



MULTIFAMILY REPORT

Supply Slows Rent Growth In Dallas

July 2025

Employment Gains Outpace US

Asking Rent Evolution Shifts Down

Transaction Activity Still Muted



DALLAS MULTIFAMILY



Deliveries Impact Asking Rents, Occupancy

Supply growth continued to dominate Dallas–Fort Worth’s fundamentals in early 2025. After 11 consecutive months without growth, the average advertised asking rent recorded its first uptick on a trailing three-month basis in May, up 0.1% to \$1,528. Year-over-year, rates fell 1.5%, lagging the U.S. figure, which climbed 1.0% to \$1,761. The occupancy rate in stabilized properties slid 50 basis points year-over-year, to 92.6% in April, marking the third-lowest rate among Yardi Matrix’s top 30 metros.

Employment growth stood at 1.3% through March, outperforming the 0.9% U.S. rate. Education and health services (12,700 jobs) and trade, transportation and utilities (11,200 jobs) led gains, while manufacturing (-1,400 jobs) and professional and business services (-700 jobs) contracted. The unemployment rate stood at 3.5% in April, outperforming both the U.S. (4.2%) and Texas (4.1%). While Dallas-area office construction moderated, it still remained above national levels. Meanwhile, office-to-residential conversions are on the rise, with 4.8 million square feet tagged by CommercialEdge as highly suitable for redevelopment.

Developers delivered 9,386 units in 2025 as of May and had an additional 53,496 units underway, with new construction moderating closer to typical volumes. Investment remained tepid, although the \$1.5 billion in sales recorded through May ranked highest in the U.S. The average price per unit rose 10% year-to-date.

Market Analysis | July 2025

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 x14006

Doug Ressler

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

Author

Anca Gagiuc

Senior Associate Editor

Recent Dallas Transactions

The Hadley Riverside



City: Fort Worth, Texas
Buyer: RPM
Purchase Price: \$78 MM
Price per Unit: \$209,447

The Montgomery



City: Irving, Texas
Buyer: MLG Capital
Purchase Price: \$50 MM
Price per Unit: \$163,203

Landmark at Crowley



City: Crowley, Texas
Buyer: Paceline Equity Partners
Purchase Price: \$44 MM
Price per Unit: \$164,794

1001 Ross

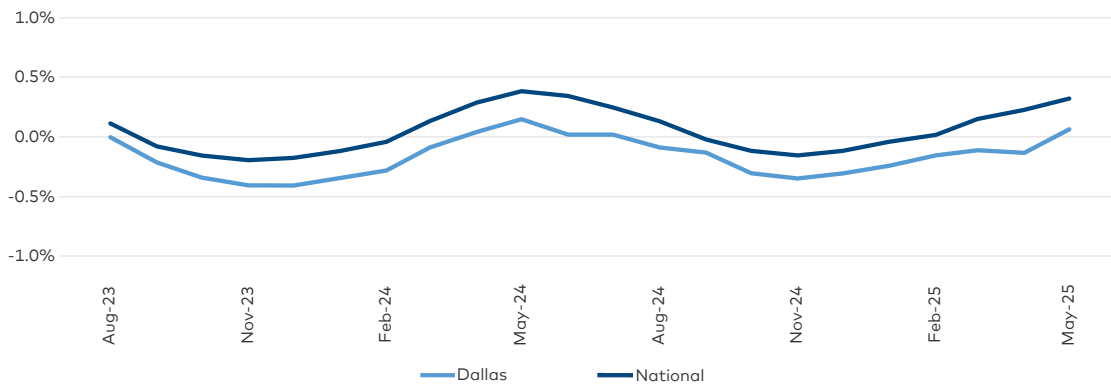


City: Dallas
Buyer: Discover Multifamily
Purchase Price: \$32 MM
Price per Unit: \$155,693

