DFW Industrial
Q4 2025

QUARTERLY MARKET REPORT

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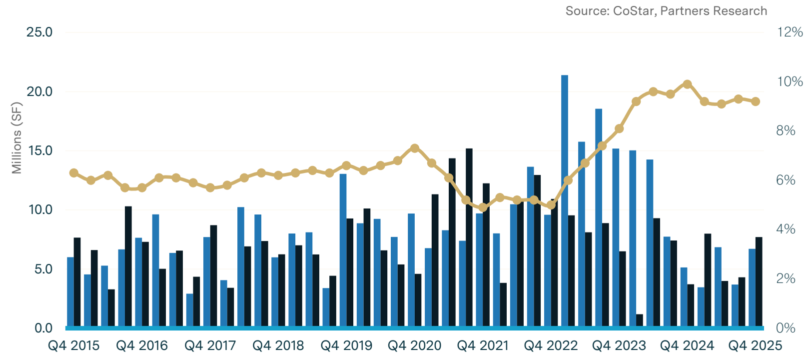
Executive Summary

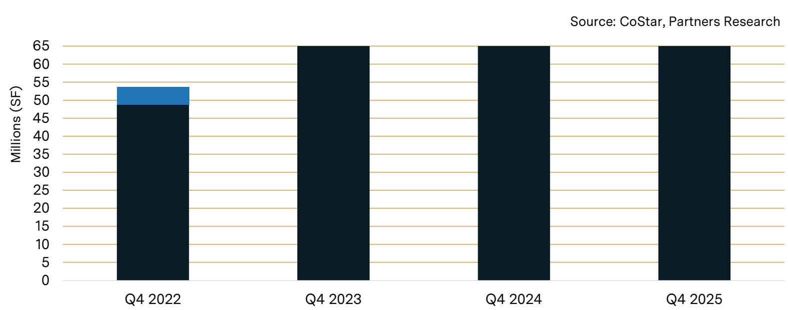
SUPPLY & DEMAND



Key Market Indicators

	CURRENT Q4 2025	PRIOR QUARTER Q3 2025		PRIOR YEAR Q4 2024	
Vacant Total	9.2%	9.3%	↓	9.9%	↓
Vacant Direct	8.4%	8.7%	↓	9.1%	↓
Available Total	12.0%	11.7%	↑	11.6%	↑
Available Direct	11.0%	10.5%	↑	10.6%	↑
Net Absorption (SF)	7,703,861	4,301,343	↑	3,718,423	↑
Leasing Activity (SF)	19,240,317	15,560,386	↑	11,279,048	↑
Construction (SF)	33,969,209	34,460,362	↓	24,932,228	↑
Deliveries	6,709,089	3,686,614	↑	5,136,936	↑
Avg Asking Rent (Gross)	$10.01	$9.70	↑	$9.55	↑
Inventory (SF)	1,162,321,296	1,153,527,791	↑	1,138,607,551	↑

VACANCIES



Q4 in Review

The Dallas-Fort Worth Worth (DFW) industrial market experienced increased absorption and leasing activity; however, vacancy only decreased by 10 basis points due to increased deliveries.

Deliveries totaled 6.7 million square feet this quarter, a sharp 82% increase from the previous quarter and 30.6% from the previous year. Construction activity slightly decreased 1.4% over the quarter to 34 million square feet.

Leasing activity increased by 23.6% over the quarter and by 70.6% year-over-year. Quarterly net absorption increased significantly by 79.1% to 7.7 million square feet, primarily driven by warehouse/distribution properties, which recorded 7.6 million sq. ft. The manufacturing segment recorded negative absorption of -121,430 sq. ft., while Flex posted positive net absorption totaling 231,896 sq. ft.

Investment sales totaled $2.4 billion over the past year, with 968 properties sold at an average sales price of $129 per sq. ft. and an average cap rate of 6.4%.

Rental rates were up 3.2% for the quarter and up 4.8% year-over-year to an average of $10.01 per square foot. The market's shift toward normalization reflects a recalibration after years of extraordinary growth, signaling a steady foundation for future activity.

