

FIGURES | DALLAS/FORT WORTH MULTIFAMILY | Q1 2024

Net absorption gains steam alongside uptick in deliveries

▼ 92.5%
Occupancy Rate

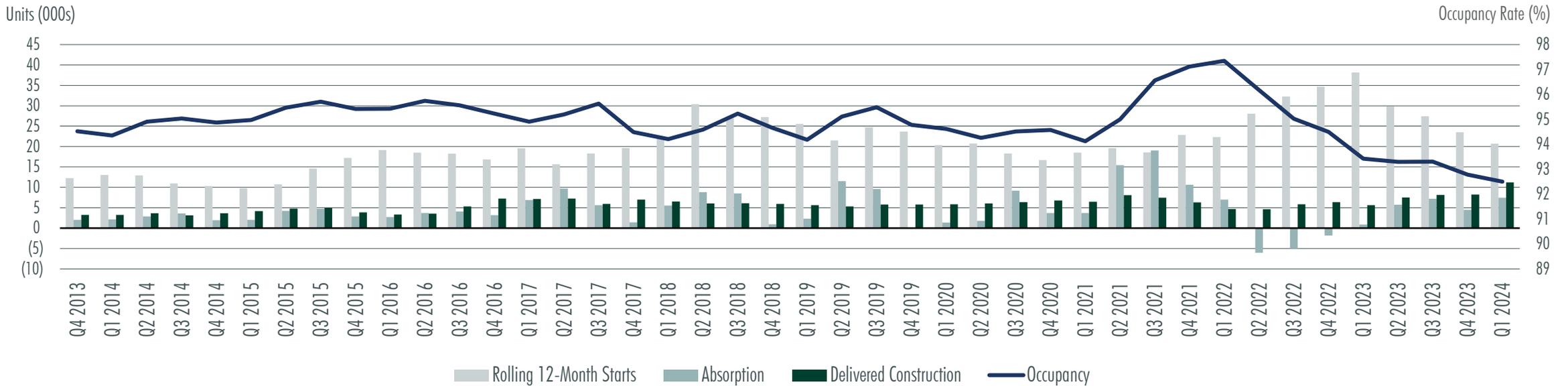
▼ \$1.71/SF
Avg. Rental Rate (\$/SF)

▲ 7,436
Absorption (units)

▲ 11,201
Deliveries (units)

▼ 20,680
Rolling 12-Month
Construction Starts (units)

Figure 1: Dallas/Fort Worth Multifamily Market



Source: CBRE Research, RealPage Inc., Q1 2024.

Employment and Population

Local employment indicators have shown continued signs of strength throughout the first quarter of 2024. According to preliminary monthly data from the Bureau of Labor Statistics, the metro area added 75,400 jobs over the last 12 months ending April 2024, which equates to a 1.8% annual growth rate. This trajectory has paralleled strong population growth in North Texas with DFW adding 152,598 residents between 2022 and 2023, the most of any other U.S. metro area according to recently released data from the U.S. Census Bureau. Additionally, Celina was the fastest-growing large city in the country from July 2022 to July 2023, with an annual growth rate of 26.6%, followed by Princeton at #3 on the list (+22.3%) and Anna at #4 (+16.9%).

Net Absorption and Occupancy

Net absorption continued its positive momentum from last quarter with 7,436 net units absorbed during Q1 2024, along with a drop in occupancy from 92.8% to 92.5%. Frisco continued to lead absorption by submarket, followed by Allen/McKinney, Lewisville/Flower Mound, and Central/East Plano, each with at least 500 units taken up over the quarter and collectively accounting for almost half of the DFW market’s quarterly demand.

