



MULTIFAMILY INSIGHTS REPORT

Dallas-Fort Worth

May/June 2024

DFW Occupancy & Rental Rates

as of April 15, 2024

YOC	Occ Rate	T-12	Absorption
1800-1949	83.0%	-9.4%	-76
1950-1969	86.6%	-3.8%	-434
1970-1979	90.0%	-1.2%	-196
1980-1989	89.2%	-2.0%	-422
1990-1999	92.8%	-0.5%	-156
2000-2019	92.3%	-1.1%	-291
2020-2024	62.7%	-9.7%*	1,250*
All	89.4%	-2.1%	68

YOC	Eff Rate	T-12	YoY Δ
1800-1949	\$1,183	-3.5%	(\$42)
1950-1969	\$1,223	3.5%	\$42
1970-1979	\$1,229	-0.7%	(\$9)
1980-1989	\$1,263	-2.5%	(\$33)
1990-1999	\$1,607	-2.8%	(\$47)
2000-2019	\$1,787	-3.1%	(\$58)
2020-2024	\$1,814	-2.8%*	(\$54)*
All	\$1,498	-3.4%	(\$53)

*vs. 6 months end of October 2023

Source: ALN, 20+ units, excludes Senior and Student

UNEMPLOYMENT & WAGES

- DFW, TX Unemployment Rate is at 4.10% (as of February 2024), compared to 3.90% last month and 4.10% last year. This is nearly 30% lower than the long-term average of 5.16%.
- Average weekly wages for all industries by county, third quarter 2023 (U.S.= \$1,334; DFW Area = \$1,423)

County	Avg. Weekly Wages
Dallas, Collin	\$1,400 or more
Tarrant, Somervell	\$1,200-\$1,399
Wise, Denton, Hunt	\$1,100-\$1,199
Parker, Hood, Johnson, Ellis, Kaufman, Rockwall	\$1,099 or less

Source: U.S. BLS, Quarterly Census of Employment and Wages.

APPRAISAL VALUE SPIKES (DALLAS COUNTY)

- Multifamily values are up 20% per DCAD estimates, indicating a disconnect between how owners and the DCAD see market conditions.
- Due to transaction volume being down 58% last year as interest rates rose, appraisers are using cap rates from more than a year ago to determine values, which does not give an accurate representation of the market.
- However, protests and the litigation process usually lower commercial values. (Last year over \$9B was reduced from preliminary assessments according to O'Connor Tax Reduction Experts.)
- Even with values up double digits, most owners will be able to find an agreement with the CAD through this process.

AFFORDABLE HOUSING

- The Dallas area's affordable housing sector is experiencing a surge in investment, driven by population growth and federal subsidies.
- However, the gap between demand and supply continues to widen, with a shortage of 33,600 rental homes for low-income households, projected to reach 83,500 units by 2030.
- Despite efforts such as tax credits and city incentives, developers struggle to keep pace due to rising costs and rapid population growth.
- A \$61M bond proposition aims to address this, but recent development fee increases pose a challenge to affordable housing initiatives.
- Advocates emphasize the need to distinguish between market-rate and affordable housing in policy decisions to effectively tackle the crisis.

NEW CONSTRUCTION FALLING

- Construction starts in the DFW area experienced a 14% decrease in 2023 compared to the previous year, primarily due to rising interest rates and tightened lending conditions.
- In 2023, DFW builders proceeded with \$14.2 billion of commercial and apartment projects, according to estimates from Dodge Construction Network.
- In 2022, there was \$16.4 billion worth of activity, representing a 48% increase over the figures from 2021 and more than twice the amount recorded in 2020.
- Multifamily building dropped by 18% in 2023, while commercial starts slumped by 11%.

JOB GROWTH

- According to the Texas Workforce Commission, Texas gained over 270,000 jobs between March 2023 and March 2024.
- With a 2% annual growth rate, it marks the most substantial rise in nonfarm employment nationwide.