DALLAS-FORT WORTH, TX
MULTIFAMILY REPORT

2024 | MID-YEAR

Jobs Added / Lost*

LAST 12 MONTHS

76,000

1.8%

Unemployment*

JUNE 2024

3.8%

10 BPS YOY

**Seasonally Adjusted*

DALLAS-FORT WORTH, TX

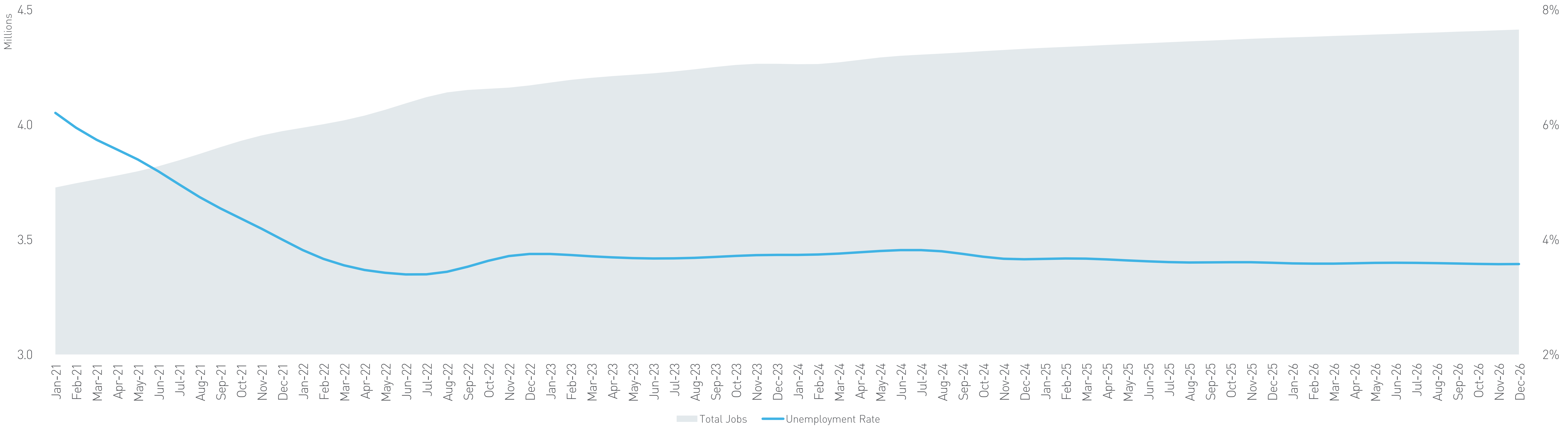
EMPLOYMENT

With the addition of 76,000 jobs in the 12 months through June 2024, Dallas-Fort Worth employers raised the employment level 1.8%. The metro's explosive population incline between 2020 and 2023 prompted significant growth and hiring among the metro's third-largest job sector. The private education and healthcare sector spearheaded the expansion, with 16,900 new positions added from June 2023 through June 2024. Many new jobs resulted from health provider's focus on providing care in rural communities and expanding or refurbishing existing facilities in growing areas. For medical providers, increased demand for care spurred by population growth is beneficial for counteracting rising costs for new technology and debt services. Methodist Health is one such example, with the $46 million expansion of the Richardson Medical Center that expanded patient capacity from 60,000 to 90,000 annually and increased the employee count by 300 workers. The nearly $12 billion allocated to mental health facilities in 2023 created additional opportunities for new outpatient facility development as patient demand overwhelmed existing locations. Providers like Medical City Alliance began preparing smaller outpatient facilities, such as the one opening in 2024 in Alliance, as many Dallas-Fort Worth residents resorted to emergency rooms at larger hospitals due to the absence of available mental health specialists. Given the number of prominent medical projects set to be completed in 2025 and 2026, the healthcare and education sector should remain eminent to the metro's employment growth.

