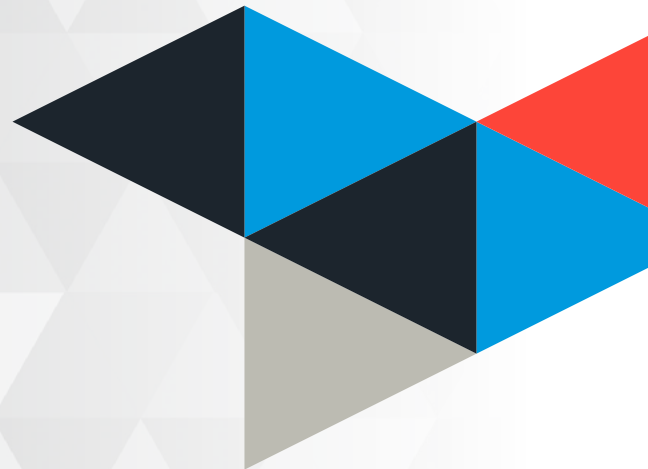




NORTHWEST DALLAS

MULTIFAMILY SUBMARKET REPORT



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NORTHWEST DALLAS

Multifamily Market Report

Q1 2023



MARKET INVENTORY



93.34%

Current Occupancy Rate



161

Properties



26,284

Units



\$189,000

Avg. Price/Unit



\$1,435

Avg. Rent/Unit

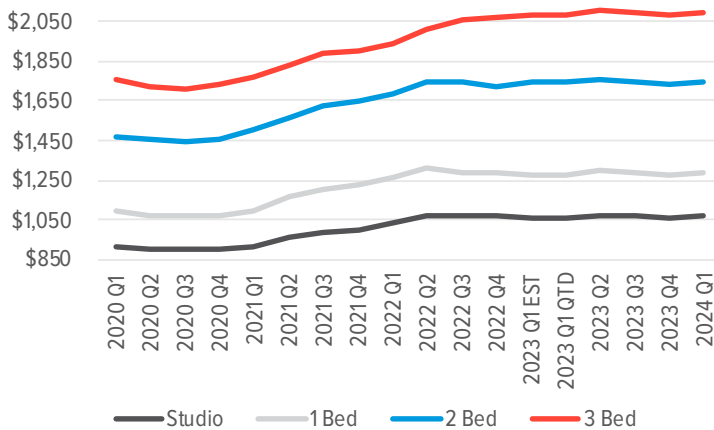
Submarket Overview

Northwest Dallas is a growing submarket within urban Dallas. Anchored by the Southwestern Medical District, it is home to plenty of well-paying jobs and extends along the Dallas North Tollway from the trendy Uptown/Park Cities Submarket. Several restaurant and nightlife destinations fall in the area, along with Maple and Oak Lawn and within the Design District, making this area attractive to renters. Developers have added several new projects in and around the Southwestern Medical District and south of Love Field in the past five years, taking advantage of infill opportunities. Northwest Dallas boasts several transit options, and transit-oriented development is prevalent.

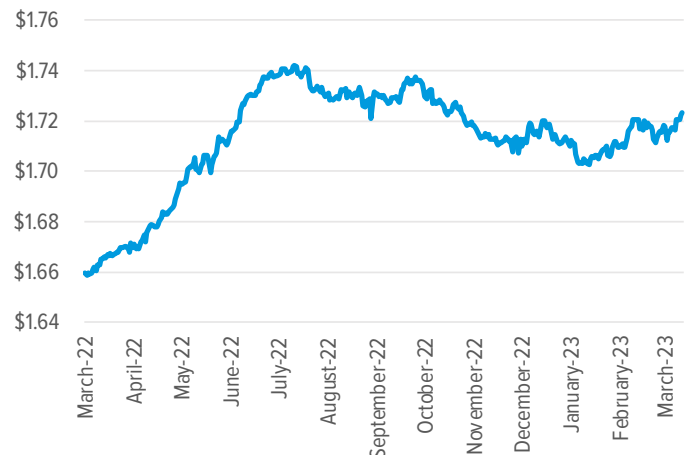
Rent Growth

Rent growth pace softened last year, landing closer to pre-crisis norms at 4.8%. With surging demand last year, rent growth in NW Dallas registered the best performance on record in 2021. NW Dallas has a few distinct pockets of inventory, each with a unique pricing dynamic. Renters priced out by rents in Uptown/Park Cities who still want a live/work/play environment often opt for NW Dallas. The unit mix caters to this cross-section of renters in Dallas, as about two-thirds of all units are one-bedrooms or studios. Class A assets command one of the highest rent premiums in the metroplex, roughly 50% at about \$1,450/mo, versus Class B properties below \$925/mo. Developers are also honing in this area, so competition will keep price increases muted.

