



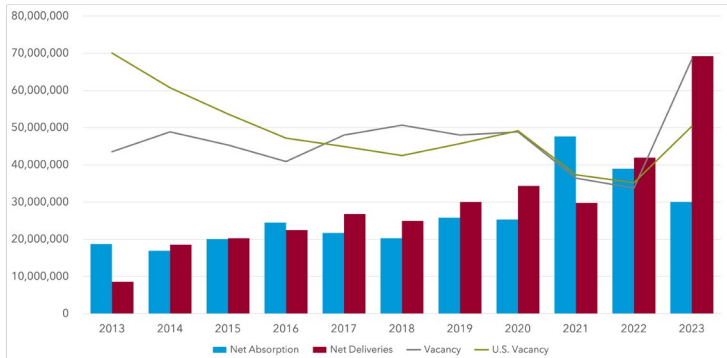
### INDUSTRIAL MARKET OVERVIEW

MICAH RABALAIS, *Director of Operations and Research*

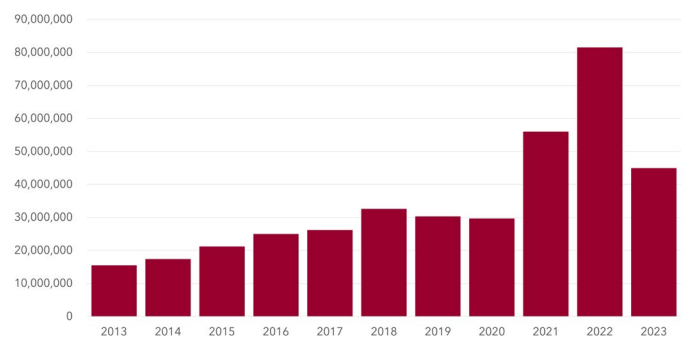
The Dallas-Fort Worth industrial market continues to normalize after record activity in 2022. Q4 2023 saw vacancies rise as new product delivered to waning demand. Industrial specific inventory crossed 1 billion square feet, making Dallas-Fort Worth the second-largest market in the country, behind only Chicago. Construction activity has slowed but is still nation-leading with 44.9 million square feet underway. Rental rates have continued to rise, but expect rate increases to cool as vacancies elevate and landlords fight for cooling leasing volume. Looking ahead, Dallas-Fort Worth activity is in line with historical trends and the market is positioned to maintain healthy momentum into an uncertain 2024.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ 12 Mo. Net Absorption SF	30,043,067	35,069,916	39,354,236	43,811,708	37,940,155
▲ Vacancy Rate	7.70%	6.80%	6.20%	4.90%	3.80%
▲ Avg NNN Asking Rate PSF	\$8.65	\$8.39	\$8.23	\$7.63	\$7.35
▼ SF Under Construction	44,946,087	51,815,202	63,982,929	63,997,825	77,732,461
▲ Inventory SF	1,008,958,008	992,943,074	973,374,851	957,213,438	938,168,677

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5310 W Airport Freeway Irving, TX	220,158 SF	\$41,609,862 \$189.00 PSF	DHL USAA Real Estate	Class A
5225 Investment Drive Dallas, TX	185,569 SF	\$22,764,152 \$122.67 PSF	Provender Partners Performance Food Group	Class B
1375 Avenue S Grand Prairie, TX	103,128 SF	\$10,828,440 \$105.00 PSF	Berkeley Partners Oxford Properties Group, Inc.	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7500-7601 Oak Grove Road Fort Worth, TX	1,403,152 SF	Crow Holdings	DrinkPAK	Food, Beverage & Tobacco
1200 N Sunrise Road Wilmer, TX	1,351,372 SF	Champion Partners	Trina Solar	Renewable Electricity
3584 Mountain Creek Parkway Dallas, TX	504,500 SF	Kuka Furniture	Kuka Furniture	Consumer Discretionary

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com