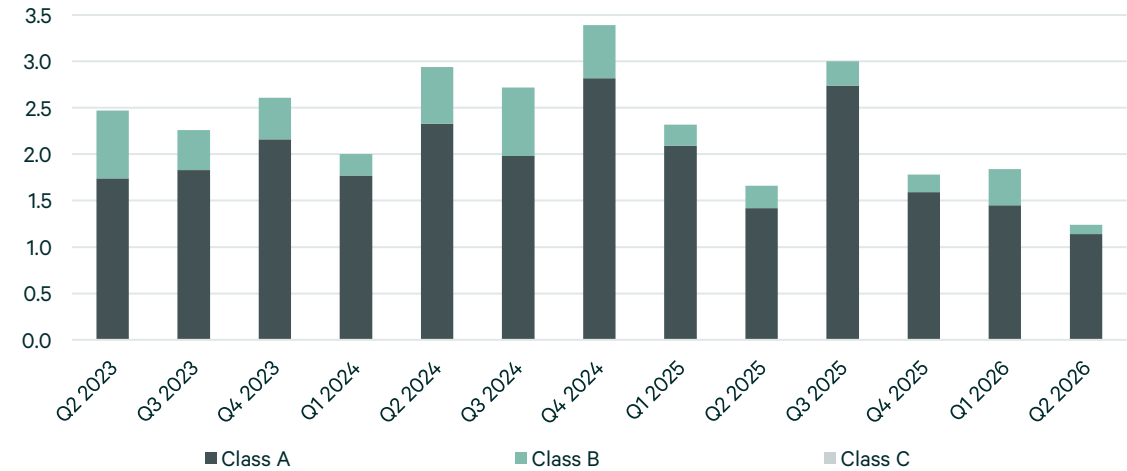
Market-wide leasing activity totaled 1.2 million sq. ft. in Q2 2026, with Class A space accounting for 1.1 million sq. ft. or 92.1% of the volume. This represented a 32.6% decline quarter-over-quarter from 1.8 million sq. ft. in Q1 2026 and a 25.1% drop year-over-year from 1.7 million sq. ft. in Q2 2025. For the latest full year, 2025 leasing reached 8.8 million sq. ft., down 20.8% year-over-year from 11.1 million sq. ft. in 2024.

In Q2 2026, Uptown recorded the highest positive leasing activity at 204,000 sq. ft., followed by DFW Freeport/Coppell at 184,000 sq. ft. Other districts with positive leasing included Upper Tollway/West Plano, Preston Center, Urban Center/Wingren, Quorum/Bent Tree, Office Ctr/West LBJ Ext, Frisco/The Colony, Dallas CBD, Fort Worth CBD, East LBJ Freeway, West LBJ Freeway, Central Expressway, Plano, Turtle Creek, Richardson and Southwest Fort Worth.

Economic Overview

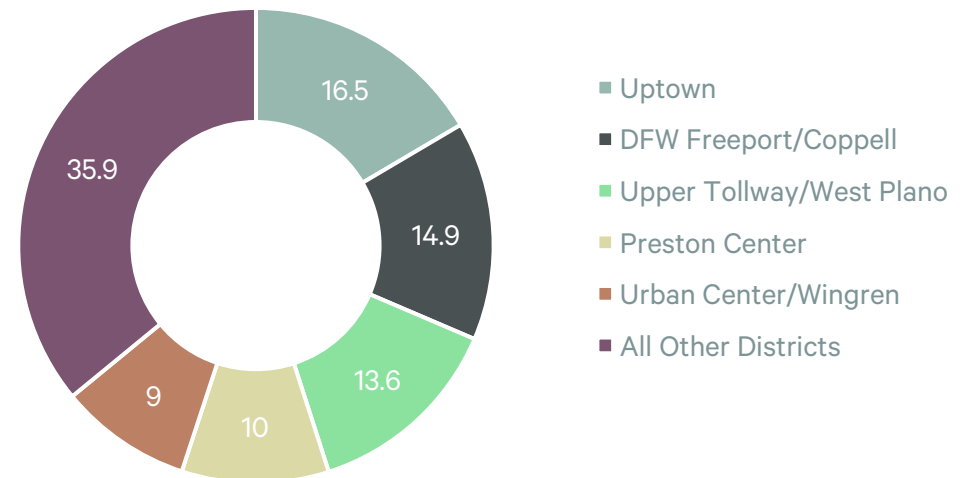
The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America’s aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of 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, Q2 2026

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



Source: CBRE Research, Q2 2026

Market Statistics by Class

Figure 8: 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	147.04M	25.0	28.4	24.9	3.5	39.46	313,000	(841,000)	113,000	2.98M
Class B	76.47M	24.9	27.0	25.2	1.8	25.03	626,000	609,000	-	-
Total	223.51M	25.0	27.9	25.0	2.9	34.79	939,000	(232,000)	113,000	2.98M

