



MULTIFAMILY REPORT

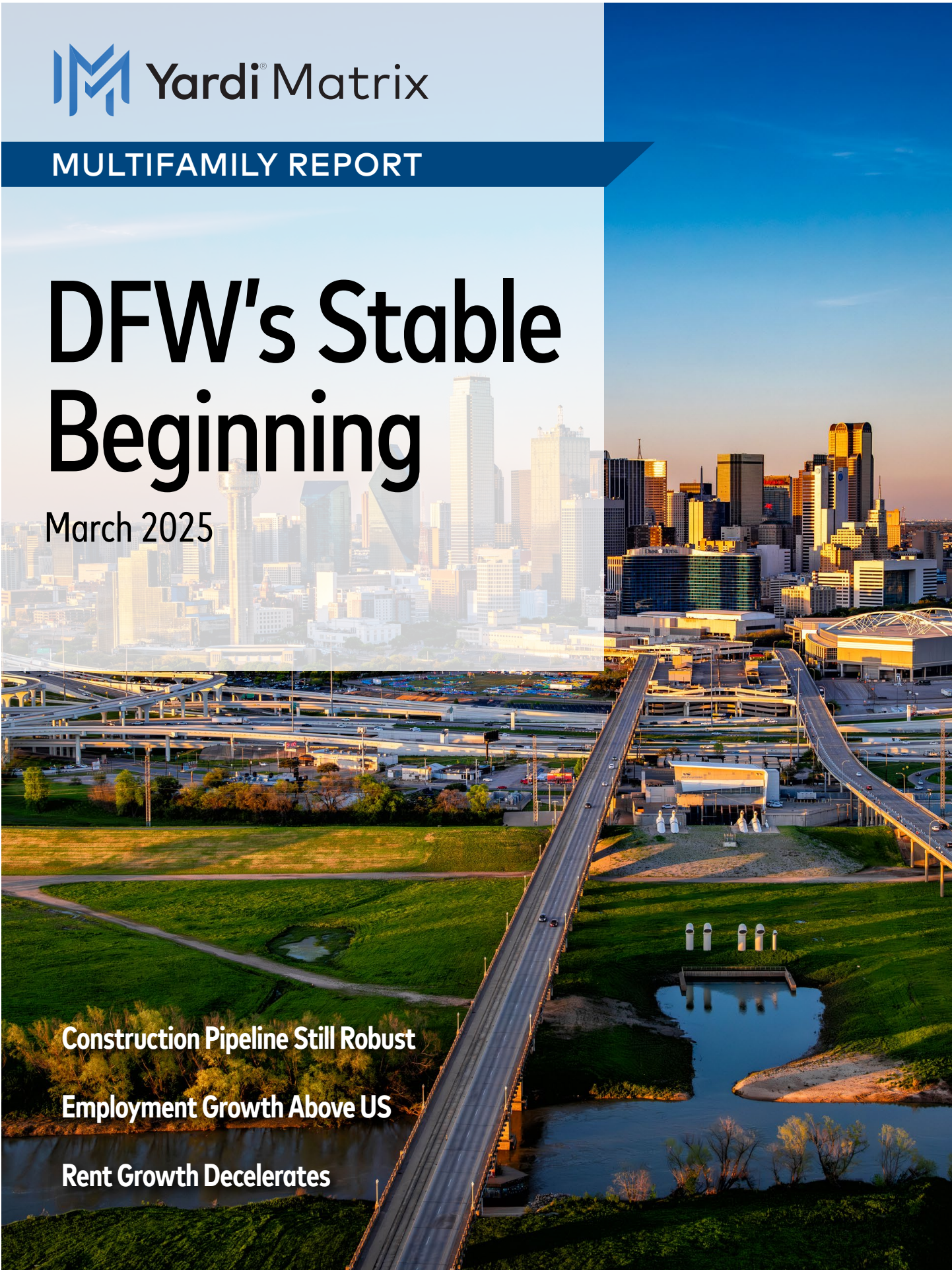
# DFW's Stable Beginning

March 2025

**Construction Pipeline Still Robust**

**Employment Growth Above US**

**Rent Growth Decelerates**



# DALLAS MULTIFAMILY



## Slowdown Continues Across Fundamentals

Dallas-Fort Worth's multifamily market displayed moderate performance across fundamentals at the start of 2025. Average advertised asking rents remained pressured by supply, decreasing 0.4% on a trailing three-month basis through January, to \$1,518, and down 1.8% year-over-year. Meanwhile, the national rate rose 0.8% year-over-year, to \$1,746. The metro's occupancy rate in stabilized properties remained among the lowest in the country, sliding 0.4% year-over-year through January, to 92.7%.

The Metroplex's employment growth decelerated to 1.6% year-over-year through November, above the 1.3% U.S. rate. Over the 12-month period ending in November, the metro added 65,400 net jobs. Financial activities (15,200 jobs), education and health services (13,900) and government (10,300) led gains. The metro's unemployment rate stood at 3.5% in December, below the U.S. (4.1%) and