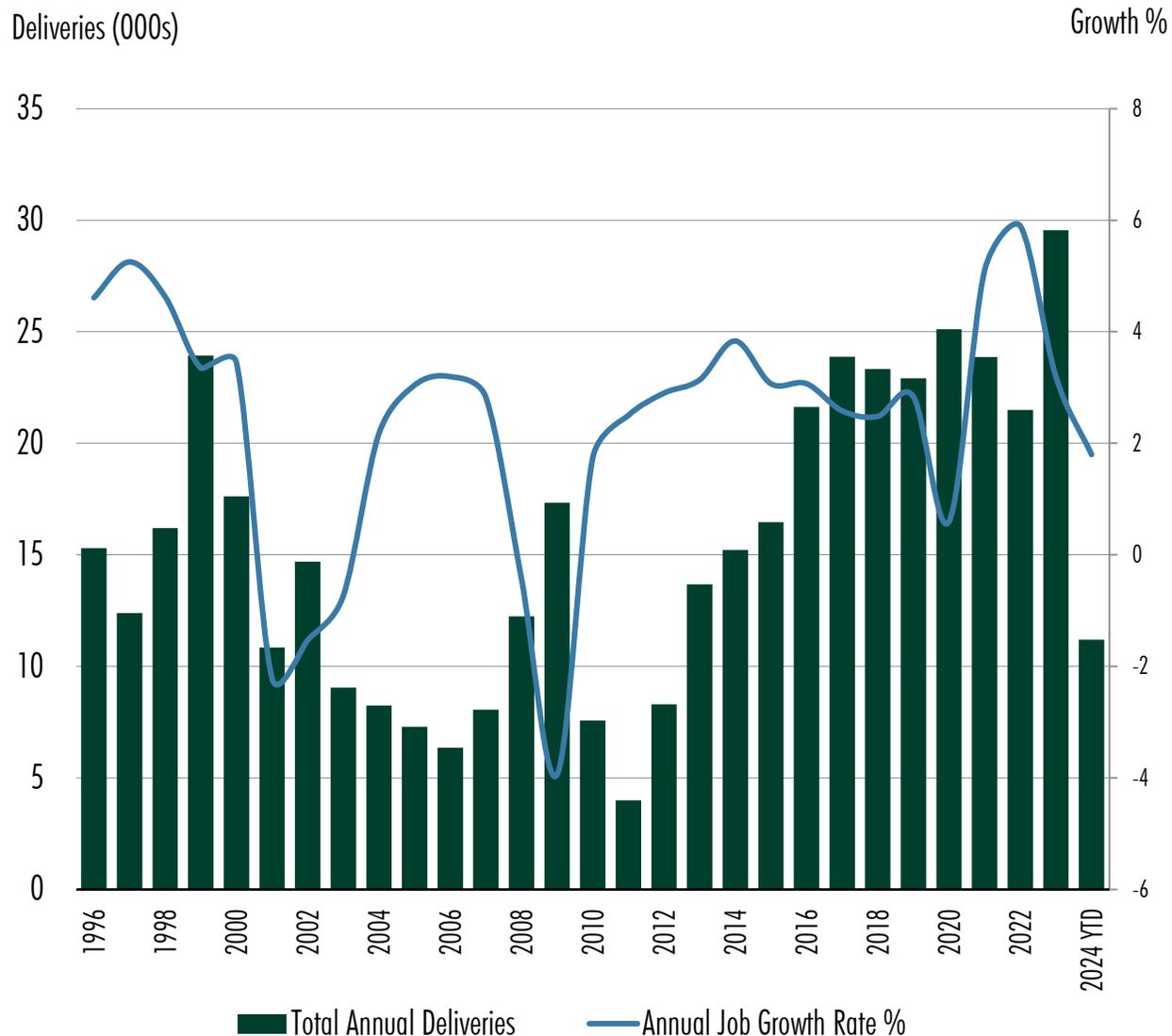
Rental Rate and Construction Pipeline

Year-over-year effective rent growth declined from -1.5% at year-end to -2.1% in Q1 2024. Over 11,000 units were delivered in Q1 2024, an increase from last quarter and the highest quarterly delivery total DFW has recorded in at least a decade. Alongside a decline in starts from last quarter, the total active pipeline reflects 37,532 units under construction. As a result of debt challenges, construction costs, and equity conditions, a slowdown in future starts is indicated by the significant decline in annual permitting from 2022 to 2023. The expected reduction in deliveries for 2025-2027 should translate to upward pressure in rent growth and outsized absorption.

