

# DALLAS OFFICE MARKET

Yardi® Matrix

## Market Analysis

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## Metroplex Growth Remains Steady



Dallas' office market activity remains robust a decade into the economic cycle. The office-using employment sector expanded by 44,500 jobs in the past 12 months, with major gains in the financial activities, and professional and business services sectors. The market is growing organically as well as systematically, by poaching companies in other states that are attracted to low rents and Texas' lack of corporate or personal income taxes.

Despite increasing crosswinds at the national level, the Dallas–Fort Worth economy is in great shape. The Metroplex is now the fourth-largest market in the country; with more than 1 million people moving to the area between 2010 and 2018, population growth was the fastest among major U.S. metros. Demand for office space is strong. Dallas' office vacancy rate remained stable at 18%, even as nearly 2 million square feet were delivered in the first nine months of the year. With an additional 1.7 million square feet slated for completion by year-end, vacancies will likely increase, primarily in Class B assets as tenants relocate to higher-quality, amenitized assets. Uber signed the largest lease of the year, totaling 450,000 square feet, as it seeks to create 3,000 jobs in the South Dallas submarket by late 2022.

The metro's average asking price of \$27.75 per square foot was significantly lower than the national average as of August. Class A office space remains in high demand, with asking prices averaging \$32.16 per square foot—far higher than Class B properties, which were listed for \$22.95 per square foot as of August.