

MULTIFAMILY INSIGHTS REPORT

Dallas-Fort Worth

June / July 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

UNEMPLOYMENT & WAGES

- DFW, TX unemployment rate is at 3.40% (as of April 2024), compared to 3.90% last month and 3.30% last year. This is nearly 34% 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.

MULTIFAMILY RENT GROWTH

- According to CoStar, annual rents in the DFW multifamily market dropped 1.5% YoY by mid-2024.
- DFW reports six continuous months of modest rent growth due to increased demand to fill new construction units completed this past year.
- Numerous submarkets in DFW are grappling with sluggish rent growth due to high availability, intensifying competition among apartments. About 38% of multifamily property owners have offered tenants concessions, such as four weeks free on a 12-month lease.
- Rent recovery is anticipated in the coming year as construction slows, with 2025 likely to be the slowest year for completed units in about a decade.
- Accelerated demand through midyear is stabilizing the supply-demand gap. If this trend continues, rent growth could approach 3% by 2025, with the potential for more robust performance.
- Despite a shrinking pipeline, the market requires additional supply to meet demand driven by population growth and migration.

HOUSING AFFORDABILITY

- Richardson-based real estate software company RealPage, Inc. recently issued a news release titled "Statement from RealPage: The Real Story."
- AI-enabled platform faced scrutiny since October 2022 when allegations surfaced that its algorithms facilitated rent increases and potential collusion among landlords. Several lawsuits followed, accusing RealPage of rent-fixing practices.
- RealPage responded by emphasizing that landlords, not the platform, determine rental prices and highlighting the real issue as housing affordability.
- "Housing affordability, including the lack of affordable rental housing, is a critically important national problem created by a host of complex economic and political forces," said RealPage.
- Its listed reasons are as follows: "persistent undersupply of rental housing units; increasing demand for rental housing in many areas of the country; inflationary pressures that affect costs to build, insure and manage housing properties; inefficient or unnecessarily onerous permit and zoning requirements; higher mortgage rates and home prices driving more people to rent rather than own their own homes; and changes in where and how people choose to live."

JOB GROWTH

- DFW employment expanded an annualized 6.0% (20,700 jobs nonannualized) in April.
- Payrolls in Dallas rose an annualized 6.5% (16,100), and Fort Worth employment grew 4.7% (4,600).
- In May, Texas saw an increase of nearly 42,000 jobs, according to the Texas Workforce Commission, slightly fewer than April's gain.
- This brought the state's total nonfarm employment to 14,195,600. Of the 35,900 people who joined the labor force, 32,500 found employment, mirroring the previous month's figures.
- Since May 2023, over 200,000 individuals have entered Texas' workforce, solidifying the state's leading position in year-over-year job growth, as Commission Chairman Bryan Daniel noted.