



MULTIFAMILY REPORT

Seasonal Fluctuation In Dallas

March 2023

Short-Term Rent Growth on Par With US

Employment Gains Top Nation

Transaction Activity Cools Off

DALLAS MULTIFAMILY



Softening Demand Affects Rents, Occupancy

Dallas-Fort Worth performed well during the pandemic and continues to display healthy fundamentals fueled by strong demographic growth, even as demand softened. Following last year's 2.4% stock expansion, occupancy in stabilized properties declined 1.1% in 12 months, to 94.5%. Meanwhile, the average asking rent held up well, down by only 0.3% on a trailing three-month basis, on par with the national rate. At \$1,556 in January, Dallas' average rent was still behind the \$1,701 U.S. figure.

DFW unemployment was down to 3.2% in December, trailing Austin (2.7%) but ahead of the state (3.8%), the U.S. (3.5%) and other major Texas metros, according to data from the Bureau of Labor Statistics. Employment expanded by 6.8%, or 242,200 positions, in the 12 months ending in November 2022. That placed the Metroplex first among the country's major markets, while the national average hit 3.9%. Professional and business services led gains (51,700 jobs), followed by leisure and hospitality (47,900 jobs). Meanwhile, 61.6 million square feet of industrial space was underway in January, fueling the development boom.

As of January, developers had 50,482 units underway, heavily favoring the upscale Lifestyle segment. Meanwhile, transaction activity slowed down at the beginning of the year, on the heels of \$10.1 billion in assets trading in 2022, which marked the second-best year in a decade.

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Recent Dallas Transactions

Landmark at Gleneagles



City: Dallas
Buyer: GVA Real Estate
Investments
Purchase Price: \$100 MM
Price per Unit: \$169,153

Oaks of Lewisville



City: Lewisville, Texas
Buyer: NexPoint Residential Trust
Purchase Price: \$87 MM
Price per Unit: \$179,012

Kade



City: Dallas
Buyer: Knightvest Capital
Purchase Price: \$74 MM
Price per Unit: \$213,586

Firestone at West 7th



City: Fort Worth, Texas
Buyer: Weidner Investment
Services
Purchase Price: \$67 MM
Price per Unit: \$191,227