the state (4.2%) figures. Significant projects underway in Dallas include the DFW Forward, a \$9 billion capital improvement plan at the Dallas Fort Worth International Airport that began in 2024.

Following last year's cycle peak in deliveries, no units came online in Dallas in the first month of 2025, but the pipeline remained robust, with 56,575 units underway. Following a decade-low annual volume of \$3.5 billion in 2024, the metro recorded only six sales in January.

## Market Analysis | March 2025

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### Recent Dallas Transactions

#### Shoreline on Lake Carolyn



City: Irving, Texas  
Buyer: Hilltop Residential  
Purchase Price: \$65 MM  
Price per Unit: \$190,764

#### Lakeshore Lofts



City: Irving, Texas  
Buyer: McDowell Properties  
Purchase Price: \$62 MM  
Price per Unit: \$180,743

#### Lauren



City: Fort Worth, Texas  
Buyer: Knightvest Capital  
Purchase Price: \$51 MM  
Price per Unit: \$165,180

#### NeuRock of Destino

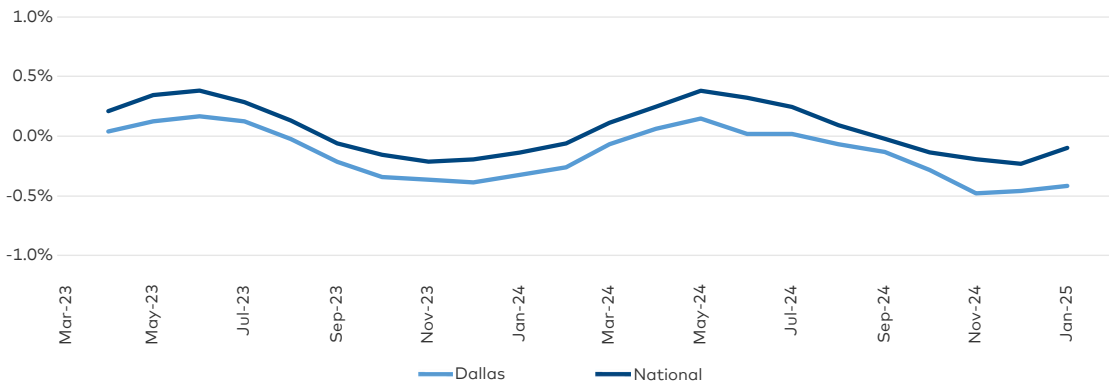


City: Grand Prairie, Texas  
Buyer: NeuRock Capital  
Purchase Price: \$47 MM  
Price per Unit: \$246,204