In the News

- Methodist Health Richardson Hospital to grow staff by 300 when open in Fall 2024
- Children's Health and UT Southwestern partner for new pediatric campus
- Siemens $150 million Fort Worth plant will create 700 jobs by 2025

Employment Trends



Source: Moody's Analytics

2024 YEAR TO DATE

DELIVERIES
23,705 UNITS

ABSORPTION
19,012 UNITS

2024 TOTAL*

DELIVERIES
46,422 UNITS

ABSORPTION
46,759 UNITS

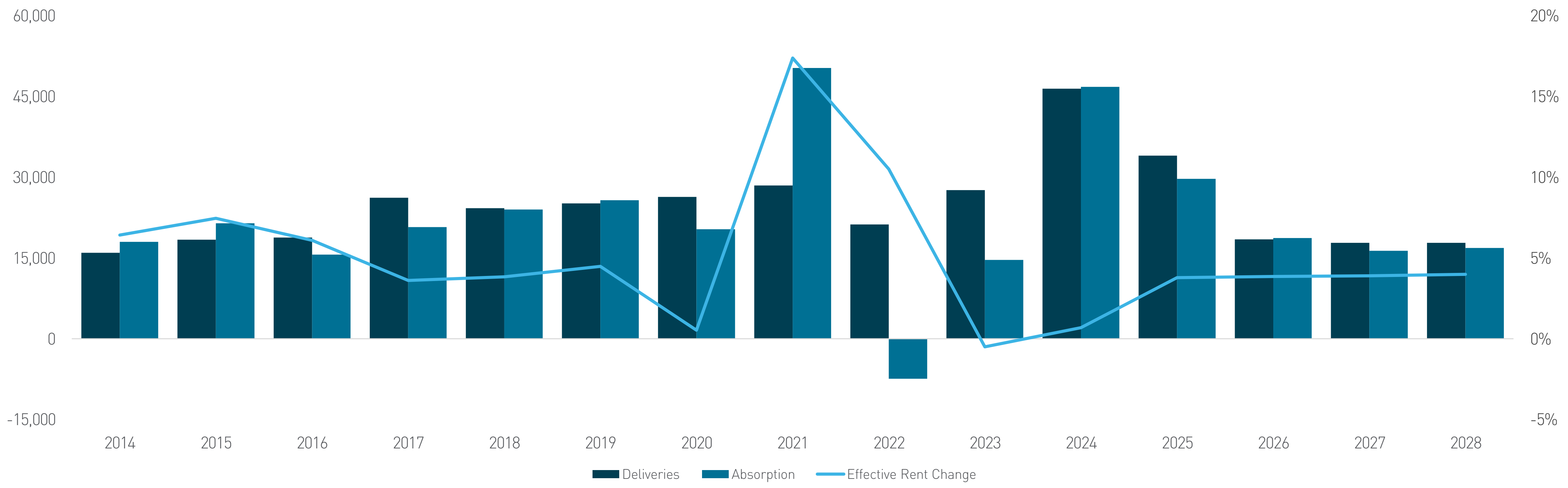
**Projected*

DALLAS-FORT WORTH, TX

DELIVERIES & ABSORPTION

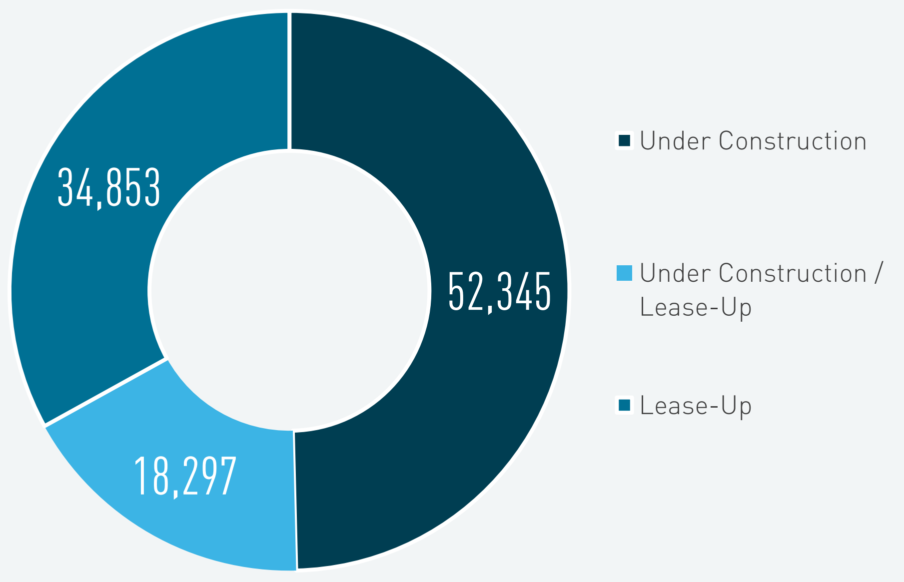
Dallas-Fort Worth outranked all other multifamily markets in year-to-date supply volume and net move-ins. Dallas-Plano-Irving's year- to-date supply and net absorption alone were enough to eclipse all other multifamily markets. During the first half of 2024, developers brought 23,705 new units to market as renters moved into 19,012 more units than moved out. The Dallas-Plano-Irving area's inventory increased 4.3% annually and accounted for 78.4% of total metro new supply. The Fort Worth-Arlington area's inventory increased 4.4% and accounted for the remaining 21.6% of total new inventory gained over the same period. Northern suburban submarkets Collin, Denton, and Tarrant Counties dominated demand, with Frisco, Allen/McKinney, Lewisville/Flower Mound, Denton, and North Fort Worth/ Keller charting in the top five with a combined 8,514 net move-ins. There is no reason renters would not continue to flock to these areas; with great school systems in place, proximity to major employers, and the increased concentration of urban amenities underway, these locations provide the perfect balance between work and play for millennials unable to afford homes in these desirable locations. Activity leader Frisco is reaping the success of the PGA of America headquarters, as it has spurred interest and further development in the northern part of the submarket. The halo effect includes $10 billion in capital investment and 10 million square feet of development.

