

Q4 2025

Downtown Dallas State of the Market



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About Us

Who We Are

Downtown Dallas, Inc. (DDI) is the principal advocate, champion, and steward of Downtown

Founded in 1958 as the Central Dallas Association, we are a private 501c6 nonprofit

Mobilize and amplify the services of public agencies

Advocate for catalytic developments that strengthen Downtown

Provide care for the communities and public spaces it stewards

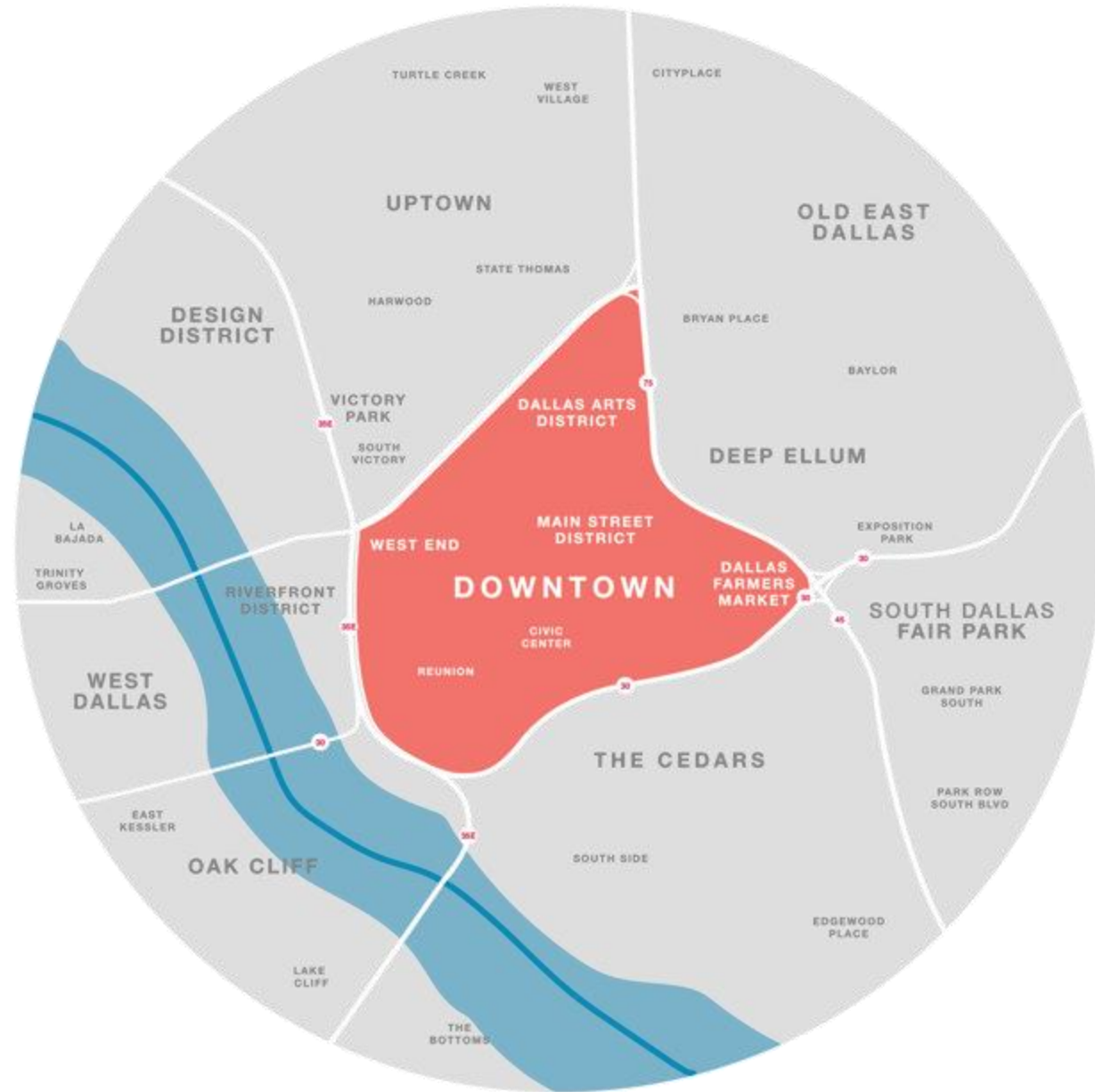


Where We Are

The Downtown Improvement District(DID), is DDI's primary source of funding

Property owners inside the freeway loop pay an annual assessment for enhanced security, clean, and homeless outreach services, as well as parks operations and programming, and Downtown marketing and business recruitment

Our remaining funding comes from membership dues, annual fundraisers, and sponsorship programs