## RENT TRENDS

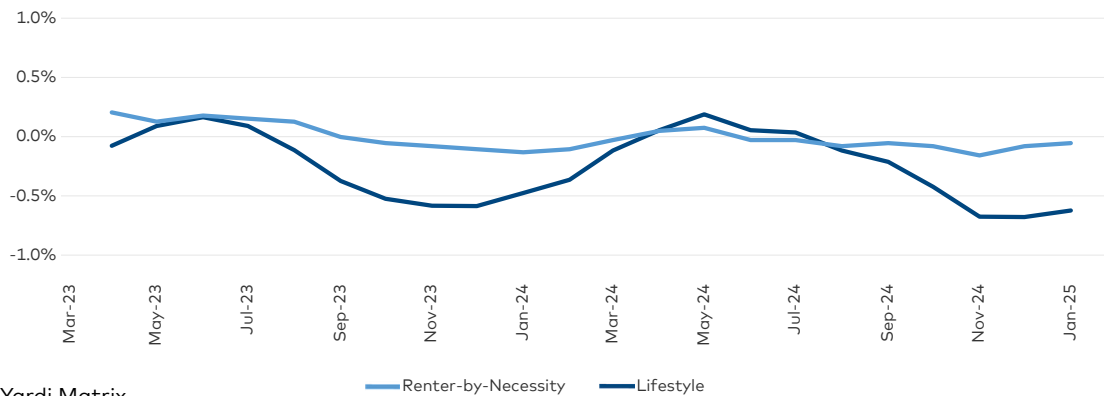
- ▶ Dallas-Fort Worth's average advertised asking rents fell 0.4% on a trailing three-month (T3) basis through January, to \$1,518, for the sixth consecutive month of contractions. Meanwhile, the national rate inched down 0.1%, to \$1,746, marking four consecutive months of decreases. On a year-over-year basis, rents in the metro declined 1.8%, while the U.S. rate rose 0.8%.
- ▶ Advertised asking rents in the Lifestyle segment posted a 0.6% drop on a T3 basis through January, to \$1,693, while Renter-by-Necessity figures slid 0.1%, to \$1,282. The disparity in rent performance is linked to recent high supply that comprised mostly Lifestyle units.
- ▶ The occupancy rate in stabilized properties fell 40 basis points year-over-year through January, to 92.7%, well below the 94.5% U.S. rate. RBN occupancy posted a larger contraction, down 70 basis points, to 91.8%, while Lifestyle occupancy declined 20 basis points, to 93.3%.
- ▶ Advertised asking rents decreased or remained flat year-over-year through January in 84 of the 138 submarkets tracked by Yardi Matrix, including in Dallas-Downtown (-3.9% to \$2,023) and Dallas-Old East (-2.5% to \$1,986). Rents increased in the metro's most expensive submarkets, including in Dallas-University Park (0.1% to \$3,016) and Dallas-Uptown (0.3% to \$2,427).
- ▶ Dallas' SFR sector trailed multifamily. Advertised asking rents fell 4.5% year-over-year through January, to \$2,163, and occupancy clocked in at 92.2%, following a 2.3% year-over-year decline.

### Dallas vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

### Dallas Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

## ECONOMIC SNAPSHOT

- Employment growth in Dallas-Fort Worth remained moderate, up 1.6% on a year-over-year basis through November, for the third consecutive month. Meanwhile, the U.S. rate rose 1.3% for the second straight month.
- The unemployment rate closed 2024 at 3.5%, according to preliminary data from the BLS. This was one of the lowest levels of the year, which included rates as high as 4.3% in June. DFW's jobless rate in December was lower than the U.S. (4.1%) and the state (4.2%). Among other major Texas metros, Dallas surpassed only Houston (4.1%) and trailed Austin (3.1%) and San Antonio (3.4%).
- Over the 12-month period ending in November, the Metroplex added 65,400 net jobs. Gains were led by financial activities (15,200 positions), education and health services (13,900) and government (10,300). Professional and business services was the only sector that shed jobs, down 3,000.
- In 2024, the Dallas Fort Worth International Airport started a \$9 billion capital improvement plan. The rehabilitation of one runway was completed by the final quarter of the year. Work is underway on rebuilding and expanding Terminal C, which is estimated to cost \$3 billion, while the addition of a \$1.6 billion sixth terminal is also planned.