DFW Economic Update

Employment in DFW grew at an annualized rate of 0.8% in September, adding 34,100 jobs annually, while Texas employment increased by 1.2%. The unemployment rate dropped 20 basis points to 4.2% from 4.4% in August. The jobless rate was 4.2% in Dallas and 4.1% in Fort Worth. The most significant gains were in mining,

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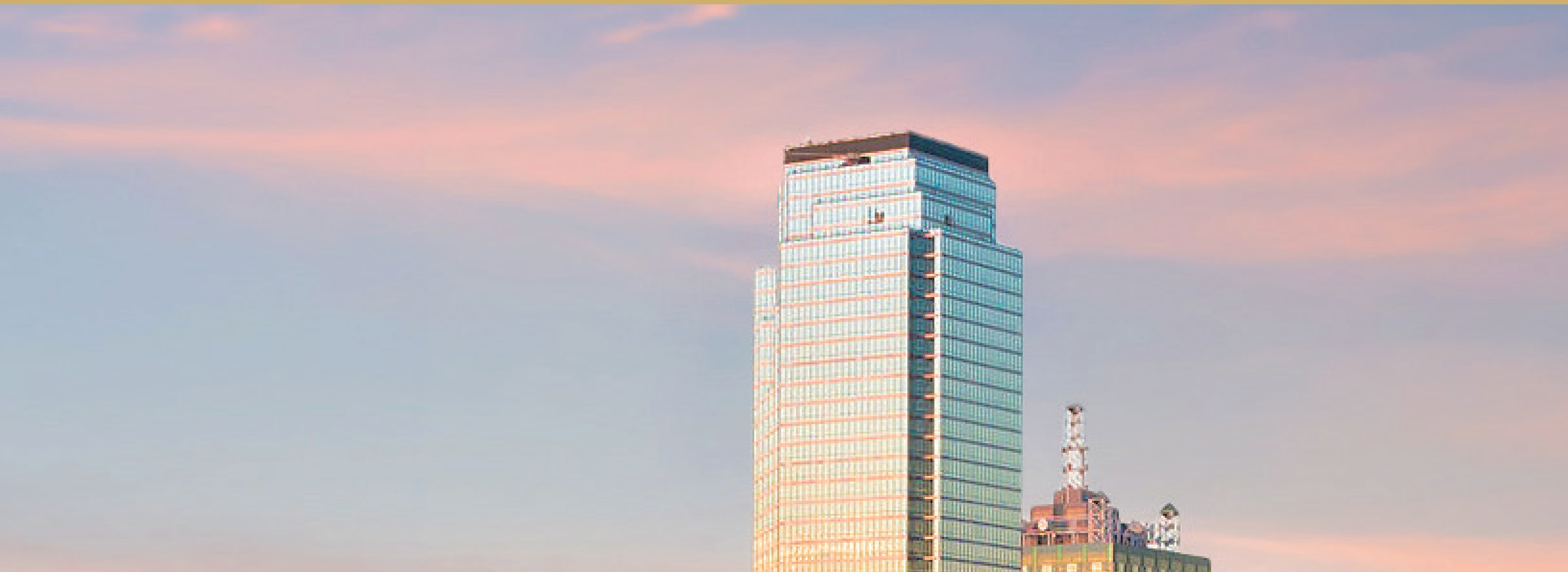


logging and construction, leisure and hospitality, government, and education and health services sectors. The largest losses were in manufacturing, transportation and utilities, and professional and business services.

Vacancy Rate Drops 10 Basis Points to 9.2% Over the Quarter

The overall vacancy rate in DFW's industrial market dropped 10 basis points to 9.2% over the quarter and decreased 70 basis points from 9.9% recorded one year ago. For the different industrial property types, the total vacancy rates are 6.6% for Flex, 4.2% for Manufacturing, and 10.1% for Warehouse/Distribution space. DFW's industrial market is currently categorized as having "neutral conditions"—with a vacancy rate between 8% and 10%—meaning neither landlords nor tenants have a significant upper hand in overall lease negotiations.

Quarterly Positive Net Absorption Increases 79.1% to 7.7 million sq. ft.

Net absorption—move-ins minus move-outs—recorded 7.7 million sq. ft. in Q4 2025, pushing the year-end total net absorption to 26.4 million sq. ft. Warehouse/distribution properties accounted for most of the positive net absorption for the quarter, with 7.8 million sq. ft. recorded, while flex recorded 231,896 sq. ft. Manufacturing reported negative absorption of -121,430 sq. ft. in the fourth quarter. Notable recent move-ins include Hayes Company taking 1.5 million sq. ft. in Gateway Crossing Logistics Park, Modine moving into 684,000 sq. ft. in Wildlife Commerce Park, Maersk taking 348,000 sq. ft. in Cedar Hill Logistics Center, and SPM Oil & Gas taking 305,000 sq. ft. at Northlink C.

Leasing Activity up 23.6% from the Previous Quarter

Leasing activity has increased by 23.6% over the past quarter and by 70.6% over the year, as new construction entering the market has returned to historic norms. Recent notable lease transactions include Moonshot signing a lease for 505,000 sq. ft. at Lewisville 121 Business Center, Thrive Market signing a lease for 378,000 sq. ft. at DFW Commerce Center, and Irby signing a lease for 307,000 sq. ft. at Crossroads Logistics Park.

