

DALLAS-FORT WORTH, TEXAS

PENT-UP DEMAND PROJECTED TO EXCEED SURGE OF APARTMENTS IN 2021

The coronavirus and resulting stay-at-home orders in 2020 temporarily stalled the bustling local apartment market that owners and operators had grown accustomed to over the last several years. While apartment demand was positive in all four quarters of 2020, leasing activity fluctuated significantly. By year-end, apartment occupancy averaged 94.2% in the Metroplex, down 60 basis points year over year. The decrease in occupancy was fueled by 26,737 deliveries, a 4.7% year-over-year rise, as net absorption fell 22.4%. The supply imbalance and heightened competitive environment drove concessions higher, pushing average effective rent down 1.6% annually to \$1,168 per month in December. All of this occurred as metrowide employment fell 10.4% from January to May and then bounced back 5.3% from May to December. By year-end 2021, it is anticipated that payrolls in half of the metro's employment sectors will meet or exceed the staffing levels recorded just prior to the pandemic. The job growth will be underpinned by the anticipated net migration of over 57,700 people to the metro area this year, continued corporate and regional relocations, and several large industrial and logistical companies who will hire hundreds of workers. The local apartment market will mirror the rebounding labor market. Apartment deliveries are projected to rise 5.9% year over year with 28,325 completions. Net absorption is forecast to exceed deliveries, resulting in a 30-basis-point increase in occupancy to 94.5% by year-end. Meanwhile, effective rent is expected to increase 0.9% to \$1,179 per month.



2021 MARKET AT A GLANCE



OCCUPANCY RATE

94.5%
Up 30 bps YOY



EFFECTIVE RENT

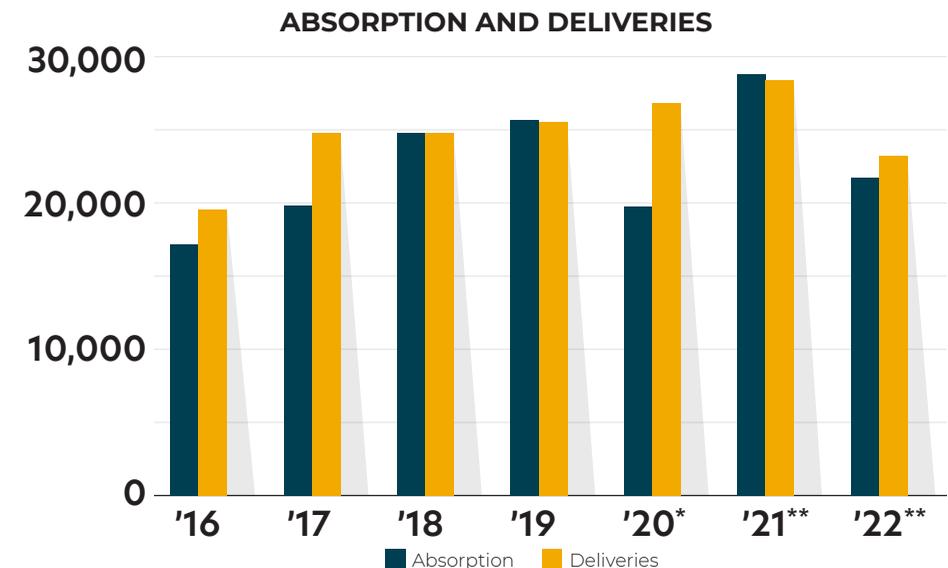
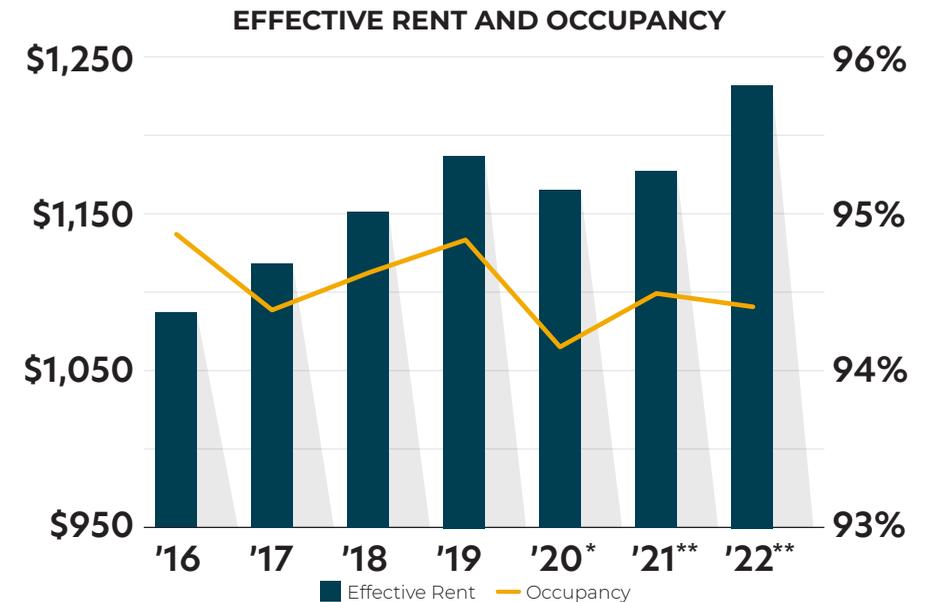
\$1,179
Up 0.9% YOY