### Dallas Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
55	Financial Activities	385.8	8.7%
65	Education and Health Services	537.9	12.2%
90	Government	505	11.4%
40	Trade, Transportation and Utilities	942.5	21.3%
15	Mining, Logging and Construction	262.4	5.9%
30	Manufacturing	322.9	7.3%
80	Other Services	143.2	3.2%
70	Leisure and Hospitality	435.8	9.9%
50	Information	93.5	2.1%
60	Professional and Business Services	794	18.0%

Sources: Yardi Matrix, Bureau of Labor Statistics

### Population

- Dallas-Fort Worth's population expanded 16.7% in the decade ending in 2022, well above the 6.3% U.S. rate.
- Bucking the national trend, the pace picked up in 2022, up by 1.7% and 50 basis points higher than the population increase recorded in 2021.

### Dallas vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Dallas Metro	7,320,663	7,451,858	7,543,340	7,673,379

Source: U.S. Census

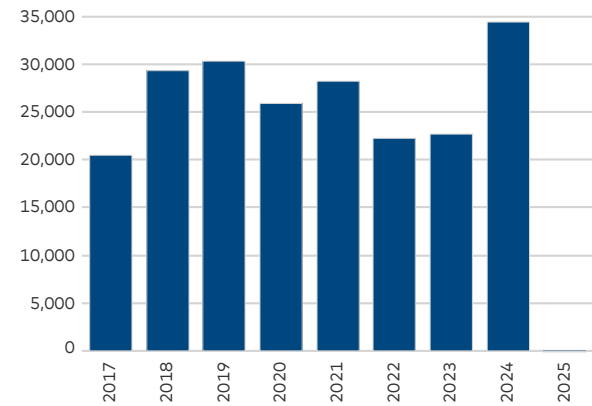
## SUPPLY

- ▶ In 2024, supply growth marked a new cycle high for the Metroplex, with developers adding 34,459 units, or 3.8% of existing stock—50 basis points ahead of the U.S. The bulk of last year's deliveries comprised Lifestyle units (88.2%), while fully affordable and RBN units accounted for 6.5% and 5.3%, respectively. No units were delivered in January this year.
- ▶ The January construction pipeline had 56,575 units underway and another 148,000 in the planning and permitting stages. The composition of units underway mirrored last year's deliveries—86.8% Lifestyle, 4.8% RBN and 8.4% fully affordable. More than half of the units under construction were in North Dallas (29,070 units), followed by Fort Worth (13,978 units) and suburban Dallas (13,527 units).
- ▶ Despite the robust volume of units underway, new development has plummeted. Just 482 units across two properties broke ground in January, while in the corresponding month of 2024, 1,127 units across five projects broke ground. Overall, the volume of new construction fell 36% year-over-year, to 20,796 units in 2024.
- ▶ Developers were active in 82 of the 138 sub-markets tracked by Yardi Matrix, 18 of which

had more than 1,000 units underway. The largest volumes were in McKinney–West (3,214 units), Frisco (2,673 units) and Fort Worth–Northwest (2,135 units).