RENT TRENDS

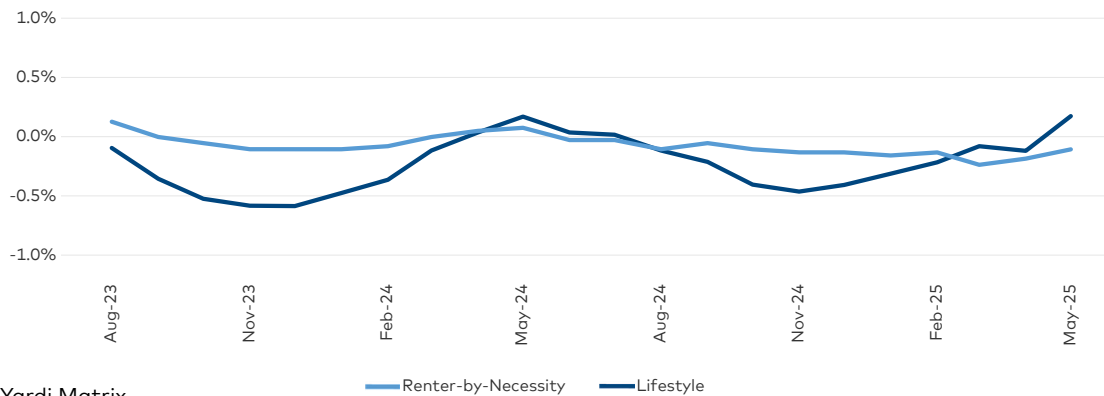
- ▶ The average advertised asking rent in Dallas–Fort Worth rose 0.1% on a trailing three-month (T3) basis through May, to \$1,528, chasing the 0.3% U.S. gain, to \$1,761. Rent growth marked the first increase in the metro after 11 months of declines. Year-over-year through May, the Metroplex posted one of the slowest performances among Yardi Matrix's top 30 metros, down 1.5%, while the U.S. figure rose by 1.0%.
- ▶ Revitalized by the start of the 2025 leasing season, Lifestyle average advertised asking rents outpaced working-class Renter-by-Necessity rates. Lifestyle rates inched up 0.2%, on a T3 basis, to \$1,715 as of May, improving for the first time in 11 months. Meanwhile, RBN rent evolution marked a full year in the red, down 0.1% as of May, to \$1,528.
- ▶ The metro's occupancy rate in stabilized properties fell by 50 basis points year-over-year, to 92.6% in April, well below the 94.4% U.S. rate. RBN occupancy recorded a steeper decline, down 0.9% to 91.6%, while in Lifestyle, the rate inched down 0.2% to 93.3%.
- ▶ Year-over-year through May, advertised asking rents increased in 43 of the 138 submarkets tracked by Yardi Matrix, including in Dallas–University Park (0.4% to \$3,022), one of the two submarkets in DFW with average asking rents above the \$3,000 mark. The priciest submarket was Highland Park (-1.5% to \$3,537).
- ▶ Dallas–Fort Worth SFR advertised asking rents fell 2.1% year-over-year through May, to \$2,228. Occupancy rose 0.2%, to 93.5%.

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

- ▶ Dallas–Fort Worth employment growth remained at 1.3% as of March, staying flat for the eighth consecutive month. It was ahead of the U.S. rate by 40 basis points, ranking 10th among Yardi Matrix's top 30 metros.
- ▶ The metro's unemployment rate improved by 30 basis points month-over-month, to 3.5% in April, outperforming the U.S. (4.2%) and Texas (4.1%). Among larger Texas metros, it surpassed only Houston (3.9%) and trailed San Antonio (3.4%) and Austin (3.1%), according to preliminary data from the Bureau of Labor Statistics.
- ▶ DFW gained 56,400 net jobs in the 12 months ending in March, with growth led by education and health services (12,700 jobs), trade, transportation and utilities (11,200 jobs) and government (10,700 jobs). Meanwhile, manufacturing and professional and business services lost 2,100 jobs combined.
- ▶ Office construction softened across the metro, with deliveries and the pipeline slowing down. Meanwhile, office-to-residential conversions continue to interest developers. According to CommercialEdge's Conversion Feasibility Index, which classifies buildings into three tiers, the metro has 4.8 million square feet across 43 office properties in Tier 1 (most suitable for conversion), as well as an additional 43.1 million square feet across 353 properties in Tier 2.

