



MULTIFAMILY REPORT

Dallas-Fort Worth's Sunny Skies

November 2022

YoY Rent Gains Still in Double Digits

Development High, Starts Increase

Investment Volume Nears \$8B

DALLAS MULTIFAMILY



Substantial Supply Outpaces Demand

Dallas-Fort Worth's robust economy has kept its multifamily market running in high gear for most of 2022, with strong development and investment activities. However, inflation is impacting renters, and rate growth softened to a 0.2% increase on a trailing three-month basis through September, to \$1,566. In addition, substantial stock expansion surpassed demand, and the occupancy rate in stabilized properties slid 40 basis points in the 12 months ending in August, to 95.2%.

DFW's unemployment rate stood at 3.7% in August, on par with the national rate, according to preliminary data from the Bureau of Labor Statistics. This placed the metro above the state (4.1%) and behind Austin (3.0%). The job market expanded 7.5%, or 277,600 jobs, in the 12 months ending in July, well above the 4.5% national rate. Professional and business services—DFW's main economic driver—led growth with 71,400 jobs. The sector is poised to continue growing, boosted by companies such as Wells Fargo, which announced a new 4,000-worker campus.

Development remained elevated, with 51,621 units under construction and 16,117 units delivered in 2022 through September. Construction starts increased from the same period last year. Meanwhile, investment volume surpassed \$7.7 billion, although a softening was evident from one quarter to the next. The per-unit price continued to rise, up 16.5% annually, to \$184,307.

Market Analysis | November 2022

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Recent Dallas Transactions

Moda



City: Dallas
Buyer: Bader Development
Purchase Price: \$63 MM
Price per Unit: \$238,276

Atlantica at Burleson



City: Burleson, Texas
Buyer: The Jacobson Co.
Purchase Price: \$57 MM
Price per Unit: \$262,673

Mission Eagle Pointe



City: Allen, Texas
Buyer: GVA Real Estate
Investments
Purchase Price: \$54 MM
Price per Unit: \$215,286

Pecan Creek



City: Bedford, Texas
Buyer: RedHill Realty Investors
Purchase Price: \$52 MM
Price per Unit: \$192,157