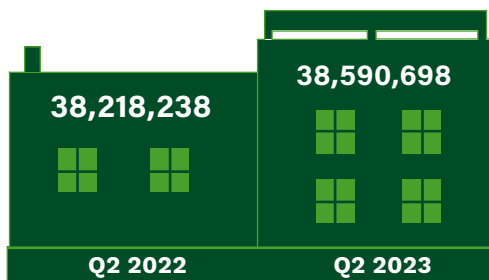


Industrial Market Report Q2 2023

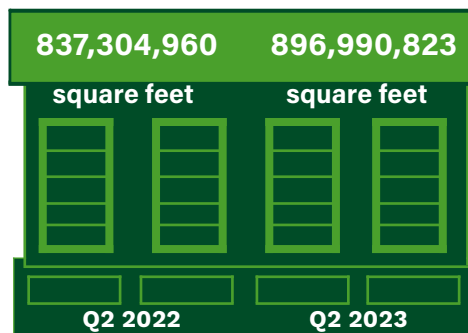
Published: July 2023

Dallas - Fort Worth Totals

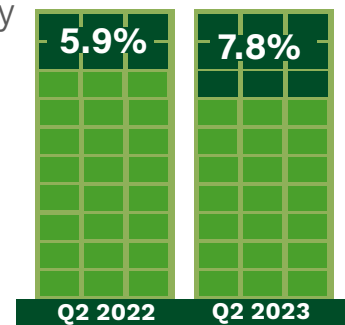
12-Month Net
Absorption



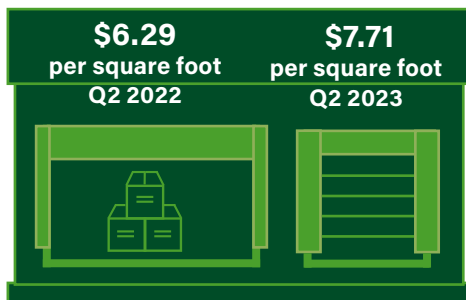
Market
Size



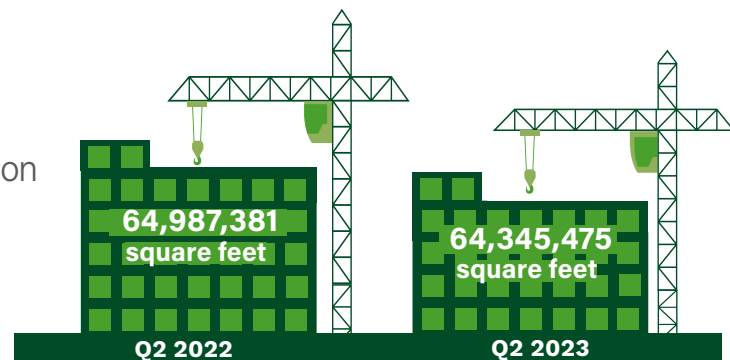
Overall
Vacancy



Average
Triple-Net
Rental Rate

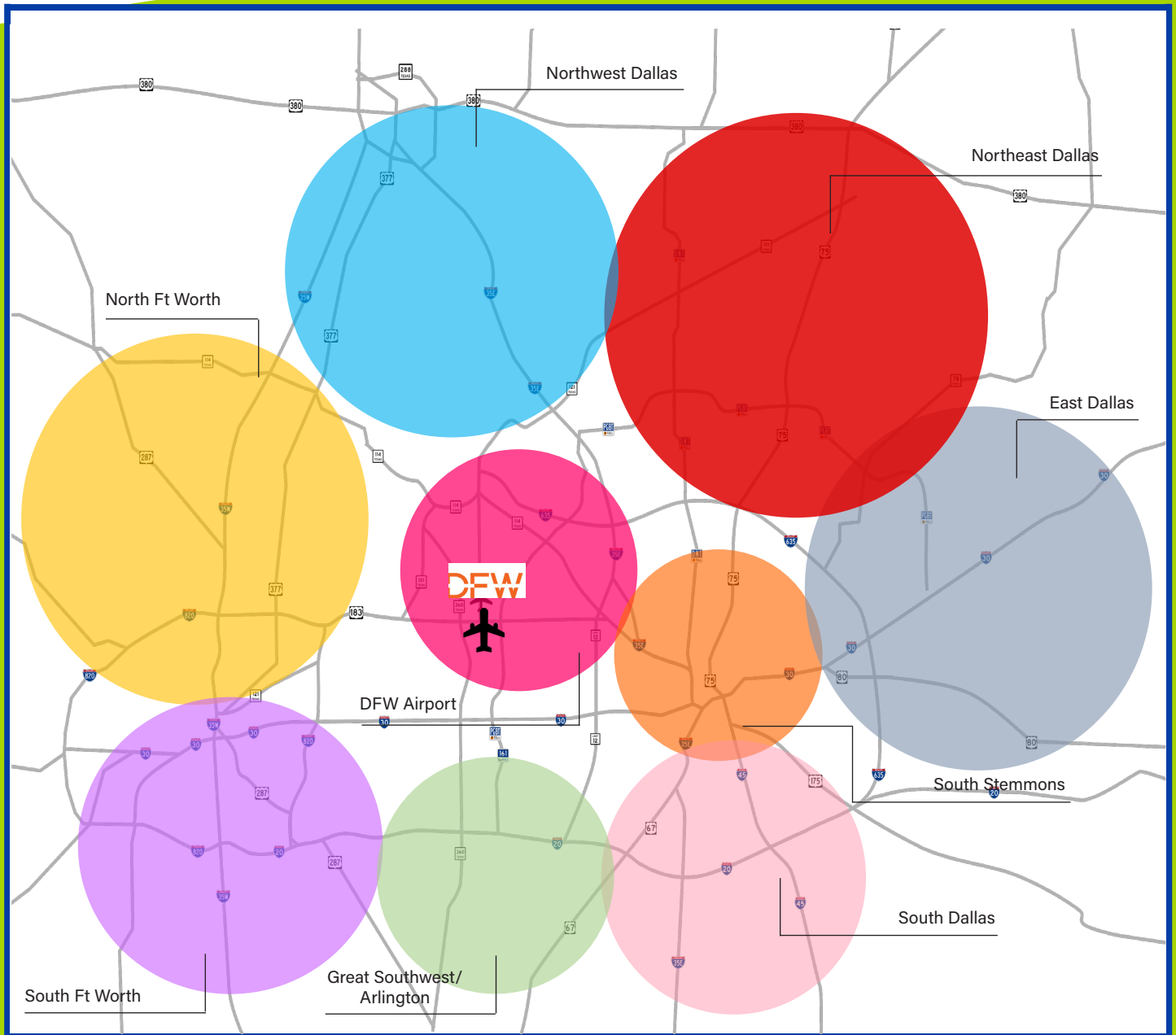


Under
Construction



Dallas - Fort Worth

Industrial Submarkets



Q2 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	87,062,753	5.2%	297,854	640,075	3,811,320	\$10.02	11.4%
East Dallas	52,486,488	14.3%	1,128,777	1,786,400	10,113,911	\$7.23	10.2%
Great Southwest/ Arlington	114,279,091	3.8%	-31,633	641,232	2,628,470	\$8.87	10.9%
North Fort Worth	123,054,000	8.8%	448,065	4,065,543	17,125,257	\$5.76	10.6%
Northeast Dallas	94,362,935	4.1%	1,066,499	1,551,850	4,412,014	\$8.63	9.9%
Northwest Dallas	104,488,787	4.3%	250,902	1,196,964	3,885,027	\$7.95	10.6%
South Fort Worth	84,010,717	5.6%	340,935	811,027	7,060,437	\$7.75	9.7%
South Dallas	138,651,487	12.8%	2,113,968	5,583,516	12,974,448	\$7.04	10.7%
South Stemmons	96,557,404	5.6%	-42,989	140,986	1,723,084	\$9.05	10.0%

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

Vacancy rates in Dallas-Fort Worth are starting to climb as new construction deliveries outpace net absorption. Deliveries in the first half of 2023 reached their highest levels yet with 57 new buildings adding 21 Million SF in Q1 and 65 new buildings adding 16 Million SF in Q2. The trend reflects the aggressive pace of speculative construction in the Metroplex over the past few years. With the onslaught of new product and higher interest rates, new construction starts have decreased since late last year.

Market rent growth is cooling after years of unprecedented rate hikes. The market is reporting annual growth of 10.6%, down from the peak of 13.4% in Q4 2022. Quarter-over-quarter movements indicate a rapid slowdown, especially among large industrial developments targeting logistics and distribution companies. Companies like Amazon have fought to keep up with increased consumer demands and we are now settling into a more stabilized industrial market across Dallas-Fort Worth.

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.