Construction, Deliveries & Investment Trends

Deliveries Up, Construction Down

Deliveries in the DFW industrial market increased significantly to 6.7 million sq. ft. from 3.7 million sq. ft., down 82% from the previous quarter and down 30.6% year-over-year. The under-construction pipeline dropped marginally by 1.4% quarter over quarter but rose 36.2% year over year.

Investment Sales Trends

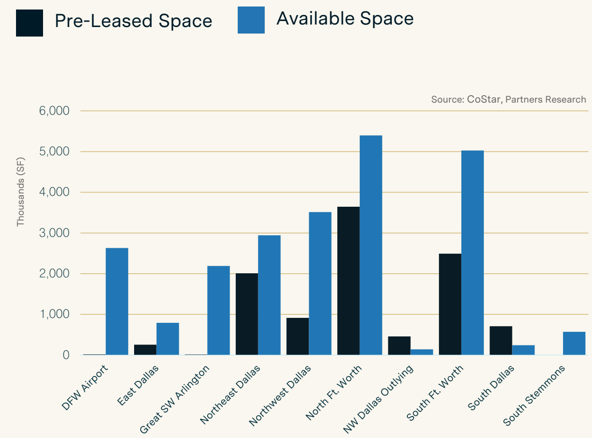
CoStar Capital Market Analytics reports that over the past 12 months, sales volume for the DFW market totaled $2.4 billion. This represents 968 properties sold with an average sales price of $129 per sq. ft. and an average cap rate of 6.4%. Notable recent sales transactions include EQT Real Estate's disposition of the 796,000-square-foot Speedway Logistics Crossing Building 3 to Sterling Investors for $83.5 million, or $105 per sq. ft. Also, LaSalle Investment Management purchased the 1650 Lakeside Parkway as part of a larger portfolio from QuadReal. The property contains 292,850 sq. ft. and was 49% leased at the time of sale.

Asking Rents at an All-Time High of $10.01 per sq. ft. Annually

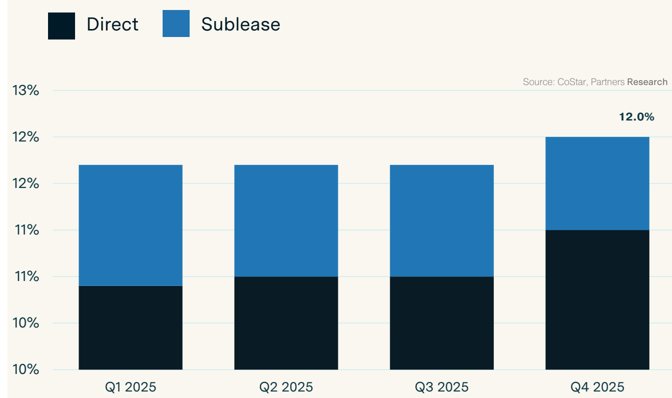
The average monthly rental rate for the DFW industrial market was $10.01 per sq. ft., up 3.2% from $9.70 in Q3 2025 and up 4.8% year-over-year from $9.55 per sq. ft. The average monthly rate for flex space stood at $13.79 per sq. ft., while the rates for manufacturing space and warehouse/distribution space were $6.75 per sq. ft. and $9.33 per sq. ft., respectively. The Northwest Dallas Outlying and DFW Airport submarkets currently have the highest overall average rates at $19.13 and $12.87 per sq. ft., respectivelyy.

*DFW stats: All flex, industrial properties over 10,000 sq. ft. for the entire metro area (as defined by the US census bureau), with the exception of Delta county which is a tiny county in the northeast fringe area.

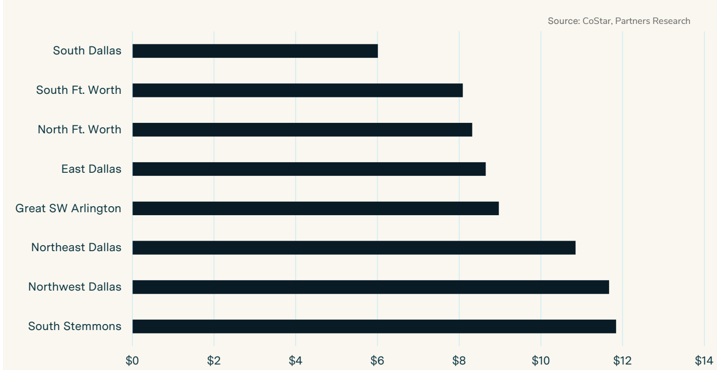
CONSTRUCTION



AVAILABILITY RATE



TOTAL ASKING RENT NNN ($/PSF)



