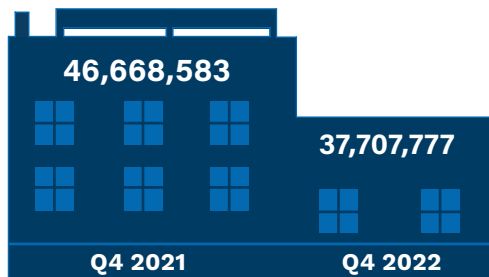


# Industrial Market Report Q4 2022

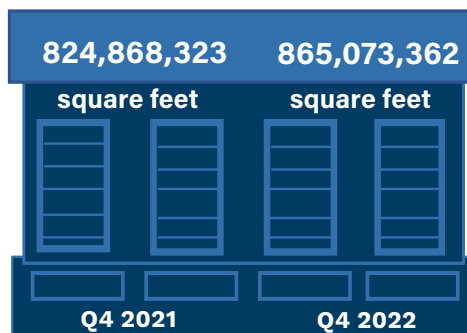
Published: January 2023

## Dallas - Fort Worth Totals

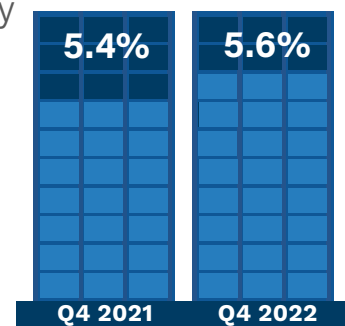
### 12-Month Net Absorption



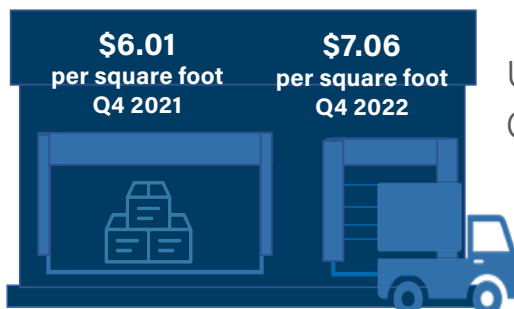
### Market Size



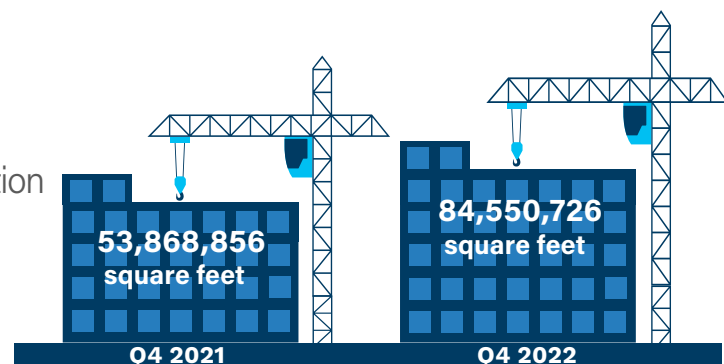
### Overall Vacancy



### Average Triple-Net Rental Rate

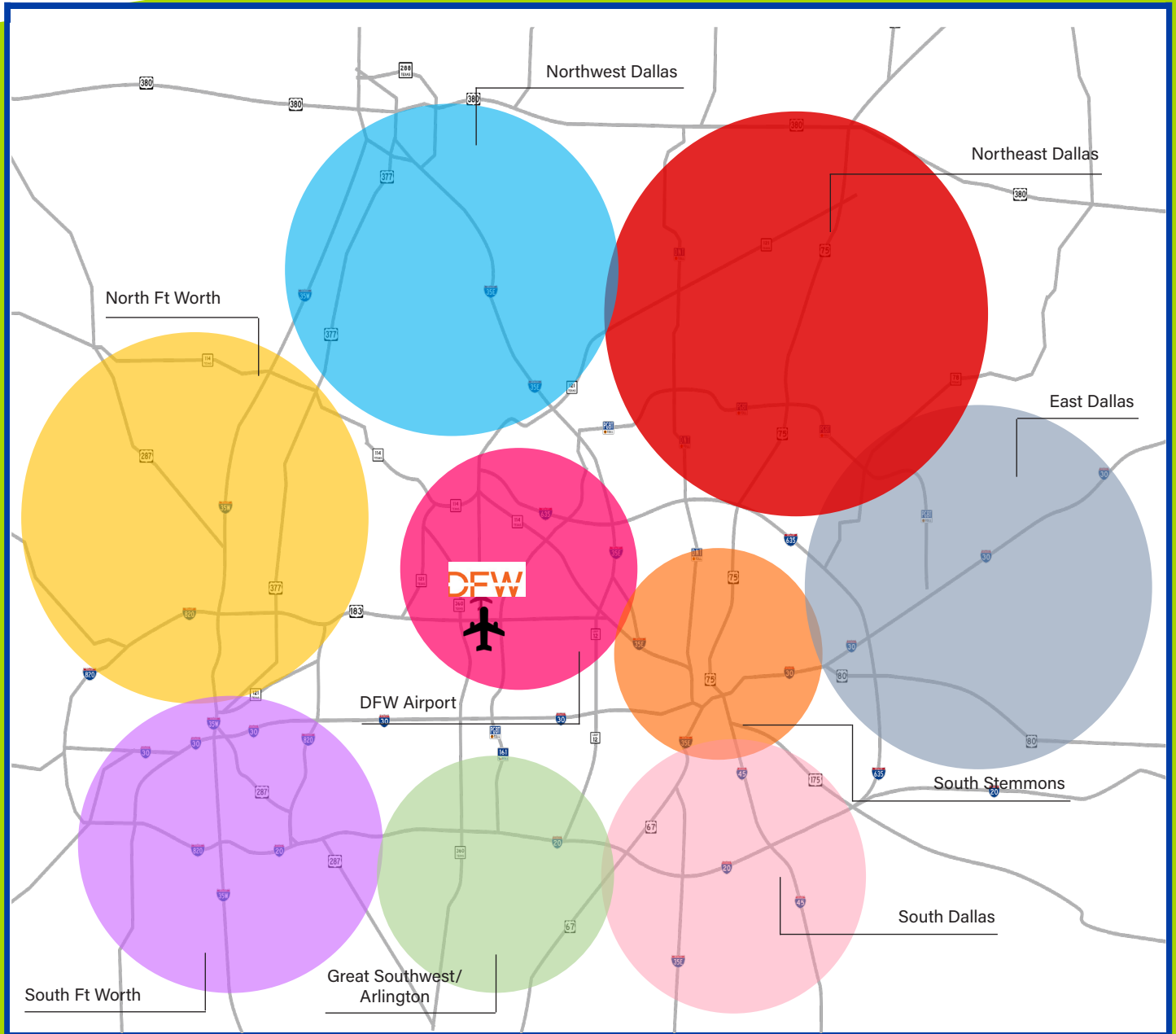


### Under Construction



# Dallas - Fort Worth

## Industrial Submarkets



# Q4 Dallas - Fort Worth

## Industrial Market Statistics

| Submarket                  | Building Inventory (Sq. Ft.) | Direct Vacancy (%) | Net Absorption (Sq. Ft.) | Deliveries (Sq. Ft.) | Under Construction (Sq. Ft.) | Average Rental Rate (Per Sq. Ft.) | Annual Rent Growth (%) |
|----------------------------|------------------------------|--------------------|--------------------------|----------------------|------------------------------|-----------------------------------|------------------------|
| DFW Airport                | 84,038,529                   | 2.4%               | -844,478                 | 837,970              | 6,161,616                    | \$9.58                            | 16.1%                  |
| East Dallas                | 49,806,586                   | 13.3%              | 7,356                    | 339,106              | 10,640,826                   | \$5.15                            | 14.0%                  |
| Great Southwest/ Arlington | 112,827,667                  | 2.7%               | 479,516                  | 20,020               | 3,430,309                    | \$7.48                            | 15.3%                  |
| North Fort Worth           | 120,688,831                  | 6.7%               | 1,749,088                | 1,606,184            | 20,249,356                   | \$5.60                            | 14.9%                  |
| Northeast Dallas           | 94,852,238                   | 3.5%               | 1,663,512                | 1,368,297            | 3,383,950                    | \$8.07                            | 13.5%                  |
| Northwest Dallas           | 100,564,637                  | 2.8%               | 889,155                  | 407,141              | 8,092,972                    | \$7.67                            | 15.4%                  |
| South Fort Worth           | 81,988,864                   | 6.0%               | 1,860,757                | 231,265              | 5,391,898                    | \$6.91                            | 13.3%                  |
| South Dallas               | 122,338,669                  | 6.2%               | 3,468,796                | 3,110,632            | 24,946,092                   | \$4.84                            | 14.7%                  |
