

# DALLAS OFFICE MARKET

Yardi® Matrix

## Market Analysis

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## Metroplex Momentum



Dallas' office market is buzzing with activity, with **a large influx of absorption** as companies relocate to the Metroplex, attracted by one of the most active development pipelines in the U.S. The metro's already robust economy has continued to grow and diversify during the last four quarters, and **the momentum is expected to last** for at least the next two years. The recently passed **tax reform** could also continue the trend of companies moving from Northern and Coastal states to the South and West.

Some **70,000 new jobs** were added in the metro in the 12 months ending in February, bringing the office using employment pool close to 800,000. The largest gains were in the leisure and hospitality sector (13,200 jobs).

More than **29 million square feet** of office space was listed for lease as of April, while more than **6 million square feet** is scheduled for completion this year. That could prove problematic in a market in which the overall **vacancy rate rose to 20.1%** after several projects came online at the end of 2017. In an effort to revive the dormant Central Business District (CBD), developers have embarked on several redevelopment projects such as the Dallas County Records complex.

**The suburbs continue to outperform the CBD.** Major companies like JP Morgan Chase, State Farm and Liberty Mutual recently relocated to the Legacy West business district in Plano.