Dedicated to Downtown

- Security
- Clean Team
- Homeless Outreach
- Ambassadors



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Office

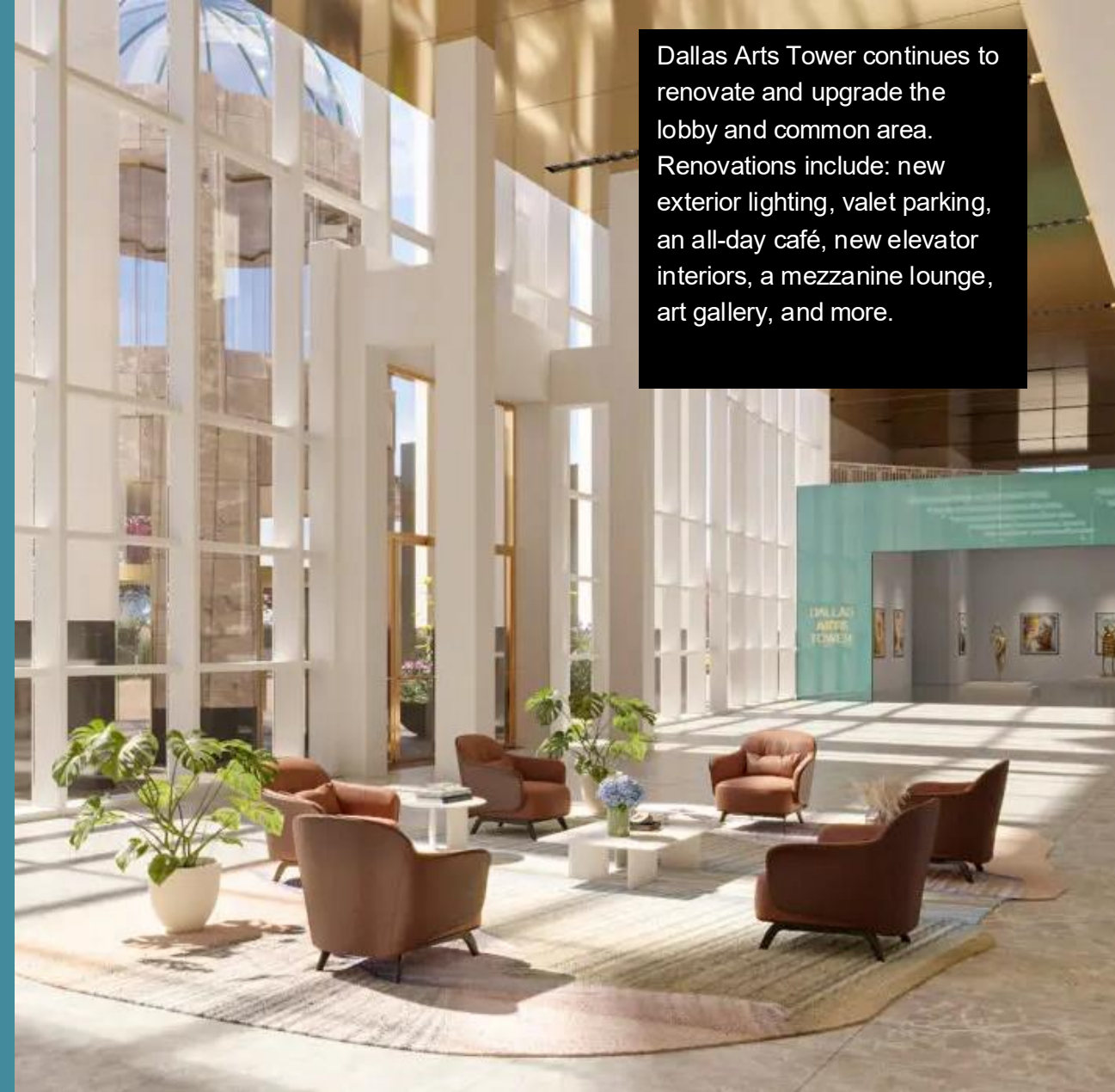
Commercial Office

Office leasing continued building momentum throughout DFW in 2025.

Currently, there is only 3.5 M sf of new product under construction in the region and 2.1 M of that are the new Bank of America Tower and the Goldman Sachs Campus.

Steady office demand, limited new supply, and more, older buildings converting to alternate uses may relieve high vacancy in the CBD and other submarkets.

Dallas Arts Tower continues to renovate and upgrade the lobby and common area. Renovations include: new exterior lighting, valet parking, an all-day café, new elevator interiors, a mezzanine lounge, art gallery, and more.



Office Activity 2025

- CoStar reported 171 deals Downtown in 2025 totaling 948,990 sf.
 - 2024 saw 160 leases for 1,383,970 sf
 - 2024 included the 183,344 sf. Santander renewal & 147,915 sf. Jackson Walker Renewal
- CBRE reported negative net absorption of (-312,167) for the Downtown submarket.
 - Bringing the Dallas CBD submarket's YTD Net Absorption to (-726,189) so far in 2025.
 - Tenet Healthcare's 214,000 sf sublease expired in September.

Downtown Office by Building Class

Building Class	Existing Buildings	Total Square Feet	Vacancy Rate	Market Asking Rent	12 Month Net Absorption
Class A	39	25,610,567	32.9%	\$32.28	-157K
Class B	56	6,127,374	11.5%	\$26.61	+35.1K
Class C	45	2,519,224	1.5%	\$27.25	+13.1K

Downtown Office Snapshot

Total Inventory	34.3 M sf
Existing Buildings	140
Vacancy Rate	27.2 %
Vacant SF	9.2 M sf
Sublet SF	422 k sf
Market Asking Rent	\$30.60 p/sf

