

INVESTMENT FORECAST

Retail
Dallas-Fort Worth

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Increasing Absorption and Accelerated Trading Position Metro as Nation's Most Liquid Retail Market

Performance diverges as supply concentrates in select areas. Submarkets posting the strongest fundamentals were those that avoided most of 2025's large supply wave, including inner North and Southeast Dallas. Multi-tenant vacancies declined in inner North Dallas, while Southeast Dallas saw most of its improvement in single-tenant assets. Together, these areas accounted for just under 3 percent of last year's deliveries, a trend expected to continue in 2026 as construction remains limited in these two submarkets. Suburban Fort Worth recorded low vacancies across both segments, supported by net in-migration and high household incomes. Other areas set to receive the bulk of 2026 supply, such as Collin County and the Mid-Cities, posted higher vacancies in 2025. However, these submarkets still benefit from favorable demographic trends, including some of the metro's strongest net in-migration, high-income households, and increased office demand tied to corporate relocations.

Multi-tenant trades accelerate. Transaction activity climbed year-over-year in 2025, reinforcing the metro's position among the nation's most active and liquid markets. The trends observed last year are informative of 2026 as well. In 2025 the average price per square foot increased to \$430, while cap rates inched higher, signaling steady cash-flow gains. Central Fort Worth led single-tenant trades at lower price points, while Collin County and surrounding growth corridors captured a significant share of multi-tenant sales, supported by rapid development and strong in migration. The Mid-Cities also recorded notable activity, driven largely by Arlington, which remains a cost-effective entry point for buyers across single- and multi-tenant properties, thanks to its strategic positioning between Fort Worth and Dallas.

2026 MARKET FORECAST

+0.8%



Employment: The metro is projected to add 35,000 jobs this year. After posting its lowest annual job gain in five years in 2025, this represents the largest increase among major metros in 2026.

4,800,000
sq. ft.



Construction: Completions hit an eight-year high, leading major metros in construction, expanding inventory by 1.3 percent, with most new supply concentrated in Collin County.

+20 bps



Vacancy: Despite posting the strongest net absorption among major metros, demand will not keep pace with new supply, nudging vacancy up to 5.6 percent, the highest rate for the metro since 2021.

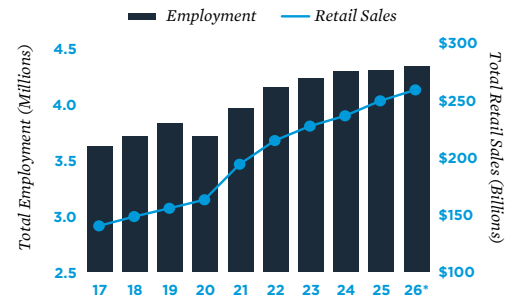
-1.1%



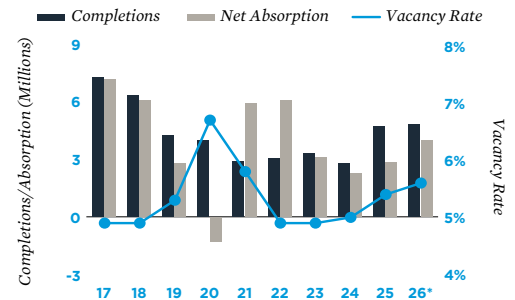
Rent: Despite strong demand, an increasing vacancy rate will reduce the average asking rent for the first time since 2019, bringing the metric to \$20.50 by year-end.

INVESTMENT: Frisco plans to welcome the grand opening of the \$500 million Universal Kids Resort, which could generate spillover demand for local retail along major routes in Collin County.

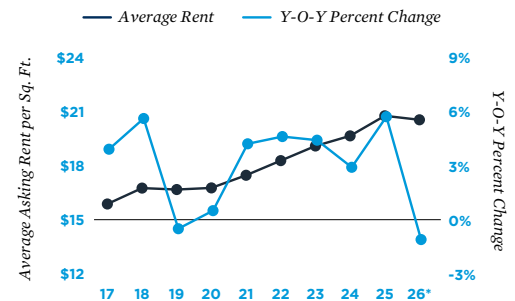
Economic Trends



Supply and Demand



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Retail

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.