| South Stemmons             | 95,758,905                   | 5.1%               | 3,284                    | 1,209,843            | 1,642,451                    | \$9.22                            | 14.4%                  |

Statistics derived from all Industrial buildings larger than 20,000 Sq. Ft. in major Dallas-Fort Worth Industrial Submarkets. Major Industrial Submarkets are considered geographic groups of Industrial buildings totaling more than 5 MM Sq. Ft. Buildings within the same Submarket have shared area amenities and are typically of similar quality.

Source: Citadel Partners and CoStar

# Forecast

The Dallas-Fort Worth industrial market currently has more inventory under construction than anywhere else in the country. With more than 80 million square feet in the pipeline, the region is witnessing record-setting development and growth for any metro area in history. Last year alone, Dallas-Fort Worth delivered 40 million square feet across 157 buildings. Despite the steady stream of new product, only 5.6% of inventory is vacant and annual rent growth persists at 14%.

Recent supply chain issues and consumer expectations for expediency and convenience has changed the way people and businesses rely on warehouse space forever. While developers are struggling to keep up, industrial supply will eventually catch up to demand and there are signs of a softening industrial market. For instance, 12-Month Net Absorption is down nearly 20% from this time last year. Additionally, increased interest rates has led to less activity from investors in big-box industrial product.

Even as we face uncertainty in the global economy, Dallas-Fort Worth's industrial market is expected to remain very healthy due to population growth, a centralized location in the national distribution network, and diverse economic underpinnings.

Source: Citadel Partners, Dallas Regional Chamber, and CoStar

## Being the better fit didn't happen overnight.

### Our Story

1987

Scott Morse founded the Morse Company.

1995

Scott Jessen joined the company, and together, the Scotts began their career-long commitment of taking CRE service and broker value beyond the transaction level and transforming market knowledge into market expertise.

2005

The Morse Company was acquired by Colliers where Morse and Jessen built and led top performing teams. Across North Texas, Morse and Jessen see a growing shift in client needs – strategic alignment of real estate with business performance.

2012

Morse and Jessen launched Citadel Partners, moving beyond the old-school broker model to expand advisor consultative skill sets and services. Citadel develops a proprietary methodology to help clients discover the enhanced value and increased business performance benefits from real estate decisions.

Today

Citadel Partners is an established real estate advisory firm providing strategy based CRE solutions, market insight and expertise, and uncompromised service from its Office and Industrial teams located in Dallas and Fort Worth.