Downtown Inventory by Class

Class A	24.3 M sf
Class B	6.1 M sf
Class C	2.5 M sf

Downtown Vacancy by Class

Class A	32.95 %
Class B	11.6 %
Class C	2.0 %

Downtown Market Rent by Class

Class A	\$31.41
Class B	\$26.59
Class C	\$26.96

Significant 2025 Office Leases

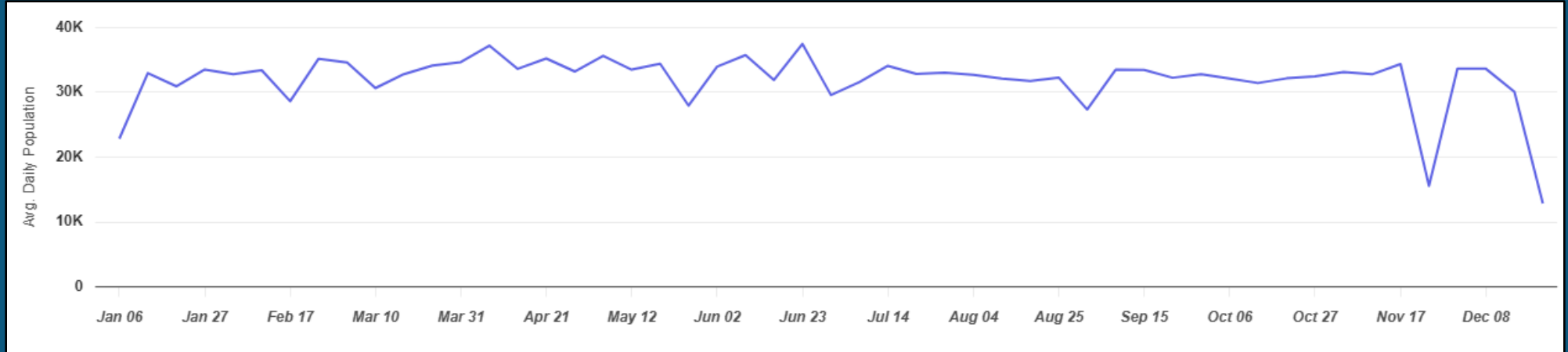
Name	Size	Building	Deal Type
Integrity Marketing Group	185,233 sf	Fountain Place	Renewal / Expansion
Carrington Coleman	50,802 sf	Dallas Arts Tower	New
Goldman Sachs	50,528 sf	Trammel Crow Center	Renewal
Willow Bridge Property Co	39,238 sf	One Arts	New
Burns Charest	30,000 sf	Bank of America	New
Meadows Collier Reed	26,477 sf	Dallas Arts Tower	New
HNTB	26,175 sf	Ross Tower	New
Quilling Selander Lownds Winslett	25,902 sf	Dallas Arts Tower	New
46Labs	25,104 sf	Factory Six03	Sublet
Sowell & Co	20,150 sf	Ross Tower	New
Lewis Brisbois	15,769 sf	2100 Ross	Renewal
KERA	12,078 sf	One Arts	New
JBj	9,500 sf	1700 Pacific	Renewal / Expansion
Turner Construction	8,626 sf	Founders Square	New
Gigabit Fiber	8,000 sf	400 S Akard	New

Office Vacancy – National Comparisons

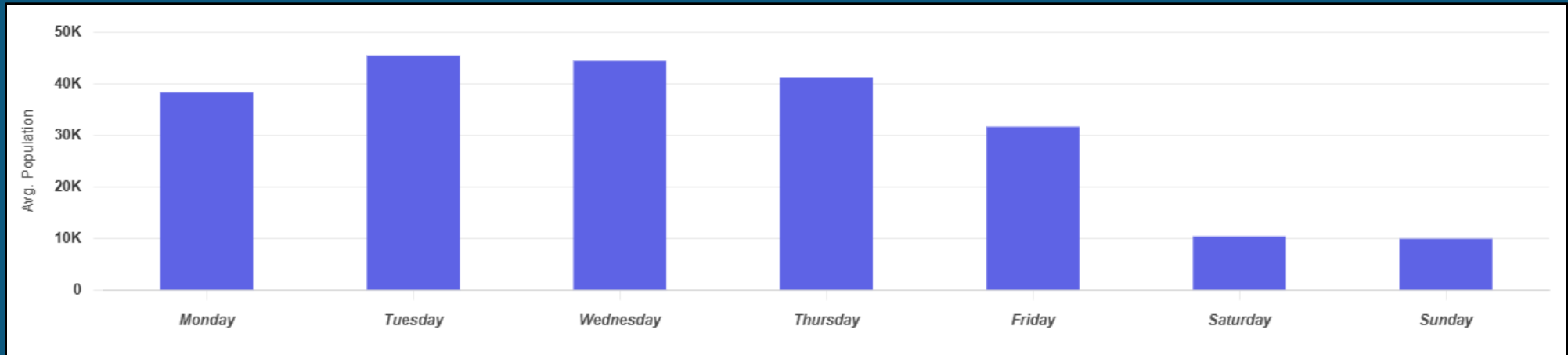
District Name	Total Inventory (sf)	% Vacancy (Trend)
Denver CBD	29,156,606	31.90% ↑
Seattle CBD	38,116,182	31.50% ↑
San Francisco Financial District	31,749,792	28.50% ↓
Chicago East Loop	29,779,701	27.80% ↑
Downtown Dallas	34,267,864	27.20% ↑
Atlanta Midtown/Pershing Point	32,238,560	26.90% ↓
Atlanta Upper Buckhead	21,878,407	26.40% ↑
San Francisco S. Financial District	31,701,665	26.10% ↓
Chicago Schaumburg Area	32,731,997	24.00% ↑
Uptown / Turtle Creek Dallas	18,737,782	21.70% ↑
Dallas Upper Tollway/West Plano	41,545,010	20.60% ↓
Downtown Atlanta	40,427,713	17.90% ↓

Downtown Daytime Population

Placer.ai data shows that daily employee traffic continues to improve in the CBD. Inbound commuter visits grew by 2.2% over 2024.



The work week is beginning to flatten out. Employees are still flexing Mondays and Fridays, but the gap is closing, Monday and Friday in-office attendance has grown 7.9% and 5.0% respectively.



