



MULTIFAMILY REPORT

DFW Faces Challenges

November 2023

A nighttime photograph of the Dallas skyline. The image shows several illuminated skyscrapers, including the Bank of America Tower, and the historic City Hall building in the foreground. Light trails from traffic are visible at the bottom of the frame.

Rent Movement Turns Negative

Investment Volume Slows Down

Employment Growth Outpaces US

DALLAS MULTIFAMILY



Fast-Growing Dallas Hits Speedbumps

With inflation continuing to impact the industry, Dallas-Fort Worth's rent movement turned negative through the first three quarters of 2023, at -0.1% as of September. At \$1,563, the DFW metro's average rate was still lagging the \$1,722 national figure. Meanwhile, the average occupancy rate in stabilized assets was down 10 basis points year-over-year as of August, to 93.7%.

Dallas-Fort Worth added 178,600 new jobs in the 12 months ending in June, up 4.7% year-over-year and 210 basis points above the U.S. figure. According to preliminary data from the Bureau of Labor Statistics, the metro's jobless rate climbed to 4.2% in August, the highest rate since October 2021. Professional and business services gained 39,100 jobs year-to-date through June, leading all sectors.

After registering \$9 billion in the first three quarters of 2022, Dallas-Fort Worth's transaction volume fell significantly during the same time frame in 2023, to \$2.5 billion across 110 deals. The Renter-by-Necessity segment accounted for 70 transactions, leading to a sliding per-unit price, at \$152,902. Developers focused on upscale properties, with more than 94% of the properties under construction aimed at the Lifestyle segment.

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Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anda Rosu

Associate Editor

Recent Dallas Transactions

The Hendry



City: Dallas
Buyer: FCP
Purchase Price: \$96 MM
Price per Unit: \$241,086

Mustang Ridge



City: Fort Worth, Texas
Buyer: Darwin German Real Estate
Investments
Purchase Price: \$50 MM
Price per Unit: \$142,159

Rise Creekside



City: Northlake, Texas
Buyer: Rise48 Equity
Purchase Price: \$45 MM
Price per Unit: \$199,181

Lavera at Lake Highlands



City: Dallas
Buyer: ClearWorth Capital
Purchase Price: \$36 MM
Price per Unit: \$128,296