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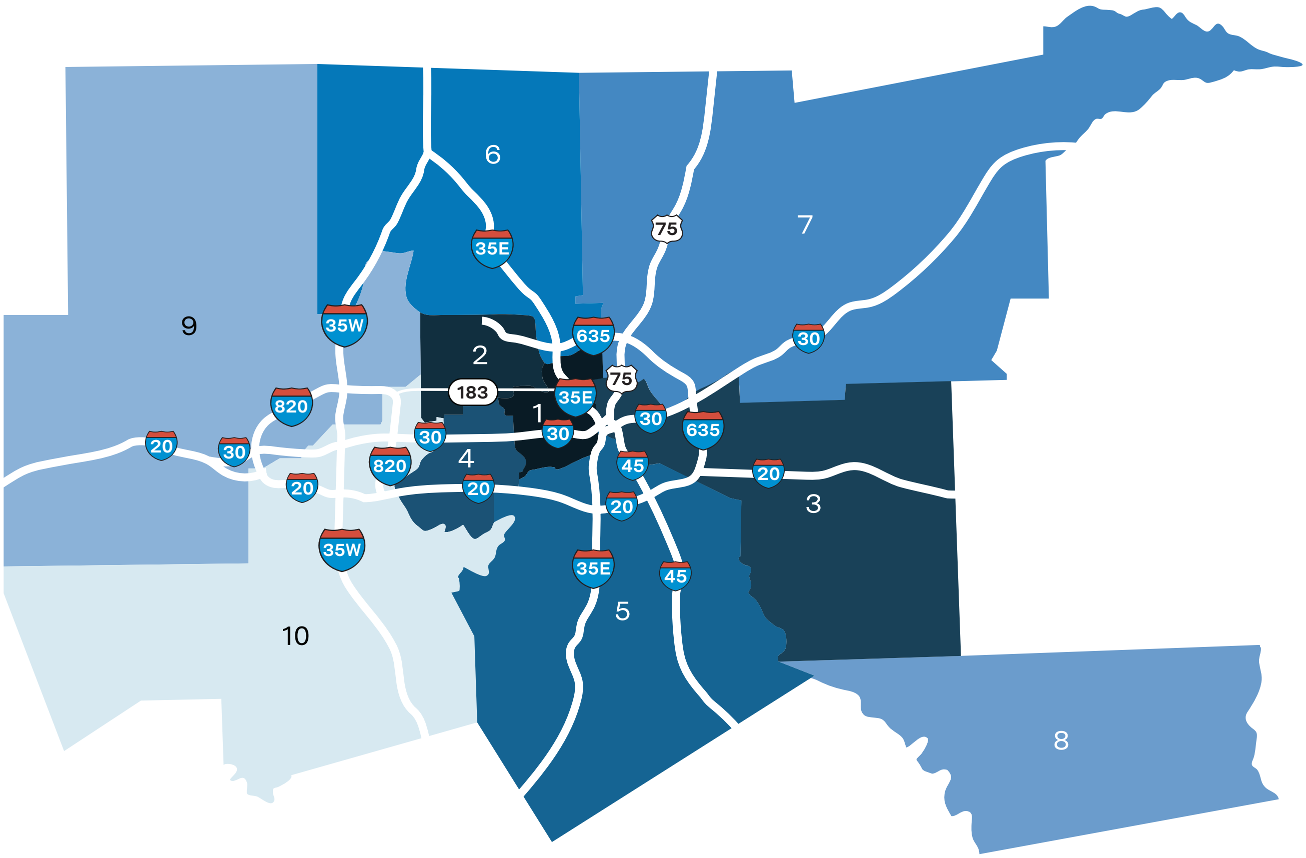
Market Overview