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Multifamily

Multifamily

Following a period of elevated supply the multifamily market in Dallas has begun to stabilize. The rate of YOY rent growth decline has reduced, and concessions are more common.

DFW Market Snap-Shot

- Demand is outpacing supply
 - 8,300 absorbed; 7,100 delivered
- Fewer construction starts
 - 30,462 units under construction, down 51.6% from 2022
- Stabilizing rent growth
 - Rents dropped 1.4% YOY and concessions are more widespread
- Rising vacancy
 - DFW vacancy is 12% up from 6% in 2021



Multifamily Snapshot

- Current Multi-family occupancy: 88.0% (-0.4%)
- Avg. Market Asking Rent p/unit: \$2,188 (\$1,280 - \$4,896)
 - Down \$29 from Q2 2025
- Avg. Market Asking Rent p/sf: \$2.27 (\$1.58 - \$3.59 p/ft)
 - Up \$.01 from Q2 2025
- Avg. market unit asking rents down 5.02% from peak in 2022
- Units Under Construction: 105; In the pipeline: 3,412
 - Parc on Jackson (**now open**); 105 New units at Peridot
 - Estimated Downtown population upon completion of all projects: 20,400

Multifamily This and That

- Remi (formerly the Mayflower) has renovated tenant amenities and is finishing units.
- Modera St. Paul continues lease up. Currently offering 8 weeks free.
- West End Lofts expected to break ground Q3 2026.
- Parc on Jackson is completed and leasing.
- 1001 Ross now leasing as The Griffin.
 - Has started improvements
- The Merc is still under renovations.



The Griffin, formally 1001 Ross, has recently been purchased by Discover Multifamily. Planned improvements for apartments and retail..

Downtown Residential Summary

Estimated Population



15,943

Total Rental Units



11,326

Total Condos / Townhomes



838

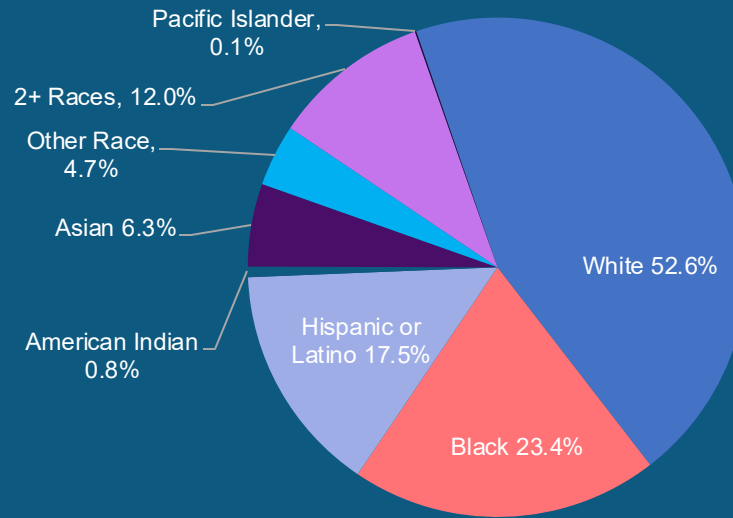
Average Household Size



1.44

Household by Type

- Male Householder: No Spouse 40.2%
- Female Householder: No Spouse 34.2%
- Married Couple 16.4%
- Cohabiting Couple 9.2%



Age Groups

- 0 – 4 2.3%
- 5 – 9 1.6%
- 10 – 14 1.2%
- 15 – 19 1.2%
- 20 – 24 8.1%
- 25 – 34 42.1%
- 35 – 44 18.2%
- 45 – 54 11.0%
- 55 – 64 9.4%
- 65 – 74 3.9%
- 75 – 84 0.8%
- 85+ 0.2%

Median Age 34.2

Gender



Female
45.8%



Male
54.2%

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Retail

Retail

Downtown Dallas serves as a retail and dining hub for the entire region and its guests.

Boasting top tier luxury retailers on Main Street, unique hotel curio shops, and local merchants set amongst the city's finest and most unique dining, Downtown continues to offer something for everyone, every day.



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Hospitality & Tourism

Hospitality & Tourism

Downtown generated **\$541.5M** in hotel revenue on **3.9M** room nights of supply, compared with **\$1.2B** in revenue on **13.1M** room nights citywide.

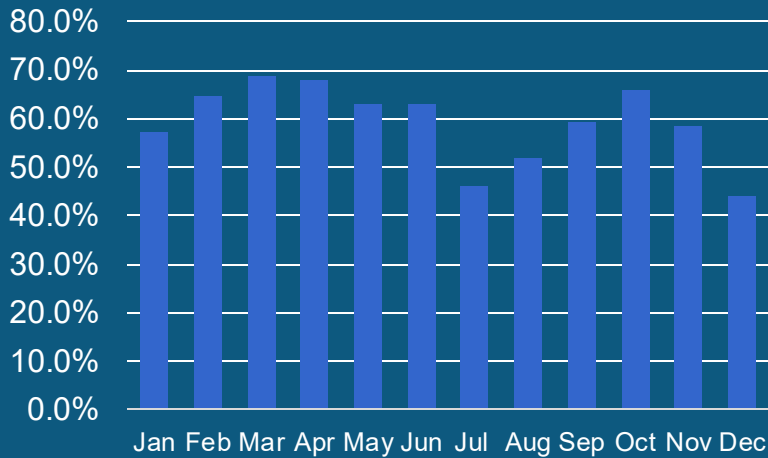
Downtown hotels account for roughly **one-third** of citywide hotel revenue on less than **one-third** of total supply, underscoring its role as the city's **premium lodging submarket**.



