

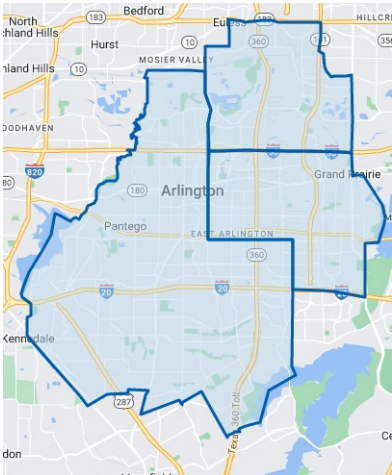
Industrial Real Estate

Great Southwest Snapshot: Q4 2024

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Featured Listings-

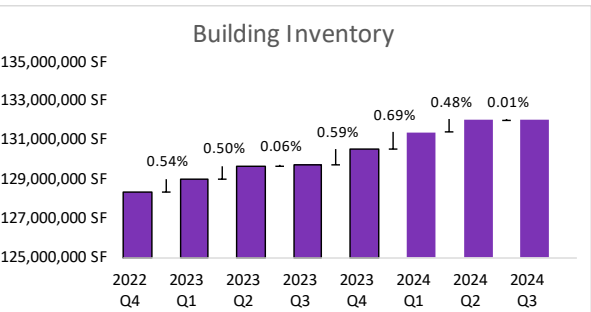
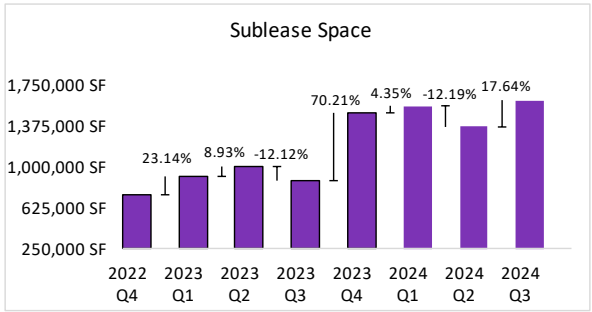
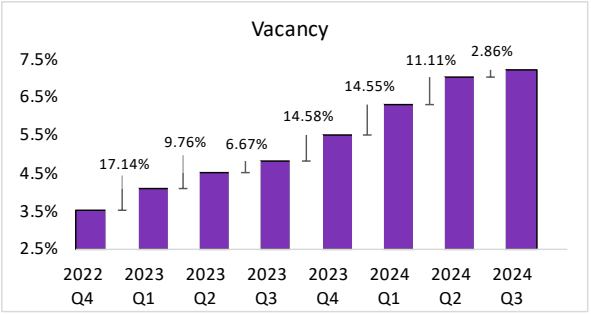
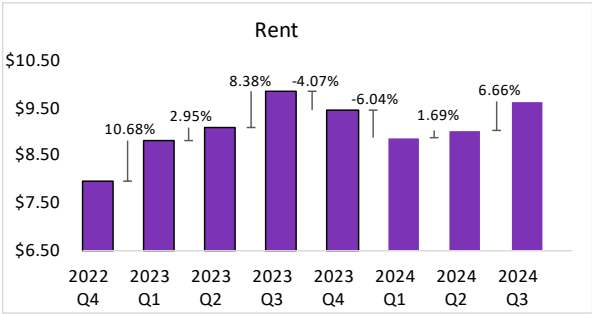
Address	Listing	Property Size
4901 Yaupon Drive Arlington, TX 76018	Sale	4.93 AC
939 Avenue N, Grand Prairie, TX 75050	Sublease	20,000 SF



Featured Transactions-

Address	Client	Transaction Size
Houston, TX 77038	Buyer	11,550 SF
Arlington TX 76011	Tenant	10,000 SF

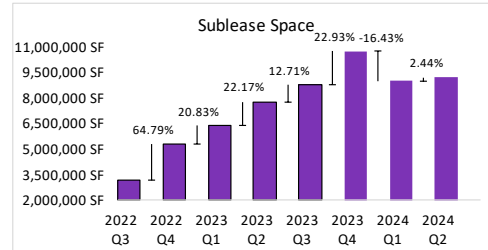
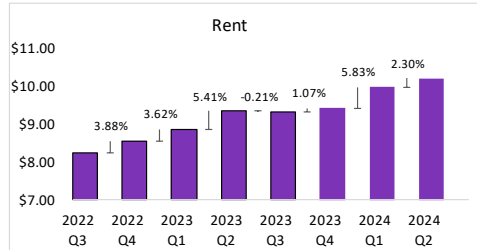
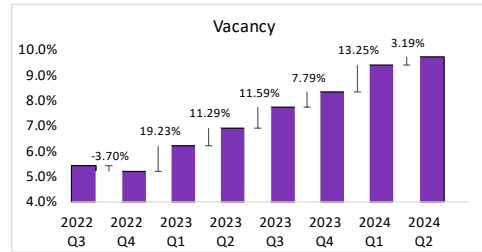
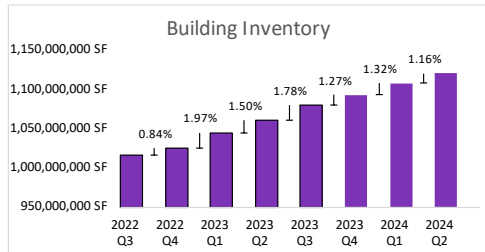
GSW Industrial Real Estate Statistics (as of 9/30/24)



Statistics derived from all Industrial buildings existing and currently being constructed in the Great Southwest Industrial Submarket. Source: Mason Commercial Real Estate and CoStar



DFW Industrial Real Estate Statistics (as of 9/30/2024)



DFW Commercial Real Estate Insights

North Texas' industrial leasing landscape has gone through multiple cycles in the last several years. Immediately after the pandemic, the region saw some of the strongest leasing on record as retailers and logistics companies alike scrambled to take on as much space as possible for the booming recovery.

As time went on, other economic headwinds began to impact the market. Inflation ran rampant, and the subsequent ratcheting up of interest rates impacted both the commercial and residential real estate markets.

Locally, a deluge of new industrial stock was flooding the market, giving tenants more options to choose from than ever before and stiffening competition among owners and landlords.

Since the start of 2024, the market has seen a return to normalcy in its industrial leasing. Although nowhere near the peaks witnessed in 2021 or 2022, the 15 million to 16 million square feet of leasing every quarter is still significantly greater than the 10-year historic average for Dallas-Fort Worth of 11.2 million square feet.

Driving some of the most recent leasing data for the third quarter are larger deals for national brands like Google.

...

Lease sizes are another key indicator for this market, with the average lease size trending downward in the last several quarters to the most recent estimate of 18,500 square feet. This is the first time in years that this metric has fallen below the historical norm of around 19,000 square feet. While it shows a more conservative shift in user preferences, it is also a reflection of the uptick in overall activity among these smaller tenants back to more historically normal levels.

Leaders and brokers in the market remain optimistic for the last quarter of 2024 and are especially bullish for the following year. Some activity in the near term is anticipated to stay buoyed as users take advantage of the current "tenant's market" with favorable lease terms and concessions — something almost unheard of just two years prior.

The softening of new supply-side pressures in 2025 and an anticipated return in demand will shore up some of this competition, normalizing the current leasing environment and balancing out pricing power between users and owners. While the stock constructed in the last two years will take several years for the market to fully cycle through, overall expectations for Dallas-Fort Worth to deliver remain positive and optimistic.

Costar "Google's latest million-square-foot deal highlights strength of North Texas leasing environment" October 8th, 2024