Dallas Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	529.3	12.2%
40	Trade, Transportation and Utilities	901	20.8%
90	Government	503.4	11.6%
70	Leisure and Hospitality	435.5	10.0%
55	Financial Activities	384.1	8.9%
15	Mining, Logging and Construction	260.5	6.0%
80	Other Services	141.8	3.3%
50	Information	89.8	2.1%
60	Professional and Business Services	770.6	17.8%
30	Manufacturing	317.6	7.3%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Dallas–Fort Worth recorded a 24.7% population increase between 2010 and 2022, nearly three times the 8.9% national average.
- ▶ Even so, the metro's growth trailed the other three major Texas markets: San Antonio (24.9%), Houston (25.1%) and Austin (41.1%).

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

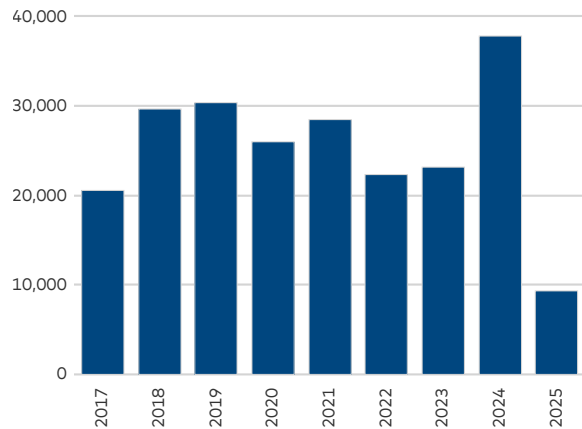
SUPPLY

- ▶ Developers added 9,386 units, or 1.0% of existing stock, in the Metroplex this year as of May, on par with the U.S. figure. The rate is relatively low by the metro's standards, with the yearly average at 2.7% over the past decade. Completions were highest in North Dallas (40%) and suburban Dallas (39%), followed by Fort Worth (21%). New stock included 85.4% Lifestyle, 10% RBN and 4.6% units in fully affordable projects.
- ▶ While deliveries moderated somewhat, the construction pipeline remained robust as of May, with 53,496 units underway and 145,000 in the planning and permitting phases. The under-construction pipeline was strongest in North Dallas, accounting for about 51%, followed by Fort Worth (27%) and suburban Dallas (22%). Units underway encompassed 87% Lifestyle units, with fully affordable projects at 9% and RBN at 4%.
- ▶ Developers broke ground on 4,521 units across 17 properties in 2025 through May, significantly below the volume for the same interval in 2024 (8,665 units across 37 properties). Fort Worth led this year, with 1,958 units across five properties. Construction starts moderated in DFW compared to the last two years—27,346 units or 113 properties in 2024 and 22,064 units or

72 properties in 2023—but remained well above 2022's volume (5,065 units or 19 properties).

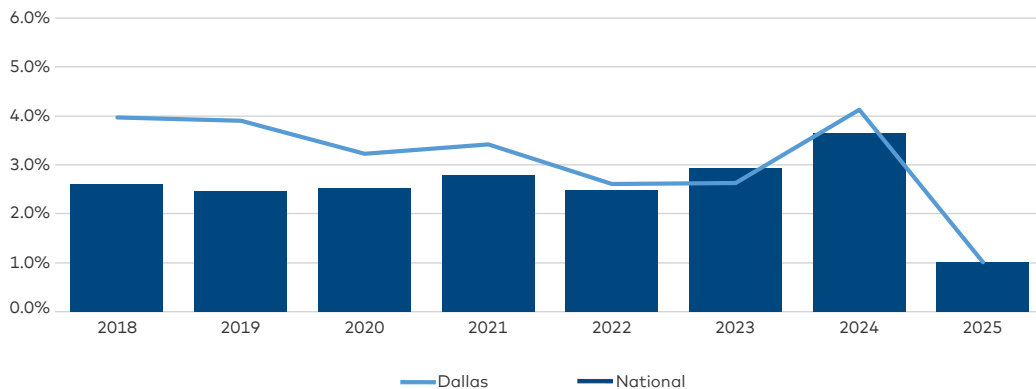
- ▶ As of May, developers were active in 84 of the 138 submarkets tracked by Yardi Matrix, 15 of which had more than 1,000 units under construction each. Frisco led the way (2,584 units), followed by Fort Worth–Northwest (2,452 units), McKinney–West (2,387 units), Grand Prairie (1,968 units) and Plano–West (1,719 units).