Market Rent Per Unit by Bedroom



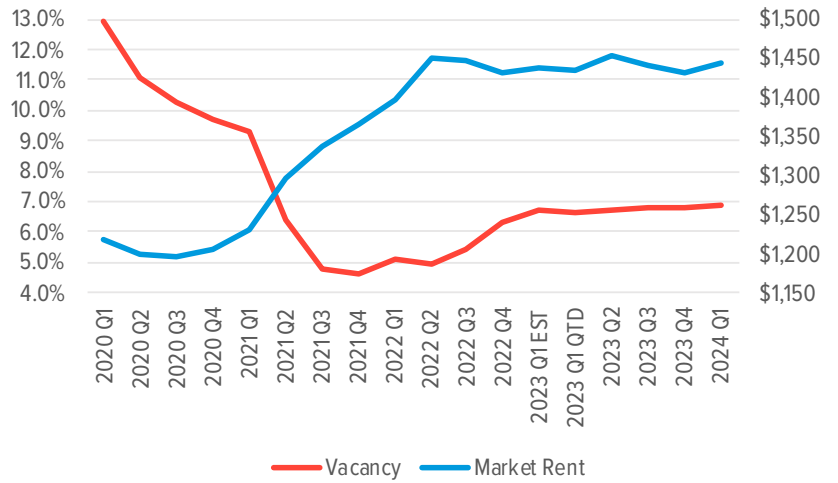
Daily Asking Rent/SF



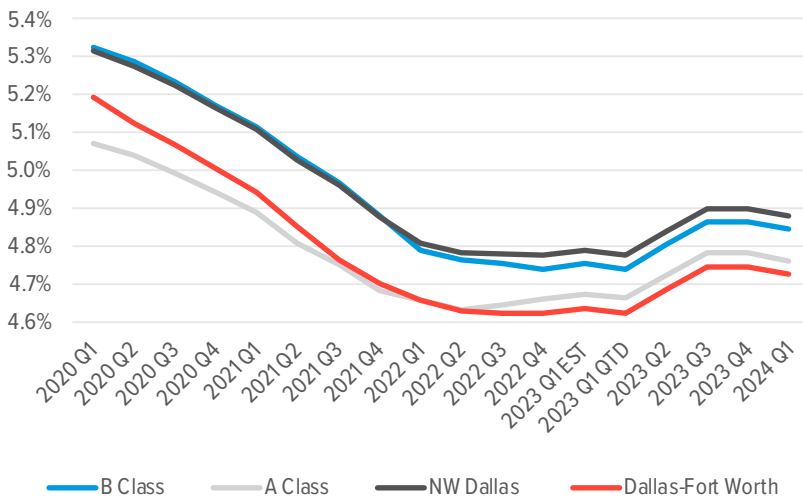
New Deliveries

Over the next twelve months, Northwest Dallas is expected to see a net delivery of just under 310 units in the submarket. This is a net increase of 27.32% compared to last year with only 243 units under construction. New construction has saturated the area, growing the area inventory by 35% since 2010.

Vacancy & Market Asking Rent/Unit



Market Cap Rate

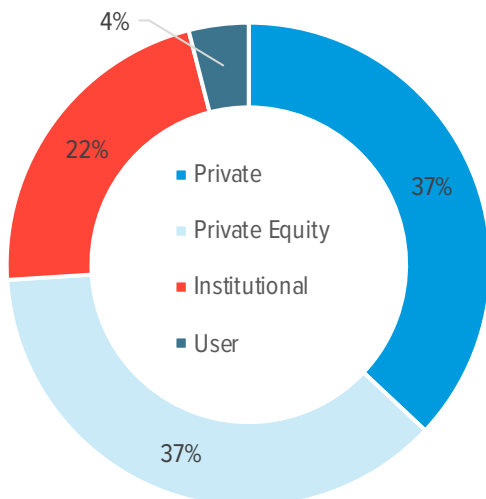


Sales Trends

Northwest Dallas is a frequent target for many investors. The submarket typically ranks among the most liquid, with capital chasing a combination of mid-tier and newer, higher-end assets. Given a wave of interest from investors over the past two years, market prices have increased rapidly, up 30% over the past two years.

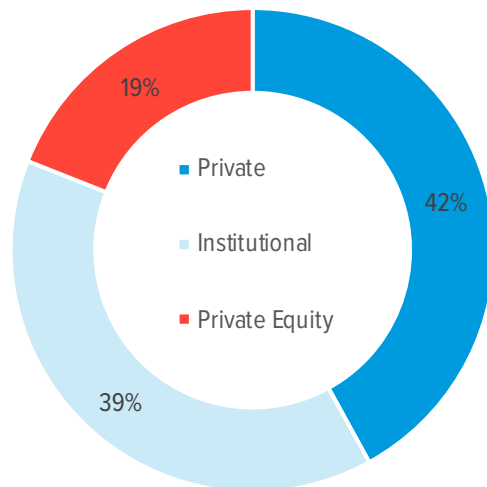
Sales Volume by Buyer Type

(Past 3 Years)



Sales Volume by Seller Type

(Past 3 Years)



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