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## 2020 D-FW office leasing was down by the greatest total in decades

Fueled by the pandemic, net leasing dropped almost 4 million square feet.



More than 4 million square feet of additional offices were under construction in D-FW at the end of 2020. (JUAN GARCIA / 137561)

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By [Steve Brown](#)

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02:24



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Another big decline in office space occupancy in the fourth quarter caused Dallas-Fort Worth net leasing to decline almost 4 million square feet for all of 2020.

The decrease, triggered by the COVID-19 pandemic, was the largest drop in office occupancy in North Texas in more than 30 years, according to commercial property firm CBRE.

Net office leasing fell more than 1.4 million square feet in the fourth quarter alone.

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It was the fourth consecutive quarter of negative office absorption in North Texas. “Lingering COVID-19, political uncertainty and severe weather converged in the fourth quarter, and the impact was deterioration in economic performance,” CBRE analysts said in the just-released quarterly survey.

The fourth-quarter net leasing decline was still an improvement from the third quarter, when office occupancy in North Texas plummeted by 2 million square feet.

With the pandemic, most office workers are sheltering at home, and many companies have canceled or put off leasing office space in the area.



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Adding to the pressure on the local office market is almost 9 million square feet of sublease space — offices that companies are still paying for as they try to offload them to new tenants.

“Nearly two-thirds of active subleases are 25,000 square feet or larger,” CBRE reported.

The biggest declines in office building occupancy in 2020 were in Far North Dallas (1.44 million square feet), Las Colinas (955,304) and downtown Dallas (826,167).

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**2020 D-FW office leasing was down by the greatest total in decades**



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A couple of major new office leases were signed during the final months of 2020.

Southwestern Health Resources took 150,000 square feet of office space on LBJ Freeway in Farmers Branch. CBRE leased more than 130,000 square feet in Richardson's Telecom Corridor.

Overall North Texas office vacancy was at 23.4% — the highest level in more than a decade.

More than 4.2 million square feet of additional office space was under construction in the D-FW area in the fourth quarter. About 45% of that new business space was already leased to companies, CBRE found.

About 60% of D-FW office employees are still working from home. Many employers don't expect their workers to return to their offices until midyear at the earliest.

An unexpected recent decline in Texas employment and troubles with the COVID-19 vaccine rollout have clouded the near-term economic picture for North Texas.

## **Largest D-FW Office Declines**

Net office leasing for 2020.

Far North Dallas	-1,444,508 sq.ft.
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Las Colinas	-955,304 sq.ft.
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Downtown Dallas	-826,167 sq.ft.
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Uptown/Turtle Creek	-450,573 sq.ft.
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Source: CBRE