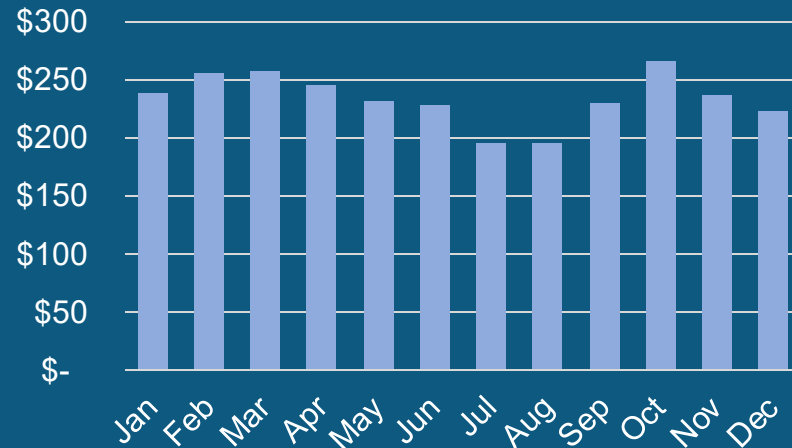
Focus on the CBD

- Occupancy fell in the summer against a light convention schedule. Occupancy will continue to reflect the lighter schedule caused by the convention center development until Q4 2029.
- **Revenue is strong.** Downtown hotels dramatically outperform the rest of the city on **average daily rate (ADR)**:
 - **Downtown ADR: \$235**
 - **Citywide ADR: \$153**

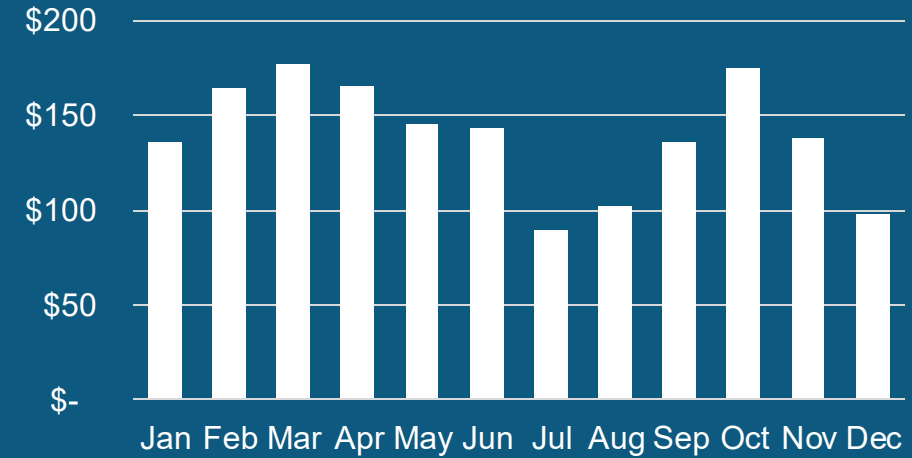
Occupancy



ADR



RevPAR

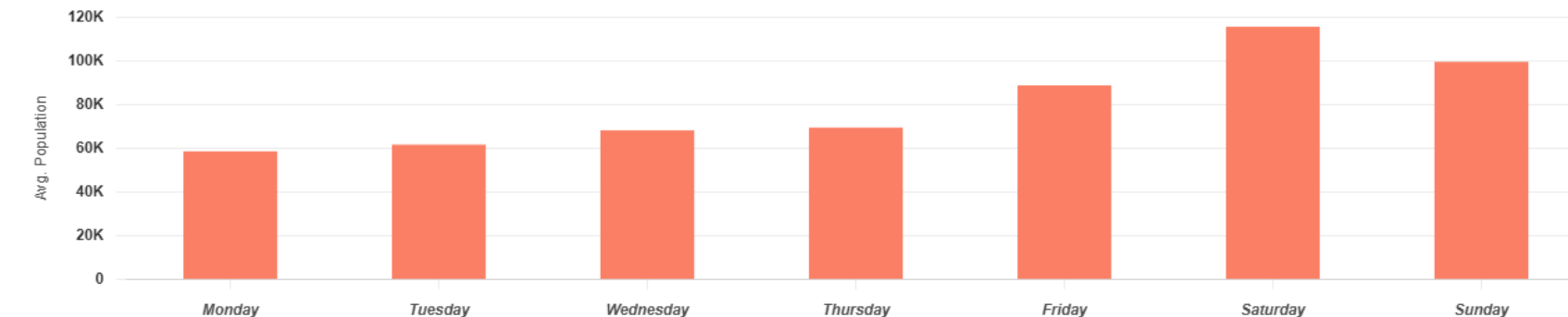
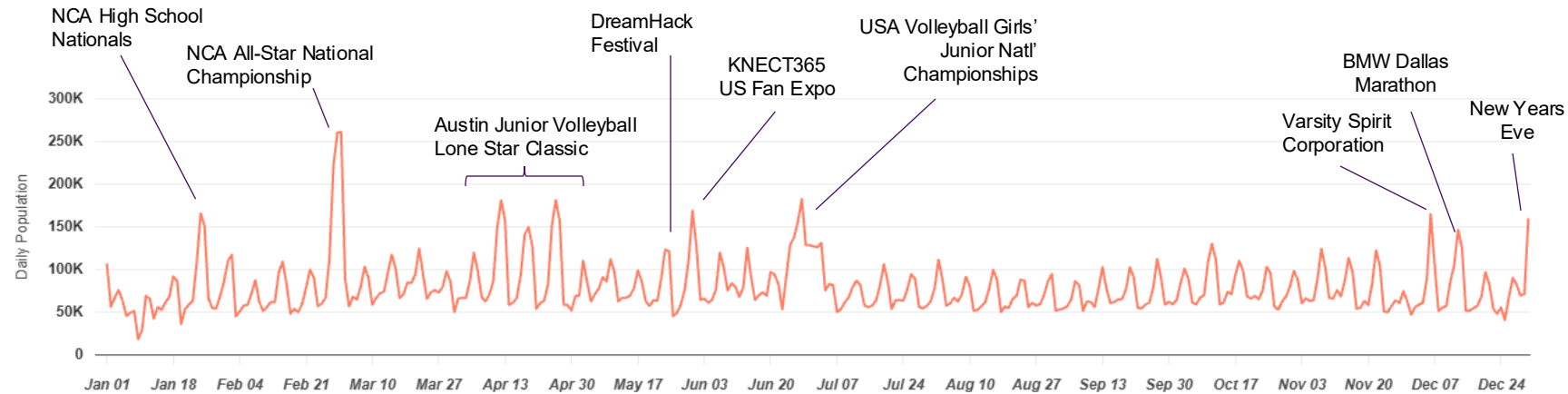