Investment Activity

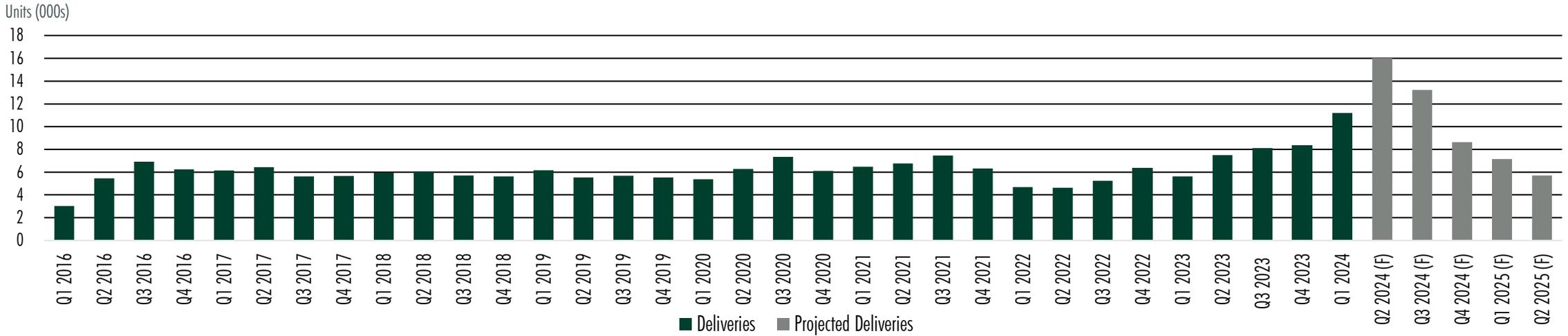
Despite accounting for the largest share of investment sales volume by property sector, the national rolling-four-quarter multifamily investment volume reached its lowest level since 2014. Dallas/Fort Worth mirrored that trend with a significant decline in volume by percentage (-53.6%) year-over-year, according to MSCI Real Assets, and the largest drop in year-over-year volume of -\$8.83 billion. DFW still accounted for 6.8% of U.S. multifamily investment activity in Q1 2024, the #2 market share in the country.

Figure 2: New Supply & Job Growth



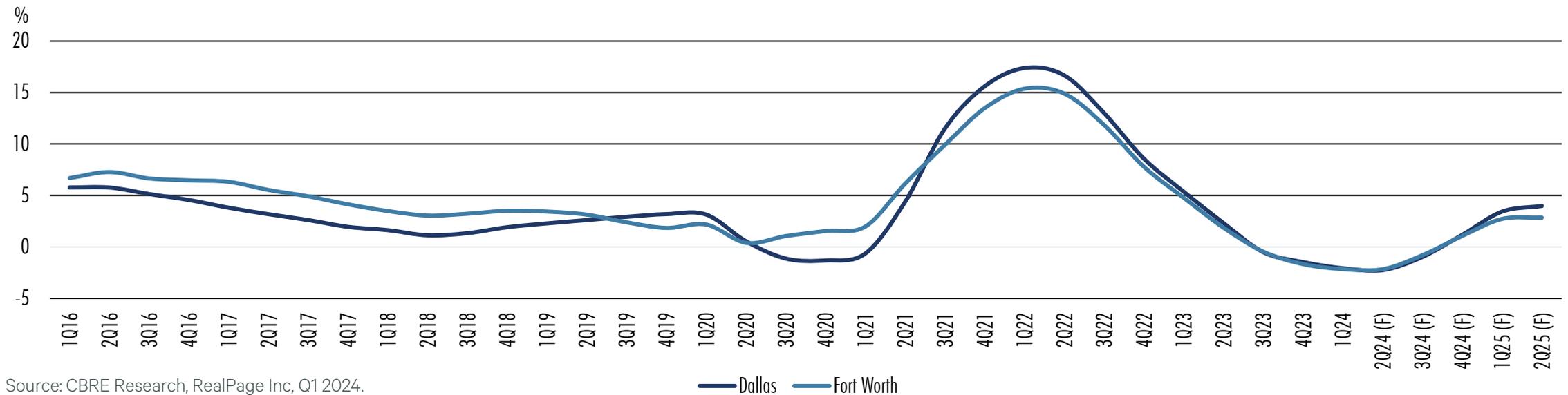
Source: CBRE Research, RealPage Inc., Bureau of Labor Statistics, Q1 2024.

Figure 3: Historical & Forecasted Deliveries



Source: CBRE Research, RealPage Inc, Q1 2024.

Figure 4: Historical Effective Rent Growth (Y-o-Y)



Source: CBRE Research, RealPage Inc, Q1 2024.