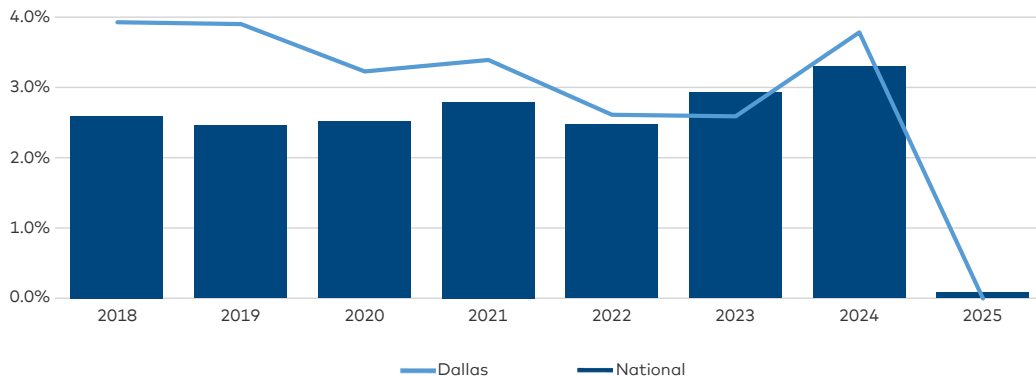
- ▶ The largest project underway in January was Jefferson Railhead, a 903-unit property owned by JPI. It will include 17,000 square feet of retail and is slated for completion in June. The asset holds two construction loans totaling \$177 million, originated by JPI and Centennial Bank.

### Dallas Completions (as of January 2025)



Source: Yardi Matrix

### Dallas vs. National Completions as a Percentage of Total Stock (as of January 2025)



Source: Yardi Matrix

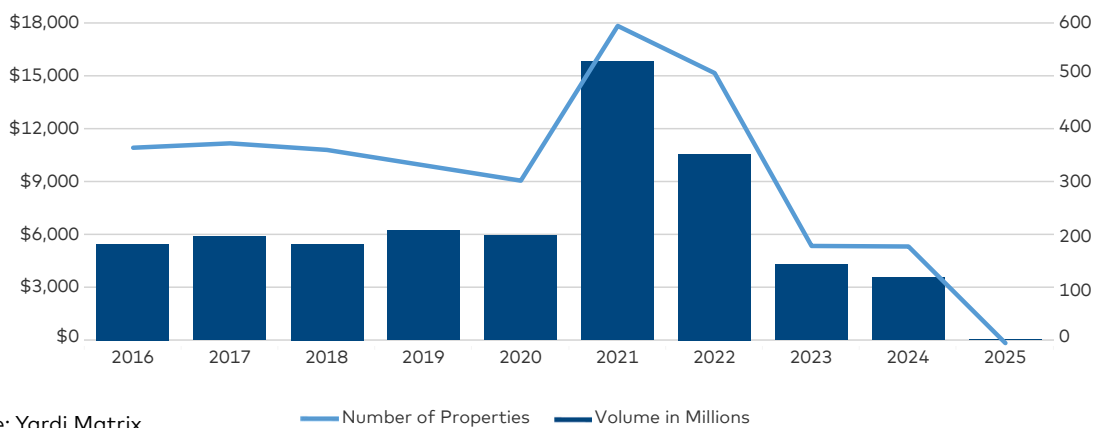
## TRANSACTIONS

- ▶ Investment activity remained slow in the Metroplex, with \$3.5 billion in assets changing hands last year, the lowest figure in the past decade. Last year's volume was significantly below the \$5.3 billion annual average recorded from 2015 to 2023, excluding 2021 and 2022, which were outlier years far outside the normal volume.
- ▶ Dallas' average per-unit price was \$156,352 for 2024's sales, down 0.8% year-over-year. The U.S. average rose 3.8%, to \$194,036. A total of 96

RBN assets traded last year, for an average of \$120,682 per unit, while the 85 Lifestyle properties that changed hands totaled \$187,169.

- ▶ Just six transactions closed in January this year. Among these was the 112-unit Solaire in Dallas-Southwest. Sequoia Asset Management acquired this 1975-built property from GVA Real Estate Investments, with aid from a \$8.6 million loan originated by Bolour Associates.