Submarket/Property Type	Total Inventory (SF)	Total Vacancy (%)	Total Availability (%)	Q4 2025 Net Absorption (SF)	2025 YTD Net Absorption (SF)	Q4 2025 Deliveries (SF)	Under Construction (SF)	Total AVG Asking Rent NNN ($/PSF)
Dallas Market Total	1,162,321,296	9.2	12.0	7,703,861	26,356,740	6,709,089	33,969,209	10.01
Flex	108,793,029	6.6	7.9	231,896	-150,658	63,850	632,368	13.79
Manufacturing	114,458,754	4.2	4.3	-121,430	1,789,582	75,436	524,288	6.75
Warehouse/Distribution	939,006,096	10.1	13.4	7,593,395	24,717,816	6,569,803	32,812,553	9.33
DFW Airport Total	102,387,659	10.9	13.8	568,058	1,838,648	27,400	2,647,200	12.87
Flex	7,546,167	11.4	13.7	-105,178	-206,394	0	0	14.90
Manufacturing	3,911,058	19.2	9.7	0	0	0	0	0.00
Warehouse/Distribution	90,930,434	10.5	14.0	673,236	2,045,042	27,400	2,647,200	11.60
East Dallas Total	74,298,815	14.7	15.8	410,511	2,857,180	215,169	1,047,991	8.65
Flex	4,915,404	2.7	4.5	77,533	165,207	0	32,138	11.97
Manufacturing	8,592,380	6.0	1.9	996	-68,966	0	0	0.00
Warehouse/Distribution	60,791,031	16.9	18.6	331,982	2,760,939	215,169	1,015,853	8.27
Great SW Arlington Total	131,057,118	7.6	10.5	1,527,313	2,525,371	187,920	2,205,923	8.97
Flex	7,776,761	8.7	8.9	-38,942	-88,313	0	0	12.81
Manufacturing	13,381,045	1.2	1.9	-26,000	-52,584	0	0	7.48
Warehouse/Distribution	109,835,895	8.3	11.7	1,592,255	2,666,268	187,920	2,205,923	8.56
Northeast Dallas Total	137,767,223	6.8	9.7	509,215	1,286,746	596,766	4,955,051	10.85
Flex	26,764,374	5.7	7.3	-4,431	84,726	0	249,826	12.66
Manufacturing	24,603,375	3.3	4.4	-100,525	445,880	75,436	524,288	6.51
Warehouse/Distribution	86,399,474	8.3	11.8	614,171	756,140	521,330	4,180,937	10.51
Northwest Dallas Total	137,265,732	10.7	13.9	(232,588)	(948,591)	927,460	4,429,221	11.67
Flex	19,885,719	8.8	8.9	1,812	-178,320	40,500	80,000	13.72
Manufacturing	7,681,569	8.4	10.3	-42,122	-251,027	0	0	8.29
Warehouse/Distribution	109,698,444	8.7	15.0	-192,278	-519,244	886,960	4,349,221	10.84
North Ft. Worth Total	159,499,709	9.0	13.7	670,973	6,164,514	2,146,861	9,042,487	8.32
Flex	6,118,543	4.3	7.4	312,010	324,584	0	41,752	12.37
Manufacturing	10,122,981	3.0	3.9	-130,118	107,375	0	0	9.77
Warehouse/Distribution	143,258,185	9.7	14.7	489,081	5,732,555	2,146,861	9,000,735	7.79
NW Dallas Outlying Total	4,221,243	18.0	22.3	33,296	190,051	0	599,496	19.13
Flex	86,934	3.5	38.7	9,600	2,750	0	50,000	19.69
Manufacturing	180,568	8.4	8.4	-100	-10,085	0	0	0.00
Warehouse/Distribution	3,953,741	18.8	22.3	23,796	197,386	0	549,496	18.56
South Ft. Worth Total	121,513,373	7.7	12.2	2,627,807	4,315,602	1,690,606	7,519,335	8.09
Flex	11,917,401	2.9	5.2	32,528	12,268	23,350	178,652	9.28
Manufacturing	18,330,701	2.0	2.8	109,024	1,349,830	0	0	9.21
Warehouse/Distribution	91,265,271	9.5	14.8	2,486,255	2,953,504	1,667,256	7,340,683	7.91
South Dallas Total	165,154,008	9.4	10.3	2,232,845	7,988,959	0	950,299	6.01
Flex	4,149,737	3.2	3.5	-24,411	-51,896	0	0	12.00
Manufacturing	19,007,590	4.4	6.1	2,000	-51,526	0	0	5.43
Warehouse/Distribution	141,996,681	10.3	11.0	2,255,256	8,092,381	0	950,299	7.22
South Stemmons Total	129,156,416	8.3	9.9	(643,569)	138,260	916,907	572,206	11.84
Flex	19,631,989	7.4	8.2	-28,625	-215,270	0	0	16.59
Manufacturing	8,647,487	4.5	3.6	65,415	320,685	0	0	6.37
Warehouse/Distribution	100,876,940	8.8	10.8	-680,359	32,845	916,907	572,206	10.45

Dallas Industrial Submarkets



	1. CBD		6. Northwest Dallas
	2. DFW Airport		7. Northeast Dallas
	3. East Dallas		8. Henderson County
	4. Great Southwest Arlington		9. North Fort Worth
	5. South Dallas		10. South Fort Worth

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