Hotel take-aways

- **Downtown remains the city's highest-value hotel submarket**, commanding far superior ADR and RevPAR.
- Reduced convention center activity resulted in a modest, **-5.3%** drop in occupancy.
- **Yearly supply contracted by 3.9 M room nights** in Downtown in 2025. Signaling an aggressive response to lower demand through temporary closures, renovations, or asset repositioning.
- **Citywide performance is more stable** due to broader demand sources, but at significantly lower pricing levels.



Out of Market Visitors



Downtown has welcomed over 9.7 million out of market visitors in 2025. That is – down 4.2% to 2024.

Reduced incoming international travel throughout 2025 and larger conventions temporarily relocating have contributed to this reduction in activity.

Weekends rule! Placer.ai data shows that Saturdays & Sundays account for 38.3% of total Visitor traffic.

Out of market, weekend visitors are heading to:

- The KBHCC
- The Dallas World Aquarium
- Klyde Warren Park
- The Dallas Farmers Market
- The Dallas Museum of Art

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Transactions

Transactions

Investor confidence returned after a rocky start early in the year

DFW is a highly attractive market to a diverse range of investors, including private equity

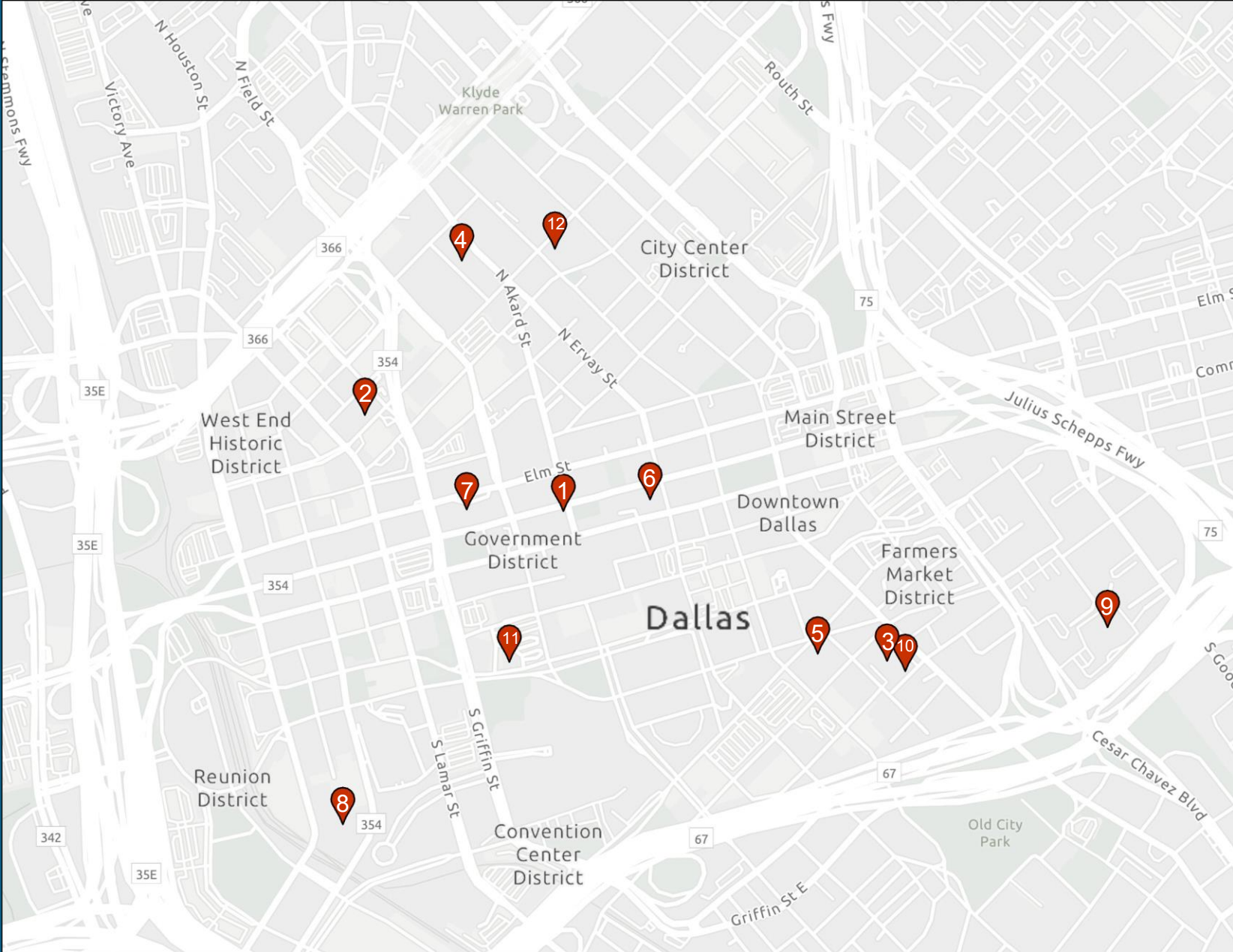
The Downtown Dallas submarket consists of a variety of assets spanning all classes and types including; land, hospitality, office, multifamily, mixed use and retail