### Dallas Sales Volume and Number of Properties Sold (as of January 2025)



Source: Yardi Matrix

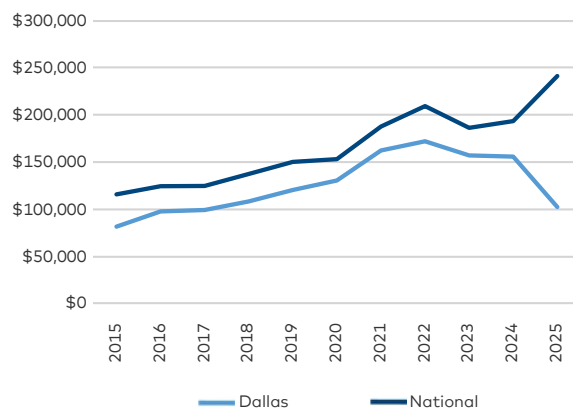
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Plano-West	252
Carrollton-South	196
McKinney-West	134
Dallas-Oak Lawn	134
Irving-Las Colinas	127
Fort Worth-Northeast	119
McKinney-East	118

Source: Yardi Matrix

<sup>1</sup> From February 2024 to January 2025

### Dallas vs. National Sales Price per Unit



Source: Yardi Matrix

## Top 10 Markets for Multifamily Deliveries

By Tudor Scolca

In 2024, developers completed more than 550,000 units, Yardi Matrix data shows. The top 10 metros for multifamily deliveries had a combined 204,333 units come online—more than a third of the U.S.' entire completion volume—a number that highlights how uneven supply growth trends have become. The large number of multifamily units under construction will ensure sustained growth this year, as well. Here is our list of the top 10 markets for multifamily deliveries in 2024.

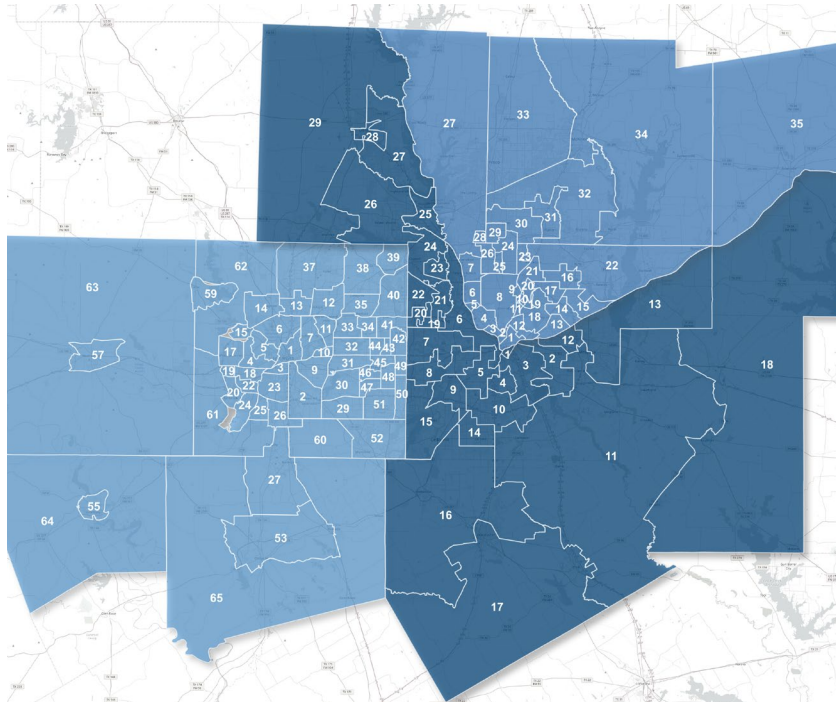
Rank	Metro	Units Delivered 2024	Construction Starts 2024	Units Delivered 2023
1	Dallas	33,276	18,836	26,025
2	Austin	25,217	11,682	18,571
3	Atlanta	23,596	13,646	23,586
4	Phoenix	21,504	17,718	17,104
5	Houston	21,283	9,116	18,168
6	Denver	18,248	6,678	12,140
7	Miami	16,507	9,988	17,502
8	Orlando	15,936	10,061	14,223
9	Charlotte	14,556	8,929	12,260
10	Tampa	14,210	7,335	10,979

### Dallas

Dallas-Fort Worth took the lead as the nation's most active multifamily market for new construction in 2024. Last year, developers completed 33,276 units across 127 projects—a 27.9% increase from 2023's total. Dallas' continued economic and demographic growth led to sustained housing demand in the last few years, especially for upscale assets, which accounted for most of the completions.