Source: CBRE Research, Q2 2026

Figure 9: 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	23.9	27.2	23.4	3.9	37.59	160,000	(979,000)	113,000	1.68M
Class B	70.74M	24.2	26.5	24.6	1.9	24.88	588,000	626,000	-	-
Total	184.58M	24.0	27.0	23.8	3.1	32.84	748,000	(353,000)	113,000	1.68M

Source: CBRE Research, Q2 2026

Figure 10: 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	33.20M	28.8	32.2	30.1	2.0	44.05	153,000	138,000	-	1.30M
Class B	5.73M	32.6	33.2	32.8	0.4	26.23	38,000	(17,000)	-	-
Total	38.93M	29.3	32.3	30.5	1.8	41.30	191,000	121,000	-	1.30M

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 11

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Central Expressway	10.42M	27.1	31.3	29.2	2.1	39.69	(133,000)	(202,000)	-	79,000
Dallas CBD	23.98M	33.7	37.9	36.4	1.5	34.12	(24,000)	(81,000)	-	-
East Dallas	2.70M	34.2	38.3	23.0	15.3	42.04	42,000	(83,000)	-	-
Far North Dallas	47.99M	25.4	28.1	23.7	4.3	38.21	150,000	291,000	41,000	492,000
Fort Worth CBD	6.82M	11.3	12.5	12.0	0.5	33.40	31,000	131,000	-	-
LBJ Freeway	17.65M	24.4	27.1	24.6	2.4	30.07	63,000	(142,000)	-	-
Las Colinas	32.25M	29.7	33.9	31.1	2.9	33.35	(45,000)	(1.18M)	-	-
Lewisville/Denton	3.36M	27.9	30.7	24.5	6.3	29.76	20,000	70,000	-	-
Mid-Cities	15.09M	26.3	30.3	25.1	5.2	24.20	(78,000)	(66,000)	-	-
North Fort Worth	2.82M	35.0	33.7	26.1	7.6	23.73	9,000	(55,000)	-	98,000
Northeast Fort Worth	1.48M	18.8	19.9	19.8	0.1	20.55	64,000	55,000	-	-
Preston Center	4.56M	4.5	7.3	6.8	0.4	60.52	32,000	36,000	-	718,000
Richardson/Plano	24.92M	18.3	22.0	20.8	1.2	26.91	176,000	360,000	-	-
South Fort Worth	5.13M	12.7	13.0	11.8	1.2	33.92	72,000	14,000	72,000	291,000
Southwest Dallas	1.62M	21.0	21.7	21.4	0.3	23.44	(26,000)	(31,000)	-	-
Stemmons Freeway	7.76M	24.2	22.8	21.9	0.9	22.56	370,000	445,000	-	-
Uptown/Turtle Creek	14.95M	22.3	23.4	21.1	2.3	62.92	215,000	202,000	-	1.30M
Total	223.51M	25.0	27.9	25.0	2.9	34.79	939,000	(232,000)	113,000	2.98M

Source: CBRE Research, Q2 2026

Market Statistics by Submarket – Class A

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Class A Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Central Expressway	7.15M	28.5	33.2	30.3	2.9	42.46	(118,000)	(193,000)	-	79,000
Dallas CBD	19.71M	33.4	38.3	36.5	1.8	36.21	(31,000)	(70,000)	-	-
East Dallas	1.05M	64.9	74.3	35.5	38.8	55.56	27,000	(86,000)	-	-
Far North Dallas	34.14M	25.2	28.7	23.3	5.4	42.81	53,000	258,000	41,000	492,000
Fort Worth CBD	5.06M	7.6	10.7	10.2	0.5	38.31	19,000	125,000	-	-
LBJ Freeway	10.69M	23.5	26.7	24.4	2.3	35.08	(34,000)	(187,000)	-	-
Las Colinas	21.68M	29.6	34.3	31.0	3.3	37.52	(249,000)	(1.35M)	-	-
Lewisville/Denton	798,000	35.0	37.0	35.0	2.0	35.41	11,000	0	-	-
Mid-Cities	6.55M	32.0	35.7	29.0	6.7	26.55	(38,000)	(19,000)	-	-
North Fort Worth	1.28M	31.5	28.7	12.0	16.8	21.61	11,000	(50,000)	-	98,000
Northeast Fort Worth	416,000	28.3	28.6	28.3	0.4	26.35	10,000	1,000	-	-
Preston Center	3.94M	3.8	6.5	6.2	0.3	66.15	14,000	9,000	-	718,000
Richardson/Plano	14.19M	18.3	21.8	20.2	1.6	29.43	223,000	256,000	-	-
South Fort Worth	2.17M	5.5	4.5	3.7	0.8	41.16	89,000	81,000	72,000	291,000
Southwest Dallas	354,000	9.5	9.5	8.2	1.3	19.25	(4,000)	(4,000)	-	-
Stemmons Freeway	4.37M	18.2	14.6	13.8	0.8	25.75	146,000	181,000	-	-
Uptown/Turtle Creek	13.49M	21.9	23.1	20.8	2.4	66.29	184,000	208,000	-	1.30M
Total	147.04M	25.0	28.4	24.9	3.5	39.46	313,000	(841,000)	113,000	2.98M

Source: CBRE Research, Q2 2026

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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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