Dallas Completions (as of May 2025)



Source: Yardi Matrix

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

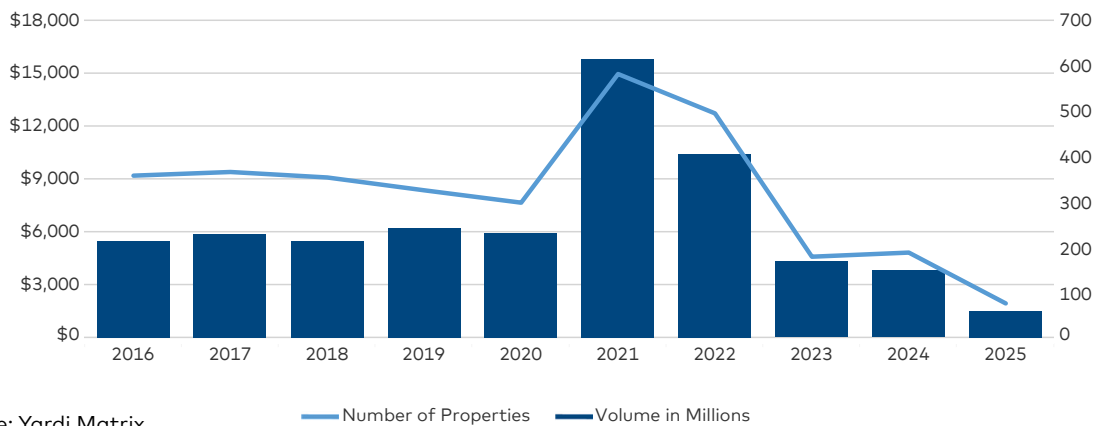


Source: Yardi Matrix

TRANSACTIONS

- ▶ After last year's decade low, when \$3.8 billion in multifamily assets traded in the Metroplex, deal flow remained slow, totaling \$1.5 billion in 2025 through May.
- ▶ Fort Worth led by sales volume (\$439 million), followed by the North Dallas area (\$411 million) and suburban Dallas (\$259 million). Volatility is fueling a disconnect between buyers and sellers, making it unlikely for sales to get much closer to the \$5.4 billion five-year pre-pandemic average.
- ▶ Although the sales composition was slightly tilted in favor of RBN assets, the average price per unit in DFW rose by almost 10% year-to-date, to \$174,735. However, it remained well below the U.S. figure, which was up 11% to \$213,979.
- ▶ Several buyers have been particularly bullish on DFW this year through May, including Electra America (11 assets acquired, 2,281 apartments) and AvalonBay Communities (six assets, 1,844 apartments).

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



Source: Yardi Matrix

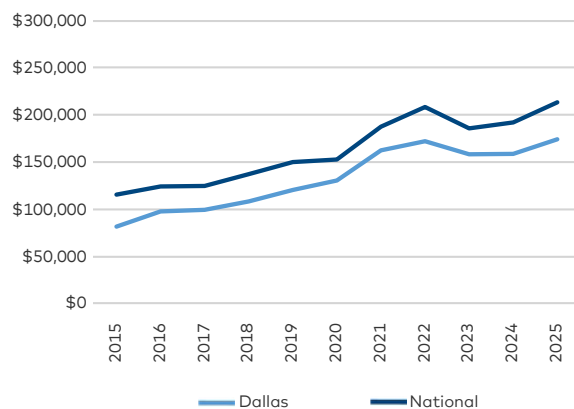
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Frisco	329
Plano–West	228
Fort Worth–Northeast	197
Carrollton–South	196
Dallas–Uptown	189
Irving–Las Colinas	177
Dallas–Oak Lawn	176

Source: Yardi Matrix

¹ From June 2024 to May 2025

Dallas vs. National Sales Price per Unit



Source: Yardi Matrix



LUMA's Leader on the Hidden Value of Property Management Expertise

By Madalina Pojoga

Throughout the years, LUMA's focus has always been on the people—from those who live in its properties, to those who invest or work in them. President Ian Mattingly reflects on how decades in the property management business contribute to multifamily resident satisfaction, but also to the quality of life of both its employees and shareholders. The company operates in major Texas markets such as Dallas-Fort Worth and Houston.