Deliveries, Absorption, & Effective Rent Change

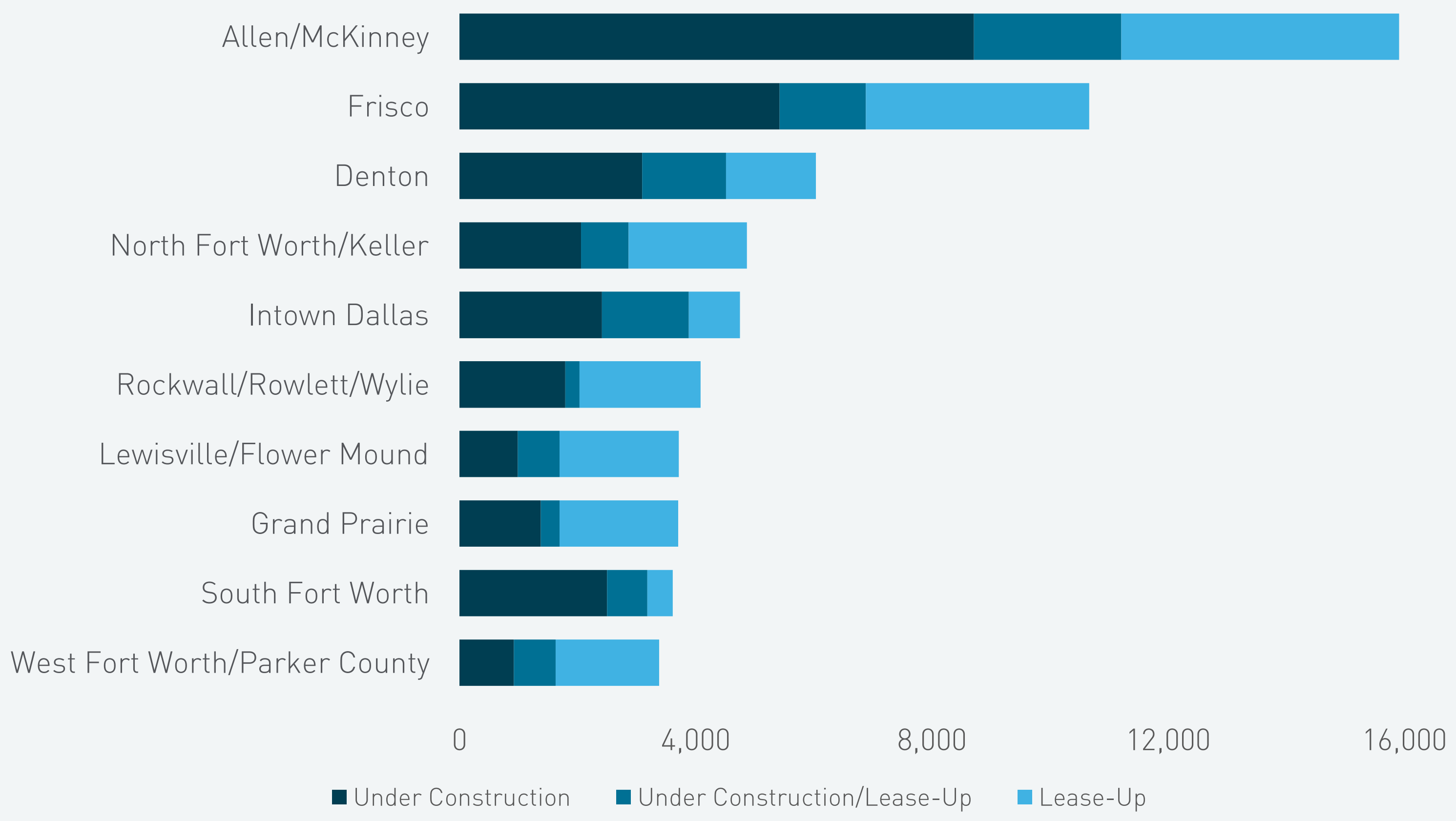


Source: RealPage

Market Pipeline



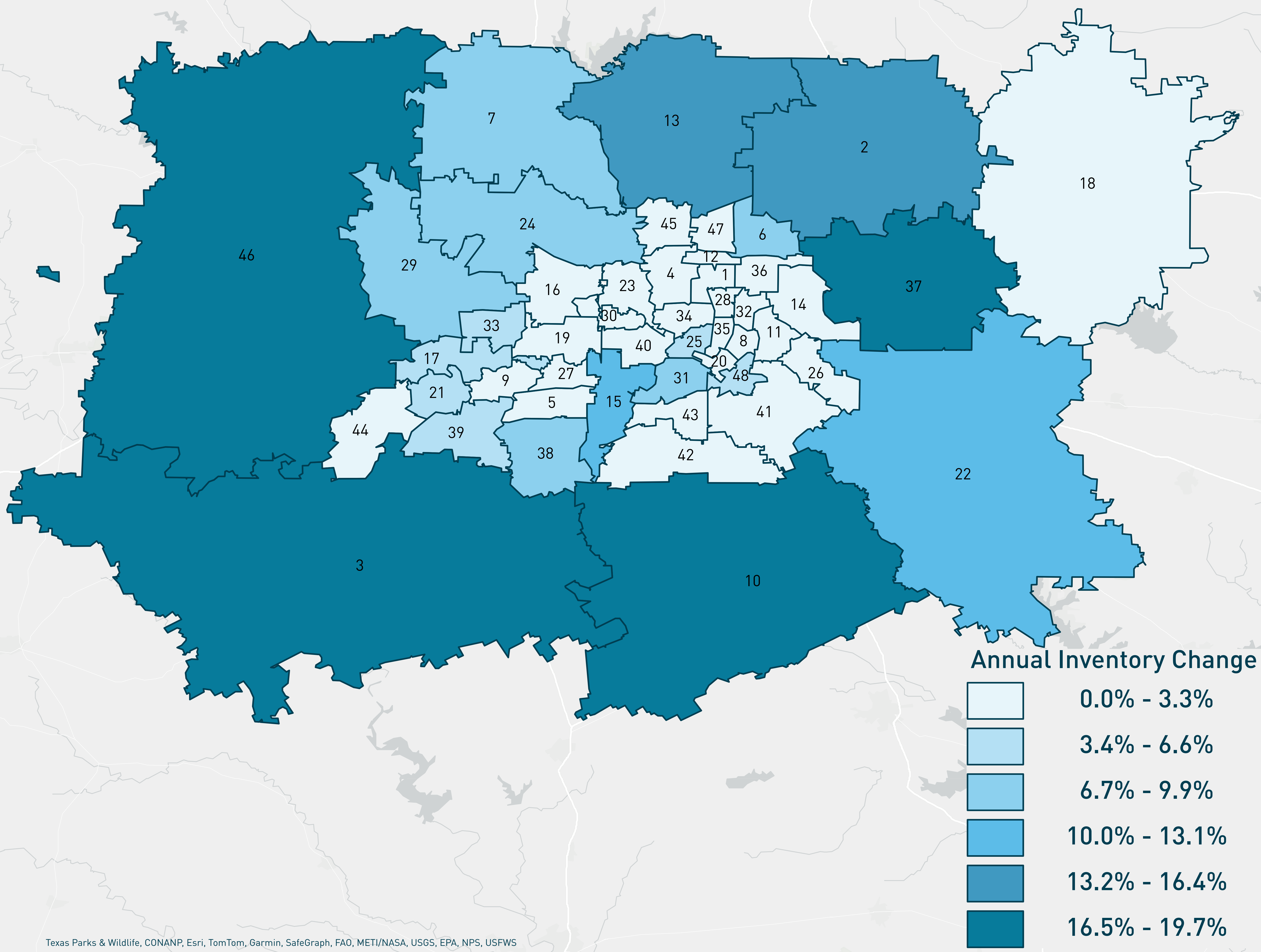
Top Submarket Pipelines



Outer lying suburban submarkets posted the highest annual inventory gains. West Fort Worth/Parker County led with a 19.7% inventory increase annually, followed by 18.8% in Ellis County, 17.8% in Rockwall/Rowlett/Wylie, 16.7% in Burleson/Johnson County, and 14.7% in Allen/McKinney. Except for Burleson/Johnson County, each submarket is within a county that was recognized nationally or statewide for population increases between 2022 and 2023. Rockwall and Ellis Counties ranked among the top 10 in the nation for population growth rate, at 6.5% and 4.9%, respectively. Collin County, where the Allen/McKinney submarket is located, ranked second in the nation for largest gaining counties. Though Parker County did not rank among the top 10 nationally, its 4.6% population growth positioned it as the ninth fastest-growing county in the state during the same period.

DALLAS-FORT WORTH, TX

SUBMARKET MID-YEAR 2024 ANNUAL INVENTORY CHANGE



SUBMARKET BOUNDARIES

1. Addison / Bent Tree
2. Allen / McKinney
3. Burleson / Johnson County
4. Carrollton / Farmers Branch
5. Central Arlington
6. Central / East Plano
7. Denton
8. East Dallas
9. East Fort Worth
10. Ellis County
11. Far East Dallas
12. Far North Dallas
13. Frisco
14. Garland
15. Grand Prairie
16. Grapevine / Southlake
17. Haltom City / Meacham
18.Hunt County
19. Hurst / Euless / Bedford
20. Intown Dallas
21. Intown Fort Worth / University
22. Kaufman County
23. Las Colinas / Coppell
24. Lewisville / Flower Mound
25. Love Field / Medical District
26. Mesquite
27. North Arlington
28. North Dallas
29. North Fort Worth / Keller
30. North Irving
31. North Oak Cliff / West Dallas
32. Northeast Dallas
33. Northeast Fort Worth / North Richland Hills
34. Northwest Dallas
35. Oak Lawn / Park Cities
36. Richardson
37. Rockwall / Rowlett / Wylie
38. South Arlington / Mansfield
39. South Fort Worth
40. South Irving
41. Southeast Dallas
42. Southern Dallas County
43. Southwest Dallas
44. Southwest Fort Worth
45. The Colony / Far North Carrollton
46. West Fort Worth / Parker County
47. West Plano
48. Zang Triangle / Cedars / Fair Park

Effective Rent

Q2 2024

$1,515

1.9% YOY

Occupancy

Q2 2024

92.6%

80 BPS YOY

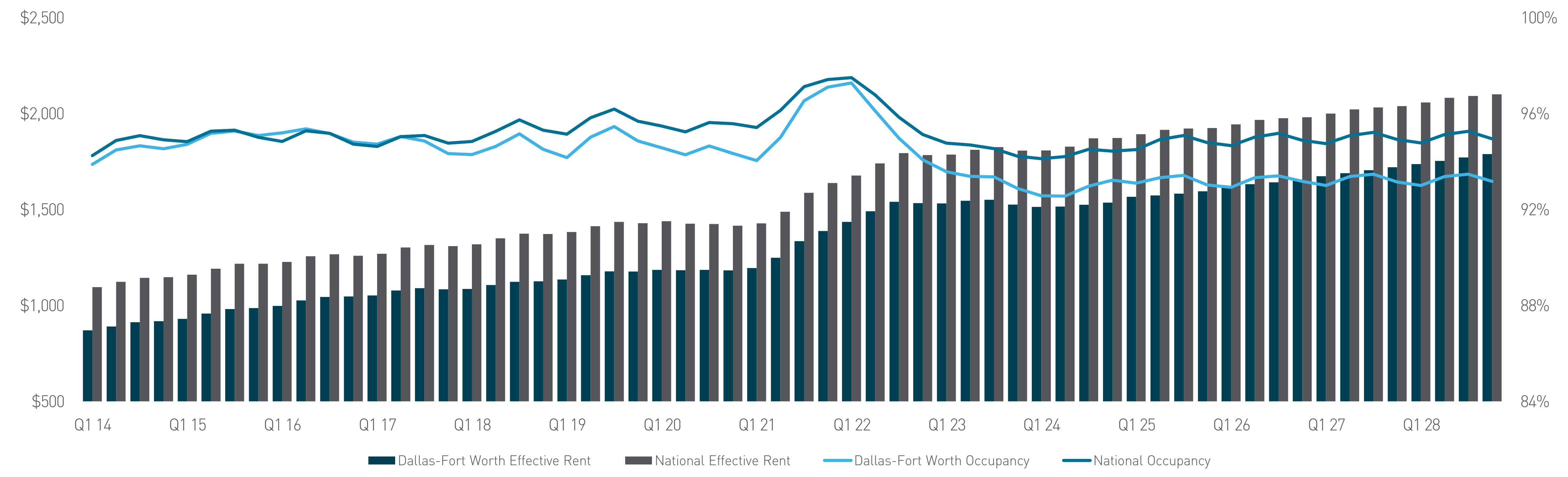
DALLAS-FORT WORTH, TX

RENT & OCCUPANCY

Dallas-Fort Worth was second to only Austin in Texas with a 4.3% inventory increase annually, and the resulting supply-side pressure negatively impacted rent and occupancy in the second quarter: occupancy dipped 80 basis points to 92.6% as rent decreased 1.9% annually to $1,515. Occupancy losses tended to be higher in bedroom submarkets with significant inventory increases without substantial employer or amenity bases. Submarkets that have built up live-work-play offerings fared better. Two of the three submarkets that posted annual occupancy increases in the second quarter, Rockwall/Rowlett/Wylie and North Fort Worth/Keller, bordered two of the submarkets with the largest annual occupancy losses.

Comparing local economic and amenity offerings may suggest that residents may have taken a flight to quality approach and moved to neighboring submarkets that had better amenities or newer units. For example, Rockwall/Rowlett/Wylie's occupancy increased the most at 40 basis points annually to 92.0% in the second quarter. This submarket directly borders Hunt County, which experienced the greatest occupancy loss during the same period. Compared to Hunt County, Rockwall/Rowlett/Wylie offers better unit quality, as all of Hunt County's inventory is Class B and Class C, greater proximity to employment centers in Garland, Richardson, Plano, and Allen, and has a greater retail and entertainment selection, particularly around the Firewheel Town Center.

Dallas-Fort Worth vs. National Effective Rent & Occupancy



Source: RealPage *Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.*

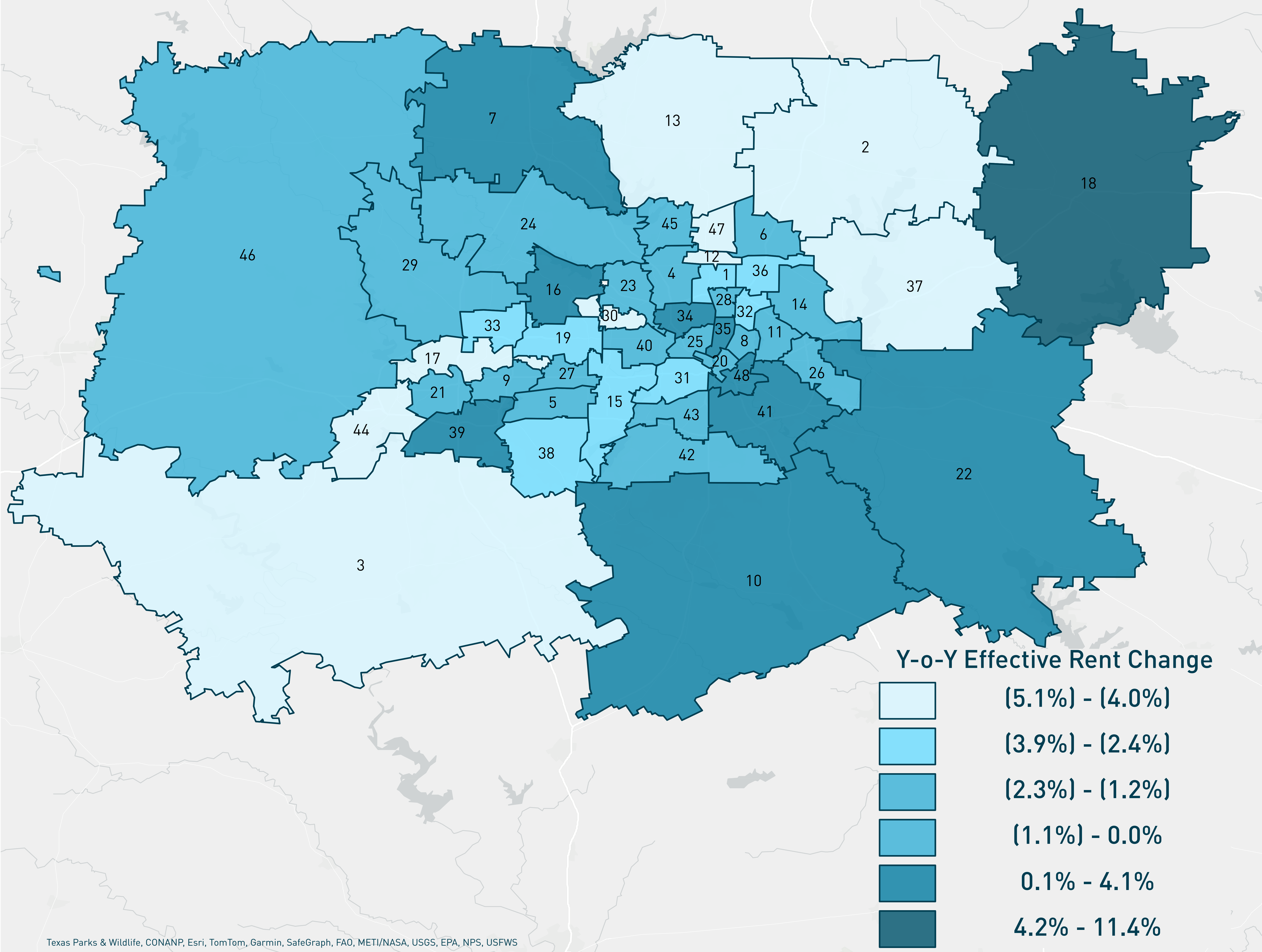
Submarket Performance

SUBMARKET NAME	Q2 2024 OCCUPANCY	YOY (BPS)	Q2 2024 EFFECTIVE RENT	YOY
Addison/Bent Tree	93.3%	-60	$1,532	-2.5%
Allen/McKinney	92.9%	-50	$1,587	-4.7%
Burleson/Johnson County	92.4%	-250	$1,378	-4.6%
Carrollton/Farmers Branch	94.1%	-40	$1,576	-1.8%
Central Arlington	91.8%	-30	$1,282	-0.7%
Central/East Plano	93.4%	-10	$1,602	-0.8%
Denton	92.5%	-160	$1,427	1.0%
East Dallas	93.8%	-60	$1,822	-0.4%
East Fort Worth	88.8%	-160	$1,115	-1.7%
Ellis County	93.1%	-190	$1,468	1.8%
Far East Dallas	92.1%	-10	$1,197	-2.0%
Far North Dallas	91.6%	-120	$1,290	-5.1%
Frisco	93.0%	-90	$1,728	-4.4%
Garland	92.2%	-150	$1,385	-2.2%
Grand Prairie	91.7%	-130	$1,445	-3.5%
Grapevine/Southlake	93.9%	-90	$1,745	1.2%
Haltom City/Meacham	92.2%	-40	$1,290	-4.7%
Hunt County	93.3%	-290	$1,170	11.4%
Hurst/Euless/Bedford	93.2%	-70	$1,396	-2.6%
Intown Dallas	92.9%	-50	$2,122	-0.4%
Intown Fort Worth/University	92.1%	-90	$1,582	-1.8%
Kaufman County	93.6%	150	$1,454	0.4%
Las Colinas/Coppell	92.9%	-50	$1,739	-2.3%
Lewisville/Flower Mound	93.4%	-80	$1,549	-1.9%
Love Field/Medical District	91.4%	-200	$1,532	-2.2%
Mesquite	92.6%	-70	$1,253	-1.4%
North Arlington	91.0%	-170	$1,297	-1.3%
North Dallas	91.7%	-120	$1,437	-1.9%
North Fort Worth/Keller	93.5%	10	$1,617	-0.7%
North Irving	91.1%	-200	$1,376	-4.0%
North Oak Cliff/West Dallas	92.7%	-120	$1,505	-2.6%
Northeast Dallas	90.1%	-230	$1,186	-3.1%
Northeast Fort Worth/North Richland Hills	92.8%	-10	$1,432	-3.1%
Northwest Dallas	94.0%	30	$1,298	4.1%
Oak Lawn/Park Cities	92.7%	-30	$2,369	2.9%
Richardson	93.6%	-20	$1,658	-3.3%
Rockwall/Rowlett/Wylie	92.0%	40	$1,549	-4.3%
South Arlington/Mansfield	92.9%	-40	$1,476	-2.4%
South Fort Worth	92.1%	-80	$1,223	2.0%
South Irving	93.3	-100	$1,304	-0.3
Southeast Dallas	93.7%	-40	$1,170	1.8%
Southern Dallas County	91.8%	-130	$1,361	-0.4%
Southwest Dallas	91.6%	-50	$1,156	-2.0%
Southwest Fort Worth	91.1%	-110	$1,226	-4.1%
The Colony/Far North Carrollton	93.5%	-100	$1,722	-1.3%
West Fort Worth/Parker County	90.8%	-230	$1,317	-1.2%
West Plano	93.7%	-20	$1,745	-4.8%
Zang Triangle/Cedars/Fair Park	93.9%	-80	$1,493	0.7%

Hunt County posted the highest annual increase in effective rent through the second quarter of 2024, at 11.4% and was able to do so because the submarket has the second lowest average effective rent in the metro. Northwest Dallas ranked second with a 4.1% increase, followed by Oak Lawn/Park Cities with a 2.9% increase, South Fort Worth with a 2.0% increase, and Southeast Dallas at 1.8%. All but one of the top five submarkets were able to capitalize on having rents below the metro average. Oak Lawn/Park Cities was the major exception, as the $2,369 per month is the highest rent among all submarkets in the metro. However, this is one of the most desirable submarkets in the Dallas CBD and only posted a 0.7% annual inventory increase. South Fort Worth was the only submarket with a modest inventory increase, at 3.5%. South Fort Worth also benefits from the location, just south of downtown Fort Worth and adjacent to the thriving medical district.

DALLAS-FORT WORTH, TX

SUBMARKET MID-YEAR 2024 ANNUAL RENT CHANGE



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DALLAS-FORT WORTH, TX

SALES

2024 Year to Date*

VOLUME $1.1B	**PRICE PER UNIT (AVG)** $241,753
TRANSACTIONS 15	**CAP RATE (AVG)** 5.0%

What's Trading?*

UNITS (AVG) 341	**YEAR BUILT (AVG)** 2010s
BUILDINGS (AVG) 5	**ACRES (AVG)** 10.76

Top Buyers*

BUYER	LOCATION
KKR	New York, NY
Bell Partners	Greensboro, NC
RPM Living	Austin, TX
Abacus Capital Group	New York, NY
Waterford Property Co.	Newport Beach, CA

Top Sellers*

SELLER	LOCATION
B H Management Services	Des Moines, IA
Knightvest Capital	Dallas, TX
Davis Development	Stockbridge, GA
Cortland	Atlanta, GA
Lennar Corp.	Miami, FL

Source: MSCI Real Capital Analytics
**$50m+*