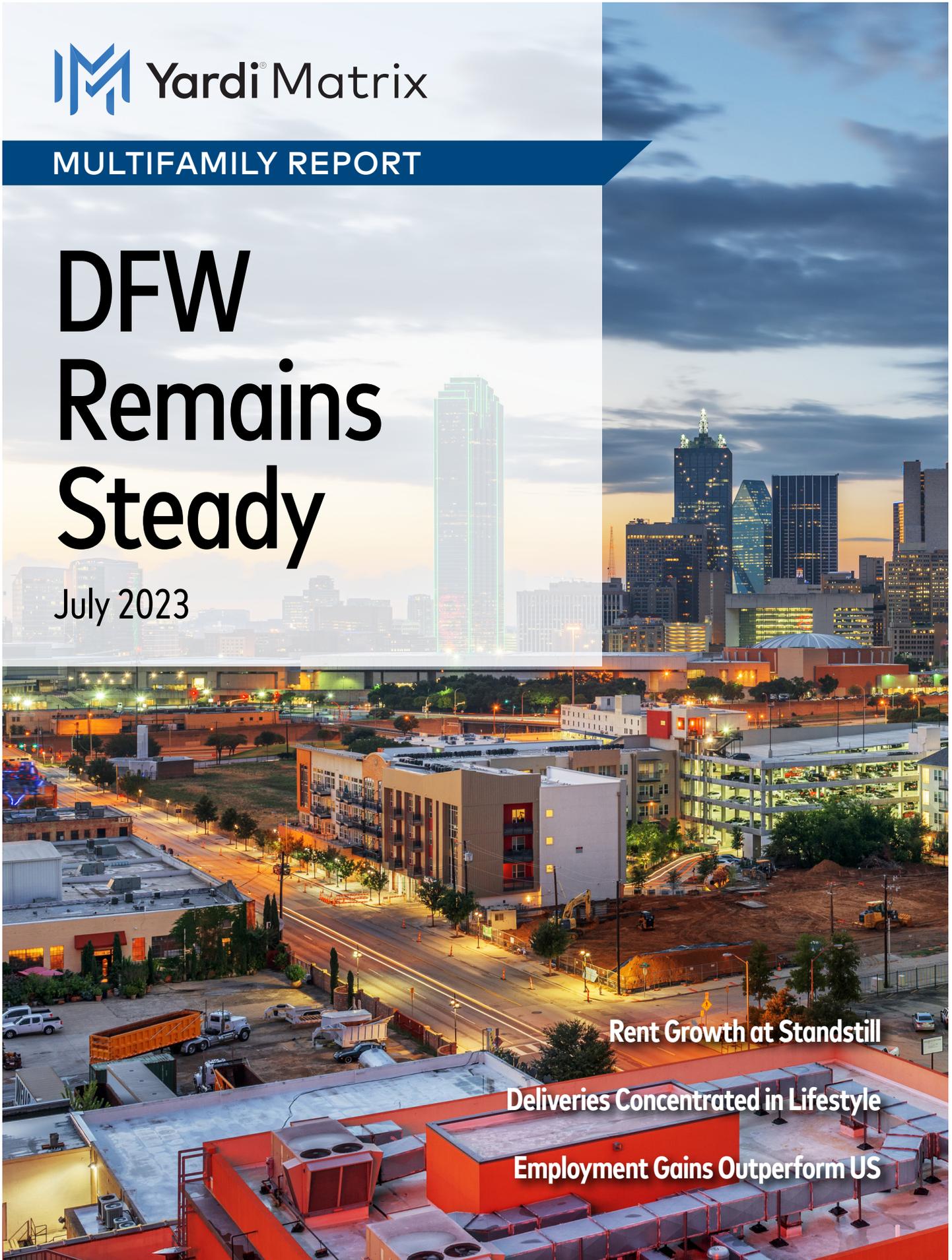




MULTIFAMILY REPORT

DFW Remains Steady

July 2023



Rent Growth at Standstill

Deliveries Concentrated in Lifestyle

Employment Gains Outperform US

DALLAS MULTIFAMILY



Dallas Records Steady Performance

In the first five months of 2023, Dallas-Fort Worth displayed solid, albeit slowing, fundamentals. After a decline that started in December 2022, rent growth plateaued on a trailing three-month basis through May, at \$1,553, while the U.S. rate rose 0.3%. Meanwhile, the average occupancy rate in stabilized properties dropped 150 basis points year-over-year as of April, to 93.7%.

Dallas-Fort Worth added 203,100 jobs in the 12 months ending in March, up 5.5% year-over-year. As recently as April, the metro's unemployment rate had dropped to 3.4%, its lowest rate since the beginning of 2023, according to preliminary data from the Bureau of Labor Statistics. The trade, transportation and utilities sector added 30,500 jobs, accounting for the most additions across the metro. This trend will likely continue, as Dallas Fort Worth International Airport, in partnership with American Airlines, will embark on a \$4.8 billion capital improvement program.

Developers had 57,142 units under construction in May. Of the projects underway, 9,956 broke ground this year. In the first five months of 2023, the market had a transaction volume of \$1.1 billion, as investment activity continues to remain very limited by the metro's standards. Three-quarters of assets that traded hands were in the Renter-by-Necessity segment.

Market Analysis | July 2023

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Recent Dallas Transactions

NeuRock of Westchester



City: Grand Prairie, Texas
Buyer: EB Real Estate Group
Purchase Price: \$80 MM
Price per Unit: \$252,321

Chatham Court Reflections



City: Dallas
Buyer: Uplift Capital Management
Purchase Price: \$71 MM
Price per Unit: \$142,731

Collin Creek



City: Plano, Texas
Buyer: Post Investment Group
Purchase Price: \$63 MM
Price per Unit: \$199,575

Cielo Azul



City: Irving, Texas
Buyer: BMG Real Estate
Investments
Purchase Price: \$39 MM
Price per Unit: \$122,592