Why is experience important in property management?

While experience is not everything, I do think it is a great teacher, and in property management, sometimes the only teacher available... There is no one course of study to master the business. That's why experience is particularly important in property management.

What would say makes your communities stand out in the competitive Texas markets you're in?

The value of expertise in the effectiveness of residential property managers has grown immensely over the past three decades, a fact that many property management firms have been quick to leverage through aggressive mergers and acquisitions.

LUMA has taken a different approach, working hard to be leaner and smarter, rather than simply getting bigger to have more resources to throw at the challenge of competitiveness in a crowded and highly professional market. We take time and care to create



unique brand presence for each property, rather than painting with the same brush over and over.

Tell us more about community-building at your properties. What works with residents today?

The art of community-building has certainly evolved, and become more difficult, post-pandemic. People generally won't turn out for the classic pizza party by the pool anymore. However, themed and seasonal events still seem to resonate with our residents, especially when there is a take-away, such as gift-wrapping during the holidays or DIY charcuterie boards.

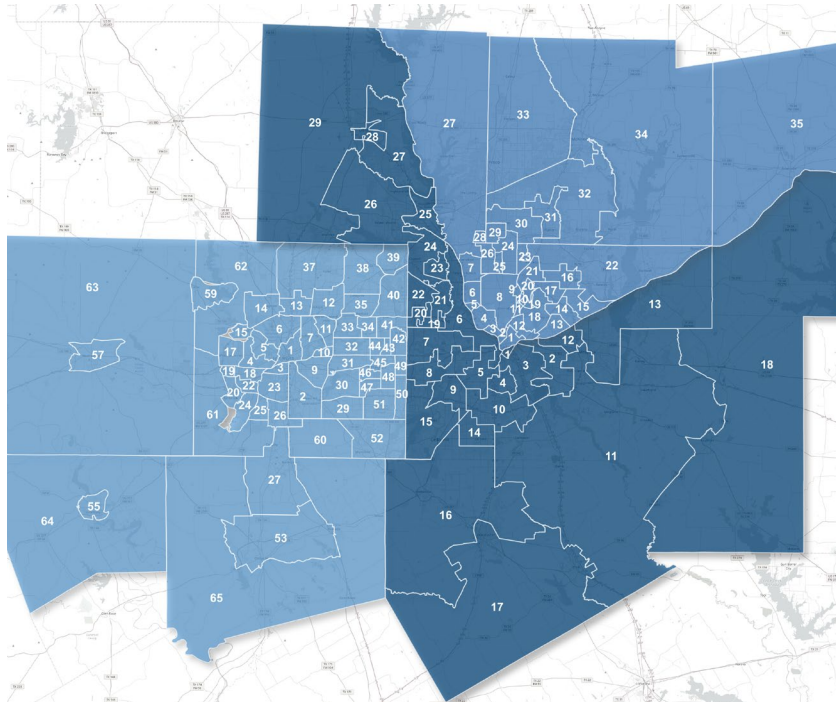
What constitutes a lucrative relationship with residents that brings benefits to everyone involved?

We recognize that sometimes we have to make a decision that is not in the interest in one stakeholder, in order to elevate the quality of life for the others. That said, we have found many ways to create win-win-win, or at least win-win situations.

Ultimately, for residents, as well as for our employees, our investors have to see value in what we do, or we will not have new opportunities to reinvest and improve resident and employee quality of life. And in order for investors to see the returns and impact, our employees have to feel properly supported and resourced.

(Read the complete interview on multihousingnews.com.)

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.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.



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