Developers in the submarket continue to illustrate the market's flexibility and demand



2025 Significant Transactions

- 1. 1412 Main – Adolphus Tower non-arm’s length
- 2. 1001 Ross – The Griffin buyer: Discover Multifamily
- 3. 999 S Harwood – Ground Lease at Amelia buyer: La Villa Housing Financing Corp.
- 4. 1717 N Akard – The Fairmount buyer: Sixth Street Partners
- 5. 1820 Canton – Warehouse buyer: Infinanza Llc
- 6. 1618 Main – Neiman Marcus non-arm’s length
- 7. 1201 Main – One Main Place buyer: Avalair Group
- 8. 508 Young – part of DMN Site buyer: City of Dallas
- 9. 835 S Good Latimer – Skyline Farmers Market buyer: Weidner Property Management
- 10. 999 S Harwood – Amelia Farmers Market buyer: Kairoi Residential
- 11. 1033 Young St – aloft Hotel buyer: T2 Hospitality
- 12. 750 N St Paul – St Paul Place buyer: TRT Holdings Inc





Market Trajectory

Under Construction & Development



West End Square Lofts
Sycamore Strategies
\$103.2 M plan to provide 154 residential units through new construction and adaptive reuse.



PacificElm
Currently under construction.
The Peridot at Santander Tower is adding an additional 105 apartment units bringing their total to 396.



901 Main
Hoque/Ablon
\$400 M plan to add a 275 room hotel and a 1,200 space parking garage to the iconic building.



Gillon Property Group
Gillon is considering a 1,000+ key, \$800 million dollar hotel near the new convention center.



InTown Homes
Just under 40 new townhomes are currently under construction near the Dallas Farmers Market

Kay Bailey Hutchison Convention Center

- Major demolition is underway
- Buildings D, E, and F are being removed to make way for construction of the new facility.
- Buildings A, B, and C will remain open and continue operations.

