



MULTIFAMILY INSIGHTS REPORT

Dallas-Fort Worth

May/June 2024

DFW Occupancy & Rental Rates

as of June 15, 2024

YOC	Occ Rate	T-12	Absorption
1800-1949	86.3%	-1.0%	-7
1950-1969	86.9%	-2.6%	-281
1970-1979	90.2%	-0.7%	-116
1980-1989	88.7%	-2.3%	-483
1990-1999	93.0%	0.0%	-8
2000-2019	92.5%	-1.0%	-261
2020-2024	58.6%	-13.5%	908
All	89.4%	-2.1%	197

YOC	Eff Rate	T-12	YoY Δ
1800-1949	\$1,210	-0.9%	(\$11)
1950-1969	\$1,213	2.0%	\$23
1970-1979	\$1,230	-1.0%	(\$11)
1980-1989	\$1,254	-4.4%	(\$58)
1990-1999	\$1,607	-3.1%	(\$52)
2000-2019	\$1,795	-3.5%	(\$65)
2020-2024	\$1,840	0.4%	\$7
All	\$1,540	-1.0%	(\$16)

*vs. 6 months end of December 2023
Source: ALN, 20+ units, excludes Senior and Student

RENT DECLINES LEVEL OUT

- According to CoStar, rents increased 0.2% from March to April, which marks the fourth consecutive monthly increase in DFW.
- Despite ongoing negative annual rent growth in DFW, there is an upward trend in demand which is gaining momentum.
- In Q1, 4,960 units were occupied by renters, marking the highest Q1 performance since 2019 (excluding the anomaly of rent demand in 2021). With the busy leasing season going into Q2, over 4,000 units have already been filled.
- With demand increasing, rent growth is projected to follow, which will gradually help the stabilization of the supply-demand gap. The latest monthly outcomes align with CoStar's predictions, indicating a rise in rents in the DFW area through the year's end.

NEW PEAK SUPPLY

- "Annual supply is expected to peak in D-FW at the end of the year at roughly 38,000 units. Construction delays may push the peak back a quarter or two. The high point is expected to come anywhere between end of 2024 and summer 2025", said Carl Whitaker, RealPage's chief economist.
- There will be an inevitable decrease in supply with developers constructing fewer units due to material costs and interest rates.
- Construction has already slowed significantly, with developers starting 24,000 units for the year ending February 2024, which is down 50% compared to the previous year, as per RealPage data.

JOB GROWTH

- Over the past year, Texas employers have seen a robust increase of 306,000 job opportunities.
- Texas is outpacing the nation in job growth, boasting a year-over-year growth rate of 2.2%, surpassing the national average by 0.4 percentage points.
- According to the latest data from the Texas Workforce Commission, April marked the state's 37th consecutive month of positive annual job growth.

UNEMPLOYMENT & WAGES

- DFW, TX unemployment rate is at 3.90% (as of March 2024), compared to 4.10% last month and 3.80% last year. This is nearly 24% 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.