



MULTIFAMILY REPORT

Dallas Economy Holds On

March 2024

Job Growth Tops US

Construction Activity Increases

Investment Slows, PPU Down



DALLAS MULTIFAMILY



Market Fundamentals Oscillate

In line with national trends, multifamily fundamentals in Dallas-Fort Worth were up and down. The main challenge for the rental sector stems from the record deliveries expected this year. Rent movement has been negative for five straight months, down 0.5% on a trailing three-month basis in January, to \$1,523. Occupancy also declined, down 0.7% year-over-year in January, to 93.1%.

The Dallas job market posted the best performance among Yardi Matrix's top 30 metros, up 4.1% in the 12 months ending in November, and well ahead of the 2.2% national rate. All sectors gained jobs, for a combined total of 140,300 positions. Professional and business services led job growth, adding 32,400 positions, followed by financial activities (17,000 jobs) and mining, logging and construction (16,000 jobs). Meanwhile, unemployment dropped to 3.3% in December, according to the Bureau of Labor Statistics, outperforming the U.S. (3.7%) and the state of Texas (4.0%).

Developers had 67,892 units under construction as of January, with 485 units delivered during the month. However, deliveries will intensify in the coming months, as a record volume of completions is expected this year. Meanwhile, transaction activity remained tepid, with just \$71 million in assets trading in the first month of the year, for a price per unit that fell to \$135,814, well below the \$201,010 U.S. average.

Market Analysis | March 2024

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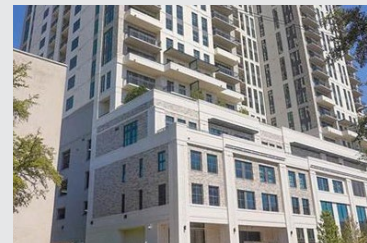
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Recent Dallas Transactions

NOVEL Turtle Creek



City: Dallas
Buyer: Goldrich & Kest
Purchase Price: \$99 MM
Price per Unit: \$475,962

The Tribeca



City: Plano, Texas
Buyer: Knightvest Capital
Purchase Price: \$93 MM
Price per Unit: \$234,506

Cortland on McKinney



City: Dallas
Buyer: Cortland
Purchase Price: \$77 MM
Price per Unit: \$332,754

Cypress



City: McKinney, Texas
Buyer: Knightvest Capital
Purchase Price: \$51 MM
Price per Unit: \$184,420