Figure 5: Q1 2024 Submarket Overview

	Submarket	Property Count	Inventory (Units)	Effective Rent (\$/SF*Mth)	Weighted Rent Growth Year-Over-Year (%)	Occupancy (%)	Net Absorption (Units)	Delivered (Units)	Under Construction (Units)
CENTRAL	East Dallas	76	17,799	2.14	1.0	93.15	119	128	318
	Far East Dallas	52	12,853	1.50	-2.0	92.66	-147	38	0
	Intown Dallas	147	33,179	2.20	-1.5	92.66	73	108	2,127
	Northeast Dallas	108	28,819	1.51	-2.6	90.89	-244	0	825
	Oak Lawn / Park Cities	65	13,696	2.41	-0.7	92.74	-13	16	136
	Central Total	448	106,343	1.95	-1.3	92.3	-212	290	3,406
	NORTH	Addison/ Bent Tree	98	27,628	1.71	-2.0	93.54	-152	37
Allen / McKinney		90	25,729	1.70	4.5	93.30	1,078	1,336	6,214
Central / East Plano		67	18,557	1.69	-2.1	93.79	628	834	405
Far North Dallas		87	27,156	1.64	-4.8	91.66	-127	47	850
Frisco		91	28,887	1.79	-3.6	93.34	1,221	1,415	4,633
North Dallas		48	12,474	1.71	-2.6	92.68	-14	0	239
Richardson		61	16,527	1.75	-3.0	93.39	124	267	444
West Plano		56	17,977	1.91	-3.6	93.77	-47	0	264
North Total		598	174,935	1.73	-2.0	93.2	2,711	3,936	13,419
NORTHEAST	Garland	83	17,782	1.58	-1.6	92.57	-147	57	704
	Hunt County	8	1,043	1.35	4.1	95.69	-52	0	152
	Rockwall / Rowlett / Wylie	31	7,744	1.70	-3.8	91.63	451	579	919
	Northeast Total	122	26,569	1.60	-2.0	92.4	252	636	1,775

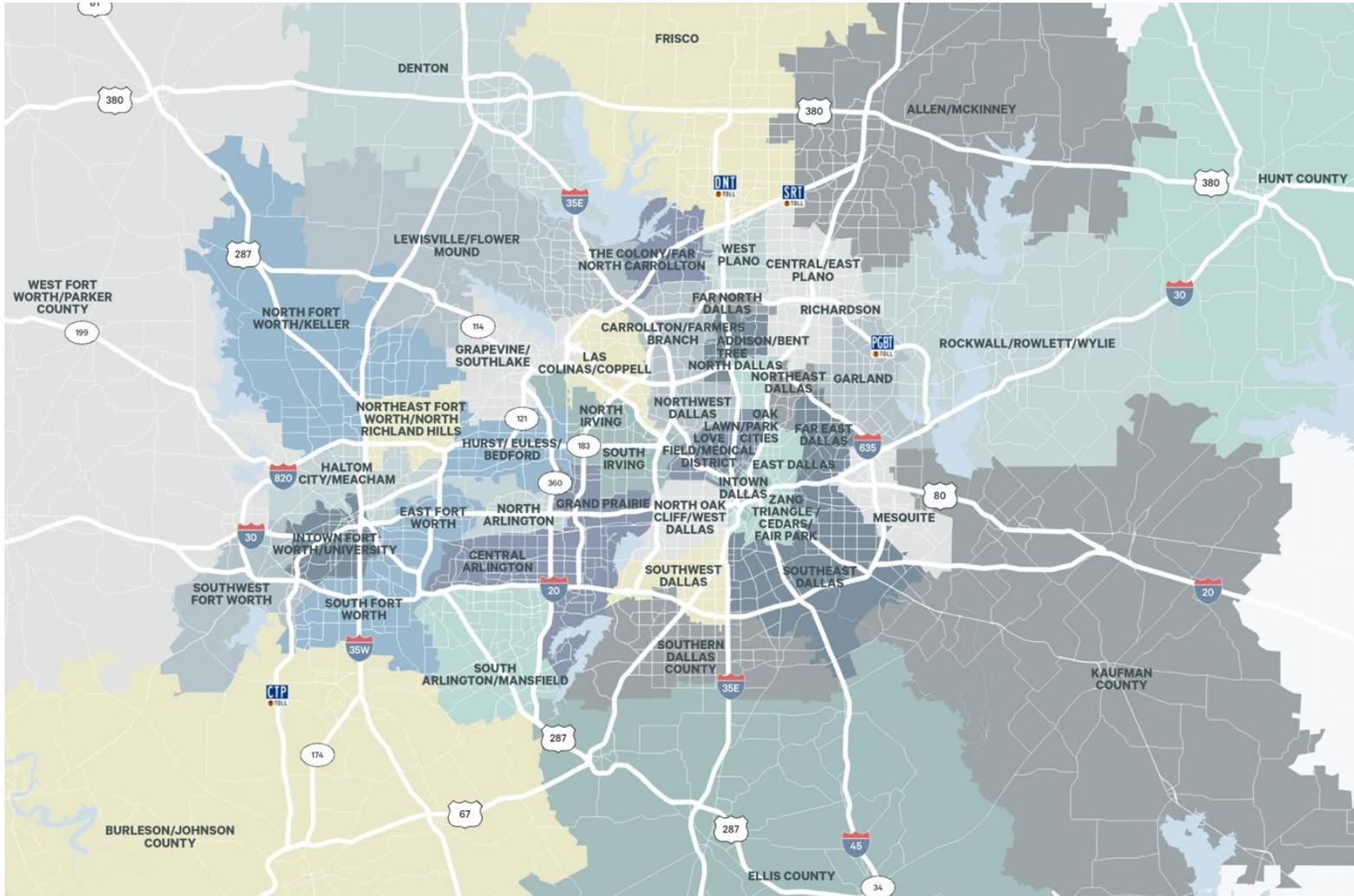
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SOUTHEAST	Kaufman County	12	2,480	1.63	-1.3	93.31	29	54	985
	Mesquite	45	10,530	1.53	0.9	92.72	-31		
	Southeast Total	57	13,010	1.55	0.5	92.8	-2	54	985
SOUTH	Ellis County	39	5,153	1.60	-0.6	92.72	339	338	1,170
	Southeast Dallas	38	7,981	1.45	0.3	94.10	138		
	Southern Dallas County	48	12,086	1.55	0.5	91.68	26	0	65
	Zang Triangle / Cedars / Fair Park	21	3,913	1.56	-0.3	94.10	48	71	360
	South Total	146	29,133	1.53	0.1	92.9	551	409	1,595
SOUTHWEST	Grand Prairie	73	18,877	1.65	-3.0	92.06	524	709	773
	North Oak Cliff / West Dallas	46	9,175	1.82	-1.0	93.65	456	454	1,596
	Southwest Dallas	48	12,086	1.41	0.3	90.87	138	180	546
	Southwest Total	167	40,138	1.62	-1.5	92.1	1,118	1,343	2,915
NORTHWEST	Carrollton / Farmers Branch	74	17,809	1.76	-1.2	93.90	47	109	300
	Denton	87	14,329	1.65	-2.1	92.86	437	457	2,367
	Las Colinas / Coppell	77	27,377	1.88	-2.8	93.24	272	340	939
	Lewisville / Flower Mound	106	27,610	1.70	-2.9	93.31	768	920	813
	Love Field / Medical District	32	7,371	1.84	-2.8	91.94	26	144	785
	North Irving	40	10,735	1.66	-2.9	91.14	-54		
	Northwest Dallas	34	8,088	1.68	4.8	93.69	-10		
	South Irving	76	15,931	1.57	-1.2	94.47	72		
	The Colony / Far North	46	17,299	1.74	-1.8	93.31	166	216	1,025
	Northwest Total	572	146,549	1.73	-1.8	93.2	1,724	2,186	6,229