# DALLAS SUBMARKETS



Area No.	Submarket
1	Cityscape/Downtown
2	Uptown
3	South Oak Lawn
4	North Oak Lawn
5	Bachman Lake/West Northwest Highway
6	Northwest Dallas
7	Carrollton/Farmers' Branch
8	Park Cities/Preston Hollow/West Oak Lawn
9	Telecom Corridor
10	West Vickery Park
11	Greenville Corridor/Ridgewood Park
12	Gastonwood/Junius Heights/Lake Park Estates
13	Forest Hills
14	Dixon Branch
15	South Garland
16	Central Garland
17	South Lake Highlands
18	Casa Linda Estates/Cloisters/Lakewood
19	East Vickery Park
20	North Vickery Park
21	North Lake Highlands
22	North Garland/Rowlett/Sachse
23	Richardson
24	Northwood Hills/Valley View
25	Prestonwood/Galleria
26	Addison
27	North Carrollton/The Colony
28	Rosemeade
29	North Preston Corridor
30	West Plano
31	East Plano/Allen
32	South Frisco/Parker
33	North Frisco/West McKinney
34	East McKinney/Wylie/Princeton
35	North Hunt County/Greenville/Commerce

Area No.	Submarket
1	Downtown
2	Fairmount/Morningside/Worth Heights
3	Medical District
4	Westover Hills
5	Crestwood/River Oaks/Sansom Park
6	Tanglewood/Westcliff
7	Highland Hills/Southland Terrace
9	Stop Six
10	Meadowbrook
11	Richland Hills
12	Watauga
13	Blue Mound
14	Saginaw
15	Lake Worth
17	White Settlement
18	Ridgelea
19	Western Hills
20	Benbrook
22	Colonial/TCU
23	Hemphill
24	Wedgewood
25	Edgecliff Village
26	Sycamore
27	Burleson/Joshua
29	Kennedale
30	Dalworthington Gardens/Pantego
31	Handley
32	Randol Mill
33	Hurst

Area No.	Submarket
34	Bedford
35	Colleyville
37	Keller/Westlake
38	Southlake
39	Grapevine
40	Euless
41	Tarrant
42	Riverside
43	Lamar
44	Green Oaks
45	North Arlington
46	Downtown Arlington
47	South Davis/Turtle Rock
48	East Arlington
49	Great Southwest
50	Florence Hill
51	Fitzgerald
52	Mansfield
53	Cleburne/Alvarado
55	Granbury
57	Weatherford
59	Azle
60	Rendon
61	Southwest Tarrant County
62	Northwest Tarrant County
63	Outlying Parker County
64	Outlying Hood County
65	Outlying Johnson County

Area No.	Submarket
1	South Downtown
2	Pleasant Grove
3	Fair Park
4	South Oak Cliff
5	North Oak Cliff/Irving
6	Lake Village/South Irving/West Dallas
7	North Grand Prairie
8	Kiest
9	Duncanville/South Grand Prairie
10	Lancaster/Red Bird
11	Southeast Dallas County
12	Northwest Mesquite
13	Northeast Mesquite
14	DeSoto
15	North Cedar Hill
16	Midlothian/South Cedar Hill
17	Ennis/Waxahachie
18	Kaufman/Terrell
19	Barton Estates/Garden Oaks/Hospital District
20	Irving
21	Las Colinas
22	Espanita/Timberlake
23	Oaks
24	Valley Ranch
25	Coppell/South Lewisville
26	Central Lewisville
27	North Lewisville/Trophy Club
28	East Denton
29	Downtown Denton

## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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