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REAL ESTATE MAR 11

D-FW is a top market for U.S. industrial property buyers



Steve Brown, Real Estate Editor

North Texas is one of the country's top industrial building markets, with more than 20 million square feet of warehouse space in the pipeline.

And the Dallas-Fort Worth area is also a top industrial property investment market — second in the country for warehouse sales in 2018.

Only the Chicago area had more industrial sales last year, according to a new study by commercial real estate firm Avison Young. In 2018, \$4.6 billion in D-FW warehouse and industrial buildings changed hands, a 53.4 percent increase from 2017.

"The growth in e-commerce and corporate supply chain needs continues to fuel strong absorption and construction, which are positive barometers for the investment market," Erik Foster, Avison Young Principal and leader of the firm's national industrial capital markets group, said in the new report. "We expect to see strong fundamentals and sales volume continue into 2019, with some markets constrained by a limited supply of assets and other factors.

"Institutional investors are looking to capitalize on the strength of the industrial sector and the increasing rental rates in many markets."

Industrial buyers are already off to a good start this year, buying more than \$163 million in D-FW properties through February, an increase in sales of 45.7 percent from a year ago.

D-FW had some of the highest industrial building prices in the country last year at around \$74 per square foot, according to Avison Young.

More than 26 million square feet of new industrial space was delivered to the North Texas market in 2018.

Net leasing of warehouse buildings in the D-FW area added up to almost 23 million square feet.

Key U.S. Markets
Industrial Sales Jan. - Feb. 2019

City	Volume	# Properties
Los Angeles	\$992 M	73
Chicago	\$469.7 M	51
No. New Jersey/ New York City	\$277.4 M	14
Dallas	\$163.1 M	9
Charlotte	\$59.1 M	10
Indianapolis	\$10 M	1

Source: Avison Young/Real Capital Analytics Research