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CENTRAL	Intown Fort Worth / University	78	17,432	1.77	-3.5	92.03	252	435	1,321
	Central Total	78	17,432	1.77	-3.5	92.0	252	435	1,321
NORTH	Haltom City / Meacham	36	6,821	1.59	-1.6	92.11	41	105	527
	North Fort Worth / Keller	47	12,436	1.63	-3.6	93.16	321	376	1,057
	North Total	83	19,257	1.61	-2.9	92.8	362	481	1,548
NORTHEAST	Grapevine / Southlake	33	9,481	1.80	-1.4	94.59	-16		
	Hurst / Euless / Bedford	115	28,309	1.66	-1.0	93.02	-104		93
	Northeast Fort Worth / North Richland Hills	53	14,323	1.56	-2.6	92.30	273	197	351
	Northeast Total	201	52,113	1.65	-1.5	93.1	153	197	444
EAST	Central Arlington	81	15,927	1.53	-0.8	92.07	17	156	181
	East Fort Worth	43	7,833	1.36	-0.1	89.61	50		
	North Arlington	63	15,223	1.61	-1.7	91.26	-69	0	57
	South Arlington/Mansfield	41	9,739	1.70	-2.2	92.19	45	50	254
	East Total	228	48,722	1.56	-1.2	91.4	43	206	492
SOUTH	Burleson/Johnson County	30	4,655	1.53	-4.1	92.46	494	531	416
	South Fort Worth	29	6,274	1.44	-0.4	91.11	-86	177	1,848
	South Total	59	10,929	1.48	-1.9	91.7	408	708	2,264
WEST	Southwest Fort Worth	68	16,699	1.43	-2.7	91.01	-187		
	West Fort Worth/Parker County	36	6,662	1.50	-1.9	91.49	263	320	1,103
	West Total	104	23,361	1.45	-2.4	91.1	76	320	1,103
DALLAS TOTAL		2,110	536,677	1.74	-1.63	92.86	6,142	8,854	30,324
FORT WORTH TOTAL		753	171,814	1.60	-1.94	92.13	1,294	2,347	7,208
DALLAS/FORT WORTH TOTAL		2,863	708,491	1.71	-1.7	92.50	7,436	11,201	37,532

Market Area Overview



CBRE MULTIFAMILY

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