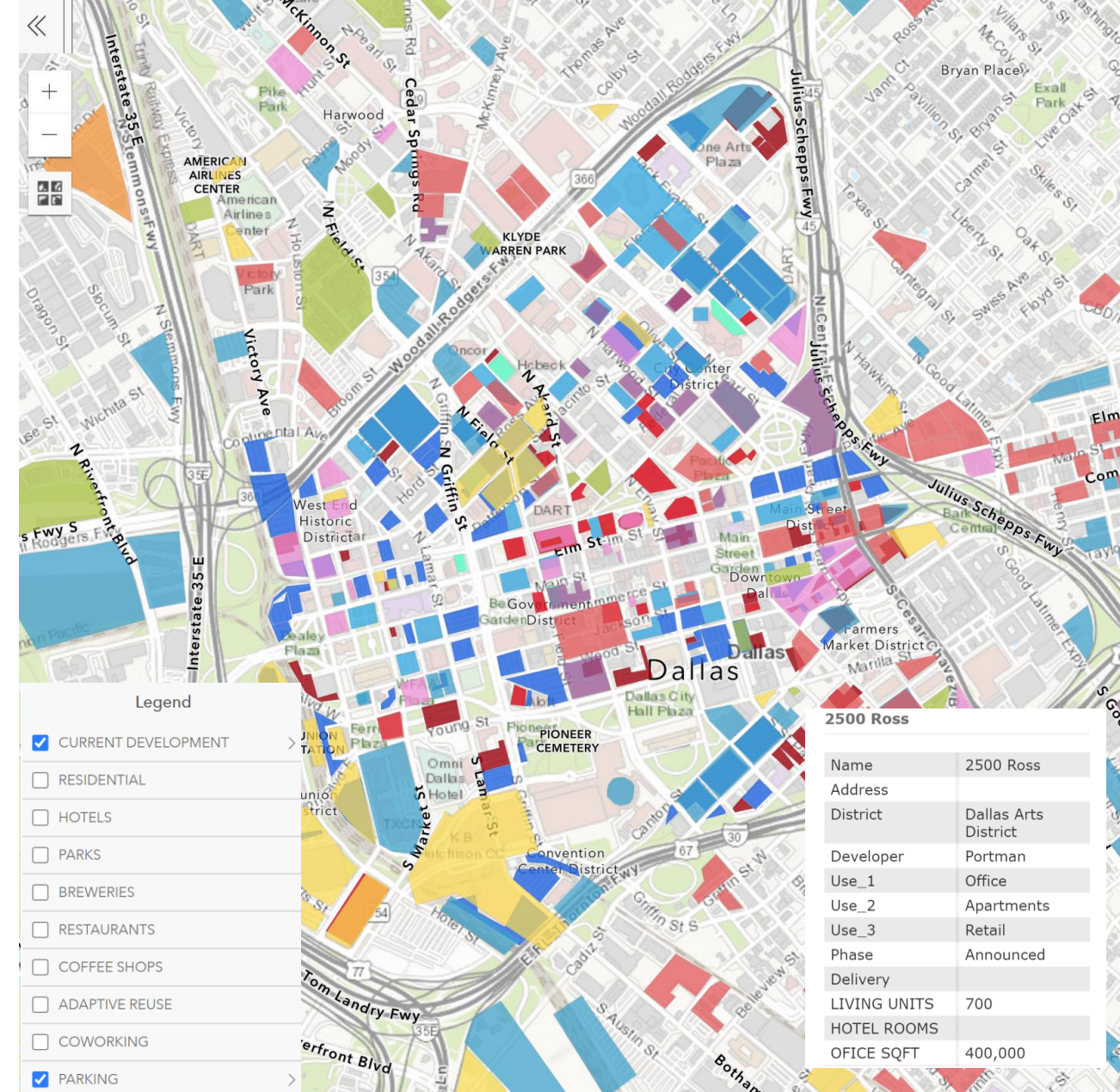




Resources

City Center Development Tracking

- Interactive online development map
- Development tracking from a variety of public and private sources
- Detail on planned, announced, or recently delivered
- Unit counts and square footages
- Additional information layers such as available parking and hotel and residential information



Virtual Tour Platform

available on downtowndallas.com



DDI Economic Development Advisory Services

Public process assistance

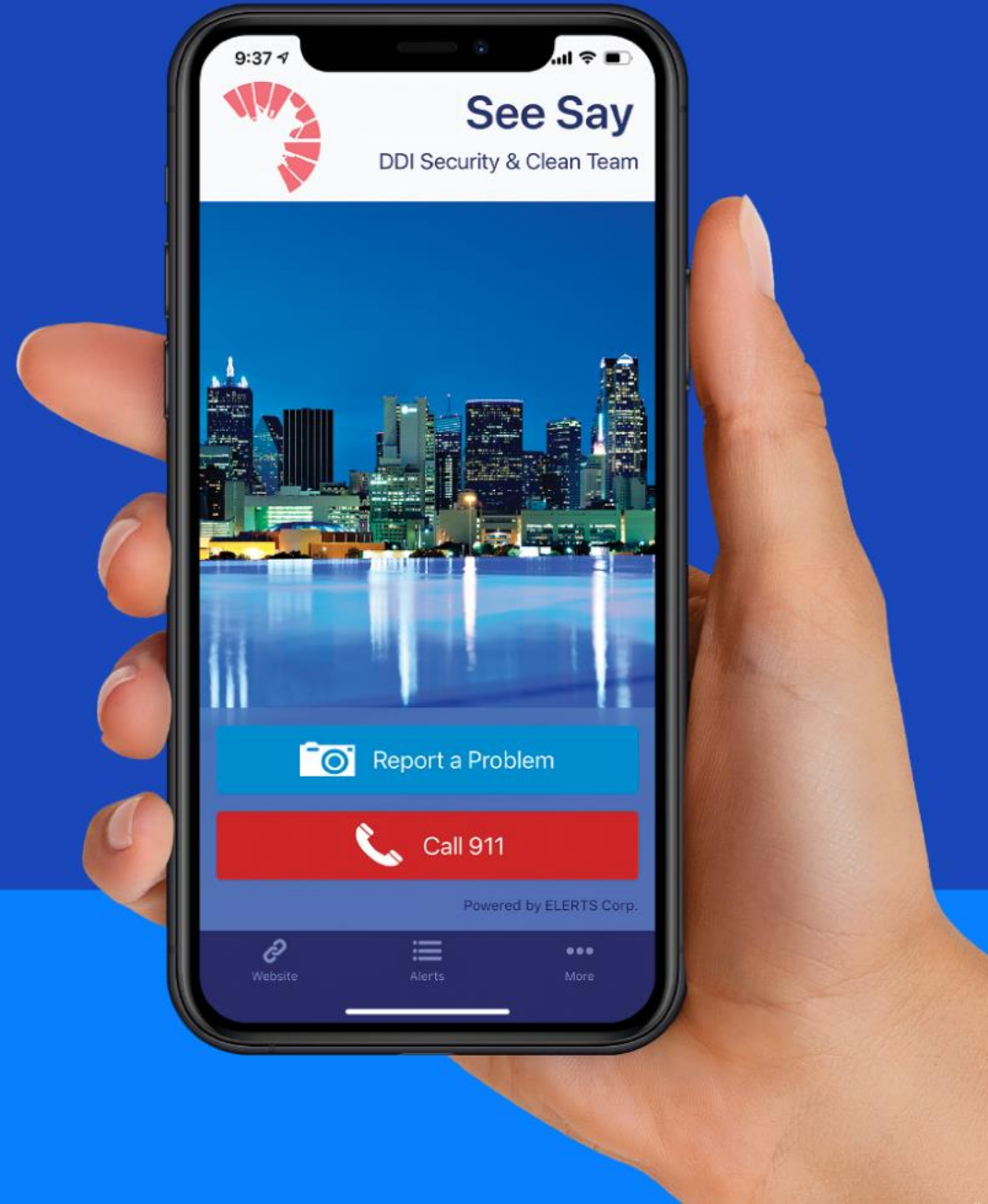
- City planning and policy strategy
- Public Incentives advisory
- Permitting and regulatory assistance
- Project support and governmental advocacy
- City approvals support

Private process project assistance

- Custom market data and reports
- Telling the Downtown story
- Regulatory research
- Market patterns and demographics
- Leasing and tenant support
- Ground floor tenancing



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Thank You



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