RENT SHARE OF WALLET

19.5%
Down 20 bps YOY

MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

DALLAS-FORT WORTH, TEXAS

EMPLOYMENT TRENDS



EMPLOYMENT		2019	YOY CHANGE	2020*	YOY CHANGE	2021**
2019		3,873,600	-4.7%	3,690,300	4.1%	3,841,700

UNEMPLOYMENT RATE		2019	YOY CHANGE	2020	YOY CHANGE	2021
2019		2.4%	370 BPS	6.1%	-50 BPS	5.6%

POPULATION		2019	YOY CHANGE	2020	YOY CHANGE	2021
2019		7,707,700	1.5%	7,825,200	1.5%	7,946,400

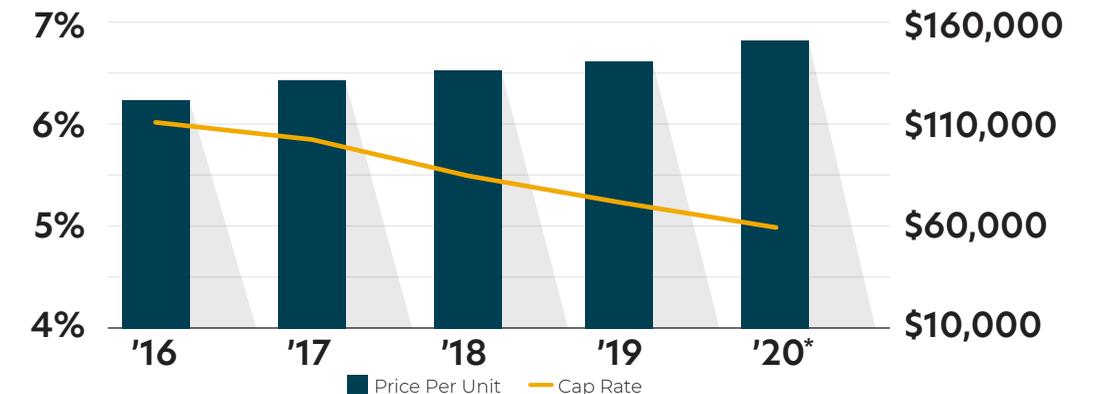
HOUSEHOLDS		2019	YOY CHANGE	2020	YOY CHANGE	2021
2019		2,830,400	1.7%	2,878,400	1.9%	2,932,500

MEDIAN HOUSEHOLD INCOME		2019	YOY CHANGE	2020	YOY CHANGE	2021
2019		\$72,379	-1.6%	\$71,217	2.2%	\$72,750

SALES TRENDS

PRICE PER UNIT		2019	YOY CHANGE	2020*
2019		\$139,140	7.3%	\$149,310

CAP RATE		2019	YOY CHANGE	2020
2019		5.